



---

July 21, 2010

Ms. Kirstin Walli  
Board Secretary  
Ontario Energy Board  
P.O. Box 2319  
2300 Yonge Street, 27<sup>th</sup> Floor  
Toronto, ON M4P 1E4

**Re: Proposed Conservation and Demand Management Code for Electricity Distributors**  
**EB-2010-0215**

Dear Ms. Walli:

Chatham-Kent Hydro Inc. and Middlesex Power Distribution Corporation welcome the opportunity to comment on the Board's proposed Conservation and Demand Management Code for Electricity Distributors.

Please find attached the joint submission from Chatham-Kent Hydro Inc. and Middlesex Power Distribution Corporation ("CKH/MPDC").

Yours truly,

A handwritten signature in black ink, appearing to read "Cheryl Decaire".

Cheryl Decaire  
Co-ordinator of Regulatory and Rates  
(519) 352-6300 ext 405  
Email: cheryldecaire@ckenergy.com

cc: Chris Cowell, Chief Financial and Regulatory Officer



---

# Creation of the Conservation and Demand Management Code for Electricity Distributors

---

EB-2010-0215

---

Comments from:  
Chatham-Kent Hydro Inc. and  
Middlesex Power Distribution Corp.

---

Chatham-Kent Hydro and Middlesex Power Distribution Corporation (“CKH/MPDC”) are writing with respect to the proposed Conservation and Demand Management Code for electricity distributors. Our comments are as follows:

### Section 2.3

CKH/MPDC agrees that coordination with existing and proposed Ontario Power Authority (“OPA”) programs is important. However, we feel the definition of duplicative programs is too broad. CKH/MPDC believes that customization of OPA programs for specific service territories will result in improved results. Prohibiting LDC’s from increasing incentives or utilizing alternative technology as identified in 2.3.3 (a - c) is too restrictive. For example, the existing OPA Residential DR program is restricted to AC control. CKH/MPDC believes this program would be more efficient if additional devices such as pool pumps and electric water heaters were also controlled utilizing the existing system. Furthermore, we believe that LDC’s should have the ability to modify OPA program incentives if doing so will increase program results and cost effectiveness.

### Section 3.1.5

The draft code does not permit LDC’s to apply for programs related to the replacement or enhancement of new or existing infrastructure. CKH/MPDC believes that a more efficient distribution system is essential to achieving LDC and Provincial targets. We believe that line loss reduction programs are an economical method of achieving targets and therefore believe LDC’s should be permitted to include these types of programs in their CDM plans. We believe ratepayers will not only benefit from an efficient system but will also benefit from a modernized reliable system.

### Lost Revenues

The June 22, 2010 letter from the OEB stated that CDM programs should not act as a disincentive to distributors. The proposed code does not include loss recovery mechanisms and though we understand that a consultation process (EB-2010-0060) is underway, we believe that the initial code should include such mechanisms.

---

OPA-Contracted Province-Wide CDM Programs

The proposed CDM code requires that LDC's place significant reliance on OPA programs to achieve their targets. As some more popular current OPA programs utilized by LDC's are likely to be enhanced or eliminated, it is somewhat difficult to accept the code requirement to utilize OPA programs that may or may not exist in 2011 and beyond. There is a degree of uncertainty with the residential demand response programs which relate to a significant customer group that LDC's will need to focus on to achieve some of our targets. CKH/MPDC believes that more clarity is required with respect to OPA programs prior to the requirement to submit CDM plans to the Board for approval. The OPA should identify the length or term of their programs and to the extent possible, such terms should be consistent with the LDC requirement of four year CDM plans.