



**RP-2004-0203**  
**EB-2005-0236**

**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 Newmarket Hydro  
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

## **ORDER**

An application dated November 11, 2004 was filed with the Ontario Energy Board, by Newmarket Hydro Ltd. (Newmarket Hydro) for an Interim Order pre-approving its Conservation and Demand Management (CDM) Plan. On November 29, 2004 the Board issued an Interim Order approving Newmarket Hydro's application. On February 23, 2005 Newmarket Hydro submitted an application for a Final Order of the Board approving their CDM Plan. The Board assigned File No. RP-2004-0203 / EB-2005-0236 to this application.

A Notice of Application and Oral Hearing was issued by the Board on March 22, 2005. Newmarket Hydro served and published the Notices as directed by the Board. The intervention period expired on April 18, 2005. There were 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 Newmarket Hydro received authorization to establish a deferral account.

The elements of Newmarket Hydro's CDM Plan include: customer education, an 'energy gateway' pilot program, a social housing partnership plan, a residential energy efficiency plan, small business energy audits, a building energy management program for businesses, distribution system optimization and development and monitoring.

Newmarket Hydro has indicated that the budget for its CDM plan is \$1,267,010 which is consistent with the amount of the third instalment of its incremental MARR.

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

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

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

**IT IS ORDERED THAT:**

1. Newmarket Hydro Limited is granted a final approval of the Conservation and Demand Management Plan as submitted for the Board's review in the application dated November 11, 2004. 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 \$1,267,010.
2. Newmarket Hydro 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. Newmarket Hydro Limited shall apply to the Board for approval if commutative fund transfers among programs exceed 20% of the approved budget.

6. Newmarket Hydro 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, April 19, 2005

ONTARIO ENERGY BOARD

John Zych  
Board Secretary