

VIA RESS and EMAIL

December 16, 2022

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

Dear Nancy Marconi:

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

On December 9, 2022, Enbridge Gas filed the January 1, 2023, QRAM Application with the Ontario Energy Board (OEB). Enbridge Gas has received letters from Canadian Manufacturers & Exporters (CME), Federation of Rental Housing Providers (FRPO) and Industrial Gas Users Association (IGUA).

FRPO reviewed the market aspects and proposed rates within the application noting no concerns at this time.

CME and IGUA have requested additional evidence and further explanation as to the Enbridge Gas determination that it would not be appropriate to shorten the period of the extended PGVA riders at this time.

When considering whether advancing the recovery period was appropriate, Enbridge Gas reviewed the bill impacts resulting from a scenario in which the extended riders were advanced to a remaining 12 month period (January – December 2023)¹. As outlined below advancing the extended riders would result in increasing bill impacts in both Union North East and Union South. When evaluating this scenario, Enbridge Gas also considered the interest implications of not advancing the extended riders which was not material.

Bill Impact Scenario	Total Bill Impact (%) (1) (2)			
	EGD	Union North West	Union North East	Union South
Proposed January 2023 QRAM	-7.2%	-10.4%	-3.5%	-3.8%
Advancement of extended riders (3)	-3.0%	-5.1%	1.9%	3.2%

Notes

- (1) Includes the impact of implementing 2023 Rates.
- (2) Includes the one-time disposition of Enbridge Gas's 2021 Deferral and Variance Account balances (EB-2022-0110).
- (3) The impact of advancing the extended riders would be a bill change of \$93.31 resulting in a bill increase of \$32.47 in Union North East and a bill change of \$100.28 resulting in a bill increase of \$45.90 in Union South

¹ The remaining period of the extended riders is 15 and 18 months. Including them results in a net advancement of 3 and 6 months, respectively.

As outlined within the application, natural gas prices are decreasing by approximately 20%. Flat or increasing rates would make customer communications very challenging when entering the heating season.

Reversing mitigation when both natural gas prices and bill impacts are moving in the same direction, maintains a consistent message to customers. Within the application, there are both upward and downward pressures on customers bills. Enbridge Gas believes the bill impacts as proposed are directionally aligned with the most significant decrease being natural gas prices, which is a key purpose of the QRAM.

Enbridge Gas will continue considering whether expediting the recovery period of prior mitigations is appropriate in future QRAM applications.

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

Sincerely,

Richard Wathy
Technical Manager, Regulatory Applications

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