

VIA RESS and EMAIL

December 18, 2025

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

Dear Ritchie Murray:

**Re: Enbridge Gas Inc.
5-Year Gas Supply Plan
Consumers Council of Canada (CCC) Submission
OEB File No. EB-2025-0065**

In accordance with the OEB's letter, dated December 12, 2025, please find attached CCC's submission for the above noted matter.

Yours truly,



Lawrie Gluck
Consultant for the Consumers Council of Canada

cc: All parties in EB-2025-0065

Enbridge Gas Inc.

5-Year Gas Supply Plan

EB-2025-0065

Consumers Council of Canada Submission

December 18, 2025

Introduction

Enbridge Gas Inc. (Enbridge Gas or the Company) filed its 5-Year Gas Supply Plan (2026-2030) (5-Year GSP) with the Ontario Energy Board (OEB) on May 1, 2025. The 5-Year Gas Supply Plan filing also includes Enbridge Gas’s 2025 Annual Update to its gas supply plan.

Enbridge Gas filed its Argument-in-Chief on November 25, 2025. Enbridge Gas stated that the 5-Year GSP sets out how the Company will meet gas supply requirements over the next five years in a way that is prudent and delivers value to customers. More specifically, the 5-Year GSP sets out how Enbridge Gas balances the principles established in the OEB’s Framework for the Assessment of Gas Distributor Gas Supply Plans (GSP Framework) of cost-effectiveness, reliability and security of supply.¹

CCC agrees with Enbridge Gas that its 5-Year GSP reasonably balances the principles of cost-effectiveness, reliability and security of supply. However, we believe that the Company’s GSP can be improved with the inclusion of a fixed price contracting strategy for winter supply delivered at Dawn as a partial replacement for market-based storage.

We have limited our submission to a proposal for the inclusion of fixed price contracting as part of Enbridge Gas’s GSP and commentary regarding the overall GSP Framework (and the related filing requirements).

CCC Submission

Fixed Price Contracting for Load Balancing Purchases

CCC has had the opportunity to review a comprehensive draft of the Federation of Rental-housing Providers of Ontario’s (FRPO) submission. We agree, in principle, that the inclusion of fixed price contracting for winter gas supply delivered at Dawn as part of the Company’s GSP will provide benefits to consumers as an economic alternative to the purchase of market-based storage.

Our proposal, however, takes a more gradual approach to the inclusion of this purchasing strategy as part of Enbridge Gas’s supply portfolio. We believe that FRPO’s proposal has significant merit, but it should be tested on a smaller scale prior to full implementation. In

¹ Enbridge Gas, Argument-in-Chief, November 25, 2025, p. 1.

this regard, CCC submits that the OEB should direct Enbridge Gas to purchase a limited portion of its winter Dawn delivered supply (<10%)² using longer-term fixed price contracts that are entered into in advance of the winter period. These fixed price contracts should be entered into at multiple times in the 12-month period prior to the start of the winter season (e.g., 3 months, 6 months, 9 months and 12 months prior to the start of winter).³ Enbridge Gas should provide, as part of its annual gas supply plan updates, a comparison of the average actual forward market prices that underpin its fixed price contracts and the average actual Dawn purchase price (indexed) that were experienced during the same winter period. At the time of Enbridge Gas’s next 5-Year GSP review, the OEB can evaluate whether this strategy should be expanded, continue at the same level or be eliminated.

We note that the Company’s current gas supply portfolio relies on a mix of annual, seasonal and short-term purchases. Enbridge Gas purchases 98% of its gas supply on an indexed price basis. The remaining 2% of its gas supply is short-term fixed price purchases that occur only in very specific circumstances.⁴

In the same way that Enbridge Gas mitigates reliability and security of supply risk through the inclusion of a diversity of transportation paths (and firm contracts) in its portfolio, the expansion of Enbridge Gas’s procurement strategy to include the use of fixed price contracts for load balancing-related purchases will enhance the diversity of Enbridge Gas’s procurement strategy and mitigate pricing risk in the winter.⁵ The mitigation of winter pricing risk will allow for winter delivered supplies at Dawn to play an even larger role as a load balancing tool to displace the purchase of expensive market-based storage.

