

ONTARIO ENERGY BOARD

IN THE MATTER OF the Ontario Energy Board Act, 1998, S.O.
1998, c.15 (Sched. B);

AND IN THE MATTER OF an Application by Union Gas Limited,
pursuant to section 36(1) of the *Ontario Energy Board Act, 1998*, for
an order or orders approving or fixing just and reasonable rates and
other charges for the sale, distribution, transmission and storage of gas
as of July 1, 2007;

AND IN THE MATTER OF the Quarterly Rate Adjustment
Mechanism approved by the Ontario Energy Board in RP-2003-0063.

DRAFT

NOTICE OF WRITTEN HEARING AND PROCEDURAL ORDER NO. 1

Union Gas Limited (“Union”) filed an application (the “Application”) dated May 28, 2007, with the Ontario Energy Board (the “Board”) for an order or orders approving or fixing just and reasonable rates and other charges for the sale, distribution, transmission and storage of gas. The Application was made pursuant to Union’s approved Quarterly Rate Adjustment Mechanism (“QRAM”). Union’s Application has been given Board File No. EB-2007-0634. Union seeks the following orders, effective July 1, 2007:

- (a) an order establishing the reference prices specified in the table below:

	Current (Approved in EB-2007-0053)	Proposed (Effective July 1, 2007)
Alberta Border Reference Price ¹	8.288 \$/GJ	8.379 \$/GJ
	31.0303 cents/m ³	31.3710 cents/m ³
Ontario Landed Reference Price ²	9.711 \$/GJ	9.833 \$/GJ
	36.3580 cents/m ³	36.8148 cents/m ³
South Portfolio Cost Differential (“SPCD”) ³	0.021 \$/GJ	0.073 \$/GJ
	0.0786 cents/m ³	0.2733 cents/m ³

Notes:

- ¹ *The Alberta Border Reference Price represents the North Purchase Gas Variance Account ("NPGVA") (Deferral Account No. 179-105) reference price and the TCPL Tolls and Fuel – Northern and Eastern Operations Area deferral account (Deferral Account No. 179-100) reference price with respect to fuel gas.*
- ² *The Ontario Landed Reference Price represents the South Purchase Gas Variance Account ("SPGVA") (Deferral Account No. 179-106) and Spot Gas Variance Account (Deferral Account No. 179-107) reference price .*
- ³ *The SPCD is used as the benchmark to reduce the debits/credits that would otherwise accumulate in the SPGVA if there was no adjustment to the South Transportation Rate.*

- (b) an order to reflect the inventory revaluation credit resulting from changes in gas costs as of July 1, 2007;
- (c) an order reflecting the prospective recovery of the projected balance for the twelve-month period ending June 30, 2008 recorded in the gas-supply deferral accounts; and
- (d) such further orders as the Board may deem necessary.

Union has provided written evidence in support of the proposed changes contained in the Application. The Application and prefiled evidence were sent by Union to all Intervenor of record in the EB-2005-0520 proceeding.

Written Hearing

The Board intends to proceed in this matter by way of a written hearing. The will consider reasons provided by any party as to why it should proceed by way of an oral hearing.

Cost Awards

Given the mechanistic nature of this matter, the Board does not anticipate awarding costs. Parties that meet the Board's eligibility criteria contained in the Practice Direction on Cost Awards may submit costs with supporting rationale as to how their participation contributed to the Board's ability to decide on this matter.

THE BOARD THEREFORE ORDERS THAT:

1. Any party that objects to proceeding by way of a written hearing may make written comments to the Board for its consideration no later than 4:30 p.m., Monday, June 4, 2007. If any such objections are received by the Board, the Board may amend the deadlines below.
2. Parties to this proceeding wishing to make comments on the Application may do so by filing such submissions with the Board Secretary (6 hard copies plus an electronic copy by e-mail) and serving a copy on all parties who make submissions no later than 4:30 p.m., Wednesday, June 6, 2007.

3. Union shall reply to any comments received by filing such replies with the board Secretary (6 hard copies plus an electronic copy by e-mail) and serving a copy on all parties who make submissions no later than 4:30 p.m., Friday, June 8, 2007.
4. All parties must also provide the Case Manager, _____
_____@oeb.gov.on.ca with an electronic copy of all comments and correspondence related to this case.

IMPORTANT: If you do not file any comments in response to this notice, the Board may proceed without your participation and you will not be entitled to any further notice of these proceedings.

ISSUED at Toronto, May XX, 2007.

ONTARIO ENERGY BOARD

Peter H. O'Dell
Assistant Board Secretary