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VIA RESS and EMAIL

December 13, 2024

Nancy Marconi
Registrar
Ontario Energy Board
2300 Yonge Street, 27th Floor
Toronto, Ontario M4P 1E4

Dear Nancy Marconi:

**Re: EB-2024-0326 – Enbridge Gas Inc. – January 1, 2025
Quarterly Rate Adjustment Mechanism (QRAM) Application**

On December 6, 2024, Enbridge Gas filed its January 1, 2025, QRAM application. Enbridge Gas received a question from Ontario Energy Board staff (OEB Staff).

Enclosed please find the response of Enbridge Gas to the OEB Staff question, set out as an interrogatory response, updated to correct line item 1 and footnote 1 to reference the one-time disposition in October 2024 of Enbridge Gas's 2021 Demand Side Management Deferral and Variance Account balances (EB-2023-0062).

Should you have any questions on this matter please contact the undersigned.

Sincerely,

Richard Wathy
Technical Manager, Regulatory Applications

ENBRIDGE GAS INC.

Answer to Interrogatory from
Ontario Energy Board Staff (STAFF)

Interrogatory

Question(s):

Line 6.2 of Exhibit A, Schedule 3, Tab 1, shows the total bill impact for a typical Union South residential customer as 10.1%.

The [Handbook for Utility Rate Applications](#) states that the OEB expects utilities to propose mitigation plans, or explain why a plan is not required, when their proposals result in material impacts to customers. Could you please comment on why EGI has not proposed mitigation in this application?

Response:

In the April 2022 QRAM application¹, the OEB noted that:

an expected increase of 25% in the commodity portion of the customer's bill is the trigger for communication to the OEB in advance of filing an application, and the filing of a rate impact mitigation plan with the application. However, this 25% on the commodity is not a cap and the OEB will consider the total bill impact in determining whether additional mitigation is warranted. The OEB uses a 10% total bill impact extensively for the electricity sector, and considers that a reasonable target for the natural gas sector as well. This threshold is referenced in the OEB's Handbook for Utility Rate Applications applicable to all rate-regulated utilities. However, the OEB also does not consider the 10% total bill impact a cap but rather a point at which the OEB will consider adopting mitigation measures.

Enbridge Gas notes that the bill impact to Union South M1 customers is only slightly over 10%, and approximately 32% of the M1 bill impact is a result of expiring riders and deferral clearance. The impacts to residential customers in other rate zones are all below 10%.

Enbridge Gas also notes that the commodity portion of the a typical residential customer's bill impact ranges from -11.1% to 18.8%, as shown at Exhibit A, Tab 3, Schedule 1, Note (1), which for all rate zones is below the 25% trigger for filing a rate impact mitigation plan as prescribed by the OEB. The bill impacts in this application are a function of changes in the transportation costs and commodity market prices in

¹ EB-2022-0089 Decision and Order, March 3, 2022.

addition to the implementation of other rate changes previously approved by the OEB. Table 1 below provides a breakdown of the drivers of the bill impacts for typical residential customers effective January 1, 2025.

Table 1
Summary of Bill Impact Drivers - January 2025 QRAM vs October 2024 QRAM

<u>Line</u> <u>No.</u>	<u>Particulars (\$)</u>	<u>EGD</u>	<u>Union</u> <u>South</u>	<u>Union</u> <u>North East</u>	<u>Union</u> <u>North West</u>	
1	2024 Rebasing Phase 1 expiring Riders and removal of 2021 DSM Deferral Clearance (1)	26.12	34.00	39.50	39.74	/u
2	2024 Rebasing Phase 2 & 2025 Rates (2)	33.73	31.13	30.44	29.99	
3	January 2025 QRAM (3)	23.09	39.77	48.00	(26.01)	
4	Total Bill Impact - January 2025 QRAM vs. October 2024 QRAM	82.95	104.89	117.94	43.72	
5	Total Bill Impact - %	6.9%	10.1%	4.0%	8.9%	

Notes

- (1) Increase due to expiring Rider D & Rider E from EB-2022-0200 Rebasing Phase 1 and the removal of the EB-2023-0062 2021 DSM Deferral Clearance that occurred in October 2024. Rider D was a credit to customers refunding balances from several deferral accounts as approved in Phase 1 and expires December 31, 2024. 2021 DSM Deferral Clearance was a refund for the Union Rate Zones and a charge for EGD Rate Zone. /u
- (2) Increase due to addition of EB-2024-0111 Rebasing Phase 2 deficiency for 2024 (new Rider E), 2025 Rates IRM formula, and Panhandle Regional Expansion Project unit rates. New Rider E is effective Jan - Dec 2025.
- (3) Increase due to higher reference pricing and transportation costs (except Union North West) and updated Cost Adjustments (Rider C) for expiring and new adjustments.

Given the bill impacts outlined above, the Company does not view the impact of 10.1% for M1 customers as being materially significant to warrant a bill mitigation plan for January 2025 QRAM.