



Ontario | Commission  
Energy | de l'énergie  
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# **DECISION AND ORDER**

**EB-2023-0326**

## **ENBRIDGE GAS INC.**

**Hearing on the Ontario Energy Board's own Motion on Enbridge  
Gas Inc.'s 2021 Vector Contracting Decision**

**BEFORE: Allison Duff**  
Presiding Commissioner

**Emad Elsayed**  
Commissioner

**Anthony Zlahtic**  
Commissioner

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**March 5, 2024**

## 1 OVERVIEW

On March 15, 2023, the Ontario Energy Board (OEB) initiated a consultation to review<sup>1</sup> the 2023 annual update to the five-year natural gas supply plan of Enbridge Gas Inc. (Enbridge Gas) in accordance with the gas supply plan assessment process established in the OEB's [Report of the Ontario Energy Board: Framework for the Assessment of Distributor Gas Supply Plans](#) (Gas Supply Framework).

The Gas Supply Framework requires distributors to file an annual update to their five-year gas supply plan.<sup>2</sup> Enbridge Gas filed its fourth annual update to the five-year gas supply plan on March 1, 2023 (2023 Annual Update).

On April 12, 2023, the OEB issued a letter to limit the scope of the 2023 Annual Update review to the single issue of prudence related to Enbridge Gas's 2021 contract with Vector Pipeline (Vector).<sup>3</sup> This was in response to Enbridge Gas's request and subsequent comments of stakeholders.

The Notice of Hearing and Procedural Order No. 1, issued on November 15, 2023, provided for a written proceeding with submissions, relying on the record from the consultation on Enbridge Gas's 2023 Annual Update<sup>4</sup> and the consultation on Enbridge Gas's 2022 Annual Update.<sup>5</sup>

For the reasons that follow, the OEB finds that Enbridge Gas's 2021 Vector contracting decision was prudent based on the information available to Enbridge Gas at the time that decision was made.

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<sup>1</sup> EB-2023-0072, Correspondence, March 15, 2023

<sup>2</sup> EB-2017-0129, Report of the Ontario Energy Board: Framework for the Assessment of Distributor Gas Supply Plans, p. 3

<sup>3</sup> EB-2023-0072, Correspondence, April 12, 2023

<sup>4</sup> EB-2023-0072

<sup>5</sup> EB-2022-0072

## 2 BACKGROUND AND PROCESS

In early 2021, Vector held a non-binding Open Season for existing capacity. Enbridge Gas contracted with Vector in 2021 for 40,000 Dth/day for a term of November 1, 2021 to October 31, 2026 and extended an existing 80,000 Dth/day contract, which was set to expire on October 31, 2022, to October 31, 2025 (2021 Vector contracting decision).

The fixed cost for Vector transportation associated with Enbridge Gas's 2021 Vector contracting decision is approximately \$33 million over the term.<sup>6</sup> When the 2021 Vector contracting decision was made, Enbridge Gas projected that natural gas delivered to the Dawn Hub (Dawn) via Vector would yield a landed cost of \$0.09/GJ greater than sourcing supply at Dawn.<sup>7</sup>

The issue of the prudence of the 2021 Vector contracting decision was first brought up in Enbridge Gas's 2022 gas supply plan review,<sup>8</sup> raised again in the Enbridge Gas 2021 Deferral and Variance Account and Earnings Sharing proceeding,<sup>9</sup> and again in Enbridge Gas's 2023 gas supply plan review.<sup>10</sup>

In the OEB staff report in the 2022 gas supply plan review, OEB staff recommended that Enbridge Gas include, as part of the 2023 Annual Update, a calculation of the net premium that it expected to pay relative to purchasing gas at Dawn using the information that it had available when it was making its contracting decision.<sup>11</sup> OEB staff also asked Enbridge Gas to provide the actual cost premium paid for Vector contracted capacity relative to Dawn purchased gas for the 2021-2022 period.

In the settlement agreement for the 2021 Utility Earnings Sharing and Disposition of Deferral and Variance Accounts proceeding,<sup>12</sup> Enbridge Gas committed to provide the following information on the 2021 Vector contracting decision in the 2023 Annual Update:

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<sup>6</sup> EB-2022-0072, 2022 Annual Gas Supply Update, p. 39 and p. 63.

