February 27, 2019

BY RESS, EMAIL AND COURIER

Kirsten Walli
Board Secretary
Ontario Energy Board
P.O. Box 2319
2300 Yonge Street
27th Floor
Toronto ON M4P 1E4

Dear Ms. Walli:

Re: EB-2018-0300 - Enbridge Gas Inc. (operating as Union Gas) - 2016 Disposition of Demand Side Management Deferral and Variance Accounts.

EB-2018-0301 – Enbridge Gas Inc. (operating as Enbridge Gas Distribution) – Application for 2016 Demand Side Management Clearance of Deferral and Variance Accounts.

In accordance with Procedural Order No. 1 issued by the Ontario Energy Board on January 21, 2019, please find enclosed Enbridge Gas Inc.'s combined Argument-in-Chief.

The Argument-in-Chief will be filed on RESS and a copy served on all parties.

Yours truly,

[*Original Signed by*]

Adam Stiers
Technical Manager Regulatory Applications

cc: Myriam Seers (Torys LLP)
Dennis O'Leary (Aird & Berlis LLP)
EB-2018-0300/0301 Intervenors

ONTARIO ENERGY BOARD

IN THE MATTER OF the *Ontario Energy Board Act, 1998*, S.O. 1998, c.15 (Sched. B);

AND IN THE MATTER OF Applications by Enbridge Gas Inc. for an order or orders clearing certain non-commodity related deferral and variance accounts.

ARGUMENT-IN-CHIEF OF ENBRIDGE GAS INC.

February 27, 2019

A. Overview

1. Enbridge Gas Distribution Inc. ("EGD") and Union Gas Limited ("Union") (collectively, the "Utilities") were Ontario corporations incorporated under the laws of the Province of Ontario carrying on the business of selling, distributing, transmitting, and storing natural gas within the meaning of the *Ontario Energy Board Act, 1998* (the "Act"). EGD and Union each filed 2016 Demand Side Management ("DSM") Deferral and Variance Account Clearance Applications ("2016 DSM Clearance Applications") on December 10, 2018 and November 30, 2018, under Ontario Energy Board ("OEB" or "Board") file numbers EB-2018-0301 and EB-2018-0300, respectively. EGD and Union amalgamated effective January 1, 2019 to become Enbridge Gas Inc. ("Enbridge Gas").

2. In the 2016 DSM Clearance Applications, the Utilities requested an order or orders of the Board approving the final target adjusted (or "audit-adjusted") balances for all of their 2016 DSM deferral and variance accounts, and for orders of the Board for final disposition of those balances. The target adjusted balances reflect the final audited 2016 DSM results contained in the Evaluation Contractor's ("EC") 2016 Natural Gas Demand Side Management Annual Verification report ("Verification Report"),[1] adjusted to update 2016 targets based on prior Board guidance and the best available information from the 2015 Evaluation, Measurement and Verification ("EM&V") process. These updates are further explained below.

[1] 2016 Natural Gas Demand-Side Management Annual Verification (dated October 30, 2018), https://www.oeb.ca/sites/default/files/OEB-2016-Natural-Gas-DSM-Annual-Verification-Report-20181030-2.pdf.

3. The balances requested for disposition are summarized as follows:[2]

2016 DSM Deferral & Variance Accounts Balances ($ millions)[(1)]	EGD	Union
Demand Side Management Variance Account (DSMVA)	$ (0.713)	$ (6.156)
Lost Revenue Adjustment Mechanism Variance Account (LRAMVA)	$ (0.096)	$ 0.488
Demand Side Management Incentive Deferral Account (DSMIDA)	$ 6.366	$ 4.121
Total Amount Recoverable	**$ 5.557**	**$ (1.547)**

Note
(1) Negative values indicate amounts to be reimbursed to ratepayers.

