

Mary Todorow (ACTO)

From: JSimon@indec.com
Sent: Tuesday, March 28, 2006 6:28 PM
To: Mary Truemner (ACTO)
Cc: blackss@lao.on.ca; cingravage@sharethewarmth.org; edegale@sharethewarmth.org; john@equalityrights.org; Keith Stewart; kim@torontoenvironment.org; Theresa McClenaghan; michael@wellesleycentral.com; michelle@equalityrights.org; Sarah Miller; Mary Todorow (ACTO)
Subject: RE: Quick update on Union Gas DSM proceeding

see below

Judy Simon, Vice President
IndEco
1 416 532 4333
Direct: 1 416 204-0357

412 - 77 Mowat Avenue, Toronto, ON Canada M6K 3E3

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"Mary Truemner \ACTO\" <truemnm@lao.on.ca>

2006-03-28 05:59 PM

To <JSimon@indec.com>
cc "Theresa McClenaghan" <McclenaT@lao.on.ca>, "Sarah Miller" <MillerS@lao.on.ca>, <john@equalityrights.org>, <michelle@equalityrights.org>, <blackss@lao.on.ca>, <edegale@sharethewarmth.org>, <cingravage@sharethewarmth.org>, <michael@wellesleycentral.com>, <kim@torontoenvironment.org>, "Keith Stewart" <keith@torontoenvironment.org>, "Mary Todorow \ACTO\" <todorom@lao.on.ca>

Subject RE: Quick update on Union Gas DSM proceeding

Judy, great news at the OEB is right. Thanks very much. I look forward to receiving the written decision and the costs break down.

I am copying everyone because I want them all to follow our exchange here in the case they have to make a decision Friday morning, if it is not too late to become involved in the generic DSM proceeding. I am a bit concerned that we are not going to intervene in generic DSM for gas, especially when we are intervening full force in Union Gas' 2007 Rates. My understanding is that LIEN is more interested in intervening in generic hearings than specific hearings. When a generic hearing deals with issues, does the OEB make best practises recommendations, or concluding observations, or can it order all LDC's participating to conform accordingly? It can do all three. How does the result of the generic hearing affect the decision in subsequent hearings which address the DSM with respect to one company only? The rules that it makes for all companies will apply to the specific company in the next proceeding according to Board specifications. And for that matter, how will this recent victory affect the OEB as it deliberates the generic DSM without us? Don't know. OEB will be surprised that you will not be intervening is my guess.

Mary Truemner, Staff Lawyer
Advocacy Centre for Tenants Ontario (ACTO)
425 Adelaide St. W., 5th Floor

3/30/2006

Toronto, On M5V 3C1
416-597-5855, x5163
truemnm@lao.on.ca

-----Original Message-----

From: JSimon@indec.com [mailto:JSimon@indec.com]
Sent: Friday, March 10, 2006 10:46 PM
To: Mary Truemner (ACTO)
Cc: Theresa McClenaghan; Sarah Miller; john@equalityrights.org; michelle@equalityrights.org; blackss@lao.on.ca; edegale@sharethewarmth.org; cingravage@sharethewarmth.org; michael@wellesleycentral.com; kim@torontoenvironment.org; Keith Stewart; Mary Todorow (ACTO)
Subject: Quick update on Union Gas DSM proceeding

Hi Mary,

Great news at the OEB! Will provide a more detailed briefing for you after March break, when I am back from holidays. Oral argument ended yesterday and Board gave an oral decision afterwards. Below I provide the LIEN argument and the decision in case you want to have a look before the more detailed briefing.

It was a "precedent setting" decision for several reasons:

- 1) It was the first time the OEB ever increased the total DSM budget of a utility beyond what the utility was asking for
- 2) It was the first time the OEB ever gave direction on a DSM program at the program level and in this case it was regarding improvements to the low-income program
- 3) LIEN and VECC cooperated extensively on developing the details of the low-income program position - we disagreed on DSM budget - VECC went for a lower budget than what Union was proposing and a lower savings target and lower incentive. (LIEN supported Green Energy Coalition on those positions)
- 4) LIEN asked for a \$350,000 budget increase in the Union Gas DSM program to pay for all of the measures and their installation - Union wanted to provide showerheads, aerators and pipe wrap for free, but only wanted to pay for 1/2 the cost of a programmable thermostat, and no installation for any of the measures. The Board approved the LIEN increased budget proposal including the requirement to pay for all the measures in full and their installation. The total low-income program budget approved was \$750,000.
- 5) LIEN becomes recognized by most if not all parties as the leading authority on DSM programs for low-income people and the Board begins to share this view.
- 5) The only party that opposed the LIEN low-income program suggestions was the Canadian Manufacturers Association. Energy Probe (Can you believe it?) spoke out in favour of the program. Green Energy Coalition and Pollution Probe arguments did not address anything on low-income matters. I think that is because they were trying to help LIEN position itself as the authority. They were clearly supportive in all of the many discussions I had with them.

I will forward to you an email from Jack Gibbons that I received yesterday. It is short, but indicates how important the decision is.

What LIEN did not get

- 1) The suggested program pilot of \$200,000 to test the implementation of deeper measures for low-income households such as insulation and draftproofing, and fuel-switching from electricity to gas, including the payment of installation and full cost of the measure. The Board did not add this program to Union's programs. This is because this was a new initiative. The Board made it clear that this proceeding was about maintaining the status quo as much as possible and any new ideas regarding low-income or anything else DSM related were to be dealt with at the upcoming DSM generic hearing for gas. Low-income matters are on the issues list in that proceeding. LIEN has decided not to intervene in that proceeding.

At the generic hearing one can expect that groups such as the Consumers Council of Canada and Canadian Manufacturers and possibly others will argue against having low-income programs, and in paying the full cost of measures and their installation at the very least.

I will be back in the office on March 20th.

3/30/2006

Judy

Judy Simon, Vice President
IndEco
1 416 532 4333
Direct: 1 416 204-0357

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