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VIA RESS and EMAIL

September 16, 2026

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

Dear Ritchie Murray:

Re: EB-2026-0221 – Enbridge Gas Inc. – October 1, 2026
Quarterly Rate Adjustment Mechanism (QRAM) Application

On September 8, 2026, Enbridge Gas filed the October 1, 2026 QRAM application with the Ontario Energy Board (OEB). Enbridge Gas has received questions from OEB Staff and the Federation of Rental-housing Providers of Ontario (FRPO).

Please find enclosed the responses of Enbridge Gas to the questions received from OEB Staff and FRPO, set out as interrogatory responses.

Should you have any questions on this matter please contact the undersigned.

Sincerely,

Justin Egan
Technical Manager, Regulatory Applications

cc: All Interested Parties EB-2008-0106, EB-2019-0137, EB-2025-0065,
EB-2022-0200, and EB-2024-0111

ENBRIDGE GAS INC.

Answer to Interrogatory from the
Ontario Energy Board Staff (STAFF)

Interrogatory

Reference:

(i) Exhibit A, Tab 3, Schedule 1

Preamble:

Gas supply-related cost adjustments for typical residential customers have increased in all rate zones.

The gas supply-related cost adjustments for typical residential customers are as follows:

Rate Zone	Gas Supply Cost Adjustment Bill Impacts
EGD	\$21.28
Union South	\$25.14
Union North East	\$19.29
Union North West	\$32.59

Question:

Please provide an explanation of the dynamics driving the increases in the gas supply-related cost adjustment bill impacts.

Response:

Cost adjustments account for the variance between actual and forecast prices from earlier periods. The gas supply commodity related cost adjustment is an increase for all rate zones because the new 12-month prospective recovery riders (Rider C) proposed in this October 2026 QRAM application are higher than the expiring 12-month prospective recovery riders established in October 2025 QRAM. Please see Attachment 1 for detailed changes in the prospective recovery unit rates. Line 7 of Attachment 1

represents the change in the gas supply commodity charge portion of Rider C relative to the current approved July 2026 QRAM rates.

The change in gas supply prospective recovery unit rates is primarily driven by lower actual unit cost compared to the reference price in the EGD rate zone and by lower actual and forecast weighted average prices compared to the respective reference prices in the Union rate zones in the October 2025 QRAM¹ as compared to the October 2026 QRAM. This resulted in larger credits to the respective PGVAs in the October 2025 QRAM compared to this October 2026 QRAM, which are now expiring.

For the EGD rate zone, the commodity related cost adjustments for October 2025 QRAM that expired in October 2026 QRAM was a refund of \$155.6 million, as shown in EB-2025-0244, Exhibit C, Tab 4, Schedule 6, page 12. This cost adjustment has been replaced with the lower refund of \$63.6 million in October 2026 QRAM, as shown in Exhibit C, Tab 4, Schedule 6, page 12.

For the Union rate zones, the commodity related cost adjustments for October 2025 QRAM that expired in October 2026 QRAM was a refund of \$6.1 million for the North West PGVA, a refund of \$7.9 million for the North East PGVA and a refund of \$45.5 million for the South PGVA, as shown in EB-2025-0244 Exhibit E, Tab 2, Schedule 4, page 1. These cost adjustments have been replaced with a smaller refund of \$0.8 million in the North West PGVA and debits of \$0.6 million in the North East PGVA and \$3.7 million in the South PGVA, as shown in Exhibit E, Tab 2, Schedule 4, page 1 of this application.

¹ EB-2025-0244, Exhibit C, Tab 1, Schedule 2, p.1 in the EGD rate zone and Exhibit E, Tab 1, Schedule 2, p.1 in the Union rate zones.

October 2026 Gas Supply Cost Adjustment for Typical Residential Customers

Line No.	Particulars (cents/m ³)	Rate 1 (a)	Rate M1 (b)	Rate 01 NE (c)	Rate 01 NW (d)
	<u>Expiring Prospective Recovery Unit Rate</u>				
1	PGVA (1)	(1.8857)	(1.2418)	(1.0007)	(1.9242)
2	Inventory Revaluation (2)	0.5368	0.4691	0.4691	0.4691
3	Total Expiring Prospective Recovery Unit Rate	(1.3489)	(0.7727)	(0.5316)	(1.4551)
	<u>Current QRAM Prospective Recovery Unit Rate</u>				
4	PGVA (3)	(0.7716)	0.1012	0.0767	(0.2427)
5	Inventory Revaluation (4)	0.3093	0.2684	0.2684	0.2684
6	Total Current Prospective Recovery Unit Rate	(0.4623)	0.3696	0.3451	0.0257
7	Change in Prospective Recovery Unit Rate (5)	0.8866	1.1423	0.8767	1.4808
8	Typical Residential Consumption (m ³ /year)	2,400	2,200	2,200	2,200
9	Typical Residential Gas Supply Cost Adjustment (6) (\$)	21.28	25.14	19.29	32.59

