



**RP-2002-0130**

**EB-2003-0230**

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

**AND IN THE MATTER OF** an Application by Union Gas  
Limited for an order or orders approving or fixing just and rea-  
sonable rates for the sale, distribution and transmission and  
storage of gas as of October 1, 2003;

**AND IN THE MATTER OF** the Quarterly Rate Adjustment  
Mechanism approved by the Ontario Energy Board.

**BEFORE:**

Paul Sommerville  
Presiding Member

Art Birchenough  
Member

**DECISION AND ORDER**

Union Gas Limited (“Union”) filed with the Ontario Energy Board (the “Board”) an application (the “Application”) dated August 28, 2003, for an order or orders approving or fixing just and reasonable rates for the sale, distribution, transmission and storage of gas commencing October 1, 2003. The Application was made pursuant to Union’s approved Quarterly Rate Adjustment Mechanism (“QRAM”). Union’s Application has been given Board File No. RP-2002-0130/EB-2003-0230. Union provided its Application and evidence in support of the proposed changes to all parties of record in the RP-2002-0130 and RP-2003-063 proceedings.

A Notice of Written Hearing and Procedural Order No. 1, issued on September 2, 2003, allowed intervenors to submit interrogatories by September 8, 2003, and required Union to respond by September 11, 2003. Only Board Staff and the Industrial Gas Users Association (“IGUA”) submitted interrogatories. Procedural Order No. 1 also directed parties to file any submission regarding Union’s Application on or before September 15, 2003. Union was required to file any reply to such submissions by September 17, 2003.

No submissions were received. However, IGUA filed a letter indicating that it was satisfied that “the applied-for QRAM adjustments will have no impact on IGUA members.”

The Board has considered the evidence and finds that it is appropriate to adjust Union’s rates and reference prices to reflect the projected changes in gas costs.

The Board also approves changes in the prospective recovery of the gas supply related deferral account balances for Union’s Southern Operations area.

**THE BOARD THEREFORE ORDERS THAT:**

- 1 Rates and other charges as authorized by the Board’s previous QRAM (RP-2002-0130/EB-2003-0130) rate order are reduced to reflect a projected decrease in the Alberta Border Reference Price of \$0.850/GJ (\$31.985/10<sup>3</sup>m<sup>3</sup>) from \$6.670/GJ (\$250.992/10<sup>3</sup>m<sup>3</sup>) to \$5.820/GJ (\$219.007/10<sup>3</sup>m<sup>3</sup>). The rate changes set out in Appendix “A” and the rate schedules set out in Appendix “B” are approved effective October 1, 2003;
- 2 The rates pursuant to all contracts for interruptible service under Rates 16, 25, M5A, M7, and T1 shall be adjusted effective October 1, 2003, by the amounts set out in Appendix “C”. The rates pursuant to contracts for interruptible service under Rate 25 shall be negotiated within the range for service, as adjusted and set out in Appendix “C”;
- 3 The reference price for use in determining the amounts to be recorded in the Firm Supply Purchase Gas Variance Account (Deferral Account No. 179-80) is reduced by \$0.850/GJ (\$31.985/10<sup>3</sup>m<sup>3</sup>) from \$6.670/GJ (\$250.992/10<sup>3</sup>m<sup>3</sup>) to \$5.820/GJ (\$219.007/10<sup>3</sup>m<sup>3</sup>) effective October 1, 2003;
- 4 The reference price for gas for determining the amounts to be recorded in the TCPL Tolls and Fuel - Southern Operations Area Deferral Account (Deferral Account No. 179-67) and the TCPL Tolls and Fuel - Northern and Eastern Operations Area Deferral Account (Deferral Account No. 179-100) is reduced to reflect a decrease with respect to fuel gas by \$0.850/GJ (\$31.985/10<sup>3</sup>m<sup>3</sup>) effective October 1, 2003;
- 5 The reference price for use in determining the amounts to be recorded in the Other Purchased Gas Costs Account (Deferral Account No. 179-68) is reduced by \$0.899/GJ (\$33.847/10<sup>3</sup>m<sup>3</sup>) from \$8.261/GJ (\$310.870/10<sup>3</sup>m<sup>3</sup>) to \$7.362/GJ (\$277.023/10<sup>3</sup>m<sup>3</sup>);
- 6 Rates and other charges, including the associated delivery rates, as authorized by the Board’s previous QRAM (RP-2002-0130/EB-2003-0130) rate order are adjusted to reflect an increase in the amount for prospective recovery of the projected 2003 year-end balance recorded in the Other Purchase Gas Costs Account from customers in Union’s Southern Operations area;

7 The amount arising from the revaluation of the cost of gas in inventory resulting from the change in the reference price shall be recorded in the Other Purchased Gas Costs Account (Deferral Account No. 179-68) effective October 1, 2003. 21

8 The appropriate form of notice shall be given to all customers with the first bill or invoice reflecting the new rate. The respective forms of the customer notices are set out in Appendix "D". 22

**DATED** at Toronto, September 19, 2003. 23

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Peter H. O'Dell  
Assistant Secretary

**APPENDIX "A" TO  
DECISION AND ORDER  
BOARD FILE NO: RP-2002-0130/EB-2003-0230  
DATED September 19, 2003**

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The above Appendix is not currently available in electronic format but can be viewed at the Ontario Energy Board's Public File Room.

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**APPENDIX “B” TO  
DECISION AND ORDER  
BOARD FILE NO: RP-2002-0130/EB-2003-0230  
DATED September 19, 2003**

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**APPENDIX “C” TO  
DECISION AND ORDER  
BOARD FILE NO: RP-2002-0130/EB-2003-0230  
DATED September 19, 2003**

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**APPENDIX “D” TO  
DECISION AND ORDER  
BOARD FILE NO: RP-2002-0130/EB-2003-0230  
DATED September 19, 2003**

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