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July 21, 2016

Ms. Kirsten Walli
Board Secretary
Ontario Energy Board
2300 Yonge Street, Suite 2700
Toronto, Ontario
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Dear Ms. Walli:

**Re: Enbridge Gas Distribution Inc. ("Enbridge")
Ontario Energy Board File No. EB-2016-0142
2015 Earnings Sharing Mechanism and Other Deferral and Variance
Accounts Clearance Review
Settlement Proposal**

In accordance with the Ontario Energy Board's Procedural Order issued for the above noted proceeding, enclosed please find Enbridge Gas Distribution's Settlement Proposal.

This submission was filed through the Board's RESS and will be available on the Company's website at www.enbridgegas.com/ratecase.

Please contact the undersigned if you have any questions.

Yours truly,

[original signed by]

Trina Wright
Regulatory Coordinator

Encl.

cc: Mr. D. Stevens, Aird & Berlis LLP
All Interested Parties EB-2015-0114 (via email)

SETTLEMENT PROPOSAL

Enbridge Gas Distribution Inc.

2015 Earnings Sharing and Deferral and Variance Account Clearances

July 21, 2016

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PREAMBLE

This Settlement Proposal is filed with the Ontario Energy Board (the "OEB" or the "Board") in connection with the application of Enbridge Gas Distribution Inc. ("Enbridge" or the "Company"), for an order or orders approving the clearance or disposition of amounts recorded in certain Deferral or Variance Accounts.

In Procedural Order No. 1, dated May 26, 2016, the Board established the process to address the application, up to and including a Settlement Conference.

A Settlement Conference was scheduled for July 6 and 7, 2016; however, it was completed on July 6, 2016. Jim Faught acted as facilitator for the Settlement Conference. This Settlement Proposal arises from the Settlement Conference.

Enbridge and the following intervenors, as well as Ontario Energy Board technical staff ("OEB Staff"), participated in the Settlement Conference:

- Building Owners and Managers Association – Greater Toronto (BOMA)
- Canadian Manufacturers & Exporters (CME)
- Consumers Council of Canada (CCC)
- Energy Probe Research Foundation (Energy Probe)
- Federation of Rental-Housing Providers of Ontario (FRPO)
- Industrial Gas Users Association (IGUA)
- School Energy Coalition (SEC)
- TransCanada PipeLines (TCPL)
- Vulnerable Energy Consumers Coalition (VECC)

The Settlement Proposal deals with all of the relief sought in this proceeding. There is no Issues List, but parties have agreed that the issues to be addressed are: (i) the Deferral and Variance Accounts proposed for disposition within Appendix A to Enbridge's Application; (ii) other specific items that were discussed during the Settlement Conference; and (iii) the appropriate unit rates and timing for implementation of the clearances of certain accounts. The first issue ("Are the Deferral and Variance Accounts and balances proposed for disposition appropriate?") is addressed with reference to each of the Deferral and Variance accounts for which clearance is requested, under items (i) to (xviii) of Issue 1.

All intervenors listed above participated in the Settlement Conference and subsequent discussions. OEB Staff is not a party to the Settlement Proposal. Although it is not a party to the Settlement Proposal, once the Settlement Proposal is filed, OEB Staff will file a submission commenting on two aspects of the settlement: whether the settlement represents an acceptable outcome from a public interest perspective, and whether the accompanying explanation and rationale is adequate to support the settlement. Also, as noted in the Practice Direction on Settlement Conferences, OEB Staff who participated in

the Settlement Conference are bound by the same confidentiality and privilege rules that apply to the parties to the proceeding.

This document is called a "Settlement Proposal" because it is a proposal by the parties to the Board to settle the issues in this proceeding. It is termed a proposal as between the parties and the Board. However, as between the parties, and subject only to the Board's approval of this Settlement Proposal, this document is intended to be a legal agreement, creating mutual obligations, and binding and enforceable in accordance with its terms. As set forth below, this Settlement Proposal is subject to a condition subsequent, that if it is not accepted by the Board in its entirety, then unless amended by the parties it is null and void and of no further effect. In entering into this agreement, the parties understand and agree that, pursuant to the *Ontario Energy Board Act, 1998*, the Board has exclusive jurisdiction with respect to the interpretation or enforcement of the terms hereof.

Enbridge and all intervenors listed above, except for TCPL, have agreed to the settlement of the issues as described on the following pages. TCPL takes no position on any of the issues listed in the Settlement Proposal. Any reference to "parties" in this Settlement Proposal is intended to refer to Enbridge and the intervenors listed above, taking into account that TCPL takes no position on any issue. The description of each issue assumes that all parties participated in the negotiation of the issue, unless specifically noted otherwise.

Best efforts have been made to identify all of the evidence that relates to each settled issue. The supporting evidence for each settled issue is identified individually by reference to its exhibit number in an abbreviated format; for example, Exhibit B, Tab 3, Schedule 1 is referred to as B-3-1. The identification and listing of the evidence that relates to each settled issue is provided to assist the Board.

The Settlement Proposal describes the agreements reached on the issues. The Settlement Proposal provides a direct link between each settled issue and the supporting evidence in the record to date. In this regard, the parties are of the view that the evidence provided is sufficient to support the Settlement Proposal in relation to the settled issues and, moreover, that the quality and detail of the supporting evidence, together with the corresponding rationale, will allow the Board to make findings agreeing with the proposed resolution of the settled issues.

None of the parties can withdraw from the Settlement Proposal except in accordance with Rule 30 of the *Ontario Energy Board Rules of Practice and Procedure*. Further, unless stated otherwise, a settlement of any particular issue in this proceeding is without prejudice to the positions parties might take with respect to the same issue in future proceedings, whether during the term of Enbridge's 2014 to 2018 Incentive Regulation plan, or thereafter.

The parties acknowledge that this Settlement Conference (including subsequent related discussions) is confidential in accordance with the Board's Practice Direction on Settlement Conferences. The parties understand that confidentiality in that context does not have the same meaning as confidentiality in the Board's Practice Direction on Confidential Filings, and the rules of that latter document do not apply. Instead, in this Settlement Conference, and in this Settlement Proposal, the parties have interpreted "confidential" to mean that the documents and other information provided during the course of the Settlement Conference, the discussion of each issue, the offers and counter-offers, and the negotiations leading to the settlement of each issue during the Settlement Conference are strictly privileged and without prejudice. None of the foregoing is admissible as evidence in this proceeding, or otherwise, with one exception, the need to resolve a subsequent dispute over the interpretation of any provision of this Settlement Proposal. Further, the parties shall not disclose those documents or other information to persons who were not attendees at the Settlement Conference. However, the parties agree that "attendees" is deemed to include, in this context, persons who were not physically in attendance at the Settlement Conference but were a) any persons or entities that the parties engage to assist them with the settlement conference, and b) any persons or entities from whom they seek instructions with respect to the negotiations; in each case provided that any such persons or entities have agreed to be bound by the same confidentiality provisions.

It is fundamental to the agreement of the parties that none of the provisions of this Settlement Proposal are severable. If the Board does not, accept the provisions of the Settlement Proposal in their entirety, there is no Settlement Proposal (unless the parties agree that any portion of the Settlement Proposal that the Board does accept may continue as a valid Settlement Proposal).

OVERVIEW

Enbridge's prefiled evidence details its 2015 Earnings Sharing Mechanism calculation, and the amount recorded in the 2015 Earnings Sharing Mechanism Deferral Account. The prefiled evidence also sets out and explains the other Deferral and Variance Account balances that Enbridge seeks to have cleared, along with several Deferral and Variance Account balances to be carried forward for review and approval in a future proceeding. Further information about the account balances was provided in response to interrogatories from several of the intervenors in this proceeding.

