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Ontario

DECISION AND ORDER

EB-2018-0205

Enbridge Gas Inc.

2019 Federal Carbon Pricing Program Application

BEFORE: Lynne Anderson
Presiding Member

Michael Janigan
Member

Susan Frank
Member

July 4, 2019

1 INTRODUCTION

Enbridge Gas Inc. (Enbridge Gas) seeks Ontario Energy Board (OEB) approval under section 36(1) of the *Ontario Energy Board Act, 1998* to increase rates to recover costs associated with meeting its obligations under the federal *Greenhouse Gas Pollution Pricing Act* (GGPP Act).¹

The GGPP Act establishes a federal carbon pricing program (FCPP)² under which Enbridge Gas is required:

- To pay the Federal Carbon Charge of 3.91 ¢/m³ to the federal government for volumes of natural gas that Enbridge Gas delivers to its residential, commercial and industrial customers³ starting April 1, 2019
- To pay the Federal Carbon Charge of 3.91 ¢/m³ to the federal government for company use volumes (such as distribution buildings, boilers/line heaters and natural gas vehicle (NGV) fleet) starting April 1, 2019
- To remit payment to the federal government for any excess Greenhouse Gas (GHG) emissions under the Output-Based Pricing System (OBPS) from the operation of its natural gas distribution system effective January 1, 2019⁴

Enbridge Gas is seeking approval of the following accounts⁵:

1. Greenhouse Gas Emissions Administration Deferral Account (GGEADA) effective January 1, 2019
2. Facility Carbon Charge – Facility Deferral Account (FCCFDA) for each of the EGD and Union rate zones effective January 1, 2019
3. Federal Carbon Charge – Customer Deferral Account (FCCDA) for the EGD rate zone and Union rate zones effective April 1, 2019

In this Decision and Order, the OEB considers recovery of Enbridge Gas' costs related to the FCPP, the establishment of accounts to record those costs, the presentation of the carbon charges on customers' natural gas bills, and communications with customers

¹ Originally Enbridge Gas Distribution Inc. (EGD) and Union Gas Limited (Union) each filed separate applications prior to their amalgamation into Enbridge Gas Inc. effective January 1, 2019.

² This is also referred to as the federal carbon pollution pricing system, <https://www.canada.ca/en/revenue-agency/campaigns/pollution-pricing.html>

³ Customers that are covered under Part I of the GGPP Act.

⁴ For fuels used in Enbridge Gas' transmission and storage facilities. If Enbridge Gas exceeds its emission limit in 2019, it must remit payment by December 15, 2020.

⁵ Argument-in-Chief, p. 6 and Exhibit I. STAFF.12. It is noted that two of these accounts (FCCFDA and FCCDA) are not consistent with the OEB's Interim Decision, February 28, 2019.

about the FCPP. The OEB has generally found the proposals by Enbridge Gas reasonable and the OEB has made only a few modifications as set out below. The OEB will require Enbridge Gas to file revised complete tariff sheets in accordance with this Decision and Order.

2 PROCESS

Enbridge Gas Distribution Inc. (EGD) and Union Gas Limited (Union) (as they then were) filed applications with the OEB on October 9, 2018 and October 10, 2018, respectively, seeking approval to increase rates to recover costs associated with meeting their obligations under the GGPP Act.

On December 11, 2018, EGD and Union requested interim accounting orders for their facility-related costs.

On December 14, 2018, the OEB issued an Interim Decision and Accounting Order approving the establishment of the facility-related deferral accounts.

Following the amalgamation of Union and EGD, on January 11, 2019, Enbridge Gas filed an updated and consolidated application for the EGD and Union rate zones.

On February 13, 2019, the OEB issued a Notice of Hearing for this proceeding.

