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EB-2007-0853

OEB BOARD SECRETARY	
File No:	Sub File 7
Panel	
Licensing	
Other	Alexandre R.
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November 14, 2007

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ONTARIO ENERGY BOARD

Ontario Energy Board  
 P.O. Box 2319  
 27<sup>th</sup> Floor  
 2300 Yonge Street  
 Toronto, Ontario M4P 1E4

Attention: Ms. Kirsten Walli, Board Secretary

Dear Ms. Walli:

RE: Northern Ontario Wires Inc. - Board File Number EB-2007-0853  
& Ontario Uniform Transmission Rate Order EB-2007-0759

In accordance with instructions released October 29, 2007, Northern Ontario Wires Inc. (NOW) has reviewed their Retail Transmission Rates and requests a reduction to these rates commencing May 1, 2008 as follows:

Retail Transmission Rates	Customer Service Type	Unit	Current Rate	Proposed Rate	% Rate Reduction
Network Service Rate	Residential GS<50 KW	KWH	\$0.0054	\$0.0044	(18.4%)
	GS>50 KW to 4,999	KWH	\$0.0049	\$0.0040	(18.4%)
	Unmetered Scattered Load	KW	\$2.0129	\$1.6430	(18.4%)
	Street Lighting	KW	\$0.0049	\$0.0040	(18.4%)
	Street Lighting	KW	\$1.5181	\$1.2392	(18.4%)
Line and Transformation Connection Service Rate	Residential GS<50 KW	KWH	\$0.0044	\$0.0021	(52.0%)
	GS>50 KW to 4,999	KWH	\$0.0040	\$0.0019	(52.0%)
	Unmetered Scattered Load	KW	\$1.5764	\$0.7570	(52.0%)
	Street Lighting	KW	\$0.0040	\$0.0038	(5.2%)
	Street Lighting	KW	\$1.2187	\$0.5853	(52.0%)

The reduction proposed for Network Service Rates is consistent with the reduction in wholesale transmission rates.

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The reduction proposed for Line and Transformation Connection Service Rates has two components. The first being a reduction consistent with the reduction in wholesale transmission rates. The second being a reduction to disposed of a significant variance in Northern Ontario Wires Inc.'s Retail Transmission Connection Charge Variance account 1586. The balance of the variance being disposed of is as follows:

Principal Balance as of Dec 31/06	(\$964,514)
Accumulated Interest as of Dec 31/06	<u>( 112,652)</u>
TOTAL	(\$1,077,166)

Proposed Repayment Period	4 years
Annual Repayment with Rate Reduction	\$269,292

This rate rider has been calculated using a 4 (four) year repayment period since the balance in this account has been accumulating since 2002. The balance of this account as reported for regulatory asset recovery purposes in our 2006 Application was erroneously under reported. Accordingly the balance in this account still remains in a significant credit position.

The details of the rate reductions related to the wholesale transmission rate reduction and the disposal of variance account 1586 are included in the attached documentation.

We have not requested disposal of our Network Account 1584 since the balance in this account is not significant. Accordingly it will be disposed of through the next regulatory asset recovery mechanism along with all other regulatory assets and liabilities.

This application is respectfully submitted for the Board's consideration.

Yours truly,



Monika Malherbe, CA  
Chief Financial Officer  
Northern Ontario Wires Inc.

