



Andrew Mandyam
Director, Regulatory Affairs

tel 416-495-5499
fax 416-495-6072
EGDRegulatoryProceedings@enbridge.com

Enbridge Gas Distribution
500 Consumers Road
North York, Ontario M2J 1P8
Canada

VIA EMAIL, RESS and COURIER

July 13, 2018

Ms. Kirsten Walli
OEB Secretary
Ontario Energy Board
2300 Yonge Street, 27th Floor
Toronto, ON M4P 1E4

Dear Ms. Walli:

**Re: EB-2017-0224 Enbridge Gas Distribution Inc.
Cap and Trade Program Termination**

Pursuant to the Ontario Energy Board's (the "Board") Procedure Order No. 6, Enbridge Gas Distribution Inc. ("Enbridge" or the "Company") confirms that it is in compliance with Ontario Regulation 386/16, Prohibition Against the Purchase, Sale and Other Dealings with Emission Allowances and Credits ("O. Reg. 386/18").

Enbridge also confirms that it will track costs in its Cap and Trade deferral and variance accounts¹ with sufficient specificity to identify pre and post Revocation Regulation costs, and the exact nature of the post Revocation Regulation costs. Enbridge will seek clearance of costs recorded in these deferral and variance accounts in a future proceeding or as directed by the Board.

As a result of the revocation of Ontario Regulation 144/16: The Cap and Trade Program (the "Program") by O. Reg. 386/18 and the need for an orderly, efficient, and timely wind down of the Program, Enbridge requests that a directive be issued instructing the removal of cap and trade charges from customer bills. In response to such directive, Enbridge will file updated rate schedules. Provided the Board issues a Rate Order by September 1, 2018 approving the removal cap and trade charges, the Company would be able to implement the changes to its billing systems and communicate these changes to its customers as part of its October 1 quarterly rate adjustment mechanism.

Enbridge will continue to monitor the government of Ontario's announcements regarding the Program, and will continue to comply with any and all directives issued by the Board on this matter.

¹ In its Decision in EB-2016-0296 / EB-2016-0300 / EB-2016-0330 the OEB directed the Gas Utilities to establish a Greenhouse Gas Emissions Compliance Obligation – Customer-related variance account (GHG-Customer VA); a Greenhouse Gas Emissions Compliance Obligation – Facility-related variance account. (GHG-Facility VA); Greenhouse Gas Emissions Impact Deferral Account (GGEIDA)

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Enbridge would also like to inform the Board that it plans to track and record administrative costs required to understand and implement the Federal Government's Carbon Tax legislation and associated regulation changes relating to carbon, Clean Fuel Standards and methane, within its Greenhouse Gas Emissions Impact Deferral Account (GGEIDA). As we learned with Cap and Trade, costs to be business ready may start to be incurred well before program implementation.

If you have any questions, please contact the undersigned.

Yours truly,

(Original Signed)

Andrew Mandyam
Director, Regulatory Affairs

cc: Mr. David Stevens, Aird & Berlis LLP
Mr. Dennis O'Leary, Aird & Berlis LLP
Ms. Valerie Bennett, Ontario Energy Board
Ms. Ljuba Djurdjevic, Ontario Energy Board
Mr. Lawren Murray, Ontario Energy Board
Mr. Josh Wasylyk, Ontario Energy Board