

October 23, 2009

Ms. Kirsten Walli, Board Secretary
ONTARIO ENERGY BOARD
2300 Yonge Street, 27th Floor
Toronto, ON M4P 1E4

Dear Ms. Walli:

Re: EB-2009-0154: Enbridge Gas Distribution Inc. (EGD) 2010 DSM Plan Approval Application - Request for clarification of Decision.

We write as counsel to IGUA.

In its recent decision on EGD's application for approval of a 2010 DSM plan, the Board approved "inclusion" of a new industrial pilot program as proposed by EGD. EGD had proposed a budget for this industrial program of \$1.25 million, which it stated *"is incremental to the \$23.8 million DSM budget for 2010 as determined by the formulaic budget escalator detailed in EB-2006-0021"*.¹

As noted in the Board's decision², IGUA opposed the proposed industrial pilot program and urged the Board to disallow recovery of the incremental \$1.25 million from industrial customers in support of the program. The Board also noted in its decision³ that CCC submitted that EGD should be free to pursue the program, but that *"funding should come from within Enbridge's approved DSM budget"*, and that GEC, CME and BOMA agreed with CCC's submission. on this proposed pilot.

In approving the industrial pilot program the Hearing Panel directed *"that the funding for the program must come from outside of Enbridge's DSM budget"*.

¹ Ex. B/4/1, paragraph 2.

² Page 5, 3rd paragraph.

³ Page 5, 4th paragraph.

IGUA understands from discussions with EGD DSM personnel that EGD intends to proceed to fund this program as it had proposed, that is as an incremental DSM cost, recoverable from industrial ratepayers, in addition to the DSM budget as it would have been determined by the escalation formula detailed in EB-2006-0021.

It is not clear to IGUA that this was the Hearing Panel's intention. It is, in IGUA's view, equally possible that while the Board approved EGD proceeding with the program, it intended to direct that the costs of the program would not be included in EGD's 2010 DSM budget (escalated or otherwise), but rather would have to be sourced generally within EGD's 2010 IRM revenue envelope.

Given this difference of opinion, and the \$1.25 million potential impact of this difference on EGD's industrial customers, IGUA respectfully requests that the Hearing Panel consider clarifying its direction regarding the source of funding for this pilot program.

Yours truly,
MACLEOD DIXON LLP



Ian A. Mondrow

- c. Murray Newton, IGUA
Bonnie Jean Adams, EGD
Intervenors of Record

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