Ontario Energy Board | Commission de l'énergie de l'Ontario

BY EMAIL

December 18, 2025

Ritchie Murray
Acting Registrar
Ontario Energy Board
2300 Yonge Street, 27th Floor
Toronto, ON M4P 1E4
Registrar@oeb.ca

Dear Mr. Murray:

Re: Ontario Energy Board (OEB) Staff Submission
Enbridge Gas Inc.
Five-Year Gas Supply Plan
OEB File Number: EB-2025-0065

Please find attached OEB staff's submission in the above referenced proceeding, pursuant to the OEB's December 12 letter.

Yours truly,

Catherine Nguyen

Digitally signed by Catherine Nguyen
Date: 2025.12.18 16:38:09 -05'00'

Catherine Nguyen
Advisor, Natural Gas Applications

Encl.

c: All parties in EB-2025-0065

ONTARIO ENERGY BOARD

OEB Staff Submission

Enbridge Gas Inc.

Five-Year Gas Supply Plan

EB-2025-0065

December 18, 2025

1. INTRODUCTION

Enbridge Gas filed a five-year gas supply plan (GSP) with the OEB on May 1, 2025. The five-year GSP covers the period of November 1, 2025 to October 31, 2030 and includes Enbridge Gas's annual GSP update for the 2024/2025 gas year.

The OEB staff report on Enbridge Gas's 2024 Annual Update[1] provided several recommendations for Enbridge Gas's next five-year GSP including that it should be subject to an adjudicative process by a panel of OEB Commissioners.[2] In a letter dated January 15, 2025, the OEB endorsed the 2024 OEB staff report.[3]

Enbridge Gas's five-year GSP reflects:

- The OEB staff report recommendations from the 2024 Annual Update and the OEB's directives from Enbridge Gas's 2021 Vector Contracting proceeding.[4]
- Changes to gas supply portfolio contracting decisions made since the 2024 Annual Update.
- Impacts from Phase 1 of Enbridge Gas's 2024 Rebasing proceeding[5] including updated methodologies for the determination of the annual and design day demand forecast and an update to the 2024 Test Year gas costs.[6]

Enbridge Gas plans to address the storage-related impacts from Phase 2 of its 2024 Rebasing proceeding[7] in the 2026 Annual Update. For service harmonization impacts from Phase 3 of the 2024 Rebasing proceeding[8], Enbridge Gas plans to update its GSP through the first available gas supply planning process following an OEB decision on Phase 3.

OEB staff has no significant concerns with Enbridge Gas's five-year GSP and submits that it appropriately balances the OEB's Guiding Principles as outlined in the Gas Supply Plan Framework (Framework) and adequately meets the gas supply needs of ratepayers. OEB staff has provided additional comments in relation to the demand forecast, transportation capacity scarcity, Vector contract renewal, achieving public policy, Integrated Resource Planning (IRP) options, performance measurement and the Framework below.

[1] The 2024 Annual Update was the final update to Enbridge Gas's previous five-year gas supply plan (GSP) covering the 2019 to 2024 period.
[2] EB-2024-0067, OEB Staff Report to the Ontario Energy Board, January 15, 2025
[3] EB-2024-0067, OEB Letter, January 15, 2025
[4] EB-2023-0326, Decision and Order, March 5, 2024
[5] EB-2022-0200
[6] EB-2022-0200, Decision on Settlement Proposal, August 17, 2023
[7] EB-2024-0111, Decision on Settlement Proposal and Interim Rate Order, November 29, 2024
[8] EB-2025-0064

2. PROCESS

Enbridge Gas filed its second five-year GSP on May 1, 2025.

On May 15, 2025, OEB staff held a virtual stakeholder conference seeking input on a draft case schedule for the proceeding.

On June 17, 2025 (revised July 9, 2025), the OEB issued Procedural Order No. 1 setting out a process to establish a proposed issues list. The OEB also set out a process for written discovery and a technical conference.

A consensus on a proposed issues list was reached at the virtual issues list conference held on July 22, 2025 and OEB staff filed that proposed issues list on July 25, 2025. On August 8, 2025, the OEB issued its Decision on Issues List approving the proposed issues list.

OEB staff and intervenors filed interrogatories by August 14, 2025 and Enbridge Gas filed responses on September 4, 2025.

A hybrid technical conference was held from September 16 to 17, 2025. Enbridge Gas filed undertaking responses from the technical conference on October 2, 2025.

In its Decision on Confidentiality and Procedural Order No. 2 issued on November 5, 2025, the OEB determined that it will proceed by way of a written hearing and set the schedule for written argument including an argument-in-chief by Enbridge Gas.

Enbridge Gas filed its argument-in-chief on November 25, 2025.

3. OEB STAFF SUBMISSION

A summary of OEB staff's submission is as follows:

1. Enbridge Gas filed its annual GSP update for the 2024/25 gas year along with the five-year GSP. OEB staff has no concerns with the 2024/25 annual update. Enbridge Gas has filed appropriate evidence and explanation to support the annual update which includes its transportation portfolio changes.
2. Overall, the five-year GSP appropriately reflects and balances the OEB's Guiding Principles, addresses all six criteria set out in the Framework and provides appropriate information on pricing, sourcing and transportation of natural gas.
3. Enbridge Gas's planned approach for executing the five-year GSP including implementing the changes from Phases 2 and 3 of its 2024 Rebasing proceeding and its response to previous commitments, OEB staff reports and OEB decisions is appropriate.
4. Enbridge Gas's demand forecast is reasonable and reflects OEB-approved methodologies.
5. In relation to the transportation capacity scarcity, Enbridge Gas should carefully consider the risks of long-term commitments, including the potential for higher unabsorbed demand charges given declining demand trends.
6. Enbridge Gas's 2024 Vector contract renewal is reasonable and consistent with the Framework's Guiding Principles.
7. In relation to achieving public policy, OEB staff submits that any future tariff-related impacts and future OEB directions related to Ontario's Integrated Energy Plan (IEP) can be addressed through the annual update process.
8. In future GSP annual updates, Enbridge Gas's holistic supply options analyses should include potential impact on future facilities needs as a consideration. The link between gas supply planning and IRP can be further considered in the OEB's review of the IRP Framework.
9. Enbridge Gas's established performance metrics targets and variances are reasonable.
10. Several key components underlying gas supply – such as demand forecast, design day methodologies, load balancing and storage parameters were determined in Enbridge Gas's recent rebasing proceeding.[9] OEB staff supports the filing of the five-year GSP within rebasing proceedings, since this is where the interactions among the contributing elements (such as demand forecast) are

[9] EB-2022-0200 and EB-2024-0111.

also reviewed. Subsequent annual update reviews should only occur in cases where there are significant changes from the approved five-year GSP.

