

Exhibit 9 Contents

<u>Exhibit</u>	<u>Tab</u>	<u>Schedule</u>	<u>Content</u>
9	1	1	Proposed Deferral and Variance Accounts
			9.1 Current Deferral and Variance Accounts
			9.2 Description of Proposed Accounts
			9.2.1 Purchased Gas Commodity Variance Account ("PGCVA")
			9.2.2 Storage and Transportation Deferral Account ("S&TDA")
			9.2.3 Unaccounted for Gas Variance Account ("UFGVA")
			9.2.4 Greenhouse Gas Deferral and Variance Accounts
			9.2.5 Regulatory Expense Deferral Account ("REDA")
			9.2.6 Municipal Tax Variance Account ("MTVA")
			9.2.7 Energy Content Variance Account ("ECVA")
			9.2.8 Contribution in Aid of Construction Variance Account ("CIACVA")
			9.2.10 Regulatory Asset Deferral Account ("RADA")
			9.2.10 Regulatory Asset Deferral Account ("RADA")
			9.3 Z-FACTOR
		2	Accounting Order for Deferral and Variance Accounts

Exhibit 9: Proposed Deferral and Variance Accounts

1. In this Application, EPCOR is proposing that the following accounts be established for use during the period covered by this Application.
 - i. Purchased Gas Commodity Variance Account (“PGCVA”)
 - ii. Storage and Transportation Deferral Account (“S&TDA”)
 - iii. Unaccounted for Gas Variance Account (“UFGVA”)
 - iv. Greenhouse Gas Emissions Administration Deferral Account (“GGEADA”)
 - v. Federal Carbon Charge – Customer Variance Account (“FCCCVA”)
 - vi. Federal Carbon Charge – Facility Variance Account (“FCCFVA”)
 - vii. Regulatory Expense Deferral Account (“REDA”)
 - viii. Municipal Tax Variance Account (“MTVA”)
 - ix. Energy Content Variance Account (“ECVA”)
 - x. Contribution in Aid of Construction Variance Account (“CIACVA”)
 - xi. Regulatory Asset Deferral Account (“RADA”)
2. The criteria used by EPCOR in determining to request the establishment of the deferral accounts noted above includes:
 - i. the materiality of the amount at risk (revenue or expense);
 - ii. protection of the ratepayer or the shareholder from benefitting at the expense of the other party related to a variance in the forecast amount;
 - iii. the level of uncertainty associated with a forecast of the amount at risk; and
 - iv. the factors which influence the variance amount are beyond EPCOR’s control and are not factors which EPCOR agreed would be at its risk as part of the competitive process.
3. The balance of these accounts will be dealt with through the QRAM, or other process and EPCOR will make application as necessary to dispose of the balances at the appropriate time.

4. Draft Accounting Orders for each of the proposed Deferral and Variance Accounts are provided in Exhibit 9, Tab 2, Schedule 1.

9.1 Current Deferral and Variance Accounts

5. EPCOR has no existing deferral and variance accounts and therefore there are no existing balances. As well, EPCOR is not proposing the disposition of any accounts in this application.

9.2 Description of Proposed Accounts

9.2.1 Purchased Gas Commodity Variance Account ("PGCVA")

1. The purpose of the PGCVA is to record the effect of price variances between actual natural gas commodity purchase prices and the forecast prices that underpin the rates charged to customers. Without this deferral account, the ratepayers and EPCOR are exposed to the risk of purchased gas price variances, which could unduly penalize or benefit one party at the benefit or expense of the other. Lower than forecast gas purchase prices would result in an over recovery from customers, while higher than forecast gas purchase prices would result in an under recovery by EPCOR. This deferral account ensures that such effects are eliminated.

PGCVA Methodology

2. The actual unit cost is determined by dividing the total commodity costs by the actual volumes purchased in the month. The rate differential between the PGCVA reference price and the actual unit cost of the purchases, multiplied by the actual volumes purchased, is recorded in the PGCVA monthly.
3. The PGCVA will also record an inventory valuation adjustment every time a recalculated PGCVA Reference Price comes into effect at the beginning of a quarter within the fiscal year. The adjustment consists of the storage inventory valuation adjustment necessary to price actual opening inventory volumes at a rate equal to the Board approved quarterly PGCVA reference price.
4. The PGCVA will also record any refund/collection associated with Board approved Gas Cost Adjustment Riders.
5. Simple interest is to be calculated on the opening monthly balance of the PGCVA using the Board Approved EB-2006-0117 interest rate methodology. The PGCVA reference price will be adjusted quarterly as part of the QRAM process.

