

December 13, 2010

Ontario Energy Board
2300 Yonge Street, Suite 2700
Toronto, Ontario
M4P 1E4

Attention: Ms. Kirsten Walli, Board Secretary

RE: EB-2010-0055 – Union Gas Limited – Amendment to the 2011 Demand Side Management Plan – Incremental Low-Income Demand Side Management Plan – Reply Submission

Dear Ms. Walli:

On November 10, 2010, Union Gas Limited (“Union”) filed an amendment to the 2011 Demand Side Management (“DSM”) Plan in accordance with the Board’s September 9, 2010 Decision, granting approval of Union’s 2011 DSM Plan. This amendment contained Union’s incremental Low-Income DSM Plan for 2011.

On November 26, 2010, the Board issued its Procedural Order No. 2 which provided for submissions to be made by intervenors by November 13, 2010. The Board did not consider interrogatories to be necessary in this portion of the proceeding as a result of the extensive consultation that took place between Union and stakeholders of the incremental Low-Income DSM Plan.

Union has received submissions from the Industrial Gas Users Association (“IGUA”), the Low-Income Energy Network (“LIEN”) and the Green Energy Coalition (“GEC”). All three participants noted no concerns with the approval of Union’s proposed incremental 2011 Low-Income DSM Plan as filed.

IGUA did, however, request clarification on two points. Union’s responses to each of IGUA’s questions are below.

First, IGUA requested confirmation that Union’s incremental Low-Income DSM Plan budget (including any variance thereto), LRAM amounts and incentive payments associated with the Low-Income DSM Plan, will be recovered through Union’s R01 and M1 small volume general service rate classes.

Union confirms that the incremental Low-Income DSM budget for 2011, any associated LRAM amounts and incentives will be recovered from rates R01 and M1.

Second, IGUA requested confirmation that, while Union is to be eligible to access an additional 15% of its incremental 2011 Low-Income DSM Plan budget, provided that it has

achieved the 100% overall Home Weatherization scorecard target on a pre-audited basis, ultimately DSMVA recovery will be subject to audited results.

Union confirms that, while Union's eligibility to recover an additional 15% of the incremental 2011 Low-Income DSM Plan budget through the DSMVA is determined on a pre-audit basis, the amounts to be recovered in the DSMVA will be subject to review as a component of the DSM audit.

Based on the level of consultation during the creation of the incremental Low-Income DSM Plan, the consensus achieved with the low-income sub-committee and the support for approval from intervenors who filed submissions, Union requests the Board's approval of the incremental 2011 Low-Income DSM Plan as filed.

If you have any questions, please contact me at 519-436-4521.

Yours truly,

[Original signed by]

Marian Redford
Manager, Regulatory Initiatives

cc: Crawford Smith (Torys)
EB-2010-0055 Intervenors