



ONTARIO ENERGY BOARD

BOARD STAFF SUBMISSION ON SETTLEMENT AGREEMENT AND DRAFT RATE ORDER FILED APRIL 24, 2014

**Union Gas Limited 2014 IRM Rates
EB-2013-0365**

May 5, 2014

Board staff has reviewed the Settlement Proposal filed by Union Gas Limited (“Union”) in the context of a multi-year ratemaking framework approved in EB-2013-0202, other applicable Board policies, relevant Board decisions, and the Board’s statutory obligations. Board staff is of the view that the application and settlement proposal appropriately reflects the framework approved by the Board in EB-2013-0202 and adequately responds to the directives of the Board in Union’s last cost of service application (EB-2011-0210).

Board staff has reviewed the settlement agreement and notes that Union will be filing the settlement on the Parkway Delivery Obligation issue on May 5, 2014. However, resolution of the Parkway Delivery Obligation issue has no impact on Union’s 2014 rates. The Board can therefore approve the current settlement proposal and the draft Rate Order for rates effective June 1, 2014.

Board staff further notes that Union has included the Leamington Line Project as an unsettled issue that will proceed to hearing. The Leamington Line Project was not part of Union’s application or any other evidence in this proceeding. Board staff further notes that the settlement proposal has identified the Leamington Line Project issue as severable from the broader settlement proposal.

Board staff is of the view that the Leamington Line Project is not directly related to Union’s 2014 rates tariff. However, should the Board accept this settlement proposal in its entirety or agree to hear the Leamington Line Project as part of this proceeding, Board staff has no concerns.

Board staff has reviewed the proposed Tariff of Rates and Charges attached to the Proposal as Appendix A. Board staff submits that the Board’s approval of the proposal as filed would adequately reflect the public interest and would result in just and reasonable rates for customers.