K9.1

EB-2015-0029
EB-2015-0049

Union Gas Limited and Enbridge Gas Distribution Inc.

Applications for Approval of 2015-2020 demand side management plans.

IGUA Compendium for Enbridge Panel 3

gowlings

11. Table 7 below provides a breakdown of Enbridge's Resource Acquisition Program budget from 2016 to 2020.

Table 7: 2016 to 2020 Resource Acquisition Budget

Resource Acquisition Program Costs ($ millions)	2016	2017	2018	2019	2020
Large C/I Customers	$7.60	$7.85	$8.25	$8.42	$8.59
Small C/I Customers	$7.37	$8.52	$9.30	$9.48	$9.67
Home Energy Conservation	$12.15	$15.18	$18.00	$18.36	$18.73
Adaptable Thermostats	$0.88	$1.53	$2.18	$2.22	$2.26
*Run it Right**	$1.51	$1.77	$1.75	$1.79	$1.83
*Comprehensive Energy Management**	$0.05	$0.08	$0.10	$0.10	$0.10
TOTAL Program Budget	**$29.56**	**$34.92**	**$39.57**	**$40.37**	**$41.18**

*RiR and CEM budgets have been allocated between the Resource Acquisition and MTEM budgets

12. Tables 8 through 12 below outline Enbridge's Resource Acquisition scorecards, inclusive of metrics, weighting and targets, for 2016 through 2020. Similar to DSM budgets, Enbridge considers DSM targets for 2019 and 2020 specifically to be preliminary and will be the subject of review in the mid-term review.

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

Table 8: 2016 Resource Acquisition Scorecard

Component	Offers Counted	Metric	Weight	Lower	Middle	Upper
Large Volume Customers[1]	Custom, Prescriptive, Direct Install, RiR, CEM	CCM (millions)	40%	453.1	604.2	906.3
Small Volume Customers	Custom, Prescriptive, Direct Install; HEC; Adaptive Thermostats	CCM (millions)	40%	217.6	290.2	435.2
TOTAL RESOURCE ACQUISITION CCM				670.8	894.4	1,341.5
Residential Deep Savings	HEC	Number of participants[2]	20%	5,631	7,508	11,262

1) Large volume consumers include commercial customers with a 3 year average annual consumption of greater than 75,000m^3/year or industrial customers with a 3 year average consumption of greater than 340,000m^3/year

2) Number of participants with at least 2 major measures (average annual gas savings across all participants must be at least 15% of combined baseline space heating and water heating usage for any incentives to be earned)

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

3

one facility may have 2+ metres

COMPARISON OF AVERAGE CUSTOMER METERS BY RATE CLASS
2015 BUDGET AND 2014 BOARD APPROVED BUDGET

Item No.		Col. 1 2015 Budget	Col. 2 2014 Board Approved Budget	Col. 3 2015 Budget Over (Under) 2014 Budget (1-2)
	General Service			
1.1.1	Rate 1 - Sales	1 731 885	1 700 370	31 515
1.1.2	Rate 1 - T-Service	201 089	199 262	1 827
1.1	Total Rate 1	1 932 974	1 899 632	33 342
1.2.1	Rate 6 - Sales	139 579	139 230	349
1.2.2	Rate 6 - T-Service	23 898	20 347	3 551
1.2	Total Rate 6	163 477	159 577	3 900
1.3.1	Rate 9 - Sales	6	7	(1)
1.3.2	Rate 9 - T-Service	1	1	0
1.3	Total Rate 9	7	8	(1)
1.	Total General Service Sales & T-Servic	2 096 458	2 059 217	37 241
	Contract Sales			
2.1	Rate 100	0	0	0
2.2	Rate 110	34	33	1
2.3	Rate 115	1	1	0
2.4	Rate 135	5	1	4
2.5	Rate 145	11	11	0
2.6	Rate 170	5	5	0
2.7	Rate 200	1	1	0
2.	Total Contract Sales	57	52	5
	Contract T-Service			
3.1	Rate 100	0	0	0
3.2	Rate 110	152	158	(6)
3.3	Rate 115	30	26	4
3.4	Rate 125	5	5	0
3.5	Rate 135	37	40	(3)
3.6	Rate 145	69	92	(23)
3.7	Rate 170	29	29	0
3.8	Rate 300	2	2	0
3.9	Rate 315	0	0	0
3.	Total Contract T-Service	324	352	(28)
4.	Total Contract Sales & T-Service	381	404	(23)
5.	Total	2 096 839	2 059 621	37 218

