



EB-2006-0162
EB-2006-0163
EB-2006-0164
EB-2006-0165
EB-2006-0166
EB-2006-0167

IN THE MATTER OF the *Ontario Energy Board Act, 1998*, S.O. 1998, c.15, Schedule B; and in particular sections 36, 36.1(1), 38(1), 40(1), 90(1), thereof;

AND IN THE MATTER OF an application by Market Hub Partners Canada L.P. for approval of a market-based rate that will govern gas storage services contracts entered into by Market Hub Partners Canada L.P.;

AND IN THE MATTER OF an application by Market Hub Partners Canada L.P. for an Order designating the area known as the St. Clair Storage Pool, in the geographic Township of St. Clair, County of Lambton, as a gas storage area;

AND IN THE MATTER OF an application by Market Hub Partners Canada L.P. for authority to inject gas into, store gas in and remove gas from the areas designated as the St. Clair Pool, and to enter into and upon the lands in the said areas and use the said lands for such purposes;

AND IN THE MATTER OF an application by Market Hub Partners Canada L.P. to the Ministry of Natural Resources for a license to drill a well in the said areas;

AND IN THE MATTER OF an application by Market Hub Partners Canada L.P. for an Order granting leave to construct natural gas pipelines in the Township of St. Clair in the County of Lambton.

Notice of Re-activated Proceeding

Application to Re-activate the Adjourned Proceeding

Market Hub Partners Canada L.P. ("MHP Canada" or the "Applicant") proposes to provide storage services upon development of approximately 32,200 10³m³ (1.1 Bcf) of natural gas storage space in its St. Clair Gas Storage Pool ("St. Clair Storage Project").

On June 30, 2006 MHP Canada requested that the Ontario Energy Board (the "Board") re-activate a proceeding on the St. Clair Storage Project (the "Adjourned Proceeding"). The Board has assigned the following File Numbers to the re-activated proceeding: EB-2006-0162/EB-2006-0163/ EB-2006-0164/EB-2006-0165/ EB-2006-0166/EB-2006-0167. The St. Clair gas storage pool is proposed to connect to Union Gas Limited's system. MHP Canada requested the Board's approval by November 1, 2006 in order to meet the planned in-service date for the St. Clair Storage Project. The planned in-service date is June 30, 2007.

In the re-activated proceeding, MHP Canada has applied for all of the approvals it sought in the Adjourned Proceeding:

- Approval of a market-based rate that will govern gas storage services contracts entered into by MHP Canada pursuant to section 36 of the *Ontario Energy Board Act, 1998* (the "Act") (EB-2006-0162);
- An Order designating the storage area pursuant to section 36.1(1) of the Act (EB-2006-0163);
- Authority to inject gas into, store gas in, and remove gas from the St. Clair Pool pursuant to subsection 38(1) of the Act (EB-2006-0164);
- Approval to enter into agreements with parties that agree to be subject to market-based rates as are approved for MHP Canada for storage services, pursuant to section 39(2) of the Act (EB-2006-0165);

- A favourable report of the Board under subsection 40(1) of the Act, to the Minister of Natural Resources to whom MHP Canada has applied for a licence
- to drill one horizontal injection/withdrawal (“I/W”) well within the proposed St. Clair Pool (EB-2006-0166); and
- A leave to construct transmission and gathering pipelines within the proposed St. Clair pool, pursuant to subsection 90(1) of the Act (EB-2006-0167).

MHP Canada requires all of the above orders and a favorable report to the MNR in order to provide storage services from the St. Clair Pool. The boundaries of the proposed designated storage area, the location of the proposed I/W well and the routes of the proposed transmission and gathering pipelines are shown on the map attached as Appendix “B” to this notice.

The Adjourned Proceeding

On June 30, 2005 MHP Canada filed an application with the Board pursuant to sections 36, 36.1(1), 38(1), 40(1) and 90(1) of the *Ontario Energy Board Act, 1998*, S.O. c.15, Schedule B (RP-2005-0019/EB-2005-0329/EB-2005-0330/EB-2005-0331/EB2005-0333/EB-2005-0034). The Board issued a Notice of Application July 14, 2005, which was served and published by the Applicant as directed by the Board. A list of registered intervenors and observers in the Adjourned Proceeding is provided in Appendix “A” to this Notice. On August 24, 2005 the Board issued Procedural Order No. 1 and made provision for interrogatories, intervenor evidence and interrogatories on intervenor evidence. The intervenors and the Board staff filed interrogatories on September 2, 2005. On September 13, 2005 the Applicant filed responses to a limited number of interrogatories.

