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Enbridge Gas Inc.
2024 Phase 3 Submissions
EB-2025-0064

Submission of the
Vulnerable Energy Consumers Coalition
(VECC)

August 26, 2026

Vulnerable Energy Consumers Coalition

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Overview

1. These are the Vulnerable Energy Consumer Coalition's (VECC) submissions with respect to the remaining issues in EB-2025-0064.
2. VECC submits that the Board should limit its approval of the AMI Project to the proof of concept 185 meters. We also suggest the Board provide guidance to EGI in the event it proposes wide spread implementation of AMI-smart metering. In our submission the prudence of any expanded AMI-smart metering should be subject to the Board's consideration of the costs and benefits, including a consideration of alternative technologies, such as ERT metering.
3. VECC takes no position with respect to Integrated Resource Planning (IRP) reporting.
4. We submit that EGI has met its obligations with respect to marketing materials.

Automated Metering Infrastructure (AMI) Pilot Project

5. EGI describes its AMI Pilot Project as a "proof of concept" (POC) exercise. That is, it is not envisioned as an end state but rather, a vehicle to understand what would be involved in AMI-smart metering for all natural gas distribution. As such the Board should expect a report from the Utility summarizing what has been learned from this POC and what if anything should follow.
6. The elements of the AMI POC are:¹
 - a) *Meter Deployment: 185 AMI-enabled ultrasonic meters were installed across four test areas within the Greater Toronto Area (GTA).*
 - b) *Network Infrastructure: The AMI system incorporated a series of radio frequency towers, one per test area. In a full deployment scenario, additional towers would be installed to have a more robust mesh network. Meter installation locations for the POC were strategically picked to ensure good network connectivity.*
 - c) *Data Management Systems: Enbridge Gas is leveraging the vendor's cloud-based Head End and Meter Data Management Systems (MDMS) that aggregates and processes data from the AMI network.*
 - d) *Staff Training and User Acceptance Testing (UAT): Impacted Enbridge Gas stakeholders participated in the AMI system application training as well as UAT before 'go-live'. This was done to prepare Enbridge Gas for the validation testing scenarios being performed during the POC.*
 - e) *Customer Billing: The AMI pilot meters are not integrated into the utility's billing system and are being read through current meter reading process (i.e. bi-monthly manual meter*

¹¹ Phase 3 Exhibit 2, Tab 7, Schedule 2, pages 5-6

reading) for billing purposes. As part of the POC, meter reading data captured through the ultrasonic AMI meters is being collected in real-time and analyzed by internal Enbridge Gas stakeholders through the meter vendor's cloud-based system. Through the POC, AMI data accurately correlates with manual meter reading data, eliminating the need for estimated meter reads and thereby improving the overall billing accuracy. In addition, the fact that AMI meters can communicate on radio frequency or cellular networks means that previously inaccessible meters – once replaced with AMI – will no longer pose access challenges or adversely impact Enbridge Gas's meter reading performance.

7. EGI is considering whether AMI implementation can be a solution to its inability to meet the Meter Reading Performance Measurements (MRPM).² If it is it may be a very expensive solution. EGI's "inaccessible" meter problems is a blend of missed meter reading due to weather or lack of meter readers and actual physical meter inaccessibility. The solution to these two different impediments may be two different things. In any event it is not clear to us how AMI-smart metering contributes significant value in the absence of other system wide benefits. We are not aware of any study that rigorously demonstrates the economic value to the small volume market of system wide AMI-smart metering. EGI notes that in the EB-2022-0200 Phase 1 decision that the AMI pilot was a positive step toward addressing MRPM compliance it did not stipulate that AMI-smart metering was the ultimate solution.
8. In fact, early retirement of pre-smart meters, smart meter's shorter operational life span and the need to create and maintain a communication and data infrastructure are likely to out way any financial benefit to residential customers.³ The introduction of smart metering in the electricity sector identified, at least notionally, benefits from time shifting of purchases (i.e. lowering peak loads). It is not clear that there is any similar system wide benefit to be had in a natural gas distribution given its exclusively winter peak load characteristics and its use in the residential sector to largely only two appliances (furnaces and hot water tanks).
9. At least notionally, in the Ontario electricity sector the hourly information of consumption might induce behavioural change. In practice though there is little concrete evidence of a material residential behavioural change, outside of EV charging, due to the availability of hourly pricing. For natural gas distribution, a residential service almost exclusively composed of home and water heating and with no time-price commodity differential, it is difficult to see what system benefits - other than (potential) meter reading costs savings - are to be gained.

