



ONTARIO ENERGY BOARD

BOARD STAFF SUBMISSION ON SETTLEMENT AGREEMENT AUGUST 27, 2014

**Union Gas Limited
2013 Disposition of Deferral Account Balances
EB-2014-0145**

Board staff has reviewed the Settlement Agreement filed by Union Gas Limited ("Union") on August 22, 2014 in the context of the applicable Board policies, relevant Board decisions, and the Board's statutory obligations. Board staff submits that the Board's approval of the Settlement Agreement as filed would adequately reflect the public interest and would result in just and reasonable rates for customers. Board staff is of the view that the explanation and rationale accompanying the Settlement Agreement is sufficient to support the Board's approval of the agreement.

Board staff notes that there are number of unsettled issues that will proceed to oral hearing, which is scheduled for September 3 and 4, 2014.

Specifically, one of the issues that parties have agreed should be heard by the Board in this proceeding is in regard to the appropriate allocation of the amounts arising from the checkpoint balancing penalties (the quantum of which is the subject of the EB-2014-0154 proceeding).¹ Board staff supports the proposal to hear that allocation issue in this proceeding as the alternative would not have the Board make a finding on the appropriate allocation methodology until Union seeks approval of the disposition of the balancing penalty amount in the QRAM application following the Board's decision in the EB-2014-0154 proceeding. Board staff is of the view that addressing the allocation method in this proceeding, as opposed to the QRAM proceeding, will allow for a more comprehensive review process.

¹ EB-2014-0145, Settlement Agreement, p. 11.