



**EB-2006-0144**

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

**AND IN THE MATTER OF** an Application under section 36 of the Act by Enbridge Gas Distribution Inc. for approval of an accounting order to establish a deferral account to record the costs of defending itself against the Ontario Energy's Board's appeal to the Ontario Court of Appeal, any costs of appeal proceedings thereafter and/or any re-hearing costs with respect to Alliance/Vector costs disallowed for recovery in the past by the Ontario Energy Board.

**AND IN THE MATTER OF** an Application under section 36 of the Act 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, 2006.

### **DECISION AND ORDER**

Enbridge Gas Distribution Inc. ("EGDI", or the "Applicant") filed an Application, dated June 13, 2006, with the Ontario Energy Board (the "Board") under section 36 of the *Ontario Energy Board Act 1998*, S.O. 1998, c.15, (Schedule B) for approval to establish a deferral account to record all costs of defending itself against the Ontario Energy Board's appeal to the Ontario Court of Appeal, any costs of appeal proceedings thereafter and/or any re-hearing costs with respect to Alliance/Vector costs disallowed for recovery in the past by the Ontario Energy Board. EGDI indicates that the balance of the principal and interest accounts will be disposed of in the future as determined by the Board.

The Board assigned file number EB-2006-0144 to the Application.

The Board understands that EGDI has forwarded copies of the Application to the parties in the EB-2005-0001 proceeding.

The Board issued a Notice of Written Proceeding and Procedural Order No. 1 on July 20, 2006 and August 25, 2006 respectively,

The Board received submissions from the Industrial Gas Users Association, the Vulnerable Energy Consumer's Coalition, the Consumers Council of Canada, the Schools Energy Coalition and a reply submission from EGDI.

The Board considers the Application before it to be a simple request for approval to establish a deferral account to record costs relating to the Alliance/Vector appeal, including re-hearing costs should EGDI's appeal be successful.

The Board approves the establishment of a deferral account for EGDI's costs of defending itself against the appeal and for costs related to appeal proceedings, if any, thereafter. The account is restricted to those costs. It should not include costs of a re-hearing by the Board of the Alliance/Vector issues, should such a re-hearing be required in the event EGDI's appeal is successful.

In approving the deferral account, the Board has made no determination of how it will assess the prudence and disposition of any costs incurred. Those matters will be addressed at the time EGDI requests the disposition of the costs in the account.

Intervenors eligible for cost awards shall file their cost claims by November 15, 2006 in accordance with the Board's Practice Direction on Cost Awards. EGDI may comment on these claims by November 22, 2006. The cost award applicants may respond to EGDI's comments by November 29, 2006.

**THE BOARD THEREFORE ORDERS THAT:**

1. EGDI shall establish Deferral Account No. 179, 2006 Alliance/Vector Appeal Costs Deferral Account "AVACDA" to record all costs of defending itself against the Ontario Energy Board's appeal to the Ontario Court of Appeal and any costs of appeal proceedings thereafter with respect to Alliance/Vector costs disallowed for recovery in the past by the Ontario Energy Board. The account shall be in accordance with Appendix "A", and include calculation of simple interest on the monthly opening principal balance at a rate of interest prescribed by the Board.

**ISSUED** at Toronto, October 24, 2006

ONTARIO ENERGY BOARD

*Original Signed By*

Peter H. O'Dell  
Assistant Board Secretary

## Appendix "A"

### Accounting Entries

1. To record costs related to Alliance/Vector issue appeal.\*

Debit:	179.656	2006 AVACDA**	XXX
Credit:	251.010	Accounts Payable	XXX

\* EGDI's costs of defending itself against the Ontario Energy Board's appeal to the Ontario Court of Appeal and any costs of appeal proceedings thereafter with respect to Alliance/Vector costs disallowed for recovery in the past by the Ontario Energy Board.

\*\* The balance in this deferral account, together with carrying charges, will be disposed of in a manner to be designated by the Board in a future rate proceeding.

2. To record interest on the balance in Deferral Account 179.656. Simple interest will be calculated on the monthly opening balance in deferral account 179.656, at a rate of interest prescribed by the Board.

Debit:	179.666	Interest on 2006 AVACDA	XXX
Credit:	323	Other Interest Expense	XXX