

ENBRIDGE GAZ QUÉBEC
PRE-FILED EVIDENCE OF KURT HOLMES AND DANIELLE DREVENY
2027 RATE CASE

Q.1 Please state your full name, and your current position.

A.1 My name is Kurt Holmes. I am a Rate Design Specialist, at Enbridge Gas Inc. and my name is Danielle Dreveny, Manager Rate Design, at Enbridge Gas Inc.

Q.2 What are your professional qualifications, experience, and previous appearances before this or other regulatory tribunals?

A.2 Please refer to our Curriculum Vitae filed at Exhibit EGQ-26, documents 3 and 4.

Q.3 What is the purpose of this testimony?

A.3 This testimony addresses Enbridge Gaz Québec's (the "Company") proposed allocation of the 2027 forecast distribution revenue requirement and distribution revenue deficiency to the various customer rate classes and the development of the 2027 distribution rates. The proposed 2027 distribution rates are derived using the results of the 2027 fully allocated cost study as a guide. This evidence does not address the derivation of the gas supply, load balancing, and transportation charges. These charges will continue to be determined within Enbridge Gaz Québec's quarterly rate change mechanism.

Q.4 What is the distribution revenue deficiency and how much is it for the test year?

A.4 The distribution revenue deficiency is the difference between the distribution revenue requirement for the test year determined by the 2027 cost of service budget and the revenues derived by applying the current distribution rates from the Régie's Decision D-2026-068 (2026 rates) to the 2027 test year number of customers and volumes. The revenue deficiency is approximately \$160.7

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thousand for 2027. In other words, revenues at current 2026 rates are \$160.7 thousand lower than the 2027 revenue requirement.

Q.5 Please provide an overview of the organization of the documents contained under Tab EGQ-26, document 1.1 through document 1.3. In addition, please provide a summary of the content of these documents.

A.5 Certainly. Document 1.1, page 1 (Revenue Comparison – Current Distribution Revenue vs. Proposed Distribution Revenue), contains by rate class a summary of test year 2027 volumes (Col. 2), associated distribution revenues under the current 2026 distribution rates (Col.3), associated revenues under the proposed 2027 rates (Col. 5), and the corresponding 2027 revenue deficiency of \$160.7 thousand (Col. 4).

Document 1.1, page 2 and page 3 provides a summary of the proposed unit rate changes by rate class. The unit rates currently in effect, the unit rate changes, and the proposed unit rates are provided in this document on a rate class basis.

Document 1.1, page 4, provides the current and proposed average unit rates for the commodity, load balancing, transportation, Dawn transportation and distribution for each rate class in Columns 1 and 3 respectively. The commodity, load balancing, transportation and Dawn transportation revenues are based on the January 1, 2026 Pass-on rates. The gas cost related revenues at existing rates and proposed rates in Document 1.1, page 3 do not include the forecast change in gas costs for 2027 as outlined at Exhibit EGQ-16 Document 1. The impact from the change in gas costs for 2027 are discussed and filed in Exhibit EGQ-26, document 2.1. The associated revenues are in Columns 2 and 4 respectively. The forecast distribution revenue deficiency is in Column 5. The percentage change in the unit rates is shown in Column 6.

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Document 1.2, page 1 and 2 provides the summary of the bill impacts related to the scenario analysis the Company completed related to the proposal to increase the fixed monthly charges for Rate 1 and Rate 2. The current, change in, and proposed fixed monthly charge for each scenario is provided in Columns 1 through 3. The total bill impacts for select revenue classes within Rates 1 and 2 are on provided in Columns 4 through 17. Item number 1 and 2 show the total bill at 2026 rates and the bill impacts from the 2027 rates deficiency. Item number 3 through 7 show the bill impacts related to the rate design proposal scenarios, and item numbers 8 through 12 provide the total bill impacts including the 2027 rates deficiency and rate design proposal scenario. Item number 13 through 15 provide the average use, total volumes and average number of bills associated with each revenue class examined in the proposal analysis.

Document 1.3, page 1 provides an analysis of the effects of 2027 revenue deficiency between fixed and variable revenue components as requested by the Régie in the 2026-068 decision at paragraph 138. Document 1.3, page 1 contains by rate class a summary of 2027 test year volumes (Col.1), distribution revenues under the current 2026 distribution rates (Col.2) and percentage of 2026 distribution revenues (Col.3). Distribution fixed revenue by rate class is summarized in Column 4 through 8 with the current 2026 fixed charges, proposed 2027 fixed charge increase, 2027 proposed fixed charge increase as a percentage of the current charge, distribution revenue impact percentage, and portion of distribution deficiency allocated to fixed revenue respectively. Distribution variable revenue by rate class including the distribution revenue impact percentage and portion of distribution deficiency allocated to variable revenue are included in Column 9 and 10 respectively. Columns 11 through 13 provide by rate class the total distribution deficiency, distribution revenue impact percentage, and total revenue impact percentage inclusive of 2026 gas costs. The impact of 2027 gas costs are discussed in ECQ-26, document 2.

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Document 1.3, page 2 provided an overview of the distribution deficiency allocation and revenue to cost ratios before and after proposed adjustments. Column 1 through 4 includes by rate class the 2027 cost of service, distribution revenues under the current 2026 distribution rates, 2027 distribution revenue deficiency, and rate base allocator percentages. Column 5 through 7 presents the distribution deficiency allocation, proposed distribution revenue and revenue to cost ratios before any adjustments. Column 8 shows the proposed rate design adjustments for 2027. The final proposed distribution deficiency, proposed distribution revenue and revenue to cost ratios inclusion of the adjustments are found at Columns 9 through 11.

Q.6 Please explain how the deficiency is allocated to the rate classes and how the proposed rates are derived.

A.6 The proposed rates are determined in two stages. In stage 1, the distribution deficiency is allocated to the rate classes pro rata to their rate base allocations on a preliminary basis.

In stage 2, the distribution deficiency allocation is reviewed and further adjustments may be performed to the distribution revenue component of the various rate classes. The final distribution deficiency by rate class and proposed revenues are shown in Columns 4 and 5 of EGQ-26, document 1.1, page 1. Details of the distribution deficiency allocation, and proposed distribution revenues before adjustment (stage 1) and after adjustment (stage 2) are shown in EGQ-26, document 1.3, page 2.

Q.7 Please describe the adjustments made to the distribution deficiency at the rate class level in stage 2.

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- A.7 Adjustments are made to the revenue responsibilities of each rate class if the initial allocation of deficiency in stage 1 does not achieve important rate design objectives. These objectives include avoidance of rate shock, market acceptance, competitive position, appropriate relationships between rates, and acceptable revenue to cost “(R/C)” ratios. Table 1 below depicts the proposed 2027 distribution revenue to costs ratios for each rate class as well as the 2027 distribution revenue to cost ratios. Typically, the Company quotes a revenue to cost ratio including commodity and load balancing costs and revenues. As this filing only isolates the distribution revenue requirement, the revenue to cost ratios have been stated on a distribution only basis.

Below is a summary of the proposed bill impacts for all rate classes for customer under Sales service and T-service (excludes commodity). The table below also shows revenue to cost ratios and the change in volumes by rate class for 2027 and 2026.

The bill impacts depicted in the chart below are relative to the January 1, 2026 Pass-On rates which are based on the 2026 final distribution rates and January 1, 2026 gas costs.

