Greater Sudbury Hydro Inc./
Hydro du Grand Sudbury Inc.

500 Regent Street / rue Regent, PO Box 250 / CP 250, Sudbury, ON P3E 4P1
Telephone (705)675-7536 Fax (705)671-1413

November 16, 2007

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

Attention: Ms. Kirsten Walli

Dear Ms. Walli:

Re: **Greater Sudbury Hydro Inc.**
2008 Electricity Distribution Rate Application
EB-2007-0899

Greater Sudbury Hydro Inc. is a distributor as defined in, and licensed as such under, the Ontario Energy Board Act, 1998. Greater Sudbury Hydro Inc. holds Electricity Distributor License ED – 2002 – 0559.

Greater Sudbury Hydro Inc. hereby applies to the Ontario Energy Board, pursuant to section 78 of the Ontario Energy Board Act, 1998; for an Order approving retail transmission rates to be implemented on May 1, 2008.

This application is filed electronically through the Board's web portal and two paper copies and a CD containing the electronic files mailed to the Board Secretary in accordance with the Board's 2008 Electricity Distribution Rate Application filing requirements dated September 28, 2007.

Greater Sudbury Hydro Inc. requests the Board to give reasons in writing for its final decision and order in this proceeding. This request is made in accordance with subsection 17(1) of the Statutory Powers Procedure Act.

Thank you for your attention and guidance in fulfilling the requirements of this application.

Respectfully submitted,

Vice President - Corporate Services
Greater Sudbury Hydro Inc.

Enclosure

GREATER SUDBURY HYDRO INC

2008 DISTRIBUTION RATE APPLICATION

METHODOLOGY FOR CALCULATING REVISED TRANSMISSION RATES FOR SUBMISSION TO THE OEB

We are tabling revised 2008/05/01 transmission rates based on 2006 historical data.

Three spreadsheets were used for calculation purposes .

1. 2006/12/31 Loss Factor & Consumption Analysis – Transmission Rate Analysis

   The 2006 consumption figures were taken from this spreadsheet for purposes of Determining transmission revenues (kWh and kW). These figures are the figures used for our distribution rate setting process and reflect the total kWh/kW sales figures for the 2006 year adjusted for year end unbilled figures. They do not include losses.

2. 2006/12/31 Summary of Peak Demands – 2008 Forecast

   Greater Sudbury Hydro purchases electricity through the IESO as well as from Hydro One (we have some embedded distribution with deregistered meters). This workbook reflects the 2006 transmission network and connection costs from both sources. The first sheet reflects 2006 actual costs from the IESO. It is compared to 2006 revenues and shows a shortfall.

   The second sheet incorporates the 2006 consumption billed via the IESO invoice with the proposed 2008 rates applied. This is added to the HONI costs to forecast the 2008 rates (on an annual basis).

   The third sheet shows Hydro One costs, which are reflected in the totals of sheet 1 and 2 transmission costs.

3. 2006/12/31 Trans Rate Rev Calcs re 2008 Rate Submission

   The first sheet calculates the 2008 transmission revenues based on the 2006 approved rates and the 2006 actual kWh/kw sales volumes. It is compared to data from workbook #2 above with the HONI proposed transmission rates for 2008. The result is a net over-recovery of $512,020.26 or 7.1694%.

   Based on the percentage over-recovery, we adjusted the 2006 transmission rates downwards. This calculation, and the associated rates we will table as part of the 2008 rate application, is shown on the sheet entitled '2008 adj rates'. The proposed transmission revenues are compared to the anticipated transmission costs from workbook #2 and the net result is close to breakeven.

GREATER SUDBURY HYDRO INC
2006 STATISTICS - KW AND KWH SALES

6-2 DEMAND, RATES (Input)
Enter 2004 and 2005 rates

	Number of Customers (Connections)					Demand Data - kWh					Demand Data - kW				
	2002 #	2003 #	2004 #	2005 #	2006 #	2002 kWh	2003 kWh	2004 kWh	2005	2006	2002 kW	2003 kW	2004 kW	2005 kW	2006 kW
RESIDENTIAL															
Regular	38,643	38,490	38,513	38,606	38704	352,862,668	369,233,471	377,199,721	379,532,699	369,998,923					
GENERAL SERVICE															
Less than 50 kW	3,810	3,606	3,583	3,590	3590	145,586,539	149,922,968	135,270,265	137,676,465	134,733,012					
Greater than 50 kW (to 3000 kW)	418	455	464	478	478	331,720,481	350,988,186	**354,407,651**	**370,166,305**	**369,335,118**	866,203	906,390	882,940	902,212	907,878
Unmetered/scattered load	263	263	263	140	140	2,072,353	2,072,353	2,072,353	2,096,385	2,119,143					
Street Lighting															
Sentinel Lighting	422	438	422	425	425	-	344,534	534,132	537,190	525,797	1,340	1,484	1,326	1,313	1,289
Streetlighting	8,184	7,498	8,510	8,599	8608	7,539,948	7,222,884	7,745,444	7,733,572	7,784,705	20,944	20,011	21,597	21,611	21,758
TOTALS						839,781,989	879,784,396	877,229,566	897,742,615	884,496,698	888,487	927,885	905,863	925,136	930,924
Purchases						904,227,385	921,461,138.31	925,451,443	935,989,770	926,513,857					
Percentage losses(purchases minus sales/purchases)						7.13%	4.52%	5.21%	4.09%	4.53%					
						7.67%	4.74% 5.83%	5.50%	**4.26%**	**4.75%**					

