

October 31, 2007

Ontario Energy Board
2300 Yonge Street, 26th Floor
Toronto ON M4P 1E4

Attention: Kirsten Walli
Board Secretary

Dear Kirsten:

RE: Covering Letter - 2008 Rate Application for Festival Hydro Inc. ED 2002-0513 (EB-2007-XXXX)

Enclosed please find two paper copies of the rate application model (2008 IRM Model and Manager's Summary) for Festival Hydro Inc. and one electronic copy of the completed 2008 IRM model. Also enclosed is a separate model for new retail transmission rates, as directed by the OEB in its letter dated October 29, 2007.

Please contact Debbie Reece at 519-271-4703 x. 268 if you have any questions regarding the revised 2008 rate application.

Yours truly,
Festival Hydro Inc.

W. G. Zehr
President

October 31, 2007

Ontario Energy Board
2300 Yonge Street, 26th Floor
Toronto ON M4P 1E4

Attention: Kirsten Walli
Board Secretary

Dear Kirsten:

**RE: Manager's Summary – 2007 Rate Application for Festival Hydro Inc. ED
2002-0513 (EB-2007-XXXX)**

Manager's Summary

The 2008 IRM rate model has been completed according to the instructions outlined in "Filing Requirements for 2008 Incentive Regulation Mechanism Distribution Rate Adjustment" issued by the Board on September 28, 2007. In addition, we are submitting a request for revised transmission network and connection rates, as recommended in a letter from the dated October 29, 2007 Re: Ontario Uniform Transmission Rate Order, EB -2007-0759, effect on distribution retail transmission rates.

A. 2007 IRM Model for Festival Hydro Inc.

The following details the approach followed by Festival Hydro in completing the 2008 IRM model. We have presented our comments on a Sheet by Sheet basis.

1. LDC Information Sheet

The LDC information has been completed according to the instructions.

2. 2007 Rate Classes

The rate classes are taken from the Tariff of Rates and Charges (effective May 1, 2007) which was issued by the OEB as part of its Rate Decision and Order dated April 14, 2007. There are no changes from the 2007 rate classes.

3. 2007 Tariff Sheet

The rates are taken from the Tariff of Rates and Charges (effective May 1, 2007) which was issued by the OEB as part of its Rate Decision and Order dated April 14, 2007.

4. 2007 Smart Meter Information

The smart meter rate adder has been taken from Festival Hydro's 2007 OEB final approved IRM Model.

5. Rate Adders

Festival Hydro did not receive incremental CDM funding in 2007.

6. K- Factor

The spreadsheet had been calculated using information from the 2006 EDR model.

7. Dx -IRM Adjustment

The Price Cap Adjustment has been automatically calculated by the model using data from the 2006 EDR model.

8. Add Back of Smart Meter Amount

The spreadsheet had been calculated automatically based on inputs.

9. Rate Rider Adjustment

Festival Hydro is not applying for any Z factor rate rider adjustments.

10. 2008 Tariff Schedule

The tariff sheets have been automatically calculated based on earlier inputs.

11. Rate Change Summary

The rate change summary has been automatically calculated based on earlier inputs.

12. Bill Impact – May 07 to May 08

These spreadsheets have been calculated automatically based on inputs. Changes were made to the kWh and KW quantities to better reflect Festival Hydro's customer base.

All rate classes will experience a change of less than 1%, except for Sentinel lighting which decreases by around 5%. This decrease for sentinel lighting is due to the discontinuation of regulatory asset recovery.

13. Bill Impacts by Consumption

As noted on this spreadsheet, all rate classes will experience a less than 1% change, with the exception of sentinel lighting which will see an approximate 5% decrease.

B. Ontario Uniform Transmission Rate Order, EB -2007-0759, effect on distribution retail transmission rates

Festival Hydro is proposing a 14.7% decrease in retail transmission network rates and an 18.4% decrease in retail transmission connection rates. An excel spreadsheet with our detailed analysis and calculation of proposed rates is attached.

In order to determine the required adjustment, Festival Hydro completed a detailed analysis of the retail transmission rates charged to each customer class for the three past calendar years. This was compared to the amount paid to the IESO and Hydro One for the same time period (2004 to 2006). The analysis confirms that the existing rates charged to customers are too high for both charges. The overcharge in network rates has been 3.49%, 3.07% and 2.89%, respectively, for the calendar years 2006, 2005 and 2004. The overcharge in connection rates has been much higher at 10.91%, 9.13% and 11.02% for the calendar years 2006, 2005 and 2004, respectively. Ever since market opening in 2002, both RSVA accounts have been in an over-collected position.

