

April 12, 2017

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**VIA RESS and COURIER**

File No. T1011041

Ms. Kirsten Walli  
**ONTARIO ENERGY BOARD**  
P.O. Box 2319, 27<sup>th</sup> Floor  
2300 Yonge Street  
Toronto, Ontario  
M4P 1E4

Dear Ms. Walli:

**Re: EB-2016-0246 – Union Gas Limited (Union) and Enbridge Gas Distribution Inc. (EGD)  
New and Updated DSM Measures and the Technical Reference Manual (TRM).**

**Industrial Gas Users Association (IGUA) Written Submissions.**

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In this application (the “**Application**”), Union and EGD (collectively, the “**Utility Applicants**”) seek approval for both new and updated Demand Side Management (“**DSM**”) measures and the Technical Reference Manual (“**TRM**”).

IGUA has a long standing interest in ensuring that gas utilities’ demand side management programs are cost effective and efficient. It is that interest which motivated its intervention in the Application, particularly given that the pre-filed material alluded to, but did not describe, matters that were identified as being “of concern” to a member of the TRM Sub-committee.

In the pre-filed evidence, the Utility Applicants stated that the purpose of the TRM was not to determine free ridership or spillover effects. IGUA and other intervenors accordingly asked interrogatories that would allow them to understand the source of the free ridership values included in the TRM and other pre-filed material. In response, the Utility Applicants noted that:

- (a) Free ridership values had “been filed with the Board for approval in previous annual Input Assumption filings and/or DSM Plans”;<sup>1</sup>
- (b) Only in respect of Adaptive Thermostats were the Utility Applicants seeking direct or indirect approval of any net to gross value for measures listed in the TRM Summary table;<sup>2</sup>

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<sup>1</sup> See BOMA Interrogatory #10, Exhibit I. EGDI.BOMA.10; IGUA Interrogatory #1, Exhibit I. EGDI.IGUA.1.

<sup>2</sup> See SEC Interrogatory #3, Exhibit I. EGDI.SEC.3.

- (c) Reassessment of Free rider rates was determined by the Technical Evaluation Committee to be out of scope of the TRM<sup>3</sup>; and
- (d) In accordance with the Board's letter of August 21, 2015 regarding the 2015-2020 Demand Side Management Evaluation Process of Program Results, the "Evaluation Contractor will be responsible for undertaking studies which may include investigating free ridership rates and spillover effects as part of its multi-year impact assessments and targeted evaluations of selected natural gas DSM programs".<sup>4</sup>

Having considered the record in the Application, including particulars regarding the nature of the initially unspecified concerns of the TRM Sub-committee member, IGUA accepts the present form of the TRM. IGUA expects that there will be an opportunity for more meaningful review of the input assumptions in the TRM Summary Table in a future proceeding where the evidentiary record supports it. IGUA further understands that the Evaluation Contractor will review and propose updates to the data within the TRM annually, and expects that through this process relevant input assumptions will be based on the best available information, as opposed to values historically included in the TRM or any other materials previously filed. This control mechanism is vital to ensuring that DSM programs pursued by the natural gas utilities are and continue to be cost effective and efficient as circumstances evolve.

Sincerely,



Laura Van Soelen

- c. V. Innis (Union)
- C. Smith (Torys LLP)
- K. Culbert/Regulatory Affairs (EGD)
- D. O'Leary (Aird & Berlis LLP)
- S. Rahbar (IGUA)
- Intervenors of Record

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<sup>3</sup> See SEC Interrogatory #3, Exhibit I.EGDI.SEC.3.

<sup>4</sup> See BOMA Interrogatory #10, Exhibit I.EGDI.BOMA.10.