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Canada

February 18, 2021

BY RESS AND EMAIL

Ms. Christine Long
Board Secretary
Ontario Energy Board
2300 Yonge Street, 27th Floor
Toronto, ON M4P 1E4

Dear Ms. Long:

Re: Enbridge Gas Inc. (Enbridge Gas)
Ontario Energy Board File No.: EB-2020-0091
Integrated Resource Planning Proposal
Undertaking Responses

Please find enclosed undertaking responses from Enbridge Gas from the technical conference held on February 10, 11, and 12, 2021 in the above noted proceeding.

Enbridge Gas will file responses to the following undertaking as soon as possible.

JT1.8	JT2.1	JT3.4
JT1.10	JT2.9	JT3.6
JT1.11	JT2.11	JT3.8
JT1.14	JT2.12	JT3.9
JT1.15	JT2.14	
JT1.16	JT2.15	
	JT2.16	

Further to the above, Enbridge is currently reviewing the transcripts from the technical conference and will be providing corrections for the OEB's consideration as soon as possible.

If you have any questions, please contact the undersigned.

Sincerely,

(Original Digitally Signed)

Adam Stiers
Technical Manager, Regulatory Applications

cc.: D. Stevens (Aird & Berlis)
M. Parkes (OEB Staff)
M. Millar (OEB Counsel)
EB-2020-0091 (Intervenors)

ENBRIDGE GAS INC.

Undertaking Response to FRPO

To provide the longest-term peaking service that Enbridge/Union gas has actually bid for.

Response:

Enbridge Gas is not aware of any instance where the Company issued an RFP for peaking services for gas supply with a term greater than a single winter season.

ENBRIDGE GAS INC.

Undertaking Response to FRPO

To advise whether there is typically a payment associated with displacement.

Response:

According to the American Gas Association, displacement transactions permit the lateral movement of gas through a transportation network. The configuration of many pipelines is such that it may not be apparent whether a given movement of gas is forward or backward from the point of receipt. It can be argued that all transportation service is performed by displacement as the physical delivery of the same molecules of gas is impossible.[1]

No, there is no payment/penalty typically associated with displacement between interconnecting pipeline operators. Interconnecting operators have general agreements to handle small differentiations in gas quantities to provide efficiency in meeting daily scheduled quantities.

[1] www.aga.org/natural-gas/glossary

ENBRIDGE GAS INC.

Undertaking Response to FRPO

To provide the evidentiary or transcript reference to a process for stakeholders to raise alternate IRPAs and have them considered and addressed.

Response:

The process for stakeholders to raise alternative IRPAs is addressed as an objective of the proposed stakeholder approach in the Additional Evidence at para 88 on page 39:

> Accordingly, the objectives of the IRP Stakeholder Engagement process will be to: (i) ensure planned resources will meet Enbridge Gas's obligation to safely and reliably deliver firm contracted demands; (ii) gather ample geographically-specific information such that IRPAs can be adequately reviewed and monitored; (iii) help inform the development of new or enhanced energy efficiency programming; and (iv) broadly inform Enbridge Gas's long-term strategic planning.
> (emphasis added)

It is further articulated in the Reply Evidence on pages 13 and 14 at Section 3.0 Stakeholder Consultation/Engagement.

> Enbridge Gas acknowledges the importance of obtaining stakeholder input ahead of developing IRPAs to address identified system needs/constraints and of establishing a feedback loop to keep stakeholders (including municipal and government representatives, First Nations, end use customers from all sectors, customer and business associations) informed of its investments in and the impact of their respective input into the development of IRPAs.
>
> Enbridge Gas's proposed three component approach to stakeholder engagement, as set out in its Additional Evidence,[1] is meant to go beyond data collection in that it: (i) recognizes that each geographic area being consulted regarding an identified customer need or system constraint and relevant IRPA(s) will have unique attributes and stakeholders;[2] and (ii) seeks to solicit concrete input for Enbridge Gas planners to consider when assessing alternatives to resolve identified system capacity needs/constraints, through engagement with members of the public that are expected to be directly impacted. (emphasis added)

[1] Enbridge Gas Additional Evidence, Exhibit B, para. 89.
[2] Examples of which may include local chambers of commerce and boards of trades and their members, local businesses owners and associations, and local LDC's.

Additionally, Mr. Stiers provided an example of how an alternate IRPA could be brought forward on the proposed Stakeholder Day, as part of Component 2 of Enbridge Gas's proposed Stakeholder process, during his testimony in the Technical Conference on February 10, 2021:[3]

> And so in an effort to put forward a process that is reasonable and efficient, the company has suggested that what is appropriate is for it to focus on identifying the system constraints, as you stated, as it normally does in the normal course of business, and then subsequently to reflect on any input from external parties that it has through existing communication channels, so component one of our stakeholdering process. And then to consider using the IRP assessment process that we have set out in Exhibit B.
>
> Thus, various IRPAs might be reasonable or viable for serving that need. So the company expects that all along this process, it will take into account the input of stakeholders at that first early stage. It will be based on what we received already, but then we do expect that stakeholders will have an early and frequent opportunity to pose questions and provide comments on the decisions that the company has made.
>
> And so, following the identification of system constraints in our asset management plan, we would make the asset management plan public as part of our annual rates proceedings, and stakeholders would have an opportunity at its annual stakeholder day shortly after to pose questions and understand the decisions that the utility has made and to provide input on those, and all of that we intend to record.
>
> So beyond that, we also expect that we will file annual IRP reports and that we will, at the time we make an IRP application to the board, we would in each of those instances also be in a position to explain the decisions that we've made. And so we don't think it would be efficient for us to have additional, let's say, process aside from that.

Mr. Stiers went on to state:[4]

> I am letting you know our intentions going forward are to also hear at the -- for example, at the stakeholder day --from stakeholders, from people in affected geographic locations where a system constraint has been identified, and from parties, whether or not they think there are other viable IRPAs that the utility should consider. Now, some of those we may have already assessed and considered and we may be prepared to speak to on the day or to provide follow-up on in fairly short order. I do foresee that there might be an instance where new IRPAs that were not necessarily considered could also surface, and we would give those consideration as well. That's the purpose of the stakeholdering.
> (emphasis added)

[3] EB-2020-0091 OEB Technical Conference Transcript, February 10, 2021, pp. 12-14.
[4] EB-2020-0091 OEB Technical Conference Transcript, February 10, 2021, pp. 64-65.

Finally, after further discussion during his testimony in the Technical Conference on February 12, 2021, Mr. Stiers concluded:

> I think what we set out is up to ten years in advance identifying a system constraint and as quickly as possible, wrapping our heads around what that constraint is and what the appropriate means might be to resolve that constraint from both a facility and a non-facility standpoint, and as immediately as possible looking to consult on what we think makes sense with the public, with First Nations, with parties. We see that as quite timely consultation.

ENBRIDGE GAS INC.

Undertaking Response to FRPO

To provide examples of what's meant by the first sentence in the second paragraph of FRPO 15.

Response:

Enbridge Gas has provided a non-exhaustive list of references in Table 1 below where the Company has evaluated supply side alternatives as part of its internal assessment of facility and non-facility alternatives to resolve identified system constraints and included the results of its assessment as part of subsequent leave to construct proceedings.

Table 1

Line No.	Proceeding No.	Proceeding Name
1	EB-2012-0433	Parkway West
2	EB-2013-0074	2015 Dawn Parkway - Brantford – Kirkwall/Parkway D
3	EB-2014-0182	Burlington Oakville
4	EB-2014-0333	Sarnia Expansion
5	EB-2015-0200	2017 Dawn Parkway - Dawn H, Lobo C, Bright C
6	EB-2016-0186	Panhandle Reinforcement
7	EB-2018-0013	Kingsville Reinforcement
8	EB-2019-0218	Sarnia Industrial Line Reinforcement

As part of these assessments, Enbridge Gas has evaluated both short-term and long-term supply side services, including: peaking supply, delivered supply, exchanges and third-party assignments.

ENBRIDGE GAS INC.

Undertaking Response to ED

To advise the best time to screen out IRPA's before a leave-to-construct application.

Response:

If (contrary to Enbridge Gas's proposal) the Board was to determine that an adjudication of Enbridge Gas's decision not to pursue an IRP solution to meet an identified need/constraint should take place before the LTC application where the facilities solution is presented, then Enbridge Gas believes that such adjudication should take place in the year after Enbridge Gas has presented its determination not to pursue an IRPA. That would provide early clarity to Enbridge Gas as to how to proceed to meet the identified need/constraint.

ENBRIDGE GAS INC.

Undertaking Response to Anwaatin

To advise whether IRPA's are in scope within a rebasing proceeding.

Response:

To the extent that Enbridge Gas's future rebasing proceedings include a forecast of capital projects in the form of an updated Asset Management Plan, the Company expects that any identified system constraints and related IRPAs or facility alternatives discussed in the AMP to resolve those constraints over the next IRM-period would be within the scope of what may be considered relevant in that proceeding. The degree to which future capital spending plans are relevant would depend on the form of ratemaking model being considered.

Enbridge Gas does caution, however, that review of future IRPA plans in any rebasing review should be limited in scope, taking into account that Enbridge Gas has committed to conduct an annual Stakeholder Day to discuss and receive feedback on them and that the Company intends to apply separately for specific approval to invest in either facility or non-facility (IRPA) projects.

ENBRIDGE GAS INC.

Undertaking Response to ED

To provide a proposal or what your thoughts are if the board agrees that there should be adjudication of those kinds of IRP decisions to choose pipe over non-pipe for projects below the leave-to-construct threshold where that would be adjudicated.

Response:

Enbridge Gas does not believe that it is necessary to have formal adjudication of decisions not to proceed with IRPAs for smaller projects (those under the LTC threshold). The Company believes it has put forth a robust stakeholder approach where input in many forms from any interested party can be received and will be taken into account by the utility. Enbridge Gas notes that it has proposed binary screening in its IRP Proposal for purposes of allowing the Company to minimize unnecessary costs associated with considering and designing IRP solutions for every identified need. If each such decision was adjudicated that would impose a very large regulatory and administrative burden.

If the Board was to require such adjudication, then Enbridge Gas would endorse the approach indicated at Exhibit JT1.5.

ENBRIDGE GAS INC.

Undertaking Response to ED

To provide a forecast for annual consumption by new additional customers 2020-2030.

Response:

Please see the forecast annual consumption by new additional general service customers for the period of 2021-2030 set out in Table 1 below. 2020 Actual consumption will be submitted as part of Enbridge Gas's 2020 Utility Earnings and Disposition of Deferral & Variance Account Balances Application and evidence to be filed with the OEB in coming months.

Table 1

Volumes by new additional customers (in 10^6 m^3)	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
	167.0	165.7	162.3	156.4	151.2	147.8	144.2	140.6	136.6	132.8

ENBRIDGE GAS INC.

Undertaking Response to GEC

To provide whatever information of any kind of ranges, maximum for the different sectors, for residential versus general service.

Response:

It would be premature for Enbridge Gas to provide information about the maximum (or a range) safe concentration of hydrogen in blended gas as the different sectors could have different equipment or processes. This would require significant additional study. The assessment for the Low-Carbon Energy Project (EB-2019-0294) was network specific and focused on the end-users in the area.

ENBRIDGE GAS INC.

Undertaking Response to GEC

To confirm the age of the forecasts in Table 1.

Response:

Table 1 set out in the Company's response at Exhibit I.OSEA.10 c), shows the Company's actual versus budget volumes for the period of 2010-2019. Each volume forecast in the table was developed in the previous year and the forecasting horizon for volumetric budgeting purposes is two years. For example, the 2010 Forecast Volume in Table 1 was developed in 2009 (for 2010 budget) using the actual data up to 2008.

ENBRIDGE GAS INC.

Undertaking Response to Anwaatin

To describe the exact nature of the leave to not construct, the non-pipeline alternative to be sought and the legislative authority.

Response:

In its response at Exhibit I.STAFF.10, Enbridge Gas provides a general explanation of the nature of future IRPA applications (referred to by Anwaatin as leave to not construct applications). The Company also clarifies in that same response, that it is seeking to obtain similar approvals or assurances under similar thresholds and parameters for investments in IRPAs as the OEB Act affords utilities through applications for leave to construct facilities. Enbridge Gas has indicated that it believes that the Board can approve investments made to avoid facilities additions under section 36 of the OEB Act. To the extent that other parties or the Board do not share that view. Enbridge Gas is asking the Board to provide guidance regarding its legislative authority as it relates to the filing, review and approval of the proposed IRPA applications.

ENBRIDGE GAS INC.

Undertaking Response to ED

To provide an updated and revised version of IR STAFF 20 with more detail for avoided commodity-fuel costs and for infrastructure costs.

Response:

	Benefit/Cost	Stage 1	Stage 2	Stage 3
	Benefits			
	Incremental Revenues	x		
2	Avoided Utility Infrastructure Costs	x		
3	Avoided Customer Infrastructure Costs		x	
4	Avoided Utility Commodity/Fuel Costs	x		
5	Avoided Customer Commodity/Fuel Costs		x	
	Avoided O&M	x		
	Avoided GHG Emissions		x	
	Other External Non-Energy Benefits			x
	Costs			
1	Incremental Capital Expenditure	x		
1	Incremental O&M	x		
	Incremental Taxes	x		
4	Incremental Utility Commodity/Fuel Costs	x		
5	Incremental Customer Commodity/Fuel Costs		x	
	Incremental GHG Emissions		x	
	Incremental Customer Costs		x	
	Other External Non-Energy Costs			x

Notes:

(1) Capital & O&M is inclusive of program administrative costs.
(2) Avoided or reduced infrastructure capital costs of the Utility (e.g. use of smaller diameter pipe).
(3) Avoided or reduced infrastructure capital costs of the customer (e.g. reduced Contribution in Aid of Construction).
(4) Avoided or incremental fuel costs of the Utility (e.g. compressor fuel and unaccounted for gas).
(5) Avoided or incremental fuel costs of the customer (e.g. lower/higher natural gas use, lower/higher electricity use).

ENBRIDGE GAS INC.

Undertaking Response to ED

To indicate when the depreciation studies for legacy utilities were last filed.

Response:

Please see Attachment 1 for the depreciation study filed by Enbridge Gas Distribution Inc. ("EGD") as part of its 2013 Cost of Service proceeding (EB-2011-0354) and Attachment 2 for the depreciation study filed by Union Gas Limited ("Union") as part of its 2013 Cost of Service proceeding (EB-2011-0210).

Filed: 2012-01-31
EB-2011-0354
Exhibit D2
Tab 2
Schedule 1
Page 1 of 158

ENBRIDGE GAS DISTRIBUTION, INC.

SCARBOROUGH, ONTARIO

DEPRECIATION STUDY

CALCULATED ANNUAL DEPRECIATION ACCRUAL RATES APPLICABLE TO GAS PLANT AS OF DECEMBER 31, 2010

Gannett Fleming
Valuation and Rate Division
Excellence Delivered As Promised

Harrisburg, Pennsylvania *Calgary, Alberta* *Valley Forge, Pennsylvania*

Gannett Fleming

Excellence Delivered ***As Promised***

November 2, 2011

Enbridge Gas Distribution, Inc.
PO Box 650
Scarborough, ON M1K 5E3

Attention: Mr. John Jozsa, Assistant Controller
Ms. Debbie Kelly, Manager, Capital Effectiveness

Ladies and Gentlemen:

Pursuant to your request, we have conducted a depreciation study related to the gas distribution and general plant assets of Enbridge Gas Distribution (or "the Company") as of December 31, 2010. Our report presents a description of the methods used in the estimation of depreciation, the statistical analyses of service life, the analysis related to net salvage, and the summary and detailed tabulations of annual and accrued depreciation.

The calculated annual depreciation accrual rates presented in the report are applicable to plant in service as of December 31, 2010. The depreciation rates are based on the straight line remaining life method using the average service life procedure. A periodic review of the depreciation rates using the same estimates and methods is recommended.

Respectfully submitted,

GANNETT FLEMING, INC.
Valuation and Rate Division

John J. Spanos

JOHN J. SPANOS
Vice President

LARRY E. KENNEDY
Director, Canadian Services

LEK/JJS
054469

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PART I. INTRODUCTION

ENBRIDGE GAS DISTRIBUTION, INC.

DEPRECIATION STUDY
CALCULATED ANNUAL DEPRECIATION
ACCRUAL RATES APPLICABLE
TO GAS PLANT
AS OF DECEMBER 31, 2010

PART I. INTRODUCTION

SCOPE

This report sets forth the results of the depreciation study conducted for the underground storage, distribution and general plant assets of Enbridge Gas Distribution ("Enbridge" or "the Company") as of December 31, 2010 to determine the annual depreciation accrual rates and amounts for ratemaking and financial disclosure purposes applicable to the original cost of plant as of December 31, 2010.

The depreciation accrual rates presented herein are based on generally-accepted methods and procedures for calculating depreciation. The estimated survivor curves used in this report are based on studies incorporating data through 2010.

Part I, Introduction, contains statements with respect to the scope of the report and the basis of the study. Part II, Methods Used in the Calculation of Depreciation, presents the methods used in the estimation of average service lives, survivor curves, and net salvage percentages and in the calculation of depreciation. Part III, Results of Study, presents a summary of annual depreciation, the statistical analyses of service lives and net salvage estimates, and the detailed tabulations of annual depreciation.

BASIS OF THE STUDY

Depreciation. The depreciation accrual rates and accrued depreciation were calculated using the straight line method, the remaining life basis and the average service

life group (ASL) procedure. The calculation was based on the attained ages and estimated service life and net salvage characteristics for each depreciable group of assets as of December 31, 2010.

Service Life and Net Salvage Estimates. The method of estimating service life consisted of compiling the service life history of the plant accounts and subaccounts, reducing this history to trends through the use of analytical techniques that have been generally accepted in various regulatory jurisdictions, and forecasting the trend of survivors for each depreciable group on the basis of interpretations of past trends and consideration of Company plans for the future. The combination of the historical trend and the estimated future trend yielded a complete pattern of life characteristics from which the average service life was derived. The service life estimates used in the depreciation calculation incorporated historical data compiled through December 31, 2010. Such data included plant additions, retirements, transfers and other plant activity.

A general understanding of the function of the plant and information with respect to the reasons for past retirements and the expected future causes of retirement was obtained through site tours of Company facilities and interviews with Company representatives. The information gained through these tours and discussions with company representatives were also used in the development of the average service life estimates.

RECOMMENDATIONS

The calculated annual depreciation accrual rates set forth herein apply specifically to plant in service as of December 31, 2010. Continued surveillance and periodic review are normally required to maintain continued use of appropriate depreciation rates.

The depreciation rates should be reviewed periodically to reflect the changes that result from plant accounting activity. A depreciation reserve deficiency or surplus will

develop if future capital expenditures vary significantly from those anticipated in this study.

The survivor curves used in this study should be the basis for periodic recalculations. Complete depreciation studies, which reevaluate these parameters, should be performed every three to five years.

PART II. METHODS USED IN THE CALCULATION OF DEPRECIATION

PART II. METHODS USED IN THE CALCULATION OF DEPRECIATION

DEPRECIATION

Depreciation, in public utility regulation, is the loss in service value not restored by current maintenance, incurred in connection with the consumption or prospective retirement of utility plant in the course of service from causes which are known to be in current operation and against which the utility is not protected by insurance. Among causes to be given consideration are wear and tear, deterioration, action of the elements, inadequacy, obsolescence, changes in the art, changes in demand, and the requirements of public authorities.

Depreciation, as used in accounting, is a method of distributing fixed capital costs, less net salvage, over a period of time by allocating annual amounts to expense. Each annual amount of such depreciation expense is part of that year's total cost of providing natural gas distribution service. Normally, the period of time over which the fixed capital cost is allocated to the cost of service is equal to the period of time over which an item renders service, that is, the item's service life. The most prevalent method of allocation is to distribute an equal amount of cost to each year of service life. This method is known as the straight line method of depreciation.

The calculation of annual and accrued depreciation based on the straight line method requires the estimation of survivor curves and the selection of group depreciation procedures. These subjects are discussed in the sections that follow.

ESTIMATION OF SURVIVOR CURVES

Survivor Curves. The use of an average service life for a property group implies that the various units in the group have different lives. Thus, the average life may be obtained by determining the separate lives of each of the units, or by constructing a survivor curve by plotting the number of units which survive at successive ages. A discussion of the general concept of survivor curves is presented. Also, the Iowa type survivor curves are reviewed.

The survivor curve graphically depicts the amount of property existing at each age throughout the life of an original group. From the survivor curve, the average life of the group, the remaining life expectancy, the probable life, and the frequency curve can be calculated. In Figure 1, a typical smooth survivor curve and the derived curves are illustrated. The average life is obtained by calculating the area under the survivor curve, from age zero to the maximum age, and dividing this area by the ordinate at age zero. The remaining life expectancy at any age can be calculated by obtaining the area under the curve, from the observation age to the maximum age, and dividing this area by the percent surviving at the observation age. For example, in Figure 1, the remaining life at age 30 is equal to the crosshatched area under the survivor curve divided by 29.5 percent surviving at age 30. The probable life at any age is developed by adding the age and remaining life. If the probable life of the property is calculated for each year of age, the probable life curve shown in the chart can be developed. The frequency curve presents the number of units retired in each age interval and is derived by obtaining the differences between the amount of property surviving at the beginning and at the end of each interval.

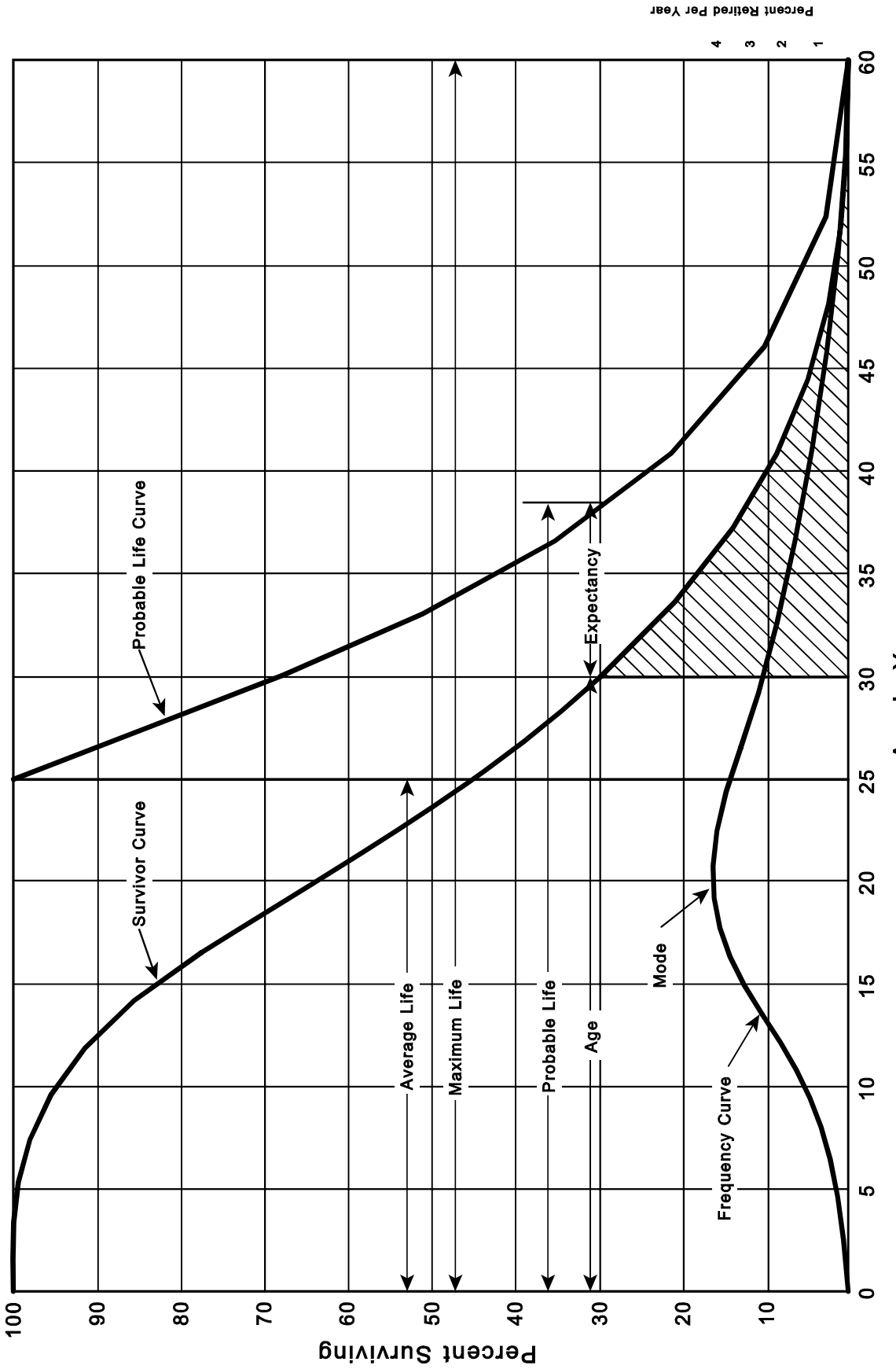


Figure 1. A Typical Survivor Curve and Derived Curves

Iowa Type Curves. The range of survivor characteristics usually experienced by utility and industrial properties is encompassed by a system of generalized survivor curves known as the Iowa type curves. There are four families in the Iowa system, labeled in accordance with the location of the modes of the retirements in relationship to the average life and the relative height of the modes. The left moded curves, presented in Figure 2, are those in which the greatest frequency of retirement occurs to the left of, or prior to, average service life. The symmetrical moded curves, presented in Figure 3, are those in which the greatest frequency of retirement occurs at average service life. The right moded curves, presented in Figure 4, are those in which the greatest frequency occurs to the right of, or after, average service life. The origin moded curves, presented in Figure 5, are those in which the greatest frequency of retirement occurs at the origin, or immediately after age zero. The letter designation of each family of curves (L, S, R or O) represents the location of the mode of the associated frequency curve with respect to the average service life. The numbers represent the relative heights of the modes of the frequency curves within each family.

The Iowa curves were developed at the Iowa State College Engineering Experiment Station through an extensive process of observation and classification of the ages at which industrial property had been retired. A report of the study which resulted in the classification of property survivor characteristics into 18 type curves, which constitute three of the four families, was published in 1935 in the form of the Experiment Station's Bulletin 125.[1] These curve types have also been presented in

[1] Winfrey, Robley. Statistical Analyses of Industrial Property Retirements. Iowa State College, Engineering Experiment Station, Bulletin 125. 1935.

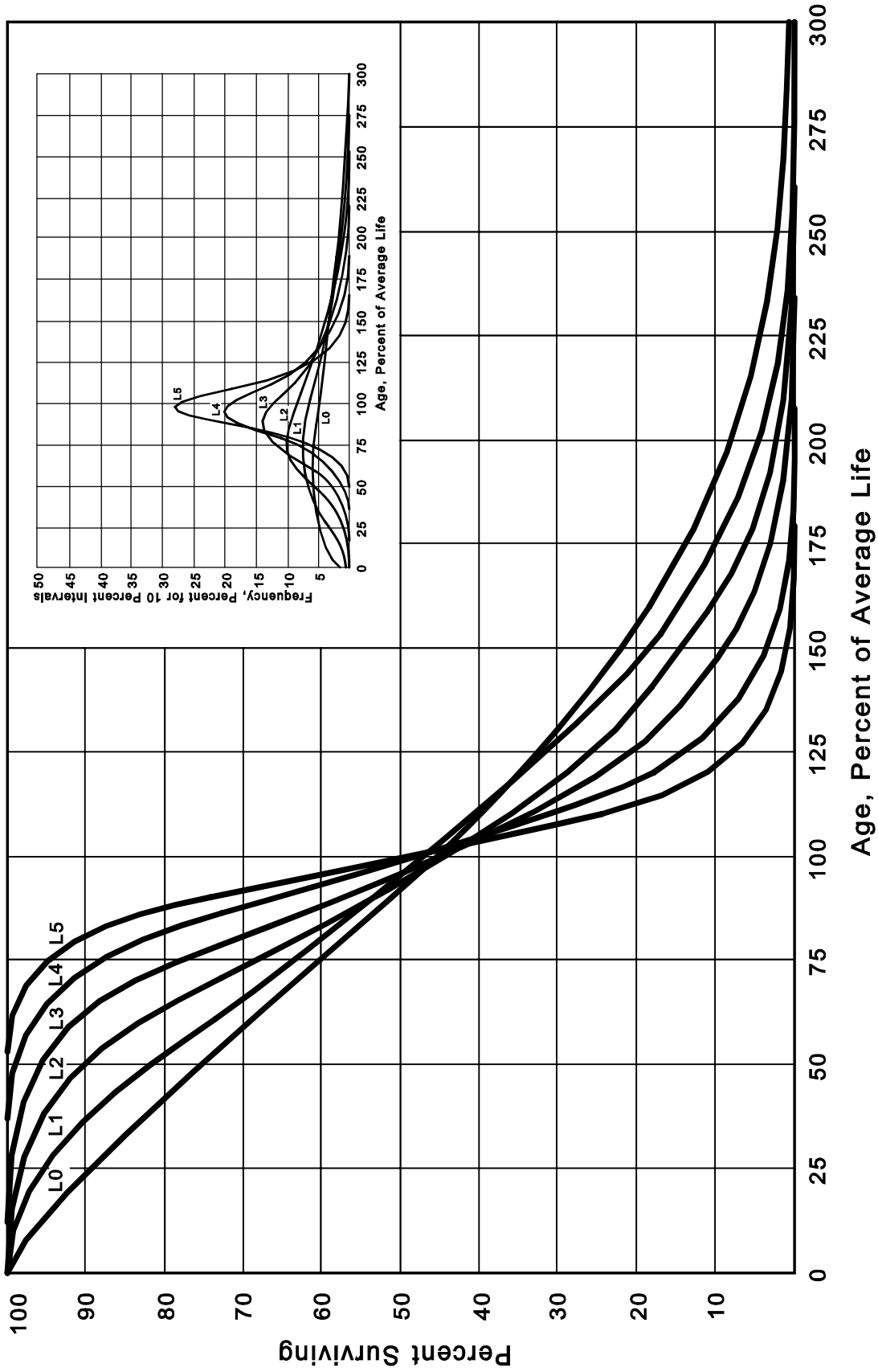


Figure 2. Left Modal or "L" Iowa Type Survivor Curves

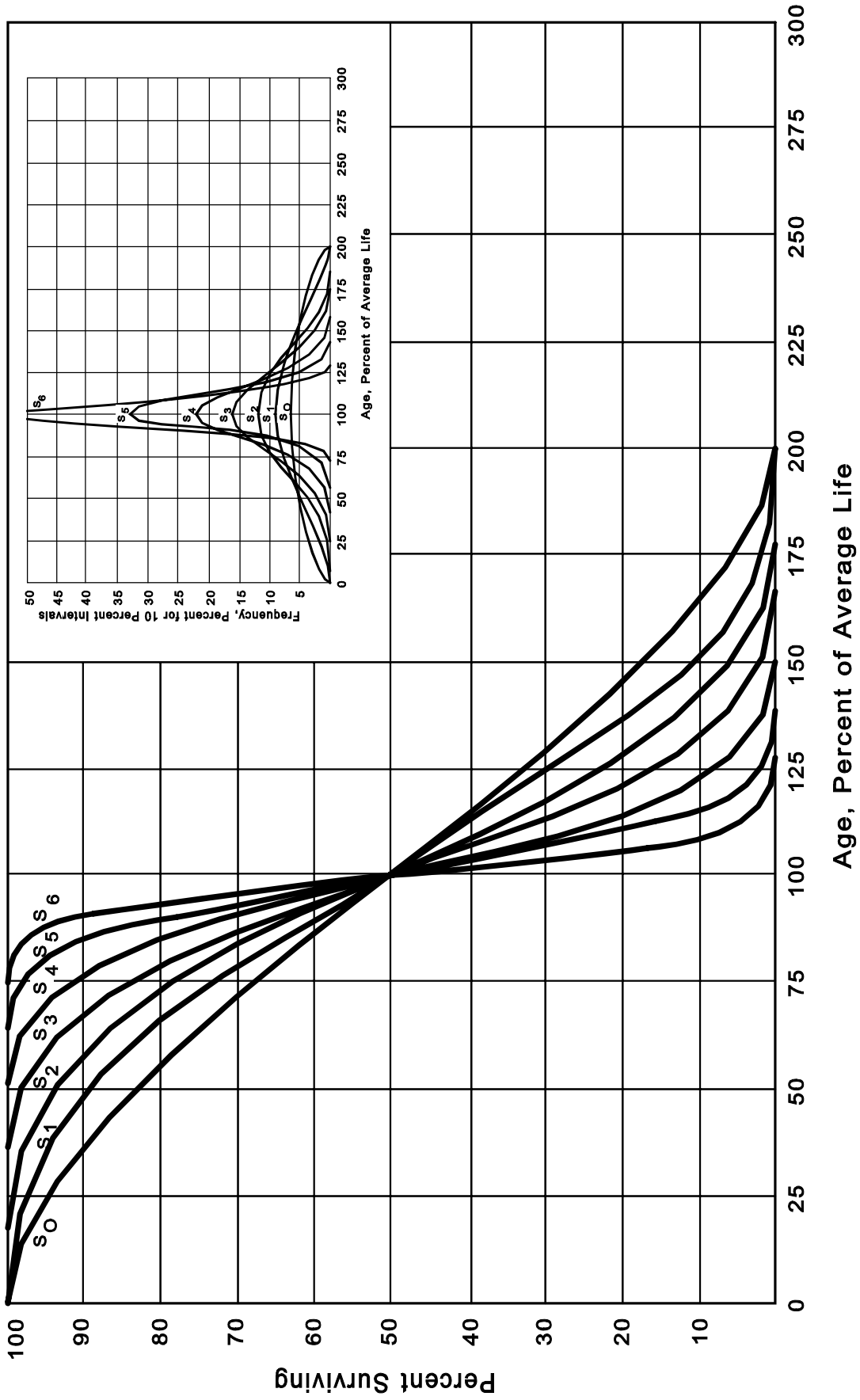


Figure 3. Symmetrical or "S" Iowa Type Survivor Curves

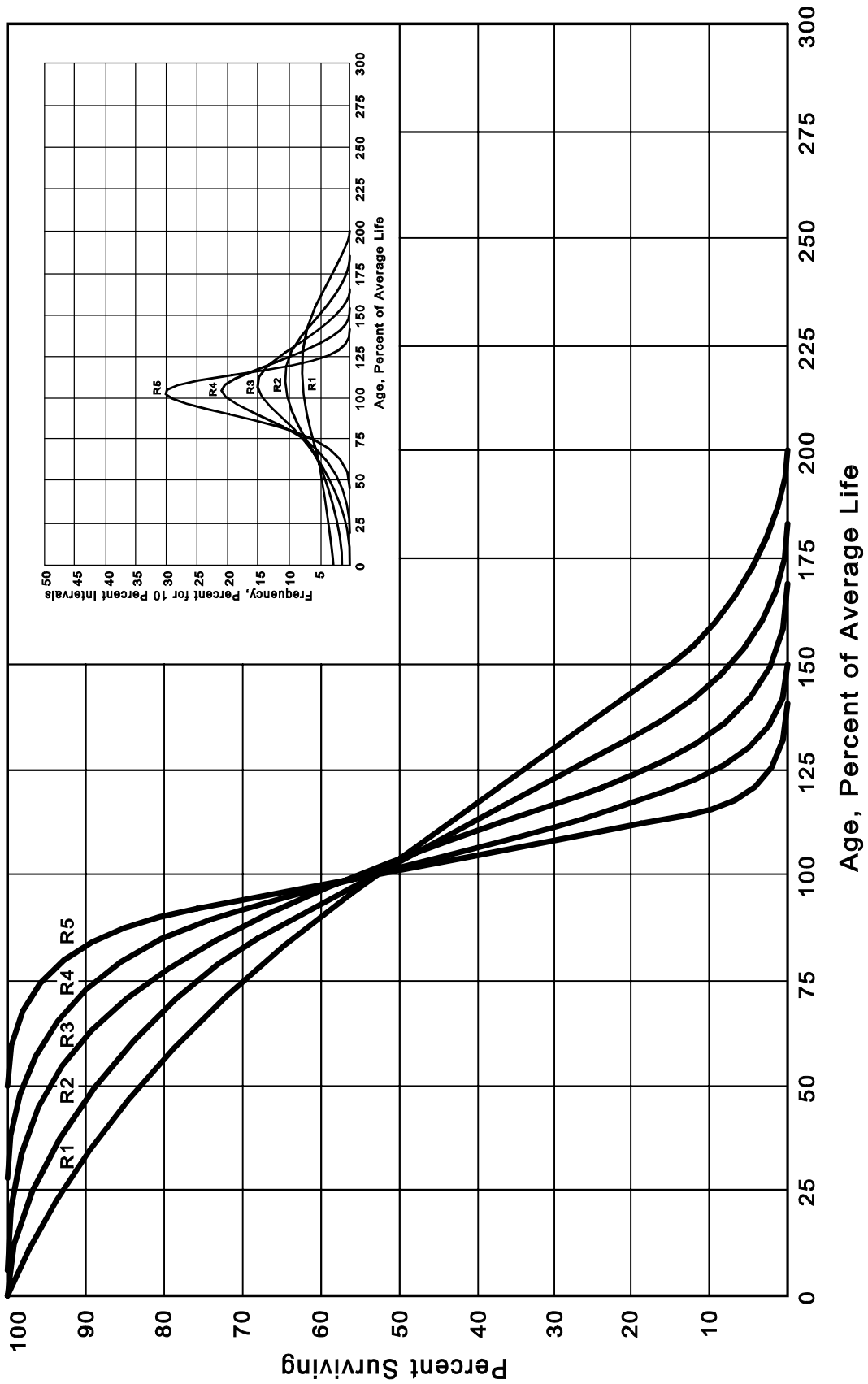


Figure 4. Right Modal or "R" Iowa Type Survivor Curves

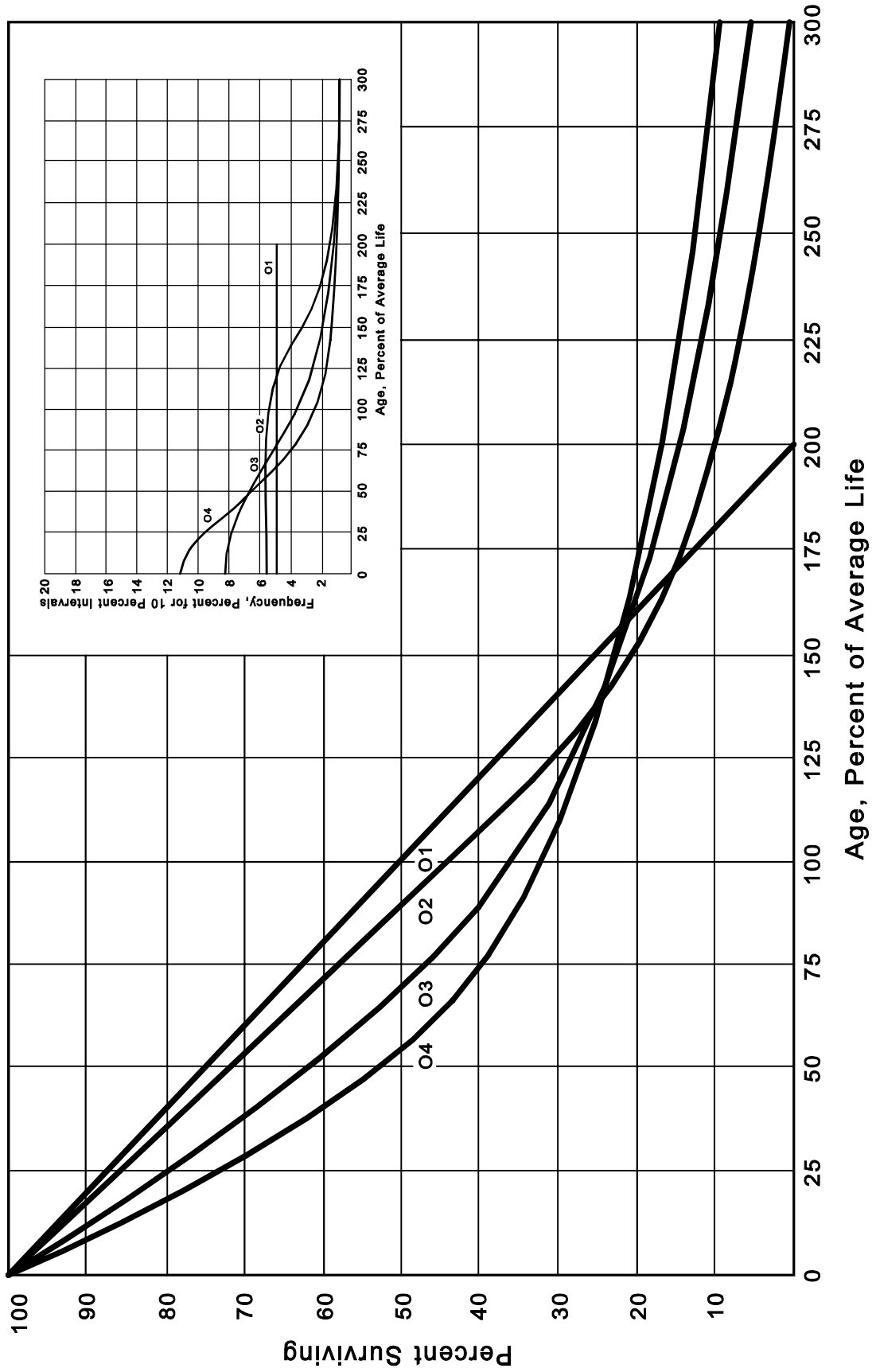


Figure 5. Origin Modal or "O" Iowa Type Survivor Curves

subsequent Experiment Station bulletins and in the text, "Engineering Valuation and Depreciation."[2] In 1957, Frank V. B. Couch, Jr., an Iowa State College graduate student, submitted a thesis[3] presenting his development of the fourth family consisting of the four O type survivor curves.

Retirement Rate Method of Analysis. The retirement rate method is an actuarial method of deriving survivor curves using the average rates at which property of each age group is retired. The method relates to property groups for which aged accounting experience is available or for which aged accounting experience is developed by statistically aging unaged amounts and is the method used to develop the original stub survivor curves in this study. The method (also known as the annual rate method) is illustrated through the use of an example in the following text, and is also explained in several publications, including "Statistical Analyses of Industrial Property Retirements,"[4] "Engineering Valuation and Depreciation,"[5] and "Depreciation Systems."[6]

The average rate of retirement used in the calculation of the percent surviving for the survivor curve (life table) requires two sets of data: first, the property retired during a period of observation, identified by the property's age at retirement; and second, the property exposed to retirement at the beginnings of the age intervals during the same period. The period of observation is referred to as the experience band, and the band of years which represent the installation dates of the property exposed to retirement during the experience band is referred to as the placement band. An example of the

[2]Marston, Anson, Robley Winfrey and Jean C. Hempstead. Engineering Valuation and Depreciation, 2nd Edition. New York, McGraw-Hill Book Company. 1953.

[3]Couch, Frank V. B., Jr. "Classification of Type O Retirement Characteristics of Industrial Property." Unpublished M.S. thesis (Engineering Valuation). Library, Iowa State College, Ames, Iowa. 1957.

[4]Winfrey, Robley, Supra Note 1.

[5]Marston, Anson, Robley Winfrey, and Jean C. Hempstead, Supra Note 2.

[6]Wolf, Frank K. and W. Chester Fitch. Depreciation Systems. Iowa State University Press. 1994

calculations used in the development of a life table follows. The example includes schedules of annual aged property transactions, a schedule of plant exposed to retirement, a life table and illustrations of smoothing the stub survivor curve.

Schedules of Annual Transactions in Plant Records. The property group used to illustrate the retirement rate method is observed for the experience band 2001-2010 during which there were placements during the years 1996-2010. In order to illustrate the summation of the aged data by age interval, the data were compiled in the manner presented in Tables 1 and 2 on pages II-14 and II-15. In Table 1, the year of installation (year placed) and the year of retirement are shown. The age interval during which a retirement occurred is determined from this information. In the example which follows, $10,000 of the dollars invested in 1996 was retired in 2001. The $10,000 retirement occurred during the age interval between 4½ and 5½ years on the basis that approximately one-half of the amount of property was installed prior to and subsequent to July 1 of each year. That is, on the average, property installed during a year is placed in service at the midpoint of the year for the purpose of the analysis. All retirements also are stated as occurring at the midpoint of a one-year age interval of time, except the first age interval which encompasses only one-half year.

The total retirements occurring in each age interval in a band are determined by summing the amounts for each transaction year-installation year combination for that age interval. For example, the total of $143,000 retired for age interval 4½-5½ is the sum of the retirements entered on Table 1 immediately above the stairstep line drawn on the table beginning with the 2001 retirements of 1996 installations and ending

with the 2010 retirements of the 2005 installations. Thus, the total amount of 143 for age interval 4½-5½ equals the sum of:

10 + 12 + 13 + 11 + 13 + 13 + 15 + 17 + 19 + 20.

In Table 2, other transactions which affect the group are recorded in a similar manner. The entries illustrated include transfers and sales. The entries which are credits to the plant account are shown in parentheses. The items recorded on this schedule are not totaled with the retirements, but are used in developing the exposures at the beginning of each age interval.

Schedule of Plant Exposed to Retirement. The development of the amount of plant exposed to retirement at the beginning of each age interval is illustrated in Table 3 on page ll-16. The surviving plant at the beginning of each year from 2001 through 2010 is recorded by year in the portion of the table headed "Annual Survivors at the Beginning of the Year." The last amount entered in each column is the amount of new plant added to the group during the year. The amounts entered in Table 3 for each successive year following the beginning balance or addition are obtained by adding or subtracting the net entries shown on Tables 1 and 2. For the purpose of determining the plant exposed to retirement, transfers-in are considered as being exposed to retirement in this group at the beginning of the year in which they occurred, and the sales and transfers-out are considered to be removed from the plant exposed to retirement at the beginning of the following year. Thus, the amounts of plant shown at the beginning of each year are the amounts of plant from each placement year considered to be exposed to retirement at the beginning of each successive transaction

year. For example, the exposures for the installation year 2006 are calculated in the following manner:

Exposures at age 0 = amount of addition	= $750,000
Exposures at age ½ = $750,000 - $ 8,000	= $742,000
Exposures at age 1½ = $742,000 - $18,000	= $724,000
Exposures at age 2½ = $724,000 - $20,000 - $19,000	= $685,000
Exposures at age 3½ = $685,000 - $22,000	= $663,000

For the entire experience band 2001-2010, the total exposures at the beginning of an age interval are obtained by summing diagonally in a manner similar to the summing of the retirements during an age interval (Table 1). For example, the figure of 3,789, shown as the total exposures at the beginning of age interval 4½-5½, is obtained by summing:

255 + 268 + 284 + 311 + 334 + 374 + 405 + 448 + 501 + 609.

Original Life Table. The original life table, illustrated in Table 4 on page ll-18, is developed from the totals shown on the schedules of retirements and exposures, Tables 1 and 3, respectively. The exposures at the beginning of the age interval are obtained from the corresponding age interval of the exposure schedule, and the retirements during the age interval are obtained from the corresponding age interval of the retirement schedule. The retirement ratio is the result of dividing the retirements during the age interval by the exposures at the beginning of the age interval. The percent surviving at the beginning of each age interval is derived from survivor ratios,

TABLE 1. RETIREMENTS FOR EACH YEAR 2001-2010
SUMMARIZED BY AGE INTERVAL

Experience Band 2001-2010 — Placement Band 1996-2010

Year Placed	Retirements, Thousands of Dollars During Year										Total During Age Interval	Age Interval
	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010		
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)
1996	10	11	12	13	14	16	23	24	25	26	26	13½-14½
1997	11	12	13	15	16	18	20	21	22	19	44	12½-13½
1998	11	12	13	14	16	17	19	21	22	18	64	11½-12½
1999	8	9	10	11	11	13	14	15	16	17	83	10½-11½
2000	9	10	11	12	13	14	16	17	19	20	93	9½-10½
2001	4	9	10	11	12	13	14	15	16	20	105	8½-9½
2002		5	11	12	13	14	15	16	18	20	113	7½-8½
2003			6	12	13	15	16	17	19	19	124	6½-7½
2004				6	13	15	16	17	19	19	131	5½-6½
2005					7	14	16	17	19	20	143	4½-5½
2006						8	18	20	22	23	146	3½-4½
2007							9	20	22	25	150	2½-3½
2008								11	23	25	151	1½-2½
2009									11	24	153	½-1½
2010	—	—	—	—	—	—	—	—	—	13	80	0-½
Total	53	68	86	106	128	157	196	231	273	308	1,606	

TABLE 2. OTHER TRANSACTIONS FOR EACH YEAR 2001-2010
SUMMARIZED BY AGE INTERVAL

Experience Band 2001-2010 Placement Band 1996-2010

	Acquisitions, Transfers and Sales, Thousands of Dollars During Year											
Placed	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	Total During Age Interval	Age Interval
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)
1996	-	-	-	-	-	-	60[a]	-	-	-	-	13½-14½
1997	-	-	-	-	-	-	-	-	-	-	-	12½-13½
1998	-	-	-	-	-	-	-	-	-	-	-	11½-12½
1999	-	-	-	-	-	-	-	(5)[b]	-	-	60	10½-11½
2000	-	-	-	-	-	-	-	6[a]	-	-	-	9½-10½
2001		-	-	-	-	-	-	-	-	-	(5)	8½-9½
2002			-	-	-	-	-	-	-	-	-	7½-8½
2003			-	-	-	-	-	-	-	-	-	6½-7½
2004				-	-	-	-	(12)[b]	-	-	-	5½-6½
2005					-	-	-	-	22[a]	-	-	4½-5½
2006						-	-	(19)[b]	-	-	10	3½-4½
2007							-	-	-	-	-	2½-3½
2008								-	-	(102)[c]	(121)	1½-2½
2009									-	-	-	½-1½
2010											-	0-½
Total	-	-	-	-	-	-	60	(30)	22	(102)	(50)	

[a] Transfer Affecting Exposures at Beginning of Year
[b] Transfer Affecting Exposures at End of Year
[c] Sale with Continued Use
Parentheses denote Credit amount.

TABLE 3. PLANT EXPOSED TO RETIREMENT
JANUARY 1 OF EACH YEAR 2001-2010
SUMMARIZED BY AGE INTERVAL

Experience Band 2001-2010

Placement Band 1996-2010

Year Placed	Exposures, Thousands of Dollars — Annual Survivors at the Beginning of the Year										Total at Beginning of Age Interval	Age Interval
	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010		
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)
1996	255	245	234	222	209	195	239	216	192	167	167	13½-14½
1997	279	268	256	243	228	212	194	174	153	131	323	12½-13½
1998	307	296	284	271	257	241	224	205	184	162	531	11½-12½
1999	338	330	321	311	300	289	276	262	242	226	823	10½-11½
2000	376	367	357	346	334	321	307	297	280	261	1,097	9½-10½
2001	420[a]	416	407	397	386	374	361	347	332	316	1,503	8½-9½
2002		460[a]	455	444	432	419	405	390	374	356	1,952	7½-8½
2003			510[a]	504	492	479	464	448	431	412	2,463	6½-7½
2004				580[a]	574	561	546	530	501	482	3,057	5½-6½
2005					660[a]	653	639	623	628	609	3,789	4½-5½
2006						750[a]	742	724	685	663	4,332	3½-4½
2007							850[a]	841	821	799	4,955	2½-3½
2008								960[a]	949	926	5,719	1½-2½
2009									1,080[a]	1,069	6,579	½-1½
2010										1,220[a]	7,490	0-½
Total	1,975	2,382	2,824	3,318	3,872	4,494	5,247	6,017	6,852	7,799	44,780	

[a] Additions during the year.

each of which equals one minus the retirement ratio. The percent surviving is developed by starting with 100% at age zero and successively multiplying the percent surviving at the beginning of each interval by the survivor ratio, i.e., one minus the retirement ratio for that age interval. The calculations necessary to determine the percent surviving at age 5½ are as follows:

Percent surviving at age 4½	=	88.15				
Exposures at age 4½	=	3,789,000				
Retirements from age 4½ to 5½	=	143,000				
Retirement Ratio	=	143,000	÷	3,789,000	=	0.0377
Survivor Ratio	=	1.000	-	0.0377	=	0.9623
Percent surviving at age 5½	=	(88.15)	x	(0.9623)	=	84.83

The totals of the exposures and retirements (columns 2 and 3) are shown for the purpose of checking with the respective totals in Tables 1 and 3. The ratio of the total retirements to the total exposures, other than for each age interval, is meaningless.

The original survivor curve is plotted from the original life table (column 6, Table 4). When the curve terminates at a percent surviving greater than zero, it is called a stub survivor curve. Survivor curves developed from retirement rate studies generally are stub curves.

Smoothing the Original Survivor Curve. The smoothing of the original survivor curve eliminates any irregularities and serves as the basis for the preliminary extrapolation to zero percent surviving of the original stub curve. Even if the original survivor curve is complete from 100% to zero percent, it is desirable to eliminate any irregularities, as there is still an extrapolation for the vintages which have not yet lived to the age at which the curve reaches zero percent. In this study, the smoothing of the original curve with established type curves was used to eliminate irregularities in the original curve.

TABLE 4. ORIGINAL LIFE TABLE
CALCULATED BY THE RETIREMENT RATE METHOD

Experience Band 2001-2010 Placement Band 1996-2010

(Exposure and Retirement Amounts are in Thousands of Dollars)

Age at Beginning of Interval (1)	Exposures at Beginning of Age Interval (2)	Retirements During Age Interval (3)	Retirement Ratio (4)	Survivor Ratio (5)	Percent Surviving at Beginning of Age Interval (6)
0.0	7,490	80	0.0107	0.9893	100.00
0.5	6,579	153	0.0233	0.9767	98.93
1.5	5,719	151	0.0264	0.9736	96.62
2.5	4,955	150	0.0303	0.9697	94.07
3.5	4,332	146	0.0337	0.9663	91.22
4.5	3,789	143	0.0377	0.9623	88.15
5.5	3,057	131	0.0429	0.9571	84.83
6.5	2,463	124	0.0503	0.9497	81.19
7.5	1,952	113	0.0579	0.9421	77.11
8.5	1,503	105	0.0699	0.9301	72.65
9.5	1,097	93	0.0848	0.9152	67.57
10.5	823	83	0.1009	0.8991	61.84
11.5	531	64	0.1205	0.8795	55.60
12.5	323	44	0.1362	0.8638	48.90
13.5	167	26	0.1557	0.8443	42.24
					35.66
Total	44,780	1,606			

Column 2 from Table 3, Column 12, Plant Exposed to Retirement.
Column 3 from Table 1, Column 12, Retirements for Each Year.
Column 4 = Column 3 divided by Column 2.
Column 5 = 1.0000 minus Column 4.
Column 6 = Column 5 multiplied by Column 6 as of the Preceding Age Interval.

The Iowa type curves are used in this study to smooth those original stub curves which are expressed as percents surviving at ages in years. Each original survivor curve was compared to the Iowa curves using visual and mathematical matching in order to determine the better fitting smooth curves. In Figures 6, 7, and 8, the original curve developed in Table 4 is compared with the L, S, and R Iowa type curves which most nearly fit the original survivor curve. In Figure 6, the L1 curve with an average life between 12 and 13 years appears to be the best fit. In Figure 7, the S0 type curve with a 12-year average life appears to be the best fit and appears to be better than the L1 fitting. In Figure 8, the R1 type curve with a 12-year average life appears to be the best fit and appears to be better than either the L1 or the S0.

In Figure 9, the three fittings, 12-L1, 12-S0 and 12-R1 are drawn for comparison purposes. It is probable that the 12-R1 Iowa curve would be selected as the most representative of the plotted survivor characteristics of the group.

Computed Mortality Method. The computed mortality method of life analysis as used in this study is a procedure for statistically aging annual retirements prior to being analyzed by the retirement rate method. In this procedure, an aged plant balance is developed for the year prior to and for each test year during the given term of comparison. Each given balance is aged by a simulation procedure which applies a series of successive survivor curve trials using a specified Iowa type curve. The Iowa type survivor curve specified for each account is based on judgment incorporating the results of simulated plant record analyses, knowledge of the property and the type curves estimated for the account in other gas companies. Each trial consists of constructing a specific survivor curve at one-year intervals beginning with age 1/2.

