

2015 DSM DEFERRAL AND VARIANCE ACCOUNT
RATE ALLOCATION AND CLEARANCE OF 2015 DSM BALANCES

1. The following evidence describes the three DSM Deferral and Variance Accounts and provides the allocation of the balances to rate classes. As explained in Exhibit A, Tab 1, Schedule 3, these balances reflect all 2015 verified program results with the exception of the incomplete Net-to-Gross (“NTG”) study findings.
2. Consistent with the treatment of 2015 as a transition year, Enbridge has rolled-forward its 2014 DSM plan into 2015.¹ For that reason, the allocation of 2015 DSM deferral and variance account balances to rate classes is consistent with the allocation methodologies approved by the OEB in Enbridge’s 2014 DSM Clearance of Variance Accounts Application (EB-2015-0267) and as outlined in the previous Guidelines.
3. Demand Side Management Variance Account (“DSMVA”): The DSMVA is the account that should be “used to track the variance between actual DSM spending by rate class versus the budgeted amount included in rates by rate class.”² The actual DSMVA spending variance amount versus budget targeted to each customer class is allocated to that customer class for rate recovery purposes.
4. Demand Side Management Incentive Deferral Account (“DSMIDA”): The purpose of the DSMIDA is to record the shareholder incentive amount earned by a natural gas utility as a result of its DSM programs.³ DSM shareholder incentive amounts are

¹ EB-2014-0134 Demand Side Management Framework for Natural Gas Distributors (2015-2020), p. 37.

² EB-2014-0134, Filing Guidelines to the Demand Side Management Framework for Natural Gas Distributors (2015-2020), p. 38.

³ Ibid., p. 39.

allocated to the rate classes in proportion to the amount actually spent on each respective rate class.

5. Lost Revenue Adjustment Mechanism Variance Account (“LRAMVA”): The LRAMVA is the account that “should be used to track, at the rate class level, the actual impact of DSM activities undertaken by the natural gas utility from the forecasted impact included in distribution rates.⁴ The LRAM amount is recovered in rates on the same basis as the lost revenues were experienced so that the LRAM ends up being a full true-up by rate class.

The following table illustrates the allocation to rate classes of the 2015 DSM Variance Account balances.

⁴ Ibid., p. 39.

2015 Rate Allocation

Rate Class	DSMIDA	LRAM	DSMVA	TOTAL
Rate 1**	\$5,901,877	N/A	\$6,498,202	\$12,400,079
Rate 6**	\$3,438,449	N/A	-\$2,919,026	\$519,423
Rate 9*	\$404	\$0	-\$74	\$331
Rate 110	\$421,703	-\$12,292	\$191,445	\$600,856
Rate 115	\$146,222	-\$4,499	-\$451,019	-\$309,296
Rate 125*	\$15,156	\$0	-\$2,779	\$12,377
Rate 135	\$12,883	\$329	-\$144,351	-\$131,139
Rate 145	\$41,385	-\$34,802	-\$1,040,849	-\$1,034,266
Rate 170	\$93,350	-\$21,325	-\$1,304,940	-\$1,232,914
Rate 200*	\$5,254	\$0	-\$963	\$4,291
Rate 300*	\$1,010	\$0	-\$186	\$825
Total	\$10,077,695	-\$72,589	\$825,460	\$10,830,567

**Rates 9, 125, 200 & 300 will not have any LRAM component included in the rate allocation since customers in these rates classes are not eligible for DSM programs. These rate classes will however, be subject to rate allocations for DSMVA and applicable DSMIDA related to the Low Income Program.*

*** Rate 1 and Rate 6 are not included in the LRAM amount for clearance above as these rate classes are covered under the Average Use True-Up Variance Account (AUTUVA)*

Note: Numbers may not add up due to rounding