

September 18, 2014

File No. 13-0627

VIA EMAIL AND COURIER

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

Attention: Kirsten Walli, Board Secretary

Dear Ms. Walli:

Re: EB-2014-0012 Union Gas Limited (“Union”) - Hagar Liquefaction Service

We are counsel to Northeast Midstream LP (“Northeast Midstream”), an intervenor in the above-noted proceeding and are writing to advise the Board that Northeast Midstream intends to schedule a motion pursuant to Section 29(1) of the Ontario *Energy Board Act* (the “Act”).

Northeast Midstream’s motion will seek an Order prohibiting the approval of any rate for Union’s interruptible liquefaction service at Hagar and requesting the Board to refrain from granting any of the relief sought by Union in paragraph 7 of its Application.

Northeast Midstream is an Ontario-based limited partnership developing a new liquefaction plant in Thorold, Ontario. The facility is fully permitted and is scheduled to begin production of LNG for transportation and high-horsepower markets in Ontario and the Great Lakes region in 2016.

Northeast Midstream is determined to bring this motion having regard to the Application material filed to date as well as the letter of Union’s counsel dated August 26, 2014 in which counsel suggests that the Application should proceed in the “normal course, as typically undertaken by the Board” and further advised the Board that it “should not deviate from normal course”. Upon a review of the Application material, Northeast Midstream has concluded that the Application presently constituted is not a typical Application to approve a new service. Rather, by way of its Application, Union is seeking to enter an emerging competitive market.

Union itself has recognised that the market for LNG as a transportation fuel is competitive, and, accordingly, for Union to enter that market as a regulated entity raises important issues for all market participants and stakeholders.

Northeast Midstream submits that the *Act* permits a moving party to request relief under Section 29(1) in an existing proceeding. Accordingly, Northeast Midstream requests that its Section 29(1) motion be scheduled for hearing at the outset of Union's Application since its request will be that the Board ought to refrain from exercising any power or performing any duty under the *Act*.

Should the Board direct that Northeast Midstream's motion be scheduled for hearing as part of the existing Application, we propose that a new schedule of next steps be set to ensure that all participants in the Application have an opportunity to address the issues raised by the Section 29(1) motion. In that regard, we will strive to file our client's material by October 15, 2014, and look to the Board for guidance as to the subsequent steps to follow.

As is apparent from this letter, Northeast Midstream is anxious to proceed with its motion as soon as possible and will, of course, abide by any further procedural steps scheduled by the Board in this regard.

We thank you for your cooperation and look forward to the Board's further directions in respect of this matter.

Yours very truly,



David E. Lederman
DL/WR:kw

Copy: Charles Keizer, Torys (by e-mail)

Michael Millar, Legal Counsel, Ontario Energy Board
Intervenors (by e-mail)