



EB-2018-0235

EPCOR Natural Gas Limited Partnership

Application for approval to change rates for the sale, transmission and distribution of natural gas for the period October 1, 2016 to December 31, 2019, establish a fixed monthly charge for Rate 6, change the start of the rate year from October 1 to January 1 and dispose balances in certain deferral and variance accounts.

**PROCEDURAL ORDER NO. 1
September 19, 2018**

EPCOR Natural Gas Limited Partnership (EPCOR Natural Gas) filed an application with the Ontario Energy Board (OEB) on July 30, 2018 seeking approval to implement the following changes:

- Adjust rates for the period October 1, 2016 to December 31, 2019 under the OEB's 4th Generation Incentive Rate Mechanism (IRM) approach
- Establish a fixed monthly charge for Rate 6 which includes a single large industrial customer
- Change the start of the rate year from October 1 to January 1 starting January 1, 2020
- Dispose the balances in the Purchased Gas Transportation Variance Account, the Regulatory Expense Deferral Account and the IFRS Conversion Cost Deferral Account as of September 30, 2017

This application replaces the application filed by Natural Resource Gas (NRG) Limited on August 9, 2016, for the period October 1, 2016 to September 30, 2021 (NRG application). The NRG application was a rebasing application for 2017 (October 1, 2016 to September 30, 2017) followed by four years of IRM ending in 2021.¹ In Procedural Order No. 1, the OEB granted NRG's existing rates to be interim effective October 1, 2016.²

After the interrogatories were filed in the NRG application, NRG submitted a letter on November 16, 2016, informing the OEB that it had signed an asset purchase agreement with EPCOR Natural Gas to transfer NRG's natural gas distribution system in its entirety to EPCOR Natural Gas. Consequently, NRG requested the OEB to place its rates

¹ EB-2016-0236

² Procedural Order No. 1, September 28, 2016, EB-2016-0236

application on hold pending the outcome of NRG's application to the OEB requesting approval to transfer the assets to EPCOR Natural Gas.

NRG also informed the OEB that on receiving OEB approval to transfer the assets and associated rate orders to EPCOR Natural Gas, EPCOR Natural Gas would assume responsibility for the NRG application and will file an amended application within six to nine months of closing the Asset Purchase Agreement.

In a letter dated January 30, 2017, the OEB approved NRG's request to place the NRG application³ in abeyance pending the OEB's decision on the asset transfer application. The OEB approved the transfer of assets application on August 3, 2017 and the transaction to purchase the distribution system of NRG closed on November 1, 2017. The NRG application is still in abeyance as it is that application that approved the current rates to be interim.

A Notice of Hearing (the Notice) was issued on August 23, 2018 and was served and posted as per the direction of the OEB. The Notice was published in local newspapers and the last date to file for intervention was September 10, 2018.

IGPC Ethanol Inc. and Integrated Grain Processors Co-operative (collectively, IGPC), Union Gas Limited (Union Gas) and Vulnerable Energy Consumers Coalition (VECC) requested intervenor status. VECC also applied for cost award eligibility. No objections were received regarding the requests for intervenor status or cost award eligibility. A list of intervenors is attached as Schedule A to this Procedural Order.

Intervenor status is granted to each of IGPC, Union Gas and VECC. VECC is eligible to apply for an award of costs under the OEB's *Practice Direction on Cost Awards*. Cost eligible intervenors should be aware that the OEB will not generally allow the recovery of costs for the attendance of more than one representative of any party, unless a compelling reason is provided when cost claims are filed.

Issues List

It is the OEB's expectation that parties will be best positioned to identify issues relevant to EPCOR Natural Gas' application after the applicant has responded to interrogatories. EPCOR Natural Gas, OEB staff and the intervenors shall develop and OEB staff shall file a proposed issues list for the OEB's consideration. The OEB will approve an issues list prior to the settlement conference.

³ EB-2016-0236

Presentation Day

Following the settlement conference, provision will be made for the presentation of any settlement proposal filed by EPCOR Natural Gas, whether full or partial, and for the presentation of any unsettled issues to be adjudicated by the OEB. EPCOR Natural Gas' presentation is intended to summarize and provide any salient information for the OEB's consideration in reviewing the settlement proposal. With respect to any unsettled issues, the presentation should focus on scoping of the issues and a recommendation on how to address the issues in the proceeding. The purpose of the presentation is not to provide an opportunity for cross-examination by the parties, but rather for EPCOR Natural Gas to present any settlement and any remaining issues in the case.

It is necessary to make provision for the following matters related to this proceeding.

IT IS THEREFORE ORDERED THAT:

1. OEB staff and intervenors that require information and material from EPCOR Natural Gas that is in addition to the pre-filed evidence and that is relevant to the hearing, shall request it by written interrogatories filed with the OEB and delivered to EPCOR Natural Gas and all intervenors by **October 4, 2018**.
2. EPCOR Natural Gas shall file with the OEB complete responses to the interrogatories and deliver them to all intervenors by **October 24, 2018**.
3. OEB staff shall file a proposed issues list, or, alternatively, shall advise the OEB in writing that the parties and OEB staff have been unable to reach an agreement on a draft issues list by **November 5, 2018**.
4. A Settlement Conference among the parties and OEB staff will be convened at 9:30 a.m. on **November 12 and 13, 2018** at 2300 Yonge Street, 25th Floor, Toronto.
5. Any settlement proposal arising from the Settlement Conference shall be filed with the OEB no later than 4:45 p.m. on **November 27, 2018**. If the settlement proposal is a partial settlement, the outstanding or disputed issues shall be scoped and well-defined, with a recommendation for hearing the issues orally or by written submission.
6. If a settlement proposal is filed, OEB staff's submission on the settlement proposal shall be filed with the OEB and served on all parties within **10 days** from when any settlement proposal is filed.

