



**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.

**BEFORE:** Ken Quesnelle  
Presiding Member

Cathy Spoel  
Member

**DECISION AND ORDER ON COST AWARDS**  
**September 12, 2012**

**Background**

Union Gas Limited ("Union") filed an application dated April 18, 2011 with the Ontario Energy Board (the "Board") under section 36 of the Act, 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, 20 and 21, 2011, the Board held a hearing on all matters in that proceeding and 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 suggested 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 under Rule 43.02 of the Board's *Rules of Practice and Procedure* (the "Rules") by making an adjustment to the margin sharing calculation. 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 issued a Notice of Motion, Notice of Motion Hearing and Procedural Order No. 1 on May 2, 2012 ("Notice and Procedural Order No. 1"). In the Notice and Procedural Order No.1, the Board 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 Rules. However, the Board noted that the issues that were raised with respect to the calculation of short-term storage margin sharing warranted further review by the Board. The Board determined that it would 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

“Motion Proceeding”). The Board assigned Board File No. EB-2012-0206 to the Motion Proceeding. The Board adopted the intervenors in the EB-2011-0038 proceeding as intervenors in the Motion Proceeding.

On July 18, 2012, the Board issued its Decision and Order on Board Motion, in which it set out the process for intervenors to file their cost claims and to respond to any objections raised by Union.

The Board received cost claims from CME, the Federation of Rental Housing Providers of Ontario (“FRPO”), London Property Management Association (“LPMA”) and the School Energy Coalition (“SEC”). No comments were received from Union.

### **Board Findings**

The Board has reviewed the cost claims of CME, FRPO, LPMA and SEC and finds that all parties are eligible for 100% of their reasonably incurred costs of participating in this proceeding. The Board finds that all claims are reasonable and that Union shall reimburse CME, FRPO, LPMA and SEC for their costs.

### **THE BOARD THEREFORE ORDERS THAT:**

1. Pursuant to section 30 of the *Ontario Energy Board Act, 1998*, Union shall immediately pay:
  - Canadian Manufacturers & Exporters \$19,349.80;
  - Federation of Rental Housing Providers of Ontario \$2,237.40;
  - London Property Management Association \$1,491.60; and
  - School Energy Coalition \$965.00.
2. Pursuant to section 30 of the *Ontario Energy Board Act, 1998*, Union shall pay the Board’s costs of and incidental to, this proceeding immediately upon receipt of the Board’s invoice.

**DATED** at Toronto, September 12, 2012.

**ONTARIO ENERGY BOARD**

*Original Signed By*

Kirsten Walli  
Board Secretary