



EDWARDSBURGH CARDINAL

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May 2, 2016

Courier, Email and RESS

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

Dear Ms. Walli

RE: Submission of Evidence for OEB Generic Hearing – EB-2016-0004 – Township of Edwardsburgh Cardinal

RE: Response to South Bruce Interrogatories

The Township of Edwardsburgh Cardinal has been acknowledged as an Intervenor in the above matter and hereby submits the attached response to South Bruce interrogatories arising from our initial submission.

Two hard copies to follow by Courier.

Our apologies for not responding to the South Bruce Interrogatory question. We were not aware of it until the letter from BLG dated April 27, 2016.

Yours truly,


Patrick Sayeau, Mayor
Township of Edwardsburgh Cardinal

Cc: Khalil Varaney, Case Manager
Michael Millar, Board Counsel

TOWNSHIP OF EDWARDSBURGH CARDINAL – R14 RESPONSE TO STAFF INTERROGATORIES

Exhibit S14.Edwardsburgh.South Bruce. 1
Edwardsburgh is the responder
South Bruce is the party asking the question.
And 1 is the question number.

3 – Southern Bruce (TEC) – Question 1

Reference: i) Page 3

Preamble: We understand that the Township has an existing franchise agreement with Union Gas, and that Union Gas provides service in parts of the township already. On this basis, we understand the Township's preference is to continue to work with Union Gas to service other parts of the township – this makes good sense.

The South Bruce municipalities do not have an existing franchise with Union Gas, and Union Gas does not provide service in the South Bruce municipalities. Rather, following a competitive RFP process the South Bruce municipalities have entered into a franchise agreements with EPCOR, and the South Bruce municipalities would prefer to work with EPCOR to service the municipalities.

Our apologies for not responding to the South Bruce Interrogatory question.
We were not aware of it until the letter from BLG dated April 27, 2016

**QUESTION 1a. Is the Township is suggesting that other municipalities, such as the South Bruce municipalities, must be forced to deal with Union Gas rather than another company?
If yes, why? If no, why not?**

No. Council did not discuss the preferred dealings of other Municipalities. We discussed our own. The presentation provided was in reference to our own experience.

The Township of Edwardsburgh Cardinal is NOT suggesting that other Municipalities should be forced to deal with Union Gas.

Each duly elected Municipal Council has the authority to make its own decisions, in the interests of their own taxpayers as they perceive them.

QUESTION 1b. If Union Gas refused to complete the desired expansion in the Township territory, would the Township prefer to have no gas service in that area or would the Township consider working with another distributor if they were able to provide service in that area?

Union Gas did NOT refuse to complete any desired expansion in the Township territory and in fact our perception of the situation is that they are quite eager to expand their services to larger areas both within our township and elsewhere.

In our opinion the problem is that the present Regulatory Regime, overseen by the OEB, to calculate the economic viability of an expansion or extension project results in excessive upfront costs to new customers with the result that new customers will not "sign up" for the service.

UNION GAS, in their response to the Boards FEB 2015 invitation for proposals, requested Board Orders which would have had the effect of transferring “cash up front” contributions to a more attractive (for consumers) “pay as you go” pricing model for the proposed projects.

We have discussed with Union Gas how they would deal with a request for service, from a cluster of our residents, in the far north area of our Township (where they have no pipes) , if a competitor in the neighbouring Township was providing geographically closer service just “across the line”.

We have Union Gas verbal assurance that they would deal with such situations on a business to business basis in a manner which would result in service provided by the geographically closer provider.

QUESTION 1c. Does the Township believe that other municipalities, such as the South Bruce municipalities, should be given a fair and equal access to any potential cross subsidies that might be made available to facilitate gas system expansions? If no, why not?

As a basic principle the Council of the Township of Edwardsburgh Cardinal, after specific discussion of this issue, but with no recorded vote, rejected the proposal that existing customers should “cross subsidize” extension or expansion projects whether in our Township or elsewhere. Our evidence before the OEB avoids this issue. However should grants or subsidies of some sort become available as a result of these hearings or any Government Funding Initiative then all municipalities should have fair and equal access to such funding.



Patrick Sayeau, Mayor
Township of Edwardsburgh Cardinal