9.2.2 Storage and Transportation Deferral Account ("S&TDA")

6. The purpose of the S&TDA is to record the difference between the forecast of all Storage and Transportation rates included in EPCOR's approved rates and the final Storage (market based) and Transportation rates incurred by EPCOR. The accounting treatment for the S&TDA recognizes that storage and transportation services may be provided to EPCOR by suppliers other than Union Gas and at market-based rates.
7. The S&TDA will also record: (a) the variance between the forecast Storage and Transportation demand levels and the actual Storage and Transportation demand levels; (b) amounts related to deferral account dispositions received or invoiced from Storage and Transportation suppliers; (c) the variance between the forecasted commodity cost for fuel and the updated QRAM Reference Price; and (d) the variance between the forecast and actual administrative gas supply costs including daily nominations, load balancing, storage and commodity procurement.
8. Simple interest is to be calculated on the opening monthly balance of the S&TDA using the Board Approved EB-2006-0117 interest rate methodology. The balance of this account, together with carrying charges, will be disposed of in a manner approved by the Board.

9.2.3 Unaccounted for Gas Variance Account ("UFGVA")

9. The purpose of the UFGVA is to record the cost of gas that is associated with volumetric variances between the actual volume of Unaccounted for Gas ("UFG") and the requested UFG volumetric forecast which is described at Exhibit 4, Tab 1 Schedule 1.
10. The gas costs associated with the UFG variance will be calculated at the end of each calendar year based on the estimated volumetric variance between the applicable Board approved level of UFG and the estimate of the actual UFG. An adjustment will be made to the UFGVA in the subsequent year to record any differences between the estimated UFG and actual UFG.
11. The UFG annual variance will be allocated on a monthly basis in proportion to actual sales and costed at the monthly PGCVA reference price.
12. Where there are recoveries of gas loss amounts invoiced as part of 3rd party damages, the gas loss amounts will be removed from the UFGVA balance.

13. Carrying costs for the UFGVA will be calculated using the Board Approved EB-2006-0117 interest rate methodology. The balance of the UFGVA, together with the carrying charges, will be disposed of in a manner approved by the Board.

9.2.4 Greenhouse Gas Deferral and Variance Accounts

14. EPCOR is requesting approval to establish three new deferral and variance accounts for use associated with EPCOR's compliance with the Greenhouse Gas Pollution Pricing Act ("GGPPA") for its South Bruce operation.

Greenhouse Gas Emissions Administration Deferral Account ("GGEADA")

15. The purpose of the GGEADA is to record the administrative costs associated with the impacts of the GGPPA for EPCOR's South Bruce operation
16. Simple interest is to be calculated on the opening monthly balance of this account using the Board approved EB-2006-0117 interest rate methodology. The balance of this account, together with carrying charges, will be disposed of in a manner approved by the Board.

Federal Carbon Charge – Customer Variance Account ("FCCCVA")

17. The purpose of the FCCCVA is to address costs arising from the obligations resulting from the GGPPA associated with the natural gas that EPCOR delivers to its customers. EPCOR proposes to record the variances between EPCOR's actual customer related GGPPA costs and customer related GGPPA costs recovered in rates for distribution volumes delivered by EPCOR.
18. Simple interest is to be calculated on the opening monthly balance of this account using the Board approved EB-2006-0117 interest rate methodology. The balance of this account, together with carrying charges, will be disposed of in a manner approved by the Board.

Federal carbon Charge – Facility Variance Account ("FCCFVA")

19. The purpose of the FCCFVA is to address costs arising from the obligations resulting from the GGPPA associated with EPCOR's facilities for its South Bruce operation. EPCOR proposes to record the differences between actual facility associated GGPPA costs and facility associated GGPPA costs recovered in rates.
20. Simple interest is to be calculated on the opening monthly balance of this account using the Board approved EB-2006-0117 interest rate methodology. The balance of this account, together with carrying charges, will be disposed of in a manner approved by the Board.

9.2.5 Regulatory Expense Deferral Account (“REDA”)

21. The purpose of the REDA is to record costs associated with participating in generic and other OEB hearings that impact the utility, including Union Gas proceedings.
22. Simple interest is to be calculated on the opening monthly balance of this account using the Board approved EB-2006-0117 interest rate methodology. The balance of this account, together with carrying charges, will be disposed of in a manner approved by the Board.