4. In its Letter of Direction dated December 21, 2018, the Board decided that the 2016 DSM Clearance Applications would be reviewed together as part of one combined proceeding.[3] In Procedural Order No. 1 dated January 21, 2019, the Board established a schedule for interrogatories and the provision of argument in this matter.[4]

5. As EGD and Union amalgamated effective January 1, 2019, and given the combined proceeding and the similarity of the relief requested in each of the Utilities' 2016 DSM Clearance Applications, Enbridge Gas hereby submits a combined Argument-in-Chief pursuant to Procedural Order No. 1.

6. This Argument-in-Chief is organized as follows:

Section B: Enbridge Gas will address the core issue common to both Utilities' 2016 DSM Clearance Applications: namely, that the proposed adjustments to the Utilities' 2016 DSM targets for certain scorecards are appropriate and required to comply with prior Board guidance.[5]

Section C: Enbridge Gas will outline the need for its proposed changes to its DSMVA accounting orders for the EGD rate zone and Union rates zones.

Section D: Enbridge Gas will explain the rationale for the proposed approach of rolling forward a portion of the 2016 DSM budget in the Union rate zones related to tracking and reporting system upgrades.

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[2] EB-2018-0300, Exhibit A, Tab 1, p .3, Table 1; EB-2018-0301, Exhibit A, Tab 1, Schedule 2, p. 2.

[3] EB-2018-0300/0301, Letter of Direction, December 21, 2018, p. 1.

[4] EB-2018-0300/0301, Procedural Order No.1, January 21, 2019, p. 2.

[5] These adjustments impact the Resource Acquisition scorecard for EGD, and the Resource Acquisition and Low-Income scorecards for Union.

Section E: Enbridge Gas will outline that the proposed allocation and disposition methodologies for 2016 DSM deferral and variance account balances are reasonable and appropriate.

Section F: Enbridge Gas will address its concerns regarding the current state of the EM&V process, the 2015 NTG Study and the applicability of NTG to the Large Volume program in the Union rate zones.[6]

Section G: Enbridge Gas will summarize its conclusions and the relief sought.

B. The Proposed Adjustments to the 2016 DSM Targets Are Appropriate and Required Based on Prior Board Guidance

7. As a preliminary matter, it is important to note that with the exception of OEB Staff's failure to direct the EC to update 2016 targets based on prior Board guidance and the best available information, Enbridge Gas supports the overall application of the OEB Staff-coordinated 2016 DSM EM&V results. The issues in dispute in this proceeding regarding the 2016 Verification Report are not numerous and only impact the proposed DSMIDA balances.

8. The Utilities' proposed adjustments to their 2016 DSM targets stem from the OEB's Decisions on the Utilities' 2015-2020 DSM Plans (EB-2015-0029/0049), and the OEB's Decisions on the Utilities 2015 Disposition of DSM Deferral and Variance Accounts Applications ("2015 DSM Clearance Applications") (EB-2017-0323/0324). In these Decisions, the OEB confirmed that input assumptions and NTG Factors used for target setting are finalized for a given year based on the previous year's final DSM audit. These Decisions also lay out the use of input assumptions and NTG Factors.

9. Specifically, in its Decision on the Utilities' 2015-2020 DSM Plans, the OEB stated:[7] *"There are three uses of input assumptions and net-to-gross adjustment factors in the evaluation of savings. The first is the use of input assumptions and net-to-gross adjustment factors to determine final savings results for the purpose of determining shareholder incentives, as just*

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[6] 2015 Natural Gas Demand Side Management Custom Savings Verification and Free-Ridership Evaluation (dated October 12, 2017), https://www.oeb.ca/sites/default/files/2015-DSM-Custom-Savings-Verification-Report.pdf; CPSV Participant Spillover Results report (dated May 23, 2018), https://www.oeb.ca/sites/default/files/OEB-CPSV-Participant-Spillover-Report.pdf.

