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VIA RESS and EMAIL

September 11, 2020

Christine Long
Board Secretary
Ontario Energy Board
2300 Yonge Street, 27th Floor
Toronto, Ontario
M4P 1E4

Dear Ms. Long:

**Re: EB-2020-0195 – Enbridge Gas Inc. – October 1, 2020
Quarterly Rate Adjustment Mechanism (“QRAM”) Application**

Effective January 1, 2019, Enbridge Gas Distribution Inc. (“EGD”) and Union Gas Limited (“Union”) amalgamated to become Enbridge Gas Inc. (“Enbridge Gas”). Enclosed is an application and supporting evidence from Enbridge Gas requesting an order approving or fixing rates within both the EGD rate zone and Union rate zones¹ for the sale, distribution, storage, and transmission of natural gas effective October 1, 2020.

This application is submitted in accordance with the Board’s EB-2008-0106 Decision (modified as indicated below to accommodate the proposed rate mitigation plan), and includes a schedule for: the review and comment of intervenors and Board staff; Enbridge Gas’s response to any comments; and the Board’s Decision and Order. A full list of the evidence supporting this application is provided in the exhibit list found at Exhibit A, Tab 1, Schedule 1.

Rate Mitigation Plan

In accordance with the Board’s decision in EB-2014-0199 and its expectations that regulated utilities will consider rate mitigation for material rate increases, Enbridge Gas is proposing the following rate mitigation plan for this application:

- a) Enbridge Gas will use a 21-day strip ending August 3, 2020 rather than August 31, 2020 to mitigate commodity price increases that would otherwise exceed 25%. The variance between forecast costs included with the application and actual costs will be recorded in the respective deferral and variance accounts for disposition as part of a future QRAM application.
- b) Enbridge Gas will include a credit of 2.0000 ¢/m³ in the Union North West gas commodity price adjustment for the period October 1, 2020 to December 31,

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

2020 to mitigate total bill increases that would otherwise exceed 10%. To recover the revenue impact associated with the credit, Enbridge Gas will include a charge of 1.3335 ¢/m³ as part of the Union North West gas commodity price adjustment for the period January 1, 2020 to March 31, 2020.

The application and impacts below reflect a forecast of gas costs effective October 1, 2020 based on a 21-day strip ending August 3, 2020 per the rate mitigation plan.

EGD Rate Zone

Relevant to the EGD rate zone the proposed EGD Rate Zone Purchased Gas Variance Account Reference Price (“PGVA Reference Price”) is \$152.489/10³m³ (\$3.958/GJ @ 38.53 MJ/m³), representing an increase of \$20.735/10³m³ (\$0.538/GJ @ 38.53 MJ/m³). The result of the change noted above, in addition to the implementation of 2020 ICM unit rates as noted in the Additional Items section below, is an increase to the total bill for a typical residential customer on system gas of approximately \$28.99 or 3.1%².

Union Rate Zones

Relevant to the Union rate zones the proposed Alberta Border Reference Price, based on the current 21-day strip price, is \$2.666/GJ. This represents an increase of \$0.560/GJ. The proposed Dawn Reference Price, based on the current 21-day strip price, is \$3.158/GJ. This represents an increase of \$0.537/GJ. Enbridge Gas is also proposing to prospectively dispose of a projected 12-month gas cost deferral account net credit of \$12.608 million specific to the Union rate zones.

The result of the change noted above, in addition to the implementation of 2020 ICM unit rates as noted in the Additional Items section below, is a net annual bill increase for residential sales service customers of \$43.70 or 5.7% in Union South, \$6.68 or 0.7% in Union North West (including the credit in the Union North West gas commodity price adjustment per the rate mitigation plan), and \$33.82 or 3.4% in Union North East.

Additional Items

In addition to updating rates in the EGD and Union rate zones in accordance with Enbridge Gas’s Board-approved QRAM methodologies, October 1, 2020 rates will reflect implementation of two additional Board Decisions:

- On June 11, 2020 the Board approved ICM unit rates for implementation effective October 1, 2020 in Enbridge Gas’s 2020 Rates proceeding (EB-2019-0194).
- On September 3, 2020 the Board approved 2019 FCPP-related deferral and variance accounts for disposition effective October 1, 2020 in Enbridge Gas’s 2020 Federal Carbon Pricing Program proceeding (EB-2019-0247).

² Amounts provided include EGD Rider C

Enbridge Gas is serving an electronic copy of the application with supporting evidence in PDF format on all interested parties in the EB-2008-0106, EB-2018-0305 and EB-2019-0194 proceedings. This complete evidence package is also available electronically in searchable PDF format through the following link on Enbridge Gas's website:

<https://www.enbridgegas.com/en/Regulatory-Proceedings>

Should you have any questions on this matter please contact the undersigned at (519) 436-4540.

Sincerely,

(Original Digitally Signed)

Amy Mikhaila
Manager, Rates (Union)

cc: Tania Persad, Enbridge Gas
All Interested Parties EB-2008-0106, EB-2018-0305 & EB-2019-0194