



EB-2010-0175

IN THE MATTER OF the Ontario Energy Board Act 1998,
S.O. 1998, c.15, (Schedule B);

AND IN THE MATTER OF an application by Enbridge Gas
Distribution Inc. for an order or orders approving its 2011
Demand Side Management Plan.

BEFORE: Marika Hare
Presiding Member

Paula Conboy
Member

DECISION AND ORDER

Enbridge Gas Distribution Inc. (“Enbridge”) filed an application with the Ontario Energy Board (the “Board”) dated May 28, 2010, seeking an order granting approval of its 2011 Natural Gas Demand Side Management (“DSM”) plan. The Board assigned File No. EB-2010-0175 to this application.

This application is in response to the request by the Board on January 7, 2010, directing Union Gas Limited and Enbridge to file a one-year DSM plan for 2011 based on the existing DSM framework established in the Generic DSM Proceeding (EB-2006-0021), including budget increases based on the established escalators. On April 26, 2010, Enbridge requested an extension from April 30, 2010, to May 28, 2010, for filing of its 2011 DSM plan. The Board approved Enbridge’s request and extended the deadline for filing of its 2011 DSM plan to May 28, 2010.

On June 21, 2010, the Board directed Enbridge to serve the Notice of Application on all intervenors in Enbridge’s 2010 DSM plan proceeding (File No. EB-2009-0154), and to all of the parties in the DSM Guidelines Proceeding (EB-2008-0346). In response to the

Notice of Application, Canadian Manufacturers & Exporters (“CME”), Energy Probe, Green Energy Coalition (“GEC”), Industrial Gas Users Association (“IGUA”), Low-Income Energy Network (“LIEN”), Pollution Probe, and Vulnerable Energy Consumers Coalition (“VECC”) requested intervenor status and requested eligibility for an award of costs. All requests were granted. Ontario Sustainable Energy Association (“OSEA”) and Toronto and Region Conservation Authority (“TRCA”) requested and were granted intervenor status but the Board denied OSEA’s and TRCA’s requests to be eligible for an award of costs.

On June 25, 2010, Enbridge submitted a letter and updated the Table of Measure Life for Custom Project Technologies. The information was submitted in response to concerns raised by GEC in a letter dated June 8, 2010. Specifically, GEC suggested that the Board require Enbridge to update savings assumptions for showerheads in 2011 and that the measure life assumption for steam traps be updated from 13 to 6 years. GEC also expressed concerns with the savings associated with mid-efficiency boilers.

The updated Table of Measure Life for Custom Project Technologies changed the steam trap measure life, as was agreed in Enbridge’s Audit Summary Report, to 6 years. In the Audit Summary Report conducted by Enbridge’s auditor regarding 2008 DSM results, the auditor recommended and Enbridge accepted using 6 years as the measure life for steam trap technology, until better information becomes available. Enbridge stated that the recommendation was not included in its original application due to an oversight.

Enbridge also stated that the two other concerns raised by GEC will be dealt with upon the expected completion of the 2009 audit process in the case of the showerhead savings values and through additional research in the case of the mid-efficiency boiler savings. On June 28, 2010, in response to the updated information filed by Enbridge, GEC stated that it was satisfied with Enbridge’s amendments.

On July 16, 2010, the Board issued Procedural Order No. 1 which outlined the schedule for parties to file interrogatories and submissions on Enbridge’s application.

On August 19, 2010, Enbridge provided its responses to all interrogatories. Within its responses, Enbridge confirmed that it based its 2011 plan on the existing DSM framework with two exceptions. Although the overall DSM budget formula as approved in EB-2006-0021 was not changed, the two areas that depart from the framework

established in the Generic DSM proceeding are a shift in budget from resource acquisition programs to market transformation/scorecard programs, and a shift in potential shared savings mechanism (“SSM”) incentive. Enbridge stated that the maximum SSM allowable is developed in accordance with the EB-2006-0021 formulas.

Enbridge stated that these two areas depart from the established framework in order to respond to evolving program and market issues unforeseen at the time the original framework was established in the Generic DSM proceeding, and that the changes were developed in consultation with the members of the DSM Consultative.

