

Ms. Nancy Marconi  
Acting Registrar  
Ontario Energy Board  
P.O. Box 2319, 27th Floor  
2300 Yonge Street  
Toronto, ON M4P 1E4

February 7, 2022

**Re: EB-2021-0002 Enbridge Multi-Year Demand Side Management Plan  
Pollution Probe Interrogatories on Enbridge Reply Evidence**

Dear Ms. Marconi:

In accordance with Procedural Order No. 6, please find attached Pollution Probe's interrogatories pertaining to Enbridge's Reply Evidence.

Respectfully submitted on behalf of Pollution Probe.



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cc: Enbridge (email via [EGIRegulatoryProceedings@enbridge.com](mailto:EGIRegulatoryProceedings@enbridge.com))  
Dennis O'Leary, Aird & Berlis (via email)  
All Parties (via email)  
Richard Carlson, Pollution Probe (via email)

**ONTARIO ENERGY BOARD**

**Enbridge 2022-2027 DSM Plan and DSM Framework**

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**POLLUTION PROBE INTERROGATORIES  
ON  
ENBRIDGE REPLY EVIDENCE**

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**February 7, 2022**

**Submitted by: Michael Brophy  
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**Consultant for Pollution Probe**

Note: Format below is (ISSUE #).(PARTY ACRONYM).(IR#) per OEB Staff request.

3.PP.1

- a) Is Mr. Edward Weaver being put forward as an expert witness in this proceeding? If yes, please specify which specific areas of DSM expertise that Mr. Weaver represents for this proceeding.
- b) Please provide any Ontario-related DSM experience since the attached resume does not appear to include any. If the witness does not have any Ontario-related DSM experience, please summarize the process used to ensure that findings and recommendations from the report are relevant for Ontario.
- c) In how many jurisdictions does First Tracks Consulting Service Inc. (First Tracks) have experience with amortization of DSM-related costs?

3.PP.2

Reference: EGI Reply Evidence Page 3 of 59.

“Enbridge engaged First Tracks to support the utility’s understanding of amortization as a cost recovery model for DSM funding”

- a) Has First Tracks provided services to Enbridge prior to the Reply report? If yes, please explain if they related to DSM or cost recovery models.
- b) Was the First Tracks report filed the only tool used to support Enbridge’s understanding of amortization as a cost recovery model for DSM fund? If no, please summarize what else was leveraged to support Enbridge’s understanding of this topic.

3.PP.3

Reference: EGI Reply Evidence Page 3 of 59.

“I was first engaged by Enbridge in the summer of 2021, and completed most of my work over the autumn and early winter.”

Reference: EGI\_Ltr\_20211210

“Enbridge Gas will be in a position to determine the need for Reply evidence once it has received responses to its interrogatories on the OEB Staff and intervenor evidence which are due January 19. 2022.”

It appears that the Reply evidence was initiated and materially completed prior to January 19, 2022. Please confirm that is correct. If that is incorrect, please provide the detailed timelines or work from commencement in summer 2021 to January 19, 2022.

### 3.PP.4

Reference: EGI Reply Evidence Page 3 of 59

“I was not involved in the original development of Enbridge’s portfolio, program designs, or budget allocations, nor was I involved in the original development of the Enbridge performance incentive mechanism. My opinions regarding the performance incentive mechanism and plan are therefore provided as an outside observer”

- a) Please explain what knowledge or understanding First Tracks has of the Enbridge evidence including the 2023-2027 DSM Plan and proposed DSM Framework?
- b) Given the limited understanding of Enbridge’s evidence, please explain how First Tracks can be confident that any of its information or recommendations can be relevant specifically to the Enbridge 2023-2027 DSM portfolio.
- c) Is the information and recommendations provided by First Tracks relevant to all proposed DSM portfolios or just the Enbridge proposal? If not, please explain.
- d) Is First Tracks knowledgeable of the OEB’s recent gas IRP decision which provides an option to capitalize DSM? If yes, please explain why DSM costs should be treated differently in this proceeding.

### 3.PP.5

Reference: EGI Reply Evidence Page 4, Summary of Recommendations for the OEB

- a) Has Enbridge accepted or endorsed any of the recommendations from First Tracks? If yes, please list which recommendations have been accepted or endorsed.
- b) Please provide a list of any North American utilities that currently apply any of the recommendations provided by First Tracks.

3.PP.6

Reference: EGI Reply Evidence Page 6

- a) Please explain what a “compromise proposal” is and how it relates to best practices for utility DSM.
- b) Please confirm that Enbridge has accepted or endorsed First Tracks’ compromise proposal.

3.PP.7

First Tracks has added FortisBC as a utility example in its report.

- a) Does First Tracks consider the FortisBC DSM approach as leading practice in North America? If not, why not.
- b) Please provide a summary of any shareholder incentives that FortisBC is eligible to receive from DSM.

7.PP.8

- a) Was First Tracks sole sourced to complete this report or did it respond to an RFP? If yes, please provide a copy of the RFP and First Tracks response.
- b) What additional details regarding the scope of work were provided to First Tracks beyond the RFP or contract document? Please provide copies of emails or any other documents provided by First Tracks.
- c) Please provide a copy of the contract, including the scope of work for First Tracks.
- d) Please produce any and all communications (including copies of emails, letters and draft reports with comments received from Enbridge) between First Tracks and Enbridge regarding the content of the reports submitted into evidence?

7.PP.9

Reference: EGI Reply Evidence Page 6

Please provide details on what First Tracks means as the “potential long-term regulatory risks facing the natural gas industry”. How has that impacted the amortization period for utility capital in similar jurisdictions?

7.PP.10

It is typical for utility resources and administrative costs to be capitalized when those resources support capital programs. Why should this be different if DSM is treated as a capitalized portfolio.

7.PP.11

Please recalculate the examples shown in Figures 1, 2, 3, 5 and 6 using the Enbridge cost of capital rather than the WACC and explain how the results differ from the examples in the report using WACC.

7.PP.12

Reference: EGI Reply Evidence Page 14

“The size of this regulatory asset balance could be a concern to Enbridge investors and credit rating agencies ...”

Enbridge’s core business of owning and operating pipelines relies on capital treatment of assets in the manner outlined above. Please provide all documentation that First Tracks is relying on for its belief that Enbridge investors and credit rating agencies are concerned with the regulatory asset balance created by capitalizing investments.

9.PP.13

Please explain what level of detail and analysis First Tracks used in assessing whether program scorecard performance was appropriate (i.e. did it review the current program design relative to other jurisdictions, review audit reports, etc.)

9.PP.14

Reference: EGI Reply Evidence Page 6

First Track recommend to “Maintain long term scorecard component for Low Carbon Transition program, as proposed by Enbridge.”.

How did First Track come to that finding given that metrics are only available for a portion of the five year plan?