



RP-2004-0203
EB-2004-0531

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 EnWin Powerlines
Limited 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

EnWin Powerlines Limited (EnWin) has filed an application dated December 12, 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-2004-0531 to this application.

A Notice of Application and Written Hearing was issued by the Board on January 10, 2005. EnWin served and published the Notice as directed by the Board. The intervention period expired on January 29, 2005. There are 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 EnWin, received authorization to establish a deferral account.

The elements of EnWin's CDM Plan are as follows: system loss reduction / power factor correction initiatives, an energy conservation media campaign, a distributed generation project, an efficiency program for local large and medium use customers, energy efficiency program for residential and small commercial customers, energy efficiency program for subsidised housing, education program for elementary school students and LED traffic lights.

The total budget for the CDM plan is \$2,253,650. On May 2, 2000 EnWin filed an application with the Board for an order approving just and reasonable rates for the distribution of electricity (RP-2000-0048 / EB-2001-0407). At the time of this application EnWin's incremental MARR was determined to be \$2,022,214. A portion of the incremental MARR related to a return on transformer stations under construction for the exclusive use of four large customers. At the time of the application construction of the transformer stations were approximately one third complete. Accordingly, EnWin was allowed to earn a return on only the completed portion of the assets. On August 20, 2003 EnWin applied to the Board for an order approving just and reasonable rates for the distribution of electricity (RP-2003-0189 / EB-2003-0234). In its decision, the Board, allowed EnWin to recover costs and earn a return on remaining two thirds of the transformer stations. Accordingly, EnWin also adjusted its incremental MARR; the adjusted incremental MARR is \$2,253,650.

The Board finds that the activities and programs proposed by EnWin 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 \$2,253,650 for implementation of the CDM Plan, which is consistent with the amount of the third installment of EnWin's incremental MARR.

The Board requires that EnWin 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, EnWin shall apply to the Board for approval for modifications of spending above 20% of the approved budget.

IT IS ORDERED THAT:

1. EnWin Powerlines Limited is granted a final approval of the Conservation and Demand Management Plan as submitted for the Board's review in the application dated December 12, 2004. 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 \$2,253,650.
2. EnWin Powerlines Limited 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. EnWin Powerlines Limited shall apply to the Board for approval if cumulative fund transfers among programs exceed 20% of the approved budget.
6. EnWin Powerlines Limited 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 8, 2005.

ONTARIO ENERGY BOARD

Peter H. O'Dell
Assistant Board Secretary