

**BY E-MAIL AND WEB POSTING**

July 25, 2019

**TO: All Rate-Regulated Natural Gas Utilities  
All Licensed Gas Marketers  
All Parties in EB-2018-0305, EB-2018-0336 and EB-2018-0264  
All Participants in the Consultation on the Framework for the Assessment  
of Distributor Gas Supply Plans (EB-2017-0129)  
All Other Interested Parties**

**RE: Consultation to Review Natural Gas Supply Plans  
Ontario Energy Board: EB-2019-0137**

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The Ontario Energy Board (OEB) is initiating a consultation to review Enbridge Gas Inc.'s (Enbridge) five-year natural gas supply plan in keeping with the gas supply plan assessment process contemplated in the OEB's [\*Report of the Board: Framework for the Assessment of Distributor Gas Supply Plans\*](#) (Gas Supply Framework)<sup>1</sup>. Enbridge's five-year plan was filed on May 1, 2019 and covers the EGD and Union rate zones. The consultation will include a review of cost-effectiveness, reliability and security of supply, risk management and execution of Enbridge's plan. Navigant Consulting Inc. has been retained to assist OEB staff in this matter.

This consultation will not include a review of the gas supply plans of EPCOR Natural Gas Limited Partnership (EPCOR), given timing and other circumstances that are unique to EPCOR's current circumstances. EPCOR's five-year gas supply plan for the Aylmer franchise area was filed on May 8, 2019 and included in its 2020-2024 cost of service rate application.<sup>2</sup> The OEB approved the settlement proposal regarding that application in its entirety, including the cost consequences of EPCOR's gas supply plan for 2020 to 2024.<sup>3</sup> EPCOR included a three-year gas supply plan (2019-2021) for the Southern Bruce franchise area as part of its leave to construct application<sup>4</sup>, and its initial cost of service rate application for the period 2019-2028 includes the cost

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<sup>1</sup> EB-2017-0129.

<sup>2</sup> EB-2018-0336.

<sup>3</sup> EB-2018-0336, Decision and Interim Rate Order, July 4, 2019.

<sup>4</sup> EPCOR's updated leave to construct application was filed with the OEB on February 27, 2019. The OEB issued its Decision and Order granting leave to construct on July 11, 2019.

consequences of that gas supply plan.<sup>5</sup> There are matters that may need to be determined in the rates and another proceeding<sup>6</sup> that could affect the starting point of EPCOR's gas supply plan for Southern Bruce, and the cost consequences of that gas supply plan are therefore expected to be addressed in those proceedings. As indicated in the OEB's Decision and Interim Rate Order on EPCOR's rate application for 2020 to 2024, the OEB expects EPCOR to participate in this consultation and adhere to any applicable policy directions that are provided to natural gas utilities with respect to their gas supply plans. As such, although the two EPCOR gas supply plans are not being reviewed in this consultation, EPCOR is expected to file annual updates on those plans as required by the Gas Supply Framework.

## Consultation

With one exception noted below, this consultation follows the review process outlined in the Gas Supply Framework. The OEB is in receipt of correspondence from TransCanada PipeLines Limited (TCPL) requesting that certain additional steps be added to that process, a response from Enbridge opposing that request and a reply from TCPL to that response.<sup>7</sup> TCPL's proposals are similar to proposals made by participants in the consultation on the development of the Gas Supply Framework. They were ultimately not included in the Gas Supply Framework and the OEB is not persuaded that it is necessary to make provisions for them now.

As set out in the Gas Supply Framework, OEB staff and stakeholders will have an opportunity to submit written questions on Enbridge's five-year gas supply plan. The written questions should be sent to Enbridge and filed with the OEB by **September 6, 2019**.

It is expected that Enbridge will address these written questions at a one-day transcribed Stakeholder Conference, details of which are set out below. The Stakeholder Conference will be webcast to allow remote participation. Webcast details will be sent to registered participants in advance of the Stakeholder Conference.

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<sup>5</sup> EB-2018-0264.

<sup>6</sup> Enbridge's M17 Firm Transportation Service rate application (EB-2018-0244). By letter dated May 3, 2019, Enbridge informed the OEB that it is discussing with EPCOR the timely provision of gas service to Southern Bruce, as well as Enbridge's proposal to withdraw the M17 rate application such that the relevant matters may be addressed in Enbridge's upcoming 2019 Owen Sound Reinforcement leave to construct application. To date, Enbridge has not renewed its request to withdraw its M17 rate application following its May 3, 2019 correspondence.

<sup>7</sup> TCPL letter dated June 25, 2019, Enbridge letter dated June 27, 2019 and TCPL letter dated July 4, 2019. This correspondence is available on the OEB's website.

### **Stakeholder Conference:**

**Date:** September 23, 2019

**Time:** Commencing 9:30 a.m.

**Location:** Ontario Energy Board, West Hearing Room, 2300 Yonge St., 25th Floor, Toronto

Following the Stakeholder Conference, stakeholders will have an opportunity to submit written comments on Enbridge's gas supply plan by **October 7, 2019**.

Enbridge will then have the opportunity to review the written comments and decide whether to: (i) provide written comments in response, and/or (ii) revise its plan and provide a revision statement that outlines any changes, together with the rationale for those changes. Enbridge is to file its written comments and/or revision statement by **October 21, 2019**.

