

## Information for Large Volume Union North Rate Zone Customers

March 27, 2023

### Federal Carbon Charge Increases April 1, 2023

On April 1, 2023 customers will see an increase in the federal customer-related carbon charge and facility-related carbon charge as approved by the OEB in Enbridge Gas' 2023 federal carbon pricing program (FCPP) proceeding ([EB-2022-0194](#)). April bills will also include a one-time adjustment for clearance of the 2021 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, 2023, the federal carbon charge for natural gas will increase from 9.79 to 12.39 cents per cubic metre (m<sup>3</sup>). This charge increases annually each April.

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.

The federal carbon charge for 2023 is based on \$65/tCO<sub>2</sub>e (12.39 cents/m<sup>3</sup>). 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).

	Current Charge (cents/m <sup>3</sup> )	New Approved Charge (cents/m <sup>3</sup> )	Change
Federal carbon pricing – customer-related charge (if applicable)	9.7900	12.3900	2.6300
Facility-related carbon charge – EGD rate zone	0.0070	0.0079	0.0009
Facility-related carbon charge – Union rate zones	0.0141	0.0162	0.0021

Effective Jan. 1, 2024, a common facility carbon charge of 0.0157 cents/m<sup>3</sup> will apply to all customers.

#### Common Federal Carbon Pricing Facility-Related Charge (effective Jan. 1, 2024)

0.0157 cents/m<sup>3</sup>

#### 2021 Federal Carbon Charge Deferral and Variance Accounts

Enbridge Gas received OEB approval for the disposition of the 2021 balances recorded in its FCPP-related deferral and variance accounts effective April 1, 2023. 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 <sup>3</sup> )
Rate 20	0.0008
Rate 25	(0.0004)
Rate 100	0.0030

\*recovered/refunded on customers' April 2023 bills and based on actual Jan. 1 to Dec. 31, 2021 volumes.

Full details of this filing ([EB-2022-0194](#)) can be found on our website.

## Enbridge Gas Receives Ontario Energy Board Approval for Rate Changes Effective April 1, 2023

Enbridge Gas recently received approval from the Ontario Energy Board (OEB) for rate changes effective April 1, 2023 ([EB-2023-0073](#)). 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, 2023 rates will also reflect:

- an increase in the federal customer-related carbon charge and facility-related carbon charge as approved by the OEB in Enbridge Gas' 2023 federal carbon pricing program (FCPP) proceeding ([EB-2022-0194](#)), and
- the disposal of the 2021 FCPP deferral and variance account balances ([EB-2022-0194](#)). Clearance of these balances will result in a one-time adjustment being applied to April bills for all customers.

### April 2023 QRAM

#### 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 <sup>3</sup> )
Rate 20	(0.0481)
Rate 100	(0.0006)

\*Excludes approved changes reflecting the 2023 federal carbon pricing program application (EB-2022-0194).



### **Rate 01 and Rate 10 Customers**

[Rate 01](#) and [Rate 10](#) will also be changing effective April 1, 2023. 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, 2023. For current rates, please see the [Balancing Transaction Fee Schedule](#).

For more information, find the full application ([EB-2023-0073](#)) posted on our website.

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