Through the Settlement Conference process, all parties have agreed that it is appropriate for Enbridge to clear the balances from the Deferral and Variance Accounts as set out and explained within the prefiled evidence and interrogatories. There is one minor change from the pre-filed evidence – as described below in issues 1(i) to (iii), there is no interest on the 2014 DSM accounts from July 1, 2016 to October 1, 2016 as a result of an

earlier Board decision – this reduces the total amount being cleared by approximately \$22,000.

All parties have agreed that it is appropriate that the Deferral and Variance Accounts balances set out at “Appendix A” to this Settlement Proposal be cleared over two months, in conjunction with Enbridge’s October 1, 2016 QRAM proceeding.

The parties have agreed upon three other items, which agreement does not have a financial impact on the relief sought by Enbridge in this application but which agreement addresses issues that the parties agree are appropriate for future consideration. First, parties have requested and Enbridge has agreed that it will commence a process to consider, and as part of its 2017 Rate Adjustment Application it will address, whether there are cost-effective changes that may be made to interruptible distribution service that would make that service more attractive to customers and thereby potentially avoid incremental firm transportation capacity or other costs. Second, Enbridge has agreed to file evidence about Storage Optimization Transactional Services, including any trends that are apparent in respect of these revenues and evidence detailing the separation of storage optimization responsibilities and activities as between utility and non-utility optimization storage accounts, all in the 2016 ESM Application. Finally, parties have requested and Enbridge has agreed that before the Company develops or acquires incremental storage capacity for utility or regulated gas supply purposes it will file analysis with the Board setting out the need and justification for incremental storage.

Details of the settlement are set out in the Issues section that follows.

As required in the EB-2012-0459 Decision with Reasons and associated Rate Order, Enbridge’s prefiled evidence (in the D-series of exhibits) includes reporting on productivity and gas supply planning and status updates on a number of major initiatives (GTA project, WAMS, System Integrity, Benchmarking and Asset Management). Further information about these items was provided in response to interrogatories from several of the intervenors in this proceeding. Enbridge is not seeking any specific relief in this proceeding in relation to these reporting items, and they are not addressed within the Issues portion of this Settlement Proposal. However, the parties do wish to confirm that where Enbridge has provided information in this proceeding (in the D-series of exhibits) about cost variances in 2015 not proposed for clearance or plans for years after 2015, this has been done on an informational basis and the parties are not providing any tacit or explicit approval of such plans, activities or expenses. It is further agreed that in relation to the subject matter of this informational evidence, parties are free to take any position they choose in the future as to whether, when and how the Board should address any issues that may arise. In specific reference to the GTA project, the parties all acknowledge that a full discovery and review of final GTA project costs will occur in an appropriate proceeding after the Post Construction Financial Report is filed by Enbridge, and that no party will be in any way constrained in that process for not having pursued the topic in the current proceeding.

THE ISSUES

1. Are the Deferral and Variance Accounts and balances proposed for disposition on Appendix A to Enbridge's Application appropriate?

The Deferral and Variance accounts for which Enbridge seeks clearance are set out in Exhibit A, Tab 2, Schedule 1, Appendix A, from Enbridge's prefiled evidence. A copy of that document (with a very modest update to certain interest expenses, as explained below under Issues 1(i) to (iii)) is attached as Appendix A to this Settlement Proposal.

All parties have agreed to the clearance of each of the Deferral and Variance Account balances and/or interest amounts listed in Columns 3 and 4 of Appendix A. All parties have also agreed that the balances in the other accounts listed in Appendix A (those for which clearance is not requested at this time) will be carried forward for review and approval in a future proceeding. Details of the agreements in relation to each of the accounts to be cleared are set out in the following sub-issues.

Evidence: The evidence in relation to this issue includes the following:

C-1-1	Deferral & Variance Accounts Requested for Clearance at October 1, 2016
C-2-1	Clearance of Deferral and Variance Account Balances
C-2-2	Derivation of Proposed Unit Rates
I.C.EGDI.EP.3	Energy Probe Interrogatory #3

(i) 2014 Demand Side Management V/A (2014 DSMVA)

The Board approved the clearance of this account in the EB-2015-0267 proceeding, as set out in the Decision and Order dated May 26, 2016. By letter dated June 7, 2016, the Board approved the clearance of the account to be effected in conjunction with this application (starting on October 1, 2016), but indicated that Enbridge shall not collect interest for the period from July 1, 2016 to October 1, 2016. This results in a reduction of approximately \$1,000 in interest, compared to what was shown in Enbridge's filing in this application at Exhibit C-1-1. The updated amounts are reflected in Appendix A which is attached to this Settlement Proposal. All parties agree that the principal balance in the 2014 DSMVA, which is shown in Appendix A, along with applicable interest (calculated in accordance with the Board's June 7, 2016 letter), will be cleared as set out under Issue 3, below.

Evidence: The evidence in relation to this issue includes the following:

C-1-1	Deferral & Variance Accounts Requested for Clearance at October 1, 2016
C-2-1	Clearance of Deferral and Variance Account Balances
C-2-2	Derivation of Proposed Unit Rates
I.C.EGDI.EP.3	Energy Probe Interrogatory #3

(ii) 2014 Lost Revenue Adjustment Mechanism (2014 LRAM)

The Board approved the clearance of this account in the EB-2015-0267 proceeding, as set out in the Decision and Order dated May 26, 2016. By letter dated June 7, 2016, the Board approved the clearance of the account to be effected in conjunction with this application (starting on October 1, 2016), but indicated that Enbridge shall not collect interest for the period from July 1, 2016 to October 1, 2016. This results in a decrease of approximately \$300 in interest credit to ratepayers, compared to what was shown in Enbridge's filing in this application at Exhibit C-1-1. The updated amounts are reflected in Appendix A which is attached to this Settlement Proposal. All parties agree that the principal balance in the 2014 LRAM, which is shown in Appendix A, along with applicable interest (calculated in accordance with the Board's June 7, 2016 letter), will be cleared as set out under Issue 3, below.

Evidence: The evidence in relation to this issue includes the following:

C-1-1	Deferral & Variance Accounts Requested for Clearance at October 1, 2016
C-2-1	Clearance of Deferral and Variance Account Balances
C-2-2	Derivation of Proposed Unit Rates
I.C.EGDI.EP.3	Energy Probe Interrogatory #3

(iii) 2014 Demand Side Management Incentive D/A (2014 DSMIDA)

The Board approved the clearance of this account in the EB-2015-0267 proceeding, as set out in the Decision and Order dated May 26, 2016. By letter dated June 7, 2016, the Board approved the clearance of the account to be effected in conjunction with this application (starting on October 1, 2016), but indicated that Enbridge shall not collect interest for the period from July 1, 2016 to October 1, 2016. This results in a reduction of approximately \$21,000 in interest, compared to what was shown in Enbridge's filing in this application at Exhibit C-1-1. The updated amounts are reflected in Appendix A which is attached to this Settlement Proposal. All parties agree that the principal balance in the 2014 DSMIDA, which is shown in Appendix A, along with applicable interest (calculated in accordance with the Board's June 7, 2016 letter), will be cleared as set out under Issue 3, below.

