

ONTARIO ENERGY BOARD NOTICE TO CUSTOMERS OF ENBRIDGE GAS INC.

Enbridge Gas Inc. has applied to dispose of certain account balances and for approval of the amount of its earnings that it must share with customers.

Learn more. Have your say.

Enbridge Gas Inc. has applied to the Ontario Energy Board for approval to dispose of amounts recorded in certain deferral and variance accounts and for approval of the amount of its 2019 earnings that it is required to share with customers.

If the application is approved as filed, a typical residential customer in the EGD Rate Zone (former Enbridge Gas Distribution Inc. customers) would pay a one-time charge of \$0.74 in January 2021.

A typical residential customer in each of the Union Rate Zones (former Union Gas Limited customers) would see the following impacts:

- **Union South Rate Zone: a total charge of \$4.97 collected over three months, from January to March 2021**
- **Union North West Rate Zone: a total credit of \$61.53 received over three months, from January to March 2021**
- **Union North East Rate Zone: a total credit of \$5.94 received over three months, from January to March 2021**

Other customers, including businesses, may also be affected.

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. During this hearing, which could be an oral or written hearing, we will question Enbridge Gas on the case. We will also hear questions and arguments from individuals that have registered to participate (called intervenors) in the OEB's hearing. At the end of this hearing, the OEB will decide whether the amounts and the charges or credits requested in the application will be approved.

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' 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' application and make arguments on whether the OEB should approve Enbridge Gas' request. Apply by **October 8, 2020** 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

The OEB intends to consider cost awards in this proceeding that are in accordance with the *Practice Direction on Cost Awards* and only in relation to the following:

1) The review of the following deferral and variance accounts:

EGD Rate Zone (former Enbridge Gas Distribution Inc.) Accounts

- Storage and Transportation Deferral Account
- Transactional Services Deferral Account
- Unaccounted for Gas Variance Account
- Average Use True-Up Variance Account
- Deferred Rebate Account
- Dawn Access Costs Deferral Account
- Gas Supply Plan Cost Consequences Deferral Account

Union Rate Zones (former Union Gas Limited) Accounts

- Unabsorbed Demand Costs Variance Account
- Upstream Transportation Optimization Deferral Account
- Short-Term Storage and Other Balancing Services Deferral Account
- Normalized Average Consumption Deferral Account
- Unaccounted for Gas Volume Variance Account
- Unaccounted for Gas Price Variance Account
- Parkway West Project Costs Deferral Account
- Brantford-Kirkwall / Parkway D Project Costs Deferral Account
- Parkway Obligation Rate Variance Deferral Account
- Lobo C Compressor / Hamilton-Milton Pipeline Project Costs Deferral Account
- Lobo D / Bright C / Dawn H Compressor Project Costs Deferral Account
- Burlington-Oakville Project Costs Deferral Account
- Sudbury Replacement Project Variance Account

- Panhandle Reinforcement Project Costs Deferral Account
- Pension and Other Post-Employment Benefits Variance Account
- Deferral Clearing Variance Account

Enbridge Gas Inc. Accounts

- Account Policy Changes Deferral Account
- Earning Sharing Deferral Account
- Tax Variance Deferral Account

2) The review of Enbridge Gas Inc.'s 2019 utility results and earnings sharing amounts.

3) The review of the methodology for disposing and allocating the deferral and variance account balances and the 2019 earnings sharing amount, if any.

LEARN MORE

Our file number for this case is **EB-2020-0134**. 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 enter the file number **EB-2020-0134** on the OEB website: www.oeb.ca/participate. You can also phone our Consumer Relations Centre at 1-877-632-2727 with any questions.

ORAL VS. WRITTEN HEARINGS

There are two types of OEB hearings – oral and written. Enbridge Gas has applied for a written hearing. The OEB is considering this request. If you think an oral hearing is needed, you can write to the OEB to explain why by **October 8, 2020**.

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 e-mail 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

ONTARIO ENERGY BOARD

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

AND IN THE MATTER OF an Application by Enbridge
Gas Inc. for an order or orders clearing certain
commodity and non-commodity related deferral or
variance accounts.