Sentinel/nonmetered information was provided 2005/07/14 by Craig Makela - recent AUS information
I have used the same figures for each of the three years

2002 figures are based on what was submitted in the 2004 rate application
2003 figures are based on what was submitted in the 2005 rate application (see sheet 4)

2004 figures are auditable numbers based on the 2004 Block Summary and the 2005 block summary (rates effective 2004/01/01 and greater)

2004 streetlighting includes the addition of Falconbridge
Streetlighting data taken from the four accounts on AUS for 2004

GREATER SUDBURY HYDRO INC
ANALYSIS OF MONTHLY PEAK DEMAND
YEAR ENDED DECEMBER 31, 2006

	Network service chg			Line connection service chg			Transformation connection service chg			Total
Charge Type		650			651			652		
	Rate	Qty	Invoice $	Rate	Qty	Invoice $	Rate	Qty	Invoice $	
January	$ 2.83	151,100.00	$ 427,613.00	$ 0.82	68,647.00	$ 56,290.54	$ 1.50	164,944.00	$ 247,416.00	$ 731,319.54
February	$ 2.83	149,852.00	$ 424,081.16	$ 0.82	64,147.00	$ 52,600.54	$ 1.50	153,283.00	$ 229,924.50	$ 706,606.20
March	$ 2.83	147,875.00	$ 418,486.25	$ 0.82	63,473.00	$ 52,047.86	$ 1.50	159,329.00	$ 238,993.50	$ 709,527.61
April	$ 2.83	128,144.00	$ 362,647.52	$ 0.82	72,379.00	$ 59,350.78	$ 1.50	146,804.00	$ 220,206.00	$ 642,204.30
May	$ 2.83	135,719.00	$ 384,084.77	$ 0.82	71,201.00	$ 58,384.82	$ 1.50	157,263.00	$ 235,894.50	$ 678,364.09
June	$ 2.83	113,264.00	$ 320,537.12	$ 0.82	47,547.00	$ 38,988.54	$ 1.50	133,646.00	$ 200,469.00	$ 559,994.66
July	$ 2.83	142,960.00	$ 404,576.80	$ 0.82	90,507.00	$ 74,215.74	$ 1.50	169,844.00	$ 254,766.00	$ 733,558.54
August	$ 2.83	129,963.00	$ 367,795.29	$ 0.82	100,576.00	$ 82,472.32	$ 1.50	142,984.00	$ 214,476.00	$ 664,743.61
September	$ 2.83	104,572.00	$ 295,938.76	$ 0.82	70,165.00	$ 57,535.30	$ 1.50	112,550.00	$ 168,825.00	$ 522,299.06
October	$ 2.83	122,829.00	$ 347,606.07	$ 0.82	76,586.00	$ 62,800.52	$ 1.50	143,863.00	$ 215,794.50	$ 626,201.09
November	$ 2.83	146,581.00	$ 414,824.23	$ 0.82	79,571.00	$ 65,248.22	$ 1.50	161,281.00	$ 241,921.50	$ 721,993.95
December	$ 2.83	162,223.00	$ 459,091.09	$ 0.82	88,172.00	$ 72,301.04	$ 1.50	170,730.00	$ 256,095.00	$ 787,487.13
		1,635,082.00	$ 4,627,282.06		892,971.00	$ 732,236.22		1,816,521.00	$ 2,724,781.50	$ 8,084,299.78

IESO	$ 8,084,299.78
Honi	$ 332,323.27
Total	$ 8,416,623.05
Projected 2006 revenues	$ 8,102,876.69
Annual potential shortfall	$ 313,746.36

Figures are from IESO invoices and HONI invoices
Projected 2006 revenues come from workbook 20061231 Trans Rate Revenue - kWh/kW volumes for 2006 using 2006 actual rates

GREATER SUDBURY HYDRO INC
ANALYSIS OF MONTHLY PEAK DEMAND
2008 forecast using 2006 figures

