



Justin Egan
Technical Manager
Regulatory Applications
Regulatory Affairs

Tel: 519-350-3398
Email: justin.egan@enbridge.com
EGIRegulatoryProceedings@enbridge.com

Enbridge Gas Inc.
P.O. Box 2001
50 Keil Drive N.
Chatham, Ontario, N7M 5M1

September 26, 2024

VIA RESS AND EMAIL

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

Dear Nancy Marconi:

**Re: Enbridge Gas Inc. (Enbridge Gas)
Ontario Energy Board (OEB) File No.: EB-2024-0251
2025 Federal Carbon Pricing Program (FCPP) Application
Application and Evidence**

Enclosed is the application and pre-filed evidence of Enbridge Gas for its 2025 FCPP (the Application).

Enbridge Gas is seeking OEB approval of just and reasonable rates effective April 1, 2025, for the EGD and Union rate zones, to recover the costs associated with the FCPP as a pass-through to customers. Enbridge Gas is also seeking OEB approval to dispose of the 2023 balances recorded in its FCPP-related deferral and variance accounts, excluding the Customer Carbon Charge – Variance Accounts (CCCVAs), effective April 1, 2025.

Subject to the OEB's decision, Enbridge Gas intends to reflect 2025 increases to rates for the Federal Carbon Charge and Facility Carbon Charge, and the one-time billing adjustment related to the disposition of 2023 FCPP-related deferral and variance account balances as early as the April 1, 2025 Quarterly Rate Adjustment Mechanism (QRAM) application.

Enbridge Gas requests that the OEB issue orders granting the approvals requested on a final basis by February 6, 2025. Should the OEB determine that it is not possible to review and grant the approvals requested by such date, Enbridge Gas requests that the OEB grant approval of just and reasonable rates effective April 1, 2025 on an interim basis by February 6, 2025. Given the significance of Enbridge Gas's obligations related to the FCPP and considering the magnitude of the associated rate increases, it is appropriate to avoid continued accumulation of unbilled and uncollected amounts from customers that could result in a larger impact on bills when such amounts are recovered in the future.

If you have any questions, please contact the undersigned.

Sincerely,

Justin Egan
Technical Manager Regulatory Applications

EXHIBIT LIST

A – ADMINISTRATION

<u>Exhibit</u>	<u>Tab</u>	<u>Schedule</u>	<u>Contents</u>
A	1	1	Exhibit List
		2	Application
		3	Glossary of Acronyms and Defined Terms
	2	1	Overview
		2	Federal Carbon Charge Impact On Customer Consumption

B- FORECASTS

<u>Exhibit</u>	<u>Tab</u>	<u>Schedule</u>	<u>Contents</u>
B	1	1	Forecasts – Overview
			Appendix A – Enbridge Gas Estimated EPS Compliance Obligation
	2	1	Forecasts - EGD Rate Zone
		2	EGD Rate Zone – 2024 Customer Related Volume Forecast by Rate Class (April 2024 to March 2025)
		3	EGD Rate Zone – 2024 Facility Related Volume Forecast
		4	EGD Rate Zone – 2024 Forecast Compressor Emissions
5	EGD Rate Zone - 2024 Forecast EPS Obligation		
6	EGD Rate Zone – 2024 Summary of Customer-Related and Facility-Related Costs		

EXHIBIT LIST

B- FORECASTS

<u>Exhibit</u>	<u>Tab</u>	<u>Schedule</u>	<u>Contents</u>
	3	1	Forecasts - Union Rate Zones
		2	Union Rate Zones – 2024 Customer-Related Volume Forecast by Rate Class (April 2024 to March 2025)
		3	Union Rate Zones - 2024 Facility-Related Volume Forecast
		4	Union Rate Zones – 2024 Forecast Compressor Emissions
		5	Union Rate Zones – 2024 Forecast EPS Obligation
		6	Union Rate Zones – 2024 Summary of Customer-Related and Facility-Related Costs

C – DEFERRAL AND VARIANCE ACCOUNTS

<u>Exhibit</u>	<u>Tab</u>	<u>Schedule</u>	<u>Contents</u>
C	1	1	Deferral and Variance Accounts

D - COST RECOVERY

<u>Exhibit</u>	<u>Tab</u>	<u>Schedule</u>	<u>Contents</u>
D	1	1	Cost Recovery
	2	1	EGD Rate Zone – Derivation of Federal Carbon Charge and Facility Carbon Charge Unit Rates
		2	EGD Rate Zone - Bill Impacts
		3	EGD Rate Zone – FCPP-Related Deferral and Variance Accounts Balances and Allocation

EXHIBIT LIST

D - COST RECOVERY

<u>Exhibit</u>	<u>Tab</u>	<u>Schedule</u>	<u>Contents</u>
D	2	4	EGD Rate Zone – FCPP-Related Deferral and Variance Account Clearance Unit Rates
		5	EGD Rate Zone – FCPP-Related Deferral and Variance Account Clearance Bill Impacts
	3	1	Union Rate Zones – Derivation of Federal Carbon Charge and Facility Carbon Charge Unit Rates
		2	Union Rate Zones – Bill Impacts
		3	Union Rate Zones – FCPP-Related Deferral and Variance Account Balances and Allocations
		4	Union Rate Zones – FCPP-Related Deferral and Variance Account Clearance Unit Rates and Ex-Franchise Amounts
		5	Union Rate Zones – FCPP - Related Deferral and Variance Account Clearance Bill Impacts

ONTARIO ENERGY BOARD

IN THE MATTER OF the *Ontario Energy Board Act*,
1998, S.O. 1998, c. 15, Sch. B;

AND IN THE MATTER OF an application by Enbridge
Gas Inc., for an order or orders for gas distribution rate
changes related to compliance obligations under the
Greenhouse Gas Pollution Pricing Act, S.C. 2018, c. 12,
s. 186.

APPLICATION

1. Enbridge Gas Inc. (Enbridge Gas), the Applicant, was formed by the amalgamation of Enbridge Gas Distribution Inc. and Union Gas Limited on January 1, 2019 pursuant to the *Ontario Business Corporations Act*, R.S.O. 1990, c. B. 16. Enbridge Gas carries on the business of distributing, transmitting and storing natural gas within Ontario.
2. On June 21, 2018, the *Budget Implementation Act, 2018, No. 1* received Royal Assent. Included in Part V is the *Greenhouse Gas Pollution Pricing Act*, S.C. 2018, c. 12, s. 186 (GGPPA). Under the GGPPA, a federal carbon pricing program (FCPP) applies in whole or in part to any province or territory that requested it or that did not have an equivalent carbon pricing system in place by January 1, 2019. On October 23, 2018, the federal government confirmed that the GGPPA would apply to Ontario.
3. Provinces or territories can submit their own carbon pricing systems to the federal government for approval, and, if approved, are not subject to Part 1 and/or Part 2 of the GGPPA.
4. On March 29, 2021, the federal government announced that, effective January 1, 2022, Ontario's carbon pricing system for industrial emitters, known as the Ontario Emissions Performance Standards (EPS) program, will replace the federal Output-Based Pricing System (OBPS) in Ontario. The GGPPA was amended on September 1, 2021 to

remove Ontario from Part 2 of Schedule 1 of the GGPPA, enabling the EPS to take effect in Ontario as of January 1, 2022.

5. In Ontario, the FCPP is composed of two elements: (i) a charge on fossil fuels (the Federal Carbon Charge) imposed on distributors, importers, and producers effective April 1, 2019, and increasing each year on April 1; and (ii) an EPS for prescribed industrial facilities effective January 1, 2022.
6. Enbridge Gas's operations as a natural gas utility in Ontario fall under the purview of the GGPPA and EPS Regulation, which result in the following costs being incurred that are tracked through OEB-approved deferral and variance accounts:
 - a. Incremental bad debt costs;¹
 - b. Customer-related Federal Carbon Charge costs for volumes delivered by Enbridge Gas to its residential, commercial, and industrial customers who are not covered under the EPS; and
 - c. Facility-related costs (Facility Carbon Charge) arising from Enbridge Gas's facilities and operation of its gas distribution system.
7. Enbridge Gas hereby applies to the OEB, pursuant to the *Ontario Energy Board Act, 1998*, S.O. 1998, c.15, Schedule B (the Act), for:
 - a. an order or orders allowing it to charge customers a Federal Carbon Charge on a volumetric basis, in the amount of the Federal Carbon Charge required to be paid by Enbridge Gas pursuant to the GGPPA, effective April 1, 2025;
 - b. an order or orders approving or fixing just and reasonable rates for all Enbridge Gas rate zones (EGD, Union Northeast, Union Northwest and Union South),² effective April 1, 2025, to allow Enbridge Gas to recover

¹ Refer to Exhibit C, Tab 1, Schedule 1 for more information on the incremental bad debt costs.

² Collectively, the Union Northeast, Union Northwest and Union South rate zones are referred to as the "Union rate zones".

other costs (including Facility Carbon Charge costs) incurred in compliance with the GGPPA and EPS Regulation;

- c. an order or orders approving the 2023 balances for the FCPP-related deferral and variance accounts for all Enbridge Gas rate zones, as set out in Exhibit C and for an order to dispose of those balances, excluding the Customer Carbon Charge – Variance Accounts (CCCVAs), as early as the April 1, 2025 QRAM.³
8. Enbridge Gas further applies to the OEB for all necessary orders and directions concerning pre-hearing and hearing procedures for the determination of this application.
9. This application is supported by written evidence that has been filed with this application and may be amended from time to time as circumstances may require.
10. The persons affected by this application are the customers resident or located in the municipalities, police villages, Indigenous communities and Métis organizations served by Enbridge Gas, together with those to whom Enbridge Gas sells gas, or on whose behalf Enbridge Gas distributes, transmits, or stores gas. It is impractical to set out in this application the names and addresses of such persons because they are too numerous.
11. Enbridge Gas requests that the OEB's review of this application proceed by way of written hearing in English.
12. Enbridge Gas requests that all documents relating to this application and its supporting evidence, including the responsive comments of any interested party, be served on Enbridge Gas and its counsel as follows:

³ Refer to Exhibit C, Tab 1, Schedule 1 for more information on the proposal to defer disposition of the CCCVAs.

The Applicant:

Attention: Justin Egan
Technical Manager Regulatory Applications
Regulatory Affairs

Address: Enbridge Gas Inc.
P. O. Box 2001
50 Keil Drive North
Chatham, ON N7M 5M1

Telephone: (519) 350-3398
Email: justin.egan@enbridge.com
EGIRegulatoryProceedings@enbridge.com

The Applicant's Counsel:

Attention: Tania Persad
Associate General Counsel, Regulatory Law

Address: Enbridge Gas Inc.
500 Consumers Road
North York, Ontario
M2J 1P8

Telephone: (416) 495-5891
Fax: (416) 495-5994
Email: tania.persad@enbridge.com

-and-

Attention: Henry Ren
Senior Legal Counsel

Address: Enbridge Gas Inc.
500 Consumers Road
North York, Ontario
M2J 1P8

Telephone: (416) 495-5924
Fax: (416) 495-5994
Email: henry.ren@enbridge.com

Dated: September 26, 2024

Enbridge Gas Inc.

A handwritten signature in cursive script that reads "Justin Egan".

Justin Egan
Technical Manager Regulatory Applications
Regulatory Affairs

GLOSSARY OF ACRONYMS AND DEFINED TERMS

This glossary is intended to serve as a reference for the benefit of readers in their overall understanding of the terminology used in Enbridge Gas's Application. More detailed definitions may apply to specific terms when used in the context of this Application.

2019 Application – Enbridge Gas's 2019 Federal Carbon Pricing Program Application and pre-filed evidence (EB-2018-0205).

2020 Application – Enbridge Gas's 2020 Federal Carbon Pricing Program Application and pre-filed evidence (EB-2019-0247).

2021 Application – Enbridge Gas's 2021 Federal Carbon Pricing Program Application and pre-filed evidence (EB-2020-0212).

2022 Application – Enbridge Gas's 2022 Federal Carbon Pricing Program Application and pre-filed evidence (EB-2021-0209).

2023 Application – Enbridge Gas's 2023 Federal Carbon Pricing Program Application and pre-filed evidence (EB-2022-0194).

2024 Application – Enbridge Gas's 2024 Federal Carbon Pricing Program Application and pre-filed evidence (EB-2023-0196).

BEI – Baseline Emissions Intensity.

CCBDDA – Carbon Charges Bad Debt Deferral Account.

CCCVA – Customer Carbon Charge - Variance Account.

CO₂ – Carbon dioxide.

CO_{2e} – Carbon dioxide equivalent.

Company Use Volumes – Volumes of natural gas consumed in the operation of Enbridge Gas’s facilities including distribution buildings, boilers/line heaters, and NGV fleet volumes (which are subject to the Federal Carbon Charge under Part 1 of the GGPPA).

CRA – Canada Revenue Agency.

Customer Volumes – Distribution volumes delivered by Enbridge Gas in Ontario, except for volumes delivered to customers that hold an Exemption Certificate.

Customer-Related Obligations – The obligations under the GGPPA related to GHG emissions associated with the natural gas delivered by Enbridge Gas, other than to EPS Facilities.

DCQ – Daily Contract Quantity.

Distributor – An entity that imports or delivers marketable and non-marketable natural gas, and/or that measures consumption of marketable natural gas, and is required to register as a Distributor under the GGPPA.¹

DSM – Demand Side Management.

ECCC – Environment and Climate Change Canada.

EITE – Energy Intensive and Trade Exposed.

EPP – Emissions Performance Program; launched by the MECP in June 2024, the EPP is a program funded by compliance payments collected from the EPS and allows EPS

¹ The GGPPA, s.55. <https://laws-lois.justice.gc.ca/PDF/G-11.55.pdf>.

Facilities to apply for funding to support projects that reduce GHG emissions at the eligible EPS facility.

EPS – Ontario Emissions Performance Standards program; effective January 1, 2022, the EPS replaced the OBPS for EPS Facilities. These facilities will have a compliance obligation based on the portion of its emissions that exceed the annual emissions limit.

EPS Facility – An entity registered under the EPS and therefore exempt from the Federal Carbon Charge for volumes of fuel delivered by Enbridge Gas. EPS Facilities are classified as mandatory or voluntary based on annual emissions. EPS Facilities are not exempt from Enbridge Gas’s Facility Carbon Charges or administration-related costs.

EPS Regulation – The *Greenhouse Gas Emissions Performance Standards* made effective July 4, 2019 under the *Environmental Protection Act*, R.S.O. 1990, c. E. 19, as they may be amended from time to time.²

EPS Volumes – Volumes of natural gas consumed in the operation of Enbridge Gas’s transmission and storage compressor facilities (which are subject to the EPS as Enbridge Gas’s transmission and storage system is an “EPS Facility” under the EPS Regulation effective January 1, 2022).

EPUs – Emissions Performance Units issued by the provincial government, under the EPS, to facilities that achieve annual emissions volumes below their annual PS. Each EPU, representing one tonne of CO₂e, can be banked for future use against emissions or traded, and has a useful life of five years from the period following the year for which the credit was issued, and will be tracked using a centralized system.

² The EPS, <https://www.ontario.ca/laws/regulation/190241#BK18>.

Exemption Certificate – A certificate issued by the CRA to eligible entities, exempting the entity from the application of the Federal Carbon Charge.³

Facility Carbon Charge – The common volumetric charge proposed by Enbridge Gas, for the EGD rate zone and Union rate zones, to recover the costs resulting from the GGPPA and EPS Regulation related to Enbridge Gas's: (i) Company Use Volumes including distribution buildings, boiler/line heaters, and NGV fleet volumes (which are subject to the Federal Carbon Charge under Part 1 of the GGPPA); and, (ii) transmission and storage compression volumes (which are subject to the EPS as Enbridge Gas's transmission and storage system is listed as an industrial activity in Schedule 2 of the EPS Regulation).

Facility Volumes – Composed of: (i) Company Use Volumes including distribution buildings, boilers/line heaters, and NGV fleet volumes; and, (ii) transmission and storage compression volumes.

FCCVA – Facility Carbon Charge Variance Account.

FCPP – As part of the GGPPA, a federal carbon pricing program (also known as the Backstop) applies in any province or territory that requested it or that does not have an equivalent carbon pricing system in place that meets federal carbon pricing requirements.⁴ The FCPP is composed of the Federal Carbon Charge and an Emissions Performance Standards (EPS) Program. The EPS Program replaced the federal OBPS effective January 1, 2022.

Federal Carbon Charge – As part of the FCPP, a charge applied to fossil fuels imposed on distributors, importers and producers applicable from 2019-2030 and

³ The GGPPA, s.36. <https://laws-lois.justice.gc.ca/PDF/G-11.55.pdf>.

⁴ Government of Canada – Carbon pollution pricing systems across Canada. <https://www.canada.ca/en/environment-climate-change/services/climate-change/pricing-pollution-how-it-will-work.html>

equivalent to \$95/tCO_{2e} as of April 1, 2025. This charge applies to volumes delivered by Enbridge Gas to its customers (other than EPS Facilities) and to Enbridge Gas's Company Use Volumes (i.e. distribution buildings, boilers/line heaters, and NGV fleet volumes).

FTE – Full-Time Equivalents.

Fuel Charge Regulations – The *Fuel Charge Regulations*, 2018, c. 12, s. 187, as amended from time to time, is enacted under the GGPPA to further define the application and enforcement of the Federal Carbon Charge.⁵

GGEADA – Greenhouse Gas Emissions Administration Deferral Account.

GGPPA – The *Greenhouse Gas Pollution Pricing Act*, S.C.2018, c 12, s. 186, as amended from time to time.⁶

GHG – Greenhouse Gas as set out in Section 3 the GGPPA.⁷

ktCO_{2e} – Kilo-tonne of carbon dioxide equivalent.

Listed Province – A province or territory covered, in whole or in part under the GGPPA.⁸

Mandatory Participant – Entities that emit 50 ktCO_{2e} or greater annually, where the primary activity engaged in at the facility is listed as an industrial activity under the EPS Regulation, are required to register under the EPS.

⁵ Fuel Charge Regulations, <https://laws.justice.gc.ca/PDF/SOR-2018-12187.pdf>.

⁶ The GGPPA, <https://laws-lois.justice.gc.ca/PDF/G-11.55.pdf>.

⁷ Ibid, Schedule 3, Greenhouse Gases, Column 1.

⁸ Ibid, Schedule 1.

Marketable Natural Gas – Natural gas that meets the specifications for pipeline transport and sale for general distribution to the public, as defined by the Fuel Charge Regulations.⁹

MECP – Ministry of the Environment, Conservation and Parks.

MW – Megawatt.

MWh – Megawatt hour.

NGV – Natural gas vehicle.

Non-Marketable Natural Gas – Natural gas other than marketable natural gas, as defined by the GGPPA.¹⁰

OBPS – Output-based pricing system; a component of the FCPP applicable in Ontario from January 1, 2019 to December 31, 2021 that applies to certain registered facilities instead of the Federal Carbon Charge. A registered entity had a compliance obligation based on the portion of its emissions that exceeded the annual output-based emissions limit.

OEB – Ontario Energy Board.

Offset Credits – Represent GHG emissions reductions or removal enhancements generated from Canadian voluntary project-based activities that are not subject to carbon pricing and that would not have occurred under business as usual conditions.¹¹

⁹ Fuel Charge Regulations, s.1.1, <https://laws.justice.gc.ca/PDF/SOR-2018-12187.pdf>.

¹⁰ The GGPPA, s.3. <https://laws-lois.justice.gc.ca/PDF/G-11.55.pdf>.

¹¹ <https://www.canada.ca/en/environment-climate-change/services/climate-change/pricing-pollution-how-it-will-work/output-based-pricing-system.html>.

PS – Performance Standard; a percentage of the baseline emissions intensity applied to the annual facility production to determine the facility’s total annual emissions limit under the EPS.

PDCI – Parkway Delivery Commitment Incentive.

QRAM – Quarterly Rate Adjustment Mechanism.

RNG – Renewable Natural Gas; also referred to as *Biomethane* in the GGPPA, means a substance that is derived entirely from biological matter available on a renewable or recurring basis, and that is primarily methane.

tCO_{2e} – Metric tonne of carbon dioxide equivalent. The unit of measure of GHG emissions. A quantity of GHG, expressed in tonnes, is converted into tCO_{2e} by multiplying the quantity by the applicable global warming potential.¹²

Voluntary Participant – Entities that emit between 10 ktCO_{2e} and 50 ktCO_{2e} annually, where the primary activity engaged in at the facility is listed as an industrial activity under the EPS Regulation may voluntarily register to be part of the EPS.

¹² The GGPPA, Schedule 3, Column 2. <https://laws-lois.justice.gc.ca/PDF/G-11.55.pdf>.

OVERVIEW

1. The purpose of this evidence is to further outline the application (Application) of Enbridge Gas Inc. (Enbridge Gas or Company) for: (i) approval to charge customers a Federal Carbon Charge on a volumetric basis, in the amount of the Federal Carbon Charge required to be paid by Enbridge Gas pursuant to the *Greenhouse Gas Pollution Pricing Act* (GGPPA), effective April 1, 2025; (ii) approval of just and reasonable rates for all Enbridge Gas rate zones, effective April 1, 2025, to allow Enbridge Gas to recover other costs (including the Facility Carbon Charge costs) incurred in compliance with the GGPPA and Ontario's *Greenhouse Gas Emissions Performance Standards Regulation* (EPS Regulation); and (iii) approval of 2023 balances for the federal carbon pricing program (FCPP) related deferral and variance accounts, excluding the Customer Carbon Charge – Variance Accounts (CCCVAs) for all Enbridge Gas rate zones, and disposition of the same, effective April 1, 2025.¹
2. Enbridge Gas's Application is being submitted at this time to facilitate compliance with the GGPPA, the EPS Regulation, and to allow customers to be charged the 2025 Federal Carbon Charge rate for natural gas in a timely fashion without accruing uncharged amounts, in accordance with the FCPP, beginning as early as April 1, 2025.
3. This exhibit of evidence is organized as follows:
 1. Background
 - 1.1 The Federal Carbon Pricing Program
 2. Enbridge Gas's Obligations Under the GGPPA and EPS Regulation
 - 2.1 Volumes Subject to Federal Carbon Charge

¹ Refer to Exhibit C, Tab 1, Schedule 1 for more information on the proposal to defer disposition of the CCCVAs.

- 2.2 Volumes Subject to EPS
- 2.3 Management of Facility-Related Emissions and Costs
- 3. Bill Impacts
- 4. Requested Approvals

1. Background

4. On June 21, 2018, the federal *Budget Implementation Act, 2018, No. 1* received Royal Assent. Part V included the GGPPA. The FCPP applies in whole or in part to any province or territory that requested it or that did not have an equivalent carbon pricing system in place by January 1, 2019. On October 23, 2018, the federal government confirmed that the GGPPA would apply to Ontario.
5. On March 29, 2021, the federal government announced that effective January 1, 2022, Ontario's carbon pricing system for industrial emitters, known as the Ontario Emissions Performance Standards (EPS) program, will replace the federal Output-Based Pricing System (OBPS). The GGPPA was amended on September 1, 2021 to remove Ontario from Part 2 of Schedule 1 of the GGPPA, enabling the EPS to take effect in Ontario as of January 1, 2022.
6. On September 29, 2021, Enbridge Gas filed its 2022 Federal Carbon Pricing Program application² (2022 Application). To reflect the transition from the federal OBPS to the Ontario EPS program and recognize that Enbridge Gas would be subject to both federal and provincial regulations beginning January 1, 2022, in its 2022 Application, Enbridge Gas proposed to amend the accounting orders by updating the applicable account definitions and account names.³ In its Decision and Order regarding the 2022 Application, the OEB approved the amendments to the wording of the FCPP deferral and variance accounting orders as filed.⁴

² EB-2021-0209.

³ EB-2021-0209, Exhibit C, p.3.

⁴ EB-2021-0209, OEB Decision and Order, February 10, 2022, p.10.

7. On October 31, 2022, Enbridge Gas submitted its 2024 Phase 1 Rebasing Application which included a proposal to harmonize the established FCPP-related deferral and variance accounts effective January 1, 2024, and to record administrative costs associated with current federal and provincial regulations related to greenhouse gas (GHG) emissions requirements through 2024 base rates.⁵ In the Settlement Proposal, parties agreed on harmonizing the FCPP deferral and variance accounts, on the condition that the existing Greenhouse Gas Emissions Administration Deferral Account (GGEADA) be renamed the Carbon Charges Bad Debt Deferral Account (CCBDDA) and the scope of the account be limited to recording bad debt costs associated with carbon charges.⁶ The OEB approved the changes to the FCPP deferral and variance accounts, effective January 1, 2024, in its Decision on the Settlement Proposal to Enbridge Gas's 2024 Phase 1 Rebasing Application.⁷ Accordingly, as of 2024, the only FCPP-related administrative costs Enbridge Gas is recording in the CCBDDA are bad debt costs.
8. As set out at Exhibit D, Tab 1, Schedule 1, Enbridge Gas is seeking OEB approval to increase the Federal Carbon Charge and Facility Carbon Charge to recover the costs associated with meeting its obligations under the GGPPA and EPS Regulation, on a final basis, effective as early as April 1, 2025. Further, as set out at Exhibit C, Tab 1, Schedule 1 and Exhibit D, Tab 1, Schedule 1, Enbridge Gas proposes to clear the final 2023 balance in its OEB-approved FCPP-related deferral and variance accounts, excluding the small balances in the CCCVAs.⁸
9. This evidence also includes cost estimates and volume forecasts for 2025 that are meant to be used for informational purposes only. Customers will be charged the

⁵ EB-2022-0200, Exhibit 9, Tab 1, Schedule 1.

⁶ EB-2022-0200, Partial Settlement Proposal, June 28, 2023, Exhibit O1, Tab 1, Schedule 1, pp.53-55.

⁷ EB-2022-0200, Decision on Settlement Proposal, August 17, 2023, p.1.

⁸ Refer to Exhibit C, Tab 1, Schedule 1, for more information on the proposal to defer disposition of the CCCVAs.

Federal Carbon Charge and Facility Carbon Charge based on actual volumes.

Enbridge Gas will seek disposition of any variance to forecast for 2025 as well as FCPP-related 2025 bad debt costs through a future application to the OEB.

