
Ontario Energy Board
P.O. Box 2319,
2300 Yonge Street,
Suite 2700,
Toronto, ON M4P 1E4

June 29, 2010

Attn: Kirsten Walli
Board Secretary

Re: Electricity conservation and Demand Management Targets – EB-2010-0216

Dear Ms. Walli,

In response to your letter of June 22, 2010, we wish to provide our comments with respect to the proposed CDM targets for LDC's.

We understand the CDM targets are allocated to each distributor based on their respective annual energy consumption as recorded in the 2008 OEB Yearbook of Electricity Distributors. Based on discussion with OEB staff we also understand a concern has been raised by other LDCs regarding whether the kWh sold to Hydro One, and reported within the annual energy consumption, should be included for the purposes of the CDM target allocation. Norfolk Power Distribution Inc. (NPDI) sells kWh to Hydro One, but at this time does not have a specific rate for them as an embedded distributor. If it is determined that the kWh sold to embedded distributors is removed from the CDM target calculation, NPDI requests that their target be recalculated with this amount removed.

Part of the process in defining the targets assumed that conservation potential and load growth is the same across the province. Unfortunately, statistics show that our particular growth has been lower than anticipated, at a rate of less than 0.5% per year over the last two years and our overall economic well being is less than the provincial average. These two dynamics will pose significant challenges on our ability to meet and exceed objectives without adjustments to our proposed targets.

It is our observation that peak consumption in both 2008 and 2009 were considerably lower than normal due to weather and economic conditions. Given that targets are set based on a percentage of overall provincial load, these two factors may not have significant bearing on the contribution required by any one LDC.

We appreciate the opportunity to provide comments to this process. Should you have any questions or concerns, please do not hesitate to contact us.

Sincerely,

NORFOLK POWER DISTRIBUTION INC.



Brad Randall, P.Eng.
President & CEO