



 Corporate Services Department Legislative Services Division	
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Enbridge Gas Inc.
500 Consumers Road
North York, Ontario M2J 1P8
Canada

January 30, 2024

Your Worship and Members of Council,

I am writing to inform you of our concerns with the Ontario Energy Board's (OEB) decision on Phase 1 of the Enbridge Gas 2024 rebasing application, issued on December 21, 2023. The disappointing decision puts future access to natural gas in doubt and sets a deliberate course to eliminate natural gas from Ontario's energy mix. This decision is about the millions of Ontarians who rely on natural gas to keep their homes warm, and the many businesses throughout Ontario who depend on natural gas for day-to-day operation.

Our 2024 rate rebasing application was designed to provide our customers with safe and reliable natural gas at a reasonable cost, in addition to measured steps to help Ontario advance a practical transition to a sustainable energy future. Natural gas plays a critical role in Ontario's energy evolution mix while supporting the reliability of Ontario's electricity system. Natural gas meets 30 percent of Ontario's energy needs, which can not be easily or quickly replaced.

We are taking action to secure the future of natural gas in your communities. We have filed a motion to review evidence with the OEB and are seeking a judicial review of this decision.

Without natural gas, communities across Ontario will feel the impacts of this decision in their everyday lives – the stakes are high.

- **Energy Affordability:** Those looking to connect to natural gas will be required to pay an upfront fee, which creates a significant financial barrier to all forms of residential and commercial development. This resulting fee adds thousands of dollars to individual consumers' cost to obtain or expand gas service.
- **Economic Growth:** This decision will put economic developments in your community at risk. The decision limits the ability of future expansion projects to support regional investment to meet the ever-growing energy needs in your community and communities across Ontario. That includes greenhouses, grain dryers, industrial parks, and any new businesses or housing developments seeking access to natural gas.
- **Energy Access:** Preserving customer choice is critical. Constraining access to natural gas through a reduction in capital will significantly limit the future development of essential energy infrastructure vital to moving manufacturing, agriculture, and the consumer goods industry in Ontario.
- **Energy Security:** On an annual basis, natural gas delivers twice the energy to Ontario than electricity, and five times the maximum peak capacity of Ontario's electricity grid at a quarter of the cost. Even in the worst weather conditions, our reliable natural gas system delivers.

As local leaders across the province, your voice matters, and we encourage you to take action.

Reach out to your MPP to share your support for the government's [quick action](#) and write the OEB about the consequences of reduced access to the natural gas grid to support economic development, housing growth, energy reliability. Use your voice to acknowledge the need for natural gas and infrastructure in Ontario today and into the future while we take a measured step towards energy transition.

We ask that you reach out to your municipal advisor or find us at municipalaffairs@enbridge.com to get started.

Sincerely,

Michele Harradence
President
Enbridge Gas Inc.

The Ontario Energy Board (OEB) rate rebasing decision jeopardizes the future of energy for all energy consumers, and here's why:

- It conveys a strong bias against the current and future use of natural gas and sets a course to eliminate it from Ontario's energy mix.
- It ignores the fact that there is not enough electricity to replace the energy provided by natural gas and meet the increased demand from the electrification of technologies such as personal vehicles.
- It does not support the policies of the Ontario government to unlock economic growth and enable affordable housing.
- The OEB failed to uphold its role as an economic regulator and overstepped its jurisdiction with a decision that effectively sets energy policy.

Millions of Ontarians will feel the impact of the OEB's decision in their everyday lives – the stakes are high.

- **Affordability:** All new connections to homes and businesses will need to be paid for upfront. This will add thousands of dollars to individual consumers' costs – and is an abrupt departure from the OEB's own long-standing approach to natural gas system expansion.
- **Growth:** Our priority will be maintaining the safety and reliability of the existing system. If there is no remaining capital to support growth projects and development across Ontario – greenhouses, grain dryers, industrial parks, and any new businesses or housing developments seeking access to natural gas will be at risk.
- **Access:** Preserving customer choice is imperative. Constraining your access to natural gas through a reduction in capital will significantly limit the future development of essential energy infrastructure that's vital to manufacturing, agriculture and consumer goods industries in Ontario.

Enbridge Gas is challenging this decision in order to secure the future of energy in your communities.

Your voice is important too:

- Reach out to your MPP to share your support for the government's action.
- Let the OEB know what impacts the decision will have on economic development, housing growth, affordability and energy reliability in your community.
- Look for opportunities to advocate for natural gas and gas infrastructure in Ontario today and into the future while we take measured steps toward an orderly energy transition.

Reach out to municipalaffairs@enbridge.com to get started.



Natural gas plays a critical role in Ontario.

- Natural gas provides twice the energy of electricity at a quarter of the cost – with no tax-based subsidy.
- Natural gas delivers five times more capacity than the maximum electricity demand in Ontario on a peak winter day. Even in the coldest weather conditions, our reliable natural gas system delivers.
- Natural gas is the energy backbone of industry and manufacturing in Ontario and is critical in driving the province's economic development today and going forward.
- Natural gas partners well with renewable sources of energy and will help support the evolution to a more electrified future in the years ahead. Just look to the steel producers that are phasing out coal-fired steelmaking – they are turning to natural gas to help achieve net-zero emissions. It's all part of a bigger energy evolution here in Ontario – with natural gas at its core.
- Leveraging pipeline infrastructure to deliver lower carbon fuels (such as renewable natural gas and hydrogen), alongside low carbon heating technologies (such as hybrid heating and natural gas) and carbon capture and sequestration, will help Ontario achieve its climate goals.
- Enbridge Gas' 151,000 km of largely buried gas transmission, distribution and storage system is an extremely valuable asset for Ontario – today and for the future.
- Communities across Ontario are looking for affordable and reliable energy options that suit their needs; we receive requests for new natural gas services every day because heating homes with natural gas is one of the most affordable, and the most reliable, options on the market.

We are committed to advocating for natural gas infrastructure in Ontario's energy evolution and ensuring our customers can access safe, reliable, affordable energy.

Have questions?

We have answers.

Reach out to municipalaffairs@enbridge.com to learn more about the critical role natural gas plays in Ontario.



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