We recognize that purchasing gas well in advance of the winter using a fixed price contracting strategy can result in higher commodity prices, at times, relative to supply

² See Exhibit JT1.8. Enbridge Gas forecasts Dawn purchases for the 2025/2026 winter of 64 PJs. Our proposal would result in fixed price purchases of no more than 6.4 PJs of Dawn delivered winter supply.

³ This timing is provided as an example. Enbridge Gas should have the necessary flexibility to determine the appropriate number of fixed price transactions and the timing of those transactions in advance of the winter season.

⁴ Exhibit I.2-Staff-15, pp. 2-4. Enbridge Gas noted that the short-term fixed price purchases that it entered into were due to their timing, having transacted near or past the NYMEX settlement date in a particular month. These short-term fixed price contracts are different from the longer-term fixed price purchases recommended in this submission.

⁵ See Exhibit JT2.1. Enbridge Gas agrees that fixed price purchases like those proposed by FRPO (as discussed in responses at Exhibit JT1.9 and JT1.10) could reduce price volatility compared to indexed price purchases.

purchased on an indexed basis.⁶ Alternatively, this strategy can result in natural gas costs that are lower than supply purchased on an indexed basis. In every year, there will be a price differential between these two strategies with indexed pricing being cheaper in some years and fixed pricing in other years. However, as highlighted by FRPO in its submission, winter delivered supplies at Dawn cost effectively displace the need for expensive market-priced storage. In combination with fixed price contracting to minimize winter pricing risk, this strategy will potentially lead to cost savings for ratepayers (when both the load balancing commodity and market-based storage costs are considered).

CCC notes that a number of natural gas distributors include fixed price contracting as part of their procurement strategies and some regulators in the US explicitly support this approach. OEB staff, in its Report on EPCOR Natural Gas Limited Partnership’s 2023 Annual Update to its GSP (OEB Staff Report on EPCOR 2023 GSP), noted that New York State, Colorado, Oklahoma and Oregon encourage long-term contracting.⁷ FRPO, in its submission, also highlights that Nicor Gas (operating in Illinois) relies heavily on fixed price contracting for delivered supply.

We certainly understand Enbridge Gas’s reluctance to introduce a fixed price contracting strategy in terms of the increased exposure to market variability (i.e., differences between Enbridge Gas’s actual costs and monthly market settlement prices).⁸ These pricing differentials if unfavourable (i.e., fixed pricing is higher than indexed pricing) could potentially lead to cost recovery disallowances.

The aversion to fixed price contracting by regulated utilities is discussed by OEB staff in its Report on EPCOR Natural Gas Limited Partnership’s 2023 Annual Update to its GSP.⁹ In that report, OEB staff cites a 2012 survey by the National Regulatory Research Institute on long-term gas contracting.¹⁰ OEB staff summarizes the findings of the survey, in part, as follows:

⁶ Exhibit JT1.10 provides a comparison of a fixed price contracting strategy for the 2024/2025 winter relative to the actual costs incurred by Enbridge Gas for Dawn supply. The fixed price strategy resulted in average costs that were \$0.013/GJ (or 0.3%) higher than the indexed pricing strategy.

⁷ EB-2023-0111, [OEB Staff Report re: EPCOR Natural Gas Limited Partnership 2023 GSP](#), November 20, 2023, p. 34. In its report, OEB staff referenced the following two documents: (i) [New York Public Service Commission Statement of Policy Regarding Gas Purchasing Practices](#), 1998; and (ii) National Regulatory Research Institute, [Survey Responses of State Utility Commissions on Long-Term Gas Contracting and Hedging](#), 2012.

⁸ Exhibit JT2.1, p. 1.

⁹ EB-2023-0111, [OEB Staff Report re: EPCOR Natural Gas Limited Partnership 2023 GSP](#), November 20, 2023, p. 34.

¹⁰ National Regulatory Research Institute, [Survey Responses of State Utility Commissions on Long-Term Gas Contracting and Hedging](#), 2012.

“The study noted that, absent commission guidance, some utilities may be reluctant to enter long-term contracts due to an unfavorable risk-reward imbalance regarding prudence review. Commission hindsight review is more likely when the market price of gas falls below the fixed contract price and the long-term contract contains rigid terms and conditions. Commission forward guidance can help ameliorate this concern and encourage fuel managers to minimize price volatility.”

