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May 21, 2024

BY 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)
Ontario Energy Board File No.: EB-2023-0062
2021 Demand Side Management (DSM) Deferral and Variance Account
Disposition Application – Enbridge Gas Draft Rate Order**

On April 28, 2023, Enbridge Gas submitted an application with the Ontario Energy Board (OEB) concerning the final disposition and recovery of certain 2021 DSM program year-end deferral and variance account balances (the Application).¹

In accordance with the OEB's Decision and Order, dated May 7, 2024, Enbridge Gas has compiled the enclosed Draft Rate Order for the EGD rate zone and Union rate zones.

The draft rate order reflects total 2021 DSM deferral and variance account credit balances of \$2.833 million, including interest credit of \$0.462 million, for a total credit disposition of \$3.295 million effective October 1, 2024 (shown in Table 1). Of the total balance, \$7.005 million debit balance is applicable to the EGD rate zone and \$10.301 million credit balance is applicable to the Union rate zones.

Enbridge Gas will clear these balances to customers as a one-time billing adjustment in conjunction with its October 1, 2024 QRAM application, which is the next available QRAM application following the completion of this draft rate order process.

¹ Enbridge Gas Inc., was formed by the amalgamation of Enbridge Gas Distribution Inc (EGD) and Union Gas Limited ("Union") on January 1, 2019.

Table 1
Summary of Approved 2021 Enbridge Gas DSM Deferral and Variance Account Principal Balances,
Interest, and Total for Clearing

<u>Account</u>	<u>Principal for Clearing</u> (000's)	<u>Interest</u> (000's)	<u>Total for Clearing</u> (000's)
<u>EGD Rate Zone</u>			
Demand Side Management Variance Account (DSMVA)	1,862.4	44.7	1,907.1
Demand Side Management Incentive Deferral Account (DSMIDA)	4,533.8	523.6	5,057.4
Lost Revenue Adjustment Mechanism Variance Account (LRAMVA)	37.2	3.6	40.9
Total EGD Rate Zone	6,433.4	571.9	7,005.3
<u>Union Rate Zones</u>			
Demand Side Management Variance Account (DSMVA)	(11,372.6)	(1,271.6)	(12,644.3)
Demand Side Management Incentive Deferral Account (DSMIDA)	1,409.2	159.2	1,568.4
Lost Revenue Adjustment Mechanism Variance Account (LRAMVA)	697.0	78.3	775.2
Total Union Rate Zones	(9,266.5)	(1,034.1)	(10,300.6)
TOTAL ENBRIDGE GAS	(2,833.0)	(462.2)	(3,295.2)

Note: figures may be off by +/-0.1 due to rounding

The enclosed Draft Rate Order is organized as follows:

EGD Rate Zone – Appendix A

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Union Rate Zones – Appendix B

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If you have any questions, please contact the undersigned.

Sincerely,

Anton Kacicnik

Anton Kacicnik
Manager, Regulatory Applications

cc.: Dennis O'Leary (Aird & Berlis)
EB-2023-0062 (Intervenors)

