

August 31, 2018

**DELIVERED VIA E-MAIL**

Ms. Kirsten Walli  
Board Secretary  
Ontario Energy Board  
2300 Yonge Street  
Suite 2700  
Toronto, Ontario  
M4P 1E4

Dear Ms. Walli:

**Re: Demand Side Management (“DSM”) Mid-Term Review  
(EB-2017-0127/0128)  
Enbridge Gas Distribution Inc. (“Enbridge” or “Company”)**

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We are writing as counsel to Enbridge in response to a letter by Mr. Kent Elson to the Ontario Energy Board (“**Board**”) dated August 21, 2018 written on behalf of Environmental Defence (“**ED**”) and the Green Energy Coalition (“**GEC**”). While this letter was short on details, it is clear that Mr. Elson’s request for additional time for stakeholder presentations at the September 6 Stakeholder Conference (“**SC**”) is associated with a goal of materially expanding the scope of the Mid-Term Review far beyond that contemplated by the Board. Enbridge does not believe that this is the interest of ratepayers nor does it assist the Board in meeting its policy objectives.

This concern was confirmed by Mr. Elson’s email dated August 28, 2018 to Board Staff which identified five specific topics for the SC all of which Enbridge notes have been raised wholly or in part by ED/GEC in several prior proceedings including the 2015-2020 Multi-Year Plan DSM proceeding (EB-2015-0029/0049) (“**Multi-Year Plan**”) and both of the 2017 and 2018 Cap and Trade Compliance Plan proceedings (EB-2016-0296/0300 & EB-2017-0224/0255). Enbridge opposes the request by ED/GEC for any expansion of the SC in terms of the time available and the scope of the issues to be considered.

The issues which ED/GEC wish to raise, yet again, were previously considered and adjudicated upon by the Board in prior proceedings. As well, none of the topics identified in Mr. Elson’s letter and e-mail are within the scope of the matters identified by the Board in its Multi-Year Plan Decision and Order dated January 20, 2016 (“**Decision**”) that relate to the Mid-Term Review. ED/GEC’s proposed issues are also not in scope of the matters raised by the Board in its letters dated June 20, 2017 and August 15, 2018 which specifically set out the issues and process to be followed in this proceeding.

To be clear, each of the issues raised by Mr. Elson in his August 28, 2018 e-mail would necessarily require Enbridge to undertake a comprehensive review and retooling of its

approved Multi-Year DSM Plan. More specifically, ED/GEC appear to be proposing that the Board approve, larger budgets, different metrics and scorecards as well as a different methodology for the TRC Plus Test. ED/GEC also want to propose a different DSM program costs recovery methodology than that currently approved by the Board. It is clear that ED/GEC's objective is the complete retooling of the DSM Framework.

As the Board is aware, Enbridge's Multi-Year Plan was developed following considerable stakeholdering and in compliance with the DSM Framework approved by the Board in the EB-2014-0134 proceeding which itself involved substantive consultation with stakeholders over many months. Enbridge's Multi-Year Plan was then the subject of a lengthy and detailed oral hearing which culminated in the Decision. This Decision specifically contemplated the utilities reporting back on certain matters and in particular, appropriate changes to, for example, the target adjustment formula based upon the actual operation of the approved plans. The Decision does not contemplate that the Mid-Term Review would involve a wholesale reconsideration of it and the Framework.

Enbridge notes that the development of the next generation of the DSM Framework should commence in the near future, likely early 2019. Enbridge submits that the correct time and place for the review and consideration of the matters which ED/GEC wish to raise now is in the proceeding that will deal with the next generation DSM Framework. Enbridge is supportive of this process commencing in the near future and looks forward to working with all stakeholders in considering constructive approaches to improving the DSM Framework.

It is important to note that any expansion of this proceeding and the resulting delay in receiving a decision from the Board on the important matters raised by the Company will have a serious negative impact on Enbridge's 2019 DSM results. The continuation of the uncertainties and problems which Enbridge noted in its evidence will have a lasting negative impact on DSM program performance. If the Mid-Term Review is expanded to include the matters proposed by ED/GEC, Enbridge forecasts that it will be late 2019, at the earliest, before such issues could be formally presented, subject to the necessary scrutiny by the Board and, to the extent that the Decision is altered, incorporated into Enbridge's Multi-Year Plan. All of this would impact one year, 2020. In the meantime, 2019 will have been undertaken under a cloud of uncertainty and unresolved issues.

For the above reasons, Enbridge respectfully requests that the Stakeholder Consultation on September 6<sup>th</sup> be limited to the topics and the schedules set out in the Board's letter dated August 15, 2018 and that the Board proceed to consider the evidence filed and the refinements proposed by Enbridge and report on its findings by December 1, 2018 consistent with the date for the completion of the Mid-Term Review as contemplated by the Minister of Energy in his letter to the Board dated June 5, 2017.

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Yours truly,

AIRD & BERLIS LLP

A handwritten signature in blue ink, appearing to read 'Dennis M. O'Leary', with a stylized flourish at the end.

Dennis M. O'Leary  
DMO:vf

Cc: Stakeholders to EB-2017-0127/0128

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