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December 13, 2006

Kirsten Walli
Board Secretary
Ontario Energy Board
2300 Yonge Street
Suite 2700
Toronto, ON M4P 1E4

Dear Ms. Walli:

**Re: Enbridge Gas Distribution Inc.
2007 Rates Application: EB-2006-0034
Request for Confidentiality Relating to Appendices A, B and C of the
Compass EnVision Cost Benchmarking Report**

This letter and request by Enbridge Gas Distribution Inc. ("Enbridge" or the "Company") requesting that portions of the Compass Management Consulting Limited ("Compass") report, dated November 29, 2006, be treated confidentially is made in accordance with the Ontario Energy Board's (the "Board") *Rules of Practice and Procedure* and the Practice Direction on Confidential Filings (the "Practice Direction"). This letter is filed in compliance with section 5.1.4 of the Practice Direction.

Compass was retained by the Company to conduct a cost benchmarking analysis of the contract between Accenture Inc. and the Company in respect of the EnVision Project, in compliance with the Board's directive in its EB-2005-0001 Decision with Reasons.¹

Contemporaneous with the filing of this letter, the Company has filed additional pre-filed evidence about the EnVision Cost Benchmarking Analysis undertaken by Compass. This additional pre-filed evidence is marked as Exhibit B1, Tab 6, Schedule 2, plus attachment, and Exhibit B1, Tab 2, Schedule 1. Briefly, this evidence details the rigorous selection process and consultative the Company undertook with intervenors leading to the selection of Compass. This pre-filed evidence also describes the benchmarking analysis, the project charter for the analysis, and the findings by Compass. It also includes a copy of the statement of principles, objectives and operating arrangements regarding the consultation process for the RFP and the funding guidelines for the consultation processes. Finally, this additional pre-filed evidence includes a detailed summary of the benchmarking analysis, together with descriptions of the nature of the materials to which confidential treatment is being requested, being Appendices A, B and C to the Compass

¹ February 9, 2006, para. 3.2.10

report. This non-confidential description of the materials for which confidential treatment is requested complies with section 5.1.4(c)(ii) of the Practice Direction.

Appended to this letter are the following:

1. A complete copy of the Compass report, dated November 29, 2006, including Appendices A, B and C, to which confidential treatment is requested. Each of the pages of the Appendices has been marked as "Confidential", and hard copies have been reproduced on pink paper.
2. Letter dated December 7, 2006 from Compass setting out the reasons in support of the confidential treatment of the subject materials.
3. Letter dated December 7, 2006 from Accenture Inc., also supporting the request for confidential treatment.

Enbridge submits that the reasons given by Compass and Accenture Inc. in support of the request for confidentiality of Appendices A, B and C are sufficient to warrant the treatment requested. In addition, Enbridge makes the following submissions.

1. As noted in the pre-filed evidence filed contemporaneously with this letter, intervenors have been involved from the outset in the development of the RFP, the selection of Compass, and the completion of the cost benchmarking analysis. Each intervenor that has participated in the EnVision consultative and who has requested a copy of the Compass report has, without objection, executed an undertaking of non-disclosure as part of the consultative process.
2. In RP-2003-0203 (the Enbridge 2005 Rate Case), the Accenture contract was filed and treated by the Board in confidence. Given that the Compass report is a cost benchmarking analysis of this contract, something which was treated in confidence, it is appropriate to continue this confidential treatment to those portions of the Compass report for which confidential treatment is requested.
3. The very nature of a cost benchmarking analysis required Compass to consider and compare the commercial arrangements between the Company and Accenture Inc. with that of other relevant companies and projects, some of whom are either competitors of Accenture Inc. or potential suppliers of services to Enbridge.
4. Enbridge believes that all parties understood that the Compass cost benchmarking methodology itself is proprietary to Compass and hence there is understandable reluctance on the part of Compass to see its methodology shared with the general public at large where it could be copied or unfairly used.
5. If this request for confidential treatment is not accepted, it may negatively impact the parties and future Board regulatory processes in that the precedent of failing to protect commercially sensitive and proprietary works in this proceeding will act as a disincentive to other independent consultants like Compass from ever accepting retainers from the Company where there is no certainty of confidentiality.

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The Company therefore asks that Appendices A, B and C not be placed on the public record and that access to this confidential information be made available only to those representatives of parties (lawyers and experts not employed by the parties) who execute a Declaration and Undertaking in accordance with section 6 of the Practice Direction that recognizes, among other things, that these representatives will not share the confidential information with anyone who has not executed the Declaration and Undertaking (which includes their clients).

In the event that any person or entity proposes to execute a Declaration and Undertaking that any of Enbridge, Accenture Inc., or Compass are of the view that providing access to the confidential material would in any way defeat any purpose for which the materials are treated in confidence, then each of Enbridge, Accenture Inc., and/or Compass reserves the right to make additional submissions requesting that such individual or entity not be eligible to receive the confidential material.

We trust that the above is acceptable.

Yours very truly,

AIRD & BERLIS LLP



Dennis M. O'Leary

DMO/ct
Attachments

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