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By Email

September 23, 2022

Nancy Marconi
Acting Registrar
Ontario Energy Board
2300 Yonge Street, 27th floor
Toronto, ON M4P 1E4

Dear Ms. Marconi

**Re: Application by Enbridge Gas Inc. (“EGI”) re: Dawn to Corunna Replacement Project
OEB File #: EB-2022-0086**

We are counsel to Canadian Manufacturers & Exporters (“CME”) in the above-noted proceeding. Pursuant to Procedural Order #5 dated September 19, 2022, please consider this letter CME’s Submissions regarding the application by EGI for approval of its proposed Dawn to Corunna Replacement Project.

Enbridge Gas Inc. (“EGI”) applied to the Board for leave to abandon seven compressors units located at the Corunna Compressor Station (“CCS”) and construct 20 kilometers of NPS 36 pipeline from the Dawn Operations Centre in the Township of Dawn-Euphemia to the CCS in St. Clair Township (the “Project”).¹ According to EGI, the need for the Project is being driven by system reliability, obsolescence, and health and safety concerns.² Consequently, EGI stated that it is required to urgently undertake the Project, and estimated a November 1st, 2023 in-service date.³ EGI estimated the cost of the Project to be \$250 million.⁴

CME has had the opportunity to review advanced copies of the submissions from the School Energy Coalition (“SEC”) and the Federation of Rental Housing Providers (“FRPO”). CME supports the submissions made by SEC, and submits that there is significant merit to FRPO’s submissions as well. While CME accepts the need to replace aging assets, it agrees with SEC that EGI’s desired replacement of the compressors at the CCS as part of the Project is premature for the following reasons:

¹ EB-2022-0086, Exhibit A, Tab 2, Schedule 1, p. 1.

² EB-2022-0086, Exhibit B, Tab 1, Schedule 1, p. 3.

³ EB-2022-0086, Exhibit A, Tab 2, Schedule 1, p. 1.

⁴ EB-2022-0086, Exhibit B, Tab 1, Schedule 1, p. 3.

- EGI already put significant additional capital and O&M into the compressors EGI seeks to abandon within the previous few years.⁵ The result of this expenditure has been to reduce downtime.⁶
- EGI’s evidence indicates that injection and withdrawal shortfalls will decrease throughout the next four years.⁷
- The health and safety concerns identified by EGI are not novel. In January to May of 2022, EGI completed a Quantitative Risk Analysis (“**QRA**”) to quantify risks in the CCS.⁸ Despite the fact that the CCS has been operating for decades, and most compressors have been installed at the CCS since 1983,⁹ the QRA report analyzed generic accidental releases across the industry, rather than at the CCS site, or for EGI’s asset pool.¹⁰ The generic probability of accidental release was then applied to the specific layout of assets and personnel in the CCS facility in order to determine the quantitative risk.¹¹

The QRA does not identify new risks at the CCS. Indeed, the overall risk at the CCS has not changed appreciably for several years. This was confirmed by EGI’s witness at the technical conference:

“MR. ELSON: ... So you did the QRA, I believe, in 2021. So compared to 2019, the risk hasn't appreciably changed. What had changed would have been your ability to quantify it and the tools used for it?”

MR. HILDEBRAND: Between 2019 and 2021? I think that is generally a correct statement, yes.”¹²

CME agrees with EGI that health and safety are critical to the management of the natural gas distribution and transmission system. However, given the fact that the risk has not increased in recent years, CME disagrees with EGI that the Project is urgently required for an in-service date of November 1, 2023. Instead, the Project should be reviewed in light of EGI’s broader asset management plans as part of EGI’s upcoming rebasing proceeding.

Given the foregoing, CME agrees with SEC’s submissions that EGI has failed to demonstrate the urgency of the Project and the Board should deny leave to construct at this time.

⁵ EB-2022-0086, Exhibit I, FRPO.6 c), Table 3.

⁶ EB-2022-0086, Technical Conference Transcript, Day 2, p. 18.

⁷ EB-2022-0086, Exhibit B, Tab 1, Schedule 1, Attachment 2, p. 4.

⁸ EB-2022-0086, Exhibit I, CME.1, Attachment 1.

⁹ EB-2022-0086, Exhibit I, PP.7, p. 1.

¹⁰ EB-2022-0086, Exhibit I, CME.1, Attachment 1, pp. 3-4.

¹¹ EB-2022-0086, Exhibit I, CME.1, Attachment 1, pp. 3-4.

¹² EB-2022-0086, Technical Conference Transcript, July 27, 2022, p. 110.

EGI's Option Analysis for this Project was Insufficient

CME also agrees with FRPO's submissions that EGI has not completed a sufficiently robust option analysis with respect to the Project. Given that the estimated cost of the Project is \$250 million, which will be borne by ratepayers, CME submits that a more thorough review of potential options would be appropriate.

Cost Allocation

CME submits that this proceeding is not expressly designed to deal with cost allocation issues. However, CME shares the concerns of other parties regarding the proposed cost allocation to ratepayers of a project that EGI acknowledges will serve its unregulated business.¹³ EGI's upcoming rebasing application will allow the parties to develop the proper record for the Board to determine the issue.

ALL OF WHICH IS RESPECTFULLY SUBMITTED this 23rd day of September, 2022.

Yours very truly



Scott Pollock
SP/glg

cc. Adam Stiers (EGI)
Tania Persad (EGI)
Charles Keizer (Torys)
Vincent Caron (CME)
Board Staff and Intervenors for EB-2022-0086

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¹³ EB-2022-0086, Exhibit I, SEC.18, p. 2.