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P.O. Box 2700  
London, Ont.  
N6A 4H6

April 6, 2010

Kirsten Walli  
Board Secretary  
Ontario Energy Board  
P.O. Box 2319  
27<sup>th</sup> Floor  
2300 Yonge Street  
Toronto ON M4P 1E4

Re: **Board File No.: EB-2009-0235 London Hydro Inc. – 2010 Rate Order**

Dear Ms. Walli:

Pursuant to the Decision of March 31, 2010 in the above-noted proceeding, and as ordered by the Board on page 12 of that Decision, London Hydro is providing the Board with the attached submissions.

### **Draft Tariff of Rates and Charges**

London Hydro has reviewed the draft Tariff of Rates and Charges submitted with the Boards Decision and notes the following required correction:

1. Rate Rider for Tax Change – effective until April 30, 2011  
For the General Service 50 to 4,999 kW class, the General Service 50 to 4,999 kW (Co-Generation) class, the Large Use Service class, the Standby Power Service class, the Sentinel Lighting Service class and the Streetlighting Service class this rate rider is listed as a “\$/kWh” credit.  
**This credit should be a “\$/kW” credit for these particular customer classes.**
2. Rate Rider for Deferral/Variance Account Disposition (2009) – effective until April 30,2011  
For the General Service 50 to 4,999 kW class this rate rider is listed as a “\$/kWh” credit. **This credit should be a “\$/kW” credit for this customer class.**
3. Retail Transmission Rate – Network Service Rate – Interval Metered  
For the Large Use Service class, this rate is shown as \$/kW 2.6355.  
**The correct value is \$/kW 2.6365.**

*Our Commitment is To Our Customers*

## Other Comments and Observations

In addition to the above noted inaccuracies identified in the draft Tariff of Rates and Charges, we note the following observations in the Board's Decision which we confirm have no impact on the calculation of the approved rates, but which the Board may wish to correct.

1. The cover page for Appendix A which precedes the draft Tariff of Rates and Charges, indicates a Decision and Order date of March 31, 2011. We believe this date should be March 31, 2010.
2. On page 8 of the Board's Decision, a table is presented that identifies the Revenue-to-Cost Ratios (%) for London Hydro's customer classes for 2009 and 2010. The Decision indicates that the information has been taken from London Hydro's rate application (EB-2008-0235) and represents London Hydro's proposed revenue-to-cost ratios for 2009 and 2010.

We would note the following inaccuracies in the table as presented:

The information presented as "Large Use > 5 MW" is actually for the "GS 50 to 4,999 kW (Co-Generation)" rate class.

The information for the "Large Use > 5 MW" rate class has been omitted from the table.

For the Board's assistance, the following table is the table that was submitted by London Hydro on September 4, 2009 in the Draft Rate Order under EB-2008-0235. This table was submitted under Appendix B, page 37 and represents the final Board approved revenue-to-cost ratios.

Final Revenue to Cost Ratios By Customer Class – 2009 and 2010

Exhibit 8 - Table 4

Customer Class	Target Ranges		London Hydro CA Results	Final 2009	Final 2010
	Low	High			
Residential	85%	115%	110.7%	109.0%	108.1%
GS <50 kW	80%	120%	129.2%	112.7%	108.8%
GS 50 to 4,999 kW	80%	180%	71.2%	80.0%	80.0%
GS 50 to 4,999 kW (Co-Generation)	80%	180%	239.7%	209.9%	180.0%
Standby Power	80%	180%	80.0%	80.0%	80.0%
Large Use >5MW	85%	115%	62.0%	73.5%	85.0%
Street Light	70%	120%	17.3%	43.6%	70.0%
Sentinel	70%	120%	14.7%	42.3%	70.0%
Unmetered Scattered Load	80%	120%	58.3%	69.2%	80.0%

The revenue-to-cost ratios indicated in the above table, including the required revenue adjustments, were identified in the table presented on page 4 of the Managers Summary for the 2010 IRM application EB-2009-0235 and it is confirmed that the rate adjustments as calculated on tab C1.5 of the 2010 IRM Supplementary Model are correct.

3. Charges for Ministry of Energy and Infrastructure Conservation and Renewable Energy Program

While it is not the subject of this application or Decision, for the purposes of cost avoidance and ease of implementation, we would encourage the Board to allow distributors to implement this pending rate rider utilizing the same methodology as is currently employed for existing rate riders within each customer class.

For greater certainty, this pending rate rider would be implemented on a \$/kWh or a \$/kW dependent on the method in which existing rate riders are currently applied.

Two hard copies of this report will be forwarded to the Board today.

