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Tuesday, February 28, 2011

Ontario Energy Board  
P.O. Box 2319, 27<sup>th</sup> Floor  
2300 Yonge Street  
Toronto, ON  
M4P 1E4

Attention: Kristen Walli, Board Secretary

Dear Ms. Walli:

**Re: North Bay Hydro Distribution Ltd. (EB-2010-0102)  
Application for 2011 Electricity Distribution Rates  
Board Decision and Order – Late Payment Penalty (LPP) Class Action – Generic  
Proceeding (EB-2010-02095)**

As per instructions provided in the Board's decision on the above referenced case, please find attached a copy of North Bay Hydro Distribution Ltd.'s request for applicable rate riders.

Two hard copies of this submission will be sent via courier. An electronic copy of the response in PDF format will be submitted through the Ontario Energy Board's RESS.

An electronic copy of the response in PDF format will be forwarded via email to the Interveners as follows:

Donald Rennick

a) Donald Rennick, Independent Participant

Vulnerable Energy Consumers Coalition

a) Michael Buonaguro, Public Interest Advocacy Centre

b) William Harper, Econalysis Consulting Services Inc.

Yours truly,

*Original signed by*

Todd Wilcox,  
C.O.O  
North Bay Hydro Distribution Limited  
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**SUPPLEMENTAL REQUEST FOR APPROVAL OF LATE PAYMENT  
PENALTY RECOVERY  
- PROPOSED RATE RIDERS EFFECTIVE MAY 1, 2011-  
NORTH BAY HYDRO DISTRIBUTION LTD.  
EB-2010-0102**

North Bay Hydro Distribution Ltd. ("NBHDL") filed an application (the "Application") with the Ontario Energy Board (the "Board"), on October 15, 2010, under section 78 of the *Ontario Energy Board Act, 1998*, seeking approval for changes to the distribution rates that North Bay charges for electricity distribution, to be effective May 1, 2011. The Application is based on the 2011 3rd Generation Incentive Regulation Mechanism ("IRM"). Within Appendix "C" of the application, NBHDL included a request to recover \$87,991.61 with regards to the one-time expense for NBHDL's portion of the settlement in relation to the LPP Class Action.

The Board initiated a generic proceeding (EB-2010-0295) to determine whether Affected Electricity Distributors should be allowed to recover from ratepayers the costs and damages incurred in the LPP Class Action and the appropriate methodology to apportion costs across customer rate classes and to recover such allocated costs in rates.

On February 22, 2010, the Board released its decision and ordered that:

- 1. 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 the Affected Electricity Distributors. A listing of each Affected Electricity Distributor and their share of the class action costs that is approved for recovery is provided in Appendix A to this Decision.*
- 2. For the purposes of recovery, the costs and damages arising from the settlement of the LPP class action that are approved in this proceeding, shall be allocated to all customers of each Affected Electricity Distributor in Appendix A, on the basis of distribution revenues. The distribution revenues to be used for this purpose shall be the 2009 distribution revenues used in the RRR process.*
- 3. .... All other Affected Electricity Distributors shall recover each of their shares of the amounts approved for recovery, as provided in Appendix A, over a 12-month period starting May 1, 2011.*
- 4. The rate rider for the purposes of recovery shall be a fixed customer charge and for the purposes of this calculation, each Affected Electricity Distributor in Appendix A shall use the 2009 year-end actual customer or connection data, as applicable, reported as part of each distributor's RRR.*
- 5. The Board directs all Affected Electricity Distributors (in Appendix A) that currently have an IRM or cost of service application before the Board, to file with the Board within seven days of the date of this Decision and Order, detailed calculations including*

supporting documentation, outlining the derivation of the rate riders based on the methodology outlined in this Decision. The submitted rate riders shall be verified in the Affected Electricity Distributors' respective IRM or cost of service applications.

NBHDL is an Affected Electricity Distributor and is eligible to recover \$87,552.60 provided for in Appendix A of the Decision and Order for EB-2010-0295 – attached in this application as Appendix “A” for reference.

The following table provides the detailed calculations used for the purpose of recovering this LPP class action recovery amount. These rate riders have been derived in accordance with the methodology outlined in the Decision.

Rate Class	2009 Distribution Revenue	Weighting Factor	LPP Recovery Amount	2009 Customer Count	2009 Connection Count	Rate Rider Annual	Rate Rider Per Month
Residential	5,534,543	56.42%	49,396.88	20,850		2.37	0.20
GS<50 kW	1,892,314	19.29%	16,889.27	2,629		6.42	0.54
GS 50 to 2,999 kW	2,216,941	22.60%	19,786.64	274		72.21	6.02
GS 3,000 to 4,999 kW	64,659	0.66%	577.09	2		288.55	24.05
Street Lights	67,568	0.69%	603.06		5571	0.11	0.01
Sentinal Lights	23,987	0.24%	214.09		518	0.41	0.03
USL	9,587	0.10%	85.57		76	1.13	0.09
Total	9,809,599	100.00%	87,552.60	23,755	6,165		

The amount of \$87,552.60, to be recovered from all ratepayers, has been allocated to all customer classes on the basis of audited 2009 distribution revenues, as reported in the Reporting and Record Keeping Requirements (“RRR”) process (E2.1.5 Performance Based Regulation – Customers, Demand and Revenues section).

