



THE BOARD OF DIRECTORS

Chair, GAIL REGAN

President, Cara Holdings Ltd.

Secretary/Treasurer, ANNETTA TURNER

ANDREW ROMAN

Barrister & Solicitor, Miller Thomson

ANDREW STARK

Rotman School of Management, University of Toronto

GEORGE TOMKO

Resident Expert, PSI Initiative, University of Toronto

MICHAEL TREBILCOCK

Chair, Law & Economics, University of Toronto

MARGARET WENTE

Columnist, The Globe and Mail

President, PATRICIA ADAMS

MAX ALLEN

Producer, IDEAS, CBC Radio

ANDREW COYNE

National Editor, Maclean's

GLENN FOX

Professor of Economics, University of Guelph

IAN GRAY

President, St. Lawrence Starch Co.

CLIFFORD ORWIN

Professor of Political Science, University of Toronto

October 3, 2011

BY EMAIL & COURIER

Ms. Kirsten Walli
Board Secretary
Ontario Energy Board
2300 Yonge St, Suite 2701
Toronto ON M4P 1E4

Dear Ms. Walli:

Board File No. EB-2011-0038
Union Gas Limited – 2010 Earnings Sharing Mechanism et al
Energy Probe – Final Submission

Pursuant to the direction provided by the Board Panel during the Oral Hearing on September 20, 2011, please find attached the Final Submission of Energy Probe Research Foundation (Energy Probe) in the EB-2011-0038 proceeding for the Board's consideration.

Should you require additional information, please do not hesitate to contact me.

Yours truly,

David S. MacIntosh
Case Manager

cc: Chris Ripley, Union Gas Limited (By email)
Crawford Smith, Torys LLP (By email)
Intervenors of Record (By email)

Energy Probe Research Foundation 225 BRUNSWICK AVE., TORONTO, ONTARIO M5S 2M6

Phone: (416) 964-9223 Fax: (416) 964-8239 E-mail: EnergyProbe@nextcity.com Internet: www.EnergyProbe.org

Ontario Energy Board

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.

FINAL SUBMISSIONS ON BEHALF OF
ENERGY PROBE RESEARCH FOUNDATION

October 3, 2011

Submissions On Behalf Of
Energy Probe Research Foundation

How these Matters came before the Board

- 1. On April 18, 2011 Union Gas Limited (the “Applicant” or “Union Gas”), filed an Application in respect of 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.**
- 2. The Board issued a Notice of Application and Procedural Order No. 1 on May 13, 2011. As an intervenor in the EB-2010-0039 and EB-2010-0148 proceedings Energy Probe was adopted as an intervenor in this proceeding and deemed eligible for costs in this proceeding.**
- 3. Procedural Order No. 2 was issued on June 17, 2011 and provided for the filing of evidence by intervenors as well as a schedule for a Technical Conference and a Settlement Conference.**
- 4. On July 6, 2011, the Intervenor Group consisting of the Canadian Manufacturers & Exporters ("CME"), the Federation of Rental-housing Providers of Ontario ("FRPO") and City of Kitchener ("Kitchener"), filed the evidence of John Rosenkranz.**
- 5. Energy Probe participated in the transcribed Technical Conference held on July 26, 2011 and in the Settlement Conference held on August 3, 2011. The Settlement Conference did not produce a Settlement Agreement.**

6. A Notice of Hearing, Notice of Motion Hearing and Procedural Order No. 3 was issued on August 24, 2011 and provided a schedule for procedural matters in respect of a Motion filed by CME.

7. On September 6, 2011, Union Gas filed a Motion in this proceeding. On September 9, 2011, the counsel for the Applicant filed Notice that a resolution of the motions had been reached and that minutes of settlement would be filed with the Board. Subsequently, Minutes of Settlement executed by the parties and dated September 13, 2011 were filed with the Board.

8. An Oral Hearing took place on September 19, 20 and 21, 2011 to deal with outstanding and unresolved issues. The Applicant delivered its Argument-in-Chief orally on September 21, 2011.

Submissions

9. Energy Probe has conducted itself as an all issues intervenor throughout this proceeding.

10. Energy Probe has had the benefit of reviewing the draft submissions of the London Property Management Association (“LPMA”) before preparing its final submission and adopts those submissions presented in Section II under the heading “2010 YEAR-END DEFERRAL ACCOUNT BALANCES – OTHER”.

11. As Energy Probe adopts and supports both the analysis offered in those submissions and the recommendations ably presented by Mr. Aiken, they will not be repeated here.

12. Energy Probe takes no issue with the Earnings Sharing calculations presented by the Applicant in this proceeding.

13. Energy Probe has had the benefit of reviewing the draft submissions of the CME before preparing its final submission and adopts those submissions presented in the CME Argument Section II under the heading “ALLOCATION OF COSTS BETWEEN REGULATED AND UNREGULATED STORAGE OPERATIONS”.

14. As Energy Probe adopts and supports both the analysis offered in those submissions and the recommendations capably presented by Mr. Thompson and Mr. DeRose, they will not be repeated here.

Costs

15. Energy Probe submits that it participated responsibly in this proceeding. Energy Probe requests the Board award 100% of its reasonably incurred costs.

ALL OF WHICH IS RESPECTFULLY SUBMITTED

October 3, 2011

Energy Probe Research Foundation