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**Enbridge Gas Inc.**  
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## **VIA RESS and EMAIL**

March 23, 2021

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

Dear Ms. Long:

**Re: EB-2021-0070 – Enbridge Gas Inc. – April 1, 2021  
Quarterly Rate Adjustment Mechanism (“QRAM”) Application**

On March 12, 2021 Enbridge Gas Inc. (Enbridge Gas) filed an application and evidence with the Ontario Energy Board (OEB) in the above noted proceeding. In the application Enbridge Gas is requesting to update rates in the Enbridge Gas Distribution Inc. (EGD) rate zone and Union Gas Limited (Union) rate zones in accordance with Enbridge Gas’s OEB approved QRAM methodology for implementation on April 1, 2021. With the application Enbridge Gas is also implementing two additional OEB Decisions.

1. On January 28, 2021, the OEB approved unit rates for the 2017/2018 DSM Deferral and Variance Accounts in EB-2020-0067.
2. On February 11, 2021 the Federal Carbon Pricing Program was approved by the OEB in EB-2020-0212.

Enbridge Gas received a letter of comment from Canadian Manufacturers and Exporters (CME). CME conducted a due diligence review of Enbridge Gas’s April 1, 2021 QRAM Application and based upon their review takes no issue with the application as filed.

The Industrial Gas Users Association’s (IGUA) advisors, Jupiter Energy Advisors Inc., also reviewed Enbridge Gas’s April 1, 2021 QRAM Application. Based on this review IGUA is satisfied that Enbridge Gas properly followed the QRAM methodology and has no objection to the approval of the application as filed. However IGUA requested response to the following specific question:

## IGUA 1

An explanation of which NGTL transportation contract “*became ineligible*” for NGTL’s multi-year discounts and the basis upon which it became ineligible.

### **Response:**

NGTL’s tariff requires shippers to elect renewals of firm transportation capacity at least 12 months prior to the expiry of the existing contract. In 2019, Enbridge Gas elected to renew both of its NGTL contracts which had expiries on October 31, 2020 and December 31, 2020. The contract expiring on December 31, 2020 for 75,000 GJ/day was a multi-year contract that included a 5% discount pursuant to the NGTL tariff. Since Enbridge Gas elected to renew its NGTL capacity for one year, 75,000 GJ/d of the capacity became ineligible for a multi-year discount as of January 1, 2021. During 2019 there was uncertainty associated with future capacity constraints on the NGTL system and the impacts on the longer term value of AECO gas purchases compared to Empress gas purchases. Enbridge Gas felt the 5% discount, which amounts to less than \$0.01 CAD/GJ/day, did not justify the risk associated with a longer term commitment amid this uncertainty.

During 2020, uncertainty surrounding NGTL capacity constraints was reduced by a CER recommendation in support of NGTL’s 2021 System Expansion Project. Further, Enbridge Gas was able to obtain favorable pricing for longer term liquids extraction deals associated with gas purchased at AECO and transported to Empress. As outlined in Enbridge Gas’ 2021 Annual Gas Supply Plan Update (EB-2021-0004), Enbridge Gas elected to renew both of its NGTL contracts for three years or more and will receive multi-year discounts starting on November 1, 2021 and January 1, 2022.

Enbridge Gas requests the OEB issue its Decision and Order on the application by March 25, 2021.

Should you have any questions please contact the undersigned at 416-495-5642.

Sincerely,

Asha Patel  
Technical Manager, Regulatory Applications

cc: Tania Persad, Enbridge Gas  
All Interested Parties EB-2008-0106, EB-2019-0194 & EB-2020-0095