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BY EMAIL and RESS

August 7, 2013
Our File No. 20120459

Ontario Energy Board
2300 Yonge Street
27th Floor
Toronto, Ontario
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Attn: Kirsten Walli, Board Secretary

Dear Ms. Walli:

Re: EB-2012-0459 – Enbridge 2014-2018 Rates

We are counsel for the School Energy Coalition. This letter is in response to the letter of counsel for the Applicant dated July 25, 2013, components of which have been brought to our attention.

In that letter, Mr. Cass says:

“In his letter, Mr. Shepherd repeatedly refers to Enbridge’s filing as a cost of service application, as if he can make it so simply by reiterating a bald and unsupported assertion.”

SEC notes that it referred to the application as a cost of service application in complete reliance on the many statements by the Applicant in its Application to that effect. By way of example:



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“The Customized Incentive Regulation plan proposed by Enbridge Gas Distribution Inc. is based on a five year forecast of costs.” [Ex. A2/1/2, p. 1]

as well as:

“The evidence in this case presents Enbridge’s cost forecasts required to build the annual Allowed Revenue amounts for the 2014 to 2016 years within Enbridge’s Customized IR plan....Enbridge is also requesting Board approval of preliminary Allowed Revenue amounts for 2017 and 2018 within this Application.” [Ex. A2/3/1, p. 1]

and further:

“The Allowed Revenue amount for each year is determined by summing together the following elements: the cost of capital, operating costs, depreciation costs and taxes, less an offset for other revenues.” [Ex. A2/3/1, p. 3]

We have simply relied on the Applicant’s characterization of its own proposed methodology in our submissions.

All of which is respectfully submitted.

Yours very truly,

JAY SHEPHERD P. C.

Jay Shepherd

cc: Wayne McNally, SEC (email)
Interested Parties