



ONTARIO ENERGY BOARD

FILE NO. **EB-2025-0064** **Enbridge Gas Inc.**

VOLUME: **Settlement Proposal Presentation**

DATE: **February 17, 2026**

BEFORE: **Allison Duff** **Presiding Commissioner**
 David Sword **Commissioner**
 Pat Moran (Absent) **Commissioner**

THE ONTARIO ENERGY BOARD

Enbridge Gas Inc.

Settlement Proposal Presentation

Proceeding held in person and virtually
at 2300 Yonge Street, 25th Floor, Toronto, Ontario
On Tuesday, February 17, 2026, commencing at 1:00 p.m.

SETTLEMENT PROPOSAL PRESENTATION

A P P E A R A N C E S

| | |
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| DANIEL VOLLMER | Three Fires Group and Minogi Corp |

I N D E X O F P R O C E E D I N G S

| <u>Description</u> | <u>Page No.</u> |
|----------------------------------------------------------------------|-----------------|
| --- Upon commencing on Tuesday, February 17th, 2026, at 1:00 p.m. | 1 1 |
| LAND ACKNOWLEDGEMENT | 2 |
| APPEARANCES | 3 |
| PRESENTATION BY ENBRIDGE GAS INC. | 8 |
| QUESTIONS BY THE PANEL | 28 |
| --- Upon recess at 2:22 p.m. | 53 |
| --- Upon resuming at 2:45 p.m. | 53 |
| --- Whereupon matter adjourned at 2:49 p.m. | 55 |

E X H I B I T S

| <u>Description</u> | <u>Page No.</u> |
|--------------------------------------------------------------------|-----------------|
| EXHIBIT K1.1: SETTLEMENT PROPOSAL PRESENTATION | 7 |
| EXHIBIT K1.2: FEBRUARY 11TH RESPONSES TO QUESTIONS FROM THE OEB | 8 |

1 Tuesday, February 17, 2026

2 --- Upon commencing on Tuesday, February 17,
3 2026, at 1:00 p.m.

4 PRESIDING COMMISSIONER DUFF: Good afternoon,
5 and welcome to presentation day for Enbridge's gas
6 Phase 3 rebasing application. It's the settlement
7 presentation day. The purpose -- and it's under EB-
8 2025-0064. The purpose of today is to give an
9 opportunity for Enbridge to present the settlement
10 reached in this case, and it's for the OEB panel to
11 ask questions about the proposed settlement.

12 We are not dealing today with the issue of
13 Number 13, which was not subject to the settlement.
14 That will be dealt with at a later date.

15 My name is Allison Duff and with me is
16 Commissioner David Sword. The third member of our
17 panel, Commissioner Pat Moran, unexpectedly was
18 unable to join us today. Commissioner Moran has
19 encouraged to us to proceed with this presentation as
20 planned as he will be able to review the transcript
21 before making a decision on the settlement.

22 I understand that Staff sent an email today to
23 give parties a head's up regarding this change in the
24 attendance today. If anybody objects to proceeding
25 in this manner, please speak up and let us know.

26 Ms. Ing, online, is there anybody putting their
27 hand up? I can't tell.

28 1. ING: No.

1 PRESIDING COMMISSIONER DUFF: Okay. Thank you.

2 D. STEVENS: Good morning, Commissioner Duff,
3 Commissioner Sword. It's David Stevens speaking for
4 Enbridge. Can you hear me?

5 PRESIDING COMMISSIONER DUFF: I can hear you.
6 Oh, yes, there you are. Thank you.

7 D. STEVENS: Okay. Good -- or good afternoon.
8 Apologies.

9 Enbridge has no concerns with proceeding as
10 suggested today. We just wanted to indicate for the
11 record our understanding or assumption that should
12 Commissioner Moran have fundamental concerns with the
13 settlement, that we could have an opportunity to
14 reconvene to answer any follow-up questions at that
15 time.

16 PRESIDING COMMISSIONER DUFF: I understand.
17 Okay. Thank you very much for stating that.

18 D. STEVENS: Thank you.

19 PRESIDING COMMISSIONER DUFF: Thank you very
20 much.

21 Perhaps, Ms. Ing, would you recite the land
22 acknowledgement?

23 **LAND ACKNOWLEDGEMENT**

24 L. ING: The Ontario Energy Board acknowledges
25 that our headquarters in Toronto is located on the
26 territory of the Anishinaabeg, including the
27 Haudenosaunee, the Huron-Wendat Nations, and that
28 this land is covered by historic treaties.

1 Traditionally, the territory now called Toronto was a
2 meeting place for many Nations and is still a home to
3 many Indigenous peoples from across Turtle Island.
4 We are grateful for the opportunity to live, work,
5 and learn on this land and acknowledge our shared
6 responsibility to all our relations. Thank you.

7 PRESIDING COMMISSIONER DUFF: Thank you. And
8 now I'll take appearances starting with the
9 applicant. Mr. Stevens.

10 **APPEARANCES**

11 D. STEVENS: Thank you again. My name is David
12 Stevens. I am outside counsel with Enbridge Gas.
13 With me in the room today in Chatham are Vanessa
14 Innis, Robin Stevenson, Danielle Dreveny, and Ben
15 McIntyre. Also with us remotely are Mia Liang and
16 Patrick Copeland and as well as Angela Monforton is
17 with us today and will be assisting by calling items
18 up on the screen as appropriate.

19 PRESIDING COMMISSIONER DUFF: Okay, thank you.
20 That will be helpful.

21 Other parties. Perhaps Board Staff?

22 M. MILLAR: Good morning, Madam Chair. Michael
23 Millar, counsel for OEB Staff. Mr. Viraney is here
24 with us online, and Mr. Richler is here beside me as
25 well.

26 PRESIDING COMMISSIONER DUFF: And just to
27 explain, we are physically here in the OEB hearing
28 room just because it just made sense from a

1 technology perspective, and I didn't want to be in my
2 office cubicle dealing with this proceeding. This is
3 a much better set up.

4 So in the room today, as you can see, are the
5 two panel member, OEB Staff, and the person -- our
6 transcript reporter.

7 Any other parties? If you could put your camera
8 on and identify yourself, then I will be able to take
9 the appearance.

10 Okay. Mr. Aiken, you seems to come up first.

11 MR. AIKEN: Yes, Randy Aiken on behalf of the
12 London Property Management Association.

13 PRESIDING COMMISSIONER DUFF: Mr. Brophy?

14 M. BROPHY: Good afternoon. Michael Brophy on
15 behalf of Pollution Probe.

16 PRESIDING COMMISSIONER DUFF: Mr. Rubenstein?

17 M. RUBENSTEIN: Good afternoon. Mark
18 Rubenstein, counsel for the School Energy Coalition.

19 PRESIDING COMMISSIONER DUFF: Mr. Gluck?

20 L. GLUCK: Lawrie Gluck on behalf of Consumers
21 Council of Canada.

22 PRESIDING COMMISSIONER DUFF: Thank you. Mr.
23 Walker?

24 S. WALKER: Scott Walker on behalf of the
25 Ontario Association of Physical Plant Administrators,
26 OPAPPA.

27 PRESIDING COMMISSIONER DUFF: Thank you. Mr.
28 Ladanyi?

1 T. LADANYI: Good afternoon. Tom Ladanyi on
2 behalf of Energy Probe.

3 PRESIDING COMMISSIONER DUFF: Mr. McLeod?

4 M. MCLEOD: Mike McLeod for the Quinte
5 Manufacturers Association.

6 PRESIDING COMMISSIONER DUFF: Mr. Li?

7 C. LI: Good afternoon. Clement Li representing
8 Building Owners and Managers Association of Toronto.

9 PRESIDING COMMISSIONER DUFF: Okay. Mr.
10 Mondrow?

11 I. MONDROW: Thank you, Commissioner Duff. Good
12 afternoon, commissioners. Ian Mondrow, counsel for
13 the Industrial Gas Users Association.

14 PRESIDING COMMISSIONER DUFF: My apologies for
15 slightly mispronouncing your name.

16 Mr. Quinn?

17 D. QUINN: Good afternoon. Dwayne Quinn on
18 behalf of the Federation of Rental-Housing Providers
19 of Ontario, FRPO.

20 PRESIDING COMMISSIONER DUFF: Mr. Boyle?

21 C. BOYLE: Good afternoon, Commissioner Duff.
22 My name is Colm Boyle. I'm here on behalf of the
23 Association of Power Producers of Ontario.

