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March 29, 2012

Kirsten Walli
Board Secretary
Ontario Energy Board
2300 Yonge Street, 27th Floor
Toronto, ON M4P 1E4

Dear Ms. Walli:

**Re: Thunder Bay Hydro Electricity Distribution Inc. ("TBHEDI")
2012 IRM3 Distribution Rate Application
Board File No. EB-2011-0197**

This letter acknowledges receipt of the Board Staff Submission dated February 13, 2012 and TBHEDI's response to Issue 2: LRAM – 2010 Programs. TBHEDI submits two (2) paper copies of its responses to the Board Staff Submission for the 2012 IRM3 Distribution Rate Application.

An electronic copy has been submitted through the OEB's RESS on-line filing system and via email, including a copy to all Intervenors.

Should you require any additional information, please do not hesitate to contact the undersigned.

Yours truly,

A handwritten signature in cursive script that reads "Cindy Speziale".

Cindy Speziale, CA
Vice President, Finance

Encl.

cc: Robert Mace, President, Thunder Bay Hydro Electricity Distribution Inc.
Michael Buonaguro, Counsel for Vulnerable Energy Consumers Coalition (VECC)

Responses to Board Staff Submission

2012 IRM3 Electricity Distribution Rates Thunder Bay Hydro Electricity Distribution Inc. (“TBHEDI”) EB-2011-0197

Lost Revenue Adjustment Mechanism (“LRAM”)

Issue 2: LRAM - 2010 programs

Thunder Bay concurs that it has not collected the lost revenues associated with CDM programs delivered in 2010, a year where it was under IRM. Board staff supports the approval of the 2010 lost revenues, as these lost revenues took place during an IRM year and Thunder Bay did not have an opportunity to recover these amounts.

Board staff requested that Thunder Bay provide an updated LRAM amount that only includes lost revenues from 2010 CDM programs in 2010 and the subsequent rate riders. Below is a table that summarizes this claim of 2010 CDM programs in 2010 in isolation of Thunder Bay’s revised claim of \$232,860 for CDM programs between 2005 to 2010 in 2010 and the applicable rate riders:

Rate Class	LRAM Claim	2010 Actuals		One Year Rate Rider
	'10	Total		Total
	\$		Metrics	\$/unit (kWh or kW)
Residential	14,896	335,657,888	kWh	0.0000
GS <50 kW	26,554	132,889,380	kWh	0.0002
GS>50 kW	84	757,533	kW	0.0001
GS 1,000 to 4,999 kW	-	533,066	kW	0.0000
Unmetered Scattered Load	-	1,952,259	kWh	0.0000
Sentinel Lights	-	378	kW	0.0000
Street Lights	-	31,551	kW	0.0000
Total	41,534			

As seen in the above table, the 2010 claim for 2010 CDM programs is \$41,534 which is allocated to the residential, General Service < 50kW, and General Service > 50kW rate classes. However, the LRAM claim for the residential rate class is not large enough to generate a rate rider of 4 decimals. The remaining 2 rate classes generate a rate rider for this claim.

All of which is respectfully submitted