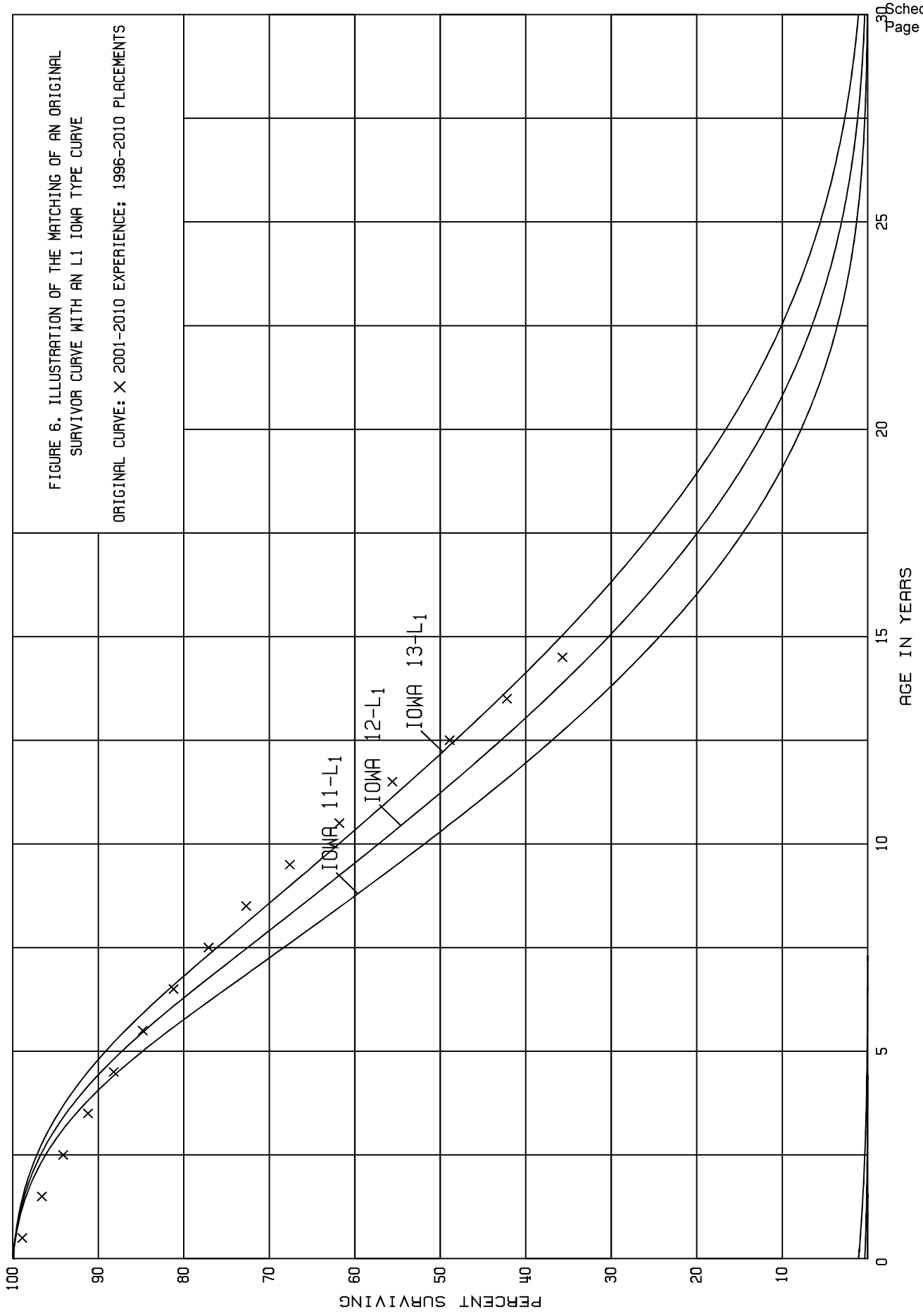


FIGURE 6. ILLUSTRATION OF THE MATCHING OF AN ORIGINAL SURVIVOR CURVE WITH AN L1 IOWA TYPE CURVE
ORIGINAL CURVE: X 2001-2010 EXPERIENCE; 1996-2010 PLACEMENTS
IOWA 11-L1
IOWA 12-L1
IOWA 13-L1
PERCENT SURVIVING
AGE IN YEARS
100
90
80
70
60
50
40
30
20
10
0
5
10
15
20
25
30

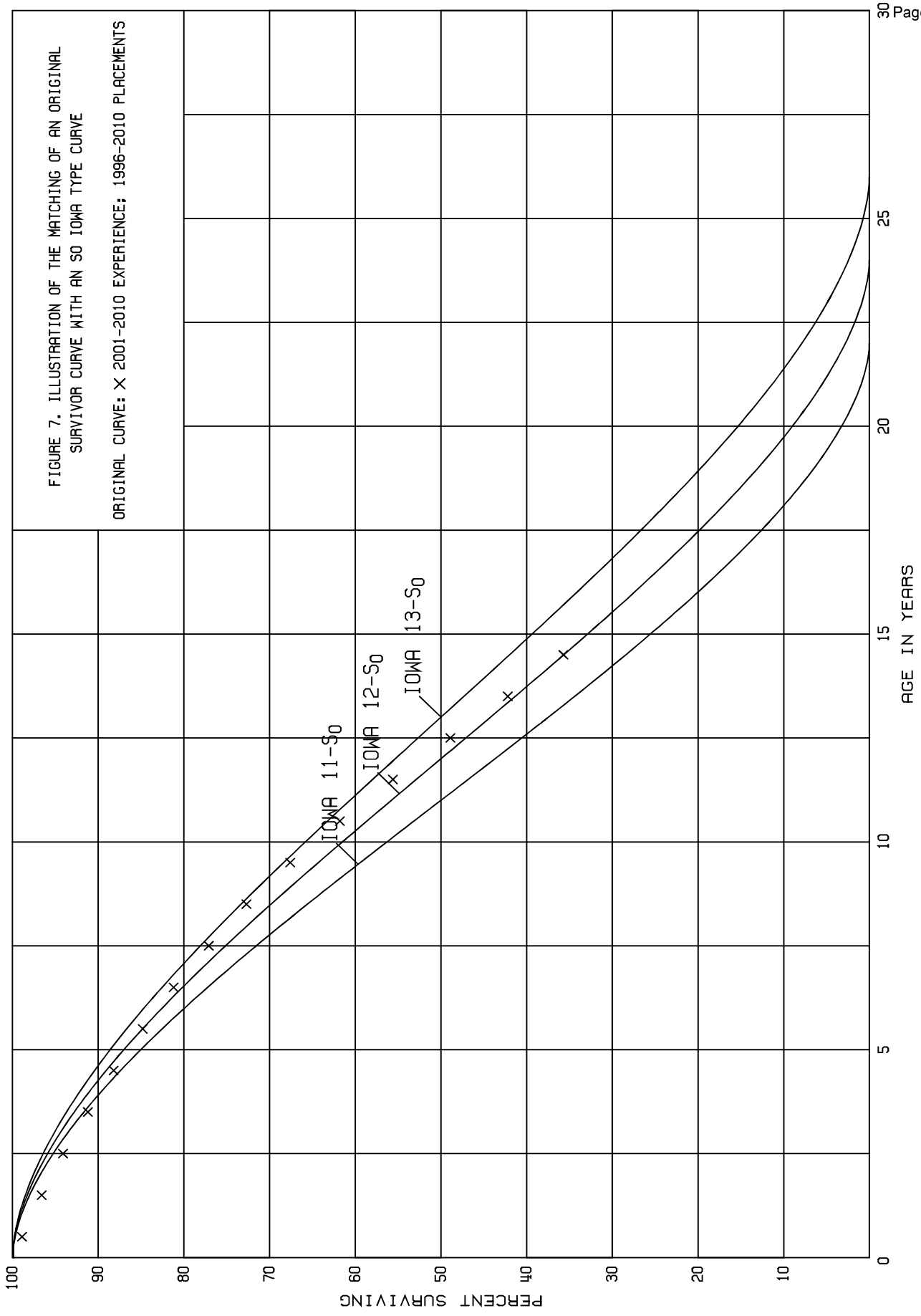


FIGURE 7. ILLUSTRATION OF THE MATCHING OF AN ORIGINAL SURVIVOR CURVE WITH AN SO IOWA TYPE CURVE
ORIGINAL CURVE: X 2001-2010 EXPERIENCE; 1996-2010 PLACEMENTS
IOWA 11-S0
IOWA 12-S0
IOWA 13-S0
PERCENT SURVIVING
AGE IN YEARS
100
90
80
70
60
50
40
30
20
10
0
5
10
15
20
25
30

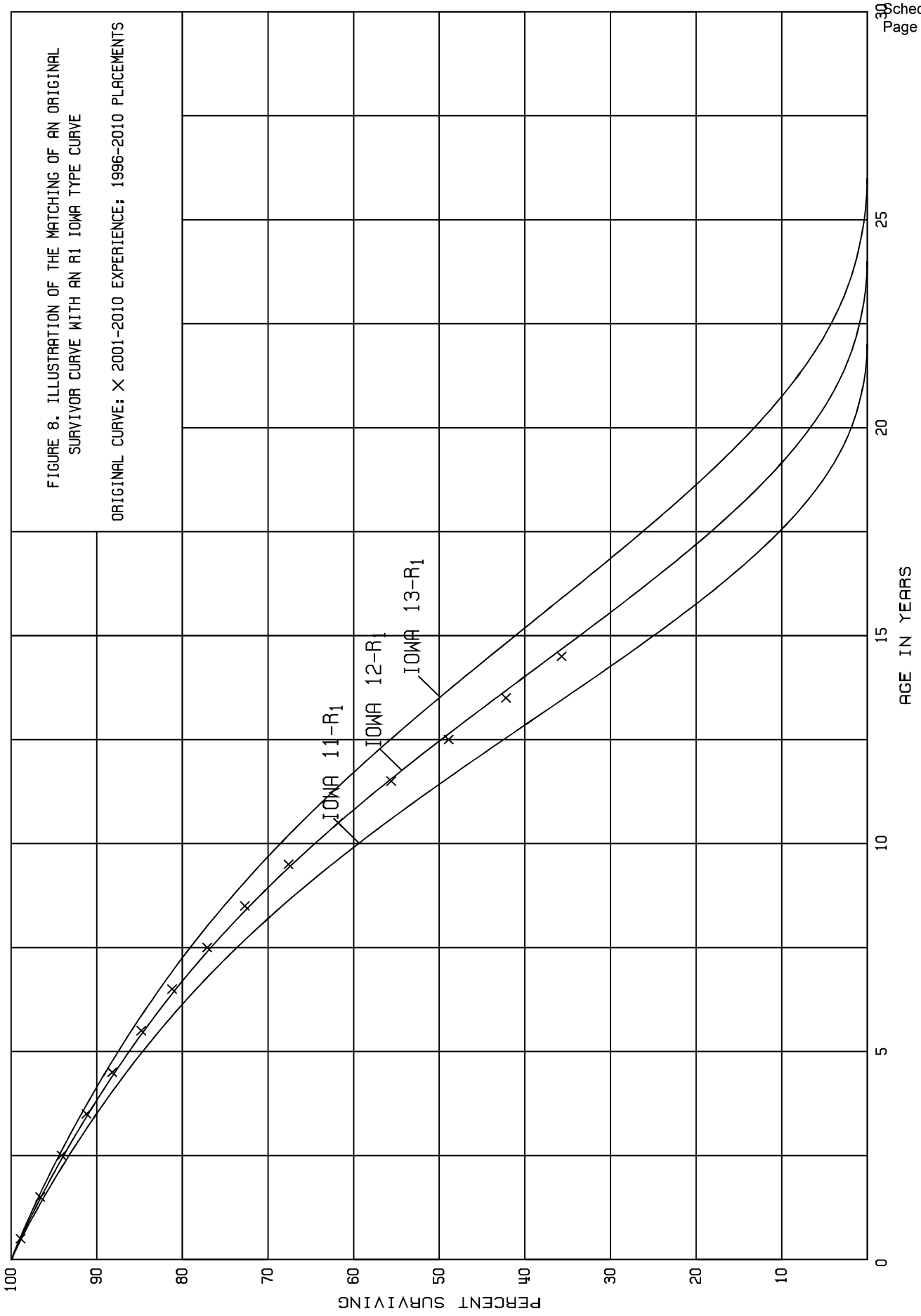


FIGURE 8. ILLUSTRATION OF THE MATCHING OF AN ORIGINAL SURVIVOR CURVE WITH AN R1 IOWA TYPE CURVE
ORIGINAL CURVE: X 2001-2010 EXPERIENCE; 1996-2010 PLACEMENTS
IOWA 11-R1
IOWA 12-R1
IOWA 13-R1
PERCENT SURVIVING
100
90
80
70
60
50
40
30
20
10
0
AGE IN YEARS
5
10
15
20
25
30

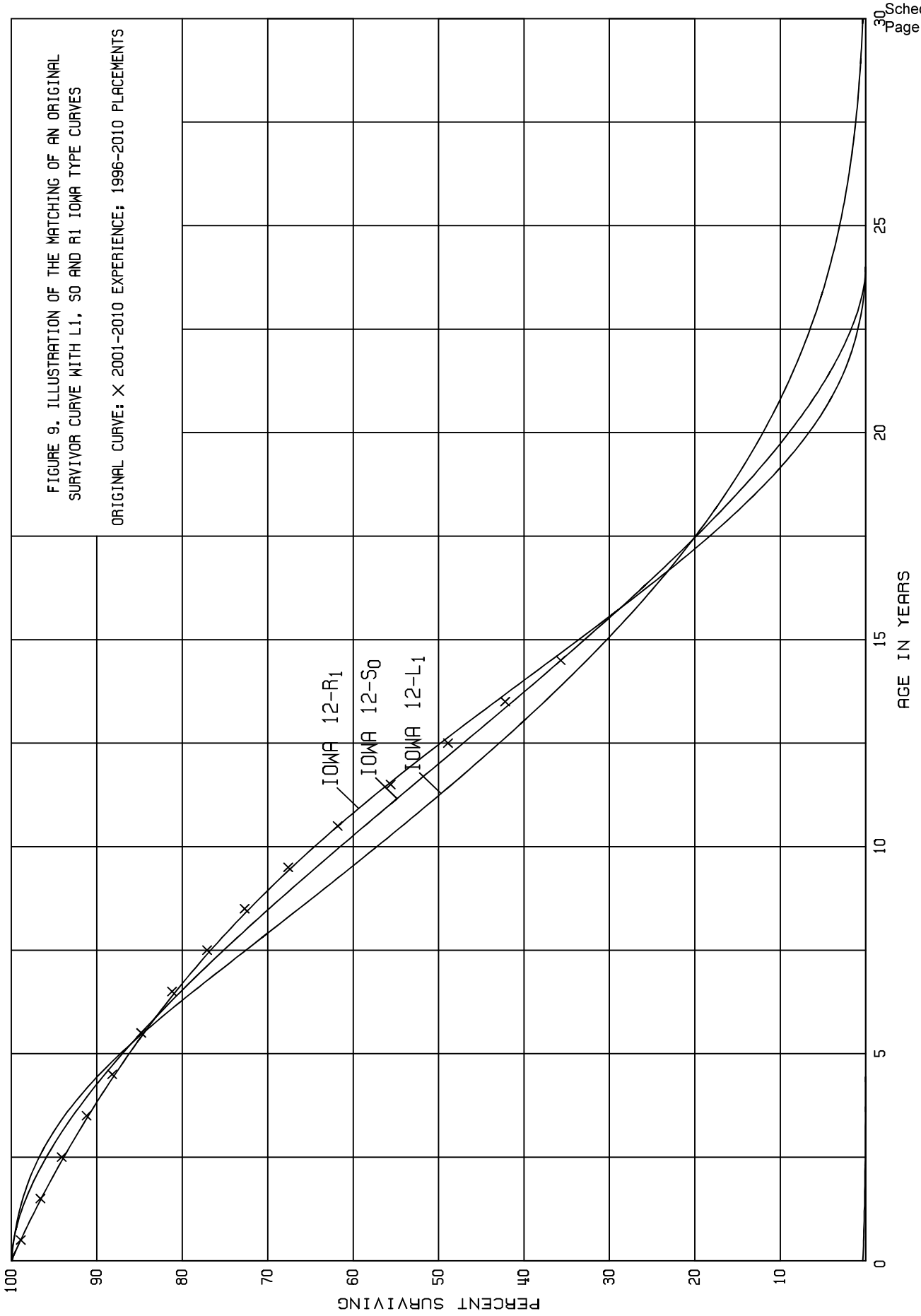


FIGURE 9. ILLUSTRATION OF THE MATCHING OF AN ORIGINAL SURVIVOR CURVE WITH L1, SO AND R1 IOWA TYPE CURVES
ORIGINAL CURVE: X 2001-2010 EXPERIENCE; 1996-2010 PLACEMENTS
IOWA 12-R1
IOWA 12-S0
IOWA 12-L1
PERCENT SURVIVING
100
90
80
70
60
50
40
30
20
10
0
5
10
15
20
25
30
AGE IN YEARS

From this curve, survivor ratios are computed and applied, by vintage, to the previous year's aged ending balance and the current test year's given gross addition. The resultant aged surviving balances also produce the aged retirements which are the differences between successive aged balances. The aged data are then analyzed by the retirement rate method as described above.

Simulated Plant Balance Method. The simulated plant balance method of life analysis is a statistical procedure by which experienced average service life and survivor characteristics are inferred through a series of approximations in which several average service life and survivor curve combinations are tested. The testing procedure consists of applying survivor ratios defined by the average service life and survivor curve combinations being tested to historical plant additions and comparing the resulting calculated, or simulated, surviving balances with the actual surviving balances.

Each year-end book balance is the sum of the plant surviving from the original annual additions. Each calculated year-end balance is the sum of the simulated plant surviving from the same original annual additions. The simulated survivors are calculated for each vintage by multiplying the original additions by the percent surviving corresponding to the age of the vintage as of the date of the year-end balances being simulated. This procedure is repeated until a series of simulated balances are calculated. The balances are then compared with the book balances to determine which average service life and survivor curve combinations result in calculated balances most nearly simulating the progression of actual balances.

The simulated plant record method is presented in greater detail in the Edison Electric Institute's publication, "Methods of Estimating Utility Plant Life."[7]

Survivor Curve Judgments.

The survivor curve estimates were based on judgment which considered a number of factors. The primary factors were the statistical analysis of data; current policies and outlook as determined during conversations with management personnel; and average service life estimates from previous studies of this Company and other natural gas distribution companies.

Account 473.00, Distribution Services – represents approximately 34% of the depreciable distribution plant studied. The retirements, additions and other plant transactions generated through the use of the computed mortality method for the period 1956 through 2010 were analyzed using the retirement rate analysis method. The original survivor curve, as plotted on page III-19, provides a complete observed life table which indicates a trend of significant retirement ratios beginning early in the life and continuing through to the end of the life of the observation period. The high frequency of large retirement ratios in the early portions of the observation period is typical of a low- to mid-mode Iowa curve. The statistical analysis completed by Gannett Fleming provided an indication of the 40-L1.5 Iowa curve.

Interviews conducted by Gannett Fleming with the Operations group indicated that, while the system was historically built up through the acquisition of smaller municipally owned gas distribution systems (resulting in a mix of material types and installation

[7] A Report of the Engineering Subcommittee of the Depreciation Accounting Committee, Edison Electric Institute. Publication No. 51-23. Published 1952.

practices), the system is now mostly comprised of plastic pipe. Review of the surviving plant in service as provided at page III-89 of this report indicates that the vintages beginning in the late 1970's provide for the majority of plant in service. Likewise, the era prior to 1977, where early generation uncertified plastic pipe has exhibited within the industry to be an issue, does not comprise a significant portion of the investment remaining in service. The expectation of the Operational staff is that, because the system is now largely comprised of plastic pipe, the future life of the plant will not be impacted by future programs related to early generation plastic pipe, and the historic indications provide for a meaningful analysis of the future life expectations.

Gannett Fleming also tested the reasonableness of the statistically generated average service by comparing the preliminarily indications to a group of peer natural gas distribution utilities. The following peer group was selected giving consideration to geographic location, age of systems, timing of the last average service life study, and the type of regulatory oversight.

Company	Average Service Life
Enbridge - Currently Approved	35-S2.5
Union Gas - Metal	45-L3
Union Gas - Plastic	55-L2
Gaz Metro – Pending Regulatory Review	50-R2.5
Gazifere	50-S3
Centra Gas Manitoba	50-R2.5

The above analysis provides additional indications that the current average service life estimate should be lengthened. Given the consideration of all relevant information, Gannett Fleming recommends an increase in the current average service life estimate from the Iowa 35-S2.5 to the Iowa 40-L1.5. The recommended Iowa 40-L1.5

curve provides for a reasonable fit to the historic retirement trends, is consistent with the views of the Operations staff, and is closer to the range of average service life estimates of the relevant peer group of utilities.

Account 475.30 – Distribution Mains - Plastic, represents approximately 22% of the depreciable distribution plant studied. The retirements, additions and other plant transactions generated through the use of the computed mortality method for the period 1971 through 2010 were analyzed using the retirement rate analysis method. The original survivor curve, as plotted on page III-30, indicates only a minimal amount of plant retired to date.

Gannett Fleming interviews of Operations and Engineering staff regarding this account indicated that the company has a significant percentage of investment in plastic pipe installed in the 1968 through 1982 era. This era of plastic pipe has started to exhibit some performance issues, particularly with regard to the pipe joints and fittings. As such, it is felt that retirement of some of these vintages of pipe will be required over the next number of years.

Gannett Fleming considered the average service life estimates of the peer natural gas distribution utilities. The following table provides a summary of the average service life estimates of the peer utilities.

Company	Average Service Life
Enbridge - Currently Approved	50 years
Union Gas – Plastic	60 years
Gaz Metro – Pending Regulatory Review	60 years
Gazifere	75 years
Centra Gas Manitoba	65 years

Based on the consideration of all relevant information, Gannett Fleming recommends an increase in the current average service life estimate from the Iowa 50-S2 to the Iowa 55-R3. The recommended Iowa 55-R3 curve provides for a reasonable fit to the historic retirement trends, is consistent with the views of the Operations staff, and is closer to the range of average service life estimates of the relevant peer group of utilities.

Account 475.21 – Distribution Mains – Coated Steel, represents approximately 17% of the depreciable plant studied. The retirements, additions and other plant transactions generated through the use of the computed mortality method for the period 1957 through 2010 were analyzed using the retirement rate analysis method. The original survivor curve, as plotted on page III-27**,** indicates a consistent trend of retirement activity through age 50, at which point in time the remaining plant retires rapidly. This trend of retirement activity is consistent with the high mode R family of Iowa curves. The retirement rate analysis produced an average service life indication of the Iowa 61-R3.

Gannett Fleming interviews with Operations and Engineering staff have indicated that coated steel mains are primarily used within the Enbridge system on installations where pipe of 8 inches or greater diameter is required. It was also indicated that all coated steel mains within the system are protected with catholic control systems. Consistent with the retirement rate analysis, the internal company experts felt that the currently approved 50-year average service life should be lengthened.

Gannett Fleming considered the average service life estimates of the peer natural gas distribution utilities. The following table provides a summary of the average service life estimates of the peer utilities.

Company	Average Service Life
Enbridge - Currently Approved	50 years
Union Gas – Plastic	50 years
Gaz Metro	50 years
Gazifere	75 years
Centra Gas Manitoba	65 years

Based on the consideration of all relevant information, Gannett Fleming recommends an increase in the current average service life estimate from the Iowa 50-S2 to the Iowa 61-R3. The recommended Iowa 61-R3 curve provides for a reasonable fit to the historic retirement trends, is consistent with the views of the Operations staff, and within the range of average service life estimates of the relevant peer group of utilities.

Account 475.10 – Mains - Cast Iron and Account 475.20 – Mains - Bare Steel, represents only a small portion of plant in service as of the study date. The investment in these accounts relate to physical plant that is subject to dedicated replacement programs. The Company has indicated that all investment in these two accounts will be retired by the end of the year 2016. As such, the interim survivor curves will be truncated such that all investment in these accounts will be fully depreciated by December 31, 2016.

Account 472.00 – Structures and Improvements, represents the investment in the Company's buildings throughout the Enbridge Gas Distribution system. The majority of investment in this account relates to nine (9) larger office buildings. Interviews with company management have indicated that these buildings will be retired due to functional obsolescence and other economic forces. As such, these nine buildings have been assigned a specific life span date based on Company indications of the anticipated retirement date of each building, and depreciated in accordance with the

estimated life span date. The remaining investment relates to buildings used in the distribution function that will likely be in service until such time that they are retired due to physical wear and tear. It is anticipated that the historic retirement pattern of these buildings will be indicative of the future patterns. As such, the average service life for these remaining buildings was based on the analysis of the historic retirement pattern, as provided at page III-17 of this report.

Account 478.00 – Meters, represent approximately 6% of the depreciable plant studied. The retirements, additions and other plant transactions generated through the use of the computed mortality method for the period 1955 through 2010 were analyzed using the retirement rate analysis method.

Interviews with internal Enbridge metering experts have indicated that recent changes to the testing standards announced by Measurement Canada will result in additional testing of meters, and shorter certification periods as the meters age. As such, future retirement patterns will be affected by new certification periods so residential meters are expected to average 20 years and not to exceed 215 years. Additionally, Bill C-14 was recently passed through the Canadian Senate which provides for punitive fines to be levied in the circumstances where meters are found to fail in service. Gannett Fleming notes that these indications are consistent with the comments expressed to Gannett Fleming in the recent depreciation studies for other natural gas distribution companies. As such, Gannett Fleming considered the average service life estimates of the peer natural gas distribution utilities. The following table provides a summary of the average service life estimates of the peer utilities.

Company	Average Service Life
Enbridge - Currently Approved	40 years *
Union Gas	27 years *
Gaz Metro	18 years
Gazifere	12 years
Centra Gas Manitoba	28 years *

(*) Studies completed prior to the Measurement Canada changes

Based on the consideration of all relevant information, Gannett Fleming recommends a decrease in the average service life estimate from the Iowa 40-R1 to the Iowa 20-S2. The recommended Iowa 20-S2 curve is consistent with the views of the internal metering experts, and within the range of average service life estimates of the relevant peer group of utilities.

The survivor curve estimates for the remaining accounts were based on similar considerations of historical analyses, management outlook and estimates for this Company and other natural gas distribution utilities.

ESTIMATION OF NET SALVAGE

The estimates of net salvage were based primarily on the professional judgment of Gannett Fleming, in part on historical data through 2010, and in part through a comparison to peer natural gas distribution companies. Gross salvage and cost of removal as recorded to the depreciation reserve account and related to experienced retirements were used. Percentages of the cost of plant retired were calculated for each component of net salvage on both annual and five-year moving average bases.

The net salvage percentages estimated in this study have been determined using the “Traditional Approach” for net salvage estimation. When a utility retires plant, the

plant may be: (1) sold to a third party; (2) reused by the utility for additional service; (3) abandoned in place; or (4) physically removed. In the circumstances where the plant is sold or reused, a salvage proceed (or positive salvage amount) is normally recognized. In circumstances where the plant is abandoned in place or physically removed, a cost of removal expenditure (or negative salvage) is incurred. The net of these estimated gross salvage proceeds and the estimated costs of removal are expressed as a percentage of the accounts original cost to determine a net salvage percentage. In the circumstances where the salvage proceeds exceed the costs of retirement a net positive salvage percentage exists. In the circumstances where the costs of removal exceed the salvage proceeds, a net negative salvage percentage results.

The statistical analysis of the net salvage transactions analyzed for each account is provided in this report beginning at page III-52**.**

CALCULATION OF ANNUAL AND ACCRUED DEPRECIATION

Group Depreciation Procedures. When more than a single item of property is under consideration, a group procedure for depreciation is appropriate because normally all of the items within a group do not have identical service lives, but have lives that are dispersed over a range of time. There are two primary group procedures, namely, average service life and equal life group.

In the average service life procedure, the rate of annual depreciation is based on the average life or average service life of the group, and this rate is applied to the surviving balances of the group's cost. A characteristic of this procedure is that the cost of plant retired prior to average life is not fully recouped at the time of retirement, whereas

the cost of plant retired subsequent to average life is more than fully recouped. Over the entire life cycle, the portion of cost not recouped prior to average life is balanced by the cost recouped subsequent to average life. In this procedure, the accrued depreciation is based on the average service life of the group and the average remaining life of each vintage within the group derived from the area under the survivor curve between the attained age of the vintage and the maximum age.

In the equal life group procedure, the property group is subdivided according to service life. That is, each equal life group includes that portion of the property which experiences the life of that specific group. The relative size of each equal life group is determined from the property's life dispersion curve. The calculated depreciation for the property group is the summation of the calculated depreciation based on the service life of each equal life group.

It is the view of Gannett Fleming that the ELG procedure provides a superior match of the consumption of service values of the assets in service to the depreciation expense. However, the ASL procedure is widely used throughout North America and has been used historically by both Enbridge and Union Gas in the province of Ontario. As such Gannett Fleming has incorporated the use of the ASL procedure in the calculation of the depreciation accrual rates in this depreciation study.

PART III. RESULTS OF STUDY

PART III. RESULTS OF STUDY

QUALIFICATION OF RESULTS

The calculated annual and accrued depreciation and the calculation of the composite average remaining life are the principal results of the study. Continued surveillance and periodic revisions are normally required to maintain continued use of appropriate annual depreciation accrual rates. An assumption that accrual rates can remain unchanged over a long period of time implies a disregard for the inherent variability in service lives and salvage and for the change of the composition of property in service. The annual accrual rates and the accrued depreciation were calculated in accordance with the straight line method, using the average service life procedure based on estimates which reflect considerations of current historical evidence and expected future conditions.

DESCRIPTION OF DETAILED TABULATIONS

The service life estimates were based on judgment that incorporated statistical analysis of retirement data, discussions with management and consideration of estimates made for other natural gas distribution utilities. The results of the statistical analysis of service life are presented in the supporting materials document beginning on page III-6.

For each depreciable group analyzed by the retirement rate method, a chart depicting the original and estimated survivor curves is followed by a tabular presentation of the original life table(s) plotted on the chart. The survivor curves estimated for the depreciable groups are shown as dark smooth curves on the charts. Each smooth survivor curve is denoted by a numeral followed by the curve type designation. The

numeral used is the average life derived from the entire curve from 100 percent to zero percent surviving. The titles of the chart indicate the group, the symbol used to plot the points of the original life table, and the experience and placement bands of the life tables which were plotted. The experience band indicates the range of years for which retirements were used to develop the stub survivor curve. The placements indicate, for the related experience band, the range of years of installations that appear in the experience.

The tables of the calculated annual depreciation applicable to gas plant as of December 31, 2010 are presented in account sequence starting on page III-70. The tables indicate the estimated average survivor curves and net salvage percents used in the calculations. The tables set forth, for each installation year, the original cost, calculated accrued depreciation, allocated book reserve, future book accruals, remaining life and the calculated annual accrual.

ENBRIDGE GAS DISTRIBUTION, INC.

SCHEDULE 1. ESTIMATED SURVIVOR CURVE, NET SALVAGE PERCENT, ORIGINAL COST, BOOK DEPRECIATION RESERVE AND CALCULATED ANNUAL DEPRECIATION ACCRUALS RELATED TO GAS PLANT AS OF DECEMBER 31, 2010

	DEPRECIABLE GROUP	LIFE SPAN DATE	SURVIVOR CURVE	NET SALVAGE PERCENT	ORIGINAL COST AS OF DECEMBER 31, 2010	BOOK DEPRECIATION RESERVE	FUTURE ACCRUALS	CALCULATED ANNUAL ACCRUAL AMOUNT	CALCULATED ANNUAL ACCRUAL RATE	COMPOSITE REMAINING LIFE
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)=(8)/(5)	(10)=(7)/(8)
	UNDERGROUND STORAGE PLANT									
451.10	LAND RIGHTS INTANGIBLE		65-R4	0	40,677,681.02	20,903,515	19,774,166	471,763	1.16	41.9
452.00	STRUCTURES AND IMPROVEMENTS		45-R1.5	0	14,347,230.72	4,707,662	9,639,569	264,121	1.84	36.5
453.00	WELLS		45-R3	(5)	39,390,932.60	18,686,577	22,673,903	588,425	1.49	38.5
454.00	WELL EQUIPMENT		25-R4	0	9,082,877.24	4,537,985	4,544,893	504,759	5.56	9.0
455.00	FIELD LINES		55-R3	(5)	46,727,709.77	20,777,099	28,286,997	682,817	1.46	41.4
456.00	COMPRESSOR EQUIPMENT		40-R2	(5)	91,781,488.80	31,054,880	65,315,683	2,348,195	2.56	27.8
457.00	MEASURING AND REGULATING EQUIPMENT		30-R1.5	(5)	11,556,319.66	5,020,691	7,113,444	339,541	2.94	21.0
	TOTAL UNDERGROUND STORAGE PLANT				**253,564,239.81**	**105,688,408**	**157,348,655**	**5,199,621**		
	DISTRIBUTION PLANT									
471.00	LAND RIGHTS		75-R4	0	7,446,766.43	1,077,659	6,369,108	87,835	1.18	72.5
472.00	STRUCTURES AND IMPROVEMENTS									
	VICTORIA PARK CENTRE	2018	60-S1.5	20	37,219,211.41	572,119	29,203,250	3,696,664	9.93	7.9
	KENNEDY ROAD	2013	60-S1.5	20	2,255,051.09	219,325	1,584,716	530,544	23.53	3.0
	OTTAWA OFFICE	2025	60-S1.5	20	14,185,520.86	1,519,771	9,828,646	681,838	4.81	14.4
	BROCKVILLE	2025	60-S1.5	20	499,805.09	42,438	357,406	24,458	4.89	14.6
	ARNPRIOR	2025	60-S1.5	20	570,720.87	102,517	354,060	25,203	4.42	14.1
	THOROLD OFFICE	2030	60-S1.5	20	11,942,502.87	1,373,703	8,180,300	430,567	3.61	19.0
	EASTERN	2020	60-S1.5	20	1,598,370.41	212,254	1,066,442	109,685	6.86	9.7
	KELFIELD	2020	60-S1.5	20	1,198,780.11	68,117	890,907	90,368	7.54	9.9
	OTTAWA DEPOT	2020	60-S1.5	20	3,071,473.75	313,477	2,143,702	217,403	7.08	9.9
	OTHER		43-R1	(5)	9,447,020.00	835,027	9,084,344	281,363	2.98	32.3
	TOTAL STRUCTURES AND IMROVEMENTS				81,988,456.46	5,258,749	62,693,773	6,088,093	7.43	10.3
473.00	SERVICES		40-L1.5	(45)	2,024,545,898.65	869,945,320	2,065,646,233	70,218,804	3.47	29.4
475.10	MAINS - CAST IRON	2016	43-R2	(125)	5,475,959.17	(9,973,664)	22,294,573	5,024,383	91.75	4.4
475.20	MAINS - BARE STEEL	2016	40-R0.5	(125)	9,114,622.69	9,031,401	11,476,500	2,120,762	23.27	5.4
475.21	MAINS - COATED STEEL		61-R3	(90)	1,013,837,309.81	464,144,414	1,462,146,475	35,118,828	3.46	41.6
475.30	MAINS - PLASTIC		55-R3	(85)	1,329,234,199.97	463,148,188	1,995,935,082	44,748,802	3.37	44.6
475.EN	MAINS - ENVISION		25-SQ	0	123,554,753.26	19,041,660	104,513,093	4,978,220	4.03	21.0
476.00	COMPANY NGV COMPRESSOR STATIONS		16-R3	0	2,593,465.93	1,605,736	987,730	154,719	5.97	6.4
477.00	MEASURING AND REGULATING EQUIPMENT		33-L1.5	(5)	314,899,806.96	159,007,375	171,637,423	6,742,150	2.14	25.5
478.00	METERS		20-S2	5	367,745,143.92	92,616,048	256,741,838	33,901,782	9.22	7.6
	TOTAL DISTRIBUTION PLANT				**5,280,436,383.25**	**2,074,902,884**	**6,160,441,828**	**209,184,378**		
	GENERAL PLANT									
483.01	OFFICE EQUIPMENT		15-SQ	0	2,943,774.63	2,894,801	48,973	4,476	0.15	10.9
483.02	FURNISHINGS		20-SQ	0	15,187,993.56	6,067,053	9,120,940	1,631,823	10.74	5.6
484.00	TRANSPORTATION EQUIPMENT		11-L1.5	0	40,957,195.90	7,841,000	33,116,196	4,324,076	10.56	7.7
484.01	TRANSPORTATION - COMPANY NGV KITS		9-L1	0	7,725,285.81	4,607,319	3,117,967	695,264	9.00	4.5
484.02	TRANSPORTATION - COMPANY NGV CYLINDERS		7-S2.5	0	832,468.99	787,083	45,386	17,454	2.10	2.6
485.00	HEAVY WORK EQUIPMENT		15-L2	25	19,287,538.85	6,829,160	7,636,495	691,216	3.58	11.0
486.00	TOOLS AND WORK EQUIPMENT		25-SQ	0	34,254,316.60	13,117,640	21,136,677	1,398,995	4.08	15.1
487.70	RENTAL - VRA'S		20-SQ	0	1,016,149.14	964,239	51,910	7,519	0.74	6.9
487.80	RENTAL - NGV STATION		20-SQ	0	4,855,654.18	3,100,277	1,755,377	388,899	8.01	4.5
487.90	RENTAL - NGV CYLINDERS		10-S2.5	0	1,452,290.39	705,489	746,801	274,905	18.93	2.7
488.00	COMMUNICATION EQUIPMENT		10-SQ	0	3,013,445.06	2,122,651	890,794	292,699	9.71	3.0
	TOTAL GENERAL PLANT				**131,526,113.11**	**49,036,712**	**77,667,516**	**9,727,326**		

ENBRIDGE GAS DISTRIBUTION, INC.

SCHEDULE 1. ESTIMATED SURVIVOR CURVE, NET SALVAGE PERCENT, ORIGINAL COST, BOOK DEPRECIATION RESERVE AND CALCULATED ANNUAL DEPRECIATION ACCRUALS RELATED TO GAS PLANT AS OF DECEMBER 31, 2010

	DEPRECIABLE GROUP	LIFE SPAN DATE	SURVIVOR CURVE	NET SALVAGE PERCENT	ORIGINAL COST AS OF DECEMBER 31, 2010	BOOK DEPRECIATION RESERVE	FUTURE ACCRUALS	CALCULATED ANNUAL ACCRUAL AMOUNT	CALCULATED ANNUAL ACCRUAL RATE	COMPOSITE REMAINING LIFE
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)=(8)/(5)	(10)=(7)/(8)
	COMPUTER AND SOFTWARE									
490.00	COMPUTER EQUIPMENT		5-SQ	0	32,547,213.12	4,351,484	28,195,729	11,923,129	36.63	2.4
491.01	SOFTWARE - ACQUIRED		4-SQ	0	49,671,020.01	24,804,515	24,866,505	13,073,699	26.32	1.9
491.02	SOFTWARE - DEVELOPED		5-SQ	0	40,552,310.80	19,179,561	21,372,750	8,612,322	21.24	2.5
491.03	C.I.S. SOFTWARE ACQUIRED		10-SQ	0	127,098,143.30	15,741,236	111,356,908	12,709,800 *	10.00	8.5
	TOTAL COMPUTER AND SOFTWARE				**249,868,687.23**	**64,076,795**	**185,791,892**	**46,318,950**		
	TOTAL DEPRECIABLE GAS PLANT				**5,915,395,423.40**	**2,293,704,799**	**6,581,249,891**	**270,430,275**		

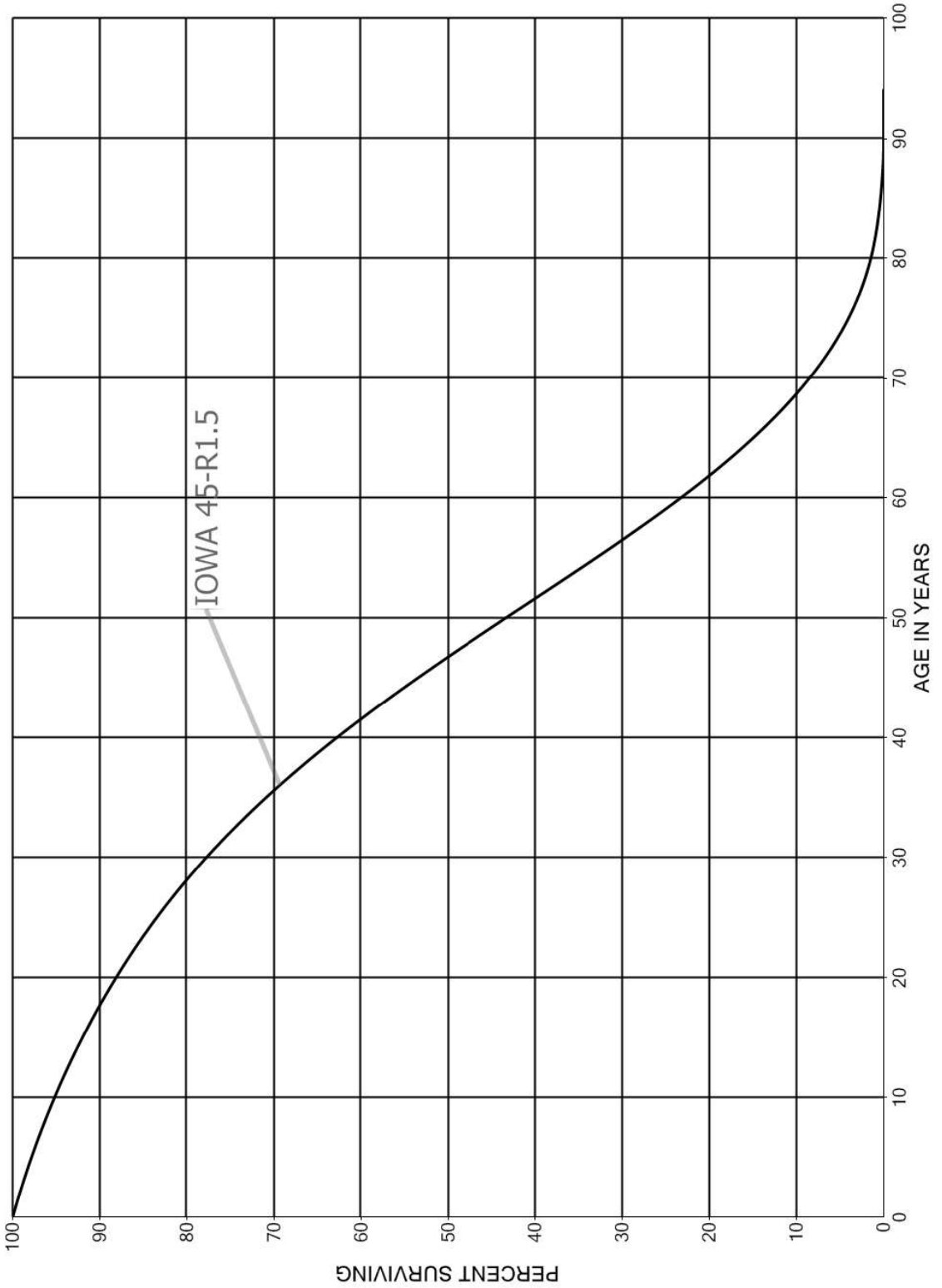
* Annual Accrual Amount represents amortization for 10 years from previous Order

** Annual Accrual Rates for New Structures in Account 472.00 after January 1, 2011 are as follows:

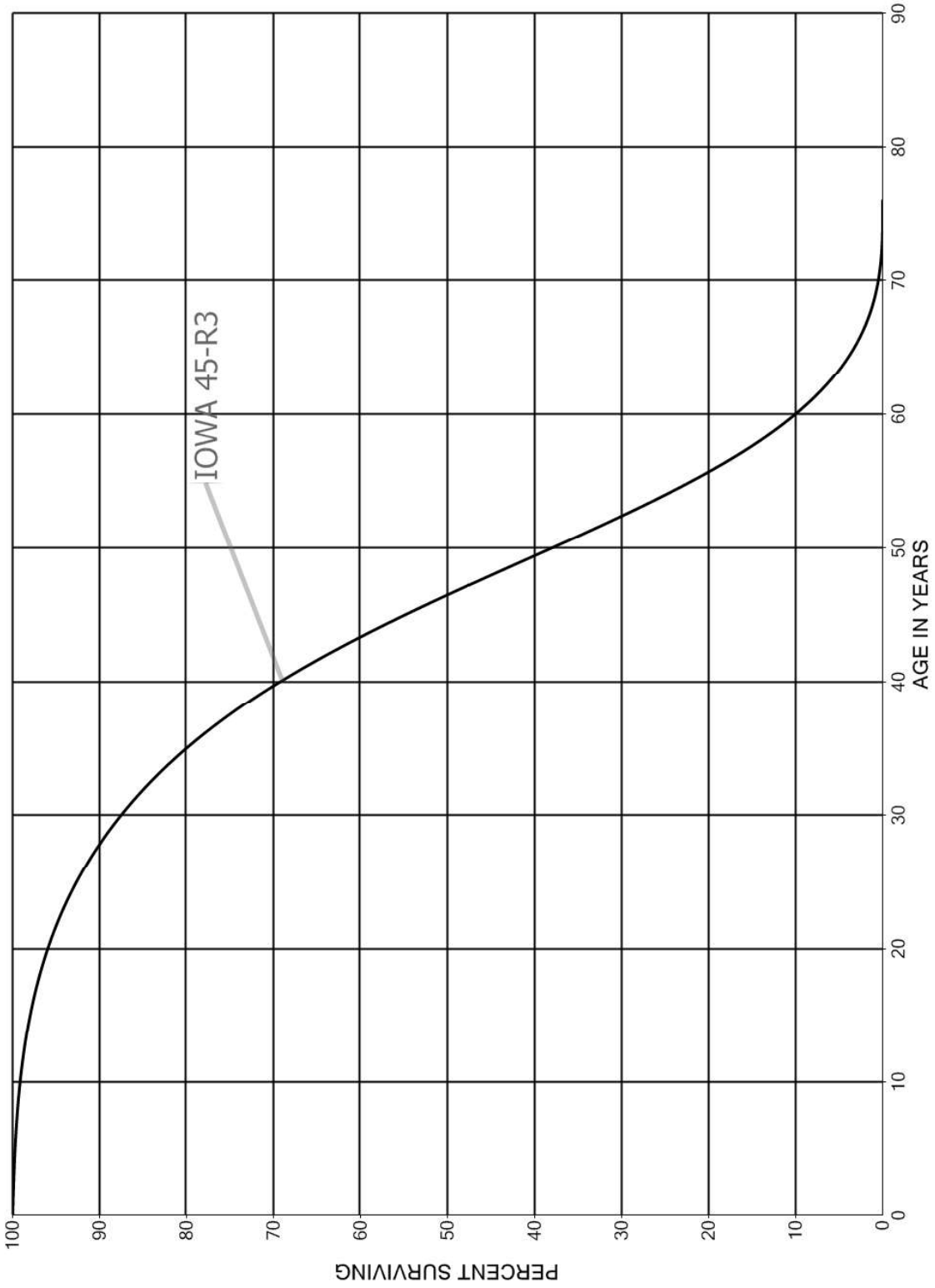
New Kennedy Road	2.13%
Markham TT Builiding	2.18%
New Fleet Garage	2.13%

SERVICE LIFE STATISTICS

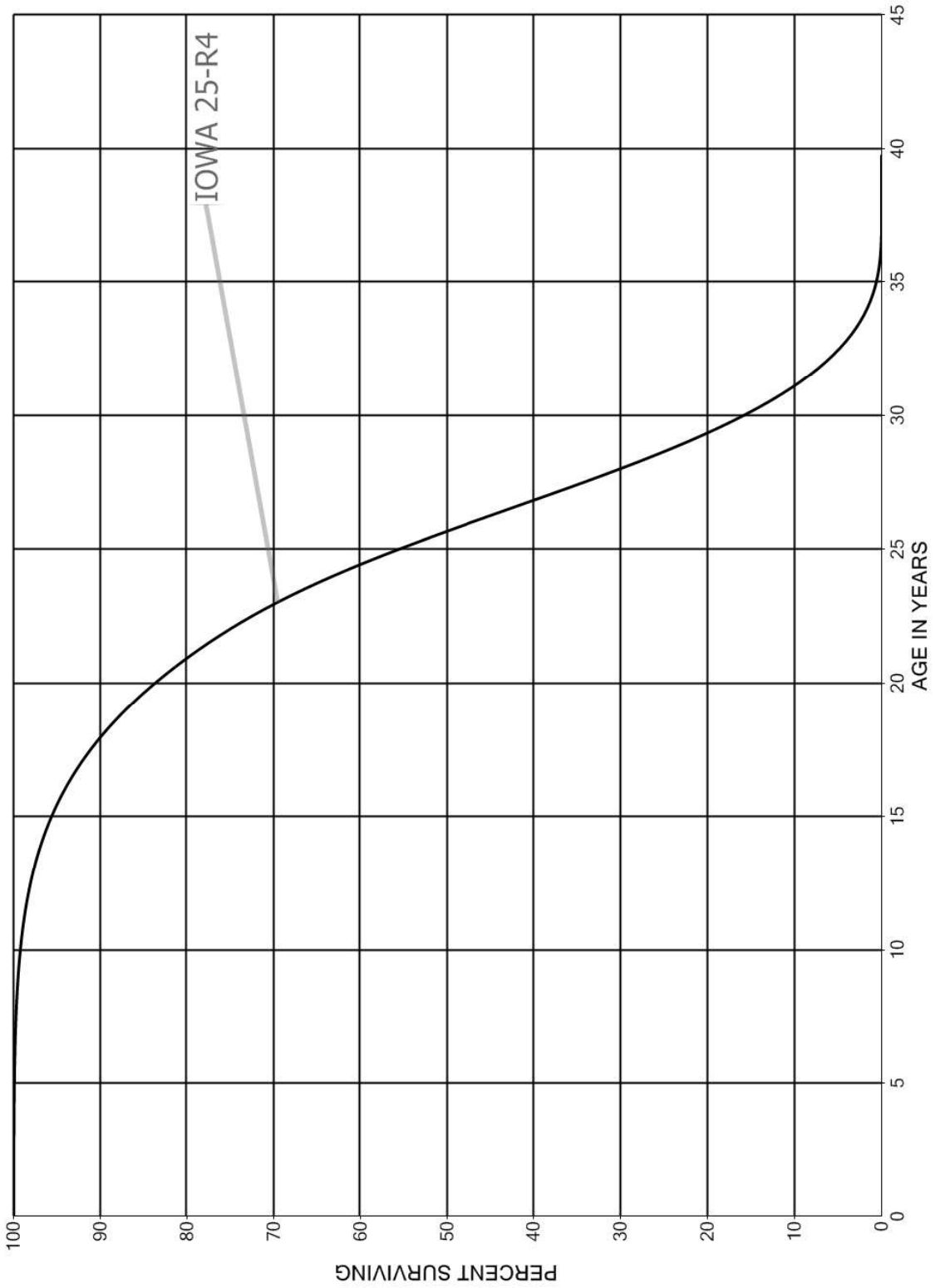
ENBRIDGE GAS DISTRIBUTION, INC
ACCOUNT 452.00 - STRUCTURES AND IMPROVEMENTS
SMOOTH SURVIVOR CURVE



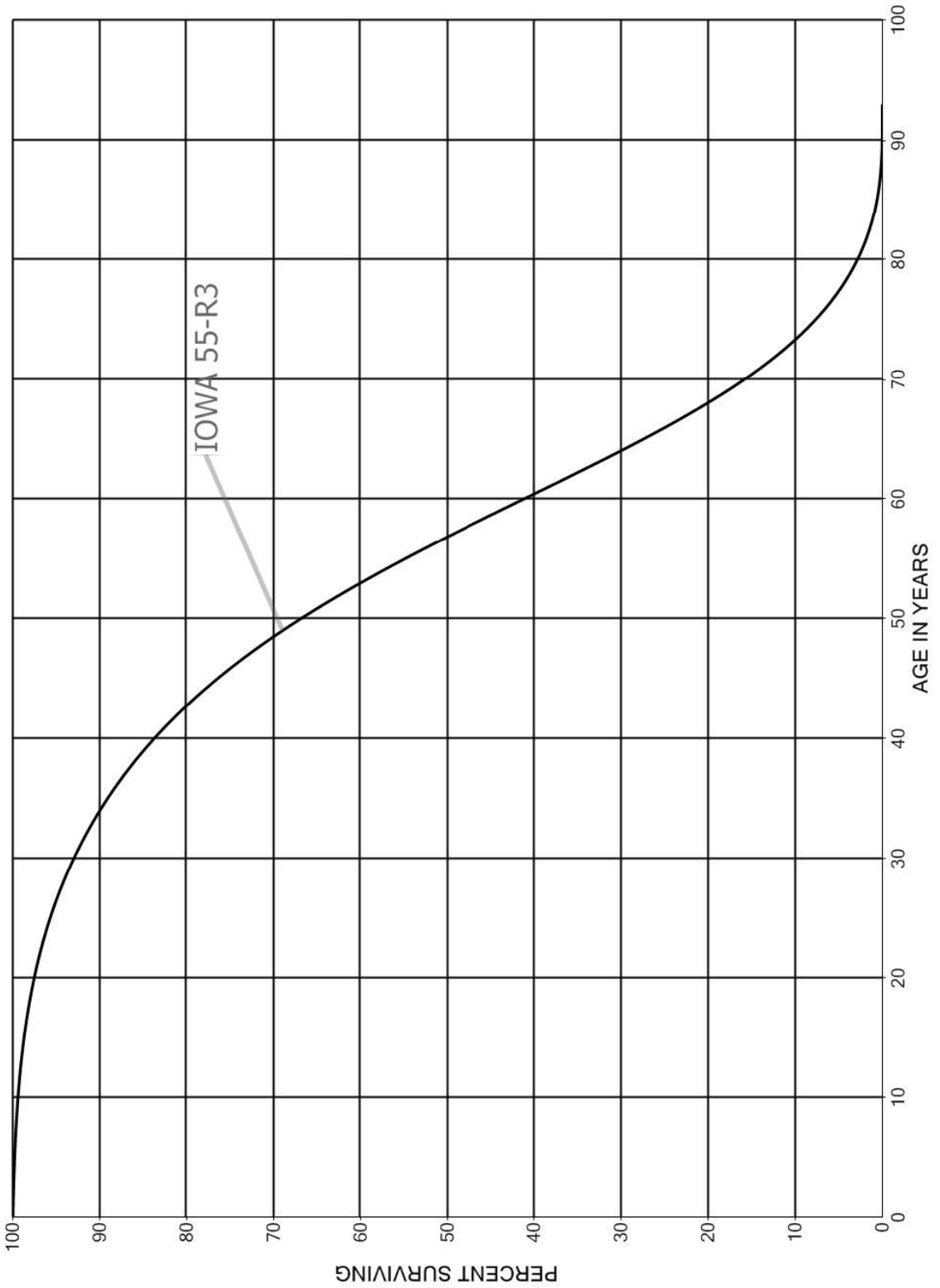
ENBRIDGE GAS DISTRIBUTION, INC
ACCOUNT 453.00 - WELLS
SMOOTH SURVIVOR CURVE



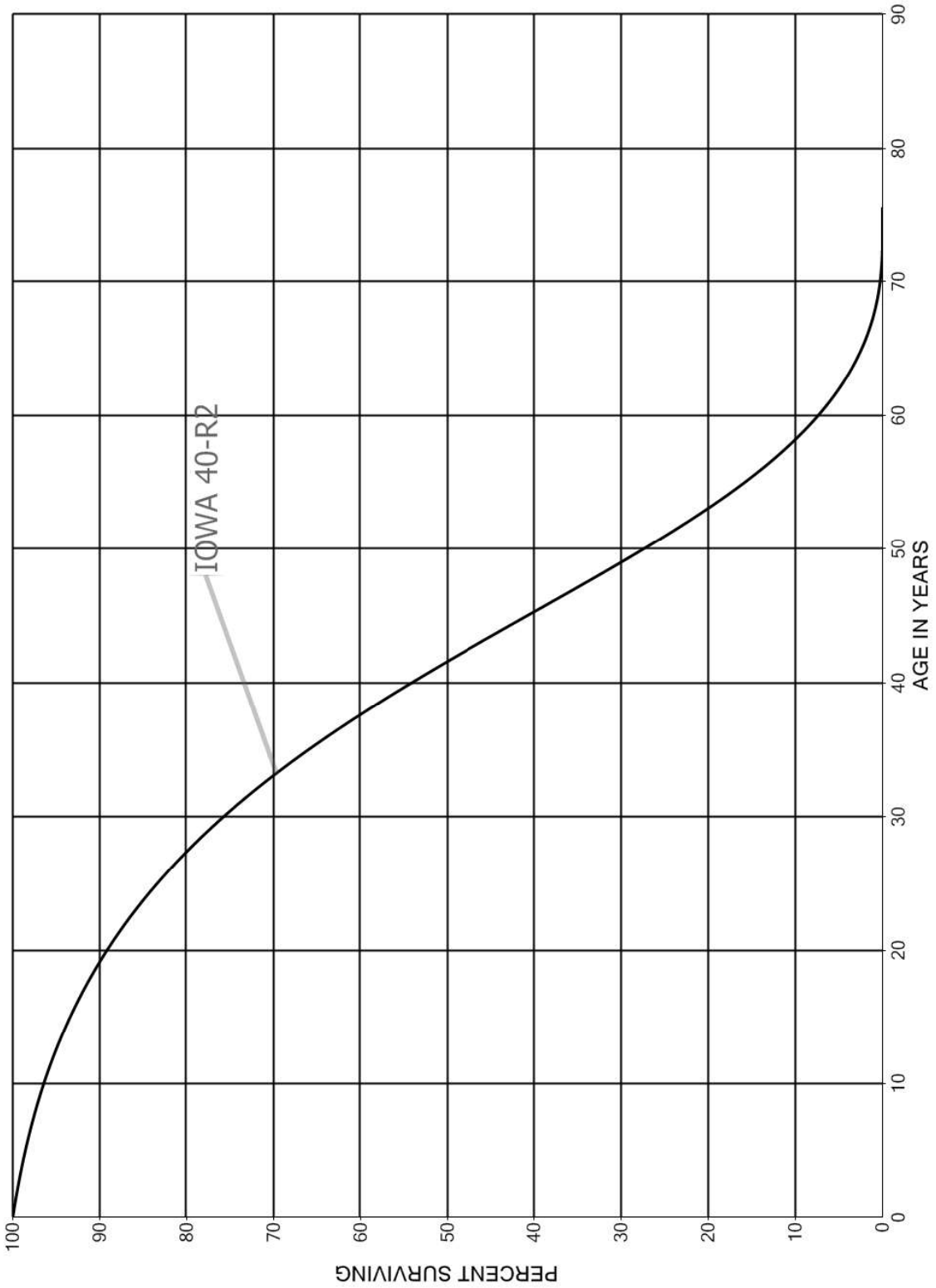
ENBRIDGE GAS DISTRIBUTION, INC
ACCOUNT 454.00 - WELL EQUIPMENT
SMOOTH SURVIVOR CURVE



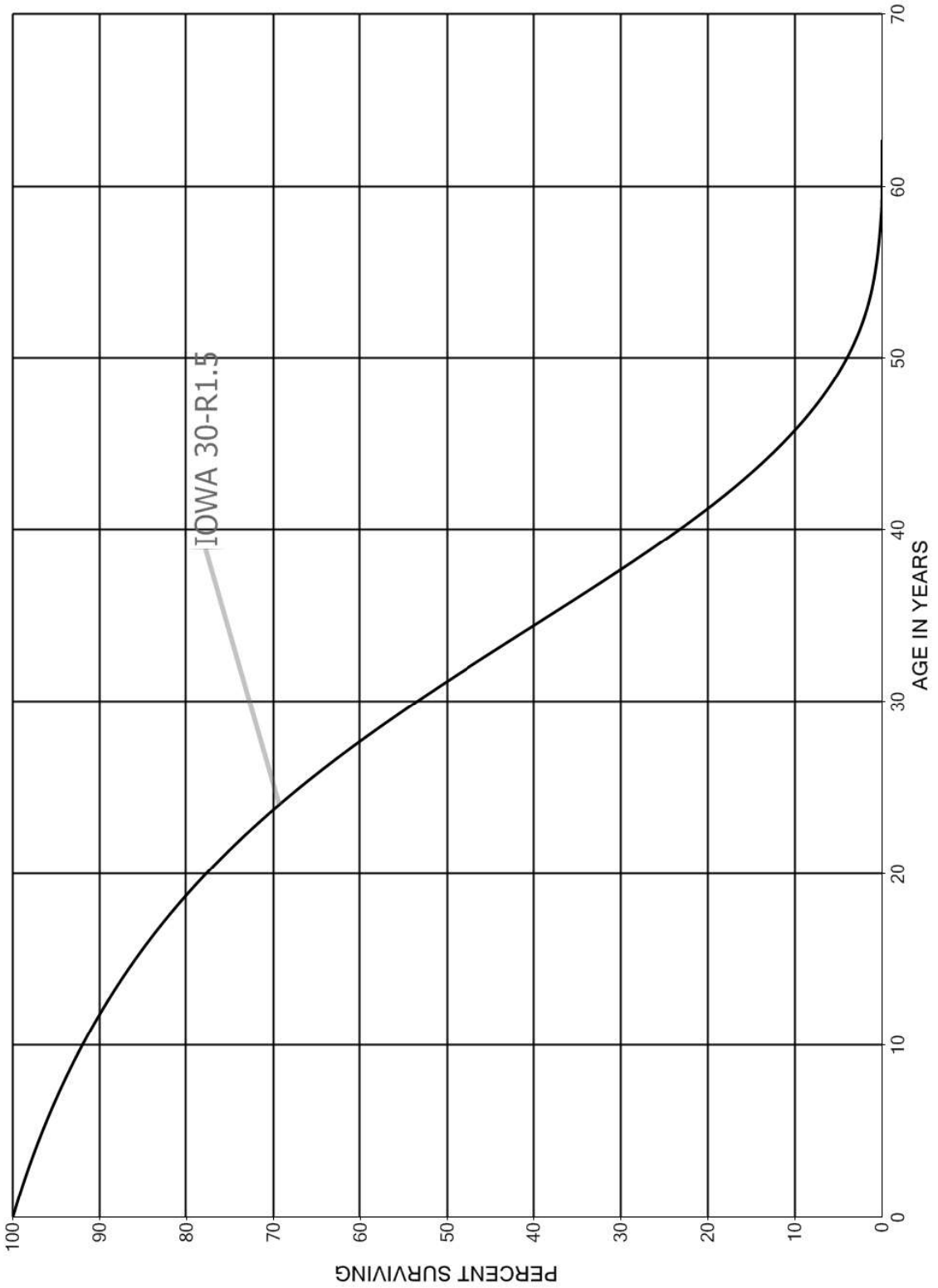
ENBRIDGE GAS DISTRIBUTION, INC
ACCOUNT 455.00 - FIELD LINES
SMOOTH SURVIVOR CURVE



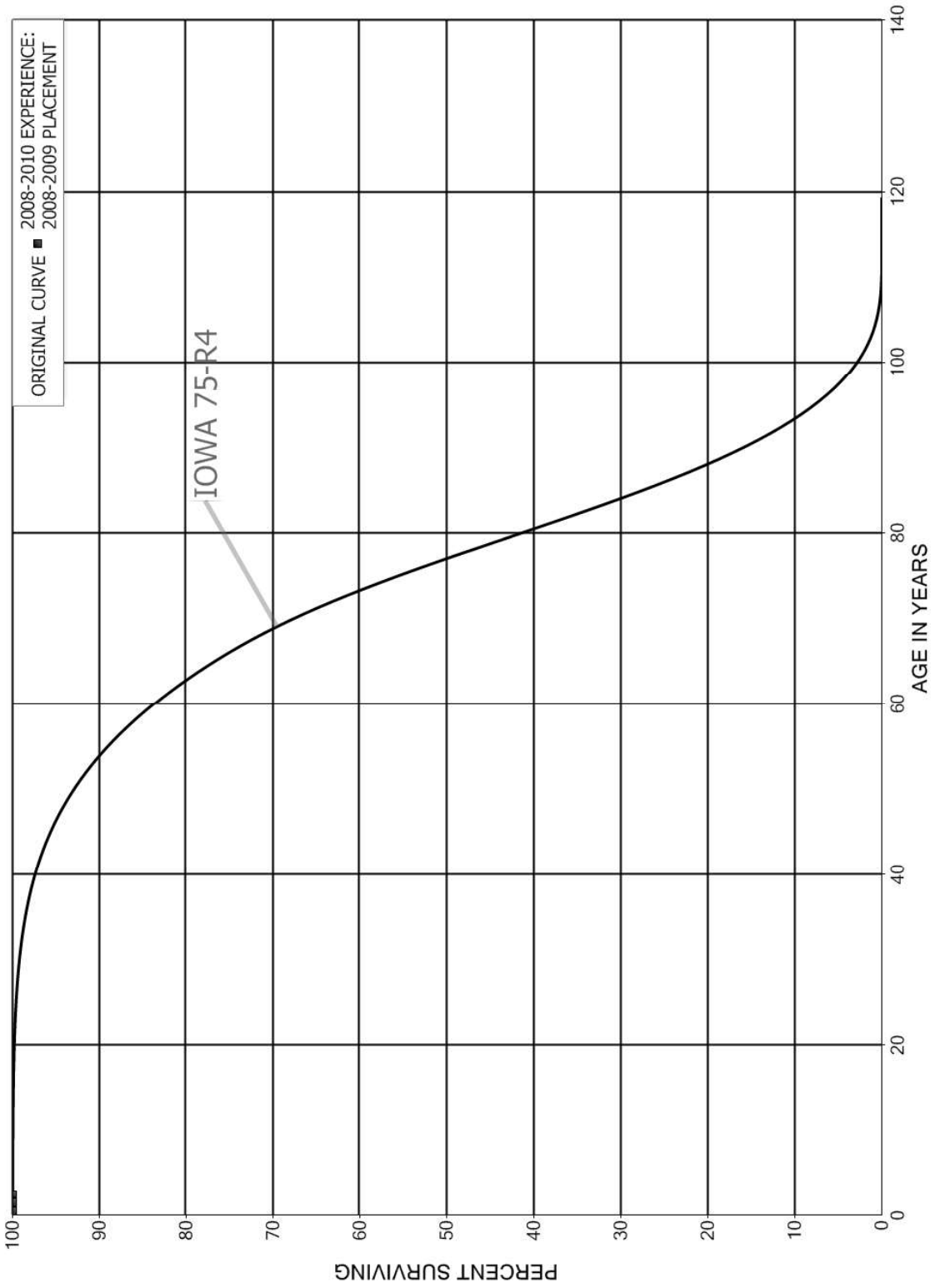
ENBRIDGE GAS DISTRIBUTION, INC
ACCOUNT 456.00 - COMPRESSOR EQUIPMENT
SMOOTH SURVIVOR CURVE



