

Enbridge Gas Inc.

Application for 2019 natural gas rates and other charges effective January 1, 2019

PROCEDURAL ORDER NO. 1

February 22, 2019

In August 2018, the Ontario Energy Board (OEB) approved the amalgamation of Enbridge Gas Distribution Inc. and Union Gas Limited. The companies have amalgamated to form Enbridge Gas Inc. (Enbridge Gas) effective January 1, 2019.

Enbridge Gas filed a complete application with the OEB on December 14, 2018 under section 36(1) of the *Ontario Energy Board Act, 1998*, S.O. 1998, c. 15 (Schedule B) and under the OEB's Filing Requirements for Incentive Regulation Rate Applications seeking approval for changes to its natural gas rates to be effective January 1, 2019. On December 3, 2018, the OEB declared current rates of Enbridge Gas to be interim effective January 1, 2019.

The OEB issued a Notice of Hearing on January 15, 2019. Each of the following applied for intervenor status:

- Association of Power Producers of Ontario (APPRO)
- Building Owners and Managers Association, Greater Toronto (BOMA)
- Canadian Manufacturers & Exporters (CME)
- City of Kitchener (Kitchener)
- Consumers Council of Canada (CCC)
- Energy Probe Research Foundation (Energy Probe)
- Equinor Natural Gas LLC (Equinor)
- Federation of Rental-housing Providers of Ontario (FRPO)
- Gord Garland
- Industrial Gas Users Association (IGUA)
- London Property Management Association (LPMA)
- Ontario Association of Physical Plant Administrators (OAPPA)
- Ontario Greenhouse Vegetable Growers (OGVG)

- Quinte Manufacturers Association (QMA)
- School Energy Coalition (SEC)
- Six Nations Natural Gas Company Limited (SNNG)
- TransCanada Pipelines Limited (TransCanada)
- Unifor
- Vulnerable Energy Consumers Coalition (VECC)

APPRO, BOMA, CCC, CME, Energy Probe, FRPO, Gord Garland, IGUA, LPMA, OAPPA, OGVG, QMA, SEC and VECC also applied for cost eligibility.

No objection was received from Enbridge Gas.

APPRO, BOMA, CME, Kitchener, CCC, Energy Probe, Equinor, FRPO, IGUA, LPMA, OAPPA, OGVG, QMA, SEC, SNNG, TransCanada, Unifor and VECC are approved as intervenors.

APPRO, BOMA, CCC, CME, Energy Probe, FRPO, IGUA, LPMA, OAPPA, OGVG, QMA, SEC and VECC are eligible to apply for an award of costs under the OEB's [Practice Direction on Cost Awards](#).

Mr. Garland has applied for intervenor status on grounds that he is a customer of Enbridge Gas and represents the interests of the citizens of Goderich. The OEB notes that where an individual claims to represent the interests of other individuals or businesses, evidence must be provided to support this. Mr. Garland has provided no evidence to indicate that he has been formally appointed to represent the citizens of Goderich. Therefore, Mr. Garland is approved as an intervenor in his individual capacity as a customer of Enbridge Gas. Mr. Garland has applied for cost eligibility. Mr. Garland is eligible to apply for an award of costs under the OEB's [Practice Direction on Cost Awards](#) (*Practice Direction*) and should carefully review the *Practice Direction* for information about the types of costs and disbursements that an individual may claim. Further, while wage or salary losses incurred by an individual intervenor as a result of participating in an OEB hearing may be claimed, those individuals will not generally be permitted to claim fees for their own time under the OEB's Cost Award Tariff. Mr. Garland has noted that he wishes to retain a researcher. The costs of a researcher cannot be claimed. Intervenors who are individuals are able to claim for reasonable disbursements. The *Practice Direction* does not contemplate that individuals would be compensated for staff they might hire to assist with their participation as an intervenor.

The list of parties in this proceeding is attached as Schedule B to this procedural order.

Cost eligible intervenors should be aware that the OEB will not generally allow the recovery of costs for the attendance of more than one representative of any party, unless a compelling reason is provided when cost claims are filed.

Being eligible to apply for recovery of costs is not a guarantee of recovery of any costs claimed. Cost awards are made by way of OEB order at the end of a hearing.

Issues List

Enbridge Gas filed a draft issues list with its application at Exhibit A1-6-1, which is attached as Schedule A to this Procedural Order.

