

IN THE MATTER OF the *Ontario Energy Board Act, 1998*, S.O. 1998, c. 15 (Sched. B), as amended;

AND IN THE MATTER OF an Application by Enbridge Gas Distribution Inc. for an Order or Orders approving or fixing rates for the sale, distribution, transmission and storage of gas.

APPLICATION

1. The Applicant, Enbridge Gas Distribution Inc. (“Enbridge”, or the “Company”) is an Ontario corporation with its head office in the City of Toronto. It carries on the business of selling, distributing, transmitting, and storing natural gas within Ontario.
2. Enbridge hereby applies to the Ontario Energy Board (the “Board”), pursuant to section 36 of the *Ontario Energy Board Act, 1998*, as amended (the “Act”) for an Order or Orders approving or fixing just and reasonable rates for the sale, distribution, transmission, and storage of gas commencing January 1, 2017.
3. As of January 1, 2017, Enbridge will be entering the fourth year of a five year Incentive Regulation (“IR”) plan approved by the Board in EB-2012-0459. The Board Decision with Reasons in that proceeding establishes a Custom IR framework to set Enbridge’s rates over the period from 2014 to 2018. Specifically, the Board’s Decision with Reasons and related Rate Order approved placeholder Allowed Revenue amounts for 2015 to 2018, subject to adjustment each year to update certain elements of Allowed Revenue. The resulting final Allowed Revenue amount for each year is to be used to set final rates, based upon updated volume forecasts for that year.

4. Enbridge applies to the Board for such final, interim or other Orders, accounting orders and deferral and variance accounts as may be necessary in relation to approve:
 - i. Final rates for the year commencing January 1, 2017, including all adjustments resulting from the application of Enbridge's Board-approved Custom IR framework;
 - ii. The continuation of approved deferral and variance accounts for 2017;
 - iii. The re-establishment for 2017 and 2018 of the Customer Care Services Procurement Deferral Account, in the same form as was approved for 2014 to 2016;
 - iv. The establishment for 2017 of a Rate 332 Variance Account, similar to the account that was approved for 2016 to record any variance that occurs from forecast Rate 332 revenue;
 - v. The re-establishment for 2017 of the Greater Toronto Area Incremental Transition Cost Deferral Account, in the same form as was approved for 2016; and
 - vi. The determination of all other issues that bear upon the Board's approval or fixing of just and reasonable rates for the sale, distribution, transmission, and storage of gas by Enbridge for the year commencing January 1, 2017.

5. Enbridge further applies to the Board pursuant to the provisions of the Act and the Board's Rules of Practice and Procedure for such final, interim or other Orders and directions as may be appropriate in relation to the Application and the proper conduct of this proceeding.

6. As a result of this Application, the impact on customers' bills in 2017 will result from the application of the Board-approved Custom IR framework for 2017. The application of the Custom IR framework will result in average rate increases of approximately 1.0% for all customer classes on a T-service basis (that is, excluding commodity costs), with the impact for residential customers being approximately 1.2% or about \$7 annually.
7. Enbridge's final rates for 2017 will also include its Cap and Trade Unit Rates as required by the Board's July 28, 2016 "Early Determination Regarding Billing of Cap and Trade Related Costs and Customer Outreach" (the "Early Determination") in the EB-2015-0363. However, in accordance with direction from the OEB and consistent with the instructions in the EB-2015-0363 Report on the Regulatory Framework for the Assessment of Costs of Natural Gas Utilities' Cap and Trade Activities, Enbridge is not seeking approval of the Cap and Trade Unit Rates in this Rate Adjustment Application. Instead, the Cap and Trade Unit Rates (as well as necessary additional Variance or Deferral Accounts) will be presented for approval within Enbridge's 2017 Compliance Plan, which is to be filed by November 15, 2016. Enbridge requests that approval of the 2017 Cap and Trade Unit Rates be granted in sufficient time to allow for implementation in conjunction with the January 1, 2017 QRAM Application.
8. In the EB-2012-0459 evidence, it was indicated that the Company would file a rate adjustment application (without detailed supporting evidence) by September 1st of the prior year which would allow the necessary administrative processes and notices to be produced. Additionally, it was indicated that the Company would file the supporting detailed evidence supporting the application by October 1st of each year in order to allow enough time for the necessary regulatory processes which would permit a Board Decision and final Rate Order by December 15th each year. This approach, which is consistent with the rate adjustment process used in

Enbridge's first generation IR term, will accommodate rate implementation for January 1st of the subsequent rate and fiscal year. In the EB-2012-0459 Decision with Reasons, the Board accepted Enbridge's proposal for setting rates for 2015 through 2018.

9. The evidence in support of this Application was intended to be filed by September 30, 2016, however, a communication from the Board on September 30th informed the Company that any aspect of rate request with respect to the Cap and Trade framework (including Cap and Trade Unit Rates) should be removed from the 2017 Rate Adjustment Application. Rate request impacts of the Cap and Trade Framework are to be filed in a separate application.
10. Enbridge respectfully requests that the Board establish a process for this Application that allows for rates to be implemented as of January 1, 2017, in conjunction with the January 1, 2017 QRAM Application, and for Rider D (refund of Site Restoration Cost Reserve) to be implemented as of January 1, 2017. If necessary, Enbridge further requests that if final rates cannot be implemented as of January 1, 2017, the Board approve interim rates to be effective as of January 1, 2017, with a process for final rates to be approved as soon as possible thereafter.
11. Enbridge requests that a copy of every document filed with the Board in this proceeding be served on the Applicant and the Applicant's counsel, as follows:

The Applicant:

Mr. Andrew Mandyam
Director, Regulatory Affairs and
Financial Performance
Enbridge Gas Distribution Inc.

Address for personal service: 500 Consumers Road
Willowdale, Ontario M2J 1P8

Mailing address: P. O. Box 650
Scarborough, Ontario M1K 5E3

Telephone: 416-495-5499 or 1-888-659-0685
Fax: 416-495-6072
Email: EGDRRegulatoryProceedings@enbridge.com

The Applicant's counsel:

Mr. David Stevens
Aird & Berlis LLP

Address for personal service and mailing address: Brookfield Place, P.O. Box 754
Suite 1800, 181 Bay Street
Toronto, Ontario M5J 2T9

Telephone: 416-865-7783
Fax: 416-863-1515
Email: dstevens@airdberlis.com

DATED: October 4, 2016 at Toronto, Ontario.

ENBRIDGE GAS DISTRIBUTION INC.

Per: _____ (Original Signed)

Andrew Mandyam
Director, Regulatory Affairs and
Financial Performance