² EGI AIC, August 17, 2026, page 2 of 14

³ With respect to AMI -smart gas meters EGI notes at Exhibit I.2.5-CME-5 that "*The increase in demand for the AMR/AMI enabled 200 series ultrasonic meters, (which are twice as expensive as diaphragm meters) was primarily driven by one supplier discontinuing the diaphragm meter type and another requiring extensive lead times for delivery.*"

10. We are not aware of any rigorous study that clearly demonstrates the economic value to residential customers of AMI smart metering in the electricity. The electricity sector transition to smart-AMI metering was done at the behest of legislated directives⁴. If naysayers are correct and the demise of natural gas service occurs within a 30 year horizon the economic benefits of massive investments in natural gas AMI become even more suspect.
11. Not only has no cost-benefit analysis been provided, by EGI's own admission serious impediments to large scale implementation of a new metering technology exists. This includes EGI's own assessment that large-scale implementation of AMI is anticipated to require more TSSA certified installers than currently available in Ontario⁵. Actually, acquiring approved and accredited meters appears to be also problematic at this time.⁶
12. As the business case is difficult to see and yet to be made we submit it is essential for the OEB to consider whether large scale implementation of AMI-smart metering in the natural gas sector is a prudent investment for ratepayers to fund. That can only be determined after it has considered the results of the AMI POC and considered the entire business case to be made.
13. In this regard we take note of this response at Exhibit I.2.7-CCC-2:

"Enbridge Gas confirms that it will provide details of its plans for large-scale AMI deployment to the OEB at or before the time that the Company proceeds with any such project. Whether specific OEB approval is required will depend on the timing and details of the proposal. For example, if the project commences during an IR term, then ICM approval could be sought. On the other hand, if the project is part of the capital budget in a subsequent rebasing case, then it may not require project specific approval."

They have also said:⁷

"Additional POC scope is currently underway in order to evaluate other technologies (e.g. other meter vendors/manufacturers, communication platforms, shared networks options, business system integration). It was determined essential to focus on a more targeted initial scope to ensure success while providing a strong foundation for expansion."

And⁸

"Should Enbridge Gas proceed with a proposal for large-scale AMI deployment, further supporting details will be included, including the full results and findings of the

⁴ In fact, some studies have concluded there are only small savings from the large meter investments in electricity: <https://uwaterloo.ca/news/news/study-shows-big-smart-meter-investment-yielded-very-small>

⁵ I.2.7-Staff-9

⁶ See I.2.7-PP-38

⁷ Phase 3 Exhibit 2, Tab 7, Schedule 2, page 6

⁸ I.2.7-BOMA-5

AMI POC.

b) i. The Company anticipates the AMI POC cost-benefit analysis will be completed by the end of Q4 2025. Once complete, Enbridge Gas will consider all results and findings in developing a plan for full-scale implementation.”

14. We also note that at Exhibit I.2.7-BOMA-2 EGI declined to provide a jurisdictional review of natural gas AMI implementation in North America. EGI was similarly reluctant to provide cost benefit analysis of natural gas AMI-smart to other intervenor’s questions⁹. While we understand EGI’s reasoning – that it is premature to provide the basis for widespread implementation when that decision has yet to be made - we do agree with the tenor of the questions. Any proposal for scale implementation of natural gas AMI should have a robust factual basis including studies of similar investments made world wide.
15. We take from the statements that EGI is in agreement that no scaling of the AMI POC beyond what has been described in this proceeding will occur, no significant investments to that end, prior to a full and comprehensive consideration by the Board of the value proposition of AMI-smart metering in the natural gas sector.

Capital Reductions set out in Phase 1 Decision

16. Enbridge stated that it had implemented the required envelope reductions in the 2024 Capital Budget by reprioritizing its capital portfolio based on the OEB direction to prioritize inspection and repair over full replacement where possible¹⁰. As explained at I.2.5-VECC-4 and I.2.5-SEC-5 the variance as between the 2024 actuals and that calculated from the approved Phase 1 DRO is \$1.7 million. This is an immaterial variance considering the core capital budget of \$1,005.6 M
17. EGI confirmed that the capital reduction has not compromised the safe reliable delivery of natural gas.¹¹ Enbridge Gas also stated it had achieved the capital reductions by adjusting its approach to capital spending, which included extending asset life through inspection and repair, deferral of investments to the future years, and (as a last measure) elimination of investments.¹²
18. We submit that EGI has satisfactorily met the requirements of the Board’s Phase 1 Decision to reduce the capital budget by \$250M.

⁹ A similar request denied at I.2.7-FRPO-16, I.2.7-PP-36, I.2.7-OGVG-2

¹⁰ Phase 3, Exhibit 2, Tab 5, page 4

¹¹ I.2.5-CME-4

¹² I.2.5-PP-31

Integrated Resource Planning (IRP) Reporting

19. VECC has no submissions on this issue.

EGI Marketing Materials

20. Fundamentally, we agree with the arguments of EGI with respect to this issue. EGI has complied with the directions of the OEB in EB-2022-0200:

“The OEB directs Enbridge Gas to review the energy comparison information currently on its website and printed materials to determine whether it fully discloses what is being compared and on what basis, and what assumptions are being used for the comparison. Enbridge Gas shall either update the information to correct any deficiencies or remove the information. As part of its updated evidence for Phase 2, Enbridge Gas shall provide a report on the review it undertook and the actions it took as a result of the review.”

21. EGI also agreed as part of EB-2024-0111 to not include statements related to the relative cost-effectiveness of gas heating or to savings that can be achieved with gas heating in marketing materials unless it also includes a comparison of the relative cost-effectiveness of heating with electric cold climate heat pumps. In our submission EGI has also met that commitment.

