



CANADIAN NIAGARA POWER INC.

A **FORTIS** ONTARIO
Company

BY COURIER

March 31, 2011

Ms. Kirsten Walli
Board Secretary
Ontario Energy Board
2300 Yonge Street
Suite 2700
P.O. Box 2319
Toronto, ON M4P 1E4

Dear Ms. Walli:

**RE: CANADIAN NIAGARA POWER INC., FORT ERIE AND GANANOQUE
2011 IRM3 ELECTRICITY DISTRIBUTION RATE APPLICATION
EB-2010-0070 AND EB-2009-0071**

Canadian Niagara Power Inc. ("CNPI") makes the following submission pursuant to the Board's Decision and Order in the above captioned proceedings dated March 28, 2011.

This submission addresses the correction of the 2010 Rate Rider for the General Service 50 to 4,999 kW service classification. The Board's Decision and Order directed CNPI to file an updated 2011 IRM Deferral and Variance Account Workform reflecting the findings. CNPI – Eastern Ontario Power currently has an approved 2010 rate rider associated with the Group 1 deferral and variance account balance allocated to the General Service 50 to 4,999 kW service classification that is a credit of \$1.3163 per kW but should have been a debit of \$1.3163 per kW. The Decision and Order directs CNPI – Eastern Ontario Power to recover the amount mistakenly remitted to this rate class and the original debit balance over a two year period starting May 1, 2011 and ending April 30, 2013.

The table provided below is a summary of the account beginning with an opening debit balance of \$76,583 on May 1, 2010.

Eastern Ontario Power - Account 1595 - General Service 50 to 4,999kW				
	Transfer	DR/(CR)	Balance	
	to 1595			
May-2010	\$ 76,583.00	\$ 6,747.42	\$ 83,330.42	
Jun-2010		\$ 1,783.65	\$ 85,114.07	
Jul-2010		\$ 9,934.90	\$ 95,048.97	
Aug-2010		\$ 4,491.28	\$ 99,540.25	
Sep-2010		\$ 3,378.78	\$ 102,919.03	
Oct-2010		\$ 6,105.08	\$ 109,024.11	
Nov-2010		\$ 6,679.06	\$ 115,703.17	
Dec-2010		\$ 5,485.74	\$ 121,188.91	
	\$ 76,583.00	\$ 44,605.91		
Jan-2011		\$ 4,697.47	\$ 125,886.38	
Feb-2011		\$ 5,220.09	\$ 131,106.47	
Mar-2011		\$ 5,452.35	\$ 136,558.82	
Apr-2011		\$ 5,452.35	\$ 142,011.17	
	\$ 76,583.00	\$ 65,428.17	\$ 142,011.17	

The remitted amounts for March and April 2011 have been estimated as the average of the previous ten months. Declining billing demands of this rate class has meant that less money has been remitted than forecasted. Based on this table, the amount required to clear the remittance error plus the original debit balance (both amounts void of interest) is \$142,011.17.

CNPI is filing, as part of this submission, an updated 2011 IRM Deferral and Variance Account Workform that calculates the appropriate rate rider for a debit amount of \$142,011.17 to be recovered over a two year period with no interest accrued to it.

Two paper copies of this Submission together with the updated 2011 IRM Deferral and Variance Account Workform have been provided. Electronic copies of these responses have been submitted via the Board's Regulatory Electronic Submission System.

Yours truly,

Original Signed By

Douglas R. Bradbury
Director, Regulatory Affairs

Enclosures



Name of LDC: Canadian Niagara Power Inc. - Eastern Ontario Power
File Number: EB-2010-0071
Effective Date: Sunday, May 01, 2011
Version : 2.0

LDC Information

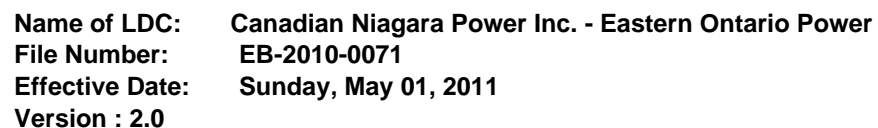
Applicant Name	Canadian Niagara Power Inc. - Eastern Ontario Power
OEB Application Number	EB-2010-0071
LDC Licence Number	ED-2002-0572
Applied for Effective Date	May 1, 2011
Last COS Re-based Year	2009
Last COS OEB Application Number	EB-2008-0222
Billing Determinants	2009 Audited RRR
Global Adjustment Elections	
Global Adjustment Recovery Separate Distribution Charge	No
Global Adjustment Recovery as Electricity Component	N/A



