



**EB-2013-0046**

**IN THE MATTER OF** the *Ontario Energy Board Act, 1998*, S.O. 1998, c.15 (Sched. B);

**AND IN THE MATTER OF** an Application by Enbridge Gas Distribution Inc. for an order or orders approving the clearance or disposition of amounts recorded in certain deferral or variance accounts.

**DECISION ON SETTLEMENT AGREEMENT  
AND  
PROCEDURAL ORDER NO. 2**

**August 20, 2013**

Enbridge Gas Distribution Inc. ("Enbridge") filed an application dated May 24, 2013 with the Ontario Energy Board (the "Board") under section 36 of the *Ontario Energy Board Act, S.O. 1998, c.15, Schedule B* for an order approving the disposition of balances in certain deferral or variance accounts. The Board has assigned file number EB-2013-0046 to the application.

On June 13, 2013 the Board issued its Notice of Application & Procedural Order No.1 outlining the procedural steps in the proceeding up to and including the scheduling of a Settlement Conference on July 24 and July 25, 2013 and the filing of any settlement proposal on August 1, 2013. The Board is in receipt of a settlement agreement dated August 2, 2013 (the "Settlement Agreement"). The Settlement Agreement is attached as Appendix "A".

## The Settlement Agreement

The Board has reviewed the Settlement Agreement and notes that parties were able to reach a settlement on all issues, with the exception of the following:

- Issue 1(v) - 2012 Gas Distribution Access Rule Costs D/A (2012 GDARCD A)
- Issue 1(x) - 2012 Earnings Sharing Mechanism D/A (2012 ESMDA)
- Issue 2 - Is the amount proposed to be cleared in the 2012 Transactional Services deferral account appropriate?

The Board has considered the Settlement Agreement and accepts it. The Board will schedule an oral hearing to hear the unsettled issues. The case timetable is attached as Appendix "B".

The Board will now make provision for the following procedural matters. Please be aware that further procedural orders may be issued from time to time. A list of parties is attached as Appendix "C".

### THE BOARD ORDERS THAT:

1. An oral hearing will be held at the Board's north hearing room located at 2300 Yonge Street, Toronto, ON, 25th Floor on **Friday, September 20, 2013** at 9:30 a.m. and if necessary will continue on **Monday, September 23, 2013**.

All filings to the Board must quote file number **EB-2013-0046**, be made through the Board's web portal at [www.pes.ontarioenergyboard.ca/eservice/](http://www.pes.ontarioenergyboard.ca/eservice/), and consist of two paper copies and one electronic copy in searchable / unrestricted PDF format. Filings must clearly state the sender's name, postal address, telephone number, fax number and e-mail address.

All filings shall use the document naming conventions and document submission standards outlined in the RESS Document Guideline found at [www.ontarioenergyboard.ca/OEB/Industry](http://www.ontarioenergyboard.ca/OEB/Industry). If the web portal is not available, parties may email their documents to the address below.

Persons who do not have internet access are required to submit all filings on a CD in PDF format, along with two paper copies. Those who do not have computer access are required to file 7 paper copies.

For all electronic correspondence and materials related to this proceeding, parties must include in their distribution lists the Case Manager, Colin Schuch at [colin.schuch@ontarioenergyboard.ca](mailto:colin.schuch@ontarioenergyboard.ca) and Senior Legal Counsel, Kristi Sebalj at [kristi.sebalj@ontarioenergyboard.ca](mailto:kristi.sebalj@ontarioenergyboard.ca)

All communications should be directed to the attention of the Board Secretary and be received no later than 4:00 p.m. on the required date.

### **ADDRESS**

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2300 Yonge Street, 27th Floor  
Toronto ON M4P 1E4  
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**DATED** at Toronto August 20, 2013

**ONTARIO ENERGY BOARD**

Original Signed By

Kirsten Walli  
Board Secretary

**APPENDIX "A"**

**Enbridge Gas Distribution Inc.**

**EB-2013-0046**

**Settlement Agreement**

## **SETTLEMENT AGREEMENT**

### **2012 Earnings Sharing and Deferral and Variance Account Clearances**

**August 2, 2013**

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## PREAMBLE AND OVERVIEW

This Settlement Agreement is filed with the Ontario Energy Board (the "OEB" or the "Board") in connection with the application of Enbridge Gas Distribution Inc. ("Enbridge" or the "Company"), for an order or orders approving the clearance or disposition of amounts recorded in certain deferral or variance accounts.

