500 Consumers Road
North York, Ontario
M2J 1P8
PO Box 650
Scarborough ON
M1K 5E3

Shari Lynn Spratt
Supervisor Regulatory Proceedings
Telephone: (416) 495-5499
Fax: (416) 495-6072
Email: EGDRegulatoryProceedings@enbridge.com

February 28, 2013

VIA COURIER, EMAIL, RESS

Ms. Kirsten Walli
Board Secretary
Ontario Energy Board
2300 Yonge Street, Suite 2700
Toronto, ON M4P 1E4

Re: Enbridge Gas Distribution Inc. (the "Company" or "Enbridge")
Update to the 2012 to 2014 Demand Side Management ("DSM") Plan
Ontario Energy Board ("Board") File No.: EB-2012-0394

In response to the DSM Guidelines, in November of 2011, Enbridge submitted a plan outlining proposed DSM activities for the period 2012 to 2014 (EB-2011-0295). Details of the plan were developed through extensive negotiations with members of the DSM Consultative, resulting in the 2012 Settlement Agreement on the budget allocation, metrics, and targets for the 2012 year.

Parties to the 2012 Settlement Agreement agreed to establish budget allocations, metrics, and targets for 2013 and 2014 following further consultation and Enbridge proposed to file the financial package for 2013 and 2014 in a later submission.

The 2012-2014 Multi-year DSM Plan and associated Settlement Agreement was approved by the Board in February of 2012.

Following further consultation held later in 2012, the parties reached a Settlement Agreement on the budget allocation, metrics, and targets for 2013 and 2014. This document presents the financial package for 2013 and 2014 and any related program changes in the form of an Update to the 2012-2014 DSM Plan as filed in EB-2011-0295.

In accordance with the Board's DSM Guidelines, enclosed please find the Company's Update to the 2012-2014 DSM Plan.

The application and evidence will be available on the Enbridge website at www.enbridgegas.com/ratecase.

The submission has been submitted through the Board's Regulatory Electronic Submission System ("RESS"). A copy of the on-line confirmation RESS submission reference number has also been included in this package.

If you have any questions, please contact the undersigned.

Yours truly,

[original signed]

Shari Lynn Spratt
Supervisor Regulatory Proceedings

cc: Interested Parties to the Settlement Agreement
Pollution Probe

EXHIBIT LIST

A- ADMINISTRATIVE

Exhibit	Tab	Schedule	Title	Description	Witness(es)
A	1	1	Exhibit List and Descriptions		A. Mandyam R. Sigurdson
	2	1	Application		A. Mandyam R. Sigurdson
		2	Curriculum Vitae		P. Goldman A. Mandyam J. Paris E. Reimer R. Sigurdson J. Tideman

B- EVIDENCE

Exhibit	Tab	Schedule	Title	Description	Witness(es)
B	1	1	Background and Introduction	Provides the historical context for the development of the 2013-2014 Update to the 2012-2014 Plan. Describes the consultation process used to develop the Update and presents an outline of the evidence.	P. Goldman A. Mandyam J. Paris E. Reimer R. Sigurdson J. Tideman
		2	2013-2014 Update Overview	Outlines the overall strategy and approach of the Update and describes how the Update addresses the various requirements of the new DSM Framework.	P. Goldman A. Mandyam J. Paris E. Reimer R. Sigurdson J. Tideman

Witnesses: A. Mandyam
R. Sigurdson

EXHIBIT LIST

B- EVIDENCE

Exhibit	Tab	Schedule	Title	Description	Witness(es)
B	1	3	Program Types: Budget, Metrics and Targets	Describes the budget, metrics and targets developed for each program type through the Settlement Agreement.	P. Goldman A. Mandyam J. Paris E. Reimer R. Sigurdson J. Tideman
		4	Program Description Update	Provides updated program descriptions for those programs where some aspects of the program design have changed.	P. Goldman A. Mandyam J. Paris E. Reimer R. Sigurdson J. Tideman
		5	Evaluation Plan	Outlines the updated Evaluation Plans for those programs with a change in program design and/or delivery.	A. Mandyam R. Sigurdson
	2	1	System Characteristics/ Rate Allocation Analysis	Provides information on characteristics of the utility's distribution system and information on the rate impacts of the proposed programs for 2013 and 2014.	A. Mandyam R. Sigurdson
		2	Avoided Costs	Presents the updated avoided costs for 2012.	A. Mandyam R. Sigurdson
		3	TRC Analysis	Presents the cost-effectiveness analysis for 2013 and 2014.	A. Mandyam R. Sigurdson

Witnesses: A. Mandyam
R. Sigurdson

EXHIBIT LIST

B- EVIDENCE

Exhibit	Tab	Schedule	Title	Description	Witness(es)
B	2	4		Not Used	
		5		Not Used	
		6		Not Used	
		7		Not Used	
		8	Lura Report	Presents the findings of stakeholder consultation conducted in 2012 in the Commercial and Industrial sectors	A. Mandyam R. Sigurdson
		9	Settlement Agreement	Presents the full text of the Settlement Agreement reached with respect to the 2013-2014 Update to the Enbridge 2012-2014 DSM plan.	P. Goldman A. Mandyam J. Paris E. Reimer R. Sigurdson J. Tideman

Witnesses: A. Mandyam
R. Sigurdson

ONTARIO ENERGY BOARD

IN THE MATTER OF THE Ontario Energy Board Act, 1998, S.O. 1998, C. 15 (Schedule B);

AND IN THE MATTER OF an Application by Enbridge Gas Distribution Inc. pursuant to Section 36(1) of the *Ontario Energy Board Act, 1998,* S.O. 1998, for an Order or Orders approving its Updated Demand Side Management Plan for 2013 – 2014.

APPLICATION

1. Enbridge Gas Distribution Inc. ("Enbridge" or the "Company") is an Ontario corporation with its head office in the City of Toronto, and carries on the business of selling, distributing, transmitting and storing natural gas within Ontario. The Company also undertakes Demand Side Management ("DSM") activities.

2. Pursuant to *Demand Side Management Guidelines for Natural Gas Utilities* ("DSM Guidelines") issued by the Ontario Energy Board ("OEB" or the "Board") on June 11, 2011, Enbridge applied to the Board on November 4, 2011 for approval of the Company's 2012-2014 DSM Plan (EB-2011-0295). A Settlement Agreement ("Settlement") was reached with respect to Enbridge's 2012 DSM plan (with the exception of two unsettled issues) and in respect of the Terms of Reference for Stakeholder Engagement for the multi-year plan period 2012-2014. The Settlement provided that the Company would file a subsequent application for approval of an updated DSM Plan for either the 2013 or 2013 and 2014 rate years.

3. The Board gave an oral Decision on February 2, 2012 accepting the Settlement. in EB-2011-0295 and issued its Decision and Order on the remaining unsettled issues following an oral hearing on February 9, 2012. As contemplated by the Settlement, this Application seeks approval for the Company's Updated DSM Plan for 2013 and 2014.

4. The persons affected by this Application are the customers of Enbridge. It is impractical to set out the names and addresses of the customers because they are too numerous.

5. Enbridge requests that a copy of all documents filed with the Board by each party to this proceeding be served on the Applicant and the Applicant's counsel, as follows:

<u>The Applicant</u>

Mr. Norm Ryckman
Enbridge Gas Distribution Inc.
Director, Regulatory Affairs

Address:	500 Consumers Road North York, ON M2J 1P8
Mailing Address:	P.O. Box 650 Scarborough, ON M1K 5E3
Telephone:	(416) 495-5499
Email:	EGDRegulatoryProceedings@enbridge.com

Applicant's Counsel

Mr. Dennis M. O'Leary
Aird & Berlis LLP
Barristers and Solicitors

Address:	Brookfield Place, Box 754 Suite 1800, 181 Bay Street Toronto, ON M4J 2T9
Telephone:	(416) 865-4711
Facsimile:	(416) 863-1515
Email:	doleary@airdberlis.com

Please quote the name or docket number of the proceeding in all communications.

Dated: February 28**,** 2013

ENBRIDGE GAS DISTRIBUTION INC.

[original signed]

Norm Ryckman
Director, Regulatory Affairs

CURRICULUM VITAE OF
PETER GOLDMAN

Experience:

Enbridge Gas Distribution Inc.
Manager, Industrial Sales
1998

Gas Utilization Consultant
1993 – 1998

Eclipse Combustion Inc.
Sells Engineer
1983 – 1986

Engineering Manager
1986 - 1993

Education:

Mechanical Technology
Ryerson Polytechnic Institute
1979 – 1982

Memberships:

The Association of Energy Engineers
Certified Energy Manager (CEM)

Appearances:

(Ontario Energy Board)
None to date

CURRICULUM VITAE OF
ANDREW MANDYAM

Experience:

Enbridge Gas Distribution Inc.

Senior Manager, Incentive Regulation, Financial Planning
2012

Manager, Marketing and Energy Efficiency
2011

Manager, Demand Side Management and Portfolio
2010

Customer Information System Replacement Project Business Manager
2007 - 2009

Manager, Customer Care and Customer Information System Program Operations
2006

Manager, Information Technology Solutions and Support
2005

Senior Project Manager, Information Technology Solutions and Support
2003

Oracle Corporation

Practice Manager
1997 – 2003

Compaq Canada

Program Manager
1995 – 1997

Ontario Hydro

Associate Engineer
1990 - 1995

Education:

B.A.Sc. Mechanical Engineering
University of Toronto
1990

Memberships:	Professional Engineers of Ontario Project Management Institute
Appearances:	(Ontario Energy Board) EB-2011-0295 EB-2011-0277 EB-2010-0146 EB-2010-0175 EB-2010-0029 EB-2009-0172 EB-2006-0034

CURRICULUM VITAE OF
JAMIE PARIS

Experience:

Enbridge Gas Distribution Inc.:

Sept 2012 – Present
Manager – Residential Energy Solutions

Feb 2011 – Sept 2012
Manager – Large Business Accounts

Accenture Business Services for Utilities:

Sept 2009 – Feb 2011
Manager – Presto Transit Card Project

Jan 2007 – Sept 2009
Collections Manager (Manila) – United Utilities UK

June 2006 – Jan 2007
Work Force Planning

Aug 2002 – June 2006
Team Lead – BC Gas

Enbridge Gas Distribution Inc.:

March 2001 – Aug 2002
EGD Billing Specialist

Fantom Technologies:

Accounting Clerk
1998 – 2001

Education:

Niagara College
Business Administration - Accounting – 1995 – 1997

Appearances:

(Ontario Energy Board)
None to date

CURRICULUM VITAE OF
ED REIMER

Experience:

Enbridge Gas Distribution Inc.

Manager, New Construction Energy Solutions
2012 – Current

Manager, Residential, Small Commercial, & HPNC Sales
2011 - 2012

Manager, HPNC Sales
2009 – 2011

Manager, Key Accounts
2008 – 2009

Account Executive
2007 – 2008

Direct Energy

Manager, Regional Sales
2003 - 2007

Energy Solutions Consultant
1999 – 2003

Education:

Masters of Business Administration (MBA)
Niagara University, NY
(1993 – 1996)

Bachelor of Business Administration (BBA)
Brock University, ON
(1986 – 1990)

Memberships:

Energy Solutions Centre
Board of Directors - 2011

The Association of Energy Engineers
Certified Energy Manager (CEM)

Appearances:

(Ontario Energy Board)
- None to date

CURRICULUM VITAE OF
STEFAN SURDU

Experience:

Enbridge Gas Distribution Inc.
Sales Manager, Commercial Markets
2006

Program Manager, Energy Technology
2006

Program Manager, Business Markets
2005 – 2006

Energy Solutions Consultant
2003 – 2005

Finn Projects Inc.
Project/Energy Engineer
2002 – 2003

Alfa Laval AB, Europe Central-East
Regional Sales Manager
2000-2001

Applications Engineer
1998-1999

National R&D Institute for Turbo-Engines, Romania
New Product Development Engineer
1997-1998

Education:

M.Eng., Mechanical Engineering (Valedictorian), Thermo-Mechanics of Machinery
Polytechnic University of Bucharest, Romania
1998

B.Eng., Mechanical Engineering (Valedictorian)
Polytechnic University of Bucharest, Romania
1997

Memberships:

Professional Engineers of Ontario
ASHRAE (American Society of Heating Refrigerating and Air-Conditioning Engineers

Appearances:

(Ontario Energy Board)
None to date

CURRICULUM VITAE OF
RAVI SIGURDSON

Experience:

Enbridge Gas Distribution Inc.

Manager, DSM Evaluation, Monitoring & Verification
2012

Union Gas Ltd.

Manager, DSM Research & Evaluation
2008 - 2009

Manager, Market Research & Analysis
2007

Senior Program Manager, Residential Marketing
2006

Commercial/Industrial Category Marketing Specialist
2003 – 2005

Imperial Oil Ltd.

Project Manager & Communications Specialist
2002

Business Analyst
2000 – 2001

Information Systems Analyst/Database Developer
1999

Education:

M.B.A. – Major in Information Technology & Systems; Minor in Operations Management
McMaster University
1999

B.A. – Economics
York University
1995

Memberships: None

Appearances: (Ontario Energy Board)
None to date

CURRICULUM VITAE OF
JOHN TIDEMAN

Experience:

Enbridge Gas Distribution Inc.
Senior Manager, Commercial Sales and Marketing
2012

Manager, Business Development
2009-2012

Enbridge Electric Connections Inc
Manager, Business Development
2006-2009

Direct Energy
Manager, Business Development
2003-2009

TotalFinaElf Gas and Power
Sales Manager
1995-2003

Education:

Kingston University Business School
Master of Business Administration degree.

Durham College
Business Administration Diploma; Marketing

Memberships: None to date

Appearances: (Ontario Energy Board)
None to date

BACKGROUND AND INTRODUCTION

1. The continuing need for DSM efforts was recognized by the Ontario Energy Board with the release of the *"Demand Side Management Guidelines for Natural Gas Utilities"* ("DSM Guidelines") on June 30, 2011.

2. In response to the DSM Guidelines, on November 4, 2011, Enbridge Gas Distribution Inc. (the "Company" or "Enbridge") submitted a plan outlining proposed DSM activities for the period 2012 to 2014. As described in the submission, the 2012-2014 DSM Plan was the product of a long development process including internal workshops, participation in Board consultations that considered the framework for natural gas DSM activities, and extensive consultation with key stakeholders in the residential, commercial, industrial, and municipal sectors.

3. In the summer and fall of 2011, details of the Enbridge 2012-2014 DSM Plan were developed through extensive negotiations with the members of the DSM Consultative. The plan outlined the general direction of the Company's DSM activities for the plan period 2012 to 2014. The result of the collaborative discussions was the 2012 Settlement Agreement on the budget allocation, metrics, and targets for the 2012 year. Participants to the 2012 Settlement Agreement acknowledged that the evidence in the 2012-2014 Plan submission provided a basis for the Board to approve the Settlement Agreement. The 2012 Settlement Agreement also included an agreement with Union Gas Limiited, Enbridge, and Intervenors on the Terms of Reference for Stakeholder Engagement for the multi-year plan period 2012 to 2014.

Witnesses: P. Goldman
A. Mandyam
J. Paris
E. Reimer
R. Sigurdson
J. Tideman

4. Parties to the 2012 Settlement Agreement agreed to establish budget allocations, metrics, and targets for 2013 and 2014, with the benefit of experience gained from the proposed 2012 plan. Enbridge proposed to conduct further consultations in 2012 with members of the DSM Consultative and to file the financial package for 2013 or 2013 to 2014 sometime in late 2012.

5. This document presents the financial package for 2013 and 2014 and any associated program changes in the form of an Update to the 2012-2014 DSM Plan as filed in EB-2011-0295.

Influences Shaping the Enbridge 2012 to 2014 Multi-year DSM Plan and the 2013-2014 Update

6. As described in the 2012-2014 DSM Plan submission, the Enbridge 2012 to 2014 Plan has been shaped by three key influences.
    - In 2009 Enbridge began developing a new DSM strategy - a new direction for DSM programs in response to customer needs and changing market conditions.
    - In June of 2011, the Board released the DSM Guidelines for Natural Gas Utilities which established budget limits and provided for new metrics and utility performance incentives for DSM activities.
    - During August and September of 2011, extensive consultation with Intervenors resulted in the acceptance of new program components, an

expanded budget for the Low Income program, and agreement on budget allocation, metrics, and targets.

7. This Update has also been shaped by the experience resulting from the introduction of new program offerings in 2012 and by further consultation with Intervenors in 2012.

Consultation with Intervenors

8. The opening event of the consultation was a meeting of the full DSM Consultative on July 11, 2012. All parties to the 2012 -2014 DSM Plan proceeding (EB-2011-0295) were invited to this session.

9. Following this opening plenary, individual working group sessions for each program type were held as listed below.

Program Type/ Meeting	Consultative Meeting Date
Plenary	July 11, 2012
Low Income	August 7, 24, and 27, 2012
Market Transformation	July 26 and 27, 2012
Resource Acquisition	August 10, 14, 16, 17, 28, 29, and September 10, 2012.
Plenary	September 28, 2012

Witnesses: P. Goldman
A. Mandyam
J. Paris
E. Reimer
R. Sigurdson
J. Tideman

10. Participants in the working groups were:
    a. Low Income: Marion Fraser (BOMA), Dwayne Quinn (FRPO), Chris Neme (GEC), Judy Simon (LIEN), Jack Gibbons (Pollution Probe), and Roger Higgin (VECC)
    b. Market Transformation: Julie Girvan (CCC), Vince DeRose (CME), Norm Rubin (Energy Probe), Chris Neme (GEC), and Jack Gibbons (Pollution Probe)
    c. Resource Acquisition: Marion Fraser (BOMA), Julie Girvan (CCC), Vince DeRose (CME), Norm Rubin (Energy Probe), Dwayne Quinn (FRPO), Chris Neme and Kai Millyard (GEC), Paul Seaman (IGUA), Judy Simon (LIEN), Jack Gibbons (Pollution Probe), Jay Shepherd (SEC), Eric Nadeau (TransCanada Energy),and Roger Higgin (VECC)

11. The resulting DSM Plan Update for 2013-2014 reflects a complete agreement which has been reached with the above participants in respect of program budgets, metrics, and targets. It also includes changes to the program components in each of the three program types. More specifically, in respect of the Resource Acquisition Program, the TAPS program offer will be discontinued at the end of 2012. The Low Income program type will include further efforts to develop protocols to include privately owned Ontario Building Code ("OBC") Part 3 Multi-unit buildings in the Low Income program. Finally, the DrainWater Market Transformation program will be discontinued at the end of 2013. The DSM Plan Update for 2013-2014 is the subject of a complete settlement agreement ("Settlement Agreement").

Witnesses: P. Goldman
A. Mandyam
J. Paris
E. Reimer
R. Sigurdson
J. Tideman

12. This submission presents the Enbridge 2012-2014 DSM Plan Update, the Settlement Agreement, and associated information as required by the DSM Guidelines. The Exhibit List follows the same numbering as the 2012-2014 Plan filed in EB-2011-0295. For ease of reference, some material is repeated from EB-2011-0295. For the most part, only new information pertaining to and required to support the 2013-2014 DSM Plan Update is included in this submission.

- Exhibit B, Tab 1, Schedule 2 provides an Overview of the plan components for 2013 and 2014.
- Exhibit B, Tab 1, Schedule 3 presents the Program Budgets, Metrics, and Targets for 2013 and 2014 as referenced in the Settlement Agreement
- Exhibit B, Tab 1, Schedule 4 - Program Descriptions – provides updated information on the individual programs
- Exhibit B, Tab 1, Schedule 5 provides an update to the program Evaluation Plans
- Exhibit B, Tab 2, Schedules 1 to 3 present additional supporting materials relating to 2013 and 2014.
- Exhibit B, Tab 2, Schedule 8 presents the Lura Report on Stakeholder Consultation conducted in 2012.
- Exhibit B, Tab 2, Schedule 9 presents the full Settlement Agreement for this 2013-2014 Update to the Enbridge Gas Distribution 2012-2014 DSM Plan.

Witnesses: P. Goldman
A. Mandyam
J. Paris
E. Reimer
R. Sigurdson
J. Tideman

OVERVIEW: 2012-2014 DSM PLAN UPDATE FOR 2013-2014

2013-2014 DSM Plan Key Features

1. There are no changes to the key features of the 2012-2014 DSM Plan as previously submitted, i.e., "continuation of most traditional program initiatives while, at the same time, adding new programs and program components that focus on deep savings and capability building to help customers better manage their energy use." The Plan addresses the themes identified in the Enbridge strategy and in the DSM Guidelines. The Plan Update for 2013-2014 reflects the extensive consultation and agreement between Enbridge and Intervenors on both the initial 2012-2014 Plan submission and this Update.

Budget Update

2. In 2012, following consultation with stakeholders, the Base Budget of $28.1 million was increased by 10% or $2.81 million (which was the allowable increase as indicated in the DSM Guidelines, Section 8.3, page 26), resulting in a total budget of $30.91 million and a total Low Income budget of $7.025 million. Following consultation with stakeholders regarding the budget for 2013 and 2014, it was agreed that the 2013-2014 Update would propose to continue with the allowable increase to the Low Income Budget for 2013 and 2014 and a 2% annual increase based on the 2011 GDP-IPI. Table 1 presents the previously approved 2012 budget for reference and Tables 2 and 3 provide the 2013 and 2014 budget for the three program types, Resource Acquisition, Low Income, and Market Transformation.

Witnesses: P. Goldman
A. Mandyam
J. Paris
E. Reimer
R. Sigurdson
J. Tideman

Table 1 - 2012 Budget by Program Type

Program Type	Program Budget	Overheads	Total Budget	% of Total	Maximum Incentive Available
Low Income	$6,120,650	$904,350	$7,025,000	22.73%	$2,375,000
Market Transformation	$3,920,000	$913,600	$4,833,600	15.64%	$1,634,135
Resource Acquisition	$15,125,000	$3,926,400	$19,051,400	61.64%	$6,440,865
Total	$25,165,650	$5,744,350	$30,910,000	100%	$10,450,000

Table 2 - 2013 Budget by Program Type

Program Type	Program Budget	Overheads	Total Budget	% of Total	Maximum Incentive Available
Low Income	$6,638,325	$522,050	$7,160,375	23%	$2,416,169
Market Transformation	$5,085,000	$931,872	$6,016,872	19%	$2,030,310
Resource Acquisition	$13,882,920	$4,528,033	$18,410,953	58%	$6,212,521
Total	$25,606,245	$5,981,955	$31,588,200	100%	$10,659,000

Witnesses: P. Goldman
A. Mandyam
J. Paris
E. Reimer
R. Sigurdson
J. Tideman

Table 3 - 2014 Budget by Program Type

Program Type	Program Budget	Overheads	Total Budget	% of Total	Maximum Incentive Available
Low Income	$6,729,500	$507,831	$7,237,331	23%	$2,446,785
Market Transformation	$4,795,000	$1,327,144	$6,122,144	19%	$2,069,764
Resource Acquisition	$14,160,578	$4,638,711	$18,799,289	58%	$6,355,631
Total	$25,685,078	6,473,686	$32,158,764	100%	$10,872,180

3. The 2013 and 2014 budgets continue the pattern set in the 2012 budget. While there is a slight increase in the proportion of the budget for Market Transformation and Low Income, the emphasis of the portfolio remains on Resource Acquisition programs.

4. As with the 2012 submission, the budget does not include a line item for Research and Development ("R&D") or Pilot Programs. The Company acknowledges that the DSM Guidelines provide that any budget expenditures for R&D or Pilot Programs would have the effect of reducing the available performance incentive proportionately.

Witnesses: P. Goldman
A. Mandyam
J. Paris
E. Reimer
R. Sigurdson
J. Tideman

Metrics and Targets

5. Table 4 provides the proposed metrics and targets for 2013 and 2014. The previously approved metrics and targets for 2012 are included for reference.

Table 4

		2012	2013	2014
Millions of Cumulative m^3				
Low Income	Part 9 buildings	17	23.1	23.6
	Part 3 buildings	45	60	64.2
	Total Low Income	62	83.1	87.8
Resource Acquisition		820.4	972.6	992.1
Other Metrics				
Low Income	Percent of part 3 participants enrolled in Run it Right	N/A	40%	40%
Resource Acquisition	Residential Deep Savings	160 homes	732 homes	747 homes
Market Transformation	DrainWater	4,000 units	3,750 units	N/A
	Residential Savings by Design	11 new builders	14 new builders	16 new builders
		N/A	900 units	1000 units
	Commercial Savings by Design	8 builders enrolled	8 new developments enrolled	12 new developments enrolled
	Home Labelling	commitments from realtors with 5,000+ home listings	commitments from realtors with 5,000+ home listings	commitments from realtors with 5,000+ home listings
		N/A	500 ratings	1500 ratings

Witnesses: P. Goldman
A. Mandyam
J. Paris
E. Reimer
R. Sigurdson
J. Tideman

6. It is important to note that the budget, metrics, and targets were developed as an integrated package and are linked to the incentive structure. A change to any one element would necessitate a change to the others.

Low Income Program Type

7. The Low Income Program will continue in 2013 and 2014 with program offers for OBC Part 9 low-rise residential buildings, i.e., TAPS direct install of basic measures including low flow showerheads, faucet aerators, and programmable thermostats and support for weatherization and deep retrofit activities such as insulation or furnace replacement. Enbridge will continue to integrate the TAPS direct install measures with the weatherization initiative on a neighbourhood basis. In addition to extending support for building retrofit to multi-residential buildings and single dwellings owned by social housing providers as in 2012, in 2013 and in 2014 Enbridge will work with Low Income stakeholders to find ways to extend program offerings to OBC Part 3 privately owned multi-residential buildings.

Market Transformation Program Type

8. In 2013 and 2014, Enbridge will continue with the three new Market Transformation programs introduced in 2012: Residential and Commercial Savings by Design, and the Residential Home Labelling program. The DrainWater program will be discontinued at the end of 2013.

Resource Acquisition Program Type

a) Residential

9. In 2013 and 2014, Enbridge will continue with the Community Energy Retrofit initiative which was introduced in 2012 to encourage customers to undertake extensive energy retrofit measures with associated deep savings. The 2012-2014

DSM Plan submission envisaged that the TAPS program would wind down over the 2012-2014 period. Following consultation with stakeholders, the TAPS program was discontinued at the end of 2012.

b) Commercial

10. New program elements introduced in 2012 will continue during 2013 and 2014: Energy Compass and Run It Right. As in 2012, Enbridge will continue to offer prescriptive measures for small commercial customers and explore other means of reaching this market segment. As in 2012, legacy projects from the Design Assistance program and the New Construction program will be honoured.

c) Industrial

11. Similar to 2012, the level of custom project activity in the industrial sector will be capped as set out in the Settlement Agreement for the 2013-2014 Update. The Company will continue to explore means to address the needs of medium and smaller sized industrial customers.

Regulatory Framework

12. The 2012-2014 DSM Plan document provided a comprehensive overview of the Company's DSM Plan features in relation to the DSM Guidelines. This section illustrates how the programs offered in 2013 and 2014 will continue to meet the DSM Guidelines and address the Board's three key objectives for DSM portfolio design. The section is organized under the same headings as the DSM Guidelines.

Witnesses: P. Goldman
A. Mandyam
J. Paris
E. Reimer
R. Sigurdson
J. Tideman

a) Term of the Plan

13. As per the 2012-2014 DSM Plan submission, DSM Plan direction, focus areas, and approach to new customer offerings in the Resource Acquisition and Market Transformation program types will be retained as core plan components through 2014. The 2012-2014 DSM Plan submission presented budget allocations, metrics, and targets for 2012 only. This Update presents budget allocations, metrics, and targets for 2013 and 2014.

b) Portfolio Design

14. This Update to the Company's 2012-2014 DSM Plan follows the DSM Guidelines objectives for portfolio design:

- "Maximization of cost effective natural gas savings,
- Prevention of Lost Opportunities, and
- Pursuit of deep energy savings."[1]

15. The Company's DSM Update for 2013-2014 continues with aggressive targets to maximize cost-effective natural gas savings. In addition, the Update includes expanded targets for the new programs introduced in 2012 which address lost opportunities (Savings by Design Residential, Savings by Design Commercial). As well, the portfolio continues to emphasize the pursuit of deep energy savings through aggressive Resource Acquisition targets for cumulative gas savings and through enhanced deep savings metrics for the Community Energy Retrofit Initiative introduced in 2012.

[1] "*Demand Side Management Guidelines for Natural Gas Utilities"*, EB-2008-0346, Ontario Energy Board, June 30, 2011, p. 4.

c) Program Types

16. In 2013 and 2014, the Enbridge DSM Plan continues to follow the DSM Guidelines in the types of activities included with each program type. As well, for the Low Income Program, the Update follows the detailed DSM Guidelines regarding Guiding Principles, Definition of Social and Assisted Housing, and Low Income Eligibility Criteria.

17. Similar to 2012, Enbridge has not identified any specific R&D or pilot programs in the budgets for 2013 or 2014. The Company recognizes that, to the extent that it expends budget in these areas, the available performance incentive in the particular year the activities take place will be reduced proportionately.

d) Screening and Prioritization

18. Enbridge has screened the 2013 and 2014 Resource Acquisition and Low Income programs using the TRC test. The Company affirms that the programs have positive TRC results. The Company notes that the measure assumptions used in the TRC screening for 2013-2014 are those that were Board approved in the Company's 2012-2014 DSM Plan submission (EB-2011-0295), with one change. The free ridership values for low income prescriptive and custom measures have been updated to zero to reflect the Settlement Agreement.

e) Development, Updating and Use of Assumptions

19. The DSM Guidelines encourage the utilities to cooperate in preparing their individual applications for updates and/or additions to the set of approved input assumptions. The Company will present any updates to measure assumptions in

a separate joint filing with Union Gas as provided in the DSM Guidelines, Section 6.1.2, at page 19.

20. In the 2012-2014 DSM Plan submission, the Company committed to file the updated 2012 avoided costs with the Board when they are available. This Update includes updated avoided costs for 2012 using the methodology approved by the Board in EB-2006-0021 Part III. Consistent with DSM Guidelines, Enbridge will update avoided costs for 2013 and 2014 based on changes in commodity costs only with all other avoided costs remaining fixed for the duration of the plan.

f) Adjustment Factors

21. In this Update, the Company continues to follow the DSM Guidelines with respect to Adjustment Factors. Resource Acquisition Programs were screened using Board approved Adjustment Factors for free ridership as approved in the Company's 2012-2014 DSM Plan submission (EB-2011-0295). Also, adjustment factors for persistence are addressed through evaluation of individual DSM activities as appropriate.

g) Budget

22. Following consultation with Intervenors, the 2012 budget was increased by 10% to $30.9M with the additional funds applied to the Low Income program only. The Settlement Agreement for 2013-2014 reached after further consultation continues with an expanded budget for Low Income. As shown in Tables 2 and 3 on pages 2 and 3 of this Exhibit, even with the additional funding for the Low Income

program, the Resource Acquisition program type follows the DSM Guidelines in maintaining the largest share of the DSM budget.

