

ONTARIO ENERGY BOARD

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 approving
or fixing rates for the sale, distribution, storage, and
transmission of gas effective January 1, 2017.

APPLICATION FOR RATE ADJUSTMENT Gas Costs First Quarter - Test Year 2017

Introduction

1. Enbridge Gas Distribution Inc. ("Enbridge") hereby applies to the Board for an order approving or fixing rates for the sale, distribution, storage, and transmission of gas effective January 1, 2017. This Application is made pursuant to, and the order would be issued under, section 36 of the *Ontario Energy Board Act, 1998*, as amended.
2. This Application and the supporting evidence were prepared in accordance with the process for Enbridge's Quarterly Rate Adjustment Mechanism ("QRAM"). The Board approved the original QRAM process, and subsequent modifications, in the following proceedings:
 - RP-2000-0040: The QRAM process was prescribed, under Issue 2.2, in the "Settlement Proposal (Main Case)" dated May 11, 2001; see Exhibit N2, Tab 1, Schedule 1, pp. 13-18 of 54. The Board approved the entire Settlement Proposal on May 30, 2001; see transcript volume no. 1, pp. 107-9.

- RP-2002-0133: The QRAM process was modified, under Issue 4.2, in the Settlement Proposal dated March 14, 2003; see Exhibit N1, Tab 1, Schedule 1, pp. 21-25 of 93. The Board approved the entire Settlement Proposal on March 20, 2003; see transcript volume 1, para. 687.
 - RP-2003-0203: The QRAM process was modified, under Issue 15.11 in the Settlement Proposal dated June 17, 2004, Exhibit N1, Tab 1, Schedule 1, pp. 56-58 of 59. The Board approved the entire Settlement Proposal on June 16, 2003; see transcript volume 1, paragraphs. 32 to 39.
 - EB-2008-0106: The QRAM process was modified in the Board's Decision dated September 21, 2009 at pages 5, 16 and 22.
3. The particulars of the QRAM process are described, for ease of reference, in Appendix A to this Application. Pursuant to the Board's direction, the "Regulatory Framework" has further been modified to include procedures for processing cost claims and awards, if any.

Utility Price and Customer Impacts

4. Enbridge's adjusted utility price from EB-2016-0260 is $\$182.240/10^3\text{m}^3$ ($\$4.835/\text{GJ}$ @ $37.69 \text{ MJ}/\text{m}^3$). Enbridge has recalculated the utility price for the first quarter of Test Year 2017 using the prescribed methodology reflecting a lower utility cost. The recalculated utility price is $\$181.199/10^3\text{m}^3$ ($\$4.808/\text{GJ}$ @ $37.69 \text{ MJ}/\text{m}^3$).
5. The resultant rates inclusive of EB-2016-0260 January 1, 2017 QRAM rate change and EB-2016-0215 Final 2017 rate change would increase the total bill for a typical residential customer on system gas by $\$5.63$ or 0.7% (approx.) annually and, for a typical residential customer on direct purchase, would decrease the total bill by $\$0.78$ or 0.1% (approx.) annually.
6. The resultant rates inclusive of EB-2016-0260 January 1, 2017 QRAM rate change and EB-2016-0215 Final 2017 rate change and EB-2016-0300 Interim Cap and Trade unit rates would increase the total bill for a typical residential customer on system gas by $\$86.07$ or 10.0% (approx.) annually and, for a typical residential customer on direct purchase, would increase the total bill by $\$79.66$ or 13.5% (approx.) annually.

PGVA

7. The new PGVA rider methodology adopted by the Company in its January 1, 2010 QRAM filing allows it to make adjustments through rate riders for variances in commodity, transportation and load balancing costs for all bundled customers.
8. Effective from January 1, 2017 to December 31, 2017 the Rider C unit rate for residential customers on sales service is (0.7878) ¢/m³, for Western T-service it is 0.1299 ¢/m³ and for Ontario T-service it is 0.1761 ¢/m³.

Regulatory Framework

9. The QRAM process includes the regulatory framework for interested parties as well as the Board and its staff to examine the Application with the supporting evidence and, thereafter, for the Board to issue an order disposing of the Application. Enbridge's list of interested parties is presented in Appendix B; the list includes the name(s) of the parties and their respective representative(s).
10. The following is the prescribed regulatory framework for processing the Application:
 - Any responsive comments from interested parties are filed with the Board, and served to Enbridge and the other interested parties, on or before December 14, 2016.
 - Any reply comments from Enbridge are filed with the Board, and served on all interested parties, on or before December 16, 2016.
 - The Board thereafter issues an order approving the applicable rate adjustments or modifying them as required, effective January 1, 2017.
11. Enbridge requests that the Board issue such an order on or before December 22, 2016 (if possible). Enbridge would then be able to implement the resultant rates during the first billing cycle in January.
12. The following procedures are prescribed for cost claims for QRAM applications, as directed by the Board on February 14, 2007:

- Due to the mechanistic nature of the QRAM application, the Board does not anticipate awarding costs. Parties that meet the eligibility criteria contained in the Board's Practice Direction on Cost Awards may submit costs with supporting rationale as to how their participation contributed to the Board's ability to decide on this matter.
 - Any party eligible for an award of costs must file a claim with the Board and Enbridge no later than ten days from the date of the Board's decision and order. Should Enbridge have any comments concerning any of the claims, these concerns shall be forwarded to the Board and to the claimant within seven days of receiving the claims. Any response to Enbridge's comments must be filed with the Board and Enbridge within seven days of receiving the comments.
13. Enbridge also requests that all documents in relation to the Application and its supporting evidence, including the responsive comments of any interested party, be served on Enbridge and its counsel as follows:

(1) Mr. Andrew Mandyam
Director, Regulatory Affairs

Telephone: (416) 495-5499
Fax: (416) 495-6072
Electronic access: egdregulatoryproceedings@enbridge.com

(2) Ms. Tania Persad
Senior Legal Counsel,
Regulatory

Telephone: (416) 495-5891
Fax: (416) 495-5994
Electronic access: tania.persad@enbridge.com

Address for personal service: Enbridge Gas Distribution Inc.
500 Consumers Road
Willowdale, Ontario
M2J 1P8

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

DATE: December 09, 2016

ENBRIDGE GAS DISTRIBUTION INC.

[original signed]

Per: _____
Andrew Mandyam
Director, Regulatory Affairs