PARTIAL SETTLEMENT PROPOSAL

Enbridge Gas Inc. Application for approval of 2024 Rates

June 28, 2023

(Updated July 12, 2023)

TABLE OF CONTENTS

PREAMBLE

This Partial Settlement Proposal is filed with the Ontario Energy Board (referred to herein as the OEB) in connection with the application of Enbridge Gas Inc. (referred to herein as Enbridge Gas or the Company) for an Order or Orders approving rates for the sale, distribution, transmission, and storage of gas commencing January 1, 2024. Enbridge Gas also applies for approval of an incentive rate-making mechanism (IRM) for the years from 2025 to 2028.

Enbridge Gas filed its 2024 Rates Application and the majority of its supporting evidence on October 31, 2022, and the balance of its evidence on November 30, 2022.

In Procedural Order No. 1, dated December 16, 2022, the OEB established the process to address the application, up to and including a Settlement Conference (with changes to the dates set out in subsequent Procedural Orders).

Procedural Order No. 2 set out the Issues List for this proceeding, divided into Phase 1 and Phase 2. In general, the Phase 1 issues are directed at setting interim rates to be effective January 1, 2024, whereas the Phase 2 issues are directed at issues that are either not necessary to set rates for January 1, 2024, or issues where the outcomes can be reflected in adjustments to the interim rates approved in Phase 1.

A Settlement Conference was held on May 29 to June 9, 2023, for issues related to Phase 1 of this Application. Ken Rosenberg acted as facilitator for the Settlement Conference. A settlement in principle was reached on some but not all issues at the Settlement Conference and discussions continued after that time for the purposes of recording the settlement in this Settlement Proposal. This Settlement Proposal arises from the Settlement Conference.

Enbridge Gas and the following intervenors, participated in the Settlement Conference:

Association of Power Producers of Ontario (APPrO)
Building Owners and Managers Association (BOMA)
Canadian Biogas Association (CBA)
Canadian Manufacturers & Exporters (CME)
Consumers Council of Canada (CCC)
Enercare Home and Commercial Services Limited Partnership (Enercare)
Energy Probe Research Foundation (EP)
Environmental Defence (ED)
Federation of Rental-housing Providers of Ontario (FRPO)
Ginoogaming First Nation (GFN)
Green Energy Coalition (GEC)
Industrial Gas Users Association (IGUA)
Kitchener Utilities (Kitchener)

London Property Management Association (LPMA)
Ontario Greenhouse Vegetable Growers (OGVG)
Ontario Petroleum Institute (OPI)
Pollution Probe (PP)
Quinte Manufacturers Association (QMA)
School Energy Coalition (SEC)
Six Nations Natural Gas Company Limited (SNNG)
Three Fires Group (Three Fires)
TransCanada Pipelines Limited (TCPL)
Vulnerable Energy Consumers Coalition (VECC)

In this Settlement Proposal, the above-listed intervenors and Enbridge Gas are referred to as “the Parties”.

All intervenors listed above participated in some, or all, of the Settlement Conference and subsequent discussions. As directed by the OEB in a letter dated May 23, 2023, OEB Staff did not participate in the Settlement Conference.

The Parties have reached complete agreement on the following Phase 1 issues:

Category	Issue Numbers
A. Overall	4
C. Volumes & Revenues	9-11
D. Operating Costs	19
G. Cost Allocation	24*
H. Rate Design	25-28*, 30
I. Deferral & Variance Accounts	31
J. Other	35-36, 39*

The Parties have reached agreement on parts of the following Phase 1 issues:

Category	Issue Numbers
B. Rate Base	6
D. Operating Costs	12-14, 17-18
E. Cost of Capital	21
H. Rate Design	29
I. Deferral & Variance Accounts	32-33

* The Parties have agreed that Issue 24 (cost allocation) and some / all of Issues 25-28 (rate design) and Issue 39 (storage space/deliverability methodology) should be deferred to a subsequent phase of the proceeding.

Collectively, the completely settled and partially settled issues listed above, together with issue 24, are referred to as the “Settled Issues” in this Settlement Proposal. Those

Parties that have agreed to the settlement of all or part of an issue are referred to as the “Supporting Parties” in relation to that issue. There is no disagreement with any of the completely or partially settled issues – in other words, no party objects to what is identified as settled.

Not all parties participated in the discussion of each Settled Issue and/or not all parties take a position on each issue. The description of each Settled Issue indicates which Parties support the settlement. Where a party is not included in the list of supporting parties, that means that the party did not participate in the resolution of the issue and/or takes no position.

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

Best efforts have been made to identify all of the evidence that relates to each Settled Issue. The supporting evidence for each settled issue is identified individually by reference to its exhibit number in an abbreviated format; for example, Exhibit 1,Tab 1, Schedule 1 is referred to as 1.1.1. The interrogatory responses have been grouped by Exhibit and Tab. The identification and listing of the evidence that relates to each Settled Issue is provided to assist the OEB.

The Settlement Proposal describes the agreements reached on the Settled Issues. The Settlement Proposal provides a direct link between each Settled Issue and the supporting evidence in the record to date and/or the additional evidence attached hereto. In this regard, the Parties are of the view that the evidence provided is sufficient to support the Settlement Proposal in relation to the Settled Issues and, moreover, that the quality and detail of the supporting evidence, together with the corresponding rationale, will allow the OEB to make findings agreeing with the proposed resolution of the Settled Issues.

In the Overview section that follows, the Settlement Proposal responds to the OEB’s direction from its May 23, 2023 and May 26, 2023 letters that any partial settlement must address how it addresses and justifies the allocation and mitigation of risk resulting from energy transition in the context of setting 2024 rates and current government policy and legislation.

None of the Parties can withdraw from the Settlement Proposal except in accordance with Rule 30 of the *Ontario Energy Board Rules of Practice and Procedure*. Further, unless stated otherwise, a settlement of any particular issue in this proceeding is without prejudice to the positions Parties might take with respect to the same issue in future proceedings in which such issue is otherwise properly raised.

The Parties acknowledge that all data, documents or information provided and any discussions, including negotiations, admissions, concessions, offers and counter-offers occurring during the course of the Settlement Conference (settlement information), including subsequent related discussions, are privileged and confidential and without prejudice in accordance with (and subject to the exceptions set out in) the OEB's *Practice Direction on Settlement Conferences* (see pages 4-5 of the OEB's *Practice Direction on Settlement Conferences*, as revised February 17, 2021). The Parties have agreed that certain information provided by Enbridge Gas during the Settlement Conference in response to written information requests will be filed with the OEB. This will be filed at or around the same time as the Settlement Proposal, using the descriptor "ADR Information Requests".

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

OVERVIEW

This is the first cost-based rates case for Enbridge Gas following the amalgamation of Enbridge Gas Distribution and Union Gas in 2019 and the five year deferred rebasing term approved in the EB-2017-0306/0307 Decision approving the amalgamation (the MAADs decision). Enbridge Gas has requested the setting of rates on a cost of service basis for 2024. Enbridge Gas has also requested approval of the harmonization of methodologies used by the legacy utilities and the determination of new harmonized rates.

The Parties have been able to resolve a large range of issues (completely or in part), but not all issues. The issues that have been resolved all relate to the setting of 2024 rates for Enbridge Gas on an interim basis. If the Settlement Proposal is approved, the Parties believe that it will support the ability to focus on the substantial issues not settled in a more efficient Phase 1 hearing, and will support the implementation of rates as of January 1, 2024.

The Settled Issues generally fit into seven categories as outlined in the Issues List.

a) Rate Base
b) Volumes & Revenues
c) O&M
d) Gas Costs
e) Cost Of Debt And Equity
f) Setting Of 2024 Rates and Process to Review Harmonized Rates Proposal
g) Deferral & Variance Accounts

The overall settlement in relation to each of these categories is described in this Overview. There are other settled items not discussed in the Overview, but addressed in the Issues section of this Settlement Proposal.

The final paragraphs of the Overview includes discussion, as directed by the OEB in its May 23rd and 26th letters, addressing the allocation and mitigation of risk resulting from energy transition in the context of setting 2024 rates and current government policy and legislation.

Description of the Settled Issues

The subparagraphs that follow set out a summary of the items resolved by the Settled Issues. Where relevant, the items remaining unresolved related to these Settled Issues is also indicated. This summary is intended to assist the OEB with an overall high-level view of what will be resolved if the Settlement Proposal is accepted.[1]

There is also a settlement of Issue 4 (Has Enbridge Gas appropriately considered the unique rights and concerns of Indigenous customers and rights holders in its application?). The terms of that settlement are not summarized below but are described in the Issues section.

a) Rate Base

The major unsettled aspects of this issue are: (i) the inclusion of Enbridge Gas's integration capital costs from the deferred rebasing term in opening rate base for 2024; (ii) additions to 2024 opening rate base resulting from 2023 capital additions; and (iii) impacts of 2024 capital additions on approved rate base.

Parties have agreed to Enbridge Gas's rate base up to and including 2022[2], subject to any adjustments resulting from the review of integration capital costs, and the agreement that Enbridge Gas will remove the forecast residual net book values of the

[1] In the event of any inconsistency between the descriptions of the Settled Issues in this Summary and the descriptions of the Settled Issues in the Issues section of the Settlement Proposal, the description in the Issues section is intended to represent the positions of the parties to the Settlement Proposal.
[2] The agreement of the Parties is based on Enbridge Gas's proposal as of the time of the Settlement Conference (as reflected at Exhibit 2, Tab 1, Schedule 1, Updated March 8, 2023).

overspend on the WAMS project and 25% of the overspend on the Enbridge Gas Distribution GTA Reinforcement Project from opening 2024 rate base.

While the overall level of rate base additions from 2023 capital expenditures is not settled, Parties agree that Enbridge Gas will not include any amounts in 2024 opening rate base for the Dawn to Corunna project (approved in EB-2022-0086). Instead, the determination of the amount to be included in rate base for the Dawn to Corunna project will be made in Phase 2 of this proceeding. Phase 2 will include the issue of how much (if any) of the value of the project should be allocated to Enbridge Gas's non-utility operations. The full-year impact of the approved Dawn to Corunna project rate base amount will be recoverable from ratepayers.

No items related to 2024 capital budget and associated rate base were settled. In relation to the capitalized overhead part of the 2024 capital budget, there is no agreement as to methodology or amount.

b) Volumes & Revenues

For the sole purpose of setting rates for 2024, Parties agree to Enbridge Gas's as-filed volumes forecast and revenues at existing rates, revenue forecasts for storage and transportation (S&T), upstream transportation revenue, optimization revenue and other revenues, subject to three exceptions. These exceptions relate to: (i) an agreed adjustment to the 2024 customer forecast; (ii) an unsettled issue about the appropriateness of the requested Volume Variance Account; and (iii) how amounts related to proceeds from Enbridge Gas dispositions of property should be included in other revenue forecast or otherwise credited to ratepayers.

The agreement on volumes and revenues is expressly made for the sole purpose of setting rates for 2024. Parties have agreed upon the 2024 Test Year results from the forecasting methodologies, not the broader issue of whether the methodologies are generally appropriate (e.g., for capital planning). Parties agree that a determination on the methodologies is not necessary in order to set the volume forecast underpinning 2024 rates.

c) O&M

Parties agree that the 2024 as-filed O&M budget, net of overhead capitalization and exclusive of DSM costs set and approved in the EB-2022-0002 DSM Framework proceeding, will be reduced by $50 million to $821 million. Applying Enbridge Gas's proposed overhead capitalization methodology, capitalized overhead is consequently reduced to $292 million, which represents a $18 million reduction from the as-filed amount. These adjustments result in a gross O&M budget of $1,113 million, exclusive of DSM-related amounts. The net O&M budget, after $292 million of overhead capitalization, is $821 million.

Parties agree that this gross O&M budget is reasonable in the context of a proposed capital budget (before updates) of $1,491 million. It will be open for Parties to argue that a different capitalized overhead amount would be appropriate if a different overhead capitalization methodology is approved and/or if a different capital budget is approved. In the event that the OEB approves a capitalized overhead amount that is different from $292 million, all Parties agree that any resulting adjustment of the O&M budget envelope to account for the reduced/increased portion of gross O&M being recovered as capitalized overhead is an item for Parties to argue and the OEB to consider.

In connection with the agreement on the O&M budget envelope, Parties have agreed to variance account treatment for two aspects of the O&M budget – (i) Distribution Integrity Management Program (DIMP) and Enhanced Distribution Integrity Management Program (EDIMP) costs; and (ii) pension and other post-employment benefits (OPEB) costs.

Parties accept Enbridge Gas's proposed methodology for determining 2024 income and property taxes. Final forecast 2024 income and property taxes cannot be determined until other unresolved issues are determined.

d) Gas Costs and related issues

Parties agree to the as-filed 2024 gas supply cost, subject to issues to be determined in Phase 2 of this proceeding related to costs for load balancing including storage. Parties further agree that the issues related to a common reference price methodology and operational contingency space are storage related cost allocation issues appropriately determined in Phase 2 of this proceeding.

For the purposes of determining gas supply costs, Parties agree to a modified version of the Enbridge Gas proposal for design day and design hour with a number of limitations and provisos as indicated below.

Parties agree to a modified approach from the Enbridge Gas filing for unaccounted-for gas (UFG) costs. The amount in rates will be based on the average actual UFG volumes for 2018-2020. UFG variance accounts will be created where: (i) Enbridge Gas and ratepayers will share, on a 50/50 basis, the cost/credit of variances in UFG volumes included in rates and the actual UFG volumes at the applicable gas supply reference price, up to a maximum volume of 400,000 10^3m^3; and (ii) Enbridge Gas will recover/credit the full cost implications of the variance between the actual price of Enbridge Gas's gas supply purchases and the applicable gas supply reference price, applied to all actual experienced UFG volumes. Enbridge Gas has agreed to determine and report on an appropriate way to identify, measure and mitigate fugitive emissions.

In relation to the Parkway Delivery Obligation (PDO) and Parkway Delivery Commitment Incentive (PDCI), Parties agree to modifications to the PDO Framework, and to the 2024 PDO/PDCI costs (subject to one modification). There is no agreement to the treatment of 2019-2023 PDO/PDCI costs[3].

Parties agree with Enbridge Gas's proposal for implementation of the 2024 Gas Supply Plan after the OEB's decision on relevant matters is issued, and further agree that it is appropriate for Enbridge Gas to defer the filing of its next five year Gas Supply Plan for one year.

e) Cost Of Debt And Equity

Parties agree to the as-filed debt rates and the use of the OEB's formula to set Return on Equity (ROE). The actual ROE to be used will be as reflected in the OEB's 2024 Cost of Capital Parameters letter, expected to be issued in October 2023.

The agreed rates for debt costs and equity will be applied to determine revenue requirement for 2024 when all components have been determined.

There is no settlement on the issue of capital structure.

f) Setting Of 2024 Rates and process to review Harmonized Rates Proposal

Parties have reached an overall resolution of the appropriate approach for review and determination of cost allocation and rate design issues, in order to support the timely approval of 2024 rates. The resolution recognizes the intervenor position that more information is required before a determination can be made on the question of whether and how rates, including cost allocation, should be harmonized from the current three rate zone approach (Enbridge Gas Distribution, Union South and Union North). Parties agree that in a subsequent phase of this proceeding (a proposed new Phase 3), Enbridge Gas will provide further evidence about cost allocation and rate harmonization options, including specified items. Parties will be free to take any position about how, when or if Enbridge Gas's cost allocation and rates should be harmonized as part of that subsequent Phase 3. The reason for a new Phase 3 is that it will take some time for Enbridge Gas to prepare all of the agreed to additional cost allocation and rate design evidence, scenarios, study and analysis. This would delay Phase 2, which includes the completion of the revenue requirement for 2024 as well as the determination of an IRM mechanism for 2025-2028. Parties agree that it is preferable to instead proceed by way of an additional Phase. It may be possible for Phase 3 to commence before all items in Phase 2 are complete.

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[3] EB-2017-0306/EB-2017-0307, OEB Decision and Order, August 30, 2018, p.49.

For the purposes of setting rates for 2024, Parties agree that Enbridge Gas will maintain current rate zones and rate classes and proportionally apply the impact of any revenue deficiency/sufficiency determined in this proceeding to the 2023 approved rates in place for each rate zone and rate class. Parties agree that Enbridge Gas will also reflect and implement the proposed uniform residential DSM unit rates in conjunction with the implementation of new interim 2024 rates to recover the revenue requirement determined in Phase 1.

Parties expect that Phase 3 may not be completed in time for implementation as of January 1, 2025. In this event, for the purposes of setting rates for 2025, Parties agree that it would be appropriate to apply the IRM mechanism approved in Phase 2 to the 2024 rates that are approved in this proceeding (including reflecting any other adjustments to interim rates resulting from the Phase 2 decision).

g) Deferral & Variance Accounts

Parties agree to the continuation, establishment and closure of deferral and variance accounts as proposed by Enbridge Gas, with several exceptions. Parties agree that certain harmonized gas supply accounts cannot be established until harmonized rates are considered and determined in Phase 3 of this proceeding. Parties agree that the Gas Distribution Access Rule (GDAR) costs deferral account will be closed. Parties agree to modifications to be made to the Integrated Resource Planning (IRP) deferral accounts, the Tax Variance Deferral Account (TVDA), the Dawn Parkway Surplus Capacity Deferral Account and Parkway Delivery Obligation Variance Account and the Greenhouse Gas Emissions Administration Variance Account. Parties agree to the establishment of a new DIMP costs variance account, a new Clean Fuel Regulation Credits Deferral Account, a new Post-retirement True-up Variance Account (PTUVA), as well as updated UFG volume and price variance accounts.

Parties do not agree to the clearance of the balances in the TVDA (related to integration cost project accelerated CCA costs) or the Accounting Policy Changes Deferral Account (APCDA).

Parties agree that any clearances of the balances of deferral and variance accounts approved in Phase 1 should be apportioned to the EGD and Union rate zones as appropriate, and effected using methodologies and allocators, applicable to the account balance, which were in place during the deferred rebasing term.

The draft Accounting Orders for the agreed deferral and variance accounts are provided at Exhibit O1, Tab 1, Schedule 2.

Impact of Settlement Proposal

As set out in the June 16, 2023, Capital Update evidence, provided at Exhibit 2, Tab 5, Schedule 4, Enbridge Gas is seeking recovery of a revenue deficiency of $298.3 million[4]. If this Settlement Proposal is approved, it will result in a reduction of Enbridge Gas's revenue deficiency of approximately $90 million (noting that the Dawn to Corunna Project capital additions amount will be addressed in Phase 2).

The estimated reductions in the revenue deficiency resulting from the Settled Items are the following:

	Item	Revenue Deficiency Impact ($ millions)
1.	Adjustments to 2024 Opening Rate Base (WAMS and GTA Project)	(6)
2.	Adjustment to customer additions	(5)
3.	UFG base volume adjustment	(6)
4.	Net O&M budget reduction	(50)
5.	Removal of Dawn to Corunna Project from Opening Rate Base (1)	(23)
6.	**Total decrease resulting from settlement proposals (2)**	**(90)**

<u>Notes:</u>
(1) The revenue deficiency implications of the Dawn to Corunna Project will be addressed in Phase 2 and will become part of final revenue requirement and rates for 2024.
(2) Excludes gas supply costs that will continue to be recovered in the gas supply deferral and variance accounts with no base rate adjustments in Phase 1. Updates to the gas supply costs in rates will be addressed in Phases 2 and 3.

Response to OEB letters

In letters dated May 23, 2023, and May 26, 2023, the OEB indicated that "[t]o the extent that there is a partial or full settlement, the OEB will need to understand how the settlement addresses and justifies the allocation and mitigation of risk resulting from the energy transition."

The view of the Parties is that the items resolved in this Settlement Proposal are not the primary items that directly relate to material energy transition or IRP issues in this proceeding. Acceptance of all items in this Settlement Proposal will assist in setting rates for January 1, 2024, in a timely manner, but will not restrict the ability of Parties to

[4] Revenue deficiency before removal of Dawn to Corunna Project and inclusive of levelized PREP impact.

address the items that relate to the energy transition or IRP. The Parties acknowledge that the Settlement Proposal resolves the load forecast solely for 2024 (which is relevant to Issue 3(a)). On this item, the Parties believe that it is important to emphasize that this resolution is not done by way of accepting and approving the methodologies underlying the 2024 load forecast but rather is done by way of accepting and approving a set of numbers for a load forecast that the Parties agree is acceptable for rate setting purposes in 2024.

THE ISSUES

The subsections that follow set out the specific agreement on issues that have been completely or partially settled. Also indicated is the list of Parties who support each settled issue, as well as the evidence relevant to each issue.

A. Overall

1. Are the proposed rates and service charges just and reasonable?

There is no settlement of this issue, as it cannot be determined until other outstanding issues are determined.

***Evidence**:* The evidence in relation to this issue includes, but is not limited to, the following:

N/A

2. Have the customer benefits identified in the amalgamation proceeding EB-2017-0306/0307 been realized having regard to the five-year deferred rebasing term that was approved?

There is no settlement of this issue.

