

October 29, 2007

Ontario Energy Board
27th Floor
2300 Yonge Street
Toronto, Ontario
M4P 1E4

Attention: Board Secretary

Dear Sir/Madam:

St. Thomas Energy Inc.
Application for 2008 Distribution Rate Adjustments
Licence # EB-2002-0523

This application for 2008 Distribution Rate Adjustments is filed in accordance with the Ontario Energy Board (OEB) Report of the Board on Cost of Capital (EB-2006-088) and 2nd Generation Incentive Regulation Mechanism (EB-2008-0089) for Ontario's Electricity Distributors dated December 20, 2006 with respect to:

- Price Cap Adjustment to Basic Rates
- Continued Application of Smart Meter Rate Funding (Based on "No Plan" Filing)

This application includes:

- Manager's Summary
- 2008 Incentive Rate Mechanism Adjustment Model

This application has been filed in the following OEB requested format:

- electronically through the Board's web portal, one (1) electronic version of the complete application in searchable format in the prescribed file naming format;
- e-mailed to boardsec@oeb.gov.on.ca, one (1) electronic version of 2008 IRM Model in MS Excel format and in the prescribed file naming format and;
- couriered in paper format: two (2) paper copies of the Manager's Summary and the 2008 IRM Model by the Board) including a CD containing an electronic copy of the PDF document (through the Board's web portal) and a copy of the MS Excel 2008 IRM Model in the prescribed naming format.

Respectfully submitted for the Board's consideration.

Brian Hollywood,
President and Chief Executive Officer

Manager's Summary

Summary of the Application

The OEB's 2008 Incentive Rate Mechanism Adjustment Model has been used for this application utilizing existing approved 2007 Base Rates.

Removal of Smart Meter Charge from 2007 Distribution Rates to arrive at 2007 Basic Distribution Rates St. Thomas did not file a specific Smart Meter Plan with the OEB and was subsequently ordered to utilize an OEB approved fixed monthly rate for each metered classification of customers using an overall formula based on 30 cents per residential customer per month. This amounted to 27 cents per month per metered customers in all service classifications.

Removal of Regulatory Asset Recovery from 2007 Distribution Rates to arrive at 2007 Basic Distribution Rates Regulatory Asset Recovery was granted through the 2006 Distribution Rate Application process and applicable for two years (April 2008) to permit full recovery of 2004 Principal amounts and interest (carrying charges) calculated up to April 2006.

Removal of Conservation and Demand Management Funding from 2007 Distribution Rates to arrive at 2007 Basic Distribution Rates As we did not request funding in the 2007 Rate Application there is no adjustment required.

Application of Price Cap Adjustment to 2007 Basic Distribution Rates

As indicated in the December 20, 2006 Report a proxy amount of 1.9% price escalation has been used subject to a downward adjustment of a 1% productivity gain to a net escalation of .9%. New for 2008 is a further downward adjustment of .4%, in moving towards a common deemed 60%/40% debt/equity ratio over the 2008 to 2010 years including an adjustment relating to the PILS component. As also indicated in the December 20, 2006 Report the price escalation % is subject to an adjustment by the OEB to Statistics Canada final 2007 data to be published in late February 2008.

Re-addition of Smart Meter Charge to Basic Distribution Rates

As indicated above the rate of 27 cents per month per metered customers in all service classifications has been re-added back. Again as indicated in the December 20, 2006 Report the OEB may make an adjustment to these amounts used subsequent to the filing date of November 1, 2007.

Miscellaneous

No changes, additions or removals have been made to Service Classifications and specific charges. No other rate adjustments have been requested.

Implementation of New Rates

Approval is sought for the rates as shown in the 2008 Rate Tariff Sheet tab of the enclosed 2008 Incentive Rate Mechanism Adjustment Model. These 2008 Distribution Rates will be implemented on May 1, 2008 in conjunction with possible changes to the Regulated Price Plan Rates as directed by the OEB. Consumption will be pro-rated, with pre-May 1 consumption at the old distribution and commodity rates and post- May 1 consumption at the new distribution commodity rates.

Significant issues or departures from the Board's December 20, 2006 Report

There are no significant issues or departures from the Board's December 20, 2006 report.

Authorization

I have the authority to bind the Corporation:

Brian Hollywood,
President and Chief Executive Officer



Ontario Energy Board

2008 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: | <input type="text" value="St. Thomas Energy Inc."/> | | |
| Licence Number: | <input type="text" value="ED-2002-0523"/> | | |
| IRM 2008 EB Number: <i>(if known)</i> | <input type="text" value="EB-2007-XXXX"/> | | |
| IRM 2007 EB Number: | <input type="text" value="EB-2007-0577"/> | | |
| EDR 2006 RP Number: | <input type="text" value="RP-2005-0020"/> | EDR 2006 EB Number: | <input type="text" value="EB-2005-0416"/> |
| Date of Submission: | <input type="text" value="10/29/07"/> | Last Saved Date: | <input type="text" value="10/25/07 12:01 PM"/> |
| Model Version: | 2.0 | | |
| Contact Information | | | |
| Name: | <input type="text" value="Mr. Dana A. Witt, CGA"/> | | |
| Title: | <input type="text" value="Chief Financial Officer"/> | | |
| Phone Number: | <input type="text" value="1-519-631-4211 Ext # 223"/> | | |
| E-Mail Address: | <input type="text" value="dwitt@stenergy.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.

Comments

Copyright

This IRM adjustment model is protected by copyright and is being made available to you solely for the purpose of preparing or reviewing an IRM adjustment application. You may use and copy this model for that purpose, and provide a copy of this model to any person that is advising or assisting you in that regard. Except as indicated above, any copying, reproduction, publication, sale, adaptation, translation, modification, reverse engineering or other use or dissemination of this model without the express written consent of the Ontario Energy Board is prohibited. If you provide a copy of this model to a person that is advising or assisting you in preparing or reviewing an IRM adjustment application, you must ensure that the person understands and agrees to the restrictions noted above.



2008 INCENTIVE RATE MECHANISM ADJUSTMENT MODEL

St. Thomas Energy Inc.

EB-2007-XXXX, EB-2007-0577, EB-2005-0416

October 29, 2007

Sheet 2 - 2007 Rate Classes

Are you changing the descriptions of any of your Service Classifications?

YES NO

Service Classifications, including descriptions, can be found on your Board Approved 2007 Tariff of Rates and Charges.

Instructions:

(In some instances, rate classifications may differ from service classifications. The following table accounts for those differences.)

Using the pull-down list in column B, choose the classes that match those on your Board-Approved 2007 Tariff of Rates and Charges, are found under sub-heading "Monthly Rates and Charges". (If a Rate Classification needs to be added to the pull-down list, please contact the Board.)

Indicate which Rate Classifications exist using the pull-down menu in column C.

Changes made to the Class names will affect the rest of the model.

Upon completion, press the update button.

LEGEND

INPUT CELLS

PULL-DOWN MENU

OUTPUT CELLS

| | Rate Classifications | Currently in Place |
|----|---------------------------------|--------------------|
| 1 | Residential | Yes |
| 2 | General Service Less Than 50 kW | Yes |
| 3 | General Service 50 to 4,999 kW | Yes |
| 4 | Large Use | Yes |
| 5 | Unmetered Scattered Load | Yes |
| 6 | Sentinel Lighting | Yes |
| 7 | Street Lighting | Yes |
| 8 | Rate Class 8 | No |
| 9 | Rate Class 9 | No |
| 10 | Rate Class 10 | No |
| 11 | Rate Class 11 | No |
| 12 | Rate Class 12 | No |
| 13 | Rate Class 13 | No |
| 14 | Rate Class 14 | No |
| 15 | Rate Class 15 | No |
| 16 | Rate Class 16 | No |





2008 INCENTIVE RATE MECHANISM ADJUSTMENT MODEL

St. Thomas Energy Inc.

EB-2007-XXXX, EB-2007-0577, EB-2005-0416

October 29, 2007

Sheet 3 - 2007 Board-Approved Tariff of Rates and Charges

MONTHLY RATES AND CHARGES

Using the pull-down menu in column H below, indicate whether (Yes) or not (No) the rate riders will be continuing into the 2008-09 rate year

Residential

| | | | |
|--|--------|--------|----|
| Service Charge | \$ | 11.34 | |
| Distribution Volumetric Rate | \$/kWh | 0.0158 | |
| Rate Rider 1 (if applicable) | | | |
| Rate Rider 2 (if applicable) | | | |
| Regulatory Asset Recovery | \$/kWh | 0.0010 | No |
| Retail Transmission Rate – Network Service Rate | \$/kWh | 0.0053 | |
| Retail Transmission Rate – Line and Transformation Connection Service Rate | \$/kWh | 0.0045 | |
| Retail Transmission Rate – Network Service Rate (if applicable) | \$/kWh | | |
| Retail Transmission Rate – Line and Transformation Connection Service Rate (if applicable) | \$/kWh | | |
| Retail Transmission Rate – Network Service Rate (if applicable) | \$/kWh | | |
| Retail Transmission Rate – Line and Transformation Connection Service Rate (if applicable) | \$/kWh | | |
| Wholesale Market Service Rate | \$/kWh | 0.0052 | |
| Rural Rate Protection Charge | \$/kWh | 0.0010 | |
| Standard Supply Service – Administrative Charge (if applicable) | \$ | 0.25 | |

General Service Less Than 50 kW

| | | | |
|--|--------|--------|----|
| Service Charge | \$ | 15.96 | |
| Distribution Volumetric Rate | \$/kWh | 0.0144 | |
| Rate Rider 1 (if applicable) | | | |
| Rate Rider 2 (if applicable) | | | |
| Regulatory Asset Recovery | \$/kWh | 0.0006 | No |
| Retail Transmission Rate – Network Service Rate | \$/kWh | 0.0048 | |
| Retail Transmission Rate – Line and Transformation Connection Service Rate | \$/kWh | 0.0040 | |
| Retail Transmission Rate – Network Service Rate (if applicable) | \$/kWh | | |
| Retail Transmission Rate – Line and Transformation Connection Service Rate (if applicable) | \$/kWh | | |
| Retail Transmission Rate – Network Service Rate (if applicable) | \$/kWh | | |
| Retail Transmission Rate – Line and Transformation Connection Service Rate (if applicable) | \$/kWh | | |
| Wholesale Market Service Rate | \$/kWh | 0.0052 | |
| Rural Rate Protection Charge | \$/kWh | 0.0010 | |
| Standard Supply Service – Administrative Charge (if applicable) | \$ | 0.25 | |

