

EB-2025-0163

Enbridge Gas Inc.

Application to change its natural gas rates and other charges beginning January 1, 2026

PROCEDURAL ORDER NO. 1 September 3, 2025

Enbridge Gas Inc. (Enbridge Gas) filed an application with the Ontario Energy Board (OEB) under section 36 of the *Ontario Energy Board Act*, *1998*, S.O. 1998, c. 15 (Schedule B), seeking approval for interim distribution rates for each rate zone for the year commencing January 1, 2026, including all adjustments resulting from the application of Enbridge Gas's OEB-approved incentive rate-making (IRM) framework.¹ Enbridge Gas is also seeking approval of:

- Z-factor treatment for the revenue requirement impact attributable to working capital changes resulting from the consumer Federal Carbon Charge being set to zero effective April 1, 2025
- Updates to Miscellaneous Service Charges and Rider M (the hydrogen gas rate rider)
- Updated unit rates for the Panhandle Regional Expansion Project (PREP) for Rate 331, Rate 332, Rate M16, and Rate M17

The application will be heard by Commissioners Patrick Moran (presiding), Anthony Zlahtic, and David Sword.

The OEB issued an amended Notice of Hearing on August 15, 2025. The Corporation of the City of Kitchener (Kitchener Utilities) and TransCanada Pipelines Limited (TCPL) applied for intervenor status. Canadian Manufacturers & Exporters (CME), Consumers Council of Canada (CCC), Energy Probe Research Foundation (Energy Probe), Federation of Rental-housing Providers of Ontario (FRPO), Industrial Gas Users Association (IGUA), Jian Zhnag, Ontario Greenhouse Vegetable Growers (OGVG), Pollution Probe, School Energy Coalition (SEC), and Six Nations Natural Gas Company Limited (SNNGC) applied for intervenor status and cost eligibility. No objections to the intervenor requests were received from Enbridge Gas.

¹ Enbridge Gas rebasing Phase-2, EB-2024-0111

Kitchener Utilities and TCPL are approved as intervenors. CME, CCC, Energy Probe, FRPO, IGUA, OGVG, Pollution Probe, SEC, and SNNGC are approved as intervenors and are eligible to apply for an award of costs under the OEB's <u>Practice Direction on Cost Awards</u>. The list of parties in this proceeding is attached as **Schedule A** to this Procedural Order.

Cost eligible intervenors should be aware that the OEB will not generally allow the recovery of costs for the attendance of more than one representative of any party unless a compelling reason is provided when cost claims are filed. Being eligible to apply for recovery of costs is not a guarantee of recovery of any costs claimed. Cost awards are made by way of an OEB order, at the end of a hearing.

Intervenor Request of Jian Zhnag

In his intervention request, Jian Zhnag indicated that he is a residential consumer who is opposed to a bill increase. He would like Enbridge Gas to grant a monthly credit to low-income families.

The OEB finds that Jian Zhnag does not have a substantial interest in the proceeding within the meaning of Rule 22.02 of the OEB's <u>Rules of Practice and Procedure</u>. Although Jian Zhnag is a ratepayer, the issues he has raised are not within the scope of an IRM annual update application.

Should Jian Zhnag wish to participate in this proceeding, he may file a letter of using the OEB's online <u>Letter of Comment webform</u>. Letters of Comment are placed on the record of the proceeding.

Issues List

On July 3, 2025, Enbridge Gas filed an updated draft Issues List, which is attached as **Schedule B**. OEB staff will canvass parties for any issues that warrant revisions to the draft Issues List. If parties recommend and agree to revisions, then OEB staff will file a revised draft Issues List with the OEB. If there is no agreement on whether the draft Issues List should be revised, OEB staff will advise the OEB in writing. If intervenors do not propose any amendments to the draft Issues List, OEB staff will notify the OEB of this fact.

The OEB expects to issue its decision on the final issues list prior to the filing of interrogatories.

Interrogatories

The OEB is making provision for written interrogatories. Parties should consult sections 26 and 27 of the OEB's *Rules of Practice and Procedure* regarding required naming and numbering conventions and other matters related to interrogatories.

The OEB is making provision for the following related to this proceeding. Further procedural orders may be issued by the OEB.

THE ONTARIO ENERGY BOARD ORDERS THAT:

- 1. OEB staff shall file a proposed issues list or, alternatively, shall advise the OEB in writing that the parties and OEB staff have been unable to reach an agreement on a draft issues list by **September 5, 2025**.
- OEB staff and intervenors shall request any relevant information and documentation from Enbridge Gas that is in addition to the evidence already filed by written interrogatories filed with the OEB and served on all parties by September 18, 2025.
- Enbridge Gas shall file with the OEB complete written responses to all interrogatories and serve them on all intervenors by September 29, 2025.
- 4. A settlement conference amongst the parties and OEB staff will be convened on **October 6-7, 2025**, starting at 9:30 a.m. If necessary, the settlement conference will continue on **October 8, 2025**. Information on the format of the settlement conference and how to participate will be provided in advance.
- 5. **Within 48 hours** of the conclusion of the settlement conference, Enbridge Gas shall file a letter informing the OEB of the status of the settlement discussions including whether a tentative agreement had been reached or if the parties propose to continue the settlement discussions.
- 6. If there is no settlement proposal arising from the settlement conference, Enbridge Gas shall file a statement to that effect with the OEB by October 8, 2025. In that event, parties shall file with the OEB and serve on the other parties by October 10, 2025, any submissions on which issues should be heard in writing, and for which issues the OEB should hold an oral hearing.

