



**RP-2004-0203**  
**EB-2004-0541**

**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 Kingston Electricity  
Distribution 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**

Kingston Electricity Distribution Limited (KEDL) has filed an application dated December 8, 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-2004-0541 to this application.

A Notice of Application and Written Hearing was issued by the Board on January 5, 2004. KEDL served and published the Notice as directed by the Board. The intervention period expired on January 20, 2004. 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 KEDL , received authorization to establish a deferral account.

The elements of KEDL's CDM Plan include: partnership, marketing and education, a change out of electric to gas hot water heater program, a 'Smart' meter pilot, lighting retrofits and distribution system optimization.

The total budget for the CDM plan is approximately \$175,000. This amount is consistent with the third installment of its incremental MARR.

The Board finds that the activities and programs proposed by KEDL 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 \$175,000 for implementation of the CDM Plan, which is consistent with the amount of the third installment of KEDL's incremental MARR.

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

**IT IS ORDERED THAT:**

1. Kingston Electricity Distribution 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 8, 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 \$175,000.
2. Kingston Electricity Distribution 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. Kingston Electricity Distribution Limited shall apply to the Board for approval if cumulative fund transfers among programs exceed 20% of the approved budget.

6. Kingston Electricity Distribution 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, February 17, 2005

ONTARIO ENERGY BOARD

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Peter H. O'Dell  
Assistant Board Secretary