



**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. 3**

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, 1998 S.O. 1998, c.15, Schedule B (the "Act"). 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 to 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 Board under section 36 of the Act. 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 the Enbridge Application.

The evidence relied upon by both Union and Enbridge Gas in their applications to review the ROE methodology is similar, and in each case, 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 be limited to the consideration of the question as to 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 changes should be made to the Draft Guidelines. The Board has assigned file number RP-2002-0158 (EB-2002-0484) to the combined proceeding.

On December 16, 2002, the Board issued Procedural Order No. 1 setting out the schedule for this proceeding. As per directions in Procedural Order No. 1, on February 7, 2003 Union filed updated evidence prepared by Ms. K. McShane.

By letter dated February 21, 2003, the Board indicated that it had experienced a delay in retaining an ROE consultant and, therefore, decided to postpone the date upon which written interrogatories were due from February 28, 2003 to April 11, 2003. Procedural Order No. 2 setting out the revised schedule was issued on March 3, 2003.

Given the broad policy setting nature of the Application, the Board believes that an Issues Conference and an Issues Day would be of limited assistance to the Board.

**THE BOARD ORDERS THAT:**

- 1 The Issues/Technical Conference scheduled for Wednesday, May 21, 2003 at 9:00 a.m. is cancelled.
- 2 The Issues Day proceeding scheduled to take place on Friday, May 23, at 9:30 a.m., is also cancelled.

3 A Stakeholders Conference will take place on Friday, May 23, at 9:30 a.m. The purpose of the Conference is to allow stakeholders an opportunity to discuss the Application, exchange views and information regarding the Application, follow up on interrogatory responses and discuss administrative and scheduling matters.

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**ISSUED** at Toronto, April 30, 2003

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**ONTARIO ENERGY BOARD**

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