



Enbridge Gas Inc.

**Application for natural gas distribution rates effective
January 1, 2022**

**PROCEDURAL ORDER NO. 2 AND DECISION
February 3, 2022**

Enbridge Gas Inc. (Enbridge Gas) filed an application with the Ontario Energy Board (OEB) on October 15, 2021, under section 36 of the *Ontario Energy Board Act, 1998*, seeking approval for rate changes related to its 2022 Incremental Capital Module (ICM) funding request.

In a separate application (EB-2021-0147), Enbridge Gas applied for rate changes related to its incentive rate-setting mechanism (IRM) and other pass-through cost adjustments effective January 1, 2022 (Phase 1). This is the second phase of the application and pertains to Enbridge Gas's ICM funding request for five projects in 2022.

On November 29, 2021, the OEB issued Procedural Order No. 1 which, among other things, set the deadlines for the interrogatories and the responses to interrogatories. Enbridge Gas filed responses to the interrogatories on January 21, 2022, which included a request for confidential treatment of certain items. The Federation of Rental-Housing Providers of Ontario (FRPO), in a letter dated January 27, 2022, asked the OEB to order Enbridge Gas to respond to seven interrogatories that Enbridge Gas had declined to answer. A letter was filed by the School Energy Coalition (SEC) on behalf of itself and ten other intervenors on January 28, 2022, asking the OEB to consider scheduling a settlement conference in this proceeding.

This Procedural Order and Decision addresses Enbridge Gas's confidentiality request, FRPO's request, the request for a settlement conference, includes an OEB request for information, and sets out the next procedural steps.

Enbridge Gas's Confidentiality Request

Enbridge Gas filed interrogatory responses and requested confidential treatment for certain information contained in responses to some interrogatories. Specifically, Enbridge Gas requested that certain information in responses to the following interrogatories be treated as confidential:

1. Exhibit I.FRPO.15, Attachment 1 – PowerPoint Report re. Byron Transmission Station
2. Exhibit I.PP.9, Attachment 1 – Gas Distribution Contract between Enbridge Gas and Kirkland Lake Gold Ltd.

Enbridge Gas provided the reasons outlined below for the confidentiality request and filed unredacted copies of the documents with the OEB.

1. PowerPoint Report re. Byron Transmission Station

Enbridge Gas advised that the redacted information relates to customer names.

2. Gas Distribution Contract between Enbridge Gas and Kirkland Lake Gold Ltd.

Enbridge Gas explained that the redacted information relates to the contribution in aid of construction amount and timing, the termination payments schedule, and the contract parameters, including minimum annual volume, contract demand and customer-specific rates.

Under the *Practice Direction on Confidential Filings*, as revised on December 17, 2021, certain categories of information are “presumptively confidential”. Enbridge Gas claims the information at issue is presumptively confidential as it is “information that would disclose load profiles, energy usage and billing information of a specific customer that is not personal information” under Appendix B of the Practice Direction.

No objection to the confidentiality request was filed by any intervenor or OEB staff within the five-business day period specified in the Practice Direction. The OEB confirms that the information will be treated confidentially and it will only be made available to those signing the OEB’s Declaration and Undertaking.

FRPO’s Request

Enbridge Gas declined to answer seven interrogatories, FRPO.22 to FRPO.28, on the basis that they are related to matters outside the scope of this proceeding. These interrogatories are related to billing issues being experienced by certain Enbridge Gas customers.

Without diminishing the importance of those issues, the OEB agrees with Enbridge Gas that FRPO’s interrogatories FRPO.22 to FRPO.28 are not within the scope of this proceeding. The concerns raised are better directed to the OEB’s “Make a Complaint”

portal under the Consumer Information and Protection tab of its website. For more information on the OEB's process, please go to our [website](#).

OEB's Request for Information

The OEB is requesting additional information from Enbridge Gas regarding amalgamation and integration projects and their inclusion or exclusion from the ICM threshold calculations for 2022.