General Service 50 to 4,999 kW

| | | | |
|--|--------|--------|----|
| Service Charge | \$ | 74.10 | |
| Distribution Volumetric Rate | \$/kW | 2.9983 | |
| Rate Rider 1 (if applicable) | | | |
| Rate Rider 2 (if applicable) | | | |
| Regulatory Asset Recovery | \$/kW | 0.0386 | No |
| Retail Transmission Rate – Network Service Rate | \$/kW | 1.9655 | |
| Retail Transmission Rate – Line and Transformation Connection Service Rate | \$/kW | 1.5992 | |
| Retail Transmission Rate – Network Service Rate (if applicable) | \$/kW | | |
| Retail Transmission Rate – Line and Transformation Connection Service Rate (if applicable) | \$/kW | | |
| Retail Transmission Rate – Network Service Rate (if applicable) | \$/kW | | |
| Retail Transmission Rate – Line and Transformation Connection Service Rate (if applicable) | \$/kW | | |
| Wholesale Market Service Rate | \$/kWh | 0.0052 | |
| Rural Rate Protection Charge | \$/kWh | 0.0010 | |
| Standard Supply Service – Administrative Charge (if applicable) | \$ | 0.25 | |

Large Use

| | | | |
|--|--------|--------|----|
| Service Charge | \$ | 612.95 | |
| Distribution Volumetric Rate | \$/kW | 0.7152 | |
| Rate Rider 1 (if applicable) | | | |
| Rate Rider 2 (if applicable) | | | |
| Regulatory Asset Recovery | \$/kW | 0.1462 | No |
| Retail Transmission Rate – Network Service Rate | \$/kW | 2.3114 | |
| Retail Transmission Rate – Line and Transformation Connection Service Rate | \$/kW | 2.0048 | |
| Retail Transmission Rate – Network Service Rate (if applicable) | \$/kW | | |
| Retail Transmission Rate – Line and Transformation Connection Service Rate (if applicable) | \$/kW | | |
| Retail Transmission Rate – Network Service Rate (if applicable) | \$/kW | | |
| Retail Transmission Rate – Line and Transformation Connection Service Rate (if applicable) | \$/kW | | |
| Wholesale Market Service Rate | \$/kWh | 0.0052 | |
| Rural Rate Protection Charge | \$/kWh | 0.0010 | |
| Standard Supply Service – Administrative Charge (if applicable) | \$ | 0.25 | |



2008 INCENTIVE RATE MECHANISM ADJUSTMENT MODEL

St. Thomas Energy Inc.

EB-2007-XXXX, EB-2007-0577, EB-2005-0416

October 29, 2007

Sheet 3 - 2007 Board-Approved Tariff of Rates and Charges

Unmetered Scattered Load

| | | | |
|--|--------|--------|----|
| Service Charge | \$ | 7.85 | |
| Distribution Volumetric Rate | \$/kWh | 0.0144 | |
| Rate Rider 1 (if applicable) | | | |
| Rate Rider 2 (if applicable) | | | |
| Regulatory Asset Recovery | \$/kWh | 0.0002 | No |
| Retail Transmission Rate – Network Service Rate | \$/kWh | 0.0048 | |
| Retail Transmission Rate – Line and Transformation Connection Service Rate | \$/kWh | 0.0040 | |
| Retail Transmission Rate – Network Service Rate (if applicable) | \$/kWh | | |
| Retail Transmission Rate – Line and Transformation Connection Service Rate (if applicable) | \$/kWh | | |
| Retail Transmission Rate – Network Service Rate (if applicable) | \$/kWh | | |
| Retail Transmission Rate – Line and Transformation Connection Service Rate (if applicable) | \$/kWh | | |
| Wholesale Market Service Rate | \$/kWh | 0.0052 | |
| Rural Rate Protection Charge | \$/kWh | 0.0010 | |
| Standard Supply Service – Administrative Charge (if applicable) | \$ | 0.25 | |

Sentinel Lighting

| | | | |
|--|--------|--------|----|
| Service Charge | \$ | 1.32 | |
| Distribution Volumetric Rate | \$/kW | 5.1868 | |
| Rate Rider 1 (if applicable) | | | |
| Rate Rider 2 (if applicable) | | | |
| Regulatory Asset Recovery | \$/kW | 5.4035 | No |
| Retail Transmission Rate – Network Service Rate | \$/kW | 1.4898 | |
| Retail Transmission Rate – Line and Transformation Connection Service Rate | \$/kW | 1.2622 | |
| Retail Transmission Rate – Network Service Rate (if applicable) | \$/kW | | |
| Retail Transmission Rate – Line and Transformation Connection Service Rate (if applicable) | \$/kW | | |
| Retail Transmission Rate – Network Service Rate (if applicable) | \$/kW | | |
| Retail Transmission Rate – Line and Transformation Connection Service Rate (if applicable) | \$/kW | | |
| Wholesale Market Service Rate | \$/kWh | 0.0052 | |
| Rural Rate Protection Charge | \$/kWh | 0.0010 | |
| Standard Supply Service – Administrative Charge (if applicable) | \$ | 0.25 | |

Street Lighting

| | | | |
|--|--------|----------|----|
| Service Charge | \$ | 0.04 | |
| Distribution Volumetric Rate | \$/kW | 0.2686 | |
| Rate Rider 1 (if applicable) | | | |
| Rate Rider 2 (if applicable) | | | |
| Regulatory Asset Recovery | \$/kW | (0.3520) | No |
| Retail Transmission Rate – Network Service Rate | \$/kW | 1.4823 | |
| Retail Transmission Rate – Line and Transformation Connection Service Rate | \$/kW | 1.2363 | |
| Retail Transmission Rate – Network Service Rate (if applicable) | \$/kW | | |
| Retail Transmission Rate – Line and Transformation Connection Service Rate (if applicable) | \$/kW | | |
| Retail Transmission Rate – Network Service Rate (if applicable) | \$/kW | | |
| Retail Transmission Rate – Line and Transformation Connection Service Rate (if applicable) | \$/kW | | |
| Wholesale Market Service Rate | \$/kWh | 0.0052 | |
| Rural Rate Protection Charge | \$/kWh | 0.0010 | |
| Standard Supply Service – Administrative Charge (if applicable) | \$ | 0.25 | |



2008 INCENTIVE RATE MECHANISM ADJUSTMENT

St. Thomas Energy Inc.

EB-2007-XXXX, EB-2007-0577, EB-2005-0416

October 29, 2007

Sheet 4 - Smart Meter Information

The smart meter plan rate adder is a monthly service charge for metered customers equivalent to an amount of \$0.30 per month per residential customer for utilities that do not have a plan. A different amount applied to utilities who had a smart meter plan that was modified in accordance with the Decision with Reasons RP-2005-0020 / EB-2005-0529.

Please identify the customer classes and sub-classes that the smart meter funding incremental adjustment applies to by inserting the smart meter rate adder into column D. For most utilities, the rate adder can be located in the Board-approved 2007 IRM model. Clicking the cursor on the Residential cell should show the formula for the monthly service charge including the smart meter adder. The adder is the same for all metered classes and sub-classes of a distributor.

Leave column F blank, and the model will by default use the existing rate adder in the following calculations. If a new value of the rate rider is required by a subsequent decision, Board staff will enter the appropriate values in column F.

Smart Meter Rate Adder

| | <u>2007 IRM</u> | <u>2008 IRM</u> |
|---------------------------------|-----------------|-----------------|
| Residential | \$ 0.27 | |
| General Service Less Than 50 kW | \$ 0.27 | |
| General Service 50 to 4,999 kW | \$ 0.27 | |
| Large Use | \$ 0.27 | |



2008 INCENTIVE RATE MECHANISM ADJUSTMENT MODEL

St. Thomas Energy Inc.

EB-2007-XXXX, EB-2007-0577, EB-2005-0416

October 29, 2007

Sheet 5 - Removal of Smart Meter and CDM

Did the applicant receive Board approval for incremental CDM spending (over and above the 3rd tranche) in 2007?

YES NO

| Class | 2007 Monthly Service Charge | 2007 Volumetric Rate Charge | Less: 2007 Smart Meter Adder from Monthly Service Charge | | Adjusted Monthly Service Charge | Adjusted Volumetric Charge | |
|--|-----------------------------|-----------------------------|--|---------|---------------------------------|----------------------------|--------|
| | \$ | kW / kWh | \$ | \$ | \$ | kW / kWh | |
| <i>Residential</i> | \$ 11.34 | \$ 0.0158 | \$ 0.27 | \$ 0.27 | \$ 11.07 | \$ 0.0158 | \$/kWh |
| <i>General Service Less Than 50 kW</i> | \$ 15.96 | \$ 0.0144 | \$ 0.27 | \$ 0.27 | \$ 15.69 | \$ 0.0144 | \$/kWh |
| <i>General Service 50 to 4,999 kW</i> | \$ 74.10 | \$ 2.9983 | \$ 0.27 | \$ 0.27 | \$ 73.83 | \$ 2.9983 | \$/kW |
| <i>Large Use</i> | \$ 612.95 | \$ 0.7152 | \$ 0.27 | \$ 0.27 | \$ 612.68 | \$ 0.7152 | \$/kW |
| <i>Unmetered Scattered Load</i> | \$ 7.85 | \$ 0.0144 | \$ - | \$ - | \$ 7.85 | \$ 0.0144 | \$/kWh |
| <i>Sentinel Lighting</i> | \$ 1.32 | \$ 5.1868 | \$ - | \$ - | \$ 1.32 | \$ 5.1868 | \$/kW |
| <i>Street Lighting</i> | \$ 0.04 | \$ 0.2686 | \$ - | \$ - | \$ 0.04 | \$ 0.2686 | \$/kW |



2008 INCENTIVE RATE MECHANISM ADJUSTMENT MODEL

St. Thomas Energy Inc.

