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VIA RESS and EMAIL

October 7, 2022

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

Dear Nancy Marconi:

**Re: Enbridge Gas Inc. (Enbridge Gas or EGI)
Ontario Energy Board (OEB) File No.: EB-2022-0133 - 2023 Rates
Settlement Proposal and Draft Rate Order - Updated Interrogatory Responses**

Attached to this letter is a Settlement Proposal for 2023 Rates (Phase 1) Application, along with Draft Rate Orders reflecting the Settlement Proposal.

The Settlement Proposal includes a complete settlement of all items in this proceeding. Appendices A and B to the Settlement Proposal provide Draft Rate Orders (and associated materials) reflecting the impact of the Settlement Proposal for the Enbridge Gas Distribution (EGD) and Union Gas (Union) Rate Zones.

This 2023 Rate Application is the final annual rate adjustment application under the IRM approved in the MAADs Decision. Enbridge Gas will not be proposing an ICM request for 2023 Rates. As such, there will not be a Phase 2 of the 2023 Rates application.

Enbridge Gas requests that the OEB review and approve the Settlement Proposal, as well as the Draft Rate Orders. Enbridge Gas respectfully requests an OEB Decision on these items by November 24, 2022.

Enbridge Gas plans to file its January 1, 2023 QRAM Application by Friday, December 9, 2022. Receiving an OEB Decision on the Settlement Proposal by Thursday November 24, 2022 would permit Enbridge Gas to use the OEB-approved 2023 rates (which reflects the impact of the IRM adjustments including updates to the capital pass-through and PDO costs) as base rates for its January 1, 2023 QRAM application.

In addition, Enbridge Gas has filed updates to the following exhibits and interrogatory responses:

Exhibit	Updated
D-1 Appendix B (included as part of Exhibit N1-1-1 Appendix A)	Rider M has been updated for October 2022 QRAM in the Rate handbook.
I.STAFF.3, pages 2 - 4	Interrogatory response updated to fully explain the way the Rider M amount is determined.
I.EP.3, page 3 - Table 2	Correction in Table 2

The Settlement Proposal and associated Draft Rate Orders, and an update to the above interrogatory responses have been filed through the OEB's Regulatory Electronic Submission System (RESS).

Please contact the undersigned if you have any questions.

Yours truly,

(Original Digitally Signed)

Rakesh Torul
Technical Manager,
Regulatory Applications

cc: David Stevens, Aird and Berlis LLP
EB-2022-0133 Intervenors

SETTLEMENT PROPOSAL

Enbridge Gas Inc.

2023 Rates

October 7, 2022

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PREAMBLE

This Settlement Proposal is filed with the Ontario Energy Board (the “OEB”) in connection with the application of Enbridge Gas Inc. (“Enbridge Gas” or the “Company”), for an order or orders approving Enbridge Gas’s 2023 rates for the Rate Zones of the former Enbridge Gas Distribution (“EGD”) and Union Gas Limited (“Union”).

On July 20, 2022, the OEB issued its Notice of Application in this proceeding. In Procedural Order No. 1, dated August 18, 2022, the OEB established the process to address Phase 1 of the application, up to and including a Settlement Conference.

A Settlement Conference was held on September 20, 2022. A settlement in principle was reached at the Settlement Conference and discussions continued after that time for the purposes of recording the settlement in this Settlement Proposal. Andrew Pride acted as facilitator for the Settlement Conference. This Settlement Proposal arises from the Settlement Conference.

