



500 Consumers Road
North York, Ontario M2J 1P8
PO Box 650
Scarborough ON M1K 5E3

Norm Ryckman
Director Regulatory Affairs
phone: (416) 753-6280
fax: (416) 495-6072
Email: norm.ryckman@enbridge.com

June 25, 2010

VIA RESS, EMAIL and COURIER

Kirsten Walli
Board Secretary
Ontario Energy Board
2300 Yonge Street, Suite 2700
Toronto, ON M4P 1E4

Dear Ms Walli:

**Re: Enbridge Gas Distribution Inc. ("Enbridge") Response to the Green Energy Coalition ("GEC") – Regarding 2011 DSM Plan
Ontario Energy Board ("Board") File Number EB-2010-0175**

GEC wrote to the Board on June 8, 2010, detailing its concerns about certain input assumptions that Enbridge proposes to use for the purposes of its 2011 DSM Plan. GEC's issues relate to only three programs, Low Flow Showerheads, Steam Traps and Mid-Efficiency Commercial Boiler Savings. This is the response of Enbridge to GEC's comments and a proposal to deal with the issues raised.

Low Flow Showerhead Savings

In 2008, Enbridge undertook a Showerhead Load Research Study to determine savings from the installation of low flow showerheads. The Study involved pre and post monitoring of hot water gas usage from a sample of Enbridge customers and statistical analysis of the results by a third party. The Study results were forwarded to Navigant Consulting, incorporated in Navigant's report of April 16, 2009 and adopted by the Board on April 29, 2009. Enbridge included the savings values from the Load Research in its Update to the 2009 DSM plan submitted in April of 2009 and the 2010 DSM Plan submitted on May 29, 2009. The showerhead savings values were later approved by the Board in its Decisions in EB-2009-0103 and EB-2009-0154.

Enbridge also included the results of the Showerhead Load Research study in its DSM Annual Report for 2008 (published April 15, 2009) which was reviewed by the EAC and the Auditor. The Auditor expressed concerns about the reliability of the Load Research Study results, notably, that the Study was undertaken over a period of three months and did not include a control group. The Auditor recommended that the Study be updated with household data collected over a longer time period. In consultation with the EAC,

Enbridge implemented this recommendation in 2009 and published the results of the Phase 2 Showerhead Load Research in the 2009 DSM Annual Report.

The Board's Decision in the DSM Generic proceeding (EB-2006-0021) provided guidance regarding changes to measure assumptions during the period of the multi-year plan. Chapter 2 – The Settlement Proposal, and Chapter 5 – Input Assumptions, Common Guide and Next Steps, describe the process for updating measure assumptions.

By including the latest Showerhead Load Research Results in the 2008 and 2009 Annual Reports, the Company has been following the process as set out in the Generic Decision. The results of the second Showerhead Load Research Study will be discussed with the auditor of the 2009 DSM Annual Report and the EAC and a recommendation will follow regarding any change to the existing assumptions. Any recommended changes agreed upon with the EAC will be reported to the Board through the Audit Summary Report which is filed with the Application to Clear Accounts. Agreed upon changes that are then approved by the Board will affect the LRAM results for 2009 and the SSM and LRAM results for 2010 and beyond, until such time as new information is offered and the savings assumptions are updated again.

Steam Trap Measure Life

As noted above, the process to update assumptions during the Multi-year plan and the treatment of updates is the subject of the Generic Decision.

The Audit Summary Report re: the 2008 DSM results were filed with the Board in 2009 following completion of the audit process. In the Report, Enbridge accepted the prospective application of the auditor's recommendation to use 6 years as the measure life for steam trap technology until better information becomes available.

Through an oversight, Enbridge did not carry this recommendation through in the Company's 2010 Update and 2011 Plan Submission. With this letter, the Company has attached an updated Table of Measure Life for Custom Project Technologies (Exhibit B, Tab 3, Schedule 4) which reflects the change to the steam trap measure life as agreed in the Audit Summary Report. Enbridge will also file this updated Table of Measure Life in its 2010 Input Assumption Update Application and propose that the 6 year term be approved for use.

"Mid-Efficiency" Commercial Boiler Savings

Enbridge acknowledges GEC's concern with the need for a better understanding of what comprises baseline boiler equipment in the Ontario market. Indeed the industry has been working with the technical issues involved in defining boiler efficiency for several years. As a participant in the technical discussions with industry, ASHRAE, and

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NRCan regarding new efficiency standards for boilers, Enbridge is well aware of the technical issues involved in establishing a baseline for boiler efficiency.

Enbridge agrees that there is need for a study which will examine boiler system efficiency and include system features such as outdoor temperature reset or modulation. Enbridge will continue consultation with the EAC to develop the methodology and terms of reference for a broader study of baseline system efficiency of commercial boilers. Enbridge intends for the updated baseline information to be applied to the 2011 savings.

In the interim, Enbridge will continue to use Board approved savings assumptions for prescriptive boiler programs and current savings calculations methods for custom projects to determine savings in 2010.

Summary

In summary, each of the concerns raised by GEC will be dealt with either immediately as is the case of the Steam Trap Measure life or in the near future upon the expected completion of the 2009 audit process in the case of the Showerhead savings values or through additional research in the case of the mid efficiency boiler savings. In the case of Low Flow Showerhead savings any recommended change to savings values resulting from the second Load Research Study will be brought to the Board through the 2009 Audit Summary Report. Regarding the development of a more informed base-line for Mid-Efficiency commercial boilers, Enbridge intends to apply the results of the additional research to the 2011 programs. What Enbridge is proposing is completely consistent with the process that the Board has been following to date and the Generic decision.

It is therefore neither appropriate nor necessary to deal with the issues raised by GEC in the 2011 DSM plan proceeding.

Enbridge has reviewed this response with GEC and Enbridge is authorized to advise the Board that GEC supports the response as set out in this letter and withdraws its request for the issues raised in its June 8th letter to be the subject of any proceeding before the Board at this time.

Sincerely,



Norm Ryckman

cc: Vince Mazzone, Applications Analyst, Ontario Energy Board (via email)
EB-2009-0154 / EB-2008-0346 All Interested Parties (via email)