Final written submissions from intervenors were to be filed with the Board by September 2, 2010. Submissions were received from CME, IGUA, LIEN, and VECC. A late submission dated September 10, 2010, was received from TRCA.

All intervenors acknowledged that the Enbridge proposal was generally consistent with the approved DSM framework.

In its letter of September 10, 2010, TRCA provided its support of Enbridge’s proposed 2011 DSM plan.

Intervenors identified two areas of concern.

The first area of concern was with respect to the free ridership rate for the Energy Star New Home Program. CME and IGUA both submitted that a free ridership rate of 48% should be applied to the program for 2011. IGUA stated that Enbridge’s 2008 and 2009 DSM audits raised concerns regarding the 5% free ridership rate assumed for the program. In its final submission dated September 10, 2010, Enbridge submitted an updated Table of Program Assumptions. The Table of Program Assumptions updated the free ridership rate to the new free ridership value of 48% for the Energy Star New Home Program.

The second area of concern raised by a number of parties was with respect to low income DSM programs, particularly as a result of direction provided by the Minister of Energy.

In their submissions, both LIEN and VECC acknowledged that Enbridge has already established a consultation to enhance its 2011 DSM plan as it relates to low income

programs. LIEN stated that Enbridge should submit a supplemental document outlining its plan for 2011 low income programs by the end of October 2010, and VECC submitted that Enbridge's revisions related to low income programs should be filed by November 1, 2010. In response, Enbridge stated that it is currently working with stakeholders to develop a supplemental plan for 2011 low income programs and requested that the Board approve the 2011 plan as submitted with the expectation that an amendment to low income programs will be filed at a later date.

Board Findings

The Board finds that Enbridge's proposal for its one year 2011 DSM plan is consistent with the approved DSM framework established in the Generic DSM Proceeding. The two areas that depart from the existing DSM framework were developed in consultation with members of the DSM Consultative (stakeholders that meet at a minimum of two times a year as outlined in EB-2006-0021), and no party objected to the changes. The Board therefore approves the plan as filed and as amended for 2011. The Board commends Enbridge's commitment to working with stakeholders in the DSM Consultative. The Board is aided by full and complete stakeholder consultation prior to the filing of an application of this nature.

The Board notes the following with respect to the areas of concern raised.

Concerning the free ridership rate for the Energy Star New Home Program, the Board notes that Enbridge updated the free ridership value for this program as was suggested by CME and IGUA in their submissions, and the Board accepts this amendment.

The Board expects Enbridge to file an amendment to the 2011 DSM plan which recognizes the government's policy with respect to increased conservation programs for low income consumers as expeditiously as possible. Furthermore, the Board expects that Enbridge will continue to consult on the plan amendments with all members of the consultative group and the Board also expects stakeholder involvement in initiating low income DSM programs.

In the plan amendment, Enbridge may request additional funds for low-income programs, should it choose to do so. Any request for additional funding will be examined as part of that application. No other expansion of the DSM budget, other than for low income programs, will be considered.

The Board also accepts Enbridge's response and amendments submitted due to the concerns raised by GEC related to the savings assumptions for showerheads, the measure life assumption for steam traps, and the savings associated with mid-efficiency boilers. Enbridge updated the steam trap measure life to 6 years. Furthermore, Enbridge will deal with showerhead savings values upon the completion of the 2009 audit process and additional research will be undertaken for savings associated with mid-efficiency boilers.

Intervenors eligible for an award of costs shall file their cost submissions in accordance with the *Practice Direction on Cost Awards* with the Board Secretary and with Enbridge within **15 days** of the date of this Decision and Order. Enbridge may make submissions regarding the cost claims within **30 days** of this Decision and Order and the intervenors may reply within **45 days** of this Decision and Order. A decision and order on cost awards and the Board's own costs will be issued in due course.

THE BOARD ORDERS THAT:

Enbridge Gas Distribution Inc. is granted approval of its updated and amended 2011 DSM plan, filed on May 28, 2010, subject to the findings noted above.

DATED at Toronto, September 24, 2010

ONTARIO ENERGY BOARD

Original signed by

Kirsten Walli
Board Secretary