EGD RATE ZONE
UNIT RATE AND TYPE OF SERVICE: CLEARING IN OCTOBER 2024

		COL.1
		<u>Unit Rate</u> (¢/m³)
<u>Bundled Services:</u>		
RATE 1	- SYSTEM SALES	0.2973
	- BUY/SELL	0.0000
	- ONTARIO T-SERVICE	0.2973
	- DAWN T-SERVICE	0.2973
	- WESTERN T-SERVICE	0.2973
RATE 6	- SYSTEM SALES	(0.0556)
	- BUY/SELL	0.0000
	- ONTARIO T-SERVICE	(0.0556)
	- DAWN T-SERVICE	(0.0556)
	- WESTERN T-SERVICE	(0.0556)
RATE 9	- SYSTEM SALES	(12.7715)
	- BUY/SELL	0.0000
	- ONTARIO T-SERVICE	0.0000
	- DAWN T-SERVICE	0.0000
	- WESTERN T-SERVICE	0.0000
RATE 100	- SYSTEM SALES	0.4132
	- BUY/SELL	0.0000
	- ONTARIO T-SERVICE	0.4132
	- DAWN T-SERVICE	0.4132
	- WESTERN T-SERVICE	0.0000
RATE 110	- SYSTEM SALES	(0.0626)
	- BUY/SELL	0.0000
	- ONTARIO T-SERVICE	(0.0626)
	- DAWN T-SERVICE	(0.0626)
	- WESTERN T-SERVICE	(0.0626)
RATE 115	- SYSTEM SALES	(0.1846)
	- BUY/SELL	0.0000
	- ONTARIO T-SERVICE	(0.1846)
	- DAWN T-SERVICE	(0.1846)
	- WESTERN T-SERVICE	0.0000
RATE 135	- SYSTEM SALES	0.3943
	- BUY/SELL	0.0000
	- ONTARIO T-SERVICE	0.0000
	- DAWN T-SERVICE	0.3943
	- WESTERN T-SERVICE	0.3943
RATE 145	- SYSTEM SALES	0.0000
	- BUY/SELL	0.0000
	- ONTARIO T-SERVICE	0.0000
	- DAWN T-SERVICE	(6.1562)
	- WESTERN T-SERVICE	0.0000
RATE 170	- SYSTEM SALES	(0.8138)
	- BUY/SELL	0.0000
	- ONTARIO T-SERVICE	(0.8138)
	- DAWN T-SERVICE	(0.8138)
	- WESTERN T-SERVICE	0.0000
RATE 200	- SYSTEM SALES	(0.0028)
	- BUY/SELL	0.0000
	- ONTARIO T-SERVICE	(0.0028)
	- DAWN T-SERVICE	(0.0028)
	- WESTERN T-SERVICE	0.0000
<u>Unbundled Services (Billing based on CD):</u>		
RATE 125	- All	(0.1663)
RATE 300	- All	(6.5810)
RATE 332	- All	0.0000

EGD RATE ZONE
DETERMINATION OF BALANCES TO BE CLEARED
2021 DSM DEFERRAL AND VARIANCE ACCOUNTS

<u>ITEM NO.</u>		COL.1	COL.2	COL.3 (COL.1 + COL.2)
		<u>PRINCIPAL FOR CLEARING (\$000)</u>	<u>INTEREST (\$000)</u>	<u>TOTAL FOR CLEARING (\$000)</u>
1.	DEMAND SIDE MANAGEMENT (DSMVA)	1,862.4	44.7	1,907.1
2.	LOST REVENUE ADJ MECHANISM (LRAMVA)	37.2	3.6	40.9
3.	DEMAND SIDE MANAGEMENT INCENTIVE (DSMIDA)	4,533.8	523.6	5,057.4
4.	TOTAL	<u>6,433.4</u>	<u>571.9</u>	<u>7,005.3</u>

EGD RATE ZONE
2021 CLASSIFICATION AND ALLOCATION OF DEFERRAL AND VARIANCE ACCOUNT BALANCES

ITEM NO.	CLASSIFICATION	COL.1 <u>TOTAL</u> (\$000)
1.	DEMAND SIDE MANAGEMENT (DSMVA)	1,907.1
2.	LOST REVENUE ADJ MECHANISM (LRAMVA)	40.9
3.	DEMAND SIDE MANAGEMENT INCENTIVE (DSMIDA)	5,057.4
4.	TOTAL	<u><u>7,005.3</u></u>