ENBRIDGE GAS DISTRIBUTION, INC
ACCOUNT 457.00 - MEASURING AND REGULATING EQUIPMENT
SMOOTH SURVIVOR CURVE



ENBRIDGE GAS DISTRIBUTION, INC
ACCOUNT 471.00 - LAND RIGHTS
ORIGINAL AND SMOOTH SURVIVOR CURVES



ENBRIDGE GAS DISTRIBUTION, INC

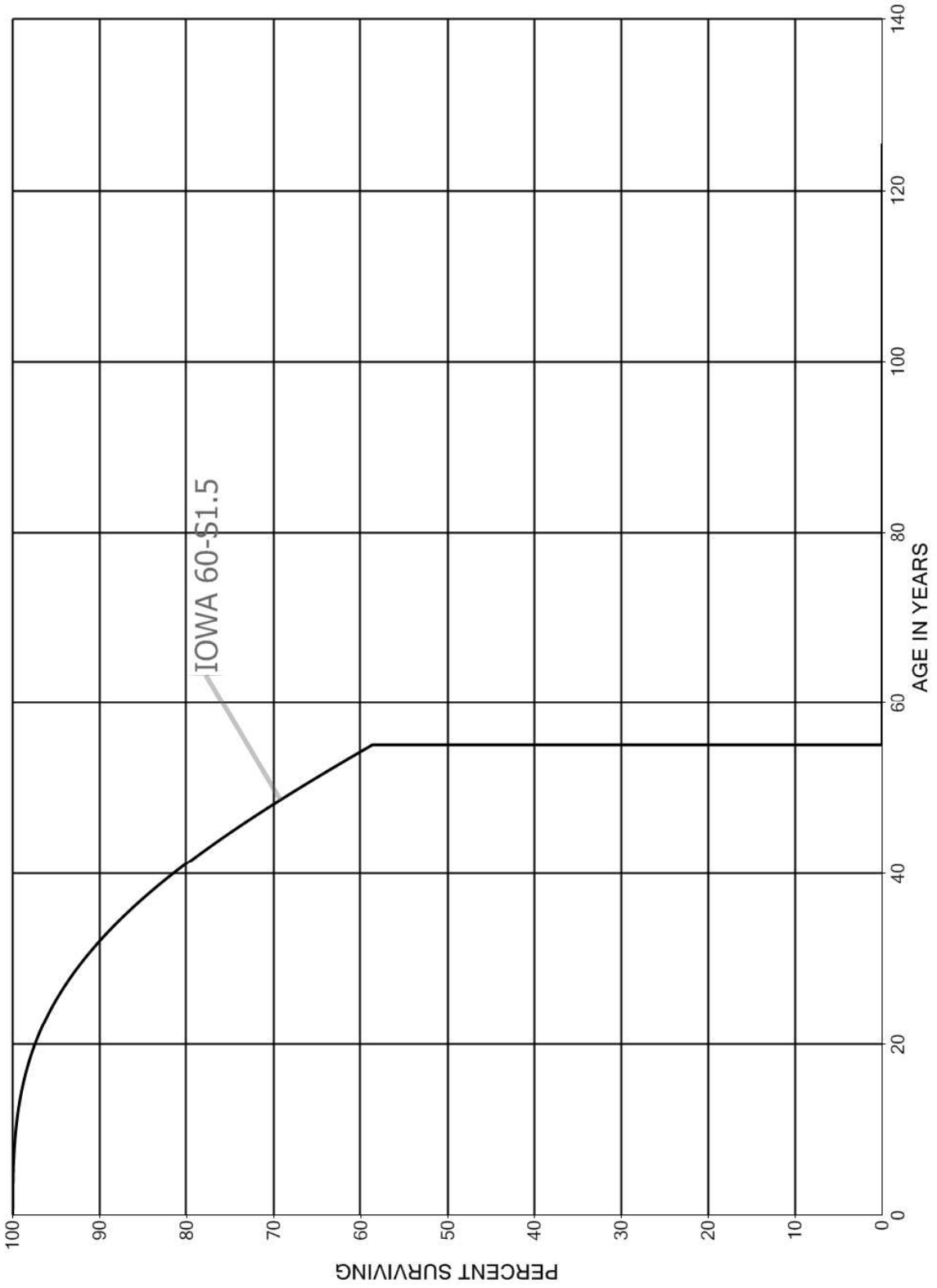
ACCOUNT 471.00 - LAND RIGHTS

ORIGINAL LIFE TABLE

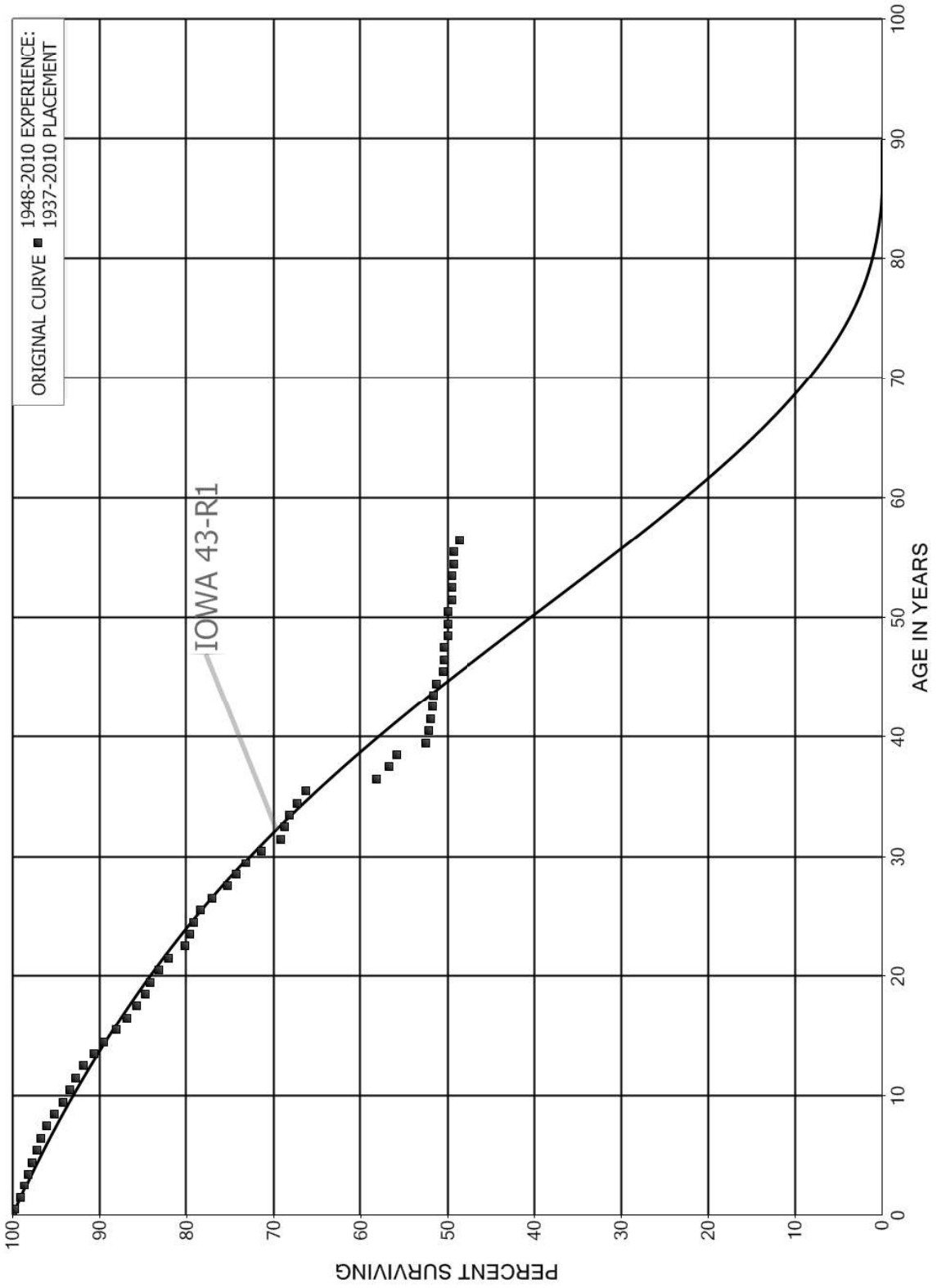
PLACEMENT BAND 2008-2009 EXPERIENCE BAND 2008-2010

AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL
0.0	7,421,413		0.0000	1.0000	100.00
0.5	7,421,413		0.0000	1.0000	100.00
1.5	7,359,865		0.0000	1.0000	100.00
2.5					100.00

ENBRIDGE GAS DISTRIBUTION, INC
ACCOUNT 472.00 - STRUCTURES AND IMPROVEMENTS - MAJOR
SMOOTH SURVIVOR CURVE



ENBRIDGE GAS DISTRIBUTION, INC
ACCOUNT 472.00 - STRUCTURES AND IMPROVEMENTS - OTHER
ORIGINAL AND SMOOTH SURVIVOR CURVES



ENBRIDGE GAS DISTRIBUTION, INC

ACCOUNT 472.00 - STRUCTURES AND IMPROVEMENTS - OTHER

ORIGINAL LIFE TABLE

PLACEMENT BAND 1937-2010 EXPERIENCE BAND 1948-2010

AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL
0.0	114,197,651	301,915	0.0026	0.9974	100.00
0.5	108,809,242	683,640	0.0063	0.9937	99.74
1.5	105,814,142	470,253	0.0044	0.9956	99.11
2.5	102,815,323	485,311	0.0047	0.9953	98.67
3.5	98,625,157	527,249	0.0053	0.9947	98.20
4.5	96,629,313	469,767	0.0049	0.9951	97.68
5.5	93,309,527	483,218	0.0052	0.9948	97.20
6.5	89,606,523	585,225	0.0065	0.9935	96.70
7.5	87,528,258	810,815	0.0093	0.9907	96.07
8.5	85,215,444	906,474	0.0106	0.9894	95.18
9.5	84,294,469	707,278	0.0084	0.9916	94.17
10.5	83,545,373	613,543	0.0073	0.9927	93.38
11.5	82,807,058	749,190	0.0090	0.9910	92.69
12.5	82,013,645	1,094,757	0.0133	0.9867	91.85
13.5	80,823,191	953,692	0.0118	0.9882	90.63
14.5	79,273,312	1,277,489	0.0161	0.9839	89.56
15.5	74,980,724	1,045,238	0.0139	0.9861	88.11
16.5	73,846,148	990,584	0.0134	0.9866	86.88
17.5	72,675,956	817,559	0.0112	0.9888	85.72
18.5	71,459,222	452,077	0.0063	0.9937	84.75
19.5	70,780,809	918,739	0.0130	0.9870	84.22
20.5	60,325,479	793,581	0.0132	0.9868	83.13
21.5	59,352,455	1,372,520	0.0231	0.9769	82.03
22.5	57,853,131	352,456	0.0061	0.9939	80.13
23.5	56,816,271	318,114	0.0056	0.9944	79.65
24.5	56,415,588	585,987	0.0104	0.9896	79.20
25.5	55,112,349	897,792	0.0163	0.9837	78.38
26.5	54,211,962	1,245,977	0.0230	0.9770	77.10
27.5	52,890,502	737,369	0.0139	0.9861	75.33
28.5	52,133,095	774,535	0.0149	0.9851	74.28
29.5	51,268,837	1,233,634	0.0241	0.9759	73.18
30.5	49,298,380	1,516,006	0.0308	0.9692	71.41
31.5	47,762,639	340,230	0.0071	0.9929	69.22
32.5	47,417,399	362,775	0.0077	0.9923	68.73
33.5	45,291,034	594,998	0.0131	0.9869	68.20
34.5	28,510,581	452,924	0.0159	0.9841	67.30
35.5	28,027,627	3,406,032	0.1215	0.8785	66.23
36.5	14,133,617	360,210	0.0255	0.9745	58.19
37.5	13,558,286	196,193	0.0145	0.9855	56.70
38.5	13,228,393	800,403	0.0605	0.9395	55.88

ENBRIDGE GAS DISTRIBUTION, INC

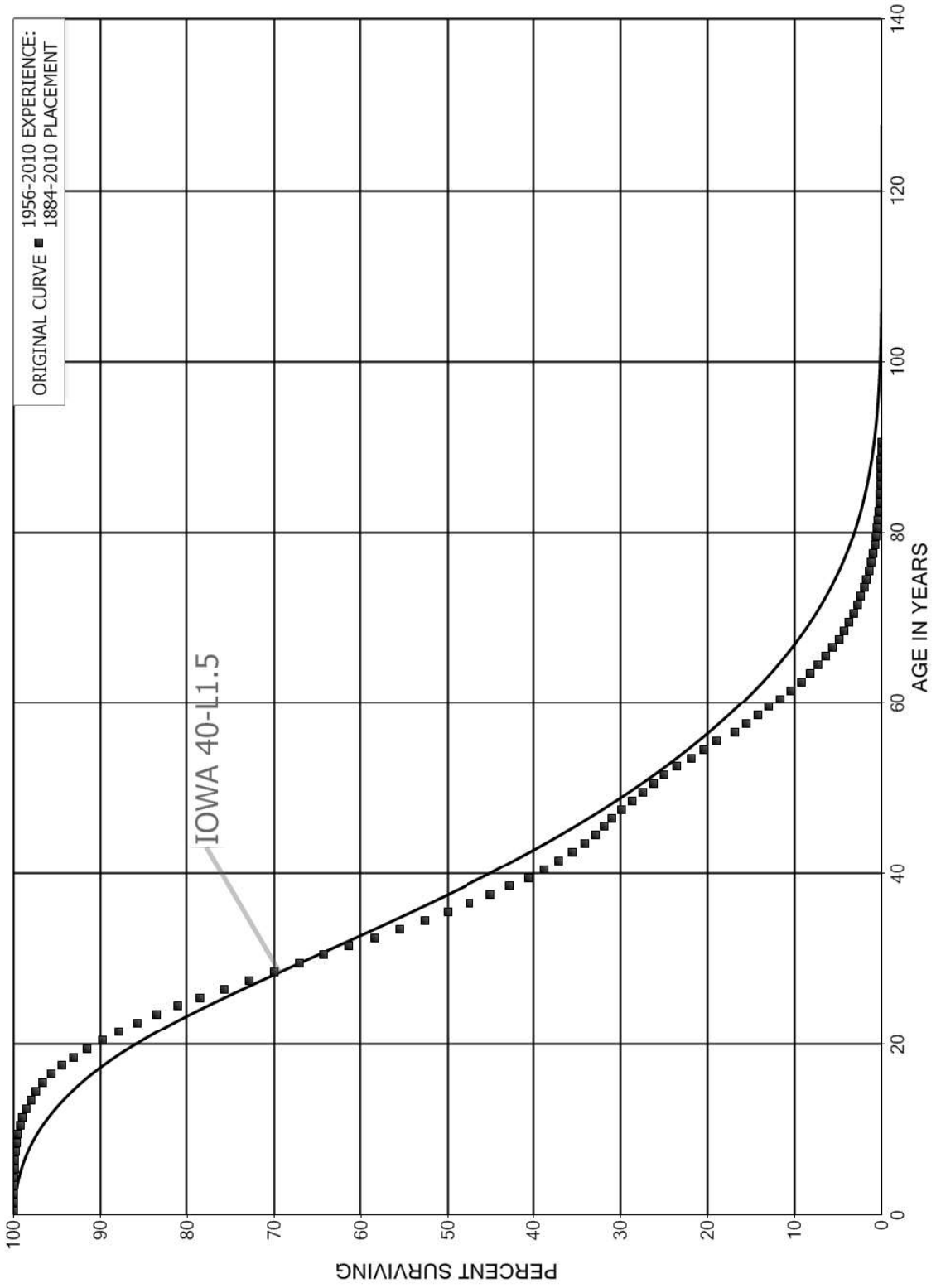
ACCOUNT 472.00 - STRUCTURES AND IMPROVEMENTS - OTHER

ORIGINAL LIFE TABLE, CONT.

PLACEMENT BAND 1937-2010 EXPERIENCE BAND 1948-2010

AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL
39.5	12,381,592	84,640	0.0068	0.9932	52.50
40.5	12,255,761	54,039	0.0044	0.9956	52.14
41.5	11,370,117	47,890	0.0042	0.9958	51.91
42.5	11,229,806	11,138	0.0010	0.9990	51.69
43.5	11,185,867	73,360	0.0066	0.9934	51.64
44.5	11,069,843	180,602	0.0163	0.9837	51.30
45.5	10,798,257	16,630	0.0015	0.9985	50.47
46.5	9,026,224	427	0.0000	1.0000	50.39
47.5	8,981,897	69,501	0.0077	0.9923	50.39
48.5	1,950,418	24	0.0000	1.0000	50.00
49.5	1,948,028	3,663	0.0019	0.9981	50.00
50.5	1,596,593	11,812	0.0074	0.9926	49.90
51.5	491,370	49	0.0001	0.9999	49.53
52.5	486,943		0.0000	1.0000	49.53
53.5	486,943	2,863	0.0059	0.9941	49.53
54.5	239,607		0.0000	1.0000	49.24
55.5	239,607	3,032	0.0127	0.9873	49.24
56.5					48.61

ENBRIDGE GAS DISTRIBUTION, INC
ACCOUNT 473.00 - SERVICES
ORIGINAL AND SMOOTH SURVIVOR CURVES



ENBRIDGE GAS DISTRIBUTION, INC

ACCOUNT 473.00 - SERVICES

ORIGINAL LIFE TABLE

PLACEMENT BAND 1884-2010 EXPERIENCE BAND 1956-2010

AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL
0.0	2,318,496,950	146,554	0.0001	0.9999	100.00
0.5	2,212,804,434	229,387	0.0001	0.9999	99.99
1.5	2,137,720,363	292,381	0.0001	0.9999	99.98
2.5	2,054,323,518	391,787	0.0002	0.9998	99.97
3.5	1,965,979,821	542,699	0.0003	0.9997	99.95
4.5	1,877,449,159	720,317	0.0004	0.9996	99.92
5.5	1,800,263,688	830,465	0.0005	0.9995	99.88
6.5	1,767,034,482	1,564,916	0.0009	0.9991	99.84
7.5	1,672,846,711	1,985,022	0.0012	0.9988	99.75
8.5	1,599,712,260	2,764,831	0.0017	0.9983	99.63
9.5	1,505,132,606	3,643,781	0.0024	0.9976	99.46
10.5	1,397,951,610	4,457,907	0.0032	0.9968	99.22
11.5	1,307,022,311	5,386,804	0.0041	0.9959	98.90
12.5	1,226,763,824	6,252,652	0.0051	0.9949	98.49
13.5	1,156,491,712	7,530,998	0.0065	0.9935	97.99
14.5	1,061,497,474	8,617,495	0.0081	0.9919	97.35
15.5	969,554,734	9,753,675	0.0101	0.9899	96.56
16.5	882,192,673	10,597,438	0.0120	0.9880	95.59
17.5	806,150,219	11,364,103	0.0141	0.9859	94.44
18.5	734,706,304	12,428,694	0.0169	0.9831	93.11
19.5	673,890,029	12,975,487	0.0193	0.9807	91.54
20.5	617,490,067	13,359,548	0.0216	0.9784	89.78
21.5	565,739,060	13,403,442	0.0237	0.9763	87.83
22.5	513,333,652	13,660,570	0.0266	0.9734	85.75
23.5	465,328,730	13,623,340	0.0293	0.9707	83.47
24.5	420,042,097	13,279,107	0.0316	0.9684	81.03
25.5	381,523,029	13,362,392	0.0350	0.9650	78.46
26.5	337,778,518	12,940,558	0.0383	0.9617	75.72
27.5	302,281,547	12,057,598	0.0399	0.9601	72.82
28.5	270,483,373	10,888,511	0.0403	0.9597	69.91
29.5	235,252,338	9,806,237	0.0417	0.9583	67.10
30.5	202,848,258	9,076,443	0.0447	0.9553	64.30
31.5	172,716,502	8,418,124	0.0487	0.9513	61.42
32.5	151,145,355	7,634,416	0.0505	0.9495	58.43
33.5	133,480,602	6,925,916	0.0519	0.9481	55.48
34.5	117,332,446	6,009,639	0.0512	0.9488	52.60
35.5	102,463,646	5,117,181	0.0499	0.9501	49.91
36.5	89,984,830	4,633,143	0.0515	0.9485	47.41
37.5	75,141,126	3,788,705	0.0504	0.9496	44.97
38.5	64,641,774	3,268,319	0.0506	0.9494	42.70

ENBRIDGE GAS DISTRIBUTION, INC

ACCOUNT 473.00 - SERVICES

ORIGINAL LIFE TABLE, CONT.

PLACEMENT BAND 1884-2010 EXPERIENCE BAND 1956-2010

AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL
39.5	54,808,538	2,452,062	0.0447	0.9553	40.55
40.5	48,674,176	2,107,886	0.0433	0.9567	38.73
41.5	42,608,200	1,779,863	0.0418	0.9582	37.05
42.5	37,027,269	1,482,584	0.0400	0.9600	35.51
43.5	32,967,358	1,205,582	0.0366	0.9634	34.08
44.5	29,714,190	940,374	0.0316	0.9684	32.84
45.5	27,443,388	744,357	0.0271	0.9729	31.80
46.5	26,093,122	898,601	0.0344	0.9656	30.94
47.5	23,155,398	993,044	0.0429	0.9571	29.87
48.5	19,692,589	854,767	0.0434	0.9566	28.59
49.5	17,221,263	751,903	0.0437	0.9563	27.35
50.5	15,497,290	696,837	0.0450	0.9550	26.15
51.5	14,054,363	824,847	0.0587	0.9413	24.98
52.5	12,060,284	852,285	0.0707	0.9293	23.51
53.5	10,151,802	697,404	0.0687	0.9313	21.85
54.5	8,946,630	604,521	0.0676	0.9324	20.35
55.5	8,166,395	913,902	0.1119	0.8881	18.97
56.5	6,382,379	506,127	0.0793	0.9207	16.85
57.5	5,975,548	502,832	0.0841	0.9159	15.52
58.5	5,536,885	512,759	0.0926	0.9074	14.21
59.5	5,136,726	518,593	0.1010	0.8990	12.89
60.5	4,718,645	505,774	0.1072	0.8928	11.59
61.5	4,334,671	472,887	0.1091	0.8909	10.35
62.5	4,039,718	444,599	0.1101	0.8899	9.22
63.5	3,695,935	430,496	0.1165	0.8835	8.21
64.5	3,386,783	414,851	0.1225	0.8775	7.25
65.5	3,101,944	381,182	0.1229	0.8771	6.36
66.5	2,835,719	351,936	0.1241	0.8759	5.58
67.5	2,561,030	330,785	0.1292	0.8708	4.89
68.5	2,317,148	312,301	0.1348	0.8652	4.26
69.5	2,087,111	287,239	0.1376	0.8624	3.68
70.5	1,852,333	257,480	0.1390	0.8610	3.18
71.5	1,687,458	238,814	0.1415	0.8585	2.73
72.5	1,448,644	217,374	0.1501	0.8499	2.35
73.5	1,231,270	191,085	0.1552	0.8448	2.00
74.5	1,040,185	179,897	0.1729	0.8271	1.69
75.5	860,288	148,106	0.1722	0.8278	1.39
76.5	712,182	126,276	0.1773	0.8227	1.15
77.5	585,906	112,380	0.1918	0.8082	0.95
78.5	473,526	92,918	0.1962	0.8038	0.77

ENBRIDGE GAS DISTRIBUTION, INC

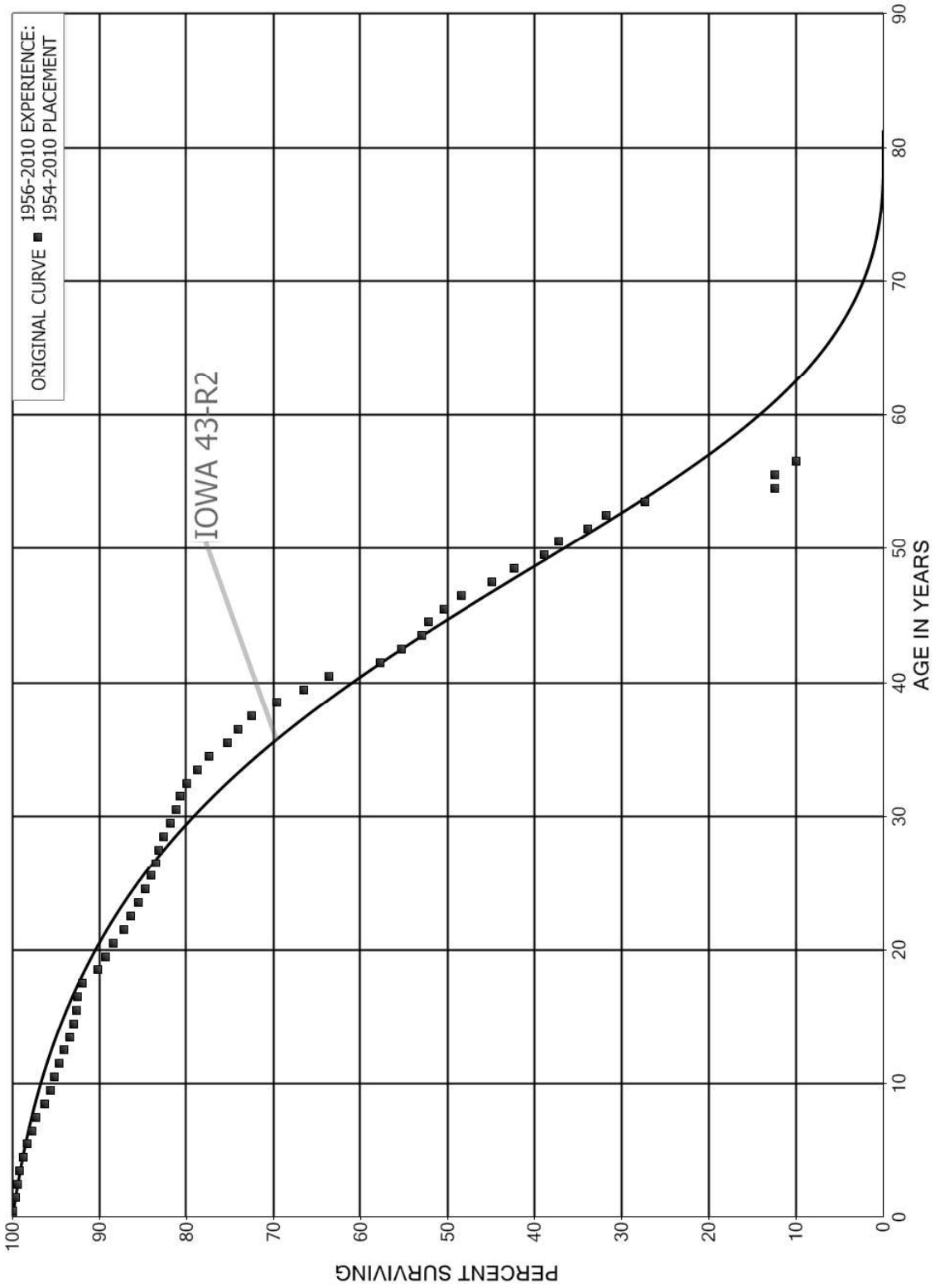
ACCOUNT 473.00 - SERVICES

ORIGINAL LIFE TABLE, CONT.

PLACEMENT BAND 1884-2010 EXPERIENCE BAND 1956-2010

AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL
79.5	380,608	82,595	0.2170	0.7830	0.62
80.5	298,013	72,558	0.2435	0.7565	0.48
81.5	225,455	57,074	0.2532	0.7468	0.37
82.5	168,381	48,442	0.2877	0.7123	0.27
83.5	119,939	37,907	0.3161	0.6839	0.19
84.5	82,032	29,403	0.3584	0.6416	0.13
85.5	52,629	19,594	0.3723	0.6277	0.09
86.5	33,035	18,143	0.5492	0.4508	0.05
87.5	14,892	8,221	0.5520	0.4480	0.02
88.5	6,671	6,117	0.9170	0.0830	0.01
89.5	554	554	1.0000		0.00
90.5					

ENBRIDGE GAS DISTRIBUTION, INC
ACCOUNT 475.10 - MAINS - CAST IRON
ORIGINAL AND SMOOTH SURVIVOR CURVES



ENBRIDGE GAS DISTRIBUTION, INC

ACCOUNT 475.10 - MAINS - CAST IRON

ORIGINAL LIFE TABLE

PLACEMENT BAND 1954-2010 EXPERIENCE BAND 1956-2010

AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL
0.0	740,739	109	0.0001	0.9999	100.00
0.5	43,970,493	154,555	0.0035	0.9965	99.99
1.5	49,850,413	103,903	0.0021	0.9979	99.63
2.5	49,746,510	135,187	0.0027	0.9973	99.43
3.5	49,611,323	195,480	0.0039	0.9961	99.16
4.5	49,415,843	219,128	0.0044	0.9956	98.77
5.5	49,184,242	280,469	0.0057	0.9943	98.33
6.5	48,903,773	249,936	0.0051	0.9949	97.77
7.5	48,653,837	491,700	0.0101	0.9899	97.27
8.5	48,161,196	336,938	0.0070	0.9930	96.28
9.5	47,824,258	243,678	0.0051	0.9949	95.61
10.5	47,580,580	228,922	0.0048	0.9952	95.12
11.5	47,351,658	310,045	0.0065	0.9935	94.67
12.5	47,041,613	303,741	0.0065	0.9935	94.05
13.5	46,737,872	246,551	0.0053	0.9947	93.44
14.5	46,491,321	167,836	0.0036	0.9964	92.95
15.5	46,323,485	77,976	0.0017	0.9983	92.61
16.5	46,245,509	271,625	0.0059	0.9941	92.45
17.5	45,973,884	885,740	0.0193	0.9807	91.91
18.5	45,088,144	440,814	0.0098	0.9902	90.14
19.5	44,647,330	411,814	0.0092	0.9908	89.26
20.5	44,235,516	608,825	0.0138	0.9862	88.44
21.5	43,626,691	439,115	0.0101	0.9899	87.22
22.5	43,187,576	437,759	0.0101	0.9899	86.34
23.5	42,749,817	395,247	0.0092	0.9908	85.47
24.5	42,354,570	324,649	0.0077	0.9923	84.68
25.5	42,029,921	236,097	0.0056	0.9944	84.03
26.5	41,793,824	165,158	0.0040	0.9960	83.55
27.5	41,117,753	276,901	0.0067	0.9933	83.22
28.5	40,818,689	427,531	0.0105	0.9895	82.66
29.5	40,391,158	292,913	0.0073	0.9927	81.80
30.5	40,098,245	253,368	0.0063	0.9937	81.20
31.5	39,844,877	359,890	0.0090	0.9910	80.69
32.5	39,484,987	623,712	0.0158	0.9842	79.96
33.5	38,842,264	634,455	0.0163	0.9837	78.70
34.5	38,207,809	1,042,351	0.0273	0.9727	77.41
35.5	37,165,458	588,843	0.0158	0.9842	75.30
36.5	36,576,615	791,289	0.0216	0.9784	74.11
37.5	35,785,326	1,439,346	0.0402	0.9598	72.51
38.5	34,345,980	1,501,252	0.0437	0.9563	69.59

ENBRIDGE GAS DISTRIBUTION, INC

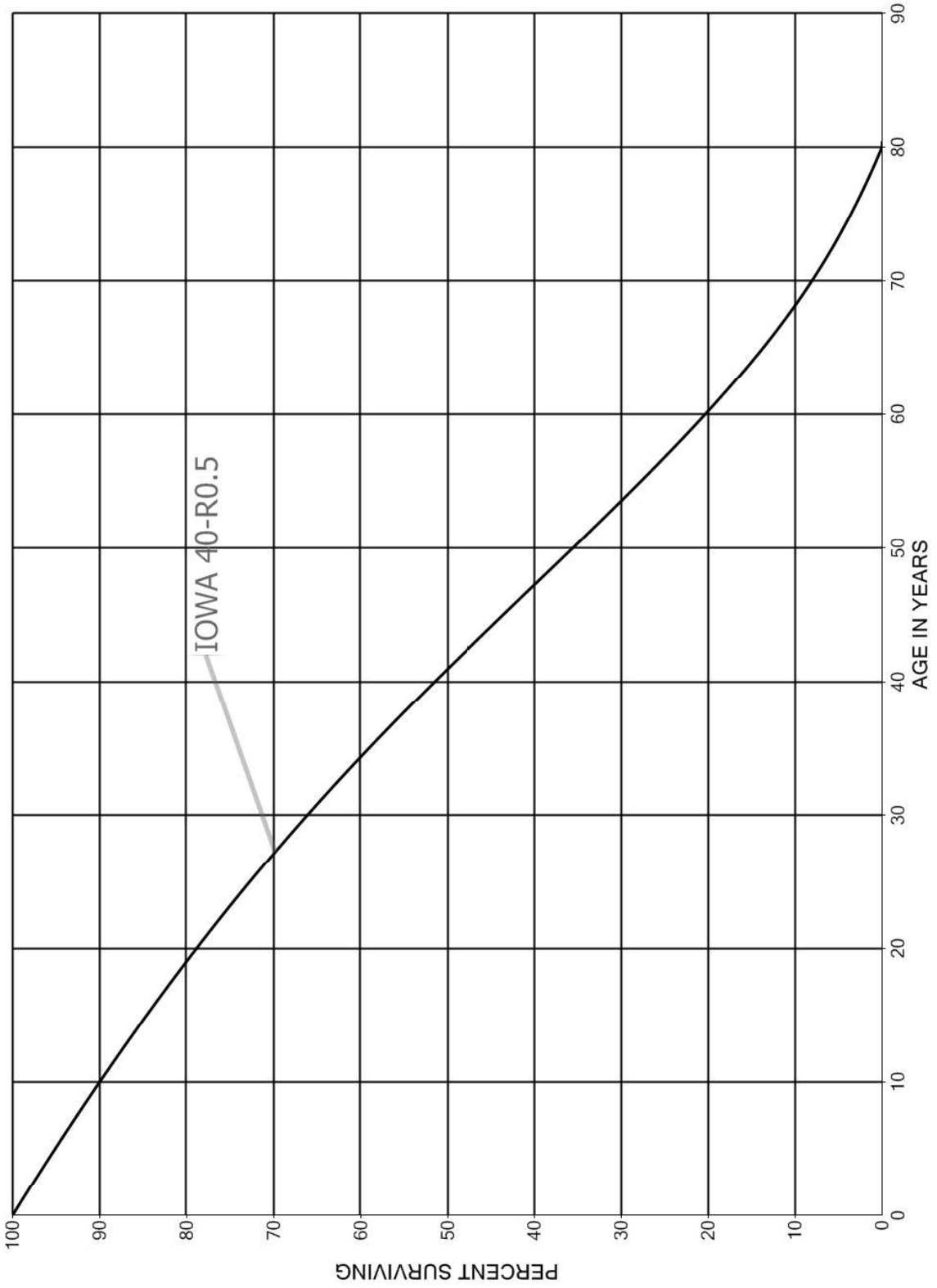
ACCOUNT 475.10 - MAINS - CAST IRON

ORIGINAL LIFE TABLE, CONT.

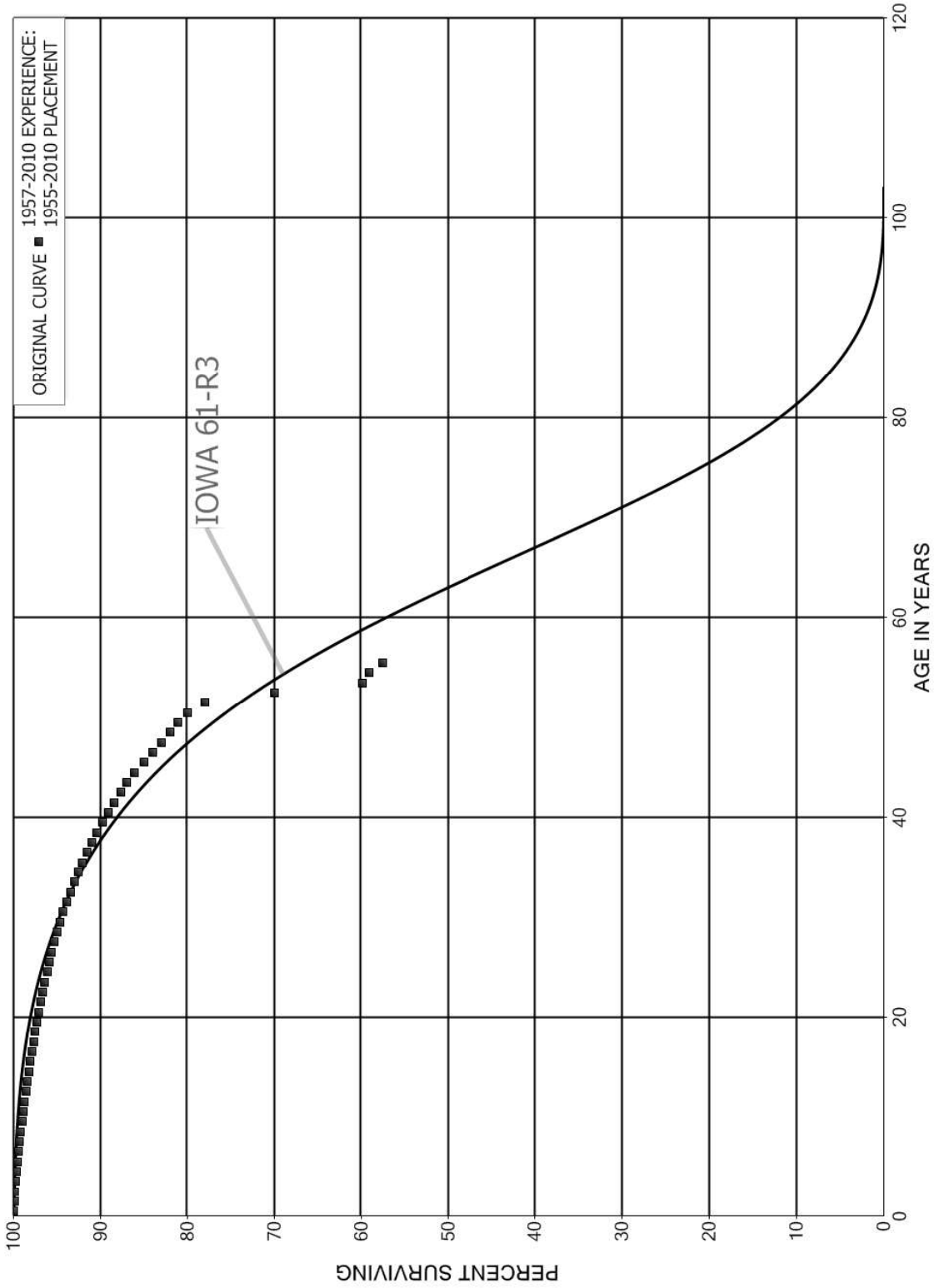
PLACEMENT BAND 1954-2010 EXPERIENCE BAND 1956-2010

AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL
39.5	32,844,728	1,462,644	0.0445	0.9555	66.55
40.5	31,382,084	2,909,578	0.0927	0.9073	63.58
41.5	28,472,506	1,186,546	0.0417	0.9583	57.69
42.5	27,285,960	1,174,280	0.0430	0.9570	55.29
43.5	26,111,680	386,000	0.0148	0.9852	52.91
44.5	25,725,680	849,323	0.0330	0.9670	52.12
45.5	24,876,357	977,323	0.0393	0.9607	50.40
46.5	23,899,034	1,777,604	0.0744	0.9256	48.42
47.5	22,121,430	1,267,794	0.0573	0.9427	44.82
48.5	20,853,636	1,713,508	0.0822	0.9178	42.25
49.5	19,140,128	795,540	0.0416	0.9584	38.78
50.5	18,344,588	1,629,550	0.0888	0.9112	37.17
51.5	16,715,038	1,080,112	0.0646	0.9354	33.87
52.5	15,633,787	2,155,367	0.1379	0.8621	31.68
53.5	13,478,420	7,362,048	0.5462	0.4538	27.31
54.5	6,034,475		0.0000	1.0000	12.39
55.5	6,034,475	1,209,969	0.2005	0.7995	12.39
56.5					9.91

ENBRIDGE GAS DISTRIBUTION, INC
ACCOUNT 475.20 - MAINS - OTHER
SMOOTH SURVIVOR CURVE



ENBRIDGE GAS DISTRIBUTION, INC
ACCOUNT 475.21 - MAINS - COATED STEEL
ORIGINAL AND SMOOTH SURVIVOR CURVES



ENBRIDGE GAS DISTRIBUTION, INC

ACCOUNT 475.21 - MAINS - COATED STEEL

ORIGINAL LIFE TABLE

PLACEMENT BAND 1955-2010 EXPERIENCE BAND 1957-2010

AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL
0.0	1,058,291,489	404,414	0.0004	0.9996	100.00
0.5	1,035,389,475	817,537	0.0008	0.9992	99.96
1.5	1,011,488,022	834,345	0.0008	0.9992	99.88
2.5	970,381,479	941,814	0.0010	0.9990	99.80
3.5	903,745,645	946,882	0.0010	0.9990	99.70
4.5	855,906,164	954,851	0.0011	0.9989	99.60
5.5	833,360,515	987,652	0.0012	0.9988	99.49
6.5	815,825,212	982,287	0.0012	0.9988	99.37
7.5	800,945,997	1,001,116	0.0012	0.9988	99.25
8.5	755,332,193	1,049,527	0.0014	0.9986	99.13
9.5	716,521,345	1,117,375	0.0016	0.9984	98.99
10.5	690,165,292	1,141,234	0.0017	0.9983	98.83
11.5	660,367,486	1,146,151	0.0017	0.9983	98.67
12.5	634,259,392	1,021,113	0.0016	0.9984	98.50
13.5	619,809,037	1,009,052	0.0016	0.9984	98.34
14.5	592,562,946	968,342	0.0016	0.9984	98.18
15.5	576,020,338	1,121,623	0.0019	0.9981	98.02
16.5	557,785,764	1,073,334	0.0019	0.9981	97.83
17.5	541,488,036	965,221	0.0018	0.9982	97.64
18.5	484,101,306	937,361	0.0019	0.9981	97.47
19.5	415,628,665	845,974	0.0020	0.9980	97.28
20.5	383,495,695	935,905	0.0024	0.9976	97.08
21.5	352,422,862	828,094	0.0023	0.9977	96.84
22.5	342,004,936	876,381	0.0026	0.9974	96.62
23.5	315,167,354	830,733	0.0026	0.9974	96.37
24.5	305,566,518	845,465	0.0028	0.9972	96.11
25.5	295,941,117	842,655	0.0028	0.9972	95.85
26.5	289,432,531	859,555	0.0030	0.9970	95.58
27.5	279,137,507	959,048	0.0034	0.9966	95.29
28.5	270,841,245	978,538	0.0036	0.9964	94.96
29.5	262,753,791	1,046,131	0.0040	0.9960	94.62
30.5	253,225,718	1,078,032	0.0043	0.9957	94.24
31.5	246,379,341	1,102,247	0.0045	0.9955	93.84
32.5	240,158,883	1,101,978	0.0046	0.9954	93.42
33.5	232,791,795	1,144,734	0.0049	0.9951	92.99
34.5	227,979,857	1,196,574	0.0052	0.9948	92.54
35.5	219,816,954	1,182,047	0.0054	0.9946	92.05
36.5	207,550,843	1,295,275	0.0062	0.9938	91.56
37.5	189,471,710	1,191,293	0.0063	0.9937	90.99
38.5	174,783,175	1,227,928	0.0070	0.9930	90.41

ENBRIDGE GAS DISTRIBUTION, INC

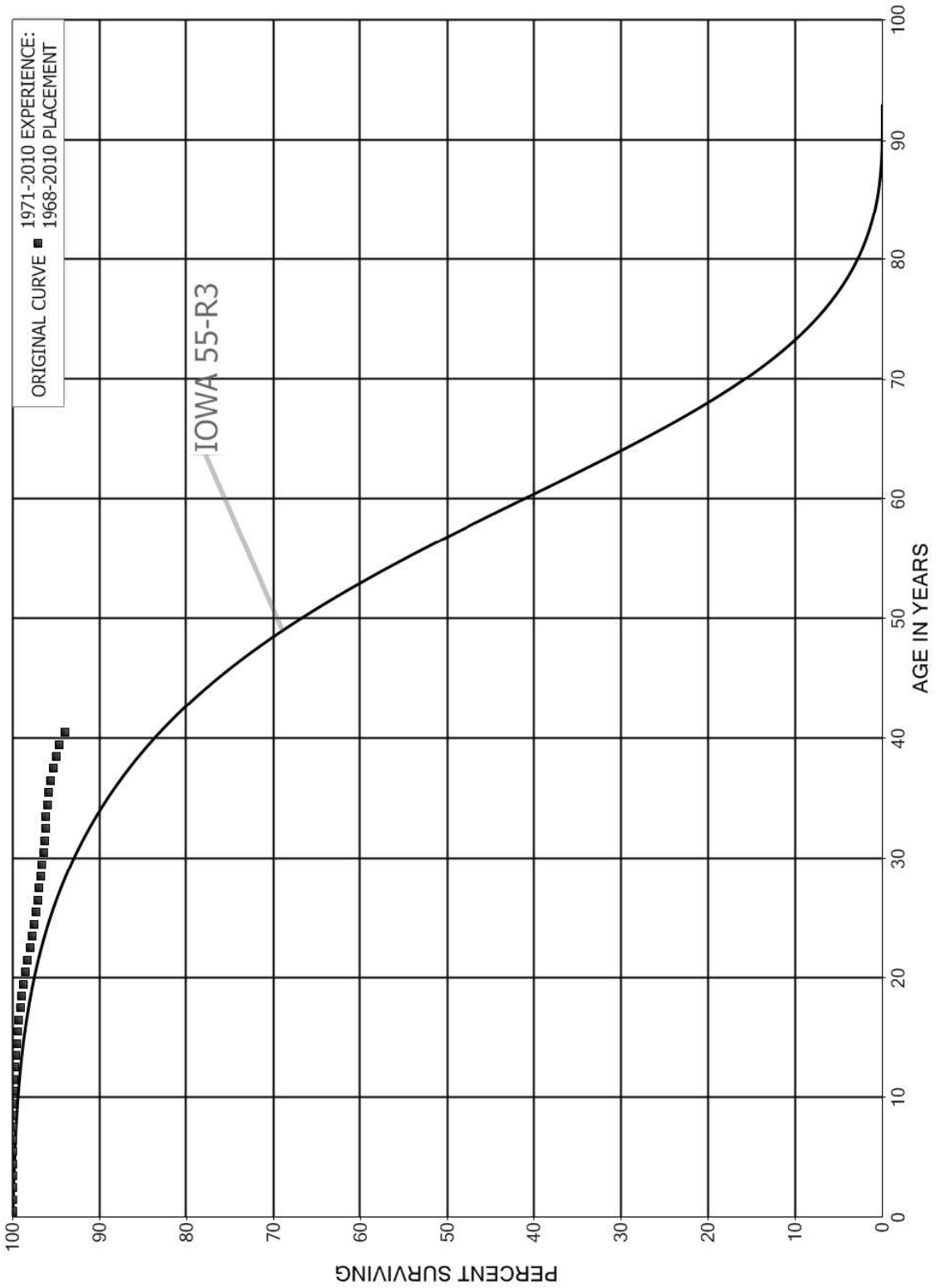
ACCOUNT 475.21 - MAINS - COATED STEEL

ORIGINAL LIFE TABLE, CONT.

PLACEMENT BAND 1955-2010 EXPERIENCE BAND 1957-2010

AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL
39.5	153,766,918	1,198,273	0.0078	0.9922	89.78
40.5	138,981,310	1,102,638	0.0079	0.9921	89.08
41.5	127,477,842	1,068,075	0.0084	0.9916	88.37
42.5	117,570,184	976,951	0.0083	0.9917	87.63
43.5	107,287,440	1,055,960	0.0098	0.9902	86.90
44.5	97,256,712	1,228,793	0.0126	0.9874	86.05
45.5	90,980,959	1,113,958	0.0122	0.9878	84.96
46.5	84,313,921	1,028,562	0.0122	0.9878	83.92
47.5	70,552,434	818,433	0.0116	0.9884	82.90
48.5	59,076,306	654,797	0.0111	0.9889	81.94
49.5	48,227,666	664,830	0.0138	0.9862	81.03
50.5	39,082,414	932,123	0.0239	0.9761	79.91
51.5	4,881,895	506,698	0.1038	0.8962	78.00
52.5	2,314,675	332,842	0.1438	0.8562	69.91
53.5	480,277	6,570	0.0137	0.9863	59.86
54.5	22,924	580	0.0253	0.9747	59.04
55.5					57.54

ENBRIDGE GAS DISTRIBUTION, INC
ACCOUNT 475.30 - MAINS - PLASTIC
ORIGINAL AND SMOOTH SURVIVOR CURVES



ENBRIDGE GAS DISTRIBUTION, INC

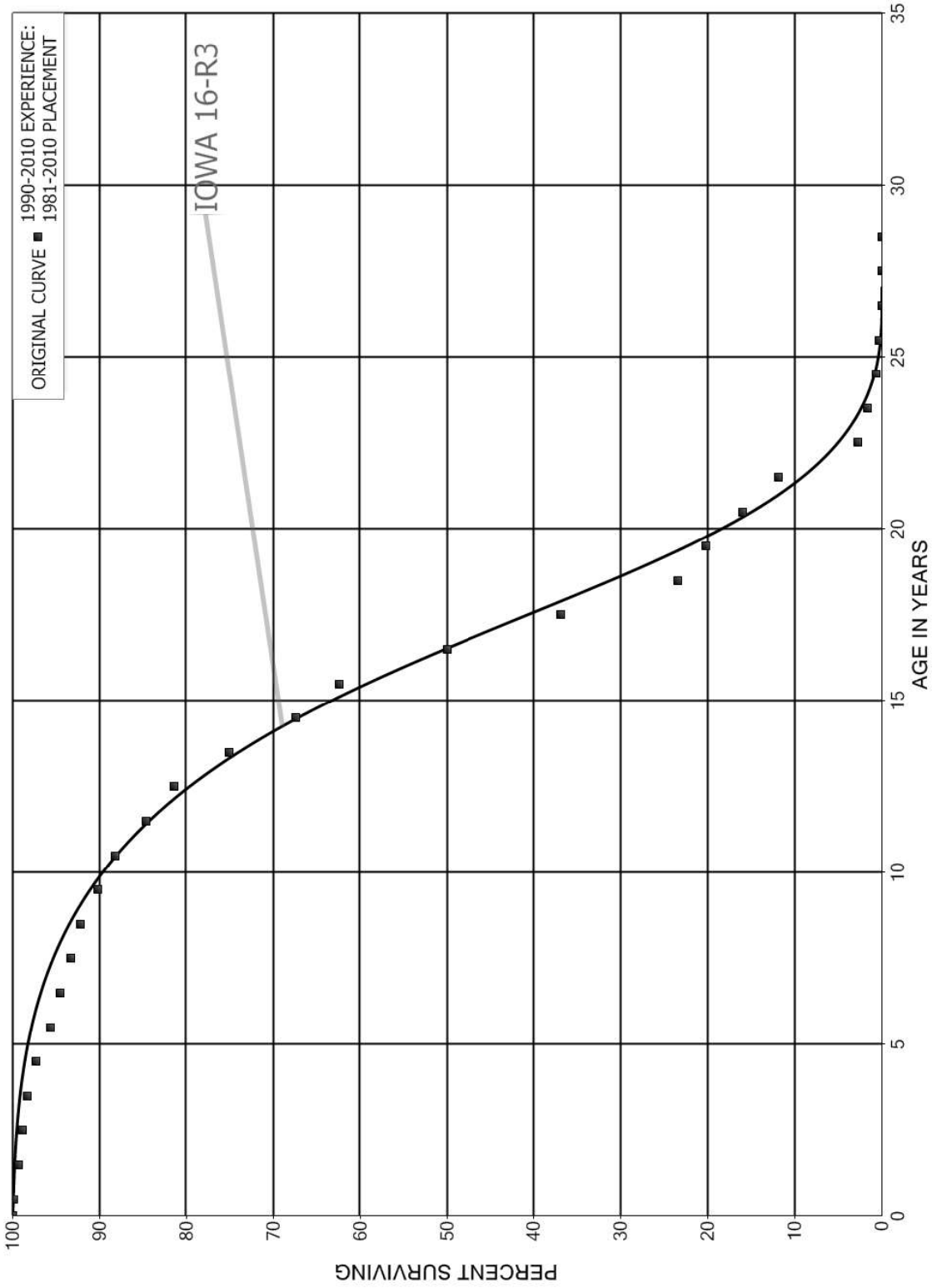
ACCOUNT 475.30 - MAINS - PLASTIC

ORIGINAL LIFE TABLE

PLACEMENT BAND 1968-2010 EXPERIENCE BAND 1971-2010

AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL
0.0	1,336,246,520	10,332	0.0000	1.0000	100.00
0.5	1,239,324,408	18,718	0.0000	1.0000	100.00
1.5	1,164,729,603	27,921	0.0000	1.0000	100.00
2.5	1,092,276,846	51,182	0.0000	1.0000	100.00
3.5	986,429,280	70,660	0.0001	0.9999	99.99
4.5	876,516,101	73,027	0.0001	0.9999	99.98
5.5	817,732,310	88,878	0.0001	0.9999	99.98
6.5	784,720,936	129,121	0.0002	0.9998	99.96
7.5	730,696,352	161,690	0.0002	0.9998	99.95
8.5	678,167,405	202,031	0.0003	0.9997	99.93
9.5	610,032,572	243,127	0.0004	0.9996	99.90
10.5	552,482,879	288,157	0.0005	0.9995	99.86
11.5	496,326,536	327,705	0.0007	0.9993	99.80
12.5	442,576,913	366,376	0.0008	0.9992	99.74
13.5	402,346,609	424,246	0.0011	0.9989	99.66
14.5	358,461,979	460,455	0.0013	0.9987	99.55
15.5	320,917,087	489,563	0.0015	0.9985	99.42
16.5	294,816,165	502,117	0.0017	0.9983	99.27
17.5	271,512,490	487,659	0.0018	0.9982	99.10
18.5	250,728,482	513,988	0.0020	0.9980	98.92
19.5	225,341,724	509,825	0.0023	0.9977	98.72
20.5	204,887,033	527,597	0.0026	0.9974	98.50
21.5	179,318,252	539,362	0.0030	0.9970	98.24
22.5	162,720,038	461,651	0.0028	0.9972	97.95
23.5	144,125,037	325,193	0.0023	0.9977	97.67
24.5	131,060,178	258,215	0.0020	0.9980	97.45
25.5	118,973,598	226,169	0.0019	0.9981	97.26
26.5	105,095,874	191,940	0.0018	0.9982	97.07
27.5	91,990,196	167,052	0.0018	0.9982	96.90
28.5	77,263,569	114,456	0.0015	0.9985	96.72
29.5	66,976,975	104,848	0.0016	0.9984	96.58
30.5	43,396,939	48,779	0.0011	0.9989	96.43
31.5	30,805,463	29,741	0.0010	0.9990	96.32
32.5	22,960,456	23,597	0.0010	0.9990	96.22
33.5	16,726,707	20,568	0.0012	0.9988	96.13
34.5	11,488,964	18,989	0.0017	0.9983	96.01
35.5	7,020,404	16,457	0.0023	0.9977	95.85
36.5	3,202,285	11,660	0.0036	0.9964	95.62
37.5	620,686	1,956	0.0032	0.9968	95.28
38.5	211,164	910	0.0043	0.9957	94.98
39.5	32,396	208	0.0064	0.9936	94.57
40.5					93.96

ENBRIDGE GAS DISTRIBUTION, INC
ACCOUNT 476.00 - COMPANY NGV COMPRESSOR STATIONS
ORIGINAL AND SMOOTH SURVIVOR CURVES



ENBRIDGE GAS DISTRIBUTION, INC

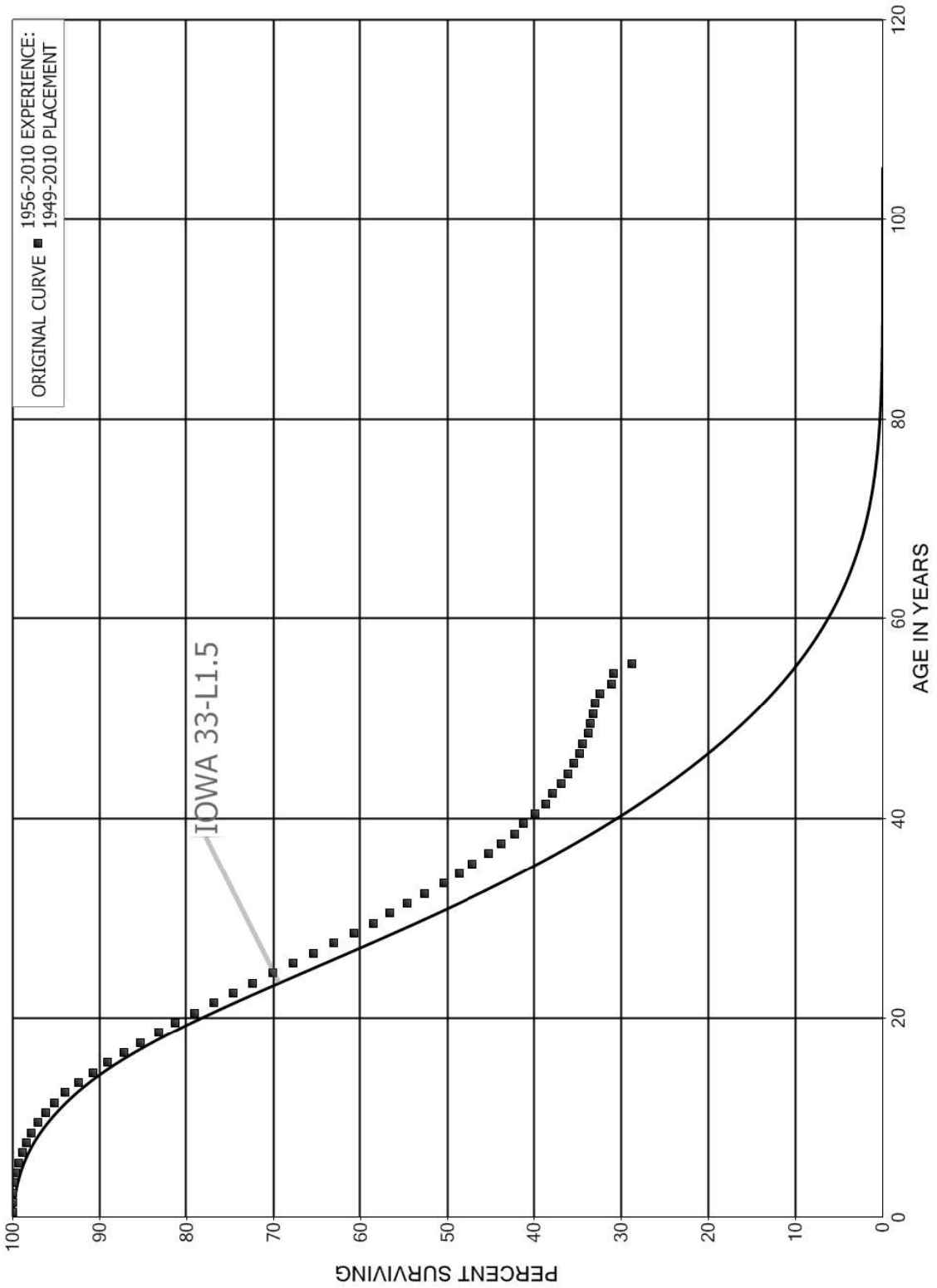
ACCOUNT 476.00 - COMPANY NGV COMPRESSOR STATIONS

