

ONTARIO ENERGY BOARD

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

AND IN THE MATTER OF an Application by
Enbridge Gas Inc., pursuant to section 36(1) of
the *Ontario Energy Board Act, 1998*, for an
order or orders approving or fixing just and
reasonable rates and other charges for the sale,
distribution, transmission and storage of gas as
of January 1, 2021.

APPLICATION

1. The Applicant, Enbridge Gas Inc. (“Enbridge Gas”, or “EGI”) 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. Enbridge Gas was formed effective January 1, 2019, upon the amalgamation of Enbridge Gas Distribution Inc. (“EGD”) and Union Gas Limited (“Union”).
2. Enbridge Gas hereby applies to the Ontario Energy Board (the “OEB” or the “Board”), pursuant to section 36 of the *Ontario Energy Board Act, 1998*, as amended (the “Act”) for interim and final Orders approving or fixing just and reasonable rates for the sale, distribution, transmission, and storage of gas commencing January 1, 2021. Specifically, as set out herein, Enbridge Gas applies for approval of unit rates related to its 2021 Incremental Capital Module (“ICM”) requests.

3. On August 30, 2018, in the MAADs Decision¹, the Board approved a rate setting mechanism (Price Cap IR) for Enbridge Gas, which sets out a multi-year incentive rate-setting mechanism (“IRM”) for the calendar year term of 2019 to 2023 (the “five year term” or the “deferred rebasing period”). The MAADs Decision confirmed that during the five year term, distribution rates will be set separately for the EGD and Union rate zones. The MAADs Decision also approved the specific treatment of various elements in the IRM including the availability of an ICM during the five year term.
4. The 2021 Rate Application (EB-2020-0095) is the third annual rate adjustment application under the IRM approved in the MAADs Decision. In its 2021 Rate Application, Enbridge Gas proposed to continue with a bifurcated approach, similar to the 2020 Rate Application, where distribution rates relating to the IRM adjustments would be processed and adjudicated first (as “Phase 1”) and matters related to ICM funding would be addressed in “Phase 2” of the EB-2020-0095 proceeding.
5. On June 30, 2020, Enbridge Gas filed supporting evidence for “Phase 1” of its 2021 Rate Application (EB-2020-0095) to address the IRM related elements which included the annual rate escalation, pass-through costs, capital pass-through adjustment and Parkway Delivery Obligation rate adjustment. On October 8, 2020, Enbridge Gas and all interested parties filed a Settlement Proposal that resolved all matters in “Phase 1” of the 2021 Rate Application, and includes draft Interim Rate Orders for updated 2021 rates to be effective January 1, 2021.
6. In its letter dated July 14, 2020 in EB-2020-0095, the OEB determined that it will process the “Phase 1” and “Phase 2” filings for the 2021 Rate Application as

¹ EB-2017-0306/0307.

separate applications, rather than as discrete “phases” within a single application. The OEB has assigned a separate docket number (EB-2020-0181) for “Phase 2” of the 2021 Rate Application.

7. Enbridge Gas is therefore filing this separate Application for its 2021 ICM requests. With this Application, Enbridge Gas is seeking Board approval for ICM funding for three projects in 2021 – the St Laurent NPS 12 Replacement in the EGD rate zone, and the London Line Replacement Project and the Sarnia Industrial Reinforcement Project in Union rate zones. Collectively, these projects are referred to as the “2021 ICM Projects”. The ICM evidence including the appendices are filed as Exhibit B, Tab 2, Schedule 1.²
8. Also, in accordance with the Board’s directive in the MAADs Decision³, Enbridge Gas is filing a consolidated Utility System Plan (including an Asset Management Plan and a Customer Engagement Study) for the ICM requests with this Application. The Utility System Plan is filed as Exhibit C, Tab 1, Schedule 1. The Asset Management Plan and the Customer Engagement study are filed as Exhibit C, Tab 2, Schedule 1 and Exhibit C, Tab 3, Schedule 1 respectively.

APPROVAL REQUESTS

9. The specific approvals sought in this Application are as follows:
 - The requests for ICM funding for the 2021 ICM Projects, including the ICM unit rates beginning in 2021 for the duration of the deferred rebasing period to recover the total revenue requirement of the 2021 ICM Projects from 2021 to 2023;

² In order to maintain consistency with prior applications related to ICM requests during the five year term, Enbridge Gas has labeled the ICM request evidence as Exhibit B-2-1 (meaning that there are no B-1-1 exhibits in this filing).

³ EB-2017-0306/EB-2017-0307, Decision and Order, August 30, 2018, pp.32-34.

- Final rates for the year commencing January 1, 2021, including the full-year impact of all items included in the “Phase 1” of the 2021 Rate Application in EB-2020-0095 and the ICM requests in this Application; and
 - 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 Gas for the year commencing January 1, 2021.
10. Enbridge Gas 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.
11. This Application is supported by written evidence and may be amended from time to time as circumstances require.
12. The persons affected by this Application are the customers resident or located in the municipalities, police villages and First Nations reserves served by Enbridge Gas, together with those to whom Enbridge Gas sells gas, or on whose behalf Enbridge Gas distributes, transmits or stores natural gas.
13. Approval of the 2021 ICM funding set out in this Application will result in the following bill impacts:
- The bill impact associated with the 2021 ICM funding request for a typical Rate 1 residential customer consuming 2,400 m³ annually in the EGD rate zone is an increase of \$0.11.

- The bill impact associated with the 2021 ICM funding request for a typical Rate M1 residential customer consuming 2,200 m³ annually in the Union South rate zone is an increase of \$2.71.
- There is no bill impact associated with the 2021 ICM funding request for a typical Rate 01 residential customer in the Union North rate zone as there is no ICM project applicable to this rate zone.

14. The address of service for Enbridge Gas is:

Enbridge Gas Inc.

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- and -

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DATED October 15, 2020, at Toronto, Ontario

ENBRIDGE GAS INC.

(Original Digitally Signed)

Rakesh Torul
Technical Manager,
Regulatory Applications