



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

March 16, 2017

Carol Tessier

Dear Ms. Tessier:

Thank you for taking the time to provide feedback to the Ontario Energy Board on our rate application.

We at Thunder Bay Hydro understand and empathize with your dissatisfaction with overall hydro rates. The current application is for Thunder Bay Hydro's portion of the total bill and is designed to implement a system plan which would bring our aging infrastructure to a steady manageable state. These rate decisions are not made arbitrarily. We continually improve our efficiency in order to economically meet customer's needs.

I would also point out that our shareholder, the City of Thunder Bay, has established a Rate Minimization Philosophy. This Philosophy entails the city forgoing the direct financial returns associated with utility ownership with the understanding that we work toward minimizing customer rates while prudently managing the operation of the utility. As a result of focus on economic efficiency and the impact of the Rate Minimization Philosophy, the total bill amount paid by a residential customer using 750 kwh per month compares very favourably to all Ontario LDC's. Thunder Bay Hydro is the 4th lowest in the Province (using calculator found on the OEB's website) and upon successful completion of the current application we anticipate to remain in the lowest 10 utilities in terms of the average residential bill.

Please contact me if you have any further questions.

Regards,

Tim Wilson  
Vice President, Customer and Information Services  
Thunder Bay Hydro  
807-343-1030



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Dale Koroscil  


Dear Mr. Koroscil:

Thank you for taking the time to provide feedback to the Ontario Energy Board on our rate application.

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I would also point out that our shareholder, the City of Thunder Bay, has established a Rate Minimization Philosophy. This Philosophy entails the city forgoing the direct financial returns associated with utility ownership with the understanding that we work toward minimizing customer rates while prudently managing the operation of the utility. As a result of our focus on economic efficiency and the impact of the Rate Minimization Philosophy, the total bill amount paid by a residential customer using 750 kwh per month compares very favourably to all Ontario LDC's. Thunder Bay Hydro is the 4th lowest in the Province (using calculator found on the OEB's website) and upon successful completion of the current application we anticipate to remain in the lowest 10 utilities in terms of the average residential bill.

We also see changes coming for utilities and the renewable energy sector. This is why we are currently studying a residential solar and battery solution to identify opportunities for customers in the near future.

Please contact me if you have any further questions.

Regards,

A handwritten signature in dark ink, appearing to read "Tim Wilson", followed by a long horizontal line.

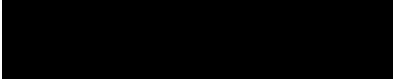
Tim Wilson

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Henry Wojack  


Dear Mr. Wojack:

Thank you for taking the time to provide feedback to the Ontario Energy Board on our rate application.

You are correct in that the City of Thunder Bay, as the sole shareholder, could depart from its Rate Minimization philosophy and in turn ask for a financial return from us. I can tell you that to date the City of Thunder Bay has chosen not to revisit this philosophy and I have no indication that it plans to do so.

We do however need to go to the OEB's allowed full rate of return in order to finance our capital program. In essence we will be using the increase in allowed earnings to invest in our system and pay the cost of borrowing for its renewal. Right now our system is not where it needs to be from a condition perspective. We need to make improvements and believe we have a responsible plan to address this.

If you have any questions please free to call me.

Regards,

A handwritten signature in dark ink, appearing to read "Tim Wilson", with a long horizontal flourish extending to the right.

Tim Wilson  
Vice President, Customer and Information Services  
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March 16, 2017

David Chiupka  


Dear Mr. Chiupka:

Thank you for taking the time to provide feedback to the Ontario Energy Board on our rate application.

We share your concerns about falling solar and battery storage prices and the overall impact this will likely have on utilities like Thunder Bay Hydro Electricity Distribution Inc. in the future. Because of these concerns we have begun studying these technologies to see if there are any business opportunities for us and ultimately service provision of such for our customers. We currently have a demonstration home on Oliver Rd. where we are testing the technologies, developing a customer model and quantifying the impact of the technologies on our operations. No doubt utilities will have to adapt to the future and we intend to be a leader in this respect.

You also expressed concerns that we were giving financial return to our shareholder, the City of Thunder Bay. That is however not we do. The City follows a Rate Minimization philosophy whereby it foregoes financial return in order that we keep rates as low as possible. Through this philosophy our rates remain within the lowest in the Province.

If you have any further questions please feel free to call me.

Regards,

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Tim Wilson

Vice President, Customer and Information Services  
Thunder Bay Hydro  
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