

INTRODUCTION

FRPO participated in the review of the ENGLP 5 year Gas Supply plan (GSP)¹. Given the nascent South Bruce market and the resulting uncertainty, it is difficult to assess the full GSP for this rate zone. Further, since ENGLP Aylmer sources its commodity from Enbridge and Lagasco, there is little need for evaluating the gas market outside of Ontario for this rate zone. As a result, FRPO will limit its comments to a few points for the Board's consideration.

ENGLP SOUTH BRUCE

The Covid pandemic affected consumption in all Ontario gas markets to some extent. However, the pandemic clearly would have an impact on the willingness and ability to have contractors going into buildings to provide quotes on conversions. As a result, it is clear that the customer attachments expected in the 5 year GSP have not been met² and the lag in attachment is beyond the control of the utility.

However, what is in control of the utility is mitigation of the impacts. In our respectful submission, ENGLP ought to be commended for their decision to optimize the utilization of its storage position as described in response to Board staff's inquiry.³ We compliment ENGLP's approach and understand that the issue of the cost consequences and allocation of benefits of this optimization would be the subject of other proceedings.

We accept that ENGLP has indicated that the appropriateness of its allocation of the deferred M17 costs is also not part of this proceeding. At the same time, we hope that our questions could prompt some thinking on the continued appropriateness if Rate 16 demands increase.⁴

ENGLP AYLMEER

As noted, the commodity procurement for the Aylmer territory is provided by Lagasco and Enbridge⁵. FRPO respects that this arrangement provides both cost mitigation and system benefits (akin to supply side IRP). At this juncture, the combination of supply from the north and south, in our view, provides ENGLP Aylmer and its customers with multiple benefits.

¹ EB-2020-0106

² ENGLP_2021_GSP_Update_South Bruce_20210430 Table 3-2 and ENGLP_2021-0146_Gas Supply Plan IRR_07132021 Staff 2

³ ENGLP_2021-0146_Gas Supply Plan IRR_07132021 Staff 4

⁴ ENGLP_2021-0146_Gas Supply Plan IRR_07132021 FRPO 4

⁵ ENGLP_2021_GSP_Update_Aylmer_20210430, Section 3.1.9, EB-2021-0099
ENGLP_APPL_QRAM_APR_r1_20210319 and EB-2018-0336

However, the M9 service from Enbridge may inhibit ENGLP from improving the cost effectiveness of its upstream service from Enbridge. ENGLP has provided that the T3 service would be available at a lower cost than M9⁶ and that Enbridge has not indicated that it could not go back to M9 if it moved to another rate.⁷ While there may be additional costs as communicated by ENGLP, there also may be some synergies that it could explore with its management of upstream arrangement for South Bruce.

CONCLUSION

Overall, FRPO submits that the GSP Update provides the Board with sufficient information to test ENGLP's GSP and its alignment with the guiding principles. Moreover, we submit that ENGLP is demonstrating prudent risk management given the information available.

We thank the Board for the opportunity to make comment on this update.

ALL OF WHICH IS RESPECTFULLY SUBMITTED ON BEHALF OF FRPO,

Dwayne R. Quinn
Principal
DR QUINN & ASSOCIATES LTD.

⁶ ENGLP_2021-0146_Gas Supply Plan IRR_07132021 FRPO 3 a)

⁷ ENGLP_2021-0146_Gas Supply Plan IRR_07132021 FRPO 2 d) In our view, a utility or any customer ought not be inhibited from choosing the most appropriate rate if it meets the qualification criteria