Ontario Petroleum Institute Inc.
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Ontario Petroleum Institute

Evidence

April 21st, 2023

EB-2022-0200

Enbridge Gas Inc. 2024 Rebasing Application

Table of Contents

1. OPI Issues

Ontario Natural Gas producers face several challenges when delivering natural gas into the local distribution network. These challenges include the following:

1. Conditions precedent to contracting (Available/Market Capacity) and timelines.
2. Producer Station construction cost contestability.
3. Prolonged producer shut-ins.
4. Natural Gas pricing, which is inconsistent with the market-based, regulated price charged in Ontario Energy Board (OEB)-approved rates by Enbridge Gas Inc. (EGI) to customers.
5. EGI proposed increases to GPA monthly station charges and M13 transportation charges.

The OPI has intervened in several proceedings within the past 5 years in an attempt to resolve the issues outlined above. In February 2022, The OEB initiated a proceeding on its own motion to consider the price paid by rate-regulated natural gas distributors for natural gas produced in Ontario with a filing number of EB-2022-0094. Currently Issues 1 through 3 are being addressed in EB-2022-0094. In the same proceeding on November 17, 2022, in Procedural Order number 3, the OEB found that it does not have jurisdiction to directly set the price that Ontario natural gas producers get paid for the gas they produce and provide to Ontario distributors or any other purchaser. This attempted to address issue number 4 above as EGI has not been willing to provide pricing more consistent with the market-based, regulated price charged by EGI to customers even though other distributors have for those producers fortunate enough to be located in proximity to their gas utility distribution networks.

On February 7, 2023 in Procedural Order number 4 to EB-2022-0094, the OEB stated that issues related to the terms of service associated with the current M13, 401 and proposed E80 rates will be heard in the 2024 Rebasing proceeding and that EGI's proposal in the 2024 Rebasing proceeding for injection station fees will also remain in EB-2022-0200. From the OPI issues listed above, this would leave issue number 5 within this proceeding.

2. Cross-Subsidies should be considered

Consistent with long held market pricing principles adopted at the OEB, OPI does not believe that in-franchise customers or other gas network stakeholders should be subsidizing Ontario producers. Similarly, Ontario producers should not be forced to cross-subsidize in-franchise customers or other gas network stakeholders. OPI believes that all cross-subsidies should be considered by EGI when determining the revenue-to-cost ratios for Ontario producers and when developing rates to charge Ontario producers. Some of the cross-subsidies that EGI has not considered when developing the revenue to cost ratio of 7.151:1 in its application, or when developing rates for Ontario producers, include the following:

- Operation and Maintenance costs associated with transmission system.

- Fuel gas associated with transmission system.
- Carbon tax associated with transmission system.
- Price difference between Total Gas Supply Commodity Charge (TGSCC) in Union South Rate zone charged to customers by EGI, and the GPA price paid by EGI to Ontario producers selling under GPA contract.

Please see **Appendix 1** for a table and chart outlining the price difference between the GPA price paid to Ontario producers and the TGSCC. The mean difference in the price from January 2015 to March 2023 is 54 cents per GJ. This represents a cross-subsidy from Ontario producers to in-franchise customers. It should also be noted that this difference has decreased recently as amounts have accumulated in EGI's variance account so as not to create rate shock for EGI customers. These amounts will eventually be cleared increasing the mean difference between the price paid to GPA producers and the price charged to customers of EGI.

In EGI's 5 year gas supply plan dated May 1st, 2019, EGI estimates an average of 452,500 GJ per year from Ontario producers delivering gas to EGI under GPA contracts between 2019 and 2024. These volumes delivered by Ontario producers under the GPA contract would equate to an annual cross-subsidy of $244,350 per year from Ontario producers flowing to in-franchise customers.

The other cross-subsidies listed above are avoided costs associated with Ontario production for both M13 and GPA contract holders. These avoided costs reduce the costs that need to be recovered from in-franchise customers for fuel gas, carbon tax, and operation and maintenance.

The cross-subsidies listed above, one of which we have quantified, should be considered by the OEB when determining EGI's revenue-to-cost ratio and when determining if monthly station charges are reasonable. OPI suggests that all benefits of local production should be considered by the Board in addition to the impact of rates on local producers when setting new rates for meter stations.

