

VIA OEB PORTAL

November 29, 2024

Ontario Energy Board
Attn: Ms. N. Marconi, Board Registrar
P.O. Box 2319
27th Floor, 2300 Yonge Street
Toronto ON M4P 1E4

**RE: EB-2024-0200 – EGI St. Laurent Pipeline Replacement Project
FRPO Request for Fulsome Undertaking Responses**

We are writing on behalf of the Federation of Rental-housing Providers of Ontario (FRPO) regarding the omissions and insufficient undertaking responses provided by Enbridge Gas Inc (EGI) brought forth during the first day of Technical Conference in the St. Laurent Pipeline Replacement Project proceeding. For the reasons outlined below, we are respectfully requesting direct and more fulsome responses to the undertakings accepted by the company. Fulsome and direct responses are required to establish a reasonably clear record to assist the Board in ensuring that EGI has considered all feasible alternatives to reduce the cost of replacement pipeline if the Board approves the replacement of the pipeline.

Onus on EGI to Establish the Most Cost Effective Means to Met Demand

The potential replacement and resulting sizing can be a very technical process to determine if a pipeline should be replaced and, if so, what is the optimal size of replacement piping.

We recognize that EGI has evolved its approach to replacing the St. Laurent Pipeline from the approach that was filed in EB-2020-0293 but that has contributed to increasing the proposed cost from the original application. Through our discovery, we have been trying to explore if EGI has done all it can to reduce the cost of facilities by shifting demand away from the proposed replacement pipe. FRPO appreciated the Board's provision of the opportunity of a technical conference to understand the proposed replacement of the existing piping. However, our efforts have been inhibited by refusals and incomplete responses to accepted undertakings.

To assist the Board, we provide, herein, the respective undertakings, the rationale for need and our requested completion of the undertaking.

1) EGI Must Demonstrate that Gazifere Demand on the Project has been Mitigated

A considerable portion of the demand on the existing St. Laurent pipeline is to feed the EGI affiliate, Gazifere, from the end of the pipeline through the Rockcliffe Control station. Given that EGI provides support to Gazifere to perform system analysis¹ and that EGI is not

¹ UNREDACTED CONFIDENTIAL Final Transcript for EB-2024-0200 Technical Conference October 30 2024, pg. 138, lines 14-19

proposing that Gazifere contribute to the cost of replacement, we believe that EGI should strive to minimize the cost through managing the implications of Gazifere demands on the minimum pipe sizing. That does not appear to be a priority for EGI.²

We argue that they consider this not a priority for three reasons:

- i) In the last referenced exchange, EGI testifies to doing the analysis but were unwilling to work with Gazifere prior to or post the Technical Conference to explore opportunities to shift the load to the eastern feed — which we attempted to ask them to do in JTX1.26. Instead of providing that answer, EGI asserts that there are downstream constraints (we assume on the Gazifere system which is not included in evidence) resulting in no reduction in demand at the Rockcliffe control station. EGI goes on to provide responses to JTX1.28 and JTX1.29 which, in our view, only confuses the record for anyone following the transcript to understand the undertaking.
- ii) While EGI asserts that there is no reduction of demand on the St. Laurent pipeline associated with Gazifere, there is a major issue with their contention. Earlier in our discussion with the witness panel, we confirmed that about 25% of the maximum daily demand is interruptible.³ Yet, when we asked EGI to reconcile the even split asserted in our interrogatory,⁴ Enbridge used a calculation that was based upon the total daily flow, not the firm contracted demand. The use of only firm contracted demand with interruptible flow curtailed has been for some time and is EGI's design standard so it would be expected that the interruptible flow would be not be considered as firm demand for the purpose of sizing of the replacement pipeline.⁵ From the answers provided in the interrogatory and subsequent undertaking, that is not the case and there has been no explanation. nor even clarification, as to why EGI provided this evidence to size the pipe. The effect of incremental demand reduces the opportunity to downsize the NPS 16 to NPS 12.
- iii) We asked EGI to provide the additional capacity of the St. Laurent pipeline to the Rockcliffe Control point and pipeline that runs at a higher pressure (which we referred to as the Eastern feed in the Technical Conference⁶). We were specific that we were looking for the capacity of lines to maintain the minimum inlet (which articulates it is the upstream pipeline).⁷ Instead, EGI chose to respond that the Eastern feed is “at capacity” due to constraints on the downstream system.⁸ We did not ask about downstream restrictions; we asked about upstream capacity which can be calculated. EGI's contention

² UNREDACTED CONFIDENTIAL Final Transcript for EB-2024-0200 Technical Conference October 30 2024, pg. 138, line 20 to pg. 143, line 12

