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By E-mail and Web-Posting

**NOTICE OF PROPOSAL TO AMEND
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 Other Interested Parties**

The Ontario Energy Board (the "Board") is giving notice under section 45 of the *Ontario Energy Board Act, 1998* (the "Act") of its proposal to amend the Gas Distribution Access Rule (the "GDAR"). The Board is proposing to amend sections 1.4.1, 1.4.3 and 6.1.2.1 of the GDAR, as set out in Appendix A and described below.

The Board will not be granting cost awards in this matter.

Background

As currently drafted, the GDAR contemplates that gas distributors will be required to accommodate a bill-ready form of gas distributor-consolidated billing ("bill-ready DCB") as of January 1, 2008. In the GDAR-related Notice to Amend a Rule dated September 29, 2006, the Board noted that submissions had been made from interested parties seeking the deferral of the January 1, 2008 date for implementation of bill-ready DCB. One gas distributor also referred to its separate application for relief from the requirement to comply with the obligation to accommodate bill-ready DCB pending completion of its new customer information system (planned for 2009). In the Notice, the Board indicated that it did not have sufficient information to determine whether the approach to bill-ready DCB should be revisited, and stated that it looked to Board staff to conduct further inquiries and report back on this issue.

Union Gas Ltd submitted a letter to the Board dated October 27, 2006 in which it provided its understanding of the additional clarification sought by the Board in relation to implementation of bill-ready DCB.

On November 21, 2006, Board staff requested comments regarding the obligation to accommodate bill-ready DCB. On that same date, Union Gas was advised by Board staff that its previous comments would be considered along with any additional comments. No additional comments were submitted by Union Gas.

Proposed Amendments to the GDAR

The Board has been informed by the inquiries undertaken by Board staff, and has determined that it is appropriate to revisit its approach to bill-ready DCB. Specifically, the Board is proposing to amend sections 1.4.3 and 6.1.2.1 of the GDAR, as set out in Appendix A, to eliminate the need for gas distributors to accommodate bill-ready DCB on January 1, 2008. Instead, the Board is proposing to treat bill-ready DCB in the same manner as split billing and gas vendor-consolidated billing. Specifically, a gas distributor will only be required to accommodate bill-ready DCB upon being requested to do so by a gas vendor. Where such a request is received, the parties must negotiate the necessary amendments to the Electronic Business Transactions (EBT) standards appendix to the Service Agreement and submit them to the Board for approval. Where the parties cannot agree on the necessary amendments, the matter may be submitted to the Board for determination.

The Board's earlier finding that gas distributors are required to offer bill-ready DCB was based on the desire expressed by gas vendors to use that billing option in the near future. It is now understood that most gas vendors have no immediate plans to offer this billing option to consumers, although one vendor indicated an intention to utilize it as soon as it is available.

At the present time, gas distributors are required to offer a bill-ready line on the rate-ready form of gas distributor-consolidated billing as an interim solution until implementation of bill-ready DCB. It is possible that this solution, although intended to be interim, could obviate any necessity for implementation of bill-ready DCB. The proposed change in approach to bill-ready DCB would allow gas vendors to determine their preferred option once they have gained experience with the interim solution.

As is the case for split billing and gas vendor-consolidated billing, implementation of bill-ready DCB cannot occur immediately upon the request being made for the billing option. Rather, changes to the EBT standards must first be developed and approved, and the ensuing processes must be tested. Prior to offering this billing option to consumers, it is therefore understood that design and development discussions will need to occur between gas vendors and gas distributors. All parties have indicated that significant resources may be required in order to implement the bill-ready DCB option.

The Board understands that, similar to gas vendor-consolidated billing, a clear understanding of the terms and conditions would allow an evaluation of the commercial efficacy of the billing option and more efficient implementation.

The GDAR does not currently contain a provision relating to the date on which amendments to it come into force. Rather than amending the GDAR to address the coming into force of the specific amendments proposed in this Notice, the Board believes it more expedient to include in the GDAR a general provision that states 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. The Board is therefore proposing to amend section 1.4.1 of the GDAR accordingly. That amendment is also set out in Appendix A.

