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**Commission de l'énergie
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BY Email and Web-posting

August 12, 2016

To: All Participants

Re: Staff Report to the Ontario Energy Board on the Distributor Gas Supply Planning Consultation ([EB 2015-0238](#))

The OEB has posted on its website a Staff Report to the Ontario Energy Board on the Distributor Gas Supply Planning Consultation. The Staff Report summarizes the information collected in the course of the consultation, including written comments received from stakeholders.

The OEB issued a [letter on October 20, 2015](#) launching this consultation and announced its intent to hold a Distributor Gas Supply Planning Conference on December 3, 2015. At that conference participants were asked to create a list of topics that the distributors could use as a guide in preparing a document that compared their gas supply planning approaches. The OEB, along with participants developed the [Table of Contents](#) and the distributors were tasked with providing the content that resulted in the [side-by-side comparison document](#) that was designed to highlight the similarities and differences between their planning approaches. Participants had the opportunity to provide written comments regarding the content and these have been incorporated into the document (posted on the OEB website for reference).

A second conference was held at the OEB on March 22, 2016 so that participants could review, clarify and further comment on the information contained in the distributors collaborative efforts, presented in the side-by-side comparison document. The Staff Report is the main output of this consultation and serves as the foundation platform from which the OEB intends to launch further policy work related to the overall planning review and acceptance/approval processes. In the coming months the OEB will look to implement the following recommendations outlined in the Staff Report:

- 1) Increased Accountability - Gas distributors should apply for pre-approval of their gas supply planning framework on a stand-alone basis (separate from other applications). The application should be submitted at the same time, in the same format (to ensure that they can be easily compared) and reviewed jointly by the same panel.

- 2) Increased Transparency - Gas distributors should submit a gas supply memoranda annually on a stand-alone basis. This new memoranda should be in a common format and submitted at the same time. The content should be consistent with the information already included in their gas supply memorandums and the side-by-side comparison document developed in this consultation.
- 3) Performance Measurement – To increase the OEB’s ability to measure the performance of the distributors’ gas supply plan, the new memoranda should include a report card on the performance of the plan over the previous 3 years along with a forecast of the foreword looking 3 years. The report card should be in a common format that enables a side-by-side comparison.

With the foundational pieces recommended above, OEB staff and stakeholders can gain a greater understanding of the various approaches to managing risk and to better understand and quantify the cost/risk trade-offs inherent in the gas supply plans to better support decision making.

The OEB remains committed to continuous improvement within the natural gas sector. By focusing on the three fundamental objectives of increased accountability, transparency and performance measurement, distributors can enhance the value of the service they offer to consumers. The OEB in the coming months will look for ways to improve the existing methodology for gas supply planning and reporting.

In the meantime, the OEB will be updating its Filing Requirements for Natural Gas Distributor Rate Applications (EB-2016-0033). In addition, the OEB’s consultation to develop a natural gas regulatory framework to support the implementation of the provincial government’s Cap and Trade Program (EB-2015-0363) and the ongoing generic proceeding on Distribution Expansion (EB-2016-0004) may provide useful insights into other issues raised in the course of the 2015 NGMR that can be used in preparing for the next NGMR.

The issuance of the Staff Report marks the conclusion Phase 1 of the Distributor Gas Supply Planning Consultation. The OEB thanks all participants for their contributions to the Forum and written comments on the issues discussed. Cost-eligible activities related to this consultation are complete. A Notice of Hearing for Cost Awards will be issued separately.

Any questions relating to this letter should be directed to Jason Craig at Jason.craig@ontarioenergyboard.ca or at 416-440-8139. The Board’s toll-free number is 1-888-632-6273.

Yours truly,

Original signed by

Peter Fraser
Vice President – Consumer Protection & Industry Performance