

Ontario Energy Board

P.O. Box 2319

2300 Yonge St. 27<sup>th</sup> Floor

Toronto, Ont. M4P 1E4

August 7, 2015

Att: Ms. Kirsten Walli

Board Secretary

Re: EB-2015-0179

Dear Ms. Walli:

Please be advised that I am seeking Intervenor status in the matter concerning file number EB-2015-0179. I represent the Chukuni McManus subdivision residents who are listed as number 53 in the list of areas that Union Gas have presented as potential areas of expansion. Approximately 90% of the residents support this action. A list of those residents endorsing this intervention will be included in the presentation to the board.

Ms. Secretary, the reason to appear as an intervenor is to present evidence to the board that Union Gas did not complete the work approved by the board in EB-2011-0040 (the Red Lake Project). Service to Chukuni McManus is an approved project dating back to 2011 that was not completed by Union Gas and should not be treated as an expansion.

The Chukuni McManus subdivision was included as part of Phase 2 of the Red Lake project. Union Gas commenced phase 2 in 2012 and announced by press release as late as May 2012 that Chukuni McManus was included. Two months later Union Gas representatives were advising residents that this subdivision was an expansion project. At year end, the installation of the lines in the subdivision was not performed and the Union Gas advised the board that that phase 2 was complete. The cost of servicing the subdivision and the cost benefit analysis were part of the application for EB-2011-0040. Aid to Construct was raised from several sources (Goldcorp \$2.15M, Municipality of Red Lake \$0.75M, FedNor \$2.75M and the Ontario Government \$4.0M) to allow Phase 2 to proceed. However within 2 months of starting Phase 2 a decision was taken by Union Gas to delete Chukuni McManus from the project. The residents feel that they were misled and the public money that was raised to provide service to Chukuni was spent for other purposes. Many residents have been living in the subdivision for 20 plus years and delayed decisions to replace existing heating systems in anticipation of receiving gas. Some residents who were building at the time expected gas to be available and made decisions to purchase appliances that gave them the flexibility to use gas.

The intent of the intervention is to appear before the board and present the facts commencing with the original Union Gas application as we understand them. Also included in the presentation will be

statements from residents who have incurred costs due to Union Gas not delivering service as promised, statements from residents who attended the public meeting and were led to believe that gas service would be coming, a copy of the press release issued by Union Gas at the start of phase 2 and correspondence to the residents from Union Gas stating that more money would be required before they would proceed with Chukuni McManus.

The key point is timing. Union Gas did the original cost estimate and cost benefit analysis. How could the subdivision suddenly be excluded during construction? Surely when Union Gas performed its initial cost benefit analysis with Chukuni McManus as part of its proposal in the 2011, no physical changes occurred in the subdivision that would change the analysis. If anything more lots were developed which would increase the customer base and make it more attractive.

Yours truly

John Frostiak (on behalf of the Chukuni McManus residents)

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