

500 Consumers Road
North York ,ON M2J 1P8
P.O. Box 650
Scarborough, ON
M1K 5E3

Lorraine Chiasson
Regulatory Coordinator
Tel 416-495-5499
Fax 416-495-6072
Email: egdregulatoryproceedings@enbridge.com



August 8, 2012

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")
2013 Rate Adjustment Application
Ontario Energy Board ("Board") File Number EB-2011-0354**

Further to Enbridge Gas Distribution's letter and filing of July 27th, please find attached the corrected and updated evidence as of August 3, 2012 as follows:

Exhibit A1, Tab 9, Schedule 1;
Exhibit D1, Tab 3, schedule 1, pages 5, 11 and 15; and
Exhibit H2, Tab 6, Schedule 1, page 60.

Also attached please see the following new evidence.

Exhibit A1, Tab 15, Schedule 6.

This submission was filed through the Board's RESS and will be available on the Company's website at www.enbridgegas.com/ratecase .

Please contact the undersigned if you have any questions.

Yours truly,

[original signed by]

Lorraine Chiasson
Regulatory Coordinator

cc: Mr. F. Cass, Aird & Berlis LLP
All Interested Parties in EB-2011-0354

LIST OF AFFILIATE TRANSACTIONS

1. The following is a list of affiliate transactions in respect of services obtained by Enbridge Gas Distribution Inc. and recoveries/sales by Enbridge Gas Distribution:

Summary of Affiliate Purchases

(in millions of dollars)

Item No.		Col. 1	Col. 2	Col. 3	
		Budget 2013	Estimate 2012	Historic 2011	
1	Enbridge Inc.	45.4	44.9	41.4	/u
2	2193914 Canada Limited	0.8	0.7	0.7	
3	Enbridge Pipelines Inc.	1.9	1.9	2.1	
4	Enbridge Operations Services	1.9	1.9	1.9	
5	Vector Pipelines	24.7	25.3	24.0	
6	Alliance Pipelines	42.5	42.5	42.4	
		<u>117.2</u>	<u>117.2</u>	<u>112.5</u>	/u

Summary of Affiliate Recoveries/Sales

(in millions of dollars)

Item No.		Budget 2013	Estimate 2012	Historic 2011
1	Enbridge Inc.	1.5	1.6	1.9
2	Niagara Gas Transmission Ltd.	0.4	0.4	0.3
3	2193914 Canada Limited	0.1	0.2	0.3
4	St Lawrence Gas Co. Ltd.	0.2	0.2	0.2
5	Gazifere Inc.	29.4	29.2	28.2
6	Enbridge Energy Distribution Inc.	0.4	0.3	0.4
7	Enbridge Gas New Brunswick LP	1.0	1.0	0.9
8	Enbridge Gas New Brunswick Inc.	0.3	0.3	0.2
		<u>33.3</u>	<u>33.2</u>	<u>32.4</u>

Witnesses: S. Chhelavda
 B. Yuzwa

10. Salaries and wages are higher by \$10.2 million as a result of two drivers: merit increases and new FTE additions. The merit increase follows the Human Resources (“HR”) guidance: 3.3% salary increase for non-union employees and 3.0% salary increase for union employees. Increase in staff levels is primarily due to safety requirements for integrity management, leak management, damage detection and prevention, and safety related training. The increase is also a response to increases in customer demands. /u
11. The benefits increase of \$4.5 million is driven by a higher salary base, an increase in FTE’s, and other post employment benefits (“OPEB”). OPEB accounts for a \$2.9 million increase resulting from the change in accounting methodology; please refer to Exhibit A1, Tab 6, Schedule 2 for the details. The rationale for benefits increase is described at Exhibit D1, Tab 19, Schedule 1.
12. Short term incentive program (“STIP”) increase of \$0.8 million is reflective of a higher salary base and higher FTE’s in 2013.
13. The increase of \$1.1 million in outside services is primarily driven by the Envision application operations service contract renewal efforts, which includes assessing and selecting service providers and performing transition activities. Inflationary pressures, market cost adjustments for contracts, and a higher customer base account for the rest of the increase, partially offset by lower incremental costs to revise and implement standards and processes related to leak management.
14. The increase of \$1.5 million in regulatory proceeding costs is the result of an anticipated increase in costs in relation to Enbridge’s 2013 cost of service rate proceeding. This is due to the anticipated increase in complexity and time required for discovery and review within a cost of service process compared to