23. Similar to the 2012-2014 DSM Plan submission regarding programs for industrial customers, the Company proposes to limit program funding directed to large industrial customers. Specific terms for 2013 and 2014 are described in the Settlement Agreement.

24. In accordance with the DSM Guidelines, the budget for Market Transformation 2013 and 2014 programs was developed in consultation with Intervenors.

25. Also consistent with the DSM Guidelines, this Update includes the evaluation budget for 2013 and 2014. As for the 2012 program year, evaluation requirements for 2013 and 2014 will be modified throughout the term of the Plan in consultation with the Technical Evaluation Committee established through the Settlement Agreement and the Board's Decision in EB-2011-0295.

26. As contemplated under the DSM Guidelines, DSM spending will be tracked at the rate class level and the Demand Side Management Variance Account ("DSMVA") will be used to "true-up" any variances between the spending estimate built into rates and the actual spending."[2] This Update includes "the total amount of DSM spending to be recovered in rates and the allocation of those costs to the customer class(es) that will benefit from the DSM program applied for;".[3]

[2] "*Demand Side Management Guidelines for Natural Gas Utilities"*, EB-2008-0346, Ontario Energy Board, June 30, 2011, p. 26.
[3] Ibid, p. 46.

Witnesses: P. Goldman
A. Mandyam
J. Paris
E. Reimer
R. Sigurdson
J. Tideman

Exhibit B, Tab 2, Schedule 1 provides the information on total DSM spending and the allocation of costs to customer classes for 2013 and 2014.

h) Metrics and Targets

27. As suggested by the DSM Guidelines, Enbridge has developed the program metrics and targets for 2013 and 2014 in consultation with Intervenors. The proposed metrics and targets are provided in Table 4 on page 4 of this Exhibit, and in the Settlement Agreement found at Exhibit B, Tab 2, Schedule 9.

28. Exhibit B, Tab 1, Schedule 3, Program Types: Budgets, Metrics and Targets provides the terms of the Settlement Agreement relating to scorecard targets. The challenges associated with achieving the DSM program targets, as noted in the 2012-2014 DSM Plan document, (EB-2011-0295), remain.

29. Targets in the Company's DSM Plan are linked to the budget proposed for each program type. In the event that the Board approves a different budget than the amount proposed in the Company's DSM Update and the Settlement Agreement, then the relevant target(s) must necessarily be adjusted accordingly.

i) Incentive

30. Enbridge proposes that the maximum incentive available for 2013 is $10.659M and for 2014 is $10.872M. This is in keeping with the Board's Decision in EB-2011-0295.

Witnesses: P. Goldman
A. Mandyam
J. Paris
E. Reimer
R. Sigurdson
J. Tideman

31. In accordance with the DSM Guidelines, any incentive amounts will "be allocated to rate classes in proportion of the amount actually spent on each rate class."[4]

j) Lost Revenue Adjustment Mechanism ("LRAM")

32. Enbridge's current practice of calculating first year impact of DSM programs on a monthly basis is consistent with the DSM Guidelines and the Company will continue with this practice for the period of the Multi-year plan.

k) Accounting Treatment and Annual Application for Disposition of Balances

33. As is the current practice, Enbridge will record balances in the following variance accounts: LRAM, DSMVA, and Demand Side Management Incentive Deferral Account ("DSMIDA"). Following the annual audit of DSM results, the Company will make an annual application to the Board to clear any balances in the LRAM, DSMVA, and DSMIDA accounts, consistent with the DSM Guidelines.

l) Evaluation and Audit

34. As for 2012, Enbridge will produce an Annual Evaluation Report of program results for 2013 and 2014. Program results will be reviewed through an independent audit following provisions in the Terms of Reference for Stakeholder Engagement approved in EB-2011-0295. Further provisions for evaluation research in 2013 and 2014 including program evaluation costs are found in the Evaluation Plan (Exhibit B, Tab 1, Schedule 5).

[4] Ibid. p. 31

m) Stakeholder Consultation

35. In 2013 and 2014, Enbridge will continue to consult with stakeholders following the Terms of Reference for Stakeholder Engagement which were developed in consultation with intervenors and approved by the Board in EB-2011-0295.

n) Coordination and Integration of Natural Gas and Electricity Conservation Programs

36. In keeping with the DSM Guidelines, Enbridge remains receptive to opportunities to collaborate with electric Local Distribution Companies ("LDC") in the delivery of DSM/Conservation Demand Side Management Programs and will pursue opportunities as they present themselves.

Witnesses: P. Goldman
A. Mandyam
J. Paris
E. Reimer
R. Sigurdson
J. Tideman

PROGRAM TYPES: BUDGET, METRICS AND TARGETS

1. As described in Exhibit B, Tab 1, Schedule 2, this Update to the Enbridge 2012-2014 DSM Plan was developed in consultation with Intervenors, culminating in a complete Settlement Agreement in respect of the DSM Plan Update. This section presents key aspects of the resulting Settlement Agreement: the Budget Allocation, Metrics, and Targets for each program type together with the associated Program Terms. The full Settlement Agreement is included at Exhibit B, Tab 2, Schedule 9.

2. The Settlement Agreement resulted in a DSM portfolio with a total budget of $31.59 million for 2013 and $32.16 million for 2014. The resulting budget allocation between program types is shown in the Table 1 together with a summary of the budgeted natural gas savings.

Table 1

2013 Budget and Cumulative m^3 Savings

Program Type	Net effective m^3	Cumulative m^3	Program Budget	Overheads	Total
Resource Acquisition	69,013,992	972,613,052	$13,882,920	$4,528,033	$18,410,953
Low Income	5,338,899	83,100,000	$6,638,325	$522,050	$7,160,375
Market Transformation			$5,085,000	$931,872	$6,016,872
Total	74,352,891	1,055,713,052	$25,606,245	$5,981,955	$31,588,200

Witnesses: P. Goldman
A. Mandyam
J. Paris
E. Reimer
R. Sigurdson
J. Tideman

Table 2

2014 Budget and Cumulative m3 Savings

Program Type	Net effective m^3	Cumulative m^3	Program Budget	Overheads	Total
Resource Acquisition	70,394,271	992,065,313	$14,160,578	$4,638,711	$18,799,289
Low Income	5,654,942	87,800,000	$6,729,500	$507,831	$7,237,331
Market Transformation			$4,795,000	$1,327,144	$6,122,144
Total	76,049,213	1,079,865,313	$25,685,078	$6,473,686	$32,158,764

3. In 2013 and 2014 the Enbridge DSM portfolio continues with the key features introduced in 2012, including:
    - A greater emphasis on market transformation activities;
    - In Resource Acquisition, maintaining traditional DSM program offers while introducing new initiatives that emphasize helping customers to build the capability to identify and implement further energy savings;
    - Increased emphasis on deep savings; and
    - Further development of five new program offers including two new market transformation initiatives first introduced in 2012.

4. The following sections present the Scorecard and Program Terms for 2013 and 2014 for each Program Type as included in the Settlement Agreement. Further detail on the program initiatives within each Program Type can be found in

Exhibit B, Tab 1, Schedule 4, Program Descriptions. The complete Settlement Agreement may be found in section Exhibit B, Tab 2, Schedule 9.

Resource Acquisition Program Type

5. The Table 3 provides the 2013 and 2014 DSM Resource Acquisition Scorecard.

Table 3

Component	Metric	Year	Weight	Lower	Middle	Upper
Volumes	Lifetime cubic meters (Mm^3)	2013	92%	729.46	972.61	1,215.76
		2014		744.05	992.06	1,240.08
Residential Deep Savings	Number of participants with at least 2 major measures (average annual gas savings across all participants must be at least 25% of combined baseline space heating and water heating usage for any incentives to be earned)	2013	8%	549	732	915
		2014		560	747	933

6. The Program Terms noted below list those aspects of the program that were of particular interest during the consultation and that are included in the Settlement Agreement.

Witnesses: P. Goldman
A. Mandyam
J. Paris
E. Reimer
R. Sigurdson
J. Tideman

- Enbridge intends to continue to offer its Energy Compass/Run it Right ("RIR") initiative to commercial customers in both 2013 and 2014. That initiative typically involves assessments of and support to participants to address opportunities to improve energy efficiency through both capital improvement projects and modifications to building operational procedures. Any savings from capital improvement projects resulting in a given year from the Energy Compass/RIR initiative will count towards Enbridge's achievement of its savings goals in that year (as with capital improvement projects resulting from any other Enbridge efficiency initiative). However, because savings from operational improvements – which are expected to be the vast majority of savings from the initiative – cannot be documented for at least 12 months, such savings will, by definition, only be counted in the subsequent year. The Resource Acquisition energy savings targets documented in the scorecard table above were developed assuming that Enbridge would spend $1.9 million of its Resource Acquisition budget on Energy Compass/Run it Right activity in both 2013 and 2014. In other words, the targets implicitly assume that there will be little direct energy savings benefits from 2013 initiative spending in 2013 (and similarly, little benefit in 2014 from spending in 2014). Thus, in the event that Enbridge shifts funds from the Energy Compass/RIR activity to any other program or activity, the "lifetime (or cumulative) cubic meter" targets at all three levels (i.e., lower, middle and upper) shall increase by 50 lifetime cubic meters for each dollar shifted. For example, if Enbridge shifts $500,000 to other programs or activities, the targets are increased by 25 million lifetime (or cumulative) cubic meters in 2013, i.e., to 754.46, 997.61 and 1240.61 million m^3.
- The Residential Deep Savings Target shall be based on the number of homes retrofitted. On average, the customers counted towards the deep savings metric must achieve at least a 25% reduction in annual gas usage for space and water heating, in aggregate (based on accredited modelling software, e.g., HOT2000),

for the utility to be eligible to earn any shareholder incentive. In addition, each participant must implement a minimum of 2 major measures. The following are examples of major measures:

i. Heating system replacement
ii. Water heating system replacement
iii. Attic insulation
iv. Wall insulation
v. Foundation insulation
vi. Air sealing (minimum reduction of at least 10% in ACH as measured by a blower door)
vii. Window replacements
viii. Drain water heat recovery

- Enbridge will track and report information regarding deep savings in the Commercial and Industrial sectors of its Annual DSM Report. The Company will consult with interested parties regarding the specifics of information to be reported.

- Enbridge will commission a Free-Ridership and Spillover Study for custom projects in consultation with the Technical Evaluation Committee ("TEC"). Following completion of the Study, the TEC will work to develop proposed free ridership and spillover values for custom projects, if warranted. Enbridge will consult with Intervenors regarding application of these values prior to submitting an Update to the Board. The Parties acknowledge that not all parties agree that spillover, or all types of spillover, should be included in savings calculations.

- In general, Enbridge will have the right, in the manner described in the Guidelines, to re-allocate budget between customer classes and groups to

optimize the effectiveness of its DSM Plan. However, the Parties agree, for each of 2013 and 2014 that the total budget spent on programs and activities (including allocated overheads but excluding Low Income Allocations) for all customers in rate classes 110, 115, and 170 shall not exceed the following annual limits:

Rate Class	2013 Spending Limit	2014 Spending Limit
110	$1.636 million	$1.687 million
115	$1.261 million	$1.307 million
170	$2.164 million	$2.220 million

- The purpose of these limits is to ensure that the maximum cost to be borne by industrial customers in these rate classes is known in advance and capped. The limits apply whether or not Enbridge has accessed the DSMVA. Further, they have no bearing on either Enbridge's ability to access the DSMVA (i.e., when it has achieved overall pre-audit Resource Acquisition performance equal to the middle band target (i.e., the 100% level)) or the calculation of the maximum amount of DSMVA funds which the Company can access and spend on Resource Acquisition efforts (i.e., 15% of the total Resource Acquisition budget). To ensure that commercial customers in the three affected rate classes are not adversely affected by the spending caps, Enbridge commits to managing spending within each of the three rate classes such that no commercial customer in any of the classes would be prevented from participating in any of the Company's DSM program or initiative offerings as a result of the annual spending caps imposed on each rate class.

Witnesses: P. Goldman
A. Mandyam
J. Paris
E. Reimer
R. Sigurdson
J. Tideman

- Enbridge may, consistent with proper accounting methods under USGAAP, capitalize IT spending related to DSM activities provided that the amounts in the aggregate in each of 2013 and 2014 do not exceed $1 million.

Low Income Program Type

7. The Table 4 provides the 2013 and 2014 Low Income Scorecard.

Table 4

Component	Weight	Year	Lower Band	Middle Band	Upper Band
Cumulative Savings (million m^3)					
Single Family Ontario Building Code (Part 9)	50%	2013	17.3	23.1	28.8
		2014	17.7	23.6	29.5
Multi-residential Ontario Building Code (Part 3)	45%	2013	45	60	75
		2014	48.2	64.2	80.3
Total Cumulative Savings		2013	62.3	83.1	103.8
		2014	65.9	87.8	109.8
Percent of Part 3 Participants enrolled in Run it Right	5%	2013	30%	40%	50%
		2014			

Witnesses: P. Goldman
A. Mandyam
J. Paris
E. Reimer
R. Sigurdson
J. Tideman

8. The Program Terms noted below list those aspects of the program that were of particular interest during the consultation and that are included in the Settlement Agreement.

- The Low Income budget contemplates incurring costs to treat single family homes for health and safety issues necessary to implement energy efficiency upgrades. The actual cost depends upon need, the unique circumstances of each single family home and the actual expense to address such health and safety work. As a result, the costs will, by necessity, vary from home to home.

- Enbridge agrees to comprehensively treat all cost-effective opportunities in each Part 9 single family home, provided that the customer accepts all such measures. "Cost-effective" is defined as all measures with a TRC benefit-cost ratio of at least 0.7 (as per the Guidelines). Enbridge will continue to consolidate the Low Income TAPS and weatherization activities. All low income single family homes visited for potential weatherization will, wherever possible and appropriate, receive the basic measures (i.e., showerheads and programmable thermostats) as part of the home assessment visit. Additional in-suite measures – including clothes dryer racks, cold water detergent and leak repairs – may also be provided. Stand-alone Low Income TAPS will no longer be offered.

- Social and assisted housing (Part 3 of Division B, of the Ontario Building Code) buildings are eligible for equipment and retrofit measures. Enbridge and the Low Income Consultative sub-group will continue to work collaboratively, with additional resources as necessary, to develop protocols to include privately-owned Part 3 multi-unit buildings in the Low Income program. Those protocols will be finalized with a target date by the end of February 2013, with a soft launch of the privately-owned low income multi-family elements of the program in the latter part of 2013. It is anticipated that a formalized privately-owned low income

multi-family initiative will be available for 2014. The protocols for participation of privately-owned low income multi-family buildings in the Low Income program will be based on the following principles:

(i) Eligibility: To be eligible to participate in the Low Income program, privately owned Part 3 buildings must have a high proportion of low income tenants.

(ii) Screening for eligibility: Will be done based on criteria such as geography/demographics and rent levels (consulting assistance may be required).

(iii) Impact on Rents: Participation of privately owned Part 3 buildings through building owner or management participation should not result in a rent increase to building tenants.

(iv) Benefits to Tenants: Retrofits of Part 3 privately owned buildings undertaken through the Low Income program must include measures that will result in tangible benefit to tenants, e.g., in suite measures that increase comfort and convenience.

(v) Impact on Enbridge Low Income Targets: Enbridge 2013-2014 DSM targets will not be affected by the building mix resulting from inclusion of privately owned Part 3 buildings in the Low Income program.

- Thus, much of the developmental work that Enbridge and the Low Income Consultative sub-group will undertake through February 2013 will focus on the following issues:

(i) Eligibility: Developing criteria for eligibility.

Witnesses: P. Goldman
A. Mandyam
J. Paris
E. Reimer
R. Sigurdson
J. Tideman

(ii) Impact on Rents: Developing a method for verifying that program retrofits of privately owned Part 3 buildings did not result in a rent increase for tenants.

(iii) Benefits to Tenants: Identifying suitable measures providing direct benefits to tenants in participating buildings, and developing processes and metrics to verify the tenant benefits.

- Social and assisted housing (Part 3 of Division B, of the Ontario Building Code) buildings are eligible for equipment and retrofit measures. Enbridge agrees in principle to undertake equipment and retrofit measures with regard to Part 3, low-income multi-unit buildings whether they are social housing or privately-owned. The Parties have not finalized a definition of low income multi-unit buildings applicable to the private sector, and agree that, until a suitable definition is available, Enbridge's programs for Part 3 buildings can be restricted to social and assisted housing as defined in EB-2008-034 Demand Side Management Guidelines for Natural Gas Utilities. The parties agree that once such a definition is available, privately-owned multi-unit buildings will be included in the programs for Part 3 buildings. Enbridge agrees to consult with interested Parties, including but not limited to VECC, LIEN, and FRPO, with respect to the appropriate building mix (social and assisted housing vs. private sector) for these programs. Notwithstanding the inclusion of privately-owned multi-unit buildings in Part 3 programs, the targets will not change for 2013 or 2014. For Part 3 buildings, insuite measures from which Enbridge may choose are expanded to include, but are not limited to: clothes dryer rack, cold water wash detergent, and leak repairs.

- The RIR activity will be offered to all program eligible Part 3 multi-residential buildings. The number of new projects enrolled in Low Income RIR in a given

year will be included as an additional metric in the Low Income program, accounting for 5% of the total Low Income program scorecard for the year. The Company does not want to deny participation in RIR to low income Part 3 buildings that participated in low income DSM projects in a prior year of the current multi-year DSM plan. Therefore, Part 3 buildings which participated in another aspect of the Low Income program in a previous year may enroll in RIR in a subsequent year. For the purposes of the RIR metric, such projects will be counted towards both the total number of Part 3 projects for the year and the total number of new RIR enrolment projects for the year.

For example, for the 2014 RIR metric, low income Part 3 projects from 2012 and 2013 will be eligible to enroll in RIR in 2014. Such new enrolment projects will be counted towards the total number of Part 3 projects for 2014 and the total number of RIR projects for 2014.

Formula:

$$\text{Percent Enrolled in current year RIR} = \frac{x + y}{x + y + z}$$

where
- x = Number of new RIR buildings in the current year which have participated in another aspect of the Low Income program in a previous year of the 2012-2014 multi-year plan
- y = Number of new RIR buildings participating in current year RIR which have not previously participated in the Low Income program
- z = Number of buildings in the current year which have implemented custom projects other than RIR.

Witnesses: P. Goldman
A. Mandyam
J. Paris
E. Reimer
R. Sigurdson
J. Tideman

The Low Income RIR activity shall include (1) benchmarking, (2) analysis of historical consumption data, (3) development of recommendations for reducing consumption, and (4) assessment of resulting changes in consumption 12 months later based on changes in actual gas usage. Enbridge shall have the flexibility to modify the specific details regarding how those design features (and other RIR features) are implemented to reflect the needs and characteristics of low income low and mid-rise buildings.

- For Low Income programs in Part 9 and Part 3 buildings, free ridership for all measures both prescriptive and custom is set at zero.

- Once Enbridge has achieved overall pre-audit Low Income performance equal to the middle band target (100% level on a pre-audit basis), Enbridge may access the DSMVA to achieve Low Income program performance in excess of 100%.

- All parties agree that the Low Income budget shall be used for Low Income programs only.

Witnesses: P. Goldman
A. Mandyam
J. Paris
E. Reimer
R. Sigurdson
J. Tideman

Market Transformation Program Type

9. This section presents the Scorecard and Program Terms for each individual Market Transformation program: Residential Savings by Design, Commercial Savings by Design, Home labeling and Drain Water Heat Recovery.

Residential Savings by Design

10. The Table 5 provides the 2013 and 2014 Residential Savings by Design Scorecard.

Table 5

Component	Weight	Lower Band	Middle Band	Upper Band
2013				
Top 80 previously non-participating Builders Enrolled	60%	11	14	18
Completed Units	40%	675	900	1,125
2014				
Top 80 previously non-participating Builders Enrolled	60%	12	16	20
Completed Units	40%	750	1,000	1,250

11. The Program Terms noted below list those aspects of the program that were of particular interest during the consultation and that are included in the Settlement Agreement.

- Metric: builder participation "TOP 80 previously non-participating builders enrolled"

Witnesses: P. Goldman
A. Mandyam
J. Paris
E. Reimer
R. Sigurdson
J. Tideman

For the purposes of assessing performance in 2013 and 2014 relative to this metric, a "top 80 previously non-participating builder enrolled" is defined as follows:

(i) The builder must have signed a Memorandum of Understanding (MOU) containing a commitment to participate in the Energy Savings by Design program for a 3-year period

(ii) The builder must have completed a program-approved Integrated Design Process (IDP), such as IEA Task 23 or the iiSBE developed IDP tool, including requisite energy modeling for homes the builder plans to construct in a new development which demonstrates at least 25% total energy savings relative to the Ontario Building Code.

(iii) The builder must be new to the program. That is, the builder must have gone through the IDP for the first time in whatever year participation is being counted. For example, a builder who participated in the program in 2012 can no longer be counted towards the builder participation target for 2013 or 2014. Similarly a builder who participates in 2013 cannot count towards the builder participation target for 2014.

(iv) The builder must be either a top 80 builder and/or a regional top 4 builder as defined below:

- Top 80 refers to the 80 largest builders in Enbridge's service territory who have not previously participated in the program (i.e., who have not already enrolled and completed an IDP). For example, if 16 of the top 80 builders participate in the program in 2012, then the target market for 2013 becomes the 96 largest

builders (excluding the 16 who already participated) in Enbridge's service territory.

- A regional top 4 builder is a builder which is one of the four largest builders in each of the following eight regions of Enbridge's service territory regardless of whether they are listed in the Top 80.

  Area 1 – Metro,
  Area 21 – Mississauga,
  Area 35 – Richmond Hill, Markham
  Area 45 – Whitby, Ajax, Oshawa
  Area 47 – Peterborough
  Area 53 – Barrie
  Area 65 – Ottawa
  Area 76 – Niagara

- Builder size is measured by the number of completed homes in Enbridge's service territory in the previous calendar year. Under no circumstances shall a builder who built fewer than 50 homes the previous year be considered either a top 80 builder (even if this means that the eligible target market is less than 80 builders) or a regional top 4 builder (even if that means that the eligible target market in a region is less than 4 builders).

- Metric: "Completed units"

Witnesses: P. Goldman
A. Mandyam
J. Paris
E. Reimer
R. Sigurdson
J. Tideman

For the purposes of assessing performance in 2013 and 2014 relative to this metric, a “completed unit” is defined as follows:

(i) A home completed by a participating builder who has completed the IDP process for the subdivision.

(ii) A home which, as constructed, has features consistent with the builder’s IDP and that make it 25% more efficient than a new home built to the Ontario Building Code.

(iii) Builders may complete the IDP process a second time for a second subdivision. The homes completed in the second subdivision may be counted as completed units. However, the builder can only be counted once towards the participation metric.

(iv) All homes constructed to the standard in a builder’s subdivision shall count towards the metric even if rebates were not paid for all of them. Non-rebated units will be verified by a confirmation letter from the builder acknowledging that the homes were built to the IDP standard. Enbridge rebated units will be verified using the blower door test.

Commercial Savings by Design

12. The Table 6 provides the Commercial Savings by Design Scorecard for 2013 and 2014.

Table 6

Component	Year	Weight	Lower Band (50%)	Middle Band (100%)	Upper Band (150%)
New Developments enrolled	2013	100%	6	8	15
	2014	100%	8	12	19

13. The Program Terms noted below list those aspects of the program that were of particular interest during the consultation and that are included in the Settlement Agreement.

- For the purposes of assessing performance in 2013 and 2014 relative to the Market Transformation metrics for the Commercial Savings by Design program outlined above, only builders and developers who have "enrolled" in the program and completed the IDP process in 2013 and 2014 are eligible to be counted towards the 2013 and 2014 targets respectively.

- Metrics in the above scorecard are based on the number of projects to which a developer commits, i.e., the same developer with different clients and different kinds of projects may be counted multiple times. A minimum 100,000 square feet requirement applies to each project. A project is defined as either a single building or multiples of the same building by the same company that add up to 100,000 square feet.

Witnesses: P. Goldman
A. Mandyam
J. Paris
E. Reimer
R. Sigurdson
J. Tideman

- "Enrolment" is defined as a signed MOU with a builder or developer containing a commitment to participate in the Enbridge Commercial Savings by Design program for a 5-year period which will include undertaking an IDP adhering to an Enbridge approved IDP process (such as IEA Task 23 or the iiSBE developed IDP Tool) which also includes the requisite energy model, all demonstrating how to achieve at least 25% total energy savings relative to the Ontario Building Code. The builder must also commit to constructing buildings or a building to the IDP standard within 5 years.

Home Labelling

14. The Table 7 presents the 2013 and 2014 Scorecard for the Home Labelling program.

Table 7

Component	Weight	Lower Band (50%)	Middle Band (100%	Upper Band (150%)
2013				
Home Labelling	70%	N/A	Commitment from realtors collectively responsible for more than 5,000 home listings / year	Commitment from realtors collectively responsible for more than 10,000 home listings / year
Ratings performed by buyers and/or sellers	30%	250	500	750
2014				
Home Labelling	50%	N/A	Commitment from realtors collectively responsible for more than 5,000 home listings / year	Commitment from realtors collectively responsible for more than 10,000 home listings / year
Ratings performed by buyers and/or sellers	50%	750	1,500	2,250

15. The Program Terms noted below list those aspects of the program that were of particular interest during the consultation and that are included in the Settlement Agreement.

- Commitments from realtors metric: must be from new realtors not counted towards a previous year's metric.

Witnesses: P. Goldman
A. Mandyam
J. Paris
E. Reimer
R. Sigurdson
J. Tideman

- Ratings performed by buyers and/or sellers metric: must be either included in a listing (or related marketing materials) by the seller or made a condition of sale by the buyer.

Drain Water Heat Recovery

16. The Table 8 presents the 2013 Scorecard for the Drain water Heat Recovery program.

Table 8

Component	Weight	Lower Band	Middle Band	Upper Band
# of DWHR units installed	100%	2,813	3,750	4,688

17. The Program Terms noted below list those aspects of the program that were of particular interest during the consultation and that are included in the Settlement Agreement.

- Enbridge has committed to ramping down financial incentives for the DWHR program by the end of 2013, i.e. exiting the market altogether in 2013. The program will be discontinued and not available in 2014. Therefore, there is no budget or target, and no incentive, related to this program for 2014.

Witnesses: P. Goldman
A. Mandyam
J. Paris
E. Reimer
R. Sigurdson
J. Tideman

PROGRAM DESCRIPTION UPDATE

Section 1 - Resource Acquisition Programs

Introduction

1. The following sections provide an Update to Company's suite of Resource Acquisition Programs for 2013 and 2014. As in 2012, DSM programs are offered in the three main sectors: residential, commercial, and industrial. With two exceptions, the program initiatives are a continuation of those offered to customers in 2012. The TAPS offering, including the TAPS Energy Savings Kit (ESK) for New Construction, will no longer be offered in 2013.

2. The proposed 2013 and 2014 Program Costs for each Resource Acquisition program are provided in Tables 2 and 3. Table 1 shows the 2012 Program costs for reference. Program Costs include direct costs which refer to incentives and indirect costs which relate to expenses such as program development, start-up, and promotion. Program evaluation costs are presented in Exhibit B, Tab1, Schedule 5.

Witnesses: P. Goldman
A. Mandyam
J. Paris
E. Reimer
R. Sigurdson
J. Tideman

Table 1: Resource Acquisition Programs: 2012 Program Costs

Resource Acquisition Program	Direct Costs	Indirect Costs	Total Program Costs
Residential	$2,433,000	$375,000	$2,808,000
Commercial	$4,580,965	$3,584,824	$8,165,789
Industrial	$3,054,211	$1,097,000	$4,151,211
Total All Sectors	$10,068,176	$5,056,824	$15,125,000

Table 2: Resource Acquisition Programs: 2013 Program Costs

Resource Acquisition Program	Direct Costs	Indirect Costs	Total Program Costs
Residential	$1,079,700	$720,300	$1,800,000
Commercial	$ 5,987,681	$1,944,239	$7,931,920
Industrial	$2,295,869	$1,855,131	$4,151,000
Total All Sectors	$9,363,250	$4,519,670	$13,882,920

Witnesses: P. Goldman
A. Mandyam
J. Paris
E. Reimer
R. Sigurdson
J. Tideman

Table 3: Resource Acquisition Programs: 2014 Program Costs

Resource Acquisition Program	Direct Costs	Indirect Costs	Total Program Costs
Residential	$1,101,294	$734,706	$1,836,000
Commercial	$6,132,221	$1,958,337	$8,090,558
Industrial	$2,295,869	$1,938,151	$4,234,020
Total All Sectors	$9,529,384	$4,631,194	$14,160,578

Note: As in 2012, special provisions regarding dedicated funding for the Energy Compass/Run It Right initiative and regarding the total budget for customers in Rate Classes 110, 115 and 170 will continue.

3. Projected program results including gas, electricity, and water savings are presented in Tables 5 and 6 on the following page. Table 4 provides projected results for 2012 for reference.

