

ONTARIO ENERGY BOARD

IN THE MATTER OF the *Ontario Energy Board Act, 1998*,
S.O. 1998, c. 15, Sched. B, as amended;

AND IN THE MATTER OF an application by Enbridge Gas
Distribution Inc. for an accounting order or orders
establishing certain Demand Side Management Deferral
Accounts for the years 2010-2014

GEC Submission

GEC supports the Enbridge request for a deferral account for 4 reasons:

1. The project addresses a set of major end use efficiency opportunities that are not otherwise addressed in current DSM efforts. It is not in the nature of a GEAEA initiative to address electricity issues. Nor is it an attempt to aggrandize the rate base for the benefit of the shareholder. Rather it is squarely about research on gas conservation. Solar assisted heating and storage are logical next steps for energy efficiency in Ontario. While the technologies may not be commercially realisable for several years, it is timely to build a knowledge base and experience in the Ontario climate.
2. The availability of the federal co-funding is time limited and of value to customers. Enbridge appropriately seeks to utilize federal funding to leverage this project. That opportunity will evaporate on or soon after March 31st so it is appropriate for the Board to consider this extraordinary request at this time.
3. The project itself is entirely in line with current government energy policy, but the multi-year formula for DSM funding does not adequately provide for, or incent such major spending on R&D. As Enbridge notes: "Like the Industrial Pilot Program, the budget for the Solar Thermal Space Heating Pilot is proposed to be incremental to the DSM budget for 2010 as determined

by the formulaic budget escalator detailed in EB-2006-0021, but still included in rates. Additionally, neither project will impact the formulaic DSM target, or contribute TRC results for the purposes of SSM calculation.” It is not realistic to expect Enbridge to divert funds from DSM efforts that contribute to near term results and SSM performance. Therefore, a significant R&D program such as the one proposed must be separately funded if it is to proceed.

4. The uncertainty of the third party contributions suggests that a deferral account approach is appropriate to ensure that customers are not overcharged.

GEC submits that the Board should approve the deferral account proposal and require Enbridge to:

1. Commit to aggressively seek further third party funding as the project will benefit the broader public interest, not solely Enbridge customers,
2. Provide updates on project budget and progress as part of each regular DSM filing.

All of which is respectfully submitted this 10th day of March, 2010.

David Poch
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