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BY EMAIL

October 8, 2026

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

Dear Mr. Murray:

**Re: Enbridge Gas Inc.
2025 Utility Earnings and Disposition of Deferral & Variance Account
Balances
OEB Staff Interrogatories
OEB File Number: EB-2026-0108**

In accordance with Procedural Order No. 1, please find attached the Ontario Energy Board (OEB) staff interrogatories in the above proceeding. The applicant has been copied on this filing.

Enbridge Gas's responses to interrogatories are due by October 29, 2026.

Any questions relating to this letter should be directed to the Case Manager, Arturo Lau at Arturo.Lau@oeb.ca. The OEB's toll-free number is 1-888-632-6273.

Yours truly,

Arturo Lau
Digitally signed by Arturo
Lau
Date: 2026.10.08 15:56:48
-04'00'

Arturo Lau
Case Manager

Encl.

c: EGIRegulatoryProceedings@enbridge.com
David Stevens, Aird & Berlis LLP

**OEB Staff Interrogatories
Enbridge Gas Inc.
EB-2026-0108**

Please note, Enbridge Gas Inc. is responsible for ensuring that all documents it files with the OEB, including responses to OEB staff interrogatories and any other supporting documentation, do not include personal information (as that phrase is defined in the *Freedom of Information and Protection of Privacy Act*), unless filed in accordance with rule 9A of the OEB's *Rules of Practice and Procedure*.

Staff-1

Reference: Exhibit C, Tab 2, Schedule 3, UFG Volume Variance Account

EB-2025-0155, 2024 DVA/ ESM, Decision and Order, June 25, 2026, pp.
9

Actual UFG volumes for 2025 were 370,109 10^3m^3 . The variance between actual and forecasted UFG volumes of 126,428 10^3m^3 resulted in a debit balance of \$10.6 million in the UFGVVA, plus interest (50/50 sharing).

Historical UFG volumes have shown volatility (e.g., 334,888 10^3m^3 in 2024 and 370,109 10^3m^3 in 2025, both well above the OEB-approved forecast of 243,681.5 10^3m^3).

In Enbridge Gas's 2024 DVA Decision and Order the OEB directed Enbridge Gas to provide a detailed report on the measures it has taken to address the issue of UFGVVA associated with estimated billing.

Question(s):

- a) Please provide a breakdown of the 2025 actual UFG into non-emissions-related, emissions-related, and unexplained components (in 10^3m^3 and dollars).
- b) Does Enbridge Gas expect actual 2026 UFG volumes to return closer to the approved forecast level? If not, please explain why not and discuss any ongoing impacts from methodology harmonization or other factors.
- c) Other than any residual methodology effects, please discuss any other potential factors that contributed to the 2025 UFG variance (including weather, system operations, or measurement issues).
- d) Please provide the report requested by the OEB on the measures it has taken to address the issues of UFG and estimated billing.

Staff-2

Reference: Exhibit C, Tab 2, Schedule 6, Parkway Delivery Obligation Variance Account

The \$2.558 million debit balance represents the difference between the OEB-approved Parkway Delivery Commitment Incentive (PDCI) cost of \$14.150 million recovered in rates and the actual PDCI cost of \$16.708 million. Higher costs are primarily attributed to higher actual PDCI volumes than the forecast of 79 PJ. Enbridge Gas was not able to shift any Parkway Delivery Obligation (PDO) volumes in 2025 due to a pressure restriction on the NPS 26 Trafalgar pipeline.

Question(s):

- a) Please provide the underlying calculations for the actual PDCI cost of \$16.708 million.
- b) Please explain the factors that caused PDCI volumes to exceed the forecast of 79 PJ.
- c) Please provide further detail on the pressure restriction (timing, magnitude, expected duration) and why no market-based alternatives were practical in 2025.
- d) Please provide an update on the pressure restrictions and if/ when they will be lifted.
- e) Please provide the forecast PDO volumes for November 1, 2026 and November 1, 2027 (with and without EGD rate zone customers) and confirm whether any capacity is expected to become available in the next two years that could reduce the PDO.
- f) What would happen to PDO volumes once the NPS 26 Trafalgar pipeline restriction is lifted?

