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BY E-MAIL AND WEB POSTING

December 18, 2009

NOTICE OF REVISED PROPOSAL TO AMEND A RULE

**REVISED PROPOSED AMENDMENTS TO THE NATURAL GAS REPORTING AND RECORD KEEPING REQUIREMENTS (RRR) RULE FOR GAS UTILITIES
EB-2009-0162**

**To: All Natural Gas Distributors
All Participants in Consultation Process EB-2009-0162**

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

I. Background

On September 21, 2009, the Board issued a Notice of Proposed Amendment to a Rule (the "September Notice") in which it proposed a number of amendments to the RRR-Gas for Utilities (the "September Proposed Amendments"). The September Proposed Amendments were intended to: (a) simplify quarterly reporting by eliminating the need for the reporting of certain information; (b) require quarterly reporting on gas supply deferral accounts; (c) require the reporting of detailed information regarding retail market activity; (d) require reporting on quantities of gas purchase, sold and lost; (e) dispense with the confidential treatment of trial balance information; and (f) update the provisions regarding the purpose of the RRR-Gas for Utilities and regarding confidentiality.

The Board received comments on the September Proposed Amendments from five stakeholders. These are available for viewing on the Board's website at www.oeb.gov.on.ca.

The Board has considered the comments received and has determined that revisions should be proposed to the September Proposed Amendments. The text of the revised proposed amendments (the “Revised Proposed Amendments”) is set out in Attachment A to this Notice. For convenience, Attachment B contains a comparison version that shows all of the proposed revisions relative to the September Proposed Amendments.

II. September Proposed Amendments Where No Revisions are Proposed

Stakeholders that commented on the following September Proposed Amendments were generally supportive of them:

1. simplification of 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);
2. the requirement to provide quarterly information on gas supply deferral accounts in addition to quarterly information on non-gas supply deferral accounts (section 2.1.2); and
3. updating of the provisions regarding the purpose of the RRR-Gas for Utilities (section 1.1) and of the provisions regarding confidentiality (section 1.6).

The Board is not proposing revisions to the above September Proposed Amendments.

Under the September Proposed Amendments, the Board proposed to dispense with confidential treatment of trial balance information filed under the RRR-Gas for Utilities (section 1.6). One stakeholder objected to this proposal. The Board remains of the view that this information is not of a commercially sensitive nature such as to warrant confidential treatment. The Board currently does not intend to publish detailed trial balance information, although it may choose to do so in the future. However, the Board does expect that reported trial balance information may be used in the context of a gas utility’s rates proceeding.

III. Revised Proposed Amendments

1. *Retail Market Information*

Under the September Proposed Amendments, the Board proposed that gas distributors be required to provide detailed information regarding retail market activity (section 2.1.3). The Board has determined that it is sufficient, for purposes of its monitoring requirements, that most information regarding gas marketer enrolments be provided on an aggregated basis for all gas marketers, rather than on an individual marketer basis as originally proposed. For the information that will be required on an individual marketer basis (section 2.1.3(b)), the Board has also made a consequential amendment to section 1.6 such that the individual marketer customer information will be treated as confidential.

The Board has also concluded that it is not necessary for gas distributors to report the total number of new customer enrolments on a quarterly basis.

The Board is therefore proposing to revise paragraphs (b) to (e) of section 2.1.3 of the RRR-Gas for Utilities, and to delete paragraph (f) of that section.

2. *Information on Quantities of Gas Purchased, Sold and Lost*

Under the September Proposed Amendments, the Board proposed that gas distributors be required 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). Based on the comments received, the Board is proposing certain clarifications to this section.

3. *Mapping and Reconciliation of the Uniform System of Account Balances*

Currently, section 2.3.3 of the RRR-Gas for Utilities contains a record keeping requirement pertaining to the mapping and reconciliation of the uniform system of accounts balances to the utility's audited financial statements. To better align the gas utility requirements with those that apply to electricity utilities, the Board is now proposing to make this an annual reporting requirement rather than a record keeping requirement. The Board is proposing to delete section 2.3.3 from the RRR-Gas for Utilities and to add a new section 2.1.15 accordingly. The Board is also proposing that

this information not be treated as confidential, which is consistent with the approach that the Board has proposed for electricity utilities, and has proposed a consequential amendment to section 1.6 of the RRR-Gas for Utilities accordingly.

IV. Anticipated Costs and Benefits

The anticipated costs and benefits of the September Proposed Amendments were set out in the September Notice, and interested parties should refer to the September Notice for further information in that regard.

