

## **12. RATE IMPLEMENTATION**

Based upon Union's current 2003 rates, the Board has found a total revenue sufficiency for Union's combined delivery and gas supply related functions of \$76.712 million for 2004, based upon an overall rate of return of 8.92% and a Board approved rate base of \$3,071.1 million. The Board estimates that \$80.787 million of the total sufficiency is associated with Union's gas supply function, which includes gas supply administrative costs of \$5.56 million to be recovered in rates. The corresponding delivery related sufficiency is therefore \$1.485 million. The rebate of this sufficiency will result in an overall rate decrease of approximately 0.10 percent, although the impact will vary by customer class. Union is directed to reduce its rates for 2004 to annul the sufficiency of \$1.485 million.

Union is directed to prepare a draft rate order giving effect to this Decision, with the appropriate rate adjustments, to be filed with the Board Secretary and submitted to intervenors no later than Friday April 16, 2004. Intervenors will have until Friday, April 23 to file comments with the Board. The Board will issue the final rate order no later than Friday, April 30, 2004.

The Board expects Union to commence implementation of the new 2004 rates upon its May, 2004 billing cycle. Should Union choose to implement the new rates at a later date, it is directed not to accrue any further interest on the outstanding deferral account balances to be cleared by authority of this Decision, beyond April 30, 2004. The effective date of the new rates is January 1, 2004.

Should Union decide to delay implementation of the new rates, the Board directs that Union's customer information notices make clear that no interest has accrued to the deferral account balances beyond April 30, 2004.

The Board was assisted in the course of the hearing by the intervenors, many of whom have made cost submissions. The Board will issue a cost award decision shortly, identifying the percentage recovery established for each intervenor requesting costs.

The Board's costs of the proceeding shall be paid by Union upon receipt of the Board's invoice.

DATED at Toronto, March 18, 2004.

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Paul B. Sommerville  
Presiding Member

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Art Birchenough  
Member