



RP-2004-0203
EB-2004-0450

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

AND IN THE MATTER OF Application by Hydro One Remote
Communities under the *Ontario Energy Board Act, 1998* for
approval of its Conservation and Demand Management Plan.

BEFORE: Gordon Kaiser
Vice Chair and Presiding Member

George Dominy
Member

Cathy Spoel
Member

INTERIM ORDER

Hydro One Remote Communities (Remotes) filed an application dated December 20, 2004 with the Ontario Energy Board (the Board) for an interim order pre-approving its Conservation and Demand Management (CDM) Plan. The Board assigned File No. RP-2004-0203/EB-2004-0450 to this application.

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.

Remotes is a unique distributor which provides electricity generation and distribution services to 18 isolated communities in Northern Ontario. Remotes operates on a break even basis and does not have a MARR. Accordingly, Remotes requested the approval of the Minister of Energy to establish a deferral account to track expenditures on CDM initiatives.

On July 7, 2004, the Minister of Energy granted approval to Remotes to apply to the Board to establish a deferral account to track expenditures on 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 Remotes, received authorization to establish a deferral account.

The elements of Remotes' CDM Plan include: \$160,000 for a residential energy conservation pilot program; \$90,000 for a customer education program; and \$50,000 for a product supplier program. The total proposed budget is \$300,000

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

The Board, at this time, approves on an interim basis the expenditure of \$300,000 for implementation of the CDM Plan. The Board requires that Remotes file with the Board quarterly and annual reports on the progress of the initiatives included in the approved CDM Plan.

IT IS ORDERED THAT:

1. Hydro One Remote Communities is granted a final approval of the Conservation and Demand Management Plan as submitted for the Board's review in the application dated December 20, 2004. The approved total budget is \$300,000.
2. Hydro One Remote Communities 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 Remote Communities shall apply to the Board for approval if cumulative fund transfers among programs exceed 20% of the approved budget.
6. Hydro One Remote Communities 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 02, 2005.

ONTARIO ENERGY BOARD

Original signed by

Peter H. O'Dell
Assistant Board Secretary