



Ontario
Energy
Board | Commission
de l'énergie
de l'Ontario

DECISION AND RATE ORDER

EB-2019-0105

ENBRIDGE GAS INC.

Application for the disposition of amounts recorded in certain deferral and variance accounts and approval of the earnings sharing amount

BEFORE: Cathy Spoel
Presiding Member

Michael Janigan
Member

February 6, 2020

1 INTRODUCTION AND SUMMARY

Effective January 1, 2019, the former Enbridge Gas Distribution Inc. (EGD) and the former Union Gas Limited (Union) amalgamated to become Enbridge Gas Inc. (Enbridge Gas). Enbridge Gas operates four rate zones: EGD, Union South, Union North West and Union North East.¹

Enbridge Gas filed an application dated July 17, 2019 (updated November 8, 2019) with the Ontario Energy Board (OEB) under section 36 of the *Ontario Energy Board Act*, S.O. 1998, c.15, (Schedule B) for an order approving the disposition of balances in certain deferral and variance accounts.² The application includes a request for approval to share earnings with the EGD rate zone ratepayers in accordance with EGD's 2014-2018 Custom Incentive Rate-setting Plan Framework³ (Custom IR Framework). For the Union rate zones, Enbridge Gas indicated that its 2018 actual utility earnings did not exceed the threshold established in Union's 2014-2018 Incentive Regulation proceeding⁴ and therefore there is no sharing of earnings with ratepayers in the Union rate zones.

In Procedural Order No. 1, dated August 30, 2019, the OEB scheduled a settlement conference with the objective of reaching a settlement among the parties on all of the issues in the proceeding. The settlement conference was held on November 13, 14 and 15, 2019.

Enbridge Gas filed a settlement proposal on December 10, 2019, which reflects settlement on all the issues in the proceeding. On December 12, 2019, Enbridge Gas filed a draft rate order, which includes the proposed unit rates associated with the clearance of the deferral account balances (including the earnings sharing mechanism deferral account) and the bill impacts resulting from the settlement proposal.

Based on the settlement proposal, the deferral account balances total to a \$33.0 million credit to be disposed to the EGD rate zone ratepayers (including interest)⁵ and \$37.7 million credit to be disposed to ratepayers in the Union rate zones (including interest).⁶

¹ The Union South, Union North West and Union North East rate zones are collectively referred to as the Union rate zones.

² For simplicity, deferral and variance accounts are referred to as "deferral accounts" for the remainder of this Decision.

³ EB-2012-0459.

⁴ EB-2013-0202.

⁵ EB-2019-0105, Settlement Proposal, December 10, 2019, Appendix A.

⁶ EB-2019-0105, Settlement Proposal, December 10, 2019, Appendix B.

Enbridge proposed to dispose of the deferral account balances for the EGD rate zone ratepayers in a single billing adjustment in April 2020. For ratepayers in the Union rate zones, Enbridge Gas proposed to dispose of the deferral account balances prospectively over six months starting April 1, 2020 for residential and general service rate classes and as a one-time billing adjustment for in-franchise contract and ex-franchise rate classes in April 2020.

The OEB approves the settlement proposal filed on December 10, 2019 attached as Appendix E to this Decision and Rate Order.

As a result of this Decision and Rate Order, the bill impact for a typical residential customer in the EGD rate zone is a one-time credit of \$11.40 in April 2020.

The bill impacts for a typical residential customer in the Union rate zones over the 6-month period, April 1, 2020 to September 30, 2020, are as follows:

Union South - \$0.55 debit
Union North West - \$60.23 credit
Union North East - \$22.40 credit

2 THE PROCESS

The OEB issued a Notice of Application on August 9, 2019. Enbridge Gas served the Notice of Application as directed by the OEB. The OEB granted the following parties intervenor status:

- Building Owners and Managers Association Toronto (BOMA)
- Canadian Manufacturers & Exporters (CME)
- City of Kitchener
- Consumers Council of Canada (CCC)
- Energy Probe Research Foundation (Energy Probe)
- Federation of Rental-housing Providers of Ontario (FRPO)
- Industrial Gas Users Association (IGUA)
- London Property Management Association (LPMA)
- Ontario Greenhouse Vegetable Growers (OGVG)
- School Energy Coalition (SEC)
- Six Nations Natural Gas Company Limited (SNNG)
- TransCanada PipeLines Limited (TCPL)
- Vulnerable Energy Consumers Coalition (VECC)

A settlement conference was held on November 13, 14 and 15, 2019.

On December 10, 2019, Enbridge Gas filed the settlement proposal resulting from the settlement conference, which reflects a full settlement on all the issues in the proceeding. Enbridge Gas attached the deferral account balances in the settlement proposal as Appendix A for the EGD rate zone and Appendix B for the Union rate zones. Enbridge Gas also provided, on December 12, 2019, the proposed unit rates associated with the clearance of the deferral and variance account balances (the draft rate order).

OEB staff participated in the settlement conference. OEB staff also filed a submission that supported the settlement proposal and the draft rate order.

3 DECISION

3.1 Settlement Proposal

Background

As indicated above, Enbridge Gas and the intervenors reached a full settlement on all the issues in the proceeding.

The table below shows the account balances sought for disposition for the EGD rate zone. In accordance with the settlement proposal, the net balance in the various deferral and variance accounts is a credit of \$33.0 million (including interest to April 1, 2020). This includes an earning sharing amount credit of \$29.8 million (including interest to April 1, 2020).

EGD RATE ZONE DEFERRAL AND VARIANCE ACCOUNTS		
COMMODITY RELATED ACCOUNTS		
Account Acronym	Account Name	Balance (\$000's)
2018 S&TDA	Storage and Transportation Deferral Account	1,906.3
2018 TSDA	Transactional Services Deferral Account	(1,341.4)
2018 UAFVA	Unaccounted for Gas Variance Account	5,762.8
	Total Commodity Related Accounts	6,327.7
NON-COMMODITY RELATED ACCOUNTS		
2018 AUTUVA	Average Use True-Up Variance Account	(19,312.1)
2018 PTUVA	Post-Retirement True-Up Variance Account	264.1
2018 GDARIDA	Gas Distribution Access Rule Impact Deferral Account	120.2
2018 DRA	Deferred Rebate Account	996.4
2019 TIACDA	Transition Impact of Accounting Changes Deferral Account	4,435.8
2013-2018 CCCISRSDA	Customer Care CIS Rate Smoothing Deferral Account (all years)	190.5
2018 EPESDA	Electric Program Earnings Sharing Deferral Account	(1,204.0)
2018 OEBCAVA	OEB Cost Assessment Variance Account	2,806.7
2018 DACDA	Dawn Access Costs Deferral Account	1,206.1
2018 P&OPEBFAVACPDVA	Pension and OPEB Forecast Accrual Vs. Actual Cash Payment Differential Variance Account	(1.0)
2018 MGPDA	Manufactured Gas Plant Deferral Account	971.7
2018 ESMDA	Earnings Sharing Mechanism Deferral Account	(29,838.6)
	Total Non-Commodity Related Accounts	(39,364.2)
	TOTAL DEFERRAL ACCOUNT BALANCES	(33,036.5)

The table below shows the account balances sought for disposition for the Union rate zones. In accordance with the settlement proposal, the net balance in the various deferral and variance accounts is a credit of \$37.7 million (including interest to April 1, 2020). Enbridge Gas indicated that its 2018 actual utility earnings for the Union rate

zones did not exceed the threshold established in Union's 2014-2018 Incentive Regulation proceeding⁷ and therefore there is no sharing of earnings with ratepayers in the Union rate zones.⁸

UNION RATE ZONES DEFERRAL AND VARIANCE ACCOUNTS		
GAS SUPPLY ACCOUNTS		
Account #	Account Name	Balance (\$000's)
179-107	Spot Gas Variance Account	-
179-108	Unabsorbed Demand Cost Variance Account	(10,085)
179-131	Upstream Transportation Optimization	10,558
179-132	Deferral Clearance Variance Account - Supply	(419)
179-132	Deferral Clearance Variance Account - Transport	(274)
	Total Gas Supply Accounts	(220)
STORAGE ACCOUNT		
179-170	Short-Term Storage and Other Balancing Services	1,452
OTHER ACCOUNTS		
179-103	Unbundled Services Unauthorized Storage Overrun	-
179-112	Gas Distribution Access Rule Costs	-
179-120	IFRS Conversion Costs	-
179-123	Conservation Demand Management	(1,091)
179-132	Deferral Clearance Variance Account - Delivery	(1,111)
179-133	Normalized Average Consumption	(21,092)
179-134	Tax Variance	(427)
179-135	Unaccounted for Gas Volume Variance Account	1,792
179-136	Parkway West Project Costs	(11)
179-137	Brantford-Kirkwall/Parkway D Project Costs	(857)
179-138	Parkway Obligation Rate Variance	294
179-141	Unaccounted for Gas Price Variance Account	2,102
179-142	Lobo C Compressor/Hamilton-Milton Pipeline Project Costs	(6,044)
179-143	Unauthorized Overrun Non-Compliance Account	(5)
179-144	Lobo D/Bright C/Dawn H Compressor Project Costs	(7,488)
179-149	Burlington-Oakville Project Costs	(3,480)
179-151	OEB Cost Assessment Variance Account	1,249
179-153	Base Service North T-Service TransCanada Capacity	-
179-156	Panhandle Reinforcement Project Costs	(2,413)
179-157	Pension and OPEB Forecast Accrual vs Actual Cash Payment Differential Variance Account	(327)
	Total Storage & Other Accounts	(38,909)
	TOTAL DEFERRAL ACCOUNT BALANCES	(37,677)

The settlement proposal also includes settlement of the method for allocating and disposing of the deferral account balances.

⁷ EB-2013-0202.

⁸ EB-2019-0105, Settlement Proposal, December 10, 2019, p. 16.

OEB staff submitted that the settlement proposal appropriately reflects legacy EGD's 2014-2018 Custom IR Framework⁹, Union's 2014-2018 Incentive Regulation framework¹⁰, other relevant decisions and applicable policies of the OEB. OEB staff submitted that the OEB's approval of the settlement proposal is in the public interest.¹¹

Enbridge Gas filed a draft rate order that included rates for disposition of the deferral account balances. OEB staff submitted that the unit rates in the draft rate order associated with the clearance of the deferral account balances, which are used to determine the billing adjustments beginning in April 2020 are in accordance with the settlement proposal.¹²

Findings

The OEB approves the settlement proposal as filed. The OEB finds that the settlement proposal is in the public interest and the acceptance of the proposal results in just and reasonable rates.

The OEB finds Enbridge Gas' deferral account balances (including the applicable interest to April 1, 2020), as set out in columns 3 and 4 of Appendix A for the EGD rate zone and in the column labeled 'Total' of Appendix B for the Union rate zones to the settlement proposal, are appropriate for recovery and approves disposition on a final basis.

The OEB notes, in accordance with the settlement proposal, Enbridge Gas filed certain information with respect to a Request for Proposal process for market-based storage capacity as an updated response to a FRPO interrogatory. For some of the information filed, Enbridge Gas requested confidential treatment in accordance with the *Practice Direction on Confidential Filings*.¹³ The OEB approves the confidential treatment of the noted information as the OEB finds the information to be commercially sensitive.

The OEB also approves of the closure of the EGD rate zone's Manufactured Gas Plant Deferral Account as set out in the settlement proposal.¹⁴

⁹ EB-2012-0459.

¹⁰ EB-2013-0202.

¹¹ EB-2019-0105, OEB Staff Submission, p.1.

¹² EB-2019-0105, OEB Staff Submission, p.14.

¹³ EB-2019-0105, Settlement Proposal, December 10, p. 9. The confidential information is found in Enbridge's updated response to FRPO Interrogatory #3 and in a separate attachment to Enbridge's updated response to FRPO Interrogatory #3 that was filed on December 10, 2019.

¹⁴ EB-2019-0105, Settlement Proposal, December 10, 2019, p. 13.

The OEB notes that the balance in the Union rate zones' 2017 Lobo D/ Bright C/ Dawn H Compressor Project Costs Account and associated unit rates were approved on an interim basis as part of the 2017 Deferrals proceeding.¹⁵ The OEB approves the disposition of the 2017 and 2018 Lobo D/ Bright C/ Dawn H Compressor Project Costs Account on a final basis as per the settlement proposal.¹⁶

The OEB also approves the draft rate order as filed. The OEB finds that the draft rate order accurately reflects the settlement proposal and properly includes the balances in the deferral accounts for which the OEB granted approval as part of this Decision and Rate Order.

The OEB also finds that the unit rates associated with the clearance of the deferral account balances are calculated appropriately. Specifically, the OEB approves the disposition of the deferral account balances for the EGD rate zone through a one-time billing adjustment in April 2020. The OEB also approves, for the Union rate zones, a six-month temporary rate adjustment for residential and general service customer rate classes starting in April 1, 2020 and a one-time billing adjustment for in-franchise contract and ex-franchise rate classes in April 2020.

The OEB is making provision for a cost award process for intervenors. The OEB will issue a cost award decision after the steps set out in the Order are complete.

¹⁵ EB-2018-0105.

¹⁶ EB-2019-0105, Settlement Proposal, December 10, 2019, p. 23.

