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March 25, 2020

Sent By Electronic Mail and RESS

Ms. Pascale Duguay
Manager, Natural Gas Applications
Ontario Energy Board
27-2300 Yonge Street
Toronto, ON M4P 1E4

Dear Ms. Duguay:

**Re: EB-2017-0129 – Framework for the Assessment of Gas Supply Plans (“Gas Supply Framework” or “Framework”) and
EB-2020-0106 – EPCOR Natural Gas Limited Partnership (“ENGLP”) 2020 Gas Supply Plan Updates – Request to delay filing of Gas Supply Plan for the Southern Bruce franchise area**

I am writing regarding ENGLP’s requirements with respect to the Ontario Energy Board’s (Board) Gas Supply Plan Framework. The Framework prescribes that ENGLP must file its Gas Supply Plan Update on or before May 1, 2020.¹ For the reasons set out below, ENGLP requests an extension to file its Gas Supply Plan annual update for its Southern Bruce franchise area. Please consider this correspondence a motion to extend the Board’s prescribed deadline, should the Board deem that a motion is necessary in this circumstance.²

ENGLP has two distinct franchise areas, Aylmer and Southern Bruce. The two franchise areas have mutually exclusive approaches to gas supply and have filed separate gas supply plans^{3,4} that will require separate 2020 annual updates. ENGLP is not requesting a delay to the filing of its Gas Supply Plan annual update for its Aylmer Operations, and intends to file that update by May 1, 2020.

Background

The Board did not approve ENGLP Southern Bruce’s three year gas supply plan for the Southern Bruce franchise area which was filed with its application for 2019 – 2028 rates.⁵

¹ EB-2017-0129, *Report of the Ontario Energy Board – Framework for the Assessment of Distributor Gas Supply Plans*.

² “Annual updates are required to be submitted to the OEB every year following the implementation of this framework.”

³ OEB’s *Rules of Practice and Procedure*, Rule 7.

⁴ EB-2019-0150, “EPCOR Gas Supply Plan: 2019-2024” (ENGLP Aylmer), dated May 8, 2019.

⁵ EB-2018-0264, Application and Evidence, Exhibit 4, Tab 3, Schedule 1, “EPCOR Gas Supply Plan: 2018-2021” (ENGLP Southern Bruce), dated September 2018.

⁵ Supra note 4.

With respect to the Consultation to Review Natural Gas Supply Plans (EB-2019-0137), the Board issued a letter dated July 25, 2019, which indicated that the consultation would not include a review of the gas supply plans for either ENGLP Aylmer or Southern Bruce. The letter acknowledged that for Southern Bruce, “[t]here are matters that may need to be determined in the rates and **another proceeding** that could affect the starting point of EPCOR’s gas supply plan for Southern Bruce, and the cost consequences of that gas supply plan are therefore expected to be addressed in those proceedings.” [Emphasis added] The Board’s reference to “another proceeding” was regarding Enbridge’s then “M17 Firm Transportation Service Rate application (EB-2018-0224)”. Enbridge subsequently withdrew that application so that it could be considered together with the Owen Sound Reinforcement leave to construct application.

In order to complete its Gas Supply Plan for the Southern Bruce franchise area, ENGLP must know the outcome of Enbridge’s Owen Sound Reinforcement Project Leave-to-Construct and Rate M17 Application in proceeding EB-2019-0183 (“M17 rate proceeding”). In the absence of this Decision, ENGLP would need to assume multiple possible decision outcomes, including different rate options and services, and account for these in a Gas Supply Plan for filing in May 1, 2020. This approach would not be conducive to outlining a single clear approach to gas supply and would result in an inefficient review of this matter.

As the Board is aware, ENGLP has been an active intervenor in and will be materially impacted by the outcome of the M17 proceeding, which will determine among other things whether Southern Bruce (a) is subject to the new proposed M17 rate or another current, approved rate, (b) required to separately contract for daily load balancing services, and (c) required to pay certain contributions in aid of construction. Accordingly, the M17 rate proceeding will determine ENGLP’s rate options and certain services for ENGLP Southern Bruce. The record of the M17 rate proceeding is not expected to close until March 20, 2020. Assuming the Board issues a decision 60 days from close of record, it is possible that ENGLP may have a decision on May 20, 2020, well after the deadline to file its Gas Supply Plan for the Southern Bruce franchise area.

Relief Requested

ENGLP seeks to develop a Gas Supply Plan for the Southern Bruce area in an efficient manner and which is in the best interests of its ratepayers.

Upon receipt of a Decision in the M17 rate proceeding, ENGLP estimates that it will require six weeks to conduct the necessary rate analysis to appropriately meet this objective and compile this information into its Gas Supply Plan.

In light of the above-noted unique circumstances, ENGLP requests to defer filing its Southern Bruce Gas Supply Plan until 60 days after the release of the Board’s Decision in the M17 rate proceeding.

A note regarding Interim Commodity and Distribution Rates

ENGLP may require an interim commodity rate prior to the completion of its Gas Supply Plan to bill its earliest connected customers.

ENGLP intends to connect two industrial customers in Rate 16 in June 2020.⁶ These Rate 16 customers are required to ship their own gas commodity to ENGLP Southern Bruce's distribution system. ENGLP Southern Bruce will not have any residential customers prior to July 1, 2020.

ENGLP Southern Bruce received its Rate Order with respect to its 2019 Rates on January 9, 2020 (EB-2018-0264), but has not charged these rates since no customers are currently connected to the distribution system. ENGLP Southern Bruce's 2020 distribution rates have not yet been approved by the Board, although ENGLP filed its 2020 Incentive Rate Adjustment Application on March 18, 2020.

To the extent that ENGLP Southern Bruce requires an interim commodity rate, ENGLP suggests that this matter is best addressed through additional evidence and exhibits filed as part of ENGLP Southern Bruce's QRAM for rates effective July 1, 2020.

Closing

ENGLP requests a delay to file its Gas Supply Plan for ENGLP Southern Bruce until 60 days after the release of the Board's M17 rate proceeding decision.

ENGLP Southern Bruce submits that this delay request is reasonable in light of the circumstances noted above and will have no material impact on its ratepayers. Furthermore, the delay proposed will result in a more efficient development and review of ENGLP Southern Bruce's Gas Supply Plan.

Thank you for your consideration. Please feel free to contact me if you have any questions.

⁶ Refer to March 6, 2020 letter from ENGLP to Pascale Duguay(OEB) requesting an extension to file first QRAM for the Southern Bruce franchise area.

Sincerely,



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cc. Christine E. Long, Registrar and Board Secretary, *Ontario Energy Board*
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