



March 18, 2009

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

Dear Ms. Walli,

RE: Reporting for Funding Granted under Third Tranche of Market Adjusted Revenue Requirement ("MARR")

Please find enclosed the new requirements for CDM Third Tranche reporting as established in the Board's document **Requirements for Annual Reporting of Conservation and Demand Management ("CDM") Initiatives**.

As Brantford Power Inc. completed all Third Tranche funds by 2006, only Appendix D has been submitted. Also included are "Lessons Learned" and concluding statements.

Should you have any questions or concerns, please do not hesitate to call.

Sincerely,

Heather Wyatt
Manager of Regulatory Compliance and Governance,
Board Secretary

Telephone
519-751-3522
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519-753-6130

Appendix D - Total Life Evaluation of the CDM Plan

Table is to be completed manually by totalling the information from each year of activity

	⁵ Cumulative Totals Life-to-date	Residential	⁶ Low Income	Commercial	Institutional	Industrial	Agricultural	LDC System	⁴ Smart Meters	Other #1	Other #2
<i>Net TRC value (\$):</i>	\$ 179,185.00	\$ -	\$ 37,368.08	\$ -	\$ 26,264.34	\$	\$	\$ 190,289.00	n/a	\$ -	\$
<i>Benefit to cost ratio:</i>	1.18	n/a	0.48	n/a	2.04			1.21	n/a	n/a	
<i>Number of participants or units delivered:</i>	1,179	n/a	1,178	206	1			n/a	\$0	\$0	
<i>Lifecycle (kWh) Savings:</i>	33,746,161	n/a	583,187	n/a	919,584			32,243,390	n/a	n/a	
<i>Total kWh saved (kWh):</i>	1,158,760	n/a	122,573	n/a	114,948			921,240	n/a	n/a	
<i>Total peak demand saved (kW):</i>	160	n/a	2	n/a	13			145	n/a	n/a	
<i>Total kWh saved as a percentage of total kWh delivered (%):</i>	0.114%	n/a	0.012%	n/a	0.011%			0.090%	n/a	n/a	
<i>Peak kW saved as a percentage of LDC peak kW load (%):</i>	0.083%	n/a	0.001%	n/a	0.007%			0.076%	n/a	n/a	
¹ <i>Gross C&DM expenditures (\$):</i>	\$ 1,340,000.00	\$ 95,304.16	\$ 120,523.71	\$ 9,457.07	\$ 25,331.40	\$	\$	\$ 900,000.00	\$ 120,880.28	\$ 68,503.38	\$
² <i>Expenditures per kWh saved (\$/kWh):</i>	\$ 0.04	n/a	\$ 0.21	n/a	\$ 0.03	\$	\$	\$ 0.03	n/a	n/a	\$
³ <i>Expenditures per kW saved (\$/kW):</i>	\$ 8,390.00	n/a	\$ 75,564.00	n/a	n/a	\$	\$	\$ 6,207.00	n/a	n/a	\$
<i>Utility discount rate (%):</i>	7.7933										

¹ Expenditures are reported on cumulative basis.

² Expenditures include all utility program costs (direct and indirect) for all programs which primarily generate energy savings.

³ Expenditures include all utility program costs (direct and indirect) for all programs which primarily generate capacity savings.

⁴ Please report spending related to 3rd tranche of MARR funding only. TRC calculations are not required for Smart Meters. Actual expenditures for the total third tranche period need to be reported.

⁵ Includes total for the reporting year, plus prior years, if any (for example, 2008 CDM Annual report for third tranche will include 2007, 2006, 2005 and 2004 numbers, if any).

⁶ Includes totals from Low Income programs that fall under both commercial and residential.

2009 ANNUAL REPORT, CDM THIRD TRANCHE FUNDING
BRANTFORD POWER INC.

LESSONS LEARNED

The 2004/05 Conservation and Demand Management program provided the opportunity for staff to gain experience in the design and delivery of conservation and demand management programs, as well as develop methodologies for tracking, monitoring and evaluating those programs within the Total Resources Cost test framework.

With respect to specific programs in the 2004/05 Conservation and Demand Management portfolio, the following lessons were learned:

Distribution System Improvements converting voltages from 4.16 kV to 27.6 kV resulted in a net TRC value of \$190,289.00 and a benefit to cost ratio of 1.21 confirmed the benefits of voltage conversion as a sustained conservation and demand management program.

The **Key Accounts Seminar Series** with 3 seminars attended by a total of 206 participants demonstrated the interest in the commercial and industrial sector in conservation and demand management. Many of the participants in the seminars were actively involved in in-house conservation and demand activities indicating a capacity within the commercial and industrial sectors to undertake conservation and demand initiatives with appropriate price signals in place. Some participants, however, indicated an expectation or requirements for short payback periods of one year or less, when making Conservation and Demand Management investments.

The **Residential Water Heater Load Control Program**, which was an existing Brantford Power program idled at market opening, focused on system upgrades and staff training in order to reactivate the system. The 2004/05 provided staff the opportunity to update their skills to operate the load control system.

“**Conserving Homes**”, the low income consumer retrofit pilot program, while challenging in terms of program design and customer outreach, was an important component of the 2004/05 Conservation and Demand Management portfolio providing needed services to the particular group of low income consumers. Through partnership, Share the Warmth brought its expertise in the area of low-income energy consumers to the design and delivery of the program. Because reductions in energy consumption as a result of home assessments and parallel customer education about electricity conservation could not be quantified, those two elements of the program, critical to changing consumer behaviours, did not yield TRC benefits. While the

prescribed 10% free ridership rate was used for purposes of TRC calculations, Brantford Power suggests, given the target participants limited financial resources to acquire basic conservation measures like compact fluorescent bulbs, that the free ridership for this particular group of customers may be much lower.

Although **Customer Outreach** through communications and bill stuffers did not yield quantifiable electricity reductions, Brantford Power suggests that customer communications are critical to changing consumer electricity consumption behaviours and are a vital part of a Conservation and Demand Management program.

The **LED Traffic Signal Conversion Program** proved to be an easily implemented Conservation and Demand Management program with a net TRC value of \$36,264.34 and a benefit to cost ratio of 2.04.

CONCLUSION

Brantford Power is pleased to report that the programs outlined in our 2004-2005 Conservation and Demand Management Plan have been delivered. Our total CDM expenditures of \$1.34 million, representing our entire third tranche rate increase, resulted in a positive net TRC benefit. The programs we delivered, notably the groundbreaking low income conservation program "Conserving Homes," were very well received by customers. We learned from our 2004-2005 programs, and Brantford Power remains committed to delivering Conservation and Demand Management to our customers.

DISCUSSION ON REMAINING BALANCE OF THIRD TRANCHE CDM BUDGETS

There are no funds remaining in Third Tranche funding.