24 PRESIDING COMMISSIONER DUFF: Ms. Wainwright.

25 L. WAINWRIGHT: Good afternoon, Commissioner
26 Duff. Linda Wainwright on behalf of Six Nations
27 Natural Gas, and I'm joined today by Tracy Skye, as
28 well from Six Nations Natural Gas.

1 PRESIDING COMMISSIONER DUFF: Thank you. Mr.
2 Garner?

3 M. GARNER: Good afternoon, panel. Mark Garner
4 for the Vulnerable Energy Consumers Coalition.

5 PRESIDING COMMISSIONER DUFF: Okay. And I see
6 two people from Kitchener Utilities. Ms. Chatterjee,
7 do you want to introduce yourselves?

8 J. CHATTERJEE: Good afternoon, Commissioner.
9 This is Jaya Chatterjee on behalf of City of
10 Kitchener.

11 PRESIDING COMMISSIONER DUFF: Yes. Mr. Abu-
12 Eseifan?

13 K. ABU-ESEIFAN: Yeah, Khaled Abu-Eseifan from
14 Kitchener Utilities.

15 PRESIDING COMMISSIONER DUFF: Okay. Did I miss
16 anybody? Can you please identify yourselves?

17 MR. BUONAGURO: Good afternoon, Commissioner.
18 It's Michael Buonaguro on behalf of the Ontario
19 Greenhouse Vegetable Growers and the Canadian Biogas
20 Association. My apologies, I am in transit so I
21 can't put my screen on.

22 PRESIDING COMMISSIONER DUFF: That's fine.
23 That's the benefit of having these hybrid sessions.

24 Anybody else that would like to make an
25 appearance?

26 D. VOLLMER: Good afternoon, commissioners.
27 It's Daniel Vollmer, counsel for Three Fires Group
28 and Minogi Corp. Apologies, I'm having some

1 technical difficulties with my camera, so I couldn't
2 turn it on.

3 PRESIDING COMMISSIONER DUFF: No need to
4 apologize, Mr. Vollmer.

5 Okay. Hearing none, I think we will proceed.

6 The plan today is for the panel, we have some
7 questions. We will start with -- however, in
8 anticipation of this, Enbridge has filed a
9 presentation that they were going to provide.

10 So, Mr. Stevens, perhaps you could proceed with
11 that? I don't know who is sharing the screen and --
12 oh, Angela Monforton once again. Please proceed.

13 D. STEVENS: Perfect. Thanks very much.

14 Good afternoon, everybody.

15 Thank you for the opportunity today to present
16 the settlement proposal.

17 As mentioned, I'm David Stevens. The folks with
18 me here in the room are those listed on the
19 presentation first slide that's in front of us here.

20 The presentation that we are going to speak to
21 today was filed last Friday, February 13th, and
22 provided to all parties.

23 Perhaps, Mr. Millar, we can mark this as an
24 exhibit?

25 M. MILLAR: Yes, thank you, let's call that
26 K1.1.

27 D. STEVENS: Thank you.

28 **EXHIBIT K1.1: SETTLEMENT PROPOSAL PRESENTATION**

1 D. STEVENS: And also as the OEB requested in
2 Procedural Order Number 4, Enbridge Gas has filed
3 answers to five questions from the OEB, and these
4 were filed on February 11th. While the responses
5 were written by Enbridge Gas, they were reviewed and
6 commented upon by other parties to the settlement,
7 and Enbridge reflected the comments that were
8 received.

9 Are we able to file the February 11th responses
10 to the questions as an exhibit, Mr. Millar?

11 M. MILLAR: Let's call that K1.2.

12 D. STEVENS: Thank you.

13 **EXHIBIT K1.2: FEBRUARY 11TH RESPONSES TO**
14 **QUESTIONS FROM THE OEB**
15 **PRESENTATION BY ENBRIDGE GAS INC.**

16 D. STEVENS: So just briefly, today, I am
17 planning to make some quick introductory remarks, and
18 then Robin Stevenson will lead us through the balance
19 of the presentation set out in slides 6 through 21.

20 And, again, the members of the Enbridge group
21 will be happy to answer follow-up questions after
22 that.

23 I will note that within the presentation, we
24 have included a number of informational slides in the
25 section called "appendix". We are not planning to
26 speak to those directly, but they may be helpful
27 depending on where the questions take us today. And
28 I will note that all of the information on those

1 appendix slides is taken from the record in this
2 case.

3 Can we go to the next slide, please.

4 So as the OEB's aware, the parties have reached
5 a settlement on all issues and items eligible for
6 settlement in Phase 3 of Enbridge's rebasing
7 application.

8 The settlement's detailed in the amended
9 settlement proposal that was filed on January 21,
10 2026.

11 I don't know, Mr. Millar, is it typical to mark
12 the settlement proposal as an exhibit or just to
13 refer to it?

14 M. MILLAR: I think you can just refer to it,
15 Mr. Stevens, unless the panel feels differently.

16 PRESIDING COMMISSIONER DUFF: No, that's fine.

17 D. STEVENS: Thank you.

18 As you're aware, all parties agree with the
19 settlement proposal.

20 While Enbridge is leading the presentation
21 today, we are intending to speak on behalf of all
22 parties as much as possible.

23 Just as a preliminary item, I will note that the
24 settlement proposal is filed as a package. As is
25 typically the case, the settlement proposal includes
26 compromises or modified positions the parties accept
27 as part of an overall resolution of all items. It
28 does not necessarily represent the positions that any

1 party would take on each individual item if each was
2 contested on an issue-by-issue hearing basis.

3 The settlement proposal is the result of a long,
4 detailed, and comprehensive settlement process. The
5 settlement process began in September 2025 and
6 continued all the way through to January 2026. I
7 will say that it was a constructive and productive
8 process, and it involved active participation from
9 Enbridge Gas and 22 different stakeholders.

10 The participating stakeholders included
11 ratepayer groups for general service, large volume,
12 and contract customers as well as industry
13 organizations, environmental groups, Indigenous
14 representatives, and other potentially impacted
15 customers.

16 The matters at issue in Phase 3 are complicated
17 and interconnected. And I will say that I believe
18 it's a credit to the many parties representing
19 diverse interests that we were able to find and
20 present a common resolution.

21 I think it's important for the Board to be
22 confident that there's ample evidence to support the
23 settlement proposed.

24 Much of the settlement proposal adopts or adopts
25 with modest changes the evidence and requests that
26 Enbridge Gas made in prefiled evidence, and these
27 were then supplemented by interrogatory responses and
28 through the technical conference process.

1 For the settlement process, Enbridge Gas
2 provided further additional amounts of detailed and
3 responsive information and scenarios.

4 The relevant additional information that
5 Enbridge Gas provided has been filed with the OEB to
6 add to the record in this case. This was done
7 through a filing on December 18th, 2025, which
8 related to what we called ADR information requests.
9 And I will note that the ADR information requests
10 amount to around 100 questions, if we include sub
11 parts, and over 200 pages of filing.

12 In terms of supporting evidence and information,
13 the settlement proposal itself includes detailed
14 explanation of the items that were settled with
15 references to supporting evidence throughout. And
16 additionally, the draft rate order includes
17 explanation and support for the items that are
18 addressed in the settlement proposal.

19 In particular, I would draw your attention to
20 the draft rate order overview, which is a 39-page
21 summary of the key items supporting the new proposed
22 harmonized rates.

23 Taking all this together, Enbridge Gas believes
24 that along with the answers to any questions that are
25 asked today, the OEB will have sufficient explanation
26 and evidence to be able to approve the settlement
27 proposal as being in the public interest.

28 Can we move to the next slide, please.

1 Before Ms. Stevenson speaks to the details of
2 the settlement proposal, I would like to set out some
3 key context.

4 As you know, this proceeding is Phase 3 of
5 Enbridge's 2024 rebasing case. It's the culmination
6 of a very long process that started with the 2018
7 MAADs application for the amalgamation of Enbridge
8 Gas Distribution and Union Gas, and then continued
9 with the 2024 rebasing application filed in October
10 2022.

11 The focus on Phase 3 is on harmonization of
12 rates and services for Enbridge Gas. This includes a
13 single rate zone for distribution costs for all
14 customers and three rate zones for gas costs.

15 It also includes harmonized rate classes across
16 the entire service territory.

17 Additionally, Phase 1 focused on and is
18 influenced by the updated cost allocation applied to
19 the harmonized rate classes. As Ms. Stevenson will
20 explain, this is the first cost allocation update
21 since around 2014.

22 Enbridge Gas is requesting that the OEB approve
23 both the settlement proposal and the draft rate order
24 at this time.