The cost (excluding commodity) of renewed (80,000 Dth/day for 3 years) and new (40,000 Dth/day for 5 years) Vector capacity is calculated by multiplying 40,000 Dth/day at a rate of USD\$0.16/Dth/day by 365 for 5 years, then adding it to 80,000 Dth/day multiplied at a rate of USD\$0.165/Dth/day by 365 for 3 years. The total is USD \$26.134 million, multiplied by a USD-CAD exchanged rate of 1.266 (provided by Enbridge Gas in EB-2022-0072, 2022 Annual Gas Supply Update, Appendix D, p. 1 of 1) for a total of CAD \$33.086 million.

<sup>7</sup> EB-2022-0072, 2022 Annual Gas Supply Update, Appendix D, p. 1 of 1.

<sup>8</sup> EB-2022-0072

<sup>9</sup> EB-2022-0110

<sup>10</sup> EB-2023-0072

<sup>11</sup> EB-2022-0072, OEB Staff Report to the Ontario Energy Board, p. 40.

<sup>12</sup> EB-2022-0110, Settlement Proposal, Exhibit N1, Tab 1, Schedule 1, p. 12.

1. The information on the 2021 Vector contracting decision described in the OEB staff report to the OEB in the Review of Enbridge Gas's 2022 Annual Update
2. Forward market pricing data at Chicago (feeding Vector) and Dawn available to Enbridge Gas at the time of the final decision to extend the existing Vector contract and enter into the new Vector contract
3. Landed cost of supply to-date under new/renewed Vector capacity compared to the market price at Dawn
4. Information about the utilization and/or assignment of the new and renewed Vector capacity to date

In its 2023 Annual Update, Enbridge Gas included additional information<sup>13</sup> as requested by OEB staff and as committed in the settlement agreement.

On October 30, 2023, OEB staff issued its report on the 2023 Annual Update<sup>14</sup>, which maintained its view from the 2022 gas supply plan review that the 2021 Vector contracting decision was prudent. However, in response to material prudence issues raised by the Federation of Rental-housing Providers of Ontario (FRPO) and supported by other stakeholders during the review, OEB staff recommended that the prudence of the November 1, 2021 Vector contracting decision should be determined by a panel of OEB Commissioners. This was the first time that OEB staff had recommended the referral of a gas supply plan, or in this case a part of a gas supply plan, to a panel of Commissioners for a determination.

On November 15, 2023, the OEB issued a Notice of Hearing and Procedural Order No. 1 (Procedural Order No. 1), in which the OEB announced it would hold a hearing on its own motion to determine the prudence of Enbridge Gas's 2021 Vector contracting decision, pursuant to sections 19(4) and 36 of the *Ontario Energy Board Act, 1998*.<sup>15</sup> The OEB also approved all participants in the 2023 Annual Update as intervenors in this proceeding.

In Procedural Order No. 1, the OEB stated that it would rely on the record from the consultation on Enbridge Gas's 2023 Annual Update to its five-year gas supply plan<sup>16</sup> and the consultation on Enbridge Gas's 2022 Annual Update to its five-year gas supply

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<sup>13</sup> EB-2023-0072, 2023 Annual Gas Supply Plan Update, Appendix F.

<sup>14</sup> EB-2023-0072, OEB Staff Report to the Ontario Energy Board: Review of 2023 Annual Update to Enbridge Gas Inc. Natural Gas Supply Plan, October 30, 2023.

<sup>15</sup> EB-2023-0326

<sup>16</sup> EB-2023-0072

plan.<sup>17</sup> The OEB further determined that no further discovery was necessary and proceeded directly to submissions, in writing, on the sole issue of whether Enbridge Gas's 2021 Vector contracting decision was prudent.

Enbridge Gas filed its argument-in-chief on December 7, 2023. Energy Probe, FRPO, Industrial Gas Users Association (IGUA), School Energy Coalition (SEC), and OEB staff filed submissions on January 11, 2024. Enbridge Gas filed its reply submission on January 25, 2024.

