

SCHEDULE 3.7

Corporate Allocation Report

1 **Corporate Allocations**

2 **Purpose of the Document**

3 This document was developed to set out the methodology used by EGNB to determine  
4 the allocation of costs from Enbridge Inc. (“Enbridge”) to EGNB recoverable in rates.  
5 The methodology has been used in the development of the 2014 Actuals, the 2015  
6 Forecast and the 2016 Budget for the rate application filed on December 21, 2015 with  
7 the Board.

8 **Enbridge Corporate Allocation Methodology**

9 Enbridge is a leader in energy transportation and distribution in North America and  
10 internationally. It operates the world’s longest crude oil and liquids transportation  
11 pipeline and Canada’s largest natural gas distribution company. It also operates natural  
12 gas transmission pipelines and midstream businesses in the United States and invests in  
13 international energy projects. Its activities are comprised of regulated and non-regulated  
14 businesses.

15 Enbridge believes in an “integrated” operating model which involves the corporate office  
16 effectively managing as an integral extension of the decision making and operating  
17 activities of its business units and affiliates (for the benefit of the business). The impact  
18 of this operating model results in a decrease in overall cost of each respective affiliate’s  
19 operating and maintenance expenses due primarily to the potential for economies of  
20 scale. The resulting corporate cost allocations back to the affiliate are offset by a  
21 reduction in their own incurred costs. For management and regulatory purposes, these  
22 operating costs and benefits need to be tracked.

23 EGNB relies on the Enbridge name and reputation. The overall strength of Enbridge and  
24 how it is perceived in the market provides a foundation for the benefits that EGNB  
25 receives from being part of Enbridge, including relying on the strength of the Enbridge  
26 name in dealings with industry stakeholders and the public and gaining access to debt and  
27 equity financing. EGNB also benefits from shared resources.

28 EGNB believes that the cost allocation methodology policy applied by Enbridge to all its  
29 operating entities to allocate the corporate office costs is appropriate and fair.

1 **EGNB methodology for recovery of Corporate Allocations**

2 The objective of the methodology is to establish the appropriate charges to be allocated  
3 for services delivered in a given fiscal year by Enbridge to EGNB based on the criteria  
4 specified by the Board that would be recoverable in rates. The methodology is simple  
5 and practical to administer, transparent and supported by data and records.

6 EGNB has reviewed all the corporate allocations in accordance with directives in the  
7 January 30, 2012 Board decision.

8 All current corporate allocation costs fall into three main groups:

- 9 • Corporate Governance;
- 10 • Information Technology (“IT”);
- 11 • Human Resources.

12 **Corporate Governance**

13 Corporate governance is the system by which EGNB is directed and controlled. This is  
14 accomplished with the development and consistent application of processes, policies,  
15 guidelines, laws and instructions across the organization. Corporate governance also  
16 includes the management of relationships among the many stakeholders involved and the  
17 goals for which EGNB is governed. EGNB’s main external stakeholder groups are  
18 shareholders, debt holders, trade creditors, suppliers, customers and communities affected  
19 by its activities. EGNB’s internal stakeholders are the board of directors, executives and  
20 other employees. Corporate governance works to ensure that an enterprise is directed and  
21 controlled in a responsible, professional and transparent manner with the purpose of  
22 safeguarding its long-term success and is intended to increase the confidence of  
23 shareholders and capital-market investors.

24

1 **Information Technology**

2 IT involves two functions: IT management and management of information systems. IT  
3 management is the management of all of the technology resources in accordance with  
4 EGNB requirements and priorities. These resources include tangible investments like  
5 computer hardware, software, data storage, networks and data centre facilities, as well as  
6 the staffing needed to maintain them. EGNB relies on Enbridge to manage these  
7 responsibilities and to provide basic management functions, such as budgeting, staffing,  
8 organizing and controlling, along with other aspects that are unique to technology, like  
9 change management, software design, systems security, network planning and technical  
10 support.

