

## **ONTARIO ENERGY BOARD**

**IN THE MATTER OF** the *Ontario Energy Board Act, 1998*, S.O. 1998, c.15 (Sch. B), as amended (“OEB Act”);

**AND IN THE MATTER OF** an application by Enbridge Gas Inc. for an order or orders under section 36 of the Act approving certain rate mechanisms for expansion projects and a capital allocation factor for project economic feasibility as per E.B.O. 188 Guidelines.

### **APPLICATION**

1. The Applicant, Enbridge Gas Inc. (“Enbridge Gas”, or “EGI”) is an Ontario corporation with its head office in the City of Toronto. It carries on the business of selling, distributing, transmitting, and storing natural gas within Ontario. Enbridge Gas was formed effective January 1, 2019, upon the amalgamation of Enbridge Gas Distribution Inc. (“EGD”) and Union Gas Limited (“Union”).
2. The harmonized System Expansion Surcharge (“SES”), Temporary Connection Surcharge (“TCS”) and Hourly Allocation Factor (“HAF”) that are the subjects of this application are required to provide consistency between the EGD and Union rate zones for Enbridge Gas. In addition, the SES, TCS and HAF will allow Enbridge Gas to accommodate the anticipated demand for Community Expansion Projects and Development Projects or other distribution extension projects or attachments without having to seek Ontario Energy Board (“OEB” or the “Board”) approval for the surcharge or allocation methodology on a project specific basis.

3. Enbridge Gas's proposal addresses several distinct distribution system expansion project types:

- (i) Community Expansion Project – system expansion project for which the profitability index ("PI") is less than 1.0 and which provides first-time natural gas service to a minimum of 50 potential small volume general service customers, each of whom consume no more than 50,000 m<sup>3</sup> per year ("small volume customers"). The SES would be set at the same fixed volumetric rate of \$0.23/m<sup>3</sup> as the current SES approved for the EGD and Union rate zones. It would apply to small volume customers served by these projects and larger volume customers would have the option to pay the SES or negotiate another method of contribution to the capital costs for the project;
- (ii) Small Main Extension or Customer Attachment Projects – other forms of distribution expansion or extension projects for which the PI is less than 1.0 and which provide natural gas access to fewer than 50 potential small volume customers. The TCS would be set at the same fixed volumetric rate of \$0.23/m<sup>3</sup> as the SES. Enbridge Gas may apply the TCS to small volume customers served by these projects and larger volume customers would have the option to pay the TCS or negotiate another method of contribution to the capital costs of the project; and
- (iii) Development Projects – system expansion project that will expand capacity over a certain area to serve increasing demands from existing and/or new customers. It may include a mix of large and small volume customers. The Company may use the HAF to allocate the capital costs of the project amongst the existing and future customers of those facilities within the project area.

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4. Enbridge Gas hereby applies to the Board pursuant to Section 36 of the Act for an order or orders granting:
  - (i) Approval of the SES for future Community Expansion Projects;
  - (ii) Approval of the TCS for Small Main Extension and Customer Attachment Projects; and
  - (iii) Approval of amendments to Rider I of the Rate Handbook for the EGD rate zone and Rate Schedules for Rates 01, 10, M1 and M2 for the Union rate zones to implement the SES and TCS.
5. Enbridge Gas is also requesting approval of the following:
  - (i) An HAF to be applied in the economic feasibility calculation of future Development Projects consistent with the E.B.O. 188 Guidelines; and
  - (ii) Amendments to the Company's feasibility policies to implement the HAF, SES and TCS.
6. Enbridge Gas further applies to the Board for all necessary orders and directions concerning pre-hearing and hearing procedures for the determination of this Application.
7. This Application is supported by written evidence. Enbridge Gas requests that this Application proceed by way of written hearing in English.
8. The persons affected by this Application are the customers of Enbridge Gas. It is impractical to set out the names and addresses of the customers of Enbridge Gas because they are too numerous.
9. Enbridge Gas requests that a copy of every document filed with the Board in this proceeding be served on it and its counsel as follows:

The Applicant:

Regulatory Contact:

Mr. Rakesh Torul  
Technical Manager, Regulatory Applications  
Enbridge Gas Inc.

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The Applicant's counsel:

Ms. Tania Persad  
Senior Legal Counsel  
Enbridge Gas Inc.

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Dated at the City of Toronto, Ontario this 11<sup>th</sup> day of May, 2020.

(Original Signed)

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Tania Persad  
Senior Legal Counsel