

BEFORE THE  
STATE OF NEW YORK  
PUBLIC SERVICE COMMISSION

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In the Matter of  
St. Lawrence Gas Company, Inc.

Case 15-G-0382

October 2015

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Prepared Exhibits of:

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STAFF OF THE DEPARTMENT OF PUBLIC SERVICE  
INTERROGATORY/DOCUMENT REQUEST

Case 15-G-0382  
St. Lawrence Gas Company, Inc.  
Gas Rates

Request No. : DPS-6

Requested By: Staff

Witness: Gaines

Date of Request:

Response Date: July 10, 2015

Subject: Internal audit reports

- 6 Provide a subject list of all internal audit reports pertaining to the company made since the last rate case or in the most recent three years, whichever is less, through the end of the test period. If the company was not subject to a stand-alone audit, provide excerpts from affiliated companies that relate to transactions with the regulated company.

Security Audit performed by parent company– Report issued January 2012  
2014 Governance Audit performed by parent company- Report issued June 30,  
2015

STAFF OF THE DEPARTMENT OF PUBLIC SERVICE  
INTERROGATORY/DOCUMENT REQUEST

Case 15-G-0382  
St. Lawrence Gas Company, Inc.  
Gas Rates

Request No. : DPS-41

Requested By: Staff

Witness: Gaines

Date of Request:

Response Date: July 13, 2015

Subject: Affiliated companies – Allocated expenses

41 To the extent allocated expenses from affiliates are included in the requested revenue requirement, provide the following in electronic format by account and month for the test period:

- a) the allocation procedures governing affiliate transactions;
- b) the code of conduct governing relationships between the utility and its affiliates;
- c) each allocation source;
- d) the dollar amount subject to allocation;
- e) an identification of the allocation factor or factors used;
- f) the value of the allocation factor or factors; and,
- g) the dollar amount after allocation fully broken down and identified by cost element (i.e. executive pay, incentive pay, donations, interest).

See '41 Allocated Expenses from Affiliates'.



## *Cost Allocation Methodology*

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**December 1, 2012**

**Enbridge Inc.**

**3000, 425 – 1<sup>st</sup> St SW  
Calgary, Alberta  
T2P 3L8**

Subject <b>Cost Allocation Methodology</b>	Date Issued <b>December 1, 2012</b>	
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## Document History

Revision History			
Date	Author	Version	Comments
September 3, 2002	Karyn A. Brooks	1.0	
December 16, 2003	David A. Brown	1.1	Service descriptions and bases of allocation updated
December 19, 2006	Michael Yaremko	1.2	Updated for new cost centers, added Appendix D "Fixed Parameter Calculation Descriptions."
March 17, 2009	David Caskenette	1.3	Updated Appendix C. Updated department service descriptions for Operations Risk & Insurance (formerly Risk Management), Corporate Administration, Treasury, Financial Risk Management (formerly a function within Treasury), and EFS. Removed Gas Pipeline Development (no longer included in allocations).
December 1, 2012	Fahreen Rattani	2.0	Updated Methodology to incorporate new blended allocation factor

Distribution History			
Effective Date	Version	Name(s)	Review Notes

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## Cost Allocation Methodology

### 1 Purpose

The purpose of this paper is to document the methodology that Enbridge follows for allocating and direct charging costs between its various businesses.

### 2 General

Enbridge is a leader in energy transportation and distribution in North America and internationally. Enbridge operates the world's longest crude oil and liquids transportation pipeline and Canada's largest gas distribution company. The Company also operates natural gas transmission pipelines and midstream businesses in the United States and invests in international energy projects. The Company's activities are comprised of regulated and non-regulated businesses. The transportation and distribution activities are regulated by the National Energy Board, the Ontario Energy Board, the Federal Energy Regulatory Commission and various provincial and state regulators. Other activities of the Company are non-regulated.

The Company is organized into five operating segments: Liquids Pipelines, Gas Pipelines, Sponsored Investments, Gas Distribution & Services and International. In addition, certain corporate activities are included in the corporate segment such as Green Energy, Major Project and Western Access. Within each business segment, there are various business activities. These operate as a separate line of business. For example the operations of Enbridge Gas Distribution are a line of business within Gas Distribution & Services segment.

The corporate office sets strategy, policies and standards and the business units operate in accordance with those policies and standards. The corporate office is, therefore, a service provider to the business units. The Company also has centralized certain administrative services to satisfy its strategic objective of operational excellence and to ensure consistency across the enterprise. Corporate costs are segregated by functional department and an executive management individual is responsible for the costs within each functional area.

Enbridge is organized so that each business unit is self-sufficient with respect to its specific business activities. However, some operational services have been centralized for efficiency reasons and, therefore, some operational services may be provided from one business unit to another. Each business unit manages its operations by functional area, for example, information technology, human resources, and field operations. Costs by functional area within each business unit are aggregated in departments and included as part of the business unit's departmental costs. Within each business unit, functional areas may provide service to more than one line of business.

It is Enbridge's policy to direct charge costs whenever possible. However, certain costs must be allocated between business units or lines of business within a business unit and between the corporate office and lines of business. This allocation is required for two reasons. The first is to enable management to properly assess the financial performance of each line of business. The second is to ensure that there is no cross-subsidization between regulated and non-regulated activities.

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Certain types of operational costs are allocated between lines of business within a business unit and to lines of business outside a business unit. This is the case for the businesses located in eastern Canada and also applies to allocations from the Edmonton to Houston office. The majority of these costs relate to operating costs for centralized services. Corporate general and administrative costs are allocated to all business units.

### 3 Philosophy

The philosophy of Enbridge's cost allocation methodology is to ensure that appropriate and relevant cost information required for internal management, external stakeholders and regulators is segregated, accumulated and documented. Allocations are measured using a fully burdened cost. Each cost or group of costs is allocated using a basis that reflects the cost driver and that appropriately reflects the benefits received and the cost of the service provided.

## 4 Objectives of Cost Allocation

### 4.1 General Objectives

Allocation is the process of assigning a single cost to more than one cost object. The objectives of cost allocation require that the allocation:

- must have a purpose and be relevant, meaning that the cost should be allocated;
- should be equitable which means that a service was performed and the other party received a benefit from it and that the cost was reasonable;
- should be identifiable or traceable; and
- should be supported by a methodology acceptable to the various regulators.

There are three types of costs that must be assigned to the lines of business in each business unit:

- Direct costs - those costs that can be specifically attributed to a cost object (e.g. salary)
- Indirect costs - those costs that are directly related or proportional to direct costs (e.g. benefits)
- General and administrative costs - those costs, that can be internal or external in nature, that support several or all business units, but do not relate to one specific business unit, and therefore must be allocated on a basis that relates the cost to the cost driver.

The objective of cost allocation is to achieve a reasonable allocation of costs between lines of business that is acceptable to all stakeholders.

### 4.2 Enbridge Objectives

Management's objectives with respect to cost allocation are to have a fair, consistent and simple allocation process. The allocation process must ensure the ongoing ability to manage costs, satisfy the requirements of regulators, and ensure reasonable allocation of costs between regulated and non-regulated businesses.

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It is also important to have a cost allocation methodology that is consistent across the enterprise, which allows for improved efficiency. The process must be simple and understandable and, to the extent possible, the process should be automated.

## 5 Allocation Framework

There is no one generally accepted method for the allocation of general and administrative costs between different business activities in a diversified entity. Accordingly, there is no “right” way to allocate these costs. Bases of allocation can vary, as do methods. However, the general objectives of cost allocation, noted above, are the same for all companies. Any methodology that satisfies these objectives is acceptable.

### 5.1 Allocation Considerations

Cost information should be cost-effective, timely and understandable. To be cost-effective, the cost of producing the information must not exceed the value of the information produced. Therefore, there is a trade-off between the value of increased accuracy and the cost of producing the information. To be timely, the cost information must be produced in time to support decision-making. Therefore, there is a trade-off between using completely accurate data and using data based on reasonable estimates. To be understandable, the allocation process should be simple so that it can be easily and clearly communicated and administratively simple to maintain.

### 5.2 Costing of Internal Services

When a company provides a service to a related company or line of business and the primary business activity of the service provider is something other than the provision of those services, general practice is to charge the service at cost. Only if the service provider is actively engaged in selling those services to outsiders would it be appropriate to price the service at market value.

One of the purposes of cost allocation is to ensure that there is no cross-subsidization between regulated and non-regulated businesses. If market price is charged, then the regulated business receives a benefit from the non-regulated business for the provision of services or vice-versa. Further, if the services are not sold to outsiders, the determination of an appropriate market price is difficult and may be arbitrary. Therefore, it is policy for Enbridge businesses to allocate at fully burdened cost.

### 5.3 Allocation Methods

Allocation is the process of assigning a single cost to more than one cost object. In Enbridge’s case, it is the process of assigning costs incurred by one line of business to another line of business. The allocation process should be fair, identifiable, simple and consistent. To be fair, there must be a direct relationship between the cost incurred and the allocation basis, i.e. the allocation of the cost must be related to the driver of the cost. To be identifiable, the method of allocation must be documented and understood. To be simple, the method must be administratively easy. To be consistent, there must not be any large year-to-year change, unless a significant business event occurs.

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Allocation of costs can be done by expense type (i.e. salaries, training, etc.) or by grouping costs and then allocating them. Allocation of expense types is cumbersome from an administrative perspective and difficult to implement. To maintain management control, costs are aggregated in each functional department and managed by a department manager. If total department costs are allocated, then the manager will continue to focus on cost control.

An allocation process can use various methods to allocate departmental costs, depending upon the nature, and therefore the driver, of the cost. Thus, one single method may not be appropriate for all costs as each cost may have a different driver. If a financial or volumetric factor allocates a cost fairly, then it should be used, because it is simple and objective. For other costs, where a financial or volumetric factor cannot be used because the factor is not representative of what drives the cost, then time spent may be the preferred basis of allocation.

#### *5.4 Allocations Versus Invoicing*

Costs may be allocated to certain lines of business and invoiced to other lines of business. Allocations may be made purely for management reporting purposes or may be invoiced. The decision as to whether to only allocate or invoice usually will be dependent upon regulatory or taxation requirements.

## **6 Principles Underlying the Cost Allocation Methodology**

### *6.1 Allocations at Line of Business Level*

Allocations are made from one line of business to another line of business, either within the same business unit or to another business unit. No further allocation of the cost is made, to either functions or departments within the recipient line of business. However, in cases where an additional recovery is possible, a second allocation may be made to a more subordinate line of business, for example, from Enbridge Pipelines Inc. to Line 8 or Line 9. There will be no internal allocations within a line of business. Allocations can also be made to a project, as specified below. Cost recoveries for departmental costs will be displayed in the departmental cost statements of the service provider. Cost recoveries for overhead costs will be recorded in one expense account in the service provider's line of business. This process will significantly reduce the number of allocation entries and provide a simplified process to analyze the flow of allocations across each line of business.

### *6.2 Direction of Allocations*

Allocations are always one-step, one way. There are generally no two-way, two-step or circular allocations. Intermediary lines of business will be bypassed in the process. That is, allocations will be made directly from the service provider to the ultimate recipient line of business, even if the service is provided directly to another line of business that would then allocate the cost to another line of business. For example, in the case where a business unit provides services such as information technology support to a corporate service function which, in turn, provides support to another line of business, then the service provider will allocate its costs directly to the service recipient line of business and not to the corporate service function. The allocation basis will be the

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basis on which the corporate administrative function allocates its costs.

The only exception to a one-step allocation is that when an allocation is made to a line of business and a second step allocation is required to a minor subsidiary or line of business for regulatory reasons (i.e. determination of the appropriate cost of service).

### **6.3 Budget-based Allocations**

A consistent and simple cost allocation process that is easily understood and accepted is based on budget. An allocation process based on actual costs is administratively burdensome and time consuming. At Enbridge, the departmental cost budget process is rigorous and the budget is the primary tool that managers use for cost control. Allocations to each line of business are agreed to during the budget cycle, before budgets are finalized.

In the normal course of business, actual costs may deviate from budgeted costs or service levels may deviate from those planned. Since allocations are based on budget, allocated costs could be greater or less than the actual costs incurred. In most cases, the difference between actual and budget costs will be insignificant. However, where there is a major deviation, caused by a significant business event, then a true-up of allocated budgeted costs to actuals will be made. This true-up would be made in the final quarter of the fiscal year and is subject to approval by the Enbridge Inc. Vice President & Controller. A major deviation or a significant event could occur in the case of an acquisition, a divestiture or a corporate reorganization.

As part of the budget process, the service provider and the service recipient must agree on the costs to be allocated before finalization of the budget. This agreement is evidenced by the signing of a Confirmation Notice, which concludes this process. This Confirmation Notice documents the services to be provided and their cost. Since allocations are based on budget, the service recipient knows what charges will be received for the coming fiscal year. The budget process is used to control costs and not the allocation process.

### **6.4 Departmental Costs**

Each department will use only one basis of allocation. If the allocation is based on a financial or volumetric factor, the source of the financial or volumetric factor and the calculation methodology is provided. If the allocation is based on time, guidelines are provided to assist in preparing the time estimate and supplemented by periodic time studies. A time study entails reviewing the activities performed by the staff in the department over a period of time representative of the activities. The result of this analysis supports the allocation to each line of business.

### **6.5 General Expenses**

A general expense is defined as a significant cost that benefits the business units or the enterprise widely and that requires allocation on a separate basis from the remainder of the department's costs because the driver of the costs is different or because the costs are large, third party costs. General expenses include costs such as employee benefits, outside legal services, directors' fees and expenses, industry association fees, incoming allocations from other entities and rent. APPENDIX B provides a complete list of all general expenses and their basis of allocation. Wherever possible, general expenses are direct charged to each line of business. To the extent that general expenses must be allocated, each type of general expense has its own cost driver and therefore its own allocation basis. General expenses are viewed as less

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controllable by a department manager than other departmental costs, such as salaries and reimbursable employee expenses.

## 6.6 Allocations at Fully-Burdened Cost

Allocations are made at cost, which is defined as fully-burdened cost. The cost includes all direct employee and employee-related costs. In the case of departmental expenses, which are allocated in total, this includes items such as salaries, contractors, training and travel. All general expenses, such as benefits and rent, are allocated separately. The combination of both allocations results in a fully-burdened cost. No additional markups for a profit component or a return on investment are added to the allocation.

## 6.7 Invoices

Allocations are recorded through general ledger intercompany entries, and in most cases, an invoice is not prepared. In those cases where an invoice is required by contract, when billing a third party, or where the allocation is to a line of business that operates in a different currency, an invoice will be provided to the service recipient. GST, PST and US sales taxes considerations must be evaluated in determining whether an invoice is required. In all such cases, the service provider retains supporting documentation for the invoice.

## 6.8 Currency Usage for Allocations and Direct Charges

Allocations and direct charges are made in the currency of the service provider.

## 6.9 Materiality

Only individual costs greater than C\$1,000 per individual transaction or cumulative costs greater than C\$1,000 on an annual basis are direct charged or allocated.

# 7 Bases Of Allocation

Three allocation bases are used:

- Fixed Parameter Basis: used to allocate costs based on identifiable parameters such as deemed common equity, capital employed, kilometres/miles of pipe, square footage, etc.
- Time Estimate Basis: used to allocate costs based on time spent.
- Direct Labour Basis: used to direct charge costs based on actual labour hours using time sheets and business unit charge-out rates. This basis is used only when charging to projects or third parties.

The basis of allocation for all corporate costs is determined by the Enbridge Inc. VP & Controller in consultation with the department manager and is reflective of the driver of departmental costs. The basis of allocation of costs between lines of business within a business unit is determined by the business unit Controller in consultation with the department manager and the Enbridge Inc. VP & Controller.

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### *7.1 Allocations based on Fixed Parameters*

Capital Employed, Enterprise FTE, Calgary Office FTE and a weighted average of the allocations (Blended Pro-rata allocation) are the Fixed Parameters used when allocating Enbridge Inc.'s Corporate costs. Certain departmental costs and most general expenses will have cost drivers that relate best to a fixed parameter. For example headcount is a better driver of Human Resource costs than is time.

Full-time equivalents (FTEs) are a useful fixed parameter for allocating a number of costs, particularly human resource and administration costs. Whereas Capital Employed is a better fixed parameter when allocating departments that are not necessarily driven by headcount but rather provide more overall governance type services such as setting policies and providing overall strategy. Please refer to Appendix D for detailed descriptions on the calculation of each parameter.

### *7.2 Time Estimates*

For many departments, the majority of costs are employee-related and the allocation can be best attributed to time spent. Time sheets should be required only when direct charging a project or third party. Time estimates must be based on the actual activities carried out by the department. To improve employee productivity, time estimates based on periodic time studies should be used. This is accomplished by conducting periodic time studies. The department manager, who has the best understanding of the department's business plans and budgeted costs, has responsibility for conducting the time study. Time studies should be conducted annually in conjunction with the budget cycle.

The time study documents the nature and extent of work that is performed by each department. In defining the level of activity, the department manager must balance the need to be able to identify accurately the service performed for the respective program with the manageability or meaningfulness of the allocation. Consideration of the costs associated with a finer activity breakdown in comparison to the benefits to be gained must be considered.

Common costs are defined as costs related to those activities that are not separately identifiable as benefiting a single, specific business, but rather benefit the enterprise as a whole. Two examples might be preparation of the annual report to shareholders and the development of enterprise-wide human resources policies. In the event that virtually all a department's activities are common, time is not be an appropriate cost driver and a fixed parameter basis is used.

## **8 Allocation of Departmental Costs**

Departmental costs can be allocated either on the basis of a time estimate or a fixed parameter, such as a financial or volumetric factor. When possible, business unit departmental costs are allocated based on time estimates, because managers are usually able to identify time spent by employees on specific lines of business. Business unit general expenses and or departments where it is difficult to identify time spent by employees on specific lines of businesses are allocated using a fixed parameter, such as a financial or volumetric factor.

For corporate departmental costs and general expenses, allocations usually are based on a fixed parameter, since many of the corporate activities directly benefit the enterprise as a whole and

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indirectly benefit the lines of business. In addition, certain corporate office activities are directly related to corporate governance, a required element for all corporations, and which cannot be identified with a specific line of business. Appendix C provides a description of the services provided by each department in the corporate office to the business units and the basis of allocation for each.

## 9 Charging To Capital Projects or Third Parties

Timesheets are used when charging a capital project or third party. Timesheet data is input directly into the project accounting system, which calculates the project costs based on actual hours worked times the business unit labour rate. A maximum of two labour rates may be used for each business unit, one rate for the field employees and one rate for the office employees.

There is one overhead rate for each business unit. The overhead rate is expressed as a percentage of labour dollars and is added to the labour cost. The labour and overhead rates are calculated once per year at the time the budget is prepared and are in effect for the entire fiscal year. The purpose of the project overhead rate is to ensure charges to capital projects or third parties are made at fully-burdened cost.

### 9.1 Project Charge Process

The process of applying costs to project-related work, such as capital projects or charges to third parties, is based on direct charges. External services, such as consulting and legal services, and external costs, such as travel, are charged directly to the project. Internal labour is charged to the project via timesheets, where the budgeted hourly labour rate is multiplied against the actual hours worked, and the project overhead rate applied, to arrive at a project charge.

There is generally no time sheeting charged to operating and business development projects, that is no internal costs are charged to these types of projects. However, in certain circumstances, charges to operating and business development projects is permissible where there is the potential for recoveries. The creation of project numbers is governed by the same process as changes to the chart of accounts.

In the case where a department manager desires to track project-related costs but not charge these costs to a capital project or third party, or when the ultimate disposition of the costs or the accounting treatment is unknown, tracking projects may be used.

## 10 Documentation

Two of the objectives of cost allocation are that the costs must be identifiable and traceable. This is achieved through appropriate documentation of the allocation methodology and the allocation calculation. For those allocations based on a financial or volumetric factor, the documentation is relatively simple because it is derived from the annual budget. For allocations based on time estimates, the department manager's estimate and/or periodic time studies document the basis of allocation. In addition, the Confirmation Notice, signed by the service provider and service recipient, documents acceptance of the services provided and the level of cost.

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## 11 Allocation Of Corporate Assets

Corporate assets will be maintained in the Corporate books, that is, they will not be separated and placed in the books of the individual business units. Enbridge Inc. will depreciate each asset by the rules by which it is governed and allocate the depreciation to the business units on a monthly basis.

## 12 Unbudgeted Amounts

### *12.1 Departments Created During the Year*

Throughout the year, new departments may be created and the costs would not be included in the budget for that year or the resulting allocations. Usually, these new departments relate to internal reorganizations. The costs will be included in the next forecast. The Enbridge Inc. Vice President & Controller, in consultation with the department manager, will determine the basis of allocation. If the allocation is significantly different than that included in the budget, the allocation amounts will be revised.

### *12.2 Unbudgeted Corporate Capital Expenditures*

Prior to approval by the Corporate Leadership Team and before significant work commences, the project sponsor will meet with the Enbridge Inc. Vice President & Controller to determine the most appropriate basis for cost allocation. The allocation of cost to the business units will be included as part of the CLT approval process.

## 13 Dispute Resolution Process

From time to time, a situation may arise wherein the service provider and the service recipient cannot agree on the amount of the cost allocation. The resolution process is to escalate the discussions upward through the organization, to Director then Vice President, for resolution. The Corporate Controller's Group facilitates the resolution, if required.

## 14 Service Level Agreements

This new cost allocation methodology replaces the need for most Service Level Agreements that relate to the provision of recurring services from one line of business or business unit to another or from the corporate office to a line of business. Service Level Agreements are composed of two parts: a master agreement and a services schedule agreement. These two documents describe the services provided and the cost of those services. Service Level Agreements are used for cross border and third party allocations or direct charges. As part of the budget process, each service provider and service recipient agree on the services to be provided and the costs thereof each year. At the end of the process, a Confirmation Notice is signed. This new cost allocation methodology and the Confirmation Notice together will serve as documentation of the services schedule agreement. Service Level Agreements will continue to be negotiated and documented for non-recurring services.

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## 15 Price Adjustments

In the event that the Canadian or United States tax authorities issue a tax assessment notice that imposes a liability for tax of any nature or kind whatsoever on the service provider or service recipient related to the intercompany allocations or charges made, then upon receipt of such tax assessment notice, the amount allocated or charged will be adjusted accordingly, as long as it is materially significant.

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## 16 Appendix

### 16.1 Appendix A

#### 16.1.1 Bases of Allocation for Business Unit Departmental Costs to Other LOB's

These costs are largely internal and general and administrative in nature.

Functional Area	Basis for Allocation
Accounting	Time Estimate
Taxation	Time Estimate
Public Affairs	Time Estimate
Information Technology	Direct Charge where possible Shared Resources: Business Unit FTE's Hardware, WAN, Notes (Mail) Support: Service Unit Count
Health and Safety	Business Unit FTE's
Environment	Time Estimate
Planning	Time Estimate
Records Management	Capital Employed
Office Services	Business Unit FTE's
Law and General Counsel	Time Estimate
Regulatory Affairs	Time Estimate
Human Resources	Business Unit FTE's
Office Services (except Rent)	Business Unit FTE's
Fleet Management	Number of vehicles
Corporate Security	Time Estimate
Regional Operations: Pipe Maintenance	Kilometres of Pipe
Employee Communications	Business Unit FTE's
Systems Measurement (Meters)	Number of Meters
Aviation	Capital Employed
Engineering	Time Estimate
Regional Operations Baron / Helicopter Operations Services SCADA Services Gas Pipeline Technical Services Pipeline Integrity Facilities Management Public Affairs	Time Estimate
Control Centre Operations	Console Usage / Barrel Miles
Shipper Services	Barrel Miles

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## 16.2 Appendix B

### 16.2.1 Bases of Allocation for General Expenses

General Expense Type	Basis for Allocation
Audit Fees	Direct charge based on business unit for which work was done Enbridge Inc: Capital Employed
Sox Fees	Direct charge based on business unit for which work was done Enbridge Inc: Capital Employed
Employee Benefits	Corporate FTE's
Other Employee Benefits	Corporate FTE's
Outside Legal Services (Corporate Law, Corporate Secretarial, Filing Fees)	Direct charge based on business unit for which work was done; otherwise, Capital Employed
Directors' Fees and Expenses	Capital Employed
Stock and Debt Administration	Capital Employed
Industry Association Fees	Capital Employed
Insurance Premiums	Property: Insured value of PP&E Liability: Revenue or headcount Aircraft: Business unit where located Automobile: Business unit where located D&O: Capital employed Other: Underlying risk
Rents and Leases	Calgary Office FTE's
Business Taxes	Calgary Office FTE's
Corporate Depreciation	Corporate Jet & Leaseholds: Capital Employed Enterprise IT Capital Projects: Capital Employed Risk Management System: System Usage
EPI Reallocation	Corporate FTE
EGD Reallocation	Corporate FTE
Stock Based Compensation	Number of Options Granted Enbridge Inc: Corporate FTE's

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## 16.3 Appendix C

### 16.3.1 Services Provided by the Corporate Departments and Bases of Allocation

#### 16.3.1.1 Benefits Provided By Corporate Departments

As Enbridge Inc. has grown and evolved, certain business functions that were previously undertaken at the business unit level have been centralized in the corporate office to optimize resources, take advantage of synergies and minimize duplication of effort. In addition, where incremental resource requirements of an individual subsidiary or affiliated company may be more efficiently provided by the corporate office due to the economies of scale through the sharing of resources, Enbridge Inc. incurs the incremental cost and then recovers the cost of the service from the appropriate subsidiaries and affiliated companies through intercompany cost allocations.

Intercompany cost allocations relate to specific services required by the business unit in order to prudently manage its operations. For some services provided, there is no comparable department in the business unit, for example, Treasury and Investor Relations. For those services allocated to a line of business where that line of business does not have a similar function, the services provided by the corporate office are required as a specific service and represent a cost-effective way of delivering that specific required service to all businesses within the Enbridge group of companies.

The costs incurred by the corporate office are allocated using the most appropriate cost driver. The reduction in costs, the increase in avoided costs and the synergies obtained demonstrate that the benefits of the services provided equal or exceed the overall costs allocated.

#### 16.3.1.2 CEO

The office of the CEO provides leadership and strategic counsel to the organization. It provides the business units with senior executive advisory services and oversight in the areas of corporate governance, ongoing contact with the major energy customers or suppliers, and liaison with other companies in the energy industry. This assists the business units in anticipating and responding to current and future needs of customers in the marketplace. The office of the CEO was also instrumental in developing and negotiating the first comprehensive incentive tolling agreement in Canada by a regulated pipeline company.

Allocation Basis: Capital employed

#### 16.3.1.3 Pension Administration (including Recovery)

Pension Administration oversees the management and administration of all pension and savings plan assets for all Enbridge companies. It is responsible for implementing the investment policies and monitoring the performance of the investment manager and fund custodians. It coordinates the reviews of funding policies and actuarial valuations of the pension plans.

Allocation Basis: Unallocated (100% Corporate)

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#### 16.3.1.4 *Investor Relations*

The department maintains the investor relations necessary to enable the Company and its subsidiaries to effectively access the capital markets and is responsible for organizing annual shareholder meetings and preparing annual and quarterly reports to the shareholders, investment analysts, media, and potential investors in the debt and equity of the Company and its subsidiaries.

Allocation Basis: Time estimate

#### 16.3.1.5 *CFO*

The office of the CFO provides senior leadership and advice regarding the financial affairs of the company. This office also oversees the activities of Investor Relations, Treasury, Controller's, Audit Services, Pension Administration, Supplier Management, and the finance/accounting activities of the various businesses.

Allocation Basis: Capital employed

#### 16.3.1.6 *Corporate Controller*

The Corporate Controller's department is responsible for setting accounting policies and practices, preparation and dissemination of consolidated financial results, managing the budgets and forecasts process, and preparing or reviewing all external financial reporting. It prepares consolidated financial reports and budgets and various shareholder communications such as quarterly and annual reports. In addition, the department is responsible for the maintenance of enterprise-wide financial accounting systems. The department also conducts research designed to improve corporate knowledge of all new financial reporting requirements and is responsible for managing the implementation of new accounting standards.

Allocation Basis: Capital employed

#### 16.3.1.7 *Taxation*

Taxation prepares tax returns and GST filings for all of the legal entities in Canada, prepares monthly accounting income tax provisions and researches on certain tax matters. Taxation provides advice on specific transactions and makes recommendations to minimize tax. Also, tax planning initiatives are implemented to ensure that tax is minimized for each legal entity and for Enbridge as a whole. Other services include future income tax reconciliations and assistance with financial statement disclosure.

Allocation Basis: Time estimate

#### 16.3.1.8 *Audit Services*

Audit Services develops the audit plans and strategies for the organization, within specific risk parameters, and manages the staff devoted to specific business unit audit activities. Audit Services evaluates and recommends improvements to business unit risk management, control and corporate governance. It performs financial, compliance, information technology and

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operational audits. In addition, it conducts control risk self-assessments and special investigations.

Allocation Basis: Capital employed

#### 16.3.1.9 *Corporate Law*

Corporate Law coordinates and provides enterprise-wide legal counsel and consultation to business units as well as to specific corporate projects on legal matters. The department implements incentive-based fee arrangements with a limited number of external legal service providers to allow efficiency in outside legal services and volume-based fee reductions. Internal legal resources are managed across the enterprise to address peak work loads and resource availability. The department also maintains and updates corporate-wide policies relating to contract administration, business conduct statements and corporate emergency response programs.

Allocation Basis: Time estimate

#### 16.3.1.10 *Corporate Secretarial*

The department provides legal counsel and advice on Corporate Secretarial related matters. The department implements incentive-based fee arrangements with a limited number of external legal service providers to allow efficiency in outside legal services and volume-based fee reductions. Internal legal resources are managed across the enterprise to address peak work loads and resource availability. The department is the main point of contact with the Enbridge Board of Directors and provides them with much of their information. It also is responsible for matters related to filings and dealings with securities and exchange commissions.