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Table 1: 2027 Proposed Revenue Adjustments and Bill Impacts

	<u>Total</u>	<u>Rate 1</u>	<u>Rate 2</u>	<u>Rate 4</u>	<u>Rate 5</u>	<u>Rate 9</u>
Adjustments (\$'000)	0.0	0.0	0.0	0.0	(0.2)	0.2
Proposed 2027 R/C Ratio – Distribution Only	1.00	1.09	0.97	1.39	1.02	0.77
Fiscal 2026 R/C Ratio – Distribution Only	1.00	1.00	1.00	1.36	1.00	0.76
% increase on total bill of a T- service customer	0.2%	0.2%	0.2%	0.1%	0.1%	0.2%
% increase on total bill of a sales customer	0.2%	0.1%	0.2%	0.1%	0.1%	0.1%
2027 Delivery Volumes (10 ⁶ m ³)	198.0	83.4	61.8	3.6	18.1	31.0
2026 Delivery Volumes (10 ⁶ m ³)	196.9	82.8	63.0	3.6	18.3	29.2

Table 1 provides the adjustment to revenues and resulting bill impacts. There has been slight erosion to the revenue to cost ratios for Rate 1, 2, 4 and 5 compared to 2026. The change in revenue to cost ratio for these rate classes is driven by changes in the cost of service and while the goal is to achieve a ratio of 1.0 for all rate classes, it is also important to balance the customer impacts of any adjustments. The Company only made minor revenue adjustments to ensure consistency in delivery rate bill impacts across the rate classes. The Company has made a downward adjustment of \$0.2 thousand to Rate 5 and offset this adjustment with an upward adjustment of \$0.2 thousand to Rate 9. This results in a small improvement in the revenue to cost ratio for Rate 9 compared to 2026. The Company will continue to seek to improve the

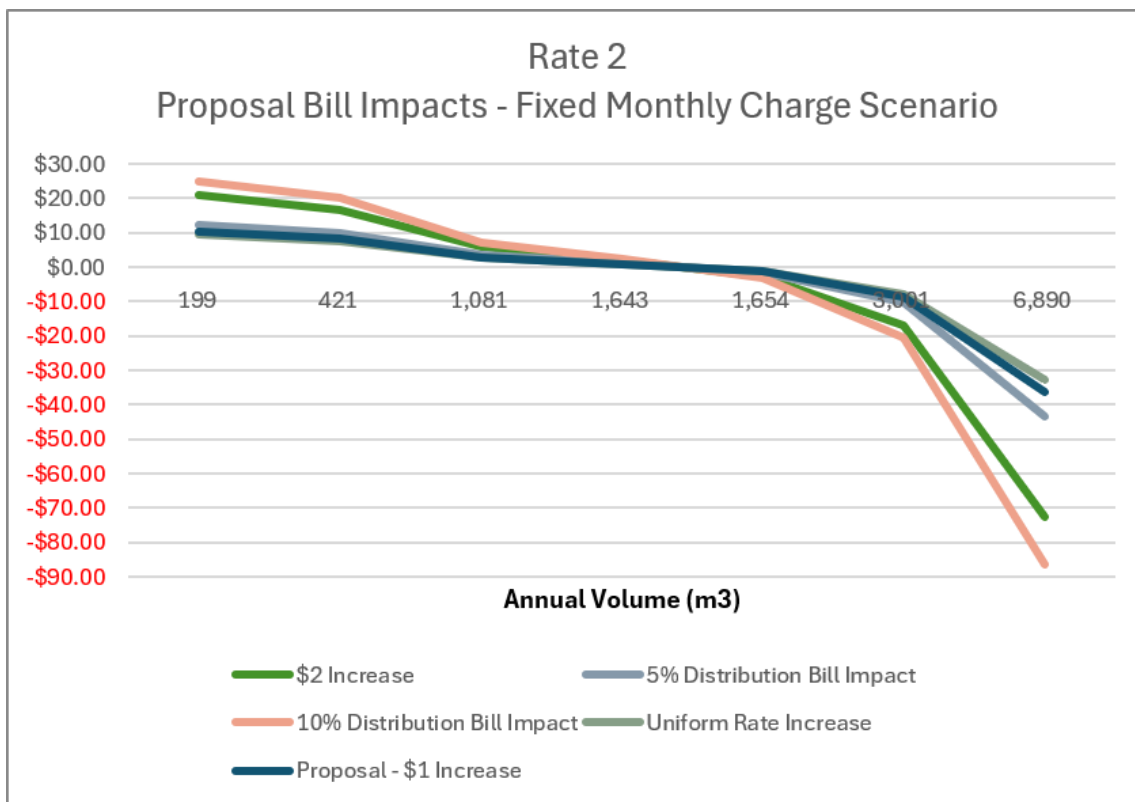
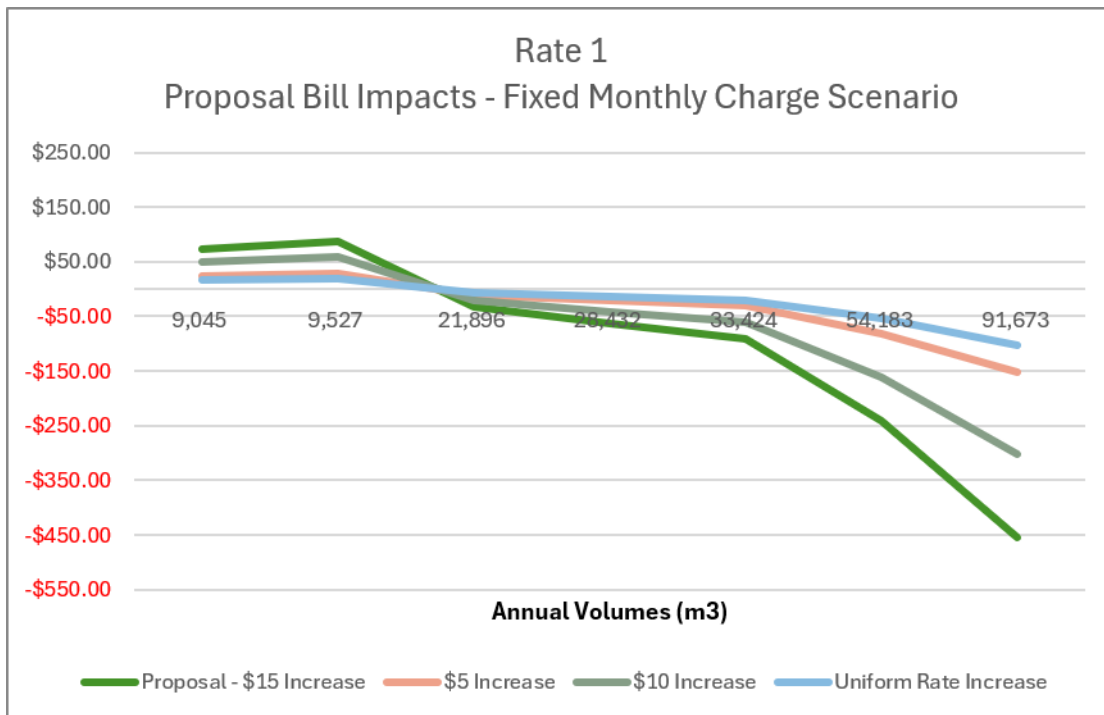
revenue to costs ratios in further rate proceedings while continuing to balance other rate design objectives.

Q.9 Are you proposing any changes to the monthly fixed charges?

A.9 Yes, the Company is proposing to increase the level of monthly fixed charges to \$62 for Rate 1 and \$15 for Rate 2. In the 2026 Decision the Régie proposed monthly fixed charge increases of \$15 for Rate 1 and \$1 for Rate 2. The 2026 Decision was supportive of this approach and the paragraphs that follow lay out the Company's assessment and proposal for 2027. The proposed increases will help to improve the Company's fixed cost recovery and mitigate the short- and long-term impact of rate increases as a result of delivery volume declines from changing market dynamics and in a context of energy transition.

The company evaluated several different scenarios when determining the appropriate increase to the monthly fixed charges for each Rate 1 and Rate 2. The scenarios for Rate 1 included no increase, 100% fixed recovery, \$5 increase, \$10 increase, \$15 increase, and uniform percentage rate increase between monthly fixed charges and delivery charges. The scenarios for Rate 2 included no increase, 100% fixed recovery, maximum 5% distribution only bill impact, maximum 10% distribution only bill impact, \$1 increase, \$2 increase, and uniform percentage rate increase between monthly fixed charges and delivery charges. The resulting bill impacts of these scenarios are shown in the graphs below and are provided at EGQ-26, document 1.2, page 1 and 2. The 100% fixed recovery scenario is excluded from the graphs for ease of presentation and for appropriate scale on the graphs.

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The Company is proposing to increase the level of the monthly fixed charges to \$62 for Rate 1 and \$15 to Rate 2, which aligns with the outcome of the \$15 increase and \$1 increase scenarios. The proposed scenario was selected as it results in a meaningful increase to the monthly fixed charges and fixed cost recovery without creating undue bill impacts for customers.

Q.10 Please describe the delivery rate impacts and the dollar impact to customers for 2027?

A.10 In the D-2022-040 decision at paragraph 190, the Regie requested that Enbridge Gaz Québec present a table of the estimated rate impacts on the distribution bill as well as the total bill in dollars and percentage for each rate class. Table 2 below provides the bill impacts for the distribution only portion of the customers' bill. The impacts below are derived based on the 2027 average use per customer by rate class and the average distribution rates for each rate class. Column 1 depicts the average use per customer by rate class for 2027. Column 2 is the distribution component of the bill based on 2026 approved distribution average rates applied to average use volumes, Column 3 is the distribution component of the bill based on 2027 proposed average distribution rates applied to average use volume, Column 4 is the estimated 2027 dollar impact for an average customer (column 3 minus column 2). Column 5 is the estimated 2027 distribution impact percentage. The total bill impacts inclusive of gas cost changes is presented EGQ-26, Document 2, question 5.0. The average unit rates and average rate impacts are also provided in Exhibit EGQ-26, document 1.1, page 4 under the Distribution line item for each rate class.

