

**ONTARIO ENERGY BOARD**

**IN THE MATTER OF** the Ontario Energy Board Act, 1998, S.O. 1998, c.15, Schedule B, as amended;

**AND IN THE MATTER OF** an Application by Enbridge Gas Distribution Inc. for an order or orders approving the balances and the clearance of certain Demand Side Management Variance Accounts into rates.

**AND IN THE MATTER OF** an Application by Union Gas Limited for an order or orders approving the balances and the clearance of certain Demand Side Management Variance Accounts into rates.

**INTERROGATORIES**  
**FROM THE**  
**SCHOOL ENERGY COALITION**

**Because the two applications are identical in some respects, some of the interrogatories are also duplicated (except for evidence references) for Enbridge and Union. They are marked by \*. A single combined answer to those questions that covers the evidence of both predecessor companies is sufficient if the utility finds that easier.**

**Interrogatories to Enbridge (\* signifies identical to Union)**

1. [Ex. B/1/1, p.9-11, and B/5/1, p. 3] The table below sets out the Enbridge 2016 Resource Acquisition Scorecard approved by the Board on January 20, 2016, in EB-2015-0049. Enbridge claims that new targets should be applied, as set out in Ex. B/5/1, corrected since it was originally filed.
  - a. Please confirm the accuracy of the table below.
  - b. Please provide (in Excel and pdf formats) all calculations used to go from the Board-approved scorecard to the new proposed scorecard, including all assumptions used and all calculations carried out as part of those assumptions.
  - c. For each change, please indicate Enbridge's authority for the change, either from a Decision, policy, or other Board source.

Please ensure that the calculations are sufficiently granular that they can be completely understood by the Board and the parties. By way of example, and without limiting the generality of the foregoing, if a change was made to the C/I Custom Program component of the target due to a change in NTG, please show the original component that went into the Board's approved numbers, with all underlying assumptions and calculations, identify the

changed inputs that Enbridge is proposing, and show the new component, with all underlying assumptions and calculations.

Enbridge 2016 Resource Acquisition Scorecard					
Programs	Metrics	Metric Target			Weight
		Lower Band	Target	Upper Band	
Home Energy Conservation (HEC) Adaptive Thermostats Commercial & Industrial Custom Commercial & Industrial Prescriptive Commercial & Industrial Direct Install Run-it-Right Comprehensive Energy Management Small Commercial New Construction	Large Volume Customers (CCM)	498,464,605	664,619,473	996,929,209	40%
	Small Volume Customers (CCM)	239,378,409	319,171,212	478,756,818	40%
Home Energy Conservation	Residential Deep Savings Participants (Homes)	6,194	8,259	12,388	20%

2. \*[A/1/2, p. 3] Please explain why Enbridge and Union each have separate counsel and case managers for this proceeding, when they are now part of the same company. In this respect:
  - a. Please provide the full budget for this proceeding for each of Enbridge and Union, including details of the forecast cost of counsel, any other external costs, and the internal costs allocated to the proceeding.
  - b. Please provide a breakdown of which components of the budgets for this proceeding are charged to the DSM budgets of Enbridge and Union, if any, and which components of those budgets are charged to the regulatory budgets of Enbridge and Union.
  - c. Please provide details of the impact, if any, of the costs of this proceeding on the DSMVA for 2016 or any subsequent year.

3. [B/1/1, p. 3-5] Please confirm that the correct quote from the Board’s EB-2015-0049 Decision dealing with “best available information” says as follows (at page 75):

*“To calculate next year’s targets, the OEB directs the utilities to use the new, updated input assumptions and net-to-gross factors that are the result of the annual evaluation process. The OEB finds it appropriate to use the best available information to determine subsequent targets for prescriptive programs.”*

4. [B/1/1, p. 5] Please confirm that the correct quote from the Board’s EB-2015-0029/49 Revised Decision dealing with “Union’s interpretation” is as follows (page 3):

*“Union interpreted the OEB’s Decision to mean that input assumptions and net-to-gross adjustment factors are finalized for a given year based on the previous year’s final DSM audit.”*