Enbridge Gas and the following intervenors, as well as Ontario Energy Board technical staff (OEB Staff), participated in the Settlement Conference:

- City of Kitchener (Kitchener)
- Consumers Council of Canada (CCC)
- Canadian Manufacturers & Exporters (CME)
- Energy Probe Research Foundation (Energy Probe)
- Federation of Rental-Housing Providers of Ontario (FRPO)
- Industrial Gas User’s Association (IGUA)
- London Property Management Association (LPMA)
- Ontario Greenhouse Vegetable Growers (OGVG)
- Pollution Probe (PP)
- School Energy Coalition (SEC)
- Six Nations Natural Gas Company Limited (SNNG)
- TransCanada PipeLines Limited (TCPL)
- Vulnerable Energy Consumers Coalition (VECC)

All intervenors listed above participated in the Settlement Conference and subsequent discussions. In this Settlement Proposal, the above-listed intervenors and Enbridge Gas are referred to as “the parties”. TCPL takes no position on any of the settled items, meaning that where there is a reference to “all parties” agreeing to the resolution of an item, that reference does not include TCPL.

The following items from Enbridge Gas’s Application and pre-filed evidence were addressed by the parties during the Settlement Conference and subsequent discussions:

1. The proposed price cap rate adjustment for 2023 rates in the EGD and Union Rate Zones.
2. The proposed pass-through costs included in 2023 rates in the EGD and Union Rate Zones.
3. The proposed capital pass-through cost adjustments for 2023 rates in the Union Rate Zones.
4. The proposed Parkway Delivery Obligation (PDO) cost adjustment for 2023 in the Union Rate Zones.
5. Rider M (Hydrogen Gas Rider) and Retail Service Charges.
6. The timing for implementation of the proposed changes to 2023 rates.
7. Integrated Resource Planning.

The parties have reached complete agreement on all these items.

Collectively, the items discussed during the Settlement Conference are referred to as the “Settled Items” in this Settlement Proposal.

All intervenors listed above participated in the Settlement Conference and subsequent discussions. OEB Staff are not a party to the Settlement Proposal. Although not a party to the Settlement Proposal, once the Settlement Proposal is filed, OEB Staff will file a submission commenting on two aspects of the settlement: whether the settlement represents an acceptable outcome from a public interest perspective, and whether the accompanying explanation and rationale is adequate to support the settlement. Also, as noted in the Practice Direction on Settlement Conferences, OEB Staff who participated in the Settlement Conference are bound by the same confidentiality and privilege rules that apply to the parties to the proceeding.

This document is called a “Settlement Proposal” because it is a proposal by the parties to the OEB to settle the issues in this proceeding. It is termed a proposal as between the parties and the OEB. However, as between the parties, and subject only to the OEB’s approval of this Settlement Proposal, this document is intended to be a legal agreement, creating mutual obligations, and is binding and enforceable in accordance with its terms. As set forth below, this Settlement Proposal is subject to a condition subsequent, that if it is not accepted by the OEB in its entirety, then unless amended by the parties it is null and void and of no further effect. In entering into this agreement, the parties understand and agree that, pursuant to the *Ontario Energy Board Act, 1998*, the OEB has exclusive jurisdiction with respect to the interpretation or enforcement of the terms hereof.

Enbridge Gas and all intervenors listed above have agreed to the settlement of the Settled Items as described on the following pages. Subject to the comment above about TCPL taking no position on any Settled Item, any reference to “parties” in this Settlement Proposal is intended to refer to Enbridge Gas and the intervenors listed above. The description of each Settled Item assumes that all parties participated in the negotiation of the item, unless specifically noted otherwise.

Best efforts have been made to identify all of the evidence that relates to each Settled Item. The supporting evidence for each settled issue is identified individually by reference to its exhibit number in an abbreviated format; for example, Exhibit B, Tab 1, Schedule 1 is referred to as B-1-1. The identification and listing of the evidence that relates to each Settled Item is provided to assist the OEB.

The Settlement Proposal describes the agreements reached on the Settled Items. The Settlement Proposal provides a direct link between each Settled Item and the supporting evidence in the record to date and/or the additional evidence attached to hereto. In this regard, the parties are of the view that the evidence provided is sufficient to support the Settlement Proposal in relation to the Settled Items and, moreover, that the quality and detail of the supporting evidence, together with the corresponding rationale, will allow the OEB to make findings agreeing with the proposed resolution of the Settled Items.

