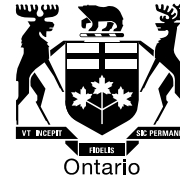


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NATURAL GAS REPORTING & RECORD KEEPING REQUIREMENTS (RRR)

RULE FOR GAS UTILITIES

December 22, 2004

**NATURAL GAS REPORTING & RECORD KEEPING REQUIREMENTS (RRR)
RULE FOR GAS UTILITY**

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1 GENERAL AND ADMINISTRATIVE PROVISIONS

1.1 The purpose of these reporting and record keeping requirements

These reporting and record keeping requirements set the minimum reporting and record keeping requirements with which a natural gas utility must comply. They supercede all other requirements existing on the date this rule comes into effect. New requirements may arise in Ontario Energy Board (Board) decisions, orders or directions issued, and licences and regulatory instruments issued or amended, after this date. From time to time the Board may request additional or different information from natural gas utilities in order to fulfill its mandate.

1.2 Definitions

“information services” means computer systems, services, databases and persons knowledgeable about the utility’s information technology systems;

“uniform system of accounts” means the Uniform System of Accounts for Class “A” Gas Utilities dated April 1, 1996 deemed to be a rule of the Board by section 130 of the *Ontario Energy Board Act, 1998 (the “Act”), C. 15, Schedule B.*

“utility” means a gas distributor, gas transmitter or gas storage company.

1.3 Interpretations

Unless otherwise defined in these reporting and record keeping requirements, words and phrases that have not been defined shall have the meaning ascribed to them in the *Act*. Headings are for convenience only and shall not affect the interpretation of this Rule. Words importing the singular include the plural and vice versa. A reference to a document or a provision of a document includes an amendment or supplement to, or a replacement of, that document or that provision of that document.

1.4 To whom these reporting and record keeping requirements apply

These reporting and record keeping requirements apply to all rate regulated gas utilities.

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1.5 Manner and format of reporting and record keeping

The reporting and record keeping requirements will be in the manner and format as prescribed by the Board.

1.6 Confidentiality of information

The Board intends to treat information filed under the specific sections of these Natural Gas Reporting and Record Keeping Requirements listed below in confidence. All other information filed will be placed on the public record directly.

2.1.4, 2.1.7, 2.3.1, 2.3.3, 2.3.5(a), 2.3.7.2 (a), (c) to (e), 2.3.8, 2.3.9, 2.3.10, 2.3.14 and 2.3.17.

The Board reserves the right to disclose aggregated information where the identity of any individual person cannot be determined. The Board cautions parties that information treated as confidential may still be disclosed in a proceeding before the Board. This information may be introduced by an inspector under section 110 of the *Ontario Energy Board Act, 1998*, by a party to the proceeding or by the Board itself. However, a party would be able to request the Board to hold the document in confidence in that proceeding. The Board further cautions parties that it is subject to the *Freedom of Information and Protection of Privacy Act*.

1.7 Exemptions

The Board may grant an exemption to any provision of this Rule. An exemption may be made in whole or in part and may be subject to conditions or restrictions.

1.8 Coming into Force

This Rule shall come into force on July 1, 2005.

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2 UTILITY

2.1 Reporting

2.1.1 A utility shall provide in the form and manner required by the Board, quarterly, on 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, a detailed economic evaluation including Net Present Value and Profitability Index of the rolling distribution system expansion project portfolio for a 12 month period, referenced in EBO 188, Appendix B, section 3.1.

2.1.2 A utility shall provide in the form and manner required by the Board, quarterly, on 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, quarterly information on non-gas supply deferral accounts. A utility shall include gas supply information in quarters when a quarterly rate adjustment (QRAM) application is not made.

2.1.3 A utility shall provide in the form and manner required by the Board, quarterly, on 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 total number of consumers on system gas for each rate class sub-divided by low volume and large volume consumers, measured at the last day of the reporting period.

All measurement data is for successfully completed enrollments only.

2.1.4 A utility shall provide in the form and manner required by the Board, quarterly, on the last day of the second month following the quarter end for the first three quarters, and on the last day of the fourth month following the quarter end for the fourth quarter, a statement determining annualized revenue deficiency or sufficiency. If the reported period has served as a test period, the last Board-approved forecasts shall be replaced with actual results for the previous quarter(s), in both weather normalized and un-normalized basis where applicable. If the reported period has not served as a test period, the utility shall use its

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forecasts or projections. The statement shall be supported by statements of rate base, utility income, and capitalization/cost of capital. Where the information described herein is included in a rates case, the information filed in a rates case will replace the specific quarterly filing required in the RRRs in the applicable period covered in the rates case.