Witnesses: S. Kancharla
R. Lei

Table 1 provided on page 2 of this exhibit. Several of these cost categories are the subject of a separate process and settlement agreement (CC/CIS and DSM) or a Board approved methodology (RCAM). The pension expense is a function of whether it is in a deficit position, a matter beyond the Company's control. The aggregate of the expenses associated with these four categories when subtracted from the Total Net Utility O&M Expense leaves the remainder "Other O&M" of \$250 Million. Table 4 below sets out the O&M Expense by each category from 2007 Board Approved to 2013 Budget. The high level year over year variance explanations for Other O&M in historical years from 2007 Actual to 2011 Estimate can be found at Exhibit D5, Tab 2, Schedule 5.

Table 4
 Enbridge Gas Distribution
 Summary of Operating and Maintenance Expense by Category
From 2007 Board Approved to 2013 Budget

	Col. 1	Col. 2	Col. 3	Col. 4	Col. 5	Col. 6	Col. 7	Col. 8
Line No. Categories (\$ Millions)	Budget 2013	Estimate 2012	Actual 2011	Actual 2010	Actual 2009	Actual 2008	Actual 2007	Board Approved 2007
1. Customer Care Service Charges	\$89.4	\$90.4	\$79.2	\$87.5	\$87.5	\$82.5	\$84.4	\$90.8
2. Regulatory Cost Allocation Methodology(RCAM)	32.1	30.2	26.7	24.3	21.2	19.1	18.1	18.1
3. Demand Side Management (DSM)	31.4	28.1	26.7	25.5	24.3	23.1	22.0	22.0
4. Pension Expense	37.3	20.6	3.2	4.0	2.6	1.7	1.5	1.7
5. Other O&M	247.8	232.9	224.7	205.5	201.5	197.0	196.0	193.6
6. Total Net Utility O&M Expense	\$438.1	\$402.2	\$360.5	\$346.7	\$337.0	\$323.4	\$322.0	\$326.2

Full Time Equivalents ("FTE")

33. The FTE's presented in Table 5 on the following page represent the Company's total gross FTE's before capitalization. A portion of the FTE's is capitalized and, therefore, their compensation and employee related expenses are included in the

Witnesses: S. Kancharla
 R. Lei

Enbridge Gas Distribution
 Other Operating and Maintenance Expense by Cost Type
2013 Test Year vs. 2012 Bridge Year

Line No.	Notes:	(\$ millions)	
<u>Salaries and Wages (Line 1)</u>			
1.	2013 Budget	170.9	
2.	2012 Estimate	160.7	
3.	Difference	<u>10.2</u>	
Reasons:			
4.	Annual salary and wage increase of 3.3% for non-unions and 3.0% for unions	5.3	/u
5.	Increase of 56 FTE's	4.9	
6.	Total 2013 vs. 2012 Difference	<u>10.2</u>	
<u>Benefits (Line 2)</u>			
7.	2013 Budget	30.5	
8.	2012 Estimate	25.9	
9.	Difference	<u>4.5</u>	
Reasons:			
10.	Increase in OPEB expense due to the change in accounting methodology	2.9	
11.	Increase in staff levels - 56 FTE's	0.7	
12.	Increase in prescription costs, dental fees, and increase in benefit claims	0.5	
13.	Increase in CPP, EI & Employers Health Tax from higher salary base	0.4	
14.	Total 2013 vs. 2012 Difference	<u>4.5</u>	
<u>Short Term Incentive Program (Line 3)</u>			
15.	2013 Budget	20.3	
16.	2012 Estimate	19.4	
17.	Difference	<u>0.8</u>	
Reasons:			
18.	The increased in STIP is a result of the higher salary base in 2013	0.8	
19.	Total 2013 vs. 2012 Difference	<u>0.8</u>	