9.2.6 Municipal Tax Variance Account (“MTVA”)

23. The purpose of the MTVA is to record any impacts to EPCOR resulting from changes in municipal tax rates or levies, or the introduction of any new municipal tax or levies that occur during the period covered by this Application.
24. Simple interest is to be calculated on the opening monthly balance of this account using the Board approved EB-2006-0117 interest rate methodology. The balance of this account, together with carrying charges, will be disposed of in a manner approved by the Board.

9.2.7 Energy Content Variance Account (“ECVA”)

25. The purpose of the ECVA is to record any variations in revenues and costs resulting from differences in the energy content of the gas actually delivered and the assumed energy content. The assumed energy content is 38.89 MJ/M³.
26. Simple interest is to be calculated on the opening monthly balance of this account using the Board approved EB-2006-0117 interest rate methodology. The balance of this account, together with carrying charges, will be disposed of in a manner approved by the Board in a future hearing.

9.2.8 Contribution in Aid of Construction Variance Account (“CIACVA”)

27. The purpose of the CIACVA is to record the difference in capital contribution that EPCOR may pay to Enbridge related to Enbridge’s Owen Sound Transmission Reinforcement and the Dornoch Meter and Regulator Station. At this time Enbridge has provided a contribution value of \$2.363 million for the Owen Sound Transmission Reinforcement and \$2.935 million for the Dornoch Meter and Regulator Station. As detailed in Table 2-8, these values have been included in EPCOR’s capital budget and form part of the utility’s rate base. The costs associated with this capital are recovered through the Upstream Recovery Charge included in the proposed rates. (See Exhibit 8 for further details.) These

values are subject to change and any change will have a direct impact on the value of the capital EPCOR proposes to recover through the Upstream Recovery Charge. At this time it is not certain whether final values will be known in advance of a decision on this Application.

28. The balance of this account would be calculated by taking the difference between the current values provided by Enbridge and the final values. Simple interest is to be calculated on the opening monthly balance of this account using the Board approved EB-2006-0117 interest rate methodology. The intent is to apply to the Board to dispose of this account by applying the balance, together with carrying charges, by capitalizing it and recovering the resulting charges through the Upstream Recovery Charge.

9.2.9 External Funding Variance Account (“EFVA”)

29. The purpose of the EFVA is to record the difference in timing and quantum of external funding available to the project versus EPCOR’s current forecast. As detailed in Exhibit 2, EPCOR is expecting \$22.0 million in funding as detailed in Schedule 1 of the Ontario Regulation 24/19 *Expansion of Natural Gas Distribution Systems*. At this time it is expected that EPCOR will receive this funding starting in December, 2019 and a payment will be made in each subsequent quarter until December 2020. However, the final timing as to when EPCOR will receive this funding, as well as the quantum of each payment, has not been confirmed. This account would record the NPV of the carrying cost (whether positive or negative) in the difference between when EPCOR has forecast it will receive the funds and when funds are actually received.
30. EPCOR would expect to file for disposition of this account in the annual IR application immediately following receipt of the final payment. Simple interest is to be calculated on the opening monthly balance of this account using the Board approved EB-2006-0117 interest rate methodology.

9.2.10 Regulatory Asset Deferral Account (“RADA”)

31. The purpose of the RADA is to record costs associated with the deferred recovery of upstream charges paid to Union Gas for the transportation of gas to the Southern Bruce distribution system, storage charges and deferred recovery of costs due to the CIAC paid to Union for the Owen Sound Transmission Reinforcement and the Dornoch Meter and Regulator Station. Recovery of these costs is being partially deferred as, in order to ensure that it can provide service to a rapidly growing customer base, EPCOR is contracting for a capacity that is greater than that required to provide

service initially. Deferral of a portion of those costs allows EPCOR to allocate costs more closely with the customers that will require this capacity.

