

SECTION 4.0  
2012 Regulatory Financial Statements

#### **4.0 2012 Regulatory Financial Statements**

EGNB's 2012 Actuals have been filed as part of this Application and EGNB is seeking the Board's approval of the 2012 Regulatory Financial Statements.

EGNB has prepared the 2012 Regulatory Financial Statements in a similar format and manner to the 2011 review.

##### **Operating and Maintenance Target**

In the May 16, 2011 decision regarding EGNB's Financial Results and Natural Gas Sales at December 31, 2009, the Board established the requirement to assess EGNB's spending on a per GJ basis. In its January 30, 2012 decision, the Board approved an operating and maintenance spending target of \$2.84/GJ. In its September 20, 2012 decision, the Board approved the exclusion of costs related to the contracted capacity on the Maritimes and Northeast Pipeline from the O&M spending target, resulting in a new target for 2012 of \$2.55/GJ. The actual O& M spending for 2012 was \$2.47/GJ.

##### **Weather Normalization Data**

In its January 30, 2012 Decision regarding EGNB's 2010 Financial Review and 2012 Budget, the Board required that EGNB provide additional information relating to weather normalization if used as an explanation for revenue variances. EGNB has identified weather as a factor in explaining variances between 2012 Actuals and 2012 Budget. The weather normalized data is summarized in the table below. For a complete breakdown of the weather normalization data by month, refer to Schedule 4.4 - Weather Normalization Data.

**Table 4 – Combined Weather-normalized Throughput and Revenue for Jan-Dec 2012**

Combined Weather Normalized for 2012	Jan-Sep	Oct-Dec	Total
2012 GJ's	4,186,329	1,769,305	5,955,634
2012 WN GJ's (Adjusted)	4,396,912	1,824,481	6,221,393
Difference in GJ's	210,583	55,176	265,759
2012 Revenue	\$ 38,352,341	\$ 11,458,243	\$ 49,810,584
Difference in GJ's * Rates	2,299,696	343,295	2,642,991
2012 WN Revenue	\$ 40,652,037	\$ 11,801,538	\$ 52,453,575

The following information has been provided in support of the requested approval of the 2012 Regulatory Financial Statements:

- Schedule 4.1 - 2012 Actuals
- Schedule 4.2 - 2012 Budget
- Schedule 4.3 - 2012 Actuals to Budget Explanations
- Schedule 4.4 - Weather Normalization Data