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BY EMAIL and RESS

September 2, 2015
Our File No. 20140182

Ontario Energy Board
2300 Yonge Street
27th Floor
Toronto, Ontario
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Attn: Kirsten Walli, Board Secretary

Dear Ms. Walli:

Re: EB-2015-0182 – Union Burlington-Oakville LTC – Request for an Oral Hearing

We are counsel for the School Energy Coalition ("SEC"). In this proceeding, the Board has proceeded by way of written process, without an oral hearing.¹ SEC has now had an opportunity to review the interrogatory responses to Union's reply evidence, which were filed on August 28th and September 1st, and requests that the Board schedule an oral hearing to allow parties cross-examination on the evidence.

In this proceeding there is conflicting evidence from Union and Ms. Cheung, an expert retained on behalf of CME/OGVG, on two central issues in this proceeding, the need for the pipeline and if there are preferable alternatives.² They have drawn diametrically opposing conclusions based on their views of the evidence on. Union believes that construction of the pipeline should be granted³, whereas Ms. Cheung believes that at this time, Union should investigate a no-build option utilizing TransCanada's existing facilities.⁴ The Board is faced with the task of either granting leave, as requested by Union, or denying it, the implication of Ms. Cheung's proposal. There is not much of a middle ground.

¹ Procedural Order No. 5, p.1

² See Board-Approved Issues 1: *Are the proposed facilities needed?* and 4: *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?*

³ Ex.A, Tab 2, p.1

⁴ Evidence of Agnes Siu Cheung on behalf of the Ontario Greenhouse Vegetable Growers ("OGVG") and Canadian Manufacturers & Exporters ("CME"), p.8



Based on the current state of the record, SEC finds itself unable to reach a conclusion on which option is better for the system, and hence for ratepayers. SEC would like an opportunity to cross-examine both Union and Ms. Cheung, in order to better understand the competing evidence, and thus be able to assess the benefits/risks of the proposed project for ratepayers.

There still remain outstanding questions raised by the competing evidence, including:

- Union's claim in its reply evidence that a number of additional costs will likely need to be incurred under Ms. Cheung's proposal to operationalize it.⁵ To what extent does Ms. Cheung agree with these forecasted costs?
- What percentage of Union's South gas supply portfolio would be moved under the Cheung proposal and what are the resulting benefits and risks? Union's reply evidence and IRs are premised on the entire 77% of Union's South supply being sourced at Niagara instead of only incremental needs as would appear to have been suggested by Ms. Cheng.⁶ Even if Union is correct, to what extent does Ms. Cheung agree with Union's characterization of the risks?⁷
- What are the practical consequences of low liquidity at Niagara if Union is only contracting for incremental supply through long-term contracts?⁸ Would Niagara remain a more cost effective option if there is increased demand for supply at Niagara?⁹
- Would the Cheung proposal completely disconnect the area from Union's transmission and storage assets? Union and Ms. Cheung disagree on this point.¹⁰ If so, what are the consequences?

An oral hearing would allow parties to test the evidence in this proceeding, and to thus provide more complete final submissions to the Board.

All of which is respectfully submitted.

Yours very truly,
JAY SHEPHERD P. C.

Original signed by

Mark Rubenstein

cc: Wayne McNally, SEC (email)
Interested Parties (email)

⁵ Union Reply Evidence, p.21-16

⁶ Ex.D.FRPO.3

⁷ Union Reply Evidence, p.15-18

⁸ See Ex.D.FRPO.5

⁹ See Ex.D.SEC.9

¹⁰ CME/OGVG IR Response to Union 3(b)