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## **VIA EMAIL and RESS**

June 6, 2024

Nancy Marconi  
Registrar  
Ontario Energy Board  
2300 Yonge Street, Suite 2700  
Toronto, Ontario, M4P 1E4

Dear Nancy Marconi:

**Re: Enbridge Gas Inc. (“Enbridge Gas” or the “Company”)  
Ontario Energy Board (“OEB”) File No. EB-2023-0261  
Neustadt Community Expansion Project (“Neustadt Project”)  
Cost Claim Objections**

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Pursuant to the OEB’s Decision and Order dated May 23, 2024, Enbridge Gas has reviewed the cost claims received from Environmental Defence (“ED”) and Pollution Probe (“PP”). A summary of the cost claims submitted by ED and PP are provided in Table 1 below.

**Table 1: ED and PP Cost Claims – Amounts Submitted by Intervenors**

| <b>Intervenor</b> | <b>Discovery<br/>(\$)</b> | <b>Procedural<br/>(\$)</b> | <b>Written Argument<br/>(\$)</b> | <b>Decision<br/>(\$)</b> | <b>Other<br/>(\$)</b> | <b>TOTAL<br/>(\$)</b> |
|-------------------|---------------------------|----------------------------|----------------------------------|--------------------------|-----------------------|-----------------------|
| <b>ED</b>         | 2,075.81                  | 393.24                     | 1,394.99                         | 0                        | 0                     | <b>3,864.04</b>       |
| <b>PP</b>         | 9,415.73                  | 0                          | 2,327.40                         | 0                        | 0                     | <b>11,743.13</b>      |

Enbridge Gas recommends that PP’s cost claim for “Discovery” be reduced by 65%, as set out in Table 2 below. PP’s approach to discovery involved detailed exploration of issues that are not material to the proceeding (notwithstanding the OEB’s direction in Procedural Order No. 1) and many of PP’s interrogatories were replicated from, or very similar to, PP’s interrogatories for previous Natural Gas Expansion Program (“NGEP”) project proceedings, as described in more detail below. Additionally, PP’s total cost claim is over 3 times the amount of ED’s total cost claim.

Although ED’s approach to discovery also involved detailed exploration of issues that are not material to the proceeding and many of ED’s interrogatories were replicated from, or very similar to, ED’s interrogatories for previous NGEP project proceedings, ED has reduced its cost claim relative to previous NGEP project proceedings, as described in more detail below. As a result, Enbridge Gas does not object to ED’s cost claim for the Neustadt Project proceeding.

Table 2: ED and PP Cost Claims – Recommended Amounts

| <b>Intervenor</b> | <b>Discovery<br/>(\$)</b> | <b>Procedural<br/>(\$)</b> | <b>Written Argument<br/>(\$)</b> | <b>Decision<br/>(\$)</b> | <b>Other<br/>(\$)</b> | <b>TOTAL<br/>(\$)</b> |
|-------------------|---------------------------|----------------------------|----------------------------------|--------------------------|-----------------------|-----------------------|
| <b>ED</b>         | 2,075.81                  | 393.24                     | 1,394.99                         | 0                        | 0                     | <b>3,864.04</b>       |
| <b>PP</b>         | 3,295.51                  | 0                          | 2,327.40                         | 0                        | 0                     | <b>5,622.91</b>       |

*ED and PP Cost Claims – Discovery*

ED filed 185 interrogatories (including sub-parts) requiring over 550 pages of responses from Enbridge Gas.<sup>1</sup> Of ED's 185 interrogatories, 60 (32%) sought information related to non-natural gas alternatives including electric heat pumps (see Table 3 below).

PP filed 48 interrogatories (including sub-parts). Of PP's 48 interrogatories, 7 (15%) sought information related to non-natural gas alternatives including electric heat pumps (see Table 4 below).

In contrast to ED and PP, OEB staff submitted 17 interrogatories (including sub-parts) with no interrogatories related to non-natural gas alternatives.

