

# MICHAEL R. BUONAGURO

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October 8, 2024

Ms. Nancy Marconi  
Registrar  
Ontario Energy Board  
P.O. Box 2319  
26<sup>th</sup> Floor  
2300 Yonge Street  
Toronto, ON  
M4P 1E4

DELIVERED BY EMAIL

Dear Ms. Marconi,

**RE: EB-2022-0335 – Enbridge IRP Pilot Projects**

Please find enclosed the submissions filed on behalf of the Ontario Greenhouse Vegetable Growers in the above noted proceeding.

If any further information is required, please do not hesitate to contact the undersigned.

Yours very truly,



Michael R. Buonaguro  
Encl.

**Enbridge Gas Inc.**

**EB-2022-0335 – Enbridge IRP Pilot Projects**

**OGVG SUBMISSIONS**

**October 8, 2024**

**SUMMARY**

These are the submissions of OGVG with respect to EGI's proposed Southern Lake Huron Pilot Project (the "Project").

OGVG notes that the Project does not include participation of any contract customers, focussing solely on general service customers, largely in the residential sector.<sup>1</sup> Accordingly, the Project does not purport to test the viability of any IRP measures on the bulk of OGVG's greenhouse members. As a result, OGVG does not have any submissions on the proposed measures themselves, deferring to the submissions of others on the appropriateness of the Project measures and costs.

OGVG submits, however, that the change in scope of the Project, which is no longer reacting to an imminent need for increased capacity in the Project area, warrants a reconsideration as to how the costs of the Project should be allocated across customer classes. In OGVG's view the Project costs should be allocated across all of EGI's customer classes.

**ALLOCATION OF PROJECT COSTS TO RATES**

EGI's current proposal is to allocate the costs of the Project solely to the Union South franchise area; this proposed allocation was based on the original scope of the Project, when it was ostensibly required as a measure to displace what would have been a near term capacity related capital project in the Project area. On that basis OGVG understands that allocating the costs of the Project in the same way that the costs of the ostensibly displaced capital project would be appropriate.

However, as EGI notes, the Project is no longer responding to a near term capacity need<sup>2</sup>; it is now a Project intended to obtain information on the effectiveness of the Project measures in reducing/shifting natural gas consumption in a way that reduces the capacity requirements in the affected area, information that is being gathered for the benefit of all future IRP projects across EGI's entire franchise area. This change in the nature of the

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<sup>1</sup> Exhibit D, Tab 1, Schedule 2, page 5, footnote 4; Exhibit D, Tab 1, Schedule 2, page 28, paragraph 63.

<sup>2</sup> Exhibit A, Tab 3, Schedule 1, Page 4 paragraph 11.

Project, OGVG submits, supports the allocation of the Project costs across all of EGI's customers.

EGI's proposed allocation of the Project costs is set out at Exhibit E, Tab 1, Schedule 2, Attachment 2. Pursuant to that exhibit, the forecast 2025 revenue requirement of \$6.76M is allocated entirely to Union South customers, even though the Project is no longer needed to address a pending capacity shortfall in the Union South Franchise area.

In OGVG's view the OEB should require an allocation of the costs of the Project across the entire EGI Franchise area in the manner set out in JT 1.20 Attachment 1 page 2.<sup>3</sup> In this way, OGVG respectfully submits, the allocation of the costs of the Project will reflect the fact that the sole purpose of the updated Project is to gather information on the effectiveness of IRP measures, information that is intended to benefit all EGI's customers in the context of future IRP projects across EGI's entire franchise area.

**ALL OF WHICH IS RESPECTFULLY SUBMITTED THIS 8<sup>th</sup> DAY OF OCTOBER 2024**

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<sup>3</sup> OGVG notes that the total cost of the Project is estimated at \$14.2M excluding the allocation of indirect overheads, a cost to be substantially recovered over the 2025 to 2027 period. For the purposes of the application EGI has only set out the 2025 related revenue requirement of \$6.76M and proposed recovery of that amount; it is OGVG's submission that a similar allocation of the 2026 and 2027 amounts across all classes should be required.