- 2.1.5 A utility shall provide in the form and manner required by the Board, annually, by the last day of the fourth month after the financial year end, regulatory financial information for the preceding financial year:
- (a) information necessary to effect any earnings sharing mechanism approved by the Board; and
 - (b) information on any formula-based pass through items approved by the Board showing the variance of actual from forecast;

where there is a valid Board order in effect which specifies such mechanism.

- 2.1.6 A utility shall provide the Board annually, by the last day of the fourth month after the financial year end, audited financial statements for the preceding financial year for the corporate entity regulated by the Board. Where the financial statements of the corporate entity regulated by the Board contain material businesses not regulated by the Board, the utility shall disclose the information separately according to the segment disclosure provisions in the Canadian Institute of Chartered Accountants Handbook.

- 2.1.7 A utility shall provide in the form and manner required by the Board, annually, by the last day of the fourth month after the financial year end, a trial balance in uniform system of accounts (USoA) format supporting the audited financial statements, for the preceding financial year.

- 2.1.8 A utility shall provide in the form and manner required by the Board, annually, on the last day of the fourth month following the financial year end, information on affiliate arrangements and transactions for the preceding year, as follows:
- (a) the total annual dollar amount and number of transactions involving sales to each affiliate;
 - (b) the total annual dollar amount and number of transactions involving purchases from each affiliate;

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- (c) the monthly weighted average total dollar amount of loans to each affiliate outstanding during the year; and
- (d) the monthly weighted average total dollar amount of loans from each affiliate outstanding during the year.

2.1.9 A utility shall provide in the form and manner required by the Board, annually, by the last day of the fourth month after the financial year end, information measuring its performance for the preceding financial year against the minimum standards which may be established by the Board from time to time for service quality indicators.

2.1.10 A utility shall provide in the form and manner required by the Board, annually, by the last day of the fourth month after the financial year end, a list of exceptions to the gas purchase and acquisition policy or practice with the total number of exceptions, volume and dollar value. If the utility has amended any provisions of its gas purchase and acquisition policy or practice through the year, the utility shall provide a list of the changes, an explanation of each change and whether and when the Board was notified, and the impact on the number of exceptions, volume and dollar value.

2.1.11 A utility shall provide in the form and manner required by the Board, annually, by the last day of the fourth month after the financial year end, a report on actual cumulative customer additions compared to forecast, and costs and revenues cumulative to the end of the third year from the in-service date, for projects in the rolling distribution system expansion project portfolio referenced in EBO 188, Appendix B, section 3.2A.

2.1.12 A utility shall provide in the form and manner required by the Board, annually, by the last day of the sixth month after the financial year end, an audited report of actual results compared to the Board approved demand side management plan with explanations of variances.

2.1.13 A utility shall provide in the form and manner required by the Board, annually, by the last day of the fourth month after the financial year end, an environmental monitoring report on completed natural gas system expansion projects of distribution pipelines and facilities not subject to leave to construct under the

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Ontario Energy Board Act, 1998, section 91, referenced in EBO 188, Appendix B, section 3.2B.

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2.2 Certification

2.2.1 A utility shall provide in the form and manner required by the Board, annually, by the last day of the fourth month after the financial year end, a statement certifying that the utility is meeting the requirement in subsection 2.1.3 of the Affiliate Relationships Code for Gas Utilities that at least one third of the Board of Directors of the utility is independent from any affiliate, signed by both the chief executive officer and the senior regulatory officer or other senior officer of the utility.

2.2.2 Where a utility shares information services with an affiliate the utility shall provide in the form and manner required by the Board, annually, by the last day of the fourth month after the financial year end, a statement on data security arrangements, signed by both the chief executive officer and the senior information technology officer or other senior officer of the utility certifying compliance with the access protocols and the services agreement during the preceding calendar year referenced in the Affiliate Relationships Code for Gas Utilities subsection 2.2.2, noting any exceptions.

