



Rakesh Torul
Technical Manager
Regulatory Applications
Regulatory Affairs

tel 416-495-5499
EGIRegulatoryProceedings@enbridge.com

Enbridge Gas Inc.
500 Consumers Road
North York, Ontario M2J 1P8
Canada

VIA RESS and EMAIL

October 15, 2021

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

Dear Christine Long:

**Re: Enbridge Gas Inc. (“Enbridge Gas” or “EGI”)
Ontario Energy Board (“OEB”) File No. EB-2021-0148
2022 Rates (Phase 2) Application and Evidence (Incremental Capital Module)**

Please find attached an Application by Enbridge Gas Inc. (“Enbridge Gas” or “EGI”) for interim and final orders of the Ontario Energy Board (“OEB”) under section 36 of the *Ontario Energy Board Act, 1998* approving or fixing just and reasonable rates and other charges for the sale, distribution, transmission and storage of natural gas, commencing January 1, 2022. Specifically, as set out in this Application, Enbridge Gas applies for approval of unit rates related to its 2022 Incremental Capital Module (“ICM”) requests.

Background

On August 30, 2018, in the MAADs Decision (EB-2017-0306/0307), the OEB approved a rate setting mechanism (Price Cap IR) for Enbridge Gas, which sets out a multi-year incentive rate-setting mechanism (“IRM”) for the calendar year term of 2019 to 2023 (the “five year term” or the “deferred rebasing period”). The MAADs Decision confirmed that during the five-year term, distribution rates will be set separately for the Enbridge Gas Distribution (“EGD”) and Union Gas (“Union”) rate zones. The MAADs Decision also approved the specific treatment of various elements in the IRM including the availability of an Incremental Capital Module (“ICM”) during the five-year term.

This 2022 Rate Application is the fourth annual rate adjustment application under the IRM approved in the MAADs Decision.

On June 30, 2021, Enbridge Gas filed supporting evidence in EB-2021-0147 in relation to the 2022 Rate Application, which includes the annual rate escalation, pass-through costs, capital pass-through adjustments and Parkway Delivery Obligation rate adjustments, referred to as Phase 1. A Settlement Proposal, including a resolution of all items in the Phase 1 Rate Application, was filed on September 29, 2021.

In the cover letter related to Phase 1, Enbridge Gas advised that evidence related to the request for ICM funding will be filed as Phase 2 of the 2022 Rate Application.

This Application (EB-2021-0148) is for Phase 2 of the 2022 Rate Application and addresses matters related to 2022 ICM funding request. With this Application, Enbridge Gas is seeking OEB approval for ICM funding for five projects in 2022 – the St. Laurent Ottawa North Replacement (Phase 3) Project and NPS 20 Replacement Cherry to Bathurst Project in the EGD rate zone, and the Dawn to Cuthbert Replacement and Retrofits Project, Byron Transmission Station Project and Kirkland Lake Lateral Replacement Project in Union rate zones. The ICM evidence including the appendices are filed as Exhibit B, Tab 2, Schedule 1.

Also, in accordance with the commitment made in the 2020 Rates Application (EB-2019-0194), Enbridge Gas is filing a Progress Report on Implementation of ScottMadden Recommendations on Unaccounted for Gas (UFG). This report is filed as Exhibit C, Tab 2, Schedule 1.

To support the ICM projects in this Application, Enbridge Gas is filing an addendum to the Asset Management Plan 2021-2025 (2020 AMP). The 2020 AMP was filed in the 2021 Rate application in EB-2020-0181. The addendum to the Asset Management Plan is filed as Exhibit B, Tab 2, Schedule 3.

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-2021-0148 Intervenors