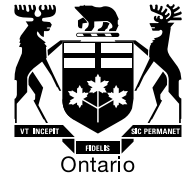


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BY E-MAIL

January 11, 2017

Vanessa Innis
Manager, Regulatory Applications
Union Gas Limited
P.O. Box 2001
50 Keil Drive North
Chatham ON N7M 5M1

Dear Ms. Innis:

**Re: Union Gas Limited
Cap and Trade Compliance Plan
Ontario Energy Board File Number: EB-2016-0296**

On November 15, 2016, Union Gas Limited (Union) filed its Cap and Trade Compliance Plan with the Ontario Energy Board (OEB) (EB-2016-0296). In accordance with the OEB's Report: Regulatory Framework for Assessment of Costs of Natural Gas Utilities' Cap and Trade Activities (EB-2015-0363) ([Cap and Trade Framework](#)), Union has requested that various portions of its Compliance Plan be classified as confidential. Union has made reference to the areas of its application which it deems confidential in Exhibit 1, Pages 10-11 of its Application.

As a general rule, and consistent with the OEB's Rules of Practice and Procedure (Rules) and Practice Direction on Confidential Filings ([Practice Direction](#)), the OEB places materials it receives in the course of the exercise of its authority under the *Ontario Energy Board Act, 1998* and other legislation on the public record so that all interested parties can have equal access to those materials.

The *Climate Change Mitigation and Low-Carbon Economy Act, 2016* (*Climate Change Act*) outlines limitations on the disclosure of certain information. These limitations are reflected in section 4 of the Cap and Trade Framework.¹ The Cap and Trade

¹ *Climate Change Mitigation and Low-carbon Economy Act, 2016*, S.O. 2016, CHAPTER 7 (*Climate Change Act*) and EB-2015-0363 Report of the Board - Regulatory Framework for Assessment of Costs of

Framework indicates that there are three forms of information which may be included within a natural gas utility's Compliance Plan: public information, confidential information and strictly confidential information.

The Cap and Trade Framework provides for two categories of strictly confidential information which arise out of the *Climate Change Act* and Regulations² namely, auction confidential and market sensitive information. Strictly confidential information will be reviewed only by OEB staff and the OEB panel assigned to review and decide the application.³

The Cap and Trade Framework notes that while certain information included in an application may not be strictly confidential it may nevertheless need to be considered confidential on other grounds. For example, it may be strategically or commercially sensitive information.⁴ In those circumstances the OEB requires applicants to file both an un-redacted, confidential version and a non-confidential, redacted version of the document from which information that is the subject of the confidentiality request has been deleted or stricken. The OEB will then determine whether access to such information may be allowed to third parties in accordance with the provisions of the Rules and Practice Direction and may also initiate a process to determine whether the information over which confidentiality is requested is confidential or should be placed on the public record.

Having reviewed both the public and confidential versions of Union's application, the OEB notes that the application does not clearly distinguish between strictly confidential (OEB review only) and confidential information, if any, which may be provided to other hearing participants subject to providing an executed copy of the OEB's Confidentiality Declaration and Undertaking. Furthermore, certain portions of Union's evidence are filed confidentially in their entirety, rather than being redacted. Redaction would allow certain non-confidential information contained within certain documents for which confidentiality is otherwise requested to be placed on the public record in redacted form.

In particular, Union requested that the following exhibits, or parts thereof, be treated as strictly confidential. Subject to any objection by Union and explanations as to why these sections should not be on the public record, the OEB proposes that Union file a redacted version of these exhibits which would allow the areas of evidence identified below to be placed on the public record:

Natural Gas Utilities' Cap and Trade Activities (Cap and Trade Framework)

² Ontario Regulation 144/16, *The Cap and Trade Program (Cap and Trade Regulation)*

³ Cap and Trade Framework, pages 9-13

⁴ Cap and Trade Framework, pages 13-14

Exhibit 3:

- Overview of Compliance Plan
 - o page 1, lines 14 – 18
 - o page 1, lines 20 – 21 (first sentence in paragraph)
 - o page 9, lines 3 – 7 (include first three sentences)
- Compliance Instruments:
 - o page 17, lines 3 – 18
 - o page 18, line 3 (heading)
 - o page 18, line 15 (heading)
 - o page 18, sentence beginning at line 20 and ending at line 21
 - o page 19, sentence beginning at line 1 and ending at line 3
 - o page 19, first sentence beginning at line 5 and second sentence ending at line 7
 - o page 19, first sentence beginning at line 9, second and third sentence ending at line 13
 - o page 20, line 14 (heading)
 - o page 20, lines 3 - 8
 - o page 20, lines 15-19
 - o page 21, first sentence beginning at line 4 and second sentence ending at line 6
 - o page 21, line 11 (heading) and lines 12 – 22 (excluding the final sentence in line 22)
 - o page 22, line 1 (heading) and lines 2-5 and 11-18
 - o page 23, line 1 (heading) and lines 2 – 10
 - o page 29, lines 1 – 2
 - o page 34, lines 6 – 8
 - o page 35, line 17 – 18 (first sentence)
 - o page 40, line 21 (last sentence, continued to page 41)
 - o page 41, lines 1 – 3 (first new sentence on page 41)
 - o page 44, line 1

Exhibit 3, Appendix D (Compliance Instrument Purchasing Strategy)

- o page 3 (Executive Summary)
- o page 6 (Introduction), first two paragraphs
- o page 7, section 1.1

The OEB requires Union to review the application material and the areas of evidence contained in this letter that are proposed to be placed on the public record and to file either updated redacted versions of the documents or to provide any objections and explanations as to why these sections of the evidence should not be on the public

record. The OEB requires Union to **respond accordingly by Wednesday, January 18, 2017.**

This letter and the re-filing of any materials by Union will not preclude any further OEB-initiated process for determining whether confidentiality requests will be granted or whether the information will be required to be placed on the public record.

Yours truly,

Original Signed By

Kristi Sebalj
Registrar
Office of the Registrar