



**RP-2004-0203**  
**EB-2004-0478**

**IN THE MATTER OF** the *Ontario Energy Board Act, 1998*,  
S.O. 1998, c.15 (Schedule B);

**AND IN THE MATTER OF** an application by Brantford Power Inc.  
for a Final Order Pre-approving its Conservation and Demand  
Management Plan.

**BEFORE:** Gordon Kaiser  
Vice Chair and Presiding Member

George Dominy  
Member

Cathy Spoel  
Member

### **FINAL ORDER**

Brantford Power Inc. (Applicant) has filed an application dated October 28, 2004 with the Ontario Energy Board for a Final Order pre-approving its Conservation and Demand Management (CDM) Plan. The Board assigned File No. RP-2004-0203/EB-2004-0478 to this application.

A Notice of Application and Oral Hearing was issued by the Board on November 12, 2004. The Applicant served and published the Notice as directed by the Board. The Board held an oral hearing in Toronto on December 10, 2004. On December 10, 2004, the Board rendered an oral decision approving the application with certain conditions as set out in this order.

On May 31, 2004, the Minister of Energy granted approval to all distributors in Ontario to apply to the Board for an increase in their 2005 rates by the third installment of their incremental market adjusted revenue requirement (MARR). This approval is conditional on a commitment to reinvest an equivalent amount in CDM initiatives.

On October 5, 2004, the Board issued a Procedural Order (the Procedural Order) which addressed the opening of deferral accounts; the recovery of development expenses; the process for applying for plan approval; and the filing requirements for plan approval. Pursuant to the Procedural Order all electricity distribution companies, including Brantford Power Inc., received authorization to establish a deferral account.

The elements of the proposed CDM Plan are as follows: distribution system improvements, smart meters for commercial/industrial customers, key accounts seminar series, residential water heater load management, low income customers retrofit program, customer outreach, and technology and program research.

The total budget for the CDM plan is approximately \$1,340,000 which is consistent with the amount of the third installment of its MARR.

The Board finds that the activities and programs proposed by the Applicant qualify as conservation and demand management activities and that the planned investments are eligible for tracking in the deferral account.

The Board approves the expenditure of \$1,340,000 for implementation of the CDM Plan, which is consistent with the amount of the third installment of the Applicant's incremental MARR.

The Board requires that the Applicant file with the Board, in the form approved by the Board, quarterly and annual reports on the progress of the initiatives included in the approved CDM Plan. The annual reports will be subject to public review.

In its decision with reasons the Board specifically addressed the issue of the distribution system upgrade, which in the Applicant's submissions, would cost approximately \$1.8 million, half of which is to come from the third installment of the Brantford's incremental MARR. The Board approved the distribution system upgrade as a component of the approved CDM Plan, however, the Board expressed a concern over the fact that this

program represents two-thirds of the total proposed budget. The Board also recognized that the applicant had not estimated all of the savings, and that there might be savings greater than 900,000 kilowatt-hours per year. The Board urged Brantford Power Inc. to re-examine this estimated savings and file a revised estimate of savings along with its first quarterly report.

The Board understands that the approved CDM Plan and the associated budget allocation to the individual programs may be subject to modifications. The Board requires that all modifications be identified in the quarterly and annual reports. In addition, Brantford Power Inc. shall apply to the Board for approval for modifications of spending above 20% of the approved budget.

**IT IS ORDERED THAT:**

1. Brantford Power Inc. is granted a final approval of the Conservation and Demand Management Plan as submitted for the Board's review in the application dated October 28, 2004. This investment satisfies the Minister of Energy's conditions of a financial commitment to reinvest the equivalent of one years incremental market adjusted revenue requirement in conservation and demand management. The approved total budget is \$1,340,000.
2. Brantford Power Inc. shall file with the Board quarterly and annual reports on the progress of the initiatives within its conservation and demand management plan.
3. The quarterly reports shall be filed no later than 30 days after the end of each calendar quarter.
4. The annual reports shall be filed no later than March 31 of the following year. The annual reports shall be subject to public review. The annual report shall include a cost benefit analysis on the program included in the conservation and demand management plan.

5. Brantford Power Inc. shall apply to the Board for approval if cumulative fund transfers among programs exceed 20% of the approved budget.
6. Brantford Power Inc. shall file in its first quarterly report a revised estimate of savings associated with the distribution system improvement component of its Conservation and Demand Management Plan.
7. Brantford Power Inc. may credit the costs of preparing its Conservation and Demand Management application and participation in the hearing including intervenor and Board costs against the amount required to be spent on its Conservation and Demand Management Plan budget.

DATED at Toronto, February 3, 2005.

ONTARIO ENERGY BOARD

*Original signed by*

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Peter H. O'Dell  
Assistant Board Secretary