



EB-2011-0277

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

AND IN THE MATTER OF an Application by Enbridge
Gas Distribution Inc. for an Order or Orders approving
or fixing just and reasonable rates and other charges
for the sale, distribution, transmission and storage of
gas commencing January 1, 2012.

PROCEDURAL ORDER NO. 1

Enbridge Gas Distribution Inc. ("Enbridge" or the "Applicant") filed an Application on September 1, 2011 with the Ontario Energy Board (the "Board") under section 36 of the *Ontario Energy Board Act*, 1998, S.O. c.15, Sched. B, as amended, for an order of the Board approving or fixing rates for the distribution, transmission and storage of natural gas, effective January 1, 2012. The Board assigned file number EB-2011-0277 to the Application and has issued a Notice of Application dated September 20, 2011 (the "Notice").

The Application is for rates for 2012 to be set under the multi-year Incentive Regulation plan methodology as approved by the Board under File No. EB-2007-0615. 2012 will be the fifth year of the five year plan. The rates under the plan are adjusted each year by the application of a Distribution Revenue Requirement per Customer Formula. The Applicant's evidence was filed on September 30, 2011.

The Board has attached as Appendix "A" to this Procedural Order a Board Staff Proposed Issues List. The Board has made provision, in this Procedural Order for parties to make comments on the Board Staff Proposed Issues List. The Board has also made provision for a settlement conference and the filing of a settlement proposal.

Intervenors

The Board received requests for intervenor status from parties responding to the Notice. The Board will grant intervenor status to all the parties that requested such status. These parties are:

- Association of Power Producers of Ontario (“APPrO”)
- Building Owners and Managers Association Toronto (“BOMA”)
- Canadian Manufacturers & Exporters (“CME”)
- Comsatec Inc.
- Consumers Council of Canada (“CCC”)
- Direct Energy Marketing Limited
- Energy Probe Research Foundation (“Energy Probe”)
- Federation of Rental-housing Providers of Ontario (“FRPO”)
- Industrial Gas Users Association (“IGUA”)
- Jason Stacey, Natural Gas Specialist
- Just Energy Ontario L.P.
- Ontario Association of Physical Plant Administrators (“OAPPA”)
- Ontario Power Generation
- Pollution Probe (“Pollution Probe”)
- School Energy Coalition (“SEC”)
- Shell Energy North America (Canada) Inc.
- TransAlta Cogeneration LP
- TransCanada Energy Ltd.
- TransCanada Pipelines Limited
- Union Gas Limited
- Vulnerable Energy Consumer’s Coalition (“VECC”)

The Board received one request for Observer status. The Board grants the request for Observer status from:

- Abe Huebner

Cost Award Eligibility

A number of parties responding to the Notice requested eligibility to claim an award of costs. The Board hereby grants cost eligibility status to APPrO, BOMA, CME, CCC, Energy Probe, FRPO, IGUA, OAPPA, Pollution Probe, SEC and VECC.

The Board will now make provision for the following procedural matters. Please be aware that further procedural orders may be issued from time to time.

THE BOARD ORDERS THAT:

1. The approved List of Intervenor is attached as Appendix "B" to this procedural order.
2. All parties, including Enbridge, wishing to make a submission on the Board Staff Proposed Issues List attached to this Order may do so on or before **October 21, 2011**.
3. Enbridge may reply to any submission on the Board Staff Proposed Issues List by **October 25, 2011**.
4. Parties seeking information and material on Enbridge's evidence shall request it by written interrogatories filed with the Board and delivered to all the parties no later than **November 3, 2011**.
5. Enbridge shall file complete responses to all the interrogatories with the Board and deliver the responses to the other parties no later than **November 16, 2011**.
6. A settlement conference will be convened at **9:00 a.m. on November 22 and November 23, 2011**, with the objective of reaching a settlement among the parties on the issues. The settlement conference will be held in the Board's hearing room at 2300 Yonge Street, 25th Floor, Toronto, Ontario.
7. The settlement proposal arising from the Settlement Conference shall be filed with the Board no later than 4:45 p.m. on **November 29, 2011**.
8. The oral hearing will commence at **9:30 a.m. December 2, 2011** in the Board's hearing room at 2300 Yonge Street, 25th Floor, Toronto, Ontario.

