

Ian A. Mondrow
Direct: 416-369-4670
ian.mondrow@gowlingwlg.com

Assistant: Cathy Galler
Direct: 416-369-4570
cathy.galler@gowlingwlg.com

June 11, 2021

VIA RESS

Ms. Christine E. Long
Registrar
ONTARIO ENERGY BOARD
P.O. Box 2319, 27th Floor
2300 Yonge Street
Toronto, Ontario
M4P 1E4

Dear Ms. Long:

Re: EB-2021-0178: EPCOR Natural Gas Limited Partnership (ENGLP) – South Bruce July 1, 2021 Quarterly Rate Adjustment Mechanism (QRAM).

Industrial Gas Users Association (IGUA) Comments.

We write as legal counsel to IGUA.

IGUA's constituents in ENGLP's South Bruce service territory are served under ENGLP's South Bruce Rate 16. Rate 16 is subject to a separate Transportation Variance Account. During ENGLP's October, 2020 and January, 2021 QRAM applications we were able to confirm with ENGLP that none of its requests in those applications impacted, in any way, Rate 16 customers.¹

Through correspondence regarding IGUA's cost claim in ENGLP's January, 2021 QRAM we suggested that it would be most efficient for our review on behalf of IGUA of ENGLP's QRAM applications if ENGLP would include in its QRAM filings a simple and brief statement to the effect that there is no impact on its Rate 16 customers from the proposed QRAM rate changes. The Board agreed with this suggestion². EPCOR included such a statement in its next QRAM application for April, 2021³ and has included that statement again in the instant application⁴. That statement is as follows:

Customers served under Rate 16 are not impacted by changes in Gas Commodity Charge, as they procure their own supply and are not served by system gas supply.

¹ EB-2020-0206, ENGLP Letter dated October 7, 2020; EB-2020-0295, ENGLP Letter dated December 16, 2020.

² EB-2020-0295, *Decision and Order on Cost Awards*, February 3, 2021, page 2, last paragraph.

³ EB-2021-0100, page 11, line 25 to page 12, line 2.

⁴ Page 12, lines 4-6.

As we noted in our letter dated March 12, 2021 in the EPCOR QRAM for April, 2021, the large volume industrial customers represented by IGUA in EGI QRAM proceedings also “*procure their own supply and are not served by system gas supply*”, though these customers are impacted by changes in EGI’s gas commodity costs through impacts of QRAM gas commodity cost changes on EGI’s transportation and load balancing rates. As we understand it, however, in the case of ENGLP upstream costs are addressed through EGI’s Rate M17 transportation service contracted by ENGLP and thus changes in ENGLP’s own approved gas commodity costs do not lead to similar impacts on ENGLP’s large volume direct purchase customers.

On this basis, we have been able to quickly and efficiently confirm that ENGLP’s requested relief will have no impact on IGUA’s constituents in ENGLP’s service territory, and that IGUA need not further address EPCOR’s application.

During our review we did notice what may be an inadvertent error in the Rate 16 rate schedule filed (PDF page 28 of EPCOR’s current filing). That rate schedule as filed indicates a federal carbon charge of 5.8700 ¢/m³, though the OEB’s *Decision and Order* on EPCOR’s Federal Carbon Pricing Plan Application [EB-2020-0076/0231] approved a federal carbon charge of 7.83 ¢/m³ effective April 1, 2021 (the previously approved charge having been 5.8700 ¢/m³). It may be that the Rate 16 rate schedule included in EPCOR’s current filing is an older version as was initially filed with EPCOR’s April 1, 2021 QRAM filing, rather than the version updated for the approved higher federal carbon charge subsequently filed as a revision to the April 1st QRAM filing. While this line item does not impact IGUA’s member in the EPCOR South Bruce franchise as that customer is directly subject to federal carbon regulation, EPCOR may wish to review the rate schedules filed in support of its current application which all list the lower, and we suspect previous, carbon charge.

We appreciate EPCOR accommodating our review through the confirming statement added to its QRAM filing. IGUA will not be seeking cost recovery in this matter.

Yours truly,



Ian A. Mondrow

- c. Dr. Shahrzad Rahbar (IGUA)
- Tim Hesselink (ENGLP)
- Kenneth Poon (EPCOR Ontario Utilities Inc.)
- Daniela O’Callaghan (EPCOR Utilities Inc.)
- Arturo Lau (OEB Staff)
- Intervenors of Record (EB-2018-0264; EB-2019-0264)