



February 5, 2007

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

Re: Incentive Rate Mechanism Adjustment Model EB-2007-0579 –Terrace Bay Superior Wires Inc.

Dear Ms. Walli;

Enclosed with this letter are three (3) hard copies and an electronic version of the Manager's Summary, the Application to continue the collection of the smart meter rate adder and the Incentive Rate Mechanism Adjustment Model for the 2007 Electricity Distribution Rates for Terrace Bay Superior Wires Inc. effective May 1, 2007.

This replaces a previous version submitted to you on February 1, 2007.

These documents have been filed on behalf of Terrace Bay Superior Wires Inc.

Sincerely,

Peter Ioannou
Regulatory Compliance Services

Enclosure

cc: Mariette Mifflin, Terrace Bay Superior Wires Inc.
File



February 1, 2007

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

**Re: Terrace Bay Superior Wires Inc.
2007 Incentive Rate Mechanism - EB-2007-0579**

Dear Ms. Walli;

Terrace Bay Superior Wires Inc., having been identified as an “inactive” distributor as defined in the addendum released by the Board on January 29, 2007, is hereby applying to continue collection of the smart meter rate adder as already incorporated in the 2007 IRM model.

This letter has been filed on behalf of Terrace Bay Superior Wires Inc.

Sincerely,

Peter Ioannou
Regulatory Compliance Services

Enclosure

cc: M. Mifflin, Terrace Bay Superior Wires Inc.
File

MANAGER'S SUMMARY

Terrace Bay Superior Wires Inc.

RP-2005-0020

EB-2007-0579

EB-2005-0418

IN THE MATTER OF the *Ontario Energy Board Act, 1998*, S.O. 1998, c.15, Schedule B of the *Energy Competition Act, 1998*:

AND IN THE MATTER OF an Application by Terrace Bay Superior Wires Inc. for 2007 electricity distribution rates, effective May 1, 2007, in accordance with the 2nd Generation Incentive Regulation Mechanism issued December 20, 2006 by the Ontario Energy Board.

1. Introduction

- 1.1 Terrace Bay Superior Wires Inc. (the "Company") is a licensed electricity distribution business operating in the Town of Terrace Bay under Licence # ED-2002-0543 with no special conditions in its' licence.
- 1.2 The Company submits this Application which includes the 2007 Incentive Regulation Mechanism (IRM) Model and the required documentation for the calculation of just and reasonable distribution rates effective May 1, 2007 in accordance with the Filing Guidelines issued by the Ontario Energy Board ("Board") and dated December 20, 2006.
- 1.3 The Company will prorate customer consumptions with pre-May 1, 2007 consumptions at the old rates, and post-May 1, 2007 consumption at the new rates.

2. Incentive Regulation Mechanism (IRM) Model

The following information summarizes the output of the IRM Model. Only sheets with information inputs are identified.

2.1 Sheet 1 LDC Information

As per the instructions issued by the Board, general information related to the application has been entered.

2.2 Sheet 2 2006 Rate Classes

As per the instructions issued by the Board, the classes as indicated on the Board-Approved 2006 Tariff of rates and charges have been entered.

2.3 Sheet 3 2006 Tariff Sheet

Terrace Bay Superior Wires Inc. has identified the approved rates and charges and the complete description of service classifications as found in the Board-Approved 2006 Tariff of rates and charges.

2.4 Sheet 4 2006 Smart Meter Information

The smart meter rate adder of \$0.27 for the various rate classes has been entered. This was taken from the Board-Approved 2006 EDR Model sheet 8-5. As an "Inactive Distributor" Terrace Bay Superior Wires Inc. is filing for a continuation of the smart meter adder that reflects \$0.30 per residential customer per month for 2007.

2.5 Sheet 6 CDM Adjustment

Terrace Bay Superior Wires Inc. has not applied for an incremental Conservation Demand Management adjustment, over and above the 3rd tranche in 2006.

2.6 Sheet 7 LCT Adjustment

Terrace Bay Superior Wires Inc. does not have Board approval for a Large Corporation Tax Allowance in 2006.

2.7 Sheet 13 Bill Impact - Annualised

The following was taken from Sheet 13. "Bill Impact – Annualized" before GST (taxes).

Rate Class	Consumption	Monthly Increase	
		\$ Amount	Percent
Residential (Low use)	100 kWh	0.20	0.66%
Residential (Medium use)	1,000 kWh	0.29	0.25%
Residential (High use)	2,000 kWh	0.39	0.18%
General Service Less than 50 kW (Low use)	1,000 kWh	0.47	0.33%
General Service Less than 50 kW (Medium use)	2,000 kWh	0.57	0.22%
General Service Less than 50 kW (High use)	15,000 kWh	1.87	0.11%
General Service 50 – 499 kW (Low use)	60kW 15,000 kWh	4.86	0.23%
General Service 50 – 499 kW (Medium use)	100 kW 40,000 kWh	6.32	0.14%
General Service 50 – 499 kW (High use)	500kW 100,000 kWh	20.92	0.16%

There are no customers that will be impacted by more than 10.0%.

Signed this 1st day of February 2007 at Terrace Bay

Original signed by:

 Mariette Mifflin
 General Manager & Secretary-Treasurer
 Terrace Bay Superior Wires Inc.



Ontario Energy Board

2007 INCENTIVE RATE MECHANISM ADJUSTMENT MODEL

Sheet 1 Utility Information Sheet

Legend:

Input Cell

Pull-Down Menu Option

Output Cell

Please note that this model uses MACROS. Before starting, please ensure that macros have been enabled.

Name of LDC:	Terrace Bay Superior Wires Inc.		
Licence Number:	ED-2002-0543		
IRM 2007 EB Number:	EB-2007-0579		
EDR 2006 RP Number:	RP-2005-0020	EDR 2006 EB Number:	EB-2005-0418
Date of Submission:	February 5, 2007	Revision:	0
Version:	1.0		
<u>Contact Information</u>			
Name:	Marianne Mifflin		
Title:	General Manager & Secretary-Treasurer		
Phone Number:	807-825-9677		
E-Mail Address:	tbswires@terrace-bay.com		

Please Note: In the event of an inconsistency between this model and any element of the December 20, 2006 "Report of the Board on Cost of Capital and 2nd Generation Incentive Regulation of Ontario's Electricity Distributors", the Report governs.

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