

## **ONTARIO ENERGY BOARD**

**IN THE MATTER OF** the *Ontario Energy Board Act*,  
1998, S.O. 1998, c. 15, Sched. 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, storage, and transmission of  
gas effective April 1, 2003.

### **APPLICATION FOR RATE ADJUSTMENT Gas Costs Third Quarter - Test Year 2003**

#### **Introduction**

1. Enbridge Gas Distribution Inc. ("Enbridge"), hereby applies to the Board for an Order approving or fixing rates for the sale, distribution, storage, and transmission of gas effective April 1, 2003. This Application is made pursuant to, and the Order would be issued under, section 36 of the *Ontario Energy Board Act, 1998*, as amended. The Order would be made interim, though, under subsection 21(7) of this statute.
2. This Application and the supporting evidence were prepared in accordance with the methodology prescribed in the Settlement Proposal, under Issue 2.2, approved by the Board in the RP-2000-0040 proceeding.<sup>1</sup> The text of the agreement to settle Issue 2.2 is presented in Appendix A.

#### **Utility Price Adjustment**

3. Enbridge's utility price during this second quarter of Test Year 2003 is \$259.519/10<sup>3</sup>m<sup>3</sup> (\$6.886/GJ @ 37.69 MJ/m<sup>3</sup>). This price was approved by the

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<sup>1</sup> The "Settlement Proposal (Main Case)" is dated May 11, 2001 and was approved by the Board on May 30, 2001: 1 Tr. 107-9. See also the Board's Final Rate Order dated June 28, 2001 and its Reasons for Decision dated August 17, 2001; a copy of the Settlement Proposal is Appendix A to the latter.

Board's Decision and Interim Rate Order dated December 18, 2003 (EB-2002-0494).

4. Enbridge has recalculated the utility price for the third quarter of Test Year 2003 using the prescribed methodology. The recalculated utility price is  $\$312.877/10^3\text{m}^3$  ( $\$8.301/\text{GJ}$  @  $37.69 \text{ MJ}/\text{m}^3$ ).
5. Enbridge has also reflected in its revenue requirement calculation the effect of Order TGI-2-1001 rendered by the National Energy Board regarding TransCanada PipeLines Limited interim tolls for fiscal 2003. These interim tolls are effective January 1, 2003. The recalculated utility price of  $\$312.877/10^3\text{m}^3$  ( $\$8.301/\text{GJ}$  @  $37.69 \text{ MJ}/\text{m}^3$ ), net of the new upstream transportation tolls, varies from the current utility price, net of upstream transportation tolls, by  $\$51.464/10^3\text{m}^3$  ( $\$1.365/\text{GJ}$  @  $37.69 \text{ MJ}/\text{m}^3$ ) or more than  $0.5\text{¢}/\text{m}^3$ . The recalculated utility price accordingly supersedes the existing utility price effective April 1, 2003.
6. Enbridge has used the recalculated utility price, together with the consequential effect on the prescribed commodity-related costs, as the basis for recalculating the gas supply charges for sales service, and also the delivery charges and the gas supply load balancing charges, effective as of April 1, 2003. The resultant rates would increase the total bill for a typical residential customer on system gas by \$173 or 14% (approx.) annually and, for a typical residential customer on direct purchase, by \$9 or 2% (approx.) annually.

### **PGVA**

7. Enbridge has adjusted the forecast balance in its Purchased Gas Variance Account ("PGVA") as of the end of Test Year 2003 (i.e., September 30, 2003) to account for the recalculated utility price, the consequential gas storage inventory adjustments, and the upstream transportation tolls variance.
8. The adjusted year-end balance in the PGVA, when translated into  $\text{¢}/\text{m}^3$  based on forecast consumption for the remainder of Test Year 2003, is  $3.8\text{¢}/\text{m}^3$  and thus more than the threshold of  $0.5\text{¢}/\text{m}^3$ . The adjusted year-end balance will therefore be cleared by means of a rate rider (Rider C) over the remainder of Test Year 2003.

### **Regulatory Framework**

9. The regulatory framework for processing the Application and the supporting evidence is prescribed in the Settlement Proposal. Enbridge's list of interested

- parties is presented in Appendix B; the list includes the name(s) of the parties' respective representative(s).
10. Enbridge is filing with the Board one copy of the Application by facsimile and 10 copies of the Application with supporting evidence in binder format by courier. Enbridge is also serving the representative(s) of each interested party with one copy of the Application by facsimile and with one copy of the Application with supporting evidence (binder format) by courier.
  11. The following is the prescribed regulatory framework for processing the Application:
    - Any responsive comments from interested parties must be filed with the Board (10 copies), and served on Enbridge and the other interested parties (one copy), on or before March 10, 2003.
    - Any reply comments from Enbridge must be filed with the Board (10 copies), and served on all interested parties (one copy), on or before March 17, 2003.
    - The Board would thereafter issue an interim order approving the applied-for utility price, gas supply charges, and delivery and load balancing charges, or modifying them as required, and likewise the applied-for rates effective April 1, 2003.
  12. Enbridge requests that the Board issue such an order on or before March 26, 2003. Enbridge would then be able to implement the resultant rates during the first billing cycle in April 2003.
  13. Enbridge also requests that all documents in relation to this Application and supporting evidence, including the responsive comments of any interested party, be served on Enbridge and its counsel as follows:

(a) Enbridge:

Ms. Marika O. Hare  
Director, Regulatory Affairs  
Enbridge Gas Distribution Inc.

Address for personal service: 500 Consumers Road  
Willowdale, Ontario M2J 1P8

Mailing address: P.O. Box 650  
Scarborough, Ontario  
M1K 5E3

Telephone: (416) 753-7333  
Fax: (416) 495-6072  
Electronic access: marika.hare@enbridge.com

(b) Enbridge's counsel:

Ms. Tania H. Persad  
Legal Counsel, Regulatory  
Enbridge Gas Distribution Inc.

Address for personal service  
and mailing (see above)

Telephone: (416) 495-5891  
Fax: (416) 495-5994  
Electronic access: tania.persad@enbridge.com

DATE March 3, 2003.

Enbridge Gas Distribution Inc.

Per: \_\_\_\_\_  
Marika O. Hare  
Director, Regulatory Affairs