



EB-2008-0411

IN THE MATTER OF the *Ontario Energy Board Act 1998*,
S.O.1998, c.15, (Schedule B) (the “Act”);

AND IN THE MATTER OF an Application by Union Gas
Limited pursuant to section 43(1) of the Act, for an Order or
Orders granting leave to sell 11.7 kilometers of natural gas
pipeline between the St. Clair Valve Site and Bickford
Compressor Site in the Township of St. Clair, all in the
Province of Ontario

PROCEDURAL ORDER NO. 1

Union Gas Limited (“Union Gas” or the “Applicant”) has filed an application with the Ontario Energy Board (the “Board”) dated December 23, 2008, under section 43(1) of the *Ontario Energy Board Act, 1998* (“the Act”). The application seeks an order from the Board granting leave to sell 11.7 kilometers of 24 inch diameter steel natural gas pipeline running between the St. Clair Valve Site and Bickford Compressor Site in the Township of St. Clair. The Board assigned file No. EB-2008-0411 to this application.

A Notice of Application and Hearing dated February 3, 2009, was served and published by Union Gas as directed by the Board.

Nine parties applied for intervention status by the specified deadline: (1) Blue Water Gas Storage, LLC (“BGS”); (2) St. Clair Pipeline L.P (“St. Clair”); (3) Market Hub Partners Canada L.P. (“MHP Canada”); (4) Canadian Manufacturers & Exporters (“CME”) ; (5) Shell Energy North America (Canada) Inc. (“Shell Energy”); (6) Federation of Rental Housing Providers of Ontario (“FPRO”); (7) TransCanada Pipelines Limited (“TransCanada”); (8) Enbridge Gas Distribution Inc. (“Enbridge”); and (9) GAPLO-Union (Dawn Gateway), the Canadian Alliance of Pipeline Landowners’ Association (CAPLA), and certain landowners who are affected directly by the current application (“GAPLO-Union”).

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A late application for intervention was received on March 6, 2009 from Spectra Energy Corporation ("Spectra") and DTE Pipeline Company ("DTE"), on behalf of the soon to be formed Dawn Gateway Pipeline Limited Partnership ("Dawn Gateway Pipeline L.P").

The Board accepts the ten applicants listed above for intervention subject to Union Gas Limited's right of reply to each of the requests within 10 days of the date of issuance of this Procedural Order.

Three of the ten applicants for intervention also applied for eligibility for cost awards: CME; FPRO; and GAPLO-Union. The Board finds that these three parties are eligible for cost awards, subject to the Union Gas's right to reply to each of the requests within 10 days of the issuance of this Procedural Order. Parties are reminded that matters concerning cost awards are set out in the Board's Practice Direction on Cost Awards, which is available on the Board's Web site at www.oeb.gov.on.ca.

BGS, Enbridge, and GAPLO-Union requested that the Board conduct an oral hearing. GAPLO-Union outlined various issues of concern and indicated that it and CAPLA intend to file expert evidence. The Board intends to conduct an oral proceeding.

The Board received applications to participate as observers from Nexen Marketing and Ontario Power Generation Inc., and grants these two parties observer status in this proceeding.

A list of participants in this proceeding is attached as Appendix A to this Procedural Order No. 1.

A Draft Issues List is attached as Appendix B to this Procedural Order. The Board invites the Applicant and the intervenors to file written submissions regarding any proposed changes to this Draft Issues List. Following review of the submissions, the Board will issue a Final Issues List in advance of the filing of interrogatories.

The Board considers it necessary to make provision for a number of procedural matters for the Application.

THE BOARD ORDERS THAT:

1. The Applicant or Intervenors wishing to make submissions on the Draft Issues List, attached as Appendix B to this Procedural Order No. 1, shall file such submissions with the Board, and send a copy to all other parties no later than **Monday, March 23, 2009**.
2. Intervenors who wish information and material from Union Gas Limited that is in addition to its application, and that is relevant to the proceeding, shall request it by written interrogatories filed with the Board and delivered to Union Gas Limited and all intervenors on or before **Monday, April 13, 2009**. All interrogatories must identify the relevant Issue by Issue Number.
3. Union Gas Limited shall file complete responses to the interrogatories with the Board and deliver all the responses to all the Intervenors on or before **Monday, April 27, 2009**.
4. Intervenors or Board staff who wish to present evidence which is relevant to the proceeding, shall file that evidence with the Board and deliver it to Union Gas Limited and the other Intervenors on or before **Monday, May 4, 2009**.
5. Any party (Intervenor, Board staff or Union Gas Limited) who requires additional information related to an Intervenor's filed evidence, which is relevant to the proceeding, shall request it by written interrogatories filed with the Board and delivered to the parties on or before **Monday, May 11, 2009**.
6. Responses to the interrogatories shall be filed with the Board and delivered to Union Gas Limited and the other Intervenors on or before **Tuesday, May 19, 2009**.
7. All filings to the Board must quote file number EB-2008-0411, be made through the Board's web portal at www.errr.oeb.gov.on.ca, and consist of two paper copies and one electronic copy in searchable / unrestricted PDF format. 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 the address below. Those who do not have internet access are required to submit

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all filings on a CD or diskette in PDF format, along with two paper copies. Those who do not have computer access are required to file seven (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.

DATED at Toronto, March 16, 2009

ONTARIO ENERGY BOARD

Original Signed By

Kirsten Walli
Board Secretary

APPENDIX A

to

Procedural Order No. 1

IN THE MATTER OF

Leave to Sell Application by Union Gas Limited

EB-2008- 0411

DATED March 16, 2009

List of Participants

UNION GAS LIMITED

EB-2008-0411

APPLICANT & LIST OF INTERVENTIONS

March 16, 2009

Applicant

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**APPENDIX B
to**

Procedural Order No. 1

IN THE MATTER OF

Leave to Sell Application by Union Gas Limited

EB-2008- 0411

DATED March 16, 2009

Draft Issues List

Union Gas Limited
Leave to Sell 11.7 kilometers Natural Gas Pipeline
(EB-2008-0411)

1.0 Jurisdiction

- 1.1 If the proposed sale is approved, will the St. Clair Line be under the jurisdiction of the Ontario Energy Board (“OEB”) or the National Energy Board (“NEB”)?
- 1.2 If the proposed Dawn Gateway Line is ultimately completed, will it be under the jurisdiction of the OEB or the NEB?

2.0 Impact on Union’s Transmission and Distribution Systems and Union’s Customers

- 2.1 What impact would the proposed change in the ownership and operating control of the St. Clair Line have on the integrity, reliability, and operational flexibility of Union’s transmission and distribution systems?
- 2.2 How would the proposed sale of the St. Clair Line impact Union’s ability to connect future customers that are in proximity to the St. Clair Line?
- 2.3 How would the proposed sale impact Union’s ability to provide services to its existing customers, and what would be the impact on its rates? How should the proceeds of the proposed sale be treated for future rate making purposes?

3.0 Land Matters

- 3.1 How would a change in ownership and regulatory oversight impact the landowners’ interests including any land use restrictions, rights under existing agreements, and abandonment obligations?

4.0 First Nation Consultations

- 4.1 Have all Aboriginal Peoples whose existing or asserted Aboriginal or treaty rights may be affected by the proposed sale been identified, have appropriate consultations been conducted with these groups, and if necessary, have appropriate accommodations been made with these groups?