

November 7, 2013

BY EMAIL AND RESS

Kirsten Walli
Board Secretary
Ontario Energy Board
P.O. Box 2319
2300 Yonge Street, 27th Floor
Toronto, Ontario
M4P 1E4

Dear Ms. Walli:

**Re: EB-2012-0451 - Enbridge Gas Distribution
EB-2012-0433 and EB-2013-0074 - Union Gas Limited**

As contemplated by the Board in Procedural Order No. 12 on October 31, 2013, the applicants, Enbridge Gas Distribution and Union Gas Limited, filed with the Board a copy of the Settlement Agreement made between TransCanada, Gaz Métro, Enbridge and Union.

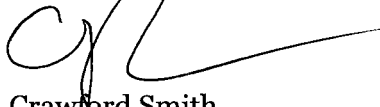
Subsequent to filing, a number of parties raised questions in relation to the Settlement Agreement. Broadly speaking, those questions fell into two areas. First, a request that the applicants update their forecast of gas cost savings having regard to the tolls reflected in the Settlement Agreement. Second, a request for further information in relation to the Long-Term Adjustment Account (LTAA). Discussions between the parties were then facilitated by Board Staff counsel. As a result of those discussions, the applicants believe there is broad consensus among the parties with respect to next steps. That consensus reflects the following agreement:

1. The applicants will update their forecast of gas cost savings having regard to the tolls reflected in the Settlement Agreement. In Union's case, that means updating undertakings J4.5, 4.6 and 9.2. For Enbridge, that means updating undertakings J6.X and 9.1.
2. The applicants will provide further information in relation to the LTAA including the differences between that account and the toll stabilization account, the expectation of the parties to the settlement of the amounts that could reasonably be captured in the LTAA and the impact of the allocation of the LTAA to the EOT commencing in 2021.
3. The applicants' responses will be filed later today.

4. Responding argument in respect of all three applications will be filed by 10 am on November 15, 2013 with reply argument by the applicants to be filed on November 25, 2013.

The applicants are aware that the above is supported by at least CME, CCC, SEC, APPrO, LPMA, FRPO and Energy Probe.

Yours truly,

A handwritten signature in black ink, appearing to be 'Crawford Smith', with a long horizontal flourish extending to the right.

Crawford Smith

CS/tm

cc: Myriam Seers
All Parties by RESS

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