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April 23, 2026

VIA 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 (OEB) File No.: EB-2025-0155
2024 Utility Earnings and Disposition of Deferral & Variance Account
Balances Application – Reply Argument**

In accordance with the OEB's Procedural Order No. 2 issued on March 4, 2026, enclosed please find the Reply Argument filed by Enbridge Gas.

In the event that you have any questions on the above or would like to discuss in more detail, please do not hesitate to contact me.

Sincerely,

Richard Wathy

Richard Wathy
Technical Manager, Regulatory Applications

cc.: D. Stevens (Aird & Berlis)
EB-2025-0155 Intervenors

ONTARIO ENERGY BOARD

IN THE MATTER OF the *Ontario Energy Board Act*, 1998,
S.O. 1998, c. 15, Schedule B; and in particular section 36
thereof;

AND IN THE MATTER OF an Application for disposition of
2024 Deferral and Variance Accounts.

ENBRIDGE GAS INC.

REPLY ARGUMENT

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A. INTRODUCTION

1. In Procedural Order No. 2, the OEB indicated that this case will be determined through written submissions, and provided a list of seven topics to guide the parties.¹
2. In its Argument in Chief (AIC), Enbridge Gas Inc. (Enbridge Gas or the Company) addressed each of the topics listed by the OEB. The Company's AIC summarized the basis for its request for approval to clear the final balances of certain Enbridge Gas, EGD rate zone, and Union rate zones 2024 deferral and variance accounts (2024 Accounts).² Enbridge Gas also set out its request for approval of the 2026 budget for the Indigenous Working Group (IWG).
3. Twelve parties (including OEB staff) filed Submissions in response.³
4. With limited exceptions, parties do not object to the amounts recorded in the 2024 Accounts nor to the timing and allocation and disposition methodologies proposed by Enbridge Gas. Notably, five of the twelve parties who filed Submissions take no issue with any of the proposed clearances of the 2024 Accounts.⁴
5. Enbridge Gas repeats and relies upon its AIC and evidence filed in this proceeding. In this Reply, Enbridge Gas will respond to items where there is a significant difference in views between the Company's position and the Submissions from other parties. Failure to respond to each and every item raised by another party should not be taken as agreement to different positions.
6. This Reply is presented using the same format as the AIC, which addresses each of the topics set out in Procedural Order No. 2.

¹ [Procedural Order No. 2](#).

² The balances of the 2024 Accounts are set out at Appendix A to the AIC, with updated interest amounts reflecting an October 1, 2026 disposition.

³ Submissions were filed by OEB staff, Canadian Manufacturers and Exporters (CME), Consumers Council of Canada (CCC), Energy Probe Research Foundation (EP), Federation of Rental-housing Providers of Ontario (FRPO), Ginoogaming First Nation (GFN), Industrial Gas Users Association (IGUA), Ontario Greenhouse Vegetable Growers (OGVG), Pollution Probe (PP), School Energy Coalition (SEC), and Three Fires Group Inc. and Minogi Corp. (TFG and Minogi).

⁴ Parties taking no issue with any of the proposed clearances of the 2024 Accounts are OEB staff, GFN, IGUA, OGVG and TFG/Minogi.

B. 2024 ACCOUNTS SHOULD BE CLEARED AS REQUESTED

7. In AIC, Enbridge Gas set out a brief summary of why the full balance for each of the 23 accounts for which clearance is requested should be approved. Having reviewed the Submissions filed by other parties, Enbridge Gas continues to assert that the full requested amount in each of the 2024 Accounts should be cleared, on a final basis.
8. In their Submissions, parties only commented on a small number (5) of the account clearance requests: the Upstream Transportation Optimization Variance Account, the Unabsorbed Demand Costs Variance Account, the Unaccounted for Gas Volume Variance Account, the Distribution Integrity Management Program Deferral Account and the IRP Operating Cost Deferral Account.
9. In the sub-sections below, Enbridge Gas provides its responses to intervenor submissions. For context and continuity, the 2024 Accounts where no party provided submissions (and therefore clearance is not opposed) are also noted.

