

Enbridge Gas Inc.

**Application for disposition of certain non-commodity
related deferral and variance accounts and sharing of
utility earnings pursuant to an approved
earnings sharing mechanism**

**PROCEDURAL ORDER NO. 1
August 30, 2019**

Enbridge Gas Inc. (Enbridge Gas) filed an application dated July 18, 2019 with the Ontario Energy Board (OEB) under section 36 of the *Ontario Energy Board Act*, S.O. 1998, c.15, (Schedule B) for an order approving the disposition of balances in certain deferral and variance accounts.

Effective January 1, 2019, the former Enbridge Gas Distribution Inc. (EGD) and the former Union Gas Limited (Union) amalgamated to become Enbridge Gas. Enbridge Gas operates four rate zones: EGD, Union South, Union North West and Union North East.¹

For the EGD rate zone, the total net balance of all the deferral and variance accounts that have been requested for disposition by Enbridge Gas would result in a \$33.8 million credit as at January 1, 2020. This represents the sum of a -\$3.2 million refund resulting from the clearance of the deferral accounts and a \$30.6 million earnings sharing refund for 2018 associated with its 2014-2018 Custom Incentive Regulation Plan Framework's earnings sharing mechanism.²

For the Union rate zones, the total net balance of all deferral accounts that have been requested for disposition by Enbridge Gas would result in a \$38.3 million credit as at January 1, 2020. There are no earnings to be shared with customers in Union rate

¹ Union South, Union North West and Union North East rate zones are collectively referred to as Union rate zones.

² EB-2012-0459.

zones as its 2018 actual utility earnings did not exceed the threshold as agreed to in the approved settlement proposal in Union's 2014-2018 Incentive Regulation proceeding.³

If the application is approved, Enbridge Gas states that the disposition of the balances in the deferral accounts would have the following impact on typical residential customers:

- For residential customers in the EGD rate zone, a one-time credit of \$11.70 in January 2020
- For residential customers in the Union South rate zone, a total charge of \$0.96 collected over the six month period from January 1, 2020 to June 30, 2020
- For residential customers in the Union North West rate zone, a total credit of \$57.21 credited over the six month period from January 1, 2020 to June 30, 2020
- For residential customers in the Union North East rate zone, a total credit of \$21.83 credited over the six month period from January 1, 2020 to June 30, 2020

A Notice of Hearing was issued on August 9, 2019.

The following parties applied for intervenor status:

- Building Owners and Managers Association Toronto (BOMA)
- Canadian Manufacturers & Exporters (CME)
- City of Kitchener
- Consumers Council of Canada (CCC)
- Energy Probe Research Foundation (Energy Probe)
- EPCOR Natural Gas Limited Partnership (EPCOR)
- Federation of Rental-housing Providers of Ontario (FRPO)
- London Property Management Association (LPMA)
- Ontario Greenhouse Vegetable Growers (OGVG)
- Pollution Probe
- School Energy Coalition (SEC)
- Six Nations Natural Gas Company Limited (SNNG)
- TransCanada PipeLines Limited (TCPL)
- Vulnerable Energy Consumers Coalition (VECC)

Each of BOMA, CME, CCC, Energy Probe, FRPO, LPMA, OGVG, Pollution Probe, SEC and VECC also applied for cost eligibility.

No objection was received from Enbridge Gas.

³ EB-2013-0202.

The intervention requests of EPCOR and Pollution Probe are denied.

The OEB notes that although EPCOR's letter of intervention states that it is a customer of Enbridge Gas, EPCOR has requested status in this proceeding in its capacity as an OEB-regulated natural gas distributor. EPCOR states that with respect to "... its Aylmer operations [EPCOR] is required to maintain a number of deferral and variance accounts, including an account to track any earnings sharing which might accrue to its customers. Any decision from the Ontario Energy Board ("OEB") or changes to policy which applies to all gas distributors may have an impact on ENGLP."⁴ In the OEB's view, EPCOR's interest does not constitute a substantial interest within the meaning of Rule 22.02 of the OEB's *Rules of Practice and Procedure (Rules)*. The OEB recognizes that EPCOR may have an interest in how the OEB disposes deferral and variance accounts for another natural gas utility, but notes that the objective can be met through EPCOR's ability to monitor the proceeding. The OEB therefore denies EPCOR's intervention request but notes that EPCOR may choose to monitor the proceeding by sending a request to follow the proceeding to the OEB in order to receive all OEB-issued documents in the case.

