

UNION GAS LIMITED  
Fiscal 2000 Rates  
RP-1999-0017

ISSUES LIST

1. **Unbundling**

- 1.1 Unbundling Overview and Rationale (Including Implementation)
- 1.2 Upstream Transportation
  - Southern Operations Area
    - 1.2.1 Upstream Transportation Allocation
    - 1.2.2 Allocation Terms and Conditions
    - 1.2.3 Parkway Commitment / 22 Day Callback
    - 1.2.4 DCC Elimination
  - Northern & Eastern Operations Area
    - 1.2.5 Upstream Transportation Allocation
    - 1.2.6 Allocation Terms and Conditions
    - 1.2.7 Delivery / Redelivery Services
    - 1.2.8 Unbundling Costs – Threshold Level
- 1.3 Storage
  - 1.3.1 Standard Storage Service
  - 1.3.2 Standard Peaking Service
  - 1.3.3 Space Allocation
  - 1.3.4 System Integrity Storage Space
  - 1.3.5 Pricing and Annual Storage Space Reallocation / Redistribution
  - 1.3.6 Future Standardization of Storage Contracts
  - 1.3.7 Future Storage Development
- 1.4 Other Issues
  - 1.4.1 Title Transfers
  - 1.4.2 Allocation of Gas in Inventory
  - 1.4.3 Return to System
  - 1.4.4 Nomination Imbalance Fees
  - 1.4.5 Unauthorized Storage Overrun
  - 1.4.6 Implementation Timing

## 2 Performance Based Regulation

- 2.1 Overview and Rationale (Including Implementation)
- 2.2 Fixed Price Cap Plan
  - 2.2.1 One-time Adjustments to Base Rates
    - 2.2.1.1 Unaccounted for Gas Variances from Prior Periods
    - 2.2.1.2 Accounting for Pension and Post Retirement Benefits
    - 2.2.1.3 Deferred Tax Amortization
    - 2.2.1.4 Y2K Costs
    - 2.2.1.5 Regulatory Cost Savings
    - 2.2.1.6 1999 Financial Information and Related Base Adjustments
  - 2.2.2 Pricing Formula
    - 2.2.2.1 Inflation Factor
    - 2.2.2.2 Productivity Factor
    - 2.2.2.3 Non-Routine Adjustments
    - 2.2.2.4 Pass-Through Items
      - 2.2.2.4.1 Gas Costs
      - 2.2.2.4.2 Return on Equity Adjustments
      - 2.2.2.4.3 Unaccounted for Gas
    - 2.2.2.5 Monitoring and Reflecting Changes in the Gas Supply Portfolio Under the Quarterly Rate Adjustment Mechanism
  - 2.2.3 Term of the Agreement
- 2.3 Pricing Flexibility
  - 2.3.1 Service Basket Design
  - 2.3.2 Treatment of Long Term Fixed Prices / Negotiated Rates
  - 2.3.3 Treatment of Market Priced Storage
  - 2.3.4 Treatment of New Services
- 2.4 Off-Ramp(s)
- 2.5 System Expansion and Service Quality
  - 2.5.1 System Expansion Plans and Customer Connection Policies under PBR
  - 2.5.2 Service Quality Indicators
    - 2.5.2.1 Pipeline System Integrity Surveys
    - 2.5.2.2 Telephone Response
    - 2.5.2.3 Emergency Response
    - 2.5.2.4 Gas Utilization Infraction

#### 2.5.2.5 DSM

2.6 Additional Risks and Benefits

**Appendix A**  
**Page 3 of 3**

2.7 Reporting and Monitoring Requirements

2.8 Customer Review Processes

2.9 Second Generation Price Cap

### **3 Rates**

3.1 Proposed Rates

3.1.1 Allocation of System Integrity Costs

3.1.2 DCC Elimination

3.1.3 Price Cap Adjustments

3.1.4 Allocation of One-time Adjustments and Pass-Through Items

3.1.5 Customer Bill Impacts

3.2 Unbundled Rate Schedules – Southern Operations

3.3 Changes to Existing Rate Schedules (including Rate 100 Load Factor Qualification)

3.4 Rate Harmonization

3.5 Responses to Outstanding Directives

3.6 Rate Seasonalization

3.7 Allocation of Future Pass-Through Items

3.8 Requirement for New Rate - Equivalent to Enbridge Consumers' Gas Rate 125

### **4 Deferral Accounts**

4.1 Treatment of Existing Accounts

4.2 Incremental Unbundling Costs Account

4.3 Disposition of 1999 Balances

### **5 Other Approvals and Exemptions**

5.1 Blanket Approval re: Storage Contracts

5.2 Exemption for Union's Existing Investment in Union Energy

5.3 Approval to Continue Natural Gas Vehicles (NGV), Agency Billing and Collecting (ABC) and Gas Molecule Sales Activities

**6 Timing and Process of Unbundling of Billing**