

ONTARIO ENERGY BOARD NOTICE TO CUSTOMERS OF ENBRIDGE GAS INC.

Enbridge Gas Inc. has applied for approval to change its natural gas rates to recover the costs of five projects.

Learn more. Have your say.

Enbridge Gas Inc. has applied to the Ontario Energy Board for approval to recover the costs related to five projects under the OEB’s Incremental Capital Module policy. If the request is approved, a typical residential customer in the EGD Rate Zone and in the Union Rate Zones (former customers of Enbridge Gas Distribution Inc. and Union Gas Limited, respectively) would see the following changes:

Rate Zones	Residential Annual Bill Adjustment
Enbridge Gas Distribution	\$1.11
Union South	\$(0.06)
Union North	\$0.55

Other customers, including businesses, may also be affected. It is important to review the application carefully to determine whether you will be affected by the changes.

This application is the second phase of an earlier application (EB-2021-0147) in which Enbridge Gas Inc. received approval to change rates on an interim basis effective January 1, 2022, based on an OEB-approved rate-setting framework that is tied to inflation and other factors.

THE ONTARIO ENERGY BOARD WILL HOLD A PUBLIC HEARING

The Ontario Energy Board (OEB) will hold a public hearing to consider the application filed by Enbridge Gas Inc. We will question Enbridge Gas Inc. on the case. We will also hear questions and arguments from individual customers and from groups that represent the customers of Enbridge Gas Inc. At the end of this hearing, the OEB will decide whether to grant Enbridge Gas Inc.’s requests.

The OEB is an independent and impartial public agency. We make decisions that serve the public interest. Our goal is to promote a financially viable and efficient energy sector that provides you with reliable energy services at a reasonable cost.

BE INFORMED AND HAVE YOUR SAY

You have the right to information regarding this application and to be involved in the process.

- You can review Enbridge Gas Inc.’s application on the OEB’s website now
- You can file a letter with your comments, which will be considered during the hearing
- You can become an intervenor. As an intervenor, you can ask questions about Enbridge Gas Inc.’s application and make arguments on whether the OEB should approve Enbridge Gas Inc.’s request. Apply by **November 19, 2021** or the hearing will go ahead without you and you will not receive any further notice of the proceeding
- At the end of the process, you can review the OEB’s decision and its reasons on our website

LEARN MORE

Our file number for this case is **EB-2021-0148**. To learn more about this hearing, find instructions on how to file a letter with your comments or become an intervenor, or to access any document related to this case, please select the file number **EB-2021-0148** from the list on the OEB website: www.oeb.ca/notice. You can also phone our Public Information Centre at 1-877-632-2727 with any questions.

ORAL VS. WRITTEN HEARINGS

There are two types of OEB hearings – oral and written. The OEB will determine at a later date whether to proceed by way of a written or oral hearing. If you think an oral hearing is needed, you can write to the OEB to explain why by **November 19, 2021**.

PRIVACY

If you write a letter of comment, your name and the content of your letter will be put on the public record and the OEB website. However, your personal telephone number, home address and email address will be removed. If you are a business, all your information will remain public. If you apply to become an intervenor, all information will be public.

This rate hearing will be held under section 36 of the Ontario Energy Board Act, 1998, S.O. 1998, c.15, Schedule B.



Ontario
Energy
Board | Commission
de l’énergie
de l’Ontario

ONTARIO ENERGY BOARD

IN THE MATTER OF the Ontario Energy Board
Act, 1998, S.O. 1998, c.15 (Sched. B);

AND IN THE MATTER OF an Application by
Enbridge Gas Inc., pursuant to section 36(1) of
the *Ontario Energy Board Act, 1998*, for an
order or orders approving or fixing just and
reasonable rates and other charges for the sale,
distribution, transmission and storage of gas as
of January 1, 2022.

