

Information for Large Volume Union South Rate Zone Customers

February 25, 2021

2017/2018 Demand Side Management Deferral and Variance Account Clearing Bill Adjustment

Enbridge Gas recently received approval from the Ontario Energy Board (OEB) to dispose of its 2017 and 2018 Demand Side Management (DSM) deferral and variance account balances ([EB-2020-0067](#)). Clearance of these balances will result in a one-time delivery adjustment being applied to bills for all customers who received in-franchise contract rate delivery services in 2018. To minimize the impact on customers with a charge, Enbridge Gas will uniformly dispose of the balances over a three-month period effective April 1, 2021 (as a one-time adjustment disposed of in three equal installments from April to June).

The 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. This 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 recovering approximately \$5.53 million from Union South rate zone in-franchise contract rate class customers related to 2017/2018 balances in the DSM deferral and variance accounts.

How to Estimate the 2017/2018 DSM Delivery Adjustment

To estimate your 2017/2018 DSM delivery adjustment, multiply the rate adjustment that applies to your service (shown below) by the actual volume of natural gas you consumed in 2018.

Rate Class	Unit Rate for 2017/2018 DSM Delivery Adjustment (cents/m ³)		
	2017	2018	Total
Rate M4	0.1580	0.3077	0.4657
Rate M5	0.4816	0.1847	0.6663

Rate Class	Unit Rate for 2017/2018 DSM Delivery Adjustment (cents/m ³)		
Rate M7	0.0762	0.1994	0.2756
Rate M9	0.0000	0.0000	0.0000
Rate M10	0.0000	0.0000	0.0000
Rate T1	0.2375	0.0874	0.3249
Rate T2	(0.0156)	(0.0073)	(0.0229)
Rate T3	0.0000	0.0000	0.0000

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

Federal Carbon Charge increases April 1, 2021

On April 1, 2021 customers will see an increase to the Federal Carbon Charge and Facility Carbon Charge as approved by the OEB in Enbridge Gas' 2021 Federal Carbon Pricing Program proceeding ([EB-2020-0212](#)).

As part of the federal government's carbon pricing program, a carbon charge applies to fossil fuels, including natural gas. The federal carbon charge is included on customers' bills, with the exception of customer facilities that have an exemption certificate issued by the federal government. On April 1, 2021, the federal carbon charge for natural gas will increase to 7.83 cents per cubic metre (m³). This charge increases annually each April.

There is also a facility carbon charge included in the delivery or transportation charge on your bill. This charge is associated with the costs to operate Enbridge Gas' facilities. Enbridge Gas' facility-related carbon charges are applicable to all customers, as these charges are costs that Enbridge Gas incurs to deliver natural gas to you.

	Current Charge (cents/m³)	New Approved Charge (cents/m³)	Change (cents/m³)
Federal Carbon Charge	5.8700	7.8300	1.9600
Facility Carbon Charge – Union rate zones	0.0088	0.0127	0.0039

Note: The Federal Carbon Charge and 2019 balances in the customer variance accounts for on-reserve First Nations customers are interim, per the OEB's decision and order in EB-2019-0247.

Full details of this filing ([EB-2020-0212](#)) can be found on our website.

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