

**Enbridge Gas Distribution Inc. (EGDI)  
Fiscal 2005 Rates - RP-2003-0203**

**ISSUES LIST**

**GAS VOLUME BUDGET (A2/T2/S1)**

- 1.1 Gas volume forecast for the 2005 Test Year.
- 1.2 Proposed change in the degree day forecasting methodology (A2/T2/S4).

**OTHER REVENUE (A2/T4/S1)**

- 2.1 Other revenue including revenue from service charges.

**CONDITIONS OF SERVICE (A2/T4/S2)**

- 3.1 Review of the updated Conditions of Service governing the relationship between EGDI and its customers.
- 3.2 Customer Security Deposit Policy.
- 3.3 Disconnection Policy.

**TRANSACTIONAL SERVICES (A2/T5/S1)**

- 4.1 Proposed Transactional Services sharing mechanism for the 2005 Test Year.
- 4.2 Proposal to sell commodity as part of other transactional services, for EGS to conduct commodity transactions in EGDI's name, and to deduct credit costs from gross margin prior to sharing.

**GAS COSTS, TRANSPORTATION, AND STORAGE (A3/T2/S1)**

- 5.1 Gas, Transportation and Storage costs (A3/T2/S1).
- 5.2 Review of the report prepared by RiskAdvisory entitled Enbridge Gas Distribution Inc. Gas Supply Risk Management Program Review and Recommendations (A3/T3/S1) (*per* Issue 4.1 of the RP-2002-0133 Settlement Proposal) and EGDI's response to the Risk Advisory Report .
- 5.3 Enbridge Operational Services Inc. (EOS) and Enbridge Gas Services Inc. (EGS) Service Level Agreements (A3/T4/S1) (filed per para 829 of the Board's RP-2002-0133 Decision with Reasons) and EOS and EGS costs (A3/T4/S3) (per para 524 of the Board's RP-2002-0133 Decision with Reasons).
- 5.4 System Gas and Direct Purchase gas costing methodology studies (A3/T5/S1, A3/T5/S3 and A3/T5/S4), including EGDI's proposal to retain the existing costing method (per Issue 6, parameters of the FAC studies, of the RP-2003-0048 Settlement Proposal).
- 5.5 Matters under review by EGDI filed in this proceeding that require commitments to be made prior to the next planned rate application, specifically:
  - a) entering into long term commitments for the acquisition of system gas;
  - b) relationships of EGDI to projects and/or transactions in which EGDI affiliates have an interest; and
  - c) managing the risk of load erosion related to system gas, as required to support these proposed long term supply commitments.

## **COST OF CAPITAL (A4/T1/S1)**

- 6.1 Establishment of the return on equity for the 2005 Test Year using the Board's Return On Equity (ROE) Guidelines.
- 6.2 Estimates of the cost of short-term and long-term debt for the 2005 Test Year.

## **RATE BASE (A5/T1/S1)**

- 7.1 Capital Budget for the 2005 Test Year (A5/T2/S1) including capitalized O&M expenses.
- 7.2 Economic Feasibility Procedure and Policy (A5/T3/S1).
- 7.3 Property Plan Update Report (A5/T3/S2).
- 7.4 Information Technology Capital Budget (A5/T4/S1).
- 7.5 Energy Transaction, Reporting, Accounting and Contracting (EnTRAC) information technology project (A5/T4/S2).

## **ENVISION PROJECT**

- 8.1 EnVision Project (A6/T8/S1).

## **2005 O&M BUDGET (A6/T1/S1)**

- 9.1 Overall O&M levels for 2005.
- 9.2 O&M - Finance (A6/T2/S1).
- 9.3 O&M - Engineering Department (A6/T3/S1).
- 9.4 O&M - Customer Support (A6/T4/S1).
- 9.5 O&M - Opportunity Development (A6/T5/S1).
- 9.6 O&M - Regional Operations (A6/T6/S1).
- 9.7 O&M - NGV (Natural Gas for Vehicles) (A6/T7/S1).
- 9.8 O&M - Gas Storage Operations (A6/T9/S1).
- 9.9 O&M - Strategic and Key Accounts (A6/T10/S1).
- 9.10 O&M - Human Resources (A6/T11/S1).
- 9.11 O&M - Legal, Regulatory and Public Affairs (A6/T12/S1, T12/S2, T13/S1, and T14/S1).
- 9.12 O&M - Information Technology Department (A6/T16/S1).
- 9.13 2005 Non-Departmental O&M Expenses (A6/T16/S1).
- 9.14 Affiliate Transactions and Non-Utility Elimination (A6/T17/S1).
- 9.15 Corporate Cost Allocations including the Deloitte Report (A6/T17/S2 and S3).