Witnesses: P. Goldman
A. Mandyam
J. Paris
E. Reimer
R. Sigurdson
J. Tideman

Table 4: Resource Acquisition Programs: 2012 Projected Resource Savings

Resource Acquisition Program	Annual Savings (m3)	Cumulative Savings (m3)	Annual Electricity Savings (kWh)	Annual Water Savings (m3)
Residential	4,236,343	43,243,430	48,863	1,382,590
Commercial	30,176,215	502,710,045	1,716,229	484,949
Industrial	15,250,000	274,500,000		
Total	49,662,558	820,453,475	1,765,092	1,867,539

Table 5: Resource Acquisition Programs: 2013 Projected Resource Savings

Resource Acquisition Program	Annual Savings (m3)	Cumulative Savings (m3)	Annual Electricity Savings (kWh)	Annual Water Savings (m3)
Residential	575,001	11,500,013		
Commercial	45,779,691	621,254,179	5,203,188	304,972
Industrial	22,659,300	339,889,500		
Total	69,013,992	972,643,692	5,203,188	304,972

Witnesses: P. Goldman
A. Mandyam
J. Paris
E. Reimer
R. Sigurdson
J. Tideman

Table 6: Resource Acquisition Programs: 2014 Projected Resource Savings

Resource Acquisition Program	Annual Savings (m3)	Cumulative Savings (m3)	Annual Electricity Savings (kWh)	Annual Water Savings (m3)
Residential	586,501	11,730,013		
Commercial	46,695,285	633,679,262	5,307,252	311,071
Industrial	23,112,486	346,687,290		
Total	70,394,271	992,096,565	5,307,252	311,071

Metrics and Performance Incentive

4. The Resource Acquisition Program type has one common value, lifetime natural gas savings ("cumulative savings"), as its primary metric.[1] Performance metrics related to the number and nature of participation for Residential Deep Savings continue as for 2012. The metric for Commercial/ Industrial Deep Savings is discontinued. Tables 8 and 9 provide the proposed metrics and weights. Table 7 shows the information for 2012 for reference.

5. The maximum Shareholder incentive available for the Resource Acquisition program type is $6,212,521 for 2013 and $6,355,631 in 2014 for achievement of the upper band of the scorecard metric. The incentive amount is to be pro-rated for achievement levels between lower band, middle band (100%), and upper band with the lower band being 75% and the upper band 125% of the target.

[1] Lifetime savings are the product of annual savings and the assumed equipment life. These are calculated at the measure and program level and aggregated to provide the total for the portfolio.

Table 7: Resource Acquisition Programs – 2012 Performance Incentive Metrics and Weights

Component	Metric	Weight	Lower	Middle	Upper
Volumes	Lifetime cubic meters	92%	615.3	820.4	1025.5
Residential Deep Savings	Number of participants with at least 2 major measures and at least 11,000 lifetime m^3 savings (average annual gas savings across all participants must be at least 25% of combined baseline space heating and water heating usage for any incentives to be earned)	4%	120	160	200
Commercial – Industrial Deep Savings	Percent of custom C&I participants with at least 25% annual gas savings	4%	40%	45%	50%

Note: Energy savings associated with capital improvement projects identified through Energy Compass/Run It Right and implemented in 2012 will be included in calculation of the 2012 cumulative m^3 program results.

Witnesses: P. Goldman
A. Mandyam
J. Paris
E. Reimer
R. Sigurdson
J. Tideman

Table 8: Resource Acquisition Programs – 2013 Performance Incentive Metrics and Weights

Component	Metric	Weight	Lower Band	Middle Band	Upper Band
Volumes	Lifetime cubic meters (million m3)	92%	729.46	972.61	1215.76
Residential Deep Savings	Number of participants with at least 2 major measures (average annual gas savings across all participants must be at least 25% of combined baseline space heating and water heating usage for any incentives to be earned)	8%	549	732	915

Table 9: Resource Acquisition Programs – 2014 Performance Incentive Metrics and Weights

Component	Metric	Weight	Lower Band	Middle Band	Upper Band
Volumes	Lifetime cubic meters (million m3)	92%	744.05	992.06	1240.08
Residential Deep Savings	Number of participants with at least 2 major measures (average annual gas savings across all participants must be at least 25% of combined baseline space heating and water heating usage for any incentives to be earned)	8%	560	747	933

6. The following pages provide an Update to the descriptions for the Company's Residential Acquisition Program presenting new information for 2013 and 2014.

Resource Acquisition: Residential Program

Program Name: Residential Program - Update

The Residential Program in 2013 and 2014 includes the following:

- Community Energy Retrofits;

The TAPS program offering, including the ESK for existing homes and new construction will not be carried forward into 2013 and 2014.

Goal: as in EB-2011-0295

"The goal of the Residential Program is to achieve energy savings in existing homes and in new single family homes and to raise awareness of the benefits of energy efficiency."

Target market: as in EB-2011-0295

"The Residential Resource Acquisition program targets Rate 1 residential customers."

End-uses addressed: as in EB-2011-0295

"Space heating and water heating"

Background: as in EB-2011-0295

Barriers: as in EB-2011-0295

Program Design: Update

Witnesses: P. Goldman
A. Mandyam
J. Paris
E. Reimer
R. Sigurdson
J. Tideman

7. Based on program experience in 2012, two residential initiatives will not be continued into 2013: the TAPS for existing homes and the ESK initiative for new construction. The Community Energy Retrofit initiative will be modified in 2013 and 2014 based on experience with the introductory community in 2012. Promotional materials will clarify that residents throughout the broader community, i.e., the participating municipality, will be eligible to participate, provided that they meet program qualifications. This will support a positive view of the program, increase program impact in terms of education and awareness, and support increased energy savings.

8. Table 11 on the following page provides a list of the program elements: eligible measures, technical assistance, training and education, the proposed marketing/communications techniques, and delivery channels for 2013 and 2014. Table 10 provides this information for 2012 for reference.

Table 10: Residential Program Summary 2012

Eligible Measures	Incentives	Technical Assistance	Training / Education	Marketing / Communication	Delivery Channels
Community Energy Retrofit: Thermal envelope improvements, water savings devices, high efficiency gas furnaces and water heaters, select electricity and water savings products	Enbridge incentive covers full cost of initial audit ($150) and $2/m^3 of gas saved as realized by the various retrofits	Oversight of audit process as required	Training of contractors as required, training and education of customers, students etc	Market research to support community selection, co-promotion of communications, specific community events	Through municipalities, LDCs, local Eco-Energy auditors, contractors, and schools
TAPS: Showerheads, aerators	Free product and installation	n/a	n/a	Mass Communications	Enbridge approved contractors
ESK: Showerheads, aerators, programmable thermostats, CFLs	Free product for self installation/builder installation	n/a	n/a	Direct communication to builders	Home buyers via the builders

Witnesses: P. Goldman
A. Mandyam
J. Paris
E. Reimer
R. Sigurdson
J. Tideman

Table 11: Residential Program Summary 2013 and 2014

Eligible Measures	Incentives	Technical Assistance	Training / Education	Marketing / Communication	Program Delivery
Community Energy Retrofit: Thermal envelope improvements, water savings devices, high efficiency gas furnaces and water heaters, select electricity and water savings products	Enbridge incentive provided to qualified participants	Oversight of audit process as required	Training of contractors as required, training and education of customers, students etc	Market research to support community selection, co-promotion of communications, specific community events	Through municipali-ties, LDCs, local Eco-Energy auditors, contractors, and schools

Timeline: Update

The Community Energy Retrofit initiative under the Residential Resource Acquisition Program will be operated in 2013 and 2014. It will also be considered for inclusion in the next DSM Multi-year plan.

Witnesses: P. Goldman
A. Mandyam
J. Paris
E. Reimer
R. Sigurdson
J. Tideman

Resource Acquisition: Commercial Program

Program Name: Commercial Program - Update

The Commercial Program includes two main program initiatives:

- Custom projects for existing buildings, and
- Prescriptive measures for existing buildings.

Goal: as in EB-2011-0295

"Reduce natural gas use through the capture of cost effective energy efficiency opportunities in new and existing commercial sector buildings."

Target market: as in EB-2011-0295

The Commercial Resource Acquisition Program targets Rates 6, 110, 115, 135, 145, and 170, addressing existing commercial buildings in all segments of the commercial sector.

End-uses addressed: as in EB-2011-0295

"Space heating and water heating"

Background: Update

Plans to develop a new "Conservation Competition" aimed at funding commercial customers for exemplary and innovative achievements in energy efficiency have been put on hold for 2013 and 2014.

Barriers: as in EB-2011-0295

Witnesses: P. Goldman
A. Mandyam
J. Paris
E. Reimer
R. Sigurdson
J. Tideman

Program Design: The initiatives offered under the Commercial Sector Resource Acquisition program rely on a combination of outreach, education, and incentives to encourage commercial customers to undertake energy efficiency investments.

Existing Buildings Custom Projects: as in EB-2011-0295

Existing Buildings Prescriptive Projects: Update

The Company will continue with prescriptive offerings in the Commercial sector and will seek to expand prescriptive offerings, by introducing new measures in 2013 and 2014 through the TEC Update process.

New Construction Custom Projects: Update

With the completion of the HPNC contract with the OPA, 2013 is the first year of a fully new approach to the New Construction sector. All of Enbridge support to the Commercial New Construction sector will be through the Commercial Savings by Design Market Transformation program.

New Construction Prescriptive Projects: Update

No prescriptive incentives are planned for the Commercial New Construction sector in 2013 and 2014. As noted above, all New Construction efforts will be focused on the Savings by Design Market Transformation program.

Conservation Competition: Update

Plans to develop a Conservation Competition in the Commercial sector have been put on hold for 2013 and 2014.

Witnesses: P. Goldman
A. Mandyam
J. Paris
E. Reimer
R. Sigurdson
J. Tideman

9. Table 13 provides a summary of the Commercial Program elements for 2013 and 2014: eligible measures, technical assistance, training and education, the proposed marketing/communications techniques, and delivery channels. Similar information for 2012 is provided in Table 12 for reference.

Table 12: Commercial Program Summary 2012

Eligible Measures	Incentives	Technical Assistance	Training / Education	Marketing / Communication	Delivery Channels
Existing Buildings: Custom Projects: All cost effective measures including boilers, envelope, controls, BAS, heat recovery, other	$0.10/m^3	Custom calculations support as required	Training, Links to contractor / engineering community	Target communications to major users, portfolio managers, sector associations	Enbridge Energy Solutions Consultants, sector associations
Existing Buildings: Prescriptive: see list	Per unit incentives for all eligible measures	N/A	Product knowledge and related information	Target communications to key decision makers, retail chains, sector associations	Enbridge Energy Solutions Consultants, channel reps, business partners
New Construction: Custom (Legacy projects)	$0.20/m^3	N/A	Product knowledge and related information	Target communications to key decision makers (design community)	Enbridge Energy Solutions Consultants, sector associations, HPNC, Enbridge marketing team
New Construction: Prescriptive	Per unit incentives for all eligible measures	N/A	Product knowledge and related information	Target communications to key decision makers and specifiers	Enbridge Energy Solutions Consultants, sector associations, HPNC, Enbridge marketing team

Witnesses: P. Goldman
A. Mandyam
J. Paris
E. Reimer
R. Sigurdson
J. Tideman

Table 13: Commercial Program Summary 2013-2014

Eligible Measures	Incentives	Technical Assistance	Training / Education	Marketing / Communication	Program Delivery
Existing Buildings: Custom Projects: All cost effective measures including boilers, envelope, controls, BAS, heat recovery, other custom	$0.10/m3	Custom calculation support as required	Training. Links to contractor / engineering community	Target communications to major users, portfolio managers, sector associations	Enbridge Energy Solutions Consultants, sector associations
Existing Buildings: Prescriptive: see list	Per unit incentives for all eligible measures	N/A	Product knowledge and related information	Target communications to key decision makers, retail chains, sector associations	Enbridge Energy Solutions Consultants, channel reps, business partners

Timeline: Update

The initiatives offered under the Commercial Program will be operated in 2013 and 2014 and considered for inclusion in subsequent years, subject to a review of the remaining market potential. It is expected that participation levels will warrant continuation of the program beyond 2014.

Witnesses: P. Goldman
A. Mandyam
J. Paris
E. Reimer
R. Sigurdson
J. Tideman

Resource Acquisition: Commercial Program
Energy Compass and Run It Right Program Initiatives

Program Initiative: Energy Compass and Run It Right

Goal: as in EB-2011-0295

"Recruit building owners to long term commitment to improving energy performance of buildings in their portfolio through in-house benchmarking and continuous operational improvements. This includes support for energy monitoring services and related analysis, re-commissioning and energy savings opportunity assessments."

Target market: as in EB-2011-0295

"Property managers of large commercial, multi-family, and institutional buildings, including property managers with multiple buildings. For the purposes of this program description, all of these sectors will be referred to as "commercial"."

End-uses addressed: as in EB-2011-0295
"Space and water heating"

Background: as in EB-2011-0295

Barriers: as in EB-2011-0295

Program Design: as in EB-2011-0295

Overview of the Initiatives: as in EB 2011-0295

Initiative Elements: as in EB-2011-0295

Witnesses: P. Goldman
A. Mandyam
J. Paris
E. Reimer
R. Sigurdson
J. Tideman

10. Table 14 below provides a summary of the elements of the Energy Compass and Run It Right program initiatives for 2012 through 2014.

Table 14: Energy Compass/Run it Right Activity Summary 2012-2014

Eligible Measures	Incentives	Technical Assistance	Training / Education	Marketing / Communication	Delivery Channels
Energy Compass	Energy Plan, site visit	Customized energy plan per portfolio, Site visit assessment, Recommen-dations	Training links to contractor and engineering communities	Target communications to portfolio managers, sector associations	Enbridge Energy Solutions Consultants, Benchmarking service providers, sector associations
Run It Right	Meter replacement, support for monitoring, support for communica-tions tools	Tools for monitoring and analyzing effects of operational improvements	Operator rewards	Target communications to portfolio managers, sector associations	Property Management firms, Controls companies, Monitoring service providers, sector associations

Timeline: Update

The program will be operated in 2013 and 2014 and considered for inclusion in subsequent years, subject to a review of the remaining market potential. It is expected that participation levels will warrant continuation of the program beyond 2014.

Witnesses: P. Goldman
A. Mandyam
J. Paris
E. Reimer
R. Sigurdson
J. Tideman

Resource Acquisition: Industrial Program

Program Name: Industrial Program - Update

In the Industrial sector the Continuous Energy Improvement ("CEI") initiative encompasses the industrial sector custom project offering. In 2013 and 2014, Enbridge will continue to develop prescriptive incentives for the industrial sector. Together, these initiatives present a complete package of DSM program initiatives for the industrial sector.

Goal: as in EB-2011-0295

"Support industrial customers to achieve energy savings through a Continuous Improvement approach."

Target market: as in EB-2011-0295

"Plant technical staff, supervisors, and management of industrial facilities. Target Rate Classes: The Continuous Improvement Resource Acquisition industrial program targets Rates 6, 110, 115, 135, 145, and 170."

End-uses addressed: as in EB-2011-0295

Industrial process heating, space heating and ventilation, and water heating.

Background: as in EB-2011-0295

Barriers: as in EB-2011-0295

Program Design: as in EB-2011-0295

Witnesses: P. Goldman
A. Mandyam
J. Paris
E. Reimer
R. Sigurdson
J. Tideman

Timeline: Update

The program will continue in 2013 and 2014 and be considered for inclusion in subsequent years, subject to a review of the remaining market potential. It is expected that participation levels will warrant continuation of the program beyond 2014.

11. Table 16 on the following pages provides a list of the eligible measures, technical assistance, training and education, proposed marketing/communications techniques, and delivery channels for 2013-2014. This table includes similar program components as for 2012 but with a more detailed description in each category. For reference, the program components as described for 2012 are presented in Table 15 below.

Table 15: Industrial Program Activity Summary 2012

Stage	Incentives	Technical Assistance	Training / Education	Marketing / Communication	Delivery Channel
Knowledge Development	Co-op student sponsorships		General workshops Co-op students sponsorships Training sponsorships On line forum Other outbound communication (industry newsletter and webinars)		Energy management firms Controls companies Monitoring service producers Manufacturers
Opportunity Identification	For detailed assessments by 3rd parties (50% up to $10,000) Support for on-site energy engineers	Energy Assessments (by EGD) Design reviews (by EGD) On-site energy engineers Development of energy management plans Consultation re: ISO 50001			

Witnesses: P. Goldman
A. Mandyam
J. Paris
E. Reimer
R. Sigurdson
J. Tideman

Measurement & Quantification	Support for up to 50% of costs to a maximum of $10,000	Solutions and options – recommend-dations re: appropriate approach (by EGD) Supporting tools (30 new or existing meters per year)		Direct to large users Sector focused materials to sector associations	Energy management firms Controls companies
Engineering Analysis	Financial support for detailed analysis	Analytical support (EGD staff) Trial of technology, pilot projects, on-site testing			Monitoring service providers
Action and Implemen-tation	Planned incentives up to $0.10/$m^3$ up to $100,000 for custom		Connecting customers with business partner network	Target communications to larger customers, sector associations	Enbridge Energy Solutions Consultants, sector associations
	Planned incentives up to $0.20/$m^3$ for prescriptive		Connecting customers with business partner network	Target communications to smaller customers, sector associations	Enbridge Energy Solutions Consultants, sector associations, Manufacturers of prescriptive measures

Witnesses: P. Goldman
A. Mandyam
J. Paris
E. Reimer
R. Sigurdson
J. Tideman

Table 16: Industrial Program Activity Summary 2013-2014

Stage	Incentives	Technical Assistance	Training / Education	Marketing / Communication	Delivery Channel
Knowledge Development	Access to a dedicated Enbridge ESC Enbridge full or partial subsidy for continuing education workshops and seminars	Enbridge Energy Solutions Consultant (ESC) available to explain need for, and facilitate learning of, technical and business skills	Workshops and seminars developed and delivered by Enbridge On Line Forums Other outbound educational communications (webinars, newsletters, white papers)	Generate awareness of tools available to customers via targeted campaigns, external websites, business partners and relevant associations	Enbridge ESC Energy management firms Engineering companies External trade / professional organizations and associations Manufacturers and product vendors Internet
Opportunity Identification	Access to a dedicated Enbridge ESC For detailed, or feasibility, assessments by 3rd parties, Enbridge may subsidize the expenditure to the lesser of $10,000 or 50% of qualifying costs	Enbridge ESC conducted energy assessment Enbridge ESC leads design, and energy management planning review	Enbridge ESC educates customers about identified opportunities and methods of identifying future opportunities	Targeted campaigns to drive awareness and best practices in the acquisition of outside energy assessment talent Leverage website and newsletter as a source for providing information	Enbridge ESC Energy management firms Engineering companies External trade / professional organizations and associations

Witnesses: P. Goldman
A. Mandyam
J. Paris
E. Reimer
R. Sigurdson
J. Tideman

Measurement and Quantification	Access to a dedicated Enbridge ESC For the acquisition, aggregation or storage of measured information , Enbridge may subsidize the expenditure to the lesser of $10,000 or 50% of qualifying costs	Enbridge ESC leads measurement and collection Enbridge ESC leads gap assessment reviews, and energy management planning Enbridge ESC leads on site testing Enbridge ESC leads planning, scope of work and deliverables review	Enbridge ESC provides information on best practices in metrology, and alternative methodologies Enbridge ESC provides customers with information regarding technical advancements in metrology, telemetry and other related topics	Targeted campaigns to drive awareness and best practices in the acquisition of outside energy assessment talent	Enbridge ESC Energy management firms Engineering companies External trade / professional organizations and associations Manufacturers and product vendors
Engineering Analysis	Access to a dedicated Enbridge ESC For detailed investment grade engineering analysis by 3rd parties, Enbridge may subsidize the expenditure to the lesser of $10,000 or 50% of qualifying costs	Enbridge ESC lead analysis in the areas of statistics, thermal engineering, machine design, etc. Trial of technology at customer site supported through vendors and manufacturers for proof of concept validation	Enbridge ESC supports and shares analysis methodologies, logic navigation and findings. Enbridge ESC acts as information conduit	Case studies White papers Targeted campaigns Leverage website and newsletter as a source for providing information	Enbridge ESC Energy management firms Engineering companies

Witnesses: P. Goldman
A. Mandyam
J. Paris
E. Reimer
R. Sigurdson
J. Tideman

Action and Implemen-tation	Planned incentives up to $0.20/m3 to a maximum of $100,000 project. Additional terms apply	EGD ESC can assist with the business justification, development and project management of implementation initiatives EGD to provide online tools and collateral that outlines technical nature and environmental benefits of initiatives	Enbridge ESC connects customers with business partners, trade professionals and other service providers	Target sector and end user communications through various appropriate media channels	Enbridge ESC Energy management firms Engineering companies External trade / professional organizations and associations Manufacturers and product vendors

Section 2 - Low Income Program

Introduction - Update

12. The following section provides updated information on the Low Income program of Enbridge Gas Distribution (the "Company" or Enbridge") for 2013 and 2014.

13. As in 2012, following consultation with stakeholders, the Settlement Agreement proposes to continue with the allowable increase to the Low Income budget in 2013 and 2014.

14. Table 18 below presents the Low Income program budget for 2013 and 2014. The 2012 budget is provided in Table 17 for reference.

Table 17: Low Income Budget 2012

Program Type	Program Budget	Overheads	Total
Low Income – Base budget (15%)	$3,765,000	$450,000	$4,215,000
Additional 10%	$2,255,650	$554,350	$2,810,000
Total Low Income	$6,120,650	$904,350	$7,025,000

Witnesses: P. Goldman
A. Mandyam
J. Paris
E. Reimer
R. Sigurdson
J. Tideman

Table 18: Low Income Budget 2013-2014

Program Year	Program Budget	Overheads	Total
2013	$6,638,325	$522,050	$7,160,375
2014	$6,729,500	$507,831	$7,237,331

15. Tables 20 and 21 present a breakdown of the proposed Program Costs for 2013 and 2014 including direct costs which refer to incentives and indirect costs which relate to expenses such as program development, start-up, and promotion. Program evaluation costs are presented in Exhibit B, Tab 1, Schedule 5. Table 19 shows the information for 2012 for reference.

Table 19: Low Income Program Costs and Total Budget - 2012

Low Income Program	Direct Costs	Indirect Costs	Total program Costs	Overheads	Total Low Income Program
Single Family	$3,285,900	$510,000	$3,795,900		$3,795,900
Multi-Residential	$1,152,250	$1,172,500	$2,324,750		$2,324,750
General				$904,350	$904,350
Total	$4,438,150	$1,682,500	$6,120,650	$904,350	$7,025,000

Witnesses: P. Goldman
A. Mandyam
J. Paris
E. Reimer
R. Sigurdson
J. Tideman

Table 20: Low Income Program Costs and Total Budget - 2013

Low Income Program	Direct Costs	Indirect Costs	Total Program Costs	Overheads	Total Low Income Program
Single Family	$3,833,950	$530,000	$4,363,950		$4,363,950
Multi-residential	$1,880,000	$394,375	$2,274,375		$2,274,375
General				$522,050	$522,050
Total			$6,638,325	$522,050	$7,160,375

Table 21: Low Income Program Costs and Total Budget – 2014

Low Income Program	Direct Costs	Indirect Costs	Total Program Costs	Overheads	Total Low Income Program
Single Family	$3,547,000	$1,017,500	$4,564,500		$4,564,500
Multi-residential	$1,815,000	$350,000	$2,165,000		$2,165,000
General				$507,831	$507,831
Total			$6,729,500	$507,831	$7,237,331

Witnesses: P. Goldman
A. Mandyam
J. Paris
E. Reimer
R. Sigurdson
J. Tideman

16. The following pages provide an update to the description of the Enbridge Low Income Program with the additional information for 2013 and 2014.

Witnesses: P. Goldman
A. Mandyam
J. Paris
E. Reimer
R. Sigurdson
J. Tideman

Low Income Program – Update

Program Name - Low Income Program

Goal: as in EB-2011-0295

"To capture energy savings through the reduction of hot water use and space heating demand in low income single family homes and multi-family social housing units through the installation of water saving measures, space heating measures and thermal envelope improvements."

Target Market: as in EB-2011-0295

"Rate 1 and Rate 6 customers. Home owners and tenants living in low-rise homes within the Enbridge … franchise that are in need of assistance with their energy costs and social housing units where tenants are not paying their own utilities (both single family homes and multi-family buildings)."

End-uses addressed: as in EB-2011-0295

"Water heating and space heating "

Background: as in EB-2011-0295

Program Design: Update

As outlined in the Settlement Agreement, in 2013, Enbridge will continue to work with the Low Income Consultative sub-group to develop protocols to include privately-owned multi-residential buildings in the Low Income program. It is anticipated that a formalized program offer will be available for 2014.

Witnesses: P. Goldman
A. Mandyam
J. Paris
E. Reimer
R. Sigurdson
J. Tideman

17. Table 22 provides a summary of the program elements from the 2012-2014 DSM Plan submission: eligible measures, incentives, technical assistance, training and education, marketing, and delivery channels. These program elements will continue through 2013 and 2014.

Table 22: Low Income Program Summary 2012-2014

Eligible Measures	Incentives	Technical Assistance	Training / Education	Marketing / Communication	Delivery Channels
Residential Water savings devices, thermal envelope improvements, high efficiency gas furnaces	Free home energy audit(s), free water and weatherization measures Health and safety repairs as warranted	Oversight of audit process as required	Training of contractors as required, Training and education of customers	Targeted marketing to associations and municipalities	Low income associations, Winter Warmth, municipalities, not-for-profit community based organizations, and other LDCs as appropriate
Multi-residential Water savings devices, reflector panels, programmable thermostats, Custom measures including boiler retrofits, weatherization, controls, etc.,	Free basic measures Full project financing for custom measures Access to Energy Compass and Run it Right	Custom project identification and benchmarking	Training of contractors and consulting engineers as required, Training and education of customers, residents and building manager / operator training	Targeted marketing to social housing agencies and housing providers, associations and municipalities	Social housing agencies and housing providers, associations, not-for-profit community based organizations, and municipalities

Witnesses: P. Goldman
A. Mandyam
J. Paris
E. Reimer
R. Sigurdson
J. Tideman

Timeline and Trajectory: Update

The initiative will be operated in 2013 and 2014 and considered for inclusion in subsequent years, subject to discussions with low income delivery partners and intervenors.

Projected Results: Update

Tables 23-25 provide the projected annual and cumulative natural gas savings and the annual water savings for 2012, 2013 and 2014. Water savings occur as co-benefits from the water savings devices installed via the TAPS and in-suite measures.

Table 23: Annual & Cumulative Gas Savings and Annual Water Savings 2012

Low Income Initiative	Annual Savings (m3)	Cumulative Savings (m3)	Annual Water Savings (m3)
Single Family	810,147	16,989,070	14,082
Multi-Residential	3,089,900	45,474,000	29,835
Total Low Income	3,900,047	62,463,070	43,917

Witnesses: P. Goldman
A. Mandyam
J. Paris
E. Reimer
R. Sigurdson
J. Tideman

Table 24: Annual & Cumulative Gas Savings and Annual Water Savings 2013

Low Income Initiative 2013	Annual Savings (m3)	Cumulative Savings (m3)	Annual Water Savings (m3)
Single Family	1,038,583	23,100,000	13,638
Multi-Residential	4,300,316	60,000,000	169,564
Total Low Income	5,338,899	83,100,000	183,202

Table 25: Annual & Cumulative Gas Savings and Annual Water Savings 2014

Low Income Initiative 2014	Annual Savings (m3)	Cumulative Savings (m3)	Annual Water Savings (m3)
Single Family	1,071,266	23,600,000	18,204
Multi-Residential	4,583,676	64,200,000	169,564
Total Low Income	5,654,942	87,800,000	187,768

Metrics and Performance Incentive: Update

The Low Income portfolio has lifetime natural gas savings ("cumulative savings") as its primary metric.[2] Performance metrics are provided for the two components of the program: Part 9 single family homes and Part 3 multi-residential buildings. Each component has an equal weighting. Tables 27 and 28 provide the proposed metrics and weights for 2013 and 2014. Table 26 presents the 2012 metrics for reference.

[2] Lifetime savings are the product of annual savings and the assumed equipment life. These are calculated at the measure and program level and aggregated to provide the total for the portfolio.

Table 26: 2012 Performance Incentive Metrics and Weights

Component	Weight	Lower Million m^3	Middle Million m^3	Upper Million m^3
Single Family	50%	12	17	21
Multi-Residential	50%	33	45	56
Total Low Income	100%	45	62	77

Table 27: 2013 Performance Incentive Metrics and Weights

Component	Weght	Lower Band	Middle Band	Upper Band
Volumes (million m3)				
- Single Family	50%	17.3	23.1	28.8
- Multi-Residential	45%	45	60	75
Total Volumes		62.3	83.1	103.8
Percent of Part 3 Participants enrolled in Run it Right	5%	30%	40%	50%
Total Low Income	100%			

Witnesses: P. Goldman
A. Mandyam
J. Paris
E. Reimer
R. Sigurdson
J. Tideman

Table 28: 2014 Performance Incentive Metrics and Weights

Component	Weight	Lower Band	Middle Band	Upper Band
Volumes (million m3)				
- Single Family	50%	17.7	23.6	29.5
- Multi-Residential	50%	48.2	64.2	80.3
Total Volumes		65.9	87.8	109.8
Percent of Part 3 Participants enrolled in Run it Right	5%	30%	40%	50%
Total Low Income	100%			

18. The maximum shareholder incentive for achievement of the upper band of the scorecard metric is $2.416 million in 2013 and $2.446 million in 2014. The incentive amount is to be pro-rated for achievement levels between lower band, (75%), middle (100%), and upper band (125%).

Witnesses: P. Goldman
A. Mandyam
J. Paris
E. Reimer
R. Sigurdson
J. Tideman

Section 3 - Market Transformation Programs - Update

Introduction

19. The following sections present an Update to the Enbridge suite of Market Transformation programs for 2013 and 2014. For 2013, the Company will continue with the four Market Transformation programs from 2012:
    - Drain Water Heat Recovery,
    - Savings By Design ("SBD") for Residential New Construction ,
    - Home Labelling, and
    - SBD for Commercial New Construction.

    The Drain Water Heat Recovery program will be discontinued at the end of 2013.

20. Tables 30 and 31 present the proposed Program Costs for each Market Transformation program in 2013 and 2014. Program Costs include direct costs which refer to incentives and indirect costs which relate to expenses such as program development, start-up, and promotion. Table 29 presents the information for 2012 for reference. Program evaluation costs are presented in Exhibit B, Tab 1, Schedule 5.

