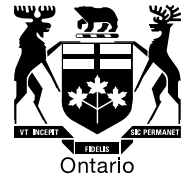


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BY EMAIL

February 18, 2014

Kirsten Walli
Board Secretary
Ontario Energy Board
P.O. Box 2319
27th Floor
2300 Yonge Street
Toronto ON M4P 1E4

Dear Ms. Walli:

**Re: Enbridge Gas Distribution Inc. - GTA Project (EB-2012-0451)
Union Gas Limited - Parkway West Project (EB-2012-0433)
Union Gas Limited - Brantford-Kirkwall/Parkway D Project (EB-2013-0074)**

Please see attached Board staff's submission on the draft accounting orders proposed by Union Gas Limited for the above proceedings.

Yours truly,

Original signed by

Josh Wasylyk
Advisor, Applications

cc. All Parties

BOARD STAFF SUBMISSION

Board Staff Submission on the Draft Accounting Orders Union Parkway Projects

Board File Numbers:

EB-2012-0451 (EGD – GTA Project)

EB-2012-0433 (Union – Parkway West)

EB-2013-0074 (Union – Brantford-Kirkwall/Parkway D)

February 18, 2014

Background

On February 10, 2014 Union Gas Limited (“Union”) filed two draft accounting orders in response to the Board’s decision dated January 30, 2014 with respect to its Parkway West Project (EB-2012-0433) and Brantford-Kirkwall/Parkway D Project (EB-2013-0074).

The Board instructed parties to file any comments on or before Monday, February 17, 2014. The following is Board staff submission. Board staff wishes to apologize for this one day delay.

Board staff submission

Union has filed two draft accounting orders, Deferral Account No. 179-136 (Parkway West Project Costs) and Deferral Account No. 179-137 (Brantford-Kirkwall/Parkway D Project Costs). Union has included the following account description:

“To record, as a debit (credit) in Deferral Account No. 179-136/[137], the difference between the actual revenue requirement related to the costs for the Parkway West Project [and Brantford-Kirkwall/Parkway D Project] and the revenue requirement included in rates as approved by the Board.”

It is Board staff’s understanding that the Board, in its Decision and Order, approved the creation of the variance accounts to track any variances between the pre-approved cost estimates of \$219 million and \$204 million for the Parkway West Project and Brantford-Kirkwall/Parkway D Project, respectively, and the actual costs of these project costs. The Board noted that any excess costs over and above the pre-approved amount will be examined at Union’s next rates application after completion of the projects.

Board staff requests that Union explain the rationale for proposing to track differences in revenue requirements as opposed to differences between the pre-approved estimated costs and actual costs.

- All of which is respectfully submitted -