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VIA EMAIL and RESS

June 18, 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 Nos.
EB-2022-0111 - Bobcaygeon Community Expansion Project (Bobcaygeon Project)
EB-2023-0201 – Eganville Community Expansion Project (Eganville Project)
EB-2023-0261 – Neustadt Community Expansion Project (Neustadt Project)
EB-2023-0200 – Sandford Community Expansion Project (Sandford Project)
Comments regarding Notices of Motion by Federation of Rental-housing Providers of Ontario (FRPO) and Environmental Defence (ED)

Enbridge Gas is in receipt of (i) FRPO's May 27, 2024 Notice of Motion to review the portion of the OEB's EB-2022-0111 decision approving the Reinforcement Pipeline in the Bobcaygeon Project (FRPO Motion) and (ii) ED's June 3, 2024 Notice of Motion to review the OEB's decisions in the above-noted four proceedings, including the OEB's interlocutory orders to deny certain intervenor evidence proposals and to forego a technical conference in each proceeding (ED Motion)¹.

This letter sets out Enbridge Gas's preliminary comments regarding the FRPO Motion and ED Motion, including the reasons that the OEB should exercise its discretion to dismiss each motion without a hearing for failing to meet the threshold test. In the alternative, if the OEB chooses to hear either motion, Enbridge Gas strongly urges the OEB to establish an efficient process to hear the motion(s) (considering the threshold and merits together) to ensure a timely outcome. Given the extensive delays already experienced in the LTC process – including as a result of ED's conduct during the course of these LTC proceedings in particular, it is essential to minimize further adverse impacts to construction schedules and costs as well as the communities awaiting gas access.

¹ The OEB's LTC decision regarding the Sandford Project remains pending, and therefore there is no final decision from that proceeding that can be the subject of a review motion. ED proposes to file an amended notice of motion once the Sandford decision is issued.

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FRPO Motion

The grounds for the FRPO Motion are that (i) the OEB erred in stating that the Reinforcement Pipeline is part of minimum requirements and disregarding certain calculations filed by FRPO in final submissions, and (ii) there was no evidence in the proceeding regarding customer demands, peak gas flow rates or system capacity analysis, and the OEB in FRPO's view acted in a procedurally unfair manner in not allowing additional discovery on the Reinforcement Pipeline.² For the reasons that follow, the FRPO Motion does not raise relevant issues material enough to warrant a review of the OEB's decision on the merits, and the OEB should dismiss the FRPO Motion for not meeting the threshold test.

The FRPO Motion effectively seeks to re-litigate aspects of the LTC proceeding and decision for the Bobcaygeon Project which FRPO disagrees with, including the way the OEB assessed and weighed evidence. It should be noted that FRPO waited until final submissions to introduce evidence by filing certain mathematical calculations, which it now relies on in the FRPO Motion. Evidence filing as part of final submissions is not appropriate, and it would be proper (and wholly within the OEB's discretion) for the OEB to give lesser or no weight to such filings. Furthermore, there was in fact evidence on the record to substantiate Enbridge Gas's position (and the OEB's conclusion) regarding the Reinforcement Pipeline, as outlined below, and the FRPO Motion is nothing but a disagreement by FRPO regarding how the OEB made factual findings according to its discretion:

- Contrary to FRPO's assertion that no customer demand information was included in evidence, Enbridge Gas provided the average annual use assumptions by customer type, including commercial and industrial customers along with the forecasted year of attachments in its response to Exhibit I.ED.27. It is not reasonable for Enbridge Gas to provide peak demands for all industrial/commercial customers when the Company has not obtained all specific equipment load information.
- In Enbridge Gas's response to Exhibit I.ED.5, the Company provides the (i) design hour capacity and the (ii) forecast design hour demand (peak gas flow rates) for the full customer attachment forecast for the system.³

Design hour capacity encompasses all three components of the project (Supply Lateral, Reinforcement Pipeline and Ancillary Facilities), therefore the requested information is provided for the entire project, rather than individual components.

- i. 6,663 m³/h.
- ii. 6,625 m³/h.
- Enbridge Gas provided system capacity analysis results in response to FRPO's interrogatories in Exhibit I.FRPO.1 and Exhibit I.FRPO.2. FRPO asserts that the OEB erred in stating that the Reinforcement Pipeline is part of minimum

² FRPO Notice of Motion (May 27, 2024), pp. 3-4.

³ EB-2022-0111 Exhibit I.ED.5 part a).

requirements for the 10 year demands.⁴ In Enbridge Gas's response to Exhibit I.FRPO.2, the results of the network analysis demonstrate pipe downsizing is infeasible, which would be exacerbated if the Reinforcement Pipeline were not installed. Enbridge Gas provides further clarity in its response to several interrogatories that <u>both</u> the Supply Lateral and Reinforcement Pipeline were designed to meet the required needs of the forecasted customers.⁵

Enbridge Gas urges the OEB to exercise its discretion under Section 43.01 of the *Rules of Practice and Procedure* to (without a hearing) dismiss the FRPO Motion.