32. Deferred recovery of upstream charges paid to Union will be calculated by taking the difference between the monthly upstream charges incurred by EPCOR as a result of its contract with Union and a market based storage provider less the value of monthly upstream charges collected by EPCOR.
33. The amount to be recorded in the deferral account associated with the CIAC will be calculated as the difference between 1) the allowed return and recovery of the CIAC regulatory asset, and 2) the amount collected by EPCOR as set out in the proposed rate schedule.
34. In order to ensure that EPCOR retains the risk of customer conversions as established in the Board’s Southern Bruce Expansion Decision, the calculation of the value of monthly upstream charges collected, and CIAC recovered by EPCOR, will be based on the customer count as committed in its CIP rather than actual customer count.
35. EPCOR’s forecast of the expected balance of the proposed RADA account indicate that it will reach its maximum balance in 2024. Subject to Board approval at that time, EPCOR proposes to start disposing of the balance of this account in that year. The balance would proposed to be collected over the remaining 25 year life of the 30-year upstream transportation contract that EPCOR expects to execute with Union. Table 9-1 below details the expected balances of the RADA account over the 10-year period covered by this Application.

Table 9 – 1: Deferred Cost Recovery Balance

	Col. 1	Col. 2	Col. 3	Col. 4	Col. 5	Col. 6	Col. 7	Col. 8	Col. 9	Col. 10
	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028
Row 1 Opening Balance	0	61	477	826	1,034	1,137	1,126	1,079	1,033	987
Row 2 Change in Balance	61	416	348	208	103	-11	-47	-47	-46	-47
Row 3 Closing Balance	61	477	826	1,034	1,137	1,126	1,079	1,033	987	940

36. Simple interest is to be calculated on the opening monthly balance of this account using the Board approved interest rate for long term debt. EPCOR is proposing to use the Board approved interest rate for long term debt as the balance of this deferral account will be financed over a 30 year period.

9.3 Z-FACTOR

1. As part of its Custom IR Plan, EPCOR is proposing the inclusion of a Z-factor adjustment to protect EPCOR and ratepayers from unexpected costs. A Z-factor is a non-routine adjustment intended to safeguard customers and the gas utility against unexpected cost increases or cost decreases that are outside of management control. EPCOR may apply to the Board for relief of a Z factor adjustment cost increase or decrease provided the claim meets four criteria.
2. In order for amounts to be considered for recovery, EPCOR is proposing that Z-factor event amounts must satisfy the criteria in all four categories:
 - i. Causation: The cost increase or decrease, or a significant portion of it, must be demonstrably linked to an unexpected, non-routine event.
 - ii. Materiality: The cost increase or decrease must meet a materiality threshold, in that its effect on the utility's revenue requirement in a fiscal year must be equal to or greater than the established threshold. EPCOR proposes a threshold amount of \$50,000¹ for an individual event.
 - iii. Prudence: The cost subject to an increase or decrease must have been prudently incurred.
 - iv. Management Control: The cause of the cost increase or decrease must be: (a) not reasonably within the control of utility management; and (b) a cause that utility management could not reasonably control or prevent through the exercise of due diligence.
3. The process for Z-factor claims under ENGLP's Price Cap IR Plan for its Aylmer operations will be as follows:
 - EPCOR will notify the Board of any Z-factor events within six months of the occurrence of the event. At such time, ENGLP will request the establishment of a deferral account to record the costs related to the Z-factor event.

¹ This value is equal to ENGLP's current Z factor threshold.

- EPCOR will record amounts sought to be claimed as a Z-factor in the deferral account established for the event.
 - Monthly carrying charges will be recorded on the deferral account balance (calculated using simple interest applied to the monthly opening balances in the account and recorded in a separate sub-account of the deferral account). The rate of interest will be the Board-prescribed rate for deferral and variance accounts for the respective quarterly period as published on the Board's website.
 - As part of a subsequent Custom IR Application, EPCOR will apply to the Board for recovery of amounts recorded in the Z-factor deferral account. The application will outline the manner proposed to allocate the Z-factor amount to the various rate classes, the proposed disposition period, and the rationale for the selected approach. The application will also provide details on the calculated event cost and include evidence that the costs incurred meets the four eligibility criteria.
4. Any deferral accounts required to record amounts related to Z-factor events that arise during the period covered by this Application will be requested in conjunction with providing notice to the Board of occurrence of the event as described in the proposed process for Z-factor claims outlined above.

