



EB-2012-0451

IN THE MATTER OF an application by Enbridge Gas Distribution Inc. for an order or orders granting leave to construct a natural gas pipeline and ancillary facilities in the Town of Milton, City of Markham, Town of Richmond Hill, City of Brampton, City of Toronto, City of Vaughan and the Region of Halton, the Region of Peel and the Region of York; and an order or orders approving the methodology to establish a rate for transportation services for TransCanada Pipelines Limited.

BEFORE: Cynthia Chaplin
Presiding Member & Vice Chair

Marika Hare
Member

Peter Noonan
Member

ACCOUNTING ORDER
March 11, 2014

The Ontario Energy Board (the "Board") received three related applications requesting approval for the Applicants to undertake system expansion projects: one filed by Enbridge Gas Distribution Inc. ("Enbridge") and two filed by Union Gas Limited.

On January 30, 2014, The Board issued its Decision and Order on the three applications. Among other things, the Board approved the creation of a deferral account to track the revenue requirement impact of \$55 million in incremental capital spending associated with the transmission component of the GTA Project. The draft Accounting Order was to include the purpose of the account, description of the account, the revenue requirement impact calculation methodology for recording costs, the account number and accounting entries.

On February 19, 2014, Enbridge filed a draft Accounting Order. No comments on the draft Accounting Order were received. On March 4, 2014, Enbridge filed a letter requesting the Board approve Enbridge's draft Accounting Order as filed. The Board has reviewed the draft Accounting Order submitted by Enbridge.

The Board approves the draft Accounting Order for a deferral account as filed by Enbridge.

THE BOARD ORDERS THAT:

1. The Accounting Order set out in Appendix "A" of this Order is approved effective October 1, 2015.

DATED at Toronto, **March 11, 2014**

ONTARIO ENERGY BOARD

Original Signed By

Kirsten Walli
Board Secretary

APPENDIX A

TO ACCOUNTING ORDER

**Enbridge Gas Distribution Inc.
EB-2012-0451**

DATED: March 11, 2014

**Enbridge Gas Distribution Inc. Accounting Order
EB-2012-0451**

Enbridge Gas Distribution Inc. shall establish the following deferral account effective as of October 1, 2015:

Deferral Account No. 179-145 "GTA Incremental Transmission Capital Revenue Requirement" ("GTAITCRR")

Purpose: to record the revenue requirement related to an incremental \$55 million of capital costs which result from 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.

Detailed accounting entries for the above deferral accounts are attached as Attachment A.

Attachment A

Proposed Accounting Entries

USofA# Account Description

- 1) GTA Incremental Transmission Capital Revenue Requirement (“GTAICRR”) Deferral Account

Dr: 179-145 GTAICRR Deferral Account

Cr: 570-xxx Transportation Revenue

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

Dr: 179-155 Interest on GTAICRR Deferral Account

Cr: 323-xxx Interest Expense

To record simple interest on the balance of the GTAICRR deferral account using the Board approved EB-2006-0117 interest rate methodology.