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**Borden Ladner Gervais**

Our File No. 339583-000265

**By electronic filing**

October 23, 2019

Kirsten Walli  
Board Secretary  
Ontario Energy Board  
2300 Yonge Street, Suite 2701  
Toronto ON M4P 1E4

Dear Ms. Walli

**Re: Enbridge Gas Inc. (“EGI”)  
5 Year Gas Supply Plan  
Board File No.: EB-2019-0137**

We are counsel to Canadian Manufacturers & Exporters (“CME”) in the above-noted proceeding. Pursuant to the Board’s letter dated September 27, 2019 (the “Initiation Letter”), a consultation took place in accordance with the Report of the Board: Framework for the Assessment of Distributor Gas Supply Plans (“Gas Supply Framework”). The consultation included the following steps:

- 1) Interested parties would be able to ask written questions of EGI;
- 2) EGI would give a stakeholder presentation and answer the written questions at the Stakeholder Conference; and
- 3) Interested parties could submit written comments on EGI’s gas supply plan.

Pursuant to the Initiation Letter, please consider this letter as CME’s written comments regarding EGI’s gas supply plan.

In the Gas Supply Framework, the Board stated that the gas supply plan was to be evaluated in light of three guiding principles: cost effectiveness, reliability and security of supply, and responsiveness to public policy.

This is the first iteration of this type of gas supply plan review, and CME acknowledges that there will be a learning curve for intervenors, EGI, and the Board. CME does have a few concerns with elements of the plan, as well as the gas supply review process, which are further outlined below.

### The Consultation Process

CME is concerned about the structure and sequencing of the consultation process. In the Gas Supply Framework, the Board set out that the five year gas supply plan review will provide the OEB with the “main assessment of the cost consequences” using the criteria set out in the framework.<sup>1</sup>

Despite the ostensible purpose of the consultation, EGI’s witness’ understanding of the process was that it was not about “dealing with specific costs of specific decisions”.<sup>2</sup> Accordingly, while EGI’s gas supply plan was informative and well presented, the consultation did not provide a mechanism that was well tailored to the purpose of assessing the cost consequences of the gas supply plan.

While EGI’s witness did indicate that there would be other opportunities to investigate costs and the gas supply plan more fulsomely in forums such as QRAM applications,<sup>3</sup> CME submits that due to the summary nature of QRAMs, they are ill-suited for such a review. Accordingly, CME believes that the gas supply consultation process should undergo further refinement in the coming years to ensure that the cost consequences of the gas supply plan are subject to a rigorous review for the benefit of Ontario’s ratepayers.

### Gas Storage

EGI purchases gas storage services on behalf of the Enbridge Gas Distribution (“EGD”) rate zone. In order to ensure that EGI (on behalf of the EGD rate zone) pays appropriate market prices for storage regardless of if the storage is held internally or externally to EGI, the company solicits proposals using a blind RFP process.

Although CME acknowledges the lengths that EGI has gone to in order to ensure that the evaluation of gas storage RFPs from related and non-related entities remain neutral,<sup>4</sup> CME is concerned that due to EGI’s comprehensive knowledge of the storage market, it is still able to discern information regarding the proposals despite the blind-RFP process. Specifically, EGI’s witnesses stated that they can get a “sense” of the location of the storage in question due to the particular attributes of the storage and the bid.<sup>5</sup>

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<sup>1</sup> Report of the Ontario Energy Board, Framework for the Assessment of Distributor Gas Supply Plans, EB-2017-0129, October 25, 2018, p. 13.

<sup>2</sup> EB-2019-0137, Transcript Volume 1, September 23, 2019, p. 25, lines 21-22.

<sup>3</sup> EB-2019-0137, Transcript Volume 1, September 23, 2019, p. 26, lines 2-5.

<sup>4</sup> Including hiring Deloitte as manager of the RFP process, EB-2019-0137, Transcript Volume 2, September 23, 2019, p. 26, lines 2-5.

<sup>5</sup> Including hiring Deloitte as manager of the RFP process, EB-2019-0137, Transcript Volume 2, September 23, 2019, p. 31, lines 14-22.

Accordingly, CME encourages EGI to continue to refine the RFP process to minimize the amount of additional information that can be discerned by employees involved in the RFP process, in an effort to move towards a truly blind solicitation process.

Plan Harmonization

As the result of the amalgamation of EGD and Union Gas Limited, EGI has to undertake the process of harmonizing the two legacy utilities' gas supply plans. CME recognizes that this is not an easy or simple task, and that full harmonization of the gas supply plans will take time. However, ratepayers across the province will likely benefit from a unified gas supply plan that maximizes efficiencies from counter-parties, delivery points, and contract term length. Accordingly, CME trusts that EGI will continue to diligently work towards harmonization as soon as practically possible, and will have developed a more concrete plan for unification and harmonization before the next proceeding.

Yours very truly

**Borden Ladner Gervais LLP**

A handwritten signature in blue ink, appearing to read "Scott Pollock".

Scott Pollock

c. EB-2019-0137 Intervenors  
Alex Greco (CME)

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