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December 17, 2007

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

**Re: Thunder Bay Hydro Electricity Distribution Inc.
2008 Incentive Regulation Mechanism (2008 IRM) Rate Application
Board File Number EB-2007-0880**

Dear Ms. Walli:

As per your e-mail of December 10, 2007, below please find the interrogatories and the responses to the interrogatories.

Ref.: 2008 IRM Model, Sheet 3 (2007 Tariff Sheet)

1. Monthly Rates and Charges for General Service 50 to 999 kW

- (a) Thunder Bay Hydro's 2008 model includes the descriptor "billed demand" for the distribution volumetric rate, however your 2007 Board approved Tariff of Rates and Charges does not reflect this.

Thunder Bay Hydro Electricity Distribution Inc. bills this class of customer based on the greater of 90% kva or kw. As such, we choose in the rate filing the kw determinant and added the term "billed demand" for greater clarification.

- (b) A review of Thunder Bay Hydro's current 2007 Board approved Tariff of Rates and Charges indicates that the entry for Retail Transmission Rate – Network Service Rate and for Retail Transmission Rate – Line and Transformation Connection Service Rate both include the descriptor "Interval Metered", however your 2008 model does not reflect this.

This was an error and the term "Interval Metered" should be added to the descriptor as it was on the 2007 Board approved Tariff of Rates and Charges.

2. Monthly Rates and Charges for General Service 1,000 to 4,999 kW

- (a) Thunder Bay Hydro's 2008 model includes the descriptor "billed demand" for the distribution volumetric rate, however your 2007 Board approved Tariff of Rates and Charges does not reflect this.

Thunder Bay Hydro Electricity Distribution Inc. bills this class of customer based on the greater of 90% kva or kw. As such, we choose in the rate filing the kw determinant and added the term "billed demand" for greater clarification.

Ref.: 2008 IRM Model, Sheet 6 (K Factor Derivation)

3. Base Revenue Requirement for K Factor Derivation

- (a) A review of Thunder Bay Hydro's 2007 model shows the Rate Base value to be \$71,314,672.40 however Thunder Bay Hydro's 2008 model does not reflect this.

Thunder Bay Hydro Electricity Distribution Inc. filed the following supporting file leading up to the Rate Order Arising from the Decision on the Motion of June 21, 2007. The foregoing decision resulted in the Tariff of Rates and Charges approved effective August 1, 2007:

(DOCSTOR-#1293435-v1-TBH-ex_B-1
2006_EDR_Model_corrected_for_customer_migration_and_pole_rental.XLS)

Worksheet 3-1 Rate Base shows the value to be \$71,329,997.

- (b) A review of Thunder Bay Hydro's 2007 model shows the Base Revenue Requirement value to be \$15,924,939.67 however Thunder Bay Hydro's 2008 model does not reflect this.

Thunder Bay Hydro Electricity Distribution Inc. filed the following supporting file leading up to the Rate Order Arising from the Decision on the Motion of June 21, 2007. The foregoing decision resulted in the Tariff of Rates and Charges approved effective August 1, 2007:

(DOCSTOR-#1293435-v1-TBH-ex_B-1
2006_EDR_Model_corrected_for_customer_migration_and_pole_rental.XLS)

Worksheet 5-5 Base Revenue Requirement shows the value to be \$16,137,828 plus the transformer allowance credit of \$413,327 for a total of \$16,551,155 as per Worksheet 7-1 ALLOCATION-Base Revenue Requirement.

The information that you are referring to in 3 (a) & (b) above is prior to any revisions.

We trust the response will adequately deal with Board Staff's interrogatories.

Yours truly,

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

Cindy Speziale, CA
Vice President, Finance

CS/dt