

December 19, 2024

## Enbridge Gas Inc. Natural Gas Prices are Changing

The Ontario Energy Board (OEB) has approved new interim natural gas prices for Enbridge to take effect January 1, 2025.<sup>1</sup>

### REASONS FOR CHANGES TO NATURAL GAS BILLS

#### Quarterly Rate Adjustment Mechanism (QRAM)

Several factors contribute to the change in natural gas prices approved for Enbridge's QRAM for the January 1 to March 31 period, including the market price which is increasing with the start of the winter withdrawal season and forecasted colder than normal weather for the winter season.

#### Total Annual Bill Impact

As noted in Table 1, beginning January 1, 2025, the total annual bill impact\* for residential customers using a typical amount of natural gas in each rate zone will be:

**The QRAM** 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.

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

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

#### Other Rate Changes

The OEB also sets rates that natural gas distributors can charge for the delivery and storage of natural gas.

Any changes to those rates that are approved by the OEB between QRAM decisions, typically also take effect on the first day of the next calendar quarter.

Table 1

Rate Zone and Typical Annual Usage for a Residential Customer	Enbridge Gas Distribution 2,400 m <sup>3</sup>	Union South 2,200 m <sup>3</sup>	Union North East 2,200 m <sup>3</sup>	Union North West 2,200 m <sup>3</sup>
<b>Total Annual Bill – Current</b>	\$1,196.92	\$1,038.18	\$1,319.16	\$1,099.20
<b>– Beginning January 1, 2025</b>	\$1,279.87	\$1,143.08	\$1,437.10	\$1,142.92
<b>Total Annual Bill Impact</b>	<b>\$82.95</b>	<b>\$104.89</b>	<b>\$117.94</b>	<b>\$43.72</b>
<b>– Percentage Change</b>	<b>6.9%</b>	<b>10.1%</b>	<b>8.9%</b>	<b>4.0%</b>

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

<sup>1</sup> 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 January 2025 QRAM application on an interim basis.

## **Other Rate Changes**

Also taking effect on January 1, 2025, and included in Table 1 are rate changes and rate adjustments previously approved by the OEB.

Annual bill impacts include the implementation of 2025 interim rates and rate adjustments approved by the OEB in Phase 2 of Enbridge's 2024 Rebasing proceeding.<sup>2</sup> The bill impact of these changes ranges between \$29.99 and \$33.73 for a typical residential customer depending on the rate zone.

Additionally, annual bill impacts also reflect that the rate adjustments approved by the OEB in Phase 1 of Enbridge's 2024 Rebasing proceeding<sup>3</sup> and in Enbridge's 2021 Demand Side Management Deferral and Variance Account proceeding<sup>4</sup> will come to an end on December 31<sup>st</sup>. The bill impact of this change ranges between \$26.12 and \$39.50 for a typical residential customer depending on the rate zone.

## **About the QRAM**

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.

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

## **Resources to Support Natural Gas Customers**

- **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](https://www.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](https://www.oeb.ca/BillHelp)

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<sup>2</sup> [EB-2024-0111](#), November 29, 2024

<sup>3</sup> [EB-2022-0200](#), April 11, 2024

<sup>4</sup> [EB-2023-0062](#), May 7, 2024

- **Enbridge** – To help consumers save energy and lower their natural gas bill, Enbridge offers rebates for energy-efficiency upgrades and free upgrades for income-qualified homes.
  - [Residential](#)
  - [Business](#)

## **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](http://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 the decision; those may be found in the Decision and Interim Rate Order issued today, which is the official OEB document.*