Allocation Basis: Time estimate

#### 16.3.1.11 *Corporate Administration Services*

Corporate Administration Services negotiates, executes and maintains all travel agreements, including airlines, hotels, car rental agencies and travel agencies on behalf of all Enbridge business units. This department is responsible for development and oversight of employee expense reporting policies and two existing corporate card programs (BMO & AMEX) that are used in all business units. It also initiates and participates in corporate-wide supply chain management initiatives. It provides all facilities-related support to the corporate office.

Allocation Basis: Calgary Office FTE's

#### 16.3.1.12 *Public Affairs & Corporate Communication*

The department provides leadership to support the achievement of key corporate and business unit objectives. This involves developing and articulating plans, messages and relationships to maintain the reputation of Enbridge among external and internal stakeholders, and providing strategic counsel to senior management and other key clients and audiences. It involves proactively preparing and managing communications plans that are integrated with and support corporate and business unit strategic plans and initiatives; monitoring current and emerging issues that affect Enbridge; and maintaining communications preparedness so there are no surprises.

Allocation Basis: Capital employed

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#### 16.3.1.13 *Operations Risk and Insurance*

The Operations Risk and Insurance department is responsible for general administration of insurance policies of Enbridge Inc. and its affiliates. Insurance policies implemented and managed by this department include liability, property, political risk, automobile, directors and officers liability, fiduciary and crime insurance.

The department also provides insurance claims support to Enbridge Inc. and its affiliates by providing claims consulting to ensure that all claims are dealt with in an effective wide manner and from a corporate-wide perspective. The department acts as liaison with insurance companies and law firms to assist affiliates with claims.

The department also provides support to business development activities by providing insurance cost projections to new projects such as mergers and acquisitions, significant asset purchases, and divestitures.

Allocation basis: Time estimate

#### 16.3.1.14 *Corporate Human Resources (including HRIS)*

Through leadership as well as policy and program development, implementation and maintenance, Corporate Human Resources ensures that Enbridge will have the employee and organizational capabilities required to fulfill its vision and long range business plan. This portfolio of responsibility includes the oversight of all human resources initiatives in all companies that form part of the Enbridge group of companies. The department is also responsible for the operation and maintenance of the enterprise-wide Human Resources Information System (HRIS).

Allocation basis: Enterprise FTE's

#### 16.3.1.15 *Labour Relations*

Labour Relations leads and coordinates the development and implementation of labour relations strategy, policy and programs for the Enbridge Inc. group of companies. This is accomplished by facilitating the development and implementation of labour relations strategy at the business unit level and ensuring that strategic policies and plans are effectively linked to the Corporate vision, values and objectives.

Allocation basis: Enterprise FTE

#### 16.3.1.16 *Total Compensation (including Benefits & Pensions)*

Total Compensation develops and executes total compensation strategy in support of the overall business direction of the Enbridge group of companies. This is accomplished through managing the analysis, design, implementation, communication and automation of pay systems, perquisites, benefits and retirement programs for all business units.

Allocation basis: Enterprise FTE's

#### 16.3.1.17 *Talent Management & Workforce Planning*

Talent Management & Workforce Planning develops and provides a learning framework that

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supports the organization's business strategy and ensures appropriate leadership skills and succession development in Enbridge. Talent Management & Workforce Planning is responsible for optimizing the investment Enbridge makes in its intellectual capital through the establishment, implementation, monitoring and evaluation of developmental processes including succession planning, career and performance management, and leadership and knowledge requirements.

Allocation basis: Enterprise FTE's

#### *16.3.1.18 Corporate Resources*

The office of the Group Vice-President, Corporate Resources provides senior leadership, oversight and advice to the Human Resources, Information Technology, Corporate Secretarial and Corporate Administration Services functional areas in both the corporate office and the business units.

Allocation basis: Capital employed

#### *16.3.1.19 Corporate Security*

The Corporate Security department provides advice and guidance on matters related to International travel and the associated risks. The department is also responsible for ensuring the security of senior executives when they travel outside of Canada.

Allocation basis: Time estimate

#### *16.3.1.20 Corporate Business Development (including A Projects)*

The department functions as a corporate services department to support and assist Enbridge business units in executing acquisition, investment and divestiture projects, and identify, project manage and execute acquisition, investment, and divestiture projects at the corporate level.

Allocation basis: Time estimate

#### *16.3.1.21 Planning and Economics*

The department seeks out and develops investment opportunities in emerging and alternative energy technologies. They develop and coordinate corporate-wide long-range plans and critically examine existing strategies and proactively identify potential new strategic directions. In addition, they set the corporate standards for and coordinate the evaluation and review of investment or contractual commitments requiring Corporate Leadership Team or Board of Director approval.

Allocation basis: Time estimate

#### *16.3.1.22 Northern Pipeline Development (including G Projects)*

The Northern Pipeline Development department is responsible for identification, evaluation, development and execution of pipeline investment opportunities in northern Canada and Alaska. The department establishes and strengthens relationships with all key stakeholders and identifies, evaluates and develops investment opportunities in North America consistent with corporate strategies and priorities. The department also negotiates key terms and conditions of all major agreements, including joint venture agreements. In addition, they interface with and

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manage relationships with senior management of joint venture partners. They ensure that any investments meet appropriate corporate standards for risk, economic returns and financial statement impacts. They coordinate personnel and support resources required for opportunity identification, evaluation, development and execution including regulatory applications, right-of-way acquisition, design and construction.

Allocation basis: Time estimate

#### *16.3.1.23 Corporate Climate Change*

The department provides liaison support to the Board of Directors and the Environment, Health and Safety Board. It monitors evolving issues and provides guidance and direction.

Allocation basis: Pollution emissions

#### *16.3.1.24 Knowledge Management*

Knowledge Management is responsible for developing, maintaining and publishing records and information management policies, practices and procedures for Enbridge company-wide. Key deliverables include corporate classification, retention schedule maintenance, and corporate governance. It also administers the Records Classification and Retention Schedule Policy. In addition, it provides ongoing guidance and support to the business units.

Allocation basis: Capital employed

#### *16.3.1.25 CIO*

The CIO is responsible for setting corporate strategy and standards with respect to the use of information technology. This includes reducing the cost of operations through effective, coordinated automation of routine functions, ensuring broad but secure access to data and information generated by the Company in its business activities, and enabling new opportunities for the business units through innovative use of information technology. The delivery of information technology services is the responsibility of the business unit information services groups while the CIO office is responsible for determining what information technology tools and approaches should be used across the enterprise to maximize efficiency and effectiveness in that delivery function.

Allocation basis: Enterprise FTE's

#### *16.3.1.26 Corporate IT Operations and Projects*

This department is responsible for the effective and efficient delivery of all IT operational services to Enbridge Inc. It guides Corporate office departments in the selection and development of business aligned solutions. This includes improving Enbridge's leverage of existing applications. It ensures that similar IT requirements are coordinated across departments and business units wherever possible.

This department is also responsible for coordinating the maintenance and support of existing corporate business applications. It manages the service delivery of services that are currently delivered by Enbridge Pipelines Information Systems, such as the Data Centre, Telecom, and Help Desk Services. This includes assigning the prioritization of customer requests, the creation and management of service level agreements and managing client issues.

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The project department guides the Corporate office departments in the selection and development of business aligned solutions, including business process re-engineering, solution development and implementation. It is responsible for on time and on budget delivery of quality IT projects, which includes local projects for Enbridge Inc. and minor participation in enterprise-wide implementations. This department ensures Corporate IT leverages the current investments in infrastructure, process and business knowledge throughout the Enbridge group of companies and fully understands the ever-changing roadmap for technology and how it will potentially impact Enbridge Inc.

Allocation basis: Corporate FTE's

#### 16.3.1.27 *Enterprise Architecture*

This department governs the development of enterprise wide strategies, policies and standards for information technologies in addition to monitoring the compliance of such plans. It is the Enterprise Architecture's responsibility to coordinate and align the Enterprise IT strategic plan into the long-range plan considering items such as, Knowledge management, Document management, Information management, Network infrastructure, Information technology architecture and Application suite. The department is also responsible for the administration and management of all enterprise-wide IT vendor and outsourcing relationships. Ultimately communicating IT implications of company strategy to the CLT.

Allocation basis: Enterprise FTE's

#### 16.3.1.28 *Treasury*

Treasury is a centralized enterprise-wide function responsible for ensuring optimal liquidity for short-term and long-term requirements.

The Capital Market Financing and Access function provides support to the process of raising debt and equity financing in the capital markets. The department defines long-term financing requirements, and develops and executes financing strategies in the bank and capital markets.

The Cash Management and Banking function determines the optimal short-term cash requirements, and executes the supporting daily banking transactions. This function manages cash holdings and other sources of short-term financing to ensure short-term liquidity requirements are met. This includes managing the day-to-day operations relating to banking and the commercial paper program and credit facilities, forecasting cash requirements, the co-ordination of significant accounts payable and accounts receivable transactions, the co-ordination of inter-affiliate financing transactions, managing settlement of risk-management vehicles, managing investment of surplus funds for short-term appreciation, and monitoring and reporting on compliance requirements for debt facilities, regulatory, and internal policies.

The department provides support to investor communications to advise the investment community of the company's current and anticipated financial position. This includes preparing presentations and credit analysis for credit rating agencies, investment banks, institutional investors, debt holders, and fixed income analysts. The department meets with investors and stakeholders to optimally present the financial condition for each reporting issuer and related entity within Enbridge. This function also provides support for equity and fixed income investment road shows and direct investor inquiries.

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The department participates in the preparation of rate case testimony and evidence for regulatory hearings and special proceedings, including the provision of advice, research and analysis regarding all support issues relating to cash management, corporate finance, access to capital, and cost of capital.

The department provides support to strategic planning, and budget and forecast activities. This includes developing assumptions for capital structure, financing strategies, dividend policies, share/debt issuance schedules, current debt/equity schedules, and cost of capital. The department also provides support with respect to scenario analysis.

Allocation basis:            Time estimate

#### *16.3.1.29      Financial Risk Management*

Financial Risk Management is a centralized enterprise-wide function responsible for identifying corporate risks, supply and demand risks, operational risks and external risks, quantifying and understanding the implications of risk exposure, and developing strategies to mitigate risk. This includes identifying and providing advice on interest rate risk, foreign exchange risk, and execution risk. The department is also responsible for the on-going maintenance and support of the risk management information technology system.

The department is responsible for identifying and executing financial contracts for hedging purposes if required, and processing the contracts and settlements of financial and physical transactions. This would include the negotiation and administration of gas contracts.

The department is responsible for monitoring, measuring, and reporting credit risk exposure, and would include such duties as researching credit rating and financial strength of customers and suppliers, and determining and assigning credit limits to customers to obtain credit enhancements.

The department reviews and monitors compliance to risk control policies and procedures, including compliance with hedge accounting guidance. The department is also responsible for calculating the mark-to-market and fair market values of financial instruments used in all financing activities, especially for hedging purposes.

The department participates in the preparation of rate case testimony and evidence for regulatory hearings and special proceedings, including the provision of advice, research and analysis regarding all risk management support issues.

The department provides support to strategic planning, and budget and forecast activities. This includes developing assumptions for interest rates, foreign exchange rates, and commodity prices.

Allocation basis:            Time estimate

#### *16.3.1.30      Enterprise Financial Systems Strategy & Services*

Enterprise Financial System (EFS) is an enterprise-wide suite of common financial systems and business processes. The primary components include Oracle for financials (including employee expense reporting), and Khalix for budgeting, consolidation and long range planning. Corporate costs include support for Khalix, chart of account and vendor master maintenance and the review of strategic opportunities to further enhance the EFS suite.

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Allocation basis: Enterprise FTE's

#### *16.3.1.31 Gas Strategy & Corporate Development*

This department provides Enbridge senior executive level oversight and direction to Enbridge gas distribution and services operations, including Enbridge Gas Distribution, Enbridge Gas New Brunswick, Gas Pipeline Development, Northern Pipeline Development and Gas Services. The department head is an Executive VP and part of Enbridge's Executive Leadership Team.

This department also provides corporate level strategic planning and project financial analysis to all Enbridge subsidiaries. Financial analysis assistance ensures that best practices analytical methodologies are being employed and that the analysis is rigorous and consistent throughout Enbridge. It monitors and analyzes energy industry trends and acts as a centralized intelligence and data capture group for Enbridge that ensures the most current information from external providers and internal experience is brought to bear on Enbridge situational analysis. This allows the Company and its subsidiaries to be proactive in meeting the customers needs with a focus on new business opportunities.

Allocation basis: Time estimate

#### *16.3.1.32 Business Development East*

The department identifies, researches and analyzes potential business development opportunities that complement the existing Gas Distribution businesses. It is responsible for the successful determination and implementation of organic growth opportunities as well as acquisition of entities similar to Gas Distribution which allows the pursuit of economies of scale, more efficient and cost effective operating models and the promotion of system efficiency.

Allocation basis: Time estimate

#### *16.3.1.33 Energy Technology & Windpower*

This department serves as a single point of contact for the research and evaluation of all new or emerging technologies. Responsibilities include coordinating resources from all affiliates to examine the commercial viability of new or emerging technologies that complement Enbridge Inc.'s long-term strategic objectives, including an analysis of markets and customers. The department also acts as an internal R&D function to examine the development of new capabilities related to service delivery or operational performance (i.e., CO<sub>2</sub> pipelines). Ultimately, the work is developed in to presentations for CLT and Board of Directors. The department is also responsible for the management oversight of Enbridge's existing portfolio of wind related assets in addition to pursuing related growth opportunities.

Allocation basis: Time estimate

#### *16.3.1.34 Aviation*

The Aviation department provides air transportation for company personnel and aerial pipeline surveillance and passenger movement along the pipeline network. As well, it administers helicopter and aircraft contracts where required and monitors and audits aircraft charter

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companies utilized by Enbridge and its affiliates.

Allocation basis: Capital employed

## 16.4 Appendix D

### 16.4.1 Fixed Parameter Calculation Descriptions

#### 16.4.1.1 Capital Employed

Capital Employed is defined as follows:

Total Assets – Current Liabilities + Long Term Debt Due Within One Year + Short Term Notes Payable – Deferred Credits – Long Term Future Taxes Payable

The capital employed calculation for any budget year is based on a two-point average of the opening and closing balance sheets pertaining to the allocation year. For example, the most recent balance sheet information used during 2007's allocation is sourced from data contained in 2006's LRP. Capital Employed is based on management reporting Lines of Businesses (LOB's). This could mean one LOB or more than one LOBs being sourced to represent the capital employed for one Business Unit (for example EPI has more than one operating LOB).

Only those entities that receive an Enbridge Inc. allocation are included in the Capital Employed calculation. Equity investments, financing and holding companies are excluded from the calculation. Therefore total Capital Employed as per CAM will be much less than total Capital Employed reported in the consolidated financial statements.

Once a two-point capital employed average is established for each entity receiving a corporate allocation, a percentage is calculated based on an entity's average capital employed divided by the aggregate of the capital employed pool. This percentage is then applied to the total department costs being allocated to ultimately determine the final cost of service charged to a Business Unit.

Capital Employed is used to allocate departments that benefit the organization as a whole. Departments who deliver overall governance type services such as setting policies, providing corporate strategy and whose services are indivisible between beneficiaries are allocated on a Capital Employed basis. Examples include CEO, CFO, Controllers, Audit Services, Public Affairs, etc.

Exceptions:

For those entities where Enbridge owns less than 100% yet still receive a corporate allocation (such as Gas New Brunswick), the minority interest is not backed out of capital employed. This is because regardless of ownership interest %age, EI's level of service would not be changed. Therefore in order to reflect the business's relative size on a comparable basis to all of the other businesses included in the calculation, minority interest is not deducted.

Consistent with our methodology above, Enbridge Energy Partners (EEP) is not included at its actual ownership percentage, but rather is included as if it were wholly owned by Enbridge Inc. Therefore EEP's capital employed is calculated based on its 100% statements.

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All unidentified growth and significant growth projects that have not yet reached its in-service date are not included in the calculation of capital employed. A Business Unit should not be burdened with additional allocation due to a project that is not yet identifiable and/or will likely not be in service in the upcoming budgeted year, due to the fact that the BU will not be generating cash flows in order to absorb the increase in allocation.

For any Enbridge entity that generates a negative capital employed, the capital employed is assigned to be zero.

With respect to Offshore Pipelines, Enbridge doesn't necessarily operate all of the corridors it has an ownership interest in. Therefore in order to be consistent with the existing methodology where EI allocates only to those Business Units that it operates (i.e. is receiving service), Enbridge operated corridors are grossed up to 100%, while those corridors that Enbridge maintains an ownership interest but doesn't operate are simply removed from the calculation. PPD allocated to non-operated corridors is also removed.

Enbridge Gas Distribution has significant levels of Short-Term Notes Payable on hand at any given year end, which as per the Capital Employed formula is not deducted from Total Assets. However, much of EGD's Short Term Notes are simply borrowed to finance year end gas in storage (which is a short term asset), therefore an adjustment is made to the Capital Employed calculation for EGD in order to reclassify it's Short Term Notes Payable as a current liability given that it is simply funding a current asset. The adjustment is made only to the extent there is gas in storage, as any excess Short Term Notes are considered financing and not deducted.

#### 16.4.1.2 Corporate FTE

Corporate FTE is simply an allocation of Corporate Headcount. Headcount is assigned to each allocable Business Unit based on a series of calculations. The level of headcount assigned to a particular Business Unit as a proportion of the total corporate headcount results in the Corporate FTE %age.

Corporate FTE is used primarily to allocate departments that essentially support other corporate departments. The primary beneficiaries of a Corporate FTE allocated department are mostly other corporate departments who without these services would not be able to provide service to their ultimate service recipient. The scope of these services is more internally focused and rarely extends beyond servicing other corporate departments. Examples include: Corporate IT & Employee Benefits.

The steps involved in determining how corporate headcount is allocated to each Business Unit is as follows:

Enbridge Inc.'s FTE's are firstly separated into two categories, those who work in departments that are allocated on an FTE basis and those that are not. The non-FTE headcount gets allocated amongst BU's based on the proportion of non-FTE department allocations allocated to the Business Unit.

*Example:*

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Non-FTE allocated departments = 60  
 FTE allocated departments = 40  
 Total Corp Headcount = 100

Of all the departments not allocated on any FTE basis, Sample BU#1 receives 20% of these costs. Therefore it would be allocated a head count of 12 (60 \* 0.2) from the Non-FTE head count pool.

Secondly, the headcount in corporate that resides within FTE allocated departments is then allocated to Business Units based on total enterprise headcount (before corporate headcount that resides within an FTE allocated department obviously).

Example:

Sample BU#1 1,000  
 Sample BU#2 500  
 Sample BU#3 2,500  
 Corporate 60 (excludes FTE allocated departments)  
 Total Headcount 4,060

Sample BU#1 would receive 10 of the 40 Corporate Headcount from departments not allocated on an FTE basis pool. The calculation is as follows:

SampleBU#1 Headcount	1,000 (above)
Corporate FTE's allocated to SampleBU#1	<u>12</u> (above)
SampleBU#1 Headcount	<u>1,012</u> (excl. Corp. FTE allocated headcount)
Total Headcount	4,060 (excl. Corp. FTE allocated headcount)
Total %age	25%
Corp. headcount residing in FTE allocated depts.	<u>40</u>
Corporate FTE allocated	10

Corporate FTE is then the relative %age of corporate headcount allocated to each BU based on the two allocation factors noted above.

Example:

Corporate Headcount allocated to SampleBU#1 for Non-FTE allocated departments =	12
Corporate Headcount allocated to SampleBU#1 for FTE allocated departments =	<u>10</u>
Total Corporate Headcount Allocated	<u>22</u>
Total Corporate Headcount	100
SampleBU#1's Corporate FTE %age	22%

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#### 16.4.1.3 Enterprise FTE

Enterprise FTE includes all headcount within the organization, including the re-allocation of headcount from Corporate and any other entities that allocate their headcount among Business Units. The total level of headcount within a Business Unit including all allocated headcount as a proportion of the total headcount within the Enterprise as a whole results in the Enterprise FTE %age.

Enterprise FTE is used primarily to allocate departments that support other BU's where the level of Headcount drives much of the departments costs, work and growth yet where the day to day tasks are virtually impossible to segregate between the beneficiaries of such service. The scope of service more broad and external compared to a department allocated on an Corporate FTE basis. Examples include: CIO, Enterprise Architecture, HR, Labour Relations, HRIS, EFS, etc.

The steps involved in calculating an Enterprise FTE %age for a Business Unit is as follows:

*Example:*

Sample BU#1	1,000
Sample BU#2	500
Sample BU#3	2,500
Corporate	<u>100</u>

Total Headcount 4,100 (Enterprise Headcount)

Sample BU#1 Direct Headcount	1,000
Corporate allocated Headcount	<u>22</u> (from Corp FTE calculation)

Total SampleBU#1 Headcount	<u>1,022</u>
Total Enterprise Headcount	4,100

Enterprise FTE %age	25 %
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#### 16.4.1.4 Calgary Office FTE

Calgary Office FTE is simply an allocation based on the Head Count of the entire Calgary office, including both corporate and non-corporate staff. All Calgary employees are counted and grouped into the BU to which they belong (i.e. EPI, International, Gas Services and Corporate). The percentages based on the above count are then determined. The Corporate %age is then spread among Business Units based on the Corporate FTE %age calculated above.

Calgary Office FTE is used primarily to allocate departments whose costs are mostly driven by the size of the Calgary Office (not necessarily the corporate segment). The more headcount a BU has located in the Calgary office implies that they require more space which therefore strains the departments servicing those BU's and therefore will receive a higher allocation %age. Examples include: Rents and Leases, Business Taxes and Corporate Admin.

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*Example:*

<i>Sample BU#1</i>	<i>100</i>
<i>Sample BU#2</i>	<i>50</i>
<i>Corporate</i>	<u><i>350</i></u>
Total Calgary Office Headcount	500

Direct Calgary Office Allocation Sample BU#1    20% (100/500)  
 Corporate Redistribution of Calgary Office FTE    15% (350/500)\*(22%)

Calgary Office FTE %age for SampleBU#1        35%

\*Note 22% equals SampleBU#1's Corporate FTE % and is used to redistribute Corporate Calgary Office FTE % among Business Units.

# **AFFILIATE RELATIONSHIPS CODE FOR GAS UTILITIES**

**ONTARIO ENERGY BOARD**

**Last Revised on November 25, 2010**  
(Originally Issued on July 31, 1999)

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## Ontario Energy Board

## Affiliate Relationships Code

### 1. GENERAL AND ADMINISTRATIVE PROVISIONS

#### 1.1 Purpose of this Code

The purpose of the Affiliate Relationships Code is to set out the standards and conditions for the interaction between gas distributors, transmitters and storage companies and their respective affiliated companies. The principal objectives of the Code are to enhance a competitive market while, at a minimum, keeping ratepayers unharmed by the actions of gas distributors, transmitters and storage companies with respect to dealing with their affiliates. The standards established in the Code are intended to:

- (a) minimize the potential for a utility to cross-subsidize competitive or non-monopoly activities;
- (b) protect the confidentiality of consumer information collected by a transmitter, distributor or storage company in the course of provision of utility services; and
- (c) ensure there is no preferential access to regulated utility services.

#### 1.2 Definitions

In this code:

“Act” means the *Ontario Energy Board Act, 1998*;

“affiliate” with respect to a corporation, has the same meaning as in the *Business Corporation Act* (Ontario);

“Affiliate Contract” means any contract between a utility and its affiliate, and includes a Services Agreement;

“agent” means a person acting on behalf of a utility and includes persons contracted to provide services to a utility;

“Board” means the Ontario Energy Board;

“Code” means this Affiliate Relationships Code for Gas Utilities;

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## Affiliate Relationships Code

“confidential information” means information relating to a specific consumer, marketer or other customer of a utility service, which information the utility has obtained in the process of providing current or prospective utility services;

“cost of gas” includes the costs of upstream transportation;

“direct costs” means costs that can reasonably be identified with a specific unit of product or service or with a specific operation or cost centre;

“energy service provider” means a person, other than an exempt utility, involved in the supply of electricity or gas or related activities, including retailing of electricity, marketing of natural gas, generation of electricity, energy management services, demand-side management programs, and appliance sales, service and rentals;

“exempt utility” means a *Utility* as defined in this code or an electricity distributor or electricity transmitter that is licensed under Part V of the Act;

“fully-allocated cost” means the sum of direct costs plus a proportional share of indirect costs;

“gas” means natural gas, substitute natural gas, synthetic gas, manufactured gas, propane-air gas or any mixture of any of them;

“gas distributor” means a person who delivers gas to consumers, and *distribute* and *distribution* have corresponding meanings;

“gas transmitter” means a person who carries gas by hydrocarbon transmission line, as defined in Part VI of the *Act*, and *transmit* and *transmission* have corresponding meanings;

“indirect costs” means costs that cannot be identified with a specific unit of product or service or with a specific operation or cost centre service, and include but are not limited to overhead costs, administrative and general expenses, and taxes;

“information services” means computer systems, services, databases and persons knowledgeable about the utility’s information technology systems;

“in writing” means communication through writing, facsimile, or any other means of communication considered legally binding in the Province of Ontario;

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“marketing” means to provide a contract or an offer, and is characterized by door-to-door selling, telemarketing, direct mail selling activities, and any other means by which an energy marketer or a salesperson interacts directly with a consumer;

“market price” means the price reached in an open and unrestricted market between informed and prudent parties, acting at arm’s length and under no compulsion to act;

“physically separated” means having separate office space in a separate building or located separately through the use of appropriate security-controlled access;

“qualifying facility” means a generation facility or an energy storage facility that is referred to, and meets the applicable requirements set out in, paragraph (a), (b) or (c) of the Directive issued to the Board by the Minister of Energy and Infrastructure and approved by Order in Council 1540/2009, including by virtue of the application of paragraph (e) of that Directive;

“rate” means a rate, charge or other consideration and includes a penalty for late payment;

“Rate Order” means an order of the Board that is in force at the relevant time which, among other things, regulates distribution, transmission and storage rates to be charged by a utility;

“Services Agreement” means an agreement between a utility and its affiliate(s) for the purpose of subsection 2.2 of this Code;

“shared core corporate services” are business functions that provide shared strategic management and policy support to the corporate group of which the utility is a member, relating to legal, finance, tax, treasury, pensions, risk management, audit services, corporate planning, human resources, health and safety, communications, investor relations, trustee, or public affairs;

“storage company” means a person engaged in the business of storing gas;

“utility” means, for the purpose of this Code, a gas distributor, gas transmitter or storage company;

“utility asset” means tangible or intangible property included in the utility’s rate base;

“utility services” means the services provided by a utility for which a regulated rate, charge or range rate has been approved by the Board.

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## Affiliate Relationships Code

### 1.3 Interpretations

Unless otherwise defined in this Code, words and phrases that have not been defined shall have the meaning ascribed to them in the *Act*. Headings are for convenience only and shall not affect the interpretation of this Code. Words importing the singular include the plural and vice versa. A reference to a document or a provision of a document includes an amendment or supplement to, or a replacement of, that document or that provision of that document. Nothing in this Code in any way limits the authority of the Board, in a proceeding under section 36 of the *Act*, to review the prudence of actions taken by a utility and determine what costs should be recovered by a utility through rates.

### 1.4 To Whom this Code Applies

All utilities are obligated to comply with the Code in dealing with affiliates.

- 1.4.2 Despite section 1.4, section 2.3 of the Code does not apply to a utility that is exempt from the application of section 36 of the *Act*.

### 1.5 Coming into Force

This Code comes into force on July 31, 1999.

- 1.5.2 The amendments to the Code made by the Board on December 9, 2004 come into effect on June 9, 2005. However, for affiliate contracts which were in place on June 3, 2004, the amendments will not apply until after the end of the initial term of any such contract.

### 1.6 Amendments to this Code

- 1.6.1 Except where expressly stated otherwise, any amendments to this Code shall come into force on the date on which the Board publishes the amendments by placing them on the Board's website after they have been made by the Board.
- 1.6.2 Any matter under this Code requiring a determination by the Board may be determined without a hearing or through an oral, written or electronic hearing, at the Board's discretion.

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## Affiliate Relationships Code

1.6.3 The Board may grant an exemption to any provision of this Code. An exemption may be made in whole or in part, and may be subject to conditions or restrictions.

## 2. STANDARDS OF CONDUCT

### 2.1 Degree of Separation

2.1.1 A utility shall ensure accounting and financial separation from all affiliates and shall maintain separate financial records and books of accounts.

2.1.2 A utility shall be physically separated from any affiliate who is an energy service provider.

2.1.2A Section 2.1.2 does not apply in the case of an affiliate that is an energy service provider and whose sole activity is the ownership and operation of one or more qualifying facilities.

2.1.3 A utility shall ensure that at least one-third of its Board of Directors is independent from any affiliate.

### 2.2 Sharing of Services and Resources

2.2.1 Where a utility shares services or resources with an affiliate it shall do so in accordance with a Services Agreement, the length and terms of which may be reviewed by the Board to ensure compliance with this Code. The Services Agreement shall include documentation of:

- (a) the type, quantity and quality of service;
- (b) pricing mechanisms, which shall be consistent with section 2.2.5 and section 2.3;
- (c) cost allocation mechanisms, which shall be consistent with section 2.3.11.3;
- (d) information disclosure and confidentiality arrangements, which shall be consistent with section 2.3.1.2;
- (e) the apportionment of risks (including risks related to under or over provision of service); and
- (f) a dispute resolution process for any disagreement arising over the terms or implementation of the Services Agreement.