ORIGINAL LIFE TABLE

PLACEMENT BAND 1981-2010 EXPERIENCE BAND 1990-2010

AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL
0.0	12,263,276	24,888	0.0020	0.9980	100.00
0.5	12,264,956	58,913	0.0048	0.9952	99.80
1.5	12,762,268	58,370	0.0046	0.9954	99.32
2.5	14,162,551	83,947	0.0059	0.9941	98.86
3.5	14,295,500	146,896	0.0103	0.9897	98.28
4.5	14,391,389	244,642	0.0170	0.9830	97.27
5.5	13,893,538	156,361	0.0113	0.9887	95.61
6.5	13,890,926	186,594	0.0134	0.9866	94.54
7.5	13,704,332	163,778	0.0120	0.9880	93.27
8.5	13,588,849	299,765	0.0221	0.9779	92.15
9.5	13,012,672	280,787	0.0216	0.9784	90.12
10.5	12,731,885	509,643	0.0400	0.9600	88.18
11.5	12,175,962	473,925	0.0389	0.9611	84.65
12.5	11,608,095	896,945	0.0773	0.9227	81.35
13.5	10,524,587	1,070,362	0.1017	0.8983	75.07
14.5	9,425,485	707,624	0.0751	0.9249	67.43
15.5	8,705,495	1,726,358	0.1983	0.8017	62.37
16.5	6,725,296	1,763,917	0.2623	0.7377	50.00
17.5	4,961,379	1,816,113	0.3661	0.6339	36.89
18.5	3,145,266	434,552	0.1382	0.8618	23.38
19.5	1,860,198	388,828	0.2090	0.7910	20.15
20.5	1,471,370	377,218	0.2564	0.7436	15.94
21.5	1,094,152	843,330	0.7708	0.2292	11.85
22.5	250,822	102,286	0.4078	0.5922	2.72
23.5	148,536	90,269	0.6077	0.3923	1.61
24.5	58,267	32,475	0.5573	0.4427	0.63
25.5	25,792	25,616	0.9932	0.0068	0.28
26.5	176		0.0000	1.0000	0.00
27.5	176	176	1.0000		0.00
28.5					

ENBRIDGE GAS DISTRIBUTION, INC
ACCOUNT 477.00 - MEASURING AND REGULATING EQUIPMENT
ORIGINAL AND SMOOTH SURVIVOR CURVES



ENBRIDGE GAS DISTRIBUTION, INC

ACCOUNT 477.00 - MEASURING AND REGULATING EQUIPMENT

ORIGINAL LIFE TABLE

PLACEMENT BAND 1949-2010 EXPERIENCE BAND 1956-2010

AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL
0.0	357,687,541	3,757	0.0000	1.0000	100.00
0.5	346,522,689	59,531	0.0002	0.9998	100.00
1.5	331,578,809	214,481	0.0006	0.9994	99.98
2.5	313,148,728	407,592	0.0013	0.9987	99.92
3.5	297,596,715	656,958	0.0022	0.9978	99.79
4.5	283,286,281	873,982	0.0031	0.9969	99.57
5.5	269,900,146	1,029,303	0.0038	0.9962	99.26
6.5	252,746,080	1,245,959	0.0049	0.9951	98.88
7.5	238,102,009	1,462,175	0.0061	0.9939	98.39
8.5	226,203,152	1,679,114	0.0074	0.9926	97.79
9.5	214,881,395	1,872,106	0.0087	0.9913	97.06
10.5	194,708,145	2,145,539	0.0110	0.9890	96.22
11.5	174,980,371	2,270,874	0.0130	0.9870	95.16
12.5	158,379,755	2,607,070	0.0165	0.9835	93.92
13.5	145,340,746	2,604,285	0.0179	0.9821	92.38
14.5	129,909,191	2,375,435	0.0183	0.9817	90.72
15.5	115,489,769	2,407,387	0.0208	0.9792	89.06
16.5	102,581,751	2,275,738	0.0222	0.9778	87.21
17.5	91,363,132	2,230,558	0.0244	0.9756	85.27
18.5	82,421,150	1,923,004	0.0233	0.9767	83.19
19.5	71,114,704	1,872,702	0.0263	0.9737	81.25
20.5	57,948,356	1,647,335	0.0284	0.9716	79.11
21.5	50,142,566	1,434,269	0.0286	0.9714	76.86
22.5	43,459,479	1,319,922	0.0304	0.9696	74.66
23.5	35,952,636	1,137,955	0.0317	0.9683	72.39
24.5	31,593,201	1,048,739	0.0332	0.9668	70.10
25.5	26,795,807	953,515	0.0356	0.9644	67.78
26.5	21,565,537	746,843	0.0346	0.9654	65.36
27.5	19,085,794	718,377	0.0376	0.9624	63.10
28.5	16,663,808	600,911	0.0361	0.9639	60.73
29.5	14,268,230	477,906	0.0335	0.9665	58.54
30.5	12,340,837	432,892	0.0351	0.9649	56.57
31.5	10,699,120	392,320	0.0367	0.9633	54.59
32.5	8,975,154	365,101	0.0407	0.9593	52.59
33.5	7,559,823	268,254	0.0355	0.9645	50.45
34.5	6,689,923	222,519	0.0333	0.9667	48.66
35.5	5,747,242	231,682	0.0403	0.9597	47.04
36.5	4,850,540	157,853	0.0325	0.9675	45.14
37.5	4,341,257	145,347	0.0335	0.9665	43.68
38.5	3,346,909	84,663	0.0253	0.9747	42.21

ENBRIDGE GAS DISTRIBUTION, INC

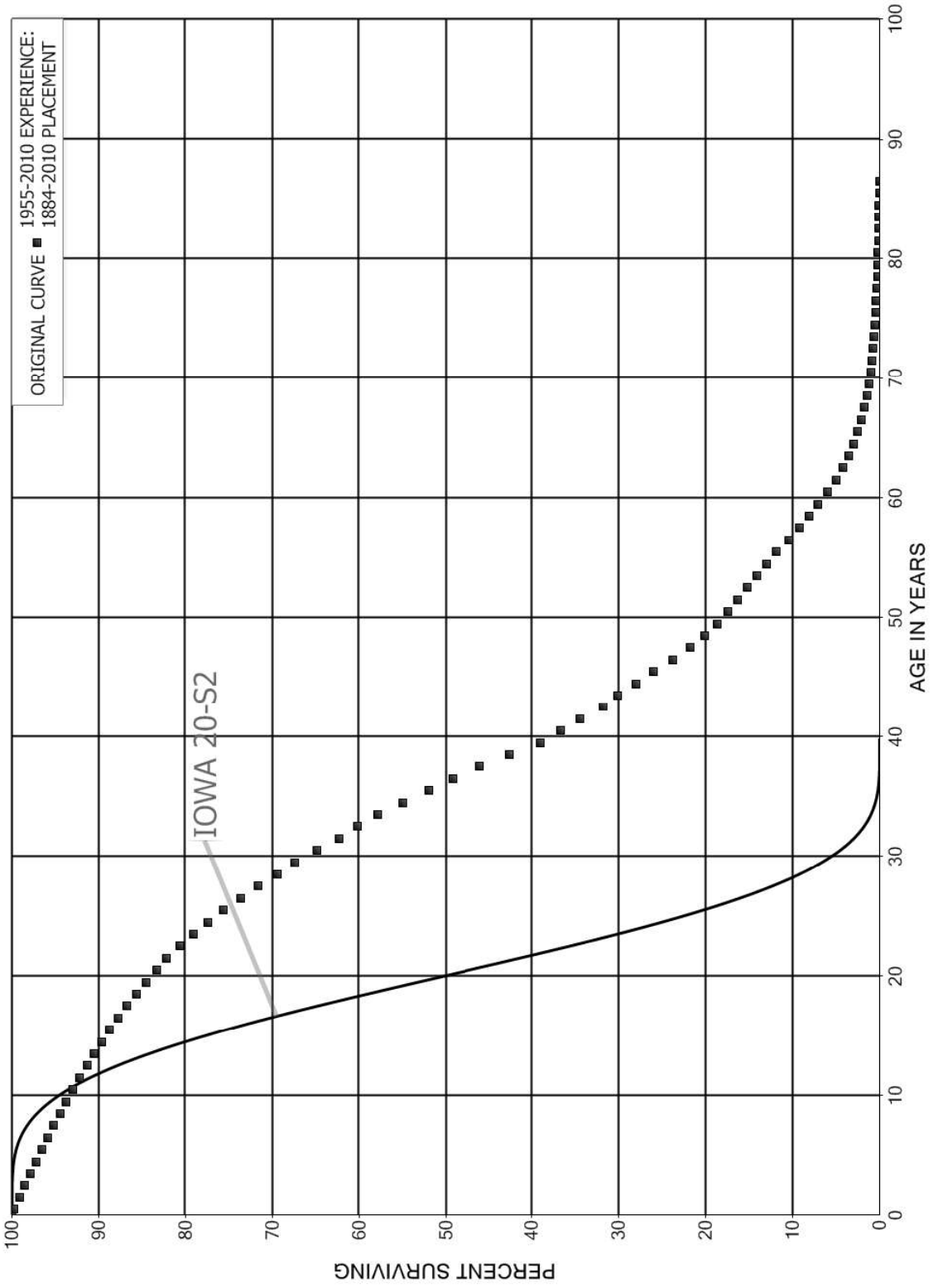
ACCOUNT 477.00 - MEASURING AND REGULATING EQUIPMENT

ORIGINAL LIFE TABLE, CONT.

PLACEMENT BAND 1949-2010 EXPERIENCE BAND 1956-2010

AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL
39.5	2,971,277	92,169	0.0310	0.9690	41.15
40.5	2,698,616	84,771	0.0314	0.9686	39.87
41.5	2,380,258	49,005	0.0206	0.9794	38.62
42.5	2,190,652	58,285	0.0266	0.9734	37.82
43.5	1,921,637	40,638	0.0211	0.9789	36.82
44.5	1,790,149	31,591	0.0176	0.9824	36.04
45.5	1,605,429	28,376	0.0177	0.9823	35.40
46.5	1,490,754	16,284	0.0109	0.9891	34.77
47.5	1,329,353	24,060	0.0181	0.9819	34.40
48.5	1,158,969	10,221	0.0088	0.9912	33.77
49.5	1,081,624	11,101	0.0103	0.9897	33.47
50.5	889,187	5,081	0.0057	0.9943	33.13
51.5	859,650	13,078	0.0152	0.9848	32.94
52.5	638,532	26,556	0.0416	0.9584	32.44
53.5	133,696	1,131	0.0085	0.9915	31.09
54.5	120,158	8,207	0.0683	0.9317	30.83
55.5					28.72

ENBRIDGE GAS DISTRIBUTION, INC
ACCOUNT 478.00 - METERS
ORIGINAL AND SMOOTH SURVIVOR CURVES



ENBRIDGE GAS DISTRIBUTION, INC

ACCOUNT 478.00 - METERS

ORIGINAL LIFE TABLE

PLACEMENT BAND 1884-2010 EXPERIENCE BAND 1955-2010

AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL
0.0	425,763,732	1,258,863	0.0030	0.9970	100.00
0.5	407,881,862	2,433,290	0.0060	0.9940	99.70
1.5	385,615,458	2,387,804	0.0062	0.9938	99.11
2.5	355,539,690	2,316,016	0.0065	0.9935	98.50
3.5	329,227,993	2,186,011	0.0066	0.9934	97.85
4.5	305,693,793	2,078,385	0.0068	0.9932	97.20
5.5	288,835,886	2,032,871	0.0070	0.9930	96.54
6.5	278,480,088	2,041,481	0.0073	0.9927	95.86
7.5	262,498,009	1,975,411	0.0075	0.9925	95.16
8.5	249,389,425	1,971,369	0.0079	0.9921	94.45
9.5	235,332,099	1,969,694	0.0084	0.9916	93.70
10.5	218,766,823	1,859,055	0.0085	0.9915	92.91
11.5	205,692,591	1,809,745	0.0088	0.9912	92.12
12.5	191,513,277	1,730,325	0.0090	0.9910	91.31
13.5	176,445,065	1,655,061	0.0094	0.9906	90.49
14.5	161,808,198	1,712,154	0.0106	0.9894	89.64
15.5	145,123,781	1,640,460	0.0113	0.9887	88.69
16.5	131,024,772	1,504,820	0.0115	0.9885	87.69
17.5	121,003,051	1,471,287	0.0122	0.9878	86.68
18.5	112,257,817	1,537,937	0.0137	0.9863	85.63
19.5	101,050,228	1,339,394	0.0133	0.9867	84.46
20.5	92,669,587	1,341,334	0.0145	0.9855	83.34
21.5	83,348,003	1,546,088	0.0185	0.9815	82.13
22.5	70,271,393	1,390,010	0.0198	0.9802	80.61
23.5	60,464,033	1,253,859	0.0207	0.9793	79.01
24.5	52,969,736	1,226,982	0.0232	0.9768	77.37
25.5	46,380,293	1,203,351	0.0259	0.9741	75.58
26.5	40,342,359	1,094,045	0.0271	0.9729	73.62
27.5	35,296,457	1,081,265	0.0306	0.9694	71.62
28.5	30,226,828	905,092	0.0299	0.9701	69.43
29.5	26,574,846	987,702	0.0372	0.9628	67.35
30.5	22,403,428	887,730	0.0396	0.9604	64.85
31.5	19,142,819	631,898	0.0330	0.9670	62.28
32.5	17,677,321	689,490	0.0390	0.9610	60.22
33.5	15,975,749	801,025	0.0501	0.9499	57.87
34.5	13,742,987	768,972	0.0560	0.9440	54.97
35.5	11,687,660	604,890	0.0518	0.9482	51.90
36.5	10,433,086	691,146	0.0662	0.9338	49.21
37.5	8,847,585	666,145	0.0753	0.9247	45.95
38.5	7,357,015	603,827	0.0821	0.9179	42.49

ENBRIDGE GAS DISTRIBUTION, INC

ACCOUNT 478.00 - METERS

ORIGINAL LIFE TABLE, CONT.

PLACEMENT BAND 1884-2010 EXPERIENCE BAND 1955-2010

AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL
39.5	6,153,200	375,163	0.0610	0.9390	39.00
40.5	5,834,470	361,501	0.0620	0.9380	36.62
41.5	5,519,488	422,537	0.0766	0.9234	34.36
42.5	5,166,636	264,963	0.0513	0.9487	31.73
43.5	5,099,105	369,182	0.0724	0.9276	30.10
44.5	4,889,234	346,777	0.0709	0.9291	27.92
45.5	4,687,503	390,843	0.0834	0.9166	25.94
46.5	4,420,692	376,422	0.0852	0.9148	23.78
47.5	4,192,120	318,725	0.0760	0.9240	21.75
48.5	3,992,042	300,662	0.0753	0.9247	20.10
49.5	3,785,237	247,152	0.0653	0.9347	18.58
50.5	3,616,757	228,951	0.0633	0.9367	17.37
51.5	3,469,726	222,964	0.0643	0.9357	16.27
52.5	3,311,638	254,610	0.0769	0.9231	15.23
53.5	3,101,666	249,404	0.0804	0.9196	14.05
54.5	2,895,762	254,517	0.0879	0.9121	12.92
55.5	2,675,640	309,319	0.1156	0.8844	11.79
56.5	2,406,573	290,227	0.1206	0.8794	10.43
57.5	2,148,664	254,855	0.1186	0.8814	9.17
58.5	1,944,416	233,197	0.1199	0.8801	8.08
59.5	1,754,608	282,590	0.1611	0.8389	7.11
60.5	1,525,928	245,410	0.1608	0.8392	5.97
61.5	1,326,294	227,367	0.1714	0.8286	5.01
62.5	1,141,233	180,500	0.1582	0.8418	4.15
63.5	1,007,953	159,894	0.1586	0.8414	3.49
64.5	898,416	142,371	0.1585	0.8415	2.94
65.5	808,345	126,709	0.1568	0.8432	2.47
66.5	710,700	132,979	0.1871	0.8129	2.09
67.5	610,395	109,956	0.1801	0.8199	1.70
68.5	531,419	85,823	0.1615	0.8385	1.39
69.5	465,306	77,139	0.1658	0.8342	1.17
70.5	423,005	58,462	0.1382	0.8618	0.97
71.5	364,543	53,952	0.1480	0.8520	0.84
72.5	310,591	42,753	0.1377	0.8623	0.71
73.5	267,838	40,058	0.1496	0.8504	0.62
74.5	227,780	34,702	0.1523	0.8477	0.52
75.5	193,078	36,004	0.1865	0.8135	0.44
76.5	157,074	29,823	0.1899	0.8101	0.36
77.5	127,251	27,801	0.2185	0.7815	0.29
78.5	99,450	24,106	0.2424	0.7576	0.23

ENBRIDGE GAS DISTRIBUTION, INC

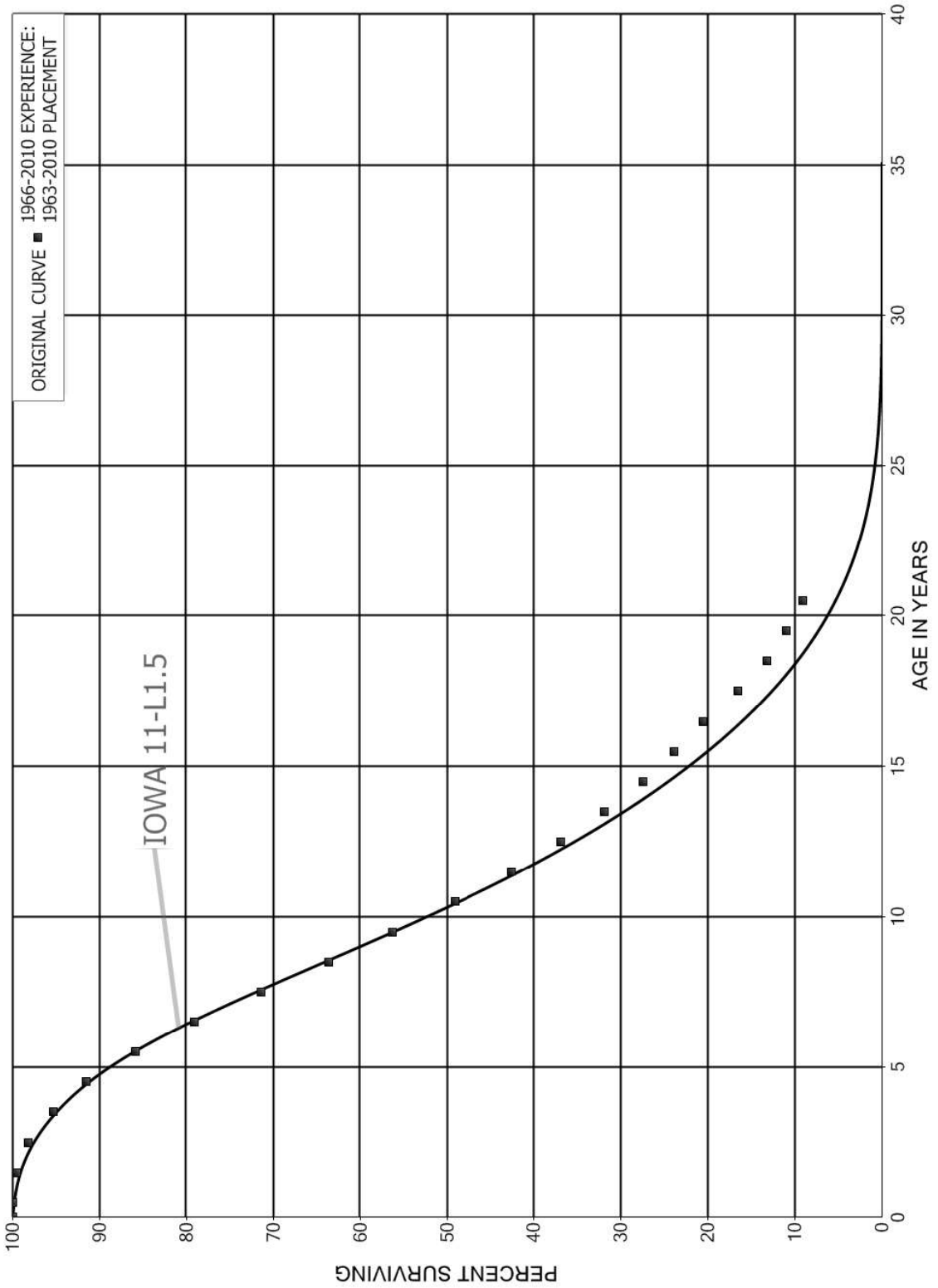
ACCOUNT 478.00 - METERS

ORIGINAL LIFE TABLE, CONT.

PLACEMENT BAND 1884-2010 EXPERIENCE BAND 1955-2010

AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL
79.5	75,344	21,313	0.2829	0.7171	0.17
80.5	54,031	18,503	0.3425	0.6575	0.12
81.5	35,528	12,880	0.3625	0.6375	0.08
82.5	22,648	9,555	0.4219	0.5781	0.05
83.5	13,093	6,268	0.4787	0.5213	0.03
84.5	6,825	3,818	0.5594	0.4406	0.02
85.5	3,007	3,007	1.0000		0.01
86.5					

ENBRIDGE GAS DISTRIBUTION, INC
ACCOUNT 484.00 - TRANSPORTATION EQUIPMENT
ORIGINAL AND SMOOTH SURVIVOR CURVES



ENBRIDGE GAS DISTRIBUTION, INC

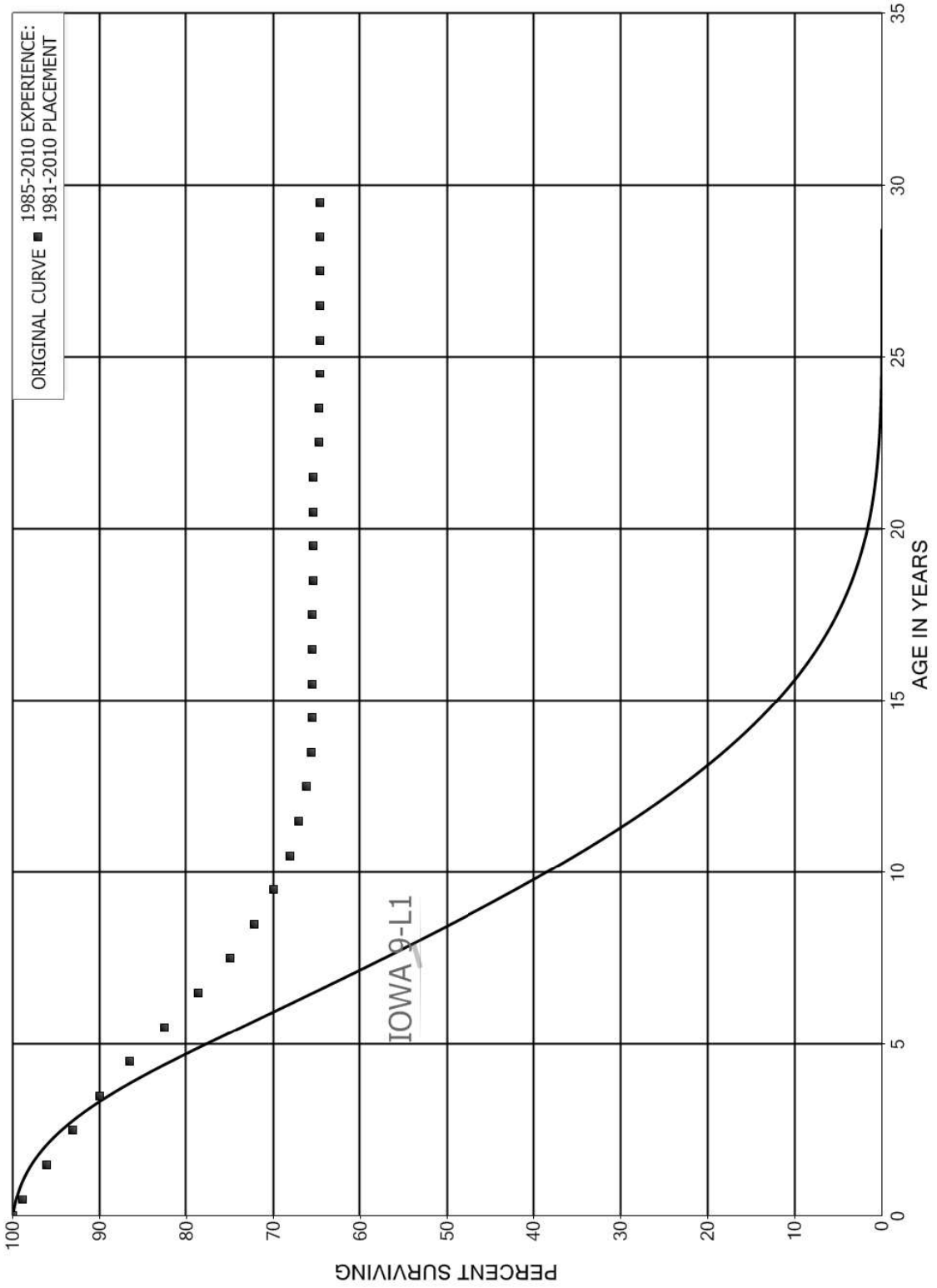
ACCOUNT 484.00 - TRANSPORTATION EQUIPMENT

ORIGINAL LIFE TABLE

PLACEMENT BAND 1963-2010 EXPERIENCE BAND 1966-2010

AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL
0.0	57,649,901	13,785	0.0002	0.9998	100.00
0.5	54,236,125	231,517	0.0043	0.9957	99.98
1.5	47,056,161	661,362	0.0141	0.9859	99.55
2.5	37,773,408	1,098,989	0.0291	0.9709	98.15
3.5	31,055,632	1,231,872	0.0397	0.9603	95.29
4.5	22,534,427	1,401,751	0.0622	0.9378	91.51
5.5	19,451,970	1,540,517	0.0792	0.9208	85.82
6.5	16,404,907	1,594,792	0.0972	0.9028	79.03
7.5	13,978,665	1,512,165	0.1082	0.8918	71.34
8.5	12,090,043	1,398,554	0.1157	0.8843	63.63
9.5	10,422,729	1,341,126	0.1287	0.8713	56.27
10.5	8,784,896	1,168,981	0.1331	0.8669	49.03
11.5	7,335,752	985,333	0.1343	0.8657	42.50
12.5	5,729,698	780,445	0.1362	0.8638	36.79
13.5	4,205,310	574,473	0.1366	0.8634	31.78
14.5	3,411,959	452,210	0.1325	0.8675	27.44
15.5	2,790,084	381,062	0.1366	0.8634	23.80
16.5	2,033,393	397,734	0.1956	0.8044	20.55
17.5	1,502,163	307,093	0.2044	0.7956	16.53
18.5	1,154,291	194,724	0.1687	0.8313	13.15
19.5	587,655	99,507	0.1693	0.8307	10.93
20.5	411,024	47,811	0.1163	0.8837	9.08
21.5	166,652	19,642	0.1179	0.8821	8.03
22.5	105,072	7,864	0.0748	0.9252	7.08
23.5	57,516	98	0.0017	0.9983	6.55
24.5	48,850		0.0000	1.0000	6.54
25.5					6.54

ENBRIDGE GAS DISTRIBUTION, INC
ACCOUNT 484.01 - TRANSPORTATION - COMPANY NGV KITS
ORIGINAL AND SMOOTH SURVIVOR CURVES



ENBRIDGE GAS DISTRIBUTION, INC

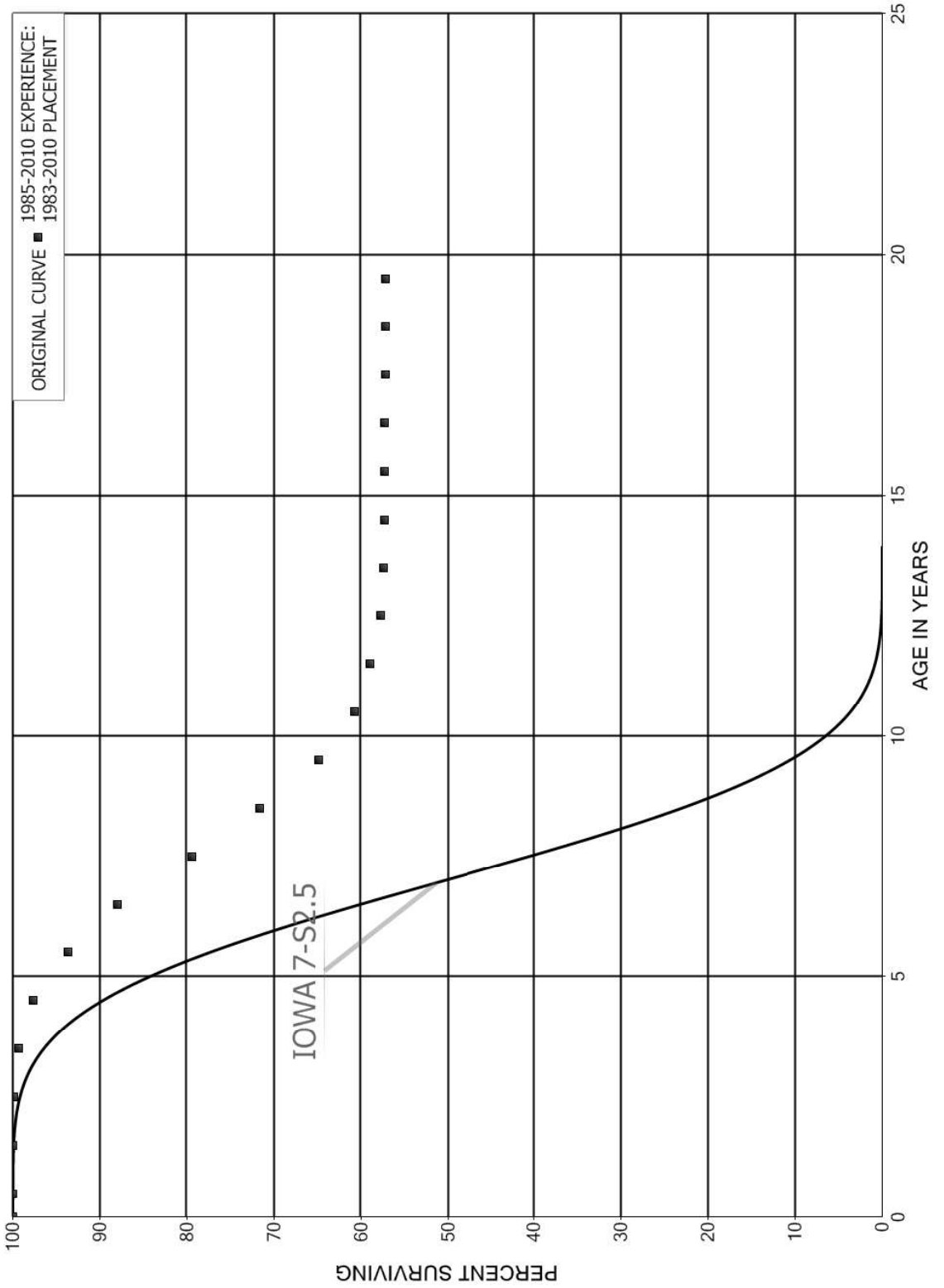
ACCOUNT 484.01 - TRANSPORTATION - COMPANY NGV KITS

ORIGINAL LIFE TABLE

PLACEMENT BAND 1981-2010 EXPERIENCE BAND 1985-2010

AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL
0.0	10,242,293	120,350	0.0118	0.9882	100.00
0.5	9,853,650	278,236	0.0282	0.9718	98.82
1.5	9,351,567	284,883	0.0305	0.9695	96.03
2.5	8,714,687	296,092	0.0340	0.9660	93.11
3.5	8,107,790	309,729	0.0382	0.9618	89.95
4.5	6,706,969	311,845	0.0465	0.9535	86.51
5.5	5,962,972	280,472	0.0470	0.9530	82.49
6.5	5,468,263	252,652	0.0462	0.9538	78.61
7.5	5,048,235	192,170	0.0381	0.9619	74.98
8.5	4,605,030	137,027	0.0298	0.9702	72.12
9.5	4,468,003	123,739	0.0277	0.9723	69.98
10.5	4,335,218	61,764	0.0142	0.9858	68.04
11.5	4,010,922	52,427	0.0131	0.9869	67.07
12.5	3,607,526	29,105	0.0081	0.9919	66.19
13.5	3,307,585	5,823	0.0018	0.9982	65.66
14.5	2,749,198	1,056	0.0004	0.9996	65.54
15.5	2,316,010	704	0.0003	0.9997	65.52
16.5	1,666,703	673	0.0004	0.9996	65.50
17.5	1,273,332	600	0.0005	0.9995	65.47
18.5	1,000,043	257	0.0003	0.9997	65.44
19.5	767,641	56	0.0001	0.9999	65.42
20.5	509,682	524	0.0010	0.9990	65.42
21.5	357,268	3,404	0.0095	0.9905	65.35
22.5	258,996	187	0.0007	0.9993	64.73
23.5	122,232	116	0.0009	0.9991	64.68
24.5	101,282		0.0000	1.0000	64.62
25.5	62,056		0.0000	1.0000	64.62
26.5	22,625		0.0000	1.0000	64.62
27.5	11,193		0.0000	1.0000	64.62
28.5	4,556		0.0000	1.0000	64.62
29.5					64.62

ENBRIDGE GAS DISTRIBUTION, INC
ACCOUNT 484.02 - TRANSPORTATION - COMPANY NGV CYLINDERS
ORIGINAL AND SMOOTH SURVIVOR CURVES



ENBRIDGE GAS DISTRIBUTION, INC

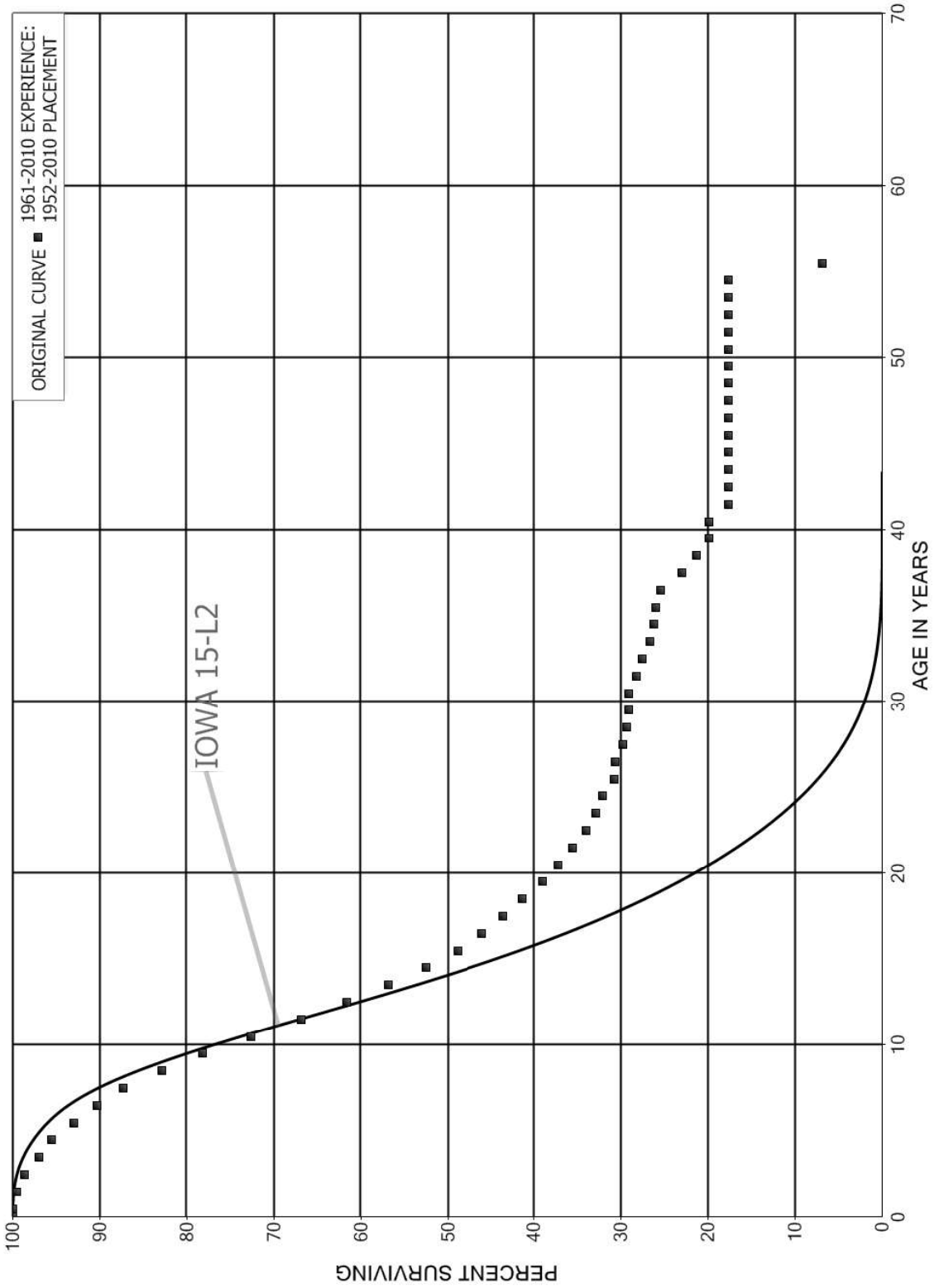
ACCOUNT 484.02 - TRANSPORTATION - COMPANY NGV CYLINDERS

ORIGINAL LIFE TABLE

PLACEMENT BAND 1983-2010 EXPERIENCE BAND 1985-2010

AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL
0.0	1,294,703		0.0000	1.0000	100.00
0.5	1,307,526	200	0.0002	0.9998	100.00
1.5	1,316,552	1,690	0.0013	0.9987	99.98
2.5	1,314,862	8,172	0.0062	0.9938	99.86
3.5	1,306,690	21,220	0.0162	0.9838	99.24
4.5	1,190,386	49,335	0.0414	0.9586	97.62
5.5	1,113,568	67,520	0.0606	0.9394	93.58
6.5	1,015,607	97,909	0.0964	0.9036	87.90
7.5	901,576	89,242	0.0990	0.9010	79.43
8.5	788,590	73,990	0.0938	0.9062	71.57
9.5	700,683	44,148	0.0630	0.9370	64.85
10.5	638,484	18,574	0.0291	0.9709	60.77
11.5	533,759	11,903	0.0223	0.9777	59.00
12.5	471,315	1,966	0.0042	0.9958	57.68
13.5	417,123	809	0.0019	0.9981	57.44
14.5	334,167	338	0.0010	0.9990	57.33
15.5	289,375	118	0.0004	0.9996	57.27
16.5	206,463	128	0.0006	0.9994	57.25
17.5	162,271	32	0.0002	0.9998	57.21
18.5	106,384		0.0000	1.0000	57.20
19.5					57.20

ENBRIDGE GAS DISTRIBUTION, INC
ACCOUNT 485.00 - HEAVY WORK EQUIPMENT
ORIGINAL AND SMOOTH SURVIVOR CURVES



ENBRIDGE GAS DISTRIBUTION, INC

ACCOUNT 485.00 - HEAVY WORK EQUIPMENT

ORIGINAL LIFE TABLE

PLACEMENT BAND 1952-2010 EXPERIENCE BAND 1961-2010

AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL
0.0	28,438,018	22,321	0.0008	0.9992	100.00
0.5	25,709,308	95,341	0.0037	0.9963	99.92
1.5	23,774,061	236,040	0.0099	0.9901	99.55
2.5	21,063,265	332,279	0.0158	0.9842	98.56
3.5	19,861,430	310,539	0.0156	0.9844	97.01
4.5	18,808,886	499,518	0.0266	0.9734	95.49
5.5	17,605,089	499,291	0.0284	0.9716	92.95
6.5	14,802,805	500,165	0.0338	0.9662	90.32
7.5	13,681,887	689,637	0.0504	0.9496	87.27
8.5	12,687,180	725,123	0.0572	0.9428	82.87
9.5	11,597,446	812,015	0.0700	0.9300	78.13
10.5	10,709,918	857,245	0.0800	0.9200	72.66
11.5	9,345,523	727,782	0.0779	0.9221	66.85
12.5	7,991,013	629,623	0.0788	0.9212	61.64
13.5	7,027,276	532,196	0.0757	0.9243	56.78
14.5	5,668,237	398,617	0.0703	0.9297	52.48
15.5	4,770,151	272,075	0.0570	0.9430	48.79
16.5	4,006,917	213,388	0.0533	0.9467	46.01
17.5	3,542,347	180,578	0.0510	0.9490	43.56
18.5	3,070,981	173,696	0.0566	0.9434	41.34
19.5	2,686,237	126,916	0.0472	0.9528	39.00
20.5	2,341,130	105,454	0.0450	0.9550	37.16
21.5	1,793,604	76,779	0.0428	0.9572	35.48
22.5	1,487,277	51,274	0.0345	0.9655	33.96
23.5	1,382,217	32,507	0.0235	0.9765	32.79
24.5	1,197,234	46,512	0.0388	0.9612	32.02
25.5	857,134	6,071	0.0071	0.9929	30.78
26.5	817,947	22,936	0.0280	0.9720	30.56
27.5	609,249	8,159	0.0134	0.9866	29.70
28.5	536,923	3,766	0.0070	0.9930	29.31
29.5	505,010	339	0.0007	0.9993	29.10
30.5	502,269	16,257	0.0324	0.9676	29.08
31.5	376,508	7,776	0.0207	0.9793	28.14
32.5	319,043	10,823	0.0339	0.9661	27.56
33.5	242,718	3,651	0.0150	0.9850	26.62
34.5	218,159	2,571	0.0118	0.9882	26.22
35.5	201,659	4,309	0.0214	0.9786	25.91
36.5	175,324	17,013	0.0970	0.9030	25.36
37.5	76,384	5,469	0.0716	0.9284	22.90
38.5	46,118	3,065	0.0665	0.9335	21.26

ENBRIDGE GAS DISTRIBUTION, INC

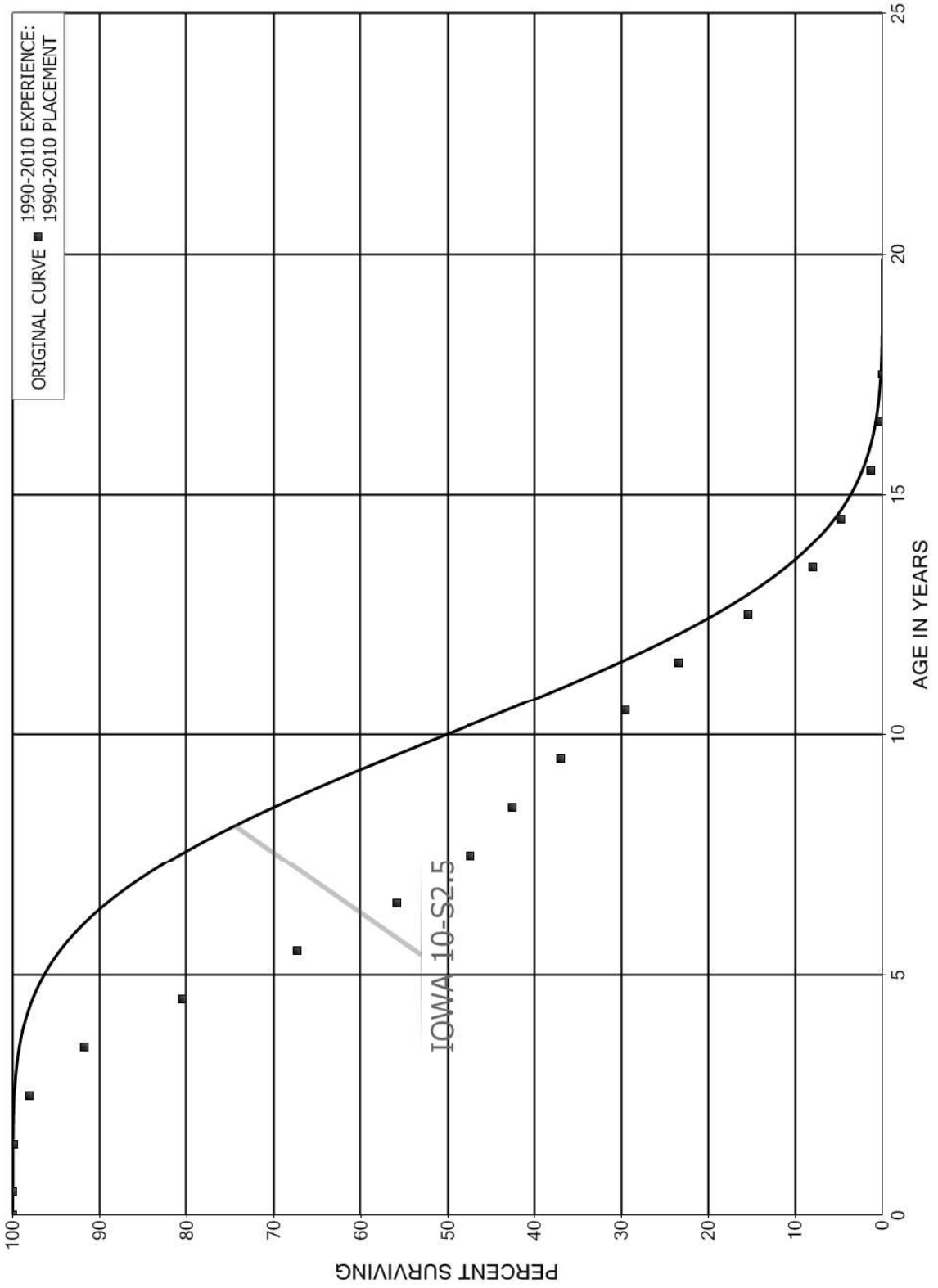
ACCOUNT 485.00 - HEAVY WORK EQUIPMENT

ORIGINAL LIFE TABLE, CONT.

PLACEMENT BAND 1952-2010 EXPERIENCE BAND 1961-2010

AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL
39.5	30,005		0.0000	1.0000	19.85
40.5	30,005	3,316	0.1105	0.8895	19.85
41.5	14,329		0.0000	1.0000	17.65
42.5	14,329		0.0000	1.0000	17.65
43.5	14,329		0.0000	1.0000	17.65
44.5	14,329		0.0000	1.0000	17.65
45.5	14,329		0.0000	1.0000	17.65
46.5	14,329		0.0000	1.0000	17.65
47.5	14,329		0.0000	1.0000	17.65
48.5	14,329		0.0000	1.0000	17.65
49.5	14,329		0.0000	1.0000	17.65
50.5	14,329		0.0000	1.0000	17.65
51.5	14,329		0.0000	1.0000	17.65
52.5	14,329		0.0000	1.0000	17.65
53.5	14,329		0.0000	1.0000	17.65
54.5	14,329	8,788	0.6133	0.3867	17.65
55.5					6.83

ENBRIDGE GAS DISTRIBUTION, INC
ACCOUNT 487.90 - RENTAL NGV CYLINDERS
ORIGINAL AND SMOOTH SURVIVOR CURVES



ENBRIDGE GAS DISTRIBUTION, INC

ACCOUNT 487.90 - RENTAL NGV CYLINDERS

ORIGINAL LIFE TABLE

PLACEMENT BAND 1990-2010 EXPERIENCE BAND 1990-2010

AGE AT BEGIN OF INTERVAL	EXPOSURES AT BEGINNING OF AGE INTERVAL	RETIREMENTS DURING AGE INTERVAL	RETMT RATIO	SURV RATIO	PCT SURV BEGIN OF INTERVAL
0.0	4,121,196	251	0.0001	0.9999	100.00
0.5	4,040,463	7,945	0.0020	0.9980	99.99
1.5	4,032,518	71,368	0.0177	0.9823	99.80
2.5	3,961,150	256,664	0.0648	0.9352	98.03
3.5	3,704,486	453,467	0.1224	0.8776	91.68
4.5	3,251,019	532,918	0.1639	0.8361	80.46
5.5	2,718,101	462,366	0.1701	0.8299	67.27
6.5	2,255,735	340,322	0.1509	0.8491	55.83
7.5	1,915,413	197,950	0.1033	0.8967	47.40
8.5	1,717,463	222,861	0.1298	0.8702	42.50
9.5	1,494,602	304,028	0.2034	0.7966	36.99
10.5	1,190,574	245,634	0.2063	0.7937	29.46
11.5	944,940	322,795	0.3416	0.6584	23.39
12.5	622,145	303,219	0.4874	0.5126	15.40
13.5	318,926	126,912	0.3979	0.6021	7.89
14.5	192,014	138,587	0.7218	0.2782	4.75
15.5	53,427	47,629	0.8915	0.1085	1.32
16.5	5,798	5,798	1.0000		0.14
17.5					

NET SALVAGE STATISTICS

ENBRIDGE GAS DISTRIBUTION, INC.

ACCOUNT 472.00 - STRUCTURES AND IMPROVEMENTS

SUMMARY OF BOOK SALVAGE

YEAR	REGULAR RETIREMENTS	COST OF REMOVAL AMOUNT	PCT	GROSS SALVAGE AMOUNT	PCT	NET SALVAGE AMOUNT	PCT
1983	1,177		0	125	11	125	11
1984	45,451		0		0		0
1985	63,093		0	150	0	150	0
1986	130,531		0		0		0
1987	828,508	3,312	0	289,390	35	286,078	35
1988	202,163		0		0		0
1989	48,387	317	1		0	317-	1-
1990	181,220	17,600	10		0	17,600-	10-
1991	148,502	62,612	42		0	62,612-	42-
1992	83,143	255	0		0	255-	0
1993	157,924	116,986	74	2,500	2	114,486-	72-
1994	16,414	2,753	17		0	2,753-	17-
1995	132,246	4,365	3		0	4,365-	3-
1996	6,394	6,784	106	3,415	53	3,369-	53-
1997	2,768	4,835	175		0	4,835-	175-
1998	111,357	351	0		0	351-	0
1999	1,125,399	1,604	0	52,755	5	51,152	5
2000	6,183,993	254,322	4	313,039	5	58,716	1
2001	202,359	501,682	248		0	501,682-	248-
2002	614,321	44,849	7		0	44,849-	7-
2003	404,610	10,052-	2-	185,000	46	195,052	48
2004	16,190,066	320,529	2	5,073,273	31	4,752,744	29
2005	8,601,001	470,398	5	3,875,000	45	3,404,602	40
2006	3,047,027		0		0		0
2007	1,638,935		0	10,902-	1-	10,902-	1-
2008	4,806,617		0	21,805	0	21,805	0
2009	701,405		0		0		0
2010	500,000	1,491,201	298		0	1,491,201-	298-
TOTAL	46,175,009	3,294,703	7	9,805,551	21	6,510,847	14
THREE-YEAR MOVING AVERAGES							
83-85	36,574		0	92	0	92	0
84-86	79,692		0	50	0	50	0
85-87	340,711	1,104	0	96,513	28	95,409	28
86-88	387,067	1,104	0	96,463	25	95,359	25
87-89	359,686	1,210	0	96,463	27	95,254	26
88-90	143,923	5,972	4		0	5,972-	4-
89-91	126,036	26,843	21		0	26,843-	21-
90-92	137,621	26,822	19		0	26,822-	19-
91-93	129,856	59,951	46	833	1	59,118-	46-

ENBRIDGE GAS DISTRIBUTION, INC.

ACCOUNT 472.00 - STRUCTURES AND IMPROVEMENTS

SUMMARY OF BOOK SALVAGE

YEAR	REGULAR RETIREMENTS	COST OF REMOVAL AMOUNT	PCT	GROSS SALVAGE AMOUNT	PCT	NET SALVAGE AMOUNT	PCT
THREE-YEAR MOVING AVERAGES							
92-94	85,827	39,998	47	833	1	39,165-	46-
93-95	102,195	41,368	40	833	1	40,535-	40-
94-96	51,685	4,634	9	1,138	2	3,496-	7-
95-97	47,136	5,328	11	1,138	2	4,190-	9-
96-98	40,173	3,990	10	1,138	3	2,852-	7-
97-99	413,175	2,263	1	17,585	4	15,322	4
98-00	2,473,583	85,426	3	121,931	5	36,506	1
99-01	2,503,917	252,536	10	121,931	5	130,605-	5-
00-02	2,333,558	266,951	11	104,346	4	162,605-	7-
01-03	407,097	178,826	44	61,667	15	117,159-	29-
02-04	5,736,332	118,442	2	1,752,758	31	1,634,316	28
03-05	8,398,559	260,292	3	3,044,424	36	2,784,133	33
04-06	9,279,365	263,642	3	2,982,758	32	2,719,116	29
05-07	4,428,988	156,799	4	1,288,033	29	1,131,234	26
06-08	3,164,193		0	3,634	0	3,634	0
07-09	2,382,319		0	3,634	0	3,634	0
08-10	2,002,674	497,067	25	7,268	0	489,799-	24-
FIVE-YEAR AVERAGE							
06-10	2,138,797	298,240	14	2,181	0	296,060-	14-

ENBRIDGE GAS DISTRIBUTION, INC.

ACCOUNT 473.00 - SERVICES

SUMMARY OF BOOK SALVAGE

YEAR	REGULAR RETIREMENTS	COST OF REMOVAL AMOUNT	PCT	GROSS SALVAGE AMOUNT	PCT	NET SALVAGE AMOUNT	PCT
1983	1,121,414	1,407,694	126	906	0	1,406,788-	125-
1984	900,900	1,376,148	153	2,074	0	1,374,074-	153-
1985	1,038,988	1,634,307	157		0	1,634,307-	157-
1986	1,018,346		0		0		0
1987	1,000,246	2,155,908	216	1,105	0	2,154,803-	215-
1988	1,360,871	2,704,092	199	648	0	2,703,445-	199-
1989	2,614,720	3,151,264	121	6,048	0	3,145,215-	120-
1990	3,951,440	3,098,642	78		0	3,098,642-	78-
1991	7,058,747	3,066,654	43		0	3,066,654-	43-
1992	9,152,376	3,347,653	37		0	3,347,653-	37-
1993	4,017,731	3,484,559	87		0	3,484,559-	87-
1994	5,705,686	3,978,739	70		0	3,978,739-	70-
1995	7,090,193	5,296,012	75		0	5,296,012-	75-
1996	13,185,410	5,379,495	41		0	5,379,495-	41-
1997	19,126,966	4,438,532	23	500	0	4,438,032-	23-
1998	9,083,841	4,202,205	46		0	4,202,205-	46-
1999	17,499,762	4,653,182	27		0	4,653,182-	27-
2000	14,964,143	4,641,399	31		0	4,641,399-	31-
2001	19,141,724	5,628,622	29		0	5,628,622-	29-
2002	12,988,609	6,202,344	48		0	6,202,344-	48-
2003	6,560,487	4,757,942	73		0	4,757,942-	73-
2004	14,462,803	8,429,551	58		0	8,429,551-	58-
2005	7,886,238	4,369,246	55		0	4,369,246-	55-
2006	20,787,194	11,168,196	54		0	11,168,196-	54-
2007	12,145,417	8,770,615	72		0	8,770,615-	72-
2008	28,255,673	7,727,858	27		0	7,727,858-	27-
2009	23,113,695	6,558,026	28		0	6,558,026-	28-
2010	29,311,396	12,190,996	42		0	12,190,996-	42-
TOTAL	294,545,016	133,819,881	45	11,281	0	133,808,600-	45-
THREE-YEAR MOVING AVERAGES							
83-85	1,020,434	1,472,716	144	993	0	1,471,723-	144-
84-86	986,078	1,003,485	102	691	0	1,002,793-	102-
85-87	1,019,193	1,263,405	124	368	0	1,263,037-	124-
86-88	1,126,488	1,620,000	144	584	0	1,619,416-	144-
87-89	1,658,612	2,670,421	161	2,600	0	2,667,821-	161-
88-90	2,642,344	2,984,666	113	2,232	0	2,982,434-	113-
89-91	4,541,636	3,105,520	68	2,016	0	3,103,504-	68-
90-92	6,720,854	3,170,983	47		0	3,170,983-	47-
91-93	6,742,951	3,299,622	49		0	3,299,622-	49-

ENBRIDGE GAS DISTRIBUTION, INC.

ACCOUNT 473.00 - SERVICES

SUMMARY OF BOOK SALVAGE

YEAR	REGULAR RETIREMENTS	COST OF REMOVAL AMOUNT	PCT	GROSS SALVAGE AMOUNT	PCT	NET SALVAGE AMOUNT	PCT
THREE-YEAR MOVING AVERAGES							
92-94	6,291,931	3,603,650	57		0	3,603,650-	57-
93-95	5,604,537	4,253,104	76		0	4,253,104-	76-
94-96	8,660,430	4,884,749	56		0	4,884,749-	56-
95-97	13,134,190	5,038,013	38	167	0	5,037,846-	38-
96-98	13,798,739	4,673,411	34	167	0	4,673,244-	34-
97-99	15,236,856	4,431,306	29	167	0	4,431,139-	29-
98-00	13,849,249	4,498,929	32		0	4,498,929-	32-
99-01	17,201,876	4,974,401	29		0	4,974,401-	29-
00-02	15,698,159	5,490,788	35		0	5,490,788-	35-
01-03	12,896,940	5,529,636	43		0	5,529,636-	43-
02-04	11,337,300	6,463,279	57		0	6,463,279-	57-
03-05	9,636,509	5,852,246	61		0	5,852,246-	61-
04-06	14,378,745	7,988,998	56		0	7,988,998-	56-
05-07	13,606,283	8,102,686	60		0	8,102,686-	60-
06-08	20,396,095	9,222,223	45		0	9,222,223-	45-
07-09	21,171,595	7,685,500	36		0	7,685,500-	36-
08-10	26,893,588	8,825,627	33		0	8,825,627-	33-
FIVE-YEAR AVERAGE							
06-10	22,722,675	9,283,138	41		0	9,283,138-	41-

ENBRIDGE GAS DISTRIBUTION, INC.

ACCOUNT 475.00 - MAINS

SUMMARY OF BOOK SALVAGE

YEAR	REGULAR RETIREMENTS	COST OF REMOVAL AMOUNT	PCT	GROSS SALVAGE AMOUNT	PCT	NET SALVAGE AMOUNT	PCT
1983	630,502	316,795	50	3,336	1	313,460-	50-
1984	994,405	580,932	58	4,858	0	576,075-	58-
1985	697,999	590,674	85	2,438	0	588,236-	84-
1986	622,137		0		0		0
1987	983,557	529,450	54	2,354	0	527,097-	54-
1988	1,242,707	612,047	49	6,113	0	605,934-	49-
1989	1,280,521	696,938	54	12,524	1	684,414-	53-
1990	1,690,388	1,666,389	99	2,563	0	1,663,827-	98-
1991	1,498,039	1,308,834	87	2,257	0	1,306,577-	87-
1992	1,805,944	1,934,088	107	3,891	0	1,930,198-	107-
1993	2,237,447	2,083,634	93	2,694	0	2,080,939-	93-
1994	2,468,627	1,961,332	79	6,564	0	1,954,768-	79-
1995	3,491,659	2,504,933	72	30,196	1	2,474,736-	71-
1996	5,465,173	3,494,988	64	1,626	0	3,493,362-	64-
1997	3,247,399	3,552,586	109	762	0	3,551,823-	109-
1998	3,045,547	3,560,071	117	291	0	3,559,780-	117-
1999	1,257,887	3,471,929	276		0	3,471,929-	276-
2000	2,681,347	3,071,620	115		0	3,071,620-	115-
2001	2,929,801	3,554,798	121		0	3,554,798-	121-
2002	5,869,964	4,334,557	74		0	4,334,557-	74-
2003	6,105,052	5,916,052	97		0	5,916,052-	97-
2004	7,565,558	9,468,996	125		0	9,468,996-	125-
2005	1,923,006	5,637,990	293		0	5,637,990-	293-
2006	3,288,995	10,050,698	306		0	10,050,698-	306-
2007	2,049,580	6,929,666	338		0	6,929,666-	338-
2008	4,963,050	10,710,990	216		0	10,710,990-	216-
2009	10,461,861	15,857,285	152		0	15,857,285-	152-
2010	4,833,156	6,477,198	134		0	6,477,198-	134-
TOTAL	85,331,307	110,875,472	130	82,466	0	110,793,006-	130-
THREE-YEAR MOVING AVERAGES							
83-85	774,302	496,134	64	3,544	0	492,590-	64-
84-86	771,514	390,535	51	2,432	0	388,103-	50-
85-87	767,897	373,375	49	1,597	0	371,778-	48-
86-88	949,467	380,499	40	2,822	0	377,677-	40-
87-89	1,168,928	612,812	52	6,997	1	605,815-	52-
88-90	1,404,538	991,791	71	7,067	1	984,725-	70-
89-91	1,489,649	1,224,054	82	5,781	0	1,218,272-	82-
90-92	1,664,790	1,636,437	98	2,904	0	1,633,534-	98-
91-93	1,847,143	1,775,519	96	2,947	0	1,772,571-	96-

ENBRIDGE GAS DISTRIBUTION, INC.