25 This would result in approval of the new
26 harmonized rates based on the 2024 revenue
27 requirement. It's important to note, though, that no
28 immediate changes to rates will result from these

1 approvals.

2 As explained in the evidence and in the
3 settlement materials, Enbridge Gas needs time to
4 develop an implementation plan for the new harmonized
5 rates, including system changes and customer
6 communications.

7 This is spoken about at page 35 in the draft
8 rate order overview where there's discussion of the
9 scale and complexity of the task to move to
10 harmonized rates.

11 Enbridge has -- Enbridge Gas has indicated it
12 will require at least 12 months to move to
13 implementation of the new harmonized rates, perhaps
14 as much as 24 months from the time that these are
15 approved.

16 So to that end, Enbridge Gas is planning to file
17 an implementation plan and seek final approvals of
18 the harmonized rates as part of the 2027 rates
19 application.

20 And I just want to speak briefly to what the
21 next steps are expected to be.

22 So in or around June 2027 -- or 2026 -- excuse
23 me -- the company plans to file its IRM adjustment
24 application for existing unharmonized 2027 rates. In
25 that request, Enbridge Gas will seek implementation
26 of the updated unharmonized rates on January 1, 2027.

27 And then later in 2026, presumably under the
28 same 2027 rates application docket number, Enbridge

1 Gas will file an implementation plan for the
2 harmonized 2027 rates to be implemented later during
3 the year in 2027.

4 The relief sought in that implementation plan
5 will include the 2025, 2026, and 2027 IRM adjustments
6 to the 2024 harmonized rates that are included in the
7 settlement proposal.

8 As set out within the settlement proposal,
9 parties are open to take any position they deem
10 appropriate in relation to the implementation plan
11 once it's presented.

12 The goal here and the plan here is that all of
13 this will support the new harmonized rates being in
14 effect before the end of 2027 and in advance of
15 Enbridge Gas's next rebasing application for rates
16 starting in 2029.

17 And with that context, I am going to turn it
18 over to Ms. Stevenson to walk everybody through the
19 key parts of the settlement.

20 R. STEVENSON: Thanks.

21 I am going to walk through the main sections of
22 the settlement proposal, starting with the
23 harmonization of various items including rate zones,
24 rate classes, cost allocation, rate design services,
25 and gas applied charges and reference prices. I am
26 then going to describe the rate implementation and
27 mitigation plans, the rate harmonization variance
28 account, and the commitment to provide information to

1 the Indigenous Working Group.

2 This slide shows the current rate zones compared
3 to the harmonized rate zones as agreed to by parties
4 in the settlement proposal. The harmonized rate
5 zones include one rate zone for distribution costs
6 and three rate zones for gas supply, storage, and
7 transportation costs.

8 The three harmonized rate zones include the
9 north rate zone, which is shown in blue on the map in
10 the right; it combines the current Union northwest
11 rate zone; and the northern part of the Union
12 northeast rate zone.

13 Next, there is a central rate zone, which is
14 shown in yellow, and it combines the current EGD rate
15 zone with the eastern part of the Union northeast
16 rate zone.

17 And, lastly, there is the south rate zone, which
18 is shown in grey, and it is the same as the current
19 Union south rate zone.

20 So the settlement proposal also reflects the
21 harmonization of rate classes, which results in a
22 substantial reduction to the total number of rate
23 classes from 42 to 16. The harmonized rate classes
24 are organized by type of customer service including
25 in-franchised general service, contract services,
26 wholesale, and ex-franchise services.

27 The detailed mapping of the current rate classes
28 to the harmonized rate classes is provided in the

1 appendix to this presentation and also at page 22 of
2 the settlement proposal and Appendix E of the draft
3 rate order.

4 The settlement proposal accepts and reflects a
5 harmonized cost allocation study for the 2024 test
6 year. It is a fully integrated and comprehensive
7 study that includes all harmonized rate zones, rate
8 classes, and services.

9 It is the first complete study prepared by
10 Enbridge Gas since the MAADs decision and since the
11 last rebasing proceedings for both the EGD and Union
12 rate zones.

13 The cost allocation is mostly the same as
14 proposed by Enbridge Gas with exceptions listed on
15 pages 23 to 26 of the settlement proposal.

16 The cost allocation study structure, including
17 the functionalization and classification of costs is
18 illustrated in the diagram on the slide, uses the
19 industry standard three-step approach to
20 functionalize, classify, and allocate costs.

21 The cost allocation study results are primarily
22 used to support the rate design process for the
23 harmonized rate classes, and any changes to the costs
24 allocated across different rate classes is revenue
25 neutral for the company based on the 2024 test year.

26 The 2024 cost allocation study and methodology
27 for the harmonized rate classes are set out in
28 Appendix C and D of the draft rate order.

1 In the settlement proposal, parties agree to
2 harmonize the general service rate design based on
3 two harmonized general service rate classes, Rate E01
4 and Rate E02. The rate design, as set out in the
5 proposal, uses a similar volumetric approach as the
6 current general service rate classes.

7 It includes a monthly customer charge with one
8 delivery volumetric charge with no volumetric
9 delivery blocks. This rate design is different than
10 the straight fixed variable rate design proposed by
11 Enbridge Gas in its prefiled evidence, which proposed
12 the recovery of demand costs through a demand charge.

13 Applicability for Rate E01 and Rate E02 rate
14 classes is consistent with the Union rate zones,
15 which means fewer customers will see changes.

16 Rate E01 is for the small-volume general service
17 and includes customers with volumes equal to or less
18 than 50,000 cubic metres per year. And Rate E02 is
19 the large-volume general service and includes
20 customers with volumes of greater than 50,000 cubic
21 metres per year.

22 Enbridge Gas also updated the presentation of
23 delivery rates for Rate E01 and Rate E02 to recover
24 the distribution costs and common delivery charges
25 and to recover gas supply storage and transportation
26 costs and rate zone-specific charges.

27 The settlement proposal accepts the rate design
28 for in-franchise and ex-franchise services, which are

1 largely consistent with prefiled evidence.

2 As noted in the settlement proposal on pages 29
3 and 30, one difference for the in-franchise contract
4 rate classes was an update to Rate E10 rate design
5 for firm bundled contract service to limit the
6 incentive to migrate between general service Rate E02
7 and contract Rate E10.

8 Another difference, as noted on pages 30 and 31,
9 was to the ex-franchise rate design for local gas
10 producers under Rate E80, which set out the station
11 charges and option for RNG sample testing.

12 The settlement proposal reflects harmonization
13 of terms and conditions of service for distribution
14 services, bundled, semi-unbundled and unbundled
15 direct purchase services, and ex-franchise services.

16 Currently, there are a number of differences to
17 the services offered to customers and the terms and
18 conditions of those services across the EGD and Union
19 rate zones.

20 The harmonization to those services, as set out
21 in the settlement proposal, allows Enbridge Gas to
22 simplify and align services and processes to provide
23 a consistent customer experience.

24 To the extent possible, the company incorporated
25 the existing service offerings, features, and service
26 design principles into the harmonized service
27 offerings.

28 There are limited changes to the proposed

1 services as compared to prefiled evidence, which are
2 set out in pages 33 to 42 of the settlement proposal.

3 One change from prefiled evidence is to include
4 a three-year transition period for the harmonization
5 of direct purchase balancing obligations, which
6 includes the introduction of checkpoint balancing for
7 the north and central rate zones, which is currently
8 in place for the south rate zone today.

9 This transition period allows customers time to
10 be informed and supported to the changes associated
11 with checkpoint balancing requirements.

12 The settlement proposal also reflects the
13 harmonization of gas supply charges and reference
14 prices. The proposal maintains a common weighted
15 average reference price for the calculation of
16 unaccounted for gas, compressor fuel, own-use gas,
17 gas and inventory, as these costs are common across
18 rate zones.

19 It establishes a separate weighted average
20 reference price for sale service customers in each
21 rate zone to ensure that rates recover rate zone-
22 specific gas-supplied portfolio cost on a forecast
23 basis.

24 The harmonized rate design implements a separate
25 gas supply commodity charge for each rate zone and
26 separate gas supply transportation charges for each
27 rate zone based on the allocated cost by rate class
28 and a common gas supply administration cost.

1 The proposal also expands the applicability of
2 the Parkway delivery commitment incentive credit to
3 certain bundle direct purchase customers and the
4 current EGD rate zone in support of the rate design
5 changes.

