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August 18, 2006

VIA EMAIL AND COURIER

Ms. Kristen Walli
Board Secretary
Ontario Energy Board
2300 Yonge Street, 26th floor
Toronto, Ontario
M4P 1E4

Re: EB-2005-0001/EB-2005-0437
Enbridge Gas Distribution Customer Information System (CIS)

I am writing to apprise the Board that the results of its current CIS program review, Enbridge Gas Distribution has determined that a longer than expected project schedule will delay the in-service of its new Customer Information System ("CIS") until 2009.

In view of this development, I am also writing to request relief, in a form to be determined by the Board, from the requirement of the Gas Distribution Access Rule ("GDAR") that functionality for bill-ready Distributor Consolidated Billing be implemented by January 1, 2008.

In making this request for relief, the Company relies on the acknowledgement of the CIS Consultative that a new CIS cannot be implemented until January 1, 2009. The CIS Consultative includes representatives of ratepayer groups, specifically IGUA, The Consumers Council, Canadian Manufacturers & Exporters, VECC, Schools and Direct Energy.

Background - GDAR

In its Decision and Order of November 15, 2005 (RP-2000-0001) the Board postponed the implementation requirements for bill-ready Distributor Consolidated Billing from 2006 to January 1, 2008. In doing so, the Decision referenced Enbridge evidence that full implementation could occur within 12 to 18 months once detailed requirements are known and that implementation costs would be saved if GDAR requirements could be coordinated with implementation of the Company's new Customer Information System. Unfortunately, the detailed requirements are still unknown.

Background - CIS

In its 2006 Rate Application (EB-2005-001), Enbridge Gas Distribution filed evidence with respect to the need for a new Customer Information System ("CIS"). In its February 9, 2006 Decision, the Ontario Energy Board ("OEB") accepted that a new CIS system is required and that a package approach appears sensible. The Board also stated its preferred approach is for Enbridge Gas Distribution to undertake a direct competitive tender for the new CIS. In response to the Board's Decision, the Company determined that it would procure the new CIS through a tendering process.

To support the procurement of a new CIS, Enbridge Gas Distribution has engaged with ratepayer intervenors to form a CIS Consultative. One of the objectives of the CIS Consultative is to secure an agreement, with respect to certain CIS procurement issues, between Enbridge Gas Distribution and the intervenors, prior to the Board's hearing of the Company's 2007 rate application. The CIS Consultative has procured BearingPoint as the Independent Evaluator.

To date, the Company has progressed through the tendering process to receive firm cost proposals for each of the three CIS component services. On June 21, 2006 the Company suspended the procurement of a new CIS in order to perform a comprehensive program review which is inclusive of costs and implementation approach. Throughout the selection process, and since the suspension, Enbridge Gas Distribution and the ratepayer intervenors have maintained a very effective two-way communication through the CIS Consultative.

The CIS consultative and its Independent Evaluator has opined that the industry standard duration to put in-service a new CIS at a comparable organization to Enbridge Gas Distribution is between 24 and 30 months with 24 months representing the duration for the core CIS functions.

Request for Relief from GDAR Phase II Implementation

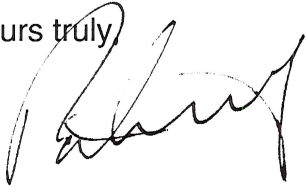
The Company believes that compliance with GDAR will be achieved in the most efficient and cost effective manner when it is coordinated with the development and implementation of the new CIS, now anticipated in 2009.

Cost effectiveness and coordination with the expected in-service date of the new CIS was referenced by the OEB in its Decision and Order of November 15, 2005 (RP-2000-0001) when it deferred the Phase II implementation requirements to January 1, 2008.

In view of these circumstances, the Company requests relief from the requirement of the Gas Distribution Access Rule ("GDAR") that functionality for bill-ready Distributor Consolidated Billing be implemented by January 1, 2008 and that this requirement be deferred until the Company's new CIS is in-service in 2009.

I would be grateful for the Board's advice on how and when this request will be considered, and I would be pleased to respond to requests for additional information.

Yours truly,

A handwritten signature in black ink, appearing to read 'Patrick Hoey', written over the text 'Yours truly,'.

Patrick Hoey
Director, Regulatory Affairs

and

Intervenors Participants in the Consultative Initiatives

cc: EB-2005-0001 All interested parties (via email)
Brian Hewson, Chief Compliance Officer, OEB (via email)