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<sup>17</sup> EB-2022-0072

### 3 PRUDENCE ISSUE

The issue to be determined in this proceeding is the prudence of Enbridge Gas’s 2021 contracting decision with Vector. Enbridge Gas contracted with Vector in 2021 for 40,000 Dth/day for a term of November 1, 2021 to October 31, 2026, equally split between the Enbridge Gas Distribution and Union South rate zones and extended an existing 80,000 Dth/day contract for the Union South rate zone, which was set to expire on October 31, 2022, to October 31, 2025.

In Procedural Order No. 1, the OEB indicated that it was particularly interested in submissions on the following questions:

- In addition to the OEB’s Guiding Principles for the Assessment of Gas Supply Plans, is the Incremental Transportation Contracting Analysis approved in EB-2005-0520 informative in the assessment of the prudence of Enbridge Gas’s 2021 Vector contracting decision, and if so, how?
- If the 2021 Vector contracting decision is found to be imprudent, how should any cost consequences be determined and addressed?

Enbridge Gas’s argument-in-chief reiterated its view that there is no basis to find that the 2021 Vector contracting decision was imprudent.

Energy Probe and OEB staff submitted that the 2021 contracting decision was prudent. OEB staff’s submission re-stated its analysis, as set out in its report in the 2023 Annual Update, and maintained its view that the contracting decision was prudent. OEB staff further stated that its analysis was consistent with both the OEB’s Guiding Principles set out in the Gas Supply Framework<sup>18</sup> and the Incremental Transportation Contracting Analysis approved in EB-2002-0520 (2005 decision).<sup>19</sup>

FRPO submitted that the 2021 Vector contracting decision was imprudent. FRPO claimed that Enbridge Gas has not provided evidence that it followed the OEB’s Gas Supply Framework, that it entered into contracts of questionable value at a premium to its ratepayers and that it did not consider or evaluate the “Bluewater pipeline” alternative.

IGUA and SEC deferred to the submission made by FRPO. However, IGUA and SEC also commented that potential avoided infrastructure costs resulting from the 2021

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<sup>18</sup> EB-2017-0129, Report of the Ontario Energy Board: Framework for the Assessment of Distributor Gas Supply Plans, October 25, 2018, pp. 7-8.

<sup>19</sup> EB-2005-0520, Decision with Reasons, Appendix B to the Settlement Proposal, June 29, 2006.

Vector contracting decision is a relevant consideration in assessing the value of the contract.

Enbridge Gas's reply submission maintained that the 2021 Vector contracting decision was reasonable and prudent.

## 4 DECISION

### 4.1 No “Presumption of Prudence”

FRPO urged the OEB not to apply a “presumption of prudence” in assessing the 2021 Vector contracting decision. Similarly, SEC noted that the Supreme Court of Canada has found that a presumption of prudence is incompatible with the *Ontario Energy Board Act, 1998*.<sup>20</sup>

In its reply, Enbridge Gas clarified that it “does not ask the OEB to apply a ‘presumption of prudence’, but rather to look at all of the evidence that was available at the time that the 2021 Vector contracting decision was made and conclude that Enbridge Gas has established the reasonableness of the decision.”

#### Finding

The OEB did not apply the presumption of prudence approach in this case. The OEB did not start with a presumption that the 2021 Vector contracting decision was prudent. Rather, the OEB examined that decision in light of what Enbridge Gas knew or ought to have known at the time the decision was made.

### 4.2 2021 Vector Contracting Decision – Prudence Review

As set out in Procedural Order No. 1, the OEB requested submissions on whether the Guiding Principles set out in the Gas Supply Framework,<sup>21</sup> and the Incremental Transportation Contracting Analysis approved in the 2005 decision<sup>22</sup> are informative in the assessment of the prudence of Enbridge Gas’s 2021 Vector contracting decision, and if so, how.