4 ORDER

THE ONTARIO ENERGY BOARD ORDERS THAT:

1. The cumulative deferral account balance of a \$33.0 million credit (including interest to April 1, 2020) for the EGD rate zone, as set out in columns 3 and 4 of Appendix A, is approved for disposition to customers.
2. The cumulative deferral account balance of a \$37.7 million credit (including interest to April 1, 2020) for the Union rate zones, as set out in the column labeled 'Total' of Appendix B, is approved for disposition to customers.
3. The unit rates set out in Appendix C associated with the clearance of the deferral account balances are approved for use in determining the one-time billing adjustment that will be applied in April 2020 for the EGD rate zone. Enbridge Gas shall implement this billing adjustment in connection with its April 1, 2020 QRAM application.
4. For residential and general service customer rate classes in the Union rate zones, Enbridge Gas shall dispose the net total balance in the accounts prospectively over six months through a temporary rate adjustment starting April 1, 2020. For in-franchise contract and ex-franchise rate classes, Enbridge Gas shall apply the unit rates as a one-time adjustment in April 2020 bills. These unit rates are set out in Appendix D. Enbridge Gas shall implement this billing adjustment in connection with its April 1, 2020 QRAM application.
5. Intervenors eligible for cost awards shall file their cost claims with the OEB, and forward to Enbridge Gas by **February 20, 2020**. Cost claims must be prepared in accordance with the OEB's *Practice Direction on Cost Awards*.
6. Enbridge Gas shall file with the OEB, and forward to intervenors, any objections to the claimed costs by **February 27, 2020**.
7. Intervenors shall file with the OEB, and forward to Enbridge, any responses to any objections for cost claims by **March 5, 2020**.
8. Enbridge Gas shall pay the OEB's costs incidental to this proceeding upon receipt of the OEB's invoice.

All materials filed with the OEB must quote the file number, **EB-2019-0105** and be made electronically in searchable/unrestricted PDF format through the OEB's web portal at <https://www.pes.ontarioenergyboard.ca/eservice/>. Two paper copies must also be filed. Filings must clearly state the sender's name, postal address and telephone number, fax number and e-mail address. Parties must use the document naming conventions and document submission standards outlined in the RESS Document Guideline found at <https://www.oeb.ca/industry>. If the web portal is not available, parties may email their documents to the address below.

All communications should be directed to the attention of the Board Secretary at the address below, and be received no later than 4:45 p.m. on the required date. With respect to distribution lists for all electronic correspondence and materials related to this proceeding, parties must include the Case Manager, Arturo Lau at Arturo.Lau@oeb.ca and OEB Counsel, Michael Millar at Michael.Millar@oeb.ca.

ADDRESS

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P.O. Box 2319
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Fax: 416-440-7656

DATED at Toronto February 6, 2020

ONTARIO ENERGY BOARD

Original Signed By

Christine E. Long
Registrar and Board Secretary

APPENDIX A
DECISION AND RATE ORDER
ENBRIDGE GAS INC.
EB-2019-0105
FEBRUARY 6, 2020
DEFERRAL ACCOUNT BALANCES - EGD RATE ZONE

APPENDIX A

EGD RATE ZONE
 DEFERRAL & VARIANCE ACCOUNT
ACTUAL & FORECAST BALANCES

Line No.	Account Description Account Acronym	Col. 1		Col. 2		Col. 3		Col. 4	
		Actual at April 30, 2019		Forecast for clearance at April 1, 2020					
		Principal (\$000's)	Interest (\$000's)	Principal (\$000's)	Interest (\$000's)	Principal (\$000's)	Interest (\$000's)	Principal (\$000's)	Interest (\$000's)
<u>Commodity Related Accounts</u>									
1.	Storage and Transportation D/A	2018 S&TDA	1,787.7	83.4	1,787.7	118.6			
2.	Transactional Services D/A	2018 TSDA	(1,304.7)	(10.3)	(1,304.7)	(36.7)			
3.	Unaccounted for Gas V/A	2018 UAFVA	5,616.0	34.6	5,616.0	146.8			
4.	Total commodity related accounts		6,099.0	107.7	6,099.0	228.7			
<u>Non Commodity Related Accounts</u>									
5.	Average Use True-Up V/A	2018 AUTUVA	(18,787.8)	(149.2)	(18,787.8)	(524.3)			
6.	Post-Retirement True-Up V/A	2018 PTUVA	256.6	2.0	256.6	7.5			
7.	Gas Distribution Access Rule Impact D/A	2018 GDARIDA	117.1	0.9	117.1	3.1			
8.	Deferred Rebate Account	2018 DRA	981.7	(5.1)	981.7	14.7			
9.	Transition Impact of Accounting Changes D/A	2019 TIACDA	62,101.2	-	4,435.8	-			
10.	Customer Care CIS Rate Smoothing D/A	2018 CCCISRSDA	(4,901.6)	(57.2)	(4,901.6)	(123.2)			
11.	Customer Care CIS Rate Smoothing D/A	2017 CCCISRSDA	(2,785.3)	(13.6)	(2,785.3)	(51.0)			
12.	Customer Care CIS Rate Smoothing D/A	2016 CCCISRSDA	(779.9)	(3.8)	(779.9)	(14.8)			
13.	Customer Care CIS Rate Smoothing D/A	2015 CCCISRSDA	1,124.2	5.5	1,124.2	20.9			
14.	Customer Care CIS Rate Smoothing D/A	2014 CCCISRSDA	2,927.0	14.3	2,927.0	53.9			
15.	Customer Care CIS Rate Smoothing D/A	2013 CCCISRSDA	4,634.9	22.7	4,634.9	85.4			
16.	Electric Program Earnings Sharing D/A	2018 EPESDA	(1,210.1)	(13.2)	(1,167.0)	(37.0)			
17.	OEB Cost Assessment V/A	2018 OEBCAVA	2,702.3	50.5	2,702.3	104.4			
18.	Dawn Access Costs D/A	2018 DACDA	1,173.7	9.3	1,173.7	32.4			
19.	Pension and OPEB Forecast Accrual Vs. Actual Cash Payment Differential V/A	2018 P&OPEBFAVACPDVA	-	(2.2)	-	(1.0)			
20.	Manufactured Gas Plant D/A	2018 MGPDA	888.0	66.1	888.0	83.7			
21.	Earnings Sharing Mechanism Deferral Account	2018 ESMDA	(27,350.0)	(217.2)	(29,050.0)	(788.6)			
22.	Total non commodity Related Accounts		21,092.0	(290.2)	(38,230.3)	(1,133.9)			
23.	Total Deferral and Variance Accounts		27,191.0	(182.5)	(32,131.3)	(905.2)			

APPENDIX B
DECISION AND RATE ORDER
ENBRIDGE GAS INC.
EB-2019-0105
FEBRUARY 6, 2020
DEFERRAL ACCOUNT BALANCES - UNION RATE ZONES

APPENDIX B

UNION RATE ZONES
 DEFERRAL & VARIANCE ACCOUNT
FORECAST FOR CLEARANCE AT APRIL 1, 2020

Line No.	Account Number	Account Name	Balance (\$000's)	Interest (\$000's)	Total (\$000's)
<u>Gas Supply Accounts:</u>					
1	179-107	Spot Gas Variance Account	-	-	-
2	179-108	Unabsorbed Demand Costs (UDC) Variance Account	(9,712)	(373)	(10,085)
3	179-131	Upstream Transportation Optimization	10,273	286	10,558
4	179-132	Deferral Clearing Variance Account - Supply	(403)	(16)	(419) ²
5	179-132	Deferral Clearing Variance Account - Transport	(264)	(10)	(274) ²
6	Total Gas Supply Accounts (Lines 1 through 5)		(107)	(113)	(220)
<u>Storage Accounts:</u>					
7	179-70	Short-Term Storage and Other Balancing Services	1,413	39	1,452
<u>Other:</u>					
8	179-103	Unbundled Services Unauthorized Storage Overrun	-	-	-
9	179-112	Gas Distribution Access Rule (GDAR) Costs	-	-	-
10	179-120	IFRS Conversion Cost	-	-	-
11	179-123	Conservation Demand Management (CDM)	(1,054)	(37)	(1,091)
12	179-132	Deferral Clearing Variance Account	(1,069)	(42)	(1,111) ²
13	179-133	Normalized Average Consumption	(20,322)	(770)	(21,092)
14	179-134	Tax Variance	(413)	(14)	(427)
15	179-135	Unaccounted for Gas (UFG) Volume Variance Account	1,733	59	1,792
16	179-136	Parkway West Project Costs	(20)	9	(11)
17	179-137	Brantford-Kirkwall/Parkway D Project Costs	(824)	(33)	(857)
18	179-138	Parkway Obligation Rate Variance	288	6	294
19	179-141	Unaccounted for Gas (UFG) Price Variance Account	2,028	74	2,102
20	179-142	Lobo C Compressor/Hamilton-Milton Pipeline Project Costs	(5,836)	(208)	(6,044)
21	179-143	Unauthorized Overrun Non-Compliance Account	(5)	-	(5)
22	179-144	Lobo D/Bright C/Dawn H Compressor Project Costs	(7,236)	(252)	(7,488)
23	179-149	Burlington-Oakville Project Costs	(3,361)	(119)	(3,480)
24	179-151	OEB Cost Assessment Variance Account	1,203	46	1,249
25	179-153	Base Service North T-Service TransCanada Capacity	-	-	-
26	179-156	Panhandle Reinforcement Project Costs	(2,341)	(72)	(2,413)
27	179-157	Pension and OPEB Forecast Accrual vs Actual Cash Payment Differential Variance Account	-	(327)	(327) ¹
28	Total Other Accounts (Lines 8 through 27)		(37,230)	(1,680)	(38,909)
29	Total Deferral Account Balances (Lines 6 + 7 + 28)		(35,924)	(1,754)	(37,677)

Notes:

(1) Interest on the Pension & OPEB Forecast Accrual vs Actual Cash Payment Differential Variance Account is as of December 31st, 2018, as interest for this account is calculated on the cumulative account balance.

(2) Deferral Clearing Variance Account (No. 179-132) total credit balance of \$1,804 (\$419 + \$274 + \$1,111).

APPENDIX C

DECISION AND RATE ORDER

ENBRIDGE GAS INC.

EB-2019-0105

FEBRUARY 6, 2020

**UNIT RATES FOR CLEARANCE OF DEFERRAL ACCOUNT
BALANCES - EGD RATE ZONE**

UNIT RATE AND TYPE OF SERVICE: CLEARING IN APRIL 2020

COL.1

	<u>Unit Rate</u>
	(¢/m ³)
<u>Bundled Services:</u>	
RATE 1	
- SYSTEM SALES	(0.4764)
- BUY/SELL	0.0000
- ONTARIO T-SERVICE	(0.4631)
- DAWN T-SERVICE	(0.4631)
- WESTERN T-SERVICE	(0.4764)
RATE 6	
- SYSTEM SALES	(0.1482)
- BUY/SELL	0.0000
- ONTARIO T-SERVICE	(0.1349)
- DAWN T-SERVICE	(0.1349)
- WESTERN T-SERVICE	(0.1482)
RATE 9	
- SYSTEM SALES	0.0427
- BUY/SELL	0.0000
- ONTARIO T-SERVICE	0.0000
- DAWN T-SERVICE	0.0000
- WESTERN T-SERVICE	0.0000
RATE 100	
- SYSTEM SALES	(0.0614)
- BUY/SELL	0.0000
- ONTARIO T-SERVICE	0.0000
- DAWN T-SERVICE	(0.0480)
- WESTERN T-SERVICE	(0.0614)
RATE 110	
- SYSTEM SALES	0.0203
- BUY/SELL	0.0000
- ONTARIO T-SERVICE	0.0337
- DAWN T-SERVICE	0.0337
- WESTERN T-SERVICE	0.0203
RATE 115	
- SYSTEM SALES	0.0322
- BUY/SELL	0.0000
- ONTARIO T-SERVICE	0.0456
- DAWN T-SERVICE	0.0456
- WESTERN T-SERVICE	0.0322
RATE 135	
- SYSTEM SALES	0.0315
- BUY/SELL	0.0000
- ONTARIO T-SERVICE	0.0448
- DAWN T-SERVICE	0.0448
- WESTERN T-SERVICE	0.0315
RATE 145	
- SYSTEM SALES	0.0045
- BUY/SELL	0.0000
- ONTARIO T-SERVICE	0.0179
- DAWN T-SERVICE	0.0179
- WESTERN T-SERVICE	0.0045
RATE 170	
- SYSTEM SALES	0.0417
- BUY/SELL	0.0000
- ONTARIO T-SERVICE	0.0550
- DAWN T-SERVICE	0.0550
- WESTERN T-SERVICE	0.0417
RATE 200	
- SYSTEM SALES	0.0304
- BUY/SELL	0.0000
- ONTARIO T-SERVICE	0.0438
- DAWN T-SERVICE	0.0438
- WESTERN T-SERVICE	0.0304
<u>Unbundled Services (Billing based on CD):</u>	
RATE 125	
- All	(2.3490)
RATE 300	
- All	(11.0958)
RATE 332	
- All	(2.2992)