<340.000

>340.000

Witnesses: S. Qian
M. Suarez

14. New to 2016, Enbridge has created two distinct buckets in its Resource Acquisition scorecard for capturing CCM; one for large commercial and industrial customers, and one for small consumers of natural gas, including industrial, commercial and residential customers. This approach has been taken in response to a number of factors which include:

- Past practice of capturing all CCM in a single bucket created a natural tendency for the utility to focus on its largest commercial and industrial customers. A single large project can yield the same outcome as dozens or even hundreds of smaller commercial and residential projects. As a result, this market has been under-served as both cost efficiency and shareholder incentive are maximized through the pursuit of the largest projects.

- The Board's direction to pursue all cost-effective DSM and tailor offers to customers with significant barriers to entry (such as small business customers) indicates that smaller consuming markets should be a priority in Enbridge's 2015 to 2020 DSM Plan, regardless of the fact that they are comparatively less cost-effective than offers directed at large commercial and industrial customers. Providing these markets their own CCM target will cement their importance within the Company's DSM portfolio.

- As a gas utility with a very significant residential customer base, Enbridge believes a robust DSM offer for the residential market is paramount. It does not seem commensurate however, that high levels of effort and spending in this sector should result in a comparatively lower shareholder incentive. Placing greater value on CCM achieved through small consumers will help to maintain focus on this essential market segment.

15. The "Large Volume Customer" CCM target listed in Enbridge's scorecards will count results from Enbridge's Custom, Prescriptive, and Direct Install offers. For the purpose of determining whether a customer's natural gas savings should be captured under this metric, Enbridge will evaluate the customer's

average gas consumption over the past 3 years (or best available equivalent data) to determine whether their average annual consumption is over 75,000m3 for a commercial customer or over 340,000m3 for an industrial customer.

16. It is anticipated that a large proportion of results under the "Large Volume Customer" CCM metric will be achieved through Enbridge's Custom offer, with smaller results achieved through the Prescriptive offer, and limited results from the Company's Direct Install offer. The Direct Install offer has been designed with smaller consumers in mind and will be marketed accordingly. However, in the spirit of achieving all cost-effective DSM Enbridge does not intend to deny large commercial and industrial customer's access to this offer.

17. The "Small Volume Customer" CCM target listed in Enbridge's scorecards will capture results from Enbridge's Custom, Prescriptive, Direct Install, HEC and Adaptive Thermostats offers. For the purpose of establishing whether a commercial or industrial customer's natural gas reductions should be captured under this metric, the Company shall use the same thresholds identified above.

18. In continuation of a successful practice established in 2012 Enbridge has included a metric for "Residential Deep Savings" which focuses on the achievement of 15% gas savings across the offer. In order to be counted as a new participant on Enbridge's scorecard, HEC participants must implement at least two or more eligible DSM measures, striving to achieve at least 15% gas savings. The usefulness of this approach is two-fold:

- While including HEC amongst the smaller CCM bucket noted above will help to maintain management's focus on the residential sector,

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Ontario Energy Board

Ontario

EB-2014-0134

Report of the Board

Demand Side Management Framework for Natural Gas Distributors (2015-2020)

December 22, 2014

It is important that the gas utilities' multi-year DSM plans focus on activities that will achieve a greater amount of long-term natural gas savings, better help participating customers manage their overall usage and ultimately their bills, and consider the guiding principles from Section xx and key priorities outlined above. The Board has provided a specific discussion of program types in the DSM Guidelines in Section 6.0. The gas utilities are expected to collaborate and integrate natural gas DSM program offerings across all sectors with Province-Wide Distributor and/or Local Distributor CDM programs throughout the course of the DSM framework period. As part of the multi-year DSM plans filed by the gas utilities, the Board expects that the gas utilities will include a discussion of the areas where programs have been coordinated and/or integrated with Province-Wide Distributor and/or Local Distributor, program aspects that have the potential to be integrated in the future and any barriers that have restricted the program from being coordinated and integrated with an electricity CDM program.

