March 30, 2007

Ontario Energy Board
Attn: Kirsten Walli, Board Secretary
PO Box 2319
27th Floor
2300 Yonge Street
Toronto ON M4P 1E4

Re: E.L.K. Energy Inc. ED-2003-0015
RP-2004-0203/EB-2004-0555
CDM Annual Reporting - 2006

Attached are three (3) hard copies and two (2) electronic copies of our 2006 CDM Annual Reporting.

Please do not hesitate to contact me if I can be of further assistance:

Sandra Slater
172 Forest Ave
Essex ON N8M 3E4
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Fax: 519-776-5640
E-mail: sslater@elkenergy.com

Regards,

Sandra Slater, CA
Director of Finance

Conservation and Demand Management Plan

Annual Report - 2006

Appendix A - Evaluation of the CDM Plan

Highlighted boxes are to be completed manually, white boxes are linked to Appendix C and will be brought forward automatically.

	[5] Cumulative Totals Life-to-date	Total for 2006	Residential	Commercial	Institutional	Industrial	Agricultural	LDC System	[4] Smart Meters	Other #1	Other #2
Net TRC value ($):	*($51,849)*	**($51,849)**	**$ (51,849)**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**		**$ -**	**$ -**
Benefit to cost ratio:	*0.05*	0.05	0.05	0.00	0.00	0.00	0.00	0.00		0.00	0.00
Number of participants or units delivered:	*3970*	*2,798*	2,798								
Lifecycle (kWh) Savings:	*3,291,251*	2,385,806	2,385,806	0	0	0	0	0		0	0
Report Year Total kWh saved (kWh):	*1849*	1,849	1,849	0	0	0	0	0		0	0
Total peak demand saved (kW):		0	0	0	0	0	0	0		0	0
Total kWh saved as a percentage of total kWh delivered (%):											
Peak kW saved as a percentage of LDC peak kW load (%):											
[1] *Report Year Gross C&DM expenditures ($):*	*32549*	$ 32,549	$ 31,911	$ -	$ -	$ -	$ -	$ -	$ 638	$ -	$ -
[2] *Expenditures per KWh saved ($/kWh):*	*0.01*	$ 0.01	$ 0.01	$ -	$ -	$ -	$ -	$ -		$ -	$ -
[3] *Expenditures per KW saved ($/kW):*		$ -	$ -	$ -	$ -	$ -	$ -	$ -		$ -	$ -

Utility discount rate (%):	10%

[1] Expenditures are reported on accrual basis.
[2] Expenditures include all utility program costs (direct and indirect) for all programs which primarily generate energy savings.
[3] Expenditures include all utility program costs (direct and indirect) for all programs which primarily generate capacity savings.
[4] Please report spending related to 3rd tranche of MARR funding only. TRC calculations are not required for Smart Meters. Only actual expenditures for the year need to be reported.
[5] Includes total for the reporting year, plus prior year, if any (for example, 2006 CDM Annual report for third tranche will include 2005 and 2004 numbers, if any.

Appendix B - Discussion of the Program

(complete this Appendix for each program)

A. **Name of the Program:** Seasonal Light Exchange Program

Description of the program (including intent, design, delivery, partnerships and evaluation):

LED seasonal lights have been increasingly available during recent years and offers consumers with a high level of brightness with only a fraction of energy. The higher purchase cost can discourage consumers from purchasing LED's. Introduced in December 2005 with a very successful program season, the program was returned for the 2006 holiday season.

Measure(s):

	Measure 1	Measure 2 (if applicable)	Measure 3 (if applicable)
Base case technology:	Incandescent Mini Lights	5 watt Christmas lights (C-7)	
Efficient technology:	LED Christmas Lights	LED Christmas Lights	
Number of participants or units delivered for reporting year:	59	104	
Measure life (years):	1,290	1,290	
Number of Participants or units delivered life to date	70	137	

B. **TRC Results:**

	Reporting Year	Life-to-date TRC Results:
[1] *TRC Benefits ($):*	$ 1,861.10	2,558.52
[2] *TRC Costs ($):*		
Utility program cost (excluding incentives):	$ 3,369.48	3,749.16
Incremental Measure Costs (Equipment Costs)		
Total TRC costs:	$ 3,369.48	3,369.48
Net TRC (in year CDN $):		
Benefit to Cost Ratio (TRC Benefits/TRC Costs):	$ 0.55	0.76

C. **Results:** (one or more category may apply)

Cumulative Results:

Conservation Programs:

Demand savings (kW):	*Summer*			
	Winter			
	lifecycle	*in year*	*Cumulative Lifecycle*	Cumulative Annual Savings
Energy saved (kWh):	*2,385,806*	1849	3,291,251	2551
Other resources saved :				
Natural Gas (m3):				
Other (specify):				

Demand Management Programs:

Controlled load (kW)	
Energy shifted On-peak to Mid-peak (kWh):	
Energy shifted On-peak to Off-peak (kWh):	
Energy shifted Mid-peak to Off-peak (kWh):	

Demand Response Programs:

