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BY EMAIL

March 31, 2025

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

Dear Nancy Marconi:

**Re: Ontario Energy Board (OEB) Staff Submission on Draft Rate Order
Enbridge Gas Inc.
2022 Demand Side Management Deferral and Variance Account Disposition
Application
OEB File Number: EB-2024-0193**

In accordance with the Decision and Order dated March 11, 2025, please find attached OEB staff's submission on the draft Rate Order in the above noted proceeding.

Yours truly,

Michael Bell
Senior Advisor, Application Policy & Conservation

Encl.

cc: All parties in EB-2024-0193



ONTARIO ENERGY BOARD

OEB Staff Submission

Enbridge Gas Inc.

**2022 Demand Side Management Deferral and Variance Account
Disposition Application**

EB-2024-0193

March 31, 2025

Background

Enbridge Gas Inc. (Enbridge Gas) filed an application with the Ontario Energy Board (OEB) on August 31, 2024, under section 36 of the *Ontario Energy Board Act, 1998*, seeking approval to clear balances recorded in certain 2022 deferral and variance accounts (DVAs) related to its delivery of natural gas conservation and energy efficiency programs for the 2022 program year.

On March 11, 2025, the OEB issued its Decision and Order (Decision and Order) on the application approving the treatment of lost revenue, shareholder incentive, and demand side management (DSM) variance account balances. The OEB also approved an interim disposition of \$60 million to recover a portion of the costs related to 2024 program year spending related to Enbridge Gas's Home Energy Rebate Plus (HER+) offering, with a full prudence review of all spending related to that offering to be conducted as part of a future DSM DVA proceeding. Among other things, the Decision and Order directed Enbridge Gas to file a draft Rate Order.

On March 25, 2025, Enbridge Gas filed a draft Rate Order. The draft Rate Order outlines the proposed disposition of approved amounts and interest in the Enbridge Gas' Enbridge Gas Distribution (EGD) and Union rate zones.

Draft Rate Order

The draft Rate Order reflects a one-time billing adjustment for all Enbridge Gas customers. Enbridge Gas indicated that it will clear these balances in conjunction with its July 1, 2025 Quarterly Rate Adjustment Mechanism (QRAM) application.¹

Deferral and Variance Accounts

The draft rate order reflects the total 2022 DSM deferral and variance account balances of \$5.163 million to be returned to ratepayers, plus an additional \$1.080 million in interest, for a total disposition of \$6.243 million credit to customers effective July 1, 2025. Of the total balance, a \$9.013 million debit balance is applicable to the EGD rate zone, and \$15.256 million credit balance in Union rate zones. For a typical residential² customer in the EGD rate zone, the estimated one-time billing adjustment is \$8.72. For a typical residential customer, the estimated one-time billing charge in Union North rate zone is (\$6.84) and Union South rate zone is \$0.51.³

¹ [EB-2024-0193, Draft Rate Order, March 25, 2025](#)

² A typical residential customer in the EDG rate zone has an annual consumption of 2,400 m³ and 2,200 m³ in the Union North and Union South rate zones.

³ Ibid

Summary of Approved 2022 Enbridge Gas Deferral and Variance Accounts

Account	Enbridge Gas Distribution Rate Zone (000's)	Union Rate Zones (000's)	TOTAL ENBRIDGE GAS (000's)
DSMVA	\$3,158	(\$14,315)	(\$11,157)
DSMIDA	\$5,236	\$0	\$5,236
LRAMVA	\$35	\$723	\$757
Total Rate Zone	\$8,429	(13,592)	(\$5,163)
Interest (April 1 st QRAM)*	\$558	(\$1,559)	(\$1,001)
Interest (July 1 st QRAM)**	\$27	(\$105)	(\$78)
TOTAL	\$9,013	(\$15,256)	(\$6,243)

* Interest amount if the balance is cleared in the April 1st Enbridge Gas QRAM application.

** As the Decision and Order for this proceeding (EB-2024-0193) was released March 11, 2025, the disposition of 2022 DSM DVAs were not included in the recent submission of April 1 QRAM (EB-2025-0078). The disposition will be included in the July 1 QRAM. Therefore, Enbridge Gas will accumulate additional interest, which will be cleared in addition to the balance.

Interim Disposition

The draft rate order also reflects the interim disposition of \$60 million to recover a portion of costs related to 2024 program year spending related to Enbridge Gas's HER+ offering. For a typical residential customer in the EGD rate zone, the estimated one-time billing adjustment is \$16.21. For a typical residential customer in the Union North and Union South rate zones, the estimated one-time billing adjustment is \$16.71.⁴

The Total Bill Impact of Deferral and Variance Accounts and Interim Disposition

- A typical residential customer in the EGD rate zone would see a charge of \$24.93.
- A typical residential customer in the Union North rate zone would see a charge of \$9.87.
- A typical residential customer in the Union South rate zone would see a charge of \$17.22.

OEB Staff Submission

OEB staff submits that Enbridge Gas' draft Rate Order is consistent with the findings set out in the Decision and Order.⁵ Enbridge Gas used the amounts approved for disposition and allocated these amounts in accordance with the Decision and Order, for disposition effective July 1, 2025. OEB staff notes that the interest balances differ in the Decision and Order and draft Rate Order due to Enbridge Gas originally seeking to clear the balances in conjunction with the April 1, 2025 QRAM. Enbridge Gas is now

⁴ Ibid

⁵ [EB-2024-0193, Decision and Order, March 11, 2025](#)

seeking to clear the amounts in the July 1, 2025 QRAM, which is the next available QRAM application following the completion of the draft rate order process.

OEB staff submits that the allocation between rate classes and the resulting one-time billing adjustment amounts are appropriate and consistent with the Decision and Order.

~All of which is respectfully submitted~