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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

March 16, 2017

**To: All Regulated Natural Gas Distributors
All Interested Parties**

**Re: Framework for the Assessment of Distributor Gas Supply Plans
OEB File No. EB-2017-0129**

The Ontario Energy Board (OEB) is launching an initiative to develop a Framework for the Assessment of Distributor Gas Supply Plans ("Framework").

This initiative follows on from the Staff Report to the Ontario Energy Board ([EB-2015-0238](#)) regarding distributor gas supply plans that was issued in August 2016. The Staff Report recommended that the OEB's approach to the assessment of gas supply plans should include detailed reviews of the gas supply plans as well as specific timing proposals for the review of the plans. The OEB in its cover letter to the Staff Report indicated its endorsement of the recommendations of staff.

The objective of the Framework is to update the regulatory approach to the gas supply planning process and inject greater transparency, accountability and measurement into the current system to ensure that consumers are getting value for money. Implementation of the Framework will allow for a consistent approach to the assessment of distributors' gas supply plans.

The Framework will establish the OEB's expectations and objectives for distributors' gas supply plans and clearly articulate the approach the OEB will take to assessing whether the plans meet those objectives in order to ensure cost effectiveness and value to consumers.

Renewable Natural Gas

On December 16, 2016, the [Minister of Energy issued a letter](#) to the OEB encouraging "...the OEB to move forward in a timely manner to include RNG as a potential fuel that could help reduce GHG emissions as a part of the gas utilities' supply portfolio." The

Framework developed will set out the OEB's expectations and approach to issues related to including RNG within the distributors' gas supply portfolios. It is expected that this aspect of the Framework will be guided by the OEB's findings in EB 2011-0242.

Scope

The Framework will establish the objectives upon which the OEB will base its assessment of distributors' gas supply plans, such as public policy, climate change including the inclusion of RNG in gas supply portfolios, adaptability/flexibility, reliability and consumer price/bill impacts. It will also set out the criteria, including metrics or targets, the OEB will apply in testing whether the plans meet the objectives, such as assessment of risk, environmental concerns, price predictability and continuous improvement by the distributors. In the Staff Report there were recommendations regarding the approval process and the Framework is expected to provide direction on this as well. To support implementation of the Framework the OEB will also develop Filing Guidelines ("Guidelines") that will identify the required information, timing and format of gas supply plan submissions by rate regulated gas distributors.

Next Steps

OEB staff intends to prepare an initial draft of the Framework document to be completed by fall 2017 for discussion with stakeholders. In preparing the draft OEB staff will establish a stakeholder working group to help inform OEB staff as it develops the draft Framework document. Specifics about the working group will be announced shortly.

It is anticipated that a final Framework will be completed by the end of 2017. More information on the process will be provided in due course.

Any questions relating to this letter should be directed to Jason Craig at Jason.craig@ontarioenergyboard.ca or at 416-440-8139. The OEB's toll-free number is 1-888-632-6273.

Yours truly,

Original Signed By

Brian Hewson
Vice President, Consumer Protection & Industry Performance