

April 16, 2013

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

ATT: Ms. Kirsten Walli, Board Secretary

Dear Ms. Walli,

**EB – 2012-0171
ED - 2002 - 0544
2013 3rd Generation Incentive Rate Mechanism Adjustment Application
Response to Board Staff Submission
Wasaga Distribution Inc.**

Enclosed is Wasaga Distribution Inc.'s response to the Board Staff Submission relating to the LDC's 3rd Generation Incentive Rate Mechanism Adjustment Application for 2013 Distribution Rates (EB-2012-0171).

An electronic copy of this response has been filed on the RESS site and two hard copies have been sent to the Board's office for the attention of the Board Secretary.

Should the Board have questions regarding this matter please contact Joanne Tackaberry, CGA at j.tackaberry@wasagadist.ca or call 705-429-2517.

Yours truly,

Original signed by

Joanne Tackaberry, CGA
Manager, Administrative & Financial Services
Wasaga Distribution Inc.
P.O. Box 20
Wasaga Beach, ON
L9Z 1A2

**Wasaga Distribution Inc.
2013 IRM Rate Application
Response to Board Staff Submission**

Wasaga Distribution Inc. (WDI) is in receipt of the Board Staff Submission dated April 12, 2013.

WDI would like to respond to the issue raised regarding the discontinuation of the rate riders for the Deferral and Variance Account Disposition (2011) – Effective until April 30, 2014 approved of in its IRM2 application (EB-2010-0143).

WDI appreciates the suggested methods stated in the Board Staff Submission for correcting the over recovery of the Rate Riders. However, WDI would like to propose a different methodology which will correct the over recovery and have very little rate impact to the Residential and General Service < 50 customer classes.

The overall intention of this suggested method is to submit the Rate Rider as it was originally intended and reverse the effects of the over recovery. This suggestion comes in two parts as detailed below:

Part 1

Reverse the impact/effect of the original Rate Rider from the IRM2 application (EB-2010-0143) by having the following Rate Rider in effect for two years from May 01, 2013 to April 30, 2015. This covers the same period as the original Rate Rider was recovered. WDI also proposes that this Rate Rider be tracked in the same subaccount of 1595 as the original submission thus creating no need for new subaccounts. The Rate Riders would be as follows:

Deferral and Variance Account Rider - Part 1		
May 01, 2013 to April 30, 2015		
Rate Class	Vol Metric	Rate Rider
Residential	kWh	0.00025
General Service Less Than 50 kW	kWh	0.00088
General Service 50 to 4,999 kW	kW	-3.26014
Unmetered Scattered Load	kWh	0.00200
Street Lighting	kW	0.66945

Part 2

Institute a new rate rider as it was originally intended in the IRM 2 application (EB-2010-0143), this would include a RPP and a Non-RPP rate for Global Adjustment. This would run at the same time as the Rate Rider suggested in Part 1 but as with the original submission have a sunset date for three years from May 01, 2013 to April 30, 2016. WDI also proposes that this Rate Rider be tracked in the same subaccount of 1595 as the original submission. The two new Rate Riders would be as follows:

Deferral and Variance Account Rider - Part 2		
May 01, 2013 to April 30, 2016		
Rate Class	Vol Metric	Rate Rider
Residential	kWh	-0.00200
General Service Less Than 50 kW	kWh	-0.00200
General Service 50 to 4,999 kW	kW	-1.21265
Unmetered Scattered Load	kWh	-0.00200
Street Lighting	kW	-0.66945
Deferral and Variance Account Rider - Part 2		
Non-RPP GA Customers ONLY		
May 01, 2013 to April 30, 2016		
Rate Class	Vol Metric	Rate Rider
Residential	kWh	0.01413
General Service Less Than 50 kW	kWh	0.01413
General Service 50 to 4,999 kW	kW	8.57295
Unmetered Scattered Load	kWh	0.00000
Street Lighting	kW	0.00000

WDI submits that this is the simplest way to deal with this matter and not have it carried over to another rate year submission.

WDI has no issue in regards to the Board Staff Submission surrounding Tax Sharing, Retail Transmission Service Rates and the Continuity Schedule.

All of which is respectfully submitted.