Evidence: The evidence in relation to this issue includes the following:

C-1-1	Deferral & Variance Accounts Requested for Clearance at October 1, 2016
C-2-1	Clearance of Deferral and Variance Account Balances
C-2-2	Derivation of Proposed Unit Rates
I.C.EGDI.EP.3	Energy Probe Interrogatory #3

(iv) 2015 Deferred Rebate Account (2015 DRA)

There are no unsettled issues with respect to this account. All parties agree that the principal balance in the 2015 DRA, which is shown in Appendix A, along with applicable interest, will be cleared as set out under Issue 3, below.

Evidence: The evidence in relation to this issue includes the following:

C-1-1	Deferral & Variance Accounts Requested for Clearance at October 1, 2016
C-1-8	2015 Deferred Rebate Account
C-2-1	Clearance of Deferral and Variance Account Balances
C-2-2	Derivation of Proposed Unit Rates

(v) 2015 Electric Program Earnings Sharing D/A (2015 EPESDA)

There are no unsettled issues with respect to this account. All parties agree that the principal balance in the 2015 EPESDA, which is shown in Appendix A, along with applicable interest, will be cleared as set out under Issue 3, below.

Evidence: The evidence in relation to this issue includes the following:

C-1-1	Deferral & Variance Accounts Requested for Clearance at October 1, 2015
C-1-11	2015 Electric Program Earnings Sharing Deferral Account
C-2-1	Clearance of Deferral and Variance Account Balances
C-2-2	Derivation of Proposed Unit Rates
I.C.EGDI.VECC.5	VECC Interrogatory #5

(vi) 2015 Gas Distribution Access Rule Impact D/A (2015 GDARIDA)

There are no unsettled issues with respect to this account. All parties agree that the principal balance in the 2015 GDARIDA, which is shown in Appendix A, will be cleared as set out under Issue 3, below.

Evidence: The evidence in relation to this issue includes the following:

C-1-1	Deferral & Variance Accounts Requested for Clearance at October 1, 2015
C-1-7	2015 Gas Distribution Access Rule Impact Deferral Account
C-2-1	Clearance of Deferral and Variance Account Balances
C-2-2	Derivation of Proposed Unit Rates
I.C.EGDI.CCC.4	CCC Interrogatory #4

(vii) 2015 Average Use True-Up V/A (2015 AUTUVA)

There are no unsettled issues with respect to this account. All parties agree that the principal balance in the 2015 AUTUVA, which is shown in Appendix A, along with applicable interest, will be cleared as set out under Issue 3, below.

Evidence: The evidence in relation to this issue includes the following:

C-1-1	Deferral & Variance Accounts Requested for Clearance
C-1-5	2015 Actual Average Use True-Up Variance Account Explanation
C-2-1	Clearance of Deferral and Variance Account Balances
C-2-2	Derivation of Proposed Unit Rates
I.C.EGDI.FRPO.14 and 15	FRPO Interrogatories #14 and 15

(viii) 2015 Earnings Sharing Mechanism D/A (2015 ESMDA)

There are no unsettled issues with respect to this account. All parties agree that the principal balance in the 2015 ESMDA, which is shown in Appendix A, along with applicable interest, will be cleared as set out under Issue 3, below.

Evidence: The evidence in relation to this issue includes the following:

B-1-1	2015 ESM Amount and Determination Process
B-1-2	ESM Calculations and Required Rate of Return 2015 Actuals
B-1-3	2015 Utility Earnings - Contributors to Utility Earnings and Earnings Sharing Amounts
B-1-4	Utility Earnings - Reconciliation of 2015 Utility Income to Audited EGDI Consolidated Income
B-2-1	Ontario Utility Rate Base – Comparison of 2015 Actuals to 2015 Board Approved
B-2-2	Property, Plant and Equipment Summary Statement – Average of Monthly Averages 2015 Actuals
B-2-3	Working Capital – 2015 Actuals
B-2-4	Comparison of Utility Capital Expenditures 2015 Actuals and 2015 Board Approved
B-3-1	Utility Operating Revenue 2015 Actuals
B-3-2	Comparison of Gas Sales and Transportation Volume by Rate Class 2015 Actuals to 2015 Board Approved
B-3-3	Comparison of Gas Sales and Transportation Revenue by Rate Class 2015 Actuals to 2015 Board Approved
B-3-4	Customer Meters, Volumes and Revenues by Rate Class 2015 Actuals
B-3-5	Other Operating Revenue
B-4-1	Operating Cost 2015 Actuals
B-4-2	Operating and Maintenance Expense by Department Year Ending December 2015
B-5-1	Required Rate of Return 2015 Actuals
B-5-2	Utility Income 2015 Actuals
B-5-3	Cost of Capital 2015 Actuals
C-1-1	Deferral & Variance Accounts Requested for Clearance at October 1, 2016
C-2-1	Clearance of Deferral and Variance Account Balances
C-2-2	Derivation of Proposed Unit Rates
D-6-1	Enbridge Gas Distribution Inc. Consolidated Financial Statements December 31, 2015
D-6-2	Enbridge Gas Distribution Inc. Management's Discussion and Analysis – December 31, 2015
I.B.EGDI.BOMA.1 to 8	BOMA Interrogatories #1 to 8
I.B.EGDI.CCC.1 to 3	CCC Interrogatories #1 to 3
I.B.EGDI.CME.1 to 2	CME Interrogatories #1 to 2
I.B.EGDI.EP.1 to 2	Energy Probe Interrogatories #1 and 2
I.B.EGDI.FRPO.1 to 9	FRPO Interrogatories #1 to 9
I.B.EGDI.IGUA.1 to 4	IGUA Interrogatories #1 to 4
I.B.EGDI.SEC.1	SEC Interrogatory #1
I.B.EGDI.VECC.1 to 3	VECC Interrogatories #1 to 3
I.D.EGDI.BOMA.13-18, 20	BOMA Interrogatories #13 to 18 and 20
I.D.EGDI.CME.3 to 4	CME Interrogatories #3 to 4
I.D.EGDI.FRPO.16-18, 28	FRPO Interrogatories #16-18 and 28
I.D.EGDI.IGUA.8	IGUA Interrogatory #8
I.D.EGDI.SEC.3	SEC Interrogatory #3
I.D.EGDI.VECC.6	VECC Interrogatory #6

(ix) 2015 Customer Care CIS Rate Smoothing D/A (2015 CCCISRSDA)

There are no unsettled issues with respect to this account. All parties agree that the interest balance in the 2015 CCCISRSDA, which is shown in Appendix A, will be cleared as set out under Issue 3, below.

Evidence: The evidence in relation to this issue includes the following:

C-1-1	Deferral & Variance Accounts Requested for Clearance as at October 1, 2016
C-1-10	2013, 2014 and 2015 Customer Care CIS Rate Smoothing Deferral Account
C-2-1	Clearance of Deferral and Variance Account Balances
C-2-2	Derivation of Proposed Unit Rates
I.C.EGDI.IGUA.5	IGUA Interrogatory #5
I.C.EGDI.VECC.4	VECC Interrogatory #4

(x) 2014 Customer Care CIS Rate Smoothing D/A (2014 CCCISRSDA)

There are no unsettled issues with respect to this account. All parties agree that the interest balance in the 2014 CCCISRSDA, which is shown in Appendix A, will be cleared as set out under Issue 3, below.