In Procedural Order No. 1, the Board established the process to address the application, as well as the Issues List for this proceeding.

A Settlement Conference was held on July 24, 2013. George Dominy acted as facilitator for the Settlement Conference. This Settlement Agreement arises from the Settlement Conference.

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

BUILDING OWNERS AND MANAGERS ASSOCIATION – GREATER TORONTO (BOMA)  
CANADIAN MANUFACTURERS & EXPORTERS (CME)  
CONSUMERS COUNCIL OF CANADA (CCC)  
ENERGY PROBE RESEARCH FOUNDATION (Energy Probe)  
FEDERATION OF RENTAL-HOUSING PROVIDERS OF ONTARIO (FRPO)  
INDUSTRIAL GAS USERS ASSOCIATION (IGUA)  
SCHOOL ENERGY COALITION (SEC)  
VULNERABLE ENERGY CONSUMERS COALITION (VECC)

The Settlement Agreement deals with all of the issues on the Issues List. The first issue ("Are the deferral and variance accounts and balances proposed for disposition appropriate?") is addressed with reference to each of the deferral and variance accounts for which clearance is requested, under items (i) to (xvi) of Issue 1.

Descriptions of the deferral and variance accounts referred to in items (i) to (xii) and (xiv) to (xvi) of Issue 1 are found in the Board's EB-2011-0277 Interim Rate Order (December 9, 2011, Appendix C). The description of the account referred to in item (xiii) of Issue 1, the 2013 Transition Impact of Accounting Changes Deferral Account, is found in the Board's EB-2011-0354 Rate Order (March 5, 2013, Appendix C).

Not all issues on the Issues List were settled. Details of the unsettled issues are provided under Issues 1(v), 1(x) and 2, below.

All intervenors listed above participated in the Settlement Conference and subsequent discussions. Board Staff takes no position on any issue and, as a result, is not a party to the Settlement Agreement. Enbridge and all intervenors listed above have agreed to the

settlement of the issues as described on the following pages. Any reference to "parties" in this Settlement Agreement is intended to refer to Enbridge and the intervenors listed above. The description of each issue assumes that all parties participated in the negotiation of the issue, unless specifically noted otherwise.

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 B, Tab 3, Schedule 1 is referred to as B-3-1. The identification and listing of the evidence that relates to each settled issue is provided to assist the Board.

The Settlement Agreement describes the agreements reached on the issues. The Settlement Agreement provides a direct link between each settled issue and the supporting evidence in the record to date. In this regard, the parties are of the view that the evidence provided is sufficient to support the Settlement Agreement 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 Board to make findings agreeing with the proposed resolution of the settled issues. In the event that the Board does not accept the proposed settlement of any issue, then subject to the parties' agreement on non-severability set out in the final paragraph below, further evidence may be offered on the issue to assist the Board in considering it further.

According to the Board's *Settlement Conference Guidelines* (p. 3), the parties must consider whether a settlement proposal should include an appropriate adjustment mechanism for any settled issue that may be affected by external factors. Enbridge and the other parties who participated in the Settlement Conference consider that no settled issue requires an adjustment mechanism other than those expressly set forth herein.

None of the parties can withdraw from the Settlement Agreement except in accordance with Rule 32 of the *Ontario Energy Board Rules of Practice and Procedure*. Finally, 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.

The parties agree that all positions, negotiations and discussion of any kind whatsoever that took place during the Settlement Conference and all documents exchanged during the conference that were prepared to facilitate settlement discussions are strictly confidential and without prejudice, and inadmissible unless relevant to the resolution of any ambiguity that subsequently arises with respect to the interpretation of any provision of this Settlement Agreement.

It is fundamental to the agreement of the parties that none of the provisions of this Settlement Agreement are severable. If the Board does not, prior to the commencement of the hearing of the evidence in this proceeding, accept the provisions of the Settlement



Agreement in their entirety, there is no Settlement Agreement (unless the parties agree that any portion of the Settlement Agreement that the Board does accept may continue as a valid Settlement Agreement).

