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February 28, 2011

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

Re: EB-2010-0065 Proposed Late Payment Penalty Rate Riders

Dear Ms. Walli:

In accordance with the Ontario Energy Board Decision ("OEB") EB-2010-0295 regarding recovery of late payment penalty amounts from customers, Bluewater Power Distribution Corporation ("Bluewater Power") hereby requests recovery as part of its 2011 IRM application EB-2010-0065 the amount of \$149,121.96 as indicated in Appendix A – Decision and Order.

Bluewater Power has calculated the appropriate fixed charge rate rider using the distribution revenue and number of customers/connections data from Section 2.1.5 of the RRR filing submitted on May 11, 2010, for the period ending December 31, 2009.

Included with this letter are the following schedules:

1. Schedule 1 – Excerpt from Section 2.1.5 RRR for period ending December 31, 2009 to validate the distribution revenue and number of customers/connections.
2. Schedule 2 - Detailed calculation of the specific rate rider requested for each rate class based on the methodology specified in the OEB Decision.

Bluewater Power requests approval to include the rate riders as submitted as part of the approved rates effective May 1, 2011 to be collected over a 12 month period.

Sincerely,

A handwritten signature in blue ink that reads "L. Dugas".

Leslie Dugas
Manager of Regulatory Affairs
Bluewater Power Distribution Corporation
Phone: 519-337-8201 Ext 255
Email: ldugas@bluewaterpower.com

Excerpt from Bluewater Power submission, Section 2.1.5 RRR filing for the period ending December 31, 2009

Customers, Demand and Revenues				
Rate Class	Number	Billed kW	Revenues Account (4080)	
Residential Customers	31,420	256,212,050.00	9,157,764.00	
Rate Class	Number	Billed kW	Billed kWh	Revenues Account (4080)
General Service < 50 kW Customers	3,505		112,787,581.00	2,800,099.00
General Service >= 50 kW Customers	395	957,595	383,311,196.00	3,353,661.00
Large Use (>5,000 kW) Customers	3	411,290	250,931,008.00	1,087,819.00
Street Lighting Connections	9,882	24,000	8,841,203.00	360,409.00
Sentinel Lighting Connections	497	1,549	655,494.00	27,528.00
Sub Transmission				
Scattered Unmetered Loads	257		2,155,483.00	94,221.00

Bluewater Power - Calculation of Late Payment Penalty Amount

Amount of LPP		\$ 149,121.96				
	Distribution Revenue	% of Total	Allocation of LPP	# connections	Fixed Charge per connection per year	Fixed Charge per connection per month (12 month recovery)
Residential	\$ 9,157,764.00	54.2%	\$ 80,894.68	31,420	\$ 2.57	\$ 0.21
GS<50	\$ 2,800,099.00	16.6%	\$ 24,734.55	3,505	\$ 7.06	\$ 0.59
GS>50	\$ 2,541,702.86	15.1%	\$ 22,452.01	379	\$ 59.24	\$ 4.94
GS>50 -Intermediate	\$ 811,958.32	4.8%	\$ 7,172.40	16	\$ 448.27	\$ 37.36
Large Use	\$ 1,087,819.00	6.4%	\$ 9,609.20	3	\$ 3,203.07	\$ 266.92
USL	\$ 94,221.00	0.6%	\$ 832.30	257	\$ 3.24	\$ 0.27
Streetlight	\$ 360,409.00	2.1%	\$ 3,183.66	9,882	\$ 0.32	\$ 0.03
Sentinel	\$ 27,528.00	0.2%	\$ 243.17	497	\$ 0.49	\$ 0.04
	\$ 16,881,501.18	100.0%	\$ 149,121.96			

* Distribution revenue & Number of Connections sourced from Section 2.1.5 RRR filing for 2009