



Ontario Energy Board Commission de l'énergie de l'Ontario

DECISION AND INTERIM ORDER

EB-2017-0092

ENBRIDGE GAS DISTRIBUTION INC.

**Application for quarterly rate adjustment mechanism commencing
April 1, 2017**

By Delegation, before: Pascale Duguay

March 23, 2017

INTRODUCTION AND PROCESS

Enbridge Gas Distribution Inc. (Enbridge) filed an application with the Ontario Energy Board (OEB) dated March 10, 2017 for an order approving or fixing rates for the sale, distribution, transmission, and storage of gas effective April 1, 2017 (the application).

The application was made pursuant to section 36(1) of the *Ontario Energy Board Act, 1998* and in accordance with the Quarterly Rate Adjustment Mechanism (QRAM), established by the OEB in the Generic QRAM proceeding,¹ for dealing with changes in gas costs.

Enbridge provided written evidence in support of the proposed changes outlined in the application and served all intervenors of record in Enbridge's 2017 rates proceeding.²

The OEB received comments on the application from the Canadian Manufacturers and Exporters (CME) and the Industrial Gas Users Association (IGUA). CME and IGUA submitted that the application was made in accordance with the QRAM methodology established by the OEB and neither party raised any concerns. CME and IGUA applied for recovery of their costs with respect to their examination of the application.

OEB FINDINGS

I approve the application as filed. The rates will be established on an interim basis until such time as the OEB approves Enbridge's cap-and-trade related charges on a final basis.

Enbridge rates will be adjusted effective April 1, 2017 to reflect the new utility price of \$181.547/10³m³ (\$4.817/GJ @ 37.69 MJ/m³). The price is an increase from the current utility price of \$181.199/10³m³ (\$4.808/GJ @ 37.69 MJ/m³). The new utility price is based on a forecast of natural gas market prices over the next 12 months and associated transportation-related costs. The slight increase in the new utility price reflects lower costs for gas purchases offset by higher transportation costs. The new utility price will also be used in determining the amounts to be recorded in Enbridge's 2017 Purchased Gas Variance Account (PGVA) for the second quarter.

¹ EB-2008-0106

² EB-2016-0215

I also approve the unit rates contained in the Gas Cost Adjustment Rider to dispose of the PGVA balance as of March 31, 2017. The Gas Cost Adjustment Rider is a credit and reflects the difference between forecast and actual natural gas costs from prior periods.

The resulting bill impact for a typical residential customer who uses 2,400 m³ per year and who purchases gas supply from Enbridge is an increase of about \$8 on an annual basis.

IT IS ORDERED THAT:

1. The rates approved for Enbridge as part of the OEB's Decision and Interim Rate Order EB-2016-0326 dated December 21, 2016 shall be superseded by the rates included in Enbridge's Rate Handbook as contained in Schedule A attached to this Decision and Interim Order.
2. The rates shall be effective April 1, 2017 and shall be implemented in Enbridge's first billing cycle commencing in April 2017.
3. The utility price used in determining amounts to be recorded in the second quarter of Test Year 2017 Purchased Gas Variance Account shall be \$181.547/10³m³ (\$4.817/GJ @ 37.69 MJ/m³).
4. The applicable customer notice set out in Schedule B attached to this Decision and Interim Order shall accompany each customer's first bill or invoice following the implementation of this Decision and Interim Order.
5. The parties for service shall be those on the list of interested parties attached as Schedule C to this Decision and Interim Order.
6. A decision regarding cost awards will be issued at a later date. Intervenors shall file with the OEB and forward to Enbridge their respective cost claims by **April 3, 2017**. Cost claims must be prepared in accordance with the OEB's *Practice Direction on Cost Awards*.

7. Enbridge will have until **April 10, 2017** to object to any aspect of the cost claims. A copy of the objection must be filed with the OEB and one copy must be served on the party against whose claim the objection is being made.
8. Any party whose cost claim was objected to will have until **April 18, 2017** to make a reply submission as to why the cost claim should be allowed. One copy of the submission must be filed with the OEB and one copy is to be served on Enbridge.

All filings to the OEB must quote file number **EB-2017-0092** and consist of two paper copies and one electronic copy in searchable / unrestricted PDF format filed through the OEB's web portal at <https://www.pes.ontarioenergyboard.ca/eservice/>. Filings must clearly state the sender's name, postal address and telephone number and, if available, a fax number and e-mail address. Please use the document naming conventions and document submission standards outlined in the RESS Document Guideline found on the "e-Filing Services" webpage of the OEB's website at www.ontarioenergyboard.ca. If the web portal is not available you may email your document to BoardSec@ontarioenergyboard.ca.

ISSUED at Toronto, March 23, 2017

ONTARIO ENERGY BOARD

Original signed by

Kirsten Walli
Board Secretary

**SCHEDULE A TO
DECISION AND INTERIM ORDER
OEB FILE NO. EB-2017-0092
DATED: March 23, 2017**

**SCHEDULE B TO
DECISION AND INTERIM ORDER
OEB FILE NO. EB-2017-0092
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**SCHEDULE C TO
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