

ENBRIDGE GAS DISTRIBUTION INC.  
INTERROGATORIES FOR BOARD STAFF

**General Interrogatories**

1. Reference: Exhibit L.OEBStaff.1, general

Request:

Please provide the following information relevant to the Massachusetts energy market:

- a) Number of utilities, divided by natural gas only, electricity only and dual-fuel
- b) Total natural gas throughput in m<sup>3</sup> in 2014
- c) Total cost per m<sup>3</sup> of natural gas to an average residential customer in 2014 (inclusive of commodity, distribution, transportation, storage, and any other costs borne by natural gas customers) stating any necessary assumptions
- d) Statewide DSM budget specific to natural gas for each year from the inception of DSM in Massachusetts to 2020
- e) Statewide DSM budget specific to electricity for each year from the inception of DSM in Massachusetts to 2020

2. Reference: Exhibit L.OEBStaff.1, general

Request:

Please provide the most recent statewide and/or utility specific annual energy efficiency reports (outlining program details, highlights, spending, results, etc.) for the jurisdictions and utilities below.

- a) Massachusetts
- b) Vermont Gas
- c) SoCal Gas
- d) Nicor Gas

3. Reference: Exhibit L.OEBStaff.1, general

Request:

Please provide a list of key documents provided to SEE in order to complete its review of the gas utilities' DSM Plans.

## **Section 1 – Introduction and Purpose**

4. Reference: Exhibit L.OEBStaff.1, page 1

### Preamble:

On page one and throughout this report, SEE discusses suggestions and recommendations for “improvements” to Enbridge’s DSM Plan. The Company is curious as to what analytical work was done to assess the impact of undertaking those “improvements” to the budgets, metrics or targets of Enbridge’s DSM Plan.

### Request:

- a) Please provide all work completed by SEE in advance of completing its report that estimates the impact on Enbridge’s DSM annual and total budget from implementing each and all of the recommendations set out in the SEE report.
- b) Please provide all work completed by SEE in advance of completing its report that evaluates the cost-effectiveness of any or all of the expanded or modified programs proposed.
- c) Please confirm that SEE did not evaluate whether the implementation of its recommendations will lead to Enbridge exceeding the DSM budget guideline of a \$2 per month impact on an average residential customer. If not confirmed, please provide details of the evaluation that was performed.

## **Section 2 – Highlights**

5. Reference: Exhibit L.OEBStaff.1– page 3

### Request:

Please confirm that SEE reviewed the relative customer base characteristics, demographics and geographic zones for Enbridge and Union Gas respectively. What are the specific differences that Synapse noted?

## **Section 3 – Overview and Assessment of the Plans**

None.

## **Section 4 – Assessment of Evaluation Plans**

6. Reference: Exhibit L.OEBStaff.1, page 17

### Preamble:

Page 17 of the SEE report states that "...Union provides detail on input assumptions for gross savings estimates for a number of its offerings, while Enbridge does not mention it at all in its evaluation plan...Enbridge should mention the use of input assumptions for specific offerings where appropriate."

### Request:

Please confirm that page 4 of Enbridge's Evaluation Plan, filed as Exhibit B, Tab 2, Schedule 2, references Exhibit B, Tab 2, Schedule 6, as containing updated inputs and assumptions. Please further confirm that Exhibit B, Tab 2, Schedule 6 directs the reader to EB-2014-0354, the gas utilities' joint input assumptions filing, wherein the relevant input assumptions have been provided.

## **Section 5 – Assessment of Programs and Offerings**

7. Reference: Exhibit L.OEBStaff.1, page 29

### Preamble:

SEE identifies the multi-family market segment as "underserved."

### Request:

- a) Please indicate SEE's understanding of the multi-family building market segment in the Greater Toronto Area (Enbridge's largest franchise area). In particular, please indicate SEE's understanding of the size of this market (number of buildings and number of customers), the proportion of the market that has individual gas heating for each unit, and the age and energy efficiency of the housing stock in this market segment.
- b) Did Synapse review Enbridge's historical DSM results to inform its conclusion that, relative to overall spending and savings in recent years, the multi-family market has been disproportionately underrepresented?

8. Reference: Exhibit L.OEBStaff.1, page 59

Preamble:

References and comparisons between Enbridge's program delivery, partners and incentives, have been made to weatherization programs such as WarmChoice and Massachusetts' Low Income Retrofit Program offered in US jurisdictions. The U.S. Department of Energy's Weatherization Assistance Program (WAP) is the foundation for these programs. The utilities that operate these programs act as program administrators.

WAP began in 1976 and is delivered by a network of community based agencies, as provided by federal law. In the state of Massachusetts, the network was formalized under Massachusetts law by the Restructuring Act of 1997 (effective March 1998). The Act specifically provided that "the low income residential demand-side management and education programs shall be implemented through the low-income weatherization and fuel assistance program network and shall be coordinated with all electric and gas distribution companies in the commonwealth with the objective of standardizing implementation".<sup>1</sup>

Request:

For the programs and utilities cited, please provide the following:

- a. Program results, associated costs, and cost effectiveness ratios of these programs; and
- b. Funding contributions of the utilities, state governments, and federal government respectively.

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<sup>1</sup> Limited-Income Energy Efficiency Programs in Four States: Massachusetts, Arkansas, Ohio and Washington , ,Prepared for the Maryland Department of Housing and Community Development by Jerrold Oppenheim and Theo MacGregor, Democracy and Regulation, October 11, 2011.

9. Reference: Exhibit L.OEBStaff.1, page 64

Preamble:

Regarding the utilities' low income multi-family incentives, Synapse notes that "Enbridge's incentive for custom measures is \$0.40/m<sup>3</sup>...while Union's is \$0.10/m<sup>3</sup>."

