



EB-2016-0137
EB-2016-0138
EB-2016-0139

South Bruce Expansion Applications

**Applications to serve the Municipality of Arran-Elderslie,
the Municipality of Kincardine and the Township of
Huron-Kinloss with natural gas distribution services**

PROCEDURAL ORDER NO. 11

June 7, 2018

EPCOR Southern Bruce Gas Inc. (EPCOR) filed applications with the Ontario Energy Board (OEB) on March 24, 2016 under sections 8 and 9 of the *Municipal Franchises Act*, R.S.O. 1990, c. M.55, seeking approval for its franchise agreements with and Certificates of Public Convenience and Necessity for the Municipality of Arran-Elderslie, Municipality of Kincardine and the Township of Huron-Kinloss (“the South Bruce Expansion Applications”). Procedural Order No. 1, which was issued on January 5, 2017, directed other parties interested in serving the areas covered by the South Bruce Expansion Applications to notify the OEB of their interest. Union Gas Limited (Union Gas) filed a letter dated January 19, 2017 notifying the OEB of its interest in serving the areas covered by the South Bruce Expansion Applications.

Through procedural orders, the OEB determined that it would hear the applications to serve the areas in two phases. In the first phase, the OEB would consider submissions on certain preliminary issues, and in the second phase, the OEB would select either EPCOR or Union Gas as the successful proponent. The OEB then established a Common Infrastructure Plan (CIP) as the basis for determining proponents’ revenue requirements.

In accordance with the Decision on Preliminary Issues and Procedural Order No. 8 (Decision and P.O. 8), which was issued on August 22, 2017, both EPCOR and Union

Gas filed proposals to serve the area covered by the South Bruce applications on October 16, 2017.

Following a round of interrogatories and submissions, the OEB issued a Decision and Order on April 12, 2018, which granted EPCOR certificates of public convenience and necessity for the areas covered by the South Bruce Expansion Applications, conditional on the approval of EPCOR's subsequent leave to construct application. The OEB also ordered EPCOR to pay the claimed costs of intervenors and the OEB's costs incidental to this proceeding.

On May 2, 2018, EPCOR filed a motion to vary the cost orders given that "at least parts of the proceeding were generic in nature, will benefit the Board and other utilities competing to serve new areas, and [that] EPCOR understood [the Decision and] P.O. 8 to suggest that the question of who should bear the responsibility for cost awards as being subject to determination via a further process". EPCOR submitted that the costs of the proceeding should be either apportioned among all rate regulated gas distributors in Ontario, or in the alternative, borne by both EPCOR and Union Gas as proponents who participated in the proceeding.

In making a finding on this motion, the OEB would benefit from a response by Union Gas and Enbridge Gas Distribution Inc. (Enbridge Gas). The OEB will provide an opportunity for Union Gas and Enbridge Gas to address EPCOR's submission that the costs should be borne by all proponents who participated in the proceeding.

It is necessary to make provision for the following matters related to this proceeding. Further procedural orders may be issued by the OEB.

IT IS THEREFORE ORDERED THAT:

1. Union Gas Limited and Enbridge Gas Distribution Inc. may file any written submission with the OEB and copy all parties by **June 21, 2018**.
2. EPCOR Southern Bruce Gas Inc. may file a written reply submission with the OEB and serve it on all parties by **June 28, 2018**.

All filings with the OEB must quote the file number **EB-2016-0137 | EB-2016-0138 | EB-2016-0139**, and be made through the OEB's web portal at <https://www.pes.ontarioenergyboard.ca/eservice/>, and consist of two paper copies and one electronic copy in searchable / unrestricted PDF format. Filings must be received by the OEB by 4:45 p.m. on the stated date. Parties should use the document naming

conventions and document submission standards outlined in the RESS Document Guideline found at www.oeb.ca. If the web portal is not available, parties may e-mail their documents to the attention of the Board Secretary at BoardSec@oeb.ca.

With respect to distribution lists for all electronic correspondence and materials related to this proceeding, parties must include the Case Manager, Azalyn Manzano at Azalyn.Manzano@oeb.ca and OEB Counsel, Michael Millar at Michael.Millar@oeb.ca.

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DATED at Toronto, **June 7, 2018**

ONTARIO ENERGY BOARD

Original signed by

Kirsten Walli
Board Secretary