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BY EMAIL

October 17, 2024

Ms. Nancy Marconi
Registrar
Ontario Energy Board
2300 Yonge Street, 27th Floor
Toronto, ON M4P 1E4
Registrar@oeb.ca

Dear Ms. Marconi:

**Re: Ontario Energy Board (OEB) Staff Submission
Enbridge Gas Inc.
2023 Utility Earnings and Disposition of Deferral and Variance Account
Balances
OEB File Number: EB-2024-0125**

Please find attached OEB staff's submission in the above referenced proceeding,
pursuant to Procedural Order No. 1.

Yours truly,

Arturo Lau
Natural Gas Applications

Encl.

cc: All parties in EB-2024-0125



ONTARIO ENERGY BOARD

OEB STAFF SUBMISSION ON SETTLEMENT PROPOSAL

Enbridge Gas Inc.

**2023 Deferral and Variance Account Disposition and
Earnings Sharing Application**

EB-2024-0125

October 17, 2024

Background

Enbridge Gas Inc. (Enbridge Gas) filed an application with the Ontario Energy Board (OEB) on May 31, 2024, under section 36 of the *Ontario Energy Board Act, 1998*, for an order approving the disposition of amounts recorded in certain deferral and variance accounts (DVAs) and to determine amounts for earnings sharing purposes for calendar year 2023.

On August 30, 2018, the OEB approved the amalgamation of Enbridge Gas Distribution Inc. (EGD) and Union Gas Limited (Union Gas).¹ The companies amalgamated to form Enbridge Gas on January 1, 2019. Following the amalgamation, Enbridge Gas maintained the existing rate zones of the former EGD and Union Gas (the EGD rate zone, and the Union North West, Union North East and Union South rate zones).² Enbridge Gas has maintained most of the existing deferral and variance accounts for each rate zone. As part of the ratemaking framework approved for the newly formed utility (Enbridge Gas), the OEB approved certain new DVAs for Enbridge Gas.

The net balance of all (EGD, Union Gas and Enbridge Gas) 2023 DVA balances requested for disposition was \$4.83 million (representing a recovery from ratepayers). The net balance plus interest represents the amount requested by Enbridge Gas in the pre-filed evidence. Enbridge Gas's actual utility earnings did not exceed the OEB-approved return on equity (ROE) by more than the threshold for earnings sharing (in excess of 150 basis points).³ Accordingly, Enbridge Gas did not include a proposal to share any excess earnings with ratepayers for 2023 in this application.

Enbridge Gas proposed to dispose of the 2023 DVA balances as a one-time billing adjustment. The billing adjustment will appear as a separate line item on customers' bills.

A settlement conference was convened among Enbridge Gas and intervenors (collectively referred to as the "Parties") on September 16, 17 and 18, 2024 with the objective of reaching a settlement on the issues. The Parties reached a complete settlement on all DVA balances.

¹ EB-2017-0306 / 0307 Decision and Order August 30, 2018, application by Enbridge Gas Distribution and Union Gas Limited to amalgamate under the OEB's policy on mergers, acquisition, amalgamation and divestiture (MAADs Decision).

² Collectively Union North West, Union North East and Union South are referred to as the Union rate zones.

³ MAADs Decision, EB-2017-0306 / 0307, p. 29

Enbridge Gas filed a settlement proposal for the OEB’s consideration on October 10, 2024.

OEB Staff Submission

OEB staff reviewed the settlement proposal in the context of applicable OEB policies and the OEB’s statutory objectives. OEB staff supports the settlement of the issues and is of the opinion that the settlement is in the public interest. Moreover, in OEB staff’s view, and subject to the comments below, the discussion in the settlement proposal is adequate to support the settlement proposal.

In the submission below, OEB staff has provided comments and context on the settled issues, including on a number of the subject DVAs. The list of all DVAs, including those DVAs that are not the subject of a disposition request in this proceeding, and the associated settled account balances is provided in Table 1 below.

As set out in the pre-filed evidence, the original total net balance of all DVAs requested for disposition was a debit balance of \$4.83 million (excluding interest). As can be observed from Table 1 below, the settlement proposal has resulted in the overall net balance decreasing from a debit of \$4.83 million to a credit (an amount payable to customers) of \$2.07 million (excluding interest). The change is a result of the agreement by the Parties that Enbridge Gas will decrease the amount included in the Getting Ontario Connected Act Variance Account (GOCAVA) for the purposes of settlement.

