



ONTARIO ENERGY BOARD

STAFF SUBMISSION ON REQUEST FOR CONFIDENTIALITY

**ENBRIDGE GAS INC.
2020 Deferral and Variance Account Disposition and
Earnings Sharing Application
EB-2021-0149**

July 26, 2021

Background

On August 30, 2018, the Ontario Energy Board (OEB) approved the amalgamation of Enbridge Gas Distribution Inc. (EGD) and Union Gas Limited (Union Gas).¹ The companies amalgamated to form Enbridge Gas Inc. (Enbridge Gas) on January 1, 2019. Following the amalgamation, Enbridge Gas maintained the existing rates zones of EGD and Union Gas (the EGD rate zone, and the Union North West, Union North East and Union South rate zones).² Enbridge Gas also maintained most of the existing deferral and variance accounts for each rate zone.

In this application, Enbridge Gas requested approval to dispose of 2020 principal balances in certain deferral and variance accounts (DVAs) as of December 31, 2020. In the 2019 Deferral and Variance Accounts (DVAs) proceeding, Enbridge Gas agreed as part of the settlement proposal to provide documentation summarizing its request for proposal (RFP) process for market-based storage capacity acquired for 2019 utilization for the former EGD rate zone. Given the commercially sensitive nature of the information provided in the documentation, parties (intervenors and applicant) agreed that it would be appropriate to treat the unredacted versions of the documentation as confidential pursuant to the OEB's *Practice Direction on Confidential Filings*.³

In its decision on the settlement proposal (2019 DVA proceeding), the OEB approved the confidentiality request noting that the information was commercially sensitive with respect to future storage procurement and related negotiations.⁴

In the current application (2020 DVA proceeding), Enbridge Gas has provided similar information as the 2019 DVA proceeding about the RFP process to procure 2020 market-based storage services for the EGD rate zone. The process involves the review of RFP responses that were received by Enbridge Gas in August 2019 with offers from five different counterparties with multiple terms, prices and injection/withdrawal parameters. The RFP process was conducted by Deloitte Consulting, a third party, in line with the recommendations of OEB staff and intervenors in Enbridge Gas's five-year gas supply plan review.⁵ Enbridge Gas has filed the bids received and those that were selected confidentially with the OEB, pursuant to the OEB's *Practice Direction on*

¹ EB-2017-0306 / 0307 Decision and Order August 30, 2018, application by Enbridge Gas Distribution and Union Gas Limited to amalgamate under the OEB's policy on mergers, acquisition, amalgamation and divestiture (MAADs Decision).

² Collectively Union North West, Union North East and Union South are referred to as the Union rate zones.

³ EB-2020-0134, Settlement Proposal, January 5, 2021, p. 12.

⁴ EB-2020-0134, Decision on Settlement Proposal, January 25, 2021, p. 9.

⁵ EB-2019-0137, Final OEB Staff Report to the Ontario Energy Board, March 26, 2020.

Confidential Filings and requested confidential treatment of these documents. In Procedural Order No. 1 issued on July 16, 2021, the OEB made provision for submissions on Enbridge Gas's request for confidentiality.

OEB staff understands the sensitive nature of the information provided in the RFP responses and has no concerns with the confidential treatment of the documents. The OEB has previously approved Enbridge Gas's request for confidentiality related to similar documentation in the 2019 DVA proceeding.

– All of which is respectfully submitted –