

INTRODUCTION TO DRAFT ACCOUNTING TREATMENT FOR A DEMAND SIDE
MANAGEMENT VARIANCE ACCOUNT (“DSMVA”)

1. The Board issued its Report of the Ontario Energy Board, Mid-Term Review of the Demand Side Management (DSM) Framework for Natural Gas Distributors (2015-2020), EB-2017-0127/0128, (the “Mid-Term Report”) on November 29, 2018 wherein the Board invited Enbridge to file a draft accounting order pursuant to the following guidance:

[T]he OEB will allow Enbridge Gas to use the DSMVA to track future financial commitments for programs with deferred customer incentives. Enbridge Gas ought to file a draft accounting order as part of its 2016 DSM deferral and variance account application to capture this change.¹

2. Accordingly, Exhibit B, Tab 6, Schedule 2 outlines Enbridge’s proposed accounting treatment regarding the DSMVA to reflect the guidance provided by the Board in the Mid-Term Report.

¹ Report of the Ontario Energy Board, Mid-Term Review of the Demand Side Management (DSM) Framework for Natural Gas Distributors (2015-2020), EB-2017-0127/0128, page 22.