

## UNDERTAKING J3.1

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To go over Union's approach to it and identify what those differences are from a PGVA point of view; in other words, what are the differences that may impact costs to ratepayers in the handling of these costs.

### RESPONSE

The Union Gas Ontario Energy Board ("OEB") approved QRAM methodology is a "two-step" process where Union calculates a Dawn Reference Price which is charged to customers as a gas cost, Union then calculates prospective differences between Union's portfolio and the Dawn Reference Price, charged to customers as a gas cost adjustment.

Enbridge's OEB approved QRAM methodology is a "one-step" process where Enbridge calculates a PGVA Reference Price, which is calculated by applying a 21 day forecast of monthly market based prices and any applicable toll changes to the OEB approved portfolio. This becomes the basis for the updated rates charged to customers.

There is no financial impact to customers of this difference. Customers of Union see the cost spread over two line items on their bill whereas customers of Enbridge see it on one line, however, the total costs are the same.