



**By EMAIL and RESS**

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Our File: EB20210002

Ontario Energy Board  
2300 Yonge Street  
27th Floor  
Toronto, Ontario  
M4P 1E4

**Attn: Nancy Marconi, Registrar**

Dear Ms. Marconi:

**Re: EB-2021-0002 – Enbridge DSM Plan – SEC DRO Submissions**

We are counsel to the School Energy Coalition (“SEC”). This letter is sent pursuant to the Revised Decision of the OEB dated December 16, 2022 to provide comments on the Draft Rate Order of the Applicant.

SEC is requesting that the rate recovery of costs for residential programs be modified to prevent a large subsidy of those programs by non-residential customers.

The rate recovery of the costs of the approved DSM Plan was the subject of detailed submissions by SEC in Final Argument in Section 3.4. The issue raised in those submissions was the \$17 million subsidy by non-residential customers in rates M1 and 01 of residential programs for which they are not eligible. This includes most schools in the UG Rate Zone. The same problem does not arise in the EGD Rate Zone, because residential and non-residential customers are in separate rate classes. Residential and non-residential program and related costs in that rate zone are recovered from the separate rate classes to which they apply.

SEC proposed in Final Argument that this problem be addressed in the UG Rate Zone by recovering the costs of residential programs (and related portfolio and common costs) in the fixed monthly charge for M1 and 01, and the costs of non-residential programs for customers in those classes via the variable charges. This would have the effect of ensuring that the residential program costs would be recovered almost entirely from residential customers, and non-residential program costs would be recovered almost entirely from non-residential customers.

The Decision with Reasons of the OEB dated November 15, 2022 did not address this question, nor does that Decision include any approval of the rate recovery proposals of the Applicant.

Presumably this issue was considered to be a DRO issue, at the stage where rate recovery is determined, rather than a DSM Plan issue.

The DRO filed by the Applicant does not deal with this, and instead continues the large subsidy of residential programs by non-residential customers.

This situation is exacerbated because the Applicant has proposed in EB-2022-0200 to harmonize general service rates in the UG and EGD Rate Zones using the Union Gas rather than the Enbridge Gas Distribution rate class model, and that would involve lumping all small non-residential customers across the province into the same rate class as residential customers. Thus, the subsidy would be increased, and cover the entire province.

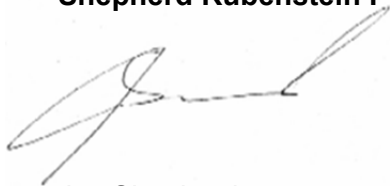
Given that the Applicant is increasing spending on residential programs over the current planning period, SEC believes that the OEB should address this in the rate order it provides in this proceeding.

We therefore request that the OEB require Enbridge to implement the solution proposed by SEC, i.e. recover residential program and related costs in the fixed monthly charge, and non-residential program and related costs applicable to customers in those classes in the variable charge. This provides an immediate solution to the subsidy, and prevents the subsidy from increasing with rate harmonization.

All of which is respectfully submitted.

Yours very truly,

**Shepherd Rubenstein Professional Corporation**



Jay Shepherd

cc: Brian McKay, SEC (by email)  
Interested Parties (by email)