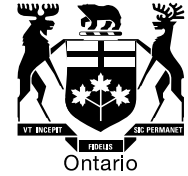


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**BY FAX ONLY**

October 11, 2005

**To : All Parties of Record from RP-2003-0063 & EB-2005-0001**

**Re: 2007 Natural Gas Cost of Service Minimum Filing Requirements  
Board File No. EB-2005-0494**

The Ontario Energy Board's report from the Natural Gas Forum outlines the regulatory framework for the sector and lays the groundwork for improved efficiency and effectiveness in the regulation of natural gas. As part of the findings of the report, the Board committed to review the gas utility filing guidelines for the rate hearing process. The minimum filing requirements (MFR) that will be developed in this process are to be used for filing a cost of service application for 2007 rates. The rates developed will form the basis for incentive rates to be applied in 2008 and beyond.

The MFR is being developed within the context of the introduction of new performance measures for the processing of applications. The Board has committed to stakeholders that it will streamline the regulatory review of rate applications. One objective is the reduction in the number of interrogatories required. The Board intends to implement new rates for the gas utilities on January 1, 2007, which therefore means that the evidentiary record must be completed by September 30, 2006, and for the complete applications to be filed by March 2006.

In reviewing the MFR the Board wants to consider several elements:

1. A revised form of the filing. Based on recent cost of service applications filed by the gas utilities and the ensuing proceedings, it is thought that the evidence filed by the utilities could better anticipate the concerns of intervenors.
2. A list of issues that parties agree need to be considered in the 2007 cost of service proceeding.
3. A list of issues that may be deferred and dealt with generically in the intervening period between the rebasing to be completed for 2007 rates, and the next time rebasing occurs after the incentive regulation period.
4. A list of issues that the parties can not agree should form part of the 2007 cost of service filing. This list would be subject to review and approval by the Board prior to the utilities developing evidence.

With that in mind, the first discussion document of the new MFR is based on the guidelines produced by the Board in 1988. These guidelines will be amended to take into consideration the changes in the industry and changes in regulatory requirements. The amendment process will include a meeting with stakeholders to discuss their issues and concerns. The draft MFR will be then be amended and posted on the Board's website for a two week comment period. After which the final MFR will be published.

As part of the consultation process, the Board requests that parties answer the following questions:

- Based on recent rates cases from Union Gas and Enbridge Gas Distribution, what evidence have you found to be missing?
- What evidence is not required?
- Is there a need to restrict new proposals on policy or methodology changes?
- How can the filings be structured in ways that reduce the need for interrogatories?
- Are there any issues which may be deferred and addressed separately as part of a generic process leading to the future rebasing?

The Board is also interested in hearing from stakeholders on approaches that could be used to make the application review process more efficient.

The Board will be holding a meeting with stakeholders on this matter at the Board offices on Tuesday, October 18. Those stakeholders interested in attending should contact Rudra Mukherji at ext: 456 or [Rudra.mukherji@oeb.gov.on.ca](mailto:Rudra.mukherji@oeb.gov.on.ca) to register and for further details. Participant funding is available. Parties applying must submit their application under a separate cover.

Yours truly,



John Zych  
Board Secretary