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March 22, 2019

VIA RESS, EMAIL and COURIER

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

Dear Ms Walli:

**Re: Enbridge Gas Inc.
Open Bill Access Services
Ontario Energy Board File Number EB-2018-0319
Partial Settlement Proposal**

In accordance with the Ontario Energy Board's Procedural Order issued for the above noted proceeding, enclosed please find Enbridge Gas Inc.'s Settlement Proposal.

The Application has been filed through the Board's RESS and will be available on the Enbridge website at: www.enbridgegas.com/ratecase.

Please contact the undersigned if you have any questions.

Yours truly,

(Original Signed)

Stephanie Allman
Regulatory Coordinator

PARTIAL SETTLEMENT PROPOSAL

**Enbridge Gas Inc. Application for approval to continue the existing
financial terms associated with offering Open Bill Access
services for the years 2019 and 2020**

March 22, 2019

PREAMBLE

This Partial Settlement Proposal is filed with the Ontario Energy Board (the OEB or the Board) in connection with the Application of Enbridge Gas Inc. (Enbridge), for an Order or Orders approving Enbridge's Application for approval to continue the existing financial terms associated with offering Open Bill Access services for the years 2019 and 2020.

In Procedural Order No. 2, the Board ordered a Settlement Conference to be held among the parties on March 6, 2019.

Enbridge and the following intervenors, as well as Ontario Energy Board technical staff (OEB Staff), participated in the Settlement Conference:

BUILDING OWNERS AND MANAGERS ASSOCIATION OF GREATER TORONTO (BOMA)
CANADIAN MANUFACTURERS & EXPORTERS (CME)
ENERCARE INC. (ENERCARE)
HEATING, VENTILATION, AND AIR CONDITIONING COALITION (HVAC)
INDUSTRIAL GAS USERS ASSOCIATION (IGUA)

Andrew Pride acted as facilitator for the Settlement Conference.

There is no Issues List for this proceeding. This Partial Settlement Proposal deals with the items that were discussed at the Settlement Conference, and proposes a path for the proceeding to move forward. It is because the parties have not resolved all matters related to Enbridge's Application that this document is titled a "Partial Settlement Proposal"

All intervenors listed above participated in the Settlement Conference and subsequent discussions. OEB Staff is not a party to the Partial Settlement Proposal. Although it is not a party to the Partial Settlement Proposal, once the Partial Settlement Proposal is filed, OEB Staff will file a submission commenting on two aspects of the settlement: whether the settlement represents an acceptable outcome from a public interest perspective, and whether the accompanying explanation and rationale is adequate to support the settlement. Also, as noted in the Practice Direction on Settlement Conferences, OEB Staff who participated in the Settlement Conference are bound by the same confidentiality and privilege rules that apply to the parties to the proceeding.

This document is called a "Settlement Proposal" because it is a proposal by the parties to the Board to settle some items in this proceeding. It is termed a proposal as between the parties and the Board. However, as between the parties, and subject only to the Board's approval of this Partial Settlement Proposal, this document is intended to be a legal agreement, creating mutual obligations, and is binding and enforceable in accordance with its terms. As set forth below, this Partial Settlement Proposal is subject to a condition subsequent, that if it is not accepted by the Board in its entirety, then unless amended by the parties it is null and void and of no further effect. In entering into this agreement, the parties understand and agree that, pursuant to the *Ontario Energy Board Act, 1998*, the Board has exclusive jurisdiction with respect to the interpretation or enforcement of the terms hereof.

Enbridge and all intervenors listed above have agreed to the settlement of the Settled Items as described on the following pages. Any reference to “parties” in this Partial Settlement Proposal is intended to refer to Enbridge and the intervenors listed above. The description of each Settled Item assumes that all parties participated in the negotiation of the item, unless specifically noted otherwise.

Best efforts have been made to identify all of the evidence that relates to each Settled Item. The supporting evidence for each settled issue is identified individually by reference to its exhibit number in an abbreviated format; for example, Exhibit B, Tab 3, Schedule 1 is referred to as B-3-1. The identification and listing of the evidence that relates to each settled issue is provided to assist the Board.