Evidence: The evidence in relation to this issue includes, but is not limited to, the following:

1.9.1	Utility Consolidation
1.9.1.1	Capital Expenditures Integration Projects – Detailed Listing
Exhibit I.1.9	Exhibit 1, Tab 9 Interrogatories
1 TC Tr. 11 - 101	Technical Conference Panel 1
JT1.1 - JT1.12	Panel 1 Undertakings

3. Has Enbridge Gas appropriately considered energy transition and integrated resource planning in relation to such things as:

a) load forecast
b) deemed capital structure
c) depreciation rates
d) forecast capital expenditures
e) allocation and mitigation of risk
to determine new rates that will be effective January 1, 2024, considering relevant government policies and legislation?

There is no settlement of this issue.

Evidence: The evidence in relation to this issue includes, but is not limited to, the following:

1.10.1	Energy Transition Overview
1.10.2	Overview of Enbridge Gas's Energy Delivery System
1.10.3	Enbridge Gas's GHG Emissions and Related Policies
1.10.4	Integrating Energy Transition into the Business
1.10.5	Pathways to Net-Zero and the Role of Gaseous Fuels
1.10.6	Energy Transition Plan and Safe Bet Actions
Exhibit I.1.10	Exhibit 1, Tab 10 Interrogatories
1 TC Tr. 101 - 209	Technical Conference Panel 2
2 TC Tr. 1 - 199	Technical Conference Panel 2
9 TC Tr.	Technical Conference Panel 2
JT1.1 - JT3.6	Panel 2 Undertakings
JT9.1 - JT9.24	Panel 2 Undertakings
M8	IGUA Evidence on Business Risk and Capital Structure
M9	GEC and ED Evidence on Energy Transition
M10	ED Evidence on Blue Hydrogen
N.M8	Exhibit M8 Interrogatories
N.M9	Exhibit M9 Interrogatories
N.M10	Exhibit M10 Interrogatories
L	Enbridge Gas Reply Evidence on Blue Hydrogen

4. Has Enbridge Gas appropriately considered the unique rights and concerns of Indigenous customers and rights holders in its application?

Complete Settlement

In order to inform and enhance its ongoing consideration of the unique rights and concerns of Indigenous customers and rights holders with respect to Enbridge Gas rates and services, Enbridge Gas agrees to undertake the following activities:

- **Establishment of IWG:** Enbridge Gas will convene an Indigenous Working Group ("**IWG**") consisting of the two intervenor groups of Ginoogaming First Nation ("**GFN**") and Three Fires Group ("**TFG**") and any other First Nation community or reserve that is an Enbridge Gas customer, or whose distribution company is an Enbridge Gas customer, who express an interest in participating and agree to be bound by the provisions of this Settlement Proposal regarding Issue 4 (together, the "**Indigenous Parties**") for the purpose of providing information, receiving feedback and engaging in discussion about matters of interest to the IWG in relation to Enbridge Gas rates and services. Together, Enbridge Gas, GFN and TFG may be referred to herein as the "**Settlement Parties**". /u

- **Term:** Enbridge Gas will make reasonable efforts to ensure that the first meeting of the IWG is held no later than September 2023 and shall continue the IWG until the end of 2028 ("**Term**"). It is understood that not all Indigenous Parties must attend the first or any meeting of the IWG.

- **Frequency of Meetings:** The IWG will meet once every two (2) months, or more or less often as reasonably required and agreed to by the IWG, and meetings may be virtual, in-person or a hybrid of both, as discussed and determined collaboratively by the IWG.

- **IWG Representatives:** Enbridge Gas and the Indigenous Parties will have the necessary representatives attend each IWG meeting to enable fully informed, timely and efficient engagement and decisions about implementation of any agreed upon actions. Each of the Indigenous Parties is allowed up to three (3) representatives at the IWG which should include a technical advisor and may include a legal advisor.

- **Capacity Funding:** Enbridge Gas will provide capacity funding for the reasonable costs of each of the Indigenous Parties for their preparation for and participation in the IWG meetings, which includes reasonable technical expert and legal assistance necessary to engage meaningfully on the topics the IWG addresses ("**Capacity Funding**"). The Indigenous Parties shall make reasonable efforts to jointly retain any experts that are reasonably required to assist in or further the IWG's objectives. The Capacity Funding will be paid by Enbridge Gas within sixty (60) days after receipt of invoices setting out in appropriate detail expenses incurred with respect to the IWG and the work undertaken by any experts and legal representatives.

- **IWG Deferral Account:** Enbridge Gas will pay Capacity Funding and other costs related to the IWG. Enbridge Gas will be responsible for managing its own costs related to attending and administering the IWG within the operating budget approved by the OEB in this proceeding. Enbridge Gas will be eligible for rate recovery in relation to Capacity Funding in the following manner:

(i) The Settlement Parties agree to the following estimated budget for Capacity Funding to the end of 2024:

a. $640,000, consisting of:

i. $240,000 for legal support;
ii. $150,000 for general consultants; and
iii. $250,000 for expert analysis and support.

This budget is an estimate based upon assumptions about how many Indigenous Parties may participate and topics that may be explored. Actual costs may vary.

(ii) For each subsequent year during the Term, the IWG shall establish a budget reflecting estimated Capacity Funding for the year, which will be subject to review or approval by the OEB as part of the applicable future deferral and variance account clearance proceeding for Enbridge Gas ("**DVA Proceeding**"). For clarity, Enbridge Gas will file the proposed budget for 2025 as part of the DVA Proceeding commencing in or about June 2024;

(iii) Enbridge Gas will establish a new IWG deferral account ("**IWGDA**"), a proposed accounting order description of which is attached as part of the draft Accounting Orders filed at Exhibit O1, Tab 1, Schedule 2, which the Settlement Parties, together with the parties specified in this Settlement Proposal, agree should be approved by the OEB to record the actual Capacity Funding costs. Such amounts will be subject to review and clearance in the applicable DVA Proceeding, the first of which will be in 2025, relating to costs incurred to the end of 2024; and

(iv) For clarity, Enbridge Gas's obligation to pay Capacity Funding and other costs related to the IWG shall not be affected by Enbridge Gas's ultimate ability or inability to recover those amounts through a DVA Proceeding or the IWGDA.

- **IWG Logistics:** Enbridge Gas will organize logistics of IWG meetings, send notices with agendas and reminders, keep and send draft minutes to the other members of the IWG for comment within thirty (30) days after each meeting. The minutes will include a reasonably detailed account of the items presented and discussed and report the progress on implementation of any action items.

- **IWG Reporting:** By the end of May 2024 and annually thereafter for the duration of the Term, Enbridge Gas will work with the IWG to draft and provide to the members of the IWG a report that includes the minutes of each IWG meeting and summarizes the activities of the IWG and any initiatives planned or implemented arising from the IWG meetings ("**IWG Report**"). Enbridge Gas will file the annual IWG Report, incorporating any comments from the IWG, with the OEB as part of Enbridge Gas's annual DVA Proceeding. For clarity, Enbridge Gas will file the first IWG Report as part of the DVA Proceeding commencing in June 2024.

- **Focus Areas:** The general areas of initial focus by the IWG will include, but will not be limited to, the following:

  1) **Future of the IWG**: This will include discussing the future of the IWG beyond the Term with the objective of establishing a permanent Indigenous Roundtable or IWG to provide ongoing engagement with Enbridge Gas on rates and energy transition.

  2) **Rates**: This will include consultation and discussions about whether and if so, how, there should be any differential in rates for First Nations, Indigenous communities and reserves (collectively, "**FNs**") as compared to other gas consumers for the purposes of potentially developing proposals for OEB review and approval.

  3) **Enhancement of Enbridge Gas customer engagement to include specific Indigenous concerns and interests**: This will include consideration of customer satisfaction surveys and an opportunity for Indigenous customers to self-identify to support initiatives identified by the IWG. The objectives, scope, methodology, timing and project plan of these engagements would be flexible and finalized with the IWG. Options such as quantitative surveys, focus groups, or independent interviews will be explored.

  4) **Demand Side Management ("DSM") programs for Indigenous communities and customers served by Enbridge Gas**: Noting that the OEB has approved DSM programming for the 2023-2025 period and Enbridge Gas will conduct the activities outlined below as part of its existing DSM budget, Enbridge Gas will provide information and seek feedback about DSM programs and delivery and the development of future programs as appropriate and related to:

     - Content and availability of DSM programming in FNs served by Enbridge Gas;

     - Current and prior DSM consultation activities;

- Market research conducted in support of Enbridge Gas's DSM programs and how such research may be designed to understand better delivery for FNs;

- Dedicated Indigenous engagement resource for DSM programs, including direct engagement for FNs served by Enbridge Gas. This resource would also participate in the IWG;

- Any additional socio-economic barriers identified during engagement that would be suitably addressed under the DSM Framework and could be addressed in the next DSM Plan (2026-2030 term);

- Continued consideration of opportunities for Indigenous employment and businesses for DSM programs marketing and delivery in FNs served by Enbridge Gas; and

- Itemizing and determining how to deliver gas conservation programming to lower gas consumption in FNs through energy efficiency and conservation measures.

5) **Integrated Resource Planning ("IRP") and other energy transition matters of specific interest to Indigenous groups:** This will include but not be limited to:

   Scope 1 & 2 Emissions Reductions

   - Current emissions profile of Enbridge Gas's system (combustion, fugitive, venting, flaring);

   - How Enbridge Gas's emissions are calculated and reported, and any initiatives being investigated to continually improve its calculations;

   - Initiatives Enbridge Gas is developing, has or is in the process of implementing to reduce emissions; and

   - Initiatives Enbridge Gas has identified and is evaluating to reduce emissions.

   IRP

   - In accordance with the OEB's IRP Decision and Framework, /determining where IRP alternatives can be implemented to drive a more cost-effective solution related to Enbridge Gas services for FNs; and

- Share the following key topics that are being discussed with the IRP Technical Working Group and gather insights and input to understand the opportunity for and impact of IRP plans for FNs:
    - Overview of how Enbridge Gas is implementing IRP within its operations and organization, such as new processes;
    - IRP Pilots being developed, filed and implemented/run over the next three (3) years; and
    - Asset management projects that are undergoing a technical / economic IRP alternative assessment.

Energy Transition

- The implications to FNs of the risk of stranded assets and/or clean-up costs that may result from Enbridge Gas's operations;
- The implications to FNs of the general risk of a decline to Enbridge Gas's customer base, demand, and/or revenues that may result from an energy transition;
- The implications of Enbridge Gas's operations on the ability of FNs to transition to alternative energy sources, including distributed energy resources and district energy systems;
- Any measures that within the context of Enbridge Gas's operations could support the ability of FNs to respond to climate change and energy transition, such as programming facilitating the availability of items like heat pumps and geothermal heating;
- Opportunities for economic partnership that may result from the energy transition on such matters as the development of renewable natural gas;
- Any other financial, environmental and cultural consequences to FNs that may relate to Enbridge Gas's operations in the context of climate change and energy transition;
- *Pathways to Net-Zero Emissions for Ontario* study and related publications;

- Overview of carbon pricing program that Enbridge Gas manages (carbon charge on general service and Emissions Performance Standards); and

- Input into Enbridge Gas's demand forecast process to ensure Enbridge Gas gathers and understands all relevant information from Indigenous communities with respect to their climate plans to assist Enbridge Gas with its own planning.

Dispute Resolution:

- This Settlement Proposal regarding Issue 4 will be legally binding on the Settlement Parties and Indigenous Parties if and as approved by the OEB as part of the Settlement Proposal filed in this proceeding. /u

- If a Settlement Party or an Indigenous Party alleges that another party is in breach (together the "**Disputing Parties**") of this Settlement Proposal regarding Issue 4 (if and as approved by the OEB), this allegation and proposed remedies will be set out in a written notice of dispute ("**Dispute Notice**") to the party in alleged breach, copied to all other parties to the IWG and the parties to the original application EB-2022-0200. The party in alleged breach will be provided thirty (30) days from receipt of the Dispute Notice (the "**Cure Period**") to either provide the remedies (as proposed in the notice or as otherwise agreed by the Disputing Parties) or refute the allegations or refute the proposed remedies and propose others. /u /u

- If the dispute is not resolved within the Cure Period or such longer period of time as the Disputing Parties agree, then any such Disputing Party may refer the dispute to the OEB (including, without limitation, by invoking the OEB's complaint process) and request binding resolution. All parties to the original application EB-2022-0200 shall be eligible to ask the OEB to participate in any process with respect to the dispute. All findings will be public unless the Disputing Parties and any participants involved in the dispute agree otherwise, subject to any final determination of the OEB regarding public disclosure which the Disputing Parties acknowledge shall be binding. /u /u /u

- Each party participant to the dispute will bear its own costs unless and until the OEB issues any cost order. Enbridge Gas agrees that it will not seek or advocate for the issuance of a cost order by the OEB against any Disputing Party. For clarity, these Dispute Resolution provisions are not intended to bind the OEB to consider any dispute, nor are they intended to broaden the scope of the OEB's statutory authority to do so. /u /u

- If the OEB declines to consider any dispute, the Disputing Parties will appoint a single independent arbitrator who shall hear and determine such dispute in accordance with a simplified procedure determined by such arbitrator. The decision of the arbitrator is binding and not subject to appeal on any basis including questions of law. Each party to the arbitration will bear its own costs for the arbitration and will share the costs of the arbitrator on a pro-rata basis. Enbridge Gas agrees that it will not seek or advocate for the issuance of a cost award against any other party to the arbitration. Where an Indigenous Party to the arbitration is successful, it is eligible to request a cost award from the arbitrator consistent with and at the rates established by the most current OEB approved Cost Award Tariff being Appendix A to the OEB's *Practice Direction on Cost Awards*. All other aspects of the arbitration and all questions related thereto not addressed in this paragraph shall otherwise be addressed in accordance with Ontario's *Arbitration Act, 1991*. Any cost award made may be recorded in the IWGDA as Capacity Funding and the decision of the arbitrator shall be filed in evidence in a future applicable DVA Proceeding. While Enbridge may record these costs in the IWGDA, there is no agreement that this is the type of costs that should be borne by ratepayers. If Enbridge seeks to dispose of any such costs through IWGDA, Parties are free to take any position on the appropriateness of both the type and quantum, including materiality, of such costs. /u

General Provisions:

- The above commitments by Enbridge Gas do not supersede or derogate from any Enbridge Gas consultation obligations or requirements with stakeholders including with respect to the Crown's duty to consult and accommodate arising from Enbridge Gas operations and projects. Enbridge Gas will continue to consult with FNs potentially affected by its projects and operations to ensure any concerns raised can be addressed and any impacts on rights can be mitigated, as appropriate, in the context of a specific Enbridge Gas project. Enbridge Gas will conduct such consultation and address any concerns raised as a specific component of the applicable project and any related application to the OEB.

- The above commitments by TFG and GFN and the resolution of this Issue 4 are without prejudice to the ability of TFG and GFN to advance arguments relating to any other unsettled issue in this proceeding, subject to the proviso that such arguments shall not rely on or reference matters relating to the question of whether "Enbridge Gas [has] appropriately considered the unique rights and concerns of Indigenous customers and rights holders in its application" unless such arguments relate to an alleged breach of the terms of this Settlement Proposal.

- The above commitments by TFG and GFN and the resolution of this Issue 4 are also without prejudice to the ability of TFG and GFN to advance arguments concerning the nature or adequacy of Indigenous consultations in any other proceeding.

Supporting Parties: APPrO, BOMA, CME, CCC, ED, FRPO, GEC, GFN, IGUA, Kitchener, LPMA, OGVG, PP, QMA, SEC, SNNG, Three Fires, VECC.

Evidence: The evidence in relation to this issue includes, but is not limited to, the following:

1.6.1	Customer Engagement
1.1-GFN-1	GFN Interrogatory
1.1-GFN-2	GFN Interrogatory
1.2.-GFN-3	GFN Interrogatory
1.6-Three Fires-1	Three Fires Interrogatory

5. Has Enbridge Gas identified and responded appropriately to all relevant OEB directions and commitments made from previous proceedings?

There is no settlement of this issue.

Evidence: The evidence in relation to this issue includes, but is not limited to, the following:

1.13.1	Directive and Commitment Response Summary
Exhibit I.1.13	Exhibit 1, Tab 13 Interrogatories

B. Rate Base (Exhibit 2)

6. Is the 2024 proposed rate base appropriate?

Partial Settlement

Parties accept the methodology presented by Enbridge Gas for the determination of working capital and rate base. Final forecast 2024 working capital amounts and rate base cannot be determined until other unresolved issues are determined.

No items related to 2024 capital budget and associated rate base are settled. There is a partial settlement on the 2024 opening rate base.

The only unsettled aspects related to 2024 opening rate base are: (i) the inclusion of Enbridge Gas's integration capital costs from the deferred rebasing term in opening rate base for 2024; and (ii) additions to 2024 opening rate base resulting from 2023 changes.

Parties accept Enbridge Gas's rate base up to and including 2022[5], subject to, (i) agreement to remove the forecast residual net book values of the overspend on the WAMS project and 25% of the overspend on the Enbridge Gas Distribution GTA Reinforcement Project from opening rate base for 2024; and (ii) the appropriateness of including integration capital costs in rate base. Enbridge Gas estimates that the impact of removing the forecast residual net book values of the WAMS overspend and 25% of the GTA Project overspend from 2024 opening rate base is approximately $41 million, comprised of $6 million related to the WAMS project and $35 million related to the GTA Reinforcement Project.

Parties agree that Enbridge Gas will not include any amounts in 2024 opening rate base for the Dawn to Corunna project (approved in EB-2022-0086). Instead, the determination of the allowed recovery for, and method for recovery of, Dawn to Corunna project costs will be made in Phase 2 of this proceeding, including the issue of how much (if any) of the value of the project should be allocated to Enbridge Gas's non-utility operations. Parties agree that the impacts of the OEB's decision on the rate base treatment of the Dawn to Corunna project will be recoverable from ratepayers as if it were included in the 2024 rate base and when final rates for 2024 are set following Phase 2 of this proceeding.

Parties also agree that the acceptance of overhead capitalized amounts in Incremental Capital Module (ICM) projects being included in 2024 opening rate base is without prejudice to the rights of Parties to argue in the future, including in Phase 2 of this proceeding when the proposed IRM plan is reviewed and in any future Leave to Construct (LTC) proceedings, that overhead capital amounts should not be included, in whole or in part, in ICM amounts. In making such arguments, Parties are free to refer to and rely on any information and evidence on previous ICM projects, notwithstanding their acceptance of those amounts in 2024 opening rate base.

There is no agreement on appropriate treatment of the Natural Gas Vehicles (NGV) Program (Issue 34), and if different treatment of the NGV Program is ordered than proposed by Enbridge Gas, then corresponding changes may be necessary to 2024 opening rate base.

Supporting Parties: APPrO, BOMA, CME, CCC, EP, ED, FRPO, GEC, IGUA, Kitchener, LPMA, OGVG, PP, QMA, SEC, SNNG, VECC.

Evidence: The evidence in relation to this issue includes, but is not limited to, the following:

[5] The agreement of the Parties is based on Enbridge Gas's proposal as of the time of the Settlement Conference

2.1.1	Rate Base Evidence and Summaries Overview
2.1.1.1	Rate Base Variances 2019-2024
2.5.4	Capital Update
Exhibit I.2.1	Exhibit 2, Tab 1 Interrogatories
4 TC Tr. 200 - 217	Technical Conference Panel 4
5 TC Tr. 5 - 203	Technical Conference Panel 4
6 TC Tr. 1 - 48	Technical Conference Panel 4
JT4.22 - JT4.25	Panel 4 Undertakings
JT5.1 - JT5.47	Panel 4 Undertakings
JT6.1 - JT6.5	Panel 4 Undertakings

7. Is the forecast of 2024 capital expenditures underpinned by the Asset Management Plan, and in-service additions appropriate?

There is no settlement of this issue.

Evidence: The evidence in relation to this issue includes, but is not limited to, the following:

2.5.1	Capital Expenditure Overview
2.5.2	Capital Expenditures
2.5.3	Capital Expenditure History
2.5.4	Capital Update
2.6.1	Utility System Plan
2.6.2	Asset Management Plan
2.6.2 App A	Asset Management Plan Appendix A
2.6.2 App B	Asset Management Plan Appendix B
Exhibit I.2.5	Exhibit 2, Tab 5 Interrogatories.
Exhibit I.2.6	Exhibit 2, Tab 6 Interrogatories
4 TC Tr. 200 - 217	Technical Conference Panel 4
5 TC Tr. 5 - 203	Technical Conference Panel 4
6 TC Tr. 1 - 48	Technical Conference Panel 4
JT4.22 - JT4.25	Panel 4 Undertakings
JT5.1 - JT5.47	Panel 4 Undertakings
JT6.1 - JT6.5	Panel 4 Undertakings

8. Are the proposed harmonized indirect overhead capitalization methodology and proposed 2024 overhead amounts appropriate?

There is no settlement of this issue. However, all Parties agree that any resulting adjustment of the O&M budget envelope to account for the reduced/increased portion of gross O&M being recovered as capitalized overhead is an item for parties to argue and the OEB to consider.

