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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. Among other things, the Draft Rate Order contemplated the clearance of deferral account balances starting on July 1, 2021 (generally as a one-time billing adjustment with the exception of prospective recovery of Union rate zone balances over a three-month period, but with a six-month disposition period for Union South rate zone commodity-related balances). On May 21, 2021, Enbridge Gas filed a further letter indicating agreement (or non-opposition) of all parties to the Settlement Proposal in this matter to the proposed six-month disposition period for Union South rate zone commodity-related balances.

Yesterday, Enbridge Gas’s rates group was informed internally of concerns with the proposed clearance of the deferral account balances starting on July 1, 2021. As detailed below, these concerns arise because of the current migration of the Union rate zones billing system to the Enbridge Gas billing system. The Company believes that it would be prudent to wait until October 1st to clear the deferral account balances, in order to avoid the risk of insufficiently tested rate riders being implemented at the same time as the billing system migration “goes live”.

Enbridge Gas recognizes that the timing of the clearance of the deferral account balances was addressed in the Settlement Proposal in this case. With that in mind, the Company is engaging with the parties to the Settlement Proposal, to explain the current challenge and seek agreement to October 2021 clearance of the deferral account balances. Enbridge Gas will report back to the OEB. In the meantime, the Company requests that the OEB refrain from approving the submitted Draft Rate Order.

Background

Enbridge Gas is implementing the second phase of its Customer Information System (CIS) project on July 5. Enbridge Gas is also implementing its Asset and Work Management system (AWS)

on this date as well. For this phase, customers in the Union rate zone will be migrated from the existing system to the new platform (SAP for CIS, Maximo for AWS). This is a significant undertaking after two years of planning and implementation. Legacy systems will be down for over a week to finish the process of migrating data for 1.5 M customers. In the case of CIS, the legacy billing system for the Union rate zones (Banner) will be brought down on June 27. The new system will not be up until Monday July 5 with regular service to recommence on July 6.

Enbridge Gas has determined that it can implement “regular” rate adjustments in July 2021 – both the QRAM adjustment and the final 2021 Rates (reflecting the ICM approval). The Company has identified there are a number of practical challenges that leave it in a situation where executing clearance of deferral accounts at the same time would be difficult and risky.

1. Technical testing issues. Implementation of the required rate riders for deferral account balance clearance requires extensive testing to ensure billing accuracy for customers. The remaining weeks before go-live puts Enbridge Gas in a situation where all of its test environments are in use for either project go-live or regular QRAM adjustment activity. Environments are required for training activities, a practice area for front line staff to familiarize themselves with the new system and other items like testing of myAccount and chatbot systems deeply integrated with CIS.
2. Staff related testing issues. The Company’s teams are intensively working towards the go-live date which is now less than a month away. Staff that would normally be involved in conducting testing are deeply involved in activities such as:
 - a. Cutover rehearsals to ensure everything goes smoothly on the implementation weekend. The Company is doing a complete rehearsal of the cutover process the week of June 7 to 14 requiring 24 hour coverage.
 - b. Performing curtailment activities to ensure the system and data is ready for conversion.
 - c. Training of other staff.
3. Resource availability. Ordinarily, Enbridge Gas completes detailed testing of any new rates from a billing perspective before they are implemented – where the new rates are out-of-the-ordinary, like rate riders to clear deferral account balances taking into account historical consumption, then this process takes significant time and effort. As a result of staff focus on the CIS project, the availability of resources to complete normal testing is severely constrained and taking staff away from these activities would introduce project risk.
4. Risk to go-live implementation. At this stage of the CIS project, the system is basically locked down to any development work. QRAM and final 2021 Rates (to reflect ICM) are being implemented as these only require the configuration and testing of existing rates. Deferral account clearance requires some development work. Most system testing is complete and to introduce changes at this stage would present significant technical risk.

All these factors combine to make clearance of the deferral account balances in July 2021 not only challenging but also risky.

Enbridge Gas acknowledges that it is raising these timing concerns at a very late date. Enbridge Gas regrets not raising these concerns at the time that the Draft Rate Order contemplating July 2021 clearances was prepared and submitted. Until yesterday, the Company had been planning to implement the deferral account clearances starting in July 2021 and was taking steps to effect that plan. However, as the implementation date got closer the Company concluded that successfully reflecting the Draft Rate Order into the billing system for July 1st implementation (including the required development, coding, testing and implementation), cannot be done responsibly.

Proposal

The Company's goal is to implement the CIS project with as little disruption to customers as possible. With that in mind, postponing clearance of the deferral account balances until October 1, 2021 is strongly preferred. Given that the deferral account balances to be cleared are a net credit to ratepayers, the Company will track and credit carrying charges (at the OEB-approved rate) on the uncleared balances. Enbridge Gas anticipates that all deferral account balances can be cleared as a one-time billing adjustment with the exception of Union rate zone balances requiring prospective recovery. The Company confirms prospective recovery over three months is adequate if disposition commences in October 2021, because there will be sufficient volumes during the last quarter of the year to support the three month disposition timing.

Next Steps

Enbridge Gas is engaging with the other parties to the Settlement Proposal, to request agreement to the updated deferral account clearance proposed timing and approach. The Company will report back to the OEB as soon as possible, and in any event by June 7th.

If parties agree to the updated deferral account clearance proposed timing and approach, then Enbridge Gas expects to ask the OEB to disregard the currently filed Draft Rate Order and set a process for the filing and review of an updated Draft Rate Order.

Please let us know if there are questions.

Yours truly,

AIRD & BERLIS LLP



David Stevens
DS/

cc: All parties registered in EB-2020-0134