The Board believes that the Revised Proposed Amendments will provide greater clarity and will maintain an appropriate balance between the information requirements of the Board, and the associated administrative burden placed on gas distributors. The proposal to transform the mapping and reconciliation of uniform system of accounts balances to a utility's audited financial statements will align the gas reporting requirements with those applicable to electricity utilities, and will provide the Board with regularly updated information on the financial operations of gas utilities. The Board does not believe that gas utilities will incur incremental material costs as a result of the Revised Proposed Amendments beyond any costs associated with the September Proposed Amendments.

V. Coming Into Force

In the September Notice, the Board proposed that the September Proposed Amendments come into force on January 1, 2010 and be applicable to fiscal years beginning on or after that date. The Board is now proposing that the Revised Proposed Amendments to the RRR-Gas for Utilities come into force on May 1, 2010 and be applicable for all filings due on or after May 1, 2010. The Board is proposing to revise section 1.8 of the RRR-Gas for Utilities accordingly.

VI. 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 Revised Proposed Amendments set out in Attachment A, **to a maximum of 5 hours.**

VII. Invitation to Comment

All interested parties are invited to provide written comments on the Revised Proposed Amendments set out in Attachment A by **January 15, 2010**. The Board does not intend to revisit the September Proposed Amendments as set out in section II above, and therefore asks interested parties to restrict their comments accordingly.

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. 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, 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.

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 Revised Proposed Amendments set out in Attachment A, and all written comments received in response to this Notice will be available for inspection on the Board's website at www.oeb.gov.on.ca and at the office of the Board during

normal business hours.

If you have any questions regarding the Revised 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, December 18, 2009

ONTARIO ENERGY BOARD

Original Signed By

Kirsten Walli
Board Secretary

Attachments:	Attachment A	Revised Proposed Amendments to the Natural Gas Reporting and Record Keeping Requirements (RRR) Rule for Gas Utilities
	Attachment B	Comparison Version Showing Revised Proposed Amendments to the Natural Gas Reporting and Record Keeping Requirements (RRR) Rule for Gas Utilities relative to the September Proposed Amendments (for information purposes only)

Attachment A

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

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, 2.1.7 and 2.3.3;
- ii. by adding to the beginning of the list of section references a reference to sections 2.1.3(b); and
- iii. 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, the

addition of sections 2.1.14 and 2.1.15 of this Rule and the deletion of section 2.3.3 of this Rule come into force on May 1, 2010 and are applicable to all filings due on or after that date.

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 marketers during the preceding quarter, broken down by low volume and large volume consumers;*
- (d) *Total number of consumers who switched (completed enrollments only) from marketers to system gas during the preceding quarter, broken down by low volume and large volume consumers; and*

- (e) *Total number of consumers enrolled with marketers who switched (completed enrollments only) from one marketer to another marketer 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 provisions 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) by such customers or their agents, 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 delivered 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 deliveries (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; and*
- (g) Change in the level of inventory held for the account of direct purchase customers during the quarter and year to date.*

2.1.15 A utility shall provide in the form and manner required by the Board, annually, by the last day of the fourth month following the last quarter, the uniform system of account balances mapped and reconciled to the audited financial statements.

8. Section 2.3.3 of the Natural Gas Reporting and Record Keeping Requirements for Gas Utilities is deleted.

Attachment B

Comparison Version Showing Revised Proposed Amendments to the Natural Gas Reporting and Record Keeping Requirements for Gas Utilities relative to the September Proposed Amendments (for information purposes only)

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, 2.1.7 and 2.3.3;
- ii. by adding to the beginning of the list of section references a reference to sections 2.1.3(b); and
- iii. by deleting the last paragraph of that section and replacing it with the following:

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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, the addition of sections 2.1.14 and 2.1.15 of this Rule and the deletion of section 2.3.3 of this Rule come into force on May 1, 2010 and are applicable to all filings due on or after that date.

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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 marketers during the preceding quarter, broken down by low volume and large volume consumers;

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(d) Total number of consumers who switched (completed enrollments only) from marketers to system gas during the preceding quarter, broken down by low volume and large volume consumers; and

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(e) Total number of consumers enrolled with marketers who switched (completed enrollments only) from one marketer to another marketer during the preceding quarter, broken down by low volume and large volume consumers.

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Deleted: (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 provisions immediately after section 2.1.13:

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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) by such customers or their agents, 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 delivered 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 deliveries (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; and
- (g) Change in the level of inventory held for the account of direct purchase customers during the quarter and year to date.

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2.1.15 A utility shall provide in the form and manner required by the Board, annually, by the last day of the fourth month following the last quarter, the uniform system of account balances mapped and reconciled to the audited financial statements.

8. Section 2.3.3 of the Natural Gas Reporting and Record Keeping Requirements for Gas Utilities is deleted.