

## **DECISION AND RATE ORDER**

## EB-2023-0062

## ENBRIDGE GAS INC.

Application for the disposition of 2021 Demand Side Management Deferral and Variance Accounts

BEFORE: Patrick Moran Presiding Commissioner

> David Sword Commissioner

June 25, 2024

## 1 OVERVIEW

This is the Decision of the Ontario Energy Board on the Rate Order related to the application filed by Enbridge Gas Inc. seeking approval to recover through changes to rates a shareholder incentive, lost revenues, and demand side management (DSM) program costs related to 2021 DSM activities in its Enbridge Gas Distribution (EGD) and Union rate zones.

The OEB issued its Decision and Order on the application on May 7, 2024. In that Decision and Order, the OEB approved the amounts for disposition, the allocation of the approved amounts by customer rate class, and the disposition methodology to recover or refund approved amounts by customer rate class. The OEB directed Enbridge Gas to file a draft Rate Order reflecting the Decision and Order.

The OEB has reviewed Enbridge Gas' draft rate order and approves it as filed.

## 2 CONTEXT AND PROCESS

Enbridge Gas filed its application with the OEB on April 28, 2023. The OEB held a written hearing, which included written interrogatories followed by written submissions. On May 7, 2024, the OEB issued its Decision and Order. As part of that Decision and Order, the OEB ordered Enbridge Gas to file a draft Rate Order showing the unit rates by rate class to recover or refund the amounts approved for disposition.

On May 21, 2024, Enbridge Gas filed its draft Rate Order. Enbridge Gas' draft Rate Order outlined the proposed disposition of the approved amounts in the EGD and Union rate zones. The draft Rate Order includes a one-time billing adjustment for all Enbridge Gas customers. The billing adjustment is derived for each customer individually by applying the disposition unit rates to each customer's actual consumption volume for the period of January 1, 2021 to December 31, 2021. Enbridge Gas indicated that it will clear the approved amounts in conjunction with its October 1, 2024 Quarterly Rate Adjustment Mechanism (QRAM) application.<sup>1</sup>

On May 31, 2024, OEB staff filed a submission on the draft Rate Order. OEB staff submitted that the allocation between rate classes and the resulting one-time billing adjustment amounts in Enbridge Gas' draft Rate Order are appropriate and consistent with the OEB's Decision and Order.<sup>2</sup> No other intervenor parties filed submissions on Enbridge Gas' draft Rate Order. Enbridge Gas did not file a reply to OEB staff's submission on the draft Rate Order.

<sup>&</sup>lt;sup>1</sup> EB-2023-0062, Draft Rate Order, May 21, 2024

<sup>&</sup>lt;sup>2</sup> EB-2023-0062, OEB Staff Submission, May 31, 2024

## **3 DECISION**

The OEB has reviewed the draft Rate Order filed by Enbridge Gas and is satisfied that the unit rates by customer class reflect the amounts, allocation, and disposition methodology approved in the Decision and Order. The draft Rate Order includes a one-time billing adjustment for all Enbridge Gas customers, for clearance in conjunction with Enbridge Gas' October 1, 2024 QRAM application.

The OEB approves the draft Rate Order as filed. The approved Rate Order is attached in Schedule A.

## 4 ORDER

#### THE ONTARIO ENERGY BOARD ORDERS THAT:

- 1. The unit rates for the Enbridge Gas Distribution and Union rate zones, as set out in Schedule A, are approved.
- 2. The balances for the Enbridge Gas Distribution and Union rate zones shall be recovered or refunded as a one-time billing adjustment in Enbridge Gas Inc.'s October 1, 2024 Quarterly Rate Adjustment Mechanism application.

**DATED** at Toronto June 25, 2024

#### ONTARIO ENERGY BOARD

Nancy Marconi Registrar SCHEDULE A RATE ORDER ENBRIDGE GAS INC. EB-2023-0062 JUNE 25, 2024

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

<u>Account</u>	Principal for Clearing (000's)	Interest (000's)	Total for Clearing (000's)
EGD Rate Zone			
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

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

#### COL.1

		Unit Rate
		(¢/m³)
Bundled Servio	ces:	
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
DATE 440	- WESTERN T-SERVICE	0.0000
RATE 110	- SYSTEM SALES - BUY/SELL	(0.0626) 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
<b>RATE 135</b>	- 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
		(0.8138)
	- DAWN T-SERVICE	(0.8138)
RATE 200	- WESTERN T-SERVICE - SYSTEM SALES	0.0000 (0.0028)
RATE 200	- BUY/SELL	0.0000
	- ONTARIO T-SERVICE	(0.0028)
	- DAWN T-SERVICE	(0.0028)
	- WESTERN T-SERVICE	0.0000
		0.0000
	rvices (Billing based on CD):	(0.4000)
RATE 125 RATE 300	- All - All	(0.1663)
RATE 300 RATE 332	- All - All	(6.5810) 0.0000
NALE 332	- 711	0.0000

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

		COL.1	COL.2	COL.3 (COL.1 + COL.2)
ITEM <u>NO.</u>		PRINCIPAL F <u>OR CLEARING</u> (\$000)	INTEREST (\$000)	TOTAL F <u>OR CLEARING</u> (\$000)
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	6,433.4	571.9	7,005.3

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

ITEM		COL.1
<u>NO.</u>	CLASSIFICATION	TOTAL (\$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	7,005.3

			COL.A	COL.B	COL.C	COL.D = A + B + C
		ALLOCATION	DSMVA (\$000)	LRAMVA (\$000)	DSMIDA (\$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	<b>RATE 170</b>		(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	<b>RATE 332</b>		0.0	0.0	0.0	0.0
1.14	TOTAL		1,907.1	40.9	5,057.4	7,005.3

