



450 – 1 Street SW
Calgary, Alberta T2P 5H1

Tel: (403) 920-7165
Fax: (403) 920-2347
Email: jim_bartlett@transcanada.com

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Filed Electronically

Ontario Energy Board
P.O. Box 2319
2300 Yonge Street, 27th Floor
Toronto, ON M4P 1E4

Attention: Ms. Kristen Walli, Secretary of the Board

Dear Ms. Walli:

Re: Enbridge Gas Inc. (EGI)
OEB File No. EB-2019-0137
TransCanada PipeLines Limited (TCPL) Letter of Comment

Enbridge Gas Inc. (EGI) filed a 5 Year Gas Supply Plan Application (EB-2019-0137) (Gas Supply Plan) on May 1, 2019. The Ontario Energy Board (Board or OEB) has yet to issue a notice for the application, so the process and timeline to review the Gas Supply Plan has not yet been established.

TCPL is filing this letter to inform the Board that it intends to fully participate in the assessment of EGI's Gas Supply Plan, and is looking forward to the Board establishing a comprehensive process that will allow for a thorough review of the information filed by EGI. Such a review will ensure that future long-term contracting decisions are informed by a complete and well tested evidentiary record.

EGI indicated in both its 2019 Rate Application¹ and in its Gas Supply Plan² that it may consider a change in its gas supply procurement from the Dawn hub to supply areas upstream of Dawn. TCPL wishes to better understand how any future supply and transportation arrangements upstream of Dawn will be assessed and tested against other supply alternatives that are either currently available or that may become available, particularly with respect to the impact to Ontario ratepayers. This is of interest to TCPL as TCPL provides several low-cost transportation alternatives to the Ontario marketplace, including the North Bay Junction Long Term Fixed Price Service (NBJ LTFP) that will come into effect in November 2019, and the Dawn Long Term Fixed Price Service (Dawn LTFP) which came into effect November 2017. With a 10-year fixed toll of \$0.77/GJ from Empress to Dawn, Dawn LTFP service provides the least cost supply at Dawn, directly reducing costs to Ontario customers. In total, 1.5 PJ/d of the service was contracted for a 10-year period, such that access to this large and low cost supply will remain available over the long-term through Dawn purchases from those who contracted for the service. Additionally, TCPL continues to develop new services that, along with Firm Transportation

¹ EGI EB-2018-0305 Application, Exhibit E1, Tab 4, Schedule 9, Page 5 of 13.

² EGI EB-2019-0137 Application, pages 52 and 88.

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(FT), provide economic access for additional Canadian supply to competitively serve existing and incremental markets, including Eastern Canadian markets and the Dawn hub. A reduction in EGI's delivered costs through any such future service offerings would result in benefits to Ontario ratepayers.

TCPL is also concerned that EGI's desire to consider and potentially enter into new long-term supply arrangements upstream of Dawn may be related to the availability of NEXUS transportation, which could be as much as 500,000 GJ/d of available capacity over the term of the Gas Supply Plan.³ Based on analysis provided by EGI,⁴ procuring even half of this amount on NEXUS (e.g., 250,000 GJ/d) instead of at the Dawn hub would increase costs for Ontario gas consumers by approximately \$40 to \$48 million per year. While TCPL submits that EGI is in the best position to determine its contracting requirements to prudently meet system demand, a review of EGI's landed cost analysis indicates that there may be other supply alternatives that provide significantly lower costs for Ontario ratepayers, including some alternatives not reflected in EGI's analysis. This points to the need to ensure that a full and open review of landed cost alternatives are considered in this proceeding in advance of EGI securing long-term contracts on behalf of its system supply customers.

In the circumstances, TCPL requests that the Board establish a timely process to review the EGI Gas Supply Plan that allows for written questions to EGI, written responses to these questions, and an opportunity for intervenor comments or evidence to be filed all prior to the Stakeholder Conference,⁵ such that discussions at the Stakeholder Conference can be informed by a complete record. An ability to file comments after the Stakeholder Conference is also required.

TCPL looks forward to actively participating in the process that will be established to consider EGI's Gas Supply Plan, and believes such an approach will ensure a robust and transparent review whereby landed cost analysis and issues such as security, reliability and diversity of supply can be fully assessed by all parties.

Yours truly,

TransCanada PipeLines Limited

Original signed by

Jim Bartlett

Manager, Regulatory Research and Analysis

Canadian Natural Gas Pipelines

cc: Brandon Ott, Enbridge Gas Inc.
David Stevens, Aird & Berlis LLP
EB-2018-0305 Intervenor

³ NEXUS Index of Customers as of April 1, 2019.

⁴ EGI EB-2019-0137 Application, Table 16 page 53, and Table 33 page 90.

⁵ A Stakeholder Conference is envisioned in the Report of the Ontario Energy Board: Framework for the Assessment of Distributor Gas Supply Plans, pages 13-14 (EB-2017-0129).