Evidence: The evidence in relation to this issue includes the following:

C-1-1	Deferral & Variance Accounts Requested for Clearance as at October 1, 2016
C-1-10	2013, 2014 and 2015 Customer Care CIS Rate Smoothing Deferral Account
C-2-1	Clearance of Deferral and Variance Account Balances
C-2-2	Derivation of Proposed Unit Rates
I.C.EGDI.IGUA.5	IGUA Interrogatory #5
I.C.EGDI.VECC.4	VECC Interrogatory #4

(xi) 2013 Customer Care CIS Rate Smoothing D/A (2013 CCCISRSDA)

There are no unsettled issues with respect to this account. All parties agree that the interest balance in the 2013 CCCISRSDA, which is shown in Appendix A, will be cleared as set out under Issue 3, below.

Evidence: The evidence in relation to this issue includes the following:

C-1-1	Deferral & Variance Accounts Requested for Clearance as at October 1, 2016
C-1-10	2013, 2014 and 2015 Customer Care CIS Rate Smoothing Deferral Account
C-2-1	Clearance of Deferral and Variance Account Balances
C-2-2	Derivation of Proposed Unit Rates
I.C.EGDI.IGUA.5	IGUA Interrogatory #5
I.C.EGDI.VECC.4	VECC Interrogatory #4

(xii) 2016 Transition Impact of Accounting Changes D/A (2016 TIACDA)

There are no unsettled issues with respect to this account. All parties agree that the principal balance in the 2016 TIACDA, which is shown in Appendix A, will be cleared as set out under Issue 3, below.

Evidence: The evidence in relation to this issue includes the following:

C-1-1	Deferral & Variance Accounts Requested for Clearance at October 1, 2016
C-1-9	2016 Transition Impact of Accounting Changes Deferral Account
C-2-1	Clearance of Deferral and Variance Account Balances
C-2-2	Derivation of Proposed Unit Rates

(xiii) 2015 Post-Retirement True-Up V/A (2015 PTUVA)

There are no unsettled issues with respect to this account. All parties agree that the principal balance in the 2015 PTUVA, which is shown in Appendix A, along with applicable interest, will be cleared as set out under Issue 3, below.

Evidence: The evidence in relation to this issue includes the following:

C-1-1	Deferral & Variance Accounts Requested for Clearance as at October 1, 2016
C-1-6	2015 Post-Retirement True-Up Variance Account
C-2-1	Clearance of Deferral and Variance Account Balances
C-2-2	Derivation of Proposed Unit Rates

(xiv) 2015 Energy East Consultation Costs D/A (2015 EECCDA)

There are no unsettled issues with respect to this account. All parties agree that the principal balance in the 2015 EECCDA, which is shown in Appendix A, along with applicable interest, will be cleared as set out under Issue 3, below.

Evidence: The evidence in relation to this issue includes the following:

C-1-1	Deferral & Variance Accounts Requested for Clearance at October 1, 2016
C-1-12	2015 Energy East Consultation Costs Deferral Account
C-2-1	Clearance of Deferral and Variance Account Balances
C-2-2	Derivation of Proposed Unit Rates

(xv) 2015 Transactional Services D/A (2015 TSDA)

There are no unsettled issues with respect to this account. All parties agree that the principal balance in the 2015 TSDA, which is shown in Appendix A, along with applicable interest, will be cleared as set out under Issue 3, below.

Enbridge agrees that it will file evidence within the 2016 ESM proceeding that addresses two items related to Storage Optimization Transactional Services: (i) the observed trends

in Storage Optimization revenues since 2010, and the underlying reasons for those trends; and (ii) the manner in which Enbridge effects a separation between Storage Optimization activities for regulated and unregulated storage operations.

Evidence: The evidence in relation to this issue includes the following:

C-1-1	Deferral & Variance Accounts Requested for Clearance at October 1, 2016
C-1-3	2015 Storage & Transportation Deferral Account and 2015 Transactional Services Deferral Account
C-2-1	Clearance of Deferral and Variance Account Balances
C-2-2	Derivation of Proposed Unit Rates
I.C.EGDI.STAFF.3	Board Staff Interrogatory #3

(xvi) 2015 Storage and Transportation D/A (2015 S&TDA)

There are no unsettled issues with respect to this account. All parties agree that the principal balance in the 2015 S&TDA, which is shown in Appendix A, along with applicable interest, will be cleared as set out under Issue 2, below.

Evidence: The evidence in relation to this issue includes the following:

C-1-1	Deferral & Variance Accounts Requested for Clearance at October 1, 2016
C-1-3	2015 Storage & Transportation Deferral Account and 2015 Transactional Services Deferral Account
C-2-1	Clearance of Deferral and Variance Account Balances
C-2-2	Derivation of Proposed Unit Rates
I.C.EGDI.FRPO.11	FRPO Interrogatory #11

(xvii) 2015 Unaccounted for Gas V/A (2015 UAFVA)

There are no unsettled issues with respect to this account. All parties agree that the principal balance in the 2015 UAFVA, which is shown in Appendix A, along with applicable interest, will be cleared as set out under Issue 2, below.

Evidence: The evidence in relation to this issue includes the following:

C-1-1	Deferral & Variance Accounts Requested for Clearance at October 1, 2016
C-1-4	2015 Unaccounted For Variance Account explanation
C-2-1	Clearance of Deferral and Variance Account Balances
C-2-2	Derivation of Proposed Unit Rates
I.C.EGDI.FRPO.13	FRPO Interrogatory #13

(xviii) 2015 Unabsorbed Demand Cost D/A (2015 UDCDA)

There are no unsettled issues with respect to this account. All parties agree that the principal balance in the 2015 UDCDA, which is shown in Appendix A, along with applicable interest, will be cleared as set out under Issue 3, below.

Evidence: The evidence in relation to this issue includes the following:

C-1-1	Deferral & Variance Accounts Requested for Clearance at October 1, 2016
C-1-2	2015 Unabsorbed Demand Charge Deferral Account explanation
C-2-1	Clearance of Deferral and Variance Account Balances
C-2-2	Derivation of Proposed Unit Rates
I.C.EGDI.STAFF.1	Board Staff Interrogatory #1
I.C.EGDI.BOMA.9	BOMA Interrogatory #9
I.C.EGDI.FRPO.10	FRPO Interrogatory #10
I.C.EGDI.SEC.2	SEC Interrogatory #2

2. Other Items

The parties have agreed upon three other items, which agreement does not have a financial impact on the relief sought by Enbridge in this application but which agreement addresses issues that the parties agree are appropriate for future consideration.

(i) Review of Interruptible Rate options

In response to IGUA Interrogatory #1, Enbridge identified that there has been a migration away from interruptible rates to firm service and that this is expected to continue, albeit at a slower rate in future years. In response to FRPO Interrogatory #21, Enbridge indicated that it has acquired additional transportation capacity to accommodate the anticipated reduction in interruptible distribution services. Parties have requested and Enbridge has agreed that it will commence a process to consider whether there are cost-effective changes that may be made to interruptible distribution service that would make that service more attractive to customers, and thereby avoid incremental firm transportation capacity or other costs. Enbridge will present an analysis of the value that the Company would pay for the seasonal credit and will discuss with stakeholders (including large volume customers) what changes they might like to see to the interruptible program that would make it more cost effective. There is no expectation that any new rate offering would be available before 2018 at the earliest, although Enbridge will report on this initiative in its 2017 Rate Adjustment Application.

Evidence: The evidence in relation to this item includes the following:

I.B.EGDI.IGUA.1	IGUA Interrogatory #1
I.D.EGDI.FRPO.21	FRPO Interrogatory #21

(ii) Storage Optimization Transactional Services

As set out in the response to Board Staff Interrogatory #3, the net revenues received from Enbridge's Storage Optimization Transactional Services have fluctuated over the years since 2010, with the relevant amounts declining over the most recent years (from 2012 to

2015). Parties have requested and Enbridge has agreed that in its 2016 ESM Application Enbridge will file evidence about Storage Optimization Transactional Services, including (i) any trends that are apparent in respect of these revenues; and (ii) evidence detailing the separation of storage optimization responsibilities and activities as between utility and non-utility optimization storage accounts.

