

January 23, 2022

Nancy Marconi
Registrar
Ontario Energy Board
2300 Yonge Street
P.O. Box 2319
Toronto, Ontario
M4P 1E4

Dear Ms Marconi:

EB-2022-0200 – Enbridge Gas Inc. – Application for 2024 Rates

We represent the Consumers Council of Canada (Council) in the above-referenced Enbridge Gas Distribution (EGI) proceeding. On January 16, 2023, Counsel to the Industrial Gas Users Association (IGUA) filed a letter with the Ontario Energy Board (OEB) regarding its intent to file expert evidence EGI proceeding. As set out in its letter, IGUA is sponsoring three discrete pieces of evidence regarding the following issues:

1. EGI's proposed harmonized depreciation policy, the revenue requirement impact of which is almost \$1 billion over the rate plan period;
2. The "business risk" to EGI arising from energy transition considerations, the cost of capital impact of which. EGI asserts, in an incremental \$260 million over the rate plan period;
3. The application of the "fair return standard" to EGI's cost of capital (equity thickness) which EGI asserts underpins the cost of capital noted in item 2.

The Green Energy Coalition (GEC) and Environmental Defense (ED) also filed a letter indicating their intent to jointly sponsor evidence from Chris Neme from Energy Futures Group. As set out in that letter:

The proposed evidence would examine whether Enbridge has appropriately accounted for the ongoing energy transition driven by the decarbonization of our energy systems in relation to Enbridge's proposed capital spending and the other proposals it seeks.

As noted in that letter IGUA and ED and GEC have conferred and have agreed to work together to avoid overlap.

On January 20, 2023, the OEB Staff filed a letter indicating that it intends to file evidence EGI's proposed capital structure and depreciation methodology from London Economics International and Intergroup Consultants. In addition, OEB Staff intends to file evidence from Pacific Economics Research Group regarding EGI's proposed price cap plan, including plan parameters.

As noted by many parties EGI's application is complex and the outcome of the application will have a significant impact on Ontario natural gas ratepayers for years to come. EGI is seeking to recover over \$1 billion in incremental delivery revenue requirement from its customers over the rate plan period. In addition, there will be outcomes of the OEB's decision in this case that will go beyond the rate plan period.

In light of the importance of this case to Ontario natural gas consumers the Council urges the OEB Panel to approve all of these requests to file evidence. It is important that EGI's proposals are properly scrutinized and the OEB has an opportunity to consider alternative independent perspectives regarding important issues in the case. The Council may or may not support the conclusions advanced by these experts at the end of the day, but believes strongly that independent assessments of EGI's proposals will assist all parties and enhance the process.

Yours truly,

Julie E. Girvan

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CC: All parties