

2013, 2014, 2015, AND 2016 CUSTOMER CARE CIS RATE SMOOTHING  
DEFERRAL ACCOUNTS  
REQUESTED FOR CLEARANCE OCTOBER 1, 2017

1. Within the Customer Care and CIS Costs Settlement Agreement and proceeding EB-2011-0226, the Board approved of a Customer Care CIS Rate Smoothing Deferral Account (“CCCISRSDA”), for each of 2013 through 2018. The purpose of the account is to capture the difference between the forecast customer care and CIS costs (as approved in EB-2011-0226) versus the amount to be collected in revenues in each year. The amount to be debited or credited to the Deferral Account in each year will be calculated by multiplying the difference in approved cost per customer and smoothed cost per customer for that year, by the updated customer forecast for that year.
2. The Settlement Agreement also specified that the balances in the account will not be cleared during the 2013 through 2018 period. The cumulative balance will build up during the years 2013 to 2015 when the approved cost per customer exceeds the smoothed cost per customer being collected in rates, and then will be drawn down during the years 2016 to 2018 when the approved cost per customer is lower than the smoothed cost per customer being collected in rates. After 2018, any remaining balance in the account is to be cleared along with the clearance of other Deferral and Variance Accounts.
3. The Settlement Agreement also specified that Enbridge would be entitled to collect interest, at a fixed annual rate of 1.47%, on the balances in the CCCISRSDAs, and that interest would be cleared annually at the same time as other Deferral and Variance Account clearings.

Witnesses: D. McIlwraith  
R. Small

4. Within the EB-2011-0354 Final Rate Order, EB-2012-0459 Final Accounting Order, EB-2014-0276 Final Accounting Order, and EB-2015-0114 Decision and Accounting Order, the Board approved of the 2013, 2014, 2015, and 2016 CCCISRSDAs. The principal balance recorded within each of the 2013, 2014, 2015, and 2016 accounts (\$4.6 million, \$2.9 million, \$1.1 million, and credit of \$0.8 million), reflects each year's approved variance between the forecast customer care and CIS costs and the amount incorporated into rates.
5. In accordance with the EB-2011-0226 Settlement Agreement methodology (described above), the Company is not requesting clearance of the net principal balance at this time, as the net balance will be offset by amounts to be recorded within the 2017 and 2018 CCCISRSDAs, and if required, any net cumulative balance will be requested for clearance after 2018.
6. Within this proceeding, the Company is requesting clearance of the interest balances on the 2013, 2014, 2015, and 2016 CCCISRSDAs, in the amounts of \$68.3 thousand, \$43.1 thousand, \$16.7 thousand, and (\$14.1) thousand as shown in Exhibit C, Tab 1, Schedule 1, page 3. The annual clearance of accumulated interest amounts over 2013 to 2018, the term covered by the EB-2011-0226 Settlement Agreement, is consistent with the approach approved in that case.

Witnesses: D. McIlwraith  
R. Small