

**Ontario Energy  
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**Commission de l'énergie  
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**BY E-MAIL**

October 26, 2011

Julia Ciccaglione  
Vice President, Regulatory & Government Affairs  
Veresen Inc.  
Suite 440, Livingston Place  
222 – 3rd Avenue S.W.  
Calgary, AB T2P 0B4

Dear Ms. Ciccaglione,

**Re: Demand Side Management Guidelines for Natural Gas Utilities**

Thank you for your letter dated October 11, 2011, regarding Veresen's participation in Union Gas' DSM programs. Your issue relates to the Board's consultation on demand side management guidelines for natural gas utilities (EB-2008-0346).

On June 30, 2011, the Board issued its Demand Side Management Guidelines for Natural Gas Utilities. In the Guidelines, the Board stated its view that large industrial customers possess the expertise to undertake energy efficiency programs on their own. As a result, the Board stated that ratepayer funded DSM programs for large industrial customers were no longer mandatory. However, the Board also indicated that utilities could propose large industrial programs and the Board would consider those programs on their merits.

On September 23, 2011, Union Gas filed its multi-year DSM Plan with the Board (EB-2011-0327). In its plan, Union Gas proposed continuing its DSM programs for T1 and Rate 100 customers. The Board is currently reviewing Union Gas' plan and will take into consideration your comments when making its decision.

Yours truly,

*Original signed by*

Peter Fraser  
Acting Managing Director, Regulatory Policy

cc: Kirsten Walli, Board Secretary, Ontario Energy Board  
John Pickernell, Assistant Board Secretary, Ontario Energy Board  
Viive Sawler, Manager, Conservation & Reporting, Ontario Energy Board  
Josh Wasylyk, Advisor, Ontario Energy Board  
Paul Eastman, VP Operations – East, Veresen Inc.