Staff-3

Reference: Exhibit C, Tab 2, Schedule 8, Facility Carbon Charge Variance Account

Enbridge Gas recorded a credit balance of \$0.74 million. The \$7.68 million related to Emissions Performance Standards (EPS) volumes is based on satisfying the full 2025 EPS compliance obligation by paying the excess emissions charge of \$95/tCO₂e. The deadline to meet the 2025 obligation is December 1, 2026. Enbridge Gas retains the option to purchase EPU's.

Question(s):

- a) Please confirm how Enbridge Gas currently intends to satisfy its 2025 EPS obligation (payment of excess emissions charge versus EPU's) and the evaluation criteria it will apply.

- b) If EPU's are procured, please provide details on quantity, purchase price, and the resulting impact on the total 2025 EPS compliance cost compared with the amount in evidence.
- c) Please quantify the impact of the delay in adjusting the Facility Carbon Charge rate (following the federal carbon charge rate change to \$0) on the 2025 variance.

Staff-4

Reference: Exhibit C, Tab 2, Schedule 11, Earnings Sharing Mechanism Deferral Account
Exhibit B, Tab 1, Schedules 1 & 2

The Company achieved an ROE of 10.774%, resulting in gross over-earnings of \$48.7 million and a \$24.3 million credit (50/50 sharing) to ratepayers. Main drivers cited are colder weather and lower O&M costs (primarily compensation and benefits).

Question(s):

- a) Please provide a more detailed breakdown of the weather impact (degree-day variance by month/quarter) and the resulting revenue impact that contributed to the over-earnings.
- b) Please provide a detailed breakdown of the O&M underspend, with particular focus on compensation and benefits (actual vs. budget, key drivers of the variance).
- c) Please confirm whether any one-time or non-recurring items (beyond those already adjusted) are included in the 2025 utility results used for the ESM calculation.
- d) Please explain how the ESM amount will be allocated between the EGD and Union rate zones and across rate classes, and whether this is consistent with the methodology approved in the Phase 2 Settlement Agreement (EB-2024-0111).

Staff-5

Reference: Exhibit C, Tab 2, Schedule 12, pg. 1, Dawn Parkway Surplus Capacity Deferral Account

In 2025, Enbridge Gas recognized \$2.3 million of revenue from the sale of surplus capacity.

Question(s):

- a) As seen in Table 1, volume went from 35,696 GJ/D from January to April to 51,098 GJ/D from May to December. What occurred between April and May that increased the volumes?
- b) Is this volume expected to persist into 2026?
- c) What is expected to happen to Dawn Parkway Surplus Capacity Deferral Account (Account No. 179-323) once the NPS 26 Trafalgar pipeline restriction is lifted?
- d) Please provide the volume of surplus capacity sold in 2025, the unit rates achieved, and a reconciliation to the recorded revenue.
- e) Please confirm whether Enbridge Gas evaluated any of this surplus capacity for potential PDO reduction prior to offering it for sale.

Staff-6

Reference: Exhibit B (Utility Results)
Exhibit C, Tab 2, Schedule 12, Tax Variance Account

Enbridge Gas recorded a credit of \$13.6 million almost entirely from the accelerated CCA available under the new Bill C-15 / Re-Accelerated Investment Incentive (RII) rules. These are temporary timing differences (larger CCA deductions in early years, offset by smaller deductions in later years) and do not represent tax savings.

Question(s):

- a) Please confirm the treatment of any revenue requirement impacts arising from RII CCA changes in the 2025 Tax Variance Account and whether 100% of such impacts have been recorded for the benefit of ratepayers.
- b) Please provide a summary of the qualifying capital additions places in service in 2025 that generated the accelerated CCA benefit.
- c) Please provide a high-level summary of any other material tax rate or rule changes reflected in the 2025 Tax Variance Account balance.
- d) Please confirm whether any energy transition or similar tax credits were recorded and how the sharing of the impacts is determined.

Staff-7

Reference: Exhibit C, Tab 2, Schedule 17, Indigenous Working Group Deferral Account
Exhibit G, Tab 3, Schedule 1
EB-2024-0125, Exhibit H, Tab 1, Schedule 2, Page 6 of 28

The 2025 balance is a debit of \$0.269 million. Table 1 shows payments to participants (Brattle Group \$124.2k, Resilient LLP \$79.7k, etc.).