EPCOR NATURAL GAS LIMITED PARTNERSHIP

ACCOUNTING ORDER

PURCHASE GAS COMMODITY VARIANCE ACCOUNT (“PGCVA”)

The purpose of the PGCVA is to record the effect of price variances between actual natural gas commodity purchase prices and the forecast prices that underpin the rates charged to customers. Without this deferral account, the ratepayers and EPCOR are exposed to the risk of purchased gas price variances, which could unduly penalize or benefit one party at the benefit or expense of the other. Lower than forecast gas purchase prices would result in an over recovery from customers, while higher than forecast gas purchase prices would result in an under recovery by EPCOR. This deferral account ensures that such effects are eliminated.

The actual unit cost is determined by dividing the total commodity costs by the actual volumes purchased in the month. The rate differential between the PGCVA reference price and the actual unit cost of the purchases, multiplied by the actual volumes purchased, is recorded in the PGCVA monthly.

The PGCVA will also record an inventory valuation adjustment every time a recalculated PGCVA Reference Price comes into effect at the beginning of a quarter within the fiscal year. The adjustment consists of the storage inventory valuation adjustment necessary to price actual opening inventory volumes at a rate equal to the Board approved quarterly PGCVA reference price.

The PGCVA will also record any refund/collection associated with Board approved Gas Cost Adjustment Riders.

Simple interest is to be calculated on the opening monthly balance of the PGCVA using the Board Approved EB-2006-0117 interest rate methodology. The PGCVA reference price will be adjusted quarterly as part of the QRAM process.

Accounting Entries

- i. To record the projected changes in gas cost and prospective recovery of the gas supply deferral accounts approved by the Board:

Debit/Credit:	PGCVA	(Account 179.27)
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EPCOR NATURAL GAS LIMITED PARTNERSHIP

ACCOUNTING ORDER

STORAGE AND TRANSPORTATION DEFERRAL ACCOUNT (“S&TDA”)

The purpose of the S&TDA is to record the difference between the forecast of all Storage and Transportation rates included in ENGLP’s approved rates and the final Storage (market based) and Transportation rates incurred by ENGLP. The accounting treatment for the S&TDA recognizes that storage and transportation services may be provided to ENGLP by suppliers other than Union Gas and at market-based rates. The S&TDA will also record differences between the forecast and actual administrative gas supply costs including daily nominations, load balancing, storage and commodity procurement.

The S&TDA will also record: (a) the variance between the forecast Storage and Transportation demand levels and the actual Storage and Transportation demand levels; (b) amounts related to deferral account dispositions received or invoiced from Storage and Transportation suppliers; (c) the variance between the forecasted commodity cost for fuel and the updated QRAM Reference Price; and (d) the variance between the forecast and actual administrative gas supply costs including daily nominations, load balancing, storage and commodity procurement.

Simple interest is to be calculated on the opening monthly balance of the S&TDA using the Board Approved EB-2006-0117 interest rate methodology. The balance of this account, together with carrying charges, will be disposed of in a manner approved by the Board.

Accounting Entries

- i. Storage and Transportation rate variance:

$[(\text{Final Storage and Transportation rates}) - (\text{Storage and Transportation rates underpinning the Company's rates})] \times \text{Actual storage and/or transportation volumes}$

Debit/Credit: S&TDA (Account 179.11)

Credit/Debit: Gas in Storage (Account 152)

or

Credit/Debit: Gas Costs (Account 623)

To record the difference between the Storage and Transportation rates included in the Company's rates and the final Storage and Transportation rates.

ii. To record Storage and Transportation deferral account dispositions:

Debit: Sundry Accounts Receivable (Account 140)

Credit: S&TDA (Account 179.11)

or

Debit: S&TDA (Account 179.11)

Credit: Accounts Payable (Account 251)

To record amounts related to deferral account dispositions received or invoiced from Storage and Transportation.

iii. Inventory valuation adjustment:

Debit/Credit: S&TDA (Account 179.11)

Credit/Debit: Gas In Storage (Account 152)

To record adjustments to storage and transmission fuel costs associated with quarterly price changes.

iv. Interest accrual:

Debit/Credit: Interest on S&TDA (Account 179.12)

Credit/Debit: Interest Expense (Account 323)

To record simple interest on the opening monthly balance of the S&TDA using the Board Approved EB-2006-0117 interest rate methodology.

EPCOR NATURAL GAS LIMITED PARTNERSHIP

ACCOUNTING ORDER

UNACCOUNTED FOR GAS VARIANCE ACCOUNT (“UFGVA”)

The purpose of the UFGVA is to record the cost of gas that is associated with volumetric variances between the actual volume of Unaccounted for Gas (“UFG”) and the Board approved UFG volumetric forecast.

