

HYDRO HAWKESBURY INC.

2008 ANNUAL REPORTING OF CONSERVATION AND DEMAND MANAGEMENT (CDM)

March 23rd 2009

Mrs Kristen Walli
Ontario Energy Board
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**HAWKESBURY HYDRO INC.
RP-2004-0203\EB-2005-0379
CONSERVATION AND DEMAND ANNUAL REPORT**

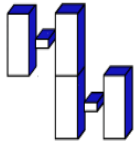
As directed by the Board, please find enclosed our Annual report on CDM initiatives for 2008. As per instructions we are providing Appendix D only since no activity took place in 2008.

Pease find enclosed:

1. Introduction
2. Evaluation of our CDM Plan
3. Discussion of our CDM Program
4. Lessons Learned
5. Conclusion

Respectfully yours

Michel Poulin
Manager
613-632-6689



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SECTION 1) INTRODUCTION

Under RP-2004-0203, The Board is also prepared to give approval of planned conservation and demand management activities prior to these costs actually being incurred.

PROGRAM CONTENT

INDUSTRIAL CUSTOMER PROGRAM

Hydro Hawkesbury Inc. intends to give incentives to industries that will purchase energy efficient equipments identified as ENERGUIDE PRODUCT FOR INDUSTRY. Hydro Hawkesbury Inc. strongly believes that this incentive program will encourage major industries in our community to improve their energy management and consequently contribute to the reduction of electricity generation and reduce the greenhouse gases that contribute to climate change.

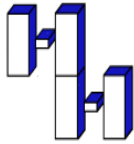
INTERVAL METERING

In order to respond to some initiatives from the Ontario Government, Hydro Hawkesbury Inc. would like to promote the installation of interval (smart meters). Hydro Hawkesbury Inc. strongly believes that this will help load shifting.

COMMERCIAL AND RESIDENTIAL CUSTOMER PROGRAM

Hydro Hawkesbury Inc. will honor the ENERGY STAR high efficiency product on the market.

The industrial customer program along with the commercial and residential customer program is part of our main objectives. We want our customers to benefit immediately of all incentives available to reduce their consumption and our efforts will be deployed towards the incentives to our customers.



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COMMUNICATION & AWARENESS

Hydro Hawkesbury Inc. would like to play a role in energy conservation by enlightening its customers. Hawkesbury Hydro Inc. would like to offer its customers helpful tips by means of a monthly newspaper publication. (Tip of the month)

POWER SYSTEM AND LOAD STUDY

Our next program will consist of a power system and load flow analysis to determine future betterments to improve our line loss. Hydro Hawkesbury Inc. would like to perform this study to reach the optimization of its distribution system and emergency operations, reduce generation and GHG.

SECTION 2) EVALUATION OF THE CDM PLAN

This type of approach did work fairly well. Our customers comment was: it's nice to see an immediate result.

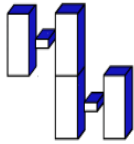
Although this program worked well for our community, we do have to mention that with the economy, it is difficult to bring our customers to think energy efficient if they have to spend money to obtain the economies.

SECTION 3) DISCUSSION OF THE PROGRAM

The following table explains exactly the amount spent in each of our programs.

1. Incentives were given to customers upon receiving proof of purchase of energy star and energuide appliances.
2. Incentives were given to commercial and/or large customers who chose to install an interval meter on their services.
3. HH performed a line loss study in the late 2005 early 2006.
4. Finally we gave energy efficient light bulbs to customers.