Additionally, the gas utilities DSM portfolios should include programs that are specifically designed to address customer groups with significant barriers to entry (e.g., small business customers). DSM portfolios should also include programs targeted to customers who are already very invested in energy efficiency and where more complex or customer-specific options are necessary.

The Board is of the view that rate funded DSM programs for large volume customers should not be mandated as these customers are sophisticated and typically competitively motivated to ensure their systems are efficient. The small number of customers in these classes further heightens the issues of one customer subsidizing business improvements of another. If a gas utility, in consultation with its large volume customers, determines that there is substantial interest in the gas utility providing expertise and a value-added service to help improve the energy efficiency levels of these customers' facilities, the gas utilities are able to propose a fee-for-service program which the Board will approve on its merits. The primary focus of any program proposed for large volume customers should be offering technical expertise, including conducting facility audits, advice for operational improvements, or engineering studies as opposed to capital incentives. Specifically, the gas utilities can propose a fee-for-service DSM programs to the customers in those classes identified as large volume rate classes in the table below. As can be seen in the table below, there is a very limited number of customers in these rate classes.

Table 1 – Large Volume Rate Classes

Enbridge Gas Distribution Inc.				
Rate Class	No. of Customers	2013 Annual Volumes (m^3)[22]	Percent of Total Annual Volumes[21]	Description of Rate Class
Rate 125	5	n/a	n/a	For applicants who use the EGD network to transport a specified maximum daily volume of natural gas that is not less than 600,000 m^3.

Union Gas Limited				
Rate Class	No. of Customers[23]	2013 Annual Volumes (m^3)[24]	Percent of Total Annual Volumes	Description of Rate Class
Rate T1	38	452,838,193	3%	Rate T1 is a contract rate for customers in Union's southern operations area who actively manage their own storage services, have an aggregated Firm Daily Contracted Demand up to 140,870 m3 and who consume a minimum of 2.5 million m^3 of natural gas each year. Customers in this rate class include manufacturing plants, chemical plants, large food processors/greenhouses and small specialty steel plants.
Rate T2	22	4,241,475,463	30%	Rate T2 is a contract rate for customers in Union's southern operations area who actively manage their own storage services and require a minimum aggregated Firm Daily Contract Demand of at least 140,870 m^3. Customers in this class include large power (cogeneration), large steel, large petrochemical plants and a large feedstock plant.
Rate 100	14	1,926,579,498	14%	For large commercial and industrial customers who have signed a Northern Distribution contract for firm natural gas delivery with Union Gas. These customers are typically large manufacturers requiring a very large volume of natural gas for industrial processes – such as steel, pulp and paper and mining. These customers, located in our northern and eastern operation areas, require a minimum consumption of 100,000 m3 of natural gas or more each day. These customers must maintain a 70% load factor over the course of a year.

The fee-for-service program would be different than the current large volume program approved by the Board. Rate funding recoverable from all customers in the large

[22] Rate 125 is made up of power generators who are billed on contract demand as opposed to actual throughput.
[23] As per EB-2014-0145, Exhibit A, Tab 2, Appendix A, Schedule 10
[24] As per EB-2014-0145, Exhibit A, Tab 2, Appendix A, Schedule 6

volume rate classes for a fee-for-service program can only be used for portfolio level administration costs, restricted to utility staff, marketing and evaluation activities. Any additional funding to support customer-specific deliverables, including facility audits, engineering reports or technology upgrades would need to be provided directly from the participating customer. The gas utilities may charge interested customers an appropriate fee to recover the cost of the energy efficiency consulting service it can provide. The Board expects that the gas utilities, with many years delivering DSM programs and an established expertise, as well an experienced DSM staff, can operate at a highly efficient level to source and acquire the opportunities available. In order to motivate the gas utilities to seek out these possibilities, the Board will enable the gas utilities to claim the verified gas savings that result from the fee-for-service large volume program. Achievement of the targets in these areas may result in a performance incentive. The performance incentive earned in relation to the fee-for-service large volume program will be recovered in the same manner as the gas utilities have traditionally recovered amounts. The Board feels that this approach strikes an appropriate balance by substantially reducing the cross-subsidization issues of large volume customers given the relatively small number of customers in the rate classes while maintaining the potential for considerable natural gas savings from large volume customers.