EB-2007-XXXX, EB-2007-0577, EB-2005-0416

October 29, 2007

Sheet 6 - K-Factor Derivation

Capital Structure Transition

Size of Utility (Rate Base)

| Year | Small [\$0, \$100M) | | Med-Small [\$100M, \$250M) | | Med-Large [\$250M, \$1B) | | Large >=\$1B | |
|------|------------------------|--------|-------------------------------|--------|-----------------------------|--------|-----------------|--------|
| | Debt | Equity | Debt | Equity | Debt | Equity | Debt | Equity |
| 2007 | 50.0% | 50.0% | 55.0% | 45.0% | 60.0% | 40.0% | 65.0% | 35.0% |
| 2008 | 53.3% | 46.7% | 57.5% | 42.5% | 60.0% | 40.0% | 62.5% | 37.5% |
| 2009 | 56.7% | 43.3% | 60.0% | 40.0% | 60.0% | 40.0% | 60.0% | 40.0% |
| 2010 | 60.0% | 40.0% | 60.0% | 40.0% | 60.0% | 40.0% | 60.0% | 40.0% |

Cost of Capital parameters

| | | | |
|-----------------|---|---------------|--|
| ROE | A | 9.00% | (Board Approved 2006 EDR Model, Sheet 3-2, Cell E32) |
| Debt Rate | B | 7.25% | (Board Approved 2006 EDR Model, Sheet 3-2, Cell C25) |
| Rate Base | C | \$ 21,588,290 | (Board Approved 2006 EDR Model, Sheet 3-1, Cell F21) |
| Size of Utility | D | Small | |

Deemed Capital Structure

| | Debt | Equity | |
|---------|----------|----------|--|
| Current | E1 50.0% | E2 50.0% | Based on C, copies the deemed D/E from row "2007" of the table |
| 2008 | F1 53.3% | F2 46.7% | Based on C, copies the deemed D/E from row "2008" of the table |

Cost of Capital

| | | | | |
|---------|---|--------|-----------------------|---|
| Current | G | 8.125% | = (E1 X B) + (E2 X A) | Weighted Average Cost of capital |
| 2008 | H | 8.07% | = (F1 X B) + (F2 X A) | |

Return on Rate Base

| | | | |
|---------|---|-----------------|---------------|
| Current | I | \$ 1,754,048.56 | = C X G / 100 |
| 2008 | J | \$ 1,741,581.33 | = C X H / 100 |

Distribution Expenses and Revenue Requirement (before PILs)

| | | | |
|---|---|--------------|--|
| Distribution Expenses (other than PILs) | K | \$ 3,843,980 | (Board Approved 2006 EDR Model, Sheet 4-1, Cell F15) |
| Base Revenue Requirement | L | \$ 5,544,417 | (Board Approved 2006 EDR Model, Sheet 5-5, Cell F27) |
| Transformer Allowance Credit | M | \$ 178,544 | (Board Approved 2006 EDR Model, Sheet 6-3, Cell "Total" in Row R120) |

Revenue Requirement (before PILs)

| | | | |
|---------|---|-----------------|---------|
| Current | N | \$ 5,598,028.56 | = I + K |
| 2008 | O | \$ 5,585,561.33 | = J + K |

Target Net Income (EBIT)

| | | |
|---------|---------------|-------------|
| Current | \$ 971,473.05 | P1 = I - P2 |
| 2008 | \$ 907,355.83 | Q1 = J - Q2 |

Interest Expense

| | | |
|---------|---------------|-------------------------|
| Current | \$ 782,575.51 | P2 = C X (B X E1 / 100) |
| 2008 | \$ 834,225.50 | Q2 = C X (B X F1 / 100) |

PILs

| | | | |
|--|----------------------|--------|---|
| Tax Rate | R | 36.12% | (Board Approved 2006 PILs Model, Sheet "Test Year PILs, Tax Provision", Cell D14) |
| Large Corporation Tax Allowance (if applicable) - grossed up | \$ - | S | (Board Approved 2006 PILs Model, Sheet "Test Year PILs, Tax Provision", Cell D31) |
| OCT (Rate Base less \$10,000,000 X 0.30%) | \$ 34,765 | T | (Board Approved 2006 PILs Model, Sheet "Test Year PILs, Tax Provision", Cell D30) |
| PILs Allowance | \$ 757,869 | U | (Board Approved 2006 PILs Model, Sheet "Test Year PILs, Tax Provision", Cell D33) |
| Taxable Income | Current \$ 1,278,846 | AC | (Board Approved 2006 PILs Model, Sheet "Test Year PILs, Tax Provision", Cell D11) |
| | 2008 \$ 1,255,687 | AD | = AC + (Q1 - P1) * (R / 100) |
| Federal Tax (grossed up) | Current \$ 723,105 | V | = AC * (R / 100) / (1 - R / 100) 757,870 |
| | 2008 \$ 710,010 | W | = AD * (R / 100) / (1 - R / 100) |

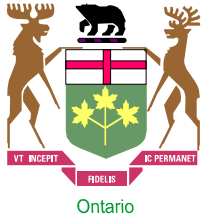
Base Revenue Requirement Adjustment (including PILs)

Revenue Requirement (less LCT) (LCT is removed as it was removed in from rates in 2007 EDR)

| | | | |
|---------|-----------------|---|-------------|
| Current | \$ 6,355,898.09 | X | = N + V + T |
| 2008 | \$ 6,330,335.86 | Y | = O + W + T |

Base Revenue Requirement (plus transformer allowance credit)
 (Transformer allowance credit needs to be added onto revenue requirement for full rate recovery - similar to LCT calculation in 2007 EDR)

| | | | |
|------------|-----------------|-----|---------------|
| Current | \$ 5,722,961.00 | Z | = L + M |
| 2008 | \$ 5,697,398.77 | AA1 | = Z + (Y - X) |
| Difference | \$ - 25,562.23 | AA2 | = AA1 - Z |
| K-factor | -0.4% | AB | = AA2 / Z |



2008 INCENTIVE RATE MECHANISM ADJUSTMENT

St. Thomas Energy Inc.

EB-2007-XXXX, EB-2007-0577, EB-2005-0416

October 29, 2007

Sheet 7 - Price Cap Adjustment

Note: No inputs are required for this worksheet.

| Price Escalator (GDP-IPI) | Average annual expected Productivity Gain (X) | (GDP-IPI) - X | K-Factor | Total Price Cap Adjustment |
|--|---|--|---|---|
| 1.9% | 1.0% | 0.9% | -0.4% | 0.5% |
| | Adjusted Monthly Service Charge | Monthly Service Charge with Price Cap Adjustment | Adjusted Volumetric Rate (kW / kWh) | Volumetric Rate with Price Cap Adjustment |
| <i>Residential</i> | \$ 11.07 | \$ 11.13 | \$ 0.0158 | \$ 0.0159 |
| <i>General Service Less Than 50 kW</i> | \$ 15.69 | \$ 15.77 | \$ 0.0144 | \$ 0.0145 |
| <i>General Service 50 to 4,999 kW</i> | \$ 73.83 | \$ 74.20 | \$ 2.9983 | \$ 3.0133 |
| <i>Large Use</i> | \$ 612.68 | \$ 615.74 | \$ 0.7152 | \$ 0.7188 |
| <i>Unmetered Scattered Load</i> | \$ 7.85 | \$ 7.89 | \$ 0.0144 | \$ 0.0145 |
| <i>Sentinel Lighting</i> | \$ 1.32 | \$ 1.33 | \$ 5.1868 | \$ 5.2127 |
| <i>Street Lighting</i> | \$ 0.04 | \$ 0.04 | \$ 0.2686 | \$ 0.2699 |



2008 INCENTIVE RATE MECHANISM ADJUSTMENT MODEL
St. Thomas Energy Inc.

EB-2007-XXXX, EB-2007-0577, EB-2005-0416

October 29, 2007

Sheet 8 - Addback of Smart Meter Rate Adder

Note: No inputs are required for this worksheet.

| Class | Monthly Service Charge \$ | Add: Smart Meter Rate Adder \$ | Adjusted Monthly Service Charge \$ | Adjusted Volumetric Charge kW / kWh |
|--|------------------------------|--------------------------------------|--|---|
| <i>Residential</i> | \$ 11.13 | \$ 0.27 | \$ 11.40 | 0.0159 |
| <i>General Service Less Than 50 kW</i> | \$ 15.77 | \$ 0.27 | \$ 16.04 | 0.0145 |
| <i>General Service 50 to 4,999 kW</i> | \$ 74.20 | \$ 0.27 | \$ 74.47 | 3.0133 |
| <i>Large Use</i> | \$ 615.74 | \$ 0.27 | \$ 616.01 | 0.7188 |
| <i>Unmetered Scattered Load</i> | \$ 7.89 | \$ - | \$ 7.89 | 0.0145 |
| <i>Sentinel Lighting</i> | \$ 1.33 | \$ - | \$ 1.33 | 5.2127 |
| <i>Street Lighting</i> | \$ 0.04 | \$ - | \$ 0.04 | 0.2699 |



2008 INCENTIVE RATE MECHANISM ADJUSTMENT

St. Thomas Energy Inc.

EB-2007-XXXX, EB-2007-0577, EB-2005-0416

October 29, 2007

Sheet 9. - Z-Factor Rate Rider Adjustment

Is the Applicant seeking Board approval for other rate adjustments? YES NO

Z-Factor rate riders being applied for as part of the 2008 IRM rate adjustments should comply with Section 3.5 and Appendix C of the *Report of the Board on Cost of Capital and 2nd Generation Regulation Mechanism for Ontario's Electricity Distributors*, issued December 20, 2006 (link http://www.oeb.gov.on.ca/documents/cases/EB-2006-0088/report_of_the_board_201206.pdf). Rate riders applied for should comply with the eligibility requirements. A distributor should also file adequate support for its proposal.

In columns C and D below, insert the Z-Factor rate riders associated with the rate adjustment. Provide a brief explanation about the nature of the rate adjustment.

| Class | <i>Monthly Service Charge Rate Rider</i> \$ | <i>Volumetric Charge Rate Rider</i> kW / kWh |
|--|--|---|
| <i>Residential</i> | | |
| <i>General Service Less Than 50 kW</i> | | |
| <i>General Service 50 to 4,999 kW</i> | | |
| <i>Large Use</i> | | |
| <i>Unmetered Scattered Load</i> | | |
| <i>Sentinel Lighting</i> | | |
| <i>Street Lighting</i> | | |

St. Thomas Energy Inc.