6 Additionally, the settlement proposal includes
7 the harmonization of the gas supply variance
8 accounts. The existing gas supply variance accounts
9 and the approach used to track and record gas supply
10 costs are different for the EGD and Union rate zones
11 today.

12 The harmonized accounts provide a consistent
13 approach. In certain cases, there are rate zone-
14 specific gas supply variance accounts to ensure gas
15 costs are recovered from customers in each respective
16 rate zone.

17 The harmonized gas supply variance accounts will
18 replace the existing gas supply variance accounts as
19 set out on pages 50 and 51 of the settlement
20 proposal.

21 Through the settlement, parties agreed to
22 harmonize rates. There is a lot of work required to
23 implement the harmonization and roll out those
24 changes to customers including changes to internal
25 and customer-facing business systems, processes, and
26 customer communications.

27 Enbridge Gas estimates it will take between one
28 to two years to implement, and we are currently

1 working on developing the implementation plan.

2 At this time, Enbridge Gas can advise that it
3 plans to implement the harmonized rates mid-year
4 2027, assuming all preparation work is complete.

5 Enbridge Gas is currently planning to file its
6 2027 rates application in two parts. This is because
7 the company will not be ready to implement harmonized
8 rates on January 1st of 2027.

9 The first part of the 2027 rates application
10 will include the mechanistic IRM adjustments to
11 current rate classes in order to implement
12 unharmonized 2027 rates on January 1st.

13 The second part of the 2027 rates application
14 will include the rate harmonization implementation
15 plan for implementation of harmonized rates and
16 services for general service and contract customers
17 at some point later in 2027.

18 Final harmonized 2027 rates will be included in
19 the rate handbook filed in the second part of the
20 rates application and will be effective when the
21 applicable harmonized rates are implemented.

22 The 2027 harmonized rates will reflect all
23 approved rate adjustments including the annual rate
24 updates using the price cap mechanism approved in
25 Phase 2 for the 2025, 2026, and 2027, the impacts of
26 the rebasing Phase 2 settlement agreement, and any
27 QRAM adjustments.

28 The total bill impacts for Phase 3 are not

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1 driven by a change in revenue requirement or revenue
2 for the company.

3 The bill impacts are driven by the harmonized
4 cost allocation methodologies, the harmonized rate
5 classes and rate design, and the time that has
6 elapsed since rates and costs were last rebased.

7 Enbridge Gas has undertaken a detailed and
8 comprehensive review of bill impacts at a customer
9 level to support the proposed rate changes. This
10 review is far more detailed than the typical bill
11 impacts provided in most rate applications.

12 For the general service rate classes, bill
13 impacts were reviewed for all 3.9 million customers,
14 broken down into average impacts by decile within
15 each rate class. For the in-franchise contract rate
16 classes, Enbridge Gas undertook a review of the bill
17 impacts for each of the 985 individual contract
18 market customers in the 2024 test year forecast.

19 Prior to mitigation, total bill impacts for
20 customers on average range from a bill decrease of 23
21 percent to an increase of up to 10 percent for the
22 current rate classes relative to current approved
23 rates with a vast majority of customers forecast to
24 experience a total bill impact of less than 10
25 percent. This means that the total bill impacts are
26 at or below the 10 percent total bill impacts
27 typically considered for rate mitigation.

28 Total bill impacts vary by customer depending on

1 what they currently pay under their current rate
2 class and rate zone and what they will pay under
3 their harmonized rate class and rate zone.

4 This slide provides the general service bill
5 impacts reflecting the Phase 3 settlement proposal
6 for a typical customer in each of the current rate
7 classes.

8 The total bill impacts prior to rate mitigation
9 are shown on the left and after rate mitigation on
10 the right.

11 The impacts prior to mitigation range from a
12 decrease of 23.3 percent for Rate 10 customers in the
13 Union northeast rate zone to an increase of 7.1
14 percent for Rate M1 customers in the Union south rate
15 zone.

16 After mitigation, the range is a decrease of
17 14.5 percent for the same Rate 10 customers and an
18 increase of 2.9 percent for Rate M1 customers in the
19 first year of mitigation.

20 Bill impacts for all rate classes are provided
21 at page 49 of the settlement proposal and in the
22 draft rate order at working papers 10 and 19.

23 As shown on the previous slide, the settlement
24 proposal includes a rate mitigation plan to manage
25 the total bill impacts to 3 percent on average or
26 less. The rate mitigation plan agreed to by parties
27 is lower than the total bill impact of 10 percent
28 typically used to consider rate mitigation.

1 This plan recognizes the collective view in the
2 Phase 3 settlement is responsive to the Phase 1
3 settlement agreement, and considered phasing in
4 and/or mitigating total bill impacts, and also
5 provides a smooth transition to harmonized rates.

6 This approach also accommodates the fact that
7 the bill impacts are not driven by a change to
8 revenue requirement and recognizes that there may be
9 other bill impacts for customers to manage during
10 this time period.

11 The rate mitigation is managed through a new
12 rider, R, which is based on the existing rate classes
13 and rate zones. To ensure optimal distribution of
14 the mitigation for customers across the various rate
15 classes, the rider uses both fixed and volumetric
16 credits and charges. Rate mitigation credits are
17 fully funded through rider chargers and are revenue
18 neutral for the company on a forecast basis.

19 The rate mitigation plan meets the principle set
20 out on pages 46 to 47 of the settlement proposal.
21 The settlement proposes to implement the rate
22 mitigation riders over five years, with changes every
23 12 months. Rate mitigation credits and charges
24 decrease evenly over the five-year period until they
25 expire in Year 4 with final bill impacts and
26 unmitigated rates in effect by Year 5.

27 The rider R credits are applicable to the
28 eligible rate classes listed on this slide to manage

1 their total bill impacts to 3 percent on average. As
2 shown in columns A and B, you can see the current
3 rate class and rate zone for the customers that will
4 receive a credit. For example, customers moving to
5 Rate E01 from Rate M1 in Union south are receiving a
6 credit which is funded by other rate classes moving
7 to Rate E01 and other rate classes that are seeing
8 larger rate decreases.

9 This slide shows the rider R in more detail. I
10 am not going to go through all the information on
11 this slide but will highlight that rider R only
12 applies to some customers in each rate class, not all
13 customers are impacted, depending on their total bill
14 impacts before harmonization.

15 In some cases, there is a credit. And in some
16 cases, there is a debit or a charge.

17 You will see that both fixed and volumetric unit
18 rates are adjusted. This approach enables an optimal
19 distribution of the mitigation across various
20 customers of different sizes within the rate class.

21 Funding of the mitigation first came from within
22 the same harmonized rate classes, and in some
23 instances where it was not possible to fund the rate
24 rider within the harmonized class, Enbridge Gas
25 funded the credits from other rate classes with
26 larger bill decreases. The total revenues shown in
27 column C on this slide shows the rider R revenue
28 adjustments for the harmonized rate classes that were

1 required to manage the bill impacts. A negative
2 number shows a net benefit or credit to the rate
3 class, and a positive number shows a net charge or
4 debit to the class in the first year of
5 implementation.

6 The settlement proposal includes the
7 introduction of a new rate harmonization variance
8 account, the RHVA. They record differences to
9 forecast revenue that are attributable to customers
10 switching rate classes as a result of the
11 implementation of the rate harmonization plan.

12 This account recognizes that customers have
13 options to switch rate classes and/or change their
14 service options upon implementation.

15 The company prepared a customer forecast for the
16 harmonized rate classes by placing customers into
17 rate classes based on the customer's current
18 parameters and service option. There was no judgment
19 made about customer choices and potential rate class
20 switching within the test year forecast. For
21 example, firm bundled contract service customer was
22 placed in the corresponding firm bundled contract
23 rate class for the purposes of deriving the
24 harmonized customer forecast.

25 The actual customers -- choices by customers as
26 to what harmonized rate class they may select could
27 be different than the forecast.

28 Differences in revenue resulting from the

1 addition of new or the loss of existing Enbridge Gas
2 customers during the IR term will not be recorded in
3 the RHVA. It is assumed at this time that the RHVA
4 will continue in effect during the next IR term
5 starting in 2029 because of the implementation timing
6 and the timing of filing the 2029 rebasing, which are
7 both planned to occur in mid 2027.

8 This timing means that for the purposes of the
9 rebasing filing, Enbridge Gas will not have actual
10 data about whether customers are choosing different
11 harmonized rate classes versus what is assumed.

12 As set out in the settlement proposal, this does
13 not preclude parties from taking a different position
14 on the continuation of the account as part of the
15 2029 rebasing proceeding.

