

VIA RESS and EMAIL

March 11, 2025

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

**RE: EB-2025-0064 EGI Discontinuance of Western Canadian Supply Option
FRPO Request for the Board's Consideration and Direction**

We are writing on behalf of the Federation of Rental-housing Providers of Ontario (FRPO) to alert the Board and express our concern over the actions of Enbridge Gas Inc. (EGI) with regard to notice provided Direct Purchase (DP) customers of the elimination of the option to supply gas at Empress - the start of the TransCanada Pipeline mainline - called Western Transport Service (WTS - see ATTACHMENT #1 for EGI notice). FRPO acknowledges that EGI obtained the Board's approval in a settlement over ten years ago. However, as outlined below, we believe a review of this issue in the context of today's realities ought to be squarely under consideration by the Board in Phase 3 of the rebasing proceeding. Our request to the Board is to include a review of this service change during consideration of the Phase 3 issues list. Further, if the Board includes this consideration, we request that the Board direct EGI to alter its communication regarding its intent to eliminate the service until the issue is heard and determined by the Board in light of material changes in circumstance since the original approval was granted.¹

BACKGROUND

In 2014, Enbridge Gas Distribution Inc. (EGDI) established a working group to negotiate the terms and conditions to allow more DP customers to move their supply source to Dawn. FRPO participated in these negotiations. As part of those discussions, some parties, including FRPO, sought the opportunity to open other points of receipt for DP supply (e.g. Niagara). EGDI accepted that potential establishing a minimum threshold of interest (50,000 GJ/day) but, in parallel, sought the opportunity to eliminate receipt points if the contracted volume fell below a certain threshold (25,000 GJ/day).² As part of the conditions agreed upon by the parties to provide more capability to source gas at Dawn, EGDI requested the cost consequences of approximately \$6M to perform system changes to accommodate DP administration. The Board approved the resulting agreement.

While we acknowledge that this Board-approved agreement gave EGDI the right to this elimination, the record (historic and new application) that we reviewed does not evidence the annual cost of keeping the Western point versus eliminating that DP customer choice. Given that EGI is seeking approval of a companion elimination of that choice for Union Gas North rate zone customers by EGI

¹ EB-2014-0323

² EGD Dawn Access Application and Settlement Agreement, Exhibit B, Tab 2, Schedule 1, October 17, 2014, Page 11

in Phase 3 of the rebasing proceeding,³ we believe that the matter should be heard holistically and, if the Board agrees, that EGI be directed to change the notification to articulate that the matter is being heard allowing for DP customers and the market to have input for the Board's consideration.

Since this letter is intended to alert the Board to our concerns and not to argue the requested issue comprehensively at this point, we identify three material changes in circumstance for the Board's consideration of hearing this matter as an issue in Phase 3 of the rebasing proceeding.

The Appropriateness of the Elimination Ought to be Heard in the Context of the Merged Utility

EGDI and Union Gas Ltd. (UGL) sought and received approval to merge more than 5 years ago.⁴ The merged company has been integrating operations and systems to provide services to customers. Given that EGI is also seeking the elimination of the point of receipt for Union Gas Rate Zone customers,⁵ we submit that the issue of the appropriateness of this reduction in customer choice ought to be heard in context of the new utility.

TCPL Mainline Rates have Decreased Significantly with Limited Available Capacity

At the time of the Dawn Access proceeding, the natural gas market in Ontario was significantly different than it is today. As a result of increased throughput, TransCanada Pipeline (TCPL) tolls decreased by approximately 25% to the EGD EDA (Ottawa area) resulting in WCSB being a reasonable economic alternative. Moreover, pipeline capacity has been contracted at its highest level in decades making the ability to re-contract after termination of existing contracts dubious at best.

Tariff Uncertainty Should Drive Canadian Gas Purchases

With the level of uncertainty with and resulting impacts of US tariffs on Canadian natural gas and potential counter-tariffs, how could it be in the best interest of Ontario customers and Canada to eliminate the choice of sourcing WCSB gas by Ontario DP customers at this time?

MATERIAL CHANGES IMPACT THE APPROPRIATENESS OF WTS ELIMINATION

FRPO respectfully submits that anyone of these three material changes since the 2015 Board approval ought to be sufficient to prompt the Board's consideration of the elimination of DP customers choice to buy WCSB gas facilitated by the WTS. It is worth noting that in the previous settlement agreement that EGDI developed with stakeholders impacting DP supply prior to Dawn Access, the agreement included a section which allowed for consideration by the Board of any Material Change in Circumstance if brought forward by EGDI or other parties.⁶ While this section is not an explicit part of the Dawn Access agreement, it was stipulated and agreed upon during a time of evolution in gas supplies to Ontario and underpinned EGDI's role in facilitating Direct Purchase while maintaining system reliability. Ironically, EGDI did not, as articulated in the agreement, "*report to the parties to this Settlement Agreement regarding the implications of the change on system reliability and/or the Long Term Resolution*" in applying for the Dawn Access Settlement agreement. In our view, the intent of this identification of Material Change is a provision that acknowledges that settlement agreements can and should be revisited if circumstances change dramatically.

