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Enbridge Gas Inc.
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VIA RESS and EMAIL

March 21, 2025

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

Dear Nancy Marconi:

Re: EB-2025-0078 – Enbridge Gas Inc. – April 1, 2025
Quarterly Rate Adjustment Mechanism (QRAM) Application

On March 18, 2025, Enbridge Gas filed an amended application and evidence in the above noted proceeding (Amended Application).

Enbridge Gas received questions from the Ontario Energy Board staff and the Canadian Manufacturers & Exporters (CME) on the Amended Application.

Enclosed please find the responses of Enbridge Gas to the questions received, set out as interrogatory responses.

Should you have any questions on this matter, please contact the undersigned.

Sincerely,

Justin Egan
Technical Manager, Regulatory Applications

cc: All Interested Parties EB-2008-0106, EB-2019-0137, EB-2024-0067,
EB-2022-0200, and EB-2024-0111

ENBRIDGE GAS INC.

Answer to Interrogatory from
Ontario Energy Board Staff (STAFF)

Interrogatory

Question(s):

OEB staff understands that Enbridge Gas is proposing to retain the facility carbon charge at this time because a portion of the costs recovered through this charge are related to Enbridge Gas's costs as a prescribed industrial emitter under the provincial Emissions Performance Standards program, which remains in place. OEB staff requests that Enbridge Gas confirm OEB staff's understanding as part of its responses to comments.

Response:

Confirmed. The 2025 forecasted costs for the facility carbon charge, as approved in EB-2024-0251, are approximately \$8.9 million. These costs are comprised of \$2.5 million related to the federal carbon charge (FCC) (company use volumes) and \$6.4 million related to the Emissions Performance Standards (EPS) program (compressor volumes). The reduction of the FCC to \$0.00 has not impacted the EPS program, and Enbridge Gas is not aware of any changes to the EPS program at this time.

ENBRIDGE GAS INC.

Answer to Interrogatory from
Ontario Energy Board Staff (STAFF)

Interrogatory

Question(s):

At the time of this submission, OEB staff has not received Enbridge Gas's draft customer notices for April 1. OEB staff would like Enbridge Gas to comment on how it intends to present the removal of the federal carbon charge on natural gas bills issued after March 31, 2025.

Response:

Effective April 1, 2025, the federal carbon charge (FCC) within Rider J will be set to \$0.00, subject to Ontario Energy Board approval. In April, a prorated carbon charge line items will appear on the bill to account for gas usage up to and including March 31, 2025. For gas usage after this period, given that the FCC is \$0.00, the carbon charge line item will be removed from the bill.

ENBRIDGE GAS INC.

Answer to Interrogatory from
Canadian Manufacturers & Exporters (CME)

Interrogatory

Question(s):

Please fully describe any impediments to implementing the change to the facility carbon charge for this QRAM application. If the time needed to enact the change is among EGI's reasons, please fully describe the steps that EGI needs to take in order to appropriately change the facility carbon charge to reflect the new rates enacted by the Government of Canada, and an estimated time that EGI would need to take to complete that work.

Response:

Enbridge Gas notes that the reduction of the federal carbon charge (FCC) to \$0.00 will not fully eliminate the facility carbon charge. The facility carbon charge is comprised of two components: a component related to the FCC (company use volumes) and a component related to the Emissions Performance Standards (EPS) program legislation in Ontario (compressor volumes). The 2025 forecasted costs for the facility carbon charge, as approved in EB-2024-0251, are approximately \$8.9 million. These costs are comprised of \$2.5 million related to the FCC (company use volumes) and \$6.4 million related to the EPS program (compressor volumes). Reducing the FCC component of the facility carbon charge would result in an annual reduction to a typical residential customer's bill of approximately 11 cents. Enbridge Gas will track the FCC amounts collected in the Facility Carbon Charge Variance Account, and any over collection of costs will be returned to ratepayers following Ontario Energy Board approval in a subsequent application.

Enbridge Gas did not update the facility carbon charge in the amended April 2025 QRAM application due to the limited amount of time available to complete the needed work. Taking into consideration the relatively small total annual bill impact of 11 cents and the ability to utilize a mechanism already in place to return any over collection of costs to customers, Enbridge Gas determined that it was appropriate to update the facility carbon charge in a subsequent QRAM application.