APPLICATION

1. The Applicant, Enbridge Gas Inc. (“Enbridge Gas”, or “EGI”) is an Ontario corporation with its head office in the City of Toronto. It carries on the business of selling, distributing, transmitting, and storing natural gas within Ontario. Enbridge Gas was formed effective January 1, 2019, upon the amalgamation of Enbridge Gas Distribution Inc. (“EGD”) and Union Gas Limited (“Union”).
2. Enbridge Gas hereby applies to the Ontario Energy Board (the “OEB”), pursuant to section 36 of the *Ontario Energy Board Act, 1998*, as amended (the “Act”) for interim and final Orders approving or fixing just and reasonable rates for the sale, distribution, transmission, and storage of gas commencing January 1, 2022. Specifically, as set out herein, Enbridge Gas applies for approval of unit rates related to its 2022 Incremental Capital Module (“ICM”) requests.
3. On August 30, 2018, in the MAADs Decision¹, the OEB approved a rate setting mechanism (Price Cap IR) for Enbridge Gas, which sets out a multi-year incentive rate-setting mechanism (“IRM”) for the calendar year term of 2019 to 2023 (the “five

year term” or the “deferred rebasing period”). The MAADs Decision confirmed that during the five year term, distribution rates will be set separately for the EGD and Union rate zones. The MAADs Decision also approved the specific treatment of various elements in the IRM including the availability of an ICM during the five year term.

4. The 2022 Rate Application is the fourth annual rate adjustment application under the IRM approved in the MAADs Decision.
5. Similar to the approach directed by the OEB for the 2021 Rate application², Enbridge Gas is filing each Phase (“Phase 1” and “Phase 2”) of the 2022 Rate application as a separate application.
6. On June 30, 2021, Enbridge Gas filed supporting evidence for “Phase 1” of its 2022 Rate Application (EB-2021-0147) to address the IRM related elements which included the annual rate escalation, pass-through costs, capital pass-through adjustment, Parkway Delivery Obligation rate adjustment and the assessment of alternatives to eliminate or reduce PDO and/or PDCI. On September 29, 2021, Enbridge Gas and all interested parties filed a Settlement Proposal that resolved all matters in “Phase 1” of the 2022 Rate Application, and includes draft Interim Rate Orders for updated 2022 rates to be effective January 1, 2022.
7. This Application (EB-2021-0148) is for Phase 2 of the 2022 Rate Application and addresses matters related to 2022 ICM funding request. With this application, Enbridge Gas is seeking OEB approval for ICM funding for five projects in 2022 – the St Laurent Ottawa North Replacement (Phase 3) and NPS 20 Replacement Cherry to Bathurst in the EGD rate zone, and the Dawn to Cuthbert Replacement and Retrofits, the Byron Transmission Station and the Kirkland Lake Lateral

¹ EB-2017-0306/0307.

² EB-2020-0095, OEB letter, dated July 14, 2020.

Replacement Projects in the Union rate zones. Collectively, these projects are referred to as the “2022 ICM Projects”.

8. The ICM evidence including the appendices are filed as Exhibit B, Tab 2, Schedule 1.³
9. The St Laurent Ottawa North Replacement (Phase 3)⁴ and the NPS 20 Replacement Cherry to Bathurst⁵ projects in the EGD rate zone are subject to Leave to Construct applications where the need for the projects is being addressed.
10. The Dawn to Cuthbert Replacement and Retrofits, the Byron Transmission Station and the Kirkland Lake Lateral Replacement projects in the Union Rate Zones do not require Leave to Construct approval. To support the need for these projects, Enbridge Gas is providing the business case and Leave to Construct like evidence for each of the projects. The business cases are filed as appendices to Exhibit B, Tab 2, Schedule 2.
11. To support the 2022 ICM funding request⁶, Enbridge Gas is also filing an addendum to the Asset Management Plan 2021-2025⁷ for the ICM projects with this Application. The addendum to the Asset Management is filed as Exhibit C, Tab 1, Schedule 1.
12. Also, as per a commitment in the 2020 Phase 2 Rate Application⁸, Enbridge Gas is filing a Progress Report on Implementation of ScottMadden Recommendations on

³ In order to maintain consistency with prior applications related to ICM requests during the five year term, Enbridge Gas has labeled the ICM request evidence as Exhibit B-2-1 (meaning that there are no B-1-1 exhibits in this filing).

