



EB-2007-0598

IN THE MATTER OF the *Ontario Energy Board Act*,
1998, S.O. 1998, c.15 (Sched. B);

AND IN THE MATTER OF an Application by Union
Gas Limited for an order or orders amending or
varying the rate or rates charged to customers as of
July 1, 2007;

PROCEDURAL ORDER NO. 4

Union Gas Limited (“Union” or the “Applicant”) filed an application on April 27, 2007 with the Ontario Energy Board (the “Board”) seeking approval for final disposition and recovery of certain 2006 year-end deferral account balances and the 2006 year-end earnings sharing amount. Union also proposed that the impacts resulting from the disposition of 2006 deferral account balances and 2006 earnings sharing, be implemented on July 1, 2007 to align with other potential rate changes expected to result from the Quarterly Rate Adjustment Mechanism (“QRAM”) proceeding.

Union proposed that the impacts resulting from the disposition of 2006 deferral account balances and 2006 earnings sharing, be implemented on July 1, 2007 to align with other potential rate changes expected to result from the July QRAM proceeding. During the proceeding Union revised the proposed implementation date to align with the October QRAM.

On August 17, 2007, the Board issued its Decision and Order on Union’s application, approving the Gas Supply, Storage and Transportation and Other deferral account balances as listed in Appendix “A” to the Decision and Order with the exception of the balance in the Long-Term Peak Storage Services Account (Account No. 179-72). The Board ordered that the balance in this account be revised to a credit of \$3.015 million to ratepayers. The Board also ordered that interest on the earnings sharing amount shall accrue from January 1, 2007 to September 30, 2007. The Board also ordered that the

disposition shall be timed with the next QRAM for M2 rate 01 and Rate 10 customers and as a one time adjustment for in-franchise distribution contract and ex-franchise rate classes. Union was also directed to include a “non-utility adjustment” as part of earnings sharing, and to update the 2006 Demand Side Management Variance Account amounts on the basis of actual 2006 allocation factors.

On August 27, 2007 Union filed a Draft Rate Order for Rates Effective October 1, 2007 and supporting working papers, intending to reflect the Board Decision.

Union has provided copies of the Draft Order to all intervenors to this proceeding. It is also available from Union Gas at the address listed below and at the Board’s offices. Union has also made it available through the following link on Union’s website:
<http://www.uniongas.com/EB-2007-0598>.

THE BOARD THEREFORE ORDERS THAT:

- 1 Parties to this proceeding wishing to make comments on the Draft Rate Order may do so by filing such submissions with the Board Secretary (2 hard copies plus an electronic copy by e-mail) and serving a copy on Union no later than 4:30 pm, Thursday, September 6, 2007.
- 2 Union shall reply to any comments received by filing such replies with the Board Secretary (2 hard copies plus an electronic copy by e-mail) and serving a copy on all parties who make submissions no later than 4:30 pm, Monday, September 10, 2007.
- 3 All parties must also provide the Case Manager, Vincent Cooney, vincent.cooney@oeb.gov.on.ca with an electronic copy of all comments and correspondence related to this case.

ADDRESSES

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ISSUED at Toronto September 4, 2007

ONTARIO ENERGY BOARD

Original signed by

Peter H. O'Dell
Assistant Board Secretary