

VIA RESS

September 17, 2022

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

**RE: EB-2022-0219 – EGI QRAM Q4 2022 - FRPO Submissions**

## Introduction

We are writing on behalf of the Federation of Rental-housing Providers of Ontario (FRPO) regarding issues that arose during the review of Gas Supply costs and the company's proposed approach for the third quarter of 2022. FRPO has participated in recent QRAM applications given the evolution of Gas Supply discovery associated with the new Gas Supply Review framework and our expressed concerns about the Board being provided the full picture<sup>1</sup>. As noted in our request for additional information in this proceeding<sup>2</sup>, we have pursued Vector assignments in the deferral disposition proceeding<sup>3</sup>. In this proceeding, we attempted to, once again, get a better understanding of successive 40% increases in load balancing costs proposed<sup>4</sup>.

## EGI's Responses and Schedules Make Discovery an Arduous Task

Our desire in the last couple of QRAM proceedings was to understand the drivers associated with successive 40% increases in load balancing costs. Our first two September 13<sup>th</sup> questions, asked that EGI provide a description of the drivers and the working schedules in Excel that we might follow the costs and allocations. EGI's response to the question provided some descriptions that pointed to impacts of basis differential that affected transportation and load balancing. However, the proposed transportation rates have not had the rapid escalation of load balancing. Reviewing the EB-2017-0086 reference provided values at that time without descriptors. Further portfolio and price changes make it difficult to translate that approach into the current proceeding. The Excel spreadsheet(s) were not provided.

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<sup>1</sup> EB-2022-0072 FRPO\_SUB\_EGI GS UPDATE\_20220527

<sup>2</sup> FRPO\_IR\_EGI QRAM 2022Q4\_20220913 – we apologize as the letter was incorrectly date September 6, 2022

<sup>3</sup> EB-2022-0110

<sup>4</sup> Exhibit A, Tab 3, Schedule 1, Page 1

To attempt to gain enhanced understanding, we started to follow the narrative in the response to the third question. The narrative was intended to lead one through the various schedules. Yet, when we started following the notes provided in Exhibit C, Tab 4, Schedule 10, we struggled as the first 3 notes were clearly incorrect as the references denoted page 14 of Schedule 8 from the last 3 QRAM's. However, Schedule 8 for each only has 8 pages.

The fourth note was different in that it referred to page 14 of Schedule 10 of EB-2022-0150. As we started to follow the costs in that schedule, note 3 calculated an allocation factor using a value that was not referenced to source. We have attached the extracts of these schedules and highlighted the challenges for the convenience of the reader.

Upon recognizing that the allocation factor was not going to be traceable, we considered that there were diminishing returns from a further investment of time. At the same time, we respectfully submit that the above description of the challenge reinforces the benefit of the provision of working Excel files so that one can follow the classification and allocation of actual costs underpinning the proposed rates. **As a result, we respectfully request the Board direct EGI to provide the working schedules in a working Excel format to allow for efficient discovery and potentially less questions in a condensed time frame in the next QRAM proceeding.**

In spite of our efforts, FRPO cannot assist the Board on the rapid escalation of the load balancing costs but trust our efforts could bring process improvements toward understanding in the next QRAM proceeding.

### Costs

FRPO has outlined the reasons for our involvement in the above introduction. We trust our observations will be of benefit assistance 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-2022-0219

**ENBRIDGE GAS DISTRIBUTION INC.**  
**Unit Rates for Component: Peaking Supplies**

Item No.	Description	Year 2021	Year 2022				Total Unit Rate <sup>(6)</sup>
		October	January	April	July	October	
		Q4 <sup>(1)</sup>	Q1 <sup>(2)</sup>	Q2 <sup>(3)</sup>	Q3 <sup>(4)</sup>	Q4 <sup>(5)</sup>	
		Col. 1 (¢/m <sup>3</sup> )	Col. 2 (¢/m <sup>3</sup> )	Col. 3 (¢/m <sup>3</sup> )	Col. 4 (¢/m <sup>3</sup> )	Col. 5 (¢/m <sup>3</sup> )	Col. 6 (¢/m <sup>3</sup> )
1	Rate 1	0.0000	(0.0000)	(0.0028)	(0.0061)	0.0000	(0.0090)
2	Rate 6	0.0000	(0.0000)	(0.0022)	(0.0047)	0.0000	(0.0069)
3	Rate 9	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
4	Rate 100	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
5	Rate 110	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
6	Rate 115	0.0000	(0.0000)	(0.0001)	(0.0002)	0.0000	(0.0002)
7	Rate 135	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
8	Rate 145	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
9	Rate 170	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
10	Rate 200	0.0000	(0.0000)	(0.0012)	(0.0025)	0.0000	(0.0037)

