



**RP-2004-0203**  
**EB-2005-0198**

**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 Hydro One  
Brampton Networks 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**

Hydro One Networks Inc. (Networks) and Hydro One Brampton Networks Inc. (Brampton) have filed an Application dated January 11, 2005 with the Ontario Energy Board for an Order pre-approving their individual Conservation and Demand Management (CDM) Plans. The Board assigned File No. RP-2004-2003 / EB-2005-0198 to this application.

A Notice of Application and Oral Hearing was issued by the Board on January 19, 2005. Brampton served and published the Notice as directed by the Board. The Board held an oral hearing in Toronto on February 17 and 18, 2005. On February 18, 2005, the Board rendered an oral decision with reasons 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 Brampton, received authorization to establish a deferral account.

The elements of Brampton's plan for residential customers are customer education, compact fluorescent lights, an LED holiday light exchange, residential load control, real-time energy use monitoring, and 'smart' metering. The elements of the CDM plan for business and institutional customers are power factor correction, commercial and industrial load control, technology demonstration and 'smart' metering. In addition, the CDM Plan includes an initiative focussed on improving the internal efficiency of its office facilities and a distribution loss energy reduction program.

The total budget for Brampton's plan is \$3,200,000. This amount is consistent with the third installment of its incremental MARR.

The Board finds that the activities and programs proposed by Brampton satisfy the Minister's condition of a financial commitment to re-invest in conservation and demand management initiatives and are eligible for tracking in the deferral account.

The Board approves the expenditures as proposed by Brampton for implementation of the CDM Plan, which is consistent with the amount of the third installment of Brampton's incremental MARR.

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

**IT IS ORDERED THAT:**

1. Hydro One Brampton Networks Inc. is granted approval of the conservation and demand management plan as submitted for the Board's review in the application dated January 11, 2005. 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 \$3,200,000.
2. Hydro One Brampton Networks 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. Hydro One Brampton Networks Inc. shall apply to the Board for approval if cumulative fund transfers among programs exceed 20% of the approved budget.
  
6. Hydro One Brampton Networks 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, March 14, 2005.

ONTARIO ENERGY BOARD

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Peter H.O'Dell  
Assistant Board Secretary