



**EB-2012-0055**

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

**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”) filed an application, dated May 11, 2012, with the Ontario Energy Board (the “Board”) under section 36 of the *Ontario Energy Board Act*, 1998, S.O. 1998, c. 15, (Schedule B) for an order or orders approving the disposition of balances in the deferral and variance accounts listed in Appendix B of the Board-approved Revised Settlement Agreement in EB-2007-0615 and in the additional accounts approved in Enbridge’s 2010 rates proceeding, EB-2009-0172. The Board has assigned file number EB-2012-0055 to the application.

Enbridge filed evidence that the total amount forecasted for disposition in the deferral and variance accounts is a customer credit of \$9.6 million. The 2011 Earnings Sharing Mechanism Deferral Account (“ESMDA”) is included with the disposition in the amount of \$14.3 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 October 2012 coincident with the Company’s Quarterly Rate Adjustment Mechanism proceeding.

Enbridge also filed a study relating to the allocation of costs between regulated and unregulated storage, which includes a storage cost allocation study prepared by Black and Veatch. The study was filed in response to a commitment made by Enbridge in the EB-2011-0008 settlement agreement to file such study in support of its 2013 Cost of Service proceeding. Enbridge’s has indicated that because the study was available early, it has incorporated the results into this 2011 ESM proceeding.

The Board has included an Issues List in Appendix "A" to this procedural order. The Issues List includes the list of deferral and variance accounts requested for disposition.

For the purposes of this proceeding, the Board has determined that it will adopt the List of Intervenor approved in the Enbridge 2013 Cost of Service proceeding (Board File No. EB-2011-0354). The List of Intervenor is attached as Appendix "B". Parties deemed eligible for an award of costs in the EB-2011-0354 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 provided a copy of the application and the evidence to all parties listed in the EB-2011-0354 proceeding on May 11, 2012.

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 **July 13, 2012**.
2. Enbridge shall file complete responses to all the interrogatories with the Board and deliver the responses to the other parties no later than **July 24, 2012**.
3. A Settlement Conference will be convened at 9:30 a.m. on **August 1, 2012** 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 **August 2, 2012** 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 **August 8, 2012**.
5. All parties shall file their submissions with the Board Secretary and must quote File Number EB-2012-0055. These submissions should be made through the Board's web portal at [www.errr.ontarioenergyboard.ca](http://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](http://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, Munir Madhavji at [Munir.Madhavji@ontarioenergyboard.ca](mailto:Munir.Madhavji@ontarioenergyboard.ca) and Board Counsel, Kristi Sebalj at [Kristi.Sebalj@ontarioenergyboard.ca](mailto:Kristi.Sebalj@ontarioenergyboard.ca).

**DATED** at Toronto, June 4, 2012  
**ONTARIO ENERGY BOARD**

*Original Signed By*

Kirsten Walli  
Board Secretary

**APPENDIX "A"**

**ISSUES LIST**

**Enbridge 2011 Deferral & Variance Account Clearances**

**EB-2012-0055**

**DATED June 4, 2012**

1. Are the deferral and variance accounts and balances proposed for disposition on the attached schedule ("Schedule 1") appropriate?
2. Is the financial impact on the 2011 ESM amount resulting from the proposed methodology for the Allocation of Costs between Regulated and Unregulated Storage Activities appropriate?
3. What are the appropriate unit rates and timing for implementation of the clearances?

