

VIA EMAIL and COURIER

March 28, 2019

Ms. Kirsten Walli
Board Secretary
Ontario Energy Board
2300 Yonge Street, 27th Floor
Toronto, Ontario
M4P 1E4

Dear Ms. Walli:

Re: Implementation of Bill 32 and Ontario Regulation 24/19

Bill 32, the *Access to Natural Gas Act, 2018* (“Bill 32”) received Royal Assent on December 6, 2018. Ontario Regulation 24/19 (the “Regulation”) made under the *Ontario Energy Board Act, 1998* (the “OEB Act”) was filed on March 8, 2019. Bill 32 and the Regulation address the expansion of natural gas distribution systems. The Regulation comes into force on July 1, 2019.

As a natural gas distributor to which section 36 of the OEB Act applies, Enbridge Gas Inc. (“Enbridge Gas”) writes this submission to address the impacts of Bill 32 and the Regulation on Enbridge Gas’s rates and to request approval of a new variance account.

Rate Impacts

Section 6 of the Regulation addresses the collection of amounts from consumers. The natural gas distributor is to collect one dollar per month for each consumer account as part of the fixed customer charge or fixed monthly service charge on the consumer’s bill where applicable. Within the Enbridge Gas rate zones most of the rate classes have a monthly charge. For these rates, Enbridge Gas will increase the monthly charge by one dollar effective July 1, 2019 as required and will reflect this rate change in its July QRAM filing. The table below shows the current monthly charges and the monthly charges that will be presented in the July QRAM filing.

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Rate Zone	Rate Class	Current	July 1
EGD	Rate 1	\$20.00	\$21.00
	Rate 6	\$70.00	\$71.00
	Rate 100	\$122.01	\$123.01
	Rate 110	\$587.37	\$588.37
	Rate 115	\$622.62	\$623.62
	Rate 125	\$500.00	\$501.00
	Rate 135	\$115.08	\$116.08
	Rate 145	\$123.34	\$124.34
	Rate 170	\$279.31	\$280.31
	Rate 300	\$500.00	\$501.00
Union North	Rate 01	\$21.00	\$22.00
	Rate 10	\$70.00	\$71.00
	Rate 20	\$860.69	\$861.69
	Rate 100	\$1,341.41	\$1,342.41
Union South	Rate M1	\$21.00	\$22.00
	Rate M2	\$70.00	\$71.00
	Rate M4 (Interruptible)	\$644.34	\$645.34
	Rate M5	\$644.34	\$645.34
	Rate T1	\$1,896.28	\$1,897.28
	Rate T2	\$5,440.88	\$5,441.88

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Within Union South there are two distribution service rate classes without a monthly charge: Rate M4 firm only and Rate M7. Enbridge Gas is considering how to issue the required charge to these rate classes in a manner that is not cost prohibitive, such as manually billing the charge once per year. Enbridge Gas will provide further detail about this in its July QRAM filing.

Variance Account

Section 4 of the Regulation states, "...gas distributors to which section 36 of the Act applies shall establish one or more variance accounts for the purposes of tracking amounts collected, remitted and distributed under this Regulation." Enbridge Gas attaches its Accounting Order to this submission for the Board's approval.

Yours truly,

(Original Signed)

Vanessa Innis

Manager, Regulatory Applications & Strategy

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ENBRIDGE GAS INC.

**Accounting Entries for
Expansion of Natural Gas Distribution Systems Variance Account
Deferral Account No. 179-XXX**

Account numbers are from the Uniform System of Accounts for Gas Utilities, Class A prescribed under the Ontario Energy Board Act.

The purpose of Deferral Account No. 179-XXX, is to record the variance between amounts billed to customers for purposes of expansion of natural gas distribution systems, and the actual net distribution system expansion amounts remitted to the IESO.

Debit - Account No. 140
Accounts Receivable - Customer

Credit - Account No. 179-XXX
Expansion of Natural Gas Distribution System Variance Account

To record, as a credit (debit) in Deferral Account No. 179-XXX, the amounts billed to customers for purposes of expansion of natural gas distribution systems, which are to be remitted to the IESO.

Debit - Account No. 179.XXX
Expansion of Natural Gas Distribution System Variance Account

Credit - Account No. 251
Accounts Payable and Accrued Liabilities

To record, as a debit (credit) in Deferral Account No. 179-XXX, amounts billed to customers as distribution system expansion charges which are remitted to (or returned from) the IESO.

Debit - Accounts No. 323
Other Interest Expense

Credit - Account No. 179.XXX
Expansion of Natural Gas Distribution System Variance Account

To record, as a debit (credit) in Deferral Account No. 179-XXX, interest on the balance in Deferral Account No. 179-XXX. Simple Interest will be computed monthly on the opening balance in said account in accordance with the methodology approved by the Board in EB-2006-0117.