Notes: (1) EB-2021-0219, Exhibit C, Tab 4, Schedule 8, Page 14  
(2) EB-2021-0281, Exhibit C, Tab 4, Schedule 8, Page 14  
(3) EB-2022-0089, Exhibit C, Tab 4, Schedule 8, Page 14  
(4) EB-2022-0150, Exhibit C, Tab 4, Schedule 10, Page 14  
(5) EB-2022-0219, Exhibit C, Tab 4, Schedule 10, Page 14  
(6) Col. 6 = Col. 2 + Col. 3 + Col. 4 + Col. 5

**ANNUAL BILL COMPARISON - RESIDENTIAL CUSTOMERS**  
**INCLUDING FEDERAL CARBON PRICING IMPACTS FOR OBPS PARTICIPANTS AND RIDER K BILL 32**

**(A) EB-2022-0089 @ 38.53 MJ/m<sup>3</sup> vs (B) EB-2021-0281 @ 38.53 MJ/m<sup>3</sup>**

Item No.			Col. 1	Col. 2	Col. 3	Col. 4		Col. 5	Col. 6	Col. 7	Col. 8		
Heating & Water Htg.							Heating, Water Htg. & Other Uses						
			(A)	(B)	CHANGE					(A)	(B)	CHANGE	
					(A) - (B)	%						(A) - (B)	%
1.1	VOLUME	m³	3,064	3,064	0	0.0%		4,691	4,691	0	0.0%		
1.2	CUSTOMER CHG.	\$	265.44	265.44	0.00	0.0%		265.44	265.44	0.00	0.0%		
1.3	DISTRIBUTION CHG.	\$	274.31	273.74	0.57	0.2%		413.57	412.71	0.86	0.2%		
1.4	LOAD BALANCING	\$ \$	159.43	181.13	(21.70)	-12.0%		244.10	277.31	(33.22)	-12.0%		
1.5	SALES COMMDTY	\$	563.00	513.88	49.11	9.6%		861.95	786.76	75.19	9.6%		
1.6	FEDERAL CARBON CHARGE	\$	0.00	0.00	0.00	0.0%		0.00	0.00	0.00	0.0%		
1.7	TOTAL SALES	\$	1,262.18	1,234.20	27.98	2.3%		1,785.05	1,742.23	42.83	2.5%		
1.8	TOTAL T-SERVICE	\$	699.18	720.31	(21.13)	-2.9%		923.10	955.47	(32.36)	-3.4%		
1.9	SALES UNIT RATE	\$/m³	0.4119	0.4028	0.0091	2.3%		0.3805	0.3714	0.0091	2.5%		
1.10	T-SERVICE UNIT RATE	\$/m³	0.2282	0.2351	(0.0069)	-2.9%		0.1968	0.2037	(0.0069)	-3.4%		
1.11	SALES UNIT RATE	\$/GJ	10.7220	10.4843	0.2377	2.3%		9.9044	9.6668	0.2376	2.5%		
1.12	T-SERVICE UNIT RATE	\$/GJ	5.9394	6.1189	(0.1795)	-2.9%		5.1219	5.3014	(0.1796)	-3.4%		
Heating Only							Heating & Water Htg.						
			(A)	(B)	CHANGE					(A)	(B)	CHANGE	
					(A) - (B)	%						(A) - (B)	%
2.1	VOLUME	m³	1,955	1,955	0	0.0%		2,005	2,005	0	0.0%		
2.2	CUSTOMER CHG.	\$	265.44	265.44	0.00	0.0%		265.44	265.44	0.00	0.0%		
2.3	DISTRIBUTION CHG.	\$	175.93	175.57	0.36	0.2%		183.07	182.69	0.38	0.2%		
2.4	LOAD BALANCING	\$ \$	101.73	115.57	(13.84)	-12.0%		104.33	118.53	(14.20)	-12.0%		
2.5	SALES COMMDTY	\$	359.22	327.89	31.34	9.6%		368.41	336.27	32.14	9.6%		
2.6	FEDERAL CARBON CHARGE	\$	0.00	0.00	0.00	0.0%		0.00	0.00	0.00	0.0%		
2.7	TOTAL SALES	\$	902.32	884.47	17.86	2.0%		921.25	902.93	18.32	2.0%		
2.8	TOTAL T-SERVICE	\$	543.10	556.58	(13.48)	-2.4%		552.84	566.66	(13.82)	-2.4%		
2.9	SALES UNIT RATE	\$/m³	0.4615	0.4524	0.0091	2.0%		0.4595	0.4503	0.0091	2.0%		
2.10	T-SERVICE UNIT RATE	\$/m³	0.2778	0.2847	(0.0069)	-2.4%		0.2757	0.2826	(0.0069)	-2.4%		
2.11	SALES UNIT RATE	\$/GJ	12.0132	11.7755	0.2377	2.0%		11.9593	11.7215	0.2378	2.0%		
2.12	T-SERVICE UNIT RATE	\$/GJ	7.2307	7.4101	(0.1795)	-2.4%		7.1767	7.3561	(0.1794)	-2.4%		