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

Line No.	Account Description	Account Acronym	Actual at March 31, 2012		Forecast for clearance at October 1, 2012	
			Principal (\$000's)	Interest (\$000's)	Principal (\$000's)	Interest (\$000's)
<u>Non Commodity Related Accounts</u>						
1.	Demand Side Management V/A	2010 DSMVA	(2,717.1)	(93.6)	(2,717.1)	(113.4) <sup>1</sup>
2.	Lost Revenue Adjustment Mechanism	2010 LRAM	-	-	(42.9)	(0.5) <sup>1</sup>
3.	Shared Savings Mechanism V/A	2010 SSMVA	-	-	4,155.3	25.5 <sup>1</sup>
4.	Class Action Suit D/A	2012 CASDA	4,709.5	449.4	4,709.5	484.2 <sup>2</sup>
5.	Deferred Rebate Account	2011 DRA	(308.7)	(1.9)	(308.7)	(4.3)
6.	Gas Distribution Access Rule Costs D/A	2011 GDARCD A	226.6	1.7	2,758.1	- <sup>3</sup>
7.	Ontario Hearing Costs V/A	2011 OHCVA	(1,031.9)	(4.1)	(1,031.9)	(11.9) <sup>4</sup>
8.	Unbundled Rate Implementation Cost D/A	2011 URICDA	139.7	1.5	139.7	2.7
9.	Municipal Permit Fees D/A	2011 MPFDA	1,082.0	-	429.4	- <sup>3</sup>
10.	Average Use True-Up V/A	2011 AUTUVA	(2,948.9)	(10.8)	(2,948.9)	(32.4) <sup>5</sup>
11.	Tax Rate and Rule Change V/A	2011 TRRCVA	(1,200.0)	(9.1)	(1,200.0)	(18.1)
12.	Earnings Sharing Mechanism D/A	2011 ESMDA	(14,100.0)	(51.8)	(14,300.0)	(155.6) <sup>6</sup>
13.	Mean Daily Volume Mechanism D/A	2012 MDVMDA	152.1	0.2	616.1	- <sup>7</sup>
14.	Mean Daily Volume Mechanism D/A	2011 MDVMDA	2,537.3	29.2	-	- <sup>7</sup>
15.	Mean Daily Volume Mechanism D/A	2010 MDVMDA	1,280.4	23.5	-	- <sup>7</sup>
16.	Mean Daily Volume Mechanism D/A	2009 MDVMDA	42.4	0.8	-	- <sup>7</sup>
17.	Electric Program Earnings Sharing D/A	2011 EPESDA	(247.5)	(0.9)	(247.5)	(2.7)
18.	Ex-Franchise Third Party Billing Services D/A	2011 EFTPBSDA	(234.4)	(0.9)	(234.4)	(2.7)
19.	Open Bill Service Deferral Account	2012 OBSDA	153.5	1.3	87.7	1.2 <sup>8</sup>
20.	Open Bill Access Variance Account	2012 OBAVA	139.0	1.3	79.4	1.1 <sup>8</sup>
21.	Total non commodity related accounts		<u>(12,326.0)</u>	<u>335.8</u>	<u>(10,056.2)</u>	<u>173.1</u>
<u>Commodity Related Accounts</u>						
22.	Transactional Services D/A	2011 TSDA	(7,357.0)	(49.2)	(7,357.0)	(103.2)
23.	Unaccounted for Gas V/A	2011 UAFVA	8,536.2	24.5	8,536.2	87.5
24.	Storage and Transportation D/A	2011 S&TDA	(910.0)	(8.7)	(910.0)	(15.3)
25.	Total commodity related accounts		<u>269.2</u>	<u>(33.4)</u>	<u>269.2</u>	<u>(31.0)</u>
26.	Total Deferral and Variance Accounts		<u>(12,056.8)</u>	<u>302.4</u>	<u>(9,787.0)</u>	<u>142.1</u>

Notes:

- The final 2010 DSMVA, LRAM, and SSMVA balances to be cleared will be those approved in EB-2012-0192.
- 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, the 2010 installment was cleared in January 2011, and the 2011 installment was cleared in October 2011. The Company is requesting clearance of the 2012, or fifth and final installment in this proceeding.
- The forecast 2011 GDARCD A and 2011 MPFDA clearance amounts 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 AUTUVA 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.
- The forecast 2012 MDVMDA clearance amount is the result of a revenue requirement calculation, found in evidence at Ex. C-1-5, based on the consolidated balance of the 2009 through 2012 MDVMDA's.
- The forecast OBSDA and OBAVA balances are in accordance with the EB-2009-0043 approved Settlement Agreement.

**APPENDIX "B"**

**APPLICANT AND LIST OF INTERVENORS**

**Enbridge 2011 Deferral & Variance Account Clearances**

**EB-2012-0055**

**DATED June 4, 2012**

Enbridge Gas Distribution Inc.  
EB-2011-0354

**APPLICANT & LIST OF INTERVENORS**

June 4, 2012

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**Enbridge Gas Distribution Inc.  
EB-2011-0354**

**APPLICANT & LIST OF INTERVENORS**

June 4, 2012

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EB-2011-0354**

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**June 4, 2012**

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