

Attachment "A"

Addendum to Newmarket-Tay Power Distribution Ltd. Conservation and Demand Management Strategy EB-2010-0215

Amended June 13, 2011

Background

On November 1, 2010, Newmarket-Tay Power Distribution Ltd. (NT Power) submitted their Conservation and Demand Management (CDM) Strategy to the Ontario Energy Board (OEB). NT Power utilized the Ontario Power Authority's (OPA) Resource Planning Tool to forecast reductions in Peak Provincial Electricity Demand and Electricity Consumption. NT Power also took into consideration our service territory's residential profile and past CDM program results when analyzing the results of the Resource Planning Tool.

The OEB issued its Decision and Order for the 2011-2014 Conservation and Demand Management Targets on November 12, 2010. NT Power's CDM target for total reduction in Peak Provincial Electricity Demand was reduced from 9MW to 8.76 and our target for total reduction in Electricity Consumption changed from 34.00 GWH to 33.05 GWH.

On November 30, 2010 NT Power received a letter from the OEB requesting an addendum to the submitted CDM strategy that was to include estimated, prospective budgets for planned OPA-Contracted Province-Wide CDM programs and Board Approved CDM programs. The Board letter stipulated that the addendum was to be filed 21 days after the finalization of the OPA's funding formula. The letter also stated that budgets associated with the OPA's Low Income program did not need to be included in the addendum.

NT Power received from the OPA, in the first part of 2011, their Program Administrative Budget for the four year period of 2011-2014. On February 18th the Board issued a notice to all licensed electricity distributors, which stated that there are five funding components that form the complete funding envelope for the OPA programs. The five funding components are:

- Ø Program Administrator Budget (PAB)
- Ø Capability Building Funding (CBF)
- Ø Participant Based Funding (PBF)
- Ø Participant (or customer) Incentives (PI or CI)
- Ø Cost Efficiency Funding (CEI)

The OEB stated that they would like to receive projected budgets for all of the funding components noted above except for Cost Efficiency Funding in NT Power's Addendum.

On May 20th the Board confirmed that the OPA funding formula has been finalized and is now available to all distributors. The Board requested that distributors file the required addendum no later than June 13, 2011.

Estimated Prospective Budget

To respond to the directive provided by the Board, NT Power utilized the best available information to reach the estimated budgets for Residential, Commercial and Industrial programs. As per the Board file number EB-2010-0215 no estimated funding amounts were required for the Low Income program.

NT Power utilized the Resource Planning tool provided by the OPA to assist with the development of prospective budgets for the various programs and initiatives. Adjustments were made to the budgets based on territory specific information and past knowledge of CDM program participation.

The preliminary budget outlined in this document covers four of the five funding components outlined in the Board's February 18th filing. A budget for CEI was not included as this will be an amount rewarded to LDCs at the end of the program's life for implementing their OPA Programs in a cost efficient manner.

The following table provides a breakdown of the estimated prospective budgets for the OPA Contracted Province-Wide programs:

| OPA Contracted Province-Wide Programs | Estimated Prospective Budget 2011 -2014 |
|---------------------------------------|--|
| Residential Program | \$2,750,000 |
| Commercial and Institutional Program | \$3,500,000 |
| Industrial Program | \$454,000 |
| Low Income Program | N/A |
| Total Budget | \$6,704,000 |

Limitations/Constraints

The estimated prospective budgets are based on meeting the required MW and GWH targets for NT Power. The final budget numbers might be higher or lower than the estimated budget numbers depending on the following considerations:

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

NT Power will report on progress towards budget and the assigned CDM targets in its annual report submissions to the Board.