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Oct. 21, 2019

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

Dear Ms. Walli,

RE: EB-2019-0137 – Consultation to Review Natural Gas Supply Plans – Comments of London Property Management Association

The Ontario Energy Board ("OEB") initiated a consultation to review the Enbridge Gas Inc. ("EGI") five-year natural gas supply plan by way of a letter dated July 25, 2019. As part of that letter, the OEB determined that it would hold a stakeholder conference on September 23 and 24, 2019 to review EGI's five-year gas supply plan. EGI provided an overview of its gas supply plan at the stakeholder conference and addressed stakeholder questions that were submitted earlier in September. As part of the July 25, 2019 letter the OEB also made provisions for comments from parties. These are the comments of the London Property Management Association ("LPMA").

While LPMA is generally supportive of the five-year gas supply plan, there are specific areas on which LPMA is providing comments. These areas are noted below.

Peak Day Forecasts

It is LPMA's understanding that the peak day forecasts for the EGD and Union rate zones are based on different criteria. LPMA suggests that EGI should look at the reasons for the different criteria and determine if one methodology for all of EGI should be utilized or whether the current methodologies should be continued.

Due to climate change, LPMA believes it may be appropriate to have different methodologies for different areas on the province. In fact, the two methodologies currently in use may not be sufficient, especially with regards to the Union rate zones that range from the most southerly points in the province to the most northerly communities that have access to natural gas.

One area where the current peak day forecasting methodologies have a commonality is that they both use historical weather data. While climate change generally means a warming of the planet, of more relevance with respect to the peak day forecasts is the increase in variability of the weather. LPMA believes that EGI should determine if this increased variability in weather could have any significant impact on its peak day, and if so, how this could be reflected in the peak day forecast methodology. EGI should report back to the OEB and interested parties as part of it annual update filings.

Sensitivity Analysis

In addition to climate change having a potential impact on the peak day requirement, LPMA notes that climate change has and will continue to have an impact on the annual and seasonal volume use. While the overall increase in temperatures has, in general, reduced the growth in natural gas consumption, LPMA is concerned about the impact of the increased weather variability and the ability of a gas supply plan to adapt to extremes in weather not only of one year to another, but of one month to another.

While EGI indicated that it does some sensitivity analysis, LPMA believes that more extreme sensitivity scenarios should be undertaken to stress test the gas supply plan. Instead of simple plus or minus x% change in annual heating degree days, it may be informative if weather extremes within the year were examined in the context of how the gas supply plan can adapt to rapidly changing conditions. For example, a hotter than normal summer could be followed by cooler than normal conditions in the fall, a colder than normal winter and a cooler than normal spring. This would result in higher gas consumption in all seasons (heating in fall, winter and spring and electricity generation in the summer). The reverse should also be modelled, with a cool summer followed by a warmer than normal fall, winter and spring. Changes in economic activity from those used in the baseline forecast should also be considered. An economic recession or boom would have direct impacts on the volume of gas consumed, as well as on natural gas prices.

An extreme weather/economic scenario analysis would provide a meaningful stress test to any five-year gas supply plan in terms of adjustments that can and cannot be made in

response to unforeseen changes to demand. It would also provide some indication of the cost consequences to ratepayers.

SENDOUT Integration

LPMA believes that there should be an emphasis placed on the integration of the two utility versions of SENDOUT currently being used. Only then will parties be able to see and understand any benefits from a fully integrated gas supply plan as compared to the two gas supply plans that were presented in the stakeholder meeting.

Sincerely,

Randy Aiken

Randy Aiken
Aiken & Associates

cc: EGI Regulatory Proceedings (by e-mail)