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January 22, 2010

VIA COURIER

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

Dear Ms Walli:

**Re: Enbridge Gas Distribution Inc. ("Enbridge" or the "Company")
2010 Rate Application – Board File EB-2009-0172
Evidence Update**

I am writing to inform the Board and interested parties of the material which the Company is filing today in order to update the evidence in its 2010 rate proceeding EB-2009-0172.

In compliance with Procedural Order No. 3, dated December 23, 2009, Enbridge is filing updated evidence principally related to the following occurrences:

- Board decisions in other proceedings received to date that affect the Company's 2010 rate application;
- Provincial legislation – changes in the provincial corporate income tax and capital tax rates; and
- The addition of one new issue on the Board's draft issues list initiating a review of the Company's reported Service Quality Requirements ("SQR") for 2007 and 2008.

The decisions which have had an impact on this application include the following:

- Decision on Preliminary Motion EB-2009-0172 with respect to the Company's proposed Green Energy Initiatives, dated December 22, 2009 (the "GEI" decision).
- Decision and Order with respect to the Company's 2010 DSM – Low Income programs EB-2009-0154 dated December 14, 2009 (the "DSM" decision); and
- Report of the Board on the Cost of Capital for Ontario's Regulated Utilities EB-2009-0084, dated December 11, 2009 (the "ROE" decision).

As a result of the GEI decision, the Company has withdrawn its evidence previously filed at Exhibit B, Tab 2, Schedule 4 ("B-2-4") and removed the associated revenue requirement impact of \$0.3 million. Enbridge previously indicated its intention to withdraw its evidence in correspondence to the Board Secretary dated January 7, 2010.

A further \$1.4 million has been removed from the 2010 DSM Y factor to reflect the disallowance of the Low Income Solar Thermal Water Heater Program in the DSM decision.

There is no impact on the Company's 2010 revenue requirement or rates as a result of the ROE decision, however, the Company has updated Exhibit E, Tab 3, Schedule 1 in order to reflect the Board's Decision with respect to the revised methodology for determining the formula-based return on common equity and the 9.75% ROE decision for the 2010 year. Enbridge will utilize the 9.75% ROE that results from the revised methodology in the calculation of any earnings sharing amount for 2010 as indicated at E-3-1.

The Update of Sharing of Tax Change Savings Forecast Amounts filed at Exhibit C, Tab 1, Schedule 4 has been updated to reflect the changes in the Provincial corporate income tax and capital tax rates. Further, the updated ratepayer's 50% share has been reflected in the Company's 2010 revenue requirement (B-1-2 updated January 22, 2010).

Exhibit B, Tab 7, Schedule 1 provides deferral and variance account balances. It has been updated to reflect 2009 actual balances wherein it previously contained a forecast of a December 31, 2009 balance.

A small number of witnesses' CV's have been filed in order to reflect changes in witnesses that are the result of recent organizational changes.

Consequential impacts of the updates noted have also been determined and are incorporated into the filing of updated evidence. This would include updates to the revenue requirement (B-1-2), Y factor Power Generation Projects (B-2-1)¹, Z factor related to Crossbores/Sewer Laterals (B-3-2)² and rate design schedules (Exhibit B, Tab 4, all schedules).

A further, small number of exhibits have been updated as a result of cosmetic and other minor corrections.

¹ Changes to the Y factor Power Generation Projects are the result of a change in the Provincial corporate income tax and capital tax rates.

² Changes to the Z factor Crossbores/Sewer Laterals are the result of a change in the Provincial corporate income tax and capital tax rates.

The Company has determined that the impact of updating the underlying components of the 2010 volume forecast would be de minimus and has therefore not made any such update given the amount of work that would have been required during year-end financial processing requirements and the fact that general service average use is subject to the Average Use True Up Variance Account ("AUTUVA") for non-weather variances from forecast. As a result of this determination, degree days, average use, customer additions and the large volume forecast have not been updated.

As a result of this Application, average rate increases will be approximately 1.7% or less for all customer classes on a T-service basis (that is, excluding commodity costs). For residential customers, the average T-service increase will be approximately 1.7%, or about \$9 annually.

Yours truly,

A handwritten signature in cursive script, reading "Robert Bourke". The signature is written in dark ink and is positioned below the "Yours truly," text.

Robert Bourke

cc: Mr. F. Cass, Aird & Berlis LLP
Mr. Colin Schuch, Ontario Energy Board
All Interested Parties EB-2009-0172