3. <u>Benefits of locally produced natural gas</u>

There are several benefits provided by a healthy Ontario local production industry that do not directly relate to subsidies to in-franchise customers. Some of these benefits are outlined below and include:

- Environmental benefits
- Production royalties paid to the Crown and private landowners
- Facility and pipeline taxes paid to municipalities
- Other taxes and fees paid
- Direct employment
- Indirect employment
- Reduced Unaccounted For Gas (UFG) for local production

Environmental benefits include, but are not limited to, the cross-subsidy to in-franchise customers discussed above taking into account the reduced fuel gas usage by compressors in the transmission systems. The carbon footprint associated with local Ontario production also does not include any of the fuel gas consumed during upstream transportation required to land gas at the Dawn hub. EGI's 5 year gas supply plan states that Union South receives natural gas supplies from Western Canada, Chicago, the U.S. Mid-Continent and Appalachia. Gas transported from some of these locations would undergo significant shrinkage due to fuel gas consumed in transport.

Ontario producers generally pay a 12.5% royalty on the gross revenue generated from natural gas sales. Lake Erie production royalties are paid to the provincial government whereas production on private land is paid directly to landowners. This acts to support the economics of local rural economies and the province and is a significant benefit seen only from Ontario production volumes entering the distribution network.

Ontario producers also pay considerable municipal taxes for pipelines, facilities and wells. In some instances, local producers pay upwards of 30% of revenue in municipal taxes. These taxes enrich local municipalities and even offshore pipeline taxes flow to municipalities that border Lake Erie.

Ontario producers benefits the province and local economies through a series of other taxes and fees paid including production fees, corporate taxes, licencing fees and fuel taxes.

Ontario producers provide skilled jobs to local rural economies both directly and indirectly including but not limited to; engineers, geologists, managers, landmen, surveyors, operators, welders, electricians, rig operators, truck drivers, divers, boat captains and crew.

A final likely benefit from Ontario producers mentioned here which is in addition to the cross-subsidies outlined, and in one case calculated, in the section above, is reduced Unaccounted For Gas (UFG) resulting from local production. Local production is delivered directly to the distribution network in proximity to customers and therefore should have a lower chance of becoming UFG as it does not pass, in and out of storage, or through the transmission system.

OPI suggests that indirect benefits to local economies and the province created by local production should be considered, in addition to cross-subsidies to in-franchise customers, when determining if it is reasonable to charge local producers greatly increased meter station fees and transportation fees associated with the GPA and M13 or new E80.

4. Impact of Rate Increases on local producers

The Ontario gas production industry has been continuously and consistently producing natural gas in the province since production was first recorded in 1890. Between 1890 and 1985, there have been several peaks in production associated with successful exploration and development activities. Since 1985, gas production has continued and has slowly declined in a steady and consistent manner.

At the end of a well's life, it must be plugged in accordance with the Provincial operating standards and facilities must be decommissioned. Most Ontario producers are owner operators who maintain their wells and plug them out of cashflow as they become unproductive and uneconomic.

Over the past 15 years, reduced natural gas commodity prices coupled with increasing taxes, reduced access to the distribution network and increasing fees and charges have strained the finances of Ontario natural gas producers. There are 66 GPA producer stations as indicated by EGI in their application evidence to this proceeding. Many of the GPA stations deliver relatively low quantities on natural gas to the distribution network. The OPI has canvassed some of its members to determine the impact of the GPA rate increase on local producers. Please see **Appendix 2** for GPA contract holders comments and concerns.

