

**Ontario Energy  
Board**

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**Commission de l'énergie  
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**BY E-MAIL AND WEB POSTING**

March 19, 2010

**To: All Rate-regulated Natural Gas Distributors  
All Participants in Consultation Processes EB-2008-0346 and  
EB-2008-0150  
All Other Interested Parties**

**Re: Demand Side Management Guidelines for Natural Gas Distributors  
(EB-2008-0346)  
Review of Demand Side Management (DSM) Framework for Natural Gas  
Distributors**

**Issuance of Consultants' Reports and Notice of Stakeholder Meeting**

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By letter dated January 7, 2010, the Board confirmed its intention to proceed with a review of the existing demand side management ("DSM") framework for natural gas distributors, and indicated that among the next steps would be the issuance of reports prepared by two consultants retained by the Board.

In furtherance of that commitment, the Board has today posted the following:

- a report entitled *Review of Demand Side Management (DSM) Framework for Natural Gas Distributors* prepared by Concentric Energy Advisors (the "Concentric Report"); and
- a report entitled *"Top Down" Estimation of DSM Program Impacts on Natural Gas Usage* prepared by Pacific Economics Group Research (the "PEG Report").

As described below, the Board is inviting comment on these two reports. To facilitate the provision of comments, the Board will be hosting a stakeholder meeting to allow an opportunity for participants to gain a better understanding of the reports through an interactive exchange with the Board's consultants. Details regarding the stakeholder meeting are also set out below.

## The Reports and Invitation to Comment

The Concentric Report evaluates Ontario's DSM framework against best practices in selected North American and other jurisdictions. It sets out recommendations regarding various aspects of the DSM framework, including:

- i. the appropriate cost effectiveness test;
- ii. DSM budgets;
- iii. DSM program design;
- iv. shared savings and lost revenue adjustment mechanisms;
- v. DSM program evaluation; and
- vi. the integration of DSM and electricity conservation programs.

The PEG Report evaluates the use of a "top down" econometric approach to estimating gas savings of DSM programs for each of the gas distributors.

Participants are invited to comment in writing on the Concentric Report recommendations by organizing their comments based on the 14 elements of the DSM framework discussed in the report, and on the PEG Report by commenting on the methodology used and the findings of the report. All comments should be submitted by **May 13, 2010** in accordance with the filing instructions set out below.

The Board acknowledges that policy work continues at the Government level with respect to Conservation and Demand Management within the electricity sector and with respect to the possible implementation of a province-wide integrated approach for low-income energy consumers. See: [http://www.oeb.gov.on.ca/OEB/Documents/EB-2008-0150/letter\\_Ministry\\_20090908.pdf](http://www.oeb.gov.on.ca/OEB/Documents/EB-2008-0150/letter_Ministry_20090908.pdf)

Initiatives in these two areas will need to be considered as the Board proceeds with the development of a new DSM framework. Accordingly, the Board anticipates that there will be further opportunities for stakeholder comment on the implications of these two initiatives in later phases of this consultation process.

## Stakeholder Meeting

The Board will host a stakeholder meeting to allow participants to engage the Board's consultants in a discussion regarding the content of their respective reports. The stakeholder meeting will be held at the offices of the Ontario Energy Board on **April 29, 2010**, commencing at **9:30 a.m. and ending at 3:00 p.m.** Participants wishing to attend the stakeholder meeting should register in advance by email to [veronica.mendes@oeb.gov.on.ca](mailto:veronica.mendes@oeb.gov.on.ca) no later than **April 16, 2010**. Please include your name, organization, telephone number and e-mail address.

## Cost Awards

Cost awards will be available to eligible persons in relation to their participation under section 30 of the *Ontario Energy Board Act, 1998*. The costs to be awarded will be recovered from all rate-regulated natural gas distributors based on their respective distribution revenues. **Appendix A contains further details regarding cost awards for this consultation, including in relation to eligibility requests and objections, and eligible activities.** In order to facilitate a timely decision on cost eligibility, the deadlines for filing cost eligibility requests and objections will be strictly enforced.

