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October 11, 2011

Via Electronic Mail

John Pickernell
Board Secretary
2300 Yonge Street, 27th Floor
Toronto ON M4P 1E4

Atten: Board Secretary

**Re: Demand Side Management Guidelines for Natural Gas Utilities
Issuance of DSM Guidelines**

Further to the Ontario Energy Board's (OEB) letter dated June 30, 2011, regarding the Demand Side Management (DSM) Guidelines for natural gas utilities, Veresen Inc., (Veresen) wishes to express its views. Veresen is a publically traded energy infrastructure company that holds energy assets in Ontario consisting of natural gas fired electricity generation facilities including district heating, cogeneration and peaking generation, ranging in size from 15 MW to 400 MW.

Two of Veresen's facilities, the East Windsor Cogeneration Centre (EWCC) and our London District Energy (LDE) facility currently hold Union's T1 service contracts and thus are subject to the T1 rate class methodology. Both of these facilities have participated in the DSM programs offered through Union Gas with very good success. Veresen's position regarding this program is that it has played an important role in achieving increased energy efficiency at these facilities. In our view, eliminating these programs is not in the best interest of T1 shippers and importantly, may result in a reduction in DSM initiatives by generators such as ourselves. EWCC and LDE are not large industrials, and therefore the view's expressed by others such as IGUA or CME regarding the DSM program, are not representative of our position.

Veresen strongly encourages the Board to continue the DSM program as currently structured to further facilitate achievements in DSM in Ontario.

Yours truly,

A handwritten signature in black ink, appearing to read "J. Ciccaglione", with a long, wavy horizontal line extending to the right.

Julia Ciccaglione
Vice President, Regulatory & Government Affairs
Veresen Inc.

Cc: Paul Eastman, VP Operations - East, Veresen Inc.