Evidence: The evidence in relation to this issue includes, but is not limited to, the following:

2.4.1	Capitalization Policy
2.4.1.1	Enbridge Inc. Enterprise-wide Capitalization Policy
2.4.2	Capitalization of Overhead
2.4.2.1	Capitalization of Overhead-EY Study
Exhibit I.2.4	Exhibit 2, Tab 4 Interrogatories
4 TC Tr. 200 - 217	Technical Conference Panel 4
5 TC Tr. 5 - 203	Technical Conference Panel 4
6 TC Tr. 1 - 48	Technical Conference Panel 4
JT4.22 - JT4.25	Panel 4 Undertakings
JT5.1 - JT5.47	Panel 4 Undertakings
JT6.1 - JT6.5	Panel 4 Undertakings

C. Load Forecast and Revenue Forecast (Exhibit 3)

9. Is the 2024 volume forecast by rate class and resulting revenue forecast appropriate? Is the 2024 storage and transportation revenue and upstream transportation optimization forecast appropriate?

Partial Settlement

For the sole purpose of setting rates for 2024, Parties agree to Enbridge Gas's as-filed volumes forecast and revenues at existing rates, revenue forecasts for storage and transportation (S&T), upstream transportation revenue and optimization revenue, subject to two exceptions.

First, with the volumes forecast, Enbridge Gas will reflect changes to its customer additions forecast to reflect the impacts of 2022 actuals and applied to the 2023 and 2024 forecast. The result is that Enbridge Gas will reflect total customer additions for 2022 to 2024 as follows:

	2022	2023	2024
Residential	43,111	42,473	42,330
Commercial	2,654	2,528	2,444
Industrial	52	53	49
Total	45,817	45,054	44,823

For greater clarity, the Parties specifically note that the issues related to customer additions forecast methodology may be pursued by Parties in relation to other unsettled issues in Phase 1 or other phases, but that no resulting adjustment will be made to the 2024 volumes and revenue forecast.

Second, there is no agreement as to whether it is appropriate for the OEB to approve a Volume Variance Account as requested by Enbridge Gas. This item is not settled.

Supporting Parties: APPrO, BOMA, CME, CCC, EP, ED, FRPO, GEC, IGUA, Kitchener, LPMA, OGVG, PP, QMA, SEC, SNNG, VECC.

Evidence: The evidence in relation to this issue includes, but is not limited to, the following:

3.1.1	Operating Revenue Overview
3.1.1.1	Operating Revenue – Variance Exp
3.2.1	Operating Revenue
3.2.1.1	Operating Revenue – In-franchise Gas Supply and Delivery Revenue
3.2.1.2	Operating Revenue – In-franchise Gas Supply and Delivery Revenue – Variances
3.2.1.3	Operating Revenue – In-franchise Delivery Revenue
3.2.2	Natural Gas Volume Forecasting Benchmarking Study
3.2.4	Economic and Financial Assumptions
3.2.7	General Service Volume Forecast
3.2.7.1	General Service Volume Forecasting – Normalized GS Volumes
3.2.8	Distribution Contract Market Customer and Volume Forecast
3.2.8.1	Distribution Contract Market Customer and Volume Forecast – In-franchise Contract Volumes
3.2.8.2	Distribution Contract Market Customer and Volume Forecast – In-franchise Contract Customers
3.3.1	Accuracy of Throughput Forecast – Variance Analysis
3.3.1.1	Accuracy of Throughput Forecast – In-franchise Delivery Volumes Normalized
3.3.1.2	Accuracy of Throughput Forecast – In-franchise Delivery Volumes Normalized – Variance
3.3.1.3	Accuracy of Throughput Forecast – In-franchise Gross Revenues (Normalized)
3.3.1.4	Accuracy of Throughput Forecast – In-franchise Gross Revenues (Normalized) – Variance
3.3.1.5	Accuracy of Throughput Forecast – In-franchise Customers
3.3.1.6	Accuracy of Throughput Forecast – In-franchise Customers Variance
3.3.1.7	Accuracy of Throughput Forecast – In-franchise Delivery Volumes (Unnormalized)
3.3.1.8	Accuracy of Throughput Forecast – In-franchise Delivery Volumes (Unnormalized) – Variance
3.3.1.9	Accuracy of Throughput Forecast – In-franchise Gross Revenues (Unnormalized)
3.3.1.10	Accuracy of Throughput Forecast – In-franchise Gross Revenues (Unnormalized) – Variance
3.4.1	Storage Transportation Revenue Upstream Transportation Optimization
3.4.1.1	Transactional Services – Storage Transportation Revenue
3.4.1.2	Transactional Services – ST Revenue – Variances
3.4.1.3	Transactional Services – Storage – Transportation Revenue – Optimization Services
Exhibit I.3.1	Exhibit 3, Tab 1 Interrogatories
Exhibit I.3.2	Exhibit 3, Tab 2 Interrogatories
Exhibit I.3.3	Exhibit 3, Tab 3 Interrogatories
Exhibit I.3.4	Exhibit 3, Tab 4 Interrogatories
3 TC Tr. 41 - 163	Technical Conference Panel 3
6 TC Tr. 48 - 137	Technical Conference Panel 5
7 TC Tr. 87 - 165	Technical Conference Panel 6
6 TC Tr. 138 - 188	Technical Conference Panel 7
7 TC Tr. 1 - 86	Technical Conference Panel 7
JT3.5 - JT3.25	Panel 3 Undertakings
JT6.6 - JT6.15	Panel 5 Undertakings
JT7.9 - JT7.22	Panel 6 Undertakings
JT6.16 - JT6.20	Panel 7 Undertakings
JT7.1 - JT7.8	Panel 7 Undertakings
M3	BOMA Evidence on Commercial Sector Gas Demand Forecasting (Enerlife Consulting)
N.M3	Exhibit M3 Interrogatories

10. Is the 2024 Other Revenue forecast appropriate?

Partial Settlement

For the purposes of setting rates for 2024, Parties agree to Enbridge Gas's as-filed other revenue forecast, subject to two exceptions.

There is no agreement as to whether and/or how amounts related to proceeds from Enbridge Gas dispositions of property in 2024 and subsequent years should be included in other revenue forecast or otherwise credited to ratepayers.

There is no agreement on appropriate treatment of the NGV Program (Issue 34), and if different treatment of the NGV Program is ordered than proposed by Enbridge Gas, then corresponding changes may be necessary to the other revenue forecast.

Supporting Parties: APPrO, BOMA, CME, CCC, EP, ED, FRPO, GEC, IGUA, Kitchener, LPMA, OGVG, PP, QMA, SEC, SNNG, VECC.

Evidence: The evidence in relation to this issue includes, but is not limited to, the following:

3.5.1	Other Revenue
3.5.1.1	Other Revenue – Variance Tables
Exhibit I.3.5	Exhibit 3, Tab 5 Interrogatories
3 TC Tr. 41 – 163	Technical Conference Panel 3
JT3.5 - JT3.25	Panel 3 Undertakings

11. Are the proposals for harmonized load forecasting methodologies (heating degree days, average use, weather normalization, heat value, customer additions) and the 2024 Test Year results from those methodologies appropriate?

Partial Settlement

See Issue 9. Parties have agreed upon the 2024 Test Year results from the forecasting methodologies, not the broader issue of whether the methodologies are generally appropriate (e.g., for capital planning, and cost allocation). Parties agree that a determination on the methodologies is not necessary in order to set the volume forecast and resulting revenue forecast underpinning 2024 rates.

For greater certainty, the Parties have not agreed that the harmonized load forecasting methodologies (heating degree days, average use, weather normalization, heat value, customer additions) are appropriate more broadly, including for capital planning and cost allocation purposes, and they retain the right to challenge those methodologies where relevant to unsettled issues in Phase 1 of this proceeding.

Supporting Parties: APPrO, BOMA, CME, CCC, EP, ED, FRPO, GEC, IGUA, Kitchener, LPMA, OGVG, PP, QMA, SEC, SNNG, VECC.

Evidence: The evidence in relation to this issue includes, but is not limited to, the following:

3.2.3	Degree Day Forecasting
3.2.5	General Service Average Use (GSAU)
3.2.5.1	GSAU – Selection of Base Temperature
3.2.5.2	GSAU – Actual Average Use Normalization Methodology
3.2.5.3	GSAU – Monthly Figures
3.2.5.4	GSAU – Residential Models
3.2.5.5	GSAU – Non-Residential Models
3.2.5.6	GSAU – Diagnostic Tests
3.2.5.7	GSAU – Average Use Normalized
3.2.6	General Service Customer Additions – Average Number of Customer (Unlocks) Forecast
3.2.6.1	General Service Customer Additions Unlocks – Customer Additions
3.2.6.2	General Service Customer Additions Unlocks – Average Number of Customers
3.6.1	Heat Value Calculation
3.6.1.1	Heat Value Calculation – Measurement Data
Exhibit I.3.2	Exhibit 3, Tab 2 Interrogatories
Exhibit I.3.6	Exhibit 3, Tab 6 Interrogatories
3 TC Tr. 41 - 163	Technical Conference Panel 3
JT3.5 - JT3.25	Panel 3 Undertakings

D. Operating Expenses (Exhibit 4)

12. Are the proposed 2024 Test Year operating and maintenance expenses appropriate?

Partial Settlement

Parties agree to an overall O&M budget envelope as follows.

The 2024 as-filed O&M budget, net of overhead capitalization and exclusive of DSM costs set and approved in the EB-2022-0002 DSM Framework proceeding, will be reduced by $50 million to $821 million. Applying Enbridge Gas's proposed overhead capitalization methodology, this adjustment results in a gross O&M budget of $1,113 million, exclusive of DSM-related amounts, which represents a reduction in the gross O&M budget of $68 million. Capitalized overhead is consequently reduced to $292 million, which represents a $18 million reduction from the as-filed amount. The net O&M budget, after $292 of overhead capitalization, is $821 million ("Net O&M Budget").

Parties agree that this gross O&M budget is reasonable in the context of a proposed capital budget (before updates) of $1,491 million.

It will be open for Parties to argue that a different capitalized overhead amount would be appropriate if a different overhead capitalization methodology is approved and/or if a different capital budget is approved. In the event that the OEB approves a capitalized overhead amount that is different from $292 million, all Parties agree that any resulting adjustment of the O&M budget envelope to account for the reduced/increased portion of gross O&M being recovered as capitalized overhead is an item for Parties to argue and the OEB to consider. Other than as set out in this paragraph and in relation to NGV (see below), the settled Net O&M Budget envelope of $821 million (exclusive of DSM) is not subject to adjustment.

The Parties have agreed to variance account treatment for two aspects of the O&M budget – (i) DIMP and EDIMP costs; and (ii) pension and OPEB costs.

The Parties agree to a DIMP Variance Account that will track Enbridge Gas spending each year on the DIMP and EDIMP programs. Parties agree that $12.5 million is included in the 2024 O&M budget for these programs, and that variances will be recovered from or credited to ratepayers on an annual basis from 2024 until Enbridge Gas next rebases. Enbridge Gas will provide annual reporting and justification for DIMP spending (see Issue 32).

There is no agreement on appropriate treatment of the NGV Program (Issue 34), and if different treatment of the NGV Program is ordered than proposed by Enbridge Gas, then corresponding changes may be necessary to O&M.

Evidence: The evidence in relation to this issue includes, but is not limited to, the following:

4.4.1	Operating, Maintenance and Administrative Costs (Overview)
4.4.2	Summary and Cost Drivers
4.4.2.1	EGI Pension and Benefit Plans
4.4.2.2	Summary and Cost Drivers - Variances
4.4.3	Program Delivery Costs and Variance Analysis (PDCVA)
4.4.3.1	PDCVA – Compensation Benchmarking
4.4.3.2	PDCVA – Pension, Savings, Benefits Programs Benchmarking
4.4.3.3	PDCVA – Guidehouse CFCAM Study
4.4.3.4	PDCVA – Intercorporate Services Agreement
4.4.3.5	PDCVA – CF Costs and Cost Drivers
4.4.3.6	Certification of ARC Compliance
4.4.3.7	PDCVA – SCM Policy
4.4.3.8	PDCVA – ASL Policy
4.4.3.9	PDCVA – RFx
4.4.3.10	PDCVA – Single Source Greater Than 2M
4.4.3.11	PDCVA – Single Source Less Than 2M
Exhibit I.4.4	Exhibit 4, Tab 4 Interrogatories
7 TC Tr. 87 - 165	Technical Conference Panel 6
JT7.9 - JT7.22	Panel 6 Undertakings

13. Are the 2024 proposed compensation related costs (including, FTEs, wages, salaries, benefits, incentives, overtime, pension and OPEB costs) appropriate?

Partial Settlement

As part of the settlement of the overall net and gross O&M budget amounts, Parties agree that there is no remaining issue to be determined in relation to 2024 proposed compensation related costs for O&M purposes. As the Parties have agreed to an overall adjustment to O&M, there is no specific agreement to the proposed 2024 compensation related costs, but all Parties accept the total O&M amounts noted in Issue 12.

As Issue 7 and 8 remain unsettled, in the context of a different capitalization methodology and/or different capital budget it remains open to Parties to argue the appropriateness of, a) compensation related costs directly assigned to capital, and b) the compensation related costs that are included in the $292 million in overhead capitalized amount based on Enbridge Gas's proposed capitalization methodology.

Parties agree to a Post-Retirement True-Up Variance Account that will track the revenue requirement impact of pension and OPEB costs (accrual and cash-based amounts) each year. Parties agree that ($1.6 million) of pension and OPEB accrual costs are included in the 2024 O&M budget, as well as a $16.9 million tax deduction for cash contributions, resulting in a total 2024 revenue requirement impact of $8.3 million credit. Parties agree that where the variance in the revenue requirement impact of actual pension and OPEB costs (accrual and cash-based amounts) is greater than $10 million compared to the amount embedded in rates in any year from 2024 until the next rebasing, Enbridge Gas may recover (or will credit) the actual amount outside of the $10 million deadband from (or to) ratepayers.

Evidence: The evidence in relation to this issue includes, but is not limited to, the following:

4.4.3	Program Delivery Costs and Variance Analysis (PDCVA)
4.4.3.1	PDCVA – Compensation Benchmarking
4.4.3.2	PDCVA – Pension, Savings, Benefits Programs Benchmarking
4.4.3.3	PDCVA – Guidehouse CFCAM Study
4.4.3.4	PDCVA – Intercorporate Services Agreement
4.4.3.5	PDCVA – CF Costs and Cost Drivers
4.4.3.6	Certification of ARC Compliance
4.4.3.7	PDCVA – SCM Policy
4.4.3.8	PDCVA – ASL Policy
4.4.3.9	PDCVA – RFx
4.4.3.10	PDCVA – Single Source Greater Than 2M
4.4.3.11	PDCVA – Single Source Less Than 2M
Exhibit I.4.4	Exhibit 4, Tab 4 Interrogatories
7 TC Tr. 87 - 165	Technical Conference Panel 6
JT7.9 - JT7.22	Panel 6 Undertakings

14. Are the 2024 proposed shared services and corporate services costs appropriate, including the proposed Centralized Functions Cost Allocation Methodology (CFCAM)?

Partial Settlement

As part of the settlement of the overall net and gross O&M budget amounts, Parties agree that there is no remaining issue to be determined in relation to 2024 proposed shared services and corporate services costs. As the Parties have agreed to an overall adjustment to O&M, there is no specific agreement to the proposed CFCAM, but Parties accept the total O&M amounts noted in Issue 12.

As Issue 7 and 8 remain unsettled, it remains open to Parties to argue, in the context of a different capitalization methodology and/or different capital budget, the appropriateness of, a) shared services and corporate service costs directly assigned to capital, and b) the shared services and corporate service costs included in the $292 million in overhead capitalized amount based on Enbridge Gas's proposed capitalization methodology.

Evidence: The evidence in relation to this issue includes, but is not limited to, the following:

4.4.3	Program Delivery Costs and Variance Analysis (PDCVA)
4.4.3.1	PDCVA – Compensation Benchmarking
4.4.3.2	PDCVA – Pension, Savings, Benefits Programs Benchmarking
4.4.3.3	PDCVA – Guidehouse CFCAM Study
4.4.3.4	PDCVA – Intercorporate Services Agreement
4.4.3.5	PDCVA – CF Costs and Cost Drivers
4.4.3.6	Certification of ARC Compliance
4.4.3.7	PDCVA – SCM Policy
4.4.3.8	PDCVA – ASL Policy
4.4.3.9	PDCVA – RFx
4.4.3.10	PDCVA – Single Source Greater Than 2M
4.4.3.11	PDCVA – Single Source Less Than 2M
Exhibit I.4.4	Exhibit 4, Tab 4 Interrogatories
7 TC Tr. 87 - 165	Technical Conference Panel 6
JT7.9 - JT7.22	Panel 6 Undertakings

15. Are the proposed harmonized depreciation rates and the 2024 Test Year depreciation expense appropriate?

There is no settlement of this issue.

Evidence: The evidence in relation to this issue includes, but is not limited to, the following:

4.5.1	Depreciation Expense
4.5.1.1	Depreciation Expense – Study
4.5.1.2	Depreciation Expense – Proposed Rates
4.5.1.3	Depreciation Expense – 2019-2024 Schedules
Exhibit I.4.5	Exhibit 4, Tab 5 Interrogatories
4 TC Tr. 2 - 198	Technical Conference Panel 8
JT4.1 - JT4.21	Panel 8 Undertakings
M1	OEB Staff Evidence on Depreciation (Intergroup Consultants)
M5	IGUA Evidence on Depreciation (Emrydia Consulting)
N.M1	Exhibit M1 Interrogatories
N.M5	Exhibit M5 Interrogatories

16. Are the proposed 2024 Site Restoration Costs appropriate, and should the OEB establish a segregated fund for the Site Restoration Costs?

There is no settlement of this issue.

Evidence: The evidence in relation to this issue includes, but is not limited to, the following:

4.5.1	Depreciation Expense
4.5.1.1	Depreciation Expense – Study
4.5.1.2	Depreciation Expense – Proposed Rates
4.5.1.3	Depreciation Expense – 2019-2024 Schedules
Exhibit I.4.5	Exhibit 4, Tab 5 Interrogatories
4 TC Tr. 2 - 198	Technical Conference Panel 8
JT4.1 - JT4.21	Panel 8 Undertakings
M1	OEB Staff Evidence on Depreciation (Intergroup Consultants)
M5	IGUA Evidence on Depreciation (Emrydia Consulting)
N.M1	Exhibit M1 Interrogatories
N.M5	Exhibit M5 Interrogatories

17. Are the proposed 2024 income and property tax expenses appropriate?

Partial Settlement

Parties accept Enbridge Gas's proposed methodology for determining 2024 income and property taxes. Final forecast 2024 income and property taxes cannot be determined until other unresolved issues are determined.

Supporting Parties: APPrO, BOMA, CME, CCC, EP, ED, FRPO, GEC, IGUA, Kitchener, LPMA, OGVG, PP, QMA, SEC, SNNG, VECC.

Evidence: The evidence in relation to this issue includes, but is not limited to, the following:

4.6.1	Taxes (Income Tax)
4.6.1.1	Taxes (Income Tax) – Tables
4.6.1.2	Taxes (Income Tax) – CCA Schedule

4.6.2	Taxes (Property Tax)
Exhibit I.4.6	Exhibit 4, Tab 6 Interrogatories
7 TC Tr. 87 - 165	Technical Conference Panel 6
JT7.9 - JT7.22	Panel 6 Undertakings

18. In relation to the 2024 Test Year gas cost forecast,

a) Is the 2024 gas supply cost, including the forecast of gas, transportation and storage costs, appropriate?

b) Is the proposal for a common reference price methodology to set gas costs appropriate?

c) Is the proposed harmonized approach to determining gas costs (design day, operational contingency space, unaccounted for gas, Parkway Delivery Obligation) appropriate?

d) Is the 2024 Test Year forecast volumes of unaccounted for gas appropriate?

e) Is the proposal for an updated harmonized Parkway Delivery Obligation (PDO) Framework, and the recovery of costs, appropriate?

f) Is the 2024 Test Year Parkway Delivery Commitment Incentive (PDCI) Forecast appropriate?

There is a partial or complete settlement of each of the components of this issue. The details are set out under each sub-issue.

a) Is the 2024 gas supply cost, including the forecast of gas, transportation and storage costs, appropriate?

Partial Settlement

Parties agree to the as-filed 2024 gas supply cost, subject to the determination of load balancing costs including storage. The Parties agree that it would be appropriate for the outstanding issue to be determined in Phase 2 of this proceeding, along with other issues related to gas storage. Parties agree that until a determination is made in Phase 2, Enbridge Gas will maintain its current levels of market-based storage (without prejudice to the positions that Parties may take in Phase 2).

b) Is the proposal for a common reference price methodology to set gas costs appropriate?