**Retail Transmission Rate Adjustment  
Northern Ontario Wires  
Proposed Effective Date May 1, 2008**

**Wholesale Transmission Rate Reduction Impact**

	Wholesale			Retail			Billing Determinment
	Old Rate	New Rate	Adjustment	Old Rate	New Rate		
<b>Wholesale Network</b>	<b>2.83</b>	<b>2.31</b>	<b>-18.37%</b>				
<b>Retail Network</b>							
Residential				0.0054	0.0044	per kWh	-18.37%
General Service < 50 kW				0.0049	0.0040	per kWh	-18.37%
General Service 50 to 499 kW				2.0129	1.6430	per kW	-18.37%
Unmetered / Scattered Loads				0.0049	0.0040	per kWh	-18.37%
Sentinel Light				0	0.0000	per kW	
Street Light				1.5181	1.2392	per kW	-18.37%
Wholesale Line Connection	0.82	0.59					
Wholesale Transformation Connection	1.5	1.61					
<b>Total Wholesale Connection</b>	<b>2.32</b>	<b>2.2</b>	<b>-5.17%</b>				
<b>Retail Connection</b>							
Residential				0.0044	0.0042	per kWh	-5.17%
General Service < 50 kW				0.004	0.0038	per kWh	-5.17%
General Service 50 to 499 kW				1.5764	1.4949	per kW	-5.17%
Unmetered / Scattered Loads				0.004	0.0038	per kWh	-5.17%
Sentinel Light				0	0.0000	per kW	
Street Light				1.2187	1.1557	per kW	-5.17%

**Retail Transmission Rate Adjustment**  
**Northern Ontario Wires**  
**Proposed Effective Date May 1, 2008**

Variance Balance to Dispose of      \$ 1,077,166

4 year disposal period                      **\$ 269,292**

Transmission Units 2006	12 months KWH	12 month KW	Old Rates	Annual Billings \$	% of Annual Billings	Recovery Breakdown	Annual Recovery Breakdown	Rate Rider for Variance Disposal	Annual Recovery KWH xRate Rider
Residential	44,968,263		0.0044	\$ 197,860	34.4%	370,433	\$ 92,608	(0.0021)	(92,608.37)
General Service < 50 kW	24,357,910		0.004	\$ 97,432	16.9%	182,411	\$ 45,603	(0.0019)	(45,602.80)
General Service 50 to 499 kW		173,780	1.5764	\$ 273,946	47.6%	512,881	\$ 128,220	(0.7378)	\$ (128,220.32)
Unmetered / Scattered Loads		-	0.004	\$ -	0.0%	-	\$ -		
Sentinel Light		-	0	\$ -	0.0%	-	\$ -		
Street Light		5,014	1.2187	\$ 6,111	1.1%	11,440	\$ 2,860	(0.5704)	\$ (2,860.01)
		178,794		\$ 575,349	100.0%	\$ 1,077,166	\$ 269,292		\$ (269,292)
									x4 years
									<u>\$ (1,077,166)</u>

Retail Transmission Rate Adjustment						
Northern Ontario Wires						
Proposed Effective Date May 1, 2008						
	Current Rate	Wholesale Transmission Rates Reduction	Variance Recovery Rider	Proposed Rate	Overall % Reduction	
<b>Retail Network</b>						
Residential	\$ 0.0054	\$ (0.0010)	\$ -	\$ 0.0044	-18.4%	
General Service < 50 kW	\$ 0.0049	\$ (0.0009)		\$ 0.0040	-18.4%	
General Service 50 to 499 kW	\$ 2.0129	\$ (0.3699)		\$ 1.6430	-18.4%	
Unmetered / Scattered Loads	\$ 0.0049	\$ (0.0009)		\$ 0.0040	-18.4%	
Sentinel Light	\$ -	\$ -		\$ -		
Street Light	\$ 1.5181	\$ (0.2789)		\$ 1.2392	-18.4%	
Wholesale Line Connection						
Wholesale Transformation Connection						
<b>Retail Connection</b>						
Residential	\$ 0.0044	\$ (0.0002)	\$ (0.0021)	\$ 0.0021	-52.0%	
General Service < 50 kW	\$ 0.0040	\$ (0.0002)	\$ (0.0019)	\$ 0.0019	-52.0%	
General Service 50 to 499 kW	\$ 1.5764	\$ (0.0815)	\$ (0.7378)	\$ 0.7570	-52.0%	
Unmetered / Scattered Loads	\$ 0.0040	\$ (0.0002)	\$ -	\$ 0.0038	-5.2%	
Sentinel Light	\$ -	\$ -	\$ -	\$ -		
Street Light	\$ 1.2187	\$ (0.0630)	\$ (0.5704)	\$ 0.5853	-52.0%	