7.0 PROGRAM EVALUATION

Evaluation, Measurement and Verification ("EM&V") is the process of undertaking studies and activities aimed at assessing the impacts (e.g., natural gas savings) and effectiveness of an energy efficiency program on its participants and/or the market. Monitoring and EM&V also provides the opportunity to identify ways in which a program can be changed or refined to improve its performance. It is important to ensure proper EM&V studies are being undertaken to enable the pursuit of cost-effective DSM programs. Moreover, EM&V of DSM activities is important to support the Board's review and approval of prudent DSM spending, and requests to recover lost revenues and shareholder incentive amounts claimed by the gas utilities.

Traditionally, the evaluation process related to DSM programs has been a function that the gas utilities have managed, with input from key stakeholders included throughout the process. The Board sought stakeholder comment related to the Board taking on a larger role in the program evaluation process.

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SETTLEMENT AGREEMENT

ENBRIDGE GAS DISTRIBUTION INC.

DEMAND SIDE MANAGEMENT

UPDATE TO THE MULTI-YEAR PLAN

FOR THE YEARS 2013 - 2014

TABLE OF CONTENTS

I. BACKGROUND AND CONTEXT

On June 30, 2011, the Ontario Energy Board ("OEB" or the "Board") issued a letter (the "Letter") and the new Demand Side Management ("DSM") Guidelines for Natural Gas Utilities ("Guidelines") developed in the EB-2008-0346 proceeding. The Letter provided that the natural gas utilities were expected to develop their Multi-year DSM Plans in accordance with the Guidelines. Enbridge Gas Distribution Inc. ("Enbridge" or the "Company") filed its DSM Multi-Year Plan for 2012-2014 on November 4, 2011. Contemporaneously, Enbridge filed a Settlement Proposal with those Intervenors that participated in the DSM Consultative. This Settlement Proposal which was ultimately accepted by the Board specifically contemplated that Enbridge would file a DSM Plan Update for 2013/2014, later in 2012. This Agreement relates to Enbridge's DSM Plan Update for 2013/2014 and those outstanding matters for which Board approval is required for Enbridge to undertake its DSM activities in 2013 and 2014.

The Guidelines contemplate that gas distributors will consult with their stakeholders with respect to their DSM Plans. Accordingly, Enbridge has consulted with members of the DSM Consultative in respect of its 2013/2014 DSM Plan Update. Consistent with the Consultation for the 2012-2014 Plan, a Working Group emerged for each program type. The Consultative members who chose to serve in each of the working groups, in addition to Enbridge representatives, were as follows:

Working Group	Members
Low Income	Chris Neme (GEC) Judy Simon (LIEN) Jack Gibbons (Pollution Probe) Roger Higgin (VECC) Marion Fraser (BOMA) Dwayne Quinn (FRPO)
Market Transformation	Julie Girvan (CCC) Vince DeRose (CME) Jack Gibbons (Pollution Probe) Chris Neme (GEC) Norm Rubin (Energy Probe)
Resource Acquisition	Marion Fraser (BOMA) Julie Girvan (CCC) Vince DeRose (CME) Norm Rubin (Energy Probe) Dwayne Quinn (FRPO)

Working Group	Members
	Chris Neme and Kai Millyard (GEC) Paul Seaman (IGUA) Judy Simon (LIEN) Jack Gibbons (Pollution Probe) Jay Shepherd (SEC) Eric Nadeau (TransCanada Energy) Roger Higgin (VECC)

Meetings between Enbridge and the Working Groups took place on the following dates:

