



Veridian Connections Inc. - Gravenhurst Hydro

Conservation and Demand Management 2005 Annual Report

RP-2004-0203\EB-2004-0502

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1. Introduction

On February 8th 2005, Gravenhurst Hydro Electric Inc. ("Gravenhurst Hydro") was granted final approval for its Conservation and Demand Management (CDM) Plan as filed with the Ontario Energy Board (the "Board") on November 19, 2004. The Board's decision included a requirement that "Gravenhurst Hydro Electric file with the Board quarterly and annual reports on the progress of the initiatives included in the CDM Plan." On December 21, 2005 the Board issued a Guideline for Annual Reporting of CDM Initiatives that explained more fully these reporting requirements. This report has been prepared in accordance with those guidelines.

Shortly following the Board's approval of Gravenhurst Hydro's CDM plan, Veridian Connections Inc. ("Veridian") and Gravenhurst Hydro filed an application with the Board seeking leave for Veridian to acquire all outstanding shares in and subsequently to amalgamate with Gravenhurst Hydro. This application was filed on March 24th 2005. The Board granted its approval of this transaction on September 16th 2005 and the amalgamation was completed on October 31st 2005.

On February 1st 2006, Veridian submitted an application to the Board requesting approval for the consolidation of its electricity distribution licences for its existing service territories and the acquired service territory in Gravenhurst. The Board's decision on this application is pending. Veridian therefore continues to serve customers in the Town of Gravenhurst under a separate distribution licence.

In addition to this annual report for CDM activities undertaken by Gravenhurst Hydro, Veridian has prepared a more comprehensive CDM report on initiatives pursued under its distribution licence covering the balance of its service territory. This second report will be filed under RP-2004-0203\EB-2004-0484.



2. Evaluation of Overall Plan

Refer to Appendix A for an evaluation of Veridian – Gravenhurst Hydro CDM activities during 2005.

In reviewing the information provided in both Appendix A and Appendix B, it should be noted that Gravenhurst Hydro's CDM activities were hampered in 2005, due to the lengthy commercial and regulatory processes that resulted in its amalgamation with Veridian late in the year.

Contingent on the Board's approval of Veridian's application to consolidate its two electricity distribution licences, Veridian intends to merge its CDM plans and extend all programs available under its more comprehensive RP-2004-0203\EB-2004-0484 plan, to its customers in Gravenhurst.

3. Discussion of the Programs

Gravenhurst Hydro's approved CDM plan was prepared in cooperation with the Cornerstone Hydro Electric Concepts (CHEC) group, and consists of the following proposed measures:

Tier	Measure
Tier One	Customer Survey
Tier One	Conservation Website
Tier One	Education and Promotion
Tier Two	Energy Audits and/or Projects
Tier Two	System Optimization
Tier Two	Smart Interval/Pay-as-you-go meters
Tier Two	Co-generation opportunities
Tier Two	Signal/Streetlight Efficiency

Activities during 2005 included the following:

Education and Promotion:

- Supported the development of and acquired comprehensive conservation brochures, through the CHEC group.
- Placed monthly conservation advertisements in the Muskoka Today newspaper, a local publication reaching an audience of 5,000 readers in the Gravenhurst area.
- Partnered with Natural Resources Canada to promote energy conservation and to contribute to the cost of home energy audits. During the year, two customers received funding for Energuide for Houses audits.



4. Lessons Learned

As explained earlier in this report, Gravenhurst Hydro's CDM efforts were hampered in 2005 due to its sale to and amalgamation with Veridian, so the lessons learned are limited.

Furthermore, it is Veridian's intention to merge its two current CDM plans and extend all programs available under the more comprehensive RP-2004-0203\EB-2004-0484 plan, to its customers in Gravenhurst. Therefore, the 'Lessons Learned' section of Veridian's annual CDM report under its RP-2004-0203\EB-2004-0484 plan should be considered applicable to this report.



