



Appendix B

Details of Adjustments for Regulatory Financial Statements

Enbridge Gas New Brunswick
Details of Adjustments for Regulatory Financial Statements
For the year ended December 31, 2018

		Linked to Trial Balance Per unaudited EGNB financial statements	Adjustments		Per unaudited regulatory financial statements
			Debit	Credit	
1	Trial balance for regulatory purposes				
2	4th Quarter ended December 31, 2018				
3					
4	Balance sheet				
5					
6					
7					
8					
9	ASSETS				
10	CURRENT ASSETS				
11	Cash	4,804.16			4,804.16
12	Restricted term deposit	2,959.38			2,959.38
13	Accounts receivable	15,186.78			15,186.78
14	Prepaid expenses	296.28	10 408.87	1 (408.87)	296.28
15	Receivable from affiliate	2,816.37			2,816.37
16	Service & Inspection inventory	306.66			306.66
17					
18	Total Current Assets	26,369.64			26,369.64
19					
20	PROPERTY, PLANT AND EQUIPMENT				
21	Distribution Mains	245,767.79	14 62.17	1 (1,529.53)	244,086.06
22			14 (19.43)	9 198.17	
23	AFUDC	0.00	14 (42.74)	13 (350.36)	0.00
24	Other	0.00			0.00
25	Subtotal	245,767.79			244,086.06
26	Accumulated amortization	(68,235.13)	1 145.09		(68,047.79)
27			8 22.61	12 19.63	
28	Net Property, Plant and Equipment	177,532.66			176,038.27
29	Construction Work in progress	859.91	13 350.36	1 (361.35)	650.76
30	Subtotal	178,392.57		9 (198.17)	176,689.03
31					
32	Inventory and line pack gas	811.60			811.60
33					
34	Purchase gas variance	10,000.51		1 (38.84)	9,961.67
35					
36	Long-term receivable	15.92			15.92
37					
38	Pension asset	268.70	1 690.88		1,193.85
39			15 234.27		
40	Deferred Charges				
41	Franchise fee	3,435.68			3,435.68
42	Carrying costs on deferred development charges	0.00			0.00
43	Utility gas development cost	0.00			0.00
44	Deferred development charges	0.00			0.00
45	Deferred Capitalized O&M	114,901.73	1 50.62		114,952.36
46					
47	Deferred costs - equity offering	0.00			0.00
48					
49	Total Deferred Charges	118,337.42			118,388.04
50					
51	Accumulated amortization	(33,444.21)		1 (0.67)	(33,444.89)
52					
53					
54					
55	Accumulated amortization gas deferred charges	0.00			0.00
56					
57					
58	Net Deferred charges	84,893.21		16 (3,960.49)	84,943.16
59				1 (35,224.34)	139,515.86
60	Regulatory deferral	178,746.93		6 (4.00)	
61				7 (22.61)	
62				11 (19.63)	
63					
64		263,640.14			224,459.02
65	Goodwill				
66	At cost less amortization \$1,000	300.00	2 200.00	1 (500.00)	(0.00)
67					
68	TOTAL ASSETS	479,799.09			439,500.72

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1	LIABILITIES						
2							
3	CURRENT LIABILITIES						
4	Bank indebtedness	0.00				0.00	
5	Accounts payable and accrued liabilities	(10,645.54)				(10,645.54)	
6	Rates Variance	0.00		17	(1,569.13)	(1,569.13)	
8	Due to affiliated companies (Pension Liability)	(2,459.10)				(2,459.10)	
10	Interest payable on long term debt	(521.43)				(521.43)	
11	Note payable to affiliate	0.00				0.00	
12	Total Current Liabilities	<u>(13,626.08)</u>				<u>(15,195.21)</u>	
13							
14	LONG TERM DEBT						
15	Notes payable to affiliate	(149,500.00)				(149,500.00)	
16							
17	PARTNERS' EQUITY						
18	Partnership capital	(280,505.95)				(280,505.95)	
19							
20	Adjustments affecting capital	0.00	1	24,746.26	5	173.92	25,364.50
21			3	347.97	4	138.59	
22					8	(22.61)	
23					12	(19.63)	
24							
25							
26							
27							<u>(255,141.46)</u>
28	Retained earnings	(36,167.06)		14,194.96		2,308.04	(19,664.06)
29							
30		<u>(316,673.01)</u>					<u>(274,805.52)</u>
31							
32		<u>(479,799.09)</u>		<u>41,391.89</u>		<u>(41,391.90)</u>	<u>(439,500.72)</u>
33	TOTAL LIABILITIES AND PARTNERS' EQUITY						

Enbridge Gas New Brunswick
Details of Adjustments for Regulatory Financial Statements
For the year ended December 31, 2018

