

VIA OEB PORTAL

December 18, 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 - FRPO Request for Oral Hearing

We are writing on behalf of the Federation of Rental-housing Providers of Ontario (FRPO) in response to Procedural Order No. 5 issued December 16th. The Order provided the opportunity for parties to file submissions on the need for an oral hearing. Consistent with our submissions following the Technical Conference,¹ FRPO respectfully submits that there is not clear evidence from which we can make submissions to assist without the opportunity to create understanding through an oral hearing.

We offer two important examples of the lack of clarity.

Inclusion of Interruptible Gazifere Contracted Deliveries in Design Day Demand

In the technical conference,² EGI confirmed the difference between the maximum daily demand of XXXX 10³ m³ and the **firm contract** daily demand of XXXX 10³ m³ was interruptible. Further, they accepted that the **firm contract** hourly demand, using the formula of 1/20th stated in the contract was XX,XXX m³ per hour.

In the response to our requested undertaking, EGI provided that the design hour supply to Gazifere was XX,XXX m³ per hour.³ The Table was preceded by this response (included below):⁴

The contract for supply to Gazifere, which is provided at Exhibit I.1-CAFES Ottawa-7 Attachments 1 and 2, has a Contract Demand and Maximum Daily Transportation Volume of X,XXX 10³ m³ or XX,XXX m³/hr using a 20 hour factor.

The design hour supply used to design the proposed replacement St. Laurent Pipeline is higher than the contracted figure referenced in the same undertaking and is substantially higher than XX,XXX m³/hr as the firm hourly demand confirmed in the Technical Conference. EGI offered no explanation for the difference between the stated Maximum

¹ FRPO_EGI_REQ_FULSOME RESP_LTC ST LAURENT_20241129 and FRPO_SUB_EGI UPD UNDERTAKINGS_CONF_20241212

² UNREDACTED CONFIDENTIAL Final Transcript for EB-2024-0200 Technical Conference October 30, 2024, pg. 127, line 17 to pg. 128, line 14

³ Exhibit JTX1.22. Table 1

⁴ Exhibit JTX1.22 Updated

Daily Transportation Volume, the design hour supply to Gazifere and the firm hourly demand. The only difference that we could discern was that the higher figures did not apply the descriptor of **firm**.

When the difference and the impact was questioned through our request for fulsome response,⁵ EGI asserted:

The design condition for the system in Ottawa and Gazifère does not include interruptible flow.

There was no explanation or reconciliation of the difference between the three figures or why the design hour supply used was substantially higher than the firm contract right. As a result, there is no clear evidence on how Gazifere's contract is being delivered and its impact on the proposed project's sizing. Given that no other party has EGI's model, parties cannot know what costs may be able to be reduced if the hourly demand – confirmed in the Technical Conference – were used for the design (i.e., the savings could be beyond the NPS 16/NPS 12 difference cited by EGI). As submitted earlier, the onus should be on EGI to ensure that they are proposing the most cost-effective means to meet demand.

The Ottawa System Has Not Been Optimized

During the Technical Conference, a significant amount of time was spent on ensuring there was clarity on our request that EGI examine the opportunity to lower the pressure on some stations and raise the pressure on other stations (referred to by EGI as biasing) to off-load demands on the St. Laurent pipeline.⁶ At no point did EGI state that the 380 kPa settings were the maximum set pressures of the system. Given the 420 kPa Maximum Operating Pressure, we did not expect that the stations would be artificially capped at 380 kPa.

In response to our request for Complete Undertaking Responses,⁷ EGI asserted:

“...increasing the maximum set pressure to above 380 kPa as suggested by FRPO is not possible as a practical matter for a number of reasons, including: regulator operating requirements; overpressure protection; and historical system operations.”

First, the term not possible is technically incorrect given the reasons. Taken individually:

- **Regulator operating requirements:** Regulators are designed to provide a broad range of set pressures. Given the amount of increase suggested (moving up to say 400 kPa), this pressure could be accomplished by simply turning a screw or replacing a spring on a regulator or its pilot depending on the station. The cost would be in the hundreds of dollars.

⁵ FRPO_EGI_REQ_FULSOME RESP_LTC ST LAURENT_20241129

⁶ UNREDACTED CONFIDENTIAL Final Transcript for EB-2024-0200 Technical Conference October 30, 2024, pg. 144, line 21 to pg. 157, line 3

⁷ FRPO_SUB_EGI UPD UNDERTAKINGS_CONF_20241212

- Over-pressure protection: Consistent with requirements of the CSA Z662, these devices are designed to ensure that any incident will not cause an over-pressure which for a 420 kPa system would be a 464 kPa threshold. Properly designed stations are based upon the Maximum Operating Pressure not the actual operating pressure and therefore no change would be required.
- Historical system operations: While gas utilities will often operate somewhat under the Maximum Operating Pressure to allow for variance of the output pressure of a traditional regulator, if needed, a utility can install a more sophisticated regulator which can maintain a more precise pressure, thus limiting the need for contingency below its Maximum Operating Pressure. If regulators need to be changed, the cost would be in the thousands of dollars.

As outlined above, it is categorically possible and should be considered as a means to reduce the cost of a pipe which arguably could be stranded in the years to come. Coupled with a potential reduction in the design hour for the **firm** demands to feed Gazifere from the St. Laurent pipeline, it is conceivable that the size of pipe may be able to be reduced to NPS 8 for some portion of the project. In our view, clarification of these assertions and the potential impacts on the size of the proposed pipe ought to be explored in mitigating ratepayer risks.

Conclusion

At this point in the proceeding, the above issues provide an unclear evidentiary record which inhibits our ability to make our case on behalf of our members to mitigate the rate implications of the project. Further, these issues limited our opportunity to assist the Board with technical perspectives to serve the public interest. Thus, we formally request an Oral Hearing.

Thank you for your consideration of our request.

Respectfully submitted on behalf of FRPO,



Dwayne R. Quinn
Principal
DR QUINN & ASSOCIATES LTD.

- c. P. Squires, EGI Regulatory Proceedings
Interested Parties