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By electronic filing

September 24, 2014

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

Dear Ms. Walli,

Enbridge Gas Distribution Inc. ("EGD")
October 1, 2014 QRAM Application
Board File No.: EB-2014-0191
Our File No.: 339583-000007

We are writing on behalf of Canadian Manufacturers & Exporters ("CME") with respect to Mr. Quinn's further letter to the Board today pertaining to the lack of information from EGD with respect to its decision to refrain from acting to fill its storage in January of 2014.

In writing this letter, we are not in any way intending to impede or delay a timely grant of QRAM relief to EGD with appropriate conditions. Rather, we are writing to make sure that the Board appreciates our position with respect to the nature and relevance of the information which EGD has not yet provided in response to Mr. Quinn's questions.

Simply put, we understand that at the end of December 2013, EGD's storage was 14.4 PJ behind the targeted level. We understand that EGD decided in January to use up its Unabsorbed Demand Cost ("UDC") on the TransCanada Mainline to serve the requirements of its system gas customers. Total January UDC was only 8.5 PJ. EGD obviously needed materially more than 8.5 PJ to fill its storage to targeted levels for December and January.

The question is, why did EGD not act in January to fill its storage? We understand that had it acted to fill its storage in January, then it would not have had an end of February deficit and would not have needed extra March gas which actually put EGD above their end of March storage target. This extra March gas will result in more summer UDC as EGD starts the summer injection season ahead of its targeted storage schedule.

Our understanding is that the domino effect of EGD's decision not to fill its storage in January has resulted in increased gas costs for EGD's customers which significantly exceed the costs it would have incurred had it acted to fill storage in January. We understand that this amount could be in excess of $100M.

The prudence or imprudence of EGD's decision to refrain from filling its storage in January cannot be evaluated without EGD explaining why it made that decision. In our view, this is the reason why EGD should be required to answer the questions which Mr. Quinn has posed.

Any QRAM relief should not operate to preclude the Board from evaluating the prudence or imprudence of that decision once EGD has provided a fulsome response to Mr. Quinn's questions.

We hope this letter assists the Board in understanding our position with respect to this issue.

Yours very truly,

Peter C.P. Thompson, QC

PCT\slc

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