

ENBRIDGE GAS INC.
Answer to Interrogatory from
School Energy Coalition (SEC)

Reference: F1/2/10, p. 3-4

Question:

Please confirm that the DSM allocation to Rate 01 declined from \$9.124 million in 2018 [EB-2017-0087, Working Papers, Schedule 3] to the current \$6.345 million, and the allocation to Rate M1 increased from \$24,375 million in 2018 [same reference] to the current \$27.164 million. Please explain those changes in allocation. Please provide a reference (in EB-2017-0087 or elsewhere) that shows the derivation of the 2018 unit rates for DSM, with similar granularity to the current reference.

Response

Confirmed.

The change in Rate 01 and Rate M1 DSM costs is driven by Enbridge Gas's proposal to allocate the 2019 DSM budget costs based on the 2017 actual DSM program costs. Enbridge Gas has updated the allocation in the current application to reflect a forecast of the 2019 DSM budget consistent with the use of 2019 forecast billing units to derive the DSM unit rates.

This proposal also reduces the variance between rate classes that would otherwise be recorded in the DSM Variance Account ("DSMVA")¹ (Account No. 179-111) and disposed of as part of the annual DSM Deferral and Variance Account proceedings. The change in the DSM costs for Rate 01 and Rate M1 is consistent with the amounts disposed of in Union's 2015 and 2016 DSM Deferral proceeding (EB-2017-0323 and EB-2018-0300, respectively). Please see Table 1 for a summary of the DSM budget costs for Rate 01 and Rate M1.

¹ The DSMVA records the difference between the allocated DSM budget costs included in rates and the actual DSM program costs for each rate class.

Table 1
 UNION RATE ZONES

Comparison of 2019 DSM Budget Allocation Change and DSM Variance Account Balances

Line No.	Particulars (\$000's)	Proposed 2019 DSM Budget in Rates (1) (a)	Approved 2018 DSM Budget in Rates (2) (b)	Change (c) = (a - b)	DSM Variance Account (179-111)	
					2016 Approved Balance (3) (d)	2015 Approved Balance (4) (e)
1	Rate 01	6,345	9,124	(2,780)	(3,223)	(1,102)
2	Rate M1	27,164	24,375	2,788	2,595	2,511

Notes:

- (1) Exhibit F1, Tab 2, Rate Order, Working Papers, Schedule 10, p. 1, column (b).
- (2) EB-2017-0087, Rate Order, Working Papers, Schedule 11, column (b).
- (3) EB-2018-0300, Exhibit A, Tab 4, Appendix A, Schedule 1.
- (4) EB-2017-0323, Rate Order, Working Papers, Schedule 1.

Please see Attachment 1 for the derivation of the Rate 01 and Rate M1 2018 DSM unit rates.