

ENERGY PROBE INTERROGATORY #4

INTERROGATORY

Reference: Exhibit B, Tab 4, Schedule 2, line 21

- a) Please explain and show the year over year increase of \$21.4 million in DSM program costs to \$56.4 million in 2016 from \$35 million in 2015.
- b) Show the allocation of the DSM base year budget amounts and the 2015 and 2016 increases to each rate class.
- c) Please provide the calculation of the actual/estimated DSM Incentive amounts for 2015 and 2016. Indicate if the amounts are based on Audited results and if they have been accepted by the Audit Committee.
- d) Confirm the DSM Incentive amount that was removed for the 2016 ESM calculation.

RESPONSE

- a) The OEB approved the 2016 DSM program costs of \$56.4 million per EB-2015-0049 Decision and Rate Order.

Witnesses: E. Reimer  
N. Verma  
J. Yiu

b)

Rate Allocation of OEB Approved DSM Base Budgets					
Rate Class	2014	2015	Net Change 2014 to 2015	2016	Net Change 2015 to 2016
Rate 1	11.98	17.86	5.88	29.51	11.65
Rate 6	14.83	16.69	1.86	22.95	6.26
Rate 9	0.00	0.00	0.00	0.00	0.00
Rate 110	1.28	1.02	-0.26	1.25	0.23
Rate 115	0.97	1.01	0.04	1.22	0.21
Rate 125	0.05	0.07	0.02	0.11	0.04
Rate 135	0.19	0.25	0.06	0.30	0.05
Rate 145	1.18	0.40	-0.78	0.50	0.10
Rate 170	1.64	0.39	-1.25	0.49	0.10
Rate 200	N/A	0.02	0.02	0.03	0.01
Rate 300	0.00	0.00	0.00	0.01	0.01
Total	32.16	37.72	5.56	56.36	18.65
Note: Units = \$ Million					

- c) Enbridge filed the 2015 DSM Draft Annual Report with the Board with a pre-audit DSMI claim of \$10,318,595. As outlined in the current DSM Framework and the Board's letter of August 21, 2015, regarding the 2015-2020 Demand Side Management Evaluation Process of Program Results (EB-2015-0245), the audit process is now overseen by the Board and carried out by a third party Evaluation Contractor ("EC") with input and advice from the Evaluation Advisory Committee ("EAC"). The utilities no longer have respective DSM Audit Committees. The audit of the gas utilities' 2015 DSM program results being overseen by the Board is still underway. Based on the most recent information shared with the EAC, the Board indicated the process would not be completed until later in the 3rd quarter of 2017. In a letter dated March 15, 2017, the Board revised the deadline for the gas utilities to file their 2016 Draft Evaluation Reports to one month following receipt of the final 2015 DSM Audit Results Report. The audit of 2016 DSM programs will not commence until the 2015 audit has been completed. As such, the Board and the EC have not reviewed or provided comments or determinations on 2016 results.
- d) The Company confirms that DSM incentive amounts recorded in corporate financial results are removed for determination of utility income and resultant ESM calculations. During 2016 the Company recorded \$6.1 million in its corporate financial results, in relation to a 2015 DSM program incentive amount, which was removed for utility income and ESM calculation purposes, as shown in the Line 23 adjustment, in

Witnesses: E. Reimer  
 N. Verma  
 J. Yiu

Exhibit B, Tab 3, Schedule 1, page 5. No 2016 DSM incentive amount was recognized in the 2016 corporate financial results.

Witnesses: E. Reimer  
N. Verma  
J. Yiu