In order to determine the amount of the required rate reduction, Festival Hydro based on the same three year period calculated an average of the annual dollars charged by the IESO/Hydro One. This amount represents what we feel would be a “normal” amount of charges we expect to be assessed by the IESO/Hydro One at the three year average volumes. From this normalized amount, we then have reduced the total charge by 12%, as suggested in the Board’s letter of October 29, 2007. This provides us with the amount which will be needed to be recovered from customers on a go forward basis. To get the proportionate share for each rate class, the total charge was allocated back to each rate class based on the total charges paid by each rate class (kWh and kW.)

The table on the next page (Appendix) shows the new rates versus the old rates, the reduction in the rate and the associated percentage reduction.

All customer classes are positively impacted by the change. For example, for a 1,000 kWh residential customer, there will be a \$1.75 or 1.5% reduction from their total current bill. I attempted to update the Sheet 10 2008 Tariff Schedule tariff sheet for the new rates but the cells are protected.

If you have any questions regarding the 2008 IRM model or the proposed retail transmission rates please contact Debbie Reece at 519-271-4703 x.268 or at dreece@festivalhydro.com

Yours truly,
Festival Hydro Inc.

W. G. Zehr
President

**Manager's Summary - Appendix A
Festival Hydro Inc. (EB-2007-XXXX)
Proposed Retail Transmission Rates
For May 1, 2008**

Network Rate Sheet	Existing Network Rate(kWh billed)	Existing Network Rate(kW billed)	Proposed Network Rate(kWh billed)	Proposed Network Rate (kW billed)	Reduction in rate	Percentage Reduction
Residential	0.0057		0.0049		0.0008	14.7%
Residential - Hensall	0.0057		0.0049		0.0008	14.7%
G.S. < 50 kW	0.0052		0.0044		0.0008	14.7%
G.S. 50 kW to 4999 kW		2.1218		1.8102	0.3116	14.7%
G.S. 50 kW to 4999 kW (interval Metered)		2.2535		1.9225	0.3310	14.7%
Larger Use		2.4952		2.1287	0.3665	14.7%
Unmetered Scattered Load	0.0052		0.0044		0.0008	14.7%
Sentinel Lighting		1.6083		1.3721	0.2362	14.7%
Street Lighting		1.6002		1.3652	0.2350	14.7%

Connection Rate Sheet	Existing Connection Rate (kWh billed)	Existing Connection Rate (kW billed)	Proposed Connection Rate (kWh billed)	Proposed Connection Rate (kW billed)	Reduction in rate	Percentage Reduction
Residential	0.0050		0.0041		0.0009	18.4%
Residential - Hensall	0.0050		0.0041		0.0009	18.4%
G.S. < 50 kW	0.0045		0.0037		0.0008	18.4%
G.S. 50 kW to 4999 kW		1.7882		1.4584	0.3298	18.4%
G.S. 50 kW to 4999 kW (interval Metered)		1.9603		1.5988	0.3615	18.4%
Larger Use		2.2417		1.8283	0.4134	18.4%
Unmetered Scattered Load	0.0045		0.0037		0.0008	18.4%
Sentinel Lighting		1.4113		1.1510	0.2603	18.4%
Street Lighting		1.3824		1.1274	0.2550	18.4%



Ontario Energy Board

2008 INCENTIVE RATE MECHANISM ADJUSTMENT

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:	Festival Hydro Inc.		
Licence Number:	ED-2002-0513		
IRM 2008 EB Number: (if known)	EB-2007-XXXX		
IRM 2007 EB Number:	EB-2007-0527		
EDR 2006 RP Number:	RP-2005-0020	EDR 2006 EB Number:	EB-2005-0364
Date of Submission:	10/31/07	Last Saved Date:	10/31/07 4:00 PM
Model Version:	2.0		
Contact Information			
Name:	Debbie Reece		
Title:	Secretary Treasurer		
Phone Number:	519-271-4703 x.268		
E-Mail Address:	dreece@festivalhydro.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

Also included with the model is an application to revise the retail transmission rates.

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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

Festival Hydro Inc.

