

March 2, 2018

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

Dear Ms. Walli:

Re: Overlapping Certificates of Public Convenience and Necessity
Board File Number: EB-2017-0108

Pursuant to Procedural Order No. 4 dated February 5, 2018, attached are Union's responses to the latest interrogatories for the above proceeding.

Should you have any questions, please do not hesitate to contact me.

Yours truly,

[Original signed by]

Patrick McMahon
Manager, Regulatory Research and Records
pmcmahon@uniongas.com
(519) 436-5325

Encl.

c.c. (email only):	Azalyn Manzano, Ontario Energy Board Ritch Murray, Ontario Energy Board Richard Lanni, Ontario Energy Board Bruce Brandell, EPCOR Utilities Inc. Britt Tan, EPCOR Utilities Inc. Patrick Welsh, Osler Hoskin & Harcourt LLP (EPCOR) Scott Lewis, OM Limited Partnership Myriam Seers, Torys
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UNION GAS LIMITED

Answer to Interrogatory from
Board Staff

Reference: Updated Evidence, Exhibit A, Tab 1, p. 4, Schedule C

Preamble:

Union Gas identified area (a) in Schedule C as Lot 1 in Concessions 9, 10, 11 and 12 where Union Gas and EPCOR's certificates of public convenience and necessity (CPCNs) overlap. Union proposes that its CPCN for Norfolk County should cover the overlap area and that this area should be removed from EPCOR's CPCN. Union Gas also identified uncertificated areas (b) and (c) in the north half of Lots 2, 3, 4, and 5 in Concession 7 and all of Lots 2, 3, 4 and 5 in Concession 8. Union Gas states that it has facilities within the north half of Lots 2, 3 and 5 in Concession 7 and all of Lots 4 and 5 in Concession 8. Union Gas also proposes to include the currently uncertificated areas (b) and (c) in Union Gas' CPCN, except for the area being requested by OMLP (identified as area (d)).

Questions:

- a) Please explain whether or not Union Gas' expects further growth of its distribution system in this area of Norfolk County over the next five years and how this might impact the limited CPCN that Union Gas is requesting.
- b) Please provide a customer density map overlay on top of the Norfolk County map in Schedule C.

Response:

- a) Union does not anticipate significant growth within Norfolk County over the next 5 years. There is no impact on the CPCN that Union is requesting for Norfolk County as part of this application.
- b) Please see Attachment 1.

Exhibit B.Staff.1 – Attachment 1

(map too large to attach to PDF – see Volume 2)

UNION GAS LIMITED

Answer to Interrogatory from
Board Staff

Reference: Updated Evidence, Exhibit A, Tab 1, p. 4

Preamble:

Union Gas' position is that franchise agreements and CPCNs approved for the upper-tier of a two-tier municipality apply only with respect to the areas over which the upper-tier of the municipality has jurisdiction.

Question:

Please provide references to legislation or legal / tribunal decisions supporting this position.

Response:

Union is not aware of any legislation or legal / tribunal decisions holding that a CPCN for the upper-tier of a two-tier municipality applies only with respect to the areas over which the upper-tier municipality has jurisdiction. However, Union's view is that there should be alignment between CPCNs for upper-tier municipalities and the franchise agreements for those same municipalities which apply only with respect to areas over which the upper-tier municipality has jurisdiction.

The 2000 Model Franchise Agreement adopted by the OEB in RP-1999-0048 contains different clauses with respect to the provision of gas service to upper-tier and lower-tier municipalities. Regulated utilities were directed to choose the appropriate clause for the specific circumstances.

For lower-tier municipalities, the Model Franchise Agreement states:

"2. To provide gas service

The consent of the Corporation is hereby given and granted to the Gas Company to distribute, store and transmit gas in and through the Municipality to the Corporation and to the inhabitants of the Municipality."

For upper-tier municipalities, the Model Franchise Agreement states:

"2. To provide gas service

The consent of the Corporation is hereby given and granted to the Gas Company to distribute, store and transmit gas in and through the Corporation and to the inhabitants of those local or lower tier municipalities within the Municipality from which the Gas Company has a valid franchise agreement for that purpose."

Given the OEB's direction that distinct provision of service clauses are to be included within franchise agreements for each type of municipality, Union believes that franchise agreements approved for the upper-tier of a two-tier municipality only apply to the areas over which the upper-tier of the municipality has jurisdiction.

Union's franchise agreements with the County of Elgin (EB-2009-0066) and the County of Middlesex (EB-2008-0308) both contain the provision of service clause applicable to upper-tier municipalities.

EPCOR's franchise agreements with the County of Elgin (EB-2015-0307) and the County of Middlesex (EB-2016-0145) both contain the provision of service clause applicable to lower-tier municipalities rather than the clause applicable to upper-tier municipalities.

With respect to Certificates of Public Convenience and Necessity, Union held discussions with OEB Staff in 2002 regarding a proposed process to expand CPCN rights in newly amalgamated municipalities. As part of these discussions, it was agreed that older CPCNs that were issued for groups of municipalities (e.g., FBC 259) would be eliminated as applications were submitted for approval of CPCNs for amalgamated municipalities. Over time, the intent was to establish a more current set of individual CPCNs corresponding to individual franchise agreements to replace these group CPCNs.

Union responded to an IR in the RP-2002-0117 / EB-2002-0327 proceeding (Ashfield-Colborne-Wawanosh CPCN) that stated:

"Based on previous discussions with Board staff, Union understands that the Board's preference is to match franchise agreements to amalgamated municipalities and Certificates of Public Necessity and Convenience to franchise agreements."

The OEB approved the amalgamated CPCN for Ashfield-Colborne-Wawanosh. As a result, Union has continued to apply for CPCNs that match up with franchise agreements for upper-tier and lower-tier municipalities and, therefore, apply to the same jurisdictions over which the franchise agreements apply.

UNION GAS LIMITED

Answer to Interrogatory from
Board Staff

Reference: Updated Evidence, Exhibit A, Tab 1, pp. 9-10

Preamble:

Union Gas states that it provides service to two EPCOR residential customers and two other locations in the Township of Malahide. Union Gas proposes that these locations be addressed through the issuance of a CPCN to Union Gas for the Township of Malahide, limited to Lot 24 in Concession 11.

Question:

Please explain whether or not Union Gas expects any further growth of its distribution system in the Township of Malahide over the next five years and how this might impact the limited CPCN that Union Gas is requesting.

Response:

To clarify, Union's updated evidence states that it is serving: (1) two residential customers in the Township of Malahide which are billed by EPCOR and are the subject of arrangements pursuant to EPCOR's distribution contract with Union; and (2) two additional locations within the Township of Malahide that are located on the other side of the street from Union's existing lower-tier CPCN boundary for the Municipality of Central Elgin.

Union does not anticipate significant growth within the Township of Malahide or in the area of Lot 24 in Concession 11.

