

500 Consumers Road  
North York, ON M2J 1P8  
PO Box 650  
Scarborough ON M1K 5E3

**Anton Kacicnik**  
Manager, Rate Research and Design  
Tel 416-495-6087  
Fax 416-495-6072  
Email [anton.kacicnik@enbridge.com](mailto:anton.kacicnik@enbridge.com)



**VIA COURIER AND EMAIL**

June 23, 2010

Ms. Kirsten Walli  
Board Secretary  
Ontario Energy Board  
2300 Yonge Street  
Toronto, Ontario  
M4P 1E4

Dear Ms. Walli:

**Re: EB-2010-0186 (July 1, 2010 QRAM Application)**

I am writing to file corrected evidence in respect of the July 1, 2010 QRAM Application filed on June 11, 2010 by Enbridge Gas Distribution Inc. ("Enbridge").

Responding to Board Staff questions it came to our attention that there was an error in a calculation at Ex. Q3-3, Tab 1, Schedule 3 related to the Gas in Inventory Re-valuation, which is a component of the Purchased Gas Variance Account ("PGVA"). In particular, the unit rate difference related to the Reference Price for the April to June 2010 period should have been a credit amount, rather than a debit amount (the absolute difference number was correct, but it was mistakenly entered as a debit amount). As a result, the total minus forecast for the Gas in Inventory Re-valuation should be \$46,914,200, rather than \$52,629,900 as filed.

The correction to Gas in Inventory Re-valuation only impacts upon the derivation of the commodity rider, and not to the derivation of transportation and load balancing riders. As a result, it is only the Rider C unit rates related to the Sales Service that must be changed (the unit rates related to Western Transportation and Ontario Transportation Service are unchanged).

The corrected exhibits included with this letter only impact upon system gas customers (Sales Service customers). The corrected Sales Service rider unit rate for residential customers on system gas is a credit of 1.0379 cents/m<sup>3</sup> as compared to a credit of 0.9181 cents/m<sup>3</sup> that was set out in the Application. There is no impact on non system gas customers.

2010-06-23

Ms. Walli

Page 2

Attached are the corrected Exhibit pages, as well as, updated Customer Notices.

As set out in the Application, Enbridge requests that the Board issue an order approving the applied-for rate adjustments, or modifying them as required, effective July 1, 2010. Enbridge requests that such an order be issued on or before June 28, 2010.

Enbridge recognizes that this is a short time to consider the corrected evidence, but points out that no party indicated any objection to the relief sought in Enbridge's Application and that the impact of the corrected evidence is contained to the Sales Service rider and results in an increased credit to system gas customers. In the circumstances, Enbridge respectfully requests that the Board issue the requested order in time to allow Enbridge's new rates to be in place for the first billing cycle in July 2010.

If you have any questions about this, please contact us.

Yours truly,

A handwritten signature in blue ink, appearing to read "A. Kacicnik", with a large, stylized flourish extending from the end.

Anton Kacicnik  
Manager, Rate Research and Design  
Encl.

cc: Mr. Fred Cass, Aird & Berlis LLP  
All Interested Parties EB-2009-0172

- RP-2003-0203: The QRAM process was modified, under Issue 15.11 in the Settlement Proposal dated June 17, 2004, Exhibit N1, Tab 1, Schedule 1, pp. 56-58 of 59. The Board approved the entire Settlement Proposal on June 16, 2003; see transcript volume 1, paragraphs. 32 to 39.
  - EB-2008-0106: The QRAM process was modified in the Board's Decision dated September 21, 2009 at pages 5, 16 and 22.
3. The particulars of the QRAM process are described, for ease of reference, in Appendix A to this Application. Pursuant to the Board's direction, the "Regulatory Framework" has further been modified to include procedures for processing cost claims and awards, if any.

#### **Utility Price and Customer Impacts**

4. Enbridge's utility price during the second quarter of Test Year 2010 was  $\$255.364/10^3\text{m}^3$  ( $\$6.775/\text{GJ}$  @  $37.69 \text{ MJ/m}^3$ ). Enbridge has recalculated the utility price for the third quarter of Test Year 2010 using the prescribed methodology, reflecting a lower commodity cost. The recalculated utility price is  $\$218.961/10^3\text{m}^3$  ( $\$5.810/\text{GJ}$  @  $37.69 \text{ MJ/m}^3$ ).
5. The resultant rates would decrease the total bill for a typical residential customer on system gas by \$116 or 9.3% (approx.) annually and, for a typical residential customer on direct purchase, would increase the total bill by \$3 or 0.4% (approx.) annually.

