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August 22, 2013

Kirsten Walli
Board Secretary
Ontario Energy Board
PO Box 2319
2300 Yonge Street
Toronto, Ontario
M4P 1E4

Dear Ms. Walli:

**Re: EB-2012-0459; Enbridge Gas Distribution Inc. 2014-2018
Customized IR Application**

On July 25, 2013, we wrote to the Board on behalf of Enbridge Gas Distribution Inc. (Enbridge) to respond to a letter dated July 20, 2013 in which counsel for the School Energy Coalition (SEC) requested that the Board create a separate process for consideration of a "Preliminary Issue" in this proceeding.

Subsequent to our letter of July 25th, Mr. Quinn, on behalf of the Federation of Rental-housing Providers of Ontario (FRPO), and counsel for the Vulnerable Energy Consumers Coalition (VECC) sent letters to the Board that supported the request made by SEC. The FRPO letter, dated August 2, 2013, refers to a determination regarding the "acceptability" of Enbridge's proposed Customized IR plan and the VECC letter, dated August 20, 2013, refers to a decision regarding the "validity" of Enbridge's proposal.

Our letter of July 25th sets out in some detail the reasons why the most efficient, fair and appropriate course of action is for the Board to proceed to consider Enbridge's application in accordance with the Board's usual process and without establishing any procedure for consideration of a so-called "Preliminary Issue".

As stated in our July 25th letter, the need for a "Custom IR method" for electricity distributors to take account of "significantly large multi-year or highly variable investment commitments that exceed historical levels" is explicitly recognized in the Board's Report on a Renewed Regulatory Framework for Electricity

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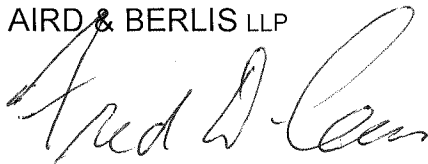
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Distributors (RRFE Report).¹ While Enbridge of course has not applied for approval of a Custom IR plan in accordance with the RRFE Report, it has developed a customized approach to IR in order to accommodate significant extraordinary capital investment requirements.

Surely, it is not to be expected that, when an applicant develops a customized approach to IR in order to address extraordinary multi-year investment commitments, the Board will establish a separate process for consideration of a "Preliminary Issue" as to whether the customized proposal is "acceptable" or "valid". The notion that such a proposal must be put through a separate process to confirm its acceptability or validity is inconsistent with the basic premise of the RRFE Report, applying to the electricity sector, that the Board intends there to be an option for applicants to customize a rate-setting method in order to fit their particular circumstances.²

Yours truly,

AIRD & BERLIS LLP



Fred D. Cass

FDC/

c.c. Enbridge Gas Distribution Inc.
All EB-2012-0459 Intervenors

¹ *Report of the Board Renewed Regulatory Framework for Electricity Distributors: A Performance-Based Approach*, October 18, 2012, page 19.

² RRFE Report, pages 18-19.