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**Enbridge Gas Inc.**  
50 Keil Drive N.  
Chatham ON, N7M 5M1

January 21, 2026

**VIA RESS AND EMAIL**

Ritchie Murray  
Acting Registrar  
Ontario Energy Board  
2300 Yonge Street, 27<sup>th</sup> Floor  
Toronto, ON M4P 1E4

Dear Ritchie Murray:

**Re: Enbridge Gas Inc. (Enbridge Gas, or the Company)  
EB-2025-0064 - 2024 Rebasing Phase 3 – Settlement Proposal**

On December 18, 2025, we filed a Settlement Proposal for this proceeding, reflecting agreement among the Parties to almost every issue eligible for settlement in this 2024 Rebasing Phase 3 proceeding.

As set out in our letter, parties continued to discuss one outstanding item, under Issue 5 (Harmonized Services and Related Charges) relating to the “Unbundled Balancing Service” for unbundled direct purchase customers.

The Parties have now reached a settlement on this outstanding item.

Attached is an Amended Settlement Proposal, reflecting the resolution of all items eligible for settlement. The only changes in the Amended Settlement Proposal, compared to the Settlement Proposal filed on December 18, 2025, are related to resolution of the Unbundled Balancing Service item.

We also wish to note that we have identified an isolated error in the Draft Rate Order filed on December 18, 2025. There is a misstatement of the typical bill impacts for Rate 6 in Working Papers, Schedule 10, page 1. A corrected version of Working Papers, Schedule 10 is attached.

Should you have any questions, please let us know.

Sincerely,

*Robin Stevenson*

Robin Stevenson  
Technical Manager, Strategic Applications – Rate Rebasing

Calculation of Sales Service and Direct Purchase Bill Impacts for Typical Small and Large Customers - Three Rate Zones - With One Rate Zone Distribution  
 EGD Rate Zone

Line No.	Particulars	EB-2024-0166 - Current Approved (1)(2)		EB-2025-0064 - 2024 Proposed (2)			Bill Impact	
		Total Bill (\$)	Unit Rate (cents/m <sup>3</sup> )	Total Bill (\$)	Unit Rate (cents/m <sup>3</sup> )	Total Bill Change (\$)	Including Federal Carbon Charge (%)	Excluding Federal Carbon Charge (%)
		(a)	(b)	(c)	(d)	(e) = (c - a)	(f) = (e / a)	(g)
<u>Small Rate 1 to Rate E01 Central</u>		Annual Volume 2,400 m <sup>3</sup>						
1	Delivery Charges	552	22.9924	480	20.0168	(71)	(12.9%)	(12.9%)
2	Federal Carbon Charge	366	15.2500	366	15.2500	-	0.0%	0.0%
3	Transportation and Storage Charge	117	4.8806	121	5.0376	4	3.2%	3.2%
4	Gas Supply Commodity	252	10.4826	334	13.9016	82	32.6%	32.6%
5	Total Bill - Sales Service	1,287	53.6056	1,301	54.2060	14	1.1%	1.6%
6	Total Bill - Bundled Direct Purchase WTS	1,369	57.0246	1,363	56.7979	(5)	(0.4%)	(0.5%)
7	Bundled Direct Purchase Impact WTS						(0.5%)	(0.8%)
8	Total Bill - Bundled Direct Purchase DTS	1,274	53.0840	1,301	54.2060	27	2.1%	3.0%
9	Bundled Direct Purchase Impact DTS						2.9%	4.7%
<u>Large Rate 1 to Rate E01 Central</u>		Annual Volume 5,048 m <sup>3</sup>						
10	Delivery Charges	821	16.2702	645	12.7779	(176)	(21.5%)	(21.5%)
11	Federal Carbon Charge	770	15.2500	770	15.2500	-	0.0%	0.0%
12	Transportation and Storage Charge	246	4.8806	254	5.0376	8	3.2%	3.2%
13	Gas Supply Commodity	529	10.4826	702	13.9016	173	32.6%	32.6%
14	Total Bill - Sales Service	2,367	46.8834	2,371	46.9670	4	0.2%	0.3%
15	Total Bill - Bundled Direct Purchase WTS	2,539	50.3023	2,502	49.5589	(38)	(1.5%)	(2.1%)
16	Bundled Direct Purchase Impact WTS						(2.0%)	(3.5%)
17	Total Bill - Bundled Direct Purchase DTS	2,340	46.3617	2,371	46.9670	31	1.3%	1.9%
18	Bundled Direct Purchase Impact DTS						1.9%	3.5%
<u>Small Rate 6 to Rate E01 Central</u>		Annual Volume 5,048 m <sup>3</sup>						
19	Delivery Charges	1,524	30.1901	645	12.7779	(879)	(57.7%)	(57.7%)
20	Federal Carbon Charge	770	15.2500	770	15.2500	-	0.0%	0.0%
21	Transportation and Storage Charge	246	4.8806	254	5.0400	8	3.2%	3.2%
22	Gas Supply Commodity	530	10.5065	702	13.9016	171	32.3%	32.3%
23	Total Bill - Sales Service	3,071	60.8272	2,371	46.9670	(700)	(22.8%)	(30.4%)
24	Total Bill - Bundled Direct Purchase WTS	3,242	64.2223	2,502	49.5589	(740)	(22.8%)	(29.9%)
25	Bundled Direct Purchase Impact WTS						(29.1%)	(41.8%)
26	Total Bill - Bundled Direct Purchase DTS	3,043	60.2817	2,371	46.9670	(672)	(22.1%)	(29.6%)
27	Bundled Direct Purchase Impact DTS						(28.7%)	(42.8%)
<u>Average Rate 6 to Rate E01 Central</u>		Annual Volume 22,606 m <sup>3</sup>						
28	Delivery Charges	3,046	13.4745	1,737	7.6819	(1,309)	(43.0%)	(43.0%)
29	Federal Carbon Charge	3,447	15.2500	3,447	15.2500	-	0.0%	0.0%
30	Transportation and Storage Charge	1,103	4.8806	1,139	5.0400	35	3.2%	3.2%
31	Gas Supply Commodity	2,375	10.5065	3,143	13.9016	767	32.3%	32.3%
32	Total Bill - Sales Service	9,972	44.1116	9,465	41.8711	(506)	(5.1%)	(7.8%)
33	Total Bill - Bundled Direct Purchase WTS	10,739	47.5066	10,051	44.4630	(688)	(6.4%)	(9.4%)
34	Bundled Direct Purchase Impact WTS						(9.1%)	(16.6%)
35	Total Bill - Bundled Direct Purchase DTS	9,849	43.5660	9,465	41.8711	(383)	(3.9%)	(6.0%)
36	Bundled Direct Purchase Impact DTS						(5.7%)	(11.8%)
<u>Large Rate 6 to Rate E02 Central</u>		Annual Volume 339,124 m <sup>3</sup>						
37	Delivery Charges	23,794	7.0162	16,247	4.7908	(7,547)	(31.7%)	(31.7%)
38	Federal Carbon Charge	51,716	15.2500	51,716	15.2500	-	0.0%	0.0%
39	Transportation and Storage Charge	16,551	4.8806	15,159	4.4701	(1,392)	(8.4%)	(8.4%)
40	Gas Supply Commodity	35,630	10.5065	47,144	13.9016	11,513	32.3%	32.3%
41	Total Bill - Sales Service	127,692	37.6533	130,266	38.4125	2,574	2.0%	3.4%
42	Total Bill - Bundled Direct Purchase WTS	139,205	41.0484	139,056	41.0044	(149)	(0.1%)	(0.2%)
43	Bundled Direct Purchase Impact WTS						(0.2%)	(0.4%)
44	Total Bill - Bundled Direct Purchase DTS	125,841	37.1078	130,266	38.4125	4,425	3.5%	6.0%
45	Bundled Direct Purchase Impact DTS						5.6%	16.4%
<u>Small Rate 100 to Rate E10 Central</u>		Demand 2,993 m <sup>3</sup> Annual Volume 339,188 m <sup>3</sup>						
46	Delivery Charges	25,578	7.5410	28,085	8.2801	2,507	9.8%	9.8%
47	Federal Carbon Charge	51,726	15.2500	51,726	15.2500	-	0.0%	0.0%
48	Transportation and Storage Charge	16,554	4.8806	5,044	1.4872	(11,510)	(69.5%)	(69.5%)
49	Gas Supply Commodity	35,637	10.5065	47,152	13.9016	11,516	32.3%	32.3%
50	Total Bill - Sales Service	129,495	38.1781	132,008	38.9188	2,513	1.9%	3.2%
51	Total Bill - Bundled Direct Purchase WTS	141,011	41.5731	140,799	41.5107	(212)	(0.2%)	(0.2%)
52	Bundled Direct Purchase Impact WTS						(0.2%)	(0.5%)
53	Total Bill - Bundled Direct Purchase DTS	127,645	37.6325	132,008	38.9188	4,363	3.4%	5.7%
54	Bundled Direct Purchase Impact DTS						5.4%	15.2%
<u>Average Rate 100 to Rate E10 Central</u>		Demand 15,000 m <sup>3</sup> Annual Volume 598,567 m <sup>3</sup>						
55	Delivery Charges	91,322	15.2567	115,790	19.3445	24,468	26.8%	26.8%
56	Federal Carbon Charge	91,281	15.2500	91,281	15.2500	-	0.0%	0.0%
57	Transportation and Storage Charge	29,214	4.8806	8,902	1.4872	(20,312)	(69.5%)	(69.5%)
58	Gas Supply Commodity	62,888	10.5065	83,210	13.9016	20,322	32.3%	32.3%
59	Total Bill - Sales Service	274,705	45.8938	299,183	49.9832	24,478	8.9%	13.3%
60	Total Bill - Bundled Direct Purchase WTS	295,027	49.2889	314,697	52.5751	19,670	6.7%	9.7%
61	Bundled Direct Purchase Impact WTS						9.3%	16.3%
62	Total Bill - Bundled Direct Purchase DTS	271,440	45.3483	299,183	49.9832	27,743	10.2%	15.4%
63	Bundled Direct Purchase Impact DTS						14.7%	28.6%
<u>Large Rate 100 to Rate E10 Central</u>		Demand 30,000 m <sup>3</sup> Annual Volume 1,500,000 m <sup>3</sup>						
64	Delivery Charges	189,323	12.6215	201,299	13.4199	11,976	6.3%	6.3%
65	Federal Carbon Charge	228,750	15.2500	228,750	15.2500	-	0.0%	0.0%

Calculation of Sales Service and Direct Purchase Bill Impacts for Typical Small and Large Customers - Three Rate Zones - With One Rate Zone Distribution  
 EGD Rate Zone

Line No.	Particulars	EB-2024-0166 - Current Approved (1)(2)		EB-2025-0064 - 2024 Proposed (2)			Bill Impact	
		Total Bill	Unit Rate	Total Bill	Unit Rate	Total Bill Change	Including Federal Carbon Charge	Excluding Federal Carbon Charge
		(\$)	(cents/m <sup>3</sup> )	(\$)	(cents/m <sup>3</sup> )	(\$)	(%)	(%)
		(a)	(b)	(c)	(d)	(e) = (c - a)	(f) = (e / a)	(g)
66	Transportation and Storage Charge	73,209	4.8806	22,308	1.4872	(50,901)	(69.5%)	(69.5%)
67	Gas Supply Commodity	157,598	10.5065	208,523	13.9016	50,926	32.3%	32.3%
68	Total Bill - Sales Service	648,879	43.2586	660,880	44.0587	12,001	1.8%	2.9%
69	Total Bill - Bundled Direct Purchase WTS	699,805	46.6537	699,759	46.6506	(46)	(0.0%)	(0.0%)
70	Bundled Direct Purchase Impact WTS						(0.0%)	(0.0%)
71	Total Bill - Bundled Direct Purchase DTS	640,696	42.7131	660,880	44.0587	20,184	3.2%	4.9%
72	Bundled Direct Purchase Impact DTS						4.7%	9.9%
<u>Small Rate 110 to Rate E10 Central</u>		Demand 3,292 m <sup>3</sup> Annual Volume 598,568 m <sup>3</sup>						
73	Delivery Charges	25,839	4.3168	30,474	5.0912	4,635	17.9%	17.9%
74	Federal Carbon Charge	91,282	15.2500	91,282	15.2500	-	0.0%	0.0%
75	Gas Supply Transportation	29,214	4.8806	8,902	1.4872	(20,312)	(69.5%)	(69.5%)
76	Gas Supply Commodity	62,511	10.4435	83,210	13.9016	20,699	33.1%	33.1%
77	Total Bill - Sales Service	208,846	34.8909	213,868	35.7300	5,022	2.4%	4.3%
78	Total Bill - Bundled Direct Purchase WTS	229,545	38.3490	229,382	38.3219	(162)	(0.1%)	(0.1%)
79	Bundled Direct Purchase Impact WTS						(0.1%)	(0.3%)
80	Total Bill - Bundled Direct Purchase DTS	205,958	34.4084	213,868	35.7300	7,911	3.8%	6.9%
81	Bundled Direct Purchase Impact DTS						6.4%	25.1%
<u>Average Rate 110 to Rate E10 Central</u>		Demand 36,413 m <sup>3</sup> Annual Volume 9,976,120 m <sup>3</sup>						
82	Delivery Charges	248,847	2.4944	239,179	2.3975	(9,668)	(3.9%)	(3.9%)
83	Federal Carbon Charge	1,521,358	15.2500	1,521,358	15.2500	-	0.0%	0.0%
84	Transportation and Storage Charge	486,895	4.8806	148,365	1.4872	(338,529)	(69.5%)	(69.5%)
85	Gas Supply Commodity	1,041,856	10.4435	1,386,836	13.9016	344,980	33.1%	33.1%
86	Total Bill - Sales Service	3,298,956	33.0685	3,295,739	33.0363	(3,217)	(0.1%)	(0.2%)
87	Total Bill - Bundled Direct Purchase WTS	3,643,936	36.5266	3,554,310	35.6282	(89,625)	(2.5%)	(4.2%)
88	Bundled Direct Purchase Impact WTS						(4.0%)	(12.2%)
89	Total Bill - Bundled Direct Purchase DTS	3,250,817	32.5860	3,295,739	33.0363	44,922	1.4%	2.6%
90	Bundled Direct Purchase Impact DTS						2.4%	13.1%
<u>Large Rate 110 to Rate E10 Central</u>		Demand 53,871 m <sup>3</sup> Annual Volume 9,976,121 m <sup>3</sup>						
91	Delivery Charges	302,287	3.0301	323,577	3.2435	21,289	7.0%	7.0%
92	Federal Carbon Charge	1,521,358	15.2500	1,521,358	15.2500	-	0.0%	0.0%
93	Transportation and Storage Charge	486,895	4.8806	148,365	1.4872	(338,529)	(69.5%)	(69.5%)
94	Gas Supply Commodity	1,041,856	10.4435	1,386,836	13.9016	344,980	33.1%	33.1%
95	Total Bill - Sales Service	3,352,397	33.6042	3,380,137	33.8823	27,740	0.8%	1.5%
96	Total Bill - Bundled Direct Purchase WTS	3,697,376	37.0623	3,638,708	36.4742	(58,668)	(1.6%)	(2.7%)
97	Bundled Direct Purchase Impact WTS						(2.5%)	(7.4%)
98	Total Bill - Bundled Direct Purchase DTS	3,304,257	33.1217	3,380,137	33.8823	75,879	2.3%	4.3%
99	Bundled Direct Purchase Impact DTS						4.0%	19.2%
<u>Small Rate 115 to Rate E10 Central</u>		Demand 15,300 m <sup>3</sup> Annual Volume 4,471,609 m <sup>3</sup>						
100	Delivery Charges	86,590	1.9364	121,118	2.7086	34,529	39.9%	39.9%
101	Federal Carbon Charge	681,920	15.2500	681,920	15.2500	-	0.0%	0.0%
102	Transportation and Storage Charge	218,241	4.8806	66,502	1.4872	(151,739)	(69.5%)	(69.5%)
103	Gas Supply Commodity	466,992	10.4435	621,623	13.9016	154,631	33.1%	33.1%
104	Total Bill - Sales Service	1,453,744	32.5105	1,491,164	33.3474	37,420	2.6%	4.8%
105	Total Bill - Bundled Direct Purchase WTS	1,608,375	35.9686	1,607,064	35.9393	(1,311)	(0.1%)	(0.1%)
106	Bundled Direct Purchase Impact WTS						(0.1%)	(0.4%)
107	Total Bill - Bundled Direct Purchase DTS	1,432,167	32.0280	1,491,164	33.3474	58,997	4.1%	7.9%
108	Bundled Direct Purchase Impact DTS						7.3%	45.9%
<u>Large Rate 115 to Rate E10 Central</u>		Demand 238,928 m <sup>3</sup> Annual Volume 69,832,850 m <sup>3</sup>						
109	Delivery Charges	1,168,703	1.6736	1,266,772	1.8140	98,069	8.4%	8.4%
110	Federal Carbon Charge	10,649,510	15.2500	10,649,510	15.2500	-	0.0%	0.0%
111	Transportation and Storage Charge	3,408,262	4.8806	1,038,557	1.4872	(2,369,705)	(69.5%)	(69.5%)
112	Gas Supply Commodity	7,292,994	10.4435	9,707,852	13.9016	2,414,859	33.1%	33.1%
113	Total Bill - Sales Service	22,519,468	32.2477	22,662,691	32.4528	143,222	0.6%	1.2%
114	Total Bill - Bundled Direct Purchase WTS	24,934,327	35.7057	24,472,692	35.0447	(461,635)	(1.9%)	(3.2%)
115	Bundled Direct Purchase Impact WTS						(3.0%)	(10.1%)
116	Total Bill - Bundled Direct Purchase DTS	22,182,494	31.7651	22,662,691	32.4528	480,197	2.2%	4.2%
117	Bundled Direct Purchase Impact DTS						3.8%	26.3%
<u>Average Rate 125 to Rate E24</u>		Demand 2,315,000 m <sup>3</sup> Annual Volume 206,000,000 m <sup>3</sup>						
118	Delivery Charges	3,236,010	1.5709	3,569,449	1.7327	333,438	10.3%	10.3%
119	Federal Carbon Charge	31,415,000	15.2500	31,415,000	15.2500	-	0.0%	0.0%
120	Gas Supply Commodity	21,513,610	10.4435	28,637,204	13.9016	7,123,594	33.1%	33.1%
121	Total Bill - Sales Service	56,164,620	27.2644	63,621,652	30.8843	7,457,032	13.3%	30.1%
122	Total Bill - Unbundled Direct Purchase	63,288,214	30.7224	63,621,652	30.8843	333,438	0.5%	1.0%
123	Unbundled Direct Purchase Impact							
<u>Average Rate 135 to Rate E34 Central</u>		Demand 8,180 m <sup>3</sup> Annual Volume 598,567 m <sup>3</sup>						
124	Delivery Charges	22,648	3.7837	14,352	2.3977	(8,296)	(36.6%)	(36.6%)
125	Federal Carbon Charge	91,281	15.2500	91,281	15.2500	-	0.0%	0.0%
126	Transportation and Storage Charge	24,171	4.0381	6,674	1.1150	(17,497)	(72.4%)	(72.4%)
127	Gas Supply Commodity	62,559	10.4514	83,210	13.9016	20,651	33.0%	33.0%
128	Total Bill - Sales Service	200,659	33.5232	195,518	32.6643	(5,141)	(2.6%)	(4.7%)
129	Total Bill - Bundled Direct Purchase WTS	221,310	36.9734	211,032	35.2562	(10,278)	(4.6%)	(7.9%)
130	Bundled Direct Purchase Impact WTS						(7.4%)	(22.0%)
131	Total Bill - Bundled Direct Purchase DTS	197,723	33.0328	195,518	32.6643	(2,205)	(1.1%)	(2.1%)
132	Bundled Direct Purchase Impact DTS						(1.9%)	(9.5%)

Calculation of Sales Service and Direct Purchase Bill Impacts for Typical Small and Large Customers - Three Rate Zones - With One Rate Zone Distribution  
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Line No.	Particulars	EB-2024-0166 - Current Approved (1)(2)		EB-2025-0064 - 2024 Proposed (2)		Bill Impact		
		Total Bill (\$)	Unit Rate (cents/m <sup>3</sup> )	Total Bill (\$)	Unit Rate (cents/m <sup>3</sup> )	Total Bill Change (\$)	Including Federal Carbon Charge (%)	Excluding Federal Carbon Charge (%)
		(a)	(b)	(c)	(d)	(e) = (c - a)	(f) = (e / a)	(g)
<b>Small Rate 145 to Rate E30 Central</b>		Demand 2,993 m <sup>3</sup> Annual Volume 339,188 m <sup>3</sup>						
133	Delivery Charges	15,264	4.5002	9,155	2.6991	(6,109)	(40.0%)	(40.0%)
134	Federal Carbon Charge	51,726	15.2500	51,726	15.2500	-	0.0%	0.0%
135	Transportation and Storage Charge	14,696	4.3327	3,183	0.9384	(11,513)	(78.3%)	(78.3%)
136	Gas Supply Commodity	35,437	10.4475	47,152	13.9016	11,716	33.1%	33.1%
137	Total Bill - Sales Service	117,123	34.5304	111,217	32.7890	(5,906)	(5.0%)	(9.0%)
138	Total Bill - Bundled Direct Purchase WTS	128,839	37.9844	120,008	35.3810	(8,831)	(6.9%)	(11.5%)
139	Bundled Direct Purchase Impact WTS						(10.8%)	(29.5%)
140	Total Bill - Bundled Direct Purchase DTS	115,473	34.0438	111,217	32.7890	(4,256)	(3.7%)	(6.7%)
141	Bundled Direct Purchase Impact DTS						(6.2%)	(25.6%)
<b>Large Rate 145 to Rate E30 Central</b>		Demand 4,489 m <sup>3</sup> Annual Volume 598,567 m <sup>3</sup>						
142	Delivery Charges	24,781	4.1401	10,805	1.8052	(13,976)	(56.4%)	(56.4%)
143	Federal Carbon Charge	91,281	15.2500	91,281	15.2500	-	0.0%	0.0%
144	Transportation and Storage Charge	25,934	4.3327	5,617	0.9384	(20,317)	(78.3%)	(78.3%)
145	Gas Supply Commodity	62,535	10.4475	83,210	13.9016	20,675	33.1%	33.1%
146	Total Bill - Sales Service	204,532	34.1702	190,913	31.8951	(13,618)	(6.7%)	(12.0%)
147	Total Bill - Bundled Direct Purchase WTS	225,206	37.6243	206,428	34.4870	(18,779)	(8.3%)	(14.0%)
148	Bundled Direct Purchase Impact WTS						(13.2%)	(37.0%)
149	Total Bill - Bundled Direct Purchase DTS	201,619	33.6837	190,913	31.8951	(10,706)	(5.3%)	(9.7%)
150	Bundled Direct Purchase Impact DTS						(9.0%)	(39.5%)
<b>Small Rate 170 to Rate E30 Central</b>		Demand 36,413 m <sup>3</sup> Annual Volume 9,976,120 m <sup>3</sup>						
151	Delivery Charges	89,198	0.8941	49,132	0.4925	(40,066)	(44.9%)	(44.9%)
152	Federal Carbon Charge	1,521,358	15.2500	1,521,358	15.2500	-	0.0%	0.0%
153	Transportation and Storage Charge	366,634	3.6751	93,613	0.9384	(273,022)	(74.5%)	(74.5%)
154	Gas Supply Commodity	1,041,856	10.4435	1,386,836	13.9016	344,980	33.1%	33.1%
155	Total Bill - Sales Service	3,019,047	30.2627	3,050,939	30.5824	31,892	1.1%	2.1%
156	Total Bill - Bundled Direct Purchase WTS	3,364,026	33.7208	3,309,510	33.1743	(54,516)	(1.6%)	(3.0%)
157	Bundled Direct Purchase Impact WTS						(2.8%)	(12.0%)
158	Total Bill - Bundled Direct Purchase DTS	2,970,907	29.7802	3,050,939	30.5824	80,031	2.7%	5.5%
159	Bundled Direct Purchase Impact DTS						5.1%	127.6%
<b>Average Rate 170 to Rate E30 Central</b>		Demand 53,871 m <sup>3</sup> Annual Volume 9,976,121 m <sup>3</sup>						
160	Delivery Charges	98,868	0.9910	65,930	0.6609	(32,937)	(33.3%)	(33.3%)
161	Federal Carbon Charge	1,521,358	15.2500	1,521,358	15.2500	-	0.0%	0.0%
162	Transportation and Storage Charge	366,634	3.6751	93,613	0.9384	(273,022)	(74.5%)	(74.5%)
163	Gas Supply Commodity	1,041,856	10.4435	1,386,836	13.9016	344,980	33.1%	33.1%
164	Total Bill - Sales Service	3,028,717	30.3597	3,067,737	30.7508	39,020	1.3%	2.6%
165	Total Bill - Bundled Direct Purchase WTS	3,373,696	33.8177	3,326,309	33.3427	(47,388)	(1.4%)	(2.6%)
166	Bundled Direct Purchase Impact WTS						(2.4%)	(10.2%)
167	Total Bill - Bundled Direct Purchase DTS	2,980,577	29.8771	3,067,737	30.7508	87,160	2.9%	6.0%
168	Bundled Direct Purchase Impact DTS						5.5%	120.4%
<b>Large Rate 170 to Rate E30 Central</b>		Demand 255,089 m <sup>3</sup> Annual Volume 69,832,850 m <sup>3</sup>						
169	Delivery Charges	601,902	0.8619	308,114	0.4412	(293,788)	(48.8%)	(48.8%)
170	Federal Carbon Charge	10,649,510	15.2500	10,649,510	15.2500	-	0.0%	0.0%
171	Transportation and Storage Charge	2,566,441	3.6751	655,289	0.9384	(1,911,152)	(74.5%)	(74.5%)
172	Gas Supply Commodity	7,292,994	10.4435	9,707,852	13.9016	2,414,859	33.1%	33.1%
173	Total Bill - Sales Service	21,110,846	30.2305	21,320,765	30.5311	209,918	1.0%	2.0%
174	Total Bill - Bundled Direct Purchase WTS	23,525,705	33.6886	23,130,766	33.1230	(394,939)	(1.7%)	(3.1%)
175	Bundled Direct Purchase Impact WTS						(2.9%)	(12.5%)
176	Total Bill - Bundled Direct Purchase DTS	20,773,872	29.7480	21,320,765	30.5311	546,893	2.6%	5.4%
177	Bundled Direct Purchase Impact DTS						4.9%	131.3%
<b>Average Rate 200 to Rate E62 Central (3)</b>		Demand 1,252,000 m <sup>3</sup> Annual Volume 140,305,600 m <sup>3</sup>						
178	Delivery Charges	6,325,521	4.5084	4,122,805	2.9384	(2,202,716)		(34.8%)
179	Transportation and Storage Charge	6,587,243	4.6949	6,907,553	4.9232	320,311		4.9%
180	Gas Supply Commodity	14,652,675	10.4434	19,504,660	13.9016	4,851,985		33.1%
181	Total Bill - Sales Service	27,565,439	19.6467	30,535,018	21.7632	2,969,580		10.8%
182	Total Bill - Bundled Direct Purchase WTS	32,417,424	23.1049	34,171,607	24.3551	1,754,183		5.4%
183	Bundled Direct Purchase Impact WTS							13.6%
184	Total Bill - Bundled Direct Purchase DTS	26,888,541	19.1643	30,535,018	21.7632	3,646,477		13.6%
185	Bundled Direct Purchase Impact DTS							49.4%

Notes:  
 (1) EB-2024-0166, Exhibit F, Tab 1, Appendix D.  
 (2) Bill impacts exclude Rider K and Rider R.  
 (3) Rate 200 customers are not charged the Federal Carbon Charge.

