



**RP-2004-0203
EB-2006-0190**

IN THE MATTER OF the *Ontario Energy Board Act, 1998*,
S.O. 1998, c.15 (Schedule B);

AND IN THE MATTER OF an application by Hydro
Ottawa Limited to amend its Conservation and Demand
Management Plan

PROCEDURAL ORDER NO. 1

On July 27, 2006 Hydro Ottawa Limited (“Hydro Ottawa”) applied to the Ontario Energy Board (the “Board”) to redirect funds within its Conservation and Demand Management (“CDM”) plan (attached as Appendix “A”). The Board has assigned this application file EB-2006-0190 to this application.

Hydro Ottawa received approval of its CDM plan and budget on February 3, 2005. The approved budget is \$9,279,000 which is equivalent to Hydro Ottawa’s third instalment of its incremental market adjusted revenue requirement. In approving Hydro Ottawa’s CDM plan the Board imposed a number of conditions. One of those conditions required that Hydro Ottawa apply to the Board if it wanted to propose cumulative fund transfers among programs exceeding 20% of the approved budget. Hydro Ottawa is now applying for Board approval for such a transfer.

The Board is of the view that this application is a motion pursuant to section 42.01 of the Board’s *Rules of Practice and Procedure* (the “Rules”). The grounds for a motion under this section of the Rules are laid out in section 44.01. Legitimate grounds may include a change in circumstances and new facts that have arisen and were not included in evidence at the time of the proceeding.

The Board will allow parties that intervened in Hydro Ottawa’s original CDM application as well as the third tranche CDM proceeding to comment on the proposed change. Hydro Ottawa will then be allowed an opportunity to respond to those submissions.

At this time, the Board considers it necessary to make provisions for the following procedural matter. Please be aware that further procedural orders may be issued from time to time.

THE BOARD ORDERS THAT:

1. Parties identified in Appendix "B" shall make submissions, if any, to the Board respecting Hydro Ottawa's proposed change as described in Appendix "A". All submission shall be made on or before September 29, 2006.
2. Hydro Ottawa shall file reply submissions, if any, on or before October 13, 2006.
3. **All filings with the Board noted in the Order must be in the form of 10 hard copies and received by the Board by 5:00 p.m. on the stated date.**
The Board requires all correspondence to be in electronic form as well as paper. Therefore, all parties must also e-mail an electronic copy of their filings in searchable PDF or MS Word to the Board Secretary at Boardsec@oeb.gov.on.ca.

DATED at Toronto, September 20, 2006

ONTARIO ENERGY BOARD

Original signed by

Peter H. O'Dell
Assistant Board Secretary

APPENDIX "A"

TO PROCEDURAL ORDER NO. 1

BOARD FILE NO. EB-2006-0190

DATED: September 20, 2006

APPLICATION BY HYDRO OTTAWA

Hydro Ottawa Limited
3025 Albion Road North, PO Box 8700
Ottawa, Ontario K1G 3S4
Tel.: (613) 738-6400
Fax: (613) 738-6403
www.hydroottawa.com

Hydro Ottawa limitée
3025, chemin Albion Nord, C.P. 8700
Ottawa (Ontario) K1G 3S4
Tél. : (613) 738-6400
Télééc. : (613) 738-6403
www.hydroottawa.com



July 27, 2006

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

Attn: Board Secretary

Re: RP-2004-0203\EB-2004-0487
Hydro Ottawa Limited
Request for Approval of Modification to Conservation and Demand Management
Spending

On February 3, 2005 Hydro Ottawa Limited ("Hydro Ottawa") received approval for a budget of \$9,279,000 for its conservation and demand management (CDM) plan as submitted for the Board's review in the application dated November 4, 2004 and amended on December 6, 2004. The approved budget is included in Appendix A for reference.

As per the Final Order, Hydro Ottawa is required to 'apply to the Board for approval if cumulative fund transfers among programs exceed 20% of the approved budget' (i.e. \$1,855,800).

