From:	Office of the Registrar
To:	Zulma DeBonis
Subject:	FW: Redacted - Letter of Comment Submitted: EB-2025-0163
Date:	Tuesday, August 12, 2025 9:44:36 AM

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LETTER OF COMMENT

Comments:

To the Honourable Commissioners of the Ontario Energy Board, Subject, Opposition to a Specific Component of Enbridge Gas Inc.s 2026 Rates Application EB-2025-0163, The Z-Factor Request for Federal Carbon Charge Impact. As a concerned consumer, I am writing to respectfully urge the Ontario Energy Board to deny a specific component of Enbridge Gas Inc.s 2026 Rates Application EB-2025-0163, the request for Z-factor treatment related to the revenue requirement impact from working capital changes due to the elimination of the consumer Federal Carbon Charge. While Enbridge correctly states that the temporary "working cash allowance credit" from the Federal Carbon Charge previously reduced their revenue requirement, this does not constitute a valid basis for a Z-factor rate increase. My opposition rests on two fundamental arguments. The Z-Factor Mechanism is for "Costs Incurred," Not "Lost Benefits". The OEB's Z-factor mechanism is specifically designed to allow utilities to recover costs associated with unforeseen events that are prudently incurred and outside the control of management. The "working cash allowance credit" Enbridge refers to was never earned revenue or capital invested by the company, it was a temporary float of customer funds collected on behalf of the federal government. The elimination of the carbon charge means Enbridge no longer benefits from this interest-free float. Losing access to a temporary financial advantage is fundamentally different from incurring a new, unforeseen operational expense, such as storm damage. The OEB has previously clarified that Z-factor criteria are not intended to be used for the recovery of revenue losses. To approve this application would broaden the Z-factor's scope beyond its intended purpose, allowing utilities to seek compensation for any cessation of a prior financial advantage, regardless of whether a true "cost" has been incurred. Government Policy Changes Are Foreseeable Regulatory Risks, Not Extraordinary Events. Enbridge claims the elimination of the Federal Carbon Charge was unexpected and non-routine. However, operating a regulated utility inherently involves navigating an evolving landscape of government policies. While the precise timing of policy shifts may be uncertain, the possibility of such changes is a fundamental aspect of the regulatory environment, not an unpredictable, extraordinary event akin to a natural disaster. The OEB itself is mandated to consider and align with government policy priorities, as evidenced by recent legislative actions which directly impacted OEB decisions to protect consumers from increased costs. Managing cash flow and adapting to shifts in government direction is a core responsibility of utility management within the Incentive Rate-Making IRM framework, not a circumstance that should automatically trigger Z-factor relief. For these reasons, I respectfully request that the Ontario Energy Board deny this specific Z-factor request within Enbridge Gas Inc.s application. Upholding the strict interpretation of the Z-factor criteria is essential to maintaining regulatory integrity and protecting the interests of Ontario consumers. Sincerely,

Name: Kyle Hampe

Do you reside in the impacted service area?: Yes