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- 2.2.2 Where a utility shares information services with an affiliate, all confidential information must be protected from access by the affiliate. Access to a utility's information services shall include appropriate computer data management and data access protocols as well as contractual provisions regarding the breach of any access protocols. Compliance with the access protocols and the Services Agreement shall be ensured as necessary, through a review which complies with the provisions of section 5900 of the Canadian Institute of Chartered Accountants ("CICA") Handbook. The Board may provide direction regarding the terms of the section 5900 review. The results of any review shall be made available to the Board.
- 2.2.3 A utility may share employees with an affiliate provided that the employees to be shared are not directly involved in collecting, or have access to, confidential information.
- 2.2.3A Despite section 2.2.3, a utility may share employees that are directly involved in collecting, or have access to, confidential information with an affiliate whose sole activity at the time at which any such employee is being shared is the ownership and operation of one or more qualifying facilities.
- 2.2.3B Despite section 2.2.3, a utility may share employees that are directly involved in collecting, or have access to, confidential information with an affiliate whose activities at the time at which any such employee is being shared include but are not limited to the ownership and operation of one or more qualifying facilities, provided that:
- (a) the employees to be shared are limited to employees whose sole or principal function is to construct, operate, maintain or repair the system by which the utility provides utility services; and
  - (b) the employees may only be shared in relation to activities associated with the ownership and operation of one or more qualifying facilities.
- 2.2.4 A utility shall not share with an affiliate that is an energy service provider any employee who controls the access to utility services, or directs the manner in which utility services are provided to customers, or who has direct contact with a customer of the utility service.
- 2.2.4A Despite section 2.2.4, a utility may share employees that control the access to utility services, that direct the manner in which utility services are provided to customers, or that have direct contact with a customer of the utility service with an affiliate that is an energy service provider and whose sole activity at the time

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at which any such employee is being shared is the ownership and operation of one or more qualifying facilities.

- 2.2.5 In the event of an emergency situation a utility may share services and resources, without a Services Agreement, with an affiliate which is also a utility. The transfer pricing rules set out in section 2.3 do not apply when a utility and an affiliate share services in an emergency situation; a reasonable fully-allocated cost-related price shall be determined afterwards by the parties.

### 2.3 Transfer Pricing and Cost Information Disclosure

#### Terms of Contracts with Affiliates

- 2.3.1 The term of an Affiliate Contract between a utility and an affiliate shall not exceed five years, unless otherwise approved by the Board.
- 2.3.1A Despite section 2.3.1, the term of an Affiliate Contract between a utility and an affiliate that is exclusively for the provision of services, products, resources or use of asset related to a qualifying facility may extend to a maximum of 20 years. Where an Affiliate Contract between a utility and an affiliate is for the provision of services, products, resources or use of asset that relates to, among other things, a qualifying facility, only that portion of the Affiliate Contract that relates to a qualifying facility may have a term that extends to a maximum of 20 years.
- 2.3.1.2 A utility shall not enter into or renew an Affiliate Contract with an affiliate unless it contains provisions which require the affiliate to:
- (a) comply promptly with all requests either made or authorized by the Board for information with respect to:
    - (i) the services, resources or products provided under the contract; and
    - (ii) the cost to the affiliate of providing any service, resource or product under the contract; and
  - (b) include equivalent provisions to those set out in this section in any contracts the affiliate enters into with another of its or the utility's affiliate for the purpose of providing any service, resource or product used in the provision of a service, resource or product to the utility.

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### Utility's Internal Cost

- 2.3.2 If a utility intends to enter into an Affiliate Contract for the receipt of a service, product, resource, or use of asset that it currently provides to itself, the utility shall first undertake a business case analysis.
- 2.3.2A Despite section 2.3.2, a utility shall not be required to undertake a business case analysis prior to entering into an Affiliate Contract for the receipt of a service, product, resource or use of asset that it currently provides to itself and that pertains exclusively to the ownership and operation of one or more qualifying facilities.
- 2.3.3 For purposes of section 2.3.2, the business case analysis shall contain (a) description of relevant utility needs on a per-service basis, (b) identification of the options available internally or externally from an affiliate or third party, (c) economic evaluation of all available options including the utility's current fully-allocated cost (which may include a return on the utility's invested capital equal to the approved weighted average cost of capital), (d) explanation of the selection criteria (including any non-price factors to be taken into account), (e) estimate of any benefits to the utility's Ontario ratepayers from outsourcing, and (f) justification of why any separate items were bundled together when considered for outsourcing.
- 2.3.3.2 If a utility wishes to continue to receive from any affiliate a service, product, resource, or use of asset, the business case analysis described under section 2.3.2 must be repeated at least once every five years.
- 2.3.3.3 Section 2.3.3.2 does not apply to a service, product, resource or use of asset that pertains exclusively to the ownership and operation of one or more qualifying facilities.

### Where a Market Exists

- 2.3.4 Where a reasonably competitive market exists for a service, product, resource or use of asset, a utility shall pay no more than the market price when acquiring that service, product, resource or use of asset from an affiliate.
- 2.3.5 A fair and open competitive bidding process shall be used to establish the market price before a utility enters into or renews a contract with an affiliate.

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- 2.3.6 Despite section 2.3.5, where satisfactory benchmarking or other evidence of market price is available, a competitive tendering or bidding process is not required to establish the market price for contracts with a value of less than \$100,000 or 0.1% of the utility's revenue net of the cost of gas, whichever is greater.
- 2.3.7 Where the value of a proposed contract exceeds \$300,000 or 0.3% of the utility's revenue net of the cost of gas, whichever is greater, a utility shall not award the contract to an affiliate before an independent evaluator retained by the utility has reported to the utility on how the competing bids meet the criteria established by the utility for the competitive bidding process.
- 2.3.8 The Board may, for the purposes of sections 2.3.6 and 2.3.7, consider more than one contract to be a single contract where it has been entered into for the purpose of setting the contract values at levels below the threshold level set out in section 2.3.6 or 2.3.7.
- 2.3.9 Where a reasonably competitive market exists for a service, product, resource or use of asset, a utility shall charge no less than the market price of the service, product, resource or use of asset when selling that service, product, resource or use of asset to an affiliate.

### Qualifying Facilities

- 2.3.9.A For a service, product, resource or use of asset that pertains exclusively to the ownership and operation of one or more qualifying facilities, fully-allocated cost-based pricing (as calculated in accordance with section 2.3.10 or 2.3.11) may be applied between a utility and an affiliate in lieu of applying the transfer pricing provisions of section 2.3.4 or section 2.3.9.

### Where No Market Exists

- 2.3.10 Where it can be established that a reasonably competitive market does not exist for a service, product, resource or use of asset that a utility acquires from an affiliate, the utility shall pay no more than the affiliate's fully-allocated cost to provide that service, product, resource or use of asset. The fully-allocated cost may include a return on the affiliate's invested capital. The return on invested capital shall be no higher than the utility's approved weighted average cost of capital.

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2.3.11 Where a reasonably competitive market does not exist for a service, product, resource or use of asset that a utility sells to an affiliate, the utility shall charge no less than its fully-allocated cost to provide that service, product, resource or use of asset. The fully-allocated cost shall include a return on the utility's invested capital. The return on invested capital shall be no less than the utility's approved weighted average cost of capital.

### Shared Core Corporate Services

2.3.11.2 Despite sections 2.3.4 and 2.3.9, for shared core corporate services, fully-allocated cost-based pricing (as defined under sections 2.3.10 and 2.3.11) may be applied between a utility and an affiliate.

2.3.11.3 Reasonable cost allocation shall be applied to all shared corporate services. The methodology for this calculation shall be documented under section 2.2.1(c).

### Transfer of Assets

2.3.12 If a utility sells or transfers to an affiliate a utility asset, the price shall be the greater of the market price or the net book value of the asset.

2.3.13 Despite section 2.3.12, the utility may sell or transfer to an affiliate a depreciable utility asset with a net book value of less than \$10,000 at a price equal to that net book value.

2.3.14 Before selling or transferring to an affiliate a utility asset with a net book value that exceeds \$100,000 or 0.1% of the utility's revenue net of the cost of gas, whichever is greater, the utility shall obtain an independent assessment of its market price.

2.3.15 If a utility purchases or obtains the transfer of an asset from an affiliate, the price shall be no more than the market price.

2.3.16 Before a utility purchases or obtains the transfer of an asset from an affiliate with a net book value that exceeds \$100,000 or 0.1% of the utility's revenue net of the cost of gas, whichever is greater, the utility shall obtain an independent assessment of its market price.

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### 2.4 Financial Transactions with Affiliates

- 2.4.1 A utility may provide loans, guarantee the indebtedness of, or invest in the securities of an affiliate, but shall not invest or provide guarantees or any other form of financial support if the amount of support or investment, on an aggregated basis over all transactions with all affiliates, would equal an amount greater than 25 percent of the utility's total equity.
- 2.4.1A Despite section 2.4.1, a utility that has an affiliate that owns one or more qualifying facilities may invest in or provide guarantees or any other form of financial support to its affiliates in an amount that, on an aggregated basis over all transactions with all affiliates, would equal an amount up to but not exceeding 35% of the utility's total equity.
- 2.4.1B Despite sections 2.4.1 and 2.4.1A, a utility may invest in or provide guarantees or any other form of financial support in any amount to an affiliate whose sole activity, at the time the investment is made or financial support is provided, is the ownership and operation of one or more qualifying facilities, subject only to the limitation that in no event may the utility's investments or financial support be in an amount that, on an aggregated basis over all transactions with all affiliates, would equal an amount that exceeds 100% of the utility's total equity.
- 2.4.2 A utility shall ensure that any loan, investment, or other financial support provided to an affiliate is provided on terms no more favourable than what that affiliate would be able to obtain on its own from the capital markets and in all cases at no more favourable terms than the utility could obtain directly for itself in capital markets.
- 2.4.3 Despite section 2.4.2, any loan, investment or other financial support provided to an affiliate by a utility may be provided on terms no more favourable than what the utility could obtain directly for itself in the capital markets if the loan, investment or other financial support is for the purpose of financing the ownership of one or more qualifying facilities.

### 2.5 Equal Access to Services

- 2.5.1 A utility shall not preferentially endorse or support marketing activities of an affiliate that is an energy service provider. A utility may include an affiliate as part of a listing of alternative service providers, but the affiliate's name shall not in any way be highlighted.

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- 2.5.2 A utility, including its employees and agents, shall not state or imply to consumers a preference for any affiliate who is an energy service provider.
- 2.5.2A Sections 2.5.1 and 2.5.2 do not apply in respect of the activities of an affiliate that is an energy service provider that are related to the ownership and operation of qualifying facilities.
- 2.5.3 A utility shall take all reasonable steps to ensure that an affiliate does not use the utility=s name, logo or other distinguishing characteristics in a manner which would mislead consumers as to the distinction between the utility and the affiliate.
- 2.5.4 A utility shall take reasonable steps to ensure that an affiliate does not imply in its marketing material favoured treatment or preferential access to the utility=s system. If the utility becomes aware of inappropriate marketing activity by an affiliate, it shall:
- (a) immediately take reasonable steps to notify affected customers of the violation;
  - (b) take necessary steps to ensure the affiliate is aware of the concern; and
  - (c) inform the Board in writing of such activity and the remedial measures that were undertaken by the utility.
- 2.5.5 A utility shall apply all Rate Orders and rate schedules to an affiliate in the same manner as would be applied to similarly situated non-affiliated parties.
- 2.5.6 Requests by an affiliate or an affiliate=s customers for access to a utility=s transmission and distribution network or for utility services shall be processed and provided in the same manner as would be processed or provided for similarly situated non-affiliated parties.
- 2.5.7 A utility shall not transfer or assign to an affiliate a customer for whom the utility is providing utility services (as defined in this Code), unless the customer gives permission to such transfer or assignment in writing.

## 2.6 Confidentiality of Information

- 2.6.1 A utility shall not release to an affiliate confidential information relating to a consumer, marketer or other utility service customer without appropriate consent.

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2.6.2 A utility shall not disclose confidential information to an affiliate without the consent in writing of the consumer, marketer or other utility service customer, as the case may be, except where confidential information is required to be disclosed:

- (a) for billing or market operation purposes;
- (b) for law enforcement purposes;
- (a) for the purpose of complying with a legal requirement; or
- (d) for the processing of past due accounts of the consumer which have been passed to a debt collection agency.

2.6.3 Confidential information may be disclosed where the information has been sufficiently aggregated such that any individual consumer, marketer or other utility service customer=s information cannot reasonably be identified. If such information is aggregated it must be disclosed on a non-discriminatory basis to any party requesting the information.

### 2.7 Compliance Measures

2.7.1 A utility shall be responsible for ensuring compliance with this Code and shall:

- (a) perform periodic compliance reviews;
- (b) communicate the Code to its employees; and
- (c) monitor its employees= compliance with this Code.

### 2.8 Record Keeping and Reporting Requirements

2.8.1 A utility shall maintain updated records in a form and manner as prescribed by the Board so as to be able to substantiate compliance with this Code.

2.8.2 In addition to any other reporting requirements contained in this Code a utility shall provide the following information, in a form and manner and at such times as may be requested by the Board:

- (a) a list of all affiliates with whom the utility transacts, including business addresses, a list of the officers and directors, and a description of the affiliate's business activity;

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- (b) a corporate organization chart indicating relationships and ownership percentages; and
- (c) the utility's specific costing and transfer pricing guidelines, tendering procedures and Services Agreement(s).

2.8.3 Where the total cost of transactions with a particular affiliate exceeds on an annual basis \$100,000 the utility shall maintain, and make available upon request by the Board, separate records showing:

- (a) the name of the affiliate;
- (b) the product or service in question;
- (c) the form of price or cost determination; and
- (d) the start date and expected completion date of the transaction.

## 2.9 Complaint Process

2.9.1 The utility shall designate an employee (Designated Employee) for the purpose of dealing with complaints and this person shall be identified as such to the Board.

2.9.2 Complaints respecting the application of this Code shall be submitted to the utility. All complaints shall be made in writing.

2.9.3 The Designated Employee shall acknowledge all complaints in writing within five working days, unless the complainant states that written acknowledgement is not required.

2.9.4 The Designated Employee shall respond to the complaint within 21 days of its receipt. The response shall include a description of the complaint and the response of the utility to all issues of contention identified in the complaint.

2.9.5 A record of all complaints and responses of the utility shall be kept for a period of three years and shall be made available for inspection by the Board.

2.9.6 If a complaint has not been resolved the complainant may refer the complaint to the Board. Any referral to the Board must be made in writing and shall include the response of the utility to the complaint as made under section 2.9.4.

**October 2012**

**Enbridge Inc. and its Subsidiaries**

**Revised Statement on Business Conduct**

**This Statement on Business Conduct is applicable to the Enbridge Group of Companies, their Directors, Officers, Employees, Consultants and Contractors in all countries in which Enbridge conducts business.**

## **Statement on Business Conduct**

Enbridge's vision is to be North America's leading energy delivery company. In achieving our vision and objectives we are guided by the strong set of corporate values embodied in our Statement on Business Conduct.

Each Enbridge employee is empowered to make decisions and conduct our business in a responsible, honest and ethical manner. Enbridge is committed to the highest standards of business conduct and makes this commitment to our shareholders, customers, partners and to each other. Enbridge's success is dependent upon our reputation for integrity and quality in everything we do.

Each of us is responsible for helping to ensure we continue to meet the standards that have made Enbridge a leader.

Al Monaco  
President & Chief Executive Officer

## **Application and Purpose**

This Statement on Business Conduct applies to Enbridge Inc. and each of its subsidiaries or controlled entities (“Enbridge”). This Statement emphasizes the commitment of Enbridge to specific standards of conduct expected of each of its directors, officers, employees, consultants and contractors in all of the countries where Enbridge does business.

This Statement and all other Enbridge policies referred to herein are available for viewing at [www.enbridge.com](http://www.enbridge.com). Any questions respecting this Statement may be directed to the Law Department.

## **Standards of Business Conduct**

Enbridge is committed to conducting its business in accordance with the letter and spirit of all applicable laws of the countries in which it operates.

All relationships with landowners, suppliers, governments, regulators, First Nations representatives, shippers, customers, partners, the general public and other stakeholders shall be honest, fair, courteous, respectful, conducted with integrity and with due regard for the protection of the interests involved. Enbridge will ensure meaningful and transparent consultation with all stakeholders and strive to integrate its corporate activities with local communities so they may benefit from our presence.

## **Employee Relations, Health, Safety, Environment and Human Rights**

Enbridge is committed to ensuring its employees are treated fairly, compensated appropriately, and hired and promoted without discrimination by reason of race, nationality, ethnic origin, color, religion, age, gender, marital status, family status, sexual orientation, political belief or disability.

Enbridge shall establish and maintain safe working conditions and conduct its operations in an environmentally responsible manner in accordance with applicable environmental laws, regulations and standards. All employees and contractors shall be aware of and comply with Enbridge’s applicable health, safety and environmental policies.

Enbridge shall support the protection and observance of human rights and freedoms within its sphere of influence and has adopted the *Voluntary Principles on Security and Human Rights* as set forth by the US Bureau of Democracy, Human Rights and Labor.

## **Corporate Property and Reporting of Financial Transactions**

### *Corporate Property*

Employees are responsible for protecting Enbridge assets and for establishing and maintaining appropriate controls to protect against loss or unauthorized disposition of such assets. Absent the express approval of senior management, no employee shall obtain, use or divert Enbridge property for personal use or benefit or use Enbridge's name or purchasing power to obtain personal benefits. All assets of Enbridge must be used lawfully in furtherance of corporate objectives.

Contracts to which Enbridge is a party shall be in writing. Any "side" or "comfort" letters which are not attachments to the main contract should not be accepted except on the advice of the Law Department.

### *Proprietary and Confidential Information*

Employees shall not, either during or following their employment, disclose proprietary and confidential information obtained in the conduct of Enbridge's business to anyone other than those who need to know it in furtherance of the business of Enbridge. Employees shall return all proprietary and confidential information in their possession forthwith upon the termination of their employment with Enbridge.

Employees must disclose any invention, improvement, concept, trademark or design prepared or developed in connection with their employment with Enbridge and Enbridge is the exclusive owner of such property.

Employees shall comply with the Enbridge *Privacy Policy* that is applicable to their respective business unit's operations.

### *Insider Trading*

"Insider Information" is any information relating to Enbridge that has not been released to the general public and that, if generally known, might reasonably be expected to have a significant effect on the market price or value of any securities of Enbridge. Examples of Insider Information include: unpublished financial results, pending stock splits, dividend policy changes, expansions or curtailment of operations, operational incidents, anticipated acquisitions or pending major litigation.

It is a breach of securities laws and this Statement for an employee in possession of Insider Information to trade or tip others to trade in the securities of Enbridge Inc., Enbridge Energy Partners, L.P., Enbridge Energy Management, LLC or the Enbridge Income Fund or those of any party to any undisclosed transaction to which an Enbridge entity is a party.

Inquiries received by employees from financial analysts and others associated with the financial and investment communities shall be directed to the Investor Relations Department.

### *Communications Devices*

Enbridge's communication resources (phone systems, faxes, computers and Blackberry devices):

- are to be used for business purposes, with incidental personal use permitted provided such use does not negatively impact productivity, compromise system capacity or contravene applicable law or any Enbridge policy; and
- are not to be used for improper or illegal activities such as the communication of defamatory, pornographic, obscene or demeaning material, hate literature, inappropriate blogging, gambling, copyright infringement, harassment or obtaining illegal software or files.

Communications resources are owned by Enbridge and are monitored and audited for improper usage, security purposes and network management.

When using these resources to transmit or receive confidential, sensitive or proprietary information, appropriate security precautions should be taken.

### *Reporting of Financial Transactions*

Compliance with generally accepted accounting principles and internal controls is expected at all times and all Enbridge books of account, records and other documents must accurately account for and report all assets, liabilities and transactions. For example, no employee shall:

- cause Enbridge books or records to be incorrect or misleading in any way;
- participate in creating a record intended to conceal any improper transaction;
- delay the prompt or correct recording of disbursements of funds;
- hinder or fail to cooperate to ensure full disclosure with internal or external auditors, the Controller or other officers of Enbridge to ensure that all issues relating to internal and external audit reports are resolved;
- conceal knowledge of any untruthful, misleading or inaccurate statement or record, whether intentionally or unintentionally made; or
- conceal or fail to bring to the attention of appropriate supervisors transactions that do not seem to serve a legitimate commercial purpose.

Compliance with the US *Sarbanes Oxley Act* and the corresponding Canadian securities laws is mandatory. Employees are encouraged to seek advice and direction from the Law Department as necessary.

Each employee shall comply with the Enbridge *Whistleblower Policy* that is applicable to their respective business unit's operations. In accordance with such policies, Enbridge has implemented a Ethics and Conduct Hotline, accessible at 1-866-571-4989 or through the internet at [www.enbridgehotline.com](http://www.enbridgehotline.com). This service is provided by a third party external service provider and is continuously available.

### **Conflicts of Interest**

Employees must not engage in any activity which could give rise, or could be perceived to give rise to, a conflict between an employee's personal interests and the interests of Enbridge. Employees are required to arrange their private affairs in a manner which prevents conflicts or the appearance of conflicts. If an employee believes they may have a conflict such interest should be disclosed and direction sought from their supervisor or the Law Department.

The following is a non-exhaustive list of examples where a conflict of interest could arise:

#### *Employee Interests and Activities*

In the absence of express approval from senior management, employees must not, either directly or indirectly (through families, friends or otherwise):

- place themselves in a position where any benefit or interest other than employment could be derived from a transaction with Enbridge;
- contract with or render services to Enbridge outside of their employment;
- participate in activities that compete with Enbridge or that interfere or appear to interfere with their duties and responsibilities to Enbridge;
- appropriate to themselves any business opportunity that Enbridge may be interested in;
- convey Insider Information to others or take Insider Information for their own use or benefit;
- have a financial or other interest in any entity doing business with Enbridge (other than an interest of 5% or less in a publicly traded entity).

Without the express prior approval of the President, or the Board of Directors in the case of the President, no employee shall act in the capacity of a director, officer, partner, consultant, employee or agent for a supplier, contractor, sub-contractor, customer, competitor or any other entity with which Enbridge does business or competes.

#### *Outside Employment, Volunteering and Directorships*

Outside interests must not adversely affect employee performance or objectivity at work. While Enbridge encourages community contribution and charitable service, the

contribution of corporate time or resources for such activities should only be provided with the approval of senior management.

The approval of senior management, or the Board of Directors in the case of the President, must be obtained before an employee accepts a directorship in any public company or any social, charitable, political or non-profit organization.

#### *Political Contributions*

No funds or assets of Enbridge shall be contributed to any political party or organization, or any candidate for public office, except where such contribution is permitted by applicable law and authorized by senior management or the Board of Directors.

No employee shall, directly or indirectly, exert influence on another employee to support any political cause, party or candidate. Any attempt at such exertion of influence shall be reported to the affected employee's supervisor.

#### *Payments to Agents, Consultants and Government Officials*

All commissions, fees or other payments to agents or consultants acting on behalf of Enbridge shall be made in accordance with sound business practices and be reflective of the reasonable value of the services performed.

No payments, gifts or favours may be made to any person in a position of trust or responsibility with the intent to induce them to violate their duties or to obtain favourable treatment for Enbridge or any of its employees.

Except as specifically permitted by law, payments, gifts of substantial value or lavish entertainment provided to government officials or personnel are prohibited.

Neither Enbridge nor its employees shall knowingly aid or abet any person or entity to circumvent laws, evade income taxes or defraud the interests of Enbridge shareholders, unitholders or creditors.

#### *Gifts, Payments and Entertainment*

No gift or benefit of any kind shall be given or received by any employee conducting business on behalf of Enbridge where it might be perceived that an obligation is created or a favour expected of the recipient. The giving of gifts or promotional items of modest value in the context of appropriate business conduct is permissible.

Receipt of excessive entertainment is prohibited, however it is permitted to accept hospitality or entertainment, provided it is reasonably within the limits of responsible and generally accepted business practice.

In circumstances where doubt arises as to the propriety of accepting a gift, direction from senior management should be sought as to the gift's acceptance and disposition.

### **International Operations**

International operations at all of the locations where Enbridge does business must be conducted in accordance with the Canadian *Corruption of Foreign Public Officials Act* and the *US Foreign Corrupt Practices Act*.

This legislation establishes prohibitions on the bribing of foreign officials for the purposes of obtaining or retaining business in a foreign jurisdiction. There are extensive provisions dealing with the accounting requirements designed to reveal any payments for such purposes. Breaches may result in severe penalties including fines and imprisonment. The full text and comprehensive explanations of the legislation is available from the Law Department.

In foreign jurisdictions particular care must be taken in the retention of agents, partners and associates to ensure no transgression of the Canadian, US or other foreign legislation occurs.

### **Competition and Anti-Trust Legislation**

Enbridge and its employees must comply with all applicable Canadian, US or other foreign competition and antitrust legislation.

Behavior which is prohibited under such legislation includes activities such as agreements with competitors to allocate markets or customers, price fixing or agreements to control prices, the boycotting of certain suppliers or customers, bid-rigging, misleading advertising, price discrimination, predatory pricing, price maintenance, refusal to deal, exclusive dealing, tied selling, delivered pricing and the abuse of dominant position.

Situations constituting potential breach of such legislation or circumstances requiring direction should be immediately reported to the employee's supervisor or the Law Department.

### **Consultants and Contractors**

Consultants and contractors retained by Enbridge shall conduct themselves in accordance with this Statement in their activities relating to Enbridge.

## **Compliance and Enforcement**

### *Compliance*

Strict adherence to this Statement and all other Enbridge policies is mandatory. Failure to comply may result in disciplinary action up to and including termination. In interpreting this Statement, the spirit as well as the literal meaning, of the language shall be observed. Interpretation or direction on this Statement may be sought from your supervisor, senior management or the Law Department.

### *Non-Retaliation*

Any violations of this Statement or other Enbridge policies shall be reported promptly to senior management, the President or the Law Department. Reports, discussions or inquiries will be kept in strict confidence to the extent appropriate or permitted by policy or law. Requests to remain anonymous will be respected in accordance with applicable laws. No retaliatory action will be taken against an employee or contractor for providing good faith information, either internally or to a government authority, or for participating in any proceeding concerning alleged violations of any laws or policies. Disciplinary measures may be taken against an employee or contractor if they participated in prohibited activity, even if they reported it.

### *Enforcement*

Each new employee shall, on the commencement of their employment and annually thereafter, certify compliance with this Statement and the other policies of Enbridge by signing a certificate in the form attached to the Statement. The President shall, on an annual basis, furnish to the Chairman of the Governance Committee a letter of compliance. Nothing in this Statement is intended to modify or contradict the position of Enbridge as an at-will employer, in those jurisdictions where that is the law, nor should this document be construed to create any express or implied guarantee as to the duration or terms of employment.

Enbridge may, in its sole discretion and without prior notice, amend or modify any provisions of this Statement.

**2014 Statement on Business Conduct Certification**

- I confirm that, to the best of my knowledge, that for the past year 2013 (check one):

I personally complied with the Statement on Business Conduct and such other applicable policies of the Enbridge entity which employs me.