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B1.3 Rate Class And Bill Det	Rate Class and 2008 Billing Determinants
C1.4 2010 Transfer to 1595 IRM	2011 Board Approved Transfer of 2008 Deferral/Variance accounts to 1595 IRM
D1.5 Def Var - Cont Sch 2009	Deferral Variance - Continuity Schedule 2009
D1.6 Def Var - Con Sch Final	Deferral Variance - Continuity Schedule Final
E1.1 Threshold Test	Threshold Test
F1.1 Cost Allocation kWh	Cost Allocation - kWh
F1.2 Cost Allocation Non-RPPkWh	Cost Allocation - Non-RPP kWh
G1.1 Calculation Rate Rider	Calculation of Deferral Variance Recovery Rate Rider including Global Adjustment
G1.2 Request for Clearance	Request for Clearance of Deferral and Variance Accounts



2009 Audited RRR

B1.3 Rate Class And Bill Det



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2010 Board Approved Transfer of 2008 Deferral/Variance accounts to 1595 IRM

Disposition Recovery Sunset Date

April 30, 2011

Rate Rider Recovery Complete and 1595 Balance Eligible for Residual Disposition

No

Account Description	Account Number	Principal Amounts A	Interest Amount B	Total Balance C = A + B
Group 1 Accounts				
LV Variance Account	1550	116,887.00	1,533.00	118,420.00
RSVA - Wholesale Market Service Charge	1580	390,422.00	38,940.00	429,362.00
RSVA - Retail Transmission Network Charge	1584	199,342.00	33,004.00	232,346.00
RSVA - Retail Transmission Connection Charge	1586	148,783.00	15,196.00	163,979.00
RSVA - Power (Excluding Global Adjustment)	1588	(448,377.00)	(95,268.00)	(543,645.00)
RSVA - Power (Global Adjustment Sub-account) - when not a separate rate rider	1588	(225,736.00)	(5,015.00)	(230,751.00)
Recovery of Regulatory Asset Balances	1590	116,730.00	(56,041.00)	60,689.00
Sub-Total - Group 1 Accounts		298,051.00	(67,651.00)	230,400.00
Board ordered disposition of immaterial amounts too small for rate riders				
IRM3 tax sharing z-factor		0.00	0.00	0.00
Disposition and recovery of Regulatory Balances Account	1595	(298,051.00)	67,651.00	(230,400.00)
Rate Rider Recovery				
Deferral Variance Recovery May 1, 2010 to December 31, 2010	1595	0.00	0.00	0.00
Deferral Variance Recovery Jan 1, 2011 to December 31, 2011	1595	0.00	0.00	0.00
Deferral Variance Recovery Jan 1, 2012 to December 31, 2012	1595	0.00	0.00	0.00
Deferral Variance Recovery Jan 1, 2013 to December 31, 2013	1595	0.00	0.00	0.00
Deferral Variance Recovery Jan 1, 2014 to December 31, 2014	1595	0.00	0.00	0.00
Deferral Variance Recovery Jan 1, 2015 to December 31, 2015	1595	0.00	0.00	0.00
Balance of Disposition and recovery of Regulatory Balances Account	1595	(298,051.00)	67,651.00	(230,400.00)

Global Adjustment as a separate Rate Rider

Global Adjustment Recovery Sunset Date

April 30, 2011

Rate Rider Recovery Complete and 1595 Balance Eligible for Residual Disposition

No

Account Description	Account Number	Principal Amounts	Interest Amount	Total Balance
RSVA - Power (Global Adjustment Sub-account) - when a separate rate rider	1588	0.00	0.00	0.00
Disposition and recovery of Regulatory Balances Account	1595	0.00	0.00	0.00
Rate Rider Recovery				
Deferral Variance Recovery May 1, 2010 to December 31, 2010	1595	0.00	0.00	0.00
Deferral Variance Recovery Jan 1, 2011 to December 31, 2011	1595	0.00	0.00	0.00
Deferral Variance Recovery Jan 1, 2012 to December 31, 2012	1595	0.00	0.00	0.00
Deferral Variance Recovery Jan 1, 2013 to December 31, 2013	1595	0.00	0.00	0.00
Deferral Variance Recovery Jan 1, 2014 to December 31, 2014	1595	0.00	0.00	0.00
Deferral Variance Recovery Jan 1, 2015 to December 31, 2015	1595	0.00	0.00	0.00
Balance of Disposition and recovery of Regulatory Balances Account	1595	0.00	0.00	0.00



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Deferral Variance - Continuity Schedule 2009

