

April 17, 2013

BY COURIER (2 COPIES) AND EMAIL

Ms. Kirsten Walli

Board Secretary

Ontario Energy Board

P.O. Box 2319

2300 Yonge Street, Suite 2700

Toronto, Ontario M4P 1E4

Email: boardsec@oeb.gov.on.ca

Dear Ms. Walli:

**Re: Environmental Defence Correspondence
EB-2012-0394 – Enbridge Gas Distribution Inc. (“Enbridge”)
2012-2014 Demand Side Management (“DSM”) Plan**

I am writing on behalf of Environmental Defence regarding a possible way forward with regard to the Enbridge 2013-2014 DSM proceeding and to respond to Enbridge's letter of yesterday's date.

Environmental Defence supports the Canadian Manufacturers & Exporters (“CME”) proposal that the parties be directed to return to confidential negotiations to discuss the implications of severing the 2014 budget and to determine whether the settlement agreement can be modified to allow for a hearing on the issues that Environmental Defence wishes to raise. Environmental Defence believes there is significant merit in this proposal. We are hopeful that an agreement on a minor amendment could be reached which would address Environmental Defence's issues as well as Enbridge's concerns about planning certainty.

Enbridge has raised a number of substantive issues in its letter of yesterday's date that are disputed and which we submit should not be decided at this early stage. Most importantly, Enbridge states that the 2014 DSM budget cannot be materially increased and that issues relating to Enbridge's \$600 million proposed GTA pipeline project are not relevant for the purposes of this DSM proceeding. Environmental Defence strenuously disputes Enbridge's assertions (as discussed in our letter of April 4, 2013). We respectfully request that the Board refrain from coming to conclusions on these issues until a hearing has occurred on the evidence.

Yours truly,



Kent Elson

cc: Applicant and Proposed Intervenors