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Kirsten Walli
Board Secretary
Ontario Energy Board
PO Box 2319
27th Floor
2300 Young Street
Toronto, Ontario M4P 1E4

April 14, 2011

Dear Ms. Walli:

**RE: Addendum to Northern Ontario Wires' Conservation and Demand Management Strategy
Board File # EB-2010-0215**

As requested by the Board, Northern Ontario Wires ("NOW") 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. NOW 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 Roxanne Genier at (705) 272-2048 or email roxaneg@nowinc.ca

Respectfully yours,

Original signed by

Roxanne Genier
Executive Assistant

Background

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

NOWs’ original Strategy submission indicated targets of 1MW demand and 6GWh energy savings. These targets were changed on November 12, 2010 to 1.060MW and 5.880GWh respectively and will be achieved mainly through Ontario Power Authority’s suite of CDM Programming (“Tier 1 Programs”).

On November 12, 2010, the Board advised NOW that its CDM Strategy needs to be amended to contain estimated, prospective budgets for planned OPA Contracted Province-Wide CDM Programs and Board-Approved CDM Programs. 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, NOW 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 NOW 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, NOW has prepared an estimated, prospective budget for planned Tier 1 Programs. The estimated overall budget requirement by NOW to meet its demand and energy targets is \$1,802,939.24.

<u>Program</u>	<u>Program total</u>
OPA Industrial Program	\$256,679.01
OPA Commercial and Institutional	\$999,659.20
OPA Consumer Program	\$546,601.03
OPA Low-income Program	NA
Portfolio total	\$1,802,939.24

* 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 NOW. 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 NOW’s service area
- The possible need for the programs to exceed energy targets in order to meet demand targets (or vice versa)

NOW 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.