ACCOUNT 475.00 - MAINS

SUMMARY OF BOOK SALVAGE

YEAR	REGULAR RETIREMENTS	COST OF REMOVAL AMOUNT	PCT	GROSS SALVAGE AMOUNT	PCT	NET SALVAGE AMOUNT	PCT
THREE-YEAR MOVING AVERAGES							
92-94	2,170,673	1,993,018	92	4,383	0	1,988,635-	92-
93-95	2,732,578	2,183,299	80	13,151	0	2,170,148-	79-
94-96	3,808,487	2,653,751	70	12,795	0	2,640,956-	69-
95-97	4,068,077	3,184,169	78	10,861	0	3,173,307-	78-
96-98	3,919,373	3,535,882	90	893	0	3,534,988-	90-
97-99	2,516,944	3,528,195	140	351	0	3,527,844-	140-
98-00	2,328,260	3,367,874	145	97	0	3,367,777-	145-
99-01	2,289,678	3,366,116	147		0	3,366,116-	147-
00-02	3,827,037	3,653,659	95		0	3,653,659-	95-
01-03	4,968,272	4,601,802	93		0	4,601,802-	93-
02-04	6,513,525	6,573,202	101		0	6,573,202-	101-
03-05	5,197,872	7,007,679	135		0	7,007,679-	135-
04-06	4,259,187	8,385,895	197		0	8,385,895-	197-
05-07	2,420,527	7,539,452	311		0	7,539,452-	311-
06-08	3,433,875	9,230,452	269		0	9,230,452-	269-
07-09	5,824,830	11,165,981	192		0	11,165,981-	192-
08-10	6,752,689	11,015,158	163		0	11,015,158-	163-
FIVE-YEAR AVERAGE							
06-10	5,119,328	10,005,168	195		0	10,005,168-	195-

ENBRIDGE GAS DISTRIBUTION, INC.

ACCOUNT 476.00 - COMPANY NGV COMPRESSOR STATIONS

SUMMARY OF BOOK SALVAGE

YEAR	REGULAR RETIREMENTS	COST OF REMOVAL AMOUNT	PCT	GROSS SALVAGE AMOUNT	PCT	NET SALVAGE AMOUNT	PCT
1990	69,377		0		0		0
1991	76,768		0		0		0
1992	529,238		0		0		0
1993	102,857		0		0		0
1994	42,279		0		0		0
1995							
1996	278,451		0		0		0
1997	55,000		0		0		0
1998							
1999	156,863		0		0		0
2000	227,751		0		0		0
2001							
2002							
2003	848,264	709,547	84		0	709,547-	84-
2004							
2005	1,086,964		0		0		0
2006							
2007							
2008							
2009							
2010	24,579		0		0		0
TOTAL	3,498,390	709,547	20		0	709,547-	20-
THREE-YEAR MOVING AVERAGES							
90-92	225,128		0		0		0
91-93	236,288		0		0		0
92-94	224,791		0		0		0
93-95	48,379		0		0		0
94-96	106,910		0		0		0
95-97	111,150		0		0		0
96-98	111,150		0		0		0
97-99	70,621		0		0		0
98-00	128,205		0		0		0
99-01	128,205		0		0		0
00-02	75,917		0		0		0
01-03	282,755	236,516	84		0	236,516-	84-
02-04	282,755	236,516	84		0	236,516-	84-
03-05	645,076	236,516	37		0	236,516-	37-
04-06	362,321		0		0		0
05-07	362,321		0		0		0

ENBRIDGE GAS DISTRIBUTION, INC.

ACCOUNT 476.00 - COMPANY NGV COMPRESSOR STATIONS

SUMMARY OF BOOK SALVAGE

YEAR	REGULAR RETIREMENTS	COST OF REMOVAL AMOUNT	PCT	GROSS SALVAGE AMOUNT	PCT	NET SALVAGE AMOUNT	PCT
THREE-YEAR MOVING AVERAGES							
06-08							
07-09							
08-10	8,193		0		0		0
FIVE-YEAR AVERAGE							
06-10	4,916		0		0		0

ENBRIDGE GAS DISTRIBUTION, INC.

ACCOUNT 477.00 - MEASURING AND REGULATING EQUIPMENT

SUMMARY OF BOOK SALVAGE

YEAR	REGULAR RETIREMENTS	COST OF REMOVAL AMOUNT	PCT	GROSS SALVAGE AMOUNT	PCT	NET SALVAGE AMOUNT	PCT
1983	314,469	6,278	2		0	6,278-	2-
1984	468,427	4,583	1		0	4,583-	1-
1985	1,156,467	19,968	2	1,754	0	18,215-	2-
1986	457,050		0		0		0
1987	406,322	45,925	11	51,276	13	5,352	1
1988	523,769	21,902	4	28,249	5	6,347	1
1989	700,674	41,741	6	191,741	27	150,000	21
1990	810,142	57,351	7	99,453	12	42,101	5
1991	765,922	76,912	10	174,018	23	97,105	13
1992	1,353,850	143,501	11	91,731	7	51,769-	4-
1993	1,421,708	242,347	17	137,747	10	104,600-	7-
1994	1,194,077	331,999	28	133,841	11	198,158-	17-
1995	2,231,130	190,753	9	117,482	5	73,271-	3-
1996	1,952,020	425,092	22	22,335	1	402,757-	21-
1997	3,191,208	461,412	14	62,427	2	398,985-	13-
1998	1,233,848	975,114	79	22,641	2	952,473-	77-
1999	1,342,147	1,008,644	75	177	0	1,008,467-	75-
2000	990,198	778,097	79	520	0	777,577-	79-
2001	1,682,625	810,092	48	1,000	0	809,092-	48-
2002	992,861	251,367	25	7,761-	1-	259,128-	26-
2003	1,076,445	1,860	0	123,724	11	121,864	11
2004	6,269,144	186,235	3		0	186,235-	3-
2005	1,475,555		0		0		0
2006	1,296,683		0		0		0
2007	89,461		0		0		0
2008	261,348		0		0		0
2009	5,193,459		0		0		0
2010	2,026,717		0		0		0
TOTAL	40,877,727	6,081,174	15	1,252,354	3	4,828,819-	12-
THREE-YEAR MOVING AVERAGES							
83-85	646,454	10,277	2	585	0	9,692-	1-
84-86	693,981	8,184	1	585	0	7,599-	1-
85-87	673,280	21,964	3	17,677	3	4,288-	1-
86-88	462,380	22,609	5	26,509	6	3,900	1
87-89	543,588	36,523	7	90,422	17	53,900	10
88-90	678,195	40,331	6	106,481	16	66,149	10
89-91	758,913	58,668	8	155,070	20	96,402	13
90-92	976,638	92,588	9	121,734	12	29,146	3
91-93	1,180,494	154,253	13	134,499	11	19,755-	2-

ENBRIDGE GAS DISTRIBUTION, INC.

ACCOUNT 477.00 - MEASURING AND REGULATING EQUIPMENT

SUMMARY OF BOOK SALVAGE

YEAR	REGULAR RETIREMENTS	COST OF REMOVAL AMOUNT	PCT	GROSS SALVAGE AMOUNT	PCT	NET SALVAGE AMOUNT	PCT
THREE-YEAR MOVING AVERAGES							
92-94	1,323,212	239,282	18	121,106	9	118,176-	9-
93-95	1,615,638	255,033	16	129,690	8	125,343-	8-
94-96	1,792,409	315,948	18	91,219	5	224,729-	13-
95-97	2,458,119	359,086	15	67,415	3	291,671-	12-
96-98	2,125,692	620,539	29	35,801	2	584,739-	28-
97-99	1,922,401	815,057	42	28,415	1	786,642-	41-
98-00	1,188,731	920,618	77	7,779	1	912,839-	77-
99-01	1,338,324	865,611	65	566	0	865,045-	65-
00-02	1,221,895	613,185	50	2,080-	0	615,265-	50-
01-03	1,250,644	354,439	28	38,988	3	315,452-	25-
02-04	2,779,484	146,487	5	38,654	1	107,833-	4-
03-05	2,940,382	62,698	2	41,241	1	21,457-	1-
04-06	3,013,794	62,078	2		0	62,078-	2-
05-07	953,900		0		0		0
06-08	549,164		0		0		0
07-09	1,848,090		0		0		0
08-10	2,493,841		0		0		0
FIVE-YEAR AVERAGE							
06-10	1,773,534		0		0		0

ENBRIDGE GAS DISTRIBUTION, INC.

ACCOUNT 478.00 - METERS

SUMMARY OF BOOK SALVAGE

YEAR	REGULAR RETIREMENTS	COST OF REMOVAL AMOUNT	PCT	GROSS SALVAGE AMOUNT	PCT	NET SALVAGE AMOUNT	PCT
1983	670,210		0	34,920	5	34,920	5
1984	765,326		0	39,369	5	39,369	5
1985	853,325	270	0	33,390	4	33,120	4
1986	1,177,249		0		0		0
1987	955,593	122	0	27,812	3	27,690	3
1988	1,067,020	6,423	1	22,940	2	16,517	2
1989	1,078,230		0	25,007	2	25,007	2
1990	1,123,930	77	0	9,207	1	9,131	1
1991	1,460,870	899	0	4,995	0	4,096	0
1992	1,225,335	2,872	0		0	2,872-	0
1993	1,139,656	546	0		0	546-	0
1994	1,467,536	484	0		0	484-	0
1995	2,012,823		0	5,069	0	5,069	0
1996	1,285,120	4,810	0		0	4,810-	0
1997	2,358,960		0		0		0
1998	1,931,633		0		0		0
1999	1,599,321		0		0		0
2000	1,079,952	38,478	4		0	38,478-	4-
2001	871,574		0	2,996	0	2,996	0
2002	1,388,920	7,212	1	111,382	8	104,170	8
2003							
2004	1,580,824	4,979	0	242,283	15	237,304	15
2005	1,839,783	6,092	0	114,297	6	108,205	6
2006	2,398,725		0	122,933	5	122,933	5
2007	5,021,259		0	315,314	6	315,314	6
2008	5,092,128		0	346,804	7	346,804	7
2009	5,099,786		0	345,090	7	345,090	7
2010	12,580,511		0	365,409	3	365,409	3
TOTAL	59,125,599	73,263	0	2,169,218	4	2,095,955	4
THREE-YEAR MOVING AVERAGES							
83-85	762,954	90	0	35,893	5	35,803	5
84-86	931,967	90	0	24,253	3	24,163	3
85-87	995,389	131	0	20,401	2	20,270	2
86-88	1,066,621	2,182	0	16,917	2	14,736	1
87-89	1,033,615	2,182	0	25,253	2	23,071	2
88-90	1,089,727	2,166	0	19,052	2	16,885	2
89-91	1,221,010	325	0	13,070	1	12,745	1
90-92	1,270,045	1,282	0	4,734	0	3,452	0
91-93	1,275,287	1,439	0	1,665	0	226	0

ENBRIDGE GAS DISTRIBUTION, INC.

ACCOUNT 478.00 - METERS

SUMMARY OF BOOK SALVAGE

YEAR	REGULAR RETIREMENTS	COST OF REMOVAL AMOUNT	PCT	GROSS SALVAGE AMOUNT	PCT	NET SALVAGE AMOUNT	PCT
THREE-YEAR MOVING AVERAGES							
92-94	1,277,509	1,301	0		0	1,301-	0
93-95	1,540,005	344	0	1,690	0	1,346	0
94-96	1,588,493	1,765	0	1,690	0	75-	0
95-97	1,885,635	1,603	0	1,690	0	86	0
96-98	1,858,571	1,603	0		0	1,603-	0
97-99	1,963,305		0		0		0
98-00	1,536,969	12,826	1		0	12,826-	1-
99-01	1,183,616	12,826	1	999	0	11,827-	1-
00-02	1,113,482	15,230	1	38,126	3	22,896	2
01-03	753,498	2,404	0	38,126	5	35,722	5
02-04	989,915	4,064	0	117,888	12	113,825	11
03-05	1,140,202	3,690	0	118,860	10	115,170	10
04-06	1,939,777	3,690	0	159,838	8	156,147	8
05-07	3,086,589	2,031	0	184,181	6	182,151	6
06-08	4,170,704		0	261,684	6	261,684	6
07-09	5,071,058		0	335,736	7	335,736	7
08-10	7,590,809		0	352,435	5	352,435	5
FIVE-YEAR AVERAGE							
06-10	6,038,482		0	299,110	5	299,110	5

ENBRIDGE GAS DISTRIBUTION, INC.

ACCOUNT 484.00 - TRANSPORTATION EQUIPMENT

SUMMARY OF BOOK SALVAGE

YEAR	REGULAR RETIREMENTS	COST OF REMOVAL AMOUNT	PCT	GROSS SALVAGE AMOUNT	PCT	NET SALVAGE AMOUNT	PCT
1983	116,442	1,326	1	16,658	14	15,332	13
1984	301,546	1,050	0	17,074	6	16,023	5
1985	230,327	306	0	40,681	18	40,375	18
1986	295,483		0		0		0
1987	132,359	2,106	2	30,750	23	28,644	22
1988	287,345		0	29,765	10	29,765	10
1989	143,302	1,397	1	20,940	15	19,543	14
1990	493,837	1,845	0	39,470	8	37,625	8
1991	527,161		0	66,176	13	66,176	13
1992	608,025		0		0		0
1993	229,798	130	0	42,160	18	42,031	18
1994	462,319		0	21,266	5	21,266	5
1995	486,358	230	0	57,018	12	56,788	12
1996	499,604		0	87,017	17	87,017	17
1997	525,616		0	118,749	23	118,749	23
1998	360,363		0	135,746	38	135,746	38
1999	1,024,849		0	60,295	6	60,295	6
2000	270,661		0	94,294	35	94,294	35
2001	700,215	4,333	1	46,397	7	42,064	6
2002	907,470	25,360	3	109,806	12	84,446	9
2003							
2004	148,334		0	76,600	52	76,600	52
2005	163,189		0	12,910	8	12,910	8
2006	806,168		0	142,966	18	142,966	18
2007	242,174		0	47,049-	19-	47,049-	19-
2008	1,407,043		0	150,988	11	150,988	11
2009	2,777,760		0	290,232	10	290,232	10
2010	1,585,654		0	159,077	10	159,077	10
TOTAL	15,733,402	38,083	0	1,819,986	12	1,781,903	11
THREE-YEAR MOVING AVERAGES							
83-85	216,105	894	0	24,804	11	23,910	11
84-86	275,785	452	0	19,252	7	18,799	7
85-87	219,390	804	0	23,810	11	23,006	10
86-88	238,396	702	0	20,172	8	19,470	8
87-89	187,669	1,168	1	27,152	14	25,984	14
88-90	308,161	1,081	0	30,058	10	28,978	9
89-91	388,100	1,081	0	42,195	11	41,115	11
90-92	543,008	615	0	35,215	6	34,600	6
91-93	454,995	43	0	36,112	8	36,069	8

ENBRIDGE GAS DISTRIBUTION, INC.

ACCOUNT 484.00 - TRANSPORTATION EQUIPMENT

SUMMARY OF BOOK SALVAGE

YEAR	REGULAR RETIREMENTS	COST OF REMOVAL AMOUNT	PCT	GROSS SALVAGE AMOUNT	PCT	NET SALVAGE AMOUNT	PCT
THREE-YEAR MOVING AVERAGES							
92-94	433,381	43	0	21,142	5	21,099	5
93-95	392,825	120	0	40,148	10	40,028	10
94-96	482,761	77	0	55,100	11	55,024	11
95-97	503,859	77	0	87,595	17	87,518	17
96-98	461,861		0	113,837	25	113,837	25
97-99	636,943		0	104,930	16	104,930	16
98-00	551,957		0	96,778	18	96,778	18
99-01	665,242	1,444	0	66,995	10	65,551	10
00-02	626,115	9,898	2	83,499	13	73,601	12
01-03	535,895	9,898	2	52,068	10	42,170	8
02-04	351,935	8,453	2	62,135	18	53,682	15
03-05	103,841		0	29,837	29	29,837	29
04-06	372,564		0	77,492	21	77,492	21
05-07	403,844		0	36,276	9	36,276	9
06-08	818,461		0	82,302	10	82,302	10
07-09	1,475,659		0	131,391	9	131,391	9
08-10	1,923,485		0	200,099	10	200,099	10
FIVE-YEAR AVERAGE							
06-10	1,363,760		0	139,243	10	139,243	10

ENBRIDGE GAS DISTRIBUTION, INC.

ACCOUNT 485.00 - HEAVY WORK EQUIPMENT

SUMMARY OF BOOK SALVAGE

YEAR	REGULAR RETIREMENTS	COST OF REMOVAL AMOUNT	PCT	GROSS SALVAGE AMOUNT	PCT	NET SALVAGE AMOUNT	PCT
1983	145,955		0	2,400	2	2,400	2
1984	223,251		0	128,699	58	128,699	58
1985	186,060		0	37,050	20	37,050	20
1986	153,575		0		0		0
1987	254,972		0	113,052	44	113,052	44
1988	300,933		0	66,010	22	66,010	22
1989	362,095		0	83,480	23	83,480	23
1990	260,722		0	116,503	45	116,503	45
1991	73,098		0	23,680	32	23,680	32
1992	396,128		0	106,481	27	106,481	27
1993	209,696	173	0	60,500	29	60,327	29
1994	377,497		0	23,435	6	23,435	6
1995	481,619		0	23,000	5	23,000	5
1996	400,121		0	121,614	30	121,614	30
1997	228,184		0	18,050	8	18,050	8
1998	121,172	784	1	164,351	136	163,567	135
1999	347,016		0	16,296	5	16,296	5
2000		2,502				2,502-	
2001	307,248	2,844	1	170,800	56	167,956	55
2002	200,882	178	0	20,500	10	20,322	10
2003	234,714		0	104,000	44	104,000	44
2004	151,628		0	10,500	7	10,500	7
2005	287,014		0	60,241	21	60,241	21
2006	207,422		0	57,376	28	57,376	28
2007	72,900		0	69,376	95	69,376	95
2008	157,107		0	18,150	12	18,150	12
2009	545,015		0	170,549	31	170,549	31
2010	704,713		0	113,778	16	113,778	16
TOTAL	7,390,733	6,482	0	1,899,870	26	1,893,388	26
THREE-YEAR MOVING AVERAGES							
83-85	185,088		0	56,050	30	56,050	30
84-86	187,628		0	55,250	29	55,250	29
85-87	198,202		0	50,034	25	50,034	25
86-88	236,493		0	59,687	25	59,687	25
87-89	306,000		0	87,514	29	87,514	29
88-90	307,917		0	88,665	29	88,665	29
89-91	231,972		0	74,554	32	74,554	32
90-92	243,316		0	82,221	34	82,221	34
91-93	226,307	58	0	63,554	28	63,496	28

ENBRIDGE GAS DISTRIBUTION, INC.

ACCOUNT 485.00 - HEAVY WORK EQUIPMENT

SUMMARY OF BOOK SALVAGE

YEAR	REGULAR RETIREMENTS	COST OF REMOVAL AMOUNT	PCT	GROSS SALVAGE AMOUNT	PCT	NET SALVAGE AMOUNT	PCT
THREE-YEAR MOVING AVERAGES							
92-94	327,774	58	0	63,472	19	63,414	19
93-95	356,271	58	0	35,645	10	35,587	10
94-96	419,745		0	56,016	13	56,016	13
95-97	369,975		0	54,221	15	54,221	15
96-98	249,826	261	0	101,338	41	101,077	40
97-99	232,124	261	0	66,232	29	65,971	28
98-00	156,062	1,095	1	60,216	39	59,120	38
99-01	218,088	1,782	1	62,365	29	60,583	28
00-02	169,377	1,842	1	63,767	38	61,925	37
01-03	247,615	1,008	0	98,433	40	97,426	39
02-04	195,741	60	0	45,000	23	44,940	23
03-05	224,452		0	58,247	26	58,247	26
04-06	215,354		0	42,706	20	42,706	20
05-07	189,112		0	62,331	33	62,331	33
06-08	145,809		0	48,301	33	48,301	33
07-09	258,340		0	86,025	33	86,025	33
08-10	468,945		0	100,825	22	100,825	22
FIVE-YEAR AVERAGE							
06-10	337,431		0	85,846	25	85,846	25

DETAILED DEPRECIATION CALCULATIONS

ENBRIDGE GAS DISTRIBUTION, INC.

ACCOUNT 451.10 - LAND RIGHTS INTANGIBLE

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AS OF DECEMBER 31, 2010

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUTURE BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
SURVIVOR CURVE.. IOWA 65-R4						
NET SALVAGE PERCENT.. 0						
1963	2,261,925.37	1,541,932	2,003,773	258,152	20.69	12,477
1964	5,277,825.12	3,535,351	4,594,263	683,562	21.46	31,853
1977	5,954,998.00	2,989,409	3,884,800	2,070,198	32.37	63,954
1987	15,973,398.04	5,713,525	7,424,847	8,548,551	41.75	204,756
1988	1,286,979.22	441,138	573,268	713,711	42.72	16,707
1994	500,000.00	126,310	164,143	335,857	48.58	6,913
1996	189,740.13	42,151	54,776	134,964	50.56	2,669
1997	3,410,568.26	705,715	917,092	2,493,476	51.55	48,370
1998	223,055.00	42,757	55,564	167,491	52.54	3,188
1999	4,655,086.48	821,437	1,067,474	3,587,612	53.53	67,021
2000	73,780.16	11,885	15,445	58,335	54.53	1,070
2001	25,907.01	3,779	4,911	20,996	55.52	378
2002	844,418.23	110,163	143,159	701,259	56.52	12,407
	40,677,681.02	16,085,552	20,903,515	19,774,166		471,763
COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PERCENT..					41.9	1.16

ENBRIDGE GAS DISTRIBUTION, INC.

ACCOUNT 452.00 - STRUCTURES AND IMPROVEMENTS

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AS OF DECEMBER 31, 2010

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUTURE BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
SURVIVOR CURVE.. IOWA 45-R1.5						
NET SALVAGE PERCENT.. 0						
1964	375,077.67	260,304	369,339	5,739	13.77	417
1967	40,262.84	26,681	37,857	2,406	15.18	158
1970	27,972.55	17,592	24,961	3,012	16.70	180
1971	91,159.23	56,275	79,847	11,312	17.22	657
1972	9,340.00	5,654	8,022	1,318	17.76	74
1973	494,105.11	293,059	415,814	78,291	18.31	4,276
1974	25,665.69	14,903	21,145	4,521	18.87	240
1975	89,046.82	50,559	71,737	17,310	19.45	890
1976	22,491.59	12,480	17,708	4,784	20.03	239
1977	1,396.57	757	1,074	323	20.62	16
1978	129,855.00	68,592	97,323	32,532	21.23	1,532
1979	165,914.13	85,391	121,159	44,755	21.84	2,049
1980	1,304.38	653	927	377	22.46	17
1981	450,843.54	219,412	311,318	139,526	23.10	6,040
1982	123,121.77	58,168	82,533	40,589	23.74	1,710
1983	192,041.89	87,955	124,797	67,245	24.39	2,757
1984	140,300.10	62,199	88,253	52,047	25.05	2,078
1985	34,056.11	14,591	20,703	13,353	25.72	519
1986	4,254.99	1,759	2,496	1,759	26.40	67
1987	17,922.02	7,133	10,121	7,801	27.09	288
1988	176,180.13	67,419	95,659	80,521	27.78	2,899
1989	619,190.38	227,311	322,526	296,664	28.48	10,417
1990	32,320.14	11,355	16,111	16,209	29.19	555
1991	66,999.69	22,482	31,899	35,101	29.90	1,174
1992	81,863.06	26,141	37,091	44,772	30.63	1,462
1993	33,219.42	10,069	14,287	18,932	31.36	604
1994	318,320.75	91,323	129,576	188,745	32.09	5,882
1995	1,355,454.58	366,569	520,115	835,340	32.83	25,444
1996	83,714.55	21,245	30,144	53,571	33.58	1,595
1997	2,952,586.16	700,088	993,336	1,959,250	34.33	57,071
1998	245,782.55	54,126	76,798	168,985	35.09	4,816
1999	604,659.02	122,945	174,444	430,215	35.85	12,000
2000	402,402.28	74,935	106,323	296,079	36.62	8,085
2001	116,037.21	19,623	27,843	88,194	37.39	2,359
2002	129,979.38	19,728	27,992	101,987	38.17	2,672
2003	88,806.91	11,939	16,940	71,867	38.95	1,845
2004	114,360.34	13,368	18,967	95,393	39.74	2,400
2005	354,098.88	35,095	49,795	304,304	40.54	7,506
2006	355,520.37	28,914	41,025	314,495	41.34	7,608
2007	31,555.19	2,006	2,846	28,709	42.14	681

ENBRIDGE GAS DISTRIBUTION, INC.

ACCOUNT 452.00 - STRUCTURES AND IMPROVEMENTS

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AS OF DECEMBER 31, 2010

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUTURE BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
SURVIVOR CURVE.. IOWA 45-R1.5						
NET SALVAGE PERCENT.. 0						
2008	224,424.81	10,225	14,508	209,917	42.95	4,887
2009	261,323.52	7,142	10,134	251,190	43.77	5,739
2010	3,262,299.40	29,720	42,169	3,220,130	44.59	72,216
	14,347,230.72	3,317,885	4,707,662	9,639,569		264,121
COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PERCENT..					36.5	1.84

ENBRIDGE GAS DISTRIBUTION, INC.

ACCOUNT 453.00 - WELLS

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AS OF DECEMBER 31, 2010

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUTURE BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
SURVIVOR CURVE.. IOWA 45-R3						
NET SALVAGE PERCENT.. -5						
1963	236,690.80	204,509	248,525			
1964	328,705.74	280,714	345,141			
1965	34,145.77	28,802	35,853			
1966	293,679.89	244,499	308,364			
1968	183,177.64	148,228	192,337			
1969	417,248.96	332,478	438,111			
1970	53,284.19	41,762	55,948			
1971	381,190.89	293,696	400,250			
1972	230,343.21	174,302	241,860			
1973	112,820.71	83,739	118,462			
1974	252,754.70	183,888	265,392			
1975	67,285.82	47,948	70,650			
1976	56,281.42	39,226	59,095			
1978	436,363.33	290,079	458,181			
1980	104,232.11	65,812	109,444			
1983	704,130.85	407,456	739,337			
1984	256,587.06	143,809	269,416			
1985	196,362.32	106,434	202,576	3,604	21.77	166
1987	2,968,778.19	1,497,636	2,850,446	266,771	23.38	11,410
1988	1,093,441.12	530,428	1,009,562	138,551	24.21	5,723
1989	1,657,305.24	771,870	1,469,098	271,073	25.04	10,826
1990	223,259.49	99,552	189,477	44,945	25.89	1,736
1991	7,070.80	3,013	5,735	1,689	26.74	63
1993	323.42	125	238	102	28.49	4
1994	52,007.28	18,967	36,100	18,508	29.37	630
1996	3,273,351.28	1,056,299	2,010,451	1,426,568	31.17	45,767
1997	3,079,459.11	928,351	1,766,928	1,466,504	32.08	45,714
1998	1,246,567.85	349,043	664,333	644,563	33.00	19,532
1999	3,052,785.28	788,534	1,500,814	1,704,611	33.93	50,239
2000	846,827.05	200,356	381,337	507,831	34.86	14,568
2001	890,530.48	190,957	363,448	571,609	35.81	15,962
2002	927,627.77	178,565	339,862	634,147	36.75	17,256
2003	1,109,439.29	188,716	359,183	805,728	37.71	21,366
2004	452,253.93	66,799	127,138	347,729	38.67	8,992
2005	1,366,690.63	171,242	325,924	1,109,101	39.63	27,986
2006	996,980.51	102,359	194,820	852,010	40.60	20,985
2007	727,143.68	58,194	110,761	652,740	41.57	15,702
2008	1,181,974.42	67,564	128,594	1,112,479	42.55	26,145

ENBRIDGE GAS DISTRIBUTION, INC.

ACCOUNT 453.00 - WELLS

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AS OF DECEMBER 31, 2010

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUTURE BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
SURVIVOR CURVE.. IOWA 45-R3						
NET SALVAGE PERCENT.. -5						
2009	1,794,438.60	61,556	117,159	1,767,002	43.53	40,593
2010	8,097,391.77	92,590	176,227	8,326,035	44.51	187,060
	39,390,932.60	10,540,097	18,686,577	22,673,903		588,425
COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PERCENT..					38.5	1.49

ENBRIDGE GAS DISTRIBUTION, INC.

ACCOUNT 454.00 - WELL EQUIPMENT

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AS OF DECEMBER 31, 2010

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUTURE BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
SURVIVOR CURVE.. IOWA 25-R4						
NET SALVAGE PERCENT.. 0						
1963	286,102.10	286,102	286,102			
1964	45,733.53	45,734	45,734			
1966	90,870.93	90,871	90,871			
1968	117,015.69	117,016	117,016			
1969	274,932.45	274,932	274,932			
1970	44,597.83	44,598	44,598			
1971	99,789.68	99,790	99,790			
1972	66,462.85	66,463	66,463			
1973	53,146.89	52,785	43,117	10,030	0.17	10,030
1974	83,889.03	82,715	67,566	16,323	0.35	16,323
1975	40,956.20	40,055	32,719	8,237	0.55	8,237
1976	34,738.49	33,669	27,502	7,236	0.77	7,236
1978	209,325.48	198,775	162,369	46,956	1.26	37,267
1980	37,576.46	34,901	28,509	9,067	1.78	5,094
1983	242,604.77	216,695	177,007	65,598	2.67	24,569
1984	354,403.71	311,450	254,407	99,997	3.03	33,002
1987	1,114,900.61	917,340	749,327	365,574	4.43	82,522
1988	146,890.66	117,395	95,894	50,997	5.02	10,159
1989	301,200.19	232,888	190,234	110,966	5.67	19,571
1990	214,589.11	160,169	130,834	83,755	6.34	13,211
1991	11,916.08	8,556	6,989	4,927	7.05	699
1992	150,780.92	103,798	84,787	65,994	7.79	8,472
1994	89,412.56	55,972	45,721	43,692	9.35	4,673
1996	918,135.83	513,422	419,387	498,749	11.02	45,259
1997	844,145.62	442,332	361,317	482,829	11.90	40,574
1998	334,813.79	163,389	133,464	201,350	12.80	15,730
1999	672,830.84	303,581	247,979	424,852	13.72	30,966
2000	116,064.75	48,004	39,212	76,853	14.66	5,242
2001	90,806.99	34,107	27,860	62,947	15.61	4,032
2002	14,028.42	4,725	3,860	10,168	16.58	613
2003	275,649.33	82,144	67,099	208,550	17.55	11,883
2004	25,316.50	6,552	5,352	19,964	18.53	1,077
2005	186,049.07	40,782	33,312	152,737	19.52	7,825
2006	90,324.50	16,222	13,251	77,074	20.51	3,758
2007	104,271.10	14,556	11,890	92,381	21.51	4,295
2008	235,243.37	23,524	19,216	216,027	22.50	9,601
2009	456,838.77	27,410	22,389	434,450	23.50	18,487
2010	606,522.14	12,130	9,909	596,614	24.50	24,352
	9,082,877.24	5,325,549	4,537,985	4,544,893		504,759

COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PERCENT.. 9.0 5.56

ENBRIDGE GAS DISTRIBUTION, INC.

ACCOUNT 455.00 - FIELD LINES

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AS OF DECEMBER 31, 2010

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUTURE BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
SURVIVOR CURVE.. IOWA 55-R3						
NET SALVAGE PERCENT.. -5						
1963	2,630,971.32	2,004,070	2,762,520			
1964	14,882.07	11,163	15,570	56	15.71	4
1965	20,038.98	14,797	20,639	402	16.32	25
1966	68,742.85	49,923	69,633	2,547	16.96	150
1967	40,165.52	28,671	39,990	2,184	17.61	124
1968	112,031.80	78,558	109,573	8,060	18.27	441
1969	63,074.63	43,422	60,565	5,663	18.94	299
1970	52,764.41	35,629	49,695	5,708	19.63	291
1971	196,492.13	130,054	181,400	24,917	20.33	1,226
1973	64,589.43	40,975	57,152	10,667	21.77	490
1974	63,696.80	39,521	55,124	11,758	22.50	523
1975	14,919.47	9,043	12,613	3,052	23.25	131
1976	4,509,317.32	2,667,814	3,721,079	1,013,704	24.01	42,220
1977	2,007,172.62	1,158,383	1,615,718	491,813	24.77	19,855
1978	45,035.42	25,320	35,316	11,971	25.55	469
1979	14,026.95	7,675	10,705	4,023	26.34	153
1982	27,744.18	13,898	19,385	9,746	28.76	339
1983	63,775.74	30,938	43,152	23,813	29.59	805
1984	3,369.95	1,581	2,205	1,333	30.42	44
1985	553,892.18	251,036	350,146	231,441	31.26	7,404
1987	5,894,962.87	2,479,289	3,458,124	2,731,587	32.97	82,851
1988	153,102.61	61,848	86,266	74,492	33.84	2,201
1989	115,369.32	44,667	62,302	58,836	34.72	1,695
1994	1,444,423.00	435,413	607,316	909,328	39.21	23,191
1996	542,784.69	144,447	201,475	368,449	41.06	8,973
1997	8,115,463.15	2,015,698	2,811,505	5,709,731	41.99	135,978
1998	1,316,983.06	303,463	423,272	959,560	42.93	22,352
1999	7,039,455.98	1,495,730	2,086,250	5,305,179	43.87	120,930
2000	746,802.38	145,278	202,634	581,508	44.81	12,977
2001	5,749.65	1,013	1,413	4,624	45.77	101
2002	1,048,123.66	165,685	231,098	869,432	46.72	18,609
2003	2,360,715.05	329,451	459,520	2,019,231	47.69	42,341
2004	2,746,444.07	332,931	464,374	2,419,392	48.65	49,731
2005	767,388.02	78,819	109,937	695,820	49.62	14,023
2006	2,064,582.83	173,815	242,438	1,925,374	50.59	38,058
2007	630,307.19	41,271	57,565	604,258	51.57	11,717
2008	2,418.49	114	159	2,380	52.54	45
2009	912,565.59	25,785	35,965	922,229	53.52	17,231
2010	253,364.39	2,370	3,306	262,727	54.51	4,820
	46,727,709.77	14,919,558	20,777,099	28,286,997		682,817

COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PERCENT.. 41.4 1.46

ENBRIDGE GAS DISTRIBUTION, INC.

ACCOUNT 456.00 - COMPRESSOR EQUIPMENT

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AS OF DECEMBER 31, 2010

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUTURE BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
SURVIVOR CURVE.. IOWA 40-R2						
NET SALVAGE PERCENT.. -5						
1964	3,397,061.10	2,828,563	2,932,426	634,488	8.28	76,629
1969	43,657.29	33,956	35,203	10,637	10.37	1,026
1971	1,966,168.04	1,480,746	1,535,118	529,358	11.31	46,804
1972	6,110.26	4,523	4,689	1,727	11.80	146
1973	3,059,499.98	2,224,639	2,306,326	906,149	12.30	73,671
1974	237,601.26	169,523	175,748	73,733	12.82	5,751
1975	1,983,554.30	1,387,100	1,438,033	644,699	13.36	48,256
1980	534,002.97	332,917	345,142	215,561	16.25	13,265
1981	3,857,456.42	2,342,103	2,428,104	1,622,225	16.87	96,160
1982	4,133,805.64	2,441,529	2,531,180	1,809,316	17.50	103,389
1983	35,604.20	20,421	21,171	16,213	18.15	893
1985	2,969.22	1,599	1,658	1,460	19.48	75
1986	209,951.59	109,343	113,358	107,091	20.16	5,312
1987	25,236.41	12,679	13,145	13,353	20.86	640
1988	1,491,274.81	721,852	748,358	817,481	21.56	37,917
1989	55,142.77	25,650	26,592	31,308	22.28	1,405
1990	959,655.99	427,995	443,711	563,928	23.01	24,508
1991	87,929.97	37,508	38,885	53,441	23.75	2,250
1992	2,748,768.03	1,118,405	1,159,472	1,726,734	24.50	70,479
1994	432,698.55	158,676	164,502	289,831	26.03	11,134
1995	9,545,345.30	3,302,451	3,423,715	6,598,898	26.82	246,044
1996	3,498,227.71	1,137,755	1,179,533	2,493,606	27.61	90,315
1997	11,740,522.61	3,571,907	3,703,065	8,624,484	28.41	303,572
1998	1,280,742.17	362,754	376,074	968,705	29.21	33,163
1999	3,574,340.71	935,450	969,799	2,783,259	30.03	92,683
2000	5,401,223.85	1,295,889	1,343,473	4,327,812	30.86	140,240
2001	1,471,061.66	320,894	332,677	1,211,938	31.69	38,244
2002	2,402,256.44	470,422	487,696	2,034,673	32.54	62,528
2003	3,801,525.34	659,612	683,832	3,307,770	33.39	99,065
2004	3,345,012.29	505,766	524,337	2,987,926	34.24	87,264
2005	3,257,105.37	418,090	433,442	2,986,519	35.11	85,062
2006	5,244,506.04	553,426	573,748	4,932,983	35.98	137,103
2007	1,469,779.73	120,761	125,195	1,418,074	36.87	38,461
2008	3,924,021.31	231,763	240,273	3,879,949	37.75	102,780
2009	4,690,963.97	166,236	172,340	4,753,172	38.65	122,980
2010	1,866,705.50	22,050	22,860	1,937,181	39.55	48,981
	91,781,488.80	29,954,953	31,054,880	65,315,683		2,348,195
COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PERCENT..					27.8	2.56

ENBRIDGE GAS DISTRIBUTION, INC.

ACCOUNT 457.00 - MEASURING AND REGULATING EQUIPMENT

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AS OF DECEMBER 31, 2010

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUTURE BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
SURVIVOR CURVE.. IOWA 30-R1.5						
NET SALVAGE PERCENT.. -5						
1963	130,385.00	120,567	136,904			
1964	4,669.71	4,276	4,903			
1971	29,834.21	25,144	31,326			
1972	2.00	2	2			
1975	230,863.23	183,259	232,750	9,656	7.32	1,319
1977	55,685.42	42,664	54,186	4,284	8.11	528
1979	19,235.52	14,165	17,990	2,207	8.96	246
1984	99,162.31	64,589	82,032	22,088	11.39	1,939
1987	645,515.34	382,728	486,087	191,704	13.06	14,679
1988	62,394.01	35,705	45,347	20,167	13.65	1,477
1989	93,552.32	51,571	65,498	32,732	14.25	2,297
1993	39,247.64	18,119	23,012	18,198	16.81	1,083
1994	446,474.29	195,489	248,283	220,515	17.49	12,608
1996	402,201.23	156,677	198,989	223,322	18.87	11,835
1997	1,866,454.66	680,689	864,515	1,095,262	19.58	55,938
2000	6,340,252.61	1,828,551	2,322,368	4,334,897	21.76	199,214
2001	13,458.94	3,528	4,481	9,651	22.51	429
2002	1,039.05	245	311	780	23.26	34
2003	595,307.24	124,389	157,982	467,091	24.03	19,438
2005	63,577.47	9,835	12,491	54,265	25.58	2,121
2006	36,592.08	4,662	5,921	32,501	26.36	1,233
2007	38,359.14	3,813	4,843	35,434	27.16	1,305
2008	196,488.02	14,029	17,817	188,495	27.96	6,742
2010	145,568.22	2,089	2,653	150,193	29.59	5,076
	11,556,319.66	3,966,785	5,020,691	7,113,444		339,541
COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PERCENT..					21.0	2.94

ENBRIDGE GAS DISTRIBUTION, INC.

ACCOUNT 471.00 - LAND RIGHTS

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AS OF DECEMBER 31, 2010

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUTURE BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
SURVIVOR CURVE.. IOWA 75-R4						
NET SALVAGE PERCENT.. 0						
2008	7,359,865.00	245,304	1,070,077	6,289,788	72.50	86,756
2009	86,901.43	1,738	7,582	79,320	73.50	1,079
	7,446,766.43	247,042	1,077,659	6,369,108		87,835
COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PERCENT..					72.5	1.18

ENBRIDGE GAS DISTRIBUTION, INC.

ACCOUNT 472.00 - STRUCTURES AND IMPROVEMENTS

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AS OF DECEMBER 31, 2010

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUTURE BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
VICTORIA PARK CENTRE						
INTERIM SURVIVOR CURVE.. IOWA 60-S1.5						
PROBABLE RETIREMENT YEAR.. 12-2018						
NET SALVAGE PERCENT.. +20						
1963	230,078.64	156,731	6,048	178,015	7.27	24,486
1965	79.30	54	2	61	7.33	8
1966	50,192.55	33,893	1,308	38,846	7.35	5,285
1967	752,453.85	506,444	19,544	582,419	7.38	78,919
1968	449,042.32	301,254	11,626	347,608	7.40	46,974
1969	143,311.44	95,795	3,697	110,952	7.43	14,933
1970	24,891.89	16,580	640	19,274	7.45	2,587
1971	9,388.34	6,228	240	7,270	7.48	972
1972	43,500.59	28,742	1,109	33,691	7.50	4,492
1974	68,483.28	44,843	1,731	53,056	7.55	7,027
1976	41,547.20	26,940	1,040	32,198	7.59	4,242
1977	106,821.86	68,897	2,659	82,799	7.61	10,880
1979	1,744,755.39	1,112,191	42,920	1,352,884	7.65	176,848
1980	194,904.05	123,452	4,764	151,159	7.67	19,708
1981	212,527.99	133,694	5,159	164,863	7.69	21,439
1982	296,245.85	184,997	7,139	229,858	7.71	29,813
1983	433,337.84	268,496	10,361	336,309	7.73	43,507
1985	262,438.31	159,852	6,169	203,782	7.76	26,261
1986	63,269.80	38,166	1,473	49,143	7.78	6,317
1987	131,249.15	78,382	3,025	101,975	7.79	13,091
1988	70,045.67	41,361	1,596	54,440	7.81	6,971
1989	104,823.52	61,167	2,360	81,498	7.82	10,422
1990	526,894.73	303,407	11,709	409,807	7.84	52,271
1991	19,831.06	11,261	435	15,430	7.85	1,966
1992	542,794.97	303,518	11,713	422,523	7.86	53,756
1993	1,682,451.50	924,406	35,673	1,310,288	7.88	166,280
1994	505,443.68	272,576	10,519	393,836	7.89	49,916
1995	178,011.52	94,021	3,628	138,781	7.90	17,567
1996	734,136.80	378,891	14,622	572,688	7.91	72,401
1997	1,856,158.22	933,558	36,026	1,448,900	7.92	182,942
1998	976,980.85	477,165	18,414	763,171	7.93	96,238
1999	2,466,193.21	1,164,635	44,944	1,928,011	7.94	242,823
2000	4,370,335.15	1,985,636	76,627	3,419,642	7.95	430,144
2001	1,930,954.13	839,780	32,407	1,512,356	7.95	190,233
2002	682,178.42	281,505	10,863	534,879	7.96	67,196
2003	924,960.91	358,248	13,825	726,144	7.97	91,110
2004	1,664,776.92	597,748	23,067	1,308,754	7.97	164,210
2005	2,093,914.00	682,733	26,347	1,648,784	7.98	206,615
2006	2,269,624.51	654,705	25,265	1,790,434	7.98	224,365

ENBRIDGE GAS DISTRIBUTION, INC.

ACCOUNT 472.00 - STRUCTURES AND IMPROVEMENTS

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AS OF DECEMBER 31, 2010

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUTURE BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
VICTORIA PARK CENTRE						
INTERIM SURVIVOR CURVE.. IOWA 60-S1.5						
PROBABLE RETIREMENT YEAR.. 12-2018						
NET SALVAGE PERCENT.. +20						
2007	1,776,267.00	432,002	16,671	1,404,342	7.99	175,762
2008	1,285,367.00	245,063	9,457	1,018,837	7.99	127,514
2009	1,852,446.00	234,238	9,039	1,472,917	7.99	184,345
2010	3,446,102.00	162,160	6,258	2,750,624	8.00	343,828
	37,219,211.41	14,825,415	572,119	29,203,250		3,696,664
KENNEDY ROAD						
INTERIM SURVIVOR CURVE.. IOWA 60-S1.5						
PROBABLE RETIREMENT YEAR.. 12-2013						
NET SALVAGE PERCENT.. +20						
1979	306,766.55	223,738	35,101	210,312	2.95	71,292
1980	49,090.49	35,698	5,600	33,672	2.96	11,376
1981	17,332.56	12,568	1,972	11,894	2.96	4,018
1982	16,133.36	11,664	1,830	11,077	2.96	3,742
1983	5,753.74	4,145	650	3,953	2.97	1,331
1984	17,350.96	12,454	1,954	11,927	2.97	4,016
1985	1,018.00	728	114	700	2.97	236
1986	13,565.66	9,661	1,516	9,337	2.97	3,144
1987	9,535.96	6,761	1,061	6,568	2.97	2,211
1988	9,709.55	6,848	1,074	6,693	2.98	2,246
1989	6,534.80	4,584	719	4,509	2.98	1,513
1990	117,092.06	81,667	12,812	80,861	2.98	27,135
1991	43,865.45	30,401	4,769	30,323	2.98	10,176
1992	58,518.38	40,274	6,318	40,496	2.98	13,589
1993	26,072.94	17,795	2,792	18,067	2.99	6,042
1994	9,039.03	6,116	960	6,272	2.99	2,098
1995	13,120.29	8,791	1,379	9,117	2.99	3,049
1996	102,314.82	67,803	10,637	71,215	2.99	23,818
1997	98,083.49	64,196	10,071	68,395	2.99	22,875
1998	23,609.37	15,232	2,390	16,498	2.99	5,518
1999	199,522.97	126,612	19,863	139,755	2.99	46,741
2000	25,061.43	15,599	2,447	17,602	2.99	5,887
2001	78,903.44	47,949	7,522	55,600	3.00	18,533
2002	575,735.69	340,228	53,376	407,212	3.00	135,737
2003	156,040.51	89,132	13,983	110,849	3.00	36,950
2004	101,786.50	55,688	8,737	72,693	3.00	24,231
2005	41,235.00	21,345	3,349	29,639	3.00	9,880
2006	11,746.50	5,638	885	8,513	3.00	2,838
2007	40,720.00	17,541	2,752	29,824	3.00	9,941
2008	10,972.35	3,990	626	8,152	3.00	2,717

ENBRIDGE GAS DISTRIBUTION, INC.

ACCOUNT 472.00 - STRUCTURES AND IMPROVEMENTS

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AS OF DECEMBER 31, 2010

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUTURE BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
KENNEDY ROAD						
INTERIM SURVIVOR CURVE.. IOWA 60-S1.5						
PROBABLE RETIREMENT YEAR.. 12-2013						
NET SALVAGE PERCENT.. +20						
2009	34,733.53	9,262	1,453	26,334	3.00	8,778
2010	34,085.71	3,896	611	26,657	3.00	8,886
	2,255,051.09	1,398,004	219,325	1,584,716		530,544
OTTAWA OFFICE						
INTERIM SURVIVOR CURVE.. IOWA 60-S1.5						
PROBABLE RETIREMENT YEAR.. 12-2025						
NET SALVAGE PERCENT.. +20						
1965	29,264.23	17,721	4,798	18,614	12.55	1,483
1966	573,177.68	345,186	93,454	365,088	12.64	28,884
1967	68,313.22	40,915	11,077	43,573	12.72	3,426
1968	1,071.48	638	173	684	12.80	53
1969	14,240.58	8,428	2,282	9,111	12.89	707
1970	56,834.82	33,423	9,049	36,419	12.97	2,808
1971	13,807.15	8,066	2,184	8,862	13.05	679
1972	3,985.00	2,312	626	2,562	13.13	195
1973	3,656.00	2,105	570	2,355	13.21	178
1974	61,693.21	35,262	9,547	39,808	13.28	2,998
1976	6,232.00	3,504	949	4,037	13.43	301
1977	1,677.02	935	253	1,088	13.50	81
1978	426.00	235	64	277	13.57	20
1979	32,280.00	17,648	4,778	21,046	13.64	1,543
1980	520.81	282	76	340	13.71	25
1981	16,245.55	8,691	2,353	10,643	13.78	772
1982	12,301.30	6,504	1,761	8,080	13.85	583
1983	885,357.89	462,348	125,173	583,113	13.91	41,920
1984	98,532.77	50,785	13,749	65,077	13.97	4,658
1985	70,969.44	36,070	9,765	47,010	14.03	3,351
1986	44,485.99	22,270	6,029	29,560	14.09	2,098
1987	29,681.56	14,622	3,959	19,787	14.15	1,398
1988	42,443.52	20,548	5,563	28,392	14.21	1,998
1989	2,353.52	1,119	303	1,580	14.26	111
1990	70,363.87	32,793	8,878	47,413	14.31	3,313
1991	18,276.90	8,335	2,257	12,365	14.36	861
1992	71,448.15	31,831	8,618	48,541	14.41	3,369
1993	7,518,620.95	3,265,127	883,982	5,130,915	14.46	354,835
1994	21,517.75	9,092	2,462	14,753	14.50	1,017
1995	47,057.81	19,278	5,219	32,427	14.55	2,229
1996	97,856.26	38,764	10,495	67,790	14.59	4,646
1997	204,672.41	78,124	21,151	142,587	14.63	9,746
1998	1,029,875.67	377,379	102,169	721,731	14.66	49,231

ENBRIDGE GAS DISTRIBUTION, INC.

ACCOUNT 472.00 - STRUCTURES AND IMPROVEMENTS

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AS OF DECEMBER 31, 2010

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUTURE BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
OTTAWA OFFICE						
INTERIM SURVIVOR CURVE.. IOWA 60-S1.5						
PROBABLE RETIREMENT YEAR.. 12-2025						
NET SALVAGE PERCENT.. +20						
1999	293,625.69	102,652	27,791	207,109	14.70	14,089
2000	95,484.98	31,667	8,573	67,815	14.73	4,604
2001	162,810.38	50,840	13,764	116,484	14.76	7,892
2002	178,892.00	52,075	14,098	129,015	14.79	8,723
2003	68,819.90	18,451	4,995	50,061	14.82	3,378
2004	608,942.54	148,226	40,130	447,024	14.84	30,123
2005	297,336.00	64,141	17,365	220,504	14.87	14,829
2006	55,431.31	10,274	2,782	41,564	14.89	2,791
2007	348,249.22	52,842	14,306	264,293	14.91	17,726
2008	536,232.39	61,564	16,667	412,318	14.92	27,635
2009	219,388.65	16,014	4,336	171,175	14.94	11,457
2010	171,067.29	4,429	1,199	135,655	14.95	9,074
	14,185,520.86	5,613,515	1,519,771	9,828,646		681,838
BROCKVILLE						
INTERIM SURVIVOR CURVE.. IOWA 60-S1.5						
PROBABLE RETIREMENT YEAR.. 12-2025						
NET SALVAGE PERCENT.. +20						
1981	51,364.84	27,480	8,445	32,647	13.78	2,369
1985	96,924.86	49,261	15,138	62,402	14.03	4,448
1986	210.36	105	32	136	14.09	10
1987	568.44	280	86	369	14.15	26
1988	1,614.65	782	240	1,051	14.21	74
1990	156.19	73	22	103	14.31	7
1993	1,176.07	511	157	784	14.46	54
1995	11,273.34	4,618	1,419	7,600	14.55	522
1996	4,359.56	1,727	531	2,957	14.59	203
1997	2,145.15	819	252	1,464	14.63	100
1999	2,842.92	994	305	1,969	14.70	134
2000	4,517.62	1,498	460	3,154	14.73	214
2001	195.00	61	19	137	14.76	9
2002	1,175.00	342	105	835	14.79	56
2003	14,049.00	3,767	1,158	10,082	14.82	680
2004	1,793.00	436	134	1,300	14.84	88
2005	166,691.00	35,959	11,050	122,303	14.87	8,225
2007	5,377.00	816	251	4,051	14.91	272
2008	47,700.00	5,476	1,683	36,477	14.92	2,445
2009	18,634.33	1,360	418	14,490	14.94	970
2010	67,036.76	1,735	533	53,096	14.95	3,552
	499,805.09	138,100	42,438	357,406		24,458

ENBRIDGE GAS DISTRIBUTION, INC.

ACCOUNT 472.00 - STRUCTURES AND IMPROVEMENTS

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AS OF DECEMBER 31, 2010

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUTURE BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
ARNPRIOR						
INTERIM SURVIVOR CURVE.. IOWA 60-S1.5						
PROBABLE RETIREMENT YEAR.. 12-2025						
NET SALVAGE PERCENT.. +20						
1981	442,263.05	236,611	94,054	259,757	13.78	18,850
1984	1,921.07	990	394	1,143	13.97	82
1989	2,252.00	1,070	425	1,376	14.26	96
1991	738.74	337	134	457	14.36	32
1993	1,903.37	827	329	1,194	14.46	83
1995	7,500.00	3,072	1,221	4,779	14.55	328
1997	6,575.00	2,510	998	4,262	14.63	291
1998	4,275.00	1,566	622	2,798	14.66	191
1999	7,422.92	2,595	1,032	4,907	14.70	334
2002	829.70	242	96	568	14.79	38
2003	534.00	143	57	370	14.82	25
2004	4,439.28	1,081	430	3,122	14.84	210
2005	12,459.00	2,688	1,068	8,899	14.87	598
2006	6,576.32	1,219	485	4,776	14.89	321
2007	5,212.90	791	314	3,856	14.91	259
2009	9,669.82	706	281	7,455	14.94	499
2010	56,148.70	1,454	578	44,341	14.95	2,966
	570,720.87	257,902	102,517	354,060		25,203
THOROLD OFFICE						
INTERIM SURVIVOR CURVE.. IOWA 60-S1.5						
PROBABLE RETIREMENT YEAR.. 12-2030						
NET SALVAGE PERCENT.. +20						
1991	8,165,266.67	3,284,332	1,117,903	5,414,311	18.72	289,226
1992	137,445.78	53,800	18,312	91,644	18.81	4,872
1993	13,977.44	5,313	1,808	9,374	18.89	496
1994	44,816.20	16,488	5,612	30,241	18.98	1,593
1995	30,336.62	10,775	3,668	20,602	19.06	1,081
1996	58,654.45	20,048	6,824	40,100	19.13	2,096
1997	182,379.46	59,717	20,326	125,577	19.21	6,537
1998	194,143.81	60,643	20,641	134,674	19.28	6,985
1999	178,970.73	53,068	18,063	125,114	19.34	6,469
2000	133,413.00	37,259	12,682	94,048	19.41	4,845
2001	53,789.89	14,041	4,779	38,253	19.47	1,965
2002	250,398.39	60,496	20,591	179,727	19.53	9,203
2003	144,409.49	31,904	10,859	104,668	19.58	5,346
2004	716,474.07	142,252	48,419	524,760	19.63	26,733
2005	313,074.00	54,650	18,601	231,858	19.67	11,787
2006	256,344.59	38,033	12,945	192,130	19.72	9,743

ENBRIDGE GAS DISTRIBUTION, INC.

ACCOUNT 472.00 - STRUCTURES AND IMPROVEMENTS

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AS OF DECEMBER 31, 2010

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUTURE BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
THOROLD OFFICE						
INTERIM SURVIVOR CURVE.. IOWA 60-S1.5						
PROBABLE RETIREMENT YEAR.. 12-2030						
NET SALVAGE PERCENT.. +20						
2007	546,826.98	65,667	22,351	415,110	19.76	21,008
2008	176,114.95	15,802	5,379	135,513	19.79	6,848
2009	130,508.35	7,342	2,499	101,908	19.83	5,139
2010	215,158.00	4,227	1,439	170,688	19.86	8,595
	11,942,502.87	4,035,857	1,373,703	8,180,300		430,567
EASTERN						
INTERIM SURVIVOR CURVE.. IOWA 60-S1.5						
PROBABLE RETIREMENT YEAR.. 12-2020						
NET SALVAGE PERCENT.. +20						
1960	3,060.34	2,035	586	1,863	8.72	214
1963	543.60	358	103	332	8.85	38
1966	1,623.66	1,058	305	994	8.98	111
1967	3,931.80	2,552	735	2,411	9.02	267
1968	108,039.12	69,838	20,102	66,329	9.05	7,329
1969	26,975.29	17,363	4,998	16,582	9.09	1,824
1970	117,813.30	75,483	21,727	72,524	9.13	7,943
1971	1,838.24	1,172	337	1,133	9.17	124
1972	215.81	137	39	133	9.20	14
1977	6,923.32	4,267	1,228	4,310	9.38	459
1978	43,295.00	26,500	7,628	27,008	9.41	2,870
1981	4,352.59	2,603	749	2,733	9.50	288
1982	5,469.06	3,243	933	3,442	9.53	361
1983	1,866.00	1,096	315	1,177	9.56	123
1984	100.41	58	17	64	9.58	7
1985	5,562.96	3,203	922	3,528	9.61	367
1986	645.12	367	106	410	9.64	43
1987	10,110.53	5,686	1,637	6,452	9.66	668
1988	2,232.54	1,239	357	1,429	9.69	147
1989	2,283.20	1,249	360	1,467	9.71	151
1990	330,166.06	177,949	51,221	212,912	9.73	21,882
1991	8,864.60	4,699	1,353	5,739	9.75	589
1993	10,765.72	5,496	1,582	7,031	9.79	718
1994	5,430.00	2,712	781	3,563	9.81	363
1995	1,120.28	546	157	739	9.83	75
1997	11,518.49	5,307	1,528	7,687	9.86	780
1998	58,274.74	25,956	7,471	39,149	9.88	3,962
1999	250,957.60	107,677	30,994	169,772	9.89	17,166
2000	132,185.12	54,276	15,623	90,125	9.91	9,094
2001	6,680.66	2,609	751	4,594	9.92	463

ENBRIDGE GAS DISTRIBUTION, INC.

ACCOUNT 472.00 - STRUCTURES AND IMPROVEMENTS

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AS OF DECEMBER 31, 2010

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUTURE BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
EASTERN						
INTERIM SURVIVOR CURVE.. IOWA 60-S1.5						
PROBABLE RETIREMENT YEAR.. 12-2020						
NET SALVAGE PERCENT.. +20						
2002	230,181.57	84,768	24,400	159,746	9.93	16,087
2003	37,678.00	12,943	3,726	26,417	9.94	2,658
2004	5,237.27	1,654	476	3,714	9.95	373
2005	39,694.00	11,284	3,248	28,507	9.96	2,862
2006	1,489.90	370	107	1,085	9.97	109
2007	63,139.43	13,125	3,778	46,734	9.97	4,687
2008	8,067.47	1,293	372	6,082	9.98	609
2009	50,037.61	5,230	1,505	38,525	9.98	3,860
	1,598,370.41	737,401	212,254	1,066,442		109,685
KELFIELD						
INTERIM SURVIVOR CURVE.. IOWA 60-S1.5						
PROBABLE RETIREMENT YEAR.. 12-2020						
NET SALVAGE PERCENT.. +20						
1965	48,922.22	31,991	5,887	33,251	8.94	3,719
1968	204.36	132	24	139	9.05	15
1970	2,267.88	1,453	267	1,547	9.13	169
1978	3,975.11	2,433	448	2,732	9.41	290
1984	1,800.00	1,047	193	1,247	9.58	130
1986	11,269.00	6,413	1,180	7,835	9.64	813
1987	12,330.83	6,934	1,276	8,589	9.66	889
1988	17,342.62	9,624	1,771	12,103	9.69	1,249
1989	1,197.13	655	121	837	9.71	86
1990	189,196.00	101,971	18,765	132,592	9.73	13,627
1991	2,628.00	1,393	256	1,846	9.75	189
1992	49,474.00	25,759	4,740	34,839	9.77	3,566
1995	8,720.28	4,251	782	6,194	9.83	630
1996	1,105.55	525	97	788	9.85	80
1997	44,386.53	20,450	3,763	31,746	9.86	3,220
1998	352.25	157	29	253	9.88	26
1999	223.12	96	18	161	9.89	16
2000	113,471.30	46,592	8,574	82,203	9.91	8,295
2001	31,939.00	12,472	2,295	23,256	9.92	2,344
2002	144,482.79	53,208	9,791	105,795	9.93	10,654
2003	49,165.13	16,889	3,108	36,224	9.94	3,644
2004	1,576.39	498	92	1,169	9.95	117
2005	12,118.00	3,445	634	9,060	9.96	910
2006	690.10	171	31	521	9.97	52
2007	13,055.51	2,714	499	9,945	9.97	997
2008	1,495.99	240	44	1,153	9.98	116

ENBRIDGE GAS DISTRIBUTION, INC.

