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Canada

July 26, 2018

**VIA RESS, EMAIL and COURIER**

Ms Kirsten Walli  
Board Secretary  
Ontario Energy Board  
2300 Yonge Street, Suite 2700  
Toronto, Ontario, M4P 1E4

Dear Ms Walli:

**Re: Enbridge Gas Distribution Inc. ("Enbridge")  
Ontario Energy Board ("Board") File Number EB-2017-0324  
2015 Demand Side Management ("DSM") Clearance of Deferral and Variance  
Accounts – Draft Rate Order**

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In respect to the Ontario Energy Board's ("Board") Decision and Order in the above-noted proceeding dated July 12, 2018 ("Decision"), this Decision requires Enbridge to file a Draft Rate Order by July 26. This letter and the attachments are in response to this requirement.

Section 2 of the Decision at page 11 states that Enbridge shall allocate the approved DSM deferral and variance account balances to the various customer rate classes pursuant to this Decision. Table 2 at page 10 of the Decision sets out the amounts to be allocated to the various rate classes. In reviewing this table, Enbridge noted that it contained several mathematical miscalculations. While the total amounts were correct, the allocations to the various rate classes were not.

Once Enbridge identified this concern, it brought the matter to the attention of Board Staff who advised that Enbridge should, as part of this Draft Rate Order filing, include a revised Table 2 which contains the correct amounts to be allocated. A corrected Table 2 has therefore been included in the attached evidence and Enbridge confirms that the Draft Rate Order reflects the correct revised allocation values. As noted in the attached evidence and consistent with the Decision, Enbridge proposes to clear the approved amounts through to rates by means of its October 1 QRAM filing.

Please find attached copies of the following:

Attachment 1 – written outline of Rate Order materials.

Attachment 2 – tables of rate class amounts, unit rates and allocations.

July 26, 2018  
Ms. Kirsten Walli  
Page 2

Enbridge confirms that two hard copies of this filing are being forwarded to the Board by courier. An electronic copy is also being filed by means of the RESS.

Yours truly,

(Original Signed)

Kevin Culbert  
Manager, Regulatory Policy & Strategy

cc: Mr. D. O'Leary, Aird & Berlis LLP (via email)  
All Interested Parties EB-2017-0324 (via email)

**CLEARANCE OF 2015 DSM DEFERRAL AND VARIANCE ACCOUNT BALANCES**

1. OEB issued its Decision and Order, EB-2017-0324 (Application for approval of shareholder incentives, lost revenue, and program expenditures related to 2015 Demand Side Management programs) on July 12, 2018 (the "Decision").

The Decision approved:

- 1) The DSM shareholder incentive account balance of \$10.077M.
  - 2) The disposition of the lost revenues account as a refund to rate payers in the revised amount of \$84,399,
  - 3) The requested Demand Side Management Variance Account (DSMVA) amount of \$825,460 as the additional spending is consistent with the OEB's DSM Framework.
2. In addition, the Decision approved the allocation of the 2015 DSM Deferral and Variance account balances by rate class as shown at Page 10, Table 2. This table included several mathematical miscalculations. The corrected Table 2 as mentioned in the cover letter to the draft rate order is shown below.

Correction to Table 2

Rate Class		DSMIDA	LRAMVA	DSMVA	TOTAL
Rate 1	1	\$5,901,877	\$0	\$6,498,202	\$12,400,079
Rate 6	1	\$3,438,449	\$0	-\$2,919,026	\$519,423
Rate 9	2	\$404	\$0	-\$74	\$331
Rate 100		\$0	\$0	\$0	\$0
Rate 110		\$421,703	-\$19,059	\$191,445	\$594,089
Rate 115		\$146,222	-\$7,813	-\$451,019	-\$312,610
Rate 125	2	\$15,156	\$0	-\$2,779	\$12,377
Rate 135		\$12,883	\$239	-\$144,351	-\$131,229
Rate 145		\$41,385	-\$36,093	-\$1,040,849	-\$1,035,557
Rate 170		\$93,350	-\$21,673	-\$1,304,940	-\$1,233,263
Rate 200	2	\$5,254	\$0	-\$963	\$4,291
Rate 300	2	\$1,010	\$0	-\$186	\$825
<b>Total</b>		<b>\$10,077,695</b>	<b>-\$84,400</b>	<b>\$825,460</b>	<b>\$10,818,755</b>

1. Rate 1 and Rate 6 are not included in the LRAM amount as these rate classes are covered under the Average Use True-Up Variance Account (AUTUVA).