None of the parties can withdraw from the Settlement Proposal except in accordance with Rule 30 of the *Ontario Energy Board Rules of Practice and Procedure*. Further, unless stated otherwise, a settlement of any particular issue in this proceeding is without prejudice to the positions parties might take with respect to the same issue in future proceedings, whether during the term of Enbridge Gas’s current deferred rebasing term, or thereafter.

The parties acknowledge that all data, documents or information provided and any discussions, including negotiations, admissions, concessions, offers and counter-offers occurring during the course of the Settlement Conference (settlement information), including subsequent related discussions, are privileged and confidential and without prejudice in accordance with (and subject to the exceptions set out in) the OEB’s *Practice Direction on Settlement Conferences* (see pages 4-5 of the OEB’s *Practice Direction on Settlement Conferences*, as revised February 17, 2021).

It is fundamental to the agreement of the parties that none of the provisions of this Settlement Proposal are severable. If the OEB does not accept the provisions of the Settlement Proposal in their entirety, there is no Settlement Proposal (unless the parties agree that any portion of the Settlement Proposal that the OEB does accept may continue as a valid Settlement Proposal).

Where in this Agreement, the parties “accept” the evidence of Enbridge Gas, or the parties or any of them “agree” to a revised term or condition, including a revised budget or

forecast, then unless the Settlement Proposal expressly states to the contrary, the words “for the purpose of settlement of the issues herein” shall be deemed to qualify that acceptance or agreement.

OVERVIEW

This 2023 rate application is the fifth and final annual rate adjustment application under the incentive rate-making mechanism (“IRM”) approved in the MAADs Decision.¹ Enbridge Gas’s Application is typically divided into two Phases. Phase 1 (which is the subject of this Settlement Proposal) addresses the IRM related elements of the application, as well as the update on Enbridge Gas’s review of opportunities to reduce the PDO². Enbridge Gas does not plan to file a Phase 2 application (which typically addresses Incremental Capital Module (“ICM”) requests) for 2023.

The prefiled evidence sets out and explains the proposed changes to Enbridge Gas’s base rates for regulated transportation, storage and distribution for each of its three Rate Zones (EGD, Union North and Union South) effective January 1, 2023. As explained, adjustments to the base rates for each Rate Zone are determined in accordance with the IRM as follows:

- i. Annual rate escalation, as determined by a price cap index (“PCI”), where PCI growth is driven by an inflation factor using GDP IPI FDD, less a productivity factor of zero and a stretch factor of 0.30% (the “X factor”).
- ii. Demand side management cost changes, lost revenue adjustment mechanism changes for the contract market and average use/normalized average consumption adjustments.

A summary of the impact of the proposed IRM adjustments for each Rate Zone is set out in Table 1 of Exhibit B, Tab 1, Schedule 1 of the prefiled evidence. An updated form of that Table is reproduced below (reflecting one change arising from this Settlement Proposal).

In accordance with the MAADs Decision and the 2019 Rates Decision and Order (EB-2018-0305), Enbridge Gas has also included updates to capital pass-through and Parkway Delivery Obligation (“PDO”) costs in the Union rate zones in Phase 1.

¹ 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 “deferred rebasing term”). The MAADs Decision confirmed that during the deferred rebasing term, distribution rates will be set separately for the EGD and Union Rate Zones.

² As agreed in the EB-2020-0091 Settlement Proposal (2021 Rates, Phase I).

Through the Settlement Conference process, all parties have agreed that it is appropriate for Enbridge Gas to proceed to implement its as-filed IRM rate adjustments, as well as the proposed updates to the capital pass-through charges. As set out herein, Enbridge Gas has agreed to update the PDO and Parkway Delivery Commitment Incentive ("PDCI") costs to reflect the four additional customers who will be moving their capacity to Dawn. Enbridge Gas has also agreed to update Rider M (the Hydrogen Gas Rate Rider) to reflect the October 1, 2022 QRAM price of gas.

Although this does not relate to requested approvals in this case, the Settlement Proposal also includes comments from parties about Integrated Resource Planning ("IRP").

