



2073 Commerce Park Drive
Innisfil ON L9S 4A2
(S/E Corner Hwy 400 & Innisfil Beach Road)

Tel (705) 431-4321
Fax (705) 431-5901
Tel (705) 458-4329
Toll Free From 775 Exchange

February 9, 2011

Ontario Energy Board
P.O. Box 2319
2330 Yonge Street
26th Floor
Toronto, ON

Attn: Ms. Kristen Walli, Board Secretary

Dear Ms. Walli

**Re: Innisfil Hydro Distribution Systems Limited Reply Submission
OEB File No. EB-2010-0093**

Innisfil Hydro Distribution Systems Limited is submitting via the OEB RESS filing system its Reply Submission to the Board Staff Submission for IRM filing EB-2010-0093.

Two hard copies of the Reply Submission will be forwarded to the Board.

Please contact the undersigned if you require any additional information,

Yours respectfully,

Original signed by

Brenda L Pinke
Regulatory/CDM Manager
brendap@innisfilhydro.com
705-431-6870 Ext 262

.cc
Michael Buonaguro, Counsel for VECC
Bill Harper, Econalysis Consulting
Laurie Ann Cooledge, CFO Innisfil Hydro

Innisfil Hydro Distribution Systems Ltd.
EB -2010-0093
Reply Submission
February 9, 2011

Innisfil Hydro Distribution Systems Ltd. (“Innisfil”) is a licensed electricity distributor (ED-2002-0520) that owns and operates electricity distribution systems that provide service to the Town of Innisfil boundaries as of January 1, 1994 with a total service area of 292 square kilometers. Innisfil charges distribution rates and other charges as authorized by the Ontario Energy Board (“Board”).

Innisfil filed application, based on the 2011 3rd Generation Incentive Regulation Mechanism (“IRM”) filing guidelines, on November 1, 2010 applying for rates effective May 1, 2011. Board Staff submitted interrogatories on November 23, 2010 of which Innisfil provided an Interrogatory Response on December 10, 2010.

Board Staff Submission on Board File No: EB-2010-0093 was received on January 18, 2011. Innisfil now respectfully submits its Reply Submission addressing the submissions on the following matters:

- Review and Disposition of Deferral and Variance Account Balances; and
- Global Adjustment Sub-Account Disposition: Electricity vs. Delivery Component

Review and Disposition of Deferral and Variance Account Balances

Innisfil is in agreement with Board staff comments on the disposition of the deferral and variance account balances.

Global Adjustment Sub-Account Disposition: Electricity vs. Delivery Component

Innisfil concurs that further rationale is required to support the request to change the Global Adjustment Sub-Account disposition from the current delivery component to the electricity component.

In response to Board staff request for clarification on whether Innisfil is concerned about inconsistencies between RPP and non-RPP customers as it relates to the global adjustment (“GA”), the answer is no. The consistency factor referenced in the interrogatory response was in respect to the calculation of the GA adjustment disposition amongst all rate classes based on \$/kWh versus \$/kWh and \$/kW. The following table reflects the current and planned disposition by rate class,

Rate Class	Current Tariff – Delivery	Planned Tariff - Electricity
Residential	\$/kWh	\$/kWh
GS LT 50	\$/kWh	\$/kWh
GS GT 50	\$/kW	\$/kWh
Sentinel Lighting	\$/kW	\$/kWh
Street Lighting	\$/kW	\$/kWh
Unmetered Scattered Load	\$/kWh	\$/kWh

Further considerations for the requested change to the electricity component include the customers ability to influence the effect of energy savings via conservation initiatives at a \$/kWh unit versus a demand unit of \$/kW.

All of which is respectfully submitted