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February 24, 2011

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Ontario Energy Board
P.O. Box 2319
27th Floor
2300 Yonge Street
Toronto, ON M4P 1E4

Attention: Kirsten Walli
Board Secretary

**Re: Haldimand County Hydro Inc. (EB-2010-0086)
2011 IRM3 Electricity Distribution Rate Application
Board Decision and Order – Late Payment Penalty Class Action
Generic Proceeding (EB-2010-0295)**

Dear Ms. Walli:

Haldimand County Hydro Inc. filed an application with the Ontario Energy Board (the "Board") on October 29, 2010 seeking approval for changes to rates that Haldimand County Hydro may charge for electricity distribution to be effective May 1, 2011.

The Ontario Energy Board (the "Board") initiated a generic proceeding (EB-2010-0295) to determine whether the costs and damages incurred by electricity distributors as a result of the April 21, 2010 Minutes of Settlements in the late payment penalty ("LPP") class action are recoverable from electricity distribution ratepayers, and if so, the form and timing of such recovery.

This letter is pursuant to the Board's Decision and Order, issued February 22, 2011, with respect to this matter, where the Board orders that:

1. *"The costs and damages arising from the LPP class action that are sought for recovery in this proceeding shall be recovered from all ratepayers of the Affected Electricity Distributors. A listing of each Affected Electricity Distributor and their share of the class action costs that is approved for recovery is provided in Appendix A to this Decision.*

2. *For the purposes of recovery, the costs and damages arising from the settlement of the LPP class action that are approved in this proceeding, shall be allocated to all customers of each Affected Electricity Distributor in Appendix A, on the basis of distribution revenues. The distribution revenues to be used for this purpose shall be the 2009 distribution revenues used in the RRR process.*
3. *...All other affected Electricity Distributors shall recover each of their shares of the amounts approved for recovery, as provided in Appendix A, over a 12-month period starting May 1, 2011.*
4. *The rate rider for the purposes of recovery shall be a fixed customer charge and for the purposes of this calculation, each Affected Electricity Distributor in Appendix A shall use the 2009 year-end actual customer or connection data, as applicable, reported as part of each distributor's RRR.*
5. *The Board directs all Affected Electricity Distributors (in Appendix A) that currently have an IRM or cost of service application before the Board, to file with the Board within seven days of the date of this Decision and Order, detailed calculations including supporting documentation, outlining the derivation of the rate riders based on the methodology outlined in this Decision..."*

Haldimand County Hydro is an Affected Electricity Distributor and is eligible to recover \$52,104.38 as provided for in Appendix A of the Decision.

The following Table 1 provides the detailed calculations of the monthly fixed customer charge rate riders for the purpose of recovering this LPP class action recovery amount. These rate riders have been derived in accordance with the methodology outlined in the Decision, including:

- i. The recovery amount of \$52,104.38, to be recovered from all ratepayers, has been allocated to all customer classes on the basis of audited 2009 distribution revenues, as reported in the RRR process (E2.1.5 Performance Based Regulation – Customers, Demand and Revenues section – as filed on June 9, 2010) and the Board's "2009 Yearbook of Electricity Distributors";
- ii. The rate riders have been derived to recover the approved recovery amount over a 12 month period; and

- iii. The rate riders have been derived as a fixed customer charge (rounded down to 2 decimal places), using the 2009 customer or connection data, as applicable, also as reported in the RRR process as noted above.

Table 1: Calculation of Rate Riders for the Recovery of Late Payment Penalty Recovery Amount

Rate Class	2009 Distribution Revenue	Weighting Factor	Late Payment Penalty Recovery Amount	2009 Customer Count	2009 Connection Count	Rate Rider Annual	Rate Rider Per Month
Residential	\$ 7,584,891	67.36%	\$ 35,099.51	18,309		\$ 1.92	\$ 0.16
General Service < 50 kW	\$ 1,775,022	15.76%	\$ 8,214.01	2,381		\$ 3.45	\$ 0.28
General Service 50 kW to 4,999 kW	\$ 1,773,199	15.75%	\$ 8,205.58	137		\$ 59.89	\$ 4.99
Sentinel Lighting	\$ 20,871	0.19%	\$ 96.58		656	\$ 0.15	\$ 0.01
Street Lighting	\$ 85,892	0.76%	\$ 397.47		2,878	\$ 0.14	\$ 0.01
Unmetered Scattered Load	\$ 19,713	0.18%	\$ 91.22		84	\$ 1.09	\$ 0.09
	\$ 11,259,588	100.00%	\$ 52,104.38	20,827	3,618		

Haldimand County Hydro currently has its 2011 IRM3 application before the Board, and respectfully submits these rate riders for the Board's consideration for inclusion in distribution rates to be effective May 1, 2011 to April 30, 2012.

Two hard copies of this submission are now enclosed. An electronic copy in PDF format will be submitted through the Board's *Regulatory Electronic Submission System* ("RESS").

Yours truly,
HALDIMAND COUNTY HYDRO INC.

Original signed by

Jacqueline A. Scott
 Finance Manager