

AIRD & BERLIS LLP

Barristers and Solicitors

David Stevens
Direct: 416.865.7783
E-mail: dstevens@airdberlis.com

FILED VIA RESS

July 17, 2009

Kirsten Walli
Board Secretary
Ontario Energy Board
P.O. Box 2319, 26th Floor
2300 Yonge Street
Toronto, Ontario
M4P 1E4

Dear Ms Walli:

**Re: Enbridge Gas Distribution Inc. – 2009 Rate Adjustment Process
EB-2008-0219**

We are writing on behalf of Enbridge Gas Distribution (Enbridge, or the Company).

Upon review of the Decision and Order in Phase 2 of this proceeding (issued July 14, 2009), as well as the Rate Order issued in Phase 1 of this proceeding (February 23, 2009), we have noticed that Enbridge's request for approval of Deferral and Variance Accounts for 2009¹ has not been addressed. We inadvertently missed including the approval of the accounts as part of the Settlement Agreement for Phase 2, and had planned to include it as part of the drafting of the Order for Phase 2. However, the Board's issuance of an Order at the same time as the Decision for Phase 2 means that these Deferral and Variance accounts are not addressed in that Order.

We write, therefore, to request that as part of a Supplemental or Amended Order for Phase 2 of this proceeding, the Board approve the creation of the following Deferral and Variance Accounts for 2009:

Gas Related Accounts

- | | | |
|----|--------------------------------|------------|
| 1. | Purchased Gas V/A | 2009 PGVA |
| 2. | Transactional Services D/A | 2009 TSDA |
| 3. | Unaccounted for Gas V/A | 2009 UAFVA |
| 4. | Storage and Transportation D/A | 2009 S&TDA |

Non-Gas related Accounts

- | | | |
|----|-----------------------------------|-------------|
| 5. | Carbon Dioxide Offset Credits D/A | 2009 CDOCDA |
| 6. | Class Action Suit D/A | 2009 CASDA |

¹ Enbridge's request is set out at Exhibit C, Tab 1, Schedule 1, pages 4 and 5.

7.	Deferred Rebate Account	2009 DRA
8.	Electric Program Earnings Sharing D/A	2009 EPESDA
9.	Gas Distribution Access Rule Costs D/A	2009 GDARCDA
10.	Manufactured Gas Plant D/A	2009 MGPDA
11.	Municipal Permit Fees D/A	2009 MPFDA
12.	Ontario Hearing Costs V/A	2009 OHCVA
13.	Unbundled Rate Implementation Cost D/A	2009 URICDA
14.	Unbundled Rates Customer Migration V/A	2009 URCMVA
15.	Average Use True-Up V/A	2009 AUTUVA
16.	Tax Rate and Rule Change V/A	2009 TRRCVA
17.	Earnings Sharing Mechanism D/A	2009 ESMVA

DSM Related Accounts

18.	Demand Side Management V/A	2009 DSMVA
19.	Lost Revenue Adjustment Mechanism	2009 LRAM
20.	Shared Savings Mechanism V/A	2009 SSMVA

The Board-approved Settlement Proposal in Enbridge's Incentive Regulation Mechanism (IRM) proceeding (EB-2007-0615) required that Enbridge maintain certain Deferral and Variance Accounts during each year of its IRM term.² The list of accounts set out above does not include any new accounts beyond those noted in the IRM Settlement Proposal. There are, however, two accounts that were included in the IRM Settlement Proposal that are not in the list set out above. This is because the two accounts related to Enbridge's Open Bill activities are now being addressed in Enbridge's Open Bill Application (EB-2009-0043).

There has been no debate in this proceeding about the approval of the accounts listed above for 2009. Indeed, the creation of the accounts listed above for 2009 did not even get listed as an issue in Phase I or Phase II of the proceeding (and this is a reason that Enbridge overlooked the approval of the accounts as part of the Settlement Proposals). The only relevant issue in this proceeding related to the creation of deferral and variance accounts related to an account for IFRS costs. That issue was resolved as part of the Settlement Proposal for Phase II, and Enbridge withdrew its request for that account.

In the hope that it may assist the Board, we have prepared a draft Supplementary Order approving the creation of the Deferral and Variance Accounts listed above for 2009. The draft Supplementary Order is attached. Appendix "A" to the draft Supplementary Order sets out the proposed accounting treatment for each of the accounts. There are no substantive differences in the proposed treatment of the accounts from that which was approved by the Board in the EB-2007-0615 proceeding.

² EB-2007-0615, Ex. N1-1-1, pp. 18 and 19, and Appendix B.

July 17, 2009
Page 3

If you have any questions, please do not hesitate to contact us.

Yours very truly,

AIRD & BERLIS LLP

Signed by "David Stevens"

David Stevens

DS/

cc: Colin Schuch, Donna Campbell and Lawrie Gluck, OEB
Norm Ryckman, Robert Bourke and Kevin Culbert, Enbridge
All Intervenors

