VIA OEB PORTAL

July 2, 2025

Ontario Energy Board
Attn: Mr. Ritchie Murray, Acting Board Registrar
P.O. Box 2319
27th Floor, 2300 Yonge Street
Toronto ON M4P 1E4

RE: EB-2024-0125 – EGI 2023 Deferral Account Dispositions
FRPO Response to EGI Objection

We are writing on behalf of the Federation of Rental-housing Providers of Ontario ("FRPO").

Introduction

We participated in all aspects of discovery and settlement with Enbridge Gas Inc (EGI) as part of the intervenor group. As directed by the Board, the intervenor group collaborated to reduce cost and duplication in reaching a settlement proposal with EGI. With the Board's rejection of the settlement proposal, provision was made for the filing of written submissions which were expected to include what matters on which they remain in agreement.

As noted by EGI in their Argument-in-Chief, there are few issues that parties had reserved for submissions in opposition of the requests and balances in the Application. The one issue of concern remaining for FRPO is the balance proposed in the Getting Ontario Connected Act (GOCA) Variance Account. However, in the continuation of intervenor collaboration, FRPO provides a very limited submission given the investment of time by our fellow intervenor, the School Energy Coalition (SEC).

EGI Has Not Demonstrated Incremental Costs are Solely Attributable to GOCA

As referred to in the above introduction, FRPO received an advanced draft of the submissions of SEC. Consistent with the efficiency expected by the Board, we support and adopt SEC'S submissions as they are aligned with our position and are very well constructed. In our respectful submission, EGI has not demonstrated that these incremental costs are solely attributable to GOCA, and we support the proposed disposition of $14.45M. Further, we will add one point not emphasized by SEC.

EGI's pre-filed evidence explains some factors that contribute to a higher cost of labour in this market. While we acknowledge that the factors noted likely contributed to higher costs, the more than doubling of the locate unit costs ought to have caused the utility to seek other means of delivering this service or subsets of the service. In our interrogatory, EGI stated that the Locate Alliance Consortium (LAC) last performed an RFP in 2017 but re-negotiated prices as recently as 2023.[1] There is no evidence provided that the LAC or EGI sought other solutions or were even in the process of seeking other solutions. Potentially, this lack of pursuit of other alternatives was due to their perceived comfort that these costs would simply be passed on to ratepayers.

As an example, EGI states that the hourly wage for the external provider increased from $78/hr. to $146/hr.. Historically, natural gas utilities used to do their own infrastructure locates with their own maintenance personnel who were trained to perform the function. When the need to supervise construction in the vicinity of critical buried pipes, these maintenance staff were assigned to the job site. Today, while locates are now performed by contractors who identify all types of underground utility services, when overseeing excavation near critical natural gas pipes, there is no need for the overseer to be cross trained to locate other services. EGI could have chosen to deploy their staff whose cost would be less than $146/hr.. While this is a simple example, in our respectful submission, the lack of pursuit of more cost effective approaches should be considered by the Board in the determination of this issue.

Respectfully Submitted on Behalf of FRPO,

Dwayne R. Quinn
Principal
DR QUINN & ASSOCIATES LTD.

c. EGI Regulatory, Interested Parties in EB-2024-0125

[1] Exhibit I. FRPO-16