



# **ONTARIO ENERGY BOARD**

## **BOARD STAFF SUBMISSION ON DRAFT RATE ORDER**

**Enbridge Gas Distribution Inc.**

### **2011 EARNINGS SHARING & DISPOSITION OF BALANCES IN DEFERRAL & VARIANCE ACCOUNTS**

**EB-2012-0055**

**April 4, 2013**

## Introduction

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. c.15, Sched. B, for an order or orders approving the disposition of balances in certain deferral or variance accounts established by the Board’s Decision and Order in EB-2010-0146 dated November 25, 2010. The Board assigned File Number EB-2012-0055 to this Application.

## The Proceeding

On June 4, 2012, the Board issued its Notice of Application and Procedural Order No. 1 which included an Issues List, a process for written interrogatories, and dates for a Settlement Conference as well as the filing of a Settlement Proposal.

The Settlement Conference was held on August 1, 2012 and August 2, 2012. Enbridge filed a proposed partial Settlement Agreement on August 24, 2012. On September 17, 2012 the Board issued a Decision and Order on the Settlement Agreement accepting the proposed Settlement Agreement and setting November 22, 2012 as the date for an oral hearing of the unsettled issues.

The unsettled issues pertained to the 2011 Earnings Sharing Mechanism Deferral Account (“ESMDA”) and the 2011 Transactional Services Deferral Account (“TSDA”).

The accepted Settlement Agreement established that the issue relating to the allocation of costs between regulated and unregulated gas storage activities be dealt with in accordance with the outcome of Enbridge’s 2013 Cost of Service proceeding (EB-2011-0354). This issue was settled in the EB-2011-0354 proceeding and the Board has accepted this issue as having been settled in this proceeding.

The unsettled issue with respect to the 2011 TSDA related to whether Enbridge has treated the upstream transportation optimization revenues appropriately in 2011 in the context of Enbridge’s existing IRM agreement.

The Board issued its Decision and Order on the unsettled issues on March 14, 2013. In its Decision, the Board directed Enbridge to file a Draft Rate Order reflecting the Board’s findings in the Decision. In its Decision, the Board also set out a process for Board staff

and intervenors to file comments on the Draft Rate Order and for Enbridge to respond to those comments. Enbridge filed the Draft Rate Order on March 25, 2013.

The following is Board staff's submission on the Draft Rate Order.

### **Board Staff Submission on Draft Rate Order**

Board staff submits that the Draft Rate Order accurately reflects the Board's findings in its March 14, 2013 Decision and Order. Board staff agrees with Enbridge's proposal that the \$776,300 of net revenues from capacity release transactions that was credited to Enbridge's shareholder in 2011 be recorded as a one-time credit adjustment to the transportation component of its Purchased Gas Variance Account (PGVA).

All of which is respectfully submitted.