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BY EMAIL AND FILED VIA RESS

Christine Long
Registrar
Ontario Energy Board
2300 Yonge Street
Suite 2700
Toronto, ON M4P 1E4

Dear Ms. Long:

**Re: Enbridge Gas Inc. (“Enbridge Gas”)
EB-2020-0134 – 2019 Utility Earnings and Disposition of Deferral and Variance
Accounts**

We act as counsel to Enbridge Gas in this matter.

On May 14, 2021, Enbridge Gas submitted a Draft Rate Order to the OEB.

As indicated in the Draft Rate Order, Enbridge Gas proposes to clear the deferral and variance account balances in accordance with the Settlement Proposal with the exception of Union South rate zone commodity-related balances which were prepared based on a six month disposition period beginning July 1, 2021. This proposal is different from what was included in the OEB-approved Settlement Proposal – in the Settlement Proposal, the parties agreed to clearance of all balances over three months beginning July 1, 2021 (see Exhibit N, Tab 1, Schedule 1, item 5, page 24).

Enbridge Gas explained the reasons for this proposed change in the Draft Rate Order Working Papers (at page 4). Briefly, because of the fact that disposition is now planned to commence July 1st, rather than January 1st as had been contemplated in the original filing, there are issues with the appropriate disposition of the Union South commodity-related account balances to all sales customers prospectively over three months due to the low volume experienced in the summer months. This issue can be addressed through recovery of the Union South commodity-related balances prospectively over a six-month period.

Enbridge Gas acknowledges that before filing the Draft Rate Order materials, the Company should have reached out to parties to the Settlement Proposal about the proposed change in disposition methodology, and obtained consensus that the proposed approach and resulting amendment to the Settlement Proposal is acceptable.

Over the past several days, Enbridge Gas has been in communication with all parties to the Settlement Proposal. Through those communications, all parties to the Settlement Proposal have indicated that they agree with or do not oppose Enbridge Gas’s proposed six-month prospective

clearance of the Union South commodity-related deferral and variance account balances. Enbridge Gas requests that the OEB treat this letter as confirmation from all parties that the amendment to the Settlement Proposal wording about clearance timing and methodology of variance account balances for the Union rate zone is acceptable.

Enbridge Gas notes that OEB Staff filed comments about the Draft Rate Order on May 20, 2021. No other party has submitted comments on the Draft Rate Order.¹

OEB Staff suggested that Enbridge Gas should obtain confirmation that all parties to the Settlement Proposal endorse the proposed change in the clearance methodology and timing for the Union South rate zone. This has been done.

OEB Staff also observed that the rate schedules for Rates M1, M2, 01 and 10 in the Union rate zones show a delivery price adjustment that is composed of two charges/credits (both expiring September 30, 2021). OEB Staff indicate their understanding that while one of the charges/credits is related to this application and its derivation has been provided, the second charge has not been explained. OEB Staff asks Enbridge Gas to clarify the source of these charges/credits. The table setting out the charges/credits for which OEB Staff seek clarification is reproduced below:

Rate Class	Cents/m³
Rate 01	(1.7327)
Rate 10	(2.2092)
Rate M1	4.9085
Rate M2	(1.2364)

In response, Enbridge Gas clarifies the charges highlighted by OEB Staff relate to the clearance of 2017/2018 DSM Deferral and Variance account balances which were approved for prospective disposition over a six-month period beginning April 1, 2021.

The table on the following page reconciles the unit rates for the Delivery - Price Adjustment line item on the Union Rate M1, M2, 01 and 10 rate schedules.

¹ Enbridge Gas notes that the deadline for comments is not until the end of the same day as this letter is being filed. If comments are provided by any other party, Enbridge Gas will file a supplementary response.

	Prospective Recovery		Union South		Union North	
	Period		<u>Rate M1</u>	<u>Rate M2</u>	<u>Rate 01</u>	<u>Rate 10</u>
	<u>Begin</u>	<u>End</u>				
2017/2018 DSM Deferrals Disposition (1)	1-Apr-21	30-Sep-21	4.9085	(1.2364)	(1.7327)	(2.2092)
2019 Deferrals & ESM Disposition (2)	1-Jul-21	30-Sep-21	<u>(2.8614)</u>	<u>(1.3155)</u>	<u>(5.4107)</u>	<u>(3.4831)</u>
Total Delivery - Price Adjustment per EB-2020-0134 Draft Rate Order			2.0471	(2.5519)	(7.1434)	(5.6923)

Notes:

- (1) Unit rates and six-month disposition period beginning April 1, 2021 approved per EB-2020-0067, Decision and Rate Order, March 11, 2021, Schedule B, page i), lines 1, 2, 6 and 7.
- (2) Unit rates per EB-2020-0134, Draft Rate Order, filed May 14, 2021, Tab 2, Schedule 3, page 1, column (e).

Please let us know if there are further questions.

Yours truly,

AIRD & BERLIS LLP



David Stevens
DS/

cc: All parties registered in EB-2020-0134