



EB-2009-0341

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 the final balances and clearance of certain Demand Side Management variance accounts into rates, as at July 1, 2010.

BEFORE: Paul Vlahos
Presiding Member

DECISION

Enbridge Gas Distribution Inc. ("EGD") filed an application with the Ontario Energy Board, (the "Board") dated October 2, 2009, under section 36 of the *Ontario Energy Board Act, 1998*, S.O. 1998, c.15, (Schedule B), requesting approval and clearance of the final balances in four variance accounts, all associated with Demand Side Management ("DSM"). In its application, EGD sought disposition of the balances and inclusion into rates as at July 1, 2010. The Board assigned File No. EB-2009-0341 to this application.

On October 23, 2009, the Board directed EGD to serve the Board-approved Notice of Application on all intervenors in the Natural Gas DSM Generic Issues proceeding (EB-2006-0021) and on all intervenors in EGD's 2008 rates case (EB-2007-0615). Both Energy Probe Research Foundation ("Energy Probe") and Pollution Probe requested and were granted intervenor status by the Board. Both parties were found eligible for an award of costs.

On September 3, 2009 Schools Energy Coalition ("SEC") filed a letter of comment in which, it supported EGD's application, but raised concern over the auditor selection process as last year's auditor, EcoNorthwest, was not included in the list of eligible bidders. EGD responded to SEC's letter on September 16, 2009, noting that it will work

to mitigate such concerns during the early stages of future consultations with the Evaluation and Audit Committee.

Board Staff filed interrogatories in accordance with the Board's Procedural Order No. 1 which was issued on November 12, 2009. EGD provided responses to the interrogatories on December 8, 2009. On December 23, 2009 Energy Probe filed a submission supporting the clearance of the accounts as applied for. Board Staff did not file a submission.

The variance accounts and the balances sought for disposition are shown in the table below.

2008 Shared Savings Mechanism Variance Account (Resource Acquisition)	\$5,607,522
2008 Shared Savings Mechanism Variance Account (Market Transformation)	\$195,700
2008 Lost Revenue Adjustment Mechanism Variance Account (Recoverable from Ratepayers)	\$37,291
2008 Demand Side Management Variance Account (Repayable to Ratepayers)	(\$73,340)
TOTAL	\$5,767,173

EGD has proposed to have these amounts included in rates effective July 1, 2010 as this date is consistent with the Board's approval of EGD's incentive regulation plan (EB-2007-0615), which provides for the annual clearance of deferral and variance accounts on July 1st of each year. The allocation methodology applied by EGD was approved within the Board's Decision with Reasons dated August 25, 2006, in the Natural Gas DSM Generic Issues Proceeding (EB-2006-0021).

Board Findings

The Board accepts the amounts for disposition applied for by EGD and the proposed allocation as reasonable. Also, the Board finds that July 1, 2010 is a reasonable date to include the amounts into rates as this date coincides with the other rate adjustments normally occurring on July 1st.

A decision and order on cost awards costs will be issued in due course. 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 EGD within 15 days of the date of this Decision and Order. EGD 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.

DATED at Toronto January 19, 2010

ONTARIO ENERGY BOARD

Original signed by

Paul Vlahos
Presiding Member