The gas costs associated with the UFG variance will be calculated at the end of each calendar year based on the estimated volumetric variance between the applicable Board approved level of UFG and the estimate of the actual UFG. An adjustment will be made to the UFGVA in the subsequent year to record any differences between the estimated UFG and actual UFG.

The UFG annual variance will be allocated on a monthly basis in proportion to actual sales and costed at the monthly PGCVA reference price.

Where there are recoveries of gas loss amounts invoiced as part of 3rd party damages, the gas loss amounts will be removed from the UFGVA balance.

Carrying costs for the UFGVA will be calculated using the Board Approved EB-2006-0117 interest rate methodology. The balance of the UFGVA, together with the carrying charges, will be disposed of in a manner approved by the Board.

Accounting Entries

- i. To record the estimated volumetric variance between the actual UAF and the Board Approved level:

Debit/Credit:	UFGVA	(Account 179.13)
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Credit/Debit:	Gas Costs	(Account 623)
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To record the costs associated with the volumetric variance related to unaccounted for gas.

- ii. To record the recovery of gas loss amounts:

Debit:	Sundry Accounts Receivable	(Account 140)
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Credit:	UFGVA	(Account 179.13)
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To record the recovery of gas loss amounts invoiced as part of 3rd party damages.

iii. Interest accrual:

Debit/Credit:	Interest on UFGVA	(Account 179.14)
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Credit/Debit:	Interest Expense	(Account 323)
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To record simple interest on the opening monthly balance of the UFGVA using the Board Approved EB-2006-0117 interest rate methodology.

EPCOR NATURAL GAS LIMITED PARTNERSHIP

ACCOUNTING ORDER

FEDERAL CARBON CHARGE – CUSTOMER VARIANCE ACCOUNT (“FCCCVA”)

The purpose of the FCCCVA is to address costs for its South Bruce operations arising from the obligations resulting from the Greenhouse Gas Pollution Pricing Act (“GGPPA”) associated with the natural gas that EPCOR delivers to its customers. This account will record the variances between EPCOR’s actual customer related GGPPA costs and customer related GGPPA costs recovered in rates for distribution volumes delivered by EPCOR.

Simple interest is to be calculated on the opening monthly balance of this account using the Board approved EB-2006-0117 interest rate methodology. The balance of this account, together with carrying charges, will be disposed of in a manner approved by the Board.

Accounting Entries

- i. To record the GGPPA customer related costs:

Debit/Credit:	FCCCVA	(Account 179.62)
Credit/Debit:	Gas Sales	(Account 529)

To record variances between EPCOR’s actual customer related GGPPA costs and customer related GGPPA costs recovered in rates for distribution volumes delivered to customers.

- ii. Interest accrual:

Debit/Credit:	Interest on FCCCVA	(Account 179.63)
Credit/Debit:	Interest expense	(Account 323)

To record simple interest on the opening monthly balance of the FCCCVA using the Board approved EB-2006-0117 interest rate methodology.

EPCOR NATURAL GAS LIMITED PARTNERSHIP

ACCOUNTING ORDER

FEDERAL CARBON CHARGE – FACILITY VARIANCE ACCOUNT (“FCCFVA”)

The purpose of the FCCFVA is to address costs arising from the obligations resulting from the Greenhouse Gas Pollution Pricing Act (“GGPPA”) associated with EPCOR’s facilities for its South Bruce operation. This account will record the differences between actual facility associated GGPPA costs and facility associated GGPPA costs recovered in rates.

Simple interest is to be calculated on the opening monthly balance of this account using the Board approved EB-2006-0117 interest rate methodology. The balance of this account, together with carrying charges, will be disposed of in a manner approved by the Board.

Accounting Entries

- i. To record the GGPPA facility related costs:

Debit/Credit:	FCCFVA	(Account 179.64)
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Credit/Debit:	Gas Sales	(Account 529)
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To record variances between EPCOR’s actual facility related GGPPA costs and facility related GGPPA costs recovered in rates.

- ii. Interest accrual:

Debit/Credit:	Interest on FCCFVA	(Account 179.65)
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Credit/Debit:	Interest expense	(Account 323)
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To record simple interest on the opening monthly balance of the FCCFVA using the Board approved EB-2006-0117 interest rate methodology.

