



**RP-2004-0203**  
**EB-2005-0204**

**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 North Bay Hydro  
Distribution Limited for an Order Pre-approving its Conservation  
and Demand Management Plan.

**BEFORE:** Gordon Kaiser  
Vice Chair and Presiding Member

George Dominy  
Member

Cathy Spoel  
Member

## **ORDER**

North Bay Hydro Distribution Limited (North Bay Hydro) has filed an application dated January 13, 2005 with the Ontario Energy Board for an Order pre-approving its Conservation and Demand Management (CDM) Plan. The Board assigned File No. RP-2004-0203 / EB-2005-0204 to this application.

A Notice of Application and Written Hearing was issued by the Board on February 4, 2005. North Bay Hydro served and published the Notice as directed by the Board. The intervention period expired on February 22, 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 instalment 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 North Bay Hydro, received authorization to establish a deferral account.

The elements of North Bay Hydro's CDM Plan are as follows: a water heater tune-up program, a refrigerator buy back program, residential energy audits, customer education, a renewable energy program, commercial and industrial customer energy audits, distribution system optimization and the investigation of various energy efficiency opportunities.

The proposed budget for North Bay Hydro's CDM Plan is \$1,274,500. This amount represents half of the second instalment, previously forgone, and all of the third instalment of incremental MARR.

The Board finds that the activities and programs proposed by North Bay Hydro 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 \$1,274,500 for implementation of the CDM Plan, which is consistent with half of the second instalment and all of the third instalment of North Bay Hydro's incremental MARR.

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

**IT IS ORDERED THAT:**

1. North Bay Hydro Distribution Limited is granted approval of the Conservation and Demand Management Plan as submitted for the Board's review in the application dated January 13, 2005. 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 \$1,274,500.
2. North Bay Hydro 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. North Bay Hydro Distribution Limited shall apply to the Board for approval if cumulative fund transfers among programs exceed 20% of the approved budget.
  
6. North Bay Hydro 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, March 16, 2005

ONTARIO ENERGY BOARD

John Zych  
Board Secretary