

ONTARIO ENERGY BOARD

IN THE MATTER OF the *Ontario Energy Board Act*, 1998, S.O. 1998, c.15 (Schedule. B);

AND IN THE MATTER OF an Application by Enbridge Gas Inc. for an order or orders clearing certain commodity and non-commodity related deferral or variance accounts.

APPLICATION

1. Enbridge Gas Distribution Inc. (referred to in the evidence as “EGD”, “Enbridge” or the “Company”) and Union Gas Limited (referred to in the evidence as “Union” or the “Company”) (together the “Utilities”) were Ontario corporations incorporated under the laws of the Province of Ontario carrying on the business of selling, distributing, transmitting and storing natural gas within the meaning assigned in the *Ontario Energy Board Act*, 1998 (the “Act”). In the August 30, 2018 EB-2017-0306/0307 Decision and Order (the “MAADs Decision”), the Ontario Energy Board (the “OEB”) approved the amalgamation of the Utilities, as well as a five-year deferred rebasing term during which a price cap rate-setting model would apply.
2. Effective January 1, 2019 the Utilities amalgamated to become Enbridge Gas Inc. (“Enbridge Gas”). Following amalgamation, Enbridge Gas has maintained the existing Rates Zones of EGD and Union (the EGD, Union North West, Union North East and Union South Rate Zones).¹ Enbridge Gas has also maintained most of the existing deferral and variance accounts for each Rate Zone.
3. Enbridge Gas, the Applicant, hereby applies to the OEB, pursuant to Section 36 of the *Ontario Energy Board Act*, 1998 (the “Act”), for an Order or Orders approving the

¹ Collectively the Union North West, Union North East and Union South rates zones are referred to as “Union rate zones”. Union North West and Union North East are collectively referred to as “Union North”.

clearance or disposition of amounts recorded in certain deferral or variance accounts.

Earnings Sharing

4. In the MAADs Decision, the OEB approved, among other things, an asymmetrical earnings sharing mechanism (“ESM”) during the deferred rebasing period, where each year any earnings in excess of 150 basis points over the OEB-approved return on equity (“ROE”) would be shared 50/50 between the Utilities and ratepayers.
5. In 2020, Enbridge Gas’s actual utility earnings did not exceed the OEB-approved ROE by more than 150 basis points. Accordingly, no ESM amount is proposed to be shared with ratepayers.

EGD Rate Zone

6. As approved in the MAADs Decision and the 2019 Rates Case (EB-2018-0305), Enbridge Gas has maintained substantially the same deferral and variance accounts for the EGD Rate Zone as during its 2014-2018 Custom IR term.
7. Enbridge Gas seeks approval to clear the final balances of certain EGD Rate Zone deferral and variance accounts for 2020 as set out at Exhibit C, Tab 1, Schedule 1.

Union Rate Zones

8. As approved in the MAADs Decision and the 2019 Rates Case (EB-2018-0305), Enbridge Gas has maintained substantially the same deferral and variance accounts for the Union Rate Zones as during its 2014-2018 IR term.
9. Enbridge Gas seeks approval to clear the final balances of certain Union Rate Zones deferral and variance accounts for 2020 as set out at Exhibit C, Tab 1, Schedule 1.

Enbridge Gas Inc.

10. The OEB has approved several deferral and variance accounts that relate to Enbridge Gas as a whole (and not to specific Rate Zone(s)). These accounts are listed at Exhibit C, Tab 1, Schedule 1.
11. Enbridge Gas proposes to clear the 2020 balance in the Tax Variance Deferral Account (“TVDA”). Enbridge Gas is not seeking approval to clear any part of the balance in the Accounting Policy Changes Deferral Account (“APCDA”), in the Covid-19 Emergency Incremental Cost Deferral Account (“COVEICDA”) and in the Incremental Capital Module Deferral Account (“ICMDA”). Details on these accounts are presented in this application for information purposes. The balances in these accounts will be brought forward for clearance in a future application.

Relief Requested

12. Enbridge Gas therefore applies to the OEB for such final, interim or other orders as may be necessary or appropriate for the clearance or disposition of the 2020 deferral and variance accounts requested in Exhibit C, Tab 1, Schedule 1. The proposed manner of disposition is described at Exhibit F. Enbridge Gas proposes to clear the balances in these accounts with the first available QRAM application following the OEB’s approval, as early as October 1, 2021.
13. Enbridge Gas requests that certain information included at Exhibit D, Tab 1, Schedule 6 be treated as confidential under the OEB’s Practice Direction on Confidential Filings. Equivalent information has been treated as confidential in prior deferral and variance account clearance proceedings.
14. Enbridge Gas requests that this proceeding be heard in writing.
15. Enbridge Gas further applies to the OEB pursuant to the provisions in the Act and the OEB’s *Rules of Practice and Procedure* for such final, interim or other Orders

and directions as may be appropriate in relation to the Application and the proper conduct of this proceeding.

16. This Application is supported by written evidence. This evidence may be amended from time to time as required by the OEB, or as circumstances may require.
17. The persons affected by this application are the customers resident or located in the municipalities, police villages and First Nations reserves served by Enbridge Gas, together with those to whom Enbridge Gas sells gas, or on whose behalf Enbridge Gas distributes, transmits or stores gas. It is impractical to set out in this application the names and addresses of such persons because they are too numerous.
18. Enbridge Gas requests that a copy of every document filed with the OEB in this proceeding be served on the Applicant and Applicant's counsel, as follows.

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ENBRIDGE GAS INC.

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