



DECISION AND INTERIM RATE ORDER ENBRIDGE GAS INC. – EB-2025-0165 JULY 24, 2025

Natural Gas bills are Changing for Enbridge Gas Customers

The Ontario Energy Board (OEB) has <u>approved</u> new natural gas prices for Enbridge Gas Inc. (Enbridge) to take effect July 1, 2025. Enbridge customers using a typical amount of natural gas can expect an average annual bill change ranging between a decrease of \$26.85 and an increase of \$74.30, depending on where they are in the province.

Table 1 - Total Annual Bill Impact

Rate Zone and Typical Annual Usage for a Residential Customer	Enbridge Gas Distribution (EGD) 2,400 m ³	Union South 2,200 m ³	Union North East 2,200 m ³	Union North West 2,200 m ³
Total Annual Bill – Current	\$1,057.62	\$951.67	\$1,214.05	\$891.47
- Beginning July 1, 2025	\$1,036.18	\$924.83	\$1,200.18	\$965.76
Total Annual Bill Impact	-\$21.44	-\$26.85	-\$13.87	\$74.30
- Percentage Change	-2.0%	-2.8%	-1.1%	8.3%

^{*}Bill impacts will vary depending on how much natural gas individual customers use. Natural gas use is generally lowest during the summer months.

BACKGROUND

The factors that contribute to the changes in natural gas customers' bills for the period July 1 to September 30, 2025, are as follows:

Market Prices

Market prices are increasing for the natural gas that supplies the EGD and Union North West zones, while they are decreasing for the natural gas that supplies the Union South and Union North East zones. As a result, the annual impact for the commodity portion of the bill will vary by region, ranging from a decrease of \$42.89 to an increase of \$69.98 for a typical residential customer depending on the rate zone.

The following factors are influencing changes in the market price of natural gas:

¹ EB-2024-0111, November 29, 2024 - In Phase 1 of Enbridge's 2024 Rebasing proceeding, the OEB approved the establishment of interim 2024 rates to reflect that the proceeding is being conducted in phases and that certain interim 2024 rates may be further adjusted to incorporate the full impacts of determinations to be made in Phase 2 of the proceeding. In Phase 2, the OEB approved 2025 rates on an interim basis until the remaining Phase 2 issues and applicable Phase 3 issues are resolved. The OEB likewise approved Enbridge's July 2025 QRAM application on an interim basis.

- Natural gas inventories are currently lower than at this time last year, though they remain above the five-year average.
- The winter of 2024-2025 was colder than the previous winter but still milder than the historical average, affecting seasonal demand.
- Changes in supply conditions in Western Canada are exerting upward pressure on natural gas prices, particularly for customers in the Union North West region.

Other Rate Adjustments

Two other changes are also affecting customer bills. The first is the implementation of temporary rate adjustments approved by the OEB for amounts related to Enbridge's 2022 and 2024 Demand Side Management activities.² These adjustments will appear as a one-time charge on customer bills in July, ranging between \$9.87 and \$24.93 for a typical residential customer depending on the rate zone.

The second is an adjustment to the unit rate for the facility carbon charge previously approved by the OEB in Enbridge's 2025 Federal Carbon Pricing proceeding.³ While the federal carbon charge (which was previously paid by end use customers through their Enbridge bill) has been eliminated, Enbridge must still pay a separate facility carbon charge for the natural gas used for its own transmission and storage compressor facilities under Ontario's Emissions Performance Standards (EPS) program. The adjustment to the facility carbon charge unit rate reflects Enbridge's obligations under the EPS program. The annual bill impact of this change for a typical residential customer is a decrease of \$0.12 in the EGD rate zone and a decrease of \$0.11 in the Union rate zones.

ABOUT THE QRAM AND NATURAL GAS MARKET PRICES

The QRAM (quarterly rate adjustment mechanism) is the process by which the OEB adjusts the prices that natural gas customers pay for the natural gas they use and to reflect changes in natural gas market prices.

Natural gas is a commodity that is bought and sold on North American energy markets. At any given time, its price fluctuates based on a variety of factors including supply and demand, seasonal changes, levels of stored natural gas, and major weather events. Enbridge updates its forecast of market prices every three months and uses that forecast to seek the OEB's approval of its proposed changes to natural gas commodity prices. These proposed changes cover:

- Future costs: Based on a forecast of market prices for natural gas over the next 12-month period.
- Past costs: Based on the difference between what the utility previously forecast their customers would pay and what their customers actually paid. This kind of adjustment is needed because the gas prices charged to customers are based on forecasts, which are never 100% accurate. The adjustment for past costs can increase or lower the rate accordingly. For example, if a utility collected more from customers than it paid for gas in the past, the difference is credited back to customers through a lower rate. Likewise, if not enough was collected by the utility, the rate will be higher.

These price changes are approved to take effect on the 1st of the month in January, April, July and October each year.

² EB-2024-0193

³ EB-2024-0251

The OEB does not allow natural gas distributors to earn a profit on the sale of gas, regardless of market fluctuations in price.

SUPPORT FOR CUSTOMERS

Support programs are available for customers who need assistance with their bill payments. You need to meet certain criteria to qualify for these programs:

Low-income Energy Assistance Program (LEAP)

This program provides a grant towards a customer's electricity and/or natural gas bill if they're behind on their bill payments and may face having their service shut off. It is for emergency situations. See OEB.ca/BillHelp

Rules for low-income customers

Electricity utilities, natural gas utilities and unit sub-metering providers follow customer service rules specific to low-income customers. These include waiving security deposits and allowing longer payment times under arrears payment plans. See OEB.ca/BillHelp

ABOUT THE OEB

The OEB is the independent regulator of Ontario's electricity and natural gas sectors. It protects the interests of consumers and supports the delivery of clean, reliable and affordable energy for the people, farms and businesses of Ontario. Its goal is to deliver public value through prudent regulation and independent adjudicative decision-making which contributes to Ontario's economic, social and environmental development. You can learn more about the OEB at oeb.ca.

Independence in the hearing and determination of matters is a key element of the OEB's mandate, established through legislative structures, the Memorandum of Understanding between the Minister of Energy and Electrification and the Chair of the OEB, and by-laws that set out clear lines of communication between government and the OEB. Commissioner panels hear and determine matters independently, with legislative protections and other instruments to ensure decisions are free from interference by the CEO, the Board of Directors and government. This also includes the Chief Commissioner when not assigned to the specific case.

Contact Us

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Ce document est aussi disponible en français.

This Backgrounder was prepared by OEB staff to inform Ontario's energy consumers about the OEB's decision and is not for use in legal or regulatory proceedings. It is not part of the OEB's reasons for decision; those may be found in the Decision and Interim Rate Order issued June 24, 2025, which is the official OEB document.