C-1-1	Deferral & Variance Accounts Requested for Clearance at October 1, 2016
C-1-3	2015 Storage & Transportation Deferral Account and 2015 Transactional Services Deferral Account
I.C.EGDI.STAFF.3	Board Staff Interrogatory #3

(iii) Future Incremental Storage Capacity

In Enbridge's Gas Supply Memorandum, the Company indicates that it anticipates that it may require additional (incremental) storage capacity in the future. Parties have requested and Enbridge has agreed that before the Company develops or acquires additional storage capacity for utility or regulated gas supply purposes it will file analysis with the Board setting out the need and justification for the incremental storage.

Evidence: The evidence in relation to this item includes the following:

D-4-1	2015-2016 Gas Supply Plan Memorandum
I.D.EGDI.FRPO.23	FRPO Interrogatory #23

3. What are the appropriate unit rates and timing for implementation of the clearances?

All parties agree that the principal balances in Enbridge's Deferral and Variance Accounts with applicable interest, as set out in Appendix A to this Settlement Proposal, will be cleared over the months of October 2016 and November 2016, in conjunction with Enbridge's October 1, 2016 QRAM Application.

The unit rates associated with the clearance of the amounts set out at columns 3 and 4 of Appendix A are set out within Appendix B to this Settlement Proposal, which reproduces the information that had been set out at Exhibit C, Tab 2, Schedule 2 (in the form as updated in response to Energy Probe Interrogatory #3, to reflect the reduction in interest costs for DSM-related accounts).

Evidence: The evidence in relation to this issue includes the following:

C-1-1	Deferral & Variance Accounts Requested for Clearance at October 1, 2016
C-2-1	Clearance of Deferral and Variance Account Balances
C-2-2	Derivation of Proposed Unit Rates
I.C.EGDI.EP.3	Energy Probe Interrogatory #3
I.C.EGDI.IGUA.6	IGUA Interrogatory #6

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

			Col. 1	Col. 2	Col. 3	Col. 4
Line		Account	Actual at		Forecast for clearance at	
No.	Account Description	Acronym	March 31, 2016		October 1, 2016	
			Principal	Interest	Principal	Interest
			(\$000's)	(\$000's)	(\$000's)	(\$000's)
<u>Non Commodity Related Accounts</u>						
1.	Demand Side Management V/A	2014 DSMVA	352.5	5.2	352.5	6.1
2.	Demand Side Management V/A	2015 DSMVA	1,391.4	3.8	-	-
3.	Lost Revenue Adjustment Mechanism	2014 LRAM	(65.3)	(0.2)	(65.3)	(0.5)
4.	Demand Side Management Incentive D/A	2014 DSMIDA	7,647.2	28.0	7,647.2	49.0
5.	Deferred Rebate Account	2015 DRA	419.0	0.4	419.0	2.8
6.	Manufactured Gas Plant D/A	2016 MGPDA	537.7	35.0	-	-
7.	Electric Program Earnings Sharing D/A	2015 EPESDA	(59.3)	(0.2)	(59.3)	(0.8)
8.	Gas Distribution Access Rule Impact D/A	2015 GDARIDA	-	-	295.2	-
9.	Average Use True-Up V/A	2015 AUTUVA	(2,278.3)	(6.3)	(2,278.3)	(18.9)
10.	Earnings Sharing Mechanism Deferral Account	2015 ESMDA	(6,450.0)	(17.7)	(6,450.0)	(53.1)
11.	Customer Care CIS Rate Smoothing D/A	2015 CCCISRSDA	1,124.2	11.7	-	20.1
12.	Customer Care CIS Rate Smoothing D/A	2014 CCCISRSDA	2,927.0	21.5	-	43.1
13.	Customer Care CIS Rate Smoothing D/A	2013 CCCISRSDA	4,634.9	34.1	-	68.1
14.	Transition Impact of Accounting Changes D/A	2016 TIACDA	75,408.6	-	4,435.8	-
15.	Post-Retirement True-Up V/A	2015 PTUVA	(880.1)	(17.0)	(880.1)	(21.8)
16.	Constant Dollar Net Salvage Adjustment D/A	2016 CDNSADA	42,042.2	-	-	-
17.	Energy East Consultation Costs D/A	2015 EECCDA	157.5	0.7	157.5	1.3
18.	Greenhouse Gas Emissions Impact D/A	2016 GGEIDA	127.5	0.4	-	-
19.	Total non commodity Related Accounts		127,036.7	99.4	3,574.2	95.4
<u>Commodity Related Accounts</u>						
20.	Transactional Services D/A	2015 TSDA	(9,074.8)	(74.9)	(9,074.8)	(124.7)
21.	Storage and Transportation D/A	2015 S&TDA	4,771.4	46.0	4,771.4	72.4
22.	Unaccounted for Gas V/A	2015 UAFVA	1,302.9	5.2	1,302.9	12.4
23.	Unabsorbed Demand Cost D/A	2015 UDCDA	65,834.3	432.4	65,834.3	794.2
24.	Total commodity related accounts		62,833.8	408.7	62,833.8	754.3
25.	Total Deferral and Variance Accounts		189,870.5	508.1	66,408.0	849.7

UNIT RATE AND TYPE OF SERVICE: CLEARING IN OCTOBER And NOVEMBER 2016

		COL. 1	COL. 2	COL. 3
		TOTAL	October	November
		(¢/m³)	Unit Rate	Unit Rate
<u>Bundled Services:</u>				
RATE 1	- SYSTEM SALES	0.8927	0.4463	0.4463
	- BUY/SELL	0.0000	0.0000	0.0000
	- ONTARIO T-SERVICE	0.9863	0.4931	0.4931
	- WESTERN T-SERVICE	0.8927	0.4463	0.4463
RATE 6	- SYSTEM SALES	0.4661	0.2331	0.2331
	- BUY/SELL	0.0000	0.0000	0.0000
	- ONTARIO T-SERVICE	0.5597	0.2799	0.2799
	- WESTERN T-SERVICE	0.4661	0.2331	0.2331
RATE 9	- SYSTEM SALES	(0.6789)	(0.3394)	(0.3394)
	- BUY/SELL	0.0000	0.0000	0.0000
	- ONTARIO T-SERVICE	(0.5853)	(0.2926)	(0.2926)
	- WESTERN T-SERVICE	0.0000	0.0000	0.0000
RATE 100	- SYSTEM SALES	0.4984	0.2492	0.2492
	- BUY/SELL	0.0000	0.0000	0.0000
	- ONTARIO T-SERVICE	0.0000	0.0000	0.0000
	- WESTERN T-SERVICE	0.4984	0.2492	0.2492
RATE 110	- SYSTEM SALES	(0.0508)	(0.0254)	(0.0254)
	- BUY/SELL	0.0000	0.0000	0.0000
	- ONTARIO T-SERVICE	0.0428	0.0214	0.0214
	- WESTERN T-SERVICE	(0.0508)	(0.0254)	(0.0254)
RATE 115	- SYSTEM SALES	0.0000	0.0000	0.0000
	- BUY/SELL	0.0000	0.0000	0.0000
	- ONTARIO T-SERVICE	(0.0517)	(0.0259)	(0.0259)
	- WESTERN T-SERVICE	(0.1453)	(0.0727)	(0.0727)
RATE 135	- SYSTEM SALES	(0.1744)	(0.0872)	(0.0872)
	- BUY/SELL	0.0000	0.0000	0.0000
	- ONTARIO T-SERVICE	(0.0809)	(0.0404)	(0.0404)
	- WESTERN T-SERVICE	(0.1744)	(0.0872)	(0.0872)
RATE 145	- SYSTEM SALES	(1.2751)	(0.6375)	(0.6375)
	- BUY/SELL	0.0000	0.0000	0.0000
	- ONTARIO T-SERVICE	(1.1815)	(0.5907)	(0.5907)
	- WESTERN T-SERVICE	(1.2751)	(0.6375)	(0.6375)
RATE 170	- SYSTEM SALES	(0.3706)	(0.1853)	(0.1853)
	- BUY/SELL	0.0000	0.0000	0.0000
	- ONTARIO T-SERVICE	(0.2770)	(0.1385)	(0.1385)
	- WESTERN T-SERVICE	(0.3706)	(0.1853)	(0.1853)
RATE 200	- SYSTEM SALES	0.2881	0.1440	0.1440
	- BUY/SELL	0.0000	0.0000	0.0000
	- ONTARIO T-SERVICE	0.3817	0.1908	0.1908
	- WESTERN T-SERVICE	0.0000	0.0000	0.0000
<u>Unbundled Services:</u>				
RATE 125	- All	(0.1707)	(0.0853)	(0.0853)
	- Customer-specific (\$)	\$0		
RATE 300	- All	(2.6363)	(1.3182)	(1.3182)