Complete Settlement

Parties have agreed that the determination of a common reference price methodology to set gas costs is a cost allocation issue that is appropriately determined in a Phase 3 of this proceeding (for more discussion about Phase 3, see Issue 24, below). Until the determination of a common reference price methodology is established in Phase 3, Parties agree that Enbridge should use its current approved reference price methodologies, with the exception of the calculation of UFG, compressor fuel, own use gas and gas in inventory. As those are common costs amongst rate zones, the Parties agree that a consistent pricing methodology is appropriate, and that it is appropriate for Enbridge Gas to use the proposed harmonized weighted average reference price.

c) Is the proposed harmonized approach to determining gas costs (design day, operational contingency space, unaccounted for gas, Parkway Delivery Obligation) appropriate?

Partial Settlement

For the purposes of determining gas supply costs for 2024 and subsequent years during the upcoming IRM term, Parties agree to a modified version of the Enbridge Gas proposal for design day and design hour. The modification is that wind-adjusted temperature values used to determine design criteria and the design day demands for the Gas Supply Plan will be set on the basis of the coldest day in 30 years (using the gas years 1993/1994 to 2022/2023), to be fixed until Enbridge Gas's next rebasing case. This agreement is without prejudice to the positions that Parties may take on design criteria and design day/design hour methodology in relation to capital budget, and cost allocation issues in this proceeding, future leave to construct proceedings or in any future rebasing proceeding. For further clarity, the Parties agree that the methodology to establish wind-adjusted temperature values used to determine design criteria and the design day/design hour demands may be a relevant issue in future leave-to-construct cases and can be disputed therein.

Parties further agree that the question of how much operational contingency space Enbridge Gas should maintain, and the timing over which it should be maintained, is a storage-related issue that is appropriately determined in Phase 2 of this proceeding. Parties agree that until a determination is made in Phase 2, Enbridge Gas will include the cost consequences of its approved operational contingency amount of 9.5 PJ for Union as opposed its applied-for amount of 15.6 PJ of storage. This is without prejudice to the positions that Parties may take in Phase 2.

d) Is the 2024 Test Year forecast volumes of unaccounted for gas appropriate?

Complete Settlement

Parties agree to a modified approach from the Enbridge Gas filing for UFG costs.

The amount in rates will be based on the average actual UFG volumes for 2018-2020. This will result in an annual volume of 243,681 10^3m^3 of UFG.

Parties agree that a UFG price variance account and a UFG volume variance account will be established pursuant to Issue 31 part c).

In relation to fugitive emissions, which are a component of UFG, Enbridge Gas has agreed to investigate and determine an appropriate way to accurately measure fugitive emissions, including consideration of top-down measurements (i.e. by aircraft, satellite, and/or towers), with the goals of: (a) confirming the volume of fugitive emissions, (b) determining if recent UFG increases could be due to fugitive emissions, and (c) attempting to locate specific fugitive sources that can be mitigated. This would include all kinds of assets (transmission, rural & urban distribution, and storage). Enbridge Gas will file a robust investigation plan for consideration and determination in the 2023 deferral and variance account /u
proceeding, which filing shall include justification of the planned approach including, without limitation, whether it will include aerial (i.e. top-down) investigation.

e) Is the proposal for an updated harmonized Parkway Delivery Obligation (PDO) Framework, and the recovery of costs, appropriate?

Complete Settlement

Parties agree with Enbridge Gas's proposed updated PDO Framework, with the following modifications:

- If there is a proposed Dawn-Parkway System new build, then Enbridge Gas will offer Dawn obligated customers the opportunity to move volumes from Dawn to Parkway in exchange for PDCI payments.

- From and after January, 2024, where Enbridge Gas offers customers the opportunity to move volumes from Parkway to Dawn, and forego the PDCI payment, then such offer will be conditional on Enbridge Gas having a recall right in the event that a new Dawn to Parkway build is planned. The condition will be that any customer who accepts Enbridge Gas's offer to move some or all of the customer's volumes from Parkway to Dawn is subject to have those volumes recalled to Parkway (with PDCI payments) in the event that a new Dawn to Parkway build is planned. This recall right will exist for five years from the date when the customer moves volumes from Parkway to Dawn. Impacted customers will have up to two years from receiving notice of the recall requirement to move their volumes back from Dawn to Parkway.

  - In the event that Enbridge Gas does not need to recall all customer volumes subject to recall, then the "allocation" process for the recall would be similar to the existing allocation process used to provide the shift from Parkway to Dawn, as set out in the Settlement Proposal from 2022 Rates (EB-2021-0147), Phase 1, Exhibit N1, Tab 1, Schedule 1, Issue 4, pages 10-11.

- Notwithstanding the two modifications to the PDO Framework described above, Parties agree that it is open for intervenors to argue in future facilities or IRP proceedings that additional PDO treatment is appropriate in response to the LTC proposal (and for Enbridge Gas to argue in response as it deems appropriate). Parties further agree that nothing in the agreement reached on the PDO Framework limits the positions and proposals that Parties may advance in relation to the unsettled Issue 38 ("How should Dawn Parkway capacity turnback risk be dealt with?"). Parties further agree that nothing in the agreement prevents Parties from arguing in this or other proceedings for other supply-side IRP alternatives, such as offers for customers with delivery at Dawn to shift to interruptible rates or to shift to delivery at Parkway for payment up to the avoided cost of an infrastructure project.

- In connection with the proposed deferral of cost allocation and rate design issues to Phase 3, Parties agree that it is appropriate for Enbridge Gas to defer the proposal to offer the PDCI payment to Enbridge CDA customers to Phase 3 because these customers do not currently pay for transportation to deliver gas to the Enbridge CDA.

f) Is the 2024 Test Year Parkway Delivery Commitment Incentive (PDCI) Forecast appropriate?

Partial Settlement

Subject to the adjustment described below, Parties agree to the 2024 forecast of PDO/PDCI costs:

- Enbridge Gas confirms that a forecast cost of $2.9 million for PDCI for Enbridge Central Delivery Area (CDA) customers was included in the forecast. This would be removed from the forecast, without prejudice to it being added back depending on the outcomes from Phase 3 which may result in PDCI being available for Enbridge CDA customers.

There is no agreement as to the treatment of 2019-2023 PDO/PDCI costs that have been recovered from ratepayers.

Supporting Parties: APPrO, BOMA, CME, CCC, EP, ED, FRPO, GEC, IGUA, Kitchener, LPMA, OGVG, PP, QMA, SEC, SNNG, VECC.

Evidence: The evidence in relation to this issue includes, but is not limited to, the following:

4.2.1	Gas Supply Transportation and Storage Costs
4.2.1.1	Gas Supply Transportation and Storage Costs – Gas Costs
4.2.1.2	Gas Supple Transportation and Storage Costs – Monthly Pricing
4.2.1.3	Gas Supply Transportation and Storage Costs – Transportation Contracts
4.2.1.4	Gas Supply Transportation and Storage Costs – Design Day
4.2.1.5	Gas Supply Transportation and Storage Costs – EGI Transportation Map
4.2.1.6	Gas Supply Transportation and Storage Costs – ICF Report
4.2.1.7	Gas Supply Transportation and Storage Costs – Supplies
4.2.2	Gas Cost Reference Price
4.2.2.1	Gas Cost Reference Price – Calculation of Reference Price at April 2022 QRAM_EGD
4.2.2.2	Gas Cost Reference Price – Calculation of Reference Price at April 2022 QRAM_UGL
4.2.2.3	Gas Cost Reference Price – Calculation of Reference Price at April 2022 QRAM_EGI
4.2.3	Design Demands and Design Criteria
4.2.3.1	Design Demands and Design Criteria – Guidehouse Enbridge Gas Supply Design Day Report
4.2.4	Operational Contingency
4.3.1	Unaccounted for Gas
4.3.1.1	Unaccounted for Gas – Actual and Forecast Volumes
4.3.1.2	Unaccounted for Gas – Actual and Forecast Costs
4.3.1.3	Unaccounted for Gas – Progress Report
4.3.1.4	Unaccounted for Gas – Supplemental Progress Report
4.7.1	PDO-PDCI
4.7.1.1	PDO-PDCI – Framework
4.7.1.2	PDO-PDCI – Tables
Exhibit I.4.2	Exhibit 4, Tab 2 Interrogatories
Exhibit I.4.3	Exhibit 4, Tab 3 Interrogatories
Exhibit I.4.7	Exhibit 4, Tab 7 Interrogatories
6 TC Tr. 48 - 137	Technical Conference Panel 5
6 TC Tr. 138 - 188	Technical Conference Panel 7
7 TC Tr. 1 - 86	Technical Conference Panel 7
JT6.6 - JT6.15	Panel 5 Undertakings
JT6.16 - JT6.20	Panel 7 Undertakings
JT7.1 - JT7.8	Panel 7 Undertakings
M4	FRPO Evidence on Dawn Parkway System Capacity Turnback Risk
N.M4	Exhibit M4 Interrogatories

19. With respect to the Gas Supply Plan,

a) Is the proposal for implementation of the 2024 Gas Supply Plan after the OEB's decision on matters relating to the 2024 Gas Supply Plan is issued, and for reflecting cost variances in gas cost deferral and variance accounts, with recovery being subject to prudence review, appropriate?

b) Is the proposal to extend the deadline for filing the next 5-Year Gas Supply Plan by an additional year appropriate?

Complete Settlement

Parties agree with Enbridge Gas's proposal for implementation of the 2024 Gas Supply Plan after the OEB's decision on relevant matters is issued, and for reflecting cost variances in gas cost deferral and variance accounts.

Parties further agree that it is appropriate for Enbridge Gas to defer the filing of its next five-year gas supply plan for one year.

Supporting Parties: APPrO, BOMA, CME, CCC, EP, ED, FRPO, GEC, IGUA, Kitchener, LPMA, OGVG, PP, QMA, SEC, SNNG, VECC.

Evidence: The evidence in relation to this issue includes, but is not limited to, the following:

4.2.1	Gas Supply Transportation and Storage Costs
4.2.1.1	Gas Supply Transportation and Storage Costs – Gas Costs
4.2.1.2	Gas Supple Transportation and Storage Costs – Monthly Pricing
4.2.1.3	Gas Supply Transportation and Storage Costs – Transportation Contracts
4.2.1.4	Gas Supply Transportation and Storage Costs – Design Day
4.2.1.5	Gas Supply Transportation and Storage Costs – EGI Transportation Map
4.2.1.6	Gas Supply Transportation and Storage Costs – ICF Report
4.2.1.7	Gas Supply Transportation and Storage Costs - Supplies
Exhibit I.4.2	Exhibit 4, Tab 2 Interrogatories
6 TC Tr. 138 - 188	Technical Conference Panel 7
7 TC Tr. 1 - 86	Technical Conference Panel 7
JT6.16 - JT6.20	Panel 7 Undertakings
JT7.1 - JT7.8	Panel 7 Undertakings

E. Cost of Capital (Exhibit 5)

20. Is the proposed 2024 Capital Structure, including return on equity, appropriate?

There is no settlement of this issue.

Evidence: The evidence in relation to this issue includes, but is not limited to, the following:

5.1.1	Cost of Capital Overview
5.2.1	Cost of Capital
5.2.1.1	Cost of Capital – 2019
5.2.1.2	Cost of Capital – 2020
5.2.1.3	Cost of Capital – 2021
5.2.1.4	Cost of Capital – 2022
5.2.1.5	Cost of Capital – 2023
5.2.1.6	Cost of Capital – 2024
5.3.1	Capital Structure
5.3.1.1	Capital Structure – Concentric Equity Thickness
Exhibit I.5.1	Exhibit 5, Tab 1 Interrogatories
Exhibit I.5.2	Exhibit 5, Tab 2 Interrogatories
Exhibit I.5.3	Exhibit 5, Tab 3 Interrogatories

7 TC Tr. 165 - 186	Technical Conference Panel 9
8 TC Tr. 1 - 21	Technical Conference Panel 9
JT7.23 - JT7.26	Panel 9 Undertakings
JT8.1 - JT8.2	Panel 9 Undertakings
M2	OEB Staff Evidence on Capital Structure (London Economics International)
M6	IGUA Evidence on Cost of Capital (Dr. Sean Cleary)
M8	IGUA Evidence on Business Risk and Capital Structure
N.M2	Exhibit M2 Interrogatories
N.M6	Exhibit M6 Interrogatories
N.M8	Exhibit M8 Interrogatories

21. Is the proposed 2024 cost of debt and equity components of the capital structure appropriate?

Partial Settlement

Parties agree to the as-filed debt rates and the use of the OEB's formula to set ROE. The actual ROE to be used will be as reflected in the OEB's 2024 Cost of Capital Parameters letter, expected to be issued in October 2023.

The agreed to rates for debt costs and equity will be applied to determine revenue requirement for 2024 when all components have been determined.

Supporting Parties: APPrO, BOMA, CME, CCC, EP, ED, FRPO, GEC, IGUA, Kitchener, LPMA, OGVG, PP, QMA, SEC, SNNG, VECC.

Evidence: The evidence in relation to this issue includes, but is not limited to, the following:

5.1.1	Cost of Capital Overview
5.2.1	Cost of Capital
5.2.1.1	Cost of Capital - 2019
5.2.1.2	Cost of Capital - 2020
5.2.1.3	Cost of Capital - 2021
5.2.1.4	Cost of Capital - 2022
5.2.1.5	Cost of Capital - 2023
5.2.1.6	Cost of Capital - 2024
5.3.1	Capital Structure
5.3.1.1	Capital Structure – Concentric Equity Thickness
Exhibit I.5.1	Exhibit 5, Tab 1 Interrogatories
Exhibit I.5.2	Exhibit 5, Tab 2 Interrogatories
Exhibit I.5.3	Exhibit 5, Tab 3 Interrogatories
7 TC Tr. 165 - 186	Technical Conference Panel 9
8 TC Tr. 1 - 21	Technical Conference Panel 9
JT7.23 - JT7.26	Panel 9 Undertakings
JT8.1 - JT8.2	Panel 9 Undertakings
M2	OEB Staff Evidence on Capital Structure (London Economics International)
M6	IGUA Evidence on Cost of Capital (Dr. Sean Cleary)
M8	IGUA Evidence on Business Risk and Capital Structure
N.M2	Exhibit M2 Interrogatories
N.M6	Exhibit M6 Interrogatories
N.M8	Exhibit M8 Interrogatories

22. Is the proposed phase-in of increases to equity thickness over the 2024 to 2028 term appropriate?

There is no settlement of this issue.

Evidence: The evidence in relation to this issue includes, but is not limited to, the following:

5.1.1	Cost of Capital Overview
5.2.1	Cost of Capital
5.2.1.1	Cost of Capital - 2019
5.2.1.2	Cost of Capital - 2020
5.2.1.3	Cost of Capital - 2021
5.2.1.4	Cost of Capital - 2022
5.2.1.5	Cost of Capital - 2023
5.2.1.6	Cost of Capital - 2024
5.3.1	Capital Structure
5.3.1.1	Capital Structure – Concentric Equity Thickness
Exhibit I.5.1	Exhibit 5, Tab 1 Interrogatories
Exhibit I.5.2	Exhibit 5, Tab 2 Interrogatories
Exhibit I.5.3	Exhibit 5, Tab 3 Interrogatories
7 TC Tr. 165 - 186	Technical Conference Panel 9
8 TC Tr. 1 - 21	Technical Conference Panel 9
JT7.23 - JT7.26	Panel 9 Undertakings
JT8.1 - JT8.2	Panel 9 Undertakings
M2	OEB Staff Evidence on Capital Structure (London Economics International)
M6	IGUA Evidence on Cost of Capital (Dr. Sean Cleary)
M8	IGUA Evidence on Business Risk and Capital Structure
N.M2	Exhibit M2 Interrogatories
N.M6	Exhibit M6 Interrogatories
N.M8	Exhibit M8 Interrogatories

F. Revenue Deficiency/Sufficiency (Exhibit 6)

23. Is the proposed 2024 Test Year Revenue Deficiency calculated correctly?

There is no settlement of this issue, as it cannot be determined until other outstanding issues are determined.

Evidence: The evidence in relation to this issue includes, but is not limited to, the following:

6.1.1	Revenue Deficiency-Sufficiency Overview
6.1.1.1	Revenue Deficiency-Sufficiency Overview – EGD 2013-2018
6.1.1.2	Revenue Deficiency-Sufficiency Overview – Union 2013-2018
6.1.2	Revenue Deficiency-Sufficiency Details
6.1.2.1	Revenue Deficiency-Sufficiency – 2024 Test Year
6.1.2.2	Revenue Deficiency-Sufficiency – 2024 Test Year Delivery
6.1.2.3	Revenue Deficiency-Sufficiency – 2024 TY Gas Supply

6.1.2.4	Revenue Deficiency – Sufficiency – 2019-2023
Exhibit I.6.1	Exhibit 6, Tab 1 Interrogatories
7 TC Tr. 165 - 186	Technical Conference Panel 9
8 TC Tr. 1 - 21	Technical Conference Panel 9
JT7.23 - JT7.26	Panel 9 Undertakings
JT8.1 - JT8.2	Panel 9 Undertakings

G. Cost Allocation

24. Is the 2024 Cost Allocation Study including the methodologies and judgements used and the proposed application of that study to the current rate class design, appropriate?

Complete Resolution for Purposes of Phase 1.

Parties have reached an overall resolution of the cost allocation and rate design issues, in order to support the timely approval of 2024 rates on an interim basis. The resolution recognizes the intervenor position that more information is required before a determination can be made on the question of whether and how rates should be harmonized from the current three rate zone approach (EGD, Union South and Union North), as well as the difficulty in addressing harmonized cost allocation and rate design separately.

Interim rates for 2024 would be set through adjustment of existing rates, by proportionally allocating the impact of any revenue deficiency/sufficiency determined in Phase 1 to each rate zone and rate class.[6] Parties agree that in a subsequent phase of this proceeding (proposed as a new Phase 3), Enbridge Gas will provide further evidence about cost allocation and rate harmonization options, including specified items. Parties will be free to take any position about how, when or if Enbridge Gas cost allocation and rates should be harmonized as part of that subsequent phase.

Timing and Rate Implementation

The Parties agree that, if approved, Phase 3 would address all of the issues from Phase 1 that are being deferred (parts of Issues 24 to 28) as well as Issues 54 to 57 that are currently part of the Phase 2 Issues List.

The reason for a proposed new Phase 3 is that it will take some time for Enbridge Gas to prepare all of the agreed additional cost allocation and rate design evidence, scenarios, study and analysis. This would delay Phase 2, which includes the completion of the revenue requirement for 2024 as well as the determination of an

[6] 2024 rates approved in Phase 1 are interim because they may be adjusted to reflect the full impacts of determinations made in Phase 2. The determinations made in Phase 3 about cost allocation and rate design and harmonized rates will be prospective and will not impact prior rates.

IRM mechanism for 2025-2028. Parties agree that it is preferable to instead proceed by way of an additional phase. It may be possible for Phase 3 to commence before all items in Phase 2 are complete.

For the purposes of setting rates for 2024, Parties agree that Enbridge Gas will maintain current rate zones and rate classes and proportionally apply the impact of any revenue deficiency/sufficiency determined in this proceeding to each rate zone and rate class. Certain adjustments, such as DSM and cost of gas items (e.g., UFG, compressor fuel, own use gas, gas in inventory) included in delivery rates, need to be treated differently than other delivery-related costs and will reflect the 2024 Test Year Forecast. Other gas costs subject to deferral (e.g., gas supply commodity, upstream transportation, market-based storage) will be recovered in the current gas supply deferral and variance accounts with no 2024 base rate adjustments. The existing gas supply deferral and variance accounts that will continue until such time as harmonized rates are considered and determined in Phase 3 of this proceeding are described under Issue 31. Parties agree that Enbridge Gas will also reflect and implement the proposed uniform residential DSM unit rates in conjunction with the implementation of new interim 2024 rates to recover the revenue requirement determined in Phase 1.

Parties expect that Phase 3 may not be completed in time for implementation as of January 1, 2025. In that event, for the purposes of setting rates for 2025 Parties agree that it would be appropriate to apply any rate adjustment mechanism approved in Phase 2 to the 2024 rates that are approved in this proceeding (including reflecting any other adjustments to interim rates resulting from the Phase 2 decision).

Additional Evidence for Phase 3

In advance of Phase 3 review of cost allocation and rate design, Enbridge Gas will produce an additional cost allocation study that allocates costs in accord with its four proposed “service areas” as described in the response to Exhibit I.7.0-STAFF-237.

- The cost allocation study should include both the current Panhandle/St. Clair systems cost allocation approach, which allocates the combined costs of these two transmission systems as a single, integrated system, as well as a variation of the cost allocation study which splits the Panhandle System and the St. Clair system costs and allocates those separately, i.e. treating the two as stand-alone transmission systems.[7]

[7] The parties recognize that in respect of volumes flowing to and from Dawn from the St. Clair River Crossing and Ojibway, there may be an element of allocation of the combined costs of the two transmission systems in an ex-franchise transportation rate, even in the model that allocates the costs of the two systems separately for in-franchise customers.

- In this additional cost allocation study, the costs of all of Enbridge Gas's transmission assets should each be allocated based on design day demands on the respective systems (though Enbridge Gas may, as it sees fit, produce, and provide its rationale for, an alternative allocation of the costs of those systems as it deems appropriate, for example as it has done in this Application (unbundled customer and bundled customer, and for unbundled customers service area vs. system specific design day demands)).
- In this additional cost allocation study, Dawn Parkway transmission costs will continue to be allocated on a distance-weighted basis (as has been the case historically and as Enbridge Gas has proposed in this application to continue to do).

