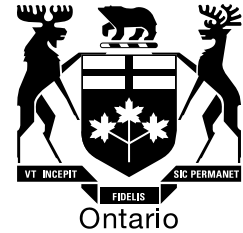


**Ontario Energy
Board**
P.O. Box 2319
2300 Yonge Street
27th Floor
Toronto ON M4P 1E4
Telephone: 416-481-1967
Facsimile: 416-440-7656
Toll free: 1-888-632-6273

**Commission de l'énergie
de l'Ontario**
C.P. 2319
2300, rue Yonge
27^e étage
Toronto ON M4P 1E4
Téléphone: 416-481-1967
Télécopieur: 416-440-7656
Numéro sans frais: 1-888-632-6273



BY E-MAIL

May 14, 2014

Mr. David Butters
President
APPrO
25 Adelaide St. East, Suite 1602
Toronto ON M5C 3A1

Dear Mr. Butters:

**Re: Consultation Process for Developing a New Demand Side Management
Framework for Natural Gas Distributors
EB-2014-0134**

Thank you for your letter, dated April 28, 2014, and the interest the Association of Power Producers of Ontario ("APPrO") has shown in the Board's recently announced consultation to develop a new Demand Side Management ("DSM") Framework.

The DSM Working Group has been specifically designed as a small group to help promote a free flow of discussion and participation. Although the working group is small, the Board feels that it generally represents the broad interests of large and small consumers, environmental groups and the utilities.

We appreciate receiving input from APPrO on the concerns with respect to DSM programs for larger users, particularly those users whose primary use for natural gas is to generate electricity. Although the Industrial Gas Users Association ("IGUA") does not represent exactly the same consumer base to that of APPrO's members, the Board expects IGUA will raise similar concerns for discussion by the DSM Working Group during the initial stage of the consultation. The Board agrees that the issue raised by APPrO is important and assures APPrO it will receive consideration during the development of the new DSM Framework.

The working group was formed early in the process to gather input on a broad range of issues. The output of the working group is intended to inform the Board on the development of the DSM Framework, but it will not be a barrier to consideration of other input or alternatives brought forward as part of the next phase of consultation. Following the DSM Working Group meetings, there will be an opportunity for all stakeholders to provide input and comments on a draft DSM Framework.

The Board encourages APPrO to provide comments on this and any other issues APPrO feels the Board should consider as it develops the new DSM Framework.

Yours truly,

Original Signed By

Kirsten Walli
Board Secretary