11 A primary focus of IT management is the value creation made possible by technology  
12 and the alignment of technology and business strategies. EGNB relies on Enbridge to  
13 provide this service. Its objective is to design and implement procedures, processes and  
14 routines that provide detailed reports in an accurate, consistent and timely manner. This  
15 includes Oracle Financials for financial reporting and employee expenses, Khalix for  
16 budgeting, Peoplesoft for human resource management and other employee management  
17 systems for managing areas such as safety and training.

18 Enbridge has a strong base of knowledge and expertise in the areas described above.  
19 EGNB is able to tap into these resources cheaper due to economies of scale. This  
20 knowledge and strength extends from the senior leadership through to staff within  
21 Enbridge and the affiliates.

22 **Human Resources**

23 Human resource management is the management of an organization's workforce, or  
24 human resources. It is responsible for the attraction, selection, training, assessment and  
25 rewarding of employees, while also overseeing organizational leadership and cultures,  
26 and ensuring compliance with employment and labour laws. This function also addresses  
27 the development and execution of the total compensation strategy through managing the  
28 analysis, design, implementation, communication and automation of pay systems,  
29 perquisites, benefits and retirement programs. It also negotiates, executes and maintains

1 all third party travel agreements as well as the development and oversight of employee  
2 expense reporting policies and existing corporate card programs.

### 3 **Methodology Guiding Principles**

4 The first step in the methodology is to demonstrate that the corporate cost allocations  
5 recoverable in rates are based on three guiding principles:

- 6 • *Cost Incurrence* - are the proposed charges prudently incurred by, or on behalf of  
7 the utility for the provision of a service required by ratepayers;
- 8 • *Cost Allocation* - if properly incurred, are the proposed charges allocated  
9 appropriately to the utility, based on the application of cost allocation factors as  
10 outlined in the Enbridge Cost Allocation Methodology policy; and
- 11 • *Cost Benefit* - do the benefits to the utility's ratepayers equal or exceed the costs.

12 In meeting the third principle of benefit to the utility's ratepayers, EGNB proposes that  
13 the following three categories support the basis for assessing quantifiable benefits:

- 14 • *Replacement benefits (RB)* - the services provided replace an equivalent service at  
15 equal or lower cost;
- 16 • *Synergistic or Linkage benefits (SB)* - the services allow the utility to reduce costs  
17 by means of being part of a larger organization and operating in concert for the  
18 procurement of products and services;
- 19 • *Direct benefits (DB)* - strategic actions and activities instituted by affiliates that  
20 produce direct value to the utility.

### 21 **Cost Allocations**

22 The corporate allocation costs determined to have been prudently incurred and a benefit  
23 to the ratepayer would be further evaluated and the corresponding percentages would be  
24 applied for regulatory purposes:

- 25 • *Direct Costs (DC)* – reflect flow through costs incurred when EGNB would need  
26 to perform the service directly and would be allocated at 100% to regulated  
27 operations.

- 1       • *Shared Costs (SC)* – reflect costs that would be allocated at 50% to regulated  
2       operations and 50% to shareholders.
- 3       • *Administrative Costs (AC)* –incurred as a result of a direct cost or shared cost and  
4       cannot be severed will be allocated at 10% to regulated operations and 90% to  
5       shareholders
- 6       • *Non-Applicable Costs (N-AC)* – reflects costs that do not meet the three guiding  
7       principles and as a result are not allocated to the regulated operations.

8       The implementation of EGNB’s Regulatory Cost Allocation methodology to the current  
9       corporate allocations is presented below in Table 1 - Corporate Allocations.

10      **Addition and Removal of Corporate Cost Allocations**

11      As business requirements change so will corporate allocation costs. As a result the  
12      addition, revision and removal of corporate cost allocations will be evaluated in the same  
13      manner as presented above and reviewed by the Board during the annual regulatory  
14      financial review process.

