



Grimsby Power Incorporated

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February 3, 2012

Delivered by Courier, E-mail, and RESS

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

Dear Ms. Walli:

Re: Grimsby Power Incorporated
Electricity Distribution Rate Application
Board File No. EB-2011-0273
Reply Submission - Draft Rate Order

Please find attached Grimsby Power Inc.'s response to the Ontario Energy Board staff's and Energy Probe research Foundation's comments on Grimsby Power's Draft Rate Order (DRO), which was submitted on January 23, 2012. No other submissions on the DRO were received.

Grimsby Power has revised the DRO to incorporate the comments by Board staff and Energy Probe. An electronic copy of this document has been filed through the Board's RESS web portal. Two hard copies of the Revised Draft Rate Order will be forwarded to the OEB office by courier.

Regards,

Doug Curtiss

Doug Curtiss, P.Eng.
Chief Executive Officer
Grimsby Power Inc.

IN THE MATTER OF the *Ontario Energy Board Act, 1998*, c.15,
(Schedule B);

AND IN THE MATTER OF an Application by Grimsby Power Incorporated to the Ontario Energy Board for an Order or Orders approving or fixing just and reasonable rates and other service charges for the distribution of electricity as of January 1, 2012.

DRAFT RATE ORDER OF GRIMSBY POWER INCORPORATED

**REPLY SUBMISSION TO ONTARIO ENERGY BOARD STAFF AND ENERGY PROBE
COMMENTS**

Filed: February 3, 2012

INTRODUCTION

Grimsby Power filed an application (the “Application”) with the Ontario Energy Board (the “Board”) on August 16, 2011 under section 78 of the *Ontario Energy Board Act, 1998*, S.O. 1998, c. 15, (Schedule B), seeking approval for changes to the rates that Grimsby Power charges for electricity distribution, to be effective January 1, 2012. The Board assigned File Number EB-2011-0273 to the Application.

The Board’s finding on the outstanding matter of Operations, Maintenance, & Administration expenses was issued on January 16, 2012. The Decision required Grimsby Power to file its Draft Rate Order (DRO) within seven days of issuance of the Decision. Grimsby Power filed its DRO on January 23, 2012.

Energy Probe Research Foundation (Energy Probe) submitted comments on the DRO on January 26, 2012 and Board staff submitted comments on the DRO on January 30, 2012. Grimsby Power’s reply to these submissions is provided below. The School Energy Coalition (“SEC”); and the Vulnerable Energy Consumers’ Coalition (“VECC”) did not submit comments.

SPECIFIC ITEMS

Load Forecasting and Operating Revenue

Energy Probe submitted that Table 7 in the DRO which detailed the Forecast Data for the 2012 Test Year should include the impact of CDM by rate class. The load forecast includes a reduction of 1.552 GWh to account for the impact of CDM. The updated Table 7 below shows the load forecast with and without the impact of the CDM reduction. The impact of the CDM reduction on each rate class has been calculated by utilizing the weather normalization regression model with and without the reduction in CDM. The net CDM reduction of 1.484 GWh multiplied by the average loss factor (in the weather normalization regression model) of 1.0459 equals the 1.552 GWh CDM reduction in predicted kWhr purchases

Updated Table 7 – Forecast Data for 2012 Test Year

Class	Unit of Measure	Application	Adjustments	As per Decision and Settlement Agreement without CDM (a)	As per Decision and Settlement Agreement with CDM (b)	Net CDM Reduction (a)-(b)
Residential	# of Customers	9,703	0	9,703	9,703	
	kWh	92,606,843	1,984,057	95,463,586	94,590,900	872,686
GS < 50 kW	# of Customers	683	0	683	683	
	kWh	18,314,894	392,388	18,879,874	18,707,282	172,591
GS >50	# of Customers	100	0	100	100	
	kW	188,723	2,732	192,657	191,455	1,202
	kWh	68,877,755	997,239	70,313,629	69,874,994	438,635
Street Lighting	# of Connections	2,548	0	2,548	2,548	
	kW	4,403	0	4,403	4,403	
	kWh	1,578,145	0	1,578,145	1,578,145	
USL	# of Connections	80	0	80	80	
	kWh	355,293	0	355,293	355,293	
Total	# of Cust/Con	13,114	0	13,114	13,114	
	kW	193,126	2,732	197,060	195,858	1,202
	kWh	181,732,931	3,373,684	186,590,528	185,106,615	1,483,913

Smart Meter Costs Disposition Rider

Energy Probe submits that the commentary for these riders should include the specific riders by rate class instead of the total as shown. Board staff submitted that these riders should be rounded to two decimals as per the Board's practice. The commentary and values for the specific rate riders will be amended as follows:

- Collected over 10 months – Total - \$2.09
 - Residential - \$2.04
 - GS<50 - \$2.74
- Collected over 22 months – Total - \$0.95
 - Residential - \$0.93
 - GS<50 - \$1.25

