



February 28, 2011

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

**RE: Hawkesbury Hydro Incorporated
Late Payment Penalty Board file
EB-2010-0295**

Enclosed, please find Hydro Hawkesbury Hydro (HHI)'s submission in regard to EB-2010-0295, Late Payment Penalty Cost Recovery. HHI has an IRM application before the board (OEB File No. EB-2010-0090). As per guidelines HHI is submitting its fixed rate rider as directed by the Board.

HHI seeks approval for a fixed monthly rate rider of \$0.3293 per month (customer or connection) as of May 1, 2011, with a sunset date of April 30, 2012

Should you require any further information, please do not hesitate to contact me at the 613-632-6689.

Yours very truly,

Michel Poulin

Hydro Hawkesbury Inc., Manager



Late 1 Payment Class action

Hydro Hawkesbury Inc. is seeking recovery of a one-time expense in the amount of \$26420.72 (as per appendix A) for the late Payment Class action. As per EB-2010-0295 dated February 22, 2011.

As part of this application, Hydro Hawkesbury Inc. will be seeking recovery of a one-time expense in the amount of \$26,420.72 which is to be paid on June 30, 2011. This payment will serve to resolve long-standing litigation against all former municipal electric utilities (“MEUs”) in the Province in relation to late payment penalty (“LPP”) charges collected pursuant to, first, Ontario Hydro rate schedules and, after industry restructuring, Ontario Energy Board rate orders (the “LPP Class Action”).

According to the Decision and Order EB-2010-0295 dated February 22, 2011, LDCs were successful in reaching a settlement, the principal terms of which were the following:

- LDCs would collectively pay \$17 million in damages, based on a recovery of approximately 9% of LPP revenues, inclusive of pre-judgment interest;
- Payment would not be due until June 30, 2011;
- Amounts paid, after deduction for counsel fees, costs and applicable interest, would be paid to the Winter Warmth Fund or similar charities; and
- LDCs would be at liberty to seek Ontario Energy Board permission to recover settlement costs through rates.

Hydro Hawkesbury Inc. finds that the costs proposed to be recovered have been prudently incurred.



The Board Orders that:

- The costs and damages arising from the LPP class action that are sought for recovery in this proceeding shall be recovered from all ratepayers of Hydro Hawkesbury Inc.
- For the purposes of recovery, the costs and damages arising from the settlement of the LPP class action that are approved in the Decision and Order EB-2010-0295 be allocated to all customers on the basis of distribution revenues as submitted 2009 distribution revenues RRR process.
- The rate rider for the purposes of recovery shall be a fixed customer charge as per 2009 year-end actual customer or connection data reported as part of each distributor's RRR.



<u>Affected Electricity Distributors</u>	<u>Recovery Amount</u>
27 Horizon Utilities Corporation	\$0.00
HAMILTON HYDRO INC.	\$897,923.30
ST. CATHARINES HYDRO UTILITY SERVICES INC.	\$204,411.93
28 Hydro 2000 Inc.	\$3,858.70
29 Hydro Hawkesbury Inc.	\$26,420.72

LATE PAYMENT CLASS ACTION								
Hydro Hawkesbury Inc will make a payment of \$26,420.72 (amount set out in Appendix A of the Decision and Order EB-2010-0295 dated February 22, 2011)								
CUSTOMER CLASSIFICATION		RESIDENTIAL	GEN <50KW	GEN >50KW	STREE LIGHT	SENT. LIGHT	USL	TOTAL kWh
METERED CUSTOMER		4,781	586	82	1,158	76	4	6,687
CONSENT & WAIVER PER CUSTOMER CLASS	\$ 26,420.72	\$ 18,890.00	\$ 2,315.32	\$ 323.99	\$ 4,575.32	\$ 300.28	\$ 15.80	\$ 26,420.72
PER MONTH FIX CHARGE RATE RIDER PROPOSED SUNSET DATE APRIL 30TH 2012		\$ 0.329255	\$ 0.329255	\$ 0.329255	\$ 0.329255	\$ 0.329255	\$ 0.329255	
PROOF		\$ 18,890.00	\$ 2,315.32	\$ 323.99	\$ 4,575.32	\$ 300.28	\$ 15.80	\$ 26,420.72