On September 29, 2005 the Board adjourned the proceeding upon the request of MHP Canada. In its request for adjournment MHP Canada explained that the adjournment would permit parties and the Board to deal with issues of storage competition through the implementation of Natural Gas Electricity Interface Review (“NGEIR”) proceeding (EB-2005-0551).

NGEIR Proceeding

MHP Canada has been an active participant in the NGEIR proceeding which commenced on December 29, 2006 and is currently in progress. In the NGEIR proceeding, MHP Canada asked that the Board expedite a decision on “Core Points” which are described in MHP Canada’s NGEIR evidence as follows:

- MHP Canada cannot exercise market power;
- MHP Canada, similar to independent storage developers, will be granted authority to charge market-based rates for its services; and
- MHP Canada will be allowed flexibility to contract for services without requiring approval of individual contracts, provided that MHP Canada operates within a base set of service terms and conditions approved by the Board.

By a letter dated July 20, 2006, MHP Canada clarified its position regarding the relationship between its request for an expedited decision on the “Core Points” and the approvals it seeks within the context of the re-activated proceeding for the St. Clair Storage Project.

MHP Canada submitted that Board’s approval of the “Core Points” within the NGEIR oral proceeding would satisfy the following St.Clair Pool application requirements:

- EB-2006-0162-approval of a market-based rate authority for storage services; and
- EB-2006-0165-approval of storage contract arrangements.

MHP Canada stated that if these approvals are granted within the NGEIR proceeding it should not be necessary to revisit the related evidence in the St.Clair Pool proceeding. Regarding the approval of storage contract arrangements (EB-2006-0165) within NGEIR, MHP Canada suggested to the Board that this approval be subject to the condition that a set of terms and conditions be filed and approved in the St. Clair proceeding. MHP Canada submitted that the remaining approvals (EB-2006-

0163/EB-2006-0164/EB-2006-0166/EB-2006-0167) required for the St.Clair pool development are technical in their nature and can be dealt with in a written process.

Approvals Considered by the board in Re-activated Proceeding

In this proceeding the Board intends to consider evidence relating to the Applicant's request for the following approvals related to the St.Clair Storage Project application:

- Designation of the storage area pursuant to section 36.1(1) of the Act (EB-2006-0163).
- Authority to inject gas into, store gas in, and remove gas from the St. Clair Pool pursuant to subsection 38(1) of the Act (EB-2006-0164).
- A report of the Board, under subsection 40(1) of the Act, to the Minister of Natural Resources to whom MHP Canada has applied for a licence to drill one horizontal injection/withdrawal well within the proposed St. Clair Pool (EB-2006-0166).
- Leave to construct transmission and gathering pipelines within the proposed St. Clair pool, pursuant to subsection 90(1) of the Act (EB-2006-0167).

MHP Canada requested that these approvals be considered in a written hearing process.

Approvals Considered by the Board in the NGEIR Proceeding

The Board does not intend, as part of this proceeding, to consider evidence or issue a decision in relation to MHP Canada's request for a market-based rate to govern gas storage services contracts entered into by MHP Canada pursuant to section 36 of the Act (EB-2006-0162). This issue will be addressed in the NGEIR proceeding (EB-2005-0551) based on the evidence and submissions provided by MHP Canada and other NGEIR participants in that proceeding.

The Board does not intend, as part of this proceeding, to consider evidence or issue a decision in relation to MHP Canada's request for approval to enter into agreements

with parties that agree to be subject to market-based rates as are approved for MHP Canada for storage services, pursuant to section 39(2) of the Act (EB-2006-0165). This issue will be addressed in the NGEIR proceeding (EB-2005-0551) based on the evidence and submissions provided by MHP Canada and other NGEIR participants in that proceeding.