## Filing Material with the Board

Three (3) paper copies of each filing must be provided, and should be sent to:

Kirsten Walli  
Board Secretary  
Ontario Energy Board  
P.O. Box 2319  
2300 Yonge Street, Suite 2700  
Toronto, Ontario M4P 1E4

The Board requests that interested parties make every effort to provide electronic copies of their filings in searchable/unrestricted Adobe Acrobat (PDF) format, and to submit their filings through the Board's web portal at [www.errr.oeb.gov.on.ca](http://www.errr.oeb.gov.on.ca). A user ID is required to submit documents through the Board's web portal. If you do not have a user ID, please visit the "e-filings services" webpage on the Board's website at [www.oeb.gov.on.ca](http://www.oeb.gov.on.ca), and fill out a user ID password request. Additionally, interested parties are requested to follow the document naming conventions and document submission standards outlined in the document entitled "RESS Document Preparation – A Quick Guide" also found on the e-filing services webpage. If the Board's web portal is not available, electronic copies of filings may be filed by e-mail at [boardsec@oeb.gov.on.ca](mailto:boardsec@oeb.gov.on.ca).

Those that do not have internet access should provide a CD or diskette containing their filing in PDF format.

Filings to the Board must be received by the Board Secretary by **4:45 p.m.** on the required date. They must quote file number **EB-2008-0346** and include your name, address, telephone number and, where available, your e-mail address and fax number.

The Concentric Report, the PEG Report and all written comments received by the Board in response to this letter will be available for public inspection on the Board's website at [www.oeb.gov.on.ca](http://www.oeb.gov.on.ca) and at the office of the Board during normal business hours.

Any questions relating to this consultation should be directed to Beverley Jaffray at 416-440-8101 or by e-mail to: [beverley.jaffray@oeb.gov.on.ca](mailto:beverley.jaffray@oeb.gov.on.ca). The Board's toll free number is 1-888-632-6273.

Yours truly,

*Original Signed By*

Kirsten Walli  
Board Secretary

Attachment:           Appendix A: Cost Awards

## Appendix A

### Cost Awards

#### Eligibility

The Board will determine eligibility for costs in accordance with its *Practice Direction on Cost Awards*. The Board has determined that the participants that were determined to be eligible in the Board's August 15, 2008 Decision on Cost Eligibility in EB-2008-0150 and its November 28, 2008 Decision on Cost Eligibility in EB-2008-0346 are also eligible for an award of costs in this consultation process, and are not required to file a request for eligibility.

If any person was not identified as eligible for an award of costs in either of the Decisions on Cost Eligibility noted above but wants to request eligibility for an award of costs in this consultation, that person must file with the Board a written submission to that effect by **April 8, 2010**. The submission must be addressed to the Board Secretary at the Board's mailing address, and must identify the nature of the person's interest in this process and the grounds on which the person believes that it is eligible for an award of costs, addressing the Board's cost eligibility criteria as set out in section 3 of the Board's *Practice Direction on Cost Awards*. An explanation of any other funding to which the person has access must also be provided, as should the name and credentials of any lawyer, analyst or consultant that the person intends to retain, if known. If a natural gas distributor has any objections to any of the requests for cost eligibility, such objections must be filed with the Board Secretary by **April 22, 2010**. All objections will be posted on the Board's website. The Board will then make a final determination on the cost eligibility of the requesting participants.

#### Activities Eligible for Cost Awards

Cost awards will be available to eligible persons in relation to:

- the provision of written comments on the Concentric Report, to a maximum of **30 hours**;
- the provision of written comments on the PEG Report, to a maximum of **10 hours**; and
- preparation for, attendance at and reporting on the stakeholder meeting, to a **maximum of actual meeting time plus 50%** of meeting time for preparation and reporting.

## Cost Awards

When determining the amount of the cost awards, the Board will apply the principles set out in section 5 of its *Practice Direction on Cost Awards*. The maximum hourly rates set out in the Board's Cost Awards Tariff will also be applied. The Board expects that groups representing the same interests or class of persons will make every effort to communicate and co-ordinate their participation in this process.

The Board will use the process set out in section 12 of its *Practice Direction on Cost Awards* to implement the payment of the cost awards. Therefore, the Board will act as a clearing house for all payments of cost awards in this process. For more information on this process, please see the Board's *Practice Direction on Cost Awards* and the October 27, 2005 letter regarding the rationale for the Board acting as a clearing house for the cost award payments. These documents can be found on the Board's website at [www.oeb.gov.on.ca](http://www.oeb.gov.on.ca) on the "Rules, Guidelines and Forms" webpage.