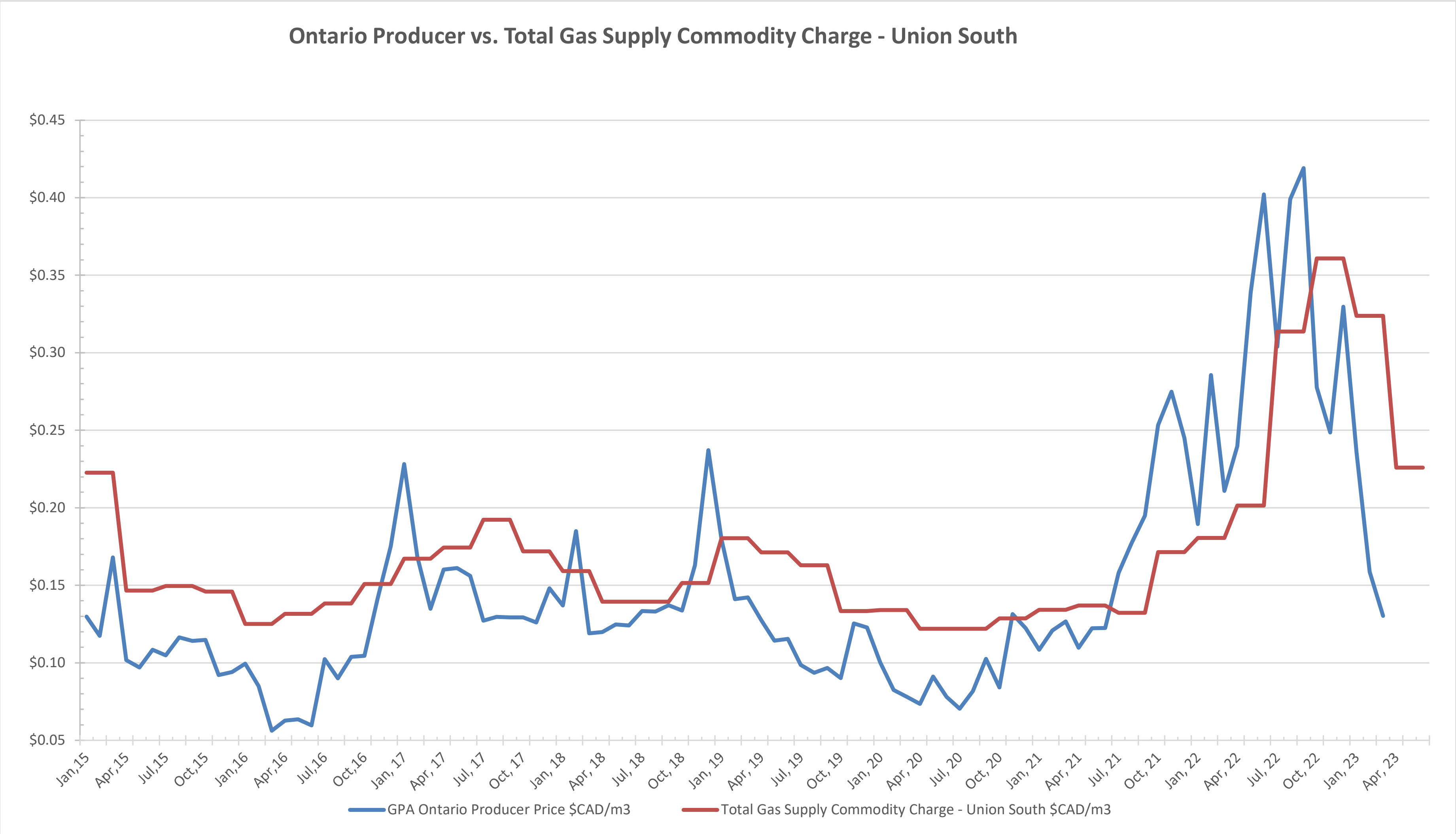
The OPI is concerned that an increase in monthly station fees for GPA holders from $90 to $469 or $1062 will create rate shock and have significant negative impacts on many small local producers. An increase from $90 to $469 is a 421% increase in the monthly station fee and is likely to drive several producer stations to stop delivering into the distribution system.

The OPI is of the opinion that these increases for certain producers will contribute to insolvencies and could lead to additional orphaned wells in the province, which then either become the responsibility of the government of Ontario or the affected landowner(s), if companies and individuals in care and control do not have funds to decommission wells. Neither of these outcomes is a desirable or necessary result of these station rates being increased so substantially, especially when a cost of service study addressing these variables is lacking specificity or reasonableness.

Appendix 1 Table and Chart Outlining the Price Difference Between GPA and TGSCC EB-2022-0200

