



Grimsby Power Incorporated

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April 28, 2011

Delivered by Courier and E-mail

Ms. Kirsten Walli, Board Secretary
Ontario Energy Board
P.O. Box 2319, 27th Floor
2300 Yonge Street
Toronto, Ontario
M4P 1E4

Dear Ms. Walli:

**RE: Addendum to Grimsby Power Inc. Conservation and Demand Management Strategy
Board File # EB-2010-0215**

As requested by the Board, Grimsby Power Inc. (“Grimsby Power”) is submitting an amendment to its original Conservation and Demand Management (“CDM”) Strategy document (“Strategy”) filed to the Board on November 1, 2010. The addendum provides proposed budgeted figures to implement and operate the programs/initiatives indicated in the original Strategy. Grimsby Power used the best available information to reach the preliminary overall estimated budget for their 2011-2014 CDM Programming.

If you have any questions or concerns, please do not hesitate to contact Doug Curtiss, at 905-945-5437 x 221 or email dougc@grimsbypower.com

Regards,

Doug Curtiss

Doug Curtiss, P.Eng.
Chief Executive Officer
Grimsby Power Inc.

**Grimsby Power Inc.
Conservation and Demand Management Strategy 2011-2014
Amended April 28, 2011 to Add Budget Information**

Background

On November 1, 2010, Grimsby Power Inc. (“Grimsby Power”) filed a Conservation and Demand Management (“CDM”) Strategy Document (“Strategy”) to Ontario Energy Board (“Board”) to comply with the CDM Code.

Grimsby Powers’ original Strategy submission indicated targets of 2 MW demand and 8 GWh energy savings. These targets were subsequently changed on November 12, 2010 to 2.060 MW and 7.760 GWh. Targets will be achieved mainly through Ontario Power Authority’s suite of CDM Programming (“Tier 1 Programs”).

On February 18, 2011, the Board advised Grimsby Power that its CDM Strategy needs to be amended to include funding information. The funding information must include the overall estimated budget not just the Program Administration Budget that was provided by the OPA. At the time of filing and still, complete funding information for Tier 1 programs are still not available.

Methodology

To be able to comply with the Board’s request, Grimsby Power used the best available information to reach the preliminary overall estimated budget for their 2011-2014 CDM Programming. The methodology used by other Local Distribution Companies (LDC) such as Toronto Hydro, Chatham Kent Hydro and North Bay Hydro, which were acknowledged by the Board, as being utilized to estimate reasonable budgets to run Grimsby Power Tier 1 programs. The methodology includes using the Resource Planning Tool provided by the OPA and making adjustments based on territory specific considerations.

Prospective Budget

To respond to this direction from the Board, Grimsby Power has prepared an estimated, prospective budget for planned Tier 1 Programs. The estimated overall budget requirement by Grimsby Power to meet its demand and energy targets is \$1,969,940.76.

Program	Program Total
OPA Industrial Program	\$211,362.73
OPA Commercial and Institutional	\$1,001,391.79
OPA Consumer Program	\$757,186.25
OPA Low-income Program	NA
Portfolio total	\$1,969,940.76

* Note that the prospective budget portfolio total above is not inclusive of any OPA Low-income Program costs. Further details regarding Low-income programs are pending from the OPA.

Limitations

These prospective budgets are intended to provide an indication of the scale of the resources required to meet the targets for Grimsby Power. The final numbers maybe higher or lower depending on the following factors:

- Technologies and measures to be implemented
- Details of program designs and the actual cost of delivering them
- The ability to meet “typical” costs in the Grimsby Power’s service area
- The possible need for the programs to exceed energy targets in order to meet demand targets (or vice versa)

Grimsby Power will report to the Board the progress relative to budget in its annual reports and to advise the Board of any adjustments required to ensure that the targets are being met.