



Joel Denomy
Technical Manager
Regulatory Applications

tel 416-495-5676
joel.denomy@enbridge.com
EGIRegulatoryProceedings@enbridge.com

Enbridge Gas Inc.
500 Consumers Road
North York, Ontario M2J 1P8
Canada

June 4, 2021

VIA RESS AND EMAIL

Ms. Christine Long
Registrar
Ontario Energy Board
2300 Yonge Street, 27th Floor
Toronto, ON M4P 1E4

Dear Ms. Long:

**Re: Enbridge Gas Inc. (Enbridge Gas)
Ontario Energy Board (OEB) File No.: EB-2021-0149
2020 Utility Earnings and 2019 Utility Earnings and Disposition of Deferral &
Variance Account Balances Application and Evidence**

Effective January 1, 2019, Enbridge Gas Distribution Inc. (“EGD”) and Union Gas Limited (“Union”) amalgamated to become Enbridge Gas Inc. (“Enbridge Gas”). Enclosed is the application and evidence submitted by Enbridge Gas addressing 2020 utility earnings and the disposition and recovery of certain 2020 deferral and variance account balances (the “Application”) for all Enbridge Gas rate zones (EGD, Union North and Union South) and for Enbridge Gas.

The Application is supported by evidence which is outlined below:

Exhibit A: Overview and Introduction

Exhibit B: Utility Results and Earnings Sharing

Exhibit C: Enbridge Gas Deferral and Variance Accounts

Exhibit D: EGD Rate Zone Deferral and Variance Accounts

Exhibit E: Union Rate Zones Deferral and Variance Accounts

Exhibit F: Rate Allocation

Exhibit G: OEB Scorecard

Enbridge Gas proposes to dispose of the approved 2020 deferral and variance account balances with the first QRAM application following the OEB’s approval, which is assumed to be October 1, 2021.

June 4, 2021

Page 2

In accordance with the OEB's revised Practice Direction on Confidential Filings effective February 17, 2021, sensitive information has been redacted from the following exhibit:

- Exhibit D, Tab 1, Schedule 6

The confidential Exhibit is being sent separately via email to the OEB.

The above noted submission has been filed electronically through the OEB's RESS and will be made available on Enbridge Gas's website at:

<https://www.enbridgegas.com/Regulatory-Proceedings>

In the event that you have any questions on the above or would like to discuss in more detail, please do not hesitate to contact me.

Sincerely,

(Original Signed)

Joel Denomy
Technical Manager, Regulatory Applications

cc.: D. Stevens (Aird & Berlis)

EXHIBIT LIST

A – Overview and Introduction

| <u>Exhibit</u> | <u>Tab</u> | <u>Schedule</u> | <u>Contents</u> |
|----------------|------------|-----------------|---------------------------------|
| A | 1 | | Exhibit List |
| | 2 | | Application |
| | 3 | | Overview and Approvals Required |

B- Utility Results and Earning Sharing

| <u>Exhibit</u> | <u>Tab</u> | <u>Schedule</u> | <u>Contents</u> |
|----------------|------------|-----------------|--|
| B | 1 | | 2020 Earnings Sharing Amount and Determination Process |
| | | 1 | Return on Rate Base & Equity and Earning Sharing Determination |
| | | 2 | Utility Income |
| | | 3 | Utility Income Tax |
| | | 4 | Utility Rate Base and Continuity Schedules |
| | | 5 | Capital Structure and Cost of Capital |
| | | 6 | Reconciliation of Audited Income to Corporate |
| | 2 | 1 | Delivery Revenue by Service Type and Rate Class |
| | | 2 | Total Customers and Revenue by Service Type and Rate Class |

EXHIBIT LIST

B- Utility Results and Earning Sharing

| <u>Exhibit</u> | <u>Tab</u> | <u>Schedule</u> | <u>Contents</u> |
|----------------|------------|-----------------|--|
| B | 2 | 3 | Revenue from Regulated Storage and Transportation of Gas |
| | | 4 | Other Revenue |
| | 3 | 1 | Operating and Maintenance Expense |
| | | 2 | Capital Expenditure |
| | | 3 | Summary of Capital Cost Allowance |

C- Enbridge Gas Inc 2019 Deferral and Variance Accounts

| <u>Exhibit</u> | <u>Tab</u> | <u>Schedule</u> | <u>Contents</u> |
|----------------|------------|-----------------|---|
| C | 1 | | Enbridge Gas Inc Deferral and Variance Accounts |
| | | 1 | Deferral and Variance Actual and Forecast Balances |
| | | 2 | Summary of Accounting Policy Changes Deferral Account |
| | | 3 | Calculation of Bill C-97 Accelerated CCA Impact on TVDA |

EXHIBIT LIST

D - EGD Rate Zone Deferral and Variance Accounts

| <u>Exhibit</u> | <u>Tab</u> | <u>Schedule</u> | <u>Contents</u> |
|----------------|------------|-----------------|--|
| D | 1 | | Deferral & Variance Accounts Requested for Clearance – EGD Rate Zone |
| | | 1 | Breakdown of the Storage and Transportation Deferral Account |
| | | 2 | Breakdown of Transactional Services Revenue by Type of Transaction |
| | | 3 | 2020 UAFVA |
| | | 4 | Breakdown of the Average Use True-up Variance Account |
| | | 5 | Storage RFP Letter |
| | | 6 | Storage RFP Summary (Redacted) |

E – Union Rate Zones Deferral and Variance Accounts

| <u>Exhibit</u> | <u>Tab</u> | <u>Schedule</u> | <u>Contents</u> |
|----------------|------------|-----------------|---|
| E | 1 | | Deferral & Variance Accounts Requested for Clearance – Union Rate Zones |
| | | 1 | Breakdown of Upstream Transportation Optimization Deferral Account |
| | | 2 | Breakdown of Short Term Storage Deferral Account |
| | | 3 | Summary of Non-Utility Storage Balances |

EXHIBIT LIST

E – Union Rate Zones Deferral and Variance Accounts

| <u>Exhibit</u> | <u>Tab</u> | <u>Schedule</u> | <u>Contents</u> |
|----------------|------------|-----------------|--|
| E | 1 | 4 | Allocation of Short Term Peak Storage Revenues between Utility/Non-Utility |
| | | 5 | Breakdown of Deferral Clearing Variance Account |
| | | 6 | Calculation of Balances by Rate Class in the NAC Deferral Account |
| | | 7 | Calculation of Allocation of Short Term Transportation Revenues to the Lobo D / Bright C / Dawn H Compressor Project Cost Deferral Account |

F – Rate Allocation

| <u>Exhibit</u> | <u>Tab</u> | <u>Schedule</u> | <u>Contents</u> |
|----------------|------------|-----------------|---|
| F | 1 | | Allocation and Disposition of 2020 Deferral and Variance Account Balances |
| | | 1 | Split of EGI Account Balances to Rate Zones |
| | 2 | 1 | EGD - Unit Rate and Type of Service |
| | | 2 | EGD - Balances to be Cleared |
| | | 3 | EGD - Classification and Allocation of Deferral and Variance Account Balances |
| | | 4 | EGD - Allocation by Type of Service |
| | | 5 | EGD - Unit Rate by Type of Service |
| | | 6 | EGD - Bill Adjustment for Typical Customers |

EXHIBIT LIST

F – Rate Allocation

| <u>Exhibit</u> | <u>Tab</u> | <u>Schedule</u> | <u>Contents</u> |
|----------------|------------|-----------------|---|
| F | 3 | 1 | Union - Balances to be Cleared |
| | | 2 | Union - Allocation of Deferral Balances to Rate Classes |
| | | 3 | Union - Unit Rates for Disposition |
| | | 4 | Union - Bill Adjustment for Typical Customer |

G – OEB Scorecard

| <u>Exhibit</u> | <u>Tab</u> | <u>Schedule</u> | <u>Contents</u> |
|----------------|------------|-----------------|------------------------|
| G | 1 | | 2020 Scorecard Results |
| | | 1 | OEB Scorecard |

ONTARIO ENERGY BOARD

IN THE MATTER OF the *Ontario Energy Board Act*,
1998, S.O. 1998, c.15 (Schedule. B);

AND IN THE MATTER OF an Application by Enbridge
Gas Inc. for an order or orders clearing certain
commodity and non-commodity related deferral or
variance accounts.

APPLICATION

1. Enbridge Gas Distribution Inc. (referred to in the evidence as “EGD”, “Enbridge” or the “Company”) and Union Gas Limited (referred to in the evidence as “Union” or the “Company”) (together the “Utilities”) were Ontario corporations incorporated under the laws of the Province of Ontario carrying on the business of selling, distributing, transmitting and storing natural gas within the meaning assigned in the *Ontario Energy Board Act*, 1998 (the “Act”). In the August 30, 2018 EB-2017-0306/0307 Decision and Order (the “MAADs Decision”), the Ontario Energy Board (the “OEB”) approved the amalgamation of the Utilities, as well as a five-year deferred rebasing term during which a price cap rate-setting model would apply.
2. Effective January 1, 2019 the Utilities amalgamated to become Enbridge Gas Inc. (“Enbridge Gas”). Following amalgamation, Enbridge Gas has maintained the existing Rates Zones of EGD and Union (the EGD, Union North West, Union North East and Union South Rate Zones).¹ Enbridge Gas has also maintained most of the existing deferral and variance accounts for each Rate Zone.
3. Enbridge Gas, the Applicant, hereby applies to the OEB, pursuant to Section 36 of the *Ontario Energy Board Act*, 1998 (the “Act”), for an Order or Orders approving the

¹ Collectively the Union North West, Union North East and Union South rates zones are referred to as “Union rate zones”. Union North West and Union North East are collectively referred to as “Union North”.

clearance or disposition of amounts recorded in certain deferral or variance accounts.

Earnings Sharing

4. In the MAADs Decision, the OEB approved, among other things, an asymmetrical earnings sharing mechanism (“ESM”) during the deferred rebasing period, where each year any earnings in excess of 150 basis points over the OEB-approved return on equity (“ROE”) would be shared 50/50 between the Utilities and ratepayers.
5. In 2020, Enbridge Gas’s actual utility earnings did not exceed the OEB-approved ROE by more than 150 basis points. Accordingly, no ESM amount is proposed to be shared with ratepayers.

EGD Rate Zone

6. As approved in the MAADs Decision and the 2019 Rates Case (EB-2018-0305), Enbridge Gas has maintained substantially the same deferral and variance accounts for the EGD Rate Zone as during its 2014-2018 Custom IR term.
7. Enbridge Gas seeks approval to clear the final balances of certain EGD Rate Zone deferral and variance accounts for 2020 as set out at Exhibit C, Tab 1, Schedule 1.

Union Rate Zones

8. As approved in the MAADs Decision and the 2019 Rates Case (EB-2018-0305), Enbridge Gas has maintained substantially the same deferral and variance accounts for the Union Rate Zones as during its 2014-2018 IR term.
9. Enbridge Gas seeks approval to clear the final balances of certain Union Rate Zones deferral and variance accounts for 2020 as set out at Exhibit C, Tab 1, Schedule 1.

Enbridge Gas Inc.

10. The OEB has approved several deferral and variance accounts that relate to Enbridge Gas as a whole (and not to specific Rate Zone(s)). These accounts are listed at Exhibit C, Tab 1, Schedule 1.
11. Enbridge Gas proposes to clear the 2020 balance in the Tax Variance Deferral Account (“TVDA”). Enbridge Gas is not seeking approval to clear any part of the balance in the Accounting Policy Changes Deferral Account (“APCDA”), in the Covid-19 Emergency Incremental Cost Deferral Account (“COVEICDA”) and in the Incremental Capital Module Deferral Account (“ICMDA”). Details on these accounts are presented in this application for information purposes. The balances in these accounts will be brought forward for clearance in a future application.

Relief Requested

12. Enbridge Gas therefore applies to the OEB for such final, interim or other orders as may be necessary or appropriate for the clearance or disposition of the 2020 deferral and variance accounts requested in Exhibit C, Tab 1, Schedule 1. The proposed manner of disposition is described at Exhibit F. Enbridge Gas proposes to clear the balances in these accounts with the first available QRAM application following the OEB’s approval, as early as October 1, 2021.
13. Enbridge Gas requests that certain information included at Exhibit D, Tab 1, Schedule 6 be treated as confidential under the OEB’s Practice Direction on Confidential Filings. Equivalent information has been treated as confidential in prior deferral and variance account clearance proceedings.
14. Enbridge Gas requests that this proceeding be heard in writing.
15. Enbridge Gas further applies to the OEB pursuant to the provisions in the Act and the OEB’s *Rules of Practice and Procedure* for such final, interim or other Orders

and directions as may be appropriate in relation to the Application and the proper conduct of this proceeding.

16. This Application is supported by written evidence. This evidence may be amended from time to time as required by the OEB, or as circumstances may require.

17. The persons affected by this application are the customers resident or located in the municipalities, police villages and First Nations reserves served by Enbridge Gas, together with those to whom Enbridge Gas sells gas, or on whose behalf Enbridge Gas distributes, transmits or stores gas. It is impractical to set out in this application the names and addresses of such persons because they are too numerous.

18. Enbridge Gas requests that a copy of every document filed with the OEB in this proceeding be served on the Applicant and Applicant's counsel, as follows.

The Applicant:

Mr. Anton Kacicnik
Manager, Regulatory Applications
Enbridge Gas Inc.

Address for personal service

Enbridge Gas Inc.
500 Consumers Road
Willowdale, Ontario
M2J 1P8

Mailing address: P.O. Box 650
Scarborough, Ontario
M1K 5E3

Telephone:

416-495-6087

Fax:

416-495-6072

Email:

anton.kacicnik@enbridge.com
EGIRegulatoryproceedings@enbridge.com

The Applicant's counsel:

Mr. David Stevens
Aird & Berlis LLP

Address for personal service
and mailing address:

Brookfield Place, P.O. Box 754
Suite 1800, 181 Bay Street
Toronto, Ontario M5J 2T9

Telephone:
Fax:
Email:

416-863-1500
416-863-1515
dstevens@airdberlis.com

DATED: June 4, 2021, at Toronto, Ontario

ENBRIDGE GAS INC.

[Original digitally signed by]

Joel Denomy
Technical Manager, Regulatory
Applications and Strategy

2020 DEFERRAL ACCOUNT DISPOSITION AND EARNINGS SHARING
OVERVIEW AND APPROVALS REQUESTED

1. Enbridge Gas Inc. (Enbridge Gas) is applying to the Ontario Energy Board (OEB) pursuant to section 36 of the *OEB Act* for approval to dispose and recover certain 2020 deferral and variance account final balances for the Enbridge Gas Distribution (EGD) and Union Gas (Union)¹ rate zones and for Enbridge Gas. Enbridge Gas is also presenting the 2020 earnings sharing mechanism (ESM) calculations for the amalgamated utility.

2. The evidence in this Application is organized as follows:
 - Exhibit A: Overview and Introduction
 - Exhibit B: 2020 Utility Results and Earnings Sharing Amount
 - Exhibit C: Enbridge Gas Inc. 2020 Deferral and Variance Accounts
 - Exhibit D: EGD Rate Zone Deferral and Variance Accounts
 - Exhibit E: Union Rate Zones Deferral and Variance Accounts
 - Exhibit F: Rate Allocation
 - Exhibit G: OEB Scorecard

3. Enbridge Gas proposes that the impacts which result from the disposition of 2020 deferral and variance account balances be implemented with the first available QRAM application following the OEB's approval, as early as October 1, 2021, to align with other rate changes implemented through the Quarterly Rate Adjustment Mechanism (QRAM).

¹ "Union rate zones" collectively refers to Union North and Union South.

Relief requested

4. Enbridge Gas seeks approval to clear the final balances of certain EGD Rate Zone, Union Rate Zones and Enbridge Gas 2020 deferral and variance accounts. The balances of the 2020 deferral and variance accounts are set out at Exhibit C, Tab 1, Schedule 1. For ease of reference, a copy of Exhibit C, Tab 1, Schedule 1 is attached at Appendix A to this exhibit.
5. Explanations for the balances in each account are set out at Exhibit C (Enbridge Gas Inc.), Exhibit D (EGD Rate Zone) and Exhibit E (Union Rate Zones). The evidence also indicates which accounts Enbridge Gas does not seek to clear in this proceeding. The proposed clearance methodology for the accounts being cleared is set out at Exhibit F.
6. In the MAADs Decision (EB-2017-0306/0307), the OEB approved, among other things, an asymmetrical earnings sharing mechanism (“ESM”) during the 2019-2023 deferred rebasing period, where each year any earnings in excess of 150 basis points over the OEB-approved return on equity (“ROE”) would be shared 50/50 between Enbridge Gas and ratepayers.
7. Enbridge Gas’s actual 2020 utility earnings did not exceed the OEB-approved ROE by more than 150 basis points. Accordingly, no ESM amount is proposed to be shared with ratepayers.

Disposition of deferral and variance accounts

8. Integration of the legacy billing systems for EGD and Union Gas enables Enbridge Gas to dispose of balances in the 2020 deferral and variance accounts as a one-time adjustment for all customers. Enbridge Gas proposes to dispose of the 2020 deferral

and variance accounts as a one-time adjustment for all general service, in-franchise contract and ex-franchise rate classes.

9. The proposed approach to the one-time adjustment is consistent between the EGD and Union Rate Zones and, subject to OEB approval as to timing, will be disposed of as part of the October 2021 bills that customers receive in November 2021.

Parkway west project costs account interim disposition

10. Enbridge Gas is seeking interim disposition of the 2020 balance in the Parkway West Project Costs Deferral Account (179-136), consistent with the 2016 to 2019 deferral and variance account disposition proceedings. In the 2016 deferral account proceeding, the OEB noted that “all parties agreed that the 2016 balance in the Parkway West Project Costs Account should be disposed of only on an interim basis to allow the OEB to perform a prudence review of the capital overspend prior to final disposition of the balance in the account.”² Consistent with this direction, Enbridge Gas will seek approval of the final disposition of this account as part of a subsequent proceeding when all the project costs have been incurred and the prudence of the project costs are assessed.

² EB-2017-0091 Updated Settlement Agreement Proposal, p. 12.

ENBRIDGE GAS
DEFERRAL & VARIANCE ACCOUNT
ACTUAL & FORECAST BALANCES

| Line No. | Account Description | Account Acronym | Forecast for clearance at October 1, 2021 | | | | |
|---|--|---------------------------|---|---------------------------------|------------------------------|--------------------|--------------|
| | | | Col. 1 Principal (\$000's) | Col. 2 Interest (\$000's) | Col. 3 Total (\$000's) | Col.4 Reference | |
| <u>EGD Rate Zone Commodity Related Accounts</u> | | | | | | | |
| 1. | Storage and Transportation D/A | 2020 S&TDA | (229.6) | (29.1) | (258.7) | D-1, Page 2 | |
| 2. | Transactional Services D/A | 2020 TSDA | (3,884.9) | (16.6) | (3,901.5) | D-1, Page 4 | |
| 3. | Unaccounted for Gas V/A | 2020 UAFVA | 221.7 | (0.2) | 221.5 | D-1, Page 6 | |
| 4. | Total commodity related accounts | | (3,892.8) | (45.9) | (3,938.7) | | |
| <u>EGD Rate Zone Non Commodity Related Accounts</u> | | | | | | | |
| 5. | Average Use True-Up V/A | 2020 AUTUVA | (7,883.1) | (33.7) | (7,916.8) | D-1, Page 10 | |
| 6. | Gas Distribution Access Rule Impact D/A | 2020 GDARIDA | - | - | - | D-1, Page 23 | |
| 7. | Deferred Rebate Account | 2020 DRA | 2,518.2 | 27.1 | 2,545.3 | D-1, Page 12 | |
| 8. | Transition Impact of Accounting Changes D/A | 2020 TIACDA | 4,435.8 | - | 4,435.8 | D-1, Page 1 | |
| 9. | Electric Program Earnings Sharing D/A | 2020 EPESDA | - | - | - | D-1, Page 23 | |
| 10. | OEB Cost Assessment V/A | 2020 OEBCAVA | 3,006.4 | 30.4 | 3,036.8 | D-1, Page 13 | |
| 11. | Dawn Access Costs D/A | 2020 DACDA | 2,066.7 | 8.8 | 2,075.5 | D-1, Page 16 | |
| 12. | Pension and OPEB Forecast Accrual vs. Actual Cash Payment Di | 2020 P&OPEBFAVACPDVA | - | - | - | D-1, Page 23 | |
| 13. | Total EGD Rate Zone (for clearance) | | 251.2 | (13.3) | 237.9 | | |
| <u>Union Rate Zones Gas Supply Accounts</u> | | | | | | | |
| | | <u>OEB Account Number</u> | | | | | |
| 14. | Upstream Transportation Optimization | 179-131 | 2020 | 12,123.6 | 51.6 | 12,175.2 | E-1, Page 5 |
| 15. | Spot Gas Variance Account | 179-107 | 2020 | - | - | - | E-1, Page 54 |
| 16. | Unabsorbed Demand Costs Variance Account | 179-108 | 2020 | (1,749.6) | (40.9) | (1,790.5) | E-1, Page 1 |
| 17. | Deferral Clearing Variance Account - Supply | 179-132 | 2020 | (1,031.6) | (3.8) | (1,035.4) | E-1, Page 19 |
| 18. | Deferral Clearing Variance Account - Transport | 179-132 | 2020 | 823.1 | 3.0 | 826.1 | E-1, Page 19 |
| 19. | Base Service North T-Service TransCanada Capacity | 179-153 | 2020 | 28.3 | 0.1 | 28.4 | E-1, Page 46 |
| 20. | Total Gas Supply Accounts | | | 10,193.8 | 10.0 | 10,203.8 | |
| <u>Union Rate Zones Storage Accounts</u> | | | | | | | |
| 21. | Short-Term Storage and Other Balancing Services | 179-70 | 2020 | 1,271.8 | 5.4 | 1,277.2 | E-1, Page 7 |
| <u>Union Rate Zones Other Accounts</u> | | | | | | | |
| 22. | Normalized Average Consumption | 179-133 | 2020 | 7,181.8 | 96.4 | 7,278.2 | E-1, Page 11 |
| 23. | Deferral Clearing Variance Account | 179-132 | 2020 | 4,503.1 | 16.5 | 4,519.6 | E-1, Page 19 |
| 24. | OEB Cost Assessment Variance Account | 179-151 | 2020 | 1,233.7 | 13.0 | 1,246.7 | E-1, Page 43 |
| 25. | Unbundled Services Unauthorized Storage Overrun | 179-103 | 2020 | - | - | - | E-1, Page 54 |
| 26. | Gas Distribution Access Rule Costs | 179-112 | 2020 | - | - | - | E-1, Page 54 |
| 27. | Conservation Demand Management | 179-123 | 2020 | - | - | - | E-1, Page 54 |
| 28. | Parkway West Project Costs | 179-136 | 2020 | (470.0) | (4.0) | (474.0) | E-1, Page 23 |
| 29. | Brantford-Kirkwall/Parkway D Project Costs | 179-137 | 2020 | (32.0) | (0.3) | (32.3) | E-1, Page 27 |
| 30. | Lobo C Compressor/Hamilton-Milton Pipeline Project Costs | 179-142 | 2020 | 121.0 | 0.3 | 121.3 | E-1, Page 33 |
| 31. | Lobo D/Bright C/Dawn H Compressor Project Costs | 179-144 | 2020 | (1,189.5) | (7.6) | (1,197.1) | E-1, Page 37 |
| 32. | Burlington-Oakville Project Costs | 179-149 | 2020 | (48.0) | (0.3) | (48.3) | E-1, Page 41 |
| 33. | Parhandle Reinforcement Project Costs | 179-156 | 2020 | (2,100.8) | (3.5) | (2,104.3) | E-1, Page 48 |
| 34. | Sudbury Replacement Project | 179-162 | 2020 | - | - | - | E-1, Page 54 |
| 35. | Parkway Obligation Rate Variance | 179-138 | 2020 | - | - | - | E-1, Page 54 |
| 36. | Unauthorized Overrun Non-Compliance Account | 179-143 | 2020 | - | - | - | E-1, Page 36 |
| 37. | Pension and OPEB Forecast Accrual vs. Actual Cash Payment Di | 179-157 | 2020 | - | (1,005.8) | (1,005.8) | E-1, Page 52 |
| 38. | Unaccounted for Gas Volume Variance Account | 179-135 | 2020 | - | - | - | E-1, Page 29 |
| 39. | Unaccounted for Gas Price Variance Account | 179-141 | 2020 | 4.9 | 0.3 | 5.2 | E-1, Page 31 |
| 40. | Total Other Accounts | | | 9,204.2 | (895.0) | 8,309.2 | |
| 41. | Total Union Rate Zones (for clearance) | | | 20,669.8 | (879.6) | 19,790.2 | |
| <u>EGI Accounts</u> | | | | | | | |
| 42. | Earnings Sharing D/A | 179-382 | 2020 | - | - | - | |
| 43. | Tax Variance - Accelerated CCA - EGI | 179-383 | 2020 | (16,874.3) | (159.9) | (17,034.2) | C-1, Page 13 |
| 44. | Expansion of Natural Gas Distribution Systems V/A | 179-380 | 2020 | - | - | - | |
| 45. | Total EGI Accounts (for clearance) | | | (16,874.3) | (159.9) | (17,034.2) | |
| 46. | Total Deferral and Variance Accounts (for clearance) | | | 4,046.7 | (1,052.8) | 2,993.9 | |
| <u>Not Being Requested for Clearance</u> | | | | | | | |
| 47. | Accounting Policy Changes D/A - Pension - EGI | 179-120 | 2020 | 181,465.2 | - | 181,465.2 | C-1, Page 2 |
| 48. | Accounting Policy Changes D/A - Other - EGI | 179-120 | 2019 | (1,749.5) | (34.4) | (1,783.9) | C-1, Page 2 |
| 49. | Accounting Policy Changes D/A - Other - EGI | 179-120 | 2020 | (14,789.5) | (94.2) | (14,883.7) | C-1, Page 2 |
| 50. | Incremental Capital Module Deferral Account - EGD | | 2020 | (259.8) | (0.5) | (260.3) | C-1, Page 1 |
| 51. | Incremental Capital Module Deferral Account - UGL | 179-159 | 2019 | (6,869.6) | (123.9) | (6,993.5) | C-1, Page 1 |
| 52. | Incremental Capital Module Deferral Account - UGL | 179-159 | 2020 | (5,683.8) | (32.6) | (5,716.4) | C-1, Page 1 |
| 53. | Covid-19 Emergency Incremental Cost D/A | 2020 COVEICDA | 2020 | 1,377.5 | 5.9 | 1,383.4 | C-1, Page 16 |
| 54. | Total of Accounts not being requested for clearance | | | 153,490.5 | (279.7) | 153,210.8 | |

2020 ENBRIDGE GAS INC. EARNINGS SHARING AMOUNT
AND DETERMINATION PROCESS

1. For the year ended December 31, 2020, Enbridge Gas Inc. (Enbridge Gas, or the Company) is not in an earnings sharing position, as its achieved return on rate base and return on equity are below the threshold required for sharing. The earnings sharing calculation is shown at Exhibit B, Tab 1, Schedule 1, while supporting schedules that show the calculation of utility rate base, utility income and taxes, and the utility capital structure components, are contained in the balance of the B Exhibits. Exhibit B, Tab 1, Schedule 6 sets out a reconciliation of audited income to corporate income.

2. The earnings sharing amount was determined in accordance with the following prescribed methodology as identified within the EB-2017-0306/0307 OEB Decision and Order, dated August 30, 2018, at pages 28 and 29, and within the EB-2017-0306 pre-filed evidence at Exhibit B, Tab 1, at pages 42 and 43:
 - if in any calendar year during the deferred rebasing term, Enbridge Gas's actual utility ROE is more than 150 basis points above the OEB-approved ROE for that year (updated annually by the OEB), then the resultant amount shall be shared equally (i.e., 50/50) between Enbridge Gas and its ratepayers;
 - for the purposes of the ESM, Enbridge Gas shall calculate its earnings using generally accepted accounting principles ("GAAP") consistent with its external reporting, including the regulatory rules prescribed by the OEB from time to time;
 - all revenues and costs that would otherwise be included in a cost of service application shall be included in the earnings sharing calculation.

3. While the threshold or benchmark for Enbridge Gas's earnings sharing has changed from that of each legacy utility¹, the general process followed for calculating earnings sharing amounts is consistent with each utilities prior incentive regulation terms.
4. As articulated above, within Exhibit B, Tab 1, Schedule 1, the Company has calculated earnings for sharing in two ways for confirmation purposes.
5. In part A), a return on rate base method is shown, while in part B), a return on equity from a deemed equity embedded within rate base perspective is shown. Column 2 within the exhibit provides references indicating where additional evidence in support of the determination of the amounts in the calculation can be found. Column 3 contains results shown in millions of dollars, or percentages.

Part A)

6. The level of utility income, \$801.9 million (Line 4) divided by the level of utility rate base, \$13,562.0 million (Line 5) generates a utility return on rate base of 5.913% (Line 6).
7. When compared to the Company's required rate of return for ESM determination, of 6.382% (Line 7), as determined within the capital structure required in support of the determined rate base amount (inclusive of the 150 basis point deadband on ROE before earnings sharing is triggered), there is a resulting deficiency of 0.469% (Line 8) on total rate base.
8. As shown in Lines 9 through 11, the deficiency of 0.469% multiplied by the rate base of \$13,562.0 million, produces a net under earnings or deficiency of \$63.6 million,

¹ Enbridge Gas Distribution Inc. (EGD) and Union Gas Limited (Union).

which from a pre-tax perspective (\$63.6 million divided by the reciprocal, 73.5%, of the corporate tax rate which is 26.5%), results in a \$86.5 million gross amount of under earnings, and therefore nothing to be shared equally between ratepayers and the Company. Column 2 provides supporting evidence references.

Part B) (Confirming the Calculated Earnings Sharing)

9. Net utility income applicable to common equity is first determined.
10. The \$841.1 million (Line 14) of utility income before income tax, less utility taxes of \$39.2 million (Line 19), produces the \$801.9 million of utility income used in part A) above (at Line 4).
11. In order to determine utility net income applicable to a deemed common equity percentage within rate base, all long term debt, short term debt and preference share costs must also be reduced against the part A) \$801.9 million utility income.
12. These reductions are shown at Lines 15, 16 and 17 which along with the utility income tax reduction already mentioned and shown at Line 19, results in a net income applicable to common equity of \$425.6 million, shown at Line 20.
13. The \$425.6 million, divided by the deemed common equity level of \$4,882.3 million (Line 21, calculated as 36% of the \$13,562.0 million rate base) produces a return on equity of 8.717% (Line 23). When comparing the 8.717% achieved return on equity to the threshold ROE percentage of 10.020% (Line 22), which is the OEB approved formula return on equity for 2020 of 8.520% plus the 150 basis point deadband before sharing, there is a deficiency in ROE of 1.303% (Line 24).

14. The 1.303% multiplied by the common equity level of \$4,882.3 million (Line 21) produces a net under earnings or deficiency of \$63.6 million, which from a pre-tax perspective (\$63.6 million divided by the reciprocal, 73.5%, of the corporate tax rate), results in a \$86.5 million gross amount of under earnings, and therefore nothing to be shared equally between ratepayers and the Company. Column 2 provides supporting evidence references.

Process Description

15. The calculation of utility earnings and any earnings sharing requirement starts with financial results contained within the Enbridge Gas corporate trial balance. The Company notes that corporate trial balance includes the elimination of transactions between each of the rate zones. This predominantly relates to the elimination of regulated and unregulated storage and transmission revenues that would have been reflected in the Union rate zones, offset by a corresponding elimination of gas costs that would have been reflected for the EGD rate zone. This reflects the fact that from a corporate perspective, EGD rate zone delivery revenues are contributing to the costs of Union rate zones regulated and unregulated storage and transmission services.

16. From there, in order to calculate the utility rate base, income, and capital structure results, and supporting evidence exhibits, various adjustments, regroupings or eliminations are required. This is accomplished by following and applying regulatory rules as prescribed by the OEB and the standards associated with cost of service rate related accounting processes. Examples are:

- determination of rate base amounts using the average of monthly averages value concept,

- elimination of corporate interest expense due to the treatment of interest expense as embedded in the capital structure balanced to rate base; and,
- elimination of corporate income taxes due to the determination of income taxes specific to utility results.

17. In addition, Enbridge Gas has made the appropriate adjustments in relation to non-standard legacy EGD and Union rate regulated items which the OEB has either decided in the past or are required in order to determine an appropriate utility return on equity. Examples are:

- rate base disallowance from EBRO 473 and 479 Decisions (Mississauga Southern Link project amounts),
- exclusion of non-utility or unregulated activities; and,
- elimination of approved shareholder incentives (such as Demand Side Management incentives, amounts related to Transactional Services, short-term storage, and net optimization incentives, and amounts related to Open Bill program incentives).

SUMMARY
RETURN ON RATE BASE & EQUITY & EARNINGS SHARING DETERMINATION
ENBRIDGE GAS INC.

ONTARIO UTILITY
FOR THE YEAR ENDED DECEMBER 31, 2020

| Line No. | Col. 1 Description | Col. 2 Reference | Col. 3 Actual |
|----------|---|---------------------------------|----------------------|
| 1. | Part A) Return on Rate Base & Revenue (Deficiency) / Sufficiency | | |
| | | | (\$Millions) & (%'s) |
| 2. | Utility Income before Income Tax | (Ex. B, Tab 1, Sch. 2) | 841.1 |
| 3. | Less: Income Taxes | (Ex. B, Tab 1, Sch. 3) | 39.2 |
| 4. | Utility Income | | 801.9 |
| 5. | Utility Rate Base | (Ex. B, Tab 1, Sch. 4) | 13,562.0 |
| 6. | Indicated Return on Rate Base % | (line 4 / line 5) | 5.913% |
| 7. | Less: Required Rate of Return % | (Ex. B, Tab 1, Sch. 5) | 6.382% |
| 8. | (Deficiency) / Sufficiency % | | -0.469% |
| 9. | Net Earnings (Deficiency) / Sufficiency | (line 5 x line 8) | (63.6) |
| 10. | Provision for Income Taxes | | (22.9) |
| 11. | Gross Earnings (Deficiency) / Sufficiency | (line 9 / 73.5%) | (86.5) |
| 12. | 50% Earnings sharing to ratepayers | (if line 11 > 1, line 11 x 50%) | - |
| 13. | Part B) Return on Equity & Revenue (Deficiency) / Sufficiency | | |
| 14. | Utility Income before Income Tax | (Ex. B, Tab 1, Sch. 2) | 841.1 |
| 15. | Less: Long Term Debt Costs | (Ex. B, Tab 1, Sch. 5) | 375.3 |
| 16. | Less: Short Term Debt Costs | (Ex. B, Tab 1, Sch. 5) | 1.0 |
| 17. | Less: Cost of Preferred Capital | (Ex. B, Tab 1, Sch. 5) | 0.0 |
| 18. | Net Income before Income Taxes | | 464.8 |
| 19. | Less: Income Taxes | (Ex. B, Tab 1, Sch. 3) | 39.2 |
| 20. | Net Income Applicable to Common Equity | (line 18 - line 19) | 425.6 |
| 21. | Common Equity | (Ex. B, Tab 1, Sch. 5) | 4,882.3 |
| 22. | Approved ROE (including deadband before earning sharing) % | (Board-approved + 150bp) | 10.020% |
| 23. | Achieved Rate of Return on Equity % | (line 20 / line 21) | 8.717% |
| 24. | Resulting (Deficiency) / Sufficiency in Return on Equity % | | -1.303% |
| 25. | Net Earnings (Deficiency) / Sufficiency | (line 21 x line 24) | (63.6) |
| 26. | Provision for Income Taxes | | (22.9) |
| 27. | Gross Earnings (Deficiency) / Sufficiency | (line 25 / 73.5%) | (86.5) |
| 28. | 50% Earnings sharing to ratepayers | (if line 27 > 1, line 27 x 50%) | - |

EGI UTILITY INCOME
2020 ACTUAL

| Line No. | Reference | Col. 1 | Col. 2 | Col. 3 | Col. 4 |
|----------|---|------------------|-------------------------------|--------------------|--|
| | | Corporate (a) | Unregulated Storage (b) | Adjustments (c) | Utility Income (d) = (a)-(b)+(c) (\$Millions) |
| 1. | Gas sales and distributior (Ex. B, Tab 2, Sch. 2) | 4,152.4 | - | (33.6) (i) | 4,118.8 |
| 2. | Transportation (Ex. B, Tab 2, Sch. 3) | 142.4 | (0.4) | (0.4) (ii) | 142.3 |
| 3. | Storage (Ex. B, Tab 2, Sch. 3) | 145.7 | 139.8 | (0.4) (iii) | 5.6 |
| 4. | Other operating revenue (Ex. B, Tab 2, Sch. 4) | 63.6 | 0.7 | (15.2) (iv) | 47.7 |
| 5. | Other income (Ex. B, Tab 2, Sch. 4) | 24.2 | (0.9) | (20.5) (viii) | 4.5 |
| 6. | Total operating revenue | 4,528.3 | 139.2 | (70.1) | 4,318.9 |
| 7. | Gas costs | 1,816.0 | 18.7 | (15.9) (i) | 1,781.3 |
| 8. | Operation and maintenanc (Ex. B, Tab 3, Sch. 1) | 965.7 | 16.6 | (0.8) (v) | 948.4 |
| 9. | Depreciation and amortization expense | 655.5 | 14.7 | (22.6) (vi) | 618.2 |
| 10. | Fixed financing costs | 4.4 | - | 1.0 (vii) | 5.4 |
| 11. | Municipal and other taxes | 126.2 | 1.6 | - | 124.6 |
| 12. | Cost of service | 3,567.8 | 51.6 | (38.4) | 3,477.8 |
| 13. | Utility income before income taxes | | | | 841.1 |
| 14. | Income tax expense (Ex. B, Tab 1, Sch. 3) | | | | 39.2 |
| 15. | Utility income | | | | 801.9 |

Notes on Adjustments:

| | | |
|--------|--|---------------|
| (i) | Reclassification of Union rate zone optimization revenue as a cost of gas reduction | (15.9) |
| | Elimination of the UGL rate zone unregulated storage cost from EGD rate zone revenues | (17.7) |
| | | <u>(33.6)</u> |
| (ii) | Elimination of the Union rate zone shareholder portion of net optimization activity (before tax) | (0.4) |
| (iii) | Elimination of the Union rate zone shareholder portion of net short-term storage revenue (before tax) | (0.4) |
| (iv) | Adjust EGD rate zone OBA costs to reflect EB-2013-0099 approved unit costs agreed to be used for deter | (4.0) |
| | Elimination of EGD rate zone Open Bill shareholder incentive | 0.3 |
| | Elimination of EGD rate zone shareholder portion of transactional service revenues | (1.8) |
| | Elimination of demand-side management incentive | (8.7) |
| | Elimination of EGD rate zone net revenue from ABC T-service, considered to be non-utility | (1.0) |
| | | <u>(15.2)</u> |
| (v) | Elimination of donations | (0.6) |
| | Elimination of non-utility costs and expenses relating to support of the EGD rate zone ABC T-service progr | (0.2) |
| | | <u>(0.8)</u> |
| (vi) | Eliminate amortization of PPD (purchase price discrepancy) | (22.5) |
| | Eliminate depreciation on disallowed Mississauga Southern Link amounts (EBRO 473 & 479) | (0.1) |
| | | <u>(22.6)</u> |
| (vii) | Interest on security deposits held during the year and included in elimination of corporate interest exp. Expense incurred to reduce bad debt. The average amount of the security deposit held during the year is | 1.0 |
| (viii) | Elimination of interest income from investments not included in utility rate base | 0.1 |
| | Eliminate non-utility true-up (loss) on the sale of St. Lawrence Gas | 0.2 |
| | Elimination of interest income from affiliates | (14.5) |
| | Elimination of the revenue indemnification received from Enbridge Inc. related to a non-utility Corporate tax | (6.3) |
| | | <u>(20.5)</u> |

CALCULATION OF EGI UTILITY TAXABLE INCOME AND INCOME TAX EXPENSE
2020 ACTUAL

| Line No. | Col. 1 Federal (\$Millions) | Col. 2 Provincial (\$Millions) | Col. 3 Combined (\$Millions) |
|--|-----------------------------------|--------------------------------------|------------------------------------|
| 1. Utility income before income taxes | 841.1 | 841.1 | |
| Add | | | |
| 2. Depreciation and amortization | 618.2 | 618.2 | |
| 3. Accrual based pension and OPEB costs | 39.8 | 39.8 | |
| 4. Other non-deductible items | 0.5 | 0.5 | |
| 5. Total Add Back | <u>658.5</u> | <u>658.5</u> | |
| 6. Sub-total | 1,499.7 | 1,499.7 | |
| Deduct | | | |
| 7. Capital cost allowance | 776.8 | 776.8 | |
| 8. Items capitalized for regulatory purposes | 143.5 | 143.5 | |
| 9. Amortization of share/debenture issue expense | 0.3 | 0.3 | |
| 10. Amortization of C.D.E. and C.O.G.P.E | 0.0 | 0.0 | |
| 11. Other | (2.7) | (2.7) | |
| 12. Cash based pension and OPEB costs | <u>57.7</u> | <u>57.7</u> | |
| 13. Total Deduction | <u>975.5</u> | <u>975.5</u> | |
| 14. Taxable income | 524.2 | 524.2 | |
| 15. Income tax rates | 15.00% | 11.50% | |
| 16. Tax provision excluding interest shield | 78.6 | 60.3 | 138.9 |
| Tax shield on interest expense | | | |
| 17. Rate base | 13,562.0 | | |
| 18. Return component of debt | 2.77% | | |
| 19. Interest expense | 376.3 | | |
| 20. Combined tax rate | 26.500% | | |
| 21. Income tax credit | | | <u>(99.7)</u> |
| 22. Total utility income taxes | | | <u><u>39.2</u></u> |

EGI UTILITY RATE BASE
2020 ACTUAL

| Line No. | Col. 1 2020 Actual | Col. 2 2019 Actual |
|---|--------------------------|--------------------------|
| | (\$Millions) | (\$Millions) |
| <u>Property, Plant, and Equipment</u> | | |
| 1. Gross property, plant, and equipment | 20,582.1 | 19,765.5 |
| 2. Accumulated depreciation | <u>(7,571.2)</u> | <u>(7,188.7)</u> |
| 3. Net property, plant, and equipment | <u>13,010.8</u> | <u>12,576.8</u> |
| <u>Allowance for Working Capital</u> | | |
| 4. Materials and supplies | 82.2 | 74.9 |
| 5. ABC receivable | (22.3) | (30.2) |
| 6. Customer security deposits | (81.8) | (91.0) |
| 7. Prepaid expenses | 3.1 | 5.6 |
| 8. Balancing gas | 59.5 | 56.2 |
| 9. Gas in storage | 487.5 | 522.0 |
| 10. Working cash allowance | <u>23.0</u> | <u>24.9</u> |
| 11. Total Working Capital | <u>551.2</u> | <u>562.3</u> |
| 12. <u>Utility Rate Base</u> | <u><u>13,562.0</u></u> | <u><u>13,139.0</u></u> |

EGI UTILITY PROPERTY, PLANT, AND EQUIPMENT
SUMMARY STATEMENT - AVERAGE OF MONTHLY AVERAGES
2020 ACTUAL

| Line No. | Col. 1 Gross Property, Plant, and Equipment (\$Millions) | Col. 2 Accumulated Depreciation (\$Millions) | Col. 3 Net Property, Plant, and Equipment (\$Millions) |
|--|---|---|---|
| EGD Rate Zone | | | |
| 1. Underground storage plant | 442.2 | (142.9) | 299.3 |
| 2. Distribution plant | 9,209.1 | (2,933.5) | 6,275.5 |
| 3. General plant | 657.9 | (480.3) | 177.6 |
| 4. Plant held for future use | 1.7 | (1.4) | 0.3 |
| 5. EGD Rate Zone Total | <u>10,310.8</u> | <u>(3,558.1)</u> | <u>6,752.7</u> |
| Union Rate Zones | | | |
| 6. Intangible plant | 1.7 | (1.2) | 0.5 |
| 7. Local storage plant | 32.3 | (16.8) | 15.5 |
| 8. Underground storage plant | 819.3 | (316.9) | 502.4 |
| 9. Transmission plant | 3,636.8 | (1,104.4) | 2,532.4 |
| 10. Distribution plant - Southern operations | 3,325.5 | (1,441.1) | 1,884.5 |
| 11. Distribution plant - Northern and Eastern operations | 2,049.0 | (923.8) | 1,125.3 |
| 12. General plant | 406.5 | (209.0) | 197.5 |
| 13. Union Rate Zones Total | <u>10,271.2</u> | <u>(4,013.1)</u> | <u>6,258.1</u> |
| 14. EGI Total | <u>20,582.1</u> | <u>(7,571.2)</u> | <u>13,010.8</u> |

EGI UTILITY GROSS PLANT
YEAR END BALANCES AND AVERAGE OF MONTHLY AVERAGES
2020 ACTUAL

| Line No. | Col. 1 | Col. 2 | Col. 3 | Col. 4 | Col. 5 | Col. 6 | Col. 7 |
|--|--|--------------|--------------|--------------------------|-----------------------|--------------------------|-----------------------------|
| | Opening Balance Dec.2019 | Additions | Retirements | Closing Balance Dec.2020 | Regulatory Adjustment | Utility Balance Dec.2020 | Average of Monthly Averages |
| | (\$Millions) | (\$Millions) | (\$Millions) | (\$Millions) | (\$Millions) | (\$Millions) | (\$Millions) |
| EGD Rate Zone Underground Storage Plant | | | | | | | |
| 1. | Crowland storage (450/459) | 4.2 | (0.0) | - | 4.2 | - | 4.2 |
| 2. | Land and gas storage rights (450/451) | 46.3 | - | - | 46.3 | (1.0) | 45.3 |
| 3. | Structures and improvements (452) | 31.1 | 0.3 | (0.0) | 31.3 | (0.1) | 31.3 |
| 4. | Wells (453) | 59.1 | 10.0 | - | 69.1 | - | 69.1 |
| 5. | Well equipment (454) | 10.9 | 1.6 | - | 12.5 | - | 12.5 |
| 6. | Field Lines (455) | 106.1 | 9.2 | - | 115.3 | - | 115.3 |
| 7. | Compressor equipment (456) | 135.4 | 22.9 | - | 158.3 | (0.5) | 157.8 |
| 8. | Measuring and regulating equipment (457) | 11.2 | - | - | 11.1 | - | 11.1 |
| 9. | Base pressure gas (458) | 33.4 | (0.0) | (1.1) | 32.3 | - | 32.3 |
| 10. | Sub-Total | 437.6 | 43.9 | (1.1) | 480.5 | (1.5) | 478.9 |
| EGD Rate Zone Distribution Plant | | | | | | | |
| 11. | Renewable Natural Gas (461) | - | - | - | - | - | - |
| 12. | Land (470) | 43.8 | 10.0 | - | 53.7 | - | 53.7 |
| 13. | Offers to purchase (470) | - | - | - | 0.0 | - | 0.0 |
| 14. | Land rights intangibles (471) | 63.8 | - | - | 63.8 | - | 63.8 |
| 15. | Structures and improvements (472) | 146.0 | 5.0 | (0.0) | 151.0 | (0.3) | 150.7 |
| 16. | Services, house reg & meter install. (473/474) | 3,091.2 | 223.0 | (8.3) | 3,306.0 | - | 3,306.0 |
| 17. | Mains (475) | 4,692.0 | 144.5 | (109.1) | 4,727.4 | (2.2) | 4,725.2 |
| 18. | NGV station compressors (476) | 4.5 | 1.0 | - | 5.5 | - | 5.5 |
| 19. | Measuring and regulating equip. (477) | 629.8 | 58.1 | (3.2) | 684.7 | (0.5) | 684.2 |
| 20. | Meters (478) | 497.6 | 22.1 | - | 519.6 | - | 519.6 |
| 21. | Sub-Total | 9,168.6 | 463.7 | (120.6) | 9,511.7 | (3.1) | 9,508.6 |
| EGD Rate Zone General Plant | | | | | | | |
| 22. | Lease improvements (482) | 0.1 | - | - | 0.1 | (0.2) | (0.1) |
| 23. | Office furniture and equipment (483) | 20.9 | 0.0 | - | 21.0 | - | 21.0 |
| 24. | Transportation equipment (484) | 63.2 | (0.9) | (0.6) | 61.7 | (0.1) | 61.7 |
| 25. | NGV conversion kits (484) | 2.5 | 0.5 | - | 2.9 | - | 2.9 |
| 26. | Heavy work equipment (485) | 17.3 | 2.9 | - | 20.2 | - | 20.2 |
| 27. | Tools and work equipment (486) | 50.9 | 8.4 | (0.0) | 59.3 | - | 59.3 |
| 28. | Rental equipment (487) | 1.8 | 0.0 | - | 1.8 | - | 1.8 |
| 29. | NGV rental compressors (487) | 7.4 | 12.8 | - | 20.2 | - | 20.2 |
| 30. | NGV cylinders (484 and 487) | 0.6 | 0.3 | - | 1.0 | - | 1.0 |
| 31. | Communication structures & equip. (488) | 3.7 | (0.0) | - | 3.7 | - | 3.7 |
| 32. | Computer equipment (490) | 30.0 | 5.0 | (3.0) | 32.1 | - | 32.1 |
| 33. | Software Acquired/Developed (491) | 235.0 | 34.6 | (15.4) | 254.3 | - | 254.3 |
| 34. | CIS (491) | 127.1 | - | - | 127.1 | - | 127.1 |
| 35. | WAMS (489) | 92.2 | - | (0.1) | 92.1 | - | 92.1 |
| 36. | Sub-Total | 652.7 | 63.7 | (19.1) | 697.4 | (0.3) | 697.1 |

EGD Rate Zone Plant held for future use

| | | | | | | | | |
|-----|-------------------------|----------|-------|---------|----------|-------|----------|----------|
| 37. | Inactive services (102) | 1.7 | - | - | 1.7 | - | 1.7 | 1.7 |
| 38. | EGD Rate Zone Total | 10,260.6 | 571.3 | (140.7) | 10,691.2 | (4.8) | 10,686.3 | 10,310.8 |

Union Rate Zones Intangible Plant

| | | | | | | | | |
|-----|-------------------------------|-----|---|---|-----|---|-----|-----|
| 39. | Franchises and consents (401) | 1.2 | - | - | 1.2 | - | 1.2 | 1.2 |
| 40. | Other intangible plant (402) | 0.5 | - | - | 0.5 | - | 0.5 | 0.5 |
| 41. | Sub-Total | 1.7 | - | - | 1.7 | - | 1.7 | 1.7 |

Union Rate Zones Local Storage Plant

| | | | | | | | | |
|-----|-----------------------------------|------|-------|---|------|---|------|------|
| 42. | Land (440) | 0.0 | - | - | 0.0 | - | 0.0 | 0.0 |
| 43. | Structures and improvements (442) | 4.7 | 0.5 | - | 5.2 | - | 5.2 | 4.8 |
| 44. | Gas holders - storage (443) | 4.6 | - | - | 4.6 | - | 4.6 | 4.6 |
| 45. | Gas holders - equipment (443) | 20.0 | 0.2 | - | 20.2 | - | 20.2 | 20.0 |
| 46. | Regulatory Overheads | 3.1 | (1.3) | - | 1.8 | - | 1.8 | 2.9 |
| 47. | Sub-Total | 32.4 | (0.6) | - | 31.8 | - | 31.8 | 32.3 |

Union Rate Zones Underground Storage Plant

| | | | | | | | | |
|-----|--|-------|------|-------|-------|---|-------|-------|
| 48. | Land (450) | 5.6 | 1.7 | - | 7.2 | - | 7.2 | 5.6 |
| 49. | Land rights (451) | 32.0 | - | - | 32.0 | - | 32.0 | 32.0 |
| 50. | Structures and improvements (452) | 68.8 | 0.5 | - | 69.3 | - | 69.3 | 68.9 |
| 51. | Wells (453) | 47.3 | 0.8 | (0.1) | 48.0 | - | 48.0 | 47.4 |
| 52. | Field Lines (455) | 46.9 | 3.7 | - | 50.6 | - | 50.6 | 47.9 |
| 53. | Compressor equipment (456) | 470.0 | 2.2 | (2.1) | 470.1 | - | 470.1 | 470.4 |
| 54. | Measuring and regulating equipment (457) | 85.1 | 1.3 | - | 86.4 | - | 86.4 | 85.6 |
| 55. | Base pressure gas (458) | 36.6 | - | (0.4) | 36.2 | - | 36.2 | 36.5 |
| 56. | Regulatory Overheads | 17.6 | 17.1 | - | 34.7 | - | 34.7 | 25.0 |
| 57. | Sub-Total | 809.7 | 27.3 | (2.5) | 834.5 | - | 834.5 | 819.3 |

Union Rate Zones Transmission Plant

| | | | | | | | | |
|-----|---|---------|-------|-------|---------|---|---------|---------|
| 58. | Land (460) | 75.4 | 10.3 | (3.5) | 82.2 | - | 82.2 | 74.2 |
| 59. | Land rights (461) | 66.2 | 1.3 | - | 67.5 | - | 67.5 | 66.5 |
| 60. | Structures & improvements (462/463/464) | 165.9 | 0.3 | - | 166.3 | - | 166.3 | 165.9 |
| 61. | Mains (465) | 1,880.5 | 76.0 | (1.9) | 1,954.5 | - | 1,954.5 | 1,891.7 |
| 62. | Compressor equipment (466) | 940.9 | 1.7 | - | 942.6 | - | 942.6 | 941.0 |
| 63. | Measuring & regulating equipment (467) | 299.1 | 21.8 | (0.0) | 321.0 | - | 321.0 | 301.0 |
| 64. | Line Pack Gas | 7.5 | - | - | 7.5 | - | 7.5 | 7.5 |
| 65. | Regulatory Overheads | 176.8 | 23.3 | - | 200.1 | - | 200.1 | 189.0 |
| 66. | Sub-Total | 3,612.2 | 134.8 | (5.5) | 3,741.6 | - | 3,741.6 | 3,636.8 |

Union Rate Zones Distribution Plant - Southern Operations

| | | | | | | | | |
|-----|--|---------|-------|-------|---------|---|---------|---------|
| 67. | Land (470) | 11.8 | 0.8 | - | 12.6 | - | 12.6 | 12.1 |
| 68. | Land rights (471) | 8.2 | 0.7 | - | 8.9 | - | 8.9 | 8.6 |
| 69. | Structures and improvements (472) | 136.6 | 3.0 | - | 139.6 | - | 139.6 | 137.1 |
| 70. | Services - metallic (473) | 126.0 | 2.4 | 0.0 | 128.4 | - | 128.4 | 126.7 |
| 71. | Services - plastic (473) | 925.7 | 32.8 | (1.7) | 956.7 | - | 956.7 | 939.6 |
| 72. | Regulators (474) | 91.1 | 6.0 | - | 97.1 | - | 97.1 | 95.4 |
| 73. | House regulators & meter installations (474) | 73.5 | 3.5 | - | 76.9 | - | 76.9 | 74.1 |
| 74. | Mains - metallic (475) | 557.3 | 25.9 | (1.4) | 581.8 | - | 581.8 | 555.7 |
| 75. | Mains - plastic (475) | 674.1 | 32.9 | (0.5) | 706.4 | - | 706.4 | 684.0 |
| 76. | Measuring & regulating equipment (477) | 50.4 | 9.9 | - | 60.3 | - | 60.3 | 52.6 |
| 77. | Meters (478) | 355.0 | 22.5 | (4.2) | 373.3 | - | 373.3 | 360.9 |
| 78. | Regulatory Overheads | 264.6 | 34.1 | - | 298.7 | - | 298.7 | 278.9 |
| 79. | Sub-total | 3,274.2 | 174.3 | (7.9) | 3,440.7 | - | 3,440.7 | 3,325.5 |

Union Rate Zones Distribution Plant - Northern & Eastern Operations

| | | | | | | | | |
|-----|--|---------|-------|-------|---------|---|---------|---------|
| 80. | Land (470) | 4.6 | 0.3 | - | 5.0 | - | 5.0 | 4.8 |
| 81. | Land rights (471) | 10.5 | 0.1 | - | 10.6 | - | 10.6 | 10.5 |
| 82. | Structures and improvements (472) | 67.5 | 1.1 | - | 68.6 | - | 68.6 | 67.8 |
| 83. | Services - metallic (473) | 108.5 | 1.6 | (0.0) | 110.1 | - | 110.1 | 109.4 |
| 84. | Services - plastic (473) | 478.2 | 12.2 | (0.8) | 489.6 | - | 489.6 | 482.1 |
| 85. | Regulators (474) | 41.4 | (2.4) | - | 39.0 | - | 39.0 | 39.8 |
| 86. | House regulators & meter installations (474) | 40.9 | 0.6 | - | 41.5 | - | 41.5 | 41.2 |
| 87. | Mains - metallic (475) | 625.4 | 55.4 | (0.2) | 680.5 | - | 680.5 | 645.0 |
| 88. | Mains - plastic (475) | 238.3 | 0.5 | (0.1) | 238.7 | - | 238.7 | 239.0 |
| 89. | Measuring & regulating equipment (477) | 145.9 | 5.4 | - | 151.3 | - | 151.3 | 146.6 |
| 90. | Meters (478) | 88.8 | 9.5 | (1.4) | 96.8 | - | 96.8 | 92.5 |
| 91. | Regulatory Overheads | 168.7 | 4.4 | - | 173.1 | - | 173.1 | 170.3 |
| 92. | Sub-total | 2,018.7 | 88.7 | (2.7) | 2,104.7 | - | 2,104.7 | 2,049.0 |