Tariff OF RATES AND CHARGES

Effective May 1, 2008*

(*Except as otherwise noted)

This schedule supersedes and replaces all previously approved schedules of Rates, Charges, and Loss Factors

EB-2007-0577

FOR OEB STAFF USE ONLY

MONTHLY RATES AND CHARGES

Residential

| | | |
|--|--------|--------|
| Service Charge | \$ | 11.40 |
| Distribution Volumetric Rate | \$/kWh | 0.0159 |
| Retail Transmission Rate – Network Service Rate | \$/kWh | 0.0053 |
| Retail Transmission Rate – Line and Transformation Connection Service Rate | \$/kWh | 0.0045 |
| Wholesale Market Service Rate | \$/kWh | 0.0052 |
| Rural Rate Protection Charge | \$/kWh | 0.0010 |
| Standard Supply Service – Administrative Charge (if applicable) | \$ | 0.25 |

General Service Less Than 50 kW

| | | |
|--|--------|--------|
| Service Charge | \$ | 16.04 |
| Distribution Volumetric Rate | \$/kWh | 0.0145 |
| Retail Transmission Rate – Network Service Rate | \$/kWh | 0.0048 |
| Retail Transmission Rate – Line and Transformation Connection Service Rate | \$/kWh | 0.0040 |
| Wholesale Market Service Rate | \$/kWh | 0.0052 |
| Rural Rate Protection Charge | \$/kWh | 0.0010 |
| Standard Supply Service – Administrative Charge (if applicable) | \$ | 0.25 |

General Service 50 to 4,999 kW

| | | |
|--|--------|--------|
| Service Charge | \$ | 74.47 |
| Distribution Volumetric Rate | \$/kW | 3.0133 |
| Retail Transmission Rate – Network Service Rate | \$/kW | 1.9655 |
| Retail Transmission Rate – Line and Transformation Connection Service Rate | \$/kW | 1.5992 |
| Wholesale Market Service Rate | \$/kWh | 0.0052 |
| Rural Rate Protection Charge | \$/kWh | 0.0010 |
| Standard Supply Service – Administrative Charge (if applicable) | \$ | 0.25 |

Large Use

| | | |
|--|--------|--------|
| Service Charge | \$ | 616.01 |
| Distribution Volumetric Rate | \$/kW | 0.7188 |
| Retail Transmission Rate – Network Service Rate | \$/kW | 2.3114 |
| Retail Transmission Rate – Line and Transformation Connection Service Rate | \$/kW | 2.0048 |
| Wholesale Market Service Rate | \$/kWh | 0.0052 |
| Rural Rate Protection Charge | \$/kWh | 0.0010 |
| Standard Supply Service – Administrative Charge (if applicable) | \$ | 0.25 |

Unmetered Scattered Load

| | | |
|--|--------|--------|
| Service Charge | \$ | 7.89 |
| Distribution Volumetric Rate | \$/kWh | 0.0145 |
| Retail Transmission Rate – Network Service Rate | \$/kWh | 0.0048 |
| Retail Transmission Rate – Line and Transformation Connection Service Rate | \$/kWh | 0.0040 |
| Wholesale Market Service Rate | \$/kWh | 0.0052 |
| Rural Rate Protection Charge | \$/kWh | 0.0010 |
| Standard Supply Service – Administrative Charge (if applicable) | \$ | 0.25 |

Sentinel Lighting

| | | |
|--|--------|--------|
| Service Charge | \$ | 1.33 |
| Distribution Volumetric Rate | \$/kW | 5.2127 |
| Retail Transmission Rate – Network Service Rate | \$/kW | 1.4898 |
| Retail Transmission Rate – Line and Transformation Connection Service Rate | \$/kW | 1.2622 |
| Wholesale Market Service Rate | \$/kWh | 0.0052 |
| Rural Rate Protection Charge | \$/kWh | 0.0010 |
| Standard Supply Service – Administrative Charge (if applicable) | \$ | 0.25 |

Street Lighting

| | | |
|--|--------|--------|
| Service Charge | \$ | 0.04 |
| Distribution Volumetric Rate | \$/kW | 0.2699 |
| Retail Transmission Rate – Network Service Rate | \$/kW | 1.4823 |
| Retail Transmission Rate – Line and Transformation Connection Service Rate | \$/kW | 1.2363 |
| Wholesale Market Service Rate | \$/kWh | 0.0052 |
| Rural Rate Protection Charge | \$/kWh | 0.0010 |
| Standard Supply Service – Administrative Charge (if applicable) | \$ | 0.25 |

Specific Service Charges
Customer Administration

| | | |
|---|----|-------|
| Arrears certificate | \$ | 15.00 |
| Statement of account | \$ | 15.00 |
| Pulling post dated cheques | \$ | 15.00 |
| Duplicate invoices for previous billing | \$ | 15.00 |
| Request for other billing information | \$ | 15.00 |
| Easement letter | \$ | 15.00 |
| Income tax letter | \$ | 15.00 |
| Notification charge | \$ | 15.00 |
| Account history | \$ | 15.00 |
| Credit reference/credit check (plus credit agency costs) | \$ | 15.00 |
| Returned cheque charge (plus bank charges) | \$ | 15.00 |
| Charge to certify cheque | \$ | 15.00 |
| Legal letter charge | \$ | 15.00 |
| Account set up charge/change of occupancy charge (plus credit agency costs if applicable) | \$ | 30.00 |
| Special meter reads | \$ | 30.00 |
| Meter dispute charge plus Measurement Canada fees (if meter found correct) | \$ | 30.00 |

Non-Payment of Account

| | | |
|---|----|--------|
| Late Payment - per month | % | 1.50 |
| Late Payment - per annum | % | 19.56 |
| Collection of account charge - no disconnection | \$ | 30.00 |
| Collection of account charge - no disconnection - after regular hours | \$ | 165.00 |
| Disconnect/Reconnect at meter - during regular hours | \$ | 65.00 |
| Disconnect/Reconnect at meter - after regular hours | \$ | 185.00 |
| Disconnect/Reconnect at pole - during regular hours | \$ | 185.00 |
| Disconnect/Reconnect at pole - after regular hours | \$ | 415.00 |
| Install/Remove load control device - during regular hours | \$ | 65.00 |
| Install/Remove load control device - after regular hours | \$ | 185.00 |
| Specific Charge for Access to the Power Poles \$/pole/year | \$ | 22.35 |

Allowances

| | | |
|---|-------|--------|
| Primary Metering Allowance for transformer losses – applied to measured demand and energy | % | (1.00) |
| Transformer Allowance for Ownership - per kW of billing demand/month | \$/kW | -0.60 |

LOSS FACTORS

| | |
|---|--------|
| Total Loss Factor – Secondary Metered Customer < 5,000 kW | 1.0339 |
| Total Loss Factor – Secondary Metered Customer > 5,000 kW | 1.0140 |
| Total Loss Factor – Primary Metered Customer < 5,000 kW | 1.0236 |
| Total Loss Factor – Primary Metered Customer > 5,000 kW | 1.0039 |



2008 INCENTIVE RATE MECHANISM ADJUSTMENT MODEL

St. Thomas Energy Inc.

EB-2007-XXXX, EB-2007-0577, EB-2005-0416

October 29, 2007

Sheet 11 - Distribution Rate Change Summary

Note: No inputs are required for this worksheet.

Residential

| Data | Fixed (\$) | Volumetric \$ per kW / kWh |
|-------------------------|-----------------|----------------------------|
| 2007 Rates | \$ 11.34 | \$ 0.0158 |
| Less: Smart meters | -\$ 0.27 | \$ - |
| Less: CDM | \$ - | \$ - |
| Add: GDP-IPI - X | \$ 0.10 | \$ 0.0001 |
| Add: K-Factor | \$ (0.04) | -\$ 0.0001 |
| Add: Smart Meters | \$ 0.27 | \$ - |
| Final 2008 Rates | \$ 11.40 | \$ 0.0159 |

General Service Less Than 50 kW

| Data | Fixed (\$) | Volumetric \$ per kW / kWh |
|-------------------------|-----------------|----------------------------|
| 2007 Rates | \$ 15.96 | \$ 0.0144 |
| Less: Smart meters | -\$ 0.27 | \$ - |
| Less: CDM | \$ - | \$ - |
| Add: GDP-IPI - X | \$ 0.14 | \$ 0.0001 |
| Add: K-Factor | \$ (0.06) | -\$ 0.0001 |
| Add: Smart Meters | \$ 0.27 | \$ - |
| Final 2008 Rates | \$ 16.04 | \$ 0.0145 |

General Service 50 to 4,999 kW

| Data | Fixed (\$) | Volumetric \$ per kW / kWh |
|-------------------------|-----------------|----------------------------|
| 2007 Rates | \$ 74.10 | \$ 2.9983 |
| Less: Smart meters | -\$ 0.27 | \$ - |
| Less: CDM | \$ - | \$ - |
| Add: GDP-IPI - X | \$ 0.66 | \$ 0.0270 |
| Add: K-Factor | \$ (0.30) | -\$ 0.0120 |
| Add: Smart Meters | \$ 0.27 | \$ - |
| Final 2008 Rates | \$ 74.47 | \$ 3.0133 |

Large Use

| Data | Fixed (\$) | Volumetric \$ per kW / kWh |
|-------------------------|------------------|----------------------------|
| 2007 Rates | \$ 612.95 | \$ 0.7152 |
| Less: Smart meters | -\$ 0.27 | \$ - |
| Less: CDM | \$ - | \$ - |
| Add: GDP-IPI - X | \$ 5.51 | \$ 0.0064 |
| Add: K-Factor | \$ (2.45) | -\$ 0.0029 |
| Add: Smart Meters | \$ 0.27 | \$ - |
| Final 2008 Rates | \$ 616.01 | \$ 0.7188 |

Unmetered Scattered Load

| Data | Fixed (\$) | Volumetric \$ per kW / kWh |
|-------------------------|----------------|----------------------------|
| 2007 Rates | \$ 7.85 | \$ 0.0144 |
| Less: Smart meters | \$ - | \$ - |
| Less: CDM | \$ - | \$ - |
| Add: GDP-IPI - X | \$ 0.07 | \$ 0.0001 |
| Add: K-Factor | \$ (0.03) | -\$ 0.0001 |
| Add: Smart Meters | \$ - | \$ - |
| Final 2008 Rates | \$ 7.89 | \$ 0.0145 |



2008 INCENTIVE RATE MECHANISM ADJUSTMENT MODEL

St. Thomas Energy Inc.