The Partial Settlement Proposal describes the agreements reached on the Settled Items. The Partial Settlement Proposal provides a direct link between each Settled Item and the supporting evidence in the record to date. In this regard, the parties are of the view that the evidence provided is sufficient to support the Partial Settlement Proposal in relation to the Settled Items and, moreover, that the quality and detail of the supporting evidence, together with the corresponding rationale, will allow the Board to make findings agreeing with the proposed resolution of the Settled Items.

None of the parties can withdraw from the Partial Settlement Proposal except in accordance with Rule 30 of the *Ontario Energy Board Rules of Practice and Procedure*. Further, unless stated otherwise, a settlement of any particular issue in this proceeding is without prejudice to the positions parties might take with respect to the same issue in future proceedings.

The parties acknowledge that all data, documents or information provided and any discussions, including negotiations, admissions, concessions, offers and counter-offers occurring during the course of the Settlement Conference (settlement information), including subsequent related discussions, are privileged and confidential and without prejudice in accordance with (and subject to the exceptions set out in) the Board's *Practice Direction on Settlement Conferences* (see pages 5-6 of the OEB's *Practice Direction on Settlement Conferences*, as revised October 28, 2016).

It is fundamental to the agreement of the parties that none of the provisions of this Partial Settlement Proposal are severable. If the Board does not accept the provisions of the Partial Settlement Proposal in their entirety, there is no Partial Settlement Proposal (unless the parties agree that any portion of the Partial Settlement Proposal that the Board does accept may continue as a valid Settlement Proposal).

OVERVIEW

Enbridge's Application proposes a two-year extension of the existing financial terms of the Open Bill Access (OBA) program that are set out in the Board-approved September 12, 2013 Settlement Agreement in the EB-2013-0099 proceeding (the 2014 OBA Settlement). In response, HVAC has now made clear its position that Enbridge's OBA Program should be discontinued.

Without reaching any agreement on the substance of these positions, the parties have reached agreement on how to move forward with Enbridge's Application to approve continuation of the

existing financial terms of the OBA Program for 2019 and 2020, taking into account the broader question raised by HVAC about whether the program should continue.

The parties have agreed that it is appropriate to clarify the scope of the matters considered in this Application to include the question of whether the OBA Program should continue and, if not, how it should be wound down. The parties have also agreed on additional procedural steps to ensure that all interested parties can participate in the balance of the proceeding, and that the OEB and parties have all relevant evidence necessary to reach a decision.

Subject to one change, the parties have agreed that it is appropriate for Enbridge to continue to provide OBA services under the terms proposed in the Application until the OEB issues a Decision in this proceeding. The one change is that Enbridge will discontinue offering Bill Insert services, effective immediately until such time as any new proposed approach for the Bill Insert program is approved by the OEB. In that regard, the parties agree that Enbridge or any other party may make a proposal in this proceeding to continue Bill Insert services in the future.

Details of each of these items are provided below.

THE SETTLED ITEMS

1. Scope of this Proceeding

In EB-2013-0099, the Board approved the ongoing operation of the OBA program, on an indefinite basis, although the financial terms were only approved up to December 31, 2018. In addition, the 2014 OBA Settlement Agreement provides (at page 3) that it would be open at any time for any interested party to make application to the OEB asking for the OBA Program to be terminated or changed.

Enbridge's Application for a two-year extension of the existing financial terms of the OBA Program assumes the ongoing operation of the program. HVAC has indicated that, based on the current evidence, and subject to whatever future evidence is filed in this proceeding, it does not believe that the OBA Program should continue, and asserts that the OBA Program should be wound down.

HVAC asserts that the issue of whether the OBA Program should continue is included in the necessary issues in the Application, but Enbridge and some other Parties do not agree. The Parties have agreed, however, that the issue should be considered in this proceeding in any case. In recognition of the fact that some Parties and other interested stakeholders may conclude this is an expansion of the scope of the proceeding, the Parties have agreed to treat it as such for procedural purposes. This is without prejudice to the positions any party may take on the interpretation of the 2014 OBA Settlement Agreement.