Dispatchable load (kW):	
Peak hours dispatched in year (hours):	

Power Factor Correction Programs:

Amount of KVar installed (KVar):	
Distribution system power factor at beginning of year (%):	
Distribution system power factor at end of year (%):	

Line Loss Reduction Programs:

Peak load savings (kW):		
	lifecycle	*in year*
Energy savings (kWh):		

Distributed Generation and Load Displacement Programs:

Amount of DG installed (kW):	
Energy generated (kWh):	
Peak energy generated (kWh):	
Fuel type:	

Other Programs (specify):

Metric (specify):	

D. **Actual Program Costs:**

		Reporting Year	Cumulative Life to Date
Utility direct costs ($):	*Incremental capital:*		
	Incremental O&M:	$ 3,369.48	$ 3,749.16
	Incentive:		
	Total:	$ 3,369.48	$ 3,369.48
Utility indirect costs ($):	*Incremental capital:*		
	Incremental O&M:		
	Total:		

E. Assumptions & Comments:

The funds previously allocated to the refridgeratory buy out program were allocated to the 2006 SLED exchange program.

[1] Benefits should be estimated if costs have been incurred and the technology has been deployed. Benefits reflect the present value of the measure for the number of units deployed in the year, i.e. the number of units times the net present value per unit benefit specified in the TRC Guide.

[2] For technologies which have not been deployed but for which the LDC has incurred costs, report only the TRC costs on a present value basis. Incentives (e.g. rebates) from the LDC to a customer are not a component of the TRC costs. However, payments made to a third party service provider to run an incentives program are program costs, and are to be included as TRC costs under the "Utility Program Costs" line.

Appendix B - Discussion of the Program

(complete this Appendix for each program)

A. **Name of the Program:** CustomerVu Implementation

Description of the program (including intent, design, delivery, partnerships and evaluation):

This program was completed in 2005, as a result there was no activity during 2006.

Measure(s):

	Measure 1	Measure 2 (if applicable)	Measure 3 (if applicable)
Base case technology:			
Efficient technology:			
Number of participants or units delivered for reporting year:			
Measure life (years):			
Number of Participants or units delivered life to date	38		

B. **TRC Results:**

	Reporting Year	Life-to-date TRC Results:
[1] *TRC Benefits ($):*		
[2] *TRC Costs ($):*		
Utility program cost (excluding incentives):		563
Incremental Measure Costs (Equipment Costs)		
Total TRC costs:		563
Net TRC (in year CDN $):		
Benefit to Cost Ratio (TRC Benefits/TRC Costs):		

C. **Results:** (one or more category may apply)

		Reporting Year	Cumulative Results:	
Conservation Programs:				
Demand savings (kW):	*Summer*			
	Winter			
	lifecycle	*in year*	*Cumulative Lifecycle*	Cumulative Annual Savings
Energy saved (kWh):				
Other resources saved :				
Natural Gas (m3):				
Other (specify):				
Demand Management Programs:				
Controlled load (kW)				
Energy shifted On-peak to Mid-peak (kWh):				
Energy shifted On-peak to Off-peak (kWh):				
Energy shifted Mid-peak to Off-peak (kWh):				
Demand Response Programs:				
Dispatchable load (kW):				
Peak hours dispatched in year (hours):				
Power Factor Correction Programs:				
Amount of KVar installed (KVar):				
Distribution system power factor at beginning of year (%):				
Distribution system power factor at end of year (%):				
Line Loss Reduction Programs:				
Peak load savings (kW):				
	lifecycle	*in year*		
Energy savings (kWh):				
Distributed Generation and Load Displacement Programs:				
Amount of DG installed (kW):				
Energy generated (kWh):				
Peak energy generated (kWh):				
Fuel type:				
Other Programs (specify):				
Metric (specify):				

D. **Actual Program Costs:**

		Reporting Year	Cumulative Life to Date
Utility direct costs ($):	*Incremental capital:*		
	Incremental O&M:		
	Incentive:		
	Total:		
Utility indirect costs ($):	*Incremental capital:*		
	Incremental O&M:		
	Total:		

E. Assumptions & Comments:

[1] Benefits should be estimated if costs have been incurred and the technology has been deployed. Benefits reflect the present value of the measure for the number of units deployed in the year, i.e. the number of units times the net present value per unit benefit specified in the TRC Guide.

[2] For technologies which have not been deployed but for which the LDC has incurred costs, report only the TRC costs on a present value basis. Incentives (e.g. rebates) from the LDC to a customer are not a component of the TRC costs. However, payments made to a third party service provider to run an incentives program are program costs, and are to be included as TRC costs under the "Utility Program Costs" line.

Appendix B - Discussion of the Program

(complete this Appendix for each program)

A. **Name of the Program:** Cottam Conversion

Description of the program (including intent, design, delivery, partnerships and evaluation):

Conversion of distribution in our Cottam service ares from 8,320/4, 160 volts to 27,600/16,000 volts achieves several efficienies including the elimination of the supply from the Distribution Station.