**Determination of Balances to be Cleared
from the 2015 Deferral and Variance Accounts**

ITEM NO.		COL. 1	COL. 2	COL. 3
		PRINCIPAL For CLEARING (\$000)	INTEREST (\$000)	TOTAL For CLEARING (\$000)
1.	TRANSACTIONAL SERVICES D/A	(9,074.8)	(124.7)	(9,199.5)
2.	UNACCOUNTED FOR GAS V/A	1,302.9	12.4	1,315.3
3.	STORAGE AND TRANSPORTATION D/A	4,771.4	72.4	4,843.8
4.	DEFERRED REBATE ACCOUNT	419.0	2.8	421.8
5.	DEMAND SIDE MANAGEMENT 2014	352.5	6.1	358.6
6.	LOST REVENUE ADJ MECHANISM 2014	(65.3)	(0.5)	(65.8)
7.	DEMAND SIDE MANAGEMENT INCENTIVE 2014	7,647.2	49.0	7,696.2
9.	ELECTRIC PROGRAM EARNINGS SHARING	(59.3)	(0.8)	(60.1)
10.	GAS DISTRIBUTION ACCESS RULE D/A 2015	295.2	0.0	295.2
11.	AVERAGE USE TRUE-UP V/A	(2,278.3)	(18.9)	(2,297.2)
12.	POST-RETIREMENT TRUE-UP V/A	(880.1)	(21.8)	(901.9)
13.	2015 CUSTOMER CARE CIS RATE SMOOTHING D/A		20.1	20.1
14.	2014 CUSTOMER CARE CIS RATE SMOOTHING D/A		43.1	43.1
15.	2013 CUSTOMER CARE CIS RATE SMOOTHING D/A		68.1	68.1
16.	ENERGY EAST CONSULTATIONS	157.5	1.3	158.8
17.	UNABSORBED DEMAND COST D/A	65,834.3	794.2	66,628.5
19.	TRANSITION IMPACT OF ACCT CHANGE D/A	4,435.8		4,435.8
20.	EARNINGS SHARING MECHANISM	(6,450.0)	(53.1)	(6,503.1)
21.	TOTAL	<u>66,408.0</u>	<u>849.7</u>	<u>67,257.7</u>

<u>Classification and Allocation of Deferral and Variance Account Balances</u>										
ITEM NO.	COL. 1	COL. 2	COL. 3	COL. 4	COL. 5	COL. 6	COL. 7	COL. 8	COL. 9	COL. 10
	TOTAL (\$000)	SALES AND WBT (\$000)	TOTAL SALES (\$000)	TOTAL DELIVERIES (\$000)	SPACE (\$000)	DELIVERABILITY (\$000)	DISTRIBUTION REV REQ (DRR) (\$000)	DIRECT (\$000)	NUMBER OF CUSTOMERS (\$000)	RATE BASE (\$000)
CLASSIFICATION										
PGVA:										
1.1 COMMODITY	-		-							
1.2 SEASONAL PEAKING-LOAD BALANCING	-						-			
1.3 SEASONAL DISCRETIONARY-LOAD BALANCING	-				-					
1.4 TRANSPORTATION TOLLS	-	-								
1.5 CURTAILMENT REVENUE	-					-				
1.6 RIDER C 2009 DIRECT ALLOCATION	-							-		
1.7 INVENTORY ADJUSTMENT	-									
1.	-	-	-	-	-	-	-	-	-	-
1. TRANSACTIONAL SERVICES D/A	(9,199.5)	(8,841.4)			(129.6)	(228.5)				
2. UNACCOUNTED FOR GAS V/A	1,315.3			1,315.3						
3. STORAGE AND TRANSPORTATION D/A	4,843.8				1,753.5	3,090.3				
4. DEFERRED REBATE ACCOUNT	421.8			421.8						
5. DEMAND SIDE MANAGEMENT 2014	358.6							358.6		
6. LOST REVENUE ADJ MECHANISM 2014	(65.8)							(65.8)		
7. DEMAND SIDE MANAGEMENT INCENTIVE 2014	7,696.2							7,696.2		
9. ELECTRIC PROGRAM EARNINGS SHARING	(60.1)									(60.1)
10. GAS DISTRIBUTION ACCESS RULE D/A 2015	295.2								295.2	
11. AVERAGE USE TRUE-UP V/A	(2,297.2)							(2,297.2)		
12. POST-RETIREMENT TRUE-UP V/A	(901.9)									(901.9)
13. 2015 CUSTOMER CARE CIS RATE SMOOTHING D/A	20.1								20.1	
14. 2014 CUSTOMER CARE CIS RATE SMOOTHING D/A	43.1								43.1	
15. 2013 CUSTOMER CARE CIS RATE SMOOTHING D/A	68.1								68.1	
16. ENERGY EAST CONSULTATIONS	158.8	158.8		-					-	
17. UNABSORBED DEMAND COST D/A	66,628.5					66,628.5				
19. TRANSITION IMPACT OF ACCT CHANGED/A	4,435.8						-			4,435.8
20. EARNINGS SHARING MECHANISM	(6,503.1)						-			(6,503.1)
21. TOTAL	67,257.7	(8,682.6)	-	1,737.1	1,623.9	69,490.3	-	5,691.8	426.5	(3,029.3)
ALLOCATION										
1.1 RATE 1	44,837.7	(4,446.5)	-	729.1	782.1	38,724.8	-	10,727.1	393.1	(2,072.1)
1.2 RATE 6	24,376.8	(3,647.2)	-	730.5	756.7	29,772.8	-	(2,404.1)	33.3	(865.3)
1.3 RATE 9	(2.2)	(0.3)	-	0.0	-	0.1	-	0.2	0.0	(2.3)
1.4 RATE 100	18.5	(3.5)	-	0.5	(0.0)	22.1	-	-	0.0	(0.6)
1.5 RATE 110	45.8	(240.1)	-	97.5	28.6	278.1	-	(94.4)	0.0	(23.9)
1.6 RATE 115	(315.1)	(50.2)	-	74.7	0.0	64.5	-	(391.7)	0.0	(12.6)
1.7 RATE 125	(16.9)	-	-	-	-	-	-	8.8	-	(25.7)
1.8 RATE 135	(94.7)	(39.2)	-	10.0	-	-	-	(64.0)	0.0	(1.6)
1.9 RATE 145	(935.3)	(19.7)	-	11.3	7.1	-	-	(926.7)	0.0	(7.3)
1.10 RATE 170	(1,205.9)	(112.3)	-	57.6	25.3	-	-	(1,167.1)	0.0	(9.5)
1.11 RATE 200	549.6	(123.7)	-	25.7	24.0	628.1	-	3.0	0.0	(7.6)
1.12 RATE 300	(0.4)	-	-	-	-	-	-	0.6	-	(1.0)
1.	67,257.7	(8,682.6)	-	1,737.1	1,623.9	69,490.3	-	5,691.8	426.5	(3,029.3)

