

BOARD STAFF INTERROGATORY #3

INTERROGATORY

Reference: Exhibit A, Tab 1, Schedule 5, p. 5

Preamble: Enbridge States

Enbridge states: Fifth, Enbridge uncovered a number of errors made by the EC throughout the verification process, including in the evaluator's individual project level savings verifications, as well as in the EC's application of adjustments to arrive at verified 2015 DSM program results...

Questions:

- a) Please confirm that all errors identified by Enbridge Gas were corrected by the EC and the final 2015 evaluation report included at Exhibit B, Tab 5, Schedule 2 of Enbridge Gas' application reflects these corrections.
- b) Please indicate during what process Enbridge Gas identified the errors. E.g., did Enbridge Gas identify the errors during the EAC review process the EC facilitated in order to gain stakeholder feedback on preliminary findings?

RESPONSE

- a) Not confirmed. The report included in Enbridge's evidence in Exhibit B, Tab 5, Schedule 2 was the EC's NTG / CPSV Scope of Work, dated December 14, 2016, not the "final 2015 evaluation report." The final report had not been provided by the EC at the time Enbridge filed this Clearance of Deferral Accounts application on December 19, 2017.
- b) Enbridge first identified and reported the errors, which significantly decreased Enbridge's results, to the EC and Board Staff in an email dated November 20, 2017. This was after the EAC review process period in which the EC received feedback on preliminary findings. The draft NTG / CPSV report was provided to the EAC on May 24, 2017. Enbridge provided comments on the draft report on June 14, 2017 to coincide with the review period.

Witnesses: D. Bullock  
D. Johnson

Of note, sometime after the review period, there were two spreadsheets provided by the EC which outlined the CPSV data used by the EC to calculate the various adjustment ratios. The EC provided these spreadsheets to Enbridge on the same day that the first “final” Custom Savings Verification and Free-ridership Evaluation was shared (this report was later updated on October 12, 2017). Enbridge used these spreadsheets, to identify the errors, however since Enbridge did not have access to these spreadsheets during the designated review process, it did not have the opportunity to identify the errors during this time.

It was during the process of applying the EC’s final results into the Enbridge tool for the purposes of preparing the 2015 Clearance application that Enbridge uncovered the errors. Though Enbridge had initially requested that the EC use the Enbridge tool, in line with auditors in prior audit years, the EC created their own tool to apply its various audit adjustments. As a result, Enbridge was required to analyze the various components in the EC’s tools, extract the required information and apply the EC’s adjustment values into Enbridge tracking tool in order to generate all the tables included in the Company’s final 2015 Annual Report. This was a lengthy and complicated process. In depth analysis of “preliminary findings” would not necessarily have uncovered the errors.

During the feedback / comment period, Enbridge did not anticipate it would need to “audit the auditor’s” results. No other party, to Enbridge’s knowledge, undertook a detailed analysis of the EC’s calculations nor was this anticipated given the expectation that, appropriately managed, any error by the contractor would have been identified during the designated review process. It is Enbridge’s opinion that any error should be reported and rectified, no matter whether the error was identified during the designated review process or not.

Witnesses: D. Bullock  
D. Johnson