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SENT VIA E-MAIL AND COURIER

February 13, 2008

Board Secretary
Ontario Energy Board
2300 Yonge Street
27th Floor
Toronto, ON M4P 1E4

Attention: Ms. Kirsten Walli, Board Secretary

Dear Ms. Walli:

**Re: Enbridge Gas Distribution Inc.
Application for Recovery of 2005 and 2006 DSM Accounts (EB-2007-0893);
2008 Rates Decision (EB-2007-0615)**

We are counsel to Enbridge Gas Distribution Inc. ("EGD") and are writing in respect of the current application before the Ontario Energy Board ("OEB") wherein EGD requests recovery of certain amounts recorded in 2005 and 2006 DSM Accounts (EB-2007-0893). This Application was filed together with a complete settlement proposal agreed upon by all of the parties named therein. This settlement proposal provided for the recovery in rates of the aggregate sum of \$11,129,564. It also contemplated that these amounts would be cleared through to rates as of April 1, 2008.

On February 11, 2008, the Board issued its decision in respect of EGD's 2008 Rate Case (EB-2007-0615) accepting the settlement proposal filed in this proceeding. This settlement proposal provides for the treatment of certain deferral and variance accounts and includes the following language which specifically deals with the 2005 and 2006 DSM Accounts:

The parties agree that clearance of Board-approved balances in the deferral and variance accounts will occur in conjunction with each following fiscal year's July 1st QRAM proceeding. The Parties also agree that if the clearance of balances in the deferral and variance accounts established prior to 2008 (which accounts are listed in Appendix H) is approved by the Board by May 15, 2008, such clearance will occur in conjunction with the July 1st, 2008 QRAM. **This would include clearance of any approved 2005 and 2006 DSM, LRAM and Shared Savings Mechanism variance accounts at July 1, 2008 unless specified differently by a Board decision in the EB-2007-0893 DSM-related proceeding.** (emphasis added)

As noted above, the settlement proposal accepted by the Board in EB-2007-0615 contemplates the clearance of the 2005 and 2006 DSM accounts as of July 1, 2008. This contrasts with the April 1, 2008 date proposed in the settlement proposal filed in respect of the DSM Account Recovery Application (EB-2007-0893).

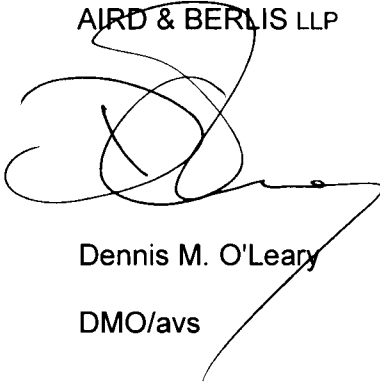
EGD submits that it is preferable for the 2005 and 2006 DSM Accounts to be cleared effective July 1, 2008 at the same time that other account balances are cleared. In this way, EGD will avoid the necessity of attempting to explain changes in rates to its customers twice (ie. in April and July) possibly leading to unnecessary confusion. As well, EGD submits that this is consistent with the current preference of parties as evidenced by the settlement proposal filed in respect of the 2008 Rates proceeding (EB-2007-0615).

Accordingly, EGD requests that the OEB amend EGD's DSM Recovery application and the settlement proposal filed with the application (EB-2007-0893) such that they contemplate clearance through to rates on July 1, 2008. EGD also requests that the Notice of Application dated February 7, 2007 issued by the Board in respect of EB-2007-0893 be amended to reflect this change to the application. EGD requests that this amendment to the Notice of Application be made before EGD is obliged to serve a copy of the Notice of Application on interested parties as directed by the OEB's Amended Letter of Direction dated February 7, 2008 in EB-2007-0893.

We trust this is satisfactory.

Yours very truly,

AIRD & BERLIS LLP



Dennis M. O'Leary

DMO/avs

cc. All participants in the EB-2007-0893 proceeding
cc. Michael Millar, Counsel, OEB
cc. John Wasylyk, OEB

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