EB-2007-XXXX, EB-2007-0577, EB-2005-0416

October 29, 2007

Sheet 11 - Distribution Rate Change Summary

Sentinel Lighting

| Data | Fixed (\$) | Volumetric \$ per kW / kWh |
|--------------------|----------------|-------------------------------|
| 2007 Rates | \$ 1.32 | \$ 5.1868 |
| Less: Smart meters | \$ - | \$ - |
| Less: CDM | \$ - | \$ - |
| Add: GDP-IPI - X | \$ 0.01 | \$ 0.0467 |
| Add: K-Factor | \$ (0.01) | \$ 0.0207 |
| Add: Smart Meters | \$ - | \$ - |
| Final 2008 Rates | \$ 1.33 | \$ 5.2127 |

Street Lighting

| Data | Fixed (\$) | Volumetric \$ per kW / kWh |
|--------------------|----------------|-------------------------------|
| 2007 Rates | \$ 0.04 | \$ 0.2686 |
| Less: Smart meters | \$ - | \$ - |
| Less: CDM | \$ - | \$ - |
| Add: GDP-IPI - X | \$ 0.00 | \$ 0.0024 |
| Add: K-Factor | \$ (0.00) | \$ 0.0011 |
| Add: Smart Meters | \$ - | \$ - |
| Final 2008 Rates | \$ 0.04 | \$ 0.2699 |



2008 INCENTIVE RATE MECHANISM ADJUSTMENT MODEL

St. Thomas Energy Inc.

EB-2007-XXXX, EB-2007-0577, EB-2005-0416

October 29, 2007

Sheet 12 - Annualized Bill Impact

Instructions

(Remember, **green cells** are input cells)

1. Enter your desired consumption in both kWh and kW (if needed) into the green cells beneath the class name.
2. The Debt Retirement Charge (DRC) has been set at \$0.07. The figure can be overwritten if your LDC bills a different amount for the DRC.

| Regulated Price Plan Residential | May-07 Threshold | May-07 \$/ kWh | May-08 Threshold | May-08 \$/ kWh |
|----------------------------------|---------------------|-------------------|---------------------|-------------------|
| less than or equal to | 600 | \$ 0.053 | 600 | \$ 0.053 |
| greater than | > 600 | \$ 0.062 | > 600 | \$ 0.062 |

| Regulated Price Plan Non-Residential | May-07 Threshold | May-07 \$/ kWh | May-08 Threshold | May-08 \$/ kWh |
|--------------------------------------|---------------------|-------------------|---------------------|-------------------|
| less than or equal to | 750 | \$ 0.053 | 750 | \$ 0.053 |
| greater than | > 750 | \$ 0.062 | > 750 | \$ 0.062 |

Residential

| | | | | | |
|--------------------|------------|------------|----------|-----------|---------------------------|
| Consumption | 750 | kWh | 0 | kW | Loss Factor 1.0339 |
|--------------------|------------|------------|----------|-----------|---------------------------|

| | 2007 BILL | | | 2008 BILL | | | IMPACT | | |
|--|-----------|------------|-----------------|-----------|------------|-----------------|-----------------|---------------|--------------------|
| | Volume | RATE \$ | CHARGE \$ | Volume | RATE \$ | CHARGE \$ | \$ | % | % of Total Bill |
| Energy First Tier (kWh) | 600 | \$ 0.0530 | \$ 31.80 | 600 | \$ 0.0530 | \$ 31.80 | \$0.00 | 0.0% | 35.75% |
| Energy Second Tier (kWh) | 175 | \$ 0.0620 | \$ 10.88 | 175 | \$ 0.0620 | \$ 10.88 | \$0.00 | 0.0% | 12.23% |
| Sub-Total: Energy | | | \$ 42.68 | | | \$ 42.68 | \$0.00 | 0.0% | 47.98% |
| Monthly Service Charge | 1 | \$ 11.34 | \$ 11.34 | 1 | \$ 11.40 | \$ 11.40 | \$0.06 | 0.5% | 12.82% |
| Distribution (kWh) | 750 | \$ 0.0158 | \$ 11.85 | 750 | \$ 0.0159 | \$ 11.93 | \$0.07 | 0.6% | 13.41% |
| Distribution (kW) | 0 | \$ - | \$ - | 0 | \$ - | \$ - | \$0.00 | 0.0% | 0.00% |
| Regulatory Assets (kWh) | 750 | \$ 0.0010 | \$ 0.75 | 750 | \$ - | \$ - | (\$0.75) | (100.0)% | 0.00% |
| Rate Riders | 750 | \$ - | \$ - | 750 | \$ - | \$ - | \$0.00 | 0.0% | 0.00% |
| Monthly Rate Rider Adjustment (Sheet 9) | N/A | N/A | N/A | 1 | \$ - | \$ - | \$0.00 | 0.0% | 0.00% |
| Volumetric Rate Rider Adjustment (Sheet 9) | N/A | N/A | N/A | 750 | \$ - | \$ - | \$0.00 | 0.0% | 0.00% |
| Retail Transmission Rate – Network Service Rate | 775 | \$ 0.0053 | \$ 4.11 | 775 | \$ 0.0053 | \$ 4.11 | \$0.00 | 0.0% | 4.62% |
| Retail Transmission Rate – Line and Transformation Connection Service Rate | 775 | \$ 0.0045 | \$ 3.49 | 775 | \$ 0.0045 | \$ 3.49 | \$0.00 | 0.0% | 3.92% |
| Sub-Total: Delivery | | | \$ 31.54 | | | \$ 30.92 | (\$0.62) | (1.9)% | 34.77% |
| Wholesale Market Service Rate | 775 | \$ 0.0052 | \$ 4.03 | 775 | \$ 0.0052 | \$ 4.03 | \$0.00 | 0.0% | 4.53% |
| Rural Rate Protection Charge | 775 | \$ 0.0010 | \$ 0.78 | 775 | \$ 0.0010 | \$ 0.78 | \$0.00 | 0.0% | 0.87% |
| Regulated Price Plan – Administration Charge | 1 | \$ 0.2500 | \$ 0.25 | 1 | \$ 0.2500 | \$ 0.25 | \$0.00 | 0.0% | 0.28% |
| Sub-Total: Regulatory | | | \$ 5.06 | | | \$ 5.06 | \$0.00 | 0.0% | 5.69% |
| Debt Retirement Charge (DRC) | 750 | \$ 0.0070 | \$ 5.25 | 750 | \$ 0.0070 | \$ 5.25 | \$0.00 | 0.0% | 5.90% |
| Total Bill before Taxes | | | \$ 84.52 | | | \$ 83.91 | (\$0.62) | (0.7)% | 94.34% |
| GST | \$ 84.52 | 6.00% | \$ 5.07 | \$ 83.91 | 6.00% | \$ 5.03 | (\$0.04) | (0.7)% | 5.66% |
| Total Bill after Taxes | | | \$ 89.59 | | | \$ 88.94 | (\$0.65) | (0.7)% | 100.00% |



2008 INCENTIVE RATE MECHANISM ADJUSTMENT MODEL

St. Thomas Energy Inc.

EB-2007-XXXX, EB-2007-0577, EB-2005-0416

October 29, 2007

Sheet 12 - Annualized Bill Impact

Instructions

(Remember, green cells are input cells)

1. Enter your desired consumption in both kWh and kW (if needed) into the green cells beneath the class name.
2. The Debt Retirement Charge (DRC) has been set at \$0.07. The figure can be overwritten if your LDC bills a different amount for the DRC.

General Service Less Than 50 kW

| | | | |
|--------------------|------------------|-------------|---------------------------|
| Consumption | 1,500 kWh | 0 kW | Loss Factor 1.0339 |
|--------------------|------------------|-------------|---------------------------|

| | 2007 BILL | | | 2008 BILL | | | IMPACT | | |
|--|-----------|-----------|------------------|-----------|-----------|------------------|-----------------|---------------|-----------------|
| | Volume | RATE \$ | CHARGE \$ | Volume | RATE \$ | CHARGE \$ | \$ | % | % of Total Bill |
| Energy First Tier (kWh) | 750 | \$ 0.0530 | \$ 39.75 | 750 | \$ 0.0530 | \$ 39.75 | \$0.00 | 0.0% | 23.26% |
| Energy Second Tier (kWh) | 801 | \$ 0.0620 | \$ 49.65 | 801 | \$ 0.0620 | \$ 49.65 | \$0.00 | 0.0% | 29.06% |
| Sub-Total: Energy | | | \$ 89.40 | | | \$ 89.40 | \$0.00 | 0.0% | 52.32% |
| Monthly Service Charge | 1 | \$ 15.96 | \$ 15.96 | 1 | \$ 16.04 | \$ 16.04 | \$0.08 | 0.5% | 9.39% |
| Distribution (kWh) | 1,500 | \$ 0.0144 | \$ 21.60 | 1,500 | \$ 0.0145 | \$ 21.75 | \$0.15 | 0.7% | 12.73% |
| Distribution (kW) | 0 | \$ - | \$ - | 0 | \$ - | \$ - | \$0.00 | 0.0% | 0.00% |
| Regulatory Assets (kWh) | 1,500 | \$ 0.0006 | \$ 0.90 | 1,500 | \$ - | \$ - | (\$0.90) | (100.0)% | 0.00% |
| Rate Riders | 1,500 | \$ - | \$ - | 1,500 | \$ - | \$ - | \$0.00 | 0.0% | 0.00% |
| Monthly Rate Rider Adjustment (Sheet 9) | N/A | N/A | N/A | 1 | \$ - | \$ - | \$0.00 | 0.0% | 0.00% |
| Volumetric Rate Rider Adjustment (Sheet 9) | N/A | N/A | N/A | 1,500 | \$ - | \$ - | \$0.00 | 0.0% | 0.00% |
| Retail Transmission Rate – Network Service Rate | 1,551 | \$ 0.0048 | \$ 7.44 | 1,551 | \$ 0.0048 | \$ 7.44 | \$0.00 | 0.0% | 4.36% |
| Retail Transmission Rate – Line and Transformation Connection Service Rate | 1,551 | \$ 0.0040 | \$ 6.20 | 1,551 | \$ 0.0040 | \$ 6.20 | \$0.00 | 0.0% | 3.63% |
| Sub-Total: Delivery | | | \$ 52.11 | | | \$ 51.44 | (\$0.67) | (1.3)% | 30.10% |
| Wholesale Market Service Rate | 1551 | \$ 0.0052 | \$ 8.06 | 1551 | \$ 0.0052 | \$ 8.06 | \$0.00 | 0.0% | 4.72% |
| Rural Rate Protection Charge | 1551 | \$ 0.0010 | \$ 1.55 | 1551 | \$ 0.0010 | \$ 1.55 | \$0.00 | 0.0% | 0.91% |
| Regulated Price Plan – Administration Charge | 1 | \$ 0.2500 | \$ 0.25 | 1 | \$ 0.2500 | \$ 0.25 | \$0.00 | 0.0% | 0.15% |
| Sub-Total: Regulatory | | | \$ 9.87 | | | \$ 9.87 | \$0.00 | 0.0% | 5.77% |
| Debt Retirement Charge (DRC) | 1,500 | \$ 0.0070 | \$ 10.50 | 1,500 | \$ 0.0070 | \$ 10.50 | \$0.00 | 0.0% | 6.14% |
| Total Bill before Taxes | | | \$ 161.88 | | | \$ 161.21 | (\$0.67) | (0.4)% | 94.34% |
| GST | \$ 161.88 | 6.00% | \$ 9.71 | \$ 161.21 | 6.00% | \$ 9.67 | (\$0.04) | (0.4)% | 5.66% |
| Total Bill after Taxes | | | \$ 171.59 | | | \$ 170.88 | (\$0.71) | (0.4)% | 100.00% |

