



Ontario
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BY EMAIL

June 23, 2023

Nancy Marconi
Registrar
Ontario Energy Board
2300 Yonge Street, 27th Floor
Toronto ON M4P 1E4

Dear Ms. Marconi:

Re: EB-2023-0062 2021 Demand Side Management Deferral and Variance Account Disposition Application – Enbridge Gas Inc.

In accordance with Procedural Order #1, please find attached the Ontario Energy Board (OEB) staff interrogatories in the above proceeding. The applicant and intervenors have been copied on this filing.

Enbridge Gas Inc.'s responses to interrogatories are due by July 14, 2023.

Any questions relating to this letter should be directed to Alexander Di Ilio at alexander.diilio@oeb.ca or at 416-440-7718. The Board's toll-free number is 1-888-632-6273.

Yours truly,

Alexander Di Ilio
Application Policy & Conservation

**OEB Staff Interrogatories
Enbridge Gas Inc.
2021 DSM Deferral and Variance Account Disposition Application
EB-2023-0062
June 23, 2023**

Please note, Enbridge Gas Inc. is responsible for ensuring that all documents it files with the OEB, including responses to OEB staff interrogatories and any other supporting documentation, do not include personal information (as that phrase is defined in the *Freedom of Information and Protection of Privacy Act*), unless filed in accordance with rule 9A of the OEB's *Rules of Practice and Procedure*.

OEB Staff-01

Reference(s):

- (i) OEB Evaluation Contractor 2021 Natural Gas Demand-Side Management Annual Verification Report, Audit Opinion
- (ii) EB-2023-0062 Application & Evidence, Exhibit A, Tab 2, Schedule 1

Preamble:

The following table summarizes the balances in the 2021 DSM Incentive Deferral Account and 2021 LRAM Variance Account for the EGD zone as reported by the OEB's Evaluation Contractor (EC) in its annual verification report and as requested for clearance by Enbridge Gas.

		Annual Verification Report	As Requested for Clearance
EGD Rate Zone	DSM Incentive Deferral Account	\$4,961,553	\$4,961,553
	LRAM Variance Account	\$57,207	\$37,476

The balances in the DSM Incentive Deferral Accounts are aligned, however the balances in the LRAM Variance Accounts are not.

Question(s):

- (a) Please explain why the balance being sought for clearance in the LRAM Variance Account for the EGD rate zone does not align with the balances as reported by the OEB's EC in its annual verification report.

- (b) Please provide the calculations and any other supporting evidence used to determine the balances that are being sought for clearance in the LRAM Variance Account for the EGD rate zone.

OEB Staff-02

Reference(s):

- (i) EB-2023-0062 Application & Evidence, Exhibit B, Tab 2, Schedule 1, Appendix 4
- (ii) EB-2023-0062 Application & Evidence, Exhibit C, Tab 2, Schedule 1, Appendix 4

Preamble:

The following table summarizes the principal balances, interest charges, and total balances for clearance in each of the 2021 DSM Deferral and Variance Accounts for both the EGD and Union rate zones.

		Principal Balance (thousands)	Interest Balance (thousands)	Total Balance for Clearance (thousands)
EGD Rate Zone	DSM Variance Account	\$1,862.4	(\$57.6)	\$1,804.8
	LRAM Variance Account	\$37.5	\$1.6	\$39.1
	DSM Incentive Deferral Account	\$4,961.6	\$259.0	\$5,220.6
Union Rate Zone	DSM Variance Account	(\$11,373.0)	(\$647.0)	(\$12,020.0)
	LRAM Variance Account	\$1,470.0	\$80.0	\$1,549.0
	DSM Incentive Deferral Account	\$697.0	\$40.0	\$737.0

Question(s):

- (a) Please confirm that the principal balances pertain only to natural gas demand side management programs funded over the 2021 calendar year.

- (b) Please identify the period over which the interest balances being sought have accrued.
- (c) Please provide the calculations used to determine the interest balances in each of the DSM deferral and variance accounts for the EGD and Union rate zones, as identified in the table above.

OEB Staff-03

Reference(s):

- (i) EB-2023-0062 Application & Evidence, Exhibit B, Tab 2, Schedule 1
- (ii) EB-2023-0062 Application & Evidence, Exhibit C, Tab 2, Schedule 1

Preamble:

Consistent with previous OEB Decisions and the OEB's Mid-Term Review Report, the respective rate zones' DSM Variance Account is used to track amounts for customer incentive spend deferred to future years for offerings where incentives are paid when future milestones/activities are reached for both the EGD and Union rate zones.

Question(s):

- (a) Please identify whether the current balances being sought for clearance in the EDG and/or Union rate zones' DSM Variance Account include balances deferred in previous years.
- (b) If so, please identify the rate zone, previously deferred amount, related DSM program, and rate year in which the deferral was recorded.

OEB Staff-04

Reference(s):

- (i) EB-2023-0062 Application & Evidence, Exhibit A, Tab 4, Schedule 1, Sections 8.4 and 9.4
- (ii) EB-2023-0062 Application & Evidence, Exhibit B, Tab 1, Schedule 1
- (iii) EB-2023-0062 Application & Evidence, Exhibit C, Tab 1, Schedule 1

Preamble:

The following table provides a high-level budgetary summary of Enbridge Gas's DSM program spending for 2021 as it relates to the 2021 DSM Variance Account balance for both the EGD and Union rate zones.

Rate Zone	OEB-Approved Program Budget	Utility Spending	Variance	Variance (%)
EGD	\$63,939,485	\$68,444,472	\$4,504,987	7.05
Union	\$58,707,541	\$47,763,468	(\$10,944,073)	(18.6)

Enbridge Gas reported that it underspent in the EGD rate zone's Low Income and Market Transformation programs. Furthermore, Enbridge Gas utilized the 15% overspend above its annual OEB-approved DSM Variance Account for its EGD rate zone's Resource Acquisition scorecard.

Enbridge Gas reported that it underspent in the Union rate zone's Commercial/Industrial, Low Income, Large Volume, Market Transformation, and Performance Based programs.

Question(s):

- (a) Please explain the factors and rationale that led to the decision to utilize the 15% overspend in the DSM Variance Account for the EGD rate zone's Resource Acquisition scorecard.
- (b) Please explain the factors that resulted in the underspending seen in the EGD rate zone's Low Income and Market Transformation programs.
- (c) Please explain the factors that resulted in the underspending seen in the Union rate zone's Commercial/Industrial, Low Income, Large Volume, Market Transformation, and Performance Based programs.
- (d) Considering that the OEB-approved program budgets for the EGD and Union rate zones were relatively similar, please explain the factors that lead to the differing budgetary variances when comparing the two rate zones (i.e., a 7.05% overspend in the EGD rate zone, and an 18.6% underspend in the Union rate zone).

OEB Staff-05

Reference(s):

- (i) EB-2023-0062 Application & Evidence, Exhibit C, Tab 2, Schedule 1

Preamble:

Annual natural gas volumes for 2019 and 2020 were noted as $35,443 \times 10^3 \text{ m}^3$ and $42,686 \times 10^3 \text{ m}^3$, respectively, in the determination of the LRAM Variance Account balances for the Union rate zone.

Question(s):

- (a) Please provide the reference or calculation(s) used to determine the annual natural gas volumes for 2019 and 2020.