Table 3: ED Interrogatories Related to Non-Natural Gas Alternatives Including Electric Heat Pumps

|                        |                         |                    |                         |
|------------------------|-------------------------|--------------------|-------------------------|
| Exhibit I.ED-1(a)      | Exhibit I.ED-9(b)(vi)   | Exhibit I.ED-28(e) | Exhibit I.ED-31(e)      |
| Exhibit I.ED-1(b)      | Exhibit I.ED-9(b)(vii)  | Exhibit I.ED-28(g) | Exhibit I.ED-31(f)      |
| Exhibit I.ED-3(a)(i)   | Exhibit I.ED-9(b)(ix)   | Exhibit I.ED-28(h) | Exhibit I.ED-32(a)      |
| Exhibit I.ED-3(a)(ii)  | Exhibit I.ED-25(c)      | Exhibit I.ED-28(i) | Exhibit I.ED-33(a)      |
| Exhibit I.ED-3(a)(iii) | Exhibit I.ED-25(d)      | Exhibit I.ED-29(a) | Exhibit I.ED-33(b)      |
| Exhibit I.ED-3(a)(iv)  | Exhibit I.ED-28(a)      | Exhibit I.ED-29(b) | Exhibit I.ED-36(a)      |
| Exhibit I.ED-3(a)(vi)  | Exhibit I.ED-28(b)(i)   | Exhibit I.ED-29(c) | Exhibit I.ED-36(b)(i)   |
| Exhibit I.ED-3(a)(vii) | Exhibit I.ED-28(b)(ii)  | Exhibit I.ED-30(a) | Exhibit I.ED-36(b)(ii)  |
| Exhibit I.ED-3(a)(ix)  | Exhibit I.ED-28(b)(iii) | Exhibit I.ED-30(c) | Exhibit I.ED-36(b)(iii) |
| Exhibit I.ED-7(f)      | Exhibit I.ED-28(b)(iv)  | Exhibit I.ED-30(d) | Exhibit I.ED-36(c)      |
| Exhibit I.ED-9(a)      | Exhibit I.ED-28(b)(v)   | Exhibit I.ED-30(e) | Exhibit I.ED-36(d)      |
| Exhibit I.ED-9(b)(i)   | Exhibit I.ED-28(b)(vi)  | Exhibit I.ED-31(a) | Exhibit I.ED-36(e)      |
| Exhibit I.ED-9(b)(ii)  | Exhibit I.ED-28(b)(vii) | Exhibit I.ED-31(b) | Exhibit I.ED-39(a)      |
| Exhibit I.ED-9(b)(iii) | Exhibit I.ED-28(c)      | Exhibit I.ED-31(c) | Exhibit I.ED-39(b)      |
| Exhibit I.ED-9(b)(iv)  | Exhibit I.ED-28(d)      | Exhibit I.ED-31(d) | Exhibit I.ED-45(a)      |

Table 4: PP Interrogatories Related to Non-Natural Gas Alternatives including Electric Heat Pumps

|                   |                   |                   |                |
|-------------------|-------------------|-------------------|----------------|
| Exhibit I.PP-3(a) | Exhibit I.PP-4    | Exhibit I.PP-6(e) | Exhibit I.PP-9 |
| Exhibit I.PP-3(b) | Exhibit I.PP-6(b) | Exhibit I.PP-8(d) |                |

ED and PP sought information related to non-natural gas alternatives notwithstanding the OEB's direction within Procedural Order No. 1 which stated:

*“Parties should not engage in detailed exploration of issues that do not appear to be material. In making its decision on cost awards, the OEB will consider whether*

<sup>1</sup> EB-2023-0261, Enbridge Gas Interrogatory Responses, pp. 51-615 of the PDF ([link](#)).

*intervenors made reasonable efforts to ensure that their participation in the hearing was focused on material issues.”<sup>2</sup>*

Notwithstanding ED’s interests which consist of “efforts to help consumers adopt heat pumps” and “efforts to combat fossil fuel subsidies”,<sup>3</sup> the OEB has stated the following regarding the issue of non-natural gas alternatives for NGEF project proceedings, indicating that ED and PP’s detailed exploration of information related to electric heat pumps is not appropriate for these proceedings:

- i. The OEB is not making a decision between the use of electric heat pumps instead of natural gas;<sup>4</sup>
- ii. Matters such as potential uptake of consumer energy solutions need to rely on actual consumer and community interest;<sup>5</sup>
- iii. Factors that impact consumer choices between electric heat pumps and natural gas can change over time;<sup>6</sup>
- iv. The case for alternatives to natural gas service should primarily be a marketplace issue;<sup>7</sup>
- v. The approval of NGEF-funded projects does not restrict consumers and communities from obtaining electric heat pumps;<sup>8</sup>
- vi. Enbridge Gas is not guaranteed total cost recovery in the event of revenue shortfalls;<sup>9</sup> and,

<sup>2</sup> EB-2023-0261, OEB Procedural Order No. 1 (November 17, 2023), p. 2 ([link](#)).

