



# **ONTARIO ENERGY BOARD**

## **STAFF SUBMISSION ON DRAFT RATE ORDER**

**UNION GAS LIMITED**

**2014 DEFERRAL ACCOUNT DISPOSITION**

**Board File No. EB-2015-0010**

**August 21, 2015**

**Introduction**

Union Gas Limited (Union) filed an application on April 15, 2015 with the Ontario Energy Board (OEB) seeking approval to dispose of and recover certain 2014 deferral account balances. The application also sought approval to share earnings with ratepayers according to the framework agreed to under the Incentive Regulation Mechanism (IRM) approved by the OEB in EB-2013-0202.

Union filed a Settlement Agreement on July 27, 2015, reaching a settlement on all monetary issues in the proceeding, with the exception of the 2014-2015 Gas Supply Plan.

The OEB issued its decision on August 13, 2015. The OEB approved the settlement agreement filed by Union. With respect to the Gas Supply Plan, the OEB noted that Union had not sought any relief in the application and the OEB would not provide guidance or direction on the Plan as part of this proceeding.

Union filed its draft Rate Order on August 17, 2015. Comments on the draft Rate Order were due on August 21, 2015.

**Board Staff Submission on Draft Rate Order**

OEB staff has reviewed the draft Rate Order filed by Union. OEB staff submits that the draft Rate Order accurately reflects the settlement agreement. OEB staff notes that Union has included interest to the end of September 2015 and this has resulted in a slight change to the deferral account balances and earnings sharing amount.

OEB staff has no concerns with the changes in interest calculation as this is consistent with past practice. In the 2013 Deferral Account proceeding (EB-2014-0145), Union included interest up to December 30, 2014 for rate changes effective January 1, 2015. However, OEB staff requests Union to confirm in reply that it is using the appropriate prescribed interest rates to calculate the balances.

All of which is respectfully submitted.