11. Although Enbridge Gas has submitted that it is not seeking a specific Order of the OEB in this proceeding, OEB staff submits that the OEB should approve the 2024/25 annual update and the five-year GSP through an Order in this proceeding. It is OEB staff's view that approval of the GSP would not unduly restrict Enbridge Gas's ability to adapt to changing demand or market conditions.

OEB staff provides further context and comments in relation to items 4 through 11 below.

3.1 Demand Forecast

Enbridge Gas's annual demand forecast is divided into two main segments:

- General Service Market (81% of total demand)
- Contract market (19% of total demand)

Annual Demand

Enbridge Gas's annual demand forecast was developed using the same methodologies applied in developing the OEB-approved forecast for its 2024 Rebasing proceeding. The annual demand forecast is the sum of the general service market volume and contract market volume forecasts.

The general service market demand forecast is derived by multiplying the forecasted number of customers by their respective average use forecasts, then adjusting for Demand Side Management (DSM) activity and energy transition impacts which consider potential loss of customers over time. Risks to the forecast include deviations in weather, customer growth, gas prices and employment.

For the contract market, the volume forecast is generated using historical consumption data, consultation with customers and knowledge of customer production plans and subsequently adjusted for DSM consumption savings. Risks to the contract market annual demand are driven by economic factors. Enbridge Gas does not incorporate energy transition and climate change related risks into the forecast for this market as customers manage related impacts to their own demands and adjust their contract parameters annually accordingly.

Table 1 below sets out Enbridge Gas's annual demand forecast by rate zone over the 2024/25 to 2029/30 period. Over the six-year forecast period, the annual demand is forecast to decline on average by approximately 0.4%, driven primarily by declining general service market demand and partially offset by increasing contract market demand.

Table 1: Annual Demand Forecast

Line No.	Particulars (TJ)	2025 AU	5-Year GSP					Growth/ (Decline) 2024 to 2030
		2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	
		(a)	(b)	(c)	(d)	(e)	(f)	(g)
	EGD							
1	General Service	393,499	391,530	389,558	387,260	384,159	381,002	(12,497)
2	Contract	79,968	78,910	81,809	81,214	80,618	80,022	54
3	Total EGD	473,467	470,440	471,367	468,474	464,777	461,024	(12,443)
	Union North West							
4	General Service	14,045	14,025	14,000	13,969	13,915	13,851	(194)
5	Contract	2,507	2,505	2,504	2,502	2,500	2,498	(9)
6	Total Union North West	16,552	16,530	16,504	16,471	16,415	16,349	(203)
	Union North East							
7	General Service	37,671	37,599	37,516	37,416	37,255	37,065	(606)
8	Contract	3,778	3,772	3,767	3,761	3,756	3,750	(28)
9	Total Union North East	41,449	41,371	41,283	41,177	41,010	40,816	(634)
	Union South							
10	General Service	173,757	173,820	173,814	173,710	173,325	172,783	(974)
11	Contract	60,646	60,567	61,393	61,458	61,334	61,210	564
12	Total Union South	234,403	234,386	235,207	235,168	234,659	233,993	(410)
13	Total Demand Forecast	765,871	762,727	764,361	761,290	756,861	752,182	(13,689)

Enbridge Gas stated that the forecasted decline in general service market demand is driven by declining average use, energy transition impacts and DSM savings. The contract market demand is forecast to remain stable but increasing slightly in the legacy Enbridge Gas Distribution (EGD) and Union South rate zone due to customer growth.

Design Day Demand

As the system operator and supplier of last resort, Enbridge Gas must ensure that sufficient assets are available to meet the demands of sales service, bundled DP and semi-unbundled DP customers on an extreme cold weather day referred to as a design day. The design day demand requirement is determined using the coldest day observed HDDw (wind speed adjusted heating degree day)[10] between Winter 1993/94 and Winter 2022/23 for each delivery area. Enbridge Gas's design day demand forecast incorporates historical design day use-per-customer trends for

[10] The HDDw are calculated using Environment Canada hourly temperature and wind speed data. Once the hourly wind speed adjusted temperatures are calculated they are converted into HDDw using a base temperature of 15 degrees celsius.

existing general service customers, reflecting observed DSM consumption savings, process or behavioral changes and general service customer growth (including energy transition adjustments). Forecasts for the contract market account for DSM consumption savings as well as known or anticipated changes in demand.

Table 2 below sets out Enbridge Gas's design day demand forecast by rate zone over the 2024/25 to 2029/30 period. Over the six-year forecast period, the design day demand is forecast to increase by approximately 301.0 TJ/d (3.6%) driven by contract market customer demands in the EGD Central Delivery Area (CDA), EGD Eastern Delivery Area (EDA) and Union South delivery zones.