I am unable to certify compliance with the Statement on Business Conduct and such other applicable policies of the Enbridge entity which employs me for the following reasons (please provide details):

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(print name)

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(signature)

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(date)

ST. LAWRENCE GAS COMPANY, INC.  
Intercompany Charges - EGD  
2014

	A/C	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
Internal Audit	923	-	-	-	-	-	-	-	-	-	-	-	4,224.96	4,224.96
Engineering	874-892	523.56	8,942.43	7,497.64	19,547.46	7,455.31	3,957.16	(913.55)	(130.87)	17,395.29	2,543.18	3,111.64	4,618.72	74,547.97
ILI	874100	(1,845.61)	1,133.90	-	62.46	(62.46)	-	-	-	-	-	-	268.71	(443.00)
Engineering & Legal - FC	107	(83.63)	(3,437.43)	(1.08)	1.65	0.26	2.48	0.34	(2.84)	5,603.84	(88.22)	9,949.25	1,557.17	13,501.79
BOD & Administrative	923	(9,954.26)	(4,925.34)	-	4,884.30	33.24	-	-	-	-	-	-	14,477.89	4,515.83
Legal & Corp.	923	(6,389.27)	(52.31)	(69.84)	15.94	2.51	23.85	8,315.52	(184.18)	8,000.69	(135.75)	(1,122.66)	6,262.06	14,666.56
Risk Management	925/ various	(85.08)	1,785.21	-	-	-	1,876.99	-	-	-	-	-	3,460.38	7,037.50
EVAP	923	21,555.01	241.18	201.02	325.70	262.95	288.33	120.47	246.16	250.19	(10.20)	247.93	225.31	23,954.05
E. Naczynski Expenses	921	-	-	-	-	-	-	-	-	-	-	-	107.45	107.45
Gas Control - See below	923	-	-	-	-	-	-	-	-	-	-	-	-	-
Total		3,720.72	3,687.64	7,627.74	24,837.51	7,691.81	6,148.81	7,522.78	(71.73)	31,250.01	2,309.01	12,186.16	35,202.65	142,113.11
Accum		3,720.72	7,408.36	15,036.10	39,873.61	47,565.42	53,714.23	61,237.01	61,165.28	92,415.29	94,724.30	106,910.46	142,113.11	
<b>A/C 923</b>		<b>5,211.48</b>	<b>(4,736.47)</b>	<b>131.18</b>	<b>5,225.94</b>	<b>298.70</b>	<b>312.18</b>	<b>8,435.99</b>	<b>61.98</b>	<b>8,250.88</b>	<b>(145.95)</b>	<b>(874.73)</b>	<b>25,190.22</b>	<b>47,361.40</b>
<b>Gas Control</b>	<b>923</b>	<b>(327.14)</b>	<b>26,318.22</b>	<b>7,736.70</b>	<b>8,675.97</b>	<b>8,411.39</b>	<b>8,917.65</b>	<b>8,619.26</b>	<b>8,229.89</b>	<b>8,238.83</b>	<b>8,020.44</b>	<b>8,026.69</b>	<b>7,371.08</b>	<b>108,238.98</b>
Accum.		(327.14)	25,991.08	33,727.78	42,403.75	50,815.14	59,732.79	68,352.05	76,581.94	84,820.77	92,841.21	100,867.90	108,238.98	
<b>Total A/C 923</b>		<b>4,884.34</b>	<b>21,581.75</b>	<b>7,867.88</b>	<b>13,901.91</b>	<b>8,710.09</b>	<b>9,229.83</b>	<b>17,055.25</b>	<b>8,291.87</b>	<b>16,489.71</b>	<b>7,874.49</b>	<b>7,151.96</b>	<b>32,561.30</b>	<b>155,600.38</b>

ST. LAWRENCE GAS COMPANY, INC.  
Intercompany Charges - Gas Control  
2014

	Entry		A/C	Amount	Accum.
January	JV1-9	Rev. Gas Control Accrual - Nov & Dec	923	(14,230.59)	
	JV1-9	Accrue Gas Control - Dec & Jan	923	13,903.45	
				(327.14)	(327.14)
February	JV2-9	Rev. Gas Control Accrual - Dec & Jan	923	(13,903.45)	
	JV2-9	Accrue Gas Control - Jan & Feb	923	33,350.25	-
	JV2-4	Payment to EGD	923	6,871.42	
			26,318.22	25,991.08	
March	JV3-9	Rev. Gas Control Accrual - Jan & Feb	923	(33,350.25)	
	JV3-9	Accrue Gas Control - Feb & Mar	923	16,515.38	
	JV3-24	Payment to EGD	923	24,571.57	
			7,736.70	33,727.78	
April	JV4-9	Rev. Gas Control Accrual	923	(16,515.38)	
	JV4-9	Accrue Gas Control	923	8,374.59	
	JV4-24	Payment to EGD	923	16,816.76	
			8,675.97	42,403.75	
May	JV5-9	Rev. Gas Control Accrual	923	(8,374.59)	
	JV5-9	Accrue Gas Control	923	16,785.98	
	JV5-24	Payment to EGD	923	-	
			8,411.39	50,815.14	
June	JV6-9	Rev. Gas Control Accrual	923	(16,785.98)	
	JV6-9	Accrue Gas Control	923	8,567.88	
	JV6-24	Payment to EGD	923	17,135.75	
			8,917.65	59,732.79	
July	JV7-9	Rev. Gas Control Accrual	923	(8,567.88)	
	JV7-9	Accrue Gas Control	923	8,593.57	
	JV7-24	Payment to EGD	923	8,593.57	
			8,619.26	68,352.05	
August	JV8-9	Rev. Gas Control Accrual	923	(8,593.57)	
	JV8-9	Accrue Gas Control	923	8,391.88	
	JV8-24	Payment to EGD	923	8,431.58	
			8,229.89	76,581.94	
September	JV9-9	Rev. Gas Control Accrual	923	(8,391.88)	
	JV9-9	Accrue Gas Control	923	16,630.71	
	JV9-24	Payment to EGD	923		
			8,238.83	84,820.77	
October	JV10-9	Rev. Gas Control Accrual	923	(16,630.71)	
	JV10-9	Accrue Gas Control	923	16,464.97	
	JV10-24	Payment to EGD	923	8,186.18	
			8,020.44	92,841.21	
November	JV11-9	Rev. Gas Control Accrual	923	(16,464.97)	
	JV1-9	Accrue Gas Control	923	16,359.21	
	JV11-24	Payment to EGD	923	8,132.45	
			8,026.69	100,867.90	
December	JV3-9	Rev. Gas Control Accrual	923	(16,359.21)	
	JV3-9	Accrue Gas Control	923	15,795.59	
	JV12-24	Payment to EGD	923	7,934.70	
			7,371.08	108,238.98	

ST. LAWRENCE GAS COMPANY, INC.  
Intercompany Charges - EGD  
2014

December	Entry	A/C	Amount	A/C 923
	<u>Payment to EGD</u>			
JV24	Engineering	874-892	2,640.87	
JV24	Legal & Corp.	923	-	
JV24	Legal & Corp.- FC	107	-	
JV24	EVAP	923	-	
JV24	ILI	874100	268.71	
JV24	Gas Control - See separate summary	923	-	
JV24	BOD	923	-	-
JV24	Risk Management	925	-	
			<u>2,909.58</u>	
	<u>Reverse EGD Accrual</u>			
JV9	Legal & Corp.	923	-	
JV9	BOD	923	-	
JV9	EVAP	923	(254.51)	(254.51)
JV9	Engineering	874-892	(5,886.36)	
JV9	ILI	874100	-	
JV9	Engineering & Legal - FC	107	-	
			<u>(6,140.87)</u>	
	<u>Accrue EGD</u>			
JV9	Legal & Corp.	923	6,262.06	
JV9	BOD	923	14,477.89	
JV9	Internal Audit	923	4,224.96	
JV9	EVAP	923	479.82	25,444.73
JV9	E. Naczynski Expenses	921	107.45	
JV9	Risk Management	925	3,460.38	
JV9	Engineering	874-892	7,864.21	
JV9	ILI	874100	-	
JV9	Engineering & Legal - FC	107	1,557.17	
			<u>38,433.94</u>	
	TOTAL		<u><u>35,202.65</u></u>	<u><u>25,190.22</u></u>

<u>Summary</u>			
Internal Audit	923	4,224.96	
Engineering	874-892	4,618.72	
ILI	874100	268.71	
Engineering & Legal - FC	107	1,557.17	
BOD & Administrative	923	14,477.89	
Legal & Corp.	923	6,262.06	
Risk Management	925/ various	3,460.38	
Risk Management - Contractor Liability FC	107	-	
EVAP	923	225.31	
E. Naczynski Expenses	921	107.45	
Gas Control - See separate summary	923	-	25,190.22
TOTAL		<u><u>35,202.65</u></u>	

ST. LAWRENCE GAS COMPANY, INC.  
Intercompany Charges - EGD  
2014

November	Entry	A/C	Amount	A/C 923
	<u>Payment to EGD</u>			
JV24	Engineering	874-892	3,149.75	
JV24	Legal & Corp.	923	-	
JV24	Legal & Corp.- FC	107	10,065.19	
JV24	EVAP	923	249.58	
JV24	ILI	874100	-	
JV24	Gas Control - See separate summary	923	-	
JV24	BOD	923	-	249.58
JV24	Risk Management	925	-	
			13,464.52	
	<u>Reverse EGD Accrual</u>			
JV9	Legal & Corp.	923	(1,122.66)	
JV9	BOD	923	-	
JV9	EVAP	923	(256.16)	(1,378.82)
JV9	Engineering	874-892	(5,924.47)	
JV9	ILI	874100	-	
JV9	Engineering & Legal - FC	107	(115.94)	
			(7,419.23)	
	<u>Accrue EGD</u>			
JV9	Legal & Corp.	923	-	
JV9	BOD	923	-	
JV9	EVAP	923	254.51	254.51
JV9	Engineering	874-892	5,886.36	
JV9	ILI	874100	-	
JV9	Engineering & Legal - FC	107	-	
			6,140.87	
	TOTAL		<u>12,186.16</u>	<u>(874.73)</u>

<u>Summary</u>				
Engineering	874-892		3,111.64	
ILI	874100		-	
Engineering & Legal - FC	107		9,949.25	
BOD & Administrative	923		-	
Legal & Corp.	923		(1,122.66)	
Risk Management	925/ various		-	
Risk Management - Contractor Liability FC	107		-	
EVAP	923		247.93	
Gas Control - See separate summary	923		-	(874.73)
TOTAL			<u>12,186.16</u>	<u>-</u>

ST. LAWRENCE GAS COMPANY, INC.  
Intercompany Charges - EGD  
2014

Entry	A/C	Amount	A/C 923
October			
<u>Payment to EGD</u>			
JV24	Engineering	874-892	5,876.03
JV24	Legal & Corp.	923	7,886.68
JV24	Legal & Corp. - FC	107	5,517.86
JV24	EVAP	923	251.23
JV24	ILI	874100	-
JV24	Gas Control - See separate summary	923	-
JV24	BOD	923	8,137.91
JV24	Risk Management	925	-
			19,531.80
<u>Reverse EGD Accrual</u>			
JV9	Legal & Corp.	923	(9,145.09)
JV9	BOD	923	-
JV9	EVAP	923	(517.59)
JV9	Engineerinig	874-892	(9,257.32)
JV9	ILI	874100	-
JV9	Engineering & Legal - FC	107	(5,722.02)
			(24,642.02)
<u>Accrue EGD</u>			
JV9	Legal & Corp.	923	1,122.66
JV9	BOD	923	-
JV9	EVAP	923	256.16
JV9	Engineerinig	874-892	5,924.47
JV9	ILI	874100	-
JV9	Engineering & Legal - FC	107	115.94
			7,419.23
TOTAL			<u>2,309.01</u> (145.95)

<u>Summary</u>			
Engineering	874-892	2,543.18	
ILI	874100	-	
Engineering & Legal - FC	107	(88.22)	
BOD & Administrative	923	-	
Legal & Corp.	923	(135.75)	
Risk Management	925/ various	-	
Risk Management - Contractor Liability FC	107	-	
EVAP	923	(10.20)	
Gas Control - See separate summary	923	-	(145.95)
TOTAL		<u>2,309.01</u>	
			-



ST. LAWRENCE GAS COMPANY, INC.  
Intercompany Charges - EGD  
2014

August	Entry	A/C	Amount	A/C 923
	<u>Payment to EGD</u>			
JV24	Engineering	874-892	3,033.80	
JV24	Legal & Corp.	923	8,155.34	
JV24	Legal & Corp.- FC	107	-	
JV24	EVAP	923	258.76	
JV24	ILI	874100	-	
JV24	Gas Control - See separate summary	923	-	
JV24	BOD	923	-	8,414.10
JV24	Risk Management	925	-	
			11,447.90	
	<u>Reverse EGD Accrual</u>			
JV9	Legal & Corp.	923	(9,483.92)	
JV9	BOD	923	-	
JV9	EVAP	923	(534.91)	(10,018.83)
JV9	Engineerinig	874-892	(6,184.25)	
JV9	ILI	874100	-	
JV9	Engineering & Legal - FC	107	(121.02)	
			(16,324.10)	
	<u>Accrue EGD</u>			
JV9	Legal & Corp.	923	1,144.40	
JV9	BOD	923	-	
JV9	EVAP	923	522.31	1,666.71
JV9	Engineerinig	874-892	3,019.58	
JV9	ILI	874100	-	
JV9	Engineering & Legal - FC	107	118.18	
			4,804.47	
	TOTAL		(71.73)	61.98

<u>Summary</u>			
Engineering	874-892	(130.87)	
ILI	874100	-	
Engineering & Legal - FC	107	(2.84)	
BOD & Administrative	923	-	
Legal & Corp.	923	(184.18)	
Risk Management	925/ various	-	
Risk Management - Contractor Liability FC	107	-	
EVAP	923	246.16	
Gas Control - See separate summary	923	-	61.98
TOTAL		(71.73)	0.00
		(0.00)	

ST. LAWRENCE GAS COMPANY, INC.  
Intercompany Charges - EGD  
2014

July	Entry	A/C	Amount	A/C 923
	<u>Payment to EGD</u>			
JV24	Engineering	874-892	9,773.29	
JV24	Legal & Corp.	923	-	
JV24	Legal & Corp. - FC	107	-	
JV24	EVAP	923	918.66	
JV24	ILI	874100	-	
JV24	Gas Control - See separate summary	923	-	
JV24	BOD	923	-	918.66
JV24	Risk Management	925	-	
			10,691.95	
	<u>Reverse EGD Accrual</u>			
JV9	Legal & Corp.	923	(1,168.40)	
JV9	BOD	923	-	
JV9	EVAP	923	(1,333.10)	(2,501.50)
JV9	Engineering	874-892	(16,871.09)	
JV9	ILI	874100	-	
JV9	Engineering & Legal - FC	107	(120.68)	
			(19,493.27)	
	<u>Accrue EGD</u>			
JV9	Legal & Corp.	923	9,483.92	
JV9	BOD	923	-	
JV9	EVAP	923	534.91	10,018.83
JV9	Engineering	874-892	6,184.25	
JV9	ILI	874100	-	
JV9	Engineering & Legal - FC	107	121.02	
			16,324.10	
	TOTAL		<u>7,522.78</u>	<u>8,435.99</u>

<u>Summary</u>				
Engineering	874-892		(913.55)	
ILI	874100		-	
Engineering & Legal - FC	107		0.34	
BOD & Administrative	923		-	
Legal & Corp.	923		8,315.52	
Risk Management	925/ various		-	
Risk Management - Contractor Liability FC	107		-	
EVAP	923		120.47	
Gas Control - See separate summary	923		-	8,435.99
TOTAL			<u>7,522.78</u>	<u>-</u>

ST. LAWRENCE GAS COMPANY, INC.  
Intercompany Charges - EGD  
2014

June	Entry	A/C	Amount	A/C 923
	<u>Payment to EGD</u>			
JV24	Engineering	874-892	-	
JV24	Legal & Corp.	923	-	
JV24	Legal & Corp.- FC	107	-	
JV24	EVAP	923	-	
JV24	ILI	874100	-	
JV24	Gas Control - See separate summary	923	-	
JV24	BOD	923	-	-
JV24	Risk Management	925	1,876.99	
			<u>1,876.99</u>	
	<u>Reverse EGD Accrual</u>			
JV9	Legal & Corp.	923	(1,144.55)	
JV9	BOD	923	-	
JV9	EVAP	923	(1,044.77)	(2,189.32)
JV9	Engineering	874-892	(12,913.93)	
JV9	ILI	874100	-	
JV9	Engineering & Legal - FC	107	(118.20)	
			<u>(15,221.45)</u>	
	<u>Accrue EGD</u>			
JV9	Legal & Corp.	923	1,168.40	
JV9	BOD	923	-	
JV9	EVAP	923	1,333.10	2,501.50
JV9	Engineering	874-892	16,871.09	
JV9	ILI	874100	-	
JV9	Engineering & Legal - FC	107	120.68	
			<u>19,493.27</u>	
	<b>TOTAL</b>		<b><u>6,148.81</u></b>	<b><u>312.18</u></b>

<u>Summary</u>				
Engineering	874-892		3,957.16	
ILI	874100		-	
Engineering & Legal - FC	107		2.48	
BOD & Administrative	923		-	
Legal & Corp.	923		23.85	
Risk Management	925/ various		1,876.99	
Risk Management - Contractor Liability FC	107		-	
EVAP	923		288.33	
Gas Control - See separate summary	923		-	312.18
<b>TOTAL</b>			<b><u>6,148.81</u></b>	<b><u>-</u></b>

ST. LAWRENCE GAS COMPANY, INC.  
Intercompany Charges - EGD  
2014

Entry	A/C	Amount	A/C 923
<b>May</b>			
<u>Payment to EGD</u>			
JV24	Engineering	874-892	18,868.00
JV24	Legal & Corp.	923	-
JV24	Legal & Corp.- FC	107	-
JV24	EVAP	923	-
JV24	ILI	874100	-
JV24	Gas Control - See separate summary	923	-
JV24	BOD	923	4,917.54
JV24	Risk Management	925	-
			<u>23,785.54</u>
<u>Reverse EGD Accrual</u>			
JV9	Legal & Corp.	923	(1,142.04)
JV9	BOD	923	(4,884.30)
JV9	EVAP	923	(781.82)
JV9	Engineering	874-892	(24,326.62)
JV9	ILI	874100	(62.46)
JV9	Engineering & Legal - FC	107	(117.94)
			<u>(31,315.18)</u>
<u>Accrue EGD</u>			
JV9	Legal & Corp.	923	1,144.55
JV9	BOD	923	-
JV9	EVAP	923	1,044.77
JV9	Engineering	874-892	12,913.93
JV9	ILI	874100	-
JV9	Engineering & Legal - FC	107	118.20
			<u>15,221.45</u>
<b>TOTAL</b>			<u><u><b>7,691.81</b></u></u>
			<u><u><b>298.70</b></u></u>

<u>Summary</u>			
Engineering	874-892	7,455.31	
ILI	874100	(62.46)	
Engineering & Legal - FC	107	0.26	
BOD & Administrative	923	33.24	
Legal & Corp.	923	2.51	
Risk Management	925/ various	-	
Risk Management - Contractor Liability FC	107	-	
EVAP	923	262.95	
Gas Control - See separate summary	923	-	298.70
<b>TOTAL</b>		<u><u><b>7,691.81</b></u></u>	<u><u><b>-</b></u></u>

ST. LAWRENCE GAS COMPANY, INC.  
Intercompany Charges - EGD  
2014

Entry	A/C	Amount	A/C 923
<b>April</b>			
<u>Payment to EGD</u>			
JV-24	Engineering	874-892	7,867.32
JV-24	Legal & Corp.	923	-
JV-24	Legal & Corp. - FC	107	-
JV-24	EVAP	923	1,342.70
JV-24	ILI	874100	-
JV-24	Gas Control - See separate summary	923	-
JV-24	BOD	923	1,342.70
JV-24	Risk Management	925	-
			<u>9,210.02</u>
<u>Reverse EGD Accrual</u>			
JV-9	Legal & Corp.	923	(1,126.10)
JV-9	BOD	923	-
JV-9	EVAP	923	(1,798.82)
JV-9	Engineering	874-892	(12,646.48)
JV-9	ILI	874100	-
JV-9	Engineering & Legal - FC	107	(116.29)
			<u>(15,687.69)</u>
<u>Accrue EGD</u>			
JV-9	Legal & Corp.	923	1,142.04
JV-9	BOD	923	4,884.30
JV-9	EVAP	923	781.82
JV-9	Engineering	874-892	24,326.62
JV-9	ILI	874100	62.46
JV-9	Engineering & Legal - FC	107	117.94
			<u>31,315.18</u>
<b>TOTAL</b>			<u><u><b>24,837.51</b></u></u>
			<u><u><b>5,225.94</b></u></u>

<u>Summary</u>			
Engineering	874-892	19,547.46	
ILI	874100	62.46	
Engineering & Legal - FC	107	1.65	
BOD & Administrative	923	4,884.30	
Legal & Corp.	923	15.94	
Risk Management	925/ various	-	
Risk Management - Contractor Liability FC	107	-	
EVAP	923	325.70	
Gas Control - See separate summary	923	-	5,225.94
<b>TOTAL</b>		<u><u><b>24,837.51</b></u></u>	<u><u><b>-</b></u></u>

ST. LAWRENCE GAS COMPANY, INC.  
Intercompany Charges - EGD  
2014

Entry	A/C	Amount	A/C 923
<b>March</b>			
<u>Payment to EGD</u>			
JV24	Engineering	874-892	6,552.92
JV24	Legal & Corp.	923	3,283.72
JV24	Legal - FC	107	-
JV24	EVAP	923	217.73
JV24	ILI	874100	-
JV24	Gas Control - See separate summary	923	-
JV24	BOD	923	3,501.45
JV24	Risk Management	925	-
			<u>10,054.37</u>
<u>Reverse EGD Accrual</u>			
JV9	Legal & Corp.	923	(4,479.66)
JV9	BOD	923	-
JV9	EVAP	923	(1,815.53)
JV9	Engineering	874-892	(11,701.76)
JV9	ILI	874100	-
JV9	Engineering & Legal - FC	107	(117.37)
			<u>(18,114.32)</u>
<u>Accrue EGD</u>			
JV9	Legal & Corp.	923	1,126.10
JV9	BOD	923	-
JV9	EVAP	923	1,798.82
JV9	Engineering	874-892	12,646.48
JV9	ILI	874100	-
JV9	Engineering & Legal - FC	107	116.29
			<u>15,687.69</u>
<b>TOTAL</b>			<u><u>7,627.74</u></u>
			<u><u>131.18</u></u>

<u>Summary</u>			
Engineering	874-892	7,497.64	
ILI	874100	-	
Engineering & Legal - FC	107	(1.08)	
BOD & Administrative	923	-	
Legal & Corp.	923	(69.84)	
Risk Management	925/ various	-	
Risk Management - Contractor Liability FC	107	-	
EVAP	923	201.02	
Gas Control - See separate summary	923	-	131.18
<b>TOTAL</b>		<u><u>7,627.74</u></u>	<b>0.00</b>

ST. LAWRENCE GAS COMPANY, INC.  
Intercompany Charges - EGD  
2014

February	Entry	A/C	Amount	A/C 923
	<u>Payment to EGD</u>			
JV4	Engineering	874-892	2,277.62	
JV4	ILI	874100	80,892.43	
JV4	Gas Control - See separate summary	923	-	
JV4	BOD	923	4,808.60	4,808.60
JV4	Risk Management	925	1,785.21	
			<u>89,763.86</u>	
	<u>Reverse EGD Accrual</u>			
JV9	Legal	923	(4,531.97)	
JV9	BOD	923	(9,733.94)	
JV9	EVAP	923	(1,574.35)	(15,840.26)
JV9	Engineering	874-892	(5,936.95)	
JV9	ILI	874100	(78,438.24)	
JV9	Engineering & Legal - FC	107	(3,554.80)	
			<u>(103,770.25)</u>	
	<u>Accrue EGD</u>			
JV9	Legal	923	4,479.66	
JV9	BOD	923	-	
JV9	EVAP	923	1,815.53	6,295.19
JV9	Engineering	874-892	12,601.76	
JV9	ILI	874100	(1,320.29)	
JV9	Engineering & Legal - FC	107	117.37	
			<u>17,694.03</u>	
	TOTAL		<u><u>3,687.64</u></u>	<u><u>(4,736.47)</u></u>

<u>Summary</u>				
	Engineering	874-892	8,942.43	
	ILI	874100	1,133.90	
	Engineering & Legal - FC	107	(3,437.43)	
	BOD & Administrative	923	(4,925.34)	
	Legal & Corp.	923	(52.31)	
	Risk Management	925/ various	1,785.21	
	Risk Management - Contractor Liability FC	107	-	
	EVAP	923	241.18	
	Gas Control - See separate summary	923	-	(4,736.47)
	TOTAL		<u><u>3,687.64</u></u>	
			(0.00)	

ST. LAWRENCE GAS COMPANY, INC.  
Intercompany Charges - EGD  
2014

January	Entry	A/C	Amount	A/C 923
	<u>Payment to EGD</u>			
JV4	Engineering	874-892	663.30	
JV4	EVAP - July 2013	923	21,323.45	21,323.45
JV4	Risk Management	925	3,614.68	
			<u>25,601.43</u>	
	<u>Reverse EGD Accrual</u>			
JV9	Legal & Corp.	923	(10,921.24)	
JV9	BOD	923	(19,688.20)	
JV9	EVAP	923	(1,342.79)	(31,952.23)
JV9	Engineering	874-892	(6,076.69)	
JV9	ILI	874100	(80,283.85)	
JV9	Engineering & Legal - FC	107	(3,638.43)	
JV9	Risk Management	925	(3,699.76)	
			<u>(125,650.96)</u>	
	<u>EGD Accrual</u>			
JV9	Legal & Corp.	923	4,531.97	
JV9	BOD	923	9,733.94	
JV9	EVAP	923	1,574.35	15,840.26
JV9	Engineering	874-892	5,936.95	
JV9	ILI	874100	78,438.24	
JV9	Engineering & Legal - FC	107	3,554.80	
			<u>103,770.25</u>	
	TOTAL		<u>3,720.72</u>	<u>5,211.48</u>

<u>Summary</u>				
	Engineering	874-892	523.56	
	ILI	874100	(1,845.61)	
	Engineering & Legal - FC	107	(83.63)	
	BOD & Administrative	923	(9,954.26)	
	Legal & Corp.	923	(6,389.27)	
	Risk Management	925/ various	(85.08)	
	Risk Management - Contractor Liability FC	107	-	
	EVAP	923	21,555.01	
	Gas Control	923	0	5,211.48
	TOTAL		<u>3,720.72</u>	

ST. LAWRENCE GAS COMPANY, INC.  
Intercompany Charges - EI  
2014

	A/C	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
Departmental Allocations	923	24,704.19	24,332.69	23,728.84	25,308.30	25,354.41	26,057.19	25,502.12	25,011.43	24,948.74	(246.99)	48,318.84	22,698.90	295,718.66
General Expenses	923	17,436.02	17,192.36	16,785.13	17,902.39	17,935.01	18,432.14	18,039.49	17,692.39	17,646.66	(174.71)	34,179.39	16,056.58	209,122.85
Stock Options	923	692.62	(21,997.33)	35,557.76	2,052.00	1,807.57	29,518.86	1,460.91	1,551.13	32,011.66	(318.92)	2,630.10	23,817.46	108,783.82
Internal Audit	923	-	-	-	-	-	-	-	-	-	-	-	-	-
Risk Management	925/ various	(3,027.78)	(374.28)	108,933.44	(170.39)	230.96	15,349.07	465.73	-	-	-	2,884.19	11,568.14	135,859.08
Risk Management - Contractor Liability FC	107	(81.32)	(41.44)	20,546.50	290.86	45.78	435.15	7,674.54	-	-	-	-	7,582.99	36,453.06
Special Payroll	142.14	-	-	-	-	-	-	(34,418.70)	-	-	-	(84,789.86)	-	(119,208.56)
Total		39,723.73	19,112.00	205,551.67	45,383.16	45,373.73	89,792.40	18,724.10	44,254.95	74,607.06	(740.62)	3,222.66	81,724.07	666,728.91
Accum		39,723.73	58,835.73	264,387.40	309,770.56	355,144.29	444,936.69	463,660.79	507,915.74	582,522.80	581,782.18	585,004.84	666,728.91	
A/C 923		42,832.83	19,527.72	76,071.73	45,262.69	45,096.99	74,008.18	45,002.53	44,254.95	74,607.06	(740.62)	85,128.33	62,572.94	613,625.33

ST. LAWRENCE GAS COMPANY, INC.  
Intercompany Charges - EI  
2014

December	Entry	A/C	Amount	A/C 923
	<u>Payment to EI</u>			
JV24	Risk Management - FC Contractor Liability	107	-	
JV24	Risk Management - Property Ins	924	-	
JV24	Departmental Allocations	923	-	
JV24	General Expenses	923	-	
JV24	Stock Options	923	-	-
JV24	Risk Management	925	-	
JV24	Risk Management	165010	-	
JV24	Risk Management	262030	-	
			-	
	<u>Reverse EI</u>			
JV9	Departmental Allocations	923	(24,378.76)	
JV9	General Expenses	923	(17,244.85)	
JV9	Stock Options	923	(1,511.89)	(43,135.50)
JV9	Risk Management	925	-	
JV9	Risk Management - FC Contractor Liability	107	-	
JV9	Risk Management	262030	-	
JV9	Risk Management - Property Ins	924	-	
JV9	Risk Management	165010	-	
			(43,135.50)	
	<u>Accrue EI</u>			
JV9	Departmental Allocations	923	47,077.66	
JV9	General Expenses	923	33,301.43	
JV9	Stock Options	923	25,329.35	105,708.44
JV9	Risk Management	165010	9,723.29	
JV9	Risk Management - FC Contractor Liability	107	7,582.99	
JV9	Risk Management	262030	1,281.08	
JV9	Risk Management	924	-	
JV9	Risk Management	925	563.77	
			124,859.57	
	TOTAL		<u>81,724.07</u>	<u>62,572.94</u>

<u>Summary</u>			
Departmental Allocations	923	22,698.90	
General Expenses	923	16,056.58	
Stock Options	923	23,817.46	
Internal Audit	923	-	
Risk Management	925/ various	11,568.14	
Risk Management - Contractor Liability FC	107	7,582.99	
TOTAL		<u>81,724.07</u>	
		-	

ST. LAWRENCE GAS COMPANY, INC.  
Intercompany Charges - EI  
2014

November	Entry	A/C	Amount	A/C 923
	<u>Payment to EI</u>			
JV24	Risk Management - FC Contractor Liability	107		
JV24	Risk Management - Property Ins	924	-	
JV24	Departmental Allocations	923	48,476.42	
JV24	General Expenses	923	34,290.87	
JV24	Stock Options	923	32,800.74	115,568.03
JV24	Risk Management	925	2,944.52	
JV24	Risk Management	165010	1,568.96	
JV24	Risk Management	262030	(1,629.29)	
JV24	Special Payroll	142.14	(84,789.86)	
			33,662.36	
	<u>Reverse EI</u>			
JV9	Departmental Allocations	923	(24,536.34)	
JV9	General Expenses	923	(17,356.33)	
JV9	Stock Options	923	(31,682.53)	(73,575.20)
JV9	Risk Management	925	-	
JV9	Risk Management - FC Contractor Liability	107	-	
JV9	Risk Management	262030	-	
JV9	Risk Management - Property Ins	924	-	
JV9	Risk Management	165010	-	
			(73,575.20)	
	<u>Accrue EI</u>			
JV9	Departmental Allocations	923	24,378.76	
JV9	General Expenses	923	17,244.85	
JV9	Stock Options	923	1,511.89	43,135.50
JV9	Risk Management	165010	-	
JV9	Risk Management - FC Contractor Liability	107	-	
JV9	Risk Management	262030	-	
JV9	Risk Management	924	-	
JV9	Risk Management	925	-	
			43,135.50	
	<b>TOTAL</b>		<b>3,222.66</b>	<b>85,128.33</b>

<u>Summary</u>				
	Departmental Allocations	923	48,318.84	
	General Expenses	923	34,179.39	
	Stock Options	923	2,630.10	
	Risk Management	925/ various	2,884.19	
	Risk Management - Contractor Liability FC	107	-	
	Special Payroll		(84,789.86)	
	<b>TOTAL</b>		<b>3,222.66</b>	<b>85,128.33</b>
			0.00	