(i) Upstream Transportation Optimization Variance Account

10. FRPO, supported by CME, submits that gas supply related accounts related to “upstream optimization” should not be cleared or should be cleared on an interim basis, until the OEB has further information available.⁵
11. It is not entirely clear which accounts FRPO intends to have cleared on an interim basis, as this is not explicitly stated. The two accounts that FRPO implicitly references in its Submission are the Upstream Transportation Optimization Variance Account⁶ and the Unabsorbed Demand Costs Variance Account.⁷
12. It is also not clear what specific entries or amounts included (or not included) in these accounts are concerning to FRPO. No proposal is made as to any different clearance of the accounts.

⁵ FRPO Submission, pages 1-4; see also CME Submission, page 1.

⁶ FRPO’s Submission mostly speaks about “upstream transportation optimization”, and FRPO-4 and FRPO-6 that FRPO repeatedly reference relate to the Upstream Transportation Optimization Variance Account.

⁷ At page 2 of its Submission, FRPO references Account 179-108, which is the Unabsorbed Demand Costs Variance Account.

Instead, FRPO simply seems to want to pursue further discovery and investigation of these accounts in a future proceeding.

13. No other party provided comments or objected to clearance of these accounts.
14. Enbridge Gas disputes FRPO's contention that the record in this case is incomplete.
15. In Procedural Order No. 2, the OEB found that the record in this case is sufficient and complete, stating "*[a]fter considering the evidentiary record including the interrogatory responses filed, the OEB has determined that it will proceed by way of a written hearing.*"⁸
16. Parties had full opportunity to ask interrogatories, and Enbridge Gas provided detailed information in response, including answering 32 questions (not including sub-parts) from FRPO, which comprised 60 pages of answers. No party (including FRPO) sought clarification or brought a motion for more complete answers.⁹
17. Enbridge Gas submits, therefore, that there is a sufficient record for the OEB to approve the final clearance of the accounts related to "upstream optimization". Should FRPO or others have general questions about how these accounts function then those questions can be pursued in future deferral account clearance proceedings, in relation to the balances in the accounts for future years.
18. With all of that said, Enbridge Gas will address a couple of the items raised by FRPO.
19. FRPO asserts that Enbridge Gas has not demonstrated that it has reconciled the removal of UDC costs from QRAM (the PGVA) to eliminate the risk of double-counting. FRPO says that Enbridge Gas should explain the reconciliation before final clearance of the subject account.¹⁰ In the paragraphs that follow, Enbridge Gas provides the requested information.

⁸ [Procedural Order No. 2](#), page 1.

⁹ If, as FRPO submits (see page 2 of the FRPO Submission), the answer to FRPO-4 is "woefully deficient", it is reasonable to expect that FRPO would have made a request for further information at some point before filing its Submission.

¹⁰ FRPO Submission, page 2.

20. As noted in the Company's QRAM application(s), UDC costs reported in QRAM evidence are provided for informational purposes only as they are not recovered through the QRAM.¹¹ Accordingly, there is no risk of double counting these costs.
21. The Company's response to FRPO-6 confirms that costs are accurately recorded in the appropriate account.¹²
22. FRPO's Submission attempts to reconcile net UDC costs for the month of July 2024 to QRAM, to confirm there is no double-counting. When all relevant information is taken into account, it can be seen that net UDC costs tie to QRAM. The \$2.22 million of Actual UDC Cost Incurred for July 2024 as noted by FRPO does not account for the offsetting impact of \$1.245 million of Released Capacity Revenue¹³, which results in a Net UDC cost of \$0.975 million which matches the April 2025 QRAM filing referenced by FRPO. Attachment 1 provides a detailed reconciliation of monthly UDC costs for 2024, using information that has already been filed with the OEB.¹⁴ Enbridge Gas confirms that Net UDC Costs tie to what has been included in QRAM filings.
23. FRPO also points to evidence from outside this proceeding (a summary of capacity releases set out on the TCPL website) and raises two concerns. First, FRPO submits that "...there is no compensating PGVA adjustment in the QRAM filing for the months where when EGI has assigned about half of its Parkway to EGD EDA capacity."¹⁵ The quantities noted by FRPO for "Parkway to Enbridge EDA" are related to upstream transportation optimization activity.¹⁶ Upstream transportation optimization revenue is credited, at a rate of 90%, to ratepayers through OEB-approved 2024 rates and the Upstream Transportation Optimization Variance

¹¹ [EB-2025-0078, April 1, 2025 QRAM Application](#), Exhibit E, Tab 1, Schedule 2, page 1, Note (8).

