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VIA EMAIL AND COURIER

Mr. John Zych
Board Secretary
Ontario Energy Board
2300 Yonge Street, Suite 2700
Toronto, ON M4P 1E4

Dear Mr. Zych:

Re: Board File No.: EB-2005-0551
Natural Gas Electricity Interface Review Issue II – Storage Regulation

Please find enclosed ten copies of Enbridge Inc.'s submission with respect to Issue II – Storage Regulation of the NGEIR proceeding.

Yours truly,

Robert J. Craig
Director, Gas Storage Development

Cc: All participants and Interested Parties

NGEIR Submission on Issue II- Storage Regulation

Enbridge Inc. - May 1, 2006

1. Essentially all of the known, large, good and favorably located pinnacle reef pools in Ontario have been previously developed for gas storage by Union Gas Limited or Enbridge Gas Distribution (or its predecessor Tecumseh Gas Storage Limited.)
2. More recent storage capacity additions have come from developing smaller pools or from pressure enhancements to previously developed pools.
3. In an effort to locate more gas storage, Enbridge Inc. under an unregulated company, Enbridge Energy Distribution Inc. (EEDI), has undertaken some exploration, evaluation and pool development activity in Ontario over the last several years.
4. While to this point this activity has not lead to the development of any new gas storage, at this point, this effort continues with the hope of a successful outcome in the future.
5. All of this activity has been and will continue to be conducted by EEDI at EEDI's sole cost and risk.
6. Subject to identifying a sufficient level of gas storage space in one or more pools and to acceptable economics, EEDI's current intention is to bring applications to the Board for storage designation, development and operation.
7. EEDI intends to undertake any such storage development totally independent from and at arms length to EGD without any cross subsidy or preferred status from EGD or its customers.
8. EEDI believes that market rates will be required to support the costs of any such new storage development and believes it is appropriate that competitive market forces be the determinant as to if, or when, any such new storage development is undertaken.
9. In this regard EEDI would expect to be treated no different than any independent third party storage developer in Ontario.
10. With respect to market power, on an independent basis and given the independent nature of any such storage development, EEDI would not have any storage market power and with no market power, EEDI would be seeking forbearance from economic regulation for such new storage development.
11. To encourage the pursuit and development of new storage projects in Ontario and to ensure such new projects remain viable, EEDI believes the current situation of a mixture of cost and market based storage being available in the Ontario storage marketplace should be addressed.
12. In this regard, EEDI believes that a level playing field is needed between existing and new storage in order to provide a sufficient and lasting incentive to develop new storage in Ontario,

including storage in some of the smaller, more difficult and more remote pools.

13. EEDI believes this action will serve to encourage the entry of new storage developers in this Province thereby increasing the level and type of competitive storage service offerings to Ontario customers.

CURRICULUM VITAE OF
ROBERT J. CRAIG

Education:

1995 Masters of Business Administration (MBA) – Wilfred Laurier University
1969 Bachelor of Applied Science (BASc) – University of Toronto

Memberships:

Association of Professional Engineers of Ontario (A.P.E.O.)
Ontario Petroleum Institute (O.P.I.) – Director

Business Experience:

2001 – 2006 Enbridge Inc.
2001 – 2006: Director, Gas Storage

1995 – 2001 The Consumers' Gas Company Ltd.,
1995 – 2001: Director, Storage Operations and Development

1990 – 1994 British Gas Holdings (Canada) Limited
1990-1994: General Manager and President, Telesis Group of Companies
(all subsidiaries of British Gas Holdings (Canada) Limited)

1974 – 1989: The Consumers' Gas Company Ltd.

1974-1989: Production Engineer and Manager of Exploration --
Production and Storage Department

1974-1989: Storage Development Engineer – Tecumseh Gas

1968 – 1973: Imperial Oil Limited – Reservoir Engineer – Alberta

Witness at the following Ontario Energy Board hearings:

EBRO 492	EBRO 212/213	EBRLG 35/35-1/35-3
EBRO 434/414-3	EBRO 198	EBRLG 29-11
EBRO 414	EBRO 197	EBRM 112
EBRO 406	EBRO 196	EBRM 108
EBRO 403	EBRO 147	
EBRO 394	EBLO 269	
EBRO 385	EBLO 258	
EBRO 365	EBLO 224	