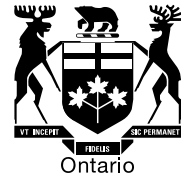


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BY EMAIL

August 3, 2018

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

Dear Ms. Walli:

**Re: OEB Staff Submission
Union Gas Limited
Draft Rate Order: 2015 Demand Side Management Disposition of Deferral
and Variance Accounts
OEB File Number EB-2017-0323**

In accordance with the Decision and Order dated July 12, 2018, please find attached OEB staff's submission on the draft Rate Orders in the above noted proceeding.

Sincerely,

Original Signed By

Josh Wasylyk
Project Advisor, Application Policy & Climate Change

Attachment



ONTARIO ENERGY BOARD

OEB STAFF SUBMISSION on DRAFT RATE ORDER

August 3, 2018

**Union Gas Limited
2015 Demand Side Management Deferral and Variance Accounts
EB-2017-0323**

Background

On December 18, 2017, Union Gas Limited (Union Gas) filed an application with the OEB to recover through rates: a shareholder incentive, lost revenues, and DSM program costs related to Union Gas' 2015 DSM activities. Under the *Ontario Energy Board Act, 1998* (the OEB Act), natural gas distributors must apply to the OEB to change the rates they charge customers.

On July 12, 2018, the Ontario Energy Board (OEB) issued its Decision and Order on Union Gas' application approving lost revenues, a shareholder incentive and DSM program costs.

In response to the OEB's Decision and Order, Union Gas filed a draft Rate Order with the OEB on July 24, 2018.

Draft Rate Order

Union Gas filed a draft Rate Order on July 24, 2018. Within its draft Rate Order Union Gas also calculated interest on the account balances up to September 30, 2018.

OEB Staff Submission

OEB staff submits that Union Gas' draft Rate Order is consistent with the OEB's Decision and Order.

Further, consistent with the Decision and Order, OEB staff supports Union Gas disposing of the 2015 DSM Deferral and Variance Account balances as part of the October 2018 QRAM.

- All of which is respectfully submitted -