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BY EMAIL and RESS

March 11, 2011
Our File No. 20110052

Ontario Energy Board
2300 Yonge Street
27th Floor
Toronto, Ontario
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Attn: Kirsten Walli, Board Secretary

Dear Ms. Walli:

Re: EB-2011-0052 – Gas IR Framework

We are counsel for the School Energy Coalition. We have today filed our Notice of Intervention and request for cost eligibility in this proceeding. This letter is sent to comment on two related points.

First, we have reviewed the letter dated today from Norm Ryckman of Enbridge Gas Distribution relating to this proceeding. In that letter, Mr. Ryckman proposes that the gas utilities have input into the scope and nature of the work being carried out by the Board's expert. He also proposes that an additional issue be added to the issues list, dealing with capital spending during IR plans.

We assume that Enbridge's desire to have input into the Board expert's work is intended to apply to all stakeholders, and we agree that experts who have a broad range of input tend to produce more useful reports. However, we assumed from the Board's letter of February 25, 2011 that the meetings in April with all stakeholders were intended to provide for that input. If that is not the case, we agree with Enbridge that a method of input would be of value.

We also note that the scope to be provided to the Board's expert appears to be "productivity trend estimations" and "comparative analysis". It did not appear to us that the Board's expert would be asked to carry out a broader review of all aspects of incentive regulation for gas utilities. If that is what Enbridge is proposing, or that is what the Board is intending, we think all parties would benefit from clarity on that point. This is a much different consultation if it is "re-thinking" gas IR, as opposed to making adjustments to an existing regime that appears to be working fairly well.

Enbridge is also seeking to add the capital spending issue. Our read of the issues list proposed by Board Staff is that this issue would be included already under #3 and #6. If that is not as clear to others, we agree that adding it would not hurt. Clearly the relationship between incentive regulation and infrastructure renewal is a live issue in Ontario (and elsewhere) on a number of fronts, and this is one of them.

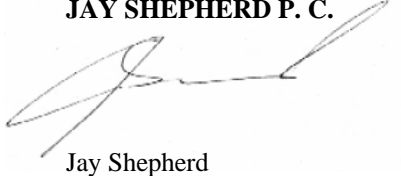
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Second, the Board has asked stakeholders whether provision for the costs of an expert should be included in this consultation. We have, in our Notice of Intervention, commented that SEC may retain expert assistance during the course of this process. However, at this point we think that determination is premature. Once we get a better sense of the specific issues that will actually be in play in this discussion, we will have a better idea of whether an expert is required.

By way of example, if a key issue is capital spending during incentive regulation, as may well be the case, and Enbridge is filing expert evidence on that point, we think it is likely that SEC (perhaps with other ratepayer groups) will also seek to obtain expert advice relating to the issue. We were planning to make this assessment in April after meeting with the Board, but if the Board is able to identify any issues like this, with precision, prior to that time, we would of course want to take the opportunity to retain the experts earlier.

All of which is respectfully submitted.

Yours very truly,
JAY SHEPHERD P. C.



Jay Shepherd

cc: Wayne McNally, SEC (email)
Interested Parties (email)