



EB-2010-0018

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 Natural Resource Gas Limited for an Order or Orders approving or fixing just and reasonable rates and other charges for the sale, distribution, transmission and storage of gas commencing October 1, 2010

AND IN THE MATTER OF an Application by Natural Resource Gas Limited for an Order or Orders approving a multi-year incentive rate mechanism plan

PROCEDURAL ORDER NO. 8

Natural Resource Gas Limited (“NRG” or the “Applicant”) filed an Application, dated February 10, 2010, with the Ontario Energy Board under section 36 of the *Ontario Energy Board Act, S.O. 1998, c.15, Schedule B*. The Board assigned file number EB-2010-0018 to the Application. The Application sought approval for a revenue requirement and rates for the 2011 rate year, and for the approval of a four year Incentive Regulation Mechanism (“IRM”) for the period 2012-2015.

The Board issued a Notice of Application dated March 1, 2010. The Town of Aylmer, Union Gas Limited (“Union”), Integrated Grain Processors Co-Operative Inc. (“IGPC”) and Vulnerable Energy Consumers Coalition (“VECC”) applied for and were granted intervenor status.

The Board issued a decision and order on December 6, 2010 that determined rates for the 2011 rate year (effective October 1, 2010). The Board also accepted NRG’s request to address the IRM component of the Application for 2012 and beyond (and certain other discrete issues) in a second phase to the proceeding (“Phase 2”).

NRG filed a revised IRM plan on May 6, 2011. On July 18, 2011, NRG completed its Phase 2 filing requirements by filing an independent system integrity study that identified alternatives to maintaining system pressure in NRG's southern service area as opposed to purchasing gas from the related company.

In addition, on June 7, 2011, IGPC filed a letter requesting the Board to hear a motion (the "Motion") that it had filed on August 3, 2010 related to its dispute over the construction costs of the pipeline built by NRG to serve the IGPC ethanol plant. At the oral hearing in the first phase of the proceeding, the Board determined that its decision would only address issues that had potential rate impacts. The Board indicated at that time that IGPC would be free to recast its Motion on the remaining issues should there be any at a later date.

NRG filed a letter on June 22, 2011 submitting that the Board in its Decision of December 6, 2010 had already determined the capital cost of the IGPC pipeline and that the Board did not have jurisdiction to revisit the issue. NRG maintained that if IGPC believed that there were issues remaining in the motion then it needed to recast the motion and file the relevant materials.

In a letter filed on July 6, 2010, IGPC clarified the elements of its Motion that were, in IGPC's view, still outstanding. IGPC submitted that the capital cost of the pipeline was still in dispute and before the Board in the Motion filed by IGPC. The specific items listed by IGPC include; (i) the administrative penalty; (ii) NRG's claimed legal costs; (iii) the costs claimed in respect of Mr. Mark Bristoll; and (iv) interest and other costs.

In Procedural Order No. 7, the Board invited submissions from parties on whether the matters raised in the Motion are properly before the Board. IGPC, Board staff and NRG filed submissions on the revised Motion. IGPC filed a supplemental submission on August 19, 2011 in response to the submission made by Board staff and NRG. The Board notes that it did not make provision for IGPC to file a supplemental submission.

As per Procedural Order No. 7, all parties filed interrogatories on or before August 17, 2011. NRG filed the responses on August 31, 2011 as required by the Procedural Order. The Board considers it necessary to make provision for the following procedural matters. Please be aware that further procedural orders may be issued from time to time.

THE BOARD THEREFORE ORDERS THAT:

1. The Board will accept the supplemental submission of IGPC as part of the record of this proceeding. At the same time, the Board will also allow NRG an opportunity to respond to the submission of IGPC. If NRG would like to file a reply submission, it shall file a copy with the Board and deliver it to all parties no later than **September 21, 2011**.
2. A Technical Conference shall be convened on **September 26, 2011** so that the Applicant may respond to questions from the parties related to the filed evidence. The Technical Conference will be transcribed and will be held in the Board's hearing room at 2300 Yonge Street, 25th Floor, Toronto at 10:00 a.m.
3. A Settlement Conference shall be convened upon the conclusion of the Technical Conference on **September 26, 2011** with the objective of reaching a settlement among the parties on the issues. The Settlement Conference will be held in the Board's hearing room at 2300 Yonge Street, 25th Floor, Toronto, and may continue on **September 27, 2011**.

All filings to the Board must quote file number EB-2010-0018, 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 address below. 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 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, September 13, 2011

ONTARIO ENERGY BOARD

Original signed by

Kirsten Walli
Board Secretary