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## **For immediate release**

December 16, 2004

### **OEB issues Quarterly Rate Adjustment and 2005 Delivery Rate Adjustment for Union Gas Limited**

**Toronto** – The Ontario Energy Board has approved changes to the rates Union Gas Limited (Union) will charge to its customers effective January 1, 2005. The changes will result in an increase to customer bills, depending on the type of customer, location of the customer and the amount of natural gas used. The new charges incorporate Union's approved 2005 delivery rates and the January 1<sup>st</sup> quarterly commodity price adjustments under the Quarterly Rate Adjustment Mechanism (QRAM).

Customers in Union's Fort Frances, Northwestern, Northern, and Eastern rate zones purchasing their natural gas from Union (system gas customers) will see an increase in transportation costs which in most cases will be offset by a reduction in the natural gas commodity rate. Customers in Union's Southern rate zone purchasing their natural gas from Union (system gas customers) will see a minimal reduction in transportation costs and an increase in their natural gas commodity rate.

Customers will also see changes to their delivery charges that more accurately reflect the costs to provide these services. The fixed Monthly Charge will increase from \$12 to \$14 that will be offset by an average reduction in the Delivery to You rates of approximately \$20 annually.

An average residential system gas customer, using 2,600 cubic metres (m<sup>3</sup>) of natural gas per year living in Union's Fort Frances and Northwestern rate zones will see a net increase of about \$2 annually on their bill. The average residential system gas customer living in the Northern rate zone will see a net increase to their bill of about \$4 annually while those living in the Eastern rate zone will see an increase of about \$5 annually. The average residential system gas customer living in the Southern rate zone will see a net increase to their bill of about \$24 annually.

Consumers purchasing their natural gas commodity from a natural gas marketer (direct purchase customers) will see an adjustment on their bill reflecting only the changes in the costs for transportation and delivery. A direct purchase customer living in Union's Fort Frances or Northwestern rate zone will see a net increase to their bill of about \$3 annually while a direct purchase customer living in Union's Northern and Eastern rate zones will see a net increase to their bill of about \$4 annually. Meanwhile, a direct purchase customer living in Union's Southern rate zone will see a net increase to their bill of about \$6 annually.

The market price of natural gas varies depending on supply and demand. Natural gas commodity rates are approved by the Board and can change every three months to reflect a forecast of market prices. Adjusting rates on a quarterly basis helps ensure that customers are billed at a rate that more closely reflects the market price of natural gas and reduces the risk of larger rate changes that could result from less frequent adjustments.

The Ontario Energy Board is the regulator of Ontario's natural gas and electricity sectors.

For more information on the Board, please visit our web site at [www.oeb.gov.on.ca](http://www.oeb.gov.on.ca) or contact the Customer Service Centre at 416-314-2455 or toll-free at 1-877-632-2727.

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