



EB-2011-0008

IN THE MATTER OF the *Ontario Energy Board Act, 1998*, S.O. 1998, c.15 (Sched. B);

AND IN THE MATTER OF an Application by Enbridge Gas Distribution Inc. for an order or orders approving the clearance or disposition of amounts recorded in certain deferral or variance accounts.

NOTICE OF APPLICATION & PROCEDURAL ORDER NO. 1

Enbridge Gas Distribution Inc. (“Enbridge” or the “Company”) filed an application, dated April 20, 2011 (the “Application”), with the Ontario Energy Board (the “Board”) under section 36 of the *Ontario Energy Board Act, S.O. 1998, c.15, Schedule B* (the “Act”) for an order or orders approving the disposition of balances in certain deferral or variance accounts. The Board has assigned file number EB-2011-0008 to the Application.

Enbridge filed evidence that the total amount forecasted for disposition in the deferral and variance accounts is a customer credit of \$3.1 million. The 2010 Earnings Sharing Mechanism Deferral Account is included with the disposition in the amount of \$17.1 million as a credit to customers. Enbridge requested that the disposition take place as a one time billing adjustment on customer’s bills in the month of July 2011 coincident with the Company’s Quarterly Rate Adjustment Mechanism proceeding for the third quarter. The evidence includes bill impacts which show that the impact on a typical residential customer taking gas supply from either the Company or a retailer is a one time debit of about \$3.

The Company has included evidence relating to the financial impacts associated with the implementation of the Harmonized Sale Tax (“HST”) in July 2010. This evidence was in response to a commitment made by Enbridge in the Settlement Agreement (Issue 15) dated March 2, 2010 in Board proceeding EB-2009-0172. As well, the Company included evidence on its proposal for the allocation of costs between regulated and unregulated storage. This evidence was in response to a commitment

made by Enbridge in the Settlement Agreement (Issue 13) dated June 29, 2010 in Board proceeding EB-2010-0042.

The Board has included an Issues List with this procedural order. The Issues List includes the list of deferral and variance accounts requested for disposition (found at Exhibit A, Tab 2, Schedule 1, Appendix A). The Issues List also includes the matters of the HST implementation and the unregulated storage cost allocation study. The Issues List is attached as Appendix "A".

For the purposes of this proceeding, the Board has determined that it will adopt the List of Intervenors approved in the Enbridge 2011 IRM rates proceeding (Board File No. EB-2010-0146). The List of Intervenors is attached as Appendix "B". Parties deemed eligible for an award of costs in the EB-2010-0146 proceeding shall also be eligible to claim an award of costs in this proceeding. Any parties **not** wishing to be included on the list for this proceeding should contact the Board in writing and request to be removed from the list.

The Board notes that Enbridge has provided a copy of the Application and the evidence to all parties listed in the EB-2010-0146 proceeding on April 20, 2011.

The Board will now make provision for the following procedural matters. Please be aware that further procedural orders may be issued from time to time.

THE BOARD ORDERS THAT:

1. Parties seeking information and material on Enbridge's evidence shall request it by written interrogatories filed with the Board and delivered to all the parties no later than **May 27, 2011**.
2. Enbridge shall file complete responses to all the interrogatories with the Board and deliver the responses to the other parties no later than **June 14, 2011**.
3. A Settlement Conference will be convened at 9:30 a.m. on **June 21, 2011** with the objective of reaching a settlement among the parties on the issues. The Settlement Conference will be held in the Board's hearing room at 2300 Yonge Street, 25th Floor, Toronto, and may continue until **June 22, 2011** if needed.

4. Any Settlement Proposal arising from the Settlement Conference shall be filed with the Board no later than 4:45 p.m. on **June 28, 2011**.
5. All parties shall file their submissions with the Board Secretary and must quote File Number EB-2011-0008. These submissions should be made through the Board's web portal at www.errr.ontarioenergyboard.ca, and consist of two paper copies and one electronic copy in searchable / unrestricted PDF format. Filings must clearly state the sender's name, postal address, telephone number, fax number and e-mail address and must be sent to the Board by 4:45 pm on the date indicated with a copy to all parties. Please use the document naming conventions and document submission standards outlined in the RESS Document Guideline found at www.ontarioenergyboard.ca. If the web portal is not available you may email your document to the addresses below. Those who do not have internet access are required to submit all filings on a CD or diskette in PDF format, along with two paper copies. Those who do not have computer access are required to file 7 paper copies. With respect to distribution lists for all electronic correspondence and materials related to this proceeding, parties must include the Case Manager, Colin Schuch at colin.schuch@ontarioenergyboard.ca and Board Counsel, Michael Millar at michael.millar@ontarioenergyboard.ca.

DATED at Toronto, May 13, 2011

ONTARIO ENERGY BOARD

Original Signed By

Kirsten Walli
Board Secretary

APPENDIX "A"

ISSUES LIST

Enbridge 2010 Deferral & Variance Account Clearances

EB-2011-0008

DATED May 13, 2011

ISSUES LIST

Enbridge 2010 Deferral & Variance Account Clearances

EB-2011-0008

1. Are the deferral and variance accounts and balances proposed for disposition on the attached schedule ("Schedule 1") appropriate?
2. Is the proposed HST Rates/Earnings Impact Analysis methodology appropriate?
3. Is the proposed methodology for the Allocation of Costs between Regulated and Unregulated Storage Activities appropriate?
4. What are the appropriate unit rates and timing for implementation of the clearances?