**DETERMINATION OF BALANCES TO BE CLEARED
 FROM THE 2018 DEFERRAL AND VARIANCE ACCOUNTS**

ITEM NO.		COL. 1 PRINCIPAL For CLEARING (\$000)	COL. 2 INTEREST (\$000)	COL. 3 TOTAL For CLEARING (\$000)
1.	TRANSACTIONAL SERVICES D/A	(1,304.7)	(36.7)	(1,341.4)
2.	UNACCOUNTED FOR GAS V/A	5,616.0	146.8	5,762.8
3.	STORAGE AND TRANSPORTATION D/A	1,787.7	118.6	1,906.3
4.	DEFERRED REBATE ACCOUNT	981.7	14.7	996.4
5.	OEB COST ASSESSMENT VARIANCE ACCOUNT	2,702.3	104.4	2,806.7
6.	GAS DISTRIBUTION ACCESS RULE D/A 2018	117.1	3.1	120.2
7.	MANUFACTURED GAS PLANT	888.0	83.7	971.7
8.	PENSION & OPEB FORECAST ACCRUAL Vs. ACTUAL CASH PYMP DIFF. V/A		(1.0)	(1.0)
9.	AVERAGE USE TRUE-UP V/A	(18,787.8)	(524.3)	(19,312.1)
10.	POST-RETIREMENT TRUE-UP V/A	256.6	7.5	264.1
11.	2018 CUSTOMER CARE CIS RATE SMOOTHING D/A	(4,901.6)	(123.2)	(5,024.8)
12.	2017 CUSTOMER CARE CIS RATE SMOOTHING D/A	(2,785.3)	(51.0)	(2,836.3)
13.	2016 CUSTOMER CARE CIS RATE SMOOTHING D/A	(779.9)	(14.8)	(794.7)
14.	2015 CUSTOMER CARE CIS RATE SMOOTHING D/A	1,124.2	20.9	1,145.1
15.	2014 CUSTOMER CARE CIS RATE SMOOTHING D/A	2,927.0	53.9	2,980.9
16.	2013 CUSTOMER CARE CIS RATE SMOOTHING D/A	4,634.9	85.4	4,720.3
17.	ELECTRIC PROGRAM EARNINGS SHARING D/A	(1,167.0)	(37.0)	(1,204.0)
18.	TRANSITION IMPACT OF ACCT CHANGE D/A	4,435.8	-	4,435.8
19.	DAWN ACCESS COSTS D/A	1,173.7	32.4	1,206.1
20.	EARNINGS SHARING MECHANISM	(29,050.0)	(788.6)	(29,838.6)
	TOTAL	<u>(32,131.3)</u>	<u>(905.2)</u>	<u>(33,036.5)</u>

Classification and Allocation of Deferral and Variance Account Balances

ITEM NO.	COL. 1	COL. 2	COL. 3	COL. 4	COL. 5	COL. 6	COL. 7	COL. 8	COL. 9	COL. 10	COL. 11
	TOTAL (\$000)	SALES AND WBT (\$000)	TOTAL SALES (\$000)	TOTAL DELIVERIES (\$000)	SPACE (\$000)	DELIVE- RABILITY (\$000)	DISTRIBUTION REV REQ (DRR) (\$000)	DIRECT (\$000)	NUMBER OF CUSTOMERS (\$000)	RATE BASE (\$000)	BUNDLED ANNUAL DELIVERIES (\$000)
CLASSIFICATION											
1. TRANSACTIONAL SERVICES D/A	(1,341.4)	(1,242.8)			(33.6)	(65.1)					
2. UNACCOUNTED FOR GAS V/A	5,762.8			5,762.8							
3. STORAGE AND TRANSPORTATION D/A	1,906.3				649.0	1,257.3					
4. DEFERRED REBATE ACCOUNT	996.4			996.4							
5. OEB COST ASSESSMENT VARIANCE ACCOUNT	2,806.7									2,806.7	
6. GAS DISTRIBUTION ACCESS RULE D/A 2018	120.2								120.2		
7. PENSION & OPEB FORECAST ACCRUAL Vs. ACTUAL CASH PYMP DIFF. V/A	(1.0)									(1.0)	
8. MANUFACTURED GAS PLANT	971.7									971.7	
9. AVERAGE USE TRUE-UP V/A	(19,312.1)							(19,312.1)			
10. POST-RETIREMENT TRUE-UP V/A	264.1									264.1	
11. 2018 CUSTOMER CARE CIS RATE SMOOTHING D/A	(5,024.8)								(5,024.8)		
12. 2017 CUSTOMER CARE CIS RATE SMOOTHING D/A	(2,836.3)								(2,836.3)		
13. 2016 CUSTOMER CARE CIS RATE SMOOTHING D/A	(794.7)								(794.7)		
14. 2015 CUSTOMER CARE CIS RATE SMOOTHING D/A	1,145.1								1,145.1		
15. 2014 CUSTOMER CARE CIS RATE SMOOTHING D/A	2,980.9								2,980.9		
16. 2013 CUSTOMER CARE CIS RATE SMOOTHING D/A	4,720.3								4,720.3		
17. GREEN HOUSE GAS EMISSIONS IMPACT D/A	0.0			0.0					0.0		
18. UNABSORBED DEMAND COST D/A	0.0					0.0					
19. ELECTRIC PROGRAM EARNINGS SHARING D/A	(1,204.0)									(1,204.0)	
20. TRANSITION IMPACT OF ACCT CHANGE D/A	4,435.8									4,435.8	
21. DAWN ACCESS COSTS D/A	1,206.1										1,206.1
22. CONSTANT DOLLAR NET SALVAGE ADJ. D/A	0.0										
23. EARNINGS SHARING MECHANISM	(29,838.6)									(29,838.6)	
TOTAL	(33,036.5)	(1,242.8)	0.0	6,759.2	615.4	1,192.3	0.0	(19,312.1)	310.7	(22,565.3)	1,206.1
ALLOCATION											
1.1 RATE 1	(25,220.2)	(694.5)	0.0	2,853.4	298.5	654.9	0.0	(14,315.5)	286.9	(14,802.6)	498.7
1.2 RATE 6	(7,624.5)	(498.6)	0.0	2,846.7	287.2	522.3	0.0	(4,996.6)	23.8	(6,316.2)	507.1
1.3 RATE 9	0.0	(0.0)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
1.4 RATE 100	(1.2)	(0.2)	0.0	1.1	0.2	0.2	0.0	0.0	0.0	(2.5)	0.0
1.5 RATE 110	265.4	(19.7)	0.0	455.7	14.7	2.8	0.0	0.0	0.0	(270.9)	82.8
1.6 RATE 115	227.7	(0.1)	0.0	269.1	0.0	1.1	0.0	0.0	0.0	(99.4)	57.0
1.7 RATE 125	(217.5)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	(217.5)	0.0
1.8 RATE 135	25.8	(2.3)	0.0	33.7	0.0	0.0	0.0	0.0	0.0	(12.4)	6.8
1.9 RATE 145	6.7	(1.0)	0.0	23.3	1.4	0.0	0.0	0.0	0.0	(22.3)	5.3
1.10 RATE 170	176.7	(3.9)	0.0	176.8	4.4	0.0	0.0	0.0	0.0	(31.2)	30.6
1.11 RATE 200	58.4	(22.3)	0.0	99.3	9.1	11.1	0.0	0.0	0.0	(56.5)	17.8
1.12 RATE 300	(1.7)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	(1.7)	0.0
1.13 RATE 332	(732.0)							0.0		(732.0)	
1.	(33,036.5)	(1,242.8)	0.0	6,759.2	615.4	1,192.3	0.0	(19,312.1)	310.7	(22,565.3)	1,206.1

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	COL. 11	
	TOTAL	SALES AND WBT	TOTAL SALES	TOTAL DELIVERIES	SPACE	DELIVE-RABILITY	DISTRIBUTION REV REQ (DRR)	DIRECT	NUMBER OF CUSTOMERS	RATE BASE	BUNDLED ANNUAL DELIVERIES	
	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	
<u>Bundled Services:</u>												
RATE 1	- SYSTEM SALES	(24,365.8)	(683.6)	0.0	2,755.3	288.2	632.4	0.0	(13,823.2)	277.0	(14,293.5)	481.6
	- BUY/SELL	-	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
	- T-SERVICE EXCL WBT	(145.4)			16.9	1.8	3.9	0.0	(84.9)	1.7	(87.7)	3.0
	- DAWN T-SERVICE	(319.1)			37.1	3.9	8.5	0.0	(186.2)	3.7	(192.6)	6.5
	- WBT	(389.9)	(10.9)		44.1	4.6	10.1	0.0	(221.2)	4.4	(228.7)	7.7
RATE 6	- SYSTEM SALES	(4,757.5)	(429.0)	0.0	1,729.2	174.4	317.2	0.0	(3,035.1)	14.4	(3,836.7)	308.0
	- BUY/SELL	-	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
	- T-SERVICE EXCL WBT	(405.2)			161.9	16.3	29.7	0.0	(284.1)	1.4	(359.1)	28.8
	- DAWN T-SERVICE	(1,689.7)			675.0	68.1	123.8	0.0	(1,184.8)	5.6	(1,497.7)	120.2
	- WBT	(772.2)	(69.6)		280.7	28.3	51.5	0.0	(492.6)	2.3	(622.7)	50.0
RATE 9	- SYSTEM SALES	0.0	(0.0)	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	0.0
	- T-SERVICE EXCL WBT	-			0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
	- DAWN T-SERVICE	-			0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
	- WBT	-	0.0		0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
RATE 100	- SYSTEM SALES	(0.9)	(0.2)	0.0	0.8	0.1	0.1	0.0	0.0	0.0	(1.8)	0.0
	- BUY/SELL	-	0.0	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	0.0
	- DAWN T-SERVICE	(0.3)			0.3	0.0	0.1	0.0	0.0	0.0	(0.7)	0.0
	- WBT	(0.0)	(0.0)		0.0	0.0	0.0	0.0	0.0	0.0	(0.0)	0.0
RATE 110	- SYSTEM SALES	11.5	(7.5)	0.0	30.4	1.0	0.2	0.0	0.0	0.0	(18.1)	5.5
	- BUY/SELL	-	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
	- T-SERVICE EXCL WBT	26.4			42.1	1.4	0.3	0.0	0.0	0.0	(25.0)	7.7
	- DAWN T-SERVICE	209.0			334.1	10.8	2.0	0.0	0.0	0.0	(198.6)	60.7
	- WBT	18.6	(12.2)		49.1	1.6	0.3	0.0	0.0	0.0	(29.2)	8.9
RATE 115	- SYSTEM SALES	0.1	(0.0)	0.0	0.2	0.0	0.0	0.0	0.0	0.0	(0.1)	0.0
	- BUY/SELL	-	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
	- T-SERVICE EXCL WBT	110.5			130.5	0.0	0.5	0.0	0.0	0.0	(48.2)	27.6
	- DAWN T-SERVICE	116.8			138.0	0.0	0.6	0.0	0.0	0.0	(51.0)	29.2
	- WBT	0.3	(0.1)		0.4	0.0	0.0	0.0	0.0	0.0	(0.2)	0.1
RATE 135	- SYSTEM SALES	0.6	(0.3)	0.0	1.1	0.0	0.0	0.0	0.0	0.0	(0.4)	0.2
	- BUY/SELL	-	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
	- T-SERVICE EXCL WBT	2.4			2.9	0.0	0.0	0.0	0.0	0.0	(1.1)	0.6
	- DAWN T-SERVICE	18.1			21.7	0.0	0.0	0.0	0.0	0.0	(8.0)	4.4
	- WBT	4.7	(2.0)		8.1	0.0	0.0	0.0	0.0	0.0	(3.0)	1.6
RATE 145	- SYSTEM SALES	0.3	(0.8)	0.0	3.3	0.2	0.0	0.0	0.0	0.0	(3.2)	0.7
	- BUY/SELL	-	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
	- T-SERVICE EXCL WBT	0.7			2.1	0.1	0.0	0.0	0.0	0.0	(2.0)	0.5
	- DAWN T-SERVICE	5.6			17.0	1.0	0.0	0.0	0.0	0.0	(16.2)	3.8
	- WBT	0.1	(0.2)		0.9	0.1	0.0	0.0	0.0	0.0	(0.8)	0.2
RATE 170	- SYSTEM SALES	11.9	(3.8)	0.0	15.4	0.4	0.0	0.0	0.0	0.0	(2.7)	2.7
	- BUY/SELL	-	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
	- T-SERVICE EXCL WBT	90.1			88.2	2.2	0.0	0.0	0.0	0.0	(15.6)	15.3
	- DAWN T-SERVICE	74.6			73.0	1.8	0.0	0.0	0.0	0.0	(12.9)	12.6
	- WBT	0.1	(0.0)		0.1	0.0	0.0	0.0	0.0	0.0	(0.0)	0.0
RATE 200	- SYSTEM SALES	42.6	(18.7)	0.0	75.4	6.9	8.4	0.0	0.0	(0.0)	(42.9)	13.5
	- BUY/SELL	-	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
	- T-SERVICE EXCL WBT	2.7			3.3	0.3	0.4	0.0	0.0	0.0	(1.9)	0.6
	- DAWN T-SERVICE	4.9			6.0	0.6	0.7	0.0	0.0	0.0	(3.4)	1.1
	- WBT	8.3	(3.6)		14.6	1.3	1.6	0.0	0.0	0.0	(8.3)	2.6
<u>Unbundled Services: (Billing based on CD)</u>												
RATE 125		(217.5)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	(217.5)	
RATE 300		(1.7)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	(1.7)	
RATE 332		(732.0)						0.0			(732.0)	
		(33,036.4)	(1,242.8)	0.0	6,759.2	615.4	1,192.3	0.0	(19,312.0)	310.7	(22,565.3)	1,206.1