1.1 The Federal Carbon Pricing Program

10. The FCPP is composed of two elements:

- a. A charge on fossil fuels (the Federal Carbon Charge) as a cost per unit of fuel, including natural gas (cubic meters or m³), imposed on distributors, importers, and producers applicable as of April 1, 2019 under Part 1 of the GGPPA. This charge applies to fuel delivered by Enbridge Gas to its customers, and to Enbridge Gas's own fuel use within its distribution system (i.e. its Company Use Volumes for distribution buildings, boilers/line heaters, and Natural Gas Vehicle (NGV) fleet fuel). Exemptions from the Federal Carbon Charge are explained below.

In December 2020, the federal government released its updated climate plan, "A Healthy Environment and A Healthy Economy", outlining the strategy to reduce GHG emissions which included a proposal to increase the Federal Carbon Charge by \$15/tCO_{2e} annually starting in 2023, increasing to \$170/tCO_{2e} in 2030.⁹ The federal government confirmed this Federal Carbon Charge increase in July 2021.¹⁰

Schedule 2 of the GGPPA was amended on April 1, 2023 to include the Federal Carbon Charge rates from 2023 to 2030. In 2025, the Federal Carbon

⁹ A Healthy Environment and a Healthy Economy, Environment and Climate Change Canada, December 2020, https://www.canada.ca/content/dam/eccc/documents/pdf/climate-change/climate-plan/healthy_environment_healthy_economy_plan.pdf.

¹⁰ Update to the Pan-Canadian Approach to Carbon Pollution Pricing 2023-2030, Government of Canada, August 05, 2021, <https://www.canada.ca/en/environment-climate-change/services/climate-change/pricing-pollution-how-it-will-work/carbon-pollution-pricing-federal-benchmark-information/federal-benchmark-2023-2030.html>.

Charge is equivalent to \$95 per tonne of carbon dioxide equivalent (tCO_{2e}) or 18.11 ¢/m³ (see Table 1). The Federal Carbon Charge became effective April 1, 2019 and increases each subsequent year on April 1.

Table 1
2019 – 2030 Federal Carbon Charge Rates for Marketable Natural Gas¹¹

Year	\$/tCO _{2e}	¢/m ³
2019	\$20	3.91
2020	\$30	5.87
2021	\$40	7.83
2022	\$50	9.79
2023	\$65	12.39
2024	\$80	15.25
2025	\$95	18.11
2026	\$110	20.97
2027	\$125	23.83
2028	\$140	26.69
2029	\$155	29.54
2030	\$170	32.40

- b. Entities that are covered under the Ontario EPS Regulation are exempt from coverage under Part 1 of the GGPPA, “Fuel Charge” and Part 2 of the GGPPA, “Industrial Greenhouse Gas Emissions”. Under the EPS Regulation, the Ontario Ministry of Environment, Conservation and Parks (MECP) established a mandatory emissions threshold for entities identified as being in an Energy Intensive and Trade Exposed (EITE) sector (facilities which have a primary activity listed in Schedule 2 of the EPS Regulation) of 50 ktCO_{2e} or more per year, and a voluntary emissions threshold of 10 – 50 ktCO_{2e} per

¹¹ The GGPPA, Schedule 2 and Schedule 4, <https://laws-lois.justice.gc.ca/PDF/G-11.55.pdf>.

year for those entities that may choose to voluntarily participate in the EPS. This component of the FCPP became effective January 1, 2022.¹²

The EPS creates a pricing incentive to reduce GHG emissions from EITE industrial facilities while limiting the impacts of carbon pricing on their respective competitiveness. Entities subject to the EPS Regulation are required to apply to the MECP and the Canada Revenue Agency (CRA) for exemption from the Federal Carbon Charge. The exemption certificate issued by the CRA must then be submitted to Enbridge Gas to ensure that the entity is not charged the Federal Carbon Charge on its natural gas bill. Participants in the EPS Program are required to report and manage their own compliance obligations and, if their annual emissions are greater than the total annual emissions limit, participants will have the following options to satisfy their compliance obligations:¹³

- (i) Pay the excess emissions charge;¹⁴ or
- (ii) Submit emissions performance units (EPUs) issued by the provincial government.

The EPS currently has no provision for use of offset credits.

11. Any natural gas volumes delivered by Enbridge Gas for the period of January 1, 2025 to March 31, 2025 will continue to be charged the Federal Carbon Charge and

¹² On March 29, 2021, the federal government announced that Ontario will transition from the federal OBPS to the Ontario EPS effective January 1, 2022 and on September 1, 2021, the Order Amending Part 2 of Schedule 1 to the GGPPA was published in the Canada Gazette, Part II, removing Ontario from Part 2 of the GGPPA as of January 1, 2022.

¹³ MECP: GHG Emissions Performance Standards and Methodology for the Determination of the Total Annual Emissions Limit, March 2024. [https://prod-environmental-registry.s3.amazonaws.com/2024-04/GHG%20EPS%20and%20Methodology%20for%20determination%20of%20TAEL_March%202024%20\(EN\)_1.pdf](https://prod-environmental-registry.s3.amazonaws.com/2024-04/GHG%20EPS%20and%20Methodology%20for%20determination%20of%20TAEL_March%202024%20(EN)_1.pdf)

¹⁴ Excess emissions charge is the price per unit in \$/tCO₂e. For the 2025 compliance period, the excess emissions charge is \$95/tCO₂e. <https://www.ontario.ca/laws/regulation/190241>.

Facility Carbon Charge rates approved by the OEB as part of Enbridge Gas's 2024 Application.

2. Enbridge Gas's Obligations Under the GGPPA and EPS Regulation

12. As a natural gas utility in Ontario, a "listed province" in the GGPPA, Enbridge Gas is required to register under Part 1 of the GGPPA with the CRA as a "distributor" for volumes of natural gas delivered to its customers.¹⁵
13. As a "distributor", Enbridge Gas is required to remit Federal Carbon Charges related to the GGPPA to the Government of Canada monthly.
14. Enbridge Gas is also required to register under the EPS Regulation as an "EPS facility" since its transmission and storage operations are covered by an industrial activity listed in Schedule 2 of the EPS Regulation.¹⁶
15. As an "EPS Facility" under the EPS Regulation, Enbridge Gas is required to remit payment annually for any excess emissions under the EPS.
16. Enbridge Gas has estimated its 2025 cost of compliance with the GGPPA and EPS Regulation to be approximately \$3,084.32 million: \$1,901.15 million for the EGD rate zone (see Exhibit B, Tab 2 for additional detail) and \$1,183.18 million for the Union rate zones (see Exhibit B, Tab 3 for additional detail)¹⁷. In addition, Enbridge Gas estimates that it will incur 2025 bad debt costs of approximately \$13.05 million based on the forecasted costs recoverable from customers as a result of the GGPPA and EPS Regulation (see Exhibit C, Tab 1, Schedule 1 for additional detail).

¹⁵ The GGPPA, s.55 (1). The GGPPA requires registration of distributors of marketable or non marketable natural gas. <https://laws-lois.justice.gc.ca/PDF/G-11.55.pdf>.

¹⁶ The EPS Regulation, O.Reg. 241/19. <https://www.ontario.ca/laws/regulation/190241>.

¹⁷ This only includes the costs associated with utility (regulated) activity.

2.1 Volumes Subject to Federal Carbon Charge

17. Except for customer volumes that are covered under the EPS, or those that are otherwise fully or partially exempt from the Federal Carbon Charge, all distribution volumes delivered by Enbridge Gas in Ontario (Customer Volumes) are covered under Part 1 of the GGPPA and are subject to the Federal Carbon Charge.¹⁸

18. Under the GGPPA, Enbridge Gas is required, on a monthly basis, to:¹⁹

- calculate and report to the CRA the volume of fuel consumed which is covered under Part 1 of the GGPPA, including Enbridge Gas's own use within its distribution system (i.e. distribution buildings, boilers/line heaters, and NGV fleet volumes); and
- remit the amount of the Federal Carbon Charge in respect of the monthly volume that has been calculated.

Forecast Customer Volumes and Costs

19. As set out in Table 1, Enbridge Gas is required to remit the 2025 Federal Carbon Charge rate of 18.11 ¢/m³ of natural gas consumed for applicable customers from April 1, 2025 to March 31, 2026. As outlined at Exhibit D, Tab 1, Schedule 1 and consistent with Enbridge Gas's treatment of 2019 to 2024 FCPP-related charges, Enbridge Gas will present these charges as a separate line item on customers' bills. Enbridge Gas's forecast cost associated with Customer Volumes for the period of April 1, 2025 to March 31, 2026 is \$3,075.38 million: \$1,899.57 million for the EGD rate zone and \$1,175.81 million for the Union rate zones (please see Exhibit B for

¹⁸ To calculate Enbridge Gas's 2025 customer volume forecast at Exhibit B, Tab 2, Schedule 2, and at Exhibit B, Tab 3, Schedule 2, Enbridge Gas excluded customers who have provided Enbridge Gas with an exemption certificate, in accordance with Section 17(2) of the GGPPA. This includes downstream distributors, entities covered under the EPS, and customers who use natural gas in a non-covered activity. RNG volumes, hydrogen volumes, and 80% of volumes for eligible greenhouses are also excluded.

¹⁹ The GGPPA, s.68 (2b), s.71 (3). <https://laws-lois.justice.gc.ca/PDF/G-11.55.pdf>.

additional detail on costs associated with Customer Volumes for the period of April 1, 2025 to March 31, 2026).

20. These cost estimates are subject to change based on actual distribution volumes and are meant to be used for informational purposes only. Customers will be charged the Federal Carbon Charge rate monthly based on actual billed volumes.
21. Customers that hold an Exemption Certificate must provide a copy to Enbridge Gas no later than two weeks in advance of the first day of the month in which they wish to have their consumption volumes exempted from the Federal Carbon Charge. Similarly, if a customer is no longer eligible to hold an Exemption Certificate, they must provide notice to Enbridge Gas of that fact, as soon as the facility ceases to be eligible for exemption.

Forecast Company Use Volumes and Costs

22. As set out in Table 1, Enbridge Gas is required to remit the 2025 Federal Carbon Charge rate of 18.11 ¢/m³ for natural gas consumed in the operation of Enbridge Gas's facilities which are not covered by the EPS (i.e. distribution buildings, boilers/line heaters, and NGV fleet volumes) (Company Use Volumes). The costs associated with Company Use Volumes will be recovered from customers as part of the Facility Carbon Charge, as detailed at Exhibit D, Tab 1, Schedule 1, included in delivery or transportation charges on customers' bills. Enbridge Gas's forecast cost associated with Company Use Volumes for the period of April 1, 2025 to March 31, 2026 is approximately \$2.55 million: \$0.78 million for the EGD rate zone and \$1.77 million for the Union rate zones (please see Exhibit B for additional detail on costs associated with Company Use Volumes for the period of April 1, 2025 to March 31, 2026).

23. The forecast Company Use Volumes and associated Facility Carbon Charge cost estimates are subject to change based on actual Facility Volumes. Any cost impacts due to the variance between forecast and actual Facility Volumes will be recorded in the Facility Carbon Charge – Variance Account for future disposition.

2.2 Volumes Subject to EPS

24. Transmitting natural gas is a covered “industrial activity” under the EPS and includes installations and equipment such as compressor stations, storage installations, and compressor units that have a common owner/operator within a province.²⁰ For Enbridge Gas, this includes fuel used in transmission and storage compressor facilities (EPS Volumes).

25. Under the EPS, Enbridge Gas is required, on an annual basis, to:

- calculate and report to the Ontario MECP, Enbridge Gas’s EPS-covered emissions and total annual emissions limit for each compliance period; and
- provide compensation for, or otherwise obtain EPU’s to cover any excess emissions by the applicable deadline.

26. Owners and operators of EPS-covered facilities have a compliance obligation for the portion of the EPS-covered emissions from those facilities that exceed their total annual emissions limit. Under the EPS, a facility’s total annual emissions limit is calculated based on the applicable Performance Standard (PS) and its associated annual production.²¹ As outlined by the MECP, the PS for facilities transmitting natural gas is 74.6% of the production-weighted facility baseline emissions intensity in 2025.²² The costs associated with EPS Volumes will be recovered from customers

²⁰ The EPS Regulation, O.Reg. 241/19. <https://www.ontario.ca/laws/regulation/190241>.

²¹ MECP: GHG Emissions Performance Standards and Methodology for the Determination of the Total Annual Emissions Limit, March 2024. [https://prod-environmental-registry.s3.amazonaws.com/2024-04/GHG%20EPS%20and%20Methodology%20for%20determination%20of%20TAEL_March%202024%20\(EN\)_1.pdf](https://prod-environmental-registry.s3.amazonaws.com/2024-04/GHG%20EPS%20and%20Methodology%20for%20determination%20of%20TAEL_March%202024%20(EN)_1.pdf).

²² Ibid, Table 4.2, p.43.

as part of the Facility Carbon Charge, as detailed at Exhibit D, Tab 1, Schedule 1, included in delivery or transportation charges on customers' bills. Enbridge Gas's forecast 2025 (January 1, 2025 to December 31, 2025) regulated cost associated with EPS Volumes is \$6.40 million: \$0.80 million for the EGD rate zone and \$5.59 million for the Union rate zones (please see Exhibit B for additional detail on costs associated with EPS Volumes for the period of January 1, 2025 to December 31, 2025).

2.3 Management of Facility-Related Emissions and Costs

27. Consistent with Enbridge Gas's commitment in the 2021 Application

...to identify, track and report on emission reduction opportunities using criteria that effectively balance management of its compliance obligations under the FCPP, estimated capital costs, safety and operational reliability,²³

and the OEB's Decision and Order on the 2022 Application that

Enbridge Gas's next FCPP application set out in a comprehensive fashion the management of Enbridge's own obligations that identifies its approaches towards achieving efficiencies and reduction of carbon emission related costs to its customers"²⁴

this section of evidence contains details on the potential options for reducing Enbridge Gas's facility-related emissions and associated costs. Facility-related emissions and associated costs can be reduced through the reduction of either Company Use Volumes or EPS Volumes, or, in the case of EPS associated costs, through the use of lower cost compliance options.

²³ EB-2020-0212, EGI 2021 FCPP Application, September 30, 2020, Exhibit A, p.14.

²⁴ EB-2021-0209, OEB Decision and Order, February 10, 2022, p.10.

Facility-Related Emission Reduction Projects

28. To support the achievement of federal, provincial, and Enbridge Inc. GHG emission targets, and to support the reduction of facility-related emissions costs, Enbridge Gas continues to update its emission reduction strategy for emissions resulting directly from Enbridge Gas's operations. This strategy covers emissions from combustion of fuels in Company-operated buildings, equipment and vehicles, and methane emissions from venting and leaked natural gas.
29. Enbridge Gas's facility-related emissions covered under the GGPPA and EPS only include stationary combustion and flaring emissions, and, therefore, only opportunities which address these emissions sources will be further discussed in this evidence. Opportunities to reduce GHG emissions from fugitive and vented sources were addressed in Enbridge Gas's 2024 Phase 1 Rebasing Application.²⁵
30. Opportunities identified to date with the potential to reduce EPS volumes are listed below in Table 2, Table 3, and Table 4. Table 2 provides a summary of the opportunities that Enbridge Gas is implementing to reduce emissions and facility-related costs. Table 3 summarizes potential opportunities to reduce emissions and facility-related costs that Enbridge Gas has identified but are not currently implementing due to technical and/or economic constraints. Table 4 includes opportunities that are being reviewed as potential projects that could be eligible for funding under the MECP's Emissions Performance Program (EPP).
31. The cost per tonne of GHG emissions shown for each opportunity in Table 2 and Table 3 was calculated using a Discounted Cash Flow analysis (cost represented by a positive \$/tCO_{2e} figure and savings represented by a negative \$/tCO_{2e} figure). Cash outflows include incremental capital costs of each opportunity. Cash inflows

²⁵ EB-2022-0200, Exhibit 1, Tab 10, Schedule 8, Table 1 & Table 2; and Decision on Settlement Proposal, August 17, 2023, Schedule A (Partial Settlement Agreement), p.37.

include resulting natural gas savings, avoided carbon charges, any other incremental operations and maintenance (O&M) costs or savings, income tax impacts and any operating costs or savings resulting from the opportunity. The net present value (NPV) of cash inflows and outflows is divided by the total estimated emissions avoided over the life of the project to determine the \$/tCO_{2e}.

Table 2
Facility-Related Emission Reduction Project Summary – In-Progress Opportunities

Opportunity	Total Estimated Capital Cost (\$millions)	Estimated Emissions Reductions – 2023 (tCO _{2e})	Estimated EPS Cost Impact - 2023 (\$) ²⁶	Forecasted Emissions Reductions – 2025 (tCO _{2e})	Forecasted Annual Project Emissions Reductions (tCO _{2e} /yr) ²⁷	Cost per Tonne of GHG Emissions (\$/tCO _{2e})
1 Storage and Transmission Operations (STO) Online Monitoring	0.05	490	-32,000	1,100 ²⁸	1,100	-32
2 Air Filter Replacements for Turbines	0 ²⁹	60	-3,900	230	1,500	-47

32. Implementation of the first phase of the STO online monitoring opportunity was completed in 2022. Enbridge Gas continues to assess a second phase of this opportunity, where older model compressor units may be brought online to optimize engine use.

33. The air filter replacements for turbines opportunity is ongoing, with higher efficiency filters being installed on applicable units at the next filter change opportunity.

²⁶ Estimated based on estimated emissions reductions and excess emissions charge for 2023.

²⁷ Forecasted total annual project emissions reductions once project is fully implemented.

²⁸ No additional units to be brought online post 2022, and, therefore, forecasted emissions reductions for 2024 will be the same as the forecasted project emission reductions.

²⁹ Initial O&M costs for the air filter replacement program are estimated to be \$10,000. Once the program is fully implemented, it is estimated that there will be an O&M savings of approximately \$150,000/year.

34. The online monitoring and air filter replacements for turbines opportunities were driven by Enbridge Gas’s standard operational maintenance program and, therefore, Enbridge Gas is not seeking cost recovery for these opportunities through this Application.

Table 3
Facility-Related Emission Reduction Project Summary – Potential Opportunities

Opportunity		Total Estimated Capital Cost (\$millions)	Forecasted Annual Project Emissions Reductions (tCO ₂ e/yr) ³⁰	Cost per Tonne of GHG Emissions (\$/tCO ₂ e)
1	Electric Drive Compressors – Dawn Plant C Replacement	70	16,000	105
2	Electric Drive Compressors – Parkway	140	12,000	199
3	Re-wheeling Turbines	17	3,100	191
4	Compressor Fuel Switch to RNG	0 ³¹	275,000	178
5	Own Use Gas Fuel Switch to RNG Blend (5%)	0 ³²	1,300	203

35. The Compression Modernization Strategy in the Company’s asset management plan is a long-term plan to replace identified compression units. Under this project, several factors are being considered in the evaluation of alternatives, including meeting the operating requirements for the storage and transmission systems, reliability, environmental compliance, and GHG emissions reduction strategy. Electrification will be considered as an alternative for both Dawn Plant C and Parkway A engine replacements. Ongoing modernization of Enbridge Gas’s

³⁰ Forecasted total annual project emissions reductions once project is fully implemented.

³¹ It is estimated that the incremental O&M costs will be approximately \$151 million/year once fully implemented.

³² It is estimated that the incremental O&M costs will be approximately \$0.7 million/year once fully implemented.

compressor fleet is expected to reduce the regulated utility's EPS emissions in the long-term.

36. As part of Enbridge Gas's GHG emissions reduction strategy, identified opportunities will be reviewed on an annual basis, including revisiting any previous assumptions, project costs and the cost of carbon. Part of the process is to continue to identify new opportunities and further assess previously identified opportunities.

37. Actual GHG emissions and reductions in EPS costs resulting from these opportunities will be reflected in Enbridge Gas's future FCPP applications for clearance of FCPP-related deferral and variance accounts.

Emissions Performance Program

38. The EPP was introduced by the MECP in June 2024 and uses compliance payments collected through the EPS to support Scope 1 and Scope 2 GHG emissions reductions at non-electricity generating facilities registered in the EPS program.³³

39. Each year, the MECP will notify eligible EPS facilities of their notional funding allocation which will be equivalent to the EPS facility's compliance payment made to the MECP in the previous year. To access the notional funding, an EPS facility must submit a project proposal and receive approval from the MECP that the project meets the required funding eligibility criteria.

40. As EPP funding is equal to a facility's compliance payment made to the MECP in the previous year, if an EPS facility purchases EPU's from another EPS entity and then

³³ Ontario Government, Available funding opportunities from the Ontario Government, Emissions Performance Program. September 4, 2024. <https://www.ontario.ca/page/available-funding-opportunities-ontario-government#section-5>.

retires the EPU for use towards their compliance obligation, the corresponding compliance payment to the MECP could be eliminated or decreased. Therefore, by utilizing EPUs for an EPS compliance obligation, an EPS facility forfeits or reduces the available EPP funding that the MECP would offer the following year.

41. In June 2024, Enbridge Gas was notified by the MECP of a notional allocation of funding up to \$2,581,700 to be used to support eligible projects.

42. Opportunities that are identified as being potentially eligible projects for EPP funding are listed in Table 4. These opportunities were identified based on the EPP application requirements. The costs and emissions reductions provided in Table 4 are estimates, but will be updated as part of the project refinement. The MECP will review and consider the submitted applications for approval of the EPP funding. This is an ongoing process, and the MECP does not have a set timeline for approval.

43. Re-wheeling for Parkway A and electrification of the Heritage compressor are potentially feasible for EPP funding, pending project refinement and discussions with the MECP. EPP funding could enable these opportunities to progress in development.

Table 4
Facility-Related Emission Reduction Project Summary – Under Evaluation for EPP funding

Opportunity		Total Estimated Capital Cost (\$millions) ³⁴	Estimated Absolute Project Emissions Reductions (tCO ₂ e/year) ³⁵
1	Electric Drive Compressors - Heritage	2.5	200
2	Re-wheeling Parkway A Turbine	2.3	750

³⁴ Preliminary estimate to be refined.

³⁵ Preliminary estimate to be refined.

44. The Heritage compressor station was identified as a good candidate for electrification as the scope of the project aligns with the potentially available EPP funding amounts and availability of electricity at this location.
45. The re-wheeling turbines opportunity included in Table 3 includes a plan for multiple turbines. By limiting the scope to the Parkway A turbine, the project can potentially be eligible for the EPP funding amount.

Initiatives to Reduce Facility-Related Emissions and Costs under the FCPP

46. In addition to the above identified in-progress and potential projects to reduce facility-related emissions, Enbridge Gas continues to assess the availability and use of hydrogen, RNG, and carbon capture and storage (CCS) to lower emissions and the associated costs under the FCPP at the Company's facilities.
47. In 2024, Enbridge Gas began operating a combined heat and power (CHP) unit that can utilize hydrogen and/or natural gas at the Company's Training and Operations Center (TOC) building in Markham, Ontario to study its impact on emissions reductions at that location, and to reduce electrical grid demands.
48. The regulatory and commercial framework for CCS in Ontario continues to evolve. Enbridge Gas will continue to monitor developments in carbon capture technology and the readiness of the carbon storage reservoirs in Ontario, and assess the potential for CCS as an emissions reduction opportunity for the Company's facility-related emissions.

EPS Compliance Cost Reductions

49. Aside from paying the excess emissions charge, Enbridge Gas has an alternative compliance option to satisfy its annual EPS compliance obligation by purchasing EPU from other EPS participants. The EPS Regulation does not allow for the use of Offset Credits as a viable compliance option.

50. Although procurement of EPU's can reduce Enbridge Gas's EPS compliance costs, due to EPU's typically selling at a discount to the excess emissions charge, purchasing EPU's reduces the amount of funding available through the EPP in the following year as discussed above. As an example, procurement of EPU's in 2025 will reduce the amount of EPP funding available in 2026.
51. Since the implementation of the EPP in June 2024, Enbridge Gas has been working to identify GHG emissions reduction projects that would be eligible for EPP funding. The shortlist of eligible projects that have been identified are shown in Table 4 above. Due to the EPP recently being implemented, Enbridge Gas is still determining the right balance between procuring EPU's to reduce the Company's compliance costs, or paying the excess emissions charge in order to maximize the amount of EPP funding available.
52. Enbridge Gas is currently in discussion with other EPS entities about purchasing EPU's to use towards the Company's 2023 compliance obligation, which is due by December 15, 2024. Enbridge Gas will compare the availability and pricing of any potential EPU's with the benefit of paying the excess emissions charge and securing EPP funding the following year, when determining which compliance option to pursue to satisfy the 2023 EPS compliance obligation. If Enbridge Gas is able to procure EPU's at a lower price than the excess emissions charge in the time period between the submission of this Application and the 2023 compliance deadline of December 15, 2024, the cost savings will be recorded in the FCCVA.³⁶

³⁶ EB-2019-0247, Exhibit I.STAFF.8 parts b) and c), June 18, 2020 and EB-2019-0247, Enbridge Gas Reply Argument, July 16, 2020, p.12.

2.4 Management of Customer-Related Emissions and Costs

53. Enbridge Gas currently provides and has proposed several initiatives that assist customers in reducing their natural gas usage, thus reducing their Federal Carbon Charge Costs. This includes the following:

- i. Enbridge Gas's OptUp program is a voluntary RNG pilot program, which was approved by the OEB and implemented in April 2021.³⁷ This program allows customers to voluntarily pay an additional \$2 per month towards the inclusion of RNG in the gas supply portfolio. The program was proposed and approved as a pilot to provide an opportunity to begin incorporating RNG into the gas supply commodity portfolio. Since implementing the program, Enbridge Gas has procured approximately 143,000 m³ of RNG. This RNG procurement resulted in avoided Federal Carbon Charges of approximately \$15,000 (\$2,000 in 2022, \$5,700 in 2023 and \$7,300 in 2024 to date) and a reduction of approximately 275 tCO₂e (49 tCO₂ in 2022, 113 tCO₂ in 2023 and 113 tCO₂ in 2024 to date) from the displacement of natural gas on an end-use basis.
- ii. In April 2024, Enbridge Gas submitted Phase 2 of the 2024 Rebasing Application which includes a proposal to procure low carbon energy, with a focus on RNG, as part of the gas supply commodity portfolio beginning in 2026.³⁸ The program would seek to procure up to 1% (5.3 PJ) of Enbridge Gas's supply as RNG in 2026, increasing 1% annually to 4% (21.1 PJ) in 2029. If approved and implemented as proposed in the Phase 2 Rebasing Application, in 2026, the RNG procured through this program could reduce Federal Carbon Charges by approximately \$28 million and reduce GHG emissions by 0.26 MtCO₂e. If approved by the OEB, this program will replace the existing voluntary RNG pilot program.

