



CAMBRIDGE AND NORTH DUMFRIES HYDRO INC.
1500 Bishop Street, P.O. Box 1060, Cambridge, ON N1R 5X6
Phone: 519.621.8405, Ext. 2355 Fax: 519.621.0383

February 16, 2012

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

Dear Ms. Walli:

**Re: Cambridge and North Dumfries Hydro Inc. (EB-2011-0156)
2012 IRM3 Electricity Distribution Rate Application
Reply Submission**

Cambridge and North Dumfries Hydro Inc. ("CND") filed an application with the Ontario Energy Board ("the Board") on November 21, 2011 seeking approval for changes to the distribution rates that CND charges for electricity distribution, to be effective May 1, 2012.

Board staff and the Vulnerable Energy Consumers Coalition ("VECC") filed written submissions on February 6, 2012 and CND is required to file written responses by February 16, 2012. Attached please find CND's combined Reply Submission.

The submission has been filed electronically through RESS, submitted electronically to Board staff and the Intervenor and two paper copies have been forwarded to your attention via courier.

If you require any additional information or clarification, please contact

Grant Brooker
Manager, Regulatory Affairs
Cambridge and North Dumfries Hydro
Tel 519.621.8405 Ext 2340

Sincerely,

CAMBRIDGE AND NORTH DUMFRIES HYDRO INC.

Original signed by John Grotheer

John W. Grotheer
President and CEO

1 **IN THE MATTER OF** the *Ontario Energy Board Act, 1998*, S.O.
2 1998, c.15, (Schedule B);

3 **AND IN THE MATTER OF** an Application by Cambridge and North
4 Dumfries Hydro Inc. to the Ontario Energy Board for an order or orders
5 approving or fixing just and reasonable distribution rates and other
6 charges, to be effective May 1, 2012.

7 **CAMBRIDGE AND NORTH DUMFRIES HYDRO INC.**

8 **REPLY SUBMISSION**

9 **FILED FEBRUARY 16, 2012**

10 Cambridge and North Dumfries Hydro Inc. ("CND") filed an application with the Ontario
11 Energy Board ("OEB" or "the Board") on November 21, 2011 under Section 78 of the
12 *Ontario Energy Board Act, 1998* seeking approval for electricity distribution rates
13 effective May 1, 2012. CND filed updated information on December 7, 2011 specifically
14 concerning the determination of the 1562 Deferred PILs balance. The Application was
15 filed in accordance with the OEB's *'Filing Requirements for Transmission and*
16 *Distribution Applications'*.

17 Vulnerable Energy Consumers Coalition ("VECC") filed a "Notice of Intervention" on
18 December 23, 2011 to CND's Application with regard to the Lost Revenue Adjustment
19 Mechanism ("LRAM") recovery.

20 Interrogatories were filed by VECC and by Board staff on January 9, 2012 and CND filed
21 responses to both VECC and Board staff interrogatories on January 23, 2012.

22 CND received submissions from VECC and Board staff on February 6, 2012 with CND's
23 Reply Submission due by February 16, 2012.

24 1) VECC

25 VECC's submission concerned only CND's LRAM claim and stated that 'In
26 summary, VECC submits that CND's revised LRAM claim of \$191,859.88
27 (\$186,711.32 plus \$5,148.56 in carrying charges) should be approved by the
28 Board, for the reasons noted above'.

1 CND has no further comment in this regard and requests that the Board approve
2 the LRAM claim as updated in the responses to interrogatories in the amount of
3 \$191,859.88.

4 2) Board staff

5 This Reply Submission addresses the following matters noted by Board staff as follows:

6 **1) RTS Billing Detail.**

7 Board staff noted in the detailed historical wholesale billing information from
8 Hydro One what appeared to be an inconsistency, and requested that CND
9 provide further clarification in its reply submission. More specifically, the units
10 billed by Hydro One to CND in July 2010 were 12,704 kW, almost double the
11 amount billed in every other month of 2010. CND has verified with Hydro One
12 and through our MV90 metering system that the figure is correct, and
13 indicated so in response to an interrogatory to verify the amount. The details
14 of the circumstances surrounding the billing by Hydro One are as follows:

15 Planned switching was done on July 5, 2010 as part of work to isolate the
16 intersection of Fountain Street South and Dickie Settlement Road. The
17 isolation was required to relocate hydro poles for a new roundabout being
18 constructed. For a short period of time (less than two days), additional load
19 needed to be placed on Wolverton DS. This nearly doubled our load on the
20 Wolverton F2 feeder at our metering point on Swan Street at Brant Waterloo
21 Road, a facility in the rural part of CND's service territory. The load was
22 switched back off of Wolverton F2 on July 6th. Our charges for this metering
23 point are based on the peak value for the month. Therefore, our delivery
24 costs doubled even though the load was only there for less than two days.
25 Load changes are very obvious percentage wise at this delivery point
26 because load can double if switching is required due to planned work, a
27 vehicle accident, etc. Load swings as a result of switching are typically less
28 obvious at the transformer stations in the City of Cambridge because the total
29 amount of load on the station is far greater (ie. 8 or 12 feeders at a City TS as
30 compared to 1 feeder supplying us from Wolverton DS).

31 CND requests that the RTS rates for 2012 be approved as filed.

32 **2) Disposition of Account 1521.**

33 Board staff requested that CND provide an update to the balance of this
34 account to include actual principal and interest balances as at December 31,
35 2011 in its reply submission and a revised calculation of carrying charges to
36 April 30, 2012.

1 CDN confirms that there are no required updates to the information submitted
2 with the original application. The claim for account 1521 including principal
3 and interest to April 30, 2012 is (\$80,531), representing an over collection to
4 be returned to customers.

5 CND requests that the disposition of Account 1521 be approved as filed in
6 the amount of \$(80,531).

7 **3) LRAM.**

8 Board staff in their Submission, indicated that they '... support the approval of
9 the requested 2009 lost revenues ...'.

10 CND has no further comment in this regard and requests that the Board
11 approve the LRAM claim as updated in the responses to interrogatories in the
12 amount of \$191,859.88.

13 **4) Disposition of Account 1562 (PILs).**

14 Board staff in their Submission, indicated that '... CND has followed the
15 regulatory guidance and the decisions issued by the Board, in determining
16 the amounts in its Account 1562 Deferred PILs evidence to be recovered
17 from its customer'.

18 CND has no further comment in this regard and requests that the Board
19 approve the balance in the PILs account in the amount of \$306,922 as filed in
20 the updated Application dated December 7, 2011.

21 **All of which is respectfully submitted.**