The OEB is making provision for written submissions on the draft issues list. The parties will have the opportunity to make written submissions on the draft issues list and propose changes for the OEB's consideration. In proposing additional issues, parties should provide justification and give consideration to whether the item is already included under one of the proposed issues. Similarly, parties proposing to remove, change or limit the scope of an issue on the draft issues list should provide justification.

After reviewing the submissions, the OEB will issue a final issues list. Only matters that are on the final issues list will be considered in this proceeding.

Interrogatories

At this time, provision will be made for written interrogatories. Parties are reminded to consult sections 26 and 27 of the OEB's [Rules of Practice and Procedure](#) regarding required naming and numbering conventions and other matters related to interrogatories.

Presentation of Settlement Proposal

Following the settlement conference, provision will be made for the presentation of any settlement proposal filed by Enbridge Gas, whether full or partial, and for the presentation of any unsettled issues to be adjudicated by the OEB. Enbridge Gas' presentation is intended to summarize and provide any salient information for the OEB's consideration in reviewing the settlement proposal. The purpose of the presentation is not to provide an opportunity for cross-examination by the parties, but rather for Enbridge Gas to present any settlement and any remaining issues in the case.

It is necessary to make provision for the following matters related to this proceeding. The OEB may issue further procedural orders from time to time.

IT IS THEREFORE ORDERED THAT:

1. OEB staff and intervenors may make submissions on the draft issues list attached as Schedule A to this Procedural Order, and shall file any submissions with the OEB and serve on all parties no later than **February 28, 2019**.
2. Enbridge Gas may respond to the submissions of intervenors and OEB staff. Similarly, all other parties may respond to the submission of other parties. Those responses shall be filed with the OEB and be served on all parties no later than **March 8, 2019**.
3. OEB staff and intervenors shall request any information and material from Enbridge Gas that is in addition to Enbridge Gas' evidence and that is relevant to the hearing by written interrogatories filed with the OEB and served on all other parties by **April 3, 2019**.
4. Enbridge Gas shall file with the OEB complete written responses to the interrogatories and serve them on all intervenors by **April 23, 2019**.
5. Following its review of Enbridge Gas' responses to interrogatories, the OEB will determine if a technical conference is required. If required, a transcribed technical conference will be held on **April 29, 2019** starting at 9:30 a.m. in the OEB's Offices at 2300 Yonge Street, 25th floor, Toronto, Ontario to clarify any matters arising from the interrogatories only. If required, the technical conference will continue on **April 30, 2019**. Parties intending to participate are to notify Enbridge Gas, and copy all parties, of the topic areas for questioning by **April 25, 2019**.
6. Enbridge Gas shall file with the OEB complete written responses to all undertakings from the technical conference and serve them on all intervenors by **May 3, 2019**.
7. A settlement conference will be convened on **May 7, 2019** starting at 9:30 a.m., at 2300 Yonge Street, 25th floor, Toronto. If necessary, the settlement conference will continue on **May 8, 2019 and May 9, 2019**.

8. Any settlement proposal arising from the settlement conference shall be filed with the OEB on or before **May 23, 2019**. In addition to outlining the terms of any settlement, the settlement proposal should contain a list of any unsettled issues, indicating with reasons whether the parties believe those issues should be dealt with by way of oral or written hearing.
9. Any submission from OEB staff on a settlement proposal shall be filed with the OEB and served on all parties by **May 31, 2019**.
10. If there is no settlement proposal arising from the settlement conference, Enbridge Gas shall file a statement to that effect with the OEB by **May 17, 2019**. In that event, parties shall file and serve on the other parties by **May 23, 2019** any submissions on which issues shall be heard in writing, and for which issues the OEB should hold an oral hearing.
11. The OEB is setting a tentative date of **June 4, 2019** from 9:30 a.m. to 12:00 p.m. at 2300 Yonge Street, 25th floor, Toronto, for Enbridge Gas to present to the OEB any settlement proposal and a summary of any unsettled issues in the case. OEB staff will, at the direction of the OEB, confirm or amend this date in subsequent correspondence.