³⁷ EB-2020-0066, Decision and Order, September 24, 2020.

³⁸ EB-2024-0111, Exhibit 4, Tab 2, Schedule 7.

- iii. Phase 1 of Enbridge Gas's Low-Carbon Energy Project (LCEP) began blending hydrogen into the natural gas distribution system in October 2021.³⁹ Since implementation in 2021, over 333,000 m³ of hydrogen has been distributed to customers, reducing GHG emissions by approximately 210 tCO₂e from the displacement of natural gas on an end-use basis. Of this volume of hydrogen, about 215,000 m³ has been distributed since August 2022, which is when hydrogen became recognized as exempt from the Federal Carbon Charge.⁴⁰ The avoided Federal Carbon Charges from the distribution of hydrogen is approximately \$26,000 (\$2,500 in 2022, \$14,800 in 2023 and \$8,700 in 2024 to date).
- iv. In its 2024 Rebasing Application, Enbridge Gas proposed to undertake a Hydrogen Blending Grid Study to evaluate the hydrogen-readiness of all aspects of Ontario's natural gas grid to accept greater amounts of hydrogen which would enable further emission reductions and prepare for the future of hydrogen blending in the province.⁴¹ The Hydrogen Blending Grid Study was initiated in 2023 and will be completed in 2026.⁴²
- v. Enbridge Gas's DSM program aims to facilitate energy efficiency in Ontario through the implementation of energy efficiency and conservation measures to reduce gas demand from the Company's residential, low income, commercial, industrial, and large volume customers.⁴³ In 2023, Enbridge Gas's DSM programs resulted in total net cumulative natural gas savings of

³⁹ EB-2019-0294.

⁴⁰ Regulations Amending Schedule 2 to the Greenhouse Gas Pollution Pricing Act, Amending the Fuel Charge Regulations and Repealing the Part 1 of the Greenhouse Gas Pollution Pricing Act Regulations (Alberta): SOR/2023-62, Government of Canada, March 27, 2023, <https://www.gazette.gc.ca/rp-pr/p2/2023/2023-04-12/html/sor-dors62-eng.html>.

⁴¹ EB-2022-0200, Exhibit 4, Tab 2, Schedule 6, pp.16-18.

⁴² EB-2024-0111, Exhibit I.1.1-ED-57.

⁴³ The customer-related volume forecasts in Exhibit B already incorporate reductions in natural gas due to DSM programs.

1,522.7 million m³ and reduced customers' net GHG emissions due to natural gas conservation by 2.94 million tCO_{2e}.⁴⁴

- vi. Enbridge Gas has made consistent efforts to advance technology innovation over the years through technology studies, field trials, and pilot projects that can help customers use natural gas more efficiently, such as distributed energy resources, hybrid heating, gas heat pumps, and carbon capture and utilization. For a detailed list of technology innovation projects and outcomes that Enbridge Gas led from 2017-2023, please see EB-2024-0111, Exhibit I.1.10-PP-8, Attachment 1.
- vii. Enbridge Gas's Natural Gas Vehicle (NGV) Program has been operating within the EGD rate zone since the mid-1980s. The current NGV Program encourages the growth and development of natural gas as a substitute for gasoline and diesel fuel in transportation markets, and coordinates natural gas supply for public and private refueling stations. Participating in the NGV Program and switching from a fuel source such as diesel to natural gas in the transportation sector could reduce a customers' Federal Carbon Charge costs and end-use GHG emissions. For more information on Enbridge Gas's NGV Program, please see EB-2022-0200 Exhibit 1, Tab 14, Schedule 2.

3. Bill Impacts

54. The bill impact of the 2025 carbon charges for a typical residential customer with annual consumption of 2,400 m³ is \$435.05 per year in the EGD rate zone, which is an increase of \$68.71 per year over 2024. The bill impact of the 2025 carbon charges for a typical residential customer with annual consumption of 2,200 m³ is \$398.80 per year in the Union rate zones, which is an increase of \$62.98 per year over 2024.

⁴⁴ EB-2024-0111, Exhibit I.4.2-ED-48, part c). The 2023 DSM results are unaudited and subject to OEB approval. The GHG emissions calculation assumes 1.932kg of CO_{2e} are emitted for each m³ gas consumed.

55. The bill impact of the proposed 2023 FCPP-related deferral and variance account balance disposition for a typical residential customer with annual consumption of 2,400 m³ is \$2.13 in the EGD rate zone. The bill impact of the proposed 2023 FCPP-related deferral and variance account balance disposition for a typical residential customer with annual consumption of 2,200 m³ is \$1.12 in the Union North rate zone and \$0.85 in the Union South rate zone.

4. Requested Approvals

56. As the costs to comply with the GGPPA and EPS Regulation in 2025 form part of Enbridge Gas's ongoing operating costs as a utility, and consistent with Enbridge Gas's 2024 Application, Enbridge Gas proposes to continue to treat all prudently incurred costs of compliance with the GGPPA and EPS Regulation as a pass-through to customers (Y Factor).

57. Through this Application and by February 6, 2025, Enbridge Gas is seeking:

- a) OEB approval of rates to be applied to customer bills beginning April 1, 2025. Following the issuance of the OEB's Decision and Order for this Application, Enbridge Gas intends to reflect 2025 rate increases associated with the Federal Carbon Charge and other costs (including the Facility Carbon Charge costs) incurred in compliance with the GGPPA and EPS Regulation as early as part of its April 1, 2025 QRAM application.
- b) OEB approval to dispose of the 2023 balances recorded in Enbridge Gas's FCPP-related deferral and variance accounts, excluding the CCCVAs, effective April 1, 2025. Following the issuance of the OEB's Decision and Order for this Application, Enbridge Gas intends to dispose of these balances as a one-time adjustment as early as part of the April 1, 2025 QRAM.⁴⁵

⁴⁵ Refer to Exhibit C, Tab 1, Schedule 1, for more information on the proposal to defer disposition of the CCCVAs.

FEDERAL CARBON CHARGE IMPACT ON CUSTOMER CONSUMPTION

1. Pursuant to the OEB's request for greater understanding of the impacts of the Federal Carbon Charge on patterns of gas consumption by Enbridge Gas customers, as requested through the 2023 Application, Enbridge Gas is providing, to the best of its ability, an analysis of the Federal Carbon Charge on customer consumption patterns since implementation in 2019.¹ The analysis below compares the average use trend for residential and non-residential customers pre and post-Federal Carbon Charge implementation.
2. As of 2023, Enbridge Gas served over 3.9 million customers comprising of approximately 3.6 million residential and approximately 300 thousand non-residential customers.

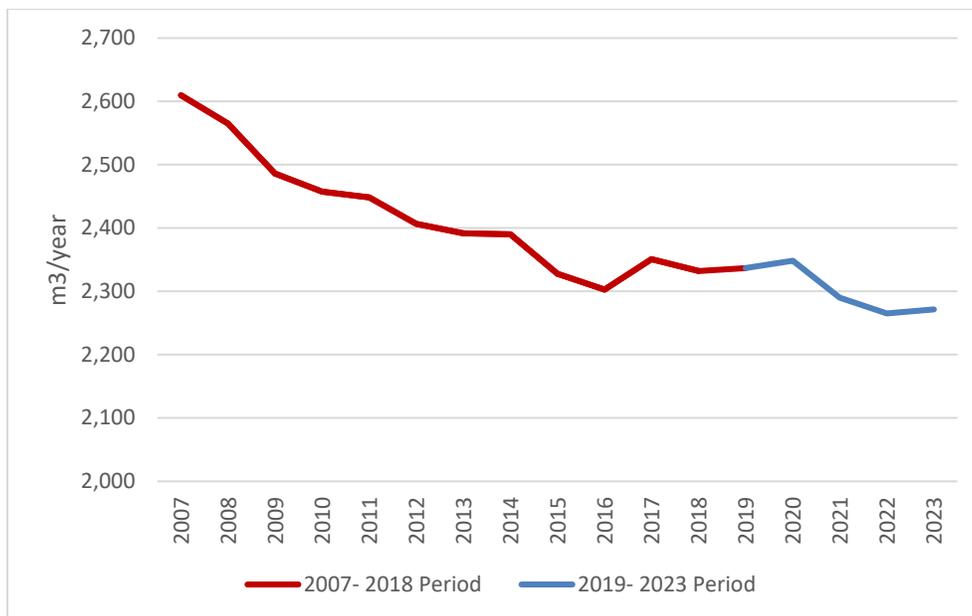
1. Residential Average Use

3. Over the past few decades, several factors have contributed to a gradual decrease in residential natural gas usage. These include improved housing construction and increased efficiency in space-heating equipment and other natural gas appliances (efficiency improvements through building code changes), an increase in natural gas prices, and customer behavior.
4. Figure 1 shows a general downward trend in Enbridge Gas's residential average use since 2007. The average annual decline in residential average use was approximately 1.0% between 2007 and 2018. Since the implementation of the Federal Carbon Charge in 2019, Enbridge Gas' residential customers have continued to experience an average annual decline of approximately 0.7% in average use, which is aligned with the historical trend experienced for the pre-2019 period. Therefore, the introduction of the Federal Carbon Charge in 2019 has not (to

¹ EB-2022-0194, Decision and Order, February 9, 2023, p.7.

this point) had a distinct (or a readily identifiable/recognizable) impact on the trend in residential average use decline.

Figure 1 - Enbridge Gas Residential Average Use²



5. Although the Federal Carbon Charge is one of various contributing factors affecting average use, the Company is not able to exclusively identify the specific impact, or contribution, of the Federal Carbon Charge to the average use versus other contributing factors. To date, residential average use has been following an established trend and no indication of a shift from the historical trend has been observed.

2. Non-Residential Average Use

6. Non-residential average use is largely influenced by the economy. During periods of economic growth, increases in demand for goods and services from the commercial and industrial sectors tend to increase natural gas consumption. "Economy-related

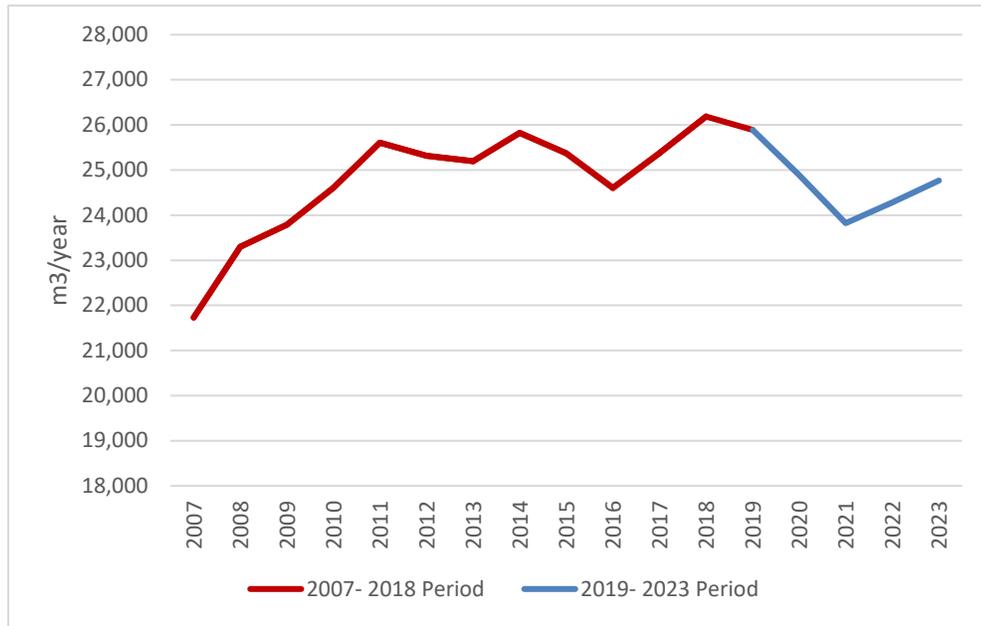
² Weather Normalized at 2025 Proposed Heating Degree Days.

increases in consumption can be significant in the industrial sector since this sector uses natural gas as a fuel and a feedstock for making many products such as fertilizer and pharmaceuticals.”³ However, like residential average use, other factors including efficiency increases, natural gas prices, and customer behavior also have an impact on non-residential average use.

7. Figure 2 shows a general trend in Enbridge Gas’s non-residential average use since 2007. The non-residential average use had an average annual increase of 1.7% between 2007 to 2018. Since 2011, non-residential average use has been more stable. The average annual increase from 2011 to 2018 was 0.4%. In the period of 2019-2023, after the implementation of the Federal Carbon Charge in 2019, Enbridge Gas exhibited an average annual decline of 1.1% in non-residential average use.
8. As stated in paragraph 5 above, the Company is not able to exclusively identify the specific impact, or contribution, of the Federal Carbon Charge to the average use versus other contributing factors. Although the non-residential average use trend for the period of 2019-2023 followed a different trend than historically experienced, Enbridge Gas believes that, during this period, the decline in non-residential average use was influenced by the economic conditions under the COVID-19 pandemic (lower GDP growth, business closures, and high commercial vacancy rates).

³ U.S. Energy Information Administration. (2021, October, 5). Natural gas explained, Factors affecting natural gas prices. <https://www.eia.gov/energyexplained/natural-gas/factors-affecting-natural-gas-prices.php>.

Figure 2- Enbridge Gas Non-Residential Average Use⁴



9. Considering the Federal Carbon Charge will continue to increase in the future, absent a change in government policy, Enbridge Gas will continue to monitor the impacts of the Federal Carbon Charge on Enbridge Gas customers' consumption patterns and will continue to report its observations/findings to the OEB.

⁴ Weather Normalized at 2025 Proposed Heating Degree Days.

FORECASTS - OVERVIEW

1. The purpose of this exhibit is to provide Enbridge Gas's forecast of volumes and the associated forecasted costs of complying with the GGPPA and EPS Regulation for each of the EGD and Union rate zones.¹
2. This exhibit of evidence is organized as follows:
 1. Exhibit B, Tab 2, Schedule 1: Forecasts - EGD Rate Zone
 2. Exhibit B, Tab 3, Schedule 1: Forecasts - Union Rate Zones

1. Forecast Period

3. In this Application, Enbridge Gas has forecast volumes and associated costs in alignment with the annual effective date of changes to the Federal Carbon Charge and the EPS:
 - For volumes subject to the Federal Carbon Charge (including customer-related and facility-related volumes) – April 1, 2025, to March 31, 2026; and
 - For volumes subject to the EPS (including facility-related volumes) – January 1, 2025 to December 31, 2025.
4. Natural gas volumes delivered by Enbridge Gas for the period of January 1, 2025 to March 31, 2025, will continue to be charged the Federal Carbon Charge and Facility Carbon Charge rates approved by the OEB as part of Enbridge Gas's 2024 Application.

2. Forecast 2025 Total Volume and Carbon Cost

5. Enbridge Gas's total 2025 regulated volume forecast subject to the GGPPA and the EPS is 17,136,962 10³m³.² This results in an associated forecast 2025 total cost of

¹ Forecast administration costs of complying with the GGPPA and EPS Regulation are detailed at Exhibit C, Tab 1, Schedule 1.

² Total of regulated customer and facility-related volumes for the EGD rate zone and Union rate zones. Calculated as: Exhibit B, Tab 2, Schedule 2, Col. 3, Line 13 + Exhibit B, Tab 2, Schedule 3, Col. 1, Line 6 + Exhibit B, Tab 3, Schedule 2, Col. 3, Line 16 + Exhibit B, Tab 3, Schedule 3, Col. 1, Line 6.

\$3,084.32 million. The details of this volume forecast and associated cost are included at Exhibit B, Tab 2, Schedule 1 for the EGD rate zone and at Exhibit B, Tab 3, Schedule 1 for the Union rate zones.

3. Forecast 2025 Customer Volume and Federal Carbon Charge Cost

6. Enbridge Gas's total 2025 Customer Volume forecast subject to the Federal Carbon Charge is 16,981,671 10³m³ for the period of April 1, 2025, to March 31, 2026.³ This results in an associated forecast 2025 Federal Carbon Charge cost of \$3,075.38 million. This cost estimate is subject to change based on actual distribution volumes and is meant to be used for informational purposes only. Customers will be charged the Federal Carbon Charge rate monthly based on actual billed volumes.
7. To estimate the Customer Volume forecast, Enbridge Gas excluded customer volumes exempt from Part 1 of the GGPPA, including customer volumes qualifying for exemption for non-covered activities,⁴ volumes of renewable natural gas (RNG),⁵ volumes of hydrogen,⁶ and volumes of EPS registered customer facilities with emissions exceeding 10 ktCO₂e.⁷ Enbridge Gas also excluded volumes delivered to downstream distributors, including those distributors that are out of province, which are also exempt from Part 1 of the GGPPA. Further, Enbridge Gas excluded 80% of the volumes delivered to commercial greenhouse operators.⁸

³ Calculated as: Exhibit B, Tab 2, Schedule 2, Col. 3, Line 13 + Exhibit B, Tab 3, Schedule 2, Col. 3, Line 16.

⁴ Under the GGPPA, entities that use natural gas which is not put into a fuel system that produces heat or energy and those entities that use natural gas: (i) as a raw material in an industrial process that produces another fuel, substance, material or thing; or (ii) as a solvent or diluent in the production or transport of crude bitumen or another substance, material or thing, meet the definition of a non-covered activity and may be exempt from Part 1 of the GGPPA.

⁵ Under the GGPPA, biomethane, also known as RNG, is exempt from the Federal Carbon Charge.

⁶ On March 27, 2023, the Fuel Charge Regulations, enacted under the GGPPA, were amended to confirm that hydrogen blended with natural gas is exempt from the Federal Carbon Charge, retroactive to August 2022, <https://www.gazette.gc.ca/rp-pr/p2/2023/2023-04-12/html/sor-dors62-eng.html>.

⁷ The 2025 Customer Volume forecast excludes customer volumes from mandatory and voluntary participants of the EPS, that are exempt from the Federal Carbon Charge under Part 1 of the GGPPA.

⁸ Under the GGPPA, greenhouse operators receive partial relief of 80% of the Federal Carbon Charge for natural gas used in the operation of a commercial greenhouse.

8. Customers exempt from Part 1 of the GGPPA who have provided Enbridge Gas their Exemption Certificate, which is issued to the customer upon registration with the CRA, will continue to be exempted unless they otherwise notify Enbridge Gas that they are no longer eligible for exemption. Enbridge Gas will also exempt any additional eligible customers who submit an Exemption Certificate in the future. For those customers covered under the EPS or undertaking non-covered activities, Enbridge Gas will exempt the customer on the date provided by the CRA on the customer's CRA-issued registration confirmation letter. For customers operating commercial greenhouses, exemption will begin the first day of the calendar month following the month in which they provide Enbridge Gas with their Exemption Certificate.
9. The Exemption Certificate indicates that a customer is fully or partially exempt from paying the Federal Carbon Charge on their natural gas combustion fuel delivered by Enbridge Gas. Enbridge Gas uses a customer declaration form to identify which of a customer's accounts are exempt from the Federal Carbon Charge. Enbridge Gas also requests, and maintains on file, copies of each customer's CRA-issued Exemption Certificate and registration confirmation letter.
10. Enbridge Gas exempts customers from the Federal Carbon Charge in its billing systems based on the accounts listed on the customer declaration form, provided a CRA-issued Exemption Certificate and registration confirmation letter have been provided.⁹ Customers who are no longer eligible for an exemption from Part 1 of the GGPPA are required, as stated on Enbridge Gas's declaration form, to notify Enbridge Gas of any changes to the information that they had initially provided. Upon receipt of such notification, Enbridge Gas will process the change within its billing systems effective at either the start of the next calendar month, or the next compliance period, whichever is applicable.

⁹ Registration confirmation letters are not applicable to commercial greenhouse customers.

11. Under Part 1 of the GGPPA, biomethane, also known as RNG, is not subject to the Federal Carbon Charge. This includes volumes of RNG nominated by direct purchase customers and RNG procured as part of OptUp, Enbridge Gas's voluntary RNG program.
12. Enbridge Gas uses a RNG declaration form to have direct purchase customers declare their RNG usage and identify which customer accounts are eligible to receive exemption from the Federal Carbon Charge. For forecasting purposes, customers who have nominated their own RNG supply in 2024 were assumed to continue in 2025.
13. Volumes of RNG in OptUp were incorporated into the 2025 Customer-Related Volume forecasts based on the forecast provided in Exhibit C, Tab 2, Schedule 3 of the Voluntary Renewable Natural Gas Program Application.¹⁰
14. In April 2024, Enbridge Gas submitted Phase 2 of the 2024 Rebasing Application which includes a proposal to procure up to 1% of the gas supply commodity portfolio as RNG, beginning in 2026.¹¹ As this proposal has not yet received OEB approval, RNG volumes related to this proposal have not been included in the 2025 Customer Volume forecasts.
15. On March 27, 2023, the Fuel Charge Regulations, enacted under the GGPPA, were amended to confirm that hydrogen blended with natural gas is exempt from the Federal Carbon Charge, retroactive to August 2022, when the federal government first released a legislative proposal exempting hydrogen from the Federal Carbon Charge.¹² This applies to volumes of hydrogen injected as part of the Low Carbon

¹⁰ EB-2020-0066.

¹¹ EB-2024-0111, Phase 2 Rebasing Application, April 26, 2024, Exhibit 4, Tab 2, Schedule 7.

¹² Regulations Amending Schedule 2 to the Greenhouse Gas Pollution Pricing Act, Amending the Fuel Charge Regulations and Repealing the Part 1 of the Greenhouse Gas Pollution Pricing Act Regulations

Energy Project (LCEP), Enbridge Gas's low-carbon hydrogen blending project in Markham, Ontario.

16. Enbridge Gas has incorporated forecasted quantities of blended hydrogen into the 2025 Customer-Related Volume forecast based on the estimated quantities provided by Enbridge Gas in the response to Exhibit I.H2GO.2 of the Low Carbon Energy Project Application.¹³

4. Forecast 2025 Facility Volume and Facility Carbon Charge Cost

17. Enbridge Gas's total 2025 regulated Facility Volume forecast is 155,291 10³m³.¹⁴ This results in an associated forecast 2025 Facility Carbon Charge cost of \$8.94 million. Facility Volumes are based on the amount of natural gas required for Enbridge Gas to operate its facilities as well as the emissions resulting from the distribution of natural gas. Facility Volumes are composed of: (i) Company Use Volumes including distribution buildings, boilers/line heaters, and NGV fleet volumes (which are subject to the Federal Carbon Charge under Part 1 of the GGPPA) for the period of April 1, 2025 to March 31, 2026; and, (ii) transmission and storage compression volumes (which are subject to the EPS as Enbridge Gas's transmission and storage system is an EPS Facility under the EPS Regulation) for the period of January 1, 2025 to December 31, 2025. The parameters underpinning Enbridge Gas's estimated EPS compliance obligation can be found at Exhibit B, Tab 1, Schedule 1, Appendix A. The forecast 2025 Facility Volume and associated Facility Carbon Charge cost estimate are subject to change based on actual Facility Volumes.

(Alberta): SOR/2023-62, Government of Canada, March 27, 2023, <https://www.gazette.gc.ca/rp-pr/p2/2023/2023-04-12/html/sor-dors62-eng.html>.

¹³ EB-2019-0294.

¹⁴ Calculated as: Exhibit B, Tab 2, Schedule 3, Col. 1, Line 6 + Exhibit B, Tab 3, Schedule 3, Col. 1, Line 6.

ENBRIDGE GAS ESTIMATED EPS COMPLIANCE OBLIGATION

1. On July 4, 2019, the Government of Ontario filed the *Greenhouse Gas Emissions Performance Standards Regulation* (EPS Regulation) as an alternative to the federal OBPS program.¹ Enbridge Gas's storage and transmissions system is considered an EPS Facility under the EPS Regulation. On September 1, 2021, the federal government published an *Order Amending Part 2 of Schedule 1 to the Greenhouse Gas Pollution Pricing Act* in the *Canada Gazette*, Part II, which removed Ontario from Part 2 of Schedule 1 of the GGPPA as of January 1, 2022.² Based on the EPS Regulation, the annual compliance obligation under EPS is calculated as follows:

Compliance Obligation (tCO₂e) =

Verification Amount – Total Annual Emissions Limit

Where:

Verification Amount (tCO₂e) =

*Annual EPS Emissions*³

Total Annual Emissions Limit (tCO₂e) =

BEI (tCO₂e/production units) × Annual SF (%) × Annual Production (production units)

2. For forecasting purposes, the total annual emissions limit was based on the facility Baseline Emissions Intensity (BEI), along with the 2025 stringency factor (SF)⁴ for transmitting natural gas, following the facility specific Performance Standard (PS) calculation methodology, as outlined in the MECP's GHG Emissions Performance

¹ Ontario Regulation 241/19. <https://www.ontario.ca/laws/regulation/r19241>.

² <https://canadagazette.gc.ca/rp-pr/p2/2021/2021-09-01/html/sor-dors195-eng.html>.

³ Ontario Regulation 390/18, s. 12(1). <https://www.ontario.ca/laws/regulation/180390>.

⁴ MECP: GHG Emissions Performance Standards and Methodology for the Determination of the Total Annual Emissions Limit, March 2024, Table 4.2 page 43. [https://prod-environmental-registry.s3.amazonaws.com/2024-04/GHG%20EPS%20and%20Methodology%20for%20determination%20of%20TAEI_March%202024%20\(EN\)_1.pdf](https://prod-environmental-registry.s3.amazonaws.com/2024-04/GHG%20EPS%20and%20Methodology%20for%20determination%20of%20TAEI_March%202024%20(EN)_1.pdf).

