

ENBRIDGE GAS INC.

**Accounting Entries for
Demand Side Management (DSM) Variance Account
Account No. 179-313**

This account records the difference between the actual DSM spending for the fiscal year and the budgeted amount included within rates. Amounts determined to be over or under the budget included within Allowed Revenue will be recorded in the DSMVA. In addition, any further variance in DSM spending and results, beyond the budget included within rates, which occur as a result of OEB decisions in ongoing or upcoming DSM proceedings, will be included within this account.

This account also tracks forecast commitments for customer incentive payments and program costs for future periods. Due to the multi-year aspect of several program offerings, incentive and program dollars committed in the current year may not be payable until they become due in future years. This account will track and carry forward the forecasted cumulative customer incentive and program dollar commitments net of payments made (in relation to incentive or program payments made in the current year, or in relation to incentives or program dollars paid that became due in the current year in relation to commitments made in prior years). Any amount not paid out will be returned to ratepayers in the year following its last potential commitment date, or at such other time as directed by the OEB.

Simple interest is to be calculated on the opening monthly balance of this account using the OEB-approved EB-2006-0117 interest rate methodology. The balance of this account, together with carrying charges, will be disposed of in a manner designated by the OEB in a future rate application.

Account numbers are from the Uniform System of Accounts for Gas Utilities, Class A prescribed under the Ontario Energy Board Act.

Debit - Account No. 179-313
 DSM Variance Account

Credit - Account No. 728
 General Expense

To record, as a debit/(credit) in the account, the difference between the actual DSM spending for the fiscal year and the budgeted amount included in rates.

Debit - Account No. 179-313
 DSM Variance Account

Credit - Account No. 323
 Other Interest Expense

To record, as a debit/(credit) in the account, interest expense on the opening monthly balance.

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**Accounting Entries for
Lost Revenue Adjustment Mechanism (LRAM) Variance Account
Account No. 179-314**

This account records the amount of distribution margin gained or lost when the Company's DSM programs are less or more successful than budgeted in the fiscal year.

Simple interest is to be calculated on the opening monthly balance of this account using the OEB-approved EB-2006-0117 interest rate methodology. The balance of this account, together with carrying charges, will be disposed of in a manner designated by the OEB in a future rate application.

Account numbers are from the Uniform System of Accounts for Gas Utilities, Class A prescribed under the Ontario Energy Board Act.

Debit - Account No. 179-314
LRAM Variance Account

Credit - Account No. 529
Other Sales

To record, as a debit/(credit) in the account, the amount of distribution margin gained or lost when the Company's DSM programs are less or more successful than budgeted in the fiscal year.

Debit - Account No. 179-314
LRAM Variance Account

Credit - Account No. 323
Other Interest Expense

To record, as a debit/(credit) in the account, interest expense on the opening monthly balance.