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BY E-MAIL AND WEB POSTING

December 22, 2014

**To: All Rate-regulated Natural Gas Distributors
All Licensed Electricity Distributors
All Members of Enbridge Gas Distribution Inc.'s and Union Gas Limited's
DSM Consultative Groups**

**Re: 2015 to 2020 Demand Side Management Framework for Natural Gas
Distributors
Board File No.: EB-2014-0134**

The Board has issued its Report on the Demand Side Management (“DSM”) framework for natural gas distributors for 2015 to 2020 (the “DSM framework”). This is the final step in the Board’s consultation process (EB-2014-0134) to develop a new DSM framework that provides the Board’s policy on all the major elements of gas utilities’ future DSM activities.

The Board has also issued a companion document to the new framework, the Filing Guidelines to the DSM Framework (the “DSM Guidelines”). The DSM guidelines provide technical guidance to the gas utilities and expand on the direction provided in the framework.

The new framework is consistent with the government of Ontario’s conservation policy and the Directive the Board received on March 31, 2014 from the Minister of Energy (the “Conservation Directive”). In 2013, the government of Ontario issued its updated Long-Term Energy Plan which placed a strong focus on increasing energy conservation efforts throughout the province. It also discussed incorporating the policy of putting “conservation first” into infrastructure planning processes. The Conservation Directive requires the Board to establish a new Demand Side Management (“DSM”) policy framework.

Background

The current DSM Guidelines for natural gas distributors provided for a three-year term ending December 31, 2014. As the existing DSM Guidelines were set to expire, and in response to the Conservation Directive, the Board began a consultation process to develop a new DSM policy framework for natural gas distributors. The new framework will be used by the gas utilities when preparing their new multi-year DSM plans (2015 to 2020).

The Board initiated a consultation process in April 2014 by convening a DSM working group to provide initial input. A draft framework was then issued for comment from all interested parties. The Board received detailed feedback from twenty-four (24) parties and considered these responses as it finalized the framework.

Implementation

The Board appreciates that in order for the gas utilities to appropriately address the policy direction provided in the DSM framework, the gas utilities will require a period of time to develop their new multi-year DSM plans. In order to allow for continuity in the market and to maintain the momentum of current programs, the gas utilities should continue delivering their 2014 DSM offerings in 2015. The Board has provided further guidance with respect to the mechanics of the necessary transition to the new multi-year DSM plans within the DSM framework.

Cost Awards

The Board will address the issue of cost awards for this consultation by separate correspondence to be issued shortly.

If you have questions about this consultation, please send an inquiry to Industry Relations at IndustryRelations@ontarioenergyboard.ca or 416-440-7604. The Board's toll-free number is 1-888-632-6273.

Yours truly,

Original signed by

Kirsten Walli
Board Secretary