Anticipated Costs and Benefits

It is anticipated that additional costs required to ensure that gas distributors have the ability to accommodate bill-ready DCB will be saved unless and until a request for the billing option is submitted to a gas distributor in writing by a gas vendor. The Board also anticipates that gas vendors will benefit from not having to expend resources to participate in the development of a billing option that will not be used. A gas vendor that wishes to use bill-ready DCB is not precluded from requesting that billing option as early as it wishes to do so. The Board is of the view that the potential benefits of obliging gas distributors to accommodate bill-ready DCB on request rather than as of an identified date outweigh any costs that might be incurred or borne.

Related Amendments to the Service Agreement

The proposed amendments to the GDAR trigger the need to amend the form of Service Agreement. The amendments that the Board intends to make to the Service Agreement are set out in Appendix B.

Coming into Force

The Board proposes that the amendments to the GDAR as set out in Appendix A come into force upon publication of the final amendments on the Board's website. The Board does not intend to publish the final amendments on its website until such time as it has adopted the amendments to the Service Agreement that are set out in Appendix B.

Invitation to Comment

All interested parties are invited to comment on the proposed amendments to the GDAR set out in Appendix A. This consultation is not intended to provide an opportunity for parties to revisit the policy decisions or approach embodied in the Board's previous decisions and orders regarding the GDAR, and the Board requests that comments be restricted to the proposed amendments. Interested parties that wish to comment on the

amendments that the Board intends to make to the Service Agreement, as set out in Appendix B, may include those comments as part of their filing in response to this Notice.

Any person who wishes to make a written submission in response to this Notice must file **8 paper copies** of the submission, and an electronic version in searchable, unprotected Adobe Acrobat (PDF), if available, or in Word, with the Board Secretary by **4:45pm on August 3, 2007**. Your submission must quote file number EB-2007-0685 and include your name, postal address and telephone number and, if available, your e-mail address and fax number.

Written submissions should be sent to:

Kirsten Walli
Board Secretary
Ontario Energy Board
P.O. Box 2319
2300 Yonge Street, Suite 2701
Toronto, Ontario
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Electronic versions may be submitted on diskette, CD or by e-mail to boardsec@oeb.gov.on.ca.

This Notice, including the Appendices, all other Board documents referred to in this Notice (including the GDAR) and all written submissions received by the Board in response to this Notice will be available for inspection on the Board's website at www.oeb.gov.on.ca and at the Board's offices during normal business hours.

If you have any questions regarding the subject matter of this Notice, please contact Russ Houldin at 416-440-8112 or call toll-free at 1-888-632-6273.

DATED at Toronto, July 16, 2007.

Original signed by

Kirsten Walli
Board Secretary

Attachments: Appendix A: Proposed Amendments to the GDAR
 Appendix B: Description of Associated Amendments to the Service Agreement

Appendix A

Proposed 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;

Appendix B

Description of Associated Amendments to the Service Agreement

1. Delete all references to the term “Bill-ready Date”
2. Amend section 4.1(a) by removing the second sentence.
3. Amend Article 4.1 by adding the following new paragraphs:
 - (g) Upon written request from the Gas Vendor for a bill-ready form of gas distributor-consolidated billing, the Gas Distributor and the Gas Vendor shall negotiate in good faith the necessary amendments to this Agreement, which shall be consistent with this Rule.
 - (h) Within 60 days of receipt by the Gas Distributor of the written request referred to in section 4.1(g), or within such longer period as the parties may agree, the Gas Distributor shall submit to the Board for approval the proposed amendments to this Agreement referred to in that section. At a minimum, the proposed amendments shall address all necessary changes to the EBT standards set out in Appendix D, including provision for testing and cutover to the implementation of bill-ready distributor-consolidated billing.
 - (i) If the Gas Distributor and the Gas Vendor cannot agree on the proposed amendments to this Agreement in respect of the requested billing option within 60 days of receipt by the Gas Distributor of the written request referred to in section 4.1(g), or within such longer period as the parties may agree, the Parties shall refer the dispute to the Board for determination and the Parties shall amend this Agreement accordingly.
 - (j) The Gas Distributor shall implement the change in billing option referred to in section 4.1(g) within the time period determined by the Board.