Plenary	July 11, 2012
Low Income	August 7, 24, 27, 2012
Market Transformation	July 26 and 27, 2012
Resource Acquisition	August 10, 14, 16, 17, 28 and 29 and September 10, 2012
Plenary	September 28, 2012

The purpose of these meetings was to allow members of each Working Group to ask specific questions and request information for review in support of Enbridge's DSM Plan Update. A further goal was to determine whether a consensus could be reached in respect of all or some aspects of the DSM Plan Update and, in particular, the allocation of budget as between program types, any permitted budgetary increases, metrics, scorecards and incentive levels. These meetings proceeded without a facilitator, which is a common practice with Enbridge Consultatives.

The Working Groups ultimately reached consensus with Enbridge on the components of the DSM Plan Update, as more particularly set out in this Agreement. These terms were then shared with the broader DSM Consultative at a meeting held on September 28, 2012, at which time the terms contained in this Agreement were presented and adopted by the following members of the DSM Consultative (Enbridge and the Intervenors listed below being hereinafter referred to as the "Parties"):

Building Owners and Managers Association (BOMA)
Consumers Council of Canada (CCC)
Canadian Manufacturers & Exporters (CME)
Energy Probe Research Foundation (Energy Probe)
Federation of Rental Providers of Ontario (FRPO)
Green Energy Coalition (GEC)
Industrial Gas Users Association (IGUA)
Low Income Energy Network (LIEN

Pollution Probe
School Energy Coalition (SEC)
TransCanada Energy Ltd.
Vulnerable Energy Consumers Coalition (VECC)

One party, TransCanada Energy Ltd., takes no position on the whole agreement.

II. AGREEMENT PREAMBLE

In EB-2011-0295, the Company and DSM Consultative members, through a consultative process reached agreement on a "financial package" for the Company's DSM programs in 2012 and certain other matters for the multi-year term of the plan, 2012-2014. This earlier agreement specifically contemplated Enbridge applying in 2012 for certain further approvals that would be required for it to undertake its DSM activities in 2013 and 2014. As a result of the consultative process described earlier in this Settlement Agreement, the parties have reached a complete settlement in respect of all outstanding matters requiring Board approval for the years 2013 and 2014. More specifically, there is a complete settlement in respect of the budget for each of the program types, the maximum incentive, the scorecard, and specific terms and conditions which relate to the budgets, targets and incentives for programs which the Company will undertake pursuant to each program type for each of years 2013 and 2014 and certain terms and conditions with respect to specific programs. This document is not a Settlement Agreement in the traditional sense under the Board's Rules of Practice and Procedure, for at least three reasons. First, it was not the result of a process ordered and supervised by the Board. Second, because of the varied nature of the subject matter, the Parties determined that it would be more productive if not all Parties attended all meetings (although, in the end, all signatories agree to support all elements of the settlement). Third, Board Staff, although observers at some of the meetings, were not present at all of the meetings.

Notwithstanding that this is not a formal Settlement Agreement under the Rules, the Parties jointly present it to the Board as their binding and enforceable Agreement with respect to the issues discussed herein. The Parties request that the Board accept it as evidence of their consensus on those issues, and, subject to any further discovery or other process the Board requires to deal with its consideration of the Company's 2013 - 2014 DSM Plan Update , deem it to be a Settlement Agreement under the Board's Rules.

The Parties further request that the Board adopt this Agreement as part of the Board's Decision and Order in this application. While the consultative process, under which this Settlement Agreement was reached, was not formally initiated by the Board under Rule 31 of the *Ontario Energy Board Rules of Practice and Procedure*, the parties agree that it is appropriate that Rules 31.09, 31.10 and all of 32 apply to the consultation process and to this Settlement Agreement.

The Parties intend that this Agreement should be subject to the rules relating to confidentiality and privilege contained in the Board's Settlement Conference Guidelines. The Parties understand this to mean that all positions, negotiations and discussion of any kind whatsoever which took place as part of the Consultative meetings, and all documents exchanged during the meetings which were prepared to facilitate settlement discussions, are strictly confidential and without prejudice, and inadmissible unless relevant to the resolution of any dispute that subsequently arises with respect to the interpretation of any provision of this Agreement.