ST. LAWRENCE GAS COMPANY, INC.  
Intercompany Charges - EI  
2014

Entry	A/C	Amount	A/C 923
October			
<u>Payment to EI</u>			
JV24	Risk Management - FC Contractor Liability	107	
JV24	Risk Management - Property Ins	924	-
JV24	Departmental Allocations	923	-
JV24	General Expenses	923	-
JV24	Stock Options	923	-
JV24	Risk Management	925	-
JV24	Risk Management	165010	-
JV24	Risk Management	262030	-
			-
<u>Reverse EI</u>			
JV9	Departmental Allocations	923	(24,783.33)
JV9	General Expenses	923	(17,531.04)
JV9	Stock Options	923	(32,001.45)
JV9	Risk Management	925	-
JV9	Risk Management - FC Contractor Liability	107	-
JV9	Risk Management	262030	-
JV9	Risk Management - Property Ins	924	-
JV9	Risk Management	165010	-
			(74,315.82)
<u>Accrue EI</u>			
JV9	Departmental Allocations	923	24,536.34
JV9	General Expenses	923	17,356.33
JV9	Stock Options	923	31,682.53
JV9	Risk Management	165010	-
JV9	Risk Management - FC Contractor Liability	107	-
JV9	Risk Management	262030	-
JV9	Risk Management	924	-
JV9	Risk Management	925	-
			73,575.20
<b>TOTAL</b>			<b>(740.62)</b>

<u>Summary</u>			
Departmental Allocations	923	(246.99)	
General Expenses	923	(174.71)	
Stock Options	923	(318.92)	
Risk Management	925/ various	-	
Risk Management - Contractor Liability FC	107	-	
<b>TOTAL</b>		<b>(740.62)</b>	<b>(740.62)</b>
			(0.00)

ST. LAWRENCE GAS COMPANY, INC.  
Intercompany Charges - EI  
2014

Sept	Entry	A/C	Amount	A/C 923
	<u>Payment to EI</u>			
JV24	Risk Management - FC Contractor Liability	107		
JV24	Risk Management - Property Ins	924	-	
JV24	Departmental Allocations	923	25,176.84	
JV24	General Expenses	923	17,808.01	
JV24	Stock Options	923	1,561.34	44,546.19
JV24	Risk Management	925	-	
JV24	Risk Management	165010	-	
JV24	Risk Management	262030	-	
			<u>44,546.19</u>	
	<u>Reverse EI</u>			
JV9	Departmental Allocations	923	(25,011.43)	
JV9	General Expenses	923	(17,692.39)	
JV9	Stock Options	923	(1,551.13)	(44,254.95)
JV9	Risk Management	925	-	
JV9	Risk Management - FC Contractor Liability	107	-	
JV9	Risk Management	262030	-	
JV9	Risk Management - Property Ins	924	-	
JV9	Risk Management	165010	-	
			<u>(44,254.95)</u>	
	<u>Accrue EI</u>			
JV9	Departmental Allocations	923	24,783.33	
JV9	General Expenses	923	17,531.04	
JV9	Stock Options	923	32,001.45	74,315.82
JV9	Risk Management	165010	-	
JV9	Risk Management - FC Contractor Liability	107	-	
JV9	Risk Management	262030	-	
JV9	Risk Management	924	-	
JV9	Risk Management	925	-	
			<u>74,315.82</u>	
	<b>TOTAL</b>		<b><u>74,607.06</u></b>	<b><u>74,607.06</u></b>

<u>Summary</u>				
	Departmental Allocations	923	24,948.74	
	General Expenses	923	17,646.66	
	Stock Options	923	32,011.66	
	Risk Management	925/ various	-	
	Risk Management - Contractor Liability FC	107	-	
	<b>TOTAL</b>		<b><u>74,607.06</u></b>	<b><u>74,607.06</u></b>

ST. LAWRENCE GAS COMPANY, INC.  
Intercompany Charges - EI  
2014

August	Entry	A/C	Amount	A/C 923
	<u>Payment to EI</u>			
	JV24	Risk Management - FC Contractor Liability	107	
	JV24	Risk Management - Property Ins	924	-
	JV24	Departmental Allocations	923	-
	JV24	General Expenses	923	-
	JV24	Stock Options	923	-
	JV24	Risk Management	925	-
	JV24	Risk Management	165010	-
	JV24	Risk Management	262030	-
				-
	<u>Reverse EI</u>			
	JV9	Departmental Allocations	923	-
	JV9	General Expenses	923	-
	JV9	Stock Options	923	-
	JV9	Risk Management	925	-
	JV9	Risk Management - FC Contractor Liability	107	-
	JV9	Risk Management	262030	-
	JV9	Risk Management - Property Ins	924	-
	JV9	Risk Management	165010	-
				-
	<u>Accrue EI</u>			
	JV9	Departmental Allocations	923	25,011.43
	JV9	General Expenses	923	17,692.39
	JV9	Stock Options	923	1,551.13
	JV9	Risk Management	165010	-
	JV9	Risk Management - FC Contractor Liability	107	-
	JV9	Risk Management	262030	-
	JV9	Risk Management	924	-
	JV9	Risk Management	925	-
				44,254.95
	TOTAL			<u>44,254.95</u>

<u>Summary</u>				
	Departmental Allocations	923	25,011.43	
	General Expenses	923	17,692.39	
	Stock Options	923	1,551.13	
	Risk Management	925/ various	-	
	Risk Management - Contractor Liability FC	107	-	
	TOTAL		<u>44,254.95</u>	<u>44,254.95</u>
				-

ST. LAWRENCE GAS COMPANY, INC.  
Intercompany Charges - EI  
2014

July	Entry	A/C	Amount	A/C 923
	<u>Payment to EI</u>			
	JV24	Risk Management - FC Contractor Liability	107	28,992.83
	JV24	Risk Management - Property Ins	924	4.77
	JV24	Departmental Allocations	923	25,425.54
	JV24	General Expenses	923	17,985.32
	JV24	Stock Options	923	29,359.03
	JV24	Risk Management	925	(2,723.20)
	JV24	Risk Management	165010	127,828.29
	JV24	Risk Management	262030	1,383.17
				<u>228,255.75</u>
	<u>Reverse EI</u>			
	JV9	Departmental Allocations	923	(25,535.96)
	JV9	General Expenses	923	(18,063.43)
	JV9	Stock Options	923	(29,486.53)
	JV9	Risk Management	925	5,591.46
	JV9	Risk Management - FC Contractor Liability	107	(21,318.29)
	JV9	Risk Management	262030	(374.12)
	JV9	Risk Management - Property Ins	924	(4.79)
	JV9	Risk Management	165010	(131,239.85)
				<u>(220,431.50)</u>
	<u>Payment to EI</u>			
	JV24	Departmental Allocations	923	25,612.54
	JV24	General Expenses	923	18,117.60
	JV24	Stock Options	923	1,588.41
	JV24	Risk Management	165010	-
	JV24	Risk Management - FC Contractor Liability	107	-
	JV24	Risk Management	262030	-
	JV24	Risk Management	924	-
	JV24	Risk Management	925	-
	JV24	Special Payroll	142.14	(34,418.70)
				<u>10,899.85</u>
	TOTAL			<u>18,724.10</u>
				<u>45,002.53</u>

<u>Summary</u>				
	Departmental Allocations	923	25,502.12	
	General Expenses	923	18,039.49	
	Stock Options	923	1,460.91	
	Risk Management	925/ various	465.73	
	Risk Management - Contractor Liability FC	107	7,674.54	
	Special Payroll	142.14	(34,418.70)	
	TOTAL		<u>18,724.10</u>	<u>45,002.53</u>
			0.00	

ST. LAWRENCE GAS COMPANY, INC.  
Intercompany Charges - EI  
2014

Entry	A/C	Amount	A/C 923
<b>June</b>			
<u>Payment to EI</u>			
JV24	Risk Management - FC Contractor Liability	107	
JV24	Risk Management - Property Ins	924	
JV24	Departmental Allocations	923	25,535.95
JV24	General Expenses	923	18,063.43
JV24	Stock Options	923	1,583.66
JV24	Risk Management	925	45,183.04
JV24	Risk Management	165010	-
JV24	Risk Management	262030	-
			<u>45,183.04</u>
<u>Reverse EI</u>			
JV9	Departmental Allocations	923	(25,014.72)
JV9	General Expenses	923	(17,694.72)
JV9	Stock Options	923	(1,551.33)
JV9	Risk Management	925	(115,784.38)
JV9	Risk Management - FC Contractor Liability	107	(20,883.14)
JV9	Risk Management	262030	(366.48)
JV9	Risk Management - Property Ins	924	(4.70)
JV9	Risk Management	165010	5,477.33
			<u>(175,822.14)</u>
<u>Accrue EI</u>			
JV9	Departmental Allocations	923	25,535.96
JV9	General Expenses	923	18,063.43
JV9	Stock Options	923	29,486.53
JV9	Risk Management	165010	131,239.85
JV9	Risk Management - FC Contractor Liability	107	21,318.29
JV9	Risk Management	262030	374.12
JV9	Risk Management	924	4.79
JV9	Risk Management	925	(5,591.46)
			<u>220,431.50</u>
<b>TOTAL</b>			<b><u>89,792.40</u></b>
			<b><u>74,008.18</u></b>

<u>Summary</u>			
Departmental Allocations	923	26,057.19	
General Expenses	923	18,432.14	
Stock Options	923	29,518.86	
Risk Management	925/ various	15,349.07	
Risk Management - Contractor Liability FC	107	435.15	
<b>TOTAL</b>		<b><u>89,792.40</u></b>	<b><u>74,008.18</u></b>

ST. LAWRENCE GAS COMPANY, INC.  
Intercompany Charges - EI  
2014

Entry	A/C	Amount	A/C 923
<b>May</b>			
<u>Payment to EI</u>			
JV24	Risk Management - FC Contractor Liability	107	
JV24	Risk Management - Property Ins	924	
JV24	Departmental Allocations	923	50,259.46
JV24	General Expenses	923	35,552.15
JV24	Stock Options	923	37,914.82
JV24	Risk Management	925	123,726.43
JV24	Risk Management	165010	-
JV24	Risk Management	262030	(1,723.61)
			122,002.82
<u>Reverse EI</u>			
JV9	Departmental Allocations	923	(49,919.77)
JV9	General Expenses	923	(35,311.86)
JV9	Stock Options	923	(37,658.58)
JV9	Risk Management	925	5,465.32
JV9	Risk Management - FC Contractor Liability	107	(20,837.36)
JV9	Risk Management	262030	1,346.29
JV9	Risk Management - Property Ins	924	(4.69)
JV9	Risk Management	165010	(115,530.58)
			(252,451.23)
<u>Accrue EI</u>			
JV9	Departmental Allocations	923	25,014.72
JV9	General Expenses	923	17,694.72
JV9	Stock Options	923	1,551.33
JV9	Risk Management	165010	115,784.38
JV9	Risk Management - FC Contractor Liability	107	20,883.14
JV9	Risk Management	262030	366.48
JV9	Risk Management	924	4.70
JV9	Risk Management	925	(5,477.33)
			175,822.14
<b>TOTAL</b>			<b>45,373.73</b>
			<b>45,096.99</b>

<u>Summary</u>			
Departmental Allocations	923	25,354.41	
General Expenses	923	17,935.01	
Stock Options	923	1,807.57	
Risk Management	925/ various	230.96	
Risk Management - Contractor Liability FC	107	45.78	
<b>TOTAL</b>		<b>45,373.73</b>	<b>45,096.99</b>
		0.00	

ST. LAWRENCE GAS COMPANY, INC.  
Intercompany Charges - EI  
2014

Entry	A/C	Amount	A/C 923
<b>April</b>			
<u>Payment to EI</u>			
JV-24	Risk Management - FC Contractor Liability	107	
JV-24	Risk Management - Property Ins	924	-
JV-24	Departmental Allocations	923	-
JV-24	General Expenses	923	-
JV-24	Stock Options	923	-
JV-24	Risk Management	925	-
JV-24	Risk Management	165010	-
JV-24	Risk Management	262030	-
			-
<u>Reverse EI</u>			
JV-9	Departmental Allocations	923	(24,611.47)
JV-9	General Expenses	923	(17,409.47)
JV-9	Stock Options	923	(35,606.58)
JV-9	Risk Management	925	5,389.03
JV-9	Risk Management - FC Contractor Liability	107	(20,546.50)
JV-9	Risk Management	262030	(360.57)
JV-9	Risk Management - Property Ins	924	(4.62)
JV-9	Risk Management	165010	(113,917.89)
			(207,068.07)
<u>Accrue EI</u>			
JV-9	Departmental Allocations	923	49,919.77
JV-9	General Expenses	923	35,311.86
JV-9	Stock Options	923	37,658.58
JV-9	Risk Management	165010	115,530.58
JV-9	Risk Management - FC Contractor Liability	107	20,837.36
JV-9	Risk Management	262030	(1,346.29)
JV-9	Risk Management	924	4.69
JV-9	Risk Management	925	(5,465.32)
			252,451.23
<b>TOTAL</b>			<b>45,383.16</b>
			<b>45,262.69</b>

<u>Summary</u>			
Departmental Allocations	923	25,308.30	
General Expenses	923	17,902.39	
Stock Options	923	2,052.00	
Risk Management	925/ various	(170.39)	
Risk Management - Contractor Liability FC	107	290.86	
<b>TOTAL</b>		<b>45,383.16</b>	<b>45,262.69</b>
			-

ST. LAWRENCE GAS COMPANY, INC.  
Intercompany Charges - EI  
2014

Entry	A/C	Amount	A/C 923
<b>March</b>			
<u>Payment to EI</u>			
JV24	Risk Management - FC Contractor Liability	107	
JV24	Risk Management - Property Ins	924	
JV24	Departmental Allocations	923	48,796.68
JV24	General Expenses	923	34,517.42
JV24	Stock Options	923	2,699.92
JV24	Risk Management	925	(11,382.17)
JV24	Risk Management	165010	8,670.50
JV24	Risk Management	262030	534.31
			<u>83,836.66</u>
<u>Reverse EI</u>			
JV9	Departmental Allocations	923	(49,679.31)
JV9	General Expenses	923	(35,141.76)
JV9	Stock Options	923	(2,748.74)
JV9	Risk Management	925	11,588.05
JV9	Risk Management - FC Contractor Liability	107	-
JV9	Risk Management	262030	(543.97)
JV9	Risk Management - Property Ins	924	-
JV9	Risk Management	165010	(8,827.33)
			<u>(85,353.06)</u>
<u>Accrue EI</u>			
JV9	Departmental Allocations	923	24,611.47
JV9	General Expenses	923	17,409.47
JV9	Stock Options	923	35,606.58
JV9	Risk Management	165010	113,917.89
JV9	Risk Management - FC Contractor Liability	107	20,546.50
JV9	Risk Management	262030	360.57
JV9	Risk Management	924	4.62
JV9	Risk Management	925	(5,389.03)
			<u>207,068.07</u>
<b>TOTAL</b>			<u><b>205,551.67</b></u>
			<u><b>76,071.73</b></u>

<u>Summary</u>			
Departmental Allocations	923	23,728.84	
General Expenses	923	16,785.13	
Stock Options	923	35,557.76	
Risk Management	925/ various	108,933.44	
Risk Management - Contractor Liability FC	107	20,546.50	
<b>TOTAL</b>		<u><b>205,551.67</b></u>	<b>76,071.73</b>

ST. LAWRENCE GAS COMPANY, INC.  
Intercompany Charges - EI  
2014

February	Entry	A/C	Amount	A/C 923
	<u>Payment to EI</u>			
JV4	Risk Management - FC Contractor Liability	107	3,414.76	
JV4	Risk Management - Property Ins	924	4.36	
JV4	Departmental Allocations	923	17,868.63	
JV4	General Expenses	923	14,279.09	
JV4	Stock Options	923	29,300.76	61,448.48
JV4	Risk Management	165010	34,238.33	
JV4	Risk Management	262030	(1,274.47)	
			97,831.46	
	<u>Reverse EI</u>			
JV9	Departmental Allocations	923	(43,215.25)	
JV9	General Expenses	923	(32,228.49)	
JV9	Stock Options	923	(31,046.83)	
JV9	Risk Management	242.03	2,242.63	(104,247.94)
JV9	Risk Management - FC Contractor Liability	107	(3,456.20)	
JV9	Risk Management	262030	1,289.94	
JV9	Risk Management - Property Ins	924	(4.41)	
JV9	Risk Management	165010	(34,653.91)	
			(141,072.52)	
	<u>Accrue EI</u>			
JV9	Departmental Allocations	923	49,679.31	
JV9	General Expenses	923	35,141.76	
JV9	Stock Options	923	2,748.74	87,569.81
JV9	Risk Management	165010	8,827.33	
JV9	Risk Management	262030	543.97	
JV9	Risk Management	925	(11,588.05)	
			85,353.06	
	<u>Reverse EI</u>			
JV9	Stock Options	923	(23,000.00)	(23,000.00)
	TOTAL		<b>19,112.00</b>	<b>21,770.35</b>

<u>Summary</u>				
Departmental Allocations	923	24,332.69		
General Expenses	923	17,192.36		
Stock Options	923	(21,997.33)		
Risk Management	925/ various	(374.28)		
Risk Management - Contractor Liability FC	107	(41.44)		
TOTAL		<b>19,112.00</b>		<b>19,527.72</b>
		-		<b>2,242.63</b>

ST. LAWRENCE GAS COMPANY, INC.  
Intercompany Charges - EI  
2014

January	Entry	A/C	Amount	A/C 923
	<u>Reverse Accrued EI</u>			
JV9	Departmental Allocations	923	(18,511.06)	
JV9	General Expenses	923	(14,792.47)	
JV9	Stock Options	923	(30,354.21)	(63,657.74)
JV9	Risk Management - FC Contractor Liability	107	(3,537.52)	
JV9	Risk Management	262030	1,320.29	
JV9	Risk Management - Property Ins	924	(4.52)	
JV9	Risk Management	165010	(35,469.30)	
			(101,348.79)	
	<u>Accrue EI</u>			
JV9	Departmental Allocations	923	43,215.25	
JV9	General Expenses	923	32,228.49	
JV9	Stock Options	923	31,046.83	
JV9	Risk Management	242.03	(2,242.63)	104,247.94
JV9	Risk Management - FC Contractor Liability	107	3,456.20	
JV9	Risk Management - WC	262030	(1,289.94)	
JV9	Risk Management - Property Ins	924	4.41	
JV9	Risk Management - WC	165010	34,653.91	
			141,072.52	
	<b>TOTAL</b>		<b>39,723.73</b>	<b>40,590.20</b>
	<u>Summary</u>			
	Departmental Allocations	923	24,704.19	
	General Expenses	923	17,436.02	
	Stock Options	923	692.62	
	Risk Management	925/ various	(3,027.78)	
	Risk Management - Contractor Liability FC	107	(81.32)	42,832.83
	<b>TOTAL</b>		<b>39,723.73</b>	<b>(2,242.63)</b>

**STAFF OF THE DEPARTMENT OF PUBLIC SERVICE  
INTERROGATORY/DOCUMENT REQUEST**

**St. Lawrence Gas Company  
Case 15-G-0382  
Gas Rates**

**Request No.:** DPS-246  
**Requested By:** Allison Esposito  
**Information Requested of:** Sharon Gaines  
**Date of Request:** August 28, 2015  
**Response Due Date:** September 8, 2015  
**Subject:** Outside Services Expense

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Richard Campbell's direct pre-filed testimony from Case 08-G-1392 addressed the costs that were allocated to St Lawrence Gas from Enbridge. Campbell's testimony stated that the Company was requesting that only a portion of the costs, approximately 50%, be recovered in rates. Campbell explained that requesting full recovery of costs would not "comport with current regulatory practice." (Campbell 6). His testimony explained that the methodology employed in determining how much of these costs should be recovered in rates broke out the charges into four categories of expense. 85% of the costs that have the most direct benefit to St Lawrence were requested for recovery and 0% of the costs that have the least benefit to St Lawrence were requested for recovery. This methodology resulted in a rate request for Corporate Allocation costs of approximately \$140K for the year ending 12/31/10.

1. Per the review of Exhibit 7, Schedule 12, page 2 of 3, it appears that the Company is requesting that 100% of the costs allocated to St Lawrence Gas from Enbridge be recovered in rates. Is this correct? If not, explain how much of the costs allocated to it from Enbridge the Company is seeking to recover and provide all supporting workpapers and calculations showing these amounts.

The Company is requesting 100% recovery of costs allocated by Enbridge Inc., other than stock options.

2. If the Company's response to #1 is yes, provide an explanation for the Company's change in methodology from that followed in Case 08-G-1392.

The change in methodology relates to a change in management. Management believes that any allocation that directly or indirectly reflects costs necessary to provide utility service to the Company's customers should be recovered in rates.

3. If the Company's response to #1 is yes, explain why the Company believes that the recovery of 100% of costs allocated to it from Enbridge comports with the current regulatory practice.

The Company must operate in accordance with strategy, policies and standards set by Enbridge Inc. The corporate office is therefore a service provider to all its business units including St. Lawrence Gas. The Enbridge cost allocation methodology includes allocations that appropriately reflect the benefits received and the cost of the service provided.

Name and Position of Respondent: James P. Ward  
Date of Response: September 8, 2015

**STAFF OF THE DEPARTMENT OF PUBLIC SERVICE  
INTERROGATORY/DOCUMENT REQUEST**

**St. Lawrence Gas Company  
Case 15-G-0382  
Gas Rates**

**Request DPS-246 continued.**

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It is the Company's opinion that there should be no one generally accepted method of cost recovery of corporate charges as each natural gas distribution company operates under different circumstances. St. Lawrence Gas relies heavily on both Enbridge Gas Distribution and Enbridge Inc. in its day to day operations. Whether it is corporate safety policies and practices, human relations, finance, legal assistance or any other service provided directly or indirectly to the Company, the services provide a benefit to the Company and ultimately to the rate payer.

4. If the Company's response to #1 is yes, explain why the Company believes 100% of the costs related to Public Affairs and Industry Associations, for example, which the Company has previously stated (see Campbell 8) has only an indirect benefit to St Lawrence, should be recovered in rates.

As stated above, costs included for recovery are based on allocations that appropriately reflect the benefits received and the cost of the service provided. Even if the cost provides only an indirect benefit it should be recoverable.

5. Exhibit 7, Schedule 12, page 2 of 3 shows that Company is requesting recovery of costs related to Corporate Aviation and IT. Explain why the Company believes that these costs, which the Company has previously stated (see Campbell 8) has minimal benefit to St Lawrence, should be recovered in rates.

The allocation of expenses such as Corporate Aviation and IT is appropriate as Enbridge Inc. ("EI") provides services to St. Lawrence Gas. EI sets strategy, polices and standards that St. Lawrence Gas, as an affiliate, must operate within. As a company of 59 employees, St. Lawrence Gas does not have the internal resources required to operate at the current level of performance. The Company must rely on the expertise of both Enbridge Gas Distribution and EI to operate safely and efficiently. The benefit of the affiliation with EI for St. Lawrence Gas ratepayers is immeasurable; St. Lawrence Gas would not be able to achieve its high standards of operational excellence and safety without its affiliation with EI.

That high standard of excellence and safety, and the reliance on both EGD and EI comes at a cost which the Company believes is appropriately allocated and should be fully recoverable in rates.

6. Does the Company agree that St Lawrence would not have to incur costs for Corporate Aviation services if Enbridge did not provide for such services? If so, explain why ratepayers should be required to pay for these costs. If the Company does not agree, provide detailed support for the need for Corporate Aviation services, with reference to the number of times in the last five years the Company has used such services.

As discussed above, the allocation of administrative expenses such as Corporate Aviation is appropriate and should be recoverable in rates. It is true that St. Lawrence Gas would not use

**STAFF OF THE DEPARTMENT OF PUBLIC SERVICE  
INTERROGATORY/DOCUMENT REQUEST**

**St. Lawrence Gas Company  
Case 15-G-0382  
Gas Rates**

**Request DPS-246 continued.**

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Aviation Services as a standalone service. However, and as discussed above, it is an administrative cost that is appropriately charged to St. Lawrence Gas as part of the services provided by EI.

7. Provide a listing of all costs allocated to the Company from Enbridge for services that the Company would not have procured elsewhere if Enbridge did not provide such services.

The affiliation with EI as discussed above is extremely beneficial to the ratepayer and requires certain costs to be allocated to St. Lawrence Gas. The service provided by EI includes many administrative and general expense allocations that cannot be cherry picked as a standalone service for which the Company could potentially avoid. If Enbridge was not able to provide service to St. Lawrence Gas, a new entity would be required to provide a similar level of service.

**STAFF OF THE DEPARTMENT OF PUBLIC SERVICE  
INTERROGATORY/DOCUMENT REQUEST**

**St. Lawrence Gas Company  
Case 15-G-0382  
Gas Rates**

**Request No.:** DPS-247  
**Requested By:** Allison Esposito  
**Information Requested of:** Sharon Gaines  
**Date of Request:** August 28, 2015  
**Response Due Date:** September 8, 2015  
**Subject:** Outside Services Expense

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Pre-filed Exhibit 7, Schedule 12, page 2 of 11 from Case 08-G-1392 shows total corporate allocation costs (prior to any reduction as discussed in DPS-246) of \$261,491 for 2009. Pre-filed Exhibit 7, Schedule 12 page 2 of 3 submitted in the current case shows 2015 corporate allocation costs of \$659,742, an increase of \$399,485 or 153% over the amount requested in the previous rate case, which is well over the rate of inflation this period. Provide a detailed explanation for this increase. In your response, explain whether the increase was the result of increased allocation rates to SLG or an increase in cost at Enbridge. Additionally, explain what additional benefits or services the Company is receiving from Enbridge as a result of this 153% increase in costs.

The drivers for the increase were due to both changes in allocation rates and changes in costs being allocated by Enbridge, Inc. to its subsidiaries.

See also the responses to DPS-246, Q. 1 and Q.3.

**Update: October 5, 2015**

The cost allocation from Enbridge Inc. is not service based so it isn't possible to tie the 153% increase to specific increases in benefits or services. It is the cost of being an affiliate of Enbridge, Inc. The total percentage of allocations from EI between 2009 and 2016 have remained about the same, i.e. between 0.20%-0.30% of total EI costs.

See 'Exhibit 7, Schedule 12 Update 10.5.2015.xlsx' for an update to reflect the 2016 EI charges' and 'DPS-247 2016 EI ALLOCATION to St. Lawrence-9\_2\_2015.xlsx' for the detailed allocations for 2016 vs. 2015. The Canadian dollars have been converted to U.S.\$ at 1.24 and all direct charges for audit fees, insurance premiums and stock options have been removed. The 2016 U.S. \$ of \$756,873 have been inflated for five months at 1.006515 to arrive at the updated number of \$761,800.

See 'DPS-247 EI Intercompany Charges 2009-2016.xlsx' for a history of the percentage of allocation for 2009 to 2016.

Name and Position of Respondent: Sharon A. Gaines

Date of Response: September 9, 2015; Update October 5, 2015

ST. LAWRENCE GAS COMPANY, INC.  
Pro Forma Test Year Adjustment  
Operation and Maintenance Adjustment  
12 Months Ending May 31, 2017

Updated 10/5/2015

Exhibit 7  
Schedule 12

Line No.		Total Adjustment	Adjustment to SIT @ 6.5%	Adjustment to FIT @34%
1	Increase in Operation and Maintenance Expense Due to Increase in Outside Service Expense	\$161,500	(\$10,500)	(\$51,300)
		<u>Restated 12/31/2014</u>	<u>Rate Year 5/31/2017</u>	<u>Increase (Decrease)</u>
			1.03780 <--Inflation 29 Months	
			1.02215 <--Inflation 17 Months	
			1.00652 <--Inflation 5 Months	
2	Outside Auditors	\$ 190,736	\$ 197,900	\$ 7,164
3	Local Attorneys	\$ 2,470	\$ 3,000	\$ 530
4	Washington Attorneys	\$ -	\$ 3,000	\$ 3,000
5	Other Attorneys	\$ 26,008	\$ 46,000	\$ 19,992
6	Outside Consultants - Mercer/Dorsa/Millima	\$ 38,527	\$ 40,000	\$ 1,473
7	2010 Rate Case Deferral 2013- 5/2016	\$ -	\$ (75,900) (1)	\$ (75,900)
8	Amortize Rate Case - 2015	\$ -	\$ 83,300 (2)	\$ 83,300
9	Enbridge Inc. Corporate Allocations	\$ 504,843	\$ 761,800	\$ 256,957
10	Enbridge Inc. Stock Options	\$ 108,784	\$ -	\$ (108,784)
11	Enbridge Gas Distribution	\$ 47,361	\$ 49,200	\$ 1,839
12	Enbridge - Gas Control	\$ 108,239	\$ 81,200	\$ (27,039)
13	Enbridge Services invoice	\$ (25,995)	\$ (27,000)	\$ (1,005)
14		\$ 1,000,973	#####	\$ 161,527

- (1) \$200,000 for 2010 rate case expense, amortized over three years 2010-2012. Deferred 2013- May 31, 2016 for benefit of ratepayers. The amount deferred from 1/1/2013 - 5/31/2016 is \$227,777.91. This is being amortized over three years beginning 6/1/2016.
- (2) \$250,000 for 2015 rate case expense, amortized over three years.