Table 1: Summary of DVA Balances

ENBRIDGE GAS DEFERRAL & VARIANCE ACCOUNT ACTUAL & FORECAST BALANCES					Col. 1	Col. 2	Col. 3	Col. 4
					Forecast for clearance at January 1, 2025			
Line No.	Account Description	Account Acronym			Principal (\$000's)	Interest (\$000's)	Total (\$000's)	Reference to Evidence
<u>EGD Rate Zone Commodity Related Accounts</u>								
1.	Storage and Transportation D/A	2023 S&TDA			18,705.8	1,508.3	20,214.1	D-1, Page 2
2.	Transactional Services D/A	2023 TSDA			(41,738.1)	(2,147.4)	(43,885.5)	D-1, Page 4
3.	Unaccounted for Gas V/A	2023 UAFVA			(5,922.7)	(242.7)	(7,165.4)	D-1, Page 6
4.	Total Commodity Related Accounts				(29,955.0)	(881.8)	(30,836.8)	
<u>EGD Rate Zone Non Commodity Related Accounts</u>								
5.	Average Use True-Up V/A	2023 AUTVA			14,307.1	736.1	15,043.2	D-1, Page 10
6.	Gas Distribution Access Rule Impact D/A	2023 GDARIDA			-	-	-	D-1, Page 23
7.	Deferred Rebate Account	2023 DRA			2,132.7	179.8	2,312.5	D-1, Page 12
8.	Transition Impact of Accounting Changes D/A	2023 TIACDA			-	-	-	D-1, Page 1
9.	Electric Program Earnings Sharing D/A	2023 EPESDA			-	-	-	D-1, Page 23
10.	Open Bill Revenue V/A	2023 OBRVA			-	-	-	D-1, Page 23
11.	Ex-Franchise Third Party Billing Services D/A	2023 EXFTPBSDA			-	-	-	D-1, Page 23
12.	OEB Cost Assessment V/A	2023 OEBCAVA			3,732.8	289.3	4,022.1	D-1, Page 13
13.	Dawn Access Costs D/A	2023 DACDA			-	-	-	D-1, Page 16
14.	Incremental Capital Module D/A - EGD	2020-2023 ICMDA			(4,909.0)	(215.4)	(5,124.4)	C-1, Page 1
15.	RNG Injection Service V/A	2022-2023 RNGISVA			(331.5)	(27.5)	(359.0)	D-1, Page 23
16.	Pension and OPEB Forecast Accrual vs. Actual Cash Payment Differential V/A	2023 P&OPEBFAVACPDA			-	-	-	D-1, Page 23
17.	Total EGD Rate Zone (for clearance)				(15,022.9)	80.3	(14,942.6)	
<u>Union Rate Zones Gas Supply Accounts</u>					<u>OEB Account</u>			
18.	Upstream Transportation Optimization	179-131	2023		8,087.2	416.1	8,503.3	E-1, Page 6
19.	Spot Gas Variance Account	179-107	2023		-	-	-	E-1, Page 58
20.	Unabsorbed Demand Costs Variance Account	179-108	2023		41.5	37.8	79.3	E-1, Page 1
21.	Base Service North T-Service TransCanada Capacity	179-153	2023		79.0	5.3	84.3	E-1, Page 52
22.	Total Gas Supply Accounts				8,207.7	459.1	8,666.8	
<u>Union Rate Zones Storage Accounts</u>								
23.	Short-Term Storage and Other Balancing Services	179-70	2023		1,637.5	84.2	1,721.7	E-1, Page 8
<u>Union Rate Zones Other Accounts</u>								
24.	Normalized Average Consumption	179-133	2023		(3,650.8)	(188.7)	(3,839.5)	E-1, Page 13
25.	Deferral Clearing Variance Account	179-132	2023		3,372.3	202.9	3,575.2	E-1, Page 21
26.	OEB Cost Assessment Variance Account	179-151	2023		1,630.3	125.4	1,755.7	E-1, Page 49
27.	Unbundled Services Unauthorized Storage Overrun	179-103	2023		-	-	-	E-1, Page 58
28.	Gas Distribution Access Rule Costs	179-112	2023		-	-	-	E-1, Page 58
29.	Conservation Demand Management	179-123	2023		-	-	-	E-1, Page 58
30.	Parkway West Project Costs	179-136	2023		(696.4)	(46.4)	(742.8)	E-1, Page 25
31.	Brantford-Kirkwall/Parkway D Project Costs	179-137	2022		(3.1)	(0.3)	(3.4)	E-1, Page 29
32.	Lobo C Compressor/Hamilton-Milton Pipeline Project Costs	179-142	2023		267.8	9.3	277.1	E-1, Page 41
33.	Lobo D/Bright C/Dawn H Compressor Project Costs	179-144	2023		66.0	(39.7)	26.3	E-1, Page 44
34.	Burlington-Oakville Project Costs	179-149	2023		(43.3)	(3.0)	(46.3)	E-1, Page 47
35.	Panhandle Reinforcement Project Costs	179-156	2023		(1,884.1)	(139.3)	(2,023.4)	E-1, Page 53
36.	Sudbury Replacement Project	179-162	2023		-	-	-	E-1, Page 58
37.	Parkway Obligation Rate Variance	179-138	2023		-	-	-	E-1, Page 58
38.	Unauthorized Overrun Non-Compliance Account	179-143	2023		(45.5)	(4.1)	(49.6)	E-1, Page 58
39.	Incremental Capital Module D/A - UGL	179-159	2019-2023		(383.7)	(502.8)	(886.5)	C-1, Page 1
40.	Pension and OPEB Forecast Accrual vs. Actual Cash Payment Differential V/A	179-157	2023		-	(6,207.7)	(6,207.7)	E-1, Page 56
41.	Unaccounted for Gas Volume Variance Account	179-135	2023		-	-	-	E-1, Page 31
42.	Unaccounted for Gas Price Variance Account	179-141	2023		(629.1)	(130.2)	(759.3)	E-1, Page 38
43.	Total Other Accounts				(1,999.6)	(6,924.5)	(8,924.1)	
44.	Total Union Rate Zones (for clearance)				7,845.6	(6,381.2)	1,464.4	
<u>EGI Accounts</u>								
45.	Earnings Sharing D/A	179-382	2023		-	-	-	C-1, Page 1
46.	Tax Variance - Accelerated CCA - EGI	179-383	2023		(28,483.3)	(2,616.7)	(31,100.0)	C-1, Page 12
47.	IRP Operating Costs Deferral Account	179-385	2023		3,081.2	247.9	3,329.1	C-1, Page 15
48.	IRP Capital Costs Deferral Account	179-386	2023		-	-	-	C-1, Page 1
49.	Green Button Initiative D/A	179-387	2023		-	-	-	
50.	Cloud Computing Implementation Costs D/A	179-332	2023		-	-	-	
51.	Getting Ontario Connected V/A	179-324	2023		25,000.0	1,286.3	26,286.3	
52.	Expansion of Natural Gas Distribution Systems V/A	179-380	2023		-	-	-	C-1, Page 1
53.	Accounting Policy Changes D/A - Other - EGI	179-381	2019-2023		5,511.3	35.1	5,546.4	C-1, Page 2
54.	Impacts Arising from the COVID-19 Emergency D/A - EGI	179-384	2020-2021		-	-	-	C-1, Page 1
55.	Total EGI Accounts (for clearance)				5,109.2	(1,047.4)	4,061.8	
56.	Total Deferral and Variance Accounts (for clearance)				(2,068.1)	(7,348.3)	(9,416.4)	

