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October 29, 2010

VIA COURIER and EMAIL

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")
EnVision Compliance**

As part of Enbridge's settlement agreement in the Company's 2005 rates proceeding (RP-2003-0203) Enbridge agreed to report annually to stakeholders on the achievement of EnVision benefits.

Accordingly, in compliance with the settlement agreement attached please find Enbridge's EnVision report for 2008 and 2009.

Please contact the undersigned if you have any questions,

Sincerely,

A handwritten signature in blue ink that reads 'Robert Bourke'.

Robert Bourke

encl.

cc: Mr. F. Cass, Aird & Berlis LLP
All Interested Parties EB-2008-0219

ENVISION UPDATE FOR 2008 AND 2009

Overview

In compliance with the RP-2003-0203 Settlement Proposal, Enbridge Gas Distribution Inc. (“Enbridge”) has completed an analysis of the actual costs and benefits related to EnVision and has subsequently updated the projected costs and benefits. This filing supplements the previous update provided in EB 2008-0219 in response to VECC Interrogatory #16 at Exhibit 1, Table 17, Schedule 16. The costs and benefits have been summarized in Tab 1 and generate a NPV of approximately \$45.5M.

Table 1: EnVision Cost & Benefits: Actuals 2003-2008, Forecast 2009 – 2014

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
	ACT	ACT	ACT	ACT	ACT	ACT	ACT	FCT	FCT	FCT	FCT	FCT
<i>Accenture Fees</i>	6.1	21.8	21.4	13.7	12.8	13.2	13.2	10.8	7.8	7.8	6.8	1.7
<i>Gain Sharing</i>				1.5	1.8	2.3	2.2	0				
<i>IT Costs (O+M)</i>				0.8	1.1	1.3	1.1	1.2	1.2	1.2	1.2	0.4
<i>IT Costs (Capital)</i>				5.0	1.7	2.5	0.9	1.5	1.5	1.5	1.5	0.4
<i>Business Resources</i>	0.3	1.7	7.9	9.5	6.3	3.4	0.5	1.0	0.7	0.8	0.9	0.3
<i>Total Costs</i>	6.4	23.5	29.3	30.5	23.7	22.7	17.9	14.5	11.2	11.3	10.4	2.8
<i>Operations & Engineering Benefits</i>	0	-0.3	-9.3	-22.1	-32.8	-30.8	-28.5	-28.5	-28.5	-28.5	-28.5	-7.1
<i>IT Cost Savings</i>	-1.3	-2.2	-2.0	-3.6	-3.8	-3.8	-3.8	-3.8	-3.8	-3.8	-3.8	-0.9
<i>Total Benefits</i>	-1.3	-2.5	-11.3	-25.7	-36.6	-34.6	-32.3	-32.3	-32.3	-32.3	-32.3	-8.0
<i>Net Costs/Benefits</i>	5.1	21.0	18.0	4.8	-12.9	-11.9	-14.4	-17.8	-21.1	-21.0	-21.9	-5.2

For the years 2008 and 2009, the Budget and Actual Costs are provided in Table 2 and are explained below.

Table 2: EnVision Cost Variances 2008 – 2009

	2008	2008	2008	2009	2009	2009
	BUD	ACT	VAR	BUD	ACT	VAR
<i>Accenture Fees</i>	12.0	13.2	-1.2	12.0	13.2	-1.2
<i>Gain Sharing</i>	0.0	2.3	-2.3	0.0	2.2	-2.2
<i>IT Costs (O+M)</i>	1.0	1.3	-0.3	1.0	1.1	-0.1
<i>IT Costs (Capital)</i>	0.0	2.5	-2.5	0.0	0.9	-0.9
<i>Business Resources</i>	0.0	3.4	-3.4	0.0	0.5	-0.5
<i>Total Costs</i>	13.0	22.7	-9.7	13.0	17.9	-4.9

2008 Cost Variances to Budget ("BUD")

Accenture Fees	(\$1.2M)	An adjustment for CPI and change orders.
Gain Sharing	(\$2.3M)	Negotiated settlement of Gain Sharing.
IT Costs (O+M)	(\$0.3M)	Higher wireless usage
IT Costs (Capital)	(\$2.5M)	System performance improvement, enhancements to realize business benefits increased by \$600k resource transfer from Business Resources.
Business Resources	\$0.4M	Incremental back office staff required by the Work Management Centre to maintain the flow of work levels. Resource levels are now at pre-EnVision range, with additional efficiencies created through vacancy management.
	(\$0.6M)	Incremental back office staff required by the Planning Department to maintain the flow of work levels was reduced by \$300k from 2007.
	(\$1.1M)	Incremental Contractor costs required to maintain the flow of work levels. This was reduced by \$700k from 2007.
	(\$2.1M)	Additional resources to drive system and process improvements that will reduce back office costs. This was decreased by \$600k with resource transfers to IT Costs (Capital).

2009 Cost Variances to Budget ("BUD")

Accenture Fees	(\$1.2M)	An adjustment for CPI and change orders
Gain Sharing	(\$2.2M)	Negotiated settlement of Gain Sharing.
IT Costs (O+M)	(\$0.1M)	Higher wireless usage
IT Costs (Capital)	(\$0.9M)	System performance improvement, enhancements to realize business benefits
Business Resources	(\$0.5M)	Incremental Work Management Centre back office staff to maintain the flow of work levels was reduced to pre-Envision resource level. This was partially offset by resources to drive system and process improvements.

The Envision platform is now performing at a sustainable level. Total costs associated with EnVision have been declining on an annual basis and project NPV estimated at \$45.5M. Current and future efforts on EnVision now focus on delivering system enhancements, process improvements, and operational transformation initiatives.

In summary, Enbridge has demonstrated that EnVision has been, and continues to be, a prudent investment in business transformation.