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October 11, 2011

Via Electronic Mail

John Pickernell
Board Secretary
2300 Yonge Street, 27th Floor
Toronto ON M4P 1E4

Atten: Board Secretary

**Re: Demand Side Management Guidelines for Natural Gas Utilities
Issuance of DSM Guidelines**

Further to the Ontario Energy Board's (OEB) letter dated June 30, 2011, regarding the Demand Side Management (DSM) Guidelines for natural gas utilities, Veresen Inc., (Veresen) wishes to express its views. Veresen is a publically traded energy infrastructure company that holds energy assets in Ontario consisting of natural gas fired electricity generation facilities including district heating, cogeneration and peaking generation, ranging in size from 15 MW to 400 MW.

Two of Veresen's facilities, the East Windsor Cogeneration Centre (EWCC) and our London District Energy (LDE) facility currently hold Union's T1 service contracts and thus are subject to the T1 rate class methodology. Both of these facilities have participated in the DSM programs offered through Union Gas with very good success. Veresen's position regarding this program is that it has played an important role in achieving increased energy efficiency at these facilities. In our view, eliminating these programs is not in the best interest of T1 shippers and importantly, may result in a reduction in DSM initiatives by generators such as ourselves. EWCC and LDE are not large industrials, and therefore the view's expressed by others such as IGUA or CME regarding the DSM program, are not representative of our position.

Veresen strongly encourages the Board to continue the DSM program as currently structured to further facilitate achievements in DSM in Ontario.

Yours truly,

Julia Ciccaglione
Vice President, Regulatory & Government Affairs
Veresen Inc.

Cc: Paul Eastman, VP Operations - East, Veresen Inc.

Ontario Energy Board	
FILE No.	EB-2012-0337
EXHIBIT No.	K1.2
DATE	Jan 31/13
08/99	

DSM Savings

Veresen - Fort Chicago London District Energy and East Windsor Cogeneration Center

K1.2

<u>Summary</u>	Projects	Customer Incentive	Cumulative Natural Gas Savings	Total Resource Cost
	(#)	(\$)	(m3)	(\$)
Veresen	12	\$ 340,812	118,686,110	\$ 17,163,940
Customers	33	\$ 371,610	155,395,862	\$ 18,120,961
	45	\$ 712,422	274,081,972	\$ 35,284,901

Veresen / Fort Chicago
London District Energy

	#	\$	Lm3	TRC (\$)	Project Titles
2009	2	\$ 51,014	52,420,414	\$ 8,173,993	Burner Replacement (2&3) / HRSG
2010	----	----	----	----	
2011	5	\$ 136,245	16,464,350	\$ 2,045,803	Steam Ironer Line / HRSG Economizer Upgrade/ Steal Line Trapping / Condensate Return System Upgrade / Insulation Upgrades
2012	1	\$ 40,000	2,011,810	\$ 430,716	Condensate return
	8	\$ 227,259	70,896,574	\$ 10,650,512	

Steam Host (A)
Rate Class = T1

Steam Host (B)
Rate Class = M4

	#	\$	Lm3	TRC (\$)	Project Titles
2008	2	\$ 22,000	----	----	Heat Recovery, Steam Trap Survey
2009	2	\$ 7,305	176,419	\$ 11,799	Insulation / Combustion Testing
2010	----	----	----	----	
2011	8	\$ 131,369	14,687,087	\$ 1,771,835	Energy Audit / Honeywell Energy Performance Ecms (x7)
	12	\$ 160,674	14,863,506	\$ 1,783,634	

	Est-#	Est-\$	Est - Lm3	Est-TRC (\$)	Project Titles
2006	3	\$ 46,534	7,466,720	N/A	New Dryers, Steam Trap Survey, Steam Trap Replacements
2007	1	\$ 1,358	600,000	\$ 47,386	
2008	1	\$ 6,542	2,712,864	\$ 421,278	Waste Heat Reclaim
	5	\$ 54,434	10,779,584	\$ 468,664	