



EB-2010-0039

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

AND IN THE MATTER OF an Application by Union Gas
Limited for an Order or Orders amending or varying the
rate or rates charged to customers as of October 1, 2010;

AND IN THE MATTER OF a Notice of Motion by Union
Gas Limited for an Order adjourning the oral hearing
currently scheduled for December 6 and 7, 2010 to dates
to be fixed by the Board in February, 2011.

**NOTICE OF HEARING AND PROCEDURAL
ORDER NO. 2**

On November 27, 2009, the Board released its Decision in EB-2008-0411, granting Union Gas Limited ("Union") leave to sell the St. Clair Transmission Line to Dawn Gateway. Leave to sell was granted on condition that Union allocate to the ratepayers on the sale of the St. Clair Line the amount of \$6.402 million as the ratepayers' share of a deemed net gain from the sale. The Board ordered that the \$6.402 million should be placed into a deferral account and also that Union create another deferral account to capture the effect of removing the St. Clair Transmission Line from rates effective March 1, 2010. On March 15, 2009, Union filed for approval by the Board two draft accounting orders to create the deferral accounts ordered in EB-2008-0411.

Account 179-121 records the cumulative under-recovery of the St. Clair Transmission Line from 2003 until the time of the sale of the asset. Account 179-122 records the impact of removing the St. Clair Transmission Line (and related St. Clair River Crossing)

from rates (including all rate base and OM&A consequences) effective March 1, 2010 until the Board adjusts Union's rates to reflect the asset sale.

Union filed an Application dated April 22, 2010 to address: the disposition of 2009 deferral accounts and Market Transformation Incentive amounts, the 2009 earnings sharing amount and the allocation of costs between Union's regulated and unregulated storage operations. The Board assigned docket number EB-2010-0039 to this Application.

On August 10, 2010, the Board approved the Settlement Agreement reached by parties in the EB-2010-0039 proceeding. With respect to the matter of the determination of disposal of balances in the St. Clair deferral accounts (account numbers 179-121 and 179-122), the parties agreed to postpone this issue until after November 1, 2010 when Union expected that Dawn Gateway and its shippers would have determined whether to proceed with the construction of the Dawn Gateway Pipeline. In its Decision and Order dated September 3, 2010, the Board indicated that a two day oral hearing would be scheduled for December 6 and 7, 2010 to address the balances in deferral accounts 179-121 and 179-122.

On November 19, 2010, the Board received a Notice of Motion from Union seeking to adjourn the December 6 and 7, 2010 oral hearing until late February 2011. Union indicated that presently Dawn Gateway was in the process of determining market interest in the proposed Dawn Gateway pipeline and that the delay sought by Union would provide time to determine if there was sufficient interest in the pipeline for an in-service date of 2011.

The Board considers it necessary to make provisions for the following procedural matters related to this proceeding. Further procedural orders may be issued from time to time.

THE BOARD THEREFORE ORDERS THAT:

The Board will hold an oral hearing to hear submissions on the Motion on December 3rd, 2010 at 9:30 am in the Board's hearing room on the 25th floor, 2300 Yonge Street, Toronto.

DATED at Toronto November 23, 2010

ONTARIO ENERGY BOARD

Original signed by

Kirsten Walli
Board Secretary