In the process of doing our planning for the final year of 3rd tranche CDM spending, we have evaluated our results to date and reviewed directions from the Ministry of Energy and Ontario Power Authority (OPA) Conservation Bureau. As a result, Hydro Ottawa wishes to redirect some of its CDM funds in order to further align our plan with the Provincial goal of building a culture of conservation. It should be noted that this is an administrative matter related to the reallocation of funds between existing programs from Hydro Ottawa's original CDM plan, not the introduction of new programs.

Hydro Ottawa hereby request the Board's approval for modifications to our CDM plan. One of the key lessons learned to date is that creating a conservation culture is a challenging communications effort that requires the delivery of multiple customer messages combined with a broad variety of programs for each market sector. For this reason, Hydro Ottawa is proposing to provide a stronger focus initially on the Residential and Small Commercial (<50 kW) customers to accelerate the development of this conservation culture.

Accordingly, Hydro Ottawa proposes to transfer funds from the Commercial, Industrial and Institutional (CI&I), Distributed Energy and Distribution Line Reduction Program areas into the very successful area of Residential and Small Commercial Programs. The modifications for which approval is sought are as follows:

1. Increase spending by \$3,100,000 in the Residential and Small Commercial (< 50 kW) Program Area

This increased spending will be used to test additional pilot programs and expand those pilots programs that have achieved successful results. For example, Project Porchlight (part of Co-branded Mass Marketing) started with 25,000 CFL bulbs being delivered door to door and will now be expanded to Hydro Ottawa's full service area (approximately 250,000 bulbs). The Refrigerator Buy Back Pilot was extremely well received. The original goal of 500 fridges was achieved within 6 weeks, less than half the time expected. Increased funding will allow us to further improve efficiencies and costs in the reclamation process and target a larger number of fridges. In addition, the program has been expanded to include freezers.

Hydro Ottawa proposes to expand the Residential Load Control Program through the PeakSaver program, which will target residential and small commercial customers' central air conditioners with outside condensers. Controlling these loads will directly reduce the summer peak kW's and help ease Ontario's constrained supply.

In order to provide the above programs as well as other planned residential pilots, it is necessary to reduce spending on other programs to stay within our allowable budget. Therefore Hydro Ottawa is also requesting approval of the following modification to our approved CDM budget:

2. Decrease program spending in the following areas:

Distribution Loss Reduction	\$1,900,000
Commercial, Industrial & Institutional (> 50 kW)	\$800,000
Load Displacement	\$300,000
Program Support	\$100,000
Total	\$3,100,000

Hydro Ottawa is spending \$1.2M on Distribution Loss Reduction Pilot Programs as part of the CDM funding. This includes five different initiatives: installation of an AdaptiVolt® system to optimize the voltage on station feeders, transformer loss reduction, optimization of the distribution system configuration, voltage conversion and power factor correction. Once the results of these pilot programs are known, Hydro Ottawa will be budgeting for additional Distribution Loss Reduction initiatives in operating and capital plans for future years. Hydro Ottawa has recently filed with the OEB a plan to reduce distribution losses by 5%.

Hydro Ottawa is mindful of the requirement to complete 3rd tranche CDM spending by September 2007. Although our PowerWISE Business Incentive Program has been successful to date, participants and results have been limited due to the long program approval cycles within CI&I organizations. Their

budgeting and approval process requires a significant amount of time when considering and implementing new, previously unbudgeted programs. Because of the requirement to ensure that 3rd tranche CDM expenditures are completed by Sept 2007, Hydro Ottawa is requesting that funds from the CI&I Load Control Initiative and Design Advisory Program be redirected to Residential Programs. CI&I programs are being planned as an integral part of 2nd generation CDM programs.

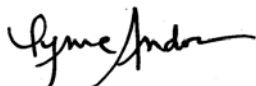
For the Load Displacement Program, Hydro Ottawa is completing a demonstration site for a solar thermal collector system, designed to provide both space heating and water heating. However, the project will be completed for less than the budgeted amount. As a result, approval is being sought to transfer the excess funds to the Residential and Small Commercial (< 50 kW) Program area.

