

**Ontario Energy  
Board**

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**Commission de l'énergie  
de l'Ontario**

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**BY E-MAIL**

November 30, 2016

Bruce Brandell  
Director, Commercial Services  
EPCOR Southern Bruce Gas Inc.  
c/o Fasken Martineau DuMoulin LLP  
Suite 2400, 333 Bay Street  
Toronto ON M5H 2T6  
[bbrandell@epcor.com](mailto:bbrandell@epcor.com)

Dear Mr. Brandell:

**Re: EPCOR Southern Bruce Gas Inc.  
Application for Franchise Agreement and Certificate of Public Convenience  
and Necessity for the  
Municipality of Arran-Elderslie Board File Number EB-2016-0137  
Municipality of Kincardine Board File Number EB-2016-0138  
Township of Huron-Kinloss Board File Number EB-2016-0139**

On January 20, 2016, the OEB announced that it would be holding a generic proceeding to review opportunities for natural gas expansion in the province. On March 24, 2016, EPCOR filed applications for franchise agreements and certificates of public convenience and necessity for the Municipality of Arran-Elderslie, the Municipality of Kincardine, and the Township of Huron-Kinloss (the "EPCOR Applications"). As the EPCOR Applications related to expanding gas service to new areas, they were placed on hold pending the outcome of the generic proceeding.

The OEB issued its decision on natural gas expansion on November 17, 2016. It is therefore now time to continue with the processing of the EPCOR Applications.

The natural gas expansion proceeding provided guidance on a new framework that the OEB intends to implement. Some of the matters contemplated include potential

competition amongst distributors to serve new areas, and the hearing of a rates case (or possibly a leave to construct case) prior to, or in conjunction with, the granting of a certificate or franchise. These and other elements of the natural gas expansion proceeding will likely be relevant to the EPCOR Applications.

The OEB will be issuing further guidance on how it intends to proceed with the EPCOR Applications shortly. Parties will be given the opportunity to comment on the OEB's proposed process.

The OEB will also be issuing notice of these proceedings shortly. Parties to the EB-2016-0004 have been copied on this letter as an information item.

Yours truly,

*Original signed by*

Kirsten Walli  
Board Secretary

c: All parties in EB-2016-0004