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November 25, 2007

Ms. Kirsten Walli
Board Secretary
Ontario Energy Board
P.O. Box 2319
26th Floor - 2300 Yonge Street
Toronto, ON M4P 1E4

**Re: Addendum to 2008 Rate Application:
2008 Incentive Regulation Mechanism (2008 IRM) Rate Application
Board File Number EB-2007-0880
Thunder Bay Hydro Electricity Distribution Inc. (TBHEDI)
License Number ED – 2002-0529**

Dear Ms. Walli:

Enclosed please find our proposal for a rate adjustment effective May 1, 2008 with respect to our Retail Network and Connection Transmission rates. As required, we have enclosed two (2) paper copies and one (1) electronic copy of our proposal. Also as directed this proposal has been filed electronically through the RESS portal and one (1) electronic copy in Microsoft Excel format has been e-mailed to BoardSec@oeb.gov.on.ca.

Our original rate submission did not provide for any possible rate riders or changes in our network and connection rates as addressed in the OEB letter we received on October 29, 2007.

Thunder Bay Hydro Electricity Distribution Inc. has now had the opportunity to investigate our situation regarding the letter issued by the Ontario Energy Board on October 29, 2007 dealing with the Ontario Uniform Transmission Rate Order, EB-2007-0759: effect on Distributor Retail Transmission Rates. As the 2008 IRM model does not allow for the adjustments required, the following is a summary of our proposed changes:

- Changes to our Network and Connection rates as per the attached Schedule A;
- Rate rider calculation to dispose of the associated variance account balances as per the attached Schedule B; and

- Bill Impact Analysis for a residential customer consuming 1,000 kwh per month and small general service customer consuming 2,000 kwh per month and having a monthly demand of 50 kw or lower as per attached Schedule C. The impact analysis provided follows the impacts as per the Notice of Application and Written Hearing....forwarded via Letter of Direction on November 19, 2007.

We trust this filing will meet with the Board's approval.

Regards,

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

Cindy Speziale, CA
Vice President, Finance

CS/dt

EDR RATE SUBMISSION	Retail Transmission Rate per kWh					
	Retail Transmission Rate \$/kWh			Increment \$/kWh		Adjusted Retail Transmission Rate \$ per kWh
	Network	Connection	Total	Network	Connection	
RESIDENTIAL						
Regular	0.0046	0.0025	0.0071	(0.0005)	0.0009	0.0075
GENERAL SERVICE						
Less than 50 kW	0.0042	0.0023	0.0065	(0.0004)	0.0009	0.0069
Other > 50kW<1000kW Interval Metered						
Other > 50kW<1000kW						
Other > >1000kW<5000kW						
Unmetered Scattered Load	0.0042	0.0023	0.0000	(0.0004)	0.0009	0.0000
Sentinel Lighting						
Street Lighting						

Retail Transmission Rate per kW					
Retail Transmission Rate \$/kW			Increment \$		Adjusted Retail Transmission Rate \$ per kW
Network	Connection	Total	Network	Connection	
1.8083	0.9934	2.8017	-0.1877	0.3679	2.9819
1.7047	0.8989	2.6036	-0.1769	0.3329	2.7595
1.8083	0.9934	2.8017	-0.1877	0.3679	2.9819
					0.0000
1.2921	0.7094	2.0015	-0.1341	0.2627	2.1301
1.2856	0.6949	1.9805	-0.1334	0.2573	2.1044

REVISED RATE DETAIL	Retail Transmission Rate per kWh - with individual revised rates					
	Retail Transmission Rate \$/kWh			Increment \$/kWh		Adjusted Retail Transmission Rate \$ per kWh
	Network	Connection	Total	Network	Connection	
RESIDENTIAL						
Regular	0.0041	0.0034	0.0075			
GENERAL SERVICE						
Less than 50 kW	0.0038	0.0032	0.0069			
Other > 50kW<1000kW Interval Metered						
Other > 50kW<1000kW						
Other > >1000kW<5000kW						
Unmetered Scattered Load						
Sentinel Lighting						
Street Lighting						

Retail Transmission Rate per kW - with individual revised rates					
Retail Transmission Rate \$/kW			Increment \$		Adjusted Retail Transmission Rate \$ per kW
Network	Connection	Total	Network	Connection	
1.6206	1.3613	2.9819			
1.5278	1.2318	2.7595			
1.6206	1.3613	2.9819			
1.1580	0.9721	2.1301			
1.1522	0.9522	2.1044			

