

PETER C.P. THOMPSON, Q.C.  
T 613.787.3528  
pthompson@blg.com

Borden Ladner Gervais LLP  
World Exchange Plaza  
100 Queen St, Suite 1300  
Ottawa, ON, Canada K1P 1J9  
T 613.237.5160  
F 613.230.8842  
blg.com



By electronic filing

June 19, 2014

Kirsten Walli  
Board Secretary  
Ontario Energy Board  
2300 Yonge Street  
27<sup>th</sup> floor  
Toronto, ON M4P 1E4

Dear Ms Walli,

<b>Enbridge Gas Distribution Inc. ("EGD")</b>	
<b>2014 to 2018 Rates Application</b>	
<b>Board File No.:</b>	<b>EB-2012-0459</b>
<b>Our File No.:</b>	<b>339583-000165</b>

In their written submissions in this proceeding pertaining to Site Restoration Costs ("SRC") issues, counsel for the School Energy Coalition ("SEC") and Canadian Manufacturers & Exporters ("CME") referred to the then on-going process before the National Energy Board ("NEB") pertaining to set-aside and collection mechanisms for pipeline abandonment costs funding.

The NEB released its Decision on those matters on May 29, 2014. Ontario Energy Board ("OEB") members may already be aware of the issuance of that decision. If not, then the Decision can be accessed at the following link:

[https://docs.neb-one.gc.ca/ll-eng/llisapi.dll/fetch/2000/130635/2478727/Reasons\\_for\\_Decision - Set-aside and collection mechanism MH-001-2013 - A3X4G5.pdf?nodeid=2477576&vernum=-2](https://docs.neb-one.gc.ca/ll-eng/llisapi.dll/fetch/2000/130635/2478727/Reasons_for_Decision_-_Set-aside_and_collection_mechanism_MH-001-2013_-_A3X4G5.pdf?nodeid=2477576&vernum=-2)

The Decision requires that all NEB regulated pipeline companies to establish a trust or provide a letter of credit to cover future pipeline abandonment costs. The Decision indicates that, under the Qualifying Environment Trust ("QET") provisions of the *Income Tax Act*, a company may deduct amounts contributed to the trust from the company's income tax obligation.

We are drawing this Decision to the Board's attention because it appears to be relevant to the issue of whether a generic review of the set-aside and collection mechanisms pertaining to SRC should be conducted. We envisage that the purpose of such a generic review would include a consideration of whether clearer and more cost-effective set-aside and collection mechanisms

should be established for OEB regulated entities with respect to energy distribution asset removal, retirement and/or abandonment costs.

Would you please bring this letter and the NEB Decision to the attention of the Board members who are in the midst of considering submissions with respect to the SRC issue in EGD's Application for rates for the period 2014 to 2018.

Yours very truly,

A handwritten signature in black ink, appearing to read 'Peter C.P. Thompson', with a long horizontal flourish extending to the right.

Peter C.P. Thompson, Q.C.

c. Norm Ryckman (EGD)  
Fred Cass (Aird & Berlis)  
Paul Clipsham (CME)  
Intervenors EB-2012-0459  
Vince DeRose

OTT01: 6391055: v1