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	
		SALES	TOTAL	TOTAL		DELIVE-	REV REQ		NUMBER OF	RATE	BUNDLED	
	TOTAL	AND WBT	SALES	DELIVERIES	SPACE	RABILITY	(DRR)	DIRECT	CUSTOMERS	BASE	ANNUAL	
	(¢/m³)	(¢/m³)	(¢/m³)	(¢/m³)	(¢/m³)	(¢/m³)	(¢/m³)	(¢/m³)	(¢/m³)	(¢/m³)	(¢/m³)	
Bundled Services:												
RATE 1	- SYSTEM SALES	(0.4764)	(0.0134)	0.0000	0.0539	0.0056	0.0124	0.0000	(0.2703)	0.0054	(0.2795)	0.0094
	- 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	(0.4631)	0.0000	0.0000	0.0539	0.0056	0.0124	0.0000	(0.2703)	0.0054	(0.2795)	0.0094
	- DAWN T-SERVICE	(0.4631)	0.0000	0.0000	0.0539	0.0056	0.0124	0.0000	(0.2703)	0.0054	(0.2795)	0.0094
	- WESTERN T-SERVICE	(0.4764)	(0.0134)	0.0000	0.0539	0.0056	0.0124	0.0000	(0.2703)	0.0054	(0.2795)	0.0094
RATE 6	- SYSTEM SALES	(0.1482)	(0.0134)	0.0000	0.0539	0.0054	0.0099	0.0000	(0.0946)	0.0005	(0.1195)	0.0096
	- 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	(0.1349)	0.0000	0.0000	0.0539	0.0054	0.0099	0.0000	(0.0946)	0.0005	(0.1195)	0.0096
	- DAWN T-SERVICE	(0.1349)	0.0000	0.0000	0.0539	0.0054	0.0099	0.0000	(0.0946)	0.0005	(0.1195)	0.0096
	- WESTERN T-SERVICE	(0.1482)	(0.0134)	0.0000	0.0539	0.0054	0.0099	0.0000	(0.0946)	0.0005	(0.1195)	0.0096
RATE 9	- SYSTEM SALES	0.0427	(0.0134)	0.0000	0.0539	0.0000	0.0000	0.0000	0.0000	0.0022	0.0000	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	0.0000	0.0000
	- DAWN T-SERVICE	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	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 100	- SYSTEM SALES	(0.0614)	(0.0134)	0.0000	0.0539	0.0077	0.0099	0.0000	0.0000	0.0000	(0.1195)	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	0.0000	0.0000
	- DAWN T-SERVICE	(0.0480)	0.0000	0.0000	0.0539	0.0077	0.0099	0.0000	0.0000	0.0000	(0.1195)	0.0000
	- WESTERN T-SERVICE	(0.0614)	(0.0134)	0.0000	0.0539	0.0077	0.0099	0.0000	0.0000	0.0000	(0.1195)	0.0000
RATE 110	- SYSTEM SALES	0.0203	(0.0134)	0.0000	0.0539	0.0017	0.0003	0.0000	0.0000	0.0000	(0.0320)	0.0098
	- 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	0.0337	0.0000	0.0000	0.0539	0.0017	0.0003	0.0000	0.0000	0.0000	(0.0320)	0.0098
	- DAWN T-SERVICE	0.0337	0.0000	0.0000	0.0539	0.0017	0.0003	0.0000	0.0000	0.0000	(0.0320)	0.0098
	- WESTERN T-SERVICE	0.0203	(0.0134)	0.0000	0.0539	0.0017	0.0003	0.0000	0.0000	0.0000	(0.0320)	0.0098
RATE 115	- SYSTEM SALES	0.0322	(0.0134)	0.0000	0.0539	0.0000	0.0002	0.0000	0.0000	0.0000	(0.0199)	0.0114
	- 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	0.0456	0.0000	0.0000	0.0539	0.0000	0.0002	0.0000	0.0000	0.0000	(0.0199)	0.0114
	- DAWN T-SERVICE	0.0456	0.0000	0.0000	0.0539	0.0000	0.0002	0.0000	0.0000	0.0000	(0.0199)	0.0114
	- WESTERN T-SERVICE	0.0322	(0.0134)	0.0000	0.0539	0.0000	0.0002	0.0000	0.0000	0.0000	(0.0199)	0.0114
RATE 135	- SYSTEM SALES	0.0315	(0.0134)	0.0000	0.0539	0.0000	0.0000	0.0000	0.0000	0.0000	(0.0199)	0.0108
	- 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	0.0448	0.0000	0.0000	0.0539	0.0000	0.0000	0.0000	0.0000	0.0000	(0.0199)	0.0108
	- DAWN T-SERVICE	0.0448	0.0000	0.0000	0.0539	0.0000	0.0000	0.0000	0.0000	0.0000	(0.0199)	0.0108
	- WESTERN T-SERVICE	0.0315	(0.0134)	0.0000	0.0539	0.0000	0.0000	0.0000	0.0000	0.0000	(0.0199)	0.0108
RATE 145	- SYSTEM SALES	0.0045	(0.0134)	0.0000	0.0539	0.0032	0.0000	0.0000	0.0000	0.0000	(0.0514)	0.0122
	- 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	0.0179	0.0000	0.0000	0.0539	0.0032	0.0000	0.0000	0.0000	0.0000	(0.0514)	0.0122
	- DAWN T-SERVICE	0.0179	0.0000	0.0000	0.0539	0.0032	0.0000	0.0000	0.0000	0.0000	(0.0514)	0.0122
	- WESTERN T-SERVICE	0.0045	(0.0134)	0.0000	0.0539	0.0032	0.0000	0.0000	0.0000	0.0000	(0.0514)	0.0122
RATE 170	- SYSTEM SALES	0.0417	(0.0134)	0.0000	0.0539	0.0013	0.0000	0.0000	0.0000	0.0000	(0.0095)	0.0093
	- 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	0.0550	0.0000	0.0000	0.0539	0.0013	0.0000	0.0000	0.0000	0.0000	(0.0095)	0.0093
	- DAWN T-SERVICE	0.0550	0.0000	0.0000	0.0539	0.0013	0.0000	0.0000	0.0000	0.0000	(0.0095)	0.0093
	- WESTERN T-SERVICE	0.0417	(0.0134)	0.0000	0.0539	0.0013	0.0000	0.0000	0.0000	0.0000	(0.0095)	0.0093
RATE 200	- SYSTEM SALES	0.0304	(0.0134)	0.0000	0.0539	0.0049	0.0060	0.0000	0.0000	(0.0000)	(0.0307)	0.0097
	- 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	0.0438	0.0000	0.0000	0.0539	0.0049	0.0060	0.0000	0.0000	0.0000	(0.0307)	0.0097
	- DAWN T-SERVICE	0.0438	0.0000	0.0000	0.0539	0.0049	0.0060	0.0000	0.0000	0.0000	(0.0307)	0.0097
	- WESTERN T-SERVICE	0.0304	(0.0134)	0.0000	0.0539	0.0049	0.0060	0.0000	0.0000	0.0000	(0.0307)	0.0097

Unbundled Services (Billing based on CD, ¢/m3):

RATE 125	- All	(2.3490)	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	(2.3490)	0.0000
	- Customer-specific **											
RATE 300	- All	(11.0958)	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	(11.0958)	0.0000
	- Customer-specific **											
RATE 332	- All	(2.2992)	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	(2.2992)	0.0000

Notes:

* Unit Rates derived based on 2018 actual volumes

Enbridge Gas Inc.
2018 Deferral and Variance Account Clearing
Bill Adjustment in April 2020 for Typical Customers

Item No.	Col. 1	Col. 2	Col. 3	Col. 4	Col. 5	Col. 6	Col. 7	Col. 8	Col. 9	Col. 10
		Annual Volume m3	Unit Rates				Bill Adjustment			
<u>GENERAL SERVICE</u>			<u>Sales</u>	<u>Ontario TS</u>	<u>Dawn TS</u>	<u>Western TS</u>	<u>Sales Customers</u>	<u>Ontario TS Customers</u>	<u>Dawn TS Customers</u>	<u>Western TS Customers</u>
			cents/m3	cents/m3	cents/m4	cents/m3	\$	\$	\$	\$
1.1	RATE 1 RESIDENTIAL									
1.2	Heating & Water Heating	2,400	(0.4764)	(0.4631)	(0.4631)	(0.4764)	(11.4)	(11.1)	(11.1)	(11.4)
2.1	RATE 6 COMMERCIAL									
2.2	General Use	43,285	(0.1482)	(0.1349)	(0.1349)	(0.1482)	(64.2)	(58.4)	(58.4)	(64.2)
<u>CONTRACT SERVICE</u>										
3.1	RATE 100									
3.2	Industrial - small size	339,188	(0.0614)	0.0000	(0.0480)	(0.0614)	(208.3)	-	(163.0)	(208.3)
4.1	RATE 110									
4.2	Industrial - small size, 50% LF	598,568	0.0203	0.0337	0.0337	0.0203	121.8	201.8	201.8	121.8
4.3	Industrial - avg. size, 75% LF	9,976,121	0.0203	0.0337	0.0337	0.0203	2,029.9	3,363.4	3,363.4	2,029.9
5.1	RATE 115									
5.2	Industrial - small size, 80% LF	4,471,609	0.0322	0.0456	0.0456	0.0322	1,441.9	2,039.6	2,039.6	1,441.9
6.1	RATE 135									
6.2	Industrial - Seasonal Firm	598,567	0.0315	0.0448	0.0448	0.0315	188.4	268.4	268.4	188.4
7.1	RATE 145									
7.2	Commercial - avg. size	598,568	0.0045	0.0179	0.0179	0.0045	26.9	106.9	106.9	26.9
8.1	RATE 170									
8.2	Industrial - avg. size, 75% LF	9,976,121	0.0417	0.0550	0.0550	0.0417	4,155.5	5,490.1	5,490.1	4,155.5

Notes:

Col. 7 = Col. 2 x Col. 3

Col. 8 = Col. 2 x Col. 4

Col. 9 = Col. 2 x Col. 5

Col. 10 = Col. 2 x Col. 6

APPENDIX D
DECISION AND RATE ORDER
ENBRIDGE GAS INC.
EB-2019-0105
FEBRUARY 6, 2020
UNIT RATES FOR CLEARANCE OF DEFERRAL ACCOUNT
BALANCES - UNION RATE ZONES

ENBRIDGE GAS INC.
 Union Rate Zones
 General Service Unit Rates for Prospective Recovery/(Refund) - Delivery
2018 Deferral Account Disposition

Line No.	Particulars	Rate Class	2018 Deferral Balances (\$000's) (a)	2018 Earnings Sharing Mechanism (\$000's) (b)	Deferral Balance for Disposition (\$000's) (c) = (a + b)	Forecast Volume (10 ³ m ³) (1) (d)	Unit Rate for Prospective Recovery/(Refund) (cents/m ³) (e) = (c / d) * 100
1	Small Volume General Service	01	(5,575)	-	(5,575)	210,167	(2.6526)
2	Large Volume General Service	10	(1,490)	-	(1,490)	94,927	(1.5699)
3	Small Volume General Service	M1	(7,274)	-	(7,274)	684,153	(1.0633)
4	Large Volume General Service	M2	(3,975)	-	(3,975)	363,401	(1.0937)

Notes:

(1) Forecast volume for the period April 1, 2020 to September 30, 2020.

ENBRIDGE GAS INC.
 Union Rate Zones
 General Service Unit Rates for Prospective Recovery/(Refund) - Gas Supply Transportation
2018 Deferral Account Disposition

Line No.	Particulars	Rate Class	2018 Deferral Balances (\$000's) (a)	2018 Earnings Sharing Mechanism (\$000's) (b)	Deferral Balance for Disposition (\$000's) (c) = (a + b)	Forecast Volume (10 ³ m ³) (1) (d)	Unit Rate for Prospective Recovery/(Refund) (cents/m ³) (e) = (c / d) * 100
<u>Union North West</u>							
1	Small Volume General Service	01	(5,367)	-	(5,367)	60,308	(8.9000)
2	Large Volume General Service	10	(1,175)	-	(1,175)	21,533	(5.4581)
<u>Union North East</u>							
3	Small Volume General Service	01	(2,462)	-	(2,462)	149,859	(1.6430)
4	Large Volume General Service	10	(838)	-	(838)	72,051	(1.1637)

Notes:

(1) Forecast volume for the period April 1, 2020 to September 30, 2020.

