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Our File No. 193571

**VIA RESS, EMAIL AND COURIER**

Ontario Energy Board  
2300 Yonge Street  
27th Floor  
Toronto, Ontario  
M4P 1E4

Attention: Kirsten Walli,  
Board Secretary

Dear Ms. Walli:

**Re: EB-2019-0137: OEB Consultation to Review Five-Year Natural Gas Supply Plan of Enbridge Gas Inc.**

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Please find enclosed herewith BOMA's Comments on Enbridge Gas Inc.'s Supply Plan.

Yours truly,

**FOGLER, RUBINOFF LLP**

Thomas Brett

TB/dd

Encls.

cc: All Parties (*via email*)

**ONTARIO ENERGY BOARD**

**Consultation to Review Five-Year Natural Gas Supply Plan  
of Enbridge Gas Inc.**

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**Comments of Building Owners and Managers Association, Greater Toronto ("BOMA")  
on Enbridge Gas Inc.'s Supply Plan**

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October 21, 2019

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**Counsel for BOMA**

## **BOMA's Comments**

On September 23 and 24, 2019, the Ontario Energy Board (the "Board") held a stakeholder conference to review Enbridge Gas Inc.'s ("Enbridge") five-year Gas Supply Plan. The purposes of the stakeholder conference were for Enbridge to provide an overview of its Plan and to address stakeholder written questions submitted on September 6, 2019.

BOMA recognizes the challenges that Enbridge faced in preparing its Plan. It is the first five-year plan for any gas utility in Ontario under a newly developed framework issued by the Board in 2018.

At the same time, preparation of the Plan coincided with the recent acquisition of Union Gas. This Plan is essential two plans, one for each of the two geographic areas of the former utilities, but based on common elements such as market analysis, RNG portfolio, and administration.

Enbridge referred to the matters of "amalgamation" and "integration", recognizing that these are not the same processes.

To the extent possible, Enbridge has focused first on the matter of amalgamation. And it makes sense to do that from a management point of view, a staffing point of view, and a transparency point of view. The Board's framework includes elements that had never been explicitly required in gas supply planning, even if consideration of most of those factors were implicitly included in the utilities' supply planning functions; although like any two organizations, not all processes were common or can be merged without thoughtful consideration.

While there will be both cost and effectiveness improvements resulting from the amalgamation, the greatest value to customers will come down the road, as more fulsome "integration" of gas supply planning and execution is achieved.

Mr. LeBlanc noted this in his opening presentation:

*What are we trying to achieve?*

- *Plan and execute gas supply procurement to maximize customer value.*

*And how are we going to do that?*

- *A fully integrated gas supply plan grounded in gas supply planning principles.*
- *System improvements required to execute procurement and related reporting effectively and efficiently.*
- *Stakeholder confidence -- through transparency and demonstration of commitment to integrity and the gas supply planning principles*
- *A strong continual improvement review process*
- *Opportunities for growth and development of our people*
- *Consistent integrated policies and processes rate zones.* (Transcript, p36<sup>1</sup>)

BOMA believes that Enbridge should be congratulated in this thoughtful approach to both amalgamation and integration.

BOMA is also pleased that the use of a five-year plan does not result in a preapproved plan which will only be reviewed for prudence after the fact. Rather, the Board's framework envisions annual reviews and updates. The Board should also be congratulated for using an approach which will enable Enbridge to respond to market changes, opportunities, and, most importantly, customer needs.

BOMA would also like to acknowledge Enbridge clearly differentiating which legacy gas supply planning processes have not yet been integrated and its transparency in "thinking out loud" about the criteria and timing for doing so. Some legacy processes were approved independently by the

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<sup>1</sup> Formatting added in the absence of repeating the associated slides.

Board in a very different context. Careful determination of what it would take, not just to put them together, but to seek appropriate Board approvals, as required in its annual updates.

In addition, the Board asked stakeholders the following:

1. to assess whether Enbridge successfully balanced the Board's guiding principles of cost-effectiveness, reliability, and public policy,
2. to assess whether Enbridge's plan demonstrated that its gas supply plan balances the principles in a way that is appropriate for customers.

BOMA is pleased to submit its comments on these items, as part of the next step in this process.

1. Consistent with the observations above, BOMA believes that Enbridge has made a good first effort at balancing the Board's guiding principles. As Enbridge acknowledged, it is a work in progress, subject not only to continuous improvement but to a steady and reasoned approach to fulsome integration. BOMA believes that it may be helpful for stakeholders and the Board to make constructive suggestions on both continuous improvement and full integration of the gas supply planning functions, but it would be inappropriate to micromanage at this stage.
2. BOMA was heartened to see that Enbridge sees “maximize customer value” as the central driver for its gas supply plan. The Board and stakeholders must be diligent in helping Enbridge drive toward the goal.