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Enbridge Gas Inc.
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March 15, 2024

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 – Updated Draft Rate Order

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 applied for approval of an incentive rate-making mechanism (IRM) for the years from 2025 to 2028.

On December 21, 2023, the OEB issued its Decision and Order on Phase 1 of the 2024 Rates Application (Decision) and directed Enbridge Gas to file a Draft Rate Order, including a proposed Rate Handbook, reflecting the OEB's findings in the Decision. Enbridge Gas filed its Draft Rate Order on February 16, 2024 and received comments from intervenors and OEB staff on March 1, 2024. Procedural Order No. 7 directed Enbridge Gas to file any reply by March 15, 2024.

Through a separate letter also sent today, and the associated attachments, Enbridge Gas has set out its response to the requests, comments and positions of other parties about the Draft Rate Order.

With this letter, Enbridge Gas is providing an updated Draft Rate Order that reflects the most recent rate changes from April 2024 QRAM (EB-2024-0093). The originally filed Draft Rate Order was filed based on January 1, 2024 rates as approved in the January 2024 QRAM (EB-2023-0330) updated for the Decision and required an update to reflect the April 2024 QRAM changes prior to implementation of interim 2024 rates on May 1, 2024.

Enbridge Gas has recently identified two corrections from the originally filed Draft Rate Order. The first correction relates to calculation of Rider E, which is the rate adjustment rider to recover the revenue variance between the approved effective date of January 1, 2024 and the implementation date of May 1, 2024 (Working Papers, Schedule 26). The second correction relates to the inclusion of customer supplied fuel volumes in the derivation of the January 2024 QRAM update (Working Papers, Schedule 28).

The updated Draft Rate Order reflects these corrections and also incorporates one other change resulting from the intervenor comments on the Draft Rate Order related to the implementation of the \$50 million reduction to the O&M budget from the Settlement Proposal. That change, which has the effect of reducing revenue deficiency by \$900,000, is described in the Company's letter responding to comments on the originally filed Draft Rate Order.

The attached updated Draft Rate Order is in the same format as the originally filed Draft Rate Order.

Bill Impacts

The 2024 bill impacts for individual customers resulting from the updated Draft Rate Order vary by rate zone and rate class. For a typical residential sales service customer, the interim 2024 rates, reflecting the OEB Phase 1 Decision based on the April 2024 QRAM, result in an annual bill increase¹ for 2024 of:

- \$22.18 (or 1.8% of total bill) for a Rate 1 customer in the EGD rate zone;
- \$32.97 (or 2.5% of total bill) for a Rate 01 customer in the Union North rate zone; and
- \$22.33 (or 2.1% of total bill) for a Rate M1 customer in the Union South rate zone.

The residential bill impacts will be offset by the clearance of deferral and variance accounts. The deferral and variance accounts are proposed to be cleared by way of a prospective rate rider effective May 1, 2024, for a period of eight months. The 2024 annual bill impact for the clearance of the deferral and variance accounts for a typical residential sales service customer is a refund of:

- \$38.37 (or 3.1% of total bill) for a Rate 1 customer in the EGD rate zone;
- \$42.25 (or 3.2% of total bill) for a Rate 01 customer in the Union North rate zone; and
- \$35.01 (or 3.3% of total bill) for a Rate M1 customer in the Union South rate zone.

Approvals Requested

In the cover letter accompanying the originally filed Draft Rate Order, Enbridge Gas explained that it requires an OEB decision by April 12, 2024 in order to implement for May 1, 2024.²

¹ The bill impacts for the Union rate zones have slightly increased relative to the bill impacts provided in the originally filed draft rate order due to changes in the Dawn reference price and the weighted average reference price from January 2024 QRAM to April 2024 QRAM. The correction to the January QRAM update also slightly increased the bill impacts for the Union rate zones.

² Enbridge Gas letter dated February 16, 2024.

As explained in the submissions in response to comments on the Draft Rate Orders (please see “Approvals Requested” section), this timing request has not changed.

If the OEB does not require any further changes to the updated Draft Rate Order as a result of the comment process, then Enbridge Gas requests approval of attached updated Draft Rate Order for implementation on May 1, 2024.

However, if after reviewing the updated Draft Rate Order and the submissions of all parties the OEB determines that additional changes to the updated Draft Rate Order are required, then an earlier decision date would be required. This is necessary in order for Enbridge Gas to make any necessary additional changes to the Draft Rate Order. The time required will depend on the magnitude of the changes required, but Enbridge Gas would aim to complete the work in time for May 1, 2024 implementation if possible.

Should you have any questions, please let us know.

Sincerely,

Vanessa Innis
Program Director, Strategic Regulatory Applications – Rebasing