



Mark Kitchen
Director,
Regulatory Affairs &
Ombuds Office

tel 519 436 4600 Ext 5275
cell 519 365 0320
mark.kitchen@enbridge.com

Enbridge Inc.
50 Keil Drive North
Box 2001
Chatham, ON
N7M 5M1

VIA RESS

May 15, 2025

Ritchie Murray
Acting Registrar
Ontario Energy Board
2300 Yonge St, 27th Floor
Toronto, ON M4P 1E4

Dear Ritchie Murray:

Re: EB-2024-0092 Ontario Energy Board (OEB)
Proposed Amendments to the Distribution System Code (DSC) to Establish a
Capacity Allocation Model
Comments of Enbridge Gas Inc. (Enbridge Gas or the Company)

Enbridge Gas Ontario (Enbridge Gas) is responding to the OEB's invitation for comments regarding proposed amendments to the DSC to establish a Capacity Allocation Model (CAM). Enbridge Gas has reviewed the proposed amendments with interest, as the Company continues to focus on and to be committed to supporting Ontario's housing development goals.

Enbridge Gas continues to be guided by the Minister of Energy's Letter of Direction from November 29, 2023, that specifies under the housing, transportation, and job creation initiative that "[t]he OEB should continue to ensure that the needs of all customers are considered in its work, and that access to electricity and natural gas in an affordable manner remains central to decision-making." To meet Ontario's housing development goals, energy infrastructure providers must be able to build within high-growth areas promptly, with appropriate assurances for capital cost recovery. Further, it is Enbridge Gas' view that any model must be aligned with the Government of Ontario's policy objectives as it relates to providing affordable homes for Ontarians while at the same time allowing utilities to earn a fair rate of return on invested capital.

The establishment of the proposed CAM seeks "to support a fair allocation of capacity and costs associated with system expansions to accommodate multiple residential subdivisions and other customer connections in a qualifying development area" over multi-year periods. Specifically, it seeks to address the concern that, currently, the initial customer may bear the entire upfront cost of the expansion, which can constitute a financial burden and create a barrier to development. The establishment of the

proposed CAM seeks to address these issues by allocating all project costs to committed customers and forecast future customers on the basis of their capacity requirements and commitments. Future committed customers can pay their contribution upfront or in the future when they are ready to connect, but if paid in the future, the contribution would include financing charges. Future customers who have not committed to the project are required to provide a contribution that is payable, with financing charges, before attachment.

Enbridge Gas reinforces its comments from the consultation on proposals to change cost responsibility rules for electricity system connection infrastructure for high-growth areas (ERO: 019-9300, December 7, 2024) that integrated energy planning, especially for high-growth areas, will support a comprehensive demand forecast to inform optimized capacity planning across projected electricity and natural gas developments. In addition, Enbridge Gas notes that had it participated in the working group sessions, the company would have raised for consideration the use of its normalized system reinforcement approach, as it would be administratively simpler to implement and is aligned with government policy.

Enbridge Gas recognizes the significant role it plays in delivering reliable and affordable energy, and it is committed to being a key part of the solution in achieving Ontario's housing development objectives. The passage of Bill 165 (*Keeping Energy Costs Down Act, 2024*) provides for a generic hearing to be held by the OEB on the revenue horizon for natural gas connections before the end of 2028. Enbridge Gas expects this forum (and potentially other relevant proceedings) to further explore opportunities for integrated, complementary, and balanced approaches for utilities that will address the needs of all stakeholders and help achieve the province's goal of 1.5 million new homes by 2031.

The comments provided here are initial observations, recognizing that there may be differences between the gas and electric rate, reinforcement and connection mechanisms that should be further considered in the appropriate forum. Enbridge Gas appreciates the opportunity to participate in this consultation and will remain engaged and responsive as required.

Sincerely,

A handwritten signature in cursive script that reads "Mark Kitchen".

Mark Kitchen
Director, Regulatory Affairs & Omubds Office