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BY EMAIL and RESS

December 12, 2008
Our File No. 2081444

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

Attn: Kirsten Walli, Board Secretary

Dear Ms. Walli:

Re: EB-2008-0384 and -0385 – Enbridge and Union DSM Input Assumptions

We are counsel for the School Energy Coalition, and provide these submissions on their behalf pursuant to Procedural Order No. 1 in these matters. The undersigned was a member of the Evaluation and Audit Committee of Enbridge for 2007. We have also had the opportunity to see the comments of CME, IGUA, VECC and GEC prior to making these submissions.

For the reasons set out in our correspondence with the Board on November 11, 2008 in respect of EB-2008-0352, we do not support the submissions of VECC with respect to consistency with OPA assumptions. As we have noted in that correspondence, while such consistency may end up being an appropriate step, in our opinion the Board is not currently in a position to make that decision.

With respect to the Input Assumptions proposed by Union Gas, we agree with GEC that these assumptions arose out of a consensus by the Union Evaluation and Audit Committee, and should be accepted by the Board. This is the way the Board contemplated that input assumptions would be updated, and Union and intervenors have worked together collaboratively to produce a result the Board can and should accept.

The Input Assumptions proposed by Enbridge are in a different category altogether. Other parties have raised two concerns about those Input Assumptions. We will deal with each of them in turn:

- ***Spillover.*** CME, GEC and IGUA have all stated, correctly, that spillover is a new kind of assumption, a concept not included in the DSM Plan nor in any of the programs when developed. This is not about changing a number in a formula. It is about adding a new term to the formula altogether. We agree with CME and others that this is not appropriate in this updating process, which should be relatively mechanistic. In our view if Enbridge wishes to change the attribution concept from free ridership to net to gross ratio, it should make an application to the Board, with supporting evidence, to alter the way TRC is calculated. Given that this issue is being considered in the current Board consultation on DSM, such a special purpose application would probably be premature, but if Enbridge feels that they cannot wait for that process, then an application for a new rule is the proper procedure.

- ***Specific Programs.*** GEC has raised concerns over assumptions relating to EnergySTAR Homes, Air Curtains, Prescriptive School Boilers, and Industrial Steam Traps. In general, we agree with those concerns, and support the GEC submissions, with one exception. The Prescriptive School Boilers program was developed by Enbridge in collaboration with the School Energy Coalition precisely to address the "paperwork" barrier that was preventing busy school plant personnel from considering participation in Enbridge programs. While the incentive in this new program is small, it is very simple to obtain, and so it is a more effective way of influencing boiler replacement decisions. This has made it a successful program to date. The terms of the program were worked out between the company and school representatives, and verified by reference to actual experience in schools. However, given that we were directly involved in the establishment of this program, we do not believe it is appropriate for us to comment on the fairness of the assumptions.

We note that at no time did the Enbridge Evaluation and Audit Committee agree to the impugned Input Assumptions. In particular, we note the following statement in the Enbridge cover letter dated November 10, 2008:

> *"This list is the result of significant research and evaluation efforts, input from Stakeholders and input from the 2007 audit process. The updated list is also a product of consultation with each Utility Evaluation and Audit Committee ("EAC"), which as you know has significant intervener input."*

If the inference Enbridge wishes the Board to draw from the above paragraph is that all or any significant number of the intervenors are onside with these new assumptions, or that the EAC has passed on them in some way, neither such inference would be correct.

Subject to our comments above on the Prescriptive School Boilers program, we therefore believe that the Board should adopt the suggestions of CME, IGUA and GEC with respect to the Input Assumptions proposed by Enbridge.

All of which is respectfully submitted.

Yours very truly,
SHIBLEY RIGHTON LLP

Jay Shepherd

cc: Bob Williams, SEC (email)
Wayne McNally, SEC (email)
Corinne Bassett, SEC (email)
Interested Parties (email)