

VIA RESS & EMAIL

March 13, 2025

Ontario Energy Board
Attn: Ms. Nancy Marconi, OEB Registrar
P.O. Box 2319
27th Floor, 2300 Yonge Street
Toronto ON
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RE: EB-2025-0078 – EGI QRAM Q2 2025 - FRPO Request for Understanding

Introduction

We are writing on behalf of the Federation of Rental-housing Providers of Ontario (FRPO) regarding above QRAM application. 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 picture¹.

In QRAM proceedings, FRPO made requests for background evidence in the form of details and data to understand how EGI determined allocations of gas supply costs to load balancing.² While EGI often expresses that this is supposed to be a mechanistic process, in our view, it should not be done inside of a black box.

In the 2022Q4 QRAM proceeding, FRPO strived to understand the significant escalation in load balancing costs during 2022. Our request for additional information provided only limited insight prompting our request for the Working Papers³. We accepted the Board's ruling on that request and decided to pursue these concerns in the rebasing proceeding as the cost allocation and ratemaking will likely evolve.

In the rebasing proceeding, we came to understand better how EGI allocates costs of load balancing in proposing the original rates. However, we do not understand how EGI allocates actual cost variances between gas supply and load balancing and transportation. In perusing the evidence, we do not find explanation nor references to understand the source of the data used in the allocation of costs rate classes.

¹ EB-2022-0072 FRPO_SUB_EGI GS UPDATE_20220527

² EB-2022-0219 & EB-2022-0286

³ EB-2022-0219 & FRPO_SUB_EGI_ QRAM 2022Q4_20220917

FRPO Request for Understanding of Transportation & Load Balancing Costs - EGD Rate Zone

Our specific concerns relate to Exhibit C, Tab 4, Schedule 4, page 2 in which EGD determines the Calculation of Gas Supply Load Balancing & Transportation Charges by Rate Classes. The table provides numeric figures for the derivation of load balancing less WARP and transportation charges. The table provides numeric figures under the two categories but does not reference the source of the data used nor can we find a description of the methodology including how cost variances are determined and allocated.

We respectfully request that EGI provide a description of the methodology including assumption regarding allocators and the process used to determine and allocate cost variances from those used in ratemaking. We believe it would be helpful to provide the appropriate references and sources as footnotes to the schedule to allow understanding and/or the Excel spreadsheets including worksheets to inform the reader.

Respectfully Submitted on Behalf of FRPO,



Dwayne R. Quinn
Principal
DR QUINN & ASSOCIATES LTD.

- c. R. Wathy, EGI Regulatory Proceedings
Interested Parties - EB-2025-0078