

Information for Large Volume EGD Rate Zone Customers

November 2, 2020

Enbridge Gas files an Application for 2019 Deferral and Variance Account Clearing

On Sept. 3, 2020, Enbridge Gas Inc. applied to the Ontario Energy Board (OEB) for approval to dispose of amounts recorded in certain 2019 deferral and variance accounts ([EB-2020-0134](#)). This application excludes the 2019 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 delivery adjustment being applied to a future bill of all customers who received contract rate delivery services in 2019.

Enbridge Gas has proposed to dispose of the approved 2019 deferral and variance account balances with the first QRAM application following the OEB's approval, as early as Jan. 1, 2021.

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 2019 Delivery Adjustment

You can estimate your customers' 2019 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 2019.

Proposed Unit Rate for 2019 Delivery Adjustment (cents/m ³)				
Rate Class	System Gas	Ontario T-Service	Dawn T-Service	Western T-Service
Rate 100	0.0998	0.0983	0.0983	0.0000

Rate 110	0.0774	0.0759	0.0759	0.0774
Rate 115	0.0752	0.0736	0.0736	0.0000
Rate 135	0.0738	0.0000	0.0723	0.0738
Rate 145	0.1020	0.0000	0.1005	0.0000
Rate 170	0.0761	0.0746	0.0746	0.0000
Rate Class	Proposed CD Unit Rate for 2019 Delivery Adjustment (cents/m³)			
Rate 125	0.7018			
Rate 300	3.2985			

Full details of this filing ([EB-2020-0134](#)) can be found on our website.

Enbridge Gas Files 2021 Federal Carbon Pricing Program Application

On Sept. 30, 2020, Enbridge Gas Inc. filed its 2021 Federal Carbon Pricing Program (FCPP) application with the Ontario Energy Board (OEB) for rate changes effective April 1, 2021 ([EB-2020-0212](#)). 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. This application does not include approval for disposition of the 2020 balances in the FCPP-related deferral and variance accounts. The disposition of the 2020 balances will be delayed by one year (to be filed as part of Enbridge Gas' 2022 FCPP application), in order to file final year-end audited balances in these accounts.

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

**Proposed 2021 Federal Carbon Pricing
Customer-Related Charge (if
applicable)**

7.8300 cents/m³

**Proposed 2021 Federal Carbon Pricing
Facility-Related Charge (EGD Rate
Zone)**

0.0066 cents/m³

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 regardless of their exemption status, is included in delivery or transportation charges on customers' bills.

The federal carbon charge started at \$20/tCO₂e (3.91 cents/m³) in April 2019 and is expected to reach \$50/tCO₂e (9.79 cents/m³) in April 2022. The federal carbon charge for 2021 is based on \$40/tCO₂e. All natural gas consumption is subject to the federal carbon charge except natural gas consumption that qualifies for exemption under the GGPPA.

Full details of the Federal Carbon Pricing Program application ([EB-2020-0212](#)) can be found on our website.

Enbridge Gas Files 2021 Phase 2 Rates Application (Incremental Capital Module)

On Oct. 15, 2020, Enbridge Gas Inc. filed its 2021 Phase 2 Rate Application and Evidence ([EB-2020-0181](#)).

Our 2021 rate application has been 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 includes the annual rate escalation, pass through-costs, capital pass-through adjustments and Parkway Delivery Obligation rate adjustments. Phase 2 of this application addresses matters related to Incremental Capital Module (ICM) funding (including a Utility System Plan, an Asset Management Plan and a Customer Engagement Study).

Enbridge Gas is seeking OEB approval for ICM funding for three projects in 2021:

- St Laurent NPS 12 Replacement project (EGD rate zone)
- London Line Replacement Project (Union South rate zone)
- Sarnia Industrial Reinforcement Project (Union South rate zone)

A range of delivery bill impacts for typical contract rate customers in the EGD rate zone. Individual bill impacts will vary and depend upon a customer's use of natural gas.

Information for EGD Rate Zone Customers

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

1. EB-2020-0181, Oct. 15, 2020, Exhibit B, Tab 2, Appendix H.2.
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-2020-0181](https://www.enbridge.com/egd-2020-0181)).

If you have any questions about any of the material in this newsletter, please contact your account manager.