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**BY E-MAIL**

May 24, 2017

Patrick McMahon  
Manager, Regulatory Research and Records  
Union Gas Limited  
50 Keil Drive North  
Chatham ON N7M 5M1  
[pmcmahon@uniongas.com](mailto:pmcmahon@uniongas.com)

Dear Mr. McMahon:

**Re: Union Gas Limited (Union Gas)  
Certificates of Public Convenience and Necessity  
Ontario Energy Board File Numbers: EB-2017-0106 to EB-2017-0109,  
EB-2017-0111 to EB-2017-0117, EB-2017-0126, EB-2017-0198**

On February 24, 2017 and February 27, 2017, Union Gas filed four<sup>1</sup> and seven<sup>2</sup> applications, respectively with the Ontario Energy Board (OEB) seeking certificates of public convenience and necessity (certificates) to serve certain areas as described in the applications.

The OEB has reviewed the applications and has determined that it will proceed to hear two of Union Gas' certificate applications (EB-2017-0107 and EB-2017-0108) at this time. For the reasons set out below, the OEB will place the remaining nine applications on hold until the completion of the *South Bruce Expansion Proceeding*<sup>3</sup>.

The OEB notes that in nine of the aforementioned eleven applications, Union Gas is asking the OEB to grant a certificate for large areas where Union Gas does not currently provide natural gas distribution service. Although in the generic proceeding on community expansion<sup>4</sup>, the OEB found that certificates are not exclusive, in the on-going *South Bruce Expansion Proceeding* the OEB is considering issues related to the granting of franchises and certificates as part of the natural gas expansion framework<sup>5</sup>.

<sup>1</sup> EB-2017-0106 (Township of Poitras), EB-2017-0107 (City of Cambridge), EB-2017-0108 (Norfolk County, County of Elgin & County of Middlesex) and EB-2017-0109 (nine unincorporated communities).

<sup>2</sup> EB-2017-0111 (Township of Eby), EB-2017-0112 (Township of McKenzie-Portage), EB-2017-0113 (Township of Grenfell), EB-2017-0114 (Kenora District), EB-2017-0115 (Township of Schwenger), EB-2017-0116 (Township of Sapawe) and EB-2017-0117 (Lorrain Valley).

<sup>3</sup> EB-2016-0137, EB-2016-0138 and EB-2016-0139

<sup>4</sup> EB-2016-0004

<sup>5</sup> Notice of Hearing in EB-2016-0137, EB-2016-0138 and EB-2016-0139

The OEB's decision on these matters may affect the OEB's review of the issues in the noted applications. Accordingly, the OEB will place nine<sup>6</sup> of the eleven applications on hold until the completion of the *South Bruce Expansion Proceeding*.

On March 7, 2017 Union Gas filed an application (EB-2017-0126) seeking approval of a franchise agreement with, and a single certificate for, the Town of South Bruce Peninsula. As part of this application, Union is seeking a certificate to serve the former Township of Albemarle, for which it does not currently hold a certificate. For the aforementioned reasons, the OEB will also place this application on hold until the completion of the *South Bruce Expansion Proceeding*.

On May 11, 2017, Union Gas filed an additional application (EB-2017-0198) seeking approval of a franchise agreement with, and a single certificate for the Town of Saugeen Shores. Union Gas is asking for a single certificate which would include a large area in the former Township of Saugeen where Union Gas does not currently provide natural gas distribution service. For the reasons set out above, the OEB will also place this application on hold until the completion of the *South Bruce Expansion Proceeding*.

In the intervening period, the OEB confirms that it will not be pursuing any compliance action in respect of areas where Union Gas currently provides natural gas distribution service where such areas are part of applications filed with the OEB that are currently on hold. The OEB will provide further guidance on whether and how it intends to proceed with the applications currently on hold at the conclusion of the *South Bruce Expansion Proceeding*.

The OEB has determined that it will proceed to hear the certificate applications in EB-2017-0107 and EB-2017-0108.

In EB-2017-0107, Union Gas is requesting that the OEB combine into a single certificate the various certificates that Union Gas currently holds within the City of Cambridge, and include in the combined certificate the former Hamlet/Village of Blair for which Union Gas currently does not have a certificate. Union Gas currently serves the limited area of the former Hamlet/Village of Blair. In EB-2017-0108, Union Gas seeks to eliminate the overlap of certificates held by Union Gas and Natural Resource Gas Limited. The OEB will issue notices in respect of the latter two applications shortly.

Yours truly,

*Original signed by*

Kristi Sebalj  
Registrar

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<sup>6</sup> Applications on hold: EB-2016-0106 (Township of Poitras), EB-2017-0109 (nine unincorporated communities), EB-2017-0111 (Township of Eby), EB-2017-0112 (Township of McKenzie-Portage), EB-2017-0113 (Township of Grenfell), EB-2017-0114 (Kenora District), EB-2017-0115 (Township of Schwenger), EB-2017-0116 (Township of Sapawe) and EB-2017-0117 (Lorrain Valley).