PETERBOROUGH DISTRIBUTION INC.

1867 Ashburnham Drive, PO Box 4125, Station Main Peterborough ON K9J 6Z5

January 14, 2005

File: L69 OEB

Ontario Energy Board PO Box 2319, 26th Floor 2300 Yonge Street Toronto, Ontario M4P 1E4

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RP-2004-0203/EB-2004-0409 Peterborough Distribution Inc., and 0410 Lakefield Distribution Inc., and 0411 Asphodel Norwood Distribution Inc.

Further to my letter dated November 19, 2004, please consider the following request. The Board has an application to amalgamate the three LDC's listed above, to become effective January 1, 2005. This is an application for a <u>final Board order</u> to approve the Conservation and Demand Management Plan for the Lakefield service area of Peterborough Distribution Inc. This application is based on the assumption that \$29,448 will be available from the third portion of the MARR.

Proposed Programs

Radio Signals to Control Appliances and Shift Usage to Off Peak Periods

The LDC will develop a radio signal system that may be used by customers to control appliances and shift discretionary use of electricity to off peak times. The signal will be offered at no cost. The customer will have the option of purchasing or renting a control unit for placement in their house. The signal(s) provided by the LDC will accommodate the automatic disabling of appliances connected to the in-home controller and the enabling of the appliance at a time which is off peak. For illustrative purposes, suppose time of use rates, yet to be developed, provide for a lower cost after 11.00 pm Monday through Friday and on weekends, the signal will be sent to each controller which will have the appliance disabled until some time after 11.00 pm. Appliances such as electric water heaters, dishwashers, cloths washers, electric dryers could have their electricity consumption shifted to off peak times. As the controllers and the radio signals may be digitally encoded, different control times could be offered for varying customer

preferences. The controller would have a manual over ride button to permit the customer to use the appliance during some urgent situation.

This initiative would apply to all customers.

It is estimated that a shift of approximately one kilowatt per customer, from peak times to off peak times, will occur. The basic control infrastructure, once established, would not be expensive to maintain, and the radio signal would be provided free of charge to all customers for the foreseeable future. Assuming time of use rates will be available, the conversion will reduce the electric bill of the customers. The amount cannot be determined until the OEB release the pricing plan. Assuming that carbon fuel, coal, is burnt in peaking generating stations, there will be a reduction in green house gas production. The expected number of customers taking advantage of this service will be 150 per year for each of the three years 2005 to 2007. The expected total load shifted from peak to off peak will be 450 kilowatts.

Total budget \$16,000.

Energy Star Appliance Promotion

Peterborough Distribution Inc. has approval for an Energy Star appliance promotion for the period up to December 31, 2004. The program provides for a \$50 incentive for each Energy Star rated appliance purchased by customers that have needed to replace appliance as a result of the July 15, 2004 flood in Peterborough. Expenditures of \$25,000 have been approved. This program will continue, in the Lakefield service area with the exception that there will not be a requirement for the incentive to apply to flood damaged appliances. To date, the existing program is close to being on target for the numbers participating. This program will be available for the years 2005 to 2007 with the number of participants expected to be 100.

The promotion will be available to all LDC customers

The expected savings will be 200 kwh per year for each participant. Over the years 2005 to 2007, an expected saving of 20,000 kwh will occur. A demand reduction of 15 kw will occur.

Total budget \$ 5,000.

Appliance Load Monitors

The LDC will purchase a number of load monitors, which indicate to the customer the size of the electric load and how much energy it is consuming. The monitors will be loaned to customers who will use them to learn how much energy is being used by various appliances and devices within their home or business. After a reasonable period of time the monitors will be returned to the LDC and be available for other customers to use. This program will be focused on customer education, and is expected to provide customers with information with which they can make an informed decision regarding conservation and load shifting. The program will be available to all customers.

Expected participation is 100 customers per year with a reduced consumption of 400 kwh per year. The expected reduction in electricity consumption over the years 2005 to 2007 is 120,000 kwh.

Total budget \$ 1,000.

Public Education Programs

At present, the LDC provides a safety program to all of the schools within its service territory. This program will be augmented to provide electricity conservation along with the safety messages. The LDC will participate in trade shows, home shows and other venues, and will provide information through the various media, regarding conservation and demand management information. This will be available to all customers. For the years 2005 to 2007, the expected reduction in electricity consumption is 1,500,000 kwh.

Total budget is \$7,448.

Total Conservation and Demand Management Plan budget is \$29,448.

Yours very truly,

Robert G. Lake P.Eng.

President

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