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March 17, 2016

VIA RESS, EMAIL AND COURIER

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

Dear Ms. Walli:

**Re: Enbridge Gas Distribution Inc.
Ontario Energy Board File No. EB-2015-0049
2015-2020 Multi-Year DSM Plan**

Enbridge Gas Distribution Inc. ("Enbridge") has recently received enquiries about the anticipated timing for its filing of a draft Rate Order which reflects the findings of the Ontario Energy Board ("Board") in the 2015-2020 Multi-Year DSM Plan proceeding (EB-2015-0049) ("DSM Proceeding"). We are writing to provide a status report in respect of this pending draft Rate Order.

In Enbridge's 2016 Rate Adjustment proceeding (EB-2015-0114), Enbridge advised by letter dated February 19, 2016 of its plans to implement final rates for 2016 which includes the rate impacts of the DSM Proceeding with the July 2016 QRAM, rather than the April 2016 QRAM. In this letter, Enbridge noted that it had filed comments on February 3, 2016 to the Board's January 20, 2016 Decision and Order in the DSM Proceeding but as of the date of the letter, the Board's final Decision and Order had not been issued.

Enbridge noted in its February 19, 2016 letter that its comments, if accepted, would result in amendments to Enbridge's 2016 DSM budget as compared to what was set out in the January 20, 2016 Decision and Order of the Board in the DSM Proceeding. Enbridge noted as of the date of the letter that it would be very challenging, if not unachievable, for it to implement final rates in the April QRAM which included the rate impacts of the DSM Proceeding.

Enbridge advised all parties to the 2016 Rate Adjustment Settlement Proposal of its plans to implement final rates in conjunction with the July 2016 QRAM application.

These parties either supported Enbridge's proposal or indicated they had no concerns with this approach.

The Board issued its final Decision and Order in EB-2015-0049 on February 24, 2016. This Decision and Order requires Enbridge to file a draft Rate Order reflecting the Board's findings in the DSM Proceeding as soon as is practicable. As stated in its letter dated February 19, 2016, it was not practicable for the rate impacts of the DSM Proceeding to be implemented in conjunction with the April 2016 QRAM. As indicated earlier, Enbridge will file a draft Rate Order in the latter half of April 2016 which will allow sufficient time for it to be approved for use in conjunction with the July 2016 QRAM filing.

Yours truly,

[original signed]

Andrew Mandyam
Director, Regulatory Affairs and Financial Performance

Attach.

cc: Lawrie Gluck, Case Manager, Ontario Energy Board
Michael Millar, Legal Counsel, Ontario Energy Board
Intervenors EB-2015-0029 / EB-2015-0049

AIRD & BERLIS LLP

Barristers and Solicitors

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February 19, 2016

BY EMAIL AND FILED VIA RESS

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

Dear Ms. Walli:

**Re: Enbridge Gas Distribution Inc. – 2016 Rate Adjustment - EB-2015-0114
Timing of Implementation of Final 2016 Rates**

We are counsel to Enbridge Gas Distribution.

We write to inform the Board of Enbridge's plans to implement final rates for 2016 in conjunction with the July 2016 QRAM, rather than the April 2016 QRAM. The reason is that Enbridge's approved 2016 DSM budget will not be confirmed in time that Enbridge can prepare a final Rate Order and Revenue Adjustment Rider, and get comments and approval, and then incorporate those final rates into the April 2016 QRAM application.

Within the Board-approved Settlement Proposal in Enbridge's 2016 Rate Adjustment proceeding, the parties agreed that Enbridge would implement final rates incorporating the Board-approved 2016 DSM budget in the next QRAM after the Board's decision in the DSM proceeding. Specifically, the parties agreed that:

After the Board issues its Decision on Enbridge's 2016 DSM budget in EB-2015-0049, then Enbridge will update its 2016 Allowed Revenue and rates to reflect the full-year impact of the difference between the approved 2016 DSM budget and the 2015 DSM budget that is being included in 2016 Allowed Revenue and rates as an interim amount. The parties agree that this change will be implemented into Enbridge's 2016 final rates as part of its next QRAM Application following the Board's Decision in EB-2015-0049.

The Board issued its Decision in EB-2015-0049 on January 20, 2016. In that Decision, the Board invited Enbridge to provide written comments by February 3, 2016 and indicated that the Board would either confirm certain amounts in the Decision or issue an updated Decision by February 17, 2016. Enbridge submitted its written comments on February 3, 2016. These comments, if accepted, would result in amendments to Enbridge's 2016 DSM budget as compared to what is set out in the January 20, 2016 Decision.

February 19, 2016

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Although Enbridge expects the Board's decision on the 2016 DSM budget will be issued very soon, at this point it will be very challenging, if not unachievable, for Enbridge to implement final rates in the April QRAM application. That is because a Final Rate Order will have to be created after the DSM budget is known, along with a Rider E: Revenue Adjustment Rider to recover the portion of revenue relating to the additional DSM budget that would have been recovered from January to March 2016. Then, after the Final Rate Order and Rider is completed, it will have to be reviewed by stakeholders and approved by the Board in time to be incorporated into the March 9th or 10th filing of the April 2016 QRAM Application. It will be very difficult (perhaps unachievable) for all these steps to be completed, even if the Board approves a final 2016 DSM budget for Enbridge by the end of today (February 19th).

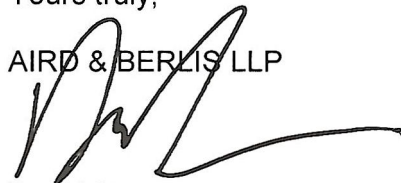
We have communicated with all parties to the Settlement Proposal about Enbridge's plans to implement final 2016 rates in conjunction with the July 2016 QRAM application. The parties have indicated that they support or have no concerns with this approach.

For the reasons detailed above, Enbridge has decided that it is advisable to implement final rates for 2016 in conjunction with the July 2016 QRAM application. It should be noted that one benefit of this approach is that impact of the increased rates (and Rider E) to recover the full 2016 DSM budget will be offset by the discontinuance of Rider C (the gas costs rider to recover the extraordinary gas costs from the 2014 winter) as of June 30, 2016.

Please contact me should you have any questions.

Yours truly,

AIRD & BERLIS LLP



David Stevens

DS/

cc: All parties registered in EB-2015-0114

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