Calculation of Sales Service and Direct Purchase Bill Impacts for Typical Small and Large Customers - Three Rate Zones - With One Rate Zone Distribution  
 Union North East Rate Zone

Line No.	Particulars	EB-2024-0166 - Current Approved (1)(2)		EB-2025-0064 - 2024 Proposed (2)			Bill Impact		
		Total Bill (\$)	Unit Rate (cents/m <sup>3</sup> )	Total Bill (\$)	Unit Rate (cents/m <sup>3</sup> )	Total Bill Change (\$)	Including Federal Carbon Charge (%)	Excluding Federal Carbon Charge (%)	
		(a)	(b)	(c)	(d)	(e) = (c - a)	(f) = (e / a)	(g)	
	<b>Small Rate 01 to Rate E01 North</b>	Annual Volume 2,200 m <sup>3</sup>							
1	Delivery Charges	544	24.7128	468	21.2714	(76)	(13.9%)	(13.9%)	
2	Federal Carbon Charge	336	15.2500	336	15.2500	-	0.0%	0.0%	
3	Transportation and Storage Charge	173	7.8681	146	6.6486	(27)	(15.5%)	(15.5%)	
4	Gas Supply Commodity	355	16.1346	296	13.4322	(59)	(16.7%)	(16.7%)	
5	Total Bill - Sales Service	1,407	63.9655	1,245	56.6022	(162)	(11.5%)	(15.1%)	
6	Total Bill - Bundled Direct Purchase	1,348	61.2631	1,245	56.6022	(103)	(7.6%)	(10.1%)	
7	Bundled Direct Purchase Impact						(9.7%)	(14.3%)	
	<b>Small Rate 01 to Rate E01 Central</b>	Annual Volume 2,200 m <sup>3</sup>							
8	Delivery Charges	544	24.7128	468	21.2714	(76)	(13.9%)	(13.9%)	
9	Federal Carbon Charge	336	15.2500	336	15.2500	-	0.0%	0.0%	
10	Transportation and Storage Charge	173	7.8681	111	5.0376	(62)	(36.0%)	(36.0%)	
11	Gas Supply Commodity	355	16.1346	306	13.9016	(49)	(13.8%)	(13.8%)	
12	Total Bill - Sales Service	1,407	63.9655	1,220	55.4605	(187)	(13.3%)	(17.5%)	
13	Total Bill - Bundled Direct Purchase	1,358	61.7324	1,220	55.4605	(138)	(10.2%)	(13.5%)	
14	Bundled Direct Purchase Impact						(13.1%)	(19.3%)	
	<b>Large Rate 01 to Rate E01 North</b>	Annual Volume 40,000 m <sup>3</sup>							
15	Delivery Charges	4,148	10.3691	2,818	7.0448	(1,330)	(32.1%)	(32.1%)	
16	Federal Carbon Charge	6,100	15.2500	6,100	15.2500	-	0.0%	0.0%	
17	Transportation and Storage Charge	3,147	7.8681	2,659	6.6486	(488)	(15.5%)	(15.5%)	
18	Gas Supply Commodity	6,454	16.1346	5,373	13.4322	(1,081)	(16.7%)	(16.7%)	
19	Total Bill - Sales Service	19,849	49.6218	16,950	42.3757	(2,898)	(14.6%)	(21.1%)	
20	Total Bill - Bundled Direct Purchase	18,768	46.9195	16,950	42.3757	(1,818)	(9.7%)	(14.3%)	
21	Bundled Direct Purchase Impact						(13.6%)	(24.9%)	
	<b>Large Rate 01 to Rate E01 Central</b>	Annual Volume 40,000 m <sup>3</sup>							
22	Delivery Charges	4,148	10.3691	2,818	7.0448	(1,330)	(32.1%)	(32.1%)	
23	Federal Carbon Charge	6,100	15.2500	6,100	15.2500	-	0.0%	0.0%	
24	Transportation and Storage Charge	3,147	7.8681	2,015	5.0376	(1,132)	(36.0%)	(36.0%)	
25	Gas Supply Commodity	6,454	16.1346	5,561	13.9016	(893)	(13.8%)	(13.8%)	
26	Total Bill - Sales Service	19,849	49.6218	16,494	41.2340	(3,355)	(16.9%)	(24.4%)	
27	Total Bill - Bundled Direct Purchase	18,956	47.3888	16,494	41.2340	(2,462)	(13.0%)	(19.2%)	
28	Bundled Direct Purchase Impact						(18.4%)	(33.7%)	
	<b>Small Rate 10 to Rate E02 North</b>	Annual Volume 60,000 m <sup>3</sup>							
29	Delivery Charges	5,865	9.7744	3,763	6.2724	(2,101)	(35.8%)	(35.8%)	
30	Federal Carbon Charge	9,150	15.2500	9,150	15.2500	-	0.0%	0.0%	
31	Transportation and Storage Charge	3,726	6.2100	3,707	6.1779	(19)	(0.5%)	(0.5%)	
32	Gas Supply Commodity	9,681	16.1346	8,059	13.4322	(1,621)	(16.7%)	(16.7%)	
33	Total Bill - Sales Service	28,421	47.3690	24,680	41.1325	(3,741)	(13.2%)	(19.4%)	
34	Total Bill - Bundled Direct Purchase	26,800	44.6666	24,680	41.1325	(2,120)	(7.9%)	(12.0%)	
35	Bundled Direct Purchase Impact						(11.3%)	(22.1%)	
	<b>Small Rate 10 to Rate E02 Central</b>	Annual Volume 60,000 m <sup>3</sup>							
36	Delivery Charges	5,865	9.7744	3,763	6.2724	(2,101)	(35.8%)	(35.8%)	
37	Federal Carbon Charge	9,150	15.2500	9,150	15.2500	-	0.0%	0.0%	
38	Transportation and Storage Charge	3,726	6.2100	2,692	4.4701	(1,044)	(28.0%)	(28.0%)	
39	Gas Supply Commodity	9,681	16.1346	8,341	13.9016	(1,340)	(13.8%)	(13.8%)	
40	Total Bill - Sales Service	28,421	47.3690	23,936	39.8940	(4,485)	(15.8%)	(23.3%)	
41	Total Bill - Bundled Direct Purchase	27,082	45.1359	23,936	39.8940	(3,145)	(11.6%)	(17.5%)	
42	Bundled Direct Purchase Impact						(16.8%)	(32.8%)	
	<b>Average Rate 10 to Rate E02 North</b>	Annual Volume 93,000 m <sup>3</sup>							
43	Delivery Charges	8,330	8.9572	5,239	5.6336	(3,091)	(37.1%)	(37.1%)	
44	Federal Carbon Charge	14,183	15.2500	14,183	15.2500	-	0.0%	0.0%	
45	Transportation and Storage Charge	5,775	6.2100	5,745	6.1779	(30)	(0.5%)	(0.5%)	
46	Gas Supply Commodity	15,005	16.1346	12,492	13.4322	(2,513)	(16.7%)	(16.7%)	
47	Total Bill - Sales Service	43,293	46.5518	37,659	40.4938	(5,634)	(13.0%)	(19.4%)	
48	Total Bill - Bundled Direct Purchase	40,780	43.8494	37,659	40.4938	(3,121)	(7.7%)	(11.7%)	
49	Bundled Direct Purchase Impact						(11.0%)	(22.1%)	
	<b>Average Rate 10 to Rate E02 Central</b>	Annual Volume 93,000 m <sup>3</sup>							
50	Delivery Charges	8,330	8.95718174	5,239	5.6336	(3,091)	(37.1%)	(37.1%)	
51	Federal Carbon Charge	14,183	15.2500	14,183	15.2500	-	0.0%	0.0%	
52	Transportation and Storage Charge	5,775	6.2100	4,157	4.4701	(1,618)	(28.0%)	(28.0%)	
53	Gas Supply Commodity	15,005	16.1346	12,928	13.9016	(2,077)	(13.8%)	(13.8%)	
54	Total Bill	43,293	46.5518	36,507	39.2553	(6,786)	(15.7%)	(23.3%)	
55	Sales Service Impact	41,216	44.3187	36,507	39.2553	(4,709)	(11.4%)	(17.4%)	
56	Bundled Direct Purchase Impact						(16.6%)	(33.4%)	
	<b>Large Rate 10 to Rate E02 North</b>	Annual Volume 250,000 m <sup>3</sup>							
57	Delivery Charges	5,063	2.0251	12,261	4.9044	7,198	142.2%	142.2%	
58	Federal Carbon Charge	38,125	15.2500	38,125	15.2500	-	0.0%	0.0%	
59	Transportation and Storage Charge	15,525	6.2100	15,445	6.1779	(80)	(0.5%)	(0.5%)	
60	Gas Supply Commodity	40,337	16.1346	33,581	13.4322	(6,756)	(16.7%)	(16.7%)	
61	Total Bill	99,049	39.6197	99,411	39.7645	362	0.4%	0.6%	
62	Sales Service Impact	92,293	36.9173	99,411	39.7645	7,118	7.7%	13.1%	
63	Bundled Direct Purchase Impact						12.1%	34.6%	

Calculation of Sales Service and Direct Purchase Bill Impacts for Typical Small and Large Customers - Three Rate Zones - With One Rate Zone Distribution  
 Union North East Rate Zone

Line No.	Particulars	EB-2024-0166 - Current Approved (1)(2)		EB-2025-0064 - 2024 Proposed (2)			Bill Impact		
		Total Bill	Unit Rate	Total Bill	Unit Rate	Total Bill Change	Including Federal Carbon Charge	Excluding Federal Carbon Charge	
		(\$)	(cents/m <sup>3</sup> )	(\$)	(cents/m <sup>3</sup> )	(\$)	(%)	(%)	
		(a)	(b)	(c)	(d)	(e) = (c - a)	(f) = (e / a)	(g)	
	<u>Large Rate 10 to Rate E02 Central</u>	Annual Volume 250,000 m <sup>3</sup>							
64	Delivery Charges	19,249	7.6998	12,261	4.9044	(6,989)	(36.3%)	(36.3%)	
65	Federal Carbon Charge	38,125	15.2500	38,125	15.2500	-	0.0%	0.0%	
66	Transportation and Storage Charge	15,525	6.2100	11,175	4.4701	(4,350)	(28.0%)	(28.0%)	
67	Gas Supply Commodity	40,337	16.1346	34,754	13.9016	(5,583)	(13.8%)	(13.8%)	
68	Total Bill	113,236	45.2944	96,315	38.5260	(16,921)	(14.9%)	(22.5%)	
69	Sales Service Impact	107,653	43.0613	96,315	38.5260	(11,338)	(10.5%)	(16.3%)	
70	Bundled Direct Purchase Impact						(15.6%)	(32.6%)	
	<u>Small Rate 20 to Rate E10 North</u>	Demand 14,000 m <sup>3</sup> Annual Volume 3,000,000 m <sup>3</sup>							
71	Delivery Charges	94,661	3.1554	98,985	3.2995	4,325	4.6%	4.6%	
72	Federal Carbon Charge	457,500	15.2500	457,500	15.2500	-	0.0%	0.0%	
73	Transportation and Storage Charge	67,878	2.2626	97,500	3.2500	29,622	43.6%	43.6%	
74	Gas Supply Commodity	471,079	15.7026	402,967	13.4322	(68,111)	(14.5%)	(14.5%)	
75	Total Bill - Sales Service	1,091,117	36.3706	1,056,952	35.2317	(34,165)	(3.1%)	(5.4%)	
76	Total Bill - Bundled Direct Purchase	1,023,006	34.1002	1,056,952	35.2317	33,946	3.3%	6.0%	
77	Bundled Direct Purchase Impact						5.5%	20.9%	
	<u>Small Rate 20 to Rate E10 Central</u>	Demand 14,000 m <sup>3</sup> Annual Volume 3,000,000 m <sup>3</sup>							
78	Delivery Charges	94,661	3.1554	108,446	3.6149	13,785	14.6%	14.6%	
79	Federal Carbon Charge	457,500	15.2500	457,500	15.2500	-	0.0%	0.0%	
80	Transportation and Storage Charge	67,878	2.2626	44,616	1.4872	(23,262)	(34.3%)	(34.3%)	
81	Gas Supply Commodity	471,079	15.7026	417,047	13.9016	(54,032)	(11.5%)	(11.5%)	
82	Total Bill - Sales Service	1,091,117	36.3706	1,027,609	34.2536	(63,508)	(5.8%)	(10.0%)	
83	Total Bill - Bundled Direct Purchase	1,037,085	34.5695	1,027,609	34.2536	(9,476)	(0.9%)	(1.6%)	
84	Bundled Direct Purchase Impact						(1.5%)	(2.2%)	
	<u>Large Rate 20 to Rate E10 North</u>	Demand 60,000 m <sup>3</sup> Annual Volume 15,000,000 m <sup>3</sup>							
85	Delivery Charges	367,583	2.4506	312,159	2.0811	(55,424)	(15.1%)	(15.1%)	
86	Federal Carbon Charge	2,287,500	15.2500	2,287,500	15.2500	-	0.0%	0.0%	
87	Transportation and Storage Charge	290,904	1.9394	487,498	3.2500	196,594	67.6%	67.6%	
88	Gas Supply Commodity	2,355,394	15.7026	2,014,837	13.4322	(340,557)	(14.5%)	(14.5%)	
89	Total Bill - Sales Service	5,301,381	35.3425	5,101,994	34.0133	(199,387)	(3.8%)	(6.6%)	
90	Total Bill - Bundled Direct Purchase	4,960,824	33.0722	5,101,994	34.0133	141,170	2.8%	5.3%	
91	Bundled Direct Purchase Impact						4.8%	21.4%	
	<u>Large Rate 20 to Rate E10 Central</u>	Demand 60,000 m <sup>3</sup> Annual Volume 15,000,000 m <sup>3</sup>							
92	Delivery Charges	367,583	2.4506	347,256	2.3150	(20,326)	(5.5%)	(5.5%)	
93	Federal Carbon Charge	2,287,500	15.2500	2,287,500	15.2500	-	0.0%	0.0%	
94	Transportation and Storage Charge	290,904	1.9394	223,081	1.4872	(67,824)	(23.3%)	(23.3%)	
95	Gas Supply Commodity	2,355,394	15.7026	2,085,233	13.9016	(270,161)	(11.5%)	(11.5%)	
96	Total Bill - Sales Service	5,301,381	35.3425	4,943,070	32.9538	(358,311)	(6.8%)	(11.9%)	
97	Total Bill - Bundled Direct Purchase	5,031,220	33.5415	4,943,070	32.9538	(88,150)	(1.8%)	(3.2%)	
98	Bundled Direct Purchase Impact						(3.0%)	(13.4%)	
	<u>Small Rate 20 to Rate E22</u>	Demand 14,000 m <sup>3</sup> Annual Volume 3,000,000 m <sup>3</sup>							
99	Delivery Charges	94,661	3.1554	64,000	2.1333	(30,660)	(32.4%)	(32.4%)	
100	Federal Carbon Charge	457,500	15.2500	457,500	15.2500	-	0.0%	0.0%	
101	Transportation and Storage Charge	67,878	2.2626	-	0.0000	(67,878)	(100.0%)	(100.0%)	
102	Gas Supply Commodity	471,079	15.7026	402,967	13.4322	(68,111)	(14.5%)	(14.5%)	
103	Total Bill - Sales Service	1,091,117	36.3706	924,468	30.8156	(166,649)	(15.3%)	(26.3%)	
104	Total Bill - Bundled Direct Purchase	1,023,006	34.1002	924,468	30.8156	(98,538)	(9.6%)	(17.4%)	
105	Bundled Direct Purchase Impact						(98,538)	(60.6%)	
	<u>Large Rate 20 to Rate E22</u>	Demand 60,000 m <sup>3</sup> Annual Volume 15,000,000 m <sup>3</sup>							
106	Delivery Charges	367,583	2.4506	170,258	1.1351	(197,325)	(53.7%)	(53.7%)	
107	Federal Carbon Charge	2,287,500	15.2500	2,287,500	15.2500	-	0.0%	0.0%	
108	Transportation and Storage Charge	290,904	1.9394	-	0.0000	(290,904)	(100.0%)	(100.0%)	
109	Gas Supply Commodity	2,355,394	15.7026	2,014,837	13.4322	(340,557)	(14.5%)	(14.5%)	
110	Total Bill - Sales Service	5,301,381	35.3425	4,472,594	29.8173	(828,787)	(15.6%)	(27.5%)	
111	Total Bill - Bundled Direct Purchase	4,960,824	33.0722	4,472,594	29.8173	(488,229)	(9.8%)	(18.3%)	
112	Bundled Direct Purchase Impact						(488,229)	(74.1%)	
	<u>Average Rate 25 to Rate E30 North</u>	Demand 20,776 m <sup>3</sup> Annual Volume 2,275,000 m <sup>3</sup>							
113	Delivery Charges	81,608	3.5871	16,201	0.7121	(65,406)	(80.1%)	(80.1%)	
114	Federal Carbon Charge	346,938	15.2500	346,938	15.2500	-	0.0%	0.0%	
115	Transportation and Storage Charge	20,789	0.9138	40,665	1.7875	19,876	95.6%	95.6%	
116	Gas Supply Commodity	233,467	10.2623	305,584	13.4322	72,117	30.9%	30.9%	
117	Total Bill - Sales Service	682,801	30.0132	709,387	31.1818	26,586	3.9%	7.9%	
118	Total Bill - Bundled Direct Purchase	754,918	33.1832	709,387	31.1818	(45,531)	(6.0%)	(11.2%)	
119	Bundled Direct Purchase Impact						(10.1%)	(44.5%)	
	<u>Average Rate 25 to Rate E30 Central</u>	Demand 20,776 m <sup>3</sup> Annual Volume 2,275,000 m <sup>3</sup>							
120	Delivery Charges	81,608	3.5871	27,837	1.2236	(53,771)	(65.9%)	(65.9%)	
121	Federal Carbon Charge	346,938	15.2500	346,938	15.2500	-	0.0%	0.0%	
122	Transportation and Storage Charge	20,789	0.9138	21,348	0.9384	559	2.7%	2.7%	
123	Gas Supply Commodity	233,467	10.2623	316,260	13.9016	82,794	35.5%	35.5%	
124	Total Bill - Sales Service	682,801	30.0132	712,383	31.3135	29,582	4.3%	8.8%	
125	Total Bill - Bundled Direct Purchase	765,594	33.6525	712,383	31.3135	(53,212)	(7.0%)	(12.7%)	
126	Bundled Direct Purchase Impact						(11.8%)	(52.0%)	

Calculation of Sales Service and Direct Purchase Bill Impacts for Typical Small and Large Customers - Three Rate Zones - With One Rate Zone Distribution  
Union North East Rate Zone

Line No.	Particulars	EB-2024-0166 - Current Approved (1)(2)		EB-2025-0064 - 2024 Proposed (2)			Bill Impact	
		Total Bill	Unit Rate	Total Bill	Unit Rate	Total Bill Change	Including Federal Carbon Charge	Excluding Federal Carbon Charge
		(\$)	(cents/m <sup>3</sup> )	(\$)	(cents/m <sup>3</sup> )	(\$)	(%)	(%)
		(a)	(b)	(c)	(d)	(e) = (c - a)	(f) = (e / a)	(g)
	<u>Small Rate 100 to Rate E22</u>	Demand 100,000 m <sup>3</sup> Annual Volume 27,000,000 m <sup>3</sup>						
127	Delivery Charges	339,465	1,2573	242,302	0.8974	(97,163)	(28.6%)	(28.6%)
128	Federal Carbon Charge	4,117,500	15,2500	4,117,500	15,2500	-	0.0%	0.0%
129	Transportation and Storage Charge	1,115,631	4,1320	-	0.0000	(1,115,631)	(100.0%)	(100.0%)
130	Gas Supply Commodity	4,239,709	15,7026	3,626,706	13,4322	(613,003)	(14.5%)	(14.5%)
131	Total Bill - Sales Service	9,812,306	36,3419	7,986,508	29,5797	(1,825,798)	(18.6%)	(32.1%)
132	Total Bill - Bundled Direct Purchase	9,199,303	3,8330	7,986,508	3,3277	(1,212,795)	(13.2%)	(23.9%)
133	Bundled Direct Purchase Impact							(83.3%)
132	Total Bill - Unbundled Direct Purchase	8,083,672	29,9395	7,986,508	29,5797	(97,163)	(1.2%)	(2.4%)
134	Unbundled Direct Purchase Impact							(28.6%)
	<u>Large Rate 100 to Rate E22</u>	Demand 850,000 m <sup>3</sup> Annual Volume 240,000,000 m <sup>3</sup>						
135	Delivery Charges	2,767,122	1,1530	1,583,393	0.6597	(1,183,729)	(42.8%)	(42.8%)
136	Federal Carbon Charge	36,600,000	15,2500	36,600,000	15,2500	-	0.0%	0.0%
137	Transportation and Storage Charge	9,482,867	3,9512	-	0.0000	(9,482,867)	(100.0%)	(100.0%)
138	Gas Supply Commodity	37,686,304	15,7026	32,237,390	13,4322	(5,448,913)	(14.5%)	(14.5%)
139	Total Bill - Sales Service	86,536,292	36,0568	70,420,784	29,3420	(16,115,509)	(18.6%)	(32.3%)
140	Total Bill - Bundled Direct Purchase	81,087,379	33,7864	70,420,784	29,3420	(10,666,595)	(13.2%)	(24.0%)
141	Bundled Direct Purchase Impact							(87.1%)
142	Total Bill - Unbundled Direct Purchase	71,604,513	29,8352	70,420,784	29,3420	(1,183,729)	(1.7%)	(3.4%)
143	Unbundled Direct Purchase Impact							(42.8%)

Notes:

- (1) EB-2024-0166, Exhibit F, Tab 1, Appendix D.
- (2) Bill impacts exclude Rider K and Rider R.
- (3) Gas Supply charges based on Union North East Zone.

