

BOARD STAFF COMMENTS
NRG January 2017 QRAM Application EB-2016-0341
December 16, 2016

1. In the Ontario Energy Board's (OEB) Decision in EB-2010-0018 dated May 17, 2012, the OEB allowed NRG to purchase from NRG Corp. (a related company) a maximum annual quantity of 1.0 million cubic meters of natural gas at a rate of 30.12 cents m³. In a letter dated November 16, 2016, NRG informed the OEB that it has agreed to sell its natural gas distribution system in its entirety to EPCOR Natural Gas Limited Partnership.
 - a) Please confirm whether EPCOR Natural Gas Limited Partnership will continue to purchase gas from NRG Corp. after the sale of the utility has been completed. If yes, what price will EPCOR Natural Gas Limited Partnership pay for gas purchased from NRG Corp.?
 - b) Please provide the premium that NRG system gas customers have paid from October 1, 2015 to September 30, 2016 for the 1.0 million cubic meters of natural gas purchased from NRG Corp. at 30.12 cents m³, as compared to the average cost of gas from other sources. Please exclude gas purchased from NRG Corp. for calculating the average cost of gas.

2. For all gas purchased from NRG Corp. over the 1.0 million cubic meters limit, the OEB allowed NRG to pay NRG Corp. the Ontario Landed Reference Price as calculated by Union Gas Limited in its QRAM applications (EB-2010-0018). NRG in its current QRAM application has noted that Union Gas Limited no longer calculates an Ontario Landed Reference Price. The Ontario Landed Reference Price has been replaced by the Dawn Reference Price. NRG has therefore used the Dawn Reference Price for gas purchases from NRG Corp. that is in excess of 1.0 million cubic meters.

Please confirm that the OEB has authorized NRG to use only the Ontario Landed Reference Price in the EB-2010-0018 Decision and not some other proxy price or rate that is calculated by Union Gas Limited.

3. NRG has included cap and trade related charges in the QRAM application effective January 1, 2017. The cap and trade related charges amounting to

3.3945 cents per m³ will appear as delivery charges on customer bills.

Please confirm that the cap and trade related charges will be added to the existing delivery charges on customer bills and will not appear as a separate line item for bill presentation purposes.

4. In Schedule 6 of the QRAM application, NRG has provided forecast prices for the period January 2017 to December 2017 on a monthly basis. Please explain how the prices have been derived and provide the supporting calculation.