

January 21, 2015

BY COURIER & RESS

Ms. Kirsten Walli
Board Secretary
Ontario Energy Board
2300 Yonge St, 27th Floor
Toronto, ON M4P 1E4

Dear Ms. Walli:

**RE: EB-2014-0261 – Union Gas Limited (“Union”) – Dawn Parkway 2016 Expansion Project
Process next steps**

To assist the Board with preparation of a procedural order for the next steps in the regulatory proceeding for the above case, Union has outlined proposed steps and proposed dates for this proceeding. Union requests the scheduling of a Settlement/Pre-Hearing Conference prior to the hearing of this case. In Union’s view this step will assist in achieving greater regulatory efficiency and effectiveness by helping to not only identify, but limit the scope of the issues for hearing as well as designate issues for argument only.

Potential timeline:

Week of January 26 – Board issues a Procedural Order and Draft Issues List
Week of February 2 – allow for written comments on Draft issues list
Week of February 9 – One day Settlement/Pre-Hearing conference
Week of February 16 – submission of settlement agreement, or letter outlining outstanding issues, if any
Week of March 2 – Hearing of outstanding issues

Prior to the parties meeting for a Settlement/Pre-Hearing conference, Union requests that the Board issue a Draft Issues list for the case and allow for written submissions on the draft issues list. Union has provided the attached draft issues list based on the issues list from EB-2012-0433/EB-2013-0074/EB-2012-0451 for the Board’s consideration. The Board could then issue a Final Issues List prior to the start of a hearing, or if there were any outstanding matters, could hear arguments on the Issues List at the outset of the hearing. An Issues List will help structure the discussions at the Conference and allow parties to identify any issues that can be settled, or any issues that do not require cross examination at the hearing, but may be addressed in argument. This conference will also assist with identifying areas of cross examination to be covered, to plan for a hearing.

An issues list will also allow clarification of issues and scope of the proceeding and what is not in scope. The Board stated in the EB-2005-0550 Decision:

*“The Board finds that it does not have the authority to approve or not approve the Letter of Understanding. This agreement deals with compensation matters in great detail, both in framework and the amounts, and therefore is not appropriately included in the Board’s consideration...”*¹

GAPLO, in its evidence and requested relief, has submitted material that is contradictory to the Board’s previous Decision. For example, GAPLO has requested that the Board impose a condition of approval related to the use of a Letter of Understanding (“LOU”) from the Strathroy Lobo project. An LOU is a negotiated agreement which deals with compensation matters and construction practices specific to individual landowners and is usually associated with agricultural settings. Based on the past Board Decision, these types of documents and the requested relief is outside the scope of the hearing and should be excluded from this proceeding.

If you have any questions with respect to this submission please contact me at 519-436-5473.

Yours truly,

[original signed by]

Karen Hockin
Manager, Regulatory Initiatives

Encl.

cc: Zora Crnojacki, Board staff
Mark Kitchen, Union Gas
Crawford Smith, Torys
EB-2014-0261 Intervenors

¹ EB-2005-0550 Union’s Strathroy Lobo application – Procedural Order No. 2 Issues List and Reasons . Decision and Order issued March 3, 2006.

PROPOSED ISSUES LIST
EB-2014-0261

(Derived from Issues list for EB-2012-0433/EB-2013-0074/EB-2012-0451)

1. Are the proposed facilities needed?
2. Do the proposed facilities meet the Board's economic tests as outlined in the Filing Guidelines on the Economic Tests for Transmission Pipeline Applications, dated February 21, 2013, as applicable?
3. Are the costs of the facilities and rate impacts to customers appropriate?
4. What are the alternatives to the proposed facilities? Are any alternatives to the proposed facilities preferable to the proposed facilities?
5. Do the facilities address the OEB Environmental Guidelines for Hydrocarbon Pipelines as applicable?
6. Are there any outstanding landowner matters for the proposed facilities' routing and construction? For greater clarity, landowners include parties from whom permits, crossing agreements and other approvals are required.
7. Are the proposed facilities designed in accordance with current technical and safety requirements?
8. Has there been adequate consultation with any affected First Nations or Metis communities?
9. Does the project meet the capital pass-through mechanism criteria for pre-approval to recover the cost consequences of the proposed facilities?
10. If the Board approves the proposed facilities, what conditions, if any, are appropriate?