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**BY E-MAIL AND WEB POSTING**

September 21, 2009

**NOTICE OF PROPOSED AMENDMENT TO A RULE**  
**THE NATURAL GAS REPORTING AND RECORD KEEPING REQUIREMENTS**  
**(RRR)**  
**RULE FOR GAS UTILITIES**

**EB-2009-0162**

**To: All Natural Gas Distributors**  
**All Other Interested Parties**

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The Ontario Energy Board (the "Board") is giving notice under section 45 of the *Ontario Energy Board Act, 1998* of proposed amendments to the Natural Gas Reporting and Record Keeping Requirements for Gas Utilities (the "RRR-Gas for Utilities").

**I. Background**

The Board collects data from gas distributors under the RRR-Gas for Utilities. The RRR-Gas for Utilities came into force in July 2005 and data collection began in November of that year. Most data is collected electronically, with some records, such as audited financial statements, being provided in hardcopy.

The RRR-Gas for Utilities has not been revised since it was first made by the Board. Since that time, the industry environment has changed, as have the data requirements of the Board. As a result, modifications to the RRR-Gas for Utilities are now warranted.

**II. Summary of Proposed Amendments to the RRR-Gas for Utilities**

The Board is proposing to amend the RRR-Gas for Utilities as follows (the "Proposed Amendments"):

1. To simplify quarterly reporting by eliminating the need to report quarterly information relating to annualized revenue deficiency or sufficiency, supported by statements of rate base, utility income and capitalization/ cost of capital (section 2.1.4) as this information, which is difficult to prepare, is not required by the Board.
2. To require gas distributors to provide quarterly information on gas supply deferral accounts in addition to quarterly information on non-gas supply deferral accounts (section 2.1.2), which will provide consistency of data in the database repository.
3. To require gas distributors to provide detailed information regarding retail market activity. This will better enable the Board to monitor developments in that market (section 2.1.3).
4. To require gas distributors to provide information with respect to quantities of gas purchased, sold and lost in distribution, and to quantities of gas that are solely transported and distributed (section 2.1.14). These items of information are important for purposes of enabling the Board to monitor the businesses of gas distributors.
5. To dispense with confidential treatment of trial balance information filed under the RRR-Gas for Utilities (section 1.6). The Board does not believe that this information is of a commercially sensitive nature such as to warrant that treatment.
6. To update the provisions regarding the purpose of the RRR-Gas for Utilities (section 1.1) and regarding confidentiality (section 1.6) to better align with existing or proposed comparable provisions in the reporting and record keeping requirements applicable to gas marketers or electricity sector entities, as applicable, for consistency.

The text of the Proposed Amendments is set out in Attachment A to this Notice.

### **III. Anticipated Costs and Benefits**

The Board believes that the Proposed Amendments strike an appropriate balance

between the information requirements of the Board, and the associated administrative burden placed on gas distributors. While gas distributors may incur additional costs in providing more detailed retail market information, this is expected to be largely offset by the elimination of other quarterly reporting requirements.

The benefits of the individual Proposed Amendments may be summarized as follows:

- information on customer switches will provide insight into the development of the retail market;
- the requirement to report quarterly on gas supply deferral accounts will provide for the consistent reporting of deferral accounts;
- Information on gas quantities will provide important quantitative information regarding the gas distribution business; and
- removal of confidentiality in relation to trial balance information will enable more widespread access to information regarding utility operations.

#### **IV. Coming Into Force**

The Board proposes that the Proposed Amendments come into force on January 1, 2010 and be applicable to fiscal years beginning on or after January 1, 2010 (section 1.8).

#### **V. Cost Awards**

Cost awards will be available under section 30 of the *Ontario Energy Board Act, 1998* to eligible persons in relation to the provision of comments on the proposed amendments set out in Attachment A. Costs awarded will be recovered from all rate-regulated natural gas distributors based on their respective distribution revenues.

Attachment B contains important information regarding cost awards for this notice and comment process, including in relation to eligibility requests and objections. In order to facilitate a timely decision on cost eligibility, the deadlines for filing cost eligibility requests and objections will be strictly enforced.

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Any interested party that wishes to request eligibility for an award of costs in relation to this notice and comment process must submit that request in accordance with the instructions set out in Attachment B.

**VI. Invitation to Comment**

All interested parties are invited to provide written comments on the Proposed Amendments set out in Attachment A by **October 19, 2009**.

