

Mr. Ritchie Murray  
Registrar  
Ontario Energy Board  
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August 26, 2026

**EB-2025-0064 Enbridge Gas Inc. Rebasing Application Phase 3  
Pollution Probe Submission**

Dear Mr. Murray:

In accordance with Ontario Energy Board (OEB) direction, the following are Pollution Probe's submissions. On March 26, 2026, the OEB issued its Decision on the Settlement Proposal and Rate Order which addressed all the direct ratemaking matters for Phase 3. Pollution Probe was a party to that process and the OEB approved settlement agreement.

In Procedural Order No. 5, the OEB set out the written hearing process to address the outstanding matters in Phase 3, specifically related to Issues 13 (a) through (d). These are as follows:

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

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

Each of these items are addressed below.

## An update on the Automated Metering Infrastructure (AMI) pilot project

Enbridge Gas filed an update about the AMI pilot project in its evidence titled “Advanced Metering Infrastructure (AMI) Project Update”<sup>1</sup>. Enbridge Gas has been evaluating the opportunity and potential net benefits to automate its meter reading process for its customers and has signalled that it is interested in filing a future request for approval to increase its expenditures on AMI infrastructure. The Pilot Project Update is a useful milestone update in terms of the Phase 3 proceeding.

Enbridge Gas notes that it is undertaking an AMI Proof of Concept (POC), which involves preparatory investigations of AMI solutions to inform the approach for AMI deployment in Ontario. The tangible net benefits, costs and risks related to the intended AMI expansion are not known at this time. It is clear that additional information, stakeholder consultation and a thorough business case will be needed to be developed prior to OEB consideration of a significant expenditure increase in AMI investments and passing those costs on to ratepayers. This Phase 3 proceeding does not include such a request. Phase 3 is the final stage of the Enbridge Gas Rebasing proceeding covering the term from 2024 through 2028. Pollution Probe does not have any residual issues on AMI related to the Phase 3 proceeding, but recommends a requirement for stakeholder consultation on the AMI proposal and sharing the draft business case for review and input prior to it being filed in the future rates case. This will help mitigate issues in advance and could streamline the regulatory review if Enbridge Gas is able to mitigate issues in advance of it filing.

## A report on the steps that it has taken to achieve the capital reduction set out in the Phase 1 Decision

As noted by Enbridge Gas, in the Phase 1 Decision the OEB directed Enbridge Gas to reduce its capital budget for 2024 by \$250 million. In this Phase 3 proceeding, Enbridge Gas filed evidence titled “Report on Capital Reduction”.

In its 2025-2034 Asset Management Plan (AMP), following the OEB’s Phase 1 Decision, Enbridge Gas stated<sup>2</sup>:

*In its Decision and Order in the 2024 Rebasing Phase 1 Application, the OEB ordered a \$250MM reduction to EGI’s 2024 capital budget envelope to \$1.2B. This reduction in capital was reflected in the 2024 Draft Rate Order which was approved by the OEB. The 2024 capital budget of \$1.2B sets a new expectation on capital expenditure in each year going forward that EGI would be expected to manage within.*

Probe agrees with the wording used in Enbridge Gas’s 2025-2032 AMP, that the OEB’s Phase 1 Decision “sets a new expectation on capital expenditure in each year going forward that EGI would be expected to manage within”. This interpretation aligns with the intent to reduce Capital spending during this rates term compared to the increases that Enbridge Gas had initially requested.

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<sup>1</sup> Phase 3, Exhibit 2, Tab 7, Schedule 2.

<sup>2</sup> EB-2020-0091 EGI AMP 2025-2034\_20241108, page 17. Stakeholder requested that Enbridge file the AMP in the Rebasing proceeding and were referred to where Enbridge filed the document.

Enbridge Gas was able to make the required Capital reductions and also reflect them in the most recent updated Asset Management Plan (addendum to the 2025 AMP) where optimization was performed for the years 2026 to 2029 to ensure a balance of risk, benefits, and cost to meet customer needs and achieve desired asset performance<sup>3</sup>. The adjustment by the OEB has had its desired impact in the Capital envelope and prioritization required, without impacting safety and reliability of the system.

Enbridge Gas has indicated that it does not view the 2024 Rebasing Phase 1 OEB approved capital budget as a hard cap for each year of the IR term, but it does serve as a base for capital planning/optimization purposes<sup>4</sup>. This suggests that Enbridge Gas believes that it has the ability to overspend above the Capital spending envelope set by the OEB, with the hopes of recovering excess Capital spending during rate terms through the next rebasing proceeding.

