

DEFERRAL & VARIANCE ACCOUNTS  
REQUESTED FOR CLEARANCE OCTOBER 1, 2017

1. The Company requests approval for clearance of the Deferral and Variance Account balances shown in the Table on page 3, Columns 3 and 4 of this Exhibit, commencing October 1, 2017. The balances requested for clearance total approximately \$42.2 million, which is the combination of principal and interest amounts shown in Columns 3 and 4.
2. Included within the accounts requested for clearance are the 2015 DSM related deferral account balances (2015 DSMVA, LRAM, and DSMIDA) which are currently under review as part of the Board's review of the 2015 DSM results. While the Company proposes clearing these accounts in conjunction with the account balances approved as part of this proceeding, which assists in minimizing the number of occasions of deferral and variance account balance clearances, the actual timing and 2015 DSM related account balances to be cleared will be approved by the Board as part of its review process. The 2016 DSM related accounts are anticipated to be cleared at a later date, as will be determined through the Board's review of 2016 DSM results.
3. Within the remainder of the Exhibit C, Tab 1 evidence, Enbridge has provided explanatory information for each of the accounts for which clearance is sought.
4. The interest on the principal balances in the Deferral and Variance Accounts has been calculated using the Board's prescribed interest rates for deferral and variance accounts, including the April 1, 2017 prescribed rate. The eventual interest amounts to be cleared will be calculated using any updated Board prescribed quarterly interest rate that becomes effective before the approved date of clearance. Note

that the Customer Care CIS Rate Smoothing Deferral Account ("CCSIRSDA") interest has been calculated using a fixed rate of 1.47%, as stipulated in the EB-2011-0226 CC / CIS Settlement Agreement.

5. The Company notes that at this time it is not requesting clearance of the balances which were recorded within the 2016 Manufactured Gas Plant Deferral Account ("MGPDA"), or the 2016 Constant Dollar Net Salvage Adjustment Deferral Account ("CDNSADA").
6. The December 31, 2016 MGPDA principal and interest balances were transferred to corresponding 2017 accounts in accordance with the 2017 account descriptions approved within EB-2016-0215. Clearance of amounts recorded in the MGPDA will be requested in a future proceeding.
7. The December 31, 2016 CDNSADA principal balance was transferred to the corresponding 2017 account in accordance with the account scope and methodology that was approved within EB-2012-0459, and as further documented within the 2017 account description approved within EB-2016-0215.
8. In EB-2012-0459, the Board approved a total refund to ratepayers of \$379.8 million in net salvage reserve funds related to the adoption of the Constant Dollar Net Salvage ("CDNS") approach. It was expected that all refunds to ratepayers (to be effected through Rider D) would be completed by the end of the Custom IR term (2018), at which time there would be a final true-up of the balance in the CDNSADA to ensure that the amount returned to ratepayers is equivalent to the required amount. The balance in the CDNSADA represents the annual variance between the net salvage reserve amounts approved for refund to customers during the subject year and the actual amounts refunded, plus the cumulative effect of variances from

prior years. The Company now expects that the total refund to ratepayers of \$379.8 million approved by the Board will be completed by the end of 2017. As a result, the Company expects to bring forward a proposal for completion of the CDNSADA and Rider D and related items within its 2018 Rate Adjustment Application.

