



EB-2005-0453

NOTICE OF AMENDMENT TO A RULE

PROPOSED AMENDMENTS TO GAS DISTRIBUTION ACCESS RULE

SERVICE QUALITY REQUIREMENTS

Background and Purpose of Proposed Rule

The Ontario Energy Board (“Board”) proposes to amend the Gas Distribution Access Rule (“GDAR”) as indicated below, pursuant to section 45 of the *Ontario Energy Board Act, 1998* (the “Act”). The GDAR was issued on December 11, 2002. This amendment is to provide for Service Quality Requirements (“SQRs”) to be met by natural gas distributors.

The proposed SQRs are a result of the Natural Gas Forum (“NGF”), which was an initiative that was initiated by the Board in 2004 to create an opportunity for a dialogue between the Board and the natural gas stakeholder community. The Report of the Board on the NGF was released on March 30, 2005. One of the recommendations of the NGF Report is that SQRs should be put in place in advance of a move to a regime of Incentive Regulation (IR) in order to ensure that acceptable levels of service quality would not be compromised as distributors seek methods to cut costs.

On July 29, 2005 staff released for stakeholder comment a Discussion Paper on SQRs and held consultation meetings on August 22 and 23, 2005 and on September 12, 2005. These consultations led to the release by staff on September 30, 2005 of staff proposals for SQRs with a period for written comment until October 30, 2005. This invitation to comment was extended to all NGF participants as well as those parties who had taken a specific interest in the SQR Discussion Paper.

The Board now proposes to amend the GDAR to require the implementation of the SQRs. A copy of the GDAR and the proposed amendments are available for inspection on the Board’s website at <http://www.oeb.gov.on.ca> and at the Board’s offices during normal business hours.

Anticipated Costs and Benefits

The anticipated benefits of the SQRs are the maintenance of an acceptable level of service to the customers of the regulated monopoly distributors, which, as noted, under IR have an incentive to eliminate costs in a way that may reduce service quality. The Board has taken into consideration the current practices of the distributors with respect to the proposed service quality requirements. The Board, therefore, does not anticipate that the proposed SQRs will materially increase the costs of the distributors.

Coming into Force

The Board is proposing that these amendments come into force 30 days after they are published on the Board's website.

Invitation to Comment

All interested parties are invited to comment on the proposed Amendments. The Board particularly invites the distributors to provide specific information on the costs of implementing the proposed SQRs and of any alternatives that they may propose.

Any person who wishes to make a written representation with respect to the proposed Amendments should submit 8 copies of the representation to the Board Secretary by 4.30 pm on January 31, 2006 as well as electronic versions of the representation in both searchable Adobe Acrobat (PDF) and Word formats. The electronic versions may be submitted on diskette or by email to boardsec@oeb.gov.on.ca. Your submission must quote file number EB-2005-0453 and include your name, postal address, email address and fax number.

A copy of the GDAR, the proposed amendments and all written representations with respect to the Amendments will be available for inspection on the Board's website at <http://www.oeb.gov.on.ca> and at the Board's offices during normal business hours.

DATED at Toronto, January 9, 2006

Original signed by

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