On January 27, 2022, the OEB approved Enbridge Gas's application for approval to dispose of 2020 balances in certain deferral and variance accounts (DVA) and to review amounts for earnings sharing.¹

In the DVA proceeding, Enbridge Gas's reply argument stated that amalgamation and integration costs are not recovered through rates, being funded instead through costs savings or other means during the deferred rebasing period.²

In the DVA decision, the OEB deferred the review and disposition of the accelerated Capital Cost Allowance (CCA) benefit of \$3.7 million related to 2020 amalgamation/integration capital additions to Enbridge Gas's 2024 rebasing application.³

To clarify the evidence in this ICM proceeding as set out in Exhibit B, Tab 2, Schedule 1, Table 10, the OEB requires the following information:

- a) Please provide the ICM maximum eligible capital calculation for the Enbridge and Union rate zones, both with and without the inclusion of integration/amalgamation capital projects.
- b) Please provide the associated references to the combined corporate forecast capital budget in the Distribution System Plan (DSP) and Asset Management Plan (AMP).

The deadline for responses to the above questions is **February 9, 2022**.

Request for a Settlement Conference

On January 27, 2022, SEC filed a letter with the OEB requesting a settlement conference in this proceeding on behalf of itself and ten other intervenors. SEC suggested that the settlement conference be held on February 22, 2022. On January

¹ Decision and Order, EB-2021-0149

² Enbridge Gas Reply Argument, EB-2021-0149, pp. 4-6.

³ Decision and Order, EB-2021-0149, p. 1

31, 2022, Enbridge Gas filed a letter saying it was open to a one-day session that is focused solely on the ICM requests.

After reviewing the interrogatory responses and considering the SEC and Enbridge Gas letters, the OEB has scheduled a one-day settlement conference with conditions. There are five projects for which ICM funding is proposed in 2022, it would not be expedient or efficient for the OEB to receive and decide on a partial proposed settlement before proceeding with submissions on the unsettled issues. In the absence of a complete settlement, the OEB will require written submissions on all issues in accordance with the schedule set out below.

It is necessary to make provision for the following matters related to this proceeding. Further procedural orders may be issued by the OEB.

THE ONTARIO ENERGY BOARD ORDERS THAT:

1. Enbridge Gas's request for confidential treatment is granted.
2. FRPO's request to compel answers by Enbridge Gas to interrogatories FRPO.22 to FRPO.28 is denied.
3. Enbridge Gas shall file a response to the OEB's request for the information described above and serve it on all parties by **February 9, 2022**.
4. A settlement conference is scheduled for **February 22, 2022**.
5. Enbridge Gas shall file a letter informing the OEB by **February 24, 2022**, of the status of the settlement discussions including whether a tentative full agreement had been reached.
6. If there is a full settlement, any settlement proposal arising from the settlement conference shall be filed with the OEB on or before **March 4, 2022**.
7. Any submission from OEB staff on a settlement proposal shall be filed with the OEB and served on all parties by **March 11, 2022**.
8. If there is no full settlement, written submissions from OEB staff and intervenors shall be filed with the OEB by **March 4, 2022**.
9. If there is no full settlement, a reply written submission from Enbridge Gas shall be filed with the OEB by **March 11, 2022**.

Parties are responsible for ensuring that any documents they file with the OEB, such as applicant and intervenor evidence, interrogatories and responses to interrogatories or any other type of document, **do not include personal information** (as that phrase is defined in the *Freedom of Information and Protection of Privacy Act*), unless filed in accordance with rule 9A of the OEB's [Rules of Practice and Procedure](#).

Please quote file number, **EB-2021-0148** for all materials filed and submit them in searchable/unrestricted PDF format with a digital signature through the [OEB's online filing portal](#).

- Filings should clearly state the sender's name, postal address, telephone number and e-mail address
- Please use the document naming conventions and document submission standards outlined in the [Regulatory Electronic Submission System \(RESS\) Document Guidelines](#) found at the [Filing Systems page](#) on the OEB's website
- Parties are encouraged to use RESS. Those who have not yet [set up an account](#), or require assistance using the online filing portal can contact registrar@oeb.ca for assistance

All communications should be directed to the attention of the Registrar at the address below and be received by end of business, 4:45 p.m., on the required date.

With respect to distribution lists for all electronic correspondence and materials related to this proceeding, parties must include the Case Manager, Petar Prazic, at Petar.Prazic@oeb.ca and OEB Counsel, Ian Richler at Ian.Richler@oeb.ca.

Email: registrar@oeb.ca

Tel: 1-877-632-2727 (Toll free)

DATED at Toronto, February 3, 2022

ONTARIO ENERGY BOARD

Original signed by

Nancy Marconi
Acting Registrar