Calculation of Sales Service and Direct Purchase Bill Impacts for Typical Small and Large Customers - Three Rate Zones - With One Rate Zone Distribution  
 Union North West Rate Zone

Line No.	Particulars	EB-2024-0166 - Current Approved (1)(2)		EB-2025-0064 - 2024 Proposed (2)			Bill Impact	
		Total Bill	Unit Rate	Total Bill	Unit Rate	Total Bill Change	Including Federal Carbon Charge	Excluding Federal Carbon Charge
		(\$)	(cents/m <sup>3</sup> )	(\$)	(cents/m <sup>3</sup> )	(\$)	(%)	(%)
		(a)	(b)	(c)	(d)	(e) = (c - a)	(f) = (e / a)	(g)
<u>Small Rate 01 to E01 North</u>		Annual Volume 2,200 m <sup>3</sup>						
1	Delivery Charges	544	24.7128	468	21.2714	(76)	(13.9%)	(13.9%)
2	Federal Carbon Charge	336	15.2500	336	15.2500	-	0.0%	0.0%
3	Transportation and Storage Charge	122	5.5430	146	6.6486	24	19.9%	19.9%
4	Gas Supply Commodity	242	10.9951	296	13.4322	54	22.2%	22.2%
5	Total Bill - Sales Service	1,243	56.5009	1,245	56.6022	2	0.2%	0.2%
6	Total Bill - Bundled Direct Purchase	1,297	58.9380	1,245	56.6022	(51)	(4.0%)	(5.3%)
7	Bundled Direct Purchase Impact						(5.1%)	(7.7%)
<u>Large Rate 01 to E01 North</u>		Annual Volume 40,000 m <sup>3</sup>						
8	Delivery Charges	4,148	10.3691	2,818	7.0448	(1,330)	(32.1%)	(32.1%)
9	Federal Carbon Charge	6,100	15.2500	6,100	15.2500	-	0.0%	0.0%
10	Transportation and Storage Charge	2,217	5.5430	2,659	6.6486	442	19.9%	19.9%
11	Gas Supply Commodity	4,398	10.9951	5,373	13.4322	975	22.2%	22.2%
12	Total Bill - Sales Service	16,863	42.1572	16,950	42.3757	87	0.5%	0.8%
13	Total Bill - Bundled Direct Purchase	17,838	44.5944	16,950	42.3757	(887)	(5.0%)	(7.6%)
14	Bundled Direct Purchase Impact						(7.1%)	(13.9%)
<u>Small Rate 10 to E02 North</u>		Annual Volume 60,000 m <sup>3</sup>						
15	Delivery Charges	5,865	9.7744	3,763	6.2724	(2,101)	(35.8%)	(35.8%)
16	Federal Carbon Charge	9,150	15.2500	9,150	15.2500	-	0.0%	0.0%
17	Transportation and Storage Charge	2,792	4.6525	3,707	6.1779	915	32.8%	32.8%
18	Gas Supply Commodity	6,597	10.9951	8,059	13.4322	1,462	22.2%	22.2%
19	Total Bill - Sales Service	24,403	40.6720	24,680	41.1325	276	1.1%	1.8%
20	Total Bill - Bundled Direct Purchase	25,865	43.1091	24,680	41.1325	(1,186)	(4.6%)	(7.1%)
21	Bundled Direct Purchase Impact						(6.7%)	(13.7%)
<u>Average Rate 10 to E02 North</u>		Annual Volume 93,000 m <sup>3</sup>						
22	Delivery Charges	8,330	8.9572	5,239	5.6336	(3,091)	(37.1%)	(37.1%)
23	Federal Carbon Charge	14,183	15.2500	14,183	15.2500	-	0.0%	0.0%
24	Transportation and Storage Charge	4,327	4.6525	5,745	6.1779	1,419	32.8%	32.8%
25	Gas Supply Commodity	10,225	10.9951	12,492	13.4322	2,267	22.2%	22.2%
26	Total Bill	37,065	39.8548	37,659	40.4938	594	1.6%	2.6%
27	Sales Service Impact	39,331	42.2919	37,659	40.4938	(1,672)	(4.3%)	(6.6%)
28	Bundled Direct Purchase Impact						(6.2%)	(13.2%)
<u>Large Rate 10 to E02 North</u>		Annual Volume 250,000 m <sup>3</sup>						
29	Delivery Charges	19,249	7.6998	12,261	4.9044	(6,989)	(36.3%)	(36.3%)
30	Federal Carbon Charge	38,125	15.2500	38,125	15.2500	-	0.0%	0.0%
31	Transportation and Storage Charge	11,631	4.6525	15,445	6.1779	3,814	32.8%	32.8%
32	Gas Supply Commodity	27,488	10.9951	33,581	13.4322	6,093	22.2%	22.2%
33	Total Bill	96,493	38.5974	99,411	39.7645	2,918	3.0%	5.0%
34	Sales Service Impact	102,586	41.0345	99,411	39.7645	(3,175)	(3.1%)	(4.9%)
35	Bundled Direct Purchase Impact						(4.6%)	(10.3%)
<u>Small Rate 20 to E10 North</u>		Demand 14,000 m <sup>3</sup> Annual Volume 3,000,000 m <sup>3</sup>						
36	Delivery Charges	94,661	3.1554	100,991	3.3664	6,330	6.7%	6.7%
37	Federal Carbon Charge	457,500	15.2500	457,500	15.2500	-	0.0%	0.0%
38	Transportation and Storage Charge	59,214	1.9738	97,500	3.2500	38,286	64.7%	64.7%
39	Gas Supply Commodity	319,926	10.6642	402,967	13.4322	83,041	26.0%	26.0%
40	Total Bill - Sales Service	931,300	31.0433	1,058,958	35.2986	127,657	13.7%	26.9%
41	Total Bill - Bundled Direct Purchase	1,014,342	33.8114	1,058,958	35.2986	44,616	4.4%	8.0%
42	Bundled Direct Purchase Impact						7.3%	29.0%
<u>Large Rate 20 to E10 North</u>		Demand 60,000 m <sup>3</sup> Annual Volume 15,000,000 m <sup>3</sup>						
43	Delivery Charges	367,583	2.4506	322,185	2.1479	(45,397)	(12.4%)	(12.4%)
44	Federal Carbon Charge	2,287,500	15.2500	2,287,500	15.2500	-	0.0%	0.0%
45	Transportation and Storage Charge	253,773	1.6918	487,498	3.2500	233,725	92.1%	92.1%
46	Gas Supply Commodity	1,599,630	10.6642	2,014,837	13.4322	415,207	26.0%	26.0%
47	Total Bill - Sales Service	4,508,486	30.0566	5,112,021	34.0801	603,535	13.4%	27.2%
48	Total Bill - Bundled Direct Purchase	4,923,693	32.8246	5,112,021	34.0801	188,328	3.8%	7.1%
49	Bundled Direct Purchase Impact						6.5%	30.3%

Calculation of Sales Service and Direct Purchase Bill Impacts for Typical Small and Large Customers - Three Rate Zones - With One Rate Zone Distribution  
 Union North West Rate Zone

Line No.	Particulars	EB-2024-0166 - Current Approved (1)(2)		EB-2025-0064 - 2024 Proposed (2)		Bill Impact		
		Total Bill (\$)	Unit Rate (cents/m <sup>3</sup> )	Total Bill (\$)	Unit Rate (cents/m <sup>3</sup> )	Total Bill Change (\$)	Including Federal Carbon Charge (%)	Excluding Federal Carbon Charge (%)
		(a)	(b)	(c)	(d)	(e) = (c - a)	(f) = (e / a)	(g)
<u>Small Rate 20 to E22</u>		Demand 14,000 m <sup>3</sup> Annual Volume 3,000,000 m <sup>3</sup>						
50	Delivery Charges	94,661	3.1554	64,000	2.1333	(30,660)	(32.4%)	(32.4%)
51	Federal Carbon Charge	457,500	15.2500	457,500	15.2500	-	0.0%	0.0%
52	Transportation and Storage Charge	59,214	1.9738	0	0.0000	(59,214)	(100.0%)	(100.0%)
53	Gas Supply Commodity	319,926	10.6642	470,829	15.6943	150,903	47.2%	47.2%
54	Total Bill - Sales Service	931,300	31.0433	992,329	33.0776	61,029	6.6%	12.9%
55	Total Bill - Bundled Direct Purchase	1,082,203	36.0734	992,329	33.0776	(89,874)	(8.3%)	(14.4%)
56	Bundled Direct Purchase Impact					(98,538)	(14.7%)	(58.4%)
<u>Large Rate 20 to E22</u>		Demand 60,000 m <sup>3</sup> Annual Volume 15,000,000 m <sup>3</sup>						
57	Delivery Charges	367,583	2.4506	170,258	1.1351	(197,325)	(53.7%)	(53.7%)
58	Federal Carbon Charge	2,287,500	15.2500	2,287,500	15.2500	-	0.0%	0.0%
59	Transportation and Storage Charge	253,773	1.6918	0	0.0000	(253,773)	(100.0%)	(100.0%)
60	Gas Supply Commodity	1,599,630	10.6642	2,354,144	15.6943	754,514	47.2%	47.2%
61	Total Bill - Sales Service	4,508,486	30.0566	4,811,902	32.0793	303,416	6.7%	13.7%
62	Total Bill - Bundled Direct Purchase	5,263,000	35.0867	4,811,902	32.0793	(451,098)	(8.6%)	(15.2%)
63	Bundled Direct Purchase Impact					(488,229)	(15.5%)	(72.6%)
<u>Average Rate 25 to E30 North</u>		Demand 20,776 m <sup>3</sup> Annual Volume 2,275,000 m <sup>3</sup>						
64	Delivery Charges	81,608	3.5871	16,201	0.7121	(65,406)	(80.1%)	(80.1%)
65	Federal Carbon Charge	346,938	15.2500	346,938	15.2500	-	0.0%	0.0%
66	Transportation and Storage Charge	20,789	0.9138	40,665	1.7875	19,876	95.6%	95.6%
67	Gas Supply Commodity	218,557	9.6069	305,584	13.4322	87,027	39.8%	39.8%
68	Total Bill - Sales Service	667,891	29.3578	709,387	31.1818	41,496	6.2%	12.9%
69	Total Bill - Bundled Direct Purchase	754,918	33.1832	709,387	31.1818	(45,531)	(6.0%)	(11.2%)
70	Bundled Direct Purchase Impact						(10.1%)	(44.5%)
<u>Small Rate 100 to E22</u>		Demand 100,000 m <sup>3</sup> Annual Volume 27,000,000 m <sup>3</sup>						
71	Delivery Charges	339,465	1.2573	242,302	0.8974	(97,163)	(28.6%)	(28.6%)
72	Federal Carbon Charge	4,117,500	15.2500	4,117,500	15.2500	-	0.0%	0.0%
73	Transportation and Storage Charge	664,996	2.4629	0	0.0000	(664,996)	(100.0%)	(100.0%)
74	Gas Supply Commodity	2,879,334	10.6642	3,626,706	13.4322	747,372	26.0%	26.0%
75	Total Bill - Sales Service	8,001,295	29.6344	7,986,508	29.5797	(14,787)	(0.2%)	(0.4%)
76	Total Bill - Unbundled Direct Purchase	8,083,672	29.9395	7,986,508	29.5797	(762,159)	(9.4%)	(19.2%)
77	Unbundled Direct Purchase Impact						(2.2%)	(28.6%)
<u>Large Rate 100 to E22</u>		Demand 850,000 m <sup>3</sup> Annual Volume 240,000,000 m <sup>3</sup>						
78	Delivery Charges	2,767,122	1.1530	1,583,393	0.6597	(1,183,729)	(42.8%)	(42.8%)
79	Federal Carbon Charge	36,600,000	15.2500	36,600,000	15.2500	-	0.0%	0.0%
80	Transportation and Storage Charge	5,652,464	2.3552	0	0.0000	(5,652,464)	(100.0%)	(100.0%)
81	Gas Supply Commodity	25,594,080	10.6642	32,237,390	13.4322	6,643,310	26.0%	26.0%
82	Total Bill - Sales Service	70,613,666	29.4224	70,420,784	29.3420	(192,882)	(0.3%)	(0.6%)
83	Total Bill - Unbundled Direct Purchase	71,604,513	29.8352	70,420,784	29.3420	(6,836,193)	(9.5%)	(19.5%)
84	Unbundled Direct Purchase Impact						(3.0%)	(42.8%)

Notes:

- (1) EB-2024-0166, Exhibit F, Tab 1, Appendix D.
- (2) Bill impacts exclude Rider K and Rider R.

Calculation of Sales Service and Direct Purchase Bill Impacts for Typical Small and Large Customers - Three Rate Zones - With One Rate Zone Distribution  
 Union South Rate Zone

Line No.	Particulars	EB-2024-0166 - Current Approved (1)(2)		EB-2025-0064 - 2024 Proposed (2)			Bill Impact	
		Total Bill	Unit Rate	Total Bill	Unit Rate	Total Bill Change	Including Federal Carbon Charge	Excluding Federal Carbon Charge
		(\$)	(cents/m <sup>3</sup> )	(\$)	(cents/m <sup>3</sup> )	(\$)	(%)	(%)
		(a)	(b)	(c)	(d)	(e) = (c - a)	(f) = (e / a)	(g)
	<u>Small Rate M1 to Rate E01 South</u>	Annual Volume 2,200 m <sup>3</sup>						
1	Delivery Charges	453	20.5998	472	21.4326	18	4.0%	4.0%
2	Federal Carbon Charge	336	15.2500	336	15.2500	-	0.0%	0.0%
3	Transportation and Storage Charge	-	-	52	2.3504	52	100.0%	100.0%
4	Gas Supply Commodity	357	16.2433	345	15.6943	(12)	(3.4%)	(3.4%)
5	Total Bill - Sales Service	1,146	52.0930	1,204	54.7273	58	5.1%	7.1%
6	Total Bill - Bundled Direct Purchase	1,134	51.5441	1,204	54.7273	70	6.2%	8.8%
7	Bundled Direct Purchase Impact						8.9%	15.5%
	<u>Large Rate M1 to Rate E01 South</u>	Annual Volume 40,000 m <sup>3</sup>						
8	Delivery Charges	2,658	6.6459	2,548	6.3693	(111)	(4.2%)	(4.2%)
9	Federal Carbon Charge	6,100	15.2500	6,100	15.2500	-	0.0%	0.0%
10	Transportation and Storage Charge	-	-	810	2.0242	810	100.0%	100.0%
11	Gas Supply Commodity	6,497	16.2433	6,278	15.6943	(220)	(3.4%)	(3.4%)
12	Total Bill - Sales Service	15,256	38.1392	15,735	39.3378	479	3.1%	5.2%
13	Total Bill - Bundled Direct Purchase	15,036	37.5902	15,735	39.3378	699	4.6%	7.8%
14	Bundled Direct Purchase Impact						8.0%	26.3%
	<u>Small Rate M2 to Rate E02 South</u>	Annual Volume 60,000 m <sup>3</sup>						
15	Delivery Charges	4,933	8.2216	3,763	6.2724	(1,170)	(23.7%)	(23.7%)
16	Federal Carbon Charge	9,150	15.2500	9,150	15.2500	-	0.0%	0.0%
17	Transportation and Storage Charge	-	-	1,215	2.0242	1,215	100.0%	100.0%
18	Gas Supply Commodity	9,746	16.2433	9,417	15.6943	(329)	(3.4%)	(3.4%)
19	Total Bill - Sales Service	23,829	39.7148	23,545	39.2409	(284)	(1.2%)	(1.9%)
20	Total Bill - Bundled Direct Purchase	23,500	39.1659	23,545	39.2409	45	0.2%	0.3%
21	Bundled Direct Purchase Impact						0.3%	0.9%
	<u>Average Rate M2 to Rate E02 South</u>	Annual Volume 73,000 m <sup>3</sup>						
22	Delivery Charges	5,773	7.9082	4,345	5.9518	(1,428)	(24.7%)	(24.7%)
23	Federal Carbon Charge	11,133	15.2500	11,133	15.2500	-	0.0%	0.0%
24	Transportation and Storage Charge	-	-	1,478	2.0242	1,478	100.0%	100.0%
25	Gas Supply Commodity	11,858	16.2433	11,457	15.6943	(401)	(3.4%)	(3.4%)
26	Total Bill - Sales Service	28,763	39.4015	28,412	38.9203	(351)	(1.2%)	(2.0%)
27	Total Bill - Bundled Direct Purchase	28,362	38.8525	28,412	38.9203	49	0.2%	0.3%
28	Bundled Direct Purchase Impact						0.3%	0.9%
	<u>Large Rate M2 to Rate E02 South</u>	Annual Volume 250,000 m <sup>3</sup>						
29	Delivery Charges	16,762	6.7047	12,261	4.9044	(4,501)	(26.9%)	(26.9%)
30	Federal Carbon Charge	38,125	15.2500	38,125	15.2500	-	0.0%	0.0%
31	Transportation and Storage Charge	-	-	5,061	2.0242	5,061	100.0%	100.0%
32	Gas Supply Commodity	40,608	16.2433	39,236	15.6943	(1,372)	(3.4%)	(3.4%)
33	Total Bill - Sales Service	95,495	38.1979	94,682	37.8729	(813)	(0.9%)	(1.4%)
34	Total Bill - Bundled Direct Purchase	94,122	37.6490	94,682	37.8729	560	0.6%	1.0%
35	Bundled Direct Purchase Impact						1.0%	3.3%
	<u>Small Rate M4 to Rate E10 South</u>	Demand 4,800 m <sup>3</sup> Annual Volume 875,000 m <sup>3</sup>						
36	Delivery Charges	58,954	6.7376	46,324	5.2941	(12,630)	(21.4%)	(21.4%)
37	Federal Carbon Charge	133,438	15.2500	133,438	15.2500	-	0.0%	0.0%
38	Transportation and Storage Charge	-	-	2,384	0.2725	2,384	100.0%	100.0%
39	Gas Supply Commodity	142,128	16.2433	137,325	15.6943	(4,803)	(3.4%)	(3.4%)
40	Total Bill - Sales Service	334,520	38.2308	319,470	36.5109	(15,049)	(4.5%)	(7.5%)
41	Total Bill - Bundled Direct Purchase	329,716	37.6819	319,470	36.5109	(10,246)	(3.1%)	(5.2%)
42	Bundled Direct Purchase Impact						(5.3%)	(17.4%)
	<u>Large Rate M4 to Rate E10 South</u>	Demand 50,000 m <sup>3</sup> Annual Volume 12,000,000 m <sup>3</sup>						
43	Delivery Charges	472,901	3.9408	320,950	2.6746	(151,950)	(32.1%)	(32.1%)
44	Federal Carbon Charge	1,830,000	15.2500	1,830,000	15.2500	-	0.0%	0.0%
45	Transportation and Storage Charge	-	-	32,695	0.2725	32,695	100.0%	100.0%
46	Gas Supply Commodity	1,949,190	16.2433	1,883,315	15.6943	(65,875)	(3.4%)	(3.4%)
47	Total Bill - Sales Service	4,252,091	35.4341	4,066,960	33.8913	(185,131)	(4.4%)	(7.6%)
48	Total Bill - Bundled Direct Purchase	4,186,216	34.8851	4,066,960	33.8913	(119,256)	(2.8%)	(5.1%)
49	Bundled Direct Purchase Impact						(5.2%)	(25.2%)
	<u>Small Rate M5 to Rate E30 South</u>	Demand 7,500 m <sup>3</sup> Annual Volume 825,000 m <sup>3</sup>						
50	Delivery Charges	38,918	4.7173	14,591	1.7686	(24,327)	(62.5%)	(62.5%)
51	Federal Carbon Charge	125,813	15.2500	125,813	15.2500	-	0.0%	0.0%
52	Transportation and Storage Charge	-	-	967	0.1172	967	100.0%	100.0%
53	Gas Supply Commodity	134,007	16.2433	129,478	15.6943	(4,529)	(3.4%)	(3.4%)
54	Total Bill - Sales Service	298,737	36.2106	270,848	32.8301	(27,889)	(9.3%)	(16.1%)
55	Total Bill - Bundled Direct Purchase	294,208	35.6616	270,848	32.8301	(23,360)	(7.9%)	(13.9%)
56	Bundled Direct Purchase Impact						(14.2%)	(60.0%)

Calculation of Sales Service and Direct Purchase Bill Impacts for Typical Small and Large Customers - Three Rate Zones - With One Rate Zone Distribution  
 Union South Rate Zone

Line No.	Particulars	EB-2024-0166 - Current Approved (1)(2)		EB-2025-0064 - 2024 Proposed (2)			Bill Impact		
		Total Bill	Unit Rate	Total Bill	Unit Rate	Total Bill Change	Including Federal Carbon Charge	Excluding Federal Carbon Charge	
		(\$)	(cents/m <sup>3</sup> )	(\$)	(cents/m <sup>3</sup> )	(\$)	(%)	(%)	
		(a)	(b)	(c)	(d)	(e) = (c - a)	(f) = (e / a)	(g)	
	<u>Large Rate M5 to Rate E30 South</u>	Demand 70,000 m <sup>3</sup> Annual Volume 6,500,000 m <sup>3</sup>							
57	Delivery Charges	226,552	3.4854	85,210	1.3109	(141,341)	(62.4%)	(62.4%)	
58	Federal Carbon Charge	991,250	15.2500	991,250	15.2500	-	0.0%	0.0%	
59	Transportation and Storage Charge	-	-	7,618	0.1172	7,618	100.0%	100.0%	
60	Gas Supply Commodity	1,055,811	16.2433	1,020,129	15.6943	(35,682)	(3.4%)	(3.4%)	
61	Total Bill - Sales Service	2,273,613	34.9787	2,104,207	32.3724	(169,406)	(7.5%)	(13.2%)	
62	Total Bill - Bundled Direct Purchase	2,237,931	34.4297	2,104,207	32.3724	(133,724)	(6.0%)	(10.7%)	
63	Bundled Direct Purchase Impact						(11.0%)	(59.0%)	
	<u>Small Rate M7 to Rate E10 South</u>	Demand 165,000 m <sup>3</sup> Annual Volume 36,000,000 m <sup>3</sup>							
64	Delivery Charges	871,721	2.4214	877,690	2.4380	5,969	0.7%	0.7%	
65	Federal Carbon Charge	5,490,000	15.2500	5,490,000	15.2500	-	0.0%	0.0%	
66	Transportation and Storage Charge	-	-	98,084	0.2725	98,084	100.0%	100.0%	
67	Gas Supply Commodity	5,847,570	16.2433	5,649,946	15.6943	(197,624)	(3.4%)	(3.4%)	
68	Total Bill - Sales Service	12,209,291	33.9147	12,115,719	33.6548	(93,571)	(0.8%)	(1.4%)	
69	Total Bill - Bundled Direct Purchase	12,011,666	33.3657	12,115,719	33.6548	104,053	0.9%	1.6%	
70	Bundled Direct Purchase Impact						1.6%	11.9%	
	<u>Large Rate M7 to Rate E10 South</u>	Demand 720,000 m <sup>3</sup> Annual Volume 52,000,000 m <sup>3</sup>							
71	Delivery Charges	3,396,434	6.5316	3,483,559	6.6992	87,125	2.6%	2.6%	
72	Federal Carbon Charge	7,930,000	15.2500	7,930,000	15.2500	-	0.0%	0.0%	
73	Transportation and Storage Charge	-	-	141,676	0.2725	141,676	100.0%	100.0%	
74	Gas Supply Commodity	8,446,490	16.2433	8,161,033	15.6943	(285,457)	(3.4%)	(3.4%)	
75	Total Bill - Sales Service	19,772,924	38.0249	19,716,268	37.9159	(56,656)	(0.3%)	(0.5%)	
76	Total Bill - Bundled Direct Purchase	19,487,467	37.4759	19,716,268	37.9159	228,801	1.2%	2.0%	
77	Bundled Direct Purchase Impact						2.0%	6.7%	
	<u>Small Rate M9 to Rate E62 South (3)</u>	Demand 56,439 m <sup>3</sup> Annual Volume 6,950,000 m <sup>3</sup>							
78	Delivery Charges	209,336	3.0120	192,221	2.7658	(17,115)		(8.2%)	
79	Transportation and Storage Charge	-	-	14,027	0.2018	14,027		100.0%	
80	Gas Supply Commodity	1,128,906	16.2433	1,090,753	15.6943	(38,152)		(3.4%)	
81	Total Bill - Sales Service	1,338,242	19.2553	1,297,001	18.6619	(41,241)		(3.1%)	
82	Total Bill - Bundled Direct Purchase	1,300,090	18.7063	1,297,001	18.6619	(3,089)		(0.2%)	
83	Bundled Direct Purchase Impact							(1.5%)	
	<u>Large Rate M9 to Rate E62 South (3)</u>	Demand 168,100 m <sup>3</sup> Annual Volume 20,178,000 m <sup>3</sup>							
84	Delivery Charges	621,999	3.0826	560,223	2.7764	(61,776)		(9.9%)	
85	Transportation and Storage Charge	-	-	40,724	0.2018	40,724		100.0%	
86	Gas Supply Commodity	3,277,563	16.2433	3,166,795	15.6943	(110,768)		(3.4%)	
87	Total Bill - Sales Service	3,899,562	19.3258	3,767,742	18.6725	(131,820)		(3.4%)	
88	Total Bill - Bundled Direct Purchase	3,788,793	18.7769	3,767,742	18.6725	(21,051)		(0.6%)	
89	Bundled Direct Purchase Impact							(3.4%)	
	<u>Small Rate T1 to Rate E20 South</u>	Demand 25,750 m <sup>3</sup> Annual Volume 7,537,000 m <sup>3</sup>							
90	Delivery Charges	176,699	2.3444	166,133	2.2042	(10,565)	(6.0%)	(6.0%)	
91	Federal Carbon Charge	1,149,393	15.2500	1,149,393	15.2500	-	0.0%	0.0%	
92	Gas Supply Commodity	1,224,254	16.2433	1,182,879	15.6943	(41,375)	(3.4%)	(3.4%)	
93	Total Bill - Sales Service	2,550,345	33.8377	2,498,405	33.1485	(51,940)	(2.0%)	(3.7%)	
94	Total Bill - Bundled Direct Purchase	2,508,970	33.2887	2,498,405	33.1485	(10,565)	(0.4%)	(0.8%)	
95	Bundled Direct Purchase Impact						(0.8%)	(6.0%)	
	<u>Average Rate T1 to Rate E20 South</u>	Demand 48,750 m <sup>3</sup> Annual Volume 11,565,938 m <sup>3</sup>							
96	Delivery Charges	274,088	2.3698	249,115	2.1539	(24,973)	(9.1%)	(9.1%)	
97	Federal Carbon Charge	1,763,806	15.2500	1,763,806	15.2500	-	0.0%	0.0%	
98	Gas Supply Commodity	1,878,684	16.2433	1,815,192	15.6943	(63,492)	(3.4%)	(3.4%)	
99	Total Bill - Sales Service	3,916,578	33.8630	3,828,113	33.0982	(88,465)	(2.3%)	(4.1%)	
100	Total Bill - Bundled Direct Purchase	3,853,086	33.3141	3,828,113	33.0982	(24,973)	(0.6%)	(1.2%)	
101	Bundled Direct Purchase Impact						(1.2%)	(9.1%)	
	<u>Large Rate T1 to Rate E20 South</u>	Demand 133,000 m <sup>3</sup> Annual Volume 25,624,080 m <sup>3</sup>							
102	Delivery Charges	616,243	2.4049	527,500	2.0586	(88,744)	(14.4%)	(14.4%)	
103	Federal Carbon Charge	3,907,672	15.2500	3,907,672	15.2500	-	0.0%	0.0%	
104	Gas Supply Commodity	4,162,184	16.2433	4,021,518	15.6943	(140,665)	(3.4%)	(3.4%)	
105	Total Bill - Sales Service	8,686,099	33.8982	8,456,690	33.0029	(229,409)	(2.6%)	(4.8%)	
106	Total Bill - Bundled Direct Purchase	8,545,434	33.3492	8,456,690	33.0029	(88,744)	(1.0%)	(1.9%)	
107	Bundled Direct Purchase Impact						(2.0%)	(14.4%)	

