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November 4, 2026

EB-2026-0108 – Enbridge Gas 2025 Utility Earnings and Disposition of Deferral & Variance Accounts
Pollution Probe Submission

Dear Mr. Murray

On October 31, 2022, Enbridge Gas (Enbridge) filed a Cost of Service and Rebasing Application for 2024 rates and for approval of an incentive rate-setting mechanism (IRM) for the following four years under EB-2022-0200. The Ontario Energy Board (OEB) split the Rebasing Application into 3 phases, with Phase 1[1] focused on cost of service rates for 2024, while Phase 2[2] was focused on setting the IRM for 2025 to 2028. Through Decisions and OEB-approved Settlement Agreements for Phase 1 and Phase 2, the OEB approved deferral and variance accounts for Enbridge Gas to be in effect for the 2024 to 2028 IRM term. Some of the deferral and variance accounts relate to Enbridge as a whole, while some apply to either the legacy Enbridge Gas Distribution (EGD) or Union Rate Zones.

In accordance with Procedural Order No. 1 for the above-noted proceedings, please find Pollution Probe's submissions. Pollution Probe notes that Enbridge identified corrections to accounts through the interrogatory process and included updated adjustments through that process. **It is requested that Enbridge update the clearance amounts to correct for those errors when it files its Argument, following any additional adjustments identified through stakeholder submissions**. Additionally, Enbridge identified a potential to receive a future rebate related to the 2025 costs included in the Facility Carbon Charge Variance Account[3]. If this occurs, ratepayers should be rebated the difference in a future proceeding. **It is recommended that Enbridge bring forward any such credit to ratepayers in a future proceeding directly following receiving such a rebate from the Province of Ontario.**

Pollution Probe noticed that not all OEB approved accounts were listed in the Application and Enbridge confirmed that the list of accounts did not include the full list of OEB approved

[1] EB-2022-0200.
[2] EB-2024-0111.
[3] Exhibit I.STAFF-3.

accounts relevant for 2025[4]. Enbridge noted that accounts not listed in this Application were excluded for a range of reasons including, OEB direction that certain account balances be held until related project results and ratepayer benefits are known, previous OEB direction, Enbridge's intent to seek clearance through a different proceeding (e.g. rebasing or QRAM), etc.

For completeness and to ensure transparency related to all applicable OEB approved accounts, it is recommended that Enbridge include a full list of all accounts in its annual account Applications and note when (or in what alternate proceeding) OEB approved accounts will be brought forward for clearance, if it is not requested in the application. Appropriate categories to ensure transparency across all OEB approved annuals accounts could include:

- Accounts where clearance is requested on an interim or final basis.
- Accounts where there is no balance and no future entries planned – deemed as disposed at $0 balance.
- Accounts being held for future clearance when additional information required will be available (e.g. ratepayers benefits to justify costs, project completion, etc.)
- Accounts where the OEB has directed Enbridge to apply for disposal in a different proceeding.
- Accounts where Enbridge has decided to to apply for disposal in a different proceeding.

The following 2025 accounts have no balance, and are therefore not requested for clearance to customers[5]:

- Unauthorized Overrun Non-Compliance Deferral Account
- Incremental Capital Module Deferral Account
- Expansion of Natural Gas Distribution Systems Variance Account
- Green Button Initiative Deferral Account
- Cloud Computing Implementation Costs Deferral Account
- Asset Life Extension Costs Deferral Account
- Enbridge Sustain Affiliate Recoveries Variance Account
- Open Bill Extension Deferral Account

Enbridge confirmed that there are no future amounts that will accrue to these eight accounts, resulting in these accounts implied as cleared at $0 for 2025 account clearance purposes[6]. Pollution Probe has not suggested changes for those accounts.

[4] Exhibit I.PP-1b.
[5] Exhibit C, Tab 2, Schedule 24.
[6] Exhibit I.PP-1a.

Enbridge filed several reports in Exhibit G including required reports related to IRP, the Indigenous Working Group and integrity (eDIMP/DIMP). Enbridge noted that no direct OEB approval of those reports is being requested in this proceeding. Several of these reports relate to activities and details that pertain to accounts requested to be cleared. Pollution Probe reviewed those reports from the perspective of the 2025 accounts requested for clearance, but we have assumed that the OEB is not looking for broader comments related to those reports in this proceeding. Several of the reports relate to topics that also extend beyond this Utility Earnings and Disposition of Deferral & Variance Accounts to other proceedings under way or soon to be under way (e.g. IRP Framework Review, 2029 Rebasing, etc.).

Enbridge Gas requests clearance of $0.388 million plus interest in the IRP System Pruning Deferral Account[7]. This is the first time Enbridge Gas has requested clearance of the Integrated Resource Planning (IRP) System Pruning Deferral Account[8]. 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. Enbridge Gas can seek disposition when it is in a position to report on the results from the project[9]. Furthermore, the OEB's recent 2024 Decision denied recovery of costs associated with the Parry Sound Pilot Project, based on the lack of benefit to ratepayers sufficient to justify recovery of any cost that may have been incurred by Enbridge[10].

It is important that costs related to projects that occur over multiple years are assessed against the related benefits and results of those projects. It is appropriate to defer clearance consideration until those fulsome details are available. This applies similarly to the IRP System Pruning project. The System Pruning project costs proposed for clearance represent foundational activities (e.g. a scan and preparation activities) and no pruning results or tangible pruning outcomes relate to those activities and related costs[11]. It is not known what the total project costs and details will be at this time. **It is recommended that amounts in the IRP System Pruning Deferral Account not be approved for clearance until results of the project and related outcomes can be provided to support clearance of total System Pruning project costs.** This does not preclude Enbridge's ability to recover prudently incurred costs at that time, regardless of the total project costs.

Pollution Probe notes the high volatility in Unaccounted for Gas (UFG) and that UFG remains a persistent challenge. 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

[7] C/2/23 pages 1-3.
[8] Exhibit I.PP-10.
[9] C/2/24 pages 6-7.
[10] EB-2025-0155 dec_order_EGI 2024 DVA_20260625, page 10.
[11] Exhibit I.STAFF-13.

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)[12]. UFG adds no value for ratepayers an is purely a calculated cost (actual against forecast) for natural gas not used by ratepayers. UFG and the related costs are calculated based on the mathematical and some metering variances without detailed analysis of the actual losses and a systematic approach to mitigate those losses and related costs. Given that the root causes of UFG are persistent and result in cumulative cost, it is a high value area for further investigation. The OEB could require this through the annual account clearance process or via another suitable approach (e.g. rebasing proceeding).

Respectfully submitted on behalf of Pollution Probe.



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[12] C/2/3 UFG Volume Variance Account.