ED Motion

The ED Motion is substantially similar to ED's March 11, 2024 Notice of Motion, which at the time challenged the OEB's interlocutory orders to deny proposed intervenor evidence and to forego a technical conference in each of the four proceedings. As such, Enbridge Gas refers to and adopts the comments already made in its March 19th letter⁶, explaining why the OEB should dismiss ED's motion (referred to as the "Second ED Motion" in that letter, given ED's prior unsuccessful motion in late 2023 regarding three other NGEP projects⁷). In particular:

- "As important context, the Second ED Motion is part of a pattern of repeated attempts by ED to introduce evidence related to non-natural gas alternatives within Natural Gas Expansion Program (NGEP) funded project proceedings, adding to the duration and complexity of the regulatory process (with associated costs ultimately borne by natural gas ratepayers) and delaying service to consumers and communities..."
- "In now pursuing the Second ED Motion, ED appears to wholly disregard the OEB's repeated and consistent direction within recent NGEP-funded project proceedings ..."
- "Enbridge Gas submits that the OEB should dismiss the Second ED Motion without a hearing as it neither raises fundamentally different issues warranting another review nor contributes to a better understanding of the issues that are actually in the scope of proceedings for NGEP-funded projects, and is nothing more than another attempt by ED to further complicate and delay these proceedings and the provision of natural gas service to interested communities pursuant to government policy."⁸

ED's pattern of conduct in the NGEP proceedings is consistent with its Executive Director's statement that "[o]ur overall goal is to put a target on the back of Enbridge,

⁴ FRPO Notice of Motion (May 27, 2024), p. 3, para. 9.

⁵ EB-2022-0111 Exhibit I. PP.1 part b), Exhibit I.PP.4 part a), Exhibit I.ED.5.

⁶ EB-2022-0111 and EB-2023/0200/0201/0261, Enbridge Gas letter dated March 19, 2024 (<u>link</u>). ⁷ EB-2023-0313.

⁸ EB-2022-0111 and EB-2023/0200/0201/0261, Enbridge Gas letter dated March 19, 2024, pp. 1-3.

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and on the back of gas, and there will be ample opportunity to do that".⁹ While ED will no doubt leverage all means possible to advance this goal, there should not be ample opportunity for ED to do so at the cost of gas ratepayers, including in these NGEP applications. Notably, ED is already on the fifth iteration of electric heat pump-related evidence that it has sought to file in the NGEP proceedings since March 2023.¹⁰ There is no principled reason why the issues being raised in the latest ED Motion are in any way fundamentally different from issues already thoroughly considered and adjudicated by the OEB in recent proceedings.¹¹

Enbridge Gas urges the OEB to exercise its discretion under Section 43.01 of the *Rules of Practice and Procedure* to (without a hearing) dismiss the ED Motion.

Impacts to Community Expansion Projects and Communities

In the alternative, if the OEB is inclined to hear one or both motion(s), Enbridge Gas asks the OEB to establish a timely and efficient hearing process, considering the threshold issue and merits together. Resolving the motions as soon as possible is crucial to minimize further adverse impacts – on top of the delays already experienced, particularly as caused by ED, in the LTC process – to construction schedules and budgets as well as the communities interested in (and identified by provincial policy and the OEB to receive) natural gas service.

If the motions are not dismissed at the outset, every day that the motions remain unresolved adds to the uncertainty facing the Company's construction of the projects. Construction schedules and costs are already constrained in no small part due to the protracted LTC proceedings, which have been exacerbated by ED's conduct and the ongoing challenges associated with work re-prioritization/mobilization as part of a dynamic utility portfolio and work environment.

This uncertainty puts construction schedules at risk. Further delays in construction start date are likely to negatively impact project budgets by increasing total costs. Importantly, delays to Enbridge Gas's anticipated construction schedules for the projects directly impact the communities and customers awaiting secure, affordable energy choices for their homes and businesses as part of the NGEP.

Enbridge Gas is concerned about proceeding with project construction in the face of uncertainty stemming from the motions, without assurance of cost recovery if costs escalate due to delays caused by the motions or if the relevant OEB decisions are ultimately varied.

If you have any questions, please contact the undersigned.

⁹ See Environmental Defence webinar, April 12, 2024, <u>Energy For People, Not Profit: Stop Bill165</u> <u>Webinar (youtube.com)</u> 45:36.

¹⁰ EB-2023-0343, Enbridge Gas letter dated May 21, 2024 (<u>link</u>), pp. 1-2.

¹¹ EB-2023-0343, Enbridge Gas letter dated March 15, 2024 (link), p. 4.

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Sincerely,

Eric VanRuymbeke Sr. Advisor – Leave to Construct Applications

c.c. Charles Keizer (Torys LLP, Enbridge Gas Counsel) Tania Persad (Enbridge Gas Counsel) Judith Fernandes (OEB Staff) Kaidie William (OEB Staff) Michael Beare (OEB Staff) Catherine Nguyen (OEB Staff) Intervenors (EB-2022-0111/EB-2023-0200/EB-2023-0201/EB-2023-0261)