As a result of efficiencies in Program Support, Hydro Ottawa also requests approval to reduce the spending in this area and transfer it to the Residential and Small Commercial (< 50 kW) Program area.

There is no overall change in our CDM budget, which will be fully spent by September 2007. The requested changes are summarized in Appendix A.

Please direct any questions or comments to the undersigned at (613) 738-5499 ext. 527 or lynneanderson@hydroottawa.com.

Yours truly,

A handwritten signature in black ink, appearing to read "Lynne Anderson".

Lynne Anderson
Director, Regulatory Services
Hydro Ottawa

APPENDIX A

HYDRO OTTAWA REQUESTED CHANGES TO CDM BUDGET

CDM PROGRAM	Approved Budget (\$000)	Revised Budget for Approval (\$000)	Change (\$000)
CONSERVATION AND DEMAND MANAGEMENT-Residential and Small Commercial (< 50 kW)	\$1,949	\$5,049	+\$3,100
CONSERVATION AND DEMAND MANAGEMENT-Commercial, Industrial & Institutional Market (>50 kW)	\$2,783	\$1,983	-\$800
DISTRIBUTION LOSS REDUCTION	\$3,155	\$1,255	-\$1,900
DISTRIBUTED ENERGY	\$928	\$628	-\$300
PROGRAM SUPPORT	\$464	\$364	-\$100
TOTAL	\$9,279	\$9,279	\$0

APPENDIX “B”

TO PROCEDURAL ORDER NO. 1

BOARD FILE NO. EB-2006-0190

DATED: September 20, 2006

INTERVENTION LIST

Intervention List
RP-2004-0203/ EB-2004-0487
Hydro Ottawa Intervention
Conservation and Demand Management Plan
APPLICANT & LIST OF INTERVENTIONS

Last update: September 14, 2006

Applicant

Rep. And Address for Service

1. **Hydro Ottawa Limited**

Lynne Anderson
Director, Regulatory Services
3025 Albion Rd. N.
Ottawa, ON
K1G 3S4
Tel: 613-738-5499 ext.527
Fax: 613-738-5485
E-mail: lynneanderson@hydroottawa.com

Intervenors

1. **Enbridge Gas Distribution Inc.**

Dave Matthews
Manager, Regulatory Affairs
Enbridge Gas Distribution Inc.
500 Consumers Road
North York, ON
M2J 1P8
Direct Line 416-495-5023
Fax 416-495-6072
E-Mail david.matthews@enbridge.com

AND

Patrick Hoey
Director Regulatory Affairs
Enbridge Gas Distribution Inc.
500 Consumers Road
North York, Ontario
M2J 1P8
Tel: 416-495-5555
Fax: 416-495-6072
E-mail: patrick.hoey@enbridge.com

2. **Green Energy Coalition (GEC)**

Mr. David I. Poch
c/o Green Energy Coalition (GEC)
Barrister & Solicitor
1649 Old Brooke Road, R.R. 2
Maberly, Ontario
K0H 2B0
Tel: 1-613-264-0055
Fax: 1-613-264-2878
E-mail: poch@perth.igs.net

3. **Pollution Probe**

Jack Gibbons
Pollution Probe
625 church Street, Suite 402
Toronto, Ontario
M4Y 2G1
Tel: 416-926-1907 Ext. 240
Fax: 416-926-1601
E-mail: jgibbons@pollutionprobe.org

AND

Murray Klippenstein
Barristers & Solicitors
160 John Street, suite 300
Toronto, Ontario
M5V 2E5
Tel: 416-598-0288
Fax: 416-598-9520
E-mail: murray.klippenstein@klippensteins.ca

4. **VECC**

Michael Janigan
Counsel for VECC
1649 Old Brooke Road
c/o Public Interest Advocacy Centre (PIAC)
Ottawa, On
K1N 7B7
Tel 1-613-562-4002 ext 26
Fax: 1-613-562-0007
E-mail: mjanigan@piac.ca