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Table 2
Distribution Only

Rate Class	Average Use m3 Col. 1	Existing D-2026-068 2026 Col. 2	Proposed R-4351-2026 2027 Col. 3	Impact	
				(\$)	%
				Col. 4	Col. 5
Rate 1	21,751	\$ 3,773	\$ 3,786	\$ 13	0.3%
Rate 1 INDUS	436,987	\$ 75,799	\$ 76,057	\$ 259	0.3%
Rate 2	1,488	\$ 790	\$ 792	\$ 2	0.3%
Rate 4	3,567,101	\$ 175,225	\$ 175,765	\$ 541	0.3%
Rate 5	18,135,555	\$ 656,644	\$ 659,231	\$ 2,587	0.4%
Rate 9	10,348,176	\$ 297,916	\$ 299,642	\$ 1,725	0.6%

In the D-2026-068 decision at paragraph 266, the Regie requested that Enbridge Gaz Québec present a table to show the impact of the proposed adjustments to the monthly fixed charges by rate class and by revenue class, the impact in dollars and percentages as well as the number of customers and the proportion of customers within the rate class. Table 3 and Table 4 below provide the impacts for the distribution only portion of the customers' bill by rate class and revenue class. Column 1 depicts the 2027 forecast average number of bills for the revenue class. Column 2 depicts the average use for the revenue class. Column 3 is the distribution component of the bill based on 2026 distribution rates applied to average use volume by revenue class. Column 4 is the distribution component of the bill based on proposed 2027 distribution rates applied to average use volume by revenue class. Column 5 is the estimated distribution dollar impact for a customer (column 3 minus column 4). Column 6 is the estimated 2027 distribution impact percentage. Column 7 is the estimated 2027 total dollar impact for a customer and column 8 is the estimated 2027 total bill impact percentage.

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Table 3
Rate 1 Distribution Only Revenue Class Bill Impact

Line No.	Revenue Class	Average Number of Bills	Average Use m ³	Existing D-2026-068	Proposed R-4351-2026	Distribution Impact		Total Bill Impact	
				2026	2027	\$	%	\$	%
		col. 1	col. 1	col. 2	col. 3	col. 4	col. 5	col. 6	col. 7
1	79	290	11,171	\$2,565.98	\$2,646.88	\$80.89	3.2%	\$16.32	0.3%
2	79 (1)	0	5,000	\$1,503.79	\$1,637.27	\$133.48	8.9%	133.48	8.9%
3	43	2,279	9,742	\$2,285.91	\$2,380.67	\$94.76	4.1%	\$38.44	0.8%
4	43 (1)	0	2,000	\$951.19	\$1,112.02	\$160.83	16.9%	149.27	10.1%
5	78	58	23,310	\$4,524.82	\$4,508.74	(\$16.08)	(0.4%)	(\$150.83)	(1.4%)
6	87	71	26,892	\$5,102.40	\$5,057.73	(\$44.67)	(0.9%)	(\$200.13)	(1.6%)
7	32	95	31,644	\$5,652.21	\$5,580.32	(\$71.89)	(1.3%)	(\$254.81)	(1.8%)
8	71	802	51,780	\$8,448.30	\$8,237.99	(\$210.31)	(2.5%)	(\$509.63)	(2.3%)
9	49	79	85,576	\$12,428.97	\$12,021.61	(\$407.37)	(3.3%)	(\$902.05)	(2.6%)

Note

(1) These average usage values have been included in the table for informational purposes only and do not represent any existing revenue class. Therefore, there is no corresponding number of bills for these categories.

Table 4
Rate 2 Distribution Only Revenue Class Bill Impact

Line No.	Revenue Class	Average Number of Bills	Average Use m ³	Existing D-2026-068	Proposed R-4351-2026	Distribution Impact		Total Bill Impact	
				2026	2027	\$	%	\$	%
		col. 1	col. 2	col. 3	col. 4	col. 5	col. 6	col. 7	col. 8
1	60	107	183	\$248.88	\$259.64	\$10.76	4.3%	\$10.62	3.6%
2	61	5,730	424	\$355.27	\$364.40	\$9.13	2.6%	\$8.81	1.9%
3	99	0	1,081	\$638.59	\$643.39	\$4.80	0.8%	\$3.97	0.4%
4	55	74	1,292	\$738.75	\$742.01	\$3.26	0.4%	\$2.27	0.2%
5	10	34,922	1,629	\$858.49	\$859.92	\$1.43	0.2%	\$0.18	0.0%
6	50	644	2,535	\$1,233.60	\$1,229.29	(\$4.31)	(0.3%)	(\$6.26)	(0.3%)
7	12	130	6,184	\$2,668.44	\$2,642.16	(\$26.28)	(1.0%)	(\$31.02)	(0.7%)

In the D-2026-068 decision at paragraph 267, the Regie requested that Enbridge Gaz Québec present a table to show the cumulative effects associated with increases to the fixed-charge component considering the five-year period preceding the test year. Table 5 below provides the impacts of the adjustments to the fixed-cost recovery by rate class. Column 1 and column 2 depict the fixed monthly charge for Rate 1 and Rate 2 based on the approved rate by year. Column 3 and column 4 depict the percentage of fixed-cost recovery for Rate 1 and Rate 2

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based on the approved revenue by year. Column 5 and column 6 depict the cumulative dollar impact of increasing the fixed monthly charge. Column 7 and column 8 depict the cumulative percentage impact relative to the fixed monthly charge prior to adjustments (2024 year).

Table 5
Rate 1 & 2 Fixed Recovery Analysis 5 Year History

Item No.	Description	\$ Amount		Fixed Recovery		Cumulative Change (\$)		Cumulative Change (%)	
		Tarif 1	Tarif 2	Tarif 1	Tarif 2	Tarif 1	Tarif 2	Tarif 1	Tarif 2
		col. 1	col. 2	col. 3	col. 4	col. 5	col. 6	col. 7	col. 8
1	2022 Fixed Monthly Charge	\$17.13	\$10.05	8.14%	21.02%	-	-	-	-
2	2023 Fixed Monthly Charge	\$17.13	\$10.05	7.33%	18.95%	-	-	-	-
3	2024 Fixed Monthly Charge	\$17.13	\$10.05	6.84%	17.88%	-	-	-	-
4	2025 Fixed Monthly Charge	\$32.00	\$12.00	11.02%	19.19%	\$14.87	\$1.95	86.81%	19.45%
5	2026 Fixed Monthly Charge	\$47.00	\$14.00	14.65%	20.95%	\$29.87	\$3.95	174.37%	39.36%
6	2027 Proposed Fixed Monthly Charge	\$62.00	\$15.00	18.87%	22.71%	\$44.87	\$4.95	261.94%	49.31%
7	2027 Maintain Fixed Monthly Charge	\$47.00	\$14.00	14.30%	21.20%	\$29.87	\$3.95	174.37%	39.36%

Q.11 Does this conclude your evidence?

A.11 Yes, it does.

