

VIA RESS & EMAIL

September 6, 2025

Ontario Energy Board

Attn: Mr. Ritchie Murray, Acting OEB Registrar

P.O. Box 2319

27<sup>th</sup> Floor, 2300 Yonge Street

Toronto ON M4P 1E4

**RE: EB-2025-0065 – EGI 5 YR GSP – FRPO Request for Complete Answers**

We are writing on behalf of the Federation of Rental-housing Providers of Ontario (FRPO) to request complete answers to our interrogatories in the above subject proceeding. This proceeding is the first opportunity for the Board to review the effectiveness of the Gas Supply Framework. We are seeking evidence to inform the Board's consideration and determination of these matters.

In response to our request for costs and bill impacts including load balancing FRPO-1 and FRPO-4, EGI refers to FRPO-3 asserting:

*Enbridge Gas's load balancing needs are dynamic and unique for each delivery area and each season, depending on a variety of factors that are out of the Company's control, such as weather, customer consumption, and operating conditions. Certain supply/service options referenced may require load balancing to ensure service through the winter months depending upon the specific delivery area.*

However, FRPO contends that EGI must still plan on what assets and/or contract rights need to be in place to meet their design day plan while using their experience to provide an assessment. We request complete answers to our questions on the topic of total bill impact assessments.

**Load Balancing is a Fundamental Aspect of Gas Supply Plan Costs**

In the initial Board-approved Gas Supply Framework, the Board cites the utility's need to assess the bill impact multiple times.<sup>1</sup> Both in the categories of Supply Option Analysis<sup>2</sup> and Gas Supply Plan Criteria<sup>3</sup>, the Framework stipulates the need for an analysis of the bill impact. FRPO has experienced challenges in receiving cost information in many past Gas Supply reviews.

In the initial Stakeholder meeting, FRPO strived to understand how costs and bill impacts would be assessed given the company's initial application.<sup>4</sup> As has been submitted many times, the lack of evidence on costs in the review process has inhibited ratepayers' ability to

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<sup>1</sup> EB:2017-0129 Framework for the Assessment of Distributor Gas Supply Plans, October 25, 2018

<sup>2</sup> Ibid, pg. 9

<sup>3</sup> Ibid, pg. 18

<sup>4</sup> EB-2019-0137 - Stakeholder Conference Presentation - Day One Transcript, pg. 22, line 25 to pg. 29, line 9

understand the bill impacts in light of choices made on their behalf by the utility. The Board's call for a review of the Framework creates an opportunity for the lack of evidence on bill impacts to be overcome.

Load Balancing is a fundamental responsibility of the utility to ensure that customers are able to be served given seasonal consumption fluctuations but especially during high consumption during the coldest days of the year. The latter obligation requires sufficient contracts and assets to be in place to deliver natural gas to customers in their specific location during the coldest expected temperatures, often referred to as the Design Day of the utility. This mix of contracts and assets are to be acquired in an economically rationale fashion to provide a prudent service to the customer.

#### FRPO Seeks Evidence Provided in Past Proceedings

In an effort to assist the Board, our interrogatories were developed to provide the Board with a more fulsome view of the customer bill impact than simply a Landed Gas Cost assessment. This simple assessment informs an average day cost but, as most aspects of utility design, the cost to discharge its responsibility on a Design Day is more crucial.

Recognizing this difference, FRPO sought this information ten years ago from Union Gas during a time of change in the gas supply to the Ontario market. Attached for ease of review, is an Oral Hearing undertaking from EB-2015-0166/0179 that provides the bill impact for three delivery areas in the Union Gas rate zone. We are seeking similar information in this proceeding and know that, notwithstanding EGI's assertions, these impacts can be and have been determined.

#### FRPO Requests the Answers be Provided by September 11th

Given the above information, we respectfully request that EGI provide the requested costs and bill impacts requested in FRPO-1, FRPO-4 and FRPO-5 by the end of the current week to allow for our consideration of the need for clarification in the Technical Conference slated to start September 16<sup>th</sup> to avoid the need for this to be done at an Oral Hearing.

Respectfully Submitted on Behalf of FRPO,

Dwayne R. Quinn  
Principal  
DR QUINN & ASSOCIATES LTD.

c. EGIRegulatoryProceedings  
C. Nguyen, I. Richler - Staff  
Interested Parties EB-2025-0065

November 18, 2015

Ms. Kirsten Walli  
Board Secretary  
Ontario Energy Board  
2300 Yonge Street, 27<sup>th</sup> Floor  
Toronto, ON M4P 1E4

Dear Ms. Walli:

**RE: EB-2015-0166/EB-2015-0175 – Union Gas Limited – Pre-Approval of the Cost Consequences of NEXUS Long Term Contract – Undertaking J2.3**

Please find attached Union's response to Undertaking J2.3 in the above proceeding in the Oral Hearing on November 16, 2015.

