



EB-2008-0280

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

AND IN THE MATTER OF stakeholder consultations on
the development of filing guidelines for the pre-approval of
long-term natural gas supply and/or upstream
transportation contracts.

BEFORE: Paul Vlahos
Presiding Member

David Balsillie
Member

DECISION AND ORDER ON COST AWARDS

On August 22, 2008, the Ontario Energy Board (the “Board”) issued a letter to interested parties giving notice that it was initiating a consultation process on the development of filing guidelines for the pre-approval of long-term natural gas supply and/or upstream transportation contracts (the “LTC Filing Guidelines”). The letter also stated that the process would be conducted in two phases, with stakeholder consultation leading to a staff discussion paper in the first phase and, if the Board concluded that there were circumstances where pre-approval of those contracts may be appropriate, a second phase where the LTC Filing Guidelines would be developed.

Also, in the August 22 letter, the Board indicated that cost awards would be available to eligible persons under section 30 of the *Ontario Energy Board Act, 1998* and these costs would be recovered from Enbridge Gas Distribution Inc. (“Enbridge”), Natural Resource Gas Limited (“NRG”) and Union Gas Limited (“Union”).

On September 8, 2008, NRG wrote to the Board and indicated that while it does enter into long-term natural gas supply contracts for its regulated supply, it does not enter into long-term upstream transportation contracts for same. NRG proposed that any costs recovered from it should be related to long-term gas supply contracting only.

The Board issued a Cost Eligibility Decision on October 2, 2008 that granted cost eligibility to seven stakeholder groups. The seven stakeholder groups found eligible to receive an award of costs in the stakeholder consultation process were the following:

- Building Owners and Managers Association of the Greater Toronto Area (“BOMA”);
- Canadian Manufacturers & Exporters (“CME”);
- Consumers Council of Canada (“CCC”);
- Federation of Rental-housing Providers of Ontario (“FRPO”);
- Industrial Gas Users Association (“IGUA”);
- London Property Management Association (“LPMA”); and
- Vulnerable Energy Consumers’ Coalition (“VECC”).

Further, the Board decided that, in accordance with the Practice Direction, dated August 14, 2008, the Association of Power Producers of Ontario’s (“APPPrO”) cost eligibility would be determined at the end of the consultation process.

Also, in its letter dated October 2, 2008, the Board found that the costs awarded in this consultation would be recovered from Enbridge, NRG and Union and would be allocated based on distribution revenue.

On October 15-17, 2008, staff held a number of meetings with stakeholders. At these meetings, staff and its technical expert presented material to initiate discussion on whether: (i) it is appropriate for natural gas utilities to enter into long-term natural gas supply and/or upstream transportation contracts; and (ii) the Board should develop filing guidelines for the pre-approval of long-term contracts, and if so, what should be included in these filing guidelines.

At these meetings, no substantive issues were raised and stakeholders generally agreed to a pre-approval process for long-term contracts that support the development of new natural gas infrastructure (e.g., new pipeline facilities to access new natural gas supply sources such as Liquefied Natural Gas plants and frontier production). As a result, a staff discussion paper, as originally contemplated in Phase I of the consultation, was not necessary. The Board decided to proceed directly to Phase II and release its draft LTC Filing Guidelines for stakeholder comment.

On February 11, 2009, the Board issued the draft LTC Filing Guidelines for stakeholder comment and the Report of the Board entitled Draft Filing Guidelines for the Pre-Approval of Long-Term Natural Gas Supply and/or Upstream Transportation Contracts.

On April 23, 2009, the Board completed this consultation with the issuance of the final filing guidelines for the pre-approval of the cost consequences of long-term natural gas supply and/or upstream transportation contracts.

On April 28, 2009, the Board issued a Notice of Hearing for Cost Awards (the "Notice") in relation to this stakeholder consultation. Included in the Notice was a listing of the eligible activity and the maximum number of hours eligible for cost awards for that activity.

The following eligible parties submitted cost claims by May 13, 2009: BOMA; CME; FRPO; IGUA; LPMA; and VECC. No cost claims were submitted by CCC and APPRO. No objections were received from Enbridge, NRG and Union.

The Board finds that the cost claims filed by BOMA, CME, FRPO, IGUA, LPMA and VECC are within the approved overall limits set by the Board as identified in the Notice and are also in accordance with the Board's Practice Direction on Cost Awards. The Board therefore finds that BOMA, CME, FRPO, IGUA, LPMA and VECC are entitled to one hundred percent (100%) of their claimed costs.

THE BOARD THEREFORE ORDERS THAT:

1. Enbridge, NRG and Union shall immediately pay the noted parties the amounts listed in Appendix A attached hereto.
2. Enbridge, NRG and Union shall immediately pay the Board's costs of and incidental to this stakeholder consultation immediately upon receipt of the Board's invoice.

DATED at Toronto, June 10, 2009

ONTARIO ENERGY BOARD

Original Signed By

Kirsten Walli
Board Secretary

Appendix A

Dated June 10, 2009

	Building Owners and Managers Association	Canadian Manufacturers & Exporters	Federation of Rental- housing Providers of Ontario	Industrial Gas Users Association	London Property Management Association	Vulnerable Energy Consumers' Coalition	Total Claim
Natural Gas Utility							
Enbridge Gas Distribution Inc.	\$869.21	\$1,288.11	\$2,801.30	\$2,451.10	\$912.67	\$1,182.52	\$9,504.91
Union Gas Limited	\$777.25	\$1,151.83	\$2,504.94	\$2,191.78	\$816.11	\$1,057.42	\$8,499.33
Natural Resource Gas	\$3.54	\$5.25	\$11.42	\$9.99	\$3.72	\$4.82	\$38.74
Total Claim	\$1,650.00	\$2,445.19	\$5,317.66	\$4,652.87	\$1,732.50	\$2,244.76	