¹² As FRPO assumed in its Submission (page 2), Enbridge Gas inadvertently mislabeled titles in the attachment to FRPO-6 as "Net Cost", these should have been shown as "Actual UDC cost".

¹³ See Exhibit I.FRPO-26, Table 1. Note that Enbridge Gas inadvertently aggregated the June and July 2024 capacity release revenue in this table for Union North West (line 4). Enbridge Gas mistakenly aggregated the June and July 2024 capacity release revenue in this table – the breakdown of the amount is \$0.478 million for June and \$1.183 million for July. Combined with the Union South capacity release revenue, the total capacity release revenue is \$0.557 million for June and \$1.245 million for July.

¹⁴ The information used to complete Attachment 1 is taken from Exhibits I.FRPO-6 and 26 and ties to Exhibit E, Tab 1, Schedule 1, Table 3.

¹⁵ FRPO Submission, page 3.

¹⁶ The volumes referenced by FRPO relate to a combination of Parkway to Enbridge EDA and Dawn to Enbridge EDA capacity releases.

Account.¹⁷ Second, FRPO submits that there is a “lack of alignment between EGI’s reported capacity releases for the UGL rate zone and TCPL’s posting of assignments”.¹⁸ This is not a concern. There are reasons for the misalignment. The 1,262 GJ per day of Parkway to Union EDA capacity noted by FRPO as a potential issue relates to an unbundled customer on whose behalf Enbridge Gas has acquired capacity (which is paid by the customer) under a North T-Service Transportation from Dawn Service contract. FRPO could have asked about these topics in interrogatories but did not do so.

24. The accounts now questioned by FRPO have been in place for years.¹⁹ There is no change to how these accounts operated in 2024 as compared to prior years. There is no proper basis for the OEB to conclude or determine it is necessary or appropriate to order an interim disposition of the subject accounts for 2024, and to allow for continued examination of the balances in these accounts in a future proceeding, based on FRPO’s stated concern that it does not understand completely how Enbridge Gas arrived at the proposed dispositions. Allowing that approach would be contrary to regulatory efficiency.

(ii) Unaccounted for Gas Volume Variance Account

25. EP raises a concern that the number of estimated bills from Enbridge Gas has increased in 2024, and asserts that this has caused additional UFG. EP submits that a portion of the balance in the Unaccounted for Gas Volume Variance Account related to estimated bills should be deferred to the 2025 deferral account proceeding.²⁰

26. No other party comments on this account.

27. Issues around UFG have been examined in great detail in previous deferral account clearance proceedings. In the 2023 Deferral and Variance Account Clearance proceeding (EB-2024-0125), Enbridge Gas filed comprehensive evidence setting out learnings and observations made regarding UFG.²¹ Among other things, this evidence set out the way that estimated

¹⁷ As explained at Exhibit C, Tab 2, Schedule 1, pages 1-2.

¹⁸ FRPO Submission, page 4.

¹⁹ While the Upstream Transportation Optimization Variance Account is now an Enbridge Gas account, it includes the same approach as previously used for Enbridge Gas Distribution and Union Gas rate zones.

²⁰ EP Submission, pages 1-2.

²¹ [EB-2024-0125 prefiled evidence](#), Exhibit D, Tab 1, pages 5-58.

meter reads are trued up in time such that they do not cause UFG.²² Stated simply, estimated bills are not a cause of UFG over a period of time as they are eventually trued up with actual reads.

28. EP raised this same issue in its Submissions in the 2023 Deferral and Variance Account Clearance proceeding, arguing that estimated bills were a cause of unreasonably high UFG and asserting there should be a disallowance from the variance account recovery.²³ The OEB declined to accept EP's argument. Instead, the OEB determined that there was sufficient evidence to support final clearance of the Company's 2022 and 2023 UFG accounts.²⁴

29. Enbridge Gas submits that the OEB should again find in 2024 that the evidence filed supports the full recovery of the balance in the Unaccounted for Gas Volume Variance Account.

(iii) Unaccounted for Gas Price Variance Account

30. No comments received from other parties.²⁵

(iv) Transportation from Dawn Service Deferral Account

31. No comments received from other parties.

(v) Deferral Clearance Variance Account

32. No comments received from other parties.

(vi) Parkway Delivery Obligation Variance Account

33. No comments received from other parties, except for a specific statement of support from IGUA.²⁶

(vii) Pension & OPEB Variance Account

34. No comments received from other parties.

²² [EB-2024-0125 prefiled evidence](#), Exhibit D, Tab 1, pages 16-25.