		COL.A	COL.B	COL.C	COL.D = A +B + C
ALLOCATION		<u>DSMVA</u> (\$000)	<u>LRAMVA</u> (\$000)	<u>DSMIDA</u> (\$000)	<u>TOTAL</u> (\$000)
1.1	RATE 1	10,509.0	0.0	3,608.1	14,117.1
1.2	RATE 6	(3,732.9)	0.0	1,266.1	(2,466.8)
1.3	RATE 9	(0.6)	0.0	0.2	(0.4)
1.4	RATE 100	131.2	0.0	9.3	140.5
1.5	RATE 110	(773.7)	11.6	72.4	(689.7)
1.6	RATE 115	(756.5)	(1.4)	42.2	(715.7)
1.7	RATE 125	(21.8)	0.0	6.4	(15.4)
1.8	RATE 135	190.4	26.3	32.1	248.8
1.9	RATE 145	(1,537.0)	4.2	7.0	(1,525.8)
1.10	RATE 170	(2,092.1)	0.1	11.1	(2,080.9)
1.11	RATE 200	(7.6)	0.0	2.2	(5.3)
1.12	RATE 300	(1.5)	0.0	0.4	(1.0)
1.13	RATE 332	0.0	0.0	0.0	0.0
1.14	TOTAL	<u><u>1,907.1</u></u>	<u><u>40.9</u></u>	<u><u>5,057.4</u></u>	<u><u>7,005.3</u></u>

EGD RATE ZONE
2021 ALLOCATION AND UNIT RATE DERIVATION BY TYPE OF SERVICE

		COL.1	COL.2	COL.3 (COL.1 / COL.2)
		TOTAL BALANCE (\$000)	2021 VOLUME (m³)	UNIT RATE (¢/m³)
<u>Bundled Services:</u>				
RATE 1	- SYSTEM SALES	13,871.2	4,665,991,961	0.2973
	- BUY/SELL	0.0	0	0.0000
	- T-SERVICE EXCL WBT	0.2	58,138	0.2973
	- DAWN T-SERVICE	205.6	69,171,587	0.2973
	- WBT	40.1	13,500,442	0.2973
RATE 6	- SYSTEM SALES	(1,522.9)	2,740,101,454	(0.0556)
	- BUY/SELL	0.0	0	0.0000
	- T-SERVICE EXCL WBT	(25.4)	45,676,184	(0.0556)
	- DAWN T-SERVICE	(840.9)	1,513,078,914	(0.0556)
	- WBT	(77.6)	139,575,630	(0.0556)
RATE 9	- SYSTEM SALES	(0.4)	3,217	(12.7715)
	- BUY/SELL	0.0	0	0.0000
	- T-SERVICE EXCL WBT	0.0	0	0.0000
	- DAWN T-SERVICE	0.0	0	0.0000
	- WBT	0.0	0	0.0000
RATE 100	- SYSTEM SALES	53.3	12,898,915	0.4132
	- BUY/SELL	0.0	0	0.0000
	- T-SERVICE EXCL WBT	6.7	1,614,497	0.4132
	- DAWN T-SERVICE	80.5	19,480,585	0.4132
	- WBT	0.0	0	0.0000
RATE 110	- SYSTEM SALES	(52.1)	83,260,436	(0.0626)
	- BUY/SELL	0.0	0	0.0000
	- T-SERVICE EXCL WBT	(35.6)	56,934,851	(0.0626)
	- DAWN T-SERVICE	(594.4)	949,589,433	(0.0626)
	- WBT	(7.6)	12,104,952	(0.0626)
RATE 115	- SYSTEM SALES	(1.9)	1,002,251	(0.1846)
	- BUY/SELL	0.0	0	0.0000
	- T-SERVICE EXCL WBT	(244.4)	132,411,386	(0.1846)
	- DAWN T-SERVICE	(469.4)	254,283,750	(0.1846)
	- WBT	0.0	0	0.0000
RATE 135	- SYSTEM SALES	10.3	2,624,407	0.3943
	- BUY/SELL	0.0	0	0.0000
	- T-SERVICE EXCL WBT	0.0	0	0.0000
	- DAWN T-SERVICE	237.7	60,292,545	0.3943
	- WBT	0.8	195,539	0.3943
RATE 145	- SYSTEM SALES	0.0	0	0.0000
	- BUY/SELL	0.0	0	0.0000
	- T-SERVICE EXCL WBT	0.0	0	0.0000
	- DAWN T-SERVICE	(1,525.8)	24,785,091	(6.1562)
	- WBT	0.0	0	0.0000
RATE 170	- SYSTEM SALES	(51.3)	6,302,330	(0.8138)
	- BUY/SELL	0.0	0	0.0000
	- T-SERVICE EXCL WBT	(1,180.4)	145,049,763	(0.8138)
	- DAWN T-SERVICE	(849.2)	104,348,843	(0.8138)
	- WBT	0.0	0	0.0000
RATE 200	- SYSTEM SALES	(3.8)	137,779,217	(0.0028)
	- BUY/SELL	0.0	0	0.0000
	- T-SERVICE EXCL WBT	(0.1)	1,852,644	(0.0028)
	- DAWN T-SERVICE	(1.5)	52,377,810	(0.0028)
	- WBT	0.0	0	0.0000
<u>Unbundled Services: (Billing based on CD)</u>				
RATE 125	- All	(15.4)	9,260,357	(0.1663)
RATE 300	- All	(1.0)	15,600	(6.5810)
RATE 332	- All	0.0	31,144,563	0.0000
TOTAL		<u>7,005.3</u>		

