

**Ontario Energy
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BY EMAIL

April 29, 2016

Kirsten Walli
Board Secretary
2300 Yonge Street, Suite 2701
Toronto, Ontario
M4P 1E4

Dear Ms. Walli:

**Re: Enbridge Gas Distribution Inc. (Enbridge) 2015-2020 DSM Plan
Draft Rate Order
OEB File Number: EB-2015-0049**

Enclosed are OEB staff's submissions on Enbridge's Draft Rate Order in the above noted proceeding.

Yours Truly,

(Original Signed by)

Josh Wasylyk
Project Advisor

cc: All participants in EB-2015-0029 and EB-2015-0049



ONTARIO ENERGY BOARD

OEB STAFF SUBMISSION

Enbridge Gas Distribution Inc.

2015-2020 DEMAND SIDE MANAGEMENT PLAN

EB-2015-0049

April 29, 2016

Background

On February 24, 2016 the Ontario Energy Board (OEB) issued its updated Decision and Order (the updated Decision) with respect to applications filed by Enbridge Gas Distribution Inc. (Enbridge) and Union Gas Limited (Union) for approval of their respective 2015-2020 demand side management (DSM) plans.¹ As part of the OEB's updated Decision, the OEB ordered the gas utilities to each file a Draft Rate Order and updated Draft Accounting Order reflecting the OEB's findings in the proceeding as soon as is practicable.

On April 26, 2016 Enbridge filed its Draft Rate Order and the Draft Accounting Order for the DSM Cost-Efficiency Incentive Deferral Account (No. 179.04_).

OEB Staff Submission on Draft Rate Order and Draft Accounting Order

OEB staff submits that the incremental DSM budget included within Enbridge's Draft Rate Order is correct. The incremental DSM budget amount (\$21.4 million) is based on the difference between the 2016 DSM budget amount approved by the OEB as part of the 2015-2020 DSM plan proceeding (EB-2015-0049) of \$56.4 million and the 2016 DSM budget amount of \$35.0 million accepted by the OEB on an interim basis as part of its 2016 rates proceeding (EB-2015-0114).

Enbridge has proposed to implement the final 2016 rates in conjunction with its July 1, 2016 Quarterly Rate Adjustment Mechanism (QRAM). Enbridge has also proposed a revenue adjustment rider (Rider E) to capture the difference between the Interim Rates approved by the OEB in its 2016 rates proceeding (EB-2015-0114) and the OEB's DSM Decision (EB-2015-0049) applied to 2016 OEB approved forecast volume for the period between January 1, 2016 to June 30, 2016.² Enbridge has proposed to clear the Rider E amount prospectively over the July to September 2016 period. Enbridge has calculated the impact of Rider E as being approximately \$1/month for July, August and September for a total of approximately \$3 for the average residential customer. OEB staff submits that the proposed recovery method is appropriate.

¹ EB-2015-0029/EB-2015-0049 Decision and Order dated February 24, 2016

² EB-2015-0049, Draft Rate Order, Rider E Documentation

The final 2016 rates were derived by first allocating the revenue requirement including the incremental approved DSM amounts by rate class using the Fully Allocated Cost Study which underpins Enbridge's 2016 interim rates. The unit rates by rate class were derived at the rate design stage. OEB staff submits that the approach followed by Enbridge is consistent with the 2016 OEB approved methodology and is therefore appropriate. OEB staff submits that the OEB may proceed to approve the Draft Rate Order.

Enbridge proposed to file the Final Rate Order approved by the OEB in this proceeding (EB-2015-0049) as part of its 2016 rates proceeding (EB-2015-0114) in order to close the 2016 rates proceeding. OEB staff submits that it is in this proceeding that Enbridge's 2016 rates will be made final. As such, there is no need to close the 2016 rates proceeding. However, OEB staff does not object to Enbridge filing the Final Rate Order from this proceeding on the record of its 2016 rates proceeding as this may provide continuity for future references. OEB staff confirms that this approach has been used in the past (for example in motion to review proceedings which bear another docket number).

Finally, OEB staff submits that the Draft Accounting Order for the DSM Cost-Efficiency Incentive Deferral Account (No. 179.04_) filed by Enbridge is in accordance with the OEB's findings in its updated Decision and Order.³ OEB staff submits that the OEB may proceed to approve the Draft Accounting Order.

All of which is respectfully submitted.

³ EB-2015-0029 / EB-2015-0049, Updated Decision and Order, February 24, 2016 at pp. 6-7.