



EB-2011-0013
EB-2011-0014
EB-2011-0015

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), 90(1), thereof;

AND IN THE MATTER OF an application by Union Gas Limited for an Order designating the area known as the Jacob Pool, in the Municipality of Chatham-Kent, 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 Jacob 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 by Union Gas Limited to the Ministry of Natural Resources for a license to drill wells in the said areas;

AND IN THE MATTER OF an application by Union Gas Limited for an Order granting leave to construct natural gas pipelines in the Municipality of Chatham-Kent.

PROCEDURAL ORDER No.1

Union Gas Limited ("Union" or the "Applicant") filed applications dated January 17, 2011, with the Ontario Energy Board (the "Board") under sections 36.1(1), 38(1), 40(1) and 90(1) of the *Ontario Energy Board Act, 1998*, S.O. 1998, c.15, Schedule B (the "Act"). If these applications are granted Union will develop and operate a natural gas storage area on lands located in the geographic area of the Municipality of Chatham-

Kent referred to as the Jacob Pool. The Jacob Pool is a proposed natural gas storage pool with approximately 2.45 billion cubic feet of storage capacity. Specifically, Union applied for the following:

- a. Designation of the proposed Jacob Gas Storage Pool (the “Jacob Pool”) and authority to operate the Jacob Pool, pursuant to section 36.1(1) of the Act; and subsection 38(1) of the Act, respectively. This application was assigned Board File No. EB-2011-0013.
- b. Leave to construct a transmission pipeline, pursuant to section 90 of the Act, to connect the proposed storage area with Union’s Dover Transmission Station; and gathering pipelines which connect wells to the compression station. The proposed pipelines are within the proposed Jacob Pool gas storage area. This application was assigned Board File No. EB-2011-0014
- c. Licences to drill three injection/withdrawal wells in the proposed Jacob Pool, pursuant to section 40 of the Act. This application was assigned Board File No. EB-2011-0015.

These applications, if granted, would allow Union to develop and operate a natural gas storage area referred to as the Jacob Pool.

The Board has determined that the three applications should be consolidated and heard together as one proceeding pursuant to section 21(5) of the Act.

On February 1, 2011 the Ministry of Natural Resources (“MNR”) referred the well drilling application to the Board in accordance with s. 40(1) of the Act and the processing of the application formally commenced.

The Notice of Application was issued on March 7, 2011. The Applicant served and published the Notice of Application as directed by the Board.

The registered intervenors in the proceeding are: MNR, Enbridge Gas Distribution Inc. (“Enbridge”) and Kent Federation of Agriculture (“KFA”). The KFA is the only party requesting eligibility for a cost award. The Board granted cost award eligibility to the KFA.

The Intervener list is attached as Appendix “A” to this Procedural Order.

No party has requested an oral hearing. The Board has decided to proceed with a written hearing and a Technical Conference. The Board is of the view that a Technical Conference is the most suitable forum for Union and intervenors to address the geological, technical and safety matters related to Union's EB-2011-0013 and EB-2011-0015 applications. The Technical Conference will be transcribed and will form part of the public record.

The Board has determined the scope of the proceeding by way of Issues List attached as Appendix B to this Procedural Order. The Issues List reflects the public interest considerations that the Board will take into account when reviewing this matter. The parties in this proceeding are reminded to define their evidence, interrogatories and submissions to matters within the scope of the Issues List.

The Board considers it necessary to make provision for the following procedural matters. The Board may issue further procedural orders from time to time.

THE BOARD ORDERS THAT:

1. The scope of this proceeding will be limited to the Issues List attached as Appendix B to this Procedural Order.
2. Intervenors or Board Staff who wish to file evidence shall file it with the Board and deliver copies to the Applicant and all other parties on or before **Friday, April 8, 2011**.
3. Written interrogatories on the Applicant's pre-filed evidence, and Board staff and intervenor evidence, shall be filed with the Board and copies delivered to the Applicant and all other parties on or before **Thursday, April 21, 2011**. All interrogatories must reference the specific evidence on which the interrogatory is based and indicate the issue number according to the Issues List provided in the Appendix B to this Procedural Order.
4. Responses to the interrogatories shall be filed with the Board and delivered to Board staff and intervenors on or before **Thursday, May 5, 2011**.
5. A Technical Conference will be convened on **Monday, May 9, 2011** at 9:30 a.m. The Technical Conference will be held at 2300 Yonge Street, Toronto in the Board's West Hearing Room on the 25th Floor.

4. Intervenor and Board staff shall file their submissions, if any, and deliver copies to Union and all other parties on or before **Friday, May 27, 2011**.
5. Union shall file its reply argument, if any, and deliver copies to Board staff and intervenors on or before on or before **Friday, June 2, 2011**.

All filings to the Board must quote file numbers EB-2011-0013; EB-2011-0014; and EB-2011-0015, 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.ontarioenergyboard.ca. If the web portal is not available you may email your document to the BoardSec@ontarioenergyboard.ca. Those who do not have internet access are required to submit all filings on a CD in PDF format, along with two paper copies. Those who do not have computer access are required to file seven paper copies. If you have submitted through the Board's web portal an e-mail is not required.

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 29, 2011
ONTARIO ENERGY BOARD

Original signed by

Kirsten Walli
Board Secretary

Appendix A
to
Procedural Order No. 1

EB-2011-0013
EB-2011-0014
EB-2011-0015

List of Intervenorors

Union Gas Limited
EB-2011-0013/ EB-2011-0014/EB-2011-0015
APPLICANT & LIST OF INTERVENORS

March 29, 2011

APPLICANT

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Union Gas Limited

EB-2011-0013

APPLICANT & LIST OF INTERVENORS

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March 29, 2011

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Appendix B
to
Procedural Order No. 1

EB-2011-0013
EB-2011-0014
EB-2011-0015

Issues List

EB-2011-0013, EB-2011-0014, EB-2011-0015
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. 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?

4. Leave to Construct

4.1. Is there a need for the proposed pipelines?

4.2. Are there any undue negative rate implications for Union's rate payers caused by the construction and operation of the proposed pipelines?

4.3. What are the environmental impacts associated with construction of the proposed pipelines and are they acceptable?

4.4. Are there any outstanding landowner matters for the proposed pipelines routing and construction?

4.5. Are the pipelines designed in accordance with the current technical and safety requirements?