



ONTARIO ENERGY BOARD

BOARD STAFF SUBMISSION ON SETTLEMENT AGREEMENT AND DRAFT RATE ORDER FILED DECEMBER 4, 2014

**Union Gas Limited 2015 IRM Rates
EB-2014-0271**

December 8, 2014

Union Gas Limited (“Union”) filed an application on September 12, 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 rates for the distribution, transmission and storage of natural gas, effective January 1, 2015. The Board assigned the application File Number EB-2014-0271.

In Procedural Order No. 1 dated October 23, 2014, the Board scheduled a one-day Settlement Conference on November 14, 2014, with the objective of reaching a settlement among the parties on the issues. Union and the parties continued the discussion until December 4, 2014. Union filed a Settlement Agreement on December 4, 2014, reaching a settlement on all issues in the proceeding.

Board staff has reviewed the Settlement Agreement filed by Union in the context of a multi-year ratemaking framework approved in EB-2013-0202, other applicable Board policies, relevant Board decisions, and the Board’s statutory obligations. Board staff is of the view that the application and Settlement Agreement appropriately reflects the framework approved by the Board in EB-2013-0202 and adequately responds to the directives of the Board in EB-2013-0365 (the 2014 IRM Proceeding).

Board staff has reviewed the proposed Tariff of Rates and Charges attached to the Agreement as Appendix A, B and C. Board staff submits that the Board’s approval of the agreement as filed would adequately reflect the public interest and would result in just and reasonable rates for customers.

Board staff notes that Union has indicated that it will not provide customer notices as part of this proceeding. Union’s January 1, 2015 Quarterly Rate Adjustment Mechanism application will include the customer notice providing information regarding rate adjustments for both, commodity and distribution rates. Board staff support Union’s proposal with respect to issuing one customer notice that covers distribution and commodity rate adjustments.

– All of which is respectfully submitted –