THE ISSUES

1. Are the deferral and variance accounts and balances proposed for disposition on the attached schedule ("Schedule 1") appropriate?

The deferral and variance accounts for which Enbridge seeks clearance are set out in Schedule 1 to Procedural Order No. 1 ("Schedule 1"), which is a reproduction of Exhibit A, Tab 2, Schedule 1, Appendix A, from Enbridge's prefiled evidence. For ease of reference, Schedule 1 is reproduced below.

ENBRIDGE GAS DISTRIBUTION INC. DEFERRAL & VARIANCE ACCOUNT ACTUAL & FORECAST BALANCES						
Line No.	Account Description	Account Acronym	Actual at March 31, 2013		Forecast for clearance at January 1, 2014	
			Col. 1	Col. 2	Col. 3	Col. 4
			Principal (\$000's)	Interest (\$000's)	Principal (\$000's)	Interest (\$000's)
<b>Non-Commodity Related Accounts</b>						
1.	Demand Side Management WA	2011 DSMVA	535.8	(46.8)	535.8	(40.5) <sup>1</sup>
2.	Lost Revenue Adjustment Mechanism	2011 LRAM	-	-	(55.3)	(0.5) <sup>1</sup>
3.	Shared Savings Mechanism WA	2011 SSMVA	-	-	6,769.5	41.5 <sup>1</sup>
4.	Deferred Rebate Account	2012 DRA	(840.0)	(5.8)	(949.8)	(18.6) <sup>2</sup>
5.	Gas Distribution Access Rule Costs D/A	2011 GDARCOA	89.8	1.7	-	- <sup>2</sup>
6.	Gas Distribution Access Rule Costs D/A	2012 GDARCOA	1,818.4	12.6	1,097.8	- <sup>2</sup>
7.	Ontario Hearing Costs WA	2012 OHCVA	(1,259.7)	(5.7)	(1,259.7)	(19.2) <sup>3</sup>
8.	Unbundled Rate Implementation Cost D/A	2012 URICVA	159.0	1.5	152.0	3.3
9.	Average Use True-Up WA	2012 AUTUVA	4,361.3	16.0	4,361.3	63.7 <sup>4</sup>
10.	Tax Rate and Rule Change WA	2012 TRRCVA	300.0	1.4	300.0	5.0 <sup>4</sup>
11.	Earnings Sharing Mechanism D/A	2012 ESMDA	(10,350.0)	(38.0)	(10,350.0)	(152.3) <sup>5</sup>
12.	Electric Program Earnings Sharing D/A	2012 EPESDA	(281.7)	(1.0)	(281.7)	(3.7)
13.	Ex-Franchise Third Party Billing Services D/A	2012 EFTPBSSDA	(143.0)	(0.5)	(143.0)	(2.3) <sup>6</sup>
14.	Transition Impact of Accounting Change D/A	2013 TACDA	88,716.0	-	4,435.6	- <sup>7</sup>
15.	Total non commodity related accounts		82,799.2	(64.6)	4,624.7	(121.6)
<b>Commodity Related Accounts</b>						
16.	Transactional Services D/A	2012 TSDA	(26,077.3)	(208.0)	(26,077.3)	(196.1)
17.	Unaccounted for Gas WA	2012 UAFWA	2,067.9	7.6	2,067.9	30.1
18.	Storage and Transportation D/A	2012 S&TDA	(699.8)	(7.1)	(699.8)	(15.5)
19.	Total commodity related accounts		(24,709.2)	(207.6)	(24,709.2)	(181.5)
20.	Total Deferral and Variance Accounts		58,090.0	(272.4)	120,084.6	(602.1)

Notes:

- The final 2011 DSMVA, SSMVA, and LRAM balances to be cleared will be those approved in the EB-2013-0075 proceeding, anticipated to be filed in Q2 2013.
- The \$1.1M forecast clearance amount, associated with the 2011 and 2012 GDARCOA balances, is the result of a revenue requirement calculation found in evidence at Ex.C-1-2.
- The OHCVA calculation is found in evidence at Ex.C-1-5.
- The AUTUVA explanation is found in evidence at Ex.C-1-3.
- The TRRCVA explanation is found in evidence at Ex.C-1-4.
- The ESMDA explanation is found in evidence at Ex.B-1-1 and B-1-2.
- The TACDA clearance is in accordance with the EB-2011-0354 Final Rate Order.

