



EB-2011-0038

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, 2011.

NOTICE OF APPLICATION AND PROCEDURAL ORDER NO. 1

Union Gas Distribution Inc. ("Union") filed an application dated April 18, 2011 with the Ontario Energy Board (the "Board") under section 36 of the *Ontario Energy Board Act*, 1998, S.O. c.15, Schedule B, for an order of the Board amending or varying the rate or rates charged to customers as of October 1, 2011 in connection with the sharing of 2010 earnings under the incentive rate mechanism approved by the Board as well as final disposition of 2010 year-end deferral account and other balances (the "Application"). The Application also requests approval for a cost allocation methodology which is to be used to allocate costs between Union's regulated and unregulated businesses. The Board has assigned file number EB-2011-0038 to the Application.

Union is seeking an order or orders approving \$3.433 million as the customer portion of earnings sharing in 2010 and the proposed disposition of that amount to Union's customers.

Union is also seeking disposition of a \$2.511 million credit payable to ratepayers which is the net of the 2010 balances in the deferral accounts and other balances.

Union is also seeking an order or orders approving its proposed cost allocation methodology which is to be used to allocate costs between Union's regulated and unregulated businesses.

In Union's January 2011 Quarterly Rate Adjustment Mechanism ("QRAM") proceeding (EB-2010-0359), Union made some prior period deferral account

adjustments related to an accounting error. The Board noted in its Decision and Order that all parties are free to raise the issue of the deferral account adjustments as part of the 2010 deferral account disposition proceeding. Therefore, parties can comment on this issue in this proceeding.

Union estimates that the average bill impact for residential customers in the Southern Operations area, for the period October 1, 2011 to March 31, 2012, is a \$5.34 charge comprised of a delivery related charge of \$5.24 and a commodity related charge of \$0.10.

For residential customers in the Northern and Eastern Operations area, Union estimates that the average bill impact for the same period is a credit of \$16.35 comprised of a delivery related credit of \$6.39 and a gas transportation-related credit of \$9.96.

Copies of the Application and the pre-filed evidence in support of the application will be available for public inspection at the Board's offices and at Union's head office.

On May 12, 2011 the Board received a letter from the Federation of Rental-housing Providers of Ontario ("FRPO"), indicating that some intervenors intend to hire an expert to review Union's cost allocation evidence. FRPO believes that the effectiveness of the process would be enhanced through the retention of an intervenor expert.

The Board adopts the intervenors in the EB-2010-0148 and EB-2010-0039 proceedings as intervenors in this proceeding. Intervenors that were eligible for costs in those proceedings are deemed eligible for costs in this proceeding. A list of intervenors for EB-2011-0038 is attached as Appendix A to this order. Union is directed to serve this Notice of Application and Procedural Order No. 1 (the "Notice") on all parties listed in Appendix A.

The Board will make provision for procedural matters in this Notice. Please be aware that further procedural orders may be issued from time to time.

THE BOARD ORDERS THAT:

1. Union shall immediately issue a copy of the Application to all intervenors listed in Appendix A, if they have not already been served, and shall provide to the Board affidavit proof of all deliveries.

2. Intervenor and Board staff who wish information and material from Union that is in addition to the evidence filed with the Board, and that is relevant to this proceeding, shall request it by written interrogatories filed with the Board and delivered to Union on or before **Wednesday, May 25, 2011**.
3. Union shall file with the Board complete responses to the interrogatories and deliver them to the intervenors no later than **Wednesday, June 8, 2011**.
4. Intervenor shall notify the Board on or before **Tuesday, June 14, 2011** if they intend to file intervenor evidence.

All filings to the Board must quote file number EB-2011-0038, be made through the Board's web portal at www.errr.ontarioenergyboard.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 parties must also provide the Case Manager, Hima Desai, hima.desai@ontarioenergyboard.ca, with an electronic copy of all comments and correspondence related to this case.

IMPORTANT: If you do not file any comments in response to this notice, the Board may proceed without your participation and you will not be entitled to any further notice of these proceedings.

ISSUED at Toronto, May 13, 2011

ONTARIO ENERGY BOARD

Original Signed By

Kirsten Walli
Board Secretary

APPENDIX A

NOTICE OF WRITTEN HEARING AND PROCEDURAL ORDER NO. 1

APPLICANT AND LIST OF INTERVENORS

BOARD FILE NO. EB-2011-0038

DATED May 13, 2011

**Union Gas Limited
EB-2011-0038**

APPLICANT & LIST OF INTERVENORS

May 13, 2011

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EB-2011-0038

APPLICANT & LIST OF INTERVENORS

- 2 -

May 13, 2011

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Union Gas Limited

EB-2011-0038

APPLICANT & LIST OF INTERVENORS

- 3 -

May 13, 2011

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Union Gas Limited

EB-2011-0038

APPLICANT & LIST OF INTERVENORS

- 4 -

May 13, 2011

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Union Gas Limited

EB-2011-0038

APPLICANT & LIST OF INTERVENORS

- 5 -

May 13, 2011

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Union Gas Limited

EB-2011-0038

APPLICANT & LIST OF INTERVENORS

- 6 -

May 13, 2011

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Union Gas Limited

EB-2011-0038

APPLICANT & LIST OF INTERVENORS

- 7 -

May 13, 2011

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Union Gas Limited

EB-2011-0038

APPLICANT & LIST OF INTERVENORS

- 8 -

May 13, 2011

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Union Gas Limited

EB-2011-0038

APPLICANT & LIST OF INTERVENORS

- 9 -

May 13, 2011

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Union Gas Limited

EB-2011-0038

APPLICANT & LIST OF INTERVENORS

- 10 -

May 13, 2011

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Union Gas Limited

EB-2011-0038

APPLICANT & LIST OF INTERVENORS

- 11 -

May 13, 2011

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