Union Rate Zones General Plant

| | | | | | | | | |
|------|--------------------------------------|----------|---------|---------|----------|-------|----------|----------|
| 93. | Land (480) | 0.6 | - | - | 0.5 | - | 0.5 | 0.5 |
| 94. | Structures & improvements (482) | 73.0 | 1.1 | (0.3) | 73.8 | - | 73.8 | 73.3 |
| 95. | Office furniture and equipment (483) | 10.1 | - | - | 10.1 | - | 10.1 | 10.1 |
| 96. | Office equipment - computers (483) | 120.8 | 8.4 | - | 129.2 | - | 129.2 | 122.6 |
| 97. | Transportation equipment (484) | 63.7 | 6.5 | (5.5) | 64.6 | - | 64.6 | 64.4 |
| 98. | Heavy work equipment (485) | 19.3 | 1.1 | (1.2) | 19.2 | - | 19.2 | 21.0 |
| 99. | Tools and work equipment (486) | 37.2 | 2.0 | - | 39.2 | - | 39.2 | 37.7 |
| 100. | NGV fuel equipment (487) | 2.0 | 1.2 | - | 3.2 | - | 3.2 | 2.6 |
| 101. | Communication equipment (488) | 14.1 | 0.2 | - | 14.3 | - | 14.3 | 14.2 |
| 102. | Regulatory Overheads | 57.3 | 7.0 | - | 64.3 | - | 64.3 | 60.1 |
| 103. | Sub-total | 398.1 | 27.5 | (7.0) | 418.6 | - | 418.6 | 406.5 |
| 104. | Union Rate Zones Total | 10,147.0 | 452.1 | (25.5) | 10,573.6 | - | 10,573.6 | 10,271.2 |
| 105. | EGI Total | 20,407.6 | 1,023.4 | (166.2) | 21,264.7 | (4.8) | 21,259.9 | 20,582.1 |

EGI UTILITY PLANT
CONTINUITY OF ACCUMULATED DEPRECIATION
YEAR END BALANCES AND AVERAGE OF MONTHLY AVERAGES
2020 ACTUAL

| Line No. | Col. 1 | Col. 2 | Col. 3 | Col. 4 | Col. 5 | Col. 6 | Col. 7 | Col. 8 |
|---|--------------|--------------|-----------------------|--------------------------|-----------------------|--------------------------|-----------------------------|--------------|
| Opening Balance Dec.2019 | Additions | Retirements | Costs Net of Proceeds | Closing Balance Dec.2020 | Regulatory Adjustment | Utility Balance Dec.2020 | Average of Monthly Averages | |
| | (\$Millions) | (\$Millions) | (\$Millions) | (\$Millions) | (\$Millions) | (\$Millions) | (\$Millions) | (\$Millions) |
| EGD Rate Zone Underground Storage Plant | | | | | | | | |
| 1. Crowland storage (450/459) | (1.4) | (0.0) | - | - | (1.4) | - | (1.4) | (1.4) |
| 2. Land and gas storage rights (451) | (25.2) | (0.5) | - | - | (25.7) | - | (25.7) | (25.5) |
| 3. Structures and improvements (452) | (1.7) | (0.6) | 0.0 | - | (2.2) | 0.1 | (2.2) | (1.9) |
| 4. Wells (453) | (13.3) | (1.0) | - | - | (14.2) | - | (14.2) | (13.7) |
| 5. Well equipment (454) | (7.0) | (0.6) | - | - | (7.6) | - | (7.6) | (7.3) |
| 6. Field Lines (455) | (31.3) | (1.6) | - | - | (32.9) | - | (32.9) | (32.1) |
| 7. Compressor equipment (456) | (52.4) | (4.3) | - | 4.4 | (52.3) | 0.3 | (52.0) | (53.4) |
| 8. Measuring and regulating equipment (457) | (7.5) | (0.3) | - | - | (7.9) | - | (7.9) | (7.7) |
| 9. Sub-Total | (139.7) | (8.9) | 0.0 | 4.4 | (144.2) | 0.3 | (143.9) | (142.9) |
| EGD Rate Zone Distribution Plant | | | | | | | | |
| 10. Renewable Natural Gas (461) | - | - | - | - | - | - | - | - |
| 11. Land rights intangibles (471) | (5.0) | (0.8) | - | - | (5.7) | - | (5.7) | (5.4) |
| 12. Structures and improvements (472) | (34.0) | (9.0) | 0.0 | - | (42.9) | 0.3 | (42.6) | (38.4) |
| 13. Services, house reg & meter install. (473/47) | (1,065.6) | (73.4) | 8.3 | 26.5 | (1,104.3) | - | (1,104.3) | (1,085.5) |
| 14. Mains (475) | (1,314.1) | (100.8) | 109.1 | 9.9 | (1,295.9) | 2.1 | (1,293.8) | (1,271.9) |
| 15. NGV station compressors (476) | (3.0) | (0.3) | - | - | (3.3) | - | (3.3) | (3.1) |
| 16. Measuring and regulating equip. (477) | (243.1) | (13.0) | 3.2 | 0.5 | (252.4) | 0.5 | (251.9) | (247.5) |
| 17. Meters (478) | (262.1) | (41.3) | - | 0.1 | (303.2) | - | (303.2) | (281.8) |
| 18. Sub-Total | (2,926.8) | (238.5) | 120.6 | 37.0 | (3,007.7) | 2.9 | (3,004.8) | (2,933.5) |
| EGD Rate Zone General Plant | | | | | | | | |
| 19. Lease improvements (482) | (0.1) | (0.0) | - | - | (0.1) | 0.2 | 0.1 | 0.1 |
| 20. Office furniture and equipment (483) | (10.4) | (2.2) | - | - | (12.6) | - | (12.6) | (11.5) |
| 21. Transportation equipment (484) | (26.3) | (6.5) | 0.6 | (0.0) | (32.2) | 0.1 | (32.2) | (29.0) |
| 22. NGV conversion kits (484) | 0.7 | (0.3) | - | - | 0.4 | - | 0.4 | 0.6 |
| 23. Heavy work equipment (485) | (5.3) | (0.7) | - | - | (6.0) | - | (6.0) | (5.7) |
| 24. Tools and work equipment (486) | (19.9) | (2.4) | 0.0 | (0.0) | (22.3) | - | (22.3) | (21.1) |
| 25. Rental equipment (487) | (1.1) | (0.0) | - | - | (1.1) | - | (1.1) | (1.1) |
| 26. NGV rental compressors (487) | (1.3) | (1.4) | - | - | (2.7) | - | (2.7) | (1.9) |
| 27. NGV cylinders (484 and 487) | (0.6) | 0.0 | - | - | (0.5) | - | (0.5) | (0.6) |
| 28. Communication structures & equip. (488) | (1.1) | (0.4) | - | - | (1.4) | - | (1.4) | (1.2) |
| 29. Computer equipment (490) | (28.9) | (5.8) | 3.1 | - | (31.6) | - | (31.6) | (31.8) |
| 30. Software Acquired/Developed (491) | (212.1) | (33.2) | 15.4 | - | (229.9) | - | (229.9) | (216.3) |
| 31. CIS (491) | (127.1) | - | - | - | (127.1) | - | (127.1) | (127.1) |
| 32. WAMS (489) | (29.1) | (9.2) | - | - | (38.4) | - | (38.4) | (33.8) |
| 33. Sub-Total | (462.5) | (62.0) | 19.1 | (0.0) | (505.5) | 0.3 | (505.2) | (480.3) |
| EGD Rate Zone Plant held for future use | | | | | | | | |
| 34. Inactive services (102) | (1.4) | (0.0) | - | - | (1.4) | - | (1.4) | (1.4) |
| 35. EGD Rate Zone Total | (3,530.4) | (309.5) | 139.7 | 41.3 | (3,658.8) | 3.5 | (3,655.3) | (3,558.1) |
| Union Rate Zones Intangible Plant | | | | | | | | |
| 36. Franchises and consents (401) | (0.9) | (0.1) | - | - | (0.9) | - | (0.9) | (0.9) |
| 37. Other intangible plant (402) | (0.3) | (0.0) | - | - | (0.3) | - | (0.3) | (0.3) |
| 38. Sub-Total | (1.2) | (0.1) | - | - | (1.2) | - | (1.2) | (1.2) |

| Union Rate Zones Local Storage Plant | | | | | | | | | |
|--|--|-----------|---------|-------|-------|-----------|-----|-----------|-----------|
| 39. | Structures and improvements (442) | (2.6) | (0.1) | - | - | (2.7) | - | (2.7) | (2.6) |
| 40. | Gas holders - storage (443) | (3.7) | (0.1) | - | - | (3.8) | - | (3.8) | (3.7) |
| 41. | Gas holders - equipment (443) | (9.6) | (0.7) | - | - | (10.3) | - | (10.3) | (9.9) |
| 42. | Regulatory Overheads | (0.4) | (0.1) | - | - | (0.5) | - | (0.5) | (0.5) |
| 43. | Sub-Total | (16.3) | (1.1) | - | - | (17.3) | - | (17.3) | (16.8) |
| Union Rate Zones Underground Storage Plant | | | | | | | | | |
| 44. | Land rights (451) | (17.4) | (0.7) | - | - | (18.1) | - | (18.1) | (17.8) |
| 45. | Structures and improvements (452) | (40.4) | (1.7) | - | - | (42.1) | - | (42.1) | (41.3) |
| 46. | Wells (453) | (31.9) | (1.2) | 0.1 | 0.0 | (33.0) | - | (33.0) | (32.4) |
| 47. | Field Lines (455) | (27.3) | (1.2) | - | - | (28.4) | - | (28.4) | (27.8) |
| 48. | Compressor equipment (456) | (145.0) | (12.6) | 2.1 | - | (155.6) | - | (155.6) | (151.3) |
| 49. | Measuring & regulating equipment (457) | (41.6) | (2.7) | - | - | (44.3) | - | (44.3) | (43.0) |
| 50. | Regulatory Overheads | (3.1) | (0.7) | - | - | (3.7) | - | (3.7) | (3.4) |
| 51. | Sub-Total | (306.7) | (20.7) | 2.1 | 0.0 | (325.3) | - | (325.3) | (316.9) |
| Union Rate Zones Transmission Plant | | | | | | | | | |
| 52. | Land rights (461) | (16.9) | (1.2) | - | - | (18.1) | - | (18.1) | (17.5) |
| 53. | Structures & improvements (462/463/464) | (40.1) | (3.4) | - | - | (43.5) | - | (43.5) | (41.8) |
| 54. | Mains (465) | (627.4) | (37.4) | 1.9 | - | (662.8) | - | (662.8) | (645.9) |
| 55. | Compressor equipment (466) | (263.5) | (30.4) | - | - | (293.9) | - | (293.9) | (278.7) |
| 56. | Measuring & regulating equipment (467) | (96.3) | (7.8) | 0.0 | - | (104.0) | - | (104.0) | (100.1) |
| 57. | Regulatory Overheads | (18.1) | (4.7) | - | - | (22.8) | - | (22.8) | (20.4) |
| 58. | Sub-Total | (1,062.2) | (84.8) | 1.9 | - | (1,145.1) | - | (1,145.1) | (1,104.4) |
| Union Rate Zones Distribution Plant - Southern Operations | | | | | | | | | |
| 59. | Land rights (471) | (2.1) | (0.1) | - | - | (2.3) | - | (2.3) | (2.2) |
| 60. | Structures and improvements (472) | (41.3) | (3.0) | - | - | (44.3) | - | (44.3) | (42.8) |
| 61. | Services - metallic (473) | (105.9) | (3.6) | (0.0) | 2.2 | (107.3) | - | (107.3) | (106.8) |
| 62. | Services - plastic (473) | (407.9) | (23.6) | 1.7 | 1.2 | (428.6) | - | (428.6) | (421.2) |
| 63. | Regulators (474) | (37.0) | (4.8) | - | - | (41.7) | - | (41.7) | (39.3) |
| 64. | House regulators & meter installations (474) | (28.1) | (2.1) | - | 0.0 | (30.1) | - | (30.1) | (29.1) |
| 65. | Mains - metallic (475) | (353.4) | (15.6) | 1.4 | 4.0 | (363.6) | - | (363.6) | (358.4) |
| 66. | Mains - plastic (475) | (270.7) | (15.8) | 0.6 | 0.6 | (285.4) | - | (285.4) | (278.2) |
| 67. | Measuring & regulating equipment (477) | (20.1) | (1.9) | - | 0.5 | (21.5) | - | (21.5) | (20.8) |
| 68. | Meters (478) | (97.1) | (13.8) | 4.2 | (0.1) | (106.8) | - | (106.8) | (102.1) |
| 69. | Regulatory Overheads | (36.4) | (7.9) | - | - | (44.3) | - | (44.3) | (40.3) |
| 70. | Sub-Total | (1,399.9) | (92.1) | 7.8 | 8.3 | (1,475.9) | - | (1,475.9) | (1,441.1) |
| Union Rate Zones Distribution Plant - Northern & Eastern Operations | | | | | | | | | |
| 71. | Land rights intangibles (471) | (4.2) | (0.2) | - | - | (4.3) | - | (4.3) | (4.2) |
| 72. | Structures and improvements (472) | (25.0) | (1.6) | - | - | (26.7) | - | (26.7) | (25.9) |
| 73. | Services - metallic (473) | (75.7) | (3.5) | 0.0 | 0.5 | (78.6) | - | (78.6) | (77.4) |
| 74. | Services - plastic (473) | (207.6) | (12.5) | 0.8 | 0.3 | (219.0) | - | (219.0) | (213.8) |
| 75. | Regulators (474) | (13.6) | (2.0) | - | (0.0) | (15.6) | - | (15.6) | (14.6) |
| 76. | House regulators & meter installations (474) | (15.3) | (1.2) | - | - | (16.5) | - | (16.5) | (15.9) |
| 77. | Mains - metallic (475) | (329.9) | (19.3) | 0.3 | 0.4 | (348.4) | - | (348.4) | (339.2) |
| 78. | Mains - plastic (475) | (108.6) | (5.7) | 0.1 | 0.0 | (114.2) | - | (114.2) | (111.5) |
| 79. | Measuring & regulating equipment (477) | (71.8) | (5.5) | - | - | (77.3) | - | (77.3) | (74.5) |
| 80. | Meters (478) | (23.2) | (3.7) | 1.4 | (0.0) | (25.5) | - | (25.5) | (24.3) |
| 81. | Regulatory Overheads | (20.0) | (4.8) | - | - | (24.8) | - | (24.8) | (22.4) |
| 82. | Sub-Total | (894.9) | (60.0) | 2.7 | 1.2 | (950.9) | - | (950.9) | (923.8) |
| Union Rate Zones General Plant | | | | | | | | | |
| 83. | Structures & improvements (482) | (14.7) | (1.5) | 0.3 | 0.2 | (15.7) | - | (15.7) | (15.2) |
| 84. | Office furniture and equipment (483) | (5.7) | (0.7) | - | - | (6.4) | - | (6.4) | (6.0) |
| 85. | Office equipment - computers (483) | (62.2) | (28.4) | - | - | (90.5) | - | (90.5) | (76.2) |
| 86. | Transportation equipment (484) | (44.2) | (8.5) | 5.5 | (0.9) | (48.1) | - | (48.1) | (48.1) |
| 87. | Heavy work equipment (485) | (5.0) | (1.5) | 1.2 | - | (5.3) | - | (5.3) | (5.6) |
| 88. | Tools and work equipment (486) | (18.4) | (2.5) | - | 0.0 | (20.8) | - | (20.8) | (19.6) |
| 89. | NGV fuel equipment (487) | (1.3) | (0.1) | - | - | (1.4) | - | (1.4) | (1.4) |
| 90. | Communication equipment (488) | (8.4) | (0.9) | - | - | (9.4) | - | (9.4) | (8.9) |
| 91. | Regulatory Overheads | (25.1) | (5.9) | - | - | (31.0) | - | (31.0) | (28.0) |
| 92. | Sub-Total | (184.9) | (50.1) | 7.0 | (0.7) | (228.7) | - | (228.7) | (209.0) |
| 93. | Union Rate Zones Total | (3,866.1) | (308.8) | 21.7 | 8.9 | (4,144.3) | - | (4,144.3) | (4,013.1) |
| 94. | EGI Total | (7,396.5) | (618.3) | 161.3 | 50.2 | (7,803.2) | 3.5 | (7,799.7) | (7,571.2) |

EGI WORKING CAPITAL COMPONENTS
MONTH END BALANCES AND AVERAGE OF MONTHLY AVERAGES
2020 ACTUAL

| | Col. 1 | Col. 2 | Col. 3 | Col. 4 | Col. 5 | Col. 6 | Col. 7 | Col. 8 |
|---------------------------|------------------------|----------------|----------------------------|------------------|---------------|----------------|------------------------|--------------|
| Line No. | Materials and Supplies | ABC Receivable | Customer Security Deposits | Prepaid Expenses | Balancing Gas | Gas in Storage | Working Cash Allowance | Total |
| | (\$Millions) | (\$Millions) | (\$Millions) | (\$Millions) | (\$Millions) | (\$Millions) | (\$Millions) | (\$Millions) |
| 1. January 1 | 75.1 | (18.2) | (88.6) | (0.6) | 59.5 | 629.0 | 23.0 | 679.2 |
| 2. January 31 | 76.7 | (26.1) | (87.5) | (6.9) | 59.5 | 534.2 | 23.0 | 572.9 |
| 3. February | 76.8 | (33.3) | (86.1) | (1.5) | 59.5 | 411.2 | 23.0 | 449.6 |
| 4. March | 77.2 | (36.9) | (85.5) | 2.6 | 59.5 | 303.0 | 23.0 | 342.8 |
| 5. April | 78.9 | (38.7) | (84.9) | 6.3 | 59.5 | 236.7 | 23.0 | 280.7 |
| 6. May | 80.9 | (40.0) | (81.1) | 6.6 | 59.5 | 254.7 | 23.0 | 303.5 |
| 7. June | 82.3 | (35.1) | (79.9) | 2.7 | 59.5 | 355.6 | 23.0 | 408.2 |
| 8. July | 84.0 | (16.3) | (79.1) | (0.4) | 59.5 | 459.2 | 23.0 | 529.9 |
| 9. August | 85.2 | (8.7) | (78.9) | 1.9 | 59.5 | 541.0 | 23.0 | 622.9 |
| 10. September | 86.3 | (14.3) | (78.5) | 8.9 | 59.5 | 623.8 | 23.0 | 708.7 |
| 11. October | 88.2 | (0.1) | (78.4) | 9.7 | 59.5 | 752.7 | 23.0 | 854.6 |
| 12. November | 89.0 | (1.2) | (78.0) | 7.3 | 59.5 | 735.1 | 23.0 | 834.7 |
| 13. December | 87.5 | (14.7) | (78.3) | (0.4) | 59.5 | 657.3 | 23.0 | 734.0 |
| 14. Avg. of monthly avgs. | 82.2 | (22.3) | (81.8) | 3.1 | 59.5 | 487.5 | 23.0 | 551.2 |

EGI SUMMARY OF CAPITAL STRUCTURE & COST OF CAPITAL
2020 ACTUAL

| Line No. | Col. 1 | | Col. 2 | Col. 3 | Col. 4 | Col. 5 (Col. 1x Col. 3) |
|------------------------------|----------------------------------|----------------------|--------|------------------|---------------------|------------------------------|
| | <u>Utility Capital Structure</u> | | | | <u>Return</u> | <u>Interest & Return</u> |
| | <u>Principal</u> | <u>Component</u> | | <u>Cost Rate</u> | <u>Component</u> | |
| | (\$Millions) | % | | % | % | (\$Millions) |
| 1. Long and Medium-Term Debt | 8,568.5 | 63.18 | | 4.38 | 2.767 | 375.3 |
| 2. Short-Term Debt | <u>111.1</u> | <u>0.82</u> | | 0.94 | <u>0.008</u> | 1.0 |
| 3. Total Debt | 8,679.7 | 64.00 | | | 2.775 | |
| 4. Preference Shares | - | - | | - | - | - |
| 5. Common Equity | <u>4,882.3</u> | <u>36.00</u> | | 10.02 | <u>3.607</u> | <u>489.2</u> |
| 6. Total Rate Base | <u><u>13,562.0</u></u> | <u><u>100.00</u></u> | | | <u><u>6.382</u></u> | <u><u>865.6</u></u> |

CALCULATION OF COST RATES
 FOR EGI CAPITAL STRUCTURE COMPONENTS
2020 ACTUAL

| Line No. | Col. 1 | Col. 2 | Col. 3 |
|--|-----------------------------------|----------------------|---------------------|
| | Average of Monthly Averages | | Carrying Cost |
| | (\$Millions) | | (\$Millions) |
| <u>Long and Medium-Term Debt</u> | | | |
| 1. Debt Summary | 8,884.6 | | 385.3 |
| 2. Unamortized Finance Costs | (78.0) | | - |
| 3. (Profit)/Loss on Redemption | - | | - |
| 4. | <u>8,806.6</u> | | <u>385.3</u> |
| 5. Percentage Allocation of Debt to Unregu 2.70% | (238.1) | | (10.4) |
| 6. Net Regulated Long and Medium-Term Debt | <u><u>8,568.5</u></u> | | <u><u>374.9</u></u> |
| 5. Calculated Cost Rate | | <u><u>4.38%</u></u> | |
| <u>Short-Term Debt</u> | | | |
| 6. Calculated Cost Rate | | <u><u>0.94%</u></u> | |
| <u>Preference Shares</u> | | | |
| 7. Preference Share Summary | - | | - |
| 8. Unamortized Finance Costs | - | | - |
| 9. (Profit)/Loss on Redemption | - | | - |
| 10. | <u><u>-</u></u> | | <u><u>-</u></u> |
| 11. Calculated Cost Rate | | <u><u>0.00%</u></u> | |
| <u>Common Equity</u> | | | |
| 12. Board Formula ROE | | 8.52% | |
| 13. Threshold before earnings sharing | | <u>1.50%</u> | |
| 14. ROE for earnings sharing determination | | <u><u>10.02%</u></u> | |

EGI SUMMARY STATEMENT OF PRINCIPAL
AND CARRYING COST OF
TERM DEBT
2020 ACTUAL

| Line No. | Coupon Rate | Maturity Date | Col. 1 Average of Monthly Average: Principal (\$Millions) | Col. 2 Effective Cost Rate | Col. 3 Carrying Cost (\$Millions) |
|-----------------------------|------------------------|--------------------|---|----------------------------------|--|
| Medium Term Notes | | | | | |
| 1. | 8.85% | October 2, 2025 | 20.0 | 8.97% | 1.8 |
| 2. | 7.60% | October 29, 2026 | 100.0 | 8.09% | 8.1 |
| 3. | 6.65% | November 3, 2027 | 100.0 | 6.71% | 6.7 |
| 4. | 6.10% | May 19, 2028 | 100.0 | 6.16% | 6.2 |
| 5. | 6.05% | July 5, 2023 | 100.0 | 6.38% | 6.4 |
| 6. | 6.90% | November 15, 2032 | 150.0 | 6.95% | 10.4 |
| 7. | 6.16% | December 16, 2033 | 150.0 | 6.18% | 9.3 |
| 8. | 5.21% | February 25, 2036 | 300.0 | 5.18% | 15.5 |
| 9. | 4.77% | December 17, 2021 | 175.0 | 5.31% | 9.3 |
| 10. | 4.04% | November 23, 2020 | 175.0 | 5.21% | 9.1 |
| 11. | 4.95% | November 22, 2050 | 200.0 | 4.99% | 10.0 |
| 12. | 4.95% | November 22, 2050 | 100.0 | 4.73% | 4.7 |
| 13. | 4.04% | November 23, 2020 | 175.0 | 2.80% | 4.9 |
| 14. | 4.50% | November 23, 2043 | 200.0 | 4.20% | 8.4 |
| 15. | 3.15% | August 22, 2024 | 215.0 | 3.24% | 7.0 |
| 16. | 4.00% | August 22, 2044 | 215.0 | 3.89% | 8.4 |
| 17. | 4.00% | August 22, 2044 | 170.0 | 4.44% | 7.5 |
| 18. | 3.31% | September 11, 2025 | 400.0 | 3.62% | 14.5 |
| 19. | 2.50% | August 5, 2026 | 300.0 | 3.42% | 10.3 |
| 20. | 3.51% | November 29, 2047 | 300.0 | 3.53% | 10.6 |
| 21. | 3.32% | September 6, 2028 | - | 3.37% | - |
| 22. | 2.37% | August 9, 2029 | 400.0 | 3.23% | 12.9 |
| 23. | 3.01% | August 9, 2049 | 300.0 | 3.03% | 9.1 |
| 24. | 2.90% | April 1, 2030 | 425.0 | 3.41% | 14.5 |
| 25. | 3.65% | April 1, 2050 | 425.0 | 3.67% | 15.6 |
| 26. | 8.65% | November 10, 2025 | 125.0 | 8.77% | 11.0 |
| 27. | 5.46% | September 11, 2036 | 165.0 | 5.49% | 9.1 |
| 28. | 4.85% | April 25, 2022 | 125.0 | 4.91% | 6.1 |
| 29. | 6.05% | September 2, 2038 | 300.0 | 6.10% | 18.3 |
| 30. | 5.20% | July 23, 2040 | 250.0 | 5.27% | 13.2 |
| 31. | 4.88% | June 21, 2041 | 300.0 | 4.92% | 14.8 |
| 32. | 3.79% | July 10, 2023 | 250.0 | 3.87% | 9.7 |
| 33. | 2.76% | June 2, 2021 | 200.0 | 2.85% | 5.7 |
| 34. | 4.20% | June 2, 2044 | 250.0 | 4.24% | 10.6 |
| 35. | 4.20% | June 2, 2044 | 250.0 | 4.27% | 10.7 |
| 36. | 3.19% | September 17, 2025 | 200.0 | 3.26% | 6.5 |
| 37. | 2.81% | June 1, 2026 | 250.0 | 2.87% | 7.2 |
| 38. | 3.80% | June 1, 2046 | 250.0 | 3.84% | 9.6 |
| 39. | 3.59% | November 22, 2047 | 250.0 | 3.64% | 9.1 |
| 40. | 2.88% | November 22, 2027 | 250.0 | 2.95% | 7.4 |
| 41. | 3.65% | October 1, 2028 | 189.6 | 3.65% | 6.9 |
| 42. | | | <u>8,799.6</u> | | <u>376.9</u> |
| Long-Term Debentures | | | | | |
| 41. | 9.85% | December 2, 2024 | 85.0 | 9.910% | 8.4 |
| 42. | | | <u>85.0</u> | | <u>8.4</u> |
| 43. | Total Term Debt | | <u><u>8,884.6</u></u> | | <u><u>385.3</u></u> |

EGI UNAMORTIZED DEBT DISCOUNT AND EXPENSE
AVERAGE OF MONTHLY AVERAGES
2020 ACTUAL

| | Col. 1 |
|---------------------------------|---|
| Line No. | Unamortized Debt Discount and Expense |
| | (\$Millions) |
| 1. January 1 | 76.8 |
| 2. January 31 | 76.1 |
| 3. February | 75.3 |
| 4. March | 74.6 |
| 5. April | 82.0 |
| 6. May | 81.2 |
| 7. June | 80.4 |
| 8. July | 79.6 |
| 9. August | 78.9 |
| 10. September | 78.1 |
| 11. October | 77.3 |
| 12. November | 76.5 |
| 13. December | 75.7 |
| 14. Average of Monthly Averages | <u>78.0</u> |

RECONCILIATION OF AUDITED EGI INCOME (PER FINANCIAL STATEMENTS)
TO CORPORATE INCOME FOR UTILITY INCOME DETERMINATION PURPOSES
2020 ACTUAL

| Line no. (\$ millions) | Col. 1 | Col. 2 | Col. 3 | Col. 4 |
|---|--|--|---------------|-----------|
| | Audited Income (as per Financial Statements) | Corporate Income as per Utility Income Schedule | Variance | Reference |
| Operating Revenues | | | | |
| 1. Gas sales (commodity) and distribution | 3,630.7 | 4,152.4 | | |
| 2. Storage, transportation and other | 884.0 | - | | |
| 3. Transportation | - | 142.4 | | |
| 4. Storage | - | 145.7 | | |
| 5. Other operating revenue | - | 63.6 | | |
| 6. Other income | 56.3 | 24.2 | | |
| 7. Total operating revenue | <u>4,571.0</u> | <u>4,528.3</u> | <u>(42.7)</u> | (a) |
| Operating Expenses | | | | |
| 8. Gas (commodity and distribution) costs | 1,811.7 | 1,816.0 | 4.3 | (b) |
| 9. Operation and maintenance (administrative) | 1,136.9 | 965.7 | (171.2) | (c) |
| 10. Depreciation and amortization expense | 655.5 | 655.5 | (0.0) | |
| 11. Fixed financing costs | - | 4.4 | 4.4 | (d) |
| 12. Municipal and other taxes | - | 126.2 | 126.2 | (e) |
| 13. Total operating expenses | <u>3,604.1</u> | <u>3,567.8</u> | <u>(36.3)</u> | |
| 14. Income before income taxes | 966.9 | 960.4 | (6.5) | |
| 15. Interest and financing expenses | 411.9 | - | (411.9) | (f) |
| 16. Income before income taxes | 555.0 | 960.4 | 405.4 | |
| 17. Income taxes | 57.7 | - | (57.7) | (g) |
| 18. Net Income | <u>497.3</u> | <u>960.4</u> | <u>463.1</u> | |
| <small>Col. 2 - Corporate income as reported in Exhibit B, Tab 1, Schedule 2, Column 1</small> | | | | |
| a) Audited Total Operating Revenue | | | | |
| | 4,571.0 | | | |
| Reclassify pension related other revenue to O&M | (32.3) | | | |
| Reclassify EGD rate zone Open Bill and ABC T-service O&M against program revenues in other revenue | (12.9) | | | |
| Eliminate 2019 adjustment for GSPCCDA (recorded in 2020 corporate earnings) | 3.9 | | | |
| Reclassify other expenses out of other income to O&M | 0.2 | | | |
| Eliminate correction of 2019 LBA fees (recorded in 2020 corporate earnings) | (1.6) | | | |
| Corporate Total Operating Revenue | <u>4,528.3</u> | | | |
| b) Audited Gas Costs | | | | |
| | 1,811.7 | | | |
| Eliminate 2019 adjustment for GSPCCDA (recorded in 2020 corporate earnings) | 6.1 | | | |
| Eliminate correction of 2019 LBA fees (recorded in 2020 corporate earnings) | (1.8) | | | |
| Corporate Gas Costs | <u>1,816.0</u> | | | |
| c) Audited Operation and Maintenance | | | | |
| | 1,136.9 | | | |
| Reclassify pension related other revenue to O&M | (32.3) | | | |
| Reclassify Municipal & Property Taxes out of O&M | (126.2) | | | |
| Reclassify EGD rate zone Open Bill and ABC T-service O&M against program revenues in other revenue | (12.9) | | | |
| Reclassify other expenses out of other income to O&M | 0.2 | | | |
| Corporate Operation and Maintenance | <u>965.7</u> | | | |
| d) Audited Fixed Financing Costs | | | | |
| | - | | | |
| Reclassify fixed financing costs from interest and financing expenses | 4.4 | | | |
| Corporate Fixed Financing Costs | <u>4.4</u> | | | |
| e) Audited Municipal and Other Taxes | | | | |
| | - | | | |
| Reclassify Municipal and other taxes included within O&M costs | 126.2 | | | |
| Corporate Municipal and Other Taxes | <u>126.2</u> | | | |
| f) Audited Interest and Financing expenses | | | | |
| | 411.9 | | | |
| Reclassify fixed financing costs from interest and financing expenses | (4.4) | | | |
| Elimination of interest expense and the amortization of debt issue and discount costs which are determined through the regulated capital structure | (407.5) | | | |
| Corporate Interest and Financing expenses | <u>(0.0)</u> | | | |
| g) Audited Income Taxes | | | | |
| | 57.7 | | | |
| Elimination of corporate income taxes which will be calculated on a utility stand-alone basis | (57.7) | | | |
| Corporate Income Taxes | <u>-</u> | | | |

DELIVERY REVENUE BY SERVICE TYPE, RATE CLASS AND SERVICE CLASS
ENBRIDGE GAS INC.

FOR THE YEAR ENDED DECEMBER 31, 2020

| Line No. | Sales | Col. 1 | Col. 2 | Col. 3 | Col. 4 | Col. 5 | Col. 6 |
|----------|---|------------------------|---------------|--------------|-------------|--------------|----------------|
| | | Revenues (\$ Millions) | | | | | |
| | | ABC-T | ABC-Unbundled | Bundled-T | T-Service | Total | |
| 1 | <u>General Service</u> | | | | | | |
| 2 | Rate 1 | 912.6 | 19.9 | 0.0 | 0.0 | 0.1 | 932.6 |
| 3 | Rate 6 | 284.9 | 81.3 | 0.0 | 0.0 | 28.4 | 394.6 |
| 4 | Rate 9 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| 5 | Total EGD Rate Zone | 1,197.5 | 101.2 | 0.0 | 0.0 | 28.5 | 1,327.3 |
| 6 | Rate M1 | 448.2 | 18.7 | (0.0) | 1.3 | 0.0 | 468.1 |
| 7 | Rate M2 | 33.5 | 21.2 | 0.0 | 14.3 | 0.0 | 69.0 |
| 8 | Rate 01 | 171.7 | 8.5 | 0.0 | 1.0 | 0.0 | 181.2 |
| 9 | Rate 10 | 10.7 | 6.1 | 0.0 | 5.2 | 0.3 | 22.4 |
| 10 | Total Union Rate Zones | 664.1 | 54.5 | (0.0) | 21.8 | 0.3 | 740.7 |
| 11 | Total General Service Sales & T-Service | 1,861.6 | 155.7 | (0.0) | 21.8 | 28.8 | 2,068.0 |
| 12 | <u>Wholesale - Utility</u> | | | | | | |
| 13 | Rate M9 | 0.6 | 0.0 | 0.0 | 0.9 | 0.0 | 1.6 |
| 14 | Rate M10 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| 15 | Total Wholesale - Utility | 0.7 | 0.0 | 0.0 | 0.9 | 0.0 | 1.6 |
| 16 | <u>Contract Sales</u> | | | | | | |
| 17 | Rate 100 | 0.6 | 0.2 | 0.0 | 0.0 | 0.7 | 1.5 |
| 18 | Rate 110 | 2.6 | 2.8 | 0.0 | 0.0 | 21.1 | 26.5 |
| 19 | Rate 115 | 0.3 | 0.0 | 0.0 | 0.0 | 5.1 | 5.4 |
| 20 | Rate 125 | 0.0 | 0.0 | 11.5 | 0.0 | 0.0 | 11.5 |
| 21 | Rate 135 | 0.1 | 0.1 | 0.0 | 0.0 | 1.1 | 1.3 |
| 22 | Rate 145 | 0.0 | 0.1 | 0.0 | 0.0 | 1.0 | 1.1 |
| 23 | Rate 170 | 0.1 | 0.2 | 0.0 | 0.0 | 2.3 | 2.5 |
| 24 | Rate 200 | 3.1 | 0.0 | 0.0 | 0.0 | 1.4 | 4.5 |
| 25 | Rate 300 | 0.0 | 0.0 | 0.1 | 0.0 | 0.0 | 0.1 |
| 26 | Rate 315 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| 27 | Total EGD Rate Zone | 6.7 | 3.4 | 11.6 | 0.0 | 32.7 | 54.4 |
| 28 | Rate M4 | 3.5 | 1.7 | 0.0 | 26.4 | 0.0 | 31.6 |
| 29 | Rate M7 | 1.6 | 0.3 | 0.0 | 16.8 | 0.0 | 18.8 |
| 30 | Rate 20 Storage | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| 31 | Rate 20 Transportation | 0.9 | 0.1 | 0.0 | 2.7 | 21.2 | 25.0 |
| 32 | Rate 100 Storage | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| 33 | Rate 100 Transportation | 0.0 | 0.0 | 0.0 | 0.0 | 11.3 | 11.3 |
| 34 | Rate T-1 Storage | 0.0 | 0.0 | 0.0 | 0.0 | 1.4 | 1.4 |
| 35 | Rate T-1 Transportation | 0.0 | 0.0 | 0.0 | 0.0 | 12.2 | 12.2 |
| 36 | Rate T-2 Storage | 0.0 | 0.0 | 0.0 | 0.0 | 7.2 | 7.2 |
| 37 | Rate T-2 Transportation | 0.0 | 0.0 | 0.0 | 0.0 | 66.9 | 66.9 |
| 38 | Rate T-3 Storage | 0.0 | 0.0 | 0.0 | 0.0 | 1.4 | 1.4 |
| 39 | Rate T-3 Transportation | 0.0 | 0.0 | 0.0 | 0.0 | 5.8 | 5.8 |
| 40 | Rate M5 | 0.1 | 0.1 | 0.0 | 2.0 | 0.0 | 2.3 |
| 41 | Rate 25 | 1.1 | 0.0 | 0.0 | 0.0 | 2.8 | 3.8 |
| 42 | Rate 30 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| 43 | Total Union Rate Zones | 7.3 | 2.3 | 0.0 | 47.9 | 130.1 | 187.6 |
| 44 | Total Contract Sales | 14.0 | 5.7 | 11.6 | 47.9 | 162.7 | 241.9 |
| 45 | Subtotal | 1,876.3 | 161.4 | 11.6 | 70.7 | 191.6 | 2,311.5 |
| 46 | Accounting Adjustments: | | | | | | |
| 47 | EGI Tax Variance | | | | | | (13.4) |
| 48 | EGI Accounting Policy Change | | | | | | (14.0) |
| 49 | EGD Average Use/ Normalized Average Consumption | | | | | | (2.5) |
| 50 | EGD Dawn Access Cost | | | | | | 2.1 |
| 51 | EGD Incremental Capital Module | | | | | | (0.3) |
| 52 | EGD Transactional Services Revenue | | | | | | 12.0 |
| 53 | EGD LRAM | | | | | | 0.0 |
| 54 | EGD Federal Carbon Program | | | | | | 0.6 |
| 55 | EGD Greenhouse Gas Emissions Administration | | | | | | 0.2 |
| 56 | EGD Reverse 2019 Gas Supply Plan Cost Consequences reversed | | | | | | (3.9) |
| 57 | EGD Elimination of 2019 Gas Supply Plan Cost Consequences reversal | | | | | | 3.9 |
| 58 | Union Average Use/ Normalized Average Consumption | | | | | | 6.7 |
| 59 | Union Parkway Obligation Rate Variance | | | | | | 0.0 |
| 60 | Union Incremental Capital Module | | | | | | (5.6) |
| 61 | Union Capital Pass-through | | | | | | (1.1) |
| 62 | Union LRAM | | | | | | 1.4 |
| 63 | Union Federal Carbon Program | | | | | | 1.2 |
| 64 | Elimination of the UGL rate zone unregulated storage cost from EGD rate zone revenues | | | | | | (17.7) |
| 66 | Miscellaneous | | | | | | 0.7 |
| | Total Utility Revenue | | | | | | 2,281.9 |

DELIVERY REVENUE BY SERVICE TYPE, RATE CLASS AND SERVICE CLASS
ENBRIDGE GAS INC.

FOR THE YEAR ENDED DECEMBER 31, 2019

| Line No. | | Col. 1 | Col. 2 | Col. 3 | Col. 4 | Col. 5 | Col. 6 |
|---------------------------|---|----------------|--------------|---------------|-------------|--------------|----------------|
| | | Sales | ABC-T | ABC-Unbundled | Bundled-T | T-Service | Total |
| Revenues (\$ Millions) | | | | | | | |
| 1 | <u>General Service</u> | | | | | | |
| 2 | Rate 1 | 925.5 | 25.5 | 0.0 | 0.0 | 0.2 | 951.2 |
| 3 | Rate 6 | 303.1 | 83.7 | 0.0 | 0.0 | 33.9 | 420.8 |
| 4 | Rate 9 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| 5 | Total EGD Rate Zone | 1,228.6 | 109.2 | 0.0 | 0.0 | 34.2 | 1,372.0 |
| 6 | Rate M1 | 446.7 | 21.8 | 0.0 | 1.3 | 0.0 | 469.8 |
| 7 | Rate M2 | 39.0 | 22.5 | 0.0 | 16.3 | 0.0 | 77.9 |
| 8 | Rate 01 | 174.8 | 9.8 | 0.0 | 1.1 | 0.0 | 185.7 |
| 9 | Rate 10 | 12.3 | 5.9 | 0.0 | 5.6 | 0.3 | 24.0 |
| 10 | Total Union Rate Zones | 672.8 | 59.9 | 0.0 | 24.3 | 0.3 | 757.4 |
| 11 | Total General Service Sales & T-Service | 1,901.4 | 169.1 | 0.0 | 24.3 | 34.5 | 2,129.3 |
| 12 | <u>Wholesale - Utility</u> | | | | | | |
| 13 | Rate M9 | 0.7 | 0.0 | 0.0 | 1.0 | 0.0 | 1.6 |
| 14 | Rate M10 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| 15 | Total Wholesale - Utility | 0.7 | 0.0 | 0.0 | 1.0 | 0.0 | 1.7 |
| 16 | <u>Contract Sales</u> | | | | | | |
| 17 | Rate 100 | 0.1 | 0.0 | 0.0 | 0.0 | 0.0 | 0.1 |
| 18 | Rate 110 | 1.4 | 1.0 | 0.0 | 0.0 | 7.5 | 9.8 |
| 19 | Rate 115 | (0.1) | 0.0 | 0.0 | 0.0 | 1.9 | 1.8 |
| 20 | Rate 125 | 0.0 | 0.0 | 11.2 | 0.0 | 0.0 | 11.2 |
| 21 | Rate 135 | 0.1 | 0.2 | 0.0 | 0.0 | 1.0 | 1.3 |
| 22 | Rate 145 | 0.0 | 0.0 | 0.0 | 0.0 | 0.4 | 0.5 |
| 23 | Rate 170 | 0.1 | 0.1 | 0.0 | 0.0 | 1.1 | 1.3 |
| 24 | Rate 200 | 1.9 | 0.0 | 0.0 | 0.0 | 1.3 | 3.1 |
| 25 | Rate 300 | 0.0 | 0.0 | 0.1 | 0.0 | 0.0 | 0.1 |
| 26 | Rate 315 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| 27 | Total EGD Rate Zone | 3.5 | 1.3 | 11.3 | 0.0 | 13.1 | 29.2 |
| 28 | Rate M4 | 2.8 | 1.3 | 0.0 | 26.6 | 0.0 | 30.7 |
| 29 | Rate M7 | 1.2 | 0.3 | 0.0 | 13.8 | 0.0 | 15.3 |
| 30 | Rate 20 Storage | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| 31 | Rate 20 Transportation | 0.8 | 0.1 | 0.0 | 2.4 | 19.1 | 22.4 |
| 32 | Rate 100 Storage | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| 33 | Rate 100 Transportation | 0.0 | 0.0 | 0.0 | 0.0 | 10.7 | 10.7 |
| 34 | Rate T-1 Storage | 0.0 | 0.0 | 0.0 | 0.0 | 1.4 | 1.4 |
| 35 | Rate T-1 Transportation | 0.0 | 0.0 | 0.0 | 0.0 | 11.3 | 11.3 |
| 36 | Rate T-2 Storage | 0.0 | 0.0 | 0.0 | 0.0 | 7.4 | 7.4 |
| 37 | Rate T-2 Transportation | 0.0 | 0.0 | 0.0 | 0.0 | 64.2 | 64.2 |
| 38 | Rate T-3 Storage | 0.0 | 0.0 | 0.0 | 0.0 | 1.4 | 1.4 |
| 39 | Rate T-3 Transportation | 0.0 | 0.0 | 0.0 | 0.0 | 5.5 | 5.5 |
| 40 | Rate M5 | 0.2 | 0.1 | 0.0 | 2.2 | 0.0 | 2.6 |
| 41 | Rate 25 | 1.8 | 0.0 | 0.0 | 0.0 | 2.7 | 4.5 |
| 42 | Rate 30 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| 43 | Total Union Rate Zones | 6.9 | 1.8 | 0.0 | 45.0 | 123.6 | 177.3 |
| 44 | Total Contract Sales | 10.3 | 3.2 | 11.3 | 45.0 | 136.8 | 206.5 |
| 45 | Subtotal | 1,912.4 | 172.3 | 11.3 | 70.3 | 171.2 | 2,337.5 |
| 46 | Accounting Adjustments: | | | | | | |
| 47 | EGI Tax Variance | | | | | | (24.1) |
| 48 | EGI Elimination of 2018 Tax Variance | | | | | | 4.5 |
| 49 | EGI Accounting Policy Change | | | | | | 1.1 |
| 50 | EGD Average Use/ Normalized Average Consumption | | | | | | (4.1) |
| 51 | EGD Dawn Access Cost | | | | | | 2.2 |
| 52 | EGD 2018 Earnings Sharing Adjustment | | | | | | (1.7) |
| 53 | EGD Elimination of 2018 Earnings Sharing Adjustment | | | | | | 1.7 |
| 54 | EGD Transactional Services Revenue | | | | | | 12.0 |
| 55 | EGD LRAM | | | | | | 0.0 |
| 56 | EGD Federal Carbon Program | | | | | | 0.1 |
| 57 | EGD Greenhouse Gas Emissions Administration | | | | | | 0.2 |
| 58 | EGD Reverse 2019 Gas Supply Plan Cost Consequences | | | | | | (3.9) |
| 59 | Union Average Use/ Normalized Average Consumption | | | | | | (4.0) |
| 60 | Union Parkway Obligation Rate Variance | | | | | | 0.3 |
| 61 | Union Incremental Capital Module | | | | | | (7.0) |
| 62 | Union Capital Pass-through | | | | | | (1.0) |
| 63 | Union LRAM | | | | | | 0.4 |
| 64 | Union Federal Carbon Program | | | | | | 0.4 |
| 65 | Elimination of the UGL rate zone unregulated storage cost from EGD rate zone revenues | | | | | | (17.4) |
| 66 | Miscellaneous | | | | | | 0.5 |
| 67 | Total Utility Revenue | | | | | | 2,297.9 |

* There is no distribution volume for Rate 125 customers.

** Less than 50,000 m³

*** Less than \$50,000

CUSTOMER METERS, VOLUMES AND REVENUES BY RATE CLASS
ENBRIDGE GAS INC.

FOR THE YEAR ENDED DECEMBER 31, 2019

| Line No. | | Customer Meters | | | Throughput Volumes (10 ³ M ³) | | | Revenues (\$ Millions) | | |
|----------|---|------------------|---------------------|------------------|---|---------------------|-------------------|---------------------------|---------------------|-----------------|
| | | Col. 1 Sales | Col. 2 T-Service | Col. 3 Total | Col. 4 Sales | Col. 5 T-Service | Col. 6 Total | Col. 7 Sales | Col. 8 T-Service | Col. 9 Total |
| 1 | <u>General Service</u> | | | | | | | | | |
| 2 | Rate 1 | 1,985,346 | 56,781 | 2,042,127 | 5,213,290 | 145,299 | 5,358,589 | 1,785.6 | 39.1 | 1,824.8 |
| 3 | Rate 6 | 144,944 | 23,246 | 168,190 | 3,233,688 | 2,066,334 | 5,300,022 | 818.3 | 190.9 | 1,009.2 |
| 4 | Rate 9 | 2 | | 2 | | | | | | |
| 5 | Total EGD Rate Zone | 2,130,292 | 80,027 | 2,210,319 | 8,446,978 | 2,211,633 | 10,658,611 | 2,603.9 | 230.1 | 2,834.0 |
| 6 | Rate M1 | 1,095,866 | 45,414 | 1,141,279 | 3,079,559 | 221,840 | 3,301,400 | 861.8 | 23.0 | 884.9 |
| 7 | Rate M2 | 4,479 | 3,304 | 7,783 | 663,864 | 685,068 | 1,348,932 | 127.7 | 38.8 | 166.5 |
| 8 | Rate 01 | 337,741 | 15,902 | 353,643 | 991,238 | 80,169 | 1,071,407 | 384.1 | 17.5 | 401.6 |
| 9 | Rate 10 | 1,242 | 902 | 2,144 | 187,742 | 192,950 | 380,691 | 48.8 | 23.7 | 72.5 |
| 10 | Total Union Rate Zones | 1,439,327 | 65,523 | 1,504,850 | 4,922,402 | 1,180,027 | 6,102,429 | 1,422.4 | 103.0 | 1,525.5 |
| 11 | Total General Service Sales & T-Service | 3,569,619 | 145,550 | 3,715,168 | 13,369,380 | 3,391,660 | 16,761,041 | 4,026.3 | 333.1 | 4,359.5 |
| 12 | <u>Wholesale - Utility</u> | | | | | | | | | |
| 13 | Rate M9 | 1 | 3 | 4 | 28,114 | 75,875 | 103,989 | 4.4 | 1.0 | 5.4 |
| 14 | Rate M10 | 2 | 0 | 2 | 391 | 0 | 391 | 0.1 | 0.0 | 0.1 |
| 15 | Total Wholesale - Utility | 3 | 3 | 6 | 28,505 | 75,875 | 104,380 | 4.5 | 1.0 | 5.4 |
| 16 | <u>Contract Sales</u> | | | | | | | | | |
| 17 | Rate 100 | 2 | 2 | 4 | 12,577 | 2,800 | 15,377 | 2.7 | 0.4 | 3.1 |
| 18 | Rate 110 | 48 | 234 | 282 | 68,785 | 806,611 | 875,396 | 5.1 | 37.0 | 42.2 |
| 19 | Rate 115 | 1 | 21 | 22 | 741 | 440,875 | 441,615 | 0.1 | 9.0 | 9.1 |
| 20 | Rate 125 | 4 | 0 | 4 | 0 | 0 | 0 | 0.0 | 11.3 | 11.3 |
| 21 | Rate 135 | 3 | 40 | 43 | 1,631 | 61,389 | 63,020 | 0.3 | 1.9 | 2.2 |
| 22 | Rate 145 | 3 | 23 | 26 | 1,597 | 28,843 | 30,441 | 0.1 | 1.7 | 1.8 |
| 23 | Rate 170 | 3 | 20 | 23 | 18,233 | 268,125 | 286,358 | 2.2 | 5.5 | 7.8 |
| 24 | Rate 200 | 0 | 0 | 0 | 152,503 | 44,376 | 196,879 | 28.1 | 2.1 | 30.3 |
| 25 | Rate 300 | 1 | 0 | 1 | 0 | 0 | 0 | 0.0 | 0.1 | 0.1 |
| 26 | Rate 315 | | | | | 0 | 0 | | 0.0 | 0.0 |
| 27 | Total EGD Rate Zone | 65 | 340 | 405 | 256,067 | 1,653,019 | 1,909,086 | 38.7 | 69.1 | 107.8 |
| 28 | Rate M4 | 28 | 205 | 232 | 53,246 | 620,765 | 674,011 | 9.9 | 27.9 | 37.8 |
| 29 | Rate M7 | 3 | 34 | 36 | 25,510 | 515,833 | 541,343 | 4.5 | 14.1 | 18.6 |
| 30 | Rate 20 Storage | 0 | 0 | 0 | 0 | 0 | 0 | 0.0 | 2.6 | 2.6 |
| 31 | Rate 20 Transportation | 5 | 49 | 54 | 10,603 | 512,297 | 522,900 | 3.4 | 24.9 | 28.3 |
| 32 | Rate 100 Storage | 0 | 0 | 0 | 0 | 0 | 0 | 0.0 | 0.0 | 0.0 |
| 33 | Rate 100 Transportation | 0 | 12 | 12 | 0 | 1,020,510 | 1,020,510 | 0.0 | 10.7 | 10.7 |
| 34 | Rate T-1 Storage | 0 | 0 | 0 | 0 | 0 | 0 | 0.0 | 1.4 | 1.4 |
| 35 | Rate T-1 Transportation | 0 | 37 | 37 | 0 | 437,372 | 437,372 | 0.0 | 11.3 | 11.3 |
| 36 | Rate T-2 Storage | 0 | 0 | 0 | 0 | 0 | 0 | 0.0 | 7.4 | 7.4 |
| 37 | Rate T-2 Transportation | 0 | 25 | 25 | 0 | 4,136,389 | 4,136,389 | 0.0 | 64.2 | 64.2 |
| 38 | Rate T-3 Storage | 0 | 0 | 0 | 0 | 0 | 0 | 0.0 | 1.4 | 1.4 |
| 39 | Rate T-3 Transportation | 0 | 1 | 1 | 0 | 283,374 | 283,374 | 0.0 | 5.5 | 5.5 |
| 40 | Rate M5 | 5 | 36 | 42 | 5,923 | 68,042 | 73,965 | 1.1 | 2.4 | 3.4 |
| 41 | Rate 25 | 31 | 24 | 55 | 42,433 | 76,767 | 119,200 | 8.3 | 2.7 | 11.0 |
| 42 | Rate 30 | 0 | 0 | 0 | 0 | 0 | 0 | 0.0 | 0.0 | 0.0 |
| 43 | Total Union Rate Zones | 72 | 422 | 494 | 137,715 | 7,671,348 | 7,809,063 | 27.2 | 176.3 | 203.6 |
| 44 | Total Contract Sales | 137 | 762 | 899 | 393,781 | 9,324,367 | 9,718,149 | 65.9 | 245.4 | 311.3 |
| 45 | Subtotal | 3,569,759 | 146,315 | 3,716,074 | 13,791,667 | 12,791,903 | 26,583,570 | 4,096.7 | 579.5 | 4,676.2 |
| 46 | Accounting Adjustments: | | | | | | | | | |
| 47 | EGI Tax Variance | | | | | | | | | (24.1) |
| 48 | EGI Elimination of 2018 Tax Variance | | | | | | | | | 4.5 |
| 49 | EGI Accounting Policy Change | | | | | | | | | 1.1 |
| 50 | EGD Average Use/ Normalized Average Consumption | | | | | | | | | (8.6) |
| 51 | EGD Dawn Access Cost | | | | | | | | | 2.2 |
| 52 | EGD 2018 Earnings Sharing Adjustment | | | | | | | | | (1.7) |
| 53 | EGD Elimination of 2018 Earnings Sharing Adjustment | | | | | | | | | 1.7 |
| 54 | EGD Transactional Services Revenue | | | | | | | | | 12.0 |
| 55 | EGD LRAM | | | | | | | | | 0.0 |
| 56 | EGD Federal Carbon Program | | | | | | | | | 0.1 |
| 57 | EGD Greenhouse Gas Emissions Administration | | | | | | | | | 0.2 |
| 58 | EGD Reverse 2019 Gas Supply Plan Cost Consequences | | | | | | | | | (3.9) |
| 59 | Union Average Use/ Normalized Average Consumption | | | | | | | | | (4.7) |
| 60 | Union Parkway Obligation Rate Variance | | | | | | | | | 0.3 |
| 61 | Union Incremental Capital Module | | | | | | | | | (7.0) |
| 62 | Union Capital Pass-through | | | | | | | | | (1.0) |
| 63 | Union LRAM | | | | | | | | | 0.4 |
| 64 | Union Federal Carbon Program | | | | | | | | | 0.4 |
| 65 | Elimination of the UGL rate zone unregulated storage cost from EGD rate zone revenues | | | | | | | | | (17.4) |
| 66 | Miscellaneous | | | | | | | | | 0.5 |
| 67 | Total Utility Revenue | | | | | | | | | 4,631.5 |

* There is no distribution volume for Rate 125 customers.

