



NOTICE OF HEARING

NATURAL GAS DEMAND SIDE MANAGEMENT GENERIC ISSUES PROCEEDING

Demand side management (“DSM”) plans implemented by natural gas utilities are designed to deliver programs which improve the energy efficiency in consumption or conservation of natural gas in a utility’s service area. In the Province of Ontario, Enbridge Gas Distribution Inc. (“EGDI”) and Union Gas Ltd. (“Union”) have been pursuing DSM plans since 1993 when the issue was first addressed as part of a review of least cost planning for the natural gas sector (E.B.O. 169-III). The cost of these plans are recovered from customers in rates approved by the Board under section 36 of the *Ontario Energy Board Act, 1998* (the “Act”).

In the Board’s recent partial decision in EGDI’s 2006 rates application (EB-2005-0001 / EB-2005-0437) (the “partial decision”), the Board announced its intention to convene a generic proceeding to address a number of current and common issues related to DSM activities for natural gas utilities.

The hearing will result in orders under section 36 relating to the operation, evaluation and auditing DSM plans starting January 1, 2007. Among the topics the Board will be reviewing in making these orders are:

- timing of the schedule for submitting and reviewing DSM plans,
- determination and use of planning assumptions for generic energy efficiency measures and custom projects,
- DSM budget as a percentage of utility annual revenue,
- structure and screening of programs including differentiating between market transformation, lost opportunity and enabling activities,
- structure and use of LRAM, SSM and DSMVA,

- process and content of program evaluations including the requirement for a third party audit process,
- length of plan, as well as updating the plan and reporting requirements,
- rules respecting free riders and attribution of energy savings, and
- the appropriateness of directing specific DSM measures to low-income consumers.

Other areas of focus will include the requirement for and role of the Consultative committee, filing requirements for the DSM plans and reporting requirements.

Participation

You may participate in this proceeding in one of three ways:

1. You may send the Board a letter of comment. Your letter should include any request to make an oral presentation to the Board, and must be received by the Board no later than 30 days from the date of service or publication of this notice.
2. You may request observer status in order to receive documents issued by the Board in the proceeding. Your request must be made by letter received Board no later than 10 days from the date of service or publication of this notice.
3. You may request intervenor status if you wish to actively participate in the proceeding. Your request must be made by letter of intervention received by the Board no later than 10 days from the date of service or publication of this notice. Your letter of intervention must include a description of how you are, or may be, affected by the proceeding; and, if you represent a group, a description of the group and its membership. The Board may choose to hold either a written or an oral hearing. The Board will not hold a written hearing if a party satisfies the Board that there is good reason for holding an oral hearing. Your letter of intervention should indicate your preference for a written or oral hearing, and the

reasons for that preference. The Board may order costs in this proceeding. You must indicate in your letter of intervention whether you expect to seek costs from EGDI and Union and the grounds for your eligibility for costs.

Need more information?

Further information on how to participate may be obtained by visiting the Board's Web site at www.oeb.gov.on.ca or by calling our Consumer Relations Centre at 1-877-632-2727.

How to contact us

In responding to this notice please reference Board file number EB-2006-0021. It is also important that you provide your name and postal address and, if available, an e-mail address and facsimile number. All communications should be directed to the attention of the Board Secretary at the address below, and be received no later than 4:45 p.m. on the required date.

For your convenience, the Board accepts letters of comments by either post or e-mail. Our e-mail address is Boardsec@oeb.gov.on.ca Please include the application file reference number in the subject line of your e-mail.

Letters of intervention must be sent by regular mail to the address below. Please remember that you must send a copy of your request for intervention to the Board at the address listed below.

IF YOU DO NOT FILE A LETTER STATING YOUR WISH TO PARTICIPATE IN THIS PROCEEDING, THE BOARD MAY PROCEED WITHOUT YOUR PARTICIPATION AND YOU WILL NOT BE ENTITLED TO FURTHER NOTICE OF THE PROCEEDING.

ADDRESSES

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

Attn: John Zych
Board Secretary

Tel: 1-888-632-6273 (toll free)
Fax: 416-440-7656

DATED at Toronto, February 15, 2006

ONTARIO ENERGY BOARD

Original signed by

Peter H. O'Dell
Assistant Board Secretary