



GRAND VALLEY ENERGY INC.

September 4, 2007

Ontario Energy Board
PO Box 2319
2300 Yonge St
26th Floor
Toronto, Ontario
M4P 1E4

Dear Sir:

Please find enclosed 3 copies of our 2007 Rate Application for Grand Valley Energy Inc. filing along with the Managers Summary. We have emailed a complete electronic copy.

We hope that you find every in order but if you do require further assistance or have any questions, please contact Jan Howard at jhoward@orangevillehydro.on.ca or by phoning 519-942-8000.

Yours truly,

GRAND VALLEY ENERGY INC.

Jan Howard
Treasurer



GRAND VALLEY ENERGY INC.

May 16, 2007

Board Secretary
Ontario Energy Board
PO Box 2319
2300 Yonge St
26th Floor
Toronto, Ontario
M4P 1E4

Re: License # ED-2002-512

Dear Ms Walli:

Grand Valley Energy Inc. would like to request a resubmission of the 2007 IRM rate application for reasons noted below.

It has come to my attention that the Grand Valley Energy rate applications have been incorrect commencing after the first unbundling of the rates. Grand Valley Energy used incorrect billing determinants to calculate the rates.

The billing determinants used in the rate applications for the kilowatt-hours were uplifted by the loss factor of 6.12%. This resulted in lower rates and has impacted their financial situation. I initially found the error because the utility was not achieving their revenue requirement therefore I reviewed the 2006 rate application. The uplifted kilowatt-hours resulted in a \$4,998 shortfall in their revenue requirement that represents 23% of Grand Valley target net income. I went back to their previous rate applications and noted that the kilowatt-hours were uplifted in those applications also although I have not calculated the revenue shortfall.

I have enclosed a spreadsheet to demonstrate the impact of the 2006 rate application on revenue requirement if the correct billing determinants were used.

GVEI is not asking to recover any amounts lost in 2006 but are hopeful that going forward that the Board will allow us to adjust the rates starting with the 2007 IRM Model. However, It would not be cost effective for GVEI if re-applying for a rate adjustment for 2007 demands intervener involvement. The costs of the process would probably be greater than the revenue shortfall. If this is the case, GVEI would like consideration to include the adjustment in the 2008 rate application process. This could include being considered in the first tranche of rebasing effective May 1st, 2008.

If you have any questions, please contact Jan Howard at jhoward@orangevillehydro.on.ca or by phoning 519-928-8000.

Yours truly,
GRAND VALLEY ENERGY INC.

Jan Howard
Treasurer



GRAND VALLEY ENERGY INC.

**GRAND VALLEY ENERGY INC.
APPLICATION FOR A 2007 ELECTRICITY DISTRIBUTION RATE
ADJUSTMENT
MANAGERS SUMMARY
EB-2007-0530**

Please find enclosed Grand Valley Energy Inc. (GVEI), License # ED-2002-0512, Application to Adjust the 2007 Distribution Rates. GVEI requests approval to adjust the rates due to the incorrect billing determinants filed in the 2006 EDR and as per letter sent to the Board on May 16th. The letter is included in this filing.

Contained in this application are:

1. Spreadsheets with revised billing data as evidence
2. Sheet 6-2 from 2006 EDR Model noting consumption filed and revised consumption
3. Sheet 8-1 from 2006 EDR Revised to reflect new consumption allocations
4. Spreadsheet calculating Revenue Shortfall
5. Sheet 8-5 from 2006 EDR Model Revised with adjusted rates
6. Revised 2007 IRM Model with newly adjusted 2006 rates
7. A revised rate sheet with implementation date of November 1, 2007
8. a Managers Summary

The rate classes, the service classes and rates schedules are exactly as indicated on our Board-Approved 2006 Tariff of Rates and Charges for GVEI.

STEP 1. REVISED BILLING DATA

We feel the error was made because the clerk manually added the billing data from the billing registers at the end of the year. The clerk took the totalized amount that included the losses for the summarized statistic sheet. We created a spreadsheet and input the data from the billing registers for 2002, 2003 and 2004. The data used had the total consumption billed and the total losses billed for each class. Unfortunately the billing system did not provide a total billed for the year. To spread the adjustment over the classes, GVEI corrected the consumption data in the 2006 EDR Model.

STEP 2. DETERMINE NEW CONSUMPTION ALLOCATION

In the 2006 EDR Model, the new allocations were determined and allocated the new billing determinants to the classes.

STEP 3. CORRECTED RATES

The corrected rates were determined in the 2006 EDR Model.

STEP 4. 2007 IRM MODEL

The corrected rates from the 2006 EDR Model were used to input into the 2007 IRM Decision Model and determined the rates for 2007.

**STEP 5. NEW RATES DETERMINED FOR EFFECTIVE DATE
NOVEMBER 1, 2007**

On the revised rate spreadsheet the rate difference was determined and then spread over the 6 months remaining in the rate year in order to produce rates effective November 1, 2007. GVEI used November 1st as the effective date to coincide with the RPP rate change.

Yours truly,

GRAND VALLEY ENERGY INC.

Jan Howard
Treasurer