

ONTARIO ENERGY BOARD

IN THE MATTER OF the *Ontario Energy Board Act, 1998*, S.O. 1998, c. 15 (Schedule B);

AND IN THE MATTER OF an application by Enbridge Gas Inc. pursuant to Section 36(1) of the *Ontario Energy Board Act, 1998*, S.O. 1998, for an order or orders approving or fixing just and reasonable rates and other charges for the sale, distribution, transmission and storage of gas as of January 1, 2024.

APPLICATION

1. Enbridge Gas Distribution Inc. (EGD) and Union Gas Limited (Union) (together the Utilities) were Ontario corporations incorporated under the laws of the Province of Ontario carrying on the business of selling, distributing, transmitting, and storing natural gas within the meaning assigned in the *Ontario Energy Board Act, 1998* (the Act). Effective January 1, 2019 the Utilities amalgamated to become Enbridge Gas Inc. (Enbridge Gas or Applicant). Following amalgamation, Enbridge Gas has maintained the existing rates zones of EGD and Union (the EGD, Union North West, Union North East and Union South rate zones).¹
2. Enbridge Gas applied to the Ontario Energy Board (OEB) on June 30, 2022 to fix just and reasonable rates and other charges for the sale, distribution and storage of natural gas effective January 1, 2023 for both the EGD and Union rate zones under OEB docket number EB-2022-0133. On November 3, 2022 the OEB issued a Decision and Order approving January 1, 2023 rates as final in its decision on Phase 1 of the IRM application under EB-2022-0133. Enbridge Gas makes this application in accordance with the OEB-approved quarterly rate adjustment

¹ Collectively, the Union North West, Union North East and Union South rates zones are referred to as "Union rate zones". Union North West and Union North East are collectively referred to as "Union North".

mechanism (QRAM)² to adjust its gas commodity prices and make related rate changes effective January 1, 2024.

1. EGD Rate Zone

3. Pursuant to section 36(1) of the Act, and the QRAM approved by the OEB, the Applicant hereby applies to the OEB for orders effective January 1, 2024 applicable to the EGD rate zone as follows:

- (a) an order establishing an updated PGVA Reference Price for the first quarter of 2024 using the prescribed methodology. The PGVA Reference Price approved for the EGD rate zone in EB-2023-0211 was \$186.592/10³m³ (\$4.843/GJ @ 38.53 MJ/m³). The recalculated utility price is \$178.271/10³m³ (\$4.627/GJ @ 38.53 MJ/m³);
- (b) an order establishing the Rider C unit rate for residential customers. The unit rate shall be 1.6344 ¢/m³ for sales service, (0.3964) ¢/m³ for Western T-service, and (0.5624) ¢/m³ for Ontario T-service and Dawn T-service; and,
- (c) such further order or orders as Enbridge Gas may request and the OEB may deem appropriate or necessary.

2. Union Rate Zones

4. Pursuant to section 36(1) of the Act, and the QRAM approved by the OEB, the Applicant hereby applies to the OEB for orders effective January 1, 2024 applicable to the Union rate zones as follows:

² See OEB's decision in EB-2008-0106.

(a) an order establishing the reference prices specified in the table below:

	Previous QRAM (Effective October 1, 2023)	Proposed (Effective January 1, 2024)
Alberta Border Reference Price ¹	3.457 \$/GJ 13.5411 cents/m ³	3.047 \$/GJ 11.9351 cents/m ³
Dawn Reference Price ²	4.034 \$/GJ 15.8012 cents/m ³	3.951 \$/GJ 15.4761 cents/m ³

Notes:

- ¹ *The Alberta Border Reference Price represents the Union North West Purchase Gas Variance Account (Deferral Account No. 179-147) reference price, and the Spot Gas Variance Account (Deferral Account No. 179-107) reference price for incremental gas purchased at Empress.*
- ² *The Dawn Reference Price represents the South Purchase Gas Variance Account (“SPGVA”) (Deferral Account No. 179-106) reference price, the Union North East Purchase Gas Variance Account (Deferral Account No. 179-148) reference price, the Spot Gas Variance Account (Deferral Account No. 179-107) reference price for incremental gas purchased at Dawn.*

- (b) an order to reflect the inventory revaluation adjustment resulting from changes in gas costs as of January 1, 2024;
- (c) an order reflecting the prospective disposition of the projected balance for the twelve month period ending December 31, 2024, recorded in the gas-supply deferral accounts;
- (d) an order reflecting adjustments to delivery rates to account for cost of gas changes in the carrying costs of gas in inventory, compressor fuel, and UFG;
- (e) an order reflecting adjustments to Union North storage and transportation rates to account for changes in upstream costs; and,
- (f) such further order or orders as Enbridge Gas may request and the OEB may deem appropriate or necessary.

3. Regulatory Framework

5. This application is supported by written evidence that has been pre-filed with the OEB and provided by Enbridge Gas to all intervenors of record in EB-2008-0106, EB-2019-0137, EB-2022-0072 and EB-2022-0133.
6. In accordance with the prescribed QRAM timelines below are the submission dates for processing this application:
 - Any responsive comments from interested parties are filed with the OEB, and served on Enbridge Gas and the other interested parties, on or before December 13, 2023.
 - Any reply comments from Enbridge Gas are filed with the OEB, and served on all interested parties, on or before December 15, 2023.
7. Enbridge Gas requests the OEB issue its Decision and Order by December 22, 2023 for implementation effective January 1, 2024.
8. The following procedures are prescribed for cost claims relating to QRAM applications, as directed by the OEB:
 - Parties that meet the eligibility criteria contained in the OEB's *Practice Direction on Cost Awards* may submit costs with supporting rationale as to how their participation contributed to the OEB's ability to decide on this matter.
 - Any party eligible for an award of costs must file a claim with the OEB and Enbridge Gas no later than ten days from the date of the OEB's decision and order. Should Enbridge Gas have any comments concerning any of the claims, these concerns shall be forwarded to the OEB and to the claimant within seven days of receiving the claims. Any response to Enbridge Gas's comments must be filed with the OEB and Enbridge Gas within seven days of receiving the comments.

9. Enbridge Gas requests that all documents in relation to the application and its supporting evidence, including the responsive comments of any interested party, be served on Enbridge Gas and its counsel as follows:

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Dated: December 8, 2023

ENBRIDGE GAS INC.

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