



February 28, 2011

Ms. Kirsten Walli
Ontario Energy Board
PO Box 2319
27th Floor, 2300 Yonge Street
Toronto, Ontario M4P 1E4

Re: Cost Recovery of Late Payment Penalty
Board File No.: EB-2010-0295, EB-2010-0074

Dear Ms. Walli,

As per the Board's Decision and Order on February 22, 2011, Chatham-Kent Hydro Inc ("CKH") has calculated the requested rate rider for the purposes of recovery in the above-noted proceeding.

CKH has included two separate calculations for the recovery of these costs. In the first calculation, CKH has used 2009 RRR data as directed in the Decision and Order. However, due to rate class structuring changes that were approved in the 2010 Cost of Service ("COS"), CKH does not feel this is an appropriate means for recovery. For example, as of May 1, 2010 CKH no longer has a Large User rate class. To address these changes, CKH has also included a rate rider calculation using the 2010 COS data. CKH recommends this second approach as the basis for recovery, since it aligns with the current rate class structure.

Please note that CKH currently has an active 2011 IRM rate proceeding (EB-2010-0074) before the Board. The intervenors of this proceeding have been copied as evidence of the rate rider.

If you have any further questions, please do not hesitate to contact David Ferguson at (519) 352-6300, extension 558 or davidferguson@ckenergy.com.

Regards,

[Original Signed By]

Andrya Eagen
Senior Regulatory Specialist
Phone: (519) 352-6300 Ext. 243
Email: andryaeagen@ckenergy.com

CC: Dave Kenney, President of Chatham-Kent Hydro
Chris Cowell, Chief Financial and Regulatory Officer
David Ferguson, Director of Regulatory Affairs and Risk Management

Calculation 1: Approach as Directed, 2009 RRR Data

Recovery Amount: \$132,809.95

Rate Class	No. Customers	Revenue	Revenue expressed as Percentage	Allocation on Revenue	Per Customer Connection (Annual)	Per Customer Connection (Monthly)
A	B	C	D	E	F	G
Residential	28,463	\$7,985,703	61.2%	\$81,238.63	\$2.85	\$0.2378
General Service <50	3,102	\$2,056,723	15.8%	\$20,923.06	\$6.75	\$0.5621
General Service >50	410	\$2,369,720	18.2%	\$24,107.18	\$58.80	\$4.8998
Large Use *	1	\$491,155	3.8%	\$4,996.52	\$4,996.52	\$416.3770
Street Lighting Connections	10,679	\$120,908	0.9%	\$1,230.00	\$0.12	\$0.0096
Sentinel Lighting Connections	340	\$18,798	0.1%	\$191.23	\$0.56	\$0.0469
Sub Transmission	-	\$0	0.0%	\$0.00	\$0.00	\$0.0000
Scattered Unmetered Load	192	\$12,122	0.1%	\$123.32	\$0.64	\$0.0535
TOTAL	43,187	\$13,055,129	100%	\$132,809.95		

Calculation 2: Recommended Approach, 2010 COS Data

Recovery Amount: \$132,809.95

Rate Class	No. Customers	Revenue	Revenue expressed as Percentage	Allocation on Revenue	Per Customer Connection (Annual)	Per Customer Connection (Monthly)
A	B	C	D	E	F	G
Residential	28,644	\$7,879,073	55.2%	\$73,311.10	\$2.56	\$0.2133
General Service <50	3,038	\$2,209,566	15.5%	\$20,558.98	\$6.77	\$0.5639
General Service >50	421	\$1,655,747	11.6%	\$15,405.95	\$36.59	\$3.0495
Intermediate	28	\$2,052,270	14.4%	\$19,095.41	\$681.98	\$56.8316
Street Lighting Connections	10,751	\$199,832	1.4%	\$1,859.34	\$0.17	\$0.0144
Sentinel Lighting Connections	327	\$24,693	0.2%	\$229.76	\$0.70	\$0.0586
Sub Transmission	-	\$0	0.0%	\$0.00	\$0.00	\$0.0000
Scattered Unmetered Load	194	\$18,413	0.1%	\$171.32	\$0.88	\$0.0736
Intermediate w/Self Gen	1	\$234,088	1.6%	\$2,178.08	\$2,178.08	\$181.5066
TOTAL	43,404	\$14,273,682	100%	\$132,809.95		

* Rate class no longer exists post-2010 Cost of Service.