- 7. If there is a settlement proposal, that proposal shall be filed with the OEB on or before October 23, 2025. In addition to outlining the terms of any settlement, the settlement proposal should contain a list of any unsettled issues, indicating with reasons whether the parties believe those issues should be dealt with by way of oral or written hearing.
- 8. Any submission from OEB staff on a settlement proposal shall be filed with the OEB and served on all parties by **October 30**, **2025**.

Parties are responsible for ensuring that any documents they file with the OEB, such as applicant and intervenor evidence, interrogatories and responses to interrogatories or any other type of document, **do not include personal information** (as that phrase is defined in the *Freedom of Information and Protection of Privacy Act*), unless filed in accordance with rule 9A of the OEB's Rules of Practice and Procedure.

Please quote file number, **EB-2025-0163** for all materials filed and submit them in searchable/unrestricted PDF format with a digital signature through the <u>OEB's online filing portal</u>.

- Filings should clearly state the sender's name, postal address, telephone number and e-mail address.
- Please use the document naming conventions and document submission standards outlined in the <u>Regulatory Electronic Submission System (RESS)</u> <u>Document Guidelines</u> found at the <u>File documents online page</u> on the OEB's website.
- Parties are encouraged to use RESS. Those who have not yet <u>set up an account</u>, or require assistance using the online filing portal can contact <u>registrar@oeb.ca</u> for assistance.
- Cost claims are filed through the OEB's online filing portal. Please visit the <u>File</u> documents online page of the OEB's website for more information. All participants shall download a copy of their submitted cost claim and serve it on all required parties as per the <u>Practice Direction on Cost Awards</u>.

All communications should be directed to the attention of the Registrar at the address below and be received by end of business, 4:45 p.m., on the required date.

With respect to distribution lists for all electronic correspondence and materials related to this proceeding, parties must include the Case Manager, Tina Zhu at Tina.Zhu@oeb.ca and OEB Counsel, Ian Richler, at Ian.Richler@oeb.ca.

Email: registrar@oeb.ca

Tel: 1-877-632-2727 (Toll free)

DATED at Toronto, **September 3, 2025**

ONTARIO ENERGY BOARD

Ritchie Murray Acting Registrar

Schedule A

Enbridge Gas Inc.

EB-2025-0163

Applicant and List of Intervenors

APPLICANT & LIST OF INTERVENORS

September 3, 2025

Rep. and Contact Information for Service APPLICANT

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APPLICANT & LIST OF INTERVENORS

September 3, 2025

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September 3, 2025

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September 3, 2025

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Schedule B

Enbridge Gas Inc.

EB-2025-0163

Draft Issues List



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VIA RESS and EMAIL

ENBRIDGE

July 3, 2025

Ritchie Murray Acting Registrar Ontario Energy Board 2300 Yonge Street, 27th Floor Toronto, Ontario M4P 1E4

Dear Ritchie Murray:

Re: Enbridge Gas Inc. (Enbridge Gas)

Ontario Energy Board (OEB) File No.: EB-2025-0163

2026 Rates Application and Evidence – Updated Draft Issues List

On June 30, 2025, Enbridge Gas filed its application for 2026 Rates. Attached to our cover letter was a Draft Issues List. Enbridge Gas has reviewed the Draft Issues List and identified one change. Enbridge Gas inadvertently included a proposed Issue 4, related to the calculation of the Parkway Delivery Obligation cost adjustment. While that was an issue for rate adjustment applications during the past deferred rebasing term, it is no longer an issue during the 2025-2028 IRM term. During this IRM term, the annual PDCI adjustment is mechanical, based on the annual price cap adjustment. As such, this adjustment is already included within the proposed Issue 2 (Is the proposed price cap rate adjustment for 2026 calculated properly?).

Attached as Appendix A to this letter is an updated version of the Draft Issues List, with the unnecessary proposed issue removed.

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

Sincerely,

Justin Egan

Justin Egan

Technical Manager, Regulatory Applications

David Stevens (Aird & Berlis) CC:

Intervenors (EB-2022-0200, EB-2024-0111)

APPENDIX A

Enbridge Gas 2026 Rate Adjustment Application – Draft Issues List

- 1. Is the base rate adjustment moving \$50 million of overhead capital to O&M calculated properly?
- 2. Is the proposed price cap rate adjustment for 2026 calculated properly?
- 3. Are the proposed Y-factor pass-through costs included in 2026 rates for each of the EGD and Union Rate Zones appropriate?
- 4. Is it appropriate to approve a Z-factor for the revenue requirement impact attributable to working cash changes resulting from the consumer Federal Carbon Charge being set to zero, and to implement the Z-factor as a base rate adjustment?
- 5. Are the updated Rider M (Hydrogen Gas Rider) and Retail Service Charges calculated properly?
- 6. Is it appropriate to update the PREP unit rates for Rate 331, Rate 332, Rate M16, and Rate M17 and is the update calculated properly?
- 7. What is the timing for implementation of the proposed 2026 rates?