

OVERVIEW AND APPROVALS REQUESTED

1. This proceeding addresses Enbridge's request for clearance of the balances in its 2016 Earnings Sharing Mechanism Deferral Account ("ESMDA") and in certain other Deferral and Variance Accounts approved by the Board in prior proceedings.
2. The Board's EB-2012-0459 Decision with Reasons established a Custom IR framework to set Enbridge's rates over the period from 2014 to 2018. Among other things, this includes an ESM under which Enbridge is to share earnings above the Board-approved Return on Equity ("ROE") with ratepayers on a 50/50 basis. The Custom IR framework also includes a number of Deferral and Variance Accounts to be maintained or created during the Custom IR term. The Board has approved several other Deferral and Variance Accounts for Enbridge since the date of the Custom IR Decision with Reasons.
3. Under the Custom IR framework, after the release of its Audited Financial Statements for the prior year, Enbridge is required to file an Application setting out the ESM calculation for that year. Within the Application, Enbridge is to set out its proposal for the clearance of amounts within the ESMDA and other Deferral and Variance Accounts.
4. As set out within the EB-2012-0459 Decision with Reasons, Enbridge is also required to annually report upon the status of a number of initiatives and activities as part of its ESM Application.
5. The evidence filed with this Application addresses all required items.

Witnesses: R. Small  
L. Stickles

6. The B-series of exhibits sets out Enbridge's utility financial results for 2016, and includes the calculation of the amount to be credited to ratepayers through the ESM.
7. The C-series of exhibits provides evidence and explanation for all of the Deferral and Variance Accounts that Enbridge proposes to clear through this Application. This evidence includes a description of the Board-approved scope of each account and an explanation of the balance recorded and being requested for clearance. Within those exhibits, Enbridge also sets out its proposal for the unit rates and timing associated with the clearance of the Deferral and Variance Account balances.
8. The D-series of exhibits provides the additional reporting information (beyond the overall financial results information) that Enbridge is required to file each year during the Custom IR term. Included within this evidence are the materials that were presented at Enbridge's 2017 Custom IR Stakeholder Day, which was held on April 11, 2017. Other evidence includes the Company's 2016 Productivity Initiatives Reporting, Status Updates on several major projects and initiatives and the Company's 2016 Service Quality Indicators results. The Company's 2017 Gas Supply Memorandum was previously filed in the 2017 Rate Proceeding, EB-2016-0215. As was the case in Enbridge's 2015 ESM proceeding (EB-2016-0142), Enbridge is not seeking any specific relief in this proceeding in relation to these reporting items.
9. The approvals requested in this proceeding relate to the clearance of the 2016 ESM DA and certain other Deferral and Variance Accounts.

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10. The Company has filed the balances at March 31, 2017 for fiscal year 2016 Board-approved Deferral and Variance Accounts, as well as several other Deferral and Variance Accounts from other years. The Company requests approval for clearance of certain of these accounts commencing October 1, 2017, and approval to carry forward the balances in certain other of the accounts for review and approval in a later proceeding. The list of accounts, and relevant balances, is provided at Appendix A to the Application (Exhibit A, Tab 2, Schedule 1, Appendix A).
11. The Company's proposal for how the Deferral and Variance Account balances will be cleared is set out at Exhibit C, Tab 2, Schedule 1. The impacts of the clearance of the total Deferral and Variance Account balances by specific rate class are provided in evidence at Exhibit C, Tab 2, Schedule 2.
12. The Company requests a Board Decision or approval by August 15, 2017, in order to facilitate the clearance of the Deferral and Variance Accounts through a rate rider by specific rate classes within the Company's October 1, 2017 QRAM proceeding.

Witnesses: R. Small  
L. Stickles