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Please Reply to the TORONTO OFFICE

**BY EMAIL**

January 31, 2008  
Our File No. 2060604

Ontario Energy Board  
2300 Yonge Street  
27<sup>th</sup> Floor  
Toronto, Ontario  
M4P 1E4

**Attn: Kirsten Walli, Board Secretary**

Dear Ms. Walli:

**Re: Gas IRM Applications – EB-2007-0606/615**

We are writing this letter on behalf of the School Energy Coalition to advise that SEC has been in further discussions with the Agreeing Parties, including several intervenor groups and Enbridge. After those discussions, SEC has determined that it will no longer oppose the settlement of the contested issues in this proceeding. We would ask that the Board change our position on all those issues in the Settlement Agreement on which we are listed as opposed to “takes no position”. No other amendments to the Settlement Agreement are required.

The Board, of course, deserves an explanation. In making a determination to oppose the settlement on certain key issues, one of SEC’s considerations was what we expected the procedure to be in the hearing. It was our assessment that the likeliest procedure adopted by the Board would be that followed in EB-2006-0021. Now that the Board has ruled, we realize that a different procedure will be employed, one that we had not initially contemplated.

This has now raised a concern by SEC with respect to the effect on the Agreeing Parties of our opposition in these circumstances. The potential exists that if we are successful in meeting the onus to displace the partial settlement, all of the gains of all parties reached through intense, creative and lengthy negotiations would be put at risk. It is one thing to seek to convince the Board that a different result would be better, and risk some time and resources to get that better result for the interests you represent. It is quite another to put everyone’s achieved gains, on both sides, at risk in pursuit of that better result. We have concluded it would not be responsible to do so.

GREAT LAKES  
LAW

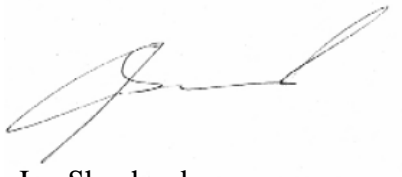


We also note that we have satisfactorily resolved with Enbridge the question of the return or destruction of all of their spreadsheet models.

All of which is respectfully submitted.

Yours very truly,

**SHIBLEY RIGHTON LLP**

A handwritten signature in dark ink, appearing to read 'Jay Shepherd', is written over a light gray rectangular background.

Jay Shepherd

cc: Bob Williams, SEC (email)  
Gail Anderson, SEC (email)  
Helen Newland, FMC (email)  
Michael Millar, OEB (email)  
Interested Parties (email)