



34 Cumberland Street N.  
Thunder Bay, ON P7A 4L4  
tel (807) 343-1111  
www.tbhydro.com

March 16, 2015

Ms. Kirsten Walli  
Board Secretary  
Ontario Energy Board  
P.O. Box 2319  
27<sup>th</sup> Floor – 2300 Yonge Street  
Toronto, ON M4P 1E4

Dear Ms. Walli:

**Re: Thunder Bay Hydro Electricity Distribution Inc. - 2015 Electricity Distribution Rate Application EB-2014-0114**

Further to our letter dated February 19, 2015, Thunder Bay Hydro Electricity Distribution Inc. ("Thunder Bay Hydro") is writing to update the Board of the status of the Independent Electricity System Operator's (the "IESO's") review of previously reported Global Adjustment ("GA") billing error.

The IESO has completed its review and Thunder Bay Hydro has now recovered the full amount requested from the IESO for payments pertaining to the Regulated Price Plan ("RPP") settlement between January 1, 2005 and December 31, 2013.

In its correspondence dated February 19, 2015, Thunder Bay Hydro had indicated that it would not consider in its proposed final balance, a rate variance of \$90,380. This variance represented an unreconciled difference between the calculated and published per kWh Global Adjustment ("GA") rate. Notwithstanding the variance, the payment Thunder Bay Hydro has received from the IESO included this \$90,380 amount. Because of this, Thunder Bay Hydro amends its request made on February 19, 2015 to account for this payment in its total balances as detailed below. Thunder Bay Hydro's intent is to ensure a full flow-through of all such amounts to the affected customers.

Following this amendment, Thunder Bay Hydro has revised the one-time adjustment to RSVA 1589 GA balance at December 31, 2013 to (\$3,028,156) with related interest of (\$57,037). This adjustment will revise the principal asset from \$2,895,163 to a liability of (\$132,993) and carrying charges balance from \$34,579 to (\$22,458), as of December 31, 2013. Note, the IESO payment has no further impact to the adjustment request made on February 19, 2015 to RSVA 1588 COP.

**Revised Reconciliation between IESO  
Adjustment & RSVA 1589 GA – Principal**

a) IESO adjustment request	(\$3,150,490)
b) IESO and OEB filing discrepancies	(\$279,101)
c) Long term load transfer charges	\$75,317
d) Class A Customer billing correction	\$326,118

---

**Total adjustment - Principal RSVA 1589 GA (\$3,028,156)**

---

No additional amendments to the correspondence of February 19, 2015 are requested.

In accordance with Section 11.02 of the *Rules of Practice and Procedure*, Thunder Bay Hydro has made updates to the 2015 IRM model for the amendment noted above and reflects the IESO payment impact to the RSVA 1589 GA continuity schedule (Tab 5 of the updated 2015 IRM Model).

The payable amount is included as an adjustment to the December 31, 2013 balance of the Group 1 Accounts.

Thunder Bay Hydro has made the adjustment of \$90,380 to the 2015 IRM model and re-submits the following updated workbook and schedules as evidence to EB-2014-0114:

- Updated IRM workbook
  - i. Appendix A 2014 Continuity Schedule – 2015 IRM model (Tab “5. 2014 Continuity Schedule”). Note the full adjustment to RSVA 1589 GA and RSVA 1588 COP have been made in 2013 for both principal and interest.
- Updated DVA Rate Rider Calculation Workbook
  - i. Appendix B – DVA Rate Rider Calculation - Workbook supports the calculation for the final deferral and global adjustment rate riders. The current 2015 IRM model contains incorrect GA rate riders due to the fact that it does not accommodate the calculation of rate riders for Class A customers. Proposed rate riders have been calculated in the attached workbook and supported in Tab “34. DVA RR Cal”. See below, “2015 Proposed Tariff Rates”, referencing Appendix E.
- Updated Bill Impacts
  - i. Appendix C Bill Impacts – 2015 IRM model Bill Impacts.
- Updated RSVA 1589 GA adjustments
  - i. Appendix D Impact of Adjustment Schedule - RSVA 1589 GA, by year of disposition, between the original and revised principal and interest balances.
- Updated 2015 Proposed Tariff Rates
  - ii. Appendix E Proposed 2015 Tariff Rates – Proposed tariff rates produced from the IRM Model has incorrect rate riders for GA due to Class A customers. Modifications were made to the proposed tariff sheets in order to present correct rate riders. These modifications are supported in Appendix E – DVA Rate Rider Calculation.

Thunder Bay Hydro requests approval for final disposition on its 2012 balances.

As Thunder Bay Hydro's Vice President of Finance, I certify that the evidence filed in the update to its 2015 IRM Rate application is accurate, consistent and complete to the best of my knowledge.



34 Cumberland Street N.  
Thunder Bay, ON P7A 4L4  
tel (807) 343-1111  
[www.tbhydro.com](http://www.tbhydro.com)

Further to the Board's filing guidelines, an electronic copy, including the IRM 2015 excel model, will be submitted through the Board's e-Filing Services.

If you require any further information, please contact the undersigned at (807) 343-1118.

Yours truly,

A handwritten signature in cursive script that reads "C. Speziale".

Cindy Speziale, CPA, CA  
Vice President, Finance

CS/sl  
Enclosures.