

VIA E-MAIL

June 21, 2021

Ontario Energy Board
Attn: OEB REGISTRAR
P.O. Box 2319
27th Floor, 2300 Yonge Street
Toronto ON M4P 1E4

RE: EB-2021-0153 – EGI QRAM Q3 2021 - FRPO Submissions

Introduction

We are writing on behalf of the Federation of Rental-housing Providers of Ontario (FRPO) in response to the application for QRAM rate changes proposed by EGI in this application and EGI's responses¹ to our questions filed². While FRPO has participated in selective QRAM applications in the past on an exception basis, the evolution of Gas Supply discovery associated with the new Gas Supply Review framework had prompted our interest in reviewing more QRAM applications moving forward. Our comments are contained herein.

FRPO Supports EGD Mitigation of Consumption through Reduced Dawn Purchases

FRPO sought clarification of volume variances evidenced in Ex. C, Tab 1, Sch. 2. We have previously supported a utility plan that includes discretionary purchases as an effective tool to manage volume variances³. EGI's answer⁴ confirms the EGI Rate Zone used this tool effectively and we appreciate that approach reduces costs for ratepayers.

However, the QRAM evidence does not provide reporting on UDC for the Union Rate Zones.⁵ We understand that this practice reflects the historic approach of Union Gas in

¹ EGI_ReplySUB_20210618

² FRPO_QUESTION_EGI_QRAM Q3_20210614

³ EB-2019-0137 FRPO_Comments_20191021, page 4

⁴ EGI_ReplySUB_20210618, Exhibit I.FRPO.1

⁵ Exhibit D, Tab 1, Schedule 1, Page 4 of 4

providing that reporting as part of its annual deferral account disposition. While this may be historic practice, this approach does provide the Board with a comparison of the respective approaches to manage volume variations. We respectfully submit that comparative reporting in the same proceeding would benefit the Board in understanding where changing historic mitigation practices may be warranted.

Value of Dawn Purchases versus Using Storage for Seasonal Load Balancing

FRPO has encouraged EGI and previously EGD to purchase fixed price deliveries during the winter as a substitute for buying market-based storage for several years. Since there has been resistance to provide a comparative analysis, most recently FRPO requested data in the Review of Annual Update to EGI's Gas Supply Plan.⁶ However, even when we clarified our intended use of the data⁷, EGI refused to provide the information⁸. We did provide the request as part of our submissions in the Review Proceeding⁹ but we respect that that proceeding is still underway.

In the current proceeding, EGI is seeking disposition of gas supply related variances that contribute to the rate riders for customer rate impact. Yet, the company claims that our requests for this data to assess their approach to gas supply are not relevant¹⁰. FRPO is seeking the opportunity to demonstrate to the Board that there are superior approaches to load-balancing than the company is willing to consider. Given that Enbridge Inc. benefits from demand for storage in Ontario, we respectfully submit that the Board ought to have opportunity to be informed about alternative approaches. If our request for this data for the stated purpose of demonstrating the efficacy of different load balancing alternatives is not, in EGI's view, relevant to the Gas Supply review or QRAM, when is it relevant?

⁶ EB-2021-0004 FRPO_IRQ_QUEST_RAU GSP EGI_20210330, Questions 5, 10 and 11.

⁷ EB-2021-0004 Enbridge Stakeholder Conference April 26 2021, pages 169-172

⁸ EB-2021-0004 Enbridge Stakeholder Conference April 26 2021, pages 23-26

⁹ EB-2021-0004 FRPO_EGI GS ANN REV_20210511 esigned, pages 8-9

¹⁰ EGI_ReplySUB_20210618, Exhibit I.FRPO.2 and FRPO.3

Further, we are not appeased by EGI's statement in response to our inquiry¹¹:

Enbridge Gas acknowledges FRPO's desire for further information and is prepared to include more detailed information about the approach to assessing storage and load balancing options in the 2022 Annual Gas Supply Plan Update, which will be filed in early 2022.

We are not comforted as EGI committed to a study on its need for additional storage in 2016 from our past requests¹². The resulting ICF study took a narrow approach that precluded assessing the opportunity to forward purchase fixed price gas for delivery in the winter months. Instead, the study recommended more storage with EGI planned to obtain in 2018.¹³ The company can assert that it has not bought more storage recently so our inquiry should await the rebasing proceeding¹⁴. However, this assessment need not await rebasing as EGI will be continuing to purchase storage to replace contracts that are expiring. Ratepayers have been waiting 5 years for this analysis already and, in our view, EGI's resistance to this assessment demonstrates a bias that causes ratepayer concerns. We respectfully submit that EGI should be directed to provide fulsome answers to our requests for monthly data and the summer and winter gas prices for the next three years¹⁵ on the record for this proceeding at least one month prior to their next QRAM application.

Conclusion

Given our concerns outlined above, FRPO cannot support the relief requested by EGI in this application. However, given that EGI has not provided requested data over a number of proceedings, FRPO is not in a position to assist the Board in evaluation of EGI's approach and subsequent costs in their application. As a result, FRPO

¹¹ EGI_ReplySUB_20210618, Exhibit I.FRPO.3

¹² EB-2016-0215 (2017 Rates), Exhibit N1, Tab 1, Schedule 1, page 9

¹³ EB-2017-0086 Exhibit D1 Tab 2 Schedule 11 Page 13 of 14

¹⁴ EB-2021-0004 EGI_REPLY_20210525eSigned

¹⁵ EB-2021-0004 FRPO_IRQ_QUESTION_RAU GSP EGI_20210330, Question 11

respectfully implores the Board to order provision of the requested data in a timely fashion to allow for alternative approaches to be assessed in the future.

Costs

FRPO has outlined the reason for our involvement in the above introduction. We trust our observations and requests will be of benefit to the Board and, as such, request a cost award of our reasonably incurred costs in the proceeding.

Respectfully Submitted on Behalf of FRPO,

Dwayne R. Quinn
Principal
DR QUINN & ASSOCIATES LTD.

- c. A. Patel, EGI Regulatory Proceedings
Interested Parties - EB-2021-0153, EB-2021-0004