Table 29: 2012 Market Transformation Program 2012 Budget

Market Transformation Program	Direct Costs	Indirect Costs	Total Program Costs
Drain Water Heat Recovery	$1,600,000	$350,.000	$1,950,000
SBD Residential	$165,000	$730,000	$895,000
Home Labelling		$300,000	$300,000
SBD Commercial	$220,000	$555,000	$775,000
Total Market Transformation	$1,985,000	$1,935,000	$3,920,000

Table 30: 2013 Market Transformation Program 2013 Budget

Market Transformation Program	Direct Costs	Indirect Costs	Total Program Costs
Drain Water Heat Recovery	$1,125,000	$290,.000	$1,415,000
SBD Residential	$1,880,000	$425,000	$2,305,000
Home Labelling		$775,000	$775,000
SBD Commercial	$200,000	$390,000	$590,000
Total Market Transformation	$3,205,000	$1,880,000	$5,085,000

Witnesses: P. Goldman
A. Mandyam
J. Paris
E. Reimer
R. Sigurdson
J. Tideman

Table 31: 2014 Market Transformation Program 2014 Budget

Market Transformation Program	Direct Costs	Indirect Costs	Total Program Costs
SBD Residential	$2,020,000	$425,000	$2,445,000
Home Labelling		$1,400,000	$1,400,000
SBD Commercial	$505,000	$445,000	$950,000
Total Market Transformation	$2,525,000	$2,270,000	$4,795,000

21. The following pages provide an update to the descriptions for the Market Transformation Programs in 2013 and 2014.

Market Transformation: Drain Water Heat Recovery Program - Update

Program Name: Drain Water Heat Recovery Program ("DWHR")

Goal: as in EB-2011-0295

"Achieve widespread installation of DWHR in residential new construction low rise homes in the Enbridge … franchise territory."

Target Market: as in EB-2011-0295

"Builders of new, residential, low rise (towns, semis, and detached) homes in the Enbridge franchise territory."

End Uses Addressed: as in EB-2011-0295

"Water heating."

Background: as in EB-2011-0295

Barriers: as in EB-2011-0295

Program Design: Update

In 2013, the builder incentive will be reduced to 75% of the unit cost.

Witnesses: P. Goldman
A. Mandyam
J. Paris
E. Reimer
R. Sigurdson
J. Tideman

Timeline and Trajectory: Update

The program will be operated in 2013 and sunset at the end of the year. The incentive amount payable to builders will decrease in 2013 to 75% of the unit cost.

Metrics and Performance Incentive: Update

Table 32: 2013 Program Metrics

Drain Water Heat Recovery	Weight	Lower Band	Middle Band	Upper Band
Number of Units	100%	2,813	3,750	4,688

22. The maximum Shareholder incentive is $564,973 in 2013 for achievement of the upper band of the scorecard metric. The incentive amount is to be pro-rated for achievement levels between the lower band, 75%, 100%, and the upper band, 125%.

Witnesses: P. Goldman
A. Mandyam
J. Paris
E. Reimer
R. Sigurdson
J. Tideman

Market Transformation: Savings by Design Residential New Construction Program - Update

Program Name: Savings By Design ("SBD"): Residential Program

Goal: as in EB-2011-0295

"Use the Integrated Design Process ("IDP") to demonstrate to builders the potential for achieving higher levels of energy and environmental performance through the application of alternative design approaches. Support this demonstration/awareness with performance incentives that encourage builders to build new homes that are 25% better than existing building Ontario Building Code ("OBC") homes, ultimately leading to the adoption of higher energy efficiency levels in the OBC."

Target market: Update

As in 2012, the target market is larger builders and designers of new, Part 9 residential low rise houses (towns, semis and detached homes) in the Enbridge franchise territory. The intent is to engage builders who construct multiple homes in any given year (ideally at least 25 homes per year) and Enbridge will be targeting much of its promotional activity directly to the builder market. The ultimate target market is purchasers of new homes, residential Rate 1 customers.

End Uses Addressed: as in EB-2011-0295

"Heating, ventilation and air conditioning, water heating, other."

Background: as in EB-2011-0295

Witnesses: P. Goldman
A. Mandyam
J. Paris
E. Reimer
R. Sigurdson
J. Tideman

Barriers: as in EB-2011-0295

Program Design: Update

23. Two elements of program design have changed compared to 2012. The builder incentive for participation in the IDP process has increased from $15,000 to $20,000 and the program delivery in 2013 is primarily through Sales channels. The table below provides a summary of the program elements: eligible measures, incentives, technical assistance, training and education, marketing, and delivery channels.

Table 33: Savings by Design Residential Program Summary 2013-2014

Eligible Measures	Incentives	Technical Assistance	Training / Education	Marketing / Communica-tion	Delivery Channels
Thermal envelope improvements, highest efficiency gas furnaces and boilers, high efficiency water heating, low water flow devices, HRVs, drain water heat recovery, other measures identified through energy modeling.	Fixed incentive of $20,000 per builder for IDP Incentive of $2000 per home for OBC – 25%	Installation for specific measures as required	IDP and energy modeling training	Promotion directly to builders, energy raters and modelers	Enbridge Sales – New Construc-tion Energy Advisors

Witnesses: P. Goldman
A. Mandyam
J. Paris
E. Reimer
R. Sigurdson
J. Tideman

Timeline and Trajectory: as in EB-2011-0295

Metrics and Performance Incentive: Update

Table 34: 2012 Program Metrics

Savings by Design Residential	Weight	Lower Band	Middle Band	Upper Band
Top 20 Builders Enrolled		1	2	3
Top 80 Builders Enrolled		7	9	18

Table 35: 2013 Program Metrics

Savings by Design - Residential	Weight	Lower Band	Middle Band	Upper Band
Number of Builders enrolled from top 80 builders who have not previously participated	60%	11	14	18
Completed Units	40%	675	900	1125

Witnesses: P. Goldman
A. Mandyam
J. Paris
E. Reimer
R. Sigurdson
J. Tideman

Table 36: 2014 Program Metrics

Savings by Design - Residential	Weight	Lower Band	Middle Band	Upper Band
Number of Builders enrolled from top 80 builders who have not previously participated	60%	12	16	20
Completed Units	40%	750	1000	1250

24. The maximum Shareholder incentive is $920,327 in 2013 and $1,055,385 in 2014 for achievement of the upper band of the scorecard metric. The incentive amount is to be pro-rated for achievement levels between the lower band, 75%, 100%, and the upper band, 125%.

Witnesses: P. Goldman
A. Mandyam
J. Paris
E. Reimer
R. Sigurdson
J. Tideman

Market Transformation: Home Labelling Program - Update

Program Name: Home Labelling Program

Goal: as in EB-2011-0295

"Achieve widespread adoption of a voluntary home labelling system in the residential home resale marketplace."

Target market: as in EB-2011-0295

"The immediate target market to enable the deployment of a home labelling system is realtors and their various real estate boards. The target market for use of such a system and subsequent influence on retrofit activity are sellers and purchasers of existing homes and the home inspection and renovation contractor markets. The ultimate target market is purchasers and owners of existing homes, residential Rate 1 customers."

End Uses Addressed: as in EB-2011-0295

"Heating, ventilation and air conditioning, water heating, other."

Background: as in EB-2011-0295

Barriers: as in EB-2011-0295

Program Design: as in EB-2011-0295

Witnesses: P. Goldman
A. Mandyam
J. Paris
E. Reimer
R. Sigurdson
J. Tideman

25. The Table below provides a summary of the program elements: eligible measures, incentives, technical assistance, training and education, marketing, and delivery channels.

Table 37: Home Labelling Program Summary 2013-2014

Eligible Measures	Incentives	Technical Assistance	Training / Education	Marketing / Communication	Delivery Channels
N/A	May consider an incentive to the "pioneer" realtors who first sign on-budget may restrict this as a viable option	Development of means for realtors to include rating in MLS	Training / education for realtors, energy raters, and home inspection firms, etc., as well as the existing residential customers	Promotion to realtors, energy raters, home inspection firms, and existing residential customers	Enbridge marketing, energy rates and modelers, and applicable associations and business partners

Timeline and Trajectory: as in EB-2011-0295

Metrics and Performance Incentive: Update

Table 38: 2012 Program Metrics

Weight	Lower Band	Middle Band	Upper Band
	N/A	Commitment from realtors collectively responsible for more than 5,000 home listings/year	Commitment from realtors collectively responsible for more than 10,000 home listings/year.

Witnesses: P. Goldman
A. Mandyam
J. Paris
E. Reimer
R. Sigurdson
J. Tideman

Table 39: 2013 Program Metrics

Component	Weight	Lower Band 50%	Middle Band 100%	Upper Band 150%
Home Labelling	70%	N/A	Commitment from realtors collectively responsible for more than 5,000 home listings/year	Commitment from realtors collectively responsible for more than 10,000 home listings/year
Ratings Performed	30%	250	500	750

Table 40: 2014 Program Metrics

Component	Weight	Lower Band 50%	Middle Band 100%	Upper Band 150%
Home Labelling	50%	N/A	Commitment from realtors collectively responsible for more than 5,000 home listings/year	Commitment from realtors collectively responsible for more than 10,000 home listings/year
Ratings Performed	50%	750	1500	2250

26. The maximum Shareholder incentive is $309,438 in 2013 and $604,311 in 2014 for achievement of the upper band of the scorecard metric. The incentive amount is to be pro-rated for achievement levels between the lower band, 50%, 100%, and the upper band, 150%.

Witnesses: P. Goldman
A. Mandyam
J. Paris
E. Reimer
R. Sigurdson
J. Tideman

Market Transformation: Savings by Design Commercial New Construction Program - Update

Program Name: Savings By Design ("SBD"): Commercial Program

Goal: as in EB-2011-0295

"Use the Integrated Design Process ("IDP") to demonstrate to builders the potential for achieving higher levels of energy and environmental performance through the application of alternative design approaches. Support this demonstration/awareness with incentives that encourage builders to use the knowledge gained in the IDP to design and build buildings that are more energy efficient than the current Ontario Building Code ("OBC") buildings, ultimately leading to the adoption of higher energy efficiency levels in the OBC."

Target market: as in EB-2011-0295

"Builders and designers of new, Part 3 commercial buildings in the Enbridge … franchise territory, Rate 6 customers. Enbridge will be targeting its promotional activity to owners, builders and developers, design teams including architects and design engineers, and energy modelers."

End Uses Addressed: as in EB-2011-0295

"Heating, ventilation and air conditioning, water heating, other."

Background: as in EB-2011-0295

Barriers: as in EB-2011-0295

Witnesses: P. Goldman
A. Mandyam
J. Paris
E. Reimer
R. Sigurdson
J. Tideman

Program Design: Update

27. Two elements of program design have changed compared to 2012. The builder incentive for participation in the IDP process has increased from $15,000 to $25,000 and the program delivery in 2013 is primarily through Sales channels.

28. The table below provides a summary of the program elements: eligible measures, incentives, technical assistance, training and education, marketing, and delivery channels.

Table 41: Savings by Design Commercial Program Summary 2013-2014

Eligible Measures	Incentives	Technical Assistance	Training / Education	Marketing / Communica-tion	Delivery Channels
Thermal envelope improvements, highest efficiency gas furnaces and boilers, high efficiency water heating, low water flow devices, HRVs, drain water heat recovery, earth-tube ventilation air pre-conditioning, natural ventilation, optimizing natural light, other measures identified through the energy modeling.	Fixed incentive of $25,000 per builder for IDP Incentive" $0.20/m3 for all savings as compared to OBC (up to a max of $50,000). Commissioning incentive of the lesser of 20% of performance incentive or $5,000.	n/a	IDP facilitation Building commis-sioning, training.	Promotion directly to builders, developers, design teams, architects, design engineers and energy modelers.	Enbridge Sales – New Construc-tion Energy Advisors

Witnesses: P. Goldman
A. Mandyam
J. Paris
E. Reimer
R. Sigurdson
J. Tideman

Timeline and Trajectory: as in EB-2011-0295

Program Metrics and Performance Incentive: Update

Table 42: 2012 Program Metrics

Component	Weight	Lower Band	100%	Upper Band
IDP - Builders / Developers (Design Teams) Completing IDP		6	8	15

Table 43: 2013 Program Metrics

Component	Weight	Lower Band (50%)	Middle Band (100%)	Upper Band (150%)
New Developments enrolled	100%	6	8	15

Table 44: 2014 Program Metrics

Component	Weight	Lower Band (50%)	Middle Band (100%)	Upper Band (150%)
New Developments enrolled	100%	8	12	19

29. The maximum Shareholder incentive in 2013 is $235,572 in 2013 and $410,068 in 2014 for achievement of the upper band of the scorecard metric. The incentive amount is to be pro-rated for achievement levels between the lower band 50%, 100% and the upper band 150%.

Witnesses: P. Goldman
A. Mandyam
J. Paris
E. Reimer
R. Sigurdson
J. Tideman

EVALUATION PLANS UPDATE

1. For the 2013 and 2014 program years, Enbridge will continue with the overall approach to the planning and execution of evaluation studies as described in the 2012-2014 DSM Plan submission (EB-2011-0295, Exhibit B, Tab1, Schedule 5). This section of the 2013-2014 Update highlights those changing circumstances which will affect the planning and implementation of DSM evaluation studies in 2013 and 2014. As well, this section will present the evaluation budget for 2013 and 2014.

2. Through the consultation process, it was agreed that the TAPs program offer and the associated TAPs Energy Savings Kit ("ESK") offer would sunset at the end of 2012 rather than the end of 2013 as originally planned. As well, the Drain Water Heat Recovery program will sunset at the end of 2013 rather than 2014. As a result, verification studies for these program offers will be discontinued.

3. The Technical Evaluation Committee ("TEC") proposed in the Terms of Reference for Stakeholder Engagement was established in June of 2012. A key role for the TEC is to work with the utilities to set evaluation priorities. Working with the TEC, the utilities have initiated three evaluation research projects:
    - a study to design a Sampling Methodology for custom project verification reviews,
    - a scan of Free Ridership and Spillover in other jurisdictions, and
    - a project to create a Technical Reference Manual ("TRM").

4. During the 2013-2014 plan period, Enbridge will continue to work with the TEC to implement the Free Ridership and TRM projects and to identify and carry out future evaluation studies.

Witnesses: A. Mandyam
R. Sigurdson

5. Projected evaluation costs for 2013 and 2014 by program are shown in the Table 1 provided on the following page. The 2012 evaluation budget is also shown for reference.

   - Costs shown are direct costs only; they do not include evaluation related overhead costs such as tracking and reporting, management of research, and associated stakeholder engagement.
   - As noted earlier the evaluation priorities, plans, and associated budget presented here will be reviewed with the TEC and are subject to change based on evaluation priorities or on changes in program design and delivery during the plan period.
   - Also, costs shown for 2013 and 2014 do not include costs associated with intervenor participation on the Audit Committee, the TEC, or at Consultative meetings and other consultations.

Table 1

Projected Evaluation Costs				
Program Type	Program	2012	2013	2014
Resource Acquisition				
	Residential Program	$150,760	$105,000	$97,000
	Commercial Program	$212,187	$323,152	$255,300
	Industrial Program	$129,187	$217,500	$141,400
Total Resource Acquisition		492,134	$645,652	$493,700
Low Income				
	Low Income Program	$20,000	$45,000	$35,000
Market Transformation				
	Drain Water Heat Recovery	$5,000		
	Savings by Design Residential	$7,500	$17,500	$17,700
	Home Labelling		$10,000	
	Savings by Design Commercial	$7,500	$75,00	$7,500
Total Market Transformation		$20,000	$35,000	25,200
General (including audit and other multi-program evaluation)		$197,965	$90,000	$361,797
TOTAL		$730,098	$815,652	$915,697

Witnesses: A. Mandyam
R. Sigurdson

SYSTEM CHARACTERISTICS AND RATE ALLOCATION

1. This section provides an Update to information on the Enbridge Gas Distribution Inc. system characteristics and on rate allocation of Demand Side Management ("DSM") costs.

2. Tables 1 and 2 on pages 2 and 3 provide information on DSM costs and cost impact for 2013 and 2014. As suggested by the Ontario Energy Board's guideline in the *"Demand Side Management Guidelines for Natural Gas Utilities"* the tables include the following:
   a. "The total amount of DSM spending to be recovered in rates and the allocation of those costs to the customer class(es) that will benefit from the DSM program applied for;
   b. A forecast of the number of customers in each class and a forecast of m^3 of natural gas to be used as a charge determinant for the rate rider of each rate class to benefit from the DSM program(s); and
   c. A comparison of the proposed rates with and without the DSM rate rider for the rate year in question."

   Item (c.) is shown as the unit rate variance for DSM.

3. Tables 3 and 4 on pages 4 and 5 show the allocation of program direct costs by targeted customer classes.

Witnesses: P. Goldman
A. Mandyam
J. Paris
E. Reimer
R. Sigurdson
J. Tideman

Table 1

Item No.		Col. 1	Col. 2	Col. 3	Col. 4	Col. 5	Col. 6	Col. 7	Col. 8	Col. 9	Col. 10	Col. 11	Col. 12
	2013 Program Year												
		Total	RATE 1	RATE 6	RATE 9	RATE 100	RATE 110	RATE 115	RATE 125	RATE 135	RATE 145	RATE 170	RATE 300
1.0	*a) Total Amount of DSM Spending*												
1.1	DSM Programs ($M)	24.43	7.54	11.92	-	-	1.20	0.93	-	0.18	1.07	1.59	-
1.2	Low Income Programs ($M)	7.16	4.87	2.02	0.00	-	0.07	0.04	0.05	0.01	0.05	0.04	0.00
1.3													
1.4	Total 2013 DSM Budget	31.59	12.40	13.94	0.00	-	1.28	0.97	0.05	0.18	1.12	1.63	0.00
2.0	*b) 2013 Forecast*												
2.1	i) Number of Customers	2,025,462	1,866,534	158,495	9	-	201	30	5	38	108	38	3
2.2	ii) Annual Deliveries (10^3m^3)	11,473,251	4,792,028	4,764,874	1,988	-	487,553	539,357	-	55,183	152,823	516,365	-
									9,935				25
3.0	*c) Comparison of Proposed Rates w/ & w/o DSM*												
3.1	Unit rate variance for DSM (cents/m3)*	0.2753	0.2588	0.2925	0.0720		0.2616	0.1793	0.5405	0.3289	0.7307	0.3156	14.2063
3.2	Annual Bill Impact for Typical Customer ($)		$8	$66	$244		$1,566	$8,016	$10,741	$1,969	$4,374	$31,481	$511
	*Note:												
	Unit rates calculated as Total 2012 DSM Budget (Item 1.4) divided by Annual Deliveries (Item 2.2).												
	For Unbundled Rates 125 & 300, costs are recovered through contract demand charges. The average amount per customer corresponds to amounts shown on Item 3.2, columns 8 and 12.												

Table 2

Item No.		Col. 1	Col. 2	Col. 3	Col. 4	Col. 5	Col. 6	Col. 7	Col. 8	Col. 9	Col. 10	Col. 11	Col. 12
	2014 Program Year												
		Total	RATE 1	RATE 6	RATE 9	RATE 100	RATE 110	RATE 115	RATE 125	RATE 135	RATE 145	RATE 170	RATE 300
1.0	*a) Total Amount of DSM Spending*												
1.1	DSM Programs ($M)	24.92	7.06	12.80	-	-	1.21	0.93	-	0.19	1.14	1.60	-
1.2	Low Income Programs ($M)	7.24	4.92	2.04	0.00	-	0.07	0.04	0.05	0.01	0.05	0.04	0.00
1.3													
1.4	Total 2014 DSM Budget	32.16	11.98	14.83	0.00	-	1.28	0.97	0.05	0.19	1.18	1.64	0.00
2.0	*b) 2013 Forecast*												
2.1	i) Number of Customers	2,025,462	1,866,534	158,495	9	-	201	30	5	38	108	38	3
2.2	ii) Annual Deliveries (10^3m^3)	11,473,251	4,792,028	4,764,874	1,988	-	487,553	539,357	-	55,183	152,823	516,365	-
									9,935				25
3.0	*c) Comparison of Proposed Rates w/ & w/o DSM*												
3.1	Unit rate variance for DSM (cents/m3)*	0.2803	0.2499	0.3113	0.0728		0.2635	0.1807	0.5463	0.3445	0.7736	0.3174	14.3611
3.2	Annual Bill Impact for Typical Customer($)		$8	$70	$247		$1,577	$8,081	$10,856	$2,062	$4,631	$31,663	$517
	*Note:												
	Unit rates calculated as Total 2012 DSM Budget (Item 1.4) divided by Annual Deliveries (Item 2.2).												
	For Unbundled Rates 125 & 300, costs are recovered through contract demand charges. The average amount per customer corresponds to amounts shown on Item 3.2, columns 8 and 12.												

Table 3

2013 DSM PLAN											
PROGRAM DIRECT COSTS ALLOCATED BY RATE CLASS											
Program Type	Sector	Program	Direct Costs (Variable Incentives)	'RATE 1	'RATE 6	'RATE 110	'RATE 115	'RATE 125	'RATE 135	'RATE 145	'RATE 170
Resource Acquisition											
	Residential Total		**$1,079,700**	**$1,079,700**							
	Commercial Total		**$5,987,681**		**$5,388,913**	**$61,673**				**$260,464**	**$276,631**
	Industrial Total		**$2,295,869**		**$919,483**	**$262,157**	**$387,023**		**$82,514**	**$129,696**	**$514,996**
Resource Acquisition Total			$9,363,250	$1,079,700	$6,308,396	$323,830	$387,023		$82,514	$390,161	$791,626
Low Income											
Low Income Total			$5,713,950	$3,884,915	$1,609,048	$57,711	$31,998	$42,855	$4,000	$35,998	$28,570
Market Transformation											
		Home labelling									
		DWHR	**$1,125,000**	**$1,125,000**							
		Savings By Design - Resider	**$1,880,000**	**$1,880,000**							
		LNC Savings by Design	**$200,000**		$184,000				$4,000	$12,000	
Market Transformation Total			$3,205,000	$3,005,000	$184,000				$4,000	$12,000	
Grand Total			**$18,282,200**	**$7,969,615**	**$8,101,444**	**$381,541**	**$419,021**	**$42,855**	**$90,514**	**$438,158**	**$820,196**

Table 4

2014 DSM PLAN												
PROGRAM DIRECT COSTS ALLOCATED BY RATE CLASS												
Program Type	Sector	Program	Direct Costs (Variable Incentives)	'RATE 1	'RATE 2	'RATE 6	'RATE 110	'RATE 115	'RATE 125	'RATE 135	'RATE 145	'RATE 170
Resource Acquisition												
	Residential Total		**$1,101,294**	**$1,101,294**								
	Commercial Total		**$6,132,221**			**$5,518,999**	**$63,162**				**$266,752**	**$283,309**
	Industrial Total		**$2,295,869**			**$919,483**	**$262,157**	**$387,023**		**$82,514**	**$129,696**	**$514,996**
Resource Acquisition Total			$9,529,384	$1,101,294		$6,438,482	$325,319	$387,023		$82,514	$396,448	$798,304
Low Income												
Low Income Total			$5,362,000	$3,645,624		$1,509,939	$54,156	$30,027	$40,215	$3,753	$33,781	$26,810
Market Transformation												
		Home labelling										
		DWHR										
		Savings By Design - Resider	**$2,020,000**	**$2,020,000**								
		LNC Savings by Design	**$505,000**			**$464,600**				**$10,100**	**$30,300**	
Market Transformation Total			$2,525,000	$2,020,000		$464,600				$10,100	$30,300	
Grand Total			**$17,416,384**	**$6,766,918**		**$8,413,021**	**$379,475**	**$417,050**	**$40,215**	**$96,367**	**$460,529**	**$825,114**

AVOIDED COSTS

AVOIDED GAS COSTS

Updated Avoided Gas Costs

1. The purpose of this evidence is to (i) highlight changes to the input parameters that have taken place since the evidence filed in EB-2006-0021 and annual updates to commodity costs over the years 2008-2011, and (ii) update the unit avoided gas costs for the four existing DSM measures: water heating, space heating, industrial process, and water and space heating combination. An optimization tool called the SENDOUT model was used to develop the unit avoided gas cost forecast. The following input parameters were used in the SENDOUT.

Changes to Input Parameter Information

i) Base Case Forecast

2. The long-term natural gas demand forecast used in this Update was the Long Range Plan forecast for the period 2012-2021. This forecast uses the latest update of the multi-peaking design weather criteria approved by the Board in EBRO 490.

3. The Base Case Forecast was produced by adjusting the above forecast to remove the effects related to any DSM programs with the exception of any DSM prior to and including 2012. The Base Case annual demand forecast is shown at the top of Table 1.

Witnesses: A. Mandyam
R. Sigurdson

Changes to Supply Resources

i) Pricing for Canadian Supply, Existing and Incremental

4. The Company has used the natural gas price forecast developed by PIRA and chosen to relate primary supply prices to the NYMEX prices at Henry Hub, and other receipt points. The commodity price forecast at each supply point depends on the basis differential at that point relative to Henry Hub. The commodity prices at major supply points for Enbridge are presented in Figure 1, which also compares the current forecast with the forecast developed in December 2004 which was last updated in October 2010 as per the terms of EB-2006-0021. This is a broad-based forecast covering the period from 2012-2021.

5. Applying seasonal (winter and summer) adjustment factors to the annual NYMEX prices develops future seasonal NYMEX prices. These factors are developed from the NYMEX future price forecast. Seasonal adjustment factors are also developed and applied to the future basis differentials associated with the major receipt points (Alliance, Empress, Chicago, and Dawn). The future seasonal prices (seasonal NYMEX prices plus or minus seasonal receipt point basis differentials) were used as inputs to the SENDOUT^{TM} model.

ii) Transportation Rates and Tolls

6. Enbridge Gas Distribution has updated the transportation rates and tolls for its various transportation services. Transportation tolls for TransCanada services are based on approved tolls effective January 1, 2011, which are embedded in the Company's current distribution rates. 2011 tolls to the Eastern Zone are estimated to be $2.24 per gigajoule. For the period 2012 through 2021, these tolls were assumed as the same.

Witnesses: A. Mandyam
R. Sigurdson

7. Enbridge continues to use the same method of determining Union Gas transportation rates as presented in previous filings of avoided gas costs evidence. Changes due to the NGEIR decision do not have a material impact on this analysis and have therefore not been included at this time. The 2012 M12 and C1 transportation rates are those approved and still effective since January 1, 2011, and are embedded in the Company's current distribution rates. As in the case of TransCanada, Union M12 and C1 transportation rates are assumed to be the same from 2012 to 2021.

iii) Storage

8. Enbridge updated the storage unit costs. The storage facilities that the Company leased from Union Gas and other companies are based on the contracted market rates.

9. To capture the possibility of incremental storage requirements, the Company made some optional non-Company-owned storage available in Southwestern Ontario, beginning at April 1, 2012. The SENDOUT™ model was allowed to make economic decisions on using these optional storage facilities. The optional storages utilized market-based rates and their injection and withdrawal characteristics are similar to those leased from Union Gas.

Witnesses: A. Mandyam
R. Sigurdson

Avoided Gas Costs

10. The avoided gas costs have been determined using the same methodology as was followed in the EB-2006-0021 filing.

11. The Company determined the gas supply costs it would avoid as a result of various load shape decrements in demand, by comparing its long-term system supply costs before and after the decrement. The benchmark for this comparison was its system supply costs under the "business-as-usual" scenario or Base Case Forecast. The four load shapes scenarios used were water heating, space heating, industrial process, and a space and water heating combination. The unit avoided gas costs resulting from each load shape scenario are equal to the difference in the total system supply costs between the Base Case Forecast and the respective scenario, divided by the difference in annual demand between the Base Case Forecast and that scenario. The results of the Company's analyses, calculated using the SENDOUT^{TM} model are presented in Table 1 and Appendix 1.

i) Comparison of Avoided Gas Costs

12. Table 2 compares the unit avoided gas costs for each DSM measure between those presented in EB-2006-0021 and updated in October 2010 and those presented in this evidence.

13. Avoided costs are primarily driven by commodity costs. The current commodity costs are seen to be lower in comparison with forecasts provided in EB-2006-0021, which results in lower unit avoided gas costs. Figure 1 in this evidence shows lower commodity gas price forecasts (NYMEX, Empress, Chicago and Dawn) than those shown in EB-2006-0021.

Witnesses: A. Mandyam
R. Sigurdson

14. The unit avoided gas costs presented in this evidence for Space Heating and the Space/Water Heating Combination scenarios are higher than those for the Water Heating and Industrial Process measures. The higher avoided gas costs for Space Heating and Space/Water Heating combination are due to the fact that their savings are primarily from the costly heat sensitive winter load.

15. The average unit avoided gas costs over the first ten year period presented in this evidence for the Water Heating and Industrial Process scenarios have decreased relative to those produced in December 2004. This is primarily due to a lower gas price forecast relative to the corresponding commodity costs provided in EB-2006-0021 and updated in October 2010.

16. The average unit avoided gas costs over a ten year period presented in this evidence for Space Heating and the Space/Water Heating Combination scenarios are slightly lower relative to the corresponding unit avoided costs provided in EB-2006-0021. These different results are due to differences in total system demand and related supply portfolio savings. The long-term forecast of system demand in this evidence is significantly lower than the demand forecast in the last filing. Other things being equal, lower overall demand in this evidence lead to lower overall reliance on the expensive peaking supply and incremental storage, and ultimately lower savings from the DSM measure.

Witnesses: A. Mandyam
R. Sigurdson

AVOIDED ELECTRICITY AND WATER COSTS

Avoided Electricity Costs

17. Avoided electricity costs have been updated using the same methodology as for previous DSM plans. The avoided electricity costs are based on the wholesale price of electricity as reported in the Annual Report of the Independent Electricity System Operator ("IESO"). The avoided electricity costs represent the wholesale cost of electricity, i.e., the cost of the commodity price plus wholesale market services, transmission and debt retirement charges which are passed from the IESO to the Local Distribution Utilities. The values represent the latest full year of data available from the IESO (January 2011 to December 2011). Forecast values are adjusted for the Consumer Price Index.

Avoided Water Costs

18. Avoided water costs have been updated using the same methodology as for previous DSM plans. The avoided water costs were updated with information provided by York Region, City of Toronto, Ottawa, and Niagara Region. The avoided water costs are based on the retail cost (York, City of Toronto, and Ottawa) and wholesale cost (Niagara).

19. A weighted average cost was developed by applying the number of customers in each region to the water costs in each region. For subsequent years the values are adjusted for the Consumer Price Index.