Enbridge Gas in its argument-in-chief and reply submission stated that:

- It followed the analysis approved in the 2005 decision<sup>23</sup>
- If the OEB decides that the 2021 Vector contracting decision was imprudent, then any cost consequences should be prospective only, and limited to the net

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<sup>20</sup> *Ontario (Energy Board) v. Ontario Power Generation Inc.*, 2015 SCC 44, paragraphs 79 and 104. Although that case dealt with section 78.1 (payment amounts for prescribed electricity generation), subsections 36(6) and (7) likewise establish that in the context of gas rates, the burden of proof is on the gas utility.

<sup>21</sup> EB-2017-0129, Report of the Ontario Energy Board: Framework for the Assessment of Distributor Gas Supply Plans, October 25, 2018, pp. 7-8.

<sup>22</sup> EB-2005-0520, Decision with Reasons, Appendix B to the Settlement Proposal, June 29, 2006.

<sup>23</sup> EB-2022-0072, 2022 Gas Supply Plan Update, Appendices D and G.



transportation costs for the incremental capacity (and not the pre-existing and renewed capacity)<sup>24</sup>

FRPO was the only party that directly questioned the prudence of the 2021 Vector contracting decision as described in detail below.

In its submission, OEB staff reiterated the position it took in the OEB staff report on the 2023 Annual Update, that Enbridge Gas's 2021 Vector contracting decision was prudent.<sup>25, 26</sup> OEB staff confirmed that its analysis was consistent with both the OEB's Guiding Principles for the Assessment of Gas Supply Plans<sup>27</sup> and the Incremental Transportation Contracting Analysis approved in the 2005 decision.<sup>28</sup>

Energy Probe reiterated the comments that it made in its submission in the 2022 Annual Update, and, based on Enbridge Gas's reply submission in the 2022 Annual Update, that it believes that the Vector contracting decision was prudent.<sup>29</sup>

In its submission, IGUA indicated that it defers to submissions made by FRPO. Similarly, SEC submitted that "FRPO has put forward a position that raises some doubt about the 2021 Vector contracting decision." Both SEC's and IGUA's submissions noted Enbridge Gas's position that the Vector contracts support supply to the Sarnia Industrial Line (SIL) and asked that Enbridge Gas provide more information on this matter in its reply submission. Furthermore, IGUA and SEC stated that potential avoided infrastructure costs are a relevant consideration in assessing the value of the 2021 Vector contracting decision.

In its submission, FRPO presented the following arguments:

- Dawn-sourced supply would be superior to contracting for Vector pipeline capacity from Chicago.<sup>30</sup>
- Enbridge Gas justified its choices based on their own subjective assessment of the qualitative factors under the Guiding Principles and the Incremental Contract Analysis.
- The Vector contracts are not needed to support the SIL system and Enbridge Gas should have selected the Bluewater pipeline instead.

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<sup>24</sup>EB-2023-0326, Enbridge Gas Argument-in-Chief, para 52.

<sup>25</sup> EB-2023-0326, OEB Staff Submission, pp. 3-4.

<sup>26</sup> EB-2023-0072, OEB Staff Report to the Ontario Energy Board: Review of 2023 Annual Update to Enbridge Gas Inc. Natural Gas Supply Plan, October 30, 2023.

<sup>27</sup> EB-2017-0129, Report of the Ontario Energy Board: Framework for the Assessment of Distributor Gas Supply Plans, October 25, 2018, pp. 7-8.

<sup>28</sup> EB-2005-0520, Decision with Reasons, Appendix B to the Settlement Proposal, June 29, 2006.

<sup>29</sup> EB-2023-0326, Submission of Energy Probe, p. 2.

<sup>30</sup> FRPO Submission, p. 4.

- The OEB should expand the Incremental Transportation Contracting Analysis to include forward market pricing data.
- The gas supply plan should create diversity between sources of gas in the supply zone and in the market zone.

