

August 13, 2009

Robert B. Warren
T: 416-947-5075
rwarren@weirfoulds.com

Kirsten Walli
Board Secretary
Ontario Energy Board
Suite 2701
2300 Yonge Street
Toronto ON M4P 1E4

Dear Ms Walli:

Re: EB-2009-0166/Union Gas Limited 2010 Demand Side Management Plan

On April 19, 2009, the Ontario Energy Board ("Board") issued a letter to the Ontario natural gas distributors requesting them to file a one-year demand side management ("DSM") plan for 2010, extending by one year the DSM framework that was established for the years 2007-2009. On May 31, 2009 Union Gas Limited ("Union") filed an application with the Ontario Energy Board seeking approval of its 2010 DSM plan. By Procedural Order No. 1 the Board established a written hearing process consisting of a round of interrogatories and final written submissions. These are the submissions of the Consumers Council of Canada ("Council").

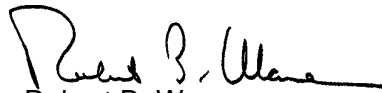
The Council has supported extending the parameters of the original three-year plan for an additional year. The Council does, however, believe that the extension should not go beyond 2010. For the reasons set out below, the Council submits that the Board should initiate a review, as soon as possible, to consider a new framework for future plans.

DSM in the natural gas sector, and conservation and demand management initiatives in the electricity sector, have been ramping up significantly in recent years. In addition, the number of parties developing and delivering programs has been expanding, and is expected to continue to do so. It is also important to note that in its April 14, 2009, letter the Board itself has pointed to the introduction of the *Green Energy and Green Economy Act, 2009* and the unknown implications of that legislation on future energy conservation initiatives. The Provincial government, the Federal government, and the Ontario Power Authority, among others, are playing an increasingly significant role in the promotion and delivery of such programs. The environment has clearly changed since the original Board DSM generic proceeding, which established the current framework. In light of those factors, a complete review of the framework elements should be undertaken prior to the development of the 2011 plans.

With respect to Union's 2010 plan, the Council has only one substantive comment. The Council is not convinced that the scorecard that Union has developed for its Drain Water Heat Recovery Market Transformation Program is appropriate. The Council submits that Union should be required to consult with its Evaluation and Audit Committee to develop a more appropriate scorecard, taking into account the experience to date with the program and the need to develop metrics more reflective of actually transforming the market.

Yours very truly,

WeirFoulds LLP



Robert B. Warren

RBW/dh

cc: Union Gas Limited

cc: Joan Huzar

cc: Julie Girvan

1139238.1