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June 12, 2020

**Sent By Email and RESS E-Filing**

Ms. Christine E. Long  
Registrar & Board Secretary  
Ontario Energy Board  
27-2300 Yonge Street  
Toronto, ON M4P 1E4

Dear Ms. Long:

**Re: EB-2020-0149 – Quarterly Rate Adjustment Mechanism (“QRAM”) Application  
EPCOR Natural Gas LP (“ENGLP”) – Aylmer Operations – July 1, 2020**

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Please find attached ENGLP’s QRAM Application to the Ontario Energy Board (OEB) for orders effective July 1, 2020. ENGLP is aware that the OEB granted a deferral to Enbridge Gas Inc. (Enbridge) to dispense with filing its QRAM for rates effective July 1, 2020 in light of the severe economic pressures caused by the Covid-19 pandemic.<sup>1</sup>

ENGLP’s Aylmer Operations are fully embedded to Enbridge, and the Enbridge reference price is the determinant for the overwhelming majority of gas commodity used in ENGLP’s Aylmer Operations.

Since late December 2019, ENGLP has been supplied material volumes of local gas from Lake Erie under the terms of a contract with Lagasco Inc. (the Lagasco contract). Under the terms of the Lagasco contract, gas is priced a discount to ENGLP’s M9 contract with Enbridge. Limited volumes of gas from local wells make up the remainder of ENGLP’s ‘domestic’ supply, and volumes from local wells have generally decreased over time.

The overall effect of the Enbridge QRAM deferral (which results in no change to the Enbridge reference price effective July 1, 2020) and other supply considerations above, is a very slight decrease to a typical customer’s annual bill.<sup>2</sup>

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<sup>1</sup> OEB Letter to Enbridge Gas Inc., dated June 5, 2020.

<sup>2</sup> Approximately \$2.61 for a typical residential customer consuming 1,780m3 per annum.

ENGLP has yet to explore potential mitigation with respect to its customers in its Aylmer franchise area for rates effective October 1, 2020. ENGLP will monitor and reassess the need for mitigation, if any, as more and better information becomes available with respect to proposed commodity rates effective October 1, 2020.

**Re: Gas Supply Plan Review**

ENGLP(Aylmer) filed its Gas Supply Plan on May 1, 2020 (the Plan). ENGLP expects to receive an OEB initiation letter for a consultation to review the Plan in the near future.

ENGLP's July 1, 2020 QRAM will include further volume information with respect to actual production volumes and receipt of gas from Lake Erie gas pursuant to the Lagasco contract. This information may be useful to the Board and intervenors with respect to a review of the Plan, and provides the Board with a clearer picture of the positive impacts to customers of changes to ENGLP Aylmer's gas supply, i.e. under conditions where fewer pricing variables are changing from period to period.

**Cost consequences of the Lagasco contract**

ENGLP had previously indicated when filing the Plan that it would seek the cost consequences of the Lagasco contract as part of its July 1, 2020. Given that there has been no opportunity for discovery process with respect to the Plan by OEB staff or intervenors, ENGLP will defer its request for a final determination on the cost consequences of the Lagasco contract to a future rates application.

Please feel free to contact me if you have any questions.

Sincerely,



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cc. All intervenors in EB-2018-0336  
Pascale Duguay/Khalil Viraney, *OEB Staff*  
Pat McMahon/Mark Kitchen, *Enbridge Gas Inc.*  
Randy Aiken, *Aiken & Associates*  
Susannah Robinson, *EPCOR*