Using the additional cost allocation study and any additional cost allocation information required, Enbridge Gas will provide a report on the outcome of allocation of those costs to Enbridge Gas's proposed harmonized rate classes[8], in accordance with the following rate making approaches:

- A single, province wide rate zone for all costs (distribution (including load balancing storage and transportation), transmission, transportation, storage and gas supply).
- A single, province wide rate model for distribution costs, but service area specific allocations for transmission, transportation, storage and gas supply costs (as Enbridge Gas has proposed in this application).
- Two rate zones for all (distribution (including load balancing storage and transportation), transmission, transportation, storage and gas supply) costs, such rate zones being in accord with Enbridge Gas's Alternative 3 –Service Areas as reflected on Table 3 of Updated Exhibit I.7-0-Staff-237, page 9.
- Consideration of the feasibility for, and mechanics of, a density driven rate design (for example, as Hydro One does), which consideration includes;
    - whether density is in fact a relevant and material consideration for determination of actual gas distribution costs in Ontario;
    - if so, how density reflective cost allocation and rate design could be implemented; and
    - a jurisdictional scan of density determined gas distribution costs, for consideration in respect of applicability of such a model for Ontario.

[8] Enbridge Gas will describe any changes to the proposed harmonized rate classes required to support the cost allocation alternatives.

To the extent that any of the different approaches for rate zones indicate a significant reallocation of costs as among customers relative to the (2023) status quo, Enbridge Gas's evidence/report will identify such reallocation and where appropriate will include a proposal for phasing in and/or mitigating such impact.

In relation to the Gas Purchase Agreement (GPA) and Rate M13 issues raised by Ontario Petroleum Institute (OPI) members (local gas producers), Parties have agreed that Enbridge Gas will:

- File, as part of Phase 3, a more in-depth assessment of cost of stations to serve GPA and M13 local gas producer customers. Pending OEB review in Phase 3, the stations costs that are part of the rates for local gas producer customers will remain at 2023 levels.
- File, as part of Phase 3, evidence explaining whether and why/why not Enbridge Gas views that there are avoided costs relevant to serving/receiving gas from local gas producers (including RNG producers) and whether these avoided costs benefit system gas customers and should result in some compensation to local producers (including RNG producers).

Parties agree that it be will open for Parties to argue in Phase 3 that for the purposes of establishing design day demand for cost allocation purposes, Enbridge Gas should use the closest proximity weather station data for years it is available.

Parties submit that the additional cost allocation study and additional rate design evidence, along with the currently-filed evidence on these topics (updated as necessary) will permit the OEB to make a fully-informed determination in Phase 3 of the appropriate approach to rate harmonization.

Supporting Parties: APPrO, BOMA, CBA, CME, CCC, EP, ED, FRPO, GEC, IGUA, Kitchener, LPMA, OGVG, OPI, PP, QMA, SEC, SNNG, VECC.

Evidence: The evidence in relation to this issue includes, but is not limited to, the following:

7.0	Cost Allocation and Rate Design Preface
7.1.1	Cost Allocation Overview
7.1.1.1	Cost Allocation Overview – Adjusted Revenue Requirement
7.1.2	Description of Cost Allocation Methodology
7.1.3	Comparison of Cost Allocation Methodologies
7.1.3.1	Comparison of Cost Allocation Methodologies – Allocation Comparison Table
7.1.4	Other Cost Allocation Proposals and Directives
7.1.4.1	Cost Study Proposal Impacts
7.2.1	Cost Allocation Study – Current Rate Classes
7.2.1.1	Summary – Function
7.2.1.2	Summary – Rate Classes
7.2.1.3	Detail – Function

7.2.1.4	Detail – Gas Supply Classification
7.2.1.5	Detail – Storage Classification
7.2.1.6	Detail – Transmission Classification
7.2.1.7	Detail – Distribution Classification
7.2.1.8	Total Allocation
7.2.1.9	Delivery Allocation
7.2.1.10	Gas Cost Allocation
7.2.1.11	Factor Descriptions
7.2.1.12	Cost Allocation Factors
Exhibit I.7.0	Exhibit 7, Tab 0 Interrogatories
Exhibit I.7.1	Exhibit 7, Tab 1 Interrogatories
Exhibit I.7.2	Exhibit 7, Tab 2 Interrogatories
8 TC Tr. 23 - 117	Technical Conference Panel 10
JT8.4 - JT8.16	Panel 10 Undertakings
M7	OPI Evidence on Challenges Faced by Ontario Natural Gas Producers
N.M7	Exhibit M7 Interrogatories

H. Rate Design

25. Is the proposal to set 2024 rates using current rate classes and an updated harmonized cost allocation study appropriate?

Complete Resolution for Purposes of Phase 1

See Issue 24.

Supporting Parties: APPrO, BOMA, CBA, CME, CCC, EP, ED, FRPO, GEC, IGUA, Kitchener, LPMA, OGVG, OPI, PP, QMA, SEC, SNNG, VECC.

Evidence: The evidence in relation to this issue includes, but is not limited to, the following:

7.0	Cost Allocation and Rate Design Preface
7.1.1	Cost Allocation Overview
7.1.1.1	Cost Allocation Overview – Adjusted Revenue Requirement
7.1.2	Description of Cost Allocation Methodology
7.1.3	Comparison of Cost Allocation Methodologies
7.1.3.1	Comparison of Cost Allocation Methodologies – Allocation Comparison Table
7.1.4	Other Cost Allocation Proposals and Directives
7.1.4.1	Cost Study Proposal Impacts
7.2.1	Cost Allocation Study – Current Rate Classes
7.2.1.1	Summary – Function
7.2.1.2	Summary – Rate Classes
7.2.1.3	Detail – Function
7.2.1.4	Detail – Gas Supply Classification
7.2.1.5	Detail – Storage Classification
7.2.1.6	Detail – Transmission Classification
7.2.1.7	Detail – Distribution Classification
7.2.1.8	Total Allocation
7.2.1.9	Delivery Allocation
7.2.1.10	Gas Cost Allocation
7.2.1.11	Factor Descriptions
7.2.1.12	Cost Allocation Factors

Exhibit I.7.1	Exhibit 7, Tab 1 Interrogatories
Exhibit I.7.2	Exhibit 7, Tab 2 Interrogatories
Exhibit I.8.1	Exhibit 8, Tab 1 Interrogatories
Exhibit I.8.2	Exhibit 8, Tab 2 Interrogatories
8 TC Tr. 23 - 117	Technical Conference Panel 10
JT8.4 - JT8.16	Panel 10 Undertakings
M7	OPI Evidence on Challenges Faced by Ontario Natural Gas Producers
N.M7	Exhibit M7 Interrogatories

26. Is the proposed rate design proposal for the gas supply commodity charge and gas supply transportation charges appropriate?

Complete Resolution for the Purposes of Phase 1

Parties agree that this issue is appropriately determined in Phase 3.

Supporting Parties: APPrO, BOMA, CME, CCC, EP, ED, FRPO, GEC, IGUA, Kitchener, LPMA, OGVG, OPI, PP, QMA, SEC, SNNG, VECC.

Evidence: The evidence in relation to this issue includes, but is not limited to, the following:

8.2.2	Gas Commodity and Transportation Rates
8.2.2.1	Gas Commodity and Transportation Rates – Gas Supply Transportation Charges – Current Rate Classes
8.2.2.2	Gas Commodity and Transportation Rates – Gas Supply Transportation Charges – Harmonized Rate Classes
Exhibit I.8.2	Exhibit 8, Tab 2 Interrogatories
8 TC Tr. 23 - 117	Technical Conference Panel 10
JT8.4 - JT8.16	Panel 10 Undertakings
M7	OPI Evidence on Challenges Faced by Ontario Natural Gas Producers
N.M7	Exhibit M7 Interrogatories

27. Is the proposed rate implementation and mitigation plan for 2024 rates appropriate?

Complete Resolution for the Purposes of Phase 1

See Issue 24.

Supporting Parties: APPrO, BOMA, CME, CCC, EP, ED, FRPO, GEC, IGUA, Kitchener, LPMA, OGVG, OPI, PP, QMA, SEC, SNNG, VECC.

Evidence: The evidence in relation to this issue includes, but is not limited to, the following:

8.2.1	Rate Harmonization Plan
8.2.1.1	Rate Harmonization Plan – Summary of Rate Zone Alternatives
8.2.1.2	Rate Harmonization Plan – Rate Class Mapping
8.2.6	Bill impacts and Mitigation Plan
8.2.6.1	2024 Contract Bill Impacts
8.2.6.2	2026 Contract Bill Impacts
8.2.6.3	Total Contract Bill Impacts
Exhibit I.8.2	Exhibit 8, Tab 2 Interrogatories
8 TC Tr. 23 - 117	Technical Conference Panel 10
JT8.4 - JT8.16	Panel 10 Undertakings
M7	OPI Evidence on Challenges Faced by Ontario Natural Gas Producers
N.M7	Exhibit M7 Interrogatories

28. Are the proposed changes to the terms and conditions applicable on January 1, 2024, to existing rate classes appropriate?

Complete Settlement

See Issue 24. Most of this issue is proposed to be resolved in Phase 3 of the proceeding.

Parties agree that the following items can be implemented in 2024, before Phase 3 of the proceeding:

- Parties agree that Enbridge Gas will make the proposed changes to the 2024 Rate Handbook and Conditions of Service to the extent that such changes are independent of the proposed harmonized rates and services that are now being addressed in Phase 3. No changes will be made to the 2024 Rate Handbook or Conditions of Service that relate to customer connections policy until after the OEB decision in Phase 1 of this proceeding (and any such changes must be consistent with the Phase 1 decision).
- Parties agree that Enbridge Gas can implement the proposed changes to interruptible rates that would permit negotiated interruptible rates as part of an IRP Plan.
- Parties agree that Enbridge Gas will eliminate certain rate classes and services that are not being used. The agreed list is as follows:
    - Exhibit 8.2.1 – Eliminated Rate Classes
    - Exhibit 8.4.3 Page 42, Section 6.2 – Balancing Transactions (Diversions)
    - Exhibit 8.4.3 Page 58, Section 9 – EGD Western Buy/Sell
    - Exhibit 8.4.4 Page 16, Section 6 – Utility Supply
    - Exhibit 8.4.4 Page 21, Section 9.1 – Supplemental Services

  - Exhibit 8.4.5 Page 31, Section 8 – EGD Unbundled Pooling and Union Fuel Manager
  - Exhibit 8.4.6 Page 14, Section 5.3 – Union Supplied Fuel (Ex-Franchise)
  - Exhibit 8.4.6 Page 16, Section 5.4 – Name Change Service Charge

- Additionally, Parties agree that the pricing for the Union balancing service[9] will be amended to remove the name change service charge and to remove the Parkway to Dawn toll to reflect that customers now deliver primarily to Dawn.

Supporting Parties: APPrO, BOMA, CME, CCC, EP, ED, FRPO, GEC, IGUA, Kitchener, LPMA, OGVG, OPI, PP, QMA, SEC, SNNG, VECC.

Evidence: The evidence in relation to this issue includes, but is not limited to, the following:

8.4.1	Service Harmonization
8.4.1.1	Service Harmonization Mapping
8.4.2	Distribution
8.4.3	Bundled Service
8.4.4	Semi-Unbundled Service
8.4.5	Unbundled Service
8.4.6	Ex-franchise Services
8.4.7	Interruptible Service Study
8.4.7.1	Interruptible Rates Study – Rate Comparison
8.5.1	Terms & Conditions of Service Harmonization
8.5.1.1	Terms & Conditions of Service Harmonization – Conditions of Service
8.5.1.2	Terms & Conditions of Service Harmonization – Contract Comparison
8.5.1.3	Terms & Conditions of Service Harmonization – Summary of Changes to Ex-franchise GT & Cs – Combined
8.5.1.4	Terms & Conditions of Service Harmonization – Summary of Changes to Ex franchise GT & Cs – Harmonized
8.5.1.5	Terms & Conditions of Service Harmonization – Ex franchise combined GT & Cs
8.5.1.6	Terms & Conditions of Service Harmonization – Ex franchise harmonized GT & Cs
Exhibit I.8.4	Exhibit 8, Tab 4 Interrogatories
Exhibit I.8.5	Exhibit 8, Tab 5 Interrogatories
8 TC Tr. 23 - 117	Technical Conference Panel 10
JT8.4 - JT8.16	Panel 10 Undertakings

29. Are the proposed miscellaneous service charges, including Rider G and Rider M, appropriate?

Partial Settlement

Subject to the following qualifications and changes, Parties accept that the proposed miscellaneous service charges as filed by Enbridge Gas are appropriate:

- Meter dispute test charge – Parties have agreed that the common Enbridge

[9] Exhibit 8.4.3 Page 45, Section 6.5 – Union Balancing Transaction Pricing

Gas charge for meter dispute requests should be $100 (halfway between the current charges in the EGD and Union rate zones).

- Late Payment Penalty charge – For the purposes of settlement, Parties accept the proposal to continue a late payment charge of 1.5% per month (19.56% per annum). Not all Parties agree that the late payment fee of 19.56% per annum is cost based or a reasonable charge. However, all Parties agree that the fee was established on a generic basis by the OEB and if reviewed should be reviewed on a generic basis which would include electricity distribution utilities.

- Extra length charge – There is no settlement on the appropriate charges for individual customer connections, including charges for individual service lines and meters.

As advised in Enbridge Gas's letter dated May 24, 2023, Enbridge Gas is requesting a Locate Delivery Services Variance Account on a generic basis along with numerous large distributors (gas and electric). In its May 24, 2023 letter, Enbridge Gas indicated that if the requested generic deferral account is not approved and/or circumstances change such that an approved service fee for locates requests becomes necessary for Enbridge Gas, then the Company may choose to pursue that request at a later date. In a letter dated June 14, 2023, the OEB requested more information from the requesting utilities (including Enbridge Gas) before making a determination about whether to approve the requested generic account. Enbridge Gas reserves the right, therefore, to seek approval of a locate delivery charge as part of Phase 2.

Supporting Parties: APPrO, BOMA, CME, CCC, EP, ED, FRPO, GEC, IGUA, Kitchener, LPMA, OGVG, PP, QMA, SEC, SNNG, VECC.

Evidence: The evidence in relation to this issue includes, but is not limited to, the following:

8.3.1	Miscellaneous Service Charges
8.2.7.1	Combined Rate Handbook
Exhibit I.8.2	Exhibit 8, Tab 2 Interrogatories
Exhibit I.8.3	Exhibit 8, Tab 3 Interrogatories
8 TC Tr. 23 - 117	Technical Conference Panel 10
JT8.4 - JT8.16	Panel 10 Undertakings

30. Are the proposed Direct Purchase Administration Charge (DPAC) and Distributor Consolidated Billing (DCB) charges appropriate?

Complete Settlement

Parties agree that the proposed DPAC and DCB charges are appropriate.

Supporting Parties: APPrO, BOMA, CME, CCC, EP, ED, FRPO, GEC, IGUA, Kitchener, LPMA, OGVG, PP, QMA, SEC, SNNG, VECC.

Evidence: The evidence in relation to this issue includes, but is not limited to, the following:

8.3.2	Direct Purchase Charges
Exhibit I.8.3	Exhibit 8, Tab 3 Interrogatories
8 TC Tr. 23 - 117	Technical Conference Panel 10
JT8.4 - JT8.16	Panel 10 Undertakings

I. Deferral and Variance Accounts

31. Is the proposal for harmonization of certain existing deferral and variance accounts appropriate?

Partial Settlement

Parties agree to the continuation, establishment and closure of deferral and variance accounts as proposed by Enbridge Gas, with several exceptions.

a) Parties agree that certain harmonized gas supply accounts will not be established before harmonized rates are considered and determined Phase 3 of this proceeding. The impacted harmonized accounts are the following:

- Purchased Gas Variance Account
- Third Party Transportation Variance Account
- Load Balancing Variance Account
- Inventory Reevaluation Variance Account
- Market-Based Storage Variance Account

Until such time as a different approach is approved, separate QRAM approval requests for each of the EGD and Union rate zones will continue, along with the continuation of existing gas supply accounts. As a result, the following accounts will continue until a Phase 3 decision:

• Purchase Gas Variance Account	EGD
• Storage and Transportation Deferral Account	EGD
• Union South Purchase Gas Variance Account	Union
• Union North West Purchase Gas Variance Account	Union
• Union North East Purchase Gas Variance Account	Union
• Transportation Tolls and Fuel – Union NW Operations Area	Union

• Transportation Tolls and Fuel – Union NE Operations Area	Union
• Spot Gas Variance Account	Union
• Unabsorbed Demand Costs Variance Account	Union
• Inventory Revaluation Account	Union

b) Parties agree that the GDAR Deferral Account will be closed.

c) Parties agree modifications will be made to several existing and proposed deferral and variance accounts:

- The IRP Operating Cost and IRP Capital Cost Deferral Accounts will be modified to recognize off setting amounts in the account balances to reflect avoided capital cost impacts related to facilities projects that are delayed, avoided or downsized by IRP.

- The Tax Variance Deferral Account (TVDA) will be modified to stipulate that 100% of any impacts from tax rule changes, or the availability and use of tax credits (or similar mechanisms) specifically directed at energy transition activities, will be recorded in the account. The question of whether the impacts of any tax credit (or similar mechanisms) changes specifically directed at the energy transition will be shared 50/50 or credited/debited entirely to ratepayers will be determined at the time that the amounts in the account are cleared.

- The Greenhouse gas Emissions Administration Costs Deferral Account will be renamed as the Carbon Charges Bad Debt Deferral Account, and the scope will be limited to recording the bad debt cost associated with carbon charges, for Enbridge Gas to later seek to recover from ratepayers.

- Updated UFG accounts will be created, as follows:

  i. A UFG Price Variance Account will be established where Enbridge Gas will record for future recovery from (or credit to) ratepayers the full cost implications of the variance between the actual price of Enbridge Gas's gas supply purchases and the applicable gas supply reference price, applied to all actual experienced UFG volumes. There is no cap on the UFG volumes for which price variance treatment is applicable. This account will be substantially similar to the current Union Rate Zone UFG Price Variance Account.

  ii. A UFG Volume Variance Account will be established where Enbridge Gas and ratepayers will share on a 50/50 basis the cost/credit of variances in the UFG volumes included in rates (243,681 10^3m^3) and the actual UFG volumes at the applicable gas supply reference price, up to a maximum volume of 400,000 10^3m^3. Enbridge Gas will be responsible for the cost of UFG volumes above 400,000 10^3m^3, but will continue to record and recover the price variance on those volumes in the UFG price variance account. This account will be similar to the current Union Rate Zone UFG Volume Variance Account, though the applicable parameters will be different, as described above.

The draft Accounting Orders for the agreed deferral and variance accounts are provided at Exhibit O, Tab 1, Schedule 2.

Supporting Parties: APPrO, BOMA, CME, CCC, EP, ED, FRPO, GEC, IGUA, Kitchener, LPMA, OGVG, PP, QMA, SEC, SNNG, VECC.

Evidence: The evidence in relation to this issue includes, but is not limited to, the following:

9.1.1	Deferral and Variance Account Overview
9.1.1.1	Deferral and Variance Account – Description of Existing Deferral Accounts
9.1.1.2	Deferral and Variance Overview – Summary of Proposals for Deferral and Variance Accounts
9.1.1.3	Deferral and Variance Accounts – Proposed Accounting Orders
9.1.1.4	Proposed Deferral and Variance Accounts
9.1.2	Harmonization and Other Proposed Changes
Exhibit I.9.1	Exhibit 9, Tab 1 Interrogatories
Exhibit I.9.2	Exhibit 9, Tab 2 Interrogatories
3 TC Tr. 164 - 216	Technical Conference Panel 11
JT3.26 - JT3.38	Panel 11 Undertakings

32. Is the proposal to close and continue certain deferral and variance accounts and establish new ones appropriate?

Partial Settlement

Parties agree to the following in relation to the new variance accounts proposed by Enbridge Gas:

- Energy Transition Technology Fund Variance Account – to be addressed in Phase 2.

- Rate Harmonization Variance Account – to be addressed in Phase 3.

- Dawn Parkway Surplus Capacity Deferral Account – Parties agree to the creation of a Dawn Parkway Surplus Capacity Deferral Account as proposed, subject to one change. In the event that Enbridge Gas uses surplus Dawn Parkway capacity (forecast at 89 TJ in 2024) to reduce the Parkway Delivery Obligation, then the PDCI costs will be reduced, which will be captured in the Parkway Delivery Obligation Variance Account.

- Open Bill Extension Deferral Account – Parties agree to the creation of this account as proposed.

