

February 5, 2013

Kirsten Walli  
Board Secretary  
Ontario Energy Board  
P.O. Box 2319  
2300 Yonge Street, 27<sup>th</sup> Floor  
Toronto, ON  
M4P 1E4

Dear Ms. Walli:

**Re: Union Gas Limited – Large Volume Demand Side Management Program 2013-2014 – EB-2012-0337**

I am a consultant to the Consumers Council of Canada (“Council”). These are the submissions of the Council regarding Union Gas Limited’s (“Union”) application to the Ontario Energy Board (“Board”) for approval of its Large Volume Demand Side Management (“DSM”) Plan for 2013 and 2014.

The overall level of the Large Volume DSM budget and how those funds are accessed by customers does not directly impact Union’s residential customer classes, which the Council represents. Accordingly, the Council has no submissions on that set of issues, other than to say the budget levels have all been arrived at through broad based negotiations among all of the DSM stakeholders. The Council does, however, wish to make some general comments regarding the “opt-out” proposal being advanced by the Association of Major Power Consumers of Ontario (“APPRO”). APPRO’s proposal would allow Large Volume Customers to effectively “opt out” of Union’s DSM programs and any associated costs, including administrative and overhead costs.

The Council submits that it would premature for the Board to consider an opt-out proposal for large volume customers without considering whether the option should be made available for all rate classes. Allowing large users to opt out of DSM and avoid the DSM administrative and overhead costs borne by all customers will simply increase the burden of those costs on all other customers, even those that are not directly participating in Union’s other DSM programs. Why are large volume customers that have undertaken their own energy efficiency investments any different from customers in other rate classes that have done the same (e.g. schools, hospitals, residential consumers)? From the Council’s perspective APPRO has not made a case to justify such special treatment.

The Council acknowledges that in 2011, through the clearance of the DSM Variance Account, large volume consumers, including power producers, were hit with large retroactive bills given the unexpected level of program activity and participation. Clearly, that made them question the value they were getting from Union’s DSM programs. Through negotiations Union and the various DSM stakeholders have effectively addressed this issue, allowing for spending caps and ultimately more rate predictability and stability for those customers. To allow for an opt-out proposal may well represent a backward step in that regard, exposing those customers that do not opt out to be burdened with more costs than originally anticipated.

If the Board is interested in considering an opt-out proposal the Council submits this should be done when the DSM Guidelines are next reviewed. It is, from the Council's perspective, a generic issue, that should be considered as a matter of policy. To allow for large volume customers to opt out of DSM program funding should not be considered without fully addressing the impacts of such an approach on the other rate classes and customers within each of those classes.

Yours truly,

**JULIE GIRVAN**

Julie Girvan  
Consultant to the Consumers Council of Canada

Cc: Joan Huzar, CCC  
Union Gas Limited  
All intervenors