

June 13, 2023

**BY EMAIL AND FILED VIA RESS**Nancy Marconi  
Registrar  
Ontario Energy Board  
2300 Yonge Street  
Suite 2700  
Toronto, ON M4P 1E4

Dear Ms. Marconi:

**Re: Enbridge Gas Inc. (“Enbridge Gas”)  
EB-2022-0200 – 2024 Rates Application  
Summary of Tentatively Settled Issues**

We represent Enbridge Gas.

We write in response to the OEB’s letter of June 12, 2023, where the OEB directed Enbridge Gas to provide a description of the topics that have been settled in principle through the Settlement Conference process. This letter has been reviewed and agreed by parties to the Settlement Conference.

Parties have reached agreement on the issues listed below from the OEB’s Issues List, such that the items below would not be addressed in the Phase 1 hearing if the OEB were to accept the settlement. All resolutions are preliminary, pending agreement on the wording of the Settlement Proposal.

The parties note that the resolutions reached all relate to the setting of rates for 2024, and if approved, will mean that the associated issues (listed below) will not need to be addressed in Phase 1 of the proceeding. Issues related to and impacted by the Energy Transition and IRP as noted in the OEB’s letter dated May 23, 2023 remain unresolved and are intended by the parties to be fully canvassed in the Phase 1 oral hearing.

Category	Issue Numbers	Details
B. Rate Base	6	Resolved certain issues related to rate base, specifically additions up to and including 2022, except for integration capital.
C. Volumes & Revenues	9-11	Resolved all aspects of issues 9 & 10 except for Other Revenues implications of property dispositions (part of Issue 10) – the question of whether a volume variance account should be approved is also unresolved (part of Issue

		32). For issue 11, resolved the 2024 Test Year results from the forecasting methodologies, not the broader issue of whether the methodologies are generally appropriate (which could be relevant to the unsettled issues re. capital planning).
D. Operating Costs	12-14	O&M budget resolved, inclusive of O&M allocated compensation and central functions costs. There is no agreement on the total compensation and central functions costs as the capital budget/capital planning is unresolved.
	17	Income & property tax methodology resolved.
	18 -19	Gas costs and related items - resolved all issues except for treatment of 2019-2023 PDO/PDCI costs, and certain storage related and load balancing matters that have been deferred to Phase 2. This is without prejudice to potentially interrelated capital planning and IRP issues (e.g. design day approach, supply-side IRP, etc.).
E. Cost of Capital	21	Debt and equity rates components of capital structure, with the level of equity thickness being unresolved.
G. Cost Allocation	24	Cost allocation would be addressed in a later phase, based on a fuller record.
H. Rate Design	25-30	Rate implementation approach resolved for 2024 - specific rate design issues would be addressed in a later phase – issues related to extra-length charge and connection policies to be determined in Phase 1 in relation to, among other issues, forecast system access capital expenditures.
I. Deferral & Variance Accounts	31-33	All issues related to Deferral & Variance accounts resolved, except for the establishment of a volume variance account and the clearance of the TVDA and APCDA.
J. Other	35-36	Distributor Consolidated Billing and Open Bill resolved.

	39	Harmonized storage methodology would be determined in a later phase.
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Discussions continue between interested parties on Issue 4 (Unique rights and concerns of Indigenous customers and rights holders) and it is not currently known if resolution will be reached.

Please let us know if you have questions about this letter.

Yours truly,

AIRD & BERLIS LLP



David Stevens  
DS/

c: All parties registered in EB-2022-0200