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VIA RESS, EMAIL AND COURIER

Ontario Energy Board
2300 Yonge Street
27th Floor
Toronto, Ontario
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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.**

Please find enclosed herewith BOMA's Comments on OEB Staff's Initial Assessment of Enbridge Gas Inc.'s Gas 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.**

**Building Owners and Managers Association, Greater Toronto's ("BOMA")
Comments on Ontario Energy Board Staff's ("OEB Staff") Initial Assessment of
Enbridge Gas Inc.'s ("Enbridge") Gas Supply Plan**

January 17, 2020

Tom Brett

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Counsel for BOMA

Overview

BOMA agrees with OEB Staff's view that Enbridge provided the information requirements (i.e. the framework criteria) necessary to evaluate whether the Plan meets the OEB's guiding principles and whether it delivers value to customers.

BOMA reiterates its view that, overall, the Plan successfully balances the three OEB guiding principles of: i) cost effectiveness, ii) reliability and security of supply, and iii) public policy in a way that is prudent and delivers value to customers.

BOMA agrees that the evaluation matrix consisting of five categories – reliability, flexibility, diversity, cost, and customer impact – to evaluate and select options for each rate zone. This matrix reflects two of the OEB's guiding principles – cost effectiveness, and reliability and security of supply, is a useful technique and agrees that items related to public policy are better treated separately, particularly as government policy has a high potential for change in ways that may not directly affect gas supply issues.

BOMA does not share OEB Staff's and some other intervenors' concerns with respect to Enbridge's blind RFP process for storage, as is discussed later in this section.

BOMA agrees that it should be easier to compare the gas supply plans in each of the rate zones but BOMA is confident that as the gas supply functions from the legacy organizations become more fully integrated, this will be rectified.

BOMA strongly believes that the nature of gas supply planning belongs in a policy forum, rather than an adjudicative process.

Demand Forecast Analysis and Gas Supply Integration

BOMA agrees with OEB Staff that the demand forecasts in the Plan are consistent with the gas supply framework.

BOMA agrees with OEB Staff in its support of Enbridge's commitment to provide a detailed plan about the stages of integration in its Annual Updates.

BOMA cautions OEB Staff to expect that Enbridge may need to continue to have different methodologies and criteria that underpin its demand forecasts for each rate zone, as appropriate. It will continue to be important to assess the needs and opportunities for customers in different rate zones, particularly with respect to its different interruptible policies in each of the rate zones.

Options, Analysis and Commodity, Transportation and Storage Portfolios

BOMA agrees that the Plan supports Enbridge's strategies to meet both design day demand and annual day demand. Further, the Plan is transparent about Enbridge's strategies and decision-making process (using its evaluation matrix) and provides an appropriate level of analytical support for Enbridge's preferred strategies to meet these demands.

BOMA agrees that the gas commodity portfolios for the Enbridge Gas Distribution ("EGD") and Union Gas ("Union") rate zones reflect a diversity of supply, as they include gas sourced from several production regions including Western Canada, Appalachia, and the U.S. Mid-Continent, in addition to purchases at Chicago and Dawn, two liquid market hubs that receive gas from Western Canada, the U.S. Midwest, Appalachia, the Gulf Coast, and the U.S. Rockies. As a reflection of the diversity of supply, no single source provides more than about 30% of supply to EGD or Union rate zones. In addition, natural gas supply contracts have different terms such as

daily, monthly, seasonal, annual, and multi-year contracts, and are executed at different times throughout the year.

BOMA cautions OEB Staff that the role of intervenors should not be to micromanage or second-guess elements of the Plan, but to look at the Plan as a whole. One example was FRPO's comment that more supply should be sourced from Niagara-Kirkwall instead of Dawn. BOMA agrees with OEB Staff, who has not identified any concerns with Enbridge's response that this was not a preferred strategy due to the limited number of suppliers and the lack of liquidity at Niagara.

Risk Mitigation Analysis

BOMA agrees that, as per the gas supply framework, Enbridge provided a clear description of its risk management process. It identified five types of risk (annual demand variation, design day variation, pricing variation, supply interruption, and transportation interruption) and how it intends to mitigate these risks.

Performance Measurement

BOMA agrees with OEB Staff that Enbridge's proposed performance measures and the annual scorecard (which will include the results of Enbridge's performance metrics) are consistent with the gas supply framework. BOMA disagrees that DSM is not an appropriate performance measure for a gas supply plan.