Standards and Methodology for the Determination of the Total Annual Emissions Limit, Formula 3.1.5-3.⁵

3. Forecast annual production is the forecast compressor energy use based on the following formula:

Energy (MWh)⁶ =

Rated Compressor Brake Power (MW) × Load (%) × Operating Hours (h)

Where:

Load (%) =

The % load of the engine

-or-

Calculated by Average Annual Speed (RPM) ÷ Max Rated Speed (RPM)

4. To forecast the annual production value for 2025, Enbridge Gas has calculated the compressor energy use in MWh for 2021 to 2023 and used an average of this data. Enbridge Gas's detailed calculations of the 2025 forecast EPS emissions, total annual emissions limit, EPS compliance obligation and EPS facility carbon cost for each of the EGD rate zone and Union rate zones can be found at Exhibit B, Tab 2, Schedules 4 to 6 and at Exhibit B, Tab 3, Schedules 4 to 6, respectively.

⁵ MECP: GHG Emissions Performance Standards and Methodology for the Determination of the Total Annual Emissions Limit, March 2024, p. 22. [https://prod-environmental-registry.s3.amazonaws.com/2024-04/GHG%20EPS%20and%20Methodology%20for%20determination%20of%20TAEI_March%202024%20\(EN\)_1.pdf](https://prod-environmental-registry.s3.amazonaws.com/2024-04/GHG%20EPS%20and%20Methodology%20for%20determination%20of%20TAEI_March%202024%20(EN)_1.pdf).

⁶ Amount of work required by a compressor to transport gas.

FORECASTS - EGD RATE ZONE

1. The purpose of this evidence is to provide Enbridge Gas's 2025 forecast of volumes and the associated forecasted costs of complying with the GGPPA and the EPS Regulation, for the EGD rate zone.
2. This tab of evidence is organized as follows:
 1. Forecast 2025 Volume and Carbon Cost
 2. Forecast 2025 Customer Volumes and Federal Carbon Charge Cost
 3. Forecast 2025 Facility Volumes and Facility Carbon Charge Cost
 - 3.1. Company Use Volumes
 - 3.2. EPS Volumes

1. Forecast 2025 Volume and Carbon Cost

3. The EGD rate zone 2025 regulated volume forecast subject to the GGPPA and EPS Regulation is 10,506,627 10^3m^3 .¹ This results in an associated forecast 2025 total carbon cost of \$1,901.15 million. The details of this volume forecast and associated cost are included at Exhibit B, Tab 2, Schedules 2 to 6. The forecast employs the same methodologies which underpinned forecasts previously approved by the OEB. Enbridge Gas has excluded unregulated non-utility storage volumes and associated costs. Non-utility costs are those associated with Enbridge Gas's unregulated non-utility storage business.

2. Forecast 2025 Customer Volumes and Federal Carbon Charge Cost

4. The EGD rate zone total 2025 Customer Volume forecast subject to the Federal Carbon Charge is 10,489,044 10^3m^3 as detailed at Exhibit B, Tab 2, Schedule 2. This results in an associated forecast 2025 Federal Carbon Charge cost of

¹ Calculated as: Exhibit B, Tab 2, Schedule 2, Col. 3, Line 13 + Exhibit B, Tab 2, Schedule 3, Col. 1, Line 6.

\$1,899.57 million as detailed at Exhibit B, Tab 2, Schedule 6. Enbridge Gas has included forecast distribution volumes subject to the Federal Carbon Charge for all rate classes within the EGD rate zone as detailed at Exhibit B, Tab 2, Schedule 2. The cost estimates are subject to change and are meant to be used for informational purposes only. Customers will be charged the Federal Carbon Charge monthly based on actual billed volumes.

3. Forecast 2025 Facility Volumes and Facility Carbon Charge Cost

5. The EGD rate zone total 2025 regulated Facility Volume forecast is 17,583 10^3m^3 as detailed at Exhibit B, Tab 2, Schedule 3. This results in an associated forecast 2025 Facility Carbon Charge cost of \$1.58 million as detailed at Exhibit B, Tab 2, Schedule 6. Facility Volumes are composed of: (i) Company Use Volumes including distribution buildings, boilers/line heaters, and NGV fleet volumes (which are subject to the Federal Carbon Charge under Part 1 of the GGPPA); and (ii) EPS Volumes which includes compressor fuel (which is subject to the EPS as Enbridge Gas's storage and transmission system is an EPS Facility under the EPS Regulation). The forecast 2025 regulated Facility Volume and associated forecast Facility Carbon Charge cost estimates are based on the best available information at this time and are subject to change based on actual Facility Volumes.

3.1 Company Use Volumes

6. The regulated Company Use Volume forecast for 2025 including distribution buildings, boilers/line heaters, and NGV fleet volumes for the EGD rate zone is 4,303 10^3m^3 as detailed at Exhibit B, Tab 2, Schedule 3.² This results in an associated forecast 2025 Facility Carbon Charge cost of \$0.78 million as detailed at Exhibit B, Tab 2, Schedule 6.

² Enbridge Gas's buildings, boiler/line heater and NGV fuel volume forecast for the EGD rate zone is based on a three-year average of consumption by location.

3.2 EPS Volumes

7. The EPS Volume forecast for 2025 for the EGD rate zone is 14,784 10³m³ as detailed at Exhibit B, Tab 2, Schedule 3.³ The corresponding forecast 2025 EPS obligation of 9,392 tCO₂e results in a Facility Carbon Charge cost of \$0.89 million as detailed at Exhibit B, Tab 2, Schedules 5 and 6. Of the \$0.89 million, \$0.80 million is attributable to Enbridge Gas's regulated operations in the EGD rate zone.
8. The EPS Volume forecast is derived by combining forecasts for regulated utility and unregulated non-utility compression activity into an overall physical activity forecast. Enbridge Gas has excluded unregulated non-utility compression volumes and associated costs in deriving the Facility Carbon Charge cost to be recovered in regulated rates. The EPS Volume forecast for the EGD rate zone includes storage, compression, and dehydration fuel.
9. Enbridge Gas's detailed calculations of the 2025 forecast compressor emissions, total annual emissions limit, EPS compliance obligation, and compressor fuel use cost for the EGD rate zone can be found at Exhibit B, Tab 2, Schedules 4 to 6.

³ This includes both utility (regulated) and non-utility (unregulated) volumes.

Enbridge Gas Inc.
EGD Rate Zone
2025 Customer-Related Volumes by Rate Class (April 2025 to March 2026)
(10³m³)

Line No.	Rate Class	Col. 1	Col. 2	Col. 3 (Col. 1 - Col. 2)
		Forecast Volumes ¹	EPS Participant & Other Exempt Volumes ²	Net Volumes
1	1	5,055,608	1,043	5,054,565
2	6	4,658,867	106,475	4,552,392
3	9	-	-	-
4	100	53,972	19,714	34,258
5	110	1,267,962	527,192	740,770
6	115	365,873	363,834	2,038
7	125 ³	1,042,065	1,042,065	-
8	135	62,123	4,445	57,678
9	145	26,147	15,084	11,063
10	170	251,363	215,084	36,279
11	200 ⁴	188,372	188,372	-
12	300	-	-	-
13	Total Customer-Related	12,972,354	2,483,310	10,489,044

Notes:

- (1) Forecast Volumes after DSM from April 1, 2025 to March 31, 2026.
- (2) Estimated forecast volumes for mandatory and voluntary participants in the Emissions Performance Standards (EPS), volumes qualifying for exemption for non-covered activities, partial relief (80%) for greenhouse operators, hydrogen volumes and Renewable Natural Gas (RNG) volumes. RNG volumes include the year 5 volumes outlined in the Voluntary RNG Program Application (EB-2020-0066) and have been allocated equally between the EGD and Union rate zones for forecasting purposes.
- (3) Dedicated unbundled customers.
- (4) Includes volumes delivered to downstream distributors and landfill gas.

Enbridge Gas Inc.
 EGD Rate Zone
2025 Facility-Related Volumes
 (10³m³)

Line No.	Particulars	Col. 1	Col. 2	Col.3 (Col. 1 + Col.2)
		Utility Forecast Amount (regulated)	Non-Utility Forecast Amount (unregulated)	Total 2025 Forecast
1	Company Use - Buildings	572	-	572
2	Company Use - Boilers/Line Heaters	3,312	-	3,312
3	Company Use - NGV Fleet	419	-	419
4	Total Company Use ¹	4,303	-	4,303
5	Compressor Fuel ²	13,280	1,504	14,784
6	Total Facility-Related	17,583	1,504	19,087

Notes:

- (1) Forecast Company-Use volumes for April 1, 2025 to March 31, 2026.
- (2) Forecast Compressor Fuel for January 1 to December 31, 2025.

Enbridge Gas Inc.
 EGD Rate Zone

Table 1
2025 Forecast Compressor Emissions

Line No.	Particulars	Col. 1	Col. 2	Col. 3	Col. 4	Col. 5
		Volumes ¹ (10 ³ m ³)	CO ₂ Emissions ² (Tonnes CO ₂)	CH ₄ Emissions ³ (Tonnes CH ₄)	N ₂ O Emissions ⁴ (Tonnes N ₂ O)	CO ₂ e Emissions ⁵ (Tonnes CO ₂ e)
1	Compressor Fuel & Transmission Ancillary Fuel	14,784	29,116	29	1	30,124

Notes:

- (1) Exhibit B, Tab 2, Schedule 3, Col. 3, Line 5.
- (2) Environment and Climate Change Canada "Canada's Greenhouse Gas Quantification Requirements - December 2023", Equation 2-9.
- (3) Col. 1 x Table 2, Col. 2, Line 1 x Table 2, Col. 2, Line 2.
- (4) Col. 1 x Table 2, Col. 3, Line 1 x Table 2, Col. 3, Line 2.
- (5) Col. 2 + (Col. 3 x Table 3, Col. 1, Line 1) + (Col. 4 x Table 3, Col. 2, Line 1).

Table 2
Emission Factors

Line No.	Particulars	Units	Col. 1	Col. 2	Col. 3
			CO ₂ Emission Factor	CH ₄ Emission Factor ¹	N ₂ O Emission Factor ¹
1	Natural Gas Pipelines	Tonne/GJ		0.00005	0.000013
2	Heat Value ²	GJ/10 ³ m ³	39.08	39.08	39.08

Notes:

- (1) Environment and Climate Change Canada "Canada's Greenhouse Gas Quantification Requirements - December 2023", Table 2-5.
- (2) Assumed Budget Heat Value = 39.08 GJ/10³m³. In calculating actual emissions, actual heating value will be used.

Table 3
Conversion Factors

Line No.	Particulars	Units	Col. 1	Col. 2
			Methane ¹	Nitrous Oxide ¹
1	Global Warming Potential for Carbon Dioxide Equivalent	Tonnes CO ₂ e	28	265

Notes:

- (1) Ontario Regulation 390/18: Greenhouse Gas Emissions: Quantification, Reporting and Verification, Schedule 1.

Enbridge Gas Inc.
 EGD Rate Zone
2025 Forecast EPS Obligation

	Col. 1	Col. 2	Col. 3	Col. 4	Col. 5	Col. 6
Line No.	2025 Forecast Compressor Emissions ¹ (tCO ₂ e)	2021 - 2023 EGI Average Emission Intensity (tCO ₂ e/MWh)	2025 Forecast Production ² (MWh)	Facility Specific Performance Standard ³ (tCO ₂ e/MWh)	Total Annual Emissions Limit ⁴ (tCO ₂ e)	EPS Compliance Obligation ⁵ (tCO ₂ e)
1	30,124	0.63	47,914	0.43	20,731	9,392

Notes:

- (1) Exhibit B, Tab 2, Schedule 4, Table 1, Col. 5.
- (2) Col. 1 / Col. 2.
- (3) MECP's GHG Emissions Performance Standards and Methodology for the Determination of the Total Annual Emissions Limit – March 2024, Formula 3.1.5-3.
- (4) Col. 3 x Col. 4.
- (5) Col. 1 - Col. 5.

Enbridge Gas Inc.
EGD Rate Zone
2025 Summary of Customer-Related and Facility-Related Costs

Line No.	Particulars	2025 Forecast
<u>Customer-Related Cost Forecast</u>		
1	Customer-related Forecast Volume (10 ³ m ³) ⁽¹⁾	10,489,044
2	Federal Carbon Charge (\$/m ³) ⁽²⁾	0.1811
3	<u>Total Customer-Related Costs (\$)</u>	<u>1,899,565,854</u>
<u>Facility-Related Cost Forecast</u>		
4	Company-Use Forecast Volume (10 ³ m ³) ⁽³⁾	4,303
5	Federal Carbon Charge (\$/m ³) ⁽²⁾	0.1811
6	<u>Company Use Costs (\$)</u>	<u>779,245</u>
7	EPS Obligation (tCO ₂ e) ⁽⁴⁾	9,392
8	Excess Emissions Charge (\$/tCO ₂ e) ⁽⁵⁾	95.00
9	<u>Compressor Fuel Use Costs (\$)</u>	<u>892,256</u>
10	<u>Compressor Fuel Use Costs - Unregulated (\$)</u> ⁽⁶⁾	<u>(90,767)</u>
11	<u>Compressor Fuel Use Costs - Regulated (\$)</u>	<u>801,489</u>
12	<u>Total Facility Related Costs (\$)</u>	<u>1,580,734</u>
13	<u>Total Cost Forecast (\$)</u>	<u>1,901,146,588</u>

Notes:

- (1) Exhibit B, Tab 2, Schedule 2. Forecast volumes from April 1, 2025 to March 31, 2026.
- (2) Exhibit A, Table 1.
- (3) Exhibit B, Tab 2, Schedule 3, Column 1, Line 4. Forecast volumes from April 1, 2025 to March 31, 2026.
- (4) Exhibit B, Tab 2, Schedule 5. Forecast from January 1 to December 31, 2025.
- (5) EPS Regulation, Section 11.1.
- (6) Unregulated EPS costs are allocated based on pro-rata regulated/unregulated total compressor volumes per Exhibit B, Tab 2, Schedule 3.

FORECASTS - UNION RATE ZONES

1. The purpose of this evidence is to provide Enbridge Gas's 2025 forecast of volumes and the associated forecasted costs of complying with the GGPPA and the EPS Regulation, for the Union rate zones.
2. This tab of evidence is organized as follows:
 1. Forecast 2025 Volume and Carbon Cost
 2. Forecast 2025 Customer Volumes and Federal Carbon Charge Cost
 3. Forecast 2025 Facility Volumes and Facility Carbon Charge Cost
 - 3.1. Company Use Volumes
 - 3.2. EPS Volumes

1. Forecast 2025 Volume and Carbon Cost

3. The Union rate zones 2025 regulated volume forecast subject to the GGPPA and EPS Regulation is 6,630,335 10^3m^3 .¹ This results in an associated forecast 2025 total carbon cost of \$1,183.18 million. The details of this volume forecast and associated cost are included at Exhibit B, Tab 3, Schedules 2 to 6. The forecast employs the same methodologies which underpinned forecasts previously approved by the OEB. Enbridge Gas has excluded unregulated non-utility storage volumes and associated costs. Non-utility costs are those associated with Enbridge Gas's unregulated non-utility storage business.

2. Forecast 2025 Customer Volumes and Federal Carbon Charge Cost

4. The Union rate zones total 2025 Customer Volume forecast subject to the Federal Carbon Charge is 6,492,627 10^3m^3 as detailed at Exhibit B, Tab 3, Schedule 2. This results in an associated forecast 2025 Federal Carbon Charge cost of \$1,175.81 million as detailed at Exhibit B, Tab 3, Schedule 6. Enbridge Gas has included

¹ Calculated as: Exhibit B, Tab 3, Schedule 2, Col. 3, Line 16 + Exhibit B, Tab 3, Schedule 3, Col. 1, Line 6.

forecast distribution volumes subject to the Federal Carbon Charge for all rate classes within the Union rate zones as detailed at Exhibit B, Tab 3, Schedule 2. The cost estimates are subject to change and are meant to be used for informational purposes only. Customers will be charged the Federal Carbon Charge monthly based on actual billed volumes.

3. Forecast 2025 Facility Volumes and Facility Carbon Charge Cost

5. The Union rate zones total 2025 regulated Facility Volume forecast is 137,708 10^3m^3 as detailed at Exhibit B, Tab 3, Schedule 3. This results in an associated forecast 2025 Facility Carbon Charge cost of \$7.36 million as detailed at Exhibit B, Tab 3, Schedule 6. Facility Volumes are composed of: (i) Company Use Volumes including distribution buildings, boilers/line heaters, and NGV fleet volumes (which are subject to the Federal Carbon Charge under Part 1 of the GGPPA); and (ii) EPS Volumes which includes compressor fuel (which is subject to the EPS as Enbridge Gas's storage and transmission system is an EPS Facility under the EPS Regulation). The forecast 2025 regulated Facility Volume and associated forecast Facility Carbon Charge cost estimates are based on the best available information at this time and are subject to change based on actual Facility Volumes.

3.1 Company Use Volumes

6. The regulated Company Use Volume forecast for 2025 including distribution buildings, boilers/line heaters and NGV fleet volumes for the Union rate zones is 9,761 10^3m^3 as detailed at Exhibit B, Tab 3, Schedule 3.² This results in an associated forecast 2025 Facility Carbon Charge cost of \$1.77 million as detailed at Exhibit B, Tab 3, Schedule 6.³

² Enbridge Gas's buildings, boiler/line heater and NGV fuel volume forecast for the Union rate zones is based on a three-year average of consumption by location.

³ Included in the Company Use Volume forecast for 2025 is 34 10^3m^3 for distribution buildings associated with non-utility unregulated storage activity. Enbridge Gas has not accounted for this amount separately as it is immaterial, resulting in costs of around \$6,000.

3.2 EPS Volumes

7. The EPS Volume forecast for 2025 for the Union rate zones is 138,852 10³m³ as detailed at Exhibit B, Tab 3, Schedule 3.⁴ The corresponding forecast 2025 EPS obligation of 63,901 tCO₂e results in a Facility Carbon Charge cost of \$6.07 million as detailed at Exhibit B, Tab 3, Schedules 5 and 6. Of the \$6.07 million, \$5.59 million is attributable to Enbridge Gas's regulated operations in the Union rate zones.
8. The EPS Volume forecast is derived by combining forecasts for regulated utility and unregulated non-utility compression activity into an overall physical activity forecast. Enbridge Gas has excluded unregulated non-utility compression volumes and associated costs in deriving the Facility Carbon Charge cost to be recovered in regulated rates. The EPS Volume forecast for the Union rate zones includes transmission compression, storage compression, and dehydration fuel.⁵
9. Enbridge Gas's detailed calculations of the 2025 forecast compressor emissions, total annual emissions limit, EPS compliance obligation, and compressor fuel use cost for the Union rate zones can be found at Exhibit B, Tab 3, Schedule 4 to 6.

⁴ This includes both utility (regulated) and non-utility (unregulated) volumes.

⁵ The transmission and storage compression forecast is derived by combining forecasts for in-franchise and ex-franchise transmission and storage activity into an overall physical activity forecast. For dehydration fuel, average historical utilization is used to estimate the monthly forecasted usage.

Enbridge Gas Inc.
Union Rate Zone
2025 Customer-Related Volumes by Rate Class (April 2025 to March 2026)
(10³m³)

Line No.	Rate Class	Col. 1	Col. 2	Col. 3 (Col. 1 - Col. 2)
		Forecast Volumes ¹	EPS Participant & Other Exempt Volumes ²	Net Volumes
1	1	1,013,413	269	1,013,143
2	10	318,344	9,212	309,132
3	M1	3,220,995	2,156	3,218,839
4	M2	1,232,396	94,918	1,137,477
5	20	991,428	893,817	97,610
6	25	190,423	178,399	12,024
7	100	927,064	927,064	-
8	M4	585,465	247,538	337,928
9	M5	58,417	12,743	45,674
10	M7	810,074	636,246	173,828
11	M9 ³	98,223	98,223	-
12	M10 ³	-	-	-
13	T1	407,282	329,596	77,686
14	T2	5,118,431	5,049,146	69,285
15	T3 ³	255,661	255,661	-
Total				
16	Customer-Related	15,227,617	8,734,990	6,492,627

Notes:

- (1) Forecast Volumes after DSM from April 1, 2025 to March 31, 2026.
- (2) Estimated forecast volumes for mandatory and voluntary participants in the Emissions Performance Standards (EPS), volumes qualifying for exemption for non-covered activities, partial relief (80%) for greenhouse operators, hydrogen volumes and Renewable Natural Gas (RNG) volumes. RNG volumes include the year 5 volumes outlined in the Voluntary RNG Program Application (EB-2020-0066) and have been allocated equally between the EGD and Union rate zones for forecasting purposes.
- (3) Includes volumes delivered to downstream distributors and landfill gas.

Enbridge Gas Inc.
 Union Rate Zone
2025 Facility-Related Volumes
 (10³m³)

Line No.	Particulars	Col. 1	Col. 2	Col.3 (Col. 1 + Col.2)
		Utility Forecast Amount (regulated)	Non-Utility Forecast Amount (unregulated)	Total 2025 Forecast
1	Company Use - Buildings	1,941	34	1,975
2	Company Use - Boilers/Line Heaters	7,786	-	7,786
3	Company Use - NGV Fleet	33	-	33
4	Total Company Use ¹	9,761	34	9,795
5	Compressor Fuel ²	127,948	10,904	138,852
6	Total Facility-Related	137,708	10,938	148,647

Notes:

- (1) Forecast Company-Use volumes for April 1, 2025 to March 31, 2026.
- (2) Forecast Compressor Fuel for January 1 to December 31, 2025.

Enbridge Gas Inc.
 Union Rate Zone

Table 1
2025 Forecast Compressor Emissions

Line No.	Particulars	Col. 1	Col. 2	Col. 3	Col. 4	Col. 5
		Volumes ¹ (10 ³ m ³)	CO ₂ Emissions ² (Tonnes CO ₂)	CH ₄ Emissions ³ (Tonnes CH ₄)	N ₂ O Emissions ⁴ (Tonnes N ₂ O)	CO ₂ e Emissions ⁵ (Tonnes CO ₂ e)
1	Compressor Fuel & Transmission Ancillary Fuel	138,852	273,454	271	7	282,921

Notes:

- (1) Exhibit B, Tab 3, Schedule 3, Col. 3, Line 5.
- (2) Environment and Climate Change Canada "Canada's Greenhouse Gas Quantification Requirements - December 2023", Equation 2-9.
- (3) Col. 1 x Table 2, Col. 2, Line 1 x Table 2, Col. 2, Line 2.
- (4) Col. 1 x Table 2, Col. 3, Line 1 x Table 2, Col. 3, Line 2.
- (5) Col. 2 + (Col. 3 x Table 3, Col. 1, Line 1) + (Col. 4 x Table 3, Col. 2, Line 1).

Table 2
Emission Factors

Line No.	Particulars	Units	Col. 1	Col. 2	Col. 3
			CO ₂ Emission Factor	CH ₄ Emission Factor ¹	N ₂ O Emission Factor ¹
1	Natural Gas Pipelines	Tonne/GJ		0.00005	0.0000013
2	Heat Value ²	GJ/10 ³ m ³	39.08	39.08	39.08

Notes:

- (1) Environment and Climate Change Canada "Canada's Greenhouse Gas Quantification Requirements - December 2023", Table 2-5.
- (2) Assumed Budget Heat Value = 39.08 GJ/10³m³. In calculating actual emissions, actual heating value will be used.

Table 3
Conversion Factors

Line No.	Particulars	Units	Col. 1	Col. 2
			Methane ¹	Nitrous Oxide ¹
1	Global Warming Potential for Carbon Dioxide Equivalent	Tonnes CO ₂ e	28	265

Notes:

- (1) Ontario Regulation 390/18: Greenhouse Gas Emissions: Quantification, Reporting and Verification, Schedule 1.

Enbridge Gas Inc.
 Union Rate Zone
2025 Forecast EPS Obligation

Line No.	Col. 1 2025 Forecast Compressor Emissions ¹ (tCO ₂ e)	Col. 2 2021 - 2023 EGI Average Emission Intensity (tCO ₂ e/MWh)	Col. 3 2025 Forecast Production ² (MWh)	Col. 4 Facility Specific Performance Standard ³ (tCO ₂ e/MWh)	Col. 5 Total Annual Emissions Limit ⁴ (tCO ₂ e)	Col. 6 EPS Compliance Obligation ⁵ (tCO ₂ e)
1	282,921	0.56	506,194	0.43	219,020	63,901

Notes:

- (1) Exhibit B, Tab 3, Schedule 4, Table 1, Col. 5.
- (2) Col. 1 / Col. 2.
- (3) MECP's GHG Emissions Performance Standards and Methodology for the Determination of the Total Annual Emissions Limit – March 2024, Formula 3.1.5-3.
- (4) Col. 3 x Col. 4.
- (5) Col. 1 - Col. 5.

Enbridge Gas Inc.
Union Rate Zone
2025 Summary of Customer-Related and Facility-Related Costs

Line No.	Particulars	2025 Forecast
<u>Customer-Related Cost Forecast</u>		
1	Customer-related Forecast Volume (10 ³ m ³) ⁽¹⁾	6,492,627
2	Federal Carbon Charge (\$/m ³) ⁽²⁾	0.1811
3	<u>Total Customer-Related Costs (\$)</u>	<u>1,175,814,709</u>
<u>Facility-Related Cost Forecast</u>		
4	Company-Use Forecast Volume (10 ³ m ³) ⁽³⁾	9,761
5	Federal Carbon Charge (\$/m ³) ⁽²⁾	0.1811
6	<u>Company Use Costs (\$)</u>	<u>1,767,641</u>
7	EPS Obligation (tCO ₂ e) ⁽⁴⁾	63,901
8	Excess Emissions Charge (\$/tCO ₂ e) ⁽⁵⁾	95.00
9	<u>Compressor Fuel Use Costs (\$)</u>	<u>6,070,553</u>
10	<u>Compressor Fuel Use Costs - Unregulated (\$)</u> ⁽⁶⁾	<u>(476,719)</u>
11	<u>Compressor Fuel Use Costs - Regulated (\$)</u>	<u>5,593,833</u>
12	<u>Total Facility Related Costs (\$)</u>	<u>7,361,475</u>
13	<u>Total Cost Forecast (\$)</u>	<u>1,183,176,184</u>

Notes:

- (1) Exhibit B, Tab 3, Schedule 2. Forecast volumes from April 1, 2025 to March 31, 2026.
- (2) Exhibit A, Table A-1.
- (3) Exhibit B, Tab 3, Schedule 3, Column 1, Line 4. Forecast volumes from April 1, 2025 to March 31, 2026.
- (4) Exhibit B, Tab 3, Schedule 5. Forecast from January 1 to December 31, 2025.
- (5) EPS Regulation, Section 11.1.
- (6) Unregulated EPS costs are allocated based on pro-rata regulated/unregulated total compressor volumes per Exhibit B, Tab 3, Schedule 3.

