



**RP-2002-0158**

**EB-2002-0484**

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

**AND IN THE MATTER OF** an Application by Union Gas Limited for an Order or Orders approving or fixing just and reasonable rates and other charges for the sale, transmission, distribution, and storage of gas as of January 1, 2003.

**AND IN THE MATTER OF** the customer review process approved by the Ontario Energy Board in the RP-1999-0017 Decision with Reasons.

**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, transmission, distribution, and storage of gas as of October 1, 2002.

**AND IN THE MATTER OF** an Application by Enbridge Gas Distribution Inc. and Union Gas Limited for a review of the Board's Guidelines for establishing their respective return on equity.

### **PROCEDURAL ORDER No. 1**

Union Gas Limited ("Union") filed an application dated May 27, 2002, (the "Application") with the Ontario Energy Board (the "Board") under section 36 of the Ontario Energy Board Act, S.O. 1998, c.15, Schedule B. Evidence in support of the Application was filed by Union on June 25, 2002. The Board issued a Notice of Application on July 5, 2002.

Union has applied for an order or orders approving or fixing just and reasonable rates and other charges for the sale, distribution, transmission, and storage of gas. The proposed rates and other charges for which approval is requested will be effective for the year 2003, commencing January 1, 2003. Union has also applied to the Board for such accounting or interim orders as may be appropriate. The Board assigned file number RP-2002-0130 to Union's Application.

By letter dated August 1, 2002, Union included in its Application changes to the Board's formula to establish the return on equity ("ROE") to be applied for implementation in 2002 and 2003.

Enbridge Gas Distribution Inc. ("Enbridge Gas") filed an application dated September 2, 2002, (the "Application") with the Ontario Energy Board (the "Board") under section 36 of the Ontario Energy Board Act, S.O. 1998, c.15, Schedule B. Partial evidence in support of the Application was received on September 9, 2002. The Board issued a Notice of Application on September 30, 2002.

Enbridge Gas has applied for an order or orders approving or fixing just and reasonable rates and other charges for the sale, distribution, transmission, and storage of gas. The applicant proposed rates and other charges to be effective for the fiscal year commencing October 1, 2002. Enbridge Gas has also applied to the Board for such accounting or interim orders as may be appropriate. Included in its application is a request for a change to the Board's formula used to determine Enbridge's ROE. The Board assigned file number RP-2002-0133 to Enbridge Gas's Application.

The evidence relied upon by both Union and Enbridge Gas in their applications to review the ROE methodology is similar and in both cases, has been provided by the same person. Accordingly, the Board has decided to proceed to review the ROE evidence by combining the two proceedings for this issue only. The combined proceeding will only determine whether any change to the Board's Draft Guidelines on a Formula Based Return on Common Equity for Regulated Utilities is justified, and if so, what the change would be. The Board has assigned file number RP-2002-0158 (EB-2002-0484) to the combined proceeding.

The intervenors of record in the RP-2002-0130 and the RP-2002-0133 proceedings are intervenors in this combined proceeding. If the Board determines that costs are to be awarded to intervenors for the combined proceeding, responsibility to pay will be shared equally between Union and Enbridge Gas.

The Board considers it necessary to make provision for the following matters.

**THE BOARD ORDERS THAT:**

- 1 Should Union wish to update the evidence prepared by Ms. K. McShane and filed in the RP-2001-0029 proceeding this must be done by Friday, February 7, 2003.
- 2 Intervenors and Board Staff who require additional information from either Union or Enbridge Gas shall file written interrogatories with the Board and Union or Enbridge Gas on or before Friday, February 28, 2003. Union and Enbridge Gas shall file complete responses with the Board and deliver them to all intervenors no later than Friday, March 14, 2003.
- 3 Intervenors and Board Staff may file supplementary interrogatories with either Union or Enbridge Gas by Friday, March 21, 2003, if and only if any interrogatory answers are incomplete or require

clarification. Union and Enbridge Gas shall file complete answers to such supplementary interrogatories by April 4, 2003.

- 4 An Issues Conference, if required, will be held at the Board on Tuesday, April 8, 2003 at 9:00 a.m. Board Staff will circulate a draft issues list to partes prior to the Conference. A proposed issues list will be formulated and presented to the Board at the conclusion of the Conference. 21
- 5 An Issues Day proceeding will take place on Thursday, April 10, at 9:30 a.m., if required, in the Board's West Hearing Room, at which time the Board will hear submissions with respect to any contested issues on the Issues List, formulated at the preceding Issues Conference. 22
- 6 Intervenors who wish to present evidence shall file that evidence with the Board and deliver it to Union, Enbridge and the other intervenors on or before Friday, May 23, 2003. A list of Intervenors is attached as [Appendix A](#) to this Procedural Order. 23
- 7 Any party, (intervenor, Union or Enbridge Gas) or Board Staff who requires additional information related to the Intervenor's filed evidence and that is relevant to the hearing, shall do so by written interrogatories filed with the Board and delivered to the Intervenor on or before Friday, June 6, 2003. Responses to the interrogatories shall be filed with the Board and delivered to Union and the other Intervenors on or before Friday, June 20, 2003. 24
- 8 All filings with the Board noted in the Order must be in the form of **10 hard copies and received by the Board by 4:45 p.m.** on the stated date. All parties must also include a copy of their filings on disk in WordPerfect format (or MS Word, if WordPerfect is not available). 25

**ISSUED** at Toronto, December 16, 2002. 26

**ONTARIO ENERGY BOARD**

**Peter H. O'Dell**  
**Assistant Board Secretary**