

Federal Carbon Charge increases April 1, 2022

March 24, 2022

On April 1, 2022 customers will see an increase to the federal carbon charge and facility carbon charge as approved by the OEB in Enbridge Gas' 2022 Federal Carbon Pricing Program (FCPP) proceeding ([EB-2021-0209](#)). April bills will also include a one-time adjustment for clearance of the 2020 balances in the FCPP-related deferral and variance accounts.

As part of the federal government's carbon pricing program, a carbon charge applies to fossil fuels, including natural gas. The federal carbon charge is included on customers' bills, with the exception of customer facilities that have an exemption certificate issued by the federal government. On April 1, 2022, the federal carbon charge for natural gas will increase to 9.79 cents per cubic metre (m³). This charge increases annually each April.

There is also a facility carbon charge included in the delivery or transportation charge on your bill. This charge is associated with the costs to operate Enbridge Gas' facilities. Enbridge Gas' facility-related carbon charges are applicable to all customers, as these charges are costs that Enbridge Gas incurs to deliver natural gas to you.

	Current Charge (cents/m ³)	New Approved Charge (cents/m ³)	Change (cents/m ³)
Federal Carbon Charge	7.8300	9.7900	1.9600
Facility Carbon Charge – Union rate zones	0.0127	0.0141	0.0014

2020 Federal Carbon Charge Deferral and Variance Accounts

Enbridge Gas received OEB approval for the disposition of the 2020 balances recorded in its FCPP-related deferral and variance accounts effective April 1, 2022. This account clearing results in a one-time adjustment being applied to April bills for all customers.

	Unit Rate for One-Time Rate Adjustment* (cents/m ³)
Rate M4	0.0004
Rate M5A	0.0250
Rate M7	(0.0013)
Rate M9	(0.0013)
Rate M10	0.0355
Rate T1	0.0005

Rate T2	(0.0012)
Rate T3	0.0007

*recovered on customers' April 2022 bills and based on actual Jan. 1 to Dec. 31, 2020 volumes.

Full details of this filing ([EB-2021-0209](#)) can be found on our website.

Enbridge Gas Receives Ontario Energy Board Approval for Rate Changes Effective April 1, 2022

Enbridge Gas recently received approval from the Ontario Energy Board (OEB) for rate changes effective April 1, 2022 ([EB-2022-0089](#)). These changes were proposed to the OEB earlier this month as part of the Quarterly Rate Adjustment Mechanism (QRAM) and approved as filed.

QRAM is the mechanism Enbridge Gas uses to review and adjust our rates for changes in natural gas prices. This is done every three months to reflect ongoing changes in the market price of natural gas and to adjust for the difference between the forecasted price of natural gas and actual price from prior periods.

In addition to updating rates in the Enbridge Gas Distribution (EGD) and Union rate zones in accordance with Enbridge Gas' Board-approved QRAM methodologies, April 1, 2022 rates will also reflect:

- an increase to the federal carbon charge and facility carbon charge as approved by the OEB in Enbridge Gas' 2022 Federal Carbon Pricing Program proceeding ([EB-2021-0209](#)), and
- the disposal of the 2020 deferral and variance account balances ([EB-2021-0149](#)). Clearance of these balances will result in a one-time delivery adjustment being applied to bills for all customers who received contract rate delivery services in 2020.

More information on the 2020 deferral and variance account balances can be found in our [Feb. 11, 2022](#) newsletter.

April 2022 QRAM

Utility Sales

	Current Utility Sales (cents/m ³)	New Approved Utility Sales (cents/m ³)	Change (cents/m ³)
Gas Commodity Rate	19.5945	20.5311	0.9366
Gas - Price Adjustment	(1.5416)	(0.3793)	1.1623

Delivery Rates

The following changes to delivery rates reflect quarterly updates to gas costs (compressor fuel, unaccounted for gas, and carrying costs of gas in inventory). This can be found on the "Delivery" line of the invoice.

	Approved Delivery Rate Change* (cents/m ³)
Rate M4	0.0172
Rate M5A	0.0146
Rate M7	0.0157
Rate M9	0.0131
Rate M10	0.0186

*Excludes approved changes reflecting the 2022 Federal Carbon Pricing Program application (EB-2021-0209).

Rate M1 and Rate M2 Customers

[Rate M1](#) and [Rate M2](#) will also be changing effective April 1, 2022. Customers can find current information on these rates on our website or in the notice included with their April bill.

Balancing Transaction Fees

Balancing transaction fees will be updated effective April 1, 2022. For current rates, please see the [Balancing Transaction Fee Schedule](#).

For more information, find the full application ([EB-2022-0089](#)) posted on our website.

Union South Rate Zone Direct Purchase Parkway Delivery Obligation Shift to Dawn is Available in 2022

In the 2014 Rate filing (EB-2013-0365), the OEB approved a shift of the Parkway delivery obligation to Dawn for all Enbridge Gas direct purchase customers in its Union South rate zone over the next several years as appropriate transportation capacity became available. Permanent Parkway delivery obligation shifts under this approach were provided in 2014 and 2017.

It is not known when the next opportunity to provide a permanent Parkway obligation shift to Dawn will be available. However, as part of the recent 2022 Rate filing (EB-2021-0147), the OEB approved the use of a market-based mechanism to facilitate a temporary shift effective Nov. 1, 2022 until at least Oct. 31, 2027. Further details about the quantities available and an election form will be provided to eligible customers shortly.

If you have any questions about any of the material in this newsletter, please contact your account manager.