



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 36.1(1), 38(1), 39(2), 40(1), 90(1), thereof;

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 approval 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 granting leave to construct natural gas pipelines in the Township of St. Clair in the County of Lambton.

PROCEDURAL ORDER NO. 2

On June 30, 2006 Market Hub Partners Canada L.P. ("MHP Canada" or the "Applicant") requested that the Ontario Energy Board (the "Board") re-activate a proceeding on the St. Clair Storage Project (the "Adjourned Proceeding"). The re-activated proceeding involves a request for a number of approvals related to a proposal to provide storage services upon development of approximately 32,200 10^3m^3 (1.1 Bcf) of natural gas storage space in its St. Clair Gas Storage Pool ("St. Clair Storage Project"). The St. Clair gas storage pool is proposed to connect to Union Gas Limited's system. MHP Canada requested the Board's approvals 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.

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.

On August 11, 2006 the Board issued a Notice of Re-activated Proceeding (the "Notice") on the St. Clair Storage Project development. In the Notice of Re-activated Proceeding the Board indicated that it intended to hold a written hearing in this matter and that the Board would not hold a written hearing if a party satisfies the Board that there is good reason for holding an oral hearing. No party indicated a preference for a written or oral hearing. The Board proceeded by a way of written hearing.

The Applicant served the Notice of Re-activated Proceeding as directed by the Board. In addition to the intervenors registered in the Adjourned Proceeding two new parties were granted intervenor status. The list of participants in the proceeding is attached as Appendix "A" to this Procedural Order.

MHP Canada has been an active participant in the Natural Gas Electricity Interface Review ("NGEIR") proceeding (EB-2005-0551) which commenced on December 29, 2005 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.

In the Notice of Re-activated Proceeding, the Board stated that it did not intend, in the St. Clair Storage Project proceeding, to consider evidence or issue a decision in relation to MHP Canada's request for a market-based rate pursuant to section 36 of the Act (EB-2006-0162), nor to consider the evidence or issue a decision in relation to MHP Canada's request for approval to enter into agreements for storage services, pursuant to section 39(2) of the Act (EB-2006-0165). In the Notice the Board stated that these two issues would be addressed in the NGEIR proceeding as part of the "Core Points" decision.

In its oral decision on "Core Points" issued on September 7, 2006, in the NGEIR proceeding, the Board addressed each of the "Core Points", including allowing MHP to contract for services without requiring approval of individual contracts, provided that MHP files its proposed standard terms and conditions for its storage contracts in the St. Clair Storage Project proceeding. Accordingly, the Board expanded the scope of the St. Clair Storage Project proceeding to include the review of the general terms and conditions for contracts for storage services offered by MHP Canada (EB-2006-0165). 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);
- General terms and conditions of storage services contracts (EB-2006-0165);
- 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); and
- Leave to construct transmission and gathering pipelines within the proposed St. Clair pool, pursuant to subsection 90(1) of the Act (EB-2006-0167).

In accordance with the Procedural Order No. 1, issued by the Board on September 11, 2006, the following procedural steps have been completed to date in the St. Clair Storage Project proceeding:

- On Monday, September 18, 2006 MHP Canada filed with the Board and delivered to all intervenors copies of its proposed standard terms and conditions for storage contracts (EB-2006-0165) as directed in the Board's oral decision dated September 7, 2006 (EB-2005-0551).
- On Monday, October 2, 2006 the intervenors and Board Staff filed written interrogatories on the Applicant's pre-filed evidence with the Board and delivered copies to MHP Canada and all intervenors.
- On Tuesday, October 11, 2006, the Applicant filed with the Board its responses to the interrogatories and delivered the responses to all the intervenors. In answering Board Staff Interrogatory No. 1, MHP Canada provided its revised response to Board Staff Interrogatory No. 16 from the Adjourned Proceeding. As part of its response MHP Canada indicated that it would file certain information in confidence. MHP Canada subsequently filed this information in confidence with the Board.
- On Friday, October 20, 2006, MHP Canada filed its argument-in-chief.
- On October 27, 2006, Board Staff, Tribute Resources Inc., Petroleum Resources Centre of the Ministry of Natural Resources and IGUA filed final arguments. No other intervenors filed final arguments.

In its final argument, IGUA stated that although MHP Canada relied on the Board's *Rules of Practice and Procedure* to file the information requested in the Board Staff Interrogatory No. 16 in confidence, MHP Canada has not proceeded in accordance with the Rule 10 of the *Rules of Practice and Procedure* and did not first obtain an Order of the Board permitting the confidential filing. IGUA objected to the confidential filing of the updated information provided by MHP Canada in response to Board Staff Interrogatory No. 16 (of the Adjourned Proceeding).

The Board has considered the submissions and objections by IGUA.

To address the procedure regarding the confidential filing, the Board will amend the date for MHP Canada's reply argument. In a subsequent Procedural Order the Board

will establish the date for MHP Canada to file its reply argument and, if necessary, will provide an opportunity for intervenors and Board Staff to supplement or amend their closing arguments.

The Board may issue further Procedural Orders from time to time.

THE BOARD ORDERS THAT:

1. The date for MHP Canada's reply argument, originally scheduled for November 3, 2006 is to be rescheduled to a future date to be determined later. A new date for the reply argument and, if necessary, a date by which Board Staff and intervenors will be required to file supplemental or amended final arguments will be set by the Board in a future procedural order.
2. In the event that MHP Canada continues to wish to file confidential information with the Board, it shall file a letter addressed to the Board Secretary and served on all parties requesting to file such information in accordance with Rule 10 of the *OEB Rules of Practice and Procedures* and the Board's *Proposed Practice Direction for Confidential Filings* and attaching either a non-confidential version or summary of the document over which confidentiality is claimed. The request for confidentiality must include items specified in section 5.1.4., subject to section 5.1.5., of the *Proposed Practice Direction for Confidential Filings*. The request for confidentiality shall be filed with the Board and all the intervenors on or before **Thursday, November 2, 2006**.
2. Intervenors and Board Staff may object to the MHP Canada's request for confidentiality by filing and serving an objection in accordance with the section 5.1.8. of the *Proposed Practice Direction on Confidential Filings*. Any objection to the MHP Canada's request for confidentiality shall be filed with the Board and delivered to MHP Canada and all intervenors on or before **Monday, November 6, 2006**.
3. MHP Canada may file a reply to the objection(s) to its request for confidentiality in accordance with section 5.1.9. of the *Proposed Practice Direction on Confidential Filings*. MHP Canada shall file its reply with the Board and all the intervenors on or before **Friday, November 10, 2006**.

4. All filings to the Board noted in this Order must be in the form of **9 hard copies and must be received by the Board by 4:45 p.m.** on the stated dates. The Board requests that all parties also submit an electronic copy of their filings in searchable pdf format.

ISSUED at Toronto, November 1, 2006

ONTARIO ENERGY BOARD

Original signed by

Peter H. O'Dell
Assistant Board Secretary

Appendix A

EB-2006-0162
EB-2006-0163
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**MARKET HUBS PARTNERS CANADA
ST. CLAIR STORAGE POOL DEVELOPMENT PROJECT**

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

APPLICANT & LIST OF INTERVENTIONS

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*(Late Intervenor Request-
September 7, 2006)*

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