Table 2: Design Day Demand Forecast

Line No.	Delivery Area (TJ/d)	2025 AU	5-Year GSP					Growth/ (Decline) 2024 to 2030
		2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	
		(a)	(b)	(c)	(d)	(e)	(f)	(g)
	EGD							
1	EGD CDA	3,578.3	3,594.1	3,622.3	3,624.1	3,622.6	3,619.2	40.8
2	EGD EDA	723.0	725.5	727.5	729.1	730.2	730.8	7.8
3	Total EGD	4,301.4	4,319.6	4,349.8	4,353.1	4,352.8	4,349.9	48.6
	Union							
4	Union MDA	5.6	5.6	5.6	5.6	5.6	5.6	0
5	Union SSMDA	42.0	42.0	42.0	42.0	42	41.9	(0.1)
6	Union WDA	84.8	84.7	84.6	84.4	84.3	84.0	(0.8)
7	Union EDA	191.7	192.1	192.4	192.6	192.7	192.7	1.0
8	Union NCDA	50.6	50.7	50.8	50.8	50.8	50.8	0.2
9	Union NDA	179.3	179.1	178.9	178.6	178.2	177.7	(1.6)
10	Union South	3,433.2	3,505.8	3,521.2	3,538.0	3,672.5	3,686.8	253.6
11	Total Union	3,987.0	4,060.0	4,075.5	4,092.0	4,226.1	4,239.5	252.5
12	Total	8,288.4	8,379.6	8,425.3	8,445.2	8,578.8	8,589.5	301.0

Table 3 below sets out Enbridge Gas's forecast design day position for each delivery area over the 2024/25 to 2029/30 period. Enbridge Gas's forecast design day position reflects a maximum annual shortfall of 344.2 TJ/d for 2027/28. Enbridge Gas stated that 90% of the shortfall for 2027/28 is attributable to the Enbridge EDA.

Table 3: Forecast Design Day Position Summary

Line No.	Particulars (TJ/d)	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30
		(a)	(b)	(c)	(d)	(e)	(f)
1	Enbridge CDA	(252.9)	(281.0)	(309.1)	(310.9)	(309.5)	(306.0)
2	Enbridge EDA	(14.3)	(16.8)	(18.8)	(20.3)	(21.4)	(22.1)
3	Union MDA	-	-	-	-	-	-
4	Union SSMDA	-	-	-	-	-	-
5	Union WDA	-	-	-	-	-	-
6	Union EDA	(1.9)	(2.3)	(2.7)	(2.9)	(3.0)	(3.0)
7	Union NCDA	-	-	-	-	-	-
8	Union NDA	(10.8)	(10.8)	(10.5)	(10.1)	(9.5)	(8.7)
9	Union South	-	-	-	-	-	-
10	Total Supply Shortfall (1)	(279.9)	(310.9)	(341.1)	(344.2)	(343.3)	(339.7)

Enbridge Gas stated that its preferred planning strategy is to address design day shortfalls by utilizing third-party peaking services, up to a maximum of 2% of design day demand for each delivery area. Once this preferred maximum level of peaking services has been contracted for a delivery area, Enbridge Gas stated it would then consider other alternatives to meet any remaining shortfall.

OEB Staff Submission

OEB staff submits that Enbridge Gas's demand forecast is reasonable. As set out in the Framework, the OEB assesses whether the distributor has demonstrated that they have considered the appropriate factors that could impact the demand forecasts. OEB staff submits that Enbridge Gas has appropriately demonstrated the factors that could impact demand, including weather variability, customer growth, gas prices, employment, DSM activity, energy transition impacts and economic drivers.

OEB staff notes that the GSP impacts from Phase 1 of Enbridge Gas's 2024 Rebasing proceeding include updated methodologies for the determination of the annual and design day demand forecast and an update to the 2024 Test Year gas costs.[11] OEB staff submits that Enbridge Gas has appropriately implemented the OEB-approved Phase 1 settlement agreement into its demand forecast.

OEB staff also notes that the IEP Directive requires the OEB to establish

[11] EB-2022-0200, Decision on Settlement Proposal, August 17, 2023

expectations for natural gas and electricity distributors to incorporate multiple demand scenarios into their planning frameworks and processes by June 30, 2026, on a best-efforts basis and as a requirement for applications filed after April 1, 2027.[12] OEB staff notes that updates to filing requirements to implement the IEP Directive are anticipated and Enbridge Gas should be guided by any relevant changes.

3.2 Scarcity of Existing Pipeline Transportation Capacity

Enbridge Gas stated that transportation capacity to Dawn and its delivery areas has grown increasingly scarce since its last five-year GSP, potentially constraining its ability to meet future design-day demand. Enbridge Gas noted that when new or existing capacity is unavailable, competition increases: on pipelines with fixed Firm Transportation tolls, shippers bid for longer contract terms, while FERC-regulated interstate pipelines (e.g., Vector, PEPL, NEXUS, GLGT) increasingly seek both maximum tolls and extended terms for available capacity.

Enbridge Gas noted that scarcity on the TransCanada Pipelines Limited (TCPL) Mainline continues to be a concern as it noted in its 2023 and 2024 Annual Updates and that capacity has also become scarce on alternative paths. In its 2024 Annual Update, Enbridge Gas indicated that securing short-haul capacity (e.g., Parkway to Enbridge EDA) might require bidding for excessively long terms (over 60 years) to compete with higher-toll paths (e.g., Empress to Enbridge EDA).

In the 2024 TCPL existing capacity open season, Enbridge Gas secured 34,457 GJ/d of Empress to Enbridge CDA capacity, which was less than the 40,000 GJ/d requested. Similarly, in January 2025, Great Lakes Gas Transmission (GLGT) held a Right of First Refusal open season for 43,780 Dth/day on the Emerson to St. Clair path with the winning bids having terms of 32 and 34 years.

Enbridge Gas stated that its options to ensure adequate capacity for its needs on the TCPL Mainline are somewhat limited to exercising renewal rights on existing contracted capacity, bidding for sufficient contract terms in future TCPL open seasons, supporting relevant new capacity projects and commercial arrangements with existing TCPL shippers.