Table 1 - Corporate Allocations

Allocation	Corporate Allocation	Cost Type	% Allocated to Regulated Activities	Stand-Alone	Definition of service	Benefit	Benefit to Ratepayer
Corporate Governance	CEO	N-AC	0%	No	The office of the CEO provides leadership and strategic counsel to the organization. Ongoing contact with large energy customers or suppliers and liaison with other major companies in the energy industry.	SB	Although EGNB has not allocated any of these costs to the regulatory cost allocation EGNB does believe the ratepayer benefits from these costs. The government of New Brunswick has placed high importance on new development and investment in the province with initiatives such as Invest NB. The office of the CEO liaises with major energy companies and major energy customers' suppliers and would influence heavily the potential investment of companies. Also the leadership of Enbridge provides EGNB with access to lower debt financing costs than if EGNB were a stand-alone entity.
	CFO				The office of the CFO provides leadership and advice regarding the financial affairs of EGNB; Investor Relations, Treasury, Controllers', Audit Services, Pension Administration and supplier Management.		
	Corporate Aviation				Costs associated with operating the corporate jet.		
	Investment Review				The department investigates and develops investment opportunities in emerging and alternative energy technologies. This group develops and coordinates corporate wide long range plans, examines existing strategies and identifies potential new strategic directions. They set corporate standards for the evaluation and review of investments that require approval from the Board of Directors or the Corporate Leadership Team.		
	Tax Services	AC			Preparation of tax returns and HST filings for all legal entities in Canada.		Without a corporate head office, EGNB would not be able to derive many of the benefits it receives from being part of Enbridge Inc. EGNB relies on the Enbridge name and reputation. The overall strength of Enbridge and how it is perceived in the market provides a foundation for the benefits that EGNB receives from being part of Enbridge, including relying on the strength of the Enbridge name in dealings with industry stakeholders and the public and gaining access to debt and equity financing.
	Pensions Expense				Benefits and Pension costs associated with Enbridge Inc operations/employees.		
	Business Tax				Overall costs of operations for Calgary Office		
	Compliance Systems				Overall implementation of Compliance systems		
	Enterprise Travel Procurement Card Program				This program provides support, the necessary tools (concourse), negotiates corporate wide rates with vendors, along with guidance (policies) for companywide business travel.		
	Corporate Secretarial				Legal counsel and advice on Corporate Secretarial related matters		
	Directors Fees and Expenses				Enbridge Board of Directors provides strategic advice regarding the operation of EGNB.		
	EGD				EGD services reallocated based on EGD employee time spent to service EGNB		
	Employee Benefits				Benefits associated with employees at the corporate office.		
	Enbridge Pipeline Inc. Direct Charges				Related to IT services, some accounting, tax payroll, and legal services.		
	Investors Relations				Maintain the investor relations necessary to enable Enbridge to effectively access the capital markets. Organizes annual shareholder meetings, prepares annual and quarterly reports to shareholders, investment analysts and potential investors in the debt and equity of Enbridge.		

