

February 13, 2017

Ms. Kirsten Walli
Ontario Energy Board
2300 Yonge Street, 27th Floor
Toronto, ON
M4P 1E4

Dear Ms. Walli:

Re: EB-2015-0179 – Union Gas Limited – Community Expansion Proposal – OEB Process

As per Union Gas Limited's ("Union") letter dated December 22, 2016 to the Ontario Energy Board ("the Board"), Union intends to file by the end of March 2017 an update to its EB-2015-0179 application to reflect the Board's findings in EB-2016-0004.

Union filed with the Board on July 23, 2015 its original Community Expansion application and evidence. Union served notice and proceeded through the interrogatory phase and a technical conference. The Board subsequently placed this application on hold while it held a generic proceeding (EB-2016-0004) to consider possible alternative ratemaking frameworks to provide natural gas service to Ontario communities without access to natural gas. On November 17, 2016, the Board issued its EB-2016-0004 Decision, and subsequently issued Procedural Order No. 4 in EB-2015-0179, wherein the Board determined that it would resume Union's application which had been put on hold. With this Procedural Order, the Board invited Union to advise on how it proposed to proceed with its application in light of the OEB's Decision in the generic proceeding.

Union has reviewed the EB-2016-0004 Decision and is updating its community expansion proposal to include updated project details for specific expansion projects. These projects are Milverton, Chippewas of Kettle and Stony Point First Nation and Lambton Shores, Prince Township, and Delaware Nation of Moraviantown. For each of the expansion projects, a proposed rate surcharge structure specific to each community requires Section 36 approval. Only two of these projects require a Section 90 Leave to Construct approval, specifically Milverton, and Prince Township. Union notes that for the two communities for which Section 90 approval is not required (Chippewas of Kettle and Stony Point First Nation and Lambton Shores, and Delaware Nation of Moraviantown), the Board's decision relating to competitive service alternatives as set out in EB-2016-0004 does not apply and a request for the interest of other service providers should not be made in relation to Union's Section 36 application for these communities. Union requests that the Board confirm Union's view.

In addition, Union notes that these expansion projects have been in the public domain since July 2015. Since that time Union has been working with municipal officials and Indigenous Band leaders in these communities to discuss and explain its community expansion proposal and to prepare for the delivery of natural gas to these communities as soon as possible.

The four expansion projects are planned to be in-service in fall 2017. To meet this timeline, Union will be requesting the Board implement an expedited regulatory review process. Given the advanced state of planning and the fact that Union can confirm no other parties have contacted any of the four communities to express interest in serving them with natural gas, a process that includes additional time and further steps by the Board to inquire if there are additional proposals for natural gas distribution to these communities would detrimentally affect the ability to meet a fall 2017 in-service date. These communities have requested that service be provided as soon as possible.

As such, Union requests that the Board confirm Union's view that a request of the interest of other parties to serve and any process arising from that request is not required in respect of these four communities. Given the timelines referenced above, Union respectfully requests a timely response to this letter.

If you have any questions, please contact me at 519-436-5473.

Yours Truly,

[original signed by]

Karen Hockin
Manager, Regulatory Initiatives

Cc: Charles Keizer, Torys
All Intervenors (EB-2016-0004)