In this proceeding, there are unsettled issues that relate to the balances for clearance from the 2012 Gas Distribution Access Rule Costs Deferral Account, the 2012 Earnings Sharing Mechanism Deferral Account and the 2012 Transactional Services Deferral Account, as set out under Issues 1(v), 1(x) and 2, below. Subject to the Board's determination of these unsettled issues, for the purposes of settlement the parties have accepted Enbridge's evidence that the deferral and variance accounts and balances proposed for disposition in Schedule 1 are appropriate, in accordance with the provisions of this Settlement Agreement that follow below.

**(i) 2011 Demand Side Management V/A (2011 DSMVA)**

There are no unsettled issues with respect to this account. The balance to be cleared from the 2011 DSMVA account will be determined in the EB-2013-0075 proceeding<sup>1</sup> and the approved balance will be cleared as set out under Issue 3, below.

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

C-1-1	Deferral & Variance Accounts Requested for Clearance
C-2-1	Clearance of 2012 Deferral and Variance Account Balances
C-2-2	Derivation of Proposed Unit Rates
I-1-1	Board Staff Interrogatory #1
I-6-1	SEC Interrogatory #1

**(ii) 2011 Lost Revenue Adjustment Mechanism (2011 LRAM)**

There are no unsettled issues with respect to this account. The balance to be cleared from the 2011 LRAM will be determined in the EB-2013-0075 proceeding and the approved balance will be cleared as set out under Issue 3, below.

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

C-1-1	Deferral & Variance Accounts Requested for Clearance
C-2-1	Clearance of 2102 Deferral and Variance Account Balances
C-2-2	Derivation of Proposed Unit Rates
I-1-1	Board Staff Interrogatory #1
I-6-1	SEC Interrogatory #1

**(iii) 2011 Shared Savings Mechanism V/A (2011 SSMVA)**

There are no unsettled issues with respect to this account. The balance to be cleared from the 2011 SSMVA will be determined in the EB-2013-0075 proceeding and the approved balance will be cleared as set out under Issue 3, below.

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

C-1-1	Deferral & Variance Accounts Requested for Clearance
C-2-1	Clearance of 2012 Deferral and Variance Account Balances
C-2-2	Derivation of Proposed Unit Rates
I-1-1	Board Staff Interrogatory #1
I-6-1	SEC Interrogatory #1
I-7-16	FRPO Interrogatory #16

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<sup>1</sup> In the EB-2013-0075 Application filed on July 17, 2013, Enbridge has applied for approval of the final balances, and disposition of such balances, in Enbridge's 2011 Demand Side Management Variance Accounts, namely, the DSMVA, the LRAM and the SSMVA: see EB-2013-0075, Exhibit A, Tab 1, Schedule 3, page 1.

**(iv) 2012 Deferred Rebate Account (2012 DRA)**

There are no unsettled issues with respect to this account. All parties agree that the principal balance in the 2012 DRA, which is shown in Schedule 1, along with applicable interest, will be cleared as set out under Issue 3, below.

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

C-1-1	Deferral & Variance Accounts Requested for Clearance
C-2-1	Clearance of 2012 Deferral and Variance Account Balances
C-2-2	Derivation of Proposed Unit Rates
I-5-1	CME Interrogatory #1

**(v) 2012 Gas Distribution Access Rule Costs D/A (2012 GDARCD A)**

There is one unsettled issue with respect to the 2012 GDARCD A account. Enbridge recorded an amount of \$916,000 in the 2012 GDARCD A due to a reduction in Late Payment Penalties that resulted from the new minimum payment period provided for in amendments to the Gas Distribution Access Rule filed on February 17, 2011 (EB-2010-0280). The issue is whether this amount is properly recorded in the 2012 GDARCD A.

