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May 18, 2023

VIA RESS AND EMAIL

Nancy Marconi
Registrar
Ontario Energy Board
2300 Yonge Street, 27th Floor
Toronto, ON M4P 1E4

Dear Nancy Marconi:

**Re: Enbridge Gas Inc. (Enbridge Gas, or the Company)
EB-2022-0200 – 2024 Rebasing – Phase 1 Evidence and IR Update**

Enbridge Gas filed its 2024 Rates Application and the majority of its supporting evidence on October 31, 2022 and the balance of its evidence on November 30, 2022. In this Application, Enbridge Gas requests approval of rates for the sale, distribution, transmission, and storage of gas commencing January 1, 2024. Enbridge Gas also applies for approval of an incentive rate-making mechanism (IRM) for the years from 2025 to 2028.

In response to the OEB's Decision and Order on the Application for Multi-Year Natural Gas DSM (DSM Plan) Draft Rate Order (EB-2021-0002), dated March 2, 2023, Enbridge Gas is filing a limited update to its evidence to propose uniform DSM residential unit rates. In the Decision, the OEB ordered Enbridge Gas to propose a methodology with its 2024 Rebasing Application to recover the approved 2024 residential DSM budget amounts equally through a uniform rate for implementation with final 2024 rates. The proposed uniform DSM residential unit rate evidence is provided at Exhibit 8, Tab 2, Schedule 10. The changes to the proposed DSM residential unit rates have not been updated in other sections of evidence.

Enbridge Gas has not updated the DSM budget included in the 2024 Test Year Forecast for the 2024 budgetary inflation factor as part of this evidence update. The DSM budget as approved by the OEB used a 2% proxy for inflation, as the actual inflation factor based on the Consumer Price Index (CPI) was not available at that time. The CPI for the 2024 DSM budget is estimated to be approximately 6.8%, which will increase the DSM budget by approximately \$8 million, to a total of approximately \$183 million. Enbridge Gas will update the DSM budget as part of the draft rate order or as part of a subsequent evidence update, as applicable.

Enbridge Gas is also providing an updated interrogatory response to Exhibit I.7.0-STAFF-237. The updated response provides additional cost allocation information for the current rate zones and proposed service areas. The response also addresses information, documentation and analysis responsive to the undertakings in Exhibits JT8.9, JT8.12 and JT8.13 as requested in the Technical Conference.

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Enbridge Gas will post the updated material on its website at www.enbridgegas.com/about-enbridge-gas/regulatory. Enbridge Gas will send a copy of this letter, and a link to the website page, to all parties to the proceeding.

Should you have any questions, please let us know.

Sincerely,

Vanessa Innis
Manager, Strategic Applications – Rate Rebasing