

2016 ONTARIO ENERGY BOARD COST ASSESSMENT VARIANCE ACCOUNT
REQUESTED FOR CLEARANCE OCTOBER 1, 2017

1. The purpose of the 2016 Ontario Energy Board Cost Assessment Variance Account (“OEBCAVA”) was to record any material variances between the OEB costs assessed to Enbridge through application of the revised Cost Assessment Model (“revised CAM”), which became effective April 1, 2016, and the OEB costs which were included in rates during the Custom IR term, which were determined through application of the prior Cost Assessment Model (“prior CAM”). The 2016 OEBCAVA was approved by Board letter dated February 9, 2016 entitled *Revisions to the Ontario Energy Board Cost Assessment Model*, as confirmed by its EB-2016-0367 Decision and Order, dated April 6, 2017, approving Enbridge’s formal accounting order request for the establishment of a 2016 OEBCAVA.
2. The amount recorded within the 2016 OEBCAVA is \$1,928.0 thousand. This amount reflects the variance between OEB costs assessed to Enbridge for each of the first three quarters of the Board’s 2016/17 fiscal year, utilizing the revised CAM, and Enbridge’s average quarterly OEB cost assessment for the Board’s 2015 / 16 fiscal year, which utilized the prior CAM. The amount was calculated by taking the 2016 / 17 OEB costs invoiced to Enbridge on April 1, July 1, and October 1, 2016, utilizing the revised CAM, of \$1,342.5 thousand, \$1,342.5 thousand, and \$1,342.6 thousand respectively, and then subtracting from each Enbridge’s average quarterly cost assessment received for 2015 / 16, utilizing the prior CAM, of \$699.8 thousand $((\$656,800 + \$656,800 + \$655,137 + \$830,646)/4)$.
3. Within this proceeding, the Company is requesting clearance of the principal and interest balances recorded in the 2016 OEBCAVA, in the amount of \$1.928 million

Witness: R. Small

and \$16.1 thousand respectively, as shown in Exhibit C, Tab 1, Schedule 1, page 3.

Witness: R. Small