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**BY EMAIL**

February 10, 2016

Ms. Kirsten Walli  
Board Secretary  
Ontario Energy Board  
P.O. Box 2319  
27th Floor  
2300 Yonge Street  
Toronto ON M4P 1E4

Dear Ms. Walli:

**Re: Union Gas Limited & Enbridge Gas Distribution Inc.  
2015-2020 DSM Plans  
Board File Number: EB-2015-0029 & EB-2015-0049**

In accordance with Decision and Order dated January 20, 2016, please find attached the OEB Staff submission for the above noted proceeding. This document is being forwarded to Union Gas Limited, Enbridge Gas Distribution Inc. and all other registered parties to this proceeding.

Union Gas Limited and Enbridge Gas Distribution Inc. are reminded that a revised Accounting Order for the Demand Side Management Cost-Efficiency Incentive Deferral Account is due no later than February 17, 2016.

Yours truly,

*Original Signed By*

Valerie Bennett  
Case Manager

Enclosure



# **ONTARIO ENERGY BOARD**

## **STAFF SUBMISSION**

2015-2020 Demand Side Management Plans  
Draft Accounting Order - Cost-Efficiency Incentive

Union Gas Limited  
EB-2015-0029

Enbridge Gas Distribution Inc.  
EB-2015-0049

**February 10, 2016**

OEB Staff Submission

**OEB Staff Submission  
Union Gas Limited (EB-2015-0029)  
Enbridge Gas Distribution Inc. (EB-2015-0049)  
2015-2020 Demand Side Management Plans**

**Draft Accounting Order – Cost-Efficiency Incentive Deferral Account**

**Introduction**

In response to the OEB's *Report of the Board: Demand Side Management Framework for Natural Gas Distributors (2015-2020)* (the DSM Framework) and Filing Guidelines to the DSM Framework, both issued on December 22, 2014, Enbridge Gas Distribution Inc. (Enbridge) and Union Gas Limited (Union) each filed DSM Plans proposing to deliver a suite of natural gas conservation and energy efficiency programs to their customers.

On January 20, 2016, the OEB issued its Decision and Order on both Enbridge and Union's 2015-2020 DSM Plans. Within the OEB's Decision, it approved the Cost-Efficiency Incentive as originally described in the DSM Framework. The OEB noted:

“For clarity, the evaluation results must be used for the calculation of the Cost-Efficiency Incentive amounts. Since the final results of DSM programs are not typically available until later in the following year, there is a process issue that needs to be resolved. In order for the Cost-Efficiency Incentive to truly act as an incentive and one that can be used by the gas utilities, the OEB agrees that a new deferral account be established, titled the Demand Side Management Cost-Efficiency Deferral Account. This deferral account will track the differences between the gas utilities' annual approved DSM budgets and the actual amount spent to achieve the total aggregate annual lifetime savings (CCM) targets made up of all 100% CCM targets across all programs. The OEB directs Enbridge, in cooperation with Union, to submit the necessary Draft Accounting Order for approval by the OEB.”

In response to the OEB's Decision, both Enbridge and Union filed Draft Accounting Orders for the Cost-Efficiency Incentive Deferral Account. The two Draft Accounting Orders are outlined below.

**Enbridge**

Enbridge proposed the following Draft Accounting Order:

Demand Side Management Cost-Efficiency Deferral Account (“DSMCEDA”)

The purpose of the DSMCEDA is to track and roll-forward any remaining estimated unused DSM budget amount, where the Company has achieved its

total aggregate annual lifetime savings (CCM) target made up of all 100% CCM targets across all programs, for use in meeting the Company's targets in a subsequent year. The amount to be rolled-forward will be in accordance with the DSM program evaluation results.

Enbridge also proposed the following description of accounting entries:

To roll forward any remaining unused portion of the approved DSM budget, for use in a subsequent year.

## **Union**

Union proposed the following Draft Account Order:

Demand Side Management Cost-Efficiency Incentive Deferral Account

To record, as a credit in Deferral Account No. 179-150, the differences between the gas utilities' annual approved DSM budgets and the actual amount spent to achieve the total aggregate annual lifetime savings (CCM) targets made up of all 100% CCM targets across all programs, in accordance with program evaluation results.

## **OEB Staff Submission**

OEB staff submits that both gas utilities have provided an account description that is generally consistent with the OEB's findings. Staff suggests the following account description be used by both Enbridge and Union for consistency.

Account 179-XXX - Demand Side Management Cost-Efficiency Incentive Deferral Account ("DSMCEIDA")

The purpose of the DSMCEIDA is to record, as a credit in Deferral Account No. 179-XXX, the differences between the gas utilities' annual approved DSM budgets and the actual amount spent to achieve the total aggregate annual lifetime savings (cumulative cubic metres of natural gas, or CCM) targets made up of all 100% CCM targets across all programs, in accordance with program evaluation results. Any approved DSMCEIDA amounts will be available to use in meeting the Company's targets in a subsequent year over the 2015-2020 DSM term as determined by the OEB.

All of which is respectfully submitted