



uniongas

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November 10, 2011

Ms. Kirsten Walli
Board Secretary
Ontario Energy Board
2300 Yonge St., 27th Floor
Toronto, ON
M4P 1E4

Dear Ms. Walli:

Re: EB-2011-0210 – Union Gas Limited - 2013 Rebasing Application

Please find attached Union Gas Limited's ("Union") application for rates applicable to Union's storage, transmission and distribution services, effective January 1, 2013.

The evidence to support this application will be filed in two phases. Phase I addresses the 2013 revenue deficiency including details of rate base, revenue, cost of service, cost of capital and rate of return. Phase I (Exhibits A to F) have been filed via the Board's RESS and two copies have been sent to the Board.

Phase II will address cost allocation, rate design and specific proposals for 2013 rates for each rate class. Phase II (Exhibits G and H) will be filed by November 30, 2011.

Union is not proposing the next generation incentive regulation mechanism as part of this proceeding. Union will bring forward a separate application to establish the mechanism for setting rates for 2014 and beyond after the Board renders a decision on this application.

If approved by the Board the total annual bill impact for a typical Union South customer would be an increase of \$10 to \$20 (1.4% to 2.7%). For a typical Union North (Northern Zone) customer, the total annual bill impact would be an increase of \$70 to \$80 (8.3% to 9.5%). For a typical Union North (Eastern Zone), the total annual bill impact would be an increase of \$75 to \$85 (8.6% to 9.7%).

The evidence is available on the Board's RESS and Union's website: (www.uniongas.com). In addition, Union will send CDs containing the evidence to the Board and intervenors.

If you have any questions, please contact me at 519-436-5476.

Yours truly,

[original signed by]

Chris Ripley
Manager, Regulatory Applications

c.c.: All Intervenors of EB-2011-0025
C. Smith (Torys)

ONTARIO ENERGY BOARD

IN THE MATTER OF the Ontario Energy Board Act, 1998,
S.O. 1998, c.15 (Sched. B);

AND IN THE MATTER OF an Application by Union Gas Limited, pursuant to section 36(1) of the *Ontario Energy Board Act, 1998*, for an order or orders approving or fixing just and reasonable rates and other charges for the sale, distribution, transmission and storage of gas as of January 1, 2013.

APPLICATION

1. Union Gas Limited (“Union”) is a business corporation incorporated under the laws of the province of Ontario, with its head office in the Municipality of Chatham-Kent.
2. Union conducts both an integrated natural gas utility business that combines the operations of distributing, transmitting and storing natural gas, and a non-utility storage business.
3. Union hereby applies to the Ontario Energy Board (“Board”), pursuant to section 36 of the *Ontario Energy Board Act, 1998* (the “Act”) for an order or orders approving or fixing just and reasonable rates and other charges for the sale, distribution, transmission and storage of gas effective January 1, 2013.
4. Union applies for an order fixing reference prices in determining amounts to be recorded in deferral accounts, for an order necessary to reflect such new reference prices in Union’s rates and other charges.
5. Union applies for approval of an accounting order to establish the Energy Technology and Innovation Canada deferral account.
6. Union also applies for an order terminating, effective January 1, 2013, certain deferral accounts, following final disposition of any 2012 balances therein, as follows:

- Late Payment Penalty Litigation (No. 179-113)
 - Harmonized Sales Tax (No. 179-124)
7. Union also applies for an order modifying the terms and conditions of certain deferral accounts as follows:
 - Short-term Storage and Other Balancing Services (No. 179-70)
 - Average Use Per Customer (No. 179-118)
 - Inventory Revaluation Account (No. 179-109)
 8. Union applies for approval, under Section 2.0 of certain Undertakings given by Union to Lieutenant Governor in Council, to continue to sell gas to consumers.
 9. Union requests that the Board issue an order to enable the rates established as a result of this application to become effective January 1, 2013, notwithstanding that the Board's Decision with Reasons approving or fixing these rates and other charges may not be delivered until after that date.
 10. Union also applies to the Board for such interim order or orders approving interim rates or other charges and accounting orders as may from time to time appear appropriate or necessary.
 11. Union further applies to the Board for all necessary orders and directions concerning pre-hearing and hearing procedures for the determination of this application.
 12. This application is supported by written evidence that will be filed with the Board and may be amended from time to time as circumstances may require.
 13. The persons affected by this application are the customers resident or located in the municipalities, police villages and Indian reserves served by Union, together with those to whom Union sells gas, or on whose behalf Union distributes, transmits or stores gas. It is impractical to set out in this application the names and addresses of such persons because they are too numerous.

14. The address of service for Union is:

Union Gas Limited
P.O. Box 2001
50 Keil Drive North
Chatham, Ontario
N7M 5M1

Attention: Chris Ripley
Manager, Regulatory Applications
Telephone: (519) 436-5476
Fax: (519) 436-4641

- and -

Torys
Suite 3000, Maritime Life Tower
P.O. Box 270
Toronto Dominion Centre
Toronto, Ontario
M5K 1N2
Attention: Crawford Smith
Telephone: (416) 865-8209
Fax: (416) 865-7380

DATED November 10, 2011.

UNION GAS LIMITED

Chris Ripley
Manager, Regulatory Applications