²³ [EP Submission in EB-2024-0125](#), page 6: "In this case, management's decision to change the meter reading practices, and to hire a new meter provider caused an increase in estimated bills together with its decision to continue with its bill estimation practice was a likely cause of the increase in UFG in 2021 and 2022."

²⁴ [EB-2024-0125 Decision and Order, September 23, 2025](#), pages 10-11.

²⁵ The EP Submission mentions only the UFG Volume Variance Account.

²⁶ IGUA Submission, page 1.

(viii) Facility Carbon Charge Variance Account

35. No comments received from other parties.

(ix) Customer Carbon Charge Variance Account

36. No comments received from other parties.

(x) Carbon Charges Bad Debt Deferral Account

37. No comments received from other parties.

(xi) IRP Operating Costs Deferral Account

38. PP submits that the costs in this account related to the Southern Lake Huron (SLH) IRP Pilot Project should be deferred or cleared on an interim basis until Enbridge Gas's Motion to Review the IRP Pilot Decision is completed, as there is currently a stay on portions of the Decision and the related IRP Pilot Project budget.²⁷

39. No other party makes any comments on this account.

40. There is no need to defer the costs in this account related to the SLH IRP Pilot Project (approximately \$112,000²⁸), or to clear the account on an interim basis. The costs in this account are not within the \$1.5 million at issue in the Motion to Review that the OEB directed be reallocated from the denied Advanced Gas Technologies to the budget for Limited Electrification Measures (within the approved \$14.2 million budget)²⁹ nor do these amounts relate to the stay granted by the OEB of specific portions of the Decision in response to the request from Enbridge Gas.³⁰ Enbridge Gas will continue to report on the SLH IRP Pilot Project in future deferral account clearance proceedings and in the annual IRP reports. The 2023 and 2024 costs of \$0.112 million recorded are a very small fraction of the approved budget for the SLH IRP Pilot Project and the Motion to Review issues are not relevant to the clearance of these costs.

²⁷ PP Submission, pages 5-7.

²⁸ This amount is derived by subtracting the Parry Sound IRP Pilot Project costs (\$0.047 million – Exhibit I.PP-4(a)) from the total IRP Pilot Project costs (\$0.159 million – Exhibit C, Tab 2, Schedule 11, page 2) recorded in the account.

²⁹ [EB-2022-0335, OEB Decision and Order](#), page 5.

³⁰ [EB-2025-0333, Decision on Threshold Question and Procedural Order No. 2](#), page 2.

(xii) Dawn Parkway Surplus Capacity Deferral Account

41. No comments received from other parties.

(xiii) Distribution Integrity Management Program (DIMP) Variance Account

42. CCC, supported by several other parties, submits that the balance in the DIMP Variance Account should be reduced to recognize only partial recovery of administrative costs.³¹ SEC, as well as FRPO and PP, argue that the account should only be cleared on an interim basis until more information is filed in a subsequent case about the impacts of the DIMP and Enhanced DIMP (EDIMP) activities, when a cost/benefit analysis is more possible.³²

43. Enbridge Gas submits that the full balance of the DIMP Variance Account should be cleared on a final basis.

44. There is no proper basis to reduce the balance in the account to effectively disallow some administrative costs. The administrative costs incurred are reasonable and necessary, and are directly in line with the previously estimated amounts for these activities.

45. CCC says that the 2024 administrative costs are \$0.73 million higher (43% higher) than forecast.³³ That is not the case, as explained below.

46. As a result of the matters raised in the CCC Submission, Enbridge Gas has determined that its evidence in this proceeding used the original 2024 DIMP/EDIMP workplan that set out the components of the 2024 DIMP/EDIMP budget as the comparator for 2024 actuals. There is a later and final 2024 line-item budget for DIMP/EDIMP. While the total budget amount did not change, the breakdown of amounts within the overall budget envelope did change. A main reason for the difference is that the original workplan included some personnel and administration costs in the project costs category, while the Company was working to identify the magnitude of such costs. In the final budget, these costs were moved from the project category to the administration category.