If the Board does not accept that the 2012 GDARCD A balance should include a reduction in Late Payment Penalties, there would be a corresponding reduction in earnings sharing. Enbridge's 2012 earnings would be adjusted downward by \$916,000 to reflect lower revenues resulting in a reduction of approximately \$458,000 in the amount recorded in the 2012 ESMDA.

Subject to the Board's determination of the unsettled issue with respect to the balance recorded in the 2012 GDARCD A, all parties agree that the principal balance in the 2012 GDARCD A, along with applicable interest, will be cleared as set out under Issue 3, below.

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

C-1-1	Deferral & Variance Accounts Requested for Clearance
C-1-2	Gas Distribution Access Rule Costs Deferral Account
C-2-1	Clearance of 2012 Deferral and Variance Account Balances
C-2-2	Derivation of Proposed Unit Rates
I-2-4	BOMA Interrogatory #4
I-3-1 and 9	CCC Interrogatories #1 and #9
I-4-6	Energy Probe Interrogatory #6
I-5-2	CME Interrogatory #2

**(vi) 2012 Ontario Hearing Costs V/A (2012 OHCVA)**

There are no unsettled issues with respect to this account. All parties agree that the principal balance in the 2012 OHCVA, which is shown in Schedule 1, along with applicable interest, will be cleared as set out under Issue 3, below.

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

C-1-1	Deferral & Variance Accounts Requested for Clearance
C-1-5	2012 OHCVA
C-2-1	Clearance of 2012 Deferral and Variance Account Balances
C-2-2	Derivation of Proposed Unit Rates
I-6-3	SEC Interrogatory #3

**(vii) 2012 Unbundled Rate Implementation Cost D/A (2012 URICDA)**

There are no unsettled issues with respect to this account. All parties agree that the principal balance in the 2012 URICDA, which is shown in Schedule 1, along with applicable interest, will be cleared as set out under Issue 3, below.

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

C-1-1	Deferral & Variance Accounts Requested for Clearance
C-2-1	Clearance of 2012 Deferral and Variance Account Balances
C-2-2	Derivation of Proposed Unit Rates

**(viii) 2012 Average Use True-Up V/A (2012 AUTUVA)**

There are no unsettled issues with respect to this account. All parties agree that the principal balance in the 2012 AUTUVA, which is shown in Schedule 1, along with applicable interest, will be cleared as set out under Issue 3, below.

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

C-1-1	Deferral & Variance Accounts Requested for Clearance
C-1-3	2012 Average Use True Up Variance Account
C-2-1	Clearance of 2012 Deferral and Variance Account Balances
C-2-2	Derivation of Proposed Unit Rates
I-7-16	FRPO Interrogatory #16

**(ix) 2012 Tax Rate and Rule Change V/A (2012 TRRCVA)**

There are no unsettled issues with respect to this account. All parties agree that the principal balance in the 2012 TRRCVA, which is shown in Schedule 1, along with applicable interest, will be cleared as set out under Issue 3, below.

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

C-1-1	Deferral & Variance Accounts Requested for Clearance
C-1-4	Tax Rate and Rule Change Variance Account
C-2-1	Clearance of 2012 Deferral and Variance Account Balances
C-2-2	Derivation of Proposed Unit Rates

**(x) 2012 Earnings Sharing Mechanism D/A (2012 ESMDA)**

There is one unsettled issue with respect to the 2012 ESMDA. The issue is whether the commodity costs of gas purchased by Enbridge in Western Canada which Enbridge recovers from ratepayers should be reduced by \$5 million of revenue that Enbridge received from third parties for their extraction of by-products from Enbridge's gas. This revenue was received by Enbridge as a result of the processing of natural gas at a third party extraction plant in Alberta to produce pipeline quality gas by removing natural gas liquids, namely, ethane, propane, butane and condensate.

If the answer to the unsettled issue with respect to the 2012 ESMDA is in the affirmative, then the gas commodity component of the PGVA should be reduced by \$5 million. As well, there will be a reduction in Enbridge's 2012 earnings for the purposes of earnings sharing with ratepayers, resulting in a reduction of approximately \$2.5 million in the balance recorded in the 2012 ESMDA.