ENBRIDGE GAS INC.
 Union Rate Zones
 Unit Rates for Prospective Recovery/(Refund) - Gas Supply Commodity
2018 Deferral Account Disposition

Line No.	Particulars	Rate Class	2018 Deferral Balances (\$000's) (a)	2018 Earnings Sharing Mechanism (\$000's) (b)	Deferral Balance for Disposition (\$000's) (c) = (a + b)	Forecast Volume (10 ³ m ³) (1) (d)	Unit Rate for Prospective Recovery/(Refund) (cents/m ³) (2) (e) = (c / d) * 100
1	Small Volume General Service	M1	8,337	-	8,337	631,947	1.1680
2	Large Volume General Service	M2	1,439	-	1,439	172,206	1.1680
3	Firm Com/Ind Contract	M4	97	-	97	25,940	1.1680
4	Interruptible Com/Ind Contract	M5	49	-	49	2,842	1.1680
5	Special Large Volume Contract	M7	35	-	35	15,814	1.1680
6	Large Wholesale	M9	29	-	29	6,138	1.1680
7	Small Wholesale	M10	0	-	0	162	1.1680
8	Total				9,987	855,050	1.1680

Notes:

- (1) Forecast sales service volumes for the period April 1, 2020 to September 30, 2020.
- (2) Unit rate for prospective recovery/refund for each rate class equal to the gas supply commodity weighted-average unit rate.

ENBRIDGE GAS INC.
 Union Rate Zones
 Contract Unit Rates for One-Time Adjustment - Delivery
2018 Deferral Account Disposition

Line No.	Particulars	Rate Class	2018 Deferral Balances (\$000's) (a)	2018 Earnings Sharing Mechanism (\$000's) (b)	Deferral Balance for Disposition (\$000's) (c) = (a + b)	2018 Actual Volume (10 ³ m ³) (d)	Unit Rate (cents/m ³) (e) = (c / d) * 100
<u>Union North</u>							
1	Medium Volume Firm Service (1)	20	43	-	43	111,710	0.0382
2	Medium Volume Firm Service (2)	20T	125	-	125	368,062	0.0339
3	Large Volume High Load Factor (2)	100T	146	-	146	1,038,311	0.0141
4	Large Volume Interruptible	25	75	-	75	156,345	0.0480
<u>Union South</u>							
5	Firm Com/Ind Contract	M4	(147)	-	(147)	655,590	(0.0224)
6	Interruptible Com/Ind Contract	M5	123	-	123	74,239	0.1654
7	Special Large Volume Contract	M7	15	-	15	512,402	0.0029
8	Large Wholesale	M9	(11)	-	(11)	78,356	(0.0141)
9	Small Wholesale	M10	(0)	-	(0)	408	(0.0451)
10	Contract Carriage Service	T1	(207)	-	(207)	465,539	(0.0444)
11	Contract Carriage Service	T2	(1,928)	-	(1,928)	4,099,141	(0.0470)
12	Contract Carriage- Wholesale	T3	(167)	-	(167)	278,781	(0.0599)

Notes:

- (1) Sales and Bundled-T customers only.
- (2) T-Service customers only.

ENBRIDGE GAS INC.
 Union Rate Zones
 Contract Unit Rates for One-Time Adjustment - Gas Supply Transportation and Bundled Storage
2018 Deferral Account Disposition

Line No.	Particulars	Rate Class	2018 Deferral Balances (\$000's) (a)	2018 Earnings Sharing Mechanism (\$000's) (b)	Deferral Balance for Disposition (\$000's) (c) = (a + b)	2018 Actual Volume/Demand (d)	Billing Units	Unit Volumetric/Demand Rate (cents/m3) (e) = (c / d) * 100
<u>Gas Supply Charges</u>								
<u>Union North West</u>								
1	Medium Volume Firm Service	20	(319)	-	(319)	1,644	10 ³ m ³ /d	(19.4194)
2	Large Volume Interruptible	25	112	-	112	47,087	10 ³ m ³	0.2378
<u>Union North East</u>								
3	Medium Volume Firm Service	20	(135)	-	(135)	4,652	10 ³ m ³ /d	(2.9033)
4	Large Volume Interruptible	25	(21)	-	(21)	24,385	10 ³ m ³	(0.0870)
<u>Storage (\$/GJ)</u>								
5	Bundled-T Storage Service	20T/100T	12	-	12	155,904	GJ/d	0.074

ENBRIDGE GAS INC.
 Union Rate Zones
 Storage and Transportation Service Amounts for Disposition
2018 Deferral Account Disposition

Line No.	Particulars (\$000's) (1)	Rate Class	2018 Deferral Balances (a)	2018 Earnings Sharing Mechanism (b)	Deferral Balance for Disposition (c)
1	Transportation	M12	(17,426)	-	(17,426)
2	Transportation of Locally Produced Gas	M13	7	-	7
3	Cross Franchise Transportation	C1	92	-	92
4	Storage and Transportation Services	M16	(56)	-	(56)

Notes:

- (1) Ex-franchise Rate M12, Rate M13, Rate M16 and Rate C1 customer specific amounts determined using approved deferral account allocation methodologies.

APPENDIX E

DECISION AND RATE ORDER

ENBRIDGE GAS INC.

EB-2019-0105

FEBRUARY 6, 2020

APPROVED SETTLEMENT PROPOSAL

SETTLEMENT PROPOSAL

Enbridge Gas Inc.

2018 Earnings Sharing and Deferral and Variance Account Clearances

December 10, 2019

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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 Inc. (“Enbridge Gas” or the “Company”), for an order or orders approving the clearance or disposition of amounts recorded in certain Deferral or Variance Accounts. For the most part, the Deferral and Variance Accounts relate to 2018, which is before Enbridge Gas Distribution Inc. (EGD) and Union Gas Inc. (Union) amalgamated. Therefore, the accounts for each legacy utility have been considered and addressed separately in this Settlement Proposal.

On August 9, 2019, the OEB issued its Notice of Application in this proceeding. The Notice of Application indicated that the OEB would only consider cost awards in relation to certain issues in the proceeding.

In Procedural Order No. 1, dated August 30, 2019, the Board established the process to address the application, up to and including a Settlement Conference.

A Settlement Conference was held on November 13, 14 and 15, 2019, and discussions continued after that time. Jim Faught acted as facilitator for the Settlement Conference. This Settlement Proposal arises from the Settlement Conference.

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

- Canadian Manufacturers & Exporters (CME)
- Consumers Council of Canada (CCC)
- Energy Probe Research Foundation (Energy Probe)
- Federation of Rental-Housing Providers of Ontario (FRPO)
- London Property Management Association (LMPA)
- Ontario Greenhouse Vegetable Growers (OGVG)
- School Energy Coalition (SEC)
- Six Nations Natural Gas Company Limited (SNNG)
- The Corporation of the City of Kitchener – Utilities Division (Kitchener)
- Vulnerable Energy Consumers Coalition (VECC)

All intervenors listed above participated in the Settlement Conference and subsequent discussions. In this Settlement Proposal, the above-listed intervenors and Enbridge Gas are referred to as “the parties”.

The following items from Enbridge Gas’s Application and prefiled evidence were addressed by the parties during the Settlement Conference:

1. The proposed balances for recovery/refund in each of the following deferral and variance accounts for the EGD Rate Zone:
 - (a) Storage and Transportation Deferral Account (2018 S&TDA)
 - (b) Transactional Services Deferral Account (2018 TSDA)
 - (c) Unaccounted for Gas Variance Account (2018 UAFVA)
 - (d) Average Use True-Up Variance Account (2018 AUTUVA)
 - (e) Post-Retirement True-Up Variance Account (2018 PTUVA)
 - (f) Gas Distribution Access Rule Impact Deferral Account (2018 GDARIDA)
 - (g) Deferred Rebate Account (2018 DRA)
 - (h) Transition Impact of Accounting Changes Deferral Account (2019 TIACA)
 - (i) Customer Care CIS Rate Smoothing Deferral Account (2013-2018 CCCISRSDA)
 - (j) Electric Program Earnings Sharing Deferral Account (2018 EPESDA)
 - (k) OEB Cost Assessment Variance Account (2018 OEBCAVA)
 - (l) Dawn Access Costs Deferral Account (2018 DACDA)
 - (m) Pension and OPEB Forecast Accrual vs Actual Cash Payment Differential Variance Account (2018 P&OPEBFAVACPDVA)
 - (n) Manufactured Gas Plant Deferral Account (2018 MGPDA)
 - (o) Earnings Sharing Mechanism Deferral Account (2018 ESM DA)

2. The proposed balances for recovery/refund in each of the following deferral and variance accounts for the Union Rate Zones:
 - (a) Unabsorbed Demand Costs (UDC) Variance Account
 - (b) Upstream Transportation Optimization Account
 - (c) Deferral Clearing Variance Account – Supply
 - (d) Deferral Clearing Variance Account – Transport
 - (e) Short-Term Storage and Other Balancing Services Account
 - (f) Conservation and Demand Management (CDM) Account
 - (g) Deferral Clearing Variance Account
 - (h) Normalized Average Consumption Account
 - (i) Tax Variance Account
 - (j) Unaccounted for Gas (UFG) Volume Variance Account
 - (k) Parkway West Project Costs Account
 - (l) Brantford-Kirkwall/Parkway D project Costs Account
 - (m) Parkway Obligation Rate Variance Account
 - (n) Unaccounted for Gas (UFG) Price Variance Account
 - (o) Lobo C Compressor/Hamilton-Milton Pipeline Project Cost Account
 - (p) Unauthorized Overrun Non-Compliance Account
 - (q) Lobo D/Bright C/.Dawn H Compressor Project Costs Account
 - (r) Burlington/Oakville Project Costs Account
 - (s) OEB Cost Assessment Variance Account
 - (t) Panhandle Reinforcement Project Costs Account

(u) Pension and OPEB Forecast Accrual vs Actual Cash Payment Differential
Variance Account

3. The proposed method for allocating and disposing of the proposed balances in the EGD Rate Zone Deferral and Variance Accounts (including ESM).
4. The proposed method for allocating and disposing of the proposed balances in the Union Zones Deferral and Variance Accounts

The parties have reached complete agreement on all these items (the “Settled Items”). No other issues or proposals were addressed by the parties during the Settlement Conference or are addressed in this Settlement Proposal.

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 is 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 Gas and all intervenors listed above have agreed to the settlement of the Settled Items as described on the following pages. Any reference to “parties” in this Settlement Proposal is intended to refer to Enbridge Gas and the intervenors listed above. The description of each Settled Item assumes that all parties participated in the negotiation of the item, unless specifically noted otherwise.

Best efforts have been made to identify all of the evidence that relates to each Settled Item. 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 is referred to as B-3. 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 Settled Items. The Settlement Proposal provides a direct link between each Settled Item and the supporting evidence in the record to date and/or the additional evidence attached to hereto. 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 Items 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 Items.

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 Gas's current deferred rebasing term, or thereafter.

The parties acknowledge that all data, documents or information provided and any discussions, including negotiations, admissions, concessions, offers and counter-offers occurring during the course of the Settlement Conference (settlement information), including subsequent related discussions, are privileged and confidential and without prejudice in accordance with (and subject to the exceptions set out in) the Board's *Practice Direction on Settlement Conferences* (see pages 5-6 of the OEB's *Practice Direction on Settlement Conferences*, as revised October 28, 2016).

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

The lists of Deferral and Variance Accounts and amounts recorded for disposition for which Enbridge Gas has requested approval are set out in the prefiled evidence at Exhibit B, Tab 1, Appendix A, Schedule 1 (EGD Rate Zone) and Exhibit C, Tab 1, Appendix A, Schedule 1 (Union Rate Zones).

The prefiled evidence also provides details for each of the Deferral and Variance Account balances that Enbridge Gas seeks to have cleared for the EGD and Union Rate Zones. For each of the EGD and Union Rate Zones, Enbridge Gas's prefiled evidence also details its Earnings Sharing Mechanism (ESM) calculations, and the amount recorded in the relevant Earnings Sharing Mechanism Deferral Account (ESMDA). There is a balance recorded for recovery in the EGD ESMDA, but no amount is recorded for sharing for the Union Rate Zones.

Through the Settlement Conference process, all parties have agreed that it is appropriate for Enbridge Gas to clear the as-filed balances from the Deferral and Variance Accounts set out in the prefiled evidence, with three exceptions.

1. *EGD Rate Zone, 2018 EPESDA*: the refund balance will be decreased by \$43,100 to correct a calculation error;
2. *EGD Rate Zone, 2018 ESMDA*: the refund balance will be increased by \$650,000 to reflect the removal of merger transaction costs from the ESM calculation; and
3. *Union Rate Zones, Pension and OPEB Forecast Accrual vs Actual Cash Payment Differential Variance Account*: the refund balance will be increased by \$98,757 to reflect the removal of the request for alternate treatment of capitalized pension costs.

Appendices A and B set out the list of Deferral and Variance Accounts and amounts recorded for disposition agreed upon in this Settlement Proposal for the EGD and Union Rate Zones.

All parties have agreed that it is appropriate that the balances in the relevant accounts addressed in this Settlement Proposal be cleared in conjunction with Enbridge Gas's April 1, 2020 QRAM proceeding.

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

THE ISSUES

1. Are the proposed balances for recovery / refund recorded in the following EGD Rate Zone Deferral and Variance Accounts appropriate?