Witnesses: S. Kancharla
 R. Lei

	Rate (excluding HST)	/c
<u>New Account Or Activation</u>		
New Account Charge	\$25.00	
Turning on of gas, activating appliances, obtaining billing data and establishing an opening meter reading for new customers in premises where gas has been previously supplied		
Appliance Activation Charge - Commercial Customers Only	\$70.00	
Commercial customers are charged an appliance activation charge on unlock and red unlock orders, except on the very first unlock and service unlock at a premise.		
	minimum	
	1/2 hour work.	
	Total Amount	
	depends on	
	time required	
Meter Unlock Charge - Seasonal or Pool Heater	\$70.00	
Seasonal for all other revenue classes, or Pool Heater for residential only		
<u>Statement of Account</u>		
Lawyer Letter Handling Charge	\$15.00	
Provide the customer's lawyer with gas bill information.		
Statement of Account Charge (for one year history)	\$10.00	
<u>Cheques Returned Non-Negotiable Charge</u>	\$20.00	
<u>Gas Termination</u>		
Red Lock Charge	\$70.00	
Locking meter or shutting off service by closing the street shut-off valve (when work can be performed by Field Collector)		
Removal of Meter	\$280.00	
Removing meter by Construction & Maintenance crew		
Cut Off At Main Charge	\$1,300.00	
Cutting service off at main by Construction & Maintenance Crew		
Valve Lock Charge		
Shutting off service by closing the street shut-off valve - work performed by Field Investigator		
	\$135.00	
- work performed by Construction & Maintenance		
	\$280.00	

EFFECTIVE DATE:

January 1, 2013

IMPLEMENTATION DATE:

January 1, 2013

BOARD ORDER:

EB-2011-0354

REPLACING RATE EFFECTIVE:

April 1, 2012

Page 1 of 2
Handbook 60

CURRICULUM VITAE OF
SAMIR CHHELAVDA, CA, CIA, CRMA

Experience: Enbridge Gas Distribution Inc.

Assistant Controller
2012

Manager, Strategy Execution and Performance Management
2011

Chief Auditor
2010

Manager, Audit Services
2005

Duffy, Allain & Rutten, LLP

Senior Audit Manager
2003

AXA Canada Inc.

Senior Financial Analyst
2002

Ernst & Young, LLP

Audit Manager
2001

Senior Staff Accountant
1999

Schwartz, Letivsky, Feldman LLP

Staff Accountant
1997

Education: Certification in Risk Management Assurance
Institute of Internal Auditors, 2011

Certified Internal Auditor
Institute of Internal Auditors, 2006

Chartered Accountant
Canadian Institute of Chartered Accountants, 2000

Graduate Diploma in Public Accountancy
McGill University, 1997

Bachelor of Commerce – Accounting
McGill University, 1995

Memberships: Canadian Institute of Chartered Accountants
Institute of Chartered Accountants of Ontario
Institute of Internal Auditors
Ordre des Comptables Professionnels Agréés du Québec

Appearances: (Ontario Energy Board)
None

CURRICULUM VITAE OF
LORI CORNWALL

- Experience: Enbridge Gas Distribution Inc.
- Associate General Counsel & Director, Gas Distribution Law
2012 - Present
- Senior Legal Counsel
2007 – 2012
- Davies Ward Phillips & Vineberg, LLP
- Partner, Competition Law and International Trade
1997 – 2006
- Associate
1995 - 1997
- Sole Practitioner – Criminal Law
- 1992 – 1995
- McMillan, LLP (formerly McMillan Binch)
- Associate
1991
- Education: Bar Admission Course – Called to the Ontario Bar
Law Society of Upper Canada, 1991
- Masters of Business Administration
University of Ottawa, 1989
- Bachelors of Laws,
University of Ottawa, 1989
- Bachelor of Arts (Honours)
Carleton University, 1985
- Memberships: Law Society of Upper Canada
Canadian Bar Association/Ontario Bar Association

CURRICULUM VITAE OF
M. CRAIG FERNANDES

Experience: Enbridge Gas Distribution Inc.