Enbridge Gas has prepared updated Draft Rate Orders reflecting the items set out above, along with updating of other appropriate items to reflect updated gas costs based on the October 1, 2022 QRAM. The Draft Rate Orders are attached as Appendices A and B.

All parties agree that it is appropriate for Enbridge Gas to implement the 2023 rates as proposed, to be effective January 1, 2023. The implementation will be effected in conjunction with the January 1, 2023 QRAM Application.

Details of the settlement on the Settled Items are set out in the Issues section that follows.

THE ISSUES

1. Is the proposed price cap rate adjustment for 2023 calculated properly?

As set out in the prefiled evidence, Enbridge Gas has applied the Price Cap IRM using a PCI to adjust rates for each of the EGD and Union Rate Zones for 2023.

All parties agree that the inflation factor of 3.9% is appropriate for calculating 2023 IRM rates. All parties agree that it is appropriate to apply a PCI of 3.6%, based on an inflation factor of 3.9% and the X factor of 0.3%.

The impact of the agreed change can be seen in the table below, which is a reproduction of Exhibit B, Tab 1, Schedule 1, page 3 (Table 1), with a change to reflect the update to the 2023 PDO Change (see Item 4, below) as well as the October 2022 QRAM:

Table 1
Proposed Changes in Revenue by Rate Zone
Effective January 1, 2023

Line No.	Particulars	EGD Rate Zone (\$000's) As filed ³	Union Rate Zones (\$000's) As filed	Union Rate Zones (\$000's) Updated for October 2022 GRAM
	<u>Summary Change in Revenue:</u>			
1	2023 Proposed in EB-2022-0133	1,357,824	1,395,977	1,417,639
2	2022 Approved in EB-2021-0148 (1)	1,304,232	1,356,437	1,373,730
3	Net Change (line 1 - line 2)	53,592	39,540	43,909
	<u>Detailed Change in Revenue:</u>			
4	2023 Price Cap Index (3.6%)	44,400	35,974	36,522
5	2023 DSM Budget Change	9,192	961	961
6	2023 Capital Pass-through Change	-	739	739
7	2023 Parkway Delivery Obligation Change	-	1,866	5,687
8	Total Excluding Incremental Capital Module ("ICM") Funding (lines 4 through 7)	53,592	39,540	43,909
9	2023 ICM Funding	Note (2)	Note (2)	Note (2)
10	Total (line 8 + line 9)	53,592	39,540	43,909

Notes:

- (1) EGD rate zone per Exhibit D, Tab 1, Rate Order, Working Papers, Schedule 7.
Union rate zones per Exhibit D, Tab 2, Rate Order, Working Papers, Schedule 9.
- (2) No ICM funding request for 2023 rates.
- (3) EGD rate zone Revenue is not impacted by updating for the October 2022 GRAM.

Evidence: The evidence in relation to this issue includes the following:

A-2-1	Application
B-1-1	Rate Setting Mechanism
D-1	Draft Rate Order – EGD Rate Zone
D-2	Draft Rate Order – Union Rate Zones
I.STAFF.2	Staff Interrogatory #2

2. Are the proposed pass-through costs included in 2023 rates appropriate?

The MAADs Decision approved the following costs as Y factors:

- Demand Side Management (“DSM”) costs as determined in EB-2015-0029/EB-2015-0049 /EB-2021-0002³ and any subsequent proceeding;
- Lost Revenue Adjustment Mechanism (“LRAM”) for the contract market; and
- Average Use and Normalized Average Consumption.

The prefiled evidence sets out Enbridge Gas’s calculations of the pass-through amounts associated with these Y factors for each of the EGD and Union Rate Zones.

All parties accept the evidence of Enbridge Gas that it has properly calculated the pass-through amounts included in the application.

For the DSM costs, this application reflects the proposed 2023 DSM budget and rate class allocations as filed in the 2022-2027 DSM Plan application (EB-2021-0002, Exhibit F, Tab 1, Schedule 2). The 2023 DSM budget for the EGD rate zone is \$76.9 million and \$65.3 million for the Union rate zones. The OEB has not yet issued a decision in the 2022-2027 DSM Plan application.