- Enhanced Distribution Integrity Management Program Variance Account – as described in Issue 12, Parties agree instead to the creation of a new Distribution Integrity Management Program (DIMP) Costs Variance Account. The account will record variances in Enbridge Gas spending each year on the DIMP and EDIMP programs. Parties agree that $12.5 million is included in the 2024 O&M budget for these programs, and that variances will be recovered from or credited to ratepayers on an annual basis from 2024 until Enbridge Gas next rebases. Enbridge Gas will provide annual reporting on actual DIMP/EDIMP spending, setting out the work done (and associated costs), listing the projects/facilities where work was done, describing what facilities work was deferred or avoided or otherwise impacted as a result and discussing the cost/benefit analysis of the DIMP/EDIMP work done during the past year.

- The Post-Retirement True-Up Variance Account will be established as described in Issue 13 above, such that it includes a $10 million deadband for variances from the forecast revenue requirement impact of pension and OPEB costs (accrual and cash-based amounts) embedded in rates ($8.3 million credit in 2024 revenue requirement). Parties agree that where the variance in the revenue requirement of actual pension and OPEB costs (accrual and cash-based amounts) is greater than $10 million compared to the amount embedded in rates in any year from 2024 until Enbridge Gas next rebases, Enbridge Gas may recover (or credit) the actual amount outside of the $10 million deadband from (or to) ratepayers. Other than the addition of a deadband, the Post-Retirement True-Up Variance Account will operate in the manner described in the Enbridge Gas March 8, 2023 update[10].

Additionally, Parties agree that Enbridge Gas will create a new Clean Fuel Regulation (CFR) Credits Deferral Account that will record the revenues obtained by Enbridge Gas from the sale of CFR credits for the benefit of ratepayers. Enbridge Gas will be permitted to also record offsetting credit formation, certification and transaction administration costs in the account. The administration costs eligible for recording and recovery include the following:

[10] Exhibit 9, Tab 1, Schedule 1, Attachment 3, p.37, Updated March 8, 2023.

- Incremental staffing costs;
- Consulting costs, including but not limited to preparation of monitoring reports and third-party verification of credits;
- Legal costs, including but not limited to preparing contracts for procurement or sale of credits, understanding of the regulation; and
- Other costs such as training/conferences and market monitoring subscriptions (needed to stay abreast of market).

As set out at Issue 4, the Parties agree that Enbridge Gas will create a new Indigenous Working Group Deferral Account (IWGDA).

As set out in Issue 9, there is no agreement about whether Enbridge Gas should create a Volume Variance Account.

As part of the OEB's consideration of the unsettled issues in Phase 1, Parties are free to request the establishment of a new deferral and/or variance account, insofar as the proposed account relates to an unsettled (or unsettled components of a partially settled issue) and would not be contrary to a settled issue (or settled component of a partially settled issue).

As advised in Enbridge Gas's letter dated May 24, 2023, Enbridge Gas is no longer seeking a Locate Delivery Services Variance Account as this is being requested on a generic basis by numerous large distributors (gas and electric). In a letter dated June 14, 2023, the OEB requested more information from the requesting utilities (including Enbridge Gas) before making a determination about whether to approve the requested generic account. As stated in the Enbridge Gas letter: "[i]n the event that the OEB declines to address the request for a locates cost variance account on a generic basis, or in a way that takes into account Enbridge Gas's circumstances (which include very significant underground infrastructure), then Enbridge Gas reserves the right to request that this item be re-introduced and determined in Phase 2 of this proceeding".

Supporting Parties: APPrO, BOMA, CME, CCC, EP, ED, FRPO, GEC, IGUA, Kitchener, LPMA, OGVG, PP, QMA, SEC, SNNG, VECC.

Evidence: The evidence in relation to this issue includes, but is not limited to, the following:

9.1.3	Establishment of New Deferral and Variance Accounts
9.1.4	Deferral and Variance Account Closures
Exhibit I.9.1	Exhibit 9, Tab 1 Interrogatories
3 TC Tr. 164 - 216	Technical Conference Panel 11
JT3.26 - JT3.38	Panel 11 Undertakings

33. Is the proposal to dispose of the forecast balances in certain deferral and variance accounts appropriate?

Partial Settlement

With the following two exceptions, Parties agree to the clearance of deferral and variance accounts as proposed by Enbridge Gas.

- Parties do not agree to the clearance of the 2019-2023 balances in the TVDA which relate to accelerated CCA costs for integration projects (forecast at approximately $5 million).

- Parties do not agree to the clearance of the balance in the Accounting Policy Changes Deferral Account (APCDA).

Parties agree that any clearances of 2019-2023 balances of deferral and variance accounts should be apportioned to the EGD and Union rate zones as appropriate, and effected using the methodologies and allocators, applicable to the account balance, in place during the deferred rebasing term.

Supporting Parties: APPrO, BOMA, CME, CCC, EP, ED, FRPO, GEC, IGUA, Kitchener, LPMA, OGVG, PP, QMA, SEC, SNNG, VECC.

Evidence: The evidence in relation to this issue includes, but is not limited to, the following:

9.2.1	Deferral and Variance Account Balances
9.2.1.1	Deferral and Variance Account Balances – Disposition Balances
9.2.1.2	Deferral and Variance Account Balances – APCDA Cumulative Summary
9.2.1.3	Deferral and Variance Account Balances – APCDA Itemized Revenue Requirement
9.2.1.4	Deferral and Variance Account Balances – APCDA Rev Req Impact
9.2.1.5	Deferral and Variance Account Balances – TVDA
9.2.1.6	Deferral and Variance Account Balances – ICMDA Continuity
9.2.1.7	Deferral and Variance Account Balances – ICMDA OEB-Approved vs Actual
9.2.1.8	Pension Local Books Projections to 2024
9.2.1.9	EGI Regulatory Liability Balance
9.2.2	Allocation and Disposition of Deferral and Variance Accounts
9.2.2.1	Deferral Disposition Schedule Balances
9.2.2.2	Deferral Disposition Schedule Rates
9.2.2.3	Deferral Disposition Schedule Bill Impacts
Exhibit I.9.2	Exhibit 9, Tab 2 Interrogatories
3 TC Tr. 164 - 216	Technical Conference Panel 11
JT3.26 - JT3.38	Panel 11 Undertakings

J. Other

34. Is the proposed regulatory treatment of the Natural Gas Vehicle Program appropriate?

There is no settlement of this issue.

Parties agree that if different treatment of the NGV Program is ordered than proposed by Enbridge Gas, then corresponding changes may be necessary to Rate Base (Issue 6), the other revenue forecast (Issue 10), and O&M (Issue 12). The relevant amounts included for the NGV Program in Enbridge Gas's application are:

	($ millions)
Rate Base*	21.4
Other Revenue	4.3
O&M	0.9

* This will include corresponding impacts on depreciation, cost of capital and income tax.

Evidence: The evidence in relation to this issue includes, but is not limited to, the following:

1.14.2	Ancillary Services – NGV Program
1.14.2.1	Ancillary Services – NGV – 2013-2021 NGV ROR Actual Summary
Exhibit I.1.14	Exhibit 1, Tab 14 Interrogatories

35. Is the proposed regulatory treatment of the Distributor Consolidated Billing Program appropriate?

Complete Settlement

Parties accept Enbridge Gas's proposed treatment of the Distributor Consolidated Billing Program.

Supporting Parties: APPrO, BOMA, CME, CCC, EP, ED, FRPO, GEC, IGUA, Kitchener, LPMA, OGVG, PP, QMA, SEC, SNNG, VECC.

Evidence: The evidence in relation to this issue includes, but is not limited to, the following:

1.14.3	Ancillary Services – DCB
Exhibit I.1.14	Exhibit 1, Tab 14 Interrogatories

36. Is the proposal for the extension of the existing financial terms of the Open Billing Access Program for ten months until October 31, 2024 appropriate?

Complete Settlement

Parties accept Enbridge Gas's proposed extension of the existing financial terms of the Open Billing Access Program for ten months until October 31, 2024.

Supporting Parties: BOMA, CME, CCC, Enercare, EP, ED, FRPO, GEC, IGUA, Kitchener, LPMA, OGVG, PP, QMA, SEC, SNNG, VECC.

Evidence: The evidence in relation to this issue includes, but is not limited to, the following:

1.14.4	Ancillary Services – Open bill Access Program (OBA)
1.14.4.1	Ancillary Services – OBA Program – Transition Plan
1.14.4.2	Ancillary Services – OBA Program – Optional Extension Agreement
1.14.4.3	Ancillary Services – OBA Program – Customer Communications Plan
Exhibit I.1.14	Exhibit 1, Tab 14 Interrogatories

37. Is it appropriate to have an earnings sharing mechanism for 2024?

There is no settlement of this issue.

Evidence: The evidence in relation to this issue includes, but is not limited to, the following:

N/A

38. How should Dawn Parkway capacity turnback risk be dealt with?

There is no settlement of this issue.

Evidence: The evidence in relation to this issue includes, but is not limited to, the following:

1.11.1	Dawn Parkway System Long-Term Utilization
1.11.1.1	DP LT Utilization – ICF Study
Exhibit I.1.11	Exhibit 1, Tab 11 Interrogatories
6 TC Tr. 48 - 137	Technical Conference Panel 5
JT6.6 - JT6.15	Panel 5 Undertakings
M4	FRPO Evidence on Dawn Parkway System Capacity Turnback Risk
N.M4	Exhibit M4 Interrogatories

39. Is the proposed harmonized methodology for determining the amount of storage space and deliverability required to serve in franchise customers appropriate, and is the proposed allocation of storage space and deliverability among customers appropriate?

Complete Resolution for the Purposes of Phase 1

Parties have agreed that the determination of the proposed harmonized methodology for determining the amount of storage space and deliverability required to serve in franchise customers, and the proposed allocation of storage space and deliverability among customers is appropriately determined in Phase 2 of this proceeding when other storage and utility/non-utility cost allocation issues are being addressed.

Evidence: The evidence in relation to this issue includes, but is not limited to, the following:

4.2.5	Utility Storage Capacity
7.2.1	2024 Cost Allocation Study
Exhibit I.4.2	Exhibit 4, Tab 2 Interrogatories
6 TC Tr. 48 - 137	Technical Conference Panel 5
JT6.6 - JT6.15	Panel 5 Undertakings

40. Should the OEB grant Enbridge Gas's request for a partial exemption for 2024 from the Call Answering Service Level, Time to Reschedule a Missed Appointment and Meter Reading Performance Measurement targets set out in GDAR?

There is no settlement of this issue.

Evidence: The evidence in relation to this issue includes, but is not limited to, the following:

1.7.1	Performance Measurement and Scorecard
1.7.1.1	EGI OEB Scorecard 2021
1.7.1.2	CASL Mitigation Plan – September 2022
1.7.1.3	TRMA Mitigation Plan – September 2022
1.7.1.4	MRPM Mitigation Plan – September 2022
Exhibit I.1.7	Exhibit 1, Tab 7 Interrogatories
3 TC Tr. 164 - 216	Technical Conference Panel 11
JT3.26 - JT3.38	Panel 11 Undertakings

K. Rate Implementation

41. How should the OEB implement the approved 2024 rates relevant to this proceeding if they cannot be implemented on or before January 1, 2024?

There is no settlement of this issue.

Evidence: The evidence in relation to this issue includes, but is not limited to, the following:

N/A

Contents

ENBRIDGE GAS INC.

Accounting Entries for
Purchase Gas Variance Account – EGD Rate Zone
Account No. 179-70

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

Methodology

The actual unit cost is determined by dividing the total commodity and transportation costs (less the demand charges related to unutilized TransCanada firm service transportation capacity, if any) plus any other costs associated with emerging gas pricing mechanisms incurred in the month by the actual volumes purchased in the month. The rate differential between the PGVA reference price and the actual unit cost of the purchases, multiplied by the actual volumes purchased, is recorded in the PGVA monthly.

The fixed cost component of the TransCanada firm service transportation costs (i.e., Transportation Demand Charge) is included in the determination of the reference price. However, any demand charges relating to unutilized transportation capacity, either forecast or actual, are excluded. This treatment of forecast and actual Transportation Demand Charges for unutilized transportation capacity is consistent with the Board's concerns that these amounts be excluded from the PGVA.

Since all transportation costs on volumes purchased by the Company related to forecast utilized capacity are included in the determination of the PGVA reference price, any changes in the TransCanada tolls will be recorded in the PGVA. Any toll changes related to the cost of forecast unutilized capacity will not be recorded in the PGVA and therefore, requires separate adjustment. The inclusion of changes in TransCanada tolls in the PGVA is consistent with past practice.

Since the transportation tolls for other transportation services, such as for the Vector, Link, and NEXUS pipelines, that were used in the determination of the PGVA reference price were based upon an estimate, any variation between the actual transportation costs (including associated fuel costs) and the estimated transportation costs will be recorded in the PGVA.

Since transportation costs related to the transport of Western Canada Bundled T-service volumes are not included in the derivation of the PGVA reference price, changes in TransCanada tolls will be recorded in the PGVA as a separate adjustment.

Throughout the fiscal year expenditures related to TransCanada's Storage Transportation Services, including balancing fees related to TransCanada's Limited Balancing Agreement, will be recorded in the PGVA.

The PGVA will record adjustments related to transactional services activities which are designed to record the impact of direct and avoided costs between the PGVA and the Upstream Transportation Optimization Variance Account. These adjustments are required to ensure appropriate allocation of costs and benefits to the underlying transactions and appropriate recording of amounts in the PGVA and Upstream Transportation Optimization Variance Account for purposes of deferral account dispositions.

In addition, the PGVA will record the amounts related to unforecast penalty revenues received from interruptible customers who do not comply with the Company's curtailment requirements, unauthorized overrun gas revenues, the use of electronic bulletin boards, and the unforecast Unabsorbed Demand Charge (UDC) that arises as a consequence of the Company voluntarily leaving transportation capacity unutilized in order to gain a net benefit for the customer by purchasing lower priced unforecast discretionary delivered supplies.

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

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

The Company will record, at the time a Banked Gas Account Balance is purchased from a customer, the difference in the amount payable to the customer and the amount included in the PGVA (Transportation Service Rider A). This amount would be credited to a sub-account of the PGVA. In the event the Company incurs unforecast UDC costs as a result of having to purchase Banked Gas Account Balances then the amount in such sub-account will be used to offset corresponding UDC costs. All amounts remaining in this sub-account, after offsetting these UDC costs, will be rolled up into the PGVA.

The commodity sale price on the disposition of Banked Gas Account Balances, the incentive sale price, is set at 120% of an average Empress price over the 12 months of the contractual year. Any amount in excess of 100% of the gas supply charge stated in the applicable rate schedule, net of the commodity related bad debt, will be included in the PGVA for each fiscal year.

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

<u>Accounting Entries</u>

1. To record the monthly gas purchase variance:

Debit:	PGVA	(Account 179. 70_)
Credit:	Gas in Storage	(Account 152. 000)
	or	
Debit:	Gas in Storage	(Account 152. 000)
Credit:	PGVA	(Account 179.70_)

To record the total rate variance on the current month's gas purchases.

2. TransCanada Toll changes related to forecast unutilized transportation capacity:

Debit:	PGVA	(Account 179. 70_)
Credit:	Accounts Payable	(Account 259. 000)
	or	
Debit:	Gas in Storage	(Account 152. 000)
Credit:	PGVA	(Account 179. 70_)

To record the amounts related to TransCanada toll changes on forecast unutilized transportation capacity.

3. TransCanada Toll changes related to Western Canada Bundled T-Service transportation capacity:

Debit:	PGVA	(Account 179. 70_)
Credit:	Accounts Payable	(Account 259. 000)
	or	
Debit:	Gas in Storage	(Account 152. 000)
Credit:	PGVA	(Account 179. 70_)

To record the amounts related to TransCanada toll changes on Western Canada Bundled T-Service transportation capacity.

4. Upstream Transportation Optimization activities:

Debit/Credit:	Upstream Transportation Optimization Variance Account	(Account 179. 201)
Debit/Credit:	Various accounts	(Account ___. ___)
Credit/Debit:	PGVA	(Account 179. 70_)

To record adjustments for direct and avoided costs related to Transactional Services activities between the PGVA and TSDA, and other accounts such as Gas Costs, Gas Stored Underground and Storage Demand Charges.

5. Electronic bulletin boards:

Debit:	PGVA	(Account 179. 70_)
Credit:	Accounts Payable	(Account 259. 000)

To record the amounts related to the Company's use of electronic bulletin boards.

6. Unforecast penalty revenues:

Debit:	Accounts Receivable	(Account 140. 010)
Credit:	PGVA	(Account 179. 70_)

To record unforecast penalty revenues received from interruptible customers who do not comply with the Company's curtailment requirements.

7. Voluntary UDC:

Debit:	PGVA	(Account 179. 70_)
Credit:	Accounts Payable	(Account 259. 000)

To record voluntary UDC as a result of purchasing lower priced unforecast discretionary delivered supplies.

8. Inventory valuation adjustment:

Credit/Debit:	Gas In Storage	(Account 152. 000)
Debit/Credit:	PGVA	(Account 179. 70_)

To record the adjustment necessary to value actual inventory volumes at a rate equal to the PGVA reference price.

9. Refund or collection of the Gas Cost Adjustment Rider:

Debit/Credit:	PGVA	(Account 179. 70_)
Credit/Debit:	Accounts Receivable	(Account 140. 010)

To record the amounts refunded or collected from customers through the Gas Cost Adjustment Rider.

10. Purchase of banked gas account balance:

Debit:	Gas In Storage	(Account 152. 000)
Credit:	PGVA	(Account 179. 70_)

To record the purchase of the Banked Gas Account Balance less the Transportation Service Rider A.

11. Unforecast UDC:

Debit:	PGVA	(Account 179. 70_)
Credit:	Accounts Payable	(Account 259. 000)

To record unforecast UDC costs resulting from the purchase of Banked Gas Account Balances from T-Service customers.

12. Sales in excess of 100% of the applicable gas supply charge:

Debit:	Other Income	(Account 319. 010)
Credit:	PGVA	(Account 179. 70_)

To record the amount of sales in excess of 100% of the gas supply charge stated in the applicable rate schedule, net of the commodity related bad debt amount.

13. Interest accrual:

Debit:	PGVA - Interest Receivable	(Account 179. 71_)
Credit:	Interest Expense	(Account 323. 000)
	or	
Debit:	Interest Expense	(Account 323. 000)
Credit:	PGVA - Interest Payable	(Account 179. 71_)

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

ENBRIDGE GAS INC.

Accounting Entries for
Storage and Transportation Deferral Account – EGD Rate Zone
Account No. 179-88

The purpose of the S&TDA is to record the difference between the forecast of Storage and Transportation rates (both cost of service and market based pricing) included in the Company's approved rates and the final Storage and Transportation rates (both cost of service and market based pricing) incurred by the company. It will also be used to record variances between the forecast Storage and Transportation rebate programs and the final rebates received by the company.

The S&TDA will also record the variance between the forecast Storage and Transportation demand levels and the actual Storage and Transportation demand levels. In addition, this account will be used to record amounts related to deferral account dispositions received or invoiced from Storage and Transportation suppliers.

The S&TDA will also record the variance between the forecasted commodity cost for fuel and the updated QRAM Reference Price.

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

Accounting Entries

1. Storage and Transportation rate variance:

[(Final Storage and Transportation rates) – (Storage and Transportation rates underpinning the Company's rates)] X Actual storage and/or transportation volumes

Debit/Credit: S&TDA	(Account 179. 88_)
Credit/Debit: Gas in Storage	(Account 152. 000)
or	
Credit/Debit: Gas Costs	(Account 623. 010)

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

2. To record variances in the Storage and Transportation rebate programs:

Debit: Sundry Accounts Receivable	(Account 141. 030)
Credit: S&TDA	(Account 179. 88_)
or	
Debit: S&TDA	(Account 179. 88_)
Credit: Accounts Payable	(Account 259. 000)

To record the difference between the Storage and Transportation rebate programs included in the Company's rates and the final rebates received by the Company.

3. To record Storage and Transportation deferral account dispositions:

Debit: Sundry Accounts Receivable	(Account 141. 030)
Credit: S&TDA	(Account 179. 88_)
or	
Debit: S&TDA	(Account 179. 88_)
Credit: Accounts Payable	(Account 259. 000)

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

4. Inventory valuation adjustment:

Debit/Credit: S&TDA	(Account 179. 88_)
Credit/Debit: Gas In Storage	(Account 152. 000)

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

5. Interest accrual:

Debit/Credit: Interest on S&TDA	(Account 179. 89_)
Credit/Debit: Interest Expense	(Account 323. 000)

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

ENBRIDGE GAS INC.

Accounting Entries for
Purchase Gas Variance Account - Union South Rate Zone
Account No. 179-106

This account is applicable to the Union South rate zone of the Company. Account numbers are from the Uniform System of Accounts for Gas Utilities, Class A prescribed under the Ontario Energy Board Act.

Debit	-	Account No. 179-106 Other Deferred Charges – South Purchase Gas Variance Account
Credit	-	Account No. 623 Cost of Gas

To record, as a debit (credit) in Deferral Account No. 179-106, the difference between the unit cost of gas purchased each month for the Union South rate zone and the unit cost of gas included in the gas sales rates as approved by the Board, including the difference between the actual heat content of the gas purchased and the forecast heat content included in gas sales rates.

