

National Energy
BoardOffice national
de l'énergieFile OF-Tolls-Group2-N213-2011-01 01
27 January 2012

Ms. Tania Persad
Senior Legal Counsel, Regulatory
Enbridge Gas Distribution Inc.
500 Consumers Road
P.O. Box 650
Scarborough ON M1K 5E3
Facsimile 416-495-5994

Dear Ms. Persad:

Niagara Gas Transmission Limited (Niagara Gas) Application for Exemption under section 129(1.1) of the *National Energy Board Act* (the Act) dated 30 September 2011 (Application)

The National Energy Board has considered the Application and subsequent filing of 17 October 2011. The Board has issued the attached Order XG-N213-001-2012, the effect of which is to approve the requested relief from subsection 5(2)(b) of the *Gas Pipeline Uniform Accounting Regulations*, which requires that companies file audited financial statements with the Board within 120 days after the end of each fiscal year.

The Application indicates that Niagara Gas will continue to file unaudited financial statements within 120 days of fiscal year end and that these statements would be reviewed by a management committee and Niagara Gas's Board of Directors. As this contributed to the Board deciding to grant the requested relief, the Board has specifically ordered Niagara Gas to file unaudited financial statements within 120 days of fiscal year end and in so doing to provide confirmation to the Board that the unaudited financial statements have been reviewed by a management committee and Niagara Gas's Board of Directors. If there is any change in Niagara Gas's financial statement review practices, Niagara Gas must explain and justify such change to the Board.

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4 pages

Requête 4032-2018

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The Board also notes that Niagara Gas indicated that Enbridge Gas Distribution Inc. (EGDI) operates Niagara Gas and that, given the shared employee resources, the internal control environment of Niagara Gas is consistent with that of EGDI, which is audited. The Application referred to the strong governance and oversight of Enbridge Inc., and the fact that both Niagara Gas and EGDI are wholly owned subsidiaries of Enbridge Inc. Furthermore, the Board notes that Niagara Gas provided a copy of the Application to its affiliated shippers, Gazifère Inc. and St. Lawrence Gas Company, Inc., the only firm shippers on the Ottawa and Cornwall Pipelines, respectively, and Niagara Gas notified third party shippers on the Link Pipeline. No shippers have expressed any concerns with the Application.

If there is a significant change in the operation of the Ottawa River Facilities, Cornwall Pipeline or Link Pipeline, Niagara Gas must inform the Board of such change. At that time, it may be necessary for the Board to reconsider the exemption from filing audited financial statements.

Niagara Gas must serve a copy of this letter and Order XG-N213-001-2012 on all shippers.

Yours truly,



for L. George
Acting Secretary of the Board

Attachment

National Energy
BoardOffice national
de l'énergie**ORDER XG-N213-001-2012**

IN THE MATTER OF the *National Energy Board Act* (the Act) and the regulations made thereunder; and

IN THE MATTER OF an application by Niagara Gas Transmission Limited (Niagara Gas), pursuant to subsection 129(1.1) of the Act, dated 30 September 2011, filed with the National Energy Board under File OF-Tolls-Group2-N213 2011-01-01

BEFORE the Board on 27 January 2012.

WHEREAS the Board has received an application from Niagara Gas dated 30 September 2011, and subsequent filing dated 17 October 2011, requesting an exemption from the requirement, under paragraph 5(2)(b) of the *Gas Pipeline Uniform Accounting Regulations* (GPUAR), to file audited financial statements with the Board within 120 days after the end of each fiscal year;

AND WHEREAS pursuant to subsection 129(1.1) of the Act, the Board may exempt a company or person from the application of, *inter alia*, the GPUAR;

AND WHEREAS Niagara Gas has stated that it is operated by Enbridge Gas Distribution Inc. (EGDI), which is audited, and that it shares employee resources with EGDI and has a consistent internal control environment as EGDI. Niagara Gas also states that Enbridge Inc. has strong governance and oversight of Enbridge Inc., and that both Niagara Gas and EGDI are wholly owned subsidiaries of Enbridge Inc.;

AND WHEREAS Niagara Gas has provided a copy of the Application to its affiliated shippers, Gazifère Inc. and St. Lawrence Gas Company, Inc., the only firm shippers on the Ottawa and Cornwall Pipelines, respectively, as well as notified third party shippers on the Link Pipeline, and no shippers have expressed any concerns with the Application;

AND WHEREAS the Board considers it appropriate to exempt Niagara Gas from the requirement of subsection 5(2)(b) of the GPUAR, subject to the conditions below;

IT IS ORDERED THAT, pursuant to subsection 129(1.1) of the Act, Niagara Gas is exempted from the requirement to file audited financial statements in respect of the Ottawa River Facilities, the Cornwall Pipeline and the Link Pipeline, subject to the following conditions:

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1. Niagara Gas shall file unaudited financial statements within 120 days of each fiscal year end.
2. When filing unaudited financial statements pursuant to Condition 1 of this Order, Niagara Gas shall provide confirmation to the Board that the unaudited financial statements have been reviewed by:
 - a. A management committee; and
 - b. Niagara Gas's Board of Directors.
3. If there is any change in Niagara Gas's financial statement review practices, Niagara Gas must explain and justify such change to the Board.
4. If there is a significant change in the operation of the Ottawa River Facilities, Cornwall Pipeline or Link Pipeline, Niagara Gas must inform the Board of such change.

NATIONAL ENERGY BOARD



for L. George
Acting Secretary of the Board

XG-N213-001-2012