General Service 50 to 4,999 kW

| | | | |
|--------------------|--------------------|---------------|---------------------------|
| Consumption | 500,000 kWh | 800 kW | Loss Factor 1.0339 |
|--------------------|--------------------|---------------|---------------------------|

| | 2007 BILL | | | 2008 BILL | | | IMPACT | | |
|--|--------------|-----------|---------------------|--------------|-----------|---------------------|------------------|---------------|-----------------|
| | Volume | RATE \$ | CHARGE \$ | Volume | RATE \$ | CHARGE \$ | \$ | % | % of Total Bill |
| Energy First Tier (kWh) | 750 | \$ 0.0530 | \$ 39.75 | 750 | \$ 0.0530 | \$ 39.75 | \$0.00 | 0.0% | 0.08% |
| Energy Second Tier (kWh) | 516,200 | \$ 0.0620 | \$ 32,004.40 | 516,200 | \$ 0.0620 | \$ 32,004.40 | \$0.00 | 0.0% | 68.34% |
| Sub-Total: Energy | | | \$ 32,044.15 | | | \$ 32,044.15 | \$0.00 | 0.0% | 68.42% |
| Monthly Service Charge | 1 | \$ 74.10 | \$ 74.10 | 1 | \$ 74.47 | \$ 74.47 | \$0.37 | 0.5% | 0.16% |
| Distribution (kWh) | 500,000 | \$ - | \$ - | 500,000 | \$ - | \$ - | \$0.00 | 0.0% | 0.00% |
| Distribution (kW) | 800 | \$ 2.9983 | \$ 2,398.64 | 800 | \$ 3.0133 | \$ 2,410.64 | \$12.00 | 0.5% | 5.15% |
| Regulatory Assets (kWh) | 800 | \$ 0.0386 | \$ 30.88 | 800 | \$ - | \$ - | (\$30.88) | (100.0)% | 0.00% |
| Rate Riders | 800 | \$ - | \$ - | 800 | \$ - | \$ - | \$0.00 | 0.0% | 0.00% |
| Monthly Rate Rider Adjustment (Sheet 9) | N/A | N/A | N/A | 1 | \$ - | \$ - | \$0.00 | 0.0% | 0.00% |
| Volumetric Rate Rider Adjustment (Sheet 9) | N/A | N/A | N/A | 800 | \$ - | \$ - | \$0.00 | 0.0% | 0.00% |
| Retail Transmission Rate – Network Service Rate | 827 | \$ 1.9655 | \$ 1,625.70 | 827 | \$ 1.9655 | \$ 1,625.70 | \$0.00 | 0.0% | 3.47% |
| Retail Transmission Rate – Line and Transformation Connection Service Rate | 827 | \$ 1.5992 | \$ 1,322.73 | 827 | \$ 1.5992 | \$ 1,322.73 | \$0.00 | 0.0% | 2.82% |
| Sub-Total: Delivery | | | \$ 5,452.05 | | | \$ 5,433.54 | (\$18.51) | (0.3)% | 11.60% |
| Wholesale Market Service Rate | 516950 | \$ 0.0052 | \$ 2,688.14 | 516950 | \$ 0.0052 | \$ 2,688.14 | \$0.00 | 0.0% | 5.74% |
| Rural Rate Protection Charge | 516950 | \$ 0.0010 | \$ 516.95 | 516950 | \$ 0.0010 | \$ 516.95 | \$0.00 | 0.0% | 1.10% |
| Regulated Price Plan – Administration Charge | 1 | \$ 0.2500 | \$ 0.25 | 1 | \$ 0.2500 | \$ 0.25 | \$0.00 | 0.0% | 0.00% |
| Sub-Total: Regulatory | | | \$ 3,205.34 | | | \$ 3,205.34 | \$0.00 | 0.0% | 6.84% |
| Debt Retirement Charge (DRC) | 500,000 | \$ 0.0070 | \$ 3,500.00 | 500,000 | \$ 0.0070 | \$ 3,500.00 | \$0.00 | 0.0% | 7.47% |
| Total Bill before Taxes | | | \$ 44,201.54 | | | \$ 44,183.03 | (\$18.51) | (0.0)% | 94.34% |
| GST | \$ 44,201.54 | 6.00% | \$ 2,652.09 | \$ 44,183.03 | 6.00% | \$ 2,650.98 | (\$1.11) | (0.0)% | 5.66% |
| Total Bill after Taxes | | | \$ 46,853.64 | | | \$ 46,834.02 | (\$19.62) | (0.0)% | 100.00% |



2008 INCENTIVE RATE MECHANISM ADJUSTMENT MODEL

St. Thomas Energy Inc.

EB-2007-XXXX, EB-2007-0577, EB-2005-0416

October 29, 2007

Sheet 12 - Annualized Bill Impact

Instructions

(Remember, green cells are input cells)

1. Enter your desired consumption in both kWh and kW (if needed) into the green cells beneath the class name.
2. The Debt Retirement Charge (DRC) has been set at \$0.07. The figure can be overwritten if your LDC bills a different amount for the DRC.

Large Use

| | | | |
|--------------------|----------------------|-----------------|--------------------------|
| Consumption | 3,500,000 kWh | 6,700 kW | Loss Factor 1.014 |
|--------------------|----------------------|-----------------|--------------------------|

| | 2007 BILL | | | 2008 BILL | | | IMPACT | | |
|--|---------------|-----------|----------------------|---------------|-----------|----------------------|---------------------|---------------|-----------------|
| | Volume | RATE \$ | CHARGE \$ | Volume | RATE \$ | CHARGE \$ | \$ | % | % of Total Bill |
| Energy First Tier (kWh) | 750 | \$ 0.0530 | \$ 39.75 | 750 | \$ 0.0530 | \$ 39.75 | \$0.00 | 0.0% | 0.01% |
| Energy Second Tier (kWh) | 3,548,250 | \$ 0.0620 | \$ 219,991.50 | 3,548,250 | \$ 0.0620 | \$ 219,991.50 | \$0.00 | 0.0% | 68.88% |
| Sub-Total: Energy | | | \$ 220,031.25 | | | \$ 220,031.25 | \$0.00 | 0.0% | 68.90% |
| Monthly Service Charge | 1 | \$ 612.95 | \$ 612.95 | 1 | \$ 616.01 | \$ 616.01 | \$3.06 | 0.5% | 0.19% |
| Distribution (kWh) | 3,500,000 | \$ - | \$ - | 3,500,000 | \$ - | \$ - | \$0.00 | 0.0% | 0.00% |
| Distribution (kW) | 6,700 | \$ 0.7152 | \$ 4,791.84 | 6,700 | \$ 0.7188 | \$ 4,815.96 | \$24.12 | 0.5% | 1.51% |
| Regulatory Assets (kWh) | 6,700 | \$ 0.1462 | \$ 979.54 | 6,700 | \$ - | \$ - | (\$979.54) | (100.0)% | 0.00% |
| Rate Riders | 6,700 | \$ - | \$ - | 6,700 | \$ - | \$ - | \$0.00 | 0.0% | 0.00% |
| Monthly Rate Rider Adjustment (Sheet 9) | N/A | N/A | N/A | 1 | \$ - | \$ - | \$0.00 | 0.0% | 0.00% |
| Volumetric Rate Rider Adjustment (Sheet 9) | N/A | N/A | N/A | 6,700 | \$ - | \$ - | \$0.00 | 0.0% | 0.00% |
| Retail Transmission Rate – Network Service Rate | 6,794 | \$ 2.3114 | \$ 15,703.19 | 6,794 | \$ 2.3114 | \$ 15,703.19 | \$0.00 | 0.0% | 4.92% |
| Retail Transmission Rate – Line and Transformation Connection Service Rate | 6,794 | \$ 2.0048 | \$ 13,620.21 | 6,794 | \$ 2.0048 | \$ 13,620.21 | \$0.00 | 0.0% | 4.26% |
| Sub-Total: Delivery | | | \$ 35,707.73 | | | \$ 34,755.37 | (\$952.36) | (2.7)% | 10.88% |
| Wholesale Market Service Rate | 3549000 | \$ 0.0052 | \$ 18,454.80 | 3549000 | \$ 0.0052 | \$ 18,454.80 | \$0.00 | 0.0% | 5.78% |
| Rural Rate Protection Charge | 3549000 | \$ 0.0010 | \$ 3,549.00 | 3549000 | \$ 0.0010 | \$ 3,549.00 | \$0.00 | 0.0% | 1.11% |
| Regulated Price Plan – Administration Charge | 1 | \$ 0.2500 | \$ 0.25 | 1 | \$ 0.2500 | \$ 0.25 | \$0.00 | 0.0% | 0.00% |
| Sub-Total: Regulatory | | | \$ 22,004.05 | | | \$ 22,004.05 | \$0.00 | 0.0% | 6.89% |
| Debt Retirement Charge (DRC) | 3,500,000 | \$ 0.0070 | \$ 24,500.00 | 3,500,000 | \$ 0.0070 | \$ 24,500.00 | \$0.00 | 0.0% | 7.67% |
| Total Bill before Taxes | | | \$ 302,243.03 | | | \$ 301,290.67 | (\$952.36) | (0.3)% | 94.34% |
| GST | \$ 302,243.03 | 6.00% | \$ 18,134.58 | \$ 301,290.67 | 6.00% | \$ 18,077.44 | (\$57.14) | (0.3)% | 5.66% |
| Total Bill after Taxes | | | \$ 320,377.61 | | | \$ 319,368.11 | (\$1,009.50) | (0.3)% | 100.00% |

