

AIRD BERLIS

Dennis M. O'Leary
Direct: 416.865.4711
E-mail: doleary@airdberlis.com

January 12, 2018

Ms. Kirsten Walli
Board Secretary
Ontario Energy Board
2300 Yonge Street
Suite 2700
P.O. Box 2319
Toronto, Ontario
M4P 1E4

Dear Ms. Walli:

**Re: Enbridge Gas Distribution Inc. ("Enbridge") 2018 Cap and Trade Compliance Plan Application
Environmental Defence ("ED")/Green Energy Coalition Letter ("GEC")
EB-2017-0224/0255**

We are counsel to Enbridge and are writing in respect of the letter written by Mr. Kent Elson on behalf of ED/GEC dated January 10, 2018.

Mr. Elson's letter is ostensibly about requesting time to file intervenor evidence. It is in fact an argument for a significant expansion of the 2018 Cap & Trade Compliance Plan proceeding by turning it into a Demand Side Management ("DSM") hearing which would involve a detailed inquiry into the extent and cost effectiveness of substantially increasing ratepayer spending on natural gas DSM activities that Enbridge might undertake in future years.

Mr. Elson notably makes no mention of the fact that the DSM Mid-Term Review proceeding (EB-2017-0127/0128) is well under way and will likely deal with many of the issues referenced in Mr. Elson's letter. It is quite clear from Mr. Elson's letter that the proposed ED/GEC evidence would relate to incremental natural gas conservation activities by the gas utilities, matters that could and should be raised in the DSM Mid-Term Review.

The fact is that Enbridge's 2018 Cap and Trade Compliance Plan is a one year plan. Even if the within proceeding is expedited to the fullest extent, it is neither possible or practical for a decision by the Board to be released in 2018 in time for Enbridge to materially ramp up its DSM budget and program activities to generate meaningful results in 2018. As Enbridge witnesses have noted on numerous earlier occasions, simply directing more money at existing programs does not guarantee that gas savings will

continue to be generated rateably. The maturity of a program and the extent to which it has reached saturation levels must be considered.

It should be recognized as well that Enbridge's DSM witnesses are all currently engaged in preparing the pre-filed evidence for the Mid-Term Review proceeding, which is due next week. These DSM witnesses have had only limited involvement in this Cap & Trade proceeding.

Mr. Elson's letter is also silent about the fact that there is a substantial amount of new energy efficiency activity which is underway or which is in the works throughout the Province. These include activities funded by or undertaken by or on behalf of the GIF, GreenOn, the IESO and the MOECC. Many of these activities are being planned and will be undertaken in collaboration with the natural gas and electric utilities, matters that will be raised in the DSM Mid-Term Review.

To advocate, as ED/GEC does, that significant incremental natural gas conservation spending and activities be considered in this Cap & Trade Compliance Plan proceeding without evidence about the full suite of energy efficiency activities which are currently underway or are planned for 2018 across the Province by the numerous energy efficiency delivery entities, would deny the Board the ability to make a decision with all of the evidence that should be before it. The Board in effect would be asked to render a decision based upon an incomplete picture of the conservation activities which are being undertaken and/or are planned for rollout in the Province. All of these activities and the dollars that are and will be invested in such energy efficiency activities change the landscape significantly and, importantly, the incremental costs of enhanced DSM programs and/or new potential programs.

The fact is that with all of the new energy efficiency delivery entities and new dollars that are being invested or made available by the Government of Ontario for such purposes, the ability to plan and implement sizable new natural gas conservation programs, as noted in 2017, has become much more difficult. To ensure the cost effectiveness and certainty of generating results, planning for a material expansion of natural gas conservation programs needs to be undertaken carefully and prudently.

The information about all of the new players and energy efficiency activities that are and will be undertaken in the Province will be raised in the DSM Mid-Term Review proceeding. To do so in this Cap & Trade proceeding is duplicative, inefficient and will only further delay a final decision regarding Enbridge's 2018 Compliance Plan.

Enbridge therefore requests that the Board confirm that this 2018 Cap & Trade Compliance Plan proceeding is not the appropriate forum for the evidence proposed by ED/GEC.

In the alternative, if the Board is inclined to accept Mr. Neme's evidence and to consider same in this Cap & Trade proceeding, Enbridge submits:

- (a) ED/GEC's evidence should be well advanced by this time. Enbridge filed its 2018 Cap and Trade Compliance Plan on November 9, 2017. There is

no reason why ED/GEC should have waited until this point in time to request that Mr. Neme's evidence be filed on March 23, 2018. As well, Enbridge believes that Mr. Neme's evidence is not dependent on IR responses from Enbridge. It is more likely that the information which he may reference including the MACC already exists. Enbridge submits that Mr. Neme's evidence should be filed by no later than the end of February 2018.

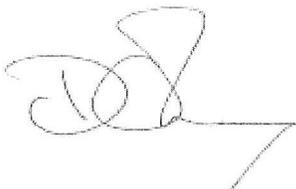
- (b) As a matter of procedural fairness, Enbridge should be afforded an opportunity to ask interrogatories of Mr. Neme and to file reply evidence if it is required. Enbridge can ask all appropriate interrogatories within one week of Mr. Neme filing his report. ED/GEC could then be given one week to respond to the interrogatories. Enbridge then requests one week to determine whether reply evidence will be necessary and to then provide a date by which such reply evidence could be prepared and filed.

To be clear, Enbridge does not support the requests made by Mr. Elson on behalf of ED/GEC. Enbridge believes that the appropriate forum for the evidence referenced in Mr. Elson's letter is the DSM Mid-Term Review.

Should you have any questions, please do not hesitate to contact the writer.

Yours truly,

AIRD & BERLIS LLP

A handwritten signature in black ink, appearing to read 'Dennis M. O'Leary', with a long horizontal stroke extending to the right.

Dennis M. O'Leary
DMO:vf

31473151.2