



Information for Large Volume Union South Rate Zone Customers

Enbridge Gas Inc. Receives Ontario Energy Board Approval for 2021 Rates Application-Phase 2 effective July 1, 2021

June 24, 2021

On May 6, 2021, the Ontario Energy Board (OEB) approved Phase 2 of Enbridge Gas' 2021 annual rate application ([EB-2020-0181](#)). Our 2021 rate application was separated into two phases to allow for timely review and adjudication.

The first phase dealt with incentive rate-setting mechanism (IRM) rate adjustment items that are largely mechanistic and was approved on Nov. 6, 2020 and implemented in rates beginning Jan. 1, 2021. The second phase (discussed here) dealt with Incremental Capital Module (ICM) funding requests for certain capital projects and will be implemented in rates beginning July 1, 2021. Enbridge Gas requested ICM funding for two capital projects.

The OEB has made the following key determinations:

1. Enbridge Gas' request for ICM funding of \$124.0 million for the London Line Replacement Project is approved.
2. Enbridge Gas' request for ICM funding for the Sarnia Industrial Line Reinforcement Project is not approved.
3. The ICM rate riders for the London Line Replacement Project will be based on the OEB-approved cost allocation methodology for the existing London Line.

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

Information for Union South Rate Zone Customers

| Rate class | Delivery Bill Impact Range (%) ^{1,2} |
|------------|---|
| Rate M4 | 1.0 to 1.3 |
| Rate M5A | 0.0 |
| Rate M7 | 2.0 to 2.2 |
| Rate M9 | 3.2 |
| Rate M10 | 1.4 |
| Rate T1 | 1.4 to 2.1 |
| Rate T2 | 2.6 to 4.1 |

| Rate class | Delivery Bill Impact Range (%) ^{1,2} |
|------------|---|
| Rate T3 | 4.1 |

1. EB-2020-0181 Draft Rate Order, May 18, 2021, Exhibit B, Tab 2, Schedule 1, Appendix I.

2. Bill impacts excluding federal carbon charges.

Visit our website for full details of this filing ([EB-2020-0181](#)).

Enbridge Gas Receives Ontario Energy Board Approval for Rate Changes Effective July 1, 2021

Enbridge Gas recently received approval from the Ontario Energy Board (OEB) for rate changes effective July 1, 2021 ([EB-2021-0153](#)). These changes were proposed to the OEB earlier this month as part of the Quarterly Rate Adjustment Mechanism (QRAM) and approved as filed.

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.

In addition to updating rates in the Enbridge Gas Distribution (EGD) and Union rate zones in accordance with Enbridge Gas' Board-approved QRAM methodologies, July 1, 2021 rates will also reflect the OEB's May 6, 2021 decision in [EB-2020-0181](#) on Phase 2 of Enbridge Gas' 2021 annual rate application. Phase 2 of this application addressed matters related to Incremental Capital Module (ICM) funding for certain capital projects. Note: There are no delivery bill impacts for EGD or Union North contract rate customers resulting from the 2021 Phase 2 rate application.

July 2021 QRAM

Utility Sales

| | Current Utility Sales | New Approved Utility Sales (cents/m ³) | Change (cents/m ³) |
|------------------------|-----------------------|--|--------------------------------|
| Gas Commodity Rate | 13.4774 | 12.8286 | (0.6488) |
| Gas - Price Adjustment | 0.2312 | 0.3986 | 0.1674 |

Delivery Rates

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

| | Approved Delivery Rate Change (cents/m ³) |
|----------|---|
| Rate M4 | (0.0114) |
| Rate M5A | (0.0100) |
| Rate M7 | (0.0108) |
| Rate M9 | (0.0091) |
| Rate M10 | (0.0130) |

*excludes approved changes reflecting the 2021 Rates - Incremental Capital Module Funding application (EB-2020-0181)

Rate M1 and Rate M2 Customers

[Rate M1](#) and [Rate M2](#) will also be changing effective July 1, 2021. Customers can find current information on these rates on our website or in the notice included with their July bill.

Balancing Transaction Fees

Balancing transaction fees will be updated effective July 1, 2021. For current rates, please see the [Balancing Transaction Fee Schedule](#).

For more information, find the full application ([EB-2021-0153](#)) posted on our website.