

**Ontario Energy
Board**
P.O. Box 2319
2300 Yonge Street
27th Floor
Toronto ON M4P 1E4
Telephone: 416-481-1967
Facsimile: 416-440-7656
Toll free: 1-888-632-6273

**Commission de l'énergie
de l'Ontario**
C.P. 2319
2300, rue Yonge
27^e étage
Toronto ON M4P 1E4
Téléphone: 416-481-1967
Télécopieur: 416-440-7656
Numéro sans frais: 1-888-632-6273



BY E-MAIL AND WEB POSTING

February 3, 2016

**TO: All Rate Regulated Natural Gas Distributors
All Registered Participants in Board File No. EB-2015-0237
All Interested Parties**

RE: 2015 NGMR Forum Undertakings & Written Comments Due Date

Background

In a letter dated November 25, 2015 ([cover letter](#)) the Board announced its 3rd Natural Gas Market Review consultation. The 2015 NGMR Forum was held at the OEB's offices on Thursday, January 21, 2016.

Undertakings by Navigant

In the course of the Forum, Navigant – who was engaged by staff to provide a Natural Gas Market Review and forecast – agreed to provide information in response to questions related to aspects of their analysis that was not immediately available to Navigant at the time. The undertakings and responses are attached.

Deadline for Written Comments Extended

In order for interested parties to consider Navigant's responses in the preparation of their written comments, the due date for filing written comments to the OEB on the information provided and issues discussed at the NGMR Forum is extended to **Monday, February 8, 2016**. Filing instructions are provided in the cover letter.

Yours truly,

Original signed by

Peter Fraser
Vice President, Industry Operations & Performance

Attachment

Attachment

Navigator's Responses to NGMR Forum Undertakings

Is the Nexus pipeline included in your model, and what quantity does it include for delivery to Dawn (Ontario)?

Based on a quick review of our model output we found that while included in our output Nexus does not deliver volumes directly into Dawn Ontario in our model runs. Nexus can deliver 750 MMcfd of gas to pipelines going into Dawn (MichCon and Vector), but those pipelines also feed into other demand areas. We do not model Nexus delivering 750 MMcfd of gas into Dawn Ontario (note that the pipe capacity for Nexus to all points is 1000MMcfd, with only 750MMcfd to Vector and MichCon). Also note that we do not increase capacity of pipelines going into Dawn when Nexus is added, nor do we reduce the capacity of a pipeline for any projected reduction in flow due to any projected decrease in gas burn as a result of renewables, .

Regarding several questions related to the northeast projects included in our model runs for OEB that draw production from the Marcellus area we offer the following table of the projects that were included in the analysis:

| Project Name | On-Line Date | Cap (Mmcf) |
|-------------------------------|--------------|------------|
| Algonquin AIM | Nov-16 | 342 |
| Constitution | Nov-16 | 650 |
| ET Rover | Jan-17 | 3250 |
| Tennessee Gas Pipeline NED | Nov-18 | 1200 |
| Texas Eastern Adair Southwest | Nov-17 | 200 |
| Transco Atlantic Sunrise | Jul-17 | 1700 |
| Atlantic Bridge | Nov-17 | 600 |
| KM Connecticut Expansion | Nov-16 | 72 |
| Nexus | Nov-17 | 1000 |

In response to the question regarding more definition of how CPP data is addressed in our model runs for the OEB:

We model CPP [Clean Power Plan] as a regional cap and trade system, with a clearing price for carbon calculated as the price that brings the regions into compliance. This calculated price (\$20.65/ton (2014 \$), which comes to \$7.37/MWh for generic combined cycle) is then treated as an additional variable cost in the model, incenting coal-gas switching but also gas-renewable switching. Ontario's carbon price is set at the WCI [Western Climate Initiative] price floor.