Notes:

- (1) EGD: Exhibit C, Tab 4, Schedule 6, page 6, column 1, line 1. Union: Exhibit E, Tab 2, Schedule 4, page 1, line 15.
- (2) EGD: Exhibit C, Tab 4, Schedule 6, page 5, column 1, line 1. Union: Exhibit E, Tab 2, Schedule 4, page 2, column (f), line 15.
- (3) EGD: Exhibit C, Tab 4, Schedule 6, page 12, column 5, line 1. Union: Exhibit E, Tab 2, Schedule 4, page 1, line 14.
- (4) EGD: Exhibit C, Tab 4, Schedule 6, page 11, column 5, line 1. Union: Exhibit E, Tab 2, Schedule 4, page 2, column (f), line 14.
- (5) Line 6 - Line 3.
- (6) Line 7 x Line 8 / 100.

ENBRIDGE GAS INC.

Answer to Interrogatory from the
Ontario Energy Board Staff (STAFF)

Interrogatory

Reference:

- (i) Exhibit B, Tab 1, Schedule 1, pg. 3

Preamble:

Enbridge Gas provided the following:

After coming out of a winter that was 6.6% colder than normal from January to March across Enbridge Gas rate zones, including a period of extreme cold weather in late January and early February, cold weather continued for April and May where actual weather was 15.3% colder than normal on average across Enbridge Gas rate zones. Weather variances are not tracked through the summer months of June to August and will begin again in September. According to the EIA, U.S. natural gas inventories are 0.9% lower than last year and 5.5% higher than the 5-year average.

Question:

- a) Please clarify what Enbridge Gas means by “Weather variances are not tracked through the summer months of June to August and will begin again in September.”. Please explain how weather-related impacts are considered in the QRAM forecasts during these months.
- b) Please explain how the weather conditions described above contributed to the decrease in commodity prices. In addition to U.S. storage inventories being 5.5% above the 5-year average, what other factors contributed to the decrease in commodity for this QRAM.

Response:

- a) The statement refers to the fact that Enbridge Gas does not internally track actual and normal heating degree day (HDD) variances for the months of June to August.

Weather-related impacts are reflected in the application only through the market price forecast which uses forward market pricing observed over the 21-day period from July 31 to August 28, 2026 for deliveries during October 2026 through September 2027.

Actual and forecast weather conditions influence market prices throughout the year, including through summer electricity generation demand and storage injections. These effects are reflected in observed forward prices.

- b) The colder-than-normal weather described in the preamble provides context and was not identified as a cause of the decrease in forecast commodity prices. All else equal, colder weather during the heating season increases heating demand and places upward pressure on natural gas prices. Forward prices reflect broader market conditions and expectations, including supply availability and demand.

As described at Exhibit B, Tab 1, Schedule 1, the 12-month forward NYMEX strip decreased by approximately \$0.24 USD/MMBtu (~7%), relative to the July 2026 QRAM. The weaker Canadian dollar and the narrowing of the Empress and Dawn basis discounts to NYMEX partially offset this decrease. Above-average U.S. storage inventories and robust North American production indicate supply availability that can moderate price pressures.

The October QRAM incorporates observed forward market prices through the approved methodology. Enbridge Gas does not separately quantify the contribution of individual market fundamentals to the change in forecast commodity prices observed.

ENBRIDGE GAS INC.

Answer to Interrogatory from the
Federation of Rental-housing Providers of Ontario (FRPO)

Interrogatory

Reference:

Exhibit E, Tab 1, Schedule 2

Preamble:

The reply argument in the most recent deferral account proceeding contained the following statement:¹

Enbridge Gas confirms that Net UDC Costs tie to what has been included in QRAM filings.