DEFERRAL AND VARIANCE ACCOUNTS

1. The purpose of this exhibit of evidence is to address deferral and variance account matters associated with Enbridge Gas's Application. As outlined in the Application, Enbridge Gas is seeking disposition of 2023 balances in FCPP-related deferral and variance accounts, excluding the Customer Carbon Charge – Variance Accounts (CCCVAs), for each of the EGD rate zone and Union rate zones. Allocation and disposition of 2023 deferral and variance account balances is discussed in detail at Exhibit D, Tab 1, Schedule 1.
2. This exhibit of evidence is organized as follows:
 1. Established FCPP-Related Deferral and Variance Accounts
 2. 2023 FCPP-Related Deferral and Variance Account Balances
 - 2.1. 2023 Administration Costs Recorded in the Greenhouse Gas Emissions Administration Deferral Account (GGEADA)
 - 2.2. 2023 Customer-Related Costs Recorded in the Customer Carbon Charge – Variance Account (CCCVA)
 - 2.3. 2023 Facility-Related Costs Recorded in the Facility Carbon Charge – Variance Account (FCCVA)
 3. Forecast 2025 Administration Costs (for informational purposes only)

1. Established FCPP-Related Deferral and Variance Accounts

3. In its 2019 Application, to facilitate compliance with the GGPPA in 2019 and beyond and ensure that the costs of compliance with the GGPPA were clearly delineated from those incurred under the Cap-and-Trade Program, Enbridge Gas requested OEB approval to establish five new deferral and variance accounts. The new accounts would record: (i) actual combined administration costs for all rate zones (effective January 1, 2019); (ii) Federal Carbon Charge cost variances between the actual costs incurred and the amount collected through rates related to the volumes delivered by Enbridge Gas for each of the EGD rate zone and Union rate zones (effective April 1, 2019); and (iii) Facility Carbon Charge cost variances between the

actual costs incurred and the amount collected through rates related to Company Use and Emissions Performance Standards (EPS) volumes associated with Enbridge Gas's own operations for each of the EGD rate zone and the Union rate zones (effective January 1, 2019).¹

4. In the OEB's Decision and Order on Enbridge Gas's 2019 Application, the OEB approved the establishment of Enbridge Gas's requested new FCPP-related deferral and variance accounts with a single exception; rather than approving a single deferral account to record the combined administration costs for all rate zones, the OEB directed that Enbridge Gas should establish two GGEADAs, one for each of the EGD rate zone and the Union rate zones.²
5. In its 2022 Application, Enbridge Gas applied to the OEB for approval to amend the wording of the FCPP-related deferral and variance accounting orders to recognize the transition from the federal OBPS to the provincial EPS.³ To reflect this change, Enbridge Gas requested to update the applicable account definitions to include reference to both federal and provincial regulations and update the applicable account names to remove the word "Federal", effective January 1, 2022. In its Decision and Order regarding the 2022 Application, the OEB approved the amendments to the wording of the FCPP deferral and variance accounting orders as filed.⁴
6. Accordingly, until December 31, 2023, Enbridge Gas's established FCPP-related deferral and variance accounts were:

¹ EB-2018-0205, Exhibit D, Tab 1, Schedule 1, pp.2-4.

² EB-2018-0205, OEB Decision and Order, July 4, 2019, pp.9-10.

³ EB-2021-0209, Exhibit C, p.3.

⁴ EB-2021-0209, OEB Decision and Order, February 10, 2022, p.10.

1. GGEADA – EGD Rate Zone;⁵
 2. GGEADA – Union Rate Zones;⁶
 3. CCCVA – EGD Rate Zone;⁷
 4. CCCVA – Union Rate Zones;⁸
 5. FCCVA – EGD Rate Zone;⁹ and
 6. FCCVA – Union Rate Zones.¹⁰
7. In its 2024 Phase 1 Rebasing Application, Enbridge Gas proposed to harmonize the established FCPP-related deferral and variance accounts effective January 1, 2024, due to the Company being an amalgamated entity and no longer requiring separate deferral and variance accounts for the EGD and Union rate zones.¹¹ As part of the Settlement Proposal, parties agreed on harmonizing the FCPP deferral and variance accounts, with one modification; the deferral account would be renamed and the scope would be limited.¹² The OEB approved the harmonization and changes to the FCPP deferral and variances accounts in its Decision on the Settlement Proposal to Enbridge Gas’s 2024 Phase 1 Rebasing Application.¹³
8. Accordingly, effective January 1, 2024, Enbridge Gas’s harmonized FCPP-related deferral and variances accounts are:¹⁴

⁵ EGD Rate Zone Account No. 179-501, to record the administration costs associated with the impacts of federal and provincial regulations related to greenhouse gas emission requirements for Enbridge Gas within the EGD rate zone effective January 1, 2019.

⁶ Union Rate Zones Account No. 179-422, to record the administration costs associated with the impacts of federal and provincial regulations related to greenhouse gas emission requirements for Enbridge Gas within the Union rate zones effective January 1, 2019.

⁷ EGD Rate Zone Account No. 179-502, to record the variances between actual customer carbon costs and customer carbon costs recovered in rates for distribution volumes delivered by Enbridge Gas within the EGD rate zone effective April 1, 2019. Except for exempted customers as explained in Exhibit A.

⁸ Union Rate Zones Account No. 179-421, to record the variances between actual customer carbon costs and customer carbon costs recovered in rates for distribution volumes delivered by Enbridge Gas within the Union rate zones effective April 1, 2019. Except for exempted customers as explained in Exhibit A.

⁹ EGD Rate Zone Account No. 179-503, to record the variance between actual facility carbon costs and facility carbon costs recovered in rates within the EGD rate zone effective January 1, 2019.

¹⁰ Union Rate Zones Account No. 179-420, to record the variance between actual facility carbon costs and facility carbon costs recovered in rates within the Union rate zones effective January 1, 2019.

¹¹ EB-2022-0200, Exhibit 9, Tab 1, Schedule 1.

¹² EB-2022-0200, Partial Settlement Proposal, June 28, 2023, Exhibit O1, Tab 1, Schedule 1, pp. 53-55.

¹³ EB-2022-0200, Decision on Settlement Proposal, August 17, 2023, p.1.

¹⁴ EB-2022-0200, Partial Settlement Proposal, June 28, 2023, Exhibit O1, Tab 1, Schedule 2, pp.29-31.

1. Carbon Charges Bad Debt Deferral Account (CCBDDA) – Enbridge Gas Inc.;¹⁵
2. CCCVA – Enbridge Gas Inc.;¹⁶ and
3. FCCVA – Enbridge Gas Inc.¹⁷

3. 2023 FCPP-Related Deferral and Variance Account Balances

9. Enbridge Gas is seeking to dispose of: 2023 administration costs of \$7.40 million in the GGEADAs and 2023 facility-related costs of (\$5.41 million) in the FCCVAs.

3.1 2023 Administration Costs Recorded in the GGEADA

10. As set out in Table 1, Enbridge Gas's 2023 administration costs are \$7.40 million. A description of variances to Enbridge Gas's forecast 2023 administration costs follows:

¹⁵ Enbridge Gas Inc. Account No. 179-309, to record all of the bad debt related to carbon charges.

¹⁶ Enbridge Gas Inc. Account No. 179-308, to record the variance between actual customer carbon costs and the customer carbon costs recovered in rates.

¹⁷ Enbridge Gas Inc. Account No. 179-307, to record the variance between actual facility carbon costs and facility carbon costs recovered in rates.

Table 1
2023 Administration Costs (\$millions)

Line No.	Cost Element	2023 Forecasted Costs ¹⁸	2023 Actual Costs ¹⁹			Variance
			EGD Rate Zone	Union Rate Zones	Total	
1	IT Billing System	0.05	0.00	0.05	0.05	(0.00)
2	Staffing Resources	1.45	0.87	0.53	1.40	(0.05)
3	Consulting and External Legal Support	0.34	0.00	0.00	0.00 ²⁰	(0.34)
4	GHG Reporting and Verification	0.05	0.01	0.01	0.02	(0.03)
5	Bad Debt	5.16	3.24	2.01	5.26	0.09
6	Other Miscellaneous Costs	0.14	0.02	0.01	0.03	(0.11)
7	Interest ²¹	N/A	0.39	0.24	0.63	0.63
8	Total	7.20	4.54	2.86	7.40	0.20

11. Shared administration costs set out in Table 1, including costs related to: staffing resources, consulting and external legal support, GHG reporting and verification and other miscellaneous costs, have been allocated to the EGD rate zone and Union rate zones in proportion to actual customers' consumption volumes subject to the Federal Carbon Charge from January 1, 2023 to December 31, 2023.²² Unique administration costs set out in Table 1 that are attributable to a particular rate zone, including costs related to IT billing systems and bad debt, have been allocated to that respective rate zone accordingly. Each of the cost categories set out in Table 1 is further discussed below.

¹⁸ EB-2022-0194, , Exhibit C, p.10.

¹⁹ Composed of actual 2023 costs from January to December 2023.

²⁰ Actual consulting and external legal support costs are less than three thousand dollars.

²¹ Enbridge Gas did not include a 2023 forecast cost for interest.

²² Approximately 62% of customer consumption volumes were attributable to the EGD rate zone and 38% of customer consumption volumes were attributable to the Union rate zones.

12. In the OEB's Decision and Order on Enbridge Gas's 2023 Application, the OEB determined that the 2021 level of administration costs were sufficient, specifically in the areas of staffing resources, consulting and external legal support, and other miscellaneous costs.²³ In 2021, the total cost related to these three administrative areas was \$1.49 million.²⁴

13. In Enbridge Gas's reply submission in the 2024 Application, in relation to administrative costs, Enbridge Gas noted that the focus should be on total administration costs within the GGEADAs regardless of the number of staffing resources, and that as long as total administration costs adhere to the OEB's direction from the 2023 Application, there should be no requirement to further restrict staffing resources.²⁵ In response, the OEB stated the following within the Decision and Order on Enbridge Gas's 2024 Application:

The OEB agrees with Enbridge Gas that, rather than a cap on staffing resources, the focus should be the total administration costs related to its Federal Carbon Pricing Program work. However, the OEB expects Enbridge Gas to continue to contain its total administration costs consistent with direction provided in the OEB's 2023 Federal Carbon Pricing Program Decision that indicated the OEB expected the then current level of administrative costs to be sufficient.²⁶

14. In accordance with the OEB's direction, in 2023, the administration costs in the three stipulated administrative areas totalled \$1.46 million,²⁷ reflecting a decrease of \$0.03 million below the approved 2021 administration costs included in the OEB's direction in the Decision and Order on the 2023 Application.

²³ EB-2022-0194, OEB Decision and Order, February 9, 2023, pp.9-10.

²⁴ EB-2022-0194, Exhibit C, Tab 1, Schedule 1, p.4. GHG Reporting and Verification costs have been included in the \$1.49 million as these costs are a category of consulting costs.

²⁵ EB-2023-0196, Reply Submission, January 22, 2024, p.3.

²⁶ EB-2023-0196, OEB Decision and Order, February 8, 2024, pp.7-8.

²⁷ Includes total 2023 costs from Staffing Resources, Consulting and External Legal Support, GHG Reporting and Verification, and Other Miscellaneous Costs from Table 1. Total may differ slightly due to rounding.

IT Billing System Costs

15. In its 2023 Application, Enbridge Gas forecast IT billing system costs of \$0.05 million related to the revenue requirement associated with the additional billing system modification required in 2020 for the Union rate zones to comply with the GGPPA.²⁸

16. The actual IT billing system costs for 2023 were \$0.05 million, all of which was related to the revenue requirement for the additional billing system modifications required for the Union rate zones.

Staffing Resources

17. In its 2023 Application, Enbridge Gas updated its 2023 staffing resources forecast to be \$1.45 million for salaries and wages, which included fully allocated costs for the 6.5 full time equivalents (FTEs) that comprised the Carbon Strategy team at that time, plus one additional FTE.²⁹

18. Actual salaries and wages costs incurred in 2023 were \$1.40 million for the 7.5 FTEs comprising the Carbon Strategy team throughout 2023. Actual staffing and wages costs were \$0.05 million lower than forecast due to variances between actual individual FTE wages and the average FTE wage used to estimate the forecasted staffing costs.

Consulting and External Legal Support

19. In its 2023 Application, Enbridge Gas forecast consulting and external legal support costs of \$0.34 million for 2023.³⁰ Actual consulting and external legal support costs incurred in 2023 were less than \$3,000. Consulting and external legal support costs were lower than forecast due to Enbridge Gas leveraging internal FTE resources where applicable, rather than engaging external consulting resources, and utilizing

²⁸ EB-2022-0194, Exhibit C, pp.10-11.

²⁹ EB-2022-0194, Exhibit C, pp.11-12.

³⁰ EB-2022-0194, Exhibit C, p.12.

the credit procurement work completed in 2021 for credit transactions completed in 2023.

GHG Reporting and Verification

20. In its 2023 Application, Enbridge Gas forecast costs of \$0.05 million for GHG reporting and verification of its 2022 EPS emissions, completed in 2023.³¹ Actual GHG reporting and verification costs incurred in 2023 were \$0.02 million, all of which were related to the verification of its 2022 EPS report by a third-party auditor as required under the EPS Regulations. GHG reporting and verification costs were lower than forecast due to the removal of Ontario from the federal OBPS, resulting in streamlined verification. Additionally, Enbridge Gas changed its third-party auditor in 2023 which resulted in a reduction to the verification costs.

Bad Debt

21. In its 2023 FCPP Application, Enbridge Gas forecast bad debt costs to be \$5.16 million in 2023.³² Actual bad debt costs incurred in 2023 were \$5.26 million.

22. As outlined in EB-2021-0209, Exhibit I.VECC.7, the bad debt forecasting methodology distinguishes FCPP-related bad debt from “regular” bad debt by taking a percentage of the total Company bad debt based on the percentage of the total bill related to FCPP. The contributing factor to the forecast variance is an increase in actual total Company bad debt from what was forecast.

23. The \$5.26 million represents total 2023 bad debt related to the Federal Carbon Charge, with no amount removed due to COVID-19 impacts. Since the start of the COVID-19 pandemic in 2020, bad debt has increased for reasons that go beyond COVID-19 impacts; for example, the annual increase in Federal Carbon Charge rate in proportion to the total bill, and the year-over-year increase in total bad debt as a function of historic arrear balances, bankruptcy, gas prices, unemployment, inflation

³¹ EB-2022-0194, Exhibit C, pp.12-13.

³² EB-2022-0194, Exhibit C, p.13.

and general economic factors. Due to these factors impacting bad debt by varying degrees, it is not possible to isolate the bad debt increases as a function of a single cause and then translate that into a specific dollar amount of impact, whether that be due to COVID-19 impacts or any other general economic impacts. Therefore, Enbridge Gas is unable to segregate COVID-19 impacts from the regular FCPP-related bad debt allocated to the 2023 GGEADAs.

Other Miscellaneous Costs

24. In its 2023 Application, Enbridge Gas forecast 2023 other miscellaneous costs of \$0.14 million associated with customer outreach and communications, training, conferences, travel expenses, memberships, and subscriptions associated with the GGPPA, EPS Regulation, or other GHG or carbon pricing programs.³³ Actual other miscellaneous costs incurred in 2023 were \$0.03 million. Costs related to activities such as travel and conferences were lower due to many internal and external events proceeding virtually, therefore reducing actual miscellaneous costs. Enbridge Gas also leveraged existing customer communication pathways, such as QRAM bill inserts, mass emails, webpages, and social media to communicate to customers regarding the FCPP, thus reducing actual 2023 costs related to customer communications.

3.2 2023 Customer-Related Costs Recorded in the CCCVA

25. Enbridge Gas tracks the difference between the Federal Carbon Charge amount collected through rates and the actual costs incurred in the CCCVAs for each of the EGD rate zone and the Union rate zones. Enbridge Gas's customer-related obligation for January 1, 2023 to December 31, 2023 was \$1,777.61 million.

26. In Enbridge Gas's 2024 Application, the Company proposed to defer disposition of the balances within the 2022 CCCVAs due to the inability to generate a unit rate

³³ EB-2022-0194, Exhibit C, p.13.

from the minor balances.³⁴ The cumulative balance of the 2022 and 2023 CCCVAs, including interest, results in a total balance of (\$0.03 million); (\$26,878) for the EGD rate zone and (\$3,356) for the Union rate zones. This reflects a variance between the amount of revenue billed through the Federal Carbon Charge and the subsequent amount Enbridge Gas remitted to the CRA.

27. The variances recorded are due to deliveries of renewable natural gas (RNG) and hydrogen to customers in 2023, through the Company's OptUp program and Low Carbon Energy Project (LCEP), respectively. Under the GGPPA and Fuel Charge Regulations, RNG and hydrogen are not subject to the Federal Carbon Charge.

28. Due to billing system functionality constraints, Enbridge Gas cannot reduce the Federal Carbon Charge only on the portion of a system supply customer's bill that is RNG or hydrogen. Given the limited quantity of exempt fuels delivered to customers to date, modifying the billing system to implement this functionality would significantly increase administrative complexity and costs, for limited economic benefit to customers. Thus, Enbridge Gas applies the Federal Carbon Charge to all volumes of gas delivered to customers, including on the RNG and hydrogen volumes. As RNG and hydrogen delivered by Enbridge Gas reduces the Company's Federal Carbon Charge obligations and subsequent remittance to the CRA, any variance between the Federal Carbon Charges remitted to the CRA and the amount charged to customers are tracked in the CCCVAs, to be disposed to all customers subject to the Federal Carbon Charge.³⁵

29. The variances are minor due to lower-than-expected participation in the OptUp program, leading to Enbridge Gas only procuring a small amount of RNG in 2023. Additionally, as hydrogen is only being distributed through the LCEP pilot project to a limited amount of customers, the hydrogen volumes eligible for exemption are small.

³⁴ EB-2023-0196, Exhibit C, pp. 9-10.

³⁵ EB-2020-0066, Decision and Order, September 24, 2020, pp.16-17.

30. The cumulative balance within the CCCVAs for 2022 and 2023 remain minor and, therefore, Enbridge Gas is proposing to defer disposition until the balances become substantial enough to allow for generation of a unit rate that could credit customers. Enbridge Gas will assess the cumulative balances within the CCCVAs next year and, if the balances are significant enough to generate a unit rate, Enbridge Gas will seek approval to dispose of the CCCVAs through the 2026 FCPP Application.

3.3 2023 Facility-Related Costs Recorded in the FCCVA

31. As set out in Exhibit A, Tab 2, Schedule 1, Enbridge Gas's facility-related volumes and associated costs are composed of Company Use Volumes (facilities which are not covered under the EPS) and EPS Volumes from January 1, 2023 to December 31, 2023. Enbridge Gas's 2023 facility-related obligation was \$3.99 million (\$1.78 million related to Company Use Volumes and \$2.21 million related to EPS Volumes), of which \$3.74 million is attributable to Enbridge Gas's regulated utility operations.

32. Enbridge Gas has recorded a 2023 facility-related variance of (\$5.41 million) in the FCCVAs, including (\$0.16 million) for the EGD rate zone and (\$5.26 million) for the Union rate zones.³⁶ This reflects a variance between the actual and forecast facility-related costs, and a variance in the amount of revenue billed through the Facility Carbon Charge due to a difference in customer volumes realized. The FCCVAs variance includes \$0.03 million in cost savings related to the procurement of EPUs in November 2023, for use towards Enbridge Gas's 2022 EPS compliance obligation, as the 2022 FCCVAs balances were already finalized by the time the EPU transaction was completed.³⁷ Table 2 shows the variance related to the difference

³⁶ This variance reflects consideration of: (i) applying the Federal Carbon Charge Rate for Marketable Natural Gas of 9.79 ¢/m³ from January 1, 2023 – March 31, 2023 and 12.39 ¢/m³ from April 1, 2023 to December 31, 2023 set out in Exhibit A, Tab 2, Schedule 1, Table 1 to actual Company Use Volumes of natural gas consumed in the operation of Enbridge Gas's facilities from January 1, 2023 to December 31, 2023; (ii) Enbridge Gas's 2023 EPS obligation of \$1.96 million related to regulated utility operations for the January 1, 2023 to December 31, 2023 period; (iii) actual billed amounts for the January 1, 2023 to December 31, 2023 period; (iv) \$0.03 million in cost savings related to EPU procurement for 2022 EPS obligation; and (v) interest of approximately \$(0.59) million.

³⁷ EB-2023-0196, Exhibit I.STAFF.2.

between 2023 forecast regulated facility-related volumes and actual regulated facility-related volumes for 2023.

Table 2³⁸
2023 Regulated Facility-Related Volumes/Emissions and Costs

	Updated 2023 Forecasted Volumes & Emissions	Updated 2023 Forecasted Costs (\$millions)	2023 Actual Volumes & Emissions	2023 Actual Costs (\$millions)	Variance (\$millions)
Company Use	18,673 10 ³ m ³	2.09	16,020 10 ³ m ³	1.77	(0.32)
EPS	78,805 tCO ₂ e ³⁹	5.12	30,221 tCO ₂ e ⁴⁰	1.96	(3.16)
Total	-	7.21	-	3.74	(3.48)

33. The main driver of the (\$3.48 million) variance is related to the difference between 2023 forecast regulated EPS emissions and actual regulated EPS emissions. EPS compressor fuel volumes and associated emissions were lower than forecast due to a mild winter and a modification in contracted transportation, which changed the activity along the Dawn to Parkway system, resulting in lower compressor fuel consumption. Additionally, the 2023 emissions intensity (tCO₂e/MWh) related to transmission and storage operations was lower than anticipated, resulting in lower EPS emissions and, therefore, a lower compliance obligation.

4. Forecast 2025 Administration Costs

34. In Enbridge Gas's 2024 Phase 1 Rebasing Application, the Company proposed to consolidate the two GGEADAs into one Enbridge Gas account and recover administrative costs associated with current federal and provincial regulations related to GHG emissions requirements through 2024 base rates, except for bad debt.⁴¹

³⁸ Only volumes/emissions and associated costs related to regulated utility operations are included.

³⁹ Represents regulated portion of Enbridge Gas's forecasted 2023 EPS compliance obligation.

⁴⁰ Represents regulated portion of Enbridge Gas's actual 2023 EPS compliance obligation.

⁴¹ EB-2022-0200, Exhibit 9, Tab 1, Schedule 2, p.25.

35. In the Settlement Proposal to Enbridge Gas's 2024 Phase 1 Rebasing Application, parties agreed to consolidating the GGEADAs into a single Enbridge Gas account, on the condition the GGEADA be renamed the CCBDDA and the scope of the account be limited to recording bad debt costs associated with carbon charges.⁴² The OEB approved these account modifications, effective January 1, 2024, in its Decision on the Settlement Proposal.⁴³

36. Enbridge Gas has provided a forecast for the 2025 bad debt costs for informational purposes only and will seek recovery of its actual 2025 bad debt costs in a future proceeding.

Table 3
Forecast 2025 Bad Debt Costs

Cost Element	2025 Total Forecast Costs (\$millions)
Bad Debt	13.05

37. Enbridge Gas estimates that it will incur approximately \$13.05 million in incremental bad debt expenses in 2025 based on forecasted costs recoverable from customers as a result of the GGPPA and EPS Regulation, as set out in Exhibit B, Tab 1, Schedule 1. While Enbridge Gas has included total 2025 forecast bad debt costs in Table 3, only actual bad debt related to the GGPPA and EPS Regulation will be recorded in the CCBDDA.

⁴² EB-2022-0200, Partial Settlement Proposal, June 28, 2023, Exhibit O1, Tab 1, Schedule 1, pp.53-55.

⁴³ EB-2022-0200, Decision on Settlement Proposal, August 17, 2023, p.1.

COST RECOVERY

1. The purpose of this exhibit is to support Enbridge Gas's request to update the impacts of the GGPPA and EPS Regulation in rates for the EGD and Union rate zones, effective April 1, 2025, and to address the proposed allocation and disposition of Enbridge Gas's 2023 FCPP-related deferral and variance account balances, as described at Exhibit C, Tab 1, Schedule 1. Accordingly, Enbridge Gas requests approval of: (i) the proposed rate changes on a final basis, effective as early as April 1, 2025; and (ii) the allocation and disposition of the 2023 FCPP-related deferral and variance account balances, excluding the Customer Carbon Charge – Variance Accounts (CCCVAs), to be disposed of in the first available QRAM following an OEB decision as early as April 1, 2025.¹

2. This exhibit of evidence is organized as follows:
 1. 2025 FCPP-Related Unit Rates
 - 1.1 2025 Federal Carbon Charge
 - 1.2 2025 Facility Carbon Charge
 - 1.3 2025 Administration Costs
 - 1.4 Bill Impacts of Carbon Charges
 2. 2023 Deferral and Variance Account Balances
 - 2.1 2023 CCCVA
 - 2.2 2023 FCCVA
 - 2.3 2023 GGEADA
 - 2.4 Proposed Disposition of Deferral and Variance Account Balances
 - 2.5 Bill Impacts of Deferral and Variance Account Disposition

¹ Refer to Exhibit C, Tab 1, Schedule 1 for more information on the proposal to defer disposition of the CCCVAs.