UNION GAS LIMITED

Answer to Interrogatory from
Board Staff

Reference: Updated Evidence, Exhibit A, Tab 1, pp. 10-11, Schedule J

Preamble:

Part of the area included within Union Gas's proposed certificate boundaries for Central Elgin includes Lots 19 to 22, in Concession 10. This area was not included with the other uncertificated areas identified in Union Gas' CPCN for Central Elgin (EB-2007-0810).

Questions:

- a) Please confirm if Union Gas intends to include this area in its CPCN, and if so:
- i) Please provide the rationale for including this area within Union Gas' CPCN.
 - ii) Please provide a draft CPCN amending Union Gas' existing CPCN for Central Elgin to include this area.

Response:

(a)(i) Union confirms that Lots 19 to 22 in Concession 10 will be included within Union's proposed certificate boundaries for Central Elgin because they are already included.

Union's CPCN for Central Elgin (EB-2007-0810) currently includes Lots 19 to 22 in Concession 10 since these lots have not been excluded from Union's CPCN rights. The only areas of Central Elgin excluded from Union's existing CPCN rights are the former Village of Belmont (per EBC 111/119), those areas identified in EBC 242 (the former Township of Yarmouth) as being EPCOR's CPCN areas, and excluded areas specifically identified in Union's CPCN EB-2007-0810.

(a)(ii) As noted above, the existing CPCN for Central Elgin (see Attachment 1) already includes this area.

EB-2007-0810

Certificate of Public Convenience and Necessity

The Ontario Energy Board hereby grants

Union Gas Limited

approval under section 8 of the *Municipal Franchises Act*, R.S.O. 1990, c. M.55, as amended, to construct works to supply gas to the

Municipality of Central Elgin

excluding those areas covered by the Certificates currently held by Natural Resource Gas Limited (E.B.C. 242, E.B.C. 111 and E.B.C. 119) as well as the following sections of the Municipality of Central Elgin that are not covered by any existing Certificate:

- Concession I - Lots 23 to 28 (inclusive)
- Concession II - Southern Part of Lots 23 to 25
- Concession II - Lots 26, 27 and 28
- Concession III - Lot 26
- Concession III - Part of Lots 27 and 28 south of Catfish Creek
- Concession IV - Part of Lots 26 and 27 south of Catfish Creek
- Range I south of Edgeware Road - Lots 20, 21 and 22
- Range I north of Edgeware Road - Lots 20, 21 and 22
- Range II north of Edgeware Road - Lots 20, 21 and 22
- Concession XIV - Lots 13, 14, 15 and 16
- Concession XV - Lots 14, 15 and 16

This certificate replaces the certificates and portions of certificates currently held by Union Gas Limited that are associated with the former entities that are now within the Municipality of Central Elgin.

DATED at Toronto, January 14, 2008

ONTARIO ENERGY BOARD

Original signed by

Neil McKay
Manager, Facilities Applications

UNION GAS LIMITED

Answer to Interrogatory from
Board Staff

Reference: Updated Evidence, Exhibit A, Tab 1, p. 10, Schedules G(2) and J

Preamble:

Union Gas states that EPCOR holds a CPCN giving EPCOR the right to service an area in Central Elgin previously known as the Village of Belmont.

Questions:

- a) Please provide a map of the former Village of Belmont, marked with boundaries, and lot and concession numbers.
- b) Please confirm if Union Gas' proposed boundaries in that area of Central Elgin coincide with the boundaries of the former Village of Belmont, and provide a rationale if they do not.
- c) Please provide a customer density map overlay on top of each of Schedules G(2) and J, including a separate map for inset A.
- d) Please provide a draft CPCN for Union Gas for Central Elgin which indicates (and excludes) the lot and concession numbers for the areas which Union Gas proposes to include in EPCOR's CPCN for Central Elgin.

Response:

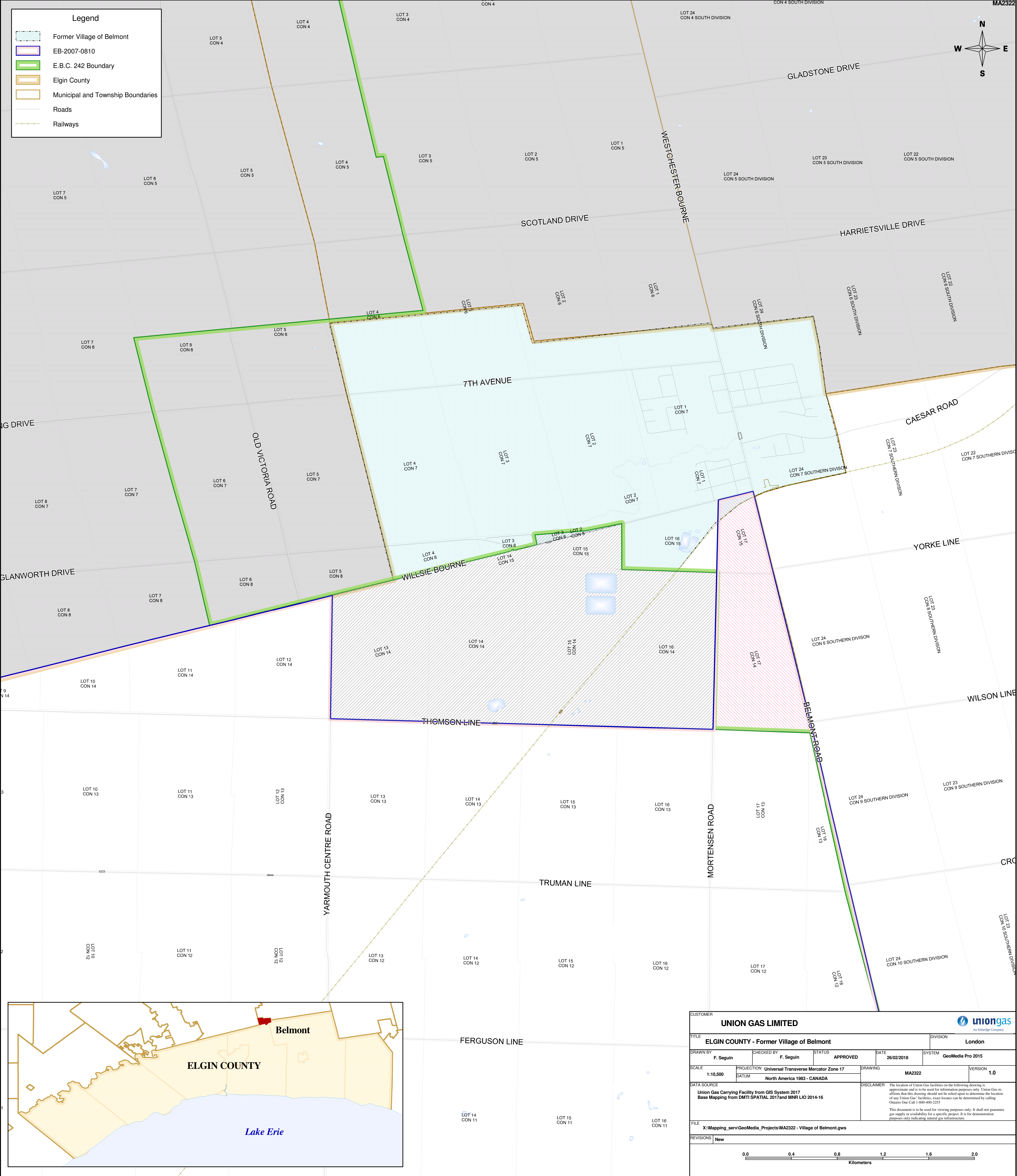
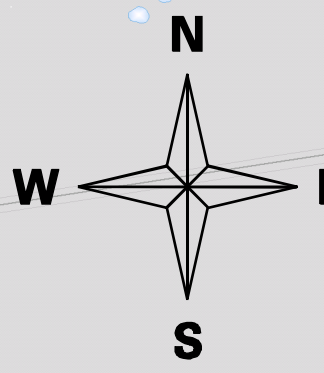
- a) Please see Attachment 1.
- b) Confirmed. The Municipality of Central Elgin was formed in 1998 through the amalgamation of the former Township of Yarmouth, the former Village of Belmont and the former Village of Port Stanley. Union's proposed CPCN boundaries for the County of Elgin are based upon boundaries associated with lower-tier CPCNs including the Municipality of Central Elgin which includes the former Village of Belmont.