Year and Month	GPA Ontario Producer Price	Total Gas Supply Commodity Charge - Union South	Price Difference	Percentage Difference
	$CAD/m3	$CAD/m3	Commodity less GPA	
Jan,15	$0.129792	$0.222663	$0.092871	42%
Feb,15	$0.117273	$0.222663	$0.105390	47%
Mar,15	$0.167973	$0.222663	$0.054690	25%
Apr,15	$0.101751	$0.146561	$0.044810	31%
May,15	$0.097071	$0.146561	$0.049490	34%
Jun,15	$0.108498	$0.146561	$0.038063	26%
Jul,15	$0.104793	$0.149571	$0.044778	30%
Aug,15	$0.116376	$0.149571	$0.033195	22%
Sep,15	$0.114075	$0.149571	$0.035496	24%
Oct,15	$0.114699	$0.145900	$0.031201	21%
Nov,15	$0.092118	$0.145900	$0.053782	37%
Dec,15	$0.094146	$0.145900	$0.051754	35%
Jan,16	$0.099567	$0.125108	$0.025541	20%
Feb,16	$0.084942	$0.125108	$0.040166	32%
Mar,16	$0.056238	$0.125108	$0.068870	55%
Apr,16	$0.062673	$0.131678	$0.069005	52%
May,16	$0.063570	$0.131678	$0.068108	52%
Jun,16	$0.059670	$0.131678	$0.072008	55%
Jul,16	$0.102336	$0.138229	$0.035893	26%
Aug,16	$0.090051	$0.138229	$0.048178	35%
Sep,16	$0.103857	$0.138229	$0.034372	25%
Oct,16	$0.104559	$0.150958	$0.046399	31%
Nov,16	$0.141336	$0.150958	$0.009622	6%
Dec, 16	$0.175188	$0.150958	-$0.024230	-16%
Jan, 17	$0.228228	$0.167188	-$0.061040	-37%
Feb, 17	$0.168480	$0.167188	-$0.001292	-1%
Mar, 17	$0.134862	$0.167188	$0.032326	19%
Apr, 17	$0.160212	$0.174434	$0.014222	8%
May, 17	$0.161109	$0.174434	$0.013325	8%
Jun, 17	$0.156117	$0.174434	$0.018317	11%
Jul, 17	$0.127062	$0.192334	$0.065272	34%
Aug, 17	$0.129597	$0.192334	$0.062737	33%
Sep, 17	$0.129246	$0.192334	$0.063088	33%
Oct, 17	$0.129324	$0.171859	$0.042535	25%
Nov, 17	$0.126087	$0.171859	$0.045772	27%
Dec, 17	$0.148122	$0.171859	$0.023737	14%
Jan, 18	$0.136851	$0.159153	$0.022302	14%
Feb, 18	$0.184977	$0.159153	-$0.025824	-16%
Mar, 18	$0.119145	$0.159153	$0.040008	25%
Apr, 18	$0.119847	$0.139327	$0.019480	14%
May, 18	$0.124761	$0.139327	$0.014566	10%
Jun, 18	$0.124137	$0.139327	$0.015190	11%
Jul, 18	$0.133419	$0.139327	$0.005908	4%
Aug, 18	$0.133146	$0.139327	$0.006181	4%
Sep, 18	$0.137163	$0.139327	$0.002164	2%
Oct, 18	$0.133653	$0.151421	$0.017768	12%
Nov, 18	$0.162942	$0.151421	-$0.011521	-8%
Dec, 18	$0.237159	$0.151421	-$0.085738	-57%
Jan, 19	$0.179556	$0.180395	$0.000839	0%
Feb, 19	$0.140946	$0.180395	$0.039449	22%
Mar, 19	$0.142233	$0.180395	$0.038162	21%
Apr, 19	$0.127530	$0.171237	$0.043707	26%
May, 19	$0.114387	$0.171237	$0.056850	33%
Jun, 19	$0.115479	$0.171237	$0.055758	33%
Jul, 19	$0.098553	$0.162957	$0.064404	40%
Aug, 19	$0.093561	$0.162957	$0.069396	43%
Sept, 19	$0.096720	$0.162957	$0.066237	41%
Oct, 19	$0.090207	$0.133356	$0.043149	32%
Nov, 19	$0.125307	$0.133356	$0.008049	6%