ALLOCATION BY TYPE OF SERVICE										
	COL. 1	COL. 2	COL. 3	COL. 4	COL. 5	COL. 6	COL. 7	COL. 8	COL. 9	COL. 10
	TOTAL	SALES AND WBT	TOTAL SALES	TOTAL DELIVERIES	SPACE	DELIV- RABILITY	DISTRIBUTION REV REQ (DDR)	DIRECT	NUMBER OF CUSTOMERS	RATE BASE
	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)
Bundled Services:										
RATE 1	- SYSTEM SALES	40,689.0	(4,266.3)	0.0	665.1	713.4	35,323.4	0.0	9,784.9	358.6 (1,890.1)
	- BUY/SELL	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
	- T-SERVICE EXCL WBT	2,430.4			36.0	38.6	1,909.6	0.0	529.0	19.4 (102.2)
	- WBT	1,718.3	(180.2)		28.1	30.1	1,491.7	0.0	413.2	15.1 (79.8)
RATE 6	- SYSTEM SALES	13,507.9	(2,712.3)	0.0	422.8	438.0	17,232.4	0.0	(1,391.5)	19.3 (500.8)
	- BUY/SELL	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
	- T-SERVICE EXCL WBT	6,212.6			161.9	167.8	6,600.3	0.0	(533.0)	7.4 (191.8)
	- WBT	4,656.2	(934.9)		145.7	151.0	5,940.0	0.0	(479.6)	6.6 (172.6)
RATE 9	- SYSTEM SALES	(1.9)	(0.3)	0.0	0.0	0.0	0.1	0.0	0.2	0.0 (2.0)
	- BUY/SELL	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
	- T-SERVICE EXCL WBT	(0.2)			0.0	0.0	0.0	0.0	0.0	0.0 (0.3)
	- WBT	0.0	0.0		0.0	0.0	0.0	0.0	0.0	0.0
RATE 100	- SYSTEM SALES	18.0	(3.4)	0.0	0.5	(0.0)	21.5	0.0	0.0	0.0 (0.6)
	- BUY/SELL	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
	- T-SERVICE EXCL WBT	0.0			0.0	0.0	0.0	0.0	0.0	0.0
	- WBT	0.5	(0.1)		0.0	(0.0)	0.6	0.0	0.0	0.0 (0.0)
RATE 110	- SYSTEM SALES	(21.8)	(40.1)	0.0	6.2	1.8	17.8	0.0	(6.1)	0.0 (1.5)
	- BUY/SELL	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
	- T-SERVICE EXCL WBT	176.1			60.0	17.6	171.3	0.0	(58.2)	0.0 (14.7)
	- WBT	(108.6)	(200.1)		31.2	9.2	89.0	0.0	(30.2)	0.0 (7.7)
RATE 115	- SYSTEM SALES	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
	- BUY/SELL	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
	- T-SERVICE EXCL WBT	(237.3)			66.9	0.0	57.7	0.0	(350.7)	0.0 (11.2)
	- WBT	(77.9)	(50.2)		7.8	0.0	6.7	0.0	(41.0)	0.0 (1.3)
RATE 135	- SYSTEM SALES	(4.1)	(2.2)	0.0	0.3	0.0	0.0	0.0	(2.2)	0.0 (0.1)
	- BUY/SELL	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
	- T-SERVICE EXCL WBT	(21.6)			3.9	0.0	0.0	0.0	(24.9)	0.0 (0.6)
	- WBT	(69.0)	(37.0)		5.8	0.0	0.0	0.0	(36.9)	0.0 (0.9)
RATE 145	- SYSTEM SALES	(167.1)	(12.3)	0.0	1.9	1.2	0.0	0.0	(156.7)	0.0 (1.2)
	- BUY/SELL	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
	- T-SERVICE EXCL WBT	(667.4)			8.2	5.1	0.0	0.0	(675.5)	0.0 (5.3)
	- WBT	(100.8)	(7.4)		1.2	0.7	0.0	0.0	(94.5)	0.0 (0.7)
RATE 170	- SYSTEM SALES	(129.6)	(32.7)	0.0	5.1	2.2	0.0	0.0	(103.4)	0.0 (0.8)
	- BUY/SELL	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
	- T-SERVICE EXCL WBT	(761.4)			40.1	17.6	0.0	0.0	(812.5)	0.0 (6.6)
	- WBT	(314.9)	(79.5)		12.4	5.5	0.0	0.0	(251.2)	0.0 (2.0)
RATE 200	- SYSTEM SALES	380.7	(123.7)	0.0	19.3	18.0	470.5	0.0	2.3	0.0 (5.7)
	- BUY/SELL	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
	- T-SERVICE EXCL WBT	168.9			6.5	6.0	157.5	0.0	0.8	0.0 (1.9)
	- WBT	0.0	0.0		0.0	0.0	0.0	0.0	0.0	0.0
Unbundled Services:										
RATE 125		(16.9)	0.0	0.0	0.0	0.0	0.0	0.0	8.8	0.0 (25.7)
RATE 300		(0.4)	0.0	0.0	0.0	0.0	0.0	0.0	0.6	0.0 (1.0)
		67,257.7	(8,682.6)	0.0	1,737.1	1,623.9	69,490.3	0.0	5,691.8	426.5 (3,029.3)