The Deferral and Variance accounts for the EGD Rate Zone for which Enbridge Gas seeks clearance are set out in Exhibit B, Tab 1, Appendix A, Schedule 1, from Enbridge Gas's prefiled evidence. A copy of that document (with updates to reflect adjustments to the 2018 EPESDA and 2018 ESMDA as noted in the Overview above, and to reflect interest balances relevant to an April 1, 2020 clearance date) is attached as Appendix A to this Settlement Proposal.

The parties have agreed to the clearance of the Deferral and Variance Account balances, and interest amounts (which reflect the OEB's latest prescribed interest rates), listed in Columns 3 and 4 of Appendix A. The accounts included in Appendix A are listed below.

- (a) Storage and Transportation Deferral Account (2018 S&TDA)
- (b) Transactional Services Deferral Account (2018 TSDA)
- (c) Unaccounted for Gas Variance Account (2018 UAFVA)
- (d) Average Use True-Up Variance Account (2018 AUTUVA)
- (e) Post-Retirement True-Up Variance Account (2018 PTUVA)
- (f) Gas Distribution Access Rule Impact Deferral Account (2018 GDARIDA)
- (g) Deferred Rebate Account (2018 DRA)
- (h) Transition Impact of Accounting Changes Deferral Account (2019 TIACA)
- (i) Customer Care CIS Rate Smoothing Deferral Account (2013-2018 CCCISRSDA)
- (j) Electric Program Earnings Sharing Deferral Account (2018 EPESDA)
- (k) OEB Cost Assessment Variance Account (2018 OEBCAVA)
- (l) Dawn Access Costs Deferral Account (2018 DACDA)
- (m) Pension and OPEB Forecast Accrual vs Actual Cash Payment Differential Variance Account (2018 P&OPEBFAVACPDVA)
- (n) Manufactured Gas Plant Deferral Account (2018 MGPDA)
- (o) Earnings Sharing Mechanism Deferral Account (2018 ESMDA)

Details of the agreements in relation to each of the relevant accounts are set out in the following sub-issues.

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

A-3	2018 Deferral Account Disposition and Earnings Sharing Overview and Approvals Requested
B-1	2018 Deferral and Variance Account Balances Requested for Clearance January 1, 2020 EGD Rate Zone
B-3	Clearance of 2018 Deferral and Variance Account Balances EGD Rate Zone
B-3-A	Derivation of Proposed Unit Rates
I.STAFF.2	Staff Interrogatory #2
I.FRPO.26	FRPO Interrogatory #26

(a) Storage and Transportation Deferral Account (2018 S&TDA)

All parties agree that the principal balance in the 2018 S&TDA, which is shown in Appendix A, along with applicable interest, will be cleared as set out under Issue 3, below.

In connection with the settlement of this account, Enbridge Gas has agreed to file an updated response to FRPO Interrogatory #3, including a copy of the spreadsheet prepared by EGD to review the responses to an RFP process for market-based storage capacity acquired for 2018 utilization. Given the confidential and commercially sensitive information set out in the spreadsheet which information might, if made public, compromise Enbridge Gas's commercial position in respect of future storage procurements and related negotiations which would not be in the best interests of either Enbridge Gas or its ratepayers, the parties agree that it would be appropriate for the full version of that document to be filed confidentially with the OEB, pursuant to the OEB's Practice Direction on Confidential Filings. Enbridge Gas will file the updated interrogatory response at the same time as this Settlement Proposal is filed (the details of the RFP responses in the spreadsheet will be redacted and the unredacted version of the document will be filed confidentially).

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

A-3	2018 Deferral Account Disposition and Earnings Sharing Overview and Approvals Requested
B-1	2018 Deferral and Variance Account Balances Requested for Clearance January 1, 2020 EGD Rate Zone
B-3	Clearance of 2018 Deferral and Variance Account Balances EGD Rate Zone
B-3-A	Derivation of Proposed Unit Rates
I.STAFF.3 and 12	Staff Interrogatories #3 and 12
I.EP.1	Energy Probe Interrogatory #1
I.FRPO.3	FRPO Interrogatory #3

(b) Transactional Services Deferral Account (2018 TSDA)

All parties agree that the principal balance in the 2018 TSDA, 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:

A-3	2018 Deferral Account Disposition and Earnings Sharing Overview and Approvals Requested
B-1	2018 Deferral and Variance Account Balances Requested for Clearance January 1, 2020 EGD Rate Zone
I.FRPO.4	FRPO Interrogatory #4

(c) Unaccounted for Gas Variance Account (2018 UAFVA)

All parties agree that the principal balance in the 2018 UAFVA, 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:

A-3	2018 Deferral Account Disposition and Earnings Sharing Overview and Approvals Requested
B-1	2018 Deferral and Variance Account Balances Requested for Clearance January 1, 2020 EGD Rate Zone
I.STAFF.4	Staff Interrogatory #4
I. EP.2 and 12	Energy Probe Interrogatories #2 and 12
I.VECC.2	VECC Interrogatory #2

(d) Average Use True-Up Variance Account (2018 AUTUVA)

All parties agree that the principal balance in the 2018 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:

A-3	2018 Deferral Account Disposition and Earnings Sharing Overview and Approvals Requested
B-1	2018 Deferral and Variance Account Balances Requested for Clearance January 1, 2020 EGD Rate Zone
I.STAFF.8	Staff Interrogatory #5
I.EP.6	Energy Probe Interrogatory #3

(e) Post-Retirement True-Up Variance Account (2018 PTUVA)

All parties agree that the principal balance in the 2018 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:

A-3	2018 Deferral Account Disposition and Earnings Sharing Overview and Approvals Requested
B-1	2018 Deferral and Variance Account Balances Requested for Clearance January 1, 2020 EGD Rate Zone

(f) Gas Distribution Access Rule Impact Deferral Account (2018 GDARIDA)

All parties agree that the principal balance in the 2018 GDARIDA, 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:

A-3 2018 Deferral Account Disposition and Earnings Sharing Overview and Approvals Requested
B-1 2018 Deferral and Variance Account Balances Requested for Clearance January 1, 2020 EGD
Rate Zone

(g) Deferred Rebate Account (2018 DRA)

All parties agree that the principal balance in the 2018 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:

A-3 2018 Deferral Account Disposition and Earnings Sharing Overview and Approvals Requested
B-1 2018 Deferral and Variance Account Balances Requested for Clearance January 1, 2020 EGD
Rate Zone

(h) Transition Impact of Accounting Changes Deferral Account (2019 TIACA)

All parties agree that the principal balance in the 2019 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:

A-3 2018 Deferral Account Disposition and Earnings Sharing Overview and Approvals Requested
B-1 2018 Deferral and Variance Account Balances Requested for Clearance January 1, 2020 EGD
Rate Zone
I.EP.4 Energy Probe Interrogatory #4

(i) Customer Care CIS Rate Smoothing Deferral Account (2013-2018 CCCISRSDA)

As explained in the pre-filed evidence (Exhibit B-1 (updated), pages 187 to 20), the CCCISRSDA was approved in the EB-2011-0226 Settlement Agreement (Customer Care and CIS Costs). As per the EB-2011-0226 Settlement Agreement, interest balances calculated on the account have been cleared on an annual basis, but the principal balances were not cleared during the 2013 through 2018 period. The cumulative balance was to build up during the years 2013 to 2015 when the approved cost per customer exceeded the smoothed cost per customer collected in rates, and then was to be drawn down during the years 2016 to 2018 when the approved cost per customer was lower than the smoothed cost per customer collected in rates. After 2018, any remaining balance in the account was to be cleared along with the clearance of other Deferral and Variance Accounts. In accordance with the EB-2011-0226 Settlement Agreement

methodology, Enbridge Gas is seeking final clearance of the CCCISRSA in this proceeding.

All parties agree that the principal balances in the 2013-2018 CCCISRSA, 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:

A-3	2018 Deferral Account Disposition and Earnings Sharing Overview and Approvals Requested
B-1	2018 Deferral and Variance Account Balances Requested for Clearance January 1, 2020 EGD Rate Zone

(j) Electric Program Earnings Sharing Deferral Account (2018 EPESDA)

As noted in response to SEC Interrogatory #1, there was a calculation error in the as-filed 2018 EPESDA – Enbridge Gas will update the balance in the 2018 EPESA to reflect the correction (a reduction of \$43,100 in the credit to ratepayers).

All parties agree that the updated principal balance in the 2018 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:

A-3	2018 Deferral Account Disposition and Earnings Sharing Overview and Approvals Requested
B-1	2018 Deferral and Variance Account Balances Requested for Clearance January 1, 2020 EGD Rate Zone
I.STAFF.6	Staff Interrogatory #6
I.SEC.1	SEC Interrogatory #1

(k) OEB Cost Assessment Variance Account (2018 OEBCAVA)

All parties agree that the principal balance in the 2018 OEBCAVA, 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:

A-3	2018 Deferral Account Disposition and Earnings Sharing Overview and Approvals Requested
B-1	2018 Deferral and Variance Account Balances Requested for Clearance January 1, 2020 EGD Rate Zone
I. FRPO.2	FRPO Interrogatory #2
I.VECC.3 and 4	VECC Interrogatories #3 and 4

(l) Dawn Access Costs Deferral Account (2018 DACDA)

All parties agree that the principal balance in the 2018 DACDA, 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:

A-3	2018 Deferral Account Disposition and Earnings Sharing Overview and Approvals Requested
B-1	2018 Deferral and Variance Account Balances Requested for Clearance January 1, 2020 EGD Rate Zone
I. STAFF.7.	Staff Interrogatory #7

(m) Pension and OPEB Forecast Accrual vs Actual Cash Payment Differential Variance Account (2018 P&OPEBFAVACPDVA)

All parties agree that the interest balance in the 2018 P&OPEBFAVACPDVA, 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:

A-3	2018 Deferral Account Disposition and Earnings Sharing Overview and Approvals Requested
B-1	2018 Deferral and Variance Account Balances Requested for Clearance January 1, 2020 EGD Rate Zone

(n) Manufactured Gas Plant Deferral Account (2018 MGPDA)

All parties agree that the principal balance in the 2018 MGPDA, which is shown in Appendix A, along with applicable interest, will be cleared as set out under Issue 3, below.

Intervenors assert that Enbridge Gas should not continue the MGPDA beyond 2018 unless there are currently known or expected amounts to be recorded in the account. Enbridge Gas is not currently aware of substantial pending amounts to be recorded in the MGPDA, but expects that there may be MGP-related costs associated with investigation work, remediation work and threatened and actual claims in the future, given that the Company continues to own several former MGP sites.

The parties agree that Enbridge Gas will discontinue the MGPDA for 2019 and beyond, but also agree that Enbridge Gas may request that the OEB reopen the account in the future in the event that new circumstances arise where costs are anticipated that would be eligible to be recorded in the account.

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

A-3	2018 Deferral Account Disposition and Earnings Sharing Overview and Approvals Requested
B-1	2018 Deferral and Variance Account Balances Requested for Clearance January 1, 2020 EGD Rate Zone
I. STAFF.8	Staff Interrogatory #8
I.CME.3 and 4	CME Interrogatories #3 and 4
I.VECC.5	VECC Interrogatory #5

(o) Earnings Sharing Mechanism Deferral Account (2018 ESMDA)

The parties accept Enbridge Gas's as-filed 2018 ESMDA amount, subject to one comment, and one adjustment.

In its updated evidence, Enbridge Gas explained that the Company will proceed as per the Board's direction in its letter dated July 25, 2019, and record 100% of the 2018 impact of Bill C-97 accelerated CCA within a Tax Variance Deferral Account. As there is no established Tax Variance Account in the EGD Rate Zone for 2018, the Company proposes to book 100% of the 2018 revenue requirement impact of the Accelerated CCA, a reduction of \$3.0 million, as a separate identifiable item within Enbridge Gas's 2019 Tax Variance Account, with disposition to be determined at a later date (expected to be Enbridge Gas's next rebasing application, or as otherwise directed by the Board). Recognition of 100% of the revenue requirement impact of the Accelerated CCA in a Tax Variance Account, required a revised earnings sharing calculation for the EGD rate zone. The revised calculation resulted in an updated 2018 earnings sharing amount of \$28.4 million, as compared to the as filed amount of \$29.95 million.

All parties accept Enbridge Gas's proposal for recording the impact of Bill C-97 changes, but wish to comment upon this outcome. Ratepayer groups note that under the ESM rules and practice during EGD's 2014 to 2018 Custom IR term, they would have received 50% of the benefit from the tax change immediately upon clearance of the relevant year's ESM account. Enbridge Gas notes that under those ESM rules and practice, the Company would have retained 50% of the tax change benefit when the ESM account was cleared. All parties wish to indicate that immediate disposition of the amounts related to Bill C-97 changes would have been preferable to the Board's directed approach to wait until the distributor's next cost-based rate case (which is expected to be 2024 for Enbridge Gas).

The parties have agreed that it is appropriate to adjust the ESM calculation for the EGD Rate Zone to remove the costs associated with the amalgamation transaction between EGD and Union. The table below sets out the costs that parties have agreed should be eliminated from the ESM calculations for EGD and Union (the adjustment for Union is described in Issue 2 below).