Dec, 19	$0.122772	$0.133356	$0.010584	8%
Jan, 20	$0.100269	$0.134040	$0.033771	25%
Feb, 20	$0.082368	$0.134040	$0.051672	39%
Mar, 20	$0.078117	$0.134040	$0.055923	42%
Apr, 20	$0.073593	$0.121894	$0.048301	40%
May, 20	$0.091065	$0.121894	$0.030829	25%
Jun, 20	$0.078000	$0.121894	$0.043894	36%
Jul, 20	$0.070512	$0.121894	$0.051382	42%
Aug, 20	$0.081705	$0.121894	$0.040189	33%
Sept, 20	$0.102531	$0.121894	$0.019363	16%
Oct, 20	$0.084045	$0.128566	$0.044521	35%
Nov, 20	$0.131430	$0.128566	-$0.002864	-2%
Dec, 20	$0.122226	$0.128566	$0.006340	5%
Jan, 21	$0.108420	$0.134224	$0.025804	19%
Feb, 21	$0.120822	$0.134224	$0.013402	10%
Mar, 21	$0.126672	$0.134224	$0.007552	6%
Apr, 21	$0.109668	$0.137086	$0.027418	20%
May, 21	$0.122265	$0.137086	$0.014821	11%
Jun, 21	$0.122538	$0.137086	$0.014548	11%
Jul, 21	$0.158145	$0.132272	-$0.025873	-20%
Aug, 21	$0.177177	$0.132272	-$0.044905	-34%
Sep, 21	$0.194961	$0.132272	-$0.062689	-47%
Oct, 21	$0.253188	$0.171480	-$0.081708	-48%
Nov, 21	$0.274833	$0.171480	-$0.103353	-60%
Dec, 21	$0.244959	$0.171480	-$0.073479	-43%
Jan, 22	$0.189462	$0.180529	-$0.008933	-5%
Feb, 22	$0.285558	$0.180529	-$0.105029	-58%
Mar, 22	$0.210834	$0.180529	-$0.030305	-17%
Apr, 22	$0.239733	$0.201518	-$0.038215	-19%
May, 22	$0.339027	$0.201518	-$0.137509	-68%
Jun, 22	$0.402129	$0.201518	-$0.200611	-100%
Jul, 22	$0.303966	$0.313751	$0.009785	3%
Aug, 22	$0.399126	$0.313751	-$0.085375	-27%
Sep, 22	$0.419172	$0.313751	-$0.105421	-34%
Oct, 22	$0.277602	$0.360910	$0.083308	23%
Nov, 22	$0.248625	$0.360910	$0.112285	31%
Dec, 22	$0.329706	$0.360910	$0.031204	9%
Jan, 23	$0.235872	$0.323821	$0.087949	27%
Feb, 23	$0.158691	$0.323821	$0.165130	51%
Mar, 23	$0.130299	$0.323821	$0.193522	60%
Apr, 23		$0.225958		
May, 23		$0.225958		
Jun, 23		$0.225958		


Ontario Producer vs. Total Gas Supply Commodity Charge - Union South
$0.45
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GPA Ontario Producer Price $CAD/m3
Total Gas Supply Commodity Charge - Union South $CAD/m3

GPA Holders Concerns and Comments

CHATHAM
RESOURCES LTD.

P.O. Box 670, Jarvis, ON N0A 1J0
519-952-0313

April 20, 2023

To: Ontario Energy Board

Subject: Enbridge Application for Meter Site Rate Increase

Dear Board Members,

Our management company oversees the production of 86 gas producing wells, which provide an energy source for many families. The excess production is sold through 3 meter sites which are operated by our associated companies.

The sites produce very marginal amounts of gas into the system for Enbridge but are located in remote areas and are an additional gas supply to the rural customers. But this income is essential to the viable operation of our company.

The increased costs of nearly 400% would in fact make at least two of the stations not financially viable and could orphan a few wells with no other reason to exist and therefore would have to be abandoned.

Maintained costs for these sites have gone through the roof and cannot be sustained if the rates go to the limits that have been suggested; therefore we want the Board to consider a turn down for the request for the rate increase or the fallout will be extremely negative to our companies.

William T. Chatham, p.Eng.
President and Owner
Chatham Resources Limited

chatham.resources@gmail.com

Fax 226-630-0341

Northwell Energy Inc.

Arthur Ontario

April 20, 2023

ATT: Ontario Energy Board

Northwell Energy Inc. produces gas from the Arthur Pool in North Wellington County.

This pool has been producing since the 60's and is still experiencing consistent production with our research showing that we can expect good production for years to come.

This pool is drained by 3 wells and delivers into the Local Grid through an Enbridge meter site near Arthur Ontario. The site flow is modest as the 3 wells are only capable of flowing so much due to relatively low reservoir pressure. The cost of drilling more wells to increase the production is prohibitive as Natural Gas prices have been low apart from a recent spike that has now settled back to a low value.

The above leaves the company with the challenge of making a profit from low volume and low product value. This challenge has been accepted by Northwell, and we are planning our future facility upgrades and maintenance based on this reality.

The proposed increase in the Station Charge by Enbridge would put our business plan in a bind and may reduce our ability to perform maintenance and upgrades in a timely manner.