16 Settlement proposal also includes a commitment
17 made by Enbridge Gas related to the Indigenous
18 Working Group, the IWG, which was established as part
19 of Phase 1 2024 rebasing settlement agreement.
20 Enbridge Gas committed to providing information
21 supporting the Working Group's engagement and
22 discussion of differential rates for First Nations,
23 Indigenous communities, and reserves. The IWG may
24 retain an expert to assist in gathering information
25 about Indigenous customers that Enbridge Gas does not
26 have.

27 The arrangements to retain and pay for this
28 expert will be undertaken in accordance with

1 established IWG practices and budgets.

2 The details of the commitment are provided on
3 pages 55 and 56 of the settlement proposal.

4 And that concludes the formal part of the
5 presentation.

6 PRESIDING COMMISSIONER DUFF: Okay. Thank you
7 very much.

8 I am going to proceed asking my questions first.

9 **QUESTIONS BY THE PANEL**

10 First, we will start with Enbridge's responses
11 to the questions that the OEB panel had. Could
12 somebody pull that document up, that may be helpful.

13 It may have been obvious to Enbridge that we
14 clearly didn't understand a few of the nuances of the
15 settlement by the questions were asking, so obviously
16 this question and answer process was very valuable to
17 the panel.

18 If I can start with page 1, so it's page 2 of
19 the PDF, and it's really the first response.

20 I want to understand the 16.7 million adjustment
21 for a second. The 16.7 million adjustment is a shift
22 between gas costs and base rates; is that correct?
23 And that this 16.7 million will change when we get to
24 2027. Is my understanding correct?

25 R. STEVENSON: Yes, that's correct. It is an
26 update to the gas costs included in rates.

27 --- Reporter appeals

28 PRESIDING COMMISSIONER DUFF: Oh, I'm sorry. So

1 the court reporter asked if we could just say our
2 names out loud before we start. I am Allison Duff,
3 and that was Robin Stevenson.

4 R. STEVENSON: Correct.

5 PRESIDING COMMISSIONER DUFF: That's great.

6 So the 16.7 million, it is -- I guess the word
7 that confused me was restating the revenue
8 sufficiency. Just unparcel that for a little bit
9 more for me and understanding how this shifting
10 happened and its dependent on -- I guess that would
11 be the July 2024 QRAM. Could you just walk me
12 through that one more time, please.

13 R. STEVENSON: So this is reflecting the change
14 in gas costs at that --

15 --- Reporter appeals

16 PRESIDING COMMISSIONER DUFF: Perhaps, Ms.
17 Stevenson, you could explain to me how the 16.7 is a
18 shift of -- from the gas costs and how that 16.7 will
19 change when you get to 2027.

20 R. STEVENSON: Yes. So the shift in 16.7
21 reflects the fact that depending on what prices you
22 use, you are going to have a different value in the
23 amount included in rates. So there is a gas supply
24 plan that is currently included in rates, and then we
25 are introducing an updated gas supply plan as part of
26 Phase 3.

27 And so when you change the prices in that gas
28 supply plan out of QRAM, it's going to change the

1 amount of the total revenue requirement based on what
2 the value is of the prices at that time.

3 PRESIDING COMMISSIONER DUFF: And if I go to --
4 if I fast forward to your answer to part (d) of that
5 on the next page, you say that it does not change the
6 total amount of gas costs recovered from customers as
7 gas costs are pass-through costs; is that correct?

8 R. STEVENSON: That is correct.

9 PRESIDING COMMISSIONER DUFF: So even the 16.7
10 as we have it today, that would have -- it's a pass
11 through of the gas costs.

12 R. STEVENSON: The 16.7 million is -- sorry,
13 sorry.

14 PRESIDING COMMISSIONER DUFF: No, no. Please
15 continue.

16 R. STEVENSON: The 16.7 million is based on
17 forecast costs. What customers actually pay will be
18 based on the actual costs.

19 PRESIDING COMMISSIONER DUFF: Got it.

20 R. STEVENSON: So it will be a combination of
21 what is included in rates and what flows through the
22 variance accounts, and the customers will pay our
23 actual gas costs.

24 PRESIDING COMMISSIONER DUFF: I understand.
25 Thank you. That's helpful.

26 If we could go to page -- of the PDF, page 4,
27 and response (a). So rider R is smoothing the one-
28 time impact. The -- I want to understand a little

1 bit more about the rider R.

2 The rider R calculations have all been
3 determined; am I getting that correct? They have all
4 been calculated and determined and part of the
5 settlement and will not change over the five years;
6 is that correct?

7 R. STEVENSON: Correct. So we have calculated
8 the impacts associated with Phase 3, and now we are
9 just phasing those in over time so that they won't
10 experience the entire amount of that change all at
11 once. It will be, for example, an up to 3 percent
12 increase each year.

13 PRESIDING COMMISSIONER DUFF: And we will get to
14 that. I am going to pull up the draft rate order,
15 and we are going to go through the different
16 components just to make sure I understand that. That
17 wasn't clear to me when I first read the settlement.

18 And if we go to page 5 of the PDF, the very last
19 part with (c), I was asking -- well, the panel was
20 asking about how you are going to engage with
21 parties, and I realized from your answer that you're
22 saying you don't need to engage with parties because
23 the rider R calculations have all been made and known
24 today. And that's correct? Is that the basis of
25 your answer?

26 R. STEVENSON: That is correct.

27 PRESIDING COMMISSIONER DUFF: And what I am
28 wondering now is perhaps it's the few first QRAM to

1 follow the 2027 implementation plan, perhaps that
2 would have been the better question. How do you plan
3 to -- or are you planning to engage with parties
4 prior to filing your implementation plan?

5 And maybe your answer is, well, that's what the
6 OEB proceeding will be all about as that's how people
7 engage, but I just didn't know if you had other
8 plans.

9 D. STEVENS: If we may, Ms. Duff -- Commissioner
10 Duff, we are just going to discuss that for a moment
11 before answering.

12 PRESIDING COMMISSIONER DUFF: Thank you.

13 V. INNIS: The last -- sorry, it's Vanessa
14 Innis. Did you hear the last response?

15 PRESIDING COMMISSIONER DUFF: Actually, I don't
16 -- the last I heard was Mr. Stevens saying that they
17 were going to confer.

18 D. STEVEN: Oh, my goodness.

19 V. INNIS: We apparently did not unmute
20 ourselves.

21 PRESIDING COMMISSIONER DUFF: You had a good
22 trial run, and now you can repeat the answer with
23 confidence.

24 R. STEVENSON: So for the -- this is Robin
25 Stevenson again.

26 We anticipate we will include a detailed
27 communication plan in the 2027 rates application
28 which will be customer focused, but we will also have

1 intervenors involved in that process as well and
2 other stakeholders.

3 And we also anticipate through the QRAM process
4 we will have to harmonize the QRAM application, so we
5 will also be working with parties on sharing what
6 those schedules will look like, what the application
7 will look like in advance of filing that first QRAM
8 for the harmonized rate classes.

9 PRESIDING COMMISSIONER DUFF: That's helpful.

10 My concern is there's been a -- there's a
11 settlement that took months to negotiate, and it's
12 what's written on paper and the evidence in this
13 proceeding.

14 Fast forward a year and a half from now when we
15 are implementing it, there could be differences of
16 opinions, worst-case scenario, or I didn't really
17 think it was going to go out that way. I am not
18 saying this is going to happen. But you have got a
19 settlement among parties, and I think it would be an
20 important element that you had discussed or
21 socialized what you're going to present to the OEB
22 with those parties before bringing it before the --
23 in an application.

24 It was just my opinion is perhaps beyond the
25 scope of my concerns, but just that everybody's clear
26 on really how this will be implemented. That was the
27 reason I was asking.

28 D. STEVENS: Thank you, Commissioner Duff. It's

1 David Stevens speaking.

2 So to be clear, I think what I hear you
3 suggesting is that it could be a good idea for
4 Enbridge Gas to work with stakeholders before filing
5 the materials for 2027 such that what's filed
6 represents as much as possible a collective view.

7 PRESIDING COMMISSIONER DUFF: Yes. And, again,
8 I am saying that will be -- just to -- we are
9 thinking about this now. We are about to consider
10 the settlement proposal and how it will be
11 implemented, so in that forward perspective, what are
12 our best chances of success for making sure that what
13 was anticipated in the settlement is actually what
14 was implemented. And what is the role of the OEB,
15 and what's the role of the applicant, I guess, is
16 something I am just asking you to consider in case
17 there's a difference of opinion.