Witnesses: A. Mandyam
R. Sigurdson

Table 1

Volumes and Total Costs, 2012 - 2021

		Col. 1	Col. 2	Col. 3	Col. 4	Col. 5	Col. 6	Col. 7	Col. 8	Col. 9	Col. 10
Item No.		**2012**	**2013**	**2014**	**2015**	**2016**	**2017**	**2018**	**2019**	**2020**	**2021**
1	**Base Case**										
2	Demand (10 6 m3)	12,059	11,948	11,970	12,043	12,165	12,231	12,360	12,472	12,618	12745
3	Total Cost ($ 000)	1,627,813	1,697,990	1,766,197	1,874,897	2,003,984	2,164,413	2,344,202	2,493,327	2,649,916	2,678,005
4	**Decrement in Water Heating**										
	Demand Reduction (10 6m3)	250	249	251	254	258	260	263	265	269	272
5	Total Cost ($ 000)	1,588,557	1,655,725	1,720,471	1,825,651	1,948,962	2,104,462	2,278,816	2,420,895	2,573,649	2,600,930
6	Unit Avoided Gas Cost ($/ 10 3m3)	157	170	182	194	214	231	249	273	283	283
7	**Decrement in Space Heating**										
	Demand Reduction (10 6m3)	68	68	68	69	70	70	71	72	73	74
8	Total Cost ($ 000)	1,616,745	1,686,064	1,753,159	1,860,738	1,988,307	2,147,333	2,325,531	2,470,758	2,627,851	2,655,706
9	Unit Avoided Gas Cost ($/ 10 3m3)	163	176	191	205	224	242	262	313	302	302
10	**Decrement in Industrial Process**										
	Demand Reduction (10 6m3)	237	237	239	241	245	247	249	252	256	258
11	Total Cost ($ 000)	1,590,520	1,657,900	1,722,634	1,827,910	1,951,378	2,107,084	2,281,722	2,423,933	2,576,926	2,604,241
12	Unit Avoided Gas Cost ($/ 10 3m3)	157	169	183	195	215	232	251	275	285	286
13	**Decrement in Space and Water**										
	Demand Reduction (10 6m3)	74	74	74	75	76	77	77	78	79	80
14	Total Cost ($ 000)	1,615,838	1,685,070	1,752,126	1,859,640	1,987,083	2,145,998	2,324,094	2,469,216	2,626,185	2,654,022
15	Unit Avoided Gas Cost ($/ 10 3m3)	163	176	190	203	222	240	259	308	299	299

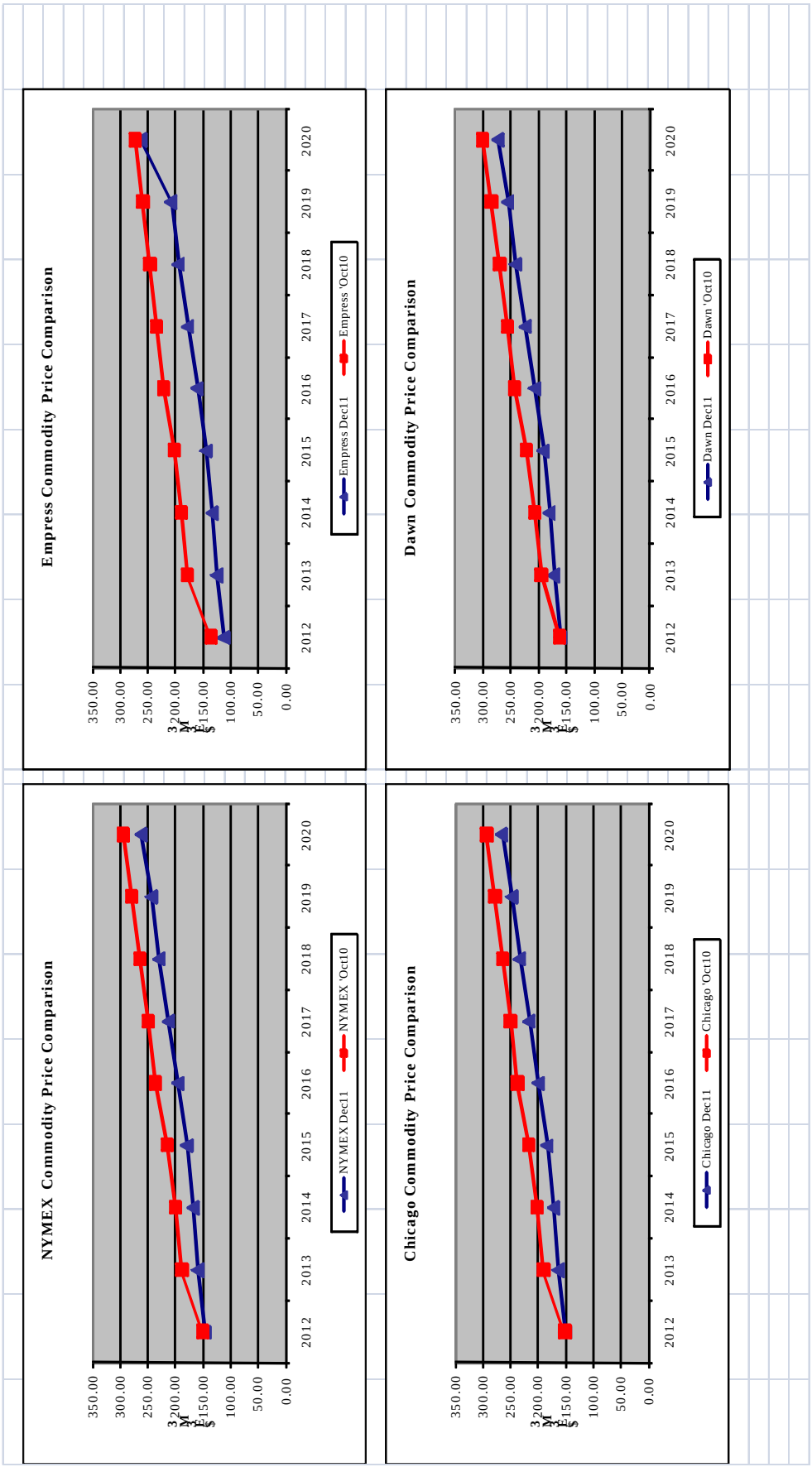
Empress Commodity Price Comparison
Empress Dec11
Empress 'Oct10
Dawn Commodity Price Comparison
Dawn Dec11
Dawn 'Oct10
NYMEX Commodity Price Comparison
NYMEX Dec11
NYMEX 'Oct10
Chicago Commodity Price Comparison
Chicago Dec11
Chicago 'Oct10
$/MMBTU
350.00
300.00
250.00
200.00
150.00
100.00
50.00
0.00
2012
2013
2014
2015
2016
2017
2018
2019
2020

Table 2

Comparison of Unit Avoided Gas Costs

($/103m3)

	Col. 1	Col. 2	Col. 3	Col. 4	Col. 5	Col. 6	Col. 7	Col. 8
	Water Heating		Space Heating		Industrial Process		Space & Water Heating	
Gas Year	Dec-11	Oct-10	Dec-11	Oct-10	Dec-11	Oct-10	Dec-11	Oct-10
2011								
2012	157.33	156.10	163.38	170.70	157.26	158.10	162.56	167.90
2013	169.70	205.60	176.18	224.00	169.46	207.90	175.56	220.60
2014	181.94	217.00	191.09	239.30	182.50	219.50	189.66	235.40
2015	193.82	228.60	205.30	252.00	194.72	231.10	203.43	247.80
2016	213.54	239.40	224.19	263.90	214.85	242.00	222.23	259.50
2017	230.85	236.30	242.29	260.50	232.44	238.90	240.17	256.10
2018	249.06	224.10	262.02	247.00	250.56	226.60	259.50	242.90
2019	272.90	214.10	313.25	236.00	275.28	216.50	307.70	232.10
2020	283.35	218.40	302.10	240.80	285.38	220.80	298.81	236.80
2021	283.49	222.80	302.25	245.60	285.52	225.20	298.96	241.50

2012 Avoided Cost Summary

Year	Water Heating		Space Heating		Space & Water Heating		Industrial		Year	Ont. CPI	Electricity		Water	
	Avoided Costs	NPV	Avoided Costs	NPV	Avoided Costs	NPV	Avoided Costs	NPV			¢/Kwh	NPV	Water Rates $ / 1000 litres	NPV
2012	$0.1573	$0.16	$0.1634	$0.16	$0.1626	$0.16	$0.1573	$0.16	2012	2.08	$ 0.0940	$0.09	$ 2.2621	$2.26
2013	$0.1697	$0.32	$0.1762	$0.33	$0.1756	$0.33	$0.1695	$0.32	2013	2.06	$ 0.0959	$0.18	$ 2.3087	$4.42
2014	$0.1819	$0.47	$0.1911	$0.49	$0.1897	$0.49	$0.1825	$0.48	2014	1.94	$ 0.0978	$0.27	$ 2.3535	$6.48
2015	$0.1938	$0.63	$0.2053	$0.66	$0.2034	$0.66	$0.1947	$0.63	2015	1.89	$ 0.0996	$0.35	$ 2.3980	$8.43
2016	$0.2135	$0.80	$0.2242	$0.83	$0.2222	$0.83	$0.2149	$0.80	2016	1.93	$ 0.1016	$0.43	$ 2.4442	$10.30
2017	$0.2308	$0.96	$0.2423	$1.01	$0.2402	$1.00	$0.2324	$0.96	2017	1.97	$ 0.1036	$0.50	$ 2.4924	$12.07
2018	$0.2491	$1.13	$0.2620	$1.18	$0.2595	$1.17	$0.2506	$1.13	2018	1.97	$ 0.1056	$0.57	$ 2.5414	$13.77
2019	$0.2729	$1.30	$0.3132	$1.38	$0.3077	$1.36	$0.2753	$1.30	2019	2.02	$ 0.1077	$0.64	$ 2.5928	$15.38
2020	$0.2834	$1.46	$0.3021	$1.55	$0.2988	$1.54	$0.2854	$1.47	2020	2.06	$ 0.1100	$0.70	$ 2.6462	$16.92
2021	$0.2835	$1.62	$0.3022	$1.72	$0.2990	$1.70	$0.2855	$1.62	2021	2.03	$ 0.1122	$0.76	$ 2.7000	$18.39
2022	$0.2892	$1.76	$0.3083	$1.87	$0.3049	$1.86	$0.2912	$1.77	2022	2.02	$ 0.1145	$0.82	$ 2.7546	$19.79
2023	$0.2949	$1.90	$0.3145	$2.02	$0.3110	$2.00	$0.2971	$1.91	2023	2.06	$ 0.1168	$0.88	$ 2.8113	$21.13
2024	$0.3008	$2.04	$0.3207	$2.16	$0.3173	$2.14	$0.3030	$2.05	2024	2.14	$ 0.1193	$0.93	$ 2.8714	$22.40
2025	$0.3069	$2.16	$0.3272	$2.30	$0.3236	$2.28	$0.3091	$2.18	2025	2.15	$ 0.1219	$0.98	$ 2.9331	$23.62
2026	$0.3130	$2.28	$0.3337	$2.43	$0.3301	$2.41	$0.3152	$2.30	2026	2.17	$ 0.1245	$1.03	$ 2.9968	$24.78
2027	$0.3193	$2.40	$0.3404	$2.55	$0.3367	$2.53	$0.3215	$2.41	2027	2.17	$ 0.1272	$1.08	$ 3.0618	$25.89
2028	$0.3256	$2.51	$0.3472	$2.67	$0.3434	$2.64	$0.3280	$2.53	2028	2.19	$ 0.1300	$1.12	$ 3.1290	$26.95
2029	$0.3322	$2.62	$0.3541	$2.78	$0.3503	$2.76	$0.3345	$2.63	2029	2.22	$ 0.1329	$1.16	$ 3.1985	$27.96
2030	$0.3388	$2.72	$0.3612	$2.89	$0.3573	$2.86	$0.3412	$2.73	2030	2.24	$ 0.1359	$1.20	$ 3.2701	$28.93
2031	$0.3456	$2.81	$0.3684	$2.99	$0.3644	$2.96	$0.3480	$2.83	2031	2.21	$ 0.1389	$1.24	$ 3.3425	$29.86
2032	$0.3525	$2.90	$0.3758	$3.09	$0.3717	$3.06	$0.3550	$2.92	2032	2.22	$ 0.1420	$1.28	$ 3.4168	$30.74
2033	$0.3595	$2.99	$0.3833	$3.18	$0.3792	$3.15	$0.3621	$3.01	2033	2.19	$ 0.1451	$1.31	$ 3.4918	$31.58
2034	$0.3667	$3.07	$0.3910	$3.27	$0.3867	$3.24	$0.3693	$3.09	2034	2.30	$ 0.1484	$1.35	$ 3.5720	$32.39
2035	$0.3741	$3.15	$0.3988	$3.35	$0.3945	$3.32	$0.3767	$3.17	2035	2.23	$ 0.1517	$1.38	$ 3.6516	$33.16
2036	$0.3815	$3.23	$0.4068	$3.43	$0.4024	$3.40	$0.3843	$3.25	2036	2.00	$ 0.1548	$1.41	$ 3.7246	$33.89
2037	$0.3892	$3.30	$0.4149	$3.51	$0.4104	$3.47	$0.3920	$3.32	2037	2.00	$ 0.1579	$1.44	$ 3.7991	$34.59
2038	$0.3970	$3.37	$0.4232	$3.58	$0.4186	$3.55	$0.3998	$3.39	2038	2.00	$ 0.1610	$1.47	$ 3.8751	$35.26
2039	$0.4049	$3.43	$0.4317	$3.65	$0.4270	$3.62	$0.4078	$3.45	2039	2.00	$ 0.1642	$1.49	$ 3.9526	$35.90
2040	$0.4130	$3.49	$0.4403	$3.72	$0.4355	$3.68	$0.4159	$3.52	2040	2.00	$ 0.1675	$1.52	$ 4.0316	$36.50
2041	$0.4213	$3.55	$0.4491	$3.78	$0.4442	$3.74	$0.4243	$3.58	2041	2.00	$ 0.1709	$1.54	$ 4.1123	$37.08

TOTAL RESOURCE ANALYSIS

1. This section presents additional Total Resource Cost ("TRC") analysis of the programs in the portfolio Enbridge Gas Distribution Inc. (the "Company" or "Enbridge") Demand Side Management ("DSM") Plan to reflect the budget allocation between program types for the 2013 and 2014 program years.

2. The attached tables show the TRC analysis and TRC Ratio by program with some additional detail at the program initiative level. This analysis includes indirect program costs such as program development as well as some overhead costs at the program level. The balance of overhead costs are included at the portfolio level.

Witnesses: A. Mandyam
R. Sigurdson

Table 1

Total Resource Cost Analysis														
2013 Program Year														
Program Type	Sector	Program	'NPV Gas	NPV Electric	'NPV Water	Total Benefits @ Zero Emissions	Indirect Program Costs (Fixed)	Program OH (Fixed)	'Total Fixed Costs	'Total Incremental Costs (net)	'General Admin Costs	'Total TRC Costs	' Net TRC Benefits (incldg OH) @ Zero Emissions	'TRC Ratio
Resource Acquisition														
	Residential													
		Community Energy	$1,720,246	$0	$0	$1,720,246	$720,300	$58,844	$779,144	$732,000		$1,511,144	$209,102	1.13
	Residential Total		**$1,720,246**	**$0**	**$0**	**$1,720,246**	**$720,300**	**$58,844**	**$779,144**	**$732,000**		**$1,511,144**	**$209,102**	**1.13**
	Commercial													
		Prescriptive Boilers	$1,433,409	$0	$0	$1,433,409	$0	$32,378	$32,378	$956,456		$988,834	$444,576	1.44
		Prescriptive HVAC	$11,248,648	$4,402,912	$0	$15,651,560	$0	$32,378	$32,378	$4,134,872		$4,167,249	$11,484,311	3.76
		Prescriptive Large Boilers	$14,079,968	$0	$0	$14,079,968	$0	$32,378	$32,378	$983,449		$1,015,827	$13,064,141	13.86
		Prescriptive Other	$355,226	$2,388	$0	$357,614	$0	$32,378	$32,378	$174,640		$207,018	$150,596	1.73
		Prescriptive Water	$5,877,582	$1,096,617	$6,451,580	$13,425,780	$0	$32,378	$32,378	$1,726,294		$1,758,672	$11,667,107	7.63
		Prescriptive all					$379,885		$379,885			$379,885	-$379,885	
		Custom	$54,909,926	$0	$0	$54,909,926	$829,354	$194,268	$1,023,622	$19,665,814		$20,689,435	$34,220,491	2.65
		Run it Right	$9,464,228	$0	$0	$9,464,228	$735,000	$161,890	$896,890	$0		$896,890	$8,567,338	10.55
		Energy Compass	$0	$0	$0	$0	$0	$129,512	$129,512	$0		$129,512	-$129,512	0.00
	Commercial Total		**$97,368,988**	**$5,501,917**	**$6,451,580**	**$109,322,485**	**$1,944,239**	**$647,558**	**$2,591,797**	**$27,641,524**		**$30,233,322**	**$79,089,164**	**3.62**
	Industrial													
		Custom	$52,062,370	$0	$0	$52,062,370	$1,855,131	$809,448	$2,644,579	$4,703,001		$7,367,580	$44,694,789	7.07
	Industrial Total		**$52,062,370**	**$0**	**$0**	**$52,062,370**	**$1,855,131**	**$809,448**	**$2,644,579**	**$4,703,001**		**$7,367,580**	**$44,694,789**	7.46
Resource Acquisition Total			$151,151,603	$5,501,917	$6,451,580	$163,105,101	$4,519,670	$1,515,851	$6,035,521	$33,076,525		$39,112,046	$123,993,055	4.17
Low Income														
	Residential (Part 9)								$6,015,520		$0			
		TAPS Low Income	$96,907		$250,826	$347,733	$30,000	$3,823	$33,823	$48,708		$82,531	$265,202	4.21
		Weatherization	$3,199,701	$0	$0	$3,199,701	$500,000	$72,642	$1,072,642			$572,642	$2,627,059	5.59
	Residential Total		**$3,296,608**	**$0**	**$250,826**	**$3,547,434**	**$530,000**	**$76,465**	**$1,106,465**	**$48,708**	**$0**	**$655,173**	**$2,892,261**	**5.41**
	Multi-Residential													
		Part 3 TAPS	$1,454,010	$0	$3,118,528	$4,572,538	$0	$0	$0	$192,950		$192,950	$4,379,588	23.70
		Part 3 Custom	$8,262,451	$0	$0	$8,262,451	$394,375	$161,890	$556,265	$37,772		$594,037	$7,668,414	13.91
	Multi-Residential Total		**$9,716,461**	**$0**	**$3,118,528**	**$12,834,989**	**$394,375**	**$161,890**	**$556,265**	**$230,722**		**$786,987**	**$12,048,002**	**16.31**
Low Income Total			$13,013,069	$0	$3,369,354	$16,382,423	$924,375	$238,355	$1,662,730	$279,430	$0	$1,442,160	$14,940,263	11.36
General Admin														
	General Admin													
		Labour									$2,708,081			
		General Evaluation									$815,652			
		Consultative									$331,160			
		DSM Support									$327,857			
	General Admin Total										**$4,277,750**			
General Admin Total									$0		$4,227,750			
Grand Total			**$164,164,672**	**$5,501,917**	**$9,820,935**	**$179,487,524**	**$5,444,045**	**$1,754,205**	**$6,035,521**	**$33,355,955**	**$4,227,750**	**$40,554,206**	**$138,933,318**	
											Less General Adminstration:		**-$4,227,750**	
											TOTAL NET BENEFITS @ ZERO EMISSIONS:		**$134,705,568**	

Table 2

Total Resource Cost Analysis
2014 Program Year

Program Type	Sector	Program	'NPV Gas	NPV Electric	'NPV Water	Total Benefits @ Zero Emissions	Indirect Program Costs (Fixed)	Program OH (Fixed)	'Total Fixed Costs	'Total Incremental Costs (net)	'General Admin Costs	'Total TRC Costs	' Net TRC Benefits (incldg OH) @ Zero Emissions	'TRC Ratio
Resource Acquisition														
	Residential													
		Community Energy	$1,754,651	$0	$0	$1,754,651	$734,706	$60,021	$794,727	$746,640		$1,541,367	$213,284	1.14
	Residential Total		**$1,754,651**	**$0**	**$0**	**$1,754,651**	**$734,706**	**$60,021**	**$794,727**	**$746,640**		**$1,541,367**	**$213,284**	**1.14**
	Commercial													
		Prescriptive Boilers	$1,462,077	$0	$0	$1,462,077	$0	$33,026	$33,026	$975,585		$1,008,610	$453,467	1.45
		Prescriptive HVAC	$11,473,621	$4,490,970	$0	$15,964,592	$0	$33,026	$33,026	$4,217,569		$4,250,595	$11,713,997	3.76
		Prescriptive Large Boilers	$14,361,567	$0	$0	$14,361,567	$0	$33,026	$33,026	$1,003,118		$1,036,143	$13,325,424	13.86
		Prescriptive Other	$362,330	$2,436	$0	$364,766	$0	$33,026	$33,026	$178,133		$211,158	$153,608	1.73
		Prescriptive Water	$5,995,134	$1,118,549	$6,580,612	$13,694,295	$0	$33,026	$33,026	$1,760,820		$1,793,846	$11,900,449	7.63
		Prescriptive all					$379,885		$379,885			$379,885	-$379,885	0.00
		Custom	$56,008,125	$0	$0	$56,008,125	$866,752	$198,153	$1,064,906	$20,059,130		$21,124,035	$34,884,089	2.65
		Run it Right	$9,653,512	$0	$0	$9,653,512	$711,700	$165,128	$876,828	$0		$876,828	$8,776,684	11.01
		Energy Compass	$0	$0	$0	$0	$0	$132,102	$132,102	$0		$132,102	-$132,102	0.00
	Commercial Total		**$99,316,367**	**$5,611,956**	**$6,580,612**	**$111,508,934**	**$1,958,337**	**$660,511**	**$2,618,849**	**$28,194,354**		**$30,813,203**	**$80,695,731**	**3.62**
	Industrial													
		Custom	$53,103,617	$0	$0	$53,103,617	$1,938,151	$825,637	$2,763,788	$4,797,061		$7,560,849	$45,542,768	7.02
	Industrial Total		**$53,103,617**	**$0**	**$0**	**$53,103,617**	**$1,938,151**	**$825,637**	**$2,763,788**	**$4,797,061**		**$7,560,849**	**$45,542,768**	7.02
Resource Acquisition Total			$154,174,635	$5,611,956	$6,580,612	$166,367,203	$4,631,194	$1,546,169	$6,177,363	$33,738,056		$39,915,419	$126,451,784	4.17
Low Income														
	Residential (Part 9)													
		TAPS Low Income	$129,352		$334,806	$464,158	$25,000	$3,899	$28,899	$65,016		$93,915	$370,243	4.94
		Weatherization	$3,240,899	$0	$0	$3,240,899	$992,500	$74,095	$1,066,595	$0		$1,066,595	$2,174,304	3.04
	Residential Total		**$3,370,251**	**$0**	**$334,806**	**$3,705,057**	**$1,017,500**	**$77,994**	**$1,095,494**	**$65,016**	**$0**	**$1,160,510**	**$2,544,547**	**3.19**
	Multi-Residential													
		Part 3 TAPS	$1,454,010	$0	$3,118,528	$4,572,538	$0	$0	$0	$192,950		$192,950	$4,379,588	23.70
		Part 3 Custom	$8,950,988	$0	$0	$8,950,988	$350,000	$165,128	$515,128	$37,772		$552,900	$8,398,089	16.19
	Multi-Residential Total		**$10,404,998**	**$0**	**$3,118,528**	**$13,523,526**	**$350,000**	**$165,128**	**$515,128**	**$230,722**		**$745,850**	**$12,777,676**	**18.13**
Low Income Total			$13,775,249	$0	$3,453,334	$17,228,584	$1,367,500	$243,122	$1,610,622	$295,738	$0	$1,906,360	$15,322,224	9.04
General Admin														
	General Admin													
		Labour									$3,119,141			
		General Evaluation									$915,697			
		Consultative									$331,160			
		DSM Support									$318,397			
	General Admin Total										**$4,684,395**			
General Admin Total									$0		$4,684,395			
Grand Total			**$167,949,885**	**$5,611,956**	**$10,033,946**	**$183,595,786**	**$5,998,694**	**$1,789,291**	**$7,787,985**	**$34,033,794**	**$4,684,395**	**$41,821,779**	**$141,774,008**	
												Less General Adminstration:	**$4,684,395**	
												TOTAL NET BENEFITS @ ZERO EMISSIONS:	**$137,089,613**	

NOT USED

NOT USED

NOT USED

NOT USED

Stakeholder Engagement Findings
LURA Consulting

ENBRIDGE GAS DISTRIBUTION
INDUSTRIAL SECTOR
STAKEHOLDER ENGAGEMENT

July 2012

STAKEHOLDER ENGAGEMENT APPROACH

Purpose of Interviews

1. Determine the barriers customers face in achieving energy efficiency;
2. Understand what customers currently value in Enbridge's programs and why they value the programs; and
3. Discover opportunities to improve Enbridge's program based on the real needs of their customers.

STAKEHOLDER ENGAGEMENT APPROACH

Format and Participation

- Invitations to 16 largest industrial gas users - consuming minimum of 20 million cubic meters annually
- 12 interviews completed
- Met with senior financial and operational managers, energy engineers, energy/environmental specialists
- Followed a series of discussion questions

ABOUT INDUSTRIAL CUSTOMERS

Business and Operational Concerns

- Effects of the economic market downturn
  - o capacity issues
  - o lower payback periods
- Energy efficiency is very important – lowers operational costs (and it is the right thing to do)
- International vs. local companies
- Importance of ‘head office’ approval

ABOUT INDUSTRIAL CUSTOMERS

DSM Participation and Energy Efficiency

- High, medium & low participation customers
- Range of sophistication
- Satisfaction with technical services
- Low-hanging fruit vs. fine-tuning
- Common interests:
    - o Capturing heat
    - o Co-generation

ABOUT INDUSTRIAL CUSTOMERS

Energy Efficiency Barriers

- Capital costs and low pay back periods
- Competing priorities
- Capacity
- Behaviour change
- Low cost of natural gas

Key Findings

"Usually the ROIs aren't that good for energy projects, but with the incentives and Enbridge endorsement - it helps. It's a big factor".

-Enbridge Customer

Financial Incentives

- Incentives play a central role in achieving energy efficiency for most customers
  - 7/12 – 'valuable to our business'
  - 4/12 – 'nice, but not essential'
  - 1/12 – 'not valuable'
- Value can be financial and/or psychological
  - Lower capital cost
  - Non-biased, third-party opinion/support
  - The *idea* of saving money
  - The fear that the incentives programs might end
- May not be scaled appropriately for very large industry, but still add value

Key Findings

"We want you to tell us where we are and what we need to do. Keep us on a straight path. We have lost a lot of technical expertise within our plant".

-Enbridge Customer

Technical & Operational Support

- Technical services can be central to the way business conduct energy efficiency
  - 8/12 – 'valuable'
  - 2/12 – 'nice to have, but not essential'
  - 2/12 – 'not valuable'
- Enbridge is the natural gas expert
- Fill gap in technical expertise/capacity
- Neutral third-party, non-biased opinion/customer service relationship
- Wide range of knowledge and experience
- Generally, larger companies would rather receive incentive dollars

Key Findings

"There is a tremendous opportunity to do training. We are going to increase the amount of information given to these people – we have to train them about what to do with it all and how to interpret and analyze it".

-Enbridge Customer

Training & Education

- Technology + behaviour change = efficiency
- 11/12 said training is an opportunity for Enbridge, including:
  - Staff, especially operation, maintenance and production teams
  - Boiler operators
  - Engineers
- Should be specific and customized to the particular organization and equipment

Key Findings

"The more flexible you can be the better. We would like help on a case-by-case basis. We don't know what we will need tomorrow. Our technology is always changing".

-Enbridge Customer

Flexibility

- Customers want more flexibility in how they can utilise DSM resources
  - 6/12 – 'want more flexibility'
  - 1/12 – 'keep the program the way it is'
  - 5/12 – no answer
- Every company is different and has different needs from year to year
- Interest in pooling DSM resources and focusing on areas of need
- Good for larger companies

Key Findings

"We like to have someone come and keep the momentum and energy awareness ongoing – and having someone to think outside the box. It's nice to have someone knocking at your door from time and asking how you are doing. If we didn't we would fall behind. This is huge for us".
-Enbridge Customer

Project Identification

- Almost all customers said a key role for Enbridge's is to help with project identification, including:
  - suggesting new ideas
  - making recommendations on process improvements
  - identifying where incentive programs are applicable
- Checking-in and keeping momentum going
- Works for low hanging fruit and fine-tuning
- Neutral third party vs. consultants
- Fresh perspective and broad experience

ADDITIONAL FINDINGS

- No increase in administration
- Need for more/better metering, data collection and data analysis
- Interest in CSR and Marketing (i.e. case studies and awards
- Interest in heat recovery and cogeneration

SUMMARY

Barriers to energy efficiency:

- Capital cost of energy projects
- Behaviour change
- Competing priorities

What customers currently value in Enbridge's programs:

- Technical support and one-on-one relationship
- Straightforward program administration
- Lowering capital costs of major projects and help getting projects approved
- Identifying specific opportunities for energy efficiency

SUMMARY

Opportunities to improve Enbridge's DSM program:

- Provide customized training and education opportunities
- Focus on assisting with project identification
- Offer more flexibility and control in how DSM resources can be used

ENBRIDGE GAS DISTRIBUTION COMMERCIAL SECTOR STAKEHOLDER ENGAGEMENT

July 2012

STAKEHOLDER ENGAGEMENT APPROACH

Purpose of Interviews

1. Determine the barriers customers face in achieving energy efficiency;
2. Understand what customers currently value in Enbridge's programs and why they value the programs; and
3. Discover opportunities to improve Enbridge's program based on the real needs of their customers.

STAKEHOLDER ENGAGEMENT APPROACH

Format and Participation

- Invitations sent to 25 commercial customers from a variety of sectors
- Total of 16 interviews completed (including 1 association)
- Met with financial and operational managers, energy engineers, energy/environmental specialists
- Followed a series of discussion questions – facilitated by Lura

ABOUT COMMERCIAL GAS USERS

Overview

- High degree of interest in energy efficiency
- Various levels of sophistication in energy management
- Minimum 2 to 5 year payback
- Technology/equipment + behaviour = energy efficiency
- Importance of large portfolio customers

ABOUT COMMERCIAL GAS USERS

DSM Participation and Energy Efficiency Concerns

- High, medium and low participation customers
- Satisfaction with Energy Services Consultant (ESC)
- Low-hanging fruit vs. fine-tuning
- Need to maintain and monitor the success

ABOUT COMMERCIAL GAS USERS

Energy Efficiency Barriers

- Upfront capital costs and need for short payback period
- Lack of knowledge of energy efficiency at all levels
- Competing priorities at corporate level
- Opportunities exist in new construction industry
- Awareness of Enbridge's programs

Key Findings

"Enbridge's programs are absolutely material to our business. Our decisions are affected by long-term operation of the equipment along with the available incentives and rebates".