Calculation of Sales Service and Direct Purchase Bill Impacts for Typical Small and Large Customers - Three Rate Zones - With One Rate Zone Distribution  
 Union South Rate Zone

Line No.	Particulars	EB-2024-0166 - Current Approved (1)(2)		EB-2025-0064 - 2024 Proposed (2)			Bill Impact		
		Total Bill	Unit Rate	Total Bill	Unit Rate	Total Bill Change	Including Federal Carbon Charge	Excluding Federal Carbon Charge	
		(\$)	(cents/m <sup>3</sup> )	(\$)	(cents/m <sup>3</sup> )	(\$)	(%)	(%)	
		(a)	(b)	(c)	(d)	(e) = (c - a)	(f) = (e / a)	(g)	
	<u>Small Rate T2 to Rate E20 South</u>	Demand 190,000 m <sup>3</sup> Annual Volume 59,256,000 m <sup>3</sup>							
108	Delivery Charges	818,702	1.3816	725,716	1.2247	(92,986)	(11.4%)	(11.4%)	
109	Federal Carbon Charge	9,036,540	15.2500	9,036,540	15.2500	-	0.0%	0.0%	
110	Gas Supply Commodity	9,625,101	16.2433	9,299,811	15.6943	(325,290)	(3.4%)	(3.4%)	
111	Total Bill - Sales Service	19,480,343	32.8749	19,062,067	32.1690	(418,276)	(2.1%)	(4.0%)	
112	Total Bill - Bundled Direct Purchase	19,155,053	32.3259	19,062,067	32.1690	(92,986)	(0.5%)	(0.9%)	
113	Bundled Direct Purchase Impact						(0.9%)	(11.4%)	
	<u>Average Rate T2 to Rate E20 South</u>	Demand 669,000 m <sup>3</sup> Annual Volume 197,789,850 m <sup>3</sup>							
114	Delivery Charges	2,035,557	1.0292	2,124,003	1.0739	88,446	4.3%	4.3%	
115	Federal Carbon Charge	30,162,952	15.2500	30,162,952	15.2500	-	0.0%	0.0%	
116	Gas Supply Commodity	32,127,501	16.2433	31,041,720	15.6943	(1,085,781)	(3.4%)	(3.4%)	
117	Total Bill - Sales Service	64,326,010	32.5224	63,328,675	32.0182	(997,335)	(1.6%)	(2.9%)	
118	Total Bill - Bundled Direct Purchase	63,240,230	31.9734	63,328,675	32.0182	88,446	0.1%	0.3%	
119	Bundled Direct Purchase Impact						0.3%	4.3%	
	<u>Large Rate T2 to Rate E20 South</u>	Demand 1,200,000 m <sup>3</sup> Annual Volume 370,089,000 m <sup>3</sup>							
120	Delivery Charges	3,404,458	0.9199	3,698,706	0.9994	294,247	8.6%	8.6%	
121	Federal Carbon Charge	56,438,573	15.2500	56,438,573	15.2500	-	0.0%	0.0%	
122	Gas Supply Commodity	60,114,484	16.2433	58,082,856	15.6943	(2,031,628)	(3.4%)	(3.4%)	
123	Total Bill - Sales Service	119,957,515	32.4132	118,220,134	31.9437	(1,737,381)	(1.4%)	(2.7%)	
124	Total Bill - Bundled Direct Purchase	117,925,886	31.8642	118,220,134	31.9437	294,247	0.2%	0.5%	
125	Bundled Direct Purchase Impact						0.5%	8.6%	
	<u>Large Rate T2 to Rate E24 South</u>	Demand 1,200,000 m <sup>3</sup> Annual Volume 370,089,000 m <sup>3</sup>							
126	Delivery Charges	3,404,458	0.9199	3,463,996	0.9360	59,538	1.7%	1.7%	
127	Federal Carbon Charge	56,438,573	15.2500	56,438,573	15.2500	-	0.0%	0.0%	
128	Gas Supply Commodity	60,114,484	16.2433	58,082,856	15.6943	(2,031,628)	(3.4%)	(3.4%)	
129	Total Bill - Sales Service	119,957,515	32.4132	117,985,424	31.8803	(1,972,091)	(1.6%)	(3.1%)	
130	Total Bill - Unbundled Direct Purchase	117,925,886	31.8642	117,985,424	31.8803	59,538	0.1%	0.1%	
131	Unbundled Direct Purchase Impact						0.1%	1.7%	
	<u>Large Rate T3 to Rate E64 South (3)</u>	Demand 2,350,000 m <sup>3</sup> Annual Volume 272,712,000 m <sup>3</sup>							
132	Delivery Charges	6,826,798	2.5033	6,722,105	2.4649	(104,693)		(1.5%)	
133	Gas Supply Commodity	44,297,294	16.2433	42,800,223	15.6943	(1,497,071)		(3.4%)	
134	Total Bill - Sales Service	51,124,091	18.7466	49,522,327	18.1592	(1,601,764)		(3.1%)	
135	Total Bill - Bundled Direct Purchase	49,627,021	18.1976	49,522,327	18.1592	(104,693)		(0.2%)	
136	Bundled Direct Purchase Impact							(1.5%)	

Notes:

- (1) EB-2024-0166, Exhibit F, Tab 1, Appendix D.
- (2) Bill impacts exclude Rider K and Rider R.
- (3) Rate M9 and Rate T3 customers are not charged the Federal Carbon Charge.

**AMENDED SETTLEMENT PROPOSAL**

**Enbridge Gas Inc. Application for approval of 2024 Rates – Phase 3**

**January 21, 2026**

## TABLE OF CONTENTS

	Description	Page
	Preamble	4
	Overview	9
	Impact of Settlement Proposal	13
	Unsettled Issues	16
	The Issues	17
<b>A. Rate Harmonization, Cost Allocation and Rate Design, and Gas Cost Common Reference Price Methodology</b>		
1.	Is the proposal for harmonization of rate zones and rate classes appropriate, including: a) The proposal for one rate zone. b) The proposal for harmonized rate classes.	17
2.	Is the 2024 Cost Allocation Study to allocate costs to the harmonized rate classes appropriate, including the methodologies?	23
3.	Is the proposed rate design of harmonized rate classes appropriate, including: a) Rate design for the general service rate classes. b) Rate design for the in-franchise contract rate classes. c) Rate design for the ex-franchise rate classes.	27
4.	Is the proposed rate design proposal for the gas supply charges and the applicability of the Parkway Delivery Commitment Incentive appropriate?	31
5.	Are the proposed services and related charges, and the ex-franchise terms and conditions for the harmonized rate classes appropriate?	33
6.	Are the proposed harmonized rates and related charges, based on the updated 2024 Revenue Requirement, just and reasonable?	41
7.	Is the proposal for a common reference price methodology appropriate? If so, is it appropriate for the setting of gas costs in relation to the 2024 Test Year gas cost forecast?	41
<b>B. Rate Implementation and Mitigation</b>		
8.	Is the proposed rate harmonization implementation plan appropriate?	42
9.	Is the rate mitigation plan for harmonized rate classes and Rider R – Rate Mitigation Rider appropriate?	44

<b>C. Deferral &amp; Variance Accounts</b>		
10.	Is the proposal for harmonization of the following gas supply variance accounts appropriate? a) Purchase Gas Variance Account (PGVA) (Account No. 179-101) b) Third-Party Transportation Variance Account (Account No. 179-102) c) Load Balancing Price Variance Account (Account No. 179-103) d) Inventory Revaluation Variance Account (Account No. 179-104) e) Market-Based Storage Variance Account (Account No. 179-204)	48
11.	Is the proposal to establish a new Rate Harmonization Variance Account appropriate?	50
12.	Should the OEB establish any other deferral or variance accounts related to the matters at issue in Phase 3?	51
<b>D. Other</b>		
13.	Has Enbridge Gas identified and responded appropriately to all relevant OEB directions and Enbridge Gas commitments made in OEB proceedings (inclusive of any relevant directions arising from the OEB's pending decision on Phase 2), including those relating to: a) an update on the Automated Metering Infrastructure pilot project; b) a report on the steps that it has taken to achieve the capital reduction set out in the Phase 1 Decision; c) reporting on the status of its responses to previous Integrated Resource Planning directions; d) filing updated written marketing materials or reference materials aimed at customers, potential customers, HVAC contractors or builders that include or previously included energy comparison information; and e) various cost allocation and rate design directives and commitments, including the study regarding interruptible rates.	52
<b>Appendix A</b>		
	List of services proposals for Issue #5	55

## PREAMBLE

Enbridge Gas's 2024 Rebasing application was filed under Ontario Energy Board (referred to herein as the OEB) docket number EB-2022-0200. The proceeding was later split into three phases through the OEB's Decision on the Issues List (Procedural Order No. 2 in Phase 1) and the subsequent Phase 1 Settlement Agreement reached amongst the Parties.

Phase 1 of the 2024 Rebasing proceeding (which retained docket number EB-2022-0200) was completed with a December 21, 2023 Decision and Order, and an Interim Rate Order that was effective May 1, 2024.

Phase 2 of the 2024 Rebasing proceeding (which received a new docket number EB-2024-0111) was completed with a January 1, 2025 Interim Rate Order (reflecting the settlement of most issues in the proceeding, as approved on November 29, 2024) and a May 29, 2025 Decision and Order for the remaining outstanding items.

The OEB subsequently issued EB-2025-0064 as the new docket number for Phase 3 of the 2024 Rebasing proceeding. In general, Phase 3 involves requests for approval of harmonized rates and services for the amalgamated utility, including an updated Cost Allocation Study.

This Amended Settlement Proposal pertains to Phase 3.

/u

Enbridge Gas filed its evidence for Phase 3 on February 28, 2025, and the OEB issued Procedural Order No. 1 on March 21, 2025.

Procedural Order No. 2, dated May 16, 2025, set out the Issues List for Phase 3. Procedural Order No. 3, dated August 1, 2025 set out the processes to address the Settlement Conference, including that Issues 13 (a) – (d) of the Issues List will proceed directly to hearing and will not be canvassed in the Settlement Conference, meaning that those issues are not addressed in this Settlement Proposal.<sup>1</sup>

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<sup>1</sup> These items, which were not discussed at the Settlement Conference, are as follows:

*13) Has Enbridge Gas identified and responded appropriately to all relevant OEB directions and Enbridge Gas commitments made in OEB proceedings (inclusive of any relevant directions arising from the OEB's pending decision on Phase 2), including those relating to:*

- a) an update on the Automated Metering Infrastructure pilot project;*
- b) a report on the steps that it has taken to achieve the capital reduction set out in the Phase 1 Decision;*
- c) reporting on the status of its responses to previous Integrated Resource Planning directions;*
- d) filing updated written marketing materials or reference materials aimed at customers, potential customers, HVAC contractors or builders that include or previously included energy comparison information;*

A Settlement Conference was held over more than 15 meeting dates in September, October and November 2025. There were many more days where the Parties (together or as smaller groups) met or communicated with one another to continue settlement discussions. Through this process, a settlement in principle was reached on all items eligible for settlement, with one exception. Parties worked through December 2025 to document the settlement, as set out in this Settlement Proposal and associated Draft Rate Order<sup>2</sup>. The Settlement Proposal was filed on December 18, 2025. The Draft Rate Order was filed at the same time as the Settlement Proposal. /u

Over December 2025 and January 2026, the Parties continued discussions on one unsettled item related to Issue 5. This process resulted in the resolution of that unsettled item, as reflected in this Amended Settlement Proposal. No other substantive changes to the originally filed Settlement Proposal resulted from these continued discussions. For simplicity, the Amended Settlement Proposal (which is substantially the same as the originally filed Settlement Proposal, except in relation to the one unsettled items related to Issue 5) is referred to as the “Settlement Proposal” in the balance of this document. /u

Enbridge Gas and the following intervenors participated in the Settlement Conference:

- Association of Power Producers of Ontario (APPrO)
- Building Owners and Managers Association, Toronto (BOMA)
- Canadian Biogas Association (CBA)
- Canadian Manufacturers & Exporters (CME)
- Consumers Council of Canada (CCC)
- Energy Probe Research Foundation (EP)
- Environmental Defence (ED)
- Federation of Rental-housing Providers of Ontario (FRPO)
- Ginoogaming First Nation (GFN)
- Industrial Gas Users Association (IGUA)
- Kitchener Utilities (Kitchener)
- London Property Management Association (LPMA)
- Minogi Corp. (Minogi)
- Ontario Association of Physical Plant Administrators (OAPPA)
- Ontario Greenhouse Vegetable Growers (OGVG)
- Ontario Home Builders Association (OHBA)
- Ontario Petroleum Institute (OPI)
- Pollution Probe (PP)
- Quinte Manufacturers Association (QMA)
- School Energy Coalition (SEC)
- Six Nations Natural Gas Company Limited (SNNG)
- Three Fires Group Inc. (Three Fires)

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<sup>2</sup> The Phase 3 Draft Rate Order (including all attachments and schedules) has been reviewed by the Parties in advance of its filing. The Phase 3 Draft Rate Order, dated December 18, 2025, is referred to in this Settlement Proposal as the “Draft Rate Order”.

## Vulnerable Energy Consumers Coalition (VECC)

All intervenors listed above (the “Intervenors”) participated in some, or all, of the Settlement Conference and subsequent discussions. As stipulated in Procedural Order No. 3, OEB staff did not attend the Settlement Conference and is not a party to the Settlement Proposal. OHBA takes no position on any aspect of the Settlement Proposal and is not a party to the Settlement Proposal.

In this Settlement Proposal, the above-listed Intervenors (except for OHBA) and Enbridge Gas are referred to as the “Parties”.

Enbridge Gas wishes to acknowledge the efforts made by the Intervenors, including in coordinating amongst themselves in order to present organized and comprehensive positions on the various issues negotiated, and the Intervenors wish to acknowledge the efforts made by, Enbridge Gas to provide information and respond to many questions and requests for supplementary analyses, all of which have allowed the Parties through active, constructive and responsible engagement to reach complete settlement on almost all Phase 3 issues. These efforts have enhanced regulatory efficiency and resulted in both a robust settlement proposal and a significantly shorter hearing process for Phase 3 than would otherwise have been the case.

As noted, the Parties have reached complete agreement on almost all items in this Phase 3 process. The only exception is that there is no agreement on Issues 13 (a) – (d), because the OEB directed that these items will proceed directly to hearing. /u

Collectively, the completely settled and partially settled issues are referred to as the “Settled Issues” in this Settlement Proposal. There is no disagreement with any of the completely or partially settled issues – in other words, no Party objects to what is identified as settled.

The CBA participated primarily in the negotiation and resolution of Issue 3 c) as it relates to ex-franchise rates applicable to the injection service that Enbridge Gas provides to producers of renewable natural gas and takes no position on any other Issue except to the extent that they relate to the proposed injection services.

This document is called a “Settlement Proposal” because it is a proposal by the Parties to the OEB to settle certain issues in this proceeding. It is termed a proposal as between the Parties and the OEB. However, as between the Parties, and subject only to the OEB’s approval of this Settlement Proposal, this document is intended to be a legal agreement, creating mutual obligations, and is binding and enforceable in accordance with its terms. As set forth below, this Settlement Proposal is subject to a condition subsequent, that if it is not accepted by the OEB in its entirety, then unless amended by the Parties it is null and void and of no further effect. In entering into this agreement, the Parties understand and agree that, pursuant to the *Ontario Energy Board Act, 1998*, the OEB has exclusive jurisdiction with respect to the interpretation or enforcement of the terms hereof. No

amendment or modification to this agreement shall be enforceable unless reduced to writing and mutually agreed upon by the Parties and accepted by the OEB.

Many of the Settled Issues represent compromises from the position that parties would take on certain items if addressed in isolation. However, the Parties agree to the Settled Issues in total. It is fundamental to the agreement of the Parties that none of the provisions of this Settlement Proposal are severable. If the OEB does not accept the provisions of the Settlement Proposal in their entirety, there is no Settlement Proposal (unless the Parties agree that any portion of the Settlement Proposal that the OEB does accept may continue as a valid Settlement Proposal).

It is understood and agreed that none of the Parties can withdraw from the Settlement Proposal except in accordance with Rule 30 of the *Ontario Energy Board Rules of Practice and Procedure*. Further, unless stated otherwise, a settlement of any particular issue in this proceeding is without prejudice to the positions the Parties might take with respect to the same issue in future proceedings, whether or not Enbridge Gas is a party to the proceeding, in which such issue is otherwise properly raised.

The Settlement Proposal describes the agreements reached on the Settled Issues. The Settlement Proposal provides a direct link between each Settled Issue and the supporting evidence in the record to date and/or the additional evidence attached hereto.

Best efforts have been made to identify all of the evidence that relates to each Settled Issue. The supporting evidence for each Settled Issue is identified individually by reference to its exhibit number in an abbreviated format; for example, Exhibit 1, Tab 1, Schedule 1 is referred to as 1.1.1. The interrogatory responses have been grouped by Exhibit and Tab. The identification and listing of the evidence that relates to each Settled Issue is provided to assist the OEB.

Some aspects of the settlement are different from what is included in Enbridge Gas's prefiled evidence. Key items for which this is the case are the rate zones proposal (Issue 2), the general service rate design proposal (Issue 3) and the rate mitigation proposal (Issue 9). While the settled version of each of these proposals is premised, and builds, upon Enbridge Gas's filing, the details of what has been agreed are different from any of the alternatives set out in the prefiled evidence. To support the Settlement Proposal, Enbridge Gas has created additional evidence setting out the details of the three items noted above. The additional evidence is included with the Draft Rate Order.

The Parties are of the view that the evidence provided, inclusive of the materials included in the Draft Rate Order, is sufficient to support the Settlement Proposal in relation to the Settled Issues and, moreover, that the quality and detail of the supporting evidence, together with the corresponding rationale, will allow the OEB to make findings agreeing with the proposed resolution of the Settled Issues.

The Parties acknowledge that all data, documents or information provided and any

discussions, including negotiations, admissions, concessions, offers and counter-offers occurring during the course of the Settlement Conference (settlement information), including subsequent related discussions, are privileged and confidential and without prejudice in accordance with (and subject to the exceptions set out in) the OEB's *Practice Direction on Settlement Conferences* (see pages 4-5 of the OEB's *Practice Direction on Settlement Conferences*, as revised February 17, 2021). Without derogation of the foregoing, the Parties have agreed that certain information provided by Enbridge Gas during the Settlement Conference in response to written information requests will be publicly filed with the OEB. This will be filed at or around the same time as the Settlement Proposal, using the descriptor "ADR Information Requests".

Filed with this Settlement Proposal is a Draft Rate Order which supports the proposed settlement. The Parties acknowledge that the Draft Rate Order and its appendices and attachments were prepared by Enbridge Gas. While the Intervenors have reviewed the Draft Rate Order and its appendices and attachments, the Intervenors are relying on their accuracy and the underlying evidence in entering into this Settlement Proposal.

## OVERVIEW

Enbridge Gas's 2024 Rebasing proceeding has involved a large number of items and issues related to setting rates for 2024, including many items related to the amalgamation and integration of Enbridge Gas Distribution (EGD) and Union Gas (Union). This Phase 3 Rebasing proceeding is the final stage of the rebasing process. It generally involves the approval of harmonized rates and services for the amalgamated utility (including a Cost Allocation Study). Enbridge Gas seeks approval of the harmonized rates in this proceeding, based on 2024 approved revenue requirement, and will then implement the updated rates in or around 2027, after all necessary preparation work is complete. The implemented harmonized rates will reflect the annual rate updates (using the price cap mechanism approved in Phase 2) for 2025, 2026 and 2027. Enbridge Gas will seek approval of the updated harmonized rates in its 2027 Rates Application. Also, as part of the 2027 Rates Application, Enbridge Gas will provide an update to its Rate Harmonization Implementation Plan for the harmonized rates.

The Parties engaged in a lengthy and productive Settlement Conference for Phase 3. Through diligent efforts, constructive discussion and extensive co-operation, the Parties have resolved every item eligible for settlement from the Phase 3 Issues List. If the Settlement Proposal is approved, there would be an OEB hearing to determine the four unresolved items (Issues 13(a) to (d)), which the OEB designated for hearing. /u

The overall settlement would allow Enbridge Gas to implement harmonized rates and services across its entire service territory. For cost allocation and rate design purposes, Enbridge Gas would implement a single rate zone for distribution costs and three rate zones (North, Central and South) for gas supply, storage and transmission costs. This recognizes the commonality of distribution costs and the difference in gas costs for different areas of the Company's service territory. For general service customers, volumetric rates would continue to apply, as compared to the Company's proposal for a "straight fixed variable with demand" (SFVD) rate design. For contract customers, the rates that apply would be substantially similar to what Enbridge Gas proposed in evidence.

Recognizing that there will be some material rate impacts on customers as they transition to the harmonized rates and experience the impacts of the first comprehensive Cost Allocation Study completed for more than 10 years, the Parties have agreed on a Rate Mitigation Plan. This Rate Mitigation Plan will see the impact of the harmonized rates phased in over five years, and limits the bill impacts for customers to maximum average (for legacy rate classes) annual bill increases of 3% or less<sup>3</sup>, and measures to limit bill increases as much as practical for all customers. All parties agree that the Company's rate mitigation approach as set out in this Settlement Proposal

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<sup>3</sup> Note that the overall bill no longer includes the federal carbon charge, which is different from the bill impacts and proposed mitigation plan set out in the prefiled evidence.

optimizes mitigation across all customers.

### **Description of the Settled Issues**

A summary of the key Settled Issues is set out below. This is intended to assist the OEB with an overall high-level view of what will be resolved if the Settlement Proposal is accepted.<sup>4</sup> Full detail is provided in the Issues section of the Settlement Proposal.

*a) Harmonization of rate zones (Issue 1)*

Enbridge Gas will have one rate zone for distribution costs and three rate zones for gas supply, storage and transmission costs. The three rate zones would be: (i) a North rate zone, which includes 0.2 million customers (or 6% of Enbridge Gas's total customers); (ii) a Central rate zone for the combined Central and East service areas which includes 2.4 million customers (or 63% of Enbridge Gas's total customers); and (iii) a South rate zone which includes 1.2 million customers (or 31% of Enbridge Gas's total customers).

*b) Harmonization of rate classes (Issue 1)*

Enbridge Gas will have new rate classes that will apply to all customers regardless of rate zone. There will be 2 general service rate classes and 16 contract rate classes (including 4 that relate to ex-franchise customers).

*c) Cost Allocation Study (Issue 2)*

Enbridge Gas has prepared an updated Cost Allocation Study, reflecting the agreed approach for rate zones, along with three other changes agreed between the Parties. The updated Cost Allocation Study, for which Enbridge Gas seeks OEB approval, is filed as Appendix D to the Draft Rate Order.

*d) General Service rate design (Issue 3(a))*

Enbridge Gas will implement two rate classes for general service customers – Rate E01 and Rate E02. Enbridge Gas will use a volumetric rate design for its general service rates, rather than the proposed SFVD rate design. There will be a modified design for the volumetric rates for Rates E01 and E02, compared to the Company's filed (alternative) proposal for volumetric rates. The main difference from the Company's filed alternative proposal is that the "break point" (divider) between Rate E01 and Rate E02 will be 50,000 m<sup>3</sup> annual volume (as compared to the proposed 15,000 m<sup>3</sup> break point). This is consistent with the current approved break point for general service rate classes in the Union rate zones. This will mean fewer customers will change rate classes. Enbridge Gas will update the presentation and calculation of delivery rates for Rates E01 and E02, so that the Company can recover distribution costs in a common delivery charge and have rate zone specific

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<sup>4</sup> In the event of any inconsistency between the description of the Settled Issues in this Summary and the descriptions of the Settled Issues in the Issues section of the Settlement Proposal, the description in the Issues section is intended to represent the positions of the Parties to the Settlement Proposal.

gas supply, storage and transportation charges.<sup>5</sup>

e) *Contract rate design (Issue 3(b))*

Enbridge Gas will implement its harmonized contract rates as proposed with minor changes.

f) *Ex-franchise rate design (Issue 3(c))*

Enbridge Gas will implement its harmonized ex-franchise contract rates as proposed with minor changes to the “station fees” for Rate E80 (Producer services).

g) *Gas supply charges and common reference price methodology (Issues 4 and 7)*

Enbridge Gas will maintain a common weighted average reference price (WARP) for the calculation of unaccounted for gas (UFG), compressor fuel, own use gas and gas in inventory, as these costs are common across rate zones. Enbridge Gas will establish a separate WARP for sales service customers in each rate zone (North, Central, South) to ensure that rates recover the rate zone specific gas supply portfolio costs on a forecast basis.

Enbridge Gas will implement a separate gas supply commodity charge for each rate zone and separate gas supply transportation charges for each rate zone based on the allocated costs for each rate zone. There will be a common gas supply administration cost for all rate zones.

Enbridge Gas will expand the availability of the Parkway Delivery Commitment Incentive (PDCI) credit to certain bundled direct purchase (DP) customers in the current EGD rate zone.

h) *Terms and conditions of service (Issue 5)*

Subject to some stipulated exceptions and changes, Enbridge Gas will implement the terms and conditions for its harmonized services as proposed in evidence.

i) *Rate harmonization plan (Issue 8)*

Enbridge Gas seeks approval of the harmonized rates in this proceeding, based on the 2024 approved revenue requirement, and will then implement the updated rates at the beginning of or during 2027, assuming all necessary preparation work is complete. The implemented harmonized rates will reflect the annual rate updates (using the price cap mechanism approved in Phase 2) for 2025, 2026 and 2027. In the 2027 Rates Application, which will be filed in mid 2026, Enbridge Gas will seek approval of the updated harmonized rates, reflecting the PCI adjustments for prior

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<sup>5</sup> Note that as part of the rate mitigation plan the volumetric delivery charge for Rate E01 will temporarily be different for the South rate zone as compared to the North and Central rate zones and until such time (assumed to be 2029) when the fixed delivery charges for each rate zone are set at the same level.

years, as well as the impacts of the Rebasing Phase 2 Settlement Agreement.