**EI ALLOCATION**  
**Managed Segment Report - St. Lawrence**  
**For the budget year ending December 31, 2016**

Summary of costs by type			Business units in the managed segment:			
Cost type	Segment total	Segment average	St Lawrence Gas	2015	Difference	
Department	573,923.04	573,923.04	573,923.04	553,508.00	-	-
General	472,558.90	472,558.90	472,558.90	369,314.00	-	-
Direct	489,796.91	489,796.91	489,796.91	414,137.00	-	-
Discretionary	-	-	-	-	-	-
<b>Total</b>	<b>1,536,278.85</b>	<b>1,536,278.85</b>	<b>1,536,278.85</b>	<b>1,336,959.00</b>	<b>199,319.85</b>	<b>-</b>

Details of costs allocated to each BU			Business units in the managed segment:							
Cost Centre	Cost centre type	Allocation basis	St Lawrence Gas CAD	St Lawrence Gas US	2015 CAD	2015 US	Variance US 2016 vs. 2015	Variance 2016 vs. 2015	2014 CAD	2014 US
10000 - CEO	Department	Capital Employed	4,598.30	3,708.30	3,378.00	2,724.19	984.11	36.12%	2,452.00	1,977.42
10001 - IT PG CIO	Department	Enterprise FTE	7,485.93	6,037.04	10,085.00	8,133.06	(2,096.02)	-25.77%	9,301.00	7,500.81
10005 - Corporate Aviation	Department	Enterprise FTE	21,547.25	17,376.81	5,610.00	4,524.19	12,852.62	284.09%	5,274.00	4,253.23
10009 - IT ISS END USER SERVICE	Department	Time Estimate	-	-	-	-	-	0.00%	-	-
10010 - Corporate IT Projects	Department	Enterprise FTE	-	-	-	-	-	-	-	-
10011 - Group VP Gas Strategy & Corp. Dev.	Department	Time Estimate	-	-	-	-	-	0.00%	-	-
10012 - IT PG PLANNING AND GOVERNANCE	Department	Enterprise FTE	12,618.15	10,175.93	11,376.00	9,174.19	1,001.74	10.92%	16,272.00	13,122.58
10013 - EFS IT SUPPORT	Department	User Count	-	-	-	-	-	0.00%	-	-
10014 - CDM SYSTEMS	Department	Consumption	-	-	-	-	-	0.00%	-	-
10015 - IT ES COMPLIANCE SYSTEMS	Department	Capital Employed	4,187.50	3,377.02	2,741.00	2,210.48	1,166.54	52.77%	2,699.00	2,176.81
10016 - IT ES MRM SYSTEM	Department	User Count	-	-	-	-	-	0.00%	-	-
10017 - IT ES IAM SYSTEMS	Department	Enterprise FTE	-	-	13,699.00	11,047.58	(11,047.58)	-100.00%	16,863.00	13,599.19
10019 - IT ISS SECURITY OPERATIONS	Department	Enterprise FTE	24,682.19	19,904.99	23,976.00	19,335.48	569.51	2.95%	14,957.00	12,062.10
10020 - Corporate Law Legal Fees	General	Capital Employed	755.69	609.43	907.00	731.45	(122.02)	-16.68%	938.00	756.45
10021 - Business Taxes	General	Calgary Office FTE	-	-	-	-	-	0.00%	-	-
10021 - EI Rent & Leases	General	Calgary Office FTE	461.46	372.15	36,333.00	29,300.81	(28,928.66)	-98.73%	29,730.00	23,975.81
10022 - Employee Benefits	General	Blended Pro-rata	76,140.12	61,403.32	36,159.00	29,160.48	32,242.84	110.57%	30,884.00	24,906.45
10022 - Green Corp Employee Benefits	Direct	Direct Charge	-	-	-	-	-	0.00%	-	-
10022 - Income Fund Corp Employee Benefits	Direct	Direct Charge	-	-	-	-	-	0.00%	-	-
10022 - Other Employee Benefits	General	Blended Pro-rata	-	-	46,599.00	37,579.84	(37,579.84)	-100.00%	36,253.00	29,236.29
10022 - Pension expense true-up	General	User Count	-	-	46,518.00	37,514.52	(37,514.52)	-100.00%	46,322.00	37,356.45
10022 - Pension expense true-up - EI	General	Blended Pro-rata	-	-	-	-	-	0.00%	-	-
10022 - Pensions Expense	General	Blended Pro-rata	71,446.70	57,618.31	-	-	57,618.31	0.00%	-	-
10022 - Stock Based Compensation - Fixed Stock Options - EI	General	Blended Pro-rata	-	-	32,700.00	26,370.97	(26,370.97)	-100.00%	23,751.00	19,154.03
10022 - Stock Based Compensation - ISOs - EI	General	Blended Pro-rata	37,160.28	29,967.97	4,934.00	3,979.03	25,988.94	653.15%	-	-
10022 - Stock Based Compensation - PBSOs - EI	General	Blended Pro-rata	4,840.50	3,903.63	41,487.00	33,457.26	(29,553.63)	-88.33%	-	-
10022 - Stock Based Compensation - PSOPs - EI	General	Blended Pro-rata	-	-	25,619.00	20,860.48	(20,860.48)	-100.00%	4,546.00	3,666.13
10022 - Stock Based Compensation - PSUs - EI	General	Blended Pro-rata	43,032.65	34,703.75	-	-	34,703.75	#DIV/0!	35,661.00	28,758.87
10022 - Stock Based Compensation - RSUs - EI	General	Blended Pro-rata	22,925.75	18,488.51	-	-	18,488.51	#DIV/0!	21,178.00	17,079.03
10023 - Industry Associations	General	Capital Employed	-	-	-	-	-	0.00%	-	-
10024 - Corporate Secretarial Legal Fees	General	Capital Employed	4,450.17	3,588.85	3,655.00	2,947.58	641.27	21.76%	3,600.00	2,903.23
10024 - Directors Fees and Expenses	General	Capital Employed	17,903.12	14,438.00	16,102.00	12,985.48	1,452.52	11.19%	13,125.00	10,584.68
10025 - IT ES PUBLIC WEB SYSTEMS	Department	Enterprise FTE	13,452.50	10,848.79	13,853.00	11,171.77	(322.98)	-2.89%	10,736.00	8,658.06
10026 - IT CANADIAN MIDSTREAM	Department	Time Estimate	-	-	-	-	-	0.00%	-	-
10027 - IT LP ACQUISITIONS	Department	Enterprise FTE	1,461.39	1,178.54	-	-	1,178.54	#DIV/0!	-	-
10031 - IT ISS MANAGEMENT	Department	Enterprise FTE	5,276.84	4,255.36	4,863.00	3,921.77	333.59	8.51%	3,797.00	3,062.10
10032 - IT PG ARCHITECTURE	Department	Enterprise FTE	6,563.02	5,292.78	9,289.00	7,491.13	(2,198.37)	-29.35%	9,001.00	7,258.87
10033 - IT PG SECURITY	Department	Enterprise FTE	25,421.30	20,501.05	5,909.00	4,765.32	15,735.73	330.21%	6,836.00	5,512.90
10035 - Risk Systems and Planning	Department	User Count	-	-	-	-	-	0.00%	-	-
10036 - HR EMPLOYEE SERVICES (CORP)	Department	Enterprise FTE	23,639.80	19,064.36	15,755.00	12,705.65	6,358.71	50.05%	-	-
10037 - IT ISS SERVICE SUPPORT	Department	Enterprise FTE	35,390.94	28,541.08	30,603.00	24,679.84	3,861.24	15.65%	-	-
10038 - IT ISS NETWORK	Department	Enterprise FTE	65,327.75	52,683.67	127,370.00	102,717.74	(50,034.07)	-48.71%	-	-
10039 - IT ISS CORE INFRASTRUCTURE	Department	Enterprise FTE	35,229.64	28,411.00	32,566.00	26,262.90	2,148.10	8.18%	-	-
10040 - IT ES EFS	Department	User Count	-	-	-	-	-	0.00%	-	-
10041 - Pension Admin Credit	Department	Pension Assets	-	-	-	-	-	0.00%	-	-
10041 - Pension Admin.	Department	Pension Assets	-	-	-	-	-	0.00%	-	-
10043 - Investor Relations	Department	Capital Employed	1,893.04	1,526.65	1,572.00	1,267.74	258.91	20.42%	1,963.00	1,583.06
10044 - Treasury	Department	Capital Employed	5,878.66	4,740.85	-	-	4,740.85	#DIV/0!	-	-
10045 - CFO	Department	Capital Employed	3,190.34	2,572.85	914.00	737.10	1,835.75	249.05%	1,746.00	1,408.06

**EI ALLOCATION**  
**Managed Segment Report - St. Lawrence**  
**For the budget year ending December 31, 2016**

Summary of costs by type			Business units in the managed segment:				
Cost type	Segment total	Segment average	St Lawrence Gas	2015	Difference		
Department	573,923.04	573,923.04	573,923.04	553,508.00	-	-	-
General	472,558.90	472,558.90	472,558.90	369,314.00	-	-	-
Direct	489,796.91	489,796.91	489,796.91	414,137.00	-	-	-
Discretionary	-	-	-	-	-	-	-
<b>Total</b>	<b>1,536,278.85</b>	<b>1,536,278.85</b>	<b>1,536,278.85</b>	<b>1,336,959.00</b>	<b>199,319.85</b>	-	-

Details of costs allocated to each BU			Business units in the managed segment:							
Cost Centre	Cost centre type	Allocation basis	St Lawrence Gas CAD	St Lawrence Gas US	2015 CAD	2015 US	Variance US 2016 vs. 2015	Variance 2016 vs. 2015	2014 CAD	2014 US
10046 - Risk Control	Department	Time Estimate	-	-	-	-	-	#DIV/0!	11,729.00	9,458.87
10047 - Corporate Controller	Department	Capital Employed	16,115.46	12,996.34	14,616.00	11,787.10	1,209.24	10.26%	14,822.00	11,953.23
10048 - Enbridge Income Fund	Department	Direct Charge	-	-	-	-	-	0.00%	-	-
10049 - Tax Services (Calgary)	Department	Time Estimate	-	-	-	-	-	0.00%	-	-
10050 - Audit Services (Calgary)	Department	Capital Employed	5,469.46	4,410.86	4,152.00	3,348.39	1,062.47	31.73%	3,822.00	3,082.26
10051 - Insurance Risk	Department	Capital Employed	2,725.16	2,197.71	8,700.00	7,016.13	(4,818.42)	-68.68%	7,016.00	5,658.06
10052 - Internal Controls	Department	Capital Employed	-	-	-	-	-	-	-	-
10053 - Risk Assessment	Department	Capital Employed	1,979.94	1,596.72	-	-	1,596.72	#DIV/0!	-	-
10054 - IT LP APPLICATION OPERATIONS	Department	Enterprise FTE	5,224.49	4,213.30	9,552.00	7,703.23	(3,489.93)	-45.30%	-	-
10055 - Foreign Finance	Department	Time Estimate	-	-	-	-	-	0.00%	-	-

**EI ALLOCATION**  
**Managed Segment Report - St. Lawrence**  
**For the budget year ending December 31, 2016**

Summary of costs by type			Business units in the managed segment:				
Cost type	Segment total	Segment average	St Lawrence Gas	2015	Difference		
Department	573,923.04	573,923.04	573,923.04	553,508.00	-	-	-
General	472,558.90	472,558.90	472,558.90	369,314.00	-	-	-
Direct	489,796.91	489,796.91	489,796.91	414,137.00	-	-	-
Discretionary	-	-	-	-	-	-	-
<b>Total</b>	<b>1,536,278.85</b>	<b>1,536,278.85</b>	<b>1,536,278.85</b>	<b>1,336,959.00</b>	<b>199,319.85</b>		

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Details of costs allocated to each BU			Business units in the managed segment:							2014 CAD	2014 US
Cost Centre	Cost centre type	Allocation basis	St Lawrence Gas CAD	St Lawrence Gas US	2015 CAD	2015 US	Variance US 2016 vs. 2015	Variance 2016 vs. 2015	2014 CAD	2014 US	
10059 - HR PMO	Department	Capital Employed	1,511.38	1,218.85	-	-	1,218.85	#DIV/0!	-	-	
10070 - Corporate Secretarial	Department	Other	-	-	-	-	-	0.00%	-	-	
10071 - Corporate Admin.	Department	Capital Employed	7,271.61	5,864.20	-	-	5,864.20	#DIV/0!	6,343.00	5,115.32	
10072 - Enterprise Communications & Community Partners	Department	Capital Employed	35,928.14	28,974.31	36,521.00	29,452.42	(478.11)	-1.62%	21,676.00	17,480.65	
10075 - IT ES ECM	Department	Capital Employed	8,106.45	6,537.46	9,144.00	7,374.19	(836.73)	-11.35%	6,931.00	5,589.52	
10076 - Corporate Security	Department	Other	-	-	-	-	-	0.00%	-	-	
10077 - Corporate Law	Department	Other	6,529.00	5,265.32	6,635.00	5,350.81	(85.49)	-1.60%	-	-	
10078 - Group VP Corporate Law	Department	Other	-	-	-	-	-	0.00%	-	-	
10079 - Records Management Law	Department	Capital Employed	1,875.12	1,512.19	2,962.00	2,388.71	(876.52)	-36.69%	-	-	
10081 - Compliance Group Law	Department	Time Estimate	-	-	-	-	-	0.00%	-	-	
10083 - Enterprise Travel Procurement Card Prog	Department	Enterprise FTE	5,729.08	4,620.23	7,433.00	5,994.35	(1,374.12)	-22.92%	3,670.00	2,959.68	
10085 - Records Management Program	Department	Capital Employed	1,057.96	853.20	-	-	853.20	#DIV/0!	-	-	
10086 - Supply Chain (HR)	Department	Time Estimate	-	-	-	-	-	0.00%	-	-	
10087 - Corporate Performance Management	Department	Capital Employed	2,118.37	1,708.36	-	-	1,708.36	#DIV/0!	-	-	
10089 - HR Business Solutions Services	Department	Enterprise FTE	11,071.77	8,928.85	10,615.00	8,560.48	368.37	4.30%	12,463.00	10,050.81	
10090 - Organizational Effectiveness	Department	Enterprise FTE	22,280.00	17,967.75	22,345.00	18,020.16	(52.41)	-0.29%	22,465.00	18,116.94	
10091 - Total Compensation	Department	Enterprise FTE	19,627.22	15,828.40	17,131.00	13,815.32	2,013.08	14.57%	21,748.00	17,538.71	
10092 - Corporate HR	Department	Enterprise FTE	18,575.56	14,980.29	19,190.00	15,475.81	(495.52)	-3.20%	19,968.00	16,103.23	
10093 - Labour Relations	Department	Enterprise FTE	-	-	-	-	-	0.00%	2,124.00	1,712.90	
10094 - Executive VP People and Partners	Department	Capital Employed	1,674.77	1,350.62	1,353.00	1,091.13	259.49	23.78%	1,441.00	1,162.10	
10095 - IT ES HRIS SYSTEMS	Department	Enterprise FTE	35,462.39	28,598.70	34,609.00	27,910.48	688.22	2.47%	36,225.00	29,213.71	
10096 - Benefits & Pensions	Department	Enterprise FTE	-	-	-	-	-	-	-	-	
10097 - Strategic Development	Department	Enterprise FTE	8,272.77	6,671.59	8,826.00	7,117.74	(446.15)	-6.27%	9,280.00	7,483.87	
10098 - HR CHANGE MANAGEMENT	General	Capital Employed	2,393.04	1,929.87	974.00	785.48	1,144.39	145.69%	-	-	
10099 - HR (BU/DEPT COSTS)	Department	Capital Employed	3,358.62	2,708.56	1,451.00	1,170.16	1,538.40	131.47%	-	-	
10106 - Energy Technology & Windpower	Department	Time Estimate	-	-	-	-	-	0.00%	-	-	
10107 - Corporate Development and Planning	Department	Time Estimate	-	-	-	-	-	0.00%	-	-	
10108 - Business Development East	Department	Time Estimate	-	-	-	-	-	0.00%	-	-	
10109 - Investment Review	Department	Time Estimate	-	-	15,261.00	12,307.26	(12,307.26)	-100.00%	17,171.00	13,847.58	
10111 - Gas P/L Development (West)	Department	Time Estimate	-	-	-	-	-	0.00%	-	-	
10112 - Acq & Corp. Dev Projects - "A" Project	Department	Time Estimate	-	-	-	-	-	0.00%	-	-	
10112 - Corporate Acquisition Projects (0% Capitalized)	Department	Time Estimate	-	-	-	-	-	0.00%	-	-	
10117 - Energy Services Administration	Department	Time Estimate	-	-	-	-	-	0.00%	-	-	
10118 - Public, Government & Aboriginal Affairs	Department	Capital Employed	3,923.09	3,163.78	4,874.00	3,930.65	(766.87)	-19.51%	4,261.00	3,436.29	
10140 - IT ES Desktop Services	Department	Enterprise FTE	26,342.60	21,244.03	-	-	21,244.03	#DIV/0!	-	-	
10331 - Corporate Development Management	Department	User Count	-	-	759.00	612.10	(612.10)	-100.00%	-	-	
10502 - Enterprise Operations	Department	Enterprise FTE	15,866.60	12,795.64	-	-	12,795.64	#DIV/0!	2,889.00	2,329.84	
10880 - Enterprise Safety & Operational Reliability	Department	Capital Employed	7,981.70	6,436.85	3,821.00	3,081.45	3,355.40	108.89%	-	-	
30302 - Core Infrastructure	General	Enterprise FTE	10,882.91	8,776.54	-	-	8,776.54	#DIV/0!	-	-	
30303 - Network Operations	General	Enterprise FTE	64,425.97	51,956.43	-	-	51,956.43	#DIV/0!	-	-	
30304 - Productivity Services	General	Enterprise FTE	1,619.31	1,305.90	-	-	1,305.90	#DIV/0!	-	-	
30305 - Service Support and Integration	General	Enterprise FTE	-	-	-	-	-	0.00%	-	-	
30306 - Security Operations	General	Enterprise FTE	-	-	-	-	-	0.00%	-	-	
30307 - Desktop Services	General	Enterprise FTE	4,044.53	3,261.71	-	-	3,261.71	#DIV/0!	-	-	
99999 - Discretionary	Discretionary	Other	-	-	-	-	-	0.00%	-	-	
No # - Audit Fees	Direct	Direct Charge	219,450.00	176,975.81	194,040.00	156,483.87	20,491.94	13.10%	164,714.00	132,833.87	
No # - Audit Fees - EI fee distribution	General	Capital Employed	4,889.74	3,943.34	4,343.00	3,502.42	440.92	12.59%	4,015.00	3,237.90	
No # - Depreciation - EFS Assets	General	User Count	-	-	-	-	-	0.00%	-	-	
No # - Depreciation - Major Projects IT Assets	General	Capital Employed	31,672.73	25,542.53	-	-	25,542.53	#DIV/0!	-	-	

EI ALLOCATION  
Managed Segment Report - St. Lawrence  
For the budget year ending December 31, 2016

Summary of costs by type			Business units in the managed segment:			
Cost type	Segment total	Segment average	St Lawrence Gas	2015	Difference	
Department	573,923.04	573,923.04	573,923.04	553,508.00	-	-
General	472,558.90	472,558.90	472,558.90	369,314.00	-	-
Direct	489,796.91	489,796.91	489,796.91	414,137.00	-	-
Discretionary	-	-	-	-	-	-
<b>Total</b>	<b>1,536,278.85</b>	<b>1,536,278.85</b>	<b>1,536,278.85</b>	<b>1,336,959.00</b>	<b>199,319.85</b>	-

Details of costs allocated to each BU			Business units in the managed segment:							
Cost Centre	Cost centre type	Allocation basis	St Lawrence Gas CAD	St Lawrence Gas US	2015 CAD	2015 US	Variance US 2016 vs. 2015	Variance 2016 vs. 2015	2014 CAD	2014 US
No # - Depreciation - Other Corporate	General	Capital Employed	32,824.59	26,471.44	41,330.00	33,330.65	(6,859.21)	-20.58%	35,282.00	28,453.23
No # - Depreciation - Risk Management System (50%)	General	Capital Employed	2,118.49	1,708.46	3,572.00	2,880.65	(1,172.19)	-40.69%	292.00	235.48
No # - EEP Charge (IT Shared Services)	General	Blended Pro-rata	14,918.25	12,030.85	4,418.00	3,562.90	8,467.95	237.67%	6,806.00	5,488.71
No # - EGD Charge	General	Blended Pro-rata	684.73	552.20	7,619.00	6,144.35	(5,592.15)	-91.01%	5,841.00	4,710.48
No # - EPI Charge	General	Blended Pro-rata	21,560.12	17,387.19	16,045.00	12,939.52	4,447.67	34.37%	18,890.00	15,233.87
No # - Insurance - EI	General	Capital Employed	1,408.04	1,135.52	-	-	1,135.52	#DIV/0!	-	-
No # - Insurance Premiums	Direct	Direct Charge	162,887.87	131,361.18	151,266.00	121,988.71	9,372.47	7.68%	150,570.00	121,427.42
No # - Insurance Premiums - Additional Top up	Direct	Direct Charge	-	-	-	-	-	0.00%	-	-
No # - Rents & Leases - Calgary Office	Direct	Occupancy	-	-	-	-	-	0.00%	-	-
No # - Stock Based Compensation - Fixed Stock Options	Direct	Options Granted	-	-	-	-	-	0.00%	1,840.00	1,483.87
No # - Stock Based Compensation - ISOs	Direct	Options Granted	27,083.04	21,841.16	-	-	21,841.16	#DIV/0!	-	-
No # - Stock Based Compensation - PBSOs	Direct	Options Granted	-	-	-	-	-	0.00%	-	-
No # - Stock Based Compensation - PSOPs	Direct	Options Granted	-	-	-	-	-	0.00%	-	-
No # - Stock Based Compensation - PSUs	Direct	Options Granted	-	-	-	-	-	0.00%	-	-
No # - Stock Based Compensation - RSUs	Direct	Options Granted	80,376.00	64,819.35	68,831.00	55,508.87	9,310.48	16.77%	62,930.00	50,750.00
No # - Vacancy Credit	General	Enterprise FTE	-	-	-	-	-	#DIV/0!	-	-
Provision - High Level Budget Reduction			-	-	-	-	-	#DIV/0!	-	-
<b>Totals</b>			<b>1,536,278.85</b>	<b>1,238,934.56</b>	<b>1,336,960.00</b>	<b>1,078,193.52</b>	<b>160,741.04</b>	<b>14.91%</b>	<b>1,025,109.00</b>	<b>826,700.81</b>
	Direct	Audit Fees	219,450.00	176,975.81	194,040.00	156,483.87	20,491.94	13.10%	164,714.00	132,833.87
	Direct	Ins. Premiums	162,887.87	131,361.18	151,266.00	121,988.71	9,372.47	7.68%	150,570.00	121,427.42
	Direct	Stock Options	215,418.23	173,724.37	173,571.00	139,976.61	33,747.76	24.11%	149,906.00	120,891.93
		<b>Total Direct Charges</b>	<b>597,756.09</b>	<b>482,061.36</b>	<b>518,877.00</b>	<b>418,449.19</b>	<b>63,612.17</b>	<b>15.20%</b>	<b>465,190.00</b>	<b>375,153.22</b>
		<b>Total Department &amp; General</b>	<b>938,522.75</b>	<b>756,873.20</b>	<b>818,083.00</b>	<b>659,744.33</b>	<b>97,128.87</b>	<b>14.72%</b>	<b>559,919.00</b>	<b>451,547.59</b>
					120,439.75					

**EI ALLOCATION**  
**Managed Segment Report - St. Lawrence**  
**For the budget year ending December 31, 2016**

Summary of costs by type		
Cost type	Segment total	Segment average
Department	573,923.04	573,923.04
General	472,558.90	472,558.90
Direct	489,796.91	489,796.91
Discretionary	-	-
<b>Total</b>	<b>1,536,278.85</b>	<b>1,536,278.85</b>

Details of costs allocated to each BU								
Cost Centre	Cost centre type	Allocation basis	Variance US 2015 vs. 2014	Variance 2015 vs. 2014	2013 CAD	2013 US	Variance US 2014 vs. 2013	Variance 2014 vs. 2013
10000 - CEO	Department	Capital Employed	746.77	37.76%	2,971.00	2,395.97	(418.55)	-17.47%
10001 - IT PG CIO	Department	Enterprise FTE	632.25	8.43%	10,606.00	8,553.23	(1,052.42)	-12.30%
10005 - Corporate Aviation	Department	Enterprise FTE	270.96	6.37%	5,715.00	4,608.87	(355.64)	-7.72%
10009 - IT ISS END USER SERVICE	Department	Time Estimate	-	0.00%	-	-	-	0.00%
10010 - Corporate IT Projects	Department	Enterprise FTE	-	-	-	-	-	-
10011 - Group VP Gas Strategy & Corp. Dev.	Department	Time Estimate	-	0.00%	-	-	-	0.00%
10012 - IT PG PLANNING AND GOVERNANCE	Department	Enterprise FTE	(3,948.39)	-30.09%	8,663.00	6,986.29	6,136.29	87.83%
10013 - EFS IT SUPPORT	Department	User Count	-	0.00%	-	-	-	0.00%
10014 - CDM SYSTEMS	Department	Consumption	-	0.00%	-	-	-	0.00%
10015 - IT ES COMPLIANCE SYSTEMS	Department	Capital Employed	33.87	1.56%	433.00	349.19	1,827.42	523.33%
10016 - IT ES MRM SYSTEM	Department	User Count	-	0.00%	-	-	-	0.00%
10017 - IT ES IAM SYSTEMS	Department	Enterprise FTE	(2,551.61)	-18.76%	4,395.00	3,544.35	10,054.84	283.69%
10019 - IT ISS SECURITY OPERATIONS	Department	Enterprise FTE	7,273.38	60.30%	-	-	12,062.10	#DIV/0!
10020 - Corporate Law Legal Fees	General	Capital Employed	(25.00)	-3.30%	1,000.00	806.45	(50.00)	-6.20%
10021 - Business Taxes	General	Calgary Office FTE	-	0.00%	713.00	575.00	(575.00)	0.00%
10021 - EI Rent & Leases	General	Calgary Office FTE	5,325.00	22.21%	20,867.00	16,828.23	7,147.58	42.47%
10022 - Employee Benefits	General	Blended Pro-rata	4,254.03	17.08%	18,917.00	15,255.65	9,650.80	63.26%
10022 - Green Corp Employee Benefits	Direct	Direct Charge	-	0.00%	-	-	-	0.00%
10022 - Income Fund Corp Employee Benefits	Direct	Direct Charge	-	0.00%	-	-	-	0.00%
10022 - Other Employee Benefits	General	Blended Pro-rata	8,343.55	28.54%	27,291.00	22,008.87	7,227.42	32.84%
10022 - Pension expense true-up	General	User Count	158.07	0.42%	39,259.00	31,660.48	5,695.97	17.99%
10022 - Pension expense true-up - EI	General	Blended Pro-rata	-	0.00%	-	-	-	0.00%
10022 - Pensions Expense	General	Blended Pro-rata	-	0.00%	-	-	-	0.00%
10022 - Stock Based Compensation - Fixed Stock Options - EI	General	Blended Pro-rata	7,216.94	37.68%	20,669.00	16,668.55	2,485.48	14.91%
10022 - Stock Based Compensation - ISOs - EI	General	Blended Pro-rata	3,979.03	#DIV/0!	-	-	-	#DIV/0!
10022 - Stock Based Compensation - PBSOs - EI	General	Blended Pro-rata	33,457.26	#DIV/0!	-	-	-	#DIV/0!
10022 - Stock Based Compensation - PSOPs - EI	General	Blended Pro-rata	16,994.35	463.55%	3,583.00	2,889.52	776.61	26.88%
10022 - Stock Based Compensation - PSUs - EI	General	Blended Pro-rata	(28,758.87)	-100.00%	36,022.00	29,050.00	(291.13)	-1.00%
10022 - Stock Based Compensation - RSUs - EI	General	Blended Pro-rata	(17,079.03)	-100.00%	19,984.00	16,116.13	962.90	5.97%
10023 - Industry Associations	General	Capital Employed	-	0.00%	-	-	-	0.00%
10024 - Corporate Secretarial Legal Fees	General	Capital Employed	44.35	1.53%	2,800.00	2,258.06	645.17	28.57%
10024 - Directors Fees and Expenses	General	Capital Employed	2,400.80	22.68%	12,240.00	9,870.97	713.71	7.23%
10025 - IT ES PUBLIC WEB SYSTEMS	Department	Enterprise FTE	2,513.71	29.03%	2,578.00	2,079.03	6,579.03	316.45%
10026 - IT CANADIAN MIDSTREAM	Department	Time Estimate	-	0.00%	-	-	-	0.00%
10027 - IT LP ACQUISITIONS	Department	Enterprise FTE	-	#DIV/0!	1,150.00	927.42	(927.42)	-100.00%
10031 - IT ISS MANAGEMENT	Department	Enterprise FTE	859.67	28.07%	-	-	3,062.10	#DIV/0!
10032 - IT PG ARCHITECTURE	Department	Enterprise FTE	232.26	3.20%	6,526.00	5,262.90	1,995.97	37.93%
10033 - IT PG SECURITY	Department	Enterprise FTE	(747.58)	-13.56%	6,146.00	4,956.45	556.45	11.23%
10035 - Risk Systems and Planning	Department	User Count	-	0.00%	-	-	-	0.00%
10036 - HR EMPLOYEE SERVICES (CORP)	Department	Enterprise FTE	12,705.65	#DIV/0!	-	-	-	#DIV/0!
10037 - IT ISS SERVICE SUPPORT	Department	Enterprise FTE	24,679.84	#DIV/0!	-	-	-	#DIV/0!
10038 - IT ISS NETWORK	Department	Enterprise FTE	102,717.74	#DIV/0!	-	-	-	#DIV/0!
10039 - IT ISS CORE INFRASTRUCTURE	Department	Enterprise FTE	26,262.90	#DIV/0!	-	-	-	#DIV/0!
10040 - IT ES EFS	Department	User Count	-	0.00%	-	-	-	0.00%
10041 - Pension Admin Credit	Department	Pension Assets	-	0.00%	-	-	-	0.00%
10041 - Pension Admin.	Department	Pension Assets	-	0.00%	-	-	-	0.00%
10043 - Investor Relations	Department	Capital Employed	(315.32)	-19.92%	1,976.00	1,593.55	(10.49)	-0.66%
10044 - Treasury	Department	Capital Employed	-	#DIV/0!	-	-	-	#DIV/0!
10045 - CFO	Department	Capital Employed	(670.96)	-47.65%	1,380.00	1,112.90	295.16	26.52%

