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**UNION RATE ZONES**

**Accounting Entries for  
Incremental Capital Module (ICM) Deferral Account  
Deferral Account No. 179-XXX**

The purpose of the Union Rate Zones ICM deferral account is to record the difference between the actual revenue requirement for the Union Rate Zones approved ICM projects, and the actual revenues collected through ICM rates approved by the Board for the Union Rate Zones. The actual revenue requirement will include costs associated with the capital investment, including return on rate base, depreciation expense, and associated income taxes, as well as material incremental operating expenses (O&M and property taxes), if applicable. The actual revenues will be those collected through the ICM rate riders approved by the Board for the Union Rate Zones.

Simple interest is to be calculated on the opening monthly balance of this account using the Board-approved EB-2006-0117 interest rate methodology. The balance of this account, together with carrying charges, will be disposed of in a manner designated by the Board in a future rate hearing.

Account numbers are from the Uniform System of Accounts for Gas Utilities, Class A prescribed under the Ontario Energy Board Act.

Debit - Account No.179- XXX  
Other Deferred Charges – Union Rate Zones – ICM Deferral Account

Credit - Account No. 579  
Miscellaneous Operating Revenue

To record, as a debit (credit) in Deferral Account No. 179-XXX, the difference between the actual revenue requirement for approved ICM Projects and the actual revenues collected through ICM rates approved by the Board.

Debit - Account No.179-XXX  
Other Deferred Charges – Union Rate Zones – ICM Deferral Account

Credit - Account No. 323  
Other Interest Expense

To record, as a debit (credit) in Deferral Account No. 179-XXX, interest on the balance in Deferral Account No. 179-XXX. Simple interest will be computed monthly on the opening balance in the said account in accordance with the methodology approved by the Board in EB-2006-0117.

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**EGD RATE ZONE**

**Accounting Entries for  
Incremental Capital Module (ICM) Deferral Account  
Deferral Account No. 179-XXX**

The purpose of the EGD Rate Zone ICM deferral account is to record the difference between the actual revenue requirement for the EGD Rate Zone approved ICM projects, and the actual revenues collected through ICM rates approved by the Board for the EGD Rate Zone. The actual revenue requirement will include costs associated with the capital investment, including return on rate base, depreciation expense, and associated income taxes, as well as material incremental operating expenses (O&M and property taxes), if applicable. The actual revenues will be those collected through the ICM rate riders approved by the Board for the EGD Rate Zone.

Simple interest is to be calculated on the opening monthly balance of this account using the Board-approved EB-2006-0117 interest rate methodology. The balance of this account, together with carrying charges, will be disposed of in a manner designated by the Board in a future rate hearing.

Account numbers are from the Uniform System of Accounts for Gas Utilities, Class A prescribed under the Ontario Energy Board Act.

Debit            -            Account No.179- XXX  
   Other Deferred Charges – EGD Rate Zone – ICM Deferral Account

Credit            -            Account No. 579  
   Miscellaneous Operating Revenue

To record, as a debit (credit) in Deferral Account No. 179-XXX, the difference between the actual revenue requirement for approved ICM Projects and the actual revenues collected through ICM rates approved by the Board.

Debit            -            Account No.179-XXX  
   Other Deferred Charges – EGD Rate Zone – ICM Deferral Account

Credit            -            Account No. 323  
   Other Interest Expense

To record, as a debit (credit) in Deferral Account No. 179-XXX, interest on the balance in Deferral Account No. 179-XXX. Simple interest will be computed monthly on the opening balance in the said account in accordance with the methodology approved by the Board in EB-2006-0117.

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**ENBRIDGE GAS INC.**

**Accounting Entries for  
Accounting Policy Changes  
Deferral Account No. 179-XXX**

The purpose of the Accounting Policy Changes deferral account, as established in the Board's EB-2017-0306/EB-2017-0307 Decision and Order, is to record the impact of any accounting changes that affect revenue requirement, which are required as a result of the amalgamation of Enbridge Gas Distribution and Union Gas Limited into Enbridge Gas Inc.

Simple interest is to be calculated on the opening monthly balance of this account using the Board-approved EB-2006-0117 interest rate methodology. The balance of this account, together with carrying charges, will be disposed of in a manner designated by the Board in a future rate hearing.

