



Niagara-on-the-Lake Hydro Inc.

December 23, 2010

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

VIA E-mail and RESS

Niagara-on-the-Lake Hydro Inc. 2011 Rate Application
OEB Case EB-2010-0101: Updated LRAM/SSM Claim

Dear Ms. Walli

We have recently been notified by the Ontario Power Authority that preliminary results for 2009 programs have been replaced with final results of OPA's 2009 conservation programs now that the evaluation process is complete. We would like to request that the OEB accept an update to our 2011 rate application (specific to the LRAM/SSM rate riders) reflecting this OPA update. The LRAM/SSM claim of **\$121,188** in our original application has been updated to **\$129,149**. Please note that the LRAM claim calculations overall have been aligned with the following LRAM statement in the OEB policy letter of January 27, 2009 (EB-2008-0352):

"LRAM

The input assumptions used for the calculation of LRAM should be the best available at the time of the third party assessment referred to in section 7.5"

The attachment provides the details of the update, in terms of the Tables originally provided in the Manager's summary, Pages 9 and 10. This letter, an updated IRM3 Rate Generator Work Form and associated Excel files provided by our LRAM/SSM consultant are being submitted via RESS.

We would be pleased to provide any further information or details that you may require for this update.

Yours truly


Jim Huntingdon, President

Michael Buonaguro, Public Interest Advocacy Centre; Bill Harper, Econalysis Consulting Services

Encl.

Update to LRAM/SSM Claim

2011 IRM3 Electricity Distribution Rates

Niagara-on-the-Lake Hydro Inc.

EB-2010-0101

Original

The details of the original filed claim of \$121,188 by rate class, and the calculation of the rate riders¹ were as follows:

Rate Class			
	LRAM \$	SSM \$	TOTAL \$
<u>Third Tranche</u>			
RESIDENTIAL	\$2,025.95	\$104.54	\$2,130.49
GENERAL SERVICE 50 TO 4,999 Kw	\$1,642.14	\$3,110.29	\$4,752.43
THIRD TRANCHE UTILITY COSTS		-\$87.60	-\$87.60
-			
<u>OPA Programs</u>			
RESIDENTIAL	\$22,733.61		\$22,733.61
GENERAL SERVICE <50KW	\$6,321.23		\$6,321.23
GENERAL SERVICE >50KW	\$85,337.72		\$85,337.72
	\$118,060.64	\$3,127.24	\$121,187.89

Corrected LRAM/SSM Calculation Table				
2011 IRM - LRAM and SSM Rider				
Rate Class	Amounts (2005 to 2009)			
	LRAM	SSM	Pro-rated Share of Utility Costs	Total
	\$	\$	\$	\$
<u>Third Tranche</u>				
Residential	\$2,026	\$105	-\$3	\$2,128
GS<50kW	\$0	\$0	\$0	\$0
GS>50 kW	\$1,642	\$3,110	-\$85	\$4,668
<u>OPA Programs</u>				
Residential	\$22,734	\$0	\$0	\$22,734
GS<50kW	\$6,321	\$0	\$0	\$6,321
GS>50 kW	\$85,338	\$0	\$0	\$85,338
Total	\$118,061	\$3,215	-\$88	\$121,188

Class Totals	Total Claim	Billing Determinants (2009 Audited RRR)	Metrics	One Year Rate Riders
	\$			\$/unit (kWh or kW)
Residential	\$24,861	63,529,367	kWh	0.000391
GS<50kW	\$6,321	33,919,641	kWh	0.000186
GS>50 kW	\$90,005	194,671	kW	0.462346
Total	\$121,188			

¹ As corrected by Letter to the OEB Secretary dated December 21, 2010

Updated

The details of the updated filed claim of **\$129,149** by rate class, and the calculation of the rate riders are as follows:

<u>LRAM & SSM Totals</u>			
Rate Class			
	LRAM \$	SSM \$	TOTAL \$
<u>Third Tranche</u>			
RESIDENTIAL	\$1,714.41	\$104.54	\$1,818.95
GENERAL SERVICE 50 TO 4,999 Kw	\$1,476.90	\$3,110.29	\$4,587.20
THIRD TRANCHE UTILITY COSTS		-\$87.60	-\$87.60
<u>OPA Programs</u>			
RESIDENTIAL	\$30,728.07		\$30,728.07
GENERAL SERVICE <50KW	\$4,875.20		\$4,875.20
GENERAL SERVICE >50KW	\$87,227.33		\$87,227.33
	\$126,021.91	\$3,127.24	\$129,149.15

2011 IRM - LRAM and SSM Rider				
Rate Class	Amounts (2005 to 2009)			
	LRAM	SSM	Pro-rated Share of Utility Costs	Total
	\$	\$	\$	\$
<u>Third Tranche</u>				
Residential	\$1,714	\$105	-\$3	\$1,816
GS<50kW	\$0	\$0	\$0	\$0
GS>50 kW	\$1,477	\$3,110	-\$85	\$4,502
<u>OPA Programs</u>				
Residential	\$30,728	\$0	\$0	\$30,728
GS<50kW	\$4,875	\$0	\$0	\$4,875
GS>50 kW	\$87,227	\$0	\$0	\$87,227
Total	\$126,022	\$3,215	-\$88	\$129,149
Class Totals	Total Claim	Billing Determinants (2009 Audited RRR)	Metrics	One Year Rate Riders
	\$			\$/unit (kWh or kW)
Residential	\$32,544	63,529,367	kWh	0.000512
GS<50kW	\$4,875	33,919,641	kWh	0.000144
GS>50 kW	\$91,730	194,671	kW	0.471204
Total	\$129,149			