#### **PGVA**

6. The new PGVA rider methodology adopted by the Company in its January 1, 2010 QRAM filing allows it to make adjustments through rate riders for variances in commodity, transportation and load balancing costs for all bundled customers. The Company will implement the new PGVA clearing methodology into billing as part of this QRAM application.
7. Effective from July 1, 2010 to June 30, 2011 the Rider C unit rate for residential customer's on sales service is  $(1.0379) \text{ ¢/m}^3$ , for Western T-service it is  $0.0494 \text{ ¢/m}^3$  and for Ontario T-service it is  $0.0470 \text{ ¢/m}^3$ .

The impact of the price changes discussed above on a typical residential customer on sales service (system gas) is an annualized decrease of approximately 9.3%, or \$116 on an annual bill of \$1,240. On a T-service basis (total bill excluding commodity charges), a typical residential customers will see an increase of 0.4% or \$3 annually.

#### PGVA Clearing

8. Effective January 1, 2010, Enbridge adopted its new PGVA clearing methodology as approved by the Board in the EB-2008-0106 QRAM generic proceeding. Through the new methodology, Enbridge identifies components of its PGVA that are attributable to commodity, transportation and load balancing costs. Based on this breakdown, individual riders are determined and applied (where applicable) to Sales, Western T-service and Ontario T-service customers. The PGVA balances attributable to commodity, transportation and load balancing for the July 1, 2010 QRAM can be found at Exhibit Q3-3, Tab 1, Schedule 2. Exhibit Q3-3, Tab 4, Schedule 8, pages 1-16 depicts the schedules supporting the derivation of each of the Rider C unit rates for commodity, transportation and load balancing.
9. Effective July 1, 2010, the Company will implement the new PGVA clearing methodology into billing for all customers. The changes will result in all customers having a cost adjustments line item on their monthly bills. Depending on the type of service the applicable Sales service, Western T-service or Ontario T-service Rider C unit rate will be applied to their monthly consumption. Effective from July 1, 2010 to June 30, 2011 the Rider C unit rate for residential customer's on sales service is (1.0379) ¢/m<sup>3</sup>, for Western T-service it is 0.0494 ¢/m<sup>3</sup> and for Ontario T-service it is 0.0470 ¢/m<sup>3</sup>. /c

**ENBRIDGE GAS DISTRIBUTION INC.**  
Component of the Purchased Gas Variance Account  
Gas in Inventory Re-valuation

Line #	Particulars	Col. 1 Reference Price \$/10 <sup>3</sup> m <sup>3</sup>	Col. 2 Unit Rate Difference \$/10 <sup>3</sup> m <sup>3</sup>	Col. 3 10 <sup>3</sup> m <sup>3</sup>	Col. 4 Deferral Amount \$(000)	Col. 5 Forecast as per Apr. 1, 2010 QRAM \$(000)	Col. 6 Total minus forecast \$(000)
1	Cummulative to the end of December 2009						
2	Jan-10	241.685	(4.735)	1,295,465.6	(6,133.4)	6,133.4	-
3	Feb-10						
4	Mar-10						
5	Apr-10	255.364	(13.679)	227,185.5	(3,107.6)	8,819.2	5,711.6
6	May-10						
7	Jun-10						
8							
9							
10							
11							
12							
13							
14	Total (Lines 1 to 13)				<u>(9,241.0)</u>	<u>14,952.6</u>	<u>5,711.6</u>
	Current QRAM Period						
15	Jul-10	218.961	36.403	1,118,055.0	40,700.0		40,700.0
16	Aug-10						
17	Sep-10						
18	Oct-10						
19	Nov-10						
20	Dec-10						
21	Jan-11						
22	Feb-11						
23	Mar-11						
24	Apr-11						
25	May-11						
26	Jun-11						
27	Total (Lines 15 to 26)			<u>1,118,055.0</u>	<u>40,700.0</u>	<u>0.0</u>	<u>40,700.0</u>
28	Total (Lines 14 plus 27)						<u>46,411.6</u>

RIDER:	<b>C</b>	<b>COST ADJUSTMENT RIDER</b>
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The following adjustment is applicable to all gas sold or delivered during the period of July 1, 2010 to June 30, 2011.