The following table explains the expenditures for each category



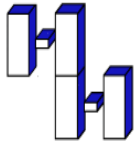
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	BUDGET	TOTAL EXPENDITURE
REVENUE		
3rd tranche of MARR (1/12)		
EXPENSES		
Energy Star Rebates	\$ 17,008.83	\$ 17,008.83
Promotion	\$ 3,109.64	\$ 2,304.20
Interval Meter Rebates	\$ 7,000.00	\$ 7,000.00
Administration fees	\$ 2,745.19	\$ 2,745.19
EnerGuide Rebates	\$ 1,000.00	\$ 1,000.00
Line Lost Study	\$ 37,538.00	\$ 37,538.00
Light Bulb Promotion	\$ 10,715.34	\$ 10,715.34
	<hr/>	<hr/>
	\$ 79,117.00	\$ 78,311.56
Remaining Balance	\$ 805.44	

SECTION 4) LESSON LEARNED

In 2007, the continuity of our program was reduced since funds became less available. 2006 was the year where most customers benefit from the program. With the money left on the 3rd tranche, we purchased some energy efficient light bulbs to distribute to our customers. With the effort from the town of Hawkesbury with the Porch light program, we feel that our customers will gradually change all lights in their premise. As mentioned above, our community has a fairly high % of low income families and Hawkesbury is an aging community. It is difficult to promote energy efficiency with older customers and being in a community with economic restraints, unless you show an immediate gain to the customer, they will listen but mostly not act on changing their habits. We did anyway get a good turnover with this program compared to the fridge retirement program with the OPA.



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SECTION 5) CONCLUSION

We are satisfied with the response from our customers in 2007 (NO ACTIVITY IN 2008) especially with the light program. We feel that the customers did benefit from all our programs during the 4 years and they appreciated the incentive and we also think that our program accelerated the appliance replacement in several households. As for our system optimization program, we truly believe that this study will make us more efficient on the long run. Major betterments activities will result from this report and line losses will improve.

Hydro Hawkesbury is proud of the outcome and total results. We feel that when the customer gets an immediate incentive, they tend to accelerate their energy conservation habits faster and are more open to change. The economic situation has a direct effect on their decision making.

I feel that at a low volume scale (small community) province wide programs could probably more efficient.

SECTION 6) DISCUSSION OF REMAINING BALANCE OF THIRD TRANCHE CDM BUDGET

Upon completion of this program we still have \$805.44 in remaining funds. Please advise how we should remit this excess money.

Respectfully Yours,

Michel Poulin, B.A.
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Appendix D - Total Life Evaluation of the CDM Plan

Table is to be completed manually by totalling the information from each year of activity

	⁵ Cumulative Totals Life-to-date	Residential	⁶ Low Income	Commercial	Institutional	Industrial	Agricultural	LDC System	⁴ Smart Meters	Other #1	Other #2
<i>Net TRC value (\$):</i>	-\$ 20,258.53	-\$ 20,258.53	\$	\$	\$	\$	\$	\$		\$	\$
<i>Benefit to cost ratio:</i>	0.72	0.72									
<i>Number of participants or units delivered:</i>	1,078	1,078									
<i>Lifecycle (kWh) Savings:</i>	1,021,263	1,021,263									
<i>Total kWh saved (kWh):</i>	152,062	152,062									
<i>Total peak demand saved (kW):</i>											
<i>Total kWh saved as a percentage of total kWh delivered (%):</i>	0.27%	0.27%									
<i>Peak kW saved as a percentage of LDC peak kW load (%):</i>											
¹ Gross C&DM expenditures (\$):	\$ 47,177.00	\$ 47,177.00	\$	\$	\$	\$	\$	\$	\$	\$	\$
² Expenditures per kWh saved (\$/kWh):	\$ 0.31	\$ 0.31	\$	\$	\$	\$	\$	\$		\$	\$
³ Expenditures per kW saved (\$/kW):	\$	\$	\$	\$	\$	\$	\$	\$		\$	\$
<i>Utility discount rate (%):</i>	7.75										

¹ Expenditures are reported on cumulative basis.

² Expenditures include all utility program costs (direct and indirect) for all programs which primarily generate energy savings.

³ Expenditures include all utility program costs (direct and indirect) for all programs which primarily generate capacity savings.

⁴ Please report spending related to 3rd tranche of MARR funding only. TRC calculations are not required for Smart Meters. Actual expenditures for the total third tranche period need to be reported.

⁵ Includes total for the reporting year, plus prior years, if any (for example, 2008 CDM Annual report for third tranche will include 2007, 2006, 2005 and 2004 numbers, if any).

⁶ Includes totals from Low Income programs that fall under both commercial and residential.