



**IN THE MATTER OF the Board Hearing to  
Consider Rules and Regulations Regarding  
the Conduct of Gas Distributors and Marketers  
in the Province of New Brunswick**

**ADDENDUM  
(to the Decision issued on March 28, 2000)**

**June 23, 2000**

**NEW BRUNSWICK**

**BOARD OF COMMISSIONERS OF PUBLIC UTILITIES**

THE NEW BRUNSWICK

BOARD OF COMMISSIONERS OF PUBLIC UTILITIES

IN THE MATTER OF the Board Hearing to Consider Rules and Regulations Regarding the Conduct of Gas Distributors and Marketers in the Province of New Brunswick

Board:	David C. Nicholson – Chairman James Bateman – Vice Chairman John Chenier – Commissioner Jacques Dumont – Commissioner Léonard Larocque – Commissioner Emilien LeBreton – Commissioner Robert Richardson – Commissioner Monika Zauhar – Commissioner  Lorraine Légère – Secretary M. Douglas Goss – Senior Advisor Carol Nykolyn – Advisor Gary Highfield – Director of Safety John Butler – Consultant James Easson – Consultant
ADI Limited:	Peter Dean
Business Round Table:	Rick DesBrisay
City of Moncton:	Don McLellan, Director, Corporate Support
City of Saint John:	Jim Baird, Manager, Community Planning
Coast Energy Canada Inc.:	Robert Fougere
Competition Bureau - Industry Canada:	Jim Sutton
Department of Natural Resources and Energy:	Don Barnett, Assistant Deputy Minister
Enbridge Gas New Brunswick:	David MacDougall, Solicitor Len Hoyt, Solicitor
Engage Energy Canada:	Ron Stitt, Regional Sales Manager
Irving Oil Limited:	Christopher J. Stewart, Solicitor
MariCo Oil & Gas Corporation:	Dennis Holbrook, Solicitor

Neill and Gunter:

John Stevens, Senior Project Manager

New Brunswick Power Corporation:

Michael Gardiner

Saint John Energy:

Tony Furness

EnergySource Canada (Semptra Energy Sales):

Peter Zed, Solicitor

Observers

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## **STANDARD TERMS OF OFFER**

The Board has considered the comments received concerning its request that the Working Group develop wording for a "standard terms of offer". The Board will not require contracts to include a "standard terms of offer". The Board considers that it is sufficient that the contracts contain the price of gas per cubic meter as discussed at page 15 of the Board's decision dated March 28, 2000.

## **STANDARD MEASUREMENT FOR GAS DELIVERIES**

Currently, EGNB proposes using cubic metres as the standard measurement for its gas deliveries. During the rate hearing, the Board learned that the distributor in the Province of Nova Scotia intended to bill customers for energy, i.e. gigajoules or GJs, as opposed to volume, i.e. cubic metres. Potential gas marketers intending to market natural gas in both provinces have stated that this inconsistency makes it difficult to maintain an effective advertising campaign in both Nova Scotia and New Brunswick. As the Board wanted to determine the need for consistency between the two provinces, it requested comments on the use of gigajoules as the unit of measurement for natural gas consumption in New Brunswick.

In a letter to the Board dated June 13, 2000, EGNB stated that it does not favour the use of gigajoules as a measurement for gas deliveries on its distribution system. EGNB stated that a customer's meter measures volume, no matter whether the customer is billed in volume or energy. To use energy as a billing unit, requires the conversion of the volumetric measurement to an energy unit, based upon an actual or deemed heat content of the natural gas being supplied. EGNB stated that such adjustments are not easily understood by end use customers.

In a letter dated June 6, 2000, Irving recommended that the Board adopt the gigajoule as the standard measurement for natural gas consumption. This would facilitate consistency between the two provinces and avoid customer confusion.

No other parties responded to the Board's request for comments.