On February 28, 2019, the OEB issued an Interim Decision and Accounting Orders approving the establishment of three new accounts on an interim basis to capture administration costs and customer-related variances.⁶ These accounts are in addition to the two accounts established, on an interim basis, to capture facility-related variances for the EGD and Union rate zones.⁷ The February 28, 2019 Interim Decision also noted that the OEB had received a letter from the Minister of Energy, Northern Development and Mines encouraging the OEB to have regard to the government's objective of transparency for natural gas bills in any proceeding related to the FCPP, and to ensure that stakeholders have an opportunity to present their views to the OEB on the appearance of this new charge on natural gas bills.⁸ The OEB further indicated in that Interim Decision that it would consider the comments of stakeholders and submissions of parties prior to making a determination on any new charges and related bill presentation issues.⁹

On April 1, 2019, the OEB issued Procedural Order No. 1, which addressed requests for intervenor status and cost eligibility. The following parties were granted intervenor status:

⁶ Interim Decision and Accounting Orders, February 28, 2019, p. 4.

⁷ Interim Decision and Accounting Order, December 14, 2018.

⁸ [Letter dated February 20, 2019.](#)

⁹ Interim Decision and Accounting Orders, February 28, 2019, p. 4.

- Association of Power Producers of Ontario (APPrO)
- Building Owners and Managers Association, Greater Toronto (BOMA)
- Canadian Manufacturers & Exporters (CME)
- City of Kitchener (Kitchener)
- Consumers Council of Canada (CCC)
- Energy Probe Research Foundation (Energy Probe)
- Environmental Defence (ED)
- EPCOR Natural Gas Limited Partnership (ENGLP)
- Federation of Rental-housing Providers of Ontario (FRPO)
- Industrial Gas Users Association (IGUA)
- London Property Management Association (LPMA)
- Ontario Association of Physical Plant Administrators (OAPPA)
- Ontario Sustainability Energy Association (OSEA)
- School Energy Coalition (SEC)

APPrO, BOMA, CME, CCC, Energy Probe, ED, FRPO, IGUA, LPMA, OAPPA, OSEA and SEC were found eligible to apply for an award of costs in this proceeding.

On April 2, 2019, the OEB issued Procedural Order No. 2, which made provision for written interrogatories to Enbridge Gas and the filing of written submissions by all parties and OEB staff. In that same Procedural Order, the OEB determined that the scope of the proceeding would be limited to considering recovery of Enbridge Gas' costs related to the FCPP and the presentation of the carbon charges on customers' natural gas bills. The OEB stated that it would not be considering additional measures that Enbridge Gas should undertake to reduce either customer-related or facility-related emissions as an issue for adjudication. The OEB also indicated that it would not be approving the forecast administration costs in this proceeding.

On April 30, 2019, the OEB issued Procedural Order No. 3, which granted intervenor status and cost eligibility to the Vulnerable Energy Consumers Coalition (VECC).

3 DECISION

General Background

Summary of Findings

The OEB has generally found the proposals by Enbridge Gas reasonable and the OEB has made only a few modifications as noted in this Decision and Order.

As noted by the OEB in Procedural Order No. 2, the FCPP is relatively new and has been subject to amendments and updates. Enbridge Gas also highlighted the potential for further modifications and evolution for different aspects of the FCPP.¹⁰ The OEB has considered this context in reaching the findings that follow on each aspect of Enbridge Gas' implementation of its obligation under the GGPP Act.

Proposed Rates

The 2019 volume forecasts subject to the GGPP Act are 5,797,409 10³m³ and 3,553,242 10³m³ respectively for the EGD and Union rate zones.¹¹ Enbridge Gas indicated that the volumetric forecast was developed using the same methodologies which underpinned forecasts previously approved by the OEB.¹²

Enbridge Gas applied the 2019 unit cost of carbon of \$20 per tonne of carbon dioxide equivalent or 3.91 cents/cubic meter (¢/m³) to the 2019 volume forecast. The resulting total forecast cost is \$361.4 million for 2019.

OEB staff and all intervenors either supported or did not oppose Enbridge Gas' volume forecasts or its proposal to use a volumetric basis for the charges.

Findings

The OEB approves the rate riders and charges proposed by Enbridge Gas for the Federal Carbon Charge (customer-related) and the Facility Carbon Charge¹³ for its EGD and Union rate zones. The bill presentment of these charges is addressed below. The OEB requires Enbridge Gas to file revised complete tariff sheets for the EGD rate zone and Union rate zones to reflect the rate riders and charges that have been approved.