5. Conclusion

The processes surrounding the sale of Gravenhurst Hydro to Veridian presented challenges to the full execution of Gravenhurst Hydro's CDM plan during 2005. Nonetheless, the following CDM activities were carried out:

- Supported the development of and acquired comprehensive conservation brochures, through the CHEC group.
- Placed monthly conservation advertisements in the Muskoka Today newspaper, a local publication reaching an audience of 5,000 readers in the Gravenhurst area.
- Partnered with Natural Resources Canada to promote energy conservation and to contribute to the cost of home energy audits. During the year, two customers received funding for Energuide for Houses audits.

Veridian looks forward to the Board's decision on its application to consolidate its two electricity distribution licences, which will facilitate the merging and more efficient execution of its CDM plans.

Appendix A - Evaluation of the CDM Plan

	Total	Residential	Commercial	Institutional	Industrial	Agricultural	LDC System
<i>Net TRC value (\$):</i>	-	-	-	-	-	-	-
<i>Benefit to cost ratio:</i>	-	-	-	-	-	-	-
<i>Number of participants or units delivered:</i>	2 payments for Energuide audits, 15 newspapers ads, 12,000 conservation brochures	2 payments for Energuide audits, 15 newspapers ads, 12,000 conservation brochures	-	-	-	-	-
<i>Total kWh to be saved over the lifecycle of the plan (kWh):</i>	0	0	0	0	0	0	0
<i>Total in year kWh saved (kWh):</i>	0	0	0	0	0	0	0
<i>Total peak demand saved (kW):</i>	0	0	0	0	0	0	0
<i>Total kWh saved as a percentage of total kWh delivered (%):</i>	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
<i>Peak kW saved as a percentage of LDC peak kW load (%):</i>	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
<i>Gross in year C&DM expenditures (\$):</i>	\$11,103	\$11,103	\$0	\$0	\$0	\$0	\$0
<i>Expenditures per kWh saved (\$/kWh)*:</i>	-	-	-	-	-	-	-
<i>Expenditures per kW saved (\$/kW)**:</i>	-	-	-	-	-	-	-
<i>Utility discount rate (%):</i>	n/a						

*Expenditures include all utility program costs (direct and indirect) for all programs which primarily generate energy savings.

**Expenditures include all utility program costs (direct and indirect) for all programs which primarily generate capacity savings.

Appendix B - Discussion of the Program

(complete this section for each program)

A. **Name of the Program:** Education and Promotion

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

- o Supported the development of and acquired comprehensive conservation brochures, through the CHEC group.
- o Placed monthly conservation advertisements in the Muskoka Today newspaper, a local publication reaching an audience of 5,000 readers in the Gravenhurst area.
- o Partnered with Natural Resources Canada to promote energy conservation and to contribute to the cost of home energy audits. During the year, two customers received funding for Energuide for Houses audits.

Measure(s):

	Measure 1	Measure 2 (if applicable)	Measure 3 (if applicable)
Base case technology:			
Efficient technology:			
Number of participants or units delivered:			
Measure life (years):			

B. **TRC Results:**

TRC Benefits (\$):	
TRC Costs (\$):	
Utility program cost (less incentives):	
Participant cost:	
Total TRC costs:	
Net TRC (in year CDN \$):	
Benefit to Cost Ratio (TRC Benefits/TRC Costs):	

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

Conservation Programs:

Demand savings (kW):	Summer	
	Winter	
	<i>lifecycle</i>	<i>in year</i>
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):		
	<i>lifecycle</i>	<i>in year</i>
Energy savngs (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):	
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D. Program Costs*:

Utility direct costs (\$):	Incremental capital:	\$	-
	Incremental O&M:	\$	11,103.00
	Incentive:	\$	-
	Total:	\$	11,103.00
Utility indirect costs (\$):	Incremental capital:		
	Incremental O&M:		
	Total:		-
Participant costs (\$):	Incremental equipment:		
	Incremental O&M:		
	Total:		-

E. Comments:

1. No kWh or kW results in 2005.

*Please refer to the TRC Guide for the treatment of equipment cost in the TRC Test.