



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.

PROCEDURAL ORDER NO. 2

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.

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.

A Notice of Application and Procedural Order No. 1 was issued on May 13, 2011. Interrogatories were filed on May 25, 2011. Responses to interrogatories were filed June 8, 2011. Intervenor were requested to advise the Board by June 14, 2011 if they intended to file intervenor evidence.

By letter dated June 14, 2011, FRPO, CME and Kitchener (or the Intervenor Group) indicated that they intend to file intervenor evidence. The Intervenor Group also indicated that they will require further clarification regarding some of Union's interrogatory responses.

Accordingly, the Board will make provision for the following procedural matters. Please be aware that further procedural orders may be issued from time to time.

THE BOARD ORDERS THAT:

1. The Intervenor Group shall file their supplemental interrogatories seeking clarification on or before **Monday, June 20, 2011**.
2. Union shall file responses to the supplemental interrogatories by **Wednesday, June 29, 2011**.
3. The Intervenor Group shall file its evidence on or before **Wednesday, July 6, 2011**.
4. Interrogatories on intervenor evidence shall be filed on or before **Wednesday, July 13, 2011**.
5. Responses to interrogatories on intervenor evidence shall be filed on or before **Friday, July 22, 2011**.
6. A Technical Conference involving Board staff, Intervenor and the Applicant will be convened on **Tuesday, July 26, 2011 at 9:30 a.m.** The Technical Conference will be held at 2300 Yonge Street, Toronto in the Board's hearing room on the 25th floor.
7. A Settlement Conference will convene on **Wednesday, August 3, 2011 at 9:30 a.m.**, with the objective of reaching settlement on issues. The Settlement Conference will be held at 2300 Yonge Street, Toronto, in the Board's hearing room on the 25th floor and if necessary may continue until Thursday, August 4, 2011.
8. A Settlement Proposal arising from the Settlement Conference shall be filed with the Board no later than **Monday, August 8, 2011**.

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.

ADDRESS:

Ontario Energy Board
P.O. Box 2319
2300 Yonge Street, 27th Floor
Toronto ON M4P 1E4
Attention: Board Secretary
Tel: 1-877-632-2727 (toll free)
Fax: 416-440-7656
E-mail: Boardsec@ontarioenergyboard.ca

ISSUED at Toronto, JUNE 17, 2011

ONTARIO ENERGY BOARD

Kirsten Walli
Board Secretary