**Draft Issues List**

1. **Phase 1** (Agreed to change)

# Overall[[1]](#footnote-2)

1. Are the proposed rates and service charges just and reasonable?
2. Have the customer benefits identified in the amalgamation proceeding EB-2017-0306/0307 been realized having regard to the 5 year deferred rebasing term that was approved? (Agreed to change)
3. Has Enbridge appropriately considered energy transition and integrated resource planning in relation to such things as:
	1. load forecast
	2. deemed capital structure
	3. depreciation rates
	4. forecast capital expenditures
	5. allocation of risk (Agreed to change)

to determine new rates that will be effective January 1, 2024, considering relevant government policies and legislation?

1. Has Enbridge Gas appropriately considered the unique rights and concerns of Indigenous customers and rights holders in its application? (Agreed to add new issue)
2. Has Enbridge Gas identified and responded appropriately to all relevant OEB directions and commitments made from previous proceedings? (Agreed to change)

# Rate Base (Exhibit 2)

1. Is the 2024 proposed rate base appropriate?

1. Is the forecast of 2024 capital expenditures underpinned by the Asset Management Plan, and in-service additions appropriate?
2. Are the proposed harmonized indirect overhead capitalization methodology and proposed 2024 overhead amounts appropriate?

# Load Forecast and Revenue Forecast (Exhibit 3)

1. Is the 2024 volume forecast by rate class and resulting revenue forecast appropriate? Is the 2024 storage and transportation revenue and upstream transportation optimization forecast appropriate?
2. Is the 2024 other revenue forecast appropriate?
3. Are the proposals for harmonized load forecasting methodologies (heating degree days, average use, weather normalization, heat value, customer additions) and the 2024 Test Year results from those methodologies appropriate?

# Operating Expenses (Exhibit 4)

1. Are the proposed 2024 Test Year operating and maintenance expenses appropriate?
2. Are the 2024 proposed compensation related costs (including, FTEs, wages, salaries, benefits, incentives, overtime, pension and OPEB costs) appropriate? (Agreed to add new issue)
3. Are the 2024 proposed shared services and corporate services costs appropriate, including the proposed Centralized Functions Cost Allocation Methodology (CFCAM)? (Agreed to add new issue)
4. Are the proposed harmonized depreciation rates and the 2024 Test Year depreciation expense appropriate?
5. Are the proposed 2024 Site Restoration Costs appropriate, and should the OEB establish a segregated fund for the Site Restoration Costs? (Agreed to add new issue)
6. Are the proposed 2024 income and property tax expenses appropriate?
7. In relation to the 2024 Test Year gas cost forecast,
	1. Is the 2024 gas supply cost, including the forecast of gas, transportation and storage costs, appropriate?
	2. Is the proposal for a common reference price methodology to set gas costs appropriate?
	3. Is the proposed harmonized approach to determining gas costs (design day, operational contingency space, unaccounted for gas, Parkway Delivery Obligation) appropriate?
	4. Is the 2024 Test Year forecast volumes of unaccounted for gas appropriate?
	5. Is the proposal for an updated harmonized Parkway Delivery Obligation (PDO) Framework, and the recovery of costs, appropriate? (Agreed to change)
	6. Is the 2024 Test Year Parkway Delivery Commitment Incentive (PDCI) Forecast appropriate?
8. With respect to the Gas Supply Plan,
	1. Is the proposal for implementation of the 2024 Gas Supply Plan after OEB approval is obtained, and for reflecting cost variances[[2]](#footnote-3) in gas cost deferral and variance accounts, with recovery being subject to prudence review, appropriate? (Agreed to add new issue)
	2. Is the proposal to extend the deadline for filing the next 5-Year Gas Supply Plan by an additional year appropriate? (Agreed to change)

# Cost of Capital (Exhibit 5)

1. Is the proposed 2024 Capital Structure, including return on equity, appropriate?
2. Is the proposed 2024 cost of debt and equity components of the capital structure appropriate?
3. Is the proposed phase-in of increases to equity thickness over the 2024 to 2028 term appropriate?

# Revenue Deficiency/Sufficiency (Exhibit 6)

1. Is the proposed 2024 Test Year Revenue Deficiency calculated correctly?

# Cost Allocation (Exhibit 7)

1. Is the 2024 Cost Allocation Study including the methodologies and judgements used and the proposed application of that study to the current rate class design, appropriate?

# Rate Design (Exhibit 8)

1. Is the proposal to set 2024 rates using current rate classes and an updated harmonized cost allocation study appropriate?
2. Is the proposed rate design proposal for the gas supply commodity charge and gas supply transportation charges appropriate?
3. Is the proposed rate implementation and mitigation plan for 2024 rates appropriate?
4. Are the proposed changes to the terms and conditions applicable on January 1, 2024, to existing rate classes appropriate?
5. Are the proposed miscellaneous service charges, including Rider G and Rider M, appropriate?
6. Are the proposed Direct Purchase Administration Charge (DPAC) and Distributor Consolidated Billing (DCB) charges appropriate?

# Deferral & Variance Accounts (Exhibit 9)

1. Is the proposal for harmonization of certain existing deferral and variance accounts appropriate?
2. Is the proposal to close and continue certain deferral and variance accounts and establish new ones appropriate?
3. Is the proposal to dispose of the forecast balances in certain deferral and variance accounts appropriate?

# Incentive Rate Setting Mechanism (Exhibit 10) (Agreed to move to Phase 1)[[3]](#footnote-4)

1. Are the proposed Price Cap Incentive Rate-Setting Mechanism, Annual Rate Adjustment Formula, and term appropriate?
2. Are the proposed elements of Enbridge Gas’s Price Cap Incentive Rate-Setting Mechanism appropriate?
3. Is the proposed approach to incremental capital funding appropriate?
4. Is the proposed earnings sharing mechanism appropriate?
5. Is Enbridge Gas’s proposal for annual proceedings for clearance of deferral and variance accounts and presentation of utility results (and any ESM amounts) and scorecard results appropriate?

