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BY E-MAIL AND WEB POSTING

NOTICE OF AMENDMENT TO A RULE

THE GAS DISTRIBUTION ACCESS RULE

BOARD FILE NO: EB-2007-0685

**To: All Natural Gas Distributors
All Licensed Natural Gas Marketers
All Participants in Proceeding RP-2000-0001
All Participants in Proceeding EB-2006-0198
All Participants in Proceeding EB-2007-0685
All Other Interested Parties**

The Ontario Energy Board (the “Board”) has today amended the Gas Distribution Access Rule (the “GDAR”) as indicated below, pursuant to section 45 of the *Ontario Energy Board Act, 1998*. The Board is amending sections 1.4.1, 1.4.3 and 6.1.2.1 of the GDAR, as set out in Appendix A and described below.

Background

On March 9, 2006, the GDAR was amended to defer to January 1, 2008 the requirement that gas distributors accommodate a bill-ready form of gas distributor-consolidated billing (“bill-ready DCB”).

Further to input received from certain stakeholders, the Board subsequently directed Board staff to conduct inquiries and report back on the issue of whether the approach to bill-ready DCB should be revisited. Based on the results of those inquiries, the Board issued a Notice of Proposal on July 16, 2007 (the “July Notice”) in which the Board proposed to amend the GDAR to eliminate the need for gas distributors to accommodate bill-ready DCB as of January 1, 2008. Instead, the Board proposed to treat bill-ready DCB in the same manner as split billing and gas vendor-consolidated billing. Specifically, a gas distributor would only be required to accommodate bill-ready DCB upon being requested to do so by a gas vendor. Such a request would trigger negotiations between the parties on the necessary amendments to the Electronic

Business Transactions (EBT) standards appendix to the Service Agreement and subsequent review and approval of those amendments by the Board.

The Board also proposed to amend section 1.4.1 of the GDAR to include a general provision to the effect that amendments to the GDAR come into force on the date on which they are published on the Board's website after having been made by the Board, except where expressly provided otherwise.

In the July Notice, the Board noted that the proposed amendments to the GDAR would, if adopted, trigger the need to amend the form of Service Agreement previously approved by the Board. The Board included, as an attachment to the July Notice, a description of the amendments to the Service Agreement and invited interested parties to comment on those amendments as part of their filing in response to the July Notice.

The Board received five submissions in response to the July Notice, three from gas distributors and two from gas vendors. No submission opposed the proposed amendment to section 1.4.1 of the GDAR.

The proposed amendments to sections 1.4.3 and 6.1.2.1 of the GDAR were supported by all three gas distributors. One gas distributor suggested that any request for bill-ready DCB should trigger the development, through the EBT Standards Working Group, of a generic standard that would be applicable to the industry as a whole. Another gas distributor noted that functionality for bill-ready DCB could not be made available for at least twelve months after the service requirements have been determined through consultation with the industry. None of the gas distributors offered comments on the amendments to the Service Agreement.

One gas vendor suggested that the proposed amendments to the GDAR be modified to require that gas distributors develop, implement and test the bill-ready DCB system within 12 months after receiving a request for this billing option. This gas vendor echoed the suggestion that all gas vendors and gas distributors be required to participate in the EBT standards design process once a request had been made for bill-ready DCB, and further proposed that the GDAR be amended to include this requirement. This gas vendor also proposed that meetings of the EBT Standards Working Group be initiated in the coming months to determine guiding principles for the bill-ready DCB option, as a number of issues remain unresolved and gas vendors therefore cannot currently properly evaluate the option.