The Board's determination of the unsettled issue referred to at Issue 1(v) above (2012 GDARCDCA) may affect the balance to be cleared from the 2012 ESMDA, as set out under Issue 1(v). The Board's determination of the unsettled issue referred to under Issue 2 below (2012 TSDA) will not affect the balance to be cleared from the 2012 ESMDA.

Subject to the Board's determination of the unsettled issues, all parties agree that the principal balance in the 2012 ESMDA, along with applicable interest, will be cleared as set out under Issue 3, below.

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

B-1-1	2012 Earnings Sharing Amount and Determination Process
B-1-2	Summary Return on Equity and Earnings Sharing Determination
B-1-3	Contributors to Utility Earnings and Earnings Sharing Amounts
B-1-4	2012 Reconciliation of Utility Income to Audited EGDI Consolidated Income
B-2-1	Ontario Utility Rate Base – Comparison of 2012 Historical Year to 2011 Historical Year
B-2-2	Ontario Utility Rate Base – Comparison of 2011 Historical Year to 2010 Historical Year
B-2-3	Property, Plant and Equipment Summary Statement – Average of Monthly Averages 2012 Historical
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B-2-5	Comparison of Utility Capital Expenditures Actual 2011 to Actual 2010
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B-3-5	Details of Other Revenue and Other Income 2012 Historical Year and 2011 Historical Year
B-3-6	Details of Other Revenue and Other Income 2011 Historical Year and 2010 Historical Year
B-4-1	Cost of Service 2012 Historical Year
B-4-2	Operating and Maintenance Expense by Department Year Ending December 2012
B-5-1	Revenue Sufficiency and Required Rate of Return 2012 Historical Year
B-5-2	Utility Income 2012 Historical Year
B-5-3	Cost Rates for Capital Structure 2012 Historical Year

C-1-1	Deferral & Variance Accounts Requested for Clearance
C-2-1	Clearance of 2012 Deferral and Variance Account Balances
C-2-2	Derivation of Proposed Unit Rates
D-1-1	Enbridge Gas Distribution Inc. Consolidated Financial Statements December 31, 2012
D-1-2	Enbridge Gas Distribution Inc. Management's Discussion and Analysis – December 31, 2012
I-1-2	Board Staff Interrogatory #2
I-2-1 and 2	BOMA Interrogatories #1 and #2
I-2-1 to 7	CME Interrogatories #1 to 7
I-3-1 to 8	CCC Interrogatories #1 to #8
I-4-1 to 6	Energy Probe Interrogatories #1 to #6
I-6-2 and 5 to 11	SEC Interrogatories #2 and #5 to #11
I-7-1 and 2	FRPO Interrogatories #1 and #2

**(xi) 2012 Electric Program Earnings Sharing D/A (2012 EPESDA)**

There are no unsettled issues with respect to this account. All parties agree that the principal balance in the 2012 EPESDA, which is shown in Schedule 1, along with applicable interest, will be cleared as set out under Issue 3, below.

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

C-1-1	Deferral & Variance Accounts Requested for Clearance
C-2-1	Clearance of 2012 Deferral and Variance Account Balances
C-2-2	Derivation of Proposed Unit Rates
I-5-3	CME Interrogatory #3

**(xii) 2012 Ex-Franchise Third Party Billing Services D/A (2012 EFTPBSDA)**

There are no unsettled issues with respect to this account. All parties agree that the principal balance in the 2012 EFTPBSDA, which is shown in Schedule 1, along with applicable interest, will be cleared as set out under Issue 3, below.

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

C-1-1	Deferral & Variance Accounts Requested for Clearance
C-2-1	Clearance of 2012 Deferral and Variance Account Balances
C-2-2	Derivation of Proposed Unit Rates

**(xiii) 2013 Transition Impact of Accounting Changes D/A (2013 TIACDA)**

There are no unsettled issues with respect to this account. All parties agree that the principal balance in the 2013 TIACDA, which is shown in Schedule 1, along with applicable interest, will be cleared as set out under Issue 3, below.

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

C-1-1	Deferral & Variance Accounts Requested for Clearance
C-2-1	Clearance of 2012 Deferral and Variance Account Balances
C-2-2	Derivation of Proposed Unit Rates
I-1-1	Board Staff Interrogatory #1

I-4-8 Energy Probe Interrogatory #8  
I-6-4 SEC Interrogatory #4

**(xiv) 2012 Transactional Services D/A (2012 TSDA)**

This account is addressed under Issue 2, below.

