



CAMBRIDGE AND NORTH DUMFRIES HYDRO INC.
1500 Bishop Street, P.O. Box 1060, Cambridge, ON N1R 5X6
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February 8, 2013

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-2012-0111)
2013 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 9, 2012 seeking approval for changes to the distribution rates that CND charges for electricity distribution, to be effective May 1, 2013.

Board staff filed a written submission on January 21, 2013 and CND is required to file written responses by February 11, 2013. Attached please find CND's Reply Submission.

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

If you require any additional information or clarification, please contact the undersigned.

Sincerely,

CAMBRIDGE AND NORTH DUMFRIES HYDRO INC.

Original signed by Grant Brooker

Grant Brooker
Manager, Regulatory Affairs
Cambridge and North Dumfries Hydro
Tel 519.621.8405 Ext 2340
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CAMBRIDGE AND NORTH DUMFRIES HYDRO INC.
REPLY SUBMISSION
FILED FEBRUARY 8, 2013

Cambridge and North Dumfries Hydro Inc. ("CND") filed an application with the Ontario Energy Board ("OEB" or "the Board") on November 9, 2012 under Section 78 of the *Ontario Energy Board Act, 1998* seeking approval for changes to the electricity distribution rates that CND charges for electricity distribution, to be effective May 1, 2013.

Interrogatories were filed by Board staff on December 5, 2012 and CND filed its responses on December 14, 2012.

CND received the Board staff Submission on January 21, 2013 with CND's Reply Submission due by February 11, 2013.

Board staff made submissions on the following matters:

- Review and Disposition of Group 1 Deferral and Variance Account Balances;
- Retail Transmission Service Rates ("RTSR") Adjustment Workform; and
- Shared Tax Savings.

This Reply Submission will address the matters as follows:

1) Review and Disposition of Group 1 Deferral and Variance Account Balances.

Board staff noted the debit balance of \$3,609,181, the resulting total claim per kWh of \$0.0025 which exceeds the pre-set disposition threshold and the one-year disposition period. Board staff noted that the balances should be disposed of on a final basis and that the proposed one-year disposition period is consistent with the guidelines outlined in the EDDVAR report.

CND has no further comment on this matter and requests that the Board approve the disposal of the Group 1 Deferral and Variance Account Balances as indicated above.

1 **2) Retail Transmission Service Rates (“RTSR”) Adjustment Workform.**

2 Board staff had no concerns with the data supporting the updated RTSRs
3 proposed by CND and noted that Board staff will adjust the Models to
4 incorporate the UTRs effective January 1, 2013.

5 CND has no further comments on this matter and requests that the Board
6 approve the RTSR rates, once the Board staff has updated the models. It
7 was noted in the Board staff Submission that CND will have the opportunity to
8 comment on the accuracy of Board staff’s updates as part of the draft Rate
9 Order process.

10 **3) Shared Tax Savings.**

11 Board staff had no issues with CND’s Shared Tax Savings proposal. CND
12 has no further comments on this matter and requests that the Board approve
13 the amount of tax savings of \$101,760 to be returned to ratepayers, and the
14 resultant rates.

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