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Enbridge Gas Distribution 500 Consumers Road North York, Ontario M2J 1P8 Canada

August 28, 2015

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. (the "Company" or "Enbridge") Ontario Energy Board (the "Board") File: EB-2015-0049 Multi-Year Demand Side Management Plan (2015 to 2020) Undertaking Responses

Enclosed please find the following undertaking responses:

- Exhibit J5.5A
- Exhibit J5.7
- Exhibit J6.3
- Exhibit J6.8
- Exhibit J6.9

The submission has been filed through the Board's Regulatory Electronic Submission System ("RESS") and will be available on the Company's website under the "Other Regulatory Proceedings" tab at <u>www.enbridgegas.com/ratecase</u>.

If you require further information, please contact the undersigned.

Yours truly,

(Original Signed)

Bonnie Jean Adams Regulatory Coordinator

cc: Mr. Dennis O'Leary, Aird &Berlis EB-2015-0049 Intervenors

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UNDERTAKING J5.5A

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To provide the latest update to the 2015 year-to-date numbers.

RESPONSE

Please find in the table below the year-to-date 2015 Scorecard Metric achievement levels as of the end of July.

Performance Band	Year to Date Actuals at end of July 2015
Resource Acquisition	
Resource Acquisition CCM	188.92
Residential Deep Savings	5,037
Low Income	
Single Family - Part 9	6.16
Multi-Residential - Part 3	15.50
Part 3 - RIR	N/A ¹
SBD Residential Total (MT)	
Builders Enrolled	19
# of Completed Units	381
SBD Commercial Total (MT)	
Commercial New Construction	15
Home Labeling Total (MT)	
Number of Committed Realtors	67,000
Ratings performed	439

1. Low Income Part 3 RiR results are not determined until year end.

Witnesses: M. Lister K. Mark S. Moffat F. Oliver-Glasford J. Paris

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UNDERTAKING J5.7

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Enbridge to identify where in the application ring-fencing of the innovation and collaboration fund is discussed; if not in the application, to confirm that the ring-fencing is an amendment to the application.

RESPONSE

Enbridge did not specifically identify within the application that the Collaboration and Innovation Fund ("CIF") budget would be subject to ring-fencing, in that unused funds would be returned to ratepayers and not available for redistribution within the DSM portfolio. Enbridge adopts a budget ring-fencing provision of the CIF as part of this application. For complete clarity, that budget ring-fencing of CIF would occur in each year of the plan from 2015 through to 2020.

Witnesses: M. Lister F. Oliver-Glasford B. Ott

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UNDERTAKING J6.3

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Enbridge to provide what it is seeking approval for that would be allocated to Rate 1, assuming the 150 percent achievement -- the maximum DSM incentive and the 15 percent, the maximum scenario

RESPONSE

Please see below the 2015 Rate Allocation to Rate 1 based on a 2015 rollover scenario in which the utility uses the entire DSMVA overspend of 15% and achieves its maximum shareholder incentive. The 2015 Incremental Budget is included in the figures below.

2015 DSM Budget Rate Allocation Including Full DSMVA & Maximum DSMIDA (\$ millions)								
Rate Class	DSM Budget less Low Income Program Costs	Low Income Program Budget	Total DSM Budget	Shareholder Incentive @ 150% Target (\$ million)	Total	Monthly Bill Impact of DSM per Typical Residential Customer		
Rate 1	\$15.18	\$5.37	\$20.54	\$5.25	\$25.79	\$1.10		

Witnesses: K. Mark S. Moffat F. Oliver-Glasford B. Ott

Filed: 2015-08-28 EB-2015-0049 Exhibit J6.8 Page 1 of 1 Plus Attachment

UNDERTAKING J6.8

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Enbridge to provide any communications related to on-bill financing from the Ministry of Energy.

RESPONSE

Enbridge was among several recipients to receive an email from the Ministry of Energy on March 10th, 2015 regarding the On-Bill Financing Environmental Registry Posting.

The communication stated that, "Natural gas utilities in Ontario can implement on-bill financing programs within their existing regulatory frameworks." The entire email communication has been included as an attachment to this undertaking.

Enbridge remains open to further communication and guidance from the Ministry of Energy regarding the exploration of on-bill financing programs.

Witnesses: M. Lister F. Oliver-Glasford J. Paris **From:** Feedback to CEE (ENERGY) **Sent:** March-10-15 11:31 AM **Subject:** On-Bill Financing Environmental Registry Posting

Thank you for participating in the Ministry of Energy's September 11, 2014 on-bill financing consultation session. A total of 48 stakeholders attended, either in-person or via webinar, including representatives from electricity utilities, natural gas utilities, industry groups and advocacy groups.

Based on the feedback we received from stakeholders, the ministry has decided to promote a voluntary utility led approach to implementing on-bill financing in Ontario. Electricity and natural gas utilities are best positioned to assess local needs in their service territories and deliver on-bill financing based on identified need.

To facilitate delivery of on-bill financing, the Ministry of Energy is proposing amendments to regulations made under the *Ontario Energy Board Act, 1998* and the *Electricity Act, 1998 to* clarify that on-bill financing for electricity conservation and demand management measures, is an activity that electricity utilities can undertake. The ministry is proposing these amendments to provide regulatory certainty to electricity utilities undertaking on-bill financing in Ontario. The proposal is posted on the <u>Environmental Registry</u>.

Natural gas utilities in Ontario can implement on-bill financing programs within their existing regulatory frameworks.

If you have any questions, or would like to submit your comments on the proposed regulatory amendments, please do so by April 20, 2015 either through the Environmental Registry or directly to <u>musab.qureshi@ontario.ca</u>.

Thank you again for your input on this important initiative.

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UNDERTAKING

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Enbridge to advise when would be the earliest time that it could have a proposal for on-bill financing to the Board, and when the earliest would be that this program could be implemented.

RESPONSE

Enbridge continues to explore DSM financing options and could be prepared to submit a proposal for on-bill financing for the mid-term review. In preparation, Enbridge would engage stakeholders and undertake explorative research to ensure that issues are fully understood and that appropriate partnerships are considered for the successful design of an on-bill financing or financing program.

Should Enbridge enter this market, under the Board's guidance, Enbridge foresees a number of issues that require substantial research to inform program design including, but not limited to:

- Would Enbridge be the entity to provide financing or would Enbridge facilitate a third party's financing?
- Is it appropriate for Enbridge to buy down an interest rate using rate-payer dollars in an otherwise competitive market?
- If interest rates are not bought down, what is the value-add of a DSM financing offer?
- Are there existing arrangements in the market which Enbridge could build-on or enhance?
- Are there particular market segments which could benefit more than others from DSM financing?
- Are similar initiatives being explored in the electricity CDM sector and, if so, is there an opportunity for coordination or integration?

To supplement the research, Enbridge would engage and consult with a number of stakeholders, including but not limited to: financial institutions, HVAC contractors, intervenors, customer groups, Board staff, and government representatives. This consultation would facilitate a fulsome understanding of the issues and an informed approach to on-bill financing.

Witnesses: M. Lister F. Oliver-Glasford B. Ott