



RP-2004-0203
EB-2004-0483

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 Milton Hydro
Distribution Inc. 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

Milton Hydro Distribution Inc. (Applicant) has filed an application dated November 1, 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-2004-0483 to this application.

A Notice of Application and Oral Hearing was issued by the Board on November 16, 2004. The Applicant served and published the Notice as directed by the Board. The Board held an oral hearing in Toronto on December 10, 2004. On December 10, 2004, the Board rendered an oral decision 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 Milton Hydro Distribution Inc., received authorization to establish a deferral account.

On October 19, 2004, the Board granted to Milton Hydro Distribution Inc. an interim approval of the CDM Plan (RP-2003-0203/EB-2004-0408).

The elements of the CDM Plan are as follows: demand response program design; aggregator development program; The Energy Drill Program (TM); conservation asset program; and program planning, coordination and administration.

The total budget for the CDM plan is approximately \$761,000 This amount is consistent with the amount of its MARR.

The Board finds that the activities and programs proposed by the Applicant 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 \$761,000 for implementation of the CDM Plan, which is consistent with the amount of the third installment of the Applicant's incremental MARR.

The Board requires that the Applicant file with the Board, in the form approved by 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, Milton Hydro Distribution Inc. shall apply to the Board for approval for modifications of spending above 20% of the approved budget.

IT IS ORDERED THAT:

1. Milton Hydro Distribution Inc. is granted a final approval of the Conservation and Demand Management Plan as submitted for the Board's review in the application dated November 1, 2004. This investment satisfies the Minister of Energy's conditions 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 \$761,000.
2. Milton Hydro Distribution 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. Milton Hydro Distribution Inc. shall apply to the Board for approval if cumulative fund transfers among programs exceed 20% of the approved budget.

6. Milton Hydro Distribution 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 2, 2005.

ONTARIO ENERGY BOARD

Original signed by

Peter H. O'Dell
Assistant Board Secretary