** Less than 50,000 m³

*** Less than \$50,000

**WEATHER NORMALIZED CUSTOMER METERS, VOLUMES AND REVENUES BY RATE CLASS
ENBRIDGE GAS INC.**

FOR THE YEAR ENDED DECEMBER 31, 2019

| Line No. | | Customer Meters | | | Volumes (10 ³ M ³) | | | Revenues (\$ Millions) | | |
|----------|---|------------------|----------------|------------------|---|-------------------|-------------------|------------------------|--------------|----------------|
| | | Col. 1 | Col. 2 | Col. 3 | Col. 4 | Col. 5 | Col. 6 | Col. 7 | Col. 8 | Col. 9 |
| | | Sales | T-Service | Total | Sales | T-Service | Total | Sales | T-Service | Total |
| 1 | <u>General Service</u> | | | | | | | | | |
| 2 | Rate 1 | 1,985,346 | 56,781 | 2,042,127 | 4,891,003 | 133,229 | 5,024,232 | 1,705.4 | 37.8 | 1,743.2 |
| 3 | Rate 6 | 144,944 | 23,246 | 168,190 | 3,053,332 | 1,904,548 | 4,957,881 | 777.2 | 178.4 | 955.6 |
| 4 | Rate 9 | 2 | | 2 | | | | | | |
| 5 | Total EGD Rate Zone | 2,130,292 | 80,027 | 2,210,319 | 7,944,336 | 2,037,777 | 9,982,112 | 2,482.7 | 216.1 | 2,698.8 |
| 6 | Rate M1 | 1,095,866 | 45,414 | 1,141,279 | 2,978,227 | 214,541 | 3,192,768 | 842.3 | 22.7 | 865.0 |
| 7 | Rate M2 | 4,479 | 3,304 | 7,783 | 643,702 | 664,263 | 1,307,966 | 123.9 | 37.8 | 161.7 |
| 8 | Rate O1 | 337,741 | 15,902 | 353,643 | 942,069 | 76,192 | 1,018,261 | 368.6 | 16.9 | 385.4 |
| 9 | Rate 10 | 1,242 | 902 | 2,144 | 179,384 | 184,361 | 363,745 | 46.6 | 22.5 | 69.1 |
| 10 | Total Union Rate Zones | 1,439,327 | 65,523 | 1,504,850 | 4,743,383 | 1,139,357 | 5,882,740 | 1,381.3 | 99.9 | 1,481.2 |
| 11 | Total General Service Sales & T-Ser | 3,569,619 | 145,550 | 3,715,168 | 12,687,719 | 3,177,133 | 15,864,852 | 3,864.0 | 316.0 | 4,180.0 |
| 12 | <u>Wholesale - Utility</u> | | | | | | | | | |
| 13 | Rate M9 | 1 | 3 | 4 | 28,114 | 75,875 | 103,989 | 4.4 | 1.0 | 5.4 |
| 14 | Rate M10 | 2 | 0 | 2 | 391 | 0 | 391 | 0.1 | 0.0 | 0.1 |
| 15 | Total Wholesale - Utility | 3 | 3 | 6 | 28,505 | 75,875 | 104,380 | 4.5 | 1.0 | 5.4 |
| 16 | <u>Contract Sales</u> | | | | | | | | | |
| 17 | Rate 100 | 2 | 2 | 4 | 12,577 | 2,800 | 15,377 | 2.7 | 0.4 | 3.1 |
| 18 | Rate 110 | 48 | 234 | 282 | 68,704 | 805,396 | 874,101 | 5.1 | 37.0 | 42.1 |
| 19 | Rate 115 | 1 | 21 | 22 | 739 | 440,738 | 441,477 | 0.1 | 9.0 | 9.1 |
| 20 | Rate 125 | 4 | 0 | 4 | 0 | 0 | 0 | 0.0 | 11.3 | 11.3 |
| 21 | Rate 135 | 3 | 40 | 43 | 1,631 | 61,389 | 63,020 | 0.3 | 1.9 | 2.2 |
| 22 | Rate 145 | 3 | 23 | 26 | 1,565 | 28,921 | 30,486 | 0.1 | 1.7 | 1.8 |
| 23 | Rate 170 | 3 | 20 | 23 | 18,299 | 272,993 | 291,292 | 2.2 | 5.5 | 7.8 |
| 24 | Rate 200 | 0 | 0 | 0 | 143,859 | 44,010 | 187,869 | 26.6 | 2.1 | 28.7 |
| 25 | Rate 300 | 1 | 0 | 1 | 0 | 0 | 0 | 0.0 | 0.1 | 0.1 |
| 26 | Rate 315 | | | | | 0 | 0 | | 0.0 | 0.0 |
| 27 | Total EGD Rate Zone | 65 | 340 | 405 | 247,375 | 1,656,248 | 1,903,623 | 37.1 | 69.0 | 106.2 |
| 28 | Rate M4 | 28 | 205 | 232 | 53,246 | 620,765 | 674,011 | 9.9 | 27.9 | 37.8 |
| 29 | Rate M7 | 3 | 34 | 36 | 25,510 | 515,833 | 541,343 | 4.5 | 14.1 | 18.6 |
| 30 | Rate 20 Storage | 0 | 0 | 0 | 0 | 0 | 0 | 0.0 | 2.6 | 2.6 |
| 31 | Rate 20 Transportation | 5 | 49 | 54 | 10,603 | 512,297 | 522,900 | 3.4 | 24.9 | 28.3 |
| 32 | Rate 100 Storage | 0 | 0 | 0 | 0 | 0 | 0 | 0.0 | 0.0 | 0.0 |
| 33 | Rate 100 Transportation | 0 | 12 | 12 | 0 | 1,020,510 | 1,020,510 | 0.0 | 10.7 | 10.7 |
| 34 | Rate T-1 Storage | 0 | 0 | 0 | 0 | 0 | 0 | 0.0 | 1.4 | 1.4 |
| 35 | Rate T-1 Transportation | 0 | 37 | 37 | 0 | 437,372 | 437,372 | 0.0 | 11.3 | 11.3 |
| 36 | Rate T-2 Storage | 0 | 0 | 0 | 0 | 0 | 0 | 0.0 | 7.4 | 7.4 |
| 37 | Rate T-2 Transportation | 0 | 25 | 25 | 0 | 4,136,389 | 4,136,389 | 0.0 | 64.2 | 64.2 |
| 38 | Rate T-3 Storage | 0 | 0 | 0 | 0 | 0 | 0 | 0.0 | 1.4 | 1.4 |
| 39 | Rate T-3 Transportation | 0 | 1 | 1 | 0 | 283,374 | 283,374 | 0.0 | 5.5 | 5.5 |
| 40 | Rate M5 | 5 | 36 | 42 | 5,923 | 68,042 | 73,965 | 1.1 | 2.4 | 3.4 |
| 41 | Rate 25 | 31 | 24 | 55 | 42,433 | 76,767 | 119,200 | 8.3 | 2.7 | 11.0 |
| 42 | Rate 30 | 0 | 0 | 0 | 0 | 0 | 0 | 0.0 | 0.0 | 0.0 |
| 43 | Total Union Rate Zones | 72 | 422 | 494 | 137,715 | 7,671,348 | 7,809,063 | 27.2 | 176.3 | 203.6 |
| 44 | Total Contract Sales | 137 | 762 | 899 | 385,090 | 9,327,597 | 9,712,686 | 64.3 | 245.4 | 309.7 |
| 45 | Subtotal | 3,569,759 | 146,315 | 3,716,074 | 13,101,313 | 12,580,606 | 25,681,919 | 3,932.8 | 562.4 | 4,495.2 |
| 46 | Accounting Adjustments: | | | | | | | | | |
| 47 | EGI Tax Variance | | | | | | | | | (24.1) |
| 48 | EGI Elimination of 2018 Tax Variance | | | | | | | | | 4.5 |
| 49 | EGI Accounting Policy Change | | | | | | | | | 1.1 |
| 50 | EGD Average Use/ Normalized Average Consumption | | | | | | | | | (8.6) |
| 51 | EGD Dawn Access Cost | | | | | | | | | 2.2 |
| 52 | EGD 2018 Earnings Sharing Adjustment | | | | | | | | | (1.7) |
| 53 | EGD Elimination of 2018 Earnings Sharing Adjustment | | | | | | | | | 1.7 |
| 54 | EGD Transactional Services Revenue | | | | | | | | | 12.0 |
| 55 | EGD LRAM | | | | | | | | | 0.0 |
| 56 | EGD Federal Carbon Program | | | | | | | | | 0.1 |
| 57 | EGD Greenhouse Gas Emissions Administration | | | | | | | | | 0.2 |
| 58 | EGD Reverse 2019 Gas Supply Plan Cost Consequences | | | | | | | | | (3.9) |
| 59 | Union Average Use/ Normalized Average Consumption | | | | | | | | | (4.7) |
| 60 | Union Parkway Obligation Rate Variance | | | | | | | | | 0.3 |
| 61 | Union Incremental Capital Module | | | | | | | | | (7.0) |
| 62 | Union Capital Pass-through | | | | | | | | | (1.0) |
| 63 | Union LRAM | | | | | | | | | 0.4 |
| 64 | Union Federal Carbon Program | | | | | | | | | 0.4 |
| 65 | Elimination of the UGL rate zone unregulated storage cost from EGD rate zone revenues | | | | | | | | | (17.4) |
| 66 | Miscellaneous | | | | | | | | | 0.5 |
| 67 | Total Utility Revenue | | | | | | | | | 4,450.4 |

* There is no distribution volume for Rate 125 customers.
 ** Less than 50,000 m³
 *** Less than \$50,000

EGI REVENUE FROM REGULATED STORAGE
& TRANSPORTATION OF GAS
2020 ACTUAL

| Line No. | Particulars (\$000s) | 2019 Actual | 2020 Actual |
|---|---|-------------------|-------------------|
| Revenue from Regulated Storage Services: | | | |
| 1 | C1 Off-Peak Storage | 418 | 1,002 |
| 2 | Supplemental Balancing Services | 869 | 1,016 |
| 3 | Gas Loans | 2 | 1 |
| 4 | C1 Short Term Firm Peak Storage | 2,125 | 2,715 |
| 5 | Short Term Storage and Balancing Services Deferral | 2,630 | 907 |
| 6 | Rate 325: Transmission, Compression, & Storage | 2,114 | 1,988 |
| 7 | Less: Elimination of charges between EGD and Union rate zones | (2,162) | (2,000) |
| 8 | Total Regulated Storage Revenue Net of Deferral | \$ <u>5,996</u> | \$ <u>5,630</u> |
| Revenue from Regulated Transportation Services: | | | |
| 9 | M12 Transportation | 198,610 | 206,677 |
| 10 | M12-X Transportation | 21,314 | 21,335 |
| 11 | C1 Long Term Transportation | 22,002 | 20,882 |
| 12 | Rate 332: Gas Transmission | 17,440 | 17,804 |
| 13 | C1 Short Term Transportation | 9,076 | 5,698 |
| 14 | Gross Exchange Revenue | 2,279 | 999 |
| 15 | Rate 331: Gas Transmission | 76 | 259 |
| 16 | M13 Local Production | 195 | 122 |
| 17 | M16 Transportation | 1,002 | 1,089 |
| 18 | M17 transportation | 0 | 109 |
| 19 | S&T:Transportation Carbon Facility Collection | 758 | 1,931 |
| 20 | Other S&T Revenue | 1,501 | 1,580 |
| 21 | Less: Elimination of charges between EGD and Union rate zones | (132,009) | (136,155) |
| 22 | Total Regulated Transportation Revenue Net of Deferral | \$ <u>142,244</u> | \$ <u>142,330</u> |

EGI UTILITY OTHER REVENUE AND OTHER INCOME
2020 ACTUALS

| Line No. | Col. 1 2019 Utility Revenue (\$Millions) | Col. 2 2020 Utility Revenue (\$Millions) |
|--|--|--|
| 1. Service charges & DPAC | 19.0 | 15.2 |
| 2. NGV program rental revenue | 1.6 | 1.8 |
| 3. Late payment penalties | 19.4 | 20.8 |
| 4. Open bill revenue | 5.4 | 5.4 |
| 5. Mid Market Transactions | 1.4 | 1.1 |
| 6. Other operating revenue | 2.8 | 3.4 |
| 7. Other operating revenue | 49.6 | 47.7 |
| 8. Miscellaneous other income (incl. gain / (loss) on foreign exchange | (1.8) | 5.1 |
| 9. Gain / (loss) on sale of assets | - | (0.6) |
| 10. Other income | (1.8) | 4.5 |
| 11. Total other revenue and other income | 47.8 | 52.2 |

UTILITY O&M

1. This evidence serves to explain the change in the Utility O&M schedule (Exhibit B, Tab 3, Schedule 1) and the drivers of 2020 operating and maintenance (O&M) expenses.

2. The evidence is set out as follows:
 - A. Changes to the Utility O&M Schedule,
 - B. 2020 Utility O&M drivers, and
 - C. Overhead Capitalization Methodology change.

Change in O&M Schedule

3. The Utility O&M schedule (Table 1, page 4) has been modified from the previous application (EB-2020-0134 Exhibit B, Tab 3 Schedule 1, page 1) to provide transparency to Corporate Shared Services (CSS), Demand Side Management (“DSM”), and Integration-related costs which were previously embedded in other expense categories (i.e., other O&M line items). The Company recognizes that the O&M schedule is useful to inform about operating costs, and as such, has revised the presentation to allow the driver explanations to be improved by providing greater transparency.

4. CSS (Line 13) costs include services provided across the Enbridge enterprise that are directly attributable to Enbridge Gas as well as indirectly assigned based on allocation factors. CSS are business functions that provide support relating to areas such as Legal, Finance, Tax, Treasury, Human Resources and Technology Information Services. Directly attributable CSS costs include insurance, salaries, wages, STIP and pension for CSS employees dedicated to Enbridge Gas support. Indirect CSS costs include enterprise software costs, tax and treasury functions, IT

security, desktop services and support, corporate security, and communication which are shared. Directly attributable CSS costs are charged directly to Enbridge Gas. Indirect CSS costs are allocated to each business unit.

5. DSM costs (Line 14) relate to the costs of delivering DSM programs under each respective legacy framework.
6. Integration-related costs (Line 15) include severance costs and costs incurred to pursue alignment, harmonization, and integration initiatives.
7. Appendix A provides a reconciliation schedule (Appendix A, Table 1) that shows Corporate Shared Services, DSM, and Integration amounts that were removed from each of the expense categories in the previous format and expressed as unique line items as noted above in the new proposed format.
8. In 2019 CSS costs were included in every expense category of the O&M Schedule. CSS costs that originated from within Enbridge Gas were included in lines 1-11 while CSS costs that originated elsewhere within the Enbridge enterprise (and either directly or indirectly allocated to Enbridge Gas) were shown within the Allocations and Recoveries line. ADR 3 of the EB-2020-0134 Settlement provided the portion of CSS that EGI incurred in the various other O&M line items within the 2019 schedule. The new presentation combines all charges for CSS. Appendix B provides a reconciliation of the ADR response to the total CSS category (Line 13) in Table 1. Between 2020 and 2019, CSS costs remained relatively flat.
9. Implementation of the harmonized overhead capitalization methodology resulted in loadings of pensions and benefits on indirect labour as well as direct labour which increased recoveries in 2020. The overall impact is a net decrease of \$3 million.

O&M Variance Drivers

10. O&M expenses in 2020 were influenced by synergy savings from integration initiatives, labour savings as a result of the merit increase reversal, vacancy freeze, voluntary departures, and cost savings from activities hampered by Covid-19 restrictions. These savings were more than offset by increased severance costs, integration-related costs, and the impact of lower capitalization. Including non-utility eliminations, O&M increased by a total of \$34 million between 2019 and 2020.

11. Table 1 shows the expense categories that contributed to the change in 2020 O&M from 2019. The following paragraphs will explain the variance year over year for material differences in the expense categories.

12. The Company experienced a \$40M reduction in Compensation and Benefits which includes STIP & Pension (Line 1). This is the single largest cost decrease resulting from the combination of (1) the claw back of a 3% merit increase slated for April 1, 2020, (2) a hiring freeze which suspended recruitment for vacancies in the year, and (3) a voluntary workforce departure program which saw a reduction of close to 250 FTEs and expedited synergy savings that were anticipated in future years as integration benefits were realized. Materials and Supplies (Line 3) were lower in 2020 as a result of the discontinuance of the Green Investment Fund. This variance is offset in Allocations & Recoveries (Line 12) as well as within Unregulated Adjustments (Line 23). Outside Services (Line 4) comprise contractor costs and professional services. This category of resource similarly saw a significant reduction of \$23M as a result of lower Accenture work volumes, lower locate volumes, integrity program savings, cuts in marketing and community engagements as a result of Covid-19 as well as re-prioritization of integrity program work. Travel and Entertainment (Line 9) and Donations and Memberships (Line 10) both decreased

as a result of Covid-19 restrictions which curtailed employee travel, training, and team events as well as customer and community activities.

Table 1

**UTILITY O&M
2020 & 2019 ACTUALS**

| Line No. | Expense Categories | Col. 1 | Col. 2 | Col. 3 | Col. 4 | Col. 5 |
|----------|---|--------|-------------------------|-------------------------|-------------|---------------|
| | | | 2019 Actual (\$M) | 2020 Actual (\$M) | \$ change | % change |
| 1 | Compensation and Benefits | | 395.0 | 354.7 | (40.3) | -10.2% |
| 2 | Employee Related Services and Development | | 0.9 | 1.5 | 0.6 | 71.3% |
| 3 | Materials and Supplies | | 39.6 | 29.9 | (9.7) | -24.5% |
| 4 | Outside Services | | 244.2 | 220.8 | (23.3) | -9.6% |
| 5 | Transportation Related Repairs and Maintenance | | 5.5 | 6.9 | 1.4 | 25.0% |
| 6 | Vehicle Related Repairs and Maintenance | | 18.5 | 14.3 | (4.2) | -22.6% |
| 7 | Rents and Leases | | 10.3 | 9.9 | (0.4) | -3.9% |
| 8 | Telecommunications | | 0.2 | 0.3 | 0.0 | 10.5% |
| 9 | Travel and Entertainment | | 9.2 | 3.1 | (6.1) | -66.6% |
| 10 | Donations and Memberships | | 10.2 | 3.2 | (7.0) | -68.9% |
| 11 | Admin Expenses | | (1.8) | (1.6) | 0.2 | -12.1% |
| 12 | Allocations & Recoveries | | (30.3) | (17.8) | 12.6 | -41.4% |
| 13 | Corporate Shared Services (CSS) | | 190.9 | 187.8 | (3.1) | -1.6% |
| 14 | DSM | | 129.4 | 132.3 | 2.9 | 2.2% |
| 15 | Integration-Related Costs | | 48.9 | 125.2 | 76.3 | 156.1% |
| 16 | Miscellaneous Expense | | 9.8 | 14.7 | 4.8 | 49.1% |
| 17 | Capitalization on Non-CSS | | (143.3) | (119.5) | 23.9 | -16.6% |
| 18 | O&M Subtotal before Eliminations | | 937.2 | 965.7 | 28.5 | 3.0% |
| 19 | Donations | | (3.0) | (0.6) | 2.4 | -78.8% |
| 20 | CDM Program | | 0.2 | 0.1 | (0.1) | -42.1% |
| 21 | ABC T-service Program | | (0.3) | (0.2) | 0.1 | -43.3% |
| 22 | Amalgamation Transaction Costs | | (0.1) | 0.0 | 0.1 | -100.0% |
| 23 | Unregulated Adjustments | | (19.5) | (16.6) | 2.9 | -14.8% |
| 24 | Total Unregulated/Non-Utility Eliminations | | (22.6) | (17.3) | 5.4 | -23.8% |
| 25 | Total Net Utility O&M Expense | | 914.6 | 948.5 | 33.9 | 3.7% |

13. While savings were achieved, there were associated costs that enabled those savings. Integration-related costs (Line 15) comprise severance costs and other post-amalgamation costs to support harmonization and drive synergies. Severance costs increased by \$36M over 2019 as a result of the voluntary departure program. Excluding severance costs in both years, 2020 Utility O&M would have been \$7 million below 2019 level (before non-utility eliminations). As integration efforts gained momentum, associated costs increased by \$40 million over 2019 for a variety of initiatives across all functional areas (see Table 2).

Table 2
 Integration-related Costs

| <u>Functional Area</u> | <u>2020 (\$M)</u> |
|--------------------------------------|-------------------|
| Business Development | \$ 0.3 |
| Customer Care | \$ 15.4 |
| Energy Services | \$ 1.0 |
| Engineering | \$ 6.9 |
| Distribution Operations | \$ 18.0 |
| Corporate Shared Services | \$ 4.5 |
| STO | \$ 1.4 |
| Total Integration Initiatives | \$ 47.5 |
| Severance | \$ 77.7 |
| Total | \$ 125.2 |

14. Within Customer Care, the Customer Information System (CIS) Project which delivers a common system for Enbridge Gas accounted for \$14.3 million of the integration costs in 2020. Up-front costs in 2020 and 2021 are expected to deliver the bulk of the savings in 2022 and 2023. Similarly, about \$14.5 million of Distribution Operations costs relate to Work and Asset Management which brings together the management of frontline operational work, the scheduling and

execution of field work, and customer interaction into an integrated, common set of platforms. Engineering undertook integration work that aligned engineering policies, practices, and procedures for the amalgamated utility as well as harmonized its IMS system and metershop work. Within CSS, Finance carried out a staged approach to harmonizing its reporting systems and funded dedicated resources to work on process alignment.

15. Other cost offsets include the impact of higher net costs resulting from lower credits in Allocations & Recoveries as well as in Capitalization. Lower recoveries in the Allocations & Recoveries (Line 12) from affiliates, third-parties, and the cancellation of the Green Investment Fund is driving the \$12.6 million variance. Similarly, recoveries from capital (Line 17) were lower in 2020 as a result of lower O&M costs in non-centralized areas with capitalization.

Overhead Capitalization Methodology Change

16. Following amalgamation, the Company sought to harmonize its overhead capitalization methodology and enlisted Ernst and Young (EY) to carry out the study. EY's assessment was informed by historical legacy approaches, the amalgamated structure, US GAAP, the OEB's Uniform System of Accounts, and Enbridge's Enterprise Capitalization Policy. Recommendations of the study were implemented in January 2020.
17. The study grouped costs into Operations Costs, Business Costs, Support Costs, and Pension and Benefits, each with their own capitalization treatment to more directly link with causal determinants of cost. Operations costs are applied a regional direct capital rate based on direct capital spend divided by total direct costs (net of contractors and outside services by region) to represent the level of capital activity

by geographic region. Business Costs utilized time analysis that allocated employees' time on various activities supporting the functions of the team. Those activities were categorized as either capital- or O&M-related based on accounting principles and enterprise capitalization policies.

18. Support Costs represent areas that support the capital operations of the business and as a result are applied an average capitalization rate reflecting the areas of the business supported. Examples include supervision and administration as well as HR, legal, regulatory, procurement, TIS support, building maintenance services. This rate also applies to CSS groups noted in the previous section.
19. Finally, direct and indirect loadings of pension and benefits is a new harmonized feature of the capitalization methodology. It applies to employees who directly charge their time to capital as well as indirect labour. For legacy Union Gas , this results in all loadings previously resident within individual capital projects to be aggregated in Capitalized Overheads, and for legacy EGD, it is a net increase.
20. The Accounting Policy Changes Deferral Account (APCDA) isolates the impact of the overhead capitalization policy change. The calculation takes the 2020 O&M spend with the new harmonized rates and subtracts from it 2020 O&M spend using the legacy rates to determine the APCDA impact. The policy change results in a \$5.5M decrease in O&M and offsetting increase in capitalized overheads, with the revenue requirement impact recorded in the APCDA.

Total 2020 Overhead Capitalization

21. Total Overhead Capitalization was lower in 2020 causing increased O&M and decreased capital of \$15.6M as a result of the change in O&M spend levels as shown in Table 3, partially offset by the change in policy. Capitalization increased in

CSS due to the impact of indirect loadings on support services and decreased in non-CSS as a result of lower O&M costs. Removing the impact of the policy change, total capitalization would have been a decrease of \$21 million.

Table 3

Total Overhead Capitalization

| | 2019 Actual <u>(\$M)</u> | 2020 Actual <u>(\$M)</u> | Variance <u>(\$M)</u> |
|---|--------------------------------|--------------------------------|--------------------------|
| Capitalization from CSS App. A, line 17, cols. 3 & 7 | 96.6 | 104.9 | 8.3 |
| Capitalization from Non-CSS App. A, line 17, cols. 5 & 9 | <u>143.3</u> | <u>119.5</u> | <u>(23.9)</u> |
| | 239.9 | 224.3 | (15.6) |

Appendix A:

Table 1

RECONCILIATION OF UTILITY O&M SCHEDULE
2019 & 2020 Results

| | Col. 1 | Col. 2 | Col. 3 | Col. 4 | Col. 5 | Col. 6 | Col. 7 | Col. 8 | Col. 9 | Col. 10 | Col. 11 |
|--|----------------------------|-------------------------|-------------------------|--------------|----------------------|-------------------------|-------------------------|--------------|---------------------|--------------------|---------|
| | 2019 ACTUAL | | | | 2020 ACTUAL | | | | | | |
| Line No. | 2019 As filed ¹ | Central Functions Costs | DSM & Integration Costs | 2019 Revised | 2020 Previous Format | Central Functions Costs | DSM & Integration Costs | 2020 Revised | 2019-2020 \$ change | 2019-2020 % change | |
| 1 Compensation and Benefits | 566.9 | (112.6) | (59.3) | 395.0 | 572.2 | (108.0) | (109.5) | 354.7 | (40.3) | -10.2% | |
| 2 Employee Related Services and Development | 5.5 | (4.6) | (0.0) | 0.9 | 6.5 | (4.8) | (0.2) | 1.5 | 0.6 | 71.3% | |
| 3 Materials and Supplies | 101.7 | (4.5) | (57.6) | 39.6 | 92.1 | (5.3) | (56.9) | 29.9 | (9.7) | -24.5% | |
| 4 Outside Services | 360.5 | (52.4) | (63.9) | 244.2 | 341.3 | (36.6) | (83.9) | 220.8 | (23.3) | -9.6% | |
| 5 Transportation Related Repairs and Maintenance | 8.8 | (3.3) | (0.0) | 5.5 | 9.8 | (2.9) | (0.0) | 6.9 | 1.4 | 25.0% | |
| 6 Vehicle Related Repairs and Maintenance | 18.5 | (0.0) | (0.0) | 18.5 | 14.4 | (0.0) | (0.0) | 14.3 | (4.2) | -22.6% | |
| 7 Rents and Leases | 13.2 | (2.9) | (0.0) | 10.3 | 12.4 | (2.5) | (0.0) | 9.9 | (0.4) | -3.9% | |
| 8 Telecommunications | 3.5 | (3.2) | (0.0) | 0.2 | 3.8 | (3.5) | (0.0) | 0.3 | 0.0 | 10.5% | |
| 9 Travel and Entertainment | 13.6 | (3.4) | (1.1) | 9.2 | 4.3 | (0.9) | (0.4) | 3.1 | (6.1) | -66.6% | |
| 10 Donations and Memberships | 11.6 | (0.6) | (0.9) | 10.2 | 4.3 | (0.2) | (0.9) | 3.2 | (7.0) | -68.9% | |
| 11 Admin Expenses | (6.9) | (0.5) | 5.7 | (1.8) | 0.9 | 0.8 | (3.3) | (1.6) | 0.2 | -12.1% | |
| 12 Allocations & Recoveries | 70.2 | (99.4) | (1.2) | (30.3) | 113.4 | (128.8) | (2.3) | (17.8) | 12.6 | -41.4% | |
| 13 Corporate Shared Services (CSS) | | 190.9 | | 190.9 | | 187.8 | | 187.8 | (3.1) | -1.6% | |
| 14 DSM | | | 129.4 | 129.4 | | | 132.3 | 132.3 | 2.9 | 2.2% | |
| 15 Integration-Related Costs | | | 48.9 | 48.9 | | | 125.2 | 125.2 | 76.3 | 156.1% | |
| 16 Miscellaneous O&M Expense | 9.8 | | | 9.8 | 14.7 | | | 14.7 | 4.8 | 49.1% | |
| 17 Capitalization on non-CSS | (239.9) | 96.6 | | (143.3) | (224.3) | 104.9 | | (119.5) | 23.9 | -16.6% | |
| 18 O&M Subtotal before Eliminations | 937.3 | 0.0 | (0.0) | 937.2 | 965.7 | (0.0) | (0.0) | 965.7 | 28.5 | 3.0% | |
| 19 Donations | (3.0) | | | (3.0) | (0.6) | | | (0.6) | 2.4 | -78.8% | |
| 20 CDM Program | 0.2 | | | 0.2 | 0.1 | | | 0.1 | (0.1) | -42.1% | |
| 21 ABC T-service Program | (0.3) | | | (0.3) | (0.2) | | | (0.2) | 0.1 | -43.3% | |
| 22 Amalgamation Transaction Costs | (0.1) | | | (0.1) | 0.0 | | | 0.0 | 0.1 | -100.0% | |
| 23 Unregulated Adjustments | (19.5) | | | (19.5) | (16.6) | | | (16.6) | 2.9 | -14.8% | |
| 24 Total Unregulated/Non-Utility Eliminations | (22.6) | | | (22.6) | (17.3) | | | (17.3) | 5.4 | -23.8% | |
| 25 Total Net Utility O&M Expense | 914.6 | | | 914.6 | 948.5 | | | 948.5 | 33.9 | 3.7% | |

Appendix B:

UTILITY O&M
Reconciliation of 2020-2019 Allocations and CSS

| | <u>2019</u> | <u>2020</u> | <u>Variance</u> |
|--|-------------|--------------|-----------------|
| Inbound | 133 | 158 | 25 |
| Outbound | <u>(34)</u> | <u>(29)</u> | <u>5</u> |
| Subtotal (ADR 3 2019) ¹ (line 12, columns 3 & 7)* | 99 | 129 | 30 |
| Other line items at gross (lines 1-11, columns 3 & 7)* | <u>189</u> | <u>164</u> | <u>(25)</u> |
| Total CSS Gross | 288 | 293 | 5 |
| Capitalization (line 17, columns 3 & 7)* | <u>(97)</u> | <u>(105)</u> | <u>(8)</u> |
| Net CSS (line 13, columns 5 & 9)* | <u>191</u> | <u>188</u> | <u>(3)</u> |

1 - adjusted for rounding

**Please see Table 1B, Appendix A.*

UTILITY CAPITAL EXPENDITURES

1. The purpose of this evidence is to provide information on Enbridge Gas' 2020 utility capital expenditures within the EGD and Union rate zones.

Table 1
Summary of Capital Expenditures 2020 Actual
 (\$millions)

| | Col 1 | Col 2 | Col 3 |
|-----------------------|----------------------|----------------------|------------------------|
| | <u>EGD</u> | <u>UG</u> | <u>Total EGI</u> |
| Distribution Plant | 402.76 | 310.67 | 713.43 |
| Transmission Plant | | 116.63 | 116.63 |
| General & Other Plant | 78.32 | 57.15 | 135.47 |
| Underground Storage | 26.14 | 15.52 | 41.66 |
| | <u>507.23</u> | <u>499.97</u> | <u>1,007.20</u> |

2. The dollars presented are based on capital expenditures and are comparable to the presentation in the Asset Management Plan. Capital spend in the annual rates and ICM application are presented on an in-service basis.
3. Table 2 below shows the regulated spend by Asset Class for each of the legacy rate zones. Enbridge Gas has aligned the Asset Class presentation for 2020. In order to provide comparative data, the 2019 actuals for both rate zones have been remapped to align with the new format. Further commentary regarding the year over year changes in capital expenditures are described by Asset Class in the narrative following Table 2.

Table 2
EGD Rate Zone by Asset Class
 (\$millions)

| | Asset Class | 2019 | 2020 | Variance |
|---|--|---------------|---------------|-----------------|
| A | Compression Stations | 17.55 | 9.23 | (8.32) |
| B | Customer Connections | 135.98 | 117.55 | (18.43) |
| C | Distribution Pipe | 68.03 | 58.48 | (9.55) |
| D | Distribution Stations | 24.27 | 33.65 | 9.39 |
| E | Fleet & Equipment | 12.90 | 11.30 | (1.60) |
| F | Growth - Distribution System Reinforcement | 17.36 | 8.39 | (8.97) |
| G | Real Estate & Workplace Services | 30.86 | 22.24 | (8.62) |
| H | Technology Information Services (TIS) | 30.62 | 13.77 | (16.85) |
| I | Transmission Pipe and Underground Storage | 13.88 | 12.69 | (1.19) |
| J | Utilization | 40.86 | 31.29 | (9.57) |
| K | EA Fixed Overhead | 14.64 | 15.72 | 1.08 |
| L | Capitalized Overheads | 136.21 | 131.92 | (4.29) |
| M | Integration Capital | 12.95 | 19.20 | 6.25 |
| N | Community Expansion | 16.71 | 20.20 | 3.49 |
| O | Other | 3.91 | 1.59 | (2.32) |
| | Total Capital Expenditures | 576.72 | 507.23 | (69.49) |

Table 2
UG Rate Zone by Asset Class
 (\$millions)

| | Asset Class | 2019 | 2020 | Variance |
|---|--|---------------|---------------|-----------------|
| A | Compression Stations | 7.95 | 17.28 | 9.33 |
| B | Customer Connections | 54.45 | 61.12 | 6.67 |
| C | Distribution Pipe | 107.06 | 134.29 | 27.23 |
| D | Distribution Stations | 15.47 | 27.70 | 12.23 |
| E | Fleet & Equipment | 13.43 | 8.91 | (4.52) |
| F | Growth - Distribution System Reinforcement | 126.72 | 61.63 | (65.09) |
| G | Real Estate & Workplace Services | 11.13 | 16.10 | 4.97 |
| H | Technology Information Services (TIS) | 18.24 | 8.95 | (9.29) |
| I | Transmission Pipe and Underground Storage | 6.43 | 20.77 | 14.34 |
| J | Utilization | 58.42 | 31.61 | (26.81) |
| K | EA Fixed Overhead | 3.17 | 3.75 | 0.59 |
| L | Capitalized Overheads | 78.99 | 89.00 | 10.01 |
| M | Integration Capital | 8.77 | 20.62 | 11.85 |
| N | Community Expansion | 0.42 | 0.74 | 0.32 |
| O | Other | | (2.49) | (2.49) |
| | Total Capital Expenditures | 510.65 | 499.97 | (10.67) |

4. Descriptions of Asset Classes and Year over Year Variances

A. Compression Stations

EGI (Union Rate Zone) uses compressors to move natural gas throughout the natural gas transmission system by compressing natural gas into transmission pipelines designed for high pressure and flow. Compressors are also used for both rate zones to move gas in and out of underground storage reservoirs by providing a significant pressure increase at the expense of flow.

Dehydration facilities are also included in the compression asset category. Dehydration facilities remove moisture from natural gas to

ensure that the natural gas entering the transmission system meets the contractual standard of moisture content, and to avoid operational problems related to high moisture content.

In the Union Rate Zone, the acquisition of land adjacent to compression facilities to reduce the risk of encroachment contributed to a 2020 increase in the capital expenditures associated with this asset class.

In the EGD Rate Zone the variance is primarily due to the Meter Area Project at Corunna. This project was put on hold late in 2019 in order to adjust the scope of the project. It was restarted again late in 2020.

B. Customer Connections

This asset class includes:

- The addition of new customers based on new housing or business starts;
- Customers converting to natural gas from another fuel source;
- Equipment and service upgrades to accommodate load growth of existing customers; and
- General customer growth costs include materials and installation of mains and services to attach new customers as well as the costs associated with the meter and regulator installation at the customers site.

In the EGD Rate Zone there was an increase in capital costs because of a reduction of Contributions in Aid of Construction as a result of the Decision in the EB-2018-0305 proceeding.

Both Rate Zones saw reductions in residential customer connections as a result of COVID-19 in 2020. However, in the Union Rate Zone this was partially offset by a strong greenhouse market.

Both Rate Zones saw increases in 2020 capital spend as a result of the introduction of the Private Sewer Lateral Locate process which will reduce the likelihood of crossbores.

C. Distribution Pipe

This asset class includes pipelines and piping components (such as valves and fittings) used to transport natural gas within the distribution system or to end-use customers. It includes steel and plastic pipe, as well as services to customers. This asset class also includes maintaining, replacing, and renewing these assets.

In the Union Rate Zone there was a significant increase in the amount of integrity work (integrity digs as well as retrofit projects) and increased main replacement work driven primarily by the Windsor Line and London Line projects.

In the EGD Rate Zone there were also increases to the spend for integrity program work. However these were offset by reduced spend in some customer-facing work (including AMP Fitting replacements) as a result of the pandemic and reduced main replacement spend compared with 2019.

D. Distribution Stations

These assets are typically above grade facilities designed to reduce the operating pressure of natural gas pipeline systems through pressure control and over pressure protection. These facilities are used to transmit and/or distribute natural gas to reduced operating pressure pipeline systems which supply natural gas to cities and towns.

Distribution Station projects in both Rate Zones saw increased costs for materials and contractors through 2020 over 2019.

The Hamilton Gate Station and Oxford Gate Station were both large stations requiring capital spend in 2020 in the Union Rate Zone.

In the EGD Rate Zone, Cookstown Gate, Blackhorse Gate, and Station B were all significant projects requiring capital spend in 2020.

E. Fleet & Equipment

The Fleet, Equipment and Tools asset class includes the vehicles, trailers, heavy equipment and tools owned by EGI to support its business needs.

The spend profile changes reflect a harmonized approach to vehicle selection across the two Rate Zones and reductions in the capital spend as a result of enterprise supply chain management savings.

F. Growth – Distribution System Reinforcement

The Growth asset class includes reinforcements driven by customer

and load growth.

Both Rate Zones saw some reductions as a result of COVID-19.

In the Union Rate Zone there was a significant reduction because 2019 included the Kingsville Reinforcement project.

G. Real Estate and Workplace Services

The Real Estate and Workplace Services (REWS) asset class includes properties (buildings and land) and furnishings.

There is a base spend for each Rate Zone that supports building repairs and acquisition of furnishings. Variances are driven by the specific land purchases and building renovations that occur in a given year. Land acquisitions are driven by market availability and are aligned with the long-term strategies described in the Asset Management Plan.

In 2019, there was a significant investment in lands adjacent to the TOC in Markham in the EGD Rate Zone. In 2020 additional property was purchased adjacent to the Kennedy Road Facility in Toronto and work was completed at the Station B and VPC sites. These land purchases support regional operations and prevent encroachment on Enbridge Gas's operations. This also allows for the upgrade of the VPC office space to more current standards.

In the Union Rate Zone additional property was purchased in London, and a new building is being constructed in Belleville in addition to significant spend at the Keil Drive Facility in Chatham. The purchases

support Enbridge Gas's field operations and the need to upgrade Enbridge Gas buildings to more current standards.

H. Technology Information Services (TIS)

The Technology Information Services (TIS) asset class includes:

- General Hardware (Laptops/Desktops and Desktop sustainment equipment, networks, servers and security);
- Specialized Hardware (to support specific business needs such as meter reading equipment, call center network devices);
- Software assets consisting of packaged applications, developed applications, and application infrastructure software; and
- Communications assets including mobile phones and field devices (such as GPS devices, push-to-talk radios, leak survey field technology, and truck modems).

Both the EGD Rate Zone and Union Rate Zones have seen reductions in the base capital budget as significant efforts were required to implement Applications to integrate the two legacy companies. The spend related to utility integration is captured under Integration Capital.

I. Transmission Pipe and Underground Storage

This asset class includes the pipelines that form the backbone of the gas transmission system as well as the underground storage reservoirs in St. Clair Township near Sarnia, Crowland Township in Welland, and in Chatham-Kent.

Increases in the Union Rate Zone were primarily related to the

transmission pipeline replacements driven by class location changes, as well as an increase in retrofits & integrity digs for the Integrity Management Program.

The year over year spend in the EGD Rate Zone is relatively small.

J. Utilization

The utilization asset class includes measurement & regulation systems at customer premises, below ground and internal piping systems after the meter, and customer-owned systems¹. Both Rate Zones saw reductions in planned meter exchanges in 2020 as a result of COVID-19 and its impact on customer and worker safety which resulted in reduced capital spending for this asset class.

K. EA Fixed Overheads

The EA fixed overhead asset class includes cost for Alliance partner overheads and district contractor pre-work costs. The increase in the EGD Rate Zone is due to additional fixed overhead related to emergency response. The Union Rate Zone increase is due to higher Alliance partner incentive payments in 2020.

L. Capitalized Overheads

Enbridge Gas implemented a harmonized overheads capitalization policy for both Rate Zones in January of 2020. Exhibit B, Tab 3, Schedule 1 provides an explanation of the overhead capitalization

¹ For customer owned systems that are downstream of the meter, the asset class is accountable for inspection at the time of initial installation and after re-introduction of gas. Maintenance and remediation of these assets are the responsibility of the customer.

methodology change.

Under the harmonized approach, the capitalized overheads include indirect overheads, direct and indirect burden loadings and IDC. Enbridge Gas is tracking the impact on revenue requirement of the increase in capitalized overheads and the corresponding decrease in O&M in the Accounting Policy Changes Deferral Account (APCDA) to ensure that ratepayers are kept whole with respect to the change in policy. The combined year over year variances (including 2019 loadings for Union Gas) are an increase of \$5.5 million as a result of the implementation of the harmonized overhead capitalization policy offset by a reduction in total overheads due to reduced O&M spend of \$21 million.

M. Integration Capital

Integration capital includes expenditures required to integrate the two legacy companies. An example of work related to these expenditures would be the integration of the customer billing systems. These expenditures are excluded when calculating the thresholds for ICM capital. The increases in both Rate Zones are due to new integration initiatives and increases to the Customer Information System project. The relatively larger increase in the Union Rate Zone can be attributed to more integration capital spend in the EGD Rate Zone in 2019.

N. Community Expansion

Community expansion provides natural gas services to communities not currently using natural gas. In response to the Ontario Energy Board's (OEB) initiative to address the Government of Ontario's desire

to expand natural gas distribution systems to communities that currently do not have access to natural gas, EGI has filed proposals with the OEB designed to facilitate enhanced access to natural gas for non-served rural, remote and First Nation communities, and businesses in Ontario.

Variances in the Community Expansion asset class are related to the Fenelon Falls project going into service in 2020 (year over year decrease in spend of \$6M) and permitting and construction challenges related to the Scugog Island First Nation project (year over year increase in spend of \$9 million).

In the Union Rate Zone the increase in spend is related to construction with the Saugeen First Nation project.

5. Table 3 below shows the Asset Classes with storage spend for each Rate Zone and the allocation of costs between the regulated and unregulated segments of EGI's storage operations. Both the EGD and Union Rate Zones have OEB approved policies and methodologies for unregulated storage allocations. Allocations are maintained at the individual asset level and updated annually to reflect additions and retirements to the assets. The allocations are applied to storage based capital projects in order to separate the regulated and unregulated costs.

Table 3
EGD Rate Zone Storage by Asset Class
 (\$millions)

| | Asset Class | Regulated | Unregulated |
|-----------------------------------|---|------------------|--------------------|
| A | Compression Stations | 9.23 | 2.39 |
| B | Transmission Pipe and Underground Storage | 12.69 | 5.79 |
| Total Capital Expenditures | | 21.92 | 8.18 |

6. Compression Stations – significant projects include SSOM:Dehy Regen Upgrade (\$2.2 million), SCOR:60008-Fdn Blk-Replace (\$1.9 million), SCOR:Meter Area Upgrade Phase 1 (\$1.3million) and SCOR:100MOD Hdr Valves-Replace (\$1.2 million). Transmission Pipe and Underground Storage – significant projects include Wilkesport MOP Remediation (\$7.8 million), LCHT:P/L-ILI Retrofits (\$1.7 million), PLAD:Reservior-DP Assess (\$1.2 million) and Storage Enhancement 21/22 PSEC DP (\$1.1 million).

Table 3
UG Rate Zone Storage by Asset Class
 (\$millions)

| | Asset Class | Regulated | Unregulated |
|-----------------------------------|---|------------------|--------------------|
| A | Compression Stations | 17.28 | 2.02 |
| B | Real Estate & Workplace Services | 16.10 | 0.06 |
| C | Transmission Pipe and Underground Storage | 20.77 | 5.93 |
| Total Capital Expenditures | | 54.15 | 8.01 |

7. Compression Stations – significant projects include Dawn J Compressor Blade Damage repair (\$2.7 milliom) and Bright C Compressor Failure (\$1.2 million). Transmission Pipe and Underground Storage – significant projects include NPS 42 Trafalgar Integrity (\$4.6 milion), Dawn Parkway Expansion (\$2.8 million), Trafalgar NPS 26 – 7th Line Class Location (\$2.5M) and Trafalgar NPS 34 – 7th Line Class Location (\$2.1 million).

ENBRIDGE GAS
SUMMARY OF CAPITAL COST ALLOWANCE (CCA)

| Line No. | Particulars (\$000s) | Col. 1 | Col. 2 | Col. 3 | Col. 4 | Col. 5 | Col. 6 | Col. 7 | Col. 8 | Col. 9 | Col. 10 | Col. 11 |
|----------|---|---|---|--------------------------------|-----------------|---|--|--------------------------------|-------------------------------|-------------|---------------|---------------|
| | | UCC at Prior Year Filing EB-2020-0134 | True-up from Filing to Tax Return | UCC At Beginning of Year | Total Additions | Total Additions Qualifying for Accel. CCA | Less: Lessor of Cost or Proceeds | Eligible CCA Additions** | Depreciable UCC Balance | Rate (%) | CCA FY2020 | Ending UCC |
| | | (a) | (b) | (c) | (d) | (e) | (f) | (g) | (h) | (i) | (j) | (k) |
| | Class | | | | | | | | | | | |
| 1. | 1 Buildings, structures and improvements, services, meters, mains | 2,394,473.5 | - | 2,394,473.5 | - | - | - | - | 2,394,473.5 | 4% | 95,778.9 | 2,298,694.5 |
| 2. | 1 Non-residential building acquired after March 19, 2007 | 119,826.3 | (239.5) | 119,586.8 | 6,968.2 | 5,562.9 | - | 9,047.0 | 128,633.8 | 6% | 7,718.0 | 118,836.9 |
| 3. | 2 Mains acquired before 1988 | 172,592.6 | - | 172,592.6 | - | - | - | - | 172,592.6 | 6% | 10,355.6 | 162,237.1 |
| 4. | 3 Buildings acquired before 1988 | 3,154.6 | - | 3,154.6 | - | - | - | - | 3,154.6 | 5% | 157.7 | 2,996.9 |
| 5. | 6 Other buildings | 89.2 | - | 89.2 | - | - | - | - | 89.2 | 10% | 8.9 | 80.3 |
| 6. | 7 Compression equipment acquired after February 22, 2005 | 573,691.2 | (793.8) | 572,897.3 | 3,939.1 | 3,877.4 | - | 5,847.0 | 578,744.3 | 15% | 86,811.6 | 490,024.8 |
| 7. | 8 Compression assets, office furniture, equipment | 197,953.5 | 19.8 | 197,973.3 | 47,408.8 | 47,350.8 | - | 71,055.2 | 269,028.5 | 20% | 53,805.7 | 191,576.3 |
| 8. | 10 Transportation, computer equipment | 36,641.5 | 494.4 | 37,136.0 | 5,493.7 | 5,493.7 | (45.4) | 8,217.8 | 45,353.8 | 30% | 13,606.1 | 28,978.1 |
| 9. | 12 Computer software, small tools | 4,307.4 | (3,302.5) | 1,004.9 | 38,276.4 | 35,233.3 | - | 36,754.9 | 37,759.8 | 100% | 37,759.8 | 1,521.5 |
| 10. | 13 Leasehold improvements | 975.1 | - | 975.1 | - | - | - | - | 975.1 | 0% | 301.2 | 673.9 |
| 11. | 14.1 Intangibles | 8,968.0 | (8.1) | 8,959.9 | 2,223.5 | 2,115.8 | - | 3,227.6 | 12,187.5 | 5% | 609.4 | 10,574.1 |
| 12. | 14.1 Intangibles (pre 2017) | 50,321.0 | - | 50,321.0 | - | - | - | - | 50,321.0 | 7% | 3,522.5 | 46,798.6 |
| 13. | 17 Roads, sidewalk, parking lot or storage areas | 546.3 | - | 546.3 | - | - | - | - | 546.3 | 8% | 43.7 | 502.6 |
| 14. | 38 Heavy work equipment | 5,785.1 | 37.7 | 5,822.8 | 12,318.1 | 11,966.7 | - | 18,125.8 | 23,948.5 | 30% | 7,184.6 | 10,956.3 |
| 15. | 41 Storage assets | 36,600.2 | (1,534.4) | 35,065.8 | 33,436.1 | 15,915.5 | - | 32,633.6 | 67,699.4 | 25% | 16,924.8 | 51,577.1 |
| 16. | 45 Computers - Hardware acquired after March 22, 2004 | 11.4 | - | 11.4 | - | - | - | - | 11.4 | 45% | 5.1 | 6.3 |
| 17. | 49 Transmission pipeline additions acquired after February 23, 2005 | 736,566.4 | (220.6) | 736,345.9 | 75,476.4 | 73,333.8 | - | 111,072.0 | 847,417.8 | 8% | 67,793.4 | 744,028.8 |
| 18. | 50 Computers hardware acquired after March 18, 2007 | 26,663.6 | (8,431.4) | 18,232.2 | 12,620.4 | 4,413.0 | - | 10,723.2 | 28,955.3 | 55% | 15,925.4 | 14,927.1 |
| 19. | 51 Distribution pipelines acquired after March 18, 2007 | 4,991,990.0 | (49,634.2) | 4,942,355.8 | 720,116.5 | 672,294.0 | (2.0) | 1,032,351.2 | 5,974,707.0 | 6% | 358,482.4 | 5,303,987.9 |
| 20. | Total | 9,361,157.1 | (63,612.7) | 9,297,544.3 | 958,277.2 | 877,557.0 | (47.4) | 1,339,055.2 | 10,636,599.6 | | 776,795.0 | 9,478,979.1 |

ACCOUNTS NOT BEING REQUESTED FOR CLEARANCE

1. The Company is not seeking clearance of the following accounts in this proceeding. For the following accounts, Enbridge Gas will carry the balances forward and seek clearance in appropriate future proceedings:

- Accounting Policy Changes Deferral Account - EGI
- Incremental Capital Module Deferral Account – EGD Rate Zone
- Incremental Capital Module Deferral Account – Union Rate Zone
- Covid-19 Emergency Incremental Cost Deferral Account - EGI

ENBRIDGE GAS – ACCOUNTING POLICY CHANGES DEFERRAL ACCOUNT
(APCDA) (No. 179-381)

1. On August 30, 2018 the Ontario Energy Board (OEB) issued its Decision and Order for the amalgamation and rate setting mechanism (the “MAADs Decision”) approving the amalgamation of Enbridge Gas Distribution Inc. (EGD) and Union Gas Limited (“Union”) and the rate-setting framework¹. In its Decision, the OEB established a deferral account to record the impact of any accounting changes required as a result of amalgamation that affect the revenue requirement.² The OEB approved wording of the accounting order for the Accounting Policy Changes Deferral Account (APCDA) effective January 1, 2019 in its Decision and Order on Enbridge Gas’ 2019 Rates application³.
2. As per the EB-2020-0134 Decision on Settlement Proposal, as part of the settlement proposal, parties agreed to defer the review, allocation and disposition of all balances in the APCDA until the end of Enbridge Gas’s deferred rebasing term (2023). Parties noted that they required more information regarding the treatment of the balances and the extent of rate harmonization post-rebasing before approval of the balances and the disposition methodology can be considered⁴.
3. The Company continues to track the annual revenue requirement impact of accounting policy changes made as of the amalgamation date, January 1, 2019, as well as any further accounting policy changes adopted since that time. The cumulative balance of the APCDA as of December 31, 2020 is a receivable of

¹ EB-2017-0306/0307, MAAD’s Decision and Order dated August 30, 2018; The Decision and Order was later amended by the Board on September 17, 2018 with no material changes.

² EB-2017-0306/0307, MAAD’s Decision and Order dated August 30, 2018, p. 47.

³ EB-2018-0305, 2019 Rates Final Rate Order dated October 24, 2019, Appendix I, p. 7.

⁴ EB-2020-0134, Decision on Settlement Proposal dated January 25, 2021, pp. 4-5.

\$164.926 million, driven by the revenue requirement impact of five accounting changes arising from (and since) amalgamation, which are detailed in the table below. The table categorizes each accounting policy change by policy, provides the cumulative opening balance as of the beginning of the period, details the current period revenue requirement impact being added to the cumulative balance, and finally the ending cumulative balance as of the end of the current period. The details of each item within the table below are described further in the remaining evidence presented.

| | Revenue Requirement | | | | | | |
|---|---------------------------------|---------------------------------|-------------------------|----------------------------|-----------------|--------------------|----------|
| | \$millions | | | | | | |
| | Capitalization vs Expense | Interest During Construction | Depreciation Expense | Overhead Capitalization | Subtotal | Pension Expense | Total |
| Balance at January 1, 2020 | 4.402 | (0.070) | (6.082) | - | (1.750) | 193.753 | 192.003 |
| Impact to 2020 revenue requirement: | | | | | | | |
| Expense | (4.904) | 0.054 | (3.507) | (5.457) | (13.814) | (12.288) | (26.102) |
| Cost of capital | (0.235) | 0.081 | 0.550 | 0.152 | 0.549 | - | 0.549 |
| Income tax | (0.049) | 0.822 | (1.175) | (1.123) | (1.525) | - | 1.525 |
| Total | (5.188) | 0.957 | (4.132) | (6.427) | (14.790) | (12.288) | (27.078) |
| Balance at December 31, 2020 | (0.786) | 0.887 | (10.214) | (6.427) | (16.539) | 181.465 | 164.926 |

4. Please refer to Exhibit C, Tab 1, Schedule 2 for the detailed 2020 revenue requirement calculation of the items presented above.

Capitalization vs Expense

5. Capitalization policies differed between EGD and Union with respect to whether the following items were capitalized or expensed as incurred:

| | Union Policy | EGD Policy | EGI Policy |
|---|----------------------|-------------|----------------------|
| <ul style="list-style-type: none"> • Verification of Maximum Operating Pressure Program (“MOP”); • Customer Assets Programs (Low Pressure Delivery Meter Set and Farm Tap Programs); • Distribution Integrity Technology; • Distribution Records Management Program; and, | Expensed as incurred | Capitalized | Expensed as incurred |
| <ul style="list-style-type: none"> • Integrity Digs resulting from integrity inspections | Expensed as incurred | Capitalized | Capitalize |

6. Upon amalgamation, it was necessary for Enbridge Gas to align its capitalization policies where differences existed between legacy EGD and legacy Union. The policy alignment in 2020 resulted in a net impact between UGL and EGD Rate Zones of:

- Lower O&M expense of approximately \$4.904 million, offset by higher capitalization; and,

- Gross revenue requirement decrease, or sufficiency of \$5.188 million.

Interest During Construction

7. Interest During Construction (IDC) is a cost of constructing an asset which is included in the cost of property plant and equipment capitalized.⁵ IDC is recovered in rates through depreciation expense, along with a return on rate base over the life of the asset. Both Union and EGD capitalized IDC in accordance with US GAAP, however, IDC calculation was different in the legacy utilities, as seen below.

| | Union Policy | EGD Policy | EGI Policy |
|-----------|---|--|--|
| Threshold | IDC is only calculated on projects with capital spend of \$1 million or greater, and that have a duration of greater than 12 months | No threshold – applied to all capital projects regardless of size and duration | No Threshold – applied to all capital projects regardless of size and duration |
| Rate | OEB prescribed interest rate for CWIP | Weighted average cost of debt (“WACD”) | OEB prescribed interest rate for CWIP |

8. Upon amalgamation, it was necessary for Enbridge Gas to align its accounting treatment of IDC. The policy alignment in 2020 resulted in:

- Total net gross revenue requirement increase, or deficiency of \$0.957 million.

Depreciation Expense

9. Depreciation rates for Union and EGD are based on depreciation studies that were approved by the OEB in prior proceedings. The respective depreciation studies for each EGD and Union Rate Zones continue to be used by Enbridge Gas.

⁵ ASC 835-20-05-1.

10. Upon amalgamation, it was necessary for Enbridge Gas to align the depreciation policies of legacy EGD and legacy Union Gas with respect to how depreciation on assets is calculated.

| Union Policy | EGD Policy | EGI Policy |
|--|--|--|
| Half year of depreciation in the first and last year of service, regardless of month the asset went into service | Begin depreciation the month after the asset goes into service, and stops the month after retirement | Begin depreciation the month after the asset goes into service, and stops the month after retirement |

11. Since many projects go into service late in the year, the EGD/Enbridge Gas policy would typically result in a lower first year depreciation expense than following the Union policy.

12. The policy alignment in 2020 resulted in an impact specific only to the UGL Rate Zone of:

- A decrease in depreciation expense of approximately \$3.507 million; and,
- A gross revenue requirement decrease, or sufficiency of \$4.132 million.

Overhead Capitalization

13. Following amalgamation, the Company sought to harmonize its overhead capitalization methodology and enlisted Ernst and Young (EY) to carry out the study. EY's assessment was informed by historical legacy approaches, the amalgamated structure, US GAAP, the OEB's Uniform System of Accounts, and Enbridge's Enterprise Capitalization Policy. Recommendations of the study were implemented in January 2020. The study grouped costs into Operations Costs, Business Costs, Support Costs, and Pension and Benefits, each with their own capitalization treatment to more directly link with causal determinants of cost.
14. Prior to this harmonization, capitalized overheads in the legacy EGD approach were determined by the application of Departmental Labour Costs (DLC) rates and Administrative & General (A&G) rates to support costs for capital work in field operations and business support operations, as well as administrative functions that support the overall business. In legacy UG, annual updates were carried out for support groups where capitalization rates were derived from time spent on capital activity.
15. Utility O&M evidence at Exhibit B, Schedule 3, Tab 1 provides a description of the new methodology starting on page 6. The APCDA isolates the impact of the overhead capitalization policy change. The calculation takes the 2020 O&M spend with the new harmonized rates and subtracts from it 2020 O&M spend using the legacy rates to determine the APCDA impact. The policy change results in a decrease in O&M and offsetting increase in capitalized overheads, with the revenue requirement impact recorded in the APCDA. The net impact between UGL and EGD Rate Zones was:
- Lower net OM&A expenses of \$5.5 million (offset by higher capitalization of overheads); and,

- A gross revenue requirement decrease, or sufficiency of \$6.427 million

Pension Expense – Unamortized Actuarial Gains/Losses and Prior Service Costs

16. Prior to December 31, 2018, Union recorded actuarial gains/losses and past service costs (“Actuarial Losses”) in Accumulated Other Comprehensive Income (AOCI) and amortized the balance over the expected average remaining service life (EARSL) of employees in accordance with ASC 715-30-35-24. This amortization expense was part of pension cost that was recognized annually and included in the forecast that underpinned rates. As a result of the Enbridge Inc. (EI) and Spectra merger on February 27, 2017, EI recorded the acquisition of Union through a purchase price allocation (“PPA”) in accordance with ASC 805. As a result, Union’s pension assets were adjusted on EI’s books to fair value and the unamortized Actuarial Losses of \$250 million were reclassified from AOCI to Goodwill. These adjustments were not required to be pushed down⁶ and were not pushed down to the Union stand alone statements. Therefore, this adjustment did not impact Union financial statements or accounting at the time of the merger.

17. Approximately \$39 million of Actuarial Losses were amortized between February 27, 2017 and December 31, 2018, resulting in a balance of \$211 million remaining in Union’s AOCI at amalgamation (January 1, 2019).

