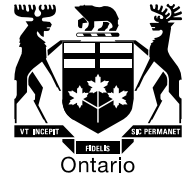


**Ontario Energy
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BY EMAIL

April 4, 2014

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

Dear Ms. Walli:

**Re: Enbridge Gas Distribution
April 1, 2014 QRAM Application
Board File No. EB-2014-0039**

I am writing on behalf of Board staff in the above noted QRAM matter.

Board staff has the following questions:

1. Please provide most current actual number of residential customers that are on the Budget Billing Plan ("BBP"). Please provide the actual number and the percentage of residential customers this number represents.
2. Can residential customers opt into the BBP at any time or does the BBP need to start in September of any given year?
3. Please indicate whether Enbridge has made or plans to make adjustments to monthly installment amounts for residential customers on the BBP arising from the Board's Decision and Interim Order in this proceeding. When would these adjustments be made?
4. Please confirm that any adjustments to monthly installment amounts would minimize, all else being equal, year-end variances in the BBP that are trued-up in

July.

5. On page 7 of its reply submission, Enbridge noted that if the recovery period for the PGVA amounts were extended by 12 months, then Enbridge would have to carry an amount in the order of \$300 million beyond the standard one-year period. Enbridge also submitted that an extended smoothing treatment requires a different treatment in terms of carrying costs, and that the appropriate treatment is to apply the weighted average cost of capital.
 - a. Please provide a detailed calculation of how Enbridge derived the \$300 million.
 - b. Please provide an approximate calculation of the total carrying charges associated with the \$300 million, mentioned by Enbridge, using:
 - i. The Board's prescribed interest rate for deferral and variance accounts; and
 - ii. The proposed weighted average cost of capital treatment proposed by Enbridge.
6. As indicated in its Decision and Interim Order in this proceeding, the Board sees merit in further consideration of available options for rate impact mitigation and the consequences of those options.
 - a. Staff noted Enbridge's observation that the impact of the change in gas costs will be experienced largely in the winter months when usage is higher (presumably for customers not on BBP). Is there a way to smooth the impact over the course of the year? For example, please provide Enbridge's view on the merits of recovering PGVA balances as of March 31, 2014 over the next two summer periods (i.e. from June 1 to September 30, 2014 and 2015). Please provide a graph that would depict the monthly bill for a typical residential customer (not on BBP) under that scenario. Are there impediments to the implementation of this approach? What would be the consequences of this approach?
 - b. Please provide the company's view on other options and their consequences that the Board may wish to consider for rate impact mitigation in this proceeding.
7. The Board has received numerous letters of comment from private citizens that have been placed on the public record of this application. Please provide any

comments Enbridge may have on the issues raised in those letters in relation to rate impact mitigation.

Thank you,

Original signed by

Daniel Kim
Case Manager

cc: All interested parties EB-2012-0459