2. Rates 9, 125, 200 & 300 do not have any LRAM component in the rate allocation since customers in these rate classes are not eligible for DSM programs. These rate classes will however be subject to rate allocations for DSMVA and applicable DSMIDA related to Low Income Program.

\* Note: Numbers may not add up due to rounding

3. The allocation of DSM Deferral and Variance account balances is consistent with the treatment in prior years. The Decision also approved the disposition of the account balances as a one-time adjustment in the next available QRAM which is October 2018. The Company is therefore proposing to clear 2015 DSM Deferral and Variance Account balances to customers during the October 2018 billing cycles.
4. The unit rates for each type of service are shown at Attachment 2, page 1. These unit rates will be applied to each customer's actual 2017 consumption volume for the period January 1, 2017 to December 31, 2017, and will be recovered or refunded as a one-time billing adjustment in the month of October 2018.

5. Attachment 2 also shows the derivation of the proposed unit rate as follows:
  - page 2 determines the balance (principal and interest) to be cleared for each Board-approved 2015 DSM Deferral and Variance Account;
  - page 3 allocates account balances to the rate classes based on cost drivers for each type of account;
  - page 4 summarizes the allocation of account balances by rate class and type of service; and
  - page 5 derives the unit rates for the clearance / disposition by rate class and type of service. The unit rates are derived using actual 2017 consumption volumes for each rate class and each type of service.
6. The table on Attachment 2, page 6 displays the bill adjustment in October 2018 for typical customers resulting from the clearance of the 2015 DSM Deferral and Variance Account balances. These bill adjustments will be shown as a separate line item on customers' bills.

**UNIT RATE AND TYPE OF SERVICE: CLEARING IN OCTOBER 2018**

		COL.1
		<u>Unit Rate</u> (¢/m³)
<b><u>Bundled Services:</u></b>		
<b>RATE 1</b>	- SYSTEM SALES	0.2691
	- BUY/SELL	0.0000
	- ONTARIO T-SERVICE	0.2691
	- DAWN T-SERVICE	0.2691
	- WESTERN T-SERVICE	0.2691
<b>RATE 6</b>	- SYSTEM SALES	0.0099
	- BUY/SELL	0.0000
	- ONTARIO T-SERVICE	0.0099
	- DAWN T-SERVICE	0.0099
	- WESTERN T-SERVICE	0.0099
<b>RATE 9</b>	- SYSTEM SALES	1.3119
	- BUY/SELL	0.0000
	- ONTARIO T-SERVICE	0.0000
	- DAWN T-SERVICE	0.0000
	- WESTERN T-SERVICE	0.0000
<b>RATE 100</b>	- SYSTEM SALES	0.0000
	- BUY/SELL	0.0000
	- ONTARIO T-SERVICE	0.0000
	- DAWN T-SERVICE	0.0000
	- WESTERN T-SERVICE	0.0000
<b>RATE 110</b>	- SYSTEM SALES	0.0762
	- BUY/SELL	0.0000
	- ONTARIO T-SERVICE	0.0762
	- DAWN T-SERVICE	0.0762
	- WESTERN T-SERVICE	0.0762
<b>RATE 115</b>	- SYSTEM SALES	(0.0644)
	- BUY/SELL	0.0000
	- ONTARIO T-SERVICE	(0.0644)
	- DAWN T-SERVICE	(0.0644)
	- WESTERN T-SERVICE	(0.0644)
<b>RATE 135</b>	- SYSTEM SALES	(0.2070)
	- BUY/SELL	0.0000
	- ONTARIO T-SERVICE	(0.2070)
	- DAWN T-SERVICE	(0.2070)
	- WESTERN T-SERVICE	(0.2070)
<b>RATE 145</b>	- SYSTEM SALES	(2.3337)
	- BUY/SELL	0.0000
	- ONTARIO T-SERVICE	(2.3337)
	- DAWN T-SERVICE	(2.3337)
	- WESTERN T-SERVICE	(2.3337)
<b>RATE 170</b>	- SYSTEM SALES	(0.4102)
	- BUY/SELL	0.0000
	- ONTARIO T-SERVICE	(0.4102)
	- DAWN T-SERVICE	(0.4102)
	- WESTERN T-SERVICE	(0.4102)
<b>RATE 200</b>	- SYSTEM SALES	0.0025
	- BUY/SELL	0.0000
	- ONTARIO T-SERVICE	0.0025
	- DAWN T-SERVICE	0.0000
	- WESTERN T-SERVICE	0.0025
<b><u>Unbundled Services:</u></b>		
<b>RATE 125</b>	- All	0.1296
	- Customer-specific (\$)	0.0000
<b>RATE 300</b>	- All	6.4213
<b>RATE 332</b>	- All	0.0000