[7] EB-2015-0029/0049, Decision and Order (dated January 20, 2016), p. 75. [Emphasis Added]

described above. ***The second is the use of the input assumptions and net-to-gross adjustment factors to calculate the next year's targets.*** *The third is the use of the input assumptions and net-to-gross adjustment factors to calculate lost revenues.*

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.*

To calculate lost revenues, the OEB directs the utilities to use the final natural gas savings amounts calculated from the use of the best available information that are the result of the annual evaluation process. It is appropriate to use the best available information when determining lost revenues that are the result of DSM programs as this will provide the best indication of the actual effect of the programs and is needed when comparing this amount with the load reduction amounts included in the gas utilities' load forecast."

10. The OEB went on to state that with regard to custom programs, *"In 2016, the free rider rates will be updated based on the results of the* [2015] *net-to-gross study and the annual evaluation process".*[8]

11. Subsequently, to reinforce and confirm the interpretation to be used in target setting, Union requested clarification from the Board in its written comments on the OEB's Decision on the 2015-2020 DSM Plans. Union asked the OEB to confirm the timing of new and updated input assumptions as it related to the annual audit process:[9]

"Consistent with the Board's previous EB-2006-0021 Decision, Union interprets the above 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. By way of example, upon the completion of the 2016 audit in June 2017, the best available input assumptions and net-to-gross adjustment factors used to determine the 2016 LRAM results will be used to determine the 2017 scorecard targets and the final 2017 savings results for the purpose of determining the 2017 DSM

[8] EB-2015-0029/0049, Decision and Order (dated January 20, 2016), p. 21.
[9] EB-2015-0029, Union Gas Limited 2015-2020 DSM Plan - Written Comments (dated February 3, 2016), pp. 2-3.

Incentive. This process ensures that targets and achievements are based on the same set of input assumptions and net-to-gross adjustment factors… [F]*or the purpose of determining Union's 2016 DSM Incentive, the 2016 results will use the same input assumptions and net-to-gross adjustment factors that were used to determine Union's 2016 targets."*

12. In response to Union's written comments, the OEB's revised 2015-2020 DSM Plan Decision stated:[10]

"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."

13. The OEB's Decisions on the 2015 DSM Clearance Applications also addressed and clarified the differences in how program results for prescriptive and custom programs should be treated:[11]

"Prescriptive programs are to use the net-to-gross values, namely free ridership and spillover values that are known at the start of the program year to calculate the program results. However, for custom programs, the result of the most recent program evaluation, including all updates to net-to-gross values, are to be used to derive custom program results… The OEB agrees with this interpretation of the OEB's 2015-2020 DSM Decision for future years [beyond 2015]...*"*

14. The OEB's prior guidance in the Decisions set out above provide the basis for how input assumptions and NTG Factors are to be used for the 2016 DSM program year and beyond. For the purposes of calculating shareholder incentive: i) targets for both prescriptive and custom programs are to rely upon the best available information and NTG Factors from the prior year's EM&V process (i.e. 2015 in this instance); ii) results for prescriptive programs are to rely upon the same set of input assumptions and NTG Factors as those used to set targets (i.e. 2016 targets

[10] EB-2015-0029/0049, Revised Decision and Order (dated February 24, 2016), p. 3.
[11] EB-2017-0323, Decision and Order (dated July 12, 2018), p. 6; EB-2017-0324, Decision and Order (dated July 12, 2018), p. 6.

use same prescriptive input assumptions as 2016 results); and iii) results for custom programs are to use NTG Factors from the most recent EM&V process (i.e. 2015 in this instance since NTG Factors were not updated as part of the 2016 EM&V process).

15. The originally-approved 2016 targets were not consistent with this guidance and were established based on now out-of-date information, including NTG values from the former custom program 2008 NTG Study, and in the case of the Union rate zones, values from the March 2015 Input Assumption filing rather than the December 2015 Input Assumption filing. Both EGD and Union therefore adjusted their 2016 targets to be consistent with this guidance.

