



Nova Scotia Utility and Review Board

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jim@bretonlawgroup.com

EfficiencyOne
c/o James R. Gogan
The Breton Law Group
Suite 300, 292 Charlotte Street
Sydney NS B1P 1C7

Dear Mr. Gogan:

M07543 - EfficiencyOne 2016-2018 DSM Plan Deferred Matters

In its Decision in Matter M06733 dated August 12, 2015 the Board approved the DSM Consensus Agreement, which referred a number of matters to the DSM Advisory Group ("DSMAG"). Two of those matters were the establishment of a standardized filing for future DSM applications and enhancements to the Rate and Bill Impact Analysis model. In addition, while not approving the Quantum Agreement, the Board noted it had no difficulty with certain aspects of the Quantum Agreement such as the potential development of a DSM Expenditure Justification Criteria, the Small Business Energy Study, and the cost effectiveness screening test methodology and assumptions, all of which were referred to the DSM Advisory Group.

In approving the Consensus Agreement, the Board noted that it contained a provision which will ensure that, where consensus cannot be reached after consultation with stakeholders, the parties will bring outstanding matters back to the Board no later than June 30, 2016, which allows sufficient time to deal with such matters prior to the submission of the DSM Resource Plan for the next three year term of the franchise.

On June 30, 2016, EfficiencyOne ("E1") filed a Consensus Agreement which primarily focused on the Standardized Filing, and the Rate and Bill Impact Analysis. The transmittal letter also noted that inclusion of DSM Standards within the Standardized Filing would address the requirement to establish DSM Expenditure Justification Criteria. The DSM Standards were included as an appendix to the Consensus Agreement, which was signed by most of the DSMAG participants.

On July 11, 2016 E1 filed an update regarding outstanding matters from the June 30th filing. E1 advised that the Consumer Advocate agreed to execute the Consensus Agreement and that two other parties provided additional feedback which required further discussion.

On July 21, 2016, another update was filed. That version incorporated the DSM Standards within the body of the DSM Standardized Filing Framework. On July 22, 2016, E1 advised that all parties

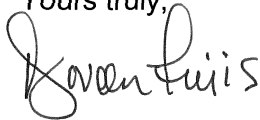
confirmed their support for the Consensus Agreement and an executed copy of the revised document was filed. This latest version also addressed Cost Effectiveness Testing as well as assumptions and enhancements to the Rate and Bill Impact Analysis model.

The Board notes that only two of the deferred matters, the Standardized Filing and the Expenditure Justification Criteria, appear to have reached a conclusion. Appendix 1 to the Consensus Agreement filed on July 22, 2016 contained the Standardized Filing Framework, which included DSM Standards as a means of addressing the DSM Expenditure Justification Criteria requirement. The Board accepts this Standardized Filing Framework for use in future DSM Resource Plan applications.

Two other matters, the Cost Effectiveness Testing and the Rate and Bill Impact Analysis, remain outstanding, although some progress has been reported. The Board understands that E1 intends to file a further progress update by December 31, 2016 regarding the Cost Effectiveness Testing matter. However, it is not clear whether all issues associated with the Rate and Bill Impact Analysis will be concluded by the October 31, 2016 filing.

E1 is requested to provide clarity on when it anticipates achieving consensus on outstanding issues regarding the Cost Effectiveness Testing and the Rate and Bill Impact Analysis matters.

Yours truly,

A handwritten signature in black ink, appearing to read "Doreen Friis", written over the typed name.

Doreen Friis
Regulatory Affairs Officer/Clerk

c. S. Bruce Outhouse, Q.C., Board Counsel
M06733 Participants