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BY E-MAIL AND WEB POSTING

April 6, 2016

**TO: All Rate Regulated Natural Gas Distributors
All 2015 Natural Gas Market Review Consultation Participants
All Other Interested Parties**

**RE: Staff Report to the Board on the 2015 Natural Gas Market Review
Board File No. EB-2015-0237**

The OEB has posted on its web site a *Staff Report to the Board on the 2015 Natural Gas Market Review* (the [Staff Report](#)). The *Staff Report* summarizes the information collected in the course of the [2015 Natural Gas Market Review](#) consultation, including written comments received from stakeholders.

Background

In a letter dated November 25, 2015 ([cover letter](#)) the OEB invited stakeholders to participate in its 3rd Natural Gas Market Review consultation and *Forum*.

The *Forum* examined ongoing developments and related issues in the North American and Ontario natural gas markets with a view to assisting the OEB's consideration of any potential impacts – including regulatory implications – of such developments for Ontario's natural gas market.

Prior to the *Forum*, the OEB posted on its website two documents containing information on recent natural gas market developments and forecast supply, demand and prices prepared for OEB staff by Navigant: *2015 Natural Gas Market Review Summary Report* and *Forum slide presentation*.

The *Forum*, held on January 21, 2016, comprised 3 main areas of discussion:

- a review of key market changes since the 2014 NGMR that have affected North American and Ontario supply, demand and prices

- stakeholder perspectives on market conditions and approaches to natural gas purchasing
- potential market and regulatory implications of evolving market supply/demand drivers, trends and related price forecast scenarios.

Next Steps

Fostering a common understanding of the potential impact of key market drivers on longer term Ontario natural gas market developments could be useful both as context for natural gas proceedings and for reviewing and assessing natural gas applications involving infrastructure commitments. OEB staff will integrate this objective into the design of the next annual NGMR *Forum*.

In the meantime, the OEB recently announced that it will update its *Filing Requirements for Natural Gas Distributor Rate Applications* (EB-2016-0033). The filing requirements are expected to include a requirement for the applicants to file longer term plans to enable a review and assessment of infrastructure investment plans over the revenue planning term.

In addition, the OEB's recently announced consultation to develop a natural gas regulatory framework to support the implementation of the provincial government's Cap and Trade Program (EB-2015-0363) and ongoing generic proceeding on Distribution Expansion (EB-2016-0004) may provide useful insights into other issues raised in the course of the 2015 NGMR that can be used in preparing for the next NGMR.

Cost Awards

The issuance of the *Staff Report* marks the conclusion of the 2015 NGMR consultation. The OEB thanks all participants for their contributions to the *Forum* and written comments on the issues discussed.

Cost-eligible activities related to this consultation are complete. A *Notice of Hearing for Cost Awards* will be issued separately.

Dated at Toronto, April 6, 2016

ONTARIO ENERGY BOARD

Original signed by

Peter Fraser
Vice President, Industry Operations & Performance