



Niagara-on-the-Lake Hydro Inc.

December 22, 2008

VIA Mail, e-mail and RESS

Ms. Kirsten Walli
Board Secretary
Ontario Energy Board
Suite 2701
2300 Yonge Street
Toronto, Ontario M4P 1E4

**Re: Update to 2009 Electricity Distribution Rates Application –
Board File No EB-2008-0237**

Dear Ms. Walli,

Niagara-on-the-Lake Hydro Inc. filed an application on August 6, 2008, under section 78 of the *Ontario Energy Board Act*, 1998, S.O. 1998, c 15 (Schedule B), seeking approval for changes to the rates charged for electricity distribution and retail transmission, to be effective May 1, 2009. The Ontario Energy Board (the "Board") assigned the application file number EB-2008-0237.

The Board issued a letter on December 17, 2008 to all Licensed Electricity Distributors indicating that the Rural or Remote Electricity Rate Protection ("RRRP") charge from the Independent Electricity System Operator to Distributors will increase from \$0.0010/kWh to \$0.0013/kWh, effective May 1, 2009 and Distributors should revise the charge to customers similarly.

As directed in the December 17, 2008 letter, please find attached a copy of the Board's letter as an update to the evidence for EB-2008-0237. In addition, Niagara-on-the-Lake Hydro Inc. is requesting that the RRRP charge in the tariff sheet to be revised as part of EB-2008-0237 be changed from \$0.0010/kWh to \$0.0013/kWh for all applicable classes. If further information is required, please contact the undersigned at 905.468.4235 ext 55.

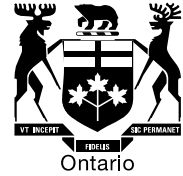
Regards,

Jim Huntingdon
President

Attachment
Cc VECC, SEC, Energy Probe, OEB case manager

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December 17, 2008

To: All Licensed Electricity Distributors and Retailers

Re: Rural or Remote Electricity Rate Protection

Ontario Regulation 442/01, Rural or Remote Electricity Rate Protection (“RRRP”) (made under the *Ontario Energy Board Act, 1998*) requires the Ontario Energy Board (the “Board”) to calculate the amount to be charged by the Independent Electricity System Operator (“IESO”) with respect to the RRRP for each kilowatt-hour of electricity that is withdrawn from the IESO-controlled grid.

Amount to be charged by the IESO for RRRP

Based on the demand forecast provided by the IESO, the Board has determined that the amount to be charged by the IESO with respect to the RRRP shall remain at the current level of 0.1 cents per kilowatt-hour effective January 1, 2009. Effective May 1, 2009, the IESO’s RRRP charge shall be 0.13 cents per kilowatt-hour.

Amount to be Charged by Distributors and Retailers for RRRP

Effective January 1, 2009, the RRRP charge shall remain at the current level of 0.1 cents per kilowatt-hour.

Effective May 1, 2009, the RRRP charge shall be 0.13 cents per kilowatt-hour.

After May 1, 2009 the RRRP charge shall remain at 0.13 cents per kilowatt-hour until such time as the Board revises it.

Distributors that currently have a rate application before the Board shall file this letter as an update to their evidence along with a request that the RRRP charge in their tariff sheet be revised to 0.13 cents per kilowatt-hour effective May 1, 2009.

Where a distributor does not have a rate application before the Board, the distributor shall make an application to the Board to alter the RRRP charge in its tariff sheet effective May 1, 2009 to 0.13 cents per kilowatt-hour.

In the collection of this amount from customers, the customer's metered energy consumption shall be adjusted by the Total Loss Factor as approved by the Board.

The Board wishes to remind all distributors and retailers that in accordance with subsection 5(6) of the Regulation:

A distributor or retailer who bills a consumer for electricity shall aggregate the amount that the consumer is required to contribute to the compensation required by subsection 79(3) of the Act with the wholesale market service rate described in the Electricity Distribution Rate Handbook issued by the Board, as it read on October 31, 2001.

Yours Truly,

Original Signed By

Kirsten Walli
Board Secretary