**EB-2015-0238**

**Ontario Energy Board**

**IN THE MATTER OF** the *Ontario Energy Board Act, 1998*, S.O. 1998, c. 15, Sch. B, as amended;

**AND IN THE MATTER OF** a consultation by the Board with respect of Distributor Natural Gas Supply Planning.

# Comments on Consultation Issues

# Energy Probe Research Foundation

October 29, 2015

**Distributor Gas Supply Planning Consultation**

Energy Probe’s view is that the November 25, 2015 Consultation hosted by the Board will provide an excellent forum for the exchange of information among Stakeholders. As Energy Probe Research Foundation (Energy Probe) has previously commented, it should become a regular item on the Board’s Agenda, particularly as the natural gas supply/transportation landscape continues to change.

**Areas For Discussion**

Energy Probe’s main area of concern is the significant infrastructure expansion programs currently being built or proposed by gas companies in Ontario. This expansion is justified on forecasts for significant increases in demand for the gas, both in the province, and for customers in neighbouring jurisdictions that will transport gas through Ontario’s pipelines. A significant portion of this demand is coming from industrial users or power generators.

In Union’s case, the company is asking – or has been approved – for money to build, among others, the Brantford-Kirkwall/Parkway D Project ($204 million) the Parkway West Project ($219 million), the Burlington Oakville Pipeline project ($119.5 million), the 2017 Dawn Parkway Project ($622.5 million). It’s also asking for approval to sign a long-term contract for supply on the proposed NEXUS pipeline ($715 million). Taken together – and not including other projects – that amounts to $1.9 billion.

In Enbridge’s case, the company is asking – or has been approved – for money to build, among others, the GTA Project ($686.5 million), as well as approval to sign a long-term contract on the NEXUS pipeline ($420 million). Taken together, these projects amount to $1.1 billion.

Using just these projects, there is currently $3 billion in proposed spending on new gas infrastructure on the table or recently approved – not including the standard costs associated with operating the existing infrastructure. The profitability of many of these proposed projects when assessed under the EBO 134 Guidelines Phase 1 is less than 0.5 – where the cash outflows are twice inflows. We believe this topic would be highly relevant for the conference on November, 25, 2015.

Energy Probe will attend the November 25, 2015 meeting, but does not have plans to make a presentation, though we do intend to make a final submission by December 10, 2015.