⁴ EB-2020-0293

⁵ EB-2020-0136

⁶ EB-2017-0306/EB-2017-0307, Decision and Order, August 30, 2018, pp.32-34.

⁷ In Phase 2 of the 2021 Rate application, Enbridge Gas filed an Asset Management Plan (AMP) for the period 2021-2025 at Exhibit C, Tab 2, Schedule 1.

⁸ EB-2019-0194, Reply Argument of Enbridge Gas dated May 1, 2020, page 33; EB-2019-0194, Decision and Order dated May 14, 2020, page 20.

Unaccounted For Gas (UFG). This report is filed as Exhibit C, Tab 2, Schedule 1.
Enbridge Gas is not seeking any OEB relief in relation to this report.

APPROVAL REQUESTS

13. The specific approvals sought in this Application are as follows:
 - The requests for ICM funding for the 2022 ICM Projects, including the ICM unit rates beginning in 2022 for the duration of the deferred rebasing period to recover the total revenue requirement of the 2022 ICM Projects from 2022 to 2023;
 - Final rates for the year commencing January 1, 2022, including the full-year impact of all items included in the “Phase 1” of the 2022 Rate Application in EB-2021-0147 and the ICM requests in this Application; and
 - The determination of all other issues that bear upon the OEB’s approval or fixing of just and reasonable rates for the sale, distribution, transmission, and storage of gas by Enbridge Gas for the year commencing January 1, 2022.
14. Enbridge Gas further applies to the OEB pursuant to the provisions of the Act and the OEB’s Rules of Practice and Procedure for such final, interim or other Orders and directions as may be appropriate in relation to the Application and the proper conduct of this proceeding.
15. This Application is supported by written evidence and may be amended from time to time as circumstances require.
16. The persons affected by this Application are the customers resident or located in the municipalities, police villages and First Nations reserves served by Enbridge Gas, together with those to whom Enbridge Gas sells gas, or on whose behalf Enbridge Gas distributes, transmits or stores natural gas.

17. Approval of the 2022 ICM funding set out in this Application will result in the following bill impacts:

- The bill impact associated with the 2022 ICM funding request for a typical Rate 1 residential customer consuming 2,400 m³ annually in the EGD rate zone is an increase of \$1.11.
- The bill impact associated with the 2022 ICM funding request for a typical Rate M1 residential customer consuming 2,200 m³ annually in the Union South rate zone is a decrease of \$0.06.
- The bill impact associated with the 2022 ICM funding request for a typical Rate 01 residential customer in the Union North rate zone consuming 2,200 m³ annually in the Union North rate zone is an increase of \$0.55.

18. Enbridge Gas requests that all documents in relation to the Application and its supporting evidence, including the responsive comments of any interested party, be served on Enbridge Gas and its counsel as follows:

(a) The Applicant: Regulatory Affairs
Enbridge Gas Inc.

Address for personal service: 500 Consumers Road
Toronto, ON M2J 1P8

Mailing Address: P. O. Box 650
Scarborough, ON M1K 5E3

Telephone: (416) 495-5499

Fax: (416) 495-6072

E-Mail: EGIRegulatoryProceedings@enbridge.com

(b) The Applicant's counsel: David Stevens
Aird & Berlis LLP

Address for personal service and mailing address: Suite 1800, Box 754
Brookfield Place, 181 Bay Street
Toronto, Ontario
M5J 2T9

Telephone: (416) 865-7783
Fax: (416) 865-1515
E-Mail: dstevens@airdberlis.com

DATED: October 15, 2021, at Toronto, Ontario

ENBRIDGE GAS INC.

Rakesh Torul
Technical Manager,
Regulatory Applications