



EB-2002-00494

RP-2002-0133

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

AND IN THE MATTER OF an Application by Enbridge Gas Distribution Inc. for an Order approving or fixing rates for the sale, distribution, transmission, and storage of gas effective January 1, 2003.

Before:

Bob Betts
Presiding Member

George Dominy
Member

DECISION AND INTERIM RATE ORDER

Enbridge Gas Distribution Inc. (“Enbridge Gas” or the “Company” or the “Applicant”) filed an application with the Ontario Energy Board (the “Board”) dated December 4, 2002 (the “Application”), for an order approving or fixing rates for the sale, distribution, transmission, and storage of gas effective January 1, 2003. The Board has assigned file number EB-2002-0494 to the Application.

Enbridge Gas 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.

The Application included the following information:

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(i) Enbridge Gas' recalculated utility price for the second quarter of fiscal 2003 is \$259.519/103m³ (\$6.886/GJ @ 37.69 MJ/m³), which varies from the current utility price of \$237.963/103m³ (\$6.314/GJ @ 37.69 MJ/m³) by \$21.556/103m³ (\$0.572/GJ @ 37.69 MJ/m³). The new price represents a 9% increase from the current price level and exceeds the 0.5 cents/m³ threshold. Accordingly, Enbridge Gas requested that the recalculated utility price should be the new utility price effective January 1, 2003.

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(ii) The adjusted year-end balance in the Purchased Gas Variance Account ("PGVA") at the end of December 2003 is forecasted to be a customer debit of \$8.6 million. The Company noted that the forecast year-end balance in the 2003 PGVA would result in a charge of 0.3 cents/m³ on average through rider C which is less than the threshold of 0.5 cents/m³. Consequently, the Company requested no rate rider, and thus no clearance of the PGVA balance in the second quarter of the Test Year.

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(iii) Due to the increased utility price, the Gas Supply charges will increase from approximately 19.1 cents/m³ to 21.3 cents/m³ for Rate 1 system gas supply customers. This increase will result in a 6% increase, or \$68 on an annual bill of \$1,140.

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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 2002 rates application (RP-2001-0032). The Application set out dates for filing comments and the Company's reply to those comments.

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On December 10, 2002 the Board received a comment from the counsel for the Vulnerable Energy Consumers' Coalition ("VECC"). The submission stated that VECC had no issues with the Application. No other submissions were received by the end of the day of December 11, 2002.

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In reviewing the Application the Board recognizes that the Company has made changes to gas volumes and cost of capital to reflect current market conditions. The Board is of the view that this approach should be considered as a part of the review of the Applicant's QRAM methodology.

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

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THE BOARD THEREFORE ORDERS THAT:

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1 The rates for Enbridge Gas which were effective October 1, 2002 (EB-2002-0431), 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, 2003 and shall be implemented in the Company's first billing cycle in January, 2003..

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1 Effective January 1, 2003, the utility price used in determining amounts to be recorded in the 2003 PGVA Deferral Account shall be \$259.519/103m³. This represents an increase of \$21.556/103m³ over the previous price of \$237.963/103m³.

1 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

1 The parties for service shall be those on the List of Interested Parties attached as Appendix “C” . This List shall be revised for the next QRAM application to include the intervenors of record from the fiscal 2003 rates application (RP-2002-0133). 23

DATED at Toronto, December 18, 2002. 24

ONTARIO ENERGY BOARD

Paul B. Pudge
Board Secretary

APPENDIX “A”
The Company’s Rate Handbook
To BOARD FILE No. EB-2002-0494
Dated December 18, 2002

The document is not available in electronic form. It is available in Public Records only. 26

APPENDIX "B"
Form of Customer Notice
To BOARD FILE No. EB-2002-0494
Dated December 18, 2002

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The document is not available in electronic form. It is available in Public Records only.

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APPENDIX "C"
List of Interested Parties
To BOARD FILE No. EB-2002-0494
Dated December 18, 2002

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