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REVENUE COMPARISON - CURRENT DISTRIBUTION REVENUE VS PROPOSED DISTRIBUTION REVENUE

	Col. 1	Col. 2	Col. 3	Col. 4	Col. 5
Item No.	Rate No.	2026 Budget Volume (10 ³ m ³)	Current Revenue D-2026-068 (000\$)	Revenue Deficiency R-4351-2026 (000\$)	Proposed Revenue R-4351-2026 (000\$)
1.	Rate 1	83 400,5	14 466,5	49,3	14 515,8
2.	Rate 2	61 898,6	32 869,6	103,1	32 972,7
3.	Rate 4	3 567,1	175,2	0,5	175,8
4.	Rate 5	18 135,6	656,6	2,6	659,2
5.	Rate 9	31 044,5	893,7	5,2	898,9
6.	TOTAL	198 046,3	49 061,7	160,7	49 222,4

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SUMMARY OF PROPOSED RATE CHANGE BY RATE CLASS
RATE CASE 2027

DISTRIBUTION RATES ONLY

ITEM NO.	DESCRIPTION	Approved Distribution Rates D-2026-068 col.1	Proposed Adjustment col.2	Proposed Distribution Rates R-4351-2026 col.3
<u>Rate 1:</u>				
1	Monthly Fixed Charge (\$)	47,00	15,00	62,00
	Delivery Charge (¢/m³):			
2	from 0 to 100 m³	20,22	(1,00)	19,22
3	from 100 to 320 m³	18,79	(0,93)	17,86
4	from 320 to 1,000 m³	17,41	(0,86)	16,55
5	from 1,000 to 3,200 m³	16,00	(0,79)	15,21
6	from 3,200 to 10,000 m³	13,13	(0,65)	12,48
7	in excess of 10,000 m³	11,04	(0,55)	10,50
<u>Rate 2:</u>				
8	Monthly Fixed Charge (\$)	14,00	1,00	15,00
	Delivery Charge (¢/m³):			
9	from 0 to 50 m³	44,36	(0,69)	43,68
10	from 50 to 100 m³	42,70	(0,65)	42,05
11	from 100 to 320 m³	41,02	(0,63)	40,39
12	from 320 to 1,000 m³	39,43	(0,60)	38,83
13	in excess of 1,000 m³	37,70	(0,58)	37,12
<u>Rate 3:</u>				
14	Monthly Fixed Charge: (¢/m³ of the subscribed volume)	20,68	0,00	20,68
15	Delivery Charge (¢/m³): For all volumes delivered	9,11	0,03	9,14
<u>Rate 4:</u>				
16	Monthly Fixed Charge: (¢/m³ of the subscribed volume)	20,94	0,00	20,94
	Delivery Charge (¢/m³):			
17	Load factor less or equal to 70%	4,22	0,02	4,24
18	Load factor higher than 70%	3,27	0,01	3,28

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SUMMARY OF PROPOSED RATE CHANGE BY RATE CLASS
RATE CASE 2027

DISTRIBUTION RATES ONLY

ITEM NO.	<u>DESCRIPTION</u>	Approved Distribution Rates <u>D-2026-068</u> <i>col.1</i>	Proposed Adjustment <u>col.2</u>	Proposed Distribution Rates <u>R-4351-2026</u> <i>col.3</i>
<u>Rate 5:</u>				
19	Monthly Fixed Charge: (¢/m ³ of the subscribed volume)	31,76	0,00	31,76
20	Delivery Charge (¢/m ³): For all volumes delivered	2,57	0,01	2,58
<u>Rate 6:</u>				
21	Monthly Fixed Charge: (¢/m ³ of the subscribed volume)	20,94	0,00	20,94
22	Delivery Charge (¢/m ³): Maximum	4,32	0,03	4,35
23	Minimum	0,35	0,00	0,35
<u>Rate 7:</u>				
24	Monthly Fixed Charge: (¢/m ³ of the subscribed volume)	21,42	0,00	21,42
25	Delivery Charge (¢/m ³): from 0 to 100 m ³	22,86	0,09	22,95
26	from 100 to 320 m ³	21,36	0,08	21,44
27	from 320 to 1,000 m ³	19,85	0,08	19,93
28	from 1,000 to 3,200 m ³	18,36	0,07	18,43
29	from 3,200 to 10,000 m ³	15,38	0,06	15,44
30	in excess of 10,000 m ³	13,15	0,05	13,20
<u>Rate 8:</u>				
31	Delivery Charge (¢/m ³): Maximum	13,76	0,10	13,86
32	Minimum	1,28	0,01	1,28
<u>Rate 9:</u>				
33	Monthly Fixed Charge: (¢/m ³ of the subscribed volume)	3,15	0,00	3,15
34	Delivery Charge (¢/m ³): from 0 to 1,000,000 m ³	2,37	0,02	2,39
35	in excess of 1,000,000 m ³	2,13	0,02	2,15

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UNIT RATES AND REVENUE BY COMPONENT AND RATE CLASS
RATE CASE 2027

D-2026-068 - January 26 Pass On				R-4351-2026			
Item No.	Description	Unit rate	Total	Unit rate	Total	Variance	
		cents/m3	\$ '000	cents/m3	\$ '000	\$'000	%
		Col. 1	Col. 2	Col. 3	Col. 4	Col. 5	Col. 6
<u>Rate 1</u>							
1,1	Gas Supply Commodity	13,48	9 332	13,48	9 332	-	0,0%
1,2	Gas Supply Load Balancing	7,60	6 337	7,60	6 337	-	0,0%
1,3	Transportation	5,55	3 842	5,55	3 842	-	0,0%
1,4	Dawn Transportation	0,92	130	0,92	130	-	0,0%
1,5	Distribution	<u>17,35</u>	14 466	<u>17,40</u>	14 516	49	0,3%
1,0	Total	44,89	34 108	44,95	34 158	49	0,1%
<u>Rate 2</u>							
2,1	Gas Supply Commodity	13,48	8 343	13,48	8 343	-	0,0%
2,2	Gas Supply Load Balancing	8,04	4 978	8,04	4 978	-	0,0%
2,3	Transportation	5,55	3 435	5,55	3 435	-	0,0%
2,4	Dawn Transportation	0,92	0	0,92	0	-	0,0%
2,5	Distribution	<u>53,10</u>	32 870	<u>53,27</u>	32 973	103	0,3%
2,0	Total	81,09	49 626	81,26	49 729	103	0,2%
<u>Rate 4</u>							
3,1	Gas Supply Commodity	13,48	-	13,48	-	-	0,0%
3,2	Gas Supply Load Balancing	2,17	77	2,17	77	-	0,0%
3,3	Transportation	5,55	-	5,55	-	-	0,0%
3,4	Dawn Transportation	0,92	33	0,92	33	-	0,0%
3,5	Distribution	<u>4,91</u>	175	<u>4,93</u>	176	1	0,3%
3,0	Total	27,03	285	27,05	286	1	0,1%
<u>Rate 5</u>							
4,1	Gas Supply Commodity	13,48	-	13,48	-	-	0,0%
4,2	Gas Supply Load Balancing	1,82	330	1,82	330	-	0,0%
4,3	Transportation	5,55	-	5,55	-	-	0,0%
4,4	Dawn Transportation	0,92	167	0,92	167	-	0,0%
4,5	Distribution	<u>3,62</u>	657	<u>3,64</u>	659	3	0,4%
4,0	Total	25,39	1 154	25,41	1 156	3	0,1%
<u>Rate 9</u>							
5,1	Gas Supply Commodity	13,48	1 915	13,48	1 915	-	0,0%
5,2	Gas Supply Load Balancing	1,94	602	1,94	602	-	0,0%
5,3	Transportation	5,55	789	5,55	789	-	0,0%
5,4	Dawn Transportation	0,92	155	0,92	155	-	0,0%
5,5	Distribution	<u>2,88</u>	894	<u>2,90</u>	899	5	0,6%
5,0	Total	24,77	4 355	24,78	4 360	5	0,1%
<u>Gazifère Total</u>							
6,1	Gas Supply Commodity	13,48	19 591	13,48	19 591	-	0,0%
6,2	Gas Supply Load Balancing	6,22	12 324	6,22	12 324	-	0,0%
6,3	Transportation	5,55	8 066	5,55	8 066	-	0,0%
6,4	Dawn Transportation	0,92	485	0,92	485	-	0,0%
6,5	Distribution	<u>24,77</u>	49 062	<u>24,85</u>	49 222	161	0,3%
6,0	Total	50,95	89 528	51,03	89 688	161	0,2%

Note:

(1) The % variance depicts the change in the unit rates.