18 That doesn't necessarily go any further, but
19 your answer was helpful that you will consider that.

20 D. STEVENS: Thank you.

21 PRESIDING COMMISSIONER DUFF: The other concern
22 I have -- or not concern -- is just in the QRAM
23 applications, just the limited time that is allotted
24 for turning those around. And I was a little
25 confused as the 2027 application in which the
26 implementation occurs, will that just be one decision
27 that then goes into the next QRAM in which gas costs
28 will be determined?

1 Let me rephrase my question because that was not
2 very well worded.

3 Every quarter Enbridge aggregates all of the OEB
4 decisions, the rates decisions, in conjunction with
5 the gas costs forecast for the next quarter and
6 develops the rates so that once a quarter, the rates
7 change. Is that -- I have got the process correct;
8 right?

9 R. STEVENSON: Correct.

10 PRESIDING COMMISSIONER DUFF: So in 2027 when
11 you have that rates application in which are
12 implementing the rates harmonization, do you think
13 there would be any change to the QRAM process that
14 follows that decision?

15 R. STEVENSON: There -- so it's going -- there's
16 a couple of things there. I think it's going to
17 depend on when we implement, whether it coincides
18 exactly with a QRAM or if it's off cycle. In either
19 case, the rates have to reflect the current QRAM, so
20 we will have to make sure the harmonized rates are
21 updated to reflect whichever QRAM is effective at
22 that time.

23 PRESIDING COMMISSIONER DUFF: Yes. Okay. I
24 can't imagine it would be in the -- you think there's
25 a possibility that the 2027 would also incorporate a
26 forecast QRAM in the same proceeding? Is that what
27 you're suggesting the possibility?

28 R. STEVENSON: It wouldn't be in the same

1 proceeding, but they would have to be implemented
2 either on the same date or separate dates.

3 PRESIDING COMMISSIONER DUFF: I see. I
4 understand what you're saying. Thank you.

5 If we could fast-forward to page 14 of the PDF,
6 this is Enbridge's responses. And we are going to
7 talk about the rate handbook. Actually, that's where
8 most of my questions are.

9 So the settlement proposal was filed, and
10 concurrent with that settlement proposal, Enbridge
11 filed this draft rate order, and the draft rate order
12 includes the rate handbook; have I got that right?

13 R. STEVENSON: Correct.

14 PRESIDING COMMISSIONER DUFF: And I understand
15 that parties to the settlement have reviewed the rate
16 handbook and have -- to the extent there's -- it's --
17 there's agreement regarding what has been filed by
18 the OEB and for the rate handbook; is that true?

19 R. STEVENSON: That is correct.

20 PRESIDING COMMISSIONER DUFF: And the different
21 -- the rate handbook is but one component, and then
22 there is also -- actually, I don't know if I am using
23 the right terminology. The rate schedules, have they
24 also been reviewed by all the parties?

25 R. STEVENSON: Yes. The entire handbook was
26 reviewed.

27 PRESIDING COMMISSIONER DUFF: Including the unit
28 rate calculations?

1 R. STEVENSON: Yes. But I'd just make note that
2 the unit rates are based -- we have kind of mentioned
3 that at a few spots -- but the unit rates are based
4 on 2024, so we recognize they will have to be updated
5 before implementation.

6 PRESIDING COMMISSIONER DUFF: Yes.

7 Well, perhaps it's a good time now. Let's turn
8 to the actual draft rate order that was filed on --
9 was it December the 18th. Perhaps we could turn that
10 up. Thank you.

11 I am going to go to, I guess, page 2 of the PDF.

12 These increases that we see in the bullet
13 points, the increase of \$14.41, just using that as an
14 example, that \$14.41 will not change -- is that true
15 -- over the next five years?

16 R. STEVENSON: Those are the impacts prior to
17 mitigation.

18 PRESIDING COMMISSIONER DUFF: Oh, prior to
19 mitigation. That's right.

20 R. STEVENSON: And that's 7.1, yeah.

21 PRESIDING COMMISSIONER DUFF: Fair enough. But
22 those numbers, they are not going to change. They
23 can't change; right? The \$2.23, the before
24 mitigation, that's already been determined?

25 R. STEVENSON: Correct. They reflect everything
26 associated with this proceeding for Phase 3.

27 PRESIDING COMMISSIONER DUFF: Okay.

28 Perhaps the ultimate question that I have in my

1 mind is you have asked the Board to approve a draft
2 rate order that includes unit rates, and I understand
3 the different components of the draft rate order.
4 You have got a description, and you've got the terms
5 and conditions. I can see the new rate schedules for
6 the new classes. I can see -- I can see you've got
7 the accounting orders. You've got the working
8 papers. I see the different components, and I
9 understand most of them.

10 But the one I am struggling with, and I will be
11 honest, I am struggling with a Board order approving
12 the unit rates and those rate schedules when those
13 particular rates will never be implemented. Perhaps
14 you could explain to me why the unit rates have been
15 included as part of the rate order.

16 R. STEVENSON: I would say they are included for
17 completeness to show what the rates are at this point
18 in time, recognizing that they are not going to be
19 the final rates. I do think we have a couple of
20 examples of when we have done this in the past where
21 the rates in our handbook -- or rate schedules will
22 ultimately be replaced by something else, usually in
23 a QRAM when you combine multiple applications into
24 one.

25 So this will feed into that process where the
26 final rates will reflect everything that's been
27 approved including a QRAM change. But it's the --
28 it's not the final -- these are not the final rates.

1 PRESIDING COMMISSIONER DUFF: We need to
2 unparcel this is a little bit more.

3 Okay. So when I -- QRAM -- if you have another
4 example in which the OEB has approved illustrative
5 rates that will never be implemented, that would be
6 interesting for me to review that case or that
7 scenario.

8 The concern here is there could be no issue --
9 there could be no issue with all aspects of the
10 harmonization, all aspects of the settlement
11 proposal, but having --

12 R. STEVENSON: We are going to take a minute to
13 talk. Sorry.

14 D. STEVENS: Excuse me, Commissioner Duff. We
15 are just taking a moment to caucus.

16 PRESIDING COMMISSIONER DUFF: Okay. Great.

17 D. STEVENS: Thank you for your indulgence, and
18 it's Dan Stevens speaking.

19 So two questions in here, I think. One is, is
20 there an example of when this has happened in the
21 past? And the group is under the impression that
22 something similar happened in the mid-2010s with some
23 changes that happened with Union northwest where
24 there were approvals that were then not implemented
25 for at least a year.

26 If it's useful, we could take it away and
27 provide more details about that. We don't have that
28 at hand at the moment, Commissioner Duff.

1 PRESIDING COMMISSIONER DUFF: I think it would
2 be helpful, and I realize I don't want to put you on
3 the spot. You could file a letter or some kind of
4 document after the fact, not necessarily -- just to -
5 - so that --

6 D. STEVENS: Sure. We --

7 PRESIDING COMMISSIONER DUFF: -- the panel can
8 reflect on that example in case there's precedent
9 there that we could rely on.

10 D. STEVENS: Certainly we can do that. I think
11 that would be more efficient than us taking a break.

12 PRESIDING COMMISSIONER DUFF: Yeah. And I am
13 impressed that somebody had a good memory that they
14 could remember back to 2010, so kudos there.

15 D. STEVENS: Just more generally, we recognize
16 that these are -- the OEB will be approving rates
17 that will never actually be in place. The reason why
18 we suggested that's important and appropriate here is
19 that the parties need to have approved base rates
20 upon which the IRM adjustments can be applied.

21 So while these rates will never actually be in
22 place, that is 2024 harmonized rates, what will be in
23 place is a version of these rates, which is the 2027
24 rates upon which successive IRM adjustments will be
25 made. And we think it's important and we submit it's
26 important to have an approved base before we move on
27 to the mechanistic IRM adjustments.

28 And so that's the reason why we are wanting

1 adjustments -- or sorry -- approval, rather, of these
2 base rates in this case.

3 PRESIDING COMMISSIONER DUFF: So there was a
4 question in the OEB's list regarding at the bottom of
5 every page, it says "How will these be implemented?"
6 I am still uncertain of the status of this. It's --
7 what was the -- what was the question, again? Sorry.
8 It was the one where we were saying at the bottom of
9 every page, if you could please explain -- sorry.
10 Just give me a moment.

11 We could turn to any page within the draft rate
12 order. Let's go to page -- here's 76 of the PDF out
13 of 340. At the bottom of every -- of the -- at the
14 bottom of every rate schedule, it says "effective",
15 "implemented", and then it doesn't have a date. It
16 has the OEB order for this proceeding. That's the
17 part that concerns me. I am not too sure what the
18 status of these rate schedules, the statuses.