As in years past, the difference between the 2023 DSM budget in rates and actual 2023 DSM costs will be captured in the respective Demand Side Management Variance Accounts (DSMVA).

Evidence: The evidence in relation to this issue includes the following:

A-2-1	Application
B-1-1	Rate Setting Mechanism
I.STAFF.1	Staff Interrogatory #1
I.EP.1 and 2	EP Interrogatories #1 and 2

3. Are the capital pass-through cost adjustments proposed for 2023 rates appropriate?

In the 2019 Rates Decision and Order (EB-2018-0305), the OEB denied the proposed one-time adjustment to base rates for certain capital pass-through projects for the Union Rate Zones. In the prefiled evidence, Enbridge Gas has updated the capital pass-through projects to reflect the 2023 revenue requirement of each approved project consistent with the rate treatment in past years.

All parties accept the evidence of Enbridge Gas that it has properly calculated the capital pass-through adjustments for 2023 rates.

³ EB-2021-0002, Decision and Order on 2022 DSM activities dated August 26, 2021, page 2.

Evidence: The evidence in relation to this issue includes the following:

A-2-1	Application
B-1-1	Rate Setting Mechanism
I.EP.5 and 6	Energy Probe Interrogatories #5 and 6

4. Is the Parkway Delivery Obligation (PDO) cost adjustment for the Union Rate Zones calculated properly?

In the prefiled evidence, Enbridge Gas has updated the PDO and PDCI costs included in 2023 rates for the Union Rate Zones to reflect the 2023 Rate M12 Dawn-Parkway toll and compressor fuel.

In response to Staff Interrogatory #4, Enbridge Gas indicated that it expects four additional Parkway obligated customers to exercise the option to move their capacity to Dawn. This will result in the shift of an additional 59 GJ/day of Parkway obligated deliveries to Dawn. Enbridge Gas has agreed to update the PDO and PDCI costs to reflect the 59 GJ/day reduction in PDO volumes.

Enbridge Gas has agreed to provide a schedule within this Settlement Proposal for the Union Rate Zones setting out the demands on the Dawn Parkway system and the allocation of compressor fuel across the system based on those demands. This schedule is attached as Appendix C.

Also, Enbridge Gas has agreed to update the response to Energy Probe Interrogatory #3, to correct an error in Table 2.

The Draft Rate Order for the Union Rate Zones reflects the items listed above, and updates other appropriate items to reflect updated gas costs based on the October 1, 2022 QRAM (EB-2022-0219).

With the items noted above having been reflected, all parties accept that Enbridge Gas has properly calculated the PDO/PDCI cost adjustment.

Evidence: The evidence in relation to this issue includes the following:

A-2-1	Application
B-1-1	Rate Setting Mechanism
B-1-1 App. A	Annual PDO Reporting
I.STAFF.4	Staff Interrogatory #4
I.EP.3	Energy Probe Interrogatory #3
I.FRPO.4 to 8	FRPO Interrogatories #4 to 8

5. Rider M (Hydrogen Gas Rider) and Retail Service Charges

Enbridge Gas's prefiled evidence addresses two other rate changes.

First, Enbridge Gas updated the Retail Service Charges for both the EGD and Union Rate Zones to reflect an inflation factor (3.9%) as required by the OEB's Report on Energy Retailer Service Charges (EB-2015-0304).

All parties accept the updated Retail Service Charges.

