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VIA RESS and EMAIL

November 21, 2025

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

Dear Ritchie Murray:

Re: EB-2025-0308 – Enbridge Gas Inc. (Enbridge Gas) – January 2026 QRAM Notice of Commodity-Related Price Increase Estimate for January 2026

The purpose of this letter is to inform the Ontario Energy Board (OEB) of the estimated change in the commodity portion of an average residential sales service customer's bill that is expected when Enbridge Gas files its January 1, 2026 Quarterly Rate Adjustment Mechanism (QRAM) application. Based on preliminary estimates, Enbridge Gas forecasts that the gas commodity portion of the bill will increase by more than 25% for sales service customers in the Union North West rate zone. Enbridge Gas forecasts the commodity bill increase will be less than 25% for sales service customers in the other rate zones.

Background

In its QRAM Review Decision¹) (Decision) dated August 14, 2014, the OEB determined that it:

...will require Enbridge, NRG and Union, one month in advance of the normal QRAM filing date, to complete a preliminary estimate of the change in the commodity portion of a typical residential system supply customer's bill that arises from the forecasted reference price (based on the most current 21-day strip available at the time) for the next quarter and the forecasted PGVA balances to be cleared. A gas distributor that anticipates an increase or decrease of 25% or more on the commodity portion of a typical residential system supply customer's bill (which includes all commodity related rate riders) must file a letter with the Board describing the anticipated increase or decrease and the cost drivers underpinning the anticipated change. The letter must include information regarding the 21-day strip used and the forecasted PGVA balances that the distributor expects to clear.²

In accordance with the Decision, Enbridge Gas prepared a November 2025 estimate of the January 2026 QRAM impacts to the commodity portion of an average residential sales service customer bill. Based on the estimate performed, Enbridge Gas forecasts the commodity-related bill increase for a typical residential customer in the Union North

¹ EB-2014-0199.

² EB-2014-0199, OEB Decision and Order, August 14, 2014, pp.4-5.

West rate zone to be \$61 or 30%.³ This increase is primarily driven by the projected increase in the Alberta Border Reference Price and the Purchase Gas Variance Account (PGVA) applicable to the Union North West rate zone.

Enbridge Gas forecasts a commodity-related bill impact between a 13% increase and 1% decrease for a typical residential customer in the other rate zones.

Cost Drivers of the Commodity Bill Impacts – Union North West Rate Zone

Of the \$61 estimated bill impact for a typical residential customer in the Union North West rate zone, the cost drivers are:

1. \$26 increase related to the Alberta Border Reference price, and
2. \$35 increase related to the PGVA and Inventory Revaluation rider

1. Increase in the Alberta Border Reference Price

The forecast of the Alberta Border Reference Price is \$3.432 /GJ for January 1, 2026 to December 31, 2026, which represents an increase of \$0.300/GJ from the Alberta Border Reference Price of \$3.132/GJ approved by the Board in the October 2025 QRAM⁴. The annual bill impact for an average residential sales service customer in the Union North West rate zone is an increase of \$26.

2. Increase in Union North West PGVA and Inventory Revaluation Riders

The January 1, 2026 forecast of the Union North West PGVA rider is more than the expiring January 1, 2025 PGVA, partially offset by a decrease in the Inventory Revaluation rider relative to the expiring January 1, 2025 Inventory Revaluation. The annual bill impact for an average residential sales service customer in the Union North West rate zone is an increase of \$35.

Total Bill Impacts – Union North West Rate Zone

In addition to the commodity-related impacts described above, the January 1, 2026 QRAM will also reflect non-commodity related QRAM changes, the implementation of 2026 Rates⁵, the one-time deferral disposition amounts from the 2023 Deferral and Variance Account Disposition and Earnings Sharing application⁶, and the removal of Rider E from the 2024 Rebasing Phase 2 application⁷,

Overall, the forecast and approved rate changes for January 1, 2026 in the Union North West rate zone results in a net total bill increase of \$92 (or 10%), as shown in Table 1. The total bill increases range from 3% to 6% for a typical residential customer in the other Union and EGD rate zones. Enbridge Gas is not proposing bill mitigation

³ A typical residential customer bill impact for the Union rate zones is based on annual consumption of 2,200 m³.

⁴ EB-2025-0244, OEB Decision and Interim Rate Order, September 23, 2025.

⁵ EB-2025-0163, Decision on Settlement Proposal and Draft Rate Order, November 20, 2025.

⁶ EB-2024-0125, OEB Decision and Order, September 23, 2025.

⁷ EB-2024-0111, Decision on Settlement Proposal and Interim Rate Order, November 29, 2024.

measures at this time and will re-evaluate impacts when the final forecast costs are determined for the January 1, 2026 to December 31, 2026 period.

Table 1
January 1, 2026 QRAM Estimate – Union North West Rate Zone Bill Impacts

Line No.	Particulars	Impact (\$)	Impact (%) (1)
		(a)	(b)
	<u>Commodity Bill Impacts</u>		
1	Alberta Border Reference Price	26	13%
2	PGVA & Inventory Revaluation Riders	35	17%
3	Total Commodity Bill Impact	61	30%
4	Approved Commodity Bill - October QRAM (2)	204	
	<u>Total Bill Impacts</u>		
5	Transportation & Storage Rate	(9)	(1%)
6	Deferral Balance Variance - Transport & Storage	(3)	(0%)
7	Rider E – Expiring Dec 31, 2025	(2)	(0%)
8	2023 ESM Deferrals	0	0%
9	2026 Annual Rates	45	5%
10	Total Other Rate Changes	32	3%
11	Total Bill Impact (line 3 + 10)	92	10%
12	Approved Total Bill - October QRAM (3)	920	

Notes:

- (1) Calculated using column (a) divided by the Approved Commodity Bill and Approved Total Bill at column (a), line 4 and line 12 respectively.
- (2) EB-2025-0244, Exhibit A, Tab 3, Schedule 1, p. 2, Note (1).
- (3) EB-2025-0244, Exhibit A, Tab 3, Schedule 1, p. 2, column (a), line 6.2.

Customer Communication

In its Decision, the OEB determined that it:

...is of the view that additional information and education for customers would be beneficial, as well as earlier notification of a pending large increase. If an increase greater than 25% is anticipated on the commodity portion of a typical residential system supply customer's bill (which includes all commodity related rate riders), the distributor must use best efforts to ensure that its customers are made aware of the proposed price change through, for example, the issuance of a press release describing the anticipated increase, based on the preliminary estimate, and the cost drivers for it.⁸

Enbridge Gas plans to communicate the expected bill increases effective January 1, 2026 to general service customers using the following methods:

- On bill message
- Enbridgegas.com - a message on the homepage and rate information pages with rate notices and FAQs for both residential and small business customers.
- Social media post regarding the change in natural gas rates and directing customers to the rate information page.
- IVR messaging – customers will hear a message about upcoming rate changes when they call the contact centres in January 2026.
- Contact Centres – customer representatives provide ongoing support to customers through the year, and are available to discuss rate changes and answer individual questions as required.

Enbridge Gas expects to file its January 1, 2026 QRAM application on December 5, 2025.

If you have any questions, please contact the undersigned.

Yours truly,



Justin Egan
Technical Manager, Regulatory Applications

cc: All Interested Parties EB-2008-0106, EB-2019-0137, EB-2024-0067,
EB-2022-0200, EB-2024-0111, and EB-2025-0064.

⁸ EB-2014-0199, OEB Decision and Order, August 14, 2014, p.5.