“SCHEDULE 1”

ENBRIDGE GAS DISTRIBUTION INC.
 DEFERRAL & VARIANCE ACCOUNT
ACTUAL & FORECAST BALANCES

Line No.	Account Description	Account Acronym	Actual at February 28, 2011		Forecast for clearance at July 1, 2011	
			Principal (\$000's)	Interest (\$000's)	Principal (\$000's)	Interest (\$000's)
<u>Non Commodity Related Accounts</u>						
1.	Demand Side Management V/A	2009 DSMVA	1,165.1	7.2	1,165.1	12.8
2.	Lost Revenue Adjustment Mechanism	2009 LRAM	(45.7)	(0.1)	(45.7)	(0.5)
3.	Shared Savings Mechanism V/A	2009 SSMVA	5,364.2	13.1	5,364.2	39.5
4.	Class Action Suit D/A	2011 CASDA	9,419.1	806.4	4,709.5	463.8 ¹
5.	Deferred Rebate Account	2010 DRA	(2,387.1)	12.4	(2,387.1)	0.8
6.	Gas Distribution Access Rule Costs D/A	2010 GDARCDCA	132.7	0.9	2,904.4	- ²
7.	Ontario Hearing Costs V/A	2010 OHCVA	92.1	0.2	92.1	0.6 ³
8.	Unbundled Rate Implementation Cost D/A	2010 URICDA	144.1	0.6	144.1	1.4
9.	Open Bill Service D/A	2011 OBSDA	336.2	14.2	87.7	7.9 ⁴
10.	Open Bill Access V/A	2011 OBAVA	304.5	7.3	79.4	4.4 ⁴
11.	Municipal Permit Fees D/A	2010 MPFDA	901.6	-	306.3	- ²
12.	Average Use True-Up V/A	2010 AUTUVA	(2,145.2)	(5.3)	(2,145.2)	(15.7) ⁵
13.	Tax Rate and Rule Change V/A	2010 TRRCVA	704.0	1.7	516.1	5.3 ⁶
14.	Earnings Sharing Mechanism D/A	2010 ESMDA	(18,500.0)	(45.3)	(17,100.0)	(136.1) ⁷
15.	IFRS Transition Costs D/A	2010 IFRSTCDA	2,080.6	15.2	2,080.6	25.2
16.	Ex-Franchise Third Party Billing Services D/A	2010 EFTPBSDA	(251.9)	(0.6)	(251.9)	(1.8)
17.	Total non commodity related accounts		<u>(2,685.7)</u>	<u>827.9</u>	<u>(4,480.4)</u>	<u>407.6</u>
<u>Commodity Related Accounts</u>						
18.	Transactional Services D/A	2010 TSDA	(7,264.5)	(28.7)	(7,264.5)	(64.3)
19.	Unaccounted for Gas V/A	2010 UAFVA	8,729.4	21.4	8,729.4	64.2
20.	Storage and Transportation D/A	2010 S&TDA	(531.8)	(1.7)	(531.8)	(4.5)
21.	Total commodity related accounts		<u>933.1</u>	<u>(9.0)</u>	<u>933.1</u>	<u>(4.6)</u>
22.	Total Deferral and Variance Accounts		<u>(1,752.6)</u>	<u>818.9</u>	<u>(3,547.3)</u>	<u>403.0</u>

Notes:

- As approved in EB-2007-0731, the CASDA is to be cleared over 5 years (2008 - 2012). The 2008 installment was cleared in July and August 2008, the 2009 installment was cleared in April and May 2010, and the 2010 installment was cleared in January 2011. The Company is now requesting clearance of the 2011, or fourth installment, in this proceeding.
- The forecast 2010 GDARCDCA and 2010 MPFDA amounts for clearance are the result of revenue requirement calculations (found in evidence at Ex.C-1-2 and C-1-3).
- The OHCVA calculation is found in evidence at Ex.C-1-6.
- The forecast OBSDA and OBAVA balances are in accordance with the EB-2009-0043 approved Settlement Agreement.
- The AUTUVA explanation is found in evidence at Ex.C-1-5.
- The TRRCVA explanation is found in evidence at Ex.C-1-4.
- The ESMDA explanation is found in evidence at Ex.B-1-1 and B-1-2.

APPENDIX "B"

APPLICANT AND LIST OF INTERVENORS

Enbridge 2010 Deferral & Variance Account Clearances

EB-2011-0008

DATED May 13, 2011

Enbridge Gas Distribution Inc.
EB-2011-0008

APPLICANT & LIST OF INTERVENORS

May 13, 2011

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May 13, 2011

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Enbridge Gas Distribution Inc.

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**Enbridge Gas Distribution Inc.
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**Enbridge Gas Distribution Inc.
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**Enbridge Gas Distribution Inc.
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May 13, 2011

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Enbridge Gas Distribution Inc.

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Enbridge Gas Distribution Inc.

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Enbridge Gas Distribution Inc.

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Enbridge Gas Distribution Inc.

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