Enbridge Gas will proceed with a Rate Harmonization Plan that will see the harmonized rates implemented in two phases during 2027. One phase will implement the harmonized contract rates and services, and the other will implement the harmonized general service rates. The Company will provide a more detailed Rate Harmonization Implementation Plan as part of its 2027 Rates Application. Enbridge Gas anticipates that the 2027 Rates Application will also include proposals for rate adjustments resulting from the mid-year implementation of harmonized rate classes and rate design changes.

*j) Rate mitigation plan (Issue 9)*

Enbridge Gas will implement a Rate Mitigation Plan using rate riders. This Rate Mitigation Plan will see the impact of the harmonized rates phased in over five years, and limits the bill impacts for customers to maximum average (for legacy rate classes) annual bill increases of 3% or less, and measures to limit bill increases as much as practical for all customers.

Enbridge Gas will use both fixed and volumetric unit rate riders to ensure an optimal distribution of the mitigation across various customers of different sizes in the applicable classes. Funding for the mitigation will come first from within the same harmonized rate class that receives the mitigation benefit and then, where necessary, from customers in other rate classes with the largest average total bill decreases.

By incorporating these principles, the Phase 3 bill impacts will be phased in over a five-year period from the implementation date in 2027 to 2031. Enbridge Gas proposes to implement the mitigation riders (Rider R) over 5 years, with changes every 12 months. The rate mitigation credits and charges decrease evenly over the five-year period until they expire in year 4 with final bill impacts and unmitigated rates in effect by year 5.

*k) Gas supply deferral and variance accounts (Issue 10)*

Enbridge Gas will implement harmonized gas supply variance accounts, generally as proposed in evidence. For the PGVA and Third-Party Transportation Variance Accounts, separate accounts will be created for each of the North, Central and South rate zones.

*l) Other accounts, including Rate Harmonization Variance Account (Issues 11 and 12)*

Enbridge Gas will establish a Rate Harmonization Variance Account (RHVA) to record differences to forecast revenue that are attributable to customers switching rate classes as a result of the implementation of new rate classes.

Enbridge Gas will withdraw its request for a Volume Variance Account (VOLUVAR),

without prejudice to Enbridge Gas being able to advance a request for a VOLUVAR or similar mechanism as part of the 2029 Rebasing proceeding.

*m) Information to be provided to Indigenous Working Group (Other Issues – Issue 13)*

Enbridge Gas will support the consultation and discussions of the Indigenous Working Group (IWG) about “whether and if so, how, there should be any differential in rates for First Nations, Indigenous communities and reserves as compared to other gas consumers for the purposes of potentially developing proposals for OEB review and approval” by providing to the IWG as much of the following information as is available by no later than March 31, 2026: (i) Enbridge Gas’s best information as to the current number of its on-reserve First Nations gas customers in Ontario; (ii) particulars of any studies Enbridge Gas has conducted or made use of to determine the appliance inventory, housing types and/or usage patterns of its customers in different classes, including whether the studies included First Nations and Indigenous customers and whether the data for any such customers can be separated out; and (iii) any other existing documents that are material and relevant showing Enbridge Gas’s current information about the topics noted in item (ii). The Indigenous members of the IWG may retain an expert, using established IWG practices and budgets, to obtain any information about Indigenous customers from items (i) and (ii) above that Enbridge Gas does not have.

**Financial Impact of Settlement Proposal**

The Settlement Proposal supports the approval of harmonized rates to recover Enbridge Gas’s approved 2024 revenue requirement, as set out in the EB-2022-0200 Phase 1 Rate Order and updated in the July 2024 EB-2024-0166 QRAM application.

In prefiled evidence, Enbridge Gas set out two changes to the EB-2022-0200 revenue requirement for 2024 to be recovered through the harmonized rates.

- a) First, there is a reduction of \$18.6 million to reflect lower gas costs included in rates based on the 2024 gas supply plan.
- b) Second, there is an increase of \$1 million to recognize the additional costs of expanding the eligibility of the PDCI credit, as set out under Issue 4 below.

As a result of the settlement of Issue 5, described below, there is one additional adjustment. Parties have agreed that Enbridge Gas will continue to offer consolidated billing to customers in the Union rate zone currently receiving that service. This will result in an incremental revenue deficiency of approximately \$0.9 million.

These items are summarized in the following table.

Restatement of Enbridge Gas's 2024 Revenue Requirement

Line No.	Particulars (\$ millions)	Total (a)
	<u>Restatement of 2024 Revenue Requirement</u>	
1	Phase 1 Rate Order (1)	6,150.3
2	July 2024 QRAM Revenue Update (2)	<u>(803.7)</u>
3	Current Approved Revenue - Phase 3	5,346.6
4	2024 Revenue Requirement - Phase 3	<u>5,329.9</u>
5	Phase 3 Revenue (Deficiency)/Sufficiency	<u>16.7</u>
	<u>Rate Order and Phase 3 Adjustments (3)</u>	
6	Consolidated billing adjustment	(0.9)
7	Parkway Delivery Commitment Incentive cost	(1.0)
8	Gas costs included in rates	<u>18.6</u>
9	Phase 3 Revenue (Deficiency)/Sufficiency	<u><u>16.7</u></u>

Notes:

- (1) EB-2022-0200 Rate Order, Working Papers Schedule 16, line 14 column (j).
- (2) EB-2024-0166.
- (3) Positive adjustments decrease the revenue requirement and result in a revenue sufficiency. Negative adjustments increase the revenue requirement and result in a revenue deficiency.

Enbridge Gas has designed rates to recover the adjusted Phase 3 revenue requirement of \$5,329.9 million. This adjustment for Phase 3 results in a decrease to rates, or a revenue sufficiency, of \$16.7 million.

Details of the foregoing are set out in the Draft Rate Order being filed with this Settlement Proposal.

## Bill Impacts

The total bill impacts for a typical residential and small commercial sales service customer in each rate zone resulting from Phase 3 Settlement Proposal, as compared to Enbridge Gas’s approved interim 2024 Rates (EB-2022-0200) at July 2024 QRAM gas costs and prior to mitigation, are shown below.

Typical General Service Bill Impacts (Excluding Rate Mitigation Rider)

<u>Rate Class</u>	<u>Annual Consumption (m<sup>3</sup>)</u>	<u>Total Bill Impact (\$)</u>	<u>Total Bill Impact (%)</u>
		(a)	(b)
<u>Central Rate Zone</u>			
Rate 1	2,400	\$14.41	1.6%
Rate 6	22,606	(\$506.48)	(7.8%)
Rate 01 North East	2,200	(\$187.11)	(17.5%)
Rate 10 North East	93,000	(\$6,785.72)	(23.3%)
<u>North Rate Zone</u>			
Rate 01 North West	2,200	\$2.22	0.2%
Rate 01 North East	2,200	(\$162.00)	(15.1%)
Rate 10 North West	93,000	\$593.93	2.6%
Rate 10 North East	93,000	(\$5,634.30)	(19.4%)
<u>South Rate Zone</u>			
Rate M1	2,200	\$57.94	7.1%
Rate M2	73,000	(\$351.55)	(2.0%)

The foregoing are typical bill impacts, and there are in each customer class a range of impacts as among customers in that class. Enbridge Gas will implement a Rate Mitigation Rider (Rider R) to smooth the bill impacts of implementing the Rate Harmonization Plan, which rider is designed to also address the “outliers” in terms of impacts in each rate class. The Rate Mitigation Rider will be in place over a five-year period from the proposed implementation date in 2027 to 2031. The rate mitigation credits and charges under Rider R decrease evenly over the five-year period until they expire in year 4 with final bill impacts and unmitigated rates in effect by year 5.

The bill impacts for a typical residential and small commercial sales service customer in each rate zone resulting from Enbridge Gas’s proposals in the first year of implementation, including the impacts of the Rate Mitigation Rider and excluding the federal carbon charge, are shown below.

Typical General Service Bill Impacts (Including Rate Mitigation Rider)  
First Year of Implementation

Rate Class	Annual Consumption (m <sup>3</sup> )	Total Bill Impact (\$) (a)	Total Bill Impact (%) (b)
<u>Central Rate Zone</u>			
Rate 1	2,400	\$14.41	1.6%
Rate 6	22,606	(\$833.11)	(12.8%)
Rate 01 North East	2,200	(\$150.31)	(14.0%)
Rate 10 North East	93,000	(\$4,234.22)	(14.5%)
<u>North Rate Zone</u>			
Rate 01 North West	2,200	\$2.22	0.2%
Rate 01 North East	2,200	(\$150.50)	(14.0%)
Rate 10 North West	93,000	\$422.93	1.8%
Rate 10 North East	93,000	(\$4,152.30)	(14.3%)
<u>South Rate Zone</u>			
Rate M1	2,200	\$23.44	2.9%
Rate M2	73,000	(\$351.55)	(2.0%)

More details about rate impacts, including impacts for contract rate classes (before and after mitigation) are included in the Draft Rate Order. The bill impacts for average contract rate classes are set out below, in the table included at Issue 9 which shows average first year bill impacts for all customers without and with rate mitigation.

**Unsettled Issues**

/u

There is no agreement on, and was no discussion of, Issues 13 (a) – (d), because the OEB directed that these items will proceed directly to hearing. These items relate to whether Enbridge Gas has responded appropriately to OEB directions and Enbridge Gas commitments related to plans for an automated metering infrastructure (AMI) pilot project, capital budget reductions for 2024, IRP and energy comparison marketing material.

Each of these items will be determined by the OEB.

**THE ISSUES**

The subsections that follow set out the specific agreement on each Settled Issue.

Unless stated otherwise, all issues are completely settled. As stated above, the CBA primarily participated only in the negotiation and settlement of Issue 3 c) and takes no position on any other Settled Issue except in the limited circumstances where an issue

impacted the settlement of issue 3 b). With those exceptions, all the Parties agree to the settlement of each Settled Issue.

**A. Rate Harmonization, Cost Allocation and Rate Design, and Gas Cost  
Common Reference Price Methodology**

- 1. Is the proposal for harmonization of rate zones and rate classes appropriate, including:
  - a) The proposal for one rate zone.**
  - b) The proposal for harmonized rate classes.****

Through the settlement process, the Parties have agreed to harmonize Enbridge Gas's rate zones and rate classes.

The agreed approach for the harmonization of rate classes will see one rate zone for distribution costs (full harmonization) and three rate zones for gas supply, storage and transmission costs, reflecting the different costs to serve different areas.

The agreed approach for harmonization of rate classes will see the same new rate classes apply across the full Enbridge Gas service territory, following the approach set out in the prefiled evidence.

a) Rate Zones

Enbridge Gas currently has four rate zones, based on the historical approach of EGD and Union. The rates for each rate zone are different. For reference, the map below sets out Enbridge Gas's current rate zones.

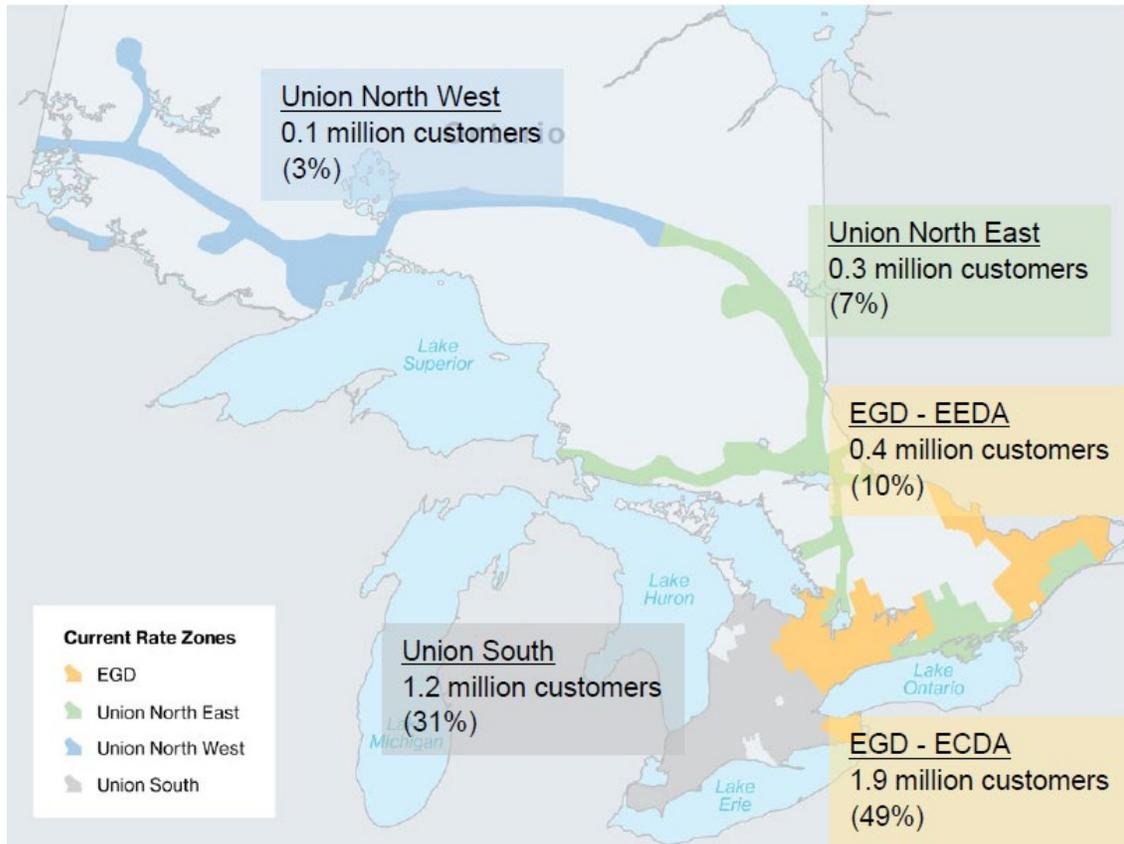
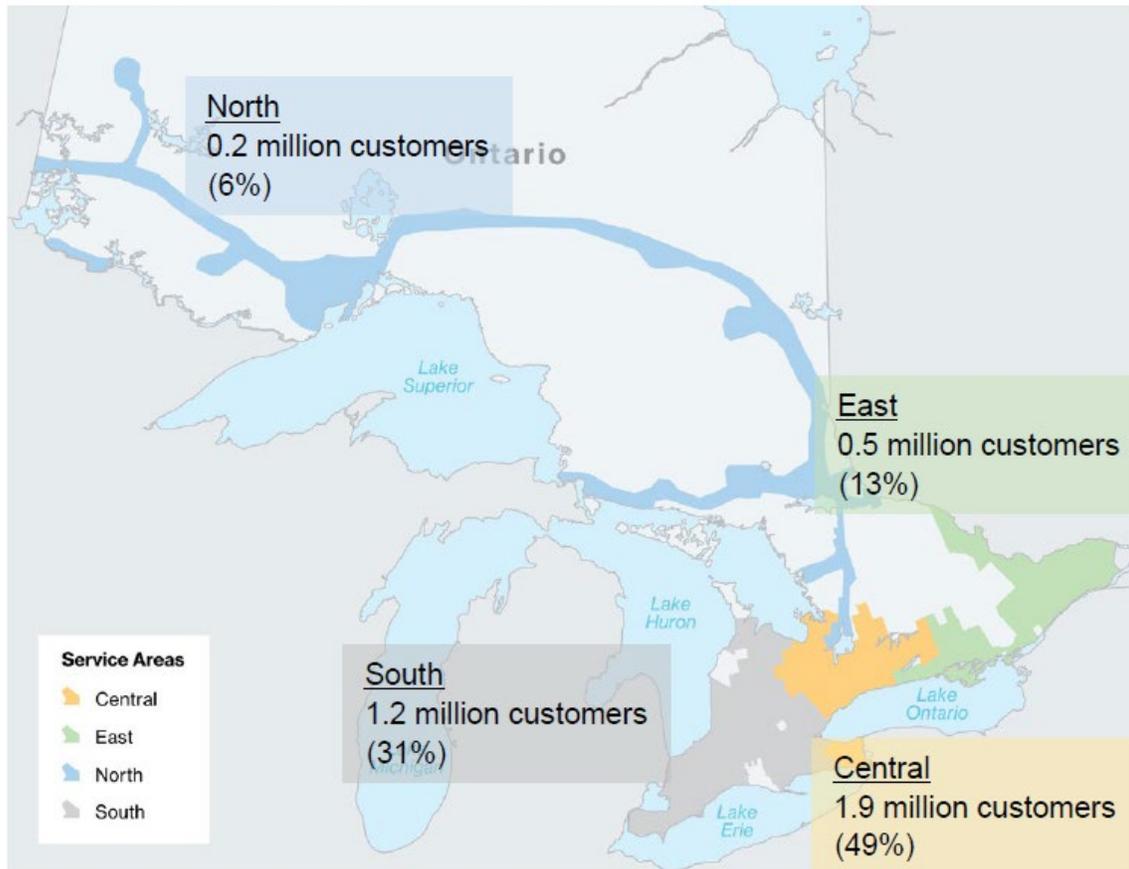


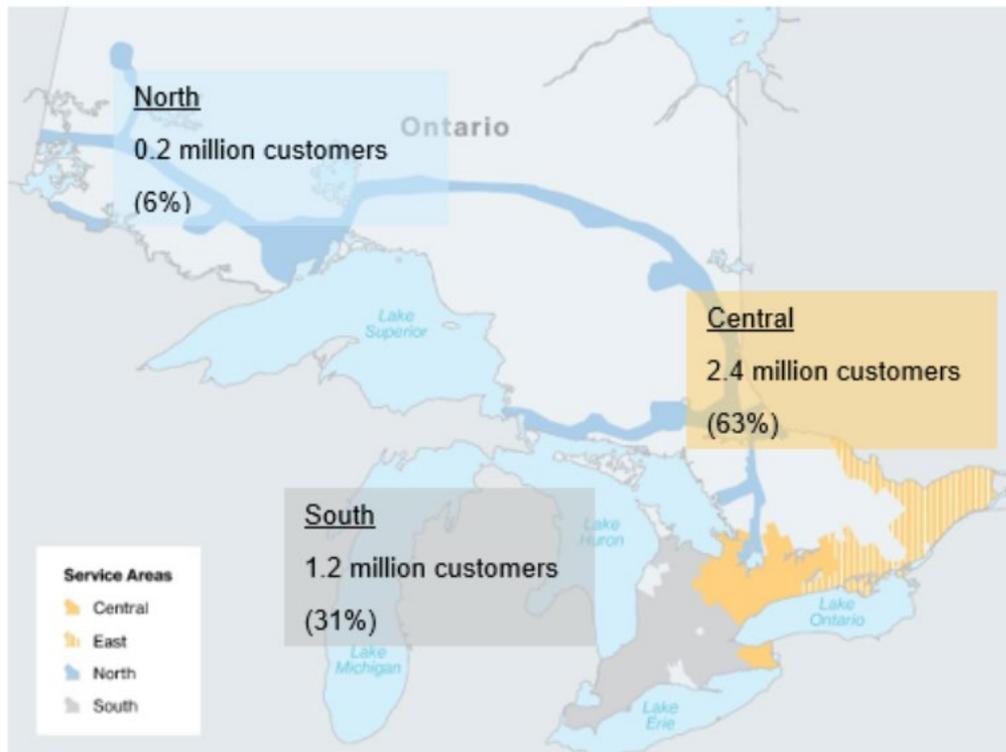
Exhibit 7, Tab 0, Schedule 1 set out Enbridge Gas’s proposal for how to harmonize its current rate zones. Enbridge Gas proposed a cost allocation and rate design based on one rate zone for rates and services. This proposal recognized regional differences in the allocation of gas supply transportation and transmission costs to the harmonized rate classes.

Enbridge Gas also provided several rate zone alternatives for comparison, including its preferred alternative should the OEB support more than one rate zone. Enbridge Gas considered the proposed service areas of Central, East, North, and South for possible alternative rate zones. Below is a map of the proposed service areas, including the total number of customers located in each service area.



Enbridge Gas's preferred alternative, should its single rate zone proposal not be accepted, included one common rate zone for distribution costs and two rate zones with regional allocations for gas supply, storage and transmission costs. The two rate zones were: (i) a new North rate zone for the combined North and East service areas, which included 0.7 million customers (or 20%); and (ii) a new South rate zone for the combined South and Central service areas, which included 3.1 million customers (or 80%).

Through the settlement process, the Parties have agreed upon a variation of Enbridge Gas's preferred alternative. Specifically, the Parties have agreed upon one rate zone for distribution costs and three rate zones for gas supply, storage and transmission costs. The three rate zones would be: (i) a new North rate zone, which includes 0.2 million customers (or 6%); (ii) a new Central rate zone for the combined Central and East service areas which includes 2.4 million customers (or 63%); and a new South rate zone which includes 1.2 million customers (or 31%). Below is a map of the three agreed rate zones, including the total number of customers located in each service area:



The new proposal is different from any of the scenarios that are described in prefiled evidence. Further details are set out in the Draft Rate Order.

In relation to the settlement on rate zones (one rate zone for distribution costs and three rate zones for gas supply, storage and transmission costs), the Parties have the following overall comments that are important context for the OEB to understand when reviewing this item.

The Parties collectively endorse this comprehensive settlement despite the view of some that it is preferable to continue to move rates towards better reflection of cost causality, subject to continuing to manage near term impacts on individual customers (for example those customers in Eastern Ontario), and the view of other parties that single zone postage stamp rates would be reasonable.

For this reason, to have the information to better understand the need (or not) for future adjustments to rate zones, all Parties agree that it is important for Enbridge Gas to continue to track gas supply (including transportation, transmission, storage and load balancing) costs incurred to serve each of Enbridge Gas's operational areas (i.e. the zones identified in the evidence regarding the "four rate zone alternative", which is the same as the four "service territories" in the second map above). This information will allow all Parties in a future cost of service proceeding to understand how gas related costs are allocated among customers and operational areas and whether reconsideration of these allocations is warranted in the future.

b) Harmonized Rate Classes Proposal

As described at Exhibit 8, Tab 2, Schedule 1, Enbridge Gas applied seven guiding principles in assessing and developing a harmonized approach to its rate classes, to create new rate classes that would apply to all customers regardless of rate zone.

Enbridge Gas's harmonized rate class proposal simplifies the total number of rate classes from the current 42 rate classes to 16 rate classes. The table included on the following page of the Settlement Proposal (reproduced from the prefiled evidence) sets out the proposed harmonized rate classes, along with the current rate classes from each current rate zone that would be replaced by the harmonized rate classes.

Mapping of Current Rate Classes to Harmonized Rate Classes

Line No.	Service Type & Rate Class No.	Harmonized Rate Class Description	Current Rate Zone		
			EGD	Union North	Union South
1	<u>In-franchise General Service</u> Rate E01	Small Volume General Service	Rate 1 - annual volume ≤ 50,000 m³ Rate 6 - annual volume ≤ 50,000 m³	Rate 01 - annual volume ≤ 50,000 m³	Rate M1 - annual volume ≤ 50,000 m³
2	Rate E02	Large Volume General Service	Rate 1 - annual volume > 50,000 m³ Rate 6 - annual volume > 50,000 m³	Rate 10 - annual volume > 50,000 m³	Rate M2 - annual volume > 50,000 m³
3	<u>In-franchise Contract Service</u> Rate E10	Firm Bundled Contract Service	Rate 100 Rate 110 Rate 115	Rate 20 - bundled firm service Rate 100 - bundled firm service	Rate M4 - firm service Rate M5 - firm service CD ≥ 1,800 m³/d Rate M7 - firm service
4	<u>In-franchise Large Contract Service</u> Rate E20	Semi-Unbundled Contract Service	No rate classes	No rate classes	Rate T1 - firm and IT service Rate T2 - firm and IT service
5	Rate E22	Unbundled Contract Service	Rate 300	Rate 20 - unbundled firm and IT service; CD < 1,200,000 m³/d Rate 25 - unbundled IT service; CD < 1,200,000 m³/d Rate 100 - unbundled firm and IT service; CD < 1,200,000 m³/d	No rate classes
6	Rate E24	Extra-Large Unbundled Contract Service	Rate 125	Rate 20 - unbundled firm and IT service; CD ≥ 1,200,000 m³/d Rate 100 - unbundled firm and IT service; CD ≥ 1,200,000 m³/d	Rate T2 - firm and IT service; non-obligated DCQ; CD ≥ 1,200,000 m³/d
7	<u>In-franchise Other Contract Service</u> Rate E30	Interruptible Bundled Contract Service	Rate 145 Rate 170	Rate 25 - sales/bundled IT service	Rate M4 - IT service Rate M5 - IT service; firm service CD < 1,800 m³/d Rate M7 - IT service
8	Rate E34	Seasonal Firm Bundled Contract Service	Rate 135	No rate classes	Rate M7 - seasonal service
9	Rate E38	Unbundled Storage Contract Service	Rate 315 Rate 316	Rate 20 - bundled (T-service) storage service Rate 100 - bundled (T-service) storage service	Rate T2 - Rate E24 storage service
10	<u>Wholesale Contract Service</u> Rate E60	Wholesale Transportation Contract Service	No rate classes	No rate classes	Rate M17 - transportation excluding Dawn Parkway
11	Rate E62	Wholesale Bundled Contract Service	Rate 200	No rate classes	Rate M9
12	Rate E64	Wholesale Semi-Unbundled Contract Service	No rate classes	No rate classes	Rate T3
13	<u>Ex-franchise Transportation Contract Service</u> Rate E70	Transportation Contract Service	Rate 331 Rate 332	No rate classes	Rate M12 Rate C1 Rate M17 - Dawn Parkway transportation
14	Rate E72	Storage Pool Transportation Contract Service	No rate classes	No rate classes	Rate M16
15	<u>Ex-franchise Other Contract Service</u> Rate E80	Producer Injection and Transportation Contract Service	No rate classes	No rate classes	Rate M13 Gas Producer Agreement (GPA)
16	Rate E82	Renewable Natural Gas Injection Contract Service	Rate 401	No rate classes	No rate classes

The Parties have agreed to the proposed harmonized rate classes as set out in the prefiled evidence.