EB-2007-XXXX, EB-2007-0527, EB-2005-0364

Wednesday, October 31, 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	Residential - Hensall	Yes
3	General Service Less Than 50 kW	Yes
4	General Service 50 to 4,999 kW	Yes
5	Large Use	Yes
6	Unmetered Scattered Load	Yes
7	Sentinel Lighting	Yes
8	Street Lighting	Yes
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

Festival Hydro Inc.

EB-2007-XXXX, EB-2007-0527, EB-2005-0364

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



2008 INCENTIVE RATE MECHANISM ADJUSTMENT MODEL

Festival Hydro Inc.

EB-2007-XXXX, EB-2007-0527, EB-2005-0364

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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	\$	14.43	
Distribution Volumetric Rate	\$/kWh	0.0159	
Rate Rider 1 (if applicable)			
Rate Rider 2 (if applicable)			
Regulatory Asset Recovery	\$/kWh	0.0007	No
Retail Transmission Rate – Network Service Rate	\$/kWh	0.0057	
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kWh	0.0050	
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	



2008 INCENTIVE RATE MECHANISM ADJUSTMENT MODEL

Festival Hydro Inc.

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

Residential - Hensall

Service Charge	\$	9.34	
Distribution Volumetric Rate	\$/kWh	0.0100	
Rate Rider 1 (if applicable)			
Rate Rider 2 (if applicable)			
Regulatory Asset Recovery	\$/kWh	0.0007	No
Retail Transmission Rate – Network Service Rate	\$/kWh	0.0057	
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kWh	0.0050	
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	\$	28.53	
Distribution Volumetric Rate	\$/kWh	0.0143	
Rate Rider 1 (if applicable)			
Rate Rider 2 (if applicable)			
Regulatory Asset Recovery	\$/kWh	(0.0003)	No
Retail Transmission Rate – Network Service Rate	\$/kWh	0.0052	
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 50 to 4,999 kW

Service Charge	\$	211.22	
Distribution Volumetric Rate	\$/kW	2.2732	
Rate Rider 1 (if applicable)			
Rate Rider 2 (if applicable)			
Regulatory Asset Recovery	\$/kW	(0.2085)	No
Retail Transmission Rate – Network Service Rate	\$/kW	2.1218	
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kW	1.7882	
Retail Transmission Rate – Network Service Rate - Interval Metered	\$/kW	2.2535	
Retail Transmission Rate – Line and Transformation Connection Service Rate - Interval Metered	\$/kW	1.9603	
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	\$	10,506.81	
Distribution Volumetric Rate	\$/kW	1.0993	
Rate Rider 1 (if applicable)			
Rate Rider 2 (if applicable)			
Regulatory Asset Recovery	\$/kWh	(0.0580)	No
Retail Transmission Rate – Network Service Rate - Interval Metered	\$/kW	2.4952	
Retail Transmission Rate – Line and Transformation Connection Service Rate - Interval Metered	\$/kW	2.2417	
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

Festival Hydro Inc.

EB-2007-XXXX, EB-2007-0527, EB-2005-0364

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

Unmetered Scattered Load

Service Charge	\$	14.14	
Distribution Volumetric Rate	\$/kWh	0.0143	
Rate Rider 1 (if applicable)			
Rate Rider 2 (if applicable)			
Regulatory Asset Recovery	\$/kWh	(0.0005)	No
Retail Transmission Rate – Network Service Rate	\$/kWh	0.0052	
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	

Sentinel Lighting

Service Charge (per connection)	\$	0.80	
Distribution Volumetric Rate	\$/kW	4.2164	
Rate Rider 1 (if applicable)			
Rate Rider 2 (if applicable)			
Regulatory Asset Recovery	\$/kW	1.9871	No
Retail Transmission Rate – Network Service Rate	\$/kW	1.6083	
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kW	1.4113	
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 (per connection)	\$	0.45	
Distribution Volumetric Rate	\$/kW	2.1097	
Rate Rider 1 (if applicable)			
Rate Rider 2 (if applicable)			
Regulatory Asset Recovery	\$/kW	(0.1200)	No
Retail Transmission Rate – Network Service Rate	\$/kW	1.6002	
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kW	1.3824	
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

Festival Hydro Inc.

EB-2007-XXXX, EB-2007-0527, EB-2005-0364

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



2008 INCENTIVE RATE MECHANISM ADJUSTMENT MODEL

Festival Hydro Inc.

EB-2007-XXXX, EB-2007-0527, EB-2005-0364

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

Ontario



2008 INCENTIVE RATE MECHANISM ADJUSTMENT

Festival Hydro Inc.