**EI ALLOCATION**  
**Managed Segment Report - St. Lawrence**  
**For the budget year ending December 31, 2016**

Summary of costs by type		
Cost type	Segment total	Segment average
Department	573,923.04	573,923.04
General	472,558.90	472,558.90
Direct	489,796.91	489,796.91
Discretionary	-	-
<b>Total</b>	<b>1,536,278.85</b>	<b>1,536,278.85</b>

Details of costs allocated to each BU								
Cost Centre	Cost centre type	Allocation basis	Variance US 2015 vs. 2014	Variance 2015 vs. 2014	2013 CAD	2013 US	Variance US 2014 vs. 2013	Variance 2014 vs. 2013
10046 - Risk Control	Department	Time Estimate	(9,458.87)	-100.00%	3,732.00	3,009.68	6,449.19	214.28%
10047 - Corporate Controller	Department	Capital Employed	(166.13)	-1.39%	15,458.00	12,466.13	(512.90)	-4.11%
10048 - Enbridge Income Fund	Department	Direct Charge	-	0.00%	-	-	-	0.00%
10049 - Tax Services (Calgary)	Department	Time Estimate	-	0.00%	-	-	-	0.00%
10050 - Audit Services (Calgary)	Department	Capital Employed	266.13	8.63%	3,861.00	3,113.71	(31.45)	-1.01%
10051 - Insurance Risk	Department	Capital Employed	1,358.07	24.00%	6,307.00	5,086.29	571.77	11.24%
10052 - Internal Controls	Department	Capital Employed	-	-	-	-	-	-
10053 - Risk Assessment	Department	Capital Employed	-	#DIV/0!	-	-	-	#DIV/0!
10054 - IT LP APPLICATION OPERATIONS	Department	Enterprise FTE	7,703.23	#DIV/0!	-	-	-	#DIV/0!
10055 - Foreign Finance	Department	Time Estimate	-	0.00%	-	-	-	0.00%

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**Managed Segment Report - St. Lawrence**  
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Summary of costs by type		
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Details of costs allocated to each BU								
Cost Centre	Cost centre type	Allocation basis	Variance US 2015 vs. 2014	Variance 2015 vs. 2014	2013 CAD	2013 US	Variance US 2014 vs. 2013	Variance 2014 vs. 2013
10059 - HR PMO	Department	Capital Employed	-	#DIV/0!		-	-	#DIV/0!
10070 - Corporate Secretarial	Department	Other	-	0.00%		-	-	0.00%
10071 - Corporate Admin.	Department	Capital Employed	(5,115.32)	-100.00%	5,371.00	4,331.45	783.87	18.10%
10072 - Enterprise Communications & Community Partners	Department	Capital Employed	11,971.77	68.49%	25,737.00	20,755.65	(3,275.00)	-15.78%
10075 - IT ES ECM	Department	Capital Employed	1,784.67	31.93%	11,425.00	9,213.71	(3,624.19)	-39.33%
10076 - Corporate Security	Department	Other	-	0.00%		-	-	0.00%
10077 - Corporate Law	Department	Other	5,350.81	#DIV/0!		-	-	#DIV/0!
10078 - Group VP Corporate Law	Department	Other	-	0.00%		-	-	0.00%
10079 - Records Management Law	Department	Capital Employed	2,388.71	#DIV/0!		-	-	#DIV/0!
10081 - Compliance Group Law	Department	Time Estimate	-	0.00%		-	-	0.00%
10083 - Enterprise Travel Procurement Card Prog	Department	Enterprise FTE	3,034.67	102.53%		-	2,959.68	#DIV/0!
10085 - Records Management Program	Department	Capital Employed	-	#DIV/0!		-	-	#DIV/0!
10086 - Supply Chain (HR)	Department	Time Estimate	-	0.00%		-	-	0.00%
10087 - Corporate Performance Management	Department	Capital Employed	-	#DIV/0!		-	-	#DIV/0!
10089 - HR Business Solutions Services	Department	Enterprise FTE	(1,490.33)	-14.83%	10,664.00	8,600.00	1,450.81	16.87%
10090 - Organizational Effectiveness	Department	Enterprise FTE	(96.78)	-0.53%	23,078.00	18,611.29	(494.35)	-2.66%
10091 - Total Compensation	Department	Enterprise FTE	(3,723.39)	-21.23%	24,002.00	19,356.45	(1,817.74)	-9.39%
10092 - Corporate HR	Department	Enterprise FTE	(627.42)	-3.90%	22,602.00	18,227.42	(2,124.19)	-11.65%
10093 - Labour Relations	Department	Enterprise FTE	(1,712.90)	0.00%	1,902.00	1,533.87	179.03	0.00%
10094 - Executive VP People and Partners	Department	Capital Employed	(70.97)	-6.11%	2,358.00	1,901.61	(739.51)	-38.89%
10095 - IT ES HRIS SYSTEMS	Department	Enterprise FTE	(1,303.23)	-4.46%	19,132.00	15,429.03	13,784.68	89.34%
10096 - Benefits & Pensions	Department	Enterprise FTE						
10097 - Strategic Development	Department	Enterprise FTE	(386.13)	-4.89%	7,819.00	6,305.65	1,178.22	18.69%
10098 - HR CHANGE MANAGEMENT	General	Capital Employed	785.48	#DIV/0!		-	-	#DIV/0!
10099 - HR (BU/DEPT COSTS)	Department	Capital Employed	1,170.16	#DIV/0!		-	-	#DIV/0!
10106 - Energy Technology & Windpower	Department	Time Estimate	-	0.00%		-	-	0.00%
10107 - Corporate Development and Planning	Department	Time Estimate	-	0.00%		-	-	0.00%
10108 - Business Development East	Department	Time Estimate	-	0.00%		-	-	0.00%
10109 - Investment Review	Department	Time Estimate	(1,540.32)	-11.12%		-	13,847.58	#DIV/0!
10111 - Gas P/L Development (West)	Department	Time Estimate	-	0.00%		-	-	0.00%
10112 - Acq & Corp. Dev Projects - "A" Project	Department	Time Estimate	-	0.00%		-	-	0.00%
10112 - Corporate Acquisition Projects (0% Capitalized)	Department	Time Estimate	-	0.00%		-	-	0.00%
10117 - Energy Services Administration	Department	Time Estimate	-	0.00%		-	-	0.00%
10118 - Public, Government & Aboriginal Affairs	Department	Capital Employed	494.36	14.39%		-	3,436.29	#DIV/0!
10140 - IT ES Desktop Services	Department	Enterprise FTE	-	#DIV/0!		-	-	#DIV/0!
10331 - Corporate Development Management	Department	User Count	612.10	#DIV/0!		-	-	#DIV/0!
10502 - Enterprise Operations	Department	Enterprise FTE	(2,329.84)	-100.00%		-	2,329.84	#DIV/0!
10880 - Enterprise Safety & Operational Reliability	Department	Capital Employed	3,081.45	#DIV/0!		-	-	#DIV/0!
30302 - Core Infrastructure	General	Enterprise FTE	-	#DIV/0!		-	-	#DIV/0!
30303 - Network Operations	General	Enterprise FTE	-	#DIV/0!		-	-	#DIV/0!
30304 - Productivity Services	General	Enterprise FTE	-	#DIV/0!		-	-	#DIV/0!
30305 - Service Support and Integration	General	Enterprise FTE	-	0.00%		-	-	0.00%
30306 - Security Operations	General	Enterprise FTE	-	0.00%		-	-	0.00%
30307 - Desktop Services	General	Enterprise FTE	-	#DIV/0!		-	-	#DIV/0!
99999 - Discretionary	Discretionary	Other	-	0.00%		-	-	0.00%
No # - Audit Fees	Direct	Direct Charge	23,650.00	17.80%	154,350.00	124,475.81	8,358.06	6.71%
No # - Audit Fees - EI fee distribution	General	Capital Employed	264.52	8.17%	2,694.00	2,172.58	1,065.32	49.03%
No # - Depreciation - EFS Assets	General	User Count	-	0.00%		-	-	0.00%
No # - Depreciation - Major Projects IT Assets	General	Capital Employed	-	#DIV/0!		-	-	#DIV/0!

**EI ALLOCATION**  
**Managed Segment Report - St. Lawrence**  
**For the budget year ending December 31, 2016**

Summary of costs by type		
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Direct	489,796.91	489,796.91
Discretionary	-	-
<b>Total</b>	<b>1,536,278.85</b>	<b>1,536,278.85</b>

Details of costs allocated to each BU								
Cost Centre	Cost centre type	Allocation basis	Variance US 2015 vs. 2014	Variance 2015 vs. 2014	2013 CAD	2013 US	Variance US 2014 vs. 2013	Variance 2014 vs. 2013
No # - Depreciation - Other Corporate	General	Capital Employed	4,877.42	17.14%	25,963.00	20,937.90	7,515.33	35.89%
No # - Depreciation - Risk Management System (50%)	General	Capital Employed	2,645.17	1123.31%	4,174.00	3,366.13	(3,130.65)	-93.00%
No # - EEP Charge (IT Shared Services)	General	Blended Pro-rata	(1,925.81)	-35.09%	14,291.00	11,525.00	(6,036.29)	-52.38%
No # - EGD Charge	General	Blended Pro-rata	1,433.87	30.44%	3,245.00	2,616.94	2,093.54	80.00%
No # - EPI Charge	General	Blended Pro-rata	(2,294.35)	-15.06%	15,171.00	12,234.68	2,999.19	24.51%
No # - Insurance - EI	General	Capital Employed	-	#DIV/0!	-	-	-	#DIV/0!
No # - Insurance Premiums	Direct	Direct Charge	561.29	0.46%	140,368.00	113,200.00	8,227.42	7.27%
No # - Insurance Premiums - Additional Top up	Direct	Direct Charge	-	0.00%	-	-	-	0.00%
No # - Rents & Leases - Calgary Office	Direct	Occupancy	-	0.00%	-	-	-	0.00%
No # - Stock Based Compensation - Fixed Stock Options	Direct	Options Granted	(1,483.87)	0.00%	9,019.00	7,273.39	(5,789.52)	0.00%
No # - Stock Based Compensation - ISOs	Direct	Options Granted	-	#DIV/0!	-	-	-	#DIV/0!
No # - Stock Based Compensation - PSOs	Direct	Options Granted	-	0.00%	-	-	-	0.00%
No # - Stock Based Compensation - PSOPs	Direct	Options Granted	-	0.00%	-	-	-	0.00%
No # - Stock Based Compensation - PSUs	Direct	Options Granted	-	0.00%	-	-	-	0.00%
No # - Stock Based Compensation - RSUs	Direct	Options Granted	4,758.87	9.38%	69,929.00	56,394.35	(5,644.35)	-10.01%
No # - Vacancy Credit	General	Enterprise FTE	-	#DIV/0!	-	-	-	#DIV/0!
Provision - High Level Budget Reduction			-	#DIV/0!	-	-	-	#DIV/0!
<b>Totals</b>			<b>251,492.71</b>	<b>30.42%</b>	<b>878,536.00</b>	<b>708,496.78</b>	<b>118,204.03</b>	<b>16.68%</b>
	Direct	Audit Fees	23,650.00	17.80%	154,350.00	124,475.81	8,358.06	6.71%
	Direct	Ins. Premiums	561.29	0.46%	140,368.00	113,200.00	8,227.42	7.27%
	Direct	Stock Options	19,084.68	15.79%	159,206.00	128,391.94	(7,500.01)	-5.84%
	Total Direct Charges		43,295.97	11.54%	453,924.00	366,067.75	9,085.47	2.48%
	Total Department & General		208,196.74	46.11%	424,612.00	342,429.03	109,118.56	31.87%

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Discretionary	-	-
<b>Total</b>	<b>1,536,278.85</b>	<b>1,536,278.85</b>

**Details of costs allocated to each BU**

Cost Centre	Cost centre type	Allocation basis	2012 CAD	2012 US	Variance US 2013 vs. 2012	Variance 2013 vs. 2012	2011 CAD	2011 US	Variance US 2012 vs. 2011	Variance 2012 vs. 2011	2010 CAD	2010 US
10000 - CEO	Department	Capital Employed	2,950.00	2,379.03	16.94	0.71%	2,741.00	2,210.48	168.55	7.63%	2,517.00	2,029.84
10001 - IT PG CIO	Department	Enterprise FTE	6,274.00	5,059.68	3,493.55	69.05%	8,266.00	6,666.13	(1,606.45)	-24.10%	8,629.00	6,958.87
10005 - Corporate Aviation	Department	Enterprise FTE	5,280.00	4,258.06	350.81	8.24%	4,957.00	3,997.58	260.48	6.52%	4,538.00	3,659.68
10009 - IT ISS END USER SERVICE	Department	Time Estimate	8,045.00	6,487.90	(6,487.90)	0.00%	10,553.00	8,510.48	(2,022.58)	0.00%	8,509.00	6,862.10
10010 - Corporate IT Projects	Department	Enterprise FTE	-	-	-	-	-	-	-	-	-	-
10011 - Group VP Gas Strategy & Corp. Dev.	Department	Time Estimate	-	-	-	0.00%	-	-	-	0.00%	-	-
10012 - IT PG PLANNING AND GOVERNANCE	Department	Enterprise FTE	25,507.00	20,570.16	(13,583.87)	-66.04%	22,768.00	18,361.29	2,208.87	12.03%	26,169.00	21,104.03
10013 - EFS IT SUPPORT	Department	User Count	-	-	-	0.00%	-	-	-	0.00%	-	-
10014 - CDM SYSTEMS	Department	Consumption	-	-	-	0.00%	-	-	-	0.00%	-	-
10015 - IT ES COMPLIANCE SYSTEMS	Department	Capital Employed	411.00	331.45	17.74	5.35%	619.00	499.19	(167.74)	-33.60%	278.00	224.19
10016 - IT ES MRM SYSTEM	Department	User Count	-	-	-	0.00%	-	-	-	0.00%	-	-
10017 - IT ES IAM SYSTEMS	Department	Enterprise FTE	9,276.00	7,480.65	(3,936.30)	-52.62%	6,988.00	5,635.48	1,845.17	32.74%	1,016.00	819.35
10019 - IT ISS SECURITY OPERATIONS	Department	Enterprise FTE	-	-	-	#DIV/0!	-	-	-	#DIV/0!	-	-
10020 - Corporate Law Legal Fees	General	Capital Employed	1,020.00	822.58	(16.13)	-1.96%	1,020.00	822.58	-	0.00%	1,120.00	903.23
10021 - Business Taxes	General	Calgary Office FTE	493.00	397.58	177.42	0.00%	699.00	563.71	(166.13)	0.00%	768.00	619.35
10021 - EI Rent & Leases	General	Calgary Office FTE	14,927.00	12,037.90	4,790.33	39.79%	16,940.00	13,661.29	(1,623.39)	-11.88%	14,633.00	11,800.81
10022 - Employee Benefits	General	Blended Pro-rata	47,251.00	38,105.65	(22,850.00)	-59.96%	39,132.00	31,588.06	6,547.59	20.75%	35,357.00	28,513.71
10022 - Green Corp Employee Benefits	Direct	Direct Charge	-	-	-	0.00%	-	-	-	0.00%	-	-
10022 - Income Fund Corp Employee Benefits	Direct	Direct Charge	-	-	-	0.00%	-	-	-	0.00%	-	-
10022 - Other Employee Benefits	General	Blended Pro-rata	28,457.00	22,949.19	(940.32)	-4.10%	28,325.00	22,842.74	106.45	0.47%	24,842.00	20,033.87
10022 - Pension expense true-up	General	User Count	-	-	31,660.48	#DIV/0!	-	-	-	#DIV/0!	-	-
10022 - Pension expense true-up - EI	General	Blended Pro-rata	-	-	-	0.00%	-	-	-	0.00%	-	-
10022 - Pensions Expense	General	Blended Pro-rata	-	-	-	0.00%	-	-	-	0.00%	-	-
10022 - Stock Based Compensation - Fixed Stock Options - EI	General	Blended Pro-rata	20,782.00	16,759.68	(91.13)	-0.54%	39,986.00	32,246.77	(15,487.09)	-48.03%	25,129.00	20,265.32
10022 - Stock Based Compensation - ISOs - EI	General	Blended Pro-rata	-	-	-	#DIV/0!	-	-	-	#DIV/0!	-	-
10022 - Stock Based Compensation - PBOs - EI	General	Blended Pro-rata	-	-	-	#DIV/0!	-	-	-	#DIV/0!	-	-
10022 - Stock Based Compensation - PSOPs - EI	General	Blended Pro-rata	6,011.00	4,847.58	(1,958.06)	-40.39%	4,041.00	3,258.87	1,588.71	48.75%	3,650.00	2,943.55
10022 - Stock Based Compensation - PSUs - EI	General	Blended Pro-rata	46,384.00	37,406.45	(8,356.45)	-22.34%	39,189.00	31,604.03	5,802.42	18.36%	20,035.00	16,157.26
10022 - Stock Based Compensation - RSUs - EI	General	Blended Pro-rata	15,201.00	12,258.87	3,857.26	31.47%	66,556.00	53,674.19	(41,415.32)	-77.16%	34,800.00	28,064.52
10023 - Industry Associations	General	Capital Employed	27.00	21.77	(21.77)	0.00%	26.00	20.97	0.80	0.00%	24.00	19.35
10024 - Corporate Secretarial Legal Fees	General	Capital Employed	2,074.00	1,672.58	585.48	35.00%	1,904.00	1,535.48	137.10	8.93%	1,712.00	1,380.65
10024 - Directors Fees and Expenses	General	Capital Employed	9,129.00	7,362.10	2,508.87	34.08%	6,885.00	5,552.42	1,809.68	32.59%	5,520.00	4,451.61
10025 - IT ES PUBLIC WEB SYSTEMS	Department	Enterprise FTE	-	-	2,079.03	#DIV/0!	-	-	-	#DIV/0!	-	-
10026 - IT CANADIAN MIDSTREAM	Department	Time Estimate	-	-	-	0.00%	-	-	-	0.00%	-	-
10027 - IT LP ACQUISITIONS	Department	Enterprise FTE	-	-	927.42	#DIV/0!	-	-	-	#DIV/0!	-	-
10031 - IT ISS MANAGEMENT	Department	Enterprise FTE	-	-	-	#DIV/0!	-	-	-	#DIV/0!	-	-
10032 - IT PG ARCHITECTURE	Department	Enterprise FTE	-	-	5,262.90	#DIV/0!	-	-	-	#DIV/0!	-	-
10033 - IT PG SECURITY	Department	Enterprise FTE	-	-	4,956.45	#DIV/0!	-	-	-	#DIV/0!	-	-
10035 - Risk Systems and Planning	Department	User Count	-	-	-	0.00%	-	-	-	0.00%	-	-
10036 - HR EMPLOYEE SERVICES (CORP)	Department	Enterprise FTE	-	-	-	#DIV/0!	-	-	-	#DIV/0!	-	-
10037 - IT ISS SERVICE SUPPORT	Department	Enterprise FTE	-	-	-	#DIV/0!	-	-	-	#DIV/0!	-	-
10038 - IT ISS NETWORK	Department	Enterprise FTE	-	-	-	#DIV/0!	-	-	-	#DIV/0!	-	-
10039 - IT ISS CORE INFRASTRUCTURE	Department	Enterprise FTE	-	-	-	#DIV/0!	-	-	-	#DIV/0!	-	-
10040 - IT ES EFS	Department	User Count	-	-	-	0.00%	-	-	-	0.00%	-	-
10041 - Pension Admin Credit	Department	Pension Assets	-	-	-	0.00%	-	-	-	0.00%	-	-
10041 - Pension Admin.	Department	Pension Assets	-	-	-	0.00%	-	-	-	0.00%	-	-
10043 - Investor Relations	Department	Capital Employed	2,272.00	1,832.28	(238.71)	-13.03%	2,092.00	1,687.10	145.16	8.60%	-	-
10044 - Treasury	Department	Capital Employed	19,105.00	15,407.26	(15,407.26)	-100.00%	17,920.00	14,451.61	955.65	6.61%	15,100.00	12,177.42
10045 - CFO	Department	Capital Employed	1,290.00	1,040.32	72.58	6.98%	1,220.00	983.87	56.45	5.74%	1,239.00	999.19

**EI ALLOCATION**  
**Managed Segment Report - St. Lawrence**  
**For the budget year ending December 31, 2016**

Summary of costs by type		
Cost type	Segment total	Segment average
Department	573,923.04	573,923.04
General	472,558.90	472,558.90
Direct	489,796.91	489,796.91
Discretionary	-	-
<b>Total</b>	<b>1,536,278.85</b>	<b>1,536,278.85</b>

Details of costs allocated to each BU												
Cost Centre	Cost centre type	Allocation basis	2012 CAD	2012 US	Variance US 2013 vs. 2012	Variance 2013 vs. 2012	2011 CAD	2011 US	Variance US 2012 vs. 2011	Variance 2012 vs. 2011	2010 CAD	2010 US
10046 - Risk Control	Department	Time Estimate	9,103.00	7,341.13	(4,331.45)	-59.00%	21,052.00	16,977.42	(9,636.29)	-56.76%	26,460.00	21,338.71
10047 - Corporate Controller	Department	Capital Employed	15,340.00	12,370.97	95.16	0.77%	10,140.00	8,177.42	4,193.55	51.28%	7,509.00	6,055.65
10048 - Enbridge Income Fund	Department	Direct Charge	-	-	-	0.00%	-	-	-	0.00%	-	-
10049 - Tax Services (Calgary)	Department	Time Estimate	-	-	-	0.00%	-	-	-	0.00%	-	-
10050 - Audit Services (Calgary)	Department	Capital Employed	2,178.00	1,756.45	1,357.26	77.27%	2,116.00	1,706.45	50.00	2.93%	2,153.00	1,736.29
10051 - Insurance Risk	Department	Capital Employed	4,049.00	3,265.32	1,820.97	55.77%	4,732.00	3,816.13	(550.81)	-14.43%	3,186.00	2,569.35
10052 - Internal Controls	Department	Capital Employed	905.00	729.84	(729.84)	-100.00%	984.00	793.55	(63.71)	-8.03%	942.00	759.68
10053 - Risk Assessment	Department	Capital Employed	-	-	-	#DIV/0!	-	-	-	#DIV/0!	-	-
10054 - IT LP APPLICATION OPERATIONS	Department	Enterprise FTE	-	-	-	#DIV/0!	-	-	-	#DIV/0!	-	-
10055 - Foreign Finance	Department	Time Estimate	-	-	-	0.00%	-	-	-	0.00%	-	-

**EI ALLOCATION**  
**Managed Segment Report - St. Lawrence**  
**For the budget year ending December 31, 2016**

Summary of costs by type		
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Department	573,923.04	573,923.04
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Direct	489,796.91	489,796.91
Discretionary	-	-
<b>Total</b>	<b>1,536,278.85</b>	<b>1,536,278.85</b>

Details of costs allocated to each BU												
Cost Centre	Cost centre type	Allocation basis	2012 CAD	2012 US	Variance US 2013 vs. 2012	Variance 2013 vs. 2012	2011 CAD	2011 US	Variance US 2012 vs. 2011	Variance 2012 vs. 2011	2010 CAD	2010 US
10059 - HR PMO	Department	Capital Employed	-	-	-	#DIV/0!	-	-	-	#DIV/0!	-	-
10070 - Corporate Secretarial	Department	Other	-	-	-	0.00%	-	-	-	0.00%	-	-
10071 - Corporate Admin.	Department	Capital Employed	5,398.00	4,353.23	(21.78)	-0.50%	7,870.00	6,346.77	(1,993.54)	-31.41%	7,472.00	6,025.81
10072 - Enterprise Communications & Community Partners	Department	Capital Employed	22,288.00	17,974.19	2,781.46	15.47%	18,928.00	15,264.52	2,709.67	17.75%	13,993.00	11,284.68
10075 - IT ES ECM	Department	Capital Employed	8,233.00	6,639.52	2,574.19	38.77%	4,662.00	3,759.68	2,879.84	76.60%	5,465.00	4,407.26
10076 - Corporate Security	Department	Other	-	-	-	0.00%	-	-	-	0.00%	-	-
10077 - Corporate Law	Department	Other	-	-	-	#DIV/0!	-	-	-	#DIV/0!	-	-
10078 - Group VP Corporate Law	Department	Other	-	-	-	0.00%	-	-	-	0.00%	-	-
10079 - Records Management Law	Department	Capital Employed	-	-	-	#DIV/0!	-	-	-	#DIV/0!	-	-
10081 - Compliance Group Law	Department	Time Estimate	-	-	-	0.00%	-	-	-	0.00%	-	-
10083 - Enterprise Travel Procurement Card Prog	Department	Enterprise FTE	-	-	-	#DIV/0!	-	-	-	#DIV/0!	-	-
10085 - Records Management Program	Department	Capital Employed	-	-	-	#DIV/0!	-	-	-	#DIV/0!	-	-
10086 - Supply Chain (HR)	Department	Time Estimate	-	-	-	0.00%	-	-	-	0.00%	-	-
10087 - Corporate Performance Management	Department	Capital Employed	-	-	-	#DIV/0!	-	-	-	#DIV/0!	-	-
10089 - HR Business Solutions Services	Department	Enterprise FTE	9,348.00	7,538.71	1,061.29	14.08%	8,292.00	6,687.10	851.61	12.74%	6,707.00	5,408.87
10090 - Organizational Effectiveness	Department	Enterprise FTE	11,853.00	9,558.87	9,052.42	94.70%	12,293.00	9,913.71	(354.84)	-3.58%	10,539.00	8,499.19
10091 - Total Compensation	Department	Enterprise FTE	21,140.00	17,048.39	2,308.06	13.54%	20,951.00	16,895.97	152.42	0.90%	12,804.00	10,325.81
10092 - Corporate HR	Department	Enterprise FTE	17,632.00	14,219.35	4,008.07	28.19%	19,325.00	15,584.68	(1,365.33)	-8.76%	20,848.00	16,812.90
10093 - Labour Relations	Department	Enterprise FTE	1,996.00	1,609.68	(75.81)	0.00%	2,155.00	1,737.90	(128.22)	0.00%	1,947.00	1,570.16
10094 - Executive VP People and Partners	Department	Capital Employed	1,232.00	993.55	908.06	91.40%	-	-	993.55	#DIV/0!	1,243.00	1,002.42
10095 - IT ES HRIS SYSTEMS	Department	Enterprise FTE	29,409.00	23,716.94	(8,287.91)	-34.95%	23,574.00	19,011.29	4,705.65	24.75%	21,474.00	17,317.74
10096 - Benefits & Pensions	Department	Enterprise FTE	-	-	-	-	-	-	-	-	1,569.00	1,265.32
10097 - Strategic Development	Department	Enterprise FTE	8,255.00	6,657.26	(351.61)	-5.28%	-	-	6,657.26	#DIV/0!	-	-
10098 - HR CHANGE MANAGEMENT	General	Capital Employed	-	-	-	#DIV/0!	-	-	-	#DIV/0!	-	-
10099 - HR (BU/DEPT COSTS)	Department	Capital Employed	-	-	-	#DIV/0!	-	-	-	#DIV/0!	-	-
10106 - Energy Technology & Windpower	Department	Time Estimate	-	-	-	0.00%	-	-	-	0.00%	-	-
10107 - Corporate Development and Planning	Department	Time Estimate	-	-	-	0.00%	-	-	-	0.00%	-	-
10108 - Business Development East	Department	Time Estimate	-	-	-	0.00%	-	-	-	0.00%	-	-
10109 - Investment Review	Department	Time Estimate	-	-	-	#DIV/0!	-	-	-	#DIV/0!	-	-
10111 - Gas P/L Development (West)	Department	Time Estimate	-	-	-	0.00%	-	-	-	0.00%	-	-
10112 - Acq & Corp. Dev Projects - "A" Project	Department	Time Estimate	-	-	-	0.00%	-	-	-	0.00%	-	-
10112 - Corporate Acquisition Projects (0% Capitalized)	Department	Time Estimate	-	-	-	0.00%	-	-	-	0.00%	-	-
10117 - Energy Services Administration	Department	Time Estimate	-	-	-	0.00%	-	-	-	0.00%	-	-
10118 - Public, Government & Aboriginal Affairs	Department	Capital Employed	-	-	-	#DIV/0!	-	-	-	#DIV/0!	-	-
10140 - IT ES Desktop Services	Department	Enterprise FTE	-	-	-	#DIV/0!	-	-	-	#DIV/0!	-	-
10331 - Corporate Development Management	Department	User Count	-	-	-	#DIV/0!	-	-	-	#DIV/0!	-	-
10502 - Enterprise Operations	Department	Enterprise FTE	-	-	-	#DIV/0!	-	-	-	#DIV/0!	-	-
10880 - Enterprise Safety & Operational Reliability	Department	Capital Employed	-	-	-	#DIV/0!	-	-	-	#DIV/0!	-	-
30302 - Core Infrastructure	General	Enterprise FTE	-	-	-	#DIV/0!	-	-	-	#DIV/0!	-	-
30303 - Network Operations	General	Enterprise FTE	-	-	-	#DIV/0!	-	-	-	#DIV/0!	-	-
30304 - Productivity Services	General	Enterprise FTE	-	-	-	#DIV/0!	-	-	-	#DIV/0!	-	-
30305 - Service Support and Integration	General	Enterprise FTE	-	-	-	0.00%	-	-	-	0.00%	-	-
30306 - Security Operations	General	Enterprise FTE	-	-	-	0.00%	-	-	-	0.00%	-	-
30307 - Desktop Services	General	Enterprise FTE	-	-	-	#DIV/0!	-	-	-	#DIV/0!	-	-
99999 - Discretionary	Discretionary	Other	-	-	-	0.00%	-	-	-	0.00%	-	-
No # - Audit Fees	Direct	Direct Charge	125,000.00	100,806.45	23,669.36	23.48%	130,500.00	105,241.94	(4,435.49)	-4.21%	154,350.00	124,475.81
No # - Audit Fees - EI fee distribution	General	Capital Employed	2,145.00	1,729.84	442.74	25.59%	3,526.00	2,843.55	(1,113.71)	-39.17%	2,658.00	2,143.55
No # - Depreciation - EFS Assets	General	User Count	-	-	-	0.00%	-	-	-	0.00%	-	-
No # - Depreciation - Major Projects IT Assets	General	Capital Employed	-	-	-	#DIV/0!	-	-	-	#DIV/0!	-	-

