

January 12, 2018

BY COURIER (2 COPIES) AND RESS

Ms. Kirsten Walli

Board Secretary

Ontario Energy Board

2300 Yonge Street, Suite 2700, P.O. Box 2319

Toronto, Ontario M4P 1E4

Dear Ms. Walli:

**Re: EB-2017-0224 – Enbridge Gas Distribution Inc. (“Enbridge”)
EB-2017-0255 – Union Gas Limited (“Union”)
2018 Cap and Trade Compliance Plans**

I am writing on behalf of Environmental Defence to provide comments on the draft issues list in this proceeding.

Environmental Defence believes it can address the issues it wishes to raise relating to the customer abatement (and the lack thereof) through the following issues:

- 1. Cost Consequences - Are the requested cost consequences of the gas utility's Compliance Plan reasonable and appropriate?
- 1.4 Has the gas utility reasonably and appropriately conducted its Compliance Plan option analysis and optimization of decision making?
- 1.10 Are the gas utility's proposed greenhouse gas abatement activities reasonable and appropriate?

However, Environmental Defence wishes to raise the issue of whether Compliance Plans should include shareholder incentives for the achievement of incremental, cost-effective conservation savings. Although we believe this is a sub-issue of the abatement activities issue (#1.10), if the Board does not agree, we ask that this be added as an additional issue.

Environmental Defence believes it is critically important that the utilities' interests be aligned with consumer interests by way of an incentive to implement all cost-effective conservation. Without an explicit incentive, the utilities have an inherent *disincentive* to implement conservation because doing so would lower their revenues and decrease the need for supply-side investments that increase rate base. We therefore wish to ensure that

this issue is either already included in issue 1.10 or request that it be added to the issues list.

Please do not hesitate to contact us if any further information would be of assistance to the Board.

Yours truly,

A handwritten signature in blue ink, appearing to be 'Kent Elson', written over the text 'Yours truly,'.

Kent Elson

Encl.

cc: Parties in this proceeding