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Director - Applications  
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January 4, 2008

BY COURIER

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

Dear Ms. Walli:

**EB-2007-0666, EB-2007-0688, EB-2007-0726, EB-2007-0727 - Hydro One Networks Inc.  
and Terrace Bay Superior Wires Inc. Completion of Ratepayer Refund Notification**

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Hydro One Networks Inc. ("Hydro One") hereby advises the Board of the completion of the refund to ratepayers in the area formerly served by Terrace Bay Superior Wires Inc. for the amount of the over-collection of Retail Transmission Services – Line and Connection charges for the period May 1, 2002 to March 7, 2007.

Hydro One Networks was directed to refund the over-collection to customers of record, defined as customers of Terrace Bay Superior Wires Inc. as of the date that the sale of Terrace Bay Superior Wires Inc.'s distribution assets to Hydro One Networks Inc. closes, plus those former ratepayers which ceased to be customer from January 1, 2004 onwards and for whom a forwarding address is available. This direction was part of the OEB Decision and Order issued October 10, 2007 for the sale of Terrace Bay distribution systems assets to Hydro One Networks Inc. The refund was completed December 31st, 2007. Please see the attached report which provides details regarding this refund.

Yours truly,

**ORIGINAL SIGNED BY Allan Cowan**

Allan Cowan

c: Ms. Vanda Wall, Ontario Energy Board

**Hydro One Networks Inc.**  
**Report of Terrance Bay Superior Wires Ratepayer Refund**  
**EB-2007-0666/EB-2007-0688/EB-2007-0726/EB-2007**

For the period May 1, 2002 to March 7, 2007, Terrace Bay Superior Wires Inc. (TBSW) ratepayers were over charged fees on their Retail Transmission Services – Line and Connection charges as a result of a billing error.

The calculation of the RTSR refund was calculated on actual consumption for the period May 1, 2002 to March 7, 2007. The total of all RTSR Connection charges billed to TBSW was \$414,659.24. Simple monthly interest of \$69,181.48 and GST of \$29,026.15 was added to this balance resulting in a total refund due to ratepayers of \$512,866.87.

There are currently 925 active customers within Terrace Bay, 720 of these customers were active between January 1, 2004 and March 7, 2007 and consumed 51,522,204 kWh of electricity. There are 236 customers who were billed by TBSW between the above dates who are no longer active customers. The Township of Terrace Bay was able to provide forwarding addresses for 157 of these inactive customers who consumed 5,639,316 kWh of electricity. The total consumption of active and inactive customers was 57,161,520 kWh. This results in a credit per kWh of \$0.00897224.

Table 1 provides a summary of customer numbers, active and inactive, and the refund to each. Active customers will receive an account credit along with a letter explaining the credit on their December invoice. Inactive customers will receive a refund cheque along with a letter explaining the credit which was mailed in December 2007.

Table 1 – Summary of TBSW customer refund

<b>Customer Status</b>	<b># customers</b>	<b>Total Consumption 2004-07 (kWh)</b>	<b>Total Refund</b>
Active	720	51,522,204	\$462,269.57
Inactive	157	5,639,316	\$50,597.30
Total	877	57,161,520	\$512,866.87

There are 79 finalized customers who could not be found either because of no forwarding address or an invalid address. If these customers are found, upon verification a cheque will be issued to them applying the same per kWh credit on their actual consumption.

Hydro One incurred external costs of approximately \$24,000 to complete this work.