¹⁰ Reply Argument, p. 5.

¹¹ Exhibit B, Tab 1, p. 1 for EGD rate zone and Exhibit B, Tab 2, p. 1 for Union rate zones.

¹² Ibid

¹³ The Facility Carbon Charge includes the Federal Carbon Charge for company use volumes (such as distribution buildings, boilers/line heaters and NGV fleet) and the costs for emissions under the OBPS from Enbridge Gas' transmission and storage compressor facilities.

The OEB approves Enbridge Gas' proposal to charge customers the Federal Carbon Charge and a Facility Carbon Charge on a volumetric basis. As the costs are incurred on a volumetric basis, the OEB concludes that recovery on a volumetric basis is appropriate.

The OEB also approves Enbridge Gas' 2019 volume forecasts for the purposes of calculating the forecast carbon costs for the FCPP. Enbridge Gas used a methodology for forecasting volumes that has already been approved by the OEB. The OEB notes that the variance accounts discussed in a subsequent section ensure that customers ultimately pay the actual amounts of the Federal Carbon Charge and Facility Carbon Charge only.

Bill Presentment

While not seeking OEB approval with respect to bill presentment¹⁴, Enbridge Gas stated that the 2019 Federal Carbon Charge of 3.91 ¢/m³ on volumes delivered to its residential, commercial and industrial customers¹⁵ would be presented as a separate line item on customers' bills.¹⁶

Enbridge Gas also stated that the Facility Carbon Charge would be included in the delivery or transportation charges on customers' bills.¹⁷

OEB staff submitted that the OEB, if it wishes to do so, has the authority to address bill presentation matters for natural gas distributors. OEB staff further submitted that the OEB determined how charges related to cap and trade compliance costs appeared on customer bills¹⁸ and that the OEB should do likewise in this proceeding.

OEB staff, Energy Probe, ED and SEC supported Enbridge Gas' proposal regarding bill presentation.¹⁹

¹⁴ Exhibit I. CCC.4, p. 1.

¹⁵ Customers that are covered under Part I of the GGPP Act.

¹⁶ Exhibit A, p. 8.

¹⁷ Exhibit A, p. 9 and Argument-in-Chief, p. 5.

¹⁸ EB-2015-0363 - In its early determination (https://www.oeb.ca/oeb/Documents/EB-2015-0363/OEB_Determination_Billing_Outreach_20160728.pdf) and in its *Report of the Board – Regulatory Framework for Assessment of Costs of Natural Gas Utilities' Cap and Trade Activities* (Cap and Trade Framework), the OEB determined that charges related to cap and trade compliance costs were to be included in the delivery charges on customers' bills.

¹⁹ OEB staff submission, pp. 4-5, Energy Probe submission, p. 4, ED submission pp. 2-3 and SEC submission, p. 2-3.

Some intervenors (BOMA, CCC, FRPO and LPMA)²⁰ argued that the Facility Carbon Charge should be combined with the Federal Carbon Charge line item on customers' bills. Other intervenors (CME, IGUA and VECC)²¹ argued that the Facility Carbon Charge should be set out as a separate and distinct line item on customer bills.²² Enbridge Gas indicated that these changes to bill presentment would involve an additional cost to ratepayers, delay the implementation of proposed rates and reduce overall transparency, leading to customer confusion.²³

Findings

While Enbridge Gas says that it is not seeking the OEB's approval for bill presentment, the OEB has determined that it is appropriate for it to establish how charges related to the FCPP will appear on customer bills. This is consistent with the approach taken in relation to bill presentment of the compliance costs for the cap and trade program that has now been cancelled.

The OEB accepts Enbridge Gas' proposal to present the Federal Carbon Charge (customer-related) as a separate line on the bill and to include the Facility Carbon Charge as part of the delivery and transportation charge.²⁴

Having the Federal Carbon Charge (customer-related) set out as a separate line on the bill will allow a customer to reconcile the amount on their bill to the legislated charge for carbon more easily than if this was combined with the Facility Carbon Charge.