ACCOUNT 472.00 - STRUCTURES AND IMPROVEMENTS

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AS OF DECEMBER 31, 2010

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUTURE BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
KELFIELD						
INTERIM SURVIVOR CURVE.. IOWA 60-S1.5						
PROBABLE RETIREMENT YEAR.. 12-2020						
NET SALVAGE PERCENT.. +20						
2009	30,860.28	3,226	594	24,095	9.98	2,414
2010	404,530.74	15,424	2,838	320,786	9.99	32,111
	1,198,780.11	370,163	68,117	890,907		90,368
OTTAWA DEPOT						
INTERIM SURVIVOR CURVE.. IOWA 60-S1.5						
PROBABLE RETIREMENT YEAR.. 12-2020						
NET SALVAGE PERCENT.. +20						
1996	2,810,718.17	1,333,720	301,151	1,947,423	9.85	197,708
1999	22,517.45	9,661	2,181	15,833	9.89	1,601
2004	920.38	291	66	671	9.95	67
2007	180,497.99	37,520	8,472	135,926	9.97	13,634
2008	29,169.43	4,675	1,056	22,280	9.98	2,232
2009	20,897.27	2,184	493	16,225	9.98	1,626
2010	6,753.06	257	58	5,344	9.99	535
	3,071,473.75	1,388,308	313,477	2,143,702		217,403
OTHER						
SURVIVOR CURVE.. IOWA 43-R1						
NET SALVAGE PERCENT.. -5						
1955	25,564.00	20,413	7,801	19,041	10.30	1,849
1960	573.04	429	164	438	12.36	35
1961	205.50	152	58	158	12.79	12
1963	71.80	51	19	56	13.68	4
1965	675.00	468	179	530	14.60	36
1968	652.45	430	164	521	16.04	32
1969	893.64	578	221	717	16.53	43
1970	43,314.17	27,468	10,497	34,983	17.03	2,054
1971	12,797.35	7,956	3,040	10,397	17.54	593
1972	160,367.50	97,664	37,322	131,064	18.06	7,257
1973	788.50	470	180	648	18.59	35
1974	135,542.40	79,037	30,203	112,116	19.12	5,864
1975	234,839.64	133,842	51,147	195,435	19.66	9,941
1976	21,142.98	11,766	4,496	17,704	20.21	876
1977	4,608.10	2,501	956	3,883	20.77	187
1978	10,637.60	5,626	2,150	9,020	21.34	423
1979	41,226.66	21,231	8,113	35,175	21.91	1,605
1980	40,458.11	20,252	7,739	34,742	22.50	1,544

ENBRIDGE GAS DISTRIBUTION, INC.

ACCOUNT 472.00 - STRUCTURES AND IMPROVEMENTS

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AS OF DECEMBER 31, 2010

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUTURE BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
OTHER						
SURVIVOR CURVE.. IOWA 43-R1						
NET SALVAGE PERCENT.. -5						
1981	261,773.76	127,267	48,634	226,228	23.09	9,798
1982	225,642.05	106,450	40,679	196,245	23.68	8,287
1983	67,281.63	30,739	11,747	58,899	24.29	2,425
1984	201,586.15	89,096	34,047	177,618	24.90	7,133
1985	98,621.82	42,095	16,086	87,467	25.52	3,427
1986	146,527.01	60,289	23,039	130,814	26.15	5,002
1987	40,260.31	15,946	6,094	36,180	26.78	1,351
1988	365,693.72	139,127	53,167	330,812	27.42	12,065
1989	120,980.73	44,106	16,855	110,175	28.07	3,925
1990	122,255.51	42,630	16,291	112,077	28.72	3,902
1991	5,730.47	1,907	729	5,288	29.37	180
1992	259,009.23	82,031	31,348	240,612	30.03	8,012
1993	259,599.85	77,971	29,796	242,784	30.70	7,908
1994	253,690.38	72,046	27,532	238,843	31.37	7,614
1995	212,824.27	56,957	21,766	201,700	32.04	6,295
1996	274,841.43	68,992	26,365	262,219	32.72	8,014
1997	749,217.93	175,634	67,117	719,561	33.40	21,544
1998	446,073.05	97,052	37,088	431,289	34.09	12,651
1999	443,971.00	89,113	34,054	432,116	34.78	12,424
2000	855,993.93	157,397	60,148	838,645	35.47	23,644
2002	45,098.43	6,762	2,584	44,769	36.86	1,215
2003	56,290.00	7,464	2,852	56,252	37.57	1,497
2004	441,266.63	50,860	19,436	443,894	38.28	11,596
2007	1,110,900.12	69,718	26,642	1,139,803	40.43	28,192
2008	618,050.32	27,769	10,612	638,341	41.16	15,509
2009	335,611.03	9,095	3,476	348,916	41.89	8,329
2010	693,870.80	6,266	2,395	726,170	42.63	17,034
	9,447,020.00	2,185,113	835,027	9,084,344		281,363
	81,988,456.46	30,949,778	5,258,749	62,693,773		6,088,093

COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PERCENT.. 10.3 7.43

ENBRIDGE GAS DISTRIBUTION, INC.

ACCOUNT 473.00 - SERVICES

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AS OF DECEMBER 31, 2010

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUTURE BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
SURVIVOR CURVE.. IOWA 40-L1.5						
NET SALVAGE PERCENT.. -45						
1954	1,375,060.32	1,350,825	1,483,289	510,548	12.90	39,577
1955	390,704.82	380,420	417,724	148,798	13.14	11,324
1956	824,390.15	794,918	872,869	322,497	13.40	24,067
1957	1,557,351.14	1,487,562	1,633,434	624,725	13.65	45,767
1958	1,664,865.89	1,575,171	1,729,634	684,422	13.90	49,239
1959	1,097,949.78	1,028,450	1,129,301	462,726	14.16	32,678
1960	1,469,527.14	1,362,656	1,496,280	634,534	14.42	44,004
1961	2,305,539.11	2,116,975	2,324,568	1,018,464	14.67	69,425
1962	3,321,611.71	3,018,639	3,314,650	1,501,687	14.93	100,582
1963	2,709,710.89	2,437,012	2,675,988	1,253,093	15.19	82,495
1964	1,188,962.42	1,057,671	1,161,388	562,608	15.46	36,391
1965	1,978,747.27	1,741,594	1,912,377	956,807	15.72	60,866
1966	2,796,471.96	2,434,958	2,673,733	1,381,151	15.98	86,430
1967	3,368,292.36	2,901,110	3,185,596	1,698,428	16.24	104,583
1968	4,790,118.17	4,078,845	4,478,822	2,466,849	16.51	149,415
1969	4,907,017.24	4,132,138	4,537,341	2,577,834	16.77	153,717
1970	4,197,486.34	3,493,568	3,836,152	2,250,203	17.04	132,054
1971	7,140,091.45	5,872,814	6,448,709	3,904,424	17.31	225,559
1972	7,326,937.96	5,954,786	6,538,720	4,085,340	17.58	232,386
1973	10,953,607.38	8,795,062	9,657,517	6,225,214	17.85	348,751
1974	8,143,263.28	6,455,877	7,088,948	4,718,784	18.13	260,275
1975	9,661,451.52	7,561,414	8,302,896	5,706,209	18.41	309,952
1976	9,972,568.61	7,700,070	8,455,148	6,005,076	18.70	321,127
1977	11,002,607.67	8,379,724	9,201,450	6,752,331	18.99	355,573
1978	13,646,154.83	10,239,733	11,243,854	8,543,071	19.30	442,646
1979	22,162,057.48	16,380,808	17,987,130	14,147,853	19.61	721,461
1980	23,589,254.20	17,162,067	18,845,000	15,359,419	19.93	770,668
1981	25,067,158.83	17,937,432	19,696,399	16,650,981	20.26	821,865
1982	20,292,768.89	14,263,534	15,662,234	13,762,281	20.61	667,748
1983	23,349,772.82	16,107,549	17,687,075	16,170,096	20.97	771,106
1984	31,038,230.19	20,983,783	23,041,478	21,963,956	21.35	1,028,757
1985	25,363,218.24	16,788,548	18,434,854	18,341,812	21.74	843,690
1986	32,195,819.36	20,821,036	22,862,772	23,821,166	22.16	1,074,962
1987	33,623,958.17	21,220,500	23,301,408	25,453,331	22.59	1,126,752
1988	37,309,414.63	22,924,303	25,172,288	28,926,363	23.05	1,254,940
1989	37,040,676.84	22,114,673	24,283,265	29,425,716	23.53	1,250,562
1990	43,008,724.90	24,882,698	27,322,726	35,039,925	24.04	1,457,568
1991	48,568,980.04	27,148,846	29,811,095	40,613,926	24.58	1,652,316
1992	60,448,663.62	32,562,184	35,755,272	51,895,290	25.14	2,064,252
1993	65,776,976.52	34,001,764	37,336,019	58,040,597	25.74	2,254,879
1994	77,904,278.04	38,519,770	42,297,066	70,664,137	26.36	2,680,734
1995	83,485,978.05	39,282,240	43,134,305	77,920,363	27.02	2,883,803
1996	87,516,145.33	39,021,261	42,847,734	84,050,677	27.70	3,034,320

ENBRIDGE GAS DISTRIBUTION, INC.

ACCOUNT 473.00 - SERVICES

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AS OF DECEMBER 31, 2010

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUTURE BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
SURVIVOR CURVE.. IOWA 40-L1.5						
NET SALVAGE PERCENT.. -45						
1997	64,415,823.19	27,086,854	29,743,024	63,659,920	28.40	2,241,546
1998	74,799,406.06	29,473,771	32,364,005	76,095,134	29.13	2,612,260
1999	86,638,135.41	31,783,200	34,899,899	90,725,397	29.88	3,036,325
2000	103,836,807.85	35,194,188	38,645,373	111,917,998	30.65	3,651,484
2001	88,791,584.70	27,552,029	30,253,815	98,493,983	31.44	3,132,760
2002	71,333,322.82	20,014,347	21,976,978	81,456,340	32.26	2,524,995
2003	91,572,174.00	22,904,490	25,150,532	107,629,120	33.10	3,251,635
2004	32,408,883.32	7,095,925	7,791,760	39,201,121	33.96	1,154,332
2005	76,785,648.18	14,362,755	15,771,185	95,568,005	34.84	2,743,054
2006	88,514,405.34	13,668,837	15,009,220	113,336,668	35.74	3,171,143
2007	89,078,390.52	10,785,166	11,842,773	117,320,893	36.66	3,200,243
2008	85,369,079.63	7,427,110	8,155,421	115,629,744	37.60	3,075,259
2009	95,267,455.47	5,007,496	5,498,537	132,639,273	38.55	3,440,707
2010	80,202,216.60	1,424,592	1,564,290	114,728,924	39.51	2,903,795
	2,024,545,898.65	792,255,748	869,945,320	2,065,646,233		70,218,804
COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PERCENT..					29.4	3.47

ENBRIDGE GAS DISTRIBUTION, INC.

ACCOUNT 475.10 - MAINS - CAST IRON

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AS OF DECEMBER 31, 2010

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUTURE BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
INTERIM SURVIVOR CURVE.. IOWA 43-R2						
PROBABLE RETIREMENT YEAR.. 12-2016						
NET SALVAGE PERCENT.. -125						
1954	4,812,965.10	9,726,437	8,864,746-	19,693,917	4.33	4,548,249
1956	98,858.71	198,868	181,250-	403,682	4.48	90,108
1958	1,339.80	2,683	2,445-	5,460	4.62	1,182
1982	22,762.08	41,904	38,192-	89,407	5.67	15,768
1983	523,645.96	958,115	873,233-	2,051,436	5.69	360,534
2002	946.13	1,240	1,130-	3,259	5.91	551
2005	12,524.24	13,391	12,205-	40,385	5.93	6,810
2010	2,917.15	509	463-	7,027	5.95	1,181
	5,475,959.17	10,943,147	9,973,664-	22,294,573		5,024,383
COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PERCENT..					4.4	91.75

ENBRIDGE GAS DISTRIBUTION, INC.

ACCOUNT 475.20 - MAINS - BARE STEEL

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AS OF DECEMBER 31, 2010

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUTURE BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
INTERIM SURVIVOR CURVE.. IOWA 40-R0.5						
PROBABLE RETIREMENT YEAR.. 12-2016						
NET SALVAGE PERCENT.. -125						
1954	3,998,454.09	7,841,458	5,144,248	3,852,274	4.97	775,105
1956	1,027,729.08	2,007,802	1,317,183	995,207	5.05	197,071
1958	302,918.18	589,541	386,758	294,808	5.12	57,580
1967	50,478.75	96,294	63,172	50,405	5.37	9,386
1983	3,159.72	5,646	3,704	3,405	5.65	603
2005	113,491.85	118,853	77,971	177,386	5.80	30,584
2006	1,431,562.45	1,342,101	880,461	2,340,555	5.81	402,849
2007	2,186,793.24	1,765,005	1,157,900	3,762,385	5.81	647,571
2010	35.33	6	4	76	5.82	13
	9,114,622.69	13,766,706	9,031,401	11,476,500		2,120,762

COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PERCENT.. 5.4 23.27

ENBRIDGE GAS DISTRIBUTION, INC.

ACCOUNT 475.21 - MAINS - COATED STEEL

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AS OF DECEMBER 31, 2010

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUTURE BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
SURVIVOR CURVE.. IOWA 61-R3						
NET SALVAGE PERCENT.. -90						
1955	20,682.00	29,549	24,102	15,194	15.13	1,004
1956	454,363.03	641,243	523,036	340,254	15.69	21,686
1957	1,521,812.04	2,120,237	1,729,391	1,162,052	16.27	71,423
1958	2,087,151.76	2,869,539	2,340,567	1,625,021	16.86	96,383
1959	33,457,103.89	45,373,286	37,009,152	26,559,345	17.46	1,521,154
1960	8,575,207.68	11,463,844	9,350,593	6,942,302	18.08	383,977
1961	10,276,607.22	13,536,676	11,041,318	8,484,236	18.71	453,460
1962	10,764,673.03	13,961,544	11,387,866	9,065,013	19.36	468,234
1963	12,845,966.69	16,396,849	13,374,246	11,033,091	20.02	551,103
1964	5,600,017.45	7,031,147	5,735,022	4,905,011	20.69	237,072
1965	5,086,518.26	6,278,661	5,121,250	4,543,135	21.37	212,594
1966	9,033,911.08	10,957,086	8,937,251	8,227,180	22.06	372,946
1967	9,373,988.25	11,162,245	9,104,591	8,705,987	22.77	382,345
1968	8,869,262.93	10,365,082	8,454,378	8,397,222	23.48	357,633
1969	10,451,851.66	11,976,871	9,769,049	10,089,469	24.21	416,748
1970	13,668,371.82	15,347,695	12,518,493	13,451,413	24.95	539,135
1971	19,899,826.08	21,886,127	17,851,627	19,958,043	25.69	776,880
1972	13,555,229.49	14,587,338	11,898,301	13,856,635	26.45	523,880
1973	16,858,338.04	17,742,844	14,472,119	17,558,723	27.21	645,304
1974	11,117,110.88	11,430,447	9,323,353	11,799,158	27.99	421,549
1975	6,995,961.48	7,023,134	5,728,486	7,563,841	28.77	262,907
1976	3,633,992.12	3,558,692	2,902,681	4,001,904	29.56	135,382
1977	6,254,391.75	5,969,004	4,868,675	7,014,669	30.36	231,050
1978	5,136,752.41	4,772,752	3,892,941	5,866,889	31.17	188,222
1979	5,783,604.02	5,225,966	4,262,609	6,726,239	31.99	210,261
1980	8,449,567.10	7,419,117	6,051,473	10,002,704	32.81	304,868
1981	7,122,608.49	6,067,636	4,949,125	8,583,831	33.65	255,092
1982	7,352,952.64	6,071,487	4,952,266	9,018,344	34.49	261,477
1983	9,414,993.42	7,524,971	6,137,814	11,750,673	35.34	332,503
1984	5,677,033.82	4,385,304	3,576,915	7,209,449	36.20	199,156
1985	8,800,349.47	6,562,192	5,352,514	11,368,150	37.06	306,750
1986	8,778,770.56	6,308,249	5,145,383	11,534,281	37.93	304,094
1987	25,977,515.20	17,954,697	14,644,919	34,712,360	38.81	894,418
1988	9,604,938.71	6,372,320	5,197,643	13,051,741	39.70	328,759
1989	30,168,371.70	19,178,667	15,643,262	41,676,644	40.59	1,026,771
1990	31,319,791.98	19,032,912	15,524,376	43,983,229	41.49	1,060,092
1991	69,704,461.13	40,404,330	32,956,176	99,482,300	42.39	2,346,834
1992	56,418,087.79	31,086,366	25,355,890	81,838,477	43.31	1,889,598
1993	15,236,787.45	7,963,537	6,495,535	22,454,361	44.22	507,787
1994	17,060,135.80	8,422,521	6,869,909	25,544,349	45.15	565,766
1995	15,246,702.81	7,085,463	5,779,325	23,189,410	46.08	503,242
1996	26,244,188.83	11,435,800	9,327,719	40,536,240	47.01	862,290
1997	13,184,751.41	5,359,166	4,371,255	20,679,773	47.95	431,278

ENBRIDGE GAS DISTRIBUTION, INC.

ACCOUNT 475.21 - MAINS - COATED STEEL

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AS OF DECEMBER 31, 2010

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUTURE BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
SURVIVOR CURVE.. IOWA 61-R3						
NET SALVAGE PERCENT.. -90						
1998	24,981,157.67	9,422,593	7,685,627	39,778,573	48.89	813,634
1999	28,665,753.99	9,964,359	8,127,524	46,337,409	49.84	929,723
2000	25,252,852.33	8,030,963	6,550,531	41,429,888	50.79	815,710
2001	37,783,177.86	10,885,938	8,879,219	62,908,819	51.75	1,215,629
2002	46,384,439.31	11,976,926	9,769,094	78,361,341	52.71	1,486,650
2003	13,808,186.42	3,148,267	2,567,914	23,667,640	53.68	440,902
2004	16,553,642.72	3,279,177	2,674,692	28,777,229	54.64	526,670
2005	21,576,108.65	3,622,283	2,954,549	38,040,057	55.61	684,051
2006	46,450,757.46	6,380,941	5,204,675	83,051,764	56.59	1,467,605
2007	66,432,543.90	7,117,649	5,805,578	120,416,255	57.56	2,092,013
2008	42,472,101.02	3,254,510	2,654,572	78,042,420	58.54	1,333,147
2009	29,441,111.70	1,357,059	1,106,898	54,831,214	59.52	921,223
2010	16,950,773.41	258,618	210,945	31,995,525	60.51	528,764
	1,013,837,309.81	569,041,876	464,144,414	1,462,146,475		35,118,828
COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PERCENT..					41.6	3.46

ENBRIDGE GAS DISTRIBUTION, INC.

ACCOUNT 475.30 - MAINS - PLASTIC

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AS OF DECEMBER 31, 2010

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUTURE BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
SURVIVOR CURVE.. IOWA 55-R3						
NET SALVAGE PERCENT.. -85						
1970	17,524.99	20,850	20,788	11,633	19.63	593
1971	170,927.02	199,329	198,733	117,482	20.33	5,779
1972	409,522.46	467,790	466,390	291,227	21.04	13,842
1973	2,574,571.18	2,877,683	2,869,072	1,893,885	21.77	86,995
1974	3,816,219.97	4,171,829	4,159,346	2,900,661	22.50	128,918
1975	4,463,691.19	4,766,997	4,752,733	3,505,096	23.25	150,757
1976	5,218,685.51	5,439,866	5,423,588	4,230,980	24.01	176,217
1977	6,195,271.07	6,299,562	6,280,712	5,180,539	24.77	209,146
1978	7,839,559.84	7,765,731	7,742,493	6,760,693	25.55	264,606
1979	12,554,859.33	12,103,092	12,066,876	11,159,614	26.34	423,676
1980	23,453,620.43	21,978,798	21,913,030	21,476,168	27.14	791,311
1981	10,185,896.40	9,271,203	9,243,460	9,600,448	27.94	343,609
1982	14,590,791.67	12,878,073	12,839,538	14,153,427	28.76	492,122
1983	12,927,736.48	11,049,336	11,016,273	12,900,039	29.59	435,959
1984	13,680,605.18	11,310,899	11,277,053	14,032,067	30.42	461,278
1985	11,846,542.77	9,459,867	9,431,560	12,484,544	31.26	399,378
1986	12,763,076.10	9,826,713	9,797,308	13,814,383	32.11	430,221
1987	18,145,068.10	13,445,813	13,405,579	20,162,797	32.97	611,550
1988	16,045,984.92	11,420,738	11,386,563	18,298,509	33.84	540,736
1989	25,078,994.07	17,107,648	17,056,456	29,339,683	34.72	845,037
1990	19,959,571.94	13,024,629	12,985,655	23,939,553	35.60	672,459
1991	24,902,772.66	15,504,902	15,458,506	30,611,623	36.49	838,904
1992	20,301,996.30	12,025,542	11,989,558	25,569,135	37.39	683,850
1993	22,797,943.09	12,806,380	12,768,059	29,408,136	38.30	767,836
1994	25,624,013.06	13,609,336	13,568,612	33,835,812	39.21	862,938
1995	37,105,636.79	18,558,978	18,503,443	50,141,985	40.13	1,249,489
1996	43,426,407.66	20,361,883	20,300,954	60,037,900	41.06	1,462,199
1997	39,877,999.15	17,451,310	17,399,090	56,375,208	41.99	1,342,587
1998	53,459,880.91	21,703,776	21,638,831	77,261,949	42.93	1,799,719
1999	55,871,378.17	20,916,344	20,853,755	82,508,295	43.87	1,880,745
2000	57,340,549.28	19,653,445	19,594,635	86,485,381	44.81	1,930,046
2001	67,933,421.35	21,091,086	21,027,975	104,648,854	45.77	2,286,407
2002	52,389,851.10	14,591,490	14,547,827	82,373,398	46.72	1,763,129
2003	54,090,485.56	13,299,958	13,260,160	86,807,238	47.69	1,820,240
2004	32,743,360.13	6,993,409	6,972,483	53,602,733	48.65	1,101,803
2005	60,030,865.77	10,863,606	10,831,099	100,226,003	49.62	2,019,871
2006	109,198,893.59	16,197,799	16,149,330	185,868,623	50.59	3,674,019
2007	106,733,135.48	12,313,375	12,276,529	185,179,772	51.57	3,590,843
2008	75,188,541.43	6,221,889	6,203,271	132,895,531	52.54	2,529,416

ENBRIDGE GAS DISTRIBUTION, INC.

ACCOUNT 475.30 - MAINS - PLASTIC

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AS OF DECEMBER 31, 2010

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUTURE BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
SURVIVOR CURVE.. IOWA 55-R3						
NET SALVAGE PERCENT.. -85						
2009	81,485,550.36	4,056,636	4,044,497	146,703,771	53.52	2,741,102
2010	86,792,797.51	1,430,649	1,426,368	159,140,307	54.51	2,919,470
	1,329,234,199.97	464,538,239	463,148,188	1,995,935,082		44,748,802
COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PERCENT..					44.6	3.37

ENBRIDGE GAS DISTRIBUTION, INC.

ACCOUNT 475.EN - MAINS - ENVISION

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AS OF DECEMBER 31, 2010

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUTURE BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
SURVIVOR CURVE.. 25-SQUARE						
NET SALVAGE PERCENT.. 0						
2004	29,459,720.88	7,659,527	7,382,351	22,077,370	18.50	1,193,371
2005	18,650,617.10	4,103,136	3,954,656	14,695,961	19.50	753,639
2006	18,244,834.93	3,284,070	3,165,229	15,079,606	20.50	735,591
2007	15,875,281.79	2,222,539	2,142,112	13,733,170	21.50	638,752
2008	11,772,203.07	1,177,220	1,134,620	10,637,583	22.50	472,781
2009	17,976,461.62	1,078,588	1,039,557	16,936,905	23.50	720,719
2010	11,575,633.87	231,513	223,135	11,352,499	24.50	463,367
	123,554,753.26	19,756,593	19,041,660	104,513,093		4,978,220
COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PERCENT..					21.0	4.03

ENBRIDGE GAS DISTRIBUTION, INC.

ACCOUNT 476.00 - COMPANY NGV COMPRESSOR STATIONS

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AS OF DECEMBER 31, 2010

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUTURE BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
SURVIVOR CURVE.. IOWA 16-R3						
NET SALVAGE PERCENT.. 0						
1991	877,259.46	771,988	782,025	95,234	1.92	49,601
1994	277,034.49	225,091	228,017	49,017	3.00	16,339
1996	29,028.16	21,771	22,054	6,974	4.00	1,744
1997	188,223.21	134,226	135,971	52,252	4.59	11,384
1998	94,684.97	63,794	64,623	30,062	5.22	5,759
1999	46,604.73	29,390	29,772	16,833	5.91	2,848
2001	302,950.58	162,836	164,953	137,998	7.40	18,648
2005	513,802.57	167,952	170,136	343,667	10.77	31,910
2010	263,877.76	8,080	8,185	255,693	15.51	16,486
	2,593,465.93	1,585,128	1,605,736	987,730		154,719
COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PERCENT..					6.4	5.97

ENBRIDGE GAS DISTRIBUTION, INC.

ACCOUNT 477.00 - MEASURING AND REGULATING EQUIPMENT

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AS OF DECEMBER 31, 2010

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUTURE BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
SURVIVOR CURVE.. IOWA 33-L1.5						
NET SALVAGE PERCENT.. -5						
1955	118,200.17	91,917	124,110			
1956	13,063.71	10,067	13,717			
1957	503,196.88	384,099	528,357			
1958	218,728.25	165,427	229,665			
1959	25,693.60	19,236	26,978			
1960	190,377.25	141,139	199,896			
1961	60,592.69	44,459	63,622			
1962	153,425.59	111,402	161,097			
1963	152,060.76	109,248	159,664			
1964	86,856.71	61,712	91,200			
1965	154,693.34	108,679	162,428			
1966	95,012.46	65,995	99,763			
1967	216,244.21	148,481	227,056			
1968	140,527.66	95,329	147,554			
1969	232,628.93	155,882	244,260			
1970	183,146.84	121,269	192,304			
1971	295,728.47	193,367	310,515			
1972	878,274.69	567,008	922,188			
1973	349,398.01	222,568	366,868			
1974	679,123.88	426,985	713,080			
1975	736,842.97	457,178	773,685			
1976	618,854.14	378,656	645,855	3,942	13.77	286
1977	1,072,986.55	647,647	1,104,660	21,976	14.03	1,566
1978	1,375,922.97	818,679	1,396,381	48,338	14.30	3,380
1979	1,243,907.78	729,432	1,244,156	61,947	14.57	4,252
1980	1,483,393.63	856,660	1,461,163	96,400	14.85	6,492
1981	1,810,654.41	1,029,531	1,756,021	145,166	15.13	9,595
1982	1,719,906.60	962,058	1,640,935	164,967	15.42	10,698
1983	1,756,802.17	966,482	1,648,481	196,161	15.71	12,486
1984	4,359,220.49	2,356,562	4,019,473	557,709	16.01	34,835
1985	3,809,858.44	2,020,777	3,446,741	553,610	16.33	33,901
1986	3,214,931.24	1,671,467	2,850,940	524,738	16.66	31,497
1987	6,280,384.92	3,195,319	5,450,099	1,144,305	17.01	67,272
1988	5,230,266.94	2,601,127	4,436,615	1,055,165	17.37	60,746
1989	6,150,887.33	2,984,570	5,090,635	1,367,797	17.75	77,059
1990	11,156,952.99	5,268,146	8,985,619	2,729,182	18.16	150,285
1991	9,450,239.07	4,332,968	7,390,532	2,532,219	18.59	136,214
1992	6,681,535.03	2,967,814	5,062,055	1,953,557	19.04	102,603
1993	8,954,181.66	3,837,664	6,545,716	2,856,175	19.53	146,246
1994	10,439,797.06	4,301,624	7,337,070	3,624,717	20.05	180,784
1995	11,991,224.85	4,731,114	8,069,630	4,521,156	20.60	219,474
1996	12,750,685.77	4,787,360	8,165,566	5,222,654	21.20	246,352
1997	10,356,057.25	3,683,955	6,283,542	4,590,318	21.82	210,372

ENBRIDGE GAS DISTRIBUTION, INC.

ACCOUNT 477.00 - MEASURING AND REGULATING EQUIPMENT

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AS OF DECEMBER 31, 2010

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUTURE BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
SURVIVOR CURVE.. IOWA 33-L1.5						
NET SALVAGE PERCENT.. -5						
1998	14,314,273.29	4,791,410	8,172,474	6,857,513	22.48	305,050
1999	17,504,814.37	5,475,051	9,338,526	9,041,529	23.17	390,226
2000	18,280,431.89	5,298,821	9,037,940	10,156,513	23.89	425,137
2001	9,701,072.14	2,580,451	4,401,349	5,784,777	24.64	234,772
2002	10,459,382.00	2,525,941	4,308,374	6,673,977	25.41	262,652
2003	13,421,103.63	2,899,603	4,945,711	9,146,448	26.21	348,968
2004	17,193,858.86	3,260,652	5,561,534	12,492,018	27.04	461,983
2005	12,493,778.70	2,027,459	3,458,138	9,660,330	27.90	346,248
2006	13,760,480.89	1,847,675	3,151,489	11,297,016	28.78	392,530
2007	15,403,627.34	1,627,247	2,775,515	13,398,294	29.68	451,425
2008	19,364,142.48	1,472,469	2,511,518	17,820,832	30.61	582,190
2009	16,862,292.28	777,976	1,326,956	16,378,451	31.55	519,127
2010	8,748,080.73	133,649	227,959	8,957,526	32.52	275,447
	314,899,806.96	93,549,463	159,007,375	171,637,423		6,742,150
COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PERCENT..					25.5	2.14

ENBRIDGE GAS DISTRIBUTION, INC.

ACCOUNT 478.00 - METERS

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AS OF DECEMBER 31, 2010

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUTURE BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
SURVIVOR CURVE.. IOWA 20-S2						
NET SALVAGE PERCENT.. +5						
1954	10,025.00	9,524	9,524			
1962	8,440.16	8,018	8,018			
1963	71,576.50	67,998	67,998			
1964	83,934.89	79,738	79,738			
1965	52,740.32	50,103	50,103			
1966	118,710.72	112,775	112,775			
1967	19,957.18	18,959	18,959			
1968	339,179.85	322,221	322,221			
1969	296,989.83	282,140	282,140			
1970	338,000.18	321,100	321,100			
1971	966,951.47	916,307	507,389	411,215	0.05	411,215
1972	1,215,930.58	1,139,540	631,000	524,134	0.27	524,134
1973	1,327,416.32	1,232,672	682,570	578,476	0.45	578,476
1974	862,790.94	793,423	439,344	380,307	0.64	380,307
1975	1,648,421.14	1,500,228	830,724	735,276	0.84	735,276
1976	1,910,875.32	1,720,934	952,936	862,396	1.04	829,227
1977	1,315,708.89	1,172,428	649,211	600,712	1.24	484,445
1978	1,008,175.71	887,850	491,631	466,136	1.46	319,271
1979	2,775,918.41	2,415,604	1,337,597	1,299,525	1.68	773,527
1980	3,612,986.97	3,104,549	1,719,088	1,713,250	1.91	896,990
1981	2,685,573.66	2,278,306	1,261,571	1,289,724	2.14	602,675
1982	3,164,885.89	2,647,348	1,465,921	1,540,721	2.39	644,653
1983	3,979,788.59	3,279,843	1,816,154	1,964,645	2.65	741,375
1984	4,337,535.56	3,519,043	1,948,607	2,172,052	2.92	743,853
1985	4,975,932.70	3,970,794	2,198,756	2,528,380	3.20	790,119
1986	6,460,736.50	5,063,602	2,803,879	3,333,821	3.50	952,520
1987	8,832,859.36	6,788,494	3,759,007	4,632,209	3.82	1,212,620
1988	11,982,828.91	9,021,572	4,995,533	6,388,154	4.15	1,539,314
1989	7,781,495.34	5,729,126	3,172,401	4,220,020	4.50	937,782
1990	6,805,968.54	4,891,279	2,708,458	3,757,212	4.87	771,501
1991	9,875,457.66	6,909,611	3,826,073	5,555,612	5.27	1,054,196
1992	7,407,889.86	5,035,328	2,788,222	4,249,273	5.69	746,797
1993	8,412,145.93	5,538,136	3,066,643	4,924,896	6.14	802,100
1994	12,378,531.18	7,867,175	4,356,307	7,403,298	6.62	1,118,323
1995	15,161,497.33	9,261,401	5,128,334	9,275,088	7.14	1,299,032
1996	12,673,049.43	7,410,249	4,103,292	7,936,105	7.69	1,032,003
1997	13,423,055.25	7,472,615	4,137,826	8,614,076	8.28	1,040,347
1998	12,613,859.42	6,638,674	3,676,046	8,307,120	8.92	931,291
1999	11,266,234.15	5,570,871	3,084,770	7,618,152	9.59	794,385
2000	14,741,466.05	6,778,126	3,753,265	10,251,128	10.32	993,326
2001	12,252,326.51	5,191,311	2,874,595	8,765,115	11.08	791,075
2002	11,252,854.71	4,329,536	2,397,403	8,292,809	11.90	696,875
2003	14,056,516.48	4,840,713	2,680,458	10,673,233	12.75	837,116

ENBRIDGE GAS DISTRIBUTION, INC.

ACCOUNT 478.00 - METERS

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AS OF DECEMBER 31, 2010

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUTURE BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
SURVIVOR CURVE.. IOWA 20-S2						
NET SALVAGE PERCENT.. +5						
2004	8,391,034.76	2,530,946	1,401,466	6,570,017	13.65	481,320
2005	14,932,095.69	3,844,268	2,128,694	12,056,797	14.58	826,941
2006	21,487,666.67	4,562,369	2,526,330	17,886,953	15.53	1,151,768
2007	24,128,017.96	3,999,822	2,214,830	20,706,787	16.51	1,254,197
2008	27,675,519.54	3,286,468	1,819,822	24,471,922	17.50	1,398,396
2009	19,986,007.62	1,424,003	788,516	18,198,191	18.50	983,686
2010	16,637,582.29	395,143	218,803	15,586,900	19.50	799,328
	367,745,143.92	166,232,283	92,616,048	256,741,838		33,901,782
COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PERCENT..					7.6	9.22

ENBRIDGE GAS DISTRIBUTION, INC.

ACCOUNT 483.01 - OFFICE EQUIPMENT

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AS OF DECEMBER 31, 2010

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUTURE BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
SURVIVOR CURVE.. 15-SQUARE						
NET SALVAGE PERCENT.. 0						
1996	385,394.24	372,549	385,394			
1997	100,150.15	90,135	100,150			
1998	49,267.44	41,056	49,267			
1999	140,914.85	108,035	140,915			
2000	60,437.45	42,306	60,437			
2001	1,770,636.29	1,121,397	1,770,636			
2002	242,501.21	137,418	242,501			
2003	11,853.97	5,927	11,854			
2004	107,938.54	46,773	96,624	11,315	8.50	1,331
2005	25,456.64	9,334	19,282	6,175	9.50	650
2006	12,641.99	3,793	7,836	4,806	10.50	458
2007	583.18	136	281	302	11.50	26
2008	20,360.85	3,394	7,011	13,350	12.50	1,068
2009	11,149.85	1,115	2,304	8,846	13.50	655
2010	4,487.98	150	309	4,179	14.50	288
	2,943,774.63	1,983,518	2,894,801	48,973		4,476

COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PERCENT.. 10.9 0.15

ENBRIDGE GAS DISTRIBUTION, INC.

ACCOUNT 483.02 - FURNISHINGS

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AS OF DECEMBER 31, 2010

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUTURE BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
SURVIVOR CURVE.. 20-SQUARE						
NET SALVAGE PERCENT.. 0						
1991	1,488,905.17	1,451,683	1,064,769	424,136	0.50	424,136
1992	1,112,779.89	1,029,321	754,979	357,801	1.50	238,534
1993	1,038,473.90	908,665	666,481	371,993	2.50	148,797
1994	1,515,996.37	1,250,697	917,352	598,644	3.50	171,041
1995	1,113,265.78	862,781	632,826	480,440	4.50	106,764
1996	1,462,961.90	1,060,647	777,955	685,007	5.50	124,547
1997	559,095.36	377,389	276,804	282,291	6.50	43,429
1998	202,277.73	126,424	92,729	109,549	7.50	14,607
1999	128,584.12	73,936	54,230	74,354	8.50	8,748
2000	446,877.33	234,611	172,081	274,796	9.50	28,926
2001	152,668.00	72,517	53,189	99,479	10.50	9,474
2002	50,799.01	21,590	15,836	34,963	11.50	3,040
2003	355,112.29	133,167	97,674	257,438	12.50	20,595
2004	155,558.78	50,557	37,082	118,477	13.50	8,776
2005	728,085.93	200,224	146,859	581,227	14.50	40,085
2006	254,420.69	57,245	41,988	212,433	15.50	13,705
2007	1,025,706.69	179,499	131,657	894,050	16.50	54,185
2008	446,161.74	55,770	40,906	405,256	17.50	23,157
2009	1,024,117.26	76,809	56,337	967,780	18.50	52,312
2010	1,926,145.62	48,154	35,319	1,890,826	19.50	96,965
	15,187,993.56	8,271,686	6,067,053	9,120,940		1,631,823

COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PERCENT.. 5.6 10.74

ENBRIDGE GAS DISTRIBUTION, INC.

ACCOUNT 484.00 - TRANSPORTATION EQUIPMENT

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AS OF DECEMBER 31, 2010

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUTURE BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
SURVIVOR CURVE.. IOWA 11-L1.5						
NET SALVAGE PERCENT.. 0						
1985	48,850.40	41,922	28,809	20,041	1.56	12,847
1986	8,567.45	7,236	4,973	3,594	1.71	2,102
1987	39,692.54	32,909	22,615	17,078	1.88	9,084
1988	41,937.65	34,084	23,423	18,515	2.06	8,988
1989	196,560.86	156,533	107,570	88,991	2.24	39,728
1990	77,124.31	60,017	41,244	35,880	2.44	14,705
1991	371,911.87	282,653	194,241	177,671	2.64	67,300
1992	40,778.93	30,214	20,763	20,016	2.85	7,023
1993	133,496.38	96,117	66,052	67,444	3.08	21,897
1994	375,628.67	262,598	180,459	195,170	3.31	58,964
1995	169,665.33	114,755	78,860	90,805	3.56	25,507
1996	218,877.66	143,067	98,317	120,561	3.81	31,643
1997	743,942.70	469,361	322,548	421,395	4.06	103,792
1998	620,721.24	376,381	258,651	362,070	4.33	83,619
1999	280,162.79	163,259	112,193	167,970	4.59	36,595
2000	296,707.42	165,616	113,812	182,895	4.86	37,633
2001	268,759.64	143,176	98,391	170,369	5.14	33,146
2002	376,457.41	190,280	130,762	245,695	5.44	45,165
2003	831,449.70	393,808	270,627	560,823	5.79	96,861
2004	1,506,546.02	657,396	451,766	1,054,780	6.20	170,126
2005	1,680,705.76	660,064	453,600	1,227,106	6.68	183,699
2006	7,289,333.09	2,471,740	1,698,595	5,590,738	7.27	769,015
2007	5,618,787.02	1,552,808	1,067,099	4,551,688	7.96	571,820
2008	8,866,448.24	1,821,612	1,251,823	7,614,625	8.74	871,239
2009	7,200,043.55	922,902	634,223	6,565,821	9.59	684,653
2010	3,654,039.27	159,462	109,584	3,544,456	10.52	336,925
	40,957,195.90	11,409,970	7,841,000	33,116,196		4,324,076
COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PERCENT..					7.7	10.56

ENBRIDGE GAS DISTRIBUTION, INC.

ACCOUNT 484.01 - TRANSPORTATION - COMPANY NGV KITS

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AS OF DECEMBER 31, 2010

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUTURE BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
SURVIVOR CURVE.. IOWA 9-L1						
NET SALVAGE PERCENT.. 0						
1981	4,556.26	4,556	4,556			
1982	6,636.55	6,637	6,637			
1983	11,431.95	11,114	11,432			
1984	39,430.77	37,634	39,431			
1985	39,226.60	36,742	39,227			
1986	20,833.72	19,144	20,810	24	0.73	24
1987	136,576.80	122,919	133,619	2,958	0.90	2,958
1988	94,868.70	83,484	90,751	4,118	1.08	3,813
1989	151,889.87	130,625	141,996	9,894	1.26	7,852
1990	257,902.70	216,638	235,496	22,407	1.44	15,560
1991	232,144.87	190,101	206,649	25,496	1.63	15,642
1992	272,689.09	217,243	236,154	36,535	1.83	19,964
1993	392,697.69	303,685	330,121	62,577	2.04	30,675
1994	648,602.97	486,452	528,798	119,805	2.25	53,247
1995	432,132.84	313,054	340,306	91,827	2.48	37,027
1996	552,563.88	386,181	419,798	132,766	2.71	48,991
1997	270,835.56	182,061	197,910	72,926	2.95	24,721
1998	350,969.13	225,789	245,444	105,525	3.21	32,874
1999	262,531.75	161,019	175,036	87,496	3.48	25,143
2000	9,046.77	5,267	5,725	3,322	3.76	884
2002	251,034.53	129,142	140,384	110,651	4.37	25,321
2003	167,375.58	79,783	86,728	80,648	4.71	17,123
2004	214,237.82	93,789	101,954	112,284	5.06	22,191
2005	432,151.90	170,942	185,823	246,329	5.44	45,281
2006	1,091,091.92	381,882	415,125	675,967	5.85	115,550
2007	350,757.56	103,670	112,695	238,063	6.34	37,549
2008	358,634.14	82,088	89,234	269,400	6.94	38,818
2009	270,707.95	39,705	43,161	227,547	7.68	29,629
2010	401,725.94	20,532	22,319	379,407	8.54	44,427
	7,725,285.81	4,241,878	4,607,319	3,117,967		695,264

COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PERCENT.. 4.5 9.00

ENBRIDGE GAS DISTRIBUTION, INC.

ACCOUNT 484.02 - TRANSPORTATION - COMPANY NGV CYLINDERS

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AS OF DECEMBER 31, 2010

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUTURE BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
SURVIVOR CURVE.. IOWA 7-S2.5						
NET SALVAGE PERCENT.. 0						
1991	106,383.96	106,384	106,384			
1992	55,855.39	55,855	55,855			
1993	44,063.57	44,064	44,064			
1994	82,794.42	82,794	82,794			
1995	44,453.22	44,453	44,453			
1996	82,147.02	82,147	82,147			
1997	52,226.12	51,554	52,226			
1998	50,541.63	48,592	50,542			
1999	86,150.36	80,489	86,150			
2000	18,051.76	16,375	18,052			
2001	13,916.84	12,207	13,917			
2002	23,743.61	20,013	23,126	618	1.10	562
2003	16,122.29	12,898	14,904	1,218	1.40	870
2004	30,440.96	22,700	26,231	4,210	1.78	2,365
2005	27,482.43	18,570	21,458	6,024	2.27	2,654
2006	95,084.41	55,828	64,511	30,573	2.89	10,579
2009	125.00	27	31	94	5.51	17
2010	2,886.00	206	238	2,648	6.50	407
	832,468.99	755,156	787,083	45,386		17,454

COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PERCENT.. 2.6 2.10

ENBRIDGE GAS DISTRIBUTION, INC.

ACCOUNT 485.00 - HEAVY WORK EQUIPMENT

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AS OF DECEMBER 31, 2010

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUTURE BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
SURVIVOR CURVE.. IOWA 15-L2						
NET SALVAGE PERCENT.. +25						
1955	14,329.48	10,747	10,747			
1969	15,675.50	11,553	11,757			
1971	16,113.47	11,610	12,085			
1972	30,265.95	21,549	22,699			
1973	98,939.80	69,604	74,205			
1974	26,334.54	18,289	19,751			
1975	16,500.00	11,319	12,375			
1976	24,559.52	16,615	18,420			
1977	76,324.54	50,947	57,243			
1978	57,465.57	37,812	43,099			
1979	108,154.68	70,139	81,116			
1980	2,741.34	1,750	2,056			
1981	31,912.98	20,057	23,935			
1982	72,325.40	44,733	54,244			
1983	208,225.12	126,601	156,169			
1984	36,924.61	22,044	27,693			
1985	325,703.20	190,861	244,277			
1986	168,353.86	96,719	126,265			
1987	59,115.70	33,282	43,958	379	3.74	101
1988	251,193.99	138,282	182,641	5,754	3.99	1,442
1989	448,403.02	241,465	318,924	17,378	4.23	4,108
1990	209,138.12	110,006	145,294	11,560	4.48	2,580
1991	228,198.59	117,066	154,619	16,530	4.74	3,487
1992	306,320.36	153,313	202,494	27,246	4.99	5,460
1993	262,678.62	128,318	169,481	27,528	5.23	5,263
1994	525,469.13	250,125	330,362	63,740	5.48	11,631
1995	461,006.94	213,908	282,527	63,228	5.72	11,054
1996	689,153.93	311,499	411,423	105,442	5.96	17,692
1997	265,844.72	116,972	154,495	44,889	6.20	7,240
1998	623,459.18	265,907	351,206	116,388	6.47	17,989
1999	381,691.69	157,256	207,701	78,568	6.76	11,622
2000	49,939.20	19,726	26,054	11,400	7.10	1,606
2001	343,488.60	128,808	170,128	87,488	7.50	11,665
2002	365,053.20	128,317	169,479	104,311	7.97	13,088
2003	636,791.12	205,685	271,666	205,927	8.54	24,113
2004	2,372,944.38	686,967	907,336	872,372	9.21	94,720
2005	749,230.38	188,806	249,372	312,551	9.96	31,381
2006	764,138.88	160,853	212,452	360,652	10.79	33,425
2007	880,395.94	147,464	194,768	465,529	11.65	39,960

ENBRIDGE GAS DISTRIBUTION, INC.

ACCOUNT 485.00 - HEAVY WORK EQUIPMENT

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AS OF DECEMBER 31, 2010

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUTURE BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
SURVIVOR CURVE.. IOWA 15-L2						
NET SALVAGE PERCENT.. +25						
2008	2,498,998.09	304,884	402,687	1,471,562	12.56	117,163
2009	1,863,379.05	137,895	182,130	1,215,404	13.52	89,897
2010	2,720,656.46	68,010	89,827	1,950,666	14.50	134,529
	19,287,538.85	5,247,763	6,829,160	7,636,495		691,216
COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PERCENT..					11.0	3.58

ENBRIDGE GAS DISTRIBUTION, INC.

ACCOUNT 486.00 - TOOLS AND WORK EQUIPMENT

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AS OF DECEMBER 31, 2010

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUTURE BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
SURVIVOR CURVE.. 25-SQUARE						
NET SALVAGE PERCENT.. 0						
1982	10,998.17	10,998	10,998			
1985	337,979.94	337,980	337,980			
1986	415,932.56	407,614	398,504	17,429	0.50	17,429
1987	497,081.38	467,256	456,813	40,268	1.50	26,845
1988	572,853.96	515,569	504,047	68,807	2.50	27,523
1989	991,447.52	852,645	833,590	157,858	3.50	45,102
1990	884,657.18	725,419	709,207	175,450	4.50	38,989
1991	953,376.25	743,633	727,014	226,362	5.50	41,157
1992	1,056,320.51	781,677	764,208	292,113	6.50	44,940
1993	976,748.29	683,724	668,444	308,304	7.50	41,107
1994	1,200,546.81	792,361	774,653	425,894	8.50	50,105
1995	1,318,470.50	817,452	799,183	519,288	9.50	54,662
1996	1,287,503.35	746,752	730,063	557,440	10.50	53,090
1997	1,635,664.17	883,259	863,519	772,145	11.50	67,143
1998	1,355,395.36	677,698	662,552	692,843	12.50	55,427
1999	929,710.78	427,667	418,109	511,602	13.50	37,896
2000	1,314,979.59	552,291	539,948	775,032	14.50	53,450
2001	720,797.41	273,903	267,782	453,015	15.50	29,227
2002	1,562,255.00	531,167	519,296	1,042,959	16.50	63,210
2003	909,308.84	272,793	266,696	642,613	17.50	36,721
2004	1,988,678.23	517,056	505,500	1,483,178	18.50	80,172
2005	1,273,873.09	280,252	273,989	999,884	19.50	51,276
2006	1,832,543.46	329,858	322,486	1,510,057	20.50	73,661
2007	1,622,027.76	227,084	222,009	1,400,019	21.50	65,117
2008	3,588,294.31	358,829	350,810	3,237,484	22.50	143,888
2009	2,356,291.61	141,377	138,217	2,218,075	23.50	94,386
2010	2,660,580.57	53,212	52,023	2,608,558	24.50	106,472
	34,254,316.60	13,409,526	13,117,640	21,136,677		1,398,995
COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PERCENT..					15.1	4.08

ENBRIDGE GAS DISTRIBUTION, INC.

ACCOUNT 487.70 - RENTAL - VRA'S

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AS OF DECEMBER 31, 2010

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUTURE BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
SURVIVOR CURVE.. 20-SQUARE						
NET SALVAGE PERCENT.. 0						
1992	436,128.00	403,418	436,128			
1993	148,276.80	129,742	148,277			
1995	143,592.40	111,284	139,046	4,546	4.50	1,010
1996	156,472.80	113,443	141,743	14,730	5.50	2,678
1997	70,330.12	47,473	59,316	11,014	6.50	1,694
1999	55,023.48	31,639	39,531	15,492	8.50	1,823
2010	6,325.54	158	198	6,128	19.50	314
	1,016,149.14	837,157	964,239	51,910		7,519
COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PERCENT..					6.9	0.74

ENBRIDGE GAS DISTRIBUTION, INC.

ACCOUNT 487.80 - RENTAL EQUIPMENT - NGV STATION

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AS OF DECEMBER 31, 2010

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUTURE BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
SURVIVOR CURVE.. 20-SQUARE						
NET SALVAGE PERCENT.. 0						
1987	534,389.40	534,389	534,389			
1989	837,600.60	837,601	837,601			
1990	611,109.36	611,109	611,109			
1992	417,895.59	386,553	223,841	194,055	1.50	129,370
1993	365,772.43	320,051	185,331	180,441	2.50	72,176
1995	639,920.39	495,938	287,182	352,738	4.50	78,386
1998	748,457.45	467,786	270,880	477,577	7.50	63,677
2000	344,763.20	181,001	104,812	239,951	9.50	25,258
2005	273,930.97	75,331	43,622	230,309	14.50	15,883
2008	5,627.27	703	407	5,220	17.50	298
2010	76,187.52	1,905	1,103	75,085	19.50	3,851
	4,855,654.18	3,912,367	3,100,277	1,755,377		388,899

COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PERCENT.. 4.5 8.01

ENBRIDGE GAS DISTRIBUTION, INC.

ACCOUNT 487.90 - RENTAL NGV CYLINDERS

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AS OF DECEMBER 31, 2010

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUTURE BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
SURVIVOR CURVE.. IOWA 10-S2.5						
NET SALVAGE PERCENT.. 0						
1990	5,156.90	5,157	5,157			
1991	85,509.24	84,740	65,409	20,100	0.09	20,100
1992	19,322.74	18,801	14,512	4,811	0.27	4,811
1993	41,320.38	39,420	30,428	10,892	0.46	10,892
1994	64,678.03	60,474	46,679	17,999	0.65	17,999
1995	99,301.06	90,960	70,210	29,091	0.84	29,091
1996	86,249.61	77,366	59,718	26,532	1.03	25,759
1997	130,887.31	114,657	88,502	42,385	1.24	34,181
1998	64,776.45	55,190	42,600	22,176	1.48	14,984
1999	151,583.74	125,057	96,529	55,055	1.75	31,460
2000	38,524.79	30,550	23,581	14,944	2.07	7,219
2001	88,570.38	66,871	51,617	36,953	2.45	15,083
2002	24,134.84	17,112	13,208	10,927	2.91	3,755
2003	9,852.75	6,454	4,982	4,871	3.45	1,412
2004	8,681.68	5,140	3,967	4,715	4.08	1,156
2005	13,186.60	6,831	5,273	7,914	4.82	1,642
2006	24,348.79	10,592	8,176	16,173	5.65	2,862
2007	16,961.41	5,852	4,517	12,444	6.55	1,900
2008	268,476.39	66,851	51,601	216,875	7.51	28,878
2009	138,482.75	20,772	16,034	122,449	8.50	14,406
2010	72,284.55	3,614	2,789	69,495	9.50	7,315
	1,452,290.39	912,461	705,489	746,801		274,905

COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PERCENT.. 2.7 18.93

ENBRIDGE GAS DISTRIBUTION, INC.

ACCOUNT 488.00 - COMMUNICATION EQUIPMENT

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AS OF DECEMBER 31, 2010

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUTURE BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
SURVIVOR CURVE.. 10-SQUARE						
NET SALVAGE PERCENT.. 0						
2000	4,556.60	4,557	4,557			
2001	740.88	704	709	32	0.50	32
2002	1,799,195.23	1,529,316	1,540,078	259,117	1.50	172,745
2003	104,205.33	78,154	78,704	25,501	2.50	10,200
2004	208,538.11	135,550	136,504	72,034	3.50	20,581
2005	296,760.92	163,219	164,368	132,393	4.50	29,421
2006	237,973.66	107,088	107,842	130,132	5.50	23,660
2007	88,667.09	31,033	31,251	57,416	6.50	8,833
2008	173,069.24	43,267	43,571	129,498	7.50	17,266
2009	99,738.00	14,961	15,067	84,671	8.50	9,961
	3,013,445.06	2,107,849	2,122,651	890,794		292,699
COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PERCENT..					3.0	9.71

ENBRIDGE GAS DISTRIBUTION, INC.

ACCOUNT 490.00 - COMPUTER EQUIPMENT

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AS OF DECEMBER 31, 2010

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUTURE BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
SURVIVOR CURVE.. 5-SQUARE						
NET SALVAGE PERCENT.. 0						
2006	5,778,520.88	5,200,669	1,646,867	4,131,654	0.50	4,131,654
2007	3,514,824.77	2,460,377	779,114	2,735,711	1.50	1,823,807
2008	4,297,348.32	2,148,674	680,409	3,616,939	2.50	1,446,776
2009	10,181,271.08	3,054,381	967,213	9,214,058	3.50	2,632,588
2010	8,775,248.07	877,525	277,881	8,497,367	4.50	1,888,304
	32,547,213.12	13,741,626	4,351,484	28,195,729		11,923,129

COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PERCENT.. 2.4 36.63

ENBRIDGE GAS DISTRIBUTION, INC.

ACCOUNT 491.01 - SOFTWARE - ACQUIRED

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AS OF DECEMBER 31, 2010

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUTURE BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
SURVIVOR CURVE.. 4-SQUARE						
NET SALVAGE PERCENT.. 0						
2005	2,100.00	2,100	2,100			
2006	18,238,052.49	18,238,052	18,238,052			
2007	9,190,140.34	8,041,373	3,578,368	5,611,772	0.50	5,611,772
2008	5,483,698.20	3,427,311	1,525,135	3,958,563	1.50	2,639,042
2009	4,752,963.64	1,782,361	793,141	3,959,823	2.50	1,583,929
2010	12,004,065.34	1,500,508	667,719	11,336,347	3.50	3,238,956
	49,671,020.01	32,991,705	24,804,515	24,866,505		13,073,699
COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PERCENT..					1.9	26.32

ENBRIDGE GAS DISTRIBUTION, INC.

ACCOUNT 491.02 - SOFTWARE - DEVELOPED

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AS OF DECEMBER 31, 2010

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUTURE BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
SURVIVOR CURVE.. 5-SQUARE						
NET SALVAGE PERCENT.. 0						
2006	3,507,348.42	3,156,614	2,936,631	570,717	0.50	570,717
2007	12,446,729.66	8,712,711	8,105,526	4,341,204	1.50	2,894,136
2008	14,303,980.51	7,151,990	6,653,570	7,650,411	2.50	3,060,164
2009	2,827,813.86	848,344	789,223	2,038,591	3.50	582,455
2010	7,466,438.35	746,644	694,611	6,771,827	4.50	1,504,850
	40,552,310.80	20,616,303	19,179,561	21,372,750		8,612,322
COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PERCENT..					2.5	21.24

ENBRIDGE GAS DISTRIBUTION, INC.

ACCOUNT 491.03 - C.I.S. SOFTWARE - ACQUIRED

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AS OF DECEMBER 31, 2010

YEAR (1)	ORIGINAL COST (2)	CALCULATED ACCRUED (3)	ALLOC. BOOK RESERVE (4)	FUTURE BOOK ACCRUALS (5)	REM. LIFE (6)	ANNUAL ACCRUAL (7)
INTERIM SURVIVOR CURVE.. 10-SQUARE PROBABLE RETIREMENT YEAR.. 9-2019						
2009	127,098,143.30	15,887,268	15,741,236	111,356,908	8.75	12,726,504
	127,098,143.30	15,887,268	15,741,236	111,356,908		12,726,504
COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PERCENT..					8.7	10.01

Filed: 2011-11-10
EB-2011-0210
Exhibit D2

2011 Depreciation Rate Study

CONTENTS

DISTRIBUTION

47800S – METERS

EXECUTIVE SUMMARY

INTRODUCTION

This report presents a review and update of depreciation rates and parameters for utility plant owned and operated by Union Gas Limited (Union). The report contains recommended 2011 depreciation rates and parameters for: a) intangible assets; b) local and underground storage facilities; and c) gas transmission, distribution and general plant categories. Work on the study commenced in March 2011 and progressed through early July, at which time the project was completed.

Foster Associates, Inc. is a public utility economic consulting firm headquartered in Bethesda, Maryland offering economic research and consulting services on issues and problems arising from governmental regulation of business. Areas of specialization supported by the firm's Fort Myers office include property life forecasting, technological forecasting, depreciation estimation, and valuation of industrial property.

Foster Associates has undertaken numerous depreciation engagements for both public and privately owned business entities including detailed statistical life studies, analyses of required net salvage rates, and the selection of depreciation systems that will most nearly achieve the goals of depreciation accounting under the constraints of either government regulation or competitive market pricing. Foster Associates is widely recognized for industry leadership in the development of depreciation systems, life analysis techniques and computer software for conducting depreciation and valuation studies.

This is the eighth major depreciation study undertaken by Union in the last 40 years. Current depreciation rates were developed by Foster Associates in a 2003 comprehensive study in which revised parameters were estimated for all plant accounts. Rates currently used by Union were adopted September 19, 2003 pursuant to an Alternative Dispute Resolution Agreement approved by the Ontario Energy Board (OEB) under Docket No. RP–2003–0063. The settlement agreement accepted all depreciation rates developed in the 2003 study.

On January 1, 1998, Union Gas formalized a legal merger with Centra Gas Ontario. The depreciation rates adopted by Union in RP–2003–0063 retained the pre–merger corporate identity for plant classified in the Distribution function. This treatment was adopted to preserve a jurisdictional separation of distribution plant for ratemaking purposes. While it is the intention of Union to eventually eliminate the pre–merger corporate identity of former Centra assets, the current study retains the distinction between Northern and Eastern Operations (previously Centra) and the Southern Operations of Union for plant classified in the Distribution function.

The current study also preserves the elimination of Accounts 49601 and 49602 (Contributions in Aid of Construction) proposed in the 2003 study and approved in RP–2003–0063. Depreciation rates developed prior to the 2003 study

included rates for the CIAC accounts derived from a composite weighted average of the accrual rates for the major plant accounts in which investments were funded by contributions. The current treatment of CIAC is to credit the associated plant accounts as previously permitted by the OEB Uniform System of Accounts for Gas Utilities.[1] Depreciation reserves for the CIAC accounts were distributed and combined with the associated plant reserves in the 2003 study.

The principal findings and recommendations of the 2011 study are summarized in the Statements section of this report. Statement A provides a comparative summary of current and proposed annual depreciation rates for each rate category. Statement B provides a comparison of current and proposed annual depreciation accruals. Statement C provides a comparison of computed, recorded and redistributed depreciation reserves for each rate category. Statement D provides a summary of the investment and net salvage components of rebalanced reserves. Statement E provides a summary of the components used to obtain a weighted-average net salvage rate for each plant account. Statement F provides the computation of future net salvage rates for the Local Storage function. Statement G provides a comparative summary of current and proposed parameters including projection life, projection curve, average service life, average remaining life, and average and future net salvage rates.