Enbridge Gas stated that based on the results of the TCPL open seasons in 2023, 2024 and 2025, to be awarded capacity to high-demand constrained delivery areas (e.g., Enbridge CDA, Enbridge EDA, Union EDA) it needs to bid for longer terms to

[12] Minister of Energy and Mines' Integrated Energy Plan Directive, June 11, 2025, https://www.oeb.ca/documents/OC-802-2025.pdf

be successful.[13]

OEB Staff Submission

OEB staff acknowledges the limited options available to address the scarcity of transportation capacity on the TCPL Mainline, however, OEB staff submits that Enbridge Gas should also consider the risks associated with committing to longer contract terms. In its interrogatory responses, Enbridge Gas noted that for the EGD CDA, projected energy usage reductions exceed forecasted system growth, resulting in an overall decline in design day demand during the forecast period.[14] This trend, combined with the 3.5% energy transition adjustment reduction Enbridge Gas made in 2025,[15] raises concerns about the potential for more significant adjustments in future years and their impact on natural gas consumption in the Enbridge CDA.

OEB staff understands that under firm transportation contracts, Enbridge Gas pays for reserved pipeline capacity regardless of actual throughput. Therefore, if customer demand declines and the contracted capacity is under-utilized, Enbridge Gas may incur unabsorbed demand charges (demand charges that cannot be mitigated through selling unused capacity to third parties) that are ultimately paid by ratepayers.

Committing to longer-term contracts to secure TCPL capacity increases the risk of higher unabsorbed demand charges should there be a significant reduction in demand in subsequent years as a result of energy transition and greater energy efficiency. OEB staff notes that unabsorbed demand charges in the Enbridge EDA have already increased by 7.8 PJ for the 2024/2025 GSP.[16] OEB staff submits that Enbridge Gas should consider these risks and implement measures to mitigate potential increased unabsorbed demand charges and its cost impacts on customers.

3.3 Vector Contract Renewal

Effective November 1, 2025, Enbridge Gas renewed 80,000 Dth/d (84,404 GJ/d) of existing capacity from Chicago to the US/Canadian border (St. Clair) for a three-year term and 84,404 GJ/d of existing capacity from the US/Canadian border (St. Clair) to Dawn for a three-year term. Enbridge Gas stated that Vector capacity to Dawn is fully contracted and if Enbridge Gas were to reduce its contract levels on Vector it would be unlikely to recontract in the foreseeable future.

[13] Exhibit I.2-STAFF-6, pg. 2
[14] Exhibit I.2-FRPO-11, pg. 3
[15] Technical Conference Transcript, Volume 1, pg. 126
[16] Exhibit I.6-PP-26, Attachment 1, pg. 23

The previous renewal of a Vector contract (November 1, 2024) for 68,578 GJ/d had an average forecast cost premium of $0.10/GJ (or 1.9%) relative to Dawn supply. The current renewal of the Vector contract (November 1, 2025) has an average forecast cost premium of $0.20/GJ (or 5%) relative to Dawn supply and the total forecast cost premium over the term of the contract is $18.6M.

Enbridge Gas noted that despite the landed cost forecast premium of about $0.10 CAD/GJ for Vector gas supply relative to gas supply purchased at Dawn for the 2021/22 to 2023/24 gas years, the actual cost to ratepayers in those years was a discount to Dawn (ranging from $0.04 to $0.25 CAD/GJ).[17]

Enbridge Gas explained that capacity on the Vector pipeline to Dawn provides a competitively priced, reliable and flexible transportation option that offers supply diversity at Chicago as well as access to additional supply along the Vector pipeline route. Enbridge Gas stated that it also provides an important secondary benefit of maintaining Enbridge Gas's ability to serve the Sarnia Industrial Line. Enbridge Gas maintained that without Vector capacity, additional transportation into the Sarnia Industrial Line or transportation pipeline infrastructure would be needed to avoid a design-day shortfall in the Sarnia market area.

Prior to renewing the Vector contract, Enbridge Gas engaged ICF to conduct an analysis of Chicago and Dawn pricing. The analysis discussed ICF's long-term price expectations at Chicago relative to Dawn and the importance of the supply diversity to Enbridge Gas provided by access to the Chicago market. ICF advised Enbridge Gas to maintain capacity agreements like Vector and base re-contracting decisions on long-term market fundamentals, supply diversity and reliability, rather than short-term market shifts, to ensure stability and cost-effectiveness in gas supply.

OEB Staff Submission

OEB staff submits that the 2024 Vector contract renewal is reasonable. While the current renewal carries a forecast cost premium of $0.20/GJ relative to Dawn supply, OEB staff is satisfied with Enbridge Gas's rationale for maintaining this capacity.

OEB staff notes that in Enbridge Gas's 2021 Vector Contracting Decision proceeding, the OEB determined that although the Vector contract option was not the least-cost alternative, Enbridge Gas's decision entailed the examination of several factors including reliability, flexibility, supply diversity and cost effectiveness, consistent with the Framework's Guiding Principles.[18] OEB staff is satisfied that Enbridge Gas's 2024 Vector contract renewal meets the needs of ratepayers and is

[17] Exhibit I.2-CCC-5, pg. 2
[18] EB-2023-0326, OEB Decision and Order, March 5, 2024, p.10

consistent with the Framework's Guiding Principles.

3.4 Achieving Public Policy

Enbridge Gas provided evidence on how its GSP was developed in support of and in alignment with public policy.

United States Trade Policy

Enbridge Gas noted that the U.S. government has imposed tariffs under the *International Emergency Economic Powers Act* to address trade imbalances and protect domestic industries. Currently, tariffs on non-United States-Mexico-Canada Agreement (USMCA) compliant energy are 10%, however, Canadian natural gas imports to the U.S. are exempt under USMCA. While these exemptions may change without notice, Enbridge Gas stated that its GSP does not import gas for U.S. consumption, however, it does use U.S. pipelines to transport Canadian gas to Ontario and import U.S. gas into Canada. The table below outlines an estimate of Enbridge Gas's planned 2024/25 natural gas supply purchase volumes based on country of origin and transportation path.

