

NEW BRUNSWICK ENERGY AND UTILITIES BOARD

IN THE MATTER OF Enbridge Gas New Brunswick's 2016 financial report of its commodity sales activities for the fiscal year ended December 31, 2016.

ORDER

WHEREAS paragraph 3(1)(f) of the *Gas Distributor Marketing Regulation – Gas Distribution Act, 1999*, New Brunswick Regulation 2003-19 under the *Gas Distribution Act, 1999* (Regulation), requires that Enbridge Gas New Brunswick (EGNB) file annually with the New Brunswick Energy and Utilities Board (Board) for its review, a financial report that complies with section 6 of the Regulation;

AND WHEREAS by letter with attachment dated March 31, 2017, EGNB filed with the Board the financial report of its gas sales activities for the fiscal year ended December 31, 2016 (Financial Report) in accordance with section 6 of the Regulation;

AND WHEREAS having reviewed the information supplied by EGNB, Board staff submitted to the Board a report dated August 2017 entitled a *Report on the Purchase and Sale of Natural Gas by Enbridge Gas New Brunswick During 2016* (Staff Report);

AND WHEREAS the Board circulated the Staff Report to EGNB and holders of gas marketer's certificates and the Staff Report was posted on the Board's website on August 31, 2017;

AND WHEREAS the Board requested comments from EGNB and holders of gas marketer's certificates on or before September 20, 2017;

AND WHEREAS the Board has received no comments;

AND WHEREAS the Board has reviewed the Financial Report and has considered the Staff Report;

AND WHEREAS the Staff report raised the issue of changes in the sharing of cost for EGNB staff with other affiliates;

AND WHEREAS the Staff report expressed concern that the interest rate being applied to the Price of Gas Variance Account does not reflect the true interest rate for the company;

AND WHEREAS subsection 6(3) of the Regulation provides that, after reviewing a financial report filed pursuant to paragraph 3(1)(f), the Board may make an order or give any direction under section 71 of the *Gas Distribution Act, 1999*, S.N.B. 1999, c. G-2.11, that it considers necessary;

THE BOARD DIRECTS AS FOLLOWS:

1. EGNB is to review the allocation for cost of staffing across the affiliate organizations and submit a proposal on or before December 31, 2017 based on the change in cost structure at EGNB.
2. EGNB is to use the interest rate charged for the short term borrowing in connection with the PGVA beginning in 2018.

DATED at the City of Saint John, New Brunswick, this 26th day of October, 2017.



Raymond Gorman, Q.C., Chairperson



Michael Costello, Member



Patrick Ervin, Member