	Network	Connection
Rate (Decrease) / Increase		
Cost/Revenue Ratio	0.8962	1.3703

Rate Rider Calculation

7-1 ALLOCATION - Base Revenue Requirement

	Column H	Column M	Column S	Column Y	Projected Liability for	Rate Rider	
	Number of Customers (Connections)	Calculated kWh	Calculated kW	Allocation to Customer Classes %	Retail Network and Connection Transmission Charges to April 30, 2008		
	2004 Customer count	2004 cust. count x 3 yr average per cust.	2004 cust. count x 3 yr average per cust.	Total for customer class as % of Total for all classes		Per kwh	Per kw
RESIDENTIAL							
Regular	44,167	356,604,252	0	64.43%	\$ 746,481	0.0021	
Less than 50 kW	4,495	147,826,584	0	16.56%	\$ 191,861	0.0013	
Greater than 50 kW Time of Use	0	0	0	0.00%	\$ -		
Other > 50 kW (specify) .>50kW<1000kW	471	0	719,611	10.91%	\$ 126,434		0.1757
Other > 50 kW (specify) .>1000kW<5000kv	19	0	553,018	7.00%	\$ 81,120		0.1467
Large Use (> 5000 kW)	0	0	0	0.00%	\$ -		
Unmetered Scattered Load	171	3,033,972	0	0.33%	\$ 3,831	0.0013	
Sentinel Lighting	140	130,673	307	0.07%	\$ 820		2.6708
Street Lighting	12,769	0	30,411	0.69%	\$ 8,046		0.2646
TOTALS	62,232	507,595,481	1,303,347	100.00%	\$ 1,158,593		

BILL IMPACT ANALYSIS

SCHEDULE C

Residential

Consumption 1,000 kWh 0 kW Loss Factor 1.0457

	2007 BILL			2008 BILL			IMPACT		
	Volume	RATE	CHARGE \$	Volume	RATE	CHARGE \$	\$	%	% of Total Bill
Energy First Tier (kWh)	600	\$ 0.0530	\$ 31.80	600	\$ 0.0530	\$ 31.80	\$0.00	0.0%	28.82%
Energy Second Tier (kWh)	446	\$ 0.0620	\$ 27.63	446	\$ 0.0620	\$ 27.63	\$0.00	0.0%	25.05%
Sub-Total: Energy			\$ 59.43			\$ 59.43	\$0.00	0.0%	53.87%
Monthly Service Charge	1	\$ 11.23	\$ 11.23	1	\$ 11.27	\$ 11.27	\$0.04	0.4%	10.22%
Distribution (kWh)	1,000	\$ 0.0138	\$ 13.80	1,000	\$ 0.0139	\$ 13.90	\$0.10	0.7%	12.60%
Distribution (kW)	0	\$ -	\$ -	0	\$ -	\$ -	\$0.00		0.00%
Regulatory Assets (kWh)	1,000	\$ 0.0004	\$ 0.40	1,000	\$ -	\$ -	(\$0.40)	(100.0)%	0.00%
Rate Riders	1,000	\$ 0.0006	\$ 0.60	1,000	\$ -	\$ -	(\$0.60)	(100.0)%	0.00%
Monthly Rate Rider Adjustment (Sheet 9)			\$ -			\$ -			
Volumetric Rate Rider Adjustment (Sheet 9)	1,000	\$ -	\$ -	1,000	\$ -0.0021	\$ -2.10	(\$2.10)	#DIV/0!	(1.9)%
Retail Transmission Rate – Network Service Rate	1,046	\$ 0.0046	\$ 4.81	1,046	\$ 0.0041	\$ 4.29	(\$0.52)	(10.9)%	3.89%
Retail Transmission Rate – Line and Transformation Connection Service Rate	1,046	\$ 0.0025	\$ 2.61	1,046	\$ 0.0034	\$ 3.56	\$0.94	36.0%	3.22%
Sub-Total: Delivery			\$ 33.45			\$ 30.91	(\$2.54)	(7.6)%	28.02%
Wholesale Market Service Rate	1046	\$ 0.0052	\$ 5.44	1046	\$ 0.0052	\$ 5.44	\$0.00	0.0%	4.93%
Rural Rate Protection Charge	1046	\$ 0.0010	\$ 1.05	1046	\$ 0.0010	\$ 1.05	\$0.00	0.0%	0.95%
Regulated Price Plan – Administration Charge	1	\$ 0.2500	\$ 0.25	1	\$ 0.2500	\$ 0.25	\$0.00	0.0%	0.23%
Sub-Total: Regulatory			\$ 6.73			\$ 6.73	\$0.00	0.0%	6.10%
Debt Retirement Charge (DRC)	1,000	\$ 0.0070	\$ 7.00	1,000	\$ 0.0070	\$ 7.00	\$0.00	0.0%	6.34%
Total Bill before Taxes			\$ 106.62			\$ 104.08	(\$2.54)	(2.4)%	94.34%
GST		6.00%	\$ 6.40		6.00%	\$ 6.24	(\$0.15)	(2.4)%	5.66%
Total Bill after Taxes			\$ 113.02			\$ 110.32	(\$2.69)	(2.4)%	100.00%