#### 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	2021 VOLUME	UNIT RATE
Pundled Services		(\$000)	(m³)	(¢/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 - SYSTEM SALES	(77.6)	139,575,630	(0.0556)
RATE 9	- BUY/SELL	(0.4) 0.0	3,217 0	(12.7715) 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)
RATE 115	- WBT - SYSTEM SALES	(7.6)	12,104,952 1,002,251	(0.0626) (0.1846)
KATE IIS	- BUY/SELL	(1.9) 0.0	1,002,231	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 - BUY/SELL	0.0	0	0.0000
	- T-SERVICE EXCL WBT	0.0 0.0	0 0	0.0000 0.0000
	- DAWN T-SERVICE	(1,525.8)	24,785,091	(6.1562)
	- WBT	0.0	21,700,001	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 - DAWN T-SERVICE	(0.1)	1,852,644	(0.0028)
	- WBT	(1.5) 0.0	52,377,810 0	(0.0028) 0.0000
Unbundlad Samilaas (		0.0	5	0.0000
Unbundled Services: ( RATE 125	- All	(15.4)	9,260,357	(0.1663)
RATE 300	- All	(15.4)	9,200,357 15,600	(6.5810)
RATE 332	- All	0.0	31,144,563	0.0000
TOTAL		7,005.3	,,	

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

ITEM <u>NO.</u>	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 R	ATE			BILL ADJU	JSTMENT	
	<b>GENERAL SERVICE</b>	ANNUAL VOLUME m <sup>3</sup>	<u>Sales</u> ¢/m³	Ontario TS ¢/m <sup>3</sup>	<u>Dawn TS</u> ¢/m³	<u>Western</u> TS ¢/m <sup>3</sup>	<u>Sales</u> Customers \$	<u>Ontario TS</u> Customers \$	<u>Dawn TS</u> Customers \$	<u>Western TS</u> Customers \$
1.1 1.2	<b>RATE 1 RESIDENTIAL</b> Heating & Water Heating	2,400	0.2973	0.2973	0.2973	0.2973	7.13	7.13	7.13	7.13
2.1 2.2 2.3	RATE 6 COMMERCIAL Commercial - Heating & Other Uses General Use	22,606 43,285	(0.0556) (0.0556)	(0.0556) (0.0556)	(0.0556) (0.0556)	(0.0556) (0.0556)	(12.56) (24.06)	(12.56) (24.06)	(12.56) (24.06)	(12.56) (24.06)
	CONTRACT SERVICE									
3.1 3.2	<b>RATE 100</b> Industrial - small size	339,188	0.4132	0.4132	0.4132	0.0000	1,402	1,402	1,402	-
4.1 4.2 4.3	<b>RATE 110</b> Industrial - small size, 50% LF Industrial - avg. size, 75% LF	598,568 9,976,121	(0.0626) (0.0626)	(0.0626) (0.0626)	(0.0626) (0.0626)	(0.0626) (0.0626)	(375) (6,245)	(375) (6,245)	(375) (6,245)	(375) (6,245)
5.1 5.2 5.3	<b>RATE 115</b> Industrial - small size, 80% LF Industrial - large size, 80% LF	4,471,609 69,832,850	(0.1846) (0.1846)	(0.1846) (0.1846)	(0.1846) (0.1846)	0.0000 0.0000	(8,255) (128,918)	(8,255) (128,918)	(8,255) (128,918)	:
6.1 6.2	<b>RATE 135</b> Industrial - Seasonal Firm	598,567	0.3943	0.0000	0.3943	0.3943	2,360	-	2,360	2,360
7.1 7.2	<b>RATE 145</b> Commercial - avg. size	598,568	0.0000	0.0000	(6.1562)	0.0000	-	-	(36,849)	-
8.1 8.2	<b>RATE 170</b> 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		Rate	Unit Rate
No.	Particulars	Class	(cents/m <sup>3</sup> )
			(a)
	Union North		
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	-
	Union South		
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	Account				
No.	Number	Account Name (\$000's)	Balance	Interest	Total
			(a)	(b)	(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	(9,266)	(1,034)	(10,301)

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

Line		Acct		U	nion North							Union	South					
No.	Particulars (\$000's)	No.	Rate 01	Rate 10	Rate 20	Rate 100	Rate 25	M1	M2	M4	M5	M7	M9	M10	T1	T2	T3	Total
		(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(I)	(m)	(n)	(0)	(p)	(q)
	2021 DSM Deferral Account Balances																	
	Delivery-Related Deferrals																	
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 <sup>3</sup> m <sup>3</sup> ) (d)	Pooled Account Balances (ii) (\$000s) (e)	Unit Rate (cents/m <sup>3</sup> ) (f)=(e/d) x 100
M4 M5 Total	12 (1,774) (1,762)	1 (198) (197)	13 (1,973) (1,959)	610,808 63,511 674,319	(1,775) (185) (1,959)	(0.2906) (0.2906)

(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 (10³m³) (b)	Unit Rate (cents/m³) (c) = (a / b) * 100
	Union North				
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	-
	Union South				
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	Т3	-	241,187	-
16	Total		(10.201)		

16 Total

(10,301)

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

Line No.	Particulars	Unit Rate (cents/m <sup>3</sup> )	Annual Volume (m <sup>3</sup> )	Bill Impact (\$) (1)
		(a)	(b)	(c) = (a x b) / 100
	GENERAL SERVICE			
	Union North			
1	Rate 01	(0.2446)	2,200	(5.38)
2	Rate 10	(0.6294)	93,000	(585.34)
	Union South			
3	Rate M1	(0.0758)	2,200	(1.67)
4	Rate M2	(0.3514)	73,000	(256.52)
	CONTRACT SERVICE			
	Union North			
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)
	Union South			
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	-