



April 11, 2007

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

Dear Ms. Walli:

RE: Middlesex Power Distribution Corporation EB-2007-0553

To clarify the use of the \$50,000 transferred from the 2006 EDR application, the funds will be used towards the Line Loss Program that will allow Middlesex Power to convert an additional 250 KVA from 4000 volts to 27,600 volts.

As in the letter on April 2, 2007 states this will extend the Line Loss project to \$100,000. This would include the \$50,000 from the 2006 EDR and \$50,000 for the additional funding for CDM programs that were undertaken as part of the third tranche of the market adjusted revenue requirement and is included in the 2007 rate application.

The total project budget is \$100,000 for the Line Loss Reduction program the expenditure distribution is:

Capital Expenditures	2006 Funding	2007 Funding	Total
Direct costs			
Labour	15,000	15,000	30,000
Fleet	5,000	5,000	10,000
Material	30,000	30,000	60,000
	<u>50,000</u>	<u>50,000</u>	<u>100,000</u>

The Total Resource Cost test, with a total cost of \$100,000 and total benefit of \$122,339, produces a TRC Benefit/Cost Ratio of 1.22 (See Appendix A)

The Line Loss Reduction Program has a budget of \$50,000 which will have a 0.00085 additional rate rider for the residential customers in the 2007 rates.

The source of the data is from the 2006 EDR

Rate Class	No of Customers	CDM funds	Volume kWh	CDM Rate rider
Residential	5,985	50,000.00	59,150,220	0.000845

The following charge demonstrates the affect the CDM rate rider would have on the initial 2007 rates.

Rate Class	Rate before CDM	Lineloss CDM	Education CDM	Rates after CDM
Residential	0.01490	0.00085	0.000085	0.015835

If you have any questions or concerns, please do not hesitate to contact.

Yours truly,



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C. Dave Kenney, President, Middlesex Power Distribution Corporation

Appendix A

Middlesex Power Line loss

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