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VIA E-MAIL TO THE BOARD

January 19, 2017

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

Attention: Registrar

**RE: EB-2016-0137 | EB-2016-0138 | EB-2016-0139
EPCOR South Bruce Gas Inc.**

RESPONSE TO PROCEDURAL ORDER #1

Northern Cross Energy Limited (“NCE”) is an intervenor in these proceedings and remains an interested party due to its natural gas assets that it owns and operates adjacent to the southern boundary of the South Bruce service area.

In 2015 and prior to EB-2016-0004, NCE submitted a bid to provide natural gas service to the three South Bruce municipalities. NCE’s bid was contingent upon the three South Bruce municipalities forming a Municipal Services Corporation (MSC) to become the distributor of natural gas in this area and NCE providing the technical services of designing, installing, operating and maintaining this system. The three South Bruce municipalities chose EPCOR South Bruce Gas Inc. to provide the natural gas system.

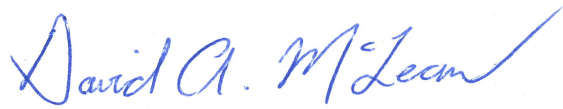
NCE still believes that its existing interconnect with Union Gas Limited’s (UGL’s) system at a point south of Wingham, coupled with the potential for local natural gas storage in NCE’s depleted natural gas production pool(s) and increased local natural gas production, can significantly contribute to achieving the lowest cost solution for providing natural gas service to this area.

However, NCE remains committed to its position that it does not wish to be the natural gas distributor in this area. NCE will not be submitting a competing bid to service this area.

NCE is very interested in working with any and all bidders for this system, including the three South Bruce municipalities should they choose to reconsider their position regarding the formation of a MSC, in an effort to develop the least cost solution for this project.

NCE thanks the Board for its position of asking for competing bids for this natural gas system.

Respectively,

A handwritten signature in blue ink that reads "David A. McLean". The signature is fluid and cursive, with a long, sweeping tail on the final letter.

David McLean, P.Eng.
Vice President