18. Upon amalgamation, US GAAP required the PPA recorded by Enbridge Inc. related to Union to be pushed down into the combined financial statements of Enbridge Gas

⁶ *Pushdown accounting* refers to establishing a new basis of accounting in the separate financial statements of the acquired entity (or acquiree) after it is acquired. The acquisition adjustments recorded by the acquirer in a business combination under ASC Topic 805 are pushed down to the acquiree’s separate financial statements.

.⁷ This resulted in the remaining unamortized Actuarial Losses on Union's balance sheet to be reclassified from AOCI to Goodwill.

19. Although this appears to be a balance sheet reclassification only, the adjustment would have a significant impact on Enbridge Gas if not for regulatory accounting. AOCI is amortized as an annual expense whereas Goodwill is not. As such, this treatment would result in stranding the balance in Goodwill that would never be expensed. This is an accounting change that occurred only because of the amalgamation. Otherwise, Union would have continued to amortize Actuarial Losses as pension expense, just as it had done in the past.
20. The change in accounting policy has not altered the fact that Union has incurred the Actuarial Losses and should recover these costs over time, as is currently approved by the Board. As noted previously, the balances represent the accumulation of Actuarial Losses incurred in relation to the pension assets that Enbridge Gas needs to continue to fund through cash contributions to the pension plans. Enbridge Gas's funding requirements do not change simply because the accounting treatment has changed. Therefore, continued recovery in rates through the deferred rebasing period is appropriate and is consistent with the Board's approved approach for utilities. As noted in the *"Report of the Ontario Energy Board – Regulatory Treatment of Pension and Other Post-employment Benefits (OPEBs) Costs – EB-2015-0040,"*

⁷ In accordance with ASC 805-50-30-5: "When accounting for a transfer of assets or exchange of shares between entities under common control, the entity that receives the net assets or the equity interests shall initially measure the recognized assets and liabilities transferred at their carrying amounts in the accounts of the transferring entity at the date of transfer. If the carrying amounts of the assets and liabilities transferred differ from the historical cost of the parent of the entities under common control, for example, because pushdown accounting had not been applied, then the financial statements of the receiving entity shall reflect the transferred assets and liabilities at the historical cost of the parent of the entities under common control."

accrual based accounting for pensions under ASC 715 would result in a match to actual cash contributions by the end of the life of the plans.

21. Accordingly, Enbridge Gas adjusted the opening balance sheet at January 1, 2019, to record the \$211 million balance previously recognized as AOCI in the financial records of Enbridge Gas as a regulatory asset (within the APCDA), instead of Goodwill. Enbridge Gas continues to draw down the regulatory asset by amortizing this balance as part of pension expense resulting in a regulatory asset balance of \$181 million recognized in the APCDA at December 31, 2020. By continuing to follow this approach, Enbridge Gas ensures that its results during the deferred rebasing period reflect the accrual based pension expense recognized annually through amortization of the noted balance.

22. As noted in the EB-2020-0134 Interrogatory Response to LPMA⁸, the amortization of actuarial gains/losses and past service costs is a component of accrual based pension expense. Base rates for both the EGD and Union Rate Zones include a provision for accrual based pension expenses as part of O&M. As indicated rates in each of the EGD and Union Rate Zones include the recovery of accrual based pension expenses. Commencing in 2019, the amortization of the unamortized actuarial gains/losses and past service costs that are reflected in the APCDA would form part of Enbridge Gas's overall pension expense.

23. Enbridge Gas proposes to continue the annual amortization and inclusion as part of the accrual based pension costs recognized as part of O&M expense (consistent with the amortization of actuarial gains/losses and past service costs incurred after the Enbridge/Spectra merger in 2017). This proposal will draw down the balance in

⁸ EB-2020-0134, Exhibit I.LPMA.4, p. 2.

the APCDA throughout the deferred rebasing period and will result in the recognition of annual pension expenses consistent with amounts that would have been recognized had the accounting change not been required (i.e. utility earnings are not impacted).

24. In an effort to manage the impact to ratepayers, Enbridge Gas proposes to continue with this approach throughout the deferred rebasing period and will propose a methodology for disposal of the applicable residual balance in the APCDA related to pension costs at December 31, 2023, as part of rebasing.

ENBRIDGE GAS - TAX VARIANCE DEFERRAL ACCOUNT

1. Establishment of the Enbridge Gas Inc. - Tax Variance Deferral Account was approved in the OEB's 2019 Rates (EB-2018-0305) Final Rate Order¹. The purpose of this account is to record 50% of the revenue requirement impact of any tax rate changes, versus the tax rates included in rates that affect Enbridge Gas. In accordance with the OEB's July 25, 2019 letter, *Accounting Direction Regarding Bill C-97 and Other Changes in Regulatory or Legislated Tax Rules for Capital Cost Allowance*, also accumulated in this account is 100% of the revenue requirement impact of any changes in Capital Cost Allowance (CCA) that are not reflected in base rates. This includes impacts related to Bill C-97 CCA rule changes, which became effective November 21, 2018, as well as any future CCA changes instituted by relevant regulatory or taxation bodies. Tax rate and CCA rule change impacts recorded in the account will, however, exclude tax rate and rule change impacts that are captured through other deferral account mechanisms (i.e., through the Incremental Capital Module Deferral Account and respective Capital Pass-through Project Deferral Accounts).
2. The balance in the 2020 Enbridge Gas Tax Variance Deferral Account is a credit of \$16.874 million, plus forecast interest to September 30, 2021 of \$0.160 million, for a total of \$17.034 million. Of the principal balance in the account, \$0.285 million relates to a true-up of the 2019 accelerated CCA impact, while \$16.589 million relates to the 2020 accelerated CCA impact. The 2019 true-up amount reflects the impact of a variance between the 2019 qualifying additions captured in the 2019 Enbridge Gas Tax Variance Deferral Account examined in the EB-2020-0134 proceeding, and the final 2019 qualifying additions supporting EGI's 2019 tax filing.

¹ EB-2018-0305, Final Rate Order dated October 24, 2019, Appendix I, page 10.

The accelerated CCA impacts of Bill C-97 were the only tax rate changes that impacted 2020.

3. As noted in the account description, the Tax Variance Deferral Account does not include the accelerated CCA impacts related to capital pass-through and incremental capital module projects, which have been reflected in the determination of variances recorded in deferral accounts associated with those respective projects. In addition, the 2020 Tax Variance Deferral Account balance also reflects the removal of accelerated CCA impacts of capital additions related to amalgamation/integration capital projects. As indicated in the MAADs proceeding, capital projects related to the amalgamation/integration are not included in the determination of annual ICM eligible amounts. Effectively, Enbridge Gas is expected to fund such projects during the deferred rebasing period through synergies. In these circumstances, the Company does not believe it is appropriate to credit ratepayers for 100% of the accelerated CCA benefit associated with these projects through the Tax Variance Deferral Account. However, consistent with the capital costs and benefits (synergies) related to those projects, the accelerated CCA impact is reflected in the determination of utility results subject to earnings sharing.
4. Consistent with the Board's EB-2020-0134 Decision and Order, in relation to the disposition of 2019 accelerated CCA impacts, the Company is requesting disposition of 100% of the impacts captured in the 2020 Tax Variance Deferral Account to ratepayers.

Income Tax - Bill C-97 (Accelerated CCA)

5. To calculate the annual income tax (or earnings) impact of accelerated CCA, Enbridge Gas has maintained a continuity of the 2018 – 2020 total annual capital additions which have qualified for accelerated CCA, and then removed the annual additions related to capital pass-through, incremental capital module, and

amalgamation/integration projects. For the remaining qualifying additions, the cumulative annual CCA has been calculated utilizing the accelerated rates and compared against the cumulative annual CCA calculated at the non-accelerated rates. The annual income tax (or earnings) impact of the variance between the two methodologies was then grossed-up for taxes to determine the annual revenue requirement impact. These annual impacts, representing 100% of the revenue requirement impact, have been recorded each year in the Enbridge Gas Inc. – Tax Variance Deferral Account. Please see Exhibit C, Tab 1, Schedule 3 for continuity schedules supporting the calculation of the 2020 accelerated CCA impact.

ENBRIDGE GAS – IMPACTS ARISING FROM THE COVID-19 EMERGENCY

1. On March 17, 2020, the Ontario Government declared a state of emergency in response to the spread of COVID-19. On March 25, 2020, in recognition of the impacts the pandemic may have on electricity and natural gas distributors, the OEB issued an accounting order establishing a deferral account (Account) in which electricity and natural gas distributors could record the incremental impacts resulting from the ongoing COVID-19 pandemic, the severity and duration of which was uncertain. In April 2020, the OEB confirmed the applicability of the Account to electricity transmitters and Ontario Power Generation Inc. (OPG). As a result, the Account applies to all rate-regulated entities.

2. As part of the accounting order dated March 25, 2020, and subsequent accounting orders dated August 6, 2020 and August 14, 2020, the OEB established the deferral account (the Account) – Impacts Arising from the COVID-19 Emergency, with the following sub-accounts:
 1. Sub-account Costs Associated with Billing and System Changes
 2. Sub-account Lost Revenues
 3. Sub-account Other Costs
 4. Sub-account Forgone Revenues from Postponing Rate Implementation
 5. Sub-account Bad Debt

3. On May 14, 2020, the OEB commenced a consultation (EB-2020-0133) intended to address how the Account will operate, including the nature and degree of costs and lost revenues (net of offsetting savings) eligible for recovery, the associated recovery mechanism and timing, etc.. To date, the consultation has proceeded through a number of phases, including the December 16, 2020 issuance of OEB Staff's Proposal regarding the scope and operation of the account, followed by submissions

and reply submissions from participating parties. Final Board guidance regarding the operation of the account is still pending.

4. The 2020 balance in the Impacts Arising from the COVID-19 Emergency – Other Costs deferral account is a debit to ratepayers of \$1.378 million, plus interest of \$0.006 million. The principal balance is comprised of a \$1.275 million one-time increase to LEAP EFA funding for 2020, plus \$0.103 million related to incremental COVID-19 Emergency Assistance Program (CEAP) and CEAP small business administration costs.
5. In a letter dated July 17, 2020¹, the OEB approved the amount a distributor may recover for the purpose of contributing to LEAP EFA funding for 2020. The letter indicated that distributors could make a one-time increase to LEAP EFA funding by a maximum of 50% of their 2020 fiscal year funding amount, and that the additional funding was to be made available to agencies for use in the LEAP EFA for 2020. The letter further indicated that the OEB was permitting the increased funding to be recorded in the Account Impacts Arising from the COVID-19 Emergency, Sub-account Other Costs.
6. In letters dated June 16, 2020² and August 7, 2020³, the OEB expressed its expectation that gas utilities (including Enbridge Gas) would assist with the administration of the government's CEAP and CEAP Small Business (SB) programs. The letters also articulated that the implementation and administration costs of the CEAP and CEAP SB programs may be recorded in the Account Impacts Arising from the COVID-19 Emergency, Sub-account Other Costs.

¹ OEB Letter dated July 17, 2020 - Re: Enhanced Funding for LEAP Emergency Financial Assistance for 2020

² OEB Letter dated June 16, 2020 – Re: COVID-19 Emergency Assistance Program, Implementation by Gas Utilities

³ OEB Letter dated August 7, 2020 – Re: COVID-19 Emergency Assistance Program – Small Business

7. In addition to the above referenced letters, the Company also notes that the recognition and recovery of incremental LEAP EFA and CEAP and CEAP SB implementation and administration costs, through the Impacts Arising from the COVID-19 Emergency deferral account, is in accordance with the Board Staff proposal. The Board Staff proposal⁴ recommends full cost recoverability for costs necessary to comply with government or OEB actions aimed at providing relief to ratepayers in response to the pandemic, inclusive of incremental LEAP EFA and CEAP and CEAP SB implementation and administration costs, subject to a means test whereby the utility's achieved ROE does not exceed the upper end of the dead band of 300 bps from a utility's approved ROE.

8. As Board guidance regarding the operation and recovery of amounts to be recorded in the Impacts Arising from the COVID-19 Emergency deferral account is still pending, the Company is not proposing disposition of the 2020 balance at this time.

⁴ December 16, 2020 EB-2020-0133 OEB Staff Proposal – Consultation on the Deferral Account – Impacts Arising from the COVID-19 Emergency

ENBRIDGE GAS
DEFERRAL & VARIANCE ACCOUNT
ACTUAL & FORECAST BALANCES

| Line No. | Account Description | Account Acronym | Forecast for clearance at October 1, 2021 | | | Reference | |
|---|--|---------------------------|---|---------------------------------|------------------------------|-------------------|--------------|
| | | | Col. 1 Principal (\$000's) | Col. 2 Interest (\$000's) | Col. 3 Total (\$000's) | | |
| <u>EGD Rate Zone Commodity Related Accounts</u> | | | | | | | |
| 1. | Storage and Transportation D/A | 2020 S&TDA | (229.6) | (29.1) | (258.7) | D-1, Page 2 | |
| 2. | Transactional Services D/A | 2020 TSDA | (3,884.9) | (16.6) | (3,901.5) | D-1, Page 4 | |
| 3. | Unaccounted for Gas V/A | 2020 UAFVA | 221.7 | (0.2) | 221.5 | D-1, Page 6 | |
| 4. | Total commodity related accounts | | (3,892.8) | (45.9) | (3,938.7) | | |
| <u>EGD Rate Zone Non Commodity Related Accounts</u> | | | | | | | |
| 5. | Average Use True-Up V/A | 2020 AUTUVA | (7,883.1) | (33.7) | (7,916.8) | D-1, Page 10 | |
| 6. | Gas Distribution Access Rule Impact D/A | 2020 GDARIDA | - | - | - | D-1, Page 23 | |
| 7. | Deferred Rebate Account | 2020 DRA | 2,518.2 | 27.1 | 2,545.3 | D-1, Page 12 | |
| 8. | Transition Impact of Accounting Changes D/A | 2020 TIACDA | 4,435.8 | - | 4,435.8 | D-1, Page 1 | |
| 9. | Electric Program Earnings Sharing D/A | 2020 EPESDA | - | - | - | D-1, Page 23 | |
| 10. | OEB Cost Assessment V/A | 2020 OEBCAVA | 3,006.4 | 30.4 | 3,036.8 | D-1, Page 13 | |
| 11. | Dawn Access Costs D/A | 2020 DACDA | 2,066.7 | 8.8 | 2,075.5 | D-1, Page 16 | |
| 12. | Pension and OPEB Forecast Accrual vs. Actual Cash Payment Di | 2020 P&OPEBFAVACPDVA | - | - | - | D-1, Page 23 | |
| 13. | Total EGD Rate Zone (for clearance) | | 251.2 | (13.3) | 237.9 | | |
| <u>Union Rate Zones Gas Supply Accounts</u> | | | | | | | |
| | | <u>OEB Account Number</u> | | | | | |
| 14. | Upstream Transportation Optimization | 179-131 | 2020 | 12,123.6 | 51.6 | 12,175.2 | E-1, Page 5 |
| 15. | Spot Gas Variance Account | 179-107 | 2020 | - | - | - | E-1, Page 54 |
| 16. | Unabsorbed Demand Costs Variance Account | 179-108 | 2020 | (1,749.6) | (40.9) | (1,790.5) | E-1, Page 1 |
| 17. | Deferral Clearing Variance Account - Supply | 179-132 | 2020 | (1,031.6) | (3.8) | (1,035.4) | E-1, Page 19 |
| 18. | Deferral Clearing Variance Account - Transport | 179-132 | 2020 | 823.1 | 3.0 | 826.1 | E-1, Page 19 |
| 19. | Base Service North T-Service TransCanada Capacity | 179-153 | 2020 | 28.3 | 0.1 | 28.4 | E-1, Page 46 |
| 20. | Total Gas Supply Accounts | | | 10,193.8 | 10.0 | 10,203.8 | |
| <u>Union Rate Zones Storage Accounts</u> | | | | | | | |
| 21. | Short-Term Storage and Other Balancing Services | 179-70 | 2020 | 1,271.8 | 5.4 | 1,277.2 | E-1, Page 7 |
| <u>Union Rate Zones Other Accounts</u> | | | | | | | |
| 22. | Normalized Average Consumption | 179-133 | 2020 | 7,181.8 | 96.4 | 7,278.2 | E-1, Page 11 |
| 23. | Deferral Clearing Variance Account | 179-132 | 2020 | 4,503.1 | 16.5 | 4,519.6 | E-1, Page 19 |
| 24. | OEB Cost Assessment Variance Account | 179-151 | 2020 | 1,233.7 | 13.0 | 1,246.7 | E-1, Page 43 |
| 25. | Unbundled Services Unauthorized Storage Overrun | 179-103 | 2020 | - | - | - | E-1, Page 54 |
| 26. | Gas Distribution Access Rule Costs | 179-112 | 2020 | - | - | - | E-1, Page 54 |
| 27. | Conservation Demand Management | 179-123 | 2020 | - | - | - | E-1, Page 54 |
| 28. | Parkway West Project Costs | 179-136 | 2020 | (470.0) | (4.0) | (474.0) | E-1, Page 23 |
| 29. | Brantford-Kirkwall/Parkway D Project Costs | 179-137 | 2020 | (32.0) | (0.3) | (32.3) | E-1, Page 27 |
| 30. | Lobo C Compressor/Hamilton-Milton Pipeline Project Costs | 179-142 | 2020 | 121.0 | 0.3 | 121.3 | E-1, Page 33 |
| 31. | Lobo D/Bright C/Dawn H Compressor Project Costs | 179-144 | 2020 | (1,189.5) | (7.6) | (1,197.1) | E-1, Page 37 |
| 32. | Burlington-Oakville Project Costs | 179-149 | 2020 | (48.0) | (0.3) | (48.3) | E-1, Page 41 |
| 33. | Panhandle Reinforcement Project Costs | 179-156 | 2020 | (2,100.8) | (3.5) | (2,104.3) | E-1, Page 48 |
| 34. | Sudbury Replacement Project | 179-162 | 2020 | - | - | - | E-1, Page 54 |
| 35. | Parkway Obligation Rate Variance | 179-138 | 2020 | - | - | - | E-1, Page 54 |
| 36. | Unauthorized Overrun Non-Compliance Account | 179-143 | 2020 | - | - | - | E-1, Page 36 |
| 37. | Pension and OPEB Forecast Accrual vs. Actual Cash Payment Di | 179-157 | 2020 | - | (1,005.8) | (1,005.8) | E-1, Page 52 |
| 38. | Unaccounted for Gas Volume Variance Account | 179-135 | 2020 | - | - | - | E-1, Page 29 |
| 39. | Unaccounted for Gas Price Variance Account | 179-141 | 2020 | 4.9 | 0.3 | 5.2 | E-1, Page 31 |
| 40. | Total Other Accounts | | | 9,204.2 | (895.0) | 8,309.2 | |
| 41. | Total Union Rate Zones (for clearance) | | | 20,669.8 | (879.6) | 19,790.2 | |
| <u>EGI Accounts</u> | | | | | | | |
| 42. | Earnings Sharing D/A | 179-382 | 2020 | - | - | - | |
| 43. | Tax Variance - Accelerated CCA - EGI | 179-383 | 2020 | (16,874.3) | (159.9) | (17,034.2) | C-1, Page 13 |
| 44. | Expansion of Natural Gas Distribution Systems V/A | 179-380 | 2020 | - | - | - | |
| 45. | Total EGI Accounts (for clearance) | | | (16,874.3) | (159.9) | (17,034.2) | |
| 46. | Total Deferral and Variance Accounts (for clearance) | | | 4,046.7 | (1,052.8) | 2,993.9 | |
| <u>Not Being Requested for Clearance</u> | | | | | | | |
| 47. | Accounting Policy Changes D/A - Pension - EGI | 179-120 | 2020 | 181,465.2 | - | 181,465.2 | C-1, Page 2 |
| 48. | Accounting Policy Changes D/A - Other - EGI | 179-120 | 2019 | (1,749.5) | (34.4) | (1,783.9) | C-1, Page 2 |
| 49. | Accounting Policy Changes D/A - Other - EGI | 179-120 | 2020 | (14,789.5) | (94.2) | (14,883.7) | C-1, Page 2 |
| 50. | Incremental Capital Module Deferral Account - EGD | | 2020 | (259.8) | (0.5) | (260.3) | C-1, Page 1 |
| 51. | Incremental Capital Module Deferral Account - UGL | 179-159 | 2019 | (6,869.6) | (123.9) | (6,993.5) | C-1, Page 1 |
| 52. | Incremental Capital Module Deferral Account - UGL | 179-159 | 2020 | (5,683.8) | (32.6) | (5,716.4) | C-1, Page 1 |
| 53. | Covid-19 Emergency Incremental Cost D/A | 2020 COVEICDA | 2020 | 1,377.5 | 5.9 | 1,383.4 | C-1, Page 16 |
| 54. | Total of Accounts not being requested for clearance | | | 153,490.5 | (279.7) | 153,210.8 | |

ENBRIDGE GAS
SUMMARY OF ACCOUNTING POLICY CHANGES DEFERRAL ACCOUNT (NO. 179-381)
UTILITY REVENUE REQUIREMENT

| Line No. | Col. 1 | Col. 2 | Col. 3 | Col. 4 | Col. 5 | Col. 6 | Col. 7 | Col. 8 | Col. 9 | Col. 10 | Col. 11 | Col. 12 | |
|--------------------------|---|----------------------------------|--|--|------------------------------------|---------------------------------|---------------------------------------|---|---|--|-------------|---------------------------------------|------------|
| (\$000's) | EGD - Change from Capital to O&M | UGL - Change from O&M to Capital | Capitalization Policy Alignment - Subtotal | EGD - Change from WACD to Board Prescribed | UGL - Elimination of IDC Threshold | IDC Policy Alignment - Subtotal | Depreciation Expense Policy Alignment | EGD - Change in Overhead Capitalization | UGL - Change in Overhead Capitalization | Overhead Capitalization Alignment - Subtotal | APCDA Total | Actuarial Gains/Losses on UGL Pension | |
| Cost of capital | | | | | | | | | | | | | |
| 1. | Rate base | (5,685.0) | 1,609.9 | (4,075.1) | (213.9) | 1,295.8 | 1,081.9 | 7,531.6 | (2,210.8) | 3,964.6 | 1,753.8 | 6,292.2 | - |
| 2. | Required rate of return* | 6.20% | 7.30% | | 6.20% | 7.30% | | 7.30% | 6.20% | 7.30% | | | 7.30% |
| 3. | Cost of capital* | (352.5) | 117.5 | (235.0) | (13.3) | 94.6 | 81.3 | 550.0 | (137.1) | 289.4 | 152.3 | 548.6 | - |
| Cost of service | | | | | | | | | | | | | |
| 4. | Gas costs | - | - | - | - | - | - | - | - | - | - | - | - |
| 5. | Operation and Maintenance | 1,100.9 | (5,911.1) | (4,810.2) | - | - | - | - | 3,334.1 | (8,885.9) | (5,551.8) | (10,362.0) | (12,287.9) |
| 6. | Depreciation and amortization | (138.0) | 44.4 | (93.6) | (7.7) | 61.3 | 53.6 | (3,506.9) | (40.5) | 135.8 | 95.3 | (3,451.6) | - |
| 7. | Municipal and other taxes | - | - | - | - | - | - | - | - | - | - | - | - |
| 8. | Cost of service | 962.9 | (5,866.7) | (4,903.8) | (7.7) | 61.3 | 53.6 | (3,506.9) | 3,293.6 | (8,750.1) | (5,456.5) | (13,813.6) | (12,287.9) |
| Income taxes on earnings | | | | | | | | | | | | | |
| 9. | Excluding tax shield | (183.8) | 1,482.4 | 1,298.6 | 779.8 | (199.3) | 580.5 | - | (654.9) | 1,260.2 | 605.3 | 2,484.4 | 3,256.3 |
| 10. | Tax shield provided by interest expense | 44.0 | (17.1) | 26.9 | 1.6 | (13.7) | (12.1) | (79.8) | 17.1 | (42.0) | (24.9) | (89.9) | - |
| 11. | Income taxes on earnings | (139.8) | 1,465.3 | 1,325.5 | 781.4 | (213.0) | 568.4 | (79.8) | (637.8) | 1,218.2 | 580.4 | 2,394.5 | 3,256.3 |
| Taxes on (def.) / suff. | | | | | | | | | | | | | |
| 12. | Gross (def.) / suff. | (640.4) | 5,828.3 | 5,187.9 | (1,034.6) | 77.7 | (956.9) | 4,131.6 | (3,426.9) | 9,853.7 | 6,426.8 | 14,789.4 | 12,287.9 |
| 13. | Net (def.) / suff. | (470.7) | 4,283.8 | 3,813.1 | (760.4) | 57.1 | (703.3) | 3,036.7 | (2,518.8) | 7,242.5 | 4,723.7 | 10,870.2 | 9,031.6 |
| 14. | Taxes on (def.) / suff. | 169.7 | (1,544.5) | (1,374.8) | 274.2 | (20.6) | 253.6 | (1,094.9) | 908.1 | (2,611.2) | (1,703.1) | (3,919.2) | (3,256.3) |
| 15. | Revenue requirement | 640.3 | (5,828.4) | (5,188.1) | 1,034.6 | (77.7) | 956.9 | (4,131.6) | 3,426.8 | (9,853.7) | (6,426.9) | (14,789.7) | (12,287.9) |
| 16. | Gross revenue (def.) / suff. | (640.3) | 5,828.4 | 5,188.1 | (1,034.6) | 77.7 | (956.9) | 4,131.6 | (3,426.8) | 9,853.7 | 6,426.9 | 14,789.7 | 12,287.90 |

*Union rate zones 2013 Board-approved rate of return is 7.3% and EGD rate zone 2018 Board-approved rate of return is 6.2%.

ENBRIDGE GAS
SUMMARY OF ACCOUNTING POLICY CHANGES DEFERRAL ACCOUNT (NO. 179-381)
UTILITY REVENUE REQUIREMENT

| Line No. | (\$000's) | Col. 1 | Col. 2 | Col. 3 | Col. 4 | Col. 5 | Col. 6 | Col. 7 | Col. 8 | Col. 9 |
|--------------------------|-------------------------------|----------------------------------|----------------------------------|---------------------------------|--|------------------------------------|----------------------|---------------------------------------|------------------|---------------------------------------|
| | | EGD - Change from Capital to O&M | UGL - Change from O&M to Capital | Capitalization Policy Alignment | EGD - Change from IDC rate at WACD to Board Prescribed | UGL - Elimination of IDC Threshold | IDC Policy Alignment | Depreciation Expense Policy Alignment | APCDA Total | Actuarial Gains/Losses on UGL Pension |
| Cost of capital | | | | | | | | | | |
| 1 | Rate base | (239.4) | 57.7 | (181.7) | (84.3) | 98.0 | 13.7 | 3,281.2 | 3,113.2 | - |
| 2 | Required rate of return* | <u>6.20%</u> | <u>7.30%</u> | - | <u>6.20%</u> | <u>7.30%</u> | - | <u>7.30%</u> | - | <u>7.30%</u> |
| 3 | Cost of capital* | (14.8) | 4.2 | (10.6) | (5.2) | 7.2 | 2.0 | 239.6 | 231.0 | - |
| Cost of service | | | | | | | | | | |
| 4 | Gas costs | - | - | - | - | - | - | - | - | - |
| 5 | Operation and Maintenance | 5,744.9 | (1,385.8) | 4,359.2 | - | - | - | - | 4,359.2 | (17,509.3) |
| 6 | Depreciation and amortization | - | - | - | (2.5) | 1.8 | (0.7) | (4,675.4) | (4,676.1) | - |
| 7 | Municipal and other taxes | - | - | - | - | - | - | - | - | - |
| 8 | Cost of service | 5,744.9 | (1,385.8) | 4,359.2 | (2.5) | 1.8 | (0.7) | (4,675.4) | (316.9) | (17,509.3) |
| Income taxes on earnings | | | | | | | | | | |
| 9 | Excluding tax shield | (1,470.3) | 356.2 | (1,114.1) | 403.0 | (455.1) | (52.1) | - | (1,166.2) | 4,640.0 |
| 10 | expense | <u>1.9</u> | <u>(0.6)</u> | <u>1.3</u> | <u>0.7</u> | <u>(1.0)</u> | <u>(0.3)</u> | <u>(34.8)</u> | (33.8) | - |
| 11 | Income taxes on earnings | (1,468.4) | 355.6 | (1,112.8) | 403.7 | (456.1) | (52.4) | (34.8) | (1,200.0) | 4,640.0 |
| Taxes on (def.) / suff. | | | | | | | | | | |
| 12 | Gross (def.) / suff. | (5,798.2) | 1,395.9 | (4,402.3) | (538.8) | 608.3 | 69.5 | 6,082.4 | 1,749.6 | 17,509.3 |
| 13 | Net (def.) / suff. | <u>(4,261.7)</u> | <u>1,026.0</u> | <u>(3,235.7)</u> | <u>(396.0)</u> | <u>447.1</u> | <u>51.1</u> | <u>4,470.6</u> | 1,286.0 | <u>12,869.3</u> |
| 14 | Taxes on (def.) / suff. | 1,536.5 | (369.9) | 1,166.6 | 142.8 | (161.2) | (18.4) | (1,611.8) | (463.6) | (4,640.0) |
| 15 | Revenue requirement | 5,798.2 | (1,395.9) | 4,402.4 | 538.8 | (608.3) | (69.5) | (6,082.4) | (1,749.5) | (17,509.3) |
| 16 | Gross revenue (def.) / suff. | <u>(5,798.2)</u> | <u>1,395.9</u> | <u>(4,402.4)</u> | <u>(538.8)</u> | <u>608.3</u> | <u>69.5</u> | <u>6,082.4</u> | 1,749.5 | <u>17,509.3</u> |

*Union rate zones 2013 Board-approved rate of return is 7.3% and EGD rate zone 2018 Board-approved rate of return is 6.2%.

ENBRIDGE GAS
CALCULATION OF THE BILL C-97 ACCELERATED CCA IMPACT TO BE RECORDED IN THE TAX VARIANCE DEFERRAL ACCOUNT

| Line No. | Particulars (\$000s) | <u>2018 Year-End</u> | | Total Additions Qualifying for Accel. CCA | ICM & Capital Pass-Through Additions | Additions Net of ICM & Capital Pass-Through | Accel. CCA Depreciable UCC Balance | Regular CCA Depreciable UCC Balance | Rate (%) | Accelerated CCA | Regular CCA | Closing UCC Accel. CCA | Closing UCC Regular CCA |
|----------|---|------------------------|-------------------------|---|--------------------------------------|---|------------------------------------|-------------------------------------|----------|-----------------|-------------|------------------------|-------------------------|
| | | Opening UCC Accel. CCA | Opening UCC Regular CCA | | | | | | | | | | |
| | | (a) | (b) | (c) | (d) | (e) | (f) | (g) | (h) | (i) | (j) | (k) | (l) |
| | Class | | | | | | | | | | | | |
| 1. | 1 Buildings, structures and improvements, services, meters, mains | - | - | - | - | - | - | - | 4% | - | - | - | - |
| 2. | 1 Non-residential building acquired after March 19, 2007 | - | - | 2,952.7 | 1,724.3 | 1,228.4 | 1,842.6 | 614.2 | 6% | 110.6 | 36.9 | 1,117.8 | 1,191.5 |
| 3. | 2 Mains acquired before 1988 | - | - | - | - | - | - | - | 6% | - | - | - | - |
| 4. | 3 Buildings acquired before 1988 | - | - | - | - | - | - | - | 5% | - | - | - | - |
| 5. | 6 Other buildings | - | - | - | - | - | - | - | 10% | - | - | - | - |
| 6. | 7 Compression equipment acquired after February 22, 2005 | - | - | 7,775.4 | 4,438.3 | 3,337.0 | 5,005.6 | 1,668.5 | 15% | 750.8 | 250.3 | 2,586.2 | 3,086.8 |
| 7. | 8 Compression assets, office furniture, equipment | - | - | 7,616.0 | 100.0 | 7,516.0 | 11,274.0 | 3,758.0 | 20% | 2,254.8 | 751.6 | 5,261.2 | 6,764.4 |
| 8. | 10 Transportation, computer equipment | - | - | 1,874.7 | - | 1,874.7 | 2,812.0 | 937.3 | 30% | 843.6 | 281.2 | 1,031.1 | 1,593.5 |
| 9. | 12 Computer software, small tools | - | - | 11,185.5 | - | 11,185.5 | 11,185.5 | 5,592.7 | 100% | 11,185.5 | 5,592.7 | - | 5,592.7 |
| 10. | 13 Leasehold improvements | - | - | - | - | - | - | - | N/A | - | - | - | - |
| 11. | 14.1 Intangibles | - | - | 82.0 | - | 82.0 | 122.9 | 41.0 | 5% | 6.1 | 2.0 | 75.8 | 79.9 |
| 12. | 14.1 Intangibles (pre 2017) | - | - | - | - | - | - | - | 7% | - | - | - | - |
| 13. | 17 Roads, sidewalk, parking lot or storage areas | - | - | - | - | - | - | - | 8% | - | - | - | - |
| 14. | 38 Heavy work equipment | - | - | 823.6 | - | 823.6 | 1,235.4 | 411.8 | 30% | 370.6 | 123.5 | 453.0 | 700.1 |
| 15. | 41 Storage assets | - | - | 379.1 | 141.0 | 238.1 | 357.2 | 119.1 | 25% | 89.3 | 29.8 | 148.8 | 208.4 |
| 16. | 45 Computers - Hardware acquired after March 22, 2004 | - | - | - | - | - | - | - | 45% | - | - | - | - |
| 17. | 49 Transmission pipeline additions acquired after February 23, 2005 | - | - | 1,870.0 | 584.3 | 1,285.6 | 1,928.5 | 642.8 | 8% | 154.3 | 51.4 | 1,131.4 | 1,234.2 |
| 18. | 50 Computers hardware acquired after March 18, 2007 | - | - | 2,286.8 | - | 2,286.8 | 3,430.1 | 1,143.4 | 55% | 1,886.6 | 628.9 | 400.2 | 1,657.9 |
| 19. | 51 Distribution pipelines acquired after March 18, 2007 | - | - | 62,357.7 | 1,078.0 | 61,279.7 | 91,919.5 | 30,639.8 | 6% | 5,515.2 | 1,838.4 | 55,764.5 | 59,441.3 |
| 20. | Total | \$ - | \$ - | 99,203.4 | 8,066.0 | 91,137.4 | 131,113.3 | 45,568.7 | | \$ 23,167.4 | \$ 9,586.7 | 67,970.0 | 81,550.6 |

| | | 2019 Year-End | | | | | | | | | | | |
|----------|---|------------------------|-------------------------|---|--------------------------------------|---|------------------------------------|-------------------------------------|----------|-----------------|-------------|------------------------|-------------------------|
| Line No. | Particulars (\$000s) | Opening UCC Accel. CCA | Opening UCC Regular CCA | Total Additions Qualifying for Accel. CCA | ICM & Capital Pass-Through Additions | Additions Net of ICM & Capital Pass-Through | Accel. CCA Depreciable UCC Balance | Regular CCA Depreciable UCC Balance | Rate (%) | Accelerated CCA | Regular CCA | Closing UCC Accel. CCA | Closing UCC Regular CCA |
| | | (a) | (b) | (c) | (d) | (e) | (f) | (g) | (h) | (i) | (j) | (k) | (l) |
| Class | | | | | | | | | | | | | |
| 1. | 1 Buildings, structures and improvements, services, meters, mains | - | - | - | - | - | - | - | 4% | - | - | - | - |
| 2. | 1 Non-residential building acquired after March 19, 2007 | 1,117.8 | 1,191.5 | 7,938.6 | 871.0 | 7,067.6 | 11,719.3 | 4,725.3 | 6% | 703.2 | 283.5 | 7,482.3 | 7,975.6 |
| 3. | 2 Mains acquired before 1988 | - | - | - | - | - | - | - | 6% | - | - | - | - |
| 4. | 3 Buildings acquired before 1988 | - | - | - | - | - | - | - | 5% | - | - | - | - |
| 5. | 6 Other buildings | - | - | - | - | - | - | - | 10% | - | - | - | - |
| 6. | 7 Compression equipment acquired after February 22, 2005 | 2,586.2 | 3,086.8 | 6,244.1 | 5,218.0 | 1,026.1 | 4,125.3 | 3,599.8 | 15% | 618.8 | 540.0 | 2,993.5 | 3,572.9 |
| 7. | 8 Compression assets, office furniture, equipment | 5,261.2 | 6,764.4 | 33,185.8 | 15,202.5 | 17,983.3 | 32,236.2 | 15,756.1 | 20% | 6,447.2 | 3,151.2 | 16,797.3 | 21,596.5 |
| 8. | 10 Transportation, computer equipment | 1,031.1 | 1,593.5 | 16,254.8 | - | 16,254.8 | 25,413.3 | 9,720.9 | 30% | 7,624.0 | 2,916.3 | 9,661.9 | 14,932.0 |
| 9. | 12 Computer software, small tools | - | 5,592.7 | 36,263.7 | - | 36,263.7 | 36,263.7 | 23,724.6 | 100% | 36,263.7 | 23,724.6 | - | 18,131.8 |
| 10. | 13 Leasehold improvements | - | - | - | - | - | - | - | N/A | - | - | - | - |
| 11. | 14.1 Intangibles | 75.8 | 79.9 | 3,595.8 | 1,836.0 | 1,759.8 | 2,715.5 | 959.8 | 5% | 135.8 | 48.0 | 1,699.8 | 1,791.7 |
| 12. | 14.1 Intangibles (pre 2017) | - | - | - | - | - | - | - | 7% | - | - | - | - |
| 13. | 17 Roads, sidewalk, parking lot or storage areas | - | - | - | - | - | - | - | 8% | - | - | - | - |
| 14. | 38 Heavy work equipment | 453.0 | 700.1 | 4,166.1 | - | 4,166.1 | 6,702.1 | 2,783.1 | 30% | 2,010.6 | 834.9 | 2,608.4 | 4,031.2 |
| 15. | 41 Storage assets | 148.8 | 208.4 | 735.5 | - | 735.5 | 1,252.1 | 576.1 | 25% | 313.0 | 144.0 | 571.3 | 799.8 |
| 16. | 45 Computers - Hardware acquired after March 22, 2004 | - | - | - | - | - | - | - | 45% | - | - | - | - |
| 17. | 49 Transmission pipeline additions acquired after February 23, 2005 | 1,131.4 | 1,234.2 | 90,992.5 | 55,507.0 | 35,485.5 | 54,359.6 | 18,977.0 | 8% | 4,348.8 | 1,518.2 | 32,268.1 | 35,201.6 |
| 18. | 50 Computers hardware acquired after March 18, 2007 | 400.2 | 1,657.9 | 29,431.1 | - | 29,431.1 | 44,546.9 | 16,373.5 | 55% | 24,500.8 | 9,005.4 | 5,330.5 | 22,083.6 |
| 19. | 51 Distribution pipelines acquired after March 18, 2007 | 55,764.5 | 59,441.3 | 499,719.3 | 988.6 | 498,730.7 | 803,860.5 | 308,806.6 | 6% | 48,231.6 | 18,528.4 | 506,263.5 | 539,643.6 |
| 20. | Total | \$ 67,970.0 | 81,550.6 | 728,527.3 | 79,623.1 | 648,904.2 | 1,023,194.5 | 406,002.8 | | \$ 131,197.5 | \$ 60,694.5 | 585,676.7 | 669,760.4 |

| 2020 Year-End | | | | | | | | | | | | | |
|---------------|---|---------------------------|----------------------------|---|--|---|--|---|-------------|--------------------|----------------|------------------------------|-------------------------------|
| Line No. | Particulars (\$000s) | Opening UCC Accel. CCA | Opening UCC Regular CCA | Total Additions Qualifying for Accel. CCA | ICM, Capital Pass-Through, & Amalgamation Additions | Additions Net of ICM, Capital Pass-Through, & Amalgamation | Accel. CCA Depreciable UCC Balance | Regular CCA Depreciable UCC Balance | Rate (%) | Accelerated CCA | Regular CCA | Closing UCC Accel. CCA | Closing UCC Regular CCA |
| | | (a) | (b) | (c) | (d) | (e) | (f) | (g) | (h) | (i) | (j) | (k) | (l) |
| Class | | | | | | | | | | | | | |
| 1. | 1 Buildings, structures and improvements, services, meters, mains | - | - | - | - | - | - | - | 4% | - | - | - | - |
| 2. | 1 Non-residential building acquired after March 19, 2007 | 7,482.3 | 7,975.6 | 6,157.3 | 18.0 | 6,139.3 | 16,691.2 | 11,045.3 | 6% | 1,001.5 | 662.7 | 12,620.1 | 13,452.2 |
| 3. | 2 Mains acquired before 1988 | - | - | - | - | - | - | - | 6% | - | - | - | - |
| 4. | 3 Buildings acquired before 1988 | - | - | - | - | - | - | - | 5% | - | - | - | - |
| 5. | 6 Other buildings | - | - | - | - | - | - | - | 10% | - | - | - | - |
| 6. | 7 Compression equipment acquired after February 22, 2005 | 2,993.5 | 3,572.9 | 3,890.8 | 109.0 | 3,781.8 | 8,666.1 | 5,463.7 | 15% | 1,299.9 | 819.6 | 5,475.3 | 6,535.1 |
| 7. | 8 Compression assets, office furniture, equipment | 16,797.3 | 21,596.5 | 44,406.8 | 4,267.4 | 40,139.4 | 77,006.4 | 41,666.2 | 20% | 15,401.3 | 8,333.2 | 41,535.4 | 53,402.7 |
| 8. | 10 Transportation, computer equipment | 9,661.9 | 14,932.0 | 5,467.5 | - | 5,467.5 | 17,863.2 | 17,665.8 | 30% | 5,359.0 | 5,299.7 | 9,770.5 | 15,099.8 |
| 9. | 12 Computer software, small tools | - | 18,131.8 | 38,388.2 | 17,954.5 | 20,433.7 | 20,433.7 | 28,348.7 | 100% | 20,433.7 | 28,348.7 | - | 10,216.8 |
| 10. | 13 Leasehold improvements | - | - | - | - | - | - | - | N/A | - | - | - | - |
| 11. | 14.1 Intangibles | 1,699.8 | 1,791.7 | 2,188.6 | 200.6 | 1,988.0 | 4,681.8 | 2,785.7 | 5% | 234.1 | 139.3 | 3,453.7 | 3,640.4 |
| 12. | 14.1 Intangibles (pre 2017) | - | - | - | - | - | - | - | 7% | - | - | - | - |
| 13. | 17 Roads, sidewalk, parking lot or storage areas | - | - | - | - | - | - | - | 8% | - | - | - | - |
| 14. | 38 Heavy work equipment | 2,608.4 | 4,031.2 | 11,897.0 | - | 11,897.0 | 20,454.0 | 9,979.7 | 30% | 6,136.2 | 2,993.9 | 8,369.3 | 12,934.3 |
| 15. | 41 Storage assets | 571.3 | 799.8 | 26,296.8 | 16.0 | 26,280.8 | 39,992.6 | 13,940.3 | 25% | 9,998.1 | 3,485.1 | 16,854.0 | 23,595.6 |
| 16. | 45 Computers - Hardware acquired after March 22, 2004 | - | - | - | - | - | - | - | 45% | - | - | - | - |
| 17. | 49 Transmission pipeline additions acquired after February 23, 2005 | 32,268.1 | 35,201.6 | 70,473.6 | 8,716.4 | 61,757.2 | 124,903.8 | 66,080.2 | 8% | 9,992.3 | 5,286.4 | 84,033.0 | 91,672.3 |
| 18. | 50 Computers hardware acquired after March 18, 2007 | 5,330.5 | 22,083.6 | 12,602.4 | 1,148.4 | 11,453.9 | 22,511.4 | 27,810.6 | 55% | 12,381.3 | 15,295.8 | 4,403.2 | 18,241.7 |
| 19. | 51 Distribution pipelines acquired after March 18, 2007 | 506,263.5 | 539,643.6 | 658,815.5 | 51,474.8 | 607,340.7 | 1,417,274.6 | 843,313.9 | 6% | 85,036.5 | 50,598.8 | 1,028,567.8 | 1,096,385.4 |
| 20. | Total | \$ 585,676.2 | 669,759.9 | 880,584.4 | 83,905.2 | 796,679.2 | 1,770,478.2 | 1,068,099.5 | | \$ 167,273.7 | \$ 121,263.3 | 1,215,082.2 | 1,345,176.4 |

| | 2018 | 2019 | 2020 |
|---|----------|----------|----------|
| CCA Variance (i) - (j) | 13,580.7 | 70,503.0 | 46,010.5 |
| Tax Rate | 26.5% | 26.5% | 26.5% |
| Earnings Impact of Accelerated CCA | 3,598.9 | 18,683.3 | 12,192.8 |
| Earnings Impact Grossed-up for Taxes Recorded in the TVDA | 4,896.4 | 25,419.4 | 16,588.8 |
| Balances as filed in EB-2020-0134 | 4,896.4 | 25,133.9 | NA |
| variance | - | 285.5 | - |
| Include adjustment to 2019 balance in 2020 TVDA | - | (285.5) | 285.5 |
| Revised Balances | 4,896.4 | 25,133.9 | 16,874.4 |

1 - Balance for 2019 was updated based on the change from EB-2020-0134 and Tax Filing on June 30, 2020.

2021 TRANSITION IMPACT OF ACCOUNTING CHANGES DEFERRAL ACCOUNT
EGD RATE ZONE

1. The purpose of the Transition Impact of Accounting Changes Deferral Account (TIACDA) is to track the un-cleared Other Post Employment Benefit (OPEB) costs which the OEB has approved for recovery. Within EB-2011-0354, the OEB approved the recovery of OPEB costs, which were forecast to be \$90 million at the end of 2012, evenly over a 20-year period, commencing in 2013. The OPEB costs needed to be recognized as a result of EGD having to account for post-employment expenses on an accrual basis, upon transition to USGAAP for corporate reporting purposes in 2012. The use of USGAAP for regulatory purposes was approved within the 2013 rate proceeding, EB-2011-0354.
2. The final amount recorded in the TIACDA as of the end of 2012 was \$88.716 million. The first eight installments (for each of 2013 through 2020) of \$4.436 million each (1/20 of \$88.716 million), were approved for recovery within the EB-2013-0046, EB-2014-0195, EB-2015-0122, EB-2016-0142, EB-2017-0102, EB-2018-0131, EB-2019-0105 and EB-2020-0134 proceedings.
3. Enbridge Gas is now requesting recovery of the ninth, or 2021 installment of the OEB-Approved TIACDA amount, in the amount of \$4.436 million (1/20 of \$88.716 million). As per the approved description and scope of the account, interest is not applicable to the balances to be cleared from the TIACDA.

2020 STORAGE & TRANSPORTATION DEFERRAL ACCOUNT

EGD RATE ZONE

1. The purpose of the 2020 Storage & Transportation Deferral Account (S&TDA) is to record the difference between the forecast cost of Storage and Transportation included in the Company's approved rates and the actual cost of Storage and Transportation incurred by the Company. Storage and Transportation cost includes cost of service and market-based pricing.
2. The S&TDA also records the variance between the forecast Storage and Transportation demand levels and the actual Storage and Transportation demand levels. In addition, the S&TDA is used to record amounts received by the Company related to deferral account dispositions of other utilities deferral accounts.
3. The balance in the 2020 S&TDA that the Company is proposing to refund to customers is \$0.2 million plus interest. A detailed breakdown of the S&TDA is provided in Exhibit D, Tab 1, Schedule 1.
4. The primary driver for the balance in the 2020 S&TDA is a \$9.4M refund from the Union Rate Zone as part of Union's 2018 deferral disposition, partially offset by higher than forecasted transportation prices and higher than forecasted market-based storage costs in 2020. Transportation prices are determined by the OEB-approved M12 Rate Schedule.
5. As outlined in the 2020 Annual Update to the 5 Year Gas Supply Plan, Enbridge Gas purchases market-based storage services on behalf of customers in the EGD Rate Zone through a competitive blind storage RFP process. On August 12, 2019, Enbridge Gas initiated an RFP for market-based storage capacity with

deliveries to Dawn. The RFP was conducted by Deloitte Consulting. The RFP requested offers of storage services with terms of 1,3,4 or 5 years commencing April 1, 2020 with firm injections from May to September and firm withdrawals from December to March. The RFP letter is provided as Exhibit D, Tab 1, Schedule 5.

6. Enbridge Gas required this annual replacement of third-party storage in order to reliably and cost effectively meet demand on peak winter days as well as retain late season deliverability. The RFP responses were received by Enbridge Gas on August 22, 2019 with conforming offers from 5 different counterparties with multiple terms, prices and injection/withdrawal parameters. Bids received and those that were selected are outlined in Confidential Exhibit D, Tab 1, Schedule 6.

2020 TRANSACTIONAL SERVICES DEFERRAL ACCOUNT (2020 TSDA)
EGD RATE ZONE

1. The concept of Transactional Services operates under the premise that if circumstances arise where the assets acquired by Enbridge Gas to meet customer demand are not fully required then those assets can be made available to generate third party revenue. Transactional Services are the optimization of these assets.
2. Transactional Services optimization can be grouped into two different categories – storage optimization and transportation optimization. Storage optimization transactions typically rely on the storage of or the loan of gas between two points in time at the same location (i.e., Dawn). Transportation optimization transactions typically rely on the exchange of gas on the day between two locations.
3. Any revenues received from Transactional Services are to be shared 90:10 between the ratepayer and the Company. The EGD Rate Zone rates include an upfront benefit of \$12.0 million in Transactional Services revenue that has been applied to reduce the overall costs to be collected from EGD Rate Zone ratepayers. The purpose of the TSDA is to capture the difference between the total ratepayer share of transactional services revenue and the amount already included in rates.
4. During 2020 the Company generated a total of \$17.6 million in net Transactional Services revenue, of which the ratepayer portion represents \$15.9 million, through a combination of Storage and Transportation Optimization. Exhibit D, Tab 1, Schedule 2 provides a breakdown of Transactional Services revenue by type of transaction, and sets out the details of the amount, \$3.9 million proposed to be credited to-customers through the disposition of the 2020 TSDA. For comparison purposes the schedule also includes amounts recorded in the applicable TSDA accounts for years 2019, 2018, 2017 and 2016.

5. The transactions that Enbridge Gas entered into in 2020 contained the three elements of Transactional Services as were described in the Company's evidence in EB-2013-0046 in that they were unplanned, the result of a Third-Party service request and were available because of temporary surplus capacity.

2020 UNACCOUNTED-FOR GAS VARIANCE ACCOUNT

EGD RATE ZONE

1. This evidence provides the volumetric variance underpinning the balance in the 2020 Unaccounted-For Gas Variance Account (UAFVA). It will describe the 2020 variance relative to historical Unaccounted-For Gas (UAF) volumes for the EGD Rate Zone.
2. UAF is the difference between natural gas delivered into the distribution system as billed by third-party transmission entities (namely, TC Energy and Union Gas¹), and natural gas consumed by the customers in the EGD Rate Zone and EGD own use gas and line pack gas. Owing to its residual nature, UAF cannot be measured directly. UAF can arise from meter differences, operational or external factors such as line leakage, unmetered uses, and third party damages. In addition, because gas volumes are affected by temperature and pressure, measurement is made more difficult.
3. The 2020 level of UAF for the EGD Rate Zone was determined to be 110,234 10³m³. The variance of 3,557 10³m³, which is the difference between actual UAF volume and the forecast UAF volume of 106,677 10³m³, underpins the \$0.2 million balance that is captured in the UAFVA. Exhibit D, Tab 1, Schedule 3 provides the detail calculations of the UAFVA balance.
4. The 2019 UAF study was filed as part of the 2020 rate application (EB-2019-0194). The report found that the primary sources for UAF include physical losses, retail meter variation and gate station meter variations. The report found that Enbridge Gas' UAF levels are generally lower than competitive gas utilities over the

¹ As of January 1, 2019, Union Gas Limited and Enbridge Gas Distribution merged to become Enbridge Gas Inc.

past 10 years. The year-to-year fluctuations are a result of many factors including weather, estimation variation, measurement variation, and billing and accounting adjustments. The practices and initiatives to monitor and manage sources of UAF are generally consistent with those of other gas utilities. Enbridge Gas has committed to report on its progress in implementing the recommendations set out in the 2019 UAF Study in its 2022 rates application.²

5. As shown in Tables 1 and 2 in the following pages, UAF within the EGD rate zone has been quite volatile over the years, showing some stability from 2010-2012, and followed by higher levels especially in 2014, 2016, 2018 and 2019. The 2020 UAF level falls within the 95% confidence interval, bounded by (12,531) 10^3m^3 and 166,522 10^3m^3 .

² EB-2019-0194, Decision and Order, pages 18-19.

Table 1: Unaccounted-For Gas Volumes (10^3 m^3), 1991-2020

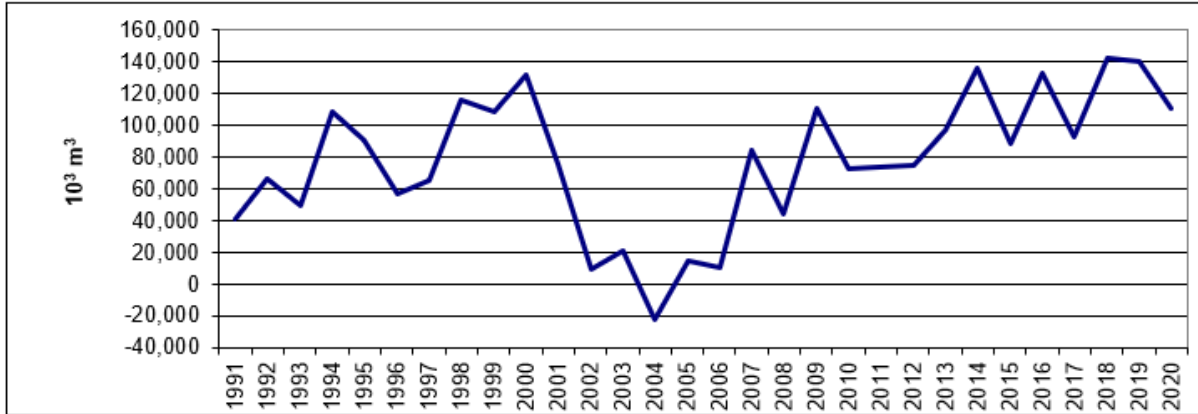


Table 2

| <i>Col.1</i> | <i>Col.2</i> |
|----------------------|---|
| Calendar Year | UAF Volumes (10³ m³) |
| 1991 | 40,662 |
| 1992 | 66,028 |
| 1993 | 49,782 |
| 1994 | 108,765 |
| 1995 | 90,655 |
| 1996 | 56,739 |
| 1997 | 65,228 |
| 1998 | 116,376 |
| 1999 | 108,201 |
| 2000 | 132,021 |
| 2001 | 75,606 |
| 2002 | 9,284 |
| 2003 | 21,412 |
| 2004 | -22,406 |
| 2005 | 14,815 |
| 2006 | 10,274 |
| 2007 | 83,823 |
| 2008 | 44,424 |
| 2009 | 110,917 |
| 2010 | 72,104 |
| 2011 | 73,355 |
| 2012 | 74,762 |
| 2013 | 97,361 |
| 2014 | 135,380 |
| 2015 | 88,438 |
| 2016 | 133,112 |
| 2017 | 93,077 |
| 2018 | 142,086 |
| 2019 | 140,594 |
| 2020 | 110,234 |
| | 1991-2019 |
| Standard deviation | 43,629 |
| Mean | 76,996 |
| Lower bound* | -12,531 |
| Upper bound* | 166,522 |

*95% confidence interval with 27 degrees of freedom (number of observations-1)

2020 AVERAGE USE TRUE-UP VARIANCE ACCOUNT

EGD RATE ZONE

1. The purpose of this evidence is to provide information in support of the 2020 Average Use True-up Variance Account (AUTUVA) balance.
2. Exhibit D, Tab 1, Schedule 4 details the calculations of the \$7.88 million that will constitute a refund to ratepayers. The refund is attributable to actual Rate 1 (residential) uses being higher than 2020 forecast levels, partially offset by actual Rate 6 (apartment, small commercial and industrial) uses being slightly lower than 2020 forecast levels.
3. Higher weather-normalized residential average use is primarily attributable to lower actual natural gas prices in 2020 than were forecast even though economic conditions in 2020 were worse than were forecast. 'Stay-at-home orders' in response to the pandemic have likely also led to higher consumption for Rate 1. Rate 6 customers and their consumption patterns are impacted by the economic conditions and production levels that are often difficult to predict.
4. The purpose of the AUTUVA is to record ("true-up") the revenue impact (exclusive of gas costs) of the normalized volumetric difference between the forecast of average use per customers in Rate 1 and Rate 6 and the actual weather-normalized average use experienced during the year. The revenue impact is calculated using a unit rate determined in the same manner as the impact used in the derivation of the Lost Revenue Adjustment Mechanism (LRAM).

5. As detailed in Exhibit D, Tab 1, Schedule 4, the calculation of the volumetric variance between forecast average use and actual normalized average use subtracts the volumetric impact of Demand Side Management (DSM) programs in the year. As has been the case in previous applications, since the audited actual volume savings of 2020 DSM activities will not be available until a later date, the 2020 OEB-Approved Budget DSM volumes are used as an estimate of 2020 actuals. Without the exclusion of a DSM volumetric variance in the AUTUVA calculation, the impacts of DSM are inherently included. As a result, 2020 LRAM amounts which will be filed at a later date, will exclude the impact of Rate 1 and Rate 6 customers.

