



PETERBOROUGH DISTRIBUTION INC.

1867 Ashburnham Drive, PO Box 4125, Station Main
Peterborough ON K9J 6Z5

June 10, 2011

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

**Conservation and Demand Management Code for Electricity Distributors
Board File No. EB-2010-0215: Peterborough Distribution Inc.
CDM Strategy Addendum**

Dear Ms Walli:

As per the Boards letter dated November 23, 2010, Peterborough Distribution Inc. is directed to file an addendum to its CDM Strategy containing the following information:

- Annual milestones for electricity and peak demand savings associated with each program.
- Estimated, prospective budgets for planned OPA-Contracted Province-Wide CDM Programs and Board-Approved CDM Programs.

Please find attached Peterborough Distribution Inc. addendum to its 2011-2014 Conservation and Demand Management Strategy previously submitted and dated November 1, 2010.

Yours very truly,

David Whitehouse
Director Corporate and Customer Service
Conservation Officer
Telephone (705) 748-9301 ext 1270
Fax 705-748-4358
E-mail dwhitehouse@peterboroughutilities.ca

Addendum to Peterborough Distribution Inc.'s Conservation and Demand Management Strategy

Background

This document responds to a request from the Ontario Energy Board (OEB) to supplement the filing by Peterborough Distribution Inc. (PDI) of a strategy for meeting energy and demand reduction targets over the period from 2011 to 2014. The supplement provides a preliminary budget and reduction targets for the PDI programs.

On November 1, 2010, PPDI submitted its Conservation and Demand Management (CDM) Strategy to the OEB.

On November 12, 2010, the OEB issued its Decision and Order for the 2011-2014 CDM Targets. PDI's CDM target for total reduction in Peak Provincial Electricity Demand was reduced from 9MW to 8.72MW and the target for total reduction in Electricity Consumption changed from 39 GWH to 38.45 GWH.

On November 23rd, 2010, PDI received a letter from the OEB requesting an addendum to its CDM strategy to include estimated, prospective budgets for planned OPA-Contracted Province-Wide CDM Programs and Board-Approved CDM Programs as well as annual milestones for electricity and peak demand savings associated with each program. The Board letter stipulated that the addendum was to be filed 21 days after the finalization of the OPA's funding formula. The letter also stated that budgets associated with the OPA's Low Income program did not need to be included in the addendum.

PDI received from the OPA their Program Administrative Budget for the four year period of 2011-2014.

On February 18th the Board issued a notice to all licensed electricity distributors, which stated that there are five funding components that form the complete funding envelope for the OPA programs. The five funding components are:

- Program Administrator Budget (PAB)
- Capability Building Funding (CBF)
- Participant Based Funding (PBF)
- Participant (or customer) Incentives (PI or CI)
- Cost Efficiency Funding (CEI)

The OEB stated that they would like to receive PDI's projected budgets for all of the funding components noted above except for Cost Efficiency Funding.

On May 20th the Board confirmed that the OPA funding formula had been finalized and is available to all distributors. The Board requested that distributors file the required addendum no later than June 13, 2011.

Targets

OPA-Contracted Programs - Estimated Targets

In response to the Boards directive, Peterborough Distribution Inc. has utilized the best available information to reach the anticipated targets for Residential, Commercial and Industrial programs. The OPA Resource Planning Tool was used to assist with the development of savings, and adjustments were made to reflect individual distribution area consumer base and CDM history.

Annual electricity and peak demand savings milestones for OPA-Contracted CDM Programs are as follow:

OPA-Contracted Province-Wide CDM Programs								
Year	Consumer		C&I		Industrial		Low Income	
	GWh	MW	GWh	MW	GWh	MW	GWh	MW
2011	2.36	0.38	5.09	1.02	1.60	0.39		
2012	3.49	0.56	5.21	1.04	1.65	0.40	t	t
2013	3.90	0.63	5.32	1.06	1.66	0.40	b	b
2014	3.97	0.64	5.41	1.08	1.65	0.40	d	d
	13.71	2.21	21.04	4.20	6.56	1.60		

Potential Board-Approved Programs - Estimated Targets

Custom Board-Approved Programs are still under investigation to determine TRC and EM&V. It is PDI's intention to supplement OPA-Contracted Programs to ensure that OEB prescribed targets are met or exceeded. We fully anticipate the additional decrease, not yet captured in the totals below, or Low Income Program above, will provide the necessary MW reductions to meet our target.