The OEB acknowledges that some intervenors have advocated for a second line on the bill for the Facility Carbon Charge. However, the OEB concludes that having two separate lines on the bill (one for the Federal Carbon Charge (customer-related) and another for the Facility Carbon Charge) is unnecessary given the expected magnitude of charges related to facilities. Specifically, the forecasts provided by Enbridge Gas indicate that the Facility Carbon Charge is expected to be \$2.3 million, which is 0.2% or less of the total FCPP-related charges. Furthermore, Enbridge Gas stated that for up to five months each year, when consumption is low, the Facility Carbon Charge on the bill could be zero dollars.

²⁰ BOMA submission, p. 4, CCC submission p. 3, FRPO submission pp. 1-2 (adopting submission of LPMA) and LPMA submission, p. 4

²¹ CME submission p. 2, IGUA submission, pp. 2-3 and VECC submission, pp. 3-4.

²² IGUA raised both these possible approaches in its submission but indicated that there was insufficient information on the current record for the OEB to properly consider the cost/transparency tradeoff being presented to it.

²³ Reply Argument, p.8.

²⁴ This is the delivery charge for system service customers and the transportation charge for T-service customers. A customer would be charged one or the other, not both for a customer class.

Variance and Deferral Accounts

On December 14, 2018, the OEB approved, on an interim basis, the establishment of the Facility Carbon Charge – Facility Deferral Account for each of the EGD and Union rate zones effective January 1, 2019.²⁵

In its February 28, 2019 Interim Decision, the OEB approved the following accounts on an interim basis:

- Greenhouse Gas Emissions Administration Deferral Account effective January 1, 2019
- Federal Carbon Charge - Customer Variance Account for the EGD rate zone effective April 1, 2019
- Federal Carbon Charge - Facility Variance Account for the Union rate zones effective April 1, 2019²⁶

In the February 28, 2019 Interim Decision, the OEB also noted that the accounting orders for the Federal Carbon Charge – Customer Variance Accounts were inconsistent between the EGD and Union rate zones. The OEB stated its expectation that the accounting orders were to be consistent for any final approval.

Enbridge Gas proposed that the customer-related and facility-related variance accounts, listed above, should be referred to as deferral accounts.²⁷ However, Enbridge Gas sought clarity from the OEB and indicated it would comply with the OEB's direction.²⁸

In its submission, OEB staff stated that for 2019 the customer-related and facility-related variance accounts are a hybrid of deferral and variance accounts. Therefore, for consistency, OEB staff submitted that these should be treated as variance accounts as this will avoid changing the labelling of these accounts post 2019.²⁹ In addition, OEB staff proposed that Enbridge Gas should dispose of the 2019 balances as part of a future Federal Carbon Pricing Program-related application so that all FCPP-related costs and balances are reviewed in the same proceeding.³⁰

SEC submitted that it has no concern with the approval of the customer-related and facility-related variance accounts, but it opposed the approval of the GGEADA. In SEC's

²⁵ EB-2018-0205/0187 Interim Decision and Accounting Order. These Interim accounts capture costs related to the OBPS effective January 1, 2019 and the facility-related costs effective April 1, 2019.

²⁶ OEB's Interim Decision and Accounting Order.

²⁷ Exhibit I.STAFF.12, pp. 1-2.

²⁸ Exhibit I. STAFF.12.

²⁹ OEB staff submission, pp. 5-6.

³⁰ OEB staff submission, p. 6.

view, the GGEADA relates to costs that are not pass-through in the traditional sense, but is established to recover costs incurred by Enbridge Gas that are like any other distribution related costs. As a result, SEC argued that a distributor could only seek approval of a deferral and variance account that meets the requirements of a Z-Factor. SEC stated that the proposed GGEADA does not meet Enbridge Gas' materiality threshold since the estimated 2019 administration costs of \$1.8M is only a third of the \$5.5M materiality threshold.³¹

Enbridge Gas disagreed with SEC's argument. Enbridge Gas argued that there are no reasons to treat administrative costs associated with compliance with the GGPP Act differently than the cap and trade administrative costs as these costs were considered to be a cost pass-through to customers.³²

Some intervenors (CCC, LPMA, VECC and BOMA)³³ argued either for two separate GGEADA accounts for EGD and Union rate zones or for costs in the GGEADA to be tracked separately for the Union and EGD rate zones. Enbridge Gas disagreed for reasons of regulatory efficiency, and submitted that it can track the costs by rate zone in one account. Enbridge Gas also noted that some administration costs are common to all rate zones.