2020 DEFERRED REBATE ACCOUNT
EGD RATE ZONE

1. The purpose of the 2020 Deferred Rebate Account (DRA), consistent with prior fiscal years, was to record any amounts payable to, or receivable from, EGD Rate Zone customers as a result of clearing Deferral and Variance Accounts, which remain outstanding due to the inability to locate such customers.

2. In February of 2020, the Company received approval to clear the 2018 deferral and variance accounts which were approved within the EB-2019-0105 proceeding and disposed of in April 2020. Further, in October through December of 2020, the Company cleared 2019 Federal Carbon Pricing related deferral and variance accounts which were approved within the EB-2019-0247 proceeding.

3. The \$2.5 million recorded in the 2020 DRA and requested for clearance (and corresponding interest of \$27.1 thousand), reflects the outstanding amount resulting from the clearance of deferral and variance accounts in the EGD Rate Zone which occurred during 2020 and the inability to locate all the intended customers.

2020 ONTARIO ENERGY BOARD COST ASSESSMENT VARIANCE ACCOUNT
EGD RATE ZONE

1. The purpose of the 2020 Ontario Energy Board Cost Assessment Variance Account (OEBCAVA) was to record any material variances between the OEB costs assessed to Enbridge Gas (relevant to the EGD Rate Zone) through application of the revised Cost Assessment Model (CAM), which became effective April 1, 2016, and the OEB costs which were included in EGD Rate Zone rates, which were determined through application of the prior Cost Assessment Model. The scope of the account is consistent with prior OEBCAVAs. However, in accordance with the EB-2020-0134 OEB-approved Settlement Proposal¹, in EGI's 2019 Earnings Sharing and Deferral Disposition proceeding, the base OEB costs assumed to be included in rates have been escalated to reflect the growth in the amount recovered through rates, which results from annual price cap adjustments and customer growth. The OEBCAVA was originally approved for establishment by an OEB letter dated February 9, 2016, entitled: *Revisions to the Ontario Energy Board Cost Assessment Model*.
2. The amount recorded within the 2020 OEBCAVA is \$3.006 million. This amount reflects the variance between OEB costs assessed to Enbridge Gas (relevant to EGD Rate Zone) in each quarter of fiscal 2020, utilizing the revised CAM, and EGD's average quarterly OEB cost assessment under the prior CAM, escalated in accordance with the EB-2020-0134 OEB-approved Settlement Proposal.
3. In order to calculate the amount to be recovered through the 2020 EGD Rate Zone OEBCAVA, the Company first needed to apportion the actual 2020 OEB assessed costs between the legacy rate zones. Commencing with the OEB's 2019 / 2020

¹ EB-2020-0134, Decision on Settlement Proposal, January 25, 2021. pp.5-6

fiscal first quarter assessment (for the period April 1, 2019 through June 30, 2019), and continuing since, EGI has been receiving one consolidated quarterly bill for the amalgamated utility. To apportion the quarterly assessments received in 2020 between rate zones, the assessments were prorated based on the total invoices received by each legacy utility for the OEB's 2018 / 2019 fiscal year (for the period April 1, 2018 through March 31, 2019), the final year for which the OEB issued invoices to each legacy utility. Table 1 below shows the proration of the OEB's 2018 / 2019 fiscal year assessments between each legacy utility / rate zone (59.76% EGD Rate Zone, 40.24% Union Rate Zones). Table 2 shows the apportionment of EGI's 2020 assessed costs to the EGD Rate Zone, and the calculation of the amount recorded in the 2020 EGD Rate Zone OEBCAVA.

4. To calculate the amount for recovery through the 2020 EGD Rate Zone OEBCAVA, the Company also needed to establish the base comparator, reflecting the OEB costs included in EGD Rate Zone rates, determined through application of the prior Cost Assessment Model. In accordance with the EB-2020-0134 OEB-approved Settlement Proposal, the amount reflected in rates is also to be increased, or escalated, to reflect the growth in the amount recovered as a result of annual price cap adjustments and customer growth. To establish the 2020 base comparator, the Company escalated the 2019 quarterly comparator of \$0.755 million² by the sum of the 2020 Price Cap Index (PCI) of 1.31%, and the EGD Rate Zone ICM threshold calculation Growth Factor (g) of 1.04%, which were approved as part of EGI's 2020 Rate Application (EB-2019-0194). The escalation resulted in a 2020 quarterly comparator of \$0.773 million ($\$0.755 \text{ million} * (1 + (1.31\% + 1.04\%))$). The Company proposes to use a similar escalation methodology for the remainder of the deferred rebasing term (i.e., the 2021 base

² Reflected in the 2019 EGD Rate Zone OEBCAVA amount approved for clearance as part of the EB-2020-0134 Settlement Proposal, and which was detailed in Exhibit I.VECC.8 b) in that proceeding.

comparator will equal the 2020 base comparator escalated by the sum of the 2021 approved PCI and g factors from the Company's 2021 rate application). As noted above, Table 2 below shows the apportionment of EGI's actual 2020 assessed costs to the EGD Rate Zone, and the calculation of the amount recorded in the 2020 EGD Rate Zone OEBCAVA utilizing a base comparator of \$0.773 million.

5. Within this proceeding, the Company is requesting clearance of the principal and interest balances recorded in the 2020 OEBCAVA, in the amount of \$3.006 million and \$0.030 million respectively, as shown in Exhibit C, Tab 1, Schedule 1.

Table 1

OEB 2018/2019 Cost Assessments

| | <u>EGD</u> | <u>UGL</u> | <u>Total</u> |
|-------------------------|---------------------|---------------------|---------------------|
| Apr. 1 to Jun. 30, 2018 | 1,467,963.00 | 988,479.00 | 2,456,442.00 |
| Jul. 1 to Sep. 30, 2018 | 1,356,860.00 | 913,873.00 | 2,270,733.00 |
| Oct. 1 to Dec. 31, 2018 | 1,356,860.00 | 913,873.00 | 2,270,733.00 |
| Jan. 1 to Mar. 31, 2019 | 1,356,860.00 | 913,873.00 | 2,270,733.00 |
| | <u>5,538,543.00</u> | <u>3,730,098.00</u> | <u>9,268,641.00</u> |
| Percentage of Total | 59.76% | 40.24% | 100.00% |

Table 2

Calculation of 2020 EGD RZ OEBCAVA

| <u>Period</u> | <u>EGI Assessment</u> | <u>EGD Rate Zone Share (59.76%)</u> | <u>Average cost assessment Comparator</u> | <u>Variance recorded in EGD Rate Zone OEBCAVA</u> |
|---------------------------|-----------------------|-------------------------------------|---|---|
| Q4 2019/20 - Jan. 1, 2020 | 2,684,065.00 | 1,603,882.32 | 772,980.82 | 830,901.50 |
| Q1 2020/21 - Apr. 1, 2020 | 2,526,967.00 | 1,510,007.28 | 772,980.82 | 737,026.46 |
| Q2 2020/21 - July 1, 2020 | 2,497,218.00 | 1,492,230.55 | 772,980.82 | 719,249.73 |
| Q3 2020/21 - Oct. 1, 2020 | 2,497,217.00 | 1,492,229.95 | 772,980.82 | 719,249.13 |
| | | | | <u>3,006,426.82</u> |

2020 DAWN ACCESS COSTS DEFERRAL ACCOUNT
EGD RATE ZONE

1. The purpose of the Dawn Access Costs Deferral Account (DACDA), as established in the EB-2014-0323 Settlement Agreement, was to record for recovery the revenue requirement impact of the incremental costs incurred to implement the Dawn Transportation Service (DTS), including the costs for required system changes. In addition, in accordance with Legacy EGD's 2017 Rate Application Settlement Proposal (EB-2016-0215) the revenue requirement related to additional costs incurred to accommodate the heat value conversion modification, implemented in conjunction with the Dawn Transportation Service system development process, were also to be recorded within this account. Under the terms of the EB-2014-0323 Settlement Agreement, recovery of amounts recorded in the DACDA will be from all bundled customers, regardless of whether they are system or direct purchase and regardless of the service to which they currently subscribe, because all have the option of taking DTS if they so choose. Further details explaining the DACDA, including the recovery method, are included within Section 2.7 of the Settlement Agreement filed at Exhibit B, Tab 2, Schedule 1 of the EB-2014-0323 proceeding.

2. As was indicated in the EB-2018-0131, EB-2019-0105, and EB-2020-0134 proceedings (in support of the clearance of the 2017 through 2019 revenue requirement amounts recorded in the 2017 through 2019 DACDAs), all incremental costs incurred by the Company to implement the DTS (and functionality for 2 additional receipt points) and heat value conversion modification were capital in nature. Capital costs of \$6.5 million were incurred to develop, test, and integrate enhancements to the functionality of Enbridge's EnTRAC and connected systems. The systems modifications were placed into service effective November 1, 2017, in conjunction with the implementation of Phase 2 of the Dawn Access Settlement. The annual revenue requirement amounts sought for refund/recovery in association with

those capital costs, includes the typical items in a cost of service revenue requirement, such as total return on rate base, including interest and return on equity, depreciation, and income taxes.

3. Within this proceeding, the Company is requesting clearance of the 2020 revenue requirement, or principal balance, of \$2.067 million (and corresponding interest of \$0.009 million) as part of the requested one time rate rider adjustment in October 2021, as shown in the proposed clearance balances at Exhibit C, Tab 1, Schedule 1. As indicated above, this amount represents the 2020 revenue requirement associated with the capital spending incurred to accommodate the DTS and heat value changes, which were placed into service in 2017. The Company has used the 2020 actual required capital structure within the 2020 revenue requirement calculation (consistent with the use of the actual capital structures which were utilized in determining previous revenue requirements which were approved for clearance). There will also be revenue requirement amounts to be recorded in relation to this spending within future DACDAs. The 2020 amount was slightly lower than 2019, due to a declining rate base value and lower required rate of return resulting in a lower cost of capital, but was higher than 2017 & 2018 as both years revenue requirements benefited from a significant Capital Cost Allowance (“CCA”) tax deduction that does not repeat in subsequent years beyond 2018.
4. The revenue requirement sought for recovery will be allocated to the various rate classes based on the bundled annual deliveries of each rate class.
5. The determination of the 2020 DACDA revenue requirement deferral account amount and related costs is shown in pages 18 through 23. The approved 2017, 2018 & 2019 revenue requirement amounts are also shown for continuity.

UTILITY CAPITAL STRUCTURE
2020 DACDA IMPACTS

| Line No. | Col. 1 | Col. 2 | Col. 3 | Col. 1 | Col. 2 | Col. 3 | Col. 1 | Col. 2 | Col. 3 | Col. 1 | Col. 2 | Col. 3 |
|----------------------|--------------------------------------|---------------------|------------------|--------------------------------------|---------------------|------------------|--------------------------------------|---------------------|------------------|--------------------------------------|---------------------|------------------|
| | <u>2017 Actual Capital Structure</u> | | | <u>2018 Actual Capital Structure</u> | | | <u>2019 Actual Capital Structure</u> | | | <u>2020 Actual Capital Structure</u> | | |
| | Component | Indicated Cost Rate | Return Component | Component | Indicated Cost Rate | Return Component | Component | Indicated Cost Rate | Return Component | Component | Indicated Cost Rate | Return Component |
| | % | % | % | % | % | % | % | % | % | % | % | % |
| 1. Long-term debt | 56.88 | 4.86 | 2.76 | 57.05 | 4.72 | 2.69 | 61.13 | 4.44 | 2.71 | 63.07 | 4.38 | 2.76 |
| 2. Short-term debt | <u>5.57</u> | 1.05 | <u>0.06</u> | <u>5.65</u> | 1.81 | <u>0.10</u> | <u>2.87</u> | 2.04 | <u>0.06</u> | <u>0.93</u> | 0.60 | <u>0.01</u> |
| 3. | 62.45 | | 2.82 | 62.70 | | 2.80 | 64.00 | | 2.77 | 64.00 | | 2.77 |
| 4. Preference shares | 1.55 | 2.32 | 0.04 | 1.30 | 2.98 | 0.04 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| 5. Common equity | <u>36.00</u> | 8.78 | <u>3.16</u> | <u>36.00</u> | 9.00 | <u>3.24</u> | <u>36.00</u> | 8.98 | <u>3.23</u> | <u>36.00</u> | 8.52 | <u>3.07</u> |
| 6. | <u>100.00</u> | | <u>6.02</u> | <u>100.00</u> | | <u>6.07</u> | <u>100.00</u> | | <u>6.01</u> | <u>100.00</u> | | <u>5.84</u> |

(\$ 000's)

| | 2017 | 2018 | 2019 | 2020 |
|--------------------------------------|--------------|------------------|------------------|------------------|
| 7. Ontario Utility Income | 685.0 | (521.2) | (1,324.9) | (1,349.0) |
| 8. Rate base | 259.7 | 5,623.8 | 4,283.2 | 2,912.8 |
| 9. Indicated rate of return | 263.77 % | (9.27)% | (30.93)% | (46.31)% |
| 10. (Def.) / suff. in rate of return | 257.75 % | (15.34)% | (36.94)% | (52.15)% |
| 11. Net (def.) / suff. | 669.4 | (862.7) | (1,582.2) | (1,519.0) |
| 12. Gross (def.) / suff. | <u>910.7</u> | <u>(1,173.7)</u> | <u>(2,152.7)</u> | <u>(2,066.7)</u> |

UTILITY RATE BASE
 2020 DACDA IMPACTS

| (\$ 000's) | | | | |
|---|--------------|----------------|------------------|------------------|
| Line No. | 2017 | 2018 | 2019 | 2020 |
| Property, plant, and equipment | | | | |
| 1. Cost or redetermined value | 264.4 | 6,421.6 | 6,453.2 | 6,453.2 |
| 2. Accumulated depreciation | <u>(4.7)</u> | <u>(797.8)</u> | <u>(2,170.0)</u> | <u>(3,540.4)</u> |
| 3. | <u>259.7</u> | <u>5,623.8</u> | <u>4,283.2</u> | <u>2,912.8</u> |
| Allowance for working capital | | | | |
| 4. Accounts receivable merchandise finance plan | - | - | - | - |
| 5. Accounts receivable rebillable projects | - | - | - | - |
| 6. Materials and supplies | - | - | - | - |
| 7. Mortgages receivable | - | - | - | - |
| 8. Customer security deposits | - | - | - | - |
| 9. Prepaid expenses | - | - | - | - |
| 10. Gas in storage | - | - | - | - |
| 11. Working cash allowance | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| 12. | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| 13. Ontario utility rate base | <u>259.7</u> | <u>5,623.8</u> | <u>4,283.2</u> | <u>2,912.8</u> |

UTILITY INCOME
2020 DACDA IMPACTS

| Line No. | (\$ 000's) | | | |
|---|----------------|----------------|------------------|------------------|
| | 2017 | 2018 | 2019 | 2020 |
| Revenue | | | | |
| 1. Gas sales | - | - | - | - |
| 2. Transportation of gas | - | - | - | - |
| 3. Transmission and compression | - | - | - | - |
| 4. Other operating revenue | - | - | - | - |
| 5. Other income | - | - | - | - |
| 6. Total revenue | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Costs and expenses | | | | |
| 7. Gas costs | - | - | - | - |
| 8. Operation and Maintenance | - | - | - | - |
| 9. Depreciation and amortization | 112.3 | 1,372.4 | 1,370.4 | 1,370.4 |
| 10. Municipal and other taxes | - | - | - | - |
| 11. Total costs and expenses | <u>112.3</u> | <u>1,372.4</u> | <u>1,370.4</u> | <u>1,370.4</u> |
| 12. Utility income before inc. taxes | (112.3) | (1,372.4) | (1,370.4) | (1,370.4) |
| Income taxes | | | | |
| 13. Excluding interest shield | (795.4) | (809.5) | (14.1) | - |
| 14. Tax shield on interest expense | <u>(1.9)</u> | <u>(41.7)</u> | <u>(31.4)</u> | <u>(21.4)</u> |
| 15. Total income taxes | <u>(797.3)</u> | <u>(851.2)</u> | <u>(45.5)</u> | <u>(21.4)</u> |
| 16. Ontario utility net income | <u>685.0</u> | <u>(521.2)</u> | <u>(1,324.9)</u> | <u>(1,349.0)</u> |

UTILITY TAXABLE INCOME AND INCOME TAX EXPENSE
2020 DACDA IMPACTS

| Line No. | (\$ 000's) | | | |
|--|----------------|----------------|----------------|----------------|
| Line No. | 2017 | 2018 | 2019 | 2020 |
| 1. Utility income before income taxes | (112.3) | (1,372.4) | (1,370.4) | (1,370.4) |
| Add Backs | | | | |
| 2. Depreciation and amortization | 112.3 | 1,372.4 | 1,370.4 | 1,370.4 |
| 3. Large corporation tax | - | - | - | - |
| 4. Other non-deductible items | - | - | - | - |
| 5. Any other add back(s) | - | - | - | - |
| 6. Total added back | <u>112.3</u> | <u>1,372.4</u> | <u>1,370.4</u> | <u>1,370.4</u> |
| 7. Sub total - pre-tax income plus add backs | - | - | - | - |
| Deductions | | | | |
| 8. Capital cost allowance - Federal | 3,001.6 | 3,054.9 | 53.2 | - |
| 9. Capital cost allowance - Provincial | 3,001.6 | 3,054.9 | 53.2 | - |
| 10. Items capitalized for regulatory purposes | - | - | - | - |
| 11. Deduction for "grossed up" Part V 1.1 tax | - | - | - | - |
| 12. Amortization of share and debt issue expense | - | - | - | - |
| 13. Amortization of cumulative eligible capital | - | - | - | - |
| 14. Amortization of C.D.E. & C.O.G.P.E. | - | - | - | - |
| 15. Any other deduction(s) | - | - | - | - |
| 16. Total Deductions - Federal | <u>3,001.6</u> | <u>3,054.9</u> | <u>53.2</u> | <u>-</u> |
| 17. Total Deductions - Provincial | <u>3,001.6</u> | <u>3,054.9</u> | <u>53.2</u> | <u>-</u> |
| 18. Taxable income - Federal | (3,001.6) | (3,054.9) | (53.2) | - |
| 19. Taxable income - Provincial | (3,001.6) | (3,054.9) | (53.2) | - |
| 20. Income tax provision - Federal | (450.2) | (458.2) | (8.0) | - |
| 21. Income tax provision - Provincial | <u>(345.2)</u> | <u>(351.3)</u> | <u>(6.1)</u> | <u>-</u> |
| 22. Income tax provision - combined | (795.4) | (809.5) | (14.1) | - |
| 23. Part V 1.1 tax | - | - | - | - |
| 24. Investment tax credit | - | - | - | - |
| 25. Total taxes excluding tax shield on interest expense | <u>(795.4)</u> | <u>(809.5)</u> | <u>(14.1)</u> | <u>-</u> |
| Tax shield on interest expense | | | | |
| 26. Rate base as adjusted | 259.7 | 5,623.8 | 4,283.2 | 2,912.8 |
| 27. Return component of debt | 2.82% | 2.80% | 2.77% | 2.77% |
| 28. Interest expense | 7.3 | 157.5 | 118.6 | 80.7 |
| 29. Combined tax rate | <u>26.500%</u> | <u>26.500%</u> | <u>26.500%</u> | <u>26.500%</u> |
| 30. Income tax credit | (1.9) | (41.7) | (31.4) | (21.4) |
| 31. Total income taxes | <u>(797.3)</u> | <u>(851.2)</u> | <u>(45.5)</u> | <u>(21.4)</u> |

UTILITY REVENUE REQUIREMENT
2020 DACDA IMPACTS

| Line No. | (\$ 000's) | | | |
|---|----------------|------------------|------------------|------------------|
| | 2017 | 2018 | 2019 | 2020 |
| Cost of capital | | | | |
| 1. Rate base | 259.7 | 5,623.8 | 4,283.2 | 2,912.8 |
| 2. Required rate of return | <u>6.02%</u> | <u>6.07%</u> | <u>6.01%</u> | <u>5.84%</u> |
| 3. Cost of capital | 15.6 | 341.4 | 257.4 | 170.1 |
| Cost of service | | | | |
| 4. Gas costs | - | - | - | - |
| 5. Operation and Maintenance | - | - | - | - |
| 6. Depreciation and amortization | 112.3 | 1,372.4 | 1,370.4 | 1,370.4 |
| 7. Municipal and other taxes | - | - | - | - |
| 8. Cost of service | <u>112.3</u> | <u>1,372.4</u> | <u>1,370.4</u> | <u>1,370.4</u> |
| Misc. & Non-Op. Rev | | | | |
| 9. Other operating revenue | - | - | - | - |
| 10. Other income | - | - | - | - |
| 11. Misc. & Non-operating Rev. | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Income taxes on earnings | | | | |
| 12. Excluding tax shield | (795.4) | (809.5) | (14.1) | - |
| 13. Tax shield provided by interest expense | <u>(1.9)</u> | <u>(41.7)</u> | <u>(31.4)</u> | <u>(21.4)</u> |
| 14. Income taxes on earnings | <u>(797.3)</u> | <u>(851.2)</u> | <u>(45.5)</u> | <u>(21.4)</u> |
| Taxes on (def) / suff. | | | | |
| 15. Gross (def.) / suff. | 910.7 | (1,173.7) | (2,152.7) | (2,066.7) |
| 16. Net (def.) / suff. | <u>669.4</u> | <u>(862.7)</u> | <u>(1,582.2)</u> | <u>(1,519.0)</u> |
| 17. Taxes on (def.) / suff. | <u>(241.3)</u> | 311.0 | 570.5 | 547.7 |
| 18. Revenue requirement | <u>(910.7)</u> | 1,173.6 | 2,152.8 | 2,066.8 |
| Revenue at existing Rates | | | | |
| 19. Gas sales | 0.0 | 0.0 | 0.0 | 0.0 |
| 20. Transportation service | 0.0 | 0.0 | 0.0 | 0.0 |
| 21. Transmission, compression and storage | 0.0 | 0.0 | 0.0 | 0.0 |
| 22. Rounding adjustment | <u>0.0</u> | <u>(0.1)</u> | <u>0.1</u> | <u>0.0</u> |
| 23. Revenue at existing rates | 0.0 | (0.1) | 0.1 | 0.0 |
| 24. Gross revenue (def.) / suff. | <u>910.7</u> | <u>(1,173.7)</u> | <u>(2,152.7)</u> | <u>(2,066.8)</u> |

ACCOUNTS WITH A ZERO BALANCE

EGD RATE ZONE

1. The following 2020 accounts for the EGD Rate Zone have no balance, and are therefore not requested for clearance to customers:
 - Gas Distribution Access Rule Impact (GDARIDA) Deferral Account
 - Electric Program Earnings Sharing (EPESDA) Deferral Account
 - Pension and OPEB Forecast Accrual vs. Actual Cash Payment Differential Variance Account

2. Consistent with past annual deferral and variance account clearance proceedings, Enbridge Gas has not listed accounts that will be reviewed through other processes in Exhibit C, Tab 1, Schedule 1, and these accounts are not addressed in this proceeding. Examples include the PGVA, DSM related accounts and Federal Carbon Charge accounts.

BREAKDOWN OF THE 2020 STORAGE AND TRANSPORTATION DEFERRAL ACCOUNT ("2020 S&TDA") - EGD RATE ZONE

| Line No. | Col. 1 | Col. 2 | Col. 3 | Col. 4 | Col. 5 | Col. 6 | Col. 7 |
|----------|--|--|----------------------------|-------------------------------------|--|-----------------|-------------------------------|
| | Budgeted Daily Contract Demand Volume | Monthly Demand Toll Assumed in 2018 Budget | Forecasted Annual Cost (2) | Actual Daily Contract Demand Volume | Monthly Demand Toll Effective January 1, 2020 to December 31, 2020 | Annual Cost (3) | Balance in the 2020 S&TDA (4) |
| | (GJ) | (\$/GJ) | (\$Millions) | (GJ) | (\$/GJ) | (\$Millions) | (\$Millions) |
| 1. | Union Gas Dawn to Lisgar | 67,929 | 2.865 | 2.3 | 67,929 | 3.083 | 2.5 |
| 2. | Union Gas Dawn to Parkway | 2,792,173 | 3.402 | 114.0 | 2,792,173 | 3.632 | 121.7 |
| 3. | Union Gas Dawn to Parkway - M12X | 200,000 | 4.239 | 10.2 | 200,000 | 4.488 | 10.8 |
| 4. | Union Gas F24 T | 85,000 | 0.069 | 0.1 | 85,000 | 0.072 | 0.1 |
| 5. | Union Transmission Costs | | | 126.6 | | 135.1 | (8.5) |
| 6. | Dawn T Service Costs | | | (11.2) | | (14.4) | 3.2 |
| 7. | Federal Carbon Costs | | | - | | 0.8 | (0.8) |
| 8. | Union & Third Party Market Based Storage | | | 20.1 | | 23.3 | (3.1) |
| 9. | 2018 Deferral Disposition - UG (1) | | | - | | (9.4) | 9.4 |
| 10. | Total | | | 135.5 | | 135.3 | 0.2 |

Notes

(1) Transportation deferral adjustments related to 2018 S&TDA reduced actual costs by \$9.4M

M12 Transport \$9.4M, C1 Transport \$0.01M, M16 Transport (\$0.03M)

(2) Col. 1 * Col. 2 * 12

(3) Col. 4 * Col. 5 * 12

(4) Col. 3 - Col. 7

TRANSACTIONAL SERVICES REVENUE BY TYPE OF TRANSACTION ("TSDA") - EGD RATE ZONE

| Line No. | Particulars | Col. 1 | Col. 2 | Col. 3 | Col. 4 | Col. 5 |
|----------|--------------------------------|---|---|---|---|---|
| | | 2016 Transactional Services Revenue (\$000's) | 2017 Transactional Services Revenue (\$000's) | 2018 Transactional Services Revenue (\$000's) | 2019 Transactional Services Revenue (\$000's) | 2020 Transactional Services Revenue (\$000's) |
| 1. | Storage Optimization | 7,277.2 | 1,550.1 | 423.9 | 60.7 | 0.0 |
| 2. | Transportation Optimization | 10,463.5 | 10,393.3 | 14,292.4 | 13,084.5 | 17,643.4 |
| 3. | Transactional Services Revenue | 17,740.6 | 11,943.5 | 14,716.2 | 13,145.2 | 17,643.4 |
| 4. | Amount Included in Rates | 12,000.0 | 12,000.0 | 12,000.0 | 12,000.0 | 12,000.0 |
| 5. | Less Ratepayer Portion of TS | 15,966.6 | 10,749.1 | 13,244.6 | 11,830.7 | 15,879.1 |
| 6. | TSDA sub-total | (3,966.6) | 1,250.9 | (1,244.6) | 169.3 | (3,879.1) |
| 7. | ETT Revenue - Rider H | 69.7 | 44.5 | 60.1 | 35.1 | 5.8 |
| 8. | TSDA Total | (4,036.3) | 1,206.4 | (1,304.7) | 134.3 | (3,884.9) |

BREAKDOWN OF THE 2020 UNACCOUNTED-FOR GAS VARIANCE ACCOUNT ("2020 UAFVA") - EGD RATE ZONE

| Line No. | Particulars | Col . 1 Jan | Col . 2 Feb | Col . 3 Mar | Col . 4 Apr | Col . 5 May | Col . 6 Jun | Col . 7 Jul | Col . 8 Aug | Col . 9 Sep | Col . 10 Oct | Col . 11 Nov | Col . 12 Dec | Col . 13 Total |
|----------|---|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|-----------------|-----------------|-----------------|-------------------|
| 1. | Budget UAF (103m3) | 17,032.9 | 18,951.5 | 16,299.1 | 11,722.9 | 6,619.6 | 3,359.7 | 2,496.5 | 2,411.9 | 2,463.2 | 3,884.2 | 8,289.1 | 13,146.5 | 106,677.0 |
| 2. | PGVA Reference Price | 144.9 | 144.9 | 144.9 | 131.8 | 131.8 | 131.8 | 131.8 | 131.8 | 131.8 | 152.5 | 152.5 | 152.5 | |
| 3. | Budget UAF Dollar | 2,467,731.2 | 2,745,694.5 | 2,361,419.9 | 1,544,534.2 | 872,160.0 | 442,650.9 | 328,917.5 | 317,779.7 | 324,540.3 | 592,290.6 | 1,263,990.4 | 2,004,690.1 | 15,266,399.1 |
| 4. | Actual UAF (103m3) | 14,702.6 | 17,122.9 | 13,962.1 | 11,493.1 | 8,803.8 | 4,040.7 | 3,405.7 | 3,477.7 | 3,352.3 | 4,922.3 | 8,716.2 | 11,571.6 | 105,571.0 |
| 5. | UAF Annual Variance (10 ³ m ³) (1) | 649.4 | 756.3 | 616.7 | 507.6 | 388.9 | 178.5 | 150.4 | 153.6 | 148.1 | 217.4 | 385.0 | 511.1 | 4,663.1 |
| 6. | Total Actual UAF (10 ³ m ³) (2) | 15,352.0 | 17,879.2 | 14,578.8 | 12,000.7 | 9,192.6 | 4,219.2 | 3,556.1 | 3,631.3 | 3,500.4 | 5,139.7 | 9,101.2 | 12,082.7 | 110,234.1 |
| 7. | PGVA Rate | 144.9 | 144.9 | 144.9 | 131.8 | 131.8 | 131.8 | 131.8 | 131.8 | 131.8 | 152.5 | 152.5 | 152.5 | |
| 8. | Actual UAF Dollar (3) | 2,224,200.2 | 2,590,345.7 | 2,112,178.3 | 1,581,142.7 | 1,211,167.9 | 555,898.7 | 468,533.2 | 478,435.2 | 461,190.2 | 783,746.9 | 1,387,836.9 | 1,842,482.8 | 15,697,158.8 |
| 9. | UAFVA Volume Variance (4) | (243,531.0) | (155,348.8) | (249,241.6) | 36,608.5 | 339,008.0 | 113,247.9 | 139,615.7 | 160,655.5 | 136,649.9 | 191,456.4 | 123,846.5 | (162,207.3) | 430,759.6 |
| 10. | Line Pack Gas (LPG) Allocation | | | | | | | | | | | | | (22,866.2) |
| 11. | 2020 Damage Adjustment | | | | | | | | | | | | | (89,395.5) |
| 12. | 2019 Company Use True-up | | | | | | | | | | | | | (96,780.9) |
| 13. | Total 2020 UAFVA (5) | | | | | | | | | | | | | 221,717.0 |

Notes

- (1) UAF Annual Variance Allocation
- (2) Line 4 + Line 5
- (3) Line 6 * Line 7
- (4) Line 8 - Line 3
- (5) Line 9 + Line 10 + Line 11 + Line 12

| | | | | | | | | | | | | | |
|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|---------|--|
| 14% | 16% | 13% | 11% | 8% | 4% | 3% | 3% | 3% | 3% | 5% | 8% | 11% | |
| 649.4 | 756.3 | 616.7 | 507.6 | 388.9 | 178.5 | 150.4 | 153.6 | 148.1 | 217.4 | 385.0 | 511.1 | 4,663.1 | |

2020 AVERAGE USE TRUE UP VARIANCE ACCOUNT - EGD RATE ZONE

| | Col. 1 | Col. 2 | Col. 3 | Col. 4 | Col. 5 | Col. 6 | Col. 7 | Col. 8 | Col. 9 | Col. 10 | Col. 11 |
|--------------|--|---|---|------------------------|---|---|---|--|---|-----------------------------------|--|
| Rate Class | Budget Annual Use (m ³) | Normalized Actual Annual Use (m ³) | Normalized Usage Variance (1) (m ³) | Budget Customer Meters | Normalized Volumetric Variance (2) (10 ⁶ m ³) | DSM Budget (10 ⁶ m ³) | DSM Actual (10 ⁶ m ³) | DSM Volumetric Variance (3) (10 ⁶ m ³) | Normalized Volumetric Variance Excluding DSM (4) (10 ⁶ m ³) | Unit Rate (\$/m ³) | AUTUVA: Revenue Impact, Exclusive of Gas Costs (5) (\$Millions) |
| 1 | 2,383.1 | 2,445.3 | 62.2 | 2,071,159.0 | 128.8 | (5.1) | (5.1) | 0.0 | 128.8 | 0.1 | 9.3 |
| 6 | 28,610.4 | 28,408.8 | (201.5) | 168,420.0 | (33.9) | (10.1) | (10.1) | 0.0 | (33.9) | 0.0 | (1.4) |
| Total | | | | | | | | | | | 7.88 |

Notes

- (1) Col. 2 - Col. 1
- (2) Col. 3 * Col. 4
- (3) Col. 7 - Col. 6
- (4) Col. 5 - Col. 8
- (5) Col. 9 * Col. 10



August 12, 2019

Dear Sir/Ms.:

Subject: Storage, injections commencing April 1, 2020

Enbridge Gas Inc. operating as Enbridge Gas Distribution (Enbridge) requires firm natural gas storage services¹ with injections commencing April 1, 2020. Enbridge requires that these storage services meet the following specifications:

Term: Up to five (5) years commencing April 1st, 2020. Lesser terms will be considered.

Location: All options will be considered including options that include transportation. Enbridge will deliver gas to Storage Provider and Storage Provider will re-deliver gas to Enbridge at Union Dawn for withdrawal. Please provide details including any associated transportation requirements.

Maximum Annual Storage Balance (MSB): To encourage storage contracts term diversity, Enbridge is seeking service offerings of various term lengths. The amount placed will be at Enbridge's discretion.

| TERM | Potential to be contracted |
|-----------------|-----------------------------------|
| 1 - year | 0 – 2 PJ's |
| 3 - year | 0 – 3 PJ's |
| 4 - year | 0 – 3 PJ's |
| 5 - year | 0 – 5 PJ's |

Firm Injection Schedule: At a minimum, must include the months of May through September.

Firm Withdrawal Schedule: At a minimum, must include the months of December through March.

¹ Including physical and/or synthetic storage

Enhanced Storage Services

Enbridge is also interested in offers that allow greater storage flexibility, including “year-round” services. If applicable, please provide the price of these enhanced services separately.

Physical storage must include firm injection curve rights with at least 0.7% of MSB per day, which may be linked to a maximum inventory level.

Physical storage must include firm withdrawal curve rights with 1% to 1.5% of MSB per day, which may be linked to a minimum inventory level.

Responses

Should you be interested in supplying this storage service to Enbridge, please complete the attached Excel form, stating the delivery points, term, MSB and service attributes with the relevant pricing, including demand, commodity charges and other items indicated.

This storage service request may have Dodd Frank Act implications and may require specific clauses to be included in any storage agreement between the parties. Any such storage agreement will not be binding until a definitive agreement is executed by the parties.

The successful supplier(s) of the above storage service(s) will be determined primarily on the basis of price. Other service features will also be considered. Please note that successful suppliers must meet all of Enbridge’s credit criteria. Enbridge, in its sole discretion and for whatever reason, may accept or reject any and all proposals. Enbridge reserves the right at any time after the deadline to conduct negotiations with one or more of the bidders to the exclusion of others, and such negotiations may include changes to the storage service described in this letter.

This storage service request is being administered by Deloitte Consulting on behalf of Enbridge. The deadline to submit your proposal(s) is **10:30 a.m. Mountain Daylight Time on August 22, 2019**. Please submit your proposal(s) to the attention of Ishita Malhotra at the e-mail address provided below:

ismalhotra@deloitte.ca

*If you have questions regarding this letter, please direct to the attention of Ishita Malhotra at the email address provided above. The deadline for any queries is 12:00 p.m.(noon) Mountain Daylight Time on August 14, 2019. All queries and responses will be provided to all parties by 1:00 p.m. Mountain Daylight Time on August 16, 2019. Again, please note the **closing date of the RFP is August 22, 2019** after which time Enbridge Gas Inc. operating as Enbridge Gas Distribution will contact the parties which submitted proposals.*

Yours truly,

Ishita Malhotra

Deloitte Consulting

STORAGE RFP SUMMARY

1. The following table includes the offers received and those that were selected during the 2019 blind storage RFP. Offers selected are those that are highlighted in the table.

2. [REDACTED]

3. [REDACTED]

| <u>Company</u> | <u>Term</u> | <u>Max. Quantity (GJ)</u> | <u>Total Est. Annual Cost (CAD/GJ/year)</u> | <u>Demand Charge (CAD/GJ/year)</u> | <u>Commodity Charge (CAD/GJ)</u> | <u>Fuel³</u> | <u>Maximum Injection %</u> | <u>Maximum Withdrawal %</u> | <u>Number of Days to Empty Storage¹</u> |
|--|-------------|---------------------------|---|------------------------------------|----------------------------------|-------------------------|----------------------------|-----------------------------|--|
| <u>Ratable/Low Deliverability Service</u> | | | | | | | | | |
| A1 | | | | | | | | | |
| A3 | | | | | | | | | |
| A4 | | | | | | | | | |
| A5 | | | | | | | | | |
| A6 | | | | | | | | | |
| A7 | | | | | | | | | |
| A8 | | | | | | | | | |
| A9 | | | | | | | | | |
| <u>Physical</u> | | | | | | | | | |
| B1 | | | | | | | | | |
| B2 | | | | | | | | | |
| B3 | | | | | | | | | |
| C1 | | | | | | | | | |
| D1 | | | | | | | | | |
| D2 | | | | | | | | | |
| E1 | | | | | | | | | |
| E2 | | | | | | | | | |
| E3 | | | | | | | | | |

1) Number of days to empty storage is a measure of the minimum number of days required to empty storage from full and is intended to capture the impact of ratchets to firm withdrawal rights.
 2) Bids were received in both CAD/GJ and USD/Mmbtu formats. For the purposes of evaluating bids, all prices were converted to CAD/GJ using an assumed FX of 1.31
 3) Assumptions for calculating fuel charges:

| | |
|--|-----------------|
| 5 yr Forward Dawn Commodity Price | 2.842 USD/mmbtu |
| 5 yr Forward USD/CAD Foreign Exchange Rate | 1.31 |
| Gas Commodity cost for valuing fuel cost | 3.528742 CAD/GJ |

UNABSORBED DEMAND COSTS (“UDC”) VARIANCE ACCOUNT
UNION RATE ZONES

1. The balance in the UDC Variance Account is a credit to ratepayers of \$1.750 million plus interest as of September 30, 2021 of \$0.041 million, for a total of \$1.790 million. The \$1.750 million balance is the difference between the actual UDC incurred by the Union Rate Zones and the amount of UDC collected in rates.

UDC Recovery in Rates

2. To meet customer demands across the Union Rate Zones and to meet the planned storage inventory levels at October 31, approved rates for the Union Rate Zones in 2020 included planned unutilized pipeline capacity of 11.3 PJ in Union North West, 3.1 PJ in Union North East and 0 PJ in Union South. The UDC volumes included in 2020 rates are based on the Gas Supply Plan filed in Union’s Dawn Reference Price proceeding¹.
3. As discussed in the Enbridge Gas 5 Year Gas Supply Plan², in Union North, the upstream transportation capacity (long-haul, short-haul and STS) is first sized to meet the design day requirements. The amount of transportation capacity needed to meet average annual demand requirements is less than the capacity required to meet design day requirements. Therefore, a portion of contracted capacity for the Union Rate Zones is planned to be unutilized. In a warmer than normal year, UDC may be incurred in Union South, and additional UDC in Union North, to balance supply with lower demands. The Union North and Union South transportation

¹ EB-2015-0181, Exhibit A, Tab 2, Appendix A, Schedule 1.

² EB-2019-0137, Page 82

portfolios are managed on an integrated basis and the pipeline to leave unutilized, if necessary, is determined based on the least cost option.

4. Enbridge Gas collected \$10.660 million in rates for UDC for the Union Rate Zones during 2020 and recorded an associated interest credit of \$0.041 million (see Table 1). Actual UDC costs in 2020 were \$10.270 million offset by \$1.360 million in released capacity value, resulting in a net cost of \$8.911 million (see Table 2). Actual UDC costs are allocated to Union North West, Union North East and Union South in proportion to the actual supply and demand variances which occurred in each respective area.
5. The variance between the amounts collected in rates and the actual UDC costs, including the interest credit of \$0.041 million, results in a net credit to ratepayers in the UDC Variance Account of \$1.790 million.
6. The balance applicable to sales service and bundled DP customers in Union North West is a credit of \$6.715 million and in Union North East, a debit of \$1.141 million. There is a debit of \$3.784 million applicable to sales service customers in Union South.
7. Table 1 provides the derivation of the UDC variance account balances by operational area.

Table 1
UDC Variance Account by Operational Area

| Line No. | Particulars (\$000's) | Union North East | Union North West | Union South | Total Franchise Area |
|----------|--------------------------------------|------------------|------------------|-------------|----------------------|
| 1 | UDC Collected in Rates | (1,449) | (9,211) | - | (10,660) |
| 2 | UDC Costs Incurred (Table 2) | 2,564 | 2,649 | 3,698 | 8,911 |
| 3 | Variance (line 1 + line 2) | 1,115 | (6,562) | 3,698 | (1,750) |
| 4 | Interest | 26 | (153) | 86 | (41) |
| 5 | (Credit)/Debit to Operations Area | 1,141 | (6,715) | 3,784 | (1,790) |

A description of each item in Table 1 is set out below:

UDC Collected in Rates

8. The 2020 OEB-approved rates include \$10.451 million of UDC associated with 14.4 PJ of planned unutilized pipeline capacity in Union North West and Union North East and no planned unutilized pipeline capacity in Union South. The total cost of UDC in rates assumes TC Energy final tolls effective January 1, 2020. On an actual basis in 2020, Enbridge Gas recovered \$10.660 million in Union North West and Union North East and \$0.0 million in Union South.

UDC Costs Incurred

9. The actual unutilized capacity in 2020 was 28 PJ. The level of unutilized capacity experienced in 2020 was largely due to planned unutilized capacity (and resulting UDC) and warmer than normal weather.

10. The costs reflected in the UDC Variance Account are the total demand charges for unutilized pipeline capacity totaling \$10.270 million, partially offset, by the value of \$1.360 million generated from releasing the pipeline transportation capacity to the market. Unutilized upstream transportation capacity is released and sold on the secondary market to minimize UDC. The value generated from the transportation releases is credited to the UDC Variance Account mitigating the overall UDC impact as shown in Table 2 below.

Table 2
UDC Costs Incurred

| Line No. | Particulars (\$000's) | Union | Union | Union | Total |
|----------|------------------------------|--------------|--------------|--------------|----------------|
| | | North East | North West | | Franchise Area |
| 1 | UDC Costs Incurred | 2,955 | 3,053 | 4,262 | 10,270 |
| 2 | Released Capacity Revenue | (391) | (404) | (564) | (1,360) |
| 3 | Net UDC Costs (Credit)/Debit | <u>2,564</u> | <u>2,649</u> | <u>3,698</u> | <u>8,911</u> |

ACCOUNT NO. 179-131 UPSTREAM TRANSPORTATION OPTIMIZATION – UNION
RATE ZONES

1. The Upstream Transportation Optimization Deferral Account was approved by the OEB in its EB-2011-0210 Decision to capture the variance between the ratepayer's 90% share of actual net revenues from optimization activities, and the amount refunded to ratepayers in rates. The 2020 balance in this deferral account is a debit from ratepayers of \$12.124 million plus interest of \$0.051 million for a total debit from ratepayers of \$12.175 million.
2. In setting rates for 2020, the OEB approved a forecast of optimization revenue of \$14.918 million. Of that amount, 90% or \$13.426 million, was credited to ratepayers in the OEB-approved 2020 rates.¹ On an actual basis, consistent with the method approved in its EB-2011-0210 Decision and Rate Order, Union credited \$15.943 million in rates to ratepayers during 2020, \$2.517 million greater than the OEB-approved amount of \$13.426 million. The credit is due to actual sales service volumes exceeding the forecast sales service volumes in rates. The main driver of actual sales service volumes exceeding the forecasted amount is customer growth since 2013.
3. The Company earned \$4.244 million in net revenues from upstream transportation optimization during 2020 in the Union Rate Zones. In accordance with the OEB-approved sharing methodology, 90% of this net revenue, or \$3.820 million, is to be credited to customers. As stated above, \$15.943 million has already been credited through rates; therefore, the deferral balance is a debit

¹ Detailed schedule last filed at EB-2017-0087 (2018 Rates), Draft Rate Order, Working Papers, Schedule 14, p. 1. The credit of \$13.426 million to Union rate zone in-franchise customers is maintained in the setting of rates for the 2019-2023 deferred rebasing period in accordance with the approved rate-setting mechanism.

from ratepayers of \$12.124 million (\$15.943 million less \$3.820 million).

4. Exhibit E, Tab 1, Schedule 1, provides a summary of the calculation of the balance in this deferral account. 2020 actual Upstream Transportation Optimization revenue in the Union rate zones is lower than 2013 OEB-approved revenue primarily due to the elimination of the TransCanada FT-RAM program (\$5.800 million) and changing market dynamics.

ACCOUNT NO. 179-70 SHORT-TERM STORAGE AND OTHER BALANCING
 SERVICES – UNION RATE ZONES

1. The Short-Term Storage and Other Balancing Services Deferral Account includes revenues from C1 Off-Peak Storage, Gas Loans, Supplemental Balancing Services and C1 Short-Term Firm Peak Storage. The deferral account compares the ratepayer share (90%) of net revenue for Short-Term Storage and Other Balancing Services with the amount credited to ratepayers in rates for Short-Term Storage and Other Balancing Services. The net revenue for Short-Term Storage and Other Balancing Services is determined by deducting the costs incurred to provide service from the gross revenue. The 2020 balance in this deferral account is a debit from ratepayers of \$1.272 million, plus interest of \$0.005 million for a total debit from ratepayers of \$1.277 million.

2. As shown in Table 3, the balance is calculated by comparing \$3.279 million (ratepayer 90% share of the actual 2020 Short-Term Storage and Other Balancing Services net revenue of \$3.644 million) to the net revenue included in Union Rate Zone rates of \$4.551 million.¹ The details of the balance are found at Exhibit E, Tab 1, Schedule 2.

Table 3

Deferral Summary: Short-term Storage and Other Storage Services

| <u>Line</u> | <u>Actual</u> |
|--|---------------|
| <u>No.</u> <u>Particulars (\$000's)</u> | <u>2020</u> |
| 1 Net Revenue | 3,644 |
| 2 Ratepayer Portion (90%) | 3,279 |
| 3 Approved in Rates | 4,551 |
| 4 Deferral Balance Payable to/(Collectable from) Ratepayers | (1,272) |

¹ EB-2011-0210, Decision and Rate Order, January 17, 2013, p. 16.

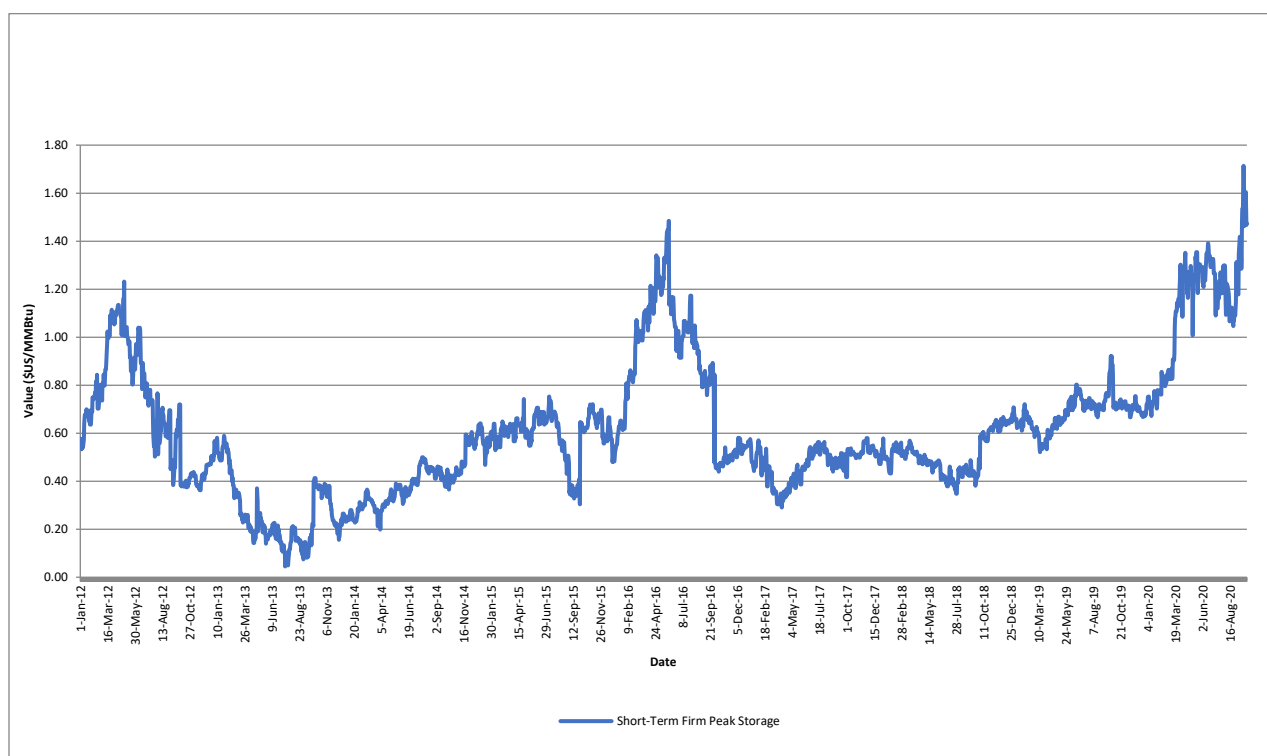
3. Actual 2020 revenues from C1 Off-Peak Storage, Gas Loans and all other Balancing services of \$2.019 million were \$0.481 million lower than the 2013 OEB-approved forecast of \$2.500 million.
4. The C1 Short-Term Firm Peak Storage revenues of \$2.715 million were \$5.167 million lower than the 2013 OEB-approved forecast of \$7.883 million. Actual Union Rate Zone utility storage requirements for 2020 were 9.0 PJ higher than the 2013 OEB-approved forecast, resulting in a decrease in the C1 Short-Term Firm Peak Storage available for sale (from 11.3 PJ in 2013 OEB-approved to 2.3 PJ in 2020). Union Rate Zone customers received the value of storage directly through the use of the storage space, rather than through the sale of short-term storage.
5. Year-over-year, actual utility storage requirements for 2020 were 0.5 PJ higher than the requirement in 2019, resulting in a decrease in the C1 Short-Term Peak Storage available for sale (from 2.9 PJ in 2019 to 2.3 PJ in 2020). This is a result of an increase in the storage requirement for utility customers. The storage requirement for the general service market was calculated using the OEB-approved aggregate excess methodology. The storage requirement for the contract market was calculated specifically for each customer using either the OEB-approved aggregate excess methodology, the 15 times obligated Daily Contracted Quantity (DCQ) storage methodology, or the 10 times Firm Contract Demand (CD) storage methodology (for those customers who have elected the Customer Managed Service).²
6. The 2013 OEB-approved forecast implied an annual average value for C1 Short-Term Firm Peak Storage of \$0.70/GJ (\$7.883 million/11.3 PJ), and the actual average annual C1 Short-Term Firm Peak Storage value in 2020 was

² EB-2016-0245, Decision and Rate Order, Schedule 1, Settlement Proposal, p.7.

\$1.17/GJ (\$2.715 million/2.3 PJ). Please see Figure 1 for Short-Term Peak Storage values in US dollars.

Figure 1

Historical Short-Term Firm Peak Storage Values at Dawn 2012-2020



Non-Utility Storage Balances for 2020

7. In its EB-2011-0210 Decision, the OEB directed Legacy Union to file a report similar to that ordered in EB-2011-0038 to monitor the inventory related to non-utility storage operations. Exhibit E, Tab 1, Schedule 3 shows the non-utility inventory balances for October and November of 2020 (for legacy Union storage).

8. During the 2020 injection season, the non-utility storage balance peaked on October 25, 2020 at 99.7% full with a balance of 121.8 PJ compared to available space of 122.2 PJ. At October 31, 2020, the date to which the Company manages its storage balance, the non-utility balance was 96.6% of available space. The balance stayed below the total non-utility available space of 100% for the rest of 2020.
9. In EB-2011-0210, the OEB further ordered Union to file a calculation for a storage encroachment payment from Union's non-utility business to Union's utility business, if Union's non-utility business encroached on Union's utility space. There was no encroachment of utility space in 2020 and therefore no calculation applies.

Sale of Non-Utility Storage Space

10. Enbridge Gas prioritizes the sale of its legacy Union utility storage ahead of the sale of its short-term non-utility storage and allocates short-term peak storage margins between utility and non-utility as directed by the OEB in EB-2011-0210.³ Margins from short-term peak storage services are proportionately split between the utility and non-utility customers based on the utility and non-utility share of the total quantity of short-term peak storage sold each calendar year. Short-term peak sales include any sale of storage space for a term of less than two storage years.
11. In 2020, Enbridge Gas sold a total of 2.3 PJ of short-term peak storage (legacy Union). The total 2.3 PJ was excess utility space, calculated by deducting 97.7 PJ of in-franchise utility requirement (as per the Gas Supply Plan) from the total 100 PJ of in-franchise utility storage. There was no sale of short-term peak storage from non-utility space. Total revenue from the sale of C1 Short-Term Peak Storage (Utility) in 2020 was \$2.715 million. Details of the above sales are reflected in Exhibit E, Tab 1, Schedule 4.

³ EB-2011-0210, Decision and Order, pp. 116-117.

ACCOUNT NO. 179-133 NORMALIZED AVERAGE CONSUMPTION (NAC)
UNION RATE ZONES

1. The purpose of the NAC deferral account is to record the variance in delivery revenue and storage revenue and costs resulting from the difference between the target NAC included in OEB-approved rates and the actual NAC for general service rate classes Rate M1, Rate M2, Rate 01 and Rate 10. As described in Union's 2014 Deferral Account Disposition proceeding (EB-2015-0010), including the revenue from storage rates in the NAC deferral account requires storage-related costs associated with the difference in target and actual NAC to also be included in the deferral account balance.
2. For 2020, the balance in the NAC deferral account is a debit to ratepayers of \$7.182 million plus interest of \$0.096 million for a total debit to ratepayers of \$7.278 million.
3. The NAC Deferral Account follows the same methodology agreed to by parties in Union's 2014-2018 Incentive Regulation (IR) Settlement Agreement (EB-2013-0202) and as subsequently modified in Union's 2015 Rates proceeding (EB-2014-0271).

Target and Actual NAC

4. The 2020 target NAC used to calculate base rates for each rate class was approved by the OEB in Enbridge Gas's 2020 Rates proceeding (EB-2019-0194). The 2018 actual NAC, weather normalized using the 2020 weather normal, was used to determine the 2020 target NAC for each rate class to calculate base rates. Setting the 2020 target NAC based on the 2018 actual NAC recognizes that over the two-year span to the current year, any volumes saved and lost revenues due to DSM activities will be captured by the variance between the target NAC and actual NAC.

This is due to the inclusion of the DSM saved volumes within the actual reported consumption.

5. The 2020 forecast usage used to calculate Y factor unit rates for each rate class was approved by the OEB in Enbridge Gas's 2020 Rates proceeding (EB-2019-0194). The unit rates for pass through (Y factor) costs are derived based on OEB-approved cost allocation and rate design methodologies and are passed through to customers at cost.
6. The 2020 actual NAC for each rate class is weather normalized using the 2020 weather normal, which is produced using the OEB-approved weather methodology consisting of a 50:50 average of the 30-year average and the 20-year trend estimates of annual heating degree-days.
7. Table 1 provides the 2020 target NAC and 2020 actual NAC by rate class for base rates.

Table 1
2020 Target and Actual NAC - Base Rates

| Line No. | Particulars (m ³ /customer) | Rate 01 (a) | Rate 10 (b) | Rate M1 (c) | Rate M2 (d) |
|----------|--|----------------|----------------|----------------|----------------|
| 1 | 2020 Target NAC | 2,893 | 168,964 | 2,817 | 171,679 |
| 2 | 2020 Actual NAC | 2,875 | 161,276 | 2,746 | 160,140 |
| 3 | Variance (Target - Actual NAC) | 18 | 7,688 | 72 | 11,540 |

Table 2 provides the 2020 target and 2020 actual NAC by rate class for Y factor rates.

Table 2
2020 Target and Actual NAC - Y Factor Rates

| Line No. | Particulars (m ³ /customer) | Rate 01 (a) | Rate 10 (b) | Rate M1 (c) | Rate M2 (d) |
|----------|--|----------------|----------------|----------------|----------------|
| 1 | 2020 Target NAC | 2,829 | 173,036 | 2,710 | 168,835 |
| 2 | 2020 Actual NAC | 2,875 | 161,276 | 2,746 | 160,140 |
| 3 | Variance (Target - Actual NAC) | (46) | 11,760 | (36) | 8,695 |

Delivery and Storage Revenues

8. The deferral account balance is calculated by multiplying the variance between the weather normalized target NAC and the weather normalized actual NAC by the 2013 OEB-approved number of customers and the 2020 OEB-approved delivery and storage rates for each general service rate class. A credit balance in the NAC Deferral Account reflects that the actual NAC is greater than the target NAC, while a debit balance in the NAC Deferral Account reflects that the actual NAC is less than the target NAC.

9. Table 3 provides the NAC Deferral Account balances by rate class. The detailed calculation of the NAC Deferral Account balance can be found at Exhibit E, Tab 1, Schedule 6.

