

Enbridge Gas Files 2022 Distribution Rates Application

July 22, 2021

On June 30, 2021, Enbridge Gas Inc. applied to the Ontario Energy Board (OEB) for a change in its annual rates effective Jan. 1, 2022 ([EB-2021-0147](#)). These rates have been set using the OEB-approved, five-year rate-setting framework for the period of 2019 to 2023.

Our 2022 rate application has been separated into two phases to allow for timely review and adjudication:

- Phase 1 of this application addresses the incentive rate-setting mechanism (IRM) related elements, which include the annual rate escalation, pass-through costs, capital pass-through adjustments and Parkway Delivery Obligation rate adjustments. Enbridge Gas is also filing evidence on the assessment of alternatives to eliminate or reduce the Parkway Delivery Obligation (PDO) and/or the Parkway Delivery Commitment Incentive (PDCI) in this application.
- Phase 2 of this application will address matters related to Incremental Capital Module (ICM) funding. It will also include a progress report on the implementation of Unaccounted for Gas (UFG) report’s recommendation to address UFG. Phase 2 will be filed separately in October 2021.

A range of delivery bill impacts for typical contract rate customers in the Union South rate zone are shown below. These bill impacts exclude 2022 Incremental Capital Module (ICM) amounts that will be filed separately in October. Individual bill impacts will vary and depend upon a customer's use of natural gas.

Rate Class	Proposed Delivery Bill Impact Range (%) ^{1,2}
Rate M4	3.3 to 4.3
Rate M5A	2.7 to 3.2
Rate M7	(3.4) to (3.2)
Rate M9	0.6
Rate M10	2.8
Rate T1	0.8 to 1.0
Rate T2	(0.2) to 0.0
Rate T3	2.0

1. EB-2021-0147 Application and Evidence, June 30, 2021, Exhibit D, Tab 2, Rate Order, Working Papers, Schedule 4.

2. Bill impacts excluding federal carbon charges.

Visit our website for full details of this filing ([EB-2021-0147](#)).

2019 Deferral Account Clearing Bill Adjustments

Enbridge Gas Inc. received approval from the Ontario Energy Board (OEB) to dispose of amounts recorded in certain 2019 deferral and variance accounts ([EB-2020-0134](#)). The 2019 deferral account 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.

This account clearing will result in a one-time delivery adjustment being applied to the October 2021 bills of all customers who received contract rate delivery services in 2019.

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 2019 delivery adjustment by multiplying the approved rate adjustment that applies to your service (shown below) by the actual volume of natural gas you consumed in 2019.

Rate Class	Approved Unit Rate for 2019 Delivery Adjustment (cents/m ³)
Rate M4	(0.0145)
Rate M5A	(0.2363)
Rate M7	0.0038
Rate M9	0.0073
Rate M10	(0.1121)
Rate T1	(0.0317)
Rate T2	(0.0091)
Rate T3	(0.0021)

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

Daily Scheduling of Balancing Transactions

At this time of year, there has been a greater likelihood that the daily scheduling of balancing transactions may be interrupted. If interruptions of balancing transactions are necessary, customers will be notified during the scheduling process and will need to submit a revised nomination.

Interruptible balancing transactions are subject to the rules outlined in the [priority of service of guideline](#). Two of the priority tiers apply specifically to Direct Purchase balancing transactions:

- Balancing (Direct Purchase) > 500 GJ/day, and
- Balancing (Direct Purchase) <= 500 GJ/day

If Enbridge Gas interrupts storage injections, it means incremental supply transactions may be interrupted as well. Customers would need to be prepared to reduce their incremental deliveries. However, Ex-Franchise Transfer (EFT) and suspensions would still be available to those that need them.

South bundled direct purchase customers are also reminded of the need to meet fall checkpoint and contract renewal balancing requirements. Customers do not need to wait until the balancing month(s) to begin to take action to address their balancing requirements.

Verification of Contact Information

Enbridge Gas requires up-to-date company and contact information for planning purposes and in the event of an emergency.

In late July, customers can expect to receive an email requesting verification of their information. Please watch for this email and respond as soon as it is received. Thank you.

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