



EB-2011-0242
EB-2011-0283

IN THE MATTER OF the *Ontario Energy Board Act, 1998*, S.O. 1998, c.15, Schedule B; and in particular section 36 (2) thereof;

AND IN THE MATTER OF an application by Enbridge Gas Distribution Inc. for an Order or Orders approving and setting the cost consequences associated with the purchase of Ontario biomethane by Enbridge Gas Distribution Inc.;

AND IN THE MATTER OF an application by Union Gas Limited for an Order or Orders approving and setting the cost consequences associated with the purchase of Ontario biomethane by Union Gas Limited.

PROCEDURAL ORDER NO. 3 and DECISION ON ISSUES

Enbridge Gas Distribution Inc. (“Enbridge”) and Union Gas Limited (“Union Gas” or combined “the companies” or “Applicants”) have each filed an application with the Ontario Energy Board (the “Board”), dated September 30, 2011 seeking an order or orders approving or fixing rates for the sale of natural gas by Enbridge and Union Gas that include the cost consequences of the purchase of biomethane (which is also known as renewable natural gas). The applications have been filed under section 36 of the *Ontario Energy Board Act, 1998*.

The Board has assigned file number EB-2011-0242 to the Enbridge application and file number EB-2011-0283 to the Union Gas application. The Board has decided to hear both applications through a combined proceeding. On October 21, 2011 the Board issued a combined Notice of Application for both applications. Enbridge and Union Gas served and published the Notice of Application as directed by the Board. A complete list of parties who were approved by the Board as registered intervenors is attached in the Appendix A to this Procedural Order.

The Board issued Procedural Order No. 1 on December 5, 2011. Within Procedural Order No. 1 was the draft issues list. The Board also set December 16, 2011 as the date for a Procedural Conference to solicit participants' input on the procedural timelines and the hearing schedule.

In response to Procedural Order No. 1, parties submitted comments on the draft issues list. Included within the comments were suggestions from certain intervenors that the Board divide the proceeding into two phases; the first to hear preliminary threshold matters relating to whether the application should be considered by the Board; and, the second phase, should it be required, would be to hear the balance of the applications on their merits.

On Friday, December 16, 2011, a Procedural Conference was held at the Board's offices. The parties were unable to reach a consensus on procedural issues.

On December 19, 2011 the Board issued Procedural Order No. 2 and scheduled an oral hearing for January 12, 2012 to hear arguments from parties on the appropriateness of dividing the proceeding into two phases. On January 12, 2012, the Board rendered an oral decision informing parties that it will not divide the proceeding into separate phases.

Comments and Decision on Issues

The Board has considered the comments on the draft Issues List filed in response to Procedural Order No. 1. The Board has decided on a final Issues List that can be found in Appendix B to this procedural order. The Board remains convinced that the major areas to be considered in this case are: the role of the utilities; the cost consequences of their proposals; the impact on the distribution system; and, cost allocation. The Board finds that the detailed questions found under each of these major headings to be appropriate. In the Board's view, excessive detail in the Issues List is not desirable.

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

THE BOARD ORDERS THAT:

1. Written interrogatories on the Applicants' pre-filed evidence shall be filed with the Board and copies delivered to the Applicants and all parties on or before

Tuesday, February 7, 2012. All interrogatories must reference the specific evidence on which the interrogatory is based and indicate the issue number according to the Issues List provided in Appendix B to this procedural order.

2. The Applicants shall file complete responses to all interrogatories and have copies delivered to all parties on or before **Wednesday, February 22, 2012.**
3. Intervenors wishing to file written evidence shall file the evidence with the Board, and have copies delivered to the Applicants and all parties on or before **Friday, March 2, 2012.**
4. Written interrogatories on the intervenor's evidence shall be filed with the Board and copies delivered to the Applicants and all parties on or before **Friday, March 16, 2012.**
5. Complete responses to the interrogatories on intervenor's evidence shall be filed with the Board and delivered to all parties on or before **Friday, March 30, 2012.**

All filings to the Board must quote file numbers **EB-2011-0242 and EB-2011-0283**, be made through the Board's web portal at www.errr.ontarioenergyboard.ca, 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.

Please use the document naming conventions and document submission standards outlined in the RESS Document Guideline found at www.ontarioenergyboard.ca. If the web portal is not available you may email your document to the BoardSec@ontarioenergyboard.ca. 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 seven paper copies. If you have submitted through the Board's web portal an e-mail is not required.

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.

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DATED at Toronto, January 24, 2012

ONTARIO ENERGY BOARD

Original Signed By

Kirsten Walli
Board Secretary

Appendix A

of

Procedural Order No. 3 and

Decision on Issues

Enbridge Gas Distribution Inc. (EB-2011-0242)

Union Gas Limited (EB-2011-0283)

LIST OF PARTICIPANTS

**Enbridge Gas Distribution Inc.
EB-2011-0242
AND
Union Gas Ltd.
EB-2011-0283**

APPLICANT & LIST OF INTERVENORS

January 24, 2012

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**Enbridge Gas Distribution Inc.
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**Enbridge Gas Distribution Inc.
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**Enbridge Gas Distribution Inc.
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Appendix B

of

Procedural Order No. 3 and

Decision on Issues

Enbridge Gas Distribution Inc. (EB-2011-0242)

Union Gas Limited (EB-2011-0283)

FINAL ISSUES LIST

**ENBRIDGE GAS DISTRIBUTION INC. (EB-2011-0242)
UNION GAS LIMITED (EB-2011-0283)**

FINAL ISSUES LIST

1.0: Role of the Utilities

- 1.1 Do the applications fit with the Objectives for natural gas under the OEB Act?
- 1.2 Is the proposed role of both Enbridge and Union in developing and implementing a biomethane program reasonable and appropriate?

2.0: Cost Consequences

- 2.1 Are the proposed costs from landfill sources reasonable and appropriate?
- 2.2 Are the proposed costs from anaerobic digester sources reasonable and appropriate?
- 2.3 Is the proposed maximum term length for biomethane contracts (20 years) reasonable and appropriate?
- 2.4 Is the proposed 5-year contract acceptance window following Board approval for biomethane supply reasonable and appropriate?
- 2.5 Are the proposed maximum volume caps reasonable and appropriate?
- 2.6 Is the proposed system for treating any and all environmental impacts and attributes reasonable and appropriate?

3.0: Impacts on the Distribution System

- 3.1 Are the proposed connection procedures, including capital contributions, reasonable and appropriate?
- 3.2 Is the proposed capacity allocation process to access the utilities' distribution and transmission systems reasonable and appropriate?
- 3.3 Has gas quality been adequately assured?

4.0: Cost Allocation

- 4.1 If approved, is the proposed assignment/recovery of the incremental costs of biomethane reasonable and appropriate?