2.2.3 A utility shall provide in the form and manner required by the Board, annually, by the last day of the fourth month after the financial year end, a statement signed by both the chief executive officer and the senior regulatory officer or other senior officer of the utility certifying that in ensuring compliance with the Affiliate Relationships Code for Gas Utilities in accordance with subsection 2.7.1 of the Code, during the preceding financial year, the utility has:

- (a) performed periodic compliance reviews;
- (b) communicated the Affiliate Relationships Code for Gas Utilities to its employees; and
- (c) monitored its employees' compliance with the Affiliate Relationships Code for Gas Utilities, noting any exceptions.

and that they are satisfied the utility has complied with the Affiliate Relationships Code for Gas Utilities.

2.2.4 A utility shall provide in the form and manner required by the Board, annually, by

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the last day of the fourth month after the financial year end, a statement by the chief executive officer and other senior officer of the utility, certifying that no affiliate contract entered into after December 22, 2004 exceeds a term of five years unless approved by the Board, in accordance with the subsection 2.3.1 of the Affiliate Relationships Code for Gas Utilities.

- 2.2.5 A utility shall provide in the form and manner required by the Board, annually, by the last day of the fourth month after the financial year end, a statement by the chief executive officer and other senior officer of the utility, certifying that the utility has complied with subsection 2.3.1.2 of the Affiliate Relationships Code for Gas Utilities, requiring new or renewed affiliate contracts to include a new information disclosure clause.

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2.3 Record Keeping

- 2.3.1 A utility shall maintain records for a period of two years of all written complaints by consumers and other industry participants regarding services provided by the utility, together with the responses to those complaints. A utility shall provide the following information, in a form and manner and at such times as may be required by the Board:
- (a) the name and address of the complainant;
 - (b) a description of the nature of the complaint including a copy of the written complaint;
 - (c) a description of the remedial action taken; and
 - (d) a copy of any correspondence received and/or sent with respect to each specific complaint.
- 2.3.2 A utility shall maintain and provide in a form and manner and at such times as may be required by the Board, its (written or otherwise) customer complaint handling policy and practice.
- 2.3.3 A utility shall maintain records and provide in a form and manner and at such times as may be required by the Board, the uniform system of accounts balances mapped and reconciled to the audited financial statements.
- 2.3.4 A utility shall maintain records and provide in a form and manner and at such times as may be required by the Board its purchasing and acquisition policy and practice including its policies and practices respecting acquisitions from affiliates. The Board's expectation is that utilities have a policy or documented practice with a stated applicability clause covering all material purchases and all similar purchases which, when aggregated on an annual basis, are material.
- 2.3.5 A utility shall maintain records and provide in a form and manner and at such times as may be required by the Board, information to justify the prudence of the utility's commodity purchases including:
- (a) a summary of contracts for gas supply and for upstream transportation and storage in effect, and the detail to support monthly gas supply commodity deferral account entries sufficient to determine the amount associated with

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specific purchases occurring in that month; all other entries to the gas supply commodity deferral accounts shall include an explanation in sufficient detail that each such entry can be readily understood;

- (b) details of each risk management transaction including the financial impact associated with concluding the transaction; and
- (c) reports to management and other supporting information establishing the decision making environment and criteria at the time of the decision.

2.3.6.1 A utility shall maintain and provide as required by the Affiliate Relationships Code for Gas Utilities subsection 2.8.2, in a form and manner and at such times as may be required by the Board, records on corporate relationships as follows:

- (a) a list of all affiliates with whom the utility transacts, including business addresses, a list of the officers and directors, and a description of the affiliate's business activity;
- (b) a corporate organization chart indicating relationships and ownership percentages; and
- (c) the utility's specific costing and transfer pricing guidelines, bidding procedures and services agreement(s).

2.3.6.2 A utility shall maintain, and provide in a form and manner and at such times as may be required by the Board, the names of individuals acting as directors and officers of the corporation.

2.3.7.1 Where the total cost of all transactions with a particular affiliate exceeds \$100,000 on an annual basis, a utility shall maintain and provide as required by the Affiliate Relationships Code for Gas Utilities subsection 2.8.3, in a form and manner and at such times as may be required by the Board, separate records for each transaction showing:

- (a) the name of the affiliate;
- (b) the product or service in question;
- (c) the form of price or cost determination; and
- (d) the start date and actual/ expected completion date of the transaction.