³ UNREDACTED CONFIDENTIAL Final Transcript for EB-2024-0200 Technical Conference October 30, 2024, pg. 127, line 17 to pg. 128, line 14

⁴ Exhibit I.1-FRPO-1

⁵ EB-2022-0200 Exhibit 4, Tab 2, Schedule 3, pg. 28- 30

⁶ UNREDACTED CONFIDENTIAL Final Transcript for EB-2024-0200 Technical Conference October 30, 2024, pg. 134, lines 7-16

⁷ UNREDACTED CONFIDENTIAL Final Transcript for EB-2024-0200 Technical Conference October 30, 2024, pg. 134, line 7 to pg. 135, line 18

⁸ Exhibit JTX1.24

of downstream constraints are irrelevant to capacity. If EGI wants to make such a contention, it ought to provide evidence in the form of mapping and flows to satisfy the Board that they have entertained ALL alternatives to reduce the cost of replacement.

Requested Fulsome Response

JTX1.22: Please provide why EGI used the maximum daily contracted flow including the interruptible flow for the purposes of sizing the St. Laurent pipeline.

Please provide the amount of flow reduction from each of the respective Rockcliffe and east feeds to Gazifere when the interruptible flow is eliminated.

JTX1.24: Please provide a map showing the Gazifere high pressure piping (with sizes and pressures at the end of the river crossings into the system and location of district stations with inlet pressure and flow through each station at:

- a) Maximum daily contracted flow
- b) Firm contracted demand

in order to show the effect and substantiate the limitations of providing more demand through the eastern feed.

JTX1.26: Please complete the simulations requested in this undertaking using the reduced demand at Rockcliffe Control station associated with the elimination of the incremental interruptible component of the contract which is not the firm contracted demand.

2) EGI Must Demonstrate that Demand has been Optimized by System Operation

Beyond what cost reductions may be made through serving only the firm contracted demands of Gazifere, we submit that EGI must consider its own system operations to reduce, potentially, the size of the replacement pipeline. This is especially important considering reductions in demand with Energy Transition. One opportunity is to consider how demands are met through the raising and lowering of selective district distribution stations to off-load the St. Laurent pipeline. This is the process we encouraged EGI to evaluate.⁹

FRPO requested that EGI provide the analysis in Exhibit JTX 1.28. As noted above, EGI provided its limited attempt at the adjustment of station pressures in Exhibit JTX 1.26 after dismissing our request to shift Gazifere demand (see first paragraph in JTX1.26. To keep the impacts separate, we will continue to refer to JTX1.28 in this submission as the request to adjust district distribution station pressures to reduce demand on the St. Laurent pipeline.

⁹ UNREDACTED CONFIDENTIAL Final Transcript for EB-2024-0200 Technical Conference October 30, 2024, pg. 144, line 21 to pg. 157, line 3

These distribution stations feed the homes and businesses through a system with a maximum allowable operating pressure (MOP) of 420kPa. These systems are normally designed and pressure tested at a higher pressure but 420kPa (60 psig) standard has been used by Enbridge and Union for decades. Each of the stations has pressure control back-up systems to ensure that these systems are not over pressured.¹⁰

Where failure of the pressure-control system, or other causes, can result in the maximum operating pressure of the piping being exceeded, overpressure protection shall be installed to ensure that the maximum operating pressure is not exceeded by more than 10% or by 35 kPa, whichever is greater.

This provision, applied with good engineering judgement, allows a utility to use the full extent of the range of the distribution system pressures to serve demand. This capability may become more important as Energy Transition has utilities considering the full use of their system capabilities to reduce the need to install pipe to feed what may be a temporary need.

In the Technical Conference, EGI provided that the stations are currently set at 380 kPa.¹¹ We will not try to explain that setting but in the moment, we attributed it to conservatism. In our requested undertaking, we asked EGI to reduce the pressure of three specific stations — which were the largest flow contributors cited by EGI in our interrogatory Exhibit I.2-FRPO-24 — while increasing the pressure at other stations not fed by the St. Laurent pipeline.¹² During the technical conference, we provided an example of an increase of one distribution station that is not fed by St. Laurent to 400 kPa and a reduction at the largest station flow contributor to 360 kPa to provide an example. EGI did not comment on the inability to raise station pressures until making that assertion in its response in Exhibit JTX1.26 (instead of JTX1.28). Further, EGI did reduce the pressure of Station 6B467A even though it is most proximate to the high-pressure line that ultimately provides the Eastern feed.