EGD RATE ZONE
2021 DSM Deferral and Variance Account Clearing
Bill Adjustment in October 2024 for Typical Customers

ITEM NO.	COL.1	COL.2	COL.3	COL.4	COL.5	COL.6	COL.7 (COL.2 x COL.3)	COL.8 (COL.2 x COL.4)	COL.9 (COL.2 x COL.5)	COL.10 (COL.2 x COL.6)
			UNIT RATE				BILL ADJUSTMENT			
<u>GENERAL SERVICE</u>		ANNUAL VOLUME m³	<u>Sales</u> ¢/m³	<u>Ontario TS</u> ¢/m³	<u>Dawn TS</u> ¢/m³	<u>Western TS</u> ¢/m³	<u>Sales Customers</u> \$	<u>Ontario TS Customers</u> \$	<u>Dawn TS Customers</u> \$	<u>Western TS Customers</u> \$
1.1	RATE 1 RESIDENTIAL									
1.2	Heating & Water Heating	2,400	0.2973	0.2973	0.2973	0.2973	7.13	7.13	7.13	7.13
2.1	RATE 6 COMMERCIAL									
2.2	Commercial - Heating & Other Uses	22,606	(0.0556)	(0.0556)	(0.0556)	(0.0556)	(12.56)	(12.56)	(12.56)	(12.56)
2.3	General Use	43,285	(0.0556)	(0.0556)	(0.0556)	(0.0556)	(24.06)	(24.06)	(24.06)	(24.06)
<u>CONTRACT SERVICE</u>										
3.1	RATE 100									
3.2	Industrial - small size	339,188	0.4132	0.4132	0.4132	0.0000	1,402	1,402	1,402	-
4.1	RATE 110									
4.2	Industrial - small size, 50% LF	598,568	(0.0626)	(0.0626)	(0.0626)	(0.0626)	(375)	(375)	(375)	(375)
4.3	Industrial - avg. size, 75% LF	9,976,121	(0.0626)	(0.0626)	(0.0626)	(0.0626)	(6,245)	(6,245)	(6,245)	(6,245)
5.1	RATE 115									
5.2	Industrial - small size, 80% LF	4,471,609	(0.1846)	(0.1846)	(0.1846)	0.0000	(8,255)	(8,255)	(8,255)	-
5.3	Industrial - large size, 80% LF	69,832,850	(0.1846)	(0.1846)	(0.1846)	0.0000	(128,918)	(128,918)	(128,918)	-
6.1	RATE 135									
6.2	Industrial - Seasonal Firm	598,567	0.3943	0.0000	0.3943	0.3943	2,360	-	2,360	2,360
7.1	RATE 145									
7.2	Commercial - avg. size	598,568	0.0000	0.0000	(6.1562)	0.0000	-	-	(36,849)	-
8.1	RATE 170									
8.2	Industrial - avg. size, 75% LF	9,976,121	(0.8138)	(0.8138)	(0.8138)	0.0000	(81,185)	(81,185)	(81,185)	-