General Service Less Than 50kw

Consumption 2,000 kWh 0 kW Loss Factor 1.0457

	2007 BILL			2008 BILL			IMPACT		
	Volume	RATE	CHARGE \$	Volume	RATE	CHARGE \$	\$	%	% of Total Bill
Energy First Tier (kWh)	750	\$ 0.0530	\$ 39.75	750	\$ 0.0530	\$ 39.75	\$0.00	0.0%	18.31%
Energy Second Tier (kWh)	1,341	\$ 0.0620	\$ 83.17	1,341	\$ 0.0620	\$ 83.17	\$0.00	0.0%	38.31%
Sub-Total: Energy			\$ 122.92			\$ 122.92	\$0.00	0.0%	56.62%
Monthly Service Charge	1	\$ 17.35	\$ 17.35	1	\$ 17.42	\$ 17.42	\$0.07	0.4%	8.02%
Distribution (kWh)	2,000	\$ 0.0125	\$ 25.00	2,000	\$ 0.0126	\$ 25.20	\$0.20	0.8%	11.61%
Distribution (kW)	0	\$ -	\$ -	0	\$ -	\$ -	\$0.00		0.00%
Regulatory Assets (kWh)	2,000	\$ 0.0004	\$ 0.80	2,000	\$ -	\$ -	(\$0.80)	(100.0)%	0.00%
Rate Riders	2,000	\$ 0.0007	\$ 1.40	2,000	\$ -	\$ -	(\$1.40)	(100.0)%	0.00%
Monthly Rate Rider Adjustment (Sheet 9)			\$ -			\$ -			0.00%
Volumetric Rate Rider Adjustment (Sheet 9)	2,000	\$ -	\$ -	2,000	\$ -0.0013	\$ -2.60	(\$2.60)	#DIV/0!	(1.2)%
Retail Transmission Rate – Network Service Rate	2,091	\$ 0.0042	\$ 8.78	2,091	\$ 0.0038	\$ 7.95	(\$0.84)	(9.5)%	3.66%
Retail Transmission Rate – Line and Transformation Connection Service Rate	2,091	\$ 0.0023	\$ 4.81	2,091	\$ 0.0032	\$ 6.69	\$1.88	39.1%	3.08%
Sub-Total: Delivery			\$ 58.14			\$ 54.66	(\$3.48)	(6.0)%	25.18%
Wholesale Market Service Rate	2,091	\$ 0.0052	\$ 10.88	2,091	\$ 0.0052	\$ 10.88	\$0.00	0.0%	5.01%
Rural Rate Protection Charge	2,091	\$ 0.0010	\$ 2.09	2,091	\$ 0.0010	\$ 2.09	\$0.00	0.0%	0.96%
Regulated Price Plan – Administration Charge	1	\$ 0.2500	\$ 0.25	1	\$ 0.2500	\$ 0.25	\$0.00	0.0%	0.12%
Sub-Total: Regulatory			\$ 13.22			\$ 13.22	\$0.00	0.0%	6.09%
Debt Retirement Charge (DRC)	2,000	\$ 0.0070	\$ 14.00	2,000	\$ 0.0070	\$ 14.00	\$0.00	0.0%	6.45%
Total Bill before Taxes			\$ 208.28			\$ 204.79	(\$3.48)	(1.7)%	94.34%
GST		6.00%	\$ 12.50		6.00%	\$ 12.29	(\$0.21)	(1.7)%	5.66%
Total Bill after Taxes			\$ 220.77			\$ 217.08	(\$3.69)	(1.7)%	100.00%