



March 31, 2006

Mr. John Zych  
Board Secretary  
Ontario Energy Board  
P.O. Box 2319  
2300 Yonge Street, Suite 2700  
Toronto, ON, M4P 1E4

Dear Mr. Zych:

**Re: Kenora Hydro Electric Corporation Ltd.- RP-2004-0203\EB 2005-0384 -  
Conservation and Demand Annual Report**

---

In regards to Kenora Hydro's 2005 activities towards CDM, please be advised that there was little activity in 2005.

We had hoped to finish the traffic light conversion program in 2005 however the supplier of LED lights was unable to deliver the products until year end. It would appear that the conversion to LED was a very popular program with LDC's thereby making delivery of the products well beyond the expected date.

In any case, the conversion is to be completed in 2006 with some of our other programs.

Should you require anything further, please feel free to contact this office.

Sincerely,

A handwritten signature in black ink, appearing to read "David Sinclair", written over a faint, circular stamp or watermark.

David Sinclair  
President and CEO