In its submission, OEB staff provided a summary of a potential option for addressing the cost consequences of the 2021 Vector contracting decision in the event the OEB finds that the decision was imprudent. OEB staff suggested that any disallowance be based on the premium assumed to be paid for the new 2021 Vector contract, based on ICF International's (ICF) landed cost analysis (\$0.09 CAD/GJ). OEB staff asked Enbridge Gas to quantify this amount for the period November 1, 2023 to October 31, 2026. In its reply submission, Enbridge Gas provided the requested information and calculated a total cost disallowance under this approach of approximately \$4.16 million.<sup>31</sup>

In its submission, FRPO proposed that any disallowance should be based on a cost premium of \$0.09 CAD/GJ but argued that this should be applied to both the new and the renewed Vector contracts, and that the disallowance should apply from November 1, 2021 onward.<sup>32</sup>

## Findings

The OEB finds that the 2021 Vector contracting decision by Enbridge Gas was prudent based on the information available to Enbridge Gas at the time that decision was made.

The Guiding Principles for the assessment of gas supply plans as set out in the Gas Supply Framework<sup>33</sup> included cost effectiveness, reliability and security of supply and public policy and stated the following:

For clarity, cost-effectiveness does not necessarily mean the “lowest cost,” reliability does not mean “reliable at any cost” and support for public policy does not mean “support at any cost” or “any level of reliability.” Rather, the intent is to strike a balanced approach to the benefit of customers. Distributors are required to demonstrate that their gas supply plans balance the principles in a way that is prudent and appropriate for customers. It is expected that distributors will employ strategies that clearly describe their

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<sup>31</sup> EB-2023-0326, Enbridge Gas, Reply Argument, p. 11 (\$0.09 CAD/GJ x 42,202 GJ/d x 365 days per year x 3 years = \$4.159 million).

<sup>32</sup> EB-2023-0326, FRPO Submission, p. 17.

<sup>33</sup> EB-2017-0129, Report of the OEB – Framework for the Assessment of Distributor Gas Supply Plans, October 25, 2018, pp. 7-8.

approach, customer impacts and risks associated with both the options considered and chosen to deliver value to customers.

Relying on the evidence available at the time that the 2021 Vector contracting decision was made, the OEB finds that, although the Vector contract option was not the least cost alternative, Enbridge Gas's decision entailed the examination of several factors including reliability, flexibility, supply diversity and cost effectiveness. The OEB finds that Enbridge Gas adequately considered and balanced these factors, consistent with the Guiding Principles in the Gas Supply Framework.

The OEB also considered its findings in the 2005 decision.<sup>34</sup> This 2005 decision required Union Gas Limited (Union) to provide Incremental Transportation Contracting Analysis for any new or extensions to existing upstream transportation contracts with a term of one year or longer that would form part of Union's sales service gas supply arrangements. The Incremental Transportation Contracting Analysis was to include:

- Union's rationale for entering into the new transportation contract
- All relevant transportation contract parameters, including transportation provider, term, price, receipt and delivery point
- A quantitative comparison of the landed costs for newly contracted capacity to alternatives reviewed by Union at the time of its decision in the form attached
- A quantitative and/or qualitative consideration of additional factors considered relevant by Union that may include, but not be limited to:
  - Overall security of supply
  - Supply basin diversity
  - Contract term diversity
  - Pipeline operator diversity
  - Pipeline terms and conditions, and record of service
  - Monthly demand charge/commodity charge structure

The OEB finds that the evidence filed by Enbridge Gas is consistent with the 2005 decision, and that the 2005 decision is still relevant and should continue to be followed.

The OEB finds that more information could have been documented at the time that the 2021 Vector contracting decision was made. Additional information was revealed in the discovery process during the 2022 and 2023 annual reviews, filed pursuant to the Enbridge Gas 2021 Deferral and Variance Account settlement agreement, and the submissions filed in this proceeding.

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<sup>34</sup> EB-2005-0520, Decision with Reasons, June 29, 2006, Appendix B to the Settlement Proposal.