Table 4: Planned Natural Gas Supply Purchases Based on Country of Origin

Line No.	Supply Source	2024/25 (TJ)	Percentage
	(a)	(b)	(c)
1	Canadian origin supply shipped through Canada	227,168	42.8%
2	Canadian origin supply shipped through U.S.	14,395	2.7%
3	U.S. origin supply	289,719	54.5%
4	Total Supply[1]	531,283	100%

Enbridge Gas stated that if Canada imposes retaliatory tariffs on U.S. gas imports, the costs of the GSP could be impacted. Enbridge Gas noted that should the GSP be impacted in the future, any tariff-related costs will be recorded in the Purchased Gas Variance Account (PGVA) and recovered through future QRAM applications. Enbridge Gas would also consider the cost impact of tariffs and adjust the GSP execution and consider future contracting decisions if tariffs persist.

Enbridge Gas explained that capacity is scarce on viable alternative routes delivering Canadian natural gas into the U.S. that could be re-delivered to Canada (e.g., Alliance and Northern Border pipelines). Therefore, without readily available new or existing capacity, there are no alternative transportation paths to mitigate potential tariff related cost increases. Enbridge Gas also stated that without incremental capacity to move western Canadian gas to Ontario, Enbridge Gas has very few options to increase purchases of Canadian-origin natural gas at this time.

Ontario's Integrated Energy Plan

In June 2025, the Government of Ontario released its Integrated Energy Plan.[19] Enbridge Gas stated that it is currently working to understand the implications and directions arising from the IEP that are not yet established. Enbridge Gas stated that it expects the OEB may respond to the IEP by establishing new rules or directives for natural gas utilities, market participants and energy service providers, or by initiating related working groups, committees or proceedings.

Given the timing of the IEP release and the absence of OEB communications at the time of filing, Enbridge Gas submitted that it does not yet have a definitive plan to incorporate IEP objectives, priorities and direction into future gas supply planning at this time.

As the Government's and the OEB's priorities and directions in relation to the IEP become clearer, Enbridge Gas stated it will incorporate them into future gas supply plans filed as part of its future Annual Updates.

Lower-Carbon Energy

Enbridge Gas launched a Voluntary Renewable Natural Gas (VRNG) program on April 1, 2021.[20] As of March 31, 2025, 3,260 customers had enrolled in the program. As of March 31, 2025, Enbridge Gas made three purchases of RNG as part of the VRNG program, procuring 5,600 GJ in total, with 2,300 GJ procured in the 2023/2024 gas year. Enbridge Gas stated that the program enabled it to procure RNG on behalf of participating customers, however, volumes were limited due to lower-than-expected enrollment.

In Phase 2 of its 2024 Rebasing application,[21] Enbridge Gas requested approval for a Lower-Carbon Energy Program (LCVP) to procure lower-carbon energy, with a focus on RNG, as part of the gas supply commodity portfolio. The LCVP would allow large-volume sales service customers (annual consumption >15,000 m³) to elect a percentage of gas supply as RNG. Enbridge Gas stated that the LCVP would replace its existing VRNG program.

In its Decision on Enbridge Gas's Phase 2 Rebasing proceeding,[22] the OEB granted permission to Enbridge Gas to establish a voluntary program to buy RNG and sell it to large volume customers on a voluntary basis but denied its

[19] Energy for Generations: Ontario's Integrated Plan to Power the Strongest Economy in the G7)
[20] As approved in EB-2020-0066 on September 24, 2020.
[21] EB-2024-0111
[22] EB-2024-0111, Decision and Order, May 29, 2025

request to use its small business and residential customer base to provide a financial backstop for the voluntary program.

In its response to interrogatories, Enbridge Gas stated that it intends to continue its VRNG program without change, including supporting additional customer enrollment and the procurement of resulting RNG volumes. Enbridge Gas further stated that it has no plans for additional RNG procurement beyond that required to support the VRNG program over the 2024/25 to 2029/30 forecast period.

OEB Staff Submission

United States Trade Policy

OEB staff acknowledges the limitations identified by Enbridge Gas regarding potential tariff-related impacts and recognizes that this is an evolving scenario. While current exemptions under the USMCA mitigate immediate risk, future changes to tariff policies could affect the cost of gas supply. OEB staff agrees that any tariff-related cost impacts can be appropriately assessed through future updates to the GSP, if necessary.

Ontario's Integrated Energy Plan

Per section 1 of the IEP Directive,[23] the OEB shall establish an ongoing gas-electric coordination information sharing forum to support integrated energy planning. OEB staff notes that the OEB recently initiated a consultation to set a framework to facilitate the sharing of natural gas and electricity planning information.[24]

The Framework sets out that distributors must identify and demonstrate how their gas supply plan supports public policy initiatives that are currently in effect.

OEB staff notes that while the IEP was released in June 2025, additional directions are expected including outcomes from the OEB's consultation. OEB staff submits that it is appropriate for Enbridge Gas to incorporate any future OEB directions related to the IEP into annual updates or five-year plans, as applicable, including providing any updates on Enbridge Gas's participation in the OEB's gas-electric coordination and information-sharing forum as they relate to the GSP.

Lower-Carbon Energy

OEB staff acknowledges that the OEB previously made its findings on Enbridge Gas's LCVP proposal in its Phase 2 Decision and supports Enbridge Gas's intention to

[23] Minister of Energy and Mines' Integrated Energy Plan Directive, June 11, 2025, https://www.oeb.ca/documents/OC-802-2025.pdf
[24] EB-2025-0227, OEB Consultation Letter, December 4, 2025

continue its existing VRNG program without change. OEB staff further notes that the IEP Directive[25] states that emerging fuels like RNG will play a growing role as Ontario builds a more diverse energy system. OEB staff submits that Enbridge Gas's approach is consistent with the OEB's Phase 2 Decision and the IEP Directive and ensures continued progress toward lower-carbon energy objectives.

