

Toronto

September 28, 2017

Montréal

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Our Matter Number: 1144688

Calgary

**Sent By Electronic Mail, Courier and RESS Electronic Filing**

Ottawa

Ms. Kirsten Walli  
Board Secretary  
Ontario Energy Board  
27-2300 Yonge Street  
Toronto, ON M4P 1E4

Vancouver

New York

Dear Ms. Walli:

**re: EB-2016-0351 – Application by Natural Resource Gas Limited (“NRG”) to sell natural gas distribution system to EPCOR Natural Gas Limited Partnership (“EPCOR”)**

**re: EB-2016-0330; EB-2017-0215; EB-2017-0293; and EB-2017-0232**

On August 3, 2017, the Ontario Energy Board (the “**Board**”) granted NRG leave to sell its natural gas distribution system to EPCOR, and granted NRG leave to transfer its regulatory approvals as set out in the Board’s Decision and Order of August 3, 2017 (the “**MAAD Order**”). It has come to NRG’s attention that a number of Orders of the Board have been issued after the MAAD Order (i.e., after August 3, 2017) that appear not to be clearly contemplated in the MAAD Order, as set out in more detail below.

In light of the Board’s approval of the sale of NRG’s natural gas distribution system to EPCOR (the “**Transaction**”), NRG respectfully requests that the Board vary the MAAD Order – to contemplate all Orders issued by the Board prior to the closing of the Transaction between NRG and EPCOR – pursuant to the Board’s own authority under Rule 41.01 of the Board’s *Rules of Practice and Procedure* in order to provide the clarity and certainty in the MAAD Order necessary for NRG and EPCOR to complete the Transaction.

Additionally, it has come to NRG’s attention that NRG’s franchise renewal application for Oxford County (EB-2017-0232), along with a number of other franchise applications, has been placed on hold by the Board. Although the Board granted NRG leave in the MAAD Order to transfer any order issued in proceeding EB-2017-0232 to EPCOR, NRG is concerned that because no such order has been issued there will be no order to transfer to EPCOR prior to the closing of the Transaction, and NRG’s franchise renewal application will be stranded. Consequently, NRG also respectfully requests that the Board vary the MAAD Order to clarify that carriage of the application may be transferred to EPCOR prior to the closing of the Transaction.

As discussed above, a number of Orders have been issued by the Board after the MAAD Order was issued, namely:

- NRG's Cap-and-Trade Compliance Plan Order (EB-2016-0330), issued September 21, 2017. The MAAD Order refers only to the "interim order" approving NRG's proposed rates.
- NRG's Quarterly Rate Adjustment Mechanism ("QRAM") Order commencing October 1, 2017 (EB-2017-0293), issued September 21, 2017. The MAAD Order refers to the previous QRAM Order (EB-2017-0221) for the period July 1 to September 30, 2017, which has been superseded by this QRAM Order.
- NRG's Purchased Gas Transportation Variance Account ("PGVTA") Order (EB-2017-0215), issued September 21, 2017. The MAAD Order does not refer to the PGVTA Order.

For the Board's convenience, we have enclosed some suggested modifications to the text of the MAAD Order that we believe would address all of the minor issues raised above. NRG submits that such modifications are entirely consistent with the Board's decision and reasons in the MAAD Order.

We would greatly appreciate the Board's urgent attention to this matter, so that NRG and EPCOR can close the Transaction in short order.

Should you have any questions or require any additional information, please do not hesitate to contact me.

Yours very truly,



Patrick G. Welsh

PW:

Enclosure

c: Richard King, *Osler, Hoskin & Harcourt LLP*  
Laurie O'Meara/Brian Lippold, *Natural Resource Gas Limited*  
Richard Lanni, *Ontario Energy Board*  
James Sidlofsky, *Ontario Energy Board*

**6 ORDER****THE BOARD ORDERS THAT:**

1. Natural Resource Gas Limited is granted leave to sell its natural gas distribution system to EPCOR Natural Gas Limited Partnership.
2. Natural Resource Gas Limited shall promptly notify the OEB of the completion of the transaction referred to in paragraph 1 above.
3. The leave granted in paragraph 1 above shall expire 18 months from the date of this Decision and Order.
4. Natural Resource Gas Ltd. is granted leave to transfer to EPCOR Natural Gas Limited Partnership the certificates of public convenience and necessity, rate orders and other orders issued by the OEB, and the authority granted thereunder, in the following proceedings, and any other orders issued by the OEB prior to the completion of the transaction referred to in paragraph 1 above:

## Certificates of Public Convenience and Necessity:

- E.B.C.111 and 119, dated May 5, 1982
- E.B.C. 239, dated October 16, 1995
- E.B.C. 212, dated February 9, 1996
- E.B.C. 242, dated September 6, 1996

## Rate Orders:

- Decision and Order EB-2015-0115 (2016 IRM rate adjustment, which established NRG's current distribution rates, made interim via Procedural Order No. 1 in EB-2016-0236 dated September 28, 2016)
- Decision and Order EB-2017-0221 (order approving quarterly rate adjustment for the period July 1 to September 30, 2017, which reflects NRG's current commodity rates)
- Decision and Order EB-2016-0330 (~~interim~~ order approving NRG's proposed rates to recover the cost consequences of its Cap and Trade Compliance Plan effective January 1, 2017).

## Orders related to Franchise Agreements:

- EB-2012-0072 (Town of Aylmer)
- EB-2012-0447 (Municipality of Bayham)
- EB-2012-0446 / EB-2014-0186 (Municipality of Central Elgin)
- EB-2015-0205 (Township of Malahide)
- EB-2012-0475 (Township of South-West Oxford)
- EB-2012-0444 / EB-2014-0153 (Municipality of Thames Centre)

- EB-2012-0445 / EB-2014-0188 (City of London)
- EB-2012-0476 / EB-2014-0207 (County of Norfolk)
- EB-2015-0307 (Elgin County)
- EB-2016-0145 (Middlesex County)

5. Natural Resource Gas Ltd. is granted leave to transfer to EPCOR Natural Gas Limited Partnership, [carriage of the application that is the subject of the proceeding EB-2017-0232](#) and such order, and the authority granted thereunder, as may be issued by the OEB in proceeding EB-2017-0232.

6. The Vulnerable Energy Consumers Coalition shall file with the OEB and forward to Natural Resource Gas Limited its cost claim no later than 7 days from the date of issuance of this Decision and Order.

7. Natural Resource Gas Limited shall file with the OEB and forward to VECC any objections to the Vulnerable Energy Consumers Coalition's claimed costs within 17 days from the date of issuance of this Decision and Order.

8. The Vulnerable Energy Consumers Coalition shall file with the OEB and forward to Natural Resource Gas Limited any response to any objection to its cost claim within 24 days from the date of issuance of this Decision and Order.

9. Natural Resource Gas Limited shall pay the OEB's costs of and incidental to, this proceeding immediately upon receipt of the OEB's invoice.

**DATED** at Toronto August 3, 2017

**ONTARIO ENERGY BOARD**

*Original Signed By*

Kirstin Walli  
Board Secretary