³¹ CCC Submission, pages 2-3; see also Submissions from CME and SEC.

³² SEC Submission, page 2; see also FRPO Submission, page 5 and PP Submission, pages 8-9.

³³ CCC Submission, pages 2-3

47. Enbridge Gas filed the final 2024 line-item budget for DIMP/EDIMP in Phase 2 of the Rebasing Proceeding. In response to a CCC interrogatory in that proceeding, Enbridge Gas was asked to “break out all of the components of DIMP and EDIMP costs included in base rates”. The response provided shows that the total 2024 administrative costs for DIMP/EDIMP included in rates are \$2.6 million (\$1.6 million for DIMP and \$1.0 million for EDIMP).³⁴ This compares to the actual 2024 administrative costs incurred of \$2.5 million, which is reflected in the determination of the amount recorded in the DIMP Variance Account.³⁵
48. In Table 1 below, Enbridge Gas sets out the variances between the final budget DIMP/EDIMP costs included in rates for 2024 (as previously filed with the OEB³⁶) and the actual costs from 2024. This comparison format will be used in future deferral account clearance applications.

³⁴ EB-2024-0111, Exhibit I.1.17-CCC-35, page 2 (Table 1, lines 1 & 8). The interrogatories from Phase 2 Rebasing can be found [here](#) – the subject interrogatory is at page 933.

³⁵ Exhibit C, Tab 2, Schedule 13, page 2 (Table 1, lines 1 & 8).

³⁶ EB-2024-0111, Exhibit I.1.17-CCC-35, page 2.

Table 1
DIMP and EDIMP Costs

Line No.	Particulars (\$millions)	2024 Budget	2024 Actuals	Variance
<u>DIMP</u>				
1	Admin	\$1.556	\$1.596	\$0.040
2	Investigations & Assessments	\$0.314	\$0.670	\$0.356
3	Pipe Inspections	\$0.365	\$0.459	\$0.094
4	Station Inspections	\$0.090	\$0.236	\$0.146
5	Regulator Set Inspections	\$0.623	\$0.862	\$0.239
6	DIMP Carryovers	\$0.056	\$0.000	(\$0.056)
7	Total DIMP	\$3.004	\$3.823	\$0.820
<u>EDIMP</u>				
8	Admin	\$0.989	\$0.887	(\$0.102)
9	Inline Inspection (ILI)	\$7.646	\$6.721	(\$0.926)
10	Corrosion Survey	\$0.454	\$0.493	\$0.040
11	Digs (Validation)	\$0.265	\$0.546	\$0.281
12	Assessments & Consulting	\$0.142	\$0.005	(\$0.137)
13	EDIMP Carryovers	\$0.000	\$0.005	\$0.005
14	Total EDIMP	\$9.496	\$8.656	(\$0.840)
15	Total DIMP and EDIMP	\$12.500	\$12.480	(\$0.020)

49. Enbridge Gas further submits that it is not appropriate or necessary to delay final disposition of the 2024 DIMP Variance Account in order to assess the results of the DIMP and EDIMP activities and compare those against the associated costs. That was not, and should not be, the basis upon which prudence of costs within the DIMP Variance Account are assessed. DIMP and EDIMP activities provide information on the condition of Enbridge Gas’s system and are actively focused on reducing risk and mitigating findings rather than only producing immediate or quantifiable cost-benefit outcomes.

50. The expectation and requirement for the DIMP Variance Account, as set out in the Phase 1 Rebasing Settlement Proposal, is that variances from the \$12.5 million O&M budget for DIMP and EDIMP will be recorded in the account and recovered from or credited to ratepayers. The

wording of the Settlement Proposal expressly indicates that there will be an annual clearance of the account. Enbridge Gas is required to report each year on actual program spending, including results achieved, but there is no stipulation or expectation that there must be positive cost/benefits results from the activities in order for the costs to be deemed prudent.³⁷ Consistent with the risk management purpose of these programs, if the OEB finds it necessary to review the associated costs, then the focus should be on the appropriateness of actions taken to identify, evaluate, and mitigate risk, not the timing or quantification of benefits.

51. Enbridge Gas has met expectations. The Company filed a 2024 Report on Activities for DIMP and EDIMP, setting out the work undertaken, associated costs and results to date.³⁸ This sets out the basis for determining that the amounts spent and recorded in the DIMP Variance Account are reasonable and appropriate. While more will be known in future years about how the results of 2024 pipeline inspections will inform future mitigation requirements, that does not dictate the prudence of 2024 expenditures.