Sincerely,



Dave Williamson  
Chief Financial Officer  
London Hydro Inc.  
Bus. (519) 661-5800 ext. 5745  
Fax (519) 661-2596  
[williamd@londonhydro.com](mailto:williamd@londonhydro.com)

Appendix A

To Decision and Order

EB-2009-0235

March 31, ~~2011~~

2010

**London Hydro Inc.**  
**TARIFF OF RATES AND CHARGES**  
**Effective and Implementation Date May 1, 2010**  
**except for the microFIT Generator Class effective date of September 21, 2009**

This schedule supersedes and replaces all previously  
 approved schedules of Rates, Charges and Loss Factors

EB-2009-0235

## GENERAL SERVICE 50 to 4,999 kW SERVICE CLASSIFICATION

This classification applies to a non residential account whose average monthly maximum demand used for billing purposes is equal to or greater than, or is forecast to be equal to or greater than, 50 kW but less than 5,000 kW. Note that for the determination of the billing demand and the application of the Retail Transmission Rate – Network Service Rate and the Retail Transmission Rate – Line and Transformation Connection Service Rate the following sub-classifications apply:

General Service 50 to 199 kW non-interval metered

General Service 50 to 4,999 kW interval metered.

Further servicing details are available in London Hydro's Conditions of Service

### APPLICATION

The application of these rates and charges shall be in accordance with the Licence of the Distributor and any Code or Order of the Board, and amendments thereto as approved by the Board, which may be applicable to the administration of this schedule.

No rates and charges for the distribution of electricity and charges to meet the costs of any work or service done or furnished for the purpose of the distribution of electricity shall be made except as permitted by this schedule, unless required by the Distributor's Licence or a Code or Order of the Board, and amendments thereto as approved by the Board, or as specified herein.

Unless specifically noted, this schedule does not contain any charges for the electricity commodity, be it under the Regulated Price Plan, a contract with a retailer or the wholesale market price, as applicable.

It should be noted that this schedule does not list any charges or assessments that are required by law to be charged by a distributor and that are not subject to Board approval, such as the Debt Retirement Charge, charges for Ministry of Energy and Infrastructure Conservation and Renewable Energy Program, the Provincial Benefit and any applicable taxes.

### MONTHLY RATES AND CHARGES – Delivery Component

Service Charge	\$	289.64
Smart Meter Funding Adder	\$	1.00
Distribution Volumetric Rate	\$/kW	1.6052
Rate Rider for Tax Change – effective until April 30, 2011	<del>\$/kWh</del>	(0.0171)
Rate Rider for Deferral/Variance Account Disposition (2009) – effective until April 30, 2011	<del>\$/kWh</del>	(0.5778)
Retail Transmission Rate – Network Service Rate	\$/kW	2.0071
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kW	1.6556
Retail Transmission Rate – Network Service Rate – Interval Metered	\$/kW	2.5738
Retail Transmission Rate – Line and Transformation Connection Service Rate – Interval Metered	\$/kW	2.3070

### MONTHLY RATES AND CHARGES – Regulatory Component

Wholesale Market Service Rate	\$/kWh	0.0052
Rural Rate Protection Charge	\$/kWh	0.0013
Standard Supply Service – Administrative Charge (if applicable)	\$	0.25

**London Hydro Inc.**  
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**GENERAL SERVICE 1,000 to 4,999 kW (Co-Generation) SERVICE  
CLASSIFICATION**

Embedded generation, co-generation or load displacement customers have the option to reserve demand capacity on the London Hydro distribution system for import load through mutual agreement/contract. For the embedded generation customers with a gross peak demand annual average of less than 1,000 kW and equal to or greater than 50 kW per month, the General Service 50 to 4,999 kW distribution rates will be applied, as long as there is no requirement for reserve capacity from the customer. For the embedded generation customers with a gross peak demand annual average of less than 50 kW per month, the General Service Less Than 50 kW distribution rates will be applied, as long as there is no requirement for reserve capacity from the customer. Further servicing details are available in London Hydro's Conditions of Service.

**APPLICATION**

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**MONTHLY RATES AND CHARGES – Delivery Component**

Service Charge	\$	2,272.27
Smart Meter Funding Adder	\$	1.00
Distribution Volumetric Rate	\$/kW	3.9642
Rate Rider for Tax Change – effective until April 30, 2011	\$/kWh	(0.0337)
Rate Rider for Deferral/Variance Account Disposition (2009) – effective until April 30, 2011	\$/kW	(0.2552)
Retail Transmission Rate – Network Service Rate	\$/kW	2.9712
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kW	2.4403

**MONTHLY RATES AND CHARGES – Regulatory Component**

Wholesale Market Service Rate	\$/kWh	0.0052
Rural Rate Protection Charge	\$/kWh	0.0013
Standard Supply Service – Administrative Charge (if applicable)	\$	0.25

**London Hydro Inc.**  
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EB-2009-0235

## LARGE USE SERVICE CLASSIFICATION

This classification applies to an account whose average monthly maximum demand used for billing purposes is equal to or greater than, or is forecast to be equal to or greater than, 5,000 kW. Further servicing details are available in London Hydro's Conditions of Service.

