
Decision on Enbridge's Major Rates Application (Phase 2)

On May 29, 2025, the Ontario Energy Board (OEB) issued its [Decision and Order](#) on the three issues that remained unsettled from Phase 2 of Enbridge Gas Inc.'s (Enbridge) application to change its natural gas rates and other charges beginning January 1, 2024. This completes the second of three phases of Enbridge's application.¹

These issues dealt with meter-reading metrics, decoupling revenue from customer numbers, and a proposed approach to procure and sell renewable natural gas (RNG).

Lower-Carbon Energy Program

In this application, Enbridge proposed to purchase RNG, offer it for sale to large volume customers, and recover the costs of any unsold RNG from its remaining customers.

The OEB denied Enbridge's request noting that, under this proposal, small business and residential customers could face increased costs of up to \$250M a year by 2029, which amounts to an extra \$4.00 per month on natural gas bills. The OEB determined that Enbridge can participate in the RNG commodity market to implement a large customer voluntary RNG program, as a non-utility business and at no cost to other ratepayers.

Meter-Reading Metrics

The OEB has established a minimum requirement for meter reads by natural gas distributors². The proportion of active meters that go without a reading for four or more consecutive months cannot exceed 0.5% annually. In its application, Enbridge sought to exclude meters it deemed inaccessible from this calculation.

The OEB denied Enbridge's request and instead granted a temporary exemption from the requirement to meet the metric in 2025. The OEB noted significant improvement in Enbridge's meter reading performance since 2021 and accepted Enbridge's commitment to ongoing improvement. The OEB noted that the temporary exemption would provide Enbridge with additional time to meet the metric.

Decoupling Revenue from Customer Numbers

A key issue in this proceeding was to determine how performance-based incentives could be used within the context of the energy transition. Two intervenors proposed weakening the link between Enbridge's revenue and new customer attachments: Among other options, they proposed that Enbridge not be able to retain a portion of the net revenues from forecasted new customer attachments and none of the net revenues from customer attachments above the approved forecast.

The OEB determined that it would not implement revenue decoupling as part of Enbridge's approved ratemaking framework that sets rates for the 2025 to 2028 period. In its Phase 1 decision, as well as its

¹ The OEB issued a [Decision and Order](#) on Phase 1 (EB-2022-0200) on December 21, 2023. The Phase 1 proceeding established base rates for 2024. The OEB issued a [Decision](#) on Settlement Proposal and Interim Rate Order for Phase 2 (EB-2024-0111) on November 29, 2024.

² [Gas Distribution Access Rule](#), section 7.3.3.1

decision accepting the Phase 2 settlement proposal, the OEB directed Enbridge to address issues relating to the impact of the energy transition in its next rebasing application.

INTERVENORS

Intervenors are individuals or groups who have permission to participate in a hearing before the OEB because they have a substantial interest in the proceeding. Several intervenors representing different ratepayer groups participated in the proceeding.

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.

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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 Order issued May 29, 2025, which is the official OEB document.