

We are writing on behalf of the Federation of Rental-housing Providers of Ontario (“FRPO”) in response to Procedural Order No. 1 issued July 22, 2024. FRPO would like to thank the Board for its consideration of our request and for the opportunity to provide additional written submissions and address some matters of the Board’s interest in these submissions. In this response, we will correct a misleading premise in the Enbridge Gas Inc. (“EGI”) letter of June 18, 2024 and address some of the Board’s guiding questions while providing a clarification of our motion (or request to stay) in a way that would assist the Board in their deliberations.

EGI Misrepresented FRPO Motion Submissions

FRPO laid out its basis for requesting a review of the portion of the decision pertaining to the Reinforcement pipeline in our Notice of Motion May 27, 2024. In paragraphs 11 & 12, we stated:¹

11. The application provided a forecast of customer additions.¹⁶ However, there is no evidence provided regarding the demands of the customers especially for the commercial and industrial class. To understand if a pipe is properly sized to meet demand, one must know the amount of gas flow at peak times. For distribution pipes, the amount of gas required is measured in cubic meters (or cubic feet) per hour. The application does not provide this information. It cannot be inferred from the customer attachment forecast as commercial and industrial customers’ hourly demand varies based on size and utilization. The application did not provide the system capacity analysis nor any other report to establish the proper sizing of the proposed pipelines.

12. When the year 10 total flows on the pipeline were provided in response to our interrogatory,¹⁷ our concerns about appropriate sizing and timing were increased prompting our request for a Technical Conference.¹⁸

Paragraph 11 focused on the application and its absence of customer demands which are needed as hourly flows to assess the appropriateness of pipe sizing. EGI’s letter² misrepresented our concern over the lack of customer demand evidence as being applied to the record of the proceeding. A simple read of the paragraph should have been clear that our stated concern was about the **prefiled** evidence in the application (emphasis added).

If one were unsure about the object of our description of evidence, the next paragraph describes the year 10 flows with reference to an interrogatory response that contains

¹ FRPO_MOTION_EGI LTC BOBCAYGEON_20240527

² EGI_Ltr_FRPO_ED_Motion_20240618_eSigned

hourly flow. Taken together, we could not have been referring to evidence broadly in the proceeding in paragraph 11 if we go on to reference the sought-after information in paragraph 12 being provided in an interrogatory response. In our view, this misconstruing of our submission is not helpful to the Board in its considerations resulting in our explanation in this submission.

We have concerns about other assertions made by EGI in the aforementioned letter, but most of those assertions are premised on the flawed notion refuted above. We trust that the clarity in our submissions in the above section will focus any remaining concerns EGI or other parties have and we will reply to those concerns in accordance with the Board's procedural order.

FRPO's Responses to the Board's Matters of Particular Interest

As guidance to stakeholders, the Board provided a list of questions regarding matters of particular interest. Differentiating those questions on the basis of our Motion, with respect, FRPO will address our issue of concern - the need for the Reinforcement pipeline - allowing others to address the matters in questions 2 and 3.

- 1) FRPO supports the inclusion of broad representation in the process of informing the Board on all aspects for consideration in a Leave to Construct ("LTC") proceeding. Ultimately, there can be a need to balance efficiency and effectiveness. In this case, the multiple LTC's along with parties citing different areas of concern, results in the decision becoming more complex especially given the political nature of Natural Gas Community Expansion Projects ("NGCEP").

We respectfully submit that the public interest test for efficiency versus effectiveness comes down to potential insight gained versus the criticality of timeliness. While ratepayers have a right to be heard, in our view, that right can be conditional upon what expected or perceived value this holds for the Board's determination of issues in the proceeding. When the Board has less expertise in the subject matter, weight could be added to the value of additional steps to err on the side of effectiveness (e.g. expert evidence). However, if there is a criticality of timeliness, potentially driven by safety issues, weight can be added to efficiency wherein the solution needs to be timely and may not need to be perfect.

