

## Information for Energy Marketers

### Enbridge Gas Files 2020 Distribution Rates Application

On Oct. 8, 2019, Enbridge Gas Inc. applied to the Ontario Energy Board (OEB) for a change in its distribution rates (also known as delivery rates) effective Jan. 1, 2020 ([EB-2019-0194](#)). These rates have been set using the OEB-approved, five-year rate-setting framework for the period of 2019 to 2023.

Our 2020 rate application has been separated into three phases to allow for timely review and adjudication. The first phase deals with incentive rate-setting mechanism (IRM) rate adjustment items that are largely mechanistic. The second phase deals with Incremental Capital Module (ICM) funding requests and phase three, a cost allocation study.

A range of delivery bill impacts for typical contract rate customers in the EGD and Union rate zones are shown below. These bill impacts exclude 2020 Incremental Capital Module (ICM) amounts that were filed separately on Oct. 25, 2019. Individual bill impacts will vary and depend upon a customer's use of natural gas.

#### Delivery Bill Impact Range for Typical EGD Rate Zone Customers

Rate class	Proposed Delivery Bill Impacts (%)
Rate 100	1.3 <sup>1,2</sup>
Rate 110	0.8 to 1.1 <sup>1,2</sup>
Rate 115	2.2 <sup>1,2</sup>
Rate 135	2.5 <sup>1,2</sup>

Rate class	Proposed Delivery Bill Impacts (%)
Rate 145	14.1 to 17.7 <sup>1,2</sup>
Rate 170	20.0 to 32.0 <sup>1,2</sup>
Rate 125	1.4 <sup>3</sup>
Rate 300	1.4 <sup>3</sup>

<sup>1</sup> EB-2019-0194, Exhibit D, Tab 1, Rate Order, Working Papers, Schedule 3.2.

<sup>2</sup> Bill impacts exclude federal carbon charges.

<sup>3</sup> Bill impact calculated based on contract demand charge unit rates only.

### Delivery Bill Impact Range for Typical Union North Rate Zone Customers

Rate class	Proposed Delivery Bill Impacts (%) <sup>1,2</sup>
Rate 20	3.2
Rate 25	1.7
Rate 100	0.9 to 1.0

<sup>1</sup> EB-2019-0194, Exhibit D, Tab 2, Rate Order, Working Papers, Schedule 4.

<sup>2</sup> Bill impacts exclude federal carbon charges.

### Delivery Bill Impact Range for Typical Union South Rate Zone Customers

Rate class	Proposed Delivery Bill Impacts (%) <sup>1,2</sup>
Rate M4	1.4 to 1.6
Rate M5A	2.2 to 2.4
Rate M7	-4.1 to -3.6
Rate M9	-3.3
Rate M10	1.5
Rate T1	0.7 to 0.8
Rate T2	-0.2 to 0.0
Rate T3	2.2

<sup>1</sup> EB-2019-0194, Exhibit D, Tab 2, Rate Order, Working Papers, Schedule 4.

<sup>2</sup> Bill impacts exclude federal carbon charges.

Full details of this filing (EB-2019-0194) can be found on the [Enbridge Gas](#) and [Union Gas](#) websites.

## **Enbridge Gas Files 2020 Federal Carbon Pricing Program Application**

On Nov. 18, 2019, Enbridge Gas Inc. filed its 2020 Federal Carbon Pricing Program (FCPP) application with the Ontario Energy Board (OEB) for rate changes effective Apr. 1, 2020 ([EB-2019-0247](#)). This application is seeking approval of rates to recover the costs associated with the federal Greenhouse Gas



Pollution Pricing Act (GGPPA) as a pass-through to customers and to dispose of the 2019 balances recorded in FCPP-related deferral and variance accounts effective April 1, 2019.

In accordance with the GGPPA, the federal government implemented a carbon pricing system in Ontario in 2019. Enbridge Gas bills and collects federal charges from its customers and remits all of the money that we collect for the federal carbon charge to the federal government.

<b>Proposed 2020 Federal Carbon Pricing Customer-Related Charge (if applicable)</b>	
5.8700 cents/m <sup>3</sup>	
<b>Proposed 2020 Federal Carbon Pricing Facility-Related Charge (EGD Rate Zone)</b>	<b>Proposed 2020 Federal Carbon Pricing Facility-Related Charge (Union Rate Zones)</b>
0.0049 cents/m <sup>3</sup>	0.0088 cents/m <sup>3</sup>

The customer-related "federal carbon charge" (as applicable) is a separate line item on the bill. Customers who have registered and received an exemption certificate from the federal government will not be charged the customer-related charge. The facility-related "facility carbon charge", which applies to all customers in each rate class, is included in delivery or transportation charges on customers' bills.

The federal carbon charge started at \$20/tCO<sub>2</sub>e (3.91 cents/m<sup>3</sup>) in April 2019 and is expected to reach \$50/tCO<sub>2</sub>e (9.79 cents/m<sup>3</sup>) in April 2022. The federal carbon charge for 2020 is based on \$30/tCO<sub>2</sub>e. All natural gas consumption is subject to the carbon charge except natural gas consumption that qualifies for exemption under the GGPPA.

Full details of the Federal Carbon Pricing Program application (EB-2019-0247) can be found on the [Enbridge Gas](#) and [Union Gas](#) websites.

If you have any questions about this material, please contact [Rob DiMaria](#) or [Patrick Boyer](#).