December 8, 2011

Kirsten Walli, Board Secretary

Ontario Energy Board

2300 Yonge Street, 27th Floor

P.O. Box 2319

Toronto, ON M4P 1E4

Attention: Ms. Kirsten Walli, Board Secretary

Dear Ms. Walli:

**Re: Parry Sound Power Corporation**

 **2012 IRM3 Distribution Rate Application LRAM**

 **File No. EB-2011-0193**

As stated in Parry Sound Power Corporation’s (PSP) response to Final Submissions, PSP respectfully submits our application to recover Lost Revenue Adjusted Mechanism (“LRAM”) and Shared Savings Mechanism (“SSM”) in relation to Conservation and Demand Management (“CDM”) activities undertaken by Parry Sound Power.

Once PSP received the final OPA numbers we engaged matters experts- Burman Energy to calculate our LRAM amounts. The Burman report documentation and calculations are attached.

We have used the last approved Board Billing Determinants (2011 Cost of Service) to allocate the LRAM dollar recovery over each applicable rate class. Table 1 below shows the recovery by class.

|  |  |
| --- | --- |
| **Table 1** |  |
|  | **LRAM $** |
| **Third Tranche** |   |
| **RESIDENTIAL** | $3,616.51 |
| **GENERAL SERVICE >50KW** | $2,051.81 |
| **UNMETERED SCATTERED LOAD** | $10,721.99 |
|  |   |
| **OPA Programs** |   |
| **RESIDENTIAL** | $17,859.41 |
| **GENERAL SERVICE <50KW** | $13,031.30 |
| **General Service>50kW to 4,999kW** | $2,753.22 |
|   | $50,034.24 |

Table 2 below shows the billing units to distribute the LRAM value over a one year period.



PSP offers the Burman Energy Consultants Group report and calculation as part of our submission.

Parry Sound Power submits the rate riders in the table above be included in the final order for rates effective January 1, 2012.

If you have any questions, please contact the undersigned.

Yours truly,

Miles Thompson

Vice President, General Manager

Parry Sound Power Corporation

125 William Street

Parry Sound ON.

P2A 1V9

705-746-5866 Extension #24