EB-2007-XXXX, EB-2007-0527, EB-2005-0364

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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

	2007 IRM	2008 IRM
Residential	\$ 0.26	
Residential - Hensall	\$ 0.26	
General Service Less Than 50 kW	\$ 0.26	
General Service 50 to 4,999 kW	\$ 0.26	
Large Use	\$ 0.26	



2008 INCENTIVE RATE MECHANISM ADJUSTMENT MODEL

Festival Hydro Inc.

EB-2007-XXXX, EB-2007-0527, EB-2005-0364

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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>	\$ 14.43	\$ 0.0159	\$ 0.26	\$ 0.26	\$ 14.17	\$ 0.0159	\$/kWh
<i>Residential - Hensall</i>	\$ 9.34	\$ 0.0100	\$ 0.26	\$ 0.26	\$ 9.08	\$ 0.0100	\$/kWh
<i>General Service Less Than 50 kW</i>	\$ 28.53	\$ 0.0143	\$ 0.26	\$ 0.26	\$ 28.27	\$ 0.0143	\$/kWh
<i>General Service 50 to 4,999 kW</i>	\$ 211.22	\$ 2.2732	\$ 0.26	\$ 0.26	\$ 210.96	\$ 2.2732	\$/kW
<i>Large Use</i>	\$ 10,506.81	\$ 1.0993	\$ 0.26	\$ 0.26	\$ 10,506.55	\$ 1.0993	\$/kW
<i>Unmetered Scattered Load</i>	\$ 14.14	\$ 0.0143	\$ -	\$ -	\$ 14.14	\$ 0.0143	\$/kWh
<i>Sentinel Lighting</i>	\$ 0.80	\$ 4.2164	\$ -	\$ -	\$ 0.80	\$ 4.2164	\$/kW
<i>Street Lighting</i>	\$ 0.45	\$ 2.1097	\$ -	\$ -	\$ 0.45	\$ 2.1097	\$/kW



2008 INCENTIVE RATE MECHANISM ADJUSTMENT MODEL

Festival Hydro Inc.

EB-2007-XXXX, EB-2007-0527, EB-2005-0364

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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	\$ 34,999,828	(Board Approved 2006 EDR Model, Sheet 3-1, Cell F21)
Size of Utility	D	Small	

Deemed Capital Structure

	Debt	Equity	
Current	E1 50.0%	50.0%	E2 Based on C, copies the deemed D/E from row "2007" of the table
2008	F1 53.3%	46.7%	F2 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	\$ 2,843,736.03	= C X G / 100
2008	J	\$ 2,823,523.62	= C X H / 100

Distribution Expenses and Revenue Requirement (before PILs)

Distribution Expenses (other than PILs)	K	\$ 5,438,303	(Board Approved 2006 EDR Model, Sheet 4-1, Cell F15)
Base Revenue Requirement	L	\$ 9,013,847	(Board Approved 2006 EDR Model, Sheet 5-5, Cell F27)
Transformer Allowance Credit	M	\$ 446,944	(Board Approved 2006 EDR Model, Sheet 6-3, Cell "Total" in Row R120)

Revenue Requirement (before PILs)

Current	N	\$ 8,282,039.03	= I + K
2008	O	\$ 8,261,826.62	= J + K

Target Net Income (EBIT)

Current	\$ 1,574,992.26	P1 = I - P2
2008	\$ 1,471,042.77	Q1 = J - Q2

Interest Expense

Current	\$ 1,268,743.77	P2 = C X (B X E1 / 100)
2008	\$ 1,352,480.85	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%)	\$	87,022	T (Board Approved 2006 PILs Model, Sheet "Test Year PILs, Tax Provision", Cell D30)
PILs Allowance	\$	1,339,573	U (Board Approved 2006 PILs Model, Sheet "Test Year PILs, Tax Provision", Cell D33)
Taxable Income	Current	\$ 2,222,272	AC (Board Approved 2006 PILs Model, Sheet "Test Year PILs, Tax Provision", Cell D11)
	2008	\$ 2,184,725	AD = AC + (Q1 - P1) * (R / 100)
Federal Tax (grossed up)	Current	\$ 1,256,551	V = AC * (R / 100) / (1 - R / 100) 1,343,573
	2008	\$ 1,235,321	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	\$ 9,625,611.82	X = N + V + T
2008	\$ 9,584,169.27	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	\$ 9,460,791.00	Z = L + M
2008	\$ 9,419,348.46	AA1 = Z + (Y - X)
Difference	\$ -41,442.54	AA2 = AA1 - Z
K-factor	-0.4%	AB = AA2 / Z



2008 INCENTIVE RATE MECHANISM ADJUSTMENT

Festival Hydro Inc.

