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APR 30 2009

Susan Frank

Vice President and Chief Regulatory Officer
Regulatory Affairs

ONTARIO ENERGY BD



April 30, 2009

VIA COURIER

Ms. Kirsten Walli *fd 30/4/09*
Secretary
Ontario Energy Board
2300 Yonge Street
Suite 2700
P.O. Box 2319
Toronto, ON
M4P 1E4

Dear Ms. Walli:

2008 Annual Report of CDM Activities for Hydro One Remote Communities Inc

Hydro One Remote Communities Inc. has prepared information for the 2008 Annual Reporting under the Board's Electricity Reporting and Record Keeping Requirements.

Please find attached Hydro One Remote Communities Inc.'s Annual Report of CDM Activities for the year ended December 31, 2008. These statements comply with the Board's Annual Reporting Item 2.1.12.

Sincerely,

A handwritten signature in black ink, appearing to read "Susan Frank".

Susan Frank

Attachment

Hydro One Remote Communities Inc.
Conservation and Demand Management Plan

April 30, 2009

Introduction

Hydro One Remote Communities Inc. ("Remotes") serves off-grid communities in the far north. Remotes generates electricity for sale within these communities, primarily from diesel fuel. As Remotes' costs are unique, the avoided costs used in this report were filed in RP-2005-0020/EB-2005-0511, and include 2.5% inflation.

Remotes is operated on a break-even basis and does not earn a return on equity. Remotes believes that energy efficiency and conservation programs have the potential to reduce short and long term operating costs, with accompanying environmental and social benefits.

The primary intent of Remotes' CDM initiative is to cost-effectively develop and implement a range of customer (primarily residential) and supplier programs that will deliver energy reductions and reduce expenditures on diesel fuel.

The CDM initiative focuses on local community engagement to develop conservation awareness and expertise in the communities that Remotes serves. In 2006 and 2007, Remotes had hired local community members to deliver energy efficient equipment and to install equipment in houses. Specifically, Remotes planned to procure, deliver and install insulating water-heater blankets (hot water wraps) for residential customers in 2008. However, the program was not completed because, during 2008 all of the local community coordinators who had been hired, either resigned or disengaged themselves from the project.

As a result of the loss of local coordinators to deliver the program, work in 2008 was limited to procurement and delivery of the blankets and to planning for 2009. Planning meetings were held with First Nation Band Councils, and equipment for installation in 2009 was purchased and delivered. Recruitment is also planned in 2009 to replace the lost coordinators.

Program costs in 2008 were \$129,094. As the technology was not deployed, the TRC will be run next year.

Lessons Learned/Conclusions

During 2008, the local community coordinators Remotes had been working with resigned. A review with local Chief and Council contacts was undertaken to determine the reason for the loss of interest. It was confirmed that the coordinators lacked experience, and that they had needed more ongoing support to be successful and engaged in the tasks they were asked to complete. In 2006 and 2007, Remotes had focused on seasonal distribution of energy efficient equipment, with delivery of lightbulbs, shower heads, and other equipment, during spring and fall. Based on the results in 2008, and on the discussion with local Band Councils, Remotes believes that it will be necessary to develop a more detailed work program, with ongoing projects so that the local coordinators feel supported in their roles. A more rigorous training program is also

planned. Remotes also intends to keep the local Band Councils more informed about planned activities and to make a greater attempt to solicit their assistance in supporting the local coordinator.

Name of the Programs: Community Pilot Project

Description of the program (including intent, design, delivery, partnerships and evaluation):

Note there were no in year savings for new projects in 2008
 Includes school based program.

Measure(s): t Water Wraps

Base case technology: 5000 kWh
 Efficient technology: 4730 kWh
 Number of participants or units delivered: 2240
 Measure life (years): 6

Base case technology:
 Efficient technology:
 Number of participants or units delivered:
 Measure life (years):

Base case technology:
 Efficient technology:
 Number of participants or units delivered:
 Measure life (years):

Base case technology:
 Efficient technology:
 Number of participants or units delivered:
 Measure life (years):

TRC Results:

TRC Benefits (\$):	\$ -
TRC Costs (\$):	\$ 129,094.00
Utility program cost (less incentives):	\$ 129,094.00
Participant cost:	\$ -
Total TRC costs:	\$ 129,094.00
Net TRC (in year CDN \$):	-\$ 129,094.00

Benefit to Cost Ratio (TRC Benefits/TRC Costs): \$ -

Note: cost includes educational & promotional components of programs

Results: (one or more category may apply)

Conservation Programs:

	lifecycle	in year
Energy saved (kWh):	N/A	N/A
Other resources saved :		
Natural Gas (m3):		