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Enbridge Gas Inc.
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February 26, 2026

BY RESS AND EMAIL

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

Dear Ritchie Murray:

**Re: Enbridge Gas Inc. (Enbridge Gas)
Ontario Energy Board File No.: EB-2025-0189
2023 Demand Side Management (DSM) Deferral and Variance Account
Disposition Application – Enbridge Gas Draft Rate Order**

On October 14, 2025, Enbridge Gas submitted an application with the Ontario Energy Board (OEB) concerning the final disposition and recovery of certain 2023 DSM program year-end deferral and variance account balances.

In accordance with the OEB's Decision and Order, dated February 12, 2026, Enbridge Gas has compiled the enclosed Draft Rate Order showing the derivation of unit rates for each rate class.

The draft rate order reflects the total 2023 DSM deferral and variance account debit balance of \$11.620 million, including an interest debit of \$0.524 million, for a total debit disposition of \$12.144 million effective July 1, 2026 (shown in Table 1). Of the total balance, a \$14.795 million debit balance is applicable to the EGD rate zone, and a \$2.651 million credit balance is applicable to the Union rate zones. Enbridge Gas will clear these balances to customers as a one-time billing adjustment in conjunction with its July 1, 2026 QRAM application, which is the next available QRAM application following the completion of this draft rate order process.

Table 1
Summary of Approved 2023 Enbridge Gas DSM Deferral and Variance Account Principal Balances,
Interest, and Total for Clearing

<u>Particulars (\$000s)</u>	<u>Principal</u>	<u>Interest</u>	<u>Total for Clearing</u>
	(a)	(b)	(c) = (a + b)
Demand Side Management Variance Account	3,891	(55)	3,835
Demand Side Management Incentive Deferral Account	7,106	528	7,634
Lost Revenue Adjustment Mechanism Variance Account	623	51	675
Total for Clearing	<u>11,620</u>	<u>524</u>	<u>12,144</u>

The draft rate order also reflects a minor adjustment to the allocation of amounts related to the DSMVA and DSMIDA for customers within Rate T2. Enbridge Gas has added a separate allocation and unit rate for exempt Gas-Fired Generator customers in Rate T2 such that these customers are allocated amounts related to the Low-Income Program. In previous evidence, exempt Gas-Fired Generators were not included in the allocation of balances or derivation of unit rates for Rate T2 as they are not subject to Large Volume Program costs. However, these customers should be subject to costs related to the Low-Income Program in the DSMVA and DSMIDA, similar to other exempt customers in Rate 125, Rate 200, and Rate 300 in the EGD rate zone and Rate 25, Rate M9, and Rate T3 in the Union rate zones. Table 2 provides a summary of the allocation of 2023 DSMVA and DSMIDA balances between customers in Rate T2. This update does not affect the total amount allocated to Rate T2 or any other rate class.

Table 2
2023 DSM Deferral and Variance Account Balances - Rate T2

Line No.	Particulars (\$000s)	Participating LV Customers (a)	Exempt Gas-Fired Generators (b)	Total Rate T2 (c) = (a + b)
<u>DSM Variance Account</u>				
1	LV Program - In Rates	(3,935.7)	-	(3,935.7)
2	LV Program - Actual	2,531.4	-	2,531.4
3	Gas-Fired Generator Credits	1,429.1	-	1,429.1
4	DSMVA - LV Program	24.8	-	24.8
5	Low-Income Program - In Rates	(528.4)	(318.6)	(847.0)
6	Low-Income Program - Actual	513.3	313.4	826.7
7	DSMVA - LV Program	(15.1)	(5.2)	(20.4)
8	DSMVA Interest	(1.7)	(0.1)	(1.9)
9	DSMVA Balance including Interest	8.0	(5.4)	2.6
<u>DSM Incentive Deferral Account</u>				
10	Program Related	541.7	-	541.7
11	Low-Income Related	18.2	6.3	24.4
12	DSMIDA Balance	559.8	6.3	566.1
13	DSMIDA Interest	41.6	0.5	42.0
14	DSMIDA Balance including Interest	601.4	6.7	608.2

The enclosed Draft Rate Order is organized as follows:

Enbridge Gas Inc. – Appendix A

Page 1	Unit Rates for Recovery/(Refund).
Page 2	2023 DSM Deferral and Variance Account Balances.
Page 3	Allocation of 2023 DSM Deferral and Variance Account Balances.
Page 4	Unit Rates for One-Time Adjustment – Delivery.
Page 5	Bill Adjustment for Typical Customers.

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If you have any questions, please contact the undersigned.

Sincerely,

A handwritten signature in cursive script that reads "Justin Egan".

