

VIA EMAIL and RESS

May 18, 2021

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

Dear Ms. Long:

**Re: Enbridge Gas Inc. ("Enbridge Gas")
Ontario Energy Board ("OEB") File No.: EB-2020-0181
2021 Rates Application (Phase 2 – Incremental Capital Module Funding
Request) - Draft Rate Order**

Effective January 1, 2019, Enbridge Gas Distribution Inc. ("EGD") and Union Gas Limited ("Union") amalgamated to become Enbridge Gas Inc. ("Enbridge Gas" or "EGI"). On June 30, 2020, Enbridge Gas filed an application with the Ontario Energy Board ("OEB") under section 36(1) of the *Ontario Energy Board Act, 1998* seeking approval for changes to its natural gas rates effective January 1, 2021. This application is Enbridge Gas's third annual rate adjustment application under the IRM framework approved by the OEB in the MAADs Decision (EB-2017-0306/0307).

In a letter dated July 14, 2020, the OEB determined that it will process the "Phase 1" (IRM related elements) and "Phase 2" (ICM) filings for the 2021 Rates application as separate applications. In a decision issued on November 6, 2020, the OEB accepted the settlement proposal in Phase 1 which included an interim rate order for rates reflecting the IRM adjustments effective January 1, 2021.

On May 6, 2021, the OEB issued its Decision and Order on Phase 2 of the 2021 rates application and directed Enbridge Gas to file a Draft Rate Order, inclusive of schedules with proposed Tariff of Rates and Charges, reflecting the OEB's findings in its Decision. The Draft Rate Order shall include customer rate impacts and the associated rate riders for the approved ICM project. As per the OEB Decision, the ICM unit rates resulting from this Decision will be effective and implemented with the July 1, 2021 QRAM application.

Enclosed is the Draft Rate Order for rates effective July 1, 2021 reflecting the OEB's findings in its Decision including updates to the ICM rate riders and customer bill impacts schedules for the Decision.

The Draft Rate Order reflects the approved 2021 ICM funding of \$124.0 million for the London Line Replacement Project in the Union rate zone. Enbridge Gas is not filing a Draft Rate Order in the EGD rate zone as there are no ICM project applicable to this rate zone.

The Draft Rate Order is based on April 1, 2021 Rates as approved in April QRAM (EB-2021-0070) updated to include the associated rate riders for the approved ICM project.

The proposed 2021 rate changes resulting from the attached Draft Rate Order are:

- the net annual bill increase associated with the 2021 ICM approved funding for a typical Union South rate zone residential customer (Rate M1) consuming 2,200 m³ per year is approximately \$2.05 per year for sales service customers and bundled direct purchase customers; and
- there is no bill impact associated with the 2021 ICM approved funding for a typical Union North rate zone residential customer as there are no ICM projects applicable to this rate zone.

Certain schedules in relation to the ICM requests have also been updated to reflect the impact of the 2021 Rates decision (Phase 2) and the July 1, 2021 implementation date. The required updates to following appendices were originally filed at Exhibit B, Tab 2, Schedule 1 in the pre-filed evidence:

- Appendix E: 2021-2023 ICM Project Revenue Requirement
- Appendix F: Allocation of 2021 ICM Project Revenue Requirement
- Appendix G: Derivation of 2021 ICM Rates by Rate Class
- Appendix I: Calculation of 2020 ICM Bill Impacts – Union rate zones

Customer notices filed with the July 2021 QRAM will reflect all rate changes effective July 1, 2021 including the impacts of the 2021 ICM rate riders.

To implement the ICM unit rates with the July 1, 2021 QRAM, Enbridge Gas would require a decision on the Draft Rate Order by June 10, 2021.

Please contact the undersigned if you have any questions.

Yours truly,

Rakesh Torul
Technical Manager, Regulatory Applications

cc: David Stevens, Aird and Berlis LLP
EB-2020-0181 Intervenors