ENBRIDGE GAZ QUÉBEC
SCENARIO ANALYSIS - RATE 1 FIXED MONTHLY CHARGE INCREASE PROPOSAL
RATE CASE 2027

[illegible]

ENBRIDGE GAZ QUÉBEC
SCENARIO ANALYSIS - RATE 2 FIXED MONTHLY CHARGE INCREASE PROPOSAL
RATE CASE 2027

Item no.	Description	Bill Impacts																
		Monthly Fixed Charge			Revenue Class 10		Revenue Class 12		Revenue Class 50		Revenue Class 55		Revenue Class 60		Revenue Class 61		Revenue Class 99	
		Current	Change	Proposed	\$	(%)	\$	(%)	\$	(%)	\$	(%)	\$	(%)	\$	(%)	\$	(%)
		col.1	col.2	col.3	col.4	col.5	col.6	col.7	col.8	col.9	col.10	col.11	col.12	col.13	col.14	col.15	col.16	col.17
1	Current Approved Bill - 2026 Total Rates				1 299,48		4 342,67		1 919,84		1 088,59		298,32		470,00		931,28	
2	2027 Total Rates Impact - No change in fixed monthly charge	\$ 14,00	\$ -	\$ 14,00	1,50	0,1%	5,22	0,1%	2,30	0,1%	1,28	0,1%	0,18	0,1%	0,42	0,1%	1,05	0,1%
	Rate Design Impacts																	
3	Proposal - \$1 Increase	\$ 14,00	\$ 1,00	\$ 15,00	(1,32)	(0,1%)	(36,24)	(0,8%)	(8,56)	(0,4%)	0,99	0,1%	10,44	3,5%	8,39	1,8%	2,92	0,3%
4	100% Fixed	\$ 14,00	\$ 52,04	\$ 66,04	(68,76)	(5,3%)	(1 885,93)	(43,4%)	(445,37)	(23,2%)	51,46	4,7%	543,27	182,1%	436,46	92,9%	152,00	16,3%
5	\$2 Increase	\$ 14,00	\$ 2,00	\$ 16,00	(2,64)	(0,2%)	(72,48)	(1,7%)	(17,12)	(0,9%)	1,98	0,2%	20,88	7,0%	16,77	3,6%	5,84	0,6%
6	5% Distribution Bill Impact	\$ 14,00	\$ 1,19	\$ 15,19	(1,58)	(0,1%)	(43,29)	(1,0%)	(10,22)	(0,5%)	1,18	0,1%	12,47	4,2%	10,02	2,1%	3,49	0,4%
7	10% Distribution Bill Impact	\$ 14,00	\$ 2,39	\$ 16,39	(3,16)	(0,2%)	(86,58)	(2,0%)	(20,45)	(1,1%)	2,36	0,2%	24,94	8,4%	20,04	4,3%	6,98	0,7%
8	Uniform Rate Increase	\$ 14,00	\$ 0,90	\$ 14,90	(1,19)	(0,1%)	(32,67)	(0,8%)	(7,71)	(0,4%)	0,89	0,1%	9,41	3,2%	7,56	1,6%	2,63	0,3%
	2027 Rates & Rate Design Impacts																	
9	Proposal - \$1 Increase	\$ 14,00	\$ 1,00	\$ 15,00	0,18	0,0%	(31,02)	(0,7%)	(6,26)	(0,3%)	2,27	0,2%	10,62	3,6%	8,81	1,9%	3,97	0,4%
23711	100% Fixed	\$ 14,00	\$ 52,04	\$ 66,04	(67,26)	(5,2%)	(1 880,71)	(43,3%)	(443,07)	(23,1%)	52,74	4,8%	543,46	182,2%	436,88	93,0%	153,05	16,4%
10	\$2 Increase	\$ 14,00	\$ 2,00	\$ 16,00	(1,14)	(0,1%)	(67,26)	(1,5%)	(14,82)	(0,8%)	3,26	0,3%	21,06	7,1%	17,20	3,7%	6,89	0,7%
23712	5% Distribution Bill Impact	\$ 14,00	\$ 1,19	\$ 15,19	(0,08)	(0,0%)	(38,07)	(0,9%)	(7,92)	(0,4%)	2,46	0,2%	12,65	4,2%	10,44	2,2%	4,53	0,5%
23713	10% Distribution Bill Impact	\$ 14,00	\$ 2,39	\$ 16,39	(1,66)	(0,1%)	(81,36)	(1,9%)	(18,15)	(0,9%)	3,64	0,3%	25,12	8,4%	20,46	4,4%	8,02	0,9%
23714	Uniform Rate Increase	\$ 14,00	\$ 0,90	\$ 14,90	0,31	0,0%	(27,45)	(0,6%)	(5,41)	(0,3%)	2,17	0,2%	9,59	3,2%	7,98	1,7%	3,68	0,4%
23715	Average Use (m3)				1 629		6 184		2 535		1 292		183		424		1 081	
23716	Total Volumes (m3)				56 918 792	92,0%	803 972	1,3%	1 632 479	2,6%	95 630	0,2%	19 543	0,0%	2 428 185	3,9%	61 898 602	
23717	Average Number of Bills				34 922	83,9%	130	0,3%	644	1,5%	74	0,2%	107	0,3%	5 730	13,8%	41 607	1 488

ENBRIDGE GAZ QUÉBEC
FIXED AND VARIABLE COMPONENTS OF 2026 PROPOSED DISTRIBUTION REVENUE
RATE CASE 2027

Item No.	Description	2027 Budget Volumes (%) <i>col.1</i>	D-2026-068		Distribution Fixed Revenue (1)					Distribution Variable Revenue		Distribution Deficiency (000's) <i>col. 11</i>	Distribution Revenue Impact (%) <i>col. 12</i>	Total Revenue Impact with 2027 Gas Costs (%) <i>col. 13</i>
			Distribution Revenue (000's) <i>col.2</i>	Distribution Revenue (%) <i>col.3</i>	Current Fixed Charge (2) D-2026-068 <i>col. 4</i>	Proposed Fixed Charge (2) Increase <i>col. 5</i>	Increase (%) <i>col. 6</i>	Distribution Revenue Impact (%) <i>col. 7</i>	Portion of Distribution Deficiency (000's) <i>col. 8</i>	Distribution Revenue Impact (%) <i>col. 9</i>	Portion of Distribution Deficiency (000's) <i>col. 10</i>			
1	Rate 1	42,1%	14 466,5	29,5%	47,00	15,00	31,9%	4,6%	662,7	-4,2%	(613,4)	49,34	0,3%	-1,2%
2	Rate 2	31,3%	32 869,6	67,0%	14,00	1,00	7,1%	1,5%	499,3	-1,2%	(396,2)	103,08	0,3%	0,1%
3	Rate 4	1,8%	175,2	0,4%	20,94	0,00	0,0%	0,0%	0,0	0,3%	0,5	0,54	0,3%	-1,0%
4	Rate 5	9,2%	656,6	1,3%	31,76	0,00	0,0%	0,0%	0,0	0,4%	2,6	2,59	0,4%	-0,7%
5	Rate 9	15,7%	893,7	1,8%	3,15	0,00	0,0%	0,0%	0,0	0,6%	5,2	5,18	0,6%	1,1%
6	Total	100,0%	49 061,7	100,0%				2,4%	1162,0	-2,0%	(1 001,3)	160,7	0,3%	-0,3%

Notes:

- (1) Excludes any minimum annual obligation revenue associated with volumes.
(2) Fixed Charges for Rate 1 and Rate 2 are expressed in \$'s per month, Rate 4, Rate 5, and Rate 9 are expressed in cents/m³ of the subscribed volume.

ENBRIDGE GAZ QUÉBEC
ALLOCATION OF DISTRIBUTION DEFICIENCY AND REVENUE TO COST RATIOS
RATE CASE 2027

Item No.	Description	R-4351-2026	D-2026-068	Distribution	Rate Base Allocation by Rate Class (%)	Proposed Before Adjustments			Proposed Revenue Adjustments (000's)	Proposed After Adjustments		
		Cost of Service (000's)	Distribution Revenue (000's)	Revenue Deficiency (000's)		Deficiency Allocation (000's)	Distribution Revenue (000's)	Revenue to Cost Ratio		Deficiency Allocation (000's)	Distribution Revenue (000's)	Revenue to Cost Ratio
		col.1	col.2	col.3	col. 4	col. 5	col. 6	col. 7	col. 8	col. 9	col. 10	col. 11
1	Rate 1	13 344,6	14 466,5	(1 121,9)	30,7%	49,3	14 515,81	1,09	-	49,3	14 515,8	1,09
2	Rate 2	33 943,8	32 869,6	1 074,3	64,1%	103,1	32 972,67	0,97	-	103,1	32 972,7	0,97
3	Rate 4	126,1	175,2	(49,2)	0,3%	0,5	175,77	1,39	-	0,5	175,8	1,39
4	Rate 5	645,1	656,6	(11,6)	1,7%	2,8	659,43	1,02	(0,2)	2,6	659,2	1,02
5	Rate 9	1 162,8	893,7	269,1	3,1%	5,0	898,73	0,77	0,2	5,2	898,9	0,77
6	Total	49 222,4	49 061,7	160,7	100,0%	160,7	49 222,4	1,00	-	160,7	49 222,4	1,00

ENBRIDGE GAZ QUÉBEC
PRE-FILED EVIDENCE OF KURT HOLMES AND DANIELLE DREVENY
2027 RATE CASE

Q.1 Please state your full name, and your current position.

A.1 My name is Kurt Holmes. I am a Rate Design Specialist, at Enbridge Gas Inc and I am Danielle Dreveny, Manager Rate Design, at Enbridge Gas Inc.

Q.2 What are your professional qualifications, experience, and previous appearances before this or other regulatory tribunals?