Request:

- a) Please identify whether each utility's incentive level is relevant to annual m<sup>3</sup> savings or cumulative / lifetime m<sup>3</sup> savings.
- b) If different from each other, please provide a revised analysis wherein the incentive levels are comparable, stating any assumptions necessary.

10. Reference: Exhibit L.OEBStaff.1, page 67

Preamble:

SEE recommends that Enbridge consider offering Union Gas's aboriginal program.

Request:

Please confirm that SEE reviewed Enbridge's geographic territory and understood that it does not currently contain any aboriginal communities.

11. Reference: Exhibit L.OEBStaff.1, page 87

Preamble:

Enbridge is concerned that SEE incorrectly believes the Company is using a "...ratepayer-funded energy efficiency program as a platform for increasing subscription to its presumable proprietary software (and increasing associated revenues)." Enbridge would like to clarify that this has not, and will not be the case.

Request:

Please provide the source for this presumption.

## **Section 6 – Shareholder Incentive**

None.

## **Section 7 – Coordination between Gas and Electric Programs**

12. Reference: Exhibit L.OEBStaff.1, page 109

### Preamble:

SEE has proposed that the gas utilities consider "...offering standard program design templates that electric utilities could select from."

### Request:

- a) Has SEE contacted any Ontario electric utility or the IESO to evaluate interest or workability of this approach?
- b) Has SEE reviewed the Minister's Directive on Conservation and Demand Management issued on March 31, 2014 that provided LDCs control over the design and delivery of their programs?

## **Section 8 – Customer Financing**

13. Reference: Exhibit L.OEBStaff.1, page 30 and pages 112-115

### Preamble:

On page 30 of the report, SEE recommends that "Both utilities should provide customers with zero or low interest financing to address lack of funding".

### Request:

- a) With the above recommendation in mind, please discuss the appropriateness of the Ontario gas utilities offering ratepayer-funded financing, when there are currently private-sector parties offering loans for home improvement activities, and when some of those parties allow the loan to be included as a third-party charge on the Enbridge bill (through the Open Bill program).
- b) Please also explain how Enbridge would be kept whole from the risk of a borrower defaulting on its loan and from the associated collection and enforcement costs.

## **Section 9 – Use of Input Assumptions in Evaluation**

14. Reference: Exhibit L.OEBStaff.1, page 116

Request:

In defining “Net Savings”, please clarify the meaning and/or what is included in “energy efficiency standards” within this definition.

## **Section 10 – Gas Infrastructure Planning**

15. Reference: Exhibit L.OEBStaff.1, page 128

Request:

Please provide the report by Neme & Grevatt relating to the deferral of utility infrastructure through targeted DSM.

16. Reference: L.OEBStaff.1, page 128/129

“...the rationale, methodologies and concepts for using DSM to avoid or defer gas infrastructure are very similar to those for using DSM to avoid or defer electricity infrastructure. Consequently, many of the electricity IRP methodologies and concepts can and should be applied to gas infrastructure planning in Ontario.” (page 128)

“While there are some important difference between electricity and gas resource planning, many of the best practices from electricity planning will apply to gas planning as well.” (page 129)

Request:

Please explain the “important differences between electricity and gas resource planning”.

17. Reference: L.OEBStaff.1, page 128

“There appear to be few examples of this sort of explicit incorporation of DSM in gas infrastructure planning in other jurisdictions... we are only aware of two examples where DSM is incorporated in gas infrastructure planning...”

Request:

- (a) Please provide a list of the natural gas utilities that currently use DSM programs to avoid or defer natural gas T&D investments. For each utility, please state whether the method is passive deferral or active deferral and also describe each utility including number of customers and total peak throughput.
- (b) Please describe how Vermont Gas Systems “routinely includes the impacts of its DSM programs in its integrated resource planning process”.
- (c) Please describe the scope and objectives of the current study commissioned by the Massachusetts Department of Energy “to investigate the potential for gas DSM initiatives to defer or avoid the need for significant investments”.
- (d) Further to (c), please also compare and contrast the objectives with those outlined by the Ontario Energy Board (as mentioned in the second paragraph on the page referenced).

18. Reference: L.OEBStaff.1, page 129

“The existing cost-benefit screening tests can and should be used for evaluating DSM programs targeted at gas infrastructure. [Enbridge IRP Scope Study, P.7] This is unnecessary and is likely to result in a distraction of resources and time. The existing cost-benefit screening tests can and should be used for evaluating DSM programs targeted at gas infrastructure. It will be necessary to modify some of the inputs, but the same tests can be used.”

Request:

Please specify which tests and related inputs need to be modified in order to evaluate DSM programs targeted at gas infrastructure.

19. Reference: L.OEBStaff.1, page 129

“...many electricity integrated resource plans take roughly six months to conduct...”

Request:

- a) Please describe the scope and objectives of the electricity integrated resource plans referenced.
- b) Please identify any jurisdictions or utilities that have used case studies to develop their integrated resource planning programs (electric and natural gas).

20. Reference: L.OEBStaff.1 p.128

10.1 – “This suggests that demand response programs, where customers are provided specific incentives and tools to postpone or avoid gas consumption during peak periods, could play a significant role in mitigating gas infrastructure needs. Enbridge should include a comprehensive assessment of demand response potential in its gas infrastructure planning study.”

Request:

- (a) Please further expand on what types of demand response programs and/or technologies SEE believes would be able to postpone or avoid natural gas consumption during peak periods.
- (b) Please elaborate on how this assessment will differ in scope from an assessment of EGD’s current Interruptible Rates structure and philosophy.

**Appendix A: Summary of Recommendations**

None.

**Appendix B: Scope of Work Document**