Where Board Staff were present during negotiations or other discussions, or received copies of information referred to above, the rules of confidentiality and privilege apply equally to them notwithstanding that they are not parties to this Agreement.

The evidence which supports this Settlement Agreement is found in the DSM Plan Update submission. The Parties were provided with a full copy of this submission for their review prior to finalization of this Settlement Agreement. The Parties are of the view, not only that this record supports this Settlement Agreement, but that also the quality and detail of the record provide a basis for the Board to approve this Settlement Agreement. The DSM Plan Update submission is being filed contemporaneously with the filing of this Settlement Agreement.

The Parties all agree that this Settlement Agreement is a package: the individual aspects of this agreement are inextricably linked to one another and none of the parts of this settlement are severable. As such, there is no agreement among the Parties to settle any aspect of the issues addressed in this Settlement Agreement in isolation from the balance of the issues addressed herein. The Parties agree, therefore, that in the event that the Board does not accept this Settlement Agreement in its entirety, then there is no agreement unless the provisions not accepted by the Board are severed with the agreement of all Parties. If the Board does not accept this Settlement Agreement, after any determination by the Parties with respect to severability of any provisions, then all Parties will be at liberty to take such positions as they see fit in respect of this DSM Plan Update submission filing and to file such additional and further materials in support of such revised position. In addition, in the event that this Settlement Agreement is rejected by the Board, the position of each of the Parties will not be prejudiced by reason of their participation in settlement discussions and entry into this Settlement Agreement.

According to the Board's *Settlement Conference Guidelines* (p. 3), the Parties must consider whether a settlement proposal should include an appropriate adjustment mechanism for any settled issue that may be affected by external factors. The Parties consider that no settled issue requires an adjustment mechanism other than those expressly set forth herein.

None of the Parties can withdraw from the Settlement Agreement except in accordance with Rule 32 of the *Ontario Energy Board Rules of Practice and Procedure*. Finally, unless stated otherwise, a settlement of any particular issue in this proceeding is without prejudice to the positions Parties might take with respect to the same issue in future proceedings. However, any such position cannot have the effect of changing the result of this Agreement as it applies to 2013 or 2014.

This Settlement Agreement presents the complete agreement on program budgets, metrics, scorecards and all related program terms for the Enbridge 2013-2014 DSM programs. The Parties acknowledge that Appendix A to the Settlement Agreement in EB-2011-0295 "Joint Terms of Reference on Stakeholder Engagement for DSM Activities by Enbridge Gas Distribution Inc. and Union Gas Limited" continues to apply in 2013 and 2014.

III. TERMS OF SETTLEMENT

A. Introduction

The Guidelines, at Section 8, state that the DSM budget for Enbridge for the 2012 to 2014 DSM Plan term should be $28.1 million. This figure can be escalated annually using the previous year's Gross Domestic Product Implicit Price Index ("GDP-IPI") issued by Statistics Canada. As well, Enbridge was entitled to increase the annual low income DSM budget by up to 10%. In the EB-2011-0295 Settlement Agreement, Parties agreed that Enbridge's base budget of $28.1 million would be increased by 10 % ($2.81 million) and these additional monies would be applied to low income programs. The aggregate budget for 2012 was therefore $30.91 million. For 2013, this base budget has been escalated by the GDP-IPI for 2011, which is 2%. The resulting budget for 2013 is $31.588 million. Escalating the 2013 budget by the 2011 GDP-IPI of 2%, the aggregate budget for 2014 is $32.158 million. Parties agree that, notwithstanding the expectations set forth in the Guidelines, these budgets will be based on the 2011 inflation figures as if they continued throughout 2013 and 2014, and will not change even in the event that the GDP-IPI for 2012 or 2013 increases or decreases.

A summary of the budget amounts by each program type and the appropriate allocation of the maximum incentive available by program type are set out below. This is followed by a detailed description of the settlement in respect of each program type.