-Enbridge Customer

Financial Incentives

- Can determine which initiatives get implemented
- Influences corporate decision-making
- Value can be financial and/or psychological
  - Lower capital cost
  - Show Enbridge's support - non-biased
  - The *idea* of saving money
  - The fear that the incentives programs might end
- Desire for larger incentives
- More important for retrofits than new builds

Key Findings

"We have seen the benefit of Energy Compass when all the pieces are there. Benchmarking is key to the way we look at our portfolio. We can see which ones are the outliers. It allows us to focus on the bigger opportunities. You have to look at the details of the buildings".

-Enbridge Customer

Technical Support

- Important for identifying opportunities for energy savings
  - Energy audits and savings calculations
  - Benchmarking
- Satisfaction and interest *in continuing with Energy Compass* and *Run it Right*
- Enbridge is the expert and a trusted third party
- Technical help followed by incentives is ideal

Key Findings

"The problem is that the industry has to be educated. Operators will oversupply to avoid complaints. It's about education– many buildings are oversupplied".

-Enbridge Customer

Training & Education

- Knowledge gap at all levels = role for Enbridge
- Opportunities could include energy efficiency training/education for:
  - Building technicians and boiler operators
  - Building or property managers
  - Superintendents
  - Multi-Residential property managers and condo boards
  - Engineers
  - Energy leaders

Key Findings

"Hourly data would be valuable information so that we could profile trends, and errors can be caught. This would allow us to make corrections faster. I see a role for Enbridge in this."

–Enbridge Customer

Monitoring and Data Analysis

- Key area of interest
- Various levels of sophistication; done internally or through external consultants
- Next level is real time and hourly data
- Capacity and knowledge gap
- Room for Enbridge in marketplace to:
  - Help collect and analyse the data
  - Set the norm and help compare performance

Key Findings

"We have also seen clients like campuses – that were built on central heating and cooling- they have become very efficient. They see that moving heating and cooling around can be very effective. So, rather than seeing energy as a commodity, see it as an integrated package".

-Enbridge Customer

Holistic Approach to Energy Efficiency

- Interest in knowing how to balance different types of energy
- Desire to look at full spectrum of energy use in buildings
  - i.e. looking at heating or cooling and electricity/gas
- Long-term, Enbridge could collaborate with other energy providers

Key Findings

"My wish list would be to have a specialist that would spend some additional time in a specific building and give us a much more detailed view on the tougher moving parts in the building."

-Enbridge Customer

Fine-tuning & Individual Building Analysis

- High performing customers are/will be looking for the next level of energy efficiency
- Improvements will be more technical and time consuming
- Need to demonstrate/confirm savings and maintain efficiency
- Desire for individual buildings examinations/audits

OTHER KEY FINDINGS

- Opportunities for information sharing among energy leaders
- Some interest in CSR (i.e. awards, branding)
- Special approach for portfolio clients
- Need for more/better metering
- Role for Enbridge in new technology (i.e. case studies, pilot projects, tradeshows)
- Importance of communication and awareness of programs

SUMMARY

Barriers to energy efficiency:

- Capital cost of energy projects
- Behaviour change
- Competing priorities
- New construction industry practices
- In-house resources and/or funding to outsource

SUMMARY

What customers currently value in Enbridge's programs:

- Portfolio view through *Energy Compass*
- Confirmation of savings through *Run It Right*
- ESC support and one-on-one relationship
- Ease of funding applications and simple program administration
- Lowering capital costs and helping to get project approval
- Technical support and independent advice
- Assistance with specific project identification

SUMMARY

Opportunities to improve Enbridge's program:

- Continue with *Energy Compass* and *Run-it-Right*
- Improved data collection and analysis support
- Assistance with fine-tuning and maintaining savings
- Education and training programs/forums – at all levels
- Promote new technology
- Consider the significance of portfolio clients
- Support a holistic approach to energy efficiency

ENBRIDGE GAS DISTRIBUTION
INDUSTRIAL SECTOR
STAKEHOLDER ENGAGEMENT

July 2012 **Summary Report**

Prepared by Lura Consulting

for Enbridge Gas Distribution

LURA
LISTEN · UNDERSTAND · RELATE · ADVANCE

ENBRIDGE

This report was prepared by Lura Consulting, a neutral facilitation specialist. It captures and presents the feedback received from 12 stakeholder interviews that focused on energy efficiency and Enbridge's Demand Side Management programs. The interviews took place during May and June 2012. This report is not intended as a verbatim transcript. If you have any questions or comments regarding the summary, please contact:

Ariana Cancelli
Planner
515 Consumers Road, Suite 201
Toronto, Ontario, M2J 4Z2
acancelli@lura.ca

LURA
LISTEN · UNDERSTAND · RELATE · ADVANCE

Table of Contents

1.0 Executive Summary 2
2.0 Introduction 3
3.0 About Stakeholder Engagement 3
3.1 Purpose of the Interviews 3
3.2 Interview Format 3
3.3 Participation 4
4.0 About Enbridge's Customers 5
4.1 Business and Operational Concerns 5
4.2 Energy Efficiency Achievements and Barriers 5
4.3 Participation in DSM 6
5.0 Key Findings and Reoccurring Themes 6
Value of Financial Incentives 6
Flexibility within DSM Programs 8
Training and Education 9
Enbridge's Assistance with Project Identification 9
Importance and Value of Enbridge's Support 10
6.0 Feedback on Key Strategic Planning Areas 11
6.1 On Incentives 11
6.2 On Technical Support 11
6.3 On New Roles/Areas for Enbridge 11
6.4 On Program Design and Administration 12
6.5 Self-Direction 12
6.6 On Data Monitoring 12
6.7 On Training and Education 13
6.8 On Corporate Social Responsibility and Marketing 13
7.0 Conclusion 14

1.0 Executive Summary

Conducting stakeholder interviews with Enbridge's largest industrial customers was an effective way to obtain feedback on their past experience with Enbridge's DSM program and understand how to best design these programs to meet their needs.

All of those interviewed had participated in Enbridge's DSM programs to some extent. Those who were more closely involved with Enbridge felt their programs were very valuable and reported achieving significant energy savings as a result of their participation in the DSM programs. Many of the customers, especially the larger, multi-national companies reported that they would appreciate more flexibility in the way Enbridge's DSM resources could be used. This would help them to focus on their areas of need.

There were a wide range of responses to the questions asked. Every industry and company is different and has different needs when it comes to energy efficiency. Some customers place a higher value on financial incentives, while others find Enbridge's technical support more valuable. Others said that both were equally important; whereas the technical support helps to identify the projects, and the incentives help to pay for them.

Overall, the main findings of the stakeholder interviews include:

- **Value of technical assistance in gas utilization and efficiency – Enbridge is considered by its customers to be an expert in natural gas and a well trusted and respected organization in the field. More than half of those interviewed reported that they place a high value on Enbridge's technical services and feel that their support is central to the way their business conducts energy efficiency.** Those customers who are working closely with Enbridge reported a high degree of satisfaction with Enbridge's technical support. Working collaboratively with Enbridge to identify opportunities for energy savings was another key service area.

- **Importance of financial incentives to reduce barriers to project implementation –** Incentives have both financial and psychological value. Financially they help to lower the ROI costs of completing energy efficiency projects. They also make energy related projects appear more attractive and show Enbridge's support for a particular initiative. More than half of the customers interviewed felt that Enbridge's incentives are a key factor in moving energy efficiency initiatives forward and are valuable to their businesses ability to reduce operating costs.

- **Opportunities for education and knowledge development** – Energy efficiency education and awareness within an organization are a key factors in achieving widespread energy savings. In addition to new technologies, education and awareness are the key factors in achieving energy savings. Of those that were asked, all but one of Enbridge's customers see a role for Enbridge in educating and training staff, especially operation, maintenance and production teams.

2.0 Introduction

Enbridge Gas Distribution ("Enbridge") serves over 1.9 million customers in its Ontario service areas, including the residential, commercial/institutional and industrial sectors. Since 1995, following a decision of the Ontario Energy Board (OEB), Enbridge has been delivering demand side management (DSM) programs to its customers in order to increase the efficient use of natural gas energy resources.

As part of their demand side management (DSM) program, Enbridge offers their industrial customers both financial incentives and technical services. The program is delivered through Energy Solutions Consultants, who works with customers one-on-one to identify and develop energy efficiency projects and provide assistance with submission of incentive applications. They offer a range of services, including: energy assessments, statistical analysis, on-site combustion testing, consumption pattern detection, thermal imaging, business case development and benchmarking assessments.

As a follow-up to previous customer sector workshops in 2010/11 and as a method to determine the value of DSM programs for ratepayers, Enbridge conducted a series of one-on-one stakeholder interviews during May and June of 2012. This report summarizes these interviews and the feedback received from Enbridge's customers during these interviews.

3.0 About Stakeholder Engagement

3.1 Purpose of the Interviews

The purpose of the stakeholder interviews was for Enbridge to obtain feedback from their customers regarding their experience with Enbridge's DSM program and identify opportunities for improving the program in order to better meet their needs.

More specifically, the purpose of the stakeholder interviews was to:

1. Determine the barriers customers face in achieving energy efficiency;
2. Understand what customers currently value in Enbridge's programs and why they value the programs; and,
3. Discover opportunities to improve Enbridge's program based on the real needs of their customers.

3.2 Interview Format

During May and June 2012, stakeholder interviews were conducted with 12 of Enbridge's largest industrial customers. Only industrial customers consuming a minimum of 20 million cubic meters annually were selected for stakeholder interviews.

Invitations were sent by email to senior financial and operational managers from the top 14 largest industrial natural gas consumers. In some cases, the organization's energy specialist was given the responsibility to speak on behalf of the organization. Other staff members involved in procurement, operations, finances and energy also attended the meetings. This mix of representatives was selected deliberately, in order to ensure that the feedback received was representative of the organization overall financial and operational concerns and provided a true account of the value of Enbridge's programs.

The interviews were facilitated and recorded by Lura Consulting, a neutral third party facilitator. Enbridge representatives also attended each meeting, in order to answer any technical questions about the programs. Each interview was one hour long and followed a series of discussion questions (see Appendix A).

3.3 Participation

In total, 12 interviews were conducted as part of the stakeholder engagement process. Below is a list of the organizations that participated and representatives who attended each of the meetings.

Customer 1	**Customer 2**
Met on May 3, 2011	Met on May 8, 2012
▪ *Refinery Manager* ▪ *Director of Finance* ▪ *Operations Accounting*	▪ *Site Utility Manager* ▪ *Energy Conservation Engineer*
Customer 3	**Customer 4**
Met on May 10, 2011	Met on May 14th, 2012
▪ *Energy Manager* ▪ *Director of Finance and Controller* ▪ Energy Engineer	▪ *VP Operations* ▪ *Engineering Manager* ▪ *Financial Services Manager* ▪ *Electrical Engineer* ▪ *Purchasing Manager*
Customer 5	**Customer 6**
Met on May 16, 2011	Met on May 15, 2012
▪ *Engineering Director* ▪ *Operation Director* ▪ *Business Integration Sr. Advisor Rackback* ▪ *Process Engineering* ▪ *Process Engineering Team Leader* ▪ *Engineering Technical Services Team Leader*	▪ *Plant Manager* ▪ *Associate*
Customer 7	**Customer 8**
Met on May 23, 2012	Met on May 24th, 2012
▪ Manager, Engineering services	▪ *VP of Operations* ▪ *VP Finance & Administration* ▪ *Chief Engineer*
Customer 9	**Customer 10**
Met on May 28, 2012	Met on June 18, 2012
▪ *Regional Energy Manager* ▪ *Works Manager* ▪ *Director of Energy*	▪ *Technical Manager* ▪ *Business Administrator, Controller*
Customer 11	**Customer 12**

Met on June 28, 2012	Met on June 19, 2012
▪ *Brampton Assembly Plant Manager* ▪ *Senior Energy Engineer* ▪ *Environmental Specialist*	▪ *Director of Mills*

4.0 About Enbridge's Customers

4.1 Business and Operational Concerns

- All of Enbridge's customers who were interviewed are concerned about energy saving as a priority, because it helps to reduce operational costs and second, because it is the right thing to do for their company and the environment.
- Many customers have been affected by the economic market downturn of 2008. It is common to have fewer staff focused on energy efficiency and to be constrained by capacity issues.
- Cost and payback are key factors in almost all business decisions – the majority of industrial customers are looking for a six month to three year payback for implementing any new technology or energy efficiency measures.
- The biggest costs for most of the companies visited are: energy, materials, and labour – in varying capacities.
- International companies that have sister facilities in the US face tough competition with their American counterparts within their own companies to produce energy efficiency savings.
- Gaining the support and approval of 'head office' is critical for moving forward with projects for some companies.
- International companies have less control over their processes at local Ontario facilities, with 'head office' directing energy projects and programs.

4.2 Energy Efficiency Achievements and Barriers

- For most of the organizations interviewed, the 'low hanging fruit' are gone. The next step is fine-tuning and innovation, which requires more time and expertise.
- There is a wide range of concerns, needs and sophistication around energy efficiency among those interviewed. Some organizations have all the expertise they need in house. Others are short staffed and relay on outside expertise especially from Enbridge.
- Most customers have conducted a form of energy audit in the past.
- The present low cost of natural gas makes it less of a priority for energy saving projects.
- At the industrial level, executives are the key decision makers for purchasing new technologies that are expensive. Some may not view energy as a key business concern and have funds earmarked for other capital projects.
- The majority of those interviewed were interested in the idea of capturing, re-using and/or transferring low-grade heat.
- Many customers were also interested or currently participating in gas fired co-generation.

4.3 Participation in DSM

- Many of the customers interviewed had worked closely with Enbridge in the past. Many of them had received numerous incentives over the years and taken advantage of Enbridge's technical support services. There were three customers who had little contact with anyone from Enbridge over the past few years and had not participated in their programs extensively.
- Those who had participated in Enbridge's programs and/or had a designated ESC were very satisfied with the program and its administration. Enbridge's incentives and expertise played an important role in how they achieved energy efficiency targets.
- The companies who had not participated in the DSM programs were generally multinational companies or those with extremely large capital/operating budgets. Their projects were too large for Enbridge's programs/incentives to make a difference on the ROI calculations and they had enough expertise in house to save energy without Enbridge's technical support.

5.0 Key Findings and Reoccurring Themes

Value of Financial Incentives

More than half of the customers interviewed felt that Enbridge's incentives play a central role in their becoming more energy efficient and are valuable to how their business operates. Several others reported that although incentives did not necessarily have an impact on which projects were implemented, they help to get projects approved and more initiatives forward.

Customers described the value of incentives as financial and/or psychological.

Financially, incentives decrease the payback period and reduce the overall capital costs of projects. Because of the low payback requirements for most businesses today, savings on capital projects for the payback period can be a deciding factor in getting projects approved from executive level management.

Psychologically, incentives make projects appear more attractive. Customers value Enbridge's opinion and appreciate knowing that a particular energy project has their support. Some customer's noted that the *idea* of saving money is a motivating factor for executive management teams. Others noted that the fear that the

By the Numbers
Are Enbridge's financial incentives are valuable to your business?

	Percent of customers
Yes, very valuable.	58%
They are nice to have, but not essential.	33%
No	8%

"Usually the ROIs aren't that good for energy projects, but with the incentives and Enbridge endorsement - it helps. It's a big factor".

-Enbridge Customer

"The incentives are significant. It has helped to get projects approved – with the money and input of Enbridge. When we go for approval from our corporate team – they put a high value on Enbridge opinion and money".

-Enbridge Customer

incentives programs might end can also be a contributing factor.

Some customers felt that Enbridge's incentives were too low and were not scaled appropriately to reflect the costs of large industrial companies and thus felt that more emphasis should be placed on technical support for project identification and general energy savings from operational systems.

Value of Technical Support

All of their customers consider Enbridge to be an expert in natural gas and energy efficiency and a well trusted organization in the industry. More than half of those interviewed said that they place a high value on Enbridge's technical support services, such as walk-through energy assessments, pinch analysis, statistical analysis, on-site testing, saving calculations etc. These services are central to the way their business conducts energy efficiency and result in significant energy savings.

By the Numbers:
Do you value Enbridge's operational support services?

	Percent of customers:
Yes	58%
They are nice to have, but are not essential.	33%
No	8%

Many of Enbridge's customers noted having lost technical expertise over the past several years and/or having capacity issues when it comes to energy management. Enbridge is able to fill this gap, providing these customers with the necessary technical expertise, bringing their detailed knowledge about natural gas and their experience from other customers and clients.

"We want you to look at our burners once a year to see if they are dirty. We need the check and balance. Tell us where we are and what we need to do. Keep us on a straight path. We have lost a lot of technical expertise within our plant".

-Enbridge Customer

Enbridge's is also able to provide accurate, non-biased advice. Whereas consultants can be unreliable and biased, Enbridge is considered a neutral third party by many of the customers. Enbridge has a customer service relationship with their largest industrial customers and a level of accountability that allows businesses to trust them. Several customers also noted that technical assistance from Enbridge is also easier to justify to executive management.

Two out of twelve customers felt that they were valuable services, however were not essential and another two of the largest customers felt they were not valuable. These were generally larger, multinational companies that had the necessary expertise internally. Many of them noted that they would rather have unrestricted incentive funds instead of technical support.

Flexibility within DSM Programs

Many of Enbridge's customers noted the importance of flexibility in the delivery of Enbridge's DSM program. Customers noted that every organization is different and can have different needs from year to year.

When asked, all but one of the customers stated that more control over how they are able to utilise the resources available to them through DSM would allow them to better focus on their areas of need. For example, some suggested they would pool the money they pay into DSM and spend more for an incentive for one larger project.

By the Numbers
Would you like more control/flexibility in the way the Enbridge's programs are administered?

	Percent of customers
Yes	50%
No, we like it the way it is.	8%
No answer	*42%*

"The more flexible you can be the better. We would like help on a case-by-case basis. We don't know what we will need tomorrow. Our technology is always changing".

-Enbridge Customer

This would be especially valuable for larger industrial customers; in that if they could use all their resources, they could shorten the pay back for one large project, rather than being encouraged to do small projects that are not as worthwhile to them. More flexibility would also help to address the fact that some customers value incentives while other place more value on technical support.

Training and Education

Energy efficiency education and awareness around within an organization is a key factor in achieving widespread energy savings. Almost all of those interviews identified a role for Enbridge in providing training and education services to the industrial sector. They noted several promising opportunities to train and educating staff, especially operations, maintenance and production teams.

By the Numbers
Is there a role for Enbridge to play in training and education?

	Percent of customers:
Yes	92%
No	8%

The feedback received from customers suggests that the most interest would be for training that is specific and customized to the particular organization and their equipment and needs.

"There is a tremendous opportunity to do training. We are going to increasing the amount of information given to these people – we have to train people about what to do with it all and how to interpret and analyze it".

-Enbridge Customer

Training for boiler operators was noted as a key area of need, as many of these individuals are not properly trained or knowledge about energy management. Training for engineers in steam and power could also be valuable.

Enbridge's Assistance with Project Identification

Those customers who are working closely with Enbridge reported a high degree of satisfaction in their ability to work collaboratively with Enbridge and identify opportunities for energy savings. When asked, all but one customer said that Enbridge's ability to suggest new project ideas, make recommendations on process improvements, as well as show where they are available incentive dollars should be a key component of Enbridge's DSM program.

By the Numbers
Is it valuable to have Enbridge's help identifying projects?

	Percent of customers
Yes	8
No	1
No answer	3

Whether a company is early on in their energy management programs or looking to fine-tuning existing initiatives and projects, assistance with project identification is considered to be very valuable.

Customer appreciate that Enbridge is a neutral third party and has detailed knowledge about natural gas and energy efficiency. Those interviewed noted the importance of Enbridge's fresh perspective and their ability to bring their un-biased experience from other customers, which can help to bring new ideas to light. Working directly with customers on-site helps to keep the momentum going and helps to push energy projects forward.

"We like having somebody to come and keep the momentum and energy awareness ongoing – and having someone to think outside the box. It's nice to have someone knocking at your door from time and asking how you are doing. If we didn't we would fall behind. This is huge for us".

-Enbridge Customer

Importance and Value of Enbridge's Support

The benefits of Enbridge's DSM program are experienced through incentive dollars, technical support, as well through energy and cost savings over the long term.

Most of those interviewed felt that Enbridge's programs and advice were important to their business and ability to save energy. Several customers estimated the value they received from the program at hundreds of thousands of dollars per year, not including energy savings.

One customer out of the twelve customers interviewed stated that they felt they were not getting all the value back from what they pay into the program. Three others mentioned that they would like more transparency in terms of how much they pay in and the costs of the services they receive.

By the Numbers
Past Experience with Enbridge

	Percent of Customers
High degree of participations in DSM and/or has designated ESC	67%
Minimal participation in DSM	33%

"It would be a real loss [if Enbridge's programs were cut back]. The rate of energy savings in Ontario would drop. Enbridge pushes us to save energy. I think it would be a disaster. No one understands natural gas better. When I go to my boss with the funding from Enbridge – they listen".

-Enbridge Customer

6.0 Feedback on Key Strategic Planning Areas

6.1 On Incentives

- Incentives help to get projects approved by reducing the payback periods on energy related projects.
- In some organizations, energy efficiency projects wouldn't happen without the availability of incentives.
- Larger organizations with larger capital projects are less affected by the availability of Enbridge's incentives.
- The value of incentives can be psychological. For example, some executives are influenced by knowing that they have Enbridge's support or that they are saving money. There can also be a fear that incentives may run out, which can help to drive projects forward.

> *"In the past few years – we have looked at incentives to get projects approved. The incentives do have an impact – especially because all of our projects must have a one year pay back.*
>
> *-Enbridge Customer*

6.2 On Technical Support

- Enbridge's technical support services, such as assistance with energy audits, measurement or pinch analysis are very valuable to many of Enbridge's customers. Nine out of the twelve customers interviewed reported that these services were valuable to them and helped them to save energy.
- Three out of twelve customers mentioned that they appreciate Enbridge's help with calculating savings because it helps to verify their calculations.
- For Enbridge to provide technical support they must have detailed knowledge about the particular industry and facility.
- Subsidizing technical studies and audits conducted by external consultants is a valued service.
- Two of the customers interviewed reported having enough technical expertise internally and therefore do not feel they need Enbridge's technical support. They noted that there may still be opportunities for Enbridge to provide their services, at cost, although these opportunities are not as easily identified.

6.3 On New Roles/Areas for Enbridge

During the stakeholder interviews, customers discussed some new ideas for DSM programs and potential new roles for Enbridge:

- Improving quality and reducing rework to improve energy efficiency. Six out of twelve customers were open to exploring this idea and confirmed that there is a potential for significant energy savings. It was consistently noted, however, that this would be a difficult role for Enbridge because it would require intimate knowledge of facility's particular processes.
- Engaging universities to help customers with R & D could help to find process solutions.

> *"Yes, Enbridge's assistance with improving quality would be helpful - to reduce the amount of fuel needed for rework".*
>
> *-Enbridge Customer*

- Financing larger projects and/or amortizing incentives to reduce payback. This could help to enable larger organizations to implement large energy related projects.
- Research, documentation and promotion of new technologies. Many customers are very interested in knowing about new technologies, how much they cost and the pay-backs they provide.
- Compiling and sharing project ideas among industrial gas users.
- Creating user group to discuss energy solutions.
- Working with the TSSA to update policy and training modules for boiler operators.

"We do not want to do the administrative work. We have a shortage of people. These things wouldn't get done. It is very useful to have Enbridge assist with the administration for us".

-Enbridge Customer

6.4 On Program Design and Administration

- Eight out twelve customers are working closely with Enbridge and/or had a designated ESC. These customers were very pleased with the service they received. They felt Enbridge had been responsive, proactive and available when needed.
- Customers appreciate the simplicity of Enbridge's programs and the minimal paperwork required when applying for incentives.
- Customers consistently stated that any increase in administration of programs would be unwelcome.

"The Enbridge program is great for those that need the technical support, help, but we have what we need internally.

-Enbridge Customer

6.5 Self-Direction

- One customer out of the twelve interviewed would like the ability to withdraw their funds from Enbridge's DSM program. The customer did not feel they were getting value back from what they pay and were concerned about their competitors gaining advantage through the DSM program.
- Although the customer agreed that Enbridge's program is valuable for those that need the support, they feel that large industrial customers have their own expertise and funds and should be able to self-invest in energy efficiency.
- If this customer is unable to withdraw from DSM, the preferred route would be to pool all the money paid into the program and make use of the money on programs or projects that would be most useful for them.
- Several other large industrial customers expressed interest in having more flexibility or control in how they directed resources for DSM project.

6.6 On Data Monitoring

- The sophistication and extent of data monitoring differs among Enbridge's customers. Most reported doing monitoring of gas use and data analysis. Customers who have more advanced monitoring system find it very useful for identifying opportunities.

"We do gather the information, but not in a formalized way. We don't know if it is high or not. Anything to measure electricity and gas being used and show where to reduce would be a great tool. For gas use, we measure and monitor every use of gas in the facility and do trend analysis".

-Enbridge Customer

- Some customers do their data analysis internally, but most use external engineering firms assist with data and trend analysis.
- Metering could be improved in almost all cases to help with accuracy and level of detail to make better energy efficiency decisions.
- Some customers would support Enbridge becoming more involved in data mining and analysis and expect they would pay for that service.
- An increase in data requires an increase in capacity in order to collect and analyse the information. Some customers do not have the capacity or resources to analyse that data or address the issues identified.

6.7 On Training and Education

- Education and awareness around energy efficiency within an organization is a key factor in achieving widespread energy savings. Customers see role for Enbridge in educating staff, especially operation, maintenance and production teams.
- There is often a cultural barrier to energy efficiency within organizations, which Enbridge could take an advocacy role to address.
- A curriculum for energy management from Enbridge was noted as an area of interest to most customers. A collaborative development of the curriculum would provide the most benefit to the customers.
- The most promising training opportunities are those that are customised and/or offered on-site.
- Several customers reported that training on boilers would be valuable. It would be most effective if the program was tailored and specific to the customer's boilers and controls.
- There is an opportunity to educate new engineers about energy and thermal opportunities.

> *"Training on boilers would be nice. This is a great idea. I would only want to send a few people. We would want them to be tailored and specific – about our boilers specifically".*
>
> *-Enbridge Customer*

6.8 On Corporate Social Responsibility and Marketing

- The drive towards Corporate Social Responsibility (CSR) influences some organizations to be more energy efficient.
- Awards or special days that recognize an organization's energy related achievements would be well received and appreciated by some of the customers interviewed. Other organizations prefer not to be recognized publicly for their achievements in energy efficiency because it conflicts with corporate communication priorities. A 'community energy day' would be a good way to promote a company's CSR achievements and build rapport with the community.
- Profiles or case studies would be good marketing tools for promoting the more qualitative achievements of Enbridge and their customers.
- User groups or leadership forums can help to share information within and among industries, if they are done right.

> *"We are working towards a sustainability program and awards from Enbridge would help with that program".*
>
> *-Enbridge Customer*

7.0 Conclusion

Conducting one-on-one interviews with a cross-section of Enbridge's industrial customers was an effective way for Enbridge's to obtain input on their DSM Plan and better understand their customers' business and operational concerns. Those interviewed suggested some potential improvements to the program, especially in terms of flexibility. There were also some suggestions regarding new roles for Enbridge and new program areas, including training for operational staff. Key findings of the interviews included:

- Both technical assistance and incentives are important to Enbridge's customers. Some prefer one program area over the other. While other think it is important to have both, therefore these customers asked for flexibility with DSM program.
- There are opportunities for education and training, especially among operational staff.
- There is a desire among some companies to have more flexibility in how they are able to utilize Enbridge's DSM resources.

Overall, it was clear that many of Enbridge's industrial customers are very satisfied with their programs and have received significant financial value from their technical and incentive funding assistance.

ENBRIDGE GAS DISTRIBUTION
COMMERCIAL SECTOR
STAKEHOLDER ENGAGEMENT

June 2012 Summary Report

Prepared by Lura Consulting

for Enbridge Gas Distribution

LURA
LISTEN · UNDERSTAND · RELATE · ADVANCE

ENBRIDGE

This report was prepared by Lura Consulting, a neutral facilitation specialist. It captures and presents the feedback received from 16 stakeholder interviews that focused on energy efficiency and Enbridge's Demand Side Management programs. The interviews took place during May and June 2012. This report is not intended as a verbatim transcript. If you have any questions or comments regarding the summary, please contact:

Ariana Cancelli
Planner
515 Consumers Road, Suite 201
Toronto, Ontario, M2J 4Z2
acancelli@lura.ca

LURA
LISTEN · UNDERSTAND · RELATE · ADVANCE

Table of Contents

1.0 Introduction 1
2.0 Overview of Stakeholder Interviews 1
2.1 Purpose of the Interviews 1
2.2 Interview Format 1
2.3 Participation 2
3.0 Reoccurring Themes and Key Findings 3
Importance of Incentives 3
Value of Technical Support 3
Training and Education Opportunities 4
The Importance of Monitoring and Data Analysis 4
Improving Communication with Key Customers 5
Need for a Holistic Approach to Energy 5
Fine-tuning and Individual Building Analysis 6
4.0 About Enbridge's Customers 6
4.1 Overview of Commercial Sector Customers 6
4.2 Barriers to Energy Efficiency 7
4.3 Experience with Enbridge and DSM Programs 7
5.0 Feedback on Key Strategic Planning Areas 8
5.1 On Incentives 8
5.2 On Technical Support 8
5.3 On Run it Right and Energy Compass 8
5.4 On Program Design and Administration ..... **Error! Bookmark not defined.**
5.5 Monitoring Consumption, Data Analysis and Benchmarking 9
5.6 On Training and Education 10
5.7 On Supporting Leaders 10
5.8 On Design and New Construction 10
5.9 On Technology and Case Studies 11
5.10 Recognition and Awards 11
6.0 New Areas of Interest for Enbridge 11
7.0 Conclusion 11

1.0 Introduction

Enbridge Gas Distribution ("Enbridge") serves over 1.9 million customers in its Ontario service areas, including the residential, commercial/institutional and industrial sectors. Since 1995, following a decision of the Ontario Energy Board (OEB), Enbridge has been delivering demand side management (DSM) programs to its customers in order to increase the efficient use of energy resources.

As part of their demand side management (DSM) program, Enbridge offers their commercial customers a range of financial incentives and technical services. The program is delivered through Energy Solutions Consultants, who works with customers one-on-one to identify and develop energy efficiency projects and provide assistance with submission of incentive applications.