A.2 Please refer to our Curriculum Vitae filed at Exhibit EGQ-26, documents 3 and 4.

Q.3 What is the purpose of this testimony?

A.3 This testimony addresses the derivation of Enbridge Gaz Québec's (the "Company") distribution and gas costs rates for 2027. In addition to the 2027 distribution rates filed in Exhibit EGQ-26, document 1.1, the Company has designed rates to reflect the impact of the gas cost consequences stemming from the proposed forecast of 2027 volumes, contract demand, lost and unaccounted for gas, Niagara Gas costs. This impact results in a gas cost revenue sufficiency for 2027 of approximately \$447.9 thousand. This sufficiency combined with the distribution deficiency of approximately \$160.7 thousand results in a total 2027 revenue sufficiency inclusive of gas costs of \$287.2 thousand effective January 1, 2027. The gas cost sufficiency of \$447.9 thousand is based on January 1, 2026 Rate 200 gas costs. The derivation of the \$447.9 thousand is presented in evidence at Exhibit EGQ-16, document 1.

The development of the distribution rates is outlined in Exhibit EGQ-26, document 1. The development of the gas supply, load balancing and transportation rates are based on the results of the fully allocated cost study.

ENBRIDGE GAZ QUÉBEC
PRE-FILED EVIDENCE OF KURT HOLMES AND DANIELLE DREVENY
2027 RATE CASE

These rates are entirely cost based and contain no rate design adjustments. The fully allocated cost study inclusive of gas costs is filed at Exhibit EGQ-25, document 2.1.

The rates including the impacts of the 2027 gas costs consequences can be found at Exhibit EGQ-26, document 2.1 pages 1 to 6.

Exhibit EGQ-26, document 2.1 pages 2 and 3, column 1 presents the existing rates. The existing rates represent the 2026 Final rates approved in D-2026-068 and the January 1, 2026 gas costs. Column 3 presents the proposed 2027 total rates designed to recover the total 2027 revenue sufficiency inclusive of gas costs of approximately \$447.9.

Q.4 What are the proposed customer bill impacts resulting from the 2027 deficiency of \$447.9 thousand inclusive of 2027 gas costs?

A.4 Below is a summary of the proposed 2027 bill impacts for all customer classes expressed on a Sales service and T-service (excludes commodity) basis.

<u>Rate Class</u>	<u>Sales Service</u>	<u>T-Service</u>
Rate 1	-1.2%	-1.4%
Rate 2	0.1%	0.3%
Rate 4	-1.0%	-1.6%
Rate 5	-0.7%	-0.9%
Rate 9	1.1%	3.4%

Q.5. Please describe the total bill impacts and the total dollar impact to customers for 2027?

A.5 In the D-2022-040 decision at paragraph 190, the Regie requested that

ENBRIDGE GAZ QUÉBEC
PRE-FILED EVIDENCE OF KURT HOLMES AND DANIELLE DREVENY
2027 RATE CASE

Enbridge Gaz Québec present a table of the estimated rate impacts on the distribution bill as well as the total bill in dollars and percentage for each rate class. The table below provides the estimate of the total impacts as requested. The impacts below are derived based on the 2027 average use per customer by rate class and the average total (distribution and gas costs) rates for each rate class. Column 1 depicts the average use per customer by rate class for 2027. Column 2 is the total sales service bill based on 2026 approved distribution average rates and January 1, 2026 gas costs applied to average use volumes, Column 3 is the total sales service bill based on 2027 proposed average distribution rates and gas costs rates applied to average use volume, Column 4 is the estimated 2027 dollar impact for an average customer (column 3 minus column 2). Column 5 is the estimated 2027 total impact percentage. The impacts depicted in Col. 4 and Col. 5 below are the combined impacts of the 2027 distribution revenue deficiency of \$160.7 thousand and the 2027 gas cost revenue sufficiency of \$447.9 thousand. For example, for a Rate 2 average customer, the total impact is \$1 annually which is the sum of the distribution impact of \$2 (as depicted in EGQ-26, Document 1, Distribution Only table) and (\$1) annually resulting from the gas cost impact.

The average total unit rates and average total rate impacts are also provided in Exhibit EGQ-26, document 2.1, page 6 under the total line item for each rate class.

ENBRIDGE GAZ QUÉBEC
PRE-FILED EVIDENCE OF KURT HOLMES AND DANIELLE DREVENY
2027 RATE CASE

Table 1
Total Rates (Distribution and Gas Costs)

Rate Class	Average Use	Existing	Proposed	Impact	
	m3	D-2026-068	R-4303-2025	(\$)	%
	2026	2027			
	Col. 1	Col. 2	Col. 3	Col. 4	Col. 5
Rate 1	21,751	\$ 9,764	\$ 9,651	\$ (113)	-1.2%
Rate 1 INDUS	436,987	\$ 196,180	\$ 193,900	\$ (2,280)	-1.2%
Rate 2	1,488	\$ 1,207	\$ 1,208	\$ 1	0.1%
Rate 4	3,567,101	\$ 964,132	\$ 954,224	\$ (9,908)	-1.0%
Rate 5	18,135,555	\$ 4,604,754	\$ 4,571,149	\$ (33,605)	-0.7%
Rate 9	10,348,176	\$ 2,563,049	\$ 2,590,255	\$ 27,206	1.1%

Q.6 Are you proposing any changes to the rate design methodology for 2027?

A.6 Yes, the Company is proposing a change to its 2027 rate design methodology for fixed monthly charge for Rate 1 and Rate 2. This proposal is described in more detail in Exhibit EGQ-26, Document 1, Q.9

Q.7 Does this conclude your evidence?

A.7 Yes, it does.

ENBRIDGE GAZ QUÉBEC
RATE CASE 2027
PROPOSED REVENUE RECOVERY BY RATE CLASS (\$000)

Item No.	Rate No.	Revenues D-2026-068 - January 1, 2026 Pass-On						(Sufficiency)/Deficiency						Proposed Revenues R-4351-2026					
		Distribution	Gas Supply Load Bal.	Transportation	Dawn Transportation	Gas Supply Commodity	Total	Distribution	Gas Supply Load Bal.	Transportation	Dawn Transportation	Gas Supply Commodity	Total	Distribution	Gas Supply Load Bal.	Transportation	Dawn Transportation	Gas Supply Commodity	Total
		Col. 1	Col. 2	Col. 3	Col. 4	Col. 5	Col. 6	Col. 7	Col. 8	Col. 9	Col. 10	Col. 11	Col. 12	Col. 13	Col. 14	Col. 15	Col. 16	Col. 17	Col. 18
1.	Rate 1	14 466,5	6 336,8	3 842,3	130,4	9 332,3	34 108,3	49,3	(396,0)	(10,2)	(0,7)	(60,0)	(417,6)	14 515,8	5 940,9	3 832,1	129,7	9 272,3	33 690,8
2.	Rate 2	32 869,6	4 977,9	3 435,1	0,1	8 343,2	49 625,8	103,1	12,5	(9,1)	(0,0)	(53,7)	52,8	32 972,7	4 990,5	3 425,9	0,1	8 289,5	49 678,6
3.	Rate 4	175,2	77,3	0,0	32,8	0,0	285,3	0,5	(7,0)	0,0	(0,2)	0,0	(6,6)	175,8	70,3	0,0	32,6	0,0	278,7
4.	Rate 5	656,6	330,1	0,0	166,8	0,0	1 153,6	2,6	(16,9)	0,0	(0,9)	0,0	(15,2)	659,2	313,1	0,0	166,0	0,0	1 138,4
5.	Rate 9	893,8	602,0	788,6	154,9	1 915,3	4 354,6	5,2	109,4	(2,1)	(0,8)	(12,3)	99,4	898,9	711,4	786,5	154,1	1 903,0	4 453,9
6.	TOTAL	49 061,7	12 324,1	8 065,9	485,0	19 590,8	89 527,5	160,7	(298,0)	(21,5)	(2,5)	(126,0)	(287,2)	49 222,4	12 026,2	8 044,5	482,4	19 464,8	89 240,3