22. EGI provided some 38 pages of materials it had used as part of a specific DSM and other pilot projects which, among other things, included comparisons of natural gas appliances and electric air heat pumps. This was met with dissatisfaction by some intervenors and resulted in the Board allowing the intervenor Environmental Defence and the Green Energy Coalition to file evidence pertaining to what they perceived to be the optimum way to inform Ontario consumers on their purchases of heating appliances.

23. Subsequent evidence was filed authored by Mr. Chris Neme. Mr. Neme has no expertise in marketing. In our view what was provided was a package of opinions and advocacy for heat pumps.

24. VECC asked Mr. Neme a number of questions:

Mr. Neme recommends that EGI should *“Present the comparisons for different heat pump scenarios”*¹³ In response to VECC’s question as to the various types of heat pumps available, Mr. Neme also answered *“There are literally thousands (if not tens of thousands) of heat pump models available in Ontario.”* To wit we respond - that should make for a lot of comparisons.

¹³Neme, May 15, 2026, page 8

Mr. Neme cautions us that consumers may be misled because EGI has not factored into his (unsubstantiated) \$78 in the cost of the electricity on the fan of forced air furnaces. Not to miss the trivial – he ignores his own findings that “...an NRCAN report suggesting that there were about 7 furnaces for every boiler used for space heating in Ontario in 2007.” Mr. Neme’s is apparently unconcerned that his recommended comparisons might mislead the 14% of natural gas consumers who use natural gas fired boilers. Oh well.

Mr. Neme suggests EGI is deficient because they do not mention in marketing material that the Ontario government provides electricity rebates and that this should be factored into their comparisons. Yet when we asked if they should also make sure that one also understands that such rebates need to be re-applied for every two years Mr. Neme suggest this fact be delegated to a footnote.¹⁴ Presumably along with the computational details the author also suggests go into footnotes. The font size of which was not specified.

25. And Mr. Neme cautions to avoid “*misleading and unbalanced wording that is skewed in the favour of gas heating.*”¹⁵ We are rather unsure of what constitutes an “unbalanced” word, but what is “marketing” if it is not a message “skewed” to motivate an outcome? How does one sell if not through advocacy? What Mr. Neme seeks are messages of public service. We think that if the Board desires a forum for unbiased (inevitably bland) comparisons it has its own -utility funded - resources to carry that exercise as a public service. It should not expect a private company beholden to its shareholders to make the case for appliances it does not think will use as much of its services.
26. Mr. Neme and his clients are advocates. What they advocate are heat pumps in the specific and electricity consumption in general. All which may be good, bad or indifferent in a variety of different circumstances based on ones location and one’s assumptions of weather, prices, equipment, and consumer lifestyle. None of which can be actually known, but all of which nonetheless Mr. Neme has nailed down to the specific.
27. The Ontario Energy Board has not the mandate to lead the charge toward global decarbonization – as noble an end as that may be. We have often observed that parties selectively choose Ontario government prose on policies related to global warming while simultaneously ignoring statements on affordability and the expansion of the gas supply system. Such is the nature of politics, but it should not be that of regulators. We stick to our knitting. In our view it is misguided to hold that the Ontario Energy Board, at least in its current legislative clothing has either the

¹⁴ M1-VECC-7

¹⁵ Neme, page 9

authority or the expertise to opine as to what is “optimum or correct” marketing material – if there is even such a thing.

28. We take no issue with the concept that an energy regulator has a role in ensuring those who it regulates act in good faith and does not deceive or promote in deceptive ways. But, with respect, it is not the business of the OEB to determine whether natural gas utilities can market their service. They can – no law prohibits that activity. In fact, it is Ontario government policy to incent the expansion of natural gas service.¹⁶ To sell or to market is by definition to “skew in one’s favour” information. Advertisers are under no obligations to demonstrate the value of their competitors products. It may come as surprise to some, but marketing does not start with the premise that “our product is probably worse than the alternatives”.
29. Monopolies, both electricity and gas, are entitled to compete for customers and they have the right to present information that favours what they sell. What EGI may not do is purposefully mislead - which is quite another thing. And it is a bar we submit that this Utility is nowhere near reaching.
30. Natural gas provides a cost efficient alternative to many low income homes in Ontario. This issue at hand here has the wisp of patronization. The world is a plethora of information (AI anyone?). Consumers make difficult buying decisions every day. Different types homes, modes of transportation, major and minor appliances, fashion – the list goes on. We think all Ontario consumers are well aware that the gas company is in the business of distributing and selling gas. We are all quite capable of making are own decision as to what is in our own best interest, based on our own unique and varied circumstances. And we do not think getting into an exercise of minutia - *“changing line 6, of paragraph 7, on page 5”* - serves the public interest.
31. We submit EGI has met its marketing materials undertakings.

VECC submits that it has acted responsibly and efficiently during this proceeding and requests that it be allowed to recover 100% of its reasonably incurred costs.

ALL OF WHICH IS RESPECTFULLY SUBMITTED

¹⁶ See the Access to Natural Gas Act, 2018