Annual estimated electricity and peak demand savings milestones for potential Board-Approved CDM Programs are as follow:

Potential Board Approved Programs										
Year	Thermal Storage Heating (TSH)		Holiday Lighting Exchange		CFL Lighting Exchange		Phantom Energy Power Bar		Off Peak Water Heater Load	
	GWh	MW	GWh	MW	GWh	MW	GWh	MW	GWh	MW
2011	-	n/a	0	n/a						
2012	0.22	n/a	0.03	n/a	t	t	t	t	t	t
2013	0.65	n/a	0.03	n/a	b	b	b	b	b	b
2014	1.09	n/a	0.03	n/a	d	d	d	d	d	d
	1.96		0.11		-	-	-	-	-	-

Target MW	8.72	Total MW from Tier 1 and Tier 2	8.01
Target GWh	38	Total GWh from Tier 1 and Tier 2	43.27

Budget

OPA-Contracted Programs - Estimated Budget

The preliminary budget summarized in this document covers four of the five funding components outlined in the Board's February 18th notice. A budget for CEI was not included as this will be an amount rewarded to LDCs at the end of the program's life for implementing their OPA-Contracted Programs in a cost efficient manner.

As the funding is now available for the Low Income Program, these budget estimates are also included.

Our budget estimates for OPA-Contracted Programs are based on maximizing use of funding available in order to meet the required MW and GWH targets for Peterborough Distribution Inc. We remain mindful of the fact that it is objective of the OEB and PDI to ensure cost efficiency whenever possible.

The following table provides a breakdown of the estimated budgets for the OPA-Contracted Province-Wide Programs as known to date. We have based our projections using the OPA methodology for funding calculations. It is PDI's intent to manage funds effectively in order to be eligible for the CEI funding.

Year	OPA-Contracted Province-Wide CDM Programs			
	Consumer	Commercial & Institutional	Industrial	Low Income
2011	\$ 226,772.73	\$ 365,155.30	\$ 47,845.64	\$ 24,018.97
2012	\$ 226,772.73	\$ 273,866.48	\$ 35,884.23	\$ 24,018.97
2013	\$ 151,181.82	\$ 182,577.65	\$ 23,922.82	\$ 24,018.97
2014	\$ 151,181.82	\$ 91,288.83	\$ 11,961.41	\$ 24,018.97
OPA Total	\$ 755,909.11	\$ 912,888.26	\$ 119,614.11	\$ 96,075.86

Potential Board-Approved Programs – Estimated Budget

The following table provides a breakdown of the estimated budgets for the potential Board-Approved CDM Programs as known to date:

Year	Potential Board Approved Programs				
	Thermal Storage Heating (TSH)	Holiday Lighting Exchange	CFL Lighting Exchange	Phantom Energy Power Bar	Off Peak Water Heater Load Shifting
2011	\$ 25,000.00				
2012	\$ 673,000.00	t	t	t	t
2013	\$ 1,332,000.00	b	b	b	b
2014	\$ 1,331,000.00	d	d	d	d
OPA Total	\$ 3,361,000.00	\$ -	\$ -	\$ -	\$ -

PDI is exploring collaboration opportunities with other LDC's on custom programs in order to maximize the cost effectiveness of all programs.

Final budget numbers for both OPA-Contracted and Board-Approved Programs may also differ depending on the following, yet to be determined, variables:

- Technologies and measures implemented
- Details of program design and actual cost delivery cost
- Ability to meet typical costs in the Peterborough service territory
- Possible need for programs to exceed energy targets in order to meet demand targets

Peterborough Distribution Inc. will report on the evolution of CDM budgets and targets in its annual report submissions to the Board.