All filings to the OEB must quote the file number, EB-2018-0305 and be made electronically in searchable/unrestricted PDF format through the OEB's web portal at <https://pes.ontarioenergyboard.ca/eservice/>. Two paper copies must also be filed at the OEB's address provided below. Filings must clearly state the sender's name, postal address and telephone number, fax number and e-mail address. Parties must use the document naming conventions and document submission standards outlined in the RESS Document Guideline found at <http://www.oeb.ca/Industry>. If the web portal is not available parties may email their documents to the address below. Those who do not have internet access are required to submit all filings on a USB memory stick in PDF format, along with two paper copies. Those who do not have computer access are required to file 7 paper copies.

All communications should be directed to the attention of the Board Secretary at the address below, and be received no later than 4:45 p.m. on the required date.

With respect to distribution lists for all electronic correspondence and materials related to this proceeding, parties must include the Case Manager, Khalil Viraney at Khalil.Viraney@oeb.ca and OEB Counsel, Ian Richler at Ian.Richler@oeb.ca.

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DATED at Toronto, **February 22, 2019**

ONTARIO ENERGY BOARD

By delegation, before: Christine E. Long

Original signed by

Christine E. Long
Registrar

Schedule A

Enbridge Gas Inc.

EB-2018-0305

Draft Issues List

Dated: February 22, 2019

DRAFT ISSUES LIST

1. Is the Price Cap Index calculated appropriately?
2. Does the accounting order wording in the following new accounts appropriately reflect the OEB's MAADs Decision?
 - a) Earnings Sharing Mechanism Deferral Account (Enbridge Gas)
 - b) Tax Variance Deferral Account (Enbridge Gas)
 - c) Accounting Policy Changes Deferral Account (Enbridge Gas)
3. Should the following deferral accounts be established?
 - a) Incremental Capital Module – EGD Rate Zone
 - b) Incremental Capital Module – Union Gas Rate Zones
4. Should the proposed changes be made to the accounting orders for the following deferral accounts?

EGD Rate Zone

 - a. 179.24 Post Retirement True-up Variance Account
 - b. 179.48 Open Bill Revenue Variance Account
 - c. 179.08 Ex-Franchise Third Party Billing Services Deferral Account
 - d. 179.70 Purchased Gas Variance Account
 - e. 179.88 Storage and Transportation Deferral Account
 - f. 179.94 OEB Cost Assessment Variance Account

Union Gas Rate Zones

 - g. 179-136 Parkway West Project Costs
 - h. 179-137 Brantford-Kirkwall/Parkway D Project Costs
 - i. 179-142 Lobo C Compressor/Hamilton to Milton Project Costs
 - j. 179-144 Dawn H/Lobo D/Bright C Compressor Project Costs
 - k. 179-149 Burlington Oakville Project Costs
 - l. 179-156 Panhandle Reinforcement Project Costs
5. Should the following deferral and variance accounts be discontinued as proposed?
 - a. 179-100 Union North Tolls and Fuel
 - b. 179-105 Union North PGVA
 - c. 179-103 Unbundled Services Unauthorized Storage Overrun Deferral Account
6. Are the rate design proposals for the Union Gas rate zones appropriate?
 - a. One-time adjustment for Capital Pass-Through Projects
 - b. General service monthly customer charge
 - c. Parkway Delivery Obligation adjustment
 - d. DSM budget allocation
7. Are the rate schedule changes for the Union Gas rate zones appropriate?

- a. System expansion surcharge term update
 - b. Elimination of Union South Rate U2
 - c. Elimination of Union South supplemental services
 - d. Elimination of Union South multiple delivery points service option
 - e. Rate C1 interruptible transportation within Dawn
 - f. Rate M13 General Terms and Conditions changes
8. Is the NPS 30 Don River Replacement Project in the EGD rate zone eligible for Incremental Capital Module (ICM) funding?
- a. If yes, is the ICM rate rider for the NPS 30 Don River Replacement Project calculated appropriately?
9. Are the Sudbury Replacement Project in the Union North rate zone and the Kingsville Transmission Reinforcement and Stratford Reinforcement projects in the Union South rate zone eligible for ICM funding?
- a. If yes, are the ICM rate riders for the Sudbury, Kingsville and Stratford projects calculated appropriately?

Schedule B

Enbridge Gas Inc.

EB-2018-0305

Applicant and List of Intervenors

Dated: February 22, 2019

**Enbridge Gas Inc.
EB-2018-0305**

APPLICANT & LIST OF INTERVENORS

February 22, 2019

APPLICANT

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**Enbridge Gas Inc.
EB-2018-0305**

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February 22, 2019

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EB-2018-0305**

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February 22, 2019

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