

April 6, 2022

VIA RESS

Ms. Nancy Marconi
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Dear Ms. Marconi:

Re: EB-2022-0089: Enbridge Gas Inc. (EGI) April 1, 2022 QRAM Application.

Industrial Gas Users Association (IGUA) Comments on EGI Customer Communication Plan.

We write as legal counsel to IGUA, in reference to EGI's March 31st letter to the OEB regarding measures that it has taken to address customer communications in response to the OEB's March 24, 2022 *Decision and Rate Order* on EGI's April, 2022 QRAM application.

IGUA had raised concerns regarding the clarity of EGI's customer communication in its comments on EGI's QRAM application, stating as follows:

... we find reference to increases and refunds confusing, and there is no information indicating that portions of market price increases have been deferred for recovery in the future in order to mitigate rate impacts.

The OEB stated its agreement with these concerns in its Decision, and found that EGI must address this in a proactive manner.¹ On a related topic, the OEB also found information regarding the interest costs of EGI's proposed deferral to be an important consideration, and that information thereon in EGI's responding comments in that proceeding "*provided important clarity for both Enbridge Gas's customers and the OEB*".²

In its March 31st letter in response to the OEB's findings in respect of EGI's customer communications, EGI advised that its revised website gas price increase explanation includes the following statement:

¹ Decision, page 9, top.

² Decision, page 8, top.

Since October, 2021, we've taken steps, with the OEB's approval, to "smooth out" the actual increase in natural gas prices to lower the total bill for customers over time. The "smoothed out" costs will be recovered gradually over the coming months to help customers manage their energy bills.

While no doubt unintentional, we believe this statement to be a misrepresentation. The "smoothing out" proposed by EGI and approved by the OEB lowers customer bills in the near term from what they would otherwise have been, but increases overall customer gas charges over time. The forecast interest on the deferred amounts was provided by EGI in its responding QRAM submissions and was noted by the OEB in its Decision as totalling \$3.1 million for a 24 month smoothing period and \$1.5 million for a 12 month smoothing period.

IGUA respectfully suggests that what EGI should be communicating is that it is taking steps to "smooth out" recovery of gas cost increases by deferring a portion of the costs for recovery later, resulting in lower customer bills in the near term and recovery of deferred gas costs, plus interest thereon, over time. IGUA also suggests that EGI should be more specific in its messaging that it is addressing natural gas prices charged to customers taking gas from EGI, rather natural gas prices *per se*. EGI is not, of course, changing market price through its deferral mechanism, but rather is adjusting the rate approved by the OEB for recovery of that market price.

EGI should consider further amending its customer communications to better reflect the intent and effect of the OEB approved gas cost recovery deferral mechanism, as outlined above.

Yours truly,



Ian A. Mondrow

- c. Dr. Shahrzad Rahbar (IGUA)
Richard Wathy (EGI)
Tania Persad (EGI)
Valerie Young (Jupiter)
Intervenors of Record (EB-2021-0147; EB-2021-0148)