Second, Enbridge Gas proposed an update to Rider M (the Hydrogen Gas Rate Rider) to reflect the "material" change in the price of natural gas experienced in 2022. Rider M applies for customers receiving blended gas (including around 2% hydrogen) as part of the Low Carbon Energy Project. Rider M compensates those 3621 customers for the additional volumes consumed because of the lower energy content of hydrogen. Enbridge Gas proposed to increase the Rider M credit to reflect the current higher price of gas, and to build in an additional amount to cover potential future increases in the price of natural gas. This additional added amount above the current price of natural gas is included because Rider M is only adjusted once per year, whereas the price of natural gas is adjusted quarterly. Therefore, customers receiving blended gas will be appropriately compensated even where there are modest increases in the price of natural gas over the course of 2023. Enbridge Gas has agreed to update the response to Staff Interrogatory #3 to more fully explain the way that the Rider M amount is determined.

As discussed at the Settlement Conference, Enbridge Gas's updated proposal is to update Rider M to reflect the October 1, 2022 QRAM price of natural gas plus a modest additional amount to cover potential future increases in the price of natural gas, resulting in the following Rider M annual amounts per customer:

Rate 1 - \$20
Rate 6 - \$175

The derivation of the updated Rider M proposal is set out in the updated response to Staff Interrogatory #3.

For the purpose of settlement, all parties accept Enbridge Gas's updated proposal for Rider M. In reaching this settlement, intervenors note and rely on the fact that the 2023 costs for Rider M are very small, are funded by Enbridge Gas's existing rates and are not being incrementally recovered from customers. Intervenors are not taking a position on the appropriateness of Enbridge Gas's specific approach in determining the additional amount built into Rider M to insulate blended gas customers from the impact of gas price increases during the year.

Evidence: The evidence in relation to this issue includes the following:

B-1-1	Rate Setting Mechanism
D-1	Draft Rate Order – EGD Rate Zone
D-2	Draft Rate Order – Union Rate Zones
I.STAFF.3	Staff Interrogatory #3
I.EP.4	Energy Probe Interrogatory #4

6. What is the timing for implementation of the proposed changes to 2023 rates?

Enbridge Gas has prepared draft Rate Orders for the EGD and Union Rate Zones reflecting the implementation of the IRM adjustments and the proposed updates to the capital pass-through and PDO costs. The draft Rate Orders are attached as Appendices “A” and “B” and reflect the impact of updated gas costs based on October 1, 2022 QRAM decision.

All parties agree that it is appropriate to implement the updated rates as of January 1, 2023, in conjunction with the January 1, 2023 QRAM Application for the EGD and Union Rate Zones.

Enbridge Gas is requesting that the OEB review and approve the IRM rate adjustments, including the Rate Order by November 24, 2022, so that the rates can be implemented on a final basis in conjunction with the January 1, 2023 QRAM application.

Evidence: The evidence in relation to this issue includes the following:

A-2-1	Application
B-1-1	Rate Setting Mechanism
D-1	Draft Rate Order – EGD Rate Zone
D-2	Draft Rate Order – Union Rate Zones
I.STAFF.3	Staff Interrogatory #3
I.EP.4	Energy Probe Interrogatory #4

7. Integrated Resource Planning

As context for the statements below, all parties note that no relief related to Integrated Resource Planning (“IRP”) is being sought in this proceeding.

With that said, Intervenor do wish to express their concerns regarding the status of Enbridge Gas’s compliance with the OEB’s IRP Decision and Framework, and in particular with the impacts on 2023 operating and maintenance costs and capital project planning/implementation.

Enbridge Gas does not agree that it is out of compliance with the OEB’s IRP Decision and Framework.

Evidence: The evidence in relation to this issue includes the following:

I.PP.2 to 7	Pollution Probe Interrogatories #2 to 7
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APPENDIX A

DRAFT RATE ORDER – EGD RATE ZONE

FILED SEPARATELY

APPENDIX B

DRAFT RATE ORDER – UNION RATE ZONES

FILED SEPARATELY

APPENDIX C

DAWN-PARKWAY SYSTEM DEMANDS AND ALLOCATION OF FUEL

Information Request from the Settlement Conference on 2023 Rates

This Schedule summarizes information from Enbridge Gas's filing about the demands on the Dawn-Parkway system, and then sets out the allocation of fuel costs based on system demands and the impact of the PDO.