§ The Load Balancing Charge shown here includes proposed transportation charges

**ANNUAL BILL COMPARISON - RESIDENTIAL CUSTOMERS**  
**INCLUDING FEDERAL CARBON PRICING IMPACTS FOR OBPS PARTICIPANTS AND RIDER K BILL 32**

(A) EB-2021-0219 @ 38.53 MJ/m<sup>3</sup> vs (B) EB-2021-0153 @ 38.53 MJ/m<sup>3</sup>

Item No.			Col. 1	Col. 2	Col. 3	Col. 4		Col. 5	Col. 6	Col. 7	Col. 8		
Heating & Water Htg.							Heating, Water Htg. & Other Uses						
			(A)	(B)	CHANGE					(A)	(B)	CHANGE	
					(A) - (B)	%						(A) - (B)	%
1.1	VOLUME	m³	3,064	3,064	0	0.0%		4,691	4,691	0	0.0%		
1.2	CUSTOMER CHG.	\$	261.96	261.96	0.00	0.0%		261.96	261.96	0.00	0.0%		
1.3	DISTRIBUTION CHG.	\$	267.51	265.79	1.72	0.6%		403.37	400.78	2.60	0.6%		
1.4	LOAD BALANCING	\$ \$	165.65	143.33	22.32	15.6%		253.61	219.44	34.17	15.6%		
1.5	SALES COMMDTY	\$	457.22	361.78	95.44	26.4%		700.00	553.89	146.12	26.4%		
1.6	FEDERAL CARBON CHARGE	\$	0.00	0.00	0.00	0.0%		0.00	0.00	0.00	0.0%		
1.7	TOTAL SALES	\$	1,152.33	1,032.86	119.48	11.6%		1,618.94	1,436.06	182.88	12.7%		
1.8	TOTAL T-SERVICE	\$	695.12	671.08	24.04	3.6%		918.94	882.17	36.77	4.2%		
1.9	SALES UNIT RATE	\$/m³	0.3761	0.3371	0.0390	11.6%		0.3451	0.3061	0.0390	12.7%		
1.10	T-SERVICE UNIT RATE	\$/m³	0.2269	0.2190	0.0078	3.6%		0.1959	0.1881	0.0078	4.2%		
1.11	SALES UNIT RATE	\$/GJ	9.7889	8.7739	1.0149	11.6%		8.9827	7.9680	1.0147	12.7%		
1.12	T-SERVICE UNIT RATE	\$/GJ	5.9049	5.7007	0.2042	3.6%		5.0988	4.8948	0.2040	4.2%		
Heating Only							Heating & Water Htg.						
			(A)	(B)	CHANGE					(A)	(B)	CHANGE	
					(A) - (B)	%						(A) - (B)	%
2.1	VOLUME	m³	1,955	1,955	0	0.0%		2,005	2,005	0	0.0%		
2.2	CUSTOMER CHG.	\$	261.96	261.96	0.00	0.0%		261.96	261.96	0.00	0.0%		
2.3	DISTRIBUTION CHG.	\$	171.57	170.46	1.11	0.6%		178.50	177.35	1.15	0.6%		
2.4	LOAD BALANCING	\$ \$	105.69	91.45	14.24	15.6%		108.39	93.79	14.60	15.6%		
2.5	SALES COMMDTY	\$	291.73	230.83	60.89	26.4%		299.19	236.74	62.45	26.4%		
2.6	FEDERAL CARBON CHARGE	\$	0.00	0.00	0.00	0.0%		0.00	0.00	0.00	0.0%		
2.7	TOTAL SALES	\$	830.95	754.71	76.24	10.1%		848.05	769.84	78.21	10.2%		
2.8	TOTAL T-SERVICE	\$	539.22	523.87	15.34	2.9%		548.86	533.10	15.75	3.0%		
2.9	SALES UNIT RATE	\$/m³	0.4250	0.3860	0.0390	10.1%		0.4230	0.3840	0.0390	10.2%		
2.10	T-SERVICE UNIT RATE	\$/m³	0.2758	0.2680	0.0078	2.9%		0.2737	0.2659	0.0079	3.0%		
2.11	SALES UNIT RATE	\$/GJ	11.0629	10.0479	1.0150	10.1%		11.0090	9.9938	1.0152	10.2%		
2.12	T-SERVICE UNIT RATE	\$/GJ	7.1789	6.9746	0.2043	2.9%		7.1250	6.9205	0.2045	3.0%		