2018 MAADs Transaction Costs

\$000	EGD	Union	Total
External Legal Cost	336	336	672
Consulting Costs	518	518	1,035
OEB cost accrued	218	218	437
Intervenor costs	362	362	725
Total	1,435	1,435	2,869

The impact of removing the \$1.435 million in amalgamation transaction costs from the EGD ESM calculation is to increase the 2018 earnings sharing amount by \$650,000, from \$28.4 million to \$29.05 million. An updated version of the earnings sharing calculation for the EGD Rate Zone (Exhibit B, Tab 2, Appendix A, Schedule 1) is attached as Appendix C.

All parties agree that the updated principal balance in the 2018 ESMDA, which is shown in Appendix A, along with applicable interest, will be cleared as set out under Issue 3, below.

As part of its evidence in deferral account proceedings during the deferred re-basing period, Enbridge Gas will file more descriptive language in support of the allocation of storage investments, if any, between the utility and non-utility storage operations for legacy EGD Rate Zone (reference Exhibit B, Tab 2, Appendix B, Schedule 2, or the equivalent exhibit in future ESM filings).

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

- A-3 2018 Deferral Account Disposition and Earnings Sharing Overview and Approvals Requested
- B-1 2018 Deferral and Variance Account Balances Requested for Clearance January 1, 2020 EGD Rate Zone
- B-2 2018 Earnings Sharing Amount and Determination Process
- B-2-A-1 ESM Calculations and Required Rate of Return 2018 Actuals
- B-2-A-2 2018 Utility Earnings - Contributors to Utility Earnings and Earnings Sharing Amounts
- B-2-B-1 Ontario Utility Rate Base – Comparison of 2018 Actuals to 2018 EB-2017-0086 Board Approved
- B-2-B-2 Property, Plant and Equipment Summary Statement – Average of Monthly Averages 2018 Actuals
- B-2-B-3 Working Capital – 2018 Actuals
- B-2-B-4 Comparison of Utility Capital Expenditures 2018 Actuals to 2018 EB-2017-0086 Board Approved
- B-2-C-1 Utility Operating Revenue 2018 Actuals
- B-2-C-2 Comparison of Gas Sales and Transportation Volume by Rate Class 2018 Actuals to 2018 EB-2017-0086 Board Approved
- B-2-C-3 Comparison of Gas Sales and Transportation Revenue by Rate Class 2018 Actuals to 2018 EB-

B-2-C-4	2017-0086 Board Approved
B-2-C-5	Customer Meters, Volumes and Revenues by Rate Class 2018 Actuals
B-2-D-1	2018 Other Operating Revenue
B-2-D-2	Operating Cost 2018 Actuals
B-2-E-1	Operating and Maintenance Expense by Department Year Ending December 2018
B-2-E-2	Required Rate of Return 2018 Actuals
B-2-E-3	Utility Income 2018 Actuals
I.STAFF.9 to 11	Cost of Capital 2018 Actuals
I.EP.5 to 7	Staff Interrogatories #9, 10 and 11
I.FRPO.5 to 9 and 13	Energy Probe Interrogatories #5 to 7
	FRPO Interrogatories #5 to 9 and 13

2. Are the proposed balances for recovery / refund recorded in the following Union Rate Zones Deferral and Variance Accounts appropriate?

The Deferral and Variance accounts for the Union Rate Zones for which Enbridge Gas seeks clearance are set out in Exhibit C, Tab 1, Appendix A, Schedule 1. A copy of that document (with the updates to reflect the adjustment to the Pension and OPEB Forecast Accrual vs Actual Cash Payment Differential Variance Account as noted in the Overview above, and to reflect interest balances relevant to an April 1, 2020 clearance date) is attached as Appendix B to this Settlement Proposal.

The ESM calculation for the Union Rate Zones is filed at Exhibit C, Tab 2, Appendix B, Schedule 1. No amount is recorded in the Earnings Sharing Account, because the ROE for the Union Rate Zones in 2018 was less than 100 basis points above benchmark ROE.

The parties have agreed that it is appropriate to adjust the as-filed ESM calculation for the Union Rate Zones to remove the costs associated with the amalgamation transaction between EGD and Union. The table set out above in Issue 1(o) for the EGD Rate Zone ESM DA sets out the costs that parties have agreed should be eliminated from the ESM calculations for EGD and Union. Enbridge Gas has updated its ESM calculation for the Union Rate Zones to include this adjustment. The updated ESM calculation is included at Appendix D. As set out in the updated calculation, after the agreed adjustment is made there is still no earnings sharing amount for 2018.

The parties have agreed to the clearance of the Deferral and Variance Account balances, and interest amounts (which reflect the OEB's latest prescribed interest rates), listed in Appendix B. The accounts included in Appendix B are listed below.

- (a) Unabsorbed Demand Costs (UDC) Variance Account
- (b) Upstream Transportation Optimization Account
- (c) Deferral Clearing Variance Account – Supply
- (d) Deferral Clearing Variance Account – Transport
- (e) Short-Term Storage and Other Balancing Services Account
- (f) Conservation and Demand Management (CDM) Account
- (g) Deferral Clearing Variance Account

- (h) Normalized Average Consumption Account
- (i) Tax Variance Account
- (j) Unaccounted for Gas (UFG) Volume Variance Account
- (k) Parkway West Project Costs Deferral Account
- (l) Brantford-Kirkwall/Parkway D Project Costs Account
- (m) Parkway Obligation Rate Variance Account
- (n) Unaccounted for Gas (UFG) Price Variance Account
- (o) Lobo C Compressor/Hamilton-Milton Pipeline Project Costs Account
- (p) Unauthorized Overrun Non-Compliance Account
- (q) Lobo D/Bright C/Dawn H Compressor Project Costs Account
- (r) Burlington/Oakville Project Costs Account
- (s) OEB Cost Assessment Variance Account
- (t) Panhandle Reinforcement Project Costs Account
- (u) Pension and OPEB Forecast Accrual vs Actual Cash Payment Differential Variance Account

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

A-3	2018 Deferral Account Disposition and Earnings Sharing Overview and Approvals Requested
C-1	Deferral & Variance Accounts Requested for Clearance January 1, 2020 – Union Rate Zones
C-2	2018 Utility Results and Earnings Sharing – Union Rate Zones
C-2-A-1	Calculation of Revenue Deficiency/(Sufficiency)
C-2-A-2	Statement of Utility Income
C-2-A-3	Statement of Earnings Before Interest and Taxes
C-2-A-4	Summary of Cost of Capital
C-2-A-5	Total Weather Normalized Throughput Volume by Service Type and Rate Class
C-2-A-6	Throughput Volume (non-weather normalized) by Service Type and Rate Class
C-2-A-7	Weather Normalized Gas Sales Revenue by Service Type and Rate Class
C-2-A-8	Total Gas Sales (non-weather normalized) by Service Type and Rate Class
C-2-A-9	Delivery Revenue by Service Type and Rate Class
C-2-A-10	Total Customers by Service Type and Rate Class
C-2-A-11	Revenue from Regulated Storage and Transportation of Gas
C-2-A-12	Other Revenue
C-2-A-13	Operating and Maintenance Expense by Cost Type
C-2-A-14	Calculation of Utility Income Taxes
C-2-A-15	Calculation of Capital Cost Allowance (CCA)
C-2-A-16	Provision for Depreciation, Amortization and Depletion
C-2-A-17	Capital Expenditure by Function
C-2-A-18	Statement of Utility Rate Base
C-2-A-19	Allocation of Fuel
C-2-B-1	Earnings Sharing Calculation
C-2-C-1	Unreg Continuity of Property, Plant and Equipment
C-2-C-2	Unreg Continuity of Accumulated Depreciation
C-2-C-3	Unreg Continuity of Amortization and Depletion
C-3	Allocation and Disposition of 2018 Deferral Account Balances – Union Rate Zones
C-3-A-1	Allocation of 2018 Deferral Account Balances
C-3-A-2	Unit Rates for Prospective Recovery/(Refund)
C-3-A-3	General Service Bill Impacts
I.STAFF.13, 24 and 25	Staff Interrogatories #13, 24 and 25
I.EP.14 and 15	Energy Probe Interrogatories #14 and 15
I.FRPO.13, 23 and 31	FRPO Interrogatories #13, 23 and 31
I.LMPA.8 to 11	LMPA Interrogatories #8 to 11
I.SEC.2	SEC Interrogatory #2

(a) Unabsorbed Demand Costs (UDC) Variance Account (179-108)

All parties agree that the principal balance in the UDC Variance Account, which is shown in Appendix B, along with applicable interest, will be cleared as set out under Issue 4, below.

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

A-3	2018 Deferral Account Disposition and Earnings Sharing Overview and Approvals Requested
C-1	Deferral & Variance Accounts Requested for Clearance January 1, 2020 – Union Rate Zones
I.FRPO.12	FRPO Interrogatory #12

(b) Upstream Transportation Optimization Account (179-131)

All parties agree that the principal balance in the Upstream Transportation Optimization Account, which is shown in Appendix B, along with applicable interest, will be cleared as set out under Issue 4, below.

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

A-3	2018 Deferral Account Disposition and Earnings Sharing Overview and Approvals Requested
C-1	Deferral & Variance Accounts Requested for Clearance January 1, 2020 – Union Rate Zones
I.STAFF.14	Staff Interrogatory #14
I.EP.9	Energy Probe Interrogatory #9

(c) Deferral Clearing Variance Account – Supply (179-132)

All parties agree that the principal balance in the Deferral Clearing Variance Account – Supply, which is shown in Appendix B, along with applicable interest, will be cleared as set out under Issue 4, below.

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

A-3	2018 Deferral Account Disposition and Earnings Sharing Overview and Approvals Requested
C-1	Deferral & Variance Accounts Requested for Clearance January 1, 2020 – Union Rate Zones

(d) Deferral Clearing Variance Account – Transport (179-132)

All parties agree that the principal balance in the Deferral Clearing Variance Account – Transport, which is shown in Appendix B, along with applicable interest, will be cleared as set out under Issue 4, below.

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

A-3	2018 Deferral Account Disposition and Earnings Sharing Overview and Approvals Requested
C-1	Deferral & Variance Accounts Requested for Clearance January 1, 2020 – Union Rate Zones

(e) Short-Term Storage and Other Balancing Services Account (179-170)

All parties agree that the principal balance in the Short-Term Storage and Other Balancing Services Account, which is shown in Appendix B, along with applicable interest, will be cleared as set out under Issue 4, below.

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

A-3	2018 Deferral Account Disposition and Earnings Sharing Overview and Approvals Requested
C-1	Deferral & Variance Accounts Requested for Clearance January 1, 2020 – Union Rate Zones
I.STAFF.15	Staff Interrogatory #15
I.EP.10	Energy Probe Interrogatory #10
I.FRPO.14 to 18 and 30	FRPO Interrogatories #14 to 18 and 30

(f) Conservation and Demand Management (CDM) Account (179-123)

All parties agree that the principal balance in the Conservation and Demand Management (CDM) Account, which is shown in Appendix B, along with applicable interest, will be cleared as set out under Issue 4, below.

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

C-1-1	Deferral and Variance Accounts Requested for Clearance January 1, 2019
A-3	2018 Deferral Account Disposition and Earnings Sharing Overview and Approvals Requested
I.STAFF.16	Staff Interrogatory #16

(g) Deferral Clearing Variance Account (179-132)

All parties agree that the principal balance in the Deferral Clearing Variance Account, which is shown in Appendix B, along with applicable interest, will be cleared as set out under Issue 4, below.

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

A-3	2018 Deferral Account Disposition and Earnings Sharing Overview and Approvals Requested
C-1	Deferral & Variance Accounts Requested for Clearance January 1, 2020 – Union Rate Zones

(h) Normalized Average Consumption Account (179-133)

All parties agree that the principal balance in the Normalized Average Consumption Account, which is shown in Appendix B, along with applicable interest, will be cleared as set out under Issue 4, below.

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

A-3	2018 Deferral Account Disposition and Earnings Sharing Overview and Approvals Requested
C-1	Deferral & Variance Accounts Requested for Clearance January 1, 2020 – Union Rate Zones
I.EP.11	Energy Probe Interrogatory #11
I.FRPO.19 to 21	FRPO Interrogatories #19 to 21

(i) Tax Variance Account (179-134)

In its updated evidence, Enbridge Gas explained that the Company will proceed as per the Board's direction in its letter dated July 25, 2019, and record 100% of the 2018 impact of Bill C-97 accelerated CCA within Enbridge Gas's 2019 Tax Variance Account for later disposition (expected to be Enbridge Gas's next rebasing application, or as directed by the Board), rather than recording and clearing 50% of the amount to ratepayers through the Union Rate Zones Tax Variance Account in this proceeding. This revised calculation and treatment results in an updated 2018 Tax Variance Account clearance amount of (\$0.413) million, as compared to the as filed amount of (\$1.354) million.

All parties accept Enbridge Gas's proposal for recording the impact of Bill C-97 changes, but wish to comment upon this outcome. Ratepayer groups note that under the applicable rules and practice during Union's 2014 to 2018 IR term, they would have received 50% of the benefit from the tax change immediately upon clearance of the relevant year's Tax Variance Account. Enbridge Gas notes that under those IR term rules and practice, Union would have retained 50% of the tax change benefit when the Tax Variance Account was cleared. All parties wish to indicate that immediate disposition of the amounts related to Bill C-97 changes would have been preferable to the Board's directed approach to wait until the distributor's next cost-based rate case (which is expected to be 2024 for Enbridge Gas).