APPLICATION

1. Enbridge Gas Distribution Inc. (referred to in the evidence as “EGD”, “Enbridge” or the “Company”) and Union Gas Limited (referred to in the evidence as “Union” or the “Company”) (together the “Utilities”) were Ontario corporations incorporated under the laws of the Province of Ontario carrying on the business of selling, distributing, transmitting and storing natural gas within the meaning assigned in the *Ontario Energy Board Act*, 1998 (the “Act”). In the August 30, 2018 EB-2017-0306/0307 Decision and Order (the “MAADs Decision”), the Ontario Energy Board (the “Board”) approved the amalgamation of the Utilities, as well as a five-year deferred rebasing term during which a price cap ratesetting model would apply.
2. Effective January 1, 2019 the Utilities amalgamated to become Enbridge Gas Inc. (“Enbridge Gas”). Following amalgamation, Enbridge Gas has maintained the existing rates zones of EGD and Union (the EGD, Union North West, Union North East and Union South rate zones).¹ Enbridge Gas has also maintained most of the existing deferral and variance accounts for each rate zone.
3. Enbridge Gas, the Applicant, hereby applies to the Board, pursuant to Section 36 of the *Ontario Energy Board Act*, 1998 (the “Act”), for an Order or Orders approving the

¹ Collectively the Union North West, Union North East and Union South rates zones are referred to as “Union rate zones”. Union North West and Union North East are collectively referred to as “Union North”.

clearance or disposition of amounts recorded in certain deferral or variance accounts. The annual review and disposition of deferral and variance accounts is consistent with the process applied for each of the Utilities during their previous 2014-2018 Incentive Rate ("IR") terms.

Earnings Sharing

4. In the MAADs Decision, the Board approved, among other things, an asymmetrical earnings sharing mechanism ("ESM") during the deferred rebasing period, where each year any earnings in excess of 150 basis points over the Board-approved return on equity ("ROE") would be shared 50/50 between the Utilities and ratepayers.
5. In 2019, Enbridge Gas's actual utility earnings did not exceed the Board-approved ROE by more than 150 basis points. Accordingly, no ESM amount is proposed to be shared with ratepayers.

EGD Rate Zone

6. As approved in the MAADs Decision and the 2019 Rates Case (EB-2018-0305), Enbridge Gas has maintained substantially the same deferral and variance accounts for the EGD rate zone as during its 2014-2018 Custom IR term.
7. Enbridge Gas seeks approval to clear the final balances of certain EGD rate zone deferral and variance accounts for 2019 as set out at Exhibit C, Tab 1, Schedule 1.

Union Rate Zones

8. As approved in the MAADs Decision and the 2019 Rates Case (EB-2018-0305), Enbridge Gas has maintained substantially the same deferral and variance accounts for the Union rate zones as during its 2014-2018 IR term.

9. Enbridge Gas seeks approval to clear the final balances of certain Union rate zones deferral and variance accounts for 2019 as set out at Exhibit C, Tab 1, Schedule 1.

Enbridge Gas Inc.

10. The Board has approved several deferral and variance accounts that relate to Enbridge Gas as a whole (and not to specific rate zone(s)). These accounts are listed at Exhibit C, Tab 1, Schedule 1.
11. Enbridge Gas seeks approval to clear part of the final balance of one 2019 Enbridge Gas deferral and variance account related to accounting policy changes required as a result of amalgamation. The balance in this account related to pension expense is not being requested for clearance in 2019.

Relief Requested

12. Enbridge Gas therefore applies to the Board for such final, interim or other orders as may be necessary or appropriate for the clearance or disposition of the 2019 deferral and variance accounts listed in Exhibit C, Tab 1, Schedule 1. The proposed manner of disposition is described at Exhibit F. Enbridge Gas proposes to clear the balances in these accounts in conjunction with the January 1, 2021 QRAM application.
13. Enbridge Gas requests that this proceeding be heard in writing.
14. Enbridge Gas further applies to the Board pursuant to the provisions in the Act and the Board'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. This evidence may be amended from time to time as required by the Board, or as circumstances may 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 gas. It is impractical to set out in this application the names and addresses of such persons because they are too numerous.

17. Enbridge Gas requests that a copy of every document filed with the Board in this proceeding be served on the Applicant and Applicant's counsel, as follows.

The Applicant:

Mr. Anton Kacicnik
Manager, Rates (EGD Rate Zone)
Enbridge Gas Inc.

Address for personal service

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The Applicant's counsel:

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DATED: September 3, 2020, at Toronto, Ontario

ENBRIDGE GAS INC.

[Original digitally signed by]

Anton Kacicnik
Manager, Rates (EGD Rate
Zone)