Through the settlement process, changes have been made to the rate design and/or charges relevant to Rates E01, E02, E10 and E80. Those changes are described below under Issue 3.

Also as a result of the settlement process, the Parties have agreed on certain changes to some of the services and related terms and conditions affecting certain contract rate classes. Those changes are described below under Issue 5.

**Evidence:** The evidence in relation to this issue includes, but is not limited to, the following:

7.0.1	Comparison of Rate Zone Alternatives
8.1.1	Rate Design Overview
8.1.2	Rate Design Proposals
8.2.1	Rate Harmonization Plan
Exhibit I.7.0	Exhibit 7, Tab 0 Interrogatories
Exhibit I.8.1	Exhibit 8, Tab 1 Interrogatories
Exhibit I.8.2	Exhibit 8, Tab 2 Interrogatories
2 TC Tr. 26 - 104	Technical Conference Panel 4
JT1.8 – 11, JT1.16 – 26, JT1.28 – 30, JT2.5 – JT2.17	Panel 4 Undertakings
ADR-1, 3 –11, 13, 23 and 24	ADR Responses
Draft Rate Order	Overview, Appendix E, and Schedule 20

**2. Is the 2024 Cost Allocation Study to allocate costs to the harmonized rate classes appropriate, including the methodologies?**

Enbridge Gas filed its 2024 Cost Allocation Study and detailed supporting evidence at Exhibit 7, Tab 1, Schedule 1 of the evidence. Included with that evidence are several versions of the Cost Allocation Study that show outcomes based on different rate zone scenarios.

The Cost Allocation Study for the 2024 Test Year is the first complete study prepared by Enbridge Gas since the MAADs Decision. It is also the first complete study completed for either the EGD or Union rate zones since their last rebasing proceedings in 2013/2014. As such, there are many changes in the Cost Allocation Study from what currently underpins rates, and the reallocation of costs results in bill impacts for customers even prior to rate class harmonization.

The 2024 Cost Allocation Study is a fully integrated and comprehensive study that includes all the harmonized services and rate class proposals set out in the Company’s evidence. The approach taken for the Cost Allocation Study is set out in evidence, and explained at Appendix C to the Draft Rate Order.

As explained, the Parties have agreed upon a different rate zone approach from what is included in evidence, that consists of one rate zone for distribution costs and three rate zones for gas supply, storage and transmission costs. Additionally, the Parties have agreed upon other changes to the cost allocation approach, to be reflected in an updated Cost Allocation Study. These are as follows:

A) *Allocation of Panhandle and St. Clair system related revenue requirements* – On harmonization, Enbridge Gas will allocate the revenue requirements related to the Panhandle system and the St. Clair system, as set out at Appendix D, Attachment 6 of the Draft Rate Order, in the following manner:

- i. 50% of the Panhandle system revenue requirement will be allocated based on the combined Panhandle and St. Clair system demands;
- ii. 50% of the Panhandle system revenue requirement will be allocated based on the demand of the Panhandle system; and
- iii. 100% of the St. Clair system revenue requirement will be allocated based on the combined Panhandle and St. Clair system demands.

On rebasing, in addition to the allocations set out above, Enbridge Gas will implement the following:

- iv. *Classification of Panhandle Reinforcement Project (PREP) costs* – During the current IR term, the levelized rates for the PREP, which represents infrastructure that was initially put into service in 2024, are being recovered through a Rate Rider, with recovery from rate classes as set out in the EB-2024-0111 Rate Order (Rebasing Phase 2). The Parties have agreed that when the PREP is added to rate base (likely as part of the 2029 Rebasing proceeding) and the PREP Rate Rider is discontinued, the PREP related revenue requirement will be allocated 50% based on Panhandle system demand and 50% based on combined Panhandle/St Clair systems demand.<sup>6</sup>
- v. *Post 2024 Panhandle and St. Clair system additions* - the revenue requirement associated with additions to the Panhandle and St. Clair systems post 2024 will be allocated 100% based on the demand on the

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<sup>6</sup> Appendix D, Attachment 6 to the Draft Rate Order provides the separation of the Panhandle and St. Clair systems, consistent with the way that PREP costs will be reflected in the cost allocation model at and after the next rebasing.

system for which the costs are incurred, once those additions are included in rate base.<sup>7</sup>

- B) *Zero-intercept value* – At Exhibit I.7.1-FRPO-51, Enbridge Gas explained that “the zero-intercept methodology is a cost allocation approach used to estimate the cost of distribution infrastructure necessary to provide customers access to natural gas service regardless of the amount of gas used or the peak demand the customer places on the distribution system.” The Company further explained that “Enbridge Gas applied the zero-intercept methodology to low pressure distribution main costs to determine the minimum system cost deemed to be the customer-related component of distribution mains.” Enbridge Gas had included a zero-intercept value of \$44.798/metre in the as-filed Cost Allocation Study. Through the settlement process, Enbridge Gas has agreed to update the zero-intercept value to \$40.732/metre. As explained in response to Exhibit JT1.11, this updated value includes data points for pipe diameter less than four inches. This change results in a \$265 million reduction of customer-related distribution mains costs allocated to Rate E01 (which causes a reduction of \$11.3 million in Rate E01 revenue requirement), with an offsetting increase to other rate classes.
- C) *Storage space costs* – As set out in ADR-22, Enbridge Gas identified a required correction to the Cost Allocation Study to the allocation of storage space revenue requirement for a three rate zone alternative. This correction is modest, but it impacts eight rate classes. Enbridge Gas agreed to reflect this correction in the updated Cost Allocation Study.

Enbridge Gas has prepared an updated Cost Allocation Study, reflecting the agreed approach for rate zones, along with the changes described above. The updated Cost Allocation Study, for which Enbridge Gas seeks OEB approval, is filed as Appendix D to the Draft Rate Order.

Through the settlement process, the Parties have agreed on a further cost allocation related matter, which will be reflected as part of the 2029 rebasing case (and associated 2029 Cost Allocation Study) as follows:

- i. *Classification of peaking supply costs* – As set out in response to ADR-19, Enbridge Gas noted that it had classified certain peaking supply (\$1 million) and load balancing demand costs (\$6 million) as load balancing commodity costs. Enbridge Gas noted that it may be more appropriate to reclassify the costs as load balancing transportation costs under a three rate zone alternative. Any variances between the forecast costs included in rates and the actual costs for peaking supply contracts would be recovered in the Third-Party Transportation Variance Account for each rate zone. The rationale is

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<sup>7</sup> Appendix D, Attachment 6 to the Draft Rate Order provides the separation of the Panhandle and St. Clair systems, consistent with the way that post 2024 additions will be reflected in the cost allocation model at and after the next rebasing.

set out in ADR-19. The Parties have agreed that it is appropriate for Enbridge Gas to reflect this updated approach in its next Cost Allocation Study.

**Evidence:** The evidence in relation to this issue includes, but is not limited to, the following:

7.1.1	Cost Allocation Overview
7.1.2	Description of Cost Allocation Methodology
7.1.3	Comparison of Cost Allocation Methodologies
7.1.3.1	Cost Allocation Study Methodology Comparison by Rate Zone
7.3.1	2024 Cost Allocation Study (Proposed – One Rate Zone)
7.3.2	2024 Cost Allocation Study (One Rate Zone – No Regional Adjustments)
7.3.3	2024 Cost Allocation Study – Rate Zone Alternative (One Rate Zone as Filed in Phase 1)
7.3.4	2024 Cost Allocation Study – Rate Zone Alternative (Two Rate Zones, One Rate Zone Distribution)
7.3.5	2024 Cost Allocation Study – Rate Zone Alternative (Two Rate Zones)
7.3.6	2024 Cost Allocation Study – Rate Zone Alternative (Four Rate Zones, One Rate Zone Distribution)
7.3.7	2024 Cost Allocation Study – Rate Zone Alternative (Current Rate Zones)
7.3.1-7.37, Attachment 1	Revenue Requirement Summary - By Function
7.3.1-7.37, Attachment 2	Revenue Requirement Summary - By Rate Class
7.3.1-7.37, Attachment 3	Cost Allocation Study Detail - Functionalization
7.3.1-7.37, Attachment 4	Cost Allocation Study Detail - Gas Supply Classification
7.3.1-7.37, Attachment 5	Cost Allocation Study Detail - Storage Classification
7.3.1-7.37, Attachment 6	Cost Allocation Study Detail - Transmission Classification
7.3.1-7.37, Attachment 7	Cost Allocation Study Detail - Distribution Classification
7.3.1-7.37, Attachment 8	Cost Allocation Study Detail - Total Allocation
7.3.1-7.37, Attachment 9	Cost Allocation Study Detail - Allocation of Delivery Revenue Requirement
7.3.1-7.37, Attachment 10	Cost Allocation Study Detail - Allocation of Gas Cost Revenue Requirement
7.3.1-7.37, Attachment 11	Factor Descriptions
7.3.1-7.37, Attachment 12	Cost Allocation Factors
7.3.1-7.37, Attachment 13	Mapping of Total Revenue Requirement to Rate Component by Rate Class
Exhibit I.7.1	Exhibit 7, Tab 1 Interrogatories
Exhibit I.7.3	Exhibit 7, Tab 3 Interrogatories
2 TC Tr. 26 - 104	Technical Conference Panel 4
JT1.8 – 11, JT1.16 – 26, JT1.28 – 30, JT2.5 – JT2.17	Panel 4 Undertakings

ADR-2 – 8, 10, 12 – 13, 19 – 20, and 22 – 24	ADR Responses
Draft Rate Order	Draft Rate Order Overview, Appendices C and D, and Schedules 8, 9 and 21

**3. Is the proposed rate design of harmonized rate classes appropriate, including: a) Rate design for the general service rate classes. b) Rate design for the in-franchise contract rate classes. c) Rate design for the ex-franchise rate classes.**

The Parties have reached complete agreement on harmonized rate design. For general service rates, the Parties have agreed to volumetric rates, with different parameters as compared to Enbridge Gas’s (alternative) volumetric rates proposal that was set out in evidence. For contract rates, the Parties have generally accepted Enbridge Gas’s proposals, subject to some discrete changes. Details are set out below.

**a) Rate design for general service rate classes**

As set out at Exhibit 8, Tab 2, Schedule 3, Enbridge Gas proposed to introduce two general service rate classes for customers. Rate E01 was designed for small general service customers and Rate E02 was designed for all other general service customers. The proposed rate classes were to replace the current six general service rate classes in the EGD and Union rate zones.

Enbridge Gas proposed to implement Straight Fixed Variable with Demand (SFVD) rate design for the harmonized rate classes. That proposed rate design recovers fixed costs through fixed charges and, for general service customers, introduces recovery of demand related costs through a demand charge.

In its prefiled evidence, Enbridge Gas also set out an alternative proposal for a traditional volumetric rate design for Rates E01 and E02, though this was not the Company’s requested approach.

Through settlement discussions, the Parties have agreed that Enbridge Gas will implement two rate classes for general service customers – Rate E01 and Rate E02. Parties have further agreed that Enbridge Gas will use a volumetric rate design for its general service rates, rather than the proposed SFVD rate design. The Parties have agreed on a modified design for the volumetric rates for Rates E01 and E02, compared to the Company’s filed alternative for a traditional volumetric rate design alternative.

The main difference from the Company’s filed (alternative) traditional volumetric proposal is that the “break point” (divider) between Rate E01 and Rate E02 will be 50,000 m<sup>3</sup> annual volume (as compared to the proposed 15,000 m<sup>3</sup> break point). This is consistent with the current approved break point for general service rate classes in the Union rate zones. This will mean that fewer customers who previously

received service under the larger general service rate classes will transition to Rate E01.

A second difference is to the fixed and volumetric charges that will apply to Rates E01 and E02.

For the fixed charges, the Parties have agreed to the following:

- i. Rate E01 – a monthly charge of \$29.22 for customers in the South rate zone and \$27.60 for the Central and North rate zones.
- ii. Rate E02 – a monthly charge of \$90 will apply for all Rate E02 customers.

This change to fixed charges is intended to mitigate bill impacts for customers as the new harmonized general service rates are implemented.

The Parties agree that Enbridge Gas will retain only one volumetric charge for each general service rate class, such that there are no “blocks”. The volumetric charges for Rates E01 and E02 have been updated (as compared to the Company’s filed alternative proposal), to reflect the different break point and the agreed to fixed charges. Details of the updated volumetric charges are set out in the Draft Rate Order.

The Parties acknowledge and agree that Enbridge Gas may apply to update and/or change the fixed monthly customer charges and volumetric delivery charges for Rates E01 and E02 in the 2029 Rebasing proceeding. Parties further acknowledge that there is an expectation that the delivery charges for each general service rate class (both fixed and variable) will be the same for all rate zones starting in 2029.

In relation to the allocation of costs between fixed charges and volumetric delivery charges, the Parties agree that the harmonized general service rates set in this proceeding only apply until the end of the current IR term (until the end of 2028). It will be open to Enbridge Gas or any party to propose a different allocation between fixed charges and volumetric delivery charges in subsequent cost of service rate proceedings, including the 2029 Rebasing proceeding.

Finally, the Parties have agreed that Enbridge Gas will update the presentation and calculation of delivery rates for Rates E01 and E02, so that the Company can recover distribution costs in a common delivery charge and have rate zone specific gas supply, transportation and storage charges.<sup>8</sup> This is similar to the current Union North rate zone rate design. There is no impact from this presentation change on the amounts recovered from customers – it is a shift of the line item under which costs are recovered but allows a more uniform presentation of delivery charges to all

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<sup>8</sup> Note that the volumetric delivery charge for Rate E01 will be different for the South rate zone as compared to the North and Central rate zones until such time (assumed to be 2029) when the fixed delivery charges for each rate zone are set at the same level.

customers.

The updated presentation approach is set out in the table below. As can be seen there will be one common delivery charge (reflecting the fact that there is only one rate zone for delivery purposes) and three different sets of gas supply, transportation and storage charges (reflecting the fact that there are three rate zones for gas cost purposes).

		<u>Presentation of Delivery Rates</u>	
		Rate Component	
Line No.	Particulars	Current Approach (a)	Preferred Approach (b)
One Rate Zone Distribution	<u>Distribution Costs</u>		
	1	Distribution Customer-Related	Monthly Customer Charge (1)
	2	Distribution Demand-Related	Delivery Charge
	3	Distribution Commodity-Related	Delivery Charge (1)
Three Rate Zones	<u>Storage Costs</u>		
	4	Storage Demand-Related	Delivery Charge
	5	Storage Commodity-Related	
	6	Load Balancing Commodity	
	<u>Transmission Costs</u>		
	7	Transmission Demand-Related	Delivery Charge
	8	Transmission Commodity-Related	
	<u>Gas Supply Costs</u>		
	9	Transportation Demand	Gas Supply Transportation
10	Transportation Commodity		
11	Load Balancing Transportation		
12	Gas Supply Commodity	Gas Supply Commodity	Gas Supply Commodity
Note:			
(1)	Common charge for all rate zones.		

Enbridge Gas has included the updated delivery charges in the Draft Rate Order. There will be a common delivery charge for Rate E01 for the Central and North rate zones, with a different delivery charge for the South rate zone because the fixed monthly customer charge is different for the South rate zone (until 2029 Rebasing). There will be a common delivery charge for Rate E02 for all rate zones.

Further details about the proposal for Rates E01 and E02, including detailed working papers, are included with the Draft Rate Order.

b) Rate design for in-franchise contract rate classes

At Exhibit 8, Tab 2, Schedule 4, Enbridge Gas set out its proposal for rate design for in-franchise contract rate classes. Enbridge Gas designed rates for harmonized in-franchise contract rate classes based on a Straight Fixed Variable rate design, where customer-related and demand-related costs are recovered through fixed monthly customer charges and demand charges, while variable commodity-related costs are recovered through commodity charges, where possible.

The proposed in-franchise contract rate classes are as set out in the table reproduced above for Issue 1, Harmonized Rate Classes.

The Parties accept the proposed rate design for Enbridge Gas's proposed in-franchise contract rate classes, with one exception.

As part of the proposed updated Rate E02, with a 50,000 m<sup>3</sup> annual volume eligibility criteria, it was necessary to also review and update the parameters for Rate E10 compared to what was originally proposed. This was done to limit the incentive to migrate between Rate E02 and Rate E10, which could occur where the bill impacts would be substantially different for similar customers depending on which service they choose. To address this issue some redesign of Rate E10 was needed, to ensure it aligns with a general service rate with higher eligibility parameters and a reduced volumetric rate, as compared to what was originally proposed.

The Parties have agreed upon an updated design for Rate E10, where there are different proportions of costs allocated between the first and second demand blocks applicable for each rate zone. The detailed derivation of proposed rates is provided at Draft Rate Order, Working Papers, Attachment 2.

c) Rate design for ex-franchise contract rate classes

At Exhibit 8, Tab 2, Schedule 5, Enbridge Gas set out its proposal for rate design for ex-franchise contract rate classes.

The four proposed ex-franchise contract rate classes are as set out in the table reproduced above for Issue 1.

The Parties accept the proposed rate design for the ex-franchise contract rate classes, with one exception.

For Rate E80, which relates to services for local gas (including RNG) producers, Enbridge Gas has agreed to change the proposed station fees that will apply. Specifically, Enbridge Gas agrees that the fixed monthly station fee for producer stations will be \$150 (as compared to the as-filed proposal of \$391), and the fixed monthly station fee for producers with a producer remote terminal unit (RTU) station will be \$780 (as compared to the as-filed proposal of \$962).

The agreement as to station fees for Rate E80 is without prejudice to Enbridge Gas making a new proposal for cost-based station fees as part of the 2029 Rebasing proceeding. Enbridge Gas agrees that it will not bring forward a proposal to increase the station fees without first receiving input and relevant information from gas producers about appropriate cost-based station fees.

The Parties acknowledge and agree that the use of lower station fees from the calculated cost-based fees will result in less revenue being recovered by Enbridge Gas, and that Enbridge Gas will recover the foregone revenue (estimated in the

range of \$170,000 per year) through in-franchise rates.

Enbridge Gas proposed a fixed RNG sampling charge of \$12,900 per sample as part of the Rate E80 rate design to recover the incremental cost incurred by the Company to sample and test the quality of gas for producers of RNG. This fee applies because Enbridge Gas is proposed as the party that is required to undertake or contract for the RNG sample testing. As an additional option, Enbridge Gas agrees that RNG producers may arrange and pay for required RNG sampling directly where the testing is undertaken by an approved testing vendor. The specific terms and conditions for this option will be determined and communicated by Enbridge Gas, who will act in a commercially reasonable manner.

**Evidence:** The evidence in relation to this issue includes, but is not limited to, the following:

8.2.3	General Service Rate Design
8.2.4	In-Franchise Contract Rate Design
8.2.5	Ex-Franchise Rate Design
Exhibit I.8.2	Exhibit 8, Tab 2 Interrogatories
1 TC Tr. 131 - 176	Technical Conference Panel 3
2 TC Tr. 1 - 25	Technical Conference Panel 3
JT1.1 – 3, JT1.12 – 15, JT1.45 - JT1.61	Panel 3 Undertakings ( Day One)
JT2.1 – JT2.4	Panel 3 Undertakings (Day Two)
ADR-1, 4 – 10, 12 – 13, 20, 22 – 25 ADR-1, 4 – 10, 12 – 13, 20, and 22 – 24	ADR Responses
Draft Rate Order	Draft Rate Order Overview, Appendices A, B and E, and Schedules 1, 2, 4, 10, 14, 15, 16, 20 and 21

**4. Is the proposed rate design proposal for the gas supply charges and the applicability of the Parkway Delivery Commitment Incentive appropriate?**

In Exhibit 8, Tab 2, Schedule 2, Enbridge Gas proposed to implement a single, unified gas supply commodity charge for all sales service customers under its proposed harmonized rate design. The harmonized charge would be calculated using a weighted average reference price that reflects the cost of gas from all supply sources in the portfolio, rather than relying on a single supply point per zone (being Empress, Alberta Border, or Dawn).

The common gas supply commodity charge would include three main components:

- a) weighted average reference price (reflecting market costs from all supply sources);
- b) transportation charge for moving gas from Ojibway and St. Clair to Dawn; and

- c) gas supply administration fee (to recover the Company's administrative costs).

Enbridge Gas also proposed a harmonized methodology for the development of two proposed gas supply transportation charges. The first gas supply transportation charge is for sales service and bundled DP customers with a Dawn, Parkway, or Enbridge CDA obligated point of receipt. The second gas supply western transportation charge is for bundled DP customers with an Empress obligated point of receipt.

In the same evidence, Enbridge Gas also noted that if the OEB approved more than one rate zone for cost allocation and rate design as part of this Application, Enbridge Gas would propose a change to the gas supply commodity and transportation charges to recognize the difference in the costs incurred to serve each rate zone.

Specifically, Enbridge Gas indicated that it would:

- a) base the gas supply commodity charge on a weighted average reference price for each rate zone, as described at Phase 3 Exhibit 4, Tab 2, Schedule 2;
- b) charge the Ojibway and St. Clair to Dawn transportation rate under Rate E70 (previously Rate C1) based on the sales service use of the Panhandle and St. Clair Systems in each rate zone;
- c) set a common gas supply administration charge component, as the costs incurred are consistent across the franchise area regardless of rate zones; and
- d) update the gas supply transportation charges based on the allocated costs by rate class for each rate zone.

Having agreed to three rate zones for gas costs (North, Central and South), the Parties agree to Enbridge Gas's proposed alternative approach for gas supply commodity and transportation charges as summarized above.

As part of the harmonization of gas supply transportation charges, Enbridge Gas proposed to expand the availability of the Parkway Delivery Commitment Incentive (PDCI) credit to certain bundled direct purchase (DP) customers in the current EGD rate zone. This was explained as follows:

*Bundled DP customers with an Enbridge CDA point of receipt will pay the transportation charge and will also receive the PDCI credit for their deliveries at the Enbridge CDA to harmonize with the current approved approach for Union South customers with a Parkway Delivery Obligation (PDO). Enbridge Gas is proposing to expand the PDO and PDCI offering to customers located in the EGD rate zone who currently are contractually obligated to deliver gas at the Enbridge CDA. These customers provide a similar system benefit as the DP customers in the Union South rate zone with a PDO, as they have the option to*

*deliver gas to Dawn, which would otherwise increase the Dawn Parkway System demand. Similar to Parkway, the Enbridge CDA is located at the east end of the Dawn Parkway System and for the purposes of this evidence, Parkway and the Enbridge CDA will be collectively referred to as Parkway. This approach harmonizes customers in similar circumstances across the EGD and Union rate zones.*

The Parties have agreed to Enbridge Gas’s proposal to expand the PDO and PDCI offering to customers located in the EGD rate zone who are contractually obligated to deliver gas to the Enbridge CDA.

**Evidence:** The evidence in relation to this issue includes, but is not limited to, the following:

4.2.2	Gas Cost Reference Price
8.2.1	Rate Harmonization Plan
8.2.2	Gas Supply Commodity and Transportation Charges
Exhibit I.8.2	Exhibit 8, Tab 2 Interrogatories
2 TC Tr. 26 - 104	Technical Conference Panel 4
JT1.8 – 11, JT1.16 – 26, JT1.28 – 30, JT2.5 – JT2.17	Panel 4 Undertakings
ADR-2, 4, and 21	ADR Responses
Draft Rate Order	Draft Rate Order Overview, Appendix A, and Schedules 3, 5, 7, 11-13, 16 and 22

**5. Are the proposed services and related charges, and the ex-franchise terms and conditions for the harmonized rate classes appropriate?**

/u

Enbridge Gas described the proposed harmonized services for distribution service, bundled direct purchase, semi-unbundled direct purchase, unbundled direct purchase and ex-franchise customers at Exhibit 8, Tab 4 and Exhibit 8, Tab 5. Also described are the associated charges and terms and conditions. The service proposals made by Enbridge Gas are summarized in Appendix A to this Settlement Proposal.

The Parties agree to most of Enbridge Gas’s proposals. In some instances, as described below, the Parties have agreed on amendments to Enbridge Gas’s proposals.

All proposals from Appendix A that are not addressed below are accepted as proposed in the evidence.

a) Harmonized distribution services and charges

In Exhibit 8, Tab 4, Schedule 2, Enbridge Gas set out its requests for OEB approval of harmonized distribution services and related charges. With one exception,

Parties agree to Enbridge Gas's proposals.

There are some general service customers in the Union rate zones who have consolidated bills, which combine multiple meters and associated volumes on one account. This enables these customers to pay lower monthly customer charges (versus having multiple metered accounts) and lower volumetric delivery charges (since some associated volumes will be at higher volume blocks, which have lower unit rates) than would be the case with separate accounts. A comparable service option does not exist in the EGD rate zone. In evidence, Enbridge Gas proposed to harmonize the billing options across rate zones and no longer permit consolidated bills.<sup>9</sup>

Through the settlement process, Enbridge Gas has agreed that existing customers in the Union rate zones who have a consolidated bill will continue to receive that option, however consolidated billing will be limited to those existing customers currently receiving the option. The Parties acknowledge that this will result in a forecast revenue change of around \$0.9 million, as the billing determinants will have to be updated to reflect that these customers will continue to receive the benefit of consolidated bills. This change is reflected in the Draft Rate Order.

b) Harmonized bundled direct purchase (DP) services and charges

In Exhibit 8, Tab 4, Schedule 3, Enbridge Gas set out its requests for OEB approval of harmonized bundled DP services and related charges. The proposals made are summarized in Appendix A (and in Table 1, page 2 of the prefiled evidence).