**DETERMINATION OF BALANCES TO BE CLEARED**  
**FROM THE 2015 DSM DEFERRAL AND VARIANCE ACCOUNTS**

ITEM NO.	COL. 1			COL. 2		COL. 3	
	PRINCIPAL For CLEARING (\$000)			INTEREST (\$000)		TOTAL For CLEARING (\$000)	
1.	DEMAND SIDE MANAGEMENT 2015			825.5		32.0	
2.	LOST REVENUE ADJ MECHANISM 2015			(84.4)		(1.9)	
3.	DEMAND SIDE MANAGEMENT INCENTIVE 2015			10,077.7		171.1	
	TOTAL			10,818.8		201.2	
						11,020.0	

**Classification and Allocation of Deferral and Variance Account Balances**

ITEM NO.	COL. 1		COL. 2	
	TOTAL (\$000)		DIRECT (\$000)	
<b>CLASSIFICATION</b>				
1. DEMAND SIDE MANAGEMENT 2015	857.4		857.4	
2. LOST REVENUE ADJ MECHANISM 2015	(86.3)		(86.3)	
3. DEMAND SIDE MANAGEMENT INCENTIVE 2015	10,248.8		10,248.8	
TOTAL	11,020.0		11,020.0	
<b>ALLOCATION</b>				
1.1 RATE 1	12,751.9		12,751.9	
1.2 RATE 6	464.8		464.8	
1.3 RATE 9	0.3		0.3	
1.4 RATE 100	0.0		0.0	
1.5 RATE 110	608.2		608.2	
1.6 RATE 115	(327.8)		(327.8)	
1.7 RATE 125	12.5		12.5	
1.8 RATE 135	(136.6)		(136.6)	
1.9 RATE 145	(1,075.9)		(1,075.9)	
1.10 RATE 170	(1,282.7)		(1,282.7)	
1.11 RATE 200	4.3		4.3	
1.12 RATE 300	0.8		0.8	
1.13 RATE 332	0.0		0.0	
1.	11,020.0		11,020.0	