<sup>3</sup> EB-2023-0313, Reply Submissions of Environmental Defence (November 29, 2023), p. 3 ([link](#)).

<sup>4</sup> EB-2022-0156/0248/0249, OEB Decision on Intervenor Evidence and Confidentiality (April 17, 2023), p. 4 ([link](#)).

EB-2022-0111, OEB Decision on Intervenor Evidence (February 20, 2024), p. 14 ([link](#)).

EB-2023-0200, OEB Decision on Intervenor Evidence (February 29, 2024), p. 15 ([link](#)).

EB-2023-0201, OEB Decision on Intervenor Evidence (February 29, 2024), p. 13 ([link](#)).

EB-2023-0261, OEB Decision on Intervenor Evidence (February 29, 2024), p. 13 ([link](#)).

<sup>5</sup> EB-2022-0156/0248/0249, OEB Decision on Intervenor Evidence and Confidentiality (April 17, 2023), p. 4 ([link](#)).

<sup>6</sup> EB-2022-0156, OEB Decision and Order (September 21, 2023), p. 20 ([link](#)).

EB-2022-0248, OEB Decision and Order (September 21, 2023), p. 20 ([link](#)).

EB-2022-0249, OEB Decision and Order (September 21, 2023), p. 19 ([link](#)).

EB-2022-0111, OEB Decision and Order (May 14, 2024), p. 25 ([link](#)).

EB-2023-0261, OEB Decision and Order (May 23, 2024), p. 20 ([link](#)).

EB-2023-0201, OEB Decision and Order (May 30, 2024), p. 22 ([link](#)).

<sup>7</sup> EB-2022-0111, OEB Decision on Intervenor Evidence (February 20, 2024), p. 18 ([link](#)).

EB-2023-0200, OEB Decision on Intervenor Evidence (February 29, 2024), p. 19 ([link](#)).

EB-2023-0201, OEB Decision on Intervenor Evidence (February 29, 2024), p. 16 ([link](#)).

EB-2023-0261, OEB Decision on Intervenor Evidence (February 29, 2024), p. 17 ([link](#)).

<sup>8</sup> EB-2022-0156, OEB Decision and Order (September 21, 2023), p. 19 ([link](#)).

EB-2022-0248, OEB Decision and Order (September 21, 2023), p. 20 ([link](#)).

EB-2022-0249, OEB Decision and Order (September 21, 2023), pp. 18-19 ([link](#)).

EB-2022-0111, OEB Decision and Order (May 14, 2024), p. 24 ([link](#)).

EB-2023-0261, OEB Decision and Order (May 23, 2024), p. 19 ([link](#)).

EB-2023-0201, OEB Decision and Order (May 30, 2024), p. 22 ([link](#)).

<sup>9</sup> EB-2022-0156, OEB Decision and Order (September 21, 2023), pp. 20-21 ([link](#)).

EB-2022-0248, OEB Decision and Order (September 21, 2023), p. 21 ([link](#)).

EB-2022-0249, OEB Decision and Order (September 21, 2023), p. 20 ([link](#)).

EB-2022-0111, OEB Decision on Intervenor Evidence (February 20, 2024), pp. 18-19 ([link](#)).

EB-2023-0200, OEB Decision on Intervenor Evidence (February 29, 2024), p. 19 ([link](#)).

EB-2023-0201, OEB Decision on Intervenor Evidence (February 29, 2024), p. 17 ([link](#)).

EB-2023-0261, OEB Decision on Intervenor Evidence (February 29, 2024), p. 17 ([link](#)).

EB-2022-0111, OEB Decision and Order (May 14, 2024), pp. 25-26 ([link](#)).

EB-2023-0261, OEB Decision and Order (May 23, 2024), pp. 20-21 ([link](#)).

EB-2023-0201, OEB Decision and Order (May 30, 2024), p. 23 ([link](#)).

- vii. ED's interests with respect to broader climate change issues and the promotion of electric heat pumps extend beyond the scope of NGEP project proceedings.<sup>10</sup>

Additionally, many of ED's interrogatories for the Neustadt Project proceeding<sup>11</sup> were replicated from, or very similar to, ED's interrogatories for previous NGEP project proceedings.<sup>12</sup>

Similarly, many of PP's interrogatories for the Neustadt Project proceeding were replicated from, or very similar to, PP's interrogatories for previous NGEP project proceedings (see Table 5 below).