Measure(s):

	Measure 1	Measure 2 (if applicable)	Measure 3 (if applicable)
Base case technology:			
Efficient technology:			
Number of participants or units delivered for reporting year:			
Measure life (years):			
Number of Participants or units delivered life to date			

B. **TRC Results:**

	Reporting Year	Life-to-date TRC Results:
[1] *TRC Benefits ($):*		
[2] *TRC Costs ($):*		
Utility program cost (excluding incentives):	$ 24,553.63	$ 45,150.69
Incremental Measure Costs (Equipment Costs)		
Total TRC costs:	$ 24,553.63	$ 45,150.69
Net TRC (in year CDN $):		
Benefit to Cost Ratio (TRC Benefits/TRC Costs):		

C. **Results:** (one or more category may apply)

Cumulative Results:

Conservation Programs:

Demand savings (kW):	*Summer*			
	Winter			
	lifecycle	*in year*	*Cumulative Lifecycle*	Cumulative Annual Savings
Energy saved (kWh):				
Other resources saved :				
Natural Gas (m3):				
Other (specify):				

Demand Management Programs:

Controlled load (kW)		
Energy shifted On-peak to Mid-peak (kWh):		
Energy shifted On-peak to Off-peak (kWh):		
Energy shifted Mid-peak to Off-peak (kWh):		

Demand Response Programs:

Dispatchable load (kW):		
Peak hours dispatched in year (hours):		

Power Factor Correction Programs:

Amount of KVar installed (KVar):		
Distribution system power factor at beginning of year (%):		
Distribution system power factor at end of year (%):		

Line Loss Reduction Programs:

Peak load savings (kW):		
lifecycle	*in year*	
Energy savings (kWh):		

Distributed Generation and Load Displacement Programs:

Amount of DG installed (kW):		
Energy generated (kWh):		
Peak energy generated (kWh):		
Fuel type:		

Other Programs (specify):

Metric (specify):		

D. **Actual Program Costs:**

		Reporting Year	Cumulative Life to Date
Utility direct costs ($):	*Incremental capital:*	$ 24,553.63	$ 45,150.69
	Incremental O&M:		
	Incentive:		
	Total:	$ 24,553.63	$ 45,150.69
Utility indirect costs ($):	*Incremental capital:*		
	Incremental O&M:		
	Total:		

E. Assumptions & Comments:

[1] Benefits should be estimated if costs have been incurred and the technology has been deployed. Benefits reflect the present value of the measure for the number of units deployed in the year, i.e. the number of units times the net present value per unit benefit specified in the TRC Guide.

[2] For technologies which have not been deployed but for which the LDC has incurred costs, report only the TRC costs on a present value basis. Incentives (e.g. rebates) from the LDC to a customer are not a component of the TRC costs. However, payments made to a third party service provider to run an incentives program are program costs, and are to be included as TRC costs under the "Utility Program Costs" line.

Appendix B - Discussion of the Program

(complete this Appendix for each program)

A. **Name of the Program:** Conservation Program

Description of the program (including intent, design, delivery, partnerships and evaluation):

Conservation is an effort which every single electricity consumer can participate in. In educating our elementary aged children, they can actively participate in conservation by encourageing their parents today and participating in the future when they become a primary conumer. During 2006, the conservation Education program was brought to elementary schools in the following service areas: Belle River, Comber, Essex and Harrow.

Measure(s):

	Measure 1	Measure 2 (if applicable)	Measure 3 (if applicable)
Base case technology:			
Efficient technology:			
Number of participants or units delivered for reporting year:	2635		
Measure life (years):			
Number of Participants or units delivered life to date	3725		

B. **TRC Results:**

	Reporting Year	Life-to-date TRC Results:
[1] *TRC Benefits ($):*		
[2] *TRC Costs ($):*		
Utility program cost (excluding incentives):	$ 3,425.00	4,945.00
Incremental Measure Costs (Equipment Costs)		
Total TRC costs:	$ 3,425.00	4,945.00
Net TRC (in year CDN $):		
Benefit to Cost Ratio (TRC Benefits/TRC Costs):		

C. **Results:** (one or more category may apply)

		Cumulative Results:	
Conservation Programs:			
Demand savings (kW):	*Summer*		
	Winter		

	lifecycle	*in year*	*Cumulative Lifecycle*	Cumulative Annual Savings
Energy saved (kWh):				
Other resources saved :				
Natural Gas (m3):				
Other (specify):				

Demand Management Programs:		
Controlled load (kW)		
Energy shifted On-peak to Mid-peak (kWh):		
Energy shifted On-peak to Off-peak (kWh):		
Energy shifted Mid-peak to Off-peak (kWh):		
Demand Response Programs:		
Dispatchable load (kW):		
Peak hours dispatched in year (hours):		
Power Factor Correction Programs:		
Amount of KVar installed (KVar):		
Distribution system power factor at beginning of year (%):		
Distribution system power factor at end of year (%):		
Line Loss Reduction Programs:		
Peak load savings (kW):		

	lifecycle	*in year*
Energy savings (kWh):		