The Undertaking response will be filed in the RESS and copies sent to the Board.

If you have any questions with respect to this submission please contact me at (519) 436-5473.

Yours truly,

*[Original signed by]*

Karen Hockin  
Manager, Regulatory Initiatives

cc: Charles Keizer, Torys  
Mark Kitchen, Union Gas  
All Intervenors

UNION GAS LIMITED

Undertaking of Mr. Tetreault  
To Mr. Quinn

Union to provide information as described by Mr. Keizer at the outset: the landed cost for the North for supplies landed at Dawn; landed costs for the North for supplies landed at Kirkwall.

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For the purposes of this response Union has calculated the 2018 bill impacts for an average residential customer consuming 2,200 m<sup>3</sup> per year in the proposed Union North East Zone (Union NDA, Union NCDA and Union EDA) based on landed gas supply costs at Dawn and landed gas supply costs at Kirkwall.

As described in more detail below, an average residential customer in the Union North East Zone will see an approximately \$6 per year lower bill by landing gas at Dawn via the NEXUS pipeline as compared to landing gas at Kirkwall from Niagara.

Dawn Reference Price

To calculate the 2018 bill impacts based on landed gas supply costs at Dawn, Union has assumed a Dawn Reference Price of \$3.74/GJ and Union's proposed 2018 gas supply plan, as per the EB-2015-0181 proceeding (Dawn Reference Price). Union has also included the 2018 impacts of the capital pass-through projects and NEXUS annual gas cost savings of approximately \$39 million (or \$589 million over the 15 year term of the proposed NEXUS transportation contract). Please see Table 1 below for the calculation of the NEXUS gas cost savings. (This ties to Oral Hearing Transcript Volume 2, p. 67 lines 13-15. The figure provided in Oral Hearing Transcript Volume 3, p. 95 line 11 should be \$589 million rather than \$558 million)

Table 1  
NEXUS Gas Cost Savings vs Dawn

Line No.	Particulars	
1	Landed cost at Dawn (per GJ) (1)	\$7.38
2	Landed cost on NEXUS/St. Clair (per GJ) (1)	\$6.70
3	NEXUS savings vs. Dawn (per GJ)	\$0.68
4	NEXUS contracted capacity (GJ/d)	158,258
5	Expected NEXUS gas cost savings (per day)	\$107,615
6	Total NEXUS gas cost savings (line 5 x 365 x 15)	\$589,192,125

Notes:

(1) Per Exhibit B.T1.Union.TCPL.2

Based on the assumptions described above, for an average Rate 01 residential customer consuming 2,200 m<sup>3</sup> per year in the Union North East Zone the total bill is approximately \$940 per year. Please see Attachment 1, page 1, line 23.

Kirkwall Price

To calculate the 2018 bill impacts based on landed gas supply costs at Kirkwall, Union has assumed a landed Kirkwall gas cost of \$3.501/GJ. Union has also included its proposed 2018 gas supply plan, as per the EB-2015-0181 proceeding, as well as the 2018 impacts of the capital pass-through projects. Finally, Union has excluded the NEXUS annual gas cost savings of approximately \$39 million. Please see Table 2 for the calculation of the Kirkwall Price.

Table 2  
Calculation of Kirkwall Price

<u>Line No.</u>	<u>Particulars (\$)</u>	
1	Niagara Price (per GJ)	\$3.2631
2	Tolls Niagara to Kirkwall (per GJ)	0.2282
3	Fuel (0.2967%)	0.0097
4	Kirkwall Price (per GJ)	<u>\$3.501</u>

Based on the assumptions described above, for an average Rate 01 residential customer consuming 2,200 m<sup>3</sup> per year in the Union North East Zone the total bill is approximately \$946 per year. Please see Attachment 1, page 2, line 23.

Accordingly, for an average Rate 01 residential customer in the Union North East Zone, the total bill is estimated to be approximately \$6 per year lower as a result of landing gas at Dawn via the NEXUS pipeline as compared to landing gas at Kirkwall from Niagara.