As a follow-up to previous customer sector workshops held in 2010/11 and as a method to determine the value of DSM programs for ratepayers, Enbridge conducted a series of one-on-one stakeholder interviews during May and June of 2012. This report summarizes the feedback received from Enbridge's customers during these interviews.

2.0 Overview of Stakeholder Interviews

2.1 Purpose of the Interviews

The purpose of the stakeholder interviews was for Enbridge to obtain feedback from their customers regarding their experience with Enbridge's DSM program and identify opportunities for improving the program in order to better meet their needs.

More specifically, the purpose of the stakeholder interviews was to:

1. Determine the barriers customers face in achieving energy efficiency;
2. Understand what customers currently value in Enbridge's programs and why they value the programs; and,
3. Discover opportunities to improve Enbridge's program based on the real needs of their customers.

2.2 Interview Format

During May and June 2012, stakeholder interviews were conducted with 16 of Enbridge's large portfolio commercial customers.

Invitations were sent by email to senior financial and operational managers from a list of Enbridge's commercial customers from a variety of sectors. In some cases, these managers delegated the interviews to the individual responsible for energy management within the company. Other staff members involved in procurement, operations, finances or energy were also invited to attend the meeting. This mix of representatives was selected deliberately in order to ensure that the feedback received was representative of the organization's overall financial and operational concerns and provided a true account of the value of Enbridge's programs.

The interviews were facilitated and recorded by Lura Consulting, a neutral third-party facilitation firm. Enbridge representatives also attended the majority of meetings, in order to answer any technical questions about the programs. Each interview was one hour in length and followed a series of pre-set discussion questions (see Appendix A).

2.3 Participation

In total, 16 interviews were conducted with customers from a variety of sectors of the commercial market. Below is a list of the businesses and representatives who attended each of the meetings.

Customer 1	**Customer 9**
May 17, 2012	**June 11, 2012**
▪ Contracts and Purchasing Coordinator ▪ Director, Residential Property Management	▪ Vice President
Customer 2	**Customer 10**
May 28, 2012	**June 12, 2012**
▪ National Director of Energy Management	▪ Director, Facilities Management ▪ Mechanical Engineer
Customer 3	**Customer 11**
May 30, 2012	June 13, 2012
▪ Director Strategic Source Energy Management	▪ Senior Director Strategic Procurement ▪ Vice President Design & Construction ▪ Director, Store Premise Services ▪ Director, Strategic Procurement
Customer 4	**Customer 12**
May 31, 2012	June 18, 2012
▪ Manager, Energy & Environment ▪ Director, Infrastructure - Facilities ▪ Energy Manager	▪ Manager Special Projects ▪ Conservation Coordinator
Customer 5	**Customer 13**
June 1, 2012	June 19, 2012
▪ Energy Management Specialist	▪ Director of Energy Management
Customer 6	**Customer 14**
June 5, 2012	June 20th, 2012
▪ Director of Technology and Sustainability	▪ Operations Coordinator ▪ Head, Utilities Operations, ▪ Energy Officer
Customer 7	**Customer 15**
June 8, 2012	June 21st, 2012
▪ Manager, Facilities Services	▪ Regional Manager, Eastern Canada ▪ Coordinator, New Projects
Customer 8	**Customer 16**
June 8, 2012	June 25th, 2012
▪ Senior Vice President - National Operations ▪ Operations Team ▪ Sustainability Services and Project Team	▪ Director of Engineering

3.0 Reoccurring Themes and Key Findings

Importance of Incentives

For the majority of Enbridge's commercial sector customers, financial incentives are very valuable in achieving energy efficiency. For some businesses, they drive projects forward and determine which initiatives get implemented. For others, they simply provide additional financial resources for the necessary energy efficiency equipment and projects.

According to those interviewed, incentives are important because they help to reduce payback periods and lower capital costs for large projects and retrofits. Their value can also be psychological, in that they demonstrate Enbridge's support for a particular project, which can influence corporate decision making. Some customers reported the 'idea' of saving money was what helped to get projects approved.

By the Numbers
Are Enbridge's financial incentives valuable to your business?

	# of Customers
Yes, they are valuable.	8/15[1]
They are nice to have, but not essential.	3/15
No, they are not valuable.	
No answer	2/15

"Some of our old chillers run at 50%. The difficulty is the money. If there is an incentive, it drives these things towards replacement".

-Enbridge Customer

Value of Technical Support

Enbridge's technical services work to support their customers in developing energy saving solutions. Customers reported that services such as energy audits, benchmarking, training, data analysis and one-on-one advice, were important to their ability to save energy because they helped them to identify opportunities for energy saving within their portfolio. Customers value these services and appreciate having a second opinion from a neutral third party.

There was a high degree of satisfaction and interest in Enbridge's 2 main technical service programs – Energy Compass and Run it Right. Those who had participated in the past were pleased with the service and had experienced energy saving as a result of their participation. Many of those who had not participated expressed interest in participating. There were some concerns about the minimum size of buildings that could be included in the program, as well as issues with benchmarking a large portfolio of buildings, given the range in age, design, etc.

By the Numbers
Are you currently participating in Enbridge's programs?

	# of Customers
Yes	3/15
No, but I am interested.	6/15
No, I'm not interested.	4/15
Don't know.	2/15

"Enbridge's programs are absolutely material to our business. Our decisions are affected by long-term operation of the equipment along with the available incentives and rebates".

- Enbridge Customer

Several customers reported that it is through a full spectrum of programs, starting with the technical support and assistance with project identification, followed by financial assistance, that they are able to achieve the greatest success in energy efficiency.

[1] A total of 16 interviews were completed; however the interview conducted with the association followed a different set of discussion questions, therefore the calculations are out of 15.

By the Numbers *Is there a role for Enbridge in providing education and training?*	
	# of Customers
Yes	12/15
No	1/15
No Answer	2/15

"The problem is that the whole industry has to be educated. We can't rely on operational people or trades people. Operators will oversupply to avoid complaints. It's about education".

-Enbridge Customer

Training and Education Opportunities

Many of Enbridge's customers revealed a considerable need to train and educate individuals and organizations at all levels in order to improve energy efficiency within the commercial sector. According to the feedback received, Enbridge could play a major role in the following:

- Education for building or property managers on how to supply energy more efficiently, upgrade old equipment, and react to operational issues (i.e. temperature changes, leaks) that affect efficiency.
- Education for superintendents on the opportunities for energy reduction and benefits from lower operating costs.
- Education for residential customers and condo boards about the costs associated with not upgrading existing equipment in their buildings and the opportunities for savings.
- Training for building technicians and boiler operators to help them understand building-energy dynamics and become better 'energy managers'.
- Education or training for engineers about the importance of energy efficiency and their role in reducing the energy consumption of buildings.

By the Numbers *Are you interested in receiving hourly data on your gas usage?*	
	# of Customers
Yes - I am already looking at this.	5/15
Yes - this would be valuable	4/15
Yes - but I don't have the capacity to do it.	4/15
No - not interested.	1/15
No answer	1/15

The Importance of Monitoring and Data Analysis

Monitoring energy use is a driving force in reducing energy consumption in buildings and an area of interest for all of those interviewed. There is a range in sophistication and ability to conduct detailed monitoring and analysis along those interviewed.

Many customers noted that real-time or hourly data would be valuable because it provides more sophisticated monitoring and enables customers to make detailed operational improvements. Several customers noted that they do not currently have the capacity or knowledge to conduct this level of monitoring on their own.

There is a role for Enbridge to play in energy monitoring and data analysis without competing with others in the marketplace. For example, Enbridge could play a key role in collecting and sharing data as a trusted third party. Enbridge is in a position to help determine what is within the norm in terms of energy use for different types of buildings, and then use this information to compare performance against others in the industry and against best practice.

Improving Communication with Key Customers

Customers indicated that it is important to have the right amount of communication and awareness of Enbridge's programs.

Customers expressed interest in meeting periodically with customers and discussing opportunities for participation in Enbridge's programs. They appreciate having one point of contact, phone number or individual. Letters or information brochures providing information about current programs would also be helpful.

Those customers who met regularly with their Energy Solutions Consultants (ESC) were very satisfied with the service. In all cases, their ESC had successfully helped them to define optimum solutions for increasing energy efficiency.

Other customers had very little communication with Enbridge over the course of several years. Those who didn't know their ESC were unaware of the available programs and did not know who to contact for help. In other cases, it appears that some of the interviewees were not the individuals with whom Enbridge has a working relationship. It may be beneficial for Enbridge to extend their relationship to all interviewees.

It may useful for Enbridge to focus their resources on key accounts and/or provide alternative ways to communicate and market their programs without having a designated ESC, such as through the website.

By the Numbers
What is your relationship with Enbridge?

	# of Customers
Have an ESC – very satisfied.	6/15
Have an ESC – not satisfied.	0/15
Little/no relationship with ESC.	8/15
Don't know.	1/15

"One of the reasons we haven't been involved with Enbridge is that we find it very difficult to find the right person and to know who to talk to. Because of this, we are not up to speed about what is going on with Enbridge. This is big for us, in terms of what we are missing out on".

- Enbridge Customer

Need for a Holistic Approach to Energy

Many customers are interested in taking a more holistic approach to energy management. For example, they are looking for opportunities to balance and alternate between different types of energy. They would like Enbridge to fund and support initiatives that foster a more integrated holistic approach to energy efficiency.

Customers also reported that it would be most useful if Enbridge could review all types of energy, not just natural gas. Customers want to know their buildings' energy intensity or benchmark across the spectrum of energy use.

"We have also seen clients like campuses – that were built on central heating and cooling- become very efficient. They see that moving heating and cooling around can be very effective. So, rather than seeing energy as a commodity, they see it as an integrated package".

-Enbridge Customer

Another theme identified through the interviews, was there are many utilities and/or bodies involved in energy and they all function differently. This can be problematic and act as a barrier to energy efficiency for customers. Long-term, Enbridge could also look at collaborating with other bodies to provide heat, electricity and power for customers, neighbourhoods and communities.

Fine-tuning and Individual Building Analysis

The customers with a high degree success in implementing their energy efficiency programs, reported they are or will be looking for the *next level* of energy efficiency applications. These customers share a concern that they need to be able to demonstrate the energy savings they have achieved and maintain the technologies to sustain the savings.

> *"A challenge is that we have done a lot over the past two to three years. We now need to go back and see if it working and maintain what we put in".*
>
> *-Enbridge Customer*

For these types of customers, future energy savings will be less on the technology side – but instead will involve a much more detailed, information-based approach. This might include documenting the savings from energy projects and determining the value of implementing across the portfolio. The confirmation of savings can be achieved through improved monitoring.

Much of the fine tuning energy savings will be building specific. It will be much more technical and time consuming. Enbridge may want to consider providing a service where they employ or hire someone to visit and examine individual buildings to identify opportunities for fine-tuning.

4.0 About Enbridge's Customers

This section describes what Enbridge's commercial customers said about themselves, their business concerns and their approaches and experience with energy efficiency.

4.1 Overview of Commercial Sector Customers

- All of Enbridge's commercial customers are interested and involved in continually improving energy efficiency.
- Lower operational costs as a result of energy savings is a driving factor in implementing energy related projects. Generally, there must be proof that a project will generate returns within 2 to 5 years.
- There is a range of sophistication in energy management and experience with implementing projects within the commercial sector. Some customers are working on addressing low-hanging fruit, while others are further along - in the fine-tuning stage.
- After energy efficiency projects or new technology have been implemented, maintaining and monitoring the success of project is important.

- Most businesses have an individual or a department focused on energy management.
- Technology/equipment and behaviour are the two main factors in achieving energy efficiency.
- Large portfolio customers, such as property management companies, can be overlooked by utilities, although they are very large gas users when all of their buildings are considered together.

4.2 Barriers to Energy Efficiency

- Lack of knowledge at all levels is a key barrier to achieving energy efficiency, including contractors, building engineers and the construction industry, building managers and operational staff, as well as condo boards and building owners.
- There are often competing priorities at the corporate level. Energy is not always a key business concern.
- Availability of capital to implement projects can be a barrier. There are large upfront capital costs required to retrofit older buildings and even longer payback periods for more complex projects.
- The new construction industry, especially for the residential sector, has a tendency to build 'cookie-cutter' buildings that do not incorporate energy efficiency technologies.
- Operational building staff do not always understand energy efficiency of how to best manage or reduce energy.
- Knowing who to contact at Enbridge and which programs are being offered can be difficult.
- Managing different utilities is time-consuming.

4.3 Experience with Enbridge and DSM Programs

- Customers who had actively participated in Enbridge's programs reported receiving superior levels of support and technical expertise. Those who work closely with an ESC were satisfied and felt that Enbridge provides a superior level of customer support in helping find opportunities to make buildings more efficient. A single point of contact at Enbridge is a valued approach to program administration.
- Some customers did not have a good rapport with Enbridge and did not have a relationship with an ESC. These people were often unaware of the programs Enbridge offers, which resulted in missed opportunities. There was a desire from this group for Enbridge to be more proactive.
- Many customers expressed appreciation in Enbridge's straightforward program administration. Quick turn-around on incentives and paperwork is important.
- Some customers were displeased with the many formalities and paperwork required to participate in Enbridge's programs.
- Enbridge could be more proactive about educating customers about their suite of programs.

5.0 Feedback on Key Strategic Planning Areas

This section provides a full summary of the comments received from participants during the stakeholder interviews. All major points raised have been included. For this reason, some of the points may contradict each other, and not all statements will be supported by all. Note: this is not intended to act as a verbatim transcript.

5.1 On Incentives

- Incentives are important because they enable the use of new technology which results in a reduction in operating costs and therefore improve profitability.
- Incentives reduce the payback period on energy related projects, which helps to get projects approved at the corporate level.
- Knowing that Enbridge is providing incentives on a particular project can influence corporate decision-making.
- Decision makers are often influenced by the fact that Enbridge is supportive of an initiative. They feel that Enbridge is a neutral third party and an expert in natural gas.
- Decision makers like the idea of saving money.
- Energy projects can be selected based on what incentives are available.
- For larger projects, the dollar amount of incentives is fairly small and does not significantly reduce the payback.
- An increase in the amount of incentive dollars available would be appreciated.
- Incentives can be more important than technical services because the services can be purchased in the market if needed.

> *"When we receive an incentive cheque, I invite the President for the presentation. It is important that the incentive and the money is visible to them. They have to experience it".*
>
> *–Enbridge Customer*

> *"Yes. I get so much on my desk - it's hard to know what to do. I am interested in Enbridge's opinion".*
>
> *–Enbridge Customer*

5.2 On Technical Support

- Energy audits provided or subsidized by Enbridge are important for identifying energy saving opportunities.
- Auditing and technical advice from consultants can be inconsistent and 'cut and paste'.
- Enbridge is seen as the expert in natural and trustworthy third-party.
- Reviewing saving calculations is a valued service.

5.3 On Run it Right and Energy Compass

- *Energy Compass* and *Run it Right* are valuable programs and have resulted in significant energy savings where applied.
- Benchmarking was seen as a valuable service because it allows customers to see the opportunities to improve energy efficiency of their buildings.
- It is can be difficult to compare or benchmark various buildings as part of the *Energy Compass* program.
- It may be advantageous for Enbridge to allow buildings below the minimum requirement to be included in the program if they are part

> "We were one of the first *Energy Compass* program participants. It was amazing. At the time we only benchmarked against other buildings. It was a real eye opener".
>
> *–Enbridge Customer*

of a large portfolio.

5.5 Monitoring Consumption, Data Analysis and Benchmarking

- These areas are imperative to saving energy and key components of most energy management programs.
- There is a range in sophistication and capacity when it comes to data monitoring and analysis. Customers reported the following:
  - Conducting detailed analysis internally;
  - Using external consultants and getting monthly reports;
  - Reviewing their monthly the gas bill to look for large; inconsistencies in energy use;
  - Using energy management systems or software; or
  - Collecting hourly data and making decisions based on this data Others did not have the in-house capacity to look closely at the data.

> *"We use KMC Controls and generate reports using Metrix. We do our analysis in-house. We have monitoring positions here, and I believe that real time ability is the best option".*
>
> *– Enbridge Customer*

Monitoring

- Most new buildings have interval meters and/or sub-meters installed.
- A barrier to monitoring is the cost of meter installation, meaning subsidies for purchasing gas meters are important.
- Monitoring software would be valuable to help customers verify energy savings.
- A phone application that sends gas use consumption alerts would be useful.

Data Analysis

- Enbridge's assistance with data collection and analysis would enable data driven decision-making and further energy savings.
- Real-time or hourly data collection can be valuable because it enables customers to profile trends, catch errors, and make corrections more quickly. It would also help customers to address energy peaks.
- It can be difficult to find the resources or capacity to use real-time data.
- A software program or tool that helps with analysis would be beneficial.
- Data provided to customers should be accompanied by solutions to fix the problem and/or supplemented by education. Data should be easy to use.
- Enbridge could play a role in creating a standard way that information gets shared between owners and operators.

> *"Benchmarking is key to the way we look at our portfolio. We can see which buildings are the outliers. It allows us to focus on the bigger opportunities. You have to look at the details of the buildings".*
>
> *– Enbridge Customer*

Benchmarking

- Benchmarking allows customers to identify opportunities for energy savings.
- Benchmarking buildings can be difficult because buildings have very different characteristics (i.e. design, age, comfort).

- Third party benchmarking from engineering firms is often unsatisfactory and "cut-and-paste".
- Customers want to benchmark their buildings for all types of energy – not just gas.
- Industry averages for facilities and buildings would be useful.

5.6 On Training and Education

- Educational programs could be developed to train building operators and managers on how to save natural gas, how to properly maintain equipment, read boiler reports, and provide ventilation, etc.
- Building specific and/or one-on-one training would be most effective because buildings and equipment are different.
- Superintendents and building managers are not always up to date on new technologies or energy efficiency and would benefit from training.
- Landlords and building owners need education on available technologies and their benefits.
- Condominium Boards make the decisions about building upgrades. They don't necessarily have qualifications to understand the benefits of energy management aside from cost savings.
- Enbridge could advocate for greater energy efficiency across the engineering industry.
- Staff behaviour in commercial buildings is critical for saving energy. They would likely respond well to training and education.

> *"One-on-one training would be best. All our buildings are different. It has to be building specific. The Superintendents have been around for a long time. Some of them don't know how a boiler functions - how the heat system works".*
>
> *–Enbridge Customer*

5.7 On Supporting Leaders

- Providing opportunities for sharing information can drive innovation and help to support leadership in energy management.
- Hosting sector-wide symposiums, workshops or forums could be an effective way to encourage discussion about best practices.
- Leadership focused events should offer something new – there is a lot already out there.

5.8 On Design and New Construction

- Enbridge has a role to play in helping the new construction industry to identify opportunities for energy efficiency in new buildings.
- The new construction industry is creating inefficient buildings – it is misaligned with long-term ownership.
- Education and technical support are more important than incentives for new construction. At this stage knowledge and attitudes towards energy are more of a barrier than availability of capital.

> *Developers build for now – they aren't into energy efficiency and put the equipment in after the fact. The engineers do the same. There is a disconnect between operations and construction – they just build.*
>
> *–Enbridge Customer*

5.9 On Technology and Case Studies

- There is a role for Enbridge to play in driving new technology. This could be done easily without competing in the marketplace.
- Customers want confirmation that new technologies will be effective and provide savings. Enbridge could provide this documentation and promote it to their customers.
- Customers are interested in being involved in testing out new technologies and/or being profiled in case studies.
- There is a shortage of good case studies in some sectors. Enbridge could help to fill this gap.

> *"Case studies would be great. We would be happy to be profiled in a case study".*
>
> *–Enbridge Customer*

5.10 Recognition and Awards

- Customers would appreciate being recognized for their energy efficiency achievements.
- Awards for achievements regarding innovation can be more valuable than those for technical achievements.
- There may be reasons that a company does not want to brand themselves as energy efficient and therefore recognition and awards would not be of interest.
- Rewards for operators would be advantageous; they may encourage operators to be more proactive.
- Case studies aren't always useful. A tradeshow or a technical comparison of new technologies might be more advantageous.

6.0 New Areas of Interest for Enbridge

The following points were raised by customers as areas of interest in energy and could be considered by Enbridge as additional components of their DSM program:

- Programs or incentives around automation
- Ventilation control and delivery
- Co-generation
- Heat recovery
- Software to help with managing heating and cooling
- Demand control ventilation based on CO_2 levels.
- Project financing.

7.0 Conclusion

Conducting one-on-one interviews with a cross-section of customers was an effective way for Enbridge's to obtain input on their DSM Plan and better understand their customers' business and operational concerns. Those interviewed suggested some potential improvements to the program, especially in terms of communication and customer service. There were also some suggestions regarding new roles for Enbridge and new program areas, including detailed data analysis and training for operational staff. Overall, it was clear that Enbridge's customers are pleased with the current suite of programs and that Enbridge has helped them to increase the efficient use of energy resources.

SETTLEMENT AGREEMENT

ENBRIDGE GAS DISTRIBUTION INC.

DEMAND SIDE MANAGEMENT

UPDATE TO THE MULTI-YEAR PLAN

FOR THE YEARS 2013 - 2014

TABLE OF CONTENTS

I. BACKGROUND AND CONTEXT 4

II. AGREEMENT PREAMBLE 6

III. TERMS OF SETTLEMENT 8

A. Introduction 8

B. Budget and Maximum Shareholder Incentive Totals by Program Type 11

i) 2013 and 2014 11

C. Details of Settlement by Program Type 12

(A) Resource Acquisition 12

(i) 2013 and 2014 Budget 12

(ii) 2013 and 2014 Resource Acquisition Scorecard (Combine scorecard) 12

(iii) Maximum Incentive 2013 and 2014 13

(iv) Specific Terms with Respect to Resource Acquisition 13

(B) Low Income 16

(i) Budget for 2013 and 2014 16

(ii) 2013 and 2014 Low Income Scorecard (Combinerecard) 16

(iii) Maximum Incentive 2013 and 2014 17

(iv) Specific Terms of Agreement Relating to Low Income 17

(C) Market Transformation 21

(i) Budget 2013 and 2014 21

(ii) Maximum Incentive 2013 and 2014 21

(iii) 2013 and 2014 Market Transformation Scorecards 23

1. Residential Savings by Design 23

(i) Specific Terms of Agreement Relating to Residential Savings by Design 24

2. Commercial Savings by Design 26

(i) Specific Terms of Agreement Relating to Commercial Savings by Design26

3. Home Labelling 27

(i) Specific Terms of agreement Relating to Home Labelling 27

4. Drain Water Heat Recovery (DWHR) – 2013 Only _____ *28*

(i)Specific Terms of Agreement Relating to Drain Water Heat Recovery _____ *28*

IV. EVIDENTIARY BASIS FOR SETTLEMENT _____ *28*

I. BACKGROUND AND CONTEXT

On June 30, 2011, the Ontario Energy Board ("OEB" or the "Board") issued a letter (the "Letter") and the new Demand Side Management ("DSM") Guidelines for Natural Gas Utilities ("Guidelines") developed in the EB-2008-0346 proceeding. The Letter provided that the natural gas utilities were expected to develop their Multi-year DSM Plans in accordance with the Guidelines. Enbridge Gas Distribution Inc. ("Enbridge" or the "Company") filed its DSM Multi-Year Plan for 2012-2014 on November 4, 2011. Contemporaneously, Enbridge filed a Settlement Proposal with those Intervenors that participated in the DSM Consultative. This Settlement Proposal which was ultimately accepted by the Board specifically contemplated that Enbridge would file a DSM Plan Update for 2013/2014, later in 2012. This Agreement relates to Enbridge's DSM Plan Update for 2013/2014 and those outstanding matters for which Board approval is required for Enbridge to undertake its DSM activities in 2013 and 2014.

The Guidelines contemplate that gas distributors will consult with their stakeholders with respect to their DSM Plans. Accordingly, Enbridge has consulted with members of the DSM Consultative in respect of its 2013/2014 DSM Plan Update. Consistent with the Consultation for the 2012-2014 Plan, a Working Group emerged for each program type. The Consultative members who chose to serve in each of the working groups, in addition to Enbridge representatives, were as follows:

Working Group	Members
Low Income	Chris Neme (GEC) Judy Simon (LIEN) Jack Gibbons (Pollution Probe) Roger Higgin (VECC) Marion Fraser (BOMA) Dwayne Quinn (FRPO)
Market Transformation	Julie Girvan (CCC) Vince DeRose (CME) Jack Gibbons (Pollution Probe) Chris Neme (GEC) Norm Rubin (Energy Probe)
Resource Acquisition	Marion Fraser (BOMA) Julie Girvan (CCC) Vince DeRose (CME) Norm Rubin (Energy Probe) Dwayne Quinn (FRPO)

Working Group	Members
	Chris Neme and Kai Millyard (GEC) Paul Seaman (IGUA) Judy Simon (LIEN) Jack Gibbons (Pollution Probe) Jay Shepherd (SEC) Eric Nadeau (TransCanada Energy) Roger Higgin (VECC)

Meetings between Enbridge and the Working Groups took place on the following dates:

Plenary	July 11, 2012
Low Income	August 7, 24, 27, 2012
Market Transformation	July 26 and 27, 2012
Resource Acquisition	August 10, 14, 16, 17, 28 and 29 and September 10, 2012
Plenary	September 28, 2012

The purpose of these meetings was to allow members of each Working Group to ask specific questions and request information for review in support of Enbridge's DSM Plan Update. A further goal was to determine whether a consensus could be reached in respect of all or some aspects of the DSM Plan Update and, in particular, the allocation of budget as between program types, any permitted budgetary increases, metrics, scorecards and incentive levels. These meetings proceeded without a facilitator, which is a common practice with Enbridge Consultatives.

The Working Groups ultimately reached consensus with Enbridge on the components of the DSM Plan Update, as more particularly set out in this Agreement. These terms were then shared with the broader DSM Consultative at a meeting held on September 28, 2012, at which time the terms contained in this Agreement were presented and adopted by the following members of the DSM Consultative (Enbridge and the Intervenors listed below being hereinafter referred to as the "Parties"):

Building Owners and Managers Association (BOMA)
Consumers Council of Canada (CCC)
Canadian Manufacturers & Exporters (CME)
Energy Probe Research Foundation (Energy Probe)
Federation of Rental Providers of Ontario (FRPO)
Green Energy Coalition (GEC)
Industrial Gas Users Association (IGUA)
Low Income Energy Network (LIEN

Pollution Probe
School Energy Coalition (SEC)
TransCanada Energy Ltd.
Vulnerable Energy Consumers Coalition (VECC)

One party, TransCanada Energy Ltd., takes no position on the whole agreement.

II. AGREEMENT PREAMBLE

In EB-2011-0295, the Company and DSM Consultative members, through a consultative process reached agreement on a "financial package" for the Company's DSM programs in 2012 and certain other matters for the multi-year term of the plan, 2012-2014. This earlier agreement specifically contemplated Enbridge applying in 2012 for certain further approvals that would be required for it to undertake its DSM activities in 2013 and 2014. As a result of the consultative process described earlier in this Settlement Agreement, the parties have reached a complete settlement in respect of all outstanding matters requiring Board approval for the years 2013 and 2014. More specifically, there is a complete settlement in respect of the budget for each of the program types, the maximum incentive, the scorecard, and specific terms and conditions which relate to the budgets, targets and incentives for programs which the Company will undertake pursuant to each program type for each of years 2013 and 2014 and certain terms and conditions with respect to specific programs. This document is not a Settlement Agreement in the traditional sense under the Board's Rules of Practice and Procedure, for at least three reasons. First, it was not the result of a process ordered and supervised by the Board. Second, because of the varied nature of the subject matter, the Parties determined that it would be more productive if not all Parties attended all meetings (although, in the end, all signatories agree to support all elements of the settlement). Third, Board Staff, although observers at some of the meetings, were not present at all of the meetings.

Notwithstanding that this is not a formal Settlement Agreement under the Rules, the Parties jointly present it to the Board as their binding and enforceable Agreement with respect to the issues discussed herein. The Parties request that the Board accept it as evidence of their consensus on those issues, and, subject to any further discovery or other process the Board requires to deal with its consideration of the Company's 2013 - 2014 DSM Plan Update , deem it to be a Settlement Agreement under the Board's Rules.

The Parties further request that the Board adopt this Agreement as part of the Board's Decision and Order in this application. While the consultative process, under which this Settlement Agreement was reached, was not formally initiated by the Board under Rule 31 of the *Ontario Energy Board Rules of Practice and Procedure*, the parties agree that

it is appropriate that Rules 31.09, 31.10 and all of 32 apply to the consultation process and to this Settlement Agreement.

The Parties intend that this Agreement should be subject to the rules relating to confidentiality and privilege contained in the Board's Settlement Conference Guidelines. The Parties understand this to mean that all positions, negotiations and discussion of any kind whatsoever which took place as part of the Consultative meetings, and all documents exchanged during the meetings which were prepared to facilitate settlement discussions, are strictly confidential and without prejudice, and inadmissible unless relevant to the resolution of any dispute that subsequently arises with respect to the interpretation of any provision of this Agreement.

Where Board Staff were present during negotiations or other discussions, or received copies of information referred to above, the rules of confidentiality and privilege apply equally to them notwithstanding that they are not parties to this Agreement.

The evidence which supports this Settlement Agreement is found in the DSM Plan Update submission. The Parties were provided with a full copy of this submission for their review prior to finalization of this Settlement Agreement. The Parties are of the view, not only that this record supports this Settlement Agreement, but that also the quality and detail of the record provide a basis for the Board to approve this Settlement Agreement. The DSM Plan Update submission is being filed contemporaneously with the filing of this Settlement Agreement.

The Parties all agree that this Settlement Agreement is a package: the individual aspects of this agreement are inextricably linked to one another and none of the parts of this settlement are severable. As such, there is no agreement among the Parties to settle any aspect of the issues addressed in this Settlement Agreement in isolation from the balance of the issues addressed herein. The Parties agree, therefore, that in the event that the Board does not accept this Settlement Agreement in its entirety, then there is no agreement unless the provisions not accepted by the Board are severed with the agreement of all Parties. If the Board does not accept this Settlement Agreement, after any determination by the Parties with respect to severability of any provisions, then all Parties will be at liberty to take such positions as they see fit in respect of this DSM Plan Update submission filing and to file such additional and further materials in support of such revised position. In addition, in the event that this Settlement Agreement is rejected by the Board, the position of each of the Parties will not be prejudiced by reason of their participation in settlement discussions and entry into this Settlement Agreement.