16. While the unique composition of each utility's 2016 scorecard targets necessitated independent approaches to performing the target adjustments, both were performed in a manner to accurately adjust 2016 targets to use consistent inputs assumptions and NTG Factors that were required pursuant to the Board's guidance. [12] These adjustments impacted EGD's Resource Acquisition scorecard targets, and Union's Resource Acquisition and Low-Income scorecard targets.[13] All other scorecards, related achievements and DSM incentive amounts were unchanged from the amounts contained within the EC's 2016 Verification Report.

17. For the EGD Resource Acquisition scorecard target setting, input assumptions and net-to-gross adjustments for its 2016 Commercial Custom and Run-It-Right targets were updated to replace outdated 2008 custom NTG Study results with the results from the updated custom CI/LV 2015 NTG Study. In order to appropriately apply the new 2015 NTG Study values to 2016 targets, EGD developed a transparent methodology to accurately create a weighted 2015 NTG adjustment, that corrected for the differences between the 2015 and 2016 Board-approved scorecards and accounted for the differing segmentation of NTG values within the 2015 NTG Study compared to those used in setting original targets.[14]

18. For the Union scorecard target setting, two changes were required. The first change to target inputs was to update certain prescriptive measures from the March 2015 Input Assumption Filing to the December 2015 Input Assumption Filing. The December 2015 Input Assumption Filing

[12] Exhibit C.GEC.EGD.2B; Exhibit C.SEC.EGD.1; Exhibit C.GEC.Union.2A; Exhibit C.SEC.Union.20.

[13] EB-2018-0301, Exhibit B, Tab 1, Schedule 1, pp. 9 - 11; EB-2018-0300, Exhibit A, Tab 2, pp. 11 – 16.

[14] Exhibit C.GEC.EGD.2B.

was used to calculate audited 2016 Resource Acquisition and Low-Income scorecard results. The second change was to update custom CI program NTG values used in Resource Acquisition scorecard target setting to replace the outdated 2008 custom NTG Study results with the results from the updated custom CI/LV 2015 NTG Study.[15] These adjustments were performed from the bottom-up, as the original targets were developed with sufficient granularity to account for both specific prescriptive input assumptions and NTG Factors.[16]

19. In its Decision regarding the Utilities' original 2016 targets, the OEB stated that it, *"…agree[d] with the intervenors that 2016 targets are not sufficiently aggressive."* Subsequently, the Board, *"…consider[ed] a 10% increase to all target metrics to be reasonable."*[17] Therefore, in addition to updating custom NTG values and prescriptive input assumptions, the Utilities confirm that the 10% target "stretch factor" applied to originally-approved targets is also applied within its respective audit-adjusted targets.

20. As a result of the above adjustments, the DSMIDA balances proposed by the Utilities for disposition have been calculated using the audit-adjusted targets (as applicable), and are appropriate as they are based on OEB guidance.

C. EGD and Union Rate Zones DSMVA Accounting Order Modifications

21. Enbridge Gas has proposed modifications to the existing DSMVA accounting orders for the EGD rate zone and Union rate zones as a result of the Report of the Ontario Energy Board, Mid-Term Review of the Demand Side Management Framework for Natural Gas Distributors (2015 – 2020) (the "Mid-term Report").[18] In the Mid-term Report, the Board instructed EGD to track future financial commitments of multi-year programs using the existing DSMVA and to submit a draft accounting order within its 2016 DSM Clearance Application demonstrating the change. At the suggestion of OEB Staff, Enbridge Gas has also requested similar wording for the Union rate zones DSMVA in an effort to ensure alignment in the accounting orders between the

[15] Exhibit C.GEC.Union.2A.
[16] EB-2018-0300, Exhibit A, Tab 2, Appendix B.
[17] EB-2015-0029/0049, Decision and Order (dated January 20, 2016), p. 66.
[18] EB-2018-0301, Exhibit B, Tab 6, Schedule 1.