Supporting schedules and appendices:

- Exhibit D, Tab 2, Schedules 1 to 5: Cost Recovery - EGD Rate Zone
- Exhibit D, Tab 3, Schedules 1 to 5: Cost Recovery - Union Rate Zones

1. 2025 FCPP-Related Unit Rates

3. Under the GGPPA, Enbridge Gas is required to remit payment of the Federal Carbon Charge to the Government of Canada for volumes delivered to its customers and for Company Use Volumes. Enbridge Gas is also required to remit payment for any excess emissions related to EPS Volumes. These costs will be recovered from customers through the Federal Carbon Charge and Facility Carbon Charge unit rates, respectively.
4. The Federal Carbon Charge and Facility Carbon Charge unit rates are summarized at Exhibit D, Tab 2, Schedule 1, page 3 for the EGD rate zone and at Exhibit D, Tab 3, Schedule 1, page 3 for the Union rate zones.

1.1 2025 Federal Carbon Charge

5. Effective April 1, 2025, Enbridge Gas proposes to increase the Federal Carbon Charge from 15.2500 ¢/m³ (or \$80/tCO_{2e}) to 18.1100 ¢/m³ (or \$95/tCO_{2e}), as outlined in the GGPPA and set out at Exhibit A, Tab 2, Schedule 1, Table 1.²
6. The Federal Carbon Charge is applicable to distribution customers in all rate zones. Entities that are exempt under Part 1 of the GGPPA will not be charged the Federal Carbon Charge. Further, in accordance with Part 1 of the GGPPA, Enbridge Gas will apply 20% of the Federal Carbon Charge to distribution volumes for eligible commercial greenhouse customers, resulting in 80% greenhouse relief. The Federal Carbon Charge is shown as a separate line item on customers' bills, where applicable.

² The GGPPA, Schedule 2 and Schedule 4, <https://laws-lois.justice.gc.ca/PDF/G-11.55.pdf>.

7. Enbridge Gas will track the difference between the Federal Carbon Charge amount collected through rates and the actual costs incurred in the CCCVA.
8. The Federal Carbon Charge customer-related forecast volumes and costs by rate class for the April 1, 2025 to March 31, 2026 period is set out at Exhibit D, Tab 2, Schedule 1, page 1 for the EGD rate zone and at Exhibit D, Tab 3, Schedule 1, page 1 for the Union rate zones.

1.2 2025 Facility Carbon Charge

9. Enbridge Gas incurs costs of compliance with the GGPPA and EPS Regulation that are associated with its own operations. Enbridge Gas's Facility Carbon Charge costs are incurred in relation to both Company Use Volumes (generated from distribution buildings, boilers/line heaters, and NGV fleet volumes), and EPS Volumes (generated from compressor fuel volumes). The total estimated Facility Carbon Charge cost for the April 1, 2025 to March 31, 2026 time period is \$8.94 million: \$1.58 million for the EGD rate zone and \$7.36 million for the Union rate zones, as detailed at Exhibit B, Tab 2, Schedule 1 and at Exhibit B, Tab 3, Schedule 1, respectively.
10. Enbridge Gas recovers Facility Carbon Charge costs from rate classes based on in-franchise delivery volumes and ex-franchise transportation volumes. All customers in each rate class are responsible for the Facility Carbon Charge costs, regardless of whether the customer is exempt from the Federal Carbon Charge. Enbridge Gas adds the Facility Carbon Charge to the current approved delivery or transportation charges on customers' bills.
11. A common Facility Carbon Charge was approved by the OEB in its Decision and Order for the Company's 2023 Application³, for implementation with Enbridge Gas's

³ EB-2022-0194 Decision and Order, February 9, 2023, pp.7- 8.

January 1, 2024 QRAM. Effective as early as April 1, 2025, Enbridge Gas is proposing to increase the common Facility Carbon Charge from 0.0143 ¢/m³ to 0.0172 ¢/m³. When expressed in \$/GJ, the Facility Carbon Charge remains unchanged at \$0.004/GJ. The derivation of the 2025 Facility Carbon Charge is detailed at Exhibit D, Tab 2, Schedule 1, page 2 and Exhibit D, Tab 3, Schedule 1, page 2.

12. Enbridge Gas will track the difference between the Facility Carbon Charge amount collected through rates and the actual costs incurred in the FCCVA.

1.3 2025 Administration Costs

13. Administration costs incurred in 2025 will be recorded in the CCBDDA and disposed of in a future proceeding, as described at Exhibit A, Tab 2, Schedule 1 and Exhibit C, Tab 1, Schedule 1.

1.4 Bill Impacts of Carbon Charges

14. For the EGD rate zone, the 2025 carbon charges for a typical residential customer with an annual consumption of 2,400 m³ are \$435.05 per year, which is an increase of \$68.71 per year over 2024. Exhibit D, Tab 2, Schedule 2 details bill impacts for typical customers in the EGD rate zone.

15. For the Union rate zones, the 2025 carbon charges for a typical residential customer with an annual consumption of 2,200 m³ are \$398.80 per year, which is an increase of \$62.98 per year over 2024. Exhibit D, Tab 3, Schedule 2 details bill impacts for typical customers in the Union rate zones.

2. 2023 Deferral and Variance Account Balances

16. Enbridge Gas is requesting approval of the allocation and disposition of the 2023 final balances in its GGEADA and FCCVA for each of the EGD and Union rate zones. Although there are small balances in the CCCVAs for both the EGD and

Union rate zones, Enbridge Gas is proposing to defer disposition of these accounts until the balances are larger. A description of 2023 FCPP-related deferral and variance account balances is provided at Exhibit C, Tab 1, Schedule 1. The deferral and variance account balances are provided at Exhibit D, Tab 2, Schedule 3 for the EGD rate zone and at Exhibit D, Tab 3, Schedule 3 for the Union rate zones.

2.1 2023 CCCVA

17. As per Exhibit C, Tab 1, Schedule 1, Enbridge Gas proposes to defer disposition of the CCCVA balances.

2.2 2023 FCCVA

18. Enbridge Gas proposes to allocate FCCVA balances to rate classes in proportion to actual in-franchise distribution and ex-franchise transportation volumes from January 1, 2023 to December 31, 2023. Unit rates for disposition are derived using actual volumes for the January 1, 2023 to December 31, 2023 time period. The methodology to derive the allocation and disposition unit rates is the same for the EGD and Union rate zones.

2.3 2023 GGEADA

19. Enbridge Gas proposes to allocate GGEADA balances to rate classes in proportion to the number of customers for the EGD rate zone and 2013 OEB-approved administrative and general expenses for the Union rate zones. The proposed allocation methodologies for each rate zone are consistent with the allocations approved in the disposition of Enbridge Gas's 2022 FCPP-related deferral and variance account balance.⁴ Unit rates for disposition are derived using actual volumes for the January 1, 2023 to December 31, 2023 time period. The methodology to derive the disposition unit rates is the same for the EGD and Union rate zones.

⁴ EB-2023-0196.

2.4 Proposed Disposition of Deferral and Variance Account Balances

20. Enbridge Gas proposes to dispose of the balances with a one-time billing adjustment recovered in one month for all customers in the EGD and the Union rate zones.
21. Enbridge Gas proposes to dispose of the approved 2023 FCPP-related deferral and variance account balances with the first QRAM application following the OEB's approval, as early as April 1, 2025. Unit rates for disposition can be found at Exhibit D, Tab 2, Schedule 4 for the EGD rate zone and at Exhibit D, Tab 3, Schedule 4 for the Union rate zones.

2.5 Bill Impacts of Deferral and Variance Account Disposition

22. For the EGD rate zone, the bill impact of the proposed deferral and variance account balance disposition for a typical residential customer with annual consumption of 2,400 m³ is \$2.13. Exhibit D, Tab 2, Schedule 5 details the customer bill impacts for typical customers in the EGD rate zone.
23. For the Union rate zones, the bill impact of the proposed deferral and variance account balance disposition for a typical residential customer with annual consumption of 2,200 m³ is \$1.12 for customers in the Union North rate zone and \$0.85 for customers in the Union South rate zone. Exhibit D, Tab 3, Schedule 5 details customer bill impacts for typical customers in the Union rate zones.

ENBRIDGE GAS INC.
EGD Rate Zone
2025 Customer-Related Volumes and Derivation of Federal Carbon Charge Unit Rate
Effective April 1, 2025

Line No.	Particulars	Forecast Volumes (10 ³ m ³) (1) (a)	Less: Transportation Volumes (10 ³ m ³) (b)	Customer-Related Forecast Volumes (10 ³ m ³) (2) (c) = (a - b)	EPS Participant & Other Exempt Volumes (10 ³ m ³) (3) (d)	Net Volumes (10 ³ m ³) (e) = (c - d)	Federal Carbon Charge (\$/m ³) (4) (f)	Federal Carbon Cost (\$) (g) = (e * f * 1000)	Federal Carbon Charge Unit Rate (cents/m ³) (h) = (g/(e*1000))*100
1	Rate 1	5,055,608	-	5,055,608	1,043	5,054,565	0.1811	915,381,787	
2	Rate 6	4,658,867	-	4,658,867	106,475	4,552,392	0.1811	824,438,156	
3	Rate 100	53,972	-	53,972	19,714	34,258	0.1811	6,204,144	
4	Rate 110	1,267,962	-	1,267,962	527,192	740,770	0.1811	134,153,444	
5	Rate 115	365,873	-	365,873	363,834	2,038	0.1811	369,147	
6	Rate 125	1,042,065	-	1,042,065	1,042,065	-	0.1811	-	
7	Rate 135	62,123	-	62,123	4,445	57,678	0.1811	10,445,519	
8	Rate 145	26,147	-	26,147	15,084	11,063	0.1811	2,003,511	
9	Rate 170	251,363	-	251,363	215,084	36,279	0.1811	6,570,145	
10	Rate 200	188,372	-	188,372	188,372	-	0.1811	-	
11	Rate 300	-	-	-	-	-	0.1811	-	
12	Rate 332	2,254,826	2,254,826	-	-	-	0.1811	-	
13	Total EGD Rate Zone	<u>15,227,180</u>	<u>2,254,826</u>	<u>12,972,354</u>	<u>2,483,310</u>	<u>10,489,044</u>		<u>1,899,565,854</u>	<u>18.1100</u>

- Notes:
- (1) Exhibit B, Tab 2, Schedule 2, Col. 1 + Rate 332 forecast volume.
 - (2) Exhibit B, Tab 2, Schedule 2, Col. 1.
 - (3) Exhibit B, Tab 2, Schedule 2, Col. 2.
 - (4) Exhibit B, Tab 2, Schedule 6, Line 2.

ENBRIDGE GAS INC.
 EGD Rate Zone
 Derivation of 2025 Facility Carbon Charge
Effective April 1, 2025

Line No.	Particulars	Enbridge Gas Combined (a)
1	Total Facility Carbon Cost (\$000's) (1)	8,942
2	2024 Forecast Volumes (10 ³ m ³) (2)	51,856,157
3	Facility Carbon Charge (cents / m ³) (line 1 / line 2 * 100)	0.0172
4	Facility Carbon Charge (\$/GJ) (line 3 / Heat Value * 10) (3)	0.004

Notes:

- (1) Exhibit B, Tab 2, Schedule 6, Line 12/1000 + Exhibit B, Tab 3, Schedule 6, Line 12/1000.
- (2) Exhibit D, Tab 2, Schedule 1, Page 1, Column (a), Line 13 + Exhibit D, Tab 3, Schedule 1, Column (a), Line 24.
- (3) Per Exhibit D, Tab 1, Schedule 1, the common Facility Carbon Charge is applicable to all customers.
 Conversion to GJs based on heat value adjustment of 39.09 GJ/10³m³.

ENBRIDGE GAS INC.
EGD Rate Zone
2025 Carbon Charge Unit Rate Summary
Effective April 1, 2025

Line No.	Particulars	Unit Rate (cents/m ³) (a)
1	Federal Carbon Charge (1)	18.1100
2	Facility Carbon Charge (2)	0.0172
3	Total (line 1 + line 2)	<u>18.1272</u>

Notes:

- (1) Exhibit D, Tab 2, Schedule 1, p. 1, line 13, column (h).
- (2) Exhibit D, Tab 2, Schedule 1, p. 2, line 3, column (a).

ENBRIDGE GAS INC.
EGD Rate Zone
Calculation of Bill Impacts for Typical Customers

Line No.	Particulars	EB-2024-0166 - Current Approved (1)		EB-2024-0251 - Proposed		Total Bill Change (\$) (e) = (c - a)	Bill Impact Including Federal Carbon Charge (%) (f) = (e / a)
		Total Bill (\$)	Unit Rate (cents/m ³)	Total Bill (\$)	Unit Rate (cents/m ³)		
		(a)	(b)	(c)	(d)		
Rate 1 - Small Customer		Annual Volume 2,400m ³					
1	Monthly Customer Charge (2)	309	\$ 25.72	309	\$ 25.72	-	0.0%
2	Delivery Charges (3)	255	10.6324	255	10.6353	0.07	0.0%
3	Gas Supply Transportation	117	4.8806	117	4.8806	-	0.0%
4	Gas Supply Commodity	252	10.4826	252	10.4826	-	0.0%
5	Federal Carbon Charge	366	15.2500	435	18.1100	68.64	18.8%
6	Total Bill - Sales Service	1,299	54.1056	1,367	56.9685	68.71	5.3%
7	Bundled Direct Purchase Impact WTS	1,047	43.6230	1,116	46.4859	68.71	6.6%
8	Bundled Direct Purchase Impact DTS	952	39.6824	1,021	42.5453	68.71	7.2%
Rate 1 - Large Customer		Annual Volume 5,048m ³					
9	Monthly Customer Charge (2)	309	\$ 25.72	309	\$ 25.72	-	0.0%
10	Delivery Charges (3)	525	10.3938	525	10.3967	0.15	0.0%
11	Gas Supply Transportation	246	4.8806	246	4.8806	-	0.0%
12	Gas Supply Commodity	529	10.4826	529	10.4826	-	0.0%
13	Federal Carbon Charge	770	15.2500	914	18.1100	144.37	18.8%
14	Total Bill - Sales Service	2,379	47.1211	2,523	49.9840	144.52	6.1%
15	Bundled Direct Purchase Impact WTS	1,850	36.6385	1,994	39.5014	144.52	7.8%
16	Bundled Direct Purchase Impact DTS	1,651	32.6979	1,795	35.5608	144.52	8.8%
Rate 6 - Small Customer		Annual Volume 5,048m ³					
17	Monthly Customer Charge (2)	956	\$ 79.64	956	\$ 79.64	-	0.0%
18	Delivery Charges (3)	580	11.4980	580	11.4989	0.15	0.0%
19	Gas Supply Transportation	246	4.8806	246	4.8806	-	0.0%
20	Gas Supply Commodity	530	10.5065	530	10.5065	-	0.0%
21	Federal Carbon Charge	770	15.2500	914	18.1100	144.37	18.8%
22	Total Bill - Sales Service	3,083	61.0649	3,227	63.9278	0.15	0.0%
23	Bundled Direct Purchase Impact WTS	2,552	50.5584	2,697	53.4213	144.52	5.7%
24	Bundled Direct Purchase Impact DTS	2,353	46.6178	2,498	49.4807	144.52	6.1%
Rate 6 - Average Customer		Annual Volume 22,606m ³					
25	Monthly Customer Charge (2)	956	\$ 79.64	956	\$ 79.64	-	0.0%
26	Delivery Charges (3)	2,102	9.3000	2,103	9.3029	1	0.0%
27	Gas Supply Transportation	1,103	4.8806	1,103	4.8806	-	0.0%
28	Gas Supply Commodity	2,375	10.5065	2,375	10.5065	-	0.0%
29	Federal Carbon Charge	3,447	15.2500	4,094	18.1100	647	18.8%
30	Total Bill - Sales Service	9,984	44.1646	10,631	47.0275	1	0.0%
31	Bundled Direct Purchase Impact WTS	7,609	33.6581	8,256	36.5210	647	8.5%
32	Bundled Direct Purchase Impact DTS	6,718	29.7175	7,365	32.5804	647	9.6%
Rate 6 - Large Customer		Annual Volume 339,124m ³					
33	Monthly Customer Charge (2)	956	\$ 79.64	956	\$ 79.64	-	0.0%
34	Delivery Charges (3)	22,850	6.7380	22,860	6.7409	10	0.0%
35	Gas Supply Transportation	16,551	4.8806	16,551	4.8806	-	0.0%
36	Gas Supply Commodity	35,630	10.5065	35,630	10.5065	-	0.0%
37	Federal Carbon Charge	51,716	15.2500	61,415	18.1100	9,699	18.8%
38	Total Bill - Sales Service	127,704	37.6569	137,412	40.5198	10	0.0%
39	Bundled Direct Purchase Impact WTS	92,073	27.1504	101,782	30.0133	9,709	10.5%
40	Bundled Direct Purchase Impact DTS	78,710	23.2098	88,419	26.0727	9,709	12.3%
Rate 100 - Small Customer		Annual Volume 339,188m ³					
41	Monthly Customer Charge (2)	1,657	\$ 138.07	1,657	\$ 138.07	-	0.0%
42	Delivery Charges (3)	23,933	7.0560	23,943	7.0589	10	0.0%
43	Gas Supply Transportation	16,554	4.8806	16,554	4.8806	-	0.0%
44	Gas Supply Commodity	35,637	10.5065	35,637	10.5065	-	0.0%
45	Federal Carbon Charge	51,726	15.2500	61,427	18.1100	9,701	18.8%
46	Total Bill - Sales Service	129,507	38.1816	139,218	41.0445	10	0.0%
47	Bundled Direct Purchase Impact WTS	93,871	27.6751	103,581	30.5380	9,711	10.3%
48	Bundled Direct Purchase Impact DTS	80,505	23.7345	90,215	26.5974	9,711	12.1%
Rate 100 - Large Customer		Annual Volume 1,500,000m ³					
49	Monthly Customer Charge (2)	1,657	\$ 138.07	1,657	\$ 138.07	-	0.0%
50	Delivery Charges (3)	187,678	12.5119	187,721	12.5148	44	0.0%
51	Gas Supply Transportation	73,209	4.8806	73,209	4.8806	-	0.0%
52	Gas Supply Commodity	157,598	10.5065	157,598	10.5065	-	0.0%
53	Federal Carbon Charge	228,750	15.2500	271,650	18.1100	42,900	18.8%
54	Total Bill - Sales Service	648,891	43.2594	691,835	46.1223	44	0.0%
55	Bundled Direct Purchase Impact WTS	491,294	32.7529	534,237	35.6158	42,944	8.7%
56	Bundled Direct Purchase Impact DTS	432,185	28.8123	475,128	31.6752	42,944	9.9%
Rate 100 - Average Customer		Annual Volume 598,567m ³					
57	Monthly Customer Charge (2)	1,657	\$ 138.07	1,657	\$ 138.07	-	0.0%
58	Delivery Charges (3)	89,677	14.9819	89,694	14.9848	17	0.0%
59	Gas Supply Transportation	29,214	4.8806	29,214	4.8806	-	0.0%
60	Gas Supply Commodity	62,888	10.5065	62,888	10.5065	-	0.0%
61	Federal Carbon Charge	91,281	15.2500	108,400	18.1100	17,119	18.8%
62	Total Bill - Sales Service	274,717	45.8958	291,854	48.7587	17	0.0%
63	Bundled Direct Purchase Impact WTS	211,829	35.3893	228,965	38.2522	17,136	8.1%
64	Bundled Direct Purchase Impact DTS	188,242	31.4487	205,378	34.3116	17,136	9.1%

ENBRIDGE GAS INC.
 EGD Rate Zone
 Calculation of Bill Impacts for Typical Customers

Line No.	Particulars	EB-2024-0166 - Current Approved (1)		EB-2024-0251 - Proposed		Total Bill Change (\$)	Bill Impact Including Federal Carbon Charge (%)
		Total Bill (\$)	Unit Rate (cents/m ³)	Total Bill (\$)	Unit Rate (cents/m ³)		
		(a)	(b)	(c)	(d)	(e) = (c - a)	(f) = (e / a)
Rate 110 - Small Customer							
	Annual Volume 598,568m ³						
65	Monthly Customer Charge (2)	7,930	\$ 660.87	7,930	\$ 660.87	-	0.0%
66	Delivery Charges (3)	17,921	2.9939	17,938	2.9968	17	0.1%
67	Gas Supply Transportation	29,214	4.8806	29,214	4.8806	-	0.0%
68	Gas Supply Commodity	62,511	10.4435	62,511	10.4435	-	0.0%
69	Federal Carbon Charge	91,282	15.2500	108,401	18.1100	17,119	18.8%
70	Total Bill - Sales Service	208,858	34.8929	225,994	37.7558	17,136	0.0%
71	Bundled Direct Purchase Impact WTS	146,346	24.4494	163,483	27.3123	17,136	11.7%
72	Bundled Direct Purchase Impact DTS	122,759	20.5088	139,896	23.3717	17,136	14.0%
Rate 110 - Average Customer							
	Annual Volume 9,976,120m ³						
73	Monthly Customer Charge (2)	7,930	\$ 660.87	7,930	\$ 660.87	-	0.0%
74	Delivery Charges (3)	240,928	2.4151	241,218	2.4180	289	0.1%
75	Gas Supply Transportation	486,895	4.8806	486,895	4.8806	-	0.0%
76	Gas Supply Commodity	1,041,856	10.4435	1,041,856	10.4435	-	0.0%
77	Federal Carbon Charge	1,521,358	15.2500	1,806,675	18.1100	285,317	18.8%
78	Total Bill - Sales Service	3,298,968	33.0686	3,584,574	35.9315	289	0.0%
79	Bundled Direct Purchase Impact WTS	2,257,112	22.6251	2,542,718	25.4880	285,606	12.7%
80	Bundled Direct Purchase Impact DTS	1,863,993	18.6845	2,149,599	21.5474	285,606	15.3%
Rate 110 - Large Customer							
	Annual Volume 9,976,121m ³						
81	Monthly Customer Charge (2)	7,930	\$ 660.87	7,930	\$ 660.87	-	0.0%
82	Delivery Charges (3)	294,369	2.9507	294,658	2.9536	289	0.1%
83	Gas Supply Transportation	486,895	4.8806	486,895	4.8806	-	0.0%
84	Gas Supply Commodity	1,041,856	10.4435	1,041,856	10.4435	-	0.0%
85	Federal Carbon Charge	1,521,358	15.2500	1,806,676	18.1100	285,317	18.8%
86	Total Bill - Sales Service	3,352,409	33.6043	3,638,015	36.4672	289	0.0%
87	Bundled Direct Purchase Impact WTS	2,310,552	23.1608	2,596,159	26.0237	285,606	12.4%
88	Bundled Direct Purchase Impact DTS	1,917,433	19.2202	2,203,040	22.0831	285,606	14.9%
Rate 115 - Small Customer							
	Annual Volume 4,471,609m ³						
92	Monthly Customer Charge (2)	8,406	\$ 700.47	8,406	\$ 700.47	-	0.0%
93	Delivery Charges (3)	78,196	1.7487	78,326	1.7516	130	0.2%
94	Gas Supply Transportation	218,241	4.8806	218,241	4.8806	-	0.0%
95	Gas Supply Commodity	466,992	10.4435	466,992	10.4435	-	0.0%
96	Federal Carbon Charge	681,920	15.2500	809,808	18.1100	127,888	18.8%
97	Total Bill - Sales Service	1,453,756	32.5108	1,581,774	35.3737	130	0.0%
98	Bundled Direct Purchase Impact WTS	986,764	22.0673	1,114,781	24.9302	128,018	13.0%
99	Bundled Direct Purchase Impact DTS	810,555	18.1267	938,573	20.9896	128,018	15.8%
Rate 115 - Large Customer							
	Annual Volume 69,832,850m ³						
100	Monthly Customer Charge (2)	8,406	\$ 700.47	8,406	\$ 700.47	-	0.0%
101	Delivery Charges (3)	1,160,309	1.6616	1,162,335	1.6645	2,025	0.2%
102	Gas Supply Transportation	3,408,262	4.8806	3,408,262	4.8806	-	0.0%
103	Gas Supply Commodity	7,292,994	10.4435	7,292,994	10.4435	-	0.0%
104	Federal Carbon Charge	10,649,510	15.2500	12,646,729	18.1100	1,997,220	18.8%
105	Total Bill - Sales Service	22,519,480	32.2477	24,518,725	35.1106	2,025	0.0%
106	Bundled Direct Purchase Impact WTS	15,226,487	21.8042	17,225,731	24.6671	1,999,245	13.1%
107	Bundled Direct Purchase Impact DTS	12,474,653	17.8636	14,473,898	20.7265	1,999,245	16.0%
Rate 125 - Average Customer							
	Annual Volume 206,000,000m ³						
108	Monthly Customer Charge (2)	6,753	\$ 562.72	6,753	\$ 562.72	-	0.0%
109	Delivery Charges (3)	3,236,022	1.5709	3,241,996	1.5738	5,974	0.2%
110	Gas Supply Commodity	21,513,610	10.4435	21,513,610	10.4435	-	0.0%
111	Federal Carbon Charge	31,415,000	15.2500	37,306,600	18.1100	5,891,600	18.8%
112	Total Bill - Sales Service	56,164,632	27.2644	62,062,206	30.1273	5,974	0.0%
113	Bundled Direct Purchase	34,651,022	16.8209	40,548,596	19.6838	5,897,574	17.0%
Rate 135 - Average Customer							
	Annual Volume 598,567m ³						
114	Monthly Customer Charge (2)	1,563	\$ 130.29	1,563	\$ 130.29	-	0.0%
115	Delivery Charges (3)	21,096	3.5245	21,114	3.5274	17	0.1%
116	Gas Supply Transportation (4)	24,163	4.0368	24,163	4.0368	-	0.0%
117	Gas Supply Commodity	62,535	10.4475	62,535	10.4475	-	0.0%
118	Federal Carbon Charge	91,281	15.2500	108,400	18.1100	17,119	18.8%
119	Total Bill - Sales Service	200,639	33.5199	217,776	36.3828	17	0.0%
120	Bundled Direct Purchase Impact WTS	138,104	23.0724	155,240	25.9353	17,136	12.4%
121	Bundled Direct Purchase Impact DTS	114,517	19.1318	131,653	21.9947	17,136	15.0%
Rate 145 - Small Customer							
	Annual Volume 339,188m ³						
122	Monthly Customer Charge (2)	1,675	\$ 139.56	1,675	\$ 139.56	-	0.0%
123	Delivery Charges (3)	13,601	4.0100	13,611	4.0129	10	0.1%
124	Gas Supply Transportation (4)	14,696	4.3327	14,696	4.3327	-	0.0%
125	Gas Supply Commodity	35,437	10.4475	35,437	10.4475	-	0.0%
126	Federal Carbon Charge	51,726	15.2500	61,427	18.1100	9,701	18.8%
127	Total Bill - Sales Service	117,135	34.5339	126,846	37.3968	10	0.0%
128	Bundled Direct Purchase Impact WTS	81,698	24.0864	91,409	26.9493	9,711	11.9%
129	Bundled Direct Purchase Impact DTS	68,332	20.1458	78,043	23.0087	9,711	14.2%