With the context set out in the comment above, all parties agree that the principal balance in the Tax Variance Account, which is shown in Appendix B, along with applicable interest, will be cleared as set out under Issue 4, below.

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

A-3	2018 Deferral Account Disposition and Earnings Sharing Overview and Approvals Requested
C-1	Deferral & Variance Accounts Requested for Clearance January 1, 2020 – Union Rate Zones
I.STAFF.17 and 25	Staff Interrogatories #17 and 25
I.SEC.3	SEC Interrogatory #3

(j) Unaccounted for Gas (UFG) Volume Variance Account (179-135)

All parties agree that the principal balance in the Unaccounted for Gas (UFG) Volume Variance Account, which is shown in Appendix B, along with applicable interest, will be cleared as set out under Issue 4, below.

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

A-3	2018 Deferral Account Disposition and Earnings Sharing Overview and Approvals Requested
C-1	Deferral & Variance Accounts Requested for Clearance January 1, 2020 – Union Rate Zones
I.STAFF.18	Staff Interrogatory #18
I.EP.2 and 12	Energy Probe Interrogatories #2 and 12
I.FRPO.1 and 22	FRPO Interrogatories #1 and 22
I.LMPA.3	LMPA Interrogatory #3
I.VECC.2	VECC Interrogatory #2

(k) Parkway West Project Costs Deferral Account (179-136)

All parties agree that the principal balance in the Parkway West Project Costs Deferral Account, which is shown in Appendix B, along with applicable interest, will be cleared as set out under Issue 4, below. All parties agree that the clearance of this account is on an interim basis, and that Enbridge Gas will seek final disposition of the account in a later proceeding.

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

A-3	2018 Deferral Account Disposition and Earnings Sharing Overview and Approvals Requested
C-1-1	Deferral and Variance Accounts Requested for Clearance January 1, 2019
C-2-1	Clearance of Deferral and Variance Account Balances
C-2-2	Derivation of 2017 Proposed Unit Rates
I.STAFF.13 and 21	Staff Interrogatories #13 and 21
I.EP.13	EP Interrogatory #13
I.LMPA.2	LMPA Interrogatory #2

(l) Brantford-Kirkwall/Parkway D Project Cost Account (179-137)

All parties agree that the principal balance in the Brantford-Kirkwall/Parkway D Pipeline Project Cost Account, which is shown in Appendix B, along with applicable interest, will be cleared as set out under Issue 4, below.

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

A-3	2018 Deferral Account Disposition and Earnings Sharing Overview and Approvals Requested
C-1	Deferral & Variance Accounts Requested for Clearance January 1, 2020 – Union Rate Zones
I.STAFF.17	Staff Interrogatory #17
I.EP.13	Energy Probe Interrogatory #13
I.SEC.5	SEC Interrogatory #5

(m) Parkway Obligation Rate Variance Account (179-138)

All parties agree that the principal balance in the Parkway Obligation Rate Variance Account, which is shown in Appendix B, along with applicable interest, will be cleared as set out under Issue 4, below.

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

A-3	2018 Deferral Account Disposition and Earnings Sharing Overview and Approvals Requested
C-1-1	Deferral and Variance Accounts Requested for Clearance January 1, 2019
C-2-1	Clearance of Deferral and Variance Account Balances
C-2-2	Derivation of 2017 Proposed Unit Rates

(n) Unaccounted for Gas (UFG) Price Variance Account (179-141)

All parties agree that the principal balance in the Unaccounted for Gas (UFG) Price Variance Account, which is shown in Appendix B, along with applicable interest, will be cleared as set out under Issue 4, below.

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

A-3	2018 Deferral Account Disposition and Earnings Sharing Overview and Approvals Requested
C-1	Deferral & Variance Accounts Requested for Clearance January 1, 2020 – Union Rate Zones
I.STAFF.19 and 20	Staff Interrogatories #19 and 20
I.EP.2 and 12	Energy Probe Interrogatories #2 and 12
I.FRPO.1, 22, 24 and 25	FRPO Interrogatories #1, 22, 24 and 25
I.LMPA.3	LMPA Interrogatory #3
I.VECC.2	VECC Interrogatory #2

(o) Lobo C Compressor/Hamilton-Milton Pipeline Project Cost Account (179-142)

All parties agree that the principal balance in the Lobo C Compressor/Hamilton-Milton Pipeline Project Cost Account, which is shown in Appendix B, along with applicable interest, will be cleared as set out under Issue 4, below.

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

A-3	2018 Deferral Account Disposition and Earnings Sharing Overview and Approvals Requested
C-1	Deferral & Variance Accounts Requested for Clearance January 1, 2020 – Union Rate Zones
I.STAFF.17	Staff Interrogatory #17
I.EP.13	Energy Probe Interrogatory #13
I.LMPA.4	LMPA Interrogatory #4
I.SEC.5	SEC Interrogatory #5

(p) Unauthorized Overrun Non-Compliance Account (179-143)

All parties agree that the principal balance in the Unauthorized Overrun Non-Compliance Account, which is shown in Appendix B, along with applicable interest, will be cleared as set out under Issue 4, below.

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

A-3	2018 Deferral Account Disposition and Earnings Sharing Overview and Approvals Requested
C-1	Deferral & Variance Accounts Requested for Clearance January 1, 2020 – Union Rate Zones
I.FRPO.26	FRPO Interrogatory #26

(q) Lobo D/Bright C/Dawn H Compressor Project Costs Account (179-144)

Subject to the comment below, all parties agree that the principal balance in the Lobo D/Bright C/Dawn H Compressor Project Costs Account, which is shown in Appendix B, along with applicable interest, will be cleared (on a final basis) as set out under Issue 4, below.

In the prefiled evidence (Exhibit C, Tab 1, page 51), Enbridge Gas explained that as of November 1, 2018, it deemed the surplus capacity on the Dawn Parkway system associated with this project to have been sold long term. Enbridge Gas confirms that it will continue to treat this capacity as having been sold long term until such time as the capacity is actually sold.

In addition to the clearance of the 2018 balance in the Lobo D/Bright C/Dawn H Compressor Project Costs Account noted above, parties also agree with Enbridge Gas's request for approval of the final disposition of the 2017 revenue recorded in the Lobo D/Bright C/ Dawn H Compressor Project Costs Deferral Account (179-144), which was approved on an interim basis as part of the 2017 Deferrals proceeding (EB-2018-0105).

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

A-3	2018 Deferral Account Disposition and Earnings Sharing Overview and Approvals Requested
C-1	Deferral & Variance Accounts Requested for Clearance January 1, 2020 – Union Rate Zones
I.STAFF.17 and 22	Staff Interrogatories #17 and 22
I.EP.13	Energy Probe Interrogatory #13
I.FRPO.27 to 29	FRPO Interrogatories #27 to 29
I.LMPA.5	LMPA Interrogatory #5
I.SEC.5	SEC Interrogatory #5

(r) Burlington/Oakville Project Costs Account (179-149)

All parties agree that the principal balance in the Burlington/Oakville Project Costs Account, which is shown in Appendix B, along with applicable interest, will be cleared as set out under Issue 4, below.

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

A-3	2018 Deferral Account Disposition and Earnings Sharing Overview and Approvals Requested
C-1	Deferral & Variance Accounts Requested for Clearance January 1, 2020 – Union Rate Zones
I.STAFF.17	Staff Interrogatory #17
I.EP.13	EP Interrogatory #13
I.LMPA.6	LMPA Interrogatory #6
I.SEC.5	SEC Interrogatory #5

(s) OEB Cost Assessment Variance Account (179-151)

All parties agree that the principal balance in the OEB Cost Assessment Variance Account, which is shown in Appendix B, along with applicable interest, will be cleared as set out under Issue 4, below.

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

A-3	2018 Deferral Account Disposition and Earnings Sharing Overview and Approvals Requested
C-1	Deferral & Variance Accounts Requested for Clearance January 1, 2020 – Union Rate Zones
I.SEC.4	SEC Interrogatory #4
I.VECC.3 and 4	VECC Interrogatories #3 and 4

(t) Panhandle Reinforcement Project Costs Account (179-156)

All parties agree that the principal balance in the Panhandle Reinforcement Project Costs Account, which is shown in Appendix B, along with applicable interest, will be cleared as set out under Issue 4, below.

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

A-3	2018 Deferral Account Disposition and Earnings Sharing Overview and Approvals Requested
C-1	Deferral & Variance Accounts Requested for Clearance January 1, 2020 – Union Rate Zones
I.STAFF.17	Staff Interrogatory #17
I.EP.13	Energy Probe Interrogatory #13
I.LMPA.7	LMPA Interrogatory #7
I.SEC.5	SEC Interrogatory #5

(u) Pension and OPEB Forecast Accrual vs Actual Cash Payment Differential Variance Account (179-157)

Enbridge Gas's prefiled evidence for this account (Exhibit C, Tab 1, page 69) includes a proposal for alternate treatment of capitalized pension and OPEB expenses being tracked in this account. For the purpose of settlement and without any comment or determination on the appropriateness of the proposal, Enbridge Gas has agreed to withdraw this proposal for 2018 and revert to the "generic approach" set out in the EB-2015-0040 "Regulatory Treatment of Pension and Other Post employment Benefits ("OPEB") Costs" Report. The impact of this change is to increase the refund balance (interest) in the account for 2018 by \$98,757. All parties agree that Enbridge Gas's agreement to withdraw its proposal is without prejudice to the Company's right to make the same (or similar) proposal in relation to this account in 2019 or other future years.

All parties agree that the updated interest balance in the Pension and OPEB Forecast Accrual vs Actual Cash Payment Differential Variance Account, which is shown in Appendix B, will be cleared as set out under Issue 4, below.

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

A-3	2018 Deferral Account Disposition and Earnings Sharing Overview and Approvals Requested
C-1	Deferral & Variance Accounts Requested for Clearance January 1, 2020 – Union Rate Zones
I.STAFF.123	Staff Interrogatory #23

3. Is the timing and proposed method for allocating and disposing of the deferral account balances for the EGD Rate Zone, inclusive of the 2018 earnings sharing amount, appropriate?

All parties agree that the principal balances in Enbridge Gas's Deferral and Variance Accounts for the EGD Rate Zone, along with applicable interest (noting that the forecasted interest balances reflect the impact of the OEB's Q4 2019 prescribed interest rate), as set out in columns 3 and 4 of Appendix A to this Settlement Proposal, will be recovered or refunded to customers as a one-time billing adjustment in the month of April 2020, in conjunction with Enbridge Gas's April 1, 2020 QRAM Application.

All parties accept the proposed method for allocating and disposing of the account balances, as described in Exhibit B-3 (subject to the updates that will be reflected in the Draft Rate Order to implement the changes to the ESMDA and EPESDA described herein).

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

A-3	2018 Deferral Account Disposition and Earnings Sharing Overview and Approvals Requested
B-1	2018 Deferral and Variance Account Balances Requested for Clearance January 1, 2020 EGD Rate Zone
B-3	Clearance of 2018 Deferral and Variance Account Balances EGD Rate Zone
B-3-A	Derivation of Proposed Unit Rates
I.STAFF.1	Staff Interrogatory #1
I.CME.1, 2 and 4	CME Interrogatories #1, 2 and 4
I.LMPA.1	LMPA Interrogatory #1

4. Is the timing and proposed method for allocating and disposing of the deferral account balances for the Union Rate Zones, inclusive of the 2018 earnings sharing amount, appropriate?

All parties agree that the principal balances in Enbridge Gas's Deferral and Variance Accounts for the Union Rate Zones, along with applicable interest (noting that the forecasted interest balances reflect the impact of the OEB's Q4 2019 prescribed interest rate), as set out in Appendix B to this Settlement Proposal, will be recovered or refunded to customers prospectively over 6 months for general service customers and as a one-time adjustment for in-franchise contract and ex-franchise rate classes, in conjunction with Enbridge Gas's April 1, 2020 QRAM Application.

All parties accept the proposed method for allocating and disposing of the account balances, as described in Exhibit C-3 (subject to the updates that will be reflected in the Draft Rate Order to implement the changes to the Pension and OPEB Forecast Accrual vs Actual Cash Payment Differential Variance Account described herein).

As set out in response to Staff Interrogatory #1(c), Enbridge Gas confirms that the Union Rate Zones will be moving to a system for billing its general service customers that will allow one-time adjustments to be applied to customer bills. Enbridge Gas currently estimates the earliest the new billing system for the Union Rate Zones will begin generating general service customer bills is in mid-2021.

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

A-3	2018 Deferral Account Disposition and Earnings Sharing Overview and Approvals Requested
C-1	Deferral & Variance Accounts Requested for Clearance January 1, 2020 – Union Rate Zones
C-3	Allocation and Disposition of 2018 Deferral Account Balances – Union Rate Zones
C-3-A-1	Allocation of 2018 Deferral Account Balances
C-3-A-2	Unit Rates for Prospective Recovery/(Refund)
C-3-A-3	General Service Bill Impacts
I.STAFF.1 and 20	Staff Interrogatories #1 and 20
I.CME.1 and 2	CME Interrogatories #1 and 2
I.LMPA.1	LMPA Interrogatory #1
I.VECC.1	VECC Interrogatory #1