EPCOR NATURAL GAS LIMITED PARTNERSHIP
ACCOUNTING ORDER
REGULATORY EXPENSE DEFERRAL ACCOUNT (“REDA”)

The purpose of the REDA is to record costs associated with participating in generic hearings that impact the utility, and Union Gas proceedings.

Simple interest is to be calculated on the opening monthly balance of this account using the Board approved EB-2006-0117 interest rate methodology. The balance of this account, together with carrying charges, will be disposed of in a manner approved by the Board.

Accounting Entries

- i. To record the cost for participating in generic proceedings and Union Gas proceedings, including a main rates case.

Debit/Credit	REDA	(Account No. 179.21)
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Credit/Debit:	Various accounts	(Account ____. __)
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- ii. Interest accrual:

Debit/Credit	Interest on REDA	(Account No.179.22)
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Credit/Debit	Other Interest Expense	(Account No. 323)
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To record simple interest on the opening monthly balance of the REDA using the Board approved EB-2006-0117 interest rate methodology.

EPCOR NATURAL GAS LIMITED PARTNERSHIP
ACCOUNTING ORDER
MUNICIPAL TAX VARIANCE ACCOUNT (“MTVA”)

The purpose of the MTVA is to record any impacts to ENGLP resulting from changes in municipal tax rates or levies, or the introduction of any new municipal tax or levies that occur during the period covered by this application.

Simple interest is to be calculated on the opening monthly balance of this account using the Board approved EB-2006-0117 interest rate methodology. The balance of this account, together with carrying charges, will be disposed of in a manner approved by the Board.

Accounting Entries

- i. To record the cost for participating in generic proceedings and Union Gas proceedings, including a main rates case.

Debit/Credit	MTVA	(Account No. 179.15)
Credit/Debit	Municipal Tax	(Account No. 305)

- ii. Interest accrual:

Debit/Credit	Interest on MTVA	(Account No.179.16)
Credit/Debit	Other Interest Expense	(Account No. 323)

To record simple interest on the opening monthly balance of the MTVA using the Board approved EB-2006-0117 interest rate methodology.

EPCOR NATURAL GAS LIMITED PARTNERSHIP
ACCOUNTING ORDER
ENERGY CONTENT VARIANCE ACCOUNT ("ECVA")

The purpose of the ECVA is to record any variations in revenues and costs resulting from differences in the energy content of the gas actually delivered and the assumed energy content.

Simple interest is to be calculated on the opening monthly balance of this account using the Board approved EB-2006-0117 interest rate methodology. The balance of this account, together with carrying charges, will be disposed of in a manner approved by the Board in a future hearing.

Accounting Entries

- i. To record the cost for participating in generic proceedings and Union Gas proceedings, including a main rates case.

Debit/Credit	ECVA	(Account No. 179.17)
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Credit/Debit:	Various accounts	(Account __. __)
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- ii. Interest accrual:

Debit/Credit	Interest on ECVA	(Account No.179.18)
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Credit/Debit	Other Interest Expense	(Account No. 323)
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To record simple interest on the opening monthly balance of the ECVA using the Board approved EB-2006-0117 interest rate methodology.

EPCOR NATURAL GAS LIMITED PARTNERSHIP
ACCOUNTING ORDER
REGULATORY ASSET DEFERRAL ACCOUNT (“RADA”)

The purpose of the RADA is to record costs associated with the deferred recovery of upstream charges paid to Union Gas for the transportation of gas to the Southern Bruce distribution system, storage charges and deferred recovery of costs due to the CIAC paid to Union for the Owen Sound Transmission Reinforcement and the Dornoch Meter and Regulator Station.

Deferred recovery of upstream charges paid to Union will be calculated by taking the difference between the monthly upstream charges incurred by EPCOR as a result of its contract with Union and a market based storage provider less the value of monthly upstream charges collected by EPCOR.

The amount to be recorded in the deferral account associated with the CIAC will be calculated as the difference between 1) the allowed return and recovery of the CIAC regulatory asset, and 2) the amount collected by EPCOR as set out in the proposed rate schedule.

In order to ensure that EPCOR retains the risk of customer conversions as established in the Board’s Southern Bruce Expansion Decision, the calculation of the value of monthly upstream charges collected, and CIAC recovered by EPCOR, will be based on the customer count as committed in its CIP rather than actual customer count.