The size of the proposed increase by Enbridge seems greater than common fair business practices would propose. Perhaps Enbridge is unaware of the impact this increase would have on its Ontario Suppliers.

It would be a shame to lose a Made in Ontario Indigenous source of Energy due to this Enbridge misunderstanding.

Northwell Energy here by opposes the rate of increase to the Station Charge by Enbridge and would like to urge the Ontario Energy Board to consider that Enbridge may have overstepped in its request for such an increase.

Respectfully

Charles Pegg

Director

Northwell Energy Inc.

ERIEBROOK ENERGY LTD
11728 Bates Dr.
RR#1 MORPETH ON. NOP 1XO

April 20, 2023

ATT: Ontario Energy Board.

Eriebrook Energy operates Natural Gas Production from the Morpeth Pool in Chatham Kent.

This indigenous source of Ontario's energy has been contributing to the gas supply in Ontario for 67 years. To date the field has delivered nearly 6 billion Cubic Feet of gas into the local grid. These A2 Carbonate formations are known for producing gas for decades starting at a high rate of production and then diminishing to a steady rate as the gas flows to the well bore through the tight rock formation.

The Morpeth Pool is a good representation of this as the pool pressure is diminishing slowly and the production rate is steady. The pool could produce this way for many more years and contribute to the local grid providing no spikes occur in operating costs.

The proposed increase to the STATION CHARGE by Enbridge would amount to an increase in expenses that may diminish the return from the pool to the point of low profit. Every produce in the province has a plan to eventually Plug and Abandoned their fields to MNR&F Standards.
In the case of Eriebrook and the Morpeth Pool this increase would advance the date for abandonment and cause disruption that would be costly for the Company at this time.

In conclusion Eriebrook Energy can understand that Enbridge would like to increase the Station Charge to cover their costs. However, it seems to be out of the realm of good business practice by Enbridge to feel that the amount of their proposed increase is fair to their supplier. Eriebrook Energy therefore opposes this radical increase as it will cause the company hardship and remove a source of Made in Ontario Energy from the Province.

Charles W. Pegg

President
Eriebrook Energy Ltd.

Colonial Petroleum Ltd.

1687 Oil Springs Line

Brigden, ON N0N 1B0

April 20, 2023

Attention: Bill Blake and Scott Lewis

Colonial Petroleum has 2 gas wells producing into one station. This kind of increase is more than a 500% increase which is ridiculous. We have 5 months of the year with minimal or no production because the line is for local market only that we produce into. This increase would put us out of business.

Regards,

Alan Lester

President

Colonial Petroleum Ltd.

Kinderhook Resources Ltd.

1687 Oil Springs Line

Brigden, ON N0N 1B0

April 20, 2023

Attention: Bill Blake and Scott Lewis

Kinderhook Resources has 2 gas wells producing into one station. This kind of increase is more than a 500% increase which is ridiculous. We only have marginal production and this increase would put us out of business.

Regards,

Alan Lester

President

Kinderhook Resources Ltd.

Lagasco Inc.

2807 Woodhull Road
London, ON N6K 4S4
Tel: 519.433.7710 Fax: 519.433.7588

To the Ontario Energy Board

April 20, 2023

I am writing to express our concern with the 421% increase in the monthly cost of the meter stations by Enbridge. Lagasco Inc. owns and operates 621 wells in the Province of Ontario. Lagasco produces gas into the Enbridge system under GPA contracts at 7 stations. This change will cause 3 stations to immediately become uneconomic.

With the increase in station costs, operations costs, and decrease in natural gas prices, additional wells and facilities will require earlier decommissioning and abandonment of wells and facilities.

Lagasco therefore opposes what we see as an excessive increase in fees.

Yours truly

Jane Lowrie
President

2807 Woodhull Rd.
London, ON N6K 4S4

CLEARBEACH RESOURCES INC.

Tel: 519-433-7710

April 20, 2023

To the Ontario Energy Board

I am writing to express our concern with the 421% increase in the monthly cost of the meter stations by Enbridge. Clearbeach Resources Inc. has been an active producer since 1989 in the province. Clearbeach produces gas into the Enbridge system under GPA contracts at 14 stations. This change will cause 5 stations to immediately become uneconomic, and cause hardship for Clearbeach, a company attempting to recover from a bankruptcy and plug and abandon wells no longer found to produce oil and gas in economic quantities.

With the increase in station costs, operations costs, and decrease in natural gas prices, it is difficult to properly maintain the wells. The change will cause additional non-producing wells, and a need to plug and abandon stations and wells.