19 If I -- if the -- put another way, if the OEB
20 approves this as stated, the draft rate order as
21 filed, I don't know if that's enough of an
22 explanation of what we've approved because it's not
23 going to be effective ever.

24 I am not trying to be difficult. I am just
25 trying to make sure that these rates, are they really
26 going to be the base upon which things are added, the
27 Q3 2024 gas costs, the Q4 2024 gas costs, the '25
28 price cap increase -- I mean the Phase 2 increase?

1 Are they really a base that will never change,
2 in which other subsequent increases will just add to
3 it? Is that -- is that what will happen?

4 R. STEVENSON: That's correct, yeah. They will
5 form the base, and then adjustments will be made off
6 of them. So they are the equivalent, if you think of
7 it like the test year forecast, had we had harmonized
8 rates, this is what they would have looked like had
9 we done this in Phase 1 of rebasing at that same
10 point in time using the same forecast.

11 And so since then, there has been approvals and
12 things that will need to be layered on top of those.

13 PRESIDING COMMISSIONER DUFF: No. And I
14 understand the exercise, and I realize that you had
15 to pick a point in time, stick with it so that you
16 could quantify all of the changes and the impacts. I
17 appreciate that point.

18 R. STEVENSON: In terms of the dates down below,
19 though, I would say those are -- they are more
20 illustrative in the sense that this isn't going to
21 become an effective rate order in this format. It
22 will be updated with rates in -- prior to
23 implementation in 2027.

24 So, I mean, in theory, we could eliminate the
25 words, I think, because they are just really noted
26 there. They are not providing value to your point of
27 showing what will actually be there in 2027.

28 D. STEVENS: If we may just have a moment to

1 discuss amongst ourselves again, please.

2 PRESIDING COMMISSIONER DUFF: Sure. And I
3 appreciate this is a new idea -- a new concern that I
4 am expressing. It's not to be -- just so that we are
5 all clear on what is going to be in this Board order
6 and what it means. That's why. So thank you. Take
7 the time you need.

8 D. STEVENS: Thank you for your indulgence
9 again.

10 PRESIDING COMMISSIONER DUFF: Yes, Mr. Stevens.

11 D. STEVENS: The -- our group was just
12 discussing something that feeds into a question you'd
13 asked a few minutes ago, which is has the rate
14 handbook been reviewed and agreed upon by all
15 parties? And I think in the spirit of this -- and
16 the answer was, yes, it has.

17 And in the spirit of this being a joint
18 presentation and the settlement representing the
19 views of all parties, it may be most appropriate for
20 us to, in short order, take this away and propose
21 some updated language at the footer of this
22 particular rate handbook that reflects the fact that
23 these rates will never actually be -- that they are
24 approved, but they will never actually be
25 implemented, and make sure that other parties to the
26 settlement are onside with what we are proposing
27 before sort of independently making suggestions to
28 you as we go along today.

1 PRESIDING COMMISSIONER DUFF: I think that's a
2 very good suggestion. Thank you.

3 I have been assigned to a few QRAMs myself, and
4 I understand the task that kind of goes through the
5 Commissioners' minds as they are approving the QRAM.
6 It's like this gathering of all of the rate orders
7 that have accumulated over the last quarter plus your
8 gas costs forecast, you put it all together, and then
9 you are making a decision on if any mitigation is
10 required.

11 I am just -- as I reflect on those experiences,
12 I am wondering what are they going to do with this
13 case? What are they going to do with this Phase 3?
14 Is this -- if it's not to be included in the upcoming
15 QRAM. I think that should also be clear. Because it
16 will be a Board rate order that will have been
17 executed in the first quarter of 2026 if approved.
18 So thank you for offering that.

19 D. STEVENS: We will undertake to do that as
20 quickly as we are able.

21 PRESIDING COMMISSIONER DUFF: Okay, great.

22 I have two final questions, you will be glad to
23 know, on the accounting orders.

24 The first one is in Appendix F, if we could go
25 to page 251 of the PDF. This is the rate
26 harmonization variance account.

27 So as I understand this -- and this may be a bit
28 informal rather than switching around a bunch of

1 different documents -- the existence of this account
2 has been agreed to in the settlement proposal by all
3 parties, the -- to establish this account. But the
4 specifics of how the entries will be calculated and
5 quantified is not part of the settlement; is that
6 correct?

7 And if anybody is answering, I cannot hear you.

8 R. STEVENSON: The wording like -- there is some
9 description of how it will work, which is included in
10 this description here, but the actual details and the
11 calculations will be determined when it goes to be
12 disposed of.

13 PRESIDING COMMISSIONER DUFF: Do you have a plan
14 for it right now? First of all, you are not going to
15 include customer additions or losses or existing.
16 This is just based on your forecast of what you
17 thought people would migrate to and changes that did
18 not align with that forecast. Do you have a plan for
19 how you are going to track that?

20 And it's the revenue difference, actually, that
21 actually is perhaps the most complicated part, not
22 just the customer account.

23 D. STEVENS: We can advise, Commissioner Duff,
24 that it has been the subject of some thought and
25 consideration by Enbridge Gas, and there is one
26 interrogatory which speaks to the anticipated
27 approach for making entries into this account. I
28 believe it's Exhibit 1.9.1-SEC 38.

1 PRESIDING COMMISSIONER DUFF: Okay. That would
2 be helpful, thank you. I will look that up. You
3 don't have do that now.

4 Just to finish that discussion, it's unknown at
5 this stage, but obviously when Enbridge is looking
6 for a disposition of any balances, that's when I
7 guess the review will take place regarding what
8 entries were recorded, were they correct, and should
9 those balances be approved for disposition; is that
10 correct? That is ultimately when the decision will
11 be made?

12 D. STEVENS: Yes, that's correct. The agreement
13 within this settlement is to the establishment of the
14 account and the principle of the account. As you are
15 properly recognizing, some of the details as to
16 exactly what's recorded and how and what's deemed to
17 be appropriate and prudent will await the deferral
18 and variance account clearance application relevant
19 to 2027.

20 PRESIDING COMMISSIONER DUFF: And the other
21 unknown is the five years will -- that this account
22 will be -- whether it will exist all five years of
23 the rate mitigation, and from what I understand, it
24 will be reconsidered again at your next rebasing
25 application; have I got that right?

26 D. STEVENS: I think that the wording of the
27 settlement contemplates an assumption that this
28 account will continue but leaves it open for parties

1 to take a different view.

2 As Ms. Stevenson explained, our current
3 expectation is we won't have any better information
4 about customer choices into the new harmonized rate
5 classes at the time that forecasts are filed for the
6 2029 rebasing case as compared to what we have right
7 now, and so that's what leads -- well, that's what
8 led Enbridge to propose that this account would
9 continue beyond the next rebasing. But, of course,
10 that is something that other parties could take up in
11 2029.

12 PRESIDING COMMISSIONER DUFF: Okay. I think I
13 understand, thank you. Let me restate.

14 The account will exist for five years, people
15 have agreed to that; correct?

16 D. STEVENS: Presumptively, yes.

17 PRESIDING COMMISSIONER DUFF: And it's the
18 calculations and the entries could be up for
19 consideration in your next rebasing?

20 D. STEVENS: I believe that the calculations and
21 the entries will be up for discussion within the
22 first deferral clearance account proceeding.

23 PRESIDING COMMISSIONER DUFF: Okay.

24 D. STEVENS: What could be up for discussion,
25 depending what other parties decide in rebasing, is
26 whether or not it's necessary for the account to
27 continue in 2029 and beyond.

28 PRESIDING COMMISSIONER DUFF: Okay. Thank you

1 for that.

2 D. STEVENS: There's an assumption it will
3 continue, but there's an allowance that parties could
4 take a different position.

5 PRESIDING COMMISSIONER DUFF: Now I understand.
6 Thank you.

7 R. STEVENSON: I just want to also add that
8 there's not a five-year assumption related to this.
9 The five years is related to the rate rider that's
10 being phased in. There isn't necessarily an end date
11 because the 2029 test year forecast will last the
12 entire duration of term.

13 So if it's not set correctly in 2029, we may
14 need it for the entire duration of the IR term. But
15 that will be subject for discussion at the next
16 rebasing.

17 PRESIDING COMMISSIONER DUFF: Okay. Yeah. It's
18 kind of beyond the scope of this proceeding, but I
19 wanted to make sure I understood the facts and what
20 had been agreed to. It is a bit complicated.