As was stated in Union's updated application, the OEB should ensure that all areas within the County of Elgin are covered by lower and upper-tier CPCNs.

- c) Please see Attachments 2 and 3.
- d) Please see Attachment 4.

Legend

Former Village of Belmont

EB-2007-0810

CUSTOMER								
UNION GAS LIMITED								
TITLE						DIVISION		
ELGIN COUNTY - Former Village of Belmont						London		
DRAWN BY		CHECKED BY		STATUS		DATE		
F. Seguin		F. Seguin		APPROVED		26/02/2018		
SYSTEM						GeoMedia Pro 2015		
SCALE		PROJECTION			DRAWING		VERSION	
1:10,500		Universal Transverse Mercator Zone 17			MA2322		1.0	
		DATUM						
		North America 1983 - CANADA						
DATA SOURCE				DISCLAIMER				
Union Gas Carrying Facility from GIS System 2017 Base Mapping from DMTI SPATIAL 2017 and MNR LIO 2014-16				The location of Union Gas facilities on the following drawing is approximate and is to be used for information purposes only. Union Gas re-affirms that this drawing should not be relied upon to determine the location of any Union Gas' facilities, exact locates can be determined by calling Ontario One Call 1-800-400-2255				
				This document is to be used for viewing purposes only. It shall not guarantee gas supply or availability for a specific project. It is for demonstration purposes only indicating natural gas infrastructure.				
FILE								
X:\Mapping_serv\GeoMedia_Projects\MA2322 - Village of Belmont.gws								
REVISIONS		New						
0.0 0.4 0.8 1.2 1.6 2.0 Kilometers								

Exhibit B.Staff.5 – Attachment 2

(map too large to attach to PDF – see Volume 3)

Exhibit B.Staff.5 – Attachment 3

(map too large to attach to PDF – see Volume 4)

EB-2018-_____

Certificate of Public Convenience and Necessity

The Ontario Energy Board hereby grants

Union Gas Limited

approval under section 8 of the *Municipal Franchises Act*, R.S.O. 1990, c. M.55, as amended, to construct works to supply gas to the

Municipality of Central Elgin

excluding the following areas within the municipality covered by the Certificates currently held by EPCOR Natural Gas Limited Partnership (E.B.C. 242 and E.B.C. 111 / 119):

Former Township of Yarmouth

- (i) All those parts of Lots 27 and 28 in Concession 3 lying north-east of Catfish Creek which runs in a northwesterly direction through such lots.
- (ii) All those parts of Lots 25, 26, 27 and 28 Concession 4 lying east of Catfish Creek which runs in a general northerly direction through such lots.
- (iii) All those parts of Lots 24, 25, 26, 27 and 28 Concession 5 lying east of Catfish Creek which runs in a general northerly direction through such lots.
- (iv) All those parts of Lots 25, 26, 27 and 28 Concession 6 lying east of Catfish Creek which runs in a general northerly direction through such lots.
- (v) All those parts of Lots 24, 25, 26, 27 and 28 Concession 7 lying east of Catfish Creek which runs in a general northerly direction through such lots.
- (vi) All those parts of Lots 69, 70, 71, 72 and 73 Concession 8 lying east of the east branch of Catfish Creek which runs in a general northeasterly direction through such lots.
- (vii) All of Lots 27 and 28 Concession 9.
- (viii) All of Lots 23 and 24 in Range I South of Edgeware Road, in Range I North of Edgeware Road, in Range II North of Edgeware Road and in Concession 10.
- (ix) All of Lot 17 in Concessions 14 and 15.

Former Village of Belmont

(i) Lots 1, 2, 3 and 4 in Concession 7

(ii) Lot 24 in Concession 6, South Division.

(iii) Lot 24 in Concession 7, South Division.

(iv) Lots 3 and 4 in Concession 8.

(v) Lot 16 in Concession 15.

(vi) South halves of Lots 3 and 4 in Concession 6.

This certificate supercedes Certificate of Public Convenience and Necessity EB-2007-0810 related to the Municipality of Central Elgin.

DATED at Toronto, _____

ONTARIO ENERGY BOARD

Original Signed By

Kirsten Walli
Board Secretary

UNION GAS LIMITED

Answer to Interrogatory from
Board Staff

Reference: Updated Evidence, Exhibit A, Tab 1, p. 13, Schedule N

Preamble:

Union Gas states that EPCOR holds a CPCN giving EPCOR the right to service an area in Middlesex County, particularly in the southeastern portion around Thames Centre, previously known as North Dorchester.