How to see MHP Canada's Pre-filed Evidence

Copies of the application and the pre-filed evidence in support of MHP Canada's application will be available for public inspection at the Board's offices, at MHP Canada's head office, and at the office of the Clerk of the Township of St. Clair (addresses below).

How to Participate in the Re-activated Proceeding

The Board acknowledges that all the registered intervenors in the Adjourned Proceeding (as listed Appendix "A" to this procedural order) shall retain their intervenor status. Intervenors that choose to retain their status are advised to read this Notice in its entirety since, **although such parties are not required to resubmit requests for intervenor or observer status, certain filing deadlines described herein may continue to apply.** Should any of these intervenors wish to not participate in the re-activated proceeding they shall notify the Board in writing.

Any other party (other than the intervenors and observers registered in the Adjourned Proceeding) may participate in one of three ways:

You may send the Board a letter of comment. Your letter should include any request to make an oral presentation to the Board, and must be received by the Board **no later than 30 days from the date of receipt of this notice.**

You may request observer status in order to receive documents issued by the Board in the proceeding. Your request must be made by letter received by the Board **no later than 10 days from the date of receipt of this notice.**

You may request intervenor status if you wish to actively participate in the proceeding. Your request must be made by letter of intervention received **no later than 10 days from the date of receipt of this notice**. Your letter of intervention must include a description of how you are, or may be, affected by the proceeding; and if you represent a group, a description of the group and its membership.

The Board intends to hold a written hearing in this matter. The Board will not hold a written hearing if a party satisfies the Board that there is good reason for holding an oral hearing. Your letter of intervention should indicate your preference for a written or oral hearing, and the reasons for that preference.

If you are an intervenor or observer that was registered in the Adjourned Proceeding (as listed Appendix “A” to this procedural order) and choose to retain your status as an intervenor or observer, you may write a letter to the Board indicating your preference for a written or oral hearing, and the reasons for that preference, provided that such request must be received **no later than 10 days from the date of receipt of this notice**.

The Board may order costs in this proceeding. You must indicate in your letter of intervention whether you expect to seek costs from the applicant and the grounds for your eligibility for costs. You must provide a copy of your letter of intervention to the Applicant.

Need More Information?

Further information on how to participate may be obtained by visiting the Board’s Web site at www.oeb.gov.on.ca or by calling our Consumer Relations Centre at 1-877-632-2727.

How to Contact Us

In responding to this notice please reference Board file numbers EB-2006-0162/EB-2006-0163/ EB-2006-0164/EB-2006-0165/ EB-2006-0166/EB-2006-0167. It is also important that you provide your name, postal address and telephone number and, if available, an e-mail address and fax number. 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.**

For your convenience, the Board accepts letters of comment by either post or e-mail. Our e-mail address is Boardsec@oeb.gov.on.ca Please include the application file reference number in the subject line of your e-mail.

Letters of intervention must be sent to the Board by regular mail to the address below. Please remember that you must send a copy of your request for intervention to the applicant at the address listed below.

IMPORTANT

IF YOU DO NOT FILE A LETTER OF INTERVENTION OR INDICATE TO THE BOARD SECRETARY THAT YOU WISH TO INTERVENE OR COMMENT AT THE HEARING, THE BOARD MAY PROCEED IN YOUR ABSENCE AND YOU WILL NOT BE ENTITLED TO ANY FURTHER NOTICE OF THESE PROCEEDINGS. FURTHER, IF THE APPLICATION FOR LEAVE TO CONSTRUCT IS GRANTED, MHP CANADA MAY SUBSEQUENTLY APPLY FOR THE RIGHT TO EXPROPRIATE IF NECESSARY.

ISSUED at Toronto, August 11, 2006

ONTARIO ENERGY BOARD

Original Signed By

Kirsten Walli
Board Secretary

Appendix "A"

EB-2006-0162
EB-2006-0163
EB-2006-0164
EB-2006-0165
EB-2006-0166
EB-2006-0167

**ST. CLAIR POOL DEVELOPMENT PROJECT/
MARKET HUB PARTNERS CANADA**

APPLICANT & LIST OF INTERVENTIONS FROM ADJOURNED PROCEEDING

<u>Applicant</u>	<u>Rep. And Address for Service</u>
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Intervenors

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