



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. 3

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

Scope of the St. Clair Storage Project Proceeding

In the Notice of Re-activated Proceeding, the Board set the scope of the proceeding by indicating that it intended 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).

The Board issued Procedural Order No. 1 on September 11, 2006, which outlined procedural steps in the St. Clair Storage Project proceeding.

On November 1, 2006, the Board issued Procedural Order No. 2 to accommodate a confidentiality filing process for a confidentiality request by MHP Canada that was objected to by IGUA. Procedural Order No. 2 prescribed the required steps for a confidentiality request in accordance with the Rule 10 of the Board's *Rules of Practice and Procedure* and the Board's *Practice Direction on Confidential Filings*.

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In Procedural Order No. 2, the Board also ordered that the date for MHP Canada's reply argument, originally scheduled for November 3, would be rescheduled and, if necessary, a date for Board Staff and intervenors supplemental or amended final arguments would be set in a future procedural order.

On November 30, 2006, the Board issued a decision on the request by MHP Canada for confidentiality in respect of certain information filed in response to Board Interrogatory No. 16, which was part of the adjourned RP-2005-0019 proceeding and was subsumed into MHP Canada's response to Board Interrogatory No. 1 in the present proceeding. The Board found that Board Interrogatory No. 16 was no longer relevant and that MHP Canada's request for confidentiality was moot. The Board returned to the Applicant without any review, Applicant's responses to Interrogatories No. 16 in the Adjourned Proceeding and updated information filed in response to Board Interrogatory No. 1 in the present proceeding.

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

THE BOARD ORDERS THAT:

1. Market Hub Partners Canada L.P. shall file its reply argument to intervenors and Board Staff on or before **Tuesday, December 5, 2006.**
2. 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, December 1, 2006

ONTARIO ENERGY BOARD

Original Signed By

Peter H. O'Dell
Assistant Board Secretary

Appendix A

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

**MARKET HUBS PARTNERS CANADA
ST. CLAIR STORAGE POOL DEVELOPMENT PROJECT**

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

APPLICANT & LIST OF INTERVENTIONS

Applicant

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

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