ENBRIDGE GAZ QUÉBEC
SUMMARY OF PROPOSED CHANGE BY RATE CLASS
RATE CASE 2027

ITEM NO.	DESCRIPTION	Interim 2026 January 1, 2026 Pass-on	Interim 2026 versus Final 2026 (1)	D-2026-068 January 1, 2026	Proposed Adjustment	Proposed R-4351-2026
		col.1	col.2	col.3 (col.1 + col.2)	col.4	col.5
	Rate 1:					
1	Monthly Fixed Charge (\$)	47,00	0,00	47,00	15,00	62,00
	Delivery Charge (¢/m³):					
2	from 0 to 100 m³	27,77	0,05	27,82	(1,48)	26,34
3	from 100 to 320 m³	26,34	0,05	26,39	(1,41)	24,98
4	from 320 to 1,000 m³	24,96	0,05	25,01	(1,34)	23,67
5	from 1,000 to 3,200 m³	23,56	0,04	23,60	(1,27)	22,33
6	from 3,200 to 10,000 m³	20,70	0,03	20,73	(1,13)	19,60
7	in excess of 10,000 m³	18,62	0,02	18,64	(1,02)	17,62
8	Transportation Charge	5,55	0,00	5,55	(0,01)	5,54
9	Dawn Transportation Charge	0,92	0,00	0,92	0,00	0,92
10	Gas Supply Charge	13,48	0,00	13,48	(0,09)	13,39
	Rate 2:					
11	Monthly Fixed Charge (\$)	14,00	0,00	14,00	1,00	15,00
	Delivery Charge (¢/m³):					
12	from 0 to 50 m³	52,33	0,07	52,40	(0,66)	51,74
13	from 50 to 100 m³	50,67	0,07	50,74	(0,63)	50,11
14	from 100 to 320 m³	49,00	0,06	49,06	(0,61)	48,45
15	from 320 to 1,000 m³	47,41	0,06	47,47	(0,58)	46,89
16	in excess of 1,000 m³	45,68	0,06	45,74	(0,56)	45,18
17	Transportation Charge	5,55	0,00	5,55	(0,01)	5,54
18	Dawn Transportation Charge	0,92	0,00	0,92	0,00	0,92
19	Gas Supply Charge	13,48	0,00	13,48	(0,09)	13,39
	Rate 3:					
20	Monthly Fixed Charge: (¢/m³ of the subscribed volume)	20,68	0,00	20,68	0,00	20,68
	Delivery Charge (¢/m³):					
21	For all volumes delivered	13,16	0,01	13,17	(0,33)	12,84
22	Transportation Charge	5,55	0,00	5,55	(0,01)	5,54
23	Dawn Transportation Charge	0,92	0,00	0,92	0,00	0,92
24	Gas Supply Charge	13,48	0,00	13,48	(0,09)	13,39
	Rate 4:					
25	Monthly Fixed Charge: (¢/m³ of the subscribed volume)	20,94	0,00	20,94	0,00	20,94
	Delivery Charge (¢/m³):					
26	Load factor less or equal to 70%	6,38	0,01	6,39	(0,18)	6,21
27	Load factor higher than 70%	5,43	0,01	5,44	(0,19)	5,25
28	Transportation Charge	5,55	0,00	5,55	(0,01)	5,54
29	Dawn Transportation Charge	0,92	0,00	0,92	0,00	0,92
30	Gas Supply Charge	13,48	0,00	13,48	(0,09)	13,39

Note: (1) Exhibit EGQ-26, Document 2.1, Attachment 1, Col. 2

ENBRIDGE GAZ QUÉBEC
SUMMARY OF PROPOSED CHANGE BY RATE CLASS
RATE CASE 2027

ITEM NO.	DESCRIPTION	Interim 2026 January 1, 2026 Pass-on <i>col.1</i>	Interim 2026 versus Final 2026 (1) <i>col.2</i>	D-2026-068 January 1, 2026 <i>col.3 (col.1 + col.2)</i>	Proposed Adjustment <i>col.4</i>	Proposed R-4351-2026 <i>col.5</i>
Rate 5:						
31	Monthly Fixed Charge: (¢/m³ of the subscribed volume)	31,76	0,00	31,76	0,00	31,76
32	Delivery Charge (¢/m³): For all volumes delivered	4,38	0,01	4,39	(0,08)	4,31
33	Transportation Charge	5,55	0,00	5,55	(0,01)	5,54
34	Dawn Transportation Charge	0,92	0,00	0,92	0,00	0,92
35	Gas Supply Charge	13,48	0,00	13,48	(0,09)	13,39
Rate 6:						
36	Monthly Fixed Charge: (¢/m³ of the subscribed volume)	20,94	0,00	20,94	0,00	20,94
37	Delivery Charge (¢/m³): Maximum	6,23	0,02	6,25	0,39	6,64
38	Minimum	2,28	0,00	2,28	0,36	2,64
39	Transportation Charge	5,55	0,00	5,55	(0,01)	5,54
	Dawn Transportation Charge	0,92	0,00	0,92	0,00	0,92
40	Gas Supply Charge	13,48	0,00	13,48	(0,09)	13,39
Rate 7:						
	Monthly Fixed Charge	21,42	0,00	21,42	0,00	21,42
	Delivery Charge (¢/m³):					
41	from 0 to 100 m³	30,40	0,06	30,46	(0,38)	30,07
42	from 100 to 320 m³	28,91	0,05	28,96	(0,39)	28,56
43	from 320 to 1,000 m³	27,41	0,04	27,45	(0,39)	27,05
44	from 1,000 to 3,200 m³	25,91	0,04	25,95	(0,40)	25,55
45	from 3,200 to 10,000 m³	22,95	0,03	22,98	(0,41)	22,57
46	in excess of 10,000 m³	20,72	0,03	20,75	(0,42)	20,32
47	Transportation Charge	5,55	0,00	5,55	(0,01)	5,54
48	Dawn Transportation Charge	0,92	0,00	0,92	0,00	0,92
49	Gas Supply Charge	13,48	0,00	13,48	(0,09)	13,39
Rate 8:						
	Delivery Charge (¢/m³):					
50	Maximum	15,62	0,06	15,68	0,47	16,15
51	Minimum	3,20	0,01	3,21	0,37	3,57
52	Transportation Charge	5,55	0,00	5,55	(0,01)	5,54
53	Dawn Transportation Charge	0,92	0,00	0,92	0,00	0,92
54	Gas Supply Charge	13,48	0,00	13,48	(0,09)	13,39
Rate 9:						
55	Monthly Fixed Charge: (¢/m³ times the maximum daily volume)	3,15	0,00	3,15	0,00	3,15
	Delivery Charge (¢/m³):					
56	from 0 to 1,000,000 m³	4,30	0,01	4,31	0,38	4,68
57	in excess of 1,000,000 m³	4,05	0,00	4,05	0,39	4,44
58	Transportation Charge	5,55	0,00	5,55	(0,01)	5,54
59	Dawn Transportation Charge	0,92	0,00	0,92	0,00	0,92
60	Gas Supply Charge	13,48	0,00	13,48	(0,09)	13,39

Note: (1) Exhibit GI-27, Document 2.1, Attachment 1, Col. 2

ENBRIDGE GAZ QUÉBEC
CALCULATION OF GAS SUPPLY, LOAD BALANCING AND TRANSPORTATION COSTS BY RATE CLASS
RATE CASE 2027

Item No.	Description	Total	Rate 1	Rate 2	Rate 4	Rate 5	Rate 9
GAS SUPPLY ALLOCATION (\$000)							
1,1	Annual Commodity - Cost of Service	<u>19 574,3</u>	9 324,5	8 336,2	0,0	0,0	1 913,7
1	Total Gas Supply - Cost of Service	19 574,3	9 324,5	8 336,2	0,0	0,0	1 913,7
2,1	Annual Commodity - Return on Rate Base	<u>-109,6</u>	-52,2	-46,7	0,0	0,0	-10,7
2	Total Gas Supply - Return on Rate Base	-109,6	-52,2	-46,7	0,0	0,0	-10,7
3	Total Commodity	19 464,8	9 272,3	8 289,5	0,0	0,0	1 903,0
LOAD BALANCING ALLOCATION (\$000)							
4,1	Transmission - Cost of Service	9 859,2	4 827,1	4 005,5	69,4	317,5	639,7
4,2	Storage - Cost of Service	<u>2 277,9</u>	1 165,1	1 026,0	2,2	1,8	82,9
4	Total Load Balancing - Cost of Service	12 137,1	5 992,2	5 031,5	71,5	319,3	722,6
5,1	Transmission - Return on Rate Base	-98,2	-44,8	-35,3	-1,2	-6,1	-10,7
5,2	Storage - Return on Rate Base	<u>-12,8</u>	-6,5	-5,7	0,0	0,0	-0,5
5	Total Load Balancing - Return on Rate Base	-110,9	-51,3	-41,1	-1,2	-6,1	-11,1
6	Total Load Balancing	12 026,2	5 940,9	4 990,5	70,3	313,1	711,4
7	Transportation	8 044,5	3 832,1	3 425,9	0,0	0,0	786,5
8	Dawn Transportation	482,4	129,7	0,1	32,6	166,0	154,1
UNIT GAS COSTS (Cents/m3)							
9	Gas Supply Unit Rate	13,39	13,39	13,39	13,39	13,39	13,39
10	Load Balancing Unit Rate	6,07	7,12	8,06	1,97	1,73	2,29
11	Transportation Unit Rate	5,54	5,54	5,54	5,54	5,54	5,54
12	Dawn Transportation Unit Rate	0,92	0,92	0,92	0,92	0,92	0,92