The Parties accepted the proposed methodology for the allocation and disposition of the account balances, and the implementation of the resulting rate adjustments on January 1, 2025. OEB staff supports the proposed approach.

The settlement proposal will result in the following bill impacts for a system sales residential customer. The bill impact below in Table 2 reflects a one-time adjustment that will be implemented January 1, 2025. OEB staff finds that the rate adjustments have been appropriately calculated. OEB staff notes that there is a one-time debit adjustment in Union South that is mainly due to debit balances allocated to Union South from the Upstream Transportation Optimization and Unabsorbed Demand Costs Variance Accounts.

Table 2: Bill Impacts for Residential Customers

Residential Customer	One-time Adjustment
EGD Rate Zone	-\$6.55
Union South	\$7.97
Union North West	-\$1.00
Union North East	-\$0.63

Deferral and Variance Accounts

Integrated Resource Planning Operating Costs Deferral Account

In the OEB's Decision on Enbridge Gas's Integrated Resource Planning (IRP) Proposal, the OEB approved the establishment of an IRP Operating Costs Deferral Account for all IRP operations, maintenance, and administrations costs, and a separate IRP Capital Costs Deferral Account for IRP project plan costs.⁴ The account records IRP general administrative costs, as well as incremental operating and maintenance costs and ongoing evaluation costs for approved IRP Plans.

