

500 Consumers Road  
North York ON M2J 1P8  
P.O. Box 650  
Scarborough, ON  
M1K 5E3

**Kevin Culbert**  
Manager, Regulatory Accounting  
Tel 416-495-5778  
Fax 416-495-6072  
Email kevin.culbert@enbridge.com



October 1, 2009

**VIA COURIER**

Kirsten Walli  
Board Secretary  
Ontario Energy Board  
2300 Yonge Street, 26<sup>th</sup> Floor  
Toronto, ON M4P 1E4

Dear Ms. Walli:

**Re: Request for Accounting Orders**

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Enbridge Gas Distribution Inc. ("EGD") hereby requests Board approval for the establishment of 2009 deferral accounts as a result of the Board Decision and Order in EB-2008-0106 (Commodity Pricing, Load Balancing and Cost Allocation Methodologies proceeding) and the Report of the Board in EB-2008-0408, Transition to International Financial Reporting Standards ("IFRS") proceeding.

As part of the EB-2008-0106 Decision, the Board ordered EGD to record "in a deferral account" the costs of: (i) implementing a 12-month disposition methodology for its Purchased Gas Variance Account ("PGVA"); and (ii) changes to the Mean Daily Volume ("MDV") / Daily Contract Quantity ("DCQ") re-establishment process.

For the PGVA disposition methodology issue, the Board approved EGD's proposed change to a future rolling 12-month disposition and also recognized that EGD would incur one-time implementation costs as a result of the change. The Board further ordered EGD to record the costs of implementing the change in a deferral account for review and disposition decision in a subsequent proceeding.

For the MDV / DCQ re-establishment process issue, the Board approved EGD's proposal to adopt an approach which establishes MDV on a weather-normalized basis and re-establish it during the contract term and also recognized that EGD would require considerable time and significant costs in establishing the new mechanism. As a result, the Board ordered EGD to file details of its MDV proposal at its earliest convenience for review and approval and directed EGD to record the costs of implementing the changes to the MDV mechanism in a deferral account for review and disposition decision in a subsequent proceeding.



While the Board ordered EGD to record the costs described above "in a deferral account", no specific deferral account was established as part of the Board's EB-2008-0106 Decision and Order.

In the EB-2008-0408 proceeding, IFRS, the Report of the Board stated that it would permit the establishment of a deferral account for distributors to record the incremental one-time administrative costs related to the transition to IFRS. No specific deferral account was established for EGD as part of the EB-2008-0408 Report.

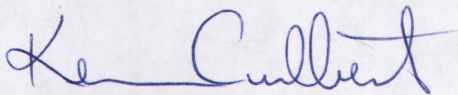
EGD therefore requires and requests the Board's approval to establish 2009 related accounts in order to record costs being incurred in relation to the Board's direction on the issues described above. In particular, EGD seeks approval to establish the following deferral accounts:

1. 2009 Change in Purchased Gas Variance Disposition Methodology Deferral Account ("CPGVMDMA")
2. 2009 Mean Daily Volume Mechanism Deferral Account ("MDVMDA")
3. 2009 International Financial Reporting Standards Transition Costs Deferral Account ("IFRSTCDA")

The review of and approval for clearance of these accounts will be requested by EGD in a future proceeding.

The attached document sets out example entries and descriptions of the manner in which these accounts would be used.

Yours truly,



Kevin Culbert  
Manager, Regulatory Accounting

cc: Mr. Fred Cass, Aird & Berlis  
OEB Staff (Mr. Bill Cowan, Mr. Rudra Mukherji and Mr. Colin Schuch)  
EB-2008-0106 Interested Parties  
EB-2008-0219 Interested Parties  
EB-2008-0408 Interested Parties

## Appendix A

### Proposed Accounting Entries

#### 1. Change in Purchased Gas Variance Disposition Methodology Deferral Account

|         |                         |                   |
|---------|-------------------------|-------------------|
| Debit:  | CPGVDM Deferral Account | (Account 179.xxx) |
| Credit: | Accounts Payable        | (Account 251.xxx) |

To record the one-time implementation costs in relation to the changing the methodology by which the Company disposes of the PGVA account.

#### 2. Interest on PGVDCC Deferral Account

|         |                                     |                   |
|---------|-------------------------------------|-------------------|
| Debit   | Interest on PGVDCC Deferral Account | (Account 179.xxx) |
| Credit: | Interest Expense                    | (Account 323.xxx) |

To record simple interest on the opening monthly balance of the 2009 PGVDCCDA using the Board approved EB-2006-0177 interest rate methodology.

#### 3. Mean Daily Volume Mechanism Deferral Account

|         |                       |                   |
|---------|-----------------------|-------------------|
| Debit:  | MDVM Deferral Account | (Account 179.xxx) |
| Credit: | Accounts Payable      | (Account 251.xxx) |

To record the incremental costs of establishing and implementing changes required to meet the Company's newly proposed Mean Daily Volume mechanism as ordered by the Board within the EB-2008-0106 proceeding.

#### 4. Interest on Mean Daily Volume Mechanism deferral account

|         |                                   |                   |
|---------|-----------------------------------|-------------------|
| Debit   | Interest on MDVM Deferral Account | (Account 179.xxx) |
| Credit: | Interest Expense                  | (Account 323.xxx) |

To record simple interest on the opening monthly balance of the 2009 MDVMDA using the Board approved EB-2006-0177 interest rate methodology.

#### 5. IFRS Transition Costs Deferral Account

|         |                                |                   |
|---------|--------------------------------|-------------------|
| Debit:  | IFRSTC Deferral Account        | (Account 179.xxx) |
| Credit: | Other Admin. & General Expense | (Account 728.xxx) |

To record the incremental one-time administrative costs of transitioning the Company's financial reporting requirements and statements from current compliance with Canadian Generally Accepted Accounting Principles to future compliance with International Financial Reporting Standards.

#### 6. Interest on IFRS Transition Costs deferral account

|         |                                     |                   |
|---------|-------------------------------------|-------------------|
| Debit   | Interest on IFRSTC Deferral Account | (Account 179.xxx) |
| Credit: | Interest Expense                    | (Account 323.xxx) |

To record simple interest on the opening monthly balance of the 2009 IFRSTCDA using the Board approved EB-2006-0177 interest rate methodology.