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November 5, 2009

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Kirsten Walli
Board Secretary
Ontario Energy Board
2300 Yonge Street
27th floor
Toronto, ON M4P 1E4

Dear Ms Walli,

Enbridge Gas Distribution Inc. ("EGD")
Request for Accounting Orders
Board File No.: EB-2009-0359
Our File No.: 339583-000039

This letter contains the comments of Canadian Manufacturers & Exporters ("CME") on the October 1, 2009 Application by Enbridge Gas Distribution Inc. ("EGD") for Board approval of three (3) new 2009 deferral accounts.

Two (2) of the three (3) proposed deferral accounts relate to the Board's Decision and Order in the EB-2008-0106 proceeding and the other one derives from the Report of the Board in the EB-2008-0408 proceeding.

We reviewed this Decision and Order and Report and had an e-mail exchange with Mr. Randy Aiken, the representative for London Property Management Association ("LPMA") and Building Owners and Managers Association of the Greater Toronto Area ("BOMA") about the appropriateness of the relief EGD requests. We also reviewed Board Staff's November 5, 2009 submission.

We are satisfied that the following new deferral accounts are compatible with the Board's EB-2008-0106 Decision and Order:

1. 2009 Change in Purchased Gas Variance Disposition Methodology Deferral Account ("CPGVDMDA"), and

2. 2009 Mean Daily Volume Mechanism Deferral Account ("MDVMDA").

In expressing our support for these new deferral accounts, we assume that they will not have a retroactive effect and that there will be no entries recorded in these accounts for the period prior to October 1, 2009, when EGD filed its Application.

At a conceptual level, we are also satisfied that the 2009 International Financial Reporting Standards Transition Costs Deferral Account ("IFRSTCDA") EGD proposes is compatible with the Board's Report in EB-2008-0408. However, we agree with Board Staff that the precise description of the operation of the account should be consistent with the wording Union proposed in its September 24, 2009 application and, as well, reflect the criteria for recording IFRS incremental transition costs applicable to electricity distributors to which Board Staff refers.

Moreover, our support for this deferral account is subject to our right to question later the appropriateness of amounts recorded therein for 2009, having regard to the Board's statements in its Report at page 27 as follows:

> *"The Board will not restrict the IFRS transition costs account by establishing a fixed start date for amounts to be recorded. However, the Board cautions distributors that the amounts in the account will be subject to a prudence review before disposition. The criteria of materiality, causation and prudence will be considered at the time of proposed disposition. Only costs that are clearly driven by the necessity of transitioning to IFRS and are genuinely incremental to costs that would have been otherwise incurred will be recoverable in rates. Any distributor that has IFRS related costs already approved in rates must record, in a variance account, the variances between the previously approved costs and actual costs of transitioning to IFRS."*

We respectfully request that CME be awarded 100% of its reasonably incurred costs for the services we have provided in reviewing this material and preparing these comments.

Yours very truly,

Peter C.P. Thompson, Q.C.

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Paul Clipsham (CME)
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