	Col.1	Col.2	Col.3	Col.4	Col.5	Col.6	Col.7	Col.8	Col.9	Col.10	Reference
A Forecast Dawn to Parkway Demands (TJ/d)	<u>W13/14</u>	<u>W14/15</u>	<u>W15/16</u>	<u>W16/17</u>	<u>W17/18</u>	<u>W18/19</u>	<u>W19/20</u>	<u>W20/21</u>	<u>W21/22</u>	<u>W22/23</u>	
Forecast Dawn to Parkway Demands ¹	6,593	6,643	7,049	7,443	7,783	7,759	7,905	7,911	8,038	7,992	Exhibit I.FRPO.4, Attachment 1, p. 1, line 6
Forecast Dawn to Parkway Demands ²										7,992	Exhibit I.FRPO.5, Attachment 1, p. 1

B Forecast Dawn to Parkway Demands - Rate M12/C1 (GJ)

For 2023 rate setting - 2013 forecast usage plus capital pass-through projects³

	<u>Exhibit D-2, Rate Order, working papers, Schedule 5</u>			<u>Exhibit I.FRPO.4, Attachment 2, page 1</u>			
	Col.1	Col.2	Col.3	Col.4	Col.5	Col.6	
		No of	Annual	2013 Forecast	Capital Pass-	Forecast	
Rate M12/C1	Forecast usage	Months	Demands	Usage	through Projects	usage	
Dawn to Parkway	pg 21-22						
- 12 months	4,221,865	12	50,662,380				
- 10 months	65,000	10	650,000				
- 3 months	2,000	3	6,000				
- F24-T - 12 months	307,000	12	3,684,000				
			55,002,380	43,052,600	11,949,780	55,002,380	-
Dawn to Kirkwall	pg 21-22						
- 12 months	419,318	12	5,031,816				
- 10 months	304,563	10	3,045,630				
- 2 months	18,365	2	36,730				
- F24-T - 12 months	49,500	12	594,000				
			8,708,176	8,708,176	-	8,708,176	-
Kirkwall to Parkway	pg 21-22						
- 12 months	209,652	12	2,515,824				
- 2 months	174,752	2	349,504				
			2,865,328	1,411,468	1,453,860	2,865,328	-
M12-X	pg 21-22						
	391,011	12	4,692,132	4,692,132	-	4,692,132	-
Parkway to Dawn	pg 25-26						
- 12 months	347,371	12	4,168,452				
- 3 months	54,357	3	163,071				
			4,331,523	4,331,523	-	4,331,523	-
Rate C1 Dawn to Parkway	pg 25-26						
- 12 months	7,065	12	84,780				
- 12 months North T-Service	35,090	12	421,080				
			505,860	84,780	421,080	505,860	-

C Forecasted 2023 Parkway Delivery Obligation (PDO) Demands: Used for 2023 Rate-Setting⁴

	2023 Forecast	Reference
Sales Service (TJ/d)	11	Exhibit D-2, Rate Order, working papers, schedule 11, pg 6
Direct Purchase (TJ/d)	235	Exhibit D-2, Rate Order, working papers, schedule 11, pg 7
	246	
Forecast - Exhibit I.EP.3	246	Corrected version is filed with the Settlement Proposal

D.1 Forecast of Fuel Costs and Allocation of Fuel Costs Between In-Franchise and Ex-Franchise Customers: Used for 2023 Rate-Setting⁵

Ref: Exhibit D-2, rate Order, working papers, Schedule 11, page 5

GJ	Updated for PDO	As per EB-2011-0210	Difference
			<i>PDO impact</i>
M12 Easterly	3,807,250	3,615,834	191,415
M12 Westerly	1,221	1,009	212
C1 LT Easterly	14,458	13,379	1,079
C1 ST Easterly	802,136	746,960	55,176
C1 LT Westerly	5,691	4,718	973
C1 ST Westerly	-	-	-
M16 to Pool	580	-	580
Infranchise - North	83,484	80,516	2,968
Infranchise - South	440,069	212,141	227,928
	5,154,889	4,674,557	480,331