Rate Rider for LRAM

Energy Probe submits that actual billing quantities that pertain to the \$/unit calculations be shown in Table 10 of the DRO. The billing quantities as requested have been added to Table 10 in the DRO as follows:

Updated Table 10 – Rate Rider for LRAM starting March 1, 2012 over 22 Months

Rate Class	LRAM Amounts (\$)	2012 Load Forecast (2012)	Units	Total Billing Quantity (22 Months)	\$/unit (kWh or kW) 22 Months
Residential	88,733	94,590,900	kWh	173,416,650	0.0005
GS < 50 kW	13,005	18,707,282	kWh	34,296,684	0.0004
GS >50	40,095	191,455	kW	351,001	0.1142
Total	141,833				

Rate Design

Energy Probe submits that the distribution rates for the USL class in Table 14 of the DRO do not match the rates and schedules in Appendix A and Appendix F. Grimsby Power made an error in populating the 2012 Service Charge and Volumetric rate for the USL rate class in Table 14. The updated Table 14 is shown below:

Updated Table 14 – Summary of Change in Distribution Rates

Class	2011 Service Charge	2011 Volumetric Rate	2012 Service Charge	2012 Volumetric Rate
Residential	15.11	0.0086	15.11	0.0116
GS < 50 kW	25.56	0.0100	25.56	0.0125
GS >50	165.08	1.4136	165.08	1.6936
USL	15.77	0.0099	17.62	0.0111
Street Lighting	1.30	3.2363	1.75	4.3469

Cost Allocation

Energy Probe submits that there is no commentary on moving the revenue to cost ratio for Street Lighting to the Board Approved range of 70% over the 2013 and 2014 years. Grimsby Power proposed in its application (Exhibit 7 – Table 7.5) that the Street Lighting revenue to cost ratio be increased over a two year period by moving the revenue to cost ratio to the Board approved lower limit of 70% in two equal increments. The resultant Street Light revenue to cost ratio in 2013 would be 65.6% and in 2014 would be 70%. This commentary has been added to the DRO.

Tariff of Rates and Charges – Fixed Rate Riders

Board staff submitted that the rate riders for Recovery of Smart Meter Costs should be rounded to two decimals as per the Board's practice. Grimsby Power has revised the DRO to reflect the recovery of all fixed rate riders to two decimals.

Tariff of Rates and Charges – Retail Transmission Service Rates - GS>50 Classification

Board staff submit that the Tariff of Rates and Charges for the GS>50 class does not include Retail Transmission Service Rates for Interval metered customers. In preparing its DRO Grimsby Power omitted the Retail Transmission Service Rates for Interval metered customers. This was an oversight on Grimsby Power's part. The updated Table 8 in the DRO has been updated as shown below. The updated Tariff of Rates and Charges sheets for the GS>50 class has also been updated in the Updated DRO.

Updated Table 8 – Retail Transmission Service Rates

Class	Current Network Service Rate	Current Connection Service Rate	Proposed Network Service Rate	Proposed Connection Service Rate
Residential	0.0059	0.0049	0.0066	0.0054
GS < 50 kW	0.0054	0.0043	0.0061	0.0047
GS >50	2.1814	1.7374	2.4546	1.9125
GS >50 Interval	2.2093	1.8313	2.4860	2.0159
USL	0.0054	0.0043	0.0061	0.0047
Street Lighting	1.6452	1.3431	1.8512	1.4785

Tariff of Rates and Charges – Standby Power Service Classification

In its application to the Board, Grimsby Power requested the approval to discontinue the Standby Power Service Classification. This can be found in Exhibit 1 Page 15 of 77 and in Exhibit 8 Page 9 of 38. In terms of Cost Allocation, Grimsby Power did not include Standby Power in any of its calculations. This request was made because Grimsby Power does not foresee the need to apply this to any of its customers in the future. In terms of the Settlement Agreement, the Standby Power Service Classification is not specifically mentioned. However, Grimsby Power's proposed cost allocation with noted exceptions was accepted in the Settlement Agreement. Since there were no exceptions related to the Standby Power Service Classification Grimsby Power believes that the discontinuation of the Standby Power Service Classification was included in the acceptance of the Settlement Agreement. In terms of the updated DRO the Tariff of Rates and Charges sheet for the Standby Power Service Classification has been removed.

Tariff of Rates and Charges

USL – Rate Rider for Recovery of Late Payment Penalty Litigation Costs

In reviewing the Tariff of Rates and Charges sheet for USL, Grimsby Power found an input error on this line item. The value of \$0.4 should be \$0.04. This has been corrected in the updated DRO.

General Service 50 to 4,999 kW Service Classification – Low Voltage Service Rate

In reviewing the Tariff of Rates and Charges sheet for GS>50, Grimsby Power found an input error on this line item. The value of \$0.2550 should be \$0.2555. This has been corrected in the updated DRO.

DATED THIS 3RD DAY OF FEBRUARY 2012

Doug Curtiss

Chief Executive Officer

Grimsby Power Inc.