Except as set out below, the Parties agree to Enbridge Gas's proposals.

*Empress Receipt Point*

Enbridge Gas proposed that bundled DP customers currently in the Union North West rate zone and EGD rate zone with Empress receipt points would move their receipt point obligations to Dawn. This would better align services and rationalize the points of receipt.

Through the settlement process, Enbridge Gas has agreed that it will not proceed with the proposed discontinuance of Empress as a receipt point for bundled DP customers in the new North and Central rate zones. This agreement is without prejudice to Enbridge Gas being able to revisit the availability of an Empress delivery option in the future, if this option continues to be marginally used.

*DP balancing obligations*

Enbridge Gas proposed that a harmonized approach be implemented for bundled

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<sup>9</sup> This service option is distinct from consolidated invoicing (referred to as collective billing), under which multiple accounts appear on one invoice. No change has been proposed to the existing practice of collective billing.

DP customer balancing obligations for their banked gas account(s) (BGA), taking an approach similar to what is currently in place for the Union South rate zone. The Parties agree with the proposed harmonized approach, subject to the following modifications.

#### 1. Transition

Enbridge Gas will implement the full checkpoint balancing requirements after a 3-year transition period following the implementation of the new harmonized services for customers in the North and Central rate zones. Full compliance will continue as-is for customers that currently have checkpoint balancing in the South rate zone.

During the 3-year transition period (encompassing 6 checkpoints), bundled DP customers in the North and Central rate zones will:

- i. Be informed on their checkpoint requirements (if required);
- ii. Be supported and provided training by Enbridge Gas to meet the checkpoint requirements;
- iii. Have the option to self-balance for any or all of their checkpoint balancing requirement or have the Company balance on their behalf:
  - If they meet their checkpoint balancing requirement, there will be no further action or charge for the customer for that checkpoint balancing period.
  - If the Company balances their checkpoint balancing requirement on their behalf, then the customers will be charged directly for that balancing from the Company without an additional penalty charge applied (i.e. Failure to Balance a Supply Shortfall Position or Failure to Balance an Excess Supply Position). The customer will pay a checkpoint balancing charge to recognize the incremental cost to the Company of balancing the customer similar to the cost the customer may incur if they balance on their own.

Also, bundled DP customers in North and Central rate zones will not have an obligation to balance to the first checkpoints if the implementation of harmonized services occurs in a checkpoint month or in the two months preceding that checkpoint month. During the time between implementation of the harmonized services and the first active checkpoint, Enbridge Gas will take the necessary action to load balance for these customers, including customers that have a contract renewal during that time, and dispose of the costs through the PGVA.

During the transition period, Enbridge Gas will calculate checkpoint balancing charges as follows:

- i. Failure to Balance a Supply Shortfall (February Checkpoint Balancing Charge) – The Company will charge the average winter price of actual Dawn purchases (November 1 to February 28) to balance a customer at the February checkpoint for any amount not provided by the customer. The charge reflects a sale of gas to the customer and the customer's BGA balance will be updated to reflect the sale.
- ii. Failure to Balance a Supply Excess (September Checkpoint Balancing Charge) – The Company will apply a monthly charge to the excess quantity not balanced by the customer. The rate will be calculated as the difference between the average summer price of actual Dawn purchases (April 1 to September 30) and the forecast average Dawn winter price (November 1 to February 28). The charge will continue for each month until the customer removes the excess quantity. The charge reflects the storage cost of the supply excess during the winter period.

The Parties recognize the uncertainty of DP customer action to self-manage balancing transactions over the transition period creates challenges in gas supply planning and may result in delayed action by Enbridge Gas to load balance on behalf of these customers (potentially at high cost, or different cost than would have been the case if parties manage their own balancing). Enbridge Gas will record the cost of transactions made for balancing arrangements as well as any revenues from balancing costs charged to DP customers within the PGVA.

After the 3-year transition period, full checkpoint balancing requirements, including non-compliance charges, will be implemented and required for all rate zones.

This approach allows bundled DP customers in the North and Central rate zones to move toward full checkpoint balancing over a 3-year time period and limits the amount of system changes required to accommodate the transition. This approach also recognizes that some customers may prefer to meet their own balancing requirements immediately instead of incurring a checkpoint balancing charge from the Company to balance on their behalf.

Enbridge Gas will provide enhanced customer service by knowledgeable Customer Service Representatives to customers/marketers in the North and Central rate zones that are not subject to checkpoints today. This transition period would include additional proactive support relative to the typical service provided today. No later than 6 months prior to the start of the transition period, Enbridge Gas will communicate directly via mail or email or both with every bundled DP customer in North and Central rate zones to inform them of the following:

- i. A written summary of their changing delivery and checkpoint balancing requirements and the more precise timing of the change

[e.g. effective July 1, 2027 - or some other date, which should be known by then].

- ii. Confirmation of where they can find the name and contact details of their designated Enbridge Gas customer services representative(s).
- iii. Times/dates for a series of educational webinars, individual or region-specific in-person sessions to detail their checkpoint balancing requirements and the associated tools/options available to them. These educational meetings are to occur prior to the start of the transition period.

During the transition period, Enbridge Gas will proactively communicate to customers in the month prior, to notify them the checkpoint is approaching as well as during the checkpoint months to monitor and ensure they understand which actions are to be taken to meet their checkpoint obligations, the penalties that would have occurred if action had not been taken and the estimated balancing costs that Enbridge Gas will be charging them. Enbridge Gas will reach out to the contact(s) identified by the customer/marketer during the first two “full-obligation” checkpoints (February and September) to ensure they understand the expectations with the upcoming checkpoint.

## 2. Prior period adjustments

Enbridge Gas will process prior period adjustments each month for distribution billing and checkpoint balancing purposes. However, for general service accounts, Enbridge Gas will adjust out prior period adjustments from the two months immediately preceding a checkpoint balancing month if the adjustment increases the action to be taken for that checkpoint. Enbridge Gas and the customer may agree to an alternative approach.

## 3. Consumption reporting

If reported consumption is delayed in any month immediately preceding a balancing month then Enbridge Gas will use the forecast for the applicable account(s) from the last time the daily contract quantity (DCQ) was adjusted instead of a value of zero. Enbridge Gas and the customer may agree to an alternative approach.

## 4. Annual renewal date

For customers who currently have a September 30 or February 28 renewal for their BGA, Enbridge Gas will allow those customers to have the choice to shift their annual renewal by one month, without penalty. This will be available as an option for a limited period of time. The limited time for the shift in annual renewal date would be for the next renewal after the harmonized rates and services are implemented.

### *Balancing transactions*

In the prefiled evidence, Enbridge Gas described its plans to implement harmonized balancing transactions. The Parties do not object to these proposals.

Enbridge Gas confirms that it plans to implement an automated approach for balancing transactions using processes similar to those used by semi-unbundled customers in Union South currently and allowing for automated In-Franchise Transfers (IFTs) across rate zones. Customers will directly request transactions (IFTs, Ex-Franchise Transfers (EFTs), suspension, incremental supply) through the online nomination process. Market-priced transactions (loan, storage, backstop supply) will still require an authorization notice or contract amendment to capture the agreed upon quantity, price and term prior to the nomination process.

### *Pool consolidation*

Enbridge Gas is proposing that pools can be consolidated for accounts in the same rate zone that are subject to the same gas supply transportation rates based on their DCQ points of receipt. The consolidation will be applicable for all bundled DP services except for seasonal services, in which the DCQ calculation is adjusted for seasonal usage.

The Parties have agreed upon a modified implementation approach for this change, to be effective up to one year after implementation of the harmonized rates and services. To be clear, this option is also available in advance of implementation of the harmonized rates and services.

Where a customer currently has multiple pools with different anniversary dates, a single pool consolidation can occur on one of the anniversary dates, at customer's discretion within 12 months of the first pool's anniversary date, without triggering early-termination obligations of any individual pool. This right is subject to the current limitation on pool consolidation based on delivery areas and receipt points.

### *Compliance charges for failure to deliver or balance*

Enbridge Gas's evidence sets out proposed harmonized compliance charges for DP customers that fail to deliver their obligated DCQ and/or fail to balance when required.

Enbridge Gas has agreed to one change, as follows, which will be included in the terms and conditions relevant to bundled direct purchase services:<sup>10</sup>

If a non-compliance charge is driven, in whole or part, by an estimated meter read, a customer may request a re-evaluation/re-consideration of that non-compliance position based on their next actual meter reading or other evidence regarding compliance. Adjustments stemming from such circumstances will not

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<sup>10</sup> Note that there are some relevant transition provisions, as set out above.

be unreasonably withheld.

c) Harmonized semi-unbundled customers

In Exhibit 8, Tab 4, Schedule 4, Enbridge Gas set out its requests for OEB approval of harmonized bundled direct purchase services and related charges. The proposals made are summarized in Appendix A (and in Table 1, page 2 of the prefiled evidence).

Except as set out below, the Parties agree to Enbridge Gas's proposals.

*Storage allocation*

In prefiled evidence, Enbridge Gas explained that some semi-unbundled DP customers currently receive a disproportionate level of cost-based storage deliverability, as compared to sales service and bundled DP customers. Enbridge Gas set out its proposal to limit deliverability for semi-unbundled customers to 5% of space

In the context of the multiple rate and service changes occurring through this proceeding, Enbridge Gas agrees to withdraw this proposal, such that there will be no change to the deliverability received by semi-unbundled DP customers. This agreement is without prejudice to Enbridge Gas's right to repeat this or a similar proposal in a future OEB proceeding, including (but not limited to) the 2029 rebasing proceeding.

*Compliance charges*

Enbridge Gas's evidence sets out proposed harmonized compliance charges for DP customers that fail to deliver their obligated DCQ and for unauthorized storage overruns.

Enbridge Gas has agreed to one change, which is the same as for bundled DP customers (reproduced below). This will be reflected in the terms and conditions relevant to semi-unbundled DP services:

If a non-compliance charge is driven, in whole or part, by an estimated meter read, a customer may request a re-evaluation/re-consideration of that non-compliance position based on their next actual meter reading or other evidence regarding compliance. Adjustments stemming from such circumstance will not be unreasonably withheld.

d) Harmonized unbundled customers

In Exhibit 8, Tab 4, Schedule 5, Enbridge Gas set out its requests for OEB approval of harmonized unbundled DP services and related charges. The proposals made are summarized in Appendix A (and in Table 1, page 2 of the prefiled evidence).

As set out below, the Parties agree to Enbridge Gas's proposals, with some additional context and commitments. /u

*Unbundled Balancing Service (UBS)* /u

Enbridge Gas has proposed that unbundled DP customers will generally be allowed to maintain daily gas imbalances up to 115% of their firm contract demand (CD) and cumulative limits up to 150% of firm CD, subject to certain minimum thresholds. However, as set out at paragraph 82 of Exhibit 8, Tab 4, Schedule 5, this service will not apply to customers with dedicated natural gas service lines directly connected to third-party pipelines<sup>11</sup>, and tighter service limits will apply to large customers (such as gas-fired power generators) with significant variability in hourly consumption that would likely, as a result of their size and variability, result in direct and material adverse impact to the operation of the Enbridge Gas system. Subject to the conditions and commitments below, these "Significant Variability Customers" must adhere to tighter balancing limits of (firm CD / 20 hours x 2) and, where EGI determines it to be necessary, manage their balances on an hourly basis to prevent adverse impacts on system operations. /u

The Parties agree with Enbridge Gas's proposal regarding the harmonized UBS, subject to the following additional conditions and commitments. /u

1. For the purposes of the harmonized UBS service, a "Significant Variability Customer" will be interpreted as being: /u

- a) any gas generator whose combined firm and/or interruptible CD equals 1.2 million m<sup>3</sup> or higher, or
- b) any smaller gas generator or other customer whose nominated and actual usage can vary greatly on a daily or intra-day (hourly basis),

and, in either case, whose operations would likely result in a direct and material adverse impact to the operation of the Enbridge Gas system.

2. Subject to section 9 below, the determination that a customer would likely cause direct and material adverse impact to the operation of the Enbridge Gas System as a result of significant variability in gas usage will be determined by Enbridge Gas based on its operational experience in running its storage, transmission and distribution system, and tracking specific customer class patterns. The location of the customer on the Enbridge Gas system will be relevant. For example, hourly variability in the Union WDA (smaller market area) would have a greater impact compared to the Union EDA (larger market area) all else being equal. /u

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<sup>11</sup> Customers with a dedicated service line directly connected to third-party pipelines typically do not take this service. These customers usually balance directly with third-party pipelines.

3. The proposed UBS would be an interruptible service (as described in Phase 3, Exhibit 8, Tab 4, Schedule 5, paragraphs 89-93 and I.ADR-16, parts 5 and 6) provided on an interruptible basis when unutilized firm system capacity permits, and subject to the Significant Variability Customer limits where applicable, and as such its utilization would have no impact on firm services to other customers. /u
4. As set out in Exhibit I.ADR-16, there are five generator customers that currently operate with enhanced transportation and storage services designed to meet their daily and intra-day (hourly) requirements. These customers must adhere to the tighter balancing limits of the UBS, with one of these customers also being required to continue to manage their balances on an hourly basis as they do now. Enbridge Gas confirms that there will be no material changes to these customers' services, beyond the harmonized unbundled service changes, or operational profiles under the proposed harmonized UBS, provided they properly nominate their services and provided that they do not materially (from a system operations perspective) increase their CD requirements beyond current levels. /u
5. Other than these five generator customers, Enbridge Gas confirms that all other existing gas generators will, unless they materially (from a system operations perspective) increase their CD requirements beyond current levels: /u
  - a) not be subject to the Significant Variability Customer restrictions;
  - b) have access to the same firm assets as they have currently; and
  - c) be eligible for the UBS daily and cumulative limits of 115% and 150% of firm CD, respectively, as noted above.
6. Unless a customer significantly expands its facilities or otherwise materially (from a system operations perspective) increases its CD requirements beyond current levels, Enbridge Gas confirms that the harmonized UBS will not alter the balancing frequency for any existing gas generation facilities (such as by imposing hourly balancing requirements on customers currently subject to daily balancing). In the event a customer materially (from a system operations perspective) increases its CD requirements, that customer may be subject to the Significant Variability Customer restrictions. /u
7. Where a customer transitions to self-nomination of storage injections and withdrawals in the South rate zone, the customer's storage limits will continue to apply, and balancing frequency shall remain daily. Hourly balancing requirements will not be imposed. No additional charges will be introduced for imbalances between storage injections and withdrawals. The customer shall remain subject to Enbridge Gas's authorized and unauthorized overrun charges. /u
8. Where Enbridge Gas determines that the Significant Variability Customer restrictions will apply to a new customer or to a customer whose CD /u

requirements are materially (from a system operations perspective) increasing, the Company will provide the affected customer with written notice and an explanation of same. For clarity, the Significant Variability Customer restrictions will not apply to a customer who has not previously been classified as such and whose CD requirements decrease.

9. In the event the affected customer disputes that it has been properly classified as a “Significant Variability Customer”, Enbridge Gas agrees that it will meet with the customer to explain the determination. If the customer continues to dispute the Significant Variability Customer classification, then it will be open to the customer to make a request to the OEB for a final and binding determination of whether Enbridge Gas has reasonably applied the Significant Variability Customer classification. In such event, Enbridge Gas agrees that it will bear the onus of establishing to the OEB that the Significant Variability Customer classification is appropriate and once the customer files such a request with the OEB the Significant Variability Customer tighter balancing limits shall not be applied by Enbridge Gas until such a determination is made by the OEB. Enbridge Gas is not obligated to provide any incremental UBS service requested by the customer identified as a “Significant Variability Customer” until such time that the OEB has made its determination on the customer classification.

/u

*Compliance charges*

Enbridge Gas’s evidence sets out proposed harmonized compliance charges for unbundled DP customers.

Enbridge Gas has agreed to one change, which is the same as for bundled and semi-unbundled DP customers (reproduced below). This will be reflected in the terms and conditions relevant to unbundled DP services.

If a non-compliance charge is driven, in whole or part, by an estimated meter read, a customer may request a re-evaluation/re-consideration of that non-compliance position based on their next actual meter reading or other evidence regarding compliance.

**Evidence:** The evidence in relation to this issue includes, but is not limited to, the following:

8.4.1	Service Harmonization
8.4.2	Distribution Service
8.4.3	Bundled Direct Purchase Service
8.4.4	Semi-Unbundled Direct Purchase Service
8.4.5	Unbundled Direct Purchase Service
8.4.6	Ex-Franchise Services
8.5.1	Harmonization of Terms and Conditions of Service
Exhibit I.8.4	Exhibit 8, Tab 4 Interrogatories
Exhibit I.8.5	Exhibit 8, Tab 5 Interrogatories
2 TC Tr. 104 –	Technical Conference Panel 5

140	
JT2.18 – JT2.21	Panel 5 Undertakings
ADR-2, 11, and 14 – 18	ADR Responses
Draft Rate Order	Draft Rate Order Overview, Appendix B, and Schedule 6

**6. Are the proposed harmonized rates and related charges, based on the updated 2024 Revenue Requirement, just and reasonable?**

Based on the resolution of the other issues as contemplated by this Settlement Proposal, the Parties agree that the proposed harmonized rates and related charges, based on the updated 2024 revenue requirement, are just and reasonable.

**Evidence:** The evidence in relation to this issue includes, but is not limited to, the following:

8.1.1	Rate Design Overview
8.2.1	Rate Harmonization Plan
Exhibit I.8.1	Exhibit 8, Tab 1 Interrogatories
Exhibit I.8.2	Exhibit 8, Tab 2 Interrogatories
2 TC Tr. 26 – 104	Technical Conference Panel 4
JT1.8 – 11, JT1.16 – 26, JT1.28 – 30, JT2.5 – JT2.17	Panel 4 Undertakings
Draft Rate Order	Draft Rate Order Overview, Appendix A, and Schedules 1, 10, 20 and 21

**7. Is the proposal for a common reference price methodology appropriate? If so, is it appropriate for the setting of gas costs in relation to the 2024 Test Year gas cost forecast?**

In the EB-2022-0200 (Rebasing Phase 1) Settlement Proposal, there was agreement to the interim use of a harmonized weighted average reference price (WARP) for the calculation of unaccounted for gas (UFG), compressor fuel, own use gas and gas in inventory, as these costs are common across rate zones. That change was approved and has been in place since the July 2024 QRAM Application.

In Exhibit 4, Tab 2, Schedule 2, Enbridge Gas set out its request for the use of a harmonized WARP for common gas costs on a permanent basis.

The Parties agree that it is appropriate for Enbridge Gas to continue to use the previously-approved harmonized WARP for common gas costs on a permanent basis.

In Exhibit 4, Tab 2, Schedule 2, Enbridge Gas also requested the approval of a harmonized WARP to be used for commodity costs for sales service customers. As explained, a common reference price would ensure that Enbridge Gas customers

pay the same gas cost unit rate regardless of where they are located in the franchise area. This proposal would also provide consistency and simplicity in approach, while continuing to ensure that the reference price is formulaic and reflects appropriate market pricing. The specifics of how the WARP would be calculated are described in evidence.

Enbridge Gas’s evidence also addressed the scenario where the OEB approves more than one rate zone:

*If more than one rate zone is approved by the OEB in Phase 3, Enbridge Gas would propose a change to the gas supply commodity charges for customers who choose to buy their gas supply from the utility under sales service. To recognize the difference in the costs incurred to serve each rate zone, Enbridge Gas would base the gas supply commodity charges on a WARP for each rate zone, as described at Phase 3 Exhibit 8, Tab 2, Schedule 2. A rate zone specific WARP is necessary to ensure that rates recover the rate zone specific gas supply portfolio costs on a forecast basis, resulting in a prospective cost recovery variance of zero for each rate zone. Enbridge Gas would also need to establish rate zone specific gas supply variance accounts, as described at Phase 3 Exhibit 9, Tab 1, Schedule 2.*

Having agreed to three rate zones for gas costs (North, Central and South), the Parties agree to Enbridge Gas’s proposed alternative approach to establish rate-zone specific WARPs for each of the three rate zones.

**Evidence:** The evidence in relation to this issue includes, but is not limited to, the following:

4.2.2	Gas Cost Reference Price
8.2.2	Gas Commodity and Transportation Rates
Exhibit I.4.2	Exhibit 4, Tab 2 Interrogatories
1 TC Tr. 9 – 62	Technical Conference Panel 2
JT1.33 – JT1.44	Panel 2 Undertakings
ADR-2 and 4	ADR Responses
Draft Rate Order	Draft Rate Order Overview, and Schedule 22

**B. Rate Implementation and Mitigation**

**8. Is the proposed rate harmonization implementation plan appropriate?**

At Exhibit 8, Tab 2, Schedule 1, Enbridge Gas explained its planned high-level approach to implementation of the harmonized rates approved in this Phase 3 proceeding. The Parties have agreed to the proposed high-level Rate Harmonization Implementation Plan as set out in the prefiled evidence.

Enbridge Gas seeks approval of the harmonized rates in this proceeding, based on 2024 approved revenue requirement, and will then implement the updated rates in

2027, assuming all necessary preparation work is complete.<sup>12</sup> The implemented harmonized rates will reflect the annual rate updates (using a price cap mechanism) for 2025, 2026 and 2027. In the 2027 Rates Application, which will be filed in mid 2026, Enbridge Gas will seek approval of the updated harmonized rates, reflecting the PCI adjustments for prior years, and also reflecting the impacts of the Rebasing Phase 2 Settlement Agreement.

The scale and complexity of transitioning customers to harmonized rates and services will require a phased approach to implementation. For example, Enbridge Gas's internal and customer-facing business systems will require substantial modifications, including billing, contracts, and compliance processes. Coordinating these changes across a large and diverse customer base presents operational challenges, particularly in ensuring timely communication, customer education, and a transition to new rates and services.

Accordingly, one implementation phase will introduce harmonized general service rate classes, while the other implementation phase will implement harmonized contract (in-franchise and ex-franchise) rate classes and associated service changes. While it is anticipated these phases will be implemented in 2027, it is not yet possible to determine the order or precise timing in which this implementation will occur. Factors such as the timing of the OEB's decision in this Application (including with respect to this Settlement Proposal and with respect to the unsettled issue related to UBS), along with all of the substantial modifications to the Company's internal systems, among other things, will influence implementation timing.

Gas supply related changes would coincide with the implementation of either the general service rate class changes or the other in-franchise and ex-franchise contract changes, depending on which of the phases is implemented first.

For all of these reasons Enbridge Gas will file a more detailed Rate Harmonization Implementation Plan as part of its 2027 Rates Application. This will allow for consideration of all aspects of the Rate Harmonization Implementation Plan prior to the rollout of any approved harmonization changes or implementation of harmonized rates. Enbridge Gas anticipates that the 2027 Rates Application will include proposals for rate adjustments resulting from the mid-year implementation of harmonized rate classes and rate design changes. Parties are free to take any position on the proposed Rate Harmonization Implementation Plan when it is presented for approval in the 2027 Rates Application (or in any other proceeding where any aspect of the Rate Harmonization Implementation Plan is presented for approval).

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<sup>12</sup> As set out in Exhibit 8, Tab 2, Schedule 1, Enbridge Gas anticipates a lead time of approximately 1 to 2 years following the OEB decision in this Application to implement changes to the internal and customer facing business applications and processes, and to provide notice to customers of changes to their services.

At the same time as the updated harmonized rates are implemented, the updated form of the Rate Handbook will come into effect, reflecting all relevant harmonized rates and services. The current draft version of the Rate Handbook reflecting these items is included with the Draft Rate Order.

**Evidence:** The evidence in relation to this issue includes, but is not limited to, the following:

7.0.0	Cost Allocation and Rate Design Preface
8.2.1	Rate Harmonization Plan
Exhibit I.7.0	Exhibit 7, Tab 0 Interrogatories
Exhibit I.8.2	Exhibit 8, Tab 2 Interrogatories
2 TC Tr. 26 – 104	Technical Conference Panel 4
JT1.8 – 11, JT1.16 – 26, JT1.28 – 30, JT2.5 – JT2.17	Panel 4 Undertakings

**9. Is the rate mitigation plan for harmonized rate classes and Rider R – Rate Mitigation Rider appropriate?**

Enbridge Gas has undertaken a detailed and comprehensive review of bill impacts arising from implementing the harmonized rate classes and rates arising from the Settlement Proposal. For the general service rate classes, bill impacts were reviewed for all 3.9 million customers broken down into average impacts by decile within each rate class. For the in-franchise contract rate classes, Enbridge Gas undertook a review of the bill impacts for each of the 985 individual contract market customers. Enbridge Gas has developed a Rate Mitigation Plan to limit total bill increases to 3%<sup>13</sup> on average in any year so as to provide stable and reasonable bill impacts for customers.

Enbridge Gas has developed a Rate Mitigation Rider (Rider R) to smooth the bill impacts of implementing the Rate Harmonization Plan. The Rate Mitigation Plan includes the following:

- Mitigation that will limit first year average total bill impacts to maximum average (for legacy rate classes) annual bill increases of 3% or less, comparing a customer’s current rate class/rate zone to the applicable harmonized rate class/rate zone;
- Continuation of that mitigation for a period of 5 years to achieve the 3% total bill impact per year;
- Use of both fixed and volumetric unit rate riders (Rider R) to ensure an optimal

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<sup>13</sup> Note that the overall bill no longer includes the federal carbon charge, which is different from the bill impacts and proposed mitigation plan set out in the prefiled evidence.

distribution of the mitigation across various customers of different sizes in the applicable classes;

- Funding of the mitigation first from within the same harmonized rate class and then, where necessary, from customers in other rate classes with the largest average total bill decreases;
- Funding of the mitigation that does not increase the total bill impacts above a decrease of 3% for the average customer in the current rate class/rate zone to harmonized rate class/rate zone and manages impacts such that there are only a limited number of customers that experience a total bill increase due to rate mitigation that would have otherwise had a total bill decrease; and
- Consideration of the individual customer outliers (defined as greater than 10% total bill increases) in all contract rate classes and mitigation of the impacts on these customers to the extent possible.