**ENBRIDGE GAZ QUÉBEC
OTHER COMPONENTS OF THE RATE
RATE CASE 2027**

Line no	Description	Average unit rate of last block of the proposed rate ¢/m ³ Col. 1	Unit load balancing rate ¢/m ³ Col. 2	Proposed rate of other components ¢/m ³ Col. 3
1	Billing of the deficiency in minimum and annual volume			
2	Rate 3	18,37	(9,23)	9,14
3	Rate 3 Dawn T-Service	13,75	(4,61)	9,14
4	Rate 4			
5	load factor less or equal to 70%	11,75	(7,50)	4,24
6	Rate 4 Dawn T-Service	7,13	(2,88)	4,24
7	load factor higher than 70%	10,79	(7,50)	3,28
8	Rate 4 Dawn T-Service	6,16	(2,88)	3,28
9	Rate 5	9,84	(7,26)	2,58
10	Rate 5 Dawn T-Service	5,22	(2,64)	2,58
11	Rate 9	9,97	(7,83)	2,15
12	Rate 9 Dawn T-Service	5,35	(3,21)	2,15
	Maximum charge on a prorated basis of any annual minimum bill incurred by Enbridge Gaz Québec			
13	Rate 3	18,37	s/o	18,37
14	Rate 3 Dawn T-Service	13,75	s/o	13,75
15	Rate 4			
16	load factor less or equal to 70%	11,75	s/o	11,75
17	Rate 4 Dawn T-Service	7,13	s/o	7,13
18	load factor higher than 70%	10,79	s/o	10,79
19	Rate 4 Dawn T-Service	6,16	s/o	6,16
20	Rate 5	9,84	s/o	9,84
21	Rate 5 Dawn T-Service	5,22	s/o	5,22
22	Rate 9	9,97	s/o	9,97
23	Rate 9 Dawn T-Service	5,35	s/o	5,35

Notes:

Column 1: Average Unit Rate = Last Block of Delivery Charge + Transportation rate

Column 2: Unit Load Balancing Rate = (Load Balancing and Transportation Costs)

ENBRIDGE GAZ QUÉBEC
UNIT RATES AND REVENUE BY COMPONENT AND RATE CLASS
RATE CASE 2027

Line No.	D-2026-068 - January 1, 2026 Pass On		R-4351-2026			
	Unit rate	Total	Unit rate	Total	Variance	
	cents/m3	\$ '000	cents/m3	\$ '000	\$'000	% ⁽¹⁾
	Col. 1	Col. 2	Col. 3	Col. 4	Col. 5	Col. 6
<u>Rate 1</u>						
1,1 Gas Supply Commodity	13,48	9 332	13,39	9 272	(60)	-0,6%
1,2 Gas Supply Load Balancing	7,60	6 337	7,12	5 941	(396)	-6,2%
1,3 Transportation	5,55	3 842	5,54	3 832	(10)	-0,3%
1,4 Dawn Transportation	0,92	130	0,92	130	(1)	0,0%
1,5 Distribution	<u>17,35</u>	<u>14 466</u>	<u>17,40</u>	<u>14 516</u>	<u>49</u>	<u>0,3%</u>
1,0 Total	44,89	34 108	44,37	33 691	(418)	-1,2%
<u>Rate 2</u>						
2,1 Gas Supply Commodity	13,48	8 343	13,39	8 289	(54)	-0,6%
2,2 Gas Supply Load Balancing	8,04	4 978	8,06	4 990	13	0,3%
2,3 Transportation	5,55	3 435	5,54	3 426	(9)	-0,3%
2,4 Dawn Transportation	0,92	0	0,92	0	(0)	0,0%
2,5 Distribution	<u>53,10</u>	<u>32 870</u>	<u>53,27</u>	<u>32 973</u>	<u>103</u>	<u>0,3%</u>
2,0 Total	81,09	49 626	81,17	49 679	53	0,1%
<u>Rate 4</u>						
3,1 Gas Supply Commodity	13,48	-	13,39	-	-	-0,6%
3,2 Gas Supply Load Balancing	2,17	77	1,97	70	(7)	-9,1%
3,3 Transportation	5,55	-	5,54	-	-	-0,3%
3,4 Dawn Transportation	0,92	33	0,92	33	(0)	0,0%
3,5 Distribution	<u>4,91</u>	<u>175</u>	<u>4,93</u>	<u>176</u>	<u>1</u>	<u>0,3%</u>
3,0 Total	27,03	285	26,75	279	(7)	-1,0%
<u>Rate 5</u>						
4,1 Gas Supply Commodity	13,48	-	13,39	-	-	-0,6%
4,2 Gas Supply Load Balancing	1,82	330	1,73	313	(17)	-5,1%
4,3 Transportation	5,55	-	5,54	-	-	-0,3%
4,4 Dawn Transportation	0,92	167	0,92	166	(1)	0,0%
4,5 Distribution	<u>3,62</u>	<u>657</u>	<u>3,64</u>	<u>659</u>	<u>3</u>	<u>0,4%</u>
4,0 Total	25,39	1 154	25,21	1 138	(15)	-0,7%
<u>Rate 9</u>						
5,1 Gas Supply Commodity	13,48	1 915	13,39	1 903	(12)	-0,6%
5,2 Gas Supply Load Balancing	1,94	602	2,29	711	109	18,2%
5,3 Transportation	5,55	789	5,54	786	(2)	-0,3%
5,4 Dawn Transportation	0,92	155	0,92	154	(1)	0,0%
5,5 Distribution	<u>2,88</u>	<u>894</u>	<u>2,90</u>	<u>899</u>	<u>5</u>	<u>0,6%</u>
5,0 Total	24,77	4 355	25,03	4 454	99	1,1%
<u>Enbridge Gaz Québec Total</u>						
6,1 Gas Supply Commodity	13,48	19 591	13,39	19 465	(126)	-0,6%
6,2 Gas Supply Load Balancing	6,22	12 324	6,07	12 026	(298)	-2,4%
6,3 Transportation	5,55	8 066	5,54	8 044	(21)	-0,3%
6,4 Dawn Transportation	0,92	485	0,92	482	(3)	-0,5%
6,5 Distribution	<u>24,77</u>	<u>49 062</u>	<u>24,85</u>	<u>49 222</u>	<u>161</u>	<u>0,3%</u>
6,0 Total	50,95	89 528	50,77	89 240	(287)	-0,3%

Note:

(1) The % variance depicts the change in the unit rates.

**CURRICULUM VITAE OF
KURT J. HOLMES**

Experience: Enbridge Gas Inc.

Specialist, Rate Design
2024

Supervisor, Gas Distribution & Storage Revenue
2022

Senior Advisor, Gas Distribution & Storage Revenue
2019

Advisor, Rate Design
2017

Union Gas Limited

Advisor, Rates & Pricing
2016

Financial Analyst III, Storage and Transmission Accounting
2015

Financial Analyst II, Operations and Maintenance Reporting
2014

Financial Analyst I – CA Stream, Financial Reporting and General Accounting
2013

Education: Bachelor of Business Administration
Wilfrid Laurier University, 2012

Memberships: Chartered Professional Accountant (CPA, CA)
CPA Ontario, 2014

Appearances: (RÉGIE DE L'ÉNERGIE)

R-4268-2024

CURRICULUM VITAE OF
DANIELLE DREVENY

Experience: Enbridge Gas Inc.

Manager, Rate Design
2023

Manager, Capital Financial Planning & Analysis
2019

Union Gas Limited

Manager, Operating & Maintenance
2017

Team Lead, Operating & Maintenance
2015

Analyst, Operating & Maintenance
2009

Siemens VDO Automotive

Business Development Analyst
2002

Union Gas Limited

Fulfillment Support Analyst
2001

Education: Bachelor of Commerce
University of Windsor, 2001

Memberships: None

Appearances: (Ontario Energy Board)

EB-2022-0200
EB-2024-0111

(RÉGIE DE L'ÉNERGIE)

R-4303-2025

Original : 2029-09-18

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