³ EB-2025-0064 Phase 3 Exhibit 8, Tab 4, Schedule 3, Page 24-25

⁴ EB-2017-0306/0307

⁵ EB-2025-0064 Phase 3 Exhibit 8, Tab 4, Schedule 3, Page 24-25

⁶ EB-2010-0231 Exhibit C, Tab 1, Schedule 1, Page 15 (attached as ATTACHMENT #2 for convenience of the reader)

FRPO's agent, who represents hundreds of other Ontario customers, provided concerns to EGI about the impact on the Direct Purchase market if this alternative was not available. While ECNG was informed that its concerns were considered, EGI did not alter its intent to proceed with the elimination of WTS.

REQUESTED RELIEF

At this time, we request that the Board communicates its consideration of the elimination of WTS as an issue to be considered in Phase 3 of the Rebasing Proceeding. Including the WTS explicitly or as subsumed under the Change to Services issue, would allow the parties to revisit the agreement in settlement discussions to provide the opportunity to propose rules more aligned with current conditions. If the Board agrees that this issue warrants consideration, we further request the Board directs EGI to update its communication to customers to provide notification that the proposed elimination is an issue in the proceeding allowing for awareness and potential input from the affected customers and, potentially, suppliers.

Respectfully Submitted on Behalf of FRPO,



Dwayne R. Quinn
Principal
DR QUINN & ASSOCIATES LTD.

c. R. Stevenson, R. DiMaria, EGIRegulatoryProceedings – EGI, Parties EB-2025-0064



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Canada

NOTICE OF DISCONTINUANCE OF WESTERN TRANSPORT SERVICE (WTS) - EGD RATE ZONE

Date: February 27, 2025

Subject: Discontinuance of WTS

In accordance with the Dawn Access Settlement Agreement dated October 22, 2014 and approved by the Ontario Energy Board (EB-2014-0323 as Exhibit B, Tab 2, Schedule 1) (the "Settlement"), Enbridge Gas hereby provides notice that the **Western Transport Service ("WTS")** will be discontinued effective **April 30, 2027** as a result of the total volume for such service utilized by all customers failing to meet a minimum threshold of 25,000 GJ/day.

Customers remaining on WTS service do have the opportunity to opt for another Transportation Service offered by Enbridge Gas. Please advise Enbridge Gas of your election to receive either Ontario Transport Service ("OTS") or Dawn Transport Service ("DTS") by no later than **Feb 28, 2027**. In accordance with Section 2.3.5 of the Settlement, if a customer fails to opt for another Transportation Service, the customer will be deemed to have elected DTS.

To ensure a smooth transition, we advise all affected parties to begin making arrangements to effectively meet the deadline for full transition to another transportation service before **April 30, 2027**. After this date, WTS will no longer be available.

For further assistance or to discuss transition plans, please contact contractsupportandcompliance@enbridge.com.

Enbridge Gas is committed to supporting you throughout this transition process.

Thank you.

A handwritten signature in black ink, appearing to read 'Rob DiMaria', written over a horizontal line.

Sincerely,
Rob DiMaria
Manager, Contracting and Compliance

Corrected: July 19, 2010
EB-2010-0231
Exhibit C
Tab 1
Schedule 1
Page 15 of 16
Plus Appendices

/c

- iii Enbridge will act in a manner that maintains the integrity and reliability of the gas distribution system and that respects the sanctity of contracts.

The new paragraph 2 is "Request for TCPL Turnback must be made in writing to the attention of Enbridge's Direct Purchase Group". This paragraph has been restated to reflect the new administrative process resulting from the Turnback changes listed above in Section V.

These new provisions of Rider A will not apply to any existing turnback arrangements or pending turnback requests that have been accepted by Enbridge prior to the final adoption of the new turnback wording in the Rate Handbook.

IV. MATERIAL CHANGE IN CIRCUMSTANCES

In the event of a change in circumstances that affects security of supply to Enbridge's franchise area and/or the Long Term Resolution in any material way ("Material Change"), Enbridge will review the implications of the change and, within a reasonable period of time after the change has become known, will report to the parties to this Settlement Agreement regarding the implications of the change on system reliability and/or the Long Term Resolution. For this purpose, a Material Change will include, but not be limited to, the following:

- ~ construction of new facilities that increase the availability of short haul firm transportation service to Enbridge's franchise area
- ~ a material change in the availability of TCPL discretionary services
- ~ the conclusion from any future Board process that addresses matters relevant to Enbridge's system reliability.

While Enbridge will be responsible to monitor market or regulatory developments for a Material Change, nothing in this agreement precludes any party from bringing its concerns regarding a Material Change to the Board for consideration of any impact on the Long Term Resolution.