



RP-2004-0203
EB-2004-0500

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 Peterborough
Distribution Inc., Asphodel Norwood Distribution Inc. and
Lakefield Distribution Ind. for an Order Pre-approving their
Conservation and Demand Management Plan.

BEFORE: Gordon Kaiser
Vice Chair and Presiding Member

George Dominy
Member

Cathy Spoel
Member

ORDER

Peterborough Distribution Inc., Asphodel Norwood Distribution Inc. and Lakefield Distribution Inc. (the Applicants) have filed an application dated November 19, 2004 and amended on January 14, 2005 with the Ontario Energy Board for an Order pre-approving their Conservation and Demand Management (CDM) Plan. The Board assigned File No. RP-2004-0203 / EB-2004-0500 to this application.

A Notice of Application and Written Hearing was issued by the Board on December 3, 2004. The Applicants served and published the Notice as directed by the Board. The intervention period expired December 31, 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 the Applicants, received authorization to establish a deferral account.

On December 2, 2004 the Board granted Peterborough Distribution Inc. leave to amalgamate Peterborough Distribution Inc., Lakefield Distribution Inc. and Asphodel Norwood Distribution Inc. effective January 1, 2005, into a single entity, which will maintain the name of Peterborough Distribution Inc. (the amalgamated distributor).

The elements of amalgamated distributor's CDM Plan are as follows: installation of thermal storage electric heaters, load management, thermal scans of buildings and distribution lines, an energy star appliance promotion, appliance load monitors, public education programs and development of the EnerGuide program for small business.

The total budget for the CDM plan is \$1,332,278. This amount is consistent with the third instalment of the amalgamated distributor's incremental MARR.

The Board finds that the activities and programs proposed by the amalgamated distributor 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 \$1,332,278 for implementation of the CDM Plan, which is consistent with the amount of the third instalment of the amalgamated distributor's incremental MARR.

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

IT IS ORDERED THAT:

1. Peterborough Distribution Inc. is granted approval of the Conservation and Demand Management Plan as submitted for the Board's review in the application dated November 19, 2004 and amended on January 14, 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 \$1,332,278.
2. Peterborough 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. Peterborough Distribution Inc. shall apply to the Board for approval if cumulative fund transfers among programs exceed 20% of the approved budget.

6. Peterborough 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, March 18, 2005.

ONTARIO ENERGY BOARD

Peter H. O'Dell
Assistant Board Secretary