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January 3, 2017

ENBRIDGE

VIA RESS, EMAIL and COURIER

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

Dear Ms. Walli:

Enbridge Gas Distribution Inc. 2014 to 2018 Rate Application Re: Ontario Energy Board File No. EB-2012-0459 / EB-2015-0114

As per the Settlement Agreement in EB-2012-0459 (Exhibit N1, Tab 2, Schedule 1, page 6 of 19) the Company committed to provide a report to the parties of the Settlement Agreement to allow for the ongoing monitoring of UDC impacts in 2014.

The Company, as part of its 2015 Rate Application (EB-2014-0276, Exhibit D1, Tab 2, Schedule 1, page 6 of 11) committed to continue to provide monthly reporting in 2015. Also, the Company developed and filed a 2015 UDC Mitigation Strategy as part of the Supplemental Agreement in EB-2014-0276 and committed to file monthly updates to that mitigation strategy (Exhibit N, Tab 1, Schedule 2, page 6, paragraph 4).

As discussed in EB-2015-0114, the Company is committed to providing monthly reporting of the on-going amounts in the 2016 UDCDA as well as a copy of its 2016 UDC mitigation plan. To the extent there is an update to the mitigation plan as originally filed it will be provided in the March 2016 Report. Please see the attached Report for December 2016.

The Company informed parties as a part of its March report that based upon its anticipated requirements for the summer of 2016 it would be forecasting that it will be able to avoid any cost consequences of unutilized TCPL – FT capacity. The forecast underpinning the April to October reports continued to show that the Company would be avoiding any cost consequences of unutilized TCPL-FT capacity in the summer of 2016. The attached report for December 2016 reflects a small forecasted amount being recorded in the 2016 Unabsorbed Demand Charges Deferral Account (2016 UDCDA) in the month of December. This was primarily due to the delay in the in-service date of TCPL's Kings North pipeline.

Ms. Kirsten Walli 2017-01-03 Page 2 of 2

Please do not hesitate to contact me with any questions.

Yours Truly,

(Original Signed)

Andrew Mandyam Director, Regulatory Affairs and Financial Performance

Attach.

cc: EB-2015-0114 Interested Parties

December 2016 UDC Report

2016 Summer UDC Management Plan

											Daily Quantity B. % of ramaining ranacity released	Carry Caractery In 20 of ternaments capacity reference	- (0.00)			
Column 8	Total	214			0.0		1	0.0			0.0		0.0	c		
Column 7	October	31	ı					ı			1	1				•
Column 6	September	30	•		(0.0)			(0.0)	,		(0.0)		(0.0)			
Column 5	August	31			0.0			0.0			0.0	1	0.0	Ċ		0
Column 4	July	31			0.0			0.0	,		0.0	1	0.0	C		0
Column 3	June	30			1		,	1	,							
Column 2	Мау	31			•			ı			1	1				•
Column 1	April	30	•		•		1	1			•	1				•
		Days in the month	Forecasted Cost of UDC - \$ millions	PJs	Forecasted UDC To Be Mitigated	Forecasted Dawn Discretionary	Requirement Replaced with Utilization of Long Haul Capacity	Potential UDC Shed	Forecasted Added Utility Requirement		Forecasted Summer Unutilized Capacity	June to August Release (Target)	July to September Release (Target)	Domoining Pally/Manathly Boloning	Total Targeted Daily Capactiy to be	Released Daily/Monthly
Item #			ij		2.		e,	4	гų	i	9.	7.	∞i	d	s	10.