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September 1, 2011

VIA RESS, EMAIL and COURIER

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. ("Enbridge")
2012 Rate Adjustment Application ("Application")
Ontario Energy Board ("Board") File Number EB-2011-0277**

Enclosed please find two copies of Enbridge's Application for an Order or Orders approving or fixing just and reasonable rates for the sales, distribution, transmission and storage of gas commencing January 1, 2012.

The Application has been filed through the Board's Regulatory Electronic Submission System and will be available on the Enbridge website at:
www.enbridgegas.com/ratecase.

Enbridge will file its evidence in support of this application by September 30, 2011.

Please contact the undersigned if you have any questions.

Yours truly,

A handwritten signature in black ink, appearing to be 'NR', with a long horizontal flourish extending to the right.

Norm Ryckman
Director, Regulatory Affairs

cc: Mr. F. Cass, Aird & Berlis LLP (via email and courier)
All Interested Parties EB-2010-0146 (via email)

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. for an Order or Orders approving or fixing
rates for the sale, distribution, transmission and storage of
gas.

APPLICATION

1. The Applicant, Enbridge Gas Distribution Inc. ("Enbridge") is an Ontario corporation with its head office in the City of Toronto. It carries on the business of selling, distributing, transmitting and storing natural gas within Ontario.
2. Enbridge hereby applies to the Ontario Energy Board (the "Board"), pursuant to section 36 of the Ontario Energy Board Act, 1998, as amended (the "Act") for an Order or Orders approving or fixing just and reasonable rates for the sale, distribution, transmission and storage of gas commencing January 1, 2012.
3. As of January 1, 2012, Enbridge will be entering the fifth year of a five year Incentive Regulation plan approved by the Board in EB-2007-0615. The Board-approved Settlement Agreement in EB-2007-0615 (the "Settlement Agreement") establishes a revenue per customer cap framework for Enbridge's rates over the period from 2008 to 2012. Specifically, the Settlement Agreement provides that the Company's distribution revenue, in each year of the period January 1, 2008 through December 31, 2012 shall be determined by the application of a Distribution Revenue Requirement Per Customer Formula (the "Adjustment Formula").

4. Enbridge applies to the Board for such final, interim or other Orders, accounting orders and deferral and variance accounts as may be necessary in relation to:
 - i. the application of the Adjustment Formula for the year commencing January 1, 2012;
 - ii. approval of a Z-factor to recover 2012 pension-related costs that are beyond the control of management, as well as a related variance or deferral account;
 - iii. approval of a Z-factor to recover 2012 costs resulting from new standards established or adopted by the Technical Standards and Safety Authority for managing the integrity of pipeline systems, including costs of addressing issues with respect to "crossbores", as well as a related variance or deferral account; and
 - iv. the continuation of deferral and variance accounts for 2012 and the determination of all other issues that bear upon the Board's approval or fixing of just and reasonable rates for the sale, distribution, transmission and storage of gas by Enbridge for the year commencing January 1, 2012.
5. Enbridge further applies to the Board pursuant to the provisions of the Act and the Board's Rules of Practice and Procedure for such final, interim or other Orders and directions as may be appropriate in relation to the Application and the proper conduct of this proceeding.
6. As a result of this Application, average rate increases will be approximately 2.5% or less for all customer classes on a T-service basis (that is, excluding commodity costs). For residential customers, the average T-service increase will be approximately 2.5% or about \$15 annually. As required by the Settlement

Agreement, Enbridge's filing in support of the Application will include detailed evidence explaining the rate changes.

7. In its Decision and Order in Phase 2 of Enbridge's 2009 Rate Adjustment Application (EB-2008-0219), the Board approved a timeline for Enbridge's rate adjustment process to allow for rates to be in place on January 1st of the year of the rate adjustment. The timeline calls for Enbridge to file its Application by September 1st of the year proceeding the year of the rate adjustment, the Board to issue its Notice of Application shortly thereafter, and Enbridge to file its supporting evidence by October 1st.
8. The evidence in support of this Application will be filed by September 30, 2011. Enbridge respectfully requests that the Board establish a process for this Application that is consistent with the timeline approved in the Decision and Order in Phase 2 of EB-2008-0219.
9. Enbridge requests that a copy of every document filed with the Board in this proceeding be served on the Applicant and the Applicant's counsel, as follows:

The Applicant:

Mr. Norm Ryckman
Director, Regulatory Affairs
Enbridge Gas Distribution Inc.

Address for personal service: 500 Consumers Road
Willowdale, Ontario M2J 1P8

Mailing address: P. O. Box 650
Scarborough, Ontario M1K 5E3

Telephone: 416-495-5499 or 1-888-659-0685

Fax: 416-495-6072

Email: EGDRRegulatoryProceedings@enbridge.com

The Applicant's counsel:

Mr. Fred D. Cass
Aird & Berlis LLP

Address for personal service
and mailing address

Brookfield Place, P.O. Box 754
Suite 1800, 181 Bay Street
Toronto, Ontario M5J 2T9

Telephone:

416-865-7742

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416-863-1515

Email:

fcass@airdberlis.com

DATED: September 1, 2011 at Toronto, Ontario.

ENBRIDGE GAS DISTRIBUTION INC.

Per: 

Norm Ryckman,
Director Regulatory Affairs