

# LakelandPower

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June 13, 2011

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

**Re: Conservation and Demand Management Code For Electricity Distributors –  
EB-2010-0215 – Lakeland Power Distribution Ltd. – ED-1999-0047**

- Attached please find an addendum to Lakeland Power Distribution Ltd.'s CDM Strategy as per the Board's request. The addendum contains estimated, prospective budgets for all planned OPA-Contracted Province-Wide CDM Programs and potential Board-Approved CDM Programs.

The addendum contains funding totals which account for the:

- Program Administration Budget ("PAB")
- Capability Building Funding ("CBF")
- Participant Based Funding ("PBF")
- Participant (or customer) Incentives ("PI").

The funding associated with the Provincial Low Income Program has been released at the time of preparing the addendum and as such has been included in the addendum to provide a complete summary of the program funding anticipated for 2011 – 2014 provincial programs (excluding any cost efficiency incentive).

The proposed funding for any Board Approved Programs was noted in the original submission and has been restated in the addendum to provide the full funding requirement.

Respectfully submitted,



Margaret Maw  
Chief Financial Officer  
Lakeland Power Distribution Ltd.

**Addendum to Lakeland Power Distribution Ltd. CDM Strategy**  
**EB-2010-0215**  
**ED-1999-0047**  
**Prepared June 10, 2011**

1. **Introduction:** This addendum forms part of the CDM Strategy previously filed with the Board as a requirement under the CDM Code EB-2010-0215. The addendum outlines the estimated, prospective budgets for all planned OPA-Contracted Province-Wide CDM Programs and potential Board-Approved CDM Programs. It is understood that the filing of the estimated budgets will complete the LDC’s requirements for filing a CDM Strategy.
  
2. **Information Outlined:** The addendum itemizes the specific Program Administrative Budgets for the major Provincial Programs. The addendum further outlines a total budget requirement for each of the Provincial Programs which includes funds for:
  - o Program Administration Budget (“PAB”)
  - o Capability Building Funding (“CBF”)
  - o Participant Based Funding (“PBF”)
  - o Participant (or customer) Incentives (“PI”).

The PAB budget was provided by the OPA as part of the registration process. The remaining budgets have been estimated as specific detailed funding information was not provided to the LDC by the OPA.
  
3. **Methodology for Determining Provincial Budget Allotments:** The budget allotted to the LDC was estimated by multiplying the budget for the provincial program by the percentage of the provincial target which the LDC represents. It is recognized that the specific LDC variations in customer demographics will impact on the activity in any given provincial initiative. However it is further assumed that the overall success on the family of initiatives contained in any program will, on average, approximate the overall percentages.
  
4. **Provincial Program Administrative Budget:** The PAB for the provincial program as indicated by the OPA at the time of registration is outlined in Table 1.

Table 1 – PAB Funding

Program	PAB Budget
Consumer	\$196,443
Commercial and Institutional	\$306,453
Industrial	\$40,000
Low Income	\$19,115
Total	\$562,011

5. **Provincial Program Budget:** The program budget is based on the LDCs portion of the provincial target of 0.17%. The provincial programs budgets utilized for the calculations were; Consumer – \$560,000,000, Commercial and Institutional – \$553,000,000, Industrial – \$218,000,000, Low Income – \$77,000,000.

The resulting budget for provincial programs delivered by the LDC is shown in the Table 2.

- 6. Board Approved Programs:** The Board Approved Program prospective budgets were outlined in the original strategy where it was anticipated additional programs would be required to meet the established targets. The Board Approved Program budgets are included in Table 2 to complete the prospective budget total.

Table 2 – Provincial and Board Approved Program Prospective Budgets

Program	Provincial	Board Approved	Total
Consumer	\$976,813	N/A	\$976,813
Commercial and Institutional	\$964,603	N/A	\$964,603
Industrial	\$380,259	N/A	\$380,259
Low Income	\$134,311	N/A	\$134,311
Total	\$2,455,986	N/A	\$2,455,986

- 7. Concluding Remarks:** The above budgets recognize that variations will occur due to program design, demographics, previous customer activity etc. Further many of the costs associated with the provincial programs will only be known to the LDC when reported by the OPA as many of the details of incentives, program costs and tracking will remain in their control. For provincial programs the LDCs will monitor the Program Administrative Budget and direct costs such as incentives approved along with target obtained. For Board Approved Programs the LDC will monitor all costs and compare to budgets on an on-going basis and adjust as required.