

September 2, 2010

Kirsten Walli, Board Secretary
ONTARIO ENERGY BOARD
2300 Yonge Street, 27th Floor
Toronto, ON M4P 1E5

Dear Ms. Walli:

Re: EB-2010-0175: Enbridge Gas Distribution Inc. (EGD) 2011 Natural Gas Demand Side Management (DSM) Plan.

Industrial Gas Users Association (IGUA) Submissions.

Pursuant to Procedural Order No. 1 herein, this letter constitutes IGUA's submissions in respect of EGD's 2011 DSM Plan.

Departure from Existing DSM Framework.

IGUA has reviewed EGD's application and interrogatory responses. IGUA also participated in initial discussions initiated by EGD through its DSM Consultative regarding the areas in which EGD has proposed to depart from the Board's existing DSM framework. These areas of departure are described at Ex. B/T1/S2. Following participation in these initial discussions, IGUA deferred to the members of a smaller working group to fashion the details for a consensus proposal in respect of these departures from the existing framework.

IGUA understands that the 2011 DSM Plan filed by EGD reflects this working group's consensus proposal. On the strength of the consultation process followed by EGD to develop this proposal, IGUA supports, for the 2011 program year, the modifications from the Board's existing DSM framework as proposed by EGD.

Other DSM Plan Details.

Beyond the proposed departures from the Board's existing DSM Framework, IGUA notes in particular that:

1. EGD has provided an explanation supporting the development of its proposed 2011 DSM plan budget. That explanation includes confirmation that EGD has, pursuant to the Board's May 18, 2010 EB-2009-0172 Decision, excluded from its budget calculations costs associated with its previously proposed and approved industrial DSM pilot program (Ex. I/T2/S1).
2. EGD has amended its plan (updated Ex. B/T3/S4) to adjust the measure life assumption for steam traps from 13 years (as initially filed) to 6 years.

IGUA does have one concern with EGD's 2011 DSM Plan as filed. That concern is with respect to the 5% free ridership assumption included by EGD for its Energy Star for New Homes program (Ex. B/T3/S2, page 1, lines 14 and 15).

EGD's 2008 and 2009 DSM audits both raised concerns regarding the 5% free ridership rate assumed for the Energy Star for New Homes program. (IGUA has been a member of EGD's Evaluation and Audit Committee (EAC) for both the 2008 and 2009 program years. EGD's 2011 Plan was not reviewed with EGD's EAC.)

EGD's Energy Star for New Homes program offers a \$100 incentive to home builders to encourage new home construction to Energy Star standards. The 2008 and 2009 auditors questioned the soundness of the assumption of only a 5% free ridership rate in respect of this minimal (relative to the cost of new home construction) incentive.

As evidenced at Ex. I/T2/S3 herein, for the purposes of 2009 LRAM and 2010 TRC results calculations, EGD accepted a 48% free ridership rate for this Energy Star program. IGUA submits that, until better information is available, the free ridership rate for this program as included on the DSM Input Assumptions list for 2011 (Ex. B/T3/S2 herein) should be the 48% adopted following the 2009 audit, and not the 5% challenged in both the 2008 and the 2009 audit.

Subject to this one adjustment, IGUA supports approval by the Board of EGD's 2011 DSM Plan.

Your truly,
MACLEOD DIXON LLP



Ian A. Mondrow

- c. Murray Newton, IGUA
Norm Ryckman, EGD