



**EB-2014-0199**

**IN THE MATTER OF** a proceeding initiated by the Ontario Energy Board to review the Quarterly Rate Adjustment Mechanism process for natural gas distributors.

**BEFORE:** Ken Quesnelle  
Presiding Member and Vice Chair

Marika Hare  
Board Member

**DECISION AND ORDER ON COST AWARDS  
September 16, 2014**

**BACKGROUND**

The Ontario Energy Board commenced a proceeding on its own motion to review the Quarterly Rate Adjustment Mechanism (“QRAM”) for natural gas distributors. This proceeding was commenced pursuant to sections 19 and 36 of the *Ontario Energy Board Act, 1998*.

In its Amended Notice of Proceeding and Procedural Order No. 1 dated June 5, 2014, the Board notified interested parties that cost awards would be available to eligible participants under section 30 of the *Ontario Energy Board Act, 1998* in relation to the participation in this proceeding. The Board stated that any costs awarded would be recovered from natural gas distributors - Enbridge Distribution Inc. (“Enbridge”), Natural Resource Gas Limited (“NRG”) and Union Gas Ltd. (“Union”) based on their respective distribution revenues. The Board also granted intervenor status to all parties who were granted intervenor status in the Board’s proceeding on Methodologies for Commodity

Pricing, Load Rebalancing and Cost Allocation for Natural Gas Distributors (EB-2008-0106). In addition, the Board also granted intervenor status to all Ontario licensed gas marketers, as well as the Association of Power Producers of Ontario and Energy Probe Research Foundation Inc. (“EPRF”).

The Board received cost claims from the Canadian Manufacturers & Exporters (“CME”), EPRF, Federation of Rental-housing Providers of Ontario (“FRPO”) and London Property Management Association (“LPMA”). No other interested party filed cost claims.

On August 28, 2014, Enbridge filed its response to the cost claims filed and stated that all the cost claims are within tolerances of the guidelines. On August 28, 2014, Union stated that it had no concerns with any of the cost claims. No objection was received from NRG.

### **Board Findings on the Cost Claims of the Eligible Participants**

The Board notes that the cost claims filed by CME, EPRF, FRPO and LPMA are in accordance with the Board’s Notice of Proceeding and Procedural Order No. 1. The Board finds that each of these eligible participants is entitled to 100% of its reasonably incurred costs of participating in this consultation.

The amount payable by each natural gas distributor in relation to costs awarded to each eligible participant is listed in Appendix A to this Decision and Order.

### **Process for Paying the Cost Awards**

The Board will use the process set out in section 12 of the *Practice Direction on Cost Awards* to implement the payment of the cost awards. Therefore, the Board will act as a clearing house for all payments of cost awards relating to this consultation process. Invoices will be issued to natural gas distributors at the same time as invoices for cost assessments are made under section 26 of the Act. The practice of the Board is to issue to each natural gas distributor one invoice that covers all cost awards payable by that natural gas distributor for the relevant period. As a result, the invoice may cover cost awards payable in relation to a number of consultations, including this one.

**THE BOARD THEREFORE ORDERS THAT:**

1. The amounts to be paid by each individual natural gas distributor in relation to the costs awarded to each eligible participant are as set out in Appendix A to this Decision and Order.
2. The individual natural gas distributors listed in Appendix A to this Decision and Order shall pay the costs awarded to each of the eligible participants as set out in Appendix A.
3. The individual natural gas distributors listed in Appendix A to this Decision and Order shall pay the Board's costs of, and incidental to, this consultation.
4. Payment of cost awards and of the Board's costs referred to in paragraphs 2 and 3 shall be made to the Ontario Energy Board in accordance with the invoice issued to the individual natural gas distributor, and shall be due at the same time as cost assessments under section 26 of the Act are due.

**DATED** at Toronto, September 16, 2014

**ONTARIO ENERGY BOARD**

*Original Signed By*

Kirsten Walli  
Board Secretary

**Appendix A**

**to the Board's Decision and Order on Cost Awards  
Dated September 16, 2014**

**EB-2014-0199**

**Proceeding to review the Quarterly Rate Adjustment Mechanism  
process for natural gas distributors**

<b>Gas Distributor, Transmitter, Storage Company</b>	<b>CME</b>	<b>EPRF</b>	<b>FRPO</b>	<b>LPMA</b>	<b>TOTAL</b>
Enbridge Gas Distribution	\$ 925.45	\$ 1,168.34	\$ 1,616.13	\$ 1,010.08	\$ 4,720.00
Union Gas	\$ 778.69	\$ 983.06	\$ 1,359.83	\$ 849.90	\$ 3,971.47
Natural Resource Gas	\$ 4.14	\$ 5.23	\$ 7.24	\$ 4.52	\$ 21.14
<b>TOTAL</b>	<b>\$ 1,708.28</b>	<b>\$ 2,156.63</b>	<b>\$ 2,983.20</b>	<b>\$ 1,864.50</b>	<b>\$ 8,712.61</b>