

# Enbridge Gas Inc. Receives Ontario Energy Board Approval for 2021 Rates Application-Phase 2 effective July 1, 2021

**June 24, 2021**

On May 6, 2021, the Ontario Energy Board (OEB) approved Phase 2 of Enbridge Gas’ 2021 annual rate application ([EB-2020-0181](#)). Our 2021 rate application was separated into two phases to allow for timely review and adjudication.

The first phase dealt with incentive rate-setting mechanism (IRM) rate adjustment items that are largely mechanistic and was approved on Nov. 6, 2020 and implemented in rates beginning Jan. 1, 2021.

The second phase (discussed here) dealt with Incremental Capital Module (ICM) funding requests for certain capital projects and will be implemented in rates beginning July 1, 2021. Enbridge Gas requested ICM funding for two capital projects.

The OEB has made the following key determinations:

1. Enbridge Gas’ request for ICM funding of \$124.0 million for the London Line Replacement Project is approved.
2. Enbridge Gas’ request for ICM funding for the Sarnia Industrial Line Reinforcement Project is not approved.
3. The ICM rate riders for the London Line Replacement Project will be based on the OEB-approved cost allocation methodology for the existing London Line.

A range of delivery bill impacts for typical contract rate customers in the Union South rate zone are shown below. Individual bill impacts will vary and depend upon a customer's use of natural gas. There are no bill impacts for contract rate customers in the EGD or Union North rate zones as there are no ICM projects applicable to those zones.

## Information for Union South Rate Zone Customers

Rate Class	Delivery Bill Impact Range (%) <sup>1,2</sup>
Rate M4	1.0 to 1.3
Rate M5A	0.0
Rate M7	2.0 to 2.2
Rate M9	3.2
Rate M10	1.4
Rate T1	1.4 to 2.1
Rate T2	2.6 to 4.1

Rate Class	Delivery Bill Impact Range (%) <sup>1,2</sup>
Rate T3	4.1

1. EB-2020-0181 Draft Rate Order, May 18, 2021, Exhibit B, Tab 2, Schedule 1, Appendix I.
2. Bill impacts excluding federal carbon charges.

Visit our website for full details of this filing ([EB-2020-0181](#)).

## Enbridge Gas Receives Ontario Energy Board Approval for Rate Changes Effective July 1, 2021

Enbridge Gas recently received approval from the Ontario Energy Board (OEB) for rate changes effective July 1, 2021 ([EB-2021-0153](#)). These changes were proposed to the OEB earlier this month as part of the Quarterly Rate Adjustment Mechanism (QRAM) and approved as filed.

QRAM is the mechanism Enbridge Gas uses to review and adjust our rates for changes in natural gas prices. This is done every three months to reflect ongoing changes in the market price of natural gas and to adjust for the difference between the forecasted price of natural gas and actual price from prior periods.

In addition to updating rates in the Enbridge Gas Distribution (EGD) and Union rate zones in accordance with Enbridge Gas' Board-approved QRAM methodologies, July 1, 2021 rates will also reflect the OEB's May 6, 2021 decision in [EB-2020-0181](#) on Phase 2 of Enbridge Gas' 2021 annual rate application. Phase 2 of this application addressed matters related to Incremental Capital Module (ICM) funding for certain capital projects. Note: There are no delivery bill impacts for EGD or Union North contract rate customers resulting from the 2021 Phase 2 rate application.

### July 2021 QRAM

#### Information for EGD Rate Zone Customers

#### Utility Sales

	Current Gas Supply Commodity Charge (cents/m <sup>3</sup> )	New Approved Gas Supply Commodity Charge (cents/m <sup>3</sup> )	Change (cents/m <sup>3</sup> )
Rate 100	11.9749	11.8296	(0.1453)
Rate 110	11.9165	11.7712	(0.1453)
Rate 115	11.9165	11.7712	(0.1453)

