

09 June 2010

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

Dear Ms Walli:

Re: EB-2010-0202 Enbridge 2010 DSM Assumption Update – GEC submission

GEC is represented on the Enbridge Evaluation and Audit Committee (EAC) and has had an opportunity to discuss changed assumptions as presented by Enbridge. Given the interim nature of the 2010 plan, we are satisfied with Enbridge's proposal with one important exception.

As noted in our recent correspondence with the Board in the EB-2010-0175 case (Enbridge 2011 DSM plan), we are concerned with Enbridge's failure to enact an agreed upon change to its steam trap measure life assumption. During the course of its 2008 audit, the Company's Auditor reviewed its steam trap measure life study and found it fundamentally flawed. Moreover, it also found the result – an estimated life of 13 years – out of the range typically assumed in the industry. The Auditor recommended that Enbridge lower its assumption to 6 years.¹ In its response to the Auditor's recommendation, Enbridge stated that it "has accepted prospective application of this recommendation".² However, we now see that a year later, the Company has not acted on its own acceptance of the Auditor's recommendation.

GEC, and we assume other intervenors, had relied upon Enbridge's commitment. Intervenors do not check every entry in an application. We proceed on the basis that applicants honour such commitments and if unable to do so, provide full and fair disclosure. To do otherwise would involve an unacceptable resource commitment and would waste ratepayer funds. We find it disconcerting that Enbridge did not make this change to either their 2010 or 2011 assumptions nor bring the matter to the attention of the EAC or the broader consultative and indeed, went so far as to imply our objection to the 2011 filing is unwarranted given our participation in the 2010 EAC³.

¹ The Cadmus Group, "Independent Audit of 2008 DSM Program Results", prepared for Enbridge Gas Distribution, July 9, 2009 (EB-2009-0341, Exh. B, Tab 2, Sch. 1 p. 21 of 49).

² Enbridge Gas Distribution's 2008 DSM EAC Audit Summary Report (EB-2009-0341, Exh. B, Tab 4, Sch. 1 p. 13 of 39).

³ EB-2010-0175 Enbridge cover letter of May 28th

GEC submits that the 2010 application be approved with changes to reflect a 6 year rather than 13 year steam trap measure life assumption.

We have raised this matter in both the 2010 and 2011 cases. If the Board wishes to obtain a fuller record before determining this issue, we suggest that the Board consider approving the 2010 filing with the caveat that any change made to the steam trap measure life assumption in the 2011 case may apply retroactively. This approach would allow for the immediate disposition of the 2010 case and avoid duplication of effort.

Sincerely,

A handwritten signature in black ink, appearing to read "David Poch". The signature is fluid and cursive, with the first name "David" and the last name "Poch" clearly distinguishable.

David Poch

Cc: all parties