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By Email

NOTICE OF AMENDMENT TO A RULE

PROPOSED AMENDMENTS TO THE GAS DISTRIBUTION ACCESS RULE

BOARD FILE NO: EB-2005-0545

**To: All Natural Gas Distributors
All Licensed Natural Gas Marketers
All Participants in Proceeding RP-2000-0001**

Background

On December 11, 2002, the Ontario Energy Board (the "Board") made the Gas Distribution Access Rule (the "GDAR") under section 44 of the *Ontario Energy Board Act, 1998* (the "Act"). While most of the GDAR came into effect on that date, the coming into force of several provisions was deferred. Specifically, under section 1.4 of the GDAR:

- section 3.2, which deals with the obligation of a gas distributor to enter into a Board-approved form of Service Agreement with gas vendors, was scheduled to come into force on December 1, 2003;
- chapter 4, which deals with service transaction requests, was scheduled to come into force on March 1, 2004; and
- section 6.1.2.3, which deals with the obligation of a gas distributor to accommodate gas vendor-consolidated billing, was scheduled to come into force on March 1, 2004.

The subject-matter of the provisions referred to above has been the subject of a lengthy process that was triggered by the Board's direction of February 13, 2004 requiring gas

distributors to file their proposed form of Service Agreement. A complete history of this process may be obtained by consulting the following documents issued by the Board (all under RP-2000-0001):

- Notice of Filing Requirement dated February 13, 2004;
- Decision dated May 9, 2005;
- Procedural Order No. 1 dated July 18, 2005;
- Procedural Order No. 2 dated September 13, 2005;
- Decision dated September 13, 2005; and
- Decision and Order dated November 15, 2005.

In its Decision and Order dated November 15, 2005, the Board adopted a form of Service Agreement for the purpose of section 3.2 of the GDAR and mandated an Electronic Business Transactions (“EBT”) system for the purposes of section 4.7.1 of the GDAR. The EBT standards to be implemented were included as an appendix (the “EBT Standards Appendix”) to the form of Service Agreement approved by the Board.

The Board also indicated that it would issue a Notice under section 45 of the Act proposing amendments to the GDAR as it relates to the timing of implementation of the Service Agreement and the EBT Standards Appendix to reflect the Decision and Order. This Notice is being issued in furtherance of that intention.

Proposed Amendments to the GDAR

The Board’s November 15, 2005 Decision and Order contemplates a staged implementation of the Service Agreement and the EBT Standards Appendix. Specifically, while most functionality is required to be in place by January 1, 2007, implementation of a bill-ready form of distributor-consolidated billing is to be deferred to January 1, 2008.

The Board is therefore proposing to amend sections 1.4.2, 1.4.3, 1.4.4 and 6.1.2.1 of the GDAR as set out in Appendix A.

Anticipated Costs and Benefits

The anticipated costs and benefits associated with implementation of the GDAR were articulated by the Board during the course of the process leading up to the adoption of the GDAR. By way of summary, parties will benefit from the certainty of codifying and clarifying conditions of access to gas distribution services and from rules governing the relationship between gas distributors and gas vendors. Implementation of the Board-approved form of Service Agreement, including the EBT Standards Appendix, completes the regulatory framework in that regard. The parties will incur additional costs in order to comply with the GDAR, including execution of the Board-approved form of Service Agreement and system changes to accommodate the processing of service transaction requests in accordance with the requirements of the EBT Standards Appendix.

The Board does not anticipate that the amendments to the GDAR set out in Appendix A will, in and of themselves, require gas vendors or gas distributors to incur additional costs beyond the costs to be incurred in complying with the GDAR. The Board is of the view that the deferral of implementation contemplated in these amendments will benefit the parties by allowing additional time to adjust to the requirements of GDAR.

Coming into Force

The Board proposes that the amendments to the GDAR as set out in Appendix A come into force upon publication in the *Ontario Gazette*.

Invitation to Comment

All interested parties are invited to comment on the proposed amendments. This consultation is not intended to provide an opportunity for parties to revisit the policy decisions or approach embodied in the Board's previous decisions and orders regarding the GDAR, and the Board requests that comments be restricted to the proposed amendments themselves.

Any person who wishes to make a written submission with respect to the proposed amendments must file **8 paper copies** of the submission, and an electronic version in Adobe Acrobat (PDF) or Word, if possible, with the Board Secretary by **4:30 pm on January 6, 2006**. Your submission must quote file number EB-2005-0545 and include

your name, postal address, telephone number and, if available, your e-mail address and fax number.

Written submissions should be sent to:

John Zych
Board Secretary
Ontario Energy Board
P.O. Box 2319
2300 Yonge Street, 27th Floor
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Electronic versions may be submitted on diskette or by e-mail to boardsec@oeb.gov.on.ca.

This Notice, including the proposed amendments to the GDAR, all other Board documents referred to in this Notice (including the GDAR) and all written submissions received by the Board with respect to the proposed amendments will be available for inspection on the Board's website at www.oeb.gov.on.ca and at the Board's offices during normal business hours.

If you have any questions regarding the proposed amendments please contact Russ Houldin at 416 440-8112 or call toll-free at 1-888-632-6273.

DATED at Toronto, December 8, 2005.

Original Signed By

John Zych
Board Secretary

Attachment: Appendix A: Proposed Amendments to the GDAR

Appendix A

Proposed Amendments to the Gas Distribution Access Rule

1. **Section 1.4.2 of the Gas Distribution Access Rule is repealed and replaced with the following:**

Section 3.2 of this Rule shall come into force on January 1, 2007.

2. **Section 1.4.3 of the Gas Distribution Access Rule is repealed and replaced with the following:**

Chapter 4 of this Rule shall come into force on January 1, 2007, provided that nothing in Chapter 4 shall require a gas distributor to accommodate gas distributor-consolidated billing in a bill-ready form (as defined in the Service Agreement) until January 1, 2008.

3. **Section 1.4.4 of the Gas Distribution Access Rule is repealed and replaced with the following:**

Section 6.1.2.3 of this Rule shall come into force on January 1, 2007.

4. **Section 6.1.2.1 of the Gas Distribution Access Rule is repealed and replaced with the following:**

gas distributor-consolidated billing, provided that a gas distributor shall not be required to accommodate gas distributor-consolidated billing in a bill-ready form (as defined in the Service Agreement) until January 1, 2008;