The other gas vendor agreed that implementation of bill-ready DCB needs to be deferred, but proposed that the Board defer a decision on how that option should be treated until gas vendors have a clearer understanding of how bill-ready DCB service will be made available by gas distributors. That gas vendor therefore proposed that, rather than treating bill-ready DCB in the same manner as split billing and gas vendor-consolidated billing, the Board should amend the GDAR to specify that gas distributors be required to accommodate bill-ready DCB on a date to be determined by the Board. In the interim, the Board should direct Board staff to conduct a review with all gas

vendors and gas distributors to clarify the concept and main operating rules around the billing option, determine the level of gas vendor commitment to the option and identify an appropriate time frame for implementation of the option. Consistent with this approach, this gas vendor proposed that the Board not amend the Service Agreement other than amending the definition of “Bill-ready Date” such that it refers to “a date determined by the Board”. This gas vendor also recommended that any changes to the Service Agreement should be made only to the standard form as it is not necessary for parties to be put to the expense of amending and re-signing existing agreements. Rather, any amendments could be integrated when the parties renew or enter into a new agreement.

Adoption of Amendments to the GDAR

The Board has considered the submissions received in response to the July Notice, and has determined that no changes need to be made relative to the GDAR amendments as originally proposed. The amendments to the GDAR as adopted by the Board are set out in Appendix A to this Notice.

All of the submissions received in response to the July Notice acknowledge the need to amend the GDAR to eliminate the current reference to January 1, 2008 and, with one exception, are also supportive of treating bill-ready DCB in the same manner as split billing and gas vendor-consolidated billing. The Board remains of the view that this is the preferred approach. It provides greater regulatory certainty to the industry than does the proposal to defer implementation to an unascertained future date to be determined by the Board. It is also the approach that has the greatest potential to avoid costs being incurred to accommodate a billing option that gas vendors may ultimately decide not to pursue.

The Board acknowledges the concerns expressed about the absence of a common understanding as to the nature of the bill-ready DCB service to be offered by gas distributors. The Board notes that some efforts have already been devoted to this issue through the EBT Standards Working Group, and will direct Board staff to organize further meetings with a view to resolving outstanding service parameter issues in a timely manner. The Board agrees that a single, industry-wide set of EBT standards should be developed in relation to bill-ready DCB as and when a request is made for that option by a gas vendor, but does not believe it is necessary to codify this objective in the GDAR at this time. Once notified that a request for the billing option has been made, the Board will direct Board staff to facilitate the development of the necessary common EBT standards. The Board expects that all gas vendors and gas distributors will participate in this exercise and work together in good faith as they have done in the past. Implementation timelines can be addressed by the participants at that time. The Board will consider taking a more prescriptive approach if that should become necessary to ensure that the EBT standards are developed, implemented and tested within a reasonable timeframe.

Coming Into Force

In the July Notice, the Board indicated that the amendments to the GDAR set out in Appendix A will come into force when they are posted on the Board's website. The Board also indicated that it did not intend to post the amendments until it has adopted any necessary associated amendments to the Service Agreement. The Board has today, under separate cover, given notice of the adoption of those amendments.

This Notice, including the amendments to the GDAR, all other Board documents referred to in this Notice (including the GDAR) and all submissions received in response to the July Notice are available for inspection on the Board's website at www.oeb.gov.on.ca and at the office of the Board during normal business hours.

If you have any questions regarding the GDAR amendments, please contact Russ Houldin, Senior Advisor, Compliance Office, at 416-440-8112, or toll-free at 1-888-632-6273.

DATED at Toronto, December 11, 2007

ONTARIO ENERGY BOARD

Original signed by

Kirsten Walli
Board Secretary

Attachments: Appendix 'A' : Amendments to the Gas Distribution Access Rule

Appendix A

Amendments to the Gas Distribution Access Rule

- 1. Section 1.4.1 of the Gas Distribution Access Rule is amended by adding the following to the end of that section:**

Any amendment to this Rule shall come into force on the date that the Board publishes the amendment by placing it on the Board's website after it has been made by the Board, except where expressly provided otherwise.

- 2. Section 1.4.3 of the Gas Distribution Access Rule is repealed and replaced with the following:**

Chapter 4 of this Rule shall come into force on June 1, 2007.

- 3. Section 6.1.2.1 of the Gas Distribution Access Rule is repealed and replaced with the following:**

Gas distributor-consolidated billing;