



EB-2005-0523

**NOTICE OF PROCEEDING AND HEARING
ELECTRICITY CONSERVATION AND DEMAND MANAGEMENT ACTIVITIES**

IN THE MATTER OF a proceeding initiated by the Ontario Energy Board to make certain determinations respecting conservation and demand management (“CDM”) by Local Distribution Companies (“LDC”) activities as described in the Electric Distribution Rates (“EDR”) Handbook and Total Resource Cost (“TRC”) Guide pursuant to sections 19(4) and 78 of the *Ontario Energy Board Act, 1998*.

The Ontario Energy Board has commenced a proceeding on its own motion to make certain determinations respecting LDC CDM activities as described in the EDR Handbook and TRC Guide pursuant to sections 19(4) and 78 of the *Ontario Energy Board Act, 1998*.

The Board asks parties to this proceeding to prepare evidence and submissions on the following matters:

1. The Board’s Report on the 2006 EDR Handbook (RP-2004-0188) stated that the Board would not mandate a minimum expenditure target of LDC spending on CDM programs. The Board also stated that an LDC may apply for spending on CDM as part of its 2006 distribution rates applications, but that such spending must meet the TRC test established in the TRC Guidelines. The issue in this proceeding is whether the Board should order an LDC to spend money on CDM programs in an amount that is different from the amount proposed by an LDC in a test year and, if so, under what circumstances?

2. Section 2.1 of the TRC Guideline establishes a standard "freeridership" rate to apply, to be included in an LDC's in the calculation of costs and benefits of CDM programs. Section 2.2 of the TRC Guide provides that LDCs may claim 100% of the benefits associated with a CDM program in which they jointly market and deliver the program with a non-rate regulated third party. The issue in this proceeding with respect to s. 2.1 is whether the Board should require LDCs to demonstrate freeridership levels for all CDM programs on a program by program basis; and, with respect to s. 2.2, the issue is whether the Board should order that an LDC should only be entitled to claim incremental benefits associated with its participation in a CDM program with a non-rate regulated third party.

The Board will hear oral submissions on this matter on December 22, 2005 in accordance with the following schedule:

1. Parties who seek to participate in this matter shall intervene and file interrogatories by November 15, 2005 with the Board, the registered intervenors in the RP-2005-0020 proceeding on Generic Issues and Historical Test Year Filings, and all LDCs. The list of registered intervenors for the RP-2005-0020 Proceeding will be listed on the Board's website.
2. The interrogatories should be addressed to specific LDCs. A list of LDCs to which interrogatories can be addressed is available on the Board's website at http://www.oeb.gov.on.ca/documents/ED_issued.pdf. Given the generic nature of these proceedings, and given the need to prepare evidence in an orderly manner, parties filing interrogatories will be expected to rationalize and organize their interrogatories to avoid unnecessary duplication.
3. Responses from LDCs named in interrogatories shall be filed with the party seeking the response, the Board, the registered intervenors, and all LDCs by November 23, 2005.

4. Parties leading evidence in this proceeding may do so by filing affidavit evidence with the Board and the registered intervenors, and all other LDCs by December 2, 2005.
5. Parties who seek to cross-examine on affidavit evidence may do so before an official examiner at a time and place that is convenient for the affiant and the examiner and file a transcript of cross-examination with the Board and the registered intervenors, and all other LDCs as soon as it is available, and no later than December 14, 2005.
6. Parties shall file their Motion Record including written submissions on this matter with the Board and the registered intervenors, and all other LDCs by December 20, 2005.
7. All materials filed with the Board by participants (evidence, submission, interrogatories and interrogatory responses) must be submitted in electronic as well as paper form. The Board requires 10 paper copies. Electronic versions should be in MS Word, MS Excel, or Adobe PDF format. File names must include the name of the participant.

ISSUED at Toronto, November 11, 2005

ONTARIO ENERGY BOARD

Original signed by

Peter H. O'Dell
Assistant Board Secretary