Unmetered Scattered Load

| | | | |
|--------------------|----------------|-------------|---------------------------|
| Consumption | 250 kWh | 0 kW | Loss Factor 1.0339 |
|--------------------|----------------|-------------|---------------------------|

| | 2007 BILL | | | 2008 BILL | | | IMPACT | | |
|--|-----------|-----------|-----------------|-----------|-----------|-----------------|---------------|-------------|-----------------|
| | Volume | RATE \$ | CHARGE \$ | Volume | RATE \$ | CHARGE \$ | \$ | % | % of Total Bill |
| Energy First Tier (kWh) | 258 | \$ 0.0530 | \$ 13.70 | 258 | \$ 0.0530 | \$ 13.70 | \$0.00 | 0.0% | 41.57% |
| Energy Second Tier (kWh) | 0 | \$ 0.0620 | \$ - | 0 | \$ 0.0620 | \$ - | \$0.00 | 0.0% | 0.00% |
| Sub-Total: Energy | | | \$ 13.70 | | | \$ 13.70 | \$0.00 | 0.0% | 41.57% |
| Monthly Service Charge | 1 | \$ 7.85 | \$ 7.85 | 1 | \$ 7.89 | \$ 7.89 | \$0.04 | 0.5% | 23.94% |
| Distribution (kWh) | 250 | \$ 0.0144 | \$ 3.60 | 250 | \$ 0.0145 | \$ 3.63 | \$0.02 | 0.7% | 11.00% |
| Distribution (kW) | 0 | \$ - | \$ - | 0 | \$ - | \$ - | \$0.00 | 0.0% | 0.00% |
| Regulatory Assets (kWh) | 250 | \$ 0.0002 | \$ 0.05 | 250 | \$ - | \$ - | (\$0.05) | (100.0)% | 0.00% |
| Rate Riders | 250 | \$ - | \$ - | 250 | \$ - | \$ - | \$0.00 | 0.0% | 0.00% |
| Monthly Rate Rider Adjustment (Sheet 9) | N/A | N/A | N/A | 1 | \$ - | \$ - | \$0.00 | 0.0% | 0.00% |
| Volumetric Rate Rider Adjustment (Sheet 9) | N/A | N/A | N/A | 250 | \$ - | \$ - | \$0.00 | 0.0% | 0.00% |
| Retail Transmission Rate – Network Service Rate | 258 | \$ 0.0048 | \$ 1.24 | 258 | \$ 0.0048 | \$ 1.24 | \$0.00 | 0.0% | 3.76% |
| Retail Transmission Rate – Line and Transformation Connection Service Rate | 258 | \$ 0.0040 | \$ 1.03 | 258 | \$ 0.0040 | \$ 1.03 | \$0.00 | 0.0% | 3.14% |
| Sub-Total: Delivery | | | \$ 13.77 | | | \$ 13.79 | \$0.01 | 0.1% | 41.84% |
| Wholesale Market Service Rate | 258 | \$ 0.0052 | \$ 1.34 | 258 | \$ 0.0052 | \$ 1.34 | \$0.00 | 0.0% | 4.08% |
| Rural Rate Protection Charge | 258 | \$ 0.0010 | \$ 0.26 | 258 | \$ 0.0010 | \$ 0.26 | \$0.00 | 0.0% | 0.78% |
| Regulated Price Plan – Administration Charge | 1 | \$ 0.2500 | \$ 0.25 | 1 | \$ 0.2500 | \$ 0.25 | \$0.00 | 0.0% | 0.76% |
| Sub-Total: Regulatory | | | \$ 1.85 | | | \$ 1.85 | \$0.00 | 0.0% | 5.62% |
| Debt Retirement Charge (DRC) | 250 | \$ 0.0070 | \$ 1.75 | 250 | \$ 0.0070 | \$ 1.75 | \$0.00 | 0.0% | 5.31% |
| Total Bill before Taxes | | | \$ 31.08 | | | \$ 31.09 | \$0.02 | 0.0% | 94.34% |
| GST | \$ 31.08 | 6.00% | \$ 1.86 | \$ 31.09 | 6.00% | \$ 1.87 | \$0.00 | 0.0% | 5.66% |
| Total Bill after Taxes | | | \$ 32.94 | | | \$ 32.96 | \$0.02 | 0.0% | 100.00% |



2008 INCENTIVE RATE MECHANISM ADJUSTMENT MODEL

St. Thomas Energy Inc.

EB-2007-XXXX, EB-2007-0577, EB-2005-0416

October 29, 2007

Sheet 12 - Annualized Bill Impact

Instructions

(Remember, green cells are input cells)

1. Enter your desired consumption in both kWh and kW (if needed) into the green cells beneath the class name.
2. The Debt Retirement Charge (DRC) has been set at \$0.07. The figure can be overwritten if your LDC bills a different amount for the DRC.

Sentinel Lighting

| | | | |
|--------------------|----------------|-------------|---------------------------|
| Consumption | 173 kWh | 0 kW | Loss Factor 1.0339 |
|--------------------|----------------|-------------|---------------------------|

| | 2007 BILL | | | 2008 BILL | | | IMPACT | | |
|--|-----------|-----------|-----------------|-----------|-----------|-----------------|-----------------|----------------|-----------------|
| | Volume | RATE \$ | CHARGE \$ | Volume | RATE \$ | CHARGE \$ | \$ | % | % of Total Bill |
| Energy First Tier (kWh) | 179 | \$ 0.0530 | \$ 9.48 | 179 | \$ 0.0530 | \$ 9.48 | \$0.00 | 0.0% | 51.85% |
| Energy Second Tier (kWh) | 0 | \$ 0.0620 | \$ - | 0 | \$ 0.0620 | \$ - | \$0.00 | 0.0% | 0.00% |
| Sub-Total: Energy | | | \$ 9.48 | | | \$ 9.48 | \$0.00 | 0.0% | 51.85% |
| Monthly Service Charge | 1 | \$ 1.32 | \$ 1.32 | 1 | \$ 1.33 | \$ 1.33 | \$0.01 | 0.8% | 7.27% |
| Distribution (kWh) | 173 | \$ - | \$ - | 173 | \$ - | \$ - | \$0.00 | 0.0% | 0.00% |
| Distribution (kW) | 0 | \$ 5.1868 | \$ 2.49 | 0 | \$ 5.2127 | \$ 2.50 | \$0.01 | 0.5% | 13.69% |
| Regulatory Assets (kWh) | 0 | \$ 5.4035 | \$ 2.59 | 0 | \$ - | \$ - | (\$2.59) | (100.0)% | 0.00% |
| Rate Riders | 0 | \$ - | \$ - | 0 | \$ - | \$ - | \$0.00 | 0.0% | 0.00% |
| Monthly Rate Rider Adjustment (Sheet 9) | N/A | N/A | N/A | 1 | \$ - | \$ - | \$0.00 | 0.0% | 0.00% |
| Volumetric Rate Rider Adjustment (Sheet 9) | N/A | N/A | N/A | 0 | \$ - | \$ - | \$0.00 | 0.0% | 0.00% |
| Retail Transmission Rate – Network Service Rate | 0 | \$ 1.4898 | \$ 0.74 | 0 | \$ 1.4898 | \$ 0.74 | \$0.00 | 0.0% | 4.04% |
| Retail Transmission Rate – Line and Transformation Connection Service Rate | 0 | \$ 1.2622 | \$ 0.63 | 0 | \$ 1.2622 | \$ 0.63 | \$0.00 | 0.0% | 3.43% |
| Sub-Total: Delivery | | | \$ 7.77 | | | \$ 5.20 | (\$2.57) | (33.1)% | 28.43% |
| Wholesale Market Service Rate | 179 | \$ 0.0052 | \$ 0.93 | 179 | \$ 0.0052 | \$ 0.93 | \$0.00 | 0.0% | 5.09% |
| Rural Rate Protection Charge | 179 | \$ 0.0010 | \$ 0.18 | 179 | \$ 0.0010 | \$ 0.18 | \$0.00 | 0.0% | 0.98% |
| Regulated Price Plan – Administration Charge | 1 | \$ 0.2500 | \$ 0.25 | 1 | \$ 0.2500 | \$ 0.25 | \$0.00 | 0.0% | 1.37% |
| Sub-Total: Regulatory | | | \$ 1.36 | | | \$ 1.36 | \$0.00 | 0.0% | 7.43% |
| Debt Retirement Charge (DRC) | 173 | \$ 0.0070 | \$ 1.21 | 173 | \$ 0.0070 | \$ 1.21 | \$0.00 | 0.0% | 6.62% |
| Total Bill before Taxes | | | \$ 19.82 | | | \$ 17.25 | (\$2.57) | (13.0)% | 94.34% |
| GST | \$ 19.82 | 6.00% | \$ 1.19 | \$ 17.25 | 6.00% | \$ 1.03 | (\$0.15) | (13.0)% | 5.66% |
| Total Bill after Taxes | | | \$ 21.01 | | | \$ 18.28 | (\$2.73) | (13.0)% | 100.00% |

Street Lighting

| | | | |
|--------------------|--------------------|---------------|---------------------------|
| Consumption | 215,000 kWh | 700 kW | Loss Factor 1.0339 |
|--------------------|--------------------|---------------|---------------------------|

