

Niagara On-The-Lake HYDRO

April 21, 2014

Ms. Kirsten Walli
Board Secretary
Ontario Energy Board
P.O. Box 2319
2300 Yonge Street
Toronto ON M4P 1E4

Via Courier and RESS

**Niagara-on-the-Lake Hydro Inc. 2014 COS Rate Application
OEB Case EB-2013-0155**

Reply to Board Staff Comments on Draft Rate Order

Dear Ms. Walli

Pursuant to Paragraph 3, Page 4 of the Decision and Order dated April 3, 2014 in this Case, NOTL Hydro has reviewed the comments of Board staff on the draft Rate Order dated April 17, 2014. NOTL Hydro notes and accepts the comments made by Board staff, including the need to update the calculation of the stranded meter rate riders.

The average customer numbers in the draft Rate Order calculation reflected the original application, whereas there were small adjustments to these numbers in the Settlement Proposal which were inadvertently missed in this particular calculation in the draft Rate Order. The Table on the attached page shows the updated calculation, resulting in a rate rider of \$0.48 per month for the Residential class (was \$0.49) and \$3.34 per month for the GS<50 kW class (was \$3.31). NOTL Hydro respectfully requests that these updated rate riders replace the rate riders that were included in the draft Rate Tariff.

Yours truly



Mike Galloway, President

Cc David Macintosh and Randy Aiken for Energy Probe
Michael Janigan, Mark Garner, Bill Harper and Donna Brady for VECC
Stephen Vetsis for OEB staff
Paul Vlahos, Facilitator
Att.

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Attachment

Updated Calculation of Stranded Meters Rate Riders

The following Table shows the updated calculation, replacing the calculation on Page 12 of the corrected draft Rate Order submitted on April 10, 2014. The updated average customer numbers are highlighted in yellow:

<u>Stranded Meters Calculation</u>				
	Capital cost	\$ 349,266	<i>Actual</i>	
	Accumulated depreciation to Dec 31, 2011	\$ 237,184	<i>Actual</i>	
	2012 Depreciation	\$ 9,836	<i>Actual</i>	
	2013 depreciation	\$ 9,462	<i>Forecast</i>	
A	Net Book Value @ Dec 31, 2013	<u>\$ 92,784</u>	<i>Forecast</i>	
		Residential	GS< 50 kW	Total
B	Weighted meter capital -per Staff IR17c	\$ 264,133	\$ 332,957	\$ 597,089
C = % of B	Allocated weighting of stranded meters	44.2%	55.8%	100.0%
D = C x A	Net Book Value Segregated by Rate Class	\$ 41,045	\$ 51,740	\$ 92,784
E	Forecast average customers in 2014	7,083	1,291	8,374
F = D / E /12	Rate rider to recover stranded meter costs updated per Board Staff comments	\$ 0.48	\$ 3.34	per month
	Recovery period (years)	1	1	
	Number of meters stranded	6,666	1,253	7,919