Three (3) paper copies of each filing must be provided, and should be sent to:

Kirsten Walli  
Board Secretary  
Ontario Energy Board  
P.O. Box 2319  
2300 Yonge Street  
Suite 2700  
Toronto, Ontario  
M4P 1E4

The Board requests that interested parties make every effort to provide electronic copies of their filings in searchable/unrestricted Adobe Acrobat (PDF) format, and to submit their filings through the Board's web portal at [www.errr.oeb.gov.on.ca](http://www.errr.oeb.gov.on.ca). A user ID is required to submit documents through the Board's web portal. If you do not have a user ID, please visit the "e-filings services" webpage on the Board's website at [www.oeb.gov.on.ca](http://www.oeb.gov.on.ca), and fill out a user ID password request. Additionally, interested parties are requested to follow the document naming conventions and document submission standards outlined in the document entitled "RESS Document Preparation – A Quick Guide" also found on the "e-filing services" webpage. If the Board's web portal is not available, electronic copies of filings may be filed by e-mail at [boardsec@oeb.gov.on.ca](mailto:boardsec@oeb.gov.on.ca).

Those that do not have internet access should provide a CD or diskette containing their filing in PDF format.

Filings to the Board must be received by the Board Secretary by **4:45 p.m.** on the required date. They must quote file number **EB-2009-0162** and include your name, address, telephone number and, where available, your e-mail address and fax number.

This Notice, including the Proposed Amendments set out in Attachment A, and all

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written comments received in response to this Notice will be available for inspection on the Board's website at [www.oeb.gov.on.ca](http://www.oeb.gov.on.ca) and at the office of the Board during normal business hours.

If you have any questions regarding the Proposed Amendments, please contact Anshula Ohri, Project Advisor, Regulatory Audit, at 416-440-7659, or toll-free at 1-888-632-6273.

**DATED** at Toronto, September 21, 2009

**ONTARIO ENERGY BOARD**

*Original Signed By*

Kirsten Walli  
Board Secretary

Attachments:	Attachment A	Proposed Amendments to the Natural Gas Reporting and Record Keeping Requirements (RRR) Rule for Gas Utilities
	Attachment B	Cost Awards

## Attachment A

### Proposed Amendments to the Natural Gas Reporting and Record Keeping Requirements for Gas Utilities

**Note: The text of the proposed amendments is set out in italics below, for ease of identification only.**

1. Section 1.1 of the Natural Gas Reporting and Record Keeping Requirements for Gas Utilities is deleted and replaced with the following:

*These reporting and record keeping requirements set the minimum reporting and record keeping requirements with which a natural gas utility must comply. Other reporting requirements specific to a natural gas utility may also be contained in rules or regulatory instruments specific to a utility (for example, a rate order).*

2. Section 1.6 of the Natural Gas Reporting and Record Keeping Requirements for Gas Utilities is amended as follows:

- i. by deleting the references to sections 2.1.4 and 2.1.7 and
- ii. by deleting the last paragraph of that section and replacing it with the following:

*The Board reserves the right to disclose aggregated information as well as information in a form such that the identity of any individual cannot be determined. The Board cautions that information treated as confidential may still be disclosed in a proceeding before the Board. However, a party to that proceeding would be able to request the Board to hold the document in confidence in that proceeding. The Board further cautions that it is subject to the Freedom of Information and Protection of Privacy Act (Ontario).*

3. Section 1.8 of the Natural Gas Reporting and Record Keeping Requirements for Gas Utilities is amended by adding the following new paragraphs to the end of that section:

*The amendments to sections 1.1, 1.6, 2.1.2, 2.1.3 and 2.1.4 of this Rule and the addition of section 2.1.14 of this Rule come into force on January 1, 2010 and are applicable to fiscal years beginning on or after January 1, 2010..*

