

IN THE MATTER OF a proceeding initiated by the Ontario Energy Board to determine whether it should order new rates for the provision of natural gas transmission, distribution and storage services to gas-fired generators (and other qualified customers) and whether the Board should refrain from regulating rates for storage of gas.

BEFORE: Gordon Kaiser
Presiding Member and Vice Chair

Cynthia Chaplin
Member

Bill Rupert
Member

ORDER

This Order follows a decision issued orally by the Ontario Energy Board ("Board") on September 7, 2006 in relation to the request by Market Hub Partners Canada L.P. ("MHP Canada") for an expedited decision on certain "Core Points".

The "Core Points" are described in MHP Canada's pre-filed evidence as follows:

- (i) MHP Canada cannot exercise market power;
- (ii) MHP Canada, similar to independent storage developers, will be granted authority to charge market-based rates for its services; and
- (iii) MHP Canada will be allowed flexibility to contract for services without requiring approval of individual contracts, provided that MHP Canada operates within a base set of service terms and conditions approved by the Board.

The "Core Points" were addressed by the Board in the Natural Gas and Electricity Interface Review ("NGEIR") proceeding (EB-2005-0551) as a result of a reference from the St. Clair Pool Storage Project proceeding (EB-2006-0162 and EB-2006-0165).

On August 11, 2006, the Board issued a Notice of Reactivated Proceeding ("Notice") in relation to the St. Clair Pool Storage Project. In the Notice, the Board stated that it did not intend, in the St. Clair Pool Storage Project proceeding, to consider evidence or issue a decision in relation to MHP Canada's request for a market-based rate pursuant

to section 36 of the *Ontario Energy Board Act, 1998* (EB-2006-0162), nor to consider the evidence or issue a decision in relation to MHP Canada's request for approval to enter into agreements for storage services pursuant to section 39(2) of the *Ontario Energy Board Act, 1998* (EB-2006-0165). In the Notice, the Board stated that these two issues would be addressed in the NGEIR proceeding as part of the "Core Points" decision.

On September 7, 2006, the Board issued its oral decision on MHP Canada's request for an expedited decision on the "Core Points" in the NGEIR proceeding (the "Decision"). An excerpt of Volume 17 from the EB-2005-0551 transcript containing the Decision is attached hereto as Appendix "A" for reference. This Order is made further to and for the purpose of implementing the Decision.

THE BOARD THEREFORE ORDERS THAT:

1. MHP Canada is hereby granted approval pursuant to section 36 of the *Ontario Energy Board Act, 1998* to charge market-based rates for its storage services; that is storage service rates that are subject to the Union Gas Limited C1 range rate schedule, approved by the Board and in effect from time to time. The Union Gas Limited C1 range rate schedule approved in RP-2003-0063 and in effect as of the date of this Order is attached hereto as Appendix "B" for reference.
2. MHP Canada shall not be required to seek approval of storage contracts under section 39(2) of the *Ontario Energy Board Act, 1998*, subject to the following conditions:
 - (a) MHP Canada shall operate within a base set of service terms and conditions approved by the Board in the St. Clair Pool Storage Project proceeding (EB-2006-0165), the scope of which proceeding was expanded to include the review of the general terms and conditions for contracts for storage services offered by MHP Canada;
 - (b) MHP Canada shall file with the Board and deliver to all registered intervenors in the St. Clair Pool Storage Project Proceeding (EB-2006-0165) copies of its proposed standard terms and conditions for storage contracts.

ISSUED at Toronto, September ____, 2006.

ONTARIO ENERGY BOARD

Peter H. O'Dell
Assistant Board Secretary