APPrO submitted that the OEB should require Enbridge Gas to consult directly with and obtain consent from all affected gas-fired generators (except for gas-fired generators covered by the OBPS) on Enbridge Gas' proposed disposition methodologies prior to seeking disposition of these accounts with the OEB.³⁴ Enbridge Gas disagreed and argued that: i) the prudence of the deferral and variance account balances and associated disposition methodologies are not at issue in this proceeding and ii) it is not reasonable or appropriate to make the OEB's approval to pass-through costs of the GGPP Act in Enbridge Gas' rates contingent upon gas-fired generators' approval of disposition methodologies in the future.³⁵

Findings

The interim Federal Carbon Charge – Facility Deferral Accounts for each of EGD and Union rate zones are final effective April 1, 2019, but shall be renamed variance accounts. The interim Federal Carbon Charge – Customer Variance Accounts for each of the EGD and Union rate zones are final effective April 1, 2019. Intervenors and OEB

³¹ SEC submission, pp. 1-2.

³² EB-2015-0363 OEB's Cap and Trade Framework, p. 31.

³³ BOMA submission, p.3, CCC submission, p. 4, LPMA submission, p. 5 and VECC submission, pp. 5-6.

³⁴ APPrO submission pp. 5-6.

³⁵ Reply Argument, p. 6.

staff had no objections to the establishment of these accounts on a final basis to record the difference (variance) between costs and amounts collected from customers. The OEB approves the accounting orders attached as Appendix A to this Decision and Order.

Enbridge Gas sought guidance from the OEB on whether these accounts were deferral or variance accounts. Initially no amounts were being collected from customers, and the accounts were operating like deferral accounts. Now going forward, they will be recording variances and therefore the OEB finds that these accounts are appropriately called variance accounts. The OEB has amended the accounting orders accordingly.

The OEB approves the establishment of two Greenhouse Gas Emissions Administration Deferral Accounts on a final basis effective January 1, 2019, one for the EGD rate zone and another for the Union rate zones. The OEB concludes that having two accounts increases transparency. The OEB notes that whether there is one account or two, common costs will have to be allocated to each rate zone when seeking to dispose of the accounts.

In its submission, SEC argued that the GGEADA did not meet Enbridge Gas' materiality threshold.³⁶ The overall cost of the FCPP is forecast to exceed \$364 million for 2019. These types of costs were previously categorized as customer-related, facility-related or administration given their different nature.³⁷ The OEB agrees that using the same categorization for the FCPP is appropriate because it is understood by stakeholders. However, the costs are all related to the FCPP. How the OEB has chosen to categorize and record the costs of this stand-alone program does not necessitate a consideration of the materiality of each cost category of that program.

Customer Engagement and Communications

Enbridge Gas outlined its communication plan and indicated that it has shared information regarding the FCPP with mass-market and large volume customers.³⁸ Enbridge Gas also indicated that it would continue to communicate the details and impacts of the FCPP to its customers via bill inserts, on-bill messaging and a social media campaign.

³⁶ The OEB has established the following criteria for the establishment of new deferral and variance accounts: causation, materiality and prudence (Filing Requirements For Natural Gas Rate Applications, February 16, 2017, p. 38).

³⁷ Cap and Trade Framework, pp. 30-31.

³⁸ Exhibit A, Appendix C and Exhibit I. STAFF.8.

