



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. 2

Union Gas Limited ("Union" or the "Applicant") 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 Notice of Application was issued on January 27, 2009. The Applicant served and published the Notice of Application as directed by the Board.

Procedural Order No. 1 setting the schedule for a written proceeding was issued on March 12, 2009. The Board included a Proposed Issues List in Procedural Order No.

1 and invited Union, Board Staff and (the)Intervenors to comment by March 16, 2009. No comments on the Proposed Issues List were received.

The Board approves the Proposed Issues List without any modifications.

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

THE BOARD ORDERS THAT:

1. The scope of the EB-2008-0405 proceeding is defined by the Issues List attached as Appendix "A" to this procedural order.

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, 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. If the web portal is not available you may email your document to 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 and Board Counsel, Ms. Ljuba Cochrane ljuba.cochrane@oeb.gov.on.ca on all electronic correspondence related to this case.

DATED at Toronto March 23, 2009

ONTARIO ENERGY BOARD

Original signed by

Kirsten Walli
Board Secretary

Appendix A
to
Procedural Order No. 2
EB-2008-0405

Issues List

**Union Gas Limited
Heritage Pool Project
EB-2008-0405
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?