The 2023 balance in the IRP Operating Costs Deferral Account that is being requested for clearance is a debit of \$3.081 million, plus interest. This amount is attributable to incremental Enbridge Gas staff salaries including expenses for IRP-related work

⁴ EB-2020-0091, OEB Decision and Order, July 22, 2021,

performed in 2023, the implementation of Integrated Resource Plan Alternatives to defer a project in Kingston and non-labour costs such as consulting and legal costs.

The Parties agree to the clearance of the principal balance in the IRP Deferral Account. In addition, the Parties agree to the following:

- Enbridge Gas will include, in any future IRP Deferral Account clearance requests, details on the outcomes and ratepayer benefits related to each category of costs proposed to be cleared. This includes metrics on the percentage of Asset Management Plan projects that have been screened for IRP, the percentage of projects that have passed the screen that have been assessed, and the average length of time for Enbridge Gas to screen and assess projects.
- Enbridge Gas did not file an IRP application for the East Kingston IRP as the cost was below the \$2 million threshold. While the parties agree to the disposition of amounts in the IRP Operating Costs Deferral Account related to the East Kingston IRP Project, such agreement is without prejudice to any party's position in future applications regarding the appropriateness of any IRP projects or its costs.

OEB staff supports the agreement that Enbridge Gas will provide additional information when requesting to clear future IRP Deferral Account balances, as it allows for the OEB and stakeholders to have a better understanding of and gives greater transparency into Enbridge Gas's IRP efforts.

Getting Ontario Connected Act Variance Account

The OEB approved the establishment of the GOCAVA in the GOCAVA proceeding.⁵ The OEB issued an accounting order for gas utilities to establish the GOCAVA to record the variance between locate costs resulting from Bill 93⁶ and the approved locate costs included in base rates. The OEB also indicated that only amounts incurred on or after April 1, 2023, were to be recorded in this account.

The 2023 balance in the GOCAVA that was requested for disposition in this proceeding was a debit of approximately \$31.9 million, plus interest. The drivers behind the cost increase were due to new legislated locate delivery timelines resulting from Bill 93.

Bill 93 legislates a 5-day locate delivery mandate and introduces administrative penalties for non-compliance. Enbridge Gas's average locate times in 2021 and 2022

⁵ EB-2023-0143, Decision and Order, October 31, 2023.

⁶ *Getting Ontario Connected Act, 2022*

were 13 days and 15 days respectively. As a result of Bill 93, locate service providers (LSP) were required to onboard additional locators and increase locator wages. As a result, locating costs went up significantly. Enbridge Gas stated that the 2021 average external contractor cost per locate was \$34 and the 2023 average external contractor cost per locate was \$72, a 111% increase.

Vital main standby (VMS) is a program, requiring a LSP skillset, designed to ensure public safety when excavations take place within the vicinity of vital natural gas infrastructure in the public right of way. Bill 93 has resulted in increased labour rates for LSPs which has created parallel incremental costs in the Enbridge Gas VMS program since this service is performed by the same contractors. The 2021 average external contractor cost per hour was \$82 and the 2023 average external contractor cost per hour was \$146, a 78% increase.

To calculate the incremental cost directly related to Bill 93, Enbridge Gas used 2021 actual locate costs adjusted for inflation and 2023 locate volumes as a baseline. Actual 2021 locating costs were \$34.5 million. To incorporate inflationary impacts, the price cap index values for 2022 and 2023 were applied resulting in an inflation adjusted cost of \$36.2 million. After adjusting for 2023 actual locate volumes, the calculated annual base locate cost for 2023 was \$33.1 million.

For VMS, the same logic was used to calculate VMS costs which are contractually billed to Enbridge Gas hourly. After adjusting for 2023 actual VMS hours, the calculated annual base VMS cost for 2023 was \$4.9 million.

The calculated annual base locate and VMS costs for 2023 were \$33.1 million and \$4.9 million respectively. To determine costs incurred on or after April 1, 2023, these costs were separated using a weighted cost approach to determine monthly costs for these expenditures. The weighted cost approach resulted in base locate & VMS costs for April 1, 2023 - December 31, 2023 of \$29.2 million for locates and \$4.4 million for VMS. Actual locate and VMS costs for this same period in 2023 resulted in \$58.1 million for locates and \$7.4 million for VMS. Total actual 2023 costs less the weighted base costs are \$28.9 million for locates and \$3 million for VMS, for a total of \$31.9 million.

