

**Enbridge Consumers Gas (ECG)
Fiscal 2002 Rates**

ISSUES LIST

GAS VOLUME BUDGET

- 1.1 ECG's gas volume forecast for the 2002 Test Year, including estimated average uses and the forecasting methodology (*per* Issue 1.1 of the RP-2000-0040 Settlement Proposal).

GAS COSTS AND TRANSPORTATION

- 2.1 ECG's Alliance and Vector transportation arrangements, including the cost consequences of the notional deferral account (*per* Issue 2.1 of the RP-2000-0040 Settlement Proposal).
- 2.2 Underutilization of Link pipeline, including related cost consequences.
- 2.3 Cost allocation of gas supply management costs (*per* Issue 2.2, Cost Allocation, of the RP-2000-0040 Settlement Proposal).
- 2.4 Cost of managing system gas on a "stand-alone" basis (*per* Issue 2.2, Cost Allocation, of the RP-2000-0040 Settlement Proposal).
- 2.5 Implications of the Quarterly Rate Adjustment Mechanism (QRAM) and outsourcing arrangements on ECG's Risk Management Program (study to be filed in Jan/02 *per* Issue 2.3 of the RP-2000-0040 Settlement Proposal).
- 2.6 Changes to the QRAM adjustment to include the introduction of Large Corporations Tax and Capital Tax.

COST OF CAPITAL

- 3.1 Establishment of the return on equity for fiscal 2002 using the Board's existing Return On Equity (ROE) Guidelines.
- 3.2 ECG's proposal for a review of the ROE Guidelines. NOTE: Issue deferred to a separate phase of the proceeding.
- 3.3 ECG's estimates of the cost of short-term and long-term debt for the 2002 Test Year.

RATE BASE

- 4.1 ECG's Capital Budget for the 2002 Test Year.
- 4.2 ECG's Distribution Plant Work and Asset Management Solution (DPWAMS) information technology project.

ASSET SHARING ARRANGEMENTS AND AFFILIATE SERVICES

- 5.1 ECG's disposition of previously shared assets since October 1, 2000.

- 5.2 ECG's sharing of utility-owned assets with affiliates: methodology and non-O&M cost consequences, including the independent consultant's assessment report (*per* Issue 5.1 of the RP-2000-0040 Settlement Proposal).
- 5.3 ECG's affiliate services arrangements, including the implications of outsourcing Gas Services and Operational Services, as defined in Exh A Tab 14 sch 3, to affiliates and their personnel located in Alberta.

PBR O&M

- 6.1 Review of the specific results of the Company's Service Quality Indicators for fiscal year 2001 (*per* Board direction, Para. 3.0.22, E.B.R.O. 497-01).
- 6.2 ECG's proposed inputs to the formula for the derivation of the 2002 Test Year O&M expense, including a review of the 2002 consensus forecast of inflation.
- 6.3 Symmetry in ECG's budgeting for Z-factors (*per* Issue 6.4 of the RP-2000-0040 Settlement Proposal).

TRANSACTIONAL SERVICES

- 7.1 ECG's forecast of Net Revenue for Transactional Services for the 2002 Test Year.

DEMAND SIDE MANAGEMENT (DSM)

- 8.1 ECG's DSM Plan for the 2002 Test Year, including the O&M budget, the volume target and the level of the proposed Shared Savings Mechanism (SSM) incentive rate.
- 8.2 Scope of the Demand Side Management Variance Account-Operating (*per* Issue 8.1 of the RP-2000-0040 Settlement Proposal).
- 8.3 Clearance of balances recorded in the 2000 Shared Savings Mechanism Variance Account (2000 SSMVA) and the 2000 Lost Revenue Adjustment Mechanism (2000 LRAM) (*per* Issue 8.3 and 11.1 of the RP-2000-0040 Settlement Proposal).

CUSTOMER INFORMATION SYSTEM (CIS)

- 9.1 Appropriateness of CIS as a Z-factor in the 2002 Test Year.
- 9.2 ECG's proposed CIS Z-factor in the 2002 Test Year.

DEFERRED TAXES

- 10.1 ECG's proposal to establish a Deferred Income Tax Deferral Account to recover \$50 million in deferred taxes through to 2010.
- 10.2 ECG's proposal to record in the account \$10 million (after tax) in deferred taxes in the 2002 Test Year.
- 10.3 ECG's proposed pre-conditions for clearing the account.

DEFERRAL AND VARIANCE ACCOUNTS

- 11.1 Amounts and disposition of balances in the fiscal 2001 deferral and variance accounts.
- 11.2 ECG's request to continue or establish deferral and variance accounts for fiscal 2002, including new accounts such as the Late Payment Plan Deferral Account (2002 LPPDA).

RATE DESIGN

- 12.1 ECG's proposal to change the allocation and recovery of carrying costs related to gas in inventory.
- 12.2 ECG's proposed changes to Rider A and Rate 125.
- 12.3 Rate retroactivity in the 2002 Test Year.

LATE PAYMENT PENALTY

- 13.1 ECG's proposal to revise its late payment policy.

AFFILIATE/INTERCORPORATE FINANCIAL TRANSACTIONS

- 14.1 Affiliate/intercorporate financial transactions.

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