Table 1 - Corporate Allocations

Allocation	Corporate Allocation	Cost Type	% Allocated to Regulated Activities	Stand-Alone	Definition of service	Benefit	Benefit to Ratepayer
Corporate Governance	Executive VP People and Partners	SC	0%	No	Senior leadership in HR, IT Corporate Secretarial and Corporate Administration services	SB/RB	Economies of scale allow this service to be provided at a lower rate than if EGNB was required to outsource these activities to consultants.
	Other Employee Benefits				Benefits associated with employees at the corporate office.	SB	
	Rent & Lease	AC			The rent and lease costs that are allocated to EGNB are a portion of the rental and lease costs for Enbridge Inc.'s corporate offices, which provides a location for the corporate employees.		
	Corporate Controller	SC	25%	Yes	Setting accounting policies and practices, preparation and dissemination of consolidated financial results, prepares external reports, maintenance of enterprise wide financial accounting system, implementation of new accounting standards.	SB/RB	EGNB relies on the Enbridge reputation. The overall strength of Enbridge and how it is perceived in the market provides a foundation for the benefits that EGNB receives from being part of Enbridge, including relying on the strength of the Enbridge name in dealings with industry stakeholders and the public.
	Public Affairs & Corp Comm.				This department provides leadership to support achievement of key corporate and business unit objectives. This encompasses the development of all materials and relationships to maintain the reputation of Enbridge among external and internal stakeholders. Public affairs and corporate communications provide EGNB with access to a broader group of professionals that can provide advice on issues facing EGNB and approaches to address them. In addition, these costs support Enbridge Inc.'s activities to develop plans, messages and relationships that maintain and strengthen the reputation of Enbridge among external stakeholders.		
	Enterprise Communications & Community Partners				Internal Communications is responsible for the governance, planning and execution of company-wide employee communications and internal communication channels (such as the company intranet, employee app and all company forums) that provide employees with the information they need to be engaged company advocates aligned with business objectives.		
	Enterprise Safety & Operational Reliability				The Corporate and Business Communications team is responsible for providing public relations and communications support and advice to the Enterprise, at a corporate level and in support of business units. This includes providing counsel and execution support on advertising, collateral development, public relations and marketing efforts at all levels of the organization.		
	Corp Law General Expenses				Coordinates and provides corporate-wide legal counsel and consultation to business units. They maintain and update corporate wide policies relating to contract administration, business conduct statements and corporate emergency response plans.		
	Group VP Law				Provides executive level expertise and guidance, as well as overall direction for significant compliance and governance initiatives.		
	Compliance Group Law				Group's primary focus is communication, training, monitoring, investigating, tracking and reporting of compliance assurance activities necessary to promote enterprise wide adherence to the Enbridge Compliance Program.		



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Allocation	Corporate Allocation	Cost Type	% Allocated to Regulated Activities	Stand-Alone	Definition of service	Benefit	Benefit to Ratepayer
Corporate Governance	Public, Government & Aboriginal Affairs	SC	25%	Yes	The Industry Relations & CSR service provides the required affiliate representation to major energy stakeholders e.g. suppliers, industry associations, and other energy companies in the energy industry. It supports this service by providing the required representation with community stakeholder and interest groups, specifically related to, but not exclusive to educational institutions, environmental interest groups, health and safety organizations, officials and committees and various industry associations. Corporate Social Responsibility (CSR) is an enterprise-wide function that manages the effectiveness with which the company meets its obligations, and achieves its objectives, with respect to being a responsible and good corporate citizen. More specifically the CSR function is responsible for public reporting and disclosure on the company's non-financial performance according to generally accepted guidelines for corporate reporting on social, environmental and governance issues. The Government Relations service ensures Enbridge's interests are heard by government (federal, provincial and municipal) officials, departments and committees. It supports this service by meeting with government representatives on major issues affecting the company.	SB/RB	Economies of scale allow this service to be provided at a lower rate than if EGNB was required to outsource these activities to consultants.
	Corporate IT			Responsible for providing systems to support the overall requirements of Enbridge Corporate Office by providing systems, tools, and project management.			
	Corporate Development Management**			Provides senior leadership and advice regarding the strategic affairs of the company. This office also oversees the activities of corporate strategy and investment review of the various businesses.			
	Records Management Law**			No Responsible for the establishment and maintenance of Enbridge (physical and electronic) records. This includes providing strategies, policies, standards, tools, and program management including compliance monitoring to support records management.			
	Corp Secretarial Legal Fees	DC	100%	Yes	This group is responsible for the efficient administration of Enbridge, particularly with regard to ensuring compliance with statutory and regulatory requirements related to filings and dealing with securities and exchange commissions and for ensuring that decisions by the Board of Directors are implemented.		Limits the number of external legal service providers to allow efficiency of outside legal services and volume based fee reductions.

