



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.

PROCEDURAL ORDER NO. 5

On December 29, 2005, the Ontario Energy Board issued a Notice of Proceeding on its own motion to determine (i) 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 (ii) 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. The Natural Gas and Electricity Interface Review (“NGEIR”) proceeding was commenced pursuant to sections 19, 36 and 29 respectively of the *Ontario Energy Board Act, 1998*. The Notice of Proceeding directed Enbridge Gas Distribution Inc. (“Enbridge”) and Union Gas Limited (“Union”) to file evidence on potential rates for gas-fired generators.

On January 23, 2006, the Board issued Procedural Order No. 1 which identified the issues to be addressed in this proceeding to include rates for gas-fired generators, storage regulation and transportation capacity bidding process and allocation. Procedural Order No. 1 also set a schedule for the remaining steps in this proceeding.

On February 28, 2006, the Board issued Procedural Order No. 2 which outlined the mandatory evidence to be filed by Enbridge on the Rate 300 series rates and a revised NGEIR timetable

On March 15, 2006, the Board issued Procedural Order No. 3 to provide direction to Union for filing evidence on four issues which were moved from the Union 2007 rates proceeding (EB-2005-0520) to the NGEIR proceeding.

On March 23, 2006, the Board issued Procedural Order No. 4 to provide the agenda and procedures for the Technical Conference to be held on April 5 and 6, 2006. The objective of the Technical Conference was to provide Enbridge and Union with the opportunity to present their evidence on proposed generator rates and to provide participants with the opportunity to obtain further clarification of that evidence.

On April 5 and 6, 2006, the Board held a Technical Conference on the mandatory evidence filed by Enbridge and Union with respect to potential rates for gas-fired generators and other qualified customers (Issue I of this proceeding). At the April 6, 2006 Technical Conference, Enbridge presented revisions to Rate 125 – Extra Large Firm Transportation Service and proposed a new High Deliverability Storage Service (Rate 316). The proposed rates were presented on a conceptual basis only, and Enbridge took the position that the setting of rates associated with Rate 125 and Rate 316 should only be done in the context of Enbridge's 2007 rate hearing. The Board does not agree and notes that the Procedural Orders have consistently contemplated the setting of rates as a potential outcome for the NGEIR proceeding.

Similarly, the Board, in its decision on Enbridge's 2006 rates (EB-2005-0001/EB-2005-0437, issued on February 9, 2006) concluded that the NGEIR proceeding provides the most appropriate forum for Enbridge to prepare and present redesigned rates for conventional large volume customers. In Procedural Order No. 2, issued on February 28, 2006, the Board added Enbridge rates for large volume customers (Rate 300 series of rates) as Issue IV in this proceeding.

The Board expects Enbridge's evidence both on proposed rates for gas-fired generators (and other qualified customers) and on the Rate 300 series rates to contain sufficient information for the Board to make a decision on rate setting that will result in a rate order. Therefore, the Board will direct Enbridge to file supplemental evidence to complete the mandatory evidence on the potential rates for gas-fired generators and other qualified customers (Issue I).

Some participants indicated they wish to file and present evidence on all four issues of this proceeding. The Board has concluded that additional time should be added to the technical conference for participants to present their evidence and for participants to obtain further clarification of other participants' evidence. Therefore, the Board will add a one day technical conference on April 27, 2006 to provide:

- Enbridge with the opportunity to present its supplemental evidence on the potential rates for gas-fired generators and other qualified customers (Issue I) and rates for large volume customers (Rate 300 series of rates - Issue IV).
- Other participants with the opportunity to obtain clarification of the Enbridge evidence.

The scheduled technical conference on May 18 and 19, 2006 will provide:

- All participants (except Union and Enbridge) with an opportunity to present their evidence on all four issues.
- Union and Enbridge with an opportunity to present their evidence on storage regulation (Issue II)
- Union with the opportunity to present its evidence on transportation capacity bidding process and allocation (Issue III).
- All participants with the opportunity to obtain clarification of the evidence noted above.

The location and agenda for this technical conference will be announced shortly.

The Board may issue further Procedural Orders from time to time.

THE BOARD ORDERS THAT:

1. Enbridge shall file supplemental information to complete the mandatory evidence on the potential rates for gas-fired generators and other qualified customers as outlined in Appendix A Issue I of Procedural Order No. 2 of this proceeding **on or before April 21, 2006**.
2. A technical conference will be held on April 27, 2006, beginning at 8:30 A.M. at the Best Western Primrose Hotel, Pearson Room, 2nd floor, 111 Carlton Street, Toronto.
3. The agenda for the technical conference is attached as Appendix A of this Procedural Order.
4. If Enbridge is unable to provide a complete and satisfactory answer to questions raised, a participant may seek an undertaking by Enbridge to provide a written response to such questions and Enbridge shall provide copies of the written responses to the Board, Board staff and all participants **on or before May 8, 2006**.
5. The technical conference will be transcribed and the transcript will form part of the record in this proceeding.
6. All filings to the Board noted in this Procedural Order must be in the form of **ten (10) hard copies** filed with the Board Secretary at the Board's mailing address and/or by email (see below) **by 4:30 p.m. on the specified dates**. The Board requests that in addition to the hard copies which are filed, all parties include an electronic copy of their filings in searchable PDF format.

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ISSUED at Toronto, April 12, 2006

ONTARIO ENERGY BOARD

Original signed by

Peter H. O'Dell

Assistant Board Secretary

APPENDIX "A" TO PROCEDURAL ORDER NO. 5

BOARD FILE NO. EB-2005-0551

DATED April 12, 2006

TECHNICAL CONFERENCE AGENDA

TECHNICAL CONFERENCE AGENDA

April 27, 2006

8:30 a.m. OEB Opening Remarks

8:45 a.m. Enbridge's Proposed Generator Rates Questions and Answers

- Board Hearing Team
- Participants
- Board Support Team

11:00 a.m. Break

11:15 a.m. Enbridge's Rate 300 Questions and Answers

- Board Hearing Team
- Participants
- Board Support Team

12:15 p.m. Lunch Break

1:15 p.m. Questions and Answers (Continued)

2:45 p.m. Break

3:00 p.m. Questions and Answers (Continued)

5:00 p.m. Board Support Team Closing Remarks