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## **OEB issues Quarterly Rate Adjustment for Union Gas Limited**

**Toronto** – The Ontario Energy Board has approved changes to the rates Union Gas Limited (Union) charges its customers effective April 1, 2006 as part of its Quarterly Rate Adjustment Mechanism (QRAM). Consumers' bills will change depending on the amount of natural gas used, type of consumer and the location of the consumer.

Rate changes were made to reflect a decrease in the forecast average price of natural gas over the next 12 months, and to capture associated adjustments to the transportation, storage and delivery costs of natural gas in Ontario. The combined effect of these changes is reflected in the attached rate zone tables. The annual bill increase (or decrease) shows the amount that an average residential gas consumer using 2,600 cubic metres (m<sup>3</sup>) of natural gas per year would pay if no other rate changes took place during the next year.

Natural gas utilities forecast the price of natural gas on a quarterly basis to determine what they expect to pay for the natural gas they supply to their customers over a twelve-month period. While extreme weather is difficult to predict, it can have an impact on the price of natural gas. Supply disruptions like those caused by the hurricanes in the southern United States and Gulf of Mexico last year, and the increasing price of oil on the world market, puts upward pressure on natural gas prices. Similarly, the relatively mild winter this year has put downward pressure on natural gas prices.

Effective April 1<sup>st</sup>, the natural gas commodity rates for Union Gas consumers are as follows:

Eastern	36.2100 ¢/m <sup>3</sup>
Northwestern	35.1339 ¢/m <sup>3</sup>
Northern	35.7314 ¢/m <sup>3</sup>
Fort Frances	34.6884 ¢/m <sup>3</sup>
Southern	35.0086 ¢/m <sup>3</sup>

An average residential system gas consumer using 2,600 cubic meters (m<sup>3</sup>) a year will see a decrease between about \$164 and \$173 annually on their bill.

Residential consumers in the Eastern, Northern, Northwestern and Fort Frances rates zones who purchase their natural gas commodity from a natural gas marketer (direct purchase customers) will see a decrease between \$4 and \$7 annually on their bill, reflecting changes in the costs of delivery, transportation and storage. Consumers living in the Southern rate zone will see a change of less than \$1 to their overall annual bill. This does not include the terms of any direct purchase contracts that the customer has entered into with a gas marketer.

Full rate schedules are available on the Board's web site.

The Ontario Energy Board regulates the province's electricity and natural gas sectors in the public interest. It envisions a healthy and efficient energy sector with informed consumers, and works towards this vision through regulatory processes that are effective, fair and transparent.

For more information on the Board, please visit our web site at [www.oeb.gov.on.ca](http://www.oeb.gov.on.ca) or contact the Consumer Relations Centre at 416-314-2455 or toll-free at 1-877- 632-2727.

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