**ALLOCATION BY TYPE OF SERVICE**

		COL.1	COL. 2
		TOTAL	DIRECT
		(\$000)	(\$000)
<b><u>Bundled Services:</u></b>			
<b>RATE 1</b>	- SYSTEM SALES	12,180.0	12,180.0
	- BUY/SELL	0.0	0.0
	- T-SERVICE EXCL WBT	242.3	242.3
	- DAWN T-SERVICE	17.1	17.1
	- WBT	312.5	312.5
<b>RATE 6</b>	- SYSTEM SALES	272.8	272.8
	- BUY/SELL	0.0	0.0
	- T-SERVICE EXCL WBT	84.3	84.3
	- DAWN T-SERVICE	11.9	11.9
	- WBT	95.8	95.8
<b>RATE 9</b>	- SYSTEM SALES	0.3	0.3
	- BUY/SELL	0.0	0.0
	- T-SERVICE EXCL WBT	0.0	0.0
	- DAWN T-SERVICE	0.0	0.0
	- WBT	0.0	0.0
<b>RATE 100</b>	- SYSTEM SALES	0.0	0.0
	- BUY/SELL	0.0	0.0
	- T-SERVICE EXCL WBT	0.0	0.0
	- DAWN T-SERVICE	0.0	0.0
	- WBT	0.0	0.0
<b>RATE 110</b>	- SYSTEM SALES	41.0	41.0
	- BUY/SELL	0.0	0.0
	- T-SERVICE EXCL WBT	308.3	308.3
	- DAWN T-SERVICE	46.5	46.5
	- WBT	212.4	212.4
<b>RATE 115</b>	- SYSTEM SALES	(0.1)	(0.1)
	- BUY/SELL	0.0	0.0
	- T-SERVICE EXCL WBT	(272.8)	(272.8)
	- DAWN T-SERVICE	(21.4)	(21.4)
	- WBT	(33.5)	(33.5)
<b>RATE 135</b>	- SYSTEM SALES	(6.0)	(6.0)
	- BUY/SELL	0.0	0.0
	- T-SERVICE EXCL WBT	(50.8)	(50.8)
	- DAWN T-SERVICE	(1.0)	(1.0)
	- WBT	(78.8)	(78.8)
<b>RATE 145</b>	- SYSTEM SALES	(160.9)	(160.9)
	- BUY/SELL	0.0	0.0
	- T-SERVICE EXCL WBT	(674.1)	(674.1)
	- DAWN T-SERVICE	(101.9)	(101.9)
	- WBT	(139.0)	(139.0)
<b>RATE 170</b>	- SYSTEM SALES	(133.6)	(133.6)
	- BUY/SELL	0.0	0.0
	- DAWN T-SERVICE	(45.1)	(45.1)
<b>RATE 200</b>	- SYSTEM SALES	3.3	3.3
	- BUY/SELL	0.0	0.0
	- T-SERVICE EXCL WBT	0.2	0.2
	- DAWN T-SERVICE	0.0	0.0
	- WBT	0.9	0.9
<b><u>Unbundled Services:</u></b>			
<b>RATE 125</b>		12.5	12.5
<b>RATE 300</b>		0.8	0.8
<b>RATE 332</b>		0.0	0.0
		11,020.0	11,020.0

**UNIT RATE AND TYPE OF SERVICE**

		COL.1	COL. 2
		TOTAL	DIRECT
		(¢/m³)	(¢/m³)
<b><u>Bundled Services:</u></b>			
<b>RATE 1</b>	- SYSTEM SALES	0.2691	0.2691
	- BUY/SELL	0.0000	0.0000
	- ONTARIO T-SERVICE	0.2691	0.2691
	- DAWN T-SERVICE	0.2691	0.2691
	- WESTERN T-SERVICE	0.2691	0.2691
<b>RATE 6</b>	- SYSTEM SALES	0.0099	0.0099
	- BUY/SELL	0.0000	0.0000
	- ONTARIO T-SERVICE	0.0099	0.0099
	- DAWN T-SERVICE	0.0099	0.0099
	- WESTERN T-SERVICE	0.0099	0.0099
<b>RATE 9</b>	- SYSTEM SALES	1.3119	1.3119
	- BUY/SELL	0.0000	0.0000
	- ONTARIO T-SERVICE	0.0000	0.0000
	- DAWN T-SERVICE	0.0000	0.0000
	- WESTERN T-SERVICE	0.0000	0.0000
<b>RATE 100</b>	- SYSTEM SALES	0.0000	0.0000
	- BUY/SELL	0.0000	0.0000
	- ONTARIO T-SERVICE	0.0000	0.0000
	- DAWN T-SERVICE	0.0000	0.0000
	- WESTERN T-SERVICE	0.0000	0.0000
<b>RATE 110</b>	- SYSTEM SALES	0.0762	0.0762
	- BUY/SELL	0.0000	0.0000
	- ONTARIO T-SERVICE	0.0762	0.0762
	- DAWN T-SERVICE	0.0762	0.0762
	- WESTERN T-SERVICE	0.0762	0.0762
<b>RATE 115</b>	- SYSTEM SALES	(0.0644)	(0.0644)
	- BUY/SELL	0.0000	0.0000
	- ONTARIO T-SERVICE	(0.0644)	(0.0644)
	- DAWN T-SERVICE	(0.0644)	(0.0644)
	- WESTERN T-SERVICE	(0.0644)	(0.0644)
<b>RATE 135</b>	- SYSTEM SALES	(0.2070)	(0.2070)
	- BUY/SELL	0.0000	0.0000
	- ONTARIO T-SERVICE	(0.2070)	(0.2070)
	- DAWN T-SERVICE	(0.2070)	(0.2070)
	- WESTERN T-SERVICE	(0.2070)	(0.2070)
<b>RATE 145</b>	- SYSTEM SALES	(2.3337)	(2.3337)
	- BUY/SELL	0.0000	0.0000
	- ONTARIO T-SERVICE	(2.3337)	(2.3337)
	- DAWN T-SERVICE	(2.3337)	(2.3337)
	- WESTERN T-SERVICE	(2.3337)	(2.3337)
<b>RATE 170</b>	- SYSTEM SALES	(0.4102)	(0.4102)
	- BUY/SELL	0.0000	0.0000
	- ONTARIO T-SERVICE	(0.4102)	(0.4102)
	- DAWN T-SERVICE	(0.4102)	(0.4102)
	- WESTERN T-SERVICE	(0.4102)	(0.4102)
<b>RATE 200</b>	- SYSTEM SALES	0.0025	0.0025
	- BUY/SELL	0.0000	0.0000
	- ONTARIO T-SERVICE	0.0025	0.0025
	- DAWN T-SERVICE	0.0000	0.0000
	- WESTERN T-SERVICE	0.0025	0.0025
<b><u>Unbundled Services:</u></b>			
<b>RATE 125</b>	- All	0.1296	0.1296
	- Customer-specific **		
<b>RATE 300</b>	- All	6.4213	6.4213
	- Customer-specific **		
<b>RATE 332</b>	- All	0.00	0.0000