different rate zones and recognizing the potential need to access program funding outside of the current DSM term in the Union rate zones.[19]

22. The language proposed in the draft accounting orders will allow the DSMVAs to record the variance between the forecasted commitments, recovered in rates, to current and previous program participants, net of the customer incentive payments made in the current year in relation to commitments to current year program participants and in relation to commitments which became payable to prior year program participants. Payments that are not redeemed by program participants will be returned at the end of the last potential commitment date or as directed by the OEB. These amendments will allow Enbridge Gas to align the impact of deferred incentive arrangements with OEB-approved DSM budgets, and avoid the deferred structure of certain incentive payments from impacting the achievement potential of certain DSM programs.

D. Union Tracking and Reporting System Upgrade Costs

23. As part of Union's 2015-2020 DSM Plan (EB-2015-0029), Union requested, and the OEB subsequently approved, a total of $6.0 million of incremental budget for DSM tracking and reporting system upgrades. Union's preliminary estimates included costs of $1.0 million in 2015 and $5.0 million in 2016 to complete these system upgrades. Due to the timing of the OEB's Decision on Union's 2015-2020 DSM Plan, the $1.0 million approved spend in 2015 was not reflected in Union's 2015 Rates. As part of its 2015 DSM Clearance Application Union requested, and the OEB subsequently approved, recovery of $0.214 million spent in 2015, through Union's DSMVA.[20] 2016 forecast costs were included in DSM budgets and collected in OEB-approved 2016 rates.

24. As a result of an extended system development time horizon,[21] Union spent $2.041 million on DSM tracking and reporting system upgrades in 2016 compared to the $5.0 million it included in 2016 Rates, resulting in a 2016 underspend and corresponding credit to the DSMVA of $2.959 million. As development of the DSM tracking and reporting system continued into 2017 and 2018, rather than return the entire 2016 underspend to ratepayers through the 2016

[19] Exhibit C.Staff.Union.3.
[20] EB-2017-0323, Decision and Order (dated July 12, 2018), pp. 8 – 9.
[21] Exhibit C.CME.Union.1.

DSMVA, Union proposed that the 2016 DSMVA balance be adjusted by $2.822 million, to roll-forward a portion of the 2016 budget into 2017/2018 to correspond with the actual spending that has occurred in those years. Enbridge Gas has further proposed to refund the accumulated interest on the rolled-forward balance in this proceeding, thus providing ratepayers with the timely payment of interest on the funds collected in 2016 and spent in future years. [22]

25. Overall, Union's tracking and reporting system upgrades were nearly $1 million below the total $6.0 million OEB-approved budget for the project. Union has simply proposed to roll forward $2.822 million of 2016 budget to match these funds with expenses that were ultimately incurred in 2017 ($2.614 million) and 2018 ($0.208 million).

E. The Allocation and Disposition Methodologies Proposed are Reasonable and Appropriate

26. The allocation and disposition methodologies proposed by each utility for the 2016 DSM deferral and variance account balances are: (i) generally consistent between the EGD rate zone and Union rate zones;[23] and (ii) consistent with past practice as approved by the OEB, with the exception of the pooling of Rate M4, Rate M5 and Rate M7 DSM budget costs and DSMVA balances in the Union rate zones, which was approved by the OEB and began in 2016.[24]

27. As stated in EGD's Application:[25] i) the actual DSMVA spending variance amount versus budget targeted to each customer class is allocated to that customer class for rate recovery purposes; ii) the DSMIDA balance is allocated to rate classes in proportion to the amount actually spent on each respective rate class; and iii) the LRAMVA amounts are recovered in rates on the same basis as the lost revenues were realized so that the LRAM ends up being a full true-up by rate class.

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[22] Exhibit C.LPMA.Union.4.

[23] Exhibit C.LPMA.EGD.1.

[24] EB-2015-0029/0049, Decision and Order (dated January 20, 2016), p. 91.

