



Vanessa Innis  
Manager  
Strategic Applications – Rate  
Rebasing  
Regulatory Affairs

tel 416-495-5499  
EGIRegulatoryProceedings@enbridge.com

Enbridge Gas Inc.  
P. O. Box 2001  
50 Keil Drive North  
Chatham, ON N7M 5M1

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**VIA RESS AND EMAIL**

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

Dear Nancy Marconi:

**Re: Enbridge Gas Inc. (Enbridge Gas or the Company)**  
**EB-2022-0200 – 2024 Rebasing – Phase 2 and Phase 3 Update**

Enbridge Gas filed its 2024 Rates Application and the majority of its supporting evidence on October 31, 2022 and the balance of its evidence on November 30, 2022. In this Application, Enbridge Gas requests approval of rates for the sale, distribution, transmission, and storage of gas commencing January 1, 2024. Enbridge Gas also applies for approval of an incentive rate-setting mechanism (IRM) for the years from 2025 to 2028.

Within the Decision on Issues List & Expert Evidence and Procedural Order No. 2 rendered on January 27, 2023, the OEB directed certain issues to be addressed in Phase 2 of the proceeding. In the settlement proposal, parties subsequently agreed to address other issues previously covered in Phase 1 within Phase 2 and also introduce Phase 3 to the proceeding to address harmonization of services, cost allocation and rate design. The OEB approved the settlement proposal on August 17, 2023.

On October 11, 2023, Enbridge Gas will file its reply argument for Phase 1 of the proceeding. After the OEB renders its Phase 1 Decision, Enbridge Gas will file a draft rate order reflecting the Decision.

The Company is targeting to file its Phase 2 evidence on October 26, 2023. This evidence will address the following:

- Energy transition-specific proposals
  - Energy Transition Technology Fund
  - Low-Carbon Voluntary Program
- The amount to be included in rate base for the Dawn to Corunna project
- Unregulated storage cost allocations and eliminations
- Storage and deliverability required for regulated operations
- The continued appropriateness of the cap on cost-based storage service for in-franchise customers

- The continued appropriateness of the purchase of storage service at market-based rates for in-franchise customers
- IRM

Most of this evidence was previously filed on October 31, 2022, however, Enbridge Gas is updating the evidence as appropriate to reflect updated information. The Company is developing new evidence to address Issues 47 and 48 that were added to the issues list in the OEB's January 27, 2023 Decision.

Enbridge Gas believes that Phase 2 can proceed prior to the Phase 1 Decision being rendered. As noted previously in its submissions, Enbridge Gas requires a Decision from the OEB on the IRM in order to prepare and file its 2025 Rates application to set rates on a prospective basis effective January 1, 2025. As such, it is important that Phase 2 progresses as quickly as reasonably possible. The Company notes the next process step for Phase 2 is written interrogatories, the process for which could be completed prior to the OEB's holiday timeout period. The Technical Conference could be held in the latter half of January 2024.

The Company believes that the Phase 3 evidence should reflect the OEB's Phase 1 Decision. As such, Enbridge Gas is targeting the end of March 2024 to file its Phase 3 evidence. However, the timing of the Phase 3 filing will be dependent on the timing of the OEB's Phase 1 Decision and subsequent finalization of the rate order.

Should you have any questions, please let us know.

Sincerely,

Vanessa Innis  
Manager, Strategic Applications – Rate Rebasing