As noted previously, the GOCAVA was established in the GOCA proceeding.⁷ In the GOCA Decision, the OEB stated:⁸

⁷ EB-2023-0143

⁸ Ibid, Decision and Order, October 31, 2023, p. 4

The OEB finds it appropriate to establish an industry-wide generic variance account, to allow all electricity and gas distributors **to record incremental costs of locates** [emphasis added] resulting from the implementation of Bill 93.

Intervenors expressed concern about VMS cost eligibility in the GOCAVA.⁹ Enbridge Gas noted in its response to interrogatories that VMS is eligible for inclusion because VMS is part of the location process for high risk/high consequence pipelines and the activities are performed by the same LSP contractors.

The parties agreed that it is appropriate for Enbridge Gas to reduce the principal balance in the 2023 GOCAVA to \$25.0 million. The Parties agreed to the clearance of the principal balance of \$25.0 million, along with applicable interest.

OEB staff believes the reduction from \$31.9 million to \$25.0 million in the GOCAVA will reduce the burden on ratepayers while still ensuring that the utility recovers necessary costs for compliance with Bill 93.

Unaccounted for Gas (UFG) Accounts

The purpose of the EGD Unaccounted for Gas Variance Account (UAFVA) is to capture the cost associated with the volumetric variances between the actual UFG and the OEB-approved UFG volumetric forecast. In the EGD rate zone, the 2023 forecast volume was 106,677 10^3m^3 , while the 2023 actual volume was 79,232 10^3m^3 . The variance of 27,445 10^3m^3 resulted in a credit balance of \$6.9 million in the UAFVA, plus interest.

The purpose of the Union Gas Unaccounted for Gas Volume Deferral Account (UFGVDA) is to capture the difference between the unit cost of UFG recovered in rates and actual UFG costs incurred. The balance recorded within the UFGVDA to be cleared to customers is subject to a symmetrical dead-band of \$5.0 million.¹⁰ Based on 2023 actual volumes, Enbridge Gas recovered \$16.4 million in UFG costs for the Union rate zones in 2023. In comparison, Enbridge Gas's actual 2023 UFG costs were \$20.3 million. The resulting difference of approximately \$3.9 million is below the \$5.0 million threshold established by the OEB for the UFGVDA. As a result, there is no 2023 balance in the UFGVDA.

The purpose of the UFG Price Variance Account (UFGPVA) is to capture the variance between the average monthly price of Enbridge Gas purchases for the Union rate zones and the applicable OEB-approved reference price, applied to the actual UFG volumes

⁹ Interrogatory responses, September 5, 2024, Exhibit I.SEC-3

¹⁰ EB-2013-0202

for the Union rate zones. The average actual cost of the UFG purchases in 2023 is \$25.12/10³m³ lower than the OEB-approved reference prices included in rates based on the Union South rate zone gas portfolio cost of \$179.35/10³m³. The result is a \$0.63 million balance to be refunded to ratepayers.

The Parties agree that the balances in the 2023 UAFVA (\$6.9 million credit), UFGVDA (\$0) and the UFGPVA (\$0.63 million credit) (UFG-related accounts), including applicable interest, are to be cleared on an interim basis until Enbridge Gas provides further evidence describing its investigations related to fugitive emissions in its application to dispose of 2024 Deferral and Variance Account balances, further described below in the Fugitive Emissions Measurement Plan (FEMP).

OEB staff supports the proposed interim disposition of the UFG-related accounts and Enbridge Gas's commitment to provide additional information on the FEMP in its application to dispose of 2024 Deferral and Variance Account balances.

As part OEB-approved settlement agreement in the 2022 DVA proceeding,¹¹ Enbridge Gas was to file detailed evidence on UFG-related items in its application to clear 2023 DVA balances. This was to include information and future plans resulting from Enbridge Gas's ongoing review and investigation of UFG, including but not limited to:

1. the work completed by Enbridge Gas during 2023 and 2024, and the resulting observations and learnings
2. the impact on UFG from "no bill" customers / volumes that are later billed
3. the role, if any, played by line pack in transmission and other high-pressure systems in the incidence and determination of UFG, and
4. Enbridge Gas's investigation plan for assessing fugitive emissions.¹²

To satisfy those previous commitments regarding UFG volumes, Enbridge Gas provided additional detail surrounding recent learnings and observations made regarding UFG, the impact of No-Bills and transmission and high-pressure system line pack on UFG, and Enbridge Gas's proposed Fugitive Emissions Measurement Project.

The Parties agreed that the balances in the 2021 and 2022 UFG-related accounts, including applicable interest, which were cleared on an interim basis, should be considered cleared on a final basis.

