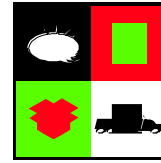




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AMCO FARMS INC.  
AMCO PRODUCE INC.  
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AMCO EXPRESS INC.

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**Complaint Submission: OEB Complaint File 2014-0002276**

THIS COMPLAINT is made of the 12<sup>th</sup> day of March, 2014.

**FROM:**

Amco Farms Inc., a corporation incorporated under the laws of the Province of Ontario, (hereinafter called "AMCO"), located at 523 Wilkinson Drive, Leamington, Ontario. N8H-1A6

**TO:**

Union Gas Co., a corporation incorporated under the laws of the Province of Ontario, (hereinafter called "UNION"), located at 50 Keil Drive North, Chatham, Ontario. N7M-5M1

-and-

The Ontario Energy Board, the governing party that supervises all Utility industry providers in Ontario, (herein called "OEB")

(herein collectively referred to as the "**Parties**", or individually a "**Party**")

**WHEREAS:** AMCO requires Natural Gas supply to meet its thermal load capacity requirements in its hydroponic greenhouse production facility which it has no option but to source exclusively from UNION.

**AND WHEREAS:** AMCO has maintained a good working relationship with UNION and fulfilled its obligations with UNION for over 29 years.

**AND WHEREAS:** UNION provides Natural Gas exclusively as a Utility to various customers including AMCO from its storage facilities in Ontario.

**AND WHEREAS:** The OEB oversees and provides necessary approvals rules and regulations stipulated by UNION to its customers which now have allowed UNION to impose penalties that have the potential to destroy end users of which UNION has no intentions to review.

**NOW THEREFORE:** In the normal course of business AMCO has endured great hardship in its attempt to meet the rules and regulations stipulated by UNION of which, due to an extreme and unprecedented situation have proven to be detrimental to AMCO primarily due to the large penalties imposed by UNION to AMCO for its inability to fulfil its February checkpoint obligations with UNION and of which have previously been reviewed and approved by the OEB.



**AND THEREFORE:** AMCO has initiated this complaint to the parties hereto and submit the following for review and consideration by the parties;

1. AMCO in good faith initiated balancing transactions to meet its checkpoint obligations and remained committed to ensuring that its obligations were satisfied.
  - a. 1<sup>st</sup> purchase of Natural Gas to balance account on February 24<sup>th</sup>
  - b. 2<sup>nd</sup> purchase of Natural Gas to balance account on February 26<sup>th</sup>
  - c. 3<sup>rd</sup> purchase of Natural Gas to balance account on February 27<sup>th</sup>NOTE: The stated balancing transactions above were understood to have fully balanced the AMCO account with UNION.
  
2. AMCO, on or about February 28<sup>th</sup> at 11:00AM was made aware of from UNION that the balancing requirement had a shortfall and that additional Natural Gas in the amount of 17,000 GJ's was still required to meet its checkpoint balancing obligation. AMCO immediately began to source additional Gas supply and was committed to do so however AMCO experienced hardship to accommodate in such a short period of time as follows;
  - a. AMCO had used its credit with Alta Gas, the companies Gas supplier and therefore required cash payments to purchase additional Gas supply, accordingly AMCO investigated other supplier options however all suppliers required the same method of payment understood to be payment up front before the Natural Gas was purchased which left the company exposed to unlimited costs.
  - b. The credit exposure inflicted by the extreme market conditions limited AMCO's ability to meet its check point obligation in such a short period.
  - c. The last day purchase initiative proved to be impossible in such a short period of time with all the new exposed credit requirements.
  - d. AMCO drastically tried to fulfill its obligations until 5:30PM on the 28<sup>th</sup> day of February and did not neglect its responsibility or stated obligations however the company failed to do so.
  - e. Amco requested to accept weekend deliveries to mitigate shortfall but UNION refused.
  
3. AMCO does not use an Energy consultant and /or marketer and therefore unknowingly and not intentionally assumed the 4% tolerance that it understood to be allowable to meet its February checkpoint which was in the end understood to be not correct.
  
4. AMCO has many meters that are on the same account and share gas between them, some of these meters do not have the capability for daily meter reads that in turn provide more accurate consumption information that provide essential information to calculate balancing shortfall. This year, the extreme cold weather exposed consumption uncertainty that was not relevant in previous years and that in turn hampered AMCO's ability to balance exactly to a zero tolerance level.



**AND THEREFORE:** The February checkpoint should be made more flexible in such a harsh market environment to protect hard working companies from such unprecedented adversity. Furthermore AMCO was unknowingly placed into an impossible situation, made all efforts to meet its balancing obligations and is now faced with a penalty in addition to additional energy expenses from market adversity from the drastic increase in Natural Gas pricing that is threatening to cripple the company. It is the opinion of the company and its representatives that some consideration should be given to provide relief which has previously been denied by UNION.

**FURTHERMORE:** The OEB needs to review the responsibility of UNION, further understand and mitigate UNION's ability to impose rules and regulations to its end users, such as AMCO that have no choice but to accept its stated rules and regulations due to UNION's exclusive arrangement as a Utility Provider. The imposed UNION rules and regulations need to be reviewed immediately and consideration by the OEB should be warranted to demand Union to incorporate wording in the rules and regulations to help end users survive such harsh penalties that in turn can cripple companies in good standing that have been in business a long time.

***Fausto Amicone***



***President  
Amco***

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