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VIA Email, RESS and Courier

November 8, 2018

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

Dear Ms Walli:

**Re: Ontario Energy Board File No. EB-2017-0319
Enbridge Gas Distribution Inc. ("Enbridge")
Application for Renewable Natural Gas Enabling Program
Updated Schedule Rate 401 and Draft Accounting Order**

Pursuant to the Board's Decision and Order dated October 18, 2018, attached please find Enbridge Gas Distribution's updated rate schedule for Rate 401 and the Draft Accounting Order for the Renewable Natural Gas Injection Service Deferral Account.

This submission was filed through the Board's Regulatory Electronic Submission System and will be available on the Company's website at www.enbridgegas.com/ratecase.

Regards,

[original signed]

Joel Denomy, M.A. CFA
Technical Manager, Regulatory Applications

Cc: All Parties to EB-2017-0319

RATE NUMBER: 401

RENEWABLE NATURAL GAS INJECTION SERVICE

APPLICABILITY:

To any Renewable Natural Gas producer (“Applicant”) who enters into a Service Agreement (“Agreement”) with the Company for Renewable Natural Gas injection services located on or adjacent to the property employed by the Applicant for producing Renewable Natural Gas in an area served by the Company’s Gas Distribution Network. Renewable Natural Gas Injection Service under this Schedule is conditioned upon arrangements mutually satisfactory to the Applicant and the Company for design, location, construction, and operation of required facilities.

RATE:

The Company will set a rate based on the Applicant’s unique circumstances (“Service Fee”). The Service Fee shall be based on a cost-of-service calculation of the Company’s fully-allocated direct and indirect costs using the Company’s weighted average cost of capital (“WACC”) of providing the services under the Agreement for a period of time agreed to between the Company and the Applicant.

The Service Fee for Renewable Natural Gas Injection Services will be derived from a Discounted Cash Flow (“DCF”) analysis. The DCF analysis will be based on the principles and parameters set out in the Ontario Energy Board’s EBO 188 feasibility guideline (the “Guideline”). The Service Fee for Renewable Natural Gas Injection Services is a site specific levelized (constant) service fee applicable to each month of the term of the Agreement. The Service Fee is set so as to recover all costs associated with the provision of service such as, but not limited to; operating and maintenance costs, depreciation, cost of debt, the Company’s return on investment and related taxes. The Service Fee will be calculated such that the application of the Guideline is forecast to result in a Profitability Index of equal to or greater than 1.02 over the service life of the plant and facilities required to provide this service.

TERMS AND CONDITIONS OF SERVICE:

To be set out in the Service Agreement. This rate schedule is in effect as of January 1, 2019.

ACCOUNTING TREATMENT FOR A
RNG INJECTION SERVICE DEFERRAL ACCOUNT
("RNGISDA")

The purpose of the RNGISDA is to record the annual revenue sufficiency/deficiency related to the provision of RNG Injection Services to RNG producers. The calculation of any annual revenue sufficiency/deficiency will be calculated as the difference between actual revenues generated under Rate 401 (RNG Injection Service) and the actual revenue requirement impact of the costs incurred (on a fully allocated basis) to provide those services. The annual revenue sufficiency/deficiency calculation will not include any impacts of contract default by RNG injection service customers.

Simple interest is to be calculated on the opening monthly balance of this account using the Board approved EB-2006-0117 interest rate methodology. The balance of this account, together with carrying charges, will be disposed of as part of a rate rebasing application, or in a manner designated by the Board in a future rate hearing.

Accounting Entries

1. To record the annual revenue sufficiency/deficiency:

Debit/Credit:	RNGISDA	(Account 179. ____)
Credit/Debit:	Operating Revenue	(Account 300. 000)

To record the annual revenue sufficiency/deficiency in relation to providing the RNG Injection Service to RNG producers.

2. Interest accrual:

Debit/Credit:	Interest on RNGISDA	(Account 179. ____)
Credit/Debit:	Interest expense	(Account 323. 000)

To record simple interest on the opening monthly balance of the RNGISDA using the Board approved EB-2006-0117 interest rate methodology.