[25] EB-2018-0301, Exhibit B, Tab 4, Schedule 1, pp. 1 – 2.

28. In the EGD rate zone, Enbridge Gas intends to dispose of the 2016 DSM deferral and variance account balances as a one-time adjustment in the next available QRAM following Board approval.[26]

29. As stated in Union's Application:[27] i) the DSMVA balance is allocated to rate classes in proportion to the variance between budgeted and actual DSM spending by rate class in 2016; ii) the DSMIDA balance is allocated to rate classes in proportion to the actual DSM spending by rate class in 2016 for scorecards where Union has achieved a DSM incentive; and iii) the LRAMVA amounts are allocated to contract rate classes in proportion to the margin reduction attributable to DSM activities.

30. Consistent with the pooled DSM budget costs included in 2016 Rates, Union pooled Rate M4, Rate M5 and Rate M7 DSMVA balances for the purposes of disposition. Any variance between the DSM budget included in rates and the actual DSM spending in these rate classes has been allocated and disposed of based on actual 2016 annual volumes for all three rates classes. Accordingly, there is a single common unit rate calculated to determine the disposition of the DSMVA balance to individual customers in these rate classes.

31. In the Union rate zones, Enbridge Gas intends to dispose of the 2016 DSM deferral and variance account balances prospectively over a six-month period for general service customers, and as a one-time adjustment for in-franchise contract rate classes, starting in the next available QRAM following Board approval.[28]

F. Concerns and Improvements Sought Going Forward Regarding the EM&V Process and the 2015 NTG Study

32. Enbridge Gas acknowledges that 2015 was the first year that Board Staff assumed responsibility to coordinate the DSM EM&V process, and although EGD and Union expressed significant concerns with the process and its impacts in the 2015 DSM Clearance proceeding, it was not unexpected that some delays occurred and that areas for improvement were identified. In its 2015 DSM Clearance Decisions, the Board ultimately stated that, *"The 2015 program year*

[26] EB-2018-0301, Exhibit B, Tab 1, Schedule 1, p. 1.
[27] EB-2018-0300, Exhibit A, Tab 4, pp. 2 – 3.
[28] EB-2018-0300, Exhibit A, Tab 4, p. 3.

was the first of the OEB-led annual DSM evaluation process" and that the review of the evaluation process *"…was outside the scope of* [the 2015] *proceeding."*[29]

33. However, it is important to highlight that while some improvements have been made to the EM&V process, continued delays experienced in the 2016 EM&V process have caused Enbridge Gas considerable difficulty. The determination of 2017 targets requires, as a critical input, the final audited program results from 2016. With the final 2016 DSM Verification Report not being completed until October 30, 2018, Enbridge Gas was unable to determine 2017 targets until well after the 2017 program year was concluded, and therefore had no ability to assess or adapt its program delivery, or consider its relative program efforts, based on 2016 outcomes. These same issues and concerns are also applicable to the 2018 and 2019 DSM program years.

34. With the 2016 EM&V process spanning approximately 15 months, Enbridge Gas fears that the annual EM&V process timeline is lagging further and further behind. As such, both EGD and Union provided written proposals to the Evaluation and Audit Committee to expedite the 2017 and 2018 EM&V process and return the EM&V process to a timelier schedule.[30] These proposals recognized the consistent realization rates experienced over recent years, and would expedite the 2017 EM&V process while still ensuring that both 2017 and 2018 DSM program years were evaluated and verified. However, Board Staff ultimately decided to proceed with a combined 2017/2018 CPSV, with a target completion date of December 2019.[31]

35. Enbridge Gas urges the OEB to provide direction through this proceeding to enable the timely completion of 2017 and 2018 EM&V activities. To support a more timely completion of the 2017 EM&V activities, Enbridge Gas requests that the OEB direct the EC to apply the average 2015/2016 CPSV results to the 2017 program year. This direction will facilitate clearance of deferral and variance accounts for the 2017 DSM program year in short order and will allow upcoming CPSV activities for the 2017/2018 DSM program years to commence, with the results being applied to 2018 only. By providing this direction, the OEB will effectively return the EM&V process to its intended annual schedule.

