



EB-2005-0551

IN THE MATTER OF a proceeding initiated by the Ontario Energy Board to determine whether it should order new rates for the provision of natural gas, transmission, distribution and storage services to gas-fired generators (and other qualified customers) and whether the Board should refrain from regulating the rates for storage of gas.

BEFORE: Gordon Kaiser
Presiding Member and Vice Chair

Cynthia Chaplin
Member

Bill Rupert
Member

ORDER

The Natural Gas Electricity Interface Review (“NGEIR”) proceeding was commenced pursuant to sections 19, 29 and 36 of the *Ontario Energy Board Act, 1998*. On December 29, 2005, the Board issued a Notice of Proceeding on its own motion to determine: (a) whether it should order new rates for the provision of natural gas transmission, distribution and storage services to gas-fired generators (and other qualified customers); and (b) whether to refrain, in whole or part, from exercising its power to regulate the rates charged for the storage of gas in Ontario by considering whether, as a question of fact, the storage of gas in Ontario is subject to competition sufficient to protect the public interest.

Procedural Order No. 2, issued on February 28, 2006, set out the issues to be addressed in the proceeding. These are summarized as follows:

- I. Rates for gas-fired generators (and other qualified customers), including more frequent nomination windows, firm high deliverability service, unbundled services, inter-franchise movement of gas, redirection of gas to a different delivery point on short notice, and title transfer of gas in storage
- II. Storage regulation and whether the Board should refrain, in whole or part, from exercising its power to regulate the rates charged for the storage of gas in Ontario, including:
 - Is the market competitive?
 - Who should receive cost-based pricing?
 - Who should receive market-based pricing?
 - How should the amount of storage be allocated between the classes of customers?
 - Who should receive the premium?
- III. Transportation capacity bidding process and allocation
- IV. Enbridge rates for large volume customers (Rate 300 Series)

The Board also moved four issues from Union's 2007 rates proceeding (EB-2005-0520) to the NGEIR Proceeding. These issues, as set out in Procedural Order No. 3, were related to storage pricing and storage and transmission deferral accounts.

The Board assigned file number EB-2005-05551 to the Application.

The Board held a hearing and issued its Decision with Reasons on November 7, 2006. In its decision, the Board identified one of the implementation issues, with reference to Market Hub Partners Canada and Tribute Resources Inc., as follows:

Refrain from rate regulation and contract approval for third-party storage operators. The Board will rescind MHP Canada's and Tribute's Rates Orders.

The Board also noted, as part of refraining from requiring Board approval of storage contracts that it would rescind Blanket Storage Orders.

THE BOARD THEREFORE ORDERS THAT:

1. The Rate Orders of Market Hub Partners Canada and Tribute Resources Inc. are hereby rescinded.
2. Union's current Blanket Storage Order (E.B.O. 166, as amended by the settlement in E.B.R.O. 499) is hereby rescinded.

DATED at Toronto, February 5, 2007

ONTARIO ENERGY BOARD

Original signed by

Peter H. O'Dell
Assistant Board Secretary