| | 2007 BILL | | | 2008 BILL | | | IMPACT | | |
|--|--------------|-----------|---------------------|--------------|-----------|---------------------|-----------------|--------------|-----------------|
| | Volume | RATE \$ | CHARGE \$ | Volume | RATE \$ | CHARGE \$ | \$ | % | % of Total Bill |
| Energy First Tier (kWh) | 750 | \$ 0.0530 | \$ 39.75 | 750 | \$ 0.0530 | \$ 39.75 | \$0.00 | 0.0% | 0.20% |
| Energy Second Tier (kWh) | 221,539 | \$ 0.0620 | \$ 13,735.39 | 221,539 | \$ 0.0620 | \$ 13,735.39 | \$0.00 | 0.0% | 68.87% |
| Sub-Total: Energy | | | \$ 13,775.14 | | | \$ 13,775.14 | \$0.00 | 0.0% | 69.07% |
| Monthly Service Charge | 1 | \$ 0.04 | \$ 0.04 | 1 | \$ 0.04 | \$ 0.04 | \$0.00 | 0.0% | 0.00% |
| Distribution (kWh) | 215,000 | \$ - | \$ - | 215,000 | \$ - | \$ - | \$0.00 | 0.0% | 0.00% |
| Distribution (kW) | 700 | \$ 0.2686 | \$ 188.02 | 700 | \$ 0.2699 | \$ 188.93 | \$0.91 | 0.5% | 0.95% |
| Regulatory Assets (kWh) | 700 | \$ 0.3520 | \$ 246.40 | 700 | \$ - | \$ - | \$246.40 | (100.0)% | 0.00% |
| Rate Riders | 700 | \$ - | \$ - | 700 | \$ - | \$ - | \$0.00 | 0.0% | 0.00% |
| Monthly Rate Rider Adjustment (Sheet 9) | N/A | N/A | N/A | 1 | \$ - | \$ - | \$0.00 | 0.0% | 0.00% |
| Volumetric Rate Rider Adjustment (Sheet 9) | N/A | N/A | N/A | 700 | \$ - | \$ - | \$0.00 | 0.0% | 0.00% |
| Retail Transmission Rate – Network Service Rate | 724 | \$ 1.4823 | \$ 1,072.78 | 724 | \$ 1.4823 | \$ 1,072.78 | \$0.00 | 0.0% | 5.38% |
| Retail Transmission Rate – Line and Transformation Connection Service Rate | 724 | \$ 1.2363 | \$ 894.75 | 724 | \$ 1.2363 | \$ 894.75 | \$0.00 | 0.0% | 4.49% |
| Sub-Total: Delivery | | | \$ 1,909.19 | | | \$ 2,156.50 | \$247.31 | 13.0% | 10.81% |
| Wholesale Market Service Rate | 222289 | \$ 0.0052 | \$ 1,155.90 | 222289 | \$ 0.0052 | \$ 1,155.90 | \$0.00 | 0.0% | 5.80% |
| Rural Rate Protection Charge | 222289 | \$ 0.0010 | \$ 222.29 | 222289 | \$ 0.0010 | \$ 222.29 | \$0.00 | 0.0% | 1.11% |
| Regulated Price Plan – Administration Charge | 1 | \$ 0.2500 | \$ 0.25 | 1 | \$ 0.2500 | \$ 0.25 | \$0.00 | 0.0% | 0.00% |
| Sub-Total: Regulatory | | | \$ 1,378.44 | | | \$ 1,378.44 | \$0.00 | 0.0% | 6.91% |
| Debt Retirement Charge (DRC) | 215,000 | \$ 0.0070 | \$ 1,505.00 | 215,000 | \$ 0.0070 | \$ 1,505.00 | \$0.00 | 0.0% | 7.55% |
| Total Bill before Taxes | | | \$ 18,567.77 | | | \$ 18,815.08 | \$247.31 | 1.3% | 94.34% |
| GST | \$ 18,567.77 | 6.00% | \$ 1,114.07 | \$ 18,815.08 | 6.00% | \$ 1,128.90 | \$14.84 | 1.3% | 5.66% |
| Total Bill after Taxes | | | \$ 19,681.83 | | | \$ 19,943.98 | \$262.15 | 1.3% | 100.00% |



2008 INCENTIVE RATE MECHANISM ADJUSTMENT MODEL

St. Thomas Energy Inc.

EB-2007-XXXX, EB-2007-0577, EB-2005-0416

October 29, 2007

Sheet 13 - Bill Impacts by Consumption

Click on the Calculate" button to determine a series of bill impacts for each class at different consumption levels.

Please note that the values input into columns C (kWh) and D (kW) below are filler only and may or may not reflect the true consumption nature of the associated rate class. It is the applicant's responsibility to ensure realistic value ranges are entered into the Columns C & D.

| Class | Consumption kWh | Consumption kW | 2007 Bill | 2008 Bill | Difference \$ | Bill Impact % | Max | Min |
|---------------------------------|-----------------|----------------|---------------|---------------|---------------|---------------|-------|-------|
| Residential | 100 | | \$ 22.37 | \$ 22.34 | -\$ 0.03 | -0.1% | -0.1% | -0.8% |
| | 250 | | \$ 37.50 | \$ 37.32 | -\$ 0.17 | -0.5% | | |
| | 500 | | \$ 62.71 | \$ 62.30 | -\$ 0.41 | -0.7% | | |
| | 600 | | \$ 72.99 | \$ 72.48 | -\$ 0.51 | -0.7% | | |
| | 750 | | \$ 89.59 | \$ 88.94 | -\$ 0.65 | -0.7% | | |
| | 1,000 | | \$ 117.27 | \$ 116.38 | -\$ 0.89 | -0.8% | | |
| | 1,500 | | \$ 172.63 | \$ 171.26 | -\$ 1.37 | -0.8% | | |
| General Service Less Than 50 kW | 750 | | \$ 90.81 | \$ 90.50 | -\$ 0.31 | -0.3% | -0.3% | -0.5% |
| | 1,000 | | \$ 117.73 | \$ 117.29 | -\$ 0.45 | -0.4% | | |
| | 1,500 | | \$ 171.59 | \$ 170.88 | -\$ 0.71 | -0.4% | | |
| | 2,000 | | \$ 225.44 | \$ 224.47 | -\$ 0.98 | -0.4% | | |
| | 2,500 | | \$ 279.29 | \$ 278.05 | -\$ 1.24 | -0.4% | | |
| | 3,000 | | \$ 333.15 | \$ 331.64 | -\$ 1.51 | -0.5% | | |
| | 3,500 | | \$ 387.00 | \$ 385.23 | -\$ 1.77 | -0.5% | | |
| General Service 50 to 4,999 kW | 25,000 | 80 | \$ 2,695.79 | \$ 2,694.18 | -\$ 1.61 | -0.1% | 0.0% | -0.1% |
| | 40,000 | 90 | \$ 3,999.49 | \$ 3,997.63 | -\$ 1.86 | 0.0% | | |
| | 45,000 | 100 | \$ 4,481.56 | \$ 4,479.45 | -\$ 2.11 | 0.0% | | |
| | 50,000 | 110 | \$ 4,963.63 | \$ 4,961.27 | -\$ 2.36 | 0.0% | | |
| | 450,000 | 700 | \$ 42,032.92 | \$ 42,015.80 | -\$ 17.12 | 0.0% | | |
| | 475,000 | 750 | \$ 44,443.28 | \$ 44,424.91 | -\$ 18.37 | 0.0% | | |
| | 500,000 | 800 | \$ 46,853.64 | \$ 46,834.02 | -\$ 19.62 | 0.0% | | |
| Large Use | 3,200,000 | 4,600 | \$ 284,500.54 | \$ 283,808.47 | -\$ 692.07 | -0.2% | -0.2% | -0.4% |
| | 3,300,000 | 4,900 | \$ 294,238.64 | \$ 293,501.22 | -\$ 737.42 | -0.3% | | |
| | 3,100,000 | 5,000 | \$ 278,649.05 | \$ 277,896.52 | -\$ 752.53 | -0.3% | | |
| | 3,000,000 | 5,800 | \$ 275,018.49 | \$ 274,145.03 | -\$ 873.46 | -0.3% | | |
| | 2,700,000 | 6,000 | \$ 251,911.73 | \$ 251,008.04 | -\$ 903.69 | -0.4% | | |
| | 2,800,000 | 6,300 | \$ 261,649.83 | \$ 260,700.79 | -\$ 949.04 | -0.4% | | |
| | 3,500,000 | 6,700 | \$ 320,377.61 | \$ 319,368.11 | -\$ 1,009.50 | -0.3% | | |
| | | | | | | | | |
| Unmetered Scattered Load | 100 | | \$ 18.33 | \$ 18.36 | \$ 0.03 | 0.2% | 0.2% | -0.1% |
| | 250 | | \$ 32.94 | \$ 32.96 | \$ 0.02 | 0.0% | | |
| | 500 | | \$ 57.30 | \$ 57.29 | -\$ 0.01 | 0.0% | | |
| | 600 | | \$ 67.04 | \$ 67.02 | -\$ 0.02 | 0.0% | | |
| | 750 | | \$ 81.89 | \$ 81.86 | -\$ 0.04 | 0.0% | | |
| | 1,000 | | \$ 108.71 | \$ 108.65 | -\$ 0.06 | -0.1% | | |
| | 1,500 | | \$ 162.36 | \$ 162.24 | -\$ 0.12 | -0.1% | | |



2008 INCENTIVE RATE MECHANISM ADJUSTMENT MODEL

St. Thomas Energy Inc.

EB-2007-XXXX, EB-2007-0577, EB-2005-0416

October 29, 2007

Sheet 13 - Bill Impacts by Consumption

Click on the Calculate" button to determine a series of bill impacts for each class at different consumption levels.

Please note that the values input into columns C (kWh) and D (kW) below are filler only and may or may not reflect the true consumption nature of the associated rate class. It is the applicant's responsibility to ensure realistic value ranges are entered into the Columns C & D.

| Class | Consumption kWh | Consumption kW | 2007 Bill | 2008 Bill | Difference \$ | Bill Impact % | Max | Min |
|-------------------|-----------------|----------------|--------------|--------------|---------------|---------------|-------|--------|
| Sentinel Lighting | 35 | 0 | \$ 5.58 | \$ 5.03 | -\$ 0.54 | -9.7% | -9.7% | -13.0% |
| | 48 | 0 | \$ 7.03 | \$ 6.28 | -\$ 0.75 | -10.6% | | |
| | 58 | 0 | \$ 8.14 | \$ 7.23 | -\$ 0.90 | -11.1% | | |
| | 69 | 0 | \$ 9.36 | \$ 8.29 | -\$ 1.07 | -11.5% | | |
| | 76 | 0 | \$ 10.15 | \$ 8.96 | -\$ 1.19 | -11.7% | | |
| | 108 | 0 | \$ 13.75 | \$ 12.05 | -\$ 1.70 | -12.4% | | |
| | 173 | 0 | \$ 21.01 | \$ 18.28 | -\$ 2.73 | -13.0% | | |
| Street Lighting | 1,700 | 5 | \$ 147.28 | \$ 149.16 | \$ 1.87 | 1.3% | 1.5% | 1.3% |
| | 1,600 | 5 | \$ 139.07 | \$ 140.94 | \$ 1.87 | 1.3% | | |
| | 1,500 | 5 | \$ 130.85 | \$ 132.72 | \$ 1.87 | 1.4% | | |
| | 1,400 | 5 | \$ 122.64 | \$ 124.51 | \$ 1.87 | 1.5% | | |
| | 185,000 | 600 | \$ 16,927.85 | \$ 17,152.55 | \$ 224.70 | 1.3% | | |
| | 200,000 | 650 | \$ 18,304.84 | \$ 18,548.27 | \$ 243.42 | 1.3% | | |
| | 215,000 | 700 | \$ 19,681.83 | \$ 19,943.98 | \$ 262.15 | 1.3% | | |