Aiken & Associates
578 McNaughton Ave. West
Chatham, Ontario, N7L 4J6
Phone: (519) 351-8624
E-mail: randy.aiken@sympatico.ca

January 26, 2012

Ms. Kirsten Walli
Board Secretary
Ontario Energy Board
P.O. Box 2319
27th Floor
2300 Yonge Street
Toronto, Ontario, M4P 1E4

Dear Ms. Walli:

Re: EB-2012-0003 – Conservation and Demand Management (CDM) Guidelines for Electricity Distributors - Comments of the London Property Management Association

This letter is in response to the Board's January 5, 2012 letter related to the above noted proceeding. Two paper copies have been provided to the Board and an electronic version has been filed through the Board's web portal at www.errr.ontarioenergyboard.ca.

These are the comments of the London Property Management Association ("LPMA") on the Board's recently developed CDM Guidelines. LPMA notes that it has been provided with a draft of the comments of the Vulnerable Energy Consumers Coalition ("VECC"). LPMA supports those very thorough submissions.

Section 1. - Overview

LPMA submits that the Board should emphasize in the Overview that all aspects of the 2008 CDM guidelines, with the exception of the LRAM and SSM calculations for CDM programs delivered before 2011, are superseded by this document and the CDM Code. While this is stated in Section 14, LPMA believes it should stated at the beginning of the document to ensure recognition of this change by all affected parties.

Section 3. - CDM Targets (Time of Using Pricing)

LPMA supports the Board's view that any evaluations of savings from TOU pricing should be conducted by the OPA for the province with this amount then allocated to distributors. LPMA shares the concern that if individual distributors conducted their own evaluations, the result may be that the aggregate savings of all distributors could be in excess of the savings assessed for the province as a whole by the OPA.

Section 13. - Lost revenue Adjustment Mechanism (LRAM)

LPMA strongly supports the concept that the LRAM must be symmetrical. While the LRAM should not act as a disincentive to distributors, it should also provide protection to ratepayers. Without this symmetry, distributors could be inappropriately compensated for lost revenues that were, in fact, not lost. In other words, ratepayers could end up paying for CDM savings that did not occur. Obviously, this would not be an appropriate result.

Section 13.2 - LRAM Mechanism for 2011-2014

LPMA notes that the Board has indicated that distributors must calculate the full year impart of CDM programs on a monthly basis, based on the volumetric impact of the load reduction arising from the CDM measures implemented in that month, multiplied by the distributor's Board-approved variable distribution charge applicable to the customer rate class in which the volumetric variance occurred. LPMA believes that this means that if a CDM measure is not in place for the full year, then the distributor can only claim savings for the months in the year for which the measure was in place. LPMA supports this approach. Again, the distributor should not receive credit for, and ratepayers should not pay for, savings that did not actually occur.

LPMA notes the issue raised by VECC in their Comments related to the conversion of peak kW CDM savings into billing kW reductions. LPMA supports the VECC proposal that the Board should require distributors to clearly document how this translation from peak savings to billing reductions has been calculated.

In order to expedite the clearance of LRAM balances in the future, LPMA submits that it would be beneficial to all parties if the amount of CDM savings by rate class were expressly stated in rate orders that result from Board Decisions and/or Settlement Agreements when a distributor's rates are rebased. This would ensure that the level of CDM program activities included in the distributor's load forecast and embedded in rates, would be known with certainty. This would eliminate any potential for disagreements at the time of the request for the clearance of the LRAM relative to the base that was included in rates for each rate class. LPMA believes that this would be important for both the kWh and kW CDM impacts built into rates.

Sincerely,

Randy Aiken

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Aiken & Associates