Account numbers are from the Uniform System of Accounts for Gas Utilities, Class A prescribed under the Ontario Energy Board Act.

Debit	-	Account No. 179-XXX Accounting Policy Changes
Credit	-	Account No. 300 Operating Revenues

To record as a debit (credit) in Deferral Account No. 179-XXX the impact of any accounting changes required as a result of the amalgamation that affect revenue requirement.

Debit	-	Account No. 179-XXX Accounting Policy Changes
Credit	-	Account No. 323 Other Interest Expense

To record, as a debit (credit) in Deferral Account No. 179-XXX, interest on the balance in Deferral Account No. 179-XXX. Simple interest will be computed monthly on the opening balance in the said account in accordance with the methodology approved by the Board in EB-2006-0117.

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**ENBRIDGE GAS INC.**

**Accounting Entries for  
Earnings Sharing Mechanism Deferral Account  
Deferral Account No. 179-XXX**

The purpose of the Earnings Sharing Mechanism Deferral Account (“ESMDA”) is to record the ratepayer share of utility earnings that result from the application of the earnings sharing mechanism. In accordance with the EB-2017-0306/EB-2017-0307 Decision and Order, if the actual utility return on equity (ROE) exceeds the Board-approved ROE by more than 150 basis points, the excess earnings will be shared equally (i.e. 50/50) between the Company’s ratepayers and shareholders. The calculation of a utility return for earnings sharing determination purposes, will include all revenues that would otherwise be included in earnings and only those expenses (whether operating or capital) that would otherwise be allowable deductions from earnings as within a cost of service application.

Simple interest is to be calculated on the opening monthly balance of this account using the Board approved EB-2006-0117 interest rate methodology. The balance of this account, together with carrying charges, will be disposed of in a manner designated by the Board in a future rate hearing.

Account numbers are from the Uniform System of Accounts for Gas Utilities, Class A prescribed under the Ontario Energy Board Act.

Debit	-	Account No. 300 Operating Revenue
Credit	-	Account No. 179-XXX Earnings Sharing Mechanism Deferral Account

To record as a credit in Deferral Account No. 179-XXX the ratepayers’ 50% share of utility earnings when actual utility ROE exceeds the Board-approved ROE by more than 150 basis points in accordance with the Board’s Decision in EB-2017-0306/EB-2017-0307.

Debit	-	Account No. 323 Other Interest Expense
Credit	-	Account No. 179-XXX Earnings Sharing Mechanism Deferral Account

To record, as a credit in Deferral Account No. 179-XXX, interest on the balance in Deferral Account No. 179-XXX. Simple interest will be computed monthly on the opening balance in the said account in accordance with the methodology approved by the Board in EB-2006-0117.

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**ENBRIDGE GAS INC.**

**Accounting Entries for  
Tax Variance Deferral Account  
Deferral Account No. 179-XXX**

The purpose of the Tax Variance Deferral Account is to record 50% of the variance in costs of any tax rate changes, versus the tax rates included in rates that affect Enbridge Gas Inc. As part of the EB-2017-0306/EB-2017-0307 Decision and Order, the Board amended the former Union Gas Limited Tax Variance Deferral Account to expand its applicability to record the impact of any tax rate changes for both the legacy Enbridge Gas Distribution and Union Gas Limited areas (i.e. to all of Enbridge Gas Inc.).

Simple interest is to be calculated on the opening monthly balance of this account using the Board-approved EB-2006-0117 interest rate methodology. The balance of this account, together with carrying charges, will be disposed of in a manner designated by the Board in a future rate hearing.

Account numbers are from the Uniform System of Accounts for Gas Utilities, Class A prescribed under the Ontario Energy Board Act.

Debit	-	Account No. 179-XXX Tax Variance Deferral Account
Credit	-	Account No. 300 Operating Revenues

To record as a debit (credit) in Deferral Account No. 179-XXX 50% of the variance in costs resulting from the difference between the actual tax rates and the approved tax rates included in rates as approved by the Board.

Debit	-	Account No. 179-XXX Tax Variance Deferral Account
Credit	-	Account No. 323 Other Interest Expense

To record, as a debit (credit) in Deferral Account No. 179-XXX, interest on the balance in Deferral Account No. 179-XXX. Simple interest will be computed monthly on the opening balance in the said account in accordance with the methodology approved by the Board in EB-2006-0117.