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May 17, 2018

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

Dear Ms. Walli:

Re: EB-2017-0127 / EB-2017-0128
Mid-term Review of the Demand Side Management (DSM) Framework for Natural Gas Distributors

We are counsel to the Association of Power Producers of Ontario (**APPrO**) in the above-mentioned proceeding.

APPrO is in receipt of the May 9, 2018, letter from Mr. Elson on behalf of Environmental Defence requesting that the Board obtain plans from Enbridge Gas Distribution Inc. and Union Gas Limited (**Union**) for their incremental conservation measures driven by potential carbon cost savings as part of the DSM Mid-Term Review. It has also received the various letters from a number of intervenors.

On May 16, 2018, APPrO received the responding letter from Union noting that:

- i. Union has concerns with respect to expanding the scope of the DSM Mid-Term Review when a number of uncertainties remain about Ontario's cap and trade program;
- ii. Union is proceeding with its energy conservation programs outlined in its 2015-2020 DSM Plan;
- iii. Union is focussed on all processes required for its next, post-2020 DSM Plan and cannot craft an incremental DSM Plan without appropriate Board guidance expected from the DSM Mid-Term Review; and

- iv. Union does not support incremental conservation being pursued through the DSM Mid-Term Review of its existing plan.

Upon review of Union's rationale, APPrO supports Union's position.

Yours very truly,

A handwritten signature in black ink, consisting of a stylized 'L' followed by a long, sweeping horizontal stroke that ends in a small arrowhead.

Lisa (Elisabeth) DeMarco