



**EB-2008-0405**

**IN THE MATTER OF** the *Ontario Energy Board Act, 1998*, S.O. 1998, c.15, Schedule B; and in particular sections 36.1(1), 38(1), 40(1) thereof;

**AND IN THE MATTER OF** an application by Union Gas Limited for an Order designating the area known as the Heritage Gas Storage Pool, in the Geographic Township of St. Clair in the County of Lambton, as a gas storage area;

**AND IN THE MATTER OF** an application by Union Gas Limited for authority to inject gas into, store gas in and remove gas from the areas designated as the Heritage Gas Storage Pool, and to enter into and upon the lands in the said areas and use the said lands for such purposes;

**AND IN THE MATTER OF** an application Union Gas Limited to the Ministry of Natural Resources for a license to drill wells in the said areas.

### **PROCEDURAL ORDER No. 1**

Union Gas Limited ("Union" or the "Applicant") has filed applications with the Ontario Energy Board, (the "Board") dated December 19, 2008, under sections 36.1(1), 38(1) and 40(1) of the *Ontario Energy Board Act, 1998*, S.O. 1998, c.15, Schedule B that would, if granted, allow Union to develop Heritage Gas Storage Pool in the Township of St. Clair, County of Lambton, Ontario ("Heritage Pool").

The Applicant has applied to the Board for the following:

- An Order designating the area containing a gas reservoir known as the Heritage Pool located on part of Lots 6,7 and 8, Concession 14 and part of Lots 6,7 and 8, Concession 15, in the Township of St. Clair (Geographic Township of Sombra) all in the County of Lambton, as a storage area pursuant to section 36.1(1) of the Act;
- Authority to inject gas into, store gas in, and remove gas from the Heritage Pool, pursuant to subsection 38(1) of the Act;
- A favourable report of the Board under subsection 40(1) of the Act, to the Minister of Natural Resources to whom Union has applied for licences to drill two (2) injection/withdrawal wells within the proposed Heritage Pool.

The Notice of Application was issued on January 27, 2009. The Applicant served and published the Notice of Application as directed by the Board.

The registered intervenors in the proceeding are the MNR and Enbridge Gas Distribution Inc. ("EGDI"). An Intervener List with contact information, including the Applicant's information is attached as Appendix "A" to this Procedural Order.

No party requested an oral hearing. The Board has decided to proceed with a written hearing initially, but may hold an oral hearing if circumstances require it later.

The Board considers it necessary to make provision for the following procedural matters.

**THE BOARD ORDERS THAT:**

1. The Applicant, Board Staff and Intervenor may file any comments on the Proposed Issues List, attached in the Appendix "B", by **Monday, March 16, 2009**.
2. A Technical Conference will be held at 2300 Yonge Street, 25th floor, Toronto, Ontario in the Board's West Hearing Room. The Technical Conference will commence on **Tuesday, March 31, 2009** at 9:30 a.m. To facilitate the process, parties to the proceeding who are seeking additional information on the evidence filed with the Board, and that is relevant to the hearing, may submit questions in writing and file these questions with the Board and deliver them to the Applicant and the intervenors by **Monday, March 23, 2009**. The Technical Conference will be transcribed and will form part of the public record.
3. The Applicant may file argument-in-chief on or before **Monday, April 6, 2009**.
4. Board Staff may file argument on or before **Monday, April 13, 2009**.
5. Intervenor may file final arguments on or before **Monday, April 20, 2009**.
6. The Applicant may file reply argument on or before **Friday, April 24, 2009**.

All filings to the Board must quote file number EB-2008-0405, and consist of an electronic copy in searchable / unrestricted PDF format filed through the Board's web portal at [www.errr.oeb.gov.on.ca](http://www.errr.oeb.gov.on.ca), and three paper copies sent to the address below. Filings must clearly state the sender's name, postal address and telephone number, fax number and e-mail address. Please use the document naming conventions and document submission standards outlined in the RESS Document Guideline found at [www.oeb.gov.on.ca](http://www.oeb.gov.on.ca). If the web portal is not available you may email your document to [BoardSec@oeb.gov.on.ca](mailto:BoardSec@oeb.gov.on.ca).

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.

Parties must also include the Case Manager, Ms. Zora Crnojacki  
[zora.crnojacki@oeb.gov.on.ca](mailto:zora.crnojacki@oeb.gov.on.ca) and Board Counsel, Ms. Ljuba Cochrane  
[ljuba.cochrane@oeb.gov.on.ca](mailto:ljuba.cochrane@oeb.gov.on.ca) on all electronic correspondence related to this case.

**DATED** at Toronto March 12, 2009  
**ONTARIO ENERGY BOARD**

*Original signed by*

Kirsten Walli  
Board Secretary

Appendix A  
to  
Procedural Order No. 1

EB-2008-0405

List of Intervenors

**Union Gas Limited**  
**EB-2008-0405**

**APPLICANT & LIST OF INTERVENORS**

**March 12, 2009**

**APPLICANT**

**Union Gas Limited**

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**INTERVENORS**

**Enbridge Gas Distribution Inc.**

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**Ministry of Natural Resources**

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Appendix B  
to  
Procedural Order No. 1

EB-2008-0405

Proposed Issues List



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**Proposed Issues List**

**1. Designation of the Gas Storage Pool**

- 1.1. Is the underlying geological formation appropriate for storage operations?
- 1.2. Is the tract of land to be designated appropriately bound and sized to provide for safe operation of the storage pool?
- 1.3. Does the applicant have the necessary leases and agreements with the directly affected landowners?
- 1.4. Have all Aboriginal Peoples whose existing or asserted Aboriginal or treaty rights may be affected by the proposed Heritage Pool been identified, have appropriate consultations been conducted with these groups, and if necessary, have appropriate accommodations been made with these groups?
- 1.5. Is there a need for this incremental storage capacity in Ontario?

**2. Authorization to Inject, Store and Withdraw**

- 2.1. Is the applicant a capable prospective storage operator in terms of technical and financial capabilities to develop and operate the proposed storage facilities?
- 2.2. Will the appropriate safety requirements for proposed injection/withdrawal activities be ensured in accordance with all relevant codes and standards?
- 2.3. Is the proposed maximum operating pressure safe?
- 2.4. What are the potential impacts of injection/withdrawal activities on the integrity of the gas storage pool?
- 2.5. Is the applicant appropriately accountable and for losses or damages caused by its activities? In particular, will the appropriate insurance coverage be in effect prior to construction/operation commencement?

**3. Well Drilling Licence**

- 3.1. Does the geological evidence support the proposed well locations and drilling programs?
- 3.2. Are the proposed storage wells appropriately designed? Are construction and maintenance plans in order?

- 3.3. Does the applicant have the technical capability to conduct the drilling in accordance with applicable standards and codes?
- 3.4. Does the applicant propose an appropriate program to mitigate the environmental impacts and impacts on directly affected properties?