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BY E-MAIL AND WEB POSTING

October 20, 2015

**To: All Rate Regulated Natural Gas Distributors
All Interested Parties**

Re: Distributor Gas Supply Planning Consultation (EB 2015-0238)

The OEB is initiating a consultation on distributor gas supply planning. Specifically as outlined in the March 31, 2015 [Staff Report to the Board on the 2014 Natural Gas Market Review](#) the consultation will focus on gas supply and transportation planning strategies and the risk/cost trade-offs considered in the plans

The purpose of this letter is to describe the scope and process for the Distributor Gas Supply Plan Consultation (“Consultation”). This letter also sets out how interested stakeholders may participate in the Consultation.

Scope

This consultation will focus specifically on the gas supply and transportation planning process undertaken by the gas distributors in order to gain a deeper understanding of the risk/cost tradeoffs being made as they develop their plans.

The distributors will present information about their plans that will;

- 1) Outline their underlying principles
- 2) Highlight the risk/cost trade-offs being made
- 3) Enable the OEB and stakeholders to compare and contrast the plans side by side, and understand the basis for those differences
- 4) Increase the understanding of the implications of the plans and distributor actions under various scenarios, in order to demonstrate the cost impact of the plan under those scenarios. Scenarios will include but not be limited to the following;
 - a. Lower demand than the planned condition
 - b. Higher demand (both peak-day and over-all system demand) than the planned condition.

- c. Other significant variant scenarios that fall outside of the normal operating assumptions of the plan.

The issue of whether the existing QRAM process remains appropriate will be discussed at the annual Natural Gas Market Review to be held in January 2016. Further details concerning the annual review will be released shortly.

Distributors should submit their conference presentations no later than **November 19, 2015** so that stakeholders can review them beforehand. Stakeholders who wish to make a presentation should indicate their intention to do so by **Thursday October 29, 2015** and provide copies of their presentation to the OEB no later than **Thursday November 19, 2015**.

Consultation Process Overview

Pre-consultation input from Stakeholders:

- Stakeholders are invited to advise the OEB on issues they believe should be discussed at the Consultation to address the scope noted above.
- Input received in writing by **Thursday October 29, 2015** will be considered in the preparation of the Consultation.

Consultation

- The consultation is intended to be held on **Wednesday November 25, 2015**.
- Distributors should be prepared to present and compare the various key elements of their plans, such as:
 - a description of the critical factors and why they are important,
 - the risks that they address and the trade-offs
 - the implications of the decision.
 - a consideration of “next best alternatives” and a rationale for why they were rejected from the action plan.
 - a consideration of stress tests for outlying scenarios such as extreme weather or transmission interruptions.
 - a discussion on the implications of OEB approval of the annual plans

Post-consultation written comments:

- Following the Stakeholder Consultation, all interested parties will be invited to submit written comments on the issues raised at the Consultation. Written comments are to be submitted to the OEB by **Thursday December 10, 2015**.

Staff report to the OEB:

- Following the consultation process referenced above, OEB staff will prepare a report to the Board on specific matters raised in the consultation, providing recommendations the Board may wish to consider in determining whether any changes to the OEB's regulatory framework/policies may be warranted.

Details Regarding the Stakeholder Consultation

Presentations- The OEB will provide distributors with an opportunity to make a presentation at the Consultation.

Location and Registration

Date: **Wednesday November 25, 2015**

Time: 9:30 a.m. to 4:30 p.m.

Location: Ontario Energy Board

West Hearing Room,

25th floor, 2300 Yonge Street, Toronto

An agenda will be issued prior to the Consultation. Interested participants wishing to attend the Consultation are asked to register by sending an e-mail to GDSR@ontarioenergyboard.ca no later than 4:30 p.m. **Thursday October 29, 2015**. Please indicate "Gas Distributor Supply Plan Consultation" in the subject line and provide the following information in the body of the e-mail:

- participant/organization name;
- name(s) of attendees to be registered;
- whether the participant intends to make a presentation, and if so, the presentation topic(s);
- a contact name, telephone number and e-mail address.

Participants are asked to limit attendance to two persons due to seating capacity restrictions.

Invitation to Participate and Cost Awards

Interested stakeholders must register their intent to participate in the consultation filing a letter with the Board **by Thursday October 29, 2015** in accordance with the filing instructions set out below.