Question(s):

- a) Please confirm the portion (if any) of the 2025 balance that relates to 2024 activity invoiced in 2025.
- b) Please provide the estimated IWG spending for 2026 and compare it with the actual 2024 and 2025 costs. Explain any material changes in the composition of spending (legal support, consultants, First Nation representatives, experts).
- c) Based on attendance and participation levels in 2025, please explain the rationale for any planned increases in consultant/First Nation representative funding and how additional funding will support rightsholder participation rather than consultants.
- d) In Enbridge Gas's 2024 DVA proceeding it requested a budget of \$800,000 for the year 2025. Please reconcile the proposed budget and the actuals and discuss any deviations.

Staff-8

Reference: Exhibit C, Tab 2, Schedule 18, Average Use Variance Account

The net debit balance is \$34.5 million. Several rate classes (Rate 1, M1, M2, 01, 10) experienced declines steeper than historical trends.

Question(s):

- a) Please provide the weather-normalized average use actual vs. forecast by rate class and the resulting revenue impact calculation.
- b) Please discuss the drivers of the steeper than historical declines observed in 2025 and whether Enbridge Gas expects these trends to continue.
- c) Does Enbridge Gas expect these lower average use trends to persist into 2026 and beyond? If so what implications does this have for the forecast used in future IRM years or the next rebasing?

Staff-9

Reference: Exhibit C, Tab 2, Schedule 19, Getting Ontario Connected Act Variance Account

The balance is a debit of approximately \$14.1 million (plus interest).

Table 1
2019-2025 External Locate Costs

Line No.	Particulars	2019	2020	2021	2022	2023	2024	2025
1	Total Locates (millions)	1.1	1.01	1.07	1.02	0.98	0.99	0.94
2	Total External Costs for Locate Delivery (\$ millions)	\$38.4	\$33.5	\$34.5	\$39.9	\$65.8	\$66.0	\$67.2
3	Average Cost per Locate (\$ dollars)	\$35	\$33	\$32	\$39	\$67	\$67	\$71

Question(s):

- Please explain how Enbridge Gas differentiates incremental locate costs directly attributable to Bill 93 / structural industry changes from other factors (inflation, volume, etc.).
- Table 1 indicates the total locates to be on a downwards trend. Please discuss if this trend is expected to continue.
- Please confirm whether additional Locate Service Providers were onboarded in 2025 and the rationale.

Staff-10

Reference: Exhibit C, Tab 2, Schedule 20, Disposition of Property Deferral Account

The ratepayers share of the net gain (50% of the capital gain net of capital gains tax) is grossed up to reflect the income tax deductibility/benefit provided by the amount returned to ratepayers. Proceeds from the disposition of depreciable assets such as buildings will be 100% to the benefit of ratepayers and the gain/loss is reflected in the combined balances of accumulated depreciation and the Site Restoration Cost Variance Account and are beyond the scope of this deferral account.

Question(s):

- Please provide a list of all properties disposed of in 2025 that generated a record in the account including:
 - Location of each property
 - Original book value, accumulated depreciation and net book value.

- b) Please confirm if the Site Restoration Cost Variance Account is the same account as Account 179-337.
- c) Explain the allocation of the credits between the EGD and Union rate zones.

Staff-11

Reference: Exhibit C, Tab 2, Schedule 21, LEAP Emergency Financial Assistance Deferral Account

Based on the LEAP EFA programs funding mechanism Enbridge Gas is required to contribute the greater of 0.12% of the Company's total OEB-approved distribution revenue requirement or \$2,000 each year to LEAP EFA. Enbridge Gas contributed \$4.7 million in total, which exceeded the base LEAP EFA funding requirement for 2025 of \$3.5 million. In 2025, Enbridge Gas was required to add incremental funding of \$1.2 million above the generic LEAP EFA funding requirement to ensure that no eligible LEAP EFA applicant was denied assistance due to lack of funding above the base 0.12% provided through generic funding.

Question(s):

- a) Please provide the amount of LEAP funding embedded in 2024 and 2025 rates respectively and compare it to the actual incurred contributions in 2024 and 2025.
- b) Please describe any changes to the LEAP design, selection criteria or demand that contributed to the variance.
- c) Please provide rationale for the \$1.2 million incremental funding described.