To allow HVAC's issue to be considered, the parties have therefore agreed that the scope of the matters considered in this Application should include the issue of whether the OBA Program should continue and, if not, how it should be wound down.

Evidence: The evidence in relation to this issue includes the following:

B-1-1	Open Bill Access Services
B-1-1, App. A	EB-2013-0099 Settlement Agreement
I.A.EGI.HVAC.1 – 20	Response to HVAC Interrogatories #1 to 20

2. Procedural Steps in this Proceeding

In recognition of the expanded scope of the proceeding, the parties have agreed that it is appropriate to ask the OEB to provide for additional procedural steps to ensure that all interested parties can participate, and ensure that the OEB and parties have all relevant evidence necessary to reach a decision.

The additional proposed steps are as follows:

- (a) Enbridge will provide notice to all potentially interested parties about the expanded scope of the proceeding. The OEB's December 20, 2018 Notice of Application and Letter of Direction required Enbridge to provide the Board's Notice to all parties who had participated in the 2014 OBA Proceeding or Enbridge's most recent rates proceeding (EB-2017-0306/0307), as well as to all current Billers in the OBA Program. The parties to this Partial Settlement Proposal agree that is appropriate for supplementary notice of the expanded scope of the proceeding be provided to all these same parties. The parties to this Partial Settlement Proposal believe that this can be done either through an updated Notice from the OEB, or by way of a letter from Enbridge (which would be approved by all parties). The parties to this Partial Settlement Proposal propose that the updated notice could be provided by April 5, 2019.
- (b) The parties to this Partial Settlement Proposal believe that there may be other ratepayer representatives and Billers beyond the current parties who may want to participate in the proceeding when they learn of the expanded scope of issues being considered. The parties request that the OEB permit any additional interested parties to register as an intervenor in this proceeding. The parties to this Partial Settlement Proposal propose that the additional interested parties could be required to submit their intervention request by April 19, 2019.
- (c) In recognition of the expanded scope of the proceeding, Enbridge will provide responses to HVAC Interrogatories that were previously declined on the grounds of relevance (HVAC Interrogatories #8, 12, 15 and 18). Enbridge will provide the responses by April 19, 2019. Enbridge may request confidential treatment of some or all of the responses, under the OEB's Practice Direction on Confidential Filings, subject to the Board's determination on confidentiality in the normal course. All parties are free to take whatever positions they believe appropriate with respect to each request for confidentiality by Enbridge, and with respect to the sufficiency of the interrogatory responses.
- (d) In the event that Enbridge or any other party wishes to continue the Bill Insert program, that party is free to file evidence in this proceeding setting out the proposed terms on which the Bill Insert program would continue. All parties are free to take whatever

positions they believe appropriate with respect to any such additional evidence or proposals. Parties agree that any such evidence or proposals should be filed on or before the date when additional interested parties are required to submit their intervention requests.

- (e) In recognition of the expanded scope of the proceeding, and of the possibility that additional parties may choose to participate, the parties to this Partial Settlement Proposal agree that it is appropriate to provide the opportunity to ask additional interrogatories of Enbridge. The parties to this Partial Settlement Proposal propose that the parties may ask additional interrogatories by May 10, 2019, with Enbridge to provide responses by May 31, 2019.
- (f) After the additional interrogatories are filed, the parties propose to participate in a facilitated meeting to discuss and attempt to settle upon a process to present to the OEB for the most efficient and appropriate way for the issues in the proceeding to be heard and determined. The facilitated meeting would be conducted under the processes and protections set out in the OEB's Practice Direction on Settlement Conferences. The parties to this Partial Settlement Proposal propose that facilitated meeting, and any resulting proposal or reporting to the OEB, be completed by June 30, 2019.