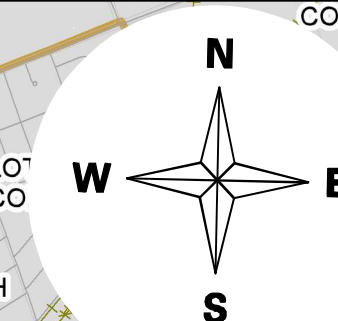
Questions:

- a) Please provide a map of the former Township of North Dorchester marked with boundaries, and lot and concession numbers.
 - b) Please confirm if Union Gas' proposed boundaries in that area of Middlesex County coincide with the boundaries of the former Township of North Dorchester, and provide a rationale if they do not.
 - c) Please provide an inset of the southeastern portion of the County of Middlesex where Union Gas has proposed boundary lines, marked with current municipal boundaries, lot and concession numbers, and with a customer density map overlay.
 - d) Although EPCOR's CPCN for North Dorchester (E.B.C 111 and 119) includes:
 - The south halves of Lots B, 1, 2, 3, 4 and 5, in Concession 6
 - The whole of Lot A in each of Concessions 2, 3, 4, 5 and 6
 - That part of Lot A, in Concession 1 lying south of Highway 401,Union Gas' proposed certificate area for EPCOR excludes these areas. Please provide the rationale for excluding these areas.
 - e) Union's proposed certificate area for EPCOR includes the west half of Nilestown; and an area south of Highway 401 bounded on the east by Westchester Bourne, all the way to just west of Belmont and north of Willsie Bourne. Please identify the former municipality / municipalities which make up this area, and which CPCNs provide authorization for which utility / utilities provides service in this area.
 - f) Please provide draft CPCNs for Union Gas for the relevant current lower-/single-tier municipalities in this area, indicating (and excluding) the lot and concession numbers for the areas which Union Gas proposes to include in EPCOR's certificate for the same municipalities.
-

Response:

- a) Please see Attachment 1.
- b) Confirmed. Union's proposed CPCN boundaries for the County of Middlesex are based upon boundaries associated with lower-tier CPCNs which includes all of the Municipality of Thames Centre which in turn includes the former Township of North Dorchester.
- c) Please see Attachment 2.
- d) Union's proposed CPCN for EPCOR for the County of Middlesex (Schedule P) is limited to the southeastern portion of the County of Middlesex within which EPCOR holds lower-tier Certificates of Public Convenience and Necessity. EPCOR's current CPCN for Thames Centre (which includes North Dorchester) is captured within the proposed CPCN.
- e) Union's proposed CPCN for EPCOR for the County of Middlesex (Schedule P) is limited to the southeastern portion of the County of Middlesex within which EPCOR holds lower-tier Certificates of Public Convenience and Necessity. The area described in the question is included within the former Township of North Dorchester. EPCOR's current CPCN for Thames Centre (EBC 111/119 which includes North Dorchester) includes the areas described in the question but identified as follows:
- the whole of Lot 24 in Concession A (an area south of Highway 29 and east of Nilestown)
 - the north half of Lot 24 in Concession B (an area south of Highway 29 and east of Highway 74)
 - the east side of Highway 74 to a depth of 200 feet from the said Highway from the dividing line between the north and south halves of Lot 24, in Concession B to Highway 401 lying in Lot 24, in Concession 1
 - those parts of Lots 21, 22, 23 and 24, in Concession 1 lying south of Highway 401
 - the whole of Lots 21, 22, 23 and 24 in each of Concessions 2, 3, 4, 5 and 6
 - the west half of the southerly quarter of Lot 20 in Concession 5
 - the whole of Lot 20, in Concession 6, save and except the northeasterly quarter thereof
- f) The former Township of North Dorchester is now part of the Municipality of Thames Centre. Union's CPCN for Thames Centre (EB-2009-0034) already excludes those areas covered by EPCOR's CPCN EBC 111 / 119 so there is no requirement to change Union's existing

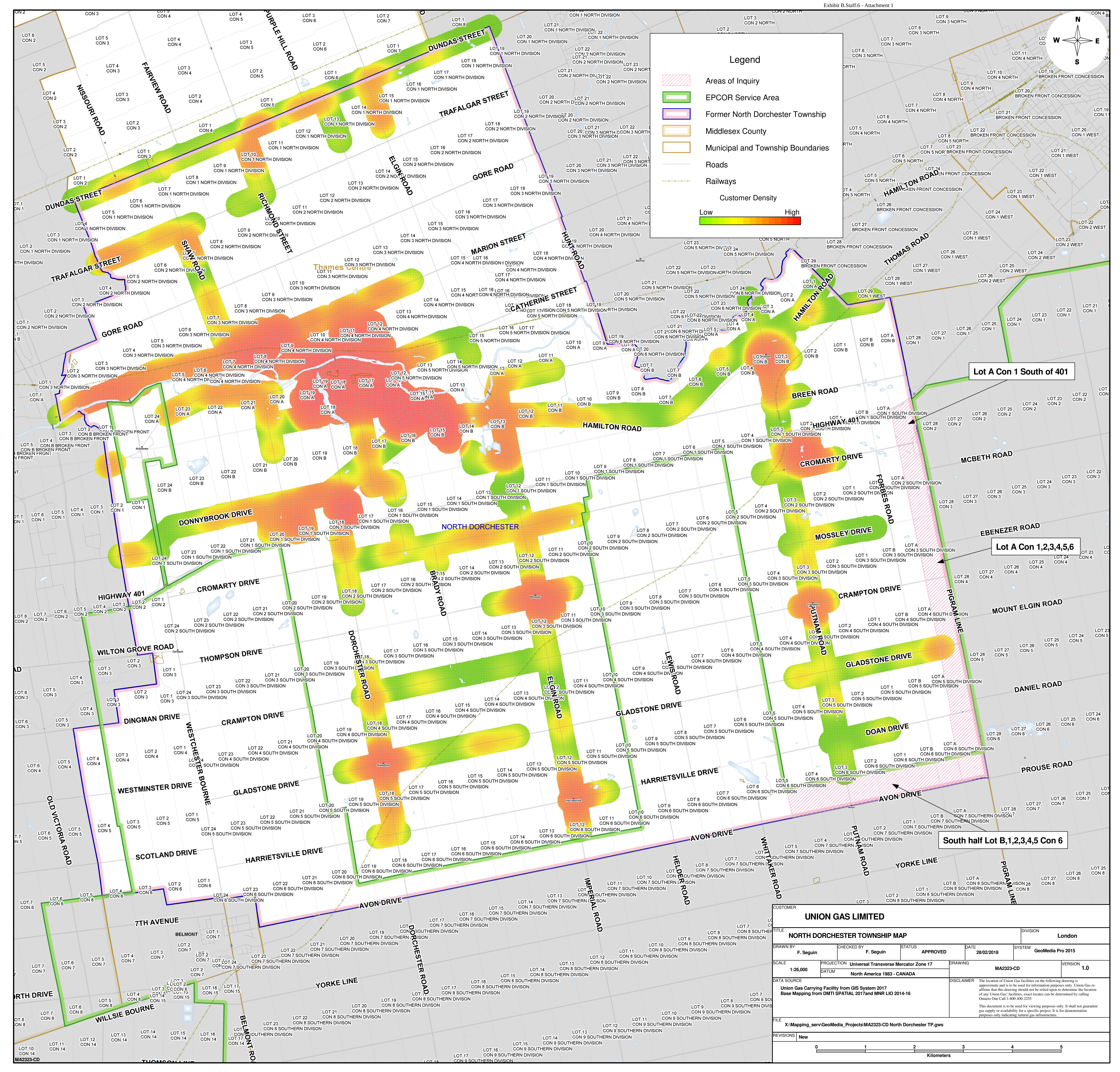
CPCN (other than to identify EPCOR instead of Natural Research Gas). Please see Attachment 3 for how Union's existing CPCN for Thames Centre could be updated to account for the name change from Natural Resource Gas to EPCOR and to specifically identify those areas within Thames Centre to which EPCOR currently holds Certificate rights.



