



EB-2012-0206

IN THE MATTER OF the *Ontario Energy Board Act* 1998, S.O.1998, c.15, (Schedule B);

AND IN THE MATTER OF an Application by Union Gas Limited for an Order or Orders amending or varying the rate or rates charged to customers as of October 1, 2011;

AND IN THE MATTER OF a proceeding commenced by the Ontario Energy Board on its own motion to determine the accuracy of the calculation of margin sharing related to Deferral Account 179-70 - Short-Term Storage and Other Balancing Services.

**NOTICE OF MOTION TO REVIEW, NOTICE OF MOTION HEARING
AND PROCEDURAL ORDER NO. 1**

May 2, 2012

Union Gas Limited ("Union") filed an application dated April 18, 2011 with the Ontario Energy Board (the "Board") under section 36 of the *Ontario Energy Board Act, 1998*, S.O. c.15, Schedule B, for an order of the Board amending or varying the rate or rates charged to customers as of October 1, 2011 in connection with the sharing of 2010 earnings under the incentive rate mechanism approved by the Board as well as final disposition of 2010 year-end deferral account and other balances (the "Application"). The Board assigned file number EB-2011-0038 to the Application.

On September 19-21 2011, the Board held a hearing on all matters in that proceeding and the Board issued its Decision and Order on January 20, 2012. The Board directed Union to file a Draft Rate Order which reflected the Board's findings in its Decision.

The Board received submissions from parties contesting Union's Draft Rate Order with respect to the Short-Term Storage and Other Balancing Services Deferral Account ("Short-Term Storage Account"). The Board issued its Decision and Order on the Draft

Rate Order on February 29, 2012, directing Union to file a revised Draft Rate Order reflecting the Board's determination on the matter. The Board noted that it would review the revised Draft Rate Order to confirm that all the necessary changes were made and would subsequently issue a Final Rate Order.

Union filed a revised Draft Rate Order on March 2, 2012. The Board issued its Final Rate Order on March 8, 2012 approving Union's Draft Rate Order as filed.

By letter dated March 27, 2012, Canadian Manufacturers & Exporters ("CME") (an intervenor in the proceeding) noted that an issue had arisen in the EB-2011-0038 proceeding regarding the calculation of margin sharing in the Short-Term Storage Account. CME indicated that the correct amount to be credited to ratepayers should be \$3.824 million (as opposed to the \$0.831 million credit approved by the Board in the EB-2011-0038 Final Rate Order). CME requested that the Board address this error by making an adjustment to the margin sharing calculation under Rule 43.02 of the Board's *Rules of Practice and Procedure*. Union filed a letter responding to CME's letter on April 5, 2012, CME filed a subsequent letter on April 16, 2012, and Union filed a final letter on April 19, 2012.

The Board has determined that the correction requested by CME in regards to the margin sharing calculation in the Short-Term Storage Account would not, if substantiated, be allowable under Rule 43.02 of the Board's *Rules of Practice and Procedure* (the "Rules"). The Board is, however, of the view that issues have been raised with respect to the calculation of short-term storage margin sharing which warrant further review by the Board. The Board has therefore determined that it will commence a review proceeding on its own motion pursuant to Rule 43.01 of the Rules to review its EB-2011-0038 Decision and Rate Order as it relates to the issue of calculating the amount of margin sharing in the Short-Term Storage Account. The Board has assigned Board File No. EB-2012-0206 to this proceeding.

The Board adopts the intervenors in the EB-2011-0038 proceeding as intervenors in this proceeding. Intervenors that were eligible for costs in that proceeding are deemed eligible for costs in this proceeding. A list of intervenors for EB-2012-0206 is attached as Appendix A to this order.

The Board will incorporate the four letters noted above (two from CME and two from Union) as submissions in this proceeding. All intervenors and Union will be given an opportunity to make additional submissions on this single issue.

Accordingly, the Board will make provisions for the following procedural matters. Please be aware that further procedural orders may be issued from time to time.

THE BOARD ORDERS THAT

1. All parties (Board staff, intervenors, and Union) shall file any submissions on the calculation of margin sharing in the Short-Term Storage Account on or before **May 11, 2012**.

All filings to the Board must quote file number **EB-2012-0206**, be made through the Board's web portal at www.errr.ontarioenergyboard.ca, and consist of two paper copies and one electronic copy in searchable / unrestricted PDF format. Filings must clearly state the sender's name, postal address and telephone number, fax number and e-mail address. Please use the document naming conventions and document submission standards outlined in the RESS Document Guideline found at www.ontarioenergyboard.ca. If the web portal is not available you may email your document to the BoardSec@ontarioenergyboard.ca. Those who do not have internet access are required to submit all filings on a CD in PDF format, along with two paper copies. Those who do not have computer access are required to file seven paper copies. If you have submitted through the Board's web portal an e-mail is not required.

All parties must also provide the Case Manager, Lawrie Gluck, Lawrie.gluck@ontarioenergyboard.ca with an electronic copy of all comments and correspondence related to this case.

ISSUED at Toronto, May 2, 2012

ONTARIO ENERGY BOARD

Original Signed By

Kirsten Walli
Board Secretary

APPENDIX A

NOTICE OF WRITTEN HEARING AND PROCEDURAL ORDER NO. 1

LIST OF INTERVENORS

BOARD FILE NO. EB-2012-0206

DATED May 2, 2012

**Ontario Energy Board
EB-2012-0206**

APPLICANT & LIST OF INTERVENORS

May 2, 2012

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INTERVENORS

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