SCOPE OF STUDY

The principal activities undertaken in the course of the current study included:

- Collection of plant and net salvage data;
- Reconciliation of data to the official records of the Company;
- Communication with Union plant accounting and operations personnel;
- Estimation of projection lives and retirement dispersion patterns;
- Analysis of gross salvage and cost of removal;
- Analysis and redistribution of recorded depreciation reserves; and
- Development of recommended accrual rates for each rate category.

[1] Contributions or grants in cash, services or property from governments or government agencies, corporations, individuals, and others for contributions in aid of construction shall be applied as a reduction of the detail plant accounts to which they refer, if not recorded separately in Account No. 499, "Contributions and Grants". (USOA, Appendix A, Section 1, Part B)

DEPRECIATION SYSTEM

A depreciation rate is formed by combining the elements of a depreciation system. A depreciation system is composed of a method, a procedure and a technique. A depreciation method (*e.g.*, straight–line) describes the component of the system that determines the acceleration or deceleration of depreciation accruals in relation to either time or use. A depreciation procedure (*e.g.*, vintage group) identifies the level of grouping or sub–grouping of assets within a plant category. The level of grouping specifies the weighting used to obtain composite life statistics for an account. A depreciation technique (*e.g.*, remaining–life) describes the life statistic used in the system.

With the exception of selected general support asset categories for which amortization accounting has been approved, Union is currently using a depreciation system composed of the straight–line method, vintage group procedure, remaining–life technique. Amortization accounting is used for general plant categories in which the unit cost of plant items is small in relation to the number of units classified in the account. Plant is retired (*i.e.*, credited to plant and charged to the reserve) as each vintage achieves an age equal to the amortization period. Any realized net salvage for amortizable accounts is netted against current–year vintage additions.

Amortization accounting is also recommended in the current study for Account 47400 (Regulators). The numerous property units classified in this account are relatively low–cost items with no record–keeping system in place to track the physical disposition of the assets. Moreover, house regulators for new installations are now typically pre–assembled as a component of a meter manifold and classified as minor items of property in Account 47401 (Regulator and Meter Installations). Reserve imbalances resulting from the proposed 20–year amortization period for Account 47400 were distributed to the remaining depreciable accounts within the Distribution plant function for the Northern and Eastern Operations and the Southern Operations, respectively.

The matching and expense recognition principles of accounting provide that the cost of an asset (or group of assets) should be allocated to operations over an estimate of the economic life of the asset in proportion to the consumption of service potential. It is the opinion of Foster Associates that the objectives of depreciation accounting are being achieved using the currently approved vintage group procedure, which distinguishes average service lives among vintages, and the remaining–life technique which provides cost apportionment over the estimated weighted average remaining life of a rate category. It is also the opinion of Foster Associates that amortization accounting remains appropriate for the approved amortization categories. Accordingly, the depreciation system currently prescribed for Union was used in the current study to develop accrual rates pro-

posed for calendar year 2011.

PROPOSED DEPRECIATION RATES

Table 1 below provides a summary of the changes in annual rates and accruals resulting from an application of the service life and net salvage parameters recommended in the current study.

	Accrual Rate			2011 Annualized Accrual		
Function	Current	Proposed	Diff.	Current	Proposed	Difference
A	B	C	D=C-B	E	F	G=F-E
Intangible	5.05%	5.45%	0.40%	$ 61,555	$ 66,431	$ 4,876
Local Storage	3.35%	3.16%	-0.19%	570,449	538,330	(32,119)
U/G Stirage	3.04%	2.63%	-0.41%	13,397,696	11,563,828	(1,833,868)
Transmission	2.70%	2.27%	-0.43%	42,624,294	35,809,174	(6,815,120)
Distribution	2.99%	2.78%	-0.21%	104,669,492	97,199,048	(7,470,444)
General Plant	10.99%	11.70%	0.71%	27,332,018	29,068,934	1,736,916
Total	3.26%	3.01%	-0.25%	$188,655,504	$174,245,745	$(14,409,759)

Table 1. Current and Proposed Rates and Accruals

Foster Associates is recommending primary account depreciation rates equivalent to a composite rate of 3.01 percent. Depreciation expense is currently accrued at an equivalent composite rate of 3.26 percent. The recommended change in the composite depreciation rate is, therefore, a reduction of 0.25 percentage points.

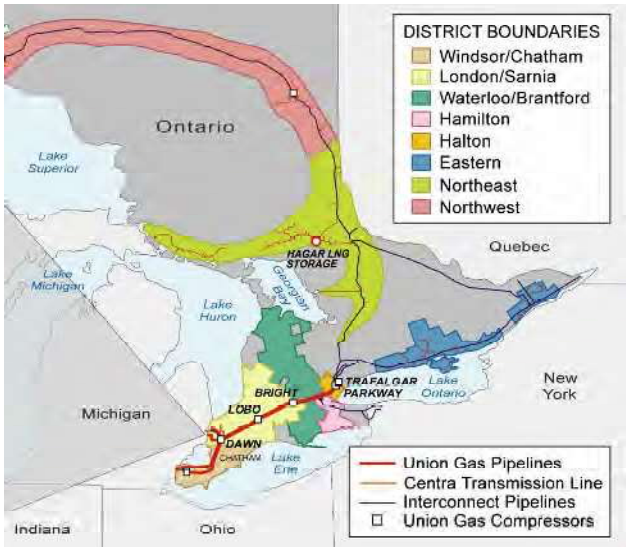
A continued application of current rates would provide annualized depreciation expense of $188,655,504 compared with an annualized expense of $174,245,745 using the rates developed in this study. The proposed expense reduction is $14,409,759. The change in annualized accruals includes a reduction of $2,837,776 attributable to an amortization of a $74,728,569 reserve imbalance. A proportionate amount of the estimated reserve imbalance will be amortized over the weighted average remaining life of each rate category. The remaining portion of the change in accruals is attributable to recommended adjustments to various service life and net salvage parameters.

Of the 41 property accounts included in the 2011 study, Foster Associates is recommending rate reductions for 29 accounts and rate increases for 12 accounts.

COMPANY PROFILE

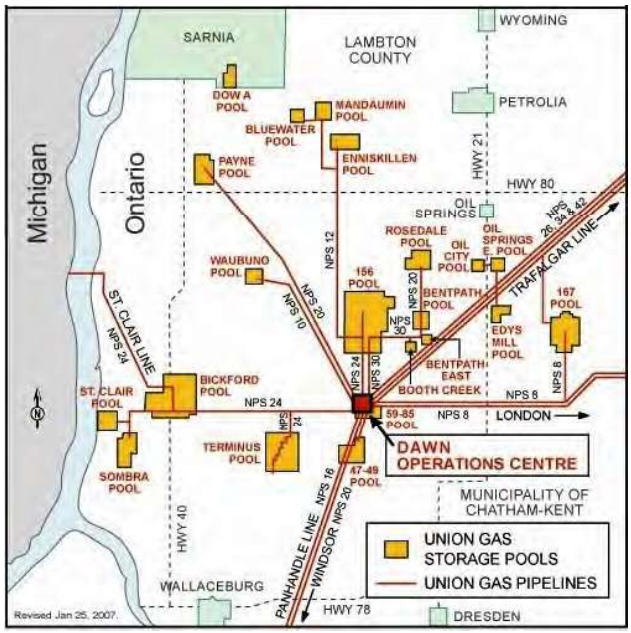
GENERAL

Union Gas Limited, a Spectra Energy Company, is a major Canadian natural gas utility that provides energy delivery and related services to 1.3 million residential, commercial and industrial customers in over 400 communities in northern, southwestern and eastern Ontario. Its distribution service area extends throughout northern Ontario from the Manitoba border to the North Bay/Muskoka area, through southwestern Ontario from Windsor to just west of Toronto, and across eastern Ontario from Port Hope to Cornwall.



The Company also provides natural gas storage and transportation services for other utilities and energy market participants in Ontario, Quebec and the United States. Union Gas has assets of approximately $5.6 billion including 25,574 miles of distribution mains, 15,024 miles of distribution services, and 2,946 miles of transmission pipelines. The Company employs about 2,200 people.

The Dawn Hub is the largest natural gas storage facility in Canada. With six pipeline interconnects—three of which are TransCanada's—Union Gas has easy access to 15 pipeline and distribution companies. The Dawn Hub is an important link in the movement of natural gas from Western Canadian and U.S. supply basins to markets in central Canada, the Great Lakes region and the northeast U.S. Dawn has a working capacity of 155 Bcf and can deliver 2 Bcf a day to customers.



STUDY PROCEDURE

INTRODUCTION

The purpose of a depreciation study is to analyze the mortality characteristics, net salvage rates and adequacy of the depreciation accrual and recorded depreciation reserve for each rate category. This study provides the foundation and documentation for recommended changes in the depreciation accrual rates used by Union. The proposed rates are subject to approval by the Ontario Energy Board.

SCOPE

The steps involved in conducting a depreciation study can be grouped into five major tasks:

- Data Collection;
- Life Analysis and Estimation;
- Net Salvage Analysis;
- Depreciation Reserve Analysis; and
- Development of Accrual Rates.

The scope of the 2011 study included a consideration of each of these tasks as described below.

DATA COLLECTION

The minimum database required to conduct a statistical life study consists of a history of vintage year additions and unaged activity year retirements, transfers and adjustments. These data must be appropriately adjusted for transfers, sales and other plant activity that would otherwise bias the measured service life of normal retirements. The age distribution of surviving plant for unaged data can be estimated by distributing plant in service at the beginning of the study year to prior vintages in proportion to the theoretical amount surviving from a projection or survivor curve identified in the life study. The statistical methods of life analysis used to examine unaged plant data are known as *semi-actuarial techniques*.

A far more extensive database is required to apply statistical methods of life analysis known as *actuarial techniques*. Plant data used in an actuarial life study most often include age distributions of surviving plant at the beginning of a study year and the vintage year, activity year, and dollar amounts associated with normal retirements, reimbursed retirements, sales, abnormal retirements, transfers, corrections, and extraordinary adjustments over a series of prior activity years. An actuarial database may include age distributions of surviving plant at the beginning of the earliest activity year, rather than at the beginning of the study year. Plant additions, however, must be included in a database containing an opening age distribution to derive aged survivors at the beginning of the study year. All activity year transactions with vintage year identification are coded and stored in a

database. These data are processed by a computer program and transaction summary reports are created in a format reconcilable to official plant records. The availability of such detailed information is dependent upon an accounting system that supports aged property records.

Prior to 1994, Union did not have a plant accounting system within which aged plant records could be maintained. In October, 1994 the Company implemented an in–house, designed and developed Continuing Property Record (CPR) system with vintage year identification of plant in service at March 31, 1994. Property tax records were used to construct the age distribution of pre–1982 vintages and the aging of post–1982 vintages was obtained from a detailed analysis of subsidiary plant records. The Company adopted calendar year accounting for financial reporting purposes commencing with calendar year 1995, which was reported as a nine–month accounting period.

On April 1, 1997 the in–house system was converted to a commercial product developed by SAP. The new system was populated with vintage year identification of plant in service at December 31, 1996. Plant accounting records for the Northern and Eastern Operations (formerly Centra) were also uploaded to the new Union system on April 1, 1997.

With the exception of Accounts 45200 (Structures and Improvements), 46200 (Structures and Improvements), 47200 (Structures and Improvements) and 48200 (Structures and Improvements), Union can now provide plant accounting transactions with vintage year identification for post–1997 activity for all remaining plant categories,. The vintage year assigned to plant activity associated with structures and improvements is the year the plant was originally constructed. While this practice will not misstate the aggregate investment in a plant category, the reported age distribution of surviving plant is not representative of the actual age of the investments. An aged data base was assembled by Foster Associates for all plant categories over the period 1997 through 2002 in conducting the 2003 study.

Service life statistics estimated in the current study were derived from plant accounting transactions recorded over the period 1997 through 2010. Detailed accounting transactions were extracted from the CPR system and assigned transaction codes which describe the nature of the accounting activity. Transaction codes for plant additions, for example, were used to distinguish normal additions from acquisitions, purchases, reimbursements and adjustments. Similar transaction codes were used to distinguish normal retirements from sales, reimbursements, abnormal retirements and adjustments. Transaction codes were also assigned to transfers, capital leases, gross salvage, cost of removal and other accounting activity that should be considered in a depreciation study.

The database used in conducting the 2003 study was updated for the current

study by appending plant and net salvage transactions for activity years 2003–2010 and age distributions of surviving plant at December 31, 2010. The accuracy and completeness of the assembled database was verified for activity years 2003 through 2010 by comparing the beginning plant balance, additions, retirements, transfers and adjustments, and the ending plant balance derived for each activity year to the official plant records of the Company. Activity years prior to 2003 were verified in the 2003 study. Age distributions of surviving plant at December 31, 2010 were reconciled to the CPR system.

Reserve transactions recorded over the period 1997–2010 were used in the 2011 study to derive appropriate net salvage rates. Realized net salvage was blended with future net salvage estimates to derive average net salvage rates used in the computation of theoretical reserves.

LIFE ANALYSIS AND ESTIMATION

Life analysis and life estimation are terms used to describe a two-step procedure for estimating the mortality characteristics of a plant category. The first step (*i.e.*, life analysis) is largely mechanical and primarily concerned with history. Statistical techniques are used in this step to obtain a mathematical description of the forces of retirement acting upon a plant category and an estimate of the *projection life* of the account. The mathematical expressions used to describe these life characteristics are known as *survival functions* or *survivor curves*.

The second step (*i.e.*, life estimation) is concerned with predicting the expected remaining life of property units still exposed to forces of retirement. It is a process of blending the results of a life analysis with informed judgment (including expectations about the future) to obtain an appropriate projection life and probability distribution descriptive of the parent population from which a plant account is viewed as a random sample. The amount of weight given to a life analysis will depend upon the extent to which past retirement experience is considered descriptive of the future.

The analytical methods used in a life analysis are broadly classified as actuarial and semi-actuarial techniques. Actuarial techniques can be applied to plant accounting records that reveal the age of a plant asset at the time of its retirement from service. Stated differently, each property unit must be identifiable by date of installation and age at retirement. Semi-actuarial techniques can be used to derive service life and dispersion estimates when age identification of retirements is not maintained or readily available. Age identification of retirements was available for all plant accounts included in the 2011 depreciation study.

An actuarial life analysis program designed and developed by Foster Associates was used in this study to analyze post–1997 plant accounting activity. The first step in an actuarial analysis involves a systematic treatment of the available

data for the purpose of constructing an observed life table. A complete life table contains the life history of a group of property units installed during the same accounting period and various probability relationships derived from the data. A life table is arranged by age–intervals (usually defined as one year) and shows the number of units (or dollars) entering and leaving each age–interval and probability relationships associated with this activity. A life table minimally shows the age of each survivor and the age of each retirement from a group of units installed in a given accounting year.

A life table can be constructed in any one of at least five methods. The annual–rate or retirement–rate method was used in this study. The mechanics of the annual–rate method require the calculation of a series of ratios obtained by dividing the number of units (or dollars) surviving at the beginning of an age interval into the number of units (or dollars) retired during the same interval. This ratio (or set of ratios) is referred to as a retirement ratio. The cumulative proportion surviving is obtained by multiplying the retirement ratio for each age interval by the proportion of the original group surviving at the beginning of that age interval and subtracting this product from the proportion surviving at the beginning of the same interval. The annual–rate method is applied to multiple groups or vintages by combining the retirements and/or survivors of like ages for each vintage included in the analysis.

The second step in an actuarial analysis involves graduating or smoothing the observed life table and fitting the smoothed series to a family of survival functions. The functions used in this study are the Iowa–type curves which are mathematically described in terms of the Pearson frequency curve family. The observed life table was smoothed by a weighted least–squares procedure in which first, second and third degree orthogonal polynomials were fitted to the observed retirement ratios. The resulting function can be expressed as a survivorship function which is numerically integrated to obtain an estimate of the projection life. The smoothed survivorship function is then fitted by a weighted least–squares procedure to the Iowa–curve family to obtain a mathematical description or classification of the dispersion characteristics of the data.

The set of computer programs used in this analysis provides multiple rolling–band, shrinking–band and progressive–band analyses of an account. Observation bands are defined in terms of a "retirement era" that restricts the analysis to the retirement activity of all vintages represented by survivors at the beginning of a selected era. In a rolling–band analysis, a year of retirement experience is added to each successive retirement band and the earliest year from the preceding band is dropped. A shrinking–band analysis begins with the total retirement experience available and the earliest year from the preceding band is dropped for each successive band. A progressive–band analysis adds a year of retirement activity to a

previous band without dropping earlier years from the analysis. Rolling, shrinking and progressive band analyses are used to detect the emergence of trends in the behavior of the dispersion and projection life.

Options available in the actuarial life analysis program include the width and location of both placement and observation bands; the interval of years included in a selected band analysis; the estimator of the hazard rate (actuarial, conditional proportion retired, or maximum likelihood); the elements to include on the diagonal of a weight matrix (exposures, inverse of age, inverse of variance, or unweighted); and the age at which an observed life table is truncated. In addition to performing the life analysis as discussed above, the programs offer tabular and graphics output as an aid in the analysis.

While actuarial and semi–actuarial statistical methods are well suited to an analysis of plant categories containing a large number of homogeneous units (*e.g.*, mains and services), the concept of retirement dispersion is interpreted differently for plant categories composed of major items of plant that will most likely be retired as a single unit. Plant retirements from an integrated system prior to the retirement of the entire facility are more properly viewed as interim retirements that will be replaced in order to maintain the integrity of the system. Additionally, plant facilities may be added to the existing system (*i.e.*, interim additions) in order to expand or enhance its productive capacity without extending the service life of the present system. A proper depreciation rate can be developed for an integrated system using a life–span method.

The life–span method requires the selection of a coterminous retirement date for all plant additions to a specific facility. A composite depreciation rate is calculated for the facility using the technique of harmonic weighting of the expected life span of each vintage addition. The resulting accrual rate must be adjusted for interim retirements to the extent that such retirements can be reasonably expected. Absent this adjustment, the depreciation accumulated over the life span of the facility will be deficient by an amount equal to a portion of the interim retirements. Properly implemented, the life–span method does not include plant additions or replacements of interim retirements until such activity is reported. All accounts in the Local Storage function, Account 45200 (Structures and Improvements) in the Underground Storage function and Account 48200 (Structures and Improvements) in the General plant function were treated as life–span categories in this study.

NET SALVAGE ANALYSIS

Depreciation rates designed to achieve the goals and objectives of depreciation accounting will include a parameter for future net salvage and a variable for average net salvage reflecting both realized and future net salvage rates.

Estimates of net salvage rates applicable to future retirements are most often

derived from an analysis of gross salvage and cost of removal realized in the past. An analysis of past experience (including an examination of trends over time) provides a reasonable basis for estimating future salvage and cost of removal. However, consideration should also be given to events that may cause deviations from net salvage realized in the past. Among the factors that should be considered are: the age of plant retirements; the portion of retirements likely to be reused; changes in the method of removing plant; the type of plant to be retired in the future; inflation expectations; the shape of the projection life curve; and economic conditions that may warrant greater or lesser weight to be given to net salvage rates observed in the past.

Special consideration should also be given to the treatment of insurance proceeds and other forms of third–party reimbursements credited to the depreciation reserve. A properly conducted net salvage study will exclude such activity from the estimate of future parameters and include the activity in the computation of realized and average net salvage rates.

A five–year moving average analysis of the ratio of realized salvage and cost of removal to the associated retirements was used in the 2011 study to a) estimate a realized net salvage rate; b) detect the emergence of historical trends; and c) establish a basis for estimating a future net salvage rate. Cost of removal and salvage opinions obtained from Company personnel were blended with judgment and historical net salvage indications in developing estimates of the future.

Average net salvage rates for all depreciable accounts were estimated using direct dollar weighting of historical retirements with the historical net salvage rate, and future retirements (*i.e.*, surviving plant) with the estimated future net salvage rate. The computation of the estimated average net salvage rate for each rate category is shown in Statement E.

A 1994 dismantlement study conducted by Stone & Webster Canada Limited for the Hagar LNG plant (previously owned by Centra) was used in the 2003 depreciation study to derive a reasoned estimate of a net salvage rate for the Local Storage function. Noting that the estimated year of final retirement has been extended from 2017 to 2025 and a dismantlement study more recent than 1994 has not been conducted, terminal net salvage was removed from the estimate of future net salvage rates in the current study. It remains the opinion of Foster Associates, however, that terminal net salvage should be included in the formulation of depreciation rates when an updated dismantlement study becomes available. The computations supporting the recommended weighted–average interim and final net salvage rates for the Local Storage function are shown in Statement F.

DEPRECIATION RESERVE ANALYSIS

The purpose of a depreciation reserve analysis is to compare the current level of

recorded reserves with the level required to achieve the goals or objectives of depreciation accounting if the amount and timing of future retirements and net salvage are realized as predicted. The difference between a required (or theoretical) depreciation reserve and a recorded reserve provides a measurement of the expected excess or shortfall that will remain in the depreciation reserve if corrective action is not taken to eliminate the reserve imbalance.

Unlike a recorded reserve which represents the net amount of depreciation expense charged to previous periods of operations, a theoretical reserve is a measure of the implied reserve requirement at the beginning of a study year if the timing of future retirements and net salvage is in exact conformance with a survivor curve chosen to predict the probable life of plant units still exposed to the forces of retirement. Stated differently, a theoretical depreciation reserve is the difference between the recorded cost of plant presently in service and the sum of the depreciation expense and net salvage that will be charged in the future if retirements are distributed over time according to a specified retirement frequency distribution.

The survivor curve used in the calculation of a theoretical depreciation reserve is intended to describe forces of retirement that will be operative in the future. However, retirements caused by forces such as accidents, physical deterioration and changing technology seldom, if ever, remain stable over time. It is unlikely, therefore, that a probability or retirement frequency distribution can be identified that will accurately describe the age of plant retirements over the complete life cycle of a vintage. It is for this reason that depreciation rates should be reviewed periodically and adjusted for observed or expected changes in the parameters chosen to describe the underlying forces of mortality.

Although reserve records are commonly maintained by various account classifications, the sum of all reserves is the most important measure of the status of a company's depreciation practices. If statistical life studies have not been conducted or retirement dispersion has been ignored in setting depreciation rates, it is likely that some accounts will be over–depreciated and other accounts will be under–depreciated relative to a calculated theoretical reserve. Differences between a theoretical reserve and a recorded reserve also will arise as a normal occurrence when service lives, dispersion patterns and net salvage estimates are adjusted in the course of depreciation reviews. It is appropriate, therefore, and consistent with group depreciation theory to periodically redistribute or rebalance recorded reserves among the various primary accounts based upon the most recent estimates of retirement dispersion and net salvage rates.

It is the opinion of Foster Associates that a redistribution of recorded reserves is again appropriate for Union. Offsetting reserve imbalances (attributable to both the passage of time and parameter adjustments recommended in the current study)

should be realigned among primary accounts to reduce offsetting imbalances and increase depreciation rate stability.

A redistribution of the recorded reserve for depreciable plant was achieved by multiplying the calculated reserve for each primary account within a function by the ratio of the function total recorded reserves (net of amortizable accounts) to the function total calculated reserve.[2] The sum of the redistributed reserves within a function is, therefore, equal to the function (or operating division) total recorded depreciation reserve before the redistribution. Depreciation reserves for amortizable categories were redistributed by setting the recorded reserves for the proposed amortization accounts equal to the theoretical reserves derived from the proposed amortization periods and distributing the residual imbalances to the remaining depreciable accounts within the appropriate function.

Statement C provides a comparison of the computed, recorded and redistributed reserves for Union at December 31, 2010. The total recorded reserve was $2,406,759,893 or 41.6 percent of the total utility plant investment. The corresponding computed reserve is $2,332,031,324 or 40.3 percent of the total utility plant investment. A proportionate amount of the measured reserve imbalance of $74,728,569 will be amortized over the composite weighted-average remaining life of each rate category.

DEVELOPMENT OF ACCRUAL RATES

The goal or objective of depreciation accounting is cost allocation over the economic life of an asset in proportion to the consumption of service potential. Ideally, the cost of an asset—which represents the cost of obtaining a bundle of service units—should be allocated to future periods of operation in proportion to the amount of service potential expended during an accounting interval. The service potential of an asset is the present value of future net revenue (*i.e.*, revenue less expenses exclusive of depreciation and other non–cash expenses) or cash inflows attributable to the use of that asset alone.

Cost allocation in proportion to the consumption of service potential is most often approximated by the use of depreciation methods employing time rather than net revenue as the apportionment base. Examples of time-based methods include sinking–fund, straight–line, declining balance, and sum–of–the–years' digits. The advantage of using a time–based method is that it does not require an estimate of the remaining amount of service capacity an asset will provide or the amount of capacity actually consumed during an accounting interval. Using a

[2] The distinction between North and South operations was retained in rebalancing depreciation reserves. Accordingly, recorded reserves were redistributed within each operating division.

time–based allocation method, however, does not change the goal of depreciation accounting. If it is predictable that the net revenue pattern of an asset will either decrease or increase over time, then an accelerated or decelerated time–based method should be used to approximate the rate at which service potential is actually consumed.

The time period over which the cost of an asset will be allocated to operations is determined by the combination of a procedure and a technique. A depreciation procedure describes the level of grouping or sub–grouping of assets within a plant category. The broad group, vintage group, equal–life group, and item (or unit) are a few of the more widely used procedures. A depreciation technique describes the life statistic used in a depreciation system. Whole life and remaining life (or expectancy) are the most common techniques.

Depreciation rates recommended in the 2011 study were developed using the currently approved system composed of the straight–line method, vintage group procedure, remaining–life technique. This formulation of the accrual rate is equivalent to a straight–line method, vintage group procedure, whole–life technique with amortization of reserve imbalances over the estimated remaining life of each rate category. It is the opinion of Foster Associates that this system will remain appropriate for Union, provided depreciation studies are conducted periodically and parameters are routinely adjusted to reflect changing operating conditions. Although the emergence of economic factors such as restructuring and performance based regulation may ultimately encourage abandonment of the straight–line method, no attempt was made in the current study to address this concern.

It is also the opinion of Foster Associates that amortization accounting currently approved for selected general support asset accounts is consistent with the goals and objectives of depreciation accounting and remains appropriate these plant categories.

The treatment of amortization accounts in the current study was designed to produce annualized accruals equivalent to applying a rate equal to the reciprocal of an amortization period to average plant balances after retirements have been recorded. Applying a rate equal to the reciprocal of the amortization period to plant balances prior to posting retirements would overstate the annualized amortization expense by a half–period accrual on vintages that will be retired during the study year. Accrual rates contained in Statement A should be applied to current plant balances. Accrual rates equal to the reciprocal of the amortization period should be applied to average plant balances after retiring vintages that have achieved an age equal to the amortization period.

STATEMENTS

INTRODUCTION

This section provides a comparative summary of depreciation rates, annual depreciation accruals, recorded and computed depreciation reserves, and current and proposed service life and net salvage parameters recommended for Union. The content of these statements is briefly described below.

- Statement A provides a comparative summary of current and proposed annual depreciation rates using the straight–line method, vintage group procedure, remaining-life technique.
- Statement B provides a comparison of the current and proposed annualized 2011 depreciation accruals derived from the depreciation rates developed in Statement A.
- Statement C provides a comparison of recorded, computed and redistributed reserves for each rate category at December 31, 2010.
- Statement D provides a summary of the investment and net salvage components of rebalanced reserves.
- Statement E provides a summary of the components used to obtain weighted average net salvage rates.
- Statement F provides a computation of the estimated future net salvage rate for Local Storage plant.
- Statement G provides a comparative summary of current and proposed parameters and statistics.

Current depreciation accruals shown on Statement B are the product of plant investments at December 31, 2010 (Column B) and current depreciation rates shown on Statement A. Similarly, proposed depreciation accruals shown on Statement B are the product of the year–end 2010 plant investments and proposed depreciation rates shown on Statement A. The proposed remaining life accrual rates (Statement A) are given by:

$$\text{Accrual Rate} = \frac{1.0 - \text{Reserve Ratio} - \text{Future Net Salvage Rate}}{\text{Remaining Life}}.$$

This formulation of a remaining–life accrual rate is equivalent to

$$\text{Accrual Rate} = \frac{1.0 - \text{Average Net Salvage}}{\text{Average Life}} + \frac{\text{Computed Reserve} - \text{Recorded Reserve}}{\text{Remaining Life}}$$

where Average Net Salvage, Computed Reserve and Recorded Reserve are expressed in percent.

UNION GAS LIMITED

Statement A

Component Accrual Rates
Current: VG Procedure / RL Technique
Proposed: VG Procedure / RL Technique

Account Description	Current (at 12/31/2010) Investment	Net Salvage	Total	Proposed (at 12/31/2010) Investment	Net Salvage	Total
A	B	C	D=B+C	E	F	G=E+F
INTANGIBLE PLANT						
40100 Franchises and Consents	5.05%		5.05%	5.45%		5.45%
Total Intangible Plant	5.05%		5.05%	5.05%	0.40%	5.45%
LOCAL STORAGE PLANT						
44200 Structures and Improvements	2.35%	0.95%	3.30%	2.85%		2.85%
44301 Gas Holders - Storage Tank	2.31%	0.37%	2.68%	2.53%	0.01%	2.54%
44302 Gas Holders - Equipment	2.49%	1.19%	3.68%	3.52%	0.02%	3.54%
Total Local Storage Plant	2.42%	0.93%	3.35%	3.34%	-0.18%	3.16%
UNDERGROUND STORAGE PLANT						
45100 Land Rights	2.23%		2.23%	2.10%		2.10%
45200 Structures and Improvements	2.23%	0.12%	2.35%	2.26%	0.24%	2.50%
45300 Wells and Lines	2.21%	0.44%	2.65%	2.05%	0.43%	2.48%
45600 Compressor Equipment	2.91%	0.29%	3.20%	2.56%	0.12%	2.68%
45700 Measuring and Regulating Equipment	3.95%	0.35%	4.30%	2.86%	0.25%	3.11%
Total Underground Storage Plant	2.76%	0.28%	3.04%	2.81%	-0.18%	2.63%
TRANSMISSION PLANT						
46100 Land Rights	2.01%	-0.02%	1.99%	1.76%		1.76%
46200 Structures and Improvements	2.54%	0.12%	2.66%	1.84%	0.19%	2.03%
46501 Mains - Metallic	2.02%	0.35%	2.37%	1.72%	0.26%	1.98%
46600 Compressor Equipment	3.36%	0.16%	3.52%	3.12%	0.11%	3.23%
46700 Measuring and Regulating Equipment	3.36%	0.26%	3.62%	2.36%	0.24%	2.60%
Total Transmission Plant	2.41%	0.29%	2.70%	2.44%	-0.17%	2.27%
DISTRIBUTION PLANT						
Northern and Eastern Operations						
47100 Land Rights	1.68%		1.68%	1.71%		1.71%
47200 Structures and Improvements	2.86%	0.27%	3.13%	2.46%	-0.05%	2.41%
47301 Services - Metallic	2.25%	1.33%	3.58%	1.99%	1.23%	3.22%
47302 Services - Plastic	1.83%	1.36%	3.19%	1.85%	0.75%	2.60%
47400 Regulators	3.35%	-0.01%	3.34%	← 20 Year Amortization →		3.72%
47401 Regulator and Meter Installations	3.34%	0.16%	3.50%	2.92%		2.92%
47501 Mains - Metallic	2.02%	0.50%	2.52%	1.89%	1.13%	3.02%
47502 Mains - Plastic	1.68%	0.67%	2.35%	1.70%	0.68%	2.38%
47700 Measuring and Regulating Equipment	3.59%	1.03%	4.62%	2.51%	1.26%	3.77%
47800 Meters	3.74%	-0.07%	3.67%	4.05%	-0.02%	4.03%
Total Northern and Eastern Operations	2.22%	0.81%	3.03%	2.20%	0.69%	2.89%
Southern Operations						
47100 Land Rights	1.67%		1.67%	1.65%		1.65%
47200 Structures and Improvements	2.85%	0.06%	2.91%	2.31%	-0.09%	2.22%
47301 Services - Metallic	2.28%	1.42%	3.70%	1.79%	1.02%	2.81%
47302 Services - Plastic	1.83%	1.35%	3.18%	1.80%	0.71%	2.51%
47400 Regulators	3.33%	-0.04%	3.29%	← 20 Year Amortization →		4.08%
47401 Regulator and Meter Installations	3.35%	0.15%	3.50%	2.80%		2.80%
47501 Mains - Metallic	2.03%	0.51%	2.54%	1.76%	1.07%	2.83%
47502 Mains - Plastic	1.68%	0.67%	2.35%	1.65%	0.66%	2.31%
47700 Measuring and Regulating Equipment	3.58%	1.06%	4.64%	2.42%	1.24%	3.66%
47800 Meters	3.71%	-0.01%	3.70%	3.85%	-0.03%	3.82%
Total Southern Operations	2.18%	0.78%	2.96%	2.26%	0.45%	2.71%
Total Distribution Plant	2.20%	0.79%	2.99%	2.24%	0.54%	2.78%

UNION GAS LIMITED

Statement A

Component Accrual Rates
Current: VG Procedure / RL Technique
Proposed: VG Procedure / RL Technique

Account Description	Current (at 12/31/2010) Investment	Net Salvage	Total	Proposed (at 12/31/2010) Investment	Net Salvage	Total
A	B	C	D=B+C	E	F	G=E+F
GENERAL PLANT						
Depreciable						
48200 Structures and Improvements	2.62%	-0.50%	2.12%	2.38%	-0.46%	1.92%
48400 Transportation Equipment	14.21%	-4.14%	10.07%	15.76%	-2.49%	13.27%
48500 Heavy Work Equipment	6.64%	-2.09%	4.55%	7.17%	-0.25%	6.92%
Total Depreciable	8.28%	-2.33%	5.95%	7.00%	0.64%	7.64%
Amortizable						
48310 Office Furniture and Equipment	← 15 Year Amortization →		6.22%	← 15 Year Amortization →		6.22%
48320 Office Equipment - Computers	← 4 Year Amortization →		20.37%	← 4 Year Amortization →		20.37%
48601 Tools and Other Equipment	← 15 Year Amortization →		6.41%	← 15 Year Amortization →		6.41%
48801 Communication Equipment	← 15 Year Amortization →		5.67%	← 15 Year Amortization →		5.67%
Total Amortizable	14.57%		14.57%	14.58%	-0.01%	14.57%
Total General Plant	11.96%	-0.97%	10.99%	11.43%	0.27%	11.70%
TOTALGAS UTILITY	2.72%	0.54%	3.26%	2.74%	0.27%	3.01%

UNION GAS LIMITED

Statement B

Component Accruals
Current: VG Procedure / RL Technique
Proposed: VG Procedure / RL Technique

Account Description	12/31/10 Investment	Current 2011 Annualized Accrual Investment	Net Salvage	Total	Proposed 2011 Annualized Accrual Investment	Net Salvage	Total	Difference
A	B	C	D	E=C+D	F	G	H=F+G	I=H-E
INTANGIBLE PLANT								
40100 Franchises and Consents	$1,218,909	$61,555		$61,555	$ 66,431	$ -	$ 66,431	$ 4,876
Total Intangible Plant	$1,218,909	$61,555		$61,555	$ 66,431	$ -	$ 66,431	$ 4,876
LOCAL STORAGE PLANT								
44200 Structures and Improvements	$ 2,674,066	$ 62,841	$ 25,404	$ 88,245	$ 76,211	$ -	$ 76,211	$ (12,034)
44301 Gas Holders - Storage Tank	4,574,078	105,661	16,924	122,585	115,724	457	116,181	(6,404)
44302 Gas Holders - Equipment	9,772,265	243,329	116,290	359,619	343,984	1,954	345,938	(13,681)
Total Local Storage Plant	$ 17,020,409	$ 411,831	$ 158,618	$ 570,449	$ 535,919	$ 2,411	$ 538,330	$ (32,119)
UNDERGROUND STORAGE PLANT								
45100 Land Rights	$ 32,062,296	$ 714,989	$ -	$ 714,989	$ 673,308	$ -	$ 673,308	$ (41,681)
45200 Structures and Improvements	55,119,051	1,229,155	66,143	1,295,298	1,245,691	132,286	1,377,977	82,679
45300 Wells and Lines	87,601,565	1,935,995	385,447	2,321,442	1,795,832	376,687	2,172,519	(148,923)
45600 Compressor Equipment	214,182,254	6,232,704	621,129	6,853,833	5,483,066	257,019	5,740,085	(1,113,748)
45700 Measuring and Regulating Equipment	51,444,990	2,032,077	180,057	2,212,134	1,471,327	128,612	1,599,939	(612,195)
Total Underground Storage Plant	$ 440,410,156	$ 12,144,920	$ 1,252,776	$ 13,397,696	$ 10,669,224	$ 894,604	$ 11,563,828	$ (1,833,868)
TRANSMISSION PLANT								
46100 Land Rights	$ 37,709,004	$ 757,951	$ (7,542)	$ 750,409	$ 663,678	$ -	$ 663,678	$ (86,731)
46200 Structures and Improvements	53,543,879	1,360,015	64,253	1,424,268	985,207	101,733	1,086,940	(337,328)
46501 Mains - Metallic	1,041,972,208	21,047,839	3,646,903	24,694,742	17,921,922	2,709,128	20,631,050	(4,063,692)
46600 Compressor Equipment	300,909,097	10,110,546	481,455	10,592,001	9,388,364	331,000	9,719,364	(872,637)
46700 Measuring and Regulating Equipment	142,620,842	4,792,060	370,814	5,162,874	3,365,852	342,290	3,708,142	(1,454,732)
Total Transmission Plant	$ 1,576,755,030	$ 38,068,411	$ 4,555,883	$ 42,624,294	$ 32,325,023	$ 3,484,151	$ 35,809,174	$ (6,815,120)
DISTRIBUTION PLANT								
Northern and Eastern Operations								
47100 Land Rights	$ 9,011,143	$ 151,387	$ -	$ 151,387	$ 154,091	$ -	$ 154,091	$ 2,704
47200 Structures and Improvements	61,811,428	1,767,807	166,891	1,934,698	1,520,561	(30,906)	1,489,655	(445,043)
47301 Services - Metallic	92,761,004	2,087,123	1,233,721	3,320,844	1,845,944	1,140,960	2,986,904	(333,940)
47302 Services - Plastic	354,120,371	6,480,403	4,816,037	11,296,440	6,551,227	2,655,903	9,207,130	(2,089,310)
47400 Regulators	27,055,553	906,361	(2,706)	903,655	1,025,405	(18,283)	1,007,122	103,467
47401 Regulator and Meter Installations	29,092,211	971,680	46,548	1,018,228	849,493		849,493	(168,735)
47501 Mains - Metallic	351,222,754	7,094,700	1,756,114	8,850,814	6,638,110	3,968,817	10,606,927	1,756,113
47502 Mains - Plastic	201,072,312	3,378,015	1,347,184	4,725,199	3,418,229	1,367,292	4,785,521	60,322
47700 Measuring and Regulating Equipment	103,778,777	3,725,658	1,068,921	4,794,579	2,604,847	1,307,613	3,912,460	(882,119)
47800 Meters	52,403,372	1,959,886	(36,682)	1,923,204	2,122,337	(10,481)	2,111,856	188,652
Total Northern and Eastern Operations	$ 1,282,328,925	$ 28,523,020	$10,396,028	$ 38,919,048	$ 26,730,244	$ 10,380,915	$ 37,111,159	$ (1,807,889)

UNION GAS LIMITED

Statement B

Component Accruals
Current: VG Procedure / RL Technique
Proposed: VG Procedure / RL Technique

Account Description	12/31/10 Investment	Current 2011 Annualized Accrual			Proposed 2011 Annualized Accrual			Difference
		Investment	Net Salvage	Total	Investment	Net Salvage	Total	
A	B	C	D	E=C+D	F	G	H=F+G	I=H-E
Southern Operations								
47100 Land Rights	$ 5,494,304	$ 91,755	$ -	$ 91,755	$ 90,656	$ -	$ 90,656	$ (1,099)
47200 Structures and Improvements	101,589,573	2,895,303	60,954	2,956,257	2,346,719	(91,431)	2,255,288	(700,969)
47301 Services - Metallic	109,632,954	2,499,631	1,556,788	4,056,419	1,962,430	1,118,256	3,080,686	(975,733)
47302 Services - Plastic	741,618,024	13,571,610	10,011,843	23,583,453	13,349,124	5,265,488	18,614,612	(4,968,841)
47400 Regulators	70,083,173	2,333,770	(28,033)	2,305,737	2,929,477	(66,752)	2,862,725	556,988
47401 Regulator and Meter Installations	67,553,639	2,263,047	101,330	2,364,377	1,891,502		1,891,502	(472,875)
47501 Mains - Metallic	399,123,055	8,102,198	2,035,528	10,137,726	7,024,566	4,270,617	11,295,183	1,157,457
47502 Mains - Plastic	502,504,563	8,442,077	3,366,781	11,808,858	8,291,325	3,316,530	11,607,855	(201,003)
47700 Measuring and Regulating Equipment	29,226,321	1,046,302	309,799	1,356,101	707,277	362,406	1,069,683	(286,418)
47800 Meters	191,615,166	7,108,923	(19,162)	7,089,761	7,377,184	(57,485)	7,319,699	229,938
Total Southern Operations	$ 2,218,440,772	$ 48,354,616	$17,395,828	$ 65,750,444	$ 45,970,260	$ 14,117,629	$ 60,087,889	$ (5,662,555)
Total Distribution Plant	$ 3,500,769,697	$ 76,877,636	$27,791,856	$ 104,669,492	$ 72,700,504	$ 24,498,544	$ 97,199,048	$ (7,470,444)
GENERAL PLANT								
Depreciable								
48200 Structures and Improvements	$ 41,903,606	$ 1,097,874	$ (209,518)	$ 888,356	$ 997,306	$ (192,757)	$ 804,549	$ (83,807)
48400 Transportation Equipment	44,635,164	6,342,657	(1,847,896)	4,494,761	7,034,502	(1,111,416)	5,923,086	1,428,325
48500 Heavy Work Equipment	16,556,906	1,099,379	(346,039)	753,340	1,187,130	(41,392)	1,145,738	392,398
Total Depreciable	$ 103,095,676	$ 8,539,910	$ (2,403,453)	$ 6,136,457	$ 9,218,938	$ (1,345,565)	$ 7,873,373	$ 1,736,916
Amortizable								
48310 Office Furniture and Equipment	$ 11,113,877	$ 691,104	$ -	$ 691,104	$ 691,104	$ -	$ 691,104	$ -
48320 Office Equipment - Computers	86,088,725	17,536,122		17,536,122	17,536,122		17,536,122	
48601 Tools and Other Equipment	31,739,914	2,033,215		2,033,215	2,033,215		2,033,215	
48801 Communication Equipment	16,483,099	935,120		935,120	935,120		935,120	
Total Amortizable	$ 145,425,615	$ 21,195,561	$ -	$ 21,195,561	$ 21,195,561	$ -	$ 21,195,561	$ -
Total General Plant	$ 248,521,291	$ 29,735,471	$ (2,403,453)	$ 27,332,018	$ 30,414,499	$ (1,345,565)	$ 29,068,934	$ 1,736,916
TOTALGAS UTILITY	$ 5,784,695,492	$157,299,824	$31,355,680	$ 188,655,504	$146,711,600	$ 27,534,145	$174,245,745	$ (14,409,759)

UNION GAS LIMITED
Depreciation Reserve Summary
Vintage Group Procedure
December 31, 2010

Statement C

Account Description	Plant Investment	Recorded Reserve Amount	Recorded Reserve Ratio	Computed Reserve Amount	Computed Reserve Ratio	Redistributed Reserve Amount	Redistributed Reserve Ratio
A	B	C	D=C/B	E	F=E/B	G	H=G/B
INTANGIBLE PLANT							
40100 Franchises and Consents	$ 1,218,909	$ 361,860	29.69%	$ 567,005	46.52%	$ 361,860	29.69%
Total Intangible Plant	$ 1,218,909	$ 361,860	29.69%	$ 567,005	46.52%	$ 361,860	29.69%
LOCAL STORAGE PLANT							
44200 Structures and Improvements	$ 2,674,066	$ 2,452,635	91.72%	$ 1,429,723	53.47%	$ 1,593,357	59.59%
44301 Gas Holders - Storage Tank	4,574,078	4,574,078	100.00%	2,632,509	57.55%	2,933,801	64.14%
44302 Gas Holders - Equipment	9,772,265	7,957,005	81.42%	4,370,761	44.73%	4,870,999	49.85%
Total Local Storage Plant	$ 17,020,409	$ 14,983,718	88.03%	$ 8,432,993	49.55%	$ 9,398,157	55.22%
UNDERGROUND STORAGE PLANT							
45100 Land Rights	$ 32,062,296	$ 10,285,037	32.08%	$ 10,143,602	31.64%	$ 11,304,547	35.26%
45200 Structures and Improvements	55,119,051	23,311,865	42.29%	25,146,759	45.62%	28,024,828	50.84%
45300 Wells and Lines	87,601,565	35,711,229	40.77%	38,210,255	43.62%	42,583,453	48.61%
45600 Compressor Equipment	214,182,254	109,328,078	51.04%	95,567,655	44.62%	106,505,457	49.73%
45700 Measuring and Regulating Equipment	51,444,990	35,294,747	68.61%	27,904,535	54.24%	31,098,233	60.45%
Total Underground Storage Plant	$ 440,410,156	$ 213,930,956	48.58%	$ 196,972,806	44.72%	$ 219,516,518	49.84%
TRANSMISSION PLANT							
46100 Land Rights	$ 37,709,004	$ 8,597,685	22.80%	$ 7,685,781	20.38%	$ 8,678,444	23.01%
46200 Structures and Improvements	53,543,879	26,092,822	48.73%	22,193,777	41.45%	25,060,233	46.80%
46501 Mains - Metallic	1,041,972,208	393,578,357	37.77%	342,145,062	32.84%	386,335,086	37.08%
46600 Compressor Equipment	300,909,097	90,361,284	30.03%	96,380,379	32.03%	108,828,465	36.17%
46700 Measuring and Regulating Equipment	142,620,842	62,972,797	44.15%	46,672,671	32.73%	52,700,717	36.95%
Total Transmission Plant	$ 1,576,755,030	$ 581,602,944	36.89%	$ 515,077,669	32.67%	$ 581,602,944	36.89%
DISTRIBUTION PLANT							
Northern and Eastern Operations							
47100 Land Rights	$ 9,011,143	$ 3,046,141	33.80%	$ 2,863,242	31.77%	$ 2,673,340	29.67%
47200 Structures and Improvements	61,811,428	21,395,510	34.61%	13,896,700	22.48%	12,975,011	20.99%
47301 Services - Metallic	92,761,004	61,819,635	66.64%	56,609,660	61.03%	52,855,062	56.98%
47302 Services - Plastic	354,120,371	154,003,927	43.49%	122,483,288	34.59%	114,359,665	32.29%
47400 Regulators	27,055,553	11,323,841	41.85%	16,530,848	61.10%	16,530,848	61.10%
47401 Regulator and Meter Installations	29,092,211	10,143,131	34.87%	10,235,985	35.18%	9,557,090	32.85%
47501 Mains - Metallic	351,222,754	146,899,969	41.83%	239,955,259	68.32%	224,040,387	63.79%

UNION GAS LIMITED
Depreciation Reserve Summary
Vintage Group Procedure
December 31, 2010

Statement C

Account Description	Plant Investment	Recorded Reserve Amount	Recorded Reserve Ratio	Computed Reserve Amount	Computed Reserve Ratio	Redistributed Reserve Amount	Redistributed Reserve Ratio
A	B	C	D=C/B	E	F=E/B	G	H=G/B
47502 Mains - Plastic	201,072,312	71,688,284	35.65%	68,176,081	33.91%	63,654,348	31.66%
47700 Measuring and Regulating Equipment	103,778,777	50,944,049	49.09%	36,469,083	35.14%	34,050,296	32.81%
47800 Meters	52,403,372	16,508,017	31.50%	18,289,495	34.90%	17,076,457	32.59%
Total Northern and Eastern Operations	$ 1,282,328,925	$ 547,772,503	42.72%	$ 585,509,642	45.66%	$ 547,772,503	42.72%
Southern Operations							
47100 Land Rights	$ 5,494,304	$ 1,165,527	21.21%	$ 1,100,507	20.03%	$ 1,138,636	20.72%
47200 Structures and Improvements	101,589,573	46,066,298	45.35%	31,116,644	30.63%	32,194,731	31.69%
47301 Services - Metallic	109,632,954	101,160,672	92.27%	89,124,677	81.29%	92,212,547	84.11%
47302 Services - Plastic	741,618,024	291,246,443	39.27%	236,525,055	31.89%	244,719,851	33.00%
47400 Regulators	70,083,173	26,633,162	38.00%	39,811,017	56.81%	39,811,017	56.81%
47401 Regulator and Meter Installations	67,553,639	26,719,532	39.55%	21,266,239	31.48%	22,003,043	32.57%
47501 Mains - Metallic	399,123,055	212,172,022	53.16%	264,254,569	66.21%	273,410,100	68.50%
47502 Mains - Plastic	502,504,563	156,518,147	31.15%	151,729,785	30.19%	156,986,711	31.24%
47700 Measuring and Regulating Equipment	29,226,321	15,364,312	52.57%	10,911,016	37.33%	11,289,046	38.63%
47800 Meters	191,615,166	60,003,808	31.31%	61,165,077	31.92%	63,284,240	33.03%
Total Southern Operations	$ 2,218,440,772	$ 937,049,923	42.24%	$ 907,004,587	40.88%	$ 937,049,923	42.24%
Total Distribution Plant	$ 3,500,769,697	$ 1,484,822,426	42.41%	$ 1,492,514,229	42.63%	$ 1,484,822,426	42.41%
GENERAL PLANT							
Depreciable							
48200 Structures and Improvements	$ 41,903,606	$ 18,923,317	45.16%	$ 13,328,688	31.81%	$ 10,743,949	25.64%
48400 Transportation Equipment	44,635,164	11,532,184	25.84%	19,718,240	44.18%	15,894,419	35.61%
48500 Heavy Work Equipment	16,556,906	1,017,527	6.15%	5,157,062	31.15%	4,156,989	25.11%
Total Depreciable	$ 103,095,676	$ 31,473,028	30.53%	$ 38,203,991	37.06%	$ 30,795,357	29.87%
Amortizable							
48310 Office Furniture and Equipment	$ 11,113,877	$ 5,681,529	51.12%	$ 6,229,896	56.06%	$ 6,229,896	56.06%
48320 Office Equipment - Computers	86,088,725	49,191,303	57.14%	48,906,455	56.81%	48,906,455	56.81%
48601 Tools and Other Equipment	31,739,914	15,805,104	49.80%	15,893,892	50.08%	15,893,892	50.08%
48801 Communication Equipment	16,483,099	8,907,025	54.04%	9,232,388	56.01%	9,232,388	56.01%
Total Amortizable	$ 145,425,615	$ 79,584,960	54.73%	$ 80,262,631	55.19%	$ 80,262,631	55.19%
Total General Plant	$ 248,521,291	$ 111,057,988	44.69%	$ 118,466,622	47.67%	$ 111,057,988	44.69%
TOTALGAS UTILITY	$ 5,784,695,492	$ 2,406,759,893	41.61%	$ 2,332,031,324	40.31%	$ 2,406,759,893	41.61%

UNION GAS LIMITED

Depreciation Reserve Components
Redistributed Reserve
December 31, 2010

Statement D

Account Description	Plant Investment	Investment Reserve Amount	Investment Reserve Ratio	Net Salvage Reserve Amount	Net Salvage Reserve Ratio	Total Reserve Amount	Total Reserve Ratio
A	B	C	D=C/B	E	F=E/B	G=C+E	H=G/B
INTANGIBLE PLANT							
40100 Franchises and Consents	$ 1,218,909	$ 361,860	29.69%	$ -		$ 361,860	29.69%
Total Intangible Plant	$ 1,218,909	$ 361,860	29.69%	$ -		$ 361,860	29.69%
LOCAL STORAGE PLANT							
44200 Structures and Improvements	$ 2,674,066	$ 1,590,176	59.47%	$ 3,180	0.12%	$ 1,593,357	59.59%
44301 Gas Holders - Storage Tank	4,574,078	2,927,946	64.01%	5,856	0.13%	2,933,801	64.14%
44302 Gas Holders - Equipment	9,772,265	4,879,274	49.93%	(8,276)	-0.08%	4,870,999	49.85%
Total Local Storage Plant	$ 17,020,409	$ 9,397,396	55.21%	$ 760	0.00%	$ 9,398,157	55.22%
UNDERGROUND STORAGE PLANT							
45100 Land Rights	$ 32,062,296	$ 11,304,547	35.26%	$ -		$ 11,304,547	35.26%
45200 Structures and Improvements	55,119,051	25,607,371	46.46%	2,417,457	4.39%	28,024,828	50.84%
45300 Wells and Lines	87,601,565	35,795,372	40.86%	6,788,081	7.75%	42,583,453	48.61%
45600 Compressor Equipment	214,182,254	101,040,469	47.17%	5,464,989	2.55%	106,505,457	49.73%
45700 Measuring and Regulating Equipment	51,444,990	28,004,499	54.44%	3,093,734	6.01%	31,098,233	60.45%
Total Underground Storage Plant	$ 440,410,156	$ 201,752,258	45.81%	$ 17,764,260	4.03%	$ 219,516,518	49.84%
TRANSMISSION PLANT							
46100 Land Rights	$ 37,709,004	$ 8,678,444	23.01%	$ -		$ 8,678,444	23.01%
46200 Structures and Improvements	53,543,879	22,850,410	42.68%	2,209,823	4.13%	25,060,233	46.80%
46501 Mains - Metallic	1,041,972,208	335,943,553	32.24%	50,391,533	4.84%	386,335,086	37.08%
46600 Compressor Equipment	300,909,097	100,686,029	33.46%	8,142,435	2.71%	108,828,465	36.17%
46700 Measuring and Regulating Equipment	142,620,842	47,909,743	33.59%	4,790,974	3.36%	52,700,717	36.95%
Total Transmission Plant	$ 1,576,755,030	$ 516,068,178	32.73%	$ 65,534,766	4.16%	$ 581,602,944	36.89%
DISTRIBUTION PLANT							
Northern and Eastern Operations							
47100 Land Rights	$ 9,011,143	$ 2,673,340	29.67%	$ -		$ 2,673,340	29.67%
47200 Structures and Improvements	61,811,428	12,154,988	19.66%	820,023	1.33%	12,975,011	20.99%
47301 Services - Metallic	92,761,004	33,891,075	36.54%	18,963,987	20.44%	52,855,062	56.98%
47302 Services - Plastic	354,120,371	81,863,168	23.12%	32,496,497	9.18%	114,359,665	32.29%
47400 Regulators	27,055,553	16,530,848	61.10%			16,530,848	61.10%
47401 Regulator and Meter Installations	29,092,211	9,592,231	32.97%	(35,141)	-0.12%	9,557,090	32.85%
47501 Mains - Metallic	351,222,754	139,790,069	39.80%	84,250,318	23.99%	224,040,387	63.79%

UNION GAS LIMITED
Depreciation Reserve Components
Redistributed Reserve
December 31, 2010

Statement D

Account Description	Plant Investment	Investment Reserve Amount	Investment Reserve Ratio	Net Salvage Reserve Amount	Net Salvage Reserve Ratio	Total Reserve Amount	Total Reserve Ratio
A	B	C	D=C/B	E	F=E/B	G=C+E	H=G/B
47502 Mains - Plastic	201,072,312	45,467,391	22.61%	18,186,957	9.04%	63,654,348	31.66%
47700 Measuring and Regulating Equipment	103,778,777	22,798,993	21.97%	11,251,303	10.84%	34,050,296	32.81%
47800 Meters	52,403,372	16,884,195	32.22%	192,261	0.37%	17,076,457	32.59%
Total Northern and Eastern Operations	$ 1,282,328,925	$ 381,646,299	29.76%	$ 166,126,205	12.96%	$ 547,772,503	42.72%
Southern Operations							
47100 Land Rights	$ 5,494,304	$ 1,138,636	20.72%	$ -		$ 1,138,636	20.72%
47200 Structures and Improvements	101,589,573	29,314,529	28.86%	2,880,202	2.84%	32,194,731	31.69%
47301 Services - Metallic	109,632,954	56,747,151	51.76%	35,465,396	32.35%	92,212,547	84.11%
47302 Services - Plastic	741,618,024	173,102,150	23.34%	71,617,702	9.66%	244,719,851	33.00%
47400 Regulators	70,083,173	39,811,017	56.81%			39,811,017	56.81%
47401 Regulator and Meter Installations	67,553,639	22,050,886	32.64%	(47,843)	-0.07%	22,003,043	32.57%
47501 Mains - Metallic	399,123,055	172,683,322	43.27%	100,726,777	25.24%	273,410,100	68.50%
47502 Mains - Plastic	502,504,563	112,133,365	22.31%	44,853,346	8.93%	156,986,711	31.24%
47700 Measuring and Regulating Equipment	29,226,321	7,691,380	26.32%	3,597,667	12.31%	11,289,046	38.63%
47800 Meters	191,615,166	62,332,792	32.53%	951,448	0.50%	63,284,240	33.03%
Total Southern Operations	$ 2,218,440,772	$ 677,005,228	30.52%	$ 260,044,695	11.72%	$ 937,049,923	42.24%
Total Distribution Plant	$ 3,500,769,697	$1,058,651,527	30.24%	$ 426,170,899	12.17%	$ 1,484,822,426	42.41%
GENERAL PLANT							
Depreciable							
48200 Structures and Improvements	$ 41,903,606	$ 13,681,141	32.65%	$ (2,937,192)	-7.01%	$ 10,743,949	25.64%
48400 Transportation Equipment	44,635,164	15,799,426	35.40%	94,993	0.21%	15,894,419	35.61%
48500 Heavy Work Equipment	16,556,906	3,703,799	22.37%	453,190	2.74%	4,156,989	25.11%
Total Depreciable	$ 103,095,676	$ 33,184,365	32.19%	$ (2,389,009)	-2.32%	$ 30,795,357	29.87%
Amortizable							
48310 Office Furniture and Equipment	$ 11,113,877	$ 6,229,896	56.06%	$ -		$ 6,229,896	56.06%
48320 Office Equipment - Computers	86,088,725	48,906,455	56.81%			48,906,455	56.81%
48601 Tools and Other Equipment	31,739,914	15,893,892	50.08%			15,893,892	50.08%
48801 Communication Equipment	16,483,099	9,232,388	56.01%			9,232,388	56.01%
Total Amortizable	$ 145,425,615	$ 80,262,631	55.19%	$ -		$ 80,262,631	55.19%
Total General Plant	$ 248,521,291	$ 113,446,996	45.65%	$ (2,389,009)	-0.96%	$ 111,057,988	44.69%
TOTALGAS UTILITY	$ 5,784,695,492	$1,899,678,216	32.84%	$ 507,081,677	8.77%	$ 2,406,759,893	41.61%