Debit	-	Account No. 179-106 Other Deferred Charges - South Purchase Gas Variance Account
Credit	-	Account No. 323 Other Interest Expense

To record, as a debit (credit) in Deferral Account No. 179-106, interest expense on the balance in Deferral Account No. 179-106. Simple interest will be computed monthly on the opening balance in the said account in accordance with the methodology approved by the Board in EB-2006-0117.

ENBRIDGE GAS INC.

Accounting Entries for
Purchase Gas Variance Account - Union North West Rate Zone
Account No. 179-147

This account is applicable to the North West delivery areas of the Company. Account numbers are from the Uniform System of Accounts for Gas Utilities, Class A prescribed under the Ontario Energy Board Act.

Debit	-	Account No. 179-147 Other Deferred Charges – Union North West Purchase Gas Variance Account
Credit	-	Account No. 623 Cost of Gas

To record, as a debit (credit) in Deferral Account No. 179-147, the difference between the unit cost of gas purchased each month for the Union North West delivery areas and the unit cost of gas included in the gas sales rates as approved by the Board, including the difference between the actual heat content of the gas purchased and the forecast heat content included in gas sales rates.

Debit	-	Account No. 179-147 Other Deferred Charges - Union North West Purchase Gas Variance Account
Credit	-	Account No. 323 Other Interest Expense

To record, as a debit (credit) in Deferral Account No. 179-147, interest expense on the balance in Deferral Account No. 179-147. Simple interest will be computed monthly on the opening balance in the said account in accordance with the methodology approved by the Board in EB-2006-0117.

ENBRIDGE GAS INC.

Accounting Entries for
Purchase Gas Variance Account - Union North East Rate Zone
Account No. 179-148

This account is applicable to the North East delivery areas of the Company. Account numbers are from the Uniform System of Accounts for Gas Utilities, Class A prescribed under the Ontario Energy Board Act.

Debit	-	Account No. 179-148 Other Deferred Charges – Union North East Purchase Gas Variance Account
Credit	-	Account No. 623 Cost of Gas

To record, as a debit (credit) in Deferral Account No. 179-148, the difference between the unit cost of gas purchased each month for the Union North East delivery areas and the unit cost of gas included in the gas sales rates as approved by the Board, including the difference between the actual heat content of the gas purchased and the forecast heat content included in gas sales rates.

Debit	-	Account No. 179-148 Other Deferred Charges - Union North East Purchase Gas Variance Account
Credit	-	Account No. 323 Other Interest Expense

To record, as a debit (credit) in Deferral Account No. 179-148, interest expense on the balance in Deferral Account No. 179-148. Simple interest will be computed monthly on the opening balance in the said account in accordance with the methodology approved by the Board in EB-2006-0117.

ENBRIDGE GAS INC.

Accounting Entries for
Transportation Tolls and Fuel - Union North West Rate Zone
Account No. 179-145

This account is applicable to the North West Operations of the Company. Account numbers are from the Uniform System of Accounts for Gas Utilities, Class A prescribed under the Ontario Energy Board Act.

Debit - Account No.179-145
Other Deferred Charges – Transportation Tolls and Fuel – Union North West Operations Area

Credit - Account No. 623
Cost of Gas

To record, as a debit (credit) in Deferral Account No. 179-145, the difference in the costs between the actual cost of the transportation portfolio to serve Union North West delivery areas including associated fuel costs and the forecast cost of the transportation portfolio to serve these areas including associated forecast fuel costs as approved by the Board.

Debit - Account No. 179-145
Other Deferred Charges - Transportation Tolls and Fuel – Union North West Operations Area

Credit - Account No. 623
Cost of Gas

To record, as a debit (credit) in Deferral Account No. 179-145 charges that result from the Limited Balancing Agreement.

Debit - Account No. 500
Sales Revenue

Credit - Account No. 179-145
Other Deferred Charges - Transportation Tolls and Fuel – Union North West Operations Area

To record, as a credit (debit) in Deferral Account No. 179-145 revenue from T-Service customers for load balancing service resulting from the Limited Balancing Agreement.

Debit - Account No. 179-145
Other Deferred Charges - Transportation Tolls and Fuel – Union North West Operations Area

Credit	-	Account No. 323 Other Interest Expense

To record, as a debit (credit) in Deferral Account No. 179-145 interest expense on the balance in Deferral Account No. 179-145. Simple interest will be computed monthly on the opening balance in the said account in accordance with the methodology approved by the Board in EB-2006-0117.

ENBRIDGE GAS INC.
Accounting Entries for
Transportation Tolls and Fuel – Union North East Rate Zone
Account No. 179-146

This account is applicable to the North East Operations of the Company. Account numbers are from the Uniform System of Accounts for Gas Utilities, Class A prescribed under the Ontario Energy Board Act.

Debit	-	Account No.179-146 Other Deferred Charges – Transportation Tolls and Fuel – Union North East Operations Area
Credit	-	Account No. 623 Cost of Gas

To record, as a debit (credit) in Deferral Account No. 179-146, the difference in the costs between the actual cost of the transportation portfolio to serve Union North East delivery areas including associated fuel costs and the forecast cost of the transportation portfolio to serve these areas including associated forecast fuel costs as approved by the Board.

Debit	-	Account No. 179-146 Other Deferred Charges - Transportation Tolls and Fuel – Union North East Operations Area
Credit	-	Account No. 623 Cost of Gas

To record, as a debit (credit) in Deferral Account No. 179-146 charges that result from the Limited Balancing Agreement.

Debit	-	Account No. 500 Sales Revenue
Credit	-	Account No. 179-146 Other Deferred Charges - Transportation Tolls and Fuel – Union North East Operations Area

To record, as a credit (debit) in Deferral Account No. 179-146 revenue from T-Service customers for load balancing service resulting from the Limited Balancing Agreement.

Debit	-	Account No. 179-146 Other Deferred Charges - Transportation Tolls and Fuel – Union North East Operations Area

Credit	-	Account No. 323 Other Interest Expense

To record, as a debit (credit) in Deferral Account No. 179-146 interest expense on the balance in Deferral Account No. 179-146. Simple interest will be computed monthly on the opening balance in the said account in accordance with the methodology approved by the Board in EB-2006-0117.

ENBRIDGE GAS INC.

Accounting Entries for
Spot Gas Variance Account - Union Rate Zones
Account No. 179-107

Account numbers are from the Uniform System of Accounts for Gas Utilities, Class A prescribed under the Ontario Energy Board Act.

Debit	-	Account No. 179-107 Other Deferred Charges –Spot Gas Variance Account
Credit	-	Account No. 623 Cost of Gas

To record, as a debit (credit) in Deferral Account No. 179-107, the difference between the unit cost of spot gas purchased each month and the unit cost of gas included in the gas sales rates as approved by the Board on the spot volumes purchased in excess of planned purchases.

Debit	-	Account No. 623 Cost of Gas
Credit	-	Account No. 179-107 Other Deferred Charges –Spot Gas Variance Account

To record, as a credit (debit) in Deferral Account No. 179-107, the approved gas supply charges recovered through the delivery component of rates.

Debit	-	Account No. 179-107 Other Deferred Charges – Spot Gas Variance Account
Credit	-	Account No. 323 Other Interest Expense

To record, as a debit (credit) in Deferral Account No. 179-107, interest expense on the balance in Deferral Account No. 179-107. Simple interest will be computed monthly on the opening balance in the said account in accordance with the methodology approved by the Board in EB-2006-0117.

ENBRIDGE GAS INC.

Accounting Entries for
Unabsorbed Demand Cost (UDC) Variance Account -Union Rate Zones
Account No. 179-108

Account numbers are from the Uniform System of Accounts for Gas Utilities, Class A prescribed under the Ontario Energy Board Act.

Debit - Account No. 179-108
Other Deferred Charges – Unabsorbed Demand Cost Variance Account

Credit - Account No. 663
Transportation of Gas by Others

To record, as a debit (credit) in Deferral Account No. 179-108, the difference between the actual unabsorbed demand costs incurred by the Company and the amount of unabsorbed demand charges included in rates as approved by the Board.

Debit - Account No. 663
Transportation of Gas by Others

Credit - Account No.179-108
Other Deferred Charges – Unabsorbed Demand Cost Variance Account

To record, as a credit (debit) in Deferral Account No. 179-108, the benefit from the temporary assignment of unutilized capacity under the Company's transportation contracts to the Union North rate zone. The benefit will be equal to the recovery of pipeline demand charges and other charges resulting from the temporary assignment of unutilized capacity that have been included in gas sales rates.

Debit - Account No. 179-108
Other Deferred Charges – Unabsorbed Demand Cost Variance Account

Credit - Account No. 323
Other Interest Expense

To record, as a debit (credit) in Deferral Account No. 179-108, interest expense on the balance in Deferral Account No. 179-108. Simple interest will be computed monthly on the opening balance in the said account in accordance with the methodology approved by the Board in EB-2006-0117.

ENBRIDGE GAS INC.

Accounting Entries for
Inventory Revaluation Account - Union Rate Zones
Account No. 179-109

Account numbers are from the Uniform System of Accounts for Gas Utilities, Class A, prescribed under the Ontario Energy Board Act.

Debit	-	Account No. 179-109 Other Deferred Charges – Inventory Revaluation
Credit	-	Account No. 152 Gas in Storage - Available for Sale

To record, as a debit (credit) in Deferral Account No. 179-109, the decrease (increase) in the value of gas inventory available for sale to sales service customers due to changes in the Company's weighted average cost of gas approved by the Board for rate making purposes.

Debit	-	Account No. 179-109 Other Deferred Charges – Inventory Revaluation Account
Credit	-	Account No. 323 Other Interest Expense

To record, as a debit (credit) in Deferral Account No. 179-109, interest expense on the balance in Deferral Account No. 179-109. Simple interest will be computed monthly on the opening balance in the said account in accordance with the methodology approved by the Board in EB-2006-0117.

ENBRIDGE GAS INC.
Accounting Entries for
Upstream Transportation Optimization Variance Account
Account No. 179-201

This account records the incremental ratepayer share of net revenue from upstream transportation optimization activities, to be shared 90/10 between ratepayers and shareholders.

If the ratepayer share of optimization net revenues exceeds the amount credited through OEB-approved rates for optimization, then such excess will be credited to this account. If the ratepayer share of optimization net revenues is less than the amount credited through OEB-approved rates, the Company will be credited with the difference as a debit in this account.

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

Account numbers are from the Uniform System of Accounts for Gas Utilities, Class A prescribed under the Ontario Energy Board Act.

Debit	-	Account No. 179-201 Upstream Transportation Optimization Variance Account
Credit	-	Account No. 623 Cost of Gas

To record, as a debit in the account, a receivable from customers and a reduction in cost of gas for the optimization revenues refunded to in-franchise customers.

Debit	-	Account No. 579 Miscellaneous Operating Revenue
Credit	-	Account No. 179-201 Upstream Transportation Optimization Variance Account

To record, as a (credit) in the account, a payable to customers and a reduction in optimization revenue equal to the 90% ratepayer share of the actual net revenue from gas supply optimization activities.

Debit	-	Account No. 323 Other Interest Expense
Credit	-	Account No. 179-201 Upstream Transportation Optimization Variance Account

To record, as a debit/(credit) in the account, interest expense on the opening monthly balance.

ENBRIDGE GAS INC.

Accounting Entries for
Transportation from Dawn Service Deferral Account
Account No. 179-202

This account records the difference between actual revenues and costs for the excess capacity from Parkway to the Company's Point of Receipt as part of the Base Service offering of the Transportation from Dawn Service.

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

Account numbers are from the Uniform System of Accounts for Gas Utilities, Class A prescribed under the Ontario Energy Board Act

Debit - Account No. 179-202
Transportation from Dawn Service Deferral Account

Credit - Account No. 623
Cost of Gas

To record, as a debit/(credit) in the account, the difference between revenues and costs for the excess capacity from Parkway to Enbridge Gas' Point of Receipt as part of the Base Service offering of the Transportation from Dawn Service.

Debit - Account No. 179-202
Transportation from Dawn Service Deferral Account

Credit - Account No. 323
Other Interest Expense

To record, as a debit/(credit) in the account, interest expense on the opening monthly balance.

ENBRIDGE GAS INC.

Accounting Entries for
Unaccounted for Gas (UFG) Volume Variance Account
Account No. 179-203

This account records the ratepayer share of the cost of gas associated with volumetric variances between the actual UFG volumes and the forecast UFG volumes included in rates at the OEB approved reference price. Enbridge Gas and ratepayers will share on a 50/50 basis the cost/credit of variances in the UFG volumes included in rates (243,681 10^3m^3) and the actual UFG volumes at the applicable gas supply reference price, up to a maximum total actual UFG volume of 400,000 10^3m^3.

The gas costs associated with the UFG Volume Variance Account will be calculated at the end of the fiscal year based on the estimated volumetric variance between the OEB-approved UFG volumes and the estimate of the actual UFG volumes. An adjustment will be made to the variance account in the subsequent year to record any differences between the estimated UFG volume and the actual UFG volume.

The UFG annual volume variance will be allocated monthly in proportion to actual sales volumes and be costed at the monthly approved weighted average reference price.

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

Account numbers are from the Uniform System of Accounts for Gas Utilities, Class A, prescribed under the Ontario Energy Board Act.

Debit	-	Account No. 179-203 Unaccounted for Gas Volume Variance Account
Credit	-	Account No. 623 Cost of Gas

To record, as a debit/(credit) in the account, the 50% of the difference between the actual cost of UFG volumes and the UFG volumes at rates approved by the OEB, up to a maximum total UFG volume of 400,000 10^3m^3.

Debit	-	Account No. 179-203 Unaccounted for Gas Volume Variance Account
Credit	-	Account No. 323 Other Interest Expense

To record, as a debit/(credit) in the account, interest expense on the opening monthly balance.

ENBRIDGE GAS INC.

Accounting Entries for
Unaccounted for Gas (UFG) Price Variance Account
Account No. 179-204

This account records the cost of gas associated with the price variance on gas supply purchases related to UFG. The price variance is calculated as the difference between the actual price of Enbridge Gas's gas supply purchases and the applicable gas supply reference price, applied to the actual experienced UFG volumes. The actual experienced UFG annual volumes will be allocated monthly in proportion to actual sales volumes. There is no cap on the UFG volumes for which price variance is applicable.

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

Account numbers are from the Uniform System of Accounts for Gas Utilities, Class A, prescribed under the Ontario Energy Board Act.

Debit - Account No. 179-204
Unaccounted for Gas Price Variance Account

Credit - Account No. 179-70_, 179-106, 179-147, 179-148
Purchase Gas Variance Accounts
(EGD/Union South/Union North)

To record, as a debit/(credit) in the account, the difference between the actual price of Enbridge Gas's gas supply purchases and the applicable gas supply reference price, applied to the actual experienced UFG volumes.

Debit - Account No. 179-204
Unaccounted for Gas Price Variance Account

Credit - Account No. 323
Other Interest Expense

To record, as a debit/(credit) in the account, interest expense on the opening monthly balance.

ENBRIDGE GAS INC.

Accounting Entries for
Deferral Clearing Variance Account
Account No. 179-302

This account records amounts receivable from/(payable to) customers which reflects disposition variances in relation to the clearance of deferral and variance account balances authorized by the OEB. Disposition variances result from Enbridge Gas' billing systems' inability to locate and apply deferral clearance unit rates to all intended customers and or volumes. Due to customer moves and other account changes, deferral clearance unit rates derived utilizing historical customers and volumes, are not able to be assessed against all historical customers and or volumes at the time of disposition, resulting in the balances captured in the Deferral Clearance Variance Account.

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

Account numbers are from the Uniform System of Accounts for Gas Utilities, Class A prescribed under the Ontario Energy Board Act.

Debit - Account No. 179-302
Deferral Clearing Variance Account

Credit - Account No. 179
Other Deferral Accounts Approved for Clearance

To record, as a debit/(credit) in the account, the approved balances for disposition.

Debit - Account No. 140
Accounts Receivable

Credit - Account No. 179-302
Deferral Clearing Variance Account

To record, as a debit/(credit) in the account, actual amounts refunded to/(recovered from) ratepayers.

Debit - Account No. 179-302
Deferral Clearing Variance Account

Credit - Account No. 323
Other Interest Expense

To record, as a debit/(credit) in the account, interest expense on the opening monthly balance.

ENBRIDGE GAS INC.

Accounting Entries for
Parkway Delivery Obligation Variance Account
Account No. 179-303

This account records the difference between the actual Dawn Parkway System demand and fuel costs associated with any Parkway Delivery Obligation (PDO) shift, as well as the actual Parkway Delivery Commitment Incentive (PDCI) costs incurred by Enbridge Gas, and the PDO and PDCI costs included in rates as approved by the OEB. Dawn Parkway System demand and fuel costs associated with up to 89 TJ/d of Dawn Parkway System surplus capacity used to reduce the Parkway Delivery Obligation (PDO) and already included in rates will not be recorded in the account.

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

Account numbers are from the Uniform System of Accounts for Gas Utilities, Class A prescribed under the Ontario Energy Board Act.

Debit - Account No. 179-303
Parkway Delivery Obligation Variance Account

Credit - Account No. 300
Operating Revenue

To record as a debit/(credit) in the account, the difference between the actual Dawn Parkway System demand and fuel costs associated with any PDO shift and actual PDCI costs incurred and the costs included in rates as approved by the OEB.

Debit - Account No. 179-303
Parkway Delivery Obligation Variance Account

Credit - Account No. 323
Other Interest Expense

To record, as a debit/(credit) in the account, interest expense on the opening monthly balance.

ENBRIDGE GAS INC.

Accounting Entries for
Unauthorized Overrun Non-Compliance Deferral Account
Account No. 179-304

This account records any unforecasted penalty revenue received from interruptible distribution customers who do not comply with a distribution interruption.

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

Account numbers are from the Uniform System of Accounts for Gas Utilities, Class A prescribed under the Ontario Energy Board Act.

Debit - Account No. 500
Sales Revenue

Credit - Account No. 179-304
Unauthorized Overrun Non-Compliance Deferral Account

To record, as a debit/(credit) in the account, any unforecasted penalty revenue from interruptible distribution customers who do not comply with a distribution interruption.

Debit - Account No. 323
Other Interest Expense

Credit - Account No. 179-304
Unauthorized Overrun Non-Compliance Account

To record, as a debit/(credit) in the account, interest expense on the opening monthly balance.

ENBRIDGE GAS INC.

Accounting Entries for
Pension and Other Post Employment Benefits (OPEB) Variance Account
Account No. 179-305

The purpose of the Pension and OPEB Variance Account is to track the differences between the Company's forecast accrual pension and OPEB amounts recovered in rates and the actual cash payments made during the fiscal year.

The forecast accrual reference amount that will be used to calculate the entries recorded assumes that the total gross accrual cost as determined by actuarial valuation is what is recorded in the Company's total operating and maintenance expense. The actual cash payments would include all cash payments the utility makes for its pension and OPEB obligations. The approved accrual amount in rates will not change or escalate during the IR term.

A primary sub-account and second contra sub-account enable book-keeping with offsetting entries to be established. When the cumulative accrual amount exceeds the cumulative cash payments, the primary account will hold a credit balance. Carrying charges will be accrued asymmetrically, to be returned to ratepayers, when the cumulative opening monthly balance of the account is in a credit position. Simple interest shall be applied using the CWIP rate prescribed by the OEB. The carrying charges will be disposed of in a manner designated by the OEB in a future rate application

Account numbers are from the Uniform System of Accounts for Gas Utilities, Class A prescribed under the Ontario Energy Board Act.

Debit	-	Account No. 179-305 Contra – Pension and OPEB Variance Account
Credit	-	Account No. 179-305 Pension and OPEB Variance Account

To record, as a debit/(credit) in the account, the difference between the forecast pension and OPEB accrual amounts approved in rates and the actual cash amounts paid.

Debit	-	Account No. 323 Other Interest Expense
Credit	-	Account No. 179-305 Pension and OPEB Variance Account

When applicable, to record, as a (credit) in the account, interest on the cumulative credit balance using the OEB's prescribed CWIP rate.

ENBRIDGE GAS INC.

Accounting Entries for
Incremental Capital Module (ICM) Deferral Account
Account No. 179-306

This account records on a project-by-project basis, the difference between the actual revenue requirement for approved ICM projects, and the revenues collected through ICM rates approved by the OEB. The actual revenue requirement will include costs associated with the capital investment, including return on rate base, depreciation expense, and associated income taxes. The actual revenues will be those collected through the ICM rate riders approved by the OEB for the Company.

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

Account numbers are from the Uniform System of Accounts for Gas Utilities, Class A prescribed under the Ontario Energy Board Act.

Debit - Account No. 179-306
ICM Deferral Account

Credit - Account No. 579
Miscellaneous Operating Revenue

To record as a debit/(credit) in the account the difference between the actual revenue requirement for approved ICM Projects and the actual revenues collected through ICM rates approved by the OEB.

Debit - Account No. 179-306
ICM Deferral Account

Credit - Account No. 323
Other Interest Expense

To record, as a debit/(credit) in the account, interest expense on the opening monthly balance.

ENBRIDGE GAS INC.

