

Enbridge Gas Inc.

2019 Federal Carbon Pricing Program Application

PROCEDURAL ORDER NO. 2

April 2, 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 has applied to the Ontario Energy Board (OEB) for approval under section 36(1) of the *Ontario Energy Board Act, 1998* to increase rates to recover costs associated with meeting its obligations under the federal *Greenhouse Gas Pollution Pricing Act* (GGPPA).

The OEB issued a Notice of Hearing on February 13, 2019. Procedural Order No. 1 was issued on April 1, 2019, granting intervenor status and cost eligibility. This procedural order sets out the scope of the proceeding, along with the filing dates for interrogatories and submissions.

Scope of the Proceeding

The federal carbon pricing program (FCPP), being implemented through the GGPPA, requires Enbridge Gas to remit Federal Carbon Charges to the Government of Canada for the use of natural gas by both Enbridge Gas (Facility Carbon Charge)¹ and its customers (Customer Carbon Charge). Enbridge Gas is seeking recovery from its customers of those carbon charges, as well as tracking its administration costs related to the FCPP.

The OEB has determined that the scope of this proceeding will be limited to considering recovery of Enbridge Gas' costs related to the FCPP and the presentation of the carbon charges on customers' natural gas bills.

¹ Also includes Output-Based Pricing System.

In this proceeding, the OEB will not be considering additional measures that Enbridge Gas should undertake to reduce either customer-related or facility-related emissions as an issue for adjudication.²

The OEB has other proceedings in which measures promoting energy efficiency and the reduction of greenhouse gases can be considered including:

- An established framework for demand-side management for the period 2015 to 2020 (DSM Framework).³ Matters related to DSM are considered in separate applications under the DSM Framework.
- The Undertakings⁴ Enbridge Gas has made to the provincial government within which the OEB can permit Enbridge Gas to undertake new businesses on a case-by-case basis. Enbridge Gas can bring forward applications for the OEB's consideration for new business activities to support the reduction of greenhouse gases.

The OEB notes that the FCPP is relatively new and has been subject to amendments and updates. Any consideration of new initiatives by Enbridge Gas to reduce emissions would need to take into account the final aspects of the FCPP and any other government programs.

In this application, Enbridge Gas has not asked for approval of its forecast administration costs for the FCPP. Enbridge Gas has asked for approval of the Greenhouse Gas Emissions Administration Deferral Account to record the administration costs for all rate zones. The OEB has approved this account on an interim basis. This proceeding will determine whether final approval will be granted for this account. The OEB will not be approving the forecast administration costs in this proceeding. Those costs would be subject to a review for prudence upon disposition. The OEB will therefore only consider whether the deferral account meets the tests set

² In the OEB's [Interim Decision and Accounting Order](#), the OEB determined that it will consider the comments of stakeholders and submissions of parties prior to making a determination on any new charges and related bill presentation issues.

³ [Report of the Board: Demand Side Management Framework for Natural Gas Distributors \(2015-2020\)](#), EB-2014-0134

⁴ Enbridge gave undertakings to the Lieutenant Governor in Council that were approved by Order in Council on December 9, 1998 (Enbridge Undertakings); and Union gave undertakings to the Lieutenant Governor in Council that were approved by Order in Council on December 9, 1998 (Union Undertakings). In 2006 and 2009, the OEB was directed to dispense with compliance by Enbridge and Union with section 2.1 of their respective Undertakings for certain activities.

https://www.oeb.ca/oeb/Documents/Documents/Directive_to_the_OEB_20060810.pdf

https://www.oeb.ca/oeb/Documents/Documents/Directive_to_the_OEB_20090908.pdf

out in the *Filing Requirements for Natural Gas Rate Applications*, that is: Causation, Materiality and Prudence⁵.

The other deferral and variance accounts approved by the OEB on an interim basis will be subject to the same tests before the OEB determines if the accounts will be made final.

Interrogatories and Submissions

At this time, provision is being made for written interrogatories and written submissions.

In making its decision on cost awards, the OEB will consider whether intervenors made reasonable efforts to ensure that their participation in the hearing was focused on material issues that are within the scope of this proceeding.

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.

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. Intervenors and OEB staff 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 15, 2019**.
2. Enbridge Gas shall file with the OEB complete written responses to the interrogatories and serve them on all intervenors by **April 29, 2019**.
3. Enbridge Gas shall file its Argument-in-Chief by **May 14, 2019**.
4. Intervenors and OEB staff shall file any written submissions by **May 27, 2019**.
5. Enbridge Gas shall file any reply submission by **June 10, 2019**.

⁵ Filing Requirements For Natural Gas Rate Applications, February 16, 2017, page 38

All filings to the OEB must quote the file number, EB-2018-0205 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, Michael Bell at Michael.Bell@oeb.ca and OEB Counsel, Lawren Murray at Lawren.Murray@oeb.ca.

ADDRESS

Ontario Energy Board
P.O. Box 2319
2300 Yonge Street, 27th Floor
Toronto ON M4P 1E4
Attention: Board Secretary

E-mail: boardsec@oeb.ca
Tel: 1-888-632-6273 (Toll free)
Fax: 416-440-7656

DATED at Toronto, **April 2, 2019**

ONTARIO ENERGY BOARD

Original signed by

Kirsten Walli
Board Secretary