



**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. 6**

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 did not agree and noted that the Procedural Orders have consistently contemplated the setting of rates as a potential outcome for the NGEIR proceeding. The Board expected Enbridge's evidence both on proposed rates for gas-fired generators (and other qualified customers) and on the Rate 300 series rates (Issue IV) to contain sufficient information for the Board to make a decision on rate setting that will result in a rate order. Therefore, the Board issued Procedural Order No. 5 on April 12, 2006 to 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) and to add a one day technical conference on April 27, 2006 on Issues I and IV.

Union filed supplemental evidence on Issue I on May 1, 2006. The Board will provide all participants with an opportunity to ask questions of Union on this supplemental evidence.

Based on the supplemental evidence filed by Union on Issue I and the evidence filed by participants on all issues on May 1, 2006, the Board concluded two extra days should be added to the scheduled technical conference on May 18-19, 2006.

The Board wishes to provide the agenda and procedures for the technical conference to be held on May 16-19, 2006. The technical conference will provide:

- Union with an opportunity to answer questions on their supplemental evidence on Issue I.
- All participants (except Union and Enbridge) with an opportunity to answer questions on their evidence on all four issues.
- Union and Enbridge with an opportunity to answer questions on their evidence on storage regulation (Issue II).
- Union with the opportunity to answer questions on 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 Board may issue further Procedural Orders from time to time.

**THE BOARD ORDERS THAT:**

1. A technical conference will be held on May 16-19, 2006, beginning at 8:30 A.M. at the 130 West Event Centre, 3<sup>rd</sup> Floor, 130 Dundas Street West, Toronto.
2. The agenda for the technical conference is attached as Appendix A of this Procedural Order. The Board cautions participants that the agenda provides an estimate on the time required and participants are encouraged to be present ahead of their scheduled appearances.

3. If a participant is unable to provide a complete and satisfactory answer to questions raised, the participant who is asking the question may seek an undertaking by the participant to provide a written response to such questions and the participant shall provide copies of the written responses to the Board, Board staff and all participants **on or before May 24, 2006.**
4. The technical conference will be transcribed and the transcript will form part of the record in this proceeding.
5. 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.

**Ontario Energy Board**

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ISSUED at Toronto, May 5, 2006

**ONTARIO ENERGY BOARD**

*Original signed by*

Peter H. O'Dell

Assistant Board Secretary

APPENDIX "A" TO PROCEDURAL ORDER NO. 6

BOARD FILE NO. EB-2005-0551

DATED May 5, 2006

TECHNICAL CONFERENCE AGENDA

**TECHNICAL CONFERENCE AGENDA**

**May 16, 2006**

**Participants' Evidence on Issue I (Proposed Generator Rates) and Issue IV (Enbridge Rate 300)**

8:30 a.m. OEB Opening Remarks

8:35 a.m. Questions and Answers

**Union Gas Limited (Issue I Supplemental Evidence)**

- Board Hearing Team
- Participants
- Board Support Team

10:00 a.m. Break

10:15 a.m. **TransCanada Pipelines**

12:30 p.m. Lunch Break

1:30 p.m. Questions and Answers (Continued)

**Gas-fired Generators**

3:30 p.m. Break

3:45 p.m. **Other Gas Consumer Groups**

5:30 p.m. Board Support Team Closing Remarks

**TECHNICAL CONFERENCE AGENDA**

**May 17, 2006**

**Participants' Evidence on Issue III (Transportation Capacity Bidding Process and Allocation) and Issue II (Storage Regulation)**

8:30 a.m. OEB Opening Remarks

8:35 a.m. Questions and Answers (**Issue III**)

**TransCanada Pipelines**

- Board Hearing Team
- Participants
- Board Support Team

10:15 a.m. Break

10:30 p.m. **IGUA & AMPCO**

10:45 a.m. **Union Gas Limited**

12:15 p.m. Board Support Team Closing Remarks on Issue III

12:30 p.m. Lunch Break

1:30 p.m. Questions and Answers (**Issue II**)

**Board Hearing Team**

- Participants
- Board Support Team

5:30 p.m. Board Support Team Closing Remarks

**TECHNICAL CONFERENCE AGENDA**

**May 18, 2006**

**Participants' Evidence on Issue II (Storage Regulation)**

8:30 a.m. OEB Opening Remarks

8:35 a.m. Questions and Answers

**MHP Canada, to be followed by Enbridge Inc.**

- Board Hearing Team
- Participants
- Board Support Team

10:15 a.m. Break

10:30 a.m. **Gaz Metro, to be followed by the City of Kitchener**

12:00 p.m. Lunch Break

1:00 p.m. Questions and Answers (Continued)

**Gas-fired Generators**

2:00 p.m. Break

2:15 p.m. **Other Gas Consumers Groups**

5:30 p.m. Board Support Team Closing Remarks

**TECHNICAL CONFERENCE AGENDA**

**May 19, 2006**

**Participants' Evidence on Issue II (Storage Regulation) and IESO Evidence**

8:30 a.m. OEB Opening Remarks

8:35 a.m. Questions and Answers (**Issue II Continued**)

**Enbridge Gas Distribution Inc.**

- Board Hearing Team
- Participants
- Board Support Team

10:30 a.m. Break

10:45 a.m. **Union Gas Limited**

12:30 p.m. Lunch Break

1.30 p.m. Questions and Answers (Continued)

2:15 p.m. Break

2:30 p.m. **IESO**

4:00 p.m. Board Support Team Closing Remarks