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March 9, 2016

BY EMAIL & BY COURIER

Ms. Kirsten Walli
Board Secretary
Ontario Energy Board
2300 Yonge St, Suite 2701
Toronto ON M4P 1E4

Dear Ms. Walli:

**Board File No. EB-2015-0238 Ontario Energy Board Consultation
Distributor Gas Supply Planning Consultation
Energy Probe – Comments**

Attached please find the Comments of Energy Probe Research Foundation (Energy Probe) in respect of the EB-2015-0238 Consultation for the Board's consideration.

Should you require additional information, please do not hesitate to contact me.

Yours truly,

David S. MacIntosh
Case Manager

cc. Jason Craig, Ontario Energy Board (By email)
Peter Fraser, Ontario Energy Board (By email)
Roger Higgin, Consultant to Energy Probe (By email)
Brady Yauch, Consultant to Energy Probe (By email)
Parties of Interest (By email)

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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 to Gas Supply Planning.

Distributor Gas Supply Planning Consultation

Comments

Energy Probe Research Foundation

March 8, 2016

Consultation and Stakeholder Conference EB-2015-0238

How these Matters Came before the Board

By letter dated November 9, 2015, the Ontario Energy Board's invited stakeholders to the second Distributor Gas Supply Planning Consultation/Conference. Energy Probe Research Foundation (Energy Probe) was invited to participate.

Stakeholder Forum December 3, 2015

At the Consultation/Forum parties agreed that it would be informative to compile a Comparison of Gas Supply Planning principles, Inputs and process and other factors for Union and Enbridge. The utilities filed the comparison Document on February 23, 2016.

Comments on Gas Supply Planning Comparison

2. Guiding Principles

EGD has a specific Principle based on Landed Cost:

Attachment Page 3

4. Landed Cost – Balances gas supply costs with the other principles and ensures low cost natural gas supply for customers.

Comment

We support this principle for both utilities.

5. Gas Supply Planning Inputs

Design day Criteria

Union manages to the coldest observed day. There is a risk that actual weather could exceed what is reflected in Union's Gas Supply Plan. Enbridge manages to heating degree days that are statistically determined through a 1 in 5 recurrence interval over a log-normal distribution. This approach was approved by the Board in Enbridge's 2013 Rate Case (EB-2011-0354).

Comment

This matter has been reviewed previously (Navigant). We suggest that based on peer group reviews, statistical analysis should be used and be common to both Union and Enbridge (unless this is not demonstrated to be appropriate due to physical market differences). Determining the appropriate methodology(ies) should be a matter for review in the next rebasing Applications.

8. Review and Approval Process

Enbridge files an update to the gas supply cost consequences annually and seeks OEB approval as part of the approved IRM.

Union files the gas supply plan cost consequences in the cost of service proceeding. Union's gas supply plan is presented and made available to the Board and intervenors in the annual Gas Supply Memorandum and Stakeholder Meeting Presentations. In addition, Union provides information to the Board and interested parties regarding for all new transportation contracts annually, including the landed cost analysis as part of the deferral disposition proceeding.

Comment

As well as the material provided at the Gas Supply Planning Forum, both utilities should file an Annual Gas Supply Outlook Memorandum in a common format similar to that filed by Union.

ALL OF WHICH IS RESPECTFULLY SUBMITTED

March 8, 2016

A handwritten signature in black ink, appearing to read "RM Higgin", is centered on the page.

Roger Higgin P. Eng., MBA, Ph.D.

Principal, Sustainable Planning Associates Inc. Consultants to Energy Probe