

EB-2015-0166 EB-2015-0175

Union Gas Limited Enbridge Gas Distribution Inc.

Applications for pre-approval of the cost consequences of long-term natural gas transportation contracts with NEXUS Gas Transmission

PROCEDURAL ORDER NO. 1 July 31, 2015

Union Gas Limited (Union) filed an application with the Ontario Energy Board (OEB) on May 28, 2015 for pre-approval of the cost consequences of a long-term transportation contract with NEXUS Gas Transmission commencing November 1, 2017.

Enbridge Gas Distribution Inc. (Enbridge) filed an application with the OEB on June 5, 2015 for pre-approval of the cost consequences of a long-term transportation contract with NEXUS Gas Transmission commencing November 1, 2017.

A Notice of Hearing for the Union application was issued on June 26, 2015 and was published, posted, and served as per the direction of the OEB.

A Notice of Hearing for the Enbridge application was issued on July 2, 2015 and was published, posted, and served as per the direction of the OEB.

Responding to the Union Notice of Hearing, the following parties applied for intervenor status:

- Association of Power Producers of Ontario (APPrO)
- Building Owners and Managers Association Toronto (BOMA)
- Canadian Manufacturers and Exporters (CME)
- Consumers Council of Canada (CCC)
- Enbridge Gas Distribution Inc. (Enbridge)
- Energy Probe Research Foundation (Energy Probe)
- Federation of Rental-housing Providers of Ontario (FRPO)
- Industrial Gas Users Association (IGUA)

- Kitchener Utilities (Kitchener)
- London Property Management Association (LPMA)
- School Energy Coalition (SEC)
- TransCanada Energy Ltd. (TCE)
- TransCanada PipeLines Limited (TransCanada)
- Vulnerable Energy Consumers Coalition (VECC)

In regards to the Union application, APPrO, BOMA, CME, CCC, Energy Probe, FRPO, IGUA, LPMA, SEC and VECC applied for cost award eligibility. No objections were received regarding the requests for intervenor status or cost eligibility.

For the Union proceeding, I hereby grant intervenor status to each of the parties listed above and find that each of APPrO, BOMA, CME, CCC, Energy Probe, FRPO, IGUA, LPMA, SEC and VECC is eligible to apply for an award of costs under the OEB's *Practice Direction on Cost Awards* (Practice Direction).

Responding to the Enbridge Notice of Hearing, the following parties applied for intervenor status:

- Association of Power Producers of Ontario (APPrO)
- Building Owners and Managers Association Toronto (BOMA)
- Canadian Manufacturers and Exporters (CME)
- Consumers Council of Canada (CCC)
- Energy Probe Research Foundation (Energy Probe)
- Federation of Rental-housing Providers of Ontario (FRPO)
- Industrial Gas Users Association (IGUA)
- Just Energy Ontario L.P. (Just Energy)
- Mr. Ron Tolmie
- School Energy Coalition (SEC)
- TransCanada Energy Ltd. (TCE)
- TransCanada PipeLines Limited (TransCanada)
- Union Gas Limited (Union)
- Vulnerable Energy Consumers Coalition (VECC)

In regards to the Enbridge application, APPrO, BOMA, CME, CCC, Energy Probe, FRPO, IGUA, Mr. Ron Tolmie, SEC and VECC applied for cost award eligibility. No objections were received regarding the requests for intervenor status or cost eligibility.

For the Enbridge proceeding, I hereby grant intervenor status to each of the parties listed above and find that each of APPrO, BOMA, CME, CCC, Energy Probe, FRPO,

IGUA, SEC and VECC is eligible to apply for an award of costs under the OEB's Practice Direction.

I hereby grant intervenor status to Mr. Tolmie on the basis that at least some of the issues raised in his letter of July 27, 2015 may be within the scope of what the OEB will consider when reviewing the applications. I caution however, that the scope of the proceeding will ultimately be determined by the OEB panel assigned to hear this case. It may be that one or more of the issues raised by Mr. Tolmie are determined, in due course, not to be in scope.

I also find that Mr. Tolmie is eligible to apply for an award of costs under the OEB's Practice Direction. I remind Mr. Tolmie to review the Practice Direction carefully for further information about the types of costs and disbursements that may be claimed by an individual in OEB proceedings.

Individuals that represent their own interests may claim for wage or salary losses incurred as a result of participating in a hearing. They may also, in appropriate circumstances, be eligible for an honorarium at the discretion of the OEB. Fees are not generally permitted to be claimed by individuals under the OEB's Cost Award Tariff. The OEB's Cost Award Tariff is not intended to apply to individuals, but rather to consultants or experts that are acting on behalf of another party.

I note that being eligible to apply for recovery of costs is not a guarantee of recovery of any costs claimed. Cost awards are made by way of OEB order at the end of a hearing. Please also review section 5 of the Practice Direction which lists the things the OEB may consider in determining the amount of any cost award.

Cost eligible intervenors should be aware that the OEB will not generally allow the recovery of costs for the attendance of more than one representative of any party, unless a compelling reason is provided when cost claims are filed.

Parties are reminded that they are expected to participate responsibly in the process with a goal to contribute to a better understanding by the OEB of one or more of the issues in the proceeding. Cost eligible intervenors are encouraged to make reasonable efforts to combine interventions with one or more similarly interested parties, and to co-operate with all other parties. Parties must make reasonable efforts to ensure that their participation in the process, including any evidence, interrogatories and cross-examination, is not unduly repetitive and is focused only on relevant and material issues.

