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September 16, 2020

Christine E. Long
Registrar and Board Secretary
Ontario Energy Board
2300 Yonge Street, P.O. Box 2319
Toronto ON
M4P 1E4

Dear Ms. Long,

**RE: EB-2020-0067 Enbridge Gas 2017 and 2018 DSM Deferral and Variance Accounts
Energy Probe Interrogatories**

Attached are the interrogatories of Energy Probe in the EB-2020-0067 Enbridge Gas proceeding for OEB approval of its proposed disposition of 2017 and 2018 balances in its Demand Side Management Deferral and Variance accounts.

Respectfully submitted on behalf of Energy Probe.

Tom Ladanyi
TL Energy Regulatory Consultants Inc.
Consultant representing Energy Probe

cc. Adam Stiers (Enbridge Gas Inc.)
Dennis O'Leary (Aird & Berlis LLP)
Patricia Adams (Energy Probe Research Foundation)
Roger Higgin (Sustainable Planning Associates Inc.)
Alexander Di Ilio (OEB Staff)

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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 Inc. for an
order or orders approving the balances and clearance of certain non-commodity
2017 & 2018 Demand Side Management deferral and variance accounts into rates,
within the next available QRAM following the Board's approval.

Enbridge Gas 2017 and 2018 DSM Deferral and Variance Accounts Disposition

Energy Probe Interrogatories

September 16, 2020

Energy Probe Interrogatories

EP-1

References: Exhibit A, Tab 4, Schedule 1, Page 13, Table 3 Cost Effectiveness CE2;
EB-2019-0194, Exhibit N1, Tab1, Schedule 1, Settlement Agreement, Page 8

Preamble: The utilities continue to use different discount rates. Recommendation: Increase transparency around the inflation selected and why.

- a) Please provide the calculations of the discount rates for CE estimates (TRC Plus and PAC) for each rate zone for each of 2017 and 2018, including specifically the sources of the inflation factors and the choice of discount rate(s).
- b) Please provide the 2017 and 2018 CE calculations for each of the EGI and Union Residential Home Retrofit offers as provided to the EC.
- c) As an illustrative example, please use the same discount rate for both zones for the Residential Home Conservation programs and provide and compare the results.
- d) Please comment on the materiality of the difference(s).
- e) Please confirm that starting in 2019, EGI will be adopting a common inflation factor and discount rate for both Rate Zones

EP-2

Reference: Exhibit B, Tab 2, Schedule 1, Page 32 Tables 4.3 and 4.4; Exhibit B, Tab 2, Schedule 1, Page 129

Preamble: “As proposed in the Guidelines, the Company is expected to use the PAC test as a secondary reference tool in assessing the programs’ cost-effectiveness. Table 4.4 below summarizes the PAC screening calculations for the 2017 Enbridge DSM Portfolio. The portfolio as a whole had a positive overall PAC ratio of 3.02.”

- a) Please provide details of the 2017 PAC Benefits for the EGD Rate Zone Home Energy Conservation Program. Specifically include gas savings (m3) and customer savings (\$) based on the residential cost of gas.
- b) Please provide details on the 2017 PAC Costs for the Home Energy Conservation Program. Specifically indicate utility, contractor and other costs, including evaluation costs.
- c) Please comment why the 2017 PAC ratio of 1.19 is low.

- d) For the Run it Right Program please explain the significance of TRC negative ratio (Table 4.3) and PAC negative cost and PAC ratio of 0.13 (Table 4.4).
- e) Please indicate based on cost-effectiveness criteria, why RIR is continuing in 2018 and beyond.

EP-3

References: Exhibit B, Tab 2, Schedule 1, Page 44; Exhibit C, Tab 2, Schedule 1, Page 48
Table 5.9 HRR Offering Measure Rebates

Preamble: “The HEC offer will continue in 2018. In an attempt to decrease barriers to customer participation and diversify measure uptake as well as align this offer with Union’s Home Reno Rebate program, Enbridge will re-design the HEC offer in 2018. The Company will implement a quasi-prescriptive incentive structure for this offer that aligns with the Union’s Home Reno Rebate program. Enbridge will monitor the offer through the course of 2018 to determine if these design changes will result in an increase customer participation and measure uptake through higher incentives available to HEC participants.”

