

2018 DSM FORECAST BUDGET

1. The Ontario Energy Board (the "Board") rendered its Decision regarding Enbridge's DSM Multi-Year Plan in EB-2015-0049 on February 24, 2016. Enbridge is currently operating in the third year of a six-year DSM Framework spanning from 2015 to 2020, with a Mid-Term Review anticipated to conclude by December 1, 2018.
2. In the EB-2015-0049 Decision, the Board approved a 2017 DSM budget of \$67.6 million.
3. Under the rate adjustment framework approved by the Board in EB-2012-0459, the Company is to update the annual DSM budget amount to be included within final Allowed Revenue amounts for each of 2015 to 2018 to those annual amounts approved within the EB-2015-0049 Multi-Year DSM Plan.
4. Any variance between the DSM amount included within 2018 Allowed Revenue and the actual DSM amounts incurred in 2018 will be recorded in the Demand Side Management Variance Account ("DSMVA").
5. Amounts recorded in the DSMVA will include variances in DSM program costs consistent with the Board's Filing Guidelines to the Demand Side Management Framework for Natural Gas Distributors (2015 to 2020). Amounts recorded in the DSMVA will also include variances in expenditures relating to evaluation work undertaken by the Company, evaluation work initiated by Board Staff or the Board's Evaluation Contractor, the Board's Natural Gas Conservation Potential Study, and Enbridge's Collaboration and Innovation Fund consistent with the Board's Decision in EB-2015-0049.

6. Distinct from the DSMVA, the Company's actual DSM spending in 2018 may also vary from the DSM amounts within the 2018 Allowed Revenue where Enbridge is able to make use of funds in the Demand Side Management Cost-Efficiency Incentive Deferral Account ("DSMCEIDA"). The DSMCEIDA may include funds which represent the difference between Enbridge's approved 2017 DSM budget and the actual amount spent to achieve Enbridge's total 2017 Cumulative Cubic Metres ("CCM") of natural gas targets made up of all 100% CCM targets across all programs. Recording and use of this variance is consistent with the Accounting Order filed by Enbridge on April 26, 2016 as Appendix C of its Draft Rate Order in EB-2015-0049, and subsequently approved by the Board in its Final Decision and Rate Order issued on May 12, 2016.

7. Similarly, the Company will also track and credit to the DSMCEIDA differences between the DSM amounts within the 2018 Allowed Revenue and the actual amount spent to achieve Enbridge's total 2018 CCM targets made up of all 100% CCM targets across all programs. Any amounts recorded in this account will be available to use in meeting the Company's targets in a subsequent year over the 2015 to 2020 DSM term.