Clearbeach therefore opposes what we see as an excessive increase in fees.

Yours truly,

J Lowrie

Jane Lowrie
President

Scott Lewis

From: Dave Thompson <dthompson@northerncross.ca>
Sent: April 20, 2023 3:26 PM
To: Scott Lewis
Subject: OPI Intervention - EGI Rebasing Hearing

To the Ontario Petroleum Institute,

Thank you for the opportunity to provide support for the OPI intervention in the EGI Rebasing hearing, especially as it relates to the meter station charges for producer with a GPA.
Northern Cross Energy Limited has a GPA with EGI and as such pays such a meter charge monthly.

I would like to make 3 specific points in support of the intervention:

1. NCE does not produce gas every month, but rather produces when market signals a demand for gas.
This provides a benefit to EGI by providing gas when it is needed and not producing when it is not.
NCE cannot support a massive increase in meter charges, especially in months when it does not produce in response to lower local demand.

2. NCE is a small producer and these increased meter charges will make it very difficult to continue as a producer.
In light of higher gas prices seen recently, that potential cash flow could support expenditures required to increase local production.
However, we have seen these prices and the gas demand supporting those prices are highly variable.
This supports the position that paying high meter charges every month is not sustainable in a market with highly variable demand.
High meter charges incurred when the meter is not being used will diminish our ability to produce more gas when it is needed.

3. The EGI meter to which NCE delivers has an RTU, the new proposed meter rates would require NCE to pay and extra $593 per month on top of the base $379 per month increase.
This extra RTU charge is for a service that was put in by EGI and NCE does not have the ability to opt out of.
Certainly at that substantial extra RTU cost NCE would choose to opt out and not pay the extra cost.

Best Regards,

Dave

David R Thompson
President
Northern Cross Energy Limited
35025 Hawkins Rd, RR6
Goderich, ON
N7A 3Y3

NORTHERN CROSS

Scott Lewis

From: lorrainefillmore@ontariopetroleuminstitute.com
Sent: March 29, 2023 1:22 PM
To: Scott Lewis
Subject: FW: OPI Intervention - EGI Rebasing Hearing

From: Roger Mitchell <roger7@bellnet.ca>
Sent: March 29, 2023 12:42 PM
To: lorrainefillmore@ontariopetroleuminstitute.com
Subject: Re: OPI Intervention - EGI Rebasing Hearing

Hi Loraine

This new GPA meter station charge would kill us out here, i have one station at times doesn't even make that amount ($469)

our second station that is currently 20% of its income and my third site well it will still hurt.

This to me is lets get rid of the little guy.

Yes i support the OPI in intervening in this hearing

Roger Mitchell

Elgin Mitchell Drilling Company Inc.

Norfolk Oil & Gas Ltd.

Cell: 519-427-3891

------ Original Message ------
From: lorrainefillmore@ontariopetroleuminstitute.com
To:
Cc: slewis@lagasco.ca
Sent: Tuesday, March 28, 2023 1:35 PM
Subject: OPI Intervention - EGI Rebasing Hearing

Good Afternoon Ontario Gas Producers,

Do you have a Gas Purchase Agreement (GPA) with Enbridge and a meter station where you sell your gas to Enbridge?

If so, are you aware of the below?

- Enbridge Gas (EGI) is in the process of a rebasing hearing where they have applied to the Ontario Energy Board for updated rates for the next 5 years.
- Enbridge is proposing to increase the GPA from $90 current monthly charge to either $469 or $1,062 per month
- The distinction between the two monthly charges is whether the meter station has a Remote Terminal Unit (RTU) ($469 per month if station doesn't have a RTU and $1,062 if the station does have an RTU).
- OPI is intervening in the hearing to argue against the increased charges to local gas producers.

Would you be willing to support the OPI with a letter if you find the charge increases unreasonable?

Please reply to this email so I know that you have received and also to let us know if you support the OPI intervening in this hearing.

Thank you,

Lorraine Fillmore

Office Manager

Ontario Petroleum Institute Inc.

(519) 680-1620

www.ontariopetroleuminsitute.com

Scott Lewis

From: douglas brett <dbrett.focus@gmail.com>
Sent: April 20, 2023 1:03 PM
To: Scott Lewis
Cc: Bill Blake
Subject: Enbridge Gas - meter station rate increase

Scott:

I would like to provide my input regarding the proposed massive increase in month rate charges Enbridge was to charge Ontario producers for existing meter stations.

