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By electronic filing

April 5, 2013

Kirsten Walli
Board Secretary
Ontario Energy Board
2300 Yonge Street
27th floor
Toronto, ON M4P 1E4

Dear Ms Walli,

Enbridge Gas Distribution Inc. ("EGD")	
2011 Earnings Sharing Mechanism & Other Deferral and Variance Accounts	

Board File No.:	EB-2012-0055
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Our File No.:	339583-000139
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We are writing on behalf of our client, Canadian Manufacturers & Exporters ("CME"), to provide comments on the Draft Rate Order circulated by EGD on March 22, 2013. The Draft Rate Order and EGD's covering letter contain EGD's response to the Board's Decision and Order dated March 14, 2013 (the "Decision").

The Decision rejects EGD's classification of 2011 capacity release revenues of \$3.105M as transactional services revenues. The Decision finds that the proper classification of the amount is as gas cost reductions.

Seventy-five percent (75%) of the amount has already been cleared to those ratepayer classes who pay for EGD's Upstream Transportation. To comply with the Decision, EGD proposes to pay the remaining 25% balance of \$0.7763M to those same customers by way of a one-time credit to the transportation component of its Purchased Gas Variance Account ("PGVA"). We support this proposal and the manner in which EGD proposes to implement it.

The Decision also directs EGD "to discuss how it proposes to dispose of its 2012 capacity release net revenues". EGD provides that discussion in its covering letter. EGD advises that the 2012 capacity release net revenues are almost \$18.7M, being an amount about six (6) times greater than the 2011 amount.

EGD indicates that it is not planning to ascribe any enduring effect to the Decision which classifies capacity release related revenues as gas cost reductions. Rather, subject to further directions from the Board, EGD is proposing to re-visit this classification issue in its 2012

deferral account clearance and Earnings Sharing Mechanism (“ESM”) proceeding. EGD justifies this proposal on the basis of a vague and unsupported assertion that the evidence provided in the 2011 proceeding was insufficient to provide the Board with a full understanding of the circumstances and nature of capacity release transactions.

We submit that, as a matter of principle, classification determinations made by the Board in a prior proceeding should endure from year to year absent an allegation and subsequent convincing demonstration of material changes in circumstances related to that issue of classification. We respectfully submit that it would be inappropriate to permit EGD to re-visit this classification issue on the basis of its vague and unsupported assertion pertaining to the insufficiency of the evidence before the Board in the 2011 proceeding.

Since no material changes in circumstances pertaining to the nature of EGD’s participation in capacity release transactions between 2011 and 2012 are alleged, EGD should be directed to adhere to the Decision’s classification of capacity release net revenues as gas cost reductions when submitting its 2012 deferral account clearance and ESM application.

Yours very truly,



Peter C.P. Thompson, Q.C.

PCT\slc

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