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By email

October 7, 2013

Fred Cass
Aird & Berlis LLP
Brookfield Place, 181 Bay Street
Suite 1800, Box 754
Toronto, ON M5J 2T9

Dear Mr. Cass,

Enbridge Gas Distribution Inc.
2014 to 2018 Rate Application
Board File No.: EB-2012-0459
Our File No.: 339583-000165

Procedural Order No. 2, which issued on Thursday, October 3, 2013, requires Board staff and intervenors to notify Enbridge Gas Distribution Inc. ("EGD") by tomorrow, October 8, 2013, of any topics of interest with respect to EGD's proposed 5-year customized Incentive Regulation Mechanism ("IRM") Plan.

The Order indicates that EGD should be advised of these topics so that they can be addressed at an Information Session to be held on Friday, October 11, 2013, at which EGD is to present an overview of its Application and be subject to questioning from intervenors and Board staff.

Most intervenors are likely to be engaged in the 2-day conference being held by the Board on October 8 and 9, 2013, with respect to Intervenor Participation in Board Proceedings. We will be attending that conference with the result that there is very little time for us to identify, with any degree of precision, the many topics of interest we have in EGD's customized IRM Application.

That said, we can indicate that we would like EGD's presentation to include current estimates of the 2013 revenue sufficiency which rates currently approved by the Board will generate. We assume that this is a revenue sufficiency of some significance since EGD is forecasting that revenue under its current approved rates will generate a revenue sufficiency in 2014 of \$9.7M. The evidence at F1, Tab 1, Schedule 1 shows that total operating revenue in 2014, including revenue under existing rates, will be some \$2,612.9M and considerably more than the Board approved revenue requirement for 2013. So the 2013 revenue sufficiency is a starting point for EGD's presentation in which we are interested.

Beyond that, we are interested in gaining a better understanding of the assumptions EGD has used in budgeting revenues and costs in each of the years of its customized IRM Plan, along with the drivers of the year-over-year increases in those budgeted costs.

We would also like to gain a better understanding of the outcomes that applying a 5-year IRM model of the type Union Gas Limited ("Union") recently negotiated with its ratepayers would likely produce for EGD.

Finally, we are, as always, interested in the impacts that the increases that EGD asks the Board to approve are likely to have on the rates serving manufacturers, as well as the options that exist to reduce the impacts of such rate increases on Ontario manufacturers.

As you can see, the contents of this letter only scratch the surface of the broad range of topics of interest to CME with respect to EGD's massive Application. There is no doubt that other topics and sub-topics of interest will emerge as the Information Session progresses, the PEG Report is made available to interested parties, and the discovery process with respect to all of EGD's pre-filed evidence has been completed.

I hope this letter expressing at a very high level the topics of interest to CME will help EGD in preparing its Information Session presentation for Friday of this week.

Please call me if you have any questions.

Yours very truly,



Peter C.P. Thompson, Q.C.

PCT\slc

c. Board Secretary, Ontario Energy Board
Norm Ryckman (EGD)
Interested Parties EB-2012-0459
Paul Clipsham (CME)
Vince DeRose and Kim Dullet (BLG)

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