Cameron Petroleum Inc., currently has five Enbridge meter stations:

Meter # 1198535 - 1 well
Meter 1273911 - 1 well
Meter # 2008302 - 5 wells
Meter 2008086 - 9 wells
Meter 1759426 - 3 wells

These meter stations tie to older natural gas wells that produce relatively small amounts of gas partially due to the local market restrictions as well as the productive capabilities of the wells.

The proposed increase in monthly rates would force Cameron to likely shut in three of these meter stations, and plug and abandon the related wells.

Thank you

Douglas Brett
for Estate of Madeline Brett

Scott Lewis

From:	lorrainefillmore@ontariopetroleuminstitute.com
Sent:	March 28, 2023 3:57 PM
To:	Scott Lewis
Subject:	FW: OPI Intervention - EGI Rebasing Hearing

From: dmarcus@haroldmarcus.com <dmarcus@haroldmarcus.com>
Sent: March 28, 2023 3:55 PM
To: lorrainefillmore@ontariopetroleuminstitute.com
Subject: Re: OPI Intervention - EGI Rebasing Hearing

Lorraine. Den Mar strongly agrees with OPI having intervener status , Monthly charges as suggested are totally unrealistic and uneconomical for small daily producers producing 20,000 ft3 and gas selling at $3.00 They will force many many small producers to cease operation Denis

Sent from my iPhone

On Mar 28, 2023, at 2:36 PM, lorrainefillmore@ontariopetroleuminstitute.com wrote:

Good Afternoon Ontario Gas Producers,

Do you have a Gas Purchase Agreement (GPA) with Enbridge and a meter station where you sell your gas to Enbridge?

If so, are you aware of the below?

1. Enbridge Gas (EGI) is in the process of a rebasing hearing where they have applied to the Ontario Energy Board for updated rates for the next 5 years.
2. Enbridge is proposing to increase the GPA from $90 current monthly charge to either $469 or $1,062 per month
3. The distinction between the two monthly charges is whether the meter station has a Remote Terminal Unit (RTU) ($469 per month if station doesn't have a RTU and $1,062 if the station does have an RTU).
4. OPI is intervening in the hearing to argue against the increased charges to local gas producers.

Would you be willing to support the OPI with a letter if you find the charge increases unreasonable?

Please reply to this email so I know that you have received and also to let us know if you support the OPI intervening in this hearing.

Thank you,

Lorraine Fillmore
Office Manager

On Wed, Apr 19, 2023 at 5:30 PM A C <armen.chilian@gmail.com> wrote:

Hello Bill

As you know we were looking to sell the Charlotteville Township gas operation back in 2020. With the low gas price and rising expenses it's been hard enough to stay afloat, but with depleting gas reserves and high cost to drill wells, the reality is... we are more likely now than ever to sell the gas wells and pipelines, and move on. The constant struggle of facing extremely high pipeline taxes, overall low prices from our natural gas sales and forever rising expenses on every front is too much to bear any more.

You mentioned that Enbridge is proposing to raise the price per meter from $90/mo to above $450/mo. That's laughable. If I had it my way I would simply shut off all three of the main Enbridge meters we have and take over the few Field Line Customers from Enbridge that exist within our main gas field. We really need to be both the gas supplier and distributor, charging our own rate. That is the only way to make it any more. The idea of simply getting a weighted Dawn average price from Enbridge is not enough to hold the line anymore.. On a monthly basis, we are currently losing money from our gas well operation. Right now, revenues generated are not enough to keep up with rising costs as it is. Is our gas of any benefit at all to Enbridge that they would want to raise meter rates yet again?. At some point soon, we will be forced to downsize and plug wells. Since we only have three field employees, it becomes a safety issue and ultimately a mental health issue to continually face unending and unreasonably burdensome price hikes from our gas purchaser. There has to be a better way. I think the best way perhaps is if we take over all meters. That way at least we know for ourselves 1) all meters are properly calibrated and volume movement is verified first hand 2) the price of upkeep is controlled by the producer and verifiable 3) no more shocks to our already battered maintenance budgets. We shop around to verify costs for parts and supplies like we do for everything.

Thanks for keeping me posted.

Armen Chilian P.Geo.

Pres/CEO Metalore Resources Limited

Office: 519 428-2464

Cell: 519-427-4289

www.metaloreresources.ca