	<b>Current Gas Supply Commodity Charge (cents/m<sup>3</sup>)</b>	<b>New Approved Gas Supply Commodity Charge (cents/m<sup>3</sup>)</b>	<b>Change (cents/m<sup>3</sup>)</b>
<b>Rate 135</b>	11.9237	11.7785	(0.1452)
<b>Rate 145</b>	11.9202	11.7749	(0.1453)
<b>Rate 170</b>	11.9165	11.7712	(0.1453)
	<b>Current Cost Adjustment - Gas Supply Component (cents/m<sup>3</sup>)</b>	<b>New Approved Cost Adjustment - Gas Supply Component (cents/m<sup>3</sup>)</b>	<b>Change (cents/m<sup>3</sup>)</b>
<b>Rate 100</b>	(0.9569)	(1.0826)	(0.1257)
<b>Rate 110</b>	(0.1890)	(0.2994)	(0.1104)
<b>Rate 115</b>	(0.0849)	(0.1933)	(0.1084)
<b>Rate 135</b>	(0.0849)	(0.1933)	(0.1084)
<b>Rate 145</b>	(0.7809)	(0.9031)	(0.1222)
<b>Rate 170</b>	(0.6941)	(0.8146)	(0.1205)

### Transportation Charges

	<b>Current Transportation Charge (cents/m<sup>3</sup>)</b>	<b>New Approved Transportation Charge (cents/m<sup>3</sup>)</b>	<b>Change (cents/m<sup>3</sup>)</b>
<b>Transportation to Enbridge</b>	4.0433	3.7141	(0.3292)
<b>Transportation from Dawn</b>	0.9703	0.9703	0.0000

### Delivery Rates

The following changes to delivery rates reflect quarterly updates to gas costs in delivery rates (unaccounted for gas) and the interim 2021 rates. This can be found on the "Delivery" line of the invoice.

	Approved Delivery Rate Change (cents/m <sup>3</sup> )
Rate 100	(0.0005)
Rate 110	(0.0056)
Rate 115	(0.0053)
Rate 135	(0.0053)
Rate 145	(0.0058)
Rate 170	(0.0055)

### Load Balancing Charges

	Approved Load Balancing Rate Change (cents/m <sup>3</sup> )
Rate 100	(0.0804)
Rate 110	(0.0171)
Rate 115	(0.0052)
Rate 135	0.0000
Rate 145	(0.0365)
Rate 170	(0.0164)

General Service [Rate 6](#) will also be changing effective July 1, 2021. Customers can find current information on these rates on our website or in the notice included with their July bill.

### Information for Union North Rate Zone Customers

#### Delivery Rates

The following changes to delivery rates reflect quarterly updates to gas costs (compressor fuel, unaccounted for gas, and carrying costs of gas in inventory). This can be found on the “Delivery” line of the invoice.

	Approved Delivery Rate Change (cents/m <sup>3</sup> )
Rate 20	(0.0030)
Rate 100	No change

### Rate 01 and Rate 10 Customers

[Rate 01](#) and [Rate 10](#) will also be changing effective July 1, 2021. Customers can find current information on these rates on our website or in the notice included with their July bill.

### Balancing Transaction Fees

Balancing transaction fees will be updated effective July 1, 2021. For current rates, please see the [Balancing Transaction Fee Schedule](#).

### Information for Union South Rate Zone Customers

#### Utility Sales

	Current Utility Sales (cents/m <sup>3</sup> )	New Approved Utility Sales (cents/m <sup>3</sup> )	Change (cents/m <sup>3</sup> )
Gas Commodity Rate	13.4774	12.8286	(0.6488)
Gas - PriceAdjustment	0.2312	0.3986	0.1674

### Delivery Rates

The following changes to delivery rates reflect quarterly updates to gas costs (compressor fuel, unaccounted for gas, and carrying costs of gas in inventory). This can be found on the “Delivery” line of the invoice.

	Approved Delivery Rate Change* (cents/m <sup>3</sup> )
Rate M4	(0.0114)
Rate M5A	(0.0100)
Rate M7	(0.0108)
Rate M9	(0.0091)
Rate M10	(0.0130)

\*excludes approved changes reflecting the 2021 Rates - Incremental Capital Module Funding application (EB-2020-0181)

### Rate M1 and Rate M2 Customers



[Rate M1](#) and [Rate M2](#) will also be changing effective July 1, 2021. Customers can find current information on these rates on our website or in the notice included with their July bill.

