



January 25, 2007

Ms. Kirsten Walli
Board Secretary
Ontario Energy Board
26th Floor/ P.O. Box 2319
2300 Yonge St.
Toronto, ON M4P 1E4

Re: Halton Hills Hydro
2007 Electricity Distribution Rate Application
ED-2002-0552/EB-2007-0536

Dear Ms. Walli:

Please find enclosed three hard copies and one electronic copy of Halton Hills Hydro Inc.'s 2007 Electricity Distribution Rate Application.

If you have any questions, please give me a call.

Yours truly,

A handwritten signature in black ink, appearing to read "Arthur A. Skidmore", is written over a horizontal line.

Arthur A. Skidmore CMA
Chief Financial Officer

cc: Dan Guatto, President



**HALTON HILLS HYDRO INC.
ED-2002-0552/EB-2007-0536**

**Manager's Summary
2007 Electricity Distribution Rate Adjustment**

January 25, 2007



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Tab #1	Manager's Summary
Tab #2	IRM Excel Model



Managers Summary

Halton Hills Hydro Inc. has followed the direction of the Board policies and guidelines contained in Appendix D: Filing Requirements for 2007 Rate Adjustments of the December 20, 2006 “Report of the Board on the Cost of Capital and 2nd Generation Incentive Regulation for Ontario’s Electricity Distributors”. Upon analysis of the model, modest increases of typically less than 1% in distribution rates for all customer classes will be effective May 1, 2007. Our model is consistent in all respects with the filing guidelines.

Therefore, the model indicates the following rates will be implemented by bill pro-ration May 1, 2007.

	<u>Current Rates</u>	<u>May 1, 2007 Rates</u>
<u>Residential</u>		
Monthly Service charge	\$11.59	\$11.69
Variable charge/kWh	\$.0119	\$.0115
<u>Residential TOU</u>		
Monthly Service charge	\$10.89	\$10.98
Variable charge/kWh	\$.0124	\$.0125
<u>General Service <50kW</u>		
Monthly Service charge	\$24.86	\$25.08
Variable charge/kWh	\$.0099	\$.0100
<u>General Service 50 – 999 kW</u>		
Monthly Service charge	\$93.18	\$94.03
Variable charge/kWh	\$4.5796	\$4.6217

<u>General Service 1,000 – 4,999kW</u>		
Monthly Service charge	\$205.71	\$207.60
Variable charge/kW	\$4.2615	\$4.3007
<u>Streetlighting</u>		
Monthly Service charge	\$.52	\$.52
Variable charge/kW	\$3.4144	\$3.4458
<u>Unmetered Scattered Load</u>		
Monthly Service charge	\$12.12	\$12.23
Variable charge/kWh	\$.0099	\$.0100
<u>Sentinel Lighting</u>		
Monthly Service charge	\$1.17	\$1.18
Variable charge/kW	\$4.9399	\$4.9853

Rate Adjustment Model:

Sheet 1 LDC Information

Halton Hills Hydro information was entered.

Sheet 2 2006 Rate Classes

Existing Rate classes were entered. No new rate classes have been applied for.

Sheet 3 2006 Tariff Sheet

Halton Hills Hydro's approved 2006 Distribution Rates were entered.

Sheet 4 Smart Meter Information

The approved adder of \$.62 was added to the applicable rate classes.

Sheet 5 Removal of SM

The approved adder of \$.62 was deducted from applicable rate classes.

Sheet 6 CDM Adjustment

The approved adder of \$.0005 was deducted from the residential class.

Sheet 7 LCT Adjustment

Not applicable.

Sheet 8 Dx IRM Adjustment

The adjustment of .92% was calculated.

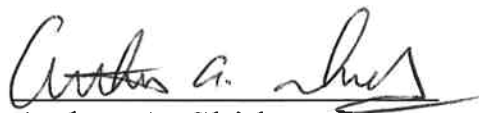
Sheet 9 Dx IRM Adjustment

The approved adder of \$.62 was added to the applicable rate classes.

Respectfully Submitted:



Daniel F. Guatto
President



Arthur A. Skidmore
Chief Financial Officer