UNION GAS LIMITED
Average Net Salvage

Statement E

Account Description	Plant Investment			Salvage Rate		Net Salvage			Average
	Additions	Retirements	Survivors	Realized	Future	Realized	Future	Total	Rate
A	B	C	D=B-C	E	F	G=E*C	H=F*D	I=G+H	J=I/B
INTANGIBLE PLANT									
40100 Franchises and Consents	$ 1,981,584	$ 762,675	$ 1,218,909			$ -	$ -	$ -	
Total Intangible Plant	$ 1,981,584	$ 762,675	$ 1,218,909			$ -	$ -	$ -	
LOCAL STORAGE PLANT									
44200 Structures and Improvements	$ 2,674,066	$ -	$ 2,674,066		-0.2%	$ -	$ (5,348)	$ (5,348)	-0.2%
44301 Gas Holders - Storage Tank	4,754,078	180,000	4,574,078		-0.2%		(9,148)	(9,148)	-0.2%
44302 Gas Holders - Equipment	10,066,067	293,802	9,772,265	-10.0%	-0.2%	(29,380)	(19,545)	(48,925)	-0.5%
Total Local Storage Plant	$ 17,494,211	$ 473,802	$ 17,020,409	-6.2%	-0.2%	$ (29,380)	$ (34,041)	$ (63,421)	-0.4%
UNDERGROUND STORAGE PLANT									
45100 Land Rights	$ 32,062,296	$ -	$ 32,062,296			$ -	$ -	$ -	
45200 Structures and Improvements	55,762,710	643,659	55,119,051	-43.9%	-10.0%	(282,566)	(5,511,905)	(5,794,471)	-10.4%
45300 Wells and Lines	88,526,941	925,376	87,601,565	-74.6%	-20.0%	(690,330)	(17,520,313)	(18,210,643)	-20.6%
45600 Compressor Equipment	234,191,224	20,008,970	214,182,254	-1.3%	-5.0%	(260,117)	(10,709,113)	(10,969,229)	-4.7%
45700 Measuring and Regulating Equipment	53,070,424	1,625,434	51,444,990	21.1%	-10.0%	342,967	(5,144,499)	(4,801,532)	-9.0%
Total Underground Storage Plant	$ 463,613,595	$ 23,203,439	$ 440,410,156	-3.8%	-8.8%	$ (890,047)	$ (38,885,830)	$ (39,775,877)	-8.6%
TRANSMISSION PLANT									
46100 Land Rights	$ 38,160,931	$ 451,927	$ 37,709,004			$ -	$ -	$ -	
46200 Structures and Improvements	54,109,649	565,770	53,543,879	-25.7%	-10.0%	(145,403)	(5,354,388)	(5,499,791)	-10.2%
46501 Mains - Metallic	1,059,797,242	17,825,034	1,041,972,208	-15.9%	-15.0%	(2,834,180)	(156,295,831)	(159,130,012)	-15.0%
46600 Compressor Equipment	315,158,985	14,249,888	300,909,097	24.8%	-5.0%	3,533,972	(15,045,455)	(11,511,483)	-3.7%
46700 Measuring and Regulating Equipment	149,158,521	6,537,679	142,620,842	-10.2%	-10.0%	(666,843)	(14,262,084)	(14,928,927)	-10.0%
Total Transmission Plant	$ 1,616,385,328	$ 39,630,298	$ 1,576,755,030	-0.3%	-12.1%	$ (112,454)	$ (190,957,758)	$ (191,070,212)	-11.8%
DISTRIBUTION PLANT									
Northern and Eastern Operations									
47100 Land Rights	$ 9,011,143	$ -	$ 9,011,143			$ -	$ -	$ -	
47200 Structures and Improvements	67,523,441	5,712,013	61,811,428	21.7%		1,239,507		1,239,507	1.8%
47301 Services - Metallic	96,125,200	3,364,196	92,761,004	-134.5%	-60.0%	(4,524,844)	(55,656,602)	(60,181,446)	-62.6%
47302 Services - Plastic	356,436,043	2,315,672	354,120,371	-52.7%	-40.0%	(1,220,359)	(141,648,148)	(142,868,508)	-40.1%
47400 Regulators	27,911,620	856,067	27,055,553						
47401 Regulator and Meter Installations	30,022,678	930,467	29,092,211	-5.9%		(54,898)		(54,898)	-0.2%
47501 Mains - Metallic	356,737,730	5,514,976	351,222,754	-44.7%	-60.0%	(2,465,194)	(210,733,652)	(213,198,847)	-59.8%
47502 Mains - Plastic	201,527,486	455,174	201,072,312	-40.4%	-40.0%	(183,890)	(80,428,925)	(80,612,815)	-40.0%
47700 Measuring and Regulating Equipment	107,761,746	3,982,969	103,778,777	-56.3%	-50.0%	(2,242,412)	(51,889,389)	(54,131,800)	-50.2%
47800 Meters	69,818,220	17,414,848	52,403,372	2.6%		452,786		452,786	0.6%
Total Northern and Eastern Operations	$ 1,322,875,307	$ 40,546,382	$ 1,282,328,925	-22.2%	-42.1%	$ (8,999,304)	$ (540,356,717)	$ (549,356,020)	-41.5%

UNION GAS LIMITED
Average Net Salvage

Statement E

Account Description	Plant Investment			Salvage Rate		Net Salvage			Average
	Additions	Retirements	Survivors	Realized	Future	Realized	Future	Total	Rate
A	B	C	D=B-C	E	F	G=E*C	H=F*D	I=G+H	J=I/B
Southern Operations									
47100 Land Rights	$ 5,494,304	$ -	$ 5,494,304			$ -	$ -	$ -	
47200 Structures and Improvements	119,052,665	17,463,092	101,589,573	25.8%		4,505,478		4,505,478	3.8%
47301 Services - Metallic	123,937,007	14,304,053	109,632,954	-38.0%	-60.0%	(5,435,540)	(65,779,772)	(71,215,313)	-57.5%
47302 Services - Plastic	755,754,308	14,136,284	741,618,024	-19.5%	-40.0%	(2,756,575)	(296,647,210)	(299,403,785)	-39.6%
47400 Regulators	75,400,868	5,317,695	70,083,173						
47401 Regulator and Meter Installations	72,104,842	4,551,203	67,553,639	-1.3%		(59,166)		(59,166)	-0.1%
47501 Mains - Metallic	411,129,872	12,006,817	399,123,055	-100.5%	-60.0%	(12,066,851)	(239,473,833)	(251,540,684)	-61.2%
47502 Mains - Plastic	506,075,977	3,571,414	502,504,563	-39.4%	-40.0%	(1,407,137)	(201,001,825)	(202,408,962)	-40.0%
47700 Measuring and Regulating Equipment	31,231,903	2,005,582	29,226,321	-66.6%	-50.0%	(1,335,718)	(14,613,161)	(15,948,878)	-51.1%
47800 Meters	238,983,324	47,368,158	191,615,166	3.6%		1,705,254		1,705,254	0.7%
Total Southern Operations	$ 2,339,165,070	$ 120,724,298	$ 2,218,440,772	-14.0%	-36.9%	$ (16,850,256)	$ (817,515,801)	$ (834,366,056)	-35.7%
Total Distribution Plant	$ 3,662,040,377	$ 161,270,680	$ 3,500,769,697	-16.0%	-38.8%	$ (25,849,559)	$ (1,357,872,517)	$ (1,383,722,076)	-37.8%
GENERAL PLANT									
Depreciable									
48200 Structures and Improvements	$ 44,105,715	$ 2,202,109	$ 41,903,606		20.0%	$ -	$ 8,380,721	$ 8,380,721	19.0%
48400 Transportation Equipment	119,294,853	74,659,689	44,635,164	23.3%	10.0%	17,395,708	4,463,516	21,859,224	18.3%
48500 Heavy Work Equipment	27,133,631	10,576,725	16,556,906	12.0%		1,269,207		1,269,207	4.7%
Total Depreciable	$ 190,534,199	$ 87,438,523	$ 103,095,676	21.3%	12.5%	$ 18,664,915	$ 12,844,238	$ 31,509,152	16.5%
Amortizable									
48310 Office Furniture and Equipment	$ 30,194,227	$ 19,080,350	$ 11,113,877			$ -	$ -	$ -	
48320 Office Equipment - Computers	352,823,042	266,734,317	86,088,725						
48601 Tools and Other Equipment	47,433,687	15,693,773	31,739,914						
48801 Communication Equipment	26,347,366	9,864,267	16,483,099						
Total Amortizable	$ 456,798,322	$ 311,372,707	$ 145,425,615			$ -	$ -	$ -	
Total General Plant	$ 647,332,521	$ 398,811,230	$ 248,521,291	4.7%	5.2%	$ 18,664,915	$ 12,844,238	$ 31,509,152	4.9%
TOTALGAS UTILITY	$ 6,408,847,616	$ 624,152,124	$ 5,784,695,492	-1.3%	-27.2%	$ (8,216,526)	$ (1,574,905,908)	$ (1,583,122,434)	-24.7%

UNION GAS LIMITED
Future Net Salvage
Local Storage

Statement F

Account Description	12/31/10 Plant Investment	Future Retirements		Net Salvage Rate		Future Net Salvage			Future Rate
		Interim	Final	Interim	Final	Interim	Final	Total	
A	B	C	D=B-C	E	F	G=C*E	H=D*F	I=G+H	J=I/B
LOCAL STORAGE PLANT									
44200 Structures and Improvements	$ 2,674,066	$ 100,145	$ 2,573,921	-5.0%	0.0%	$ (5,007)	$ -	$ (5,007)	-0.2%
44301 Gas Holders - Storage Tank	4,574,078	171,336	4,402,742	-5.0%	0.0%	(8,567)	0	(8,567)	-0.2%
44302 Gas Holders - Equipment	9,772,265	359,531	9,412,734	-5.0%	0.0%	(17,977)	0	(17,977)	-0.2%
Total Local Storage Plant	$ 17,020,409	$ 631,012	$ 16,389,397	-5.0%	0.0%	$ (31,551)	$ -	$ (31,551)	-0.2%

UNION GAS LIMITED
Current and Proposed Parameters
Vintage Group Procedure

Statement G

Account Description	Current Parameters P-Life/ AYFR	Curve Shape	VG ASL	Rem. Life	Avg. Sal.	Fut. Sal.	Proposed Parameters (at December 31, 2010) P-Life/ AYFR	Curve Shape	VG ASL	Rem. Life	Avg. Sal.	Fut. Sal.
A	B	C	D	E	F	G	H	I	J	K	L	M
INTANGIBLE PLANT												
40100 Franchises and Consents	20.00	SQ	20.00	15.16			24.00	SQ	24.12	12.90		
Total Intangible Plant									24.12	12.90		
LOCAL STORAGE PLANT												
44200 Structures and Improvements	2017	200-SC	45.56	14.21	-40.50	-41.4	2025	200-SC	30.51	14.23	-0.2	-0.2
44301 Gas Holders - Storage Tank	2017	200-SC	46.39	14.21	-15.90	-18.9	2025	200-SC	33.41	14.22	-0.2	-0.2
44302 Gas Holders - Equipment	2017	200-SC	42.67	14.22	-47.6	-47.6	2025	200-SC	25.78	14.23	-0.5	-0.2
Total Local Storage Plant									28.20	14.23	-0.4	
UNDERGROUND STORAGE PLANT												
45100 Land Rights	45.00	L2	45.02	38.49			45.00	L2	45.20	30.90		
45200 Structures and Improvements	2035	200-SC	45.53	31.13	-5.20	-5.0	2035	200-SC	40.66	23.71	-10.4	-10.0
45300 Wells and Lines	45.00	L2	45.52	36.43	-20.10	-20.0	45.00	L4	45.52	28.83	-20.6	-20.0
45600 Compressor Equipment	35.00	R5	35.08	21.75	-9.90	-10.0	35.00	R2.5	35.79	20.64	-4.7	-5.0
45700 Measuring and Regulating Equipment	25.00	R3	25.83	15.44	-8.8	-10.0	30.00	R3	31.18	15.95	-9.0	-10.0
Total Underground Storage Plant									37.89	22.31	-8.6	
TRANSMISSION PLANT												
46100 Land Rights	50.00	R4	50.00	42.35	0.80		55.00	R4	55.00	43.79		
46200 Structures and Improvements	40.00	R5	40.16	25.45	-4.80	-5.0	50.00	R5	50.06	31.14	-10.2	-10.0
46501 Mains - Metallic	50.00	R4	50.13	37.44	-17.20	-20.0	55.00	R4	55.16	39.41	-15.0	-15.0
46600 Compressor Equipment	30.00	S3	30.30	19.62	-4.90	-5.0	30.00	S3	30.27	21.30	-3.7	-5.0
46700 Measuring and Regulating Equipment	30.00	S1	30.11	22.34	-7.5	-10.0	40.00	S1.5	40.00	28.10	-10.0	-10.0
Total Transmission Plant									46.17	32.79	-11.8	
DISTRIBUTION PLANT												
Northern and Eastern Operations												
47100 Land Rights	60.00	L2	60.08	46.42			60.00	L2	60.30	41.14		
47200 Structures and Improvements	35.00	R4	35.63	22.29	-9.5	-10.0	40.00	R0.5	41.45	32.72	1.8	
47301 Services - Metallic	45.00	L3	45.01	30.83	-58.9	-60.0	50.00	R1.5	52.49	31.95	-62.6	-60.0
47302 Services - Plastic	55.00	L2	55.04	45.92	-74.5	-75.0	55.00	R3	55.09	41.45	-40.1	-40.0
47400 Regulators	30.00	R2.5	30.22	21.30	0.3		20.00	SQ	20.00	10.27		
47401 Regulator and Meter Installations	30.00	S1	30.35	21.41	-4.9	-5.0	35.00	R2.5	35.51	22.97	-0.2	
47501 Mains - Metallic	50.00	R4	49.98	37.18	-24.6	-25.0	55.00	R4	55.55	31.87	-59.8	-60.0

UNION GAS LIMITED
Current and Proposed Parameters
Vintage Group Procedure

Statement G

Account Description	Current Parameters P-Life/ AYFR	Curve Shape	VG ASL	Rem. Life	Avg. Sal.	Fut. Sal.	Proposed Parameters (at December 31, 2010) P-Life/ AYFR	Curve Shape	VG ASL	Rem. Life	Avg. Sal.	Fut. Sal.
A	B	C	D	E	F	G	H	I	J	K	L	M
47502 Mains - Plastic	60.00	L2	60.05	49.67	-39.9	-40.0	60.00	L2	60.16	45.59	-40.0	-40.0
47700 Measuring and Regulating Equipment	28.00	S2	28.22	19.62	-28.7	-30.0	40.00	L1	40.63	31.07	-50.2	-50.0
47800 Meters	27.00	S1.5	27.21	17.91	1.9		25.00	L1.5	25.53	16.72	0.6	
Total Northern and Eastern Operations									48.80	33.41	-41.5	-42.1
Southern Operations												
47100 Land Rights	60.00	L2	60.01	52.38			60.00	L2	60.06	48.03		
47200 Structures and Improvements	35.00	R4	36.92	13.93	-1.3	-10.0	40.00	R0.5	42.74	30.82	3.8	
47301 Services - Metallic	45.00	L3	45.26	22.85	-62.3	-60.0	50.00	R1.5	54.07	27.02	-57.5	-60.0
47302 Services - Plastic	55.00	L2	55.02	46.96	-74.1	-75.0	55.00	R3	55.01	42.60	-39.6	-40.0
47400 Regulators	30.00	R2.5	30.41	21.07	1.1		20.00	SQ	20.00	10.33		
47401 Regulator and Meter Installations	30.00	S1	30.30	20.40	-4.6	-5.0	35.00	R2.5	35.12	24.04	-0.1	
47501 Mains - Metallic	50.00	R4	50.26	31.13	-25.0	-25.0	55.00	R4	55.48	32.28	-61.2	-60.0
47502 Mains - Plastic	60.00	L2	60.03	51.17	-39.9	-40.0	60.00	L2	60.09	47.13	-40.0	-40.0
47700 Measuring and Regulating Equipment	28.00	S2	28.42	18.50	-29.7	-30.0	40.00	L1	40.77	30.40	-51.1	-50.0
47800 Meters	27.00	S1.5	27.33	18.78	0.4		25.00	L1.5	25.54	17.51	0.7	
Total Southern Operations									47.02	33.25	-35.7	-42.1
Total Distribution Plant									47.65	33.31	-37.8	-38.8
GENERAL PLANT												
Depreciable												
48200 Structures and Improvements	2020	200-SC	39.71	17.09	18.8	20.0	2040	200-SC	47.65	28.35	19.0	20.0
48400 Transportation Equipment	7.00	L0.5	7.16	4.62	29.1	30.0	7.00	L1.5	7.31	4.10	18.3	10.0
48500 Heavy Work Equipment	15.00	L1	15.28	10.33	31.6	30.0	15.00	L1	14.99	10.83	4.7	
Total Depreciable									12.74	7.65	16.5	12.5
Amortizable												
48310 Office Furniture and Equipment	15.00	SQ	15.00	6.96			15.00	SQ	15.00	6.59		
48320 Office Equipment - Computers	4.00	SQ	4.00	2.14			4.00	SQ	4.00	1.73		
48601 Tools and Other Equipment	15.00	SQ	15.00	8.85			15.00	SQ	15.00	7.49		
48801 Communication Equipment	15.00	SQ	15.00	7.53			15.00	SQ	15.00	7.42		
Total Amortizable									5.71	2.60		
Total General Plant									7.40	3.81	4.9	5.2
TOTALGAS UTILITY									37.70	25.83	-24.7	-27.2

ANALYSIS

INTRODUCTION

This section provides an explanation of the supporting schedules developed in the Union depreciation study to estimate appropriate projection curves, projection lives and net salvage statistics for each rate category. The form and content of the schedules developed for an account depend upon the method of analysis adopted for the category.

This section also includes an example of the supporting schedules developed for Account 47800S – Distribution Meters. Documentation for all other plant accounts is contained in the study work papers. The supporting schedules developed in the Union study include:

Schedule A – Generation Arrangement;

Schedule B – Age Distribution;

Schedule C – Plant History;

Schedule D – Actuarial Life Analysis;

Schedule E – Graphics Analysis; and

Schedule F – Historical Net Salvage Analysis.

The format and content of these schedules are briefly described below.

SCHEDULE A – GENERATION ARRANGEMENT

The purpose of this schedule is to obtain appropriate weighted–average life statistics for a rate category. The weighted–average remaining–life is the sum of Column H divided by the sum of Column I. The weighted average life is the sum of Column C divided by the sum of Column I.

It should be noted that the generation arrangement does not include parameters for net salvage. Computed Net Plant (Column C) and Accruals (Column I) must be adjusted for net salvage to obtain a correct measurement of theoretical reserves and annualized depreciation accruals.

The following table provides a description of each column in the generation arrangement.

Column	Title	Description
A	Vintage	Vintage or placement year of surviving plant.
B	Age	Age of surviving plant at beginning of study year.
C	Surviving Plant	Actual dollar amount of surviving plant.
D	Average Life	Estimated average life of each vintage. This statistic is the sum of the realized life and the unrealized life, which is the product of the remaining life (Column E) and the theoretical proportion surviving.
E	Remaining Life	Estimated remaining life of each vintage.
F	Net Plant Ratio	Theoretical net plant ratio of each vintage.
G	Allocation Factor	A pivotal ratio which determines the amortization period of the difference between the recorded and computed reserve.
H	Computed Net Plant	Plant in service less theoretical reserve for each vintage.
I	Accrual	Ratio of computed net plant (Column H) and remaining life (Column E).

Table 2. Generation Arrangement

SCHEDULE B – AGE DISTRIBUTION

This schedule provides the age distribution and realized life of surviving plant shown in Column C of the Generation Arrangement (Schedule A). The format of the schedule depends upon the availability of either aged or unaged data. Derived additions for vintage years older than the earliest activity year in an account for unaged data are obtained from the age distribution of surviving plant at the beginning of the earliest activity year. The amount surviving from these vintages is shown in Column D. The realized life (Column G) is derived from the dollar years of service provided by a vintage over the period of years the vintage has been in service. Plant additions for vintages older than the earliest activity year in an account are represented by the opening balances shown in Column D.

The computed proportion surviving (Column D) for unaged is derived from a computed mortality analysis. The average service life displayed in the title block is the life statistic derived for the most recent activity year, given the derived age distribution at the start of the year and the specified retirement dispersion. The realized life (Column F) is obtained by finding the slope of an SC retirement dispersion, which connects the computed survivors of a vintage (Column E) to the recorded vintage addition (Column B). The realized life is the area bounded by the SC dispersion, the computed proportion surviving and the age of the vintage.

SCHEDULE C – PLANT HISTORY

An Unadjusted Plant History schedule provides a summary of recorded plant data extracted from the continuing property records maintained by the Company. Activity year total amounts shown on this schedule for aged data are obtained from a historical arrangement of the database in which all plant accounting transactions are identified by vintage and activity year. Activity year totals for unaged data are obtained from a transaction file without vintage identification. Information displayed in the unadjusted plant history is consistent with regulated investments reported internally by the Company.

An Adjusted Plant History schedule provides a summary of recorded plant data extracted from the continuing property records maintained by the Company with sales, transfers, and adjustments appropriately aged for depreciation study purposes. Activity year total amounts shown on this schedule for aged data are obtained from a historical arrangement of the data base in which all plant accounting transactions are identified by vintage and activity year. Ageing of adjusting transactions is achieved using transaction codes that identify an adjusting year associated with the dollar amount of a transaction. Adjusting transactions processed in the adjusted plant history are not aged in the Company's records or in the unadjusted plant history.

SCHEDULE D – ACTUARIAL LIFE ANALYSIS

These schedules provide a summary of the dispersion and life indications obtained from an actuarial life analysis for a specified placement band. The observation band (Column A) is specified to produce a rolling–band, shrinking–band, or progressive–band analysis depending upon the movement of the end points of the band. The degree of censoring (or point of truncation) of the observed life table is shown in Column B for each observation band. The estimated average service life, best fitting Iowa dispersion, and a statistical measure of the goodness of fit are shown for each degree polynomial (First, Second, and Third) fitted to the estimated hazard rates. Options available in the analysis include the width and location of both the placement and observation bands; the interval of years included in a selected rolling, shrinking, or progressive band analysis; the estimator of the hazard rate (actuarial, conditional proportion retired, or maximum likelihood); the elements to include on the diagonal of a weight matrix (exposures, inverse of age, inverse of variance, or unweighted); and the age at which an observed life table is truncated.

Estimated projection lives (Columns C, F, and I) are flagged with an asterisk if negative hazard rates are indicated by the fitted polynomial. All negative hazard rates are set equal to zero in the calculation of the graduated survivor curve. The Conformance Index (Columns E, H, and K) is the square root of the mean sum–

of–squared differences between the graduated survivor curve and the best fitting Iowa curve. A Conformance Index of zero would indicate a perfect fit.

SCHEDULE E – GRAPHICS ANALYSIS

This schedule provides a graphics plot of a) the observed proportion surviving for a selected placement and observation band; b) the statistically best fitting dispersion and derived projection life; and c) the projection curve and projection life selected to describe future forces of mortality.

The graphics analysis also provides a plot of the observed hazard rates and graduated hazard function for a selected placement and observation band. The estimator of the hazard rates and weighting used in fitting orthogonal polynomials to the observed data are displayed in the title block of the displayed graph.

SCHEDULE F - HISTORICAL NET SALVAGE ANALYSIS

This schedule provides a moving average analysis of the ratio of realized net salvage (Column I) to the associated retirements (Column B). The schedule also provides a moving average analysis of the components of net salvage related to retirements. The ratio of gross salvage to retirements is shown in Column D and the ratio of cost of removal to retirements is shown in Column G.

UNION GAS LIMITED
Distribution
Southern Operations
Account: 47800S Meters

Dispersion: 25 - L1.5
Procedure: Vintage Group

Schedule A
Page 1 of 2

Generation Arrangement

	December 31, 2010				Net			
Vintage	Age	Surviving Plant	Avg. Life	Rem. Life	Plant Ratio	Alloc. Factor	Computed Net Plant	Accrual
A	B	C	D	E	F	G	H=C*F*G	I=H/E
2010	0.5	20,777,031	25.00	24.52	0.9806	1.0000	20,374,126	831,072
2009	1.5	12,389,967	25.00	23.56	0.9423	1.0000	11,675,089	495,572
2008	2.5	9,148,914	25.00	22.63	0.9049	1.0000	8,279,122	365,927
2007	3.5	7,209,704	25.00	21.72	0.8688	1.0000	6,263,688	288,389
2006	4.5	10,128,857	25.01	20.85	0.8336	1.0000	8,443,343	405,033
2005	5.5	8,478,288	25.00	20.01	0.8004	1.0000	6,785,867	339,170
2004	6.5	6,839,689	24.98	19.20	0.7689	1.0000	5,258,700	273,828
2003	7.5	8,080,575	25.04	18.44	0.7363	1.0000	5,949,417	322,682
2002	8.5	8,452,375	24.87	17.71	0.7120	1.0000	6,018,061	339,893
2001	9.5	7,085,137	24.86	17.01	0.6843	1.0000	4,848,462	285,018
2000	10.5	7,175,163	24.90	16.36	0.6568	1.0000	4,712,892	288,103
1999	11.5	7,539,720	24.90	15.75	0.6326	1.0000	4,769,909	302,826
1998	12.5	9,507,022	25.01	15.19	0.6075	1.0000	5,775,928	380,204
1997	13.5	6,365,640	25.37	14.68	0.5786	1.0000	3,682,929	250,919
1996	14.5	5,403,121	25.57	14.21	0.5556	1.0000	3,002,179	211,331
1995	15.5	11,290,823	25.72	13.77	0.5354	1.0000	6,045,281	438,975
1994	16.5	4,285,972	25.49	13.37	0.5244	1.0000	2,247,638	168,127
1993	17.5	4,439,612	25.94	12.99	0.5009	1.0000	2,223,767	171,129
1992	18.5	4,606,790	26.00	12.65	0.4864	1.0000	2,240,735	177,197
1991	19.5	5,226,828	26.39	12.32	0.4667	1.0000	2,439,598	198,063
1990	20.5	4,970,569	26.53	12.01	0.4526	1.0000	2,249,557	187,361
1989	21.5	3,970,905	26.65	11.71	0.4393	1.0000	1,744,492	148,979
1988	22.5	1,784,563	25.16	11.42	0.4540	1.0000	810,264	70,930
1987	23.5	2,738,588	27.55	11.15	0.4045	1.0000	1,107,856	99,402
1986	24.5	1,329,970	25.66	10.87	0.4238	1.0000	563,614	51,837
1985	25.5	1,415,134	26.22	10.60	0.4044	1.0000	572,266	53,963
1984	26.5	164,227	25.65	10.34	0.4030	1.0000	66,185	6,402
1983	27.5	1,083,980	28.27	10.08	0.3563	1.0000	386,262	38,337
1982	28.5	2,209,466	30.01	9.81	0.3270	1.0000	722,479	73,627
1981	29.5	1,003,015	29.35	9.55	0.3255	1.0000	326,457	34,179
1980	30.5	2,757,197	31.46	9.29	0.2954	1.0000	814,428	87,654
1979	31.5	786,807	29.06	9.03	0.3108	1.0000	244,560	27,075
1978	32.5	1,029,527	30.61	8.78	0.2867	1.0000	295,175	33,635
1977	33.5	949,696	30.71	8.52	0.2775	1.0000	263,549	30,928
1975	35.5	381,958	31.33	8.02	0.2561	1.0000	97,802	12,193
1972	38.5	93,294	34.60	7.30	0.2110	1.0000	19,681	2,697

UNION GAS LIMITED
Distribution
Southern Operations
Account: 47800S Meters
Dispersion: 25 - L1.5
Procedure: Vintage Group

Generation Arrangement

	December 31, 2010				Net			
Vintage	Age	Surviving Plant	Avg. Life	Rem. Life	Plant Ratio	Alloc. Factor	Computed Net Plant	Accrual
A	B	C	D	E	F	G	H=C*F*G	I=H/E
1971	39.5	170,681	35.52	7.07	0.1989	1.0000	33,956	4,805
1970	40.5	42,675	34.06	6.84	0.2008	1.0000	8,570	1,253
1968	42.5	3,037	35.65	6.40	0.1794	1.0000	545	85
1967	43.5	52,540	38.37	6.18	0.1611	1.0000	8,467	1,369
1966	44.5	7,255	38.26	5.97	0.1562	1.0000	1,133	190
1964	46.5	18,595	40.35	5.57	0.1380	1.0000	2,566	461
1962	48.5	7,970	41.88	5.18	0.1236	1.0000	986	190
1961	49.5	50,282	44.29	4.99	0.1127	1.0000	5,665	1,135
1951	59.5	335	54.73	3.32	0.0606	1.0000	20	6
1947	63.5	445	60.49	2.73	0.0452	1.0000	20	7
1929	81.5	11	75.72			1.0000		
1901	109.5	161,215	108.20			1.0000		
Total	10.9	$191,615,166	25.54	17.51	0.6857	1.0000	$131,383,285	$7,502,157

UNION GAS LIMITED
Distribution
Southern Operations
Account: 47800S Meters

Schedule B
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Age Distribution

Vintage	Age as of 12/31/2010	Derived Additions	1997 Opening Balance	Experience to 12/31/2010		
				Amount Surviving	Proportion Surviving	Realized Life
A	B	C	D	E	F=E/(C+D)	G
2010	0.5	20,777,031		20,777,031	1.0000	0.5000
2009	1.5	12,401,298		12,389,967	0.9991	1.4995
2008	2.5	9,187,183		9,148,914	0.9958	2.4964
2007	3.5	7,277,245		7,209,704	0.9907	3.4869
2006	4.5	10,242,925		10,128,857	0.9889	4.4820
2005	5.5	8,789,045		8,478,288	0.9646	5.4525
2004	6.5	7,307,605		6,839,689	0.9360	6.4053
2003	7.5	8,455,498		8,080,575	0.9557	7.4303
2002	8.5	9,975,855		8,452,375	0.8473	8.2043
2001	9.5	8,300,745		7,085,137	0.8536	9.1281
2000	10.5	8,387,526		7,175,163	0.8555	10.0896
1999	11.5	9,076,148		7,539,720	0.8307	10.9773
1998	12.5	11,442,904		9,507,022	0.8308	11.9559
1997	13.5	7,171,244		6,365,640	0.8877	13.1653
1996	14.5		6,125,395	5,403,121	0.8821	14.1797
1995	15.5		12,680,543	11,290,823	0.8904	15.1191
1994	16.5		5,801,575	4,285,972	0.7388	15.6441
1993	17.5		5,423,388	4,439,612	0.8186	16.8141
1992	18.5		6,055,843	4,606,790	0.7607	17.5544
1991	19.5		6,796,465	5,226,828	0.7691	18.5962
1990	20.5		6,885,306	4,970,569	0.7219	19.3512
1989	21.5		5,328,549	3,970,905	0.7452	20.0566
1988	22.5		3,885,396	1,784,563	0.4593	19.1086
1987	23.5		3,810,609	2,738,588	0.7187	22.0130
1986	24.5		3,519,867	1,329,970	0.3778	20.6002
1985	25.5		3,151,458	1,415,134	0.4490	21.6170
1984	26.5		1,443,552	164,227	0.1138	21.4672
1983	27.5		1,961,020	1,083,980	0.5528	24.4784
1982	28.5		3,330,663	2,209,466	0.6634	26.5758
1981	29.5		2,280,158	1,003,015	0.4399	26.2497
1980	30.5		3,973,393	2,757,197	0.6939	28.6712
1979	31.5		3,392,567	786,807	0.2319	26.5638
1978	32.5		2,794,384	1,029,527	0.3684	28.3776
1977	33.5		2,695,086	949,696	0.3524	28.7194
1976	34.5		1,289,525		0.0000	24.5638
1975	35.5		1,538,094	381,958	0.2483	29.7657
1974	36.5		761,589		0.0000	29.7285

UNION GAS LIMITED
Distribution
Southern Operations
Account: 47800S Meters

Schedule B
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Age Distribution

Vintage	Age as of 12/31/2010	Derived Additions	1997 Opening Balance	Experience to 12/31/2010 Amount Surviving	Proportion Surviving	Realized Life
A	B	C	D	E	F=E/(C+D)	G
1973	37.5		507,771		0.0000	30.3369
1972	38.5		459,584	93,294	0.2030	33.5440
1971	39.5		561,586	170,681	0.3039	34.6038
1970	40.5		547,894	42,675	0.0779	33.2639
1969	41.5		349,528		0.0000	33.6040
1968	42.5		261,891	3,037	0.0116	35.0669
1967	43.5		272,995	52,540	0.1925	37.8736
1966	44.5		238,905	7,255	0.0304	37.8319
1965	45.5		177,057		0.0000	37.5041
1964	46.5		183,463	18,595	0.1014	40.0504
1963	47.5		58,240		0.0000	38.1028
1962	48.5		92,237	7,970	0.0864	41.6778
1961	49.5		148,679	50,282	0.3382	44.1212
1960	50.5		111,642		0.0000	41.3618
1959	51.5		92,600		0.0000	41.3652
1958	52.5		24,569		0.0000	40.2199
1957	53.5		109		0.0000	40.0000
1956	54.5		75		0.0000	45.0000
1951	59.5		774	335	0.4327	54.7164
1950	60.5		155		0.0000	51.1568
1947	63.5		1,078	445	0.4131	60.4880
1929	81.5		99	11	0.1112	75.7231
1903	107.5		5,342		0.0000	95.5941
1901	109.5		1,170,372	161,215	0.1377	108.2008
Total	10.9	$138,792,252	$100,191,072	$191,615,166	0.8018	

UNION GAS LIMITED
Distribution Plant (North and South)
Account: 47800 Meters

Unadjusted Plant History

Year	Beginning Balance	Additions	Retirements	Sales, Transfers & Adjustments	Ending Balance
A	B	C	D	E	F=B+C-D+E
1997	136,333,799	8,933,032	1,550,639		143,716,192
1998	143,716,192	14,344,533	2,093,663		155,967,062
1999	155,967,062	11,296,028	2,227,148		165,035,942
2000	165,035,942	10,609,719	2,142,798	(753,655)	172,749,207
2001	172,749,207	11,588,165	3,665,128		180,672,245
2002	180,672,245	11,930,969	3,431,606		189,171,608
2003	189,171,608	10,370,426	4,433,385	(210,088)	194,898,561
2004	194,898,561	9,402,113	5,688,134		198,612,541
2005	198,612,541	11,047,559	4,436,217		205,223,883
2006	205,223,883	12,521,942	4,888,698		212,857,127
2007	212,857,127	9,209,991	4,978,716		217,088,402
2008	217,088,402	11,305,527	7,745,686		220,648,243
2009	220,648,243	17,431,236	8,623,676	750	229,456,552
2010	229,456,552	23,423,104	8,877,512	16,394	244,018,539

UNION GAS LIMITED
Distribution Plant (North and South)
Account: 47800 Meters

Adjusted Plant History

Year	Beginning Balance	Additions	Retirements	Sales, Transfers & Adjustments	Ending Balance
A	B	C	D	E	F=B+C-D+E
1997	136,335,965	8,933,032	1,550,639		143,718,358
1998	143,718,358	14,344,533	2,093,663		155,969,227
1999	155,969,227	11,296,028	2,227,148		165,038,108
2000	165,038,108	10,609,719	2,142,798	(753,655)	172,751,373
2001	172,751,373	11,588,165	3,665,128		180,674,410
2002	180,674,410	11,855,941	3,431,606	(2,166)	189,096,580
2003	189,096,580	10,445,454	4,433,385	(210,088)	194,898,561
2004	194,898,561	9,436,606	5,688,134		198,647,033
2005	198,647,033	11,014,030	4,436,217		205,224,846
2006	205,224,846	12,529,447	4,888,698		212,865,595
2007	212,865,595	9,223,224	4,978,716		217,110,103
2008	217,110,103	11,540,371	7,745,686		220,904,788
2009	220,904,788	17,275,545	8,623,676	750	229,557,407
2010	229,557,407	23,322,250	8,877,512	16,394	244,018,539

UNION GAS LIMITED
Distribution Plant (North and South)
Account: 47800 Meters

T-Cut: None
Placement Band: 1901-2010
Hazard Function: Proportion Retired
Weighting: Exposures

Rolling Band Life Analysis

Observation Band	Censoring	First Degree			Second Degree			Third Degree		
		Average Life	Disper-sion	Conf. Index	Average Life	Disper-sion	Conf. Index	Average Life	Disper-sion	Conf. Index
A	B	C	D	E	F	G	H	I	J	K
1997-2001	0.0	35.4	L0.5	14.19	29.1	L1.5 *	5.00	26.8	S1.5 *	1.55
1998-2002	0.0	33.3	L0.5	12.29	27.9	L1.5 *	4.38	26.3	S1.5 *	1.29
1999-2003	0.0	31.3	L0.5	10.22	27.0	L1.5 *	3.72	25.8	S1.5 *	1.11
2000-2004	0.0	28.9	L0.5	8.37	25.6	L1.5 *	3.25	24.8	S1.5 *	0.80
2001-2005	0.0	28.1	L0.5	7.31	25.6	L1.5 *	2.92	24.6	S1 *	0.69
2002-2006	0.0	28.0	L0.5	6.59	26.0	L1.5 *	2.81	24.8	S1 *	0.79
2003-2007	0.0	27.7	L0.5	6.39	26.2	L1.5 *	3.08	24.8	S0.5 *	0.90
2004-2008	0.0	26.5	L0.5	5.78	25.5	L1.5 *	3.35	24.1	S0.5 *	1.33
2005-2009	0.0	25.3	L0.5	4.32	25.0	L1 *	3.23	23.9	S0.5	1.67
2006-2010	0.0	23.9	L1	2.78	23.9	L1.5 *	2.47	23.3	S0	1.58

UNION GAS LIMITED

Distribution Plant (North and South)

Account: 47800 Meters

T-Cut: None

Placement Band: 1901-2010

Hazard Function: Proportion Retired

Weighting: Exposures

Shrinking Band Life Analysis

Observation Band	Censoring	First Degree			Second Degree			Third Degree		
		Average Life	Dispersion	Conf. Index	Average Life	Dispersion	Conf. Index	Average Life	Dispersion	Conf. Index
A	B	C	D	E	F	G	H	I	J	K
1997-2010	0.0	27.1	L0.5	5.54	25.7	L1.5 *	2.77	25.2	L1.5 *	1.72
1999-2010	0.0	26.3	L0.5	4.91	25.3	L1.5 *	2.64	24.8	L1.5 *	1.51
2001-2010	0.0	25.4	L1	4.21	24.7	L1.5 *	2.55	24.2	L1.5	1.37
2003-2010	0.0	24.7	L1	3.54	24.4	L1.5 *	2.48	23.8	L1.5	1.42
2005-2010	0.0	24.5	L1	3.14	24.4	L1.5 *	2.59	23.7	S0	1.54
2007-2010	0.0	23.3	L1	2.40	23.3	L1	2.34	22.8	S0	1.64
2009-2010	0.0	22.1	L1.5 *	2.54	22.0	L1	2.27	21.9	L1	2.16

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UNION GAS LIMITED

Distribution Plant (North and South)

Account: 47800 Meters

T-Cut: None

Placement Band: 1901-2010

Hazard Function: Proportion Retired

Weighting: Exposures

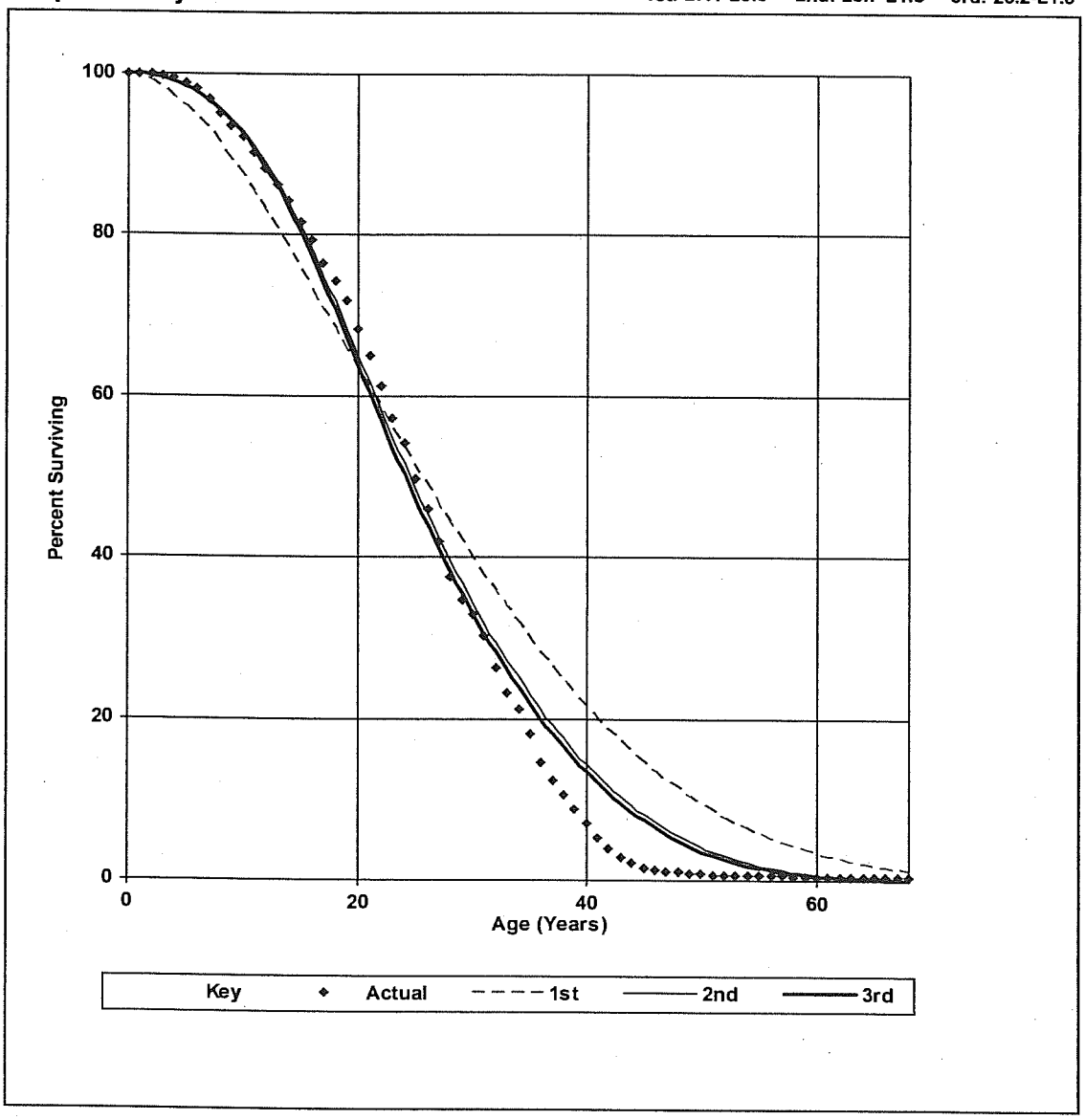
Progressing Band Life Analysis

Observation Band	Censoring	First Degree			Second Degree			Third Degree		
		Average Life	Dispersion	Conf. Index	Average Life	Dispersion	Conf. Index	Average Life	Dispersion	Conf. Index
A	B	C	D	E	F	G	H	I	J	K
1997-1998	15.4	39.5	L0.5	13.97	32.4	L1.5 *	9.19	28.1	S1 *	11.12
1997-2000	0.2	38.5	L0.5	16.34	31.9	L1.5 *	6.32	28.3	S1 *	3.30
1997-2002	0.0	34.3	L0.5	12.98	28.5	L1.5 *	4.58	26.6	S1.5 *	1.41
1997-2004	0.0	31.3	L0.5	10.12	27.0	L1.5 *	3.52	25.7	S1 *	1.01
1997-2006	0.0	30.7	L0.5	9.05	27.2	L1.5 *	3.33	25.9	S1 *	0.82
1997-2008	0.0	29.3	L0.5	7.88	26.7	L1.5 *	3.28	25.6	S1 *	1.02
1997-2010	0.0	27.1	L0.5	5.54	25.7	L1.5 *	2.77	25.2	L1.5 *	1.72

UNION GAS LIMITED
Distribution Plant (North and South)
Account: 47800 Meters

T-Cut: None
Placement Band: 1901-2010 Observation Band: 1997-2010
Hazard Function: Proportion Retired
Weighting: Exposures
1st: 27.1-L0.5 2nd: 25.7-L1.5 3rd: 25.2-L1.5

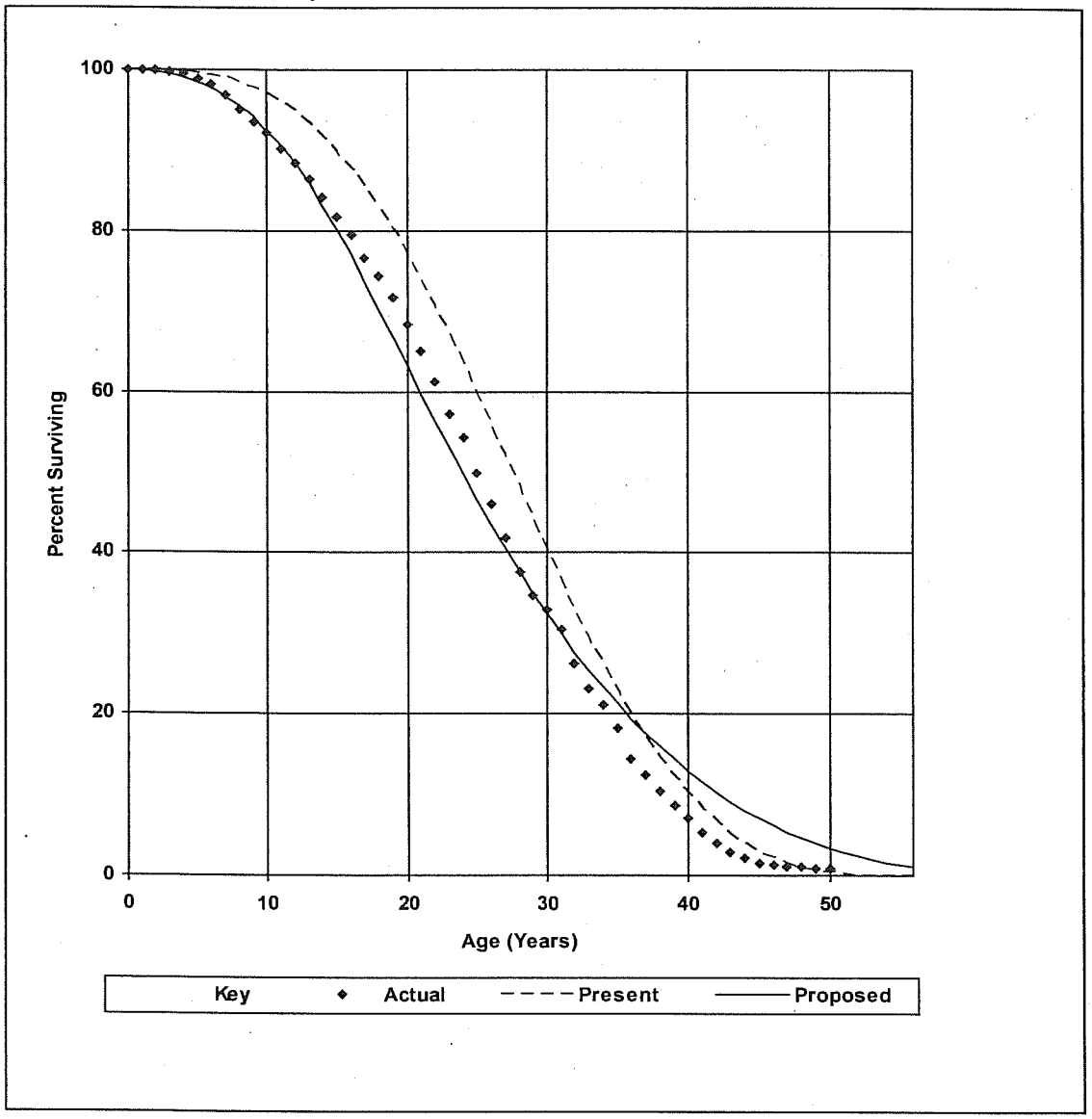
Graphics Analysis



UNION GAS LIMITED
Distribution Plant (North and South)
Account: 47800 Meters

T-Cut: 50
Placement Band: 1901-2010
Observation Band: 1997-2010

Present and Proposed Projection Life Curves Present: 27.0-S1.5 Proposed: 25.0-L1.5



UNION GAS LIMITED
Distribution Plant (North and South)
Account: 47800 Meters

Unadjusted Net Salvage History

		Gross Salvage			Cost of Retiring			Net Salvage		
Year	Retirements	Amount	Pct.	5-Yr Avg.	Amount	Pct.	5-Yr Avg.	Amount	Pct.	5-Yr Avg.
A	B	C	D=C/B	E	F	G=F/B	H	I=C-F	J=I/B	K
1997	1,550,639	79,666	5.1			0.0		79,666	5.1	
1998	2,093,663	113,857	5.4			0.0		113,857	5.4	
1999	2,227,148	94,959	4.3			0.0		94,959	4.3	
2000	2,142,798	63,180	2.9			0.0		63,180	2.9	
2001	3,665,128	323,002	8.8	5.8		0.0	0.0	323,002	8.8	5.8
2002	3,431,606	247,628	7.2	6.2		0.0	0.0	247,628	7.2	6.2
2003	4,433,385	220,927	5.0	6.0		0.0	0.0	220,927	5.0	6.0
2004	5,688,134	149,526	2.6	5.2		0.0	0.0	149,526	2.6	5.2
2005	4,436,217	153,292	3.5	5.1		0.0	0.0	153,292	3.5	5.1
2006	4,888,698	218,535	4.5	4.3		0.0	0.0	218,535	4.5	4.3
2007	4,978,716	136,606	2.7	3.6		0.0	0.0	136,606	2.7	3.6
2008	7,745,686	94,403	1.2	2.7		0.0	0.0	94,403	1.2	2.7
2009	8,623,676	161,693	1.9	2.5		0.0	0.0	161,693	1.9	2.5
2010	8,877,512	93,665	1.1	2.0		0.0	0.0	93,665	1.1	2.0
Total	64,783,005	2,150,940	3.3			0.0		2,150,940	3.3	

UNION GAS LIMITED
Distribution Plant (North and South)
Account: 47800 Meters

Adjusted Net Salvage History

		Gross Salvage			Cost of Retiring			Net Salvage		
Year	Retirements	Amount	Pct.	5-Yr Avg.	Amount	Pct.	5-Yr Avg.	Amount	Pct.	5-Yr Avg.
A	B	C	D=C/B	E	F	G=F/B	H	I=C-F	J=I/B	K
1997	1,550,639	79,666	5.1			0.0		79,666	5.1	
1998	2,093,663	113,857	5.4			0.0		113,857	5.4	
1999	2,227,148	94,959	4.3			0.0		94,959	4.3	
2000	2,142,798	63,180	2.9			0.0		63,180	2.9	
2001	3,665,128	323,002	8.8	5.8		0.0	0.0	323,002	8.8	5.8
2002	3,431,606	247,628	7.2	6.2		0.0	0.0	247,628	7.2	6.2
2003	4,433,385	220,927	5.0	6.0		0.0	0.0	220,927	5.0	6.0
2004	5,688,134	149,526	2.6	5.2		0.0	0.0	149,526	2.6	5.2
2005	4,436,217	153,292	3.5	5.1		0.0	0.0	153,292	3.5	5.1
2006	4,888,698	218,535	4.5	4.3		0.0	0.0	218,535	4.5	4.3
2007	4,978,716	136,606	2.7	3.6		0.0	0.0	136,606	2.7	3.6
2008	7,745,686	94,403	1.2	2.7		0.0	0.0	94,403	1.2	2.7
2009	8,623,676	161,693	1.9	2.5		0.0	0.0	161,693	1.9	2.5
2010	8,877,512	93,665	1.1	2.0		0.0	0.0	93,665	1.1	2.0
Total	64,783,005	2,150,940	3.3			0.0		2,150,940	3.3	

ENBRIDGE GAS INC.

Undertaking Response to ED

To provide a list of projects where non-pipe solutions were screened out, and for each, to show whether avoided costs were included in the cost-benefit analysis.

Response:

Enbridge Gas considered IRP and rejected IRPA(s) (non-pipe solutions) at the screening phase for the following projects.

Name ***(OEB docket #)***	**Cost Benefit Analysis Conducted?** ***(including Avoided Costs)***
Bathurst Pipeline Project *(EB-2018-0097)*	IRPA(s) screened out prior to conducting cost-benefit analysis.
2021 Sarnia Industrial Line Reinforcement Project *(EB-2019-0218)*	IRPA(s) screened out prior to conducting cost-benefit analysis.
NPS 20 Replacement Cherry to Bathurst *(EB-2020-0136)*	IRPA(s) screened out prior to conducting cost-benefit analysis.
London Line Replacement Project *(EB-2020-0192)*	The cost-benefit analysis conducted as part of this project relied on data taken from the 2019 Achievable Potential Study ("APS") prepared by Navigant,[1] which includes avoided costs for economic measure selection in the various scenarios proposed.[2] Specifically, Enbridge Gas relied on the aggregate scenario data set out in Appendix 1 of the 2019 APS to support its cost-benefit analysis.

[1] https://www.oeb.ca/sites/default/files/2019_Achievable_Potential_Study_20191218.pdf
[2] 2019 APS, p. 80.

ENBRIDGE GAS INC.

Undertaking Response to ED

To provide a proposed formula to determine additional incentives for Enbridge where the IRPA is significantly cheaper than the facility solution.

Response:

Enbridge Gas has not completed an exhaustive analysis of potential incremental IRP incentive mechanisms beyond its proposal for the ability to rate base the costs of investments in IRPAs, which the Company believes incentivizes it sufficiently to consider such investments equitably compared to facility alternatives.

Should the OEB deem it important to ensure a focus on IRPAs at the outset of the IRP Framework, or, should experience with natural gas IRP over time lead the Board to conclude that the Company's consideration of IRPAs is insufficient and additional incentives are required, then Enbridge Gas's preference is to have an opportunity to provide informed recommendations to the Board on additional incentives. To this end the Company expects that it would propose to complete a separate study as part of an upcoming Rates setting proceeding, at time of Rate Rebasing, or as otherwise directed by the Board.

Further, consideration of an appropriate incremental incentive mechanism may benefit from the experience gleaned from one or more IRP Pilot Projects that the Company intends to pursue following the establishment of an IRP Framework.

ENBRIDGE GAS INC.

Undertaking Response to ED

To provide Enbridge's position as to whether the framework should require it to pursue projects similar to the one described in EP 17, where they are feasible and cost-effective.

Response:

The gas to electric project in New York State described in the response at Exhibit I.EP.17, was undertaken as an energy efficiency measure, not as an IRPA investment.

However, it may be appropriate for Enbridge Gas to consider such a project as an IRPA provided it is feasible, cost-effective, and that the IRP Framework established for Enbridge Gas allows it.

ENBRIDGE GAS INC.

Undertaking Response to Anwaatin

To provide any and all economic analysis to support the exclusion of non-pipeline alternatives or IRPA's in community expansion projects.

Response:

No such economic analysis was conducted to support the exclusion of non-pipeline alternatives or IRPAs in community expansion projects. Enbridge Gas's proposal to exclude (through binary screening) community expansion projects from IRP analysis relates exclusively to community expansion projects that are underpinned by dedicated funding for the delivery of natural gas to specific communities. In such cases, given the specific intention of the funding and government direction, it would not be appropriate to consider IRPAs, and therefore economic analysis was not needed to support this screening criteria.

ENBRIDGE GAS INC.

Undertaking Response to GEC

To give Enbridge's view on whether it should include the impact of tax impacts on customers as part of Stage 2.

Response:

No, Enbridge is not proposing to include any tax impacts on customers as part of Stage 2. This is consistent with Enbridge Gas's past E.B.O.134 analyses.

ENBRIDGE GAS INC.

Undertaking Response to GEC

(a) to provide in-franchise customers a hundred percent shielded from the costs and risks of pipe investments needed, in whole or in part, to serve ex-franchise demand;

(b) if demand from ex-franchise customers is ultimately lower than forecast, do your arrangements with ex-franchise customers require them to still pay for their original share of the cost of system infrastructure investment over the full period over which the costs are to be recovered.

Response:

a) Ex-franchise shippers are largely served by the Dawn Parkway System. The Dawn Parkway System is used to serve the demands of both in-franchise and ex-franchise customers and the costs are allocated to rate classes based on the Dawn to Parkway distance weighted design day demands of both in-franchise and ex-franchise customers. When investments are made in the Dawn Parkway System, the associated costs are allocated to both in-franchise and ex-franchise customers based on their use of the Dawn Parkway System.

b) At each cost of service, Enbridge Gas will allocate and recover the costs of the Dawn Parkway System from the forecast of in-franchise and ex-franchise demands at that time. Ex-franchise customers pay the approved Dawn-Parkway rates for the term of their contract.

ENBRIDGE GAS INC.

Undertaking Response to FRPO

To provide Enbridge's position on what capital cost treatment or capital cost treatment would be applied to supply side IRPA's that delay infrastructure projects, on the simple basis of a 10-million-dollar revenue requirement IRPA or a 20-million-dollar revenue requirement capital cost.

Response:

The cost recovery sought would be the IRPA cost. In the scenario outlined above, the $10 million revenue requirement for the IRPA would be capitalized.

ENBRIDGE GAS INC.

Undertaking Response to VECC

To advise whether Enbridge has any internal planning metrics for the AMP that might be applicable to IRP.

Response:

Enbridge Gas does not have any internal planning metrics for the AMP that would be applicable to IRP.

ENBRIDGE GAS INC.

Undertaking Response to Anwaatin

To explain how, if at all, were each of the commitments set out in the bullets in the Enbridge indigenous peoples policy considered or applied in the formation of Enbridge's IRP proposal, broken down by bullet point.

Response:

Enbridge Indigenous Peoples Policy Principles:	
• We recognize the importance of the United Nations Declaration on the Rights of Indigenous Peoples in the context of existing Canadian law and the legal and constitutional obligations governments in both Canada and the US have to protect those rights.	Enbridge recognizes the importance of the United Nations Declaration on the Rights of Indigenous Peoples (UNDRIP) in further advancing reconciliation with Indigenous and non-Indigenous communities in Canada. It is part of Enbridge's core business and our collective success depends on our ability to build respectful and mutually beneficial relationships with the Indigenous groups that are near our projects and operations. This is a general guiding principle in everything that we do, including the formation of Enbridge Gas IRP Proposal.
• We recognize the importance of the United Nations Declaration on the Rights of Indigenous Peoples (UNDRIP) within the context of existing Canadian and U.S. law and the commitments that governments in both countries have made to protecting the rights of Indigenous Peoples.	In addition to the response above, Enbridge Gas can confirm that it is committed to ensuring that its projects, operations and initiatives such as the IRP Proposal, are carried out in a manner that respects Indigenous rights and their traditional territories. Enbridge Gas works to build and maintain positive relationships with Indigenous groups that are near our projects and operations.
• We engage in forthright and sincere consultation with Indigenous Peoples about Enbridge's projects and operations through processes that seek to achieve early and meaningful engagement so their input can help define our projects that may occur on lands traditionally used by	The Enbridge Gas stakeholder and Indigenous engagement proposal allows for meaningful engagement such that all stakeholders and Indigenous groups are able to provide input into IRPA solutions that may occur on lands traditionally used by Indigenous Peoples. Enbridge Gas will follow the existing processes as set out in the OEB's 2016 Environmental Guidelines for the Location, Construction and Operation of Hydrocarbon Pipelines and Facilities in Ontario (the

Indigenous Peoples.	"Guidelines") and consult with potentially affected Indigenous groups to ensure that any potential impacts of Enbridge Gas's facility and/or IRPA projects may have on Indigenous rights and interests are mitigated, as appropriate.
• We commit to working with Indigenous Peoples to achieve benefits for them resulting from Enbridge's projects and operations, including opportunities in training and education, employment, procurement, business development, and community development.	Through our projects, operations and various initiatives such as the IRP Proposal, Enbridge, including Enbridge Gas, strives to continue to help support Indigenous communities, and to advance economic reconciliation through education and training, jobs, procurement and other business opportunities where appropriate. As mentioned in our response above, Enbridge Gas will commit to working with Indigenous Peoples to achieve benefits for them in and around IRPA planning or implementation. Enbridge Gas values its relationships with Indigenous Peoples and will continue to engage with them regarding Enbridge Gas's facility and/or IRPA projects, as appropriate.
• We foster understanding of the history and culture of Indigenous Peoples among Enbridge's employees and contractors, in order to create better relationships between Enbridge and Indigenous communities.	Enbridge has sought to respond to Call to Action 92 from the Truth and Reconciliation Commission of Canada, including through employee training around the history of Indigenous peoples, active efforts to hire more Indigenous employees, and important cultural, educational and environmental investments in local Indigenous communities. This applies to Enbridge Gas.

ENBRIDGE GAS INC.

Undertaking Response to Anwaatin

To explain how each bullet in Enbridge's IRP proposal is reflected in the proposed framework.

Response:

Please see the response at Exhibit JT3.1.

ENBRIDGE GAS INC.

Undertaking Response to Anwaatin

To advise how they are intended to be applied if the proposed framework is approved.

Response:

Please see the response at Exhibit JT3.1.

ENBRIDGE GAS INC.

Undertaking Response to Anwaatin

To confirm whether the IRP proposal is intended to be consistent with the Enbridge new ESG goals.

Response:

Enbridge Inc.'s ("Enbridge") greenhouse gas ("GHG") reduction targets (referred to in the question as Enbridge's new ESG goals) pertain only to scope 1 (direct emissions from operations) and scope 2 (indirect emissions from purchased electricity) emissions, and do not include scope 3 emissions (emissions from sold products) from customers' consumption of natural gas. While certain IRPAs will reduce scope 3 emissions, the GHG reductions cannot be used towards achieving Enbridge's targets as these targets pertain only to scope 1 and 2 emissions as outlined above.

ENBRIDGE GAS INC.

Undertaking Response to Anwaatin

To advise if there were any first nations representatives who participated in the study advisory group related to ICF's 2018 IRP Study.

Response:

The utilities convened a study advisory group (SAG) made up of participants that had direct experience with integrated resource planning for the purposes of informing the 2018 IRP Study. As such, experience in the field of IRP was the sole criteria for the participant selection, not specific representation of any particular customer or community. SAG members included a representative from each of Northwest Natural Gas; FortisBC; IESO; University of Toronto, Division of Environmental Engineering and Energy Systems; and observers from the OEB.