

**VIA RESS and EMAIL**

March 17, 2023

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

Dear Nancy Marconi:

**Re: EB-2023-0073 – Enbridge Gas Inc. (Enbridge Gas) – April 1, 2023  
Quarterly Rate Adjustment Mechanism (QRAM) Application**

On March 10, 2023, Enbridge Gas filed the April 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 has reviewed the application including the advancement of mitigation. FRPO supports an advancement of prior mitigation and is satisfied with the evidence filed.

IGUA and CME have requested additional evidence and further explanation as to the determination made by Enbridge Gas that it is not practical in this QRAM or in future QRAMs for Enbridge Gas to dispose of rate riders over a period of less than 12-months.

When considering whether to advance the recovery period of prior mitigations to less than 12-months, Enbridge Gas reviewed the impact on unit rates and customer bills. As outlined within the application, with natural gas prices decreasing by greater than 30%<sup>1</sup>, a key consideration when reversing mitigation is also ensuring that natural gas prices and bill impacts are moving in the same direction to maintain a consistent message to customers<sup>2</sup>.

Advancing the recovery of the April and July 2022 QRAM rate mitigations beyond the Company's proposal to a period of less than 12-months would increase the disposition dollar amount and decrease the disposition volumes. This results in for a 9-month or 6-month period unit rates<sup>3</sup> of approximately 15 to 50 times higher, than the unit rates proposed by Enbridge Gas, depending on rate zone. This also results in, under a 9-month recovery period, the total bill decrease being reduced from approximately 12% as proposed, to approximately 2% to 5%, depending on the rate zone and under a 6-month recovery period, the total bill decrease as proposed, would become a total bill increase of approximately 4% to 15%, depending on the rate zone. Given the decrease in natural gas prices, the bill impacts other than under the proposed scenario, would not

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<sup>1</sup> Exhibit A, Tab 2, Schedule 2, p. 3, Table 1.

<sup>2</sup> EB-2022-0286, Enbridge Gas Reply Letter, December 16, 2022.

<sup>3</sup> Exhibit A, Tab 2, Schedule 2, Attachment 1, Line 5.

be consistent with the natural gas market and would make customer communications very challenging.

Table 1 outlines the unit rate and bill impacts of advancing the April and July 2022 QRAM rate mitigations to a recovery period of less than 12-months.

Table 1  
Advancement Scenarios - Unit Rate and Total Bill Impact

Line No.	Advancement Scenario	EGD	Union North West	Union North East	Union South
<u>Proposed - Jul. 22 QRAM Advancing Months 22-24 (1)</u>					
12-months					
1	Unit Rate Impact (cents/m <sup>3</sup> )	0.2149	0.3601	0.3177	0.4350
2	Total Bill Impact (%) (2)	-12.4%	-11.8%	-11.5%	-11.8%
<u>Jul. 22 and Apr. 22 QRAMs - Advancing Months 12-24 (3)</u>					
9-months					
3	Unit Rate Impact (cents/m <sup>3</sup> )	5.3879	5.5290	5.5909	6.7416
4	Total Bill Impact (%) (4)	-4.0%	-3.7%	-4.5%	-1.7%
6-months					
5	Unit Rate Impact (cents/m <sup>3</sup> )	10.1296	14.9496	16.3016	17.3101
6	Total Bill Impact (%) (4)	3.7%	11.0%	9.6%	15.2%
3-months					
7	Unit Rate Impact (cents/m <sup>3</sup> )	13.6160	22.4013	25.3393	27.4039
8	Total Bill Impact (%) (4)	9.4%	22.7%	21.5%	31.4%

Notes

(1) Exhibit A, Tab 2, Schedule 2.

(2) Exhibit A, Tab 3, Schedule 1, line 4.1.

(3) Advancing 12-months of both the July and April 2022 QRAMs over nine, six, and three months.

(4) Total bill impact calculated is consistent with the calculation provided at Exhibit A, Tab 3, Schedule 1, line 4.1, inclusive of the respective advancement scenarios.

Based on the outcomes outlined above, the proposed 12-month disposition period for the April and July 2022 QRAM rate mitigation riders is the most practical approach and the corresponding riders should not be subject to further advancement this QRAM or in future QRAMs.

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