Table 3
2020 NAC Deferral Account

| Line No. | Particulars (\$000s) | Rate 01 (a) | Rate 10 (b) | Rate M1 (c) | Rate M2 (d) | Total (e) |
|----------|----------------------------|----------------|----------------|----------------|----------------|--------------|
| 1 | Delivery Revenue Balances | 376 | 1,025 | 2,144 | 3,182 | 6,726 |
| 2 | Storage Revenue Balances | 233 | 479 | 580 | 527 | 1,819 |
| 3 | Storage Cost Balances | (158) | (95) | (252) | (858) | (1,364) |
| 4 | Interest | 18 | 8 | 47 | 24 | 96 |
| 5 | Total NAC Deferral Balance | 468 | 1,417 | 2,519 | 2,874 | 7,278 |

Deferral Account Impacts

10. For Rate M1, the 2020 actual NAC is lower than the target NAC used to derive base rates by 72 m³/customer (Table 1, Line 3) and higher than the target NAC used to derive Y factor rates by 36 m³/customer (Table 2, Line 3). As shown in Table 3 above, this results in a delivery and storage revenue debit of \$2.724 million (\$2.144 million and \$0.580 million respectively). In addition, the NAC volume variance decreases the Rate M1 storage requirement by 0.410 PJ. Accordingly, EGI must refund an additional \$0.252 million (Table 3, Line 3) to Rate M1 customers to recognize the decreased Rate M1 storage requirements.

11. For Rate M2, the 2020 actual NAC is lower than the target NAC used to derive base rates by 11,540 m³/customer (Table 1, Line 3) and lower than the target NAC used to derive Y factor rates by 8,695 m³/customer (Table 2, Line 3). As shown in Table 3 above, this results in a delivery and storage revenue debit of \$3.709 million (\$3.182 million and \$0.527 million respectively). In addition, the NAC volume

variance decreases the Rate M2 storage requirement by 1.400 PJ. Accordingly, EGI must refund \$0.858 million (Table 3, Line 3) to Rate M2 customers to recognize the decreased Rate M2 storage requirements.

12. For Rate 01, the 2020 actual NAC is lower than the target NAC used to derive base rates by 18 m³/customer (Table 1, Line 3) and higher than the target NAC used to derive Y factor rates by 46 m³/customer (Table 2, Line 3). As shown in Table 3 above, this results in a delivery and storage revenue debit of \$0.608 million (\$0.376 million and \$0.233 million respectively). In addition, the NAC volume variance decreased the Rate 01 storage requirement by 0.210 PJ. Accordingly, EGI must refund an additional \$0.158 million (Table 3, Line 3) to Rate 01 customers to recognize the increased Rate 01 storage requirements.

13. For Rate 10, the 2020 actual NAC is lower than the target used to derive base rates NAC by 7,688 m³/customer (Table 1, Line 3) and lower than the target NAC used to derive Y factor rates by 11,760 m³/customer (Table 2, Line 3). As shown in Table 3 above, this results in a delivery and storage revenue debit of \$1.504 million (\$1.025 million and \$0.479 million respectively). In addition, the NAC volume variance decreases the Rate 10 storage requirement by 0.130 PJ. Accordingly, EGI must refund \$0.095 million (Table 3, Line 3) to Rate 10 customers to recognize the increased Rate 10 storage requirements.

Storage Costs

14. The storage costs recognize that variances between the 2020 target NAC and the 2013 OEB-approved NAC change the storage requirements for each general service rate class. As OEB-approved storage rates are not updated during the IR term to reflect changes in storage requirements due to NAC variances, EGI must capture the NAC-related change in storage costs in the NAC Deferral Account for the

Union Rate Zones as per the OEB's Decision in Union's 2013 Deferrals Disposition proceeding (EB-2014-0145), p. 9, *"starting in 2014, the NAC Deferral Account, which replaces the Average Use Per Customer Deferral Account, will include storage related revenues and costs for general service rate classes."*

15. To determine the change in storage requirements for each general service rate class due to NAC variances, the Company calculated the NAC volume variance per customer between its 2020/2021 Gas Supply Plan and the 2013 OEB-approved volumes multiplied by the 2013 OEB-approved number of customers.
16. Using the OEB-approved aggregate excess methodology, EGI calculated the change in storage requirements for each of the general service rate classes due to variances in NAC. The 2020/2021 Gas Supply Plan volumes represent the April 1, 2020 to March 31, 2021 period, which are used to determine the storage requirements for general service rate classes effective November 1, 2020. These general service rate class storage requirements are then used in the calculation of the total in-franchise utility storage space requirement at November 1, 2020. The difference between the total in-franchise utility storage requirement and the total 100 PJ of utility storage represents the excess utility storage capacity available for sale ("excess utility space") at November 1, 2020.
17. For Rate M1, the NAC volume variance between the 2020/2021 Gas Supply Plan and the 2013 OEB-approved volumes was a decrease of 5.056 PJ. The NAC volume variance decrease occurred similarly in the summer and in the winter months, which decreased the Rate M1 storage requirement by 0.410 PJ. This resulted in decreased storage costs of \$0.252 million (Table 3, Line 3).
18. For Rate M2, the NAC volume variance between the 2020/2021 Gas Supply Plan

and the 2013 OEB-approved volumes was an increase of 6.148 PJ. The majority of the NAC volume variance increase occurred in the summer months, which decreased the Rate M2 storage requirement by 1.400 PJ and resulted in decreased storage costs of \$0.858 million (Table 3, Line 3).

19. For Rate 01, the NAC volume variance between the 2020/2021 Gas Supply Plan and the 2013 OEB-approved volumes was an increase of 0.290 PJ. The majority of the NAC volume variance increase occurred in the summer months, which decreased the Rate 01 storage requirement by 0.210 PJ and decreased storage costs by \$0.158 million (Table 3, Line 3).

20. For Rate 10, the NAC volume variance between the 2020/2021 Gas Supply Plan and the 2013 OEB-approved volumes was an increase of 0.602 PJ. The majority of the NAC volume variance increase occurred in the summer months, which decreased the Rate 10 storage requirement by 0.130 PJ and resulted in decreased storage costs of \$0.095 million (Table 3, Line 3).

21. Overall, the NAC volume variance between the 2020/2021 Gas Supply Plan and the 2013 OEB-approved volumes resulted in a decrease in general service storage requirements of 2.150 PJ. Accordingly, EGI has included a storage cost credit of \$1.364 million in the NAC Deferral Account. Please see Table 4 below for a summary of the change in general service storage requirements due to NAC volume variances by rate class.

Table 4
Change in General Service Storage Requirements from
2013 OEB-approved (based on weather normalized
NAC)

| | PJ | | PJ |
|-------------|----------------|-------------|----------------|
| Rate M1 | (0.410) | Rate 01 | (0.210) |
| Rate M2 | (1.400) | Rate 10 | (0.130) |
| Total South | <u>(1.810)</u> | Total North | <u>(0.340)</u> |

22. The reduction in storage activity has decreased storage deliverability costs, the commodity-related costs at Dawn and storage inventory carrying costs.

23. The 0.340 PJ reduction in general service storage requirements due to NAC volume variances forms part of the 2.3 PJ of excess utility space available for sale for winter 2020/2021. The revenue from the sale of the 2.3 PJ of excess utility space is recorded in the Short-Term Storage and Other Balancing Deferral Account (Account No. 179-70).

DEFERRAL CLEARING VARIANCE ACCOUNT– UNION RATE ZONES

1. The purpose of the Deferral Clearing Variance Account is to capture the differences between the forecast and actual volumes associated with the disposition of deferral account balances to the Union Rate Zones. The intent of the variance account is to minimize or eliminate the gains or losses to ratepayers and the Company as a result of volume variances associated with the disposition of deferral account balances.
2. The balance in this variance account is a debit from Union Rate Zone ratepayers of \$4.294 million, plus interest to December 31, 2020 of \$0.016 million, for a total of \$4.310 million. The \$4.294 million balance represents an over-payment of \$0.296 million from the Board-approved disposition of Union Rate Zones deferral account balances from the 2016 Demand Side Management (DSM) Deferrals Disposition proceeding (EB-2018-0300), an over-recovery of \$0.098 million from the Board-approved disposition of Union Rate Zones deferral account balances from the Disposition of Cap and Trade-Related Deferral and Variance Accounts proceeding (EB-2018-0331), an over-payment of \$1.464 million from Board-approved disposition of Union Rate Zones deferral account balances from the 2018 Deferral and Variance Disposition proceeding (EB-2019-0105), and an under-recovery of \$2.578 million from the Board-approved disposition of Union Rate Zones deferral account balances (2019 Federal Carbon Charge Deferral Account balances) from the 2020 Federal Carbon Pricing Program Application proceeding (EB-2019-0247). The balance also reflects a debit of \$0.055 million in relation to the various deferral account dispositions including residual amounts not able to be disposed of as one time billings and amounts related to manual rebills. Please see Exhibit E, Tab 1, Schedule 5, page 1 for a summary of the deferral account balance.

Union Rate Zones 2016 Demand Side Management (“DSM”) Deferrals Disposition (EB-2018-0300)

3. In its EB-2018-0300 Decision, the OEB approved the prospective disposition of the balances in the approved deferral accounts to rate classes through a temporary rate adjustment from July 1, 2019 to December 31, 2019. The total amount approved for prospective refund to rate classes was \$1.805 million. Please see Exhibit E, Tab 1, Schedule 5, page 2, column (e), for the forecast amount to be refunded by rate class, based on the forecasted volumes as noted in column (a) of the same exhibit.

4. Actual volumes for the period July 1, 2019 to December 31, 2019 averaged approximately 6% greater than forecast primarily due to colder weather in the same period. As a result of the actual volumes being greater than the forecasted volumes, the Company refunded \$2.101 million, which is \$0.296 million greater than the balance approved for disposition. Please see Exhibit E, Tab 1, Schedule 5, page 2, column (f) for the actual disposition amounts by rate class, based on the actual volumes as shown in column (b). Column (g) of the same exhibit shows the variance between forecast and actual disposition.

Union Rate Zones 2016-2018 Cap and Trade-Related Deferral and Variance Disposition (EB-2018-0331)

5. In its EB-2018-0331 Decision, the OEB approved the prospective disposition of the balances in the approved deferral accounts to rate classes through a temporary rate adjustment from October 1, 2019 to December 31, 2019. The total amount approved for prospective recovery from rate classes was \$0.997 million. Please see Exhibit E, Tab 1, Schedule 5, page 3, column (e), for the forecast amount to be recovered by rate class, based on the forecasted volumes as noted in column (a) of the same exhibit.

6. Actual volumes for the period October 1, 2019 to December 31, 2019 averaged approximately 10% greater than forecast due to colder weather in the same period. As a result of the actual volumes being greater than the forecasted volumes, the Company recovered \$1.095 million, which is \$0.098 million more than the balance approved for disposition. Please see Exhibit E, Tab 1, Schedule 5, page 3, column (f) for the actual disposition of deferral accounts and Exhibit E, Tab 1, Schedule 5, page 3, column (g) for the variance between forecast and actual disposition.

Union Rate Zones 2018 Deferral and Variance Disposition (EB-2019-0105)

7. In its EB-2019-0105 Decision, the OEB approved the prospective disposition of the balances in the approved deferral accounts to rate classes through a temporary rate adjustment from April 1, 2020 to September 30, 2020. The total amount approved for prospective refund to rate classes was \$18.171 million. Please see Exhibit E, Tab 1, Schedule 5, page 4, column (e), for the forecast amount to be refunded by rate class, based on the forecasted volumes as noted in column (a) of the same exhibit.
8. Actual volumes for the period April 1, 2020 to September 30, 2020 averaged approximately 10% greater than forecast due to colder weather in the same period. As a result of the actual volumes being greater than the forecasted volumes, the Company refunded \$19.634 million, which is \$1.464 million more than the balance approved for disposition. Please see Exhibit E, Tab 1, Schedule 5, page 4, column (f) for the actual disposition amounts by rate class, based on the actual volumes as shown in column (b). Column (g) of the same exhibit shows the variance between forecast and actual disposition.

Union Rate Zones Federal Carbon Pricing Program Application proceeding (EB-2019-0247)

9. In its EB-2019-0247 Decision, the OEB approved the prospective disposition of the balances in the approved deferral accounts (2019 Federal Carbon Charge related deferral accounts) to rate classes through a temporary rate adjustment from October 1, 2020 to December 31, 2020. The total amount approved for prospective recovery from rate classes was \$44.568 million. Please see Exhibit E, Tab 1, Schedule 5, page 5, column (e), for the forecast amount to be recovered by rate class, based on the forecasted volumes as noted in column (a) of the same exhibit.

10. Actual volumes for the period October 1, 2020 to December 31, 2020 averaged approximately 6% lower than forecast due to warmer weather in the same period. As a result of the actual volumes being lower than the forecasted volumes, the Company recovered \$41.990 million, which is \$2.578 million less than the balance approved for disposition. Please see Exhibit E, Tab 1, Schedule 5, page 5, column (f) for the actual disposition amounts by rate class, based on the actual volumes as shown in column (b). Column (g) of the same exhibit shows the variance between forecast and actual disposition.

PARKWAY WEST PROJECT COSTS DEFERRAL ACCOUNT – UNION RATE ZONES

1. In its Parkway West Project (EB-2012-0433) Decision, the OEB approved the establishment of the Parkway West Project Costs Deferral Account to track the differences between the actual revenue requirement related to costs for the Parkway West Project and the revenue requirement included in rates.
2. The balance in this deferral account is a credit to Union Rate Zone ratepayers of \$0.470 million plus interest of \$0.004 million for a total credit balance of \$0.474 million. The balance of \$0.470 million represents the difference between the revenue requirement of \$19.673 million included in 2020 rates (EB-2019-0194) and the calculation of the actual revenue requirement for 2020 of \$19.203 million as shown in Table 1.

TABLE 1
2020 PARKWAY WEST PROJECT RATE BASE AND REVENUE REQUIREMENT

| Line No. | Particulars (\$000's) | Col. 1 2020 Board- approved (a) | Col. 2 2020 Actuals (b) | Col. 3 Difference (c) = (b - a) |
|---|---|--|----------------------------------|---------------------------------------|
| <u>Rate Base Investment</u> | | | | |
| 1. | Capital Expenditures | - | 18 | 18 |
| 2. | Cumulative Capital Expenditures | 233,147 | 231,688 | (1,459) |
| 3. | Average Investment | 205,267 | 203,858 | (1,409) |
| <u>Revenue Requirement Calculation:</u> | | | | |
| <u>Operating Expenses:</u> | | | | |
| 4. | Operating and Maintenance Expenses | 2,163 | 1,945 | (218) |
| 5. | Depreciation Expense (1) | 5,532 | 5,496 | (36) |
| 6. | Property Taxes | 568 | 384 | (184) |
| 7. | Total Operating Expenses | 8,263 | 7,825 | (438) |
| 8. | Required Return (2) | 11,617 | 11,538 | (79) |
| 9. | Total Operating Expense and Return | 19,880 | 19,363 | (517) |
| <u>Income Taxes:</u> | | | | |
| 10. | Income Taxes - Equity Return (3) | 2,380 | 2,363 | (17) |
| 11. | Income Taxes - Utility Timing Differences (4) | (2,587) | (2,523) | 64 |
| 12. | Total Income Taxes | (207) | (160) | 47 |
| 13. | Total Revenue Requirement | 19,673 | 19,203 | (470) |

Notes:

- (1) Depreciation expense at 2013 Board-approved depreciation rates.
- (2) The required return assumes a capital structure of 64% long-term debt at 3.82% and 36% common equity at the 2013 Board-approved return of 8.93%. The 2020 required return calculation is as
 $\$203.858 \text{ million} * 64\% * 3.82\% = \4.984 million plus
 $\$203.858 \text{ million} * 36\% * 8.93\% = \6.554 million for a total of \$11.538 million.
- (3) Taxes related to the equity component of the return at a tax rate of 26.5%.
- (4) Taxes related to utility timing differences are negative as the capital cost allowance deduction in arriving at taxable income exceeds the provision of book depreciation in the year.

Capital Expenditures

3. The actual 2020 capital expenditures on in-service assets are \$0.018 million higher than 2020 OEB-approved as shown in Table 2.

TABLE 2
 PARKWAY WEST CAPITAL EXPENDITURES

| Line No. | Particulars (\$000's) | 2020 Board-approved (a) | 2020 Actuals (b) | Difference (c) = (b - a) |
|----------|----------------------------|----------------------------|---------------------|-----------------------------|
| 1. | Plant Infrastructure | - | 18 | 18 |
| 2. | Compressor Equipment | - | - | - |
| 3. | Total Capital Expenditures | - | 18 | 18 |

4. Plant infrastructure costs were \$0.018 million higher than costs included in 2020 OEB-approved rates due to consulting fees regarding the heritage homes as mentioned in the Interrogatory Response a) at Exhibit I.STAFF.25, page 1 of EB-2020-0134, the 2019 Utility Earnings and Disposition of Deferral & Variance Account Balances Application.

Average Investment

5. The average investment decrease of \$1.409 million from OEB-approved is due to the cumulative capital expenditures being \$1.459 million lower than OEB-approved.

Operating Expenses

6. Operating and maintenance expenses were \$0.218 million below the costs included in the 2020 OEB-approved rates. The decrease is a result of a Long-term Service Agreement (LTSA) that was included in 2020 OEB-approved rates but not incurred in actual O&M expense, partially offset by higher utility costs than budgeted. The

Company elected not to enter an LTSA, that would have provided loss of critical unit coverage should the Company experience operational issues with Parkway B, as with the commissioning of Parkway D it was determined that it provided the required backup.

7. Property taxes were \$0.184 million lower than costs included in 2020 OEB-approved rates. The decrease is a result of the Municipal Property Assessment Corporation (“MPAC”) deciding not to apply a Land Classification tax charge that was expected for 2019 and onwards.

BRANTFORD KIRKWALL/PARKWAY D PROJECT COSTS
UNION RATE ZONES

1. In its Brantford-Kirkwall/Parkway D (EB-2013-0074) Decision, the OEB approved the establishment of the Brantford-Kirkwall/Parkway D Project Costs Deferral Account to track the differences between the actual revenue requirement related to costs for the Brantford-Kirkwall/Parkway D Project and the revenue requirement included in rates.

2. The balance in this deferral account is a credit to Union rate zone ratepayers of \$0.032 million plus interest of \$0.000 million for a total credit balance of \$0.032 million. The balance of \$0.032 million represents the difference between the revenue requirement of \$15.142 million included in 2020 rates (EB-2019-0194) and the calculation of the actual revenue requirement for 2020 of \$15.110 million as shown in Table 1. The small decline in the actual revenue requirement results from minor underages in the capital cost and municipal taxes of the project.

TABLE 1
2020 BRANTFORD-KIRK WALL PIPELINE/PARKWAY D PROJECT RATE BASE AND REVENUE
REQUIREMENT

| Line No. | Particulars (\$000's) | Col. 1 2020 Board- approved (a) | Col. 2 2020 Actuals (b) | Col. 3 Difference (c) = (b - a) |
|---|---|--|----------------------------------|---------------------------------------|
| <u>Rate Base Investment</u> | | | | |
| 1. | Capital Expenditures | - | - | - |
| 2. | Cumulative Capital Expenditures | 197,404 | 197,378 | (26) |
| 3. | Average Investment | 172,704 | 172,679 | (25) |
| <u>Revenue Requirement Calculation:</u> | | | | |
| <u>Operating Expenses:</u> | | | | |
| 4. | Operating and Maintenance Expenses | - | - | - |
| 5. | Depreciation Expense (1) | 4,995 | 4,995 | - |
| 6. | Property Taxes | 995 | 965 | (30) |
| 7. | Total Operating Expenses | 5,990 | 5,960 | (30) |
| 8. | Required Return (2) | 9,774 | 9,773 | (1) |
| 9. | Total Operating Expense and Return | 15,764 | 15,733 | (31) |
| <u>Income Taxes:</u> | | | | |
| 10. | Income Taxes - Equity Return (3) | 2,002 | 2,001 | (1) |
| 11. | Income Taxes - Utility Timing Differences (4) | (2,625) | (2,624) | 1 |
| 12. | Total Income Taxes | (623) | (623) | - |
| 13. | Total Revenue Requirement | 15,142 | 15,110 | (32) |

Notes:

- (1) Depreciation expense at 2013 Board-approved depreciation rates.
- (2) The required return assumes a capital structure of 64% long-term debt at 3.82% and 36% common equity at the 2013 Board-approved return of 8.93%. The 2020 required return calculation is as
 $\$172.679 \text{ million} * 64\% * 3.82\% = \$4.222 \text{ million plus}$
 $\$172.679 \text{ million} * 36\% * 8.93\% = \$5.551 \text{ million for a total of } \9.773 million.
- (3) Taxes related to the equity component of the return at a tax rate of 26.5%.
- (4) Taxes related to utility timing differences are negative as the capital cost allowance deduction in arriving at taxable income exceeds the provision of book depreciation in the year.

UNACCOUNTED FOR GAS (“UFG”) VOLUME DEFERRAL ACCOUNT
UNION RATE ZONES

1. Enbridge Gas is not seeking clearance of the UFG Volume Deferral Account, because there is no balance in the account.
2. The purpose of the UFG Volume Deferral Account is to capture the difference between the unit cost of UFG recovered in the rates approved by the OEB and actual UFG costs incurred. The amount of the UFG volume deferral account to be cleared to customers is subject to a symmetrical dead-band of \$5.0 million, with amounts within such dead-band being to Enbridge Gas’s account.
3. Union rate zones’ 2020 Board Approved rates included \$7.2 million in UFG costs. Based on 2020 actual volumes, Enbridge Gas recovered \$7.9 million in UFG costs for 2020. In comparison, Enbridge Gas’s actual 2020 UFG costs were \$7.5 million. The difference of \$0.4 million is below the \$5.0 million threshold established by the OEB for the UFG Volume Variance Account. As a result, there is no balance in the UFG Volume Deferral Account (please see Table 1 below).

Table 1
 2020 UTILITY UFG VARIANCES FROM BOARD-APPROVED

| Line No. | Particulars | Variance (\$Millions) |
|----------|---|--------------------------|
| 1 | UFG Cost Included in Rates | \$ 7.2 |
| 2 | Net Recovery Variance | <u>\$ 0.7</u> |
| 3 | Total UFG Collected in 2020 Rates (line 1 + line 2) | \$ 7.9 |
| 4 | Total Utility UFG Actual Cost | <u>\$ 7.5</u> |
| 5 | Total Utility UFG Variance (line 3 - line 4) | \$ 0.4 |
| 6 | \$5M UFG Symmetrical Dead-band | \$ 5.0 |

(1) Board Approved throughput was 32,010 106m3 versus actual throughput of 35,620 106m3

(2) Board Approved UFG % is 0.219% versus actual UFG % of 0.208% for 2020. No balance in the Deferral Account because the variance is below the \$5 million symmetrical threshold

UNACCOUNTED FOR GAS (“UFG”) PRICE VARIANCE ACCOUNT
UNION RATE ZONES

1. The UFG Price Variance Account captures the variance between the average monthly price of the Company’s purchases for the Union Rate Zones and the applicable OEB-approved reference price, applied to the Company’s actual UFG volumes for the Union Rate Zones. During 2020, the Company purchased 726 10^3m^3 of gas supply in Union rate zones related to actual UFG volumes on behalf of ratepayers. The actual UFG purchases exclude the actual UFG collected from ratepayers who provide UFG in kind as part of customer supplied fuel (CSF).

2. The average actual cost of the UFG purchases in 2020 is $\$6.744/10^3\text{m}^3$ higher than the OEB-approved reference prices included in rates based on the Union South rate zone gas portfolio cost of $\$111.64/10^3\text{m}^3$. The result is a $\$0.005$ million balance to be collected from ratepayers, as shown in Table 1 below.

Table 1
Calculation of 2020 UFG Price Variance

| Line. No. | | UFG Volumes (10 ³ m ³) |
|--------------|--|--|
| 1 | Experienced UFG (1) | 64,765 |
| 2 | UFG Collected through CSF | 64,039 |
| 3 | UFG Volumes – Company Supplied (2) | <u>726</u> |
| | | Deferral <u>Calculation</u> |
| 4 | UFG Volumes (10 ³ m ³) – Company Supplied (2) | 726 |
| 5 | Price Variance (\$/10 ³ m ³) (3) | \$6.744 |
| 6 | Variance Account Balance (\$ millions) | <u>\$0.005</u> |

(1) Converted using the following heat values (38.98 Jan-Mar) (39.28 Apr – Dec).

(2) UFG Volumes represent gas supply related to actual UFG volumes on behalf of ratepayers who do not provide UFG in kind as part of CSF.

(3) Price variance represents weighted average cost, relative to OEB-approved reference prices.

LOBO C COMPRESSOR/HAMILTON MILTON PIPELINE PROJECT COSTS
DEFERRAL ACCOUNT – UNION RATE ZONES

1. In its Dawn Parkway 2016 Expansion (EB-2014-0261) Decision, the OEB approved the establishment of the Lobo C Compressor/Hamilton-Milton Pipeline Project Costs Deferral Account to track the differences between the actual revenue requirement related to costs for the Project and the revenue requirement included in rates.

2. The balance in this deferral account is a debit from Union Rate Zone ratepayers of \$0.121 million plus interest of \$0.000 million for a total debit balance of \$0.121 million. The balance of \$0.121 million represents the difference between the revenue requirement of \$25.609 million included in 2020 rates (EB-2019-0194) and the calculation of the actual revenue requirement for 2020 of \$25.730 million as shown in Table 1.

TABLE 1
2020 LOBO C COMPRESSOR/HAMILTON-MILTON PIPELINE PROJECT RATE BASE AND REVENUE
REQUIREMENT

| Line No. | Particulars (\$000's) | Col. 1 2020 Board- approved (a) | Col. 2 2020 Actuals (b) | Col. 3 Difference (c) = (b - a) |
|----------|---|--|----------------------------------|---------------------------------------|
| | <u>Rate Base Investment</u> | | | |
| 1. | Capital Expenditures | - | - | - |
| 2. | Cumulative Capital Expenditures | 347,980 | 347,062 | (918) |
| 3. | Average Investment | 315,128 | 314,218 | (910) |
| | <u>Revenue Requirement Calculation:</u> | | | |
| | <u>Operating Expenses:</u> | | | |
| 4. | Operating and Maintenance Expenses | 847 | 1,085 | 238 |
| 5. | Depreciation Expense (1) | 8,261 | 8,214 | (47) |
| 6. | Property Taxes | 1,186 | 1,120 | (66) |
| 7. | Total Operating Expenses | 10,294 | 10,419 | 125 |
| 8. | Required Return (2) | 16,907 | 16,858 | (49) |
| 9. | Total Operating Expense and Return | 27,201 | 27,277 | 76 |
| | <u>Income Taxes:</u> | | | |
| 10. | Income Taxes - Equity Return (3) | 3,658 | 3,642 | (16) |
| 11. | Income Taxes - Utility Timing Differences (4) | (5,250) | (5,189) | 61 |
| 12. | Total Income Taxes | (1,592) | (1,547) | 45 |
| 13. | Total Revenue Requirement | 25,609 | 25,730 | 121 |

Notes:

- (1) Depreciation expense at 2013 Board-approved depreciation rates.
- (2) The required return assumes a capital structure of 64% long-term debt at 3.36% and 36% common equity at the 2013 Board-approved return of 8.93%. The 2020 required return calculation is as
 $\$314.218 \text{ million} * 64\% * 3.36\% = \$6.757 \text{ million plus}$
 $\$314.218 \text{ million} * 36\% * 8.93\% = \$10.101 \text{ million for a total of } \16.858 million.
- (3) Taxes related to the equity component of the return at a tax rate of 26.5%.
- (4) Taxes related to utility timing differences are negative as the capital cost allowance deduction in arriving at taxable income exceeds the provision of book depreciation in the year.

Average Investment

3. The average investment decrease of \$0.910 million from OEB-approved is due to the cumulative capital expenditures being \$0.918 million lower than OEB-approved capital expenditures.

Operating Expenses

4. Operating and maintenance expenses were \$0.238 million higher than the costs included in 2020 OEB-approved rates. The increase is a result of higher salaries/wages as the budget did not account for overtime costs and higher utility costs.

UNAUTHORIZED OVERRUN NON-COMPLIANCE DEFERRAL ACCOUNT

UNION RATE ZONES

1. In Union's 2016 Rates Decision and Order (EB-2015-0116), the OEB ordered the Company to establish the Unauthorized Overrun Non-Compliance Deferral Account to record any unauthorized overrun non-compliance charges incurred by interruptible distribution customers for not complying with a distribution interruption.
2. In 2020, five interruptions were called for a total of 30 days. All interruptions were complied with and, as a result, the balance in this deferral account is zero.

LOBO D/BRIGHT C/DAWN H COMPRESSOR PROJECT COSTS
UNION RATE ZONES

1. In its EB-2015-0116 Decision, the OEB approved the establishment of the Lobo D/Bright C/Dawn H Compressor Project Costs Deferral Account to track the differences between the actual revenue requirement related to costs for the Lobo D/Bright C/Dawn H Compressor Project and the revenue requirement included in rates.
2. The balance in this deferral account is a credit to Union Rate Zone ratepayers of \$1.190 million plus interest of \$0.008 million, for a total credit balance of \$1.197 million. The balance of \$1.190 million includes a debit of \$0.135 million which represents the difference between the revenue requirement of \$43.394 million included in 2020 rates (EB-2019-0194) and the calculation of the actual revenue requirement for 2020 of \$43.529 million as shown in Table 1.
3. A \$1.325 million credit relates to the 2020 revenue generated from the sale of surplus Dawn Parkway system capacity of 30,393 GJ/day associated with the Lobo D/Bright C/Dawn H Compressor Project. In accordance with the 2018 Disposition of Deferral and Variance Account Balances and Utility Earnings proceeding (EB-2019-0105) approved Settlement Proposal, the surplus capacity is deemed to be sold long-term and the revenue credit for the 2020 year is calculated based on the M12 Dawn-Parkway rate of \$3.632/GJ approved in the EB-2019-0194 Rate Order, dated June 11, 2020. A schedule supporting the 2020 revenue calculation is provided at Exhibit E, Tab 1, Schedule 7.

TABLE 1
2020 DAWN H/LOBO D/BRIGHT C COMPRESSOR PROJECT RATE BASE AND REVENUE
REQUIREMENT

| Line No. | Particulars (\$000's) | Col. 1 2020 Board- approved (a) | Col. 2 2020 Actuals (b) | Col. 3 Difference (c) = (b - a) |
|---|---|--|----------------------------------|---------------------------------------|
| <u>Rate Base Investment</u> | | | | |
| 1. | Capital Expenditures | - | 103 | 103 |
| 2. | Cumulative Capital Expenditures | 622,500 | 620,050 | (2,450) |
| 3. | Average Investment | 569,784 | 568,653 | (1,131) |
| <u>Revenue Requirement Calculation:</u> | | | | |
| <u>Operating Expenses:</u> | | | | |
| 4. | Operating and Maintenance Expenses | 1,727 | 2,412 | 685 |
| 5. | Depreciation Expense (1) | 17,418 | 16,678 | (740) |
| 6. | Property Taxes | 1,089 | 1,176 | 87 |
| 7. | Total Operating Expenses | 20,234 | 20,266 | 32 |
| 8. | Required Return (2) | 30,315 | 30,255 | (60) |
| 9. | Total Operating Expense and Return | 50,549 | 50,521 | (28) |
| <u>Income Taxes:</u> | | | | |
| 10. | Income Taxes - Equity Return (3) | 6,603 | 6,591 | (12) |
| 11. | Income Taxes - Utility Timing Differences (4) | (13,758) | (13,583) | 175 |
| 12. | Total Income Taxes | (7,155) | (6,992) | 163 |
| 13. | Total Revenue Requirement | 43,394 | 43,529 | 135 |

Notes:

- (1) Depreciation expense at 2013 Board-approved depreciation rates.
- (2) The required return assumes a capital structure of 64% long-term debt at 3.29% and 36% common equity at the 2013 Board-approved return of 8.93%. The 2020 required return calculation is as
 $\$568.653 \text{ million} * 64\% * 3.29\% = \11.974 million plus
 $\$568.653 \text{ million} * 36\% * 8.93\% = \18.281 million for a total of \$30.255 million.
- (3) Taxes related to the equity component of the return at a tax rate of 26.5%.
- (4) Taxes related to utility timing differences are negative as the capital cost allowance deduction in arriving at taxable income exceeds the provision of book depreciation in the year.

Capital Expenditures

4. The actual 2020 capital expenditures on in-service assets were \$0.103 million higher than 2020 OEB-approved as shown in Table 2.

TABLE 2
DAWN H/LOBO D/BRIGHT C COMPRESSOR CAPITAL EXPENDITURES

| Line No. | Particulars (\$000's) | 2020 Board- approved (a) | 2020 Actuals (b) | Difference (c) = (b - a) |
|----------|-----------------------------------|--------------------------------|------------------------|-----------------------------|
| | Dawn H | | | |
| 1. | Land | - | - | - |
| 2. | Structures | - | - | - |
| 3. | Compressor Equipment | - | 109 | 109 |
| | Bright C | | | |
| 4. | Land | - | - | - |
| 5. | Structures | - | - | - |
| 6. | Compressor Equipment | - | - | - |
| | Lobo D | | | |
| 7. | Land | - | - | - |
| 8. | Structures | - | - | - |
| 9. | Compressor Equipment | - | (6) | (6) |
| 10. | Total Capital Expenditures | - | 103 | 103 |

5. Dawn H compressor equipment costs were \$0.109 higher than the costs included in 2020 OEB-approved rates due to an upgrade of the generator control panel that was invoiced in December 2019 but not processed until January 2020.
6. Lobo D compressor equipment costs were \$0.006 million lower than the costs included in the 2020 OEB-approved rates due to a credit to remove a cost incorrectly charged to this project.

Average Investment

7. The average investment decrease of \$1.131 million from OEB-approved is due to the cumulative capital expenditures being \$2.447 million lower than OEB-approved.

Operating Expenses

8. Operating and maintenance expenses were \$0.685 million higher than the costs included in 2020 OEB-approved rates. The increase is a result of higher salaries/wages as budget did not account for overtime costs, higher general maintenance costs than budgeted and higher utility costs than budgeted.
9. The \$0.740 million depreciation expense decrease is due to lower depreciable plant balances resulting from delays in the project's in-service timing of capital additions, as well as to the impact of cumulative capital expenditures being \$2.447 million lower than OEB-approved.

Income Taxes

10. The \$0.175 million decrease in "Income Taxes – Utility Timing Difference" credit relates to a lower Capital Cost Allowance (CCA) deduction due to the lower average investment in 2020, versus Board-approved, as well as lower CCA available on additions that previously qualified for Bill C-97 accelerated CCA.

BURLINGTON OAKVILLE PROJECT COSTS DEFERRAL ACCOUNT
UNION RATE ZONES

1. In its EB-2015-0116 Decision, the OEB approved the establishment of the Burlington Oakville Project Costs Deferral Account to track the differences between the actual revenue requirement related to costs for the Project and the revenue requirement included in rates.

2. The balance in this deferral account is a credit to Union rate zone ratepayers of \$0.048 million plus interest of \$0.000 million for a total credit balance of \$0.048 million. The balance of \$0.048 million represents the difference between the revenue requirement of \$5.596 million included in 2020 rates (EB-2019-0194) and the calculation of the actual revenue requirement for 2020 of \$5.548 million as shown in Table 1. The small decline in the actual revenue requirement results from minor underages in the capital cost and operating costs of the project.

TABLE 1
2020 BURLINGTON OAKVILLE PIPELINE PROJECT RATE BASE AND REVENUE REQUIREMENT

| Line No. | Particulars (\$000's) | Col. 1 2020 Board- approved (a) | Col. 2 2020 Actuals (b) | Col. 3 Difference (c) = (b - a) |
|----------|---|--|----------------------------------|---------------------------------------|
| | <u>Rate Base Investment</u> | | | |
| 1. | Capital Expenditures | - | - | - |
| 2. | Cumulative Capital Expenditures | 83,349 | 83,262 | (87) |
| 3. | Average Investment | 76,545 | 76,462 | (83) |
| | <u>Revenue Requirement Calculation:</u> | | | |
| | <u>Operating Expenses:</u> | | | |
| 4. | Operating and Maintenance Expenses | 17 | - | (17) |
| 5. | Depreciation Expense (1) | 1,732 | 1,737 | 5 |
| 6. | Property Taxes | 132 | 125 | (7) |
| 7. | Total Operating Expenses | 1,881 | 1,862 | (19) |
| 8. | Required Return (2) | 4,107 | 4,102 | (5) |
| 9. | Total Operating Expense and Return | 5,988 | 5,964 | (24) |
| | <u>Income Taxes:</u> | | | |
| 10. | Income Taxes - Equity Return (3) | 889 | 886 | (3) |
| 11. | Income Taxes - Utility Timing Differences (4) | (1,280) | (1,302) | (22) |
| 12. | Total Income Taxes | (391) | (416) | (25) |
| 13. | Total Revenue Requirement | 5,596 | 5,548 | (48) |

Notes:

- (1) Depreciation expense at 2013 Board-approved depreciation rates.
- (2) The required return assumes a capital structure of 64% long-term debt at 3.36% and 36% common equity at the 2013 Board-approved return of 8.93%. The 2020 required return calculation is as
 $\$76.462 \text{ million} * 64\% * 3.36\% = \1.644 million plus
 $\$76.462 \text{ million} * 36\% * 8.93\% = \2.458 million for a total of \$4.102 million.
- (3) Taxes related to the equity component of the return at a tax rate of 26.5%.
- (4) Taxes related to utility timing differences are negative as the capital cost allowance deduction in arriving at taxable income exceeds the provision of book depreciation in the year.

2020 ONTARIO ENERGY BOARD COST ASSESSMENT VARIANCE ACCOUNT
UNION RATE ZONES

1. The purpose of the 2020 Ontario Energy Board Cost Assessment Variance Account (OEBCAVA) was to record any material variances between the OEB costs assessed to Enbridge Gas (relevant to the Union Rate Zones) through application of the revised Cost Assessment Model (CAM), which became effective April 1, 2016, and the OEB costs which were included in Union Rate Zones rates, which were determined through application of the prior Cost Assessment Model. The scope of the account is consistent with prior OEBCAVAs. However, in accordance with the EB-2020-0134 OEB-approved Settlement Proposal, in EGI's 2019 Earnings Sharing and Deferral Disposition proceeding, the base OEB costs assumed to be included in rates have been escalated to reflect the growth in the amount recovered through rates, which results from annual price cap adjustments and customer growth. The OEBCAVA was originally approved for establishment by OEB letter dated February 9, 2016, entitled: *Revisions to the Ontario Energy Board Cost Assessment Model*.
2. The amount recorded within the 2020 OEBCAVA is \$1.234 million. This amount reflects the variance between OEB costs assessed to Enbridge Gas (relevant to Union Rate Zones) in each quarter of fiscal 2020, utilizing the revised CAM, and Union's average quarterly OEB cost assessment under the prior CAM, escalated in accordance with the EB-2020-0134 OEB-approved Settlement Proposal.
3. In order to calculate the amount to be recovered through the 2020 Union Rate Zones OEBCAVA, the Company first needed to apportion the actual 2020 OEB assessed costs between the legacy rate zones. Commencing with the OEB's 2019/2020 fiscal first quarter assessment (for the period April 1, 2019 through

June 30, 2019), and continuing since, EGI has been receiving one consolidated quarterly bill for the amalgamated utility. To apportion the quarterly assessments received in 2020 between rate zones, the assessments were prorated based on the total invoices received by each legacy utility for the OEB's 2018 / 2019 fiscal year (for the period April 1, 2018 through March 31, 2019), the final year for which the OEB issued invoices to each legacy utility. Table 1 below shows the proration of the OEB's 2018 / 2019 fiscal year assessments between each legacy utility / Rate Zone (59.76% EGD Rate Zone, 40.24% Union Rate Zones). Table 2 shows the apportionment of EGI's 2020 assessed costs to the Union Rate Zones, and the calculation of the amount recorded in the 2020 Union Rate Zones OEBCAVA.

4. To calculate the amount for recovery through the 2020 Union Rate Zones OEBCAVA, the Company also needed to establish the base comparator, reflecting the OEB costs included in Union Rate Zones rates, determined through application of the prior Cost Assessment Model. In accordance with the EB-2020-0134 OEB approved Settlement Proposal, the amount reflected in rates is also to be increased, or escalated, to reflect the growth in the amount recovered as a result of annual price cap adjustments and customer growth. To establish the 2020 base comparator, the Company escalated the 2019 quarterly comparator of \$0.698 million¹ by the sum of the 2020 Price Cap Index (PCI) of 1.31%, and the Union Rate Zones ICM threshold calculation Growth Factor (g) of 1.54%, which were approved as part of EGI's 2020 Rate Application, EB-2019-0194. The escalation resulted in a 2020 quarterly comparator of \$0.718 million ($\$0.698 \text{ million} * (1 + (1.31\% + 1.54\%))$). The Company proposes to use a similar escalation methodology for the remainder of the deferred rebasing term (i.e., the 2021 base comparator will equal the 2020 base comparator escalated by the sum of the

¹ Reflected in the 2019 Union Rate Zones OEBCAVA amount approved for clearance as part of the EB-2020-0134 Settlement Proposal, and which was detailed in Exhibit I.VECC.8 b) in that proceeding

2021 approved PCI and g factors from the Company's 2021 rate application). As noted above, Table 2 below shows the apportionment of EGI's actual 2020 assessed costs to the Union Rate Zones, and the calculation of the amount recorded in the 2020 Union Rate Zones OEBCAVA utilizing a base comparator of \$0.718 million.

5. Within this proceeding, the Company is requesting clearance of the principal and interest balances recorded in the 2020 OEBCAVA, in the amount of \$1.234 million and \$0.013 million respectively, as shown in Exhibit C, Tab 1, Schedule 1.

Table 1

OEB 2018/2019 Cost Assessments

| | <u>EGD</u> | <u>UGL</u> | <u>Total</u> |
|-------------------------|---------------------|---------------------|---------------------|
| Apr. 1 to Jun. 30, 2018 | 1,467,963.00 | 988,479.00 | 2,456,442.00 |
| Jul. 1 to Sep. 30, 2018 | 1,356,860.00 | 913,873.00 | 2,270,733.00 |
| Oct. 1 to Dec. 31, 2018 | 1,356,860.00 | 913,873.00 | 2,270,733.00 |
| Jan. 1 to Mar. 31, 2019 | 1,356,860.00 | 913,873.00 | 2,270,733.00 |
| | <u>5,538,543.00</u> | <u>3,730,098.00</u> | <u>9,268,641.00</u> |
| Percentage of Total | 59.76% | 40.24% | 100.00% |

Table 2

Calculation of 2020 UGL RZ OEBCAVA

| <u>Period</u> | <u>EGI Assessment</u> | <u>UGL Rate Zones Share (40.24%)</u> | <u>Average cost assessment Comparator</u> | <u>Variance recorded in UGL Rate Zones OEBCAVA</u> |
|---------------------------|-----------------------|--------------------------------------|---|--|
| Q4 2019/20 - Jan. 1, 2020 | 2,684,065.00 | 1,080,182.68 | 718,352.98 | 361,829.70 |
| Q1 2020/21 - Apr. 1, 2020 | 2,526,967.00 | 1,016,959.72 | 718,352.98 | 298,606.74 |
| Q2 2020/21 - July 1, 2020 | 2,497,218.00 | 1,004,987.45 | 718,352.98 | 286,634.47 |
| Q3 2020/21 - Oct. 1, 2020 | 2,497,217.00 | 1,004,987.05 | 718,352.98 | 286,634.07 |
| | | | | <u>1,233,704.98</u> |

2020 BASE SERVICE NORTH T-SERVICE TRANSCANADA CAPACITY DEFERRAL
ACCOUNT – UNION RATE ZONE

1. In the EB-2015-0181 decision, the OEB approved a new optional Union North T-service Transportation from Dawn to allow T-service customers in the Union North East Zone with access to Dawn-based supply. To facilitate this service, Enbridge Gas was required to contract for 15-year transportation capacity with TransCanada from Parkway to the Union CDA, Union NCDCA and Union EDA. The approved rates for the service are equal to the EGI C1 rate from Dawn to Parkway and the TransCanada Firm Transportation (FT) toll to Delivery Area.
2. The purpose of the North T-service TransCanada Capacity Deferral Account is to record the difference between the costs for the capacity from Parkway to the northern Delivery Area as part of the Base Service offering of the North T-Service Transportation from Dawn and the demand revenues collected from the North T-Service customers.
3. The total cost Enbridge Gas paid for the contracted TransCanada capacity in 2020 was \$1.755 million or \$146,300.55 per month. On an actual basis, the Company collected \$1.727 million demand revenues from the North T-service customers. As a result, the balance of the 2020 North T-service TransCanada Capacity Deferral Account is a collection from ratepayers of \$0.028 million plus interest of \$0.0001 million and the balance will be cleared amongst all North T-service from Dawn customers.
4. The variance is driven by two customers who turned back North T-service Transportation from Dawn capacity. 2,250 GJ/day of capacity was turned back effective November 2020 and 480 GJ/day was turned back effective December 2020 for a total of 2,730 GJ/day. The reduction was a result of one customer terminating

their distribution contract and another customer reducing their contracted demand and as a result, reducing their North T-service Transportation from Dawn capacity.

5. To mitigate the cost of the excess capacity, the Company marketed and sold 2,250 GJ/day of the 2,730 GJ/day capacity that was turned back. The capacity was sold with an effective date of December 2020. The Company is continuing to market the remaining 480 GJ/day of available capacity.

PANHANDLE REINFORCEMENT PROJECT COSTS DEFERRAL ACCOUNT
UNION RATE ZONES

1. In its Panhandle Reinforcement Project (EB-2016-0186) Decision, the OEB approved the establishment of the Panhandle Reinforcement Project Costs Deferral Account to track the differences between the actual net revenue requirement related to costs for the Project and the net revenue requirement included in rates.

2. The balance in this deferral account is a credit to Union Rate Zone ratepayers of \$2.101 million plus interest of \$0.004 million for a total credit balance of \$2.104 million. The balance of \$2.101 million represents the difference between the net revenue requirement of \$11.139 million included in 2020 rates (EB-2019-0194) and the calculation of the actual net revenue requirement for 2020 of \$9.038 million as shown in Table 1.

TABLE 1
2020 PANHANDLE REINFORCEMENT PROJECT RATE BASE AND REVENUE REQUIREMENT

| Line No. | Particulars (\$000's) | Col. 1 2020 Board- approved (a) | Col. 2 2020 Actuals (b) | Col. 3 Difference (c) = (b - a) |
|---|---|--|----------------------------------|---------------------------------------|
| <u>Rate Base Investment</u> | | | | |
| 1. | Capital Expenditures | - | 437 | 437 |
| 2. | Cumulative Capital Expenditures | 232,844 | 228,574 | (4,270) |
| 3. | Average Investment | 218,902 | 214,461 | (4,441) |
| <u>Revenue Requirement Calculation:</u> | | | | |
| <u>Operating Expenses:</u> | | | | |
| 4. | Operating and Maintenance Expenses | 16 | - | (16) |
| 5. | Depreciation Expense (1) | 4,944 | 4,914 | (30) |
| 6. | Property Taxes | 1,776 | 1,750 | (26) |
| 7. | Total Operating Expenses | 6,736 | 6,664 | (72) |
| 8. | Required Return (2) | 11,646 | 11,410 | (236) |
| 9. | Total Operating Expense and Return | 18,382 | 18,074 | (308) |
| <u>Income Taxes:</u> | | | | |
| 10. | Income Taxes - Equity Return (3) | 2,537 | 2,486 | (51) |
| 11. | Income Taxes - Utility Timing Differences (4) | (4,366) | (4,418) | (52) |
| 12. | Total Income Taxes | (1,829) | (1,932) | (103) |
| 13. | Total Revenue Requirement | 16,554 | 16,142 | (412) |
| 14. | Incremental Project Revenue | 5,415 | 7,104 | 1,689 |
| 15. | Net Revenue Requirement | 11,139 | 9,038 | (2,101) |

Notes:

- (1) Depreciation expense at 2013 Board-approved depreciation rates.
- (2) The required return assumes a capital structure of 64% long-term debt at 3.29% and 36% common equity at the 2013 Board-approved return of 8.93%. The 2020 required return calculation is as
 $\$214.461 \text{ million} * 64\% * 3.29\% = \4.516 million plus
 $\$214.461 \text{ million} * 36\% * 8.93\% = \6.894 million for a total of \$11.410 million.
- (3) Taxes related to the equity component of the return at a tax rate of 26.5%.
- (4) Taxes related to utility timing differences are negative as the capital cost allowance deduction in arriving at taxable income exceeds the provision of book depreciation in the year.

Capital Expenditures

3. The actual 2020 capital expenditures on in-service assets were \$0.437 million higher than 2020 OEB-approved as shown in Table 2.

TABLE 2
PANHANDLE REINFORCEMENT CAPITAL EXPENDITURES

| Line No. | Particulars (\$000's) | 2020 Board- approved (a) | 2020 Actuals (b) | Difference (c) = (b - a) |
|----------|---------------------------------------|--------------------------------|------------------------|-----------------------------|
| 1. | Land | - | - | - |
| 2. | Land Rights | - | - | - |
| 3. | Pipelines | - | 298 | 298 |
| 4. | Measuring & Regulating - Transmission | - | 55 | 55 |
| 5. | Measuring & Regulating - Storage | - | 84 | 84 |
| 6. | Salvage | - | - | - |
| 7. | Total Capital Expenditures | - | 437 | 437 |

4. Pipeline costs for the Panhandle NPS 36 were \$0.298 million higher due to clean up on the portion of right-of-way due to land owner concerns that arose in late 2019 and was completed in 2020. This included tile repair and easement settlement.
5. Measuring & Regulating costs were \$0.139 million higher than OEB-approved costs due to some deficiency items to be completed at a station which was scheduled for late 2019 but were pushed into 2020 due to contractor timing delays.

Average Investment

6. The average investment decrease of \$4.441 million from OEB-approved is due to the cumulative capital expenditures being \$4.270 million lower than OEB-approved.

Required Return

7. The decrease in the required return of \$0.236 million is the result of a decrease in the average rate base.

Incremental Project Revenue

8. The actual incremental revenue of \$7.1 million reflects the continued addition of new customers and expansion by existing customers in the Panhandle market, primarily in the greenhouse sector and is \$1.7 million higher than the forecast incremental revenue included in 2020 Rates.

2020 PENSION AND OPEB FORECAST ACCRUAL VS ACTUAL CASH PAYMENT
DIFFERENTIAL VARIANCE ACCOUNT – UNION RATE ZONES

1. In its EB-2015-0040 report to all regulated entities, dated September 14, 2017, titled “Regulatory Treatment of Pension and Other Post-employment Benefits (OPEB) Costs”, the OEB ordered the establishment of the deferral account, effective January 1, 2018, to be used by utilities that are approved to recover their pension and OPEB costs on an accrual basis¹. The Company recovers its pension and OPEB costs on an accrual basis.
2. The purpose of the Pension and OPEB Forecast Accrual vs Actual Cash Payment Differential Variance Account is to track the differences between forecast accrual pension and OPEB amounts recovered in rates, and the actual cash payments made for both pension and OPEB, on a go-forward basis from the date the account was established.
3. In 2020, the accrual pension and OPEB amount recovered in rates for the Union rate zones was \$47.4 million and the actual cash payments made for both pension and OPEB were \$38.4 million, resulting in an annual \$9 million credit variance. The variance carried forward from 2019 is a \$41.3 million credit variance, resulting in a cumulative \$50.4 million credit variance through 2020.
4. In accordance with the OEB’s Report (EB-2015-0040), when the cumulative forecasted accrual amount recovered in rates exceeds the cumulative actual cash payments, an asymmetrical carrying charge, to be returned to ratepayers, should be accrued based on the opening monthly difference between amount recovered in

¹ EB-2015-0040, Regulatory Treatment of Pension and Other Post-employment Benefits (“OPEB”) Costs, September 14, 2017, p. 2.

rates and actual cash payments. The balance in the account for 2020 is an interest credit to ratepayers of \$1.006 million to December 31, 2020². Table 1 sets out the detailed calculation of the forecast accrual versus actual cash payments, and associated interest.

| Particulars (\$000's) | 19-Dec | 20-Jan | 20-Feb | 20-Mar | 20-Apr | 20-May | 20-Jun | 20-Jul | 20-Aug | 20-Sep | 20-Oct | 20-Nov | 20-Dec | Total |
|--------------------------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|--------|
| Forecast accrual amounts | | 3,951 | 3,951 | 3,951 | 3,951 | 3,951 | 3,951 | 3,951 | 3,951 | 3,951 | 3,951 | 3,951 | 3,951 | 47,416 |
| Actual cash payments | | 5,294 | 426 | 993 | 20,000 | 220 | 885 | 169 | 3,381 | 935 | 4,989 | 87 | 1,020 | 38,399 |
| Monthly variance | | 1,342 | -3,525 | -2,958 | 16,048 | -3,731 | -3,067 | -3,782 | -570 | -3,016 | 1,038 | -3,864 | -2,931 | -9,017 |
| Cumulative variance | -41,350 | -40,007 | -43,533 | -46,491 | -30,442 | -34,174 | -37,241 | -41,023 | -41,593 | -44,609 | -43,571 | -47,436 | -50,367 | |
| OEB prescribed CWIP rate | | 2.88 | 2.88 | 2.88 | 2.48 | 2.48 | 2.48 | 2.48 | 2.48 | 2.48 | 2.03 | 2.03 | 2.03 | |
| Asymmetrical interest | | -101 | -88 | -106 | -95 | -64 | -70 | -78 | -86 | -85 | -77 | -73 | -82 | -1006 |

² Interest is as of December 31, 2020 as interest on this account is calculated on a cumulative account balance basis.