21 The last area that I wanted to ask questions on,
22 if you could advance to the next page, is the average
23 use variance account.

24 So from my perspective, in Phase 1, that
25 decision approved an average use variance account,
26 and the accounting order for that was eventually
27 approved.

28 Does this account, this one in Appendix F, does

1 it replace the account that was approved in Phase 1?

2 And I can pull it up.

3 R. STEVENSON: It's actually the same account
4 number. It's the wording that changed. And the only
5 wording changes recognizes that when it moves, it --
6 it specifically stated the rate classes.

7 PRESIDING COMMISSIONER DUFF: Yes.

8 R. STEVENSON: And this one now reflects the
9 harmonized rate classes that --

10 PRESIDING COMMISSIONER DUFF: So the only
11 difference -- the only difference is instead of Rate
12 1, 6 -- I don't know what else was in there -- 01,
13 you now have it restricted to Rate E01 and Rate E02;
14 is that correct? That's the difference?

15 R. STEVENSON: Yeah. That's the intention of
16 why it was included.

17 PRESIDING COMMISSIONER DUFF: Everything else is
18 the same?

19 R. STEVENSON: Yeah, I believe so, yeah.

20 PRESIDING COMMISSIONER DUFF: And you said it's
21 the same account number?

22 R. STEVENSON: I believe it is, yeah.

23 PRESIDING COMMISSIONER DUFF: Oh, okay. That's
24 helpful. Thank you.

25 Those are my questions, thank you very much.

26 Commissioner Sword.

27 COMMISSIONER SWORD: Thank you.

28 With respect to -- you indicated you were going

1 to have a more detailed communication plan. Under
2 the assumption -- if we're going under the assumption
3 with this question that the settlement agreement is
4 approved, what would your immediate plan, though, be
5 to communicate this given that there's several
6 parties that will know about it and word will get out
7 that something has occurred that is new and
8 different?

9 D. STEVENS: Just one moment, please,
10 Commissioner Sword.

11 Thank you for your indulgence.

12 Enbridge Gas does not have any immediate plans
13 to have supplemental communications with customers.
14 As the implementation plan, though, is developed for
15 filing within the 2027 rate case, it will, of course,
16 be filed and socialized that way, but Enbridge will
17 also have an accompanying communication plan.

18 We believe that contract customers are becoming
19 aware of what's happening and will become aware of
20 what's happening once the settlement is approved
21 through the ordinary channels that they have with
22 Enbridge. But in terms of general service customers,
23 the broader communication will likely await the
24 filing of the implementation plan later this year.

25 COMMISSIONER SWORD: Okay, thank you.

26 With respect, there's several zones: the gas,
27 the storage, and transmission. There were three,
28 migrating to the north, the centre, and the east, and

1 in the south. Within the south, though, it would
2 appear that the St. Catharines or Niagara area is
3 retained in the central and east part.

4 I am just wondering if that is -- seems to me to
5 be correct, and, if so, it's not a continuous zone.
6 It would appear it resides geographically in the
7 south. I am just curious as to why the difference.

8 R. STEVENSON: Yeah, no, it's a good question.
9 Our gas costs are organized in part by the
10 TransCanada delivery areas, and the area you
11 mentioned is part of the Enbridge CDA still from a
12 TransCanada delivery point. So when we make
13 deliveries, it's still within that location.

14 So I think until they are organized differently,
15 we can't organize or separate out our gas costs to
16 treat them differently. Those costs are currently
17 still being all pooled together in the central area
18 in how they are served.

19 COMMISSIONER SWORD: Thank you.

20 With respect to we are going to be seeing
21 something -- or you've assigned the Indigenous
22 Working Group a task to look at special rates for
23 Indigenous First Nations and issues like that. When
24 -- pending what happens, what would be the next
25 logical step once the Indigenous Working Group has
26 had a go at it?

27 D. STEVENS: I can speak to that, Commissioner
28 Sword. I know that Mr. Vollmer is with us today, so

1 I encourage him to speak up if I misstate anything.

2 But my understanding is the Indigenous Working
3 Group is in an information -- acquisition information
4 gathering mode at the moment, and it would be working
5 towards the potential presentation of a proposal for
6 differentiated or separate rates for Indigenous or
7 on-reserve customers as part of the 2029 rebasing
8 case.

9 COMMISSIONER SWORD: Okay. Thank you.

10 Commissioner Duff, I have no further questions.

11 PRESIDING COMMISSIONER DUFF: I was going to
12 propose that we take a break. There has been a lot
13 of information exchanged. Commissioner Sword and I
14 would like to just reflect on the answers and see if
15 there is anything left that we needed to probe.
16 Perhaps we can take a break, and given the hour,
17 perhaps we could take a break until quarter to 3.

18 Enbridge, Mr. Stevens, do you need longer than
19 that? I don't know -- I think the only outstanding
20 task that you had, you said you were going to look
21 into the 2010 case, but I don't think 20 minutes is
22 going to be enough time for you.

23 D. STEVENS: And I don't believe we will --
24 equally, I don't believe we will have time to
25 properly consider the right wording to put at the
26 bottom of the rate handbook and socialize that with
27 intervenors.

28 PRESIDING COMMISSIONER DUFF: Oh, I forgot about

1 that.

2 D. STEVENS: So I don't think we have any other
3 tasks that are sitting with us that we can complete,
4 so we are happy to reconvene at 2:45.

5 PRESIDING COMMISSIONER DUFF: Perfect. I just
6 wanted to make sure in case there were any other
7 considerations that I needed to think about in giving
8 a break. Okay. Let's take a break, and we'll get
9 back at quarter to 3. Thank you very much.

10 --- Upon recess at 2:22 p.m.

11 --- Upon resuming at 2:45 p.m.

12 PRESIDING COMMISSIONER DUFF: Hello, everyone.
13 Thank you very much. The panel has one final
14 question.

15 Perhaps we can turn up the rate order, and of
16 the PDF, it was -- we are just going to pull up page
17 312 of 340.

18 Now, these are the working papers regarding --
19 that calculate rider R, and they lay them out from
20 years 1, 2, 3, and 4. To make sure that I -- there
21 is no ambiguity, based on the answers that you gave
22 earlier, will the numbers on this page ever change
23 for the rider R calculations?

24 B. MCINTYRE: Hi, this is Ben McIntyre for
25 Enbridge.

26 So as part of the settlement proposal, these
27 rates would not change. They are calculated based on
28 everything else that's in the settlement proposal.

1 PRESIDING COMMISSIONER DUFF: I think it was --
2 fair enough.

3 So unit rates for all other things, including
4 escalation, annual increases, other factors affecting
5 Enbridge, they will change, but the rider R
6 calculations that are in Schedule 18 of the working
7 papers are fixed?

8 B. MCINTYRE: That's correct.

9 PRESIDING COMMISSIONER DUFF: Okay. Thank you
10 very much. That was my only question.

11 I just wanted to appeal to -- I know there's a
12 number of parties that were in the settlement that
13 are listening online today. Enbridge has proposed to
14 confer with you regarding perhaps any changes or
15 updates to the wording of the draft rate order given
16 the concerns expressed by the panel today. If
17 anybody has a concern with that process or -- please,
18 indicate it.

19 I see no cameras, that's a good indication.

20 So just -- so the next steps in the process.
21 There are a few things that have come out of today.

22 First, there was the consideration of the
23 wording regarding implementation or the rate
24 schedules in the draft rate order. Enbridge has
25 committed to consider it and work with parties.

26 Enbridge also has offered to consider if there
27 are any precedent in its past regarding rates that
28 were illustrative being approved in a rate order by

1 the OEB in its past. I think the year 2010 was
2 mentioned, but that's not really important.

3 So following those two activities, it would be
4 the expectation that this panel would issue a
5 decision regarding the settlement, and also the OEB
6 would plan to issue a PO to provide more directions
7 regarding Issue Number 13, the issue that was not
8 available for settlement.

9 Are there any other matters that anyone would
10 like to raise to the panel at this stage? Any
11 concerns?

12 Okay. Hearing none.

13 Heartily, this panel would like to thank all
14 parties for the time and effort for this settlement
15 that was filed and proposed with the OEB. We
16 appreciate and acknowledge the time and effort to
17 reach an agreed-upon path forward, and the OEB will
18 consider it.

19 Anyhow, I thank everyone for their time today.
20 That includes the settlement presentation day. Thank
21 you.

22 --- Whereupon matter adjourned at 2:49 p.m.