

BOMA INTERROGATORY #2

INTERROGATORY

Ref: EB-2017-0324, Exhibit A, Tab 1, Schedule 3, Page 5 of 48

Preamble: While it does include a proxy deemed spillover value sourced from another study conducted in Massachusetts (applied as a result of an instruction given by Board Staff – to be discussed further below), Enbridge views the report as incomplete.

Please explain why the use of a proxy deemed spillover value from another jurisdiction and another study is not appropriate.

RESPONSE

Enbridge has the following concerns with the use of a proxy deemed spillover value in this case.

The first concern is that all iterations of the Scope of Work for the NTG study included a determination of spillover based on a survey assessment of a sample of the utilities' prior DSM participants; however after the EC completed its work on the free-ridership portion of the study and prior to the spillover work being fully undertaken, the EC was instructed by Board Staff to instead conduct secondary source research to identify an estimate to apply to the utilities' DSM programs. The EC selected a proxy "deemed" spillover value from another study from the U.S and instead applied this in their final determinations. Board Staff's decision to change the approach and not follow the Scope of Work was made without engagement of the Company (or the EAC), where the utility's input / concerns could have been properly raised as well as the full input of all members of the EAC.

The second concern is that Enbridge is of the view that equal treatments to all NTG related values should be applied. The EC indicated the spillover value from Massachusetts was applicable to the utilities' DSM programs in Ontario because of the following reasons that they outlined in their final verification report:

- Massachusetts has a similar climate to Ontario's major population centers, so it is likely that similar measures are being implemented.
- The spillover value is specifically for custom gas C&I measures, which is the same program type.

Witnesses: D. Bullock  
D. Johnson

- The programs in Massachusetts and Ontario are mature and in leading jurisdictions.
- The Massachusetts study looked at both “like” and “unlike” spillover (however the EC noted that the Massachusetts study did not quantify “unlike” spillover and this was not consistent with what was outlined in the EC’s Scope of Work).
- The rate is within the anticipated range of results expected for spillover from custom gas C&I programs, not an extreme outlier.

The above approach and decision by Board Staff to rely on a proxy naturally gives rise to the following question: If a proxy spillover value is deemed appropriately applicable, why is a proxy free ridership value not appropriate?

It should be noted that the same Massachusetts study also determined a free ridership value of just 15.7%. No attempt has been made to explain the significant disparity in free ridership values as between the two jurisdictions. Not knowing whether there is a relationship between the two values in Massachusetts gives rise to concern about the selective use of only one value. Stated differently, if the methodology used in Massachusetts explains the low spillover and free ridership values, to use only the spillover value and then use a free ridership value generated by means of a different approach draws into question the reliability and appropriateness of the net results.

Witnesses: D. Bullock  
D. Johnson