	Network service chg			Line connection service chg			Transformation connection service chg			Total
Charge Type		650			651			652		
	Rate	Qty	Invoice $	Rate	Qty	Invoice $	Rate	Qty	Invoice $	
January	$ 2.31	151,100.00	$ 349,041.00	$ 0.59	68,647.00	$ 40,501.73	$ 1.61	164,944.00	$ 265,559.84	$ 655,102.57
February	$ 2.31	149,852.00	$ 346,158.12	$ 0.59	64,147.00	$ 37,846.73	$ 1.61	153,283.00	$ 246,785.63	$ 630,790.48
March	$ 2.31	147,875.00	$ 341,591.25	$ 0.59	63,473.00	$ 37,449.07	$ 1.61	159,329.00	$ 256,519.69	$ 635,560.01
April	$ 2.31	128,144.00	$ 296,012.64	$ 0.59	72,379.00	$ 42,703.61	$ 1.61	146,804.00	$ 236,354.44	$ 575,070.69
May	$ 2.31	135,719.00	$ 313,510.89	$ 0.59	71,201.00	$ 42,008.59	$ 1.61	157,263.00	$ 253,193.43	$ 608,712.91
June	$ 2.31	113,264.00	$ 261,639.84	$ 0.59	47,547.00	$ 28,052.73	$ 1.61	133,646.00	$ 215,170.06	$ 504,862.63
July	$ 2.31	142,960.00	$ 330,237.60	$ 0.59	90,507.00	$ 53,399.13	$ 1.61	169,844.00	$ 273,448.84	$ 657,085.57
August	$ 2.31	129,963.00	$ 300,214.53	$ 0.59	100,576.00	$ 59,339.84	$ 1.61	142,984.00	$ 230,204.24	$ 589,758.61
September	$ 2.31	104,572.00	$ 241,561.32	$ 0.59	70,165.00	$ 41,397.35	$ 1.61	112,550.00	$ 181,205.50	$ 464,164.17
October	$ 2.31	122,829.00	$ 283,734.99	$ 0.59	76,586.00	$ 45,185.74	$ 1.61	143,863.00	$ 231,619.43	$ 560,540.16
November	$ 2.31	146,581.00	$ 338,602.11	$ 0.59	79,571.00	$ 46,946.89	$ 1.61	161,281.00	$ 259,662.41	$ 645,211.41
December	$ 2.31	162,223.00	$ 374,735.13	$ 0.59	88,172.00	$ 52,021.48	$ 1.61	170,730.00	$ 274,875.30	$ 701,631.91
		1,635,082.00	$ 3,777,039.42		892,971.00	$ 526,852.89		1,816,521.00	$ 2,924,598.81	$ 7,228,491.12
2006 actual			$ 4,627,282.06			$ 732,236.22			$ 2,724,781.50	$ 8,084,299.78
difference			$ (850,242.64)			$ (205,383.33)			$ 199,817.31	**$ (855,808.66)**
										10.59%

FI/2008 Rates/20061231 Summary of Peak Demands - 2008 Forecast
Sheet - 2008 forecast

GREATER SUDBURY HYDRO INC.
HYDRO ONE SUMMARY
ACCOUNT DISTRIBUTION
AS OF DECEMBER 31, 2006

Fund 500	4716-472-07-04	4714-472-07-04	4708-472-07-04	4705-471-07-04		500-0000-159-01-02	500-0000-159-01-02	4716-472-07-04			
	B	C	D	E	F	G	H	I			
	Connection	Network	Wholesale	Electricity	Provincial Benefit	Regulatory Asset '05	Regulatory Asset '06	Shared LV	Total	Cumulative	GL Batch Number
Jan	14,628.51	21,289.77	25,275.09	236,859.37	(10,410.78)	1,349.00			$ 288,990.96	$ 288,990.96	
Feb	13,808.08	20,005.65	26,165.41	208,300.48	17,338.78	1,349.00			$ 286,967.40	$ 575,958.35	
Mar	12,474.15	17,727.12	22,525.03	181,276.61	9,272.70	1,349.00			$ 244,624.61	$ 820,582.96	
Apr	10,891.28	15,855.44	19,126.84	142,185.56	17,913.04	1,349.00	569.00	239.56	$ 208,129.70	$ 1,028,712.66	
May	9,625.81	14,074.20	16,149.77	129,151.90	8,305.28	1,349.00	569.00	3,702.82	$ 182,927.78	$ 1,211,640.44	
June	9,385.78	13,663.44	16,135.08	125,399.73	7,696.13	1,349.00	569.00	3,416.10	$ 177,614.25	$ 1,389,254.69	
Jul	9,866.13	14,421.96	$ 18,325.86	$ 169,219.69	2,900.57	1,349.00	569.00	3,612.66	$ 220,264.87	$ 1,609,519.56	
Aug	8,876.44	12,907.44	15,224.20	132,652.18	(1,752.17)	1,349.00	569.00	3,231.38	$ 173,057.47	$ 1,782,577.03	
Sep	$ 9,245.49	$ 13,386.24	$ 16,466.36	$ 99,013.18	35,889.29	1,349.00	569.00	3,390.64	$ 179,309.20	$ 1,961,886.23	
Oct	10,955.57	15,440.04	20,777.77	139,530.56	34,325.00	1,349.00	569.00	4,059.45	$ 227,006.39	$ 2,188,892.63	
Nov	12,064.47	17,854.20	22,292.97	185,619.04	13,627.48	1,349.00	569.00	4,452.19	$ 257,828.36	$ 2,446,720.98	
Dec	13,675.75	20,200.32	27,184.54	180,619.19	41,915.93	1,349.00	569.00	5,143.30	$ 290,657.03	$ 2,737,378.01	
Total:	$ 135,497.46	$ 196,825.82	$ 245,648.90	$ 1,929,827.49	$ 177,021.25	$ 16,188.00	$ 5,121.00	$ 31,248.10	$ 2,737,378.01		

