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VIA E-MAIL & COURIER

January 29, 2008

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.;
2008-2012 Rates Application;
Board File No EB-2007-0615

I am writing on behalf of Enbridge Gas Distribution Inc. to file with you the Settlement Agreement in the EB-2007-0615 proceeding. Enbridge will present a panel of four witnesses to assist counsel in the presentation of the Settlement Agreement on Thursday and, in particular, to testify in support of the Package (as defined on page 6 of the Settlement Agreement). The witnesses are Richard Campbell, Kevin Culbert, Patrick Hoey, and Anton Kacicnik.

Jay Shepherd, as counsel for the School Energy Coalition, has advised me, as counsel for Enbridge, that he objects to the confidentiality provisions of the Settlement Agreement (see pp. 6-7) on the following grounds (email sent to me yesterday at 11:56 am):

I will not be returning my copies of all of the models, as my copies include various scenarios, modifications, additional algorithms, and edits that I have done, and I am not willing to give all of those to the company. I will be happy to agree not to disclose them in any way, but they will remain in my file. However, the information I gleaned from reviewing your models - for example how you look at certain components of your revenue requirement - is already in my head, and will no doubt subconsciously influence how I structure cross-examination. None of that information can be disclosed, of course, whether directly or indirectly, because it has the ADR cone of silence over it.

Mr. Shepherd has also advised me that "SEC, as a party to the negotiations, does not authorize the filing of this document with the current wording" (e-mail sent to me yesterday at 9:05 pm). His reference to the "current wording" is a reference to the confidentiality provisions.

Mr. Shepherd subsequently objected to the confidentiality provisions on the following additional grounds (email sent to me today at 1:26 pm):

The last paragraph on page 6, dealing with return of the model, should be deleted. Either you already have our agreement to return the model, or you do not. If you do, then a further agreement is not required. If you do not, we will not agree to a new one. Either way, this paragraph cannot remain in the agreement.

Enbridge cannot accept Mr. Shepherd's rationale for keeping his copy of its proprietary model. Enbridge provided its model to Mr. Shepherd for settlement purposes on a confidential and a "must-return" basis. Mr. Shepherd now apparently intends, however, to keep his copy for litigation purposes. The paragraph accordingly remains in place.

Yours very truly,

(signed) H. T. Newland

HTN/ko
Encls.

cc: All Intervenors