ACCOUNTS WITH A ZERO BALANCE
UNION RATE ZONES

1. The following 2020 accounts for the Union Rate Zones have no balance, and are therefore not requested for clearance to customers:

- Spot Gas Variance Account
- Unbundled Services Unauthorized Storage Overrun Deferral Account
- Gas Distribution Access Rule (GDAR) Costs Deferral Account
- Conservation Demand Management Deferral Account
- Sudbury Replacement Project Costs Deferral Account
- Parkway Obligation Rate Variance Deferral Account
- Unauthorized Overrun Non-Compliance Account
- Unaccounted for Gas (UFG) Volume Variance Account

TRANSPORTATION OPTIMIZATION DEFERRAL ACCOUNT - UNION RATE ZONES

| Line No. | Particulars | Col. 1 | Col. 2 | Col. 3 |
|----------|--|---------------------|-------------------|-------------------|
| | | 2013 Board Approved | 2019 Actual Total | 2020 Actual Total |
| | | (\$000's) | (\$000's) | (\$000's) |
| 1. | Base Exchange Revenue | (9,118.00) | (5,963.32) | (4,243.99) |
| 2. | FT RAM Exchange Revenue | (5,800.00) | | |
| 3. | Total Exchange Revenue | (14,918.00) | (5,963.32) | (4,243.99) |
| 4. | Exchange Revenue Subject to Deferral | | (5,963.32) | (4,243.99) |
| 5. | Ratepayer portion - 90% | (13,426.20) | (5,366.99) | (3,819.59) |
| 6. | 10% Union Incentive Payment | | (596.33) | (424.40) |
| 7. | Less: Gas Supply Optimization Margin in Rates | 13,426.00 | 17,489.36 | 15,943.18 |
| 8. | 2020 Deferral Account Balance receivable from Ratepayers | | 12,122.38 | 12,123.59 |

BREAKDOWN OF SHORT TERM STORAGE DEFERRAL ACCOUNT ("STSDA") - UNION RATE ZONES

| Line No. | Particulars (\$000's) | Col .1 Board-Approved 2013 | Col. 2 Actual 2019 | Col. 3 Actual 2020 |
|----------|---|----------------------------------|--------------------------|--------------------------|
| | Revenue | | | |
| 1. | C1 Off-Peak Storage | 500 | 418 | 1,002 |
| 2. | Supplemental Balancing Services | 2,000 | 863 | 1,016 |
| 3. | Gas Loans | | 2 | 1 |
| 4. | LBA | | 6 ⁽⁵⁾ | 0 |
| 5. | | 2,500 | 1,289 | 2,019 |
| 6. | C1 ST Firm Peak Storage | 7,883 | 2,125 | 2,715 |
| 7. | Total Revenue ⁽¹⁾ | 10,383 | 3,414 | 4,735 |
| | Costs | | | |
| 8. | O&M ⁽²⁾ | 3,810 | 960 | 782 |
| 9. | UFG ⁽³⁾ | 316 | 204 | 114 |
| 10. | Compressor Fuel ⁽⁴⁾ | 1,201 | 329 | 196 |
| 11. | Total Costs | 5,327 | 1,493 | 1,091 |
| 12. | Net Revenue (line 7 - 11) | 5,056 | 1,921 | 3,644 |
| 13. | Less Shareholder Portion (10%) | 505 | 192 | 364 |
| 14. | Ratepayer Portion | 4,551 | 1,729 | 3,279 |
| 15. | Approved in Rates | 4,551 | 4,551 | 4,551 |
| 16. | Deferral balance payable to / (collectable from) ratepayers | (0) | (2,822) | (1,272) |

Notes:

- (1) Based on short-term storage services provided
- (2) Revenue Requirement on 11.3 PJ's of board approved excess in-franchise storage capacity
- (3) Based on short-term storage volumes in proportion to total volumes
- (4) Based on short-term storage activity in proportion to total actual storage activity
- (5) Prior Period Adjustment from 2018

SUMMARY OF NON-UTILITY STORAGE BALANCES - UNION RATE ZONES

| Line No. | Col. 1 Date | Col. 2 Entitlement (PJ) | Col. 3 Balance (PJ) | Col. 4 % Full (%) | Line No. | Col. 5 Date | Col. 6 Entitlement (PJ) | Col. 7 Balance (PJ) | Col. 8 % Full (%) |
|----------|----------------|-------------------------------|---------------------------|-------------------------|----------|----------------|-------------------------------|---------------------------|-------------------------|
| 1. | 1-Oct-20 | 122.2 | 121.6 | 99.5% | 32. | 1-Nov-20 | 122.2 | 117.6 | 96.3% |
| 2. | 2-Oct-20 | 122.2 | 121.5 | 99.4% | 33. | 2-Nov-20 | 122.2 | 116.7 | 95.5% |
| 3. | 3-Oct-20 | 122.2 | 121.4 | 99.3% | 34. | 3-Nov-20 | 122.2 | 116.4 | 95.2% |
| 4. | 4-Oct-20 | 122.2 | 121.2 | 99.1% | 35. | 4-Nov-20 | 122.2 | 116.8 | 95.6% |
| 5. | 5-Oct-20 | 122.2 | 120.9 | 98.9% | 36. | 5-Nov-20 | 122.2 | 117.4 | 96.1% |
| 6. | 6-Oct-20 | 122.2 | 120.3 | 98.5% | 37. | 6-Nov-20 | 122.2 | 118.4 | 96.9% |
| 7. | 7-Oct-20 | 122.2 | 120.4 | 98.6% | 38. | 7-Nov-20 | 122.2 | 118.8 | 97.2% |
| 8. | 8-Oct-20 | 122.2 | 120.3 | 98.4% | 39. | 8-Nov-20 | 122.2 | 119.1 | 97.4% |
| 9. | 9-Oct-20 | 122.2 | 120.7 | 98.7% | 40. | 9-Nov-20 | 122.2 | 119.4 | 97.7% |
| 10. | 10-Oct-20 | 122.2 | 120.8 | 98.9% | 41. | 10-Nov-20 | 122.2 | 119.6 | 97.9% |
| 11. | 11-Oct-20 | 122.2 | 120.9 | 98.9% | 42. | 11-Nov-20 | 122.2 | 119.6 | 97.9% |
| 12. | 12-Oct-20 | 122.2 | 121.0 | 99.0% | 43. | 12-Nov-20 | 122.2 | 119.4 | 97.7% |
| 13. | 13-Oct-20 | 122.2 | 120.9 | 99.0% | 44. | 13-Nov-20 | 122.2 | 119.4 | 97.7% |
| 14. | 14-Oct-20 | 122.2 | 121.0 | 99.0% | 45. | 14-Nov-20 | 122.2 | 119.4 | 97.7% |
| 15. | 15-Oct-20 | 122.2 | 120.9 | 99.0% | 46. | 15-Nov-20 | 122.2 | 119.4 | 97.7% |
| 16. | 16-Oct-20 | 122.2 | 120.9 | 98.9% | 47. | 16-Nov-20 | 122.2 | 119.3 | 97.6% |
| 17. | 17-Oct-20 | 122.2 | 121.0 | 99.0% | 48. | 17-Nov-20 | 122.2 | 118.8 | 97.2% |
| 18. | 18-Oct-20 | 122.2 | 121.1 | 99.1% | 49. | 18-Nov-20 | 122.2 | 118.2 | 96.7% |
| 19. | 19-Oct-20 | 122.2 | 121.0 | 99.0% | 50. | 19-Nov-20 | 122.2 | 118.1 | 96.7% |
| 20. | 20-Oct-20 | 122.2 | 121.3 | 99.3% | 51. | 20-Nov-20 | 122.2 | 118.3 | 96.8% |
| 21. | 21-Oct-20 | 122.2 | 121.3 | 99.2% | 52. | 21-Nov-20 | 122.2 | 118.3 | 96.8% |
| 22. | 22-Oct-20 | 122.2 | 121.4 | 99.3% | 53. | 22-Nov-20 | 122.2 | 118.3 | 96.8% |
| 23. | 23-Oct-20 | 122.2 | 121.7 | 99.6% | 54. | 23-Nov-20 | 122.2 | 117.9 | 96.5% |
| 24. | 24-Oct-20 | 122.2 | 121.8 | 99.6% | 55. | 24-Nov-20 | 122.2 | 117.5 | 96.1% |
| 25. | 25-Oct-20 | 122.2 | 121.8 | 99.7% | 56. | 25-Nov-20 | 122.2 | 117.4 | 96.1% |
| 26. | 26-Oct-20 | 122.2 | 121.5 | 99.4% | 57. | 26-Nov-20 | 122.2 | 117.3 | 95.9% |
| 27. | 27-Oct-20 | 122.2 | 120.5 | 98.6% | 58. | 27-Nov-20 | 122.2 | 117.2 | 95.9% |
| 28. | 28-Oct-20 | 122.2 | 119.8 | 98.1% | 59. | 28-Nov-20 | 122.2 | 117.2 | 95.9% |
| 29. | 29-Oct-20 | 122.2 | 118.9 | 97.3% | 60. | 29-Nov-20 | 122.2 | 117.2 | 95.9% |
| 30. | 30-Oct-20 | 122.2 | 118.3 | 96.8% | 61. | 30-Nov-20 | 122.2 | 117.0 | 95.8% |
| 31. | 31-Oct-20 | 122.2 | 118.0 | 96.6% | | | | | |

ALLOCATION OF SHORT TERM PEAK STORAGE REVENUES
 BETWEEN UTILITY AND NON UTILITY - UNION RATE ZONES

| Line No. | Particulars | Col 1. | Col. 2 | Col.3 |
|----------|--|----------------------------|-----------------------------------|---|
| | | Utility Storage Space (PJ) | Short Term Peak Storage Sold (PJ) | Revenue from Short Term Peak Storage (\$Millions) |
| 1. | Net Revenues from Short Term Peak Storage | | | 2.7 |
| 2. | Total Short Term Peak Storage Sales | | 2.3 | |
| 3. | Storage Space reserved for Utility | 100.0 | | |
| 4. | Utility Space Requirement | 97.7 | | |
| 5. | Excess Utility Storage Space (1) | 2.3 | | |
| 6. | Total Utility Short Term Peak Storage Sales (2) | | 2.3 | |
| 7. | Total Non Utility Short Term Peak Storage Sales | | 0.0 | |
| 8. | Short Term Peak Storage Net Revenues - Utility (3) | | | 2.7 |
| 9. | Short Term Peak Storage Net Revenues - Non Utility (4) | | | - |

Notes

- (1) line 3 - line 4
- (2) line 2
- (3) line 6 / line 2 * line 1
- (4) line 7 / line 2 * line 1

DEFERRAL VARIANCE CLEARING ACCOUNT - UNION RATE ZONES
2016 DSM (EB-2018-0300), 2016-18 C&T (EB-2018-0331), 2018 ESM (EB-2019-0105), AND 2019 FCP (EB-2019-0247)
DISPOSITIONS DISPOSED OF DURING 2020

| Line No. | Particulars | Col. 1 | Col. 2 | Col. 3 | Col. 4 | Col. 5 | Col. 6 |
|----------|---|--------------------------------------|--|--------------------------------------|--------------------------------------|--------------|-----------|
| | | 2020 | | | | Interest (1) | Total (2) |
| | | 2016 DSM Deferral EB-2018-0300 | 2016-18 C&T Deferrals EB-2018-0331 | 2018 ESM Deferral EB-2019-0105 | 2019 FCP Deferral EB-2019-0247 | | |
| | | (\$000) | (\$000) | (\$000) | (\$000) | (\$000) | (\$000) |
| 1. | Prospective Recovery/(Refund) - Delivery | 296.0 | (98.1) | 1,672.2 | 2,578.1 | 16.5 | 4,464.7 |
| 2. | Prospective Recovery/(Refund) - Gas Supply Transportation | | | 823.1 | | 3.0 | 826.1 |
| 3. | Prospective Recovery/(Refund) - Gas Supply Commodity | | | (1,031.6) | | (3.8) | (1,035.4) |
| 4. | Sub-Total | 296.0 | (98.1) | 1,463.6 | 2,578.1 | 15.7 | 4,255.4 |
| 5. | Manual Re-bills and other one-time billing adjustments (non-volumetric) | | | | | | 55.0 |
| 6. | Grand Total | | | | | | 4,310.3 |

(1) Interest forecasted to December 31, 2021.

(2) Col. 4 = Col. 1 + Col. 2 + Col. 3

DEFERRAL VARIANCE CLEARING ACCOUNT - UNION RATE ZONES
2016 DSM DEFERRAL DISPOSITION (EB-2018-0300)
DISPOSITION PERIOD - JULY 1, 2019 TO DECEMBER 31, 2019

| Line No. | Particulars | Rate Class | Forecast Volume (10 ³ m ³) (1) | Actual Volume (10 ³ m ³) | Volume Variance (10 ³ m ³) | 2019 | | Forecast (\$000) | Actual (\$000) | Variance (\$000) |
|--|--|------------|--|--|--|--|---------------------|----------------------|-------------------|---------------------|
| | | | | | | Unit Rate for Prospective Recovery/(Refund) (cents/m ³) | | | | |
| | | | (a) | (b) | (c) | (d) | (e) = (a) * (d)/100 | (f) = (b) * (d)/ 100 | (g) = (c) - (f) | |
| <u>General Service for Prospective Recovery(Refund) - Delivery</u> | | | | | | | | | | |
| 1 | Small Volume General Service | 01 | 365,669 | 393,911 | (28,242) | (0.8249) | (3,016) | (3,249) | 233 | |
| 2 | Large Volume General Service | 10 | 143,988 | 153,900 | (9,913) | (0.9298) | (1,339) | (1,431) | 92 | |
| 3 | Small Volume General Service | M1 | 1,146,436 | 1,199,385 | (52,949) | 0.4203 | 4,818 | 5,041 | (223) | |
| 4 | Large Volume General Service | M2 | 501,203 | 543,950 | (42,747) | (0.4525) | (2,268) | (2,461) | 193 | |
| 5 | Total General Service for Prospective Recovery (Refund) - Delivery | | <u>2,157,296</u> | <u>2,291,146</u> | <u>(133,851)</u> | | <u>(1,805)</u> | <u>(2,101)</u> | <u>296</u> | |
| 6 | Total | | | | | | <u>(1,805)</u> | <u>(2,101)</u> | <u>296</u> | |

Notes:

(1) Forecast volume for the period July 1, 2019 to December 31, 2019.

DEFERRAL VARIANCE CLEARING ACCOUNT - UNION RATE ZONES
2018 CAP & TRADE DEFERRAL DISPOSITION (EB-2018-0331)
DISPOSITION PERIOD - OCTOBER 1, 2019 TO DECEMBER 31, 2019

| Line No. | Particulars | Rate Class | 2020 | | | | | | |
|--|---|------------|--|--|--|--|---------------------|----------------------|---------------------|
| | | | Forecast Volume (10 ³ m ³) (1) | Actual Volume (10 ³ m ³) | Volume Variance (10 ³ m ³) | Unit Rate for Prospective Recovery/(Refund) (cents/m ³) | Forecast (\$000) | Actual (\$000) | Variance (\$000) |
| | | | (a) | (b) | (c) | (d) | (e) = (a) * (d)/100 | (f) = (b) * (d)/ 100 | (g) = (c) - (f) |
| <u>General Service for Prospective Recovery/(Refund) - Delivery GGEIDA</u> | | | | | | | | | |
| 1 | Small Volume General Service | 01 | 303,815 | 338,939 | (35,124) | (0.0281) | (85) | (95) | 10 |
| 2 | Large Volume General Service | 10 | 105,922 | 117,685 | (11,763) | 0.0034 | 4 | 4 | (0) |
| 3 | Small Volume General Service | M1 | 924,797 | 1,004,840 | (80,043) | (0.0129) | (120) | (130) | 10 |
| 4 | Large Volume General Service | M2 | 379,118 | 426,278 | (47,160) | (0.0022) | (8) | (9) | 1 |
| 5 | Total General Service for Prospective Recovery/(Refund) - Delivery GGEIDA | | <u>1,713,652</u> | <u>1,887,743</u> | <u>(174,091)</u> | | <u>(210)</u> | <u>(230)</u> | <u>20</u> |
| <u>General Service for Prospective Recovery/(Refund) - Delivery C&T Customer</u> | | | | | | | | | |
| 6 | Small Volume General Service | 01 | 303,809 | 338,933 | (35,124) | (0.0173) | (52) | (59) | 6 |
| 7 | Large Volume General Service | 10 | 103,130 | 114,499 | (11,369) | 0.1934 | 199 | 221 | (22) |
| 8 | Small Volume General Service | M1 | 924,507 | 1,004,524 | (80,017) | 0.0757 | 700 | 760 | (61) |
| 9 | Large Volume General Service | M2 | 369,661 | 415,373 | (45,712) | 0.0688 | 254 | 286 | (31) |
| 10 | Total General Service for Prospective Recovery/(Refund) - C&T Customer | | <u>1,701,107</u> | <u>1,873,329</u> | <u>(172,222)</u> | | <u>1,101</u> | <u>1,209</u> | <u>(108)</u> |
| <u>General Service for Prospective Recovery/(Refund) - Delivery C&T Facility</u> | | | | | | | | | |
| 11 | Small Volume General Service | 01 | 303,815 | 338,939 | (35,124) | 0.0130 | 39 | 44 | (5) |
| 12 | Large Volume General Service | 10 | 105,922 | 117,685 | (11,763) | 0.0055 | 6 | 6 | (1) |
| 13 | Small Volume General Service | M1 | 924,797 | 1,004,840 | (80,043) | 0.0054 | 50 | 54 | (4) |
| 14 | Large Volume General Service | M2 | 379,118 | 426,278 | (47,160) | 0.0028 | 11 | 12 | (1) |
| 15 | Total General Service Prospective Recovery/(Refund) - C&T Facility | | <u>1,713,652</u> | <u>1,887,743</u> | <u>(174,091)</u> | | <u>106</u> | <u>117</u> | <u>(11)</u> |
| 16 | Total | | | | | | <u>997</u> | <u>1,095</u> | <u>(98)</u> |

Notes:

(1) Forecast volume for the period October 1, 2019 to December 31, 2019.

DEFERRAL VARIANCE CLEARING ACCOUNT - UNION RATE ZONES
2018 DEFERRAL DISPOSITION (EB-2019-0105)
DISPOSITION PERIOD - APRIL 1, 2020 TO SEPTEMBER 30, 2020

| Line No. | Particulars | Rate Class | 2020 | | | | | | |
|---|---|------------|--|--|--|--|---------------------|----------------------|---------------------|
| | | | Forecast Volume (10 ³ m ³) (1) | Actual Volume (10 ³ m ³) | Volume Variance (10 ³ m ³) | Unit Rate for Prospective Recovery/(Refund) (cents/m ³) | Forecast (\$000) | Actual (\$000) | Variance (\$000) |
| | | | (a) | (b) | (c) | (d) | (e) = (a) * (d)/100 | (f) = (b) * (d)/ 100 | (g) = (c) - (f) |
| <u>General Service for Prospective Recovery(Refund) - Delivery</u> | | | | | | | | | |
| 1 | Small Volume General Service | 01 | 210,167 | 236,121 | (25,954) | (2.6526) | (5,575) | (6,263) | 688 |
| 2 | Large Volume General Service | 10 | 94,927 | 99,613 | (4,686) | (1.5699) | (1,490) | (1,564) | 74 |
| 3 | Small Volume General Service | M1 | 684,153 | 793,909 | (109,756) | (1.0633) | (7,275) | (8,442) | 1,167 |
| 4 | Large Volume General Service | M2 | 363,401 | 339,914 | 23,487 | (1.0937) | (3,975) | (3,718) | (257) |
| 5 | Total General Service for Prospective Recovery (Refund) - Delivery | | <u>1,352,648</u> | <u>1,469,557</u> | <u>(116,909)</u> | | <u>(18,314)</u> | <u>(19,986)</u> | <u>1,672</u> |
| <u>General Service for Prospective Recovery(Refund) - Gas Supply Transportation</u> | | | | | | | | | |
| 6 | Small Volume General Service - NW | 01 | 60,308 | 65,744 | (5,436) | (8.9000) | (5,367) | (5,851) | 484 |
| 7 | Small Volume General Service-NE | 01 | 149,859 | 170,377 | (20,518) | (1.6430) | (2,462) | (2,799) | 337 |
| 8 | Large Volume General Service-NW | 10 | 21,533 | 20,567 | 966 | (5.4581) | (1,175) | (1,123) | (53) |
| 9 | Large Volume General Service-NE | 10 | 72,051 | 76,765 | (4,714) | (1.1637) | (838) | (893) | 55 |
| 10 | Total General Service for Prospective Recovery (Refund) - Gas Supply Transportation | | <u>303,751</u> | <u>333,453</u> | <u>(29,702)</u> | | <u>(9,843)</u> | <u>(10,666)</u> | <u>823</u> |
| <u>Prospective Recovery/(Refund) - Gas Supply Commodity</u> | | | | | | | | | |
| 11 | Small Volume General Service | M1 | 631,947 | 747,949 | (116,002) | 1.1680 | 7,381 | 8,736 | (1,355) |
| 12 | Large Volume General Service | M2 | 172,206 | 156,000 | 16,206 | 1.1680 | 2,011 | 1,822 | 189 |
| 13 | Firm Com/Ind Contract | M4 | 25,940 | 20,526 | 5,414 | 1.1680 | 303 | 240 | 63 |
| 14 | Interruptible Com/Ind Contract | M5 | 2,842 | 1,067 | 1,775 | 1.1680 | 33 | 12 | 21 |
| 15 | Special Large Volume Contract | M7 | 15,814 | 15,618 | 196 | 1.1680 | 185 | 182 | 2 |
| 16 | Large Wholesale | M9 | 6,138 | 2,157 | 3,982 | 1.1680 | 72 | 25 | 47 |
| 17 | Small Wholesale | M10 | 162 | 55 | 107 | 1.1680 | 2 | 1 | 1 |
| 18 | Total Prospective Recovery (Refund) - Gas Supply Commodity | | <u>855,050</u> | <u>943,372</u> | <u>(88,322)</u> | | <u>9,987</u> | <u>11,019</u> | <u>(1,032)</u> |
| 19 | Total | | | | | | <u>(18,171)</u> | <u>(19,634)</u> | <u>1,464</u> |

Notes:

(1) Forecast volume for the period April 1, 2020 to September 30, 2020.

DEFERRAL VARIANCE CLEARING ACCOUNT - UNION RATE ZONES
FEDERAL CARBON DEFERRAL AND VARIANCE ACCOUNT DISPOSITION (EB-2019-0247)
DISPOSITION PERIOD - OCTOBER 1, 2020 TO DECEMBER 31, 2020

| Line No. | Particulars | Rate Class | 2020 | | | | | | |
|--|---|------------|--|--|--|--|---------------------|----------------------|---------------------|
| | | | Forecast Volume (10 ³ m ³) (1) | Actual Volume (10 ³ m ³) | Volume Variance (10 ³ m ³) | Unit Rate for Prospective Recovery/(Refund) (cents/m ³) | Forecast (\$000) | Actual (\$000) | Variance (\$000) |
| | | | (a) | (b) | (c) | (d) | (e) = (a) * (d)/100 | (f) = (b) * (d)/ 100 | (g) = (c) - (f) |
| <u>General Service for Prospective Recovery/(Refund) - Federal Carbon Charge</u> | | | | | | | | | |
| 1 | Small Volume General Service | 01 | 314,840 | 309,606 | 5,234 | 2.3662 | 7,450 | 7,326 | 124 |
| 2 | Large Volume General Service | 10 | 111,979 | 101,373 | 10,606 | 2.7752 | 3,108 | 2,813 | 294 |
| 3 | Small Volume General Service | M1 | 950,780 | 909,022 | 41,758 | 2.4710 | 23,494 | 22,462 | 1,032 |
| 4 | Large Volume General Service | M2 | 396,513 | 352,600 | 43,913 | 2.5161 | 9,976 | 8,872 | 1,104 |
| 5 | Total General Service for Prospective Recovery/(Refund) - Federal Carbon Charge | | <u>1,774,112</u> | <u>1,672,601</u> | <u>101,511</u> | | <u>44,027</u> | <u>41,473</u> | <u>2,554</u> |
| <u>General Service for Prospective Recovery/(Refund) - Delivery</u> | | | | | | | | | |
| 6 | Small Volume General Service | 01 | 314,901 | 309,666 | 5,235 | 0.0420 | 132 | 130 | 2 |
| 7 | Large Volume General Service | 10 | 114,707 | 103,905 | 10,802 | 0.0144 | 17 | 15 | 2 |
| 8 | Small Volume General Service | M1 | 951,188 | 909,412 | 41,776 | 0.0360 | 342 | 327 | 15 |
| 9 | Large Volume General Service | M2 | 419,083 | 373,882 | 45,201 | 0.0119 | 50 | 44 | 5 |
| 10 | Total General Service for Prospective Recovery/(Refund) - Delivery | | <u>1,799,879</u> | <u>1,696,865</u> | <u>103,014</u> | | <u>541</u> | <u>517</u> | <u>24</u> |
| 11 | Total | | | | | | <u>44,568</u> | <u>41,990</u> | <u>2,578</u> |

Notes:

(1) Forecast volume for the period October 1, 2020 to December 31, 2020.

CALCULATION OF BALANCES BY RATE CLASS IN THE NAC DEFERRAL ACCOUNT (BASE RATES AND Y-FACTOR) - UNION RATE ZONES

| Line No. | Particulars | Col. 1 Rate 01 (a) | Col. 2 Rate 10 (b) | Col. 3 Rate M1 (c) | Col. 4 Rate M2 (d) | Col. 5 Net Account Balance (e) |
|---|---|--------------------------|--------------------------|--------------------------|--------------------------|--------------------------------------|
| <u>Base Rates</u> | | | | | | |
| 1. | 2020 Target NAC: m ³ | 2,892.6 | 168,964.0 | 2,817.3 | 171,679.5 | |
| 2. | 2020 Actual NAC: m ³ | 2,875.0 | 161,275.8 | 2,745.7 | 160,139.9 | |
| 3. | Actual change in NAC: m ³ (line 1 - 2) | 17.6 | 7,688.2 | 71.6 | 11,539.6 | |
| <u>Y Factor Rates</u> | | | | | | |
| 4. | 2020 Target NAC: m ³ | 2,828.7 | 173,036.3 | 2,709.5 | 168,834.9 | |
| 5. | 2020 Actual NAC: m ³ | 2,875.0 | 161,275.8 | 2,745.7 | 160,139.9 | |
| 6. | Actual change in NAC: m ³ (line 4 - 5) | (46.3) | 11,760.5 | (36.2) | 8,694.9 | |
| 7. | 2013 Board-approved number of Customers at December | 323,287.0 | 2,064.0 | 1,067,757.0 | 6,778.0 | 1,399,886.0 |
| <u>Base Rates</u> | | | | | | |
| 8. | Annual Volume Impact (10 ³ m ³) | (1) 5,581.3 | 15,820.0 | 75,440.8 | 78,554.7 | 175,396.8 |
| 9. | 2020 Net Annual Average Delivery Rate (\$/m3) | (2) 0.1 | 0.1 | 0.0 | 0.0 | |
| 10. | 2020 Net Annual Average Storage Rate (\$/m3) | (3) 0.0 | 0.0 | 0.0 | 0.0 | |
| 11. | Delivery Rate Annual Balance Amount (\$000) | (4) 473.4 | 816.3 | 2,628.5 | 2,508.6 | 6,426.8 |
| 12. | Storage Rate Annual Balance Amount (\$000) | (4) 232.6 | 479.2 | 580.3 | 527.0 | 1,819.2 |
| <u>Y Factor Rates</u> | | | | | | |
| 13. | Annual Volume Impact (10 ³ m ³) | (1) (14,944.9) | 24,161.0 | (38,694.4) | 58,930.3 | 29,452.0 |
| 14. | 2020 Net Annual Average Delivery Rate (\$/m3) | (2) 0.0 | 0.0 | 0.0 | 0.0 | |
| 15. | 2020 Net Annual Average Storage Rate (\$/m3) | (3) 0.0 | 0.0 | - | - | |
| 16. | Delivery Rate Annual Balance Amount (\$000) | (4) (97.7) | 208.6 | (484.7) | 673.2 | 299.3 |
| 17. | Storage Rate Annual Balance Amount (\$000) | (4) (0.1) | 0.1 | - | - | 0.1 |
| <u>Total Annual Balance Amounts (\$000)</u> | | | | | | |
| 18. | Total Delivery Rate Annual Balance Amount (line 11+16) | 375.6 | 1,024.9 | 2,143.8 | 3,181.7 | 6,726.1 |
| 19. | Total Storage Rate Annual Balance Amount (line 12+17) | 232.6 | 479.3 | 580.3 | 527.0 | 1,819.2 |
| 20. | Storage Cost Annual Balance Amount (\$000) | (158.4) | (94.6) | (252.1) | (858.5) | (1,363.5) |
| 21. | Interest (\$000) | (5) 18.3 | 7.8 | 46.6 | 23.7 | 96.4 |
| 22. | Total Deferral Account Amounts (\$000) (line 18+19+20+21) | 468.1 | 1,417.4 | 2,518.6 | 2,874.1 | 7,278.2 |

Notes:

- (1) The annual volume is obtained from a monthly calculation of approved customers and the monthly usage variance.
- (2) The Net Annual Average Delivery Rate is the volume-weighted average of Board-approved monthly unit rates in effect
- (3) The Net Annual Average Storage Rate is the volume-weighted average of Board-approved monthly unit rates in effect
- (4) The annual revenue is obtained from a monthly calculation of volumes (lines 8 and 13) and the monthly unit delivery and storage rates (lines 9, 10, 14 and 15).
- (5) Interest is calculated on the monthly opening balance in the deferral account in accordance with the methodology approved by the Board in EB-2006-0117. Interest is calculated to Sept 30, 2021.

CALCULATION OF 2020 TRANSPORTATION REVENUES ON THE PROJECT EXCESS CAPACITY
LOBO D/BRIGHT C/ DAWN H COMPRESSOR PROJECT COST DEFERRAL ACCOUNT -
UNION RATE ZONES

| Line No. | Particulars (000's) | Volume TJ/D (1) (a) | Actual Revenue (2) (b) | Project Surplus Allocation (c) = 30.393 TJ/d / (a) | Revenue Allocation (d) = (b) x (c) |
|----------|---------------------|---------------------------|---------------------------|---|---------------------------------------|
| | <u>2020</u> | | | | |
| 1 | January | 30 | 110 | 100% | 110 |
| 2 | February | 30 | 110 | 100% | 110 |
| 3 | March | 30 | 110 | 100% | 110 |
| 4 | April | 30 | 110 | 100% | 110 |
| 5 | May | 30 | 110 | 100% | 110 |
| 6 | June | 30 | 110 | 100% | 110 |
| 7 | July | 30 | 110 | 100% | 110 |
| 8 | August | 30 | 110 | 100% | 110 |
| 9 | September | 30 | 110 | 100% | 110 |
| 10 | October | 30 | 110 | 100% | 110 |
| 11 | November | 30 | 110 | 100% | 110 |
| 12 | December | 30 | 110 | 100% | 110 |
| 13 | Total | | 1,325 | | 1,325 |

Notes

- (1) Capacity of 30,393 GJ/d deemed to be sold long term.
 (2) Sold at the Dawn to Parkway M12 Rate of \$3.632 \$/GJ

CALCULATION OF 2019 TRANSPORTATION REVENUES ON THE PROJECT EXCESS CAPACITY
LOBO D/BRIGHT C/ DAWN H COMPRESSOR PROJECT COST DEFERRAL ACCOUNT -
UNION RATE ZONES

| Line No. | Particulars (000's) | Volume TJ/D (1) | Actual Revenue (2) | Project Surplus Allocation | Revenue Allocation |
|----------|---------------------|-----------------|--------------------|-------------------------------|--------------------|
| | | (a) | (b) | (c) = 30.393 TJ/d / (a) | (d) = (b) x (c) |
| | <u>2019</u> | | | | |
| 1 | January | 30.393 | 113 | 100% | 113 |
| 2 | February | 30.393 | 113 | 100% | 113 |
| 3 | March | 30.393 | 113 | 100% | 113 |
| 4 | April | 30.393 | 109 | 100% | 109 |
| 5 | May | 30.393 | 109 | 100% | 109 |
| 6 | June | 30.393 | 109 | 100% | 109 |
| 7 | July | 30.393 | 109 | 100% | 109 |
| 8 | August | 30.393 | 109 | 100% | 109 |
| 9 | September | 30.393 | 109 | 100% | 109 |
| 10 | October | 30.393 | 109 | 100% | 109 |
| 11 | November | 30.393 | 109 | 100% | 109 |
| 12 | December | 30.393 | 109 | 100% | 109 |
| 13 | Total | | 1,324 | | 1,324 |

Notes

(1) Capacity of 30,393 GJ/d deemed to be sold long term.

(2) Revenue calculated at the M12 Dawn to Parkway rate of \$3.716/GJ for Jan to Mar and \$3.602/GJ for Apr to Dec approved in EB-2018-0305 (2019 Rates).

CALCULATION OF ALLOCATION OF 2018 SHORT TERM TRANSPORTATION
 REVENUES TO THE LOBO D/BRIGHT C/ DAWN H COMPRESSOR PROJECT
 COST DEFERRAL ACCOUNT - UNION RATE ZONES

| Particulars (000's) | Volume TJ/D (1) | Actual Revenue (2) | Project Surplus Allocati on | Revenue Allocation |
|------------------------------|--------------------|--------------------------|--|----------------------------------|
| | <u>(a)</u> | <u>(b)</u> | <u>(c) =</u> <u>30.393</u> <u>TJ/d /</u> <u>(a)</u> | <u>(d) = (b) x</u> <u>(c)</u> |
| January 2018 | 307 | \$1,613 | 9.9% | \$ 160 |
| February 2018 | 196 | \$ 880 | 15.5% | \$ 136 |
| March 2018 | 124 | \$ 735 | 24.5% | \$ 180 |
| April 2018 | 134 | \$ 149 | 22.6% | \$ 34 |
| May 2018 | 7 | \$ 14 | 100% | \$ 14 |
| June 2018 | 15 | \$ 34 | 100% | \$ 34 |
| July 2018 | 58 | \$ 58 | 52.4% | \$ 30 |
| August 2018 | 63 | \$ 78 | 48.5% | \$ 38 |
| September 2018 | 83 | \$ 72 | 36.7% | \$ 26 |
| October 2018 | 67 | \$ 87 | 45.3% | \$ 40 |
| November 2018 ⁽³⁾ | 30 | \$ 113 | 100% | \$ 113 |
| December 2018 ⁽³⁾ | 30 | \$ 113 | 100% | \$ 113 |
| Total | | \$3,946 | | \$ 917 |

Notes

(1) Actual average short-term firm daily contract demand plus interruptible average daily throughput volumes for easterly Dawn-Parkway system paths.

(2) Actual short-term transportation revenues earned on easterly Dawn Parkway system paths.

(3) Sold long-term at Dawn to Parkway M12 Rate of \$3.716 \$/GJ.

ALLOCATION AND DISPOSITION OF
2020 DEFERRAL AND VARIANCE ACCOUNT BALANCES

1. The purpose of this evidence is to address the allocation and disposition of the 2020 deferral and variance account balances identified at Exhibit C, Tab 1, Schedule 1.
2. Enbridge Gas proposes to dispose of the approved 2020 deferral and variance account balances with the first QRAM application following the OEB's approval, as early as October 1, 2021.
3. This exhibit of evidence is organized as follows:
 1. Allocation of Deferral and Variance Accounts
 - 1.1 EGI Accounts
 - 1.2 EGD Rate Zone Accounts
 - 1.3 Union Rate Zones' Accounts
 2. Disposition of Deferral and Variance Accounts
 3. General Service Bill Impacts

1. ALLOCATION OF DEFERRAL AND VARIANCE ACCOUNTS

4. In accordance with the OEB's EB-2017-0306/EB-2017-0307 Decision and Order ("MAADs Decision"), the OEB approved new EGI deferral and variance accounts that apply to both the EGD Rate Zone and Union Rate Zones effective January 1, 2019. The applicability of other deferral and variance accounts that were approved to continue during the deferred rebasing period is for either the EGD Rate Zone or the Union Rate Zones.

1.1. EGIAccounts

5. The OEB previously approved¹ the following deferral and variance accounts for Enbridge Gas that are applicable to both the EGD and Union Rate Zones:
 - Accounting Policy Changes Deferral Account (APCDA),
 - Earnings Sharing Mechanism Deferral Account (ESMDA),
 - Tax Variance Deferral Account (TVDA), and
 - Expansion of Natural Gas Distribution System Variance Account (ENGDSVA).

6. Enbridge Gas is proposing to dispose of the 2020 balance in the TVDA as part of this application. The balance in the APCDA is not proposed for disposition as part of this application, as described at Exhibit C, Tab 1. There is no balance for the ESMDA and ENGDSVA, as shown at Exhibit C, Tab 1, Schedule 1.

TVDA

7. The 2020 TVDA balance, including interest, is a credit of \$17.034 million as shown at Exhibit C, Tab 1, Schedule 1. Consistent with the 2019 Decision and Order, Enbridge Gas has split the credit balance of \$17.034 million between the EGD and Union Rate Zones in proportion to the 2018 actual rate base for each rate zone.² Splitting the \$17.034 million TVDA credit balance in proportion to 2018 actual rate base results in a credit of \$8.992 million being cleared to the EGD Rate Zone and a credit of \$8.042 million being cleared to the Union Rate Zones. The details of the split to Rate Zones is provided at Exhibit F, Tab 1, Schedule 1.

8. Enbridge Gas has allocated the split balance to rate classes in each Rate Zone in proportion to 2018 rate base for the EGD Rate Zone and 2013 rate base for the Union Rate Zones. The rate base allocation for each Rate Zone is taken from the

¹ EB-2017-0306/EB-2017-0307 Decision and Order. The ENGDSVA was established in accordance with Section 4 of Ontario Regulation 24/19.

² EB-2020-0134 Decision and Order, May 6, 2021, p. 16.

last fully allocated cost study prepared for each Rate Zone. The allocation to EGD rate classes is provided at Exhibit F, Tab 2, Schedule 3. The allocation to Union rate classes is provided at Exhibit F, Tab 3, Schedule 2.

1.2. EGD RATE ZONE ACCOUNTS

9. The 2020 deferral and variance account balances to be cleared to the EGD Rate Zone are provided at Exhibit F, Tab 2, Schedule 2, including the EGD Rate Zone allocation of the EGI accounts.
10. The 2020 EGD Rate Zone deferral and variance account balances are allocated to the customer classes using the same methodologies that the OEB approved in previous years.
11. The allocation of account balances to EGD rate classes based on cost drivers for each type of account is provided at Exhibit F, Tab 2, Schedule 3. A summary of the allocation of account balances by rate class and type of service is provided at Exhibit F, Tab 2, Schedule 4.

1.3. UNION RATE ZONES' ACCOUNTS

12. The 2020 deferral and variance account balances to be cleared to the Union Rate Zones are provided at Exhibit F, Tab 3, Schedule 1, including the Union Rate Zones allocation of the EGI accounts.
13. The 2020 Union Rate Zones deferral and variance account balances are allocated to the customer classes using the same methodologies that the OEB approved in previous years except for the Base Service North T-Service TransCanada Capacity deferral account (179-153).

14. The North T-service Transportation from Dawn service provides firm transportation from Dawn to the customer's delivery area in the Union North East Rate Zone. The OEB, in the EB-2015-0181 Decision and Order, approved a deferral account to capture the difference between the costs of excess TransCanada transportation capacity related to the base service and the revenues obtained by re-marketing the excess capacity. In addition, the OEB determined that any balances in the deferral account be recovered from customers that have subscribed for the service. Accordingly, Enbridge Gas proposes to allocate the balance in the Base Service North T-Service TransCanada Capacity Deferral Account to Union North East Rate Zone Rate 20 and Rate 100 customers subscribing for the service in proportion to Base Service contracted capacity. Please refer to Exhibit E, Tab 1, Schedule 21 for more information regarding the 2020 Base Service North T-Service TransCanada Capacity Deferral Account.

15. The allocation of account balances to Union South and Union North rate classes is provided at Exhibit F, Tab 3, Schedule 2.

2. DISPOSITION OF DEFERRAL AND VARIANCE ACCOUNTS

16. Enbridge Gas proposes to dispose of the approved 2020 deferral and variance account balances with the first QRAM application following the OEB's approval, as early as October 1, 2021.

17. For all customers in the EGD and Union Rate Zones, Enbridge Gas proposes to dispose of the 2020 deferral and variance account balances as a one-time billing adjustment.³ The billing adjustment will appear as a separate line item on customers' bills, the earliest being October 2021. The one-time billing adjustment will be derived for each customer by applying the disposition unit rates to each customer's actual

³ Starting July 2021, Enbridge Gas's billing systems and processes will be integrated enabling the Company to adopt the common disposition approach for all customers.

consumption volume or contract demand, as applicable, for the period January 1, 2020 to December 31, 2020.

18. The unit rates for disposition by rate class and service type are provided at Exhibit F, Tab 2, Schedule 1 and Schedule 5 for the EGD Rate Zone. The unit rates for disposition for the Union Rate Zones, including a summary of the balances to be disposed of to ex-franchise rate classes are provided at Exhibit F, Tab 3, Schedule 3.

3. GENERAL SERVICE BILL IMPACTS

19. For a Rate 1 customer in the EGD Rate Zone with annual consumption of 2,400 m³, the one-time billing adjustment credit is \$5.30.

20. For a Rate M1 sales service residential customer in Union South with annual consumption of 2,200 m³, the one-time billing adjustment charge is \$7.97. For a Rate M1 bundled direct purchase ("DP") residential customer, the one-time billing adjustment charge is \$0.77.

21. For a Rate 01 sales service and bundled DP residential customer in Union North West with annual consumption of 2,200 m³, the one-time billing adjustment credit is \$30.08.

22. For a Rate 01 sales service and bundled DP residential customer in Union North East with annual consumption of 2,200 m³, the one-time billing adjustment charge is \$7.26.

23. Bill impacts of the proposed disposition are provided at Exhibit F, Tab 2, Schedule 6 for the EGD Rate Zone and Exhibit F, Tab 3, Schedule 4 for the Union Rate Zones.

ENBRIDGE GAS INC.
SPLIT OF EGI ACCOUNT BALANCES TO THE RATE ZONES

| Line No. | Particulars (\$ millions) | Allocator | Account Balance | | |
|---|---------------------------|------------------------------|-----------------|--------------|-------------|
| | | 2018 Actual Rate Base (1) | Principal (2) | Interest (2) | Total |
| | | (a) | (b) | (c) | (d) = (b+c) |
| <u>2020 Tax Variance Deferral Account</u> | | | | | |
| 1 | EGD Rate Zone | 6,729 | (8.908) | (0.084) | (8.992) |
| 2 | Union Rate Zones | 6,018 | (7.967) | (0.075) | (8.042) |
| 3 | Total | 12,748 | (16.874) | (0.160) | (17.034) |

Note:

- (1) 2018 actual rate base per EB-2019-0105, Exhibit B, Tab 2, Appendix B, Schedule 1 for the EGD Rate Zone and EB-2019-0105, Exhibit C, Tab 2, Appendix A, Schedule 4 for the Union Rate Zones.
- (2) Allocated in proportion to column (a).

UNIT RATE AND TYPE OF SERVICE: CLEARING IN OCTOBER 2021

COL.1

| | | <u>Unit Rate</u> (€/m ³) |
|---|---------------------|---|
| <u>Bundled Services:</u> | | |
| RATE 1 | - SYSTEM SALES | (0.2196) |
| | - BUY/SELL | 0.0000 |
| | - ONTARIO T-SERVICE | (0.1711) |
| | - DAWN T-SERVICE | (0.1711) |
| | - WESTERN T-SERVICE | (0.2196) |
| RATE 6 | - SYSTEM SALES | 0.0120 |
| | - BUY/SELL | 0.0000 |
| | - ONTARIO T-SERVICE | 0.0605 |
| | - DAWN T-SERVICE | 0.0605 |
| | - WESTERN T-SERVICE | 0.0120 |
| RATE 9 | - SYSTEM SALES | 0.0000 |
| | - BUY/SELL | 0.0000 |
| | - ONTARIO T-SERVICE | 0.0000 |
| | - DAWN T-SERVICE | 0.0000 |
| | - WESTERN T-SERVICE | 0.0000 |
| RATE 100 | - SYSTEM SALES | (0.0177) |
| | - BUY/SELL | 0.0000 |
| | - ONTARIO T-SERVICE | 0.0000 |
| | - DAWN T-SERVICE | 0.0307 |
| | - WESTERN T-SERVICE | 0.0000 |
| RATE 110 | - SYSTEM SALES | (0.0083) |
| | - BUY/SELL | 0.0000 |
| | - ONTARIO T-SERVICE | 0.0401 |
| | - DAWN T-SERVICE | 0.0401 |
| | - WESTERN T-SERVICE | (0.0083) |
| RATE 115 | - SYSTEM SALES | (0.0080) |
| | - BUY/SELL | 0.0000 |
| | - ONTARIO T-SERVICE | 0.0405 |
| | - DAWN T-SERVICE | 0.0405 |
| | - WESTERN T-SERVICE | 0.0000 |
| RATE 135 | - SYSTEM SALES | (0.0075) |
| | - BUY/SELL | 0.0000 |
| | - ONTARIO T-SERVICE | 0.0000 |
| | - DAWN T-SERVICE | 0.0410 |
| | - WESTERN T-SERVICE | (0.0075) |
| RATE 145 | - SYSTEM SALES | (0.0133) |
| | - BUY/SELL | 0.0000 |
| | - ONTARIO T-SERVICE | 0.0000 |
| | - DAWN T-SERVICE | 0.0352 |
| | - WESTERN T-SERVICE | 0.0000 |
| RATE 170 | - SYSTEM SALES | (0.0073) |
| | - BUY/SELL | 0.0000 |
| | - ONTARIO T-SERVICE | 0.0411 |
| | - DAWN T-SERVICE | 0.0411 |
| | - WESTERN T-SERVICE | 0.0000 |
| RATE 200 | - SYSTEM SALES | (0.0076) |
| | - BUY/SELL | 0.0000 |
| | - ONTARIO T-SERVICE | 0.0408 |
| | - DAWN T-SERVICE | 0.0408 |
| | - WESTERN T-SERVICE | 0.0000 |
| <u>Unbundled Services (Billing based on CD):</u> | | |
| RATE 125 | - All | (0.1582) |
| RATE 300 | - All | (0.7471) |
| RATE 332 | - All | (0.1583) |

DETERMINATION OF BALANCES TO BE CLEARED
FROM THE 2020 DEFERRAL AND VARIANCE ACCOUNTS

Filed: 2021-06-04
EB-2021-0149
Exhibit F
Tab 2
Schedule 2
Page 1 of 1

| ITEM NO. | | COL. 1 PRINCIPAL For CLEARING (\$000) | COL. 2 INTEREST (\$000) | COL. 3 TOTAL For CLEARING (\$000) |
|----------------------|---------------------------------------|--|-------------------------------|--|
| <u>EGD RATE ZONE</u> | | | | |
| 1. | TRANSACTIONAL SERVICES D/A | (3,884.9) | (16.6) | (3,901.5) |
| 2. | UNACCOUNTED FOR GAS V/A | 221.7 | (0.2) | 221.5 |
| 3. | STORAGE AND TRANSPORTATION D/A | (229.6) | (29.1) | (258.7) |
| 4. | DEFERRED REBATE ACCOUNT | 2,518.2 | 27.1 | 2,545.3 |
| 5. | OEB COST ASSESSMENT VARIANCE ACCOUNT | 3,006.4 | 30.4 | 3,036.8 |
| 6. | AVERAGE USE TRUE-UP V/A | (7,883.1) | (33.7) | (7,916.8) |
| 7. | ELECTRIC PROGRAM EARNINGS SHARING D/A | - | - | - |
| 8. | TRANSITION IMPACT OF ACCT CHANGE D/A | 4,435.8 | - | 4,435.8 |
| 9. | DAWN ACCESS COSTS D/A | 2,066.7 | 8.8 | 2,075.5 |
| 10. | GAS SUPPLY PLAN COST CONSEQUENCES D/A | - | - | - |
| 11. | EGD RATE ZONE SUB-TOTAL | <u>251.2</u> | <u>(13.3)</u> | <u>237.9</u> |
| <u>EGI ACCOUNTS</u> | | | | |
| 12. | TAX VARIANCE - ACCELERATED CCA - EGI | <u>(8,907.6)</u> | <u>(84.4)</u> | <u>(8,992.0)</u> |
| 13. | EGI SUB-TOTAL | <u>(8,907.6)</u> | <u>(84.4)</u> | <u>(8,992.0)</u> |
| 14. | TOTAL | <u>(8,656.4)</u> | <u>(97.7)</u> | <u>(8,754.1)</u> |

CLASSIFICATION AND ALLOCATION OF DEFERRAL AND VARIANCE ACCOUNT BALANCES

| ITEM NO. | COL. 1 | COL. 2 | COL. 3 | COL. 4 | COL. 5 | COL. 6 | COL. 7 | COL. 8 | COL. 9 | COL. 10 |
|--|------------------|--------------------------|------------------------|-----------------------------|------------------|---------------------------|-------------------|--------------------------------|----------------------|--------------------------------------|
| | TOTAL (\$000) | SALES AND WBT (\$000) | TOTAL SALES (\$000) | TOTAL DELIVERIES (\$000) | SPACE (\$000) | DELIVERABILITY (\$000) | DIRECT (\$000) | NUMBER OF CUSTOMERS (\$000) | RATE BASE (\$000) | BUNDLED ANNUAL DELIVERIES (\$000) |
| CLASSIFICATION | | | | | | | | | | |
| 1. TRANSACTIONAL SERVICES D/A | (3,901.5) | (3,895.7) | | | (2.0) | (3.8) | | | | |
| 2. UNACCOUNTED FOR GAS V/A | 221.5 | | | 221.5 | | | | | | |
| 3. STORAGE AND TRANSPORTATION D/A | (258.7) | | | | (88.1) | (170.6) | | | | |
| 4. DEFERRED REBATE ACCOUNT | 2,545.3 | | | 2,545.3 | | | | | | |
| 5. OEB COST ASSESSMENT VARIANCE ACCOUNT | 3,036.8 | | | | | | | | 3,036.8 | |
| 6. TAX VARIANCE - ACCELERATED CCA - EGI | (8,992.0) | | | | | | | | (8,992.0) | |
| 7. AVERAGE USE TRUE-UP V/A | (7,916.8) | | | | | | (7,916.8) | | | |
| 8. ELECTRIC PROGRAM EARNINGS SHARING D/A | 0.0 | | | | | | | | 0.0 | |
| 9. TRANSITION IMPACT OF ACCT CHANGE D/A | 4,435.8 | | | | | | | | 4,435.8 | |
| 10. DAWN ACCESS COSTS D/A | 2,075.5 | | | | | | | | | 2,075.5 |
| TOTAL | (8,754.1) | (3,895.7) | 0.0 | 2,766.8 | (90.1) | (174.5) | (7,916.8) | 0.0 | (1,519.4) | 2,075.5 |
| ALLOCATION | | | | | | | | | | |
| 1.1 RATE 1 | (10,706.0) | (2,330.3) | 0.0 | 1,182.7 | (42.8) | (95.8) | (9,310.2) | 0.0 | (996.7) | 887.2 |
| 1.2 RATE 6 | 1,367.3 | (1,446.8) | 0.0 | 1,123.8 | (46.2) | (76.1) | 1,393.4 | 0.0 | (423.6) | 843.0 |
| 1.3 RATE 9 | (0.0) | 0.0 | 0.0 | 0.0 | (0.0) | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| 1.4 RATE 100 | 1.7 | (4.4) | 0.0 | 4.9 | (0.2) | (0.3) | 0.0 | 0.0 | (1.8) | 3.6 |
| 1.5 RATE 110 | 352.9 | (40.8) | 0.0 | 237.1 | (2.6) | (0.4) | 0.0 | 0.0 | (18.2) | 177.9 |
| 1.6 RATE 115 | 152.7 | (0.4) | 0.0 | 91.4 | (0.0) | (0.2) | 0.0 | 0.0 | (6.7) | 68.5 |
| 1.7 RATE 125 | (14.6) | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | (14.6) | 0.0 |
| 1.8 RATE 135 | 23.1 | (3.6) | 0.0 | 15.8 | 0.0 | 0.0 | 0.0 | 0.0 | (0.8) | 11.8 |
| 1.9 RATE 145 | 7.9 | (0.3) | 0.0 | 5.7 | (0.2) | 0.0 | 0.0 | 0.0 | (1.5) | 4.2 |
| 1.10 RATE 170 | 99.4 | (2.3) | 0.0 | 59.8 | (0.8) | 0.0 | 0.0 | 0.0 | (2.1) | 44.9 |
| 1.11 RATE 200 | 10.8 | (66.6) | 0.0 | 45.8 | 2.7 | (1.6) | 0.0 | 0.0 | (3.8) | 34.3 |
| 1.12 RATE 300 | (0.1) | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | (0.1) | 0.0 |
| 1.13 RATE 332 | (49.3) | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | (49.3) | 0.0 |
| TOTAL | (8,754.1) | (3,895.7) | 0.0 | 2,766.8 | (90.1) | (174.5) | (7,916.8) | 0.0 | (1,519.4) | 2,075.5 |

ALLOCATION BY TYPE OF SERVICE

| | COL. 1 | COL. 2 | COL. 3 | COL. 4 | COL. 5 | COL. 6 | COL. 7 | COL. 8 | COL. 9 | COL. 10 | |
|--|----------------------|---------------|-------------|------------------|---------|-----------------|---------|---------------------|-----------|---------------------------|---------|
| | TOTAL | SALES AND WBT | TOTAL SALES | TOTAL DELIVERIES | SPACE | DELIVE-RABILITY | DIRECT | NUMBER OF CUSTOMERS | RATE BASE | BUNDLED ANNUAL DELIVERIES | |
| | (\$000) | (\$000) | (\$000) | (\$000) | (\$000) | (\$000) | (\$000) | (\$000) | (\$000) | (\$000) | |
| Bundled Services: | | | | | | | | | | | |
| RATE 1 | - SYSTEM SALES | (10,517.8) | (2,321.4) | - | 1,157.4 | (41.9) | (93.8) | (9,111.0) | - | (975.4) | 868.2 |
| | - BUY/SELL | - | - | - | - | - | - | - | - | - | - |
| | - T-SERVICE EXCL WBT | (0.3) | - | - | 0.0 | (0.0) | (0.0) | (0.3) | - | (0.0) | 0.0 |
| | - DAWN T-SERVICE | (147.5) | - | - | 20.8 | (0.8) | (1.7) | (163.9) | - | (17.6) | 15.6 |
| | - WBT | (40.4) | (8.9) | - | 4.4 | (0.2) | (0.4) | (35.0) | - | (3.7) | 3.3 |
| RATE 6 | - SYSTEM SALES | 338.6 | (1,362.1) | - | 679.1 | (27.9) | (46.0) | 842.1 | - | (256.0) | 509.4 |
| | - BUY/SELL | - | - | - | - | - | - | - | - | - | - |
| | - T-SERVICE EXCL WBT | 30.7 | - | - | 12.2 | (0.5) | (0.8) | 15.2 | - | (4.6) | 9.2 |
| | - DAWN T-SERVICE | 977.0 | - | - | 390.1 | (16.0) | (26.4) | 483.8 | - | (147.1) | 292.7 |
| | - WBT | 21.1 | (84.8) | - | 42.3 | (1.7) | (2.9) | 52.4 | - | (15.9) | 31.7 |
| RATE 9 | - SYSTEM SALES | - | - | - | - | - | - | - | - | - | - |
| | - BUY/SELL | - | - | - | - | - | - | - | - | - | - |
| | - T-SERVICE EXCL WBT | - | - | - | - | - | - | - | - | - | - |
| | - DAWN T-SERVICE | - | - | - | - | - | - | - | - | - | - |
| | - WBT | - | - | - | - | - | - | - | - | - | - |
| RATE 100 | - SYSTEM SALES | (1.6) | (4.4) | - | 2.2 | (0.1) | (0.1) | - | - | (0.8) | 1.7 |
| | - BUY/SELL | - | - | - | - | - | - | - | - | - | - |
| | - T-SERVICE EXCL WBT | - | - | - | - | - | - | - | - | - | - |
| | - DAWN T-SERVICE | 3.4 | - | - | 2.7 | (0.1) | (0.2) | - | - | (1.0) | 2.0 |
| | - WBT | - | - | - | - | - | - | - | - | - | - |
| RATE 110 | - SYSTEM SALES | (6.0) | (34.8) | - | 17.3 | (0.2) | (0.0) | - | - | (1.3) | 13.0 |
| | - BUY/SELL | - | - | - | - | - | - | - | - | - | - |
| | - T-SERVICE EXCL WBT | 26.2 | - | - | 15.8 | (0.2) | (0.0) | - | - | (1.2) | 11.8 |
| | - DAWN T-SERVICE | 333.7 | - | - | 201.0 | (2.2) | (0.3) | - | - | (15.5) | 150.8 |
| | - WBT | (1.0) | (6.0) | - | 3.0 | (0.0) | (0.0) | - | - | (0.2) | 2.3 |
| RATE 115 | - SYSTEM SALES | (0.1) | (0.4) | - | 0.2 | (0.0) | (0.0) | - | - | (0.0) | 0.1 |
| | - BUY/SELL | - | - | - | - | - | - | - | - | - | - |
| | - T-SERVICE EXCL WBT | 51.1 | - | - | 30.5 | (0.0) | (0.1) | - | - | (2.2) | 22.9 |
| | - DAWN T-SERVICE | 101.6 | - | - | 60.7 | (0.0) | (0.1) | - | - | (4.4) | 45.5 |
| | - WBT | - | - | - | - | - | - | - | - | - | - |
| RATE 135 | - SYSTEM SALES | (0.1) | (0.9) | - | 0.4 | - | - | - | - | (0.0) | 0.3 |
| | - BUY/SELL | - | - | - | - | - | - | - | - | - | - |
| | - T-SERVICE EXCL WBT | - | - | - | - | - | - | - | - | - | - |
| | - DAWN T-SERVICE | 23.7 | - | - | 14.0 | - | - | - | - | (0.7) | 10.5 |
| | - WBT | (0.4) | (2.8) | - | 1.4 | - | - | - | - | (0.1) | 1.0 |
| RATE 145 | - SYSTEM SALES | (0.1) | (0.3) | - | 0.2 | (0.0) | - | - | - | (0.0) | 0.1 |
| | - BUY/SELL | - | - | - | - | - | - | - | - | - | - |
| | - T-SERVICE EXCL WBT | - | - | - | - | - | - | - | - | - | - |
| | - DAWN T-SERVICE | 8.0 | - | - | 5.5 | (0.2) | - | - | - | (1.5) | 4.1 |
| | - WBT | - | - | - | - | - | - | - | - | - | - |
| RATE 170 | - SYSTEM SALES | (0.4) | (2.3) | - | 1.2 | (0.0) | - | - | - | (0.0) | 0.9 |
| | - BUY/SELL | - | - | - | - | - | - | - | - | - | - |
| | - T-SERVICE EXCL WBT | 57.3 | - | - | 33.7 | (0.4) | - | - | - | (1.2) | 25.3 |
| | - DAWN T-SERVICE | 42.5 | - | - | 24.9 | (0.3) | - | - | - | (0.9) | 18.7 |
| | - WBT | - | - | - | - | - | - | - | - | - | - |
| RATE 200 | - SYSTEM SALES | (10.5) | (66.6) | - | 33.2 | 1.9 | (1.2) | - | - | (2.8) | 24.9 |
| | - BUY/SELL | - | - | - | - | - | - | - | - | - | - |
| | - T-SERVICE EXCL WBT | 0.7 | - | - | 0.4 | 0.0 | (0.0) | - | - | (0.0) | 0.3 |
| | - DAWN T-SERVICE | 20.6 | - | - | 12.2 | 0.7 | (0.4) | - | - | (1.0) | 9.1 |
| | - WBT | - | - | - | - | - | - | - | - | - | - |
| Unbundled Services: (Billing based on CD) | | | | | | | | | | | |
| RATE 125 | | (14.6) | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | (14.6) | |
| RATE 300 | | (0.1) | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | (0.1) | |
| RATE 332 | | (49.3) | | | | | 0.0 | | | (49.3) | |
| | | (8,754.1) | (3,895.7) | 0.0 | 2,766.8 | (90.1) | (174.5) | (7,916.8) | 0.0 | (1,519.4) | 2,075.5 |