2.3.7.2 Where the total cost of all transactions with a particular affiliate exceeds \$100,000 on an annual basis, a utility shall also maintain and provide in a form and manner and at such times as may be required by the Board, separate records

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for each transaction showing:

- (a) the dollar value of the product or service in question;
- (b) where a market exists, that a fair and open competitive bidding process was followed as required under subsection 2.3.5 of the Affiliate Relationships Code for Gas Utilities;
- (c) where a market exists and a competitive tendering or the bidding process was not followed, that satisfactory benchmarking or other evidence of market price is available as required by subsection 2.3.6 of the Affiliate Relationships Code for Gas Utilities;
- (d) where a market exists and the contracts exceed the threshold test in subsection 2.3.7 of the Affiliate Relationships Code for Gas Utilities, the bidding assessments by the independent evaluator(s); and
- (e) where no market exists, costs information to substantiate the cost based pricing required under subsections 2.2.5, 2.3.10 and 2.3.11 of the Affiliate Relationships Code for Gas Utilities.

2.3.8 Where a utility shares information services with an affiliate, the utility shall maintain and provide in a form and manner and at such times as may be required by the Board, separate records of the review(s) complying with the provisions of section 5900 of the CICA Handbook referenced in the Affiliate Relationships Code for Gas Utilities subsection 2.2.2, to ensure compliance with the access protocols and the services agreement.

2.3.9 A utility shall maintain and provide in a form and manner and at such times as may be required by the Board, records of the self-certification statement made under subsection 2.2.3 of this Rule confirming compliance with the Affiliate Relationships Code for Gas Utilities subsection 2.7.1, including:

- (a) individual files for each compliance review containing working papers substantiating the compliance review report;
- (b) details as to when the Affiliate Relationships Code for Gas Utilities was communicated to its employees - date, what was communicated, to whom it was communicated, other pertinent information; and
- (c) details on the positions and/or staff being monitored, when, how and frequency.

2.3.10 A utility shall maintain and provide in a form and manner and at such times as may be required by the Board, copies of any service agreement entered into

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between the utility and its affiliate in accordance with section 2.2.1 of the Affiliate Relationships Code for Gas Utilities.

- 2.3.11 A utility shall maintain and provide in a form and manner and at such times as may be required by the Board, any business case analysis undertaken in accordance with subsection 2.3.2 of the Affiliate Relationships Code for Gas Utilities.
- 2.3.12 A utility shall maintain and provide in a form and manner and at such times as may be required by the Board, any independent assessment of market price obtained in accordance with subsections 2.3.14 or 2.3.16 of the Affiliate Relationships Code for Gas Utilities.
- 2.3.13 A utility shall maintain records of any sale to an affiliate of a depreciable asset with a net book value of \$10,000 or more.
- 2.3.14 A utility shall maintain and provide in accordance with subsection 3.2.4 of the Gas Distribution Access Rule, in a form and manner and at such times as may be required by the Board, copies of any service agreement entered into between the utility and a gas vendor.
- 2.3.15 A utility shall provide in a form and manner and at such times as may be required by the Board, such records as have been created by the utility in accordance with the requirements of the Gas Distribution Access Rule subsection 2.3.1, documenting the system configuration, operating limitations and compliance with the Rule.
- 2.3.16 A utility shall maintain and provide in accordance with subsection 3.4.2.1 of the Gas Distribution Access Rule, in a form and manner and at such times as may be requested by the Board, a copy of its policy on financial security arrangements with gas vendors.
- 2.3.17 A utility shall maintain, as required by the Gas Distribution Access Rule

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subsection 5.1 and 5.4.1, and provide in a form and manner and at such times as may be required by the Board, the following minimum information on all consumers who are provided gas distribution services by the gas distributor:

for identification purposes:

- . consumer name;
- . service address, including postal code;
- . consumer mailing address, including postal code;
- . consumer distribution service account number;
- . meter identification number;

for billing purposes:

- . billing address, including postal code;
- . gas distribution services contracted for;
- . units of consumption, estimated or actual, by billing period;
- . meter reading dates;
- . dates of bills rendered based on actual meter readings;
- . dates of bills rendered based on estimated meter readings;
- . dates of bills rendered based on methods other than actual or estimated meter readings;
- . method of bill calculation (eg equal billing);

for payment profile purposes:

- . payment due dates, payment receipt dates;
- . number of times the consumer was delinquent or in arrears in the past 24 months;
- . maximum credit exposure in the past 24 months;
- . number of times the consumer's security arrangements were revised in the past 24 months;

for consumption information:

- . 24 months of consumption data by individual distribution service consumed.