

SECTION 4.0
2013 Regulatory Financial Statements

4.0 2013 Regulatory Financial Statements

EGNB's 2013 Actuals have been filed as part of this Application and EGNB is seeking the Board's approval of the 2013 Regulatory Financial Statements, including the 2013 addition to the deferral account.

EGNB has prepared the 2013 Regulatory Financial Statements in a similar format and manner to the 2012 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 September 20, 2012 decision, the Board approved EGNB's operating and maintenance ("O&M") budget of \$11.969 million excluding costs related to the contracted capacity on the Maritimes and Northeast pipeline, and a forecasted throughput of 6,312 TJs, resulting in an O&M spending target of \$1.90/GJ. The actual O & M spending per GJ for 2013 was \$1.80/GJ, \$0.10/GJ below the Board established target. This represents a reduction of \$0.67/GJ as compared to 2012.

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 2013 Actuals and 2013 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.

Combined Weather-normalized Throughput and Revenue for 2013	
Weather Normalized for 2013	Total
2013 GJ's	6,552,581
2013 WN GJ's (Adjusted)	6,507,508
Difference in GJ's	(45,073)
2013 Revenue	\$ 44,207,659
Difference in GJ's * Rates	(456,825)
2013 WN Revenue	\$ 43,750,834

The following information has been provided in support of the requested approval of the 2013 Regulatory Financial Statements:

- Schedule 4.1 - 2013 Actuals
- Schedule 4.2 - 2013 Budget
- Schedule 4.3 - 2013 Actuals to Budget Explanations
- Schedule 4.4 - Weather Normalization Data