All filings to the Board must quote file number **EB-2011-0277**, be made through the Board's web portal at www.errr.ontarioenergyboard.ca, and consist of two paper copies and one electronic copy in searchable / unrestricted PDF format. Filings must clearly state the sender's name, postal address, telephone number, fax number and e-mail address.

Please use the document naming conventions and document submission standards outlined in the RESS Document Guideline found at www.ontarioenergyboard.ca. If the web portal is not available you may email your document to the BoardSec@ontarioenergyboard.ca. Those who do not have internet access are required to submit all filings on a CD in PDF format, along with two paper copies. Those who do not have computer access are required to file seven paper copies. If you have submitted through the Board's web portal an e-mail is not required. With respect to distribution lists for all electronic correspondence and materials related to this proceeding, parties must include the Case Manager, Colin Schuch at colin.schuch@ontarioenergyboard.ca and Senior Legal Counsel, Kristi Sebalj at kristi.sebalj@ontarioenergyboard.ca.

All communications should be directed to the attention of the Board Secretary and be received no later than 4:45 p.m. on the required date.

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DATED at Toronto, October 13, 2011

ONTARIO ENERGY BOARD

Original Signed By

Kirsten Walli
Board Secretary

APPENDIX A

Board Staff Proposed Issues List

Enbridge 2012 Rates - EB-2011-0277

1. Has Enbridge calculated its proposed distribution revenue requirement, including the assignment of that revenue requirement to the rate classes and the resulting rates, in accordance with the EB-2007-0615 incentive settlement agreement?
2. Is the forecast of customer additions appropriate?
3. Is the gas volume budget appropriate?
4. Is the forecast of degree days appropriate?
5. Is the forecast of average use appropriate?

Y FACTORS

6. Is the amount proposed for the Y factor Power Generation Projects appropriate?
7. Is the amount proposed for the Y factor DSM Program appropriate?
8. Is the amount proposed for the Y factor for CIS/Customer Care appropriate?
9. Is the amount proposed for the Y factor - Gas Cost & Carrying Cost appropriate?

Z FACTORS

10. Is the nature of, and the amount proposed for, the Z factor – 2012 Pension Funding Requirement appropriate?
11. Is the nature of, and the amount proposed for, the Z factor – 2012 Cross Bores / Sewer Laterals appropriate?

DEFERRAL AND VARIANCE ACCOUNTS

12. Is it appropriate to establish for 2012 the previously agreed upon list of deferral and variance accounts from the Settlement Agreement in the EB-2007-0615 proceeding, updated to include any additional approved, or discontinued, accounts?
13. Is it appropriate to establish for 2012 the proposed Pension Funding Costs Variance Account ("PFCVA")?
14. Is it appropriate to establish for 2012 the proposed Cross Bores Cost Variance Account ("CBCVA")?
15. Is it appropriate to establish for 2012 the proposed Transition Impact of Accounting Changes Deferral Account ("TIACDA")? (ref: C/1/5)
16. Is the adjustment calculated for the 2012 Tax Rate and Rule Change Variance Account ("TRRCVA") appropriate? (ref: C/1/4)

COST ALLOCATION AND RATE SCHEDULES

17. Is the proposed cost allocation of the two new Z factors appropriate? (ref: B/3/1)
18. Are the proposed changes to the wording of the Rate 200 rate schedule (Wholesale Service) relating to interruptible services appropriate? (ref: B/3/1)

IMPLEMENTATION

19. What is the appropriate timing and method to implement the new rates?

APPENDIX B

List of Intervenors

**Enbridge Gas Distribution Inc.
EB-2011-0277**

APPLICANT & LIST OF INTERVENORS

October 13, 2011

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**Enbridge Gas Distribution Inc.
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**Enbridge Gas Distribution Inc.
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