Hydro One Regulatory Asset Recovery (Transmission Connection):

Opening Balance:	48,578.00	(I accrued the entire expense for regulatory reporting)
Less monthly bills:	(16,188.00)	So it will be drawn down monthly
	32,390.00	Balance

Greater Sudbury Hydro Inc
Analysis of Transmission Rate Revenues vs Costs

2008 Rate Application Year

		1.0559		2007 Rates		Projected Revenues	
	kWh	Loss Factor adj Kwh	kW	Network	Connection	Network	Connection
Residential	369,998,923	390,681,863		$ 0.0045	$ 0.0036	$ 1,758,068.38	$ 1,406,454.71
GS < 50 kW	134,733,012	142,264,587		$ 0.0032	$ 0.0026	$ 455,246.68	$ 369,887.93
GS > 50 kW	369,335,118		908,878	$ 2.4902	$ 1.9636	$ 2,263,288.00	$ 1,784,672.84
NM	2,119,143	2,237,603		$ 0.0032	$ 0.0026	$ 7,160.33	$ 5,817.77
Streetlighting	7,784,705		21,758	$ 1.2642	$ 0.9968	$ 27,506.46	$ 21,688.37
Sentinel Lights	525,797		1,289	$ 1.3383	$ 1.0552	$ 1,725.07	$ 1,360.15
						$ 4,512,994.92	$ 3,589,881.77

Projected revenues with existing rates	$ 8,102,876.69
Projected costs using 2008 rates and 2006 volumes	$ 7,228,491.12
Assume no change in HONI rates at embedded distribution points	$ 332,323.27
	$ 7,560,814.39
Net over recovery	$ 542,062.30
	7.16940%

Volumes are bassed on 2006 actuals
Rates are those approved in the 2006 rate application - in effect through 2008/04/30 for revenues
Purchases are based on 2006 figures using the 2007/11/01 HONI approved rates

FI/2008 Rates/20061231 Trans Rate Rev Calcs re 2008 rate revision
Sheet - 2008 Using 2006 Rates

Greater Sudbury Hydro Inc
Analysis of Transmission Rate Revenues vs Costs

		1.0559		Proposed 2008 Rates		Projected Revenues	
	kWh	Loss Factor adj Kwh	kW	Network	Connection	Network	Connection
Residential	369,998,923	390,681,863		**$ 0.00418**	**$ 0.00334**	$ 1,632,025.43	$ 1,305,620.34
GS < 50 kW	134,733,012	142,264,587		**$ 0.00297**	**$ 0.00241**	$ 422,608.22	$ 343,369.18
GS > 50 kW	369,335,118		908,878	**$ 2.31167**	**$ 1.82282**	$ 2,101,023.83	$ 1,656,722.51
NM	2,119,143	2,237,603		**$ 0.00297**	**$ 0.00241**	$ 6,646.98	$ 5,400.67
Streetlighting	7,784,705		21,758	**$ 1.17356**	**$ 0.92534**	$ 25,534.42	$ 20,133.45
Sentinel Lights	525,797		1,289	**$ 1.24235**	**$ 0.97955**	$ 1,601.39	$ 1,262.64
						$ 4,189,440.26	$ 3,332,508.79

	Projected revenues with existing rates	$ 7,521,949.05
	Projected costs using 2008 rates and 2006 volumes	$ 7,228,491.12
	Assume no change in HONI rates at embedded distribution points	$ 332,323.27
0.928306		$ 7,560,814.39
0.004177		
	Net over recovery	$ (38,865.34)
		-0.51%

Volumes are bassed on 2006 actuals
Proposed revenues are adjusted by 4.65% based on the comparison of 2006 revenues vs 2008 costs
Purchases are based on 2006 figures using the 2007/11/01 HONI approved rates

FI/2008 Rates/20061231 Trans Rate Rev Calcs re 2008 rate revision
Sheet - 2008 adj rates