



PUBLIC INTEREST ADVOCACY CENTRE
LE CENTRE POUR LA DEFENSE DE L'INTERET PUBLIC

ONE Nicholas Street, Suite 1204, Ottawa, Ontario, Canada K1N 7B7

Tel: (613) 562-4002. Fax: (613) 562-0007. e-mail: piac@piac.ca. <http://www.piac.ca>

November 6, 2009

VIA COURIE-MAIL

Ms. Kirsten Walli
Board Secretary
Ontario Energy Board
P.O. Box 2319
27th Floor; 2300 Yonge Street
Toronto, ON M4P 1E4

Dear Ms. Walli

Re: EB-2009-0359
NOTICE OF WRITTEN HEARING
Enbridge Gas Distribution Inc. Request to Establish Deferral Accounts
Comments of Vulnerable Energy Consumers Coalition (VECC)

As Counsel to the Vulnerable Energy Consumer's Coalition (VECC), as directed in the Notice of Written Hearing, I hereby provide comments on behalf of my clients on the Request from EGD.

PGVA and MDV Methodology Related Accounts

EGD seeks approval to establish the following deferral accounts:

1. 2009 Change in Purchased Gas Variance Disposition Methodology Deferral Account ("CPGVMDMA")
2. 2009 Mean Daily Volume Mechanism Deferral Account ("MDVMDA")

Since these accounts are a result of the Board's EB-2008-0106 Decision, VECC has no objection to establishing the accounts. However, VECC reserves the right to argue at the time of clearance whether the balances are prudently incurred and also that the disposition should be based on cost causality and allocated to customers the caused the costs.

IFRS –Related Account

EGD seeks approval to establish the following deferral account:

3. 2009 International Financial Reporting Standards Transition Costs Deferral Account ("IFRSTCDA")

VECC has read and agrees with the Comments of Board Staff regarding parallel treatment to Electricity Distributors.

VECC notes that Paragraph 8.2 of the Boards Policy in the EB-2008-0408 Report authorizes Gas and Electric distributors to establish a deferral account to record one-time costs related to the transition to IFRS.

Para graph 9.2 of the Report also stipulates how the reconciliation of CGAAP and IFRS will occur upon rebasing in 2013 and that Earnings Sharing will be calculated on the same basis CGAAP as was approved in the IRM plan.

VECC has no objection in principle to EGDI establishing the accounts subject to review of the prudence of the costs and the incrementality of the costs

VECC notes an additional concern regarding incrementality that does not occur in the case of electricity distributors and that should be addressed by EGDI; EGDI purchases accounting and other financial advisory services from Enbridge Inc. and pays for these services under the Regulatory Cost Allocation Model which is "capped" during the IRM Plan. Accordingly it will be necessary for EGDI to demonstrate that any IFRS-related costs are fully incremental to those related to any services purchased from Enbridge Inc.

VECC requests an award of its legitimately incurred costs in this proceeding.

Yours truly,

Original signed

Michael Buonaguro
Counsel for VECC