The Schedule shows the summary of Gas Supply Deferral Accounts for the Union Rate Zone PGVA. We would like to understand better those costs associated with UDC. On page 1, the description of column i) specifies that i) =sum of (a) to (h). While the footnotes for each of the columns (a) to (h) provide reference to the determination of the column totals on subsequent pages, footnote (8) states “Union is not proposing to recover the deferral balance for the Unabsorbed Demand Charge (Account No. 179-108) deferral account in the current QRAM.”

Question:

Please describe how the values in column (h) are determined.

- a) Specifically, are these figures the value of the transportation demand charge associated with un-utilized capacity.
- b) Are these figures net of any revenue generated through capacity released/sold to third parties?

¹ EB-2025-0155, Enbridge Gas Reply Argument, April 23, 2026, Page 4, para. 22.

Response:

The UDC amount shown in Exhibit E, Tab 1, Schedule 2, page 1, column (h) reflects the net cost of unabsorbed upstream transportation demand capacity. It is calculated as the total demand charges for unutilized transportation capacity less the revenues generated from the release and sale of pipeline transportation capacity in the market.

- a) Yes.
- b) Yes.

ENBRIDGE GAS INC.

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Question:

Please describe how the total quarterly transportation rates are set and reconciled to actual transportation demand costs for the respective Union North and South rate zones.

- a) Specifically, how are the actual monthly transportation demand charges for capacity allocated to each rate zone used in the reconciliation of monthly actual total demand costs for disposition to the respective rate classes through rate riders in the PGVA.
- b) Are there any QRAM adjustments using the values in column (h) in the generation of the quarterly transportation unit rates or PGVA balances?

¹ EB-2025-0155 Enbridge Gas Reply Argument, April 23, 2026, Page 4, para. 22.

- i) If so, please provide the evidentiary reference and/or working sheets showing this adjustment.
- ii) If not, if the total transportation demand charges are recovered in these unit rates or PGVA, please describe how the subsequent recovery of the UDC demand charges in the annual deferral disposition proceeding is appropriate.

Response:

Union North transportation and storage rates are based on Union's 2018 Gas Supply plan and the cost allocation and rate design changes approved in the Dawn Reference Price proceeding.² Transportation rates are not required for Union South customers and are set to zero as the Union South gas supply commodity rate is based on a landed cost of gas at Dawn. The Union North transportation and storage rates are updated each quarter for changes in upstream transportation tolls and changes in the reference prices used to calculate the upstream compressor fuel requirements. The derivation of Union North transportation and storage rate changes is provided at Exhibit E, Tab 2, Schedule 2.

The differences between the actual cost of the transportation portfolio and the forecast cost of the transportation portfolio included in rates, excluding UDC, are recorded in the Purchase Gas Variance Accounts (PGVAs) and Transportation Tolls and Fuel Accounts for each rate zone. Transportation contracts for gas supply sourced upstream of Dawn or Empress to provide diversity of supply for sales service customers are recorded in the respective PGVA for each rate zone. Other upstream transportation costs are recorded in the Transportation Tolls & Fuel Accounts for each respective Union North rate zone. UDC variances are recorded separately in the UDC Account.

- a) For the Union North rate zones, the difference between actual transportation demand charges and the forecast transportation costs approved in rates is recorded in the PGVAs and the Transportation Tolls and Fuel Variance Accounts, as shown in Exhibit E, Tab 1, Schedule 2, page 1, columns (a) to (d). The net UDC costs attributable to the Union North rate zones are excluded from the PGVAs and the Transportation Tolls and Fuel Variance Accounts and recorded in the UDC Deferral Account, as described in the response at Exhibit I-FRPO.1.

For the Union South rate zone, actual monthly transportation demand charges are recorded in the South PGVA, as presented in Exhibit E, Tab 1, Schedule 2, page 1,

² EB-2015-0181, Decision and Order & Procedural Order No. 2, January 7, 2016.

column (e). The net UDC costs, are similarly excluded from the South PGVA and transferred to the UDC Deferral Account, as reflected in column (h).

- b) No, the values in column (h) are not used in the derivation of the quarterly transportation unit rates and are excluded from the PGVA and Transportation Tolls & Fuel account balances.
 - ii) Transportation demand costs related to UDC are recorded in the UDC Deferral Account to be disposed through annual deferral dispositions and excluded from QRAM deferral account clearance. Please see the response in part a) which describes how costs are assigned to the appropriate deferral account to ensure there is no double counting of UDC costs.