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January 28, 2011

VIA RESS, E-MAIL & COURIER

Ms. Kristen Walli
Board Secretary
Ontario Energy Board
2300 Yonge Street
27th Floor
Toronto, Ontario
M4P 1E4

Dear Ms. Walli:

**Re: Ontario Energy Board ("Board") File No. EB-2010-0232
Enbridge Gas Distribution Inc. ("Enbridge") Application for Exemption
from the Affiliate Relationships Code for Gas Distributors**

The Board issued Procedural Order No. 1 on December 17, 2010 wherein Enbridge is required to file its Reply to intervenor submissions by January 28, 2011. Attached please find Enbridge's reply to Board Staff, IGUA and CME.

This submission is being filed through the Board's Regulatory Electronic Submission System and the Reply will also be available on Enbridge's website at www.enbridgegas.com as of January 29, 2011.

Please contact the undersigned if you have any questions.

Yours truly,

A handwritten signature in blue ink, appearing to read 'LSpratt'.

Shari Lynn Spratt
Supervisor Regulatory Proceedings

cc: Tania Persad, Senior Legal Counsel

ONTARIO ENERGY BOARD

IN THE MATTER OF the *Ontario Energy Board Act*,
1998, S.O. 1998, c. 15, Sched. B, as amended.

AND IN THE MATTER OF an application by Enbridge
Gas Distribution Inc. (“EGD or Enbridge”), for exemptions
from section 2.2.4 of the *Affiliate Relationships Code for
Gas Utilities* (the “Code”).

REPLY

1. The Board’s Procedural Order No. 1 requires EGD to file its Reply to any intervenor submissions by January 28, 2011. Submissions were filed by Board Staff, IGUA, and CME.

Operational Services Shared with Gazifère

2. Board Staff concluded that this exemption poses no harm to Ontario ratepayers or to the competitive energy marketplace. Neither CME nor IGUA opposed this exemption. Collectively, intervenors asked that the Board impose certain conditions, paraphrased as follows:
 - a) Enbridge must file the intercorporate services agreement (“ISA”) governing the service arrangements between EGD and Gazifère on the public record immediately after the ISA is executed, and must also file the ISA in the event of any material change or renewal;
 - b) Enbridge must file with the Board a new exemption request in the event of any material change in the facts underpinning the exemption;
 - c) Gazifère employees having access to EGD customer information must be bound by the confidentiality provisions of the ISA; and
 - d) Gazifère does not provide any competitive energy services in Ontario.
3. Enbridge accepts these conditions, and therefore asks the Board to grant the requested permanent exemption from section 2.4.4 of the Code on that basis.

Extended Provision of Services to Enbridge Wind Farms

4. Because the Board granted an exemption for EGD to provide the Control Services to the Kincardine wind farm in EB-2008-0275 with no sunset date, Board Staff supports the granting of this exemption with no sunset date. As CME notes, this

exemption is materially the same – only the location of the wind farms is different.

5. CME and IGUA both requested the Board to impose a sunset date of two years for the generic exemption request. EGD opposes this request. The intervenors have not identified any specific public interest impact that the exemption request may have. To simply require EGD to re-submit this same exemption application within two years would not be a productive use of time and resources for EGD, the Board, or intervenors. If EGD were to file an application at some later date, we would anticipate the application to simply state that there has been no material change in the circumstances underpinning the exemption granted in this proceeding.
6. The Board would already have on file any current ISAs, and can monitor the extent to which Control Services are being provided through review of those ISAs. The Board can accomplish the objective of ensuring any material change in circumstances is reviewed by imposing the following conditions, similar to those suggested for the Gazifère exemption:
 - a) Enbridge must file the intercorporate services agreement (“ISA”) governing the service arrangements between EGD and each wind farm on the public record immediately after the ISA is executed, and must also file the ISA in the event of any material change or renewal; and
 - b) Enbridge must file with the Board a new exemption request in the event of any material change in the facts underpinning the exemption.
7. If the Board is considering a sunset date, EGD requests the Board to identify the public interest impact, and if any, to alternatively set a sunset date of five years as a more reasonable period of time for the exemption to be in place. In any event, if there has been no material change in facts or circumstances, the re-application process would be an unnecessary administrative burden on all parties.
8. EGD respectfully requests that the Board grant it an exemption from section 2.2.4 of the Code to allow EGD to provide the Control Services to additional affiliated wind farms on such terms and conditions identified above as the Board sees fit.

DATED: January 28, 2011

Enbridge Gas Distribution Inc.

Per: 

Norm Ryckman
Director, Regulatory Affairs