(xiv) Post-Retirement True-Up Variance Account

52. No comments received from other parties.

(xv) Clean Fuel Regulation Credits Deferral Account

53. No comments received from other parties.

³⁷ The key sections of the Phase 1 Rebasing (EB-2022-0200) [Settlement Proposal](#) are Issues 12 and 32.

Issue 12 states, in part: *The Parties agree to a DIMP Variance Account that will track Enbridge Gas spending each year on the DIMP and EDIMP programs. Parties agree that \$12.5 million is included in the 2024 O&M budget for these programs, and that variances will be recovered from or credited to ratepayers on an annual basis from 2024 until Enbridge Gas next rebases. Enbridge Gas will provide annual reporting and justification for DIMP spending (see Issue 32).*

Issue 32 states, in part: *as described in Issue 12, Parties agree instead to the creation of a new Distribution Integrity Management Program (DIMP) Costs Variance Account. The account will record variances in Enbridge Gas spending each year on the DIMP and EDIMP programs. Parties agree that \$12.5 million is included in the 2024 O&M budget for these programs, and that variances will be recovered from or credited to ratepayers on an annual basis from 2024 until Enbridge Gas next rebases. Enbridge Gas will provide annual reporting on actual DIMP/EDIMP spending, setting out the work done (and associated costs), listing the projects/facilities where work was done, describing what facilities work was deferred or avoided or otherwise impacted as a result and discussing the cost/benefit analysis of the DIMP/EDIMP work done during the past year.*

³⁸ Exhibit G, Tab 3, Schedule 1.

(xvi) Indigenous Working Group Deferral Account

54. Several parties support or expressly do not object to the clearance of the balance in this account.³⁹ No party objects to the balance in this account being cleared.

(xvii) Average Use Variance Account

55. No comments received from other parties.

(xviii) Getting Ontario Connected Act Variance Account

56. No comments received from other parties.

(xix) Enbridge Sustain Affiliate Recoveries Variance Account

57. No comments received from other parties.

(xx) EGD Rate Zone Storage and Transportation Deferral Account

58. No comments received from other parties.

(xxi) EGD Rate Zone Open Bill Extension Deferral Account

59. No comments received from other parties.

(xxii) Union Rate Zones Unabsorbed Demand Costs Variance Account

60. See Enbridge Gas submission above related to the Upstream Transportation Optimization Variance Account.

(xxiii) Union Rate Zones Short-Term Storage and Other Balancing Services Account

61. No comments received from other parties.

C. ALLOCATION AND TIMING FOR DISPOSITION OF 2024 ACCOUNTS

62. Enbridge Gas proposes to clear the balances in the 2024 Accounts in conjunction with the October 1, 2026 QRAM Application.⁴⁰ Enbridge Gas proposes to dispose of the 2024 Accounts as a one-time billing adjustment, except for Rate M1 customers in Union South who will have a billing adjustment spread evenly over three months.⁴¹

³⁹ OEB staff Submission, page 5; TFG/Minogi Submission, pages 2-3; and GFN Submission, pages 1-2.

⁴⁰ AIC, paras. 135-136 and 139-140.

⁴¹ AIC, paras. 137-138.

63. No party objects to the Company's proposed approach to disposition of the 2024 Accounts.

D. THERE IS NO ROLE FOR EARNINGS SHARING IN THIS PROCEEDING

64. In AIC, Enbridge Gas explained why there is no role for earnings sharing in this 2024 proceeding.⁴²

65. No party expresses a different view on this topic.

E. ENBRIDGE GAS SEEKS ENDORSEMENT OF THE IWG BUDGET FOR 2026

66. In AIC, Enbridge Gas requested that the OEB approve the proposed IWG budget of \$800,000 for 2026⁴³ and provided details about how the budget was derived.⁴⁴ The Company noted that while it still has an obligation to confirm the reasonableness and prudence of amounts recorded in the 2026 IWG Deferral Account at the time of clearance, OEB approval of the budget amount will provide confirmation that the approach and activities of the IWG are directionally acceptable to the OEB.

