



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

DECISION AND RATE ORDER

EB-2017-0324

ENBRIDGE GAS DISTRIBUTION INC.

Application for approval of shareholder incentives, lost revenues, and program expenditures related to 2015 demand side management programs.

BEFORE: **Susan Frank**
 Presiding Member

Christine Long
Member and Vice Chair

Rumina Velshi
Member

August 30, 2018

1 INTRODUCTION AND SUMMARY

This is the Decision of the Ontario Energy Board (the OEB) on the Rate Order related to an application by Enbridge Gas Distribution Inc. (Enbridge Gas) for approval of amounts related to its 2015 natural gas Demand Side Management (DSM) conservation programs.

The OEB issued its Decision and Order on the Application on July 12, 2018. That Decision and Order dealt with the amounts approved for disposition, the allocation of the approved amounts by customer rate classes, and the disposition methodology to recover or refund the approved amounts by customer rate classes. The OEB directed Enbridge Gas to file a draft Rate Order reflecting that Decision and Order.

The OEB has reviewed Enbridge Gas' draft Rate Order and approves it as filed.

2 PROCESS

Enbridge Gas filed its application with the OEB on December 19, 2017. The OEB held a written hearing, which included written interrogatories followed by written argument and reply submissions. On July 12, 2018, the OEB issued a Decision and Order. The application, interrogatories, written arguments and Decision and Order are available on the OEB's website at www.oeb.ca under file number EB-2017-0324.

As part of that Decision and Order, the OEB ordered that Enbridge Gas file a draft rate order and allowed OEB staff to file any comments.

On July 26, 2018, Enbridge Gas filed its draft Rate Order. Enbridge Gas identified a mathematical error in Table 2 of the Decision and Order noting that the total amounts were correct but the total balances for the various rate classes contained a mathematical error. Enbridge Gas filed a correction of an attachment to the draft Rate Order on August 1, 2018.

Enbridge Gas indicated that it will dispose of the account balances as a one-time adjustment in the next available QRAM after receiving OEB approval.

On August 3, 2018, OEB staff filed comments on the draft Rate Order. OEB staff submitted that Enbridge Gas' draft Rate Order was consistent with the Decision and Order. Further, OEB staff confirmed that Enbridge Gas' proposed correction to Table 2 was accurate. OEB staff supported the clearance of the DSM deferral and variance accounts as part of the October 2018 QRAM process.

3 DECISION

The OEB has reviewed the draft Rate Order filed by Enbridge Gas and is satisfied that the unit rates by customer rate classes and type of service arrangements, attached as Appendix A, reflect the Decision and Order issued on July 12, 2018. The OEB therefore approves the draft Rate Order as filed.

These unit rates shall be applied to each customer's actual 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.

4 ORDER

THE OEB ORDERS THAT:

1. The unit rates set out in Appendix A are approved. These unit rates shall be applied to each customer's actual 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.

DATED at Toronto August 30, 2018

ONTARIO ENERGY BOARD

Original Signed By

Kirsten Walli
Board Secretary

Appendix A

Enbridge Gas Distribution Inc.