Distributed Generation and Load Displacement Programs:	
Amount of DG installed (kW):	
Energy generated (kWh):	
Peak energy generated (kWh):	
Fuel type:	
Other Programs (specify):	
Metric (specify):	

D. **Actual Program Costs:**

		Reporting Year	Cumulative Life to Date
Utility direct costs ($):	*Incremental capital:*		
	Incremental O&M:	$ 3,425.00	$ 4,945.00
	Incentive:		
	Total:	$ 3,425.00	$ 4,945.00
Utility indirect costs ($):	*Incremental capital:*		
	Incremental O&M:		
	Total:		

E. Assumptions & Comments:

[1] Benefits should be estimated if costs have been incurred and the technology has been deployed. Benefits reflect the present value of the measure for the number of units deployed in the year, i.e. the number of units times the net present value per unit benefit specified in the TRC Guide.

[2] For technologies which have not been deployed but for which the LDC has incurred costs, report only the TRC costs on a present value basis. Incentives (e.g. rebates) from the LDC to a customer are not a component of the TRC costs. However, payments made to a third party service provider to run an incentives program are program costs, and are to be included as TRC costs under the "Utility Program Costs" line.

Appendix B - Discussion of the Program

(complete this Appendix for each program)

A. **Name of the Program:** Smart metering

Description of the program (including intent, design, delivery, partnerships and evaluation):

Measure(s):

	Measure 1	Measure 2 (if applicable)	Measure 3 (if applicable)
Base case technology:			
Efficient technology:			
Number of participants or units delivered for reporting year:			
Measure life (years):			
Number of Participants or units delivered life to date			

B. **TRC Results:**

	Reporting Year	Life-to-date TRC Results:
[1] *TRC Benefits ($):*		
[2] *TRC Costs ($):*		
Utility program cost (excluding incentives):	$ 637.71	
Incremental Measure Costs (Equipment Costs)		
Total TRC costs:	$ 637.71	
Net TRC (in year CDN $):		
Benefit to Cost Ratio (TRC Benefits/TRC Costs):		

C. **Results:** (one or more category may apply)

			Cumulative Results:	
			Cumulative Lifecycle	Cumulative Annual Savings
Conservation Programs:				
Demand savings (kW):	*Summer*			
	Winter			
	lifecycle	*in year*		
Energy saved (kWh):				
Other resources saved :				
Natural Gas (m3):				
Other (specify):				
Demand Management Programs:				
Controlled load (kW)				
Energy shifted On-peak to Mid-peak (kWh):				
Energy shifted On-peak to Off-peak (kWh):				
Energy shifted Mid-peak to Off-peak (kWh):				
Demand Response Programs:				
Dispatchable load (kW):				
Peak hours dispatched in year (hours):				
Power Factor Correction Programs:				
Amount of KVar installed (KVar):				
Distribution system power factor at beginning of year (%):				
Distribution system power factor at end of year (%):				
Line Loss Reduction Programs:				
Peak load savings (kW):				
	lifecycle	*in year*		
Energy savings (kWh):				
Distributed Generation and Load Displacement Programs:				
Amount of DG installed (kW):				
Energy generated (kWh):				
Peak energy generated (kWh):				
Fuel type:				
Other Programs (specify):				
Metric (specify):				

D. **Actual Program Costs:**

		Reporting Year	Cumulative Life to Date
Utility direct costs ($):	*Incremental capital:*	$ 637.71	$ 637.71
	Incremental O&M:		
	Incentive:		
	Total:	$ 637.71	$ 637.71
Utility indirect costs ($):	*Incremental capital:*		
	Incremental O&M:		
	Total:		

E. **Assumptions & Comments:**

[1] Benefits should be estimated if costs have been incurred and the technology has been deployed. Benefits reflect the present value of the measure for the number of units deployed in the year, i.e. the number of units times the net present value per unit benefit specified in the TRC Guide.

[2] For technologies which have not been deployed but for which the LDC has incurred costs, report only the TRC costs on a present value basis. Incentives (e.g. rebates) from the LDC to a customer are not a component of the TRC costs. However, payments made to a third party service provider to run an incentives program are program costs, and are to be included as TRC costs under the "Utility Program Costs" line.

Appendix C - Program and Portfolio Totals

Report Year: **2006**

1. Residential Programs

List each Appendix B in the cells below; Insert additional rows as required.

Note: To ensure the integrity of the formulas, please insert the additional rows in the middle of the list below.

