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EB-2010-0332

Exhibit I-1-4

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January 26, 2011

Rick Stevens
VP Asset Management, Hydro One
483 Bay Street
Toronto ON
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Dear Mr. Stevens,

RE: Hydro One Networks Inc. and Hydro One Brampton Networks Inc. Board-Approved CDM Program Applications – Board file number EB-2010-0332 and EB-2010-0331

On behalf of the OPA, especially all of our staff in the Conservation Division, I would like to personally thank you and your conservation staff for your support over the past 14 months as we have worked together to design and launch the new suite of OPA-Contracted Province-Wide Conservation Programs. The OPA has greatly appreciated the active role which HONI has taken in the design process, through your participation on all seven of the OPA-LDC Working Groups, including chairing the OPA-LDC Residential and Small Commercial Demand Response Working Group. The collaboration between LDCs, including HONI, and the OPA was a critical factor in developing programs which we believe will stand among the 'best in class'.

Based on recent discussion regarding your Board-approved CDM Program Applications, I am writing this letter to state that the OPA is supportive of innovative CDM initiatives that foster a culture of conservation in Ontario. The OPA supports the efforts of Hydro One Networks Inc. and Hydro One Brampton Networks Inc. (the "Applicants") to promote Ontario as a leader in conservation and demand management. CDM initiatives, including potential OEB-Approved programs that are incremental and complementary to OPA-Contracted Province-Wide Programs ("Province-Wide Programs"), would increase Ontario's overall CDM results and provide added opportunities for learning and informing the development of future programs for Ontario.

The OPA has reviewed the Applicants' evidence related to the six proposed CDM programs that have been submitted to the OEB for approval. The six programs are:

- Community Education
- Neighbourhood Benchmarking
- Monitoring and Targeting
- Small Commercial Energy Management and Load Control
- Municipal and Hospital Energy Efficiency Performance
- Double Returns Plus

Ontario Power Authority

The OPA understands that the Applicants intend to deliver these proposed Board-Approved programs in a way that is incremental and complementary to the Province-Wide Programs. The OPA has reviewed the Applicants' description of the Province-Wide Programs in Exhibit C-1-1. That description is generally consistent with key elements of the program designs, the details of which have continued to evolve. Further and more precise information regarding these program designs will be available when the Master Agreement and its associated schedules for the Province-Wide Programs are finalized. The Master Agreement, Consumer Program Schedules and some Commercial Program schedules will be made available to LDCs on January 26th. The remaining Commercial Program schedules and Industrial Program schedules will be made available to LDCs by the end of February, 2011. The OPA expects to make summaries of the Province-Wide Program designs available to the public shortly thereafter.

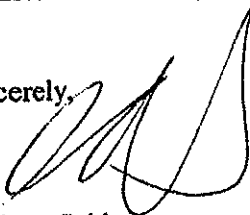
The OPA is supportive of the Applicants moving forward with the implementation of the proposed Board-Approved programs subject to the following conditions:

- that the OPA may transition these programs to Province-Wide Programs sometime in the future;
- that events under the Community Education program will not use funds available through the Province-Wide Consumer Program;
- with respect to the Applicants' proposed Small Commercial Energy Management and Load Control program ("SCEMLC"),
 - that this program may be adopted under the Province-Wide Programs at a future date;
 - that the Applicants will continue to work with the OPA on coordinating the delivery of this proposed program with the Province-Wide Programs;
- with respect to the Applicants proposed Municipal and Hospital Energy Efficiency Performance program,
 - that institutional customers that are seeking a project-based approach to retrofits would be channeled towards the Electricity Retrofit Incentive Initiative and Commissioning Initiative under the Province-Wide Commercial Program; and
 - that participants will be allowed to participate in only one of the Province-Wide Program or the proposed Board-Approved Program.

The OPA believes that the experience gained by the Applicants in implementing these programs now can contribute to the continuous improvement of OPA-Contracted Province-Wide Programs.

The OPA also confirms that the projected provincial savings from the OPA-Contracted Province-Wide programs are less than the provincial aggregate LDC target. The OPA-Contracted Province-Wide Programs are forecasted to achieve more than 1,000 MW of peak demand reduction and more than 5,400 GWh of reduced electricity consumption accumulated over the four-year period, representing about 78 percent of the total peak and 91 percent of the provincial aggregate LDC CDM Target established for all distributors in accordance with the Minister's March 31, 2010 directive to the Board (1,330 MW peak and 6,000 GWh energy savings).

Sincerely,



Andrew Pride
Vice President, Conservation Division