2015 Demand Side Management Deferral and Variance Accounts

EB-2017-0324

UNIT RATE AND TYPE OF SERVICE: CLEARING IN OCTOBER 2018

		COL.1
		<u>Unit Rate</u> (€/m³)
<u>Bundled Services:</u>		
RATE 1	- SYSTEM SALES	0.2691
	- BUY/SELL	0.0000
	- ONTARIO T-SERVICE	0.2691
	- DAWN T-SERVICE	0.2691
	- WESTERN T-SERVICE	0.2691
RATE 6	- SYSTEM SALES	0.0099
	- BUY/SELL	0.0000
	- ONTARIO T-SERVICE	0.0099
	- DAWN T-SERVICE	0.0099
	- WESTERN T-SERVICE	0.0099
RATE 9	- SYSTEM SALES	1.3119
	- BUY/SELL	0.0000
	- ONTARIO T-SERVICE	0.0000
	- DAWN T-SERVICE	0.0000
	- WESTERN T-SERVICE	0.0000
RATE 100	- SYSTEM SALES	0.0000
	- BUY/SELL	0.0000
	- ONTARIO T-SERVICE	0.0000
	- DAWN T-SERVICE	0.0000
	- WESTERN T-SERVICE	0.0000
RATE 110	- SYSTEM SALES	0.0762
	- BUY/SELL	0.0000
	- ONTARIO T-SERVICE	0.0762
	- DAWN T-SERVICE	0.0762
	- WESTERN T-SERVICE	0.0762
RATE 115	- SYSTEM SALES	(0.0644)
	- BUY/SELL	0.0000
	- ONTARIO T-SERVICE	(0.0644)
	- DAWN T-SERVICE	(0.0644)
	- WESTERN T-SERVICE	(0.0644)
RATE 135	- SYSTEM SALES	(0.2070)
	- BUY/SELL	0.0000
	- ONTARIO T-SERVICE	(0.2070)
	- DAWN T-SERVICE	(0.2070)
	- WESTERN T-SERVICE	(0.2070)
RATE 145	- SYSTEM SALES	(2.3337)
	- BUY/SELL	0.0000
	- ONTARIO T-SERVICE	(2.3337)
	- DAWN T-SERVICE	(2.3337)
	- WESTERN T-SERVICE	(2.3337)
RATE 170	- SYSTEM SALES	(0.4102)
	- BUY/SELL	0.0000
	- ONTARIO T-SERVICE	(0.4102)
	- DAWN T-SERVICE	(0.4102)
	- WESTERN T-SERVICE	(0.4102)
RATE 200	- SYSTEM SALES	0.0025
	- BUY/SELL	0.0000
	- ONTARIO T-SERVICE	0.0025
	- DAWN T-SERVICE	0.0000
	- WESTERN T-SERVICE	0.0025
<u>Unbundled Services:</u>		
RATE 125	- All	0.1296
	- Customer-specific (\$)	0.0000
RATE 300	- All	6.4213
RATE 332	- 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		INTEREST		TOTAL For CLEARING	
	(\$000)		(\$000)		(\$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)
CLASSIFICATION		
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
ALLOCATION		
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

<u>ALLOCATION BY TYPE OF SERVICE</u>			
		COL.1	COL. 2
		TOTAL	DIRECT
		(\$000)	(\$000)
<u>Bundled Services:</u>			
RATE 1	- 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
RATE 6	- 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
RATE 9	- 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
RATE 100	- 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
RATE 110	- 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
RATE 115	- 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)
RATE 135	- 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)
RATE 145	- 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)
RATE 170	- SYSTEM SALES	(133.6)	(133.6)
	- BUY/SELL	0.0	0.0
	- T-SERVICE EXCL WBT	(885.1)	(885.1)
	- DAWN T-SERVICE	(45.1)	(45.1)
	- WBT	(218.9)	(218.9)
RATE 200	- 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
<u>Unbundled Services:</u>			
RATE 125		12.5	12.5
RATE 300		0.8	0.8
RATE 332		0.0	0.0
		11,020.0	11,020.0

UNIT RATE AND TYPE OF SERVICE

		COL.1	COL. 2
		TOTAL	DIRECT
		(€/m³)	(€/m³)
<u>Bundled Services:</u>			
RATE 1	- 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
RATE 6	- 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
RATE 9	- 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
RATE 100	- 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
RATE 110	- 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
RATE 115	- 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)
RATE 135	- 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)
RATE 145	- 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)
RATE 170	- 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)
RATE 200	- 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
<u>Unbundled Services:</u>			
RATE 125	- All	0.1296	0.1296
	- Customer-specific **		
RATE 300	- All	6.4213	6.4213
	- Customer-specific **		
RATE 332	- 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>GENERAL SERVICE</u>			Unit Rates				Bill Adjustment			
Annual Volume			<u>Sales</u>	<u>Ontario TS</u>	<u>Dawn TS</u>	<u>Western TS</u>	<u>Sales Customers</u>	<u>Ontario TS Customers</u>	<u>Dawn TS Customers</u>	<u>Western TS Customers</u>
m3			cents/m3	cents/m3	cents/m4	cents/m3	\$	\$	\$	\$
1.1	RATE 1 RESIDENTIAL									
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	RATE 6 COMMERCIAL									
2.2	General Use	43,285	0.0099	0.0099	0.0099	0.0099	4	4	4	4
<u>CONTRACT SERVICE</u>										
3.1	RATE 100									
3.2	Industrial - small size	339,188	0.0000	0.0000	0.0000	0.0000	-	-	-	-
4.1	RATE 110									
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	RATE 115									
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	RATE 135									
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	RATE 145									
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	RATE 170									
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