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VIA COURIER, EMAIL, RESS

Ms. Kirsten Walli
Board Secretary
Ontario Energy Board
2300 Yonge Street, Suite 2700
Toronto, ON M4P 1E4

**RE: Enbridge Gas Distribution Inc. (the "Company" or "Enbridge")
Update to the 2012 to 2014 Demand Side Management ("DSM") Plan Ontario
Energy Board ("Board") File No.: EB-2012-0394**

In response to the DSM Guidelines, in November of 2011, Enbridge submitted a plan outlining proposed DSM activities for the period 2012 to 2014 (EB-2011-0295). Details of the plan were developed through extensive negotiations with members of the DSM Consultative, resulting in the 2012 Settlement Agreement on the budget allocation, metrics, and targets for the 2012 year.

The 2012 to 2014 Multi-year DSM Plan and associated Settlement Agreement was approved by the Board in February of 2012. Parties to the 2012 Settlement Agreement agreed to establish budget allocations, metrics, and targets for 2013 and 2014 following further consultation and Enbridge proposed to file the financial package for 2013 and 2014 in a later submission.

Following further consultation held later in 2012, the parties reached a Settlement Agreement on the budget allocation, metrics, and targets for 2013 and 2014. The Application filed February 28th, 2013 presented the financial package for 2013 and 2014 and any related program changes in the form of an Update to the 2012-2014 DSM Plan as filed in EB-2011-0295.

On July 4th, 2013 the Board released a Decision and Order in EB-2012-0394 ("DSM Decision") approving the Settlement Agreement and its rate consequences on an interim basis. The Board notes on page 3 of the DSM Decision that Environmental Defence ("ED") was the only party opposed to the Settlement Agreement, referencing ED's submission that if the 2014 DSM budget were increased it might obviate the need for Enbridge's proposed GTA reinforcement project. The GTA project (EB-2012-0451) was a proposed transmission pipeline designed to serve several objectives, one of which being growing demand in the Greater Toronto Area.

In response to ED's position, the Board held in the DSM Decision that:

This panel will not create any barriers, perceived or otherwise, to which these issues are explored in the EB-2012-0451 proceeding. The potential for DSM as an alternative to avoid or defer, all or part, of the GTA reinforcement project is being considered in EB-2012-0451, and not here. (DSM Decision, page.3 and 4)

Based on this rationale, the Board Ordered that the rate impacts of the 2014 DSM Plan would be approved on an interim basis and that the EB-2012-0394 proceeding would reconvene for a final determination of rates after the conclusion of the EB-2012-0451 proceeding.

On January 30th, 2014 the Board released its Decision and Order regarding the GTA project ("GTA Decision"). After reviewing extensive evidence from both the Company and intervenors the Board granted the Company leave to construct the project and concluded that, "...DSM and/or rate design options are not a sufficiently viable alternative in these circumstances to warrant denial of the project." (GTA Decision page. 45).

The Company submits that the positions of ED and GEC about the expansion of the 2014 DSM budget were fully presented and considered in EB-2012-0451. In response, the Board found, inter alia, that there are significant uncertainties with what ED and GEC had proposed including uncertainties about the costs of the DSM programs and the time and resources that would be required to substantially re-structure Enbridge's current DSM programs (GTA Decision page.45). In summary, the Board concluded that the expansion of DSM programs in 2014 would not achieve the result of offsetting the GTA project.

The Board in the GTA Decision has now ruled on the position taken by ED in the 2014 DSM proceeding (EB-2012-0394) which gave rise to the Order making the rate impacts of DSM program costs in 2014 interim. As there are no findings which impact the DSM Decision, and given the fact that we are now almost three months into 2014, Enbridge is hopeful that the Board is now in a position to issue a further order declaring the settlement agreement and the rate impacts of the Company's 2014 DSM Plan final.

The Company submits that given the findings of the Board in the GTA proceeding (EB-2012-0451) and the lack of any evidence on the record in the DSM proceeding (EB-2012-0394) which supports an increase in Enbridge's DSM budget for 2014, there is no need to either reconvene the DSM proceeding or seek the comments of parties.

Sincerely,

(Original Signed)

Andrew Mandyam
Director, Regulatory Affairs

cc: Denis O'Leary, Aird & Berlis