



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. 8 May 25, 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 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. 7 issued on April 26, 2017, the OEB determined a list of intervenors in the proceeding and scheduled a round of interrogatories and a Settlement Conference.

On May 18, 2017, the Batchewana First Nation of Ojibways requested intervenor status and cost eligibility. Batchewana First Nation claims aboriginal and treaty rights in the areas that will be served by proposed Prince Township expansion. Some Batchewana families reside in Gross Cap which is in the Prince Township and the Batchewana First Nation continues to make active use of the Gross Cap area for fishing, hunting, gathering, harvesting and ceremonies.

The Batchewana First Nation noted that its rights and interests trigger the Crown's Duty to Consult and it was of the opinion that consultation thus far has been deficient.

In response, Union filed a letter dated May 24, 2017 indicating that it did not object to the intervention request of the Batchewana First Nation. However, it submitted that the intervention request applies only to the section 90 leave to construct proposal to serve Prince Township and does not impact the remaining three proposed projects or the section 36 rate surcharge proposal for each project.

The OEB approves the intervention request of the Batchewana First Nation and its request for cost eligibility under the OEB's *Practice Direction on Cost Awards*. The OEB has determined that the Batchewana First Nation's interest is limited to Union's leave to construct application to service the Prince Township, and does not impact the other proposed projects or the section 36 rate surcharge proposal of the proposed projects including Prince Township. The OEB has therefore determined that the Settlement Conference will proceed as scheduled on May 29, 2017, but will exclude discussions and possible settlement of the Prince Township section 90 leave to construct application.

The OEB further encourages Union to engage the Batchewana First Nation with a view to resolving any potential issues on the Prince Township leave to construct application. To the extent the parties cannot reach an agreement, the OEB will issue further procedural direction.

IT IS ORDERED THAT:

Union and the Batchewana First Nation shall provide an update to the OEB and intervenors on the consultations undertaken with respect to the Prince Township leave to construct by June 26, 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
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Attention: Board Secretary

E-mail: boardsec@oeb.ca
Tel: 1-888-632-6273 (Toll free)
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DATED at Toronto, May 25, 2017

ONTARIO ENERGY BOARD

Original signed by

Kirsten Walli
Board Secretary