The rate riders have been derived as a fixed customer charge (rounded down to 2 decimal places), using the 2009 customer or connection data, as applicable, also as reported in the RRR process as noted above. It should be noted that, per filing guidelines, NBHDL combines both the General Service 50 to 2,999 kW and the General Service 3,000 to 4,999 kW class into the General Service >= 50 kW Customers class. For the purposes of calculating an appropriate rate, NBHDL has broken out these two classes accordingly. In addition, the 2009 filing utilizes a customer count for the USL class; however, in its 2010 Cost of Service Application (EB-2009-0270) NBHDL was approved to bill fixed charges based on a per connection basis as can be found on page 8 of NBHDL’s Draft Rate Order. NBHDL has utilized the approved connection count of 76 for the purposes of this rate rider calculation.

The rate riders have been derived to recover the approved recovery amount over a 12 month period.

Appendix "B" provides a copy of the relevant E2.1.5 submission for reference.

**Summary**

NBHDL is requesting approval for the following fixed monthly charges for a one year period effective May 1, 2011 to be included as part of the Board's decision on NBHDL's 2011 distribution rates:

Residential - \$.20 / customer / month

General Service less than 50 kW - \$.54 / customer / month

General Service 50 to 2,999 kW - \$6.02 / customer / month

General Service 3,000 to 4,999 kW - \$24.05 / customer / month

Street Lights - \$.01 / connection / month

Sentinal Lights - \$.03 / connection / month

Unmetered Scattered Load - \$.09 / connection / month

All of which is respectively submitted on this 28<sup>th</sup> day of February, 2011.

**APPENDIX "A"**

**EB-2010-0295 – DECISION AND ORDER**

**COPY OF APPENDIX A – AFFECTED ELECTRICITY DISTRIBUTORS**

<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
30 Hydro One Brampton Networks	\$444,880.45
31 Hydro Ottawa Ltd.	\$1,017,550.77
CASSELMAN HYDRO INC.	\$3,305.26
32 Innisfil Hydro Distribution Systems Ltd.	\$33,430.63
33 Kenora Hydro Electric Corp. Ltd.	\$16,296.32
34 Kingston Electricity Distribution Ltd.142446 Ontario Ltd.	\$104,031.09
35 Kitchener-Wilmot Hydro Inc.	\$271,910.14
36 Lakefront Utilities Inc.	\$36,872.16
37 Lakeland Power Dist. Ltd.	\$31,478.25
38 London Hydro Utilities Services Inc.	\$457,241.98
39 Middlesex	\$25,780.68
DUTTON HYDRO INC.	\$1,254.13
NEWBURY POWER INC.	\$556.81
40 Midland Power Utility Corp.	\$31,756.33
41 Milton Hydro Dist. Inc.	\$74,673.59
42 Newmarket- Tay Power Distribution Ltd.	\$0.00
TAY HYDRO ELECTRIC DISTRIBUTION CO. INC.	\$7,162.40
NEWMARKET HYDRO LTD.	\$88,162.91
43 Niagara on the Lake Hydro Inc.	\$24,800.65
44 Niagara Peninsula Energy Inc. (Niagara Falls, PenWest)	\$116,068.52
PENINSULA WEST UTILITIES LTD.	\$51,312.53
45 Norfolk Power Distribution Co. Ltd.	\$55,876.38
46 North Bay Hydro Distribution Ltd.	\$87,552.60
47 Northern Ontario Wires Inc.	\$18,433.02
KAPUSKASING PUC	\$2,968.30
48 Oakville Hydro Electricity Distribution Inc.	\$257,572.31
49 Orangeville Hydro Ltd.(Grand Valley)	\$32,833.10
GRAND VALLEY ENERGY INC.	\$1,590.02
50 Oshawa PUC Networks Inc.	\$171,994.93
51 Ottawa River Power Corp	\$25,966.85
KILLALOE HEC	\$394.20
MISSISSIPPI MILLS PUC	\$2,058.64

**APPENDIX "B"**

**COPY OF E2.1.5 – 2009 "RRR" FILING**

**(3) Administration**

Administration Total (\$) 2,020,527.44

Administration Labour Component (\$) 74,912.48

**Output and Revenues**

Annual Wholesale Cost of Power (\$) 32,766,278.34

Wholesale KWH (kWh) 580,320,683.00

Retail KWH (kWh) 552,881,331.00

Distribution System Losses (kWh) 27,439,352.00

**Customers, Demand and Revenues**

Rate Class	Number	Billed kWh	Revenues Account (4080)
Residential Customers	20,850	213,412,762.00	5,534,543.00
Rate Class	Number	Billed kW	Revenues Account (4080)
General Service < 50 kW Customers	2,629	87,404,596.00	1,892,314.00
General Service >= 50 kW Customers	276	664,443	2,281,600.00
Large Use (>5,000 kW) Customers			
Street Lighting Connections	5,571	9,285	67,568.00
Sentinel Lighting Connections	518	1,506	23,987.00
Sub Transmission			
Scattered Unmetered Loads	21	311,871.00	9,587.00

**Net Metering Initiative**

Please indicate the number of Net Metering Customers and Total Capacity Installed as of December 31st of the reported year.

	Number of Net Metering Customers	Total Installed Capacity (kW)
Wind		
Water		
Solar	1	4.40
Biomass		