The Board is of the view that consistency between New Brunswick and Nova Scotia is important. Therefore, the Board directs EGNB to adopt the gigajoule as the standard measurement for natural gas consumption. EGNB, in billing customers in gigajoules, will show both the amount of cubic metres and the conversion factor between gigajoules and cubic metres to assist customers' understanding of the relationship between the volumes metered and the energy billed.

The Board will amend its regulations and the Code of Conduct for Gas Marketers to use gigajoules where cubic metres are currently used. EGNB is directed to amend the Handbook of Rates and Distribution Services to reflect the use of gigajoules.

## **HANDBOOK OF RATES AND DISTRIBUTION SERVICES**

EGNB filed with the Board, as part of its Rates Application, a Handbook of Rates and Distribution Services ("Handbook) describing the terms and conditions of distribution service. The Handbook contained a number of "xxx's" for items describing various EGNB rules, regulations, terms and conditions applicable to distribution service.

During the rates hearing, all parties actively participating recommended that the Handbook not be dealt with in that proceeding because discussions about it were ongoing in the Working Group set up after the Gas Marketer's Hearing.

Since then, EGNB has filed an updated Handbook. None of the other Working Group participants has filed evidence about any issue relating to the Handbook.

The Board has reviewed the Handbook and will approve it with the following changes:

Page 4, Item 1(C3) - add to the end of the section the following:

"The Company shall inform the customer of his or her right to have the amount of the required deposit reviewed by the Board if they wish to do so. The Company shall provide



to the Customer the telephone number, fax number, mailing address and e-mail address of the Board."

Page 5, Item 1(C6) - replace the first sentence with the following:

"The Company shall allow to each depositor interest compounded semi-annually. The interest rate shall be set at the rate prevailing on Government of Canada one year Treasury Bills at the beginning of the calendar quarter in which the deposit is received. The interest rate shall remain constant for one year. If the deposit is held beyond one year, the interest rate shall be adjusted annually to the prevailing interest rate at the time of the extension."

Page 9, Item 2(C5a) - replace with the following:

"All cash deposits shall accrue interest compounded semi-annually. The interest rate shall be set at the rate prevailing on three year Government of Canada bonds at the beginning of the calendar quarter in which the deposit is received. The interest rate shall remain constant for three years. If the deposit is held beyond three years, the interest rate shall be adjusted every three years to the prevailing interest rate at the time of the extension."

Page 10, Item 3(C2b) - replace "agreed in writing to pay to the Company" with:

"received a written estimate of any costs which the Company estimates that the Applicant will be required to pay for"

and, in addition, insert at the end of subsection (ii) before the word "and" the following:

"and agreed in writing to pay such costs to the Company"

Page 14, Item 3(13) - following this section, add a new section numbered 3(14):

"The Customer is to be notified, in advance, that the Company plans to discontinue gas supply and/or delivery. The Company shall inform the customer of his or her right to have the disconnection reviewed by the Board if they wish to do so. The Company shall provide to the Customer the telephone number, fax number, mailing address and e-mail address of the Board."

Page 17, Limitation of Liability - replace this section with the following wording:

"Enbridge Gas New Brunswick shall not be responsible for any claim, action, loss or proceeding whatsoever as a result of any interruptions, diversions, curtailments, or other procedures that are beyond the control of the Company."

Page 18 - add at the end of the section the following:

"In the case of all billing disputes, the Customer shall be informed of their right to have the matter reviewed by the Board. The Company shall provide to the Customer the telephone number, fax number, mailing address and e-mail address of the Board."

Page 21, Mid Term Supply - remove the following sentence:

"The duration of any Gas supply service contract under Last Resort Supply Service must be for a maximum term of 60 days."

DATED AT THE CITY OF SAINT JOHN, NB this \_\_\_\_ day of \_\_\_\_\_, 2000.

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David C. Nicholson, Chairman

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John Chenier, Commissioner

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Jacques Dumont, Commissioner

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Monika M. L. Zauhar, Commissioner