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**By Electronic Filing and By Email**

January 21, 2011

Kirsten Walli  
Board Secretary  
Ontario Energy Board  
27<sup>th</sup> floor – 2300 Yonge Street  
Toronto, ON M4P 1E4

Dear Ms. Walli

**Enbridge Gas Distribution Inc. (“EGD”) Application for Exemption from the *Affiliate Relationships Code for Gas Utilities***

**Board File No.: EB-2010-0232**

**Our File No.: 339583-000097**

I am writing on behalf of Canadian Manufacturers & Exporters (“CME”). Please consider this correspondence as CME’s written comments on EGD’s request for various exemptions from Section 2.2.4 of the *Affiliate Relationships Code for Gas Utilities* (“ARC”). In preparing these comments, CME has had the benefit of reviewing Board Staff’s Submissions.

First, EGD requests that the Board grant it a permanent exemption from Section 2.2.4 of the ARC to permit the sharing of operational employees between EGD and Gazifère Inc. (“Gazifère”). CME recognizes that this exemption is materially similar to the exemption approved by the Board in EB-2008-0275. Subject to the comments below, CME does not oppose the granting of the exemption sought by EGD.

CME urges the Board to impose the following conditions, as advocated by Board Staff:

- (a) In the interests of transparency for ARC exemptions, EGD should be directed to file the Intercompany Services Agreement (“ISA”) governing the service arrangements between EGD and Gazifère on the public record in this proceeding immediately after the Agreement is executed;
- (b) EGD should be directed that if there is a material change in circumstance relating to the sharing of emergency operational services between EGD and Gazifère, then EGD must file a formal application to the Board for further approval; and
- (c) If there are changes to the ISA, even in the absence of a material change in circumstance, then EGD should file a copy of the revised ISA, on the public record, with the Board.

Second, EGD is also seeking exemptions relating to control services for EGD affiliated wind farm operations in Ontario. Again, the exemptions sought in this application are materially the same as those granted by the Board in EB-2008-0275. CME does not object to the relief sought with respect to the wind farms identified in the application being the Talbot Wind Farm and the Greenwich Wind Farm.

EGD also requests that the Board issue a generic form of exemption for other wind farms that may become operational in the future. This generic exemption was not sought in EB-2008-0275. Further, in response to CME IR#4, EGD confirmed that Enbridge Inc. continues to seek wind farms in Canada and the United States as part of its overall corporate strategy. As such, if approved the generic exemption could apply to any number of wind farms, none of which are currently identifiable.

Board Staff submits that the Board should grant the generic exemption on the basis that there is no harm to the public interest in doing so. Board Staff further submits that the "generic" aspect of the exemption should be restricted to the subject "control services" for an affiliate that is a generator, and that any new affiliate sharing arrangement that is outside of "control services" for a generator would require a formal application for approval.

CME is concerned about the generic nature of the exemption sought. As a matter of general policy, the Board should be very cautious when issuing generic exemptions that may will apply to unknown future projects. That said, CME recognizes the operational and regulatory efficiencies that accompany such a generic exemption.

If the Board grants the generic exemption, it should only do so with adequate safeguards. To this end, CME urges the Board to impose a expiry date on the generic exemption. CME suggests that a period of two years would be appropriate.

Further, CME agrees with Board Staff that EGD should be required to file on the public record the executed ISA agreements pertaining to each wind farm operation, as soon as they are executed. Also, if there is a material change in circumstances relating to the exemption arrangement, EGD should be required to update and file the ISAs.

Finally, when the generic exemption expires, EGD should be required to file an application for renewal of the existing ARC exemptions. This will provide an opportunity for the Board to ensure that the ARC exemptions continue to operate in the public interest.

If you have any questions or concerns, please do not hesitate to contact me at your convenience.

Yours very truly



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- c. Norm Ryckman (EGD)
- Tania Persad (EGD)
- All Interested Parties
- Paul Clipsham

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