



RP-2004-0203
EB-2006-0190

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 Ottawa
Limited to amend its Conservation and Demand
Management Plan

BEFORE: Paul Sommerville
Presiding Member

Cathy Spoel
Member

DECISION AND ORDER

On July 27, 2006 Hydro Ottawa Limited (“Hydro Ottawa”) applied to the Ontario Energy Board (the “Board”) to redirect funds within its Conservation and Demand Management (“CDM”) plan. The Board has assigned this application file EB-2006-0190.

Hydro Ottawa received approval of its CDM plan and budget on February 3, 2005. The approved budget is \$9,279,000 which is equivalent to Hydro Ottawa’s third instalment of its incremental market adjusted revenue requirement.

In approving Hydro Ottawa’s CDM plan, the Board imposed a number of conditions. One of those conditions required that Hydro Ottawa apply to the Board if it wanted to propose cumulative fund transfers among programs exceeding 20% of the approved budget. Hydro Ottawa has applied to the Board for approval of such a transfer.

Hydro Ottawa proposed to re-allocate the following funds:

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**HYDRO OTTAWA
REQUESTED CHANGES TO CDM BUDGET**

CDM PROGRAM	Approved Budget (\$000)	Revised Budget for Approval (\$000)	Change (\$000)
CONSERVATION AND DEMAND MANAGEMENT-Residential and Small Commercial (< 50 kW)	\$1,949	\$4,959	+\$3,010
CONSERVATION AND DEMAND MANAGEMENT-Commercial, Industrial & Institutional Market (>50 kW)	\$2,783	\$2,073	-\$710
DISTRIBUTION LOSS REDUCTION	\$3,155	\$1,255	-\$1,900
DISTRIBUTED ENERGY	\$928	\$628	-\$300
PROGRAM SUPPORT	\$464	\$364	-\$100
TOTAL	\$9,279	\$9,279	\$0

Hydro Ottawa is seeking approval to reallocate some of the funds originally allocated to Commercial, Industrial & Institutional (“CI&I”) Market (>50 kW) program, Distribution Loss Reduction, Distributed Energy and Program Support. These funds would be reallocated to increase the Residential and Small Commercial (<50kW) program.

Hydro Ottawa submitted that Load Displacement projects were completed for less than the budget amount and that there were efficiencies in Program Support. In regards to Distribution Line Loss Reduction, Hydro Ottawa has recently filed a plan to reduce distribution losses by 5 percent and will be budgeting for additional initiatives in operating and capital plans in future years.

Hydro Ottawa indicated that a proposed change is required for the current CI&I program as a result of not being able to meet the spending deadline of September 30, 2007. Hydro Ottawa indicated that participants and results have been limited due to the long program approval cycles within CI & I organizations.

School Energy Coalition argued that Hydro Ottawa’s proposal disadvantages the commercial and industrial ratepayer by reducing the amount spent on commercial customers and by allocating the proposed reductions in non-customer programs solely to residential programs.

Energy Probe stated that it would be reluctant to support the proposed spending amount moving from the programs focused on commercial, industrial & institutional

areas to the residential and small commercial program area. Energy Probe also submitted that keeping a balance between spending among different customer classes was one of the guidelines discussed during the RP-2004-0203 Proceeding.

The Board approves the re-allocation of funds as proposed by Hydro Ottawa for the Distribution Loss Reduction, Distributed Energy and Program Support programs. The Board finds that the request to change the funding levels of these programs is reasonable as outlined in Hydro Ottawa's submissions.

To ensure a balance of funding for the different customer classes, the Board will not approve the re-allocation of \$710,000 from the CI&I program. An extension of one year to the current deadline of September 30, 2007 to spend the funds that were previously approved shall be allowed.

THE BOARD ORDERS THAT:

1. Hydro Ottawa Limited is granted approval to re-allocate \$2,300,000 previously allocated to Distribution Loss Reduction, Distributed Energy and Program Support as set out in this Decision.
2. Hydro Ottawa Limited is granted an extension of time to September 30, 2008 to spend the funds approved on the Commercial, Industrial & Institutional (>50kW) program.
3. The Board awards eligible intervenors 100% of their reasonably incurred costs. Intervenors shall deal directly with the Applicant in settling such costs. The Board need not be involved unless there is a dispute, in which case any of the disputing parties can approach the Board for a decision.

DATED at Toronto, December 13, 2006

ONTARIO ENERGY BOARD

Original Signed By

Peter H. O'Dell
Assistant Board Secretary