

**UNION GAS LIMITED
ENBRIDGE GAS DISTRIBUTION INC.
EB-2007-0606 / EB-2007-0615**

PROPOSED ISSUES LIST

1. Multi-Year Incentive Ratemaking Framework

- 1.1 What are the implications associated with a revenue cap, a price cap and other alternative multi-year incentive ratemaking frameworks?
- 1.2 What is the method for incentive regulation that the Board should approve for each utility? **(contested)**
- 1.3 Would each utility's multi-year incentive ratemaking application result in just and reasonable rates? **(contested)**
- 1.4 If a revenue cap is employed should the weather risk continue to be borne by the shareholders, and if so what other adjustments should be made? **(contested)**

2. Inflation Factor

- 2.1 What type of index should be used as the inflation factor (industry specific index or macroeconomic index)?
 - 2.1.1 Which macroeconomic or industry specific index should be used?
- 2.2 Should the inflation factor be based on an actual or forecast?
- 2.3 How often should the Board update the inflation factor?
- 2.4 Should the gas utilities ROE be adjusted in each year of the incentive regulation (IR) plan using the Board's approved ROE guidelines?

3. X Factor

- 3.1 How should the X factor be determined?
- 3.2 What are the appropriate components of an X factor?
- 3.3 What are the expected cost and revenue changes during the IR plan that should be taken into account in determining an appropriate X factor? **(contested)**

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4. Average Use Factor

- 4.1 Is it appropriate to include the impact of changes in average use in the annual adjustment?
- 4.2 How should the impact of changes in average use be calculated?
- 4.3 If so, how should the impact of changes in average use be applied (e.g., to all customer rate classes equally, should it be differentiated by customer rate classes or some other manner)?

5. Y Factor

- 5.1 What are the Y factors that should be included in the IR plan?
- 5.2 What are the criteria for disposition?

6. Z Factor

- 6.1 What are the criteria for establishing Z factors that should be included in the IR plan?
- 6.2 Should there be materiality tests, and if so, what should they be?

7. Natural Gas Electricity Interface Review (NGEIR) Decisions

- 7.1 How should the impacts of the NGEIR decisions, if any, be reflected in rates during the IR plan?
- 7.2 Should there be a mechanism during the IR plan to ensure that delivery of service, quality, reliability and safety is not adversely impacted by implementation of NGEIR?
(contested)

8. Term of the Plan

- 8.1 What is the appropriate plan term for each utility?

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9. Off-Ramps

- 9.1 Should an off-ramp be included in the IR plan?
- 9.2 If so, what should be the parameters?

10. Earning Sharing Mechanism (ESM) (contested)

- 10.1 Should an ESM be included in the IR plan?
- 10.2 If so, what should be the parameters?

11. Reporting Requirements

- 11.1 What information should the Board consider and stakeholders be provided with during the IR plan?
- 11.2 What should be the frequency of the reporting requirements during the IR plan (e.g., quarterly, semi-annual or annually)?
- 11.3 What should be the process and the role of the Board and stakeholders?

12. Rate-Setting Process

- 12.1 Annual Adjustment
 - 12.1.1 What should be the information requirements?
 - 12.1.2 What should be the process, the timing, and the role of the stakeholders?
- 12.2 New Energy Services
 - 12.2.1 What should be the criteria to implement a new energy service?
 - 12.2.2 What should be the information requirements for a new energy service?
- 12.3 Changes in Rate Design
 - 12.3.1 What should be the criteria for changes in rate design?

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12.3.2 How should the change in the rate design be implemented?

12.3.3 What should be the information requirements for a change in rate design?

12.4 Non-Energy Services

12.4.1 Should the charges for these services be included in the IR mechanism?

12.4.2 If not, what should be the criteria for adjusting these charges?

12.4.3 What should be the criteria to implement new non-energy services?

12.4.4 What should be the information requirements for new non-energy services?

13. Rebasing

13.1 What information should the Board consider and stakeholders be provided with at the time of rebasing?

13.2 Should there be an opportunity to negotiate an extension of the IR plan with rebasing as the default option?

13.3 If so, what should be the criteria for an extension?

13.4 What should be the process and the role of the Board and stakeholders?

14. Adjustments to Base Year Revenue Requirements and/or Rates (contested)

14.1 Are there adjustments that should be made to base year revenue requirements and/or rates?

14.2 If so, how should these adjustments be made?