



PUC Distribution Inc.  
765 QUEEN STREET EAST, P.O. Box 9000  
SAULT STE. MARIE, ONTARIO, P6A 6P2

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August 23, 2007

Kirsten Walli, Board Secretary  
Ontario Energy Board  
P.O. Box 2319, 27<sup>th</sup> Floor  
2300 Yonge Street  
Toronto, ON  
M4P 1E4

Attention: Ms. Walli

**Re: Application by PUC Distribution Inc. requesting an extension  
of Conservation and Demand Management Programs to April 30, 2008.  
RP-2004-0203/ EB-2004-0458**

On March 3, 2005, PUC Distribution was granted approval of its CDM plan. The total approved budget for PUC Distributions CDM plan was \$886,854. As a condition of approval, PUC Distribution Inc. was ordered to apply to the Board for approval if cumulative fund transfers among programs exceed 20% of the approved budget. PUC Distribution is seeking to reallocate funds in the existing CDM programs that do not exceed 20% and an extension of the completion date for third tranche CDM expenditures from September 30, 2007 to April 30, 2008.

PUC Distribution Inc. also requests that the board dispose of this matter without a hearing pursuant to section 21(4)(b) of the Act. Section 21(4)(b) states that the Board may dispose of a proceeding without a hearing if the Board determines that *“no person, other than the applicant, appellant or licence holder will be adversely affected in a material way by the outcome of the proceeding and the applicant, appellant or licence holder has consented to disposing or proceeding without a hearing.”*

In 2007, PUC Distribution transferred funds among programs that did not exceed 20% of the approved budget to complete the Utility Asset Conversion Program.

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A summary of CDM activity to July 1, 2007 and proposed CDM spending plans to be extended to April 2008 is below:

| Program                             | Approved on<br>March 3/05 | Budget<br>Transfers (did<br>not exceed<br>20% ) | CDM<br>spending as<br>of July1/07 | Remaining<br>CDM funds | Revised CDM<br>spending to<br>be extended<br>to April 2008 |
|-------------------------------------|---------------------------|---|-----------------------------------|------------------------|--|
| Utility Asset<br>Conversion         | \$300,000                 | \$477,371                                       | \$477,371                         | \$0                    | \$0  |
| Customer<br>Conservation<br>Program | \$365,000                 | \$215,000                                       | \$124,994                         | \$90,006               | \$100,000  |
| Education and<br>Information        | \$145,000                 | \$117,629                                       | \$37,563                          | \$80,066               | \$70,000   |
| Partnership<br>Programs             | \$35,000                  | \$35,000  | \$31,581                          | \$3,419                | \$0  |
| Planning and<br>Coordination        | \$41,854                  | \$41,584  | \$33,945                          | \$7,639                | \$11,130   |
| Total                               | \$886,854                 | \$886,584                                       | \$705,454                         | \$181,130              | \$181,130  |

### **Customer Conservation Program**

PUC Distribution requests an extension of spending in the Customer Conservation Program of \$100,000 to April 30, 2008. PUC Distribution Inc. plans to contribute \$100,000 to the Downtown Community Improvement Project (CIP) that will target Residential and GS<50 rate classes. The funds will provide support for prospective electricity conservation measures relating to energy audits, energy efficient lighting/retro-fits, programmable thermostat controls for air condition/heating and energy efficient water heating & controls.

- The objective of the Downtown Community Improvement Project is to implement a series of initiatives that will attract private sector investment and help to maintain the Downtown as a vibrant administrative, business and cultural centre. CIP is permitted under section 28 of the planning act which allows municipalities the ability to provide grants and loans for the purpose of revitalization. The financial incentives of a CIP will be used for improvements for renovations such as interior retro-fits and improvements for energy efficiency.



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CIP will provide PUC Distribution with a work plan for each electricity conservation measure, consisting of a breakdown of the proposed activities identified in the audits describing in reasonable detail a minimum of 5% in energy savings.

### **Education and Information**

PUC Distribution requests an extension in CDM spending in Education and Information in the amount of \$70,000 to April 30, 2008. There are 3 programs within Education and Information that PUC proposes for the CDM funding that will target all rate classes.

1. Website presentment to meet Smart Meter and CIS initiative as proposed by regulatory requirements - \$50,000
2. Elementary School Energy Conservation initiative “Reduce the Use” - \$10,000  
“Reduce the Use” is an interactive web-based game designed as an ideal tool to teach children about energy conservation during their formative years.

“Reduce the Use” features two (2) animated characters, “Buzz” (an all powerful handyman controlled by the player) and “Curly” (a talking compact fluorescent bulb). Provided in the game are a variety of the most common causes of wasted energy in the home whereby the player will target and fix using Buzz, with helpful advice from Curly.

The game can be played in a classroom situation followed by a test evaluating student’s retention of energy conservation concepts. “Reduce the Use” is also accessible from any computer with internet access and can be enjoyed by families throughout the community.

In Sault Ste. Marie, both the Huron Superior Catholic District School Board and Algoma District School Board have formed a committee which includes two (2) Grade five (5) teachers from each school board to create three lesson plans that would consolidate the learning of students after they have had an opportunity to play the game.

In this way, the video game and the lessons could be integrated into the Grade five (5) science curriculums in the unit on conservation of energy for all teachers.

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PUC Distribution Inc. will continue further development of the “Reduce the Use” conservation game for curriculum development with the two school boards, for implementation during the 2007/2008 school year.

3. Web-based Daily Peak Demand and Load Summary - \$10,000.

The Primary goal of this web-based initiative is to increase local public awareness of daily peak and load demands to increase awareness about electricity conservation and to get people to proactively participate on an individual level so that the community as a whole achieves overall reduction in electricity use.

The Web-based initiative will show the correlation of temperature (summer and winter conditions) date and time of day, with current peak demand compared to the previous day's data, for the same period. The LDC System Load Data will be updated three (3) times daily @ seven (7) AM, Noon and six (6) PM to show the community the current peak demand verses yesterday at the same time. The website will also show an average, below average and above average load profile. Peak demand approaching the above average indicator will automatically trigger a request for the public to reduce the use. This is intended to get cooperation from the community to take pro-active measures to help lower the provincial demand for electricity when requested by the system operator.

### **Planning and Coordination**

PUC Distribution Inc. requests an extension in the Planning and Coordination Program of \$11,130 to April 30, 2008. This extension will allow for the continuation of monitoring and evaluating of the Conservation and Demand plan until the end of the program including the annual and final report preparation costs to be submitted to the Ontario Energy Board.

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