**EI ALLOCATION**  
**Managed Segment Report - St. Lawrence**  
**For the budget year ending December 31, 2016**

Summary of costs by type		
Cost type	Segment total	Segment average
Department	573,923.04	573,923.04
General	472,558.90	472,558.90
Direct	489,796.91	489,796.91
Discretionary	-	-
<b>Total</b>	<b>1,536,278.85</b>	<b>1,536,278.85</b>

**Details of costs allocated to each BU**

Cost Centre	Cost centre type	Allocation basis	2012 CAD	2012 US	Variance US 2013 vs. 2012	Variance 2013 vs. 2012	2011 CAD	2011 US	Variance US 2012 vs. 2011	Variance 2012 vs. 2011	2010 CAD	2010 US
No # - Depreciation - Other Corporate	General	Capital Employed	21,492.00	17,332.26	3,605.64	20.80%	17,810.00	14,362.90	2,969.36	20.67%	17,296.00	13,950.00
No # - Depreciation - Risk Management System (50%)	General	Capital Employed	3,196.00	2,577.42	788.71	30.60%	-	-	2,577.42	#DIV/0!	-	-
No # - EEP Charge (IT Shared Services)	General	Blended Pro-rata	9,999.00	8,063.71	3,461.29	42.92%	5,371.00	4,331.45	3,732.26	86.17%	1,129.00	910.48
No # - EGD Charge	General	Blended Pro-rata	4,807.00	3,876.61	(1,259.67)	-32.49%	4,137.00	3,336.29	540.32	16.20%	3,275.00	2,641.13
No # - EPI Charge	General	Blended Pro-rata	31,737.00	25,594.35	(13,359.67)	-52.20%	37,050.00	29,879.03	(4,284.68)	-14.34%	29,087.00	23,457.26
No # - Insurance - EI	General	Capital Employed	-	-	-	#DIV/0!	-	-	-	#DIV/0!	-	-
No # - Insurance Premiums	Direct	Direct Charge	239,167.00	192,876.61	(79,676.61)	-41.31%	148,979.00	120,144.35	72,732.26	60.54%	145,248.00	117,135.48
No # - Insurance Premiums - Additional Top up	Direct	Direct Charge	-	-	-	0.00%	-	-	-	0.00%	-	-
No # - Rents & Leases - Calgary Office	Direct	Occupancy	-	-	-	0.00%	-	-	-	0.00%	-	-
No # - Stock Based Compensation - Fixed Stock Options	Direct	Options Granted	25,246.00	20,359.68	(13,086.29)	0.00%	-	-	20,359.68	0.00%	-	-
No # - Stock Based Compensation - ISOs	Direct	Options Granted	-	-	-	#DIV/0!	-	-	-	#DIV/0!	-	-
No # - Stock Based Compensation - PSOs	Direct	Options Granted	-	-	-	0.00%	-	-	-	0.00%	-	-
No # - Stock Based Compensation - PSOPs	Direct	Options Granted	-	-	-	0.00%	-	-	-	0.00%	-	-
No # - Stock Based Compensation - PSUs	Direct	Options Granted	-	-	-	0.00%	-	-	-	0.00%	-	-
No # - Stock Based Compensation - RSUs	Direct	Options Granted	-	-	56,394.35	#DIV/0!	-	-	-	#DIV/0!	-	-
No # - Vacancy Credit	General	Enterprise FTE	-	-	-	#DIV/0!	-	-	-	#DIV/0!	-	-
Provision - High Level Budget Reduction	-	-	-	-	-	#DIV/0!	(32,311.00)	(26,057.26)	26,057.26	-100.00%	(38,500.00)	(31,048.39)
<b>Totals</b>			<b>903,314.00</b>	<b>728,479.03</b>	<b>(19,982.25)</b>	<b>-2.74%</b>	<b>794,963.00</b>	<b>641,099.16</b>	<b>87,379.87</b>	<b>13.63%</b>	<b>694,441.00</b>	<b>560,033.06</b>
	Direct	Audit Fees	125,000.00	100,806.45	23,669.36	23.48%	130,500.00	105,241.94	(4,435.49)	-4.21%	154,350.00	124,475.81
	Direct	Ins. Premiums	239,167.00	192,876.61	(79,676.61)	-41.31%	148,979.00	120,144.35	72,732.26	60.54%	145,248.00	117,135.48
	Direct	Stock Options	113,624.00	91,632.26	36,759.68	40.12%	149,772.00	120,783.86	(29,151.60)	-24.14%	83,614.00	67,430.65
<b>Total Direct Charges</b>			<b>477,791.00</b>	<b>385,315.32</b>	<b>(19,247.57)</b>	<b>-5.00%</b>	<b>429,251.00</b>	<b>346,170.15</b>	<b>39,145.17</b>	<b>11.31%</b>	<b>383,212.00</b>	<b>309,041.94</b>
<b>Total Department &amp; General</b>			<b>425,523.00</b>	<b>343,163.71</b>	<b>(734.68)</b>	<b>-0.21%</b>	<b>365,712.00</b>	<b>294,929.01</b>	<b>48,234.70</b>	<b>16.35%</b>	<b>311,229.00</b>	<b>250,991.12</b>

**EI ALLOCATION**  
**Managed Segment Report - St. Lawrence**  
**For the budget year ending December 31, 2016**

Summary of costs by type		
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Department	573,923.04	573,923.04
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<b>Total</b>	<b>1,536,278.85</b>	<b>1,536,278.85</b>

Details of costs allocated to each BU								
Cost Centre	Cost centre type	Allocation basis	Variance US 2011 vs. 2010	Variance 2011 vs. 2010	2009 CAD	2009 US	Variance US 2010 vs. 2009	Variance 2010 vs. 2009
10000 - CEO	Department	Capital Employed	180.64	8.90%	2,200.00	1,774.19	255.65	14.41%
10001 - IT PG CIO	Department	Enterprise FTE	(292.74)	-4.21%	16,922.00	13,646.77	(6,687.90)	-49.01%
10005 - Corporate Aviation	Department	Enterprise FTE	337.90	9.23%	4,558.00	3,675.81	(16.13)	-0.44%
10009 - IT ISS END USER SERVICE	Department	Time Estimate	1,648.38	0.00%	18,175.00	14,657.26	(7,795.16)	0.00%
10010 - Corporate IT Projects	Department	Enterprise FTE	-	-	1,755.00	1,415.32	(1,415.32)	0.00%
10011 - Group VP Gas Strategy & Corp. Dev.	Department	Time Estimate	-	0.00%	-	-	-	0.00%
10012 - IT PG PLANNING AND GOVERNANCE	Department	Enterprise FTE	(2,742.74)	-13.00%	7,633.00	6,155.65	14,948.38	242.84%
10013 - EFS IT SUPPORT	Department	User Count	-	0.00%	-	-	-	0.00%
10014 - CDM SYSTEMS	Department	Consumption	-	0.00%	-	-	-	0.00%
10015 - IT ES COMPLIANCE SYSTEMS	Department	Capital Employed	275.00	122.66%	-	-	224.19	#DIV/0!
10016 - IT ES MRM SYSTEM	Department	User Count	-	0.00%	-	-	-	0.00%
10017 - IT ES IAM SYSTEMS	Department	Enterprise FTE	4,816.13	587.80%	-	-	819.35	#DIV/0!
10019 - IT ISS SECURITY OPERATIONS	Department	Enterprise FTE	-	#DIV/0!	-	-	-	#DIV/0!
10020 - Corporate Law Legal Fees	General	Capital Employed	(80.65)	-8.93%	840.00	677.42	225.81	33.33%
10021 - Business Taxes	General	Calgary Office FTE	(55.64)	0.00%	488.00	393.55	225.80	0.00%
10021 - EI Rent & Leases	General	Calgary Office FTE	1,860.48	15.77%	10,674.00	8,608.06	3,192.75	37.09%
10022 - Employee Benefits	General	Blended Pro-rata	3,044.35	10.68%	33,371.00	26,912.10	1,601.61	5.95%
10022 - Green Corp Employee Benefits	Direct	Direct Charge	-	0.00%	-	-	-	0.00%
10022 - Income Fund Corp Employee Benefits	Direct	Direct Charge	-	0.00%	-	-	-	0.00%
10022 - Other Employee Benefits	General	Blended Pro-rata	2,808.87	14.02%	27,354.00	22,059.68	(2,025.81)	-9.18%
10022 - Pension expense true-up	General	User Count	-	#DIV/0!	-	-	-	#DIV/0!
10022 - Pension expense true-up - EI	General	Blended Pro-rata	-	0.00%	-	-	-	0.00%
10022 - Pensions Expense	General	Blended Pro-rata	-	0.00%	-	-	-	0.00%
10022 - Stock Based Compensation - Fixed Stock Options - EI	General	Blended Pro-rata	11,981.45	59.12%	46,494.00	37,495.16	(17,229.84)	-45.95%
10022 - Stock Based Compensation - ISOs - EI	General	Blended Pro-rata	-	#DIV/0!	-	-	-	#DIV/0!
10022 - Stock Based Compensation - PBSOs - EI	General	Blended Pro-rata	-	#DIV/0!	-	-	-	#DIV/0!
10022 - Stock Based Compensation - PSOPs - EI	General	Blended Pro-rata	315.32	10.71%	3,237.00	2,610.48	333.07	12.76%
10022 - Stock Based Compensation - PSUs - EI	General	Blended Pro-rata	15,446.77	95.60%	15,701.00	12,662.10	3,495.16	27.60%
10022 - Stock Based Compensation - RSUs - EI	General	Blended Pro-rata	25,609.67	91.25%	28,876.00	23,287.10	4,777.42	20.52%
10023 - Industry Associations	General	Capital Employed	1.62	0.00%	651.00	525.00	(505.65)	0.00%
10024 - Corporate Secretarial Legal Fees	General	Capital Employed	154.83	11.21%	1,540.00	1,241.94	138.71	11.17%
10024 - Directors Fees and Expenses	General	Capital Employed	1,100.81	24.73%	5,117.00	4,126.61	325.00	7.88%
10025 - IT ES PUBLIC WEB SYSTEMS	Department	Enterprise FTE	-	#DIV/0!	-	-	-	#DIV/0!
10026 - IT CANADIAN MIDSTREAM	Department	Time Estimate	-	0.00%	-	-	-	0.00%
10027 - IT LP ACQUISITIONS	Department	Enterprise FTE	-	#DIV/0!	-	-	-	#DIV/0!
10031 - IT ISS MANAGEMENT	Department	Enterprise FTE	-	#DIV/0!	-	-	-	#DIV/0!
10032 - IT PG ARCHITECTURE	Department	Enterprise FTE	-	#DIV/0!	-	-	-	#DIV/0!
10033 - IT PG SECURITY	Department	Enterprise FTE	-	#DIV/0!	-	-	-	#DIV/0!
10035 - Risk Systems and Planning	Department	User Count	-	0.00%	-	-	-	0.00%
10036 - HR EMPLOYEE SERVICES (CORP)	Department	Enterprise FTE	-	#DIV/0!	-	-	-	#DIV/0!
10037 - IT ISS SERVICE SUPPORT	Department	Enterprise FTE	-	#DIV/0!	-	-	-	#DIV/0!
10038 - IT ISS NETWORK	Department	Enterprise FTE	-	#DIV/0!	-	-	-	#DIV/0!
10039 - IT ISS CORE INFRASTRUCTURE	Department	Enterprise FTE	-	#DIV/0!	-	-	-	#DIV/0!
10040 - IT ES EFS	Department	User Count	-	0.00%	-	-	-	0.00%
10041 - Pension Admin Credit	Department	Pension Assets	-	0.00%	-	-	-	0.00%
10041 - Pension Admin.	Department	Pension Assets	-	0.00%	-	-	-	0.00%
10043 - Investor Relations	Department	Capital Employed	1,687.10	#DIV/0!	-	-	-	#DIV/0!
10044 - Treasury	Department	Capital Employed	2,274.19	18.68%	15,579.00	12,563.71	(386.29)	-3.07%
10045 - CFO	Department	Capital Employed	(15.32)	-1.53%	1,062.00	856.45	142.74	16.67%

**EI ALLOCATION**  
**Managed Segment Report - St. Lawrence**  
**For the budget year ending December 31, 2016**

Summary of costs by type		
Cost type	Segment total	Segment average
Department	573,923.04	573,923.04
General	472,558.90	472,558.90
Direct	489,796.91	489,796.91
Discretionary	-	-
<b>Total</b>	<b>1,536,278.85</b>	<b>1,536,278.85</b>

Details of costs allocated to each BU								
Cost Centre	Cost centre type	Allocation basis	Variance US 2011 vs. 2010	Variance 2011 vs. 2010	2009 CAD	2009 US	Variance US 2010 vs. 2009	Variance 2010 vs. 2009
10046 - Risk Control	Department	Time Estimate	(4,361.29)	-20.44%	15,555.00	12,544.35	8,794.36	70.11%
10047 - Corporate Controller	Department	Capital Employed	2,121.77	35.04%	6,198.00	4,998.39	1,057.26	21.15%
10048 - Enbridge Income Fund	Department	Direct Charge	-	0.00%	-	-	-	0.00%
10049 - Tax Services (Calgary)	Department	Time Estimate	-	0.00%	-	-	-	0.00%
10050 - Audit Services (Calgary)	Department	Capital Employed	(29.84)	-1.72%	2,054.00	1,656.45	79.84	4.82%
10051 - Insurance Risk	Department	Capital Employed	1,246.78	48.53%	3,692.00	2,977.42	(408.07)	-13.71%
10052 - Internal Controls	Department	Capital Employed	33.87	4.46%	1,052.00	848.39	(88.71)	-10.46%
10053 - Risk Assessment	Department	Capital Employed	-	#DIV/0!	-	-	-	#DIV/0!
10054 - IT LP APPLICATION OPERATIONS	Department	Enterprise FTE	-	#DIV/0!	-	-	-	#DIV/0!
10055 - Foreign Finance	Department	Time Estimate	-	0.00%	-	-	-	0.00%

**EI ALLOCATION**  
**Managed Segment Report - St. Lawrence**  
**For the budget year ending December 31, 2016**

Summary of costs by type		
Cost type	Segment total	Segment average
Department	573,923.04	573,923.04
General	472,558.90	472,558.90
Direct	489,796.91	489,796.91
Discretionary	-	-
<b>Total</b>	<b>1,536,278.85</b>	<b>1,536,278.85</b>

Details of costs allocated to each BU								
Cost Centre	Cost centre type	Allocation basis	Variance US 2011 vs. 2010	Variance 2011 vs. 2010	2009 CAD	2009 US	Variance US 2010 vs. 2009	Variance 2010 vs. 2009
10059 - HR PMO	Department	Capital Employed	-	#DIV/0!		-	-	#DIV/0!
10070 - Corporate Secretarial	Department	Other	-	0.00%		-	-	0.00%
10071 - Corporate Admin.	Department	Capital Employed	320.96	5.33%	5,919.00	4,773.39	1,252.42	26.24%
10072 - Enterprise Communications & Community Partners	Department	Capital Employed	3,979.84	35.27%	9,859.00	7,950.81	3,333.87	41.93%
10075 - IT ES ECM	Department	Capital Employed	(647.58)	-14.69%	1,150.00	927.42	3,479.84	375.22%
10076 - Corporate Security	Department	Other	-	0.00%		-	-	0.00%
10077 - Corporate Law	Department	Other	-	#DIV/0!		-	-	#DIV/0!
10078 - Group VP Corporate Law	Department	Other	-	0.00%		-	-	0.00%
10079 - Records Management Law	Department	Capital Employed	-	#DIV/0!		-	-	#DIV/0!
10081 - Compliance Group Law	Department	Time Estimate	-	0.00%		-	-	0.00%
10083 - Enterprise Travel Procurement Card Prog	Department	Enterprise FTE	-	#DIV/0!		-	-	#DIV/0!
10085 - Records Management Program	Department	Capital Employed	-	#DIV/0!		-	-	#DIV/0!
10086 - Supply Chain (HR)	Department	Time Estimate	-	0.00%		-	-	0.00%
10087 - Corporate Performance Management	Department	Capital Employed	-	#DIV/0!		-	-	#DIV/0!
10089 - HR Business Solutions Services	Department	Enterprise FTE	1,278.23	23.63%		-	5,408.87	#DIV/0!
10090 - Organizational Effectiveness	Department	Enterprise FTE	1,414.52	16.64%	7,245.00	5,842.74	2,656.45	45.47%
10091 - Total Compensation	Department	Enterprise FTE	6,570.16	63.63%	9,580.00	7,725.81	2,600.00	33.65%
10092 - Corporate HR	Department	Enterprise FTE	(1,228.22)	-7.31%	12,773.00	10,300.81	6,512.09	63.22%
10093 - Labour Relations	Department	Enterprise FTE	167.74	0.00%	1,656.00	1,335.48	234.68	0.00%
10094 - Executive VP People and Partners	Department	Capital Employed	(1,002.42)	-100.00%	1,043.00	841.13	161.29	19.18%
10095 - IT ES HRIS SYSTEMS	Department	Enterprise FTE	1,693.55	9.78%	4,655.00	3,754.03	13,563.71	361.31%
10096 - Benefits & Pensions	Department	Enterprise FTE	(1,265.32)	-100.00%	1,374.00	1,108.06	157.26	14.19%
10097 - Strategic Development	Department	Enterprise FTE	-	#DIV/0!		-	-	#DIV/0!
10098 - HR CHANGE MANAGEMENT	General	Capital Employed	-	#DIV/0!		-	-	#DIV/0!
10099 - HR (BU/DEPT COSTS)	Department	Capital Employed	-	#DIV/0!		-	-	#DIV/0!
10106 - Energy Technology & Windpower	Department	Time Estimate	-	0.00%		-	-	0.00%
10107 - Corporate Development and Planning	Department	Time Estimate	-	0.00%		-	-	0.00%
10108 - Business Development East	Department	Time Estimate	-	0.00%		-	-	0.00%
10109 - Investment Review	Department	Time Estimate	-	#DIV/0!		-	-	#DIV/0!
10111 - Gas P/L Development (West)	Department	Time Estimate	-	0.00%		-	-	0.00%
10112 - Acq & Corp. Dev Projects - "A" Project	Department	Time Estimate	-	0.00%		-	-	0.00%
10112 - Corporate Acquisition Projects (0% Capitalized)	Department	Time Estimate	-	0.00%		-	-	0.00%
10117 - Energy Services Administration	Department	Time Estimate	-	0.00%		-	-	0.00%
10118 - Public, Government & Aboriginal Affairs	Department	Capital Employed	-	#DIV/0!		-	-	#DIV/0!
10140 - IT ES Desktop Services	Department	Enterprise FTE	-	#DIV/0!		-	-	#DIV/0!
10331 - Corporate Development Management	Department	User Count	-	#DIV/0!		-	-	#DIV/0!
10502 - Enterprise Operations	Department	Enterprise FTE	-	#DIV/0!		-	-	#DIV/0!
10880 - Enterprise Safety & Operational Reliability	Department	Capital Employed	-	#DIV/0!		-	-	#DIV/0!
30302 - Core Infrastructure	General	Enterprise FTE	-	#DIV/0!		-	-	#DIV/0!
30303 - Network Operations	General	Enterprise FTE	-	#DIV/0!		-	-	#DIV/0!
30304 - Productivity Services	General	Enterprise FTE	-	#DIV/0!		-	-	#DIV/0!
30305 - Service Support and Integration	General	Enterprise FTE	-	0.00%		-	-	0.00%
30306 - Security Operations	General	Enterprise FTE	-	0.00%		-	-	0.00%
30307 - Desktop Services	General	Enterprise FTE	-	#DIV/0!		-	-	#DIV/0!
99999 - Discretionary	Discretionary	Other	-	0.00%		-	-	0.00%
No # - Audit Fees	Direct	Direct Charge	(19,233.87)	-15.45%	132,300.00	106,693.55	17,782.26	16.67%
No # - Audit Fees - EI fee distribution	General	Capital Employed	700.00	32.66%	2,631.00	2,121.77	21.78	1.03%
No # - Depreciation - EFS Assets	General	User Count	-	0.00%		-	-	0.00%
No # - Depreciation - Major Projects IT Assets	General	Capital Employed	-	#DIV/0!		-	-	#DIV/0!

**EI ALLOCATION**  
**Managed Segment Report - St. Lawrence**  
**For the budget year ending December 31, 2016**

Summary of costs by type		
Cost type	Segment total	Segment average
Department	573,923.04	573,923.04
General	472,558.90	472,558.90
Direct	489,796.91	489,796.91
Discretionary	-	-
<b>Total</b>	<b>1,536,278.85</b>	<b>1,536,278.85</b>

Details of costs allocated to each BU								
Cost Centre	Cost centre type	Allocation basis	Variance US 2011 vs. 2010	Variance 2011 vs. 2010	2009 CAD	2009 US	Variance US 2010 vs. 2009	Variance 2010 vs. 2009
No # - Depreciation - Other Corporate	General	Capital Employed	412.90	2.96%	14,113.00	11,381.46	2,568.55	22.57%
No # - Depreciation - Risk Management System (50%)	General	Capital Employed	-	#DIV/0!	-	-	-	#DIV/0!
No # - EEP Charge (IT Shared Services)	General	Blended Pro-rata	3,420.97	375.73%	-	-	910.48	#DIV/0!
No # - EGD Charge	General	Blended Pro-rata	695.16	26.32%	544.00	438.71	2,202.42	502.02%
No # - EPI Charge	General	Blended Pro-rata	6,421.77	27.38%	20,869.00	16,829.84	6,627.42	39.38%
No # - Insurance - EI	General	Capital Employed	-	#DIV/0!	-	-	-	#DIV/0!
No # - Insurance Premiums	Direct	Direct Charge	3,008.87	2.57%	105,500.00	85,080.65	32,054.83	37.68%
No # - Insurance Premiums - Additional Top up	Direct	Direct Charge	-	0.00%	-	-	-	0.00%
No # - Rents & Leases - Calgary Office	Direct	Occupancy	-	0.00%	-	-	-	0.00%
No # - Stock Based Compensation - Fixed Stock Options	Direct	Options Granted	-	0.00%	-	-	-	0.00%
No # - Stock Based Compensation - ISOs	Direct	Options Granted	-	#DIV/0!	-	-	-	#DIV/0!
No # - Stock Based Compensation - PBSOs	Direct	Options Granted	-	0.00%	-	-	-	0.00%
No # - Stock Based Compensation - PSOPs	Direct	Options Granted	-	0.00%	-	-	-	0.00%
No # - Stock Based Compensation - PSUs	Direct	Options Granted	-	0.00%	-	-	-	0.00%
No # - Stock Based Compensation - RSUs	Direct	Options Granted	-	#DIV/0!	-	-	-	#DIV/0!
No # - Vacancy Credit	General	Enterprise FTE	-	#DIV/0!	-	-	-	#DIV/0!
Provision - High Level Budget Reduction			4,991.13	-16.08%	-	-	(31,048.39)	#DIV/0!
<b>Totals</b>			<b>81,066.10</b>	<b>14.48%</b>	<b>601,989.00</b>	<b>485,475.01</b>	<b>74,558.05</b>	<b>15.36%</b>
	Direct	Audit Fees	(19,233.87)	-15.45%	132,300.00	106,693.55	17,782.26	16.67%
	Direct	Ins. Premiums	3,008.87	2.57%	105,500.00	85,080.65	32,054.83	37.68%
	Direct	Stock Options	53,353.21	79.12%	94,308.00	76,054.84	(8,624.19)	-11.34%
		<b>Total Direct Charges</b>	<b>37,128.21</b>	<b>12.01%</b>	<b>332,108.00</b>	<b>267,829.04</b>	<b>41,212.90</b>	<b>15.39%</b>
		<b>Total Department &amp; General</b>	<b>43,937.89</b>	<b>17.51%</b>	<b>269,881.00</b>	<b>217,645.97</b>	<b>33,345.15</b>	<b>15.32%</b>

ST. LAWRENCE GAS COMPANY, INC.  
EI Corporate Allocations - Direct Costs  
2009-2016

<u>Budgeted - CAD\$</u>	2009	2010	2011	2012	2013	2014	2015	2016	2016 vs. 2009	
Audit Fees	132,300	154,350	130,500	125,000	154,350	164,714	194,040	219,450	87,150	65.87%
Insurance Premiums	105,500	145,248	148,979	239,167	140,368	150,570	151,266	162,888	57,388	54.40%
GL A/C 925	148,837	160,137	205,657	169,954	101,247	80,609				

St. Lawrence Gas  
EI Corporate Allocations  
2009-2016

DPS-247

St. Lawrence Gas	2009	%	2010	%	2011	%	2012	%	2013	%	2014	%	2015	%	2016	%
Department	151,688	0.20%	212,307	0.30%	235,199	0.30%	248,770	0.30%	235,983	0.20%	327,943	0.30%	553,508	0.28%	575,064	0.31%
General	96,780	0.20%	103,932	0.20%	212,226	0.20%	265,132	0.30%	268,883	0.20%	317,114	0.20%	369,314	0.23%	473,349	0.26%
Direct	353,520		378,203		347,538		439,522		373,667		380,054		414,137		489,797	
<b>Total</b>	<b>601,988</b>		<b>694,442</b>		<b>794,963</b>		<b>953,424</b>		<b>878,533</b>		<b>1,025,111</b>		<b>1,336,959</b>		<b>1,538,210</b>	

**STAFF OF THE DEPARTMENT OF PUBLIC SERVICE  
INTERROGATORY/DOCUMENT REQUEST**

**St. Lawrence Gas Company  
Case 15-G-0382  
Gas Rates**

**Request No.:** DPS-265  
**Requested By:** Allison Esposito  
**Information Requested of:** Sharon Gaines  
**Date of Request:** September 11, 2015  
**Response Due Date:** September 21, 2015  
**Subject:** Outside Services Expense

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1. Has the Company performed any benchmarking studies or any other analyses showing that the services it procures from Enbridge is more cost effective than getting those services from an outside third party? If so, provide all such studies.

No, it has not. The costs incurred by the Company that are transferred from Enbridge, Inc. are done on an allocated basis, not a service based basis. See the Updated response to DPS-247 and the file named 'DPS-247 EI Intercompany Charges 2009-2016.xlsx' for a history of the percent allocated to the Company from 2009-2016. The percentage of allocation has remained about the same, i.e. between 0.20%-0.30% of total EI costs.

2. On page 9 of the cost allocation methodology manual, provided as file "41 a) through f) Cost Allocation Methodology December 1 2012.doc" in response to DPS-41, it states "At Enbridge, the departmental cost budget process is rigorous and the budget is the primary tool that managers use for cost control. Allocations to each line of business are agreed to during the budget cycle, before budgets are finalized." It further states that "As part of the budget process, the service provider and the service recipient must agree on the costs to be allocated before finalization of the budget."
  - a. Describe in detail the process for Enbridge (or the affiliate providing the service) and St. Lawrence Gas to reach agreement on the costs to be allocated for services provided by Enbridge, and how the costs are allocated to St. Lawrence Gas.

In practice there have been no negotiations or budget meetings prior to receipt of the EI intercompany charge. The allocated costs are received from EI and incorporated into the budget. Costs are allocated based on the above mentioned Cost Allocation Methodology document. While comparisons of EI intercompany charges are made to prior years after receipt and the impacts on the bottom line are communicated to EGD, to date, no adjustments have been made to the initial allocation as a result of those discussions.

- b. Provide all documentation from the most recent department cost budget process for services provided to St. Lawrence by Enbridge. Documentation should include, but not necessarily be limited to, the following:
      - i. The initial budget proposed by Enbridge (or the affiliate providing the service) and/or St. Lawrence;

Name and Position of Respondent: Sharon A. Gaines

Date of Response: October 5, 2015

**STAFF OF THE DEPARTMENT OF PUBLIC SERVICE  
INTERROGATORY/DOCUMENT REQUEST**

**St. Lawrence Gas Company  
Case 15-G-0382  
Gas Rates**

**Request continued.**

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- ii. The final budget agreed to by Enbridge (or the affiliate providing the service) and St Lawrence;
- iii. Minutes from all meetings at which the budget was discussed.

See the response to 2.a.

**St. Lawrence Gas Company, Inc.**  
**Corporate Allocation Fees**  
**Trending Data**

	<b>Expense - USD</b>	
	<b>Amount</b>	<b>% Increase</b>
2009	217,646	-
2010	250,991	15%
2011	294,929	18%
2012	343,164	16%
2013	342,429	0%
2014	451,548	32%
2015	659,744	46%
2016	761,800	15%

**St. Lawrence Gas Company, Inc.**  
**Corporate Allocation Fees**  
**Rate Year Allowance**

	<b>Requested \$</b>	<b>Total \$</b>	<b>% of total</b>
<b>2009</b>	157,309	261,256	60.21%

	<b>USD</b>		
	<b>Allowance</b>	<b>Total</b>	<b>Inflation Rate</b>
<b>RYE 12/31/10</b>	140,300	233,008	
<b>RYE 12/31/11</b>	142,601	236,829	
<b>RYE 12/31/12</b>	145,211	241,163	
<b>TME 12/31/13</b>		244,563	1.41%
<b>TME 12/31/14</b>		248,892	1.77%
<b>RYE 5/31/17</b>		259,445	4.24%
<b>Company Request</b>		674,400	
<b>Adjustment</b>		414,955	