Rate Class	Sales Service ( ¢/m³ )	Western Transportation Service ( ¢/m³ )	Ontario Transportation Service ( ¢/m³ )
Rate 1	(1.0379)	0.0494	0.0470
Rate 6	(1.0418)	0.0466	0.0442
Rate 9	(1.6839)	0.0029	0.0005
Rate 100	(1.0418)	0.0466	0.0442
Rate 110	(1.5719)	0.0106	0.0082
Rate 115	(1.5832)	0.0053	0.0029
Rate 135	(1.6910)	0.0024	0.0000
Rate 145	(1.2589)	0.0205	0.0181
Rate 170	(1.4875)	0.0125	0.0101
Rate 200	(1.0468)	0.0360	0.0336

EFFECTIVE DATE:	IMPLEMENTATION DATE:	BOARD ORDER:	REPLACING RATE EFFECTIVE:	Page 1 of 1
July 1, 2010	July 1, 2010	EB-2010-0186	April 1, 2010	Handbook 54



Rate Class		Sales Service ( ¢/m <sup>3</sup> )	Western Transportation Service ( ¢/m <sup>3</sup> )	Ontario Transportation Service ( ¢/m <sup>3</sup> )
Rate 1	Commodity	(1.0873)		
	Transportation	0.0024	0.0024	
	<u>Load Balancing</u>	<u>0.0470</u>	<u>0.0470</u>	<u>0.0470</u>
	Total	(1.0379)	0.0494	0.0470
Rate 6	Commodity	(1.0883)		
	Transportation	0.0024	0.0024	
	<u>Load Balancing</u>	<u>0.0442</u>	<u>0.0442</u>	<u>0.0442</u>
	Total	(1.0418)	0.0466	0.0442
Rate 9	Commodity	(1.6869)		
	Transportation	0.0024	0.0024	
	<u>Load Balancing</u>	<u>0.0005</u>	<u>0.0005</u>	<u>0.0005</u>
	Total	(1.6839)	0.0029	0.0005
Rate 100	Commodity	(1.0883)		
	Transportation	0.0024	0.0024	
	<u>Load Balancing</u>	<u>0.0442</u>	<u>0.0442</u>	<u>0.0442</u>
	Total	(1.0418)	0.0466	0.0442
Rate 110	Commodity	(1.5826)		
	Transportation	0.0024	0.0024	
	<u>Load Balancing</u>	<u>0.0082</u>	<u>0.0082</u>	<u>0.0082</u>
	Total	(1.5719)	0.0106	0.0082
Rate 115	Commodity	(1.5885)		
	Transportation	0.0024	0.0024	
	<u>Load Balancing</u>	<u>0.0029</u>	<u>0.0029</u>	<u>0.0029</u>
	Total	(1.5832)	0.0053	0.0029
Rate 135	Commodity	(1.6934)		
	Transportation	0.0024	0.0024	
	<u>Load Balancing</u>	<u>0.0000</u>	<u>0.0000</u>	<u>0.0000</u>
	Total	(1.6910)	0.0024	0.0000

EFFECTIVE DATE:

July 1, 2010

IMPLEMENTATION DATE:

July 1, 2010

BOARD ORDER:

EB-2010-0186

REPLACING RATE EFFECTIVE:

April 1, 2010

Page 2 of 3  
Handbook 55

RIDER:

**C**

Rate Class		Sales Service ( ¢/m <sup>3</sup> )	Western Transportation Service ( ¢/m <sup>3</sup> )	Ontario Transportation Service ( ¢/m <sup>3</sup> )
Rate 145	Commodity	(1.2794)		
	Transportation	0.0024	0.0024	
	<u>Load Balancing</u>	<u>0.0181</u>	<u>0.0181</u>	<u>0.0181</u>
	Total	(1.2589)	0.0205	0.0181
Rate 170	Commodity	(1.5000)		
	Transportation	0.0024	0.0024	
	<u>Load Balancing</u>	<u>0.0101</u>	<u>0.0101</u>	<u>0.0101</u>
	Total	(1.4875)	0.0125	0.0101
Rate 200	Commodity	(1.0829)		
	Transportation	0.0024	0.0024	
	<u>Load Balancing</u>	<u>0.0336</u>	<u>0.0336</u>	<u>0.0336</u>
	Total	(1.0468)	0.0360	0.0336

EFFECTIVE DATE:	IMPLEMENTATION DATE:	BOARD ORDER:	REPLACING RATE EFFECTIVE:	Page 3 of 3 Handbook 56
April 1, 2010	April 1, 2010	EB-2010-0186	January 1, 2010	





**Rate Rider Summary  
July 2010 - QRAM Q3**

Item No.	Description	Sales Service	Western Transportation Service	Ontario Transportation Service
		Unit Rate Col. 1 (¢/m³)	Unit Rate Col. 2 (¢/m²)	Unit Rate Col. 3 (¢/m³)
1.	Rate 1	(1.0379)	0.0494	0.0470
2.	Rate 6	(1.0418)	0.0466	0.0442
3.	Rate 9	(1.6839)	0.0029	0.0005
4.	Rate 100	(1.0418)	0.0466	0.0442
5.	Rate 110	(1.5719)	0.0106	0.0082
6.	Rate 115	(1.5832)	0.0053	0.0029
7.	Rate 135	(1.6910)	0.0024	0.0000
8.	Rate 145	(1.2589)	0.0205	0.0181
9.	Rate 170	(1.4875)	0.0125	0.0101
10.	Rate 200	(1.0468)	0.0360	0.0336

