

Enbridge Gas Receives Ontario Energy Board Approval for 2022 Phase 2 Rates Application effective July 1, 2022

June 7, 2022

On April 12, 2022, the Ontario Energy Board (OEB) approved Phase 2 of Enbridge Gas’ 2022 annual rate application ([EB-2021-0148](#)). Our 2022 rate application was separated into two phases to allow for timely review and adjudication.

Phase 1 of this application addressed the incentive rate-setting mechanism (IRM) related elements, which included the annual rate escalation, pass-through costs, capital pass-through adjustments and Parkway Delivery Obligation rate adjustments. Phase 1 was approved on Nov. 16, 2021 and implemented in rates beginning Jan. 1, 2022. Phase 2 of this application addresses matters related to Incremental Capital Module (ICM) funding (including an addendum to the asset management plan and a progress report on recommendations for unaccounted for gas) and will be implemented in rates beginning July 1, 2022.

In its Decision and Order in Phase 2 of the rate application, the OEB approved ICM funding of \$126.6 million for the Cherry to Bathurst NPS 20 Replacement project. This project will take place in a highly congested urban area to address integrity issues within that section of the pipeline and ensure continued safe and reliable gas distribution service to customers in downtown Toronto.

A range of delivery bill impacts for typical contract rate customers in the EGD 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 Union rate zones as there are no ICM projects applicable to those zones.

Information for EGD Rate Zone Customers

Rate Class	Delivery Bill Impact Range (%)
Rate 100	0.3% ^{1,2}
Rate 110	0.4% to 0.5 % ^{1,2}
Rate 115	0.8% ^{1,2}
Rate 135	0.0% ^{1,2}
Rate 145	0.0% ^{1,2}
Rate 170	0.1% ^{1,2}
Rate 125	0.0% ³
Rate 300	1.1% ³

1. EB-2021-0148, Draft Rate Order, Exhibit B, Tab 2, Schedule 1, Appendix H.2, filed April 21, 2022.
 2. Bill impacts excluding federal carbon charges.



3. Bill impacts are calculated based on contract demand charge unit rates only.

Visit our website for full details of this filing ([EB-2021-0148](#)).

2020 Demand Side Management Deferral and Variance Account Clearing Bill Adjustment

On May 6, 2022, Enbridge Gas received approval from the Ontario Energy Board (OEB) to dispose of its 2020 Demand Side Management (DSM) deferral and variance account balances ([EB-2022-0007](#)). The DSM program is our energy conservation program that is available to customers. Clearance of these balances will result in a one-time rate adjustment being applied to bills for all customers who received in-franchise delivery services. Enbridge Gas will uniformly dispose of the balances with a one-time billing adjustment effective July 1, 2022 (July invoices are received in August).

The 2020 DSM deferral and variance account adjustment includes the actual cost of delivering the DSM programs (versus the budgeted costs built into 2020 rates), revenue recovery attributable to consumption reduction due to DSM conservation measures (Lost Revenue Adjustment Mechanism), as well as incentives Enbridge Gas earns when meeting OEB-approved DSM targets. The proposed adjustment does not include any gas cost-related deferrals that are managed under the QRAM process or other non-commodity deferral balances.

Enbridge Gas is refunding approximately \$4.4 million to in-franchise contract rate class customers in the Enbridge Gas Distribution (EGD) rate zone, approximately \$0.8 million to Union North rate zone in-franchise contract rate class customers and recover approximately \$2.1 million from Union South rate zone in-franchise contract rate class customers related to 2020 balances in the DSM deferral and variance accounts.

How to Estimate the 2020 DSM Delivery Adjustment

To estimate your customers' 2020 DSM delivery adjustment, multiply the proposed rate adjustment that applies to your customers' service (shown below) by the actual volume of natural gas they consumed in 2020.

EGD Rate Zone Customers

Rate Class	Unit Rate for 2020 DSM Delivery Adjustment (cents/m ³)
Rate 100	0.3645
Rate 110	(0.0381)
Rate 115	(0.2355)
Rate 135	0.5001
Rate 145	(6.6524)
Rate 170	(0.7962)

Union North Rate Zone Customers

Rate Class	Unit Rate for 2020 DSM Delivery Adjustment (cents/m ³)
Rate 20	(0.1249)
Rate 100	0.0128

Union South Rate Zone Customers

Rate Class	Unit Rate for 2020 DSM Delivery Adjustment (cents/m ³)
Rate M4	0.0882
Rate M5	0.1354
Rate M7	0.5166
Rate M9	-
Rate M10	-
Rate T1	(0.1555)
Rate T2	(0.0256)
Rate T3	-

For more information, find the full application ([EB-2022-0007](#)) posted on our website.

Enbridge Gas' Contract Customer Engagement Survey Feedback

Enbridge Gas undertook a customer engagement process designed to understand customers' needs and preferences as it develops its plans for 2024 and beyond. These plans will determine the investments that Enbridge Gas makes and will be submitted to the Ontario Energy Board.

At the beginning of February, the signing authority for each of our in-franchise contract rate and direct purchase customers and marketers received an email invitation to complete a survey workbook. The survey included questions about Enbridge Gas' business plans and service harmonization proposals.

More than 12,000 customers, including more than 80 contract customers and energy marketers, participated in our overall customer engagement process to ensure that our 2024 planning process reflects customers' needs and preferences. Participants were presented with information on our proposals as part of our 2024 – 2028 rate application process.

All individual responses were held in confidence and feedback was combined with others to protect our customers' privacy. Visit enbridgegas.com/contract-engagement to find more information on the feedback we received.

Thank you to everyone who participated.

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