



Enbridge
50 Keil Drive N.
Chatham, Ontario, Canada
N7M 5M1

May 3, 2019

BY RESS, EMAIL AND COURIER

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

Dear Ms. Walli:

**Re: EB-2018-0300 – Enbridge Gas Inc. (operating as Union Gas) – 2016
Disposition of Demand Side Management Deferral and Variance Accounts –
Draft Rate Order Reply
EB-2018-0301 – Enbridge Gas Inc. (operating as Enbridge Gas Distribution)
Application for 2016 Demand Side Management Clearance of Deferral and
Variance Accounts – Draft Rate Order Reply**

Effective January 1, 2019, Enbridge Gas Distribution (“EGD”) and Union Gas Limited (“Union”) amalgamated to become Enbridge Gas Inc. (“Enbridge Gas”). EGD and Union each filed 2016 demand side management (“DSM”) deferral and variance account clearance applications (the “2016 DSM Clearance Applications”) on December 10, 2018 and November 30, 2018 respectively. In its Letter of Direction dated December 21, 2018, the OEB decided that the 2016 DSM Clearance Applications would be reviewed together as part of one combined proceeding.

Pursuant to the Ontario Energy Board’s (“OEB”) Decision and Order on the 2016 DSM Clearance Applications (dated April 11, 2019), Enbridge Gas filed a draft Rate Order on April 18, 2019. OEB Staff filed a submission on the draft Rate Order on April 26, 2019, noting that Enbridge Gas proposed to use different historical consumption periods to derive the unit rates for the EGD rate zone and for in-franchise contract rate classes in the Union rate zones. OEB Staff further submitted,

“that this difference should not bear any impact on the amounts to be recovered or refunded at the rate class level...OEB Staff’s position is predicated on the assumption that the proposed unit rates for each of the EGD rate zone and the in-franchise contract rate classes in the Union rate zone will be applied to the same historical volumes that were used to derive those respective unit rates.”

OEB Staff invited Enbridge Gas to confirm OEB Staff's understanding and position or to explain and justify any resulting impact.

Enbridge Gas confirms that OEB Staff's understanding and position is correct. The proposed unit rates for disposition included in Enbridge Gas's draft Rate Order will be applied to the same historical volumes used to derive the unit rates for the EGD rate zone and Union rate zones respectively. This methodology is consistent with the OEB approved methodology applied in EGD's and Union's 2015 demand side management deferral and variance account disposition proceedings (EB-2017-0323/0324).

Sincerely,

[original signed by]

Adam Stiers
Technical Manager, Regulatory Applications

c.c.: Dennis O'Leary (Aird & Berlis LLP)
Myriam Seers (Torys LLP)
Josh Wasylyk (OEB Staff)
EB-2018-0300/0301 Intervenors