From:	Office of the Registrar
To:	Zulma DeBonis
Subject:	FW: Redacted - Letter of Comment Submitted: EB-2025-0163
Date:	Tuesday, August 12, 2025 9:42:48 AM

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LETTER OF COMMENT

Comments:

am writing to express my opposition to Enbridge Gas Incs proposed rate increase as outlined in its 2026 rate application EB-2025-0163 Concerns with the Proposed Rate Increase 1 Inflation-Based Justification Overstates Real Consumer Costs Enbridge is proposing a rate increase of approximately 3.38 percent under the Ontario Energy Boards Incentive Rate-Setting Mechanism which uses a Price Cap Index formula to determine allowable annual increases. While this formula is approved by the OEB it is based on GDP-based inflation metrics not the Consumer Price Index that reflects the real-world cost increases experienced by Ontario residents. This years proposed increase includes 1 A GDP inflation factor of approximately 3.66 percent 2 Minus a stretch factor of 0.28 percent 3 Resulting in a net increase of 3.38 percent However these numbers exceed actual inflation experienced by consumers 1 Canadas CPI inflation for 2024 averaged just 2.36 percent 2 Recent 2025 CPI levels have dropped to around 1.7 to 1.9 percent Using broader economic indices like the GDP Implicit Price Index allows for higher rate increases than consumers are actually facing in their monthly expenses. This creates a disconnect between what utilities recover and what households can realistically afford. While Enbridge is operating within a permitted regulatory model I urge the Board to reconsider whether applying a 3.38 percent increase based on overstated inflation assumptions is consistent with the public interest especially during a time of affordability challenges for many Ontarians. 2 Z-Factor Request Is a Strategic Misuse of Regulatory Tools Enbridges request to recover costs through a Z-factor tied to the elimination of the federal carbon charge in April 2025 is a clear overreach and a misuse of this mechanism. Z-factors exist to address extraordinary unforecastable and uncontrollable events that materially affect a utilitys costs typically emergencies like ice storms or abrupt regulatory surcharges. The elimination of the carbon charge is none of those things. Instead 1 It was a publicly announced federal policy decision well in advance of 2026 planning 2 It represents a reduction in Enbridges financial obligations not an increase 3 Enbridge is asking to recover revenue losses tied to the removal of a cost they no longer have to pass through effectively turning a cost saving into a new source of earnings This is a fundamental distortion of what the Z-factor was designed for. If allowed it creates a dangerous regulatory precedent 1 Where utilities can treat any change in working capital even cost savings as grounds for rate increases 2 Where policy shifts become opportunities for guaranteed earnings recovery 3 Where risk-sharing is eliminated with consumers bearing the full burden of regulatory transitions The OEBs mandate is to balance the interests of utilities and consumers not to insulate shareholder returns against every minor or favorable policy shift. The Board has previously emphasized that Z-factors should only apply where the utility cannot reasonably be expected to manage the event within normal operations. That threshold is not met here. This is a business model risk not a Z-factor event. I strongly urge the Board to reject this component of the application. 3 Reclassification of 50 Million Dollars in Capital to Operating Costs Enbridge proposes to reclassify 50 million dollars in costs from capital expenditures to operating and maintenance also known as O and M costs. This change accelerates cost recovery from ratepayers

potentially inflating rates in the short term without sufficient scrutiny. The OEB and courts such as in Ontario Power Generation versus OEB 2015 SCC 44 have held that only prudently incurred and appropriately classified costs should be passed through to ratepayers. This reclassification appears to lack the necessary transparency and justification especially for such a large sum. Request to the Board I urge the Ontario Energy Board to 1 Reject or significantly reduce the proposed rate increase 2 Deny the Z-factor request tied to carbon charge changes 3 Disallow or require further evidence for the 50 million dollar O and M reclassification These measures are essential to protect consumers from unjustified costs and ensure that utilities remain accountable under fair and balanced regulation. Thank you for considering this comment

Name: Zo Danish

Do you reside in the impacted service area?: Yes