In addition, we had asked for a map that provided the station locations fed from the St. Laurent pipeline. A map was attached to Exhibit JTX1.22 with a few dots that were identified as District Stations in the Legend, but those dots are not labelled by station number or any geographical location to assess the system even though the map was submitted under the Confidentiality provisions. This lack of definition would inhibit our ability to assess the work and present our concerns in a hearing or in argument. Further, the lack of definition would inhibit the Board's ability to comprehend locational references and their importance in the secure supply of the system.

We respectfully submit that if EGI has set a standard maximum on the system, that ought to be identified as a limitation to accepting the undertaking. We believe it is in the public interest to examine the full capability of the systems before unnecessarily paying for the

¹⁰ CSA Z662:19, Section 4.18.1.2

¹¹ UNREDACTED CONFIDENTIAL Final Transcript for EB-2024-0200 Technical Conference October 30, 2024, pg. 149, line 3

¹² Exhibit JTX1.28

installation of pipe with capacity that may not be utilized in the next several years. Therefore, we request that EGI provide the undertaking requested and accepted and EGI can provide any reasoning for not using this range of the system.

Requested Fulsome Response

JTX1.28: Please provide the response to this undertaking as stipulated in the transcript (i.e., increasing station pressures above 380 kPa but not above 420 kPa).

Please provide EGI's view on the rationale of why 380 kPa is the preferred maximum set pressure for the Ottawa system given the requirements of CSA Z662.

JTX 1.29: Using the demand reduction on the St. Laurent pipeline determined in the above requested fulsome response of JTX1.28, please combine those reductions with those demands eliminated through the interruptible portion of the demands at Rockcliffe Control Station (JTX1.26) and complete the assessment of the NPS 12 substituted for NPS 16.

Further, to the extent that there is any incremental capacity with NPS 12 in place, please provide the amount of NPS 8 that could substitute for NPS 12 immediately upstream of the Rockcliffe Control Station.

3) EGI Must Evidence that Cost of Labour for NPS 12 and NPS 16 are Similar

As noted from the above requests, FRPO believes that a reduction of demand on the St. Laurent pipeline would lead to a reduction or elimination of the need for NPS 16 instead of NPS 12 for the proposed replacement pipeline. We asked EGI to provide the basis for the \$1.3M estimated reduction in cost if NPS 16 were to be replaced by NPS 12.

FRPO went on to ask for EGI to file the actual costs of the last project where NPS 12 and 16 were installed on the same project. From our experience, we asked EGI to provide those costs for the Leamington expansion project approved in EB-2016-0013.¹³ We identified that we understood that the Leamington project was a rural project where the St. Laurent project is urban but we were interested in the relative cost differences.¹⁴ EGI refused to provide the costs on the basis that it was a different project.¹⁵

The response provided in JT1.20 evidenced a 5% increase in the cost for trenching for the increase in size but estimated a similar cost for labour, equipment, welding and drilling. This response is incredible given the following facts:

¹³ UNREDACTED CONFIDENTIAL Final Transcript for EB-2024-0200 Technical Conference October 30, 2024, pg. 107, lines 5-13

¹⁴ UNREDACTED CONFIDENTIAL Final Transcript for EB-2024-0200 Technical Conference October 30, 2024, pg. 107, lines 18-26

¹⁵ UNREDACTED CONFIDENTIAL Final Transcript for EB-2024-0200 Technical Conference October 30, 2024, pg. 107, line 27 to pg. 108, line 24

- a) NPS 16 weighs 48% more than NPS 12 per unit length increasing the cost of transportation, hauling and handling of pipe
- b) NPS 16 is approximately 25% greater circumference than NPS 12 pipe which increases the welding proportionately
- c) NPS 16 has over 40% more cross-sectional circumferential area than NPS 12 pipe which increases the amount of radiographic inspection services

In our respectful submission, it is incredible that any contractor would undertake these incremental costs for similar payment which is why we sought an evidentiary test of contractor costs emanating from a relatively recent project.

Requested Response

Notwithstanding EGI's refusal of our request in the Technical Conference, we believe that the Board would be informed by evidence provided by EGI demonstrating the actual costs with supporting invoices from the Leamington project that show a separation of the costs of carrying, fabrication and inspection between NPS 16 and NPS 12.

Conclusion

FRPO respects that the project condition assessment and proposed replacement alternatives generate a significant number of technical issues and extensive evidence. Our hope was that an effective technical conference and undertaking provisions would avoid a lengthy oral hearing focused on primarily technical issues. We respectfully submit that fulsome answers to our inquiry would result in regulatory efficiency and assist the Panel with a focused hearing helpful to the determination of the issues.

Thank you for your consideration of our request and we stand ready to assist the Board with any further clarifications.

Respectfully submitted on behalf of FRPO,



Dwayne R. Quinn
Principal
DR QUINN & ASSOCIATES LTD.