According to the Board's *Settlement Conference Guidelines* (p. 3), the Parties must consider whether a settlement proposal should include an appropriate adjustment mechanism for any settled issue that may be affected by external factors. The Parties

consider that no settled issue requires an adjustment mechanism other than those expressly set forth herein.

None of the Parties can withdraw from the Settlement Agreement except in accordance with Rule 32 of the *Ontario Energy Board Rules of Practice and Procedure*. Finally, unless stated otherwise, a settlement of any particular issue in this proceeding is without prejudice to the positions Parties might take with respect to the same issue in future proceedings. However, any such position cannot have the effect of changing the result of this Agreement as it applies to 2013 or 2014.

This Settlement Agreement presents the complete agreement on program budgets, metrics, scorecards and all related program terms for the Enbridge 2013-2014 DSM programs. The Parties acknowledge that Appendix A to the Settlement Agreement in EB-2011-0295 "Joint Terms of Reference on Stakeholder Engagement for DSM Activities by Enbridge Gas Distribution Inc. and Union Gas Limited" continues to apply in 2013 and 2014.

III. TERMS OF SETTLEMENT

A. Introduction

The Guidelines, at Section 8, state that the DSM budget for Enbridge for the 2012 to 2014 DSM Plan term should be $28.1 million. This figure can be escalated annually using the previous year's Gross Domestic Product Implicit Price Index ("GDP-IPI") issued by Statistics Canada. As well, Enbridge was entitled to increase the annual low income DSM budget by up to 10%. In the EB-2011-0295 Settlement Agreement, Parties agreed that Enbridge's base budget of $28.1 million would be increased by 10 % ($2.81 million) and these additional monies would be applied to low income programs. The aggregate budget for 2012 was therefore $30.91 million. For 2013, this base budget has been escalated by the GDP-IPI for 2011, which is 2%. The resulting budget for 2013 is $31.588 million. Escalating the 2013 budget by the 2011 GDP-IPI of 2%, the aggregate budget for 2014 is $32.158 million. Parties agree that, notwithstanding the expectations set forth in the Guidelines, these budgets will be based on the 2011 inflation figures as if they continued throughout 2013 and 2014, and will not change even in the event that the GDP-IPI for 2012 or 2013 increases or decreases.

A summary of the budget amounts by each program type and the appropriate allocation of the maximum incentive available by program type are set out below. This is followed by a detailed description of the settlement in respect of each program type.

The budget for each program type has only been agreed at the top level (i.e. resource acquisition, market transformation, low income). This Agreement does not purport to

indicate agreement on, or support for, any particular existing or proposed program. Consistent with the theme of utility responsibility for program design and implementation, with stakeholder input only as requested by the Utility, all as set out in the Terms of Reference for Stakeholder Engagement, except where expressly set forth in this Agreement the Parties have not agreed on a budget allocation to or between particular programs. Further, this Agreement does not purport to indicate agreement on, or support for, the proposed split between program spending and overhead spending, whether overall or within any program type. The Company acknowledges its understanding that the Guideline provision regarding the transfer of funds among programs applies to all program costs, including overheads in accordance with the Guidelines at page 4.

Each program type has its own scorecard which contains the various targets and metrics applicable to relevant programs for 2013 and 2014. In developing the scorecards, the Parties applied the rules set out in the Guidelines under Sections 9 and 10. The Parties have agreed that the threshold levels of achievement to be used in respect of each program (with the exception of the Home Labelling and Commercial Savings By Design programs which are set at the 50%, 100% and 150% levels), shall be set at the 75%, 100% and 125% levels. The Parties have reached agreement on the appropriate scorecard with targets and metrics for each of the program types for 2013 and 2014. As a result, the scorecards have been “tailored” to the suite of program offerings that Enbridge will be undertaking in these years.

This Settlement Agreement includes one change to the Table of Measure Assumptions filed in EB-2011-0295. Parties agree that free ridership for all low income measures both prescriptive and custom shall be set at zero. Enbridge will bring forward any other changes to measure assumptions for 2013 and 2014 through the Technical Evaluation Committee process as established in the Stakeholder Engagement Terms of Reference approved in EB-2011-0295.

As described in the 2012-2014 Multi-year Plan submission, Enbridge recognizes the value of evaluation for the calculation of results of current programs and to guide future programs and has budgeted for evaluation accordingly. Enbridge is committed to continuing with a fulsome slate of evaluation activities in 2013 and 2014 in consultation with the TEC. This is reflected in the planned budget for evaluation research, which is $815,652 in 2013 and $915,697 in 2014 (excluding any costs associated with supporting participation on the Technical Evaluation Committee and/or Audit Committees). The Company agrees that the evaluation research budget should not be materially decreased through diversion of evaluation research funds to either program or other overhead or administrative activities in 2013 and 2014 and that the evaluation research budget may be increased where appropriate.

The maximum incentive available by program type has been determined by calculating the budget for each program type as a percentage of the total budget. By applying this percentage to the maximum incentive payment available of $10.659 million in 2013 and $10.872 million in 2014, the incentive available by program type is determined.

In addition to the items detailed below, the Parties considered the potential for an On Bill Financing program. Because such a program would likely entail utilization of the existing Open Bill mechanism, the matter was referred to the settlement discussions in the 2013 rates case to be considered by the larger group discussing Open Bill (EB-2011-0343 - Issue D11). Those discussions resulted in a proposed settlement of the On Bill Financing aspect of the Open Bill issue which, if accepted by the Board, will lead to research and a consultative exercise in the coming months addressing the matter. The parties herein are in agreement with the proposed disposition of this matter that is contained in the EB-2011-0343 - Issue D11 proposed settlement.

This Settlement Agreement shall be filed contemporaneously with Enbridge filing its 2013 - 2014 DSM Multi-Year Plan Update. Enbridge agrees that the DSM Plan Update it files will be the same in all material respects as the DSM Plan Update provided to the Parties prior to the execution of this Agreement. Intervenors are entitled to ask further questions about Enbridge's DSM Plan Update, including but not limited to any programs and activities (the term activity hereinafter refers collectively to program offers, activities and initiatives) which Enbridge contemplates delivering and undertaking over the course of the Plan. Parties agree, however, that they will not take any position in respect of any program or activity which, if sustained by the Board, would necessarily result in a change to any of the terms, targets, metrics, budgets or incentives set out in this Settlement Agreement.

B. Budget and Maximum Shareholder Incentive Totals by Program Type

i) 2013 and 2014

2013	Program Costs	Program Overhead	Program Costs and Overhead (PCO)	% of PCO of Total DSM Budget	Maximum SSM per Program Type (@ Upper Band)
Total LI Costs	$ 6,638,325	$ 522,050	$ 7,160,375	23%	$ 2,416,169
Total MT Costs	$ 5,085,000	$ 931,872	$ 6,016,872	19%	$ 2,030,310
Total RA Costs	$ 13,882,920	$ 4,528,033	$18,410,953	58%	$ 6,212,521
Total	$ 25,606,245	$ 5,981,955	$ 31,588,200	100%	$10,659,000

2014	Program Costs	Program Overhead	Program Costs and Overhead (PCO)	% of PCO of Total DSM Budget	Maximum SSM per Program Type (@ Upper Band)
Total LI Costs	$ 6,729,500	$ 507,831	$ 7,237,331	23%	$ 2,446,785
Total MT Costs	$ 4,795,000	$ 1,327,144	$ 6,122,144	19%	$ 2,069,764
Total RA Costs	$ 14,160,578	$ 4,638,711	$ 18,799,289	58%	$ 6,355,631
Total	$ 25,685,078	$ 6,473,686	$ 32,158,764	100%	$ 10,872,180

C. Details of Settlement by Program Type

(A) Resource Acquisition

(i) 2013 and 2014 Budget

Budget ($Million) (including overheads)	Budget ($Million) (including overheads)
2013	**2014**
$18,410,953	**$18,799,289**

(ii) 2013 and 2014 Resource Acquisition Scorecard (Combine scorecard)

Component	Metric	Year	Weight	Lower Million m^3	Middle Million m^3	Upper Million m^3
Volumes	Lifetime cubic meters	**2013**	**92%**	**729.46**	**972.61**	**1215.76**
		2014	**92%**	**744.05**	**992.06**	**1240.08**
Residential Deep Savings	Number of participants with at least 2 major measures *(average annual gas savings across all participants must be at least 25% of combined baseline space heating and water heating usage for any incentives to be earned)*	**2013**	**8%**	**549**	**732**	**915**
		2014	**8%**	**560**	**747**	**933**

(iii) Maximum Incentive 2013 and 2014

(a) The Parties agree that the maximum total resource acquisition incentive at the upper band for 2013 shall be $6.212 million, determined as follows. The 2013 Resource Acquisition budget as a percentage of total budget ($18.410 million as a percentage of $31.588 million, equals 58 percent). 58 percent of a maximum incentive of $10.659 million equals $6.212 million, which is the maximum incentive for Resource Acquisition, payable if the "Upper" level for each metric on the scorecard is achieved in 2013.

(b) The Parties agree that the maximum total resource acquisition incentive at the upper band for 2014 shall be $6.355 million, determined as follows. The 2014 Resource Acquisition budget as a percentage of total budget ($18.799 million as a percentage of $32.158 million, equals 58 percent). 58 percent of a maximum incentive of $10.872 million equals $6.355 million, which is the maximum incentive for Resource Acquisition, payable if the "Upper" level for each metric on the scorecard is achieved in 2014.

(iv) Specific Terms with Respect to Resource Acquisition

(c) Enbridge intends to continue to offer its Energy Compass/Run it Right ("RIR") initiative to commercial customers in both 2013 and 2014. That initiative typically involves assessments of and support to participants to address opportunities to improve energy efficiency through both capital improvement projects and modifications to building operationalprocedures. Any savings from capital improvement projects resulting in a given year from the Energy Compass/RIR initiative will count towards Enbridge's achievement of its savings goals in that year (as with capital improvement projects resulting from any other Enbridge efficiency initiative). However, because savings from operational improvements – which are expected to be the vast majority of savings from the initiative – cannot be documented for at least 12 months, such savings will, by definition, only be counted in the subsequent year. The Resource Acquisition energy savings targets documented in the scorecard table above were developed assuming that Enbridge would spend $1.9 million of its Resource Acquisition budget on Energy Compass/Run it Right activity in both 2013 and 2014. In other words, the targets implicitly assume that there will be little direct energy savings benefits from 2013 initiative spending in 2013 (and similarly, little benefit in 2014 from spending in 2014). Thus, in the event that Enbridge shifts funds from the Energy Compass/RIR activity to any other program or activity, the "lifetime (or cumulative) cubic meter" targets at all three levels (i.e., lower, middle and upper) shall increase by 50 lifetime cubic

meters for each dollar shifted. For example, if Enbridge shifts $500,000 to other programs or activities, the targets are increased by 25 million lifetime (or cumulative) cubic meters in 2013, i.e., to 754.46, 997.61 and 1240.61 million m^3.

(d) The Residential Deep Savings Target shall be based on the number of homes retrofitted. On average, the customers counted towards the deep savings metric must achieve at least a 25% reduction in annual gas usage for space and water heating, in aggregate (based on accredited modelling software, e.g., HOT2000), for the utility to be eligible to earn any shareholder incentive. In addition, each participant must implement a minimum of 2 major measures. The following are examples of major measures:

(i) Heating system replacement

(ii) Water heating system replacement

(iii) Attic insulation

(iv) Wall insulation

(v) Foundation insulation

(vi) Air sealing (minimum reduction of at least 10% in ACH as measured by a blower door)

(vii) Window replacements

(viii) Drain water heat recovery

(e) Enbridge will track and report information regarding deep savings in the Commercial and Industrial sectors of its Annual DSM Report. The Company will consult with interested parties regarding the specifics of information to be reported.

(f) Enbridge will commission a Free-Ridership and Spillover Study for custom projects in consultation with the Technical Evaluation Committee ("TEC"). Following completion of the Study, the TEC will work to develop proposed free ridership and spillover values for custom projects, if warranted. Enbridge will consult with Intervenors regarding application of these values prior to submitting an Update to the Board. The Parties acknowledge that not all parties agree that spillover, or all types of spillover, should be included in savings calculations.

(g) In general, Enbridge will have the right, in the manner described in the Guidelines, to re-allocate budget between customer classes and groups to optimize the effectiveness of its DSM Plan. However, the Parties agree, for each of 2013 and 2014 that the total budget spent on programs and activities (including allocated overheads but excluding Low Income Allocations) for all customers in rate classes 110, 115 and 170 shall not exceed the following annual limits:

Rate Class	2013 Spending Limit	2014 Spending Limit
110	$1.636 million	$1.687 million
115	$1.261 million	$1.307 million
170	$2.164 million	$2.220 million

The purpose of these limits is to ensure that the maximum cost to be borne by industrial customers in these rate classes is known in advance and capped. The limits apply whether or not Enbridge has accessed the DSMVA. Further, they have no bearing on either Enbridge's ability to access the DSMVA (i.e. when it has achieved overall pre-audit Resource Acquisition performance equal to the middle band target (i.e. the 100% level)) or the calculation of the maximum amount of DSMVA funds which the Company can access and spend on Resource Acquisition efforts (i.e. 15% of the total Resource Acquisition budget). To ensure that commercial customers in the three affected rate classes are not adversely affected by the spending caps, Enbridge commits to managing spending within each of the three rate classes such that no commercial customer in any of the classes would be prevented from participating in any of the Company's DSM program or initiative offerings as a result of the annual spending caps imposed on each rate class.

(h) Enbridge may, consistent with proper accounting methods under USGAAP, capitalize IT spending related to DSM activities provided that the amounts in the aggregate in each of 2013 and 2014 do not exceed $1 million.

(B) Low Income

(i) Budget for 2013 and 2014

Budget ($Million) Including overheads	Budget ($Million) Including overheads
2013	**2014**
$7,160,375	**$7,237.331**

(ii) 2013 and 2014 Low Income Scorecard

	Weight	Year	Lower Band M cumulative m^3	Middle Band M cumulative m^3	Upper Band cumulative m^3
Single Family Ont. Building Code (Part 9)	**50%**	**2013**	**17.3**	**23.1**	**28.8**
		2014	**17.7**	**23.6**	**29.5**
Multiresidential Ont. Building Code (Part 3)	**45%**	**2013**	**45**	**60**	**75**
		2014	**48.2**	**64.2**	**80.3**
TOTAL		**2013**	**62.3**	**83.1**	**103.8**
		2014	**65.9**	**87.8**	**109.8**
Percent of Part 3 Participants enrolled in Run it Right	**5%**	**2013**	**30%**	**40%**	**50%**
		2014	**30%**	**40%**	**50%**

(iii) Maximum Incentive 2013 and 2014

(a) The Parties agree that the maximum total Low Income incentive at the upper band for 2013 shall be $2.416 million, determined as follows. The 2013 Low Income budget as a percentage of total budget ($7.160 million as a percentage of $31.588 million, equals 23 percent). 23 percent of a maximum incentive of $10.659 million equals $2.416 million.

(b) The Parties agree that the maximum total Low Income incentive at the upper band for 2014 shall be $2.446 million, determined as follows. The 2014 Low Income budget as a percentage of total budget ($7.237 million as a percentage of $32.158 million, equals 23 percent). 23 percent of a maximum incentive of $10.872 million equals $2.446 million.

(iv) Specific Terms of Agreement Relating to Low Income

(a) The Low Income budget contemplates incurring costs to treat single family homes for health and safety issues necessary to implement energy efficiency upgrades. The actual cost depends upon need, the unique circumstances of each single family home and the actual expense to address such health and safety work. As a result, the costs will, by necessity, vary from home to home.

(b) Enbridge agrees to comprehensively treat all cost-effective opportunities in each Part 9 single family home, provided that the customer accepts all such measures. “Cost-effective” is defined as all measures with a TRC benefit-cost ratio of at least 0.7 (as per the Guidelines). Enbridge will continue to consolidate the Low Income TAPS and weatherization activities. All low income single family homes visited for potential weatherization will, wherever possible and appropriate, receive the basic measures (i.e., showerheads and programmable thermostats) as part of the home assessment visit. Additional in-suite measures – including clothes dryer racks, cold water detergent and leak repairs – may also be provided. Stand-alone Low Income TAPS will no longer be offered.

(c) Social and assisted housing (Part 3 of Division B, of the Ontario Building Code) buildings are eligible for equipment and retrofit measures. Enbridge and the Low Income Consultative sub-group will continue to work collaboratively, with additional resources as necessary, to develop protocols to include privately-owned Part 3 multi-unit buildings in the Low Income program. Those protocols will be finalized with a target date by the end of February 2013, with a soft launch of the privately-owned low income multi-family elements of the program in the latter part of 2013. It is

anticipated that a formalized privately-owned low income multi-family initiative will be available for 2014. The protocols for participation of privately-owned low income multi-family buildings in the Low Income program will be based on the following principles:

(i) Eligibility: To be eligible to participate in the Low Income program, privately owned Part 3 buildings must have a high proportion of low income tenants.

(ii) Screening for eligibility: Will be done based on criteria such as geography/demographics and rent levels (consulting assistance may be required).

(iii) Impact on Rents: Participation of privately owned Part 3 buildings through building owner or management participation should not result in a rent increase to building tenants.

(iv) Benefits to Tenants: Retrofits of Part 3 privately owned buildings undertaken through the Low Income program must include measures that will result in tangible benefit to tenants, e.g., in suite measures that increase comfort and convenience.

(v) Impact on Enbridge Low Income Targets: Enbridge 2013-2014 DSM targets will not be affected by the building mix resulting from inclusion of privately owned Part 3 buildings in the Low Income program.

(d) Thus, much of the developmental work that Enbridge and the Low Income Consultative sub-group will undertake through February 2013 will focus on the following issues:

(i) Eligibility: Developing criteria for eligibility.

(ii) Impact on Rents: Developing a method for verifying that program retrofits of privately owned Part 3 buildings did not result in a rent increase for tenants.

(iii) Benefits to Tenants: Identifying suitable measures providing direct benefits to tenants in participating buildings, and developing processes and metrics to verify the tenant benefits.

(e) Social and assisted housing (Part 3 of Division B, of the Ontario Building Code) buildings are eligible for equipment and retrofit measures. Enbridge agrees in principle to undertake equipment and retrofit measures with regard to Part 3, low income multi-unit buildings whether they are social housing or privately owned. The Parties have not finalized a definition of low income multi-unit buildings applicable to the private sector, and agree that, until a suitable definition is available, Enbridge's programs for Part 3 buildings can be restricted to social and assisted housing as defined in EB-2008-034 Demand Side Management Guidelines for Natural Gas Utilities. The parties agree that once such a definition is available, privately-owned multi-unit buildings will be included in the programs for Part 3 buildings. Enbridge agrees to consult with interested Parties, including but not limited to VECC, LIEN, and FRPO, with respect to the appropriate building mix (social and assisted housing vs. private sector) for these programs. Notwithstanding the inclusion of privately-owned multi-unit buildings in Part 3 programs, the targets will not change for 2013 or 2014. For Part 3 buildings, insuite measures from which Enbridge may choose are expanded to include, but are not limited to: clothes dryer rack, cold water wash detergent, and leak repairs.

(f) The RIR activity will be offered to all program eligible Part 3 multi-residential buildings. The number of new projects enrolled in Low Income RIR in a given year will be included as an additional metric in the Low Income program, accounting for 5% of the total Low Income program scorecard for the year. The Company does not want to deny participation in RIR to low income Part 3 buildings that participated in low income DSM projects in a prior year of the current multi-year DSM plan. Therefore, Part 3 buildings which participated in another aspect of the Low Income program in a previous year may enroll in RIR in a subsequent year. For the purposes of the RIR metric, such projects will be counted towards both the total number of Part 3 projects for the year and the total number of new RIR enrolment projects for the year.

For example, for the 2014 RIR metric, low income Part 3 projects from 2012 and 2013 will be eligible to enroll in RIR in 2014. Such new enrolment projects will be counted towards the total number of Part 3 projects for 2014 and the total number of RIR projects for 2014.

Formula:

Percent Enrolled in current year RIR $= \frac{x + y}{x + y + z}$

where
- x = Number of new RIR buildings in the current year which have participated in another aspect of the Low Income program in a previous year of the 2012-2014 multi-year plan
- y = Number of new RIR buildings participating in current year RIR which have not previously participated in the Low Income program
- z = Number of buildings in the current year which have implemented custom projects other than RIR.

The Low Income RIR activity shall include (1) benchmarking, (2) analysis of historical consumption data, (3) development of recommendations for reducing consumption, and (4) assessment of resulting changes in consumption 12 months later based on changes in actual gas usage. Enbridge shall have the flexibility to modify the specific details regarding how those design features (and other RIR features) are implemented to reflect the needs and characteristics of low income low and mid-rise buildings.

(g) For Low Income programs in Part 9 and Part 3 buildings, free ridership for all measures both prescriptive and custom is set at zero.

(h) Once Enbridge has achieved overall pre-audit Low Income performance equal to the middle band target (100% level on a pre-audit basis), Enbridge may access the DSMVA to achieve Low Income program performance in excess of 100%.

(i) All parties agree that the Low Income budget shall be used for Low Income programs only.

(C) Market Transformation

(i) Budget 2013 and 2014

Budget ($Million) (including overheads)	Budget ($Million) (including overheads)
2013	**2014**
$6,016,872	**$6,122,144**

(ii) Maximum Incentive 2013 and 2014

(a) The Parties agree that the maximum total market transformation incentive at the upper band for 2013 shall be $2.03 million, determined as follows. The 2013 Market Transformation budget as a percentage of total budget ($6.016 million as a percentage of $31.588 million) equals 19 percent. 19 percent of a maximum incentive of $10.659 million equals $2.03 million.

(b) The Parties agree that the maximum total market transformation incentive at the upper band for 2014 shall be $2.069 million, determined as follows. The 2014 Market Transformation budget as a percentage of total budget ($6.122 million as a percentage of $32.158 million) equals 19 percent. 19 percent of a maximum incentive of $10.872 million equals $2.069 million

2013	Program Costs	Program Overhead	Program Costs and Overhead (PCO)	% of PCO of MT DSM Budget	Maximum SSM per Program Type (@ Upper Band)
Savings by Design Residential	$2,305,000	$422,412	$2,727,412	45%	$ 920,327
Savings by Design Commercial	$ 590,000	$108,123	$ 698,123	12%	$ 235,572
Home Labelling	$ 775,000	$142,026	$ 917,026	15%	$ 309,438
DWHR	$1,415,000	$259,311	$1,674,311	28%	$ 564,973
Total (not including Overheads)	$5,085,000	$931,872	$6,016,872	100%	$2,030,310

2014	Program Costs	Program Overhead	Program Costs and Overhead (PCO)	% of PCO of MT DSM Budget	Maximum SSM per Program Type (@ Upper Band)
Savings by Design Residential	$2,445,000	$ 676,719	$3,121,719	51%	$1,055,385
Savings by Design Commercial	$ 950,000	$ 262,938	$1,212,938	20%	$ 410,068
Home Labelling	$1,400,000	$ 387,487	$1,787,487	29%	$ 604,311
Total	$4,795,000	$1,327,144	$6,122,144	100%	$2,069,764

(iii) 2013 and 2014 Market Transformation Scorecards

The scorecards for the four Market Transformation programs: 1) Residential Savings by Design; 2) Commercial Savings by Design; 3) Home Labelling; and 4) Drain Water Heat Recovery (DWHR); follow. Each of the scorecards set out the metrics applicable in 2013 and 2014. Each program scorecard is then followed by the terms specific to that Market Transformation program.

Common to all Market Transformation programs is that once Enbridge has achieved overall pre-audit market transformation performance equal to the middle band target (100% level), the Company is then able to access the DSMVA to achieve Market Transformation program performance in excess of 100%.

1. Residential Savings by Design

	Weight	Lower Band	Middle Band	Upper Band
2013				
Top 80 previously non-participating builders enrolled	**60%**	**11**	**14**	**18**
Completed Units	**40%**	**675**	**900**	**1125**
2014				
Top 80 previously non-participating builders enrolled	**60%**	**12**	**16**	**20**
Completed Units	**40%**	**750**	**1000**	**1250**

(i) Specific Terms of Agreement Relating to Residential Savings by Design

(a) Metric: builder participation "TOP 80 previously non-participating builders enrolled"

For the purposes of assessing performance in 2013 and 2014 relative to this metric, a "top 80 previously non-participating builder enrolled" is defined as follows:

(i) The builder must have signed a Memorandum of Understanding (MOU) containing a commitment to participate in the Energy Savings by Design program for a 3-year period

(ii) The builder must have completed a program-approved Integrated Design Process (IDP), such as IEA Task 23 or the iiSBE developed IDP tool, including requisite energy modeling for homes the builder plans to construct in a new development which demonstrates at least 25% total energy savings relative to the Ontario Building Code.

(iii) The builder must be new to the program. That is, the builder must have gone through the IDP for the first time in whatever year participation is being counted. For example, a builder who participated in the program in 2012 can no longer be counted towards the builder participation target for 2013 or 2014. Similarly a builder who participates in 2013 cannot count towards the builder participation target for 2014.

(iv) The builder must be either a top 80 builder and/or a regional top 4 builder as defined below:

- Top 80 refers to the 80 largest builders in Enbridge's service territory who have not previously participated in the program (i.e. who have not already enrolled and completed an IDP). For example, if 16 of the top 80 builders participate in the program in 2012, then the target market for 2013 becomes the 96 largest builders (excluding the 16 who already participated) in Enbridge's service territory.

- A regional top 4 builder is a builder which is one of the four largest builders in each of the following eight regions of Enbridge's service territory regardless of whether they are listed in the Top 80.

Area 1 – Metro,
Area 21 – Mississauga,
Area 35 – Richmond Hill, Markham
Area 45 – Whitby, Ajax, Oshawa
Area 47 – Peterborough
Area 53 – Barrie
Area 65 – Ottawa
Area 76 – Niagara

- Builder size is measured by the number of completed homes in Enbridge's service territory in the previous calendar year. Under no circumstances shall a builder who built fewer than 50 homes the previous year be considered either a top 80 builder (even if this means that the eligible target market is less than 80 builders) or a regional top 4 builder (even if that means that the eligible target market in a region is less than 4 builders).

(b) Metric: "Completed units"

For the purposes of assessing performance in 2013 and 2014 relative to this metric, a "completed unit" is defined as follows:

(i) A home completed by a participating builder who has completed the IDP process for the subdivision.

(ii) A home which, as constructed, has features consistent with the builder's IDP and that make it 25% more efficient than a new home built to the Ontario Building Code.

(iii) Builders may complete the IDP process a second time for a second subdivision. The homes completed in the second subdivision may be counted as completed units. However, the builder can only be counted once towards the participation metric.

(iv) All homes constructed to the standard in a builder's subdivision shall count towards the metric even if rebates were not paid for all of them. Non-rebated units will be verified by a confirmation letter from the builder acknowledging that the homes were built to the IDP standard. Enbridge rebated units will be verified using the blower door test.

2. Commercial Savings by Design

	Year	Weight	Lower Band (50%)	Middle Band (100%)	Upper Band (150%)
New Developments enrolled	2013	100%	6	8	15
	2014	100%	8	12	19

(i) Specific Terms of Agreement Relating to Commercial Savings by Design

(a) For the purposes of assessing performance in 2013 and 2014 relative to the Market Transformation metrics for the Commercial Savings by Design program outlined above, only builders and developers who have "enrolled" in the program and completed the IDP process in 2013 and 2014 are eligible to be counted towards the 2013 and 2014 targets respectively.

(b) Metrics in the above scorecard are based on the number of projects to which a developer commits, i.e., the same developer with different clients and different kinds of projects may be counted multiple times. A minimum 100,000 square feet requirement applies to each project. A project is defined as either a single building or multiples of the same building by the same company that add up to 100,000 square feet.

(c) "Enrolment" is defined as a signed MOU with a builder or developer containing a commitment to participate in the Enbridge Commercial Savings by Design program for a 5-year period which will include undertaking an IDP adhering to an Enbridge approved IDP process (such as IEA Task 23 or the iiSBE developed IDP Tool) which also includes the requisite energy model, all demonstrating how to achieve at least 25% total energy savings relative to the Ontario Building Code. The builder must also commit to constructing buildings or a building to the IDP standard within 5 years.

3. Home Labelling

	Weight	Lower Band (50%)	Middle Band (100%)	Upper Band (150%)
2013				
Home Labelling	70%	N/A	Commitment from realtors collectively responsible for more than 5,000 home listings/ year	Commitment from realtors collectively responsible for more than 10,000 home listings/ year
Ratings performed by buyers and/or sellers	30%	250	500	750
2014				
Home Labelling	50%	N/A	Commitment from realtors collectively responsible for more than 5,000 home listings/ year	Commitment from realtors collectively responsible for more than 10,000 home listings/ year
Ratings performed by buyers and/or sellers	50%	750	1500	2250

(i) Specific Terms of agreement relating to Home Labelling

(a) Commitments from realtors metric: must be from new realtors not counted towards a previous year's metric.

(b) Ratings performed by buyers and/or sellers metric: must be either included in a listing (or related marketing materials) by the seller or made a condition of sale by the buyer.

4. Drain Water Heat Recovery (DWHR) – 2013 Only

	Weight	Lower Band	Middle Band	Upper Band
# of DWHR units installed	100%	2813	3,750	4,688
Incentive			75% of unit cost	

(i) Specific Terms of Agreement Relating to Drain Water Heat Recovery

(a) Enbridge has committed to ramping down financial incentives for the DWHR program by the end of 2013, i.e. exiting the market altogether in 2013. The program will be discontinued and not available in 2014. Therefore, there is no budget or target, and no incentive, related to this program for 2014.

IV. EVIDENTIARY BASIS FOR SETTLEMENT

Exhibit B, Tab 1, Schedule 1	Background and Introduction
Exhibit B, Tab 1, Schedule 2	2013-2014 Update Overview
Exhibit B, Tab 1, Schedule 3	Program Types: Budget, Metrics and Targets
Exhibit B, Tab 1, Schedule 4	Program Descriptions Update
Exhibit B, Tab 1, Schedule 5	Evaluation Plan Update
Exhibit B, Tab 2, Schedule 1	System Characteristics/Rate Allocation Analysis
Exhibit B, Tab 2, Schedule 2	Avoided Costs
Exhibit B, Tab 2, Schedule 3	TRC Analysis
Exhibit B, Tab 2, Schedule 8	Lura Report
Exhibit B, Tab 2, Schedule 9	Settlement Agreement