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July 8, 2024

Via NCUC Portal in Docket No. G-5, Sub 667

North Carolina Utilities Commission
Commission Hearing Room 2115
Dobbs Building
430 North Salisbury Street
Raleigh, NC 27603

**Re: Comments on the Joint Application of Public Service Company of North Carolina, Inc., and Enbridge Parrot Holdings, LLC, to Engage in a Business Combination Transaction
NCUC Docket No. G-5, Sub 667**

Dear Commissioners,

I submit these comments as a ratepayer and for the Southern Coalition for Social Justice, which represents communities across North Carolina in pursuit of social justice, including environmental justice and energy equity. This proposed business combination transaction, or merger, is not justified by public convenience and necessity as required by N.C. Gen. Stat. 62-111(a), as detailed below. The N.C. Utilities Commission should therefore deny the proposed business combination transaction at issue in this docket.

Enbridge has a history of health, safety, and environmental violations. From 2002 to 2018, Enbridge and its joint ventures and subsidiaries reported 307 hazardous liquids incidents to federal regulators — an average of one incident every 20 days.¹ These spills released a total 2.8 million gallons, or more than four Olympic-sized swimming pools of hazardous liquids into the environment.² Thirty of these incidents were reported to contaminate water resources, including 17 which contaminated groundwater.³

¹ See *Dangerous Pipelines*, GREENPEACE (Nov. 14, 2018), <https://www.greenpeace.org/usa/reports/dangerous-pipelines/>.

² *Id.*

³ *Id.*

A 2010 spill of 840,000 gallons of tar sands oil, contaminating over 30 miles of the Kalamazoo River in Michigan.⁴ While this spill was Enbridge's largest during this timeframe, there were 42 other incidents larger than 2,100 gallons.⁵ A National Transportation Safety Board investigation into the Kalamazoo spill found that Enbridge was aware of the pipeline defect five years before it burst.⁶

Enbridge's Line 3 was also the source of the largest inland oil spill in the U.S. on March 3, 1991 when 1,680,000 gallons spilled in Grand Rapids, Minnesota.⁷ Enbridge's abysmal environmental record is not in the interests of North Carolinians and thus this merger is not justified.

Enbridge is financially unstable. Ratings agency Moody's Analytics recently downgraded the outlook for Enbridge and four subsidiaries from stable to negative, saying that this deal to acquire Dominion Utilities would only add pressure to an already weak financial profile.⁸ Given this volatility of natural gas supply, an already weak profile could add to price instability. This could lead to rate hikes for ratepayers or energy supply problems. Enbridge recently merged with Dominion Energy Ohio and promptly requested rate hikes of 30% on its basic rate charge to go into effect next year, in addition to monthly add-on charges, known as riders.⁹ Having an energy supplier in poor financial straits is detrimental to North Carolinians and necessitates against the proposed merger.

Finally, Enbridge has a history of lawbreaking and taking advantage of consumers. Inaccuracies in Enbridge's meter reading in Ontario, Canada led to bills of up to at least \$7000 for some consumers and a \$250,000 fine for Enbridge.¹⁰

Moreover, Enbridge has entirely disregarded requirements to remove its Line 5 pipeline in the Midwest after the revocation of its decades-long easement.¹¹ Line 5 crosses and poses serious environmental threats to indigenous lands, and since 1953 has had at least 29 leaks spilling 4.5 million liters of oil into the environment and

⁴ *Id.*

⁵ *Id.*

⁶ *Id.*

⁷ *Id.*

⁸ Arunima Kumar & David French, *Enbridge bets big on US gas with \$14 billion bid for Dominion utilities*, REUTERS (September 5, 2023, 7:56 PM), <https://www.reuters.com/markets/deals/enbridge-buy-three-utilities-deal-valued-14-bln-2023-09-05/>.

⁹ Catherine Ross, *Akron city leaders, consumer advocates push back against proposed 30% rate hike for Dominion Energy customers*, NEWS 5 CLEVELAND (Apr. 16, 2024, 6:39 PM), <https://www.news5cleveland.com/news/local-news/akron-city-leaders-consumer-advocates-push-back-against-proposed-30-rate-hike-for-dominion-energy-customers>.

¹⁰ Sarah MacMillan, *Complaints soar as Enbridge customers face catch-up bills in the thousands*, CBC (Jan. 15, 2024, 4:00 AM), <https://www.cbc.ca/news/canada/toronto/toronto-enbridge-meter-reading-compliance-1.7081784>.

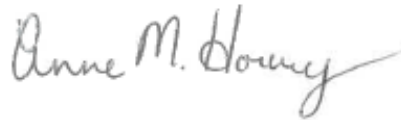
¹¹ Media Backgrounder, *Enbridge's Line 5*, ENVIRONMENTAL DEFENCE CANADA, at 2 (June 2021), <https://environmentaldefence.ca/wp-content/uploads/2021/08/Environmental-Defence-Line-5-backgrounder.pdf>.

contaminating waterways.¹² A federal judge has already ordered Enbridge to pay \$5.1 million for trespassing on lands owned by the Bad River Band of Lake Superior Chippewa and to remove the Line 5 pipeline within 3 years.¹³ Instead of complying, Enbridge has appealed the decision, resulting in further delay, and harm and trespass to indigenous lands and private property.¹⁴

This deal will make the Canadian company North America's largest natural gas provider, providing near monopoly power and all the economic harm to consumers associated with one company's ability to price set an essential service.¹⁵

These are facts, not speculative fears. Taken together with innumerable other instances of safety and environmental violations, this merger is not justified by public convenience and necessity.

Sincerely,



Anne Harvey
Chief Counsel for Environmental Justice
Southern Coalition for Social Justice

¹² *Id.*

¹³ Daniel Kaeding, *Federal court hears arguments from Bad River, Enbridge in appeal of pipeline shutdown order*, WISCONSIN PUBLIC RADIO (Feb. 8, 2024), <https://www.wpr.org/news/federal-court-arguments-bad-river-enbridge-appeal-line-5-shutdown>.

¹⁴ *Id.*

¹⁵ *Enbridge acquires trio of U.S. companies from Dominion Energy Inc., creating North America's largest natural gas utility franchise*, ENBRIDGE (Sept. 5, 2023), <https://www.enbridge.com/stories/2023/september/enbridge-acquires-three-us-gas-utilities-from-dominion-energy>.