

## **VIA RESS and EMAIL**

December 9, 2022

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

Dear Nancy Marconi:

**Re: EB-2022-0286 – Enbridge Gas Inc. – January 1, 2023  
Quarterly Rate Adjustment Mechanism (QRAM) Application**

Effective January 1, 2019, Enbridge Gas Distribution Inc. (EGD) and Union Gas Limited (Union) amalgamated to become Enbridge Gas Inc. (Enbridge Gas). Enclosed is an application and supporting evidence from Enbridge Gas requesting an order approving or fixing rates within both the EGD rate zone and Union rate zones<sup>1</sup> for the sale, distribution, storage, and transmission of natural gas effective January 1, 2023.

This application is submitted in accordance with the OEB's EB-2008-0106 Decision, and includes a schedule, included below, for: the review and comment of intervenors and OEB Staff; Enbridge Gas's response to any comments; and the OEB's Decision and Order. A full list of the evidence supporting this application is provided in the exhibit list found at Exhibit A, Tab 1, Schedule 1.

<u>Description</u>	<u>Date</u>
Review and comment on January 1, 2023 QRAM application of intervenors and OEB Staff	December 14 2022
Enbridge Gas's response to any comments	December 16, 2022
OEB's Decision and Order	December 22, 2022

## **EGD Rate Zone**

Relevant to the EGD rate zone the proposed EGD Rate Zone Purchased Gas Variance Account Reference Price (PGVA Reference Price) is \$282.343/10<sup>3</sup>m<sup>3</sup> (\$7.328/GJ @ 38.53 MJ/m<sup>3</sup>), representing a decrease of \$68.211/10<sup>3</sup>m<sup>3</sup> (\$1.770/GJ @ 38.53 MJ/m<sup>3</sup>). The result of the change noted above, in addition to the items as noted in the Additional

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<sup>1</sup> Collectively, the Union North West, Union North East and Union South rate zones are referred to as "Union rate zones". Union North West and Union North East are collectively referred to as "Union North".

Items section below, is a decrease to the total bill for a typical residential customer on system gas of approximately \$113.92 or 7.2%.<sup>2</sup>

## **Union Rate Zones**

Relevant to the Union rate zones the proposed Alberta Border Reference Price, based on the current 21-day strip price, is \$5.618/GJ. This represents a decrease of \$2.061/GJ. The proposed Dawn Reference Price, based on the current 21-day strip price, is \$6.653/GJ. This represents a decrease of \$1.710/GJ. Enbridge Gas is also proposing to prospectively dispose of a gas cost deferral account balance specific to the Union rate zones of \$81.125 million.

The result of the change noted above, in addition to the items as noted in the Additional Items section below, is a net annual bill decrease for residential sales service customers of \$54.38 or 3.8% in Union South, a net annual bill decrease of \$160.33 or 10.4% in Union North West, and a net annual bill decrease of \$60.84 or 3.5% in Union North East.

## **Additional Items**

In addition to updating rates in the EGD and Union rate zones in accordance with Enbridge Gas's OEB-approved QRAM methodologies, January 1, 2023 rates will reflect implementation of two additional OEB Decisions:

- On November 3, 2022, the OEB approved final unit rates for implementation effective January 1, 2023 in Enbridge Gas's 2023 Rate application (Phase 1), EB-2022-0133
- On November 8, 2022, the OEB approved unit rates for implementation effective January 1, 2023 in Enbridge Gas's 2021 Deferral and Variance Account Disposition and Earnings Sharing application, EB-2022-0110

Enbridge Gas committed to review shortening the 24-month dispositions of the April 2022 and July 2022 QRAMs as part of this application.<sup>3</sup> Enbridge Gas has determined that such an outcome would not be appropriate within this application taking into account the current market environment. While natural gas prices are decreasing a shortening of the 24-month period of the PGVA riders from the April and July 2022 QRAMs would cause bill increases for some customers resulting in a disconnect between market prices and bill impacts.

Enbridge Gas is serving an electronic copy of the application with supporting evidence in PDF format on all interested parties in the EB-2008-0106, EB-2019-0137, EB-2022-0072, and EB-2022-0133 proceedings. This complete evidence package is also available electronically in searchable PDF format through the following link on Enbridge Gas's website: <https://www.enbridgegas.com/en/Regulatory-Proceedings>

Should you have any questions on this matter please contact the undersigned.

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<sup>2</sup> Amounts provided include EGD Rider C.

<sup>3</sup> EB-2022-0150 Decision and Order, June 16, 2022, p.3.

Sincerely,

Richard Wathy  
Technical Manager, Regulatory Applications

cc: All Interested Parties EB-2008-0106, EB-2019-0137, EB-2022-0072,  
& EB-2022-0133