## **DEMAND SIDE MANAGEMENT (DSM) (A7/T1/S1)**

- 10.1 DSM Plan for the 2005 Test Year, including the O&M budget and the volume target.
- 10.2 The Shared Savings Mechanism (SSM) incentive scheme for 2005.
- 10.3 Recovery of SSM and Lost Revenue Adjustment Mechanism (LRAM) amounts for 2002 and 2003 (A8/T3/S1).
- 10.4 Recovery of DSMVA for 2001 and 2002 (A8/T3/S1).

**DEFERRAL AND VARIANCE ACCOUNTS (A8/T1/S1)**

- 11.1 Amounts and proposed disposition of balances in historic deferral and variance accounts (A8/T2/S1 and A8/T3/S1).
- 11.2 Request to continue or establish new deferral and variance accounts for fiscal 2005 (A8/T1/S1).
- 11.3 Request to establish a 2005 Manufactured Gas Plant Variance Account (A8/T4/S1).

**DEFERRED TAXES (NOTIONAL UTILITY ACCOUNT) (A8/T5/S1)**

- 12.1 Recovery of deferred taxes including amount recoverable and recovery mechanism.

**CHANGE IN FISCAL YEAR END (A9/T1/S1)**

- 13.1 Proposal to change EGD's year end from September 30 to December 31, 2005 and its implications.
- 13.2 Proposal to increase rates the period October 1, 2005 to December 31, 2005 and its implications.

**COST ALLOCATION (G1/T1/S2)**

- 14.1 Proposed changes to the existing cost allocation methodology including the following:
  - a) Upstream Transportation Costs (G1/T1/S2)
  - b) Interruptible Service Differential/Credits (G1/T1/S2)
  - c) M12 Transmission Related Costs (G1/T1/S2)
  - d) Deliverability Allocation Factor (G1/T1/S2)
  - e) Peaking Service Costs (G1/T1/S2)
  - f) TransCanada Pipeline STS Costs (G1/T1/S2)
  - g) Reference Price for Commodity costs (G1/T1/S2)
  - h) Vector (Chicago) Commodity Purchases (G1/T1/S2)
  - i) Storage Fluctuations and Unaccounted For Gas (UFG) (G1/T1/S2)
  - j) Seasonal Credits for Rate 135 (G1/T1/S2)
  - k) Transactional Service Credits to Ex-Franchise Customers (G1/T1/S2)
  - l) Calculation of peak day for large volume customers (G1/T1/S2)

**RATE DESIGN (H1/T1/S1)**

- 15.1 Proposal to remove rate seasonality for all rate classes except Rate 135 (H1/T1/S1 & H1/T1/S3).
- 15.2 Proposal to increase the monthly customer charge for Rate 1 from \$10.00 to \$11.25 (H1/T1/S1 &

- H1/T1/S3).
- 15.3 Rate 6 monthly customer charge.
  - 15.4 The rate design implications of proposed cost allocation changes for upstream transportation, storage, peaking service and interruptible credits. (H1/T1/S1 & H1/T1/S3).
  - 15.5 Proposal to eliminate the T-Service credit and unbundle the transportation charge from the Load Balancing Charge (H1/T1/S1).
  - 15.6 Proposal for changes to the Annual Minimum Bill (H1/T1/S3).
  - 15.7 Proposal for changes to the Rate Handbook (H1/T1/S3).
  - 15.8 Proposal for changes to the Direct Purchase Administration Charge (H1/T1/S3).
  - 15.9 Unauthorized Overrun Charges.
  - 15.10 Curtailment Notice.
  - 15.11 Review of QRAM methodology regarding the timing of the disposition of PGVA balances and its components, including the treatment of material adjustments from the previous fiscal year.

#### **RATE IMPLEMENTATION**

- 16.1 Implementation of upstream cost allocation proposals.
- 16.2 Implementation of other rate design changes.
- 16.3 Rate implementation proposals.