UNIT RATE BY TYPE OF SERVICE

| | COL. 1 | COL. 2 | COL. 3 | COL. 4 | COL. 5 | COL. 6 | COL. 7 | COL. 8 | COL. 9 | COL. 10 | |
|--|------------------------|---------------|-------------|------------------|--------|-----------------|----------|---------------------|-----------|---------------------------|--------|
| | TOTAL | SALES AND WBT | TOTAL SALES | TOTAL DELIVERIES | SPACE | DELIVE-RABILITY | DIRECT | NUMBER OF CUSTOMERS | RATE BASE | BUNDLED ANNUAL DELIVERIES | |
| | (¢/m³) | (¢/m³) | (¢/m³) | (¢/m³) | (¢/m³) | (¢/m³) | (¢/m³) | (¢/m³) | (¢/m³) | (¢/m³) | |
| Bundled Services: | | | | | | | | | | | |
| RATE 1 | - SYSTEM SALES | (0.2196) | (0.0485) | 0.0000 | 0.0242 | (0.0009) | (0.0020) | (0.1902) | 0.0000 | (0.0204) | 0.0181 |
| | - BUY/SELL | 0.0000 | 0.0000 | 0.0000 | 0.0000 | 0.0000 | 0.0000 | 0.0000 | 0.0000 | 0.0000 | 0.0000 |
| | - ONTARIO T-SERVICE | (0.1711) | 0.0000 | 0.0000 | 0.0242 | (0.0009) | (0.0020) | (0.1902) | 0.0000 | (0.0204) | 0.0181 |
| | - DAWN T-SERVICE | (0.1711) | 0.0000 | 0.0000 | 0.0242 | (0.0009) | (0.0020) | (0.1902) | 0.0000 | (0.0204) | 0.0181 |
| | - WESTERN T-SERVICE | (0.2196) | (0.0485) | 0.0000 | 0.0242 | (0.0009) | (0.0020) | (0.1902) | 0.0000 | (0.0204) | 0.0181 |
| RATE 6 | - SYSTEM SALES | 0.0120 | (0.0485) | 0.0000 | 0.0242 | (0.0010) | (0.0016) | 0.0300 | 0.0000 | (0.0091) | 0.0181 |
| | - BUY/SELL | 0.0000 | 0.0000 | 0.0000 | 0.0000 | 0.0000 | 0.0000 | 0.0000 | 0.0000 | 0.0000 | 0.0000 |
| | - ONTARIO T-SERVICE | 0.0605 | 0.0000 | 0.0000 | 0.0242 | (0.0010) | (0.0016) | 0.0300 | 0.0000 | (0.0091) | 0.0181 |
| | - DAWN T-SERVICE | 0.0605 | 0.0000 | 0.0000 | 0.0242 | (0.0010) | (0.0016) | 0.0300 | 0.0000 | (0.0091) | 0.0181 |
| | - WESTERN T-SERVICE | 0.0120 | (0.0485) | 0.0000 | 0.0242 | (0.0010) | (0.0016) | 0.0300 | 0.0000 | (0.0091) | 0.0181 |
| RATE 9 | - SYSTEM SALES | 0.0000 | 0.0000 | 0.0000 | 0.0000 | 0.0000 | 0.0000 | 0.0000 | 0.0000 | 0.0000 | 0.0000 |
| | - BUY/SELL | 0.0000 | 0.0000 | 0.0000 | 0.0000 | 0.0000 | 0.0000 | 0.0000 | 0.0000 | 0.0000 | 0.0000 |
| | - ONTARIO T-SERVICE | 0.0000 | 0.0000 | 0.0000 | 0.0000 | 0.0000 | 0.0000 | 0.0000 | 0.0000 | 0.0000 | 0.0000 |
| | - DAWN T-SERVICE | 0.0000 | 0.0000 | 0.0000 | 0.0000 | 0.0000 | 0.0000 | 0.0000 | 0.0000 | 0.0000 | 0.0000 |
| | - WESTERN T-SERVICE | 0.0000 | 0.0000 | 0.0000 | 0.0000 | 0.0000 | 0.0000 | 0.0000 | 0.0000 | 0.0000 | 0.0000 |
| RATE 100 | - SYSTEM SALES | (0.0177) | (0.0485) | 0.0000 | 0.0242 | (0.0008) | (0.0016) | 0.0000 | 0.0000 | (0.0091) | 0.0181 |
| | - BUY/SELL | 0.0000 | 0.0000 | 0.0000 | 0.0000 | 0.0000 | 0.0000 | 0.0000 | 0.0000 | 0.0000 | 0.0000 |
| | - ONTARIO T-SERVICE | 0.0000 | 0.0000 | 0.0000 | 0.0000 | 0.0000 | 0.0000 | 0.0000 | 0.0000 | 0.0000 | 0.0000 |
| | - DAWN T-SERVICE | 0.0307 | 0.0000 | 0.0000 | 0.0242 | (0.0008) | (0.0016) | 0.0000 | 0.0000 | (0.0091) | 0.0181 |
| | - WESTERN T-SERVICE | 0.0000 | 0.0000 | 0.0000 | 0.0000 | 0.0000 | 0.0000 | 0.0000 | 0.0000 | 0.0000 | 0.0000 |
| RATE 110 | - SYSTEM SALES | (0.0083) | (0.0485) | 0.0000 | 0.0242 | (0.0003) | (0.0000) | 0.0000 | 0.0000 | (0.0019) | 0.0181 |
| | - BUY/SELL | 0.0000 | 0.0000 | 0.0000 | 0.0000 | 0.0000 | 0.0000 | 0.0000 | 0.0000 | 0.0000 | 0.0000 |
| | - ONTARIO T-SERVICE | 0.0401 | 0.0000 | 0.0000 | 0.0242 | (0.0003) | (0.0000) | 0.0000 | 0.0000 | (0.0019) | 0.0181 |
| | - DAWN T-SERVICE | 0.0401 | 0.0000 | 0.0000 | 0.0242 | (0.0003) | (0.0000) | 0.0000 | 0.0000 | (0.0019) | 0.0181 |
| | - WESTERN T-SERVICE | (0.0083) | (0.0485) | 0.0000 | 0.0242 | (0.0003) | (0.0000) | 0.0000 | 0.0000 | (0.0019) | 0.0181 |
| RATE 115 | - SYSTEM SALES | (0.0080) | (0.0485) | 0.0000 | 0.0242 | (0.0000) | (0.0000) | 0.0000 | 0.0000 | (0.0018) | 0.0181 |
| | - BUY/SELL | 0.0000 | 0.0000 | 0.0000 | 0.0000 | 0.0000 | 0.0000 | 0.0000 | 0.0000 | 0.0000 | 0.0000 |
| | - ONTARIO T-SERVICE | 0.0405 | 0.0000 | 0.0000 | 0.0242 | (0.0000) | (0.0000) | 0.0000 | 0.0000 | (0.0018) | 0.0181 |
| | - DAWN T-SERVICE | 0.0405 | 0.0000 | 0.0000 | 0.0242 | (0.0000) | (0.0000) | 0.0000 | 0.0000 | (0.0018) | 0.0181 |
| | - WESTERN T-SERVICE | 0.0000 | 0.0000 | 0.0000 | 0.0000 | 0.0000 | 0.0000 | 0.0000 | 0.0000 | 0.0000 | 0.0000 |
| RATE 135 | - SYSTEM SALES | (0.0075) | (0.0485) | 0.0000 | 0.0242 | 0.0000 | 0.0000 | 0.0000 | 0.0000 | (0.0013) | 0.0181 |
| | - BUY/SELL | 0.0000 | 0.0000 | 0.0000 | 0.0000 | 0.0000 | 0.0000 | 0.0000 | 0.0000 | 0.0000 | 0.0000 |
| | - ONTARIO T-SERVICE | 0.0000 | 0.0000 | 0.0000 | 0.0000 | 0.0000 | 0.0000 | 0.0000 | 0.0000 | 0.0000 | 0.0000 |
| | - DAWN T-SERVICE | 0.0410 | 0.0000 | 0.0000 | 0.0242 | 0.0000 | 0.0000 | 0.0000 | 0.0000 | (0.0013) | 0.0181 |
| | - WESTERN T-SERVICE | (0.0075) | (0.0485) | 0.0000 | 0.0242 | 0.0000 | 0.0000 | 0.0000 | 0.0000 | (0.0013) | 0.0181 |
| RATE 145 | - SYSTEM SALES | (0.0133) | (0.0485) | 0.0000 | 0.0242 | (0.0007) | 0.0000 | 0.0000 | 0.0000 | (0.0064) | 0.0181 |
| | - BUY/SELL | 0.0000 | 0.0000 | 0.0000 | 0.0000 | 0.0000 | 0.0000 | 0.0000 | 0.0000 | 0.0000 | 0.0000 |
| | - ONTARIO T-SERVICE | 0.0000 | 0.0000 | 0.0000 | 0.0000 | 0.0000 | 0.0000 | 0.0000 | 0.0000 | 0.0000 | 0.0000 |
| | - DAWN T-SERVICE | 0.0352 | 0.0000 | 0.0000 | 0.0242 | (0.0007) | 0.0000 | 0.0000 | 0.0000 | (0.0064) | 0.0181 |
| | - WESTERN T-SERVICE | 0.0000 | 0.0000 | 0.0000 | 0.0000 | 0.0000 | 0.0000 | 0.0000 | 0.0000 | 0.0000 | 0.0000 |
| RATE 170 | - SYSTEM SALES | (0.0073) | (0.0485) | 0.0000 | 0.0242 | (0.0003) | 0.0000 | 0.0000 | 0.0000 | (0.0008) | 0.0181 |
| | - BUY/SELL | 0.0000 | 0.0000 | 0.0000 | 0.0000 | 0.0000 | 0.0000 | 0.0000 | 0.0000 | 0.0000 | 0.0000 |
| | - ONTARIO T-SERVICE | 0.0411 | 0.0000 | 0.0000 | 0.0242 | (0.0003) | 0.0000 | 0.0000 | 0.0000 | (0.0008) | 0.0181 |
| | - DAWN T-SERVICE | 0.0411 | 0.0000 | 0.0000 | 0.0242 | (0.0003) | 0.0000 | 0.0000 | 0.0000 | (0.0008) | 0.0181 |
| | - WESTERN T-SERVICE | 0.0000 | 0.0000 | 0.0000 | 0.0000 | 0.0000 | 0.0000 | 0.0000 | 0.0000 | 0.0000 | 0.0000 |
| RATE 200 | - SYSTEM SALES | (0.0076) | (0.0485) | 0.0000 | 0.0242 | 0.0014 | (0.0009) | 0.0000 | 0.0000 | (0.0020) | 0.0181 |
| | - BUY/SELL | 0.0000 | 0.0000 | 0.0000 | 0.0000 | 0.0000 | 0.0000 | 0.0000 | 0.0000 | 0.0000 | 0.0000 |
| | - ONTARIO T-SERVICE | 0.0408 | 0.0000 | 0.0000 | 0.0242 | 0.0014 | (0.0009) | 0.0000 | 0.0000 | (0.0020) | 0.0181 |
| | - DAWN T-SERVICE | 0.0408 | 0.0000 | 0.0000 | 0.0242 | 0.0014 | (0.0009) | 0.0000 | 0.0000 | (0.0020) | 0.0181 |
| | - WESTERN T-SERVICE | 0.0000 | 0.0000 | 0.0000 | 0.0000 | 0.0000 | 0.0000 | 0.0000 | 0.0000 | 0.0000 | 0.0000 |
| Unbundled Services (Billing based on CD, ¢/m3): | | | | | | | | | | | |
| RATE 125 | - All | (0.1582) | 0.0000 | 0.0000 | 0.0000 | 0.0000 | 0.0000 | 0.0000 | 0.0000 | (0.1582) | 0.0000 |
| | - Customer-specific ** | | | | | | | | | | |
| RATE 300 | - All | (0.7471) | 0.0000 | 0.0000 | 0.0000 | 0.0000 | 0.0000 | 0.0000 | 0.0000 | (0.7471) | 0.0000 |
| | - Customer-specific ** | | | | | | | | | | |
| RATE 332 | - All | (0.1583) | 0.0000 | 0.0000 | 0.0000 | 0.0000 | 0.0000 | 0.0000 | 0.0000 | (0.1583) | 0.0000 |

Notes:

* Unit Rates derived based on 2020 actual volumes

ENBRIDGE GAS DISTRIBUTION INC.
 2020 DEFERRAL AND VARIANCE ACCOUNT CLEARING
 BILL ADJUSTMENT IN OCTOBER 2021 FOR TYPICAL CUSTOMERS

| Item No. | Col. 1 | Col. 2 | Col. 3 | Col. 4 | Col. 5 | Col. 6 | Col. 7 | Col. 8 | Col. 9 | Col. 10 |
|----------|---------------------------------|---------------------------------|--------------------------------------|---|--|---|------------------------------|-----------------------------------|--------------------------------|-----------------------------------|
| | | Annual Volume m ³ | Unit Rates | | | | Bill Adjustment | | | |
| | <u>GENERAL SERVICE</u> | | <u>Sales</u> cents/m ³ | <u>Ontario TS</u> cents/m ³ | <u>Dawn TS</u> cents/m ³ | <u>Western TS</u> cents/m ³ | <u>Sales Customers</u> \$ | <u>Ontario TS Customers</u> \$ | <u>Dawn TS Customers</u> \$ | <u>Western TS Customers</u> \$ |
| 1.1 | RATE 1 RESIDENTIAL | | | | | | | | | |
| 1.2 | Heating & Water Heating | 2,400 | (0.2196) | (0.1711) | (0.1711) | (0.2196) | (5.3) | (4.1) | (4.1) | (5.3) |
| 2.1 | RATE 6 COMMERCIAL | | | | | | | | | |
| 2.2 | General Use | 43,285 | 0.0120 | 0.0605 | 0.0605 | 0.0120 | 5.2 | 26.2 | 26.2 | 5.2 |
| | <u>CONTRACT SERVICE</u> | | | | | | | | | |
| 3.1 | RATE 100 | | | | | | | | | |
| 3.2 | Industrial - small size | 339,188 | (0.0177) | 0.0000 | 0.0307 | 0.0000 | (60.2) | - | 104.2 | - |
| 4.1 | RATE 110 | | | | | | | | | |
| 4.2 | Industrial - small size, 50% LF | 598,568 | (0.0083) | 0.0401 | 0.0401 | (0.0083) | (49.9) | 240.2 | 240.2 | (49.9) |
| 4.3 | Industrial - avg. size, 75% LF | 9,976,121 | (0.0083) | 0.0401 | 0.0401 | (0.0083) | (832.2) | 4,002.9 | 4,002.9 | (832.2) |
| 5.1 | RATE 115 | | | | | | | | | |
| 5.2 | Industrial - small size, 80% LF | 4,471,609 | (0.0080) | 0.0405 | 0.0405 | 0.0000 | (357.2) | 1,810.1 | 1,810.1 | - |
| 6.1 | RATE 135 | | | | | | | | | |
| 6.2 | Industrial - Seasonal Firm | 598,567 | (0.0075) | 0.0000 | 0.0410 | (0.0075) | (44.6) | - | 245.5 | (44.6) |
| 7.1 | RATE 145 | | | | | | | | | |
| 7.2 | Commercial - avg. size | 598,568 | (0.0133) | 0.0000 | 0.0352 | 0.0000 | (79.4) | - | 210.7 | - |
| 8.1 | RATE 170 | | | | | | | | | |
| 8.2 | Industrial - avg. size, 75% LF | 9,976,121 | (0.0073) | 0.0411 | 0.0411 | 0.0000 | (732.9) | 4,102.2 | 4,102.2 | - |

Notes:
 Col. 7 = Col. 2 x Col. 3
 Col. 8 = Col. 2 x Col. 4
 Col. 9 = Col. 2 x Col. 5
 Col. 10 = Col. 2 x Col. 6

ENBRIDGE GAS INC.
Union Rate Zones
2020 Deferral Account Balances
Year Ending December 31, 2020

| Line No. | Account Number | Account Name (\$000's) | Balance (a) | Interest (b) | Total (c) |
|----------|--|---|----------------|-----------------|----------------|
| 1 | 179-131 | Upstream Transportation Optimization | 12,124 | 52 | 12,175 |
| 2 | 179-107 | Spot Gas Variance Account | - | - | - |
| 3 | 179-108 | Unabsorbed Demand Costs Variance Account | (1,750) | (41) | (1,791) |
| 4 | 179-132 | Deferral Clearing Variance Account - Supply | (1,032) | (4) | (1,035) |
| 5 | 179-132 | Deferral Clearing Variance Account - Transport | 823 | 3 | 826 |
| 6 | 179-153 | Base Service North T-Service TransCanada Capacity | 28 | 0 | 28 |
| 7 | 179-070 | Short-Term Storage and Other Balancing Services | 1,272 | 5 | 1,277 |
| 8 | 179-133 | Normalized Average Consumption | 7,182 | 96 | 7,278 |
| 9 | 179-132 | Deferral Clearing Variance Account | 4,503 | 17 | 4,520 |
| 10 | 179-151 | OEB Cost Assessment Variance Account | 1,234 | 13 | 1,247 |
| 11 | 179-103 | Unbundled Services Unauthorized Storage Overrun | - | - | - |
| 12 | 179-112 | Gas Distribution Access Rule Costs | - | - | - |
| 13 | 179-123 | Conservation Demand Management | - | - | - |
| 14 | 179-136 | Parkway West Project Costs | (470) | (4) | (474) |
| 15 | 179-137 | Brantford-Kirkwall/Parkway D Project Costs | (32) | (0) | (32) |
| 16 | 179-142 | Lobo C Compressor/Hamilton-Milton Pipeline Project Costs | 121 | 0 | 121 |
| 17 | 179-144 | Lobo D/Bright C/Dawn H Compressor Project Costs | (1,190) | (8) | (1,197) |
| 18 | 179-149 | Burlington-Oakville Project Costs | (48) | (0) | (48) |
| 19 | 179-156 | Panhandle Reinforcement Project Costs | (2,101) | (4) | (2,104) |
| 20 | 179-162 | Sudbury Replacement Project | - | - | - |
| 21 | 179-138 | Parkway Obligation Rate Variance | - | - | - |
| 22 | 179-143 | Unauthorized Overrun Non-Compliance Account | - | - | - |
| 23 | 179-157 | Pension and OPEB Forecast Accrual vs. Actual Cash Payment Differential V/A | - | (1,006) | (1,006) |
| 24 | 179-135 | Unaccounted for Gas Volume Variance Account | - | - | - |
| 25 | 179-141 | Unaccounted for Gas Price Variance Account | 5 | 0 | 5 |
| 26 | Total for Union Rate Zone Specific Accounts (Lines 1 through 25) | | <u>20,670</u> | <u>(880)</u> | <u>19,790</u> |
| 27 | 179-382 | Earnings Sharing (Union Rate Zone Portion) | - | - | - |
| 28 | 179-383 | Tax Variance - Accelerated CCA - (Union Rate Zone Portion) | (7,967) | (75) | (8,042) |
| 29 | 179-380 | Expansion of Natural Gas Distribution Systems V/A (Union Rate Zone Portion) | - | - | - |
| 30 | Total for EGI Accounts allocated to Union Rate Zone | | <u>(7,967)</u> | <u>(75)</u> | <u>(8,042)</u> |
| 31 | Total Union Rate Zone Deferral Account Balances (Line 26 + Line 30) | | <u>12,703</u> | <u>(955)</u> | <u>11,748</u> |

ENBRIDGE GAS INC.
 Union Rate Zones
 Allocation of Deferral Account Balances

| Line No. | Particulars (\$000's) | Acct No. | Union North | | | | | Union South | | | | | | | | | | | | | Total (1) | | |
|--------------------------------------|--|----------|-------------|---------|---------|----------|---------|-------------|-------|-------|-------|------|-----|-----|-------|---------|------|---------|-----|----------------|-----------|--------|---------|
| | | | Rate 01 | Rate 10 | Rate 20 | Rate 100 | Rate 25 | M1 | M2 | M4 | M5A | M7 | M9 | M10 | T1 | T2 | T3 | M12 | M13 | Excess Utility | | C1 | M16 |
| | | (a) | (b) | (c) | (d) | (e) | (f) | (g) | (h) | (i) | (j) | (k) | (l) | (m) | (n) | (o) | (p) | (q) | (r) | (s) | (t) | (u) | (v) |
| <u>Gas Supply Related Deferrals:</u> | | | | | | | | | | | | | | | | | | | | | | | |
| 1 | Upstream Transportation Optimization | 179-131 | 1,980 | 590 | 235 | - | 45 | 7,522 | 1,525 | 150 | 7 | 76 | 43 | 1 | - | - | - | - | - | - | - | - | 12,175 |
| 2 | Spot Gas Variance Account | 179-107 | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 3 | Unabsorbed Demand Cost (UDC) Variance Account | 179-108 | (4,520) | (876) | (178) | - | - | 3,052 | 619 | 61 | 3 | 31 | 18 | 0 | - | - | - | - | - | - | - | - | (1,791) |
| 4 | Deferral Clearing Variance Account - Supply (2) | 179-132 | - | - | - | - | - | (1,360) | 190 | 63 | 21 | 2 | 47 | 1 | - | - | - | - | - | - | - | - | (1,035) |
| 5 | Deferral Clearing Variance Account - Transport (2) | 179-132 | 824 | 2 | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | 826 |
| 6 | Base Service North T-Service TransCanada Capacity Account | 179-153 | - | - | 24 | 5 | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | 28 | |
| 7 | Total Gas Supply Related Deferrals | | (1,716) | (284) | 80 | 5 | 45 | 9,214 | 2,334 | 275 | 31 | 109 | 108 | 3 | - | - | - | - | - | - | - | 10,204 | |
| <u>Storage Related Deferrals:</u> | | | | | | | | | | | | | | | | | | | | | | | |
| 8 | Short-Term Storage and Other Balancing Services | 179-70 | 174 | 49 | 27 | 1 | - | 398 | 150 | 67 | 1 | 38 | 7 | 0 | 29 | 304 | 32 | - | - | - | - | - | 1,277 |
| <u>Delivery Related Deferrals:</u> | | | | | | | | | | | | | | | | | | | | | | | |
| 9 | Normalized Average Consumption (NAC) | 179-133 | 468 | 1,417 | - | - | - | 2,519 | 2,874 | - | - | - | - | - | - | - | - | - | - | - | - | - | 7,278 |
| 10 | Deferral Clearing Variance Account - Delivery (2) | 179-132 | 1,076 | 446 | - | - | - | 1,967 | 1,030 | - | - | - | - | - | - | - | - | - | - | - | - | - | 4,520 |
| 11 | OEB Cost Assessment Variance Account | 179-151 | 250 | 22 | 19 | 16 | 7 | 630 | 59 | 22 | 25 | 6 | 1 | 0 | 16 | 44 | 5 | 117 | 0 | 5 | 3 | 0 | 1,247 |
| 12 | Unbundled Services Unauthorized Storage Overrun | 179-103 | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 13 | Gas Distribution Access Rule (GDAR) Costs | 179-112 | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 14 | Conservation Demand Management | 179-123 | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 15 | Parkway West Project Costs | 179-136 | (4) | (7) | (1) | 1 | 1 | 53 | (0) | 1 | 2 | (0) | (0) | 0 | 2 | 10 | (1) | (531) | 0 | 1 | 2 | 0 | (474) |
| 16 | Brantford-Kirkwall/Parkway D Project Costs | 179-137 | (5) | (1) | (1) | (0) | (0) | (11) | (2) | (1) | (0) | (0) | (0) | (0) | (0) | (2) | (0) | (8) | (0) | (0) | (0) | (0) | (32) |
| 17 | Lobo C Compressor/Hamilton-Milton Pipeline Project Costs | 179-142 | (26) | 0 | (2) | (3) | (1) | (120) | (14) | (5) | (4) | (1) | (0) | (0) | (5) | (26) | (1) | 332 | (0) | (1) | (0) | (0) | 121 |
| 18 | Lobo D/Bright C/ Dawn H Compressor Project Costs | 179-144 | (120) | (14) | (7) | (5) | (2) | (294) | (39) | (13) | (9) | (4) | (1) | (0) | (12) | (56) | (7) | (598) | (0) | (10) | (6) | (0) | (1,197) |
| 19 | Burlington-Oakville Project Costs | 179-149 | (2) | (0) | (0) | (0) | (0) | (24) | (7) | (2) | (0) | (1) | (0) | (0) | (2) | (13) | (2) | 7 | 0 | (0) | 0 | 0 | (48) |
| 20 | Panhandle Reinforcement Project Costs | 179-156 | (8) | (2) | (1) | (1) | (0) | (446) | (153) | (163) | (3) | (38) | 0 | 0 | (116) | (855) | 0 | (2) | (0) | (0) | (262) | (55) | (2,104) |
| 21 | Sudbury Replacement Project | 179-162 | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 22 | Parkway Obligation Rate Variance | 179-138 | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 23 | Unauthorized Overrun Non-Compliance Account | 179-143 | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 24 | Pension & OPEB Forecast Accrual vs Actual Cash Payment Differential Variance | 179-157 | (202) | (18) | (18) | (15) | (7) | (495) | (48) | (20) | (23) | (5) | (1) | (0) | (14) | (35) | (4) | (95) | (0) | (3) | (2) | (0) | (1,006) |
| 25 | Unaccounted for Gas (UFG) Volume Variance Account | 179-135 | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 26 | Unaccounted for Gas (UFG) Price Variance Account | 179-141 | 0 | 0 | 0 | - | 0 | 2 | 1 | 0 | 0 | 0 | 0 | 0 | - | - | - | - | 0 | - | 1 | 0 | 5 |
| 27 | Tax Variance - Accelerated CCA - EGI | 179-383 | (1,429) | (220) | (156) | (120) | (43) | (3,122) | (473) | (118) | (100) | (41) | (8) | (0) | (82) | (360) | (48) | (1,659) | (1) | (46) | (15) | (2) | (8,042) |
| 28 | Total Delivery-Related Deferrals | | (3) | 1,623 | (168) | (128) | (46) | 660 | 3,228 | (299) | (113) | (84) | (9) | (0) | (213) | (1,294) | (58) | (2,437) | (1) | (55) | (280) | (57) | 267 |
| 29 | Total 2020 Storage and Delivery Disposition (Line 8 + Line 28) | | 171 | 1,672 | (141) | (127) | (46) | 1,058 | 3,378 | (231) | (112) | (47) | (2) | (0) | (184) | (990) | (25) | (2,437) | (1) | (55) | (280) | (57) | 1,544 |
| 30 | Total 2020 Deferral Account Disposition (Line 7 + Line 29) | | (1,545) | 1,388 | (61) | (122) | (1) | 10,272 | 5,712 | 44 | (81) | 63 | 106 | 2 | (184) | (990) | (25) | (2,437) | (1) | (55) | (280) | (57) | 11,748 |
| 31 | Earnings Sharing Deferral Account | 179-382 | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 32 | Grand Total (Line 30 + Line 31) | | (1,545) | 1,388 | (61) | (122) | (1) | 10,272 | 5,712 | 44 | (81) | 63 | 106 | 2 | (184) | (990) | (25) | (2,437) | (1) | (55) | (280) | (57) | 11,748 |

Notes:
 (1) Exhibit F, Tab 3, Schedule 1.
 (2) Exhibit E, Tab 1, Schedule 5.

ENBRIDGE GAS INC.
Union Rate Zones
Allocation of 2020 Gas Supply Related Deferral Accounts by Union North East and Union North West

| Line No. | Particulars (\$000's) | Acct No. (a) | Rate 01 (b) | Rate 10 (c) | Rate 20 (d) | Rate 100 (e) | Rate 25 (f) | Total (1) (g) = (sum b:f) |
|--|---|-----------------|----------------|----------------|----------------|-----------------|----------------|------------------------------|
| <u>Union North West</u> | | | | | | | | |
| <u>Gas Supply Related Deferrals:</u> | | | | | | | | |
| 1 | Spot Gas Variance Account | 179-107 | - | - | - | - | - | - |
| 2 | Unabsorbed Demand Cost (UDC) Variance Account | 179-108 | (5,404) | (1,104) | (207) | - | - | (6,715) |
| 3 | Upstream Transportation Optimization | 179-131 | 1,012 | 258 | 101 | - | 30 | 1,401 |
| 4 | Deferral Clearing Variance Account - Supply | 179-132 | - | - | - | - | - | - |
| 5 | Deferral Clearing Variance Account - Transport | 179-132 | 486 | (53) | - | - | - | 433 |
| 6 | Total Gas Supply Related Deferrals | | (3,907) | (899) | (106) | - | 30 | (4,881) |
| <u>Storage Related Deferrals:</u> | | | | | | | | |
| 7 | Short-Term Storage and Other Balancing Services (2) | 179-70 | 50 | 12 | 2 | - | - | 65 |
| 8 | Total North West Deferral Account Disposition (Line 6 + Line 7) | | (3,857) | (886) | (104) | - | 30 | (4,817) |
| <u>Union North East</u> | | | | | | | | |
| <u>Gas Supply Related Deferrals: (3)</u> | | | | | | | | |
| 9 | Spot Gas Variance Account | 179-107 | - | - | - | - | - | - |
| 10 | Unabsorbed Demand Cost (UDC) Variance Account | 179-108 | 884 | 228 | 29 | - | - | 1,141 |
| 11 | Upstream Transportation Optimization | 179-131 | 968 | 332 | 134 | - | 15 | 1,449 |
| 12 | Deferral Clearing Variance Account - Supply | 179-132 | - | - | - | - | - | - |
| 13 | Deferral Clearing Variance Account - Transport | 179-132 | 338 | 55 | - | - | - | 393 |
| 14 | Total Gas Supply Related Deferrals | | 2,191 | 615 | 162 | - | 15 | 2,983 |
| <u>Storage Related Deferrals:</u> | | | | | | | | |
| 15 | Short-Term Storage and Other Balancing Services (2) | 179-70 | 125 | 37 | 16 | - | - | 178 |
| 16 | Total North East Deferral Account Disposition (Line 14 + Line 15) | | 2,315 | 652 | 179 | - | 15 | 3,160 |
| <u>Total North</u> | | | | | | | | |
| <u>Gas Supply Related Deferrals: (3)</u> | | | | | | | | |
| 17 | Spot Gas Variance Account | 179-107 | - | - | - | - | - | - |
| 18 | Unabsorbed Demand Cost (UDC) Variance Account | 179-108 | (4,520) | (876) | (178) | - | - | (5,575) |
| 19 | Upstream Transportation Optimization | 179-131 | 1,980 | 590 | 235 | - | 45 | 2,850 |
| 20 | Deferral Clearing Variance Account - Supply | 179-132 | - | - | - | - | - | - |
| 21 | Deferral Clearing Variance Account - Transport | 179-132 | 824 | 2 | - | - | - | 826 |
| 22 | Total North Gas Supply Related Deferrals | | (1,716) | (284) | 56 | - | 45 | (1,899) |
| <u>Storage Related Deferrals:</u> | | | | | | | | |
| 23 | Short-Term Storage and Other Balancing Services (2) | 179-70 | 174 | 49 | 19 | - | - | 242 |
| 24 | Total North Deferral Account Disposition (Line 22 + Line 23) | | (1,542) | (235) | 75 | - | 45 | (1,656) |

Notes:

- (1) Exhibit F, Tab 3, Schedule 2, p.1.
(2) Excludes allocation to Rate 20/100 bundled storage service.
(3) In addition to the Gas Supply Related Deferrals listed, the Base Service North T-Service TransCanada Capacity Account will be disposed of to applicable Union North East rate zone customers, as shown at Exhibit F, Tab 3, Schedule 2, p. 1 and Exhibit F, Tab 3, Schedule 3, p. 3.

ENBRIDGE GAS INC.
 Union Rate Zones
 Unit Rates for One-Time Adjustment - Delivery
2020 Deferral Account Disposition

| Line No. | Particulars | Rate Class | 2020 Deferral Balances (\$000's) (a) | 2020 Earnings Sharing Mechanism (\$000's) (b) | Deferral Balance for Disposition (\$000's) (c) = (a + b) | 2020 Actual Volume (10 ³ m ³) (d) | Unit Rate (cents/m ³) (e) = (c / d) * 100 |
|--------------------|--------------------------------|---------------|--|--|---|--|---|
| <u>Union North</u> | | | | | | | |
| 1 | Small Volume General Service | 01 | 171 | - | 171 | 982,736 | 0.0174 |
| 2 | Large Volume General Service | 10 | 1,672 | - | 1,672 | 342,656 | 0.4881 |
| 3 | Medium Volume Firm Service | 20 | (149) | - | (149) | 778,476 | (0.0191) |
| 4 | Large Volume High Load Factor | 100 | (128) | - | (128) | 996,605 | (0.0128) |
| 5 | Large Volume Interruptible | 25 | (46) | - | (46) | 92,838 | (0.0496) |
| <u>Union South</u> | | | | | | | |
| 6 | Small Volume General Service | M1 | 1,058 | - | 1,058 | 3,003,878 | 0.0352 |
| 7 | Large Volume General Service | M2 | 3,378 | - | 3,378 | 1,204,341 | 0.2805 |
| 8 | Firm Com/Ind Contract | M4 | (231) | - | (231) | 621,380 | (0.0372) |
| 9 | Interruptible Com/Ind Contract | M5 | (112) | - | (112) | 61,817 | (0.1818) |
| 10 | Special Large Volume Contract | M7 | (47) | - | (47) | 618,372 | (0.0076) |
| 11 | Large Wholesale | M9 | (2) | - | (2) | 88,765 | (0.0024) |
| 12 | Small Wholesale | M10 | (0) | - | (0) | 360 | (0.0988) |
| 13 | Contract Carriage Service | T1 | (184) | - | (184) | 430,312 | (0.0427) |
| 14 | Contract Carriage Service | T2 | (990) | - | (990) | 4,017,975 | (0.0246) |
| 15 | Contract Carriage- Wholesale | T3 | (25) | - | (25) | 264,209 | (0.0095) |

ENBRIDGE GAS INC.
 Union Rate Zones
 Unit Rates for Prospective Recovery/(Refund) - Gas Supply Commodity
2020 Deferral Account Disposition

| Line No. | Particulars | Rate Class | 2020 Deferral Balances (\$000's) (a) | 2020 Earnings Sharing Mechanism (\$000's) (b) | Deferral Balance for Disposition (\$000's) (c) = (a + b) | 2020 Actual Volume (10 ³ m ³) (d) | Unit Rate (cents/m ³) (e) = (c / d) * 100 |
|----------|--------------------------------|------------|---|--|---|---|--|
| 1 | Small Volume General Service | M1 | 9,214 | - | 9,214 | 2,815,940 | 0.3272 |
| 2 | Large Volume General Service | M2 | 2,334 | - | 2,334 | 571,025 | 0.4088 |
| 3 | Firm Com/Ind Contract | M4 | 275 | - | 275 | 56,325 | 0.4882 |
| 4 | Interruptible Com/Ind Contract | M5 | 31 | - | 31 | 2,712 | 1.1427 |
| 5 | Special Large Volume Contract | M7 | 109 | - | 109 | 28,488 | 0.3836 |
| 6 | Large Wholesale | M9 | 108 | - | 108 | 16,236 | 0.6630 |
| 7 | Small Wholesale | M10 | 3 | - | 3 | 360 | 0.7230 |

ENBRIDGE GAS INC.
Union Rate Zones
Unit Rates for One-Time Adjustment - Gas Supply Transportation and Bundled Storage
2020 Deferral Account Disposition

| Line No. | Particulars | Rate Class | 2020 Deferral Balances (\$000's) (a) | 2020 Earnings Sharing Mechanism (\$000's) (b) | Deferral Balance for Disposition (\$000's) (c) = (a + b) | 2020 Actual Volume/ Demand (d) | Billing Units | Unit Volumetric/ Demand Rate (cents/m ³) (e) = (c / d) * 100 |
|--|---|------------|---|--|---|--------------------------------------|-----------------------------------|---|
| <u>Gas Supply Transportation Charges</u> | | | | | | | | |
| <u>Union North West</u> | | | | | | | | |
| 1 | Small Volume General Service | 01 | (3,907) | - | (3,907) | 282,189 | 10 ³ m ³ | (1.3844) |
| 2 | Large Volume General Service | 10 | (899) | - | (899) | 77,899 | 10 ³ m ³ | (1.1538) |
| 3 | Medium Volume Firm Service | 20 | (106) | - | (106) | 1,684 | 10 ³ m ³ /d | (6.3030) |
| 4 | Large Volume Interruptible | 25 | 30 | - | 30 | 13,596 | 10 ³ m ³ | 0.2220 |
| <u>Union North East</u> | | | | | | | | |
| 5 | Small Volume General Service | 01 | 2,191 | - | 2,191 | 700,547 | 10 ³ m ³ | 0.3127 |
| 6 | Large Volume General Service | 10 | 615 | - | 615 | 259,756 | 10 ³ m ³ | 0.2366 |
| 7 | Medium Volume Firm Service | 20 | 162 | - | 162 | 7,143 | 10 ³ m ³ /d | 2.2738 |
| 8 | Large Volume Interruptible | 25 | 15 | - | 15 | 16,363 | 10 ³ m ³ | 0.0918 |
| 9 | North T-Service Transportation from Dawn Base Service (\$/GJ) | 20T/100T | 28 | - | 28 | 240,414 | GJ/d | 0.118 |
| <u>Storage (\$/GJ)</u> | | | | | | | | |
| 10 | Bundled-T Storage Service | 20T/100T | 9 | - | 9 | 141,504 | GJ/d | 0.063 |

ENBRIDGE GAS INC.
 Union Rate Zones
 Storage and Transportation Service Amounts for Disposition
2020 Deferral Account Disposition

| Line No. | Particulars (\$000's) (1) | Rate Class | 2020 Deferral Balances (a) | 2020 Earnings Sharing Mechanism (b) | Deferral Balance for Disposition (c) = (a + b) |
|-------------|--|---------------|-------------------------------------|---|--|
| 1 | Transportation | M12 | (2,437) | - | (2,437) |
| 2 | Transportation of Locally Produced Gas | M13 | (1) | - | (1) |
| 3 | Cross Franchise Transportation | C1 | (280) | - | (280) |
| 4 | Storage and Transportation Services | M16 | (57) | - | (57) |

Notes:

(1) Ex-franchise Rate M12, Rate M13, Rate M16 and Rate C1 customer specific amounts determined using approved deferral account allocation methodologies.

ENBRIDGE GAS INC.
Union Rate Zones
Calculation of One-Time Adjustments for Typical General Service Customers

| Line No. | Particulars | Deferral Unit Rate (cents/m ³) (1) (a) | Volume (m ³) (2) (b) | Bill Impact (\$) (c) = (a x b) / 100 |
|-------------------------------------|------------------------------------|---|--|--|
| <u>Small Volume General Service</u> | | | | |
| <u>Rate M1 - Union South</u> | | | | |
| 1 | Delivery | 0.0352 | 2,200 | 0.77 |
| 2 | Commodity | 0.3272 | 2,200 | 7.20 |
| 3 | Sales Service Impact | 0.3624 | | 7.97 |
| 4 | Direct Purchase Impact | | | 0.77 |
| <u>Rate 01 - Union North West</u> | | | | |
| 5 | Delivery | 0.0174 | 2,200 | 0.38 |
| 6 | Commodity | - | 2,200 | - |
| 7 | Transportation | (1.3844) | 2,200 | (30.46) |
| 8 | Sales Service Impact | (1.3670) | | (30.08) |
| 9 | Bundled-T (Direct Purchase) Impact | | | (30.08) |
| <u>Rate 01 - Union North East</u> | | | | |
| 10 | Delivery | 0.0174 | 2,200 | 0.38 |
| 11 | Commodity | - | 2,200 | - |
| 12 | Transportation | 0.3127 | 2,200 | 6.88 |
| 13 | Sales Service Impact | 0.3301 | | 7.26 |
| 14 | Bundled-T (Direct Purchase) Impact | | | 7.26 |
| <u>Large Volume General Service</u> | | | | |
| <u>Rate M2 - Union South</u> | | | | |
| 15 | Delivery | 0.2805 | 73,000 | 204.77 |
| 16 | Commodity | 0.4088 | 73,000 | 298.41 |
| 17 | Sales Service Impact | 0.6893 | | 503.18 |
| 18 | Direct Purchase Impact | | | 204.77 |
| <u>Rate 10 - Union North West</u> | | | | |
| 19 | Delivery | 0.4881 | 93,000 | 453.92 |
| 20 | Commodity | - | 93,000 | - |
| 21 | Transportation | (1.1538) | 93,000 | (1,072.99) |
| 22 | Sales Service Impact | (0.6657) | | (619.07) |
| 23 | Bundled-T (Direct Purchase) Impact | | | (619.07) |
| <u>Rate 10 - Union North East</u> | | | | |
| 24 | Delivery | 0.4881 | 93,000 | 453.92 |
| 25 | Commodity | - | 93,000 | - |
| 26 | Transportation | 0.2366 | 93,000 | 220.07 |
| 27 | Sales Service Impact | 0.7247 | | 673.99 |
| 28 | Bundled-T (Direct Purchase) Impact | | | 673.99 |

Notes:

- (1) Exhibit F, Tab 3, Schedule 3, pp. 1-3, column (e).
(2) Average consumption, per customer, for the period January 1, 2020 to December 31, 2020.

ENBRIDGE GAS INC.
Union Rate Zones
Calculation of One-Time Adjustments for Typical Small and Large Customers

| Line No. | Particulars | Deferral Unit Rate (1) (cents/m ³) (a) | Billing Units (m ³) (b) | Bill Impact (\$) (2) (c) |
|---|------------------------------------|--|---|-----------------------------------|
| <u>Union North</u> | | | | |
| <u>Small Rate 20 - Union North West</u> | | | | |
| 1 | Delivery | (0.0191) | 3,000,000 | (574) |
| 2 | Transportation | (6.3030) | 14,000 | (10,589) |
| 3 | Sales Service Impact | (6.3221) | | (11,163) |
| 4 | Bundled-T (Direct Purchase) Impact | | | (11,163) |
| <u>Large Rate 20 - Union North West</u> | | | | |
| 5 | Delivery | (0.0191) | 15,000,000 | (2,872) |
| 6 | Transportation | (6.3030) | 60,000 | (45,381) |
| 7 | Sales Service Impact | (6.3221) | | (48,253) |
| 8 | Bundled-T (Direct Purchase) Impact | | | (48,253) |
| <u>Small Rate 20 - Union North East</u> | | | | |
| 9 | Delivery | (0.0191) | 3,000,000 | (574) |
| 10 | Transportation | 2.2738 | 14,000 | 3,820 |
| 11 | Sales Service Impact | 2.2547 | | 3,246 |
| 12 | Bundled-T (Direct Purchase) Impact | | | 3,246 |
| <u>Large Rate 20 - Union North East</u> | | | | |
| 13 | Delivery | (0.0191) | 15,000,000 | (2,872) |
| 14 | Transportation | 2.2738 | 60,000 | 16,371 |
| 15 | Sales Service Impact | 2.2547 | | 13,499 |
| 16 | Bundled-T (Direct Purchase) Impact | | | 13,499 |
| <u>Average Rate 25 - Union North West</u> | | | | |
| 17 | Delivery | (0.0496) | 2,275,000 | (1,129) |
| 18 | Transportation | 0.2220 | 2,275,000 | 5,050 |
| 19 | Sales Service Impact | 0.1724 | | 3,921 |
| 20 | Bundled-T (Direct Purchase) Impact | | | 3,921 |
| <u>Average Rate 25 - Union North East</u> | | | | |
| 21 | Delivery | (0.0496) | 2,275,000 | (1,129) |
| 22 | Transportation | 0.0918 | 2,275,000 | 2,089 |
| 23 | Sales Service Impact | 0.0422 | | 960 |
| 24 | Bundled-T (Direct Purchase) Impact | | | 960 |
| <u>Small Rate 100</u> | | | | |
| 25 | T-Service (Direct Purchase) Impact | (0.0128) | 27,000,000 | (3,462) |
| <u>Large Rate 100</u> | | | | |
| 26 | T-Service (Direct Purchase) Impact | (0.0128) | 240,000,000 | (30,772) |
| <u>Union South</u> | | | | |
| <u>Small Rate M4</u> | | | | |
| 27 | Delivery | (0.0372) | 875,000 | (326) |
| 28 | Commodity | 0.4882 | 875,000 | 4,272 |
| 29 | Sales Service Impact | 0.4510 | | 3,946 |
| 30 | Direct Purchase Impact | | | (326) |
| <u>Large Rate M4</u> | | | | |
| 31 | Delivery | (0.0372) | 12,000,000 | (4,469) |
| 32 | Commodity | 0.4882 | 12,000,000 | 58,584 |
| 33 | Sales Service Impact | 0.4510 | | 54,116 |
| 34 | Direct Purchase Impact | | | (4,469) |

Notes:

- (1) Exhibit F, Tab 3, Schedule 3, pp. 1-3, column (e).
- (2) Transportation bill impacts based on monthly demand (m³/d).

ENBRIDGE GAS INC.
Union Rate Zones
Calculation of One-Time Adjustments for Typical Small and Large Customers

| Line No. | Particulars | Deferral Unit Rate (1) (cents/m ³) (b) | Billing Units (m ³) (c) | Annual Bill Impact (\$) (d) |
|------------------------------------|------------------------|--|---|-----------------------------------|
| <u>Union South (continued)</u> | | | | |
| <u>Small Rate M5 Interruptible</u> | | | | |
| 1 | Delivery | (0.1818) | 825,000 | (1,500) |
| 2 | Commodity | 1.1427 | 825,000 | 9,427 |
| 3 | Sales Service Impact | 0.9609 | | 7,927 |
| 4 | Direct Purchase Impact | | | (1,500) |
| <u>Large Rate M5 Interruptible</u> | | | | |
| 5 | Delivery | (0.1818) | 6,500,000 | (11,818) |
| 6 | Commodity | 1.1427 | 6,500,000 | 74,276 |
| 7 | Sales Service Impact | 0.9609 | | 62,459 |
| 8 | Direct Purchase Impact | | | (11,818) |
| <u>Small Rate M7</u> | | | | |
| 9 | Delivery | (0.0076) | 36,000,000 | (2,720) |
| 10 | Commodity | 0.3836 | 36,000,000 | 138,079 |
| 11 | Sales Service Impact | 0.3760 | | 135,359 |
| 12 | Direct Purchase Impact | | | (2,720) |
| <u>Large Rate M7</u> | | | | |
| 13 | Delivery | (0.0076) | 52,000,000 | (3,929) |
| 14 | Commodity | 0.3836 | 52,000,000 | 199,448 |
| 15 | Sales Service Impact | 0.3760 | | 195,519 |
| 16 | Direct Purchase Impact | | | (3,929) |
| <u>Small Rate M9</u> | | | | |
| 17 | Delivery | (0.0024) | 6,950,000 | (164) |
| 18 | Commodity | 0.6630 | 6,950,000 | 46,080 |
| 19 | Sales Service Impact | 0.6607 | | 45,915 |
| 20 | Direct Purchase Impact | | | (164) |
| <u>Large Rate M9</u> | | | | |
| 21 | Delivery | (0.0024) | 20,178,000 | (477) |
| 22 | Commodity | 0.6630 | 20,178,000 | 133,784 |
| 23 | Sales Service Impact | 0.6607 | | 133,307 |
| 24 | Direct Purchase Impact | | | (477) |
| <u>Rate M10</u> | | | | |
| 25 | Delivery | (0.0988) | 94,500 | (93) |
| 26 | Commodity | 0.7230 | 94,500 | 683 |
| 27 | Sales Service Impact | 0.6242 | | 590 |
| 28 | Direct Purchase Impact | | | (93) |
| <u>Small Rate T1</u> | | | | |
| 29 | Direct Purchase Impact | (0.0427) | 7,537,000 | (3,222) |
| <u>Average Rate T1</u> | | | | |
| 30 | Direct Purchase Impact | (0.0427) | 11,565,938 | (4,944) |
| <u>Large Rate T1</u> | | | | |
| 31 | Direct Purchase Impact | (0.0427) | 25,624,080 | (10,954) |
| <u>Small Rate T2</u> | | | | |
| 32 | Direct Purchase Impact | (0.0246) | 59,256,000 | (14,593) |
| <u>Average Rate T2</u> | | | | |
| 33 | Direct Purchase Impact | (0.0246) | 197,789,850 | (48,710) |
| <u>Large Rate T2</u> | | | | |
| 34 | Direct Purchase Impact | (0.0246) | 370,089,000 | (91,143) |
| <u>Large Rate T3</u> | | | | |
| 35 | Direct Purchase Impact | (0.0095) | 272,712,000 | (25,947) |

Notes:

(1) Exhibit F, Tab 3, Schedule 3, pp. 1-3, column (e).

2020 SCORECARD RESULTS – ENBRIDGE GAS

1. The purpose of the scorecard is to measure and monitor performance over the deferred rebasing period. The scorecard is produced annually, with 2020 being the second presentation of the scorecard for the amalgamated utility. Enbridge Gas met or exceeded all elements of the scorecard apart from two measures.
2. The measure Time to Reschedule Missed Appointments (TRMA) tracks the percentage of customers contacted to reschedule the work within two hours of the end of the original appointment time. The annual standard for TRMA is 100% and Enbridge Gas achieved 97.3% in 2020. TRMA is the only Scorecard metric with a target of 100%; and does not allow for human error. Even though it is the Company's objective to meet this target and Enbridge Gas has transitioned to the Click Mobile system in order to make it easier for employees and third party providers' to record appointments, this has not elevated Enbridge Gas' results. Efforts towards meeting the target of 100% are on-going. A cross functional team meets regularly to review performance on this metric, to address issues and to re-enforce training when necessary. Regional management teams meet monthly to drive performance as well.
3. The measure Meter Reading Performance represents the number of meters with no read for four consecutive months or more divided by the total number of active meters to be read. The target for the metric is 0.5% and Enbridge Gas achieved a level of 4.4% in 2020. Enbridge Gas was unable to meet the Meter Reading Performance Measurement metric due to two main factors: 1) The Covid-19 pandemic resulting in closed businesses and increased customer sensitivity over contact with meter readers, and 2) Extreme weather events such as freezing rain, polar vortex, heavy snowfall and flooding which limited the ability to travel to properties and access meters safely.

OEB SCORECARD 2020

| Performance Measure | Target | Actual 2020 | Actual 2019 |
|--|--------|--|--|
| # CUSTOMER FOCUS (Service Quality & Customer Satisfaction) | | | |
| 1 Reconnection Response Time (# of days to reconnect a customer) (# of reconnections completed within 2 business days/# of reconnections completed) | 85.0% | 98.9% | 98.2% |
| 2 Scheduled appointments met on time (appointments met within designated time period) (# of appointments met within 4hrs of the scheduled date/# of appointments scheduled in the month) | 85.0% | 98.8% | 98.5% |
| 3 Telephone calls answered on time (call answering service level) (# of calls answered within 30 seconds / # of calls received) | 75.0% | 75.2% | 79.0% |
| 4 Customer Complaint Written Response (# of days to provide a written response) # of complaints requiring response within 10 days / # of complaints requiring a written response | 80.0% | 100.0% | 100.0% |
| Billing accuracy | | | |
| 5 'The requirement states that utilities should complete manual checks of their bills to verify data when a meter read demonstrates excessively high or low usage.' | | 427,524 manual checks completed as per QAP | 429,386 manual checks completed as per QAP |
| 6 Abandon Rate (# of calls abandon rate) (# of calls abandoned while waiting for a live agent / # of calls requesting to speak to a live agent) | 10.0% | 5.4% | 2.5% |
| 7 Time to Reschedule Missed Appointments (% of rescheduled work within 2 hours of the end of the original appointment time) | 100.0% | 97.3% | 97.0% |
| OPERATIONAL EFFECTIVENESS (Safety, System Reliability, Asset Management & Cost Control) | | | |
| 8 Meter Reading Performance # of meters with no read for 4 consecutive months / # of active meters to be read | 0.5% | 4.4% | 0.7% |
| 9 % of Emergency Calls Responded within One Hour (# of emergency calls responded within 60 minutes / # of emergency calls) | 90.0% | 96.7% | 96.7% |
| 10 Compression Reliability % reliable for transmission compression | | 99.7% | 99.9% |
| 11 Damages per 1000 locate requests | | 2.22 | 1.97 |
| 12 Total Cost per Customer (\$ / Customer) | | 658.2 | 653.6 |
| 13 Total Cost per km of Distribution Pipe (\$ / km of Distribution Pipe) | | 16,928.5 | 16,735.4 |
| PUBLIC POLICY RESPONSIVENESS (Conservation & Demand Management & Connection of Renewable Generation) | | | |
| 14 Total Cumulative Cubic Meters of Natural Gas Saved (Net) (Millions) | | 1,932.0 | 1,796.5 |
| FINANCIAL PERFORMANCE (Financial Ratios) | | | |
| 15 Current Ratio (Current Assets / Current Liabilities) | | 0.66 | 0.75 |
| 16 Debt Ratio (Total Debt / Total Assets) | | 0.40 | 0.40 |
| 17 Debt to Equity Ratio (Total Debt / Shareholders' Equity) | | 1.01 | 0.98 |
| 18 Interest Coverage (EBIT / Interest Charges) | | 2.34 | 2.53 |
| 19 Financial Statement Return on Assets (Net Income / Total Assets) | | 1.97% | 2.25% |
| 20 Financial Statement Return on Equity (Net Income / Shareholders' Equity) | | 4.96% | 5.56% |

ONTARIO ENERGY BOARD NOTICE TO CUSTOMERS OF ENBRIDGE GAS INC.

Enbridge Gas Inc. has applied to dispose of the balances in certain deferral and variance accounts.

Learn More. Have your say.

If the application is approved as filed, a typical residential customer of Enbridge Gas Inc. will see the following one-time billing adjustment, effective October 1, 2021:

Residential Customer Bill Impacts

| Rate Classes | One-time billing adjustment, effective October 1, 2021 |
|----------------------------------|---|
| Enbridge Gas Distribution Rate 1 | \$ 5.30 (Credit) |
| Union Gas South Rate M1 | \$ 7.97 (Charge) |
| Union Gas North West Rate 01 | \$ 30.08 (Credit) |
| Union Gas North East Rate 01 | \$ 7.26 (Charge) |

Other customers, including businesses, may also be affected.

Enbridge Gas Inc. is required to share with customers any earnings that are 150 basis points over the OEB-approved return on equity. Enbridge Gas Inc. says that its 2020 earnings were below the 150 basis point threshold and as a result it is not proposing to share any earnings with customers.

THE ONTARIO ENERGY BOARD WILL HOLD A PUBLIC HEARING

The Ontario Energy Board (OEB) will hold a public hearing to consider Enbridge Gas's application. During this hearing, which could be an oral or written hearing, we will review Enbridge Gas's 2020 earnings and the deferral account balances that are requested for disposition. We will also hear questions and arguments from individuals that have registered to participate (called intervenors) in the OEB's hearing. At the end of this hearing, the OEB will decide whether to grant Enbridge Gas's request to dispose of the deferral account balances.

The OEB is an independent and impartial public agency. We make decisions that serve the public interest. Our goal is to promote a financially viable and efficient energy sector that provides you with reliable energy services at a reasonable cost.

BE INFORMED AND HAVE YOUR SAY

You have the right to information regarding this application and to be involved in the process.

- You can review Enbridge Gas's application on the OEB's website now
- You can file a letter with your comments, which will be considered during the hearing
- You can become an intervenor. As an intervenor, you can ask questions about Enbridge Gas's application and make arguments on whether the OEB should approve Enbridge Gas's request. Apply by **July 9, 2021** or the hearing will go ahead without you and you will not receive any further notice of the proceeding
- At the end of the process, you can review the OEB's decision and its reasons on our website

The OEB intends to consider cost awards in this proceeding that are in accordance with the [Practice Direction on Cost Awards](#) and only in relation to the following:

1) The review of the following deferral and variance accounts:

EGD Rate Zone (former Enbridge Gas Distribution Inc.) Accounts

- Storage and Transportation Deferral Account
- Transactional Services Deferral Account
- Unaccounted-For Gas Variance Account
- Average Use True-Up Variance Account
- Deferred Rebate Account
- Transition Impact of Accounting Charges Deferral Account
- Ontario Energy Board Cost Assessment Variance Account
- Dawn Access Costs Deferral Account

Union Rate Zones (former Union Gas Limited) Accounts

- Upstream Transportation Optimization Deferral Account
- Unabsorbed Demand Costs Variance Account
- Deferral Clearing Variance Account - Supply
- Deferral Clearing Variance Account – Transport
- Base Service North T-Service TransCanada Capacity Deferral Account
- Short-Term Storage and Other Balancing Services Deferral Account
- Normalized Average Consumption Deferral Account
- Deferral Clearing Variance Account

- Ontario Energy Board Cost Assessment Variance Account
- Parkway West Project Costs Deferral Account
- Lobo C Compressor/Hamilton-Milton Pipeline Project Costs Deferral Account
- Lobo D/Bright C/Dawn H Compressor Project Costs Deferral Account
- Panhandle Reinforcement Project Costs Deferral Account
- Pension and OPEB Forecast Accrual vs. Actual Cash Payment Differential Variance Account
- Unaccounted for Gas Price Variance Account

Enbridge Gas Inc. Accounts

- Earnings Sharing Deferral Account
- Tax Variance Deferral Account
- Accounting Policy Changes Deferral Account

2) The review of Enbridge Gas Inc.'s 2020 earnings, earnings sharing calculations and the 2020 Performance Scorecard.

3) The review of the methodology for disposing and allocating the deferral and variance account balances.

LEARN MORE

These proposed charges relate to Enbridge Gas's distribution services. They make up part of the Delivery line - one of the line items on your bill. Our file number for this case is **EB-2021-0149**. To learn more about this hearing, find instructions on how to file a letter with your comments or become an intervenor, or to access any document related to this case, please enter the file number **EB-2021-0149** or select it from the list of file numbers on the OEB website: www.oeb.ca/notice. You can also phone our Public Information Centre at 1-877-632-2727 with any questions.

ORAL VS. WRITTEN HEARINGS

There are two types of OEB hearings – oral and written. Enbridge Gas has applied for a written hearing. The OEB will determine at a later date whether to proceed by way of a written or oral hearing. If you think an oral hearing is needed, you can write to the OEB to explain why by **July 9, 2021**.

PRIVACY

If you write a letter of comment, your name and the content of your letter will be put on the public record and the OEB website. However, your personal telephone number, home address and email address will be removed. If you are a business, all your information will remain public. If you apply to become an intervenor, all information will be public.

This rate hearing will be held under section 36 of the Ontario Energy Board Act, 1998, S.O. 1998, c.15, Schedule B.



Ontario
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