The OEB notes that Pollution Probe's interest in this proceeding pertains to: "...account clearance issues related to DSM/CDM, program revenues/costs and deferral accounts for the infrastructure projects included."⁵ The OEB notes that Pollution Probe's interest in relation to Demand Side Management (DSM) accounts is outside the scope of this proceeding because Enbridge Gas is not requesting clearance of any of its DSM accounts in this application⁶. The OEB also notes that Pollution Probe has not provided any information on its interest in relation to the deferral accounts related to infrastructure projects. For the afore-mentioned reasons, the OEB is not satisfied that Pollution Probe has a substantial interest in this proceeding within the meaning of Rule 22.02 of the OEB's *Rules*.

BOMA, CME, City of Kitchener, CCC, Energy Probe, FRPO, LPMA, SEC, SNNG, OGVG, TCPL and VECC are approved as intervenors. BOMA, CME, CCC, Energy Probe, FRPO, LPMA, OGVG, SEC and VECC are eligible to apply for an award of costs under the OEB's *Practice Direction on Cost Awards* in respect of only those accounts and issues for which the OEB indicated it would allow costs in its Notice of Hearing. The list of parties in this proceeding is attached as Schedule A to this Procedural Order.

⁴ EPCOR Letter of Intervention, August 26, 2019, EB-2019-0105

⁵ Pollution Probe Letter of Intervention, August 26, 2019, EB-2019-0105

⁶ Pre-filed evidence of Enbridge Gas, July 17, 2019, EB-2019-0105, Exhibit B, Tab1, page 1

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.

It is necessary to make provision for the following matters related to this proceeding. Further procedural orders may be issued by the OEB.

THE ONTARIO ENERGY BOARD ORDERS THAT:

1. OEB staff and intervenors that require information and material from Enbridge Gas that is in addition to the evidence already filed, and that is relevant to the hearing, shall request it by written interrogatories filed with the OEB and served on all parties by **October 8, 2019**.
2. Enbridge Gas shall file with the OEB complete written responses to all interrogatories and serve them on all intervenors by **October 28, 2019**.
3. A settlement conference among the parties and OEB staff will be convened on **November 13, 2019** starting at 9:30 a.m. with the objective of reaching a settlement among the parties on the issues. The settlement conference will be held in the OEB's hearing room at 2300 Yonge Street, 25th Floor, Toronto. If necessary, the settlement conference will continue on **November 14 and 15, 2019**.
4. Any settlement proposal arising from the settlement conference shall be filed with the OEB on or before **December 10, 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.
5. Any submission from OEB staff on a settlement proposal shall be filed with the OEB and served on all parties by **December 20, 2019**.
6. If there is no settlement proposal arising from the settlement conference, Enbridge Gas shall file a statement to that effect with the OEB by **November 29, 2019**. In that event, parties shall file and serve on the other parties by **December 6, 2019** any submissions on which issues shall be heard in writing, and for which issues the OEB should hold an oral hearing.

All filings to the OEB must quote the file number, **EB-2019-0105**, be made in searchable/unrestricted PDF format electronically 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 Registrar 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 Managers, Lawrie Gluck at (416) 440-7678 or Lawrie.Gluck@oeb.ca and Arturo Lau at (416) 440-8109 or Arturo.Lau@oeb.ca and OEB Counsel Michael Miller at Michael.Millar@oeb.ca.

ADDRESS

Ontario Energy Board
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DATED at Toronto, **August 30, 2019**

ONTARIO ENERGY BOARD

By delegation, before:

Original signed by

Christine E. Long
Registrar
Office of the Registrar

SCHEDULE A
ENBRIDGE GAS INC.
EB-2019-0105
AUGUST 30, 2019

**Enbridge Gas Inc.
EB-2019-0105**

APPLICANT & LIST OF INTERVENORS

August 30, 2019

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EB-2019-0105**

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**Enbridge Gas Inc.
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