D.2 Fuel Cost updated for PDO impact in 2023 Rates

Ref: Exhibit D-2, rate Order, working papers, Schedule 11, page 4, col. (c) and (d), and page 2, col (b)

GJ	\$000's
Total PDO fuel impact	480,331
	2,531

Notes:

1. Rates which recover the cost of the Dawn to Parkway system are based on 2013 forecasted demands in EB-2011-0210 (i.e. base year/last cost-of-service proceeding) plus demands added for rate setting purposes as a result of the capital pass-through projects. Forecasted demands for the remaining years (2014 to 2023) are provided in response to information requests, but are not/were not used for rate-setting purposes. The rates during this period were adjusted/escalated each year using Price Cap Index (PCI) as per the OEB-approved price cap rate-setting framework for EGI during the deferred rebasing period.
2. Although not used for rate-setting purposes, the derivation of total forecasted Dawn to Parkway demands for W2022/2023 as shown at Exhibit I.FRPO.4, Attachment 1, Page 1, Line No. 6, Col. (j) of 7,992 TJ/d is detailed at Exhibit I.FRPO.5, Attachment 1, Page 1 (left-hand column). Note that 2024 rates will be derived on cost-of-service basis and will be based on total 2024 forecasted demand.
3. As discussed in note 1, the rates are based on 2013 forecasted demands (Line No. 1 – 6) whose total equals the total forecasted demand for 2013 at Exhibit I.FRPO.4, Attachment 1, Page 1, Line No. 6, Col. (a) of 6,593 TJ/d, plus forecasted demands facilitated/supported by capital pass-through projects. The sum of total forecasted demands used to set rates in 2023 (Exhibit I.FRPO.4, Attachment 2, Line No. 13 – 18) of 76,105,399 GJ equals total forecast demands as shown at Exhibit D, Tab 2, Rate Order, Working Papers, Schedule 5, p.22, Col. (n) and p.25, col. (a) annualized. The demand of the capital pass-through projects were approved through the LTC proceedings: 1) Brantford-Kirkwall/Parkway D in EB-2013-0074, 2) 2016 Dawn Parkway Project in EB-2014-0261 and 3) 2017 Dawn Parkway Project in EB-2015-0200
4. The reference to Firm Service Receipts (i.e. PDO) of 249,860 GJ/d in Exhibit I.FRPO.5, Attachment 1, Page 1 (middle column) was prepared as a forecast for the Winter 2022/2023 in 2021 for planning and operational purposes and is not used in rate setting for 2023. The PDO forecast at Exhibit D, Tab 2, Rate Order, Working Papers, Schedule 11, p.6 and p.7 was prepared in 2022 and is used to update the PDO and PDCI costs in rates for 2023 in the current application. In a cost of service application, it would be possible to reconcile the two amounts as they would both be prepared as part of the same forecast process for rate setting.
5. Derivation of compressor fuel cost is based on forecasted average monthly demand on the Dawn to Parkway system. The allocation of fuel cost between in-franchise and ex-franchise customers is prorated based on in-franchise vs ex-franchise demand on the system. Note that allocation of fuel reflects OEB-approved allocation for 2013 from EB-2011-0210 (Col. (f) through (j)) and also illustrates the impact on compressor fuel as a result of a shift in delivery obligation from Parkway to Dawn (i.e. the fuel allocation is updated for PDO) (Col. (a) through (E)). In other words, the allocation of compressor fuel only changes during the current deferred rebasing period when a shift in delivery obligations from Parkway to Dawn occurs. However, note that the market based solution is an exchange service between Parkway and Dawn. The exchange service delivers gas (in the amount of 27 TJ/d) at Parkway, just like the PDO obligated delivery would have. EGI provides an equivalent amount of gas to the marketer at Dawn to complete the exchange. No incremental fuel on the Dawn to Parkway system is generated from the exchange service and there is no incremental flow on the system changing any of the allocations.