



EB-2013-0109

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 clearing certain non-commodity related deferral accounts and sharing utility earnings pursuant to a Board approved earnings sharing mechanism;

AND IN THE MATTER OF an Application by Union Gas Limited for an order approving a deferral account to capture variances between earnings sharing, deferral account and other balances approved for disposition and amounts actually refunded/recovered.

PROCEDURAL ORDER NO. 2

August 20, 2013

Union Gas Limited ("Union") filed an application dated May 9, 2013 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, 2013 in connection with the sharing of 2012 earnings under the incentive rate mechanism approved by the Board as well as final disposition of 2012 year-end deferral account and other balances (the "Application").

On June 25, 2013, the Board issued Procedural Order No. 1 which included a process for written interrogatories, and dates for a Settlement Conference as well as the filing of a Settlement Proposal.

The Settlement Conference was held on August 1, 2013. A letter was filed on August 7, 2013 on behalf of Union and the intervenor parties that participated in the Settlement Conference : Association of Power Producers of Ontario ("APPrO"), Building Owners and Managers Association ("BOMA"), Canadian Manufacturers and Exporters ("CME"), Consumers Council of Canada ("CCC"), Corporation of the City

of Kitchener ("Kitchener"), Energy Probe Research Foundation ("Energy Probe"), Federation of Rental-housing Providers of Ontario ("FRPO"), Industrial Gas Users Association ("IGUA"), London Property Management Association ("LPMA"), Ontario Greenhouse Vegetable Growers ("OGVG"), School Energy Coalition ("SEC"), and Vulnerable Energy Consumers Coalition ("VECC"). (Collectively the "Parties").

A formal settlement was not reached. Union and the Parties agreed that there are no matters in dispute with respect to the balances to be cleared and the allocation to ratepayers for the following deferral accounts

- Short-Term Storage and Other Balancing Services (Account No. 179-70);
- Unbundled Services Unauthorized Storage Overrun (Account No. 179-103);
- Gas Distribution Access Rule Costs (Account No. 179-112);
- Late Payment Penalty Litigation (Account No. 179-113);
- Carbon Dioxide Offset Credits (Account No. 179-117);
- Average Use Per Customer (Account No. 179-118);
- International Financial Reporting Standards Conversion Costs (Account No. 179-120);
- Conservation Demand Management (Account No. 179-123);
- Harmonized Sales Tax (Account No. 179-124);
- Pension Charge on Transition to U.S. GAAP (Account No. 179-127); and
- Federal and Provincial Tax Changes.

With respect to the remaining matters raised by Union's application, the Parties requested an oral hearing on dates to be determined by the Board to hear the following matters:

- Unabsorbed Demand Costs (Account No. 179-108);
- Upstream Transportation FT-RAM Optimization (Account No. 179-130) and associated impacts on the Earnings Sharing Calculation;
- Lost Revenue Adjustment Mechanism (Account No. 179-75);
- Demand Side Management Variance Account (Account No. 179-111);
- Shared Savings Mechanism Variance Account (Account No. 179-115);
- Demand Side Management Incentive Deferral Account (Account No. 179-126);
- Union's request for Deferral Clearing Variance Account (Account No. 179-132);
- Preparation of Audited Utility Financial Statements (Account No. 179-129);

- Exhibit A, Tab 3 (Allocation and Disposition of 2012 Deferral Account Balances; Federal and Provincial Tax Changes and 2012 Earnings Sharing Amounts);
- Exhibit A, Tab 4 (Incremental Transportation Contracting Analysis); and
- Exhibit B, Tab 5, Exhibit C, Tab 2 and Exhibit C, Tab 3 (Union's responses to the Board's EB-2011-0210 Gas Supply Plan Review and associated third party studies).

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

THE BOARD ORDERS THAT:

1. An Oral Hearing will be held on **October 22, 2013, October 23, 2013 and October 24, 2013** at 9:30 a.m. in the Board's Hearing room, on the 25th floor at 2300 Yonge Street, Toronto.

All filings to the Board must quote file number **EB-2013-0109**, be made electronically through the Board's web portal at www.pes.ontarioenergyboard.ca/eservice in searchable / unrestricted PDF format. Two paper copies must also be filed at the Board's address provided below. Filings must clearly state the sender's name, postal address, telephone number, fax number and e-mail address.

All filings shall use the document naming conventions and document submission standards outlined in the RESS Document Guideline found at www.ontarioenergyboard.ca/OEB/Industry. If the web portal is not available, parties may email their documents to the address below.

Persons 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.

For all electronic correspondence and materials related to this proceeding, parties must include in their distribution lists the Case Manager, Munir Madhavji at munir.madhavji@ontarioenergyboard.ca and Senior Legal Counsel, Kristi Sebalj at kristi.sebalj@ontarioenergyboard.ca

All communications should be directed to the attention of the Board Secretary and be received no later than 4:45 p.m. on the required date.

ADDRESS:

Ontario Energy Board
P.O. Box 2319
2300 Yonge Street, 27th Floor
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Attention: Board Secretary

Filings: <https://www.pes.ontarioenergyboard.ca/eservice/>
E-mail: boardsec@ontarioenergyboard.ca
Tel: 1-888-632-6273 (Toll free)
Fax: 416-440-7656

DATED at Toronto, August 20, 2013

ONTARIO ENERGY BOARD

Original Signed By

Kirsten Walli
Board Secretary