EB-2007-XXXX, EB-2007-0527, EB-2005-0364

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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>	\$ 14.17	\$ 14.24	\$ 0.0159	\$ 0.0160
<i>Residential - Hensall</i>	\$ 9.08	\$ 9.13	\$ 0.0100	\$ 0.0101
<i>General Service Less Than 50 kW</i>	\$ 28.27	\$ 28.41	\$ 0.0143	\$ 0.0144
<i>General Service 50 to 4,999 kW</i>	\$ 210.96	\$ 212.01	\$ 2.2732	\$ 2.2846
<i>Large Use</i>	\$ 10,506.55	\$ 10,559.08	\$ 1.0993	\$ 1.1048
<i>Unmetered Scattered Load</i>	\$ 14.14	\$ 14.21	\$ 0.0143	\$ 0.0144
<i>Sentinel Lighting</i>	\$ 0.80	\$ 0.80	\$ 4.2164	\$ 4.2375
<i>Street Lighting</i>	\$ 0.45	\$ 0.45	\$ 2.1097	\$ 2.1202



2008 INCENTIVE RATE MECHANISM ADJUSTMENT

Festival Hydro Inc.

EB-2007-XXXX, EB-2007-0527, EB-2005-0364

Wednesday, October 31, 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>	\$ 14.24	\$ 0.26	\$ 14.50	0.0160
<i>Residential - Hensall</i>	\$ 9.13	\$ 0.26	\$ 9.39	0.0101
<i>General Service Less Than 50 kW</i>	\$ 28.41	\$ 0.26	\$ 28.67	0.0144
<i>General Service 50 to 4,999 kW</i>	\$ 212.01	\$ 0.26	\$ 212.27	2.2846
<i>Large Use</i>	\$ 10,559.08	\$ 0.26	\$ 10,559.34	1.1048
<i>Unmetered Scattered Load</i>	\$ 14.21	\$ -	\$ 14.21	0.0144
<i>Sentinel Lighting</i>	\$ 0.80	\$ -	\$ 0.80	4.2375
<i>Street Lighting</i>	\$ 0.45	\$ -	\$ 0.45	2.1202



2008 INCENTIVE RATE MECHANISM ADJUSTMENT

Festival Hydro Inc.

EB-2007-XXXX, EB-2007-0527, EB-2005-0364

Wednesday, October 31, 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	Monthly Service Charge Rate Rider \$	Volumetric Charge Rate Rider kW / kWh
<i>Residential</i>		
<i>Residential - Hensall</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>		

Festival Hydro 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-2007-0527

FOR OEB STAFF USE ONLY

MONTHLY RATES AND CHARGES

Residential

Service Charge	\$	14.50
Distribution Volumetric Rate	\$/kWh	0.0160
Retail Transmission Rate – Network Service Rate	\$/kWh	0.0057
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kWh	0.0050
Wholesale Market Service Rate	\$/kWh	0.0052
Rural Rate Protection Charge	\$/kWh	0.0010
Standard Supply Service – Administrative Charge (if applicable)	\$	0.25

Residential - Hensall

Service Charge	\$	9.39
Distribution Volumetric Rate	\$/kWh	0.0101
Retail Transmission Rate – Network Service Rate	\$/kWh	0.0057
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kWh	0.0050
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	\$	28.67
Distribution Volumetric Rate	\$/kWh	0.0144
Retail Transmission Rate – Network Service Rate	\$/kWh	0.0052
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 50 to 4,999 kW

Service Charge	\$	212.27
Distribution Volumetric Rate	\$/kW	2.2846
Retail Transmission Rate – Network Service Rate	\$/kW	2.1218
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kW	1.7882
Retail Transmission Rate – Network Service Rate - Interval Metered	\$/kW	2.2535
Retail Transmission Rate – Line and Transformation Connection Service Rate - Interval Metered	\$/kW	1.9603
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	\$	10,559.34
Distribution Volumetric Rate	\$/kW	1.1048
Retail Transmission Rate – Network Service Rate - Interval Metered	\$/kW	2.4952
Retail Transmission Rate – Line and Transformation Connection Service Rate - Interval Metered	\$/kW	2.2417
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	\$	14.21