Staff-12

Reference: Exhibit C, Tab 2, Schedule 22, OEB Cost Assessment Variance Account

For the years 2025 through 2028, this account records the variances in actual OEB Cost Assessment amounts incurred as compared to the \$9.4 million that was included in the Company's 2024 O&M budget. The \$9.4 million threshold will be adjusted each year using the IRM formula. Enbridge Gas will be entitled to recover any amounts that are more than \$2 million above the annual threshold amount.

The balance recorded in the account is a debit of \$2.997 million plus interest.

Question(s):

- a) Please explain the primary drivers of the \$3.0 million variance.

- b) Are the OEB cost assessment expected to remain elevated into 2026 and into rebasing?

Staff-13

Reference: Exhibit C, Tab 2, Schedule 23, pp. 1-3
Exhibit C, Tab 2, Schedule 24, pp. 6-7

Enbridge Gas requests clearance of \$0.388 million plus interest in the IRP System Pruning Deferral Account.

Enbridge Gas does not request clearance of the \$2.2 million in cumulative operating costs recorded in the IRP Operating Costs Deferral account attributable to the Southern Lake Huron (SLH) Pilot Project, given the OEB's previous finding (EB-2025-0155) that it is premature to consider costs for the SLH Pilot Project as it is not sufficiently advanced to determine if it is appropriate for ratepayers to pay the costs incurred, and that Enbridge Gas can seek disposition when it is in a position to report on the results from the project.

Question(s):

- a) What factors support clearance of the System Pruning pilot costs at this time, given that the System Pruning pilot is at an early stage and given the OEB's findings on the SLH Pilot Project costs?
- b) Please provide a high-level breakdown of SLH Pilot Project costs in 2025.
- c) Please provide a forecast of annual costs for the SLH Pilot Project in 2026 and future years.
- d) Does Enbridge Gas anticipate being able to report on results and seek disposition of SLH Pilot Project costs in the 2026 Utility Earnings and Disposition of Deferral & Variance Account Balances proceeding? Why or why not?

Staff-14

Reference: Exhibit C, Tab 1, Schedule 1
Exhibit C, Tab 2, Schedule 24, Accounts Not Being Requested for Clearance

Several accounts have material balances that are not being requested for clearance (e.g., IRP Operating Costs \$2.3 million, Panhandle Region Expansion Project \$10.8 million credit, Site Restoration Costs \$15.6 million credit).

Question(s):

- a) For each of the accounts that have balances and are not being requested to be disposed, please provide the expected timing of future disposition requests.
- b) For each of the accounts, are the balances expected to continue to accrue in the same manner (and similar magnitude) as they have to date? If not, please explain the expected changes in the nature or magnitude of future accruals.

Staff-15

Reference: Exhibit G, Tab 1, Schedule 3, pp. 18, Estimated Billing and Meter Reading Performance Report

In its EB-2025-0155 Decision and Order regarding the 2024 DVA proceeding, the OEB directed Enbridge Gas in its next DVA proceeding to provide a detailed report on the measures it has taken to address the OEB's ongoing concern about estimated customer bills.

Enbridge Gas noted that it remains committed to improving meter reading performance and will continue to evaluate opportunities to further reduce consecutive estimates. Enbridge Gas further noted that its experience since 2022 suggests that a significant portion of the remaining MRPM population is driven by customer access and other external factors and that Enbridge Gas remains unable to meet the MRPM.

Enbridge Gas stated that it will address this further with the OEB, likely through a request that the OEB Chief Executive Officer convene a review of GDAR to consider whether and how the MRPM target should be re-set. Alternately, Enbridge Gas stated that it may file an application or request an exemption from the MRPM target for 2026 and beyond as it continues with its implementation of AMR and ERT technologies and its AML implementation plan.

Question(s):

- a) Has Enbridge Gas determined the next steps it intends to take to address its inability to meet the MRPM?
 - a. If yes, please explain the planned actions and provide the associated timelines or target dates.
 - b. If not, please discuss when Enbridge Gas will determine the next steps.
- b) Please describe any other options and considerations that Enbridge Gas evaluated to address its inability to meet the MRPM.