ENBRIDGE GAS INC.
 EGD Rate Zone
 Calculation of Bill Impacts for Typical Customers

Line No.	Particulars	EB-2024-0166 - Current Approved (1)		EB-2024-0251 - Proposed		Total Bill Change (\$) (e) = (c - a)	Bill Impact Including Federal Carbon Charge (%) (f) = (e / a)
		Total Bill (\$)	Unit Rate (cents/m ³)	Total Bill (\$)	Unit Rate (cents/m ³)		
		(a)	(b)	(c)	(d)		
Rate 145 - Large Customer		Annual Volume 598,567m ³					
130	Monthly Customer Charge (2)	1,675	\$ 139.56	1,675	\$ 139.56	-	0.0%
131	Delivery Charges (3)	23,118	3.8623	23,136	3.8652	17	0.1%
132	Gas Supply Transportation (4)	25,934	4.3327	25,934	4.3327	-	0.0%
133	Gas Supply Commodity	62,535	10.4475	62,535	10.4475	-	0.0%
134	Federal Carbon Charge	91,281	15.2500	109,400	18.1100	17,119	18.8%
135	Total Bill - Sales Service	204,544	34.1722	221,680	37.0351	17	0.0%
136	Bundled Direct Purchase Impact WTS	142,008	23.7247	159,145	26.5876	17,136	12.1%
137	Bundled Direct Purchase Impact DTS	118,421	19.7841	135,558	22.6470	17,136	14.5%
Rate 170 - Small Customer		Annual Volume 9,976,120m ³					
138	Monthly Customer Charge (2)	3,777	\$ 314.79	3,777	\$ 314.79	-	0.0%
139	Delivery Charges (3)	85,432	0.8564	85,722	0.8593	289	0.3%
140	Gas Supply Transportation (4)	366,634	3.6751	366,634	3.6751	-	0.0%
141	Gas Supply Commodity	1,041,856	10.4435	1,041,856	10.4435	-	0.0%
142	Federal Carbon Charge	1,521,358	15.2500	1,806,675	18.1100	285,317	18.8%
143	Total Bill - Sales Service	3,019,059	30.2629	3,304,665	33.1258	289	0.0%
144	Bundled Direct Purchase Impact WTS	1,977,203	19.8194	2,262,809	22.6823	285,606	14.4%
145	Bundled Direct Purchase Impact DTS	1,584,084	15.8788	1,869,690	18.7417	285,606	18.0%
Rate 170 - Average Customer		Annual Volume 9,976,121m ³					
146	Monthly Customer Charge (2)	3,777	\$ 314.79	3,777	\$ 314.79	-	0.0%
147	Delivery Charges (3)	95,102	0.9533	95,391	0.9562	289	0.3%
148	Gas Supply Transportation (4)	366,634	3.6751	366,634	3.6751	-	0.0%
149	Gas Supply Commodity	1,041,856	10.4435	1,041,856	10.4435	-	0.0%
150	Federal Carbon Charge	1,521,358	15.2500	1,806,676	18.1100	285,317	18.8%
151	Total Bill - Sales Service	3,028,729	30.3598	3,314,335	33.2227	289	0.0%
152	Bundled Direct Purchase Impact WTS	1,986,872	19.9163	2,272,479	22.7792	285,606	14.4%
153	Bundled Direct Purchase Impact DTS	1,593,753	15.9757	1,879,360	18.8386	285,606	17.9%
Rate 170 - Large Customer		Annual Volume 69,832,850m ³					
154	Monthly Customer Charge (2)	3,777	\$ 314.79	3,777	\$ 314.79	-	0.0%
155	Delivery Charges (3)	598,136	0.8565	600,161	0.8594	2,025	0.3%
156	Gas Supply Transportation (4)	2,566,441	3.6751	2,566,441	3.6751	-	0.0%
157	Gas Supply Commodity	7,292,994	10.4435	7,292,994	10.4435	-	0.0%
158	Federal Carbon Charge	10,649,510	15.2500	12,646,729	18.1100	1,997,220	18.8%
159	Total Bill - Sales Service	21,110,858	30.2306	23,110,103	33.0935	2,025	0.0%
160	Bundled Direct Purchase Impact WTS	13,817,865	19.7871	15,817,109	22.6500	1,999,245	14.5%
161	Bundled Direct Purchase Impact DTS	11,066,031	15.8465	13,065,276	18.7094	1,999,245	18.1%
Rate 200 - Average Customer (5)		Annual Volume 140,305,600m ³					
162	Monthly Customer Charge (2)	24,000	\$ 2,000.00	24,000	\$ 2,000.00	-	0.0%
163	Delivery Charges (3)	6,325,521	4.5084	6,329,590	4.5113	4,069	0.1%
164	Gas Supply Transportation (4)	6,587,243	4.6949	6,587,243	4.6949	-	0.0%
165	Gas Supply Commodity	14,652,675	10.4434	14,652,675	10.4434	-	0.0%
166	Federal Carbon Charge	-	0.0000	-	0.0000	-	0.0%
167	Total Bill - Sales Service	27,589,439	19.6638	27,593,507	19.6667	4,069	0.0%
168	Bundled Direct Purchase Impact WTS	12,936,763	9.2204	12,940,832	9.2233	4,069	0.0%
169	Bundled Direct Purchase Impact DTS	7,407,881	5.2798	7,411,950	5.2827	4,069	0.1%

Notes:
 (1) EB-2024-0166, Exhibit F, Tab 1, Schedule 1, Appendix D.
 (2) Unit rate is equal to monthly dollar amount.
 (3) Includes load balancing rate.
 (4) Includes curtailment credits.
 (5) Rate 200 customers are not charged the Federal Carbon Charge.

ENBRIDGE GAS INC.

EGD Rate Zone

Summary of 2023 Federal Carbon Deferral and Variance Accounts

Line No.	Particulars (\$000's)	Customer Carbon Charge	Facility Carbon Charge	Greenhouse Gas	Total
		- Variance Account 179-502 (a)	- Variance Account 179-503 (b)	Emissions Administration Deferral Account 179-501 (c)	
1	Balance	-	(110)	4,152	4,042
2	Interest	-	(48)	390	342
3	Total (1)	-	(157)	4,541	4,384

Notes:

(1) Exhibit D, Tab 2, Schedule 3, page 2.

ENBRIDGE GAS INC.
EGD Rate Zone
Allocation of 2023 Federal Carbon Deferral and Variance Accounts

Line No.	Particulars (\$000's)	Allocators		Account Balances			Total (f) = (c+d+e)
		Jan - Dec 2023 Total Volumes 10 ³ m ³ (a)	2023 Number of Customers (b)	Customer Carbon Charge - Variance Account 19-657 (c)	Facility Carbon Charge - Variance Account 19-676 (1) (d)	Greenhouse Gas Emissions Administration Deferral Account 19-678 (2) (e)	
	<u>In-franchise</u>						
1	Rate 1	4,677,347	2,152,304	-	(52)	4,206	4,153
2	Rate 6	4,450,159	171,210	-	(50)	335	285
4	Rate 100	50,015	19	-	(1)	0	(1)
5	Rate 110	1,254,228	466	-	(14)	1	(13)
6	Rate 115	355,028	18	-	(4)	0	(4)
7	Rate 125	1,106,860	4	-	(12)	0	(12)
8	Rate 135	66,869	43	-	(1)	0	(1)
9	Rate 145	49,883	17	-	(1)	0	(1)
10	Rate 170	243,960	20	-	(3)	0	(3)
11	Rate 200	188,441	1	-	(2)	0	(2)
12	Rate 300	-	1	-	-	0	0
13	Rate 315	-	-	-	-	-	-
14	Total In-franchise	<u>12,442,790</u>	<u>2,324,103</u>	<u>-</u>	<u>(139)</u>	<u>4,541</u>	<u>4,402</u>
	<u>Ex-franchise</u>						
15	Rate 332	1,633,881	1	-	(18)	0	(18)
16	Total Ex-franchise	<u>1,633,881</u>	<u>1</u>	<u>-</u>	<u>(18)</u>	<u>0</u>	<u>(18)</u>
17	Total In-franchise & Ex-franchise	<u>14,076,671</u>	<u>2,324,104</u>	<u>-</u>	<u>(157)</u>	<u>4,541</u>	<u>4,384</u>

Notes:
(1) Allocated in proportion to column (a).
(2) Allocated in proportion to column (b).

ENBRIDGE GAS INC.
 EGD Rate Zone
 Unit Rates for One-Time Adjustment
2023 Federal Carbon Deferral and Variance Account Disposition

Line No.	Particulars	Deferral Balance for Disposition (\$000's) (1) (a)	Volume (10 ³ m ³) (b)	Unit Rate (cents/m ³) (c) = (a / b)*100
	<u>In-franchise</u>			
1	Rate 1	4,153	4,677,347	0.0888
2	Rate 6	285	4,450,159	0.0064
3	Rate 100	(1)	50,015	(0.0010)
4	Rate 110	(13)	1,254,228	(0.0010)
5	Rate 115	(4)	355,028	(0.0011)
6	Rate 125	(12)	1,106,860	(0.0011)
7	Rate 135	(1)	66,869	(0.0010)
8	Rate 145	(1)	49,883	(0.0011)
9	Rate 170	(3)	243,960	(0.0011)
10	Rate 200	(2)	188,441	(0.0011)
11	Rate 300 (2)	0	15,600	0.0125
12	Rate 315	-	-	-
13	Total In-franchise	4,402		
	<u>Ex-franchise</u>			
14	Rate 332	(18)	1,633,881	(0.0011)
15	Total Ex-franchise	(18)		

Notes:

- (1) Exhibit D, Tab 2, Schedule 3, page 2, column (f).
- (2) Rate 300 unit rate based on contracted demand (m³/d).

ENBRIDGE GAS INC.
 EGD Rate Zone
 Typical Bill Impacts
 2023 Federal Carbon Deferral and Variance Account Disposition

Line No.		Annual Bill Impact for Non-EPS						Annual Bill Impact for EPS				
		Annual Volume (m ³) (a)	Unit Rate (1) (cents/m ³) (b)	Total Adjustment (\$) (c) = (a x b) / 100	July 2024 Bill (2) (\$) (d)	July 2024 Bill Including Total Adjustment (\$) (e) = (d + c)	Bill Impact (%) (f) = (c / d)	Unit Rate (1) (cents/m ³) (g)	Total Adjustment (\$) (h) = (a x g) / 100	July 2024 Bill (2) (\$) (i)	July 2024 Bill Including Total Adjustment (\$) (j) = (i + h)	Bill Impact (%) (k) = (h / i)
1	Rate 1 - Small	2,400	0.0888	2.13	1,299	1,301	0.2%	0.0888	2.13	933	935	0.2%
2	Rate 6 - Average	22,606	0.0064	1.45	9,984	9,985	0.0%	0.0064	1.45	6,536	6,538	0.0%
3	Rate 6 - Large	339,124	0.0064	21.70	127,704	127,725	0.0%	0.0064	21.70	75,987	76,009	0.0%
4	Rate 100 - Small	339,188	(0.0010)	(3.54)	129,507	129,504	(0.0%)	(0.0010)	(3.54)	77,781	77,778	(0.0%)
5	Rate 100 - Large	1,500,000	(0.0010)	(15.67)	648,891	648,876	(0.0%)	(0.0010)	(15.67)	420,141	420,126	(0.0%)
6	Rate 110 - Small	598,568	(0.0010)	(6.26)	208,858	208,852	(0.0%)	(0.0010)	(6.26)	117,576	117,570	(0.0%)
7	Rate 110 - Large	9,976,121	(0.0010)	(104.37)	3,352,409	3,352,304	(0.0%)	(0.0010)	(104.37)	1,831,050	1,830,946	(0.0%)
8	Rate 115 - Small	4,471,609	(0.0011)	(49.58)	1,453,756	1,453,707	(0.0%)	(0.0011)	(49.58)	771,836	771,786	(0.0%)
9	Rate 115 - Large	69,832,850	(0.0011)	(774.35)	22,519,480	22,518,706	(0.0%)	(0.0011)	(774.35)	11,869,971	11,869,196	(0.0%)
10	Rate 125 - Average	206,000,000	(0.0010)	(2,045.82)	56,164,632	56,162,586	(0.0%)	(0.0010)	(2,045.82)	24,749,632	24,747,586	(0.0%)
11	Rate 135 - Average	598,567	(0.0010)	(5.94)	200,639	200,633	(0.0%)	(0.0010)	(5.94)	109,358	109,352	(0.0%)
12	Rate 145 - Small	339,188	(0.0011)	(3.57)	117,135	117,131	(0.0%)	(0.0011)	(3.57)	65,409	65,405	(0.0%)
13	Rate 145 - Large	598,567	(0.0011)	(6.30)	204,544	204,537	(0.0%)	(0.0011)	(6.30)	113,262	113,256	(0.0%)
14	Rate 170 - Small	9,976,121	(0.0011)	(110.01)	3,019,059	3,018,949	(0.0%)	(0.0011)	(110.01)	1,497,700	1,497,590	(0.0%)
15	Rate 170 - Large	69,832,850	(0.0011)	(770.08)	21,110,858	21,110,088	(0.0%)	(0.0011)	(770.08)	10,461,349	10,460,579	(0.0%)
16	Rate 200 - Average	140,305,600	(0.0011)					(0.0011)	(1,547.23)	27,589,439	27,587,891	(0.0%)

Notes:

- (1) Unit rates calculated at Exhibit D, Tab 2, Schedule 4.
- (2) Typical annual bill for a sales service customer at approved July 2024 QRAM rates (EB-2024-0166).

ENBRIDGE GAS INC.

Union Rate Zones

2025 Customer-Related Volumes and Derivation of Federal Carbon Charge Unit Rate

Effective April 1, 2025

Line No.	Particulars	Forecast Volumes (10 ³ m ³) (1) (a)	Less: Transportation Volumes (10 ³ m ³) (b)	Customer-Related Forecast Volumes (10 ³ m ³) (2) (c) = (a - b)	EPS Participant & Other Exempt Volumes (10 ³ m ³) (3) (d)	Net Volumes (10 ³ m ³) (e) = (c - d)	Federal Carbon Charge (\$/m ³) (4) (f)	Federal Carbon Cost (\$) (g) = (e * f * 1000)	Federal Carbon Charge Unit Rate (cents/m ³) (h) = (g/(e*1000))*100
<u>Union North In-franchise</u>									
1	Rate 01	1,013,413	-	1,013,413	269	1,013,143	0.1811	183,480,256	
2	Rate 10	318,344	-	318,344	9,212	309,132	0.1811	55,983,741	
3	Rate 20	991,428	-	991,428	893,817	97,610	0.1811	17,677,238	
4	Rate 25	190,423	-	190,423	178,399	12,024	0.1811	2,177,592	
5	Rate 100	927,064	-	927,064	927,064	-	0.1811	-	
6	Total Union North In-franchise	3,440,672	-	3,440,672	2,008,762	1,431,910		259,318,827	
<u>Union South In-franchise</u>									
7	Rate M1	3,220,995	-	3,220,995	2,156	3,218,839	0.1811	582,931,747	
8	Rate M2	1,232,396	-	1,232,396	94,918	1,137,477	0.1811	205,997,114	
9	Rate M4	585,465	-	585,465	247,538	337,928	0.1811	61,198,745	
10	Rate M5	58,417	-	58,417	12,743	45,674	0.1811	8,271,625	
11	Rate M7	810,074	-	810,074	636,246	173,828	0.1811	31,480,251	
12	Rate M9	98,223	-	98,223	98,223	-	0.1811	-	
13	Rate T1	407,282	-	407,282	329,596	77,686	0.1811	14,068,941	
14	Rate T2	5,118,431	-	5,118,431	5,049,146	69,285	0.1811	12,547,459	
15	Rate T3	255,661	-	255,661	255,661	-	0.1811	-	
16	Total Union South In-franchise	11,786,945	-	11,786,945	6,726,228	5,060,717		916,495,882	
17	Total In-franchise	15,227,617	-	15,227,617	8,734,990	6,492,627		1,175,814,709	
<u>Ex-franchise</u>									
18	Rate M12 - Firm Transportation	11,038,523	11,038,523	-	-	-	0.1811	-	
19	Rate M13	176,682	176,682	-	-	-	0.1811	-	
20	Rate M16	278,551	278,551	-	-	-	0.1811	-	
21	Rate M17	28,907	28,907	-	-	-	0.1811	-	
22	Rate C1 - Firm Transportation	9,878,697	9,878,697	-	-	-	0.1811	-	
23	Total Ex-franchise	21,401,360	21,401,360	-	-	-		-	
24	Total In-franchise & Ex-franchise	36,628,977	21,401,360	15,227,617	8,734,990	6,492,627		1,175,814,709	18.1100

Notes:

- (1) Exhibit B, Tab 3, Schedule 2, Col. 1 + ex-franchise forecast volumes.
- (2) Exhibit B, Tab 3, Schedule 2, Col. 1.
- (3) Exhibit B, Tab 3, Schedule 2, Col. 2.
- (4) Exhibit B, Tab 3, Schedule 6, Line 2.

ENBRIDGE GAS INC.
 Union Rate Zones
 Derivation of 2025 Facility Carbon Charge
 Effective April 1, 2025

Line No.	Particulars	Enbridge Gas Combined (a)
1	Total Facility Carbon Cost (\$000's) (1)	8,942
2	2024 Forecast Volumes (10 ³ m ³) (2)	51,856,157
3	Facility Carbon Charge (cents/m ³) (line 1 / line 2 * 100)	0.0172
4	Facility Carbon Charge (\$/GJ) (line 3 / Heat Value * 10) (3)	0.004

Notes:

- (1) Exhibit B, Tab 2, Schedule 6, Line 12/1000 + Exhibit B, Tab 3, Schedule 6, Line 12/1000.
- (2) Exhibit D, Tab 2, Schedule 1, Page 1, Column 1, Line 1 + Exhibit D, Tab 3, Schedule 1, Column (a), Line 24.
- (3) Per Exhibit D, Tab 1, Schedule 1, the common Facility Carbon Charge is applicable to all customers. Conversion to GJs based on heat value adjustment of 39.09 GJ/10³m³.

ENBRIDGE GAS INC.
Union Rate Zones
2025 Carbon Charge Unit Rate Summary
Effective April 1, 2025

<u>Line</u> <u>No.</u>	<u>Particulars</u>	<u>Unit Rate</u> <u>(cents/m³)</u> <u>(a)</u>
1	Federal Carbon Charge (1)	18.1100
2	Facility Carbon Charge (2)	0.0172
3	Total (line 1 + line 2)	<u><u>18.1272</u></u>

Notes:

- (1) Exhibit D, Tab 3, Schedule 1, p. 1, line 24, column (h).
- (2) Exhibit D, Tab 3, Schedule 1, p. 2, line 3, column (a).

ENBRIDGE GAS INC.
Union North Rate Zone
Calculation of Bill Impacts for Typical Customers

Line No.	Particulars	EB-2024-0166 - Current Approved (1)		EB-2024-0251 - Proposed			Bill Impact Including Federal Carbon Charge (%) (f) = (e / a)
		Total Bill (\$) (a)	Unit Rate (cents/m ³) (b)	Total Bill (\$) (c)	Unit Rate (cents/m ³) (d)	Total Bill Change (\$) (e) = (c - a)	
Rate 01 - Small Customer							
1	Monthly Customer Charge (2)	322	\$ 26.85	322	\$ 26.85	-	0.0%
2	Delivery Charges	233	10.6128	234	10.6157	0.06	0.0%
3	Gas Supply Transportation	173	7.8681	173	7.8681	-	0.0%
4	Gas Supply Commodity (3)	314	14.2865	314	14.2865	-	0.0%
5	Federal Carbon Charge	336	15.2500	398	18.1100	62.92	18.8%
6	Total Bill - Sales Service	1,379	62.6628	1,442	65.5257	62.98	4.6%
7	Bundled Direct Purchase Impact	1,064	48.3763	1,127	51.2392	62.98	5.9%
Rate 01 - Large Customer							
8	Monthly Customer Charge (2)	322	\$ 26.85	322	\$ 26.85	-	0.0%
9	Delivery Charges	3,837	9.5936	3,839	9.5965	1	0.0%
10	Gas Supply Transportation	3,147	7.8681	3,147	7.8681	-	0.0%
11	Gas Supply Commodity (3)	5,715	14.2865	5,715	14.2865	-	0.0%
12	Federal Carbon Charge	6,100	15.2500	7,244	18.1100	1,144	18.8%
13	Total Bill - Sales Service	19,121	47.8037	20,267	50.6666	1,145	6.0%
14	Bundled Direct Purchase Impact	13,407	33.5172	14,552	36.3801	1,145	8.5%
Rate 10 - Small Customer							
15	Monthly Customer Charge (2)	956	\$ 79.65	956	\$ 79.65	-	0.0%
16	Delivery Charges	4,921	8.2014	4,923	8.2043	2	0.0%
17	Gas Supply Transportation	3,726	6.2100	3,726	6.2100	-	0.0%
18	Gas Supply Commodity (3)	8,572	14.2865	8,572	14.2865	-	0.0%
19	Federal Carbon Charge	9,150	15.2500	10,866	18.1100	1,716	18.8%
20	Total Bill - Sales Service	27,325	45.5409	29,042	48.4038	1,718	6.3%
21	Bundled Direct Purchase Impact	18,753	31.2544	20,470	34.1173	1,718	9.2%
Rate 10 - Large Customer							
22	Monthly Customer Charge (2)	956	\$ 79.65	956	\$ 79.65	-	0.0%
23	Delivery Charges	18,306	7.3222	18,313	7.3251	7	0.0%
24	Gas Supply Transportation	15,525	6.2100	15,525	6.2100	-	0.0%
25	Gas Supply Commodity (3)	35,716	14.2865	35,716	14.2865	-	0.0%
26	Federal Carbon Charge	38,125	15.2500	45,275	18.1100	7,150	18.8%
27	Total Bill - Sales Service	108,628	43.4511	115,785	46.3140	7,157	6.6%
28	Bundled Direct Purchase Impact	72,911	29.1646	80,069	32.0275	7,157	9.8%
Rate 10 - Average Customer							
29	Monthly Customer Charge (2)	956	\$ 79.65	956	\$ 79.65	-	0.0%
30	Delivery Charges	7,386	7.9423	7,389	7.9452	3	0.0%
31	Gas Supply Transportation	5,775	6.2100	5,775	6.2100	-	0.0%
32	Gas Supply Commodity (3)	13,286	14.2865	13,286	14.2865	-	0.0%
33	Federal Carbon Charge	14,183	15.2500	16,842	18.1100	2,660	18.8%
34	Total Bill - Sales Service	41,586	44.7166	44,249	47.5795	2,662	6.4%
35	Bundled Direct Purchase Impact	28,300	30.4301	30,962	33.2930	2,662	9.4%
Rate 20 - Small Customer							
36	Monthly Customer Charge (2)	13,454	\$ 1,121.17	13,454	\$ 1,121.17	-	0.0%
37	Delivery Charges	81,219	2.7073	81,306	2.7102	87	0.1%
38	Gas Supply Transportation	67,878	2.2626	67,878	2.2626	-	0.0%
39	Gas Supply Commodity (3)	415,635	13.8545	415,635	13.8545	-	0.0%
40	Federal Carbon Charge	457,500	15.2500	543,300	18.1100	85,800	18.8%
41	Total Bill - Sales Service	1,035,685	34.5228	1,121,572	37.3857	85,887	8.3%
42	Bundled Direct Purchase Impact	620,050	20.6683	705,937	23.5312	85,887	13.9%
Rate 20 - Large Customer							
43	Monthly Customer Charge (2)	13,454	\$ 1,121.17	13,454	\$ 1,121.17	-	0.0%
44	Delivery Charges	354,140	2.3609	354,575	2.3638	435	0.1%
45	Gas Supply Transportation	290,904	1.9394	290,904	1.9394	-	0.0%
46	Gas Supply Commodity (3)	2,078,175	13.8545	2,078,175	13.8545	-	0.0%
47	Federal Carbon Charge	2,287,500	15.2500	2,716,500	18.1100	429,000	18.8%
48	Total Bill - Sales Service	5,024,174	33.4945	5,453,609	36.3574	429,435	8.5%
49	Bundled Direct Purchase Impact	2,945,999	19.6400	3,375,434	22.5029	429,435	14.6%
Rate 25 - Average Customer							
50	Monthly Customer Charge (2)	4,542	\$ 378.50	4,542	\$ 378.50	-	0.0%
51	Delivery Charges	76,166	3.3480	76,232	3.3509	66	0.1%
52	Gas Supply Transportation	26,344	1.1580	26,344	1.1580	-	0.0%
53	Gas Supply Commodity (3)	315,190	13.8545	315,190	13.8545	-	0.0%
54	Federal Carbon Charge	346,938	15.2500	412,003	18.1100	65,065	18.8%
55	Total Bill - Sales Service	769,180	33.8101	834,311	36.6730	65,131	8.5%
56	Bundled Direct Purchase Impact	453,990	19.9556	519,121	22.8185	65,131	14.3%
Rate 100 - Small Customer							
57	Monthly Customer Charge (2)	19,987	\$ 1,665.57	19,987	\$ 1,665.57	-	0.0%
58	Delivery Charges	319,490	1.1833	320,273	1.1862	783	0.2%
59	Gas Supply Transportation	1,115,631	4.1320	1,115,631	4.1320	-	0.0%
60	Gas Supply Commodity (3)	3,740,715	13.8545	3,740,715	13.8545	-	0.0%
61	Federal Carbon Charge	4,117,500	15.2500	4,889,700	18.1100	772,200	18.8%
62	Total Bill - Sales Service	9,313,324	34.4938	10,086,307	37.3567	772,983	8.3%
63	Unbundled Direct Purchase Impact	4,456,977	16.5073	5,229,960	19.3702	772,983	18.7%
Rate 100 - Large Customer							
64	Monthly Customer Charge (2)	19,987	\$ 1,665.57	19,987	\$ 1,665.57	-	0.0%
65	Delivery Charges	2,747,147	1.1446	2,754,107	1.1475	6,960	0.3%
66	Gas Supply Transportation	9,482,867	3.9512	9,482,867	3.9512	-	0.0%
67	Gas Supply Commodity (3)	33,250,800	13.8545	33,250,800	13.8545	-	0.0%
68	Federal Carbon Charge	36,600,000	15.2500	43,464,000	18.1100	6,864,000	18.8%
69	Total Bill - Sales Service	82,100,801	34.2087	88,971,761	37.0716	6,870,960	8.4%
70	Unbundled Direct Purchase Impact	39,367,134	16.4030	46,238,094	19.2659	6,870,960	17.5%

Notes:
(1) EB-2024-0166, Exhibit F, Tab 1, Schedule 1, Appendix D.
(2) Unit rate is equal to monthly dollar amount.
(3) Gas Supply charges based on Union North East Zone.