Table 1 - Corporate Allocations

Allocation	Corporate Allocation	Cost Type	% Allocated to Regulated Activities	Stand-Alone	Definition of service	Benefit	Benefit to Ratepayer	
Corporate Governance	Insurance Risk	DC	100%	Yes	Responsible for identifying corporate risks relating to insurance premiums.	SB	Risk management is beneficial to ratepayers to ensure that EGNB does not take on an inappropriate amount of risk that may impact the short and long-term viability of EGNB. This expertise is highly specialized and EGNB would not have internal resources to fulfill this service and could pose significant risk if it was not available. External resources would cost more than current costs allocated.	
	Risk Assessment**				The Risk Assessment and Management service is responsible for identifying corporate risks, supply and demand risks, operational risks, and external risks, understanding their implications and developing mitigation strategies. The Enterprise Risk Department supports this service by assuming responsibility for assessing, advising on and executing transactions related to mitigating the financial market risk. In addition, the Enterprise Risk Department monitors the credit risk exposure and reports all risk exposures to the Corporate Leadership Team, affiliate Executives and Audit, Finance and Risk Committee.			
	Treasury				Responsible for ensuring optimal liquidity for the long-term and short term.			
	Corporate Performance Management**				Responsible for Budgets & Forecasts for Enbridge Inc. as well as the annual consolidated budget, LRP and forecasting of all BU's.			
	Insurance Premiums				<ul style="list-style-type: none"> <li>Property Insurance protects against most risks to EGNB's property.</li> <li>Liability Insurance protects EGNB against liability claims.</li> <li>Automobile Insurance protects EGNB's vehicles against physical damage and liabilities resulting from traffic accidents.</li> <li>Executive Risk insurance mitigates the personal responsibility of EGNB's representatives. (Partially disallowed for 2015.)</li> <li>Fiduciary Risk Insurance protects EGNB against claims against pension and savings plans.</li> <li>Crime Insurance covers EGNB's losses due to criminal victimization.</li> <li>Professional Liability mitigates the personal responsibility of EGNB's representatives.</li> </ul> Broker Insurance covers the Broker's commission for arranging EGNB's insurance coverage.	DB/SB	These insurance policies would be negotiated on economies of scale therefore lower premiums than if negotiated individually.	
	Audit Services (Calgary)	N-AC	0%					
	Audit Services (Toronto)	DC	100%			Audit Services performs financial, compliance, information technology and operations audits and manages the staff devoted to specific business units.	SB/RB	Provides assurance to ratepayers that EGNB is following all the requirements of GAAP and regulatory compliance. The Toronto office provides direct services relating to regulatory financials whereas the Calgary office provides services for both regulatory and non-regulated accounting services. The ratepayers benefit from the economies of scale and pay significantly less than if these activities were outsourced to consultants.