	TRC Benefits (PV)	TRC Costs (PV)	$ Net TRC Benefits	Benefit/Cost Ratio	Report Year Total kWh Saved	Lifecycle (kWh) Savings	Total Peak Demand (kW) Saved	Report Year Gross C&DM Expenditures ($)
Seasonal Holiday Light Exchange	$ 2,559	$ 3,749	-$ 1,191	0.68	1,849	2,385,806		$ 3,369
CustomerVu Implementation	$ -	$ 563	-$ 563	0.00				$ 563
Cottam Conversion		$ 45,151	-$ 45,151	0.00				$ 24,554
Conservation Program		$ 4,945	-$ 4,945	0.00				$ 3,425
Name of Program E			$ -	0.00				
Name of Program F			$ -	0.00				
Name of Program G			$ -	0.00				
Name of Program H			$ -	0.00				
Name of Program I			$ -	0.00				
Name of Program J			$ -	0.00				
***Totals App. B - Residential**	$ 2,559	$ 54,408	-$ 51,849	0.05	1,849	2,385,806	0	$ 31,911
Residential Indirect Costs not attributable to any specific program →								
Total Residential TRC Costs		$ 54,408						
****Totals TRC - Residential**	**$ 2,559**	**$ 54,408**	**-$ 51,849**	**0.05**				

2. Commercial Programs

List each Appendix B in the cells below; Insert additional rows as required.

Note: To ensure the integrity of the formulas, please insert the additional rows in the middle of the list below.

	TRC Benefits (PV)	TRC Costs (PV)	$ Net TRC Benefits	Benefit/Cost Ratio	Report Year Total kWh Saved	Lifecycle (kWh) Savings	Total Peak Demand (kW) Saved	Report Year Gross C&DM Expenditures ($)
Name of Program A			$ -	0.00				
Name of Program B			$ -	0.00				
Name of Program C			$ -	0.00				
Name of Program D			$ -	0.00				
Name of Program E			$ -	0.00				
Name of Program F			$ -	0.00				
Name of Program G			$ -	0.00				
Name of Program H			$ -	0.00				
Name of Program I			$ -	0.00				
Name of Program J			$ -	0.00				
***Totals App. B - Commercial**	$ -	$ -	$ -	0.00	0	0	0	$ -

Commercial Indirect Costs not attributable to any specific program →				
Total TRC Costs		$ -		
****Totals TRC - Commercial**	**$ -**	**$ -**	**$ -**	**0.00**

3. Institutional Programs

List each Appendix B in the cells below; Insert additional rows as required.

Note: To ensure the integrity of the formulas, please insert the additional rows in the middle of the list below.

	TRC Benefits (PV)	TRC Costs (PV)	$ Net TRC Benefits	Benefit/Cost Ratio	Report Year Total kWh Saved	Lifecycle (kWh) Savings	Total Peak Demand (kW) Saved	Report Year Gross C&DM Expenditures ($)
Name of Program A			$ -	0.00				
Name of Program B			$ -	0.00				
Name of Program C			$ -	0.00				
Name of Program D			$ -	0.00				
Name of Program E			$ -	0.00				
Name of Program C			$ -	0.00				
Name of Program G			$ -	0.00				
Name of Program H			$ -	0.00				
Name of Program I			$ -	0.00				
Name of Program J			$ -	0.00				
***Totals App. B - Institutional**	$ -	$ -	$ -	0.00	0	0	0	$ -
Institutional Indirect Costs not attributable to any specific program →								
Total TRC Costs		$ -						
****Totals TRC - Institutional**	**$ -**	**$ -**	**$ -**	**0.00**				

4. Industrial Programs

List each Appendix B in the cells below; Insert additional rows as required.

Note: To ensure the integrity of the formulas, please insert the additional rows in the middle of the list below.

	TRC Benefits (PV)	TRC Costs (PV)	$ Net TRC Benefits	Benefit/Cost Ratio	Report Year Total kWh Saved	Lifecycle (kWh) Savings	Total Peak Demand (kW) Saved	Report Year Gross C&DM Expenditures ($)
Name of Program A			$ -	0.00				
Name of Program C			$ -	0.00				
Name of Program C			$ -	0.00				
Name of Program D			$ -	0.00				
Name of Program E			$ -	0.00				
Name of Program F			$ -	0.00				
Name of Program G			$ -	0.00				
Name of Program H			$ -	0.00				

Name of Program I			$ -	0.00				
Name of Program J			$ -	0.00				
***Totals App. B - Industrial**	$ -	$ -	$ -	0.00	0	0	0	$ -
Industrial Indirect Costs not attributable to any specific program →								
Total TRC Costs		$ -						
****Totals TRC - Industrial**	**$ -**	**$ -**	**$ -**	**0.00**				

5. Agricultural Programs

List each Appendix B in the cells below; Insert additional rows as required.

Note: To ensure the integrity of the formulas, please insert the additional rows in the middle of the list below.

	TRC Benefits (PV)	TRC Costs (PV)	$ Net TRC Benefits	Benefit/Cost Ratio	Report Year Total kWh Saved	Lifecycle (kWh) Savings	Total Peak Demand (kW) Saved	Report Year Gross C&DM Expenditures ($)
Name of Program A			$ -	0.00				
Name of Program C			$ -	0.00				
Name of Program C			$ -	0.00				
Name of Program D			$ -	0.00				
Name of Program E			$ -	0.00				
Name of Program F			$ -	0.00				
Name of Program G			$ -	0.00				
Name of Program H			$ -	0.00				
Name of Program I			$ -	0.00				
Name of Program J			$ -	0.00				
***Totals App. B - Agricultural**	$ -	$ -	$ -	0.00	0	0	0	$ -
Agricultural Indirect Costs not attributable to any specific program →								
Total TRC Costs		$ -						
****Totals TRC - Agricultural**	**$ -**	**$ -**	**$ -**	**0.00**				

6. LDC System Programs

List each Appendix B in the cells below; Insert additional rows as required.

