

10 April 2013

Ontario Energy Board
2300 Yonge St., 27th Floor
Toronto, ON
M4P 1E4

Attn: Ms Kirsten Walli
Board Secretary

By electronic filing and e-mail

Dear Ms Walli:

**Re: EB-2012-0394 – Enbridge 2013-14 DSM - Procedural Order No. 1 April 9, 2013 –
Severance of 2013 and 2014 aspects.**

In the above-noted Procedural Order the Board noted:

The Board recognizes that the Settlement Agreement has been presented as a complete and non-severable agreement; it is structured such that the Board must accept the entire agreement or reject the entire agreement. However, the Board would like to hear from parties regarding whether it would be possible to sever the 2013 part of the agreement from the 2014 part of the agreement. If no parties contest any elements of the 2013 portion of the Settlement Agreement, it might increase the efficiency of the process if the Board could consider the two years separately.

GEC is a signatory to the settlement proposal. However, at the time of that agreement GEC was unaware of the proposed Enbridge GTA Project (EB-2012-0451) and the Union Parkway Projects (EB-2013-0074) and the possibility of very large avoidable costs if enhanced GTA focussed DSM efforts could avoid some or all of these project costs. GEC had participated in the settlement discussions with due deference to the Board's guideline on DSM budgets which we interpret as being in large measure driven by a concern about rate impacts for non-participants. If DSM can avoid major facilities expenditures, that concern may not be applicable as the benefit of avoided facilities costs and related rate impact would be enjoyed by all customers, whether DSM participants or not. Given Enbridge's assertion that the timing of these facilities projects is critical, for DSM to play a role in project scope the 2014 DSM budget would likely have to remain open for consideration.

In light of this new information, GEC may wish to exercise its right to withdraw from the settlement proposal in regard to 2014. The difficulty we face is that prior to the completion of the interrogatory process in the facilities cases we are not yet in a fully informed position to

determine to what extent the pipeline related costs are avoidable by DSM, and thus whether this new development warrants a withdrawal from the settlement. GEC does not wish to precipitate a hearing process in regard to 2014 DSM if it is not necessary and does not wish to cause a delay in approval of the 2013 aspects. Accordingly, a severance of the 2013 and 2014 aspects, if agreeable to all parties and if 2013 aspects are unopposed by APPrO, would allow the Board to consider the settlement in regard to 2013 and allow GEC and other parties to consider the implications of the facilities cases for 2014 DSM as Environmental Defence proposes.

Accordingly, we are supportive of the severance of the 2013 and 2014 aspects.

Should the Board not sever the 2013 and 2014 matters, GEC wishes to reserve its right to withdraw from the settlement agreement.

Sincerely,

A handwritten signature in black ink, appearing to read "David Poch", with a stylized flourish at the end.

David Poch

Cc: all parties