The OEB reviewed the 2022 OEB staff report filed in the 2022 Annual Update.<sup>35</sup> The OEB agrees with OEB staff's recommendations regarding additional information that could have been filed by Enbridge Gas with respect to the 2021 Vector contracting decision and adds more to those recommendations. Going forward, evidence in support of gas supply contracting decisions should include:

- Relevant, dated and comprehensive documentation of the analysis supporting the contracting decision that is completed prior to entering into any new contracts or extending any existing contracts.
- A quantitative comparison of the net premium forecast in each year over the term of the new or renewed contract, comparing the landed cost of gas from the pipeline receipt point to delivery point, relative to sourcing gas at the same delivery point. This will provide additional information with respect to the forecast premium paid for supply diversity.
- The actual cost of any premium paid for the contract compared to the expected premium over the term of the contract. This hindsight information will provide the materiality of the contracting decision, but is not expected to be used in the determination of prudence.

In addition, the OEB considered the claims made by FRPO in its submission and addresses each in turn.

*Enbridge Gas has not provided evidence that it followed the OEB's Gas Supply Framework.*

The OEB disagrees. While the OEB finds that Enbridge Gas met the threshold for evidence to support its contracting decision and allow the OEB to assess prudence, the evidence was just adequate. The OEB finds that the evidence could have been better, especially considering Vector is an affiliate of Enbridge Gas. The burden of proof should be higher for the contracting party under such circumstances.

As mentioned earlier, more information could have been documented at the time that the 2021 Vector contracting decision was made rather than being determined through the subsequent discovery and submissions processes. A file should have been created and time stamped right from the start of the contracting process. The lessons learned in adjudicating this motion should provide Enbridge Gas with an opportunity to fully address and document these issues at the appropriate time going forward. Without this

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<sup>35</sup> EB-2022-0072, OEB Staff Report to the Ontario Energy Board, p. 40.

additional information, a future decision may render a different conclusion on prudence after assessing the adequacy of the evidence.

*Enbridge Gas entered into contracts of questionable value at a premium to its ratepayers.*

The OEB considered the forecast \$0.09/GJ premium paid for supply shipped via Vector to Dawn versus supply sourced at Dawn, acknowledging that the contracting decision was not based on price alone, and does not need to be the lowest cost option. The OEB finds that there was value associated with the premium paid, through the flexibility that Vector provides in having multiple upstream receipt and delivery points. This flexibility also enables Enbridge Gas to optimize and mitigate demand charges through its use of Asset Management Agreements, the revenues from which are shared 90/10 in favour of its customers through various deferral accounts.

In summary, although the alternative of firm purchases at Dawn may have been slightly less expensive than the cost of gas via the 2021 Vector contracting decision, the Vector contract was determined to provide more diversity and flexibility than other options.

*Consideration of the Bluewater pipeline as an alternative was “the glaring and notable omission” that “was not considered or evaluated.”*

The OEB disagrees. It was reasonable that Bluewater was not included in the Incremental Transportation Contracting Analysis comparative form filed as evidence.<sup>36</sup> While other alternatives were provided on this form, which indicated that Enbridge Gas performed a comparative analysis, omitting Bluewater was reasonable as the systems feeding the Bluewater pipeline do not provide sufficient liquidity compared to Chicago and other pipelines feeding Vector. There is no OEB requirement that all or specific alternatives must be considered.

The OEB recognizes that considerations regarding the SIL were introduced in this proceeding. While considerations regarding the SIL were mentioned in prior proceedings, it was raised prominently as an alternative in this proceeding. The OEB accepts Enbridge Gas’s reply submission in explaining why it discounted Bluewater at the time the 2021 Vector contracting decision was made. The OEB also accepts Enbridge Gas’s submission that the noted SIL benefits were a secondary, location-specific consideration, whereas the 2021 Vector contracting decision was primarily based on system-wide gas supply need considerations.

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<sup>36</sup> EB-2022-0072, 2022 Annual Gas Supply Plan Update, Appendix D

*The OEB should expand the Incremental Transportation Contracting Analysis to include forward market pricing data.*

FRPO submitted that an analysis of gas supply options should include forward market prices. According to FRPO, the Incremental Transportation Contracting Analysis can provide comparison information (to a certain degree) for long-term contracting decisions. FRPO agreed that there is a limitation to the value of forward market data for longer term contracts of greater than 5 years; however, forward market data is an aggregated sense of where market sentiment is at for locational pricing.

