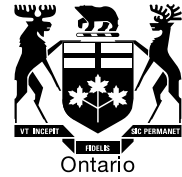


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BY E-MAIL

March 3, 2017

Karen Hockin
Union Gas Limited
Manager, Regulatory Initiatives
50 Keil Drive North
P.O. Box 2001
Chatham ON N7M 5M1
khockin@uniongas.com

Dear Ms. Hockin:

**Re: Union Gas Limited (Union)
OEB File Number EB-2015-0179**

The OEB confirms receipt of your letter dated February 13, 2017 (the February Letter). The February Letter noted that by the end of March 2017, Union intends to file an update to its application to reflect the OEB's findings in the decision¹ on the generic community expansion proceeding. Specifically, Union is updating its community expansion proposals to include updated project details for the Milverton, Chippewas of Kettle and Stony Point First Nation and Lambton Shores, Prince Township and Delaware Nation of Moraviantown projects.

The February Letter also requested that the OEB confirm Union's view that a request of the interest of other parties to serve, and any process arising from that request, is not required in respect of these communities.

The OEB's intention is to follow the decision of the generic community expansion proceeding. This includes allowing other parties to notify the OEB of their interest in serving an area that is the subject of a community expansion application. As outlined in that decision, the OEB expects to refine the mechanisms and features of the framework through the adjudication of the initial community expansion applications. The OEB

¹ EB-2016-0004 Decision with Reasons, Ontario Energy Board Generic Proceeding on Community Expansion

expects to evaluate Union's application based on the process established through the first phase of the EPCOR Southern Bruce proceeding (EB-2016-0137/0138/0139). As outlined in Procedural Order No. 2 of that proceeding, the OEB has determined that there are a number of preliminary threshold issues that would benefit from the submissions of parties. The OEB will therefore first receive submissions on the preliminary threshold issues related to the criteria and the filing requirements for the supply and rate proposals that it expects to require from the two parties interested in serving the Southern Bruce communities, before then hearing these competing proposals. The OEB expects that the framework established in the Southern Bruce proceeding will be utilized for review of Union's community expansion proposals, to the extent that there are other parties interested in serving the areas covered by Union's applications.

If there are no other parties interested in serving the area covered by Union's applications, the OEB will nonetheless be guided by the principles set out in the generic community expansion decision. The generic community expansion decision contemplated that the OEB would be in a better position to consider the merits of an applicant's proposal to serve a new community if it heard the rates application and/or the leave to construct application (if required) prior to granting a municipal franchise agreement and certificate of public convenience and necessity.

Yours truly,

Original signed by

Kirsten Walli
Board Secretary

c: all parties in EB-2015-0179