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BY EMAIL and RESS

June 6, 2012
Our File No. 20110354

Ontario Energy Board
2300 Yonge Street
27th Floor
Toronto, Ontario
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Attn: Kirsten Walli, Board Secretary

Dear Ms. Walli:

Re: EB-2011-0354 – Enbridge 2013 Rates – Issues List

We are counsel for the School Energy Coalition. Pursuant to Procedural Order #2, this letter constitutes SEC's initial submissions on the Draft Issues List circulated on June 5, 2012 after the Issues Conference.

Issue B1

This issue is not contested fully, but the wording is contested. SEC proposes to revise the wording to read:

“Is Enbridge's forecast level of capital spending in 2013, excluding those projects for which a Leave to Construct application is required, appropriate?”

Enbridge in this Application has provided details on a number of significant projects for which leave to construct is required, and the dollars associated with those projects are included in the capital spending forecast. However, Enbridge is not seeking approval of the prudence of Leave to Construct projects, as those will be considered in separate applications for leave to construct. Therefore, wording the issue to imply that approval of the total capital spending budget is being sought is both inconsistent with the Application, and contrary to the division of responsibility between the Board panel involved in this rate case, and the Board panels that will hear those LTC applications.



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To the extent that some of the Leave to Construct projects are expected to close to rate base in the Test Year, the rate impacts would still be included under Issue B2, but the issues of prudence of the projects themselves should be excluded from Issue B1. Those issues should be addressed in the relevant Leave to Construct applications.

Former Issue B3

The parties have agreed to delete former issue B3, which dealt with the appropriateness of the Asset Management Plan. The Application still contains a multi-year capital plan, and parties anticipate asking questions with respect to that Plan. It is SEC's understanding that the lack of an issue relating to the Asset Management Plan is not intended to imply that questions relating to any aspect of the Plan (including years after the Test Year) are out of scope. If any party proposes that the scope is so limited, we would like to have an opportunity to make submissions on that point.

Issue F2

SEC believes this issue, which is also found in the approved Issues List for EB-2011-0210, should be left in as is. We understand that Enbridge may seek a change to the wording, and if so will respond in reply submissions to their proposal.

Issue O6

SEC has proposed that this issue, identical to an issue on the approved Issues List for EB-2011-0210, be added. The gas supply plan is a key element in this proceeding (as it is in the Union proceeding), and Enbridge has demonstrated through their May 30th presentation to the Board that they believe the current and ongoing changes in the natural gas market are highly significant. Given that fact, we believe it is important to flag this as an area that can be explored in interrogatories (and elsewhere) in this proceeding.

By way of example, we expect to ask that Enbridge file their May 30th presentation in this proceeding, and answer questions concerning impacts on their Test Year gas supply and capital spending plans. While this might be included in other issues (B1 and D2, for example), in our view it is helpful for the Board and the parties that it be identified separately.

All of which is respectfully submitted.

Yours very truly,
JAY SHEPHERD P. C.

Jay Shepherd

cc: Wayne McNally, SEC (email)
Interested Parties