Note: To ensure the integrity of the formulas, please insert the additional rows in the middle of the list below.

	TRC Benefits (PV)	TRC Costs (PV)	$ Net TRC Benefits	Benefit/Cost Ratio	Report Year Total kWh Saved	Lifecycle (kWh) Savings	Total Peak Demand (kW) Saved	Report Year Gross C&DM Expenditures ($)
Name of Program A			$ -	0.00				
Name of Program B			$ -	0.00				

Name of Program C			$ -	0.00					
Name of Program D			$ -	0.00					
Name of Program E			$ -	0.00					
Name of Program F			$ -	0.00					
Name of Program G			$ -	0.00					
Name of Program H			$ -	0.00					
Name of Program I			$ -	0.00					
Name of Program C			$ -	0.00					
***Totals App. B - LDC System**	$ -	$ -	$ -	0.00	0	0	0	$ -	
LDC System Indirect Costs not attributable to any specific program →									
Total TRC Costs		$ -							
****Totals TRC - LDC System**	**$ -**	**$ -**	**$ -**	**0.00**					

7. Smart Meters Program

Only spending information that was authorized under the 3rd tranche of MARR is required to be reported for Smart Meters.

Report Year Gross C&DM Expenditures ($) →	638

8. Other #1 Programs

List each Appendix B in the cells below; Insert additional rows as required.

Note: To ensure the integrity of the formulas, please insert the additional rows in the middle of the list below.

	TRC Benefits (PV)	TRC Costs (PV)	$ Net TRC Benefits	Benefit/Cost Ratio	Report Year Total kWh Saved	Lifecycle (kWh) Savings	Total Peak Demand (kW) Saved	Report Year Gross C&DM Expenditures ($)
Name of Program A			$ -	0.00				
Name of Program B			$ -	0.00				
Name of Program C			$ -	0.00				
Name of Program D			$ -	0.00				
Name of Program E			$ -	0.00				
Name of Program F			$ -	0.00				
Name of Program G			$ -	0.00				
Name of Program H			$ -	0.00				
Name of Program I			$ -	0.00				
Name of Program J			$ -	0.00				
***Totals App. B - Other #1**	$ -	$ -	$ -	0.00	0	0	0	$ -
Other #1 Indirect Costs not attributable to any specific program →								
Total TRC Costs		$ -						
****Totals TRC - Other #1**	**$ -**	**$ -**	**$ -**	**0.00**				

9. Other #2 Programs

List each Appendix B in the cells below; Insert additional rows as required.

Note: To ensure the integrity of the formulas, please insert the additional rows in the middle of the list below.

	TRC Benefits (PV)	TRC Costs (PV)	$ Net TRC Benefits	Benefit/Cost Ratio	Report Year Total kWh Saved	Lifecycle (kWh) Savings	Total Peak Demand (kW) Saved	Report Year Gross C&DM Expenditures ($)
Name of Program A			$ -	0.00				
Name of Program B			$ -	0.00				
Name of Program C			$ -	0.00				
Name of Program D			$ -	0.00				
Name of Program E			$ -	0.00				
Name of Program C			$ -	0.00				
Name of Program G			$ -	0.00				
Name of Program H			$ -	0.00				
Name of Program I			$ -	0.00				
Name of Program J			$ -	0.00				
***Totals App. B - Other #2**	$ -	$ -	$ -	0.00	0	0	0	$ -
Other #2 Indirect Costs not attributable to any specific program →								
Total TRC Costs		$ -						
****Totals TRC - Other #2**	**$ -**	**$ -**	**$ -**	**0.00**				

LDC's CDM PORTFOLIO TOTALS

	TRC Benefits (PV)	TRC Costs (PV)	$ Net TRC Benefits	Benefit/Cost Ratio	Report Year Total kWh Saved	Lifecycle (kWh) Savings	Total Peak Demand (kW) Saved	Report Year Gross C&DM Expenditures ($)
***TOTALS FOR ALL APPENDIX B**	$ 2,559	$ 54,408	-$ 51,849	0.05	$ 1,849	2,385,806	$ -	$ 32,549
*Any **other** Indirect Costs not attributable to any specific program* →								
TOTAL ALL LDC COSTS		$ 54,408						
****LDC' PORTFOLIO TRC**	$ 2,559	$ 54,408	-$ 51,849	0.05				

* The savings and spending information from this row is to be carried forward to Appendix A.

** The TRC information from this row is to be carried forward to Appendix A.

Introduction

E.L.K. Energy Inc. ("E.L.K.") filed an application dated December 23, 2004 with the Ontario Energy Board ("OEB") for an Order pre-approving its Conservation and Demand Management ("CDM") Plan.

