



ONTARIO ENERGY BOARD

OEB STAFF SUBMISSION

Union Gas Limited

EB-2014-0182

MOTION TO COMPEL FURTHER AND BETTER INTERROGATORY RESPONSES

April 23, 2015

Background

On December 12, 2014 Union Gas Limited (Union) filed with the Ontario Energy Board (OEB) an application for leave to construct natural gas pipelines and ancillary facilities in the Town of Milton and the Town of Oakville (Burlington Oakville Project) and for approval to recover the cost consequences of the development of the proposed Burlington Oakville Project.

The OEB Issued a Notice of Application on January 13, 2015. The Notice was served and published as directed. On February 19, 2015 the OEB issued Procedural Order No. 1 which set the schedule for the hearing. In accordance with Procedural Order No. 1, Union filed its responses to interrogatories from OEB staff and intervenors on March 26, 2015.

Motion

On April 4, 2015 Ontario Greenhouse Vegetable Growers (OGVG) filed a motion to compel Union to respond fully to certain interrogatories (the Motion). Canadian Manufacturers and Exporters (CME) supported the Motion. The Association of Power Producers of Ontario (APPrO) also supported the Motion and requested that Union provide a more complete answer to another interrogatory in addition to those identified by OGVG. The Motion asked that Union be compelled to answer more fully and completely to the following interrogatories: OGVG 4, OGVG 10, APPrO 2, and APPrO 5 (c).

OGVG, CME and APPrO stated that the grounds for the Motion is that more information is needed from Union in order to allow intervenors to gain a better understanding of the range of potential alternatives to the proposed project, including alternative collaborative solutions among Union, TransCanada PipeLines Limited (TransCanada) and Enbridge Gas Distribution Inc. (Enbridge).

The OEB issued a Notice of Motion and Procedural Order No. 2 on April 9, 2015 setting the timeline for written submissions on the merits of the Motion.

On April 14, 2015 Union filed updates of its answers to two of the four interrogatories subject to the Motion (i.e. OGVG 4 and APPrO 2). Union stated that the updated answers to the interrogatories were filed without prejudice to the timeline the OEB set to proceed in its review of the merits of the Motion. Union also reserved the right to make reply submissions relating to any of the disputed interrogatories.

Board Staff Submissions

Board staff notes that the OEB Issues List includes the following: “What are the facilities and non-facilities alternatives to the proposed facilities? Have these alternatives been adequately assessed and are any preferable to the proposed facilities, in whole or in part?”¹ In OEB staff’s view the issue of alternatives to the proposed project is in scope of the proceeding and additional information may be helpful to all the parties and to the OEB. In recent proceedings on Enbridge’s and Union’s system expansion applications² the OEB encouraged cooperation amongst Union, Enbridge, and TransCanada with regard to natural gas infrastructure expansion in Ontario. The OEB has also expressed concerns in the past with respect to the potential for overbuilding or duplicative infrastructure which would result in adverse consequences to ratepayers³.

OEB staff is satisfied with Union’s updated answers to OGVG 4. With respect to OGVG 10, while Union did not provide all meeting minutes and correspondence documenting discussions with Enbridge and TransCanada as requested by OGVG, OEB staff is of the view that Union presented adequate evidence summarizing the outcome of its discussions on the potential of a firm exchange service and why this service is not a workable option from Union’s perspective. Under APPrO 2, APPrO sought clarification

¹ Decision on Issues List, March 10, 2015, Appendix A, Issue No. 6

² Decision and Order, January 30, 2014, EB-2012-0451/EB-2012-0453/EB-2013-0074, pages 4, 41, 49

³ Decision EB-2011-0210

on whether TransCanada's ability to provide short haul capacity to Burlington and Oakville changed following the issuance of the RH-001-2014 decision. Based on Union's updated response to APPrO 2, OEB staff remains unclear on whether this is the case or not. At APPrO 5 (c), APPrO requested that Union provide full details regarding the assumptions made in calculating the NPV, as well as the details of the NPV calculations under a scenario where Union would use short haul capacity on TransCanada. OEB staff agrees with APPrO that the production of this information would assist parties and the OEB to test the validity of the information provided by Union, and therefore further assist in evaluating commercial alternatives to the build option.

- All of which is respectfully submitted -