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VIA RESS AND EMAIL

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

Dear Nancy Marconi:

Re: Enbridge Gas Inc. (Enbridge Gas, or the Company)
EB-2022-0200 – 2024 Rebasing – Phase 2 Timing and Process

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-making mechanism (IRM) for the years from 2025 to 2028.

On September 26, 2023 Enbridge Gas filed a letter informing the OEB of its intent to file updated Phase 2 evidence on October 26, 2023. On October 4, 2023 the OEB responded to Enbridge Gas's letter. In its response, the OEB stated its preference for Enbridge Gas to file its updated Phase 2 evidence in January 2024 to mitigate the possibility of updates being required later. In the OEB's view, filing in January 2024 "will allow sufficient time for approval of 2025 rates in time for January 1, 2025 implementation". It is the OEB's expectation that the Phase 1 Decision will be issued by the end of 2023.

Enbridge Gas appreciates the OEB providing guidance on the timing of the Phase 1 Decision and notes the OEB's confirmation that Enbridge Gas's 2025 rates will be set effective January 1, 2025. Enbridge Gas confirms that it will wait until January 2024 to file its Phase 2 evidence. Enbridge Gas notes and relies upon the OEB's guidance that this delayed timing will still support approval of 2025 rates in time for January 1, 2025 implementation.

In confirming that it will file its Phase 2 evidence in January 2024 as requested by the OEB, Enbridge Gas would like to highlight several timing implications and considerations for the OEB's awareness:

- Once the OEB renders its Phase 1 Decision, there will be considerable effort required to develop a draft rate order that reflects the Decision. This work will take place after the OEB's holiday break (when Enbridge Gas employees are

also taking a break), starting in January 2024. This work will also take place coincident with year-end financial processes.

- If there are any items coming out of the Phase 1 Decision that are expected to be reflected within or added to Phase 2 written evidence, it will be a challenge to complete those items by January, having only received the Decision in late 2023. The timing difficulties are compounded by the fact that many of the same people who are responsible for the Phase 2 evidence will first be working on the draft rate order.
- With a January 2024 Phase 2 evidence filing, the OEB's application planning tool suggests a Phase 2 Decision would be rendered near the end of September 2024. This timing does not allow for a separate 2025 Rates application to the OEB that could be considered and determined in time for January 1, 2025 implementation.

To alleviate timing concerns for setting 2025 Rates, Enbridge Gas suggests the OEB could proceed directly to a 2025 Rates application and draft rate order that would be filed as soon as possible after the Phase 2 decision is rendered. This process could allow for a final Decision on the rate order for Phase 2 to be rendered by December 2, 2024, so that it can be reflected in the January 2025 QRAM application.

Enbridge Gas's September 26, 2023 letter also addressed timing for Phase 3. The Company expects to file Phase 3 evidence after the Phase 1 rate order process is complete (expected late Q1 2024). Enbridge Gas assumes the OEB processes for Phase 2 and Phase 3 will have some overlap, in order to ensure timely completion and implementation of the impacts of each of Phase 2 and Phase 3 of Rebasing.

Should you have any questions, please let us know.

Sincerely,

Vanessa Innis
Program Director, Strategic Regulatory Applications – Rebasing