Ontario Energy Board

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BY EMAIL AND WEBPOSTING

November 9, 2015

To: **All Participants**

Re: **Distributor Gas Supply Planning Consultation (EB 2015-0238)**

In a letter dated October 16, 2015 ("the October 16 letter") the OEB announced its Distributor Gas Supply Planning Conference that is to be held at the OEB offices on November 25, 2015. Please note that the date of the Conference has been changed to **December 3, 2015**.

The Consultation will focus on natural gas supply planning design and the risk/cost trade-offs considered by the gas distributors in their annual planning process.

The purpose of this letter is to provide participants and other interested parties with additional information about the Consultation.

Stakeholder Input on the Scope of the Consultation

In the October 16 letter, the OEB invited stakeholders to provide advice on any additional issues they believe should be discussed at the Conference that address the purpose and objectives of the Consultation. Input received was used to help guide the preparation of the preliminary Conference Agenda, which is attached as Appendix A.

Some of the advice received by the OEB suggested including infrastructure planning both near and long term in the Consultation. Infrastructure planning is an important topic however, it is out of the scope of this Consultation. Stakeholders interested in participating in a discussion on infrastructure planning will be able to do so at the Natural Gas Market Review Forum to be held in January 2016. More information on this will be released over the coming weeks. Some of the infrastructure planning concerns raised by Stakeholders are part of applications that are currently before the OEB and as a result they cannot be discussed at the Forum.

This Consultation will focus specifically on the annual natural gas supply planning design process undertaken by the gas distributors in order to gain a deeper understanding of the risk/cost tradeoffs being made as they develop their plans.

The gas distributors will present information about their plans that will:

- 1) Outline their underlying planning principles;
- 2) Description of the design criteria (demand, supply, transportation) that are used to develop the supply plan, and establish the level of risk and cost that the plan is exposed to;

- 3) Enable the OEB and stakeholders to compare and contrast the plans side by side, and understand the basis for those differences:
- 4) Increase the understanding of the implications of the plans and distributor actions under various scenarios, in order to demonstrate the cost impact of the plan under those scenarios. Scenarios will include but not be limited to the following:
 - a. Lower demand than the planned condition
 - b. Higher demand (both peak-day and over-all system demand) than the planned condition.
 - c. Other significant variant scenarios that fall outside of the normal operating assumptions of the plan.

Detailed Agenda

A detailed agenda will be prepared following the November 26 deadline for the gas distributors and Stakeholders to submit presentations for the Conference. The detailed agenda will include information on the order and time of each presentation.

Stakeholder Presentations

For attendees planning a presentation, for scheduling purposes, the topic of the presentation must be clearly indicated in the email and should be identifiable as directly related to one of the topics listed on the preliminary agenda. In order to ensure all presentations can be accommodated and to maximize time for discussion, presentations should be no longer than **20 minutes.**

An electronic copy of any presentation materials must be submitted to the Board Secretary by November 26, 2015, in accordance with the filing instructions set out in the October 16 letter. Presentation materials will be posted on the Consultation webpage.

Written Comments

Stakeholders will be provided an opportunity to comment on the material presented at the Conference. Comments must be submitted to the OEB by December 17, 2015.

Questions about this consultation process should be directed to Jason Craig at jason.craig@ontarioenergyboard.ca or 416-440-8139. The Board's toll-free number is 1-888-632-6273.

Yours truly,

Original signed by

Kirsten Walli Board Secretary

Attachment: Appendix A

Appendix A

Preliminary Agenda

The gas distributors will present information about their plans that will:
 Outline their underlying planning principles Description of the design criteria (supply and transportation) that are used to develop the supply plan, and establish the level of risk and cost that the plan is exposed to Enable the OEB and stakeholders to compare and contrast the plans side by side, and understand the basis for those differences Increase the understanding of the implications of the plans and distributor actions under various scenarios, in order to demonstrate the cost impact of the plan under those scenarios. Scenarios will include but not be limited to the following; Lower demand than the planned condition Higher demand (both peak-day and over-all system demand) than the planned condition. Other significant variant scenarios that fall outside of the normal operating assumptions of the plan.
Discussion
Presentation by Dwayne Quinn; 1) The benefits integrated planning for both short term and long term. 2) As the market evolves, opportunity is created to consider gas management issues such as UDC and consider market based non-facility alternatives that address both seasonal and peak needs of the utility 3) consideration of potential process changes Wrap-up discussion