Evidence: The evidence in relation to this issue includes the following:

B-1-1	Open Bill Access Services
B-1-1, App. A	EB-2013-0099 Settlement Agreement
I.A.EGI.HVAC.1 – 20	Response to HVAC Interrogatories #1 to 20

3. Continued operation of the Open Bill Access (OBA) program while this proceeding is underway

Enbridge's Application proposes a two-year extension of the existing financial terms of the OBA Program that are set out in the EB-2013-0099 proceeding (the 2014 OBA Settlement). This would mean that the 2019 and 2020 prices for OBA services would continue to increase by inflation (Consumer Price Index) each year, to a maximum of 2.5% per year. The costs used to determine net revenues for the OBA program would be adjusted in the same way each of those years. The sharing of net revenues between Enbridge and ratepayers would continue in the same manner as set out in the 2014 OBA Settlement.

In the 2014 OBA Settlement (at pages 5-6), the parties agreed that if the proportion of Bill Insert revenues from one client in 2016, 2017 or 2018 are greater than 75%, then Enbridge will either discontinue the Bill Insert Program or apply (by June 30th of the year following the year when revenues from one customer exceeded the threshold) to continue the program with modifications designed to obtain greater market participation. During 2018, only one party made significant use of the Bill Insert offering and the revenues from that party were more than 75% of the total revenues for the Bill Insert Program. The parties (with the exception of Enercare) have agreed (and Enbridge has accepted) that Enbridge will discontinue its Bill Insert Program until such time as any new proposed approach for the Bill Insert program is approved.

Taking into account the current discontinuance of the Bill Insert Program, the parties accept that it is appropriate for the other aspects of Enbridge's proposal to apply during the time when the OEB is considering this Application. The result is that until the OEB issues a Decision in this Application:

- (a) the Billing Fees to be applicable in 2019 and 2020 will be based on the Billing Fees applicable at the end of 2018, subject to annual increases equal to the annual percentage change in the Canadian Consumer Price Index ("CPI"), All Items, but not to exceed 2.5% per year.
- (b) the costs used to determine net revenues for the OBA Program will be based on the costs applicable at the end of 2018, adjusted in the same way as the Billing Fees in each of 2019 and 2020.
- (c) the sharing of net OBA program revenues between Enbridge and ratepayers will continue in the same manner as set out in the 2014 OBA Settlement Agreement. The OBA program is forecast to provide a credit of at least \$5.389 million each year for ratepayers from the net revenues of the OBA program, subject to adjustment through the Open Bill Revenue Variance Account (OBRVA).

This agreement is without prejudice to the positions that parties may take in relation to the future operation and financial arrangements associated with the OBA program as may be applicable after the date of an OEB Decision in this Application.

Evidence: The evidence in relation to this issue includes the following:

B-1-1	Open Bill Access Services
B-1-1, App. A	EB-2013-0099 Settlement Agreement
B-1-1, App. B	Open Bill Access Billing and Collection Services Agreement
I.B.EGI.STAFF.1-4	Response to Staff Interrogatories #1 to 4
I.A.EGI.BOMA.1 and 3-7	Response to BOMA Interrogatories #1 and 3 to 7
I.A.EGI.CME.1	Response to CME Interrogatory #1
I.A.EGI.HVAC.1 – 20	Response to HVAC Interrogatories #1 to 20
I.A.EGI.IGUA.1	Response to IGUA Interrogatory #1

4. Future Review of OBA Agreement with Billers

Enbridge's Application includes a copy of the recently updated Open Bill Access Billing and Collection Services Agreement (OBA Agreement) negotiated between Enbridge and Billers.

Enbridge agrees that in the event that the OEB approves the ongoing operation of the OBA Program in this proceeding, then Enbridge will reopen the OBA Agreement for discussion and negotiation with all Billers and all intervenors in this proceeding. Enbridge agrees that it will issue an invitation to commence such consultations within 60 days of the OEB's Decision in this proceeding.

Evidence: The evidence in relation to this issue includes the following:

B-1-1	Open Bill Access Services
B-1-1, App. A	EB-2013-0099 Settlement Agreement
B-1-1, App. B	Open Bill Access Billing and Collection Services Agreement
I.A.EGI.HVAC.6	Response to HVAC Interrogatory #6