



EB-2007-0047

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 Horizon Utilities Corporation seeking an order to make changes to its Conservation and Demand Management plan;

AND IN THE MATTER OF an application by Horizon Utilities Corporation under section 21(4)(b) of the *Ontario Energy Board Act, 1998*, seeking to dispose of the proceeding without a hearing.

BEFORE: Gordon Kaiser
Presiding Member and Vice Chair

Cathy Spoel
Member

DECISION AND ORDER

Horizon Utilities Corporation (“Horizon”) filed an application, dated February 12, 2007 for an order to approve changes to its Conservation and Demand Management (“CDM”) plan. Horizon has also requested, pursuant to subsection 21(4)(b) of the *Ontario Energy Board Act, 1998* (the “Act”) that the Ontario Energy Board (the “Board”) dispose of the proceeding without a hearing. The Board’s assigned file number EB-2007-0047 to this application.

On March 1, 2005 the former Hamilton Hydro Inc. (“HHI”), and the former St. Catharines Hydro Utility Services Inc. (“SCHUSI”) were amalgamated to form Horizon.

Prior to amalgamation, in February 2005, HHI and SCHUSI had received approval for their CDM plans and budgets in the amounts of \$5,240,000 and \$1,830,534, respectively.

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Horizon was ordered to apply to the Board for approval if cumulative fund transfers among programs exceeded 20% of the approved budget.

Horizon proposes to transfer a total of \$957,100 between two Horizon capital programs and a total of \$737,000 between various customer CDM programs. Horizon has provided a revised breakdown, detailing changes to the CDM budget plan in Appendix A to this Decision and Order.

Horizon proposes to reallocate \$773,300 from the Distribution Loss Reduction program to a Distributed Energy – Stand-by generators program. This includes two natural gas powered standby generators in St. Catharines and Hamilton.

With respect to residential and small commercial CDM activities (<50kW), Horizon proposes to transfer \$188,400 in capital from a smart meter pilot program to two successor programs. It is proposed that \$127,700 be transferred to the Co-branded mass market capital program, and also proposed to transfer \$60,700 to a Distributed Energy - Stand-by generators program. Horizon has also requested that a further \$83,400 remaining from Energy Audit programs be transferred to the Co-branded mass market capital program.

With respect to Commercial, Industrial & Institutional activities (>50kW), Horizon proposes to transfer \$49,200 from a completed smart meter initiative to Distributed Energy – Stand-by generators program. Also proposed is to transfer a residual balance of \$9,500 from energy audit & feasibility studies to the LED retrofit program in the City of Hamilton. Horizon also requested an extension of time until March 31, 2008, in order to complete these two programs.

Horizon proposes that \$75,000 in unused capital allocation be transferred to three separate programs as follows: \$24,400 to meet excess customer demand for conservation/load management programs, \$20,000 to cover smart meter cost overruns, and \$30,600 to LED retrofits for traffic lights.

Horizon requests to transfer \$56,400 of unutilized capital to the Peak Saver program for residential customers. Horizon also requested a transfer of \$183,800 of capital spending and \$275,100 operating incentives, due to poor uptake of load displacement programs, as follows, and to transfer \$183,800 to Distributed Energy –

Standby generators program and \$275,100 to support Co-branded mass market program requests.

Horizon has also requested the Board dispose of this matter without a hearing pursuant to section 21(4)(b) of the Act. Section 21(4)(b) of the Act 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 of a proceeding without a hearing.*”

Horizon issued public notice of its original CDM application under (RP-2004-0203/ EB-2004-0488 and EB-2004-0523). There were no intervenors in the application and the Board finds that no person will be adversely affected in a material way by the outcome of this proceeding, and therefore finds that a hearing is not necessary.

The Board finds that the activities proposed by Horizon qualify as CDM activities.

The Board approves the re-allocation of funds as proposed by Horizon.

THE BOARD ORDERS THAT:

1. Horizon is granted approval to transfer a total of \$957,100 between two Horizon capital programs and a total of \$737,000 between various customer CDM programs as set out in Appendix A to this Decision and Order.
2. Horizon is granted an extension for the stand-by generation program and the LED retrofits for traffic lights program until March 31, 2008.

DATED at Toronto, March 22, 2007

ONTARIO ENERGY BOARD

Original signed by

Peter H. O'Dell
Assistant Board Secretary

**APPENDIX "A" TO
DECISION AND ORDER
BOARD FILE No. EB-2007-0047
DATED MARCH 22, 2007**

Horizon Utilities Corporation
Distribution Licence No. ED-2006-0031
Revised Conservation Demand Management Plan for Approval
Appendix A

Project Description	Approved CDM Budget			Transfers Requested						Revised CDM Budget				
	Capital	Operating	Total	Capital			Oper'g			Total	Capital	Operating	Total	
Residential & Small Commercial (<50kW)														
Co-branded mass market program	-	691,300	691,300	127,700				275,100		83,400	486,200	127,700	1,049,800	1,177,500
SMART meters pilot (residential & small commercial)	1,644,000	138,600	1,782,600	(127,700)	(60,700)						(188,400)	1,455,600	138,600	1,594,200
Energy audit program	-	271,300	271,300					(83,400)			(83,400)	-	187,900	187,900
Social housing program	-	281,700	281,700								-	-	281,700	281,700
Commercial, Industrial & Institutional (> 50 kW)														
SMART meter program (commercial, industrial & institutio	519,000	28,800	547,800			(49,200)		20,000			(29,200)	469,800	48,800	518,600
Energy audits & feasibility studies	-	117,400	117,400						(9,500)		(9,500)	-	107,900	107,900
LED retrofits for traffic lights	-	67,800	67,800					30,600	9,500		40,100	-	107,900	107,900
Leveraging conservation and/or load management progr	75,000	120,700	195,700	(75,000)				24,400			(50,600)	-	145,100	145,100
Load control initiative														
Distribution Loss Reduction	633,720	107,180	740,900	(56,400)				56,400			-	577,320	163,580	740,900
Distribution loss reduction														
Distributed Energy	838,780	18,470	857,250	(773,300)							(773,300)	65,480	18,470	83,950
Load displacement														
Stand-by generators														
	183,800	341,400	525,200	(183,800)				(275,100)			(458,900)	-	66,300	66,300
Other	50,000	19,600	69,600	773,300	60,700	49,200	183,800				1,067,000	1,117,000	19,600	1,136,600
Other C&DM costs -Support & Administration														
	-	922,300	922,300								-	-	922,300	922,300
Totals														
	3,944,300	3,126,550	7,070,850	(315,200)	-		183,800	48,000	-	83,400	-	3,812,900	3,257,950	7,070,850

Distribution Loss Reduction	773,300
SMART meters pilot (resident & small comm OPEX)	60,700
SMART meters pilot (resident & small comm CAPEX)	127,700
Energy audit program	83,400
SMART meter program (commercial, ind. & instit. CAPEX)	49,200
Energy audits & feasibility studies	9,500
Leveraging conservation and/or load mgmt programs	75,000
Load control initiative-Peak Saver-Resid & Comm.	56,400
Load displacement (CAPEX)	183,800
Load displacement (OPEX)	275,100