Legend

- Areas of Inquiry
- EPCOR Service Area
- Former North Dorchester Township
- Middlesex County
- Municipal and Township Boundaries
- Roads
- Railways
- Customer Density

Low High

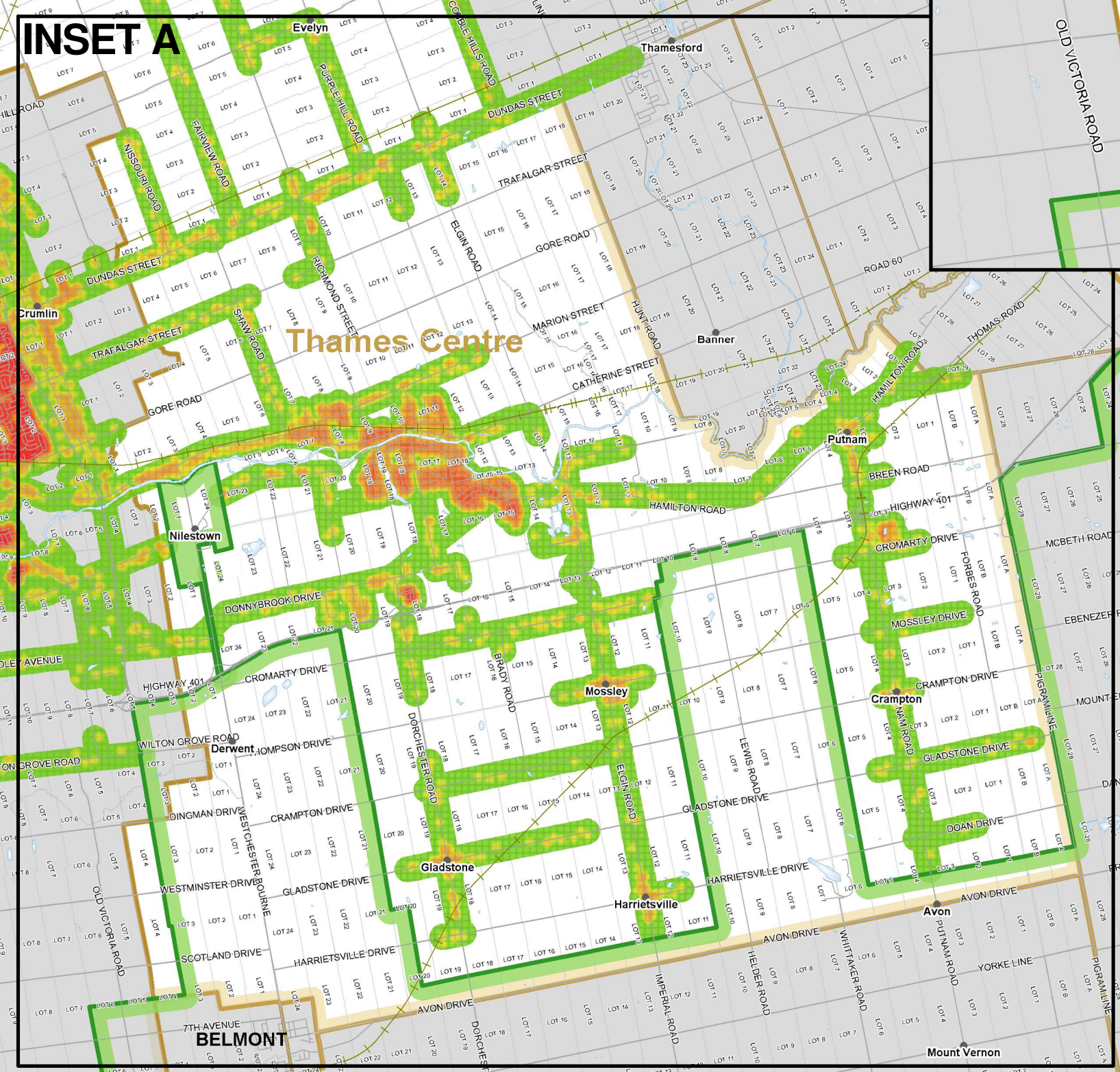
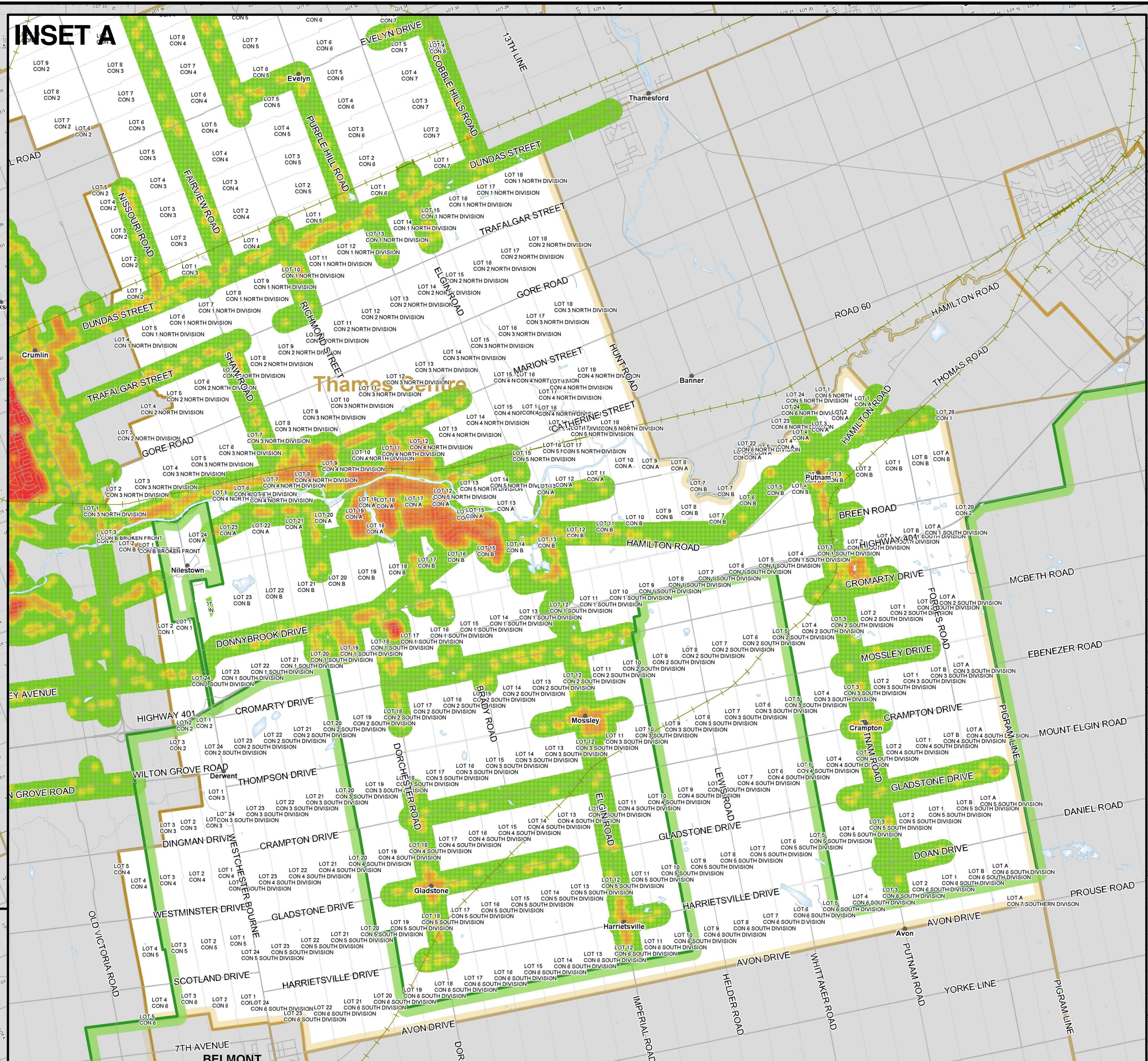
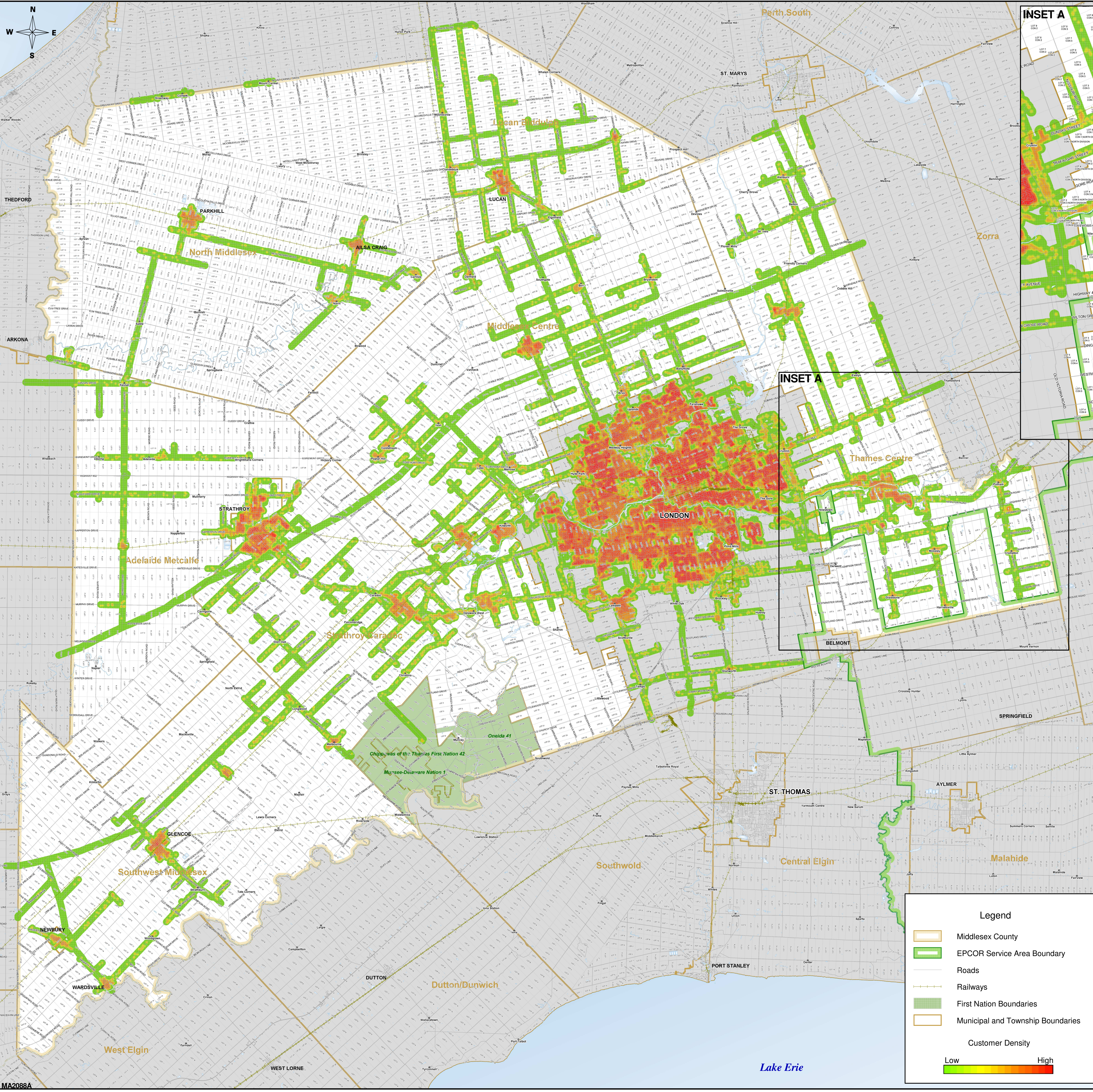