¹¹ EB-2023-0092, OEB Decision on Settlement Proposal and Rate Order, February 6, 2024, p.4.

¹² EB-2022-0200 Settlement Proposal, Exhibit O1, Tab 1, Schedule 1, June 28, 2023, pp.36-37.

OEB staff supports making the balances in the 2021 and 2022 UAFVA and UFGVDA final as Enbridge Gas has provided the additional information in accordance with the previous settlement agreement.

Fugitive Emissions Measurement Plan (FEMP)

Enbridge Gas's commitment "to investigate and determine an appropriate way to accurately measure fugitive emissions, including consideration of top-down measurements" in its 2024 Phase 1 Rebasing proceeding¹³ and commitments to determining if recent UFG increases could be due to fugitive emissions were reiterated in the Settlement Proposal for the 2022 Earnings Sharing and Deferral and Variance Account Clearances proceeding.¹⁴

To address the commitments made in the Phase 1 Rebasing and 2022 DVA proceedings, Enbridge Gas requested the approval of a new deferral account, the Fugitive Emissions Measurement Administration Deferral Account (FEMADA), to record and recover the incremental costs associated with the Fugitive Emissions Measurement Plan pilot project. The account was proposed to be effective commencing January 1, 2025. Enbridge Gas indicated that it will incur costs related to the technology pilot, configuration of IT systems, incremental staffing, consulting support and other miscellaneous costs. Enbridge Gas provided a forecasted 2025 FEMADA costs of \$2.6 million.

The Parties have agreed with Enbridge Gas's request, with a modification. The Parties agreed to a time-limited 2025 FEMADA which would be capped at the proposed budget of \$2.6 million. Enbridge Gas will be permitted to record and recover incremental costs related to the planning and implementation of the pilot program, up to a maximum of \$2.6 million between November 1, 2024 and December 31, 2025.

The Parties also agree to additional items in the 2025 FEMADA: to develop a plan to run a pilot to explore top-down emissions measurements in one or two Ontario cities and develop a plan to reduce gas lost during operational maintenance and capital projects. Enbridge Gas also added several reporting items and made commitments to Indigenous stakeholders related to fugitive emissions.

OEB staff is satisfied with Enbridge Gas's evidence to establish the 2025 FEMADA as it meets the eligibility criteria of causation, materiality and prudence in establishing a deferral and variance account.¹⁵ OEB staff supports the 2025 FEMADA cap of \$2.6

¹³ EB-2022-0200 Partial Settlement Proposal, Exhibit O1, Tab 1, Schedule 1, July 12, 2023, p. 37.

¹⁴ EB-2023-0092 Settlement Proposal Exhibit N1, Tab 1, Schedule 1, November 28, 2023, pp. 19-20.

¹⁵ OEB Filing Requirements for Natural Gas Rate Applications, February 16, 2017, p. 38.

million as it provides financial responsibility and proper resource allocation on a pilot project. OEB staff has no concerns with the additional items added and agreed to by the Parties as it allows stakeholders to better understand the issue of fugitive emissions and plans to reduce fugitive emissions during operational and maintenance and capital projects.

Indigenous Working Group (IWG)

The IWG was approved in Enbridge Gas's Phase 1 Rebasing. The purpose of the working group is to provide information, receive feedback and engage in discussions about matters of interest to the IWG in relation to Enbridge Gas rates and services.¹⁶ As part of the settlement agreement in that proceeding, a \$640,000 estimated budget was established to the end of 2024. Each subsequent year, the IWG shall establish a budget reflecting estimated funding for the year, which is subject to review or approval by the OEB as part of the applicable future DVA clearance proceeding for Enbridge Gas.¹⁷

Enbridge Gas requested review or approval for an estimated budget of \$800,000 for its 2025 IWG.¹⁸

The Parties accept the 2025 estimated budget.

OEB staff has no concerns with the estimated budget as the balances will be held in the IWG deferral account to be disposed of at a later date where the balance will be subject to review and clearance.¹⁹

– All of which is respectfully submitted –

¹⁶ EB-2022-0200, Decision on Settlement Proposal, August 17, 2023, p.5.

¹⁷ Ibid, Exhibit O1, Tab 1, Schedule 1, p. 18

¹⁸ Interrogatory responses, September 5, 2024, Exhibit I.Staff-16

¹⁹ EB-2022-0200, Decision on Settlement Proposal, August 17, 2023, Exhibit O1, Tab 1, Schedule 1, p. 18