



June 30, 2010

Via RESS and by Courier

Ontario Energy Board
 P.O. Box 2319
 27th Floor
 2300 Yonge Street
 Toronto, ON M4P 1E4

Attention: Ms. Kirsten Walli
 Board Secretary

**Subject: EB-2010-0216
 Electricity Conservation and Demand Management Targets**

Dear Ms. Walli:

Haldimand County Hydro Inc. appreciates the opportunity to comment on the distributor-specific CDM targets that have been proposed by the OPA, as set out for it in "Appendix D: The OPA's CDM Target Advice" as follows:

Energy Savings Target:

| # | Local Distribution Company | Energy Target Allocation Factors (Per 2008 OEB Distributors Yearbook + HONI Adjustment) | | 2011-2014 Energy Savings Target (GWh) | Overall Portion of Provincial Total (%) |
|----|-----------------------------|--|--|---------------------------------------|---|
| | | Portion of Total 2008 Residential Energy Consumption by all LDCs that have CDM Targets (%) | Portion of Total 2008 Non-Residential Energy Consumption by all LDCs that have CDM Targets (%) | | |
| 28 | Haldimand County Hydro Inc. | 0.42% | 0.22% | 15 | 0.25% |

Demand Savings Target:

| # | Local Distribution Company | Demand Target Allocation Factor | 2014 Summer Peak Demand Savings Target (MW) |
|----|-----------------------------|--|---|
| 28 | Haldimand County Hydro Inc. | Average Contribution to Top 10 System Peak Hours, Based On 2008 and 2009 (%) | |
| | | 0.34% | 5 |

Accordingly, Haldimand County Hydro comments as follows:

1. With respect to the Energy Savings Target, “*The OPA recommends using the most recent year of energy consumption data available*” and notes it has used the “*2008 OEB Yearbook of Distributors published in 2009*”. It would have been helpful to have the actual kWh data used for each distributor included in the OPA report so each can confirm that the correct information was used, presumably on the same uplift basis.

We respectfully request any revised report include the kWh and kW used for each distributor.

2. Haldimand County Hydro’s main concern is the information used to determine its Demand Savings Target.

In its Cost of Service Rate Application EB-2009-0265, Haldimand County Hydro applied for a new rate class entitled “Embedded Distributor Service Classification – Hydro One Networks Inc.”. In March, 2009 Hydro One deregistered 7 of its wholesale supply points and these became retail points of supply from Haldimand County Hydro. Around the same time Hydro One began using a line belonging to Haldimand County Hydro for wheeling power to one of its large industrial customers. These 8 embedded supply points significantly increased the wholesale monthly demand recorded for Haldimand County Hydro from 2008 to 2009 as noted below:

| Month | 2008 MW | 2009 MW | Difference |
|-----------|---------|---------|------------|
| January | 77.749 | 74.997 | - 2.752 |
| February | 75.189 | 71.132 | - 4.057 |
| March | 68.530 | 78.927 | 10.397 |
| April | 73.475 | 86.950 | 13.475 |
| May | 61.118 | 89.495 | 28.377 |
| June | 88.198 | 104.446 | 16.248 |
| July | 85.892 | 98.986 | 13.094 |
| August | 79.870 | 114.709 | 34.839 |
| September | 69.798 | 93.642 | 23.844 |
| October | 62.595 | 91.630 | 29.035 |
| November | 68.585 | 104.997 | 36.412 |
| December | 77.193 | 109.996 | 32.803 |

While these are monthly demands and were not used by the OPA, they do indicate the magnitude of the error in not excluding the Hydro One loads which for the month of August, 2009 includes an increase of 34.84 MW over the 2008 demand of 79.87 or 43.6%.

While we do not know the 10 specific hours used by the OPA for 2008 and the 10 used for 2009, we request the opportunity to work with the OPA to ensure that the demand data for Haldimand County Hydro excludes embedded distributor amounts on account of Hydro One which are most appropriately applied to that utility.

Yours truly,
HALDIMAND COUNTY HYDRO INC.

Original Signed By

Jacqueline A. Scott
Finance Manager

JAS: nm