

March 6, 2014

VIA RESS AND COURIER

Ms. Kirsten Walli
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Dear Ms. Walli:

Re: EB-2013-0352: Enbridge Gas Distribution Inc. (EGD) Clearance of 2012 DSM Deferral Accounts.

Industrial Gas Users Association (IGUA) Comments.

IGUA notes that the (corrected) variance account clearance in this application allocated to rate 115 (\$718,588) brings the ultimate DSM costs to be allocated to rate 115 customers for the 2012 program year to more than twice the amount budgeted for this rate class (the budgeted amount being \$333,743).¹ IGUA has, in the past, expressed concern for the unpredictability, and budgeting difficulty, presented to large industrial customers in respect of ratepayer funded DSM costs.

The average per customer impact of the requested rate 115 clearance is just under \$9,000.² Though this amount reportedly represents only about 1% of the average rate 115 customer's annual gas bill³, it is nonetheless a significant, unbudgeted cost for these customers, and of course represents a higher proportion of the average rate 115 customer's annual gas delivery cost.

IGUA has confirmed that the program overspend and associated allocations (of low income DSM costs and overheads) for the rate 115 rate class is consistent with the EB-2011-0295 settlement agreement, in that it is below the cap agreed to for the 2012 program year on overspending across the three large industrial rate classes.⁴ IGUA

¹ Corrected Ex.I/T3/S2

² Corrected Ex.B/T4/S1, p2.

³ Corrected Ex.B/T4/S1, p2.

⁴ Corrected Ex.I/T3/S2, p.3.

further notes that the settlement agreement for the 2013 and 2014 DSM program years provides for additional rigour on overspending within each of the industrial rate classes individually.

Given compliance with the applicable settlement agreement, which IGUA endorsed, IGUA does not object to EGD's requested DSM variance clearance.

This position is subject to review of the argument that IGUA anticipates will be filed by School Energy Coalition in respect of the integrity of the custom program savings verification studies supporting EGD's incentive claim. As SEC is reviewing that issue in detail, IGUA has decided to defer to that review rather than duplicating it. Further, not having reviewed the unredacted versions of the documents in respect of which EGD has asserted confidentiality, IGUA will not offer comment on whether such confidentiality should be confirmed.

Yours truly,



Ian A. Mondrow

- c. Dr. Shahrzad Rahbar (IGUA)
Andrew Mandyam (EGD)
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