



EB-2017-0091

Union Gas Limited

**Application for disposition and recovery of certain 2016
deferral account balances and approval of earnings
sharing amount with ratepayers**

**PROCEDURAL ORDER NO. 2
June 23, 2017**

Union Gas Limited (Union) filed an application with the Ontario Energy Board (OEB) on April 21, 2017 for approval to dispose of and recover certain 2016 deferral account balances and for consideration of sharing 2016 earnings with ratepayers. In its application, Union indicated that its 2016 actual utility earnings do not exceed the threshold as agreed to in the Settlement Agreement in EB-2013-0202 and therefore there is no sharing of earnings with ratepayers.

A Notice of Hearing was issued on May 9, 2017 and was served and posted as per the direction of the OEB.

The OEB issued Procedural Order No. 1 on June 2, 2017 outlining the process for filing interrogatories, responses to interrogatories and scheduling a settlement conference with the objective of reaching a settlement among the parties on the issues.

In its application, Union requested disposition of 2016 balances related to Ontario's Cap and Trade program costs that are recorded in its Greenhouse Gas Emissions Impact Deferral Account No. 179-152 (GGEIDA). If Union's proposal is approved, the 2016 debit balance of \$2.232 million would be collected from ratepayers.

The OEB finds it appropriate to defer consideration of the final disposition of Union's 2016 GGEIDA account balance. However, the OEB will consider whether the balance should be disposed of on an interim basis in this proceeding. As a result, interim disposition of Account No. 179-152 is added as an issue for the settlement conference and intervenor cost award eligibility. The OEB finds it appropriate to defer final disposition given the other, concurrent applications before the OEB.

The OEB approved the Settlement Agreement in Union's 2015 Deferral Account Balances and Earnings Sharing proceeding (EB-2016-0118) in which Union agreed to provide information in this proceeding related to moving its data centres. In 2015, Union moved its data centres from company-owned facilities in Chatham and at Dawn

to third-party hosted data centres as part of consolidating data centres across the Spectra Energy group of companies.

The OEB notes that Union did not seek any approval for costs related to this project in this application. The evidence, costs and Union's rationale to move the data centres will be reviewed in Union's next rebasing proceeding for inclusion in Union's rate base. Given that the OEB will not issue a decision related to the data centres in this proceeding, the OEB finds that the information filed by Union in its application is sufficient at this time. To avoid duplication of effort with the next rebasing application, Union is not required to respond to interrogatories related to moving the data centres (Exhibit A, Tab 6) and the moving of the data centres will not be an issue for the settlement conference or cost award eligibility.

In summary, the OEB finds that Union is not required to respond to the following interrogatories:

- Association of Power Producers of Ontario interrogatories 3 and 4
- Building Owners and Managers Association of Toronto interrogatories 19, 20, 29, 30, 31, 32, 33, 34 and 35
- Consumers Council of Canada interrogatory 3
- Energy Probe Research Foundation interrogatory 7
- Ontario Greenhouse Vegetable Growers interrogatory 2
- School Energy Coalition interrogatory 6
- Vulnerable Energy Consumers Coalition interrogatory 10

Any matters related to the data centres and the GGEIDA account (other than whether interim disposition of the GGEIDA account is appropriate) are excluded from settlement. All other matters decided by the OEB in Procedural Order No. 1 remain unchanged.

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DATED at Toronto, June 23, 2017
ONTARIO ENERGY BOARD

Original signed by

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Board Secretary