3.5 IRP Options

Integrated resource planning considers facility solutions and IRP Alternatives to address the system needs of Enbridge Gas, as identified in its Asset Management Plan. IRP is therefore downstream of Enbridge Gas's gas supply planning. However, Enbridge Gas's gas supply planning decisions can impact its future system needs, particularly regarding the timing and need for future transmission system expansion projects. Issue 8 in this proceeding asked whether the GSP should therefore consider and include supply-side IRP options where those could be impacted by gas transportation arrangements and/or gas contracting.

Enbridge Gas indicated that it first considers supply-side alternatives (e.g., gas transportation arrangements and gas contracting) in the GSP to address forecast gas supply needs, although this would not technically be considered part of the IRP assessment process. If there are no viable alternatives, Enbridge Gas may take steps to commence development of a facility project, at which point supply-side alternatives would be reconsidered as part of the IRP assessment process, examining their ability to avoid or defer the planned facility project. In this GSP, Enbridge Gas also provided examples of Enbridge Gas infrastructure that has been avoided or reduced as a result of gas supply contracting. Enbridge Gas submitted that its current approach is working well, and no changes are needed. Enbridge Gas requested that the OEB make a finding that no additional detail or requirement related to supply-side IRP options is required to be added to a gas supply plan or annual update.

OEB Staff Submission

In its review of Enbridge Gas's 2024 Annual Update, OEB staff recommended that Enbridge Gas should consider providing a more holistic cost impact in its supply options analysis, including facilities that are avoided. Enbridge Gas's descriptions of gas supply contracting decisions included in the GSP that have avoided or reduced the need for infrastructure is partially responsive to this recommendation. However, the one holistic options analysis provided in the GSP for a specific decision (how to meet the 2024/25 Enbridge CDA design day shortfall)[26] does not include potential impact on future

[25] Schedule - Order in Council 802/2025, OC-802-2025.pdf
[26] Appendix C of GSP

facilities needs as one of the considerations used in the evaluation of the alternatives. It may be the case that for this particular decision, the alternatives do not differ with regards to this consideration. OEB staff encourages Enbridge Gas to include potential impact on future facilities needs as a consideration in any options analyses provided in future GSP annual updates.

OEB staff also believes that the process diagram provided by Enbridge Gas to illustrate the link between gas supply planning and IRP is incomplete.[27] It does not reflect Enbridge Gas's statement that its gas supply planning decisions inherently recognize the benefits of avoided or reduced facilities by seeking to leverage available third-party alternative options and maximize utilization of existing Enbridge Gas facilities,[28] or OEB staff's related recommendation that Enbridge Gas should consider potential facilities impacts when making contracting decisions in the GSP. OEB staff submits that the link between gas supply planning and IRP could be further considered in the OEB's review of the IRP Framework, which is currently an active proceeding.[29]

3.6 Performance Measurement

In its report on Enbridge Gas's 2024 Annual Update, OEB staff recommended that Enbridge Gas establish targets for some performance metrics with its five-year GSP. In response to OEB staff's recommendations, Enbridge Gas proposed targets or variance ranges to certain performance metrics.

Enbridge Gas assigned single-value targets to performance metrics where the gas supply plan aims to achieve a single value goal. Three single-value targets were established: "C" for compliance, "100%" for metrics expected to achieve full outcomes, and "0**"** for metrics expected to have zero instances.

Enbridge Gas assigned a variance range to performance metrics where outcomes are expected to fall within a statistically significant range based on historical performance. The variance ranges were determined using five years of historical results, applying two standard deviations to the five-year average:

Low End = 5-Year Average – 2 Standard Deviations
High End = 5-Year Average + 2 Standard Deviations

The low end range is set to 0 or 0% in instances where it is not possible to deliver the calculated low end range. The high end range is set to 100% in instances where it is not possible to deliver the calculated high end range.

Enbridge Gas did not assign a target or variance range to "Reference Price" and

[27] Exhibit I.6-PP-15, Attachment 1
[28] Exhibit I.2-Staff-12
[29] EB-2025-0125

"Instances when QRAM expected bill impacts exceed +/- 25%" as these were deemed inappropriate given the nature of these metrics. The reference price is derived from the market price of natural gas while the QRAM bill impact is largely driven by commodity costs. Both of these factors are beyond Enbridge Gas's control and driven by weather, demand and other macro factors. The metrics "Percentage of RNG in the portfolio", "Emissions abated through procurement of RNG", "Emissions abated through procurement of hydrogen" and "Percentage of certified gas in the portfolio" did not have sufficient historical data to calculate a variance range and were marked as "N/A" until sufficient data is available.

Enbridge Gas stated that it will add additional years of historical data to the variance range in future years as they become available.

2023/24 Performance Measurement Results

For 2023/24, the following performance metrics fell outside of the established variance range:

- Weather variance result for "HDD Variance – Union South"
  - Variance Range: (14%) - 8%
  - 2023/24 Result: (16%)
- Supply basin diversity result for "Ontario/Dawn"
  - Variance Range: 20% - 39%
  - 2023/24 Result: 19%
- Reliability result for "Number of days of failed delivery of supply (including force majeure)"
  - Variance Range: 18 – 178 days
  - 2023/24 Result: 237 days

Weather variance result for "HDD Variance – Union South"

For 2023/24, the HDD variance for all weather zones, including Union South were negative. Enbridge Gas attributed this result to warmer than expected temperatures throughout the gas year, particularly the 2023/24 winter.

Supply basin diversity result for "Ontario/Dawn"

Enbridge Gas stated that Ontario/Dawn supply purchases were below the variance range due to a high storage inventory balance after the 2023/24 winter, consistent with lower than planned HDD results across all weather zones. Consequently, Enbridge Gas reduced Dawn purchases during summer 2024, resulting in a lower proportion of Ontario/Dawn purchases for the same period.

Reliability result for "Number of days of failed delivery of supply (including force

majeure)"

Enbridge Gas noted that events outside of its control resulted in failed deliveries and it consistently monitors its portfolio for supply reliability risks. None of these instances impacted customer deliveries as Enbridge Gas responded to each instance by reducing affected pipeline deliveries and compensating through increased storage withdrawals and/or additional Dawn supply purchases.

