

August 16, 2012

DELIVERED AND FILED VIA RESS

Kirsten Walli
Board Secretary
Ontario Energy Board
2300 Yonge Street
Suite 2700
Toronto, ON M4P 1E4

Dear Ms Walli:

Re: EB-2011-0354: HVAC Coalition Intervention Request

We represent Enbridge Gas Distribution Inc. ("Enbridge" or the "Company").

By letter dated August 10, 2012, HVAC Coalition requested late intervenor status in this proceeding in relation to the open bill issue (which is Issue D11 : "Is the proposal for the Open Bill Access Program appropriate?"). In that letter, HVAC Coalition advised that discussions were ongoing with the Company about an appropriate procedure to accommodate HVAC Coalition's intervention in this ongoing proceeding.

Enbridge and HVAC Coalition have reached an agreement on a proposal to accommodate HVAC Coalition's late intervention, and address the open bill issue in this proceeding. This proposal would allow for HVAC Coalition to ask interrogatories and file evidence (if necessary) on the open bill issue, and would allow for the issue to be heard (if necessary) shortly after other issues in this case. While this proposal would require some amendments to the currently set procedure for this proceeding, Enbridge and HVAC believe that the amendments are in the best interests of all parties as they would allow for the full hearing of the open bill issue in a manner that is minimally disruptive to the current schedule. Enbridge and HVAC believe that the proposed procedure to address the open bill issue maximizes the opportunity to have the issue settled outside of a hearing.

The specific terms of the proposal made by Enbridge and HVAC Coalition are the following:

1. Enbridge does not object to the late intervention request of HVAC Coalition, or to HVAC Coalition's request for costs eligibility in relation to the open bill issue in this proceeding.
2. HVAC Coalition agrees to ask interrogatories on the open bill issue on or before September 7, 2012.

3. Enbridge agrees to provide responses to such interrogatories by September 18, 2012, and agrees to provide an update by that time (and earlier if possible) about whether any decision has been made in respect of the continuation of the open bill program beyond 2013.
4. Enbridge and any interested parties (including HVAC Coalition) will meet at least twice during the week of September 10, 2012 in an effort to resolve the open bill issue. Such meetings would take place concurrently with Enbridge's scheduled Settlement Conference in this proceeding. If appropriate, such meetings could continue through the month of September.
5. If agreement is reached on the open bill issue, it will be included either as part of an overall Settlement Proposal for this proceeding, or as a supplementary Settlement Proposal, depending on timing.
6. If no agreement on the open bill issue is reached by October 2, 2012, then the open bill issue would proceed to hearing before the OEB. Enbridge and HVAC Coalition agree that the issue should not be heard as part of the currently-scheduled hearing dates in October 2012, in order to allow time for HVAC Coalition to file evidence, if necessary.
7. If the open bill issue does proceed to hearing, then Enbridge and HVAC Coalition agree that the following items should apply:
 - a. The open bill issues would be heard at a time to be determined by the OEB, following the currently-scheduled dates in October 2012.
 - b. EGD and HVAC Coalition request that the hearing dates for the open bill issue be set for dates (presumably in November 2012) that are early enough to allow for a decision to be issued concurrently with its decision on other issues in this proceeding, or shortly thereafter. The parties hope that the open bill decision by the Board can be issued by mid-January 2013. At the same time as the hearing dates are requested, Enbridge and HVAC Coalition will jointly request that the Board issue an interim order permitting EGD to continue the provision of open bill services beyond December 31, 2012 under the current terms.
 - c. HVAC Coalition would be entitled to file evidence, at least three weeks before the scheduled hearing dates, and EGD would be entitled to provide interrogatories within one week of the evidence filing, to which responses would be filed within one week of the interrogatories being filed.
 - d. At the hearing, parties would be free to take whatever position they deem appropriate in respect of the open bill issue.
 - e. Depending on timing, and on the Board's preference, the decision on the open bill issues might or might not be part of the overall 2013 rates decision (it could also be a supplementary decision).

August 16, 2012

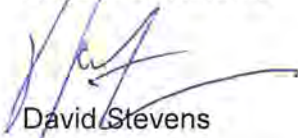
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As a final point, Enbridge and HVAC Coalition would like to emphasize that this proposal for a limited parallel or second "phase" of the hearing in this proceeding is specific to the open bill issue, and is not intended to apply to any other issues. These arrangements are intended to accommodate HVAC Coalition's late intervention, and should not be taken as a precedent for other issues to be postponed beyond the currently scheduled hearing.

Should you have any questions, please do not hesitate to contact me.

Yours very truly,

AIRD & BERLIS LLP



David Stevens

cc. Enbridge Gas Distribution
Jay Shepherd, counsel to HVAC Coalition
All parties registered in EB-2011-0354

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