As applied to this proceeding, FRPO could have done a better job in assisting the Board with specificity on the importance of the missing data which could inform a correct decision. However, the result in this proceeding was that the testing on the need and timing of the Reinforcement pipeline was not tested.

- 4) Having contributed to the development of the OEB Natural Gas Facilities Handbook, we have been concerned that its publishing has resulted in little impact on the quality of technical information provided in Leave to Construct applications. FRPO identified its concerns early in the proceeding. EGI stated, and the Board confirmed, that FRPO could use the interrogatory process to ask questions. However, after receiving information critical to the evaluation of the appropriateness of the proposed facilities, there were no further steps to try to reconcile our simple analysis with EGI's asserted need. The result was that the Board was under informed when making a determination on the minimum requirements for the project as the timing and need for the Reinforcement pipeline remained untested. We respectfully submit that this proceeding can provide the opportunity to assist the Board in recognizing the need for critical information as part of the application.

There was simply no evidence that confirmed that the Supply Line would not provide sufficient capacity for one, some or several years thus allowing a deferral of the Replacement Line. Further by requiring intervenors to obtain essential data through interrogatories to assess the proposal while not allowing a subsequent step for clarification and consideration of alternatives puts intervenors and the Board at a serious disadvantage. At the same time, not requiring critical data in the application incents the applicant to withhold key critical information required in the Facilities Handbook until a single step discovery process.

In response to the Board's question about how the final decision may have been different, we firmly believe that the Board would have determined that the Supply Line would have received LTC approval, but the Board would not have approved the Reinforcement pipeline. The Board would have determined that the customer demands did not support the need for the Reinforcement pipeline in the early years of the forecast and potentially would invite EGI to re-apply with better evidence perhaps after demonstrating acquisition of customers meeting or exceeding forecast after some years of acquisition of customers.

- 5) FRPO respects that the provision of gas service to communities which do not currently have service is a complex determination with many vested interests. Our submissions in the LTC proceeding did not contest whether gas service should be extended. However, we do believe, if service is provided, that it should be extended in the most economical fashion.

In providing the stay alternative on the portion of the Decision relating to the Reinforcement pipeline, we believed that this would allow the extension of

service, as approved by the Board, without further delay. Our experience provides understanding that the Reinforcement pipeline, if ultimately approved later, could be added in the future. This separation of the approvals between the Supply pipeline, which can proceed, and the Reinforcement pipeline, which would be subject to further discovery, submissions and determination, achieves a balancing of interests.

From a process point of view, FRPO respectfully submits that critical information must be evidenced to understand EGI's asserted need for the Reinforcement pipeline especially in the first year. The forecasted hourly demand over each year of the ten-year period and network analysis runs showing resulting pressures throughout and at the end of the new system - with and without the Reinforcement pipeline, would be needed. Further, a testing of that information, including a reconciliation with industry standard pressure drop calculation, would best be accomplished in a technical conference. With cooperation of EGI in the provision of answers or undertakings to clarifying questions on assumptions and their implications, an Oral hearing would likely not be needed, and parties could move to written submissions to assist in its determination of the need and timing of the Reinforcement pipeline.

Conclusion

FRPO respectfully submits that its Motion passes the threshold test in Rule 43.01 of the OEB's Rules of Practice and Procedure on the basis of procedural fairness. In our experienced opinion, the rejection of our requests to elicit the critical information needed to evaluate the proposed system resulted in an incorrect determination that the Reinforcement pipeline was needed as part of the minimum requirements to meet demand especially in the first year.³ We respectfully submit that it would be in the public interest of regulatory efficiency and effectiveness to stay the approval of the Reinforcement pipeline and move to a further examination of the need and timing of the Reinforcement pipeline.

ALL OF WHICH IS RESPECTFULLY SUBMITTED ON BEHALF OF FRPO,

Dwayne Quinn
Principal, DR QUINN & ASSOCIATES LTD.

³ EB-2022-0111 FRPO_SUB_EGI NGEP BOBCAYGEON_20240325, pg. 4