

April 7, 2026

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**VIA RESS**

Mr. Ritchie Murray, Acting Registrar  
**ONTARIO ENERGY BOARD**  
P.O. Box 2319, 27<sup>th</sup> Floor  
2300 Yonge Street  
Toronto, ON M4P 1E4

Dear Mr. Murray:

**Re: EB-2025-0155: Enbridge Gas Inc. (EGI) Application for Disposition of 2024 Deferral and Variance Account Balances**

**Industrial Gas Users Association (IGUA) Submissions**

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We write on behalf of IGUA to provide brief submissions on two topics in EGI's 2024 DVA disposition application.

**Parkway Delivery Obligation Variance Account (PDOVA)**

We note in particular IGUA's support for disposition of the PDOVA as proposed by EGI. EGI proposes to recover through disposition of that account \$3.246 million, plus interest from customers, to cover 2024 Parkway Delivery Commitment Incentive (PDCI) costs incurred in excess of the \$14.2 million PDO related costs approved in 2024 rates.<sup>1</sup> This debit (for recovery from customers) balance accounts for payments to customers obligated to deliver volumes at Parkway rather than Dawn. These customer deliveries to Parkway rather than Dawn avoid the need for much more costly expansion of the Dawn-Parkway system to serve all customers, and thus benefit all customers. In accord with the 2014 Rates Settlement Agreement for Union Gas (EB-2013-0365) recovery of these amounts from all customers is appropriate.

**Indigenous Working Group (IWG) Budget**

While IGUA supports the IWG, and understands EGI's desire for some comfort in respect of recovery of expenditures thereon, IGUA also has concerns regarding "scope creep" for this initiative, and in this respect the magnitude of the proposed budget increase. We offer an alternative regulatory approach for the OEB's consideration.

We have considered the following background to EGI's proposal for an \$800,000 IWG budget for 2026:

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<sup>1</sup> EGI AIC, paragraphs 40-44; Ex C/T2/S6, paragraph 4.

- The initial budget for the IWG was set through settlement of EGI's 2024 rates (Phase 1) at \$640,000.<sup>2</sup>
- Actual 2024 IWG expenditures to the end of 2024 were \$247,800<sup>3</sup>, ~60% below the settled budget.
- In its Application for Disposition of 2023 Deferral and Variance Account Balances EGI proposed a 2025 IWG budget of \$800,000, an increase of 25% over the initial (2024) budget and more than 200% over IWG expenditures in 2024. The OEB declined to approve that budget on the basis of insufficient information on past spending or planned 2025 spending to support *“an increase in spending – and particularly an increase of this magnitude”*.<sup>4</sup>
- EGI currently estimates that the IWG expenditure related to 2025 is approximately \$137,000, less than 20% of the initially proposed 2025 budget.<sup>5</sup>
- EGI explains its proposal for an 2026 IWG budget of \$800,000 - almost six times the expected 2025 expenditure and more than three times the actual spend in 2024 - as appropriate *“to ensure that there are adequate funds available for the IWG to address topics of interest, welcome new membership should there be an interest and ensure funds are available to hire new experts to address topics such as rate harmonization, 2029 Rebasing, among other topics of interest to Indigenous Parties.”*<sup>6</sup>

Review of the Brattle Group Report and Presentation to the IWG included as an attachment to Exhibit I.CCC-6 indicates the topics presented to the IWG. In general, IGUA fully endorses consideration by the IWG and its hired consultants of the impacts on indigenous communities and individuals of EGI's rates and plans, including its plans to address the energy transition and its consideration of the merits of an indigenous specific delivery rate as agreed to in the 2024 Rebasing Phase 3 Settlement Proposal<sup>7</sup>. However, the Brattle Report (as reflected in the presentation material filed) makes recommendations on topics far beyond these customer specific considerations. Brattle's recommendations include consideration of the *“full lifecycle”* impacts, *“including downstream and upstream economic impacts”*, of EGI's energy transition pathways scenarios, and recommends that EGI *“increase its support for First Nation communities to build sufficient human, financial and technical capacity to plan their energy future”*.<sup>8</sup> Brattle also recommends that *“EGI plans should contain mechanisms that fairly compensate First Nation communities for historical and future land and resource use”*, and that *“EGI should provide First Nation communities the opportunity to be equity partners and/or owners in future projects that use traditional lands and resources, consistent with industry best practice”*.<sup>9</sup>

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<sup>2</sup> EB-2022-0200, Exhibit o1, Schedule 1, page 18.

