## DR QUINN & ASSOCIATES LTD.

#### VIA OEB PORTAL

December 12, 2024

Ontario Energy Board

<u>Attn</u>: Ms. N. Marconi, Board Registrar
P.O. Box 2319

27<sup>th</sup> Floor, 2300 Yonge Street

Toronto ON M4P 1E4

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

We are writing on behalf of the Federation of Rental-housing Providers of Ontario (FRPO) regarding our concern over continued omissions in the updated undertaking responses provided by Enbridge Gas Inc (EGI)<sup>1</sup> in response to our request for more fulsome undertaking responses.<sup>2</sup>

The updated undertaking responses do not contain EGI's answers to key questions that pertain to pipeline sizing, project cost and potentially cost recovery. We had hoped to avoid the need for further technical discovery by submitting our request. However, given the crucial omissions in the update undertakings, we respectfully submit that the Board does not have the evidence to approve the pipe sizing for the project. Further, without an understanding of the interplay between the contractual obligations and the stated demands underpinning the pipe design, there is a risk that interruptible service is being treated as firm design day demand.

## Answers to this Point Infer that the Interruptible Service is Being Included as Firm Demand

At the outset of the confidential portion of the technical conference,<sup>3</sup> FRPO attempted to obtain an understanding of how the design demands at the Rockcliffe control point on the St. Laurent pipeline were determined including how the interruptible service in the contract was treated. The following dialogue captures the distinction of the daily firm contracted demand.<sup>4</sup>

<sup>&</sup>lt;sup>1</sup> EGI\_Updated Undertakings\_20241206\_Redacted and CONFIDENTIAL\_EGI\_EB-2024-0200\_Updated\_Undertakings\_20241206

<sup>&</sup>lt;sup>2</sup> CONFIDENTIAL EGI EB-2024-0200 Updated Undertakings 20241206

<sup>&</sup>lt;sup>3</sup> UNREDACTED CONFIDENTIAL Final Transcript for EB-2024-0200 Technical Conference October 30, 2024, pg. 127, line 17 to pg. 128, line 14 <sup>4</sup> Ibid,

MR. QUINN:....So, as you can see, the contract demand is listed as XXXX  $10^3 \, \text{m}^3$ . Can you confirm, this is the maximum daily demand?

MR. CLARK: Brad Clark. That is correct.

MR. QUINN: And I am having a little trouble hearing you, Mr. Clark. I don't know if the microphone got shifted on a break, but thank you.

So, in section 1.06, the firm contract demand is listed as XXXX  $10^3 \text{ m}^3$ . Stopping there, can you confirm that the different between the two contracted demands is an **interruptible portion of the** contract? (emphasis added)

MR. CLARK: Brad Clark. That is correct.

MR. QUINN: Later in the section, the contract refers to the firm hourly demand being 120th (*read here 1/20th for clarification*) of the firm contract demand. Would you take it, subject to check, that the resulting firm hourly demand is XX,XXX metres cubed per hour?

MR. CLARK: Brad Clark. Subject to check, yes.

The response in the original undertaking response provided a total of XX,XXX m3/hr as the design hour demands to Gazifere served through Rockcliffe and Gatineau.<sup>5</sup>

The witness confirms that only the  $1252\ 10^3\ m^3$  is firm. Multiplying by 1/20th to derive the hourly load results in a firm contracted hourly demand of XX,XXX  $m^3/hr$  not the XX,XXX  $m^3/hr$  defined as the design hour in the response. But the updated response does not even attempt to explain nor reconcile the difference in these numbers when that is the difference is what we asked to be reconciled in our dialogue and subsequent undertaking.

The updated response simply states:6

The demand and flows that are represented in the evidence and subsequent interrogatories are the result of demand modelling at design conditions with interruptible flow off, and not the application of a contract volume. The design condition for the system in Ottawa and Gazifère does not include interruptible flow.

<sup>&</sup>lt;sup>5</sup> Exhibit JTX1.22

<sup>&</sup>lt;sup>6</sup> Exhibit JTX1.22 Updated

The updated response does not reconcile the firm contracted hourly demand of XX,XXX m3/hr with the XX,XXX m3/hr. The more than 40% incremental demand would have an effect on pipe sizing for this project. As a result of no response on the difference in the updated response, our requested simulation<sup>7</sup>, including the simulation requested later<sup>8</sup>, are not performed nor reported on for the Board's understanding.

Further, if EGI is treating the interruptible contracted demand as a firm hourly obligation, it brings into question whether the benefiting company, Gazifere, ought to be contributing to the incremental cost to serve that demand.

As noted in our request for fulsome response, FRPO respectfully submits that EGI bears the onus to ensure that their request is supported with clear evidence. In our view, this crucial distinction must be resolved.

## EGI Has Not Demonstrated that Optimized System Operation Has Been Assessed

Later in the confidential portion of the Technical Conference, we went through extensive dialogue with the EGI witness panel to establish our request to consider raising the pressure at some stations and reducing the pressure at others to reduce demand on the St. Laurent pipeline in an effort to reduce size of the proposed replacement pipe.<sup>9</sup> At no time, did EGI state that the maximum set pressure on stations in the Ottawa system is capped at 380 kPa. However, the response received in the initial undertaking did not raise the pressure at stations not fed from St. Laurent. No explanation was provided.

In our request for fulsome response, we identified that there was no concern raised in increasing the pressure to 400 kPa and we asked for a simulation to increase pressures and, in addition, reasoning for their preference to limit the pressure to 380 kPa given the Z662 Code.

The updated undertaking simply starts with "An increase in operating pressure above 380 kPa but below 420 kPa in the Ottawa IP systems is not possible..." With respect, it is not conceivable that the increase is <u>impossible</u> as the Z662 allows it because the system is designed to 420 kPa. More importantly, EGI has not offered any evidence as to their characterization of not possible. Said differently, there is no evidence of any constraint. However, given the assertion of impossible, the results of the requested simulations have not been provided.

<sup>&</sup>lt;sup>7</sup> Exhibit JTX1.26 Updated

<sup>8</sup> Exhibit JTX1.29 Updated

<sup>&</sup>lt;sup>9</sup> UNREDACTED CONFIDENTIAL Final Transcript for EB-2024-0200 Technical Conference October 30, 2024, pg. 144, line 21 to pg. 157, line 3

<sup>&</sup>lt;sup>10</sup> Exhibit JTX1.28 Updated

### **Requested Relief**

Given the truly technical nature of these issues, we had hoped to provide a clear record to avoid these issues being unresolved prior to a hearing. Above, we have clarified two of the most crucial omissions above, but we did ask for other missing information to which there was no response. We respect that the Board would benefit from a clear and complete record to avoid, potentially, an Oral Hearing. However, unless EGI would provide or be compelled to provide complete responses to all our requests, we would formally request an Oral Hearing.

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** 

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