67. While no party supports OEB approval of the 2026 IWG budget, some parties submit that it would be appropriate for the OEB to indicate directional agreement with the expected activities and associated costs for the IWG in 2026.⁴⁵ IGUA indicates that it considers that the proposed activity described in the AIC is appropriate and endorses acknowledgement by the OEB to that effect.⁴⁶

68. OEB staff question whether there is sufficient evidence to support a 2026 budget for the IWG that is meaningfully higher than expenditures from prior years.⁴⁷

69. It is a requirement for the IWG to establish a budget for Capacity Funding each year, and for Enbridge Gas to present that budget to the OEB for "review or approval".⁴⁸ Given this requirement, it is reasonable that the OEB would provide some guidance in response.

⁴² AIC, paras. 143-148.

⁴³ AIC, para. 149.

⁴⁴ AIC, paras. 158-162.

⁴⁵ GFN Submission, page 4, and IGUA Submission, pages 2-3.

⁴⁶ IGUA Submission, page 3.

⁴⁷ OEB staff Submission, pages 5-6.

⁴⁸ [EB-2023-0125 Decision and Order, September 23, 2025](#), page 14.

70. Enbridge Gas prefers that the 2026 IWG budget be approved, rather than simply acknowledged, so that the Company will have confidence in the recoverability of amounts paid to the IWG before the 2026 IWG Deferral Account is reviewed in 2027. Enbridge Gas submits that the evidence provided is sufficient to support approval or endorsement of the 2026 IWG budget.
71. In the event that the OEB is not prepared to approve the 2026 IWG budget, then Enbridge Gas requests that the OEB acknowledge the budget (similar to the approach in the 2023 Deferral Account Clearance proceeding) and also indicate any specific concerns so that Enbridge Gas and the IWG may conduct themselves accordingly.
72. Whatever approach is taken by the OEB, Enbridge Gas acknowledges and accepts its responsibility to review and confirm the reasonableness of IWG Capacity Funding invoices as they are received. The Company confirms that only actual Capacity Funding costs incurred will be recorded in the IWG Deferral Account and advanced for clearance, and acknowledges all such amounts will be subject to a prudence review in the same manner as for other deferral account clearances.

F. RELIEF REQUESTED

73. Enbridge Gas respectfully requests that the OEB approve the clearance of the 2024 Accounts as set out in Appendix A to the AIC, to be cleared in conjunction with the October 1, 2026 QRAM Application.
74. Enbridge Gas further requests that the OEB approve or endorse the \$800,000 IWG budget for 2026.

All of which is respectfully submitted this 23rd day of April 2026.



David Stevens, Aird & Berlis LLP
Counsel to Enbridge Gas

Table 1
Enbridge Gas Monthly Net UDC Costs For 2024

Line No.	Date	Actual UDC Cost Incurred (\$000s) (1)	Revenue Recovered (\$000s) (2)	Net UDC Costs (Credit)/Debit (\$000s) (3)
	(a)	(b)	(c)	(d) = (b) - (c)
1	Jan-24	3.05	-	3.05
2	Feb-24	-	-	-
3	Mar-24	680.57	-	680.57
4	Apr-24	3,056.40	68.96	2,987.44
5	May-24	2,259.43	255.32	2,004.11
6	Jun-24	1,662.64	557.22	1,105.41
7	Jul-24	2,220.39	1,245.01	975.38
8	Aug-24	1,573.67	940.05	633.61
9	Sep-24	1,397.56	667.18	730.38
10	Oct-24	1,036.92	469.67	567.25
11	Nov-24	377.06	-	377.06
12	Dec-24	340.62	-	340.62
13	Total (4)	14,608.32	4,203.42	10,404.90

Notes:

- (1) See Exhibit I.FRPO-6 Attachment 1 for Actual UDC Cost Incurred. Whereas the titles for each table in the Attachment refers to "Net Cost", the UDC cost details set out in column (e) is "Actual UDC Cost Incurred (\$000s)".
- (2) See Exhibit I.FRPO-26 Table 1.
- (3) Variances to April 1, 2025 QRAM for the month of September is attributed to an accounting adjustment for the Panhandle Pipelines refund as discussed at Exhibit E, Tab 1, Schedule 1. There are also immaterial variances in April, May, June and September due to rounding and true-up adjustments.
- (4) See Exhibit E, Tab 1, Schedule 1, Table 3, Col. d.