

May 13, 2024

Nancy Marconi
Registrar
Ontario Energy Board
2300 Yonge Street
P.O. Box 2319
Toronto, Ontario
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Dear Ms Marconi

EB-2024-0111 – Enbridge Gas Inc. – Rebasing Application 2024-2028 – Phase 2

On April 26, 2024, the Ontario Energy Board (OEB) issued its Procedural Order No. 1 with respect to Phase 2 of the above-referenced proceeding. The Procedural Order addressed a number of initial procedural matters and set out a draft Phase 2 Issues List. The OEB also made a provision for written submissions on the draft Phase 2 Issues List for the Enbridge Gas Inc. (EGI) proceeding.

These are the submissions of the Consumers Council of Canada (Council) regarding the draft Issues List.

The Council notes that in Procedural Order No. 1 the OEB stated, “To be clear, the Phase 2 issues previously approved in the January 27, 2023 Issues List Decision, as revised by the August 17, 2023 Decision approving the Phase 1 Settlement Proposal, are final. Submissions on the draft Phase 2 issues stemming from the Phase 1 Decision, as identified in the footnotes to the draft Issues List in Schedule A.”¹ The Council is of the view that the draft Issues List appropriately reflects that Decision.

The Council has reviewed the submissions filed by EGI filed on May 6, 2024. In light of these submissions the Council does not support amending the draft Issues List as proposed by EGI with two exceptions. EGI has proposed a “rate implementation” issue to address how the updated rates resulting from the Phase 2 outcomes will be implemented:

- How should the OEB implement any changes to 2024 interim rates resulting from determinations and decisions in Phase 2?

The Council supports the addition of this issue as there may be a range of options regarding the implementation of rates to reflect the Phase 2 Decision. A consideration of that range of options will be important.

EGI has also proposed an additional issue:

¹ EB-2024-0111, Procedural Order No. 1, dated April 26, 2024, p. 2

- What is an appropriate process to approve 2025 rates as soon as possible after the Phase 2 Decision on IRM is appropriate?

The Council is also supportive of including this issue, as there also may be a range of options for the OEB's consideration of rate approval and implementation.

On January 10, 2024, the Heating, Refrigeration, and Air Conditioning Institute of Canada (HRAI) filed a letter with the OEB seeking intervention status in Phase 2 and 3 of EGI's proceeding. The reason for the intervention was to "deal with the effects of a new EGI unregulated activity, being carried out within the regulated activity."²

In addition, HRAI, submitted comments to the OEB regarding the OEB's draft Issues List. Specifically, HRAI expressed concern regarding Enbridge Sustain who is in the business of supplying, installing, servicing, and financing heating and air conditioning systems and power generation and storage systems, including hybrids, ground source and air source heat pumps, solar and storage. It is a competitive business, but it is being carried out as an unregulated ancillary business within the regulated utility. When Enbridge filed its EB-2022-0200 Application in November 2022, Enbridge Sustain was already well advanced and it was not until December 2022 that a public announcement of the Enbridge Sustain initiative was made. It was not brought to the attention of the OEB and parties during the rebasing proceeding.³

HRAI has proposed the following issue for the OEB's consideration:

- Are the existing and planned activities of Enbridge related to Enbridge Sustain, and the proposal to carry on that business as an unregulated ancillary business within the regulated entity, appropriate, and do the terms and procedures under which it is and will be operated fully protect ratepayers?

The Council is supportive of HRAI being accepted by the OEB as an intervenor and supports inclusion of its proposed issue on the Issues List. EGI has not disclosed the existence of Energy Sustain and the OEB has not had an opportunity to consider whether Energy Sustain should be an unregulated ancillary business operating within the regulated utility. The Council notes that EGI was seeking approval of its Natural Gas Vehicle Program in the Phase 1 proceeding. It is not clear why Energy Sustain has not been subject to the same approval process.

From the Council's perspective HRAI has raised a number of important issues. We believe it is imperative that the OEB allow its issue to be included on the Issues List. Specifically, the Council is interested in whether ratepayers are currently cross subsidizing Energy Sustain and if so, how to address any cross-subsidization issues going forward.

Yours truly,

Julie E. Girvan

² Letter from Shepherd Rubenstein to the OEB, dated January 10, 2024

³ Letter from Shepherd Rubenstein to the OEB, dated May 10, 2024, pp. 1-2

Julie E. Girvan

CC: All parties