

OEB Staff Questions Enbridge Gas Inc. EB-2025-0325

OEB staff has been reviewing the evidence filed in support of Enbridge Gas's request to increase Rider M and its request to dispose of the application without a hearing. OEB staff would appreciate further clarification on the following items in order to proceed with our review. OEB staff requests responses to these questions no later than December 12, 2025.

Please note that all questions and answers will be placed on the record of the proceeding. Enbridge Gas is responsible for ensuring that all documents it files with the OEB, including responses to OEB staff questions and any other supporting documentation, 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*.

Staff-1

Ref: (i) Enbridge Gas Letter, October 15, 2025

Preamble:

In 2020, the OEB approved Enbridge Gas's request for leave to construct certain natural gas facilities in the City of Markham to enable it to conduct a 5-year pilot project that involved blending standard natural gas with up to 2% of hydrogen gas by volume.

Enbridge Gas advised the OEB that it intends to increase the hydrogen blend from up to 2% to up to 5% by volume within the existing blended gas area beginning January 1, 2026, for the remainder of the pilot's 5-year term which ends in October 2026.

To eliminate any bill impacts on customers resulting from this blend increase, Enbridge Gas is proposing to increase Rider M amounts for eligible Rate 1 and Rate 6 customers in the blended gas area.

Enbridge Gas requested a decision from the OEB on the proposed changes to Rider M by December 3, 2025, to enable an implementation date of the hydrogen blend increase and updated Rider M by January 1, 2026.

Questions:

- a) Please describe Enbridge Gas's plans for the hydrogen blending initiative after the pilot concludes in October 2026 and discuss any associated implications for Rider M. Will Rider M continue to apply after the pilot ends?

- b) Please discuss any implications if an OEB decision is not issued in time for January 1, 2026 implementation (both operationally and for customer rates).
- i. Please explain how Enbridge Gas will implement the Rider M increase if an OEB decision is not available for implementation on January 1, 2026.
 - ii. Please explain if Enbridge Gas can still implement the Rider M increase for January 1, 2026 if the OEB's decision is issued after Enbridge Gas's January QRAM filing. If yes, please confirm the latest possible date by which Enbridge Gas would require an OEB decision to enable implementation on January 1, 2026.
- c) How does Enbridge Gas currently apply the Rider M credit to customer bills throughout the year? Is it allocated monthly or through another mechanism?

Staff-2

Ref: (i) Enbridge Gas Letter, October 15, 2025

Preamble:

To eliminate any bill impacts on customers resulting from the blend increase, Enbridge Gas is proposing to increase the rate rider credits from \$15 to \$26 for Rate 1 customers and from \$126 to \$217 for Rate 6 customers in the blended gas area.

Enbridge Gas stated that it will continue to absorb the costs associated with Rider M.

Questions:

- a) Please clarify what Enbridge Gas means by “absorb the costs associated with Rider M”. Does this mean that the costs associated with Rider M are borne by Enbridge Gas shareholders?
- b) Please discuss if increasing Rider M based on a 5% maximum hydrogen blending percentage will result in a rate subsidy if actual blending does not reach 5%.

Staff-3

Ref: (i) Enbridge Gas Letter, October 15, 2025

Preamble:

The following calculations supporting the proposed Rider M increase are shown in the table below.

Line No.	Particulars	Rate 1 - Typical Residential (\$)			Rate 6 - Average Commercial (\$)		
		5% Blended Gas	Standard Gas (1)	Change	5% Blended Gas	Standard Gas (2)	Change
		(a)	(b)	(c) = (a - b)	(d)	(e)	(f) = (e - d)
1	Annual Volume (m ³)	2,483	2,400	83	23,384	22,606	778
2	Monthly Customer Charge	321	321	0	990	990	0
3	Delivery Charges	293	284	9	2,403	2,332	71
4	Gas Supply Transportation	130	126	4	1,227	1,187	41
5	Gas Supply Commodity	305	295	10	2,876	2,781	96
6	Total Bill - Sales Service	1,049	1,025	24	7,497	7,290	207
7	Existing Rider M (3)			15			126
8	Increase in Rider M (line 6 - line 7 / line 7)			60%			64%
9	Proposed Rider M (4)			26			217

Questions:

- Please provide an updated table reflecting Enbridge Gas's 2026 OEB-approved rates¹ and reflecting its upcoming January 2026 QRAM application (if available). Please confirm if Enbridge Gas will need to update its Rider M increase request to reflect the January 2026 rates.
- Please confirm whether the proposed increase to Rider M is driven solely by the costs associated with the additional volumes customers in the blended gas area would have to consume for 5% blended gas, or if it also reflects other incremental costs associated with achieving and maintaining that higher blending level.

Staff-4

Ref: (i) Enbridge Gas Letter, October 15, 2025

Preamble:

Enbridge Gas stated that it developed a community engagement plan to support the hydrogen blend increase, including the distribution of information mailers and invitations to an information session (scheduled for November 5, 2025) for affected customers. The engagement plan will inform approximately 4,300 impacted customers of the upcoming increase in hydrogen blending, covering project background, safety and operational assurances, billing impacts, and next steps.

¹ EB-2025-0163, Decision on Settlement Proposal and Rate Order, November 20, 2025

Questions:

- a) Please confirm whether the proposed updates to Rider M credits were communicated as part of Enbridge Gas's engagement activities.
- b) Please provide an update on Enbridge Gas's engagement activities to date, including any concerns raised by customers and the corresponding responses provided by Enbridge Gas.