

EB-2013-0430

IN THE MATTER OF the Ontario Energy Board Act 1998, S.O. 1998, c.15, (Schedule B);

AND IN THE MATTER OF a joint application by Union Gas Limited and Enbridge Gas Distribution Inc. seeking approval for new and updated demand side management measures.

BEFORE: Paula Conboy

Presiding Member

DECISION AND ORDER July 3, 2014

On April 30, 2014, the Ontario Energy Board (the "Board") received Enbridge Gas Distribution Inc.'s ("Enbridge") and Union Gas Limited's ("Union") joint application seeking approval for new and updated demand side management ("DSM") measures. The Board assigned this matter file number EB-2013-0430.

In the DSM Guidelines for Natural Gas Utilities (EB-2008-0346), the Board directed the utilities to make an annual application to update approved input assumptions and encouraged the utilities to file a joint application.

This Application by Enbridge and Union was made in consultation with the Technical Evaluation Committee¹ ("TEC"), to update the common Table of Measure Assumptions and Substantiation Documents which is used when evaluating DSM programs. The Application includes: updates to several measure assumptions; the current, approved measure assumptions; and, corrections to clerical errors or omissions in the 2012

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¹ The TEC acts as an independent body that works towards the goal of establishing DSM technical and evaluation standards for natural gas utilities in Ontario. The TEC consists of three representatives from the DSM Consultative, two independent technical experts and a representative from each of the utilities.

measure assumptions update application (EB-2012-0441). The TEC supports the updates to the specific measure assumptions as set out in the Application.

On May 16, 2014, the Board directed Enbridge and Union to serve the Board-approved Notice of Hearing and Procedural Order No. 1 on all intervenors in the DSM Guidelines Proceeding and on each party currently involved in Enbridge's and Union's DSM Consultative. The Board directed any party that wished to comment on the Application to do so by written submission.

Submissions

On May 30, 2014, Board staff filed a submission and supported the approval of the updated input assumptions, noting that the Union and Enbridge followed the approved process outlined in the DSM Guidelines and has the full support of the TEC.

Board staff suggested that Union and Enbridge include two new pieces of information in the input assumptions list on a go-forward basis; simple payback periods for all measures; and, the market penetration (or market share) of all measures. Board staff submitted that these additions would provide added value in terms of determining the economic attractiveness and level of difficulty of implementing a particular energy efficient measure. Board staff noted that these two pieces of information were included in the original Input Assumptions Report and Substantiation Sheets produced by Navigant Consulting and approved by the Board to be used in the current DSM framework.

On June 13, 2014, Enbridge and Union filed a reply submission responding to Board staff's suggestions. The utilities requested the Board's approval for the new and updated DSM measures and assumptions as filed as the utilities have followed the Board's approved process and have the support of both the TEC and Board staff.

With respect to the suggested additions to the measures and assumptions list, the utilities noted that the TEC discussed the suggestions on June 11, 2014 at a TEC meeting. Union and Enbridge stated that from the TEC's perspective the additional work suggested by Board staff should not be incorporated into the Technical Reference Manual ("TRM") work that is currently underway and Board staff's suggestion would benefit from additional dialogue directly with the utilities.

Board Findings

The Board approves the new and updated DSM measures and assumptions as filed.

The TEC is developing a TRM for natural gas DSM activities. The TRM is envisioned to replace the common Table of Measure Assumptions and Substantiation Documents filed by the utilities with their 2012 to 2014 Plans.

The Board accepts the utilities' submission with respect to Board staff's submission regarding the two additional pieces of information to be added to the measures and assumptions list. The Board directed the utilities to develop an expert committee to oversee the development of technical related DSM matters, including the measures and assumptions list. The TEC has reviewed and discussed Board staff's suggestions, and based on their expert opinion, recommended that the suggested additions not be introduced at this time. The Board is satisfied that this is a reasonable conclusion. However, the Board finds it would also be appropriate for Board staff and the utilities to discuss this matter further. The development of a new DSM Framework is currently underway and will inform and guide the utilities' DSM plans for 2015 to 2020. As part of their new DSM plans, the Board directs the utilities to further consider Board staff's suggestions and include a summary of their findings with supporting rationale in their forthcoming DSM plans.

THE BOARD ORDERS THAT:

Enbridge Gas Distribution Inc. and Union Gas Limited are granted approval of their new and updated DSM measures as set out in their joint application.

DATED at Toronto July 3, 2014

ONTARIO ENERGY BOARD

Original signed by

Kirsten Walli Board Secretary