Table 1 - Corporate Allocations

Allocation	Corporate Allocation	Cost Type	% Allocated to Regulated Activities	Stand-Alone	Definition of service	Benefit	Benefit to Ratepayer
Corporate Governance	Stock Based Compensation (Indirect)	SC	10%	Yes	Stock based compensation refers to compensation that is made in the form of stock options. Individuals at the Director level and above within Enbridge Inc. would typically be eligible for this compensation. As stock based compensation forms part of a competitive total compensation package for Enbridge Inc. employees, it supports the overall operations of Enbridge Inc. and Enbridge Inc.'s ability to attract and retain properly skilled employees.	SB	Enbridge like many companies offers its executive stock options. These options are an important part of the compensation packages to attract high level executives with extensive experience and qualifications. If removed, the stock options would have to be replaced by more costly compensation. EGNB benefits from being part of an organization that has a highly qualified management team and this benefit is passed on to the ratepayer.
	Stock Based Compensation (Direct)	DC	100%				
Information Technology	EEP Charge (IT Shared Services)	N-AC	0%	Yes	IT shared services provided by Enbridge Pipeline Inc on behalf of Enbridge.	SB/RB	The initial capital investment for information technology is very high and would require additional staffing to operate and maintain the systems. Although EGNB, as a stand-alone company, could operate with less complex information technology, the costs associated with initial capital investment and additional staff requirements would be equal or greater than the allocation currently paid for a high end information technology service offered by Enbridge. Ratepayers benefit from the use of best in class technology at a lower or equivalent priced technology. EGNB benefits from these services through use of Enbridge access to current information technology approaches, application suites, data storage in Toronto, software updates, training, etc. which are rolled out and governed by this corporate department.
	Enterprise Architect	SC	50%		The enterprise architecture department develops and monitors enterprise wide strategies, policies and standards for information technology.		
	IT ES EMC				The IT Enterprise Service Enterprise Content Management (ECM) Department is responsible for designing, implementing and managing our content management systems. These systems ensure that Enbridge information is appropriately managed in accordance with the content management and retention policies and guidelines provided by the Corporate Law department. Management of these systems and their content in accordance with the retention policies ensures supports Enbridge's information retention, discovery and disclosure requirements.		
	IT ISS Management				Responsible for ensuring that appropriate financial, resource, project and service management processes and procedures are in place within IT Infrastructure Shared Services. As well as ensuring the processes exist, the department is responsible for ensuring that the processes are used and that they are effective and efficient		
	Knowledge Management				Responsible for developing, maintaining and publishing records and information management policies and procedures.		
	CIO	DC	100%		Responsible for setting corporate strategy and standards with respect to the use of Information Technology. Responsible for determining what information technology tools and approaches should be used across the business units to maximize efficiency and effectiveness in that delivery function.		
	Depreciation				Depreciation on Enbridge Inc. enterprise wide systems which EGNB would gain value from relating to IT programs such as: Enterprise, Oracle, IAM, PeopleSoft.		
	Depreciation Risk Management				Responsible for identifying corporate risks relating to Information technology.		
		Enterprise Financial System (EFS) Support					

Table 1 - Corporate Allocations

Allocation	Corporate Allocation	Cost Type	% Allocated to Regulated Activities	Stand-Alone	Definition of service	Benefit	Benefit to Ratepayer
Information Technology	HR Business Solution Services	DC	100%	Yes	The support services for all IT programs relating to HR, i.e. PeopleSoft.	SB/RB	The cost of outsourcing technology information expertise would be significantly higher than the amount allocated to EGNB.
	HRIS Services				The HRIS Program Management and Development service provides consulting services for support of the development and management of on-going HRIS and other HR technology system projects, including design, development, implementation and coordination of project teams.		
	IAM System				Program related used for on-boarding of new staff.		
	Acquisitions				Responsible for assessing the impact to IT of potential acquisitions and then support during the onboarding of the acquired business by providing IT systems, tools and project management.		
	IT Security Operations				Responsible for operating the Enterprise Security Operations Center in Calgary as well as the systems and programs that monitor Enbridge's technical infrastructure for security threats and attacks. This team performs these monitoring activities and required responses 24 hours a day.		Economies of scale allow this service to be provided at a lower rate than if EGNB was required to outsource these activities to consultants.
	IT Application Operations				Provides application support required for Enbridge's daily operations. This includes core business applications such as corporate information systems, the systems used to schedule and monitor pipelines and invoice customers, specialized systems that support the unique business requirements of departments and standard desktop applications. Activities consist of system administration (software upgrades, patches & active monitoring to ensure availability and reliability targets are met), database administration (ensuring integrity and availability) and application technical support.		
	Public Web Systems				Responsible for providing systems to support the overall public internet requirements of Enbridge by providing systems, tools, and project management. The systems portfolio that supports the public web systems service includes Site Core Content Mgmt. System and Google Analytics.		
	IT Security				Responsible for IT security governance and planning, maintenance of a core set of security policies, detection of security threats and vulnerabilities, assessment of security risks, managing IT Risk Management policy compliance, planning and execution of security awareness program.		
	IT Planning and Governance				Responsible for ensuring that IT projects, finances and resources are effectively planned, forecast and managed across all of Enbridge.		