4. Section 2.1.2 of the Natural Gas Reporting and Record Keeping Requirements for Gas Utilities is amended as follows:

- i. by adding the words “*and gas*” immediately before the words “supply deferral accounts”; and
  - ii. by deleting the last sentence of that section.
5. Section 2.1.3 of the Natural Gas Reporting and Record Keeping Requirements for Gas Utilities is deleted and replaced with the following:
  - 2.1.3 *A utility shall provide in the form and manner required by the Board, quarterly, by the last day of the second month following the quarter end for the first three quarters and by the last day of the fourth month following the quarter end for the last quarter, the following market monitoring information:*
    - (a) *Total number of consumers on system gas (completed enrollments only) for each rate class, broken down by low volume and large volume consumers, measured at the last day of the reporting period;*
    - (b) *Total number of consumers enrolled with a marketer (completed enrollments only) at the end of the preceding quarter, by marketer and broken down by low volume and large volume consumers;*
    - (c) *Total number of consumers who switched (completed enrollments only) from system gas to a marketer during the preceding quarter, by marketer and broken down by low volume and large volume consumers;*
    - (d) *Total number of consumers who switched (completed enrollments only) from a marketer to system gas during the preceding quarter, by marketer and broken down by low volume and large volume consumers;*
    - (e) *Total number of consumers enrolled with a marketer who switched (completed enrollments only) from one marketer to another marketer during the preceding quarter, by marketer and broken down by low volume and large volume consumers; and*
    - (f) *Total number of new consumers enrolled with the utility (completed enrollments only) during the preceding quarter, broken down by low volume and large volume consumers.*
6. Section 2.1.4 of the Natural Gas Reporting and Record Keeping Requirements for Gas Utilities is deleted.
7. Section 2.1 of the natural Gas Reporting and Record Keeping Requirements for

Gas Utilities is amended by adding the following new provision immediately after section 2.1.13:

- 2.1.14 A utility shall provide in the form and manner required by the Board, quarterly, by the last day of the second month following the quarter end for the first three quarters and the last day of the fourth month following the quarter end for the last quarter, the following information with respect to gas quantities, expressed in million cubic meters:*
- (a) Quantity of gas purchased by the utility for sales service customers in the quarter and year to date*
  - (b) Quantity of gas supplied for the account of direct purchase customers (direct purchase) in the quarter and year to date*
  - (c) Quantity of gas sold to sales service customers in the quarter and year to date, broken down by month, by residential class and the aggregate of all non-residential rate classes. The reported quantity will contain a billed quantity of gas (based on meter read) and an unbilled quantity (estimate).*
  - (d) Quantity of gas sold to direct purchase customers in the quarter and year to date, broken down by month, by residential class and the aggregate of all non-residential rate classes. The reported quantity will contain a billed quantity of gas (based on meter read) and an unbilled quantity (estimate).*
  - (e) Unaccounted for gas for the quarter (optional) and year to date (reported annually)*
  - (f) Change in the level of inventory held for the account of sales service customers during the quarter and year to date*
  - (g) Change in the level of inventory held for the account of direct purchase customers during the quarter and year to date*

## **Attachment B Cost Awards**

### **Cost Award Eligibility**

The Board will determine eligibility for costs in accordance with its *Practice Direction on Cost Awards*. Any person intending to request an award of costs must file with the Board a written submission to that effect by **September 30, 2009**, identifying the nature of the person's interest in this process and the grounds on which the person believes that it is eligible for an award of costs (addressing the Board's cost eligibility criteria as set out in section 3 of the Board's *Practice Direction on Cost Awards*). An explanation of any other funding to which the person has access must also be provided, as should the name and credentials of any lawyer, analyst or consultant that the person intends to retain, if known. All requests for cost eligibility will be posted on the Board's website.

Rate-regulated gas distributors will be provided with an opportunity to object to any of the requests for cost award eligibility. If a gas distributor has any objections to any of the requests for cost eligibility, such objections must be filed with the Board by **October 9, 2009**. Any objections will be posted on the Board's website. The Board will then make a final determination on the cost eligibility of the requesting participants.

### **Eligible Activities**

Cost awards will be available in relation to the provision of comments on the proposed amendments set out in Attachment A, **to a maximum of ten hours**.

### **Cost Awards**

When determining the amount of the cost awards, the Board will apply the principles set out in section 5 of its *Practice Direction on Cost Awards*. The maximum hourly rates set out in the Board's Cost Awards Tariff will also be applied. The Board expects that groups representing the same interests or class of persons will make every effort to communicate and co-ordinate their participation in this process.

The Board will use the process set out in section 12 of its *Practice Direction on Cost Awards* to implement the payment of the cost awards. Therefore, the Board will act as a clearing house for all payments of cost awards in this process. For more information on this process, please see the Board's *Practice Direction on Cost Awards* and the October 27, 2005 letter regarding the rationale for the Board acting as a clearing house

for the cost award payments. These documents can be found on the Board's website at [www.oeb.gov.on.ca](http://www.oeb.gov.on.ca) on the "Rules, Guidelines and Forms" webpage.