§ The Load Balancing Charge shown here includes proposed transportation charges

**ANNUAL BILL COMPARISON - RESIDENTIAL CUSTOMERS**  
**INCLUDING FEDERAL CARBON PRICING IMPACTS FOR OBPS PARTICIPANTS AND RIDER K BILL 32**

**(A) EB-2021-0281 @ 38.53 MJ/m<sup>3</sup> vs (B) EB-2021-0219 @ 38.53 MJ/m<sup>3</sup>**

Item No.			Col. 1	Col. 2	Col. 3	Col. 4		Col. 5	Col. 6	Col. 7	Col. 8	
Heating & Water Htg.							Heating, Water Htg. & Other Uses					
			(A)	(B)	CHANGE					(A)	(B)	CHANGE
					(A) - (B)	%				(A) - (B)	%	
1.1	VOLUME	m³	3,064	3,064	0	0.0%		4,691	4,691	0	0.0%	
1.2	CUSTOMER CHG.	\$	265.44	261.96	3.48	1.3%		265.44	261.96	3.48	1.3%	
1.3	DISTRIBUTION CHG.	\$	273.74	267.51	6.23	2.3%		412.71	403.37	9.34	2.3%	
1.4	LOAD BALANCING	\$	181.13	165.65	15.49	9.3%		277.31	253.61	23.71	9.3%	
1.5	SALES COMMDTY	\$	513.88	457.22	56.67	12.4%		786.76	700.00	86.76	12.4%	
1.6	FEDERAL CARBON CHARGE	\$	0.00	0.00	0.00	0.0%		0.00	0.00	0.00	0.0%	
1.7	TOTAL SALES	\$	1,234.20	1,152.33	81.86	7.1%		1,742.23	1,618.94	123.29	7.6%	
1.8	TOTAL T-SERVICE	\$	720.31	695.12	25.20	3.6%		955.47	918.94	36.53	4.0%	
1.9	SALES UNIT RATE	\$/m³	0.4028	0.3761	0.0267	7.1%		0.3714	0.3451	0.0263	7.6%	
1.10	T-SERVICE UNIT RATE	\$/m³	0.2351	0.2269	0.0082	3.6%		0.2037	0.1959	0.0078	4.0%	
1.11	SALES UNIT RATE	\$/GJ	10.4843	9.7889	0.6954	7.1%		9.6668	8.9827	0.6841	7.6%	
1.12	T-SERVICE UNIT RATE	\$/GJ	6.1189	5.9049	0.2140	3.6%		5.3014	5.0988	0.2027	4.0%	
Heating Only							Heating & Water Htg.					
			(A)	(B)	CHANGE					(A)	(B)	CHANGE
					(A) - (B)	%				(A) - (B)	%	
2.1	VOLUME	m³	1,955	1,955	0	0.0%		2,005	2,005	0	0.0%	
2.2	CUSTOMER CHG.	\$	265.44	261.96	3.48	1.3%		265.44	261.96	3.48	1.3%	
2.3	DISTRIBUTION CHG.	\$	175.57	171.57	4.00	2.3%		182.69	178.50	4.19	2.3%	
2.4	LOAD BALANCING	\$	115.57	105.69	9.88	9.3%		118.53	108.39	10.13	9.3%	
2.5	SALES COMMDTY	\$	327.89	291.73	36.16	12.4%		336.27	299.19	37.08	12.4%	
2.6	FEDERAL CARBON CHARGE	\$	0.00	0.00	0.00	0.0%		0.00	0.00	0.00	0.0%	
2.7	TOTAL SALES	\$	884.47	830.95	53.52	6.4%		902.93	848.05	54.88	6.5%	
2.8	TOTAL T-SERVICE	\$	556.58	539.22	17.36	3.2%		566.66	548.86	17.80	3.2%	
2.9	SALES UNIT RATE	\$/m³	0.4524	0.4250	0.0274	6.4%		0.4503	0.4230	0.0274	6.5%	
2.10	T-SERVICE UNIT RATE	\$/m³	0.2847	0.2758	0.0089	3.2%		0.2826	0.2737	0.0089	3.2%	
2.11	SALES UNIT RATE	\$/GJ	11.7755	11.0629	0.7126	6.4%		11.7215	11.0090	0.7125	6.5%	
2.12	T-SERVICE UNIT RATE	\$/GJ	7.4101	7.1789	0.2312	3.2%		7.3561	7.1250	0.2311	3.2%	