**Table 5: PP Interrogatories for the Neustadt Project Proceeding (EB-2023-0261) Replicated From, or Very Similar to, PP Interrogatories for the Bobcaygeon Community Expansion Project ("Bobcaygeon Project") Proceeding (EB-2022-0111)**

| <b>Neustadt Project Proceeding<br/>(EB-2023-0261)<sup>13</sup></b> | <b>Bobcaygeon Project Proceeding<br/>(EB-2022-0111)<sup>14</sup></b> |
|--------------------------------------------------------------------|----------------------------------------------------------------------|
| Exhibit I.PP-2                                                     | Exhibit I.PP.7                                                       |
| Exhibit I.PP-3                                                     | Exhibit I.PP.8                                                       |
| Exhibit I.PP-4                                                     | Exhibit I.PP.10                                                      |
| Exhibit I.PP-6                                                     | Exhibit I.PP.13                                                      |
| Exhibit I.PP-7                                                     | Exhibit I.PP.16                                                      |
| Exhibit I.PP-8                                                     | Exhibit I.PP.20                                                      |
| Exhibit I.PP-10                                                    | Exhibit I.PP.22                                                      |
| Exhibit I.PP-11                                                    | Exhibit I.PP.23                                                      |
| Exhibit I.PP-12                                                    | Exhibit I.PP.26                                                      |
| Exhibit I.PP-14                                                    | Exhibit I.PP.25                                                      |
| Exhibit I.PP-15                                                    | Exhibit I.PP.27                                                      |
| Exhibit I.PP-16                                                    | Exhibit I.PP.30                                                      |

Additionally, PP's total cost claim (\$11,743.13) is over 3 times the amount of ED's total cost claim (\$3,864.04).

Based on the foregoing, Enbridge Gas recommends reducing PP's cost claim for "Discovery" by 65% to \$3,295.51 (15% reduction to reflect PP's interrogatories that consisted of detailed exploration of issues that are not material to the proceeding, plus a 50% reduction to reflect PP's partial replication of and reliance on its interrogatories from previous NGEP project proceedings).

Enbridge Gas recently objected to ED's cost claim for a similar NGEP project proceeding (the Bobcaygeon Project proceeding) on the basis that ED's approach to discovery involved detailed exploration of issues that are not material to the proceeding and many of ED's interrogatories were replicated from, or very similar to, ED's interrogatories for previous NGEP project proceedings.<sup>15</sup> Specifically, for the

<sup>10</sup> EB-2023-0313, OEB Decision and Order (December 13, 2023), p. 16 ([link](#)).

<sup>11</sup> EB-2023-0261, ED Interrogatories ([link](#)).

<sup>12</sup> EB-2022-0111, ED Interrogatories for the Bobcaygeon Project proceeding ([link](#)).

<sup>13</sup> EB-2023-0261, Enbridge Gas Interrogatory Responses ([link](#)).

<sup>14</sup> EB-2022-0111, Enbridge Gas Interrogatory Responses for the Bobcaygeon Project proceeding ([link](#)).

<sup>15</sup> EB-2022-0111, Enbridge Gas Cost Claim Objections for the Bobcaygeon Project Proceeding (May 28, 2024) ([link](#)).

Bobcaygeon Project proceeding, ED submitted a total cost claim of \$7,934.86 and Enbridge Gas recommended that it be reduced to \$3,357.42. Although ED took a similar approach for the Neustadt Project proceeding as with the Bobcaygeon Project proceeding, ED submitted a reduced total cost claim of \$3,864.04 for the Neustadt Project proceeding. As a result, Enbridge Gas does not object to ED's cost claims for the Neustadt Project proceeding.

Notwithstanding ED's reduced cost claim for the Neustadt Project proceeding relative to previous NGEP project proceedings, Enbridge Gas submits that ED did not make reasonable efforts to ensure that its participation in the proceeding was focused on relevant and material issues. Rather, ED's approach to the proceeding is part of a pattern of repeated attempts by ED to introduce evidence related to non-natural gas alternatives within NGEP project proceedings,<sup>16</sup> resulting in inefficiency in the regulatory process.

If you have any questions, please contact the undersigned.

Sincerely,

Haris Ginis  
Technical Manager, Regulatory Applications

c.c. Michael Beare (OEB Staff)  
Intervenors (EB-2023-0261)

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<sup>16</sup> EB-2023-0343, Enbridge Gas Correspondence for the East Gwillimbury Community Expansion Project proceeding (May 21, 2024), p. 2 ([link](#)).