Union Rate Zones
Unit Rates for Recovery/(Refund) - Delivery
2021 DSM Deferral Account Disposition

Line No.	Particulars	Rate Class	Unit Rate (cents/m ³) (a)
	<u>Union North</u>		
1	Small Volume General Service	01	(0.2446)
2	Large Volume General Service	10	(0.6294)
3	Medium Volume Firm Service	20	(0.2086)
4	Large Volume High Load Factor	100	(0.0348)
5	Large Volume Interruptible	25	-
	<u>Union South</u>		
6	Small Volume General Service	M1	(0.0758)
7	Large Volume General Service	M2	(0.3514)
8	Firm Com/Ind Contract	M4	(0.1861)
9	Interruptible Com/Ind Contract	M5A	(0.2372)
10	Special Large Volume Contract	M7	0.7755
11	Large Wholesale	M9	-
12	Small Wholesale	M10	-
13	Contract Carriage Service	T1	(0.3054)
14	Contract Carriage Service	T2	(0.0201)
15	Contract Carriage- Wholesale	T3	-

Union Rate Zones
2021 DSM Deferral & Variance Account Balances

Line No.	Account Number	Account Name (\$000's)	Balance (a)	Interest (b)	Total (c)
1	179-111	Demand Side Management (DSMVA)	(11,373)	(1,272)	(12,644)
2	179-126	Demand Side Management Incentive (DSMIDA)	1,409	159	1,568
3	179-75	Lost Revenue Adjustment Mechanism (LRAMVA)	697	78	775
4	Total Union Rate Zones		<u>(9,266)</u>	<u>(1,034)</u>	<u>(10,301)</u>

Union Rate Zones
Allocation of 2021 DSM Deferral and Variance Account Balances

Line No.	Particulars (\$000's)	Acct No.	Union North					Union South										
		(a)	Rate 01 (b)	Rate 10 (c)	Rate 20 (d)	Rate 100 (e)	Rate 25 (f)	M1 (g)	M2 (h)	M4 (i)	M5 (j)	M7 (k)	M9 (l)	M10 (m)	T1 (n)	T2 (o)	T3 (p)	Total (q)
<u>2021 DSM Deferral Account Balances</u>																		
<u>Delivery-Related Deferrals</u>																		
1	Demand Side Management VA (1)	179-111	(2,319)	(2,001)	(1,356)	(439)	-	(2,702)	(4,145)	(1,775)	(185)	5,046	-	-	(1,389)	(1,379)	-	(12,644)
2	Demand Side Management Incentive DA	179-126	44	38	6	82	-	508	231	64	6	154	-	-	3	432	-	1,568
3	Lost Revenue Adjustment Mechanism VA	179-75	-	-	20	25	-	-	-	573	28	122	-	-	2	4	-	775
4	Total Delivery-Related Deferrals		(2,275)	(1,963)	(1,330)	(333)	-	(2,195)	(3,914)	(1,137)	(151)	5,323	-	-	(1,383)	(943)	-	(10,301)

Notes:

(1) Demand Side Management Variance Account balances for Rate M4 and M5 are allocated based on 2021 actual volumes to derive a common unit rate for disposition for both rate classes, as illustrated below.

Rate Class	2021 Account Balances (i) (\$000s) (a)	2021 Interest (\$000s) (b)	Total Account Balances (\$000s) (c) = (a + b)	2021 Actual Volume (10 ³ m ³) (d)	Pooled Account Balances (ii) (\$000s) (e)	Unit Rate (cents/m ³) (f)=(e/d) x 100
M4	12	1	13	610,808	(1,775)	(0.2906)
M5	(1,774)	(198)	(1,973)	63,511	(185)	(0.2906)
Total	(1,762)	(197)	(1,959)	674,319	(1,959)	

(i) - Exhibit C, Tab 2, Schedule 1, Table 4.

