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Our File # 339583-259 and 261

By electronic filing

February 4, 2019

Kirsten Walli
Board Secretary
Ontario Energy Board
2300 Yonge Street, 27th floor
Toronto, ON M4P 1E4

Dear Ms. Walli

**Re: Union Gas Limited (“Union”)
2016 Disposition of Demand Side Management (“DSM”) Deferral & Variance Accounts
Board File #: EB-2018-0300**

**Re: Enbridge Gas Distribution Inc. (“EGD”)
2016 Disposition of Demand Side Management (“DSM”) Deferral & Variance Accounts
Board File #: EB-2018-0301**

We are counsel to Canadian Manufacturers & Exporters (“CME”) in the above-noted combined proceeding.

Pursuant to Procedural Order No.1 dated January 21, 2019, and after having reviewed the interrogatories of School Energy Coalition (“SEC”) and the interrogatories of Board Staff, we submit the following additional interrogatories for Union and EGD.

Interrogatories for Union

CME #1

Ref: Exhibit A, Tab 3, page 9 of 16

Union states that: “Union’s preliminary estimates included costs of \$1.0 million in 2015 and \$5.0 million in 2016 to complete these system upgrades. Following the establishment of Union’s final project scope and schedule, Union determined that development of the upgraded DSM tracking and reporting system would continue through 2017 and be implemented in January 2018.”

- (a) What change(s) in design or scope caused the scheduled system upgrades to continue development through 2017 and into 2018, as opposed to the original 2016 completion date?

CME #2

Ref: Exhibit A, Tab 3, page 11 of 16

Union states: “The overspend on the Residential Program portion of the Resource Acquisition scorecard was largely offset by underspend across all other program and portfolio level costs.”

CME would like to better understand the causes of the general underspend across other program and portfolio level costs.

- (a) To the extent that it is not already part of the record, please breakout the drivers responsible for Union’s underspending on DSM programs and portfolios.

CME #3

**Ref: Exhibit A, Tab 3, page 14 of 16, Table 7
Exhibit B, Tab 1, page 101 of 140**

Union’s scorecard offers a target of 890,890,721 m³ and demonstrates an achievement of 79,848,302 m³.

Union provides the following explanation regarding their achieved saving result: “Union’s 2016 large volume cumulative natural gas savings achievement was smaller relative to the prior three years. This can be attributed to a few main drivers, including: changes in the contracts of the power producers from base load to peaking plants, lack of funding for capital projects due to economic constraints, and modifying the eligibility requirements for routine maintenance projects in 2016.”

CME wishes to better understand Union’s achieved savings in this category.

- (a) What sort of economic constraints did potential participants cite as reasons why they would/could not participate in 2016?
- (b) Please outline what modifications were made to the eligibility requirements for routine maintenance projects in 2016.
- (c) Is it Union’s view that the Large Volume Program’s result in 2016 was anomalous?

CME #4

Ref: Exhibit A, Tab 4, page 3 of 4

Union states: “For general service Rate M1, Rate M2, Rate 01 and Rate 10 customers, Union proposes to dispose of the net 2016 DSM deferral and variance account balances prospectively over a six-month period beginning the first available QRAM after receiving OEB approval. For purposes of calculating bill impacts, Union assumes implementation with the April 1, 2019 QRAM.

For in-franchise contract rate classes, Union is proposing to dispose of the net 2016 DSM deferral and variance account balances as a one-time adjustment with the first available QRAM after receiving OEB approval.”

- (a) Did Union consider any other disposition periods other than those proposed?
- (b) If the answer to (a) is yes, what other periods were considered and why were the two disposition periods noted above chosen?
- (c) If the answer to (a) is no, why were no other disposition periods considered?

Interrogatories for EGD

CME #1

Ref: Exhibit B, Tab 3, Schedule 1, page 9 of 51

The Evaluation Contractor states that: “Explicit documentation was not available for all program stages for programs such as Enbridge’s Market Transformation Run It Right program. In that program, there was no documentation for participants moving to step 4 of the program (see Appendix H), only documentation that the participants had completed step 3 and utility confirmation that this is equivalent to engagement in step 4. Similar recommendations are included in section 5.1.2 for whole home simulation modeling programs.”

In their response, EGD states, *inter alia*: “Enbridge believes it collects documentation sufficient to support results for non-savings metrics.”

- (a) Please confirm that EGD is not actioning this recommendation from the EC.
- (b) If (a) is confirmed, please state why EGD does not believe any action is warranted, given that the outcome provided by the EC does not state that it was impossible for the EC to come to a conclusion regarding non-savings metrics, but that it would reduce burden on utility staff and reduce evaluation costs.

Yours very truly

Borden Ladner Gervais LLP



Scott Pollock

- c. Adam Stiers (Union and EGD)
- Miriam Seers (Torys)
- Alex Greco

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