Relative to the Gas Supply Framework, provision is being made for an additional step to allow a further opportunity for input. Specifically, OEB staff will prepare a draft Staff Report that outlines its initial assessment of Enbridge's five-year gas supply plan against the guiding principles of the Gas Supply Framework. Enbridge and stakeholders will have an opportunity to comment on the draft Staff Report. OEB staff will then prepare its final Staff Report to the OEB.

As set out in the Gas Supply Framework, following consideration of the final Staff Report, the OEB may determine that a proceeding is required to address specific issues highlighted by the final Staff Report. Unless the OEB decides to hold a proceeding to consider any component of Enbridge's plan, the review process will conclude with the final Staff Report.

### **Invitation to Participate**

The OEB encourages participation in this consultation process by all interested parties. Those interested in participating should indicate their intent by filing a letter with the OEB by **August 9, 2019** in accordance with the filing instructions set out below. The letter should include a statement as to whether the participant is requesting cost eligibility and whether the participant intends to participate in the Stakeholder Conference and, if so, whether they will attend in person or remotely.

## **Cost Awards**

Cost awards will be available to eligible persons under section 30 of the *Ontario Energy Board Act, 1998* for their participation in cost eligible activities as set out in Appendix A. Appendix A also contains information regarding cost eligibility requests and objections. Costs awarded will be recovered from rate-regulated natural gas utilities based on their respective customer numbers.

Filings to the OEB in relation to cost award eligibility must be made in accordance with the filing instructions set out below. In order to facilitate a timely decision on cost eligibility, the deadlines for filing cost eligibility requests and objections will be strictly enforced.

## **Filing Instructions**

All filings to the OEB must quote the file number, EB-2019-0137 and be made electronically in searchable / unrestricted PDF format through the OEB's web portal at <https://pes.ontarioenergyboard.ca/eservice/>. Two paper copies must also be filed. Filings must clearly state the sender's name, postal address and telephone number, fax number and e-mail address. Parties must use the document naming conventions and document submission standards outlined in the RESS Document Guideline found at <https://www.oeb.ca/industry>. If the web portal is not available parties may email their documents to the address below. Those who do not have internet access are required to submit all filings on a USB flash drive in PDF format, along with two paper copies. Those who do not have computer access are required to file 7 paper copies.

All communications should be directed to the attention of the Registrar at the address below, and be received no later than 4:45 p.m. on the required date.

All materials relating to this consultation will be posted on the OEB's website.

Questions about this consultation process should be directed to Laurie Klein at [Laurie.Klein@oeb.ca](mailto:Laurie.Klein@oeb.ca) or at 416-440-7661. The OEB's toll-free number is 1-888-632-6273.

**ADDRESS**

Ontario Energy Board  
P.O. Box 2319  
2300 Yonge Street, 27th Floor  
Toronto ON M4P 1E4  
Attention: Board Secretary  
E-mail: [boardsec@oeb.ca](mailto:boardsec@oeb.ca)

**DATED** at Toronto, July 25, 2019

**ONTARIO ENERGY BOARD**

*Original signed by*

Kirsten Walli  
Board Secretary

Appendix A: Cost Awards

## Appendix A

To Letter Dated July 25, 2019

EB-2019-0137

### COST AWARDS

#### Cost Award Eligibility

The OEB will determine eligibility for costs in accordance with its [Practice Direction on Cost Awards](#). Any person intending to request an award of costs must file with the OEB a written submission to that effect by **August 9, 2019**. The submission must identify the following:

- The nature of the person's interest in this initiative
- The grounds on which the person believes that they are eligible for an award of costs (addressing the OEB's cost eligibility criteria as set out in section 3 of the OEB's *Practice Direction on Cost Awards*)
- An explanation of any other funding to which the person has access
- The name and credentials of any lawyer, analyst or consultant that the person intends to retain, if known
- Whether specific costs for any separate expert submissions are requested, the scope of the retainer, and whether the person intends to combine with other stakeholders for this purpose

If a utility has any objections to any of the requests for cost eligibility, such objections must be filed with the OEB by **August 16, 2019**. Any objections will be posted on the OEB's website. The OEB will then make a final determination on the cost eligibility of the requesting participants.

#### Eligible Activities

Cost awards will be available for the following activities:

ACTIVITY	TOTAL ELIGIBLE HOURS PER PARTICIPANT
Written questions	Up to 10 hours
Preparation for the Stakeholder Conference	Up to 2 hours
Attendance at Stakeholder Conference	Actual attendance time
Written comments on gas supply plan	To be determined at a later date
Written comments on draft Staff Report	To be determined at a later date

### **Cost Award Amounts**

The OEB will apply the principles set out in section 5 of its *Practice Direction on Cost Awards* when awarding costs. The maximum hourly rates set out in the OEB's Cost Awards Tariff will be applied. The OEB expects that groups representing the same interests or class of persons will make every effort to communicate and coordinate their participation in this process.

The OEB will use the process set out in section 12 of its *Practice Direction on Cost Awards* to implement the payment of the cost awards. Therefore, the OEB will act as a clearing house for all payments of cost awards in this process. For more information on this process, please see the OEB's [Practice Direction on Cost Awards](#).