Overspending of Capital during this rates term and requesting approval for retroactive excess spending in the next rebasing proceeding does not appear aligned with OEB direction provided in the OEB Decision and the wording Enbridge Gas added to the 2025-2034 AMP. The Panel in this proceeding can't bind a future panel for the next rebasing proceeding, but it is reasonable to expect that Enbridge Gas is expected to spend within the Capital approved envelope approved by the OEB. The OEB may wish to comment on this in its Decision.

#### Reporting on the status of its responses to previous Integrated Resource Planning (IRP) directions

The issue pertaining to IRP is a carry forward issue from the Phase 2 Rebasing proceeding which included: *Issue 25: Has Enbridge Gas appropriately responded to relevant OEB directions and commitments from previous proceedings, including issues related to the IRP Framework*<sup>5</sup>.

The evidence filed by Enbridge Gas in Phase 2 did not include sufficient details to allow the OEB and stakeholders to review if actions Enbridge Gas has implemented are in accordance with requirements and commitments since the IRP Decision and IRP Framework was established in 2021, or what actions are required to come into compliance.

Enbridge Gas is not achieving any tangible results in IRP in the same manner that it typically does for Capital expenditures and other profitable activities aligned with expanding the core natural gas business and maximizing shareholder returns. Enbridge Gas has reported certain IRP activities, but there have been no actual IRP projects implemented that have delayed or displaced the need for any traditional Capital projects. Even the simple IRP Pilot projects are lagging expectations.

Stakeholder concern with Enbridge Gas's compliance with IRP requirements has been ongoing<sup>6</sup> and this Rebasing proceeding was intended to level set against performance to-date and ensure that ongoing issues do not continue to persist during this rates term. Stakeholder concern has also been noted in the recent Phase 2 proceeding and in order to proceed with a settlement for

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<sup>3</sup> EB-2020-0091 EGI\_AMP\_2026 Addendum\_20251030, page 7, Section 2.

<sup>4</sup> Exhibit I.2.5-PP-35

<sup>5</sup> EB-2024-0111 Exhibit N Tab 1 Schedule 1 Page 4.

<sup>6</sup> Issues have been noted in OEB IRP Technical Working Group reports, project applications and Enbridge rate cases including the one most immediately preceding this Rebasing, as outlined in EB-2022-0133 Exhibit N1, Tab 1, Schedule 1, Page 12,

Phase 2, parties to the settlement (including Enbridge Gas) agreed to provide additional time for Enbridge Gas to document their action and results in order to meet IRP requirements<sup>7</sup>.

As highlighted by the OEB in the Phase 1 Decision, Enbridge Gas has indicated that it is bringing IRP into Enbridge Gas's asset management planning process<sup>8</sup>. It does not appear that this statement aligns with actual activities (historically or those occurring during this rates term).

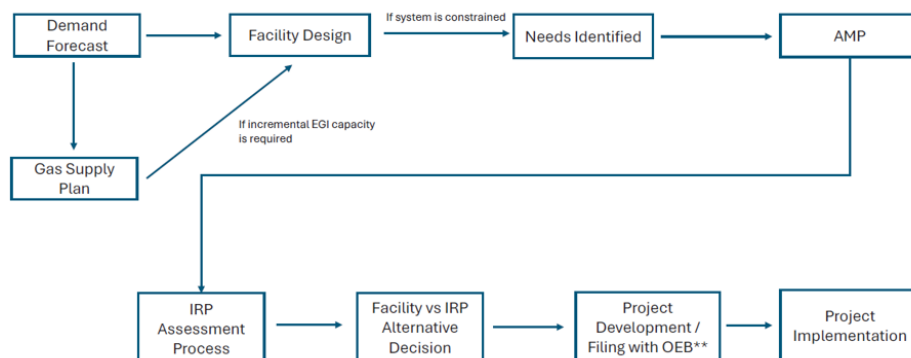
The OEB IRP process is predicated on the integration of IRP with asset planning, per the IRP process diagram Enbridge Gas had previously filed.

#### EB-2020-0091 Exhibit I.Staff.2



Effectively integrating IRP within the AMP screening process is essential to identify IRP alternatives and displace traditional Capital projects in the AMP with IRP projects. Despite thousands of Capital projects being included in the AMP, there are zero (non-pilot) IRP projects listed in the Enbridge Gas AMP that delay or displace traditional Capital projects<sup>9</sup>. The only IRP project identified in the 2025 to 2034 AMP is the Southern Lake Huron IRP Pilot project<sup>10</sup>. A second IRP Pilot project has not been forthcoming.