Manager, Regulatory Project Development
2011

Senior Project Manager, Major Reinforcements
2010

Manager, Operations Projects
2009

Senior Project Manager, Operations Solutions
2006

Program Manager, Energy Technology
2005

Celestica Inc.

Global Pricing Advisor
2003

Senior Regional Cost Engineer
2002

Financial Cost Engineer
2000

Manufacturing Engineering Team Leader
1999

Senior Associate Prototype Engineer
1997

Carrier Canada Ltd.

Automation Controls Specialist
1995

Customer Service Representative
1994

Education: Bachelor of Applied Science, Mechanical Engineering,
University of Waterloo, 1993

Masters of Business Administration
University of Toronto, 1999

Memberships: Association of Professional Engineers Ontario, 1997

Appearances: (Ontario Energy Board)
none

CURRICULUM VITAE OF
CATHY HANLON

Experience: Enbridge Gas Distribution Inc.
Director, Safety and Training
2010
General Manager, Niagara
2008
General Manager, St. Lawrence Gas
2006
Group Manager, Work Management Centre
2005
Manager, New Construction and Mass Markets Development
2002
Manager, Mass Markets Development
2002
Group Manager, Energy Efficiency Programs
Manager, Distribution Expansion
Manager, Customer Attachment
Manager, Credit and Collections
Manager, Call Centre
T. Eaton Co.
Manager, Retail Sales

Education: Master of Business Administration
Clarkson University 2011
Business Administration
Ryerson University 1986

Memberships: Habitat for Humanity, Toronto Region Board of Directors
2004

EnerQuality Corporation, Board of Directors
2003

HRAC (Heating, Refrigeration and Air Conditioning) Toronto Chapter,
Board of Directors

HRAC Market Place Distinction Program, Task Team Member

American Gas Association, Strategic Marketing Committee Executive

Appearances: (Ontario Energy Board)
RP-2003-0203
RP-2003-0048
RP-2002-0133
RP-1999-0001

CURRICULUM VITAE OF
MANNY SOUSA

- Experience: Enbridge Gas Distribution Inc.
- Manager Community & Municipal Relations
2008
 - Manager Community Relations
2004
 - Manager Community and Event Services
1999
 - Manager, Appliance Centres
1998
- Black Photo Corporation
- Regional Sales Manager
1990
 - Store Manager
1981
- Education: University of St. Michael's College at University of Toronto
Certificate in Corporate Social Responsibility
- Boston College
Certificate in Corporate Community Involvement
 - Seneca College
Business Diploma
- Memberships: Providence Healthcare Foundation
Advisory Board – Providence Community Partners
- Scarborough Chamber of Commerce
Past Chair
- Appearances: (Ontario Energy Board)
EB-2010-0146
EB-2009-0172

CURRICULUM VITAE OF
MICHAEL WAGLE

Experience: Enbridge Gas Distribution Inc.

Operations Manager, Toronto Region
2011

Operations Manager, Central Region
2008

Technical Services Manager, Eastern Region
2005

Field Management Manager, EnVision Project
2003

Operations Supervisor, Toronto Region
2002

Construction Supervisor, Central Region
2002

Engineering Project Leader
2000

Pipeline Design and Analysis Supervisor, Eastern Region
1998

Education: Carleton University
Bachelor of Mechanical Engineering, 1998

Memberships: Professional Engineers of Ontario

Appearances: (Ontario Energy Board)
None