



1  
**EB-2003-0288**

**RP-2003-0048**

2  
**IN THE MATTER OF** the *Ontario Energy Board Act, 1998*,  
S.O.1998, c.15, Schedule B;

3  
**AND IN THE MATTER OF** an Application by Enbridge Gas  
Distribution Inc. for an Order or Orders approving or fixing  
just and reasonable rates and other charges for the sale, distri-  
bution, transmission and storage of gas commencing January  
1, 2004.

4  
**BEFORE:**

5  
Bob Betts  
Presiding Member

6  
George A. Dominy  
Member

7  
**DECISION AND INTERIM RATE ORDER**

8  
Enbridge Gas Distribution Inc. ("EGDI") filed an application with the Ontario Energy Board dated  
December 2, 2003, for an order approving or fixing rates for the sale, distribution, transmission, and  
storage of gas effective January 1, 2004 (the "Application"). The Board has assigned file number  
EB-2003-0288 to the Application.

9  
EGDI indicated that the Application was prepared in accordance with the Quarterly Rate Adjustment  
Mechanism ("QRAM") approved by the Board in RP-2000-0040 and described in Issue 2.2 of the  
Settlement Proposal for RP-2000-0040, which was subsequently modified and approved by the  
Board in RP-2002-0133 as described under Issue 4.2 of that Settlement Proposal.

10  
The Application included the following information:

- 11  
(i) EGDI's recalculated utility price for the second quarter of fiscal 2004 is  $\$263.197/10^3\text{m}^3$   
( $\$6.983/\text{GJ}$  @  $37.69 \text{ MJ/m}^3$ ), which varies from the current utility price of  $\$280.181/10^3\text{m}^3$   
( $\$7.434/\text{GJ}$  @  $37.69 \text{ MJ/m}^3$ ) by  $\$16.984/10^3\text{m}^3$  ( $\$0.451/\text{GJ}$  @  $37.69 \text{ MJ/m}^3$ ). The new price

exceeds the 0.5 cents/m<sup>3</sup> price variance implementation threshold and accordingly, EGDI requested that the recalculated utility price should be the new utility price effective January 1, 2004.

- (ii) The adjusted 2004 year-end balance in the Purchased Gas Variance Account (“PGVA”) as of September 30, 2004 is forecasted to be a customer debit of \$64.8 million. When translated into cents/m<sup>3</sup>, the amount is 2.2 cents/m<sup>3</sup> and thus more than the threshold of 0.5 cents/m<sup>3</sup>. Thus the Company has proposed that a rate rider be implemented to clear the PGVA.
- (iii) Due to the decrease in the utility price, the Gas Supply charges will decrease from approximately 23.5 cents/m<sup>3</sup> to 21.2 cents/m<sup>3</sup> for Rate 1 system gas supply customers.
- (iv) Load balancing costs have increased by about \$6 per customer per year for a typical residential customer mostly as a result of increased transportation charges not identified in the previous QRAM (October 2003). The net effect of the commodity decrease and the load balancing cost increase results in a 5.0% annual bill decrease, or \$65 for a typical residential customer with an annual consumption of 3,064 m<sup>3</sup>. The annual bill for a typical residential customer would be \$1,241 under the proposal, not including the effect of any riders or other Board-authorized regulatory adjustments.

The Application, including supporting written evidence, was provided to parties listed on the List of Interested Parties which includes the intervenors of record from the fiscal 2004 rate application (RP-2003-0048). The Application also set out the dates for filing comments and the Company’s reply to those comments.

The Board did not receive any letters of comment from the Interested Parties.

Pursuant to the *Ontario Energy Board Act, 1998*, section 36 (4.1), the Board has considered all deferral account balances related to the commodity cost of gas and is adjusting rates, as set out below, to mitigate the potential impact of an increasing customer debit balance for the forecast year-end PGVA.

The Board finds that the Company’s rate proposal is appropriate on an interim basis.

**THE BOARD ORDERS THAT:**

1. The rates for Enbridge Gas Distribution Inc. which were effective October 1, 2003 (EB-2003-0229), shall be superseded by rates as provided in the Company’s Rate Handbook and contained in Appendix “A” attached to this Interim Rate Order. The interim rates shall be effective January 1, 2004 and shall be implemented in the Company’s first billing cycle in January, 2004.

2. Effective January 1, 2004, the utility price used in determining amounts to be recorded in the fiscal 2004 Purchased Gas Variance Account shall be  $\$263.197/10^3\text{m}^3$ . 21

3. The appropriate form of customer notice set out in Appendix “B” shall accompany each customer’s first bill following the implementation of this Interim Rate Order. 22

The parties for service shall be those on the List of Interested Parties attached as Appendix “C”. 23

**ISSUED** at Toronto, December 19, 2003 24

ONTARIO ENERGY BOARD

Peter H. O’Dell  
Assistant Secretary

**APPENDIX "A" TO**  
**BOARD FILE NO. EB-2003-0288**  
**DATED December 19, 2003**  
**NOT AVAILABLE ELECTRONICALLY**

**APPENDIX "B" TO**  
**BOARD FILE NO. EB-2003-0288**  
**DATED December 19, 2003**  
**NOT AVAILABLE ELECTRONICALLY**

**APPENDIX "C" TO**  
**BOARD FILE NO. EB-2003-0288**  
**DATED December 19, 2003**  
**NOT AVAILABLE ELECTRONICALLY**