ED submitted that Enbridge Gas' proposed communication plan is reasonable and suggested that Enbridge Gas highlight the Climate Action Incentive payments in communications as a source of funds to invest in energy efficiency.³⁹ VECC generally supported the communication plan, but highlighted the need for bill inserts to help low-income and vulnerable customers understand the new charges.⁴⁰

Enbridge Gas indicated that it is willing to consult with VECC and other stakeholders to tailor communications for low-income and vulnerable customers as appropriate going forward. It would also include a hyperlink in its FCPP-related bill inserts to the federal government's publicly posted information on Climate Action Incentive payments.⁴¹

CCC proposed that a footnote be included on customers' bills, in relation to the Federal Carbon Charge, that states "***This charge relates to the impact on your bill of the Federal Carbon Pricing Program.***"⁴² Enbridge Gas submitted that it is willing to implement a temporary message but that it will tailor the messaging and that the placement of this messaging on bills may vary.⁴³

Findings

While the OEB agrees with Enbridge Gas that communications with customers concerning the FCPP is very important, the OEB has determined that it is not necessary for it to approve all of the details of the communication plan filed by Enbridge Gas. Enbridge Gas is in the best position to determine the overall strategy for engaging its customers.

The OEB expects rate-regulated distributors to engage with their customers. Whether engagement has been adequate is assessed by the OEB through its regulatory proceedings, as required. Customers also have the opportunity to participate in those proceedings. Given the inclusive nature of the OEB's processes, the OEB concludes that it is not appropriate, as suggested by APPrO, to require Enbridge Gas to get pre-approval from certain customer groups prior to filing an application with the OEB.

However, the OEB is requiring a bill message and is establishing the wording for it. The OEB agrees that a bill message will help inform customers about the new charge. Enbridge Gas has stated that it is willing to and capable of implementing a bill message as proposed by CCC, but that it would determine what the message would be based on

³⁹ ED submission, p. 2.

⁴⁰ VECC submission, pp. 4-5.

⁴¹ Reply Argument, pp. 12-13.

⁴² CCC, submission, p.3.

⁴³ Reply submission, pp. 11-12.

its circumstances. The OEB requires Enbridge Gas to include the following bill message for a period of six months:

The Federal Carbon Charge on this bill relates to the federal carbon pricing program.

Implementation

Enbridge Gas indicated that, depending on the OEB's direction and timing, it could implement the charges as soon as August 1, 2019 (if its application is approved as filed on or before July 2, 2019) or September 1, 2019 (if Enbridge Gas is directed to modify its proposed customer bill presentation, on or before July 15, 2019).⁴⁴

LPMA stated that it is concerned that Enbridge Gas is not requesting the recovery of the amounts in the deferral and variance accounts as of June 30, 2019 as these amounts are large. LPMA submitted that the OEB should move immediately to deal with the recovery of these balances.⁴⁵

Findings

The OEB orders Enbridge Gas to implement the FCPP rate riders and charges for the EGD and Union rate zones effective August 1, 2019. The OEB agrees it is important to implement the new rates as soon as possible to avoid any further accumulation in the variance accounts.

The OEB will not order the disposition of the balances in the interim Federal Carbon Charge – Customer Variance Accounts at this time. The OEB expects Enbridge Gas to file an application to update customer rates for future legislated changes to the carbon charges in order to minimize variances. The OEB also expects any applications to dispose of the deferral account and variance accounts to be done in conjunction with any such rate application. This could include the disposition of the variance accounts on an interim basis if audited balances are not yet available when there are legislated changes to the carbon charges. The OEB would expect administration costs to be audited.

⁴⁴ Reply Argument, p. 3.

⁴⁵ LPMA submission, p. 6.

4 DECISION

THE ONTARIO ENERGY BOARD ORDERS THAT:

1. The rate riders and charges in Exhibit E, Tabs 1 and 2 for the Federal Carbon Charge and Facility Carbon Charge are approved.
2. Enbridge Gas shall file draft complete tariff sheets reflecting this Decision and Order for each of the EGD and Union rate zones by July 11, 2019.
3. OEB staff may file any comments on the draft tariff sheets by no later than July 17, 2019. If OEB staff does not file any comments, the tariff sheets filed by Enbridge Gas will be made final.
4. Enbridge Gas may file a reply to any comments filed by OEB staff by July 22, 2019
5. Enbridge Gas shall include bill messaging on customer bills in accordance with this Decision and Order.
6. Enbridge Gas shall present the Federal Carbon Charge (customer-related) and the Facility Carbon Charge on customer bills in accordance with this Decision and Order.
7. The Accounting Orders attached as Appendix A to this Decision and Order are approved.

