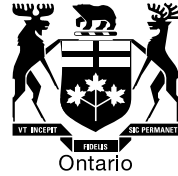


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BY PRIORITY POST

November 22, 2005

Mr. Ian McKenzie
Regulatory Analyst
London Hydro Inc.
111 Horton St.
P.O. Box 2700
London, ON N6A 4H6

Dear Mr. McKenzie:

**Re: Application to Transfer Funds between Initiatives within a Conservation and Demand Management Plan
Board File No RP-2004-0203 / EB-2005-0206**

Thank you for your letter dated November 1, 2005. The Ontario Energy Board (the "Board") is treating the letter as an informational update rather than an application which requires Board approval.

In your letter, you have outlined the transfer of funds from the Municipal Traffic and Pedestrian Signal Upgrade Project, the Community One-Tonne Challenge Plus program, and the Distribution Shunt Capacitor program into the Residential Appliance Recycling program. All of these programs had been approved by the Board for London Hydro Inc.'s ("London Hydro") Conservation and Demand Management ("CDM"). The reallocation of funds includes:

- transferring \$238,000 out of the Traffic and Pedestrian Signal Upgrade Project;
- transferring \$180,000 out of the Community One-Tonne Challenge program; and
- potentially transferring \$125,000 out of the Distribution Shunt Capacitor program; into the Residential Appliance Recycling program.

The above mentioned amounts equal a maximum of \$543,000 which is equivalent to 19.1% of London Hydro's approved budget of its CDM plan. The requested changes are within the scope of flexibility allowed by the Board in its order, dated March 17, 2005, approving London Hydro's CDM plan. Furthermore, the Board's order states that London Hydro need only apply to the Board if cumulative fund transfers among programs exceed 20% of the approved budget. With respect to the changes within the CDM plan, the Board notes that even if all of the funds listed above were transferred to the Residential Appliance program, the cumulative transfers would be less than the 20% threshold set by the Board.

Thus, the Board will record the changes and update its files accordingly. Should any of the values listed above increase to a degree that makes the funds transfers rise above the 20% threshold, please provide the Board with the updated application.

Should you require any further assistance, please call Stephen McComb, Analyst, Facilities at 416-440-8143.

Yours truly,

A handwritten signature in black ink, appearing to read "John Zych". The signature is fluid and cursive, with the first name "John" being larger and more prominent than the last name "Zych".

John Zych
Board Secretary