Combined Proceeding

Union and Enbridge filed a joint letter on July 28, 2015 to request that the OEB consider these two applications through a joint regulatory proceeding. The gas utilities advocated that the two filings are aligned in that both utilities contracted through the

open season for this pipeline project in order to provide direct access for Ontario to supplies from the Appalachian basin through the NEXUS pipeline. The gas utilities said further that the two applications are supported by a jointly sponsored expert consultant report (Nexus Market Study Report by Sussex Economic Advisors – filed within both applications) and that greater regulatory efficiency can be achieved if the cases are reviewed together. The utilities also referenced prior applications where the OEB considered applications together through a consolidated hearing pursuant to Section 21 (5) of the *Ontario Energy Board Act, 1998* (the Act).

Section 21(5) of the Act allows for the consolidation of proceedings. I have determined that it is appropriate to combine these two proceedings pursuant to section 21(5) of the Act due to the related nature of the applications.

I find that it is important to consider the related issues in a cohesive and rational manner. Further I find that it will be administratively more efficient to hear the proceedings in combination.

In light of this finding, any party that has been accepted as an intervenor in either of the Union (EB-2015-0166) or Enbridge (EB-2015-0175) proceedings is automatically considered to be an intervenor in the combined proceeding.

The file number for the combined proceeding will be EB-2015-0166 / EB-2015-0175 and must be referenced in all correspondence concerning this proceeding.

A Provisional Issues List is attached as Schedule A to this procedural order. The Provisional Issues List tracks the OEB's *Filing Guidelines for Pre-Approval of Long-Term Natural Gas Supply and/or Upstream Transportation Contracts* dated April 23, 2009. A copy of the guidelines is available on the OEB's website.

The list of intervenors in this proceeding is attached as Schedule B to this procedural order.

I consider it necessary to make provision for the following matters related to this proceeding. The OEB may issue further procedural orders from time to time.

IT IS THEREFORE ORDERED THAT:

OEB staff and intervenors shall request any relevant information and documentation from Union and Enbridge that is in addition to the evidence that is already filed by written interrogatories filed with the OEB and served on all parties by **August 11, 2015**. Parties must adhere to the interrogatory format practice direction which is found at paragraph 26.02 of the OEB's Rules of Practice and Procedure.

- 2. Union and Enbridge shall file with the OEB complete responses to all interrogatories and deliver them to all intervenors by **August 25, 2015**.
- A technical conference involving the applicants, intervenors and OEB staff will be convened on September 8, 2015 at 9:30 a.m. and may continue on September 9, 2015 if needed. The technical conference will be held in the OEB's hearing room at 2300 Yonge Street, 25th Floor, Toronto.
- 4. Any undertakings or exhibits arising from the technical conference shall be filed with the OEB and served on all parties by **September 16, 2015.**
- 5. Should intervenors or OEB staff wish to file evidence in the proceeding, they must notify the OEB and all parties of such intent by **September 17, 2015** and include in the notification a brief description and proposed timing.

All filings to the OEB must quote the file number, **EB-2015-0166 / EB-2015-0175** and be made electronically in searchable / unrestricted PDF format through the OEB's web portal at https://www.pes.ontarioenergyboard.ca/eservice/. Two paper copies must also be filed. Filings must clearly state the sender's name, postal address and telephone number, fax number and e-mail address. Parties must use the document naming conventions and document submission standards outlined in the RESS Document Guideline found at http://www.ontarioenergyboard.ca/OEB/Industry. If the web portal is not available parties may email their documents to the address below. Those who do not have internet access are required to submit all filings on a CD in PDF format, along with two paper copies. Those who do not have computer access are required to file 7 paper copies.

For all electronic correspondence and other materials related to this proceeding, parties must include in their distribution lists the Case Manager, Colin Schuch at Colin.Schuch@ontarioenergyboard.ca, OEB Counsel, Michael Millar at Michael.millar@ontarioenergyboard.ca and OEB Counsel, Ian Richler <a href="maintenangle-In

All communications should be directed to the attention of the Board Secretary at the address below, and be received no later than 4:45 p.m. on the required date.

ADDRESS

Ontario Energy Board P.O. Box 2319 2300 Yonge Street, 27th Floor Toronto ON M4P 1E4 Attention: Board Secretary

E-mail: <u>boardsec@ontarioenergyboard.ca</u>

Tel: 1-888-632-6273 (Toll free)

Fax: 416-440-7656

DATED at Toronto, July 31, 2015

ONTARIO ENERGY BOARD

By delegation, before: Kristi Sebalj

Original signed by

Kristi Sebalj Registrar

Schedule A

Provisional Issues List

July 31, 2015

Provisional Issues List

EB-2015-0166 / EB-2015-0175

Union Gas Limited Enbridge Gas Distribution Inc.

Applications for pre-approval of the cost consequences of long-term natural gas transportation contracts with NEXUS Gas Transmission

- 1. Has the applicant adequately demonstrated the need, costs and benefits of the proposed project?
- 2. Has the applicant adequately demonstrated contract diversity in regards to how the contract fits into the applicant's overall transportation and natural gas supply portfolio in terms of contract length, volume and services?
- 3. Has the applicant provided an adequate assessment of all risks associated with the proposed project as well as provided plans on how these risks are to be minimized and allocated between ratepayers, parties to the contract and/or the applicant's shareholders?
- 4. Has the applicant provided an adequate assessment of other relevant considerations associated with the proposed project (for example, other conditions, rights or obligations among the parties to the contract and the applicant's parent company and/or affiliates, retail competition impacts, and potential impacts on existing transportation pipeline facilities in the market in terms of Ontario customers)?

Schedule B

Applicants and List of Intervenors

July 31, 2015

APPLICANT & LIST OF INTERVENORS

July 29, 2015

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