Account Description	Account Number	Opening Principal Amounts as of Jan-1 09	Transactions (additions) during 2009, excluding interest and adjustments ¹	Transactions (reductions) during 2009, excluding interest and adjustments ¹	Adjustments during 2009 - instructed by Board ²	Adjustments during 2009 - other ³	Transfer Residual Amount of USoA 1595	Closing Principal Balance as of Dec-31-09	Opening Interest Amounts as of Jan-1 09	Interest Jan-1 to Dec31-09	Transfer of Board-approved 2007 interest amounts to 1595 (2009 COS)	Closing Interest Amounts as of Dec-31-09	Total Closing Amounts as of Dec-31-09	Deferral Variance Disposition Balances as of Dec-31-09	RRR Filing Amount as of Dec-31-09	Difference
		A	B	C	D	E	F	G	H	I	J	K	L	M	N	O = L + M - N
LV Variance Account	1550	0	0	0				0	0	0		0	0	0	0	0
RSVA - Wholesale Market Service Charge	1580	0	142,011	0				142,011	0	0		0	142,011	0	0	142,011
RSVA - Retail Transmission Network Charge	1584	0	0	0				0	0	0		0	0	0	0	0
RSVA - Retail Transmission Connection Charge	1586	0	0	0				0	0	0		0	0	0	0	0
RSVA - Power (Excluding Global Adjustment)	1588	0	0	0				0	0	0		0	0	0	0	0
RSVA - Power (Global Adjustment Sub-account)	1588	0	0	0				0	0	0		0	0	0	0	0
Recovery of Regulatory Asset Balance	1590	0	0	0				0	0	0		0	0	0	0	0
Residual Balance Disposition and recovery of Def/Var Balances Account (2008)	1595	0					0	0	0		0	0	0			0
Total		0	142,011	0	0	0	0	142,011	0	0	0	0	142,011			

¹ For RSVA accounts only, report the net additions to the account during the year. For all other accounts, record the additions and reductions separately.
² Provide supporting evidence i.e. Board Decision, CRO Order, etc.
³ Provide supporting statement indicating nature of this adjustments and periods they relate to
⁴ This records the values of amounts removed from Group One accounts in previous proceedings; but does not enter offsets for disposition of 1590, as recovery has not been completed.

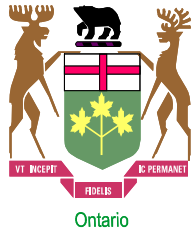
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Deferral Variance - Continuity Schedule Final

Account Description	Account Number	Opening Principal Amounts as of Jan-1-10	Adjustments - Please explain	Principal Amounts to be disposed	Opening Interest Amounts as of Jan-1-10	Interest on Board-approved 2008 amounts prior to transfer Jan-1, 2010 to Date of Transfer	Adjustments - Please explain	Projected Interest on Dec 31 -09 balance from Jan 1, 2010 to Dec 31, 2010 ¹	Projected Interest on Dec 31 -09 balance from Jan 1, 2011 to April 30, 2011 ¹	Interest Amounts to be disposed	Total Claim
		A	B	C = A + B	D	E	F	G	H	I = D + E + F + G +H	J = C + I
LV Variance Account	1550	0		0	0	0		0	0	0	0
RSVA - Wholesale Market Service Charge	1580	142,011		142,011	0	0		0	0	0	142,011
RSVA - Retail Transmission Network Charge	1584	0		0	0	0		0	0	0	0
RSVA - Retail Transmission Connection Charge	1586	0		0	0	0		0	0	0	0
RSVA - Power (Excluding Global Adjustment)	1588	0	0	0	0	0		0	0	0	0
RSVA - Power (Global Adjustment Sub-account)		0	0	0	0	0		0	0	0	0
Recovery of Regulatory Asset Balances	1590	0		0	0	0		0	0	0	0
Residual Balance Disposition and recovery of Def/Var Balances Account (2008)	1595	0		0	0			0	0	0	0
Total		142,011	0	142,011	0	0	0	0	0	0	142,011

¹ Interest projected on December 31, 2009 closing principal balance.