Enbridge Gas has recently confirmed that the process developed during the IRP proceeding does not reflect that actual process being conducted by Enbridge Gas. The process Enbridge has been using is represented by the following modified diagram<sup>11</sup>. Enbridge Gas did not notify the OEB during the Rebasing proceeding that it has moved the IRP Assessment Process to after the AMP, fundamentally changing the integration of IRP with AMP development.



<sup>7</sup> EB-2024-0111 Exhibit N Tab 1 Schedule 1 Page 35.

<sup>8</sup> EB-2022-0200 dec\_order\_EGI\_2024 Rebasing\_Phase I\_20231221, page 10.

<sup>9</sup> Exhibit I.1.13-PP-3.

<sup>10</sup> Exhibit I.1.13-PP-3.

<sup>11</sup> EB-2025-0065 Exhibit I.6-PP-15.

The process being used by Enbridge Gas during the current rate term siloes IRP assessment and project development from the AMP process that results in Enbridge Gas Capital project priorities. The process Enbridge Gas is using for IRP screening no longer aligns with OEB direction. It is not surprising that zero IRP projects have been developed for implementation during this rates term since IRP appears to be an afterthought following the AMP process which defaulted to traditional Capital projects.

Enbridge Gas notes that the OEB is separately considering whether the IRP Framework should be changed or updated, through processes that were instituted after the Company's Phase 3 evidence was filed<sup>12</sup>. The Issues in this Phase 3 proceeding (carried over from Phases 1 and 2) is whether Enbridge has been in accordance with OEB direction, requirements and commitments. This should not be confused with any future review of the IRP Framework for future changes. A future review of the IRP Framework is not relevant and does not replace that scope of this Phase 3 proceeding.

As part of the 2021 IRP Decision and related IRP Framework, the OEB required that Enbridge develop and deploy two IRP Pilot Projects by the end of 2022<sup>13</sup>.

To-date, Enbridge Gas has only developed one IRP Pilot for OEB consideration (Southern Lake Huron IRP Pilot<sup>14</sup>) and no pilots have been completed. It was unclear why Enbridge Gas was not proceeding with this OEB requirement for the IRP Pilot projects. During a recent proceeding related to the IRP Pilot, Enbridge indicated that " ...We [Enbridge Gas] don't feel a second [IRP] pilot is required to comply with the spirit of the OEB's expectation..."<sup>15</sup>. It has become clear that Enbridge did not believe that needs to comply with OEB direction to undertake the second IRP Pilot project and therefore, there is no committed date for filing the second IRP Pilot project. In the same proceeding the OEB noted that "Over the last three years, Enbridge Gas has made some progress on the directives of the IRP Framework but has fallen short on major deliverables. Enbridge Gas is well past the two-year target for the deployment of two pilot projects<sup>16</sup>" and that "All things considered, there have been no natural gas savings, no gas infrastructure avoided, reduced, or delayed, and no customer bill reductions or ratepayer money saved from IRP initiatives. Integrated resource planning should be an integral part of system planning in the normal course, maximizing system optimization, including ongoing monitoring and repair, along with DSM, which includes the use of electric solutions."<sup>17</sup>

Enbridge Gas has not incurred any costs related to the second IRP Pilot project<sup>18</sup>. Development and implementation of the second IRP Pilot project by the end of 2022 remains outstanding.

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<sup>12</sup> EGI\_Argument in Chief\_20260817, paragraph 28.

<sup>13</sup> EB-2020-0091 dec\_order\_EGI\_IRP\_20210722, Page 9

<sup>14</sup> Per EB-2022-0335 and truncated per Enbridge's Motion (EB-2025-0333) to remove portions of the EB-2022-0335 Decision.

<sup>15</sup> EB-2022-0335 REVISED Final Transcript for EB-2022-0335 Technical Conference August 27 2024, Page 142, lines 19-20

<sup>16</sup> EB-2022-0335 dec\_order\_IRP Pilot\_20250327\_esigned, page 9.

<sup>17</sup> Ibid.

<sup>18</sup> EB-2025-0155 Exhibit I.PP-12.

