

SECTION 4.0

2014 Regulatory Financial Statements

1 **4.0 2014 Regulatory Financial Statements**

2 EGNB's 2014 Actuals have been filed as part of this Application and EGNB is seeking the Board's  
3 approval of the 2014 Regulatory Financial Statements, including the 2014 addition to the deferral  
4 account.

5 EGNB has prepared the 2014 Regulatory Financial Statements in a similar format and manner to the  
6 2013 review.

7 **Operating and Maintenance Target**

8 In the May 16, 2011 decision regarding EGNB's Financial Results and Natural Gas Sales at December  
9 31, 2009, the Board established the requirement to assess EGNB's spending on a per GJ basis. In its  
10 April 17, 2014 Decision, the Board approved EGNB's operating and maintenance ("O&M") budget for  
11 2014 of \$11.684 million excluding costs related to the contracted capacity on the Maritimes and  
12 Northeast pipeline, and a forecasted throughput of 6,402 TJs, resulting in an O&M spending target of  
13 \$1.83/GJ. The actual O&M spending per GJ for 2014 was \$1.73/GJ, \$0.10/GJ below the Board  
14 established target. This represents a reduction of \$0.07/GJ as compared to 2013. EGNB is  
15 appropriately managing O&M expenses. The actual O&M spending in 2013 was \$1.80/GJ and  
16 \$2.47/GJ in 2012.

17 **Rate Rider**

18 The Board imposed Rate Rider during the months of February to April 2014 resulted in significant lost  
19 revenues for the public utility in 2014. Although partially offset by the colder than normal weather,  
20 the reduction in rates still resulted in revenues that were not sufficient to cover the Board approved  
21 revenue requirement.

22 **Weather Normalization Data**

23 In its January 30, 2012 Decision regarding EGNB's 2010 Financial Review and 2012 Budget, the  
24 Board required that EGNB provide additional information relating to weather normalization if used as  
25 an explanation for revenue variances. EGNB has identified weather as a factor in explaining variances  
26 between 2014 Actuals and 2014 Budget. The weather normalized data is summarized in the table

1 below. For a complete breakdown of the weather normalization data by month, refer to Schedule 4.4 -  
 2 Weather Normalization Data.

1 <b>Combined Weather-normalized Throughput and Revenue for 2014</b>	
3 <b>Weather Normalized for 2014</b>	<b>Total</b>
4 <b>2014 GJ's</b>	6,634,592
5 <b>2014 WN GJ's (Adjusted)</b>	6,551,023
6 <b>Difference in GJ's</b>	(83,569)
7 <b>2014 Revenue</b>	\$ 45,651,351
8 <b>Difference in GJ's * Rates</b>	(449,961)
9 <b>2014 WN Revenue</b>	<u>\$ 45,201,390</u>

3  
 4 The following information has been provided in support of the requested approval of the 2014  
 5 Regulatory Financial Statements:

- 6 • Schedule 4.1 - 2014 Actuals
- 7 • Schedule 4.2 - 2014 Budget
- 8 • Schedule 4.3 - 2014 Actuals to Budget Explanations
- 9 • Schedule 4.4 - Weather Normalization Data