UNIT RATE AND TYPE OF SERVICE												
	COL. 1	COL. 2	COL. 3	COL. 4	COL. 5	COL. 6	COL. 7	COL. 8	COL. 9	COL. 10	COL. 11	
	DISTRIBUTION											
	TOTAL	SALES AND WBT	TOTAL SALES	TOTAL DELIVERIES	SPACE	DELIVE- RABILITY	REV REQ (DRR)	DIRECT	NUMBER OF CUSTOMERS	RATE BASE	NUMBER OF CUSTOMERS	
	(¢/m³)	(¢/m³)	(¢/m³)	(¢/m³)	(¢/m³)	(¢/m³)	(¢/m³)	(¢/m³)	(¢/m³)	(¢/m³)	(\$000/user)	
Bundled Services:												
RATE 1	- SYSTEM SALES	0.8927	(0.0936)	0.0000	0.0146	0.0157	0.7750	0.0000	0.2147	0.0079	(0.0415)	0.0000
	- BUY/SELL	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
	- ONTARIO T-SERVICE	0.9863			0.0146	0.0157	0.7750	0.0000	0.2147	0.0079	(0.0415)	0.0000
RATE 6	- WESTERN T-SERVICE	0.8927	(0.0936)		0.0146	0.0157	0.7750	0.0000	0.2147	0.0079	(0.0415)	0.0000
	- SYSTEM SALES	0.4661	(0.0936)	0.0000	0.0146	0.0151	0.5947	0.0000	(0.0480)	0.0007	(0.0173)	0.0000
	- BUY/SELL	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
RATE 9	- ONTARIO T-SERVICE	0.5597			0.0146	0.0151	0.5947	0.0000	(0.0480)	0.0007	(0.0173)	0.0000
	- WESTERN T-SERVICE	0.4661	(0.0936)		0.0146	0.0151	0.5947	0.0000	(0.0480)	0.0007	(0.0173)	0.0000
	- SYSTEM SALES	(0.6789)	(0.0936)	0.0000	0.0146	0.0000	0.0204	0.0000	0.0711	0.0003	(0.6917)	0.0000
RATE 100	- BUY/SELL	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
	- ONTARIO T-SERVICE	(0.5853)			0.0146	0.0000	0.0204	0.0000	0.0711	0.0003	(0.6917)	0.0000
	- WESTERN T-SERVICE	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
RATE 110	- SYSTEM SALES	0.4984	(0.0936)	0.0000	0.0146	(0.0000)	0.5947	0.0000	0.0000	0.0000	(0.0173)	0.0000
	- BUY/SELL	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
	- ONTARIO T-SERVICE	0.0000			0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
RATE 115	- WESTERN T-SERVICE	0.4984	(0.0936)		0.0146	(0.0000)	0.5947	0.0000	0.0000	0.0000	(0.0173)	0.0000
	- SYSTEM SALES	(0.0508)	(0.0936)	0.0000	0.0146	0.0043	0.0416	0.0000	(0.0141)	0.0000	(0.0036)	0.0000
	- BUY/SELL	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
RATE 135	- ONTARIO T-SERVICE	0.0428			0.0146	0.0043	0.0416	0.0000	(0.0141)	0.0000	(0.0036)	0.0000
	- WESTERN T-SERVICE	(0.0508)	(0.0936)		0.0146	0.0043	0.0416	0.0000	(0.0141)	0.0000	(0.0036)	0.0000
	- SYSTEM SALES	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
RATE 145	- BUY/SELL	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
	- ONTARIO T-SERVICE	(0.0517)			0.0146	0.0000	0.0126	0.0000	(0.0765)	0.0000	(0.0025)	0.0000
	- WESTERN T-SERVICE	(0.1453)	(0.0936)		0.0146	0.0000	0.0126	0.0000	(0.0765)	0.0000	(0.0025)	0.0000
RATE 170	- SYSTEM SALES	(0.1744)	(0.0936)	0.0000	0.0146	0.0000	0.0000	0.0000	(0.0932)	0.0000	(0.0023)	0.0000
	- BUY/SELL	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
	- ONTARIO T-SERVICE	(0.0809)			0.0146	0.0000	0.0000	0.0000	(0.0932)	0.0000	(0.0023)	0.0000
RATE 200	- WESTERN T-SERVICE	(0.1744)	(0.0936)		0.0146	0.0000	0.0000	0.0000	(0.0932)	0.0000	(0.0023)	0.0000
	- SYSTEM SALES	(1.2751)	(0.0936)	0.0000	0.0146	0.0091	0.0000	0.0000	(1.1958)	0.0000	(0.0094)	0.0000
	- BUY/SELL	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
RATE 300	- ONTARIO T-SERVICE	(1.1815)			0.0146	0.0091	0.0000	0.0000	(1.1958)	0.0000	(0.0094)	0.0000
	- WESTERN T-SERVICE	(1.2751)	(0.0936)		0.0146	0.0091	0.0000	0.0000	(1.1958)	0.0000	(0.0094)	0.0000
	- SYSTEM SALES	(0.3706)	(0.0936)	0.0000	0.0146	0.0064	0.0000	0.0000	(0.2956)	0.0000	(0.0024)	0.0000
RATE 125	- BUY/SELL	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
	- ONTARIO T-SERVICE	(0.2770)			0.0146	0.0064	0.0000	0.0000	(0.2956)	0.0000	(0.0024)	0.0000
	- WESTERN T-SERVICE	(0.3706)	(0.0936)		0.0146	0.0064	0.0000	0.0000	(0.2956)	0.0000	(0.0024)	0.0000
RATE 300	- SYSTEM SALES	0.2881	(0.0936)	0.0000	0.0146	0.0136	0.3560	0.0000	0.0017	0.0000	(0.0043)	0.0000
	- BUY/SELL	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
	- ONTARIO T-SERVICE	0.3817			0.0146	0.0136	0.3560	0.0000	0.0017	0.0000	(0.0043)	0.0000
RATE 125	- WESTERN T-SERVICE	0.0000	0.0000		0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
	Unbundled Services:											
	- All	(0.1707)	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0882	0.0000	(0.2589)	0.0000
RATE 300	- Customer-specific **											0.0000
	- All	(2.6363)	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	3.7384	0.0000	(6.3747)	0.0000
RATE 300	- Customer-specific **											

Notes:

* Unit Rates derived based on 2015 actual volumes

**Enbridge Gas Distribution Inc.
2015 Deferral and Variance Account Clearing**

Bill Adjustment in October and November 2016 for Typical Customers

Item No.	<u>Col. 1</u>	<u>Col. 2</u>	<u>Col. 3</u>	<u>Col. 4</u>	<u>Col. 5</u>	<u>Col. 6</u>	<u>Col. 7</u>	<u>Col. 8</u>
			<u>Unit Rates</u>			<u>Bill Adjustment</u>		
	<u>GENERAL SERVICE</u>	<u>Annual Volume m3</u>	<u>Sales cents/m3</u>	<u>Ontario TS cents/m3</u>	<u>Western TS cents/m3</u>	<u>Sales Customers \$</u>	<u>Ontario TS Customers \$</u>	<u>Western TS Customers \$</u>
1.1	RATE 1 RESIDENTIAL							
1.2	Heating & Water Heating	2,400	0.4463	0.4931	0.4463	10.7	11.8	10.7
2.1	RATE 6 COMMERCIAL							
2.2	General Use	43,285	0.2331	0.2799	0.2331	101	121	101
	<u>CONTRACT SERVICE</u>							
3.1	RATE 100							
3.2	Industrial - small size	339,188	0.2492	0.0000	0.0000	845	-	-
4.1	RATE 110							
4.2	Industrial - small size, 50% LF	598,568	(0.0254)	0.0214	(0.0254)	(152)	128	(152)
4.5	Industrial - avg. size, 75% LF	9,976,121	(0.0254)	0.0214	(0.0254)	(2,534)	2,135	(2,534)
5.1	RATE 115							
5.2	Industrial - small size, 80% LF	4,471,609	0.0000	(0.0259)	(0.0727)	-	(1,157)	(3,249)
6.1	RATE 135							
6.2	Industrial - Seasonal Firm	598,567	(0.0872)	(0.0404)	(0.0872)	(522)	(242)	(522)
7.1	RATE 145							
7.2	Commercial - avg. size	598,568	(0.6375)	(0.5907)	(0.6375)	(3,816)	(3,536)	(3,816)
8.1	RATE 170							
8.2	Industrial - avg. size, 75% LF	9,976,121	(0.1853)	(0.1385)	(0.1853)	(18,487)	(13,818)	(18,487)

Notes:

Col. 6 = Col. 2 x Col. 3

Col. 7 = Col. 2 x Col. 4

Col. 8 = Col. 2 x Col. 5