Accounting Entries for
Facility Carbon Charge Variance Account
Account No. 179-307

This account records the variance between actual facility carbon costs and facility carbon costs recovered in rates as approved by the OEB.

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

Account numbers are from the Uniform System of Accounts for Gas Utilities, Class A prescribed under the Ontario Energy Board Act, 1998.

Debit	-	Account No.179-307 Facility Carbon Charge Variance Account
Credit	-	Account No. 579 Miscellaneous Operating Revenue

To record, as a debit/(credit) in the account, the variance between actual facility carbon costs and facility carbon costs recovered in rates as approved by the OEB.

Debit	-	Account No.179-307 Facility Carbon Charge Variance Account
Credit	-	Account No. 323 Other Interest Expense

To record, as a debit/(credit) in the account, interest expense on the opening monthly balance.

ENBRIDGE GAS INC.

Accounting Entries for
Customer Carbon Charge Variance Account
Account No. 179-308

This account records the variance between actual customer carbon levy and the customer carbon levy recovered in rates as approved by the OEB.

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

Account numbers are from the Uniform System of Accounts for Gas Utilities, Class A prescribed under the Ontario Energy Board Act, 1998.

Debit - Account No.179-308
Customer Carbon Charge

Credit - Account No. 579
Miscellaneous Operating Revenue

To record, as a debit/(credit) in the account, the variance between actual customer carbon levy costs and customer carbon levy costs recovered in rates as approved by the OEB.

Debit - Account No.179-308
Customer Carbon Charge

Credit - Account No. 323
Other Interest Expense

To record, as a debit/(credit) in the account, interest expense on the opening monthly balance

ENBRIDGE GAS INC.

**Accounting Entries for
Carbon Charges Bad Debt Deferral Account
Account No. 179-309**

The purpose of this account is to record all of the bad debt related to carbon charges, which is expected to vary significantly throughout the IR term due to anticipated rising carbon prices.

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

Account numbers are from the Uniform System of Accounts for Gas Utilities, Class A prescribed under the Ontario Energy Board Act, 1998.

Debit	-	Account No.179-309 Carbon Charges Bad Debt Deferral Account
Credit	-	Account No. 728 General Expense

To record, as a debit/(credit) in the account, all bad debt related to carbon charges.

Debit	-	Account No.179-309 Carbon Charges Bad Debt Deferral Account
Credit	-	Account No. 323 Other Interest Expense

To record, as a debit/(credit) in the account, interest expense on the opening monthly balance.

ENBRIDGE GAS INC.

Accounting Entries for
Tax Variance Account
Account No. 179-312

This account records 50% of the revenue requirement impact of any tax rate or rule changes, versus the tax rates and rules included in rates, that affect Enbridge Gas Inc., subject to the following two exceptions:

In accordance with the OEB's July 25, 2019 letter, *Accounting Direction Regarding Bill C-97 and Other Changes in Regulatory or Legislated Tax Rules for Capital Cost Allowance*, within a sub-account of the Tax Variance Account, Enbridge Gas will record 100% of the revenue requirement impact of any changes in CCA rules that are not reflected in base rates. This will include impacts related to Bill C-97 CCA rule changes, which became effective November 21, 2018, as well as any future CCA changes instituted by relevant regulatory or taxation bodies.

Enbridge Gas will also record 100% of the revenue requirement impact of any tax rates, rules, or credits (or similar mechanisms), specifically directed at energy transition activities. The determination of the appropriate sharing of any such impacts, between ratepayers and the Company, will be determined at the time of disposition.

Tax rate and CCA rule change impacts recorded in the account will however exclude tax rate and rule change impacts that are captured through other deferral account mechanisms (i.e. through the Incremental Capital Module Deferral Account).

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

Account numbers are from the Uniform System of Accounts for Gas Utilities, Class A prescribed under the Ontario Energy Board Act.

Debit - Account No.179-312
Tax Variance Account

Credit - Account No. 300
Operating Revenue

To record, as a debit/(credit) in the account, 50% of the revenue requirement impact resulting from the difference between the actual tax rates and the approved tax rates included in rates as approved by the OEB.

Debit - Account No.179-312
Tax Variance Account – CCA Changes

Credit - Account No. 300
Operating Revenue

To record, as a debit/(credit) in the sub-account, 100% of the revenue requirement impact resulting from the difference between actual CCA rules and the CCA rules included in rates as approved by the OEB, and 100% of any impacts from tax rule changes specifically directed at energy transition activities.

Debit - Account No.179-312
Tax Variance Account

Credit - Account No. 323
Other Interest Expense

To record, as a debit/(credit) in the account, interest on the opening monthly balance of the primary and sub-account.

ENBRIDGE GAS INC.

Accounting Entries for
Demand Side Management (DSM) Variance Account
Account No. 179-313

This account records the difference between the actual DSM spending for the fiscal year and the budgeted amount included within rates. Amounts determined to be over or under the budget included within Allowed Revenue will be recorded in the DSMVA. In addition, any further variance in DSM spending and results, beyond the budget included within rates, which occur as a result of OEB decisions in ongoing or upcoming DSM proceedings, will be included within this account.

This account also tracks forecast commitments for customer incentive payments and program costs for future periods. Due to the multi-year aspect of several program offerings, incentive and program dollars committed in the current year may not be payable until they become due in future years. This account will track and carry forward the forecasted cumulative customer incentive and program dollar commitments net of payments made (in relation to incentive or program payments made in the current year, or in relation to incentives or program dollars paid that became due in the current year in relation to commitments made in prior years). Any amount not paid out will be returned to ratepayers in the year following its last potential commitment date, or at such other time as directed by the OEB.

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

Account numbers are from the Uniform System of Accounts for Gas Utilities, Class A prescribed under the Ontario Energy Board Act.

Debit	-	Account No. 179-313 DSM Variance Account
Credit	-	Account No. 728 General Expense

To record, as a debit/(credit) in the account, the difference between the actual DSM spending for the fiscal year and the budgeted amount included in rates.

Debit	-	Account No. 179-313 DSM Variance Account
Credit	-	Account No. 323 Other Interest Expense

To record, as a debit/(credit) in the account, interest expense on the opening monthly balance.

ENBRIDGE GAS INC.

**Accounting Entries for
Lost Revenue Adjustment Mechanism (LRAM) Variance Account
Account No. 179-314**

This account records the amount of distribution margin gained or lost when the Company's DSM programs are less or more successful than budgeted in the fiscal year.

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

Account numbers are from the Uniform System of Accounts for Gas Utilities, Class A prescribed under the Ontario Energy Board Act.

Debit	-	Account No. 179-314 LRAM Variance Account
Credit	-	Account No. 529 Other Sales

To record, as a debit/(credit) in the account, the amount of distribution margin gained or lost when the Company's DSM programs are less or more successful than budgeted in the fiscal year.

Debit	-	Account No. 179-314 LRAM Variance Account
Credit	-	Account No. 323 Other Interest Expense

To record, as a debit/(credit) in the account, interest expense on the opening monthly balance.

ENBRIDGE GAS INC.

Accounting Entries for
Conservation Demand Management (CDM) Deferral Account
Account No. 179-315

This account records the ratepayer share of all net revenues generated by Demand Side Management (DSM) services provided for CDM activities. The ratepayer share is 50% of net revenues, using fully allocated costs.

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

Account numbers are from the Uniform System of Accounts for Gas Utilities, Class A prescribed under the Ontario Energy Board Act.

Debit - Account No. 312
Non-Gas Operating Revenue

Credit - Account No. 179-315
CDM Deferral Account

To record, as a (credit) in the account, 50% of the actual net revenues generated from the CDM program.

Debit - Account No. 323
Other Interest Expense

Credit - Account No. 179-315
CDM Deferral Account

To record, as a (credit) in the account, interest on the opening monthly balance.

ENBRIDGE GAS INC.

Accounting Entries for
Demand Side Management (DSM) Incentive Deferral Account
Account No. 179-316

This account records the actual amount of shareholder incentive earned by Enbridge Gas resulting from its DSM programs. The criteria and formula used to determine the amount of any shareholder incentive, to be recorded in the account, will be in accordance with the DSM Framework in effect for the fiscal year.

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

Account numbers are from the Uniform System of Accounts for Gas Utilities, Class A prescribed under the Ontario Energy Board Act.

Debit	-	Account No. 179-316 DSM Incentive Deferral Account
Credit	-	Account No. 319 Other Income

To record, as a debit in the account, the shareholder incentive earned by the Company in relation to its DSM programs.

Debit	-	Account No. 179-316 DSM Incentive Deferral Account
Credit	-	Account No. 323 Other Interest Expense

To record, as a debit in the account, interest on the opening monthly balance.

ENBRIDGE GAS INC.

Accounting Entries for
Expansion of Natural Gas Distribution Systems Variance Account
Account No. 179-317

This account records the excess amounts collected and remitted to the Independent Electricity Systems Operator (IESO) above the required funding for the Expansion of Natural Gas Distribution Systems, in accordance with Section 4 of Ontario Regulation 24/19.

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

Account numbers are from the Uniform System of Accounts for Gas Utilities, Class A prescribed under the Ontario Energy Board Act

Debit	-	Account No.130 Cash
Credit	-	Account No. 179-317 Expansion of Natural Gas Distribution Systems Variance Account

To record, as a (credit) in the account, the excess amounts returned to Enbridge from the IESO.

Debit	-	Account No.323 Other Interest Expense
Credit	-	Account No. 179-317 Expansion of Natural Gas Distribution Systems Variance Account

To record, as a (credit) in the account, interest expense on the opening monthly balance.

ENBRIDGE GAS INC.

Accounting Entries for
Integrated Resource Planning (IRP) Operating Costs Deferral Account
Account No. 179-318

This account records incremental IRP general administrative costs, as well as incremental operating and maintenance costs and ongoing evaluation costs for approved IRP Plans. Operating costs associated with approved IRP Plans also includes all enabling payments to service providers, made as part of the IRP Plans. This account will also record offsetting avoided operating costs that relate to facilities that are delayed, avoided or downsized by an IRP Plan.

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

Account numbers are from the Uniform System of Accounts for Gas Utilities, Class A prescribed under the Ontario Energy Board Act.

Debit	-	Account No.179-318 IRP Operating Costs Deferral Account
Credit	-	Account No. 728 General Expense

To record, as a debit/(credit) in the account, incremental IRP general administrative costs, as well as incremental operating and maintenance costs (inclusive of enabling payments to service providers) and ongoing evaluation costs for approved IRP Plans.

Debit	-	Account No. 300 Operating Revenue
Credit	-	Account No.179-318 IRP Operating Costs Deferral Account

To record, as a debit/(credit) in the account, avoided operating costs that relate to facilities that are delayed, avoided or downsized by an IRP Plan.

Debit	-	Account No.179-318 IRP Operating Costs Deferral Account
Credit	-	Account No. 323 Other Interest Expense

To record, as a debit/(credit) in the account, interest expense on the opening monthly balance.

ENBRIDGE GAS INC.

Accounting Entries for
Integrated Resource Planning (IRP) Capital Costs Deferral Account
Account No. 179-319

This account records the actual annual revenue requirement of project costs eligible to be capitalized for inclusion in rate base as part of approved IRP Plans (where Enbridge Gas owns and operates the IRP alternatives). This account will also record offsetting avoided revenue requirement amounts already included in rates related to facilities that are delayed, avoided or downsized by an IRP Plan.

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

Account numbers are from the Uniform System of Accounts for Gas Utilities, Class A prescribed under the Ontario Energy Board Act.

Debit - Account No. 179-319
IRP Capital Costs Deferral Account

Credit - Account No. 300
Operating Revenue

To record, as a debit/(credit) in the account, the actual annual revenue requirement of project costs eligible to be capitalized for inclusion in rate base as part of approved IRP Plans (where Enbridge Gas owns and operates the IRP alternatives).

Debit - Account No. 300
Operating Revenue

Credit - Account No.179-318
IRP Operating Costs Deferral Account

To record, as a debit/(credit) in the account, avoided revenue requirement amounts already included in rates related to facilities that are delayed, avoided or downsized by an IRP Plan.

Debit - Account No. 179-319
IRP Capital Costs Deferral Account

Credit - Account No. 323
Other Interest Expense

To record, as a debit/(credit) in the account, interest expense on the opening monthly balance.

ENBRIDGE GAS INC.

Accounting Entries for
Green Button Initiative Deferral Account
Account No. 179-320

This account records the incremental costs directly attributable to the implementation of the Green Button initiative.

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

Account numbers are from the Uniform System of Accounts for Gas Utilities, Class A prescribed under the Ontario Energy Board Act.

Debit	-	Account No. 179-320 Green Button Initiative Deferral Account
Credit	-	Account No. 728 General Expenses

To record, as a debit in the account, the incremental costs attributable to the implementation of the Green Button initiative.

Debit	-	Account No. 179-320 Green Button Initiative Deferral Account
Credit	-	Account No. 323 Other Interest Expense

To record, as a debit in the account, interest expense on the opening monthly balance.

ENBRIDGE GAS INC.

Accounting Entries for
Dawn Parkway Surplus Capacity Deferral Account
Account No. 179-323

This account records the actual revenue from the sale of all or a portion of the 89 TJ/d Dawn Parkway System surplus capacity forecast for the Winter 2023/2024. Dawn Parkway System surplus capacity used to reduce the Parkway Delivery Obligation (PDO) is not considered a sale of surplus capacity and reduces the 89 TJ/d Dawn Parkway System surplus capacity for purposes of determining actual revenue for this account.

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

Account numbers are from the Uniform System of Accounts for Gas Utilities, Class A prescribed under the Ontario Energy Board Act, 1998.

Debit - Account No. 300
Operating Revenue

Credit - Account No.179-323
Dawn Parkway Surplus Capacity Deferral Account

To record, as a credit in the account, the actual revenue from the sale of all or a portion of the surplus capacity.

Debit - Account No. 323
Other Interest Expense

Credit - Account No.179-323
Dawn Parkway Surplus Capacity Deferral Account

To record, as a credit in the account, interest expense on the opening monthly balance.

ENBRIDGE GAS INC.

Accounting Entries for
Open Bill Extension Deferral Account
Account No. 179-325

This account records all of the net revenues for Open Bill services over a 10-month extension period from January 1, 2024 to October 31, 2024. The net revenue amounts will be determined in accordance with the EB-2009-0043 OEB-approved Open Bill Access Settlement Proposal dated October 15, 2009, with updated Fees and Costs as determined in the EB-2013-0099 proceeding and adjusted each year thereafter.

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

Account numbers are from the Uniform System of Accounts for Gas Utilities, Class A prescribed under the Ontario Energy Board Act, 1998.

Debit - Account No. 319
Other Income

Credit - Account No.179-325
Open Bill Extension Deferral Account

To record, as a (credit) in the account, the net revenues associated with Open Bill services.

Debit - Account No. 323
Other Interest Expense

Credit - Account No.179-325
Open Bill Extension Deferral Account

To record, as a (credit) in the account, interest expense on the opening monthly balance.

ENBRIDGE GAS INC.

Accounting Entries for
Distribution Integrity Management Program Variance Account
Account No. 179-326

This account records the variance between the actual Distribution Integrity Management Program (DIMP) and the Enhanced Distribution Integrity Management Program (Enhanced DIMP) costs and the DIMP and Enhanced DIMP costs included in rates ($12.5 million in 2024). The DIMP and Enhanced DIMP costs include salaries and employee expenses, consulting services (e.g. risk analysis and decision support for integrity management programs) and other related costs. The costs also include inspection and other integrity-related activities costs incurred to implement, support, and execute the DIMP and Enhanced DIMP.

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

Account numbers are from the Uniform System of Accounts for Gas Utilities, Class A prescribed under the Ontario Energy Board Act, 1998.

Debit	-	Account No.179-326 Distribution Integrity Management Program Variance Account
Credit	-	Account No. 728 General Expense

To record, as a debit/(credit) in the account, the variance between the actual DIMP and Enhanced DIMP costs and the DIMP and Enhanced DIMP costs included in rates, including salaries and employee expenses, consulting services, inspection and other related costs incurred to implement and execute the DIMP and Enhanced DIMP.

Debit	-	Account No.179-326 Distribution Integrity Management Program Variance Account
Credit	-	Account No. 323 Other Interest Expense

To record, as a debit/(credit) in the account, interest expense on the opening monthly balance.

ENBRIDGE GAS INC.

Accounting Entries for
Natural Gas Reduction Incentive Deferral Account
Account No. 179-327

This account records the actual end-of-term shareholder incentive amount earned by Enbridge Gas if its DSM programs result in the achievement of specific targeted natural gas sales reductions over the 2023 through 2025 DSM plan term.

If, at the end of the 3-year term, the 2025 total weather normalized volume of natural gas sold to Enbridge Gas's Ontario customers is at least 1.5% less than the total weather normalized volume of natural gas that was sold to Ontario customers in 2022, Enbridge Gas will be eligible for a $30 million incentive (over and above the maximum shareholder incentive related to program scorecards). If however the 2025 total weather normalized volume of natural gas sold to Enbridge Gas's Ontario customers is not at least 1.5% less than the total weather normalized volume of natural gas that was sold to Ontario customers in 2022, but is at least 1.125% (75% of the 1.5% target) less than the total weather normalized volume of natural gas that was sold Ontario customers in 2022, Enbridge Gas will be eligible for a $15 million incentive (over and above the maximum shareholder incentive related to program scorecards).

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

Account numbers are from the Uniform System of Accounts for Gas Utilities, Class A prescribed under the Ontario Energy Board Act.

Debit	-	Account No. 179-327 Natural Gas Reduction Incentive Deferral Account
Credit	-	Account No. 319 Other Income

To record, as a debit in the account, the shareholder incentive earned by the Company in relation to its DSM programs achieving end-of-term gas reduction targets.

Debit	-	Account No. 179-327 Natural Gas Reduction Incentive Deferral Account
Credit	-	Account No. 323 Other Interest Expense

To record, as a debit in the account, interest on the opening monthly balance.

ENBRIDGE GAS INC.

Accounting Entries for
Post-Retirement True-Up Variance Account
Account No. 179-328

This account records the difference, in excess of a $10 million deadband (debit or credit), between the revenue requirement impact of actual pension and other post-employment benefits (OPEB) costs (accrual and cash-based amounts) and the revenue requirement impact of pension and OPEB costs (accrual and cash-based amounts) included in rates.

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

Account numbers are from the Uniform System of Accounts for Gas Utilities, Class A, prescribed under the Ontario Energy Board Act.

Debit	-	Account No. 179-328 Post-Retirement True-Up Variance Account
Credit	-	Account No. 300 Operating Revenue

To record, as a debit/(credit) in the account, the difference between the revenue requirement impact of pension and OPEB accrual and cash-based amounts included in rates as approved by the OEB, and the revenue requirement impact of actual pension and OPEB accrual and cash-based amounts which is in excess of a $10 million deadband.

Debit	-	Account No. 179-328 Post-Retirement True-Up Variance Account
Credit	-	Account No. 323 Other Interest Expense

To record, as a debit/(credit) in the account, interest expense on the opening monthly balance.

ENBRIDGE GAS INC.

Accounting Entries for
Clean Fuel Regulation (CFR) Credits Deferral Account
Account No. 179-330

This account records the revenues obtained by Enbridge Gas from the sale of CFR credits, net of any incremental offsetting credit formation, certification and transaction administration costs. These administration costs could include incremental staffing costs, consulting costs, legal costs, and other costs such as training, conferences and market monitoring subscriptions.

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

Account numbers are from the Uniform System of Accounts for Gas Utilities, Class A, prescribed under the Ontario Energy Board Act.

Debit - Account No. 300
Operating Revenue

Credit - Account No. 179-330
CFR Credits Deferral Account

To record, as a (credit) in the account, revenues from the sale of CFR credits net of any offsetting incremental credit formation, certification and transaction administration costs.

Debit - Account No. 323
Other Interest Expense

Credit - Account No. 179-330
CFR Credits Deferral Account

To record, as a (credit) in the account, interest expense on the opening monthly balance.

ENBRIDGE GAS INC.

Accounting Entries for
Indigenous Working Group Deferral Account
Account No. 179-331

The purpose of the account is to record incremental capacity funding amounts (Capacity Funding) associated with the new Indigenous Working Group (IWG) as described in and established pursuant to Issue 4 in the Settlement Proposal (Settlement) for Phase 1 of the Rebasing proceeding (EB-2022-0200). Enbridge Gas shall pay Capacity Funding in accordance with the terms of the Settlement.

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

Account numbers are from the Uniform System of Accounts for Gas Utilities, Class A prescribed under the Ontario Energy Board Act, 1998.

Debit	-	Account No.179-331 Indigenous Working Group Deferral Account
Credit	-	Account No. 728 General Expense

To record, as a debit/(credit) in the account, incremental Capacity Funding amounts associated with the IWG as described in and established pursuant to the Settlement for Phase 1 of the Rebasing proceeding (EB-2022-0200).

Debit	-	Account No.179-331 Indigenous Working Group Deferral Account
Credit	-	Account No. 323 Other Interest Expense

To record, as a debit/(credit) in the account, interest expense on the opening monthly balance.