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January 31, 2012

BY EMAIL

To: Intervenors EB-2011-0295
To: Dr. Dana Silk
Ecology Ottawa

**Re: Enbridge Gas Distribution Inc.
2012-2014 Multi-Year DSM Plan - EB-2011-0295**

We are writing as counsel to Enbridge Gas Distribution Inc. ("Enbridge") in respect of the above-noted proceeding. As you know, pursuant to Procedural Order No. 1, the Board has scheduled Thursday, February 2, 2012 for the presentation of the Settlement Agreement. Enbridge will have a witness panel available to respond to questions from the Board Panel, Board Staff, and Ecology Ottawa, who has indicated that they may wish to ask questions.

There are two outstanding issues. One deals with the question of the manner in which Low Income Program costs are allocated. In our discussions with several intervenors, we are led to believe that this may no longer be an issue given their understanding that Enbridge is allocating Low Income Program costs on the basis of distribution revenue, which is how LEAP costs are allocated. Accordingly, if this no longer remains an issue, it would be appropriate to indicate this to the Board so that item could be resolved.

This leaves as the sole outstanding issue the question of whether or not the incentive cap should be raised to reflect the increase in the Low Income Program budget. We propose to address this issue to our witness panel and make submissions on Thursday. We trust that parties agree that it is appropriate to try and deal with this issue on Thursday so that there will not be any further delay in the acceptance of the multi-year plan and its role out.

Yours truly,

AIRD & BERLIS LLP



Dennis M. O'Leary
DMO:ct

cc Ms. Kirsten Walli, Board Secretary
cc Mr. Michael Millar, Board Counsel
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