§ The Load Balancing Charge shown here includes proposed transportation charges

**Derivation of Peaking Supplies Unit Rates  
July 2022 - QRAM Q3**

Item No	Description		Forecast Volumes (12 months volume)	% Allocation <sup>(1)</sup>	Peaking Supplies Total for Clearing <sup>(2)</sup>	Peaking Supplies Valuation Rate Class <sup>(3)</sup>	Peaking Supplies Unit Rate <sup>(4)</sup>
			Col. 1 (m <sup>3</sup> )	Col. 2 (%)	Col. 3 (\$)	Col. 4 (\$)	Col. 5 (¢/m <sup>3</sup> )
1.	Rate 1	System, Buy/sell, WTS, OTS, DTS	4,933,563,133	55.89%		(302,668)	(0.0061)
2.	Rate 6	System, Buy/sell, WTS, OTS, DTS	4,923,605,917	43.16%		(233,704)	(0.0047)
3.	Rate 9	System, Buy/sell, WTS, OTS, DTS	-	0.00%		0	-
4.	Rate 100	System, Buy/sell, WTS, OTS, DTS	-	0.00%		0	-
5.	Rate 110	System, Buy/sell, WTS, OTS, DTS	846,266,000	0.00%		0	-
6.	Rate 115	System, Buy/sell, WTS, OTS, DTS	466,558,921	0.13%		(730)	(0.0002)
7.	Rate 135	System, Buy/sell, WTS, OTS, DTS	64,744,339	0.00%		0	-
8.	Rate 145	System, Buy/sell, WTS, OTS, DTS	45,648,720	0.00%		0	-
9.	Rate 170	System, Buy/sell, WTS, OTS, DTS	322,394,061	0.00%		0	-
10.	Rate 200	System, Buy/sell, WTS, OTS, DTS	174,808,400	0.81%		(4,399)	(0.0025)
11.	Grand Total		11,777,589,490	100.00%	<u>(541,500)</u>	<u>(541,500)</u>	

Notes: (1) Deliverability allocation factor. EB-2022-0150, Exhibit C, Tab 3, Schedule 4, Page 1, Line 3.1

(2) EB-2022-0150, Exhibit C, Tab 1, Schedule 2A, Page 1, Line 13, Col. 12

(3) Col. 4 = Col. 2 \* -541500 (Peaking Supplies)

(4) Col. 5 = Col. 4 / Col. 1