*Decision: The OEB confirms that Union's interpretation is correct."*

5. [B/1/1, p. 9] Please provide details of the change to the August 1 revised scorecard.
6. [B/1/1, p. 11] Please provide the excel spreadsheet referred to in Footnote 23.
7. \*[B/1/1, p. 12] Please confirm it is Enbridge's position that none of the delays in the 2016 program year evaluation were caused by Enbridge or Union. If that is not the case, please provide details of all actions (or failures to act) of either utility that caused any delays.
8. \*[B/1/1, p. 12] Please provide details of all adaptations to program delivery or changes to relative program efforts that Enbridge implemented in any of 2011-2014 due to the evaluation results from the immediately preceding year.
9. [B/1/1, p. 13] Please provide details (date of EAC meeting, or copy of email or other written communication) of the approval by the EC of applying 2015/16 average realization rates for custom projects to the 2017 results. Please provide a copy of the written proposal of Enbridge and Union to apply such average, together with all supporting documents. Please confirm that the EAC has, with the agreement of the EC, determined to proceed with an evaluation of the 2017 and 2018 combined, in order to save time and money.
10. [B/1/1, p. 17] Please provide the existing accounting order for the Enbridge DSMVA, and a markup showing the changes from that to the proposed accounting order. For each change, please explain how it responds to the decision of the Board in the Mid-Term Review.
11. \*[B/3/1, p. 6] Please explain why recommendation O3A dealing with the utilities databases "should be directed to OEB staff".
12. \*[B/3/1, p. 16] Please confirm that, going forward, the utilities will "report spending in a consistent format and apportion the overhead costs to individual programs".
13. \*[B/3/1, p. 21] Please comment on the appropriateness of carrying out the CPSV process on a rolling average basis over a period of years (3, 4, or 5) so that the sample is always a multi-year sample, and each year a new year is added for project verifications and the earliest year is dropped off.
14. \*[B/3/1, p. 22] Please explain why future potential "changes in operating conditions" are not reflected in CCM forecasts over the full measure life. Please comment on whether measurement of actual results over multiple years could be used to ensure that only real savings are credited to the utilities.
15. \*[B/3/1, p. 24] Please describe in detail the process currently used by Enbridge to screen out projects that would otherwise be free riders.
16. \*[B/3/1, p. 28] Please describe in detail the differences between the current CPSV process and the past, utility-controlled CPSV process that have results in "onerous time requirements and/or specific data requests made of customers may not have been considered reasonable and/or compromised customer privacy or safety policies".

17. \*[B/3/1, p. 40] Please describe in detail the current Enbridge QA/QC process a) at the initial project approval stage, b) at the project completion and payment stage, and c) at the verification stage.
18. [B/3/1, p. 48] Please advise the date the Measure Life Study was provided to Enbridge. Please provide details of all actions Enbridge took in 2017 in response to the Measure Life Study.
19. [B/2/1, p. 131] For each line in Table 10.1 in which the spending was greater or less than budget by at least 10%, please provide a detailed variance analysis. Also, please provide details of the \$2.4 million underspend in overhead costs, and a forecast of the extent, if any, to which that underspend is expected to continue in subsequent years.

**Interrogatories to Union (\* signifies identical to Enbridge)**

20. [Ex. A/2, p. 11-16, A/2/App. A, p. 3] The table below sets out the Union 2016 Resource Acquisition Scorecard approved by the Board on January 20, 2016, in EB-2015-0029. Union claims that new targets should be applied:
  - a. Please confirm the accuracy of the table below.
  - b. Please provide (in Excel and pdf formats) all calculations used to go from the Board-approved scorecard to the new proposed scorecard in A/2/App. A, including all assumptions used and all calculations carried out as part of those assumptions.
  - c. For each change, please indicate Union’s authority for the change, either from a Decision, policy, or other Board source.

Please ensure that the calculations are sufficiently granular that they can be completely understood by the Board and the parties. By way of example, and without limiting the generality of the foregoing, if a change was made to the C/I Custom Program component of the target due to a change in NTG, please show the original component that went into the Board’s approved numbers, with all underlying assumptions and calculations, identify the changed inputs that Union is proposing, and show the new component, with all underlying assumptions and calculations.

<b>Union 2016 Resource Acquisition Scorecard</b>					
<b><i>Programs</i></b>	<b><i>Metrics</i></b>	<b><i>Metric Target</i></b>			<b><i>Weight</i></b>
		<b><i>Lower Band</i></b>	<b><i>Target</i></b>	<b><i>Upper Band</i></b>	
Home Reno Rebate Commercial & Industrial Custom Commercial & Industrial Prescriptive Commercial & Industrial Direct Install	CCM	910,578,270	1,214,104,360	1,821,156,541	75%
Home Reno Rebate	Home Reno Rebate Participants (Homes)	2,475	3,300	4,950	25%