DATED at Toronto July 4, 2019

ONTARIO ENERGY BOARD

Original Signed By

Kirsten Walli
Board Secretary

APPENDIX A
DECISION AND ORDER
ENBRIDGE GAS INC.
FEDERAL CARBON PRICING PROGRAM
ACCOUNTING ORDERS
EB-2018-0205
JULY 4, 2019

UNION RATE ZONES
Accounting Entries for
Greenhouse Gas Emissions Administration Deferral Account
Deferral Account No. 179-XXX

Account numbers are from the Uniform System of Accounts for Gas Utilities, Class A prescribed under the *Ontario Energy Board Act, 1998*.

Debit - Account No. 179-XXX
 Other Deferral Charges – Greenhouse Gas Emissions
 Administration Deferral Account

Credit - Account No. 728
 General Expense

To record, as a debit (credit) in Deferral Account No. 179-XXX, the Administration costs associated with the impacts of federal regulations related to greenhouse gas emission requirements.

Debit - Account No. 179-XXX
 Other Deferral Charges – Greenhouse Gas Emissions
 Administration Deferral Account

Credit - Accounts No. 323
 Other Interest Expense

To record, as a debit (credit) in Deferral Account No. 179-XXX, interest on the balance in Deferral Account No. 179-XXX. Simple Interest will be computed monthly on the opening balance in the said account in accordance with the methodology approved by the OEB in EB-2006-0117.

EGD RATE ZONE
Accounting Entries for
Greenhouse Gas Emissions Administration Deferral Account
Deferral Account No. 179-XXX

Account numbers are from the Uniform System of Accounts for Gas Utilities, Class A prescribed under the *Ontario Energy Board Act, 1998*.

Debit - Account No. 179-XXX
 Other Deferral Charges – Greenhouse Gas Emissions
 Administration Deferral Account

Credit - Account No. 728
 General Expense

To record, as a debit (credit) in Deferral Account No. 179-XXX, the Administration costs associated with the impacts of federal regulations related to greenhouse gas emission requirements.

Debit - Account No. 179-XXX
 Other Deferral Charges – Greenhouse Gas Emissions
 Administration Deferral Account

Credit - Accounts No. 323
 Other Interest Expense

To record, as a debit (credit) in Deferral Account No. 179-XXX, interest on the balance in Deferral Account No. 179-XXX. Simple Interest will be computed monthly on the opening balance in the said account in accordance with the methodology approved by the OEB in EB-2006-0117.

UNION RATE ZONES
Accounting Entries for
Federal Carbon Charge – Customer Variance Account
Variance Account No. 179-XXX

The purpose of the Federal Carbon Charge – Customer Variance Account is to record the variance between actual federal customer carbon levy and actual federal customer levy recovered in rates as approved by the OEB.

Simple interest is to be calculated on the opening monthly balance of this account using the OEB approved EB-2006-0117 interest rate methodology. The balance of this account, together with carrying charges, will be disposed of in a manner designated by the OEB in a future rate hearing.

Account numbers are from the Uniform System of Accounts for Gas Utilities, Class A prescribed under the *Ontario Energy Board Act, 1998*.

Debit	-	Account No. 179-XXX Federal Carbon Charge – Customer Variance Account
Credit	-	Account No. 579 Miscellaneous Operating Revenue

To record, as a debit (credit) in Variance Account No. 179-XXX, the variance between actual customer carbon levy costs and customer carbon levy costs recovered in rates as approved by the OEB.

Debit	-	Account No. 179-XXX Other Deferred Charges – Federal Carbon - Customer
Credit	-	Accounts No. 323 Other Interest Expense

To record, as a debit (credit) in Variance Account No. 179-XXX, interest on the balance in Variance Account No. 179-XXX. Simple Interest will be computed monthly on the opening balance in the said account in accordance with the methodology approved by the OEB in EB-2006-0117.