Enbridge Gas explained that pipeline maintenance was the primary cause of failed delivery days, most of which were partial reductions totaling about 4 PJ (less than 1% of annual supply). Most failures occurred on the GLGT (168 days for a total of 1 PJ) and NEXUS (74 days for a total of 3 PJ) due to scheduled maintenance, which Enbridge Gas stated will continue into 2025. With pipelines fully contracted, Enbridge Gas noted that there is minimal unutilized capacity to absorb the impacts of scheduled maintenance events.

OEB Staff Submission

OEB staff submits that Enbridge Gas has appropriately implemented OEB staff's recommendations from the 2024 Annual Update regarding the establishment of performance metric targets. OEB staff submits that the targets, variance ranges and the methodology used to develop them are appropriate and provide a sound basis for the OEB to assess how the GSP demonstrates value for customers and balances the Framework's guiding principles.

OEB also staff submits that Enbridge Gas's approach not to assign targets or variance ranges to certain metrics due to their nature or insufficient historical data is reasonable. OEB staff notes that Enbridge Gas committed to establishing targets to "Percentage of RNG in the portfolio", "Emissions abated through procurement of RNG", "Emissions abated through procurement of hydrogen" and "Percentage of certified gas in the portfolio" when sufficient data is available.

With respect to Enbridge Gas's 2023/24 performance results, OEB staff submits that the rationale for the missed metrics is reasonable as the circumstances were largely beyond its control. Regarding reliability, OEB staff notes that failed delivery days were primarily due to scheduled pipeline maintenance on fully contracted systems and Enbridge Gas's response of compensating through increased storage withdrawals and additional Dawn purchases ensured no impact on customer deliveries.

3.7 Gas Supply Plan Framework

The OEB requires distributors to submit a five-year GSP for review every five years

with annual updates to the five-year GSP to be filed during the years in between. The annual updates primarily focus on updates to the outlook section of the GSP, a description of significant changes from previous updates and a historical comparison of actuals to the outlook.

The Framework sets out the following process:[30]

- Distributors submit their GSP or annual updates to the OEB in accordance with the timing to be established by the OEB.
- OEB staff and stakeholders have an opportunity to submit written questions.
- For GSPs, the OEB will host a transcribed stakeholder conference to provide the distributor an opportunity to present its plan and address questions from OEB staff and stakeholders. For annual updates, OEB staff will determine whether a conference is required.
- Stakeholders have an opportunity to file final written comments and distributors, based on the feedback received, may provide written reply comments or file a GSP revision statement.
- OEB staff will summarize the GSP or annual update and provide the OEB with recommended next steps.
- The OEB may determine that a proceeding is required to address specific issues, otherwise, the process would end with the OEB staff report.

OEB staff's report on the 2024 Annual Update recommended that Enbridge Gas's next five-year GSP be adjudicated and any learning be incorporated into an update to the Framework. The OEB accepted OEB staff's recommendations.

In this proceeding, the OEB approved the following issue:

> 7) Should the OEB review and/or amend the Framework and/or annual review process (including timing)?

In its argument-in-chief, Enbridge Gas stated that it has no concerns with the Framework in its current form and that the adjudicative process for the current five-year GSP should remain the exception. Enbridge Gas stated that the OEB should assess whether adjudicating future five-year GSPs is efficient and necessary. For annual updates, Enbridge Gas further stated that adjudication should only occur where OEB staff identifies a significant disputed issue.

Enbridge Gas also proposed maintaining the March 1 annual filing date for future updates, as no alternative date would allow the regulatory process to conclude before the gas year begins while ensuring the plan reflects the most current demand

[30] EB-2017-0129, Gas Supply Plan Framework, pp. 13-14

forecast.

OEB Staff Submission

OEB staff is of the view that the answer to Issue No. 7 is yes in terms of updating the Framework and the process including timing. The most significant changes that OEB staff is proposing are to the process and timing. OEB staff is not proposing additional changes to the content of the Framework, including the OEB's guiding principles and Framework criteria beyond what has already been agreed to by stakeholders over the course of the first five year gas supply plan review cycle. OEB staff notes that the improvements to the content of a gas supply plan filing that stakeholders have agreed to and the OEB accepted over the years, such as the inclusion of targets to performance metrics and the description of gas supply impacts on avoided facilities, should be formally included in the Framework document at the time of the next Framework document update.

A summary of OEB staff proposed process changes is as follows:

- Five-year GSPs should be filed and reviewed within a distributor's rebasing application.
    - If the OEB does not accept this change, OEB staff submits that five-year GSPs be adjudicated in a separate proceeding.
- Annual update reviews should only occur in cases where there are significant changes from the approved five-year GSP.
    - In each update year, distributors should file a letter with the OEB outlining any deviations from its approved five-year GSP.
    - Based on the filing, the OEB would determine whether a staff-led consultation process is warranted.

In the rebasing application, Enbridge Gas filed its 2024 GSP to support the 2024 Test Year gas costs.[31] As part of that application, the OEB reviewed and approved several key elements of a typical GSP, including demand forecasting methodologies, design day methodologies, storage parameters and load balancing. The determinations made in the rebasing proceeding have been incorporated into the current five-year GSP.

OEB staff considers the determinations made in the rebasing proceeding to have facilitated an efficient review of the current application. If the OEB concludes that adjudication of future five-year GSPs is the preferred approach, OEB staff sees no reason why the five-year GSP cannot be reviewed within the rebasing application. At the time of the next rebasing, Enbridge Gas will have harmonized the legacy utilities

[31] EB-2022-0200, Exhibit 4, Tab 2, Schedule 1.

including the harmonization of gas supply. One potential constraint of this option would be the absence of an approved demand forecast methodology to prepare a five-year GSP. However, OEB staff submits that the five-year GSP could adopt the same demand forecast methodology proposed for the Test Year forecast.