**Summary of Commodity Rider**  
**July 2010 - QRAM Q3**

Item No.	Description	Commodity	Inventory	Total
		Unit Rate Col. 1 (¢/m³)	Adjustment Unit Rate Col. 2 (¢/m³)	Commodity Unit Rate Col. 3 (¢/m³) (1)
1.	Rate 1	(1.6934)	0.6061	(1.0873)
2.	Rate 6	(1.6934)	0.6051	(1.0883)
3.	Rate 9	(1.6934)	0.0066	(1.6869)
4.	Rate 100	0.0000	0.0000	0.0000
5.	Rate 110	(1.6934)	0.1109	(1.5826)
6.	Rate 115	(1.6934)	0.1049	(1.5885)
7.	Rate 135	(1.6934)	0.0000	(1.6934)
8.	Rate 145	(1.6934)	0.4140	(1.2794)
9.	Rate 170	(1.6934)	0.1934	(1.5000)
10.	Rate 200	(1.6934)	0.6105	(1.0829)

Notes: (1) Col. 3 = Col. 1 + Col. 2

**ENBRIDGE GAS DISTRIBUTION INC.**  
**Unit Rates for Component: Gas in Inventory Revaluation**

Item No.	Description	Year 2010				Total Unit Rate (4) (¢/m³)
		Jan Q1 Col. 1 (¢/m³)	April Q2 Col. 2 (¢/m³)	July Q3 Col. 3 (¢/m³)	October Q4 Col. 4 (¢/m³)	
1	Rate 1	(0.1474)	(0.1407)	0.8942	0.0000	0.6061
2	Rate 6	(0.1471)	(0.1405)	0.8927	0.0000	0.6051
3	Rate 9	(0.0016)	(0.0015)	0.0097	0.0000	0.0066
4	Rate 100	0.0000	0.0000	0.0000	0.0000	0.0000
5	Rate 110	(0.0270)	(0.0257)	0.1636	0.0000	0.1109
6	Rate 115	(0.0255)	(0.0244)	0.1548	0.0000	0.1049
7	Rate 135	0.0000	0.0000	0.0000	0.0000	0.0000
8	Rate 145	(0.1007)	(0.0961)	0.6108	0.0000	0.4140
9	Rate 170	(0.0470)	(0.0449)	0.2854	0.0000	0.1934
10	Rate 200	(0.1484)	(0.1417)	0.9007	0.0000	0.6105

Notes: (1) EB-2009-0398, Tab 4, Schedule 8, Page 3, Column 5  
(2) EB-2010-0048, Tab 4, Schedule 8, Page 11  
(3) EB-2010-0186, Tab 4, Schedule 8, Page 11  
(4) Col. 5 = Col. 1 + Col. 2 + Col. 3 + Col. 4

**Derivation of Gas in Inventory Revaluation Unit Rates  
July 2010 - QRAM Q3**

Item No	Description	Forecast Volumes				Inventory Revaluation Rate Class Col. 4 (\$)	Inventory Revaluation Unit Rate Col. 5 (\$/m <sup>3</sup> )
		Jul 2010 - Jun 2011 (12 months volume) Col. 1 (m <sup>3</sup> )	% Allocation (%) Col. 2	Inventory Revaluation Col. 3 (\$)	Inventory Revaluation Unit Rate Col. 4 (\$)		
1.	Rate 1	System and Buy/sell	3,030,604,295	58.39%		27,099,549	0.8942
2.	Rate 6	System and Buy/sell	1,990,425,407	38.28%		17,768,279	0.8927
3.	Rate 9	System and Buy/sell	1,375,284	0.00%		133	0.0097
4.	Rate 100	System and Buy/sell	-	0.00%		0	-
5.	Rate 110	System and Buy/sell	43,892,143	0.15%		71,791	0.1636
6.	Rate 115	System and Buy/sell	4,350,165	0.01%		6,734	0.1548
7.	Rate 135	System and Buy/sell	5,908,486	0.00%		0	-
8.	Rate 145	System and Buy/sell	25,200,801	0.33%		153,933	0.6108
9.	Rate 170	System and Buy/sell	79,744,027	0.49%		227,559	0.2854
10.	Rate 200	System and Buy/sell	120,305,080	2.33%		1,083,633	0.9007
11.	Grand Total		5,301,805,689	100.00%	46,411,611	46,411,611	

Notes: (1) Space less T-service allocation factor  
(2) EB-2010-0186, Tab 1, Schedule 3, Page 1  
(3) Col. 4 = Col. 2 \* 46,411,611 (Inventory Adjustment)  
(4) Col. 5 = Col. 4 / Col. 1