Justin Egan
Technical, Regulatory Applications

cc.: Dennis O'Leary (Aird & Berlis)
EB-2025-0189 (Intervenors)

Enbridge Gas Inc.
Unit Rates for Recovery/(Refund) - Delivery
2023 DSM Deferral Account Disposition

Line No.	Particulars	Unit Rate (cents/m ³) (a)
	<u>EGD Rate Zone</u>	
1	Rate 1	0.3673
2	Rate 6	(0.0231)
3	Rate 100	0.1460
4	Rate 110	0.1301
5	Rate 115	(0.3385)
6	Rate 135	1.7518
7	Rate 145	(2.2953)
8	Rate 170	(0.7733)
9	Rate 200	0.0001
10	Rate 125 (1)	0.0118
11	Rate 300 (1)	0.0318
	<u>Union North Rate Zone</u>	
12	Rate 01	(0.0579)
13	Rate 10	(0.5057)
14	Rate 20	(0.0514)
15	Rate 100	(0.0447)
16	Rate 25	0.0002
	<u>Union South Rate Zone</u>	
17	Rate M1	0.1625
18	Rate M2	(0.4609)
19	Rate M4	(0.3487)
20	Rate M5	(0.3851)
21	Rate M7	0.4867
22	Rate M9	0.0001
23	Rate T1	(0.3059)
24	Rate T2	0.0162
25	Rate T2 - Gas-Fired Generator	0.0001
26	Rate T3	0.0003

Note:

(1) Billing based on CD.

Enbridge Gas Inc.
2023 DSM Deferral and Variance Account Balances

Line No.	Particulars (\$000's)	Principal (a)	Interest (b)	Total (c) = (a + b)
1	Demand Side Management (DSMVA)	3,891	(55)	3,835
2	Demand Side Management Incentive (DSMIDA)	7,106	528	7,634
3	Lost Revenue Adj Mechanism (LRAMVA)	623	51	675
4	Total EGI	<u>11,620</u>	<u>524</u>	<u>12,144</u>

Enbridge Gas Inc.
Allocation of 2023 DSM Deferral and Variance Account Balances

Line No.	Particulars (\$000's)	DSMVA (a)	DSMIDA (b)	LRAM (c)	Total (d) = (a + b + c)
<u>EGD Rate Zone</u>					
1	Rate 1	15,019	2,160	-	17,180
2	Rate 6	(2,576)	1,547	-	(1,029)
3	Rate 100	69	5	(1)	73
4	Rate 110	1,335	272	24	1,632
5	Rate 115	(1,216)	16	(2)	(1,202)
6	Rate 135	1,089	97	(14)	1,171
7	Rate 145	(1,149)	2	2	(1,145)
8	Rate 170	(1,919)	32	0	(1,887)
9	Rate 200	(1)	1	-	0
10	Rate 125 (1)	(4)	5	-	1
11	Rate 300 (1)	(0)	0	-	0
12	Total EGD Rate Zone	<u>10,649</u>	<u>4,138</u>	<u>8</u>	<u>14,795</u>
<u>Union North Rate Zone</u>					
13	Rate 01	(735)	195	-	(540)
14	Rate 10	(1,661)	117	-	(1,544)
15	Rate 20	(647)	78	17	(552)
16	Rate 100	(543)	99	22	(422)
17	Rate 25	(2)	2	-	0
18	Total Union North Rate Zone	<u>(3,587)</u>	<u>491</u>	<u>39</u>	<u>(3,057)</u>
<u>Union South</u>					
19	Rate M1	3,374	1,382	-	4,755
20	Rate M2	(5,719)	414	-	(5,306)
21	Rate M4 (2)	(2,536)	173	395	(1,969)
22	Rate M5 (2)	(265)	15	23	(227)
23	Rate M7	3,163	388	194	3,745
24	Rate M9	(0)	1	-	0
25	Rate T1	(1,242)	21	3	(1,217)
26	Rate T2	8	602	12	621
27	Rate T2 - Gas-Fired Generator	(5)	6	-	1
28	Rate T3	(3)	3	-	1
29	Total Union South Rate Zone	<u>(3,226)</u>	<u>3,005</u>	<u>627</u>	<u>406</u>
30	Total Enbridge Gas	<u><u>3,835</u></u>	<u><u>7,634</u></u>	<u><u>675</u></u>	<u><u>12,144</u></u>

Note:

- (1) Billing based on CD.
- (2) DSMVA balances for Rate M4 and Rate M5 are allocated based on 2023 actual volumes to derive a common unit rate for disposition for both rate classes.