A Notice of Application and Written Hearing was issued by the OEB on February 4, 2005. E.L.K. served and published the Notice. The intervention period expired on February 26, 2005, with no intervenors.

On March 15, 2005, E.L.K. was granted approval of the CDM Plan as submitted.

CDM programs were designed with the following objectives:

- ✓ Energy efficiency
- ✓ Behavioral and operations changes;
- ✓ Load management measures.

Evaluation of CDM Plan

The core of E.L.K.'s CDM plans targets residential customers. The net TRC value as at the end of 2006 is in a negative position as a result of two programs that do not have quantifiable benefits. Conservation education is a vital part of E.L.K.'s CDM plan, as it is imperative to start shaping consumption patterns of the next generation of electricity consumers. While there are no quantifiable benefits at this time, this program has now been delivered to a total of 3,725 students during the last two years.

Gross CDM expenditures during the year were $32,549. Total approved CDM expenditures are $230,939.

See Appendix A – Evaluation of the CDM Plan

Discussion of the Programs

Please refer to Appendix B for program details for programs started.

Christmas Light Buy Out Program

L.E.D. holiday lights have become increasingly available during recent years and offers consumers many advantages including:

- A high level of brightness with only a small fraction of energy – the 90% to 99% savings in electricity quickly adds up.
- Unbreakable & constructed of solid flameproof epoxy plastic.
- Lights operate much cooler than conventional lights making them safer to use either indoors or outdoors.
- Several shapes are available including: mini-ice, raspberry, strawberry, and rice with color options including: red, gold, blue, white or multi-colored.

Unfortunately, the higher initial purchase cost can discourage consumers from purchasing these more expensive Christmas lighting option in the short term. It is hoped that once consumers trade incandescent lights for L.E.D. lights their advantages will be evident and future Christmas light purchases made by the consumer will be L.E.D. purchases.

The Christmas light buy out program was introduced in December 2005 and allowed customers to trade in two strands of incandescent holiday lights for one strand of L.E.D. During the 2006 holiday season customers were able to exchange one strand of incandescent for one strand of LED.

CustomerVu Implementation

CustomerVu was completed in 2005.

Cottam Conversion Program

Beginning in 2005 E.L.K. has worked on convert the distribution system in our Cottam service area from 8,320/4,160 volts to 27,600/16,000 volts. Several efficiencies can be achieved through this conversion. The first being the elimination of the supply from the Distribution Station. Since the Transmission Station supplies at 27,600/16,000 volts the supply can be provided directly to the service area as opposed to being further transformed at the Distribution Station. With each transformation of voltage there are inefficiencies in losses. By eliminating the Distribution Station losses will be reduced.

In converting to the higher distribution voltage most of the transformers will have to be replaced. The new transformers will be constructed to the latest standards and more efficient than the transformers currently in service.

The higher distribution voltage affords for less voltage drop on the system thusly making the system more efficient.

Once completed, there will be a total impact of 261,677 kwh saved annually due to reduced line losses. Capital investment has a 25 year life cycle and theses efficiencies will be enjoyed for their entire life cycle.

Conservation Education Program

Conservation is an effort which every single electricity consumer can participate in. Conservation can require a consumer to make an investment in an Energy Star rated appliance to a simple change in habits which has no incremental cost such as turning off lights not in use. Educating consumers in conservation is key to achieving a positive conservation education program.

In educating our elementary aged children, they can actively participate in conservation by encouraging their parents today and practicing in the future when they become a primary consumer. Conservation programs will include suggestions such as:

- Installation of programmable thermostat with a built in timer.
- Keeping blinds, shades and drapes during the hottest part of the day in the summer and open south-facing blinds on sunny winter days.
- Using a solar blanket to keep swimming pool water warm overnight.
- Replacing traditional light bulbs with compact fluorescent light bulbs.
- Reducing phantom loads by unplugging appliances not in use.
- Purchasing of ENERGY STAR appliances.

During the Fall 2005, the conservation Education program was brought to two elementary schools in our Kingsville service area. During the fall of 2006 the Education program was in six additional schools with approximately 2,635 students participating.

Smart Metering Initiative

The introduction of smart metering will shift overall demand of electricity by encouraging consumers to use electricity at off-peak times and rewarding those consumers with lower commodity rates for consumption used in off-peak hours. It was E.L.K's intentions to begin the installation of smart meters in 2006, however given the complexities and uncertainties still involved with smart metering, implementation in 2006 was deferred. However the plan is to move forward in 2007.

This smart meter initiative will be in advance of the requirements for smart meter installations in 2010. In selecting the smart meter to be used E.L.K. will be reviewing systems that may allow for demand management through third party

packages to allow for load shedding at peak or critical times or as an ongoing control offered to the customer. Some of the items being considered are:

- Pool pumps
- Electric water heaters
- Air conditioners

All of these units could be controlled remotely to limit their use during peak times or operated as rotational load shedding during critical times.