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Allocation	Corporate Allocation	Cost Type	% Allocated to Regulated Activities	Stand-Alone	Definition of service	Benefit	Benefit to Ratepayer
Information Technology	IT ISS Service Support**	DC	100%	Yes	Responsible for the systems and processes that support IT operations across the Enterprise. They provide services such as the IT Service Desk , Incident Management and Response, Problem Management and Response and Asset Management. The IT ISS Service Support Department performs these monitoring activities and responds 24 hours a day, every day of the year.	SB/RB	Economies of scale allow this service to be provided at a lower rate than if EGNB was required to outsource these activities to consultants.
	IT ISS Network**				Responsible for the systems and processes that provide network services for data and voice (telephones) across the Enterprise. These services are required for Enbridge to perform all of its business and support activities. Without the network Enbridge cannot operate its pipelines, gas processing and gas distribution systems, nor can it perform any administrative services like collecting or paying invoices. The IT ISS Network Operations Department supports and operates these systems 24 hours a day, every day of the year.		
	IT ISS Core Infrastructure**				Responsible for operating our data centers and the systems that reside with them. Our primary data centers are in Edmonton, Toronto and Houston, with smaller data centers in Thorold, Dallas and many other locations. These data centers house our critical business systems like PipeLink in LP and CIS in GD as well as our many business support systems like Oracle Financials, PeopleSoft and email. The IT Core Infrastructure Department supports and operates these facilities and systems 24 hours a day, every day of the year.		
	Core Infrastructure**				Invoices budgeted and managed centrally through CORP for Server Support Team (Unix, Windows), Core Infrastructure Architecture & Engineering, Datacenter Services, Enterprise Data Storage & Backup, DBA Support, Virtualization Administration. This budget was previously included in IT ISS Core Infrastructure. Some charges were seperated into another cost centre due to accounts payable & tax considerations.		
	Network Operations*				Invoices budgeted and managed centrally through CORP for Network Architecture & Planning, Network Administration, Remote Data Circuits and Office Telephone (including long distance) Costs. Other Telecommunication Costs. This budget was previously included in IT ISS Network. Some charges were seperated into another cost centre due to accounts payable & tax considerations.		
	Desktop Services*				Invoices budgeted and managed centrally through CORP Desktop Services and Messaging Administration. This budget was previously included in IT Security Operations. They are now shared with IT ES Desktop Services and IT ISS Service Support in CORP. Some charges were seperated into another cost centre due to accounts payable & tax considerations.		
	IT LP Acquisitions**				Responsible for the analysis and procurement of IT systems and software for business units throughout the enterprise.		