By incorporating these principles into the Rate Mitigation Plan, the Phase 3 bill impacts will be phased in over a five-year period from the implementation date in 2027 until 2031.

Enbridge Gas acknowledges that even with the Rate Mitigation Plan, there will be some contract customers who are forecast to see total bill increases as a result of rate harmonization that are materially higher than 3%. Enbridge Gas will identify the contract customers with forecast first year total bill increases<sup>14</sup> of 6% or more (inclusive of the impact of Rider R) and directly engage with each such customer to make them aware of details of DSM programming for which they are eligible. These customers will not receive any preferential access to DSM programming or funding, and there is no intention to increase overall DSM budgets or expenditures beyond what is otherwise approved and available in the ordinary course.

Enbridge Gas proposes to implement the mitigation riders (Rider R) over 5 years, with changes every 12 months. The rate mitigation credits and charges decrease evenly over the five-year period until they expire in year 4 with final bill impacts and unmitigated rates in effect by year 5. The first year of Rider R will be effective for a 12-month period coinciding with the date of harmonized rate classes implementation. For example, if harmonized rate classes are implemented on July 1, 2027, the first year of Rider R would be in effect from July 1, 2027 until June 30, 2028. To the extent that implementation of general service and contract customers occur at different times, the Rider R for each of these two market segments would align with the start dates for each market segment respectively.

The table on the next page of this Settlement Proposal sets out a summary of the first year bill impacts for each current rate class after implementation of the

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<sup>14</sup> Based on combined firm and interruptible service, if applicable.

harmonized rates, both before and after application of Rider R.

Full details of the Rate Mitigation Plan and Rider R are set out in the Draft Rate Order and associated Attachments and Schedules.

This agreement is entirely without prejudice to arguments that any parties may make in the 2029 rebasing proceeding regarding the appropriate allocation of costs between fixed and variable rates (while maintaining Rider R) and any new rate riders proposed in relation to a reallocation of costs between fixed and variable rates.

Summary of Rider R Bill Impacts - Average Total Bill Impact (1)

Line No.	Particulars	Excluding Rider R Adjustment (a)	Including Rider R Adjustment (b)	Impact (%) (c) = (b - a)
	<u>Rate E01</u>			
1	Rate 1	1.7%	1.7%	-
2	Rate 6	(28.7%)	(13.9%)	14.8%
3	Rate 01 - NE (Central)	(17.5%)	(13.9%)	3.6%
4	Rate 01 - NE (North)	(15.1%)	(13.9%)	1.2%
5	Rate 01 - NW	0.4%	0.4%	-
6	Rate M1	7.3%	3.0%	(4.3%)
	<u>Rate E02</u>			
7	Rate 6	0.9%	0.9%	-
8	Rate 10 - NE (Central)	(22.7%)	(13.9%)	8.8%
9	Rate 10 - NE (North)	(18.9%)	(13.8%)	5.1%
10	Rate 10 - NW	3.3%	2.6%	(0.7%)
11	Rate M2	(1.7%)	(1.7%)	-
	<u>Rate E10</u>			
12	Rate 100 (2)	(0.0%)	(0.0%)	-
13	Rate 110	7.3%	3.0%	(4.3%)
14	Rate 115	6.4%	3.0%	(3.4%)
15	Rate 20 - NE (Central)	(6.0%)	(3.0%)	3.0%
16	Rate 20 - NE (North)	(11.4%)	(3.0%)	8.4%
17	Rate 20 - NW	15.8%	3.0%	(12.8%)
18	Rate M4	(4.6%)	(3.0%)	1.6%
19	Rate M5	(5.6%)	(3.0%)	2.6%
20	Rate M7	6.0%	3.0%	(3.1%)
	<u>Rate E20</u>			
21	Rate T1	(0.4%)	(0.4%)	-
22	Rate T2	0.4%	0.4%	-
	<u>Rate E22</u>			
23	Rate 20	(9.0%)	(3.0%)	6.0%
24	Rate 100	(2.9%)	(2.9%)	-
	<u>Rate E24</u>			
25	Rate 125	1.0%	1.0%	-
26	Rate 20	(6.7%)	(3.0%)	3.7%
27	Rate 100	(3.1%)	(3.1%)	-
28	Rate T2	0.2%	0.2%	-
	<u>Rate E34</u>			
29	Rate 135	2.8%	1.3%	(1.5%)
30	Rate M7	19.2%	3.0%	(16.2%)
	<u>Rate E62</u>			
31	Rate 200	10.0%	3.0%	(7.0%)
32	Rate M9	(1.0%)	(1.0%)	-

Notes:

- (1) Rate E01 average total bill impacts based on average of each decile profile. Remaining rate classes average total bill impacts are based on average of actual customers' impacts.
- (2) Rate 100 average bill impacts exclude two customers with load factors less than 1%.

**Evidence:** The evidence in relation to this issue includes, but is not limited to, the following:

8.2.6	Bill Impacts and Rate Mitigation Plan
8.2.7	Rate Handbook
8.2.9.18	Derivation of Rate Mitigation Adjustment - Rider R
Exhibit 1.8.2	Exhibit 8, Tab 2 Interrogatories
2 TC Tr. 26 – 104	Technical Conference Panel 4
JT1.8 – 11, JT1.16 – 26, JT1.28 – 30, JT2.5 – JT2.17	Panel 4 Undertakings
Draft Rate Order	Draft Rate Order Overview, and Schedule 18

**C. Deferral & Variance Accounts**

**10. Is the proposal for harmonization of the following gas supply variance accounts appropriate?**

- a) Purchase Gas Variance Account (PGVA) (Account No. 179-101)**
- b) Third-Party Transportation Variance Account (Account No. 179-102)**
- c) Load Balancing Price Variance Account (Account No. 179-103)**
- d) Inventory Revaluation Variance Account (Account No. 179-104)**
- e) Market- Based Storage Variance Account (Account No. 179-204)**

At Exhibit 9, Tab 1, Schedule 2, Enbridge Gas set out its proposal for the harmonization of gas supply variance accounts, which are currently different for the EGD and Union rate zones.

In evidence, Enbridge Gas explained that if the OEB approved more than one rate zone, then the harmonization proposal would apply as follows:

- i) a) and b) Enbridge Gas would create the Purchase Gas Variance Account (PGVA) and the Third-Party Transportation Variance Account for each of the approved rate zones. Rate zone specific PGVA and Third-Party Transportation Variance Accounts would be necessary to ensure the rate zone specific gas costs are recovered from customers in the rate zone for which the costs are incurred.
- ii) c to e) Enbridge Gas would create single variance accounts (not rate zone specific accounts) that allocate costs to rate zones for the Load Balancing Price Variance Account, Inventory Revaluation Variance Account, and Market-Based Storage Variance Account. These are common costs that will be allocated based on the use by each rate zone. That is different from gas purchases and transportation contracts, each of which are procured to serve each rate zone such that the costs can be directly assigned to the appropriate rate zone account.

The Parties have agreed that it is appropriate for Enbridge Gas to update the proposed Accounting Order for the Load Balancing Price Variance Account to include wording that references the peaking supply and demand cost variances, instead of simply the price variances, in order to ensure all costs included in the account are described in the accounting order description. Specifically, the wording will say “the difference between the actual peaking supply and demand costs and the peaking supply and demand costs included in rates as approved by the OEB”.

In addition, in the event of approval of more than one rate zone, Enbridge Gas also proposed in evidence to create an Unabsorbed Demand Costs (UDC) Variance Account to record variances, by rate zone, between the actual UDC incurred and the amount of UDC included in rates as approved by the OEB. Enbridge Gas will manage the transportation portfolio on an integrated basis and determine the pipeline to leave unutilized, if necessary, based on the least cost option. Enbridge Gas will allocate the costs of planned unutilized capacity to the appropriate rate zone and dispose of differences between planned and actual unutilized capacity through the annual deferral account clearance proceeding.

The Parties have agreed that Enbridge Gas will establish and operate the harmonized gas supply variance accounts as described above. For the PGVA and Third-Party Transportation Variance Accounts, separate accounts will be created for each of the North, Central and South rate zones.

Enbridge Gas has agreed that when it seeks to clear the Load Balancing Price Variance Account, it will provide details about the amount recorded in the account, generally including the purchase information that is set out in the tables found at Exhibit JT1.37, Attachment 1.

Accounting Orders for the agreed variance accounts are included as Appendix F to the Draft Rate Order being filed with this Settlement Proposal. Enbridge Gas has updated the associated account numbers, so that there are sequentially numbered accounts for each rate zone (where applicable).

**Evidence:** The evidence in relation to this issue includes, but is not limited to, the following:

9.1.2	Harmonization and Other Proposed Changes To Deferral and Variance Accounts
9.1.2.1	Deferral and Variance Account Overview – Proposed Accounting Orders
Exhibit I.9.1	Exhibit 9, Tab 1 Interrogatories
1 TC Tr. 9 – 62	Technical Conference Panel 2
JT1.33 – J1.44	Panel 2 Undertakings
ADR-2 and 19	ADR Responses
Draft Rate Order	Draft Rate Order Overview, and Appendix F

**11. Is the proposal to establish a new Rate Harmonization Variance Account appropriate?**

The Parties have agreed upon the harmonized rate classes as set out above under Issue 1. As noted, this simplifies the total number of rate classes from the current 42 rate classes to 16 rate classes. The cost allocation and rate design process to support the Rate Harmonization Plan is underpinned by a harmonized customer forecast. Enbridge Gas has prepared a customer forecast for the harmonized rate classes by placing customers into harmonized rate classes based on the customer's current parameters and service option. For example, a firm bundled contract service customer was placed in the corresponding firm bundled contract rate class for purposes of deriving the harmonized customer forecast. The mapping of current rate classes to proposed rate classes is set out in the table included above with Issue 1. This approach to preparing the harmonized customer forecast ensured that there was no judgment by Enbridge Gas on what service option a customer may elect upon rate harmonization.

Enbridge Gas recognizes that customers have options to switch rate classes and/or change their service options upon implementation of the Rate Harmonization Plan. The Rate Harmonization Plan offers customers choice, which increases the potential for rate class switching. The actual choices by customers as to what harmonized rate class they select may be different from the forecast. For example, customers who are eligible for Rate E02 (large volume general service) may decide to instead take service under Rate E10 (firm bundled contract service). This will result in Enbridge Gas receiving different revenue from forecast.

As set out at Exhibit 9, Tab 1, Schedule 3, Enbridge Gas is proposing a Rate Harmonization Variance Account (RHVA) to record differences to forecast revenue that are attributable to customers switching rate classes as a result of the implementation of the Rate Harmonization Plan.

Enbridge Gas will record differences in annual revenue, exclusive of gas costs, in the RHVA based on customers that switch rate classes as a result of the implementation of the Rate Harmonization Plan. The annual revenue difference for a customer that switches rate classes will be calculated based on the difference in the applicable monthly approved distribution rates and charges, exclusive of gas costs, applied to the customer's parameters approved as part of the 2024 Test Year forecast. Differences in revenue resulting from the addition of new, or loss of existing, Enbridge Gas customers during the IR term will not be recorded in the RHVA.

The Parties have agreed to the establishment of the RHVA as proposed by Enbridge Gas. The RHVA will be in effect from the time that harmonized rates are implemented. The Parties agree that it be assumed at this time that the RHVA will continue in effect during the next IR term (starting in 2029), on the basis that there

will be insufficient experience between the implementation date (during 2027) and the effective date for the next rate term (January 2029) to have a reliable forecast of customer choices for the harmonized rate classes.

Notwithstanding the agreement being made at this time, the Parties agree that as part of the 2029 Rebasing proceeding it will be open for any party to challenge the continuation of the RHVA during the next IR term.

There is no agreement at this time as to the allocation to rate classes of amounts that will be recorded in the RHVA, nor as to the appropriateness of any amounts that Enbridge Gas records in the account in the future. Those will be decided by the OEB panel that hears any application by Enbridge Gas to dispose of amounts tracked in the account and Parties will be at liberty to take whatever position they consider appropriate regarding the balances and the allocation to rate classes to be disposed of at that time.

The Accounting Order for the RHVA is included with the Draft Rate Order being filed with this Settlement Proposal.

**Evidence:** The evidence in relation to this issue includes, but is not limited to, the following:

9.1.3	Establishment of New Deferral and Variance Accounts
9.1.3.1	Deferral and Variance Account Overview – Proposed Accounting Orders
Exhibit I.9.1	Exhibit 9, Tab 1 Interrogatories
2 TC Tr. 26 – 104	Technical Conference Panel 4
JT1.8 – 11, JT1.16 – 26, JT1.28 – 30, JT2.5 – JT2.17	Panel 4 Undertakings
Draft Rate Order	Draft Rate Order Overview, and Appendix F

**12. Should the OEB establish any other deferral or variance accounts related to the matters at issue in Phase 3?**

In Exhibit 8, Tab 2, Schedule 3, Attachment 9, Enbridge Gas proposed the creation of a Volume Variance Account (VOLUVAR) in the event that the OEB did not approve SFVD rates for general service customers.

As part of an overall settlement of the issues in this Phase 3 proceeding, Enbridge Gas has agreed to withdraw the request for creation of a VOLUVAR for the period of time during the current IR term after harmonized rates are implemented. The Parties acknowledge and agree that the existing Average Use Variance Account will continue to apply after harmonized rates are implemented (applicable to Rates E01 and E02). An updated Accounting Order for the Average Use Variance Account (showing its updated applicability to the harmonized general service rate classes) is included with the Draft Rate Order.

The Parties acknowledge and agree that the withdrawal of this request is without prejudice to Enbridge Gas being able to advance a request for a VOLUVAR or similar mechanism as part of the 2029 Rebasing proceeding.

**Evidence:** The evidence in relation to this issue includes, but is not limited to, the following:

8.2.3.9	Volume Variance Account
8.2.3.9 Appendix 1	Historical Illustration of Volume Variance Account - Revenue Variance due to Weather and Average Use
Exhibit I.8.2	Exhibit 8, Tab 2 Interrogatories
1 TC Tr. 131 - 176	Technical Conference Panel 3 (Day One)
2 TC Tr. 1 - 25	Technical Conference Panel 3 (Day Two)
JT1.1 – 3, JT1.12 – 15, JT1.45 - JT1.61	Panel 3 Undertakings (Day One)
JT2.1 – JT2.4	Panel 3 Undertakings (Day Two)
Draft Rate Order	Draft Rate Order Overview, and Appendix F

**D. Other**

**13) Has Enbridge Gas identified and responded appropriately to all relevant OEB directions and Enbridge Gas commitments made in OEB proceedings (inclusive of any relevant directions arising from the OEB’s pending decision on Phase 2), including those relating to:**

- a) an update on the Automated Metering Infrastructure pilot project;**
- b) a report on the steps that it has taken to achieve the capital reduction set out in the Phase 1 Decision;**
- c) reporting on the status of its responses to previous Integrated Resource Planning directions;**
- d) filing updated written marketing materials or reference materials aimed at customers, potential customers, HVAC contractors or builders that include or previously included energy comparison information; and**
- e) various cost allocation and rate design directives and commitments, including the study regarding interruptible rates.**

This Issue is partially settled.

Procedural Order No. 3, dated August 1, 2025, directed that Issues 13 (a) – (d) of the Issues List will proceed directly to hearing and will not be canvassed in the Settlement Conference. As such, those items are unsettled and are not addressed in this Settlement Proposal.

Issue 13(e) asks whether Enbridge Gas has responded appropriately to “various

cost allocation and rate design directives and commitments, including the study regarding interruptible rates”. At Exhibit 1, Tab 3, Schedule 1, Attachment 2, Enbridge Gas sets out the relevant directives and commitments, along with a reference to the part of the prefiled evidence that addresses each such directive or commitment.

The Parties accept that Enbridge Gas has appropriately responded to each of the directives and commitments related to cost allocation and rate design, including the study regarding interruptible rates.

Enbridge Gas has made one further commitment as part of the Settlement Conference process. This relates to the work of the IWG, which was established pursuant to the EB-2022-0200 Phase 1 Settlement Proposal. In the Phase 1 Settlement Proposal<sup>15</sup>, it was agreed that one of the “Focus Areas” for the IWG would be “Rates” and that *“This will include consultation and discussions about whether and if so, how, there should be any differential in rates for First Nations, Indigenous communities and reserves (collectively, “FNs”) as compared to other gas consumers for the purposes of potentially developing proposals for OEB review and approval.”*

In response to the anticipated bill impacts for many of Enbridge Gas’s Indigenous customers that would result from acceptance of this Settlement Proposal, Enbridge Gas commits to supporting the IWG’s engagement and discussions about “whether and if so, how, there should be any differential in rates for First Nations, Indigenous communities and reserves as compared to other gas consumers for the purposes of potentially developing proposals for OEB review and approval” by providing as much of the following information to the IWG as is available by no later than March 31, 2026: (i) Enbridge Gas’s best information as to the current number of Enbridge Gas’s on-reserve First Nations gas customers in Ontario<sup>16</sup>; (ii) particulars of any studies Enbridge Gas has conducted or made use of to determine the appliance inventory, housing types and/or usage patterns of its customers in different classes, including whether the studies included Indigenous customers and whether the data for any such customers can be separated out; and (iii) any other existing documents that are material and relevant showing Enbridge Gas’s current information about the topics noted in item (ii).

The Parties have agreed that the Indigenous members of the IWG may retain an expert to obtain any information about First Nations and Indigenous customers from items (i) and (ii) above that Enbridge Gas does not have. For example, the expert might seek information about the specific appliance inventory, housing types and/or usage patterns of First Nations and Indigenous customers, including a breakdown

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<sup>15</sup> EB-2022-0200, [Decision on Settlement Proposal](#), (August 17, 2023), Schedule A, Exhibit O1, Tab 1, Schedule 1, page 19 of 62.

<sup>16</sup> Enbridge Gas has shared that it does not have information about the total number of Indigenous customers on its system.

between on-reserve and off-reserve gas customers. The arrangements to retain and pay this expert will be undertaken in accordance with established IWG practices and budgets.

**Evidence:** The evidence in relation to this issue includes, but is not limited to, the following:

2.7.2	Advanced Metering Infrastructure Project Update
2.5.5	Report On Capital Reduction
2.5.5.1	2024 Utility Capital Expenditures by Asset Class
1.3.1.2	Directive and Commitment Response Summary
1.13.5	Status of Integrated Resource Planning Directions
1.13.5.1	Enbridge Gas 2023 IRP Annual Report
1.16.1	Marketing Materials Update
1.16.1.1	Representative Examples of Updates to Enbridge Gas Marketing Materials
7.0.1	Comparison of Rate Zone Alternatives
7.0.2	Density Driven Rate Design
7.1.4	Other Cost Allocation Proposals and Directives
8.4.5	Unbundled Direct Purchase Service
8.4.7	Interruptible Rates Study
8.1.2	Rates Design Proposals
Exhibit I.2.7	Exhibit 2, Tab 7 Interrogatories
Exhibit I.2.5	Exhibit 2, Tab 5 Interrogatories
Exhibit I.1.3	Exhibit 1, Tab 3 Interrogatories
Exhibit I.1.13	Exhibit 1, Tab 13 Interrogatories
Exhibit I.1.16	Exhibit 1, Tab 16 Interrogatories
Exhibit I.7.0	Exhibit 7, Tab 0 Interrogatories
Exhibit I.7.1	Exhibit 7, Tab 1 Interrogatories
Exhibit I.8.4	Exhibit 8, Tab 4 Interrogatories
Exhibit I.8.1	Exhibit 8, Tab 1 Interrogatories
1 TC Tr. 9 - 62	Technical Conference Panel 1
JT1.4 – 7, JT1.27, JT1.31 – JT1.32	Panel 1 Undertakings
1 TC Tr. 131 - 176	Technical Conference Panel 3 (Day One)
2 TC Tr. 1 - 25	Technical Conference Panel 3 (Day Two)
JT1.1 – 3, JT1.12 – 15, JT1.45 - JT1.61	Panel 3 Undertakings (Day One)
JT2.1 – JT2.4	Panel 3 Undertakings (Day Two)
2 TC Tr. 26 - 104	Technical Conference Panel 4
JT1.8 – 11, JT1.16 – 26, JT1.28 – 30, JT2.5 – JT2.17	Panel 4 Undertakings
2 TC Tr. 104 - 140	Technical Conference Panel 5
JT2.18 – JT2.21	Panel 5 Undertakings
ADR-3	ADR Responses

## APPENDIX A – List of services proposals for Issue #5

Detailed Service Proposals	Reference
<b><u>Harmonized distribution firm, seasonal and interruptible services and related charges</u></b>	Exhibit 8.4.2
<ul style="list-style-type: none"> <li>• Demand Overrun and Interruption Non-Compliance Charge</li> <li>• Eliminated Services:               <ul style="list-style-type: none"> <li>• Rate 25 Sales Service Discontinuation</li> <li>• Consolidated Billing Service Option</li> </ul> </li> </ul>	
<b><u>Harmonized bundled direct purchase services and related charges</u></b>	Exhibit 8.4.3
<p><u>DCQ</u></p> <ul style="list-style-type: none"> <li>• Remove sales service for DP (Union North Rate Zone)</li> <li>• Minimum pool DCQ of 1 GJ/day</li> <li>• Customer no longer provides fuel in kind (EGD Rate Zone)</li> </ul> <p><u>Obligated Points of Receipt</u></p> <ul style="list-style-type: none"> <li>• DCQ delivered to Dawn point of receipt unless required by Enbridge Gas at Parkway and/or Enbridge Central Delivery Area (ECDA)</li> <li>• Move Empress and Enbridge Eastern Delivery Area (EEDA) deliveries to Dawn (note: there are currently no EEDA deliveries)</li> <li>• Treat ECDA deliveries like Parkway</li> </ul> <p><u>Balancing Obligations</u></p> <ul style="list-style-type: none"> <li>• Customers to balance at checkpoints:               <ul style="list-style-type: none"> <li>• no less than planned balance at end of February</li> <li>• no more than planned balance at end of September</li> </ul> </li> <li>• Remove renewal balancing</li> </ul> <p><u>Balancing Transactions</u></p> <ul style="list-style-type: none"> <li>• Common suite of balancing transactions</li> <li>• Year-round availability subject to daily operational capability</li> </ul> <p><u>Other</u></p> <ul style="list-style-type: none"> <li>• Remove utility purchase of customer's DCQ during an interruption of distribution service (EGD rate zone)</li> </ul>	

	<b>Detailed Service Proposals</b>	<b>Reference</b>
	<ul style="list-style-type: none"> <li>• Seasonal DCQ for seasonal distribution service</li> <li>• Pool consolidation</li> <li>• Balancing transaction pricing</li> </ul> <p><u>Compliance Charges</u></p> <ul style="list-style-type: none"> <li>• Failure to deliver DCQ – sale of gas to customer at the greater of the highest spot price in the day or 150% of reference price</li> <li>• Failure to balance a supply shortfall – sale of gas at the greater of the highest spot price in the month (or the month after) or reference price</li> <li>• Failure to balance a supply excess – unauthorized account overrun charge of \$6/GJ/month</li> </ul>	
	<b><u>Harmonized semi-unbundled direct purchase service and related charges</u></b>	Exhibit 8.4.4
	<p><u>Applicability</u></p> <ul style="list-style-type: none"> <li>• Expand applicability from South Service Area to include Central Service Area</li> <li>• Classify customers with non-obligated DCQ as unbundled</li> </ul> <p><u>Obligated Points of Receipt</u></p> <ul style="list-style-type: none"> <li>• DCQ delivered to Dawn point of receipt unless required by Enbridge Gas at Parkway and/or Enbridge Central Delivery Area (ECDA)</li> </ul> <p><u>Storage Allocation</u></p> <ul style="list-style-type: none"> <li>• Maintain existing methods to allocate space and deliverability but limit deliverability to 5% of space</li> <li>• Eliminate Interruptible Withdrawal Right</li> </ul> <p><u>Compliance Charges</u></p> <ul style="list-style-type: none"> <li>• Failure to deliver DCQ – sale of gas to customer at the greater of the highest spot price in the day or 150% of reference price</li> <li>• Maintain unauthorized storage space overrun charge of \$6/GJ and rename supplemental inventory charge as unauthorized gas supply overrun</li> <li>• Fixed unauthorized storage injection/withdrawal overrun charge of \$1.75/GJ</li> </ul>	

	Detailed Service Proposals	Reference
	<b><u>Harmonized unbundled direct purchase service and related charges</u></b>	Exhibit 8.4.5
	<ul style="list-style-type: none"> <li>• Applicability of firm and/or interruptible contract demand of at least 13,000 m<sup>3</sup>/day</li> <li>• Single cost-based storage allocation method with requirement to nominate use with exception of 5 current customers in the Union North rate zones</li> <li>• Eliminate system sales to DP customers; consolidate service with the balancing service</li> <li>• Daily and cumulative balancing service quantities for most customers set to 115% and 150% of firm CD respectively. Large customers with significant variability in daily and/or hourly consumption required to manage within 10% of firm CD (and, where necessary, also manage their balancing hourly)</li> <li>• Unbundled Balancing Service pricing</li> </ul> <p><u>Compliance Charges</u></p> <ul style="list-style-type: none"> <li>• Failure to deliver obligated Parkway Daily Contract Quantity (DCQ) or failure to maintain a balance above lower limits will result in a sale of gas to customer at the greater of the highest spot price in the day or 150% of reference price</li> <li>• Failure to maintain a balance below upper limit will result in an unauthorized storage overrun charge of \$6/GJ</li> </ul>	