# Other

1. Is the proposed regulatory treatment of the Natural Gas Vehicle Program appropriate?
2. Is the proposed regulatory treatment of the Distributor Consolidated Billing Program appropriate?
3. Is the proposal for the extension of the existing financial terms of the Open Billing Access Program for ten months until October 31, 2024 appropriate?
4. Is it appropriate to have an earnings sharing mechanism for 2024? (Agreed to add new issue)
5. How should Dawn Parkway capacity turnback risk be dealt with? (Agreed to add new issue)
6. Is the proposed harmonized methodology for determining the amount of storage space and deliverability required to serve in franchise customers appropriate, and is the proposed allocation of storage space and deliverability among customers appropriate? (Agreed to add new issue)

# Rate Implementation

1. How should the OEB implement the approved 2024 rates relevant to this proceeding if they cannot be implemented on or before January 1, 2024?
2. **Phase 2** (Parties agreed to change title)

# Storage[[4]](#footnote-5)

1. Should the cap on cost-based storage service for in-franchise customers established in the NGEIR decision remain at 199.4 PJ? (Disputed: Enbridge Gas proposed to delete this issue, intervenors did not agree)
2. Is the procurement process for purchase of storage service at market-based rates by Enbridge Gas from Enbridge Gas for in-franchise customers appropriate? (Disputed: Enbridge Gas proposed to add the additional words, intervenors did not agree)
3. Is the proposal to add 10 PJ of market-based storage at a cost not currently included in the 2024 Test Year gas cost forecast appropriate?
4. Is the allocation of capital assets and costs between utility and non-utility (unregulated) storage operations appropriate?[[5]](#footnote-6) (Agreed to move this issue down)

~~38) Is the proposed harmonized unregulated storage allocation appropriate?~~ (Agreed to remove issue 38)

1. How should the determinations made for the Phase 2 Storage issues be addressed and implemented, including any required changes to 2024 costs and revenues, the Gas Supply Plan and gas supply deferral and variance accounts? (Agreed to new issue)

# Technology Fund & Voluntary RNG Program (Agreed to change in heading and addition of a footnote[[6]](#footnote-7))

1. Are the specific proposed parameters for an Energy Transition Technology Fund and associated rate rider appropriate? (Agreed to change)
2. Are the specific proposals to amend the Voluntary RNG Program and to procure low-carbon energy as part of the gas supply commodity portfolio, appropriate? (Agreed to change)

# Harmonized Rate Classes

1. Is the proposed design of harmonized rate classes appropriate, including:
	1. Rate design for the general service rate classes.
	2. Rate design for the in-franchise contract rate classes.
	3. Rate design for the ex-franchise rate classes.
2. Are the proposed harmonized rates and related charges, based on the 2024 Test Year Cost Allocation Study, just and reasonable?
3. Is the proposed implementation and mitigation plan for harmonized rate classes appropriate?
4. Are the proposed changes to services and related charges, and the terms and conditions, applicable post 2024 appropriate? (Agreed to add new issue)

# D. Other

1. Are the proposed scorecard Performance Metrics and Measurement targets for the amalgamated utility appropriate?
2. Should the OEB grant Enbridge Gas’s request for a partial exemption from the Call Answering Service Level, Time to Reschedule a Missed Appointment and Meter Reading Performance Measurement targets set out in GDAR? (Agreed to add new issue)
3. Should the OEB Commissioners make a recommendation, as proposed, to the Chief Executive Officer of the OEB for a review of GDAR’s SQR measures based on customer experience and expectations, and current industry and technical standards? (Agreed to add new issue, comments will be filed by OEB staff)
1. [NTD: This footnote is to provide context for the draft issues list and is not intended to be included in the final issues list] One individual intervenor indicated that she may make submissions on January 16, 2023 to ensure that affordability and the bill impacts are encompassed on the issues list. [↑](#footnote-ref-2)
2. Exhibit 4, Tab 2, Schedule 1, para. 6 [↑](#footnote-ref-3)
3. [NTD: This footnote is to provide context for the draft issues list and is not intended to be included in the final issues list]

All parties agree with Enbridge’s proposal to move section to Phase 1.

Reasons for moving IRM to Phase 1:

To provide timely certainty for customers and Enbridge Gas, for planning and implementation purposes.

IRM parameters are relevant to allocation of risks as between the utility and customers, which could impact Phase 1 issues such as appropriate equity thickness and whether there should be an earnings sharing mechanism in 2024.

To ensure that an approved Rate Setting Mechanism and Annual Rate Adjustment Formula are in place in time for Enbridge Gas to file for 2025 rates in or around Q2 of 2024. [↑](#footnote-ref-4)
4. Initially approved (Phase 1) 2024 rates should be declared interim pending the completion of the Phase 2 storage issues. [↑](#footnote-ref-5)
5. [NTD: This footnote is to provide context for the draft issues list and is not intended to be included in the final issues list] This issue includes issue #38 and #36 from the draft issues list from Procedural Order No. 1. Parties believe the original issue #38 is no longer required. [↑](#footnote-ref-6)
6. Including issues 51 and 52 in Phase 2 does not restrict parties from asking interrogatories and pursuing further inquiry and/or argument regarding the proposed Energy Transition Technology Fund, voluntary RNG program, and the proposal to procure low-carbon energy as part of the gas supply commodity portfolio in Phase 1 where relevant to the Phase 1 issues, including whether Enbridge Gas has appropriately considered energy transition in relation to the relief it seeks. [↑](#footnote-ref-7)