

From: [BoardSec](#)
To: [REDACTED]
Subject: FW: Natural Resource Gas Limited Quarterly Rate Adjustment Application EB-2014-0053
Date: April 7, 2014 11:24:56 AM

From: [REDACTED]
Sent: April-06-14 1:04 PM
To: BoardSec
Subject: Natural Resource Gas Limited Quarterly Rate Adjustment Application EB-2014-0053

To whom it may concern,

This letter is in opposition to the boards decision to grant NRG a rate increase effective April 1, 2014 to 32.5156 per cubic metre. The reasons for this request is as follows.

1. No notification of the application was given to the ratepayers of NRG prior to the March 16 deadline. I personally contacted the consumer relation branch of the OEB on March 24 to express my concern of the impending rate increase proposed by NRG. The only way I knew about the application is because I was on the OEB website in regards to work related issue and noticed the April 1 price increases for Union and Endbridge. The representative from the OEB informed me that the utility by law must publish a notice of application of rate increase in the most widely circulated newspaper in the service area. I subsequently called Mr. Brian Lippold General Manager of NRG to discuss this application and to find out where and when the notice was published. By his own admission he informed me they are only required to publish the increase after the OEB has approved a new rate. If this was the case how possibly could ratepayers comment on the application by the 16th of March. In this case the ratepayers have been totally left out of the process. On this basis alone I feel the application should be rejected in it's entirety.

2. NRG paid a premium on 25,496 GJ of It would be my assumption that this purchase did not take place until close to the February 28 balancing deadline. I asked Mr. Lippold why he would not have purchased 100% at that time. His answer to me was he did not think it was fair that Union would not extend the deadline and that they were going to appeal this this so called penalty to the OEB. There supply contract is very clear with Union Gas. If you do not balance you will be charged the highest spot market price at the Dawn hub for the month or month following. I then asked him if NRG were having any credit issues. He informed me that they had a 3 million dollar line of credit with Shell Canada and there were certainly no issues there. One only has to do the math to determine that if you have just purchased 2.5 million dollars worth of gas added to that your regular monthly obligations that you have probably used up your 3 million dollars of available credit.He indicated in their application that there was no gas available to be purchased prior to the deadline. That is not true. I am in the business of purchasing natural gas myself. The company I work for has the exact same contractual obligations with Union as NRG. I personally purchased gas on February 28. To tell me that Shell Canada cannot come up with 25,496 GJ at the last minute assuming the credit is available is ludicrous.

NRG would have received their Direct Purchase Status report for January showing the imbalance of 115,523 GJ on or about the 12th of February. At that time gas was trading at Dawn in the \$10 – \$12 range. Why would they have not purchased 100% of supply then. In my estimation they have over paid in total by approximately 3 million dollars that they want the ratepayers to cover for their negligent business practices. As a purchaser of natural gas myself I purchased gas on an ongoing basis up to the deadline to balance my contract. My objective is to speculate in order to maximize profit since I work for a for profit company. Obviously in the particular case is work against me. NRG has no mandate to speculate on the price of gas as Mr. Lippold was possibly doing. Since the price of gas is a flow through cost to the ratepayer no risk should have been taken. I have serious concern with NRG`s purchasing practices and their ability to operate as a going concern.

In closing I would like to reiterate that rate approved by the OEB should not be allowed to take effect. Any increase to the existing rate be based on what NRG could have purchased natural gas for at the time they were first notified by Union of the imbalance. The the business practices of this company be closely scrutinized to ensure the the ratepayers are receiving the best value. Clearly in this situation they have not.

I thank you for your consideration in this matter and await your response.

William Warner