<sup>3</sup> Ex.I.Staff-10. We note that EGI's AIC at paragraph 161 states this number as \$207,000.

<sup>4</sup> EB-2024-0125, *Decision and Order*, September 23, 2025, page 13.

<sup>5</sup> Ex. I.Staff-10, page 3, part d). We note that EGI's AIC at paragraph 161 states this number as \$127,000.

<sup>6</sup> Ex. I.Staff-11, page 3, part c).

<sup>7</sup> EB-2025-0064, Exhibit N1, Tab 1, Schedule 1, Page 55.

<sup>8</sup> See, for example, Ex. I.CCC-6, Attachment 1, page 5.

<sup>9</sup> See, for example, Ex. I.CCC-6, Attachment 1, page 6.

IGUA respectfully acknowledges that topics as broad as those which Brattle recommends are topics of interest to First Nations peoples. However, they also engage EGI's entire customer base and general (i.e. beyond natural gas delivery rates) public policy. While the views and contributions of First Nations representatives to these topics are certainly important, these are topics that should be addressed in a much broader forum than the IWG. IGUA requests that EGI and the IWG participants bear this view in mind as they proceed with their work in 2026.

IGUA supported as part of the 2024 rates settlement, and continues to support, the formation and engagement of the IWG. The 2024 rates settlement included an obligation for the IWG to *"establish a budget reflecting estimated Capacity Funding for the year, which will be subject to review or approval by the OEB as part of the applicable future deferral and variance account clearance proceeding for Enbridge Gas"*<sup>10</sup> [our emphasis]. As noted by the OEB in the 2024 DVA clearance proceeding<sup>11</sup>, these terms of the Phase 1 2024 Rebasing settlement proposal do not necessarily expect approval in the current matter of a 2026 IWG budget. IGUA submits that the OEB should not approve the proposed \$800,000 IWG 2026 budget at this time.

EGI seeks approval of this budget so that it *"can have confidence in the recoverability of amounts paid to the IWG"*, though acknowledges and accepts its responsibility to review and confirm the reasonableness of the IWG Capacity Funding invoices as they are received.<sup>12</sup> EGI further requests that, in the event that the OEB is not prepared to approve the proposed 2026 IWG budget, that the Board acknowledge the budget (as it did in the 2023 DVA clearance proceeding), and indicate any specific concerns so that EGI and the IWG *"may conduct themselves accordingly"*.<sup>13</sup> Essentially, what EGI is requesting is approval for the increased IWG activity planned for 2026 as summarized at paragraph 160 of EGI's AIC. Subject to the comments above regarding the scope of some of Brattle's recommendations to the IWG, IGUA considers the proposed activity described in EGI's AIC to be appropriate, and endorses acknowledgement by the OEB to that effect. This should provide EGI, and the IWG, with appropriate comfort in respect of 2026 expenditures, while maintaining appropriate discipline over the funding requested from customers at large to support a gas services and rate making related scope for IWG activities and appropriate expenditures thereon.

Yours truly,



Ian A. Mondrow

- c. Nazim Sebaa, IGUA  
Richard Wathy, EGI  
David Stevens, AIRD & BERLIS  
Cathrine Nguyen, OEB STAFF  
Intervenor of Record

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<sup>10</sup> EB-2022-0200 Phase 1 Settlement Proposal, July 7, 2023, Exhibit O1, Tab 1, Schedule 1, page 18.

<sup>11</sup> EB-2024-0125, *Decision and Order*, page 13.

<sup>12</sup> AIC, paragraphs 165-166.

<sup>13</sup> AIC, paragraph 167.