



EB-2015-0179

Union Gas Limited

Application for approval to expand natural gas service to certain rural and remote communities in Ontario; for certain exemptions to meet revenue recovery requirements that apply to pipeline projects and approval to construct facilities to serve the communities of Milverton, Prince Township and the Chippewas of Kettle and Stony Point and Lambton Shores

PROCEDURAL ORDER NO. 2 November 30, 2015

Union Gas Limited (Union) filed an application with the Ontario Energy Board (OEB) on July 23, 2015, seeking approval to provide natural gas service to certain rural and remote communities in Ontario. Union has also proposed changes to how it recovers revenues to meet the investments required, including a proposal to collect a surcharge from new customers and a proposal to collect a contribution from the municipalities of the new communities. Union is also seeking a change to the financial viability tests established by the OEB for natural gas distribution system expansion (E.B.O. 188) which would result in existing Union customers paying a portion of the costs to serve the new communities.

Union has indicated that under its proposal, it can complete approximately 30 projects to provide natural gas service to 20,000 homes and businesses in 34 communities at an estimated cost of \$150 million. In this application, Union has identified five specific projects for which it is seeking rate recovery under section 36 of the *Ontario Energy Board Act, 1998*. The five projects will provide service to the communities of Milverton, Prince Township, Chippewas of Kettle and Stony Point First Nation and Lambton Shores, Walpole Island First Nation and Delaware Nation of Moraviantown.

Of the five communities identified above for expansion, Union is seeking approval to construct facilities under section 90(1) of the *Ontario Energy Board Act* for the communities of Milverton, Prince Township and the Chippewas of Kettle and Stony Point First Nation and Lambton Shores.

The OEB issued a procedural order on October 16, 2015 setting out the process for filing interrogatories and responses to interrogatories. A technical conference has been scheduled for December 15, 2015.

The OEB has determined that it would be most efficient to consider the various elements of Union's application in a staged manner. The OEB will first hold an oral hearing to address those elements of Union's application that concern the funding of the proposed expansions. Any consideration of the related leave to construct applications will take place subsequent to and in the context of the OEB's determinations on Union's proposed funding approaches.

The OEB considers it necessary to make provision for the following matters related to this proceeding. The OEB may issue further procedural orders from time to time.

IT IS ORDERED THAT:

1. Parties that anticipate filing evidence shall notify the OEB of their intent and provide a description of the nature of the evidence by **Dec 7, 2015**. The OEB will provide procedural instructions to deal with any such evidence if the need arises.
2. A Pre-Hearing Day will be held on **December 18, 2015** where parties will be expected to explain their interests and identify their issues with respect to the application. Parties are also expected to indicate what further evidence they require by way of oral examination of Union's evidence. Parties that are interested in cross examining Union witnesses will be required to provide time estimates for the oral examination and a rationale for the time required. The hearing will begin at 9:00 a.m. in the OEB's North Hearing Room on the 25th floor at 2300 Yonge Street, Toronto.
3. An oral hearing will be held on **January 6 and 7, 2016** starting at 9:30 a.m. in the OEB's North Hearing Room at 2300 Yonge Street, Toronto, where parties will be able to cross examine Union's witnesses on the funding aspect of the application. To allow for an efficient use of the OEB's time, parties with aligned interests are expected to coordinate their respective cross examinations. Once the evidentiary phase of the oral hearing has concluded, the OEB will hear Union's argument-in-chief.
4. The OEB will hear oral arguments from intervenors and OEB staff on **January 14 and 15, 2016** starting at 9:30 a.m. in the OEB's North Hearing Room at 2300 Yonge Street, Toronto.

5. Intervenors and OEB staff who wish to file comments in response to the oral arguments of parties, can make a written submission and file it with the OEB and deliver them to Union and other intervenors on or before **January 22, 2016**.
6. The OEB will hear the oral reply argument of Union on **January 26, 2016** starting at 9:30 a.m. in the OEB's North Hearing Room at 2300 Yonge Street, Toronto.

All filings to the OEB must quote the file number, EB-2015-0179 and be made electronically in searchable / unrestricted PDF format through the OEB's web portal at <https://www.pes.ontarioenergyboard.ca/eservice/>. Two paper copies must also be filed. Filings must clearly state the sender's name, postal address and telephone number, fax number and e-mail address. Parties must use the document naming conventions and document submission standards outlined in the RESS Document Guideline found at <http://www.ontarioenergyboard.ca/OEB/Industry>. If the web portal is not available parties may email their documents to the address below. 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 7 paper copies.

All communications should be directed to the attention of the Board Secretary at the address below, and be received no later than 4:45 p.m. on the required date.

ADDRESS

Ontario Energy Board
P.O. Box 2319
2300 Yonge Street, 27th Floor
Toronto ON M4P 1E4
Attention: Board Secretary

E-mail: boardsec@ontarioenergyboard.ca
Tel: 1-888-632-6273 (Toll free)
Fax: 416-440-7656

DATED at Toronto, November 30, 2015

ONTARIO ENERGY BOARD

Original signed by

Kirsten Walli
Board Secretary