



EB-2014-0012

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, pursuant to section 36(1) of the *Ontario Energy Board Act, 1998*, for an order or orders approving rates and other charges for an interruptible natural gas liquefaction service.

PROCEDURAL ORDER NO. 2

September 10, 2014

Union Gas Limited ("Union") filed an application on May 16, 2014 with the Ontario Energy Board (the "Board") pursuant to section 36 of the *Ontario Energy Board Act, 1998*, S.O. c.15, Schedule B, for an order or orders approving a new interruptible natural gas liquefaction service. The Board assigned file number EB-2014-0012 to the Application.

Union has proposed to provide the new service at its Liquefied Natural Gas ("LNG") facility at Hagar, Ontario to provide LNG to wholesale distributors for use as motor vehicle fuel. Union has requested a new Rate L1 rate schedule and a cost-based rate to provide the service at Hagar.

The Board issued a Notice of Application and Hearing on June 6, 2014. Building Owners and Managers Association, Canadian Manufacturers and Exporters, Enbridge Gas Distribution Inc., Industrial Gas Users Association, Northeast Midstream LP and Energy Probe Research Foundation applied for and were granted intervenor status in Procedural Order No. 1 issued on July 8, 2014.

Procedural Order No. 1 also set dates for filing interrogatories and responses to interrogatories.

On August 22, 2014, Northeast Midstream LP ("Northeast") filed a letter stating that it intended to file a motion with the Board requesting that Union's application for its proposed liquefaction service be dismissed. Northeast submitted that Union's application was premature as the LNG market in Ontario is nascent and that Union was unable to provide certainty on a large number of issues. Northeast specifically noted that although Union was proposing a cost-based rate, Union did not intend to complete a full cost allocation study until rebasing.

Northeast further advised that its motion would be supported by expert evidence, but that it would not be in a position to file such evidence until November 30, 2014. Northeast requested that the Board consider this time constraint when considering any further procedural steps.

Union filed a reply dated August 26, 2014. Union submitted that the Board should decline to hear the motion by Northeast and should not delay the proceeding in order to accommodate Northeast's schedule for filing supporting evidence.

Union noted that Northeast was seeking to end the proceeding through its motion even before Union's evidence is fully heard and considered by the Board. Union submitted that Northeast was free to file submissions at the completion of the proceeding and that any further procedural steps undertaken by the Board would not prejudice Northeast with respect to its position in this proceeding.

Union also disagreed with the proposed timeline requested by Northeast to file evidence. Union submitted that there was no justifiable reason to delay the proceeding by three months in order to accommodate Northeast. Union therefore requested that the Board issue a procedural order providing an allowance for intervenors to file evidence, if desired, within the usual time frames established by the Board.

Union filed its application on May 16, 2014 and Northeast intervened on June 26, 2014. Northeast has not provided any rationale as to why it needs an additional three months to prepare and file supporting evidence. The Board does not see any compelling reason to grant such a lengthy extension. The Board will not

delay the hearing to await the filing of a motion. Northeast is free to file any evidence it chooses pursuant to the schedule identified below. It is also free to make argument, including argument related to prematurity in the submission phase of the proceeding. However, the Board does not see any reason to further delay the proceeding. The Board will provide for intervenors to file evidence within time frames usually established by the Board.

The Board considers it necessary to make provision for the following matters related to this proceeding. The Board may issue further procedural orders from time to time.

THE BOARD ORDERS THAT:

1. Parties who wish to file evidence shall file such evidence with the Board and deliver it to all other parties on or before **October 1, 2014**. Northeast filed a report by Crowe Soberman dated July 17, 2014 along with its interrogatories. If Northeast wishes to rely on the contents of this report in this proceeding, it must be filed as evidence by the date noted above (and thereby be subject to interrogatories and possibly cross examination).
2. Anyone (intervenor, Board staff or the Applicant) who requires additional information related to any intervenor evidence, and that is relevant to the hearing, shall request it by written interrogatories filed with the Board and delivered to Union and all intervenors on or before **October 10, 2014**.
3. Responses to the interrogatories on intervenor evidence shall be filed with the Board and delivered to Union and all intervenors on or before **October 22, 2014**.
4. An oral hearing will be held on **October 27 and 28, 2014** at 9:30 a.m. in the Board's North Hearing Room on the 25th floor at 2300 Yonge Street, Toronto.
5. Union shall present argument-in-chief orally on **October 28, 2014**, or after the oral examination has been completed.

6. Parties shall present oral arguments on **October 30, 2014**. Union shall present its oral reply on the same day.

All filings to the Board must quote the file number, EB-2014-0012, be made electronically in searchable / unrestricted PDF format through the Board's web portal at <https://www.pes.ontarioenergyboard.ca/eservice>.

Two paper copies must also be filed. Filings must clearly state the sender's name, postal address and telephone number, fax number and e-mail address. Parties must use the document naming conventions and document submission standards outlined in the RESS Document Guideline found at <http://www.ontarioenergyboard.ca/OEB/Industry>. If the web portal is not available parties may email their documents to the address below. Those 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.

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.

ADDRESS

Ontario Energy Board
P.O. Box 2319
2300 Yonge Street, 27th Floor
Toronto ON M4P 1E4
Attention: Board Secretary

E-mail: boardsec@ontarioenergyboard.ca
Tel: 1-888-632-6273 (Toll free)
Fax: 416-440-7656

DATED at Toronto September 10, 2014

ONTARIO ENERGY BOARD

Original signed by

Kirsten Walli
Board Secretary