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August 18, 2022

Sent by EMAIL, RESS e-filing

Ms. Nancy Marconi
Registrar
Ontario Energy Board
27-2300 Yonge Street
Toronto, ON M4P 1E4

Dear Ms. Marconi:

**Re: EB-2022-0141: EPCOR Natural Gas Limited Partnership's ("ENGLP") 2022
Annual Gas Supply Plan Updates - Aylmer and Southern Bruce**

In accordance with the requirements under the Framework for the Assessment of Distributor Gas Supply Plans, enclosed are ENGLP's written comments in response to the submission of Pollution Probe, received July 22, 2022.

Please feel free to contact me if you have any questions regarding this matter.

Sincerely,

A handwritten signature in blue ink, appearing to read "T. Hesselink", with a stylized flourish at the end.

Tim Hesselink
Senior Manager, Regulatory Affairs
EPCOR Natural Gas Limited Partnership
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Encl.

EPCOR Natural Gas Limited Partnership (Aylmer and Southern Bruce)

2022 Annual Gas Supply Plan Update, EB-2022-0141

Written Comments of EPCOR Natural Gas Limited Partnership (ENGLP)

Overview of Reply Submission

In accordance with the Ontario Energy Board (“OEB”) initiated consultation to review EPCOR Natural Gas Limited Partnership’s (“ENGLP”) Annual Update to its five year gas supply plan and the letter received May 10, 2022 (**EB-2021-0146**), ENGLP is filing this submission in response to the stakeholder comments received from Pollution Probe.

ENGLP is appreciative of the submissions of Pollution Probe and their continued engagement in this process.

1. Gas Supply Plan Timing & Scope

Reference: Page 1 of the Pollution Probe Submission:

The Aylmer Gas Supply Plan is a five-year (2020-2024) plan. However, the South Bruce Gas Supply Plan is only a three-year plan which expires in 2022 leaving a potential gap in 2023 until the next generation plan can be filed and assessed.

It is recommended that both the Aylmer and South Bruce gas supply plans be five-year rolling plans updated annually going forward.

While alignment of planning and procedural efficiencies are important elements of this process, it is ENGLP’s current plan to continue with a three year filing cycle for the Southern Bruce operations due to the delays in construction and lack of historical data available. Another three year cycle will allow ENGLP Southern Bruce to continue to gain operational experience in managing gas procurement in this rapidly growing system. ENGLP is in alignment with a five year planning cycle over the long-term with both Aylmer and Southern Bruce.

2. Major Policy Changes and Updates

Reference: Page 2 of the Pollution Probe Submission:

In response to interrogatories, ENGLP indicated that there have been a number of incremental policy drivers since the last annual gas supply plans update, including the recent OEB Mandate letter. However, it was not fully evident in the gas supply plan updates filed how these changes have impacted the gas supply plans or related metrics.

It is recommended that annual gas supply plan updates provide a list of the major policy changes up front and how the plan was adjusted to respond.

ENGLP is supportive of this organizational approach for future filings and will include known policy changes upfront as per the recommendation.

3. Demand Side Management (DSM)

Reference: Page 2-3 of the Pollution Probe Submission:

It is recommended that ENGLP develop and launch DSM programs in 2023 and also include a specific timeline for the development and launch of additional DSM programs as part of its future Gas Supply Plans. Should ENGLP fail to take specific and timely action, the OEB should provide more prescriptive direction for ENGLP.

In 2021-2022, ENGLP has taken advantage of the opportunity to meet with several third party vendors along with a regular touch point to learn from OEB staff, while following Enbridge's DSM hearing (EB-2021-0002).

ENGLP does agree that there are a lot of existing programs and opportunities that exist, but has also learned that the regulatory and finance prudence steps involved with a DSM application and rollout are also challenging. Based on what we have learned, the implementation and development of a DSM portfolio it is not as simple as Pollution Probe may be implying as ENGLP will need to consider volumes/measures/costs/programs along with customer consultations. We have also learned that submitting a DSM application includes some items that are scalable based on our size compared with Enbridge Gas Inc., but is still a major project implementation. Due to the size of our operations, we expect that we would need make investments in a DSM application that could likely exceed EPCOR's

financial thresholds, which would require a formal request for proposal (RFP). ENGLP does not currently have a mechanism to recover these costs built into our rates for both Southern Bruce and Aylmer, and despite some informal assurances of cost recovery, does not have a formal deferral account to track implementation costs. As a result, ENGLP is considering to include a DSM proposal within the next Aylmer cost of service filing (for rates effective January 1, 2024), which could then potentially be rolled out to Southern Bruce.

All of which is respectfully submitted.