Enbridge Gas Inc.
Unit Rates for One-Time Adjustment - Delivery

Line No.	Particulars	2023 Deferral Balance for Disposition (\$000's) (a)	2023 Actual Volume (10 ³ m ³) (b)	Unit Rate (cents/m ³) (c) = (a / b) * 100
<u>EGD Rate Zone</u>				
1	Rate 1	17,180	4,677,347	0.3673
2	Rate 6	(1,029)	4,450,159	(0.0231)
3	Rate 100	73	50,015	0.1460
4	Rate 110	1,632	1,254,228	0.1301
5	Rate 115	(1,202)	355,028	(0.3385)
6	Rate 135	1,171	66,869	1.7518
7	Rate 145	(1,145)	49,883	(2.2953)
8	Rate 170	(1,887)	243,960	(0.7733)
9	Rate 200	0	188,441	0.0001
10	Rate 125 (1)	1	9,260	0.0118
11	Rate 300 (1)	0	16	0.0318
12	Total EGD Rate Zone	14,795		
<u>Union North Rate Zone</u>				
13	Rate 01	(540)	931,782	(0.0579)
14	Rate 10	(1,544)	305,249	(0.5057)
15	Rate 20	(552)	1,074,225	(0.0514)
16	Rate 100	(422)	942,952	(0.0447)
17	Rate 25	0	255,665	0.0002
18	Total Union North Rate Zone	(3,057)		
<u>Union South Rate Zone</u>				
19	Rate M1	4,755	2,925,618	0.1625
20	Rate M2	(5,306)	1,151,051	(0.4609)
21	Rate M4	(1,969)	564,595	(0.3487)
22	Rate M5	(227)	58,966	(0.3851)
23	Rate M7	3,745	769,537	0.4867
24	Rate M9	0	97,880	0.0001
25	Rate T1	(1,217)	397,887	(0.3059)
26	Rate T2	621	3,823,485	0.0162
27	Rate T2 - Gas-Fired Generator	1	1,245,616	0.0001
28	Rate T3	1	255,245	0.0003
29	Total Union South Rate Zone	406		
30	Total Enbridge Gas	12,144		

Note:

(1) Billing based on CD.

Enbridge Gas Inc.
Bill Adjustment for Typical Customers

Line No.	Particulars	Unit Rate (cents/m ³)	Annual Volume (m ³)	Bill Impact (\$)
		(a)	(b)	(c) = (a x b) /100
	<u>EGD Rate Zone</u>			
1	Rate 1 - Small	0.3673	2,400	8.82
2	Rate 6 - Average	(0.0231)	22,606	(5.23)
3	Rate 6 - Large	(0.0231)	339,124	(78.38)
4	Rate 100 - Small	0.1460	339,188	495
5	Rate 110 - Small	0.1301	598,568	779
6	Rate 110 - Large	0.1301	9,976,121	12,981
7	Rate 115 - Small	(0.3385)	4,471,609	(15,138)
8	Rate 115 - Large	(0.3385)	69,832,850	(236,407)
9	Rate 135 - Average	1.7518	598,567	10,486
10	Rate 145 - Large	(2.2953)	598,567	(13,739)
11	Rate 170 - Large	(0.7733)	69,832,850	(540,021)
12	Rate 200 - Average	0.0001	140,305,600	197
13	Rate 125 - Average	0.0118	2,315,000	273
	<u>Union North Rate Zone</u>			
14	Rate 01 - Small	(0.0579)	2,200	(1.27)
15	Rate 10 - Average	(0.5057)	93,000	(470.28)
16	Rate 20 - Small	(0.0514)	3,000,000	(1,542)
17	Rate 20 - Large	(0.0514)	15,000,000	(7,712)
18	Rate 25 - Average	0.0002	2,275,000	4
19	Rate 100 - Small	(0.0447)	27,000,000	(12,072)
20	Rate 100 - Large	(0.0447)	240,000,000	(107,307)
	<u>Union South Rate Zone</u>			
21	Rate M1 - Small	0.1625	2,200	3.58
22	Rate M2 - Average	(0.4609)	73,000	(336.49)
23	Rate M4 - Small	(0.3487)	875,000	(3,051)
24	Rate M4 - Large	(0.3487)	12,000,000	(41,841)
25	Rate M5 - Small	(0.3851)	825,000	(3,177)
26	Rate M5 - Large	(0.3851)	6,500,000	(25,028)
27	Rate M7 - Small	0.4867	36,000,000	175,214
28	Rate M7 - Large	0.4867	52,000,000	253,088
29	Rate M9 - Small	0.0001	6,950,000	8
30	Rate M9 - Large	0.0001	20,178,000	23
31	Rate T1 - Small	(0.3059)	7,537,000	(23,054)
32	Rate T1 - Average	(0.3059)	11,565,938	(35,378)
33	Rate T1 - Large	(0.3059)	25,624,080	(78,380)
34	Rate T2 - Small	0.0162	59,256,000	9,628
35	Rate T2 - Average	0.0162	197,789,850	32,138
36	Rate T2 - Large	0.0162	370,089,000	60,134
37	Rate T2 - Gas-Fired Generator - Small	0.0001	59,256,000	63
38	Rate T2 - Gas-Fired Generator - Average	0.0001	197,789,850	210
39	Rate T2 - Gas-Fired Generator - Large	0.0001	370,089,000	394
40	Rate T3 - Large	0.0003	272,712,000	746