Lot A Con 1 South of 401

Lot A Con 1,2,3,4,5,6

South half Lot B,1,2,3,4,5 Con 6

CUSTOMER					
UNION GAS LIMITED					
TITLE				DIVISION	
NORTH DORCHESTER TOWNSHIP MAP				London	
DRAWN BY		CHECKED BY	STATUS	DATE	SYSTEM
F. Seguin		F. Seguin	APPROVED	28/02/2018	GeoMedia Pro 2015
SCALE	PROJECTION		DRAWING		VERSION
1:26,000	Universal Transverse Mercator Zone 17		MA2323-CD		1.0
DATUM					
North America 1983 - CANADA					
DATA SOURCE			DISCLAIMER		
Union Gas Carrying Facility from GIS System 2017 Base Mapping from DMTI SPATIAL 2017 and MNR LIO 2014-16			The location of Union Gas facilities on the following drawing is approximate and is to be used for information purposes only. Union Gas reaffirms that this drawing should not be relied upon to determine the location of any Union Gas facilities, exact locates can be determined by calling Ontario One Call 1-800-400-2255		
			This document is to be used for viewing purposes only. It shall not guarantee gas supply or availability for a specific project. It is for demonstration purposes only indicating natural gas infrastructure.		
FILE					
X:\Mapping_serv\GeoMedia_Projects\MA2323-CD North Dorchester TP.gws					
REVISIONS	New				
0 1 2 3 4 5 Kilometers					