- a) Please confirm if EGI has harmonized the residential Home Conservation programs for the EGD and Union Rate zones.
- b) Please provide a side-by-side comparison of the EGD 2017 and 2018 HEC incentive structures with the Union Home Retrofit program.
- c) Please comment on the differences and steps/timing to harmonize (based on Union Program)

EP-4

Reference: Exhibit B, Tab 2, Schedule 2, Page 18 Tables 4.6 and 4.7

- a) Please provide details of the 2018 PAC Benefits for the EGD Rate Zone Home Energy Conservation Program. Specifically include gas savings (m3) and customer savings (\$) based on residential cost of gas.
- b) Please provide details on the 2018 PAC Costs for the Home Energy Conservation Program. Specifically indicate utility, contractor and other costs, including evaluation costs.
- c) Please comment on the change in PAC from 2017.

EP-5

Reference: Exhibit B, Tab 3, Schedule 1, Pages 2-4, Table 1

Preamble: The costs of the EGD Rate Zone DSM Tracking and Reporting system have increased above the \$5 m Budget by \$1.087M.

- a) Please explain in detail why did the expected costs become greater than the approved budget for the DSM Tracking and Reporting IT system.
- b) Given the circumstances cited, why is EGI requesting that the costs be recovered from the DSMVA?

EP-6

Reference: Exhibit B, Tab 3, Schedule 1, Page 8, Table 5 - 2018 DSM Deferral and Variance Account Balances by Rate Class - EGD Rate Zone.

Preamble: “Enbridge Gas proposes to dispose of the 2017 and 2018 DSM-related deferral and variance account balances as a one-time billing adjustment for the EGD rate zone. The one-time billing adjustment will be derived for each customer individually by applying the disposition unit rates to each customer’s actual consumption volume for the period January 1, 2018 to December 31, 2018. Enbridge Gas anticipates that starting in mid-2021 at the earliest it will be able to adopt a common disposition period, as well as a common disposition approach between the EGD and Union rate zones once integrated systems and processes are implemented.”

Given the amount of the EGD Rate zone Residential charge why would EGI not phase the recovery over 3 months?

EP-7

References: Exhibit C, Tab 1, Schedule 1, Page 1; Exhibit C Tab 3 Schedule 2 Appendix A1

Preamble: For general service customers in the Union Rate Zones (Rate M1, Rate M2, Rate 01 and Rate 10), Enbridge Gas proposes to dispose of the 2017 and 2018 DSM-related deferral and variance account balances prospectively over six-months.

- a) Please confirm the Bill Impact is a \$27 charge for Union South Rate M1 customers and this will be recovered over 6 months.
- b) Please explain why a one-time adjustment (credit) cannot be implemented for Rates 01,10 and M2.

EP-8

Reference: Exhibit C, Tab 2, Schedule 1, Page 34-36 Table 4.0 and Table 4.2

- a) For 2017, please provide the average savings per participant and compare to the prior three years.
- b) Please explain for 2017 why Home Reno Program Savings are just over target but the participants is almost double. Specifically why are savings per participant declining?
- c) For the 2017 Home Reno program, please provide the TRC plus and PAC ratios for 2015-2017.
- d) If the response to part b) shows that TRC plus is declining please provide an explanation.

EP-9

Reference: Exhibit C, Tab 2, Schedule 1, Page 34-36 Table 4.3 Program Costs

- a) Please provide a version of Table 4.3 that shows Program Total costs by category for the years 2015-2018.
- b) Please add lines that show the annual Budget and percentage of costs.
- c) Please comment on trends in costs.

EP-10

Reference: Exhibit C, Tab 2, Schedule 2, Page 14 Table 4.1

- a) Please provide the Average Savings per participant from 2015-2018.
- b) Please provide the Average Cost per participant 2015-2018.

Submitted on behalf of Energy Probe by its consultants,

Roger Higgin
Sustainable Planning Associates Inc.

Tom Ladanyi
TL Energy Regulatory Consultants Inc.