

VIA EMAIL and RESS

June 8, 2020

Ms. Christine E. Long
Board Secretary
Ontario Energy Board
P.O. Box 2319,
2300 Yonge Street, 27th Floor
Toronto, ON M4P 1E4

Dear Ms. Long:

**Re: EB-2019-0194 Enbridge Gas Inc. ("Enbridge Gas")
2020 Rates Application – Reply to OEB Staff and Intervenors' Comments on
Draft Rate Order**

On May 25, 2020, Enbridge Gas filed its Draft Rate Order reflecting the findings of the Ontario Energy Board ("OEB" or the "Board") in its Decision and Order on May 14, 2020. In its Decision, the Board also recognized that the COVID-19 emergency is having profound province-wide impacts and it left the option on the timing of implementation of the ICM rate riders to Enbridge Gas. Accordingly, Enbridge Gas proposed to implement the ICM rate riders effective October 1, 2020 in conjunction with the Company's October QRAM rate change application.

The Board invited comments from OEB Staff and intervenors on the Draft Rate Order. Comments were subsequently received from OEB Staff, LPMA and VECC.

Draft Rate Order

OEB Staff and LPMA reviewed the Draft Rate Order and are satisfied that it appropriately reflects the OEB's decision of May 14, 2020 and that the revenue requirement for the two approved Incremental Capital Module ("ICM") projects (Don River Replacement and Windsor Line Replacement) and ICM unit rates have been appropriately calculated.

VECC reviewed the Draft Rate Order and correspondence of both OEB Staff and LPMA with respect the Draft Rate Order in this proceeding and is in general agreement with the comments of both OEB Staff and LPMA.

Implementation of ICM Rate Riders

OEB Staff, LPMA and VECC also commented on Enbridge Gas's proposal to implement the ICM rate riders effective October 1, 2020 in conjunction with the Company's October QRAM rate change application.

OEB Staff supports Enbridge Gas's proposal to delay implementation of the ICM rate riders to October 1, 2020. OEB Staff notes that while the impact of the ICM unit rates is not significant, Enbridge Gas's proposal is consistent with measures adopted by several electricity distributors in Ontario to mitigate distribution rate increases in light of the

COVID-19 pandemic.

VECC agrees that the deferment of rate increases at this time would be in keeping with Provincial policies aimed at providing relief to consumers during the COVID-19 pandemic. VECC requests that the Board review and adjust (reduce) the prescribed interest rates to apply on any debit balances in deferral and variance accounts. Enbridge Gas suggests that any such adjustment should only be done in a manner and timing consistent with the way that the Board customarily adjusts its prescribed interest rate.

LPMA asserts that there will be significant rate impact to customers as of October 1, 2020 with Enbridge Gas's proposal to defer the implementation of the ICM rate rider to October 1, 2020 and the deferment of the July 1, 2020 QRAM rate adjustment¹. LPMA further asserts that rates will also increase as a result of Enbridge Gas's proposal to clear the Federal Carbon Pricing Program deferral and variance accounts for 2019 beginning on October 1, 2020 and certain temporary credits in the Union rate zones expiring September 30, 2020.

Enbridge Gas submits that implementation of the ICM unit rates as of October 1, 2020, as opposed to July 1, 2020, reflected in the Draft Rate Order results in manageable impacts to customers. Enbridge Gas will review the impacts from all rate changes to be implemented and reflected as of October 1, 2020. In the event that the rate impacts are significant, then Enbridge Gas agrees with OEB Staff that it would be appropriate for Enbridge Gas to propose appropriate rate mitigation measures to smooth the rate impact for customers with the October 1, 2020 QRAM. Enbridge Gas will also have more information at that time with respect to the impacts of the COVID-19 pandemic that will inform any mitigation proposals.

Response to Other Comments from LPMA

Enbridge Gas provides a response below on two additional items noted by LPMA. LPMA indicated that the rate schedules for the Union rate zones provided in Exhibit D, Tab 2, Rate Order, Appendix B include temporary credits that will expire at the end of September 2020 and that the rate reschedules should be updated to remove these temporary credits. LPMA also noted that the gas supply charge for Rate M1 is slightly different than the gas supply charge for all other Union South rate classes.

In response to the submission on temporary credits, Enbridge Gas notes that the 2020 Rates Draft Rate Order only reflects the impacts of the OEB's decision in the 2020 Rates proceeding. It does not reflect other changes that are also effective October 1, 2020 as a result of other proceedings, for instance, the expiring temporary price adjustments from the disposition of 2018 deferral and variance accounts (EB-2019-

¹ On May 25, 2020, Enbridge Gas filed a letter with the Board requesting to forego filing the July 1, 2020 QRAM application.

In its letter dated June 5, 2020, the OEB found that it would be prudent to dispense with Enbridge Gas July 1, QRAM application in light of the severe economic pressures caused by the COVID-19 pandemic.

0105). Consistent with past practice, temporary price adjustments that expire September 30, 2020 will be adjusted with the October 1, 2020 QRAM rate order.

With respect to the slight difference in the gas supply charge for Rate M1 compared to other Union South rate classes in Exhibit B, Tab 2, Schedule 1, Appendix I, page 2, Enbridge Gas confirms that the difference is as a result of rounding of the unit rates for Rate M1 only. For the purpose of this schedule, Rate M1 and Rate 01 bill impacts are derived on a monthly basis and summed for the annual impact. The total gas supply unit rates presented for these rate classes are calculated by dividing the annual impact, summed by month, by the annual consumption resulting in slight rounding differences in the unit rate. The bill impact for all other rate classes is determined on an annual basis only.

Please contact the undersigned if you have any questions.

Yours truly,

(Original Signed)

Rakesh Torul
Technical Manager, Regulatory Applications

cc: David Stevens, Aird and Berlis LLP
EB-2019-0194 Intervenors