



Information for Large Volume Union South Rate Zone Customers

Feb. 26, 2024

2022 Deferral and Variance Account Clearing Bill Adjustments

Enbridge Gas recently received approval from the Ontario Energy Board (OEB) to dispose of amounts recorded in certain 2022 deferral and variance accounts for all Enbridge Gas rate zones ([EB-2023-0092](#)). The 2022 deferral account application excludes the 2022 Federal Carbon Pricing Program (FCPP)-related deferral and variance accounts as well as the Demand Side Management (DSM) deferral and variance accounts for which Enbridge Gas has separate applications.

This account clearing will result in a one-time adjustment being applied to the April 2024 bills of all customers.

What are Deferral and Variance Accounts?

Deferral and variance accounts are used to capture certain differences between Enbridge Gas' forecast amounts approved for collection through rates and actual revenues and costs collected or incurred. The differences are either refunded or collected from customers, upon approval by the OEB, and are specifically allocated to each rate class.

How to Estimate the 2022 Deferral Adjustment

You can estimate your customers' 2022 deferral adjustment by multiplying the proposed rate adjustment that applies to their service (shown below) by the actual volume of natural gas they consumed in 2022.

Unit Rate for 2022 Deferral Adjustment (cents/m ³)			
Rate Class	System Gas	Bundled-T	T-Service
Rate M1	0.3490	0.0194	-
Rate M2	0.5972	0.2677	-
Rate M4	0.4728	0.1432	-
Rate M5	0.1067	(0.2228)	-
Rate M7	0.5186	0.1891	-
Rate M9	0.5306	0.2011	-
Rate M10	0.2553	(0.0743)	-
Rate T1	-	-	0.0963
Rate T2	-	-	0.1184

Unit Rate for 2022 Deferral Adjustment (cents/m ³)			
Rate Class	System Gas	Bundled-T	T-Service
Rate T3			0.2045

Full details of this filing ([EB-2023-0092](#)) can be found on our website.

Federal Carbon Charge Changes April 1, 2024

On April 1, 2024 customers will see an increase in the customer-related federal carbon charge and a decrease in the facility-related carbon charge as approved by the OEB in Enbridge Gas' 2024 federal carbon pricing program (FCPP) proceeding ([EB-2023-0196](#)). April bills will also include a one-time adjustment for clearance of the 2022 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, 2024, the federal carbon charge for natural gas will increase from 12.39 to 15.25 cents per cubic metre (m³). This charge increases annually each April.

The federal carbon charge for 2024 is based on \$80/tCO₂e (15.25 cents/m³). All natural gas consumption is subject to the federal carbon charge except natural gas consumption that qualifies for exemption under the Greenhouse Gas Pollution Pricing Act (GGPPA).

A facility carbon charge is also 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)
Customer-related federal carbon charge (if applicable)	12.3900	15.2500	2.8600
Facility-related carbon charge	0.0157	0.0143	(0.0014)

2022 Federal Carbon Charge Deferral and Variance Accounts

Enbridge Gas received OEB approval for the disposition of the 2022 balances recorded in its FCPP-related deferral and variance accounts, effective April 1, 2024. This account clearing will result in a one-time adjustment being applied to the April 2024 bills of all customers.

	Unit Rate for One-Time Rate Adjustment* (cents/m ³)
Rate M4	0.0008

	Unit Rate for One-Time Rate Adjustment* (cents/m ³)
Rate M5A	0.0835
Rate M7	(0.0056)
Rate M9	(0.0054)
Rate M10	0.1281
Rate T1	0.0007
Rate T2	(0.0054)
Rate T3	(0.0034)

* Recovered/refunded on customers' April 2024 bills and based on actual Jan. 1 to Dec. 31, 2022 volumes.

Full details of the Federal Carbon Pricing Program application ([EB-2023-0196](#)) can be found on our website.

Contract Harmonization Webinar Posted Online

On Jan. 23, 2024, Enbridge Gas hosted a webinar to introduce and provide customers with an overview of the harmonized contract structure and documents for distribution and direct purchase services.

Customers will be provided notice at least two months prior to the implementation date. As of the implementation date, all in-scope customers' contracts will be subject to the harmonized contract documents including the underlying General Terms and Conditions and Transactions Rules. The harmonized contract documents, [presentation](#) and [Q&A](#) can be found on the [website](#).

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