Legend

- Middlesex County
- EPCOR Service Area Boundary
- Roads
- Railways
- First Nation Boundaries
- Municipal and Township Boundaries

Customer Density

Low High

CUSTOMER					
UNION GAS LIMITED					
An Enbridge Company					
TITLE					DIVISION
MIDDLESEX COUNTY MAP					London
DRAWN BY	CHECKED BY	STATUS	APPROVED	DATE	SYSTEM
F. Seguin	F. Seguin			01/03/2018	GeoMedia Pro 2015
SCALE	PROJECTION	DRAWING			VERSION
1:100,500	Universal Transverse Mercator Zone 17	MA2088A-CD			1.0
DATUM		North America 1983 - CANADA			
DATA SOURCE			DISCLAIMER		
Union Gas Carrying Facility from GIS System 2017 Base Mapping from DMTI SPATIAL 2017and MNR LIO 2014-16			The location of Union Gas facilities on the following drawing is approximate and is to be used for information purposes only. Union Gas re-affirms that this drawing should not be relied upon to determine the location of any Union Gas facilities, exact locations can be determined by calling Ontario One Call 1-800-400-2255. This document is to be used for viewing purposes only. It shall not guarantee gas supply or availability for a specific project. It is for demonstration purposes only indicating natural gas infrastructure.		
FILE					
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REVISIONS					
New					
0 4 8 12 16 20 Kilometers					

EB-2009-0034

Certificate of Public Convenience and Necessity

The Ontario Energy Board hereby grants

Union Gas Limited

approval under section 8 of the *Municipal Franchises Act*, R.S.O. 1990, c. M.55, as amended, to construct works to supply gas to the

Municipality of Thames Centre

excluding the following areas within the municipality covered by Certificate E.B.C. 111 / 119 held by EPCOR Natural Gas Limited Partnership:

Former Township of North Dorchester

- (i) The whole of Lot 24 in Concession A.
- (ii) The north half of Lot 24, in Concession B.
- (iii) Those customers along the east side of Highway 74 to a depth of 200 feet from the said Highway, from the dividing line between the north and south halves of Lot 24, in Concession B to Highway 401 lying in Lot 24, in Concession 1.
- (iv) Those parts of Lots 21, 22, 23 and 24, in Concession 1 lying south of Highway 401.
- (v) The whole of Lots 21, 22, 23 and 24 in each of Concessions 2, 3, 4, 5 and 6.
- (vi) The west half of the southerly quarter of Lot 20 in Concession 5.
- (vii) The whole of Lot 20, in Concession 6, save and except the northeasterly quarter thereof.
- (viii) The south halves of Lots 11, 12, 13, 14, 15, 16, 17, 18 and 19, in Concession 6.
- (ix) The whole of Lots 6, 7, 8, 9 and 10 in each of Concessions 2, 3, 4, 5 and 6.
- (x) Those parts of Lots 6, 7, 8, 9 and 10 in Concession 1 lying South of Highway 401.
- (xi) The south halves of Lots B, 1, 2, 3, 4 and 5, in Concession 6.
- (xii) The whole of Lot A in each of Concessions 2, 3, 4, 5 and 6.
- (xiii) That part of Lot A, in Concession 1 lying south of Highway 401.

This certificate replaces Certificate F.B.C. 99 and the part of Certificate F.B.C. 259 currently held by Union Gas Limited that is associated with the former Township of North Dorchester that is now within the Municipality of Thames Centre.

DATED at Toronto, _____

ONTARIO ENERGY BOARD

Original Signed By

Kirsten Walli
Board Secretary

UNION GAS LIMITED

Answer to Interrogatory from
EPCOR Natural Gas LP

Reference: Original Application of Union Gas Limited, p. 2

“On August 19, 2016, Union was directed by the Ontario Energy Board to file a report by December 31, 2016 confirming that Union has obtained Certificates of Public Convenience and Necessity covering the geographic areas in which its facilities are located. If during its investigation facilities are found to be located in areas where it does not hold Certificate rights, Union is to advise the Board as to where the infrastructure is located and to provide a plan to rectify the situation.

In its report to the Board dated December 22, 2016, Union identified Certificates of Public Convenience and Necessity held by Union and Natural Resource Gas (NRG) that were overlapping. Union committed at that time to submit an application to eliminate this overlap of Certificates.”

Question:

Please provide a copy of the Ontario Energy Board’s (“OEB”) August 19, 2016 direction and Union’s December 22, 2016 response, as EPCOR cannot locate these materials online.

Response:

Please see Attachment 1 for a copy of the August 19, 2016 letter from the OEB directing Union to file a report confirming that Union has obtained certificates covering the geographic areas in which their infrastructure (pipelines and related facilities) is located.

The report submitted to the OEB in December 2016 is not relevant to the issues in this application which relates only to CPCN rights in Norfolk County, the County of Elgin and the County of Middlesex. Nor are the contents of the December 2016 report relevant to any legitimate interest of EPCOR which only serves customers and has facilities in a discrete territory in Southwestern Ontario. Consequently, EPCOR can have no legitimate interest in whether Union has identified uncertificated areas in Ontario where facilities were installed that are not in areas where EPCOR holds CPCNs and that are not in areas where EPCOR has its own facilities.

In any event, even if the December 2016 was relevant, it could not be disclosed publicly, let alone to EPCOR, a competitor of Union, because it contains confidential customer and operational details and was not provided as part of a public process. The report provides results

of Union's extensive review of tax and mapping records as well as local operational knowledge to determine areas where facilities are in place for which Certificates do not appear to have been issued.

Union has submitted applications to the OEB to address unincorporated / unorganized areas identified in the December 2016 report as areas in which Union is serving customers without a Certificate being issued as well as unincorporated / unorganized areas where Union has infrastructure in place that is not providing service directly to end users.

Applications have also been submitted to the OEB to address findings in the December 2016 report related to CPCNs in Cambridge, areas within EPCOR's franchised service area, and where overlapping CPCNs exist.

**Ontario Energy
Board**
P.O. Box 2319
27th. Floor
2300 Yonge Street
Toronto ON M4P 1E4
Telephone: 416- 481-1967
Facsimile: 416- 440-7656
Toll free: 1-888-632-6273

**Commission de l'énergie
de l'Ontario**
C.P. 2319
27e étage
2300, rue Yonge
Toronto ON M4P 1E4
Téléphone: 416- 481-1967
Télécopieur: 416- 440-7656
Numéro sans frais: 1-888-632-6273



BY E-MAIL
pmcmahon@uniongas.com

August 19, 2016

Patrick McMahon
Manager, Regulatory Research and Records
Union Gas Limited
50 Keil Drive North
Chatham ON N7M 5M1

Dear Mr. McMahon:

**Re: Union Gas Limited (Union Gas)
Certificate of Public Convenience and Necessity with the Unincorporated
Township of Van Horne
EB-2016-0198**

On June 21, 2016, Union Gas filed an application with the Ontario Energy Board (OEB) seeking a certificate of public convenience and necessity (Certificate) to serve natural gas to residents in the Township of Van Horne. In the application, Union Gas acknowledged that it had been serving three customers without a Certificate since December 2015.

