



EB-2015-0179

Union Gas Limited

Application for approval to expand natural gas service, establish rates and surcharges, and leave to construct natural gas pipelines to serve the communities of Milverton, Prince Township and the Chippewas of Kettle and Stony Point and Lambton Shores

PROCEDURAL ORDER NO. 7 April 26, 2017

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. In its application, Union proposed certain changes to how it recovers revenues to meet the investments required, including a proposal to collect a surcharge from new customers and a contribution from existing customers.

In a letter dated January 20, 2016, the OEB informed all parties that it intended to proceed with a generic hearing on its own motion as the issues raised by all the parties in Union's application were common to all gas distributors and new entrants seeking to provide gas distribution services in communities that do not have access to natural gas. The OEB also noted in that letter that Union's application would be put on hold until the completion of the generic hearing. On November 17, 2016, the OEB issued its Decision on the Generic Community Expansion Proceeding (EB-2016-0004). The Decision among other things determined that existing customers should not subsidize new community expansions.

In Procedural Order No. 4 issued on November 17, 2016 (EB-2015-0179), the OEB determined that it would resume Union's application that had been put on hold and directed Union to advise the OEB on how it proposes to proceed with its application in light of the OEB's Decision on Community Expansion (EB-2016-0004). In a letter dated December 22, 2016, Union advised the OEB that it intended to file a revised application by the end of March 2017.

Union filed its updated evidence on March 31, 2017. Union's updated application has proposed four expansion projects to serve the following communities: (1) Kettle and Stony Point First Nation and Lambton Shores; (2) Milverton, Rostock and Warburg; (3) Prince Township; and (4) the Delaware Nation of Moraviantown First Nation.

In Procedural Order No. 6 issued on April 7, 2017, the OEB determined that parties interested in intervening in Union's revised application must reapply for intervenor status and cost eligibility. The OEB noted that cost eligibility would be granted to parties that are directly impacted by the application and potential intervenors seeking cost eligibility must describe in their intervention request how Union's application will impact their members.

The following parties applied for intervenor status:

- Building Owners and Managers Association Toronto (BOMA)
- Consumers Council of Canada (CCC)
- EPCOR Southern Bruce Gas Inc. (EPCOR)
- Energy Probe Research Foundation (Energy Probe)
- Independent Electricity System Operator (IESO)
- London Property Management Association (LPMA)
- Northeast Midstream LP
- School Energy Coalition (SEC)
- The Corporation of the Township of Prince
- Vulnerable Energy Consumers Coalition (VECC)

Each of BOMA, CCC, Energy Probe, LPMA, SEC and VECC also applied for cost award eligibility. No objections were received regarding the requests for intervenor status or cost eligibility.

The OEB stated that it will be granting intervenor status to parties whose constituencies are directly affected by the outcome of the proceeding. Intervenor status is granted to each of CCC, IESO, SEC, the Corporation of the Township of Prince and VECC, as these parties have a direct interest in the outcome of the hearing and the OEB anticipates their contributions to be of assistance in making its determinations. The CCC, SEC, the Corporation of the Township of Prince and VECC represent the interests of clearly defined potential consumers.

Each of CCC, SEC and VECC are eligible for an award of costs under the OEB's *Practice Direction on Cost Awards*. The list of parties in this proceeding is attached as Schedule A to this Procedural Order.

BOMA, EPCOR, Energy Probe, LPMA and Northeast Midstream will not be granted intervenor status for this phase of the proceeding.

The OEB does not consider it necessary to obtain the views of BOMA, EPCOR, Energy Probe and LPMA on the introduction of natural gas service in communities where they have no or minimal representation. The views of these parties in relation to expansion of natural gas services were canvassed thoroughly in the Generic Hearing (EB-2016-0004). There is no other party interested in applying to serve the areas identified in Union's application therefore issues related to comparing proposals and selection criteria will not be determined in this hearing

LPMA has expressed a concern that current ratepayers of Union Gas may be responsible for unrecovered costs. The OEB does not consider it necessary to obtain LPMA's specific views in order to ensure the Generic Hearing findings related to cross-subsidization are upheld. LPMA's stated interest will be examined in this case, but the OEB anticipates that the matter can be adequately covered by OEB staff and those that have been granted intervenor status.

Northeast Midstream has been accepted as an intervenor in the Southern Bruce Expansion Applications and the OEB believes that it is in that forum that Northeast Midstream may be able to add more value towards the creation of the selection criteria.

IT IS ORDERED THAT:

1. OEB staff and intervenors that require information and material from Union that is in addition to Union's updated evidence and that is relevant to the hearing, shall request it by written interrogatories filed with the OEB and delivered to Union and all intervenors by **May 10, 2017**.
2. Union shall file with the OEB complete responses to the interrogatories and deliver them to all intervenors by **May 24, 2017**.
3. A Settlement Conference will be convened at 9:30 a.m. on **May 29, 2017** with the objective of reaching a settlement among the parties on the issues. The Settlement Conference will be held at 2300 Yonge Street, 25th Floor, Toronto, Ontario.
4. Any settlement proposal arising from the Settlement Conference shall be filed with the OEB no later than 4:45 p.m. on **June 6, 2017**.

5. If a settlement proposal is filed, OEB staff's submission on the settlement proposal shall be filed with the OEB and served on all parties within **7 days** from when any settlement proposal is filed.
6. If there is no settlement proposal arising from the Settlement Conference, Union shall file a statement to that effect with the OEB by **June 2, 2017**.

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.oeb.ca/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@oeb.ca
Tel: 1-888-632-6273 (Toll free)
Fax: 416-440-7656

DATED at Toronto, April 26, 2017

ONTARIO ENERGY BOARD

Original signed by

Kirsten Walli
Board Secretary

Schedule A
Union Gas Limited
Community Expansion Project
EB-2015-0179
Dated April 26, 2017

**Union Gas Limited
EB-2015-0179**

APPLICANT & LIST OF INTERVENORS

April 26, 2017

APPLICANT

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April 26, 2017

INTERVENORS

Rep. and Address for Service

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APPLICANT & LIST OF INTERVENORS

April 26, 2017

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April 26, 2017

**The Corporation of the
Township of Prince**

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**Vulnerable Energy
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