Filing updated written marketing materials or reference materials aimed at customers, potential customers, HVAC contractors or builders that include or previously included energy comparison information

The Phase 2 Rebasing<sup>19</sup> proceeding included the following issue<sup>20</sup> stemming from issues identified in the Rebasing Phase 1 proceeding<sup>21</sup>:

*Issue 24: Has Enbridge Gas appropriately reviewed the energy comparison information in its informational and marketing materials, and taken appropriate actions based on its review?*

Issues with Enbridge Gas's marketing and informational materials have been long-standing, noted in Phase 1 and this issue has been carried forward to Phase 3 to provide the time needed for Enbridge Gas to make required updates to these materials. In addition to the issue defined by the OEB in Phase 2, the OEB approved Phase 2 Settlement included the following commitment by Enbridge<sup>22</sup>:

*Enbridge Gas agrees that beginning 45 days after the filing of this Settlement Proposal, Enbridge Gas shall not include statements, including cost comparison charts, related to the relative cost-effectiveness of natural gas heating or to savings that can be achieved with natural gas heating in written marketing materials, or reference materials aimed at customers, potential customers, HVAC contractors, or builders, that the Company distributes unless it includes a comparison with the relative cost-effectiveness of heating with electric cold climate heat pumps. This includes all such material disseminated in Ontario by Enbridge Gas, or by Enbridge affiliates on behalf of Enbridge Gas, to customers, potential customers, HVAC contractors, and builders.*

Following the Pollution Probe Motion related to the updating of relevant marketing materials, the OEB provided direction to Enbridge Gas to either provide all the materials requested or an affidavit swearing that the comparisons to other fuels have been removed from Enbridge Gas materials. Pollution Probe is in receipt of the affidavit filed with Enbridge Gas's Argument-in-Chief. Pollution Probe understands that Enbridge Gas is required to notify the OEB and stakeholders to this proceeding if the approach outlined in the OEB requirement and related affidavit filed changes in the future.

It is generally understood that consumers can only make sound energy decisions if the information before them is accurate, unbiased and complete. It is the role of the OEB to ensure that ratepayer funds are used to serve the public interest and are not result in misleading and unsubstantiated claims (directly or implied) that unfairly bias consumer information on natural gas utilities over alternatives.

Enbridge Gas has consistently suggested that consumers do not need to rely on utility information and that it is Enbridge Gas's expectation that consumers undertake their own research before making energy decisions. If Enbridge Gas does not believe that the utility needs to ensure that accurate, unbiased and complete information is made available, it appears inappropriate for Enbridge Gas to send targeted marketing messages (funded by ratepayers) to

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<sup>19</sup> EB-2024-0111.

<sup>20</sup> EB-2024-0111 dec\_Issues List\_PO 2\_EGI Rebasing\_Ph 2\_20240530.

<sup>21</sup> EB-2022-0200.

<sup>22</sup> EB-2024-0111 dec\_order\_Sett\_Prop\_EGI\_2024\_Rates\_Ph2\_20241129, Exhibit N Tab 1 Schedule 1 Page 34.

consumers considering non-gas options (i.e. electric heat pumps). The targeted messages as provided by Enbridge Gas are not objective and unbiased, leading to potential seeds of doubt on whether continuing with their decision is economically prudent. Enbridge Gas has not filed any information or reports that substantiate undermining consumer decision making processes when considering electric heat pumps. If any reasonable consumer received this targeted messaging from Enbridge Gas after applying for an electric heat pump incentive, it would be interpreted as a call to second guess that decision and assumed that the OEB has reviewed and approved such messaging. This is clearly misleading marketing to consumers, even in a targeted manner.

The targeted marketing campaign leveraged by Enbridge Gas to target those considering electric air source heat pumps specifically came to light because of Issue 13d in this proceeding. It is directly relevant to Issue 13d. Enbridge Gas's attempt to exclude such targeted customer marketing from the scope of this proceeding appears to be an attempt to dodge accountability for issuing such written communications to customers.

Pollution Probe suggests that targeted campaigns intended to have consumers reassess their decisions are not appropriate. If Enbridge Gas believes that there is a need to reinforce messages that consumers carefully assess their energy choices with industry contractors prior to making a decision, it should be applied universally and after a review of such language to be applied to all programs. This proceeding did not include the scope to specifically modify Enbridge Gas campaign wording (only whether it is appropriate) and therefore Pollution Probe has not attempted to do so here. Ceasing the targeted campaign focused on those selecting electric heat pumps should be done now and a review of future language (if Enbridge Gas believes it is necessary) could be considered in a future proceeding.

Respectfully submitted on behalf of Pollution Probe.

A handwritten signature in black ink, appearing to read "Mike Brophy", is written over a horizontal line.

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