

VIA RESS and EMAIL

July 2, 2025

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

Dear Ritchie Murray:

**Re: Enbridge Gas Inc.
2023 Utilities Earnings and Disposition of Deferral and Variance Accounts
Consumers Council of Canada (CCC) Submission
OEB File No. EB-2024-0125**

In accordance with the OEB's Decision on Settlement Proposal and Procedural Order No. 4, dated May 27, 2025, please find attached CCC's submission for the above noted matter.

Yours truly,

Lawrie Gluck

Lawrie Gluck
Consultant for the Consumers Council of Canada

cc: All parties in EB-2024-0125

Enbridge Gas Inc.

2023 Utilities Earnings and Disposition of Deferral and Variance Accounts

EB-2024-0125

Consumers Council of Canada Submission

July 2, 2025

Introduction

Enbridge Gas Inc. (Enbridge Gas) filed an application with the Ontario Energy Board (OEB), dated May 31, 2024 (and updated on July 2, 2024), seeking approval to clear the balances in certain 2023 deferral and variance accounts and for a review of the 2023 earnings sharing amount.

Enbridge Gas filed its Argument-in-Chief on June 17, 2025, in which it set out a summary of the matters that remain in agreement between the parties following the OEB’s rejection of the Settlement Proposal and provided its argument on the matters that are disputed.

The Consumers Council of Canada (CCC) supports Enbridge Gas’s withdrawal of its proposed Fugitive Emissions Measurement Plan (FEMP) and the related Fugitive Emissions Measurement Plan Deferral Account (FEMPDA) for the reasons discussed in Enbridge Gas’s Argument-in-Chief.¹

For the reasons discussed in detail below, CCC submits that the debit balance recorded in the Getting Ontario Connected Act Variance Account (GOCAVA) should be reduced by approximately \$17.5 million (plus interest).

Getting Ontario Connected Act Variance Account

Enbridge Gas seeks OEB approval to recover \$31.9 million (plus interest of \$2.7 million) related to incremental locate costs incurred between April 1, 2023 and December 31, 2023.² The principal balance in the GOCAVA is related to two separate categories of costs - incremental locate costs and incremental vital main standby (VMS) costs - as shown in the table below.³

April 2023 – December 2023 (Millions)	Locate Costs	VMS Costs	Total
Actual Costs	\$58.1	\$7.4	\$65.5

¹ EB-2024-0125, Enbridge Gas, [Argument-in-Chief](#), pp. 2, 17.

² EB-2024-0125, Enbridge Gas, [Argument-in-Chief](#), p. 7.

³ EB-2024-0125, [Updated Evidence](#), Exhibit C, Tab 1, pp. 27-28.

Costs Recovered in Rates	\$29.2	\$4.4	\$33.6
Incremental Costs for Recovery	\$28.9	\$3.0	\$31.9

The OEB established the GOCAVA on a generic basis for all electricity and natural gas distributors in EB-2023-0143.⁴ The purpose of the account is to track incremental locate costs resulting from the enactment of Bill 93 on April 14, 2022. In its Decision and Order regarding the GOCAVA, the OEB stated:

The disposition of any balance in this account will be subject to a prudence review and a requirement to establish that any cost incurred over and above what is provided for in initial and IRM adjusted base rates is an incremental cost resulting from Bill 93. The OEB expects utilities to seek approval for disposition of balances in the account at rebasing unless unmanageable balances have accrued that may require disposition in an IRM year.

The OEB agrees with OEB staff on the necessity for utilities to demonstrate that recorded amounts in their accounts are both incremental to the base rates and are a direct result of Bill 93.⁵

Contrary to the OEB’s findings in its EB-2023-0143 Decision and Order, Enbridge Gas has treated all actual locate and VMS costs in excess of the amounts recovered through rates as eligible for recovery in the GOCAVA.⁶ Essentially, Enbridge Gas is treating the GOCAVA as a comprehensive locate and VMS cost true-up account. This is not appropriate. The OEB was clear that only incremental costs directly resulting from the Getting Ontario Connected Act (Bill 93) are to be recorded in the account.

With respect to the increase in locate costs, Enbridge Gas states that the 5-day locate delivery timeline mandated by the Getting Ontario Connected Act required Locate Service Providers (LSPs) to onboard a significant number of new locators. This onboarding effort coincided with the LSPs union negotiations in 2022, and labour rates increased significantly to match the new industry skillset requirements and to attract/retain more specialized

⁴ EB-2023-0143, [Decision and Order](#), October 31, 2023, p. 4.

⁵ EB-2023-0143, [Decision and Order](#), October 31, 2023, p. 7.

⁶ EB-2024-0125, [Interrogatory Responses](#), September 5, 2024, Exhibit I.SEC-3(e).

talent. Enbridge Gas states that the overall increase in locators and labour rates caused its cost per locate to double.⁷

CCC agrees with Enbridge Gas that the Getting Ontario Connected Act was certainly responsible for some of the overall increase in locate costs experienced by the company. However, it cannot be said that the entirety of the locate cost increase is a direct result of Bill 93. The overall increase in locate costs was clearly also influenced by regular labour rate growth that is generally expected over time (and reflected in the union contract). This wage growth would have occurred even in the absence of Bill 93. In addition, other provincial policy associated with the construction of housing and transportation infrastructure would have also impacted locate activity and the associated costs.

It is not possible, based on the record, to definitively separate the incremental locate costs driven by the Getting Ontario Connected Act relative to other factors. A reasonable approach in this circumstance is to deem that 50% of the locate cost increase is related to the act and the remainder was caused by factors unrelated to Bill 93. On this basis, the OEB should reduce the debit balance in the GOCAVA by approximately \$14.5 million (i.e., \$28.9 million x 50%).

With respect to the VMS costs, Enbridge Gas states that VMS is a “locate-related service.”⁸ More specifically, Enbridge Gas notes that VMS “is part of the locating process for Enbridge Gas high risk assets. The program involves having a Locate Service Provider (LSP) resource onsite during 3rd party excavations on these high-risk assets to ensure that excavators adhere to vital main excavation requirements.”⁹ VMS is essentially a supervisory activity for which the Getting Ontario Connected Act did not require any specific changes. Therefore, as the Getting Ontario Connected Act has no direct impact on VMS-related activities, the entirety of the VMS-related balance recorded in the GOCAVA (\$3 million) should not be recovered from ratepayers.

For the above reasons, the OEB should reduce the recoverable GOCAVA balance by approximately \$17.5 million (plus the associated interest charges).

~ All of which is respectfully submitted ~

⁷ EB-2024-0125, [Updated Evidence](#), Exhibit C, Tab 1, pp. 24-25.

⁸ EB-2024-0125, [Updated Evidence](#), Exhibit C, Tab 1, p. 24.

⁹ EB-2024-0125, [Interrogatory Responses](#), September 5, 2024, Exhibit I.EP-8.