

Information for Large Volume Union South Rate Zone Customers

September 24, 2020

Enbridge Gas files an Application for 2017 and 2018 Demand Side Management Deferral and Variance Account Clearing

On July 17, 2020, Enbridge Gas applied to the Ontario Energy Board (OEB) to dispose of its 2017 and 2018 Demand Side Management (DSM) deferral and variance account balances ([EB-2020-0067](#)).

The proposed 2017/2018 DSM deferral and variance account adjustment includes the actual cost of delivering the DSM programs (versus the forecast cost built into 2017/2018 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 proposing to recover approximately \$5.55 million from Union South rate zone in-franchise contract rate class customers related to 2017/2018 balances in the DSM deferral and variance accounts.

Once the OEB completes its review and provides their final decision on this application, clearance of these balances would result in a one-time delivery adjustment being applied to bills for all EGD, Union North and Union South rate zone customers who received in-franchise contract rate delivery services in 2018. Enbridge Gas has proposed the disposition of the DSM deferral and variance account balances be implemented on Jan. 1, 2021 to align with other rate changes. This is dependent on the timing of the OEB's decision. Further information will be provided when a decision is received from the Board.

How to Estimate the 2017/2018 DSM Delivery Adjustment

To estimate your customers' 2017/2018 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 2018.

Rate Class	Proposed Unit Rate for 2017/2018 DSM Delivery Adjustment (cents/m ³)		
	2017	2018	Total
Rate M4	0.1584	0.3084	0.4668
Rate M5	0.4828	0.1852	0.6680
Rate M7	0.0764	0.1999	0.2763
Rate M9	0.0000	0.0000	0.0000
Rate M10	0.0000	0.0000	0.0000
Rate T1	0.2381	0.0876	0.3257
Rate T2	(0.0157)	(0.0073)	(0.0230)
Rate T3	0.0000	0.0000	0.0000

For more information, find the full application ([EB-2020-0067](#)) posted on our website.

2019 Demand Side Management Deferral and Variance Accounts

The OEB audit process for the 2019 DSM programs is in its initial stages and as such we don't know the timing of its completion. However, once completed, Enbridge Gas will apply to the OEB to dispose of the 2019 DSM Deferral and Variance Account balances. Further information will be provided when that application is filed.

Enbridge Gas Inc. Receives Ontario Energy Board Approval for Rate Changes Effective Oct. 1, 2020

Enbridge Gas Inc. recently received approval from the Ontario Energy Board (OEB) for rate changes effective Oct. 1, 2020. These changes were proposed to the OEB earlier this month as part of the Quarterly Rate Adjustment Mechanism (QRAM) and approved as filed ([EB-2020-0195](#)).

In addition to updating rates in accordance with Enbridge Gas’ Board-approved QRAM methodologies, Oct. 1, 2020 rates will reflect implementation of two additional Board decisions:

- On June 11, 2020 the Board approved Incremental Capital Module (ICM) unit rates for implementation effective Oct. 1, 2020 in Enbridge Gas’ 2020 Rates proceeding ([EB-2019-0194](#)).
- On August 13, 2020 the Board approved 2019 Federal Carbon Pricing Program-related deferral and variance accounts for disposition effective Oct. 1, 2020 in Enbridge Gas’ 2020 Federal Carbon Pricing Program proceeding ([EB-2019-0247](#)). The account balances will be recovered over a three-month period (from Oct. 1, 2020 to Dec. 31, 2020) for all Enbridge Gas customers. Note: The Federal Carbon Charge and 2019 balances in the customer variance accounts for on-reserve First Nations customers are interim, per the Board’s decision and order in EB-2019-0247.

Federal Carbon Charge Deferral and Variance Account Clearing

	Monthly Unit Rate for Exempt Customer One-Time Rate Adjustment* (cents/m³)
Rate M4	0.0045
Rate M5A	0.0200
Rate M7	0.0033
Rate M9	0.0031
Rate M10	0.0521
Rate T1	0.0046
Rate T2	0.0032
Rate T3	0.0041

*recovered over a three-month period from Oct. 1, 2020 to Dec. 31, 2020 and based on actual April 1 to July 31, 2019 volumes

	Monthly Unit Rate for Non-Exempt One-Time Rate Adjustment* (if applicable) (cents/m³)
Rate M4	1.3350
Rate M5A	1.3350
Rate M7	1.3350
Rate T1	1.3350
Rate T2	1.3350

*recovered over a three-month period from Oct. 1, 2020 to Dec. 31, 2020 and based on actual customer-related April 1 to July 31, 2019 volumes

The Ontario government recently [announced](#) new Ontario Emissions Performance Standards (EPS). Enbridge Gas is working to understand the transition plan from the federal government's Output Based Pricing System to the EPS, and we will communicate further once we have more details.

October 2020 QRAM

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.

Utility Sales

	Current Utility Sales (cents/m³)	New Approved Utility Sales (cents/m³)	Change (cents/m³)
Gas Commodity Rate	10.2078	12.3171	2.1093
Gas - Price Adjustment	1.9816	0.5395	(1.4421)

Delivery Rates

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

	New Approved Delivery Rate Change (cents/m³)
Rate M4	0.0328
Rate M5A	0.0315
Rate M7	0.0347
Rate M9	0.0296
Rate M10	0.0422

*Rate change due to EB-2019-0194, Phase 2, Final Rate Order 2020 Incremental Capital Module (“ICM”) unit rates effective Oct. 1, 2020.

Rate M1 and Rate M2 Customers

[Rate M1](#) and [Rate M2](#) will also be changing effective Oct. 1, 2020. Customers can find current information on these rates on our website or in the notice included with their October bill.

Balancing Transaction Fees

Balancing transaction fees will be updated effective Oct. 1, 2020. For current rates, please see the [Balancing Transaction Fee Schedule](#).

Full details of this filing ([EB-2020-0195](#)) can be found on our website. If you have any questions about this material, please contact your account manager.