(ii) - Allocated in proportion to column (d).

Union Rate Zones
Unit Rates for One-Time Adjustment - Delivery
2021 DSM Deferral and Variance Account Disposition

Line No.	Particulars	Rate Class	Deferral Balance for Disposition (\$000's) (a)	2021 Actual Volume (10 ³ m ³) (b)	Unit Rate (cents/m ³) (c) = (a / b) * 100
	<u>Union North</u>				
1	Small Volume General Service	01	(2,275)	929,941	(0.2446)
2	Large Volume General Service	10	(1,963)	311,794	(0.6294)
3	Medium Volume Firm Service	20	(1,330)	637,600	(0.2086)
4	Large Volume High Load Factor	100	(333)	958,587	(0.0348)
5	Large Volume Interruptible	25	-	143,898	-
	<u>Union South</u>				
6	Small Volume General Service	M1	(2,195)	2,897,087	(0.0758)
7	Large Volume General Service	M2	(3,914)	1,113,864	(0.3514)
8	Firm Com/Ind Contract	M4	(1,137)	610,808	(0.1861)
9	Interruptible Com/Ind Contract	M5	(151)	63,511	(0.2372)
10	Special Large Volume Contract	M7	5,323	686,353	0.7755
11	Large Wholesale	M9	-	90,096	-
12	Small Wholesale	M10	-	320	-
13	Contract Carriage	T1	(1,383)	453,007	(0.3054)
14	Contract Carriage	T2	(943)	4,700,474	(0.0201)
15	Contract Carriage	T3	-	241,187	-
16	Total		<u>(10,301)</u>		

Union Rate Zones
Calculation of One-Time Delivery Adjustments for Typical Customers
2021 DSM Deferral Account Disposition

Line No.	Particulars	Unit Rate (cents/m ³) (a)	Annual Volume (m ³) (b)	Bill Impact (\$ (1)) (c) = (a x b) / 100
GENERAL SERVICE				
	<u>Union North</u>			
1	Rate 01	(0.2446)	2,200	(5.38)
2	Rate 10	(0.6294)	93,000	(585.34)
	<u>Union South</u>			
3	Rate M1	(0.0758)	2,200	(1.67)
4	Rate M2	(0.3514)	73,000	(256.52)
CONTRACT SERVICE				
	<u>Union North</u>			
5	Small Rate 20	(0.2086)	3,000,000	(6,258)
6	Large Rate 20	(0.2086)	15,000,000	(31,290)
7	Average Rate 25	-	2,275,000	-
8	Small Rate 100	(0.0348)	27,000,000	(9,396)
9	Large Rate 100	(0.0348)	240,000,000	(83,520)
	<u>Union South</u>			
10	Small Rate M4	(0.1861)	875,000	(1,628)
11	Large Rate M4	(0.1861)	12,000,000	(22,332)
12	Small Rate M5 Interruptible	(0.2372)	825,000	(1,957)
13	Large Rate M5 Interruptible	(0.2372)	6,500,000	(15,418)
14	Small Rate M7	0.7755	36,000,000	279,180
15	Large Rate M7	0.7755	52,000,000	403,260
16	Small Rate M9	-	6,950,000	-
17	Large Rate M9	-	20,178,000	-
18	Rate M10	-	94,500	-
19	Small Rate T1	(0.3054)	7,537,000	(23,018)
20	Average Rate T1	(0.3054)	11,565,938	(35,322)
21	Large Rate T1	(0.3054)	25,624,080	(78,256)
22	Small Rate T2	(0.0201)	59,256,000	(11,910)
23	Average Rate T2	(0.0201)	197,789,850	(39,756)
24	Large Rate T2	(0.0201)	370,089,000	(74,388)
25	Large Rate T3	-	272,712,000	-

Notes:

(1) One-time adjustment for sales service and direct purchase customers.