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February 19, 2014

VIA RESS, EMAIL, and COURIER

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

Dear Ms. Walli:

**Re: Enbridge Gas Distribution Inc. – Draft Accounting Order for;
EB-2012-0451 – Greater Toronto Area (“GTA”) LTC Project
EB-2012-0433 – Parkway West LTC Project
EB-2013-0074 – Brantford-Kirkwall /Parkway D Project**

Enbridge Gas Distribution Inc. (“EGD”) has provided as an attachment to this letter, a Draft Accounting Order (“DAO”) as per the Decision and Order of the Board within the above noted proceeding.

In its Decision, the Board ordered EGD to create a deferral account to track the revenue requirement impact in relation to \$55 million in incremental capital spending for the transmission component of Segment A within the GTA project.

EGD requests the approval of a GTA incremental transmission capital revenue requirement deferral account (“GTAITCRRDA”), (Account number 179-45) for the use as described in the DAO and requests approval for the account to become effective for potential use as of the current anticipated in service date of October 2015 for Segment A.

The deferral account will be used to record the revenue requirement impact of the \$55 million for future recovery from transportation customers in circumstances where at the actual in service date of Segment A, there is either no transportation customer(s), or no ability for transportation customer(s) to utilize the Segment A pipeline.

The review of and approval for clearance of the account will be requested by EGD in a future proceeding if required use of the account has arisen.

2014-02-19
Ms. Kirsten Walli
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The attached document sets out example entries and descriptions of the manner in which these accounts would be used.

Yours truly,

(Original Signed)

Kevin Culbert
Manager, Regulatory Accounting

cc: Mr. Fred Cass, Aird & Berlis

EB-2012-0451 Interested Parties
EB-2012-0433 Interested Parties
EB-2013-0074 Interested Parties

Appendix A
Enbridge Gas Distribution Inc.
Proposed Accounting Entries for Deferral Account 179-145

1. GTA Incremental Transmission Capital Revenue Requirement Deferral Account

Debit:	GTAITCRR Deferral Account	(Account 179.145)
Credit:	Transportation Revenue	(Account 570.xxx)

To record the revenue requirement impact of \$55 million of incremental capital associated with the transmission customer use of the GTA Segment A pipeline.

2. Interest on GTAITCRR Deferral Account

Debit	Interest on GTAICRR Deferral Account	(Account 179.155)
Credit:	Interest Expense	(Account 323.xxx)

To record simple interest on the balance of the GTAITCRRDA using the Board approved EB-2006-0177 interest rate methodology.

GTA Incremental Transmission Capital Revenue Requirement Deferral Account

The purpose of the GTA Incremental Transmission Capital Revenue Requirement Deferral Account (GTAITCRRDA) will be to record the revenue requirement related to an incremental \$55 million of capital costs which result from the upsizing Segment A of the GTA project to an NPS 42 pipeline from an NPS 36 pipeline. The account will only be required in the event that at the time Segment A is put into service there are no transportation customer(s), or there is no ability for transportation customers to utilize Segment A (i.e. TransCanada's King's North project is delayed).

The revenue requirement will represent revenue to be collected from transportation customers once they are able to take service under Rate 332. The rationale for calculating the revenue requirement associated with the incremental \$55 million is to determine the annual impact of the incremental costs to be paid by transportation customers as a result of upsizing the pipeline for transportation purposes.

The revenue requirement amount, in relation to the incremental \$55 million in capital costs, would be calculated utilizing the following steps.

1. Determine the revenue requirement (cost of capital, operating costs, depreciation, income taxes) for the entire Segment A capital costs which are forecast to be \$384 million.
2. Determine the incremental \$55 million capital cost as a percentage of the forecast total Segment A capital cost amount ($\$55\text{M} / \$384\text{M} = 14.3\%$).
3. The revenue requirement associated with the incremental \$55 million will be calculated by multiplying the total Segment A revenue requirement by the percentage of the incremental capital cost to total capital cost as determined above.