



March 10, 2017

via RESS e-filing – signed original to follow by courier

Ms. Kirsten Walli
Board Secretary
Ontario Energy Board
PO Box 2319
2300 Yonge Street, 27th floor
Toronto, ON M4P 1E4

Dear Ms. Walli:

Re: Consultation on the Development of Corporate Governance for OEB Rate-Regulated Utilities (EB-2014-0255)

We have reviewed your correspondence dated February 9, 2017 to all rate regulated utilities concerning your “Consultation on the Development of Corporate Governance Guidance for OEB Rate-Regulated Utilities” and the related Final Report of Elenchus dated December 19, 2016 (the “Final Report”).

It is our understanding that the Ontario Energy Board (“OEB”) will be reviewing the recommendations of the Elenchus report as it considers the matter of corporate governance within the context of its performance-based regulatory framework. We note in your correspondence that there is no reference to any further engagement with affected parties to obtain feedback on the proposed corporate governance guidance, and related monitoring and assessments, on a written basis. This is potentially concerning to us.

In looking at the summary put forward by Elenchus as part of its Final Report, we do not feel that the perspectives raised at the meeting have been adequately addressed.

We believe that consideration by the OEB, given the level of importance of the initiative, is only properly undertaken where parties are able to give the OEB a full written submission for their use prior to making any final determination on the regulation of corporate governance activities. We expressed this view in our stakeholder session and OEB counsel advised that the OEB would provide an opportunity for stakeholders to provide written submissions if the OEB were to propose adopting new rules or procedures or amending existing rules and procedures applicable to regulated utilities.

Ultimately, we feel that there is a distinct issue of fairness that is raised whereby a party may become subject to a new set of regulations without being provided an adequate venue to make reasonable inputs into the development of those regulations. As reporting issuers under Ontario’s securities laws, we note that the Ontario Securities Commission is required to allow interested persons to comment on proposed changes to its policies and instruments, in writing. By not inviting written submissions from affected parties, key insight into the governance concerns and priorities of the regulated entities are missed. We understand that the recommendation from Elenchus is that the proposals not be mandatory, and that no prescriptive set of rules be established. However, this does not lessen our concern about how

monitoring and assessments relating to alignment of utility practices with the guidance will impact the OEB's regulatory decisions and the rate-setting process.

The OEB's policy-making in this matter will be all the more robust if it has the benefit of the experiences of rate-regulated utilities and other stakeholders to draw upon.

Yours truly,



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