

INTRODUCTION AND RELIEF REQUESTED

This Phase 3B of the rebasing of rates for the merged utility of Enbridge Gas Inc. (EGI) is reaching conclusion in this last sub-phase of a four-year process. The Federation of Rental-housing Providers of Ontario (FRPO) is appreciative of the thoughtful approach of the Board in approving a phasing of the issues to be determined to allow extensive discovery, evidence adduction and extended negotiations resulting in few unresolved issues in this landmark case.

While almost all of the macro issues were negotiated in a way determined by the Board to be in the public interest, the remaining issues, ordered to be decided by the Panel, captured in the Phase 3 issues list 13 a-d remain outstanding. Given our review of the procedural and evidentiary submissions focused on these issues in the last few months, for efficiency, we adopt and support the views of the Consumers Council of Canada on issues 13 b)-d) and provide specific views on issue 13 a) Automated Metering Infrastructure (AMI).

EGI AMI POC DOES NOT CONSTITUTE PRE-APPROVAL OF COST RECOVERY

In Phase 1 evidence, EGI outlined its efforts to assess the potential of AMI and its intention to file a comprehensive AMI proposal.¹ FRPO requested that EGI provide a business case for any North American only utility showing a positive NPV for AMI and the request was declined as EGI was not seeking approval in the Application.² Further, in response to the SEC request for an explanation of how the cited pending stand-alone AMI application fit into the proposed rate-setting framework, EGI responded:³

Enbridge Gas's proposal for regulatory treatment of costs associated with AMI will be included in a future application to the OEB.

As part of the Board's decision in Phase 1, EGI was directed to provide an update on this pilot project in Phase 3 of the proceeding.⁴ While EGI Argument-in-Chief cites that the OEB believes that AMI is a positive step in managing the meter reading metric in the future,⁵ it is an evidentiary fact that there was no economic assessment or cost-benefit

¹ EB-2022-0200 Exhibit 2, Tab 7, Schedule 2

² EB-2022-0200 Exhibit I.2.7-FRPO-67

³ EB-2022-0200 Exhibit I.2.7-SEC-151

⁴ EB-2022-0200 Decision and Order, December 21, 2023 (Phase 1 Decision), page 135.

⁵ Enbridge Gas Argument in Chief, August 17, 2026, Page 2

analysis on the record.⁶ As a result, FRPO respectfully submits that the stated belief was not an approval for cost recovery of the pilot as there was no basis for a public interest test.

In the current phase of the proceeding, EGI responded to the Board directive with further details on its efforts toward Proof of Concept (POC). The AIC cites that EGI answered interrogatories from several intervenors including FRPO. However, EGI “response” to our request for cost-benefit or discounted cash flow analysis from a North American gas only utility was declined as EGI was not seeking approval. While we acknowledge that no approvals were sought for the Proof of Concept (POC), we are concerned that EGI may be relying on the Board’s belief of the “positive step” stated in the first Phase or an implied acceptance of the recovery of capital expended in 2019 as signalling the Board’s support for recovery costs associated with the investigative process. FRPO submits that such an interpretation would be inappropriate.

In our respectful submission, a comprehensive analysis of the costs and benefits of an AMI system must be foundational to the recovery of any costs associated with investigation or potential deployment. This comprehensive approach would also include the ratepayer and shareholder impacts associated with the probable shifts in costs from operating to capital if fully implemented. FRPO respectfully requests the Board provide clear direction confirming that no implied or de facto pre-approval exists for recovery of EGI’s ongoing AMI POC at this stage.

ALL OF WHICH IS RESPECTFULLY SUBMITTED ON BEHALF OF FRPO,



Dwayne R. Quinn

Principal

DR QUINN & ASSOCIATES LTD.

⁶ The only cost information on the record related to the 2019 expenditure of \$1.87M for the AMI Pilot Project to test functionality found in EB-2022-0200 Exhibit I.2.6-STAFF-82, Attachment 1, Page 23. The explicit cost recovery of this capital is not clear from the record of the rebasing proceedings due, in part, to the negotiated settlements approved by the Board.