UNION RATE ZONES
Accounting Entries for
Federal Carbon Charge – Facility Variance Account
Variance Account No. 179-XXX

The purpose of the Federal Carbon Charge – Facility Variance Account is to record the variance between actual facility carbon costs and actual facility costs recovered in rates as approved by the OEB.

Simple interest is to be calculated on the opening monthly balance of this account using the OEB approved EB-2006-0117 interest rate methodology. The balance of this account, together with carrying charges, will be disposed of in a manner designated by the OEB in a future rate hearing.

Account numbers are from the Uniform System of Accounts for Gas Utilities, Class A prescribed under the *Ontario Energy Board Act, 1998*.

Debit	-	Account No. 179-XXX Federal Carbon Charge – Facility Variance Account
Credit	-	Account No. 579 Miscellaneous Operating Revenue

To record, as a debit (credit) in Variance Account No. 179-XXX, the variance between actual facility carbon costs and facility carbon costs recovered in rates as approved by the OEB.

Debit	-	Account No. 179-XXX Other Deferred Charges – Federal Carbon - Facility
Credit	-	Accounts No. 323 Other Interest Expense

To record, as a debit (credit) in Variance Account No. 179-XXX, interest on the balance in Variance Account No. 179-XXX. Simple Interest will be computed monthly on the opening balance in the said account in accordance with the methodology approved by the OEB in EB-2006-0117.

EGD RATE ZONE

Accounting Entries for Federal Carbon Charge – Customer Variance Account Variance Account No. 179-XXX

The purpose of the Federal Carbon Charge – Customer Variance Account is to record the variance between actual federal customer carbon levy and actual federal customer levy recovered in rates as approved by the OEB.

Simple interest is to be calculated on the opening monthly balance of this account using the OEB approved EB-2006-0117 interest rate methodology. The balance of this account, together with carrying charges, will be disposed of in a manner designated by the OEB in a future rate hearing.

Account numbers are from the Uniform System of Accounts for Gas Utilities, Class A prescribed under the *Ontario Energy Board Act, 1998*.

Debit	-	Account No. 179-XXX Federal Carbon Charge – Customer Variance Account
Credit	-	Account No. 579 Miscellaneous Operating Revenue

To record, as a debit (credit) in Variance Account No. 179-XXX, the variance between actual customer carbon levy costs and customer carbon levy costs recovered in rates as approved by the OEB.

Debit	-	Account No. 179-XXX Other Deferred Charges – Federal Carbon – Customer
Credit	-	Accounts No. 323 Other Interest Expense

To record, as a debit (credit) in Variance Account No. 179-XXX, interest on the balance in Variance Account No. 179-XXX. Simple Interest will be computed monthly on the opening balance in the said account in accordance with the methodology approved by the OEB in EB-2006-0117.

EGD RATE ZONE

Accounting Entries for Federal Carbon Charge – Facility Variance Account Variance Account No. 179-XXX

The purpose of the Federal Carbon Charge – Facility Variance Account is to record the variance between actual facility carbon costs and actual facility costs recovered in rates as approved by the OEB.

Simple interest is to be calculated on the opening monthly balance of this account using the OEB approved EB-2006-0117 interest rate methodology. The balance of this account, together with carrying charges, will be disposed of in a manner designated by the OEB in a future rate hearing.

Account numbers are from the Uniform System of Accounts for Gas Utilities, Class A prescribed under the *Ontario Energy Board Act, 1998*.

Debit	-	Account No. 179-XXX Federal Carbon Charge – Facility Variance Account
Credit	-	Account No. 579 Miscellaneous Operating Revenue

To record, as a debit (credit) in Variance Account No. 179-XXX, the variance between actual facility carbon costs and facility carbon costs recovered in rates as approved by the OEB.

Debit	-	Account No. 179-XXX Other Deferred Charges – Federal Carbon – Facility
Credit	-	Accounts No. 323 Other Interest Expense

To record, as a debit (credit) in Variance Account No. 179-XXX, interest on the balance in Variance Account No. 179-XXX. Simple Interest will be computed monthly on the opening balance in the said account in accordance with the methodology approved by the OEB in EB-2006-0117.