### APPLICATION

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### MONTHLY RATES AND CHARGES – Delivery Component

Service Charge	\$	20,421.99
Smart Meter Funding Adder	\$	1.00
Distribution Volumetric Rate	\$/kW	2.2552
Rate Rider for Tax Change – effective until April 30, 2011	\$/kWh	(0.0241)
Rate Rider for Deferral/Variance Account Disposition (2009) – effective until April 30, 2011	\$/kW	(0.7001)
Retail Transmission Rate – Network Service Rate – Interval Metered	\$/kW	<del>2.6365</del> 2.6365
Retail Transmission Rate – Line and Transformation Connection Service Rate – Interval Metered	\$/kW	2.3070

### MONTHLY RATES AND CHARGES – Regulatory Component

Wholesale Market Service Rate	\$/kWh	0.0052
Rural Rate Protection Charge	\$/kWh	0.0013
Standard Supply Service – Administrative Charge (if applicable)	\$	0.25

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EB-2009-0235

## STANDBY POWER SERVICE CLASSIFICATION

This classification refers to an account that has Load Displacement Generation and requires London Hydro to provide back-up service. The distribution Standby Power rate will be applied to all monthly kW's reserved. Further servicing details are available in London Hydro's Conditions of Service

### APPLICATION

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### MONTHLY RATES AND CHARGES – APPROVED ON AN INTERIM BASIS

Standby Charge – for a month where standby power is not provided. The charge is applied to the contracted amount (e.g. nameplate rating of generation facility).

Rate Rider for Tax Change – effective until April 30, 2011

Rate Rider for Deferral/Variance Account Disposition (2009) – effective until April 30, 2011

	\$/kW	2.3733
	<del>\$/kWh</del>	(0.0138)
	\$/kW	(0.2552)



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EB-2009-0235

## SENTINEL LIGHTING SERVICE CLASSIFICATION

This classification refers to accounts that are an unmetered lighting load supplied to a sentinel light. Further servicing details are available in London Hydro's Conditions of Service

### APPLICATION

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### MONTHLY RATES AND CHARGES – Delivery Component

Service Charge (per connection)	\$	3.10
Distribution Volumetric Rate	\$/kW	10.0297
Rate Rider for Tax Change – effective until April 30, 2011	<del>\$/kWh</del>	(0.1253)
Rate Rider for Deferral/Variance Account Disposition (2009) – effective until April 30, 2011	\$/kW	(0.4643)
Retail Transmission Rate – Network Service Rate	\$/kW	1.7697
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kW	1.4596

### MONTHLY RATES AND CHARGES – Regulatory Component

Wholesale Market Service Rate	\$/kWh	0.0052
Rural Rate Protection Charge	\$/kWh	0.0013
Standard Supply Service – Administrative Charge (if applicable)	\$	0.25

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EB-2009-0235

## **STREET LIGHTING SERVICE CLASSIFICATION**

This classification applies to an account for roadway lighting with a Municipality, Regional Municipality, Ministry of transportation and private roadway lighting, controlled by photo cells. The consumption for these customers will be based on the calculated connected load times the required lighting times established in the approved OEB street lighting load shape template. Further servicing details are available in London Hydro's Conditions of Service.

### **APPLICATION**

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### **MONTHLY RATES AND CHARGES – Delivery Component**

Service Charge (per connection)	\$	1.38
Distribution Volumetric Rate	\$/kW	7.0355
Rate Rider for Tax Change – effective until April 30, 2011	<del>\$/kWh</del> <b>\$/kW</b>	(0.0897)
Rate Rider for Deferral/Variance Account Disposition (2009) – effective until April 30, 2011	\$/kW	(0.2904)
Retail Transmission Rate – Network Service Rate	\$/kW	1.7673
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kW	1.4578

### **MONTHLY RATES AND CHARGES – Regulatory Component**

Wholesale Market Service Rate	\$/kWh	0.0052
Rural Rate Protection Charge	\$/kWh	0.0013
Standard Supply Service – Administrative Charge (if applicable)	\$	0.25