ENBRIDGE GAS INC.
 Union South Rate Zone
 Calculation of Bill Impacts for Typical Customers

Line No.	Particulars	EB-2024-0166 - Current Approved (1)		EB-2024-0251 - Proposed			Bill Impact
		Total Bill (\$)	Unit Rate (cents/m ³)	Total Bill (\$)	Unit Rate (cents/m ³)	Total Bill Change (\$)	Including Federal Carbon Charge (%)
		(a)	(b)	(c)	(d)	(e) = (c - a)	(f) = (e / a)
<u>Rate M1 - Small Customer</u>							
1	Monthly Customer Charge (2)	322	\$ 26.85	322	\$ 26.85	-	0.0%
2	Delivery Charges	143	6.4998	143	6.5027	0.06	0.0%
3	Gas Supply Charges	308	13.9965	308	13.9965	-	0.0%
4	Federal Carbon Charge	336	15.2500	398	18.1100	62.92	18.8%
5	Total Bill - Sales Service	1,109	50.3917	1,172	53.2546	62.98	5.7%
6	Bundled Direct Purchase Impact	801	36.3952	864	39.2581	62.98	7.9%
<u>Rate M1 - Large Customer</u>							
7	Monthly Customer Charge (2)	322	\$ 26.85	322	\$ 26.85	-	0.0%
8	Delivery Charges	2,348	5.8704	2,349	5.8733	1	0.0%
9	Gas Supply Charges	5,599	13.9965	5,599	13.9965	-	0.0%
10	Federal Carbon Charge	6,100	15.2500	7,244	18.1100	1,144	18.8%
11	Total Bill - Sales Service	14,369	35.9224	15,514	38.7853	1,145	8.0%
12	Bundled Direct Purchase Impact	8,770	21.9259	9,916	24.7888	1,145	13.1%
<u>Rate M2 - Small Customer</u>							
13	Monthly Customer Charge (2)	956	\$ 79.65	956	\$ 79.65	-	0.0%
14	Delivery Charges	3,989	6.6486	3,991	6.6515	2	0.0%
15	Gas Supply Charges	8,398	13.9965	8,398	13.9965	-	0.0%
16	Federal Carbon Charge	9,150	15.2500	10,866	18.1100	1,716	18.8%
17	Total Bill - Sales Service	22,493	37.4881	24,211	40.3510	2	0.0%
18	Bundled Direct Purchase Impact	14,095	23.4916	15,813	26.3545	1,718	12.2%
<u>Rate M2 - Large Customer</u>							
19	Monthly Customer Charge (2)	956	\$ 79.65	956	\$ 79.65	-	0.0%
20	Delivery Charges	15,818	6.3272	15,825	6.3301	7	0.0%
21	Gas Supply Charges	34,991	13.9965	34,991	13.9965	-	0.0%
22	Federal Carbon Charge	38,125	15.2500	45,275	18.1100	7,150	18.8%
23	Total Bill - Sales Service	89,890	35.9560	97,047	38.8189	7,157	8.0%
24	Bundled Direct Purchase Impact	54,899	21.9595	62,056	24.8224	7,157	13.0%
<u>Rate M2 - Average Customer</u>							
25	Monthly Customer Charge (2)	956	\$ 79.65	956	\$ 79.65	-	0.0%
26	Delivery Charges	4,829	6.6153	4,831	6.6182	2	0.0%
27	Gas Supply Charges	10,217	13.9965	10,217	13.9965	-	0.0%
28	Federal Carbon Charge	11,133	15.2500	13,220	18.1100	2,088	18.8%
29	Total Bill - Sales Service	27,135	37.1712	29,225	40.0341	2,090	7.7%
30	Bundled Direct Purchase Impact	16,917	23.1747	19,007	26.0376	2,090	12.4%
<u>Rate M4 - Small Customer</u>							
31	Delivery Charges	58,954	6.7376	58,979	6.7405	25	0.0%
32	Gas Supply Charges	122,469	13.9965	122,469	13.9965	-	0.0%
33	Federal Carbon Charge	133,438	15.2500	158,463	18.1100	25,025	18.8%
34	Total Bill - Sales Service	314,861	35.9841	339,911	38.8470	25,050	8.0%
35	Bundled Direct Purchase Impact	192,391	21.9876	217,442	24.8505	25,050	13.0%
<u>Rate M4 - Large Customer</u>							
36	Delivery Charges	472,901	3.9408	473,249	3.9437	348	0.1%
37	Gas Supply Charges	1,679,580	13.9965	1,679,580	13.9965	-	0.0%
38	Federal Carbon Charge	1,830,000	15.2500	2,173,200	18.1100	343,200	18.8%
39	Total Bill - Sales Service	3,982,481	33.1873	4,326,029	36.0502	343,548	8.6%
40	Bundled Direct Purchase Impact	2,302,901	19.1908	2,646,449	22.0537	343,548	14.9%
<u>Rate M5 - Small Customer</u>							
41	Monthly Customer Charge (2)	9,327	\$ 777.26	9,327	\$ 9,327.12	-	0.0%
42	Delivery Charges	29,603	3.5882	29,627	3.5911	24	0.1%
43	Gas Supply Charges	115,471	13.9965	115,471	13.9965	-	0.0%
44	Federal Carbon Charge	125,813	15.2500	149,408	18.1100	23,595	18.8%
45	Total Bill - Sales Service	280,213	33.9653	303,832	36.8282	23,619	8.4%
46	Bundled Direct Purchase Impact	164,742	19.9688	188,361	22.8317	23,619	14.3%
<u>Rate M5 - Large Customer</u>							
47	Monthly Customer Charge (2)	9,327	\$ 777.26	9,327	\$ 777.26	-	0.0%
48	Delivery Charges	217,237	3.3421	217,425	3.3450	189	0.1%
49	Gas Supply Charges	909,773	13.9965	909,773	13.9965	-	0.0%
50	Federal Carbon Charge	991,250	15.2500	1,177,150	18.1100	185,900	18.8%
51	Total Bill - Sales Service	2,127,586	32.7321	2,313,675	35.5950	186,089	8.7%
52	Bundled Direct Purchase Impact	1,217,814	18.7356	1,403,902	21.5985	186,089	15.3%
<u>Rate M7 - Small Customer</u>							
53	Delivery Charges	871,721	2.4214	872,765	2.4243	1,044	0.1%
54	Gas Supply Charges	5,038,740	13.9965	5,038,740	13.9965	-	0.0%
55	Federal Carbon Charge	5,490,000	15.2500	6,519,600	18.1100	1,029,600	18.8%
56	Total Bill - Sales Service	11,400,461	31.6679	12,431,105	34.5308	1,044	0.0%
57	Bundled Direct Purchase Impact	871,721	2.4214	872,765	2.4243	1,044	0.1%
<u>Rate M7 - Large Customer</u>							
58	Delivery Charges	3,396,434	6.5316	3,397,942	6.5345	1,508	0.0%
59	Gas Supply Charges	7,278,180	13.9965	7,278,180	13.9965	-	0.0%
60	Federal Carbon Charge	7,930,000	15.2500	9,417,200	18.1100	1,487,200	18.8%
61	Total Bill - Sales Service	18,604,614	35.7781	20,093,322	38.6410	1,508	0.0%
62	Bundled Direct Purchase Impact	3,396,434	6.5316	3,397,942	6.5345	1,508	0.0%

ENBRIDGE GAS INC.
 Union South Rate Zone
 Calculation of Bill Impacts for Typical Customers

Line No.	Particulars	EB-2024-0166 - Current Approved (1)		EB-2024-0251 - Proposed			Bill Impact
		Total Bill (\$)	Unit Rate (cents/m ³)	Total Bill (\$)	Unit Rate (cents/m ³)	Total Bill Change (\$)	Including Federal Carbon Charge (%)
		(a)	(b)	(c)	(d)	(e) = (c - a)	(f) = (e / a)
	<u>Rate M9 - Small Customer (3)</u>						
63	Delivery Charges	209,336	3.0120	209,538	3.0149	202	0.1%
64	Gas Supply Charges	972,757	13.9965	972,757	13.9965	-	0.0%
65	Federal Carbon Charge	-	0.0000	-	0.0000	-	0.0%
66	Total Bill - Sales Service	1,182,093	17.0085	1,182,294	17.0114	202	0.0%
67	Bundled Direct Purchase Impact	209,336	3.0120	209,538	3.0149	202	0.1%
	<u>Rate M9 - Large Customer (3)</u>						
68	Delivery Charges	621,999	3.0826	622,584	3.0855	585	0.1%
69	Gas Supply Charges	2,824,214	13.9965	2,824,214	13.9965	-	0.0%
70	Federal Carbon Charge	-	0.0000	-	0.0000	-	0.0%
71	Total Bill - Sales Service	3,446,212	17.0791	3,446,798	17.0820	585	0.0%
72	Bundled Direct Purchase Impact	621,999	3.0826	622,584	3.0855	585	0.1%
	<u>Rate T1 - Small Customer</u>						
73	Monthly Customer Charge (2)	26,577	\$ 2,214.74	26,577	\$ 2,214.74	-	0.0%
74	Delivery Charges	145,630	1.9322	145,849	1.9351	219	0.2%
75	Gas Supply Charges	1,054,916	13.9965	1,054,916	13.9965	-	0.0%
76	Federal Carbon Charge	1,149,393	15.2500	1,364,951	18.1100	215,558	18.8%
77	Total Bill - Sales Service	2,376,516	31.5313	2,592,292	34.3942	219	0.0%
78	Bundled Direct Purchase Impact	1,321,599	17.5348	1,537,376	20.3977	215,777	16.3%
	<u>Rate T1 - Average Customer</u>						
79	Monthly Customer Charge (2)	26,577	\$ 2,214.74	26,577	\$ 2,214.74	-	0.0%
80	Delivery Charges	240,612	2.0803	240,947	2.0832	335	0.1%
81	Gas Supply Charges	1,618,827	13.9965	1,618,827	13.9965	-	0.0%
82	Federal Carbon Charge	1,763,806	15.2500	2,094,591	18.1100	330,786	18.8%
83	Total Bill - Sales Service	3,649,821	31.5566	3,980,942	34.4195	335	0.0%
84	Bundled Direct Purchase Impact	2,030,994	17.5601	2,362,115	20.4230	331,121	16.3%
	<u>Rate T1 - Large Customer</u>						
85	Monthly Customer Charge (2)	26,577	\$ 2,214.74	26,577	\$ 2,214.74	-	0.0%
86	Delivery Charges	574,367	2.2415	575,110	2.2444	743	0.1%
87	Gas Supply Charges	3,586,474	13.9965	3,586,474	13.9965	-	0.0%
88	Federal Carbon Charge	3,907,672	15.2500	4,640,521	18.1100	732,849	18.8%
89	Total Bill - Sales Service	8,095,090	31.5917	8,828,682	34.4546	743	0.0%
90	Bundled Direct Purchase Impact	4,508,616	17.5952	5,242,208	20.4581	733,592	16.3%
	<u>Rate T2 - Small Customer</u>						
91	Monthly Customer Charge (2)	83,859	\$ 6,988.28	83,859	\$ 6,988.28	-	0.0%
92	Delivery Charges	704,094	1.1882	705,813	1.1911	1,718	0.2%
93	Gas Supply Charges	8,293,766	13.9965	8,293,766	13.9965	-	0.0%
94	Federal Carbon Charge	9,036,540	15.2500	10,731,262	18.1100	1,694,722	18.8%
95	Total Bill - Sales Service	18,118,260	30.5762	19,814,700	33.4391	1,718	0.0%
96	Bundled Direct Purchase Impact	9,824,494	16.5797	11,520,934	19.4426	1,696,440	17.3%
	<u>Rate T2 - Average Customer</u>						
97	Monthly Customer Charge (2)	83,859	\$ 6,988.28	83,859	\$ 6,988.28	-	0.0%
98	Delivery Charges	1,849,034	0.9348	1,854,770	0.9377	5,736	0.3%
99	Gas Supply Charges	27,683,656	13.9965	27,683,656	13.9965	-	0.0%
100	Federal Carbon Charge	30,162,952	15.2500	35,819,742	18.1100	5,656,790	18.8%
101	Total Bill - Sales Service	59,779,502	30.2237	65,442,028	33.0866	5,736	0.0%
102	Bundled Direct Purchase Impact	32,095,846	16.2272	37,758,371	19.0901	5,662,526	17.6%
	<u>Rate T2 - Large Customer</u>						
103	Monthly Customer Charge (2)	83,859	\$ 6,988.28	83,859	\$ 6,988.28	-	0.0%
104	Delivery Charges	3,128,493	0.8453	3,139,225	0.8482	10,733	0.3%
105	Gas Supply Charges	51,799,507	13.9965	51,799,507	13.9965	-	0.0%
106	Federal Carbon Charge	56,438,573	15.2500	67,023,118	18.1100	10,584,545	18.8%
107	Total Bill - Sales Service	111,450,431	30.1145	122,045,709	32.9774	10,733	0.0%
108	Bundled Direct Purchase Impact	59,650,924	16.1180	70,246,202	18.9809	10,595,278	17.8%
	<u>Rate T3 - Large Customer (3)</u>						
109	Monthly Customer Charge (2)	279,791	\$ 23,315.94	279,791	\$ 23,315.94	-	0.0%
110	Delivery Charges	6,359,934	2.3321	6,367,842	2.3350	7,909	0.1%
111	Gas Supply Charges	38,170,135	13.9965	38,170,135	13.9965	-	0.0%
112	Federal Carbon Charge	-	0.0000	-	0.0000	-	0.0%
113	Total Bill - Sales Service	44,809,860	16.4312	44,817,769	16.4341	7,909	0.0%
114	Bundled Direct Purchase Impact	6,639,725	2.4347	6,647,634	2.4376	7,909	0.1%

Notes:

- (1) EB-2024-0166, Exhibit F, Tab 1, Schedule 1, Appendix D.
- (2) Unit rate is equal to monthly dollar amount.
- (3) Rate M9 and Rate T3 customers are not charged the Federal Carbon Charge.

ENBRIDGE GAS INC.
 Union Rate Zones
Summary of 2023 Federal Carbon Deferral and Variance Accounts

Line No.	Particulars (\$000's)	Customer Carbon Charge - Variance Account 179-421 (a)	Facility Carbon Charge - Variance Account 179-420 (b)	Greenhouse Gas Emissions Administration Deferral Account 179-422 (c)	Total (d) = (a+b+c)
1	Balance	-	(4,717)	2,615	(2,102)
2	Interest	-	(538)	241	(297)
3	Total (1)	<u>-</u>	<u>(5,255)</u>	<u>2,856</u>	<u>(2,399)</u>

Notes:

(1) Exhibit D, Tab 3, Schedule 3, page 2.

ENBRIDGE GAS INC.
Union Rate Zones
Allocation of 2023 Federal Carbon Deferral and Variance Accounts

Line No.	Particulars (\$000's)	Allocators		Account Balances			Total (f) = (c+d+e)
		Jan - Dec 2023 Total Volumes 10 ³ m ³ (a)	Total 2013 A&G (\$000's) (b)	Customer Carbon Charge - Variance Account 179-421 (c)	Facility Carbon Charge - Variance Account 179-420 (1) (d)	Greenhouse Gas Emissions Administration Deferral Account 179-422 (2) (e)	
<u>Union North In-franchise</u>							
1	Rate 01	931,782	31,817	-	(100)	573	473
2	Rate 10	305,249	2,759	-	(33)	50	17
3	Rate 20	1,074,225	2,373	-	(115)	43	(72)
4	Rate 25	255,665	2,089	-	(27)	38	10
5	Rate 100	942,952	953	-	(101)	17	(84)
6	Total North In-franchise	<u>3,509,873</u>	<u>39,992</u>	<u>-</u>	<u>(376)</u>	<u>720</u>	<u>344</u>
<u>Union South In-franchise</u>							
7	Rate M1	2,925,618	80,159	-	(313)	1,443	1,130
8	Rate M2	1,151,051	7,539	-	(123)	136	12
9	Rate M4	564,595	2,801	-	(60)	50	(10)
10	Rate M5	58,966	3,131	-	(6)	56	50
11	Rate M7	769,537	787	-	(82)	14	(68)
12	Rate M9	97,880	108	-	(10)	2	(9)
13	Rate T1	397,887	2,036	-	(43)	37	(6)
14	Rate T2	5,069,101	5,624	-	(543)	101	(442)
15	Rate T3	255,245	627	-	(27)	11	(16)
16	Total South In-franchise	<u>11,289,881</u>	<u>102,812</u>	<u>-</u>	<u>(1,209)</u>	<u>1,851</u>	<u>642</u>
<u>Ex-franchise</u>							
17	Rate M12	20,690,666	14,918	-	(2,216)	269	(1,947)
18	Rate M13	47,278	0	-	(5)	0	(5)
19	Rate M16	273,664	21	-	(29)	0	(29)
20	Rate M17	28,586	-	-	(3)	-	(3)
21	Rate C1	13,233,295	323	-	(1,417)	6	(1,411)
22	Excess Utility Storage Space	-	597	-	-	11	11
23	Total Ex-franchise	<u>34,273,489</u>	<u>15,859</u>	<u>-</u>	<u>(3,670)</u>	<u>285</u>	<u>(3,385)</u>
24	Total In-franchise & Ex-franchise	<u>49,073,243</u>	<u>158,663</u>	<u>-</u>	<u>(5,255)</u>	<u>2,856</u>	<u>(2,399)</u>

Notes:
(1) Allocated in proportion to column (a).
(2) Allocated in proportion to column (b).

ENBRIDGE GAS INC.
Union Rate Zones
Unit Rates for One-Time Adjustment
2023 Federal Carbon Deferral and Variance Account Disposition

Line No.	Particulars	Deferral Balance for Disposition (\$000's) (1)	Volume (10 ³ m ³) (b)	Unit Rate (cents/m ³) (c) = (a / b)*100
<u>Union North In-franchise</u>				
1	Rate 01	473	931,782	0.0508
2	Rate 10	17	305,249	0.0056
3	Rate 20	(72)	1,074,225	(0.0067)
4	Rate 25	10	255,665	0.0040
5	Rate 100	(84)	942,952	(0.0089)
6	Total North In-franchise	<u>344</u>		
<u>Union South In-franchise</u>				
7	Rate M1	1,130	2,925,618	0.0386
8	Rate M2	12	1,151,051	0.0011
9	Rate M4	(10)	564,595	(0.0018)
10	Rate M5	50	58,966	0.0849
11	Rate M7	(68)	769,537	(0.0089)
12	Rate M9	(9)	97,880	(0.0087)
13	Rate T1	(6)	397,887	(0.0015)
14	Rate T2	(442)	5,069,101	(0.0087)
15	Rate T3	(16)	255,245	(0.0063)
16	Total South In-franchise	<u>642</u>		
<u>Ex-franchise (2)</u>				
17	Rate M12	(1,947)		
18	Rate M13	(5)		
19	Rate M16	(29)		
20	Rate M17	(3)		
21	Rate C1	(1,411)		
22	Total Ex-franchise	<u>(3,396)</u>		

Notes:

- (1) Exhibit D, Tab 3, Schedule 3, page 2, column (f).
- (2) Ex-franchise M12, M13, M16, M17 and C1 customer specific amounts determined using approved deferral account allocation methodologies.

ENBRIDGE GAS INC.
 Union Rate Zones
 Typical Bill Impacts
2023 Federal Carbon Deferral and Variance Account Disposition

Line No.	Annual Volume (m ³) (a)	Annual Bill Impact for Non-EPS					Annual Bill Impact for EPS					
		Unit Rate (1) (cents/m ³) (b)	Total Adjustment (\$) (c) = (a x b) / 100	July 2024 Bill (2) (\$) (d)	July 2024 Bill Including Total Adjustment (\$) (e) = (d + c)	Bill Impact (%) (f) = (c / d)	Unit Rate (1) (cents/m ³) (g)	Total Adjustment (\$) (h) = (a x g) / 100	July 2024 Bill (2) (\$) (i)	July 2024 Bill Including Total Adjustment (\$) (j) = (i + h)	Bill Impact (%) (k) = (h / i)	
<u>Union North In-franchise</u>												
1	Rate 01 - Small	2,200	0.0508	1.12	1,379	1,380	0.1%	0.0508	1.12	1,043	1,044	0.1%
2	Rate 10 - Small	60,000	0.0056	3.34	27,325	27,328	0.0%	0.0056	3.34	18,175	18,178	0.0%
3	Rate 10 - Large	250,000	0.0056	13.90	108,628	108,642	0.0%	0.0056	13.90	70,503	70,517	0.0%
4	Rate 20 - Small	3,000,000	(0.0067)	(202)	1,035,685	1,035,483	(0.0%)	(0.0067)	(202)	578,185	577,983	(0.0%)
5	Rate 20 - Large	15,000,000	(0.0067)	(1,010)	5,024,174	5,023,164	(0.0%)	(0.0067)	(1,010)	2,736,674	2,735,664	(0.0%)
6	Rate 25 - Average	2,275,000	0.0040	91	769,180	769,271	0.0%	0.0040	91	422,242	422,333	0.0%
7	Rate 100 - Small	27,000,000	(0.0089)	(2,400)	9,313,324	9,310,923	(0.0%)	(0.0089)	(2,400)	5,195,824	5,193,423	(0.0%)
8	Rate 100 - Large	240,000,000	(0.0089)	(21,334)	82,100,801	82,079,466	(0.0%)	(0.0089)	(21,334)	45,500,801	45,479,466	(0.0%)
<u>Union South In-franchise</u>												
9	Rate M1 - Small	2,200	0.0386	0.85	1,109	1,109	0.1%	0.0386	0.85	773	774	0.1%
10	Rate M2 - Small	60,000	0.0011	0.65	22,493	22,493	0.0%	0.0011	0.65	13,343	13,343	0.0%
11	Rate M2 - Large	250,000	0.0011	2.70	89,890	89,893	0.0%	0.0011	2.70	51,765	51,768	0.0%
12	Rate M4 - Small	875,000	(0.0018)	(16)	314,861	314,845	(0.0%)	(0.0018)	(16)	181,423	181,407	(0.0%)
13	Rate M4 - Large	12,000,000	(0.0018)	(213)	3,982,481	3,982,267	(0.0%)	(0.0018)	(213)	2,152,481	2,152,267	(0.0%)
14	Rate M5 - Small	825,000	0.0849	700	280,213	280,914	0.2%	0.0849	700	154,401	155,101	0.5%
15	Rate M5 - Large	6,500,000	0.0849	5,516	2,127,586	2,133,102	0.3%	0.0849	5,516	1,136,336	1,141,852	0.5%
16	Rate M7 - Small	36,000,000	(0.0089)	(3,192)	11,400,461	11,397,268	(0.0%)	(0.0089)	(3,192)	5,910,461	5,907,268	(0.1%)
17	Rate M7 - Large	52,000,000	(0.0089)	(4,611)	18,604,614	18,600,003	(0.0%)	(0.0089)	(4,611)	10,674,614	10,670,003	(0.0%)
18	Rate M9 - Small	6,950,000	(0.0087)	(606)	1,182,093	1,181,487	(0.1%)	(0.0087)	(606)	3,446,212	3,444,452	(0.1%)
19	Rate M9 - Large	20,178,000	(0.0087)	(1,760)	3,446,212	3,444,452	(0.1%)	(0.0087)	(1,760)	10,674,614	10,670,003	(0.0%)
20	Rate T1 - Small	7,537,000	(0.0015)	(113)	2,376,516	2,376,403	(0.0%)	(0.0015)	(113)	1,227,123	1,227,010	(0.0%)
21	Rate T1 - Average	11,565,938	(0.0015)	(173)	3,649,821	3,649,647	(0.0%)	(0.0015)	(173)	1,886,015	1,885,842	(0.0%)
22	Rate T1 - Large	25,624,080	(0.0015)	(384)	8,095,090	8,094,706	(0.0%)	(0.0015)	(384)	4,187,418	4,187,034	(0.0%)
23	Rate T2 - Small	59,256,000	(0.0087)	(5,162)	18,118,260	18,113,097	(0.0%)	(0.0087)	(5,162)	9,081,720	9,076,557	(0.1%)
24	Rate T2 - Average	197,789,850	(0.0087)	(17,231)	59,779,502	59,762,271	(0.0%)	(0.0087)	(17,231)	29,616,550	29,599,319	(0.1%)
25	Rate T2 - Large	370,089,000	(0.0087)	(32,241)	111,450,431	111,418,190	(0.0%)	(0.0087)	(32,241)	55,011,859	54,979,617	(0.1%)
26	Rate T3 - Large	272,712,000	(0.0063)	(17,152)	44,809,860	44,792,708	(0.0%)	(0.0063)	(17,152)	44,809,860	44,792,708	(0.0%)

Notes:

- (1) Exhibit D, Tab 3, Schedule 4, column (c).
- (2) Typical annual bill for a sales service customer at approved July 2024 QRAM rates (EB-2024-0166).