## **VIA RESS and EMAIL**

NBRIDGE

February 9, 2022

Nancy Marconi Acting Registrar Ontario Energy Board 2300 Yonge Street, 27<sup>th</sup> Floor Toronto, ON M4P 1E4

Dear Nancy Marconi:

Re: Enbridge Gas Inc. (Enbridge Gas)

Ontario Energy Board (OEB) File No.: EB-2021-0148

**2022 Rates (Phase 2)** 

**OEB Request for Information** 

In accordance with Procedural Order No. 2 and Decision issued on February 3, 2022, enclosed please find Enbridge Gas's response to the OEB's request for additional information in the above noted proceeding.

Please contact the undersigned if you have any questions.

Yours truly,

Rakesh Torul Technical Manager, Regulatory Applications

cc: Intervenors (EB-2021-0148)

David Stevens, Aird and Berlis LLP

Filed: 2022-02-09 EB-2021-0148 Exhibit I.OEB Request.1 Page 1 of 2

#### **ENBRIDGE GAS INC.**

## Answer to Additional Information Request from Ontario Energy Board Staff (OEB)

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.<sup>1</sup>

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.<sup>2</sup>

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.<sup>3</sup>

### Question(s):

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).

#### Response:

a) Please see the tables below for the maximum eligible incremental capital calculations by rate zone with and without integration projects for 2022. Note that the first of the tables (showing maximum eligible incremental capital without integration/amalgamation capital projects) is the same as filed in the application (Exhibit B, Tab 2, Schedule 1, Table 10).

<sup>&</sup>lt;sup>1</sup> Decision and Order, EB-2021-0149

<sup>&</sup>lt;sup>2</sup> Enbridge Gas Reply Argument, EB-2021-0149, pp. 4-6.

<sup>&</sup>lt;sup>3</sup> Decision and Order, EB-2021-0149, p. 1

Filed: 2022-02-09 EB-2021-0148 Exhibit I.OEB Request.1 Page 2 of 2

## <u>Maximum Eligible Incremental Capital by Rate Zone</u> <u>Excluding Integration/Amalgamation Capital</u>

Line

Line

No.	Particulars (\$ millions)	EGD	Union
		(a)	(b)
1	2022 In-Service Capital Forecast	734.3	543.1
2	Less: Materiality Threshold Value	521.5	455.5
3	Maximum Eligible Incremental Capital	212.8	87.6

# Maximum Eligible Incremental Capital by Rate Zone Including Integration/Amalgamation Capital

	No.	Particulars (\$ millions)	EGD	Union
-			(a)	(b)
	1	2022 In-Service Capital Forecast	764.4	560.1
	2	Less: Materiality Threshold Value	521.5	455.5
	3	Maximum Eligible Incremental Capital	242.9	104.6

b) There are no references to amalgamation and integration capital costs in the Asset Management Plan (AMP). These capital costs are not recovered through rates during the deferred rebasing term and are therefore excluded from the AMP and the capital budget used for the determination of the maximum eligible incremental capital.