



MILTON HYDRO DISTRIBUTION INC.

8069 Lawson Rd., Milton, Ontario L9T 5C4
Telephone (905) 876-4611 • Fax (905) 876-2044

July 7, 2010

Ms. Kirsten Walli
Board Secretary
Ontario Energy Board
2300 Yonge Street
27th Floor
Toronto, ON
M4P 1E4

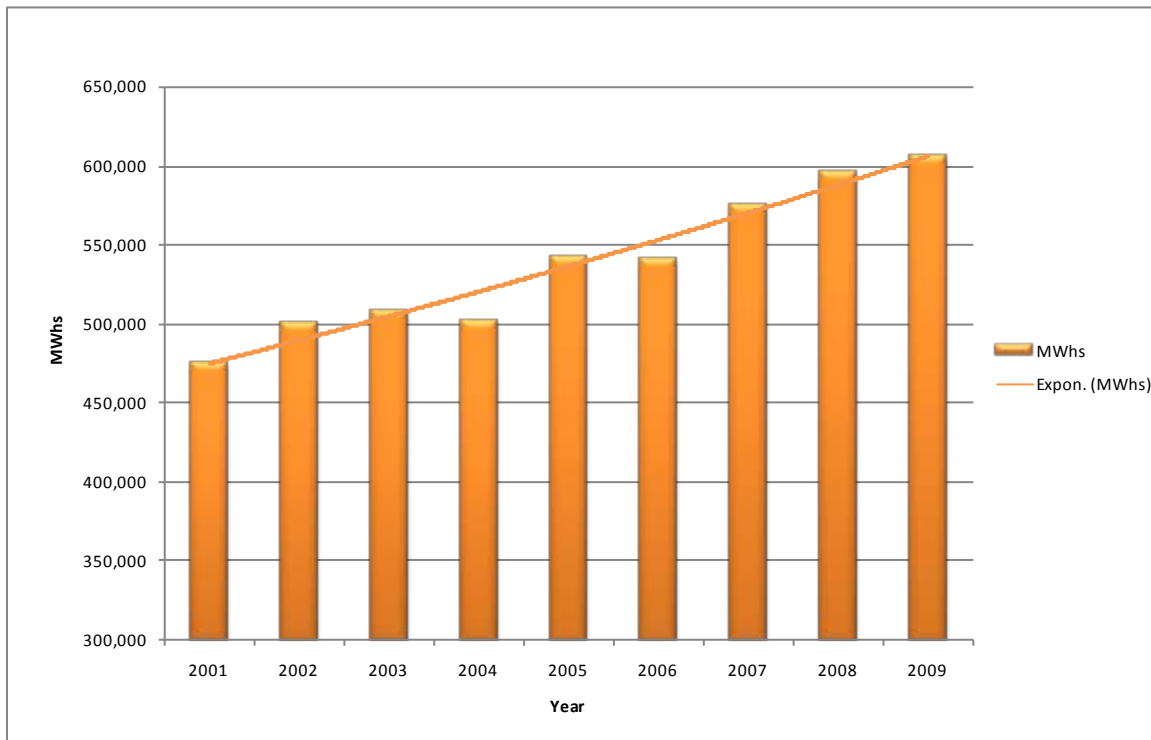
**Re Electricity Conservation and Demand Management Targets
EB-2010-0216**

Milton Hydro Distribution Inc. ("Milton Hydro") appreciates the opportunity to provide written comments on the proposed allocation of the CDM targets to each licensed distributor.

Milton Hydro has been allocated a four year energy conservation target of 34 million kWh, equating to an annual reduction of 3.5 million kWh per year commencing in 2011.

Milton Hydro would like to address its allocated share of the provincial energy savings target. Milton Hydro is one of the fastest growing communities in Ontario having increased its number of Residential and General Service customers from 11,300 in the year 2000 to over 27,300 by the end of 2009, which is an increase of 241% over nine years. The Residential customer base alone has increased from 9,400 customers to 24,800 customers or 264% over the same time period. This customer growth has resulted in a significant annual increase in MWhs. The Residential and General Service customer classes, excluding the two Large User customers, have increased in consumption from 475,000 MWhs in 2001 to 606,000 MWhs in 2009, an increase of 275%. The following Table 1 below sets out Milton Hydro's increase in MWhs from 2001 to 2009.

**Table 1
Residential and General Service MWh Growth (excluding Large User class)**



In addition to the customer and load growth, the new housing and commercial buildings are being constructed in a manner that makes them more energy efficient and therefore less likely to realize the benefits from conservation programs. Furthermore, new houses in the Town of Milton are not only more energy efficient but consist of smaller townhouse and low-rise condominiums contributing to the decline in annual residential consumption per customer from 13,829 kWh (1152 kWh per month) per customer in 2001 to 9,278 kWh (773 kWh per month) per customer in 2009, representing a 32% reduction.

The recent increase in the number of customers and new construction, since 2001, makes the offering of conservation programs challenging. Two examples of the challenges facing Milton Hydro have been:

- the “Great Refrigerator Roundup” which is applicable to working refrigerators over 15 years old – Milton Hydro’s residential customer count 15 years ago (in 1994) was approximately 8,000, and apart from customers who may have moved into the Town of Milton with older appliances after 1994 approximately 16,800 residential customers may not be eligible to participate.

- the Small Commercial Direct Install Program, which retrofits lighting, had a take up of over 35% or approximately 800 of all eligible customers, however many of the remaining customers are in newer buildings with newer lighting and therefore did not qualify.

Milton Hydro began to bill customers on Time of Use (“TOU”) rates in October 2005 and as of July 2010 all customers will be billed on TOU rates. The early introduction of TOU billing coupled with Milton Hydro’s Conservation and Demand Management (“CDM”) activities has introduced a conservation culture in the Town of Milton well in advance of the recent Provincial mandate.

Given the unprecedented growth in the Town of Milton in the last nine years and the resulting 275% increase in consumption from both the Residential and Non-Residential customer classes, Milton Hydro submits that the energy consumption, derived from the 2008 OEB Distributors Yearbook, is overstated in relation to the average growth patterns of electricity distributors in Ontario. The result of using this higher than average consumption is that a larger percent of the provincial aggregate energy savings target of 6,000 GWh is being borne by Milton Hydro at a time when a conservation culture has already been well received in the Town of Milton.

Milton Hydro does not offer a solution to alleviate this concern at this time but would be prepared to discuss this issue with the OEB and or the OPA.

Respectfully submitted,

Original signed by Cameron McKenzie

Cameron McKenzie
Director, Regulatory Affairs
Milton Hydro Distribution Inc.