

Vanessa Inns Manager Strategic Applications – Rate Rebasing Regulatory Affairs Enbridge Gas Inc. P. O. Box 2001 50 Keil Drive North Chatham, ON N7M 5M1

October 31, 2022

VIA RESS AND EMAIL

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 the Company) EB-2022-0200 - 2024 Rebasing - Application and Evidence

Attached is the application and supporting evidence for Enbridge Gas's 2024 Rates Application. Enbridge Gas requests approval of rates for the sale, distribution, transmission, and storage of gas commencing January 1, 2024. Enbridge Gas also applies for approval of an incentive rate-making mechanism (IRM) for the years from 2025 to 2028.

This is the first cost of service rate application for Enbridge Gas since the Ontario Energy Board (OEB) approved the amalgamation of Enbridge Gas Distribution and Union Gas. As such, the Application includes detailed information about the costs of the amalgamated utility, and proposals for harmonized methodologies and processes that will apply going forward. The Application also includes harmonized cost allocation and harmonized rate proposals.

The structure and contents of this Application and supporting evidence follow the OEB's Filing Requirements for Natural Gas Rate Applications (Cost of Service Applications).

At this time, Enbridge Gas is filing the materials required for Exhibits 1 to 6, and 9 to 10 of the Filing Requirements. This covers the large majority of the filing for this case. The evidence relating to Exhibit 7 (Cost Allocation) and Exhibit 8 (Rate Design) will be filed on November 30, 2022.

Although the Cost Allocation and Rate Design evidence is not yet filed, Enbridge Gas is providing information about the estimated bill impacts and rate impacts of this Application as part of this current filing in Exhibit 1, Tab 1, Schedule 1. Also, the materials in Exhibit 1 being filed with this letter include the Index, draft Issues List and Approvals Requested in relation to the Cost Allocation and Rate Design evidence.

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Enbridge Gas requests that the OEB issue its Notice of Hearing on the basis of this current filing. The Company believes that all information needed for the preparation and publication of the Notice of Hearing is included within this filing. Enbridge Gas notes that throughout Enbridge Gas Distribution's prior Custom IR term (2015 to 2018), the OEB took a similar approach for rate proceedings where the Company filed an Application and rate/bill impact information on September 1st, with supporting evidence on October 1st, and the OEB started its processing and timelines in advance of the evidence filing. The difference here is that the current 2024 Rates Application filing also includes most of the supporting evidence, allowing for a Notice of Hearing to be prepared and published.

Enbridge Gas will post the Application and supporting evidence on its website at <u>www.enbridgegas.com/about-enbridge-gas/regulatory</u> at the same time that this letter is filed. Enbridge Gas will send a copy of this letter, and a link to the website page, to all parties from its recent proceedings (MAADs, rate adjustment cases, Integrated Resource Planning, DSM Plan and major LTC proceedings) as well as all participants in the two recent Stakeholder Days. Enbridge Gas will take the same approach when it files the evidence in Exhibits 7 and 8 on November 30, 2022.

Enbridge Gas has held two Stakeholder Days (on June 16 and October 20) to provide interested parties and OEB staff information about this proceeding. There were more than 70 participants at the October 20 Stakeholder Day.

Enbridge Gas believes that the approach outlined above will ensure that those parties who are likely to have an interest in intervening in this proceeding will have all the information needed to decide whether to participate by early November 2022. If the OEB issues its Notice of Hearing in mid-November, with an intervention deadline in early December, then interested parties will have received all of the pre-filed evidence before deciding whether to intervene.

Enbridge Gas is not requesting confidential treatment for any of its evidence, so no process is needed to determine the status of the evidence and all interested parties will have immediate online access to the application materials.

Enbridge Gas requests that the OEB issue a decision in this case in time for rates to be implemented on January 1, 2024. This would require the decision and order on the Application by October 30, 2023 (one year after filing), and a decision and order on a Rate Order by November 30, 2023. Enbridge Gas recognizes that this is a large and complex case, and the Company is committed to work collaboratively and efficiently to assist in meeting this timing.

As one way to assist with having 2024 rates in place for January 1, 2024, Enbridge Gas is proposing that this case be heard in "phases". The items that need to be determined to support January 1, 2024, rates would be determined in the first phase, and then the remaining items could be determined in a second phase of this same proceeding.

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As set out in the Application and the draft Issues List (found within the Administration evidence at Exhibit 1, Tab 3, Schedule 1), Enbridge Gas proposes that the issues related to cost allocation and rate design for its proposed new harmonized rates (which will be effective in 2025 and 2026), along with issues related to Energy Transition proposals, be heard as a second phase of the proceeding. The discovery, intervenor evidence, ADR and hearing (if needed) on those items could commence once the process to set rates for January 1, 2024 is complete or substantially complete. Based on the proposed schedule for phase 1 set out below. Enbridge Gas proposes that phase 2 could begin as early as September 1, 2023.

At Enbridge Gas's Stakeholder Day on October 20, 2022, OEB staff made a presentation about the potential process and schedule that could be followed for this case. Parties asked questions and made suggestions.

Enbridge Gas has considered the items discussed at the Stakeholder Day and has created a proposed schedule for phase one of this proceeding that would support the implementation of rates on January 1, 2024. It is set out below for the OEB's consideration.

Item	Date(s)
Enbridge files Application and evidence (Exhibits 1-6; 9-10)	October 31, 2022
OEB issues Notice of Hearing	November 14, 2022
Enbridge files remaining evidence (Exhibits 7-8)	November 30, 2022
Interventions close	December 7, 2022
Procedural Order #1	December 15, 2022
OEB staff files indication of planned expert evidence (to assist intervenor planning)	December 16, 2022
Issues Conference, based on draft Issues List from filing	January 9, 2023
Submissions on Issues List	January 13, 2023
Submissions and responses re OEB staff and intervenor proposed expert evidence	January 11, 2023 and January 16, 2023
Filing of interrogatories	January 20, 2023
Interrogatory responses	February 17, 2023
Technical Conference	March 6 to 10, 2023

Item	Date(s)
Motions re. interrogatories and undertakings	March 21, 2023
OEB staff/intervenor evidence filing date	March 24, 2023
Interrogatories on OEB staff/intervenor evidence	March 31, 2023
Interrogatory responses on OEB staff/intervenor evidence	April 17, 2023
Settlement Conference	April 17 to 28, 2023
Filing of Settlement Agreement	May 12, 2023
Oral Hearing	May 23 to June 2, 2023
Argument in Chief	June 19, 2023
OEB staff and intervenor submissions	July 10, 2023
Reply Argument	July 31, 2023
OEB Decision	October 30, 2023
Rate Order	November 30, 2023

Enbridge Gas believes that the proposed schedule set out above sets an appropriate balance to allow for a timely and efficient process while ensuring that all matters in this case can be appropriately reviewed and determined.

Should you have any questions, please let us know.

Sincerely,

[Original Signed By]

Vanessa Innis Manager, Strategic Applications – Rate Rebasing