



RP-2004-0203
EB-2005-0199

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 Cambridge and
North Dumfries Hydro Inc. for an Order Pre-approving its
Conservation and Demand Management Plan.

BEFORE: Gordon Kaiser
Vice Chair and Presiding Member

George Dominy
Member

Cathy Spoel
Member

ORDER

An application dated November 30, 2004 was filed with the Ontario Energy Board, by Cambridge and North Dumfries Hydro Inc. for an Interim Order pre-approving its Conservation and Demand Management (CDM) Plan. On December 23, 2004 the Board issued an Interim Order approving Cambridge and North Dumfries Hydro's application. On January 12, 2005 Cambridge and North Dumfries Hydro submitted an application to the Board for an Order approving their CDM Plan. The Board assigned File No. RP-2004-0203 / EB-2005-0199 to this application

A Notice of Application and Written Hearing was issued by the Board on February 21, 2005. Cambridge and North Dumfries Hydro served and published the Notice as directed by the Board. The intervention period expired on March 12, 2005. There were no intervenors.

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 Cambridge and North Dumfries Hydro, received authorization to establish a deferral account.

The elements of Cambridge and North Dumfries Hydro's CDM Plan include: distribution system efficiency improvements, utility building energy usage assessments, a traffic and street light replacement program, a 'smart' meter pilot, an awareness and energy audit initiative for small business, programs targeted to the residential segment (such as education, home inspections, appliance buy-backs and funding for various energy efficient home products) and staff training and development.

The total budget for the CDM plan is \$2,161,652. This amount is consistent with the third installment of its incremental MARR.

The Board finds that the activities and programs proposed by Cambridge and North Dumfries Hydro 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 \$2,161,552 for implementation of the CDM Plan, which is consistent with the amount of the third installment of Cambridge and North Dumfries Hydro incremental MARR.

The Board requires that Cambridge and North Dumfries Hydro file with 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.

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, Cambridge and North Dumfries Hydro shall apply to the Board for approval for modifications of spending above 20% of the approved budget.

IT IS ORDERED THAT:

1. Cambridge and North Dumfries Hydro Inc. is granted approval of the Conservation and Demand Management Plan as submitted for the Board's review in the application dated January 12, 2005. This investment satisfies the Minister of Energy's condition of a financial commitment to reinvest the equivalent of one year of incremental market adjusted revenue requirement in conservation and demand management. The approved total budget is \$2,161,652.
2. Cambridge and North Dumfries Hydro 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. Cambridge and North Dumfries Hydro shall apply to the Board for approval if cumulative fund transfers among programs exceed 20% of the approved budget.

6. Cambridge and North Dumfries Hydro 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, March 18, 2005.

ONTARIO ENERGY BOARD

Peter H. O'Dell
Assistant Board Secretary