21. \*[Application, p. 3] Please explain why Enbridge and Union each have separate counsel and case managers for this proceeding, when they are now part of the same company. In this respect:
  - a. Please provide the full budget for this proceeding for each of Enbridge and Union, including details of the forecast cost of counsel, any other external costs, and the internal costs allocated to the proceeding.
  - b. Please provide a breakdown of which components of the budgets for this proceeding are charged to the DSM budgets of Enbridge and Union, if any, and which components of those budgets are charged to the regulatory budgets of Enbridge and Union.
  - c. Please provide details of the impact, if any, of the costs of this proceeding on the DSMVA for 2016 or any subsequent year.
22. \*[A/2, p. 18] Please confirm it is Union's position that none of the delays in the 2016 program year evaluation were caused by Enbridge or Union. If that is not the case, please provide details of all actions (or failures to act) of either utility that caused any delays.
23. \*[A/2, p. 19] Please provide details of all adaptations to program delivery strategy that Union implemented in any of 2011-2014 due to the evaluation results from the immediately preceding year.
24. \*[A/2, p. 20, 24] Please provide a copy of the written proposal of Enbridge and Union to apply the average 2015/16 realization rate to 2017, together with all supporting documents. Please confirm that the EAC has, with the agreement of the EC, determined to proceed with an evaluation of the 2017 and 2018 combined, in order to save time and money.
25. [A/2, p. 23] Please describe what action Union seeks from the Board with respect to its objection to applying NTG to self-direct, self-access programs.
26. [A/3, p. 7] Please confirm that Union is seeking to retain \$2.822 million of underspending in 2016 that it plans to spend in 2018. Please advise what interest arrangements it proposes with respect to that retention.
27. [A/3, p. 7] Please provide a reference for the Board authority to spend money for the two studies and recover it through the DSMVA.
28. [A/3, p. 9-10] Please confirm that the tracking and reporting system is a capital asset. Please provide details of the annual depreciation, cost of capital, and income tax impacts of that asset for each of the years 2016-2022, assuming that it is closed to rate base in 2018. Please explain why this is not being charged to customers in rates consistent with its capital nature.
29. [A/3, p. 14] Please confirm that, without the proposed changes to the 2016 targets, Union only achieved 67% of the CCM metric in Table 6, and as a result its weighted average achievement was 100.25%.

30. [A/3/App. A/Sched 3 and A/4/App. A/Sched. 2 and 3] With respect to the actual spending on DSM in 2016:
- a. Please explain underspending of 62.2% of annual DSM costs between budget and actual for customers of all classes in the North region. Please describe in detail any organizational or other barriers that prevent Union from achieving more DSM success in the North region.
  - b. Please divide the spending allocated to class M1 between residential and non-residential customers. Please explain why non-residential customers should be required to pay for DSM programs that are only available for residential customers.
  - c. Please confirm that the proposal to recover M1 overspending on a volumetric basis exacerbates that issue by requiring larger volume non-residential customers in M1 to bear proportionately more of the costs associated with overspending that was directed primarily at residential customers.
31. \*[B/2, p. 6] Please explain why recommendation O3A dealing with the utilities databases “should be directed to OEB staff”.
32. [B/2, p. 11] Please explain the role of Energy Advisors in the Union DSM process, and how their role differs from the role played in those same projects by employees of Union.
33. \*[B/2, p. 14] Please confirm that, going forward, the utilities will “report spending in a consistent format and apportion the overhead costs to individual programs”.
34. \*[B/2, p. 18] Please comment on the appropriateness of carrying out the CPSV process on a rolling average basis over a period of years (3, 4, or 5) so that the sample is always a multi-year sample, and each year a new year is added for project verifications and the earliest year is dropped off.
35. \*[B/2, p. 19] Please explain why future potential “changes in operating conditions” are not reflected in CCM forecasts over the full measure life. Please comment on whether measurement of actual results over multiple years could be used to ensure that only real savings are credited to the utilities.
36. \*[B/2, p. 20] Please describe in detail the process currently used by Union to screen out projects that would otherwise be free riders.
37. \*[B/2, p. 23] Please describe in detail the differences between the current CPSV process and the past, utility-controlled CPSV process that have results in “onerous time requirements and/or specific data requests made of customers may not have been considered reasonable and/or compromised customer privacy or safety policies”.

38. \*[B/2, p. 34] Please describe in detail the current Union QA/QC process a) at the initial project approval stage, b) at the project completion and payment stage, and c) at the verification stage.
39. \*[B/1, p. 131] For each line in Table 11 in which the spending was greater or less than budget by at least 10%, please provide a detailed variance analysis. Also, please provide details of the total underspend in overhead costs, and a forecast of the extent, if any, to which that underspend is expected to continue in subsequent years.
40. [B/2, p. 45] Please explain why it is appropriate to apply a practice (prescriptive measure lives) that is appropriate for prescriptive measures, to measures that are custom in nature, and therefore have their savings calculated on a custom basis.

Respectfully submitted on behalf of the School Energy Coalition this January 23, 2019.

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Jay Shepherd  
Counsel for the School Energy Coalition