### Balancing Transaction Fees

Balancing transaction fees will be updated effective July 1, 2021. For current rates, please see the [Balancing Transaction Fee Schedule](#).

For more information, find the full application ([EB-2021-0153](#)) posted on our website.

## Enbridge Gas Inc. Files an Application for 2020 Deferral and Variance Account Clearing

On June 4, 2021, Enbridge Gas Inc. filed its 2020 Utility Earnings and Disposition of Deferral and Variance Account Balances application with the Ontario Energy Board (OEB) for approval to dispose of amounts recorded in certain 2020 deferral and variance accounts and for the amount of its 2020 earnings that it is required to share with customers ([EB-2021-0149](#)). This application excludes the 2020 Federal Carbon Pricing Program (FCPP) related deferral and variance accounts as well as the Demand Side Management (DSM) deferral and variance accounts for which Enbridge Gas has separate applications.

If approved as filed, the account clearing will result in a one-time adjustment being applied to a future bill of all customers. Enbridge Gas has proposed to dispose of the approved 2020 deferral and variance account balances with the first QRAM application following the OEB's approval.

### What are Deferral and Variance Accounts?

Deferral and variance accounts are used to capture certain differences between Enbridge Gas' forecast amounts approved for collection through rates and actual revenues and costs collected or incurred. The differences are either refunded or collected from customers, upon approval by the OEB, and are specifically allocated to each rate class.

### How to Estimate the 2020 Delivery Adjustment

You can estimate your customers' 2020 delivery adjustment by multiplying the proposed rate adjustment that applies to their service (shown below) by the actual volume of natural gas they consumed in 2020.

### EGD Rate Zone Customers

Proposed Unit Rate for 2020 Delivery Adjustment (cents/m <sup>3</sup> )				
Rate Class	System Gas	Ontario T-Service	Dawn T-Service	Western T-Service
Rate 100	(0.0177)	0.0000	0.0307	0.0000
Rate 110	(0.0083)	0.0401	0.0401	(0.0083)

Rate 115	(0.0080)	0.0405	0.0405	0.0000
Rate 135	(0.0075)	0.0000	0.0410	(0.0075)
Rate 145	(0.0133)	0.0000	0.0352	0.0000
Rate 170	(0.0073)	0.0411	0.0411	0.0000

Rate Class	Proposed CD Unit Rate for 2020 Delivery Adjustment (cents/m <sup>3</sup> )
Rate 125	(0.1582)
Rate 300	(0.7471)

### Union North Rate Zone Customers

Rate Class	Proposed Unit Rate for 2020 Delivery Adjustment (cents/m <sup>3</sup> )
Rate 20	(0.0191)
Rate 100	(0.0128)
Rate 25	(0.0496)

### Union South Rate Zone Customers

Rate Class	Proposed Unit Rate for 2020 Delivery Adjustment (cents/m <sup>3</sup> )
Rate M4	(0.0372)
Rate M5A	(0.1818)
Rate M7	(0.0076)
Rate M9	(0.0024)
Rate M10	(0.0988)
Rate T1	(0.0427)
Rate T2	(0.0246)
Rate T3	(0.0095)

### How to Estimate the 2020 Gas Supply Transportation Adjustment

You can estimate your customers' 2020 gas supply transportation adjustment by multiplying the proposed rate adjustment that applies to their service (shown in the table below) by:

Rate 20 - their 2020 annualized firm contract demand

Rate 25 - their actual volumes of natural gas consumed in 2020.

### Union North Rate Zone Customers

Rate Class	Proposed Unit Rate for 2020 Gas Supply Transportation Adjustment
<b>North West</b>	
Rate 20	(6.3030) cents/m <sup>3</sup> /d
Rate 25	0.2220 cents/m <sup>3</sup>
<b>North East</b>	
Rate 20	2.2738 cents/m <sup>3</sup> /d
Rate 25	0.0918 cents/m <sup>3</sup>

Full details of this filing ([EB-2021-0149](#)) can be found on our website.

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