

November 14, 2007

Ontario Energy Board
P.O. Box 2319
27th Floor
2300 Yonge Street
Toronto, Ontario M4P 1E4

Attention: Ms. Kirsten Walli, Board Secretary

Dear Ms. Walli:

RE: Northern Ontario Wires Inc. - Board File Number EB-2007-0853
& Ontario Uniform Transmission Rate Order EB-2007-0759

In accordance with instructions released October 29, 2007, Northern Ontario Wires Inc. (NOW) has reviewed their Retail Transmission Rates and requests a reduction to these rates commencing May 1, 2008 as follows:

Retail Transmission Rates	Customer Service Type	Unit	Current Rate	Proposed Rate	% Rate Reduction
Network Service Rate	Residential GS<50 KW	KWH	\$0.0054	\$0.0044	(18.4%)
	GS<50 KW	KWH	\$0.0049	\$0.0040	(18.4%)
	GS>50 KW to 4,999	KW	\$2.0129	\$1.6430	(18.4%)
	Unmetered Scattered Load	KW	\$0.0049	\$0.0040	(18.4%)
	Street Lighting	KW	\$1.5181	\$1.2392	(18.4%)
Line and Transformation Connection Service Rate	Residential GS<50 KW	KWH	\$0.0044	\$0.0021	(52.0%)
	GS<50 KW	KWH	\$0.0040	\$0.0019	(52.0%)
	GS>50 KW to 4,999	KW	\$1.5764	\$0.7570	(52.0%)
	Unmetered Scattered Load	KW	\$0.0040	\$0.0038	(5.2%)
	Street Lighting	KW	\$1.2187	\$0.5853	(52.0%)

The reduction proposed for Network Service Rates is consistent with the reduction in wholesale transmission rates.

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The reduction proposed for Line and Transformation Connection Service Rates has two components. The first being a reduction consistent with the reduction in wholesale transmission rates. The second being a reduction to disposed of a significant variance in Northern Ontario Wires Inc.'s Retail Transmission Connection Charge Variance account 1586. The balance of the variance being disposed of is as follows:

Principal Balance as of Dec 31/06	(\$964,514)
Accumulated Interest as of Dec 31/06	<u>(112,652)</u>
TOTAL	(\$1,077,166)

Proposed Repayment Period	4 years
Annual Repayment with Rate Reduction	\$269,292

This rate rider has been calculated using a 4 (four) year repayment period since the balance in this account has been accumulating since 2002. The balance of this account as reported for regulatory asset recovery purposes in our 2006 Application was erroneously under reported. Accordingly the balance in this account still remains in a significant credit position.

The details of the rate reductions related to the wholesale transmission rate reduction and the disposal of variance account 1586 are included in the attached documentation.

We have not requested disposal of our Network Account 1584 since the balance in this account is not significant. Accordingly it will be disposed of through the next regulatory asset recovery mechanism along with all other regulatory assets and liabilities.

This application is respectfully submitted for the Board's consideration.

Yours truly,

Monika Malherbe, CA
Chief Financial Officer
Northern Ontario Wires Inc.

**Retail Transmission Rate Adjustment
Northern Ontario Wires
Proposed Effective Date May 1, 2008**

Wholesale Transmission Rate Reduction Impact

Wholesale				Retail			
	Old Rate	New Rate	Adjustment	Old Rate	New Rate	Billing Determinent	
Wholesale Network							
	2.83	2.31	-18.37%				
Retail Network							
Residential				0.0054	0.0044	per kWh	-18.37%
General Service < 50 kW				0.0049	0.0040	per kWh	-18.37%
General Service 50 to 499 kW				2.0129	1.6430	per kW	-18.37%
Unmetered / Scattered Loads				0.0049	0.0040	per kWh	-18.37%
Sentinel Light				0	0.0000	per kW	
Street Light				1.5181	1.2392	per kW	-18.37%
Wholesale Line Connection	0.82	0.59					
Wholesale Transformation Connection	1.5	1.61					
Total Wholesale Connection	2.32	2.2	-5.17%				
Retail Connection							
Residential				0.0044	0.0042	per kWh	-5.17%
General Service < 50 kW				0.004	0.0038	per kWh	-5.17%
General Service 50 to 499 kW				1.5764	1.4949	per kW	-5.17%
Unmetered / Scattered Loads				0.004	0.0038	per kWh	-5.17%
Sentinel Light				0	0.0000	per kW	
Street Light				1.2187	1.1557	per kW	-5.17%