OEB staff acknowledges the implications raised by Enbridge Gas on its established business and planning processes related to changes in the timing of GSP and update filings, including Enbridge Gas's position that there is no filing date that would allow a regulatory process to conclude before the start of the gas year while also ensuring the GSP reflects the most current demand forecast.[32] However, OEB staff also understands that Enbridge Gas relies on a demand forecast to develop its 10-year Asset Management Plans and sees no reason why Enbridge Gas could not prepare a five-year GSP with its rebasing application. OEB staff submits that if the timing for preparing the next five-year GSP does not align with the filing of Enbridge Gas's next rebasing application, any necessary updates could also be filed during the proceeding, prior to the conclusion of the discovery phase. If the OEB does not accept OEB staff's recommendation to review the five-year GSPs within the rebasing application, OEB staff submits that the five-year GSPs should be adjudicated separately, similar to the current proceeding. In OEB staff's view, it is critical that the OEB maintain a formal oversight process of gas supply planning so that it can also maintain the integrity of mechanistic processes such as the QRAM process where certain cost consequences of gas supply may be implemented.

OEB staff submits that in the update years, Enbridge Gas should file a letter with the OEB identifying any deviations from the approved five-year GSP. Based on this filing, the OEB could determine whether a consultation process is warranted. In OEB's staff's view, such a process should only be required to verify the consideration of determinations made in the five-year GSP and in cases where there are significant changes from the approved five-year GSP. Otherwise, an annual update consultation process is not required according to OEB staff. For example, Enbridge Gas's proposed manner of implementation of changes arising from Phases 2 and 3 of the rebasing proceeding should trigger a consultation process.

If the OEB accepts OEB staff's proposed changes to the Framework, OEB staff recommends that the approved changes be formally incorporated into the Framework document. OEB staff recommends that any changes to the Framework that the OEB may approve as part of this current proceeding, should take effect immediately upon issuance of the OEB's decision, but the actual presentation of these changes as part of the Framework document could be implemented at a time

[32] Exhibit I.7-STAFF-1

to be determined by the OEB in consideration of its broader work plan.

On December 11, 2025, OEB staff recommended that EPCOR's future GSPs be adjudicated and that this process commence with EPCOR's GSP filings of its Aylmer and South Bruce rate zones in 2027 for the 2028/29 planning years. This proposal is currently in the comment process and OEB staff anticipates that the OEB will consider that feedback in determining if EPCOR's next adjudication should in fact be at the time that OEB staff recommended or at some other time such as at the time of EPCOR's next respective rebasing applications for the two rate zones. OEB staff notes that EPCOR's Aylmer and South Bruce current rate setting cycles are not aligned.

3.8 What Order Should Be Issued?

Procedural Order No. 2 directed Enbridge Gas to include proposed draft order language as part of its argument-in-chief (that is, specific wording for the order Enbridge Gas seeks), and invited OEB staff and intervenors to comment on the proposed language.

In its argument-in-chief, Enbridge Gas clarified that it is "not requesting a specific Order from the OEB in this proceeding." Enbridge Gas explained that this "is not a typical application", and it was not seeking any relief "in the traditional sense as would be seen in a rates or leave to construct application." Rather,

> the Company is asking the OEB to make the following determinations on the Issues List:
>
> a) A positive determination on each of Issues #1-6, finding that the 5-Year GSP and 2025 Annual Update meet the OEB's Guiding Principles and are reasonable and complete.
>
> b) A finding that no amendments or updates to the Framework are necessary (Issue #7).
>
> c) A finding that no additional detail or requirement related to supply-side IRP options is required to be added to a gas supply plan or annual update (Issue #8).

<u>OEB Staff Submission</u>

For all the reasons above, OEB staff largely agrees with Enbridge Gas on how the issues on the Issues List should be determined. But in OEB staff's view, there must be an order, given that subsection 19(2) of the *Ontario Energy Board Act, 1998* states that "The Board shall make any determination in a proceeding by order."

Although Enbridge Gas did not frame its application as seeking "approval" for its five-year GSP, that is what this case is really about. The OEB must decide whether the GSP is reasonable, having regard to the guiding principles set out in the Framework. If the answer to that is Yes – and OEB staff submits that it is – then the OEB should approve the GSP. If the answer is No, then the OEB could deny its approval and instead direct Enbridge Gas to make revisions to the GSP.

Approval of the GSP would not directly lead to a change in the rates Enbridge Gas charges, but it would underpin future QRAM decisions, which are typically mechanistic and do not themselves entail a prudence review of gas supply costs. As the OEB staff report on Enbridge Gas's 2024 Annual Update said:

> By adjudicating the first year of the GSP through a panel, the approach provides a comprehensive initial review that informs OEB staff-led consultation for the annual updates. It also ensures that a rigorous prudence review is conducted at the outset of the five-year plan which better facilitates the flow through of the cost consequences in Enbridge Gas's QRAM or other rates proceedings.

Approval of the GSP would not unduly restrict Enbridge Gas's ability to adapt to changing market conditions or other circumstances. The Framework expressly requires the GSP to balance reliability and flexibility. Enbridge Gas has done that: as it explains in its argument-in-chief, its GSP "is flexible to adapt to dynamic market and operational conditions during the year through the operation of its flexible commodity, transportation and storage portfolios".

OEB staff proposes the following wording for the order in this case:

1. Enbridge Gas's five-year gas supply plan for 2026-2030 is approved.
2. Enbridge Gas's 2025 Annual Update to its previous five-year gas supply plan is approved.
3. Enbridge Gas shall file its next five-year gas supply plan with its next rebasing application.
4. In the event that Enbridge Gas makes a material update to its five-year gas supply plan for 2026-2030 before it files its next rebasing application, Enbridge Gas shall promptly notify the Ontario Energy Board and the intervenors in this proceeding.
5. [The order should also, as usual, provide for intervenor cost claims.]

~All of which is respectfully submitted~