In addition, Enbridge Gas has a financial incentive associated with the continued utilization of market-based storage for load balancing purposes as it owns a very significant portfolio of non-utility storage (114.6 PJs of storage space).¹¹ The use of market-based storage allows the Company to capture the margin associated with the sale of its own non-utility storage to its in-franchise customers.

Enbridge Gas has already agreed, as part of Phase 2 of its 2024 rebasing proceeding, to consider the use of forward fixed price contracting for winter supply. More specifically, the OEB-approved settlement proposal states:

“Enbridge Gas will manage its load balancing requirements above the 217.7 PJ of storage in a manner that it deems appropriate. Among other things, Enbridge Gas will agree to consider the use of forward contracts for winter gas purchases, though it will not commit to the use of that approach.”¹²

CCC submits that it is now the appropriate time for the OEB to provide forward guidance and direct Enbridge Gas to apply a fixed price contracting approach for a limited portion of its winter Dawn delivered supply (i.e., less than 10% as a starting point). This will facilitate the use of a cost-effective load balancing strategy that can, partially, displace the use of market-based storage.

Gas Supply Plan Framework

CCC submits that the overall GSP Framework is working as intended and appropriately provides an opportunity for the OEB, OEB staff and ratepayers to consider the Company’s GSP. The opportunity to review the GSP is important as the non-distribution portion (i.e., commodity, transportation, load balancing) of a typical residential system gas customer’s bill, in the current EGD rate zone, is nearly 50%.¹³

¹¹ EB-2024-0111, Enbridge Gas Rebasement Phase 2, Exhibit 1, Tab 13, Schedule 4, Attachment 1, p. 2.

¹² EB-2024-0111, Enbridge Gas Rebasement Phase 2, Settlement Proposal, November 4, 2024, p. 23.

¹³ EB-2025-0308, Enbridge Gas January 2026 QRAM Application, Exhibit A, Tab 3, Schedule 1, p. 1.

In addition, there are aspects of the Company’s GSP where it has financial incentives to make certain decisions, which may, or may not, align with the interests of its customers. As an example, as was mentioned previously, the Company has an incentive to purchase market-based storage services as its non-utility storage business is a major provider of these same services. In addition, Enbridge Inc. owns 60% of the Vector Pipeline.¹⁴ Therefore, Enbridge Gas has a financial incentive to continue purchasing transportation capacity on the Vector Pipeline.¹⁵ In the context of these incentives, CCC submits that the OEB’s continued monitoring of the GSP has significant value.

Enbridge Gas filed new information as part of the current 5-Year GSP in response to certain directives set out in the 2021 Vector Contracting Decision¹⁶ and OEB staff’s Report with respect to the 2024 Annual Update to the GSP.¹⁷ We believe that some of this new information is useful in the evaluation of Enbridge Gas’s GSP. To the extent that Enbridge Gas was not already planning on filing Appendix I (Cost Effectiveness Analysis), Appendix J (Transportation Recommendation Documentation), and Appendix L (Forecasted Premium / Discount from Transportation Purchases) in each annual update, the OEB should direct Enbridge Gas to do so.

Finally, with respect to the GSP review process, we submit that the process that is now in place is appropriate. In this regard, the OEB should continue to review the Company’s GSP annual updates through a consultative process as has been the OEB’s practice in the past.¹⁸ The 5-Year GSP should be reviewed in an adjudicative process as this will allow the OEB Commissioners to directly provide any guidance that they believe is necessary. By doing so, Enbridge Gas will be required to adhere the panel’s guidance, and report on its actions in pursuit of that direction, over the next 5-year term of the GSP.

~ All of which is respectfully submitted ~

¹⁴ I.2-CCC-8(b).

¹⁵ We note that Enbridge Gas’s transportation contracting decisions related to the Vector Pipeline have been subject to review by the OEB in the past. See EB-2023-0326, Decision and Order, March 5, 2024 with respect to the OEB’s review of Enbridge Gas’s 2021 Vector contracting decision.

¹⁶ EB-2023-0326, Decision and Order, March 5, 2024

¹⁷ EB-2024-0067, OEB Staff Report on Enbridge Gas’s 2024 Update to its GSP, January 15, 2025, Appendix B.

¹⁸ There should continue to be the possibility that the consultative process can be escalated to a hearing panel in the same manner as Enbridge Gas’s 2021 Vector contracting decision, when the need arises.