

ENERGY PROBE INTERROGATORY #6

INTERROGATORY

Reference: Exhibit A, Tab 1, Schedule 3 Page 27

Preamble: "At precisely the time the Board has tasked the utilities with doing as much as possible to mitigate carbon emissions, a clear and direct positive benefit derived from DSM activity, such retroactive adjustments change the "rules of the game" after the game has been played. Had the utilities known these input assumptions, and values could be changed to rearrange outcomes, the utilities would have been disincented to expend the degree of time and effort on Commercial and Industrial Custom projects as they did. Contrary to the Conservation Directive of the Government of Ontario, this would have resulted in higher past, current, and future, Cap and Trade offset purchase requirements for customers."

- a). Can Enbridge discuss, in detail, what it would have done differently had it know that a retroactive adjustment was possible?
- b). Confirm that the cap and trade program didn't come into effect until 2017 and that it would have had little to no impact on Enbridge's DSM programs in 2015.

RESPONSE

- a) To be clear, the Company does and did not believe that the Board and the 2015-2020 Framework intended that results be adjusted retroactively as has been proposed by Board Staff. It believed that this matter had been dealt with and had been settled so the question asked is hypothetical. This being said, as has been indicated in the past, retroactive application of revised values like free ridership creates uncertainty and acts as a clear disincentive to pursue programs that are often in areas with the greatest savings potential. As an example, the Company may have focused additional resources on prescriptive programs where assumptions are not subject to retroactive changes on free ridership.

Furthermore, during the planning and hearing for the 2015 to 2020 DSM Plan, if it was clear that the 2015 targets were to be set with the established free ridership value but the results were to be adjusted retroactively, the Company would have made a strong case that the same consistent methodology/tool needed be used as previously, to determine an updated estimate of free ridership, to ensure an apples to apples comparison.

Witnesses: D. Bullock  
D. Johnson

- b) Confirmed. The statement referenced above is intended to show that if Enbridge had reduced its pursuit of very cost effective Commercial and Industrial customer projects in 2015 (and even in 2016), this would result in higher Cap and Trade offset purchases in 2017 and beyond.