

**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.