



Fogler, Rubinoff LLP
Lawyers

77 King Street West
Suite 3000, PO Box 95
TD Centre North Tower
Toronto, ON M5K 1G8
t: 416.864.9700 | f: 416.941.8852
foglers.com

December 7, 2015

Reply To: Thomas Brett
Direct Dial: 416.941.8861
E-mail: tbrett@foglers.com
Our File No. 155418

VIA EMAIL, RESS AND COURIER

Ontario Energy Board
2300 Yonge Street
Suite 2701
Toronto Ontario
M4P 1E4

Attention: Kirsten Walli,
Board Secretary

Dear Ms. Walli:

Re: Board File No. EB-2015-0233

Please find attached BOMA's Argument in this case.

Yours truly,

FOGLER, RUBINOFF LLP

A handwritten signature in black ink, appearing to read "Tom Brett", written over the printed name "Thomas Brett".

Thomas Brett

TB/dd

Encls.

cc: All Parties (*via email*)

Enbridge Gas Distribution Inc.
Application for Exemption from the Affiliate Relationships
Code for Gas Utilities

SUBMISSION OF
BUILDING OWNERS AND MANAGERS ASSOCIATION, GREATER TORONTO
("BOMA")

December 7, 2015

Tom Brett
Fogler, Rubinoff LLP
77 King Street West, Suite 3000
P.O. Box 95, TD Centre North Tower
Toronto, Ontario M5K 1G8

Counsel for BOMA

Submission

Enbridge Gas Distribution Inc. ("EGDI") has applied for an exemption order from the Board from the application of section 2.2.2 of the Affiliate Relationships Code for Gas Utilities ("ARC"), in order to allow it to complete the transfer of IT services to Enbridge Inc. ("EI") as part of a recent consolidation of IT Shared Services ("ITSS") for Enbridge group companies, in EI that took place in 2014 and early 2015. As part of the consolidation, forty-one EGDI employees ("FTEs") were transferred to EI. EGDI has held back transferring employees that may need to have access to EGDI confidential customer information to allow it time to seek this exemption.

The complete consolidation would mean that some EI employees, while performing IT services for EGDI, would have access to confidential information, as defined in the ARC, held by EGDI. The three ITSS service categories that may result in EI employees' incidental access to confidential information are Service Management, Productivity Services, and Security Operations. This access, even if incidental to the tasks they are performing, would be contrary to the provisions of section 2.2.2 of the ARC.

Section 2.2.2 states:

"Where a utility shares information services with an affiliate, all confidential information must be protected from access by the affiliate. Access to a utility's information services shall include appropriate computer data management and data access protocols as well as contractual provisions regarding the breach of any access protocols. Compliance with the access protocols and the Services Agreement shall be ensured as necessary, through a review which complies with the provisions of section 5900 of the Canadian Institute of Chartered Accountants ("CICA") Handbook. The Board may provide direction regarding

the terms of the section 5900 review. The results of any review shall be made available to the Board."

EGDI has stated that, if an exemption is granted to allow access, it would maintain and abide by the controls and safeguards established in section 2.2.2, including corporate data management, access protocols, contractual provisions regarding their breach, and potential section 5900 reviews (Exhibit I.EGDI.IGUA.2), notwithstanding the fact that there are no shared employees. The details of how the document access would be set out in the relevant service agreement(s).

BOMA notes that EGDI's evidence is that in each and every case, the service request would be made or authorized by EGDI. This control would ensure that the exposure to confidential data would be incidental and for only so long as it took the EI employee (or contractor) to provide the required service.

BOMA also notes that EGDI states that the incremental savings to EGDI, if the exception is granted, would be \$633,000 in estimated RCAM charges, taking into account both the transfer of EGDI current contract staff to EI and the increased allocation from EI to EGDI for the costs of IT services being provided.

The overall savings to EGDI resulting from the consolidation is estimated to be approximately \$2 million annually by 2018 (Application, p2 of 9; Appendix B, p9).

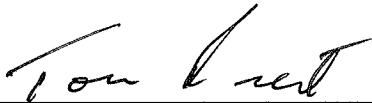
BOMA is of the view, given the safeguards that would exist, including the need for EGDI to grant access in each instance, and the incremental savings that the completed consolidation would provide, that the Board should grant an exemption from section 2.2.2, on the following terms and conditions:

- (1) The exemption should be confined to the need for access required to perform the three specified services, i.e. Service Management, Productivity Services, and Security Operations only. The details of each of the Services and the nature of the access required should be defined in the Board's decision.
- (2) The exemption is for the employees of EI only, and only those employees that carry out the three services. It should not be applicable to employees of any other EGDI affiliates, for example Tidal Energy. BOMA regards Tidal Energy as the retail energy service provider, notwithstanding the fact that it is selling, or arranging for, a gas service to larger customers, and wholesale customers.
- (3) The regular reporting requirements per paragraph 16 of the Application should apply.
- (4) The nature of the authorization process used by EGDI should be set out. BOMA notes that EGDI stated that:

"Permission from EGDI personnel is required to perform any ITSS services"
(1.EGDI.Staff.3).
- (5) The application of the safeguards in section 2.2.2 with respect to access and audit.
- (6) Confidentiality Undertakings should be obtained from all EI ITSS personnel (employees and contractors) who will be providing Service Management Services and Productivity Services to, and engaging in, Security Operations Matters on behalf of, EGDI (1.EGDI.Staff.5(iii)).
- (7) On rebasing, EGDI shall highlight the savings realized by the ratepayers over the term of the IRM agreement by:

- (i) the exemption from Code compliance;
- (ii) the ITSS consolidation generally.

All of which is respectfully submitted, this 7th day of December, 2015.

A handwritten signature in black ink, appearing to read "Tom Brett", written over a horizontal line.

Tom Brett,
Counsel for BOMA