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Allocation	Corporate Allocation	Cost Type	% Allocated to Regulated Activities	Stand-Alone	Definition of service	Benefit	Benefit to Ratepayer
Information Technology	Productivity Services*	DC	100%	Yes	Invoices budgeted and managed centrally through CORP Meeting Room Collaboration and AV, Mobility Services (includes BES server and monthly operating costs for cellular devices). This budget was previously included in IT Security Operations. They are now shared with IT ES Desktop Services and IT ISS Service Support in CORP. Some charges were separated into another cost centre due to accounts payable & tax considerations.	SB/RB	Economies of scale allow this service to be provided at a lower rate than if EGNB was required to outsource these activities to consultants.
	IT ES Desktop Services*				Invoices budgeted and managed centrally through CORP Desktop Services and Messaging Administration. This budget was previously included in IT Security Operations.		
	Enterprise Operations**				Enterprise infrastructure and application monitoring, 24 X 7 service. Major Incident response enterprise wide.		
Human Resources	Organizational Effectiveness	SC	50%	Yes	Provides the learning framework that supports the organization's business strategy and ensures appropriate leadership skills and succession development, career and performance management.	SB	Resource Management is a function required in operating an effective company and would be required if EGNB was a stand-alone company. The services offered at the corporate level provide economies of scale that would not be achievable if EGNB had to outsource or add additional staff to undertake the HR functions provided at a corporate level. These services ensure consistency regarding HR services and help to attract and retain highly qualified people to its work force. EGNB currently does not have staff to fulfill the requirements of a payroll function. Centralized services allow negotiating on economies of scale, for example, lower rates for all expenses relating to travel and standardized expenditures and travel policies by all employees.
	Total Compensation (HR)				Development and execution of the total compensation strategy through managing the analysis, design, implementation, communication and automation of pay systems, perquisites, benefits and retirement programs.		
	HR Change Management**				Change Management helps change happen more effectively to improve business performance, decrease risk and increase change agility. The change management team supports strategic and project change work. Strategic Change work is about strengthening the change competency of our employees. Awareness and understanding on how to apply change management and how it can help you be more successful in your day to day work and with leading your team. We provide tools, coaching and examples to build the change competency. Project change work, our team works with a project team to support stakeholders to transition from the current state to a future state, builds engagement, buy-in and participation to understand the how and why of change, accelerates value realization, speed of adoption, utilization rate, proficiency, accelerates and improves the success of adoption and reinforcement. A change specialist will deliver, communications, training, business readiness plans, and sponsor coaching.		
	HR (BU/DEPT Costs)**				A centralized cost center used to provide for severance costs for Corporate Employees. As the severance costs are usually lump sums and unpredictable on an individual department basis, this centralized cost center is created to carry a central budget for severance costs in HR and to charge any actual severance costs against it.		
	Corporate Administration	DC	100%		Negotiate, execute and maintain all 3 <sup>rd</sup> party travel agreements/contracts on behalf of all Enbridge business units. Development and oversight of employees expense reporting policies and existing corporate card programs.	SB/RB	
	Corporate HR				This group is responsible for the oversight of all human resource initiatives in all companies that form part of the Enbridge group of companies. Responsible for O&M of the enterprise wide Human Resources Information System.		

Table 1 - Corporate Allocations

Allocation	Corporate Allocation	Cost Type	% Allocated to Regulated Activities	Stand-Alone	Definition of service	Benefit	Benefit to Ratepayer
Human Resources	Labour Relations	DC	100%	Yes	Lead labour relations strategy, policy and programs and ensure linked to corporate vision.	SB/RB	Resource Management is a function required in operating an effective company and would be required if EGNB was a stand-alone company. The services offered at the corporate level provide economies of scale that would not be achievable if EGNB had to outsource or add additional staff to undertake the HR functions provided at a corporate level. These services ensure consistency regarding HR services and help to attract and retain highly qualified people to its work force. EGNB currently does not have staff to fulfill the requirements of a payroll function. Centralized services allow negotiating on economies of scale, for example, lower rates for all expenses relating to travel and standardized expenditures and travel policies by all employees.
	Strategic Development				This group is responsible for the strategic development of programs relating to human resources.		
	HR Employee Services**				Provides enterprise payroll, benefits administration, data integrity and pension administration services as well as contact center services related to the support of each of these areas. Payroll services include processing time entered, calculating and confirming pay, remitting the bank file to Enbridge's banks (US and Canada) and generating employee pay statements. Benefits administration services include maintaining our benefits plans in PeopleSoft, processing and maintaining employee leaves of absence, interfacing with benefits carriers, reconciling financial records with our carriers, etc. Data integrity services include maintaining the master employee and position data in PeopleSoft and processing all changes to this data upon approved request. Pension administration services include maintaining our pension plans in PeopleSoft, processing retirements, interfacing with pension carriers, reconciling financial records with our carriers, etc. Contact center services include handling enterprise-wide employee inquiries, documenting inquiries in the case management system, entering basic employee transactions in Peoplesoft and providing outstanding service to employees.		
	HR PMO**				The HR PMO (Project Management Office) department is responsible for special projects and project management of HR projects. Cost consist of professional and regulatory services.		
	Records Management Program**				The records management department is responsible for determining policies for record management and maintaining workplace records enterprise wide.		

\* Split out from prior approved allocation

\*\* New Additions