EPCOR’s calculation of the balance of the proposed RADA account indicate that it will reach its maximum balance in 2024. EPCOR proposes to start disposing of the balance of this account in that year. The balance would be collected over the remaining life of the 30-year upstream transportation contract with Union, or 25 years.

Simple interest is to be calculated on the opening monthly balance of this account using the Board approved interest rate for long term debt. EPCOR is proposing to use the Board approved interest rate for long term debt as the balance of this deferral account will be financed over a 30 year period. EPCOR is requesting that the balance of this account, together with carrying charges, will be disposed of as proposed above.

Accounting Entries

- i. To record the cost for participating in generic proceedings and Union Gas proceedings, including a main rates case.

Debit/Credit	RADA	(Account No. 179.19)
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Credit/Debit:	Various accounts	(Account ____. ____.)
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- ii. Interest accrual:

Debit/Credit	Interest on RADA	(Account No.179.20)
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Credit/Debit	Other Interest Expense	(Account No. 323)
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To record simple interest on the opening monthly balance of the RADA using the Board approved interest rate for long term debt.

EPCOR NATURAL GAS LIMITED PARTNERSHIP

ACCOUNTING ORDER

Contribution in Aid of Construction Variance Account (“CIACVA”)

The purpose of the CIACVA is to record the difference in capital contribution that EPCOR may pay to Enbridge related to Enbridge’s Owen Sound Transmission Reinforcement and the Dornoch Meter and Regulator Station. At this time Enbridge has provided a contribution value of \$2.363 million for the Owen Sound Transmission Reinforcement and \$2.935 million for the Dornoch Meter and Regulator Station. As detailed in Table 2-8, these values have been included in EPCOR’s capital budget and form part of the utility’s rate base. The costs associated with this capital are recovered through the Upstream Recovery Charge included in the proposed rates. (See Exhibit 8 for further details.) These values are subject to change and any change will have a direct impact on the value of the capital EPCOR proposes to recover through the Upstream Recovery Charge. At this time it is not certain whether final values will be known in advance of a decision on this Application.

The balance of this account would be calculated by taking the difference between the current values provided by Enbridge and the final values. Simple interest is to be calculated on the opening monthly balance of this account using the Board approved EB-2006-0117 interest rate methodology. The intent is to apply to the Board to dispose of this account by applying the balance, together with carrying charges, by capitalizing it and recovering the resulting charges through the Upstream Recovery Charge.

Accounting Entries

- iii. To record the cost for participating in generic proceedings and Union Gas proceedings, including a main rates case.

Debit/Credit	CIACVA	(Account No. 179.74)
Credit/Debit:	Various accounts	(Account __. __)

- iv. Interest accrual:

Debit/Credit	Interest on CIACA	(Account No.179.75)
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Credit/Debit Other Interest Expense (Account No. 323)

To record simple interest on the opening monthly balance of the CIACVA using the Board approved EB-2006-0117 interest rate methodology.

EPCOR NATURAL GAS LIMITED PARTNERSHIP

ACCOUNTING ORDER

External Funding Variance Account (“EFVA”)

1. The purpose of the EFVA is to record the difference in timing and quantum of external funding available to the project versus EPCOR’s current forecast. As detailed in Exhibit 2, EPCOR is expecting \$22.0 million in funding as detailed in Schedule 1 of the Ontario Regulation 24/19 *Expansion of Natural Gas Distribution Systems*. At this time it is expected that EPCOR will receive this funding starting in December, 2019 and a payment will be made in each subsequent quarter until December 2020. However, the final timing as to when EPCOR will receive this funding, as well as the quantum of each payment, has not been confirmed. This account would record the NPV of the carrying cost (whether positive or negative) in the difference between when EPCOR has forecast it will receive the funds and when funds are actually received.
2. EPCOR would expect to file for disposition of this account in the annual IR application immediately following receipt of the final payment. Simple interest is to be calculated on the opening monthly balance of this account using the Board approved EB-2006-0117 interest rate methodology.

Accounting Entries

- v. To record the cost for participating in generic proceedings and Union Gas proceedings, including a main rates case.

Debit/Credit	EFVA	(Account No. 179.76)
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Credit/Debit:	Various accounts	(Account __. __)
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- vi. Interest accrual:

Debit/Credit	Interest on EFVA	(Account No.179.77)
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Credit/Debit	Other Interest Expense	(Account No. 323)
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To record simple interest on the opening monthly balance of the EFVA using the Board approved EB-2006-0117 interest rate methodology.