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June 21, 2022

Nancy Marconi
Registrar
Ontario Energy Board
2300 Yonge Street, P.O. Box 2319
Toronto ON
M4P 1E4

Dear Ms. Marconi,

**RE: EB-2022-0094 Price Paid for Ontario Production Natural Gas
Energy Probe Reply to the OPI Submission**

In Procedural Order No. 2 the OEB directed the Ontario Petroleum Institute to file submissions on the following two questions.

Question 1. On what basis does the OEB have jurisdiction to set the price that Ontario natural gas producers get paid for the gas they produce and provide to Ontario distributors?

Question 2. On what basis can a panel of commissioners establish rules to ensure fair and transparent access for gas producers to gas distribution systems in Ontario?

The OEB allowed parties to file replies to the submissions of the Ontario Petroleum Institute. This is the reply of Energy Probe.

Energy Probe agrees with the submissions of the Ontario Petroleum Institute.

Enbridge has a virtual monopoly on the purchase of gas produced in Ontario. The correct economics term for the current situation is monopsony, which occurs when one buyer faces little or no competition from other buyers and is able to set a price that is lower than would exist in a competitive market. While low price may benefit consumers in the short run, it could result in putting Ontario producers out of business. Energy Probe believes that the interests of consumers are best protected if Ontario gas production remains viable.

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Legislature has instituted regulation as a substitute for competition. There is no competition in the price paid for Ontario produced natural gas. Energy Probe believes that by regulating the price paid for Ontario produced gas the OEB would be fulfilling the purpose intended by the Legislature.

Respectfully submitted on behalf of Energy Probe by,

Tom Ladanyi
TL Energy Regulatory Consultants Inc.

cc. Patricia Adams (Energy Probe)
Michael Millar (OEB Staff)
Ritchie Murray (OEB Staff)
Intervenors of Record