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[29] EB-2017-0323, Decision and Order (dated July 12, 2018), p. 9; EB-2017-0324, Decision and Order (dated July 12, 2018), p. 8.

[30] Exhibit C.SEC.EGD.9; Exhibit C.SEC.Union.24.

[31] Enbridge Gas notes that a substantial amount of the required work regarding the combined 2017/2018 CPSV process has not commenced, putting this completion date in doubt. See the response at Exhibit C.GEC.Union.1B.

36. EGD and Union also noted concerns regarding the 2015 NTG Study, and the need to establish future NTG Factors using jurisdictional best practices while improving upon the lessons learned from the 2015 NTG Study experience.[32] This includes the importance of incorporating any and all influences attributable to the Utilities, secondary or otherwise (i.e. direct or indirect).[33] Enbridge Gas also noted that it does not believe it is appropriate to consider NTG for self-direct self-access programs like its Large Volume program in the Union rate zones, as these programs provide customers access to their own (rate funded) money for eligible projects. [34] Enbridge Gas does not deny a customer access to its own money if eligibility requirements are met. This program design is entirely incompatible with the application of a NTG rate.

37. Enbridge Gas submits that it is of substantial importance for the Board to understand the inappropriateness of the approach taken in the 2015 NTG Study to completely exclude the important and meaningful impact of longer-term influence on customers' energy efficiency improvements. To address this shortcoming, the Board should mandate appropriate changes in this regard as part of the next NTG Study. Enbridge Gas also requests that the Board provide direction on a more complete assessment of NTG, and the inappropriateness of a applying a NTG Factor for the Large Volume program in the Union rate zones, either through its Decision in this proceeding or as part of the next DSM framework.

G. Conclusions and Relief Sought

38. Enbridge Gas requests that the proposed target adjusted 2016 DSM deferral and variance account balances be approved for disposition as filed. The application of 2015 NTG Study findings to 2016 DSM results, but not targets, as was done by the EC at the direction of Board Staff, is not consistent with the prior guidance provided by the Board and thus necessitated the adjustments proposed by the Utilities in this proceeding.

39. For the reasons set out above, Enbridge Gas respectfully requests that the Board make the following findings, determinations and orders:

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[32] Notwithstanding these concerns, Enbridge Gas has accepted the results of the 2015 NTG Study for the purposes of the 2016 DSM Clearance Applications.

[33] EB-2018-0301, Exhibit B, Tab 1, Schedule 1, p .15.

[34] EB-2018-0300, Exhibit A, Tab 2, p. 23; Exhibit C.SEC.Union.25.

(1) For each of the EGD rate zone and Union rate zones, approve Enbridge Gas's audit-adjusted deferral and variance accounts balances for the DSMVA, DSMIDA and the LRAMVA, as outlined in EGD's and Union's respective Applications, and as summarized above;

(2) Approve Enbridge Gas's proposed amendments to the DSMVA accounting orders for the EGD rate zone and Union rate zones;

(3) Approve the roll-forward of $2.822 million of 2016 DSM budget in the Union rate zones related to the DSM tracking and reporting system upgrade expenditures that occurred in 2017 and 2018;

(4) Approve the proposed allocation and disposition methodologies for the 2016 DSM deferral and variance account balances in the EGD rate zone and Union rate zones; and

(5) Provide direction related to: i) the timely completion of 2017 and 2018 EM&V activities; ii) a more complete assessment of NTG in future studies; and iii) the appropriateness of a NTG Factor for the Large Volume program in the Union rate zones.

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All of which is respectfully submitted this 27th day of February, 2019.

[*Original Signed by*]

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Adam Stiers
Technical Manager Regulatory Applications