**(xv) 2012 Unaccounted for Gas V/A (2012 UAFVA)**

There are no unsettled issues with respect to this account. All parties agree that the principal balance in the 2012 UAFVA, which is shown in Schedule 1, along with applicable interest, will be cleared as set out under Issue 3, below.

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

C-1-1 Deferral & Variance Accounts Requested for Clearance  
C-2-1 Clearance of 2012 Deferral and Variance Account Balances  
C-2-2 Derivation of Proposed Unit Rates  
I-1-6 to 8 Board Staff Interrogatories #6 to 8  
I-4-4 FRPO Interrogatory #4

**(xvi) 2012 Storage and Transportation D/A (2012 S&TDA)**

There are no unsettled issues with respect to this account. All parties agree that the principal balance in the 2012 S&TDA, which is shown in Schedule 1, along with applicable interest, will be cleared as set out under Issue 3, below.

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

C-1-1 Deferral & Variance Accounts Requested for Clearance  
C-2-1 Clearance of 2012 Deferral and Variance Account Balances  
C-2-2 Derivation of Proposed Unit Rates

**2. Is the amount proposed to be cleared in the 2012 Transactional Services deferral account appropriate?**

There is one unsettled issue with respect to the 2012 TSDA. Enbridge earned net revenues of \$18.63 million from capacity release exchange transactions in 2012 and recorded a credit to ratepayers of \$13.97 million in the 2012 TSDA in respect of these capacity release exchange transactions. The issue is whether, instead of the credit to ratepayers of \$13.97 million recorded in the 2012 TSDA, the full net revenues of \$18.63 million from capacity release exchange transactions in 2012 should be recorded in the transportation component of the PGVA.

A Board decision in this proceeding that the full net revenues from capacity release exchange transactions in 2012 should be recorded in the transportation component of the PGVA would result in the following:



(a) recording in the transportation component of the PGVA of a credit to ratepayers in the amount of \$18.63 million; and

(b) a reduction of the credit to ratepayers recorded in the 2012 TSDA in the amount of \$13.97 million.

Subject to the Board's determination of the unsettled issue with respect to the balance recorded in the 2012 TSDA, all parties agree that the principal balance in the 2012 TSDA, along with applicable interest, will be cleared as set out under Issue 3, below.

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

C-1-1	Deferral & Variance Accounts Requested for Clearance
C-1-6	Background and Explanation of Transactional Services Revenue
C-2-1	Clearance of 2012 Deferral and Variance Account Balances
C-2-2	Derivation of Proposed Unit Rates
I-1-5 to 13	Board Staff Interrogatories #5 to #13
I-2-6 to 16	BOMA Interrogatories #6 to 16
I-4-9	Energy Probe Interrogatory #9
I-5-4 to 8	CME Interrogatories #4 to #8
I-7-3	FRPO Interrogatories #3 to #15

### **3. What are the appropriate unit rates and timing for implementation of the clearances?**

All parties agree that the principal balances in Enbridge's Deferral and Variance Accounts, with applicable interest, will be cleared in conjunction with Enbridge's January 1, 2014 QRAM Application.

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

C-1-1	Deferral & Variance Accounts Requested for Clearance
C-2-1	Clearance of 2012 Deferral and Variance Account Balances
C-2-2	Derivation of Proposed Unit Rates
I-1-1	Board Staff Interrogatory #1
I-4-1	Energy Probe Interrogatory #1

**Appendix "B"**

**Case Timetable**

**Date: August 20, 2013**

	<b>Event</b>	<b>Date</b>
1.	Interrogatories filed	July 5
2.	Interrogatory responses	July 19
3.	Settlement Conference	July 24 and 25
4.	File Settlement Proposal	August 1
5.	Oral Hearing	September 20 and 23

**APPENDIX "C"**

**List of Parties**

**EB-2013-0046**

**Enbridge Gas Distribution Inc.  
EB-2013-0046**

**APPLICANT & LIST OF INTERVENORS**

August-20-13

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**Enbridge Gas Distribution Inc.  
EB-2013-0046**

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