

March 13, 2009

Ms. Kirsten Walli, Board Secretary
ONTARIO ENERGY BOARD
2300 Yonge Street, 27th Floor
Toronto, ON M4P 1E4

Dear Ms. Walli:

Re: EB-2008-0346: Draft Measures and Assumptions for Demand Side Management (DSM) Planning.

We write as legal counsel to the Industrial Gas Users Association (IGUA).

IGUA participated with a number of ratepayer interests in joint retainer of Vermont Energy Investment Inc. (VEIC) to review and offer comment on the Navigant draft report herein dated February 6, 2009; *Measures and Assumptions for Demand Side Management (DSM) Planning*. VEIC's report, dated (and filed) today, includes (at page 5) some discussion of "process questions". In this section of its report, VEIC raises a number of questions regarding updating of, and use by the gas distributors of, measures and assumptions adopted by the Board.

The Board has addressed the issue of updating of, and use by the gas distributors of, measures and assumptions adopted by the Board at section 2.3 (page 11) of its *Draft Demand Side Management Guidelines for Natural Gas Distributors* (January 26, 2009) (*Draft Guidelines*). In the *Draft Guidelines* the Board indicated that; i) approved inputs and assumptions would be posted on the Board's website; ii) distributors should use the approved inputs and assumptions for undertaking benefit-cost analysis of DSM measures and programs; and iii) distributors may use other data where detailed evidence is provided to justify departure from the data approved for use by the Board.

IGUA provided its position on the Board's proposal to mandate an approved set of inputs and assumptions in IGUA's comments on the *Draft Guidelines* (dated February 20, 2009). In those comments IGUA stated as follows (at paragraph 17):

IGUA understands the Board to be proposing that, going forward, DSM inputs would be adopted, and updated as required, by the Board, and provided to the gas distributors for application. IGUA endorses the development and approval of a single set of DSM technologies and input assumptions under the auspices of the Board, and with a public review and comment process. This approach will regularize assumptions across utilities and should preclude ongoing debate regarding these technologies and associated assumptions. Should the utilities have the need to supplement the Board developed and approved assumptions, individual proposed additions can be brought forward with the appropriate supporting evidence for Board consideration as part of the individual DSM plan approval applications contemplated.

IGUA continues to endorse mandatory use by Ontario's natural gas distributors of a standard set of input measures and assumptions approved by the Board. These Board approved inputs and assumptions would be updated as appropriate, through a process which allows for review and comment by interested parties. Any departure on the part of the distributors from these approved inputs and assumptions would require detailed justifying evidence. In its comments on the *Draft Guidelines* IGUA suggested that such evidence would be reviewed as part of the individual plan approval applications by the distributors. To the extent that the data required updating as input into cost-benefit analysis conducted during the term of an approved plan (for LRAM or SSM purposes), that updating too should be through a process which allows for review and comment by interested parties.

Yours truly,
MACLEOD DIXON LLP



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