7. If there is no settlement proposal arising from the Settlement Conference, EPCOR Natural Gas shall file a statement to that effect with the OEB by **December 5, 2018**.
8. The OEB is setting a tentative date of **December 12, 2018 at 9:30 a.m.** in the OEB's hearing room at 2300 Yonge Street, 25th Floor, Toronto for EPCOR Natural Gas to present to the OEB any settlement proposal and a summary of any unsettled issues in the case. OEB staff will, at the direction of the OEB, confirm or amend this date in subsequent correspondence.

All filings to the OEB must quote the file number, EB-2018-0235 and be made electronically in searchable / unrestricted PDF format through the OEB's web portal at <https://www.pes.ontarioenergyboard.ca/eservice/>. Two paper copies must also be filed. Filings must clearly state the sender's name, postal address and telephone number, fax number and e-mail address. Parties must use the document naming conventions and document submission standards outlined in the RESS Document Guideline found at <http://www.oeb.ca/OEB/Industry>. If the web portal is not available parties may email their documents to the address below. Those who do not have internet access are required to submit all filings on a CD in PDF format, along with two paper copies. Those who do not have computer access are required to file 7 paper copies.

All communications should be directed to the attention of the Board Secretary at the address below, and be received no later than 4:45 p.m. on the required date.

With respect to distribution lists for all electronic correspondence and materials related to this proceeding, parties must include the Case Manager, Khalil Viraney at Khalil.Viraney@oeb.ca and OEB Counsel, Michael Millar at Michael.Millar@oeb.ca.

ADDRESS

Ontario Energy Board
P.O. Box 2319
2300 Yonge Street, 27th Floor
Toronto ON M4P 1E4
Attention: Board Secretary

E-mail: boardsec@oeb.ca
Tel: 1-888-632-6273 (Toll free)
Fax: 416-440-7656

DATED at Toronto, September 19, 2018

ONTARIO ENERGY BOARD

Original signed by

Rudra Mukherji
Acting Manager, Registrar
Office of the Registrar

Schedule A

To

**Procedural Order No. 1
EPCOR Natural Gas Limited Partnership**

EB-2018-0235

Applicant and List of Intervenors

September 19, 2018

**EPCOR Natural Gas Limited Partnership
EB-2018-0235**

APPLICANT & LIST OF INTERVENORS

September 19, 2018

APPLICANT

Rep. and Address for Service

**EPCOR Natural Gas Limited
Partnership**

Bruce Brandell

Director
EPCOR Natural Gas Limited Partnership
2000-10423 101 St. NW
Edmonton, AB T5H 0E8

Tel: 780-412-3720
Fax: Not Provided
bbrandell@epcor.com

APPLICANT COUNSEL

Britt Tan

Legal Counsel
EPCOR Commercial Services Inc.
2000-10423 101 St. NW
Edmonton AB T5H 0E8
Tel: 780-412-3998
Fax: Not Provided
btan@epcor.com

Patrick Welsh

Osler Hoskin & Harcourt LLP
Box 50, 1 First Canadian Place100
Suite 6300
Toronto ON M5X 1B8
Tel: 416-862-5951
Fax: 416-862-6666
pwelsh@osler.com

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APPLICANT & LIST OF INTERVENORS

September 19, 2018

INTERVENORS

Rep. and Address for Service

**Integrated Grain Processors
Co-operative Inc.**

Jim Grey

CEO
Integrated Grain Processors Co-operative Inc.
89 Progress Drive
P.O. Box 205
Aylmer ON N5H 2R9
Tel: 519-765-2575
Fax: Not Provided
jgrey@igpc.ca

Scott Stoll

Counsel
Aird & Berlis LLP
181 Bay Street
Suite 1800, Box 754
Brookfield Place
Toronto ON M5J 2T9
Tel: 416-865-4703
Fax: 416-863-1515
ssoll@airdberlis.com

Union Gas Limited

Patrick McMahon

Supervisor, Regulatory Research and Records
Union Gas Limited
50 Keil Drive North
P.O. Box 2001
Chatham ON N7M 5M1
Tel: 519-436-5325 Ext: 5005325
Fax: 519-436-4641
pmcmahon@uniongas.com

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APPLICANT & LIST OF INTERVENORS

September 19, 2018

**Vulnerable Energy
Consumers Coalition**

John Lawford

Counsel
Vulnerable Energy Consumers Coalition
c/o Public Interest Advocacy Centre (PIA)
One Nicholas St.
Suite 1204
Ottawa ON K1N 7B7
Tel: 613-562-4002 Ext: 25
Fax: Not Provided
lawford@piac.ca