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Energy
Board | Commission
de l'énergie
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DECISION AND ORDER

EB-2025-0325

ENBRIDGE GAS INC.

Application to increase Rider M

Before: Allison Duff
Presiding Commissioner

December 17, 2025

OVERVIEW

On October 29, 2020, the Ontario Energy Board (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 pilot project that involved blending the standard natural gas that it currently distributes with up to 2% of hydrogen gas by volume (blended gas).¹

By letter dated October 15, 2025, Enbridge Gas advised the OEB that it intends to increase the hydrogen blend percentage of the pilot project from a maximum of 2% to 5% by volume beginning January 1, 2026 for the remainder of the pilot's five-year term (ending October 2026). Enbridge Gas requested approval to increase Rider M amounts, which provides a credit to eligible Rate 1 and Rate 6 customers in the blended gas area in Markham.² Enbridge Gas requested that the OEB determine the application without a hearing.

For the reasons that follow, the OEB approves the requested increase to Rider M.

The purpose of Rider M is to compensate customers located in the blended gas area for the additional costs associated with the expected increase in volumetric consumption for blended gas as compared to standard natural gas. Blended gas has a lower heat content, and therefore a customer must consume additional blended gas compared to standard natural gas to achieve the same amount of energy per m³.

As a result of the hydrogen blend increase from 2% to 5% by volume, Enbridge Gas is proposing to increase the OEB-approved Rider M credits from \$15 to \$26 for Rate 1 customers and from \$126 to \$217 for Rate 6 customers in the blended gas area. There are approximately 4,300 customers in the blended gas area.

In its 2020 decision on the original leave to construct application for the pilot project, the OEB directed Enbridge Gas to "review the rate rider annually and request an update if there is a material change in the price of natural gas".³ Enbridge Gas stated that the planned hydrogen blend increase would result in material changes to the amount of the rider credits.

The calculations supporting the update to Rider M are shown in Table 14.

¹ EB-2019-0294 Decision and Order, October 29, 2020

² The blended gas area is an isolated portion of Enbridge Gas's existing distribution system serving approximately 4,300 customers.

³ EB-2019-0294 Decision and Order, October 29, 2020, p. 28; The decision defines "material" as an increase or decrease of 25% or more.

⁴ Enbridge Gas letter, dated October 15, 2025, p. 5.

Table 1
Calculation of Rider M at 5% Hydrogen Blend Gas - EGD Rate Zone

Line No.	Particulars	Rate 1 - Typical Residential (\$)			Rate 6 - Average Commercial (\$)		
		5% Blended Gas (a)	Standard Gas (1) (b)	Change (c) = (a - b)	5% Blended Gas (d)	Standard Gas (2) (e)	Change (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

Enbridge Gas stated that the company (and its shareholders) fully absorb Rider M costs as they are neither recovered from customers through rates nor through disposition of deferral and variance account balances.⁵

Enbridge Gas stated that the blend increase requires no construction or modifications to existing facilities, as all infrastructure was originally designed to accommodate the 5% blend and that the Technical Standards and Safety Authority provided their approval for Enbridge Gas to proceed with this increase.

The proposed increase was noted in the approved settlement proposal in Enbridge Gas's incentive rate-setting mechanism proceeding for 2026 rates⁶. The parties to the settlement proposal agreed that the requested increase to Rider M would be dealt with separately.

⁵ Exhibit I.STAFF-2

⁶ EB-2025-0163

FINDINGS

The OEB has decided not to hold a hearing in this matter, pursuant to section 21(4)(b) of the *Ontario Energy Board Act, 1998*. The OEB considered its ability to dispose of a proceeding without a hearing if it “determines that no person, other than the applicant, appellant or licence holder will be adversely affected in a material way by the outcome of the proceeding and the applicant, appellant or licence holder has consented to disposing of a proceeding without a hearing.”

The record in this proceeding includes questions from OEB staff to Enbridge Gas filed on December 5, 2025 and answers filed on December 12, 2025. The responses confirmed that no person other than Enbridge Gas would be adversely affected in a material way by the outcome of the proceeding.⁷ Based on those answers, the OEB is satisfied that no one other than Enbridge Gas will be adversely affected in a material way. The increase in the credit provided by Rider M will not be subsidized by customers. A hearing is therefore not required.

The OEB approves the proposed increases to Rider M. Given that the proposed increase in the Rider M credit is to the benefit of participating customers (by eliminating any bill impacts from increasing the hydrogen blend), and at no cost to non-participating customers, the OEB finds that the proposed increase is just and reasonable.

⁷ Exhibit I.STAFF-2

THE ONTARIO ENERGY BOARD ORDERS THAT:

1. Enbridge Gas Inc.'s proposed increase to the annual Rider M credits from \$15 to \$26 for Rate 1 customers and from \$126 to \$217 for Rate 6 customers in the blended gas area is approved.
2. Enbridge Gas Inc. shall file an update to its January 2026 QRAM application⁸ no later than **December 18, 2025** to include a revised Rate Handbook incorporating the approved Rider M credits for implementation effective January 1, 2026.

DATED at Toronto, December 17, 2025

ONTARIO ENERGY BOARD

Ritchie Murray
Acting Registrar

⁸ EB-2025-0308