



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 EMAIL and RESS

April 21, 2022

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

Dear Nancy Marconi:

**Re: Enbridge Gas Inc.
Ontario Energy Board File No.: EB-2021-0148
2022 Rates Application (Phase 2 – Incremental Capital Module Funding
Request) - Draft Rate Order**

Effective January 1, 2019, Enbridge Gas Distribution Inc. (EGD) and Union Gas Limited (Union) amalgamated to become Enbridge Gas Inc. (Enbridge Gas). On June 30, 2021, Enbridge Gas filed an application with the Ontario Energy Board (OEB) under section 36(1) of the *Ontario Energy Board Act, 1998* seeking approval for changes to its natural gas rates effective January 1, 2022. This application is Enbridge Gas's fourth annual rate adjustment application under the IRM framework approved by the OEB in the MAADs Decision (EB-2017-0306/0307).

Similar to the 2021 rates application, Enbridge Gas requested approval for the price cap and other pass-through costs adjustments as "Phase 1" (IRM related elements) and "Phase 2" (ICM) filings for the 2022 Rates application as separate applications. In a decision issued on October 28, 2021, the OEB accepted the settlement proposal in Phase 1 which included an interim rate order for rates reflecting the IRM adjustments effective January 1, 2022.

On April 12, 2022, the OEB issued its Decision and Order on Phase 2 of the 2022 rates application and directed Enbridge Gas to file a Draft Rate Order, inclusive of schedules with proposed Tariff of Rates and Charges, reflecting the OEB's findings in its Decision. The Draft Rate Order shall include customer rate impacts and the associated rate riders for the approved ICM project. As per the OEB Decision, the ICM unit rates resulting from this Decision will be effective and implemented with the July 1, 2022 QRAM application.

Enclosed is the Draft Rate Order for rates effective July 1, 2022 reflecting the OEB's findings in its Decision including updates to the ICM rate riders and customer bill impacts schedules for the Decision.

The Draft Rate Order reflects the approved 2022 ICM funding of \$126.6 million for the Cherry to Bathurst NPS 20 Replacement Project in the EGD rate zone. Enbridge Gas is not filing a Draft Rate Order in the Union rate zone as there are no ICM project applicable to this rate zone.

The Draft Rate Order is based on April 1, 2022 Rates as approved in April QRAM (EB-2022-0089) updated to include the associated rate riders for the approved ICM project.

The proposed 2022 rate changes resulting from the attached Draft Rate Order are:

- the net annual bill increase associated with the 2022 ICM approved funding for a typical EGD rate zone residential customer (Rate 1) consuming 2,400 m³ per year is approximately \$1.01 per year for sales service customers and bundled direct purchase customers.

Certain schedules in relation to the ICM requests have also been updated to reflect the impact of the 2022 Rates decision (Phase 2) and the July 1, 2022 implementation date. The required updates to following appendices were originally filed at Exhibit B, Tab 2, Schedule 1 in the pre-filed evidence:

- Appendix E: 2022-2023 ICM Project Revenue Requirement
- Appendix F: Allocation of 2022 ICM Project Revenue Requirement
- Appendix G: Derivation of 2022 ICM Rates by Rate Class
- Appendix H: Calculation of 2022 ICM Bill Impacts – EGD rate zone

Customer notices filed with the July 2022 QRAM will reflect all rate changes effective July 1, 2022 including the impacts of the 2022 ICM rate riders.

To implement the ICM unit rates with the July 1, 2022 QRAM, Enbridge Gas would require a decision on the Draft Rate Order by June 1, 2022.

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