Bulb Exchange Program

Compact fluorescent lamps have several advantages over the incandescent lamps including:

- Energy efficient alternative using as little as one-fifth of the power of an incandescent bulb.
- Lasts up to 13 times longer thus lowering maintenance costs.
- Now available in a variety of shapes and colors increasing their versatility.
- High initial cost can be recouped in a short time period.
- Environmentally friendly as it is believed that a single compact fluorescent bulb can save enough electricity (coal fired) to keep a ton of carbon dioxide out of the atmoshphere.

The original bulb exchange program allowed all customer to trade an incandescent bulbs for a compact fluorescent bulbs. However modifications have been made that the program will allow new customers to receive two bulbs. This program was rolled out at the end of January 2007.

Refrigerator Buy Out Program

This program has been cancelled and funds were reallocated to the seasonal LED exchange program.

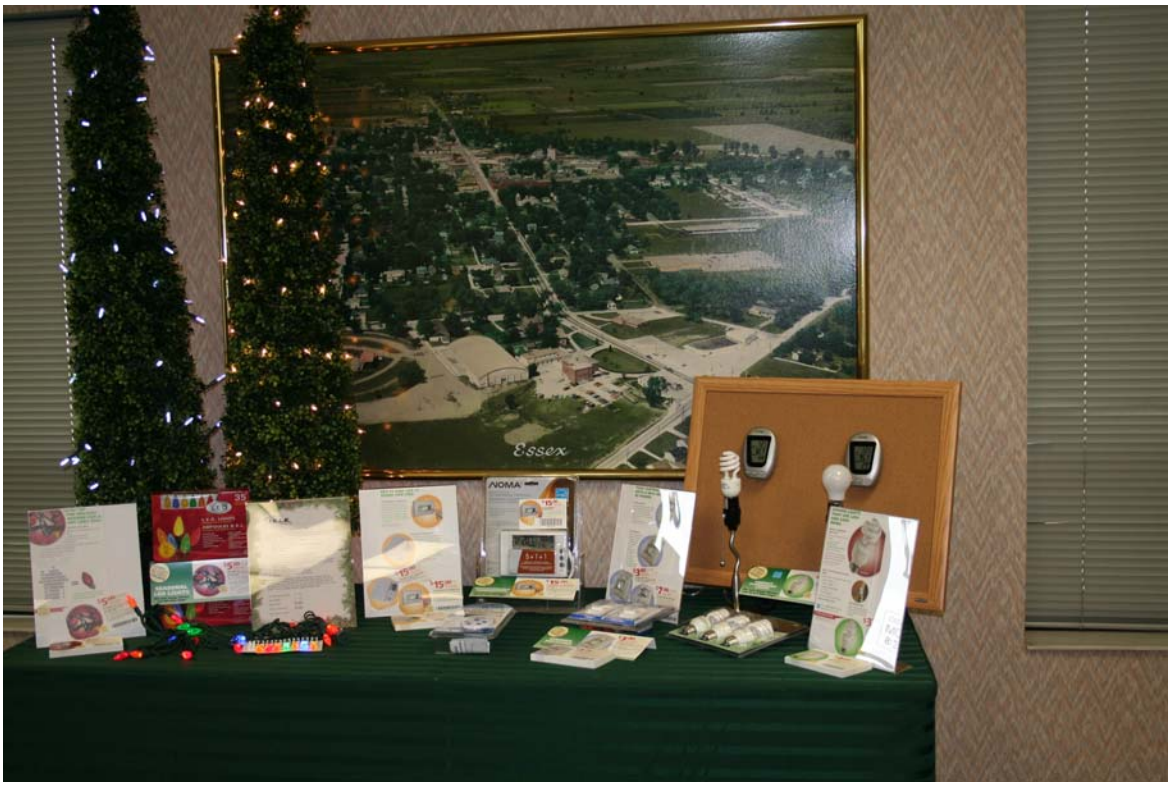
Lessons Learned

It is difficult to design and roll out conservation programs. However as we move forward with our various programs, this task has become easier. Keys to success include no or low cost to the customer (this includes the effort required by the customer to receive the product).

Although not part of our conservation & demand management program, a display table was set up in our lobby to demonstrate some of the products involved with the Fall Every Kilowatt Counts campaign. Included in the display were:

- ✓ Various types of SLED lighting available. Differences in consumption of the two types of lights were also included. This part of the display helped customer to visualize the different type of light given off from each of the two technologies.
- ✓ Coupon products including: programmable thermostats, dimmer switches, CFL.
- ✓ In addition, an incandescent and CFL bulb were set up with thermometers, supporting the fact that the traditional incandescent bulb generated much more heat. Generally the difference was a minimum of 10ºF.

The value of this hands on display was evident with the interest being expressed by our customers.



Conclusion

Changing customer attitudes regarding conservation will not be accomplished over a short period of time. However the task is not impossible. CDM programs are essential in re-enforcing the importance of conservation programs. Our customers are increasingly asking for information on how to save energy. To assist with this task, information is available for customers at the front customer desk.

E.L.K. looks forward to continuing this education process in the next year and reminding customers that "... electricity – learn to conserve …"

Electricity... Learn to conserve!