The budget for each program type has only been agreed at the top level (i.e. resource acquisition, market transformation, low income). This Agreement does not purport to

(g) In general, Enbridge will have the right, in the manner described in the Guidelines, to re-allocate budget between customer classes and groups to optimize the effectiveness of its DSM Plan. However, the Parties agree, for each of 2013 and 2014 that the total budget spent on programs and activities (including allocated overheads but excluding Low Income Allocations) for all customers in rate classes 110, 115 and 170 shall not exceed the following annual limits:

Rate Class	2013 Spending Limit	2014 Spending Limit
110	$1.636 million	$1.687 million
115	$1.261 million	$1.307 million
170	$2.164 million	$2.220 million

The purpose of these limits is to ensure that the maximum cost to be borne by industrial customers in these rate classes is known in advance and capped. The limits apply whether or not Enbridge has accessed the DSMVA. Further, they have no bearing on either Enbridge's ability to access the DSMVA (i.e. when it has achieved overall pre-audit Resource Acquisition performance equal to the middle band target (i.e. the 100% level)) or the calculation of the maximum amount of DSMVA funds which the Company can access and spend on Resource Acquisition efforts (i.e. 15% of the total Resource Acquisition budget). To ensure that commercial customers in the three affected rate classes are not adversely affected by the spending caps, Enbridge commits to managing spending within each of the three rate classes such that no commercial customer in any of the classes would be prevented from participating in any of the Company's DSM program or initiative offerings as a result of the annual spending caps imposed on each rate class.

(h) Enbridge may, consistent with proper accounting methods under USGAAP, capitalize IT spending related to DSM activities provided that the amounts in the aggregate in each of 2013 and 2014 do not exceed $1 million.

Table 2: Resource Acquisition Program Budget

Resource Acquisition	Program Costs (millions)
Residential	$1.873
Commercial	$8.252
Industrial	$4.319
TOTAL	$14.444

11. Table 3 below provides Enbridge's 2015 Resource Acquisition scorecard.

Table 3: Resource Acquisition Scorecard

Component	Metric	Weight	Lower	Middle	Upper
Volumes	Lifetime cubic meters (Mm^3)	92%	758.9	1,011.9	1,264.9
Residential Deep Savings	Number of participants[1]	8%	571	762	952

1. Number of participants with at least 2 major measures (average annual gas savings across all participants must be at least 25% of combined baseline space heating and water heating usage for any incentives to be earned)

12. The terms noted in EB-2012-0394, Exhibit B, Tab 1, Schedule 3, paragraph 6 relate to the Company's 2014 Resource Acquisition program offers. These terms continue to apply to the program offers in 2015 subject to updates where appropriate.

13. For clarity, Enbridge confirms that the 2015 total budget spent on programs and activities (including allocated overheads but excluding Low Income Allocations) for all customers in rate classes 110, 115 and 170 shall not exceed the following annual limits:

Rate Class	2015 Spending Limits
110	$1.721 million

$\boxed{2016}$
now = 1.02 - .07
= .95
+/- low income overhead.

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

115	$1.333 million
170	$2.264 million

not allocated part of $4.92 M.

(a) Enbridge confirms that the above figures were derived by applying the spending limits established for 2014 and increasing them by 2%.

(b) Enbridge further confirms that the purpose of these limits is to ensure that the maximum cost to be borne by industrial customers in these rate classes is known in advance and capped. These limits apply whether or not Enbridge has accessed the DSMVA. Further, they have no bearing on either Enbridge's ability to access the DSMVA (i.e., when it has achieved pre-audit performance equal to the middle band target on a weighted scorecard basis (i.e., the 100% level)) or the calculation of the maximum amount of DSMVA funds which the Company can access and spend on Resource Acquisition efforts (i.e., 15% of the total budget for a Resource Acquisition scorecard). To ensure that commercial customers in the three affected rate classes are not adversely affected by the spending caps, Enbridge commits to managing spending within each of the three rate classes such that no commercial customer in any of the classes would be prevented from participating in any of the Company's DSM program offers as a result of the annual spending caps imposed on each rate class.

Low Income Program Type

14. Table 4 below provides Enbridge's 2015 Low Income program budget under the 2015 Rollover.

Table 4: Low Income Program Budget