A similar issue was addressed by the OEB in Union Gas' application for a municipal franchise agreement and Certificate for the City of Kitchener (EB-2015-0296). The OEB approved the application, but sent a letter to Union Gas dated January 25, 2016 stating that Union Gas was not in compliance with sections 8 and 9 of the Municipal Franchises Act (MFA), having served an area within the City of Kitchener with neither a franchise agreement nor a Certificate since 1959.

The OEB did not pursue the matter any further, noting that Union Gas provided an important service to some of the residents of the City of Kitchener without a guarantee of a secure market and without infringing on the rights of any other public utility. However, the OEB required Union Gas to review all of its service territory to ensure that this situation did not exist in any other parts of the province.

The OEB notes that this is the second occurrence of non-compliance with the MFA reported to the OEB in the last 12 months. The OEB reiterates its expectation that Union Gas carry out a review of its entire service territory to ensure all of its customers are served pursuant to the MFA.

To ensure that this has been completed, the OEB requires Union Gas to file a report confirming that Union Gas has obtained certificates covering the geographic areas in which their infrastructure (pipelines and related facilities) is located. If Union Gas finds that it has infrastructure located in areas where it does not hold a Certificate for, Union Gas is to advise the OEB as to where the infrastructure is located and to provide a plan to rectify the situation.

The OEB requires Union Gas to file the results of its complete review with Peter Fraser, Vice President of Consumer Protection & Industry Performance at Peter.Fraser@ontarioenergyboard.ca and the Board Secretary at boardsec@ontarioenergyboard.ca by December 31, 2016.

Yours truly,

A handwritten signature in dark ink, appearing to read 'Peter Fraser', written in a cursive style.

Peter Fraser
Vice President, Consumer Protection & Industry Performance

UNION GAS LIMITED

Answer to Interrogatory from
EPCOR Natural Gas LP

Reference: Updated Application, p. 5, lines 5-8

“Union currently has facilities in place within the north half of Lots 2, 3 and 5 in Concession 7 and all of Lots 4 and 5 in Concession 8. Union acknowledges that it put services in place in error not realizing that the CPCN for Norfolk County did not cover these specific lots and proposes to rectify this inadvertent error through this application.”

Questions:

- (a) When did Union first identify that services were placed in error?
- (b) When did Union first identify that its CPCN for Norfolk County did not cover these specific lots?
- (c) What steps did Union take to notify the OEB and other potentially affected persons, including EPCOR’s predecessor, Natural Resource Gas Limited (NRG), when it discovered this error? Did Union notify the OEB in December 2016 of these facilities?
- (d) Please confirm that Union is not aware of any other facilities or other infrastructure in Ontario where it does not currently hold applicable Certificate rights.

Response:

- (a) and (b)

During preliminary evaluations in Q1 2017 with respect to a request from Maricann for an expanded service, it was discovered that CPCN rights had not been issued for this part of Norfolk County.

- (c) In an October 4, 2017 response to an interrogatory from OM Limited Partnership in this proceeding, Union confirmed the exclusion of all of Lots 1 to 5 both inclusive in Concessions 7 and 8 from Union’s CPCN rights with Norfolk County. In its November 30, 2017 confidential filing to the OEB in this proceeding, Union specifically identified where it had facilities in place where no CPCN rights had been issued. Union advised the OEB and other parties as part of the updated application dated February 16, 2018 that it has facilities in place within the north half of Lots 2, 3 and 5 in Concession 7 and all of Lots 4 and 5 in Concession 8. These service locations were not identified in Union’s December 2016 report to the OEB.

- (d) Union confirms that it is not aware of having any other facilities or infrastructure within Norfolk County, the County of Elgin or the County of Middlesex where it does not currently hold applicable CPCN rights that have not been identified in this proceeding. Other areas of Ontario are not relevant to the issues in this application which relates only to CPCN rights in Norfolk County, the County of Elgin and the County of Middlesex. Given that EPCOR only serves customers and has facilities in a discrete territory in Southwestern Ontario, EPCOR can have no legitimate interest in whether Union has identified uncertificated areas in Ontario where facilities were installed that are not in areas where EPCOR holds CPCNs and that are not in areas where EPCOR has its own facilities.

UNION GAS LIMITED

Answer to Interrogatory from
EPCOR Natural Gas LP

Reference: Updated Application, p. 9, lines 14-18

“Since November 1998, Union has served two residential customers in the Township of Malahide within the County of Elgin which are billed by EPCOR and are the subject of arrangements pursuant to EPCOR’s distribution contract with Union. Union has no information about why these arrangements were made in 1998, but assumes that they were made because it was more practical and economical for Union to serve these customers than for NRG to do so.”

Questions:

- (a) Please provide more detail regarding Union’s understanding of the arrangements with EPCOR regarding these two residential customers.
- (b) Please provide Union’s position regarding the status of the arrangements pursuant to EPCOR’s distribution contract with Union in the event that the OEB grants Union’s request for a limited CPCN in the Township of Malahide.

Response:

- (a) These service locations are identified as delivery points per the M9 distribution contract between Union and EPCOR. Union has put all facilities in place to provide natural gas to these customers and charges EPCOR for services provided under Rate M9. EPCOR is responsible for issuing a bill to the customers at distribution rates approved by the OEB.
- (b) If Union is granted the requested limited CPCN for the Township of Malahide, Union would begin billing these customers directly and Schedule 1 to the M9 distribution contract between Union and EPCOR would to be amended to exclude these addresses / meters from the list of delivery points.

UNION GAS LIMITED

Answer to Interrogatory from
EPCOR Natural Gas LP

Reference: Updated Application, p. 9, lines 20-22

“Union also provides service to two additional locations within the Township of Malahide that are located on the other side of the street from Union’s existing lower-tier CPCN boundary for the municipality of Central Elgin.”

Questions:

- (a) When did Union first identify that these two additional locations were not in Union’s existing lower-tier CPCN boundary for Central Elgin?
- (b) What steps did Union take to notify the OEB and other potentially affected persons, including NRG, when it discovered this error? Did Union notify the OEB in December 2016 of these facilities/locations?

Response:

- (a) These two locations within the Township of Malahide were not identified as being on the other side of the street from Union’s existing lower-tier CPCN boundary for the Municipality of Central Elgin until Union was conducting a review of the overlap of CPCNs in late 2016. Prior to that, the focus of Union’s review had been on the overlapping upper-tier CPCNs in the County of Elgin.
- (b) In its December 2016 report to the OEB, Union indicated that there was natural gas service being provided to a few addresses within the Township of Malahide that needed to be reviewed further to determine which utility should be serving them. The OEB and other parties were informed about these two specific locations when the current application was submitted.