



**EB-2013-0202**

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

**AND IN THE MATTER OF** an Application by Union Gas  
Limited for an order or orders approving a multi-year  
incentive rate mechanism to determine rates for distribution,  
transmission and storage of gas effective January 1, 2014.

**BEFORE:** Ken Quesnelle  
Presiding Member

Paula Conboy  
Board Member

Ellen Fry  
Board Member

**DECISION AND ORDER**  
**October 7, 2013**

Union Gas Limited (“Union”) filed an Incentive Rate Mechanism (“IRM”) application on July 31, 2013 with the Ontario Energy Board (the “Board”) pursuant to section 36 of the *Ontario Energy Board Act, 1998*, S.O. c.15, Schedule B. The application is for an order or orders approving a multi-year IRM framework to determine rates for the distribution, transmission and storage of natural gas, effective January 1, 2014. The Board assigned the application File Number EB-2013-0202.

Union’s current rates are based on a cost of service model that was approved by the Board in 2012 for rates effective January 1, 2013. In this application, Union has proposed an IRM framework for the period 2014 to 2018. Union’s proposed IRM

parameters are the product of a comprehensive Settlement Agreement (the “Agreement”) between Union and parties that were intervenors in Union’s previous rates proceeding. The Agreement was filed as part of Union’s application.

The Board issued a Notice of Application and Hearing dated August 14, 2013. In Procedural Order No. 1 issued on September 19, 2013, the Board established the approved list of intervenors for this proceeding. The Board further directed intervenors that were not party to the settlement to file a letter informing the Board of their position on the Agreement.

All intervenors that were not parties to the settlement filed letters supporting or taking no position on the Agreement<sup>1</sup>.

In Procedural Order No. 2 issued on September 30, 2013, the Board determined that it would hold a hearing where Union would present the Agreement and respond to any questions or clarifications sought by the Board panel or Board staff.

The hearing was held for that purpose on October 3, 2013. During the presentation of the Agreement, Board staff and the Board panel obtained clarifications from Union on a number of issues. At the end of Union’s testimony, Board staff sought Union’s position on whether the evidence provided at the hearing formed part of the Agreement. Union replied that it would not characterize its testimony as part of the Agreement but rather as evidence supporting the Agreement and that the Board could rely on it. In response to further questions from Board staff with respect to possible use of the testimony Union accepted that the Board could rely on the testimony in the event that any interpretation disputes arise in the future.

The Board accepts the Agreement, as clarified by the testimony of Union’s witnesses at the hearing.

The Board commends Union and the participating stakeholders for their efforts in coming to an agreement that the Board considers to be in the public interest.

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<sup>1</sup> Letters were filed by Ontario Greenhouse Vegetable Growers, Enbridge Gas Distribution Inc., Ontario Power Authority, TransCanada Energy Ltd. and Just Energy Ontario L.P.

The Board considers it necessary to make provision for the following matters related to this proceeding. The Board may issue further procedural orders from time to time.

**THE BOARD ORDERS THAT:**

1. The Board accepts the Settlement Agreement as filed.
2. The intervenors shall file with the Board and forward to Union, their respective cost claims for the proceeding before the Board within 14 days from the date of the Decision and Order.
3. Union shall file with the Board and forward to the intervenors any objections to the claimed costs within 21 days from the date of the Decision and Order.
4. The intervenors shall file with the Board and forward to Union any responses to any objections for cost claims within 28 days of the date of the Decision and Order.
5. Union shall pay the Board's costs incidental to this proceeding upon receipt of the Board's invoice.

All filings to the Board must quote the file number, EB-2013-0202, be made through the Board's web portal at <https://www.pes.ontarioenergyboard.ca/eservice>, and consist of two paper copies and one electronic copy in searchable / unrestricted PDF format. 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.ontarioenergyboard.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.

**ADDRESS**

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

E-mail: [boardsec@ontarioenergyboard.ca](mailto:boardsec@ontarioenergyboard.ca)

Tel: 1-888-632-6273 (Toll free)

Fax: 416-440-7656

**DATED** at Toronto, October 7, 2013

**ONTARIO ENERGY BOARD**

*Original signed by*

Kirsten Walli  
Board Secretary