ENBRIDGE GAS DISTRIBUTION INC.  
DEFERRAL & VARIANCE ACCOUNT  
ACTUAL & FORECAST BALANCES

Line No.	Account Description	Account Acronym	Actual at March 31, 2017		Forecast for clearance at October 1, 2017	
			Principal (\$000's)	Interest (\$000's)	Principal (\$000's)	Interest (\$000's)
<u>Non Commodity Related Accounts</u>						
1.	Demand Side Management V/A	2015 DSMVA	825.5	13.4	825.5	18.2 <sup>1</sup>
2.	Demand Side Management V/A	2016 DSMVA	(704.0)	(1.9)	-	- <sup>2</sup>
3.	Lost Revenue Adjustment Mechanism	2015 LRAM	(72.3)	(0.2)	(72.3)	(0.8) <sup>1</sup>
4.	Demand Side Management Incentive D/A	2015 DSMIDA	6,068.6	22.3	6,068.6	55.9 <sup>1</sup>
5.	Deferred Rebate Account	2016 DRA	7,712.2	62.5	7,712.2	105.1 <sup>3</sup>
6.	Manufactured Gas Plant D/A	2017 MGPDA	570.4	41.1	-	- <sup>4</sup>
7.	Gas Distribution Access Rule Impact D/A	2016 GDARIDA	-	-	280.3	- <sup>5</sup>
8.	Average Use True-Up V/A	2016 AUTUVA	13,152.5	36.2	13,152.5	108.8 <sup>6</sup>
9.	Earnings Sharing Mechanism Deferral Account	2016 ESMDA	(3,400.0)	(8.8)	(3,400.0)	(27.4) <sup>7</sup>
10.	Customer Care CIS Rate Smoothing D/A	2016 CCCISRSDA	(779.9)	(8.1)	-	(14.1) <sup>8</sup>
11.	Customer Care CIS Rate Smoothing D/A	2015 CCCISRSDA	1,124.2	8.3	-	16.7 <sup>8</sup>
12.	Customer Care CIS Rate Smoothing D/A	2014 CCCISRSDA	2,927.0	21.5	-	43.1 <sup>8</sup>
13.	Customer Care CIS Rate Smoothing D/A	2013 CCCISRSDA	4,634.9	34.1	-	68.3 <sup>8</sup>
14.	Transition Impact of Accounting Changes D/A	2017 TIACDA	70,972.8	-	4,435.8	- <sup>9</sup>
15.	Post-Retirement True-Up V/A	2016 PTUVA	(9,660.7)	(26.6)	(5,000.0)	(80.0) <sup>10</sup>
16.	Constant Dollar Net Salvage Adjustment D/A	2017 CDNSADA	37,853.9	-	-	- <sup>11</sup>
17.	Credit Final Bill D/A	2016 CFBDA	(1,524.4)	(4.2)	(1,524.4)	(12.6) <sup>12</sup>
18.	GTA Incremental Transmission Capital Rev. Req	2016 GTAITCRRDA	4,281.4	30.0	4,281.4	53.4 <sup>13</sup>
19.	Greenhouse Gas Emissions Impact D/A	2016 GGEIDA	939.8	6.9	840.3	12.3 <sup>14</sup>
20.	Rate 332 D/A	2016 R332DA	(1,651.6)	(5.0)	(1,651.6)	(14.0) <sup>15</sup>
21.	OEB Cost Assessment V/A	2016 OEBCAVA	1,928.0	5.3	1,928.0	16.1 <sup>16</sup>
22.	Total non commodity Related Accounts		135,198.3	226.8	27,876.3	349.0
<u>Commodity Related Accounts</u>						
23.	Transactional Services D/A	2016 TSDA	(4,036.3)	(12.8)	(4,036.3)	(35.0) <sup>17</sup>
24.	Storage and Transportation D/A	2016 S&TDA	9,618.3	80.3	9,618.3	133.1 <sup>17</sup>
25.	Unaccounted for Gas V/A	2016 UAFVA	7,921.4	26.9	7,921.4	70.7 <sup>18</sup>
26.	Unabsorbed Demand Cost D/A	2016 UDCDA	282.8	1.0	282.8	2.8 <sup>19</sup>
27.	Total commodity related accounts		13,786.2	95.4	13,786.2	171.6
28.	Total Deferral and Variance Accounts		148,984.5	322.2	41,662.5	520.6

Notes:

- The final 2015 DSMVA, LRAM, and DSMIDA balances to be cleared will be those determined through the on-going Board review process of 2015 DSM results.
- Clearance of the 2016 DSMVA will be requested through a separate process/application at a later date.
- DRA evidence is found at Exhibit C, Tab 1, Schedule 8.
- Clearance of the balance that was recorded in 2016 MGPDA is not being requested at this time. As was indicated in the EB-2016-0215 proceeding, the balance in the 2016 MGPDA was transferred to the 2017 MGPDA.
- The clearance amount associated with the 2016 GDARIDA is the result of a revenue requirement calculation found in evidence at Exhibit C, Tab 1, Schedule 7.
- AUTUVA evidence is found at Exhibit C, Tab 1, Schedule 5.
- Evidence within the B-series of exhibits provides details of Enbridge's 2016 utility results and 2016 earnings sharing calculation.
- CCCISRSDA evidence is found at Exhibit C, Tab 1, Schedule 10.
- TIACDA evidence is found at Exhibit C, Tab 1, Schedule 9.
- PTUVA evidence is found at Exhibit C, Tab 1, Schedule 6.
- Clearance of the balance that was recorded in 2016 CDNSADA is not being requested at this time. In accordance with the scope of the account that was approved in EB-2012-0459, and as was also indicated in EB-2016-0215, the balance was transferred to the 2017 CDNSADA. The cumulative balance at the end of each year will be transferred to the following year's CDNSADA. At the end of 2018, any residual balance will be requested for clearance in a post 2018 true-up.
- CFBDA evidence is found at Exhibit C, Tab 1, Schedule 12.
- GTAITCRRDA evidence is found at Exhibit C, Tab 1, Schedule 14.
- GGEIDA evidence is found at Exhibit C, Tab 1, Schedule 11.
- R332DA evidence is found at Exhibit C, Tab 1, Schedule 15.
- OEBCAVA evidence is found at Exhibit C, Tab 1, Schedule 13.
- TSDA and S&TDA evidence is found at Exhibit C, Tab 1, Schedule 3.
- UAFVA evidence is found at Exhibit C, Tab 1, Schedule 4.
- UDCDA evidence is found at Exhibit C, Tab 1, Schedule 2.

Witness: R. Small