



EB-2007-0677

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 London Hydro
requesting approval for a cost deferral account for activities in
relation to CDM programs;

BEFORE: Gordon Kaiser
Presiding Member and Vice Chair

Cathy Spoel
Member

ORDER

On March 17, 2005 the Ontario Energy Board (the "Board") approved London Hydro Inc. ("London Hydro") Conservation and Demand Management ("CDM") plan application (RP-2004-0203 / EB-2004-0206) as submitted with a total budget of \$2,836,792.

On March 22, 2007 the Board approved London Hydro's application (RP-2004-0203 / EB-2007-0017) to reallocate funds over the 20% threshold of the approved CDM plan. London Hydro indicated that response to some programs had been better than others and that certain programs were not supported by their customers or were deemed to be less efficient than other programs. In light of these developments London Hydro's request to reallocate funds was approved.

London Hydro has filed an application with the Board, received on June 27, 2007, under section 78 of the *Ontario Energy Board Act, 1998*, S.O. 1998, c.15 (Schedule B) requesting approval to establish a deferral account to record costs for a new CDM program, London's *Earth Day 2007 Campaign*, which is estimated to result in a funding short fall of \$250,000, in relation to its third-tranche approved CDM total budget of \$2,836,792. London Hydro notes that if the Board provides approval for the use of a

deferral account, that this would not be approval of the *Earth Day 2007 Campaign* plan for rate recovery purposes. Such approval will be dependent upon submissions filed in accordance with the Board's required CDM filing guidelines and subsequent approval by the Board of those submissions.

The Board notes that in its previous decision of London Hydro's CDM plan (EB-2005-0206) 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 annual report filed with the Board. As this modification to London Hydro's CDM plan for the inclusion of the new *Earth Day 2007 Campaign* falls below the 20% threshold, London Hydro is not required to file an application for approval of the program at this time.

The Board finds it expedient and appropriate due to the nature of the application to proceed by way of a Board order. The Board notes that in approving this request for a deferral account, London Hydro is not granted approval for the *Earth Day 2007 Campaign* plan for rate recovery purposes.

THE BOARD ORDERS THAT:

The Board authorizes London Hydro to establish a new deferral account under the previously established deferral account 1508, Other Regulatory Assets, in order to track costs of London's Earth Day 2007 Campaign for amounts in excess of its third-tranche approved CDM total budget. The account details are provided in Appendix A.

ISSUED at Toronto, August 23, 2007.

ONTARIO ENERGY BOARD

Original Signed by

Peter H. O'Dell
Assistant Board Secretary

APPENDIX A

Approved Third-Tranche CDM Deferral Account for London Hydro Inc.

Account 1508 - Other Regulatory Assets - Sub-account London Hydro's Earth Day 2007 Campaign CDM Deferral Account.

- This sub-account shall be used to record conservation and demand management (CDM) costs of London's Earth Day 2007 Campaign for amounts in excess of London Hydro's third-tranche CDM total budget previously approved by the Board (RP-2004-0203 / EB-2004-0206).
- Carrying charges shall be calculated on the monthly opening principal balances in the account, recorded in a separate sub-account. The rate of interest for this account is the Board-prescribed quarterly interest rate for regulatory accounts.
- Records supporting the entries in this account shall be kept so that the distributor can furnish full information as to the nature and amount of costs recorded in this account.
- The amounts recorded in this account are subject to Board review and approval at the time London Hydro seeks disposition of the account's balance in rates.