		Linked to Trial Balance	Adjustments		Per regulatory financial statements		
		Per unaudited EGNB financial statements	Debit	Credit			
1	Trial balance for regulatory purposes						
2	4th Quarter ended December 31, 2018						
3							
4	Income statement						
5	(In thousands of dollars)						
6							
7							
8							
9	REVENUES						
10							
11	Distribution Revenue	(46,938.30)			(46,938.30)		
12							
13	Other Revenues						
14	Agent, Broker, Marketer Billing (ABC)	(203.78)			(203.78)		
15	Allowance for funds used during construction	(7.46)			(7.46)		
16	Carrying cost on deferred development charges	0.00			0.00		
17	Interest income	0.00			0.00		
18	Interest from affiliates	0.00			0.00		
19	Other	(1,015.44)	10	(408.87)	(1,424.31)		
20	Total Other Revenues	(48,164.99)			(48,573.86)		
21							
22							
23	EXPENSES						
24	Operating & Maintenance Costs	11,448.58	5	1,717.97	15	(234.27)	12,932.29
25							
26	Amortization of property, plant & equipment	6,102.16					6,102.16
27	Amortization of deferred charges	2,928.88					2,928.88
28							
29	Amortization of gas utility franchise	200.00		2	(200.00)		0.00
30	Interest on long-term debt	6,992.52		4	(138.59)		6,853.92
31	Other interest expense	21.24					21.24
32	Deemed capital taxes	0.00					0.00
33	Property taxes	1,258.84					1,258.84
34	Corporate services	347.97		3	(347.97)		0.00
35	Transportation (net)	1,891.89		5	(1,891.89)		0.00
36	Bad debt expense	132.40					132.40
37	Other	59.33					59.33
38	Total Other Expenses	31,383.80					30,289.06
39							
40	(Income)/Loss on distribution activities	(16,781.18)		1,717.97		(3,221.58)	(18,284.80)
41							
42	Sale of gas	(33,537.58)					(33,537.58)
43	Gas costs	33,537.58					33,537.58
44		0.00					0.00
45							
46	Retail services						
47	Service & Inspection revenue	(613.81)					(613.81)
48	Service & Inspection costs	332.39					332.39
49		(281.42)					(281.42)
50							
51	(INCOME) LOSS BEFORE REGULATORY DEFERRAL	(17,062.61)					(18,566.22)
52							
53	Transfer to deferral		6	4.00	16	3,960.49	4,006.73
54	Excess returned to customers		7	22.61	17	1,569.13	1,569.13
55			11	19.63			
56	Income before return on rate base	(17,062.61)					(12,990.36)
57							
58	Regulated return on equity (Rate Base)	0.00					0.00
59							
60	Net Income	(17,062.61)					(12,990.36)
61							
62	Retained earnings at beginning	(19,104.45)					(6,673.70)
63			1	12,430.75			
64	Distribution to Partners	0.00					0.00
65							
66	Retained earnings at end	(36,167.06)		14,194.96		2,308.04	(19,664.06)

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For the year ended December 31, 2017

#	Details	Debit	Credit
01	Deferral account	(35,224.34)	
	Development O&M	50.62	
	Pension Asset	690.88	
	Adjustments affecting capital	24,746.26	
	Property, Plant & Equipment	(1,529.53)	
		(11,266.10)	
	Retained earnings	12,430.75	
	Goodwill - net	(500.00)	
	Construction wip	(361.35)	
	Accumulated amortization of deferred charges	(0.67)	
	Accumulated amortization of PP&E	145.09	11,266.10
	Prepaid	(408.87)	
	PVGA	<u>(38.84)</u>	
	Accumulated opening entry		
02	Goodwill	200.00	
	(\$200 k annually = 16.667 month)		
	Amortization of goodwill		(200.00)
	Removes goodwill and amortization of goodwill		
03	Adjustments affecting capital	347.97	
	Corporate Costs		(347.97)
	Transfer of disallowed expenses		
04	Adjustments affecting capital	138.59	
	Interest on long-term debt	(141.55)	
	AIDC	<u>2.96</u>	(138.59)
	Adjust interest expense		
05	Operating and maintenance expenses	1,717.97	
	Regulatory adjustments	173.92	
	Transportation (net)	<u>(1,891.89)</u>	(1,891.89)
	Reclassification of FSA		
06	Regulated return on equity	4.00	
	Regulatory Deferral		(4.00)
	To adjust for the disallowed IS Margin costs as per the 2010 EUB Decision		
07	Regulatory Deferral - IS	22.61	
	Regulatory Deferral - BS		(22.61)
	To adjust Disallowed Legal Costs 12/13		
08	Accumulated Depreciation	22.61	
	Partnership Capital		(22.61)
	To adjust Disallowed Capitalized O&M 12/13		
09	Property, Plant & Equipment	198.17	
	Construction wip		(198.17)
	2018 year end CWIP and PP&E accounting treatment change		
10	SEUF Fees Prepaid for 2018	408.87	
	SEUF Fees (Other Revenue)		(408.87)
	SEUF Fees Prepaid for 2018		
11	Regulatory Deferral - IS	19.63	
	Regulatory Deferral - BS		(19.63)
	To adjust Rate Base Decision on Matter 371		
12	Accumulated Depreciation	19.63	
	Partnership Capital		(19.63)
	To adjust Rate Base Decision on Matter 371		
13	Construction wip	350.36	
	Property, Plant & Equipment		(350.36)
	To reverse 2017 year end CWIP and PP&E accounting treatment change		
14	Property, Plant & Equipment - Meters	62.17	
	Property, Plant & Equipment - Main		(19.43)
	Property, Plant & Equipment - Service Lines		(42.74)
	To adjust 2017 year end plant balances for GI meter O&M capitalized allocation		
15	Pension Asset	234.27	
	Pension Expense		(234.27)
	Adjust Pension to Rate Regulated/Cash Contribution		
16	Regulatory Deferral - IS	3,960.49	
	Regulatory Deferral - BS		(3,960.49)
	Excess Earning applied to deferral account		
17	Rates Variance - IS	1,569.13	
	Rates Variance - BS		(1,569.13)
	Excess Earning applied to rates		
		<u>(1,815.71)</u>	<u>1,815.71</u>