UNION GAS LIMITED  
Rate 01 Residential Bill Impacts at 2,200 m<sup>3</sup> of 2018 Gas Supply Plan  
Including Capital Pass Through Projects in 2018 and  
NEXUS Gas Cost Savings for Union North East Zone

Line No.	Particulars (\$)	Union North East		
		NDA	NCDA	EDA
		(a)	(b)	(c)
	<u>Current Approved (1)</u>			
1	Monthly Customer Charge	252.00	252.00	252.00
2	Delivery	195.26	195.26	195.26
3	Transportation	145.57	172.44	172.44
4	Storage	84.84	95.60	95.60
5	Commodity (Alberta Border)	262.63	264.79	264.79
6	Total Bill	940.30	980.09	980.09
	<u>Proposed in EB-2015-0181 (2)</u>			
7	Monthly Customer Charge	252.00	252.00	252.00
8	Delivery	195.26	195.26	195.26
9	Transportation	65.30	65.30	65.30
10	Storage	132.54	132.54	132.54
11	Commodity (3)	321.58	321.58	321.58
12	Total Bill	966.68	966.68	966.68
	<u>Proposed vs Current Approved</u>			
13	Transportation (line 9 - line 3)	(80.27)	(107.14)	(107.14)
14	Storage (line 10 - line 4)	47.70	36.94	36.94
15	Commodity (line 11 - line 5)	58.95	56.79	56.79
16	Total Bill Impact (line 12 - line 6)	26.38	(13.41)	(13.41)
17	Bill Impact (%) (line 16 / line 6)	2.8%	-1.4%	-1.4%
	<u>Including 2018 Projects and NEXUS Gas Cost Savings (4)</u>			
18	Monthly Customer Charge	252.00	252.00	252.00
19	Delivery (5)	179.46	179.46	179.46
20	Transportation	71.68	71.68	71.68
21	Storage	141.59	141.59	141.59
22	Commodity (3), (6)	295.35	295.35	295.35
23	Total Bill	940.08	940.08	940.08
	<u>Including 2018 Projects and NEXUS Gas Cost Savings vs Current Approved</u>			
24	Delivery (line 19 - line 2)	(15.80)	(15.80)	(15.80)
25	Transportation (line 20 - line 3)	(73.89)	(100.76)	(100.76)
26	Storage (line 21 - line 4)	56.75	45.99	45.99
27	Commodity (line 22 - line 5)	32.72	30.56	30.56
28	Total Bill Impact (line 23 - line 6)	(0.22)	(40.01)	(40.01)
29	Bill Impact (%) (line 28 / line 6)	0.0%	-4.1%	-4.1%
	<u>Including 2018 Projects and NEXUS Gas Cost Savings vs Proposed in EB-2015-0181</u>			
30	Delivery (line 19 - line 8)	(15.80)	(15.80)	(15.80)
31	Transportation (line 20 - line 9)	6.38	6.38	6.38
32	Storage (line 21 - line 10)	9.04	9.04	9.04
33	Commodity (line 22 - line 11)	(26.23)	(26.23)	(26.23)
34	Total Bill Impact (line 23 - line 12)	(26.60)	(26.60)	(26.60)
35	Bill Impact (%) (line 34 / line 12)	-2.8%	-2.8%	-2.8%

Notes:

- (1) As per Union's April 2015 QRAM (EB-2015-0035)
- (2) As per EB-2015-0181, Exhibit A, Tab 2, page 28-29, Table 5.
- (3) The Union North West Zone is based on the Empress Reference Price of \$2.951/GJ and the Union North East Zone is based on the Dawn Reference Price of \$3.742/GJ, as per April 2015 QRAM (EB-2015-0035). Conversion to 10<sup>3</sup>m<sup>3</sup> based on a heat value of 38.55 GJ/10<sup>3</sup>m<sup>3</sup>.
- (4) 2018 bill impacts of the Capital Pass Through Projects includes Parkway West, Brantford to Kirkwall/Parkway D, (EB-2012-0433/EB-2013-0074), Burlington Oakville Pipeline (EB-2014-0182), 2016 Dawn to Parkway System Expansion (EB-2014-0261) and 2017 Dawn Parkway Project (EB-2015-0200).
- (5) As per Union's proposal in EB-2015-0116, Exhibit A, Tab 1, Updated, pages 13-14, customer related variance of projects is recovered over all the delivery blocks.
- (6) Includes NEXUS gas cost savings of 1.1915 cents/m<sup>3</sup> in Union North East. Unit rate savings calculated as landed cost at Dawn vs landed cost of NEXUS/St. Clair per Exhibit B.T1.Union.TCPL.2 (\$7.38/GJ - \$6.70/GJ) x 158,258 GJ x 365 = \$39,279,635 / 3,296,792 m<sup>3</sup> Union 2013 sales service volumes.

