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VIA RESS, EMAIL and COURIER

January 17, 2020

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

Dear Ms. Long,

**Re: EB-2019-0137 – Enbridge Gas Inc. (Enbridge Gas)
5 Year Gas Supply Plan – Comments on OEB Staff Report**

In accordance with the Ontario Energy Board's correspondence dated December 19, 2019, enclosed please find Enbridge Gas' comments on the OEB Staff Report for the above noted proceeding.

Should you have any questions on this matter please contact the undersigned.

Sincerely,

(Original Signed)

Brandon Ott
Technical Manager, Regulatory Applications

Cc:

David Stevens, Aird & Berlis LLP
All Interested Parties EB-2019-0137, EB-2017-0129 & EB-2015-0238

OEB Consultation to Review Natural Gas Supply Plans
Enbridge Gas Inc. Comments on Draft OEB Staff Report
EB-2019-0137

January 17, 2020

BACKGROUND AND CONTEXT

1. At the outset of this proceeding, Enbridge Gas Inc. (EGI) filed its 5 year Gas Supply Plan (the “Plan”) in accordance with the Ontario Energy Board (OEB, or the Board) Framework for the Assessment of Distributor Gas Supply Plans (the Framework). The Plan sets out how EGI plans to meet annual, seasonal and design day natural gas delivery requirements for its customers, while adhering to the Guiding Principles identified in the Framework.
2. Following a transcribed Stakeholder Conference, thirteen parties submitted written comments about EGI’s Plan. EGI filed its response to those comments on November 18, 2019, explaining that the Board’s review process, inclusive of the Stakeholder Conference and submissions of interested parties, demonstrates that EGI’s Plan is reasonable and appropriate and that there is no requirement for an adjudicative process to determine outstanding issues related to the Plan.¹
3. As contemplated by the Framework, OEB Staff has prepared a Draft OEB Staff Report² outlining its initial assessment of the Plan against the Guiding Principles. The Draft OEB Staff Report details the comments received from stakeholders and EGI about the Plan, and sets out OEB Staff’s position on each of the items noted by stakeholders. In a December 19, 2019 letter, the OEB invited parties to provide written comments in response to the Draft OEB Staff Report, which comments will be taken into consideration as OEB Staff prepares its Final OEB Staff Report to be submitted to the OEB.
4. Below are EGI’s written comments in response to the Draft OEB Staff Report. Note that although comments from other parties on the Draft OEB Staff Report have been filed prior to this submission, EGI is commenting only on the Draft OEB Staff Report and not responding to other submissions, since that is what the OEB has requested. EGI’s silence on other parties’ comments should not be interpreted as concurrence with those comments.

¹ EGI Reply Submission, November 18, 2019.

² Draft OEB Staff Report, to the OEB, Consultation to Review Natural Gas Supply Plans, December 19, 2019 (Draft OEB Staff Report).

EGI RESPONSE

5. The Draft OEB Staff Report offers broad endorsement of EGI's Plan, noting 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."³ The Draft OEB Staff Report does not indicate that an OEB hearing is required in order to determine any questions or issues related to the Plan.
6. The Draft OEB Staff Report includes a small number of suggestions for EGI to consider, and in each case recommends that such suggestions should be implemented and/or presented within the context of future Annual Updates or 5 Year Gas Supply Plans. EGI is open to each of the items suggested in the Draft OEB Staff Report.
7. First, OEB Staff indicates that it expects that EGI's 2020 Annual Update will discuss EGI's progress in achieving its near term integration goals of combining its gas supply procurement policies, integrating its IT systems that support gas supply execution and reporting, and aligning its SENDOUT models.⁴ EGI confirms that it will include this information in the 2020 Annual Update. EGI also confirms OEB Staff's observation that items requiring changes to OEB-approved methodologies will not be addressed until rebasing (though EGI will start the process of considering what changes are appropriate in advance of rebasing).
8. Second, OEB Staff recommends that the Annual Updates should include additional tables to aid in the Board's assessment. In particular, OEB Staff have recommended a series of summary tables comparing EGI's rate zones⁵ and a table showing projected purchases (GJ/d) over the term of the Plan by supply basin and counterparty (possibly with counterparty name kept confidential).⁶ OEB Staff indicates that this information would help to compare the gas supply plans of EGI's rate zones and demonstrate the level of concentration of counterparties by supply basin. EGI is prepared to file tables comparing EGI's rate zones. EGI is also prepared to provide a table or tables in each Annual Update that will show the level of concentration of counterparties for each applicable supply basin.

³ Draft OEB Staff Report, page 31.

⁴ Draft OEB Staff Report, page 33.

⁵ Draft OEB Staff Report, pages 31-32

Such table(s) will include counterparty information on a historical basis (with appropriate limitations or anonymity as is appropriate to protect EGI's competitive position for current and future procurement). EGI will not be able to provide counterparty information on a prospective basis, since that is unknown and in any event would potentially harm EGI's competitive position.

9. Third, OEB Staff notes some concerns about EGI's planned "blind RFP process" that is used for the purchase of market-priced storage for the EGD Rate Zone.⁷ OEB staff recommends that EGI consider refining its process to make it more "blind" and to further reduce concerns of potential bias. As noted on page 21 of EGI's November 18, 2019 Reply Submission, "EGI strives for continuous improvement in the design and delivery of the blind RFP process and will make changes and updates as appropriate." EGI will take the concerns noted by OEB Staff into account when planning and executing its next "blind RFP process". EGI agrees to report on efforts to improve its current "blind RFP process" within the 2020 Annual Update.

10. Finally, OEB Staff notes that while they are not persuaded that all the issues raised by the Ontario Petroleum Institute (OPI) are within the OEB's mandate, additional information may be needed to fully understand and consider the concerns raised by OPI and EGI. OEB Staff therefore recommends that meetings be held (facilitated by OEB staff) in 2020 with the Ontario gas producers and EGI.⁸

11. EGI is prepared to meet with OPI (should they request such a meeting) to further discuss the issues raised in their October 21, 2019 comments, however, it is not clear to the Company that it is appropriate or possible to make any of the changes that OPI is proposing. Should OEB Staff wish to join in attending such a meeting, they would be welcome to do so. That being said, EGI agrees with OEB Staff that not all of the issues raised by OPI are within the OEB's mandate or jurisdiction.

⁶ Draft OEB Staff Report, page 34.

⁷ Draft OEB Staff Report, page 38.

⁸ Draft OEB Staff Report, pages 38-39.

CONCLUSION

12. As explained in its November 2019 Submissions, EGI believes that its Plan appropriately responds to the Framework and the Board's Guiding Principles. EGI submits that the Board's review process, inclusive of the Stakeholder Conference and submissions of interested parties and the Draft OEB Staff Report, demonstrates that EGI's Plan is reasonable and appropriate and that there is no requirement for an adjudicative process to determine outstanding issues related to the Plan.