**Retail Transmission Rate Adjustment
Northern Ontario Wires
Proposed Effective Date May 1, 2008**

Variance Balance to Dispose of \$ 1,077,166

4 year disposal period **\$ 269,292**

Transmission Units 2006		
	12 months KWH	12 month KW
Residential	44,968,263	
General Service < 50 kW	24,357,910	
General Service 50 to 499 kW		173,780
Unmetered / Scattered Loads		-
Sentinel Light		-
Street Light		5,014
	<u>69,326,173</u>	<u>178,794</u>

	Annual Billings	% of Annual Billings	Recovery Breakdown	Annual Recovery Breakdown	Rate Rider for Variance Disposal	Annual Recovery KWH xRate Rider
Old Rates	\$					
0.0044	\$ 197,860	34.4%	370,433	\$ 92,608	(0.0021)	(92,608.37)
0.004	\$ 97,432	16.9%	182,411	\$ 45,603	(0.0019)	(45,602.80)
1.5764	\$ 273,946	47.6%	512,881	\$ 128,220	(0.7378)	\$ (128,220.32)
0.004	\$ -	0.0%	-	\$ -		
0	\$ -	0.0%	-	\$ -		
1.2187	\$ 6,111	1.1%	11,440	\$ 2,860	(0.5704)	\$ (2,860.01)
	<u>\$ 575,349</u>	<u>100.0%</u>	<u>\$ 1,077,166</u>	<u>\$ 269,292</u>		<u>\$ (269,292)</u>
						x4 years
						<u>\$ (1,077,166)</u>

Retail Transmission Rate Adjustment					
Northern Ontario Wires					
Proposed Effective Date May 1, 2008					
	Current	Wholesale	Variance	Proposed	Overall
	Rate	Transmission Rates	Recovery	Rate	% Reduction
		Reduction	Rider		
Retail Network					
Residential	\$ 0.0054	\$ (0.0010)	\$ -	\$ 0.0044	-18.4%
General Service < 50 kW	\$ 0.0049	\$ (0.0009)		\$ 0.0040	-18.4%
General Service 50 to 499 kW	\$ 2.0129	\$ (0.3699)		\$ 1.6430	-18.4%
Unmetered / Scattered Loads	\$ 0.0049	\$ (0.0009)		\$ 0.0040	-18.4%
Sentinel Light	\$ -	\$ -		\$ -	
Street Light	\$ 1.5181	\$ (0.2789)		\$ 1.2392	-18.4%
Wholesale Line Connection					
Wholesale Transformation Connection					
Retail Connection					
Residential	\$ 0.0044	\$ (0.0002)	\$ (0.0021)	\$ 0.0021	-52.0%
General Service < 50 kW	\$ 0.0040	\$ (0.0002)	\$ (0.0019)	\$ 0.0019	-52.0%
General Service 50 to 499 kW	\$ 1.5764	\$ (0.0815)	\$ (0.7378)	\$ 0.7570	-52.0%
Unmetered / Scattered Loads	\$ 0.0040	\$ (0.0002)	\$ -	\$ 0.0038	-5.2%
Sentinel Light	\$ -	\$ -	\$ -	\$ -	
Street Light	\$ 1.2187	\$ (0.0630)	\$ (0.5704)	\$ 0.5853	-52.0%