Month	Prescribed Rate	Monthly Interest	Month	Prescribed Rate	Monthly Interest
Sunday, January 31, 2010	0.55	0.0467	Monday, January 31, 2011	0.89	0.0756
Sunday, February 28, 2010	0.55	0.0422	Monday, February 28, 2011	0.89	0.0683
Wednesday, March 31, 2010	0.55	0.0467	Thursday, March 31, 2011	0.89	0.0756
Friday, April 30, 2010	0.55	0.0452	Saturday, April 30, 2011	0.89	0.0732
Monday, May 31, 2010	0.55	0.0467	Effective Rate		0.2926
Wednesday, June 30, 2010	0.55	0.0452			
Saturday, July 31, 2010	0.89	0.0756			
Tuesday, August 31, 2010	0.89	0.0756			
Thursday, September 30, 2010	0.89	0.0732			
Sunday, October 31, 2010	0.89	0.0756			
Tuesday, November 30, 2010	0.89	0.0732			
Friday, December 31, 2010	0.89	0.0756			



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Threshold Test

Rate Class	Billed kWh B
Residential	0
General Service Less Than 50 kW	0
General Service 50 to 4,999 kW	17,770,088
Sentinel Lighting	0
Street Lighting	0
Unmetered Scattered Load	0
	<u>17,770,088</u>
Total Claim	142,011
Total Claim per kWh	0.007992

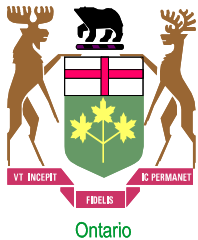


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Cost Allocation - kWh

Rate Class	Billed kWh	% kWh	1550	1580	1584	1586	1588 ¹	Total
Residential	0	0.0%	0	0	0	0	0	0
General Service Less Than 50 kW	0	0.0%	0	0	0	0	0	0
General Service 50 to 4,999 kW	17,770,088	100.0%	0	142,011	0	0	0	142,011
Sentinel Lighting	0	0.0%	0	0	0	0	0	0
Street Lighting	0	0.0%	0	0	0	0	0	0
Unmetered Scattered Load	0	0.0%	0	0	0	0	0	0
	<u>17,770,088</u>	<u>100.0%</u>	<u>0</u>	<u>142,011</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>142,011</u>
			-	-	-	-	-	-

¹ RSVA - Power (Excluding Global Adjustment)



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Cost Allocation - Non-RPP kWh

Rate Class	Non-RPP kWh	% kWh	1588 ¹
Residential	0	0.0%	0
General Service Less Than 50 kW	0	0.0%	0
General Service 50 to 4,999 kW	13,672,243	100.0%	0
Sentinel Lighting	0	0.0%	0
Street Lighting	0	0.0%	0
Unmetered Scattered Load	0	0.0%	0
	<u>13,672,243</u>	<u>100.0%</u>	<u>0</u>
			-

¹ RSVA - Power (Global Adjustment Sub-account)



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Calculation of Deferral Variance Recovery Rate Rider including Global Adjustment

Rate Rider Recovery Period - Years Two

Rate Rider Effective To Date

Tuesday, April 30, 2013

Rate Class	Vol Metric	Billed kWh A	Billed kW B	Accounts Allocated by kWh C	Accounts Allocated by Non-RPP kWh D	Account 1590 E	Account 1595 F	Total G = C + D + E + F	Rate Rider kWh H = G / A (kWh) or H = G / B (kW)
Residential	kWh	0	0	0	0	0	0	0	0.00000
General Service Less Than 50 kW	kWh	0	0	0	0	0	0	0	0.00000
General Service 50 to 4,999 kW	kW	17,770,088	54,592	142,011	0	0	0	142,011	1.30066
Sentinel Lighting	kW	0	0	0	0	0	0	0	0.00000
Street Lighting	kW	0	0	0	0	0	0	0	0.00000
Unmetered Scattered Load	kWh	0	0	0	0	0	0	0	0.00000
		17,770,088	54,592	142,011	0	0	0	142,011	
				-	-	-	-	-	

Enter the above value onto Sheet
"J2.2 Def Var Disp 2011"
of the 2011 OEB IRM2 Rate Generator
"J2.4 Def Var Disp 2011"
of the 2011 OEB IRM3 Rate Generator



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Request for Clearance of Deferral and Variance Accounts

Account Description	Account Number	Principal Amounts	Interest Amounts	Total Claim
		A	B	C = A + B
LV Variance Account	1550	0	0	0
RSVA - Wholesale Market Service Charge	1580	(142,011)	0	(142,011)
RSVA - Retail Transmission Network Charge	1584	0	0	0
RSVA - Retail Transmission Connection Charge	1586	0	0	0
RSVA - Power (Excluding Global Adjustment)	1588	0	0	0
RSVA - Power (Global Adjustment Sub-account)	1588	0	0	0
Recovery of Regulatory Asset Balances	1590	0	0	0
Balance of Disposition and recovery of Regulatory Balances Account (2008)	1595	0	0	0
Disposition and recovery of Regulatory Balances Account	1595	142,011	0	142,011
	Total	0	0	0