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**Enbridge Gas Inc.**  
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August 31, 2020

BY RESS and EMAIL

Ms. Christine Long  
Board Secretary  
Ontario Energy Board  
2300 Yonge Street, 27<sup>th</sup> Floor  
Toronto, ON M4P 1E4

Dear Ms. Long:

**Re: Enbridge Gas Inc. (“Enbridge Gas”)  
Ontario Energy Board (“OEB”) File No.: EB-2019-0247  
2020 Federal Carbon Pricing Program Application  
Letter – Draft Rate Order**

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Pursuant to the Ontario Energy Board’s (“OEB” or “Board”) Decision and Order dated August 13, 2020 (the “Decision”) regarding Enbridge Gas Inc.’s (“Enbridge Gas”) 2020 Federal Carbon Pricing Program Application (the “Application”) (EB-2019-0247), Enbridge Gas filed a Draft Rate Order on August 20, 2020 that reflected the Board’s directives and orders in that Decision. In its Decision, the OEB made provision for comment on Enbridge Gas’s Draft Rate Order from OEB Staff and approved intervenors. Accordingly, Enbridge Gas is in receipt of comments on its Draft Rate Order from OEB Staff and Anwaatin Inc. (“Anwaatin”), filed with the OEB on August 27, 2020. Both OEB Staff and Anwaatin have suggested that Enbridge Gas file a letter in response to their respective comments. This is Enbridge Gas’s response to those submissions.

### **Comments of OEB Staff and Anwaatin**

In its submission, OEB Staff suggested that Enbridge Gas file a brief letter to:<sup>1</sup>

- Indicate whether and how it intends to note the interim nature of the Federal Carbon Charge and the disposition unit rates for the Federal Carbon Charge – Customer Variance Account for First Nations on-reserve customers in its rate handbook; and
- Confirm that it has used a Q3 2020 interest rate of 0.57% in calculating the final 2019 balances in the Federal Carbon Pricing Program deferral and variance accounts.

Anwaatin’s submission noted similarly that Enbridge Gas’s Draft Rate Order does not make specific reference to the interim nature of the Board’s approval of the federal carbon charge and disposition unit rates for the Federal Carbon Charge – Customer Variance Account for on-reserve First Nations customers and requested that the Board direct Enbridge Gas to confirm

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<sup>1</sup> EB-2019-0247, OEB Staff Comments on Draft Rate Order, August 27, 2020, pp. 2-3.

in writing that its rate schedules will identify the interim nature of these charges for on-reserve First Nations customers.<sup>2</sup>

### **Enbridge Gas Response to Comments**

As noted in the cover to Enbridge Gas's Draft Rate Order, all supporting appendices/schedules were compiled pursuant to the OEB's Decision which directed that Enbridge Gas "...revise the interest projected to September 20, 2020 on all deferral and variance accounts and file updated balances and rate riders as part of the DRO."<sup>3</sup> Enbridge Gas hereby confirms that it has used a Q3 interest rate of 0.57% in calculating the final 2019 balance in the Federal Carbon Pricing Program deferral and variance accounts and that this same rate has been reflected in the appendices included in its Draft Rate Order.

Enbridge Gas does not support the suggestions of OEB Staff and Anwaatin that it is necessary to note the interim nature of the Federal Carbon Charge and the disposition unit rates for the Federal Carbon Charge – Customer Variance Account for on-reserve First Nations customers on rate schedules for the following reasons:

1. The OEB's Decision explicitly directs that such charges and disposition unit rates will remain interim and are approved on an interim basis for on-reserve First Nations customers until the OEB's determination of the Deferred Issues.<sup>4</sup> The OEB's Decision did not contemplate any special notation of the interim nature of these charges and disposition unit rates on Enbridge Gas's rate schedules. Rather, the OEB stated:

"The OEB is also establishing a new tracking account for each rate zone, as proposed by Enbridge Gas, to record the Federal Carbon Charges (including disposition of the balances in the Customer Variance Accounts) for First Nations on-reserve customers until the final determination of the Deferred Issues."<sup>5</sup>

Enbridge Gas wishes to clarify the proposal from its Reply Argument in this regard. While Enbridge Gas offered to track 2019 and 2020 Federal Carbon Charge revenues collected from on-reserve customer so they may be refunded at a future date if necessary, Enbridge Gas does not require new tracking accounts to do this. Through its customer billing system, Enbridge Gas has the ability to track the amounts charged to First Nations on-reserve customers and to query that system to determine those amounts at any time as required, such as when the OEB makes a final determination on the Deferred Issues.

2. It is neither Enbridge Gas's historic practice to note the interim nature of rates on its rate schedules, nor is it typical of the OEB to direct Enbridge Gas to make note of the interim nature of approved rates on its rate schedules. This is evident in the OEB's Interim Decision and Order in this proceeding and its Decision and Order on Enbridge Gas's April 1, 2020 Quarterly Rate Adjustment Mechanism ("QRAM") application (EB-2020-0077) whereby the OEB approved interim 2020 Federal Carbon Charges and associated rate schedules implemented effective April 1, 2020 without any specific notation of the interim nature of Federal Carbon Charges and Facility Carbon Charges on rate schedules.
3. All Enbridge Gas rate schedules already specify that the rates set out for each customer

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<sup>2</sup> EB-2019-0247, Anwaatin Comments on Draft Rate Order, August 27, 2020, p. 1.

<sup>3</sup> Decision, pp. 12 and 22.

<sup>4</sup> Decision, p. 18.

<sup>5</sup> Ibid.

class are subject to the Federal Carbon Charge “if applicable”, enabling Enbridge Gas to reflect certain exemptions from these charges. This same disclaimer also sufficiently facilitates exceptions to the applicability of these charges for on-reserve First Nations customers, if applicable.

For these reasons, it is not necessary for Enbridge Gas to note the interim nature of Federal Carbon Charges and disposition unit rates for on-reserve First Nations customers, as suggested by OEB Staff and Anwaatin. Rather, Enbridge Gas will continue its typical practice of tracking these amounts in its customer billing systems to query and identify at any time, as required.

Should the Board determine that it is necessary by exception to manually insert a notation on each rate schedule of the interim nature of Federal Carbon Charges and disposition unit rates for on-reserve First Nations customers, which Enbridge Gas submits the OEB should not do, then Enbridge Gas recommends that the OEB direct it to include the following note in the EGD rate zone schedule Rider J and the applicable Union rate zones’ rate schedules:

The Federal Carbon Charge and 2019 balances in the Customer Variance Accounts for on-reserve First Nations customers are interim, per the Board’s Decision and Order in EB-2019-0247.

If you have any questions, please contact the undersigned.

Sincerely,

[original digitally signed by]

Adam Stiers  
Technical Manager, Regulatory Applications

cc: T. Persad (Enbridge Gas Counsel)  
M. Parkes (OEB Staff)  
M. Murray (OEB Counsel)  
EB-2019-0247 Intervenors