Cost awards will be available to eligible persons under section 30 of the *Ontario Energy Board Act, 1998* for participation in cost eligible activities as set out in Appendix A.

Appendix A contains information regarding cost awards for this consultation, including in relation to eligibility requests and objections. Costs awarded will be recovered from all rate regulated natural gas distributors apportioned on a pro-rata basis relative to their contributions to the OEB's annual cost assessment.

Filings to the OEB in relation to cost awards must be made in accordance with the filing instructions set out below.

Filing Instructions

Please submit electronic copies of filings in searchable/unrestricted Adobe Acrobat (PDF) format through the OEB's web portal at pes.ontarioenergyboard.ca/eservice and also file two paper copies at the address below. You will need a user ID to make filings through the OEB's web portal. If you do not have a user ID, visit the "e-filings services" webpage on the OEB's website at www.ontarioenergyboard.ca and fill out a user ID password request.

Please use the document naming conventions and document submission standards outlined in the document entitled "RESS Document Preparation – A Quick Guide" also found on the e-filing services webpage. If the OEB's web portal is not available, electronic copies of filings may be filed by e-mail to boardsec@ontarioenergyboard.ca. If you do not have internet access, please provide a CD containing your filing in PDF format as described above to the OEB Secretary at the following address:

Kirsten Walli
OEB Secretary
Ontario Energy Board
P.O. Box 2319
2300 Yonge Street, Suite 2700
Toronto, Ontario M4P 1E4

All filings to the OEB must be received by the OEB Secretary by 4:45 p.m. on the required date. Filings must quote file number EB-2015-0238 and include your name, address, telephone number and, where available, your e-mail address and fax number. All filings received by the OEB in relation to this consultation will be available for viewing at the OEB's offices and will be placed on the OEB's website.

Questions about this consultation process should be directed to Jason Craig at Jason.craig@ontarioenergyboard.ca or 416-440-8139. The OEB's toll-free number is 1-888-632-6273.

Yours truly,

Original signed by

Kirsten Walli
Board Secretary

Attachment: Appendix A Cost Awards

Appendix A To
Cover Letter Dated October 20, 2015
EB-2015-0238
COST AWARDS

Cost Award Eligibility

The Board will determine eligibility for costs in accordance with its Practice Direction on Cost Awards. Any person intending to request an award of costs must file with the Board a written submission to that effect by **Thursday, October 29, 2015**, identifying the grounds on which the person believes that it is eligible for an award of costs (addressing the Board's cost eligibility criteria as set out in section 3 of the Board's Practice Direction on Cost Awards). An explanation of any other funding to which the person has access must also be provided, as should the name and credentials of any lawyer, analyst or consultant that the person intends to retain, if known. All requests for cost eligibility will be posted on the Board's website.

If a Board licensee has any objections to any of the requests for cost eligibility, such objections must be filed with the Board by **Thursday, November 12, 2015**. Any objections will be posted on the Board's website. The Board will then make a final determination on the cost eligibility of the requesting participants.

Eligible Activities

Cost awards will be available in relation to participation in the Stakeholder Consultation; and in relation to the submission of written comments on the issues explored at the Stakeholder Consultation.

The maximum number of cost eligible hours per participant for these activities are:

- prepare for, attend and report on Stakeholder Consultation (1 days @ 11 hours/day)..... 11 hours
- written comments on Stakeholder Consultation issues 11 hours

The maximum number of cost eligible hours for an expert retained to prepare a separate expert submission for the Stakeholder Consultation depends on whether eligible participants are collaborating for this purpose, as follows:

- separate expert submission for one eligible participant 20 hours
- separate expert submission for two or more eligible participants (per additional eligible participant).....10 hours

Cost Awards

When determining the amount of the cost awards, the Board will apply the principles set out in section 5 of its Practice Direction on Cost Awards. The maximum hourly rates set out in the Board's Cost Awards Tariff will also be applied. The Board expects that groups representing the same interests or class of persons will make every effort to communicate and co-ordinate their participation in this process.

The Board will use the process set out in section 12 of its Practice Direction on Cost Awards to implement the payment of the cost awards. Therefore, the Board will act as a clearing house for all payments of cost awards in this process. For more information on this process, please see the Board's [Practice Direction on Cost Awards](#) and the [October 27, 2005 letter](#) regarding the rationale for the Board acting as a clearing house for the cost award payments. These documents can be found on the Board's [Rules, Codes, Guidelines and Forms webpage](#).