AND

Dr. Roger Higgin
Managing Associate,
c/o VECC
Econalysis Consulting Services
630-34 King street East
Toronto, ON
M5C 2X8
Tel
Fax:
E-mail: rhiggin@econalysis.ca

5. **School Energy Coalition (SEC)**

Jay shepherd
Shibley Righton LLP
Barristers and Solicitors
c/o the School Energy Coalition
250 University Avenue, Suite 700
Toronto, Ontario
M5H 3E5
Tel: 416-214-5224
Fax: 416-214-5424
E-Mail Jay.shepherd@shibleyrighton.com

AND

John De Vellis
Shibley Righton LLP
Barristers and Solicitors
250 University Avenue, Suite 700
Toronto ON M5H 3E5
Tel: 416-214-5232
Fax: 416-214-5432
e-mail: john/devellis@shibleyrighton.com

6. **The Canadian Manufacturers & Exporters (CME)**

Brian Dingwall
Counsel to CME
Barrister & Solicitor
355 Blythwood Road
Toronto, Ontario
M4N 1A7
Tel: 416-489-2205
Fax: 416-863-1007
E-mail: brian.dingwall@sympatico.ca

AND

Carol Street
Eberts, Symes, Street and Corbett
133 Lowther Ave.
Toronto, Ontario
M5R 1E4
Tel: 416-920-3030
Fax: 416-920-3033
E-mail: street@essac.com

AND

Malcolm Rowan
Canadian Manufacturers & Exporters
361 Lytton Blvd.
Toronto, Ontario
M5N 1R9
Tel: 416-482-6612
Fax: 416-482-8446
E-mail: malcolmrowan@sympatico.ca

7. **Union Gas Limited**

Patrick McMahon
Manager, Regulatory Research and Records
Union Gas Limited

50 Keil Drive North
Chatham Ontario
N7M 5M1
Tel: 519-436-5325
Fax: 519-436-4641
E-mail: pmcmahon@uniongas.com

8. **Energy Probe**

David MacIntosh
Consultant
c/o Energy Probe
225 Brunswick Avenue
Toronto Ontario
M5S 2M6
Tel: 416-964-9223 Ext. 235
Fax: 416-964-8239
E-mail: DavidMacIntosh@nextcity.com

AND

Thomas Adams
c/o Energy Probe
225 Brunswick Avenue
Toronto Ontario
M5S 2M6
Tel: 416-964-9223 ext.239
Fax: 416-964-8239
E-mail: TomAdams@nextcity.com

9. **Association of Major Power
Consumers in Ontario (AMPCO)**

Arthur Dickinson
President, AMPCO
595 Bay Street, Suite 1201
P.O. Box 69
Toronto, Ontario
M5G 2C2
Phone: 416-260-0225
Fax: 416-260-0442
E-mail: adampco@istar.ca

10. **Consumers Council of Canada
("CCC")**

Robert B. Warren
WeirFoulds
Barristers & Solicitors
The Exchange Tower
Suite 1600, P.O. Box 480
130 King Street West
Toronto, Ontario
M5X 1J5
Tel: 416 365 1110
Fax: 416 365 1876
e-mail: rwarren@weirfoulds.com

AND

Julie Girvan
2 Penrose Road
Toronto, Ontario
M4S 1P1
Tel: 416-322-7936
Fax: 416-322-9703
e-mail: jgirvan@ca.inter.net

**11. Building Owners & Managers
Association of the Greater
Toronto Area (BOMA)**

Chuck Strandling
20 Queen Street West
Suite 2012
Toronto, ON M5H 3R3
Tel: 416-596-8065 xt24
Fax: 1-416-596-1085
e-mail cstradling@bomatoronto.org

**12. Electricity Distributor's
Association (EDA)**

Dennis Flaherty
Vice President, Communications and Member
Relation
3700 Steeles Avenue West
Suite 1100
Vaughan, ON L4L 8K8
Tel 905-265-5300
Fax 905-265-5301
E-mail: dflaherty@eda.on.ca