



Enbridge Gas Inc.

2021 Federal Carbon Pricing Program Application

DECISION ON SCOPE OF PROCEEDING

November 20, 2020

Enbridge Gas Inc. (Enbridge Gas) applied to the OEB for approval under section 36(1) of the *Ontario Energy Board Act, 1998* (OEB Act) to increase rates effective April 1, 2021 to recover costs associated with meeting its obligations under the federal *Greenhouse Gas Pollution Pricing Act* (GGPPA).

On November 10, 2020, the OEB issued Procedural Order No. 1 in this proceeding, granting intervention status and cost eligibility to Anwaatin Inc. (Anwaatin), Building Owners and Managers Association (BOMA), Canadian Manufacturers and Exporters (CME), Energy Probe Research Foundation (Energy Probe) and Federation of Rental-housing Providers of Ontario (FRPO).

Given the largely mechanistic nature of this proceeding, the OEB wants to provide additional direction to the parties regarding the intended scope of this proceeding.

SCOPE OF PROCEEDING

In last year's 2020 Federal Carbon Pricing Program (FCPP) proceeding (EB-2019-0247), the OEB advised parties that the scope of the proceeding was limited and did not include issues such as:

- Enbridge Gas's plans to communicate with residential customers about FCPP-related rate increases
- energy poverty in indigenous communities and the differential impact of natural gas rates on remote and near remote communities
- policies with respect to energy efficiency
- new business activities to reduce greenhouse gas emissions
- process for and timing of future applications
- issues related to fugitive emissions¹

Those issues are also out of scope in the current 2021 FCPP proceeding for the same reasons provided in the 2020 FCPP proceeding.

In addition, in the 2021 FCPP proceeding, the quantum of administration costs or the disposition of other deferral and variance accounts (DVAs) is also out of scope as Enbridge Gas is not seeking recovery in this application for amounts related to administration costs or the disposition of related DVAs. The OEB confirms that the review of the application filed by Enbridge Gas will be limited to considering the recovery of its costs related to the FCPP. This comprises (i) updating the Federal Carbon Charge and Facility Carbon Charge on customer bills, to match the costs incurred by Enbridge Gas under the GGPPA; and (ii) considering Enbridge Gas's activities with respect to understanding, controlling and mitigating its facility-related FCPP costs (for example, evaluating Offset Credits as an option to reduce facility-related costs).

The adjustment to Enbridge Gas's Federal Carbon Charge on customer bills to match the level set in the GGPPA, while in scope, is largely mechanistic and the OEB does not intend to grant cost awards for time spent analyzing the adjustment to the Federal Carbon Charge on customer bills to match the level set in the GGPPA.

¹ EB-2019-0247, Decision on Updated Intervention Requests and Scope of Proceeding, March 19, 2020

Deferred Issues

In the 2020 FCPP proceeding, the OEB determined that it would defer consideration as to whether the FCPP charges are applicable in light of the *Indian Act*, relevant treaties, and section 35 of the *Constitution Act, 1982* (the Deferred Issues), until after the Supreme Court of Canada (SCC) issues a decision in two appeals currently before the SCC regarding the constitutionality of the GGPPA.

Anwaatin's intervention request in the 2021 FCPP proceeding indicated that, among other things, it intended to make submissions on the Deferred Issues. In Procedural Order No. 1, the OEB indicated that "...an SCC decision may be handed down while the current OEB proceeding is active. The OEB therefore approves Anwaatin's intervenor request, but notes that consideration of these issues remains deferred at this time".²

In this Decision, the OEB clarifies that the Deferred Issues will not be heard in the 2021 FCPP proceeding. As these issues were deferred as part of the 2020 FCPP proceeding, the OEB will issue subsequent procedural steps within that proceeding after an SCC decision has been released.

At the conclusion of this 2021 FCPP proceeding, it is the OEB's intent that the Federal Carbon Charge will remain interim for First Nations on-reserve customers, consistent with Enbridge Gas's request in its application. The OEB also notes Enbridge Gas's commitment to continue tracking this charge and maintaining a reference to the interim nature of the Federal Carbon Charge for First Nations on-reserve customers in its rate schedules, until the OEB makes a determination on the Deferred Issues.

DATED at Toronto, **November 20, 2020**

ONTARIO ENERGY BOARD

Original Signed By

Christine E. Long
Registrar

² EB-2020-0212, Procedural Order No. 1, November 10, 2020, p. 2