

**Ontario Energy
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**Commission de l'énergie
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BY E-MAIL

June 28, 2018

**To: Enbridge Gas Distribution Inc.
Union Gas Limited
EPCOR Natural Gas Limited Partnership**

**Re: July 2018 Quarterly Rate Adjustment Mechanism
Ontario Energy Board File Numbers EB-2018-0168/0174/0185**

On June 26, 2018, each of Enbridge Gas Distribution Inc. (Enbridge) and Union Gas Limited (Union) filed a letter with the Ontario Energy Board (OEB) indicating that they will be unable to implement new rates under the Quarterly Rate Adjustment Mechanism (QRAM) as of July 1, 2018 if the rate orders are not issued by June 27, 2018. Both gas utilities proposed that, in such an event, the current rates remain in place until the next QRAM cycle in the fall.

The QRAM rates as applied for by these gas utilities would result in only minor changes to rates for the period July 1, 2018 to September 30, 2018. The OEB understands that there may be complexities arising from the issuance of QRAM rate orders on, or shortly after, the intended July 1 effective date, or with an effective date later than July 1. The OEB therefore accepts the proposal made by the gas utilities to discontinue the July 1, 2018 QRAM in favour of deferring the setting of new QRAM rates to the fall.

EPCOR Natural Gas Partnership (EPCOR) obtains the majority of its gas supply from Union Gas. EPCOR's QRAM rates, as applied for, would similarly result in only minor changes to rates for the coming quarter. The OEB therefore also intends to discontinue the July 1, 2018 QRAM for EPCOR in favour of deferring the setting of new QRAM rates to the fall.

The disposition of the purchased gas variance account balances for all three gas utilities will also be deferred to the October 1, 2018 QRAM. Each utility's current rate orders¹ will therefore remain in effect.

The OEB will address cost awards at a later date.

Yours truly,

Original Signed By

Kirsten Walli
Board Secretary

cc Canadian Manufacturers & Exporters
Industrial Gas Users Association

¹ EB-2018-0090 (Enbridge Gas April 1, 2018 QRAM), EB-2018-0104 (Union Gas April 1, 2018 QRAM) and EB-2018-0120 (EPCOR, April 1, 2018 QRAM).