The OEB agrees with Enbridge Gas's assessment, as outlined in its 2023 Annual Gas Supply Plan Update, that utilizing forward market prices is not sufficiently robust or reliable to support the 2021 Vector contracting decision.<sup>37</sup> In particular, the Dawn Hub does not have sufficient forward pricing liquidity to support contracting decisions beyond the prompt month or season and is therefore inferior to a fundamentals-based market pricing forecast such as that provided by ICF.<sup>38</sup> OEB staff supported this view in its report on the 2023 Annual Update that indicated that it would be inappropriate to make long-term contracting decisions based on short-term market conditions (which is the result of using forward market settlement pricing as suggested by FRPO).<sup>39</sup>

FRPO further provided an example where Dominion Energy utilized forward prices for the first 18 months, then blended forward prices with an ICF forecast for the next 18 months, and beyond 36 months the ICF forecast was used. This information was included in FRPO's submission in this proceeding; therefore, it was not tested as evidence in the 2022 and 2023 Annual Updates. Further, it did not consider the context as to the pricing location and relative liquidity of the Chicago and Dawn hubs. Accordingly, the OEB finds that the Dominion Energy example is of no probative value to the OEB's determination of the prudence of Enbridge Gas's 2021 Vector contracting decision.

Although the OEB disagrees with FRPO's arguments regarding the prudence of the 2021 Vector contracting decision, the OEB appreciates the effort made as it resulted in the OEB clarifying and adding evidence that Enbridge Gas should consider in substantiating pipeline contracting decisions going forward.

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<sup>37</sup> EB-2023-0072, 2023 Annual Gas Supply Plan Update, Updated Appendix F, p. 3-5.

<sup>38</sup> Ibid, p. 3-4.

<sup>39</sup> EB-2023-0072, OEB Staff Report to the Ontario Energy Board: Review of 2023 Annual Update to Enbridge Gas Inc. Natural Gas Supply Plan, October 30, 2023, p. 13.

The OEB finds that FRPO's arguments regarding supply zones and market zones are not within the scope of this proceeding and would be best advanced if the Gas Supply Framework were to be revisited.

### **Cost Consequences**

Given the OEB's finding that the 2021 Vector contracting decision was prudent, it is unnecessary to address the issue of how the cost consequences of an imprudent contracting decision should be addressed.

## 5 ORDER

### THE ONTARIO ENERGY BOARD ORDERS THAT:

1. The prudence of the 2021 Vector contracting decision is confirmed.
2. Cost-eligible intervenors shall file their cost claims with the OEB and forward them to Enbridge Gas on or before **March 19, 2024**.
3. Enbridge Gas shall file with the OEB and forward to the intervenors any objections to the claimed costs by **March 26, 2024**.
4. Intervenors shall file with the OEB and forward to Enbridge Gas any responses to any objections for cost claims by **April 2, 2024**.
5. Enbridge Gas shall pay the OEB's costs of and incidental to this proceeding upon receipt of the OEB's invoice.

Parties are responsible for ensuring that any documents they file with the OEB, such as applicant and intervenor evidence, interrogatories and responses to interrogatories or any other type of document, do not include personal information (as that phrase is defined in the *Freedom of Information and Protection of Privacy Act*), unless filed in accordance with rule 9A of the OEB's *Rules of Practice and Procedure*.

Please quote file number, **EB-2023-0326**, all materials filed and submit them in searchable/unrestricted PDF format with a digital signature through the [OEB's online filing portal](#).

- Filings should clearly state the sender's name, postal address, telephone number and e-mail address.
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- Cost claims are filed through the OEB's online filing portal. Please visit the [File documents online page](#) of the OEB's website for more information. All participants shall download a copy of their submitted cost claim and serve it on all required parties as per the [Practice Direction on Cost Awards](#).



All communications should be directed to the attention of the Registrar at the address below and be received no later than 4:45 p.m. on the required date.

Email: [registrar@oeb.ca](mailto:registrar@oeb.ca)

Tel: 1-888-632-6273 (Toll-Free)

Fax: 416-440-7656

**DATED** at Toronto, March 5, 2024

**ONTARIO ENERGY BOARD**

Nancy Marconi  
Registrar