Notes:

\* Unit Rates derived based on 2017 actual volumes

**Enbridge Gas Distribution Inc.**  
**2015 DSM Deferral and Variance Account Clearing**  
**Bill Adjustment in October 2018 for Typical Customers**

Item No.	<u>Col. 1</u>	<u>Col. 2</u>	<u>Col. 3</u>	<u>Col. 4</u>	<u>Col. 5</u>	<u>Col. 6</u>	<u>Col. 7</u>	<u>Col. 8</u>	<u>Col. 9</u>	<u>Col. 10</u>
			<u>Unit Rates</u>				<u>Bill Adjustment</u>			
	<u>GENERAL SERVICE</u>	<u>Annual Volume</u> m3	<u>Sales</u> cents/m3	<u>Ontario TS</u> cents/m3	<u>Dawn TS</u> cents/m4	<u>Western TS</u> cents/m3	<u>Sales Customers</u> \$	<u>Ontario TS Customers</u> \$	<u>Dawn TS Customers</u> \$	<u>Western TS Customers</u> \$
1.1	<b>RATE 1 RESIDENTIAL</b>									
1.2	Heating & Water Heating	2,400	0.2691	0.2691	0.2691	0.2691	6.5	6.5	6.5	6.5
2.1	<b>RATE 6 COMMERCIAL</b>									
2.2	General Use	43,285	0.0099	0.0099	0.0099	0.0099	4	4	4	4
	<u>CONTRACT SERVICE</u>									
3.1	<b>RATE 100</b>									
3.2	Industrial - small size	339,188	0.0000	0.0000	0.0000	0.0000	-	-	-	-
4.1	<b>RATE 110</b>									
4.2	Industrial - small size, 50% LF	598,568	0.0762	0.0762	0.0762	0.0762	456	456	456	456
4.5	Industrial - avg. size, 75% LF	9,976,121	0.0762	0.0762	0.0762	0.0762	7,602	7,602	7,602	7,602
5.1	<b>RATE 115</b>									
5.2	Industrial - small size, 80% LF	4,471,609	(0.0644)	(0.0644)	(0.0644)	(0.0644)	(2,881)	(2,881)	(2,881)	(2,881)
6.1	<b>RATE 135</b>									
6.2	Industrial - Seasonal Firm	598,567	(0.2070)	(0.2070)	(0.2070)	(0.2070)	(1,239)	(1,239)	(1,239)	(1,239)
7.1	<b>RATE 145</b>									
7.2	Commercial - avg. size	598,568	(2.3337)	(2.3337)	(2.3337)	(2.3337)	(13,969)	(13,969)	(13,969)	(13,969)
8.1	<b>RATE 170</b>									
8.2	Industrial - avg. size, 75% LF	9,976,121	(0.4102)	(0.4102)	(0.4102)	(0.4102)	(40,920)	(40,920)	(40,920)	(40,920)

Notes:  
Col. 7 = Col. 2 x Col. 3  
Col. 8 = Col. 2 x Col. 4  
Col. 9 = Col. 2 x Col. 5  
Col. 10 = Col. 2 x Col. 6