



RP-2004-0203
EB-2004-0502

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 Grand Valley
Energy Inc. for a Final Order Pre-approving its individual
Conservation and Demand Management Plan.

BEFORE: Gordon Kaiser
Vice Chair and Presiding Member

George Dominy
Member

Cathy Spoel
Member

FINAL ORDER

Grand Valley Energy Inc. (Grand Valley Energy) has along with 17 other electricity distribution companies, as members of Cornerstone Hydro Electric Concepts Association (CHEC), filed an application with the Ontario Energy Board (the Board) for a Final Order pre-approving its individual Conservation and Demand Management (CDM) Plan. The Board received the application on November 19, 2004 and assigned File No. RP-2004-0203 / EB-2004-0502 to this application.

A Notice of Application and Written Hearing was issued by the Board on December 7, 2004. Grand Valley Energy served and published the Notice as directed by the Board. The intervention period expired on December 27, 2004. 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 Grand Valley Energy, received authorization to establish a deferral account.

The elements of Grand Valley Energy's CDM Plan are as follows: a customer survey program, an energy conservation website, an education and promotion program, a distribution system optimization and implementation program, and a light bulb and timer giveaway program.

The total budget for the CDM plan is \$15,726. This amount is consistent with the third installment of its incremental MARR.

The Board finds that the activities and programs proposed by Grand Valley Energy 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 \$15,726 for implementation of the CDM Plan, which is consistent with the amount of the third installment of Grand Valley Energy's incremental MARR.

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

IT IS ORDERED THAT:

1. Grand Valley Energy Inc. is granted a final approval of the Conservation and Demand Management Plan as submitted for the Board's review in the application received on November 19, 2004. This investment satisfies the Minister of Energy's condition 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 \$15,726.
2. Grand Valley Energy 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. Grand Valley Energy Inc. shall apply to the Board for approval if cumulative fund transfers among programs exceed 20% of the approved budget.
6. Grand Valley Energy 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 8, 2005.

ONTARIO ENERGY BOARD

Original signed by

Peter H. O'Dell
Assistant Board Secretary