



Ontario Energy Board Commission de l'énergie de l'Ontario

DECISION AND ACCOUNTING ORDER

EB-2015-0116

UNION GAS LIMITED

**Application for Natural Gas Distribution, Transmission and
Storage Rates Effective January 1, 2016**

BEFORE: Ellen Fry
Presiding Member

Ken Quesnelle
Member and Vice-Chair

Susan Frank
Member

January 7, 2016

1 INTRODUCTION AND PROCESS

Union Gas Limited (Union) is a major Canadian natural gas storage, transmission and distribution company serving about 1.4 million residential, commercial and industrial customers in communities across northern, southwestern and eastern Ontario. The distribution service area of Union extends throughout northern Ontario, from the Manitoba border to the North Bay / Muskoka area, through southwestern Ontario from Windsor to Hamilton and across eastern Ontario, from Port Hope to Cornwall.

Union filed an application on September 11, 2015 with the Ontario Energy Board (OEB) pursuant to section 36 of the *Ontario Energy Board Act, 1998*, for an order or orders approving rates for the distribution, transmission and storage of natural gas, effective January 1, 2016. Union's application for a rate adjustment was based on a multi-year Incentive Ratemaking Framework previously approved by the OEB.¹

The OEB issued its Decision and Rate Order on December 3, 2015. In that decision, the OEB approved the establishment of the Burlington Oakville Project Costs Deferral Account and the Dawn H / Lobo D / Bright C Compressor Project Costs Deferral Account. The OEB set out a process for Union to file Draft Accounting Orders for the noted accounts and for interested parties to file comments.

The OEB approves the Draft Accounting Orders for the Burlington Oakville Project Costs Deferral Account and the Dawn H / Lobo D / Bright C Compressor Project Costs Deferral Account.

¹ EB-2013-0202

2 DRAFT ACCOUNTING ORDERS

2.1 Background

In the December 3, 2015 Decision and Rate Order, the OEB approved deferral accounts for the Burlington Oakville Pipeline Project (the Burlington Oakville Project Costs Deferral Account) and the 2017 Dawn Parkway Project (the Dawn H / Lobo D / Bright C Compressor Project Costs Deferral Account).

The OEB established these deferral accounts in Union's 2016 Rates proceeding to ensure that the difference between the actual revenue requirement related to each project and the revenue requirement included in rates for each project as approved by the OEB will be properly recorded in a deferral account.

Union filed the Draft Accounting Orders for the above noted accounts. OEB staff submitted that the Draft Accounting Orders accurately reflect the OEB's findings in this proceeding. No other parties filed comments.

2.2 Findings

The OEB approves the Draft Accounting Orders for the Burlington Oakville Project Costs Deferral Account and the Dawn H / Lobo D / Bright C Compressor Project Costs Deferral Account as filed. The OEB finds that the Draft Accounting Orders are consistent with the OEB's findings in this proceeding.

3 COST AWARDS

The OEB may grant cost awards to eligible parties pursuant to its power under section 30 of the *Ontario Energy Board Act, 1998*. When determining the amount of the cost awards, the OEB will apply the principles set out in section 5 of the OEB's *Practice Direction on Cost Awards*. The maximum hourly rates set out in the OEB's Cost Awards Tariff will also be applied. The OEB notes that filings related to cost awards shall be made in accordance with the schedule set out below.

4 ORDER

THE BOARD ORDERS THAT:

1. Union shall maintain the Burlington Oakville Project Costs Deferral Account and the Dawn H / Lobo D / Bright C Compressor Project Costs Deferral Account in accordance with Schedule A.
2. Intervenors shall file with the OEB, and forward to Union, their respective cost claims by **January 21, 2016**.
3. Union shall file with the OEB, and forward to intervenors, any objections to the claimed costs by **February 4, 2016**.
4. Intervenors shall file with the OEB, and forward to Union, any responses to any objections for cost claims by **February 11, 2016**.
5. Union shall pay the OEB's costs incidental to this proceeding upon receipt of the OEB's invoice.

All filings to the OEB must quote the file number, **EB-2015-0116** 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.ontarioenergyboard.ca/OEB/Industry>. If the web portal is not available, parties may email their documents to the address below.

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, Lawrie Gluck at Lawrie.Gluck@ontarioenergyboard.ca and Board Counsel, Michael Millar at Michael.Millar@ontarioenergyboard.ca.

ADDRESS

Ontario Energy Board
P.O. Box 2319
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Toronto ON M4P 1E4
Attention: Board Secretary

E-mail: boardsec@ontarioenergyboard.ca

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

Fax: 416-440-7656

DATED at Toronto, January 7, 2016

ONTARIO ENERGY BOARD

Original signed by

Kirsten Walli
Board Secretary

SCHEDULE A

ACCOUNTING ORDERS

BURLINGTON OAKVILLE PROJECT COSTS DEFERRAL ACCOUNT

**DAWN H / LOBO D / BRIGHT C COMPRESSOR PROJECT COSTS
DEFERRAL ACCOUNT**

UNION GAS LIMITED

EB-2015-0116

JANUARY 7, 2016

UNION GAS LIMITED

**Accounting Entries for
Burlington Oakville Project Costs
Deferral Account No. 179-149**

Account numbers are from the Uniform System of Accounts for Gas Utilities, Class A prescribed under the Ontario Energy Board Act.

Debit - Account No.179-149
 Other Deferred Charges – Burlington Oakville Project Costs

Credit - Account No. 579
 Miscellaneous Operating Revenue

To record, as a debit (credit) in Deferral Account No. 179-149, the difference between the actual revenue requirement related to the costs for the Burlington Oakville Project and the revenue requirement included in rates as approved by the Board.

Debit - Account No.179-149
 Other Deferred Charges – Burlington Oakville Project Costs

Credit - Account No. 323
 Other Interest Expense

To record, as a debit (credit) in Deferral Account No. 179-149, interest on the balance in Deferral Account No. 179-149. Simple interest will be computed monthly on the opening balance in the said account in accordance with the methodology approved by the Board in EB-2006-0117.

UNION GAS LIMITED

**Accounting Entries for
Dawn H/Lobo D/Bright C Compressor Project Costs
Deferral Account No. 179-144**

Account numbers are from the Uniform System of Accounts for Gas Utilities, Class A prescribed under the Ontario Energy Board Act.

Debit	-	Account No.179-144 Other Deferred Charges – Dawn H/Lobo D/Bright C Compressor Project Costs
Credit	-	Account No. 579 Miscellaneous Operating Revenue

To record, as a debit (credit) in Deferral Account No. 179-144, the difference between the actual revenue requirement related to the costs for the Dawn H/Lobo D/Bright C Compressor Project and the revenue requirement included in rates as approved by the Board.

Debit	-	Account No.179-144 Other Deferred Charges – Dawn H/Lobo D/Bright C Compressor Project Costs
Credit	-	Account No. 323 Other Interest Expense

To record, as a debit (credit) in Deferral Account No. 179-144, interest on the balance in Deferral Account No. 179-144. Simple interest will be computed monthly on the opening balance in the said account in accordance with the methodology approved by the Board in EB-2006-0117.