



EB-2012-0087

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, 2012.

PROCEDURAL ORDER NO. 5
October 24, 2012

Union Gas Limited ("Union") filed an application dated April 13, 2012 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, 2012 in connection with the sharing of 2011 earnings under the incentive rate mechanism approved by the Board as well as final disposition of 2011 year-end deferral account and other balances (the "Application"). The Board has assigned file number EB-2012-0087 to the Application.

The Board issued a Notice of Application and Procedural Order No. 1 on April 19, 2012 in which it adopted the intervenors in the EB-2011-0025 and EB-2011-0038 proceedings as intervenors in this proceeding. The Board also set out a timetable for the filing of interrogatories, responding to interrogatories, and for informing the Board regarding plans to file intervenor evidence.

In Procedural Order No. 2, dated June 27, 2012, the Board established a Technical Conference so that parties would have the opportunity to explore emerging issues such as the use of transportation contract attributes to yield shareholder margins. The Board directed intervenors to file letters scoping the issues that will be pursued at the Technical Conference. The Board also established a Settlement Conference to be held on August 28 and 29, 2012.

On July 10, 2012, the Board issued a letter rescheduling the Settlement Conference to August 21 and 22, 2012.

In Procedural Order No. 3, dated August 15, 2012, the Board determined that it will address the issue of Union's treatment of upstream transportation revenues in 2011 as a distinct issue in this proceeding. The Board noted that it will hear this single issue as a Preliminary Issue¹ in this proceeding and will issue a decision on it prior to holding a Settlement Conference.

The Board also noted that it would hold a Technical Conference on August 21, 2012 so that parties have an opportunity for further discovery in this proceeding. The Technical Conference was convened on August 21, 2012 and concluded on the same day.

In Procedural Order No. 4, dated August 24, 2012, the Board set out the schedule for argument on the Preliminary Issue. Argument on the Preliminary Issue has been received by the Board.

The Board is currently deliberating on the Preliminary Issue. As noted in Procedural Order No. 3 (and as cited above), the Board intends to issue a decision on the Preliminary Issue prior to holding a Settlement Conference. However, in the interest of scheduling efficiency, the Board will establish the date for the Settlement Conference in this Procedural Order.

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

THE BOARD ORDERS THAT:

1. A Settlement Conference will be convened at 9:30 a.m. on November 27, 2012 with the objective of reaching a settlement among the parties on all outstanding issues in this proceeding. The Settlement Conference will be held in the Board's hearing room at 2300 Yonge Street, 25th Floor, Toronto, and may continue on November 29, 2012, if needed.

All filings to the Board must quote file number **EB-2012-0087**, be made through the Board's web portal at <https://www.pes.ontarioenergyboard.ca/eservice>, and consist

¹ The Board defined the Preliminary Issue as follows: "Has Union treated the upstream transportation optimization revenues appropriately in 2011 in the context of Union's existing IRM framework?"

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, Lawrie Gluck, Lawrie.Gluck@ontarioenergyboard.ca, with an electronic copy of all comments and correspondence related to this case.

ISSUED at Toronto, October 24, 2012

ONTARIO ENERGY BOARD

Original Signed By

Kirsten Walli
Board Secretary