

GEC INTERROGATORY #1

INTERROGATORY

Regarding Exh. A/Tab 1/Sch 3/ p. 4:

- a) Please confirm that the only difference between the Shareholder Incentive and Lost Revenue values under the “Audit Opinion of EC” and “Enbridge Application” columns is that the Enbridge Application includes different Custom Measure NTG assumptions than the EC.
- b) If there are differences other than Custom Measure NTG assumptions, please identify all other such differences and explain the basis for them.
- c) Please provide Enbridge’s calculation of its proposed shareholder incentive, including all relevant assumptions at the measure level (provide at the projector program level for cases in which measure level information was not used), in an Excel spreadsheet with all formulae intact. The calculations provided should include, at a minimum, each of the following for the most disaggregated level available:
 - i. the measure name/description (or project or program, if measure level information was not used);
 - ii. the number of units participating;
 - iii. the gross per unit first year m^3 savings;
 - iv. the measure life;
 - v. the gross total first year savings across all units (i.e. units multiplied by first year savings);
 - vi. the gross total lifetime savings across all units (i.e. units multiplied by first year savings multiplied by measure life);
 - vii. the NTG assumption;
 - viii. the net total first year savings (i.e. units multiplied by first year savings multiplied by NTG ratio); and
 - ix. the net total lifetime savings (i.e. units multiplied by first year savings multiplied by measure life multiplied by NTG ratio).

Witnesses: D. Bullock
D. Johnson

RESPONSE

- a) In undertaking this comparison it appears that although the EC fully verified Enbridge’s performance with regard to the Low Income (Part 3) Building Performance Metric (i.e., 100% verified), which uses a percentage achievement value, the EC completed their calculation using a rounded percent score with fewer decimal places than that used in Enbridge’s calculation. As such there is a rounding difference of \$44.

Otherwise Enbridge confirms that the only difference between the Shareholder Incentive and Lost Revenue values under the “Audit Opinion of EC” and “Enbridge Application” columns outlined below is that the Enbridge Application applied different custom measure NTG assumptions than those applied by the EC.¹

2015 DSM Achieved Savings, Shareholder Incentive, and Lost Revenue	Enbridge Pre-Audit	Audit Opinion of EC	Enbridge Application
Shareholder Incentive	\$10,318,594	\$ 6,207,339	\$ 10,077,695
Lost Revenue	\$28,800	\$ 16,405	\$ 28,216
DSMVA	\$ 825,460	\$ 825,460	\$ 825,460

- b) see response to a)
- c) In response to part c), Enbridge has modified the EC’s tool that was provided to the EAC, and used it to illustrate the DSMI calculation for Enbridge’s Application. The tool provided by the EC originally utilized the NTG ratios as provided in the EC’s Annual Verification Report.² Enbridge has similarly used this tool but instead applied the custom measure NTG ratios reflected in Enbridge’s Application. Therefore, the only cells requiring updates are highlighted in yellow in the “Resource Acquisition” tab. This spreadsheet has been attached to this IR response.

The EC did not provide the EAC with a breakdown of its shareholder incentive calculation to the level of disaggregation requested above.

¹ The table reproduced above reflects updated evidence filed by Enbridge on March 26, 2017 to correct a minor mathematical error in the LRAM calculation in Enbridge’s original application. This minor adjustment resulted in a \$760 reduction in Enbridge’s earlier LRAM claim.

² EB-2015-0245, 2015 Natural Gas Demand Side Management Annual Verification, Dec 20, 2017.

Witnesses: D. Bullock
D. Johnson