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Enbridge Gas Inc.
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VIA RESS and EMAIL

March 1, 2023

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

Dear Nancy Marconi:

**Re: EB-2023-0073 – Enbridge Gas Inc. (Enbridge Gas) – April 2023 QRAM
Notice of Commodity-Related Price Decrease Estimate for April 2023 –
Enbridge Reply to the Federation of Rental-Housing Providers (FRPO)**

On February 24, 2023, Enbridge Gas filed a notification letter (Notice) to inform the Ontario Energy Board (OEB) of the estimated change in the commodity portion of an average residential sales service customer's bill that is expected when Enbridge Gas files its April 1, 2023 Quarterly Rate Adjustment Mechanism (QRAM) application. On February 25, 2023, Enbridge Gas received submissions from FRPO regarding the Notice.

The focus of the Notice, as required by the OEB, is on the impact of the estimated change in the commodity portion of a typical residential system supply customer's bill. The Notice clearly outlines the expected bill impacts and the underlying cost drivers, including the expected impacts from the forecasted PGVA balances Enbridge Gas expects to clear. Enbridge Gas also specified in the Notice the 21-day strip used (see footnote 2).

The Notice states that Enbridge Gas is reviewing options for advancing the recovery of QRAM-related costs that were mitigated as part of the approved rate mitigation plans for April 2022 and July 2022 QRAMs.¹ As noted in the January 1, 2023 QRAM, a key consideration when reversing mitigation is ensuring that natural gas prices and bill impacts are moving in the same direction to maintain a consistent message to customers². This approach was confirmed by the OEB as follows:

“... Enbridge Gas's proposed continued extended recovery of the PGVA riders from the April and July 2022 QRAMs is appropriate. The OEB agrees with Enbridge Gas that the proposed bill impacts are directionally aligned with the forecast natural gas price decrease.”³

¹ EB-2022-0089, Decision and Order, March 24, 2022 and EB-2022-0150, Decision and Order, June 16, 2022.

² EB-2022-0286, Enbridge Gas Reply Letter, December 16, 2022.

³ EB-2022-0286, Decision and Order, December 22, 2022.

Consistent with the January 1, 2023 QRAM, Enbridge Gas intends to review and provide information about the bill impacts resulting from a scenario in which the extended riders were advanced to a remaining 12 month period (April – March 2024).⁴

The QRAM is designed to be a mechanistic process with a compressed timeline. The proposed filing date of March 10, 2023 is already a compressed timeline and Enbridge Gas is challenged to meet this date for filing. Furthermore, Enbridge Gas notes that its EB-2022-0150 application was an exceptional circumstance resulting from preliminary commodity price increases ranging from 58% to 85% and bill impacts greater than 20% in all rate zones. In contrast, the preliminary commodity price decreases forecast by Enbridge Gas are slightly above 25% with bill impacts/decreases less than 10% in all rate zones. As a result, deviation from the normal filing guidelines is not warranted in this case.

If you have any questions, please contact the undersigned.

Yours truly,

Richard Wathy
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c.c.: All Interested Parties EB-2008-0106, EB-2019-0137, EB-2022-0072,
& EB-2022-0133

⁴ The remaining period of the April 2022 and July 2022 extended riders is 12 and 15 months respectively.