Ontario Energy Board

Ontario

IN THE MATTER OF THE
ONTARIO ENERGY BOARD ACT

AND

IN THE MATTER OF
AN APPLICATION BY

THE CONSUMERS' GAS COMPANY LTD.

FOR RATES

E.B.R.O. 465 91

DECISION WITH REASONS

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day/annual demand classification may be demonstrated to be more appropriate. IGUA termed the Company's proposal for the test year as proceeding in "baby steps" and urged the Board to direct the Company "to proceed forthwith" with its 60/40 percent proposal. Petro-Canada suggested that the 60/40 percent peak day/annual volume method should be implemented by the Company in the 1992 fiscal year. F & V, on the other hand, submitted that the TCPL costs included in the cost of service should be treated as 100 percent commodity.

Board Findings

6.1.9 The Board agrees that directionally, and as a longer-term goal, Consumers Gas' proposal to move toward a 60/40 allocation of TCPL demand related charges against peak day/annual demand requirements is appropriate. The Board notes, however, that there is considerable uncertainty over the ultimate impacts of such a move. The Board further notes that there is equal uncertainty as to whether 60/40 is the proper ratio.

6.1.10 The Board, for the present, accepts the Company's specific proposal for the test year, including the use of a three-day coincident peak. The Board endorses the Company's stepwise approach and expects that the Company will monitor and report the impacts as experience is gained at each new demand allocation step.

Costing of Interruptibles

6.1.11 The Company's proposed cost allocation study assumes that the coincident peak of the Rate 170 interruptible class is fully interrupted, while that of Rate 145 is partially interrupted with the result that certain distribution or distribution-related utility investments or operating costs are not allocated to these customer classes.

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