



June 6, 2011

Delivered by Courier and E-mail

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

Dear Ms. Walli,

**Re: Addendum to Whitby Hydro Electric Corporation's Conservation and Demand Management Strategy Board File # EB-2002-0571**

As requested by the Board, Whitby Hydro Electric Corporation is submitting an amendment to its previously submitted Conservation and Demand Management (CDM) Strategy filed to the Ontario Energy Board on November 1, 2010.

The addendum includes estimated prospective budgets to implement and operate the programs/initiatives of the OPA-Contracted Province-Wide Programs detailed in the original CDM Strategy submission.

If you have any questions or concerns, please do not hesitate to contact me at (905)668-5878 ext. 225 or email [pelliott@whitbyhydro.on.ca](mailto:pelliott@whitbyhydro.on.ca).

Respectfully Submitted,

A handwritten signature in black ink, appearing to read "Paul Elliott", written over a horizontal line.

Paul Elliott  
Vice President Customer/Business Services  
Whitby Hydro

## **Addendum to Whitby Hydro Electric Corporation's Conservation and Demand Management Strategy Amended June 6, 2011**

### **Background**

On November 1, 2010, Whitby Hydro Electric Corporation (Whitby Hydro) submitted their Conservation and Demand Management (CDM) Strategy to the Ontario Energy Board (OEB). Whitby Hydro utilized the Ontario Power Authority's (OPA) Resource Planning Tool to forecast reductions in Peak Provincial Electricity Demand and Electricity Consumption. Whitby Hydro also took into consideration our service territory's residential profile and past CDM program results when analyzing the results of the Resource Planning Tool.

The OEB issued its Decision and Order for the 2011-2014 Conservation and Demand Management Targets on November 12, 2010. Whitby Hydro's CDM target for total reduction in Peak Provincial Electricity Demand was reduced from 11MW to 10.90MW and our target for total reduction in Electricity Consumption changed from 39.00 GWH to 39.07 GWH.

On November 12<sup>th</sup>, 2010 Whitby Hydro received a letter from the OEB requesting an addendum to the submitted CDM strategy that was to include estimated, prospective budgets for planned OPA-Contracted Province-Wide CDM programs and Board Approved CDM programs. The Board letter stipulated that the addendum was to be filed 21 days after the finalization of the OPA's funding formula. The letter also stated that budgets associated with the OPA's Low Income program did not need to be included in the addendum.

Whitby Hydro received from the OPA their Program Administrative Budget for the four year period of 2011-2014. On February 18<sup>th</sup> the Board issued a notice to all licensed electricity distributors, which stated that there are five funding components that form the complete funding envelope for the OPA programs. The five funding components are:

- Program Administrator Budget (PAB)
- Capability Building Funding (CBF)
- Participant Based Funding (PBF)
- Participant (or customer) Incentives (PI or CI)
- Cost Efficiency Funding (CEI)

The OEB stated that they would like to receive projected budgets for all of the funding components noted above except for Cost Efficiency Funding in Whitby Hydro's Addendum.

On May 20<sup>th</sup> the Board confirmed that the OPA funding formula has been finalized and is now available to all distributors. The Board requested that distributors file the required addendum no later than June 13, 2011.

### Estimated Prospective Budget

To respond to the directive provided by the Board, Whitby Hydro Electric Corporation utilized the best available information to reach the estimated preliminary budget for Residential, Commercial and Industrial programs. As per the Board file number EB-2010-0215 no estimated funding amounts were required for the Low Income program.

Whitby Hydro utilized the Resource Planning Tool provided by the OPA to assist with the development of prospective budgets for the various programs and initiatives. Adjustments were made to the budgets based on territory specific information and past knowledge of CDM program participation.

The preliminary budget outlined in this document covers four of the five funding components outlined in the Board's February 18<sup>th</sup> filing. A budget for CEI was not included as this will be an amount rewarded to LDCs at the end of the program's life for implementing their OPA Programs in a cost efficient manner.

The following table provides a breakdown of the estimated prospective budgets for the OPA Contracted Province-Wide programs:

OPA Contracted Province-Wide Programs	Estimated Prospective Budget 2011 -2014
Residential Program	\$ 3,941,000
Commercial and Institutional Program	\$4,129,000
Industrial Program	\$541,000
Low Income Program	N/A
<b>Total Budget</b>	<b>\$8,611,000</b>

### Limitations/Constraints

The estimated prospective budgets are based on meeting the required MW and GWH targets for Whitby Hydro Electric Corporation. The final budget numbers might be higher or lower than the estimated budget numbers depending on the following considerations:

- Technologies and measures to be implemented
- Details of program design and the actual cost of delivering them
- The ability to meet typical costs in Whitby's service area
- The possible need for the programs to exceed energy targets in order to meet demand targets (or vice versa)

Whitby Hydro Electric will report on progress towards budget and the assigned CDM targets in its annual report submissions to the Board.