



October 28, 2010

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

Dear Ms. Walli:

**Re: E.L.K. Energy Inc.
Distribution License ED-2003-0015
2011-2014 Conservation and Demand Management Strategy
EB-2010-0215**

In accordance with the instructions released by the Ontario Energy Board ("Board") dated October 26, 2010, E.L.K. Energy Inc. ("E.L.K.") submits its 2011-2014 Conservation and Demand Management Strategy.

An electronic copy of this Application has been filed with the Board RESS Filing System and two (2) hard copies have been sent to the Board Secretary. As well, an e-mail has been sent to boardsec@gov.on.ca with the attached CDM Strategy.

Please do not hesitate to contact myself if I can be of further assistance.

Regards.

Sandra Slater, CA
Director of Finance & Regulatory Affairs

CONSERVATION AND DEMAND
MANAGEMENT STRATEGY
2011-2014



This CDM strategy is being prepared by E.L.K. Energy Inc. (E.L.K.) in accordance with the Ontario Energy Board's Conservation and Demand Management Code for Electricity Distributors.

Total Reduction in Electricity Consumption (kWh) Target

The reduction in electricity consumption as established by the OEB on June 22, 2010 for E.L.K. is 12 Gwh.

Total Reduction in Peak Provincial Electricity Demand (MW) Target

The reduction in peak provincial electricity demand as established by the Ontario Energy Board (OEB) on June 22, 2010 for E.L.K. is 3MW.

CDM Strategy

E.L.K. has engaged a third party energy consulting provider to supply initial analyses to determine whether or not E.L.K. would meet the aforementioned proposed OEB established targets. Based on the third party's completed review it would appear that E.L.K. will be successful in attaining its proposed targets through the sole participation of Tier 1 OPA Programs.

Through the 2011-2014 period, E.L.K. will focus on consumer, commercial, institutional as well as the industrial OPA programs in a systematic and simultaneous format.

E.L.K.'s milestone at the conclusion of each year is to achieve at the minimum $\frac{1}{4}$ of the total target reduction in Electricity Consumption (kWh) and targeted total reduction Peak Provincial Electricity Demand (MW).

OPA - Contracted Province Wide CDM Programs

E.L.K. intends to use OPA contracted province wide CDM programs as they are the most cost effective option for E.L.K. to achieve the demand reductions and energy savings targets for the period of 2011 – 2014. E.L.K.'s focus will be on all three segments including consumer, commercial, institutional, and industrial. A comprehensive breakdown of planned Tier 1 OPA programs to be administered follow:

Consumer Programs

Appliance Retirement/Exchange Events (2011-2014)

This new initiative will carry forward E.L.K.'s participation of the Great Refrigerator Roundup. It includes free-pick-up and decommissioning of old, inefficient, working appliances. E.L.K. Energy will explore the opportunities to integrate with municipal appliance pick-up services.

Demand Response (2011-2014)

This program is a redesign of the peaksaver, the residential demand response initiative. E.L.K. will continue an alliance with a third party contractor to fully manage and promote this program due to increased program features and enhancements that are anticipated to take effect July 1, 2011.

Instant Discounts (Rebates) (2011-2014)

This initiative is a carry forward of the Power Savings Event with additional enhancements. It will include year round coupons and bi-annual in-store instant discounts. E.L.K. will explore possible LDC in-store presence in participating retailers throughout the community where E.L.K. could potentially negotiate independently with the local retailer.

HVAC Discounts (Rebates) (2011-2014)

This initiative is a carry forward of the existing Cool Savings Rebate. The HVAC rebates will be delivered to consumers through participating contractors and will be centrally fulfilled by the OPA.

Mid-Stream Incentives (2011-2014)

This is a carry over of the midstream television incentive from the Power Savings Event. In addition to providing incentives for retailers to promote energy efficient televisions, it will include incentives for satellite and cable providers to use high-efficiency set-top boxes and network configurations. It will also include pool pumps, and providing contractors with incentives to install "right sized" pool equipment. Savings from the midstream initiatives will be proportionally allocated to LDCs based on the size of their residential base.

Commercial and Institutional Programs

Existing Building Retrofit Projects- Small Business Customers: Direct Installed Lighting and Direct Serviced Space Cooling (2011-2014)

This program targets E.L.K.'s General Service <50kW customers. The existing version of this program (The Power Savings Blitz) was extremely popular and successful. E.L.K. plans to continue this successful program with promotion. In addition to offering eligible customers up to \$1,000 in equipment upgrades at no charge, standard prescriptive incentives will now be available for eligible equipment beyond the initial \$1,000 limit.

Existing Building Retrofit and Commissioning Projects- Medium and Large Business Customers: Pre-Project Assessments and Equipment Replacement (2011-2014)

The pre-project assessment initiative will provide eligible participants incentives to complete energy audits or studies of potential energy and demand savings from equipment replacement projects, operational practices and procedures, etc. The incentives are intended to cover up to 50% of the cost.

Equipment Replacement (2011-2014)

The equipment replacement projects have traditionally been categorized in ERIP as either Prescriptive or Custom. The new Engineered Approach will be assessed by E.L.K. before deciding whether or no to implement.

Existing Building Commissioning (2011-2014)

Includes E.L.K. customers in the General Service >50kW or Large Use account customers with single buildings greater than 50,000 square feet and with chilled water plants will be able to participate in services that include (i) the development of a plan for commissioning activities, (ii) the procurement of devices and/or software associated for commissioning activities and third party services.

Demand Response 1, 2, 3 (2011-2014)

As directed by OPA Guidelines

Industrial Programs

Industrial Equipment Replacement (2011-2014)

The equipment replacement projects have traditionally been categorized in ERIP as either Prescriptive or Custom. The new Engineered Approach will be assessed by E.L.K. before deciding whether or not to implement.

Demand Response 1 & 3 (2011-2014)

As directed by OPA Guidelines

Please note that information with respect to the projected budget, total projected reduction in peak provincial electricity demand (kW); and the total projected reduction in electricity consumption (MWh) is not available. Budgeted amounts will be in accordance with OPA master agreements.

Potential Board-Approved CDM Programs

E.L.K. does not plan to utilize Board-Approved CDM programs in order to achieve reductions in peak provincial electricity demand or reductions in electricity consumption.

Program Mix

CDM programs will be offered to all customer types including Residential, General Service Less than 50kW, and General Service Greater than 50kW with a focus on E.L.K.'s residential classification as a result of the customer concentration in E.L.K.'s service territory as outlined below.

CDM Programs Co-ordination

E.L.K. will pursue all applicable avenues with retailers, other distributors, social service agencies, government agencies and the OPA in order to effectively and efficiently promote OPA Conservation Programs in a fiscally responsible manner.