UNION GAS LIMITED  
Rate 01 Residential Bill Impacts at 2,200 m<sup>3</sup> of 2018 Gas Supply Plan  
Including Capital Pass Through Projects in 2018 and  
Kirkwall Price for Union North East Zone

Line No.	Particulars (\$)	Union North East		
		NDA (a)	NCDA (b)	EDA (c)
	<u>Current Approved (1)</u>			
1	Monthly Customer Charge	252.00	252.00	252.00
2	Delivery	195.26	195.26	195.26
3	Transportation	145.57	172.44	172.44
4	Storage	84.84	95.60	95.60
5	Commodity (Alberta Border)	262.63	264.79	264.79
6	Total Bill	940.30	980.09	980.09
	<u>Proposed in EB-2015-0181 (2)</u>			
7	Monthly Customer Charge	252.00	252.00	252.00
8	Delivery	195.26	195.26	195.26
9	Transportation	65.30	65.30	65.30
10	Storage	132.54	132.54	132.54
11	Commodity (3)	321.58	321.58	321.58
12	Total Bill	966.68	966.68	966.68
	<u>Proposed vs Current Approved</u>			
13	Transportation (line 9 - line 3)	(80.27)	(107.14)	(107.14)
14	Storage (line 10 - line 4)	47.70	36.94	36.94
15	Commodity (line 11 - line 5)	58.95	56.79	56.79
16	Total Bill Impact (line 12 - line 6)	26.38	(13.41)	(13.41)
17	Bill Impact (%) (line 16 / line 6)	2.8%	-1.4%	-1.4%
	<u>Including 2018 Projects and Kirkwall Price for Union North East (4)</u>			
18	Monthly Customer Charge	252.00	252.00	252.00
19	Delivery (5)	179.46	179.46	179.46
20	Transportation	71.68	71.68	71.68
21	Storage	141.59	141.59	141.59
22	Commodity (3)	301.12	301.12	301.12
23	Total Bill	945.85	945.85	945.85
	<u>Including 2018 Projects and Kirkwall Price vs Current Approved</u>			
24	Delivery (line 19 - line 2)	(15.80)	(15.80)	(15.80)
25	Transportation (line 20 - line 3)	(73.89)	(100.76)	(100.76)
26	Storage (line 21 - line 4)	56.75	45.99	45.99
27	Commodity (line 22 - line 5)	38.49	36.33	36.33
28	Total Bill Impact (line 23 - line 6)	5.55	(34.24)	(34.24)
29	Bill Impact (%) (line 28 / line 6)	0.6%	-3.5%	-3.5%
	<u>Including 2018 Projects and Kirkwall Price vs Proposed in EB-2015-0181</u>			
30	Delivery (line 19 - line 8)	(15.80)	(15.80)	(15.80)
31	Transportation (line 20 - line 9)	6.38	6.38	6.38
32	Storage (line 21 - line 10)	9.04	9.04	9.04
33	Commodity (line 22 - line 11)	(20.45)	(20.45)	(20.45)
34	Total Bill Impact (line 23 - line 12)	(20.82)	(20.82)	(20.82)
35	Bill Impact (%) (line 34 / line 12)	-2.2%	-2.2%	-2.2%

Notes:

- (1) As per Union's April 2015 QRAM (EB-2015-0035)
- (2) As per EB-2015-0181, Exhibit A, Tab 2, page 28-29, Table 5.
- (3) The Union North West Zone is based on the Empress Reference Price of \$2.951/GJ and the Union North East Zone is based on the Kirkwall Price of \$3.501/GJ. Conversion to 10<sup>3</sup>m<sup>3</sup> based on a heat value of 38.55 GJ/10<sup>3</sup>m<sup>3</sup>.  
The Kirkwall Price is calculated as follows:  

Niagara price (\$/GJ):	3.2631
Tolls Niagara to Kirkwall (\$/GJ):	0.2282
Fuel (0.2967%):	0.0097
Kirkwall Price (\$/GJ)	<u>3.5010</u>
- (4) 2018 bill impacts of the Capital Pass Through Projects includes Parkway West, Brantford to Kirkwall/Parkway D, (EB-2012-0433/EB-2013-0074), Burlington Oakville Pipeline (EB-2014-0182), 2016 Dawn to Parkway System Expansion (EB-2014-0261) and 2017 Dawn Parkway Project (EB-2015-0200).
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