

October 14, 2015

RESS, EMAIL & COURIER

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

Attention: Ms. K. Walli, Board Secretary

Dear Ms. Walli:

**Re: Motion for Review and Variance – Pre-approval of the Cost Consequences
of NEXUS Long-term Contract – EB-2015-0277**

We are legal counsel for Union Gas Limited ("Union") in respect of the above noted matter. This is Union's response to the motion brought by Mr. Ron Tolmie requesting that the Board's ruling in Procedural Order No. 2 in EB-2015-0166/EB-2015-0175 (the "Nexus Proceeding") be amended to permit Mr. Tolmie to file evidence in that matter.

The scope of Mr. Tolmie's evidence was clearly stated by him in his September 23, 2015 correspondence with the Board wherein he stated the following:

"I would like to show how the use of exergy stores would be a more economical solution than building the NEXUS pipeline, either for the existing nuclear refurbishment plan or for an alternative plan under which no reactors would be refurbished during this period. Either objective is easier to accomplish with exergy storage than with natural gas, partly because exergy stores provide scalable thermal energy supply without limits and partly because they also boost the capacity of the existing electricity production facilities while simultaneously reducing the peak power demands."

In Procedural Order No. 2, the Board correctly ruled that Mr. Tolmie's evidence is out of scope as it pertains to electricity generation and electrical energy storage. It seems to relate to his proposed technological development (referred to as "exergy")¹ that substitutes for the consumption of energy through conventional sources.

¹ Described in Mr. Tolmie's correspondence with the Board setting out his intent to file evidence and referencing Hydro Ottawa.

http://www.rds.ontarioenergyboard.ca/webdrawer/webdrawer.dll/webdrawer/rec/496005/view/Tolmie_ltr_intent_Evidence_Nexus_20150916.PDF

This Nexus proceeding is not about new technological developments, demand management or electricity generation. It is about the requests for pre-approval of the cost consequences arising from the pipeline capacity contracts entered into with Nexus by Union and Enbridge respectively to replace existing western Canadian sourced natural gas supply with supply from the Marcellus shale basin. The proceeding is not about the conservation of gas or demand management.

In Procedural Order No. 1 to this motion, the Board clearly set out the required grounds for a motion under Rule 42 of its rules. Mr. Tolmie has not raised a question as to the correctness of the Board's ruling. There is no error in fact, no change of circumstance or new facts. There is nothing presented by Mr. Tolmie that brings into question the ruling of the Board.

Furthermore, Union supports the submissions of Enbridge Gas Distribution Inc.

Accordingly, for the reasons set out above, Union submits that Mr. Tolmie's motion should be dismissed.

Union also notes that time is of the essence in the Nexus Proceeding with respect to satisfying the conditions precedent under the Nexus arrangement to show OEB approval of the cost consequences. As such, Union requests that the Board proceed as expeditiously as possible following its determination of Mr. Tolmie's motion to schedule the next procedural steps in the Nexus Proceeding, including a hearing as necessary.

Yours truly,



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cc: Colin Schuch, Board Staff
Mark Kitchen, Union Gas
All Intervenors