



EB-2008-0038

IN THE MATTER OF the *Ontario Energy Board Act*, 1998, S.O. 1998, c.15, Schedule B and in particular Sections 38(1) and 40(1) thereof:

AND IN THE MATTER OF an application by Union Gas Limited for an Order varying the conditions of approval in the following proceedings EBO 172 (Dow A Pool), EBRM 167 (Oil Springs East Pool), EBRM 98 (Payne Pool) and EBRM 95 (Enniskillen 28 Pool) relating to the allowable pressure gradient in these four natural gas storage pools in the city of Sarnia and Townships of St. Clair and Enniskillen, in the County of Lambton.

PROCEDURAL ORDER No. 1

Union Gas Limited ("Union" or the "Applicant") filed an application with the Ontario Energy Board (the "Board"), dated February 14, 2008, under sections 38(1) and 40(1) of the *Ontario Energy Board Act*, 1998, S.O. 1998, c.15, Schedule B, as amended (the "Act") for an order of the Board approving an increase in the operating pressures of four natural gas storage pools – Dow A Pool, Oil Springs East Pool, Payne Pool and Enniskillen 28 Pool (the "Pools") – above the pressures set in the Board's original conditions of approval. The Pools are located in the City of Sarnia, the Township of St. Clair, the Township of Enniskillen, in the Lambton County.

In previous proceedings related to the Pools, the Board issued Orders stating that Union could not operate the Pools above a pressure gradient of 0.7 psi per foot of depth (15.8 kPa/m) without leave of the Board. These Orders were issued under section 38(1) of the Act, for Dow A Pool and Oil Springs East Pool, and under section 40(1) of the Act, for Payne Pool and Enniskillen 28 Pool.

The proposed increase in the operating pressures would increase the working capacity of the Pools by $56,700 \times 10^3 \text{m}^3$, which Union intends to use to provide additional storage services to customers at market-based rates.

Union has proposed to increase the operating pressures of the Pools by November 1, 2008. The Board has assigned File No. EB-2008-0038 to this Application.

The Board issued a Notice of Application and Written Hearing on March 17, 2008. Union served the Notice as directed by the Board. The Ministry of Natural Resources ("MNR") is the only intervenor in the proceeding. There are no observers. No comments were received from any party. The MNR stated that it did not have a preference as to whether the hearing is written or oral.

In its letter of intervention the MNR acknowledged that it would assist the Board in "ensuring ongoing safety and compatibility of these subsurface activities proposed under Union Gas Limited's proposed new storage pressure regime".

The Board finds that a Technical Conference is the most suitable forum for the MNR, Board Staff and Union to address the technical and safety matters related to Union's proposal.

The Board has decided to proceed by way of a written hearing and considers it necessary to make provision for the procedural matters set out below. The Board may proceed by way of an oral hearing at a future date if it determines an oral hearing will further assist the Board in its deliberation of this matter. Please be aware that this procedural order may be amended and further procedural orders may be issued from time to time.

THE BOARD ORDERS THAT:

1. A Technical Conference will be held at 2300 Yonge Street, 25th floor, Toronto, Ontario in the Board's West Hearing Room. The Technical Conference will commence on **Tuesday, June 3, 2008** at 9:30 a.m. and is to be attended by the Applicant, Board staff, and the MNR. To facilitate the process, parties to the proceeding who are seeking additional information on the evidence filed with the Board, and that is relevant to the hearing, may

submit questions in writing and file these questions with the Board and deliver them to the Applicant and the MNR by **Tuesday, May 27, 2008**.

2. The Technical Conference will be transcribed and will form part of the public record.
3. The Applicant shall file with the Board and deliver its submission to the MNR on or before **Tuesday, June 17, 2008**.
4. Board Staff and the MNR shall file and deliver any submissions on the application by **Tuesday, June 24, 2008**.
5. If the Applicant wishes to file a reply submission, the reply submission must be filed with the Board and delivered to the MNR by **Tuesday, July 8, 2008**.

All filings to the Board must quote file number EB-2008-0038, and consist of an electronic copy in searchable / unrestricted PDF format filed through the Board's web portal at www.errr.oeb.gov.on.ca, and three paper copies sent to the address below. 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.oeb.gov.on.ca. If the web portal is not available you may email your document to BoardSec@oeb.gov.on.ca.

Those who do not have internet access are required to submit all filings on a CD or diskette in PDF format, along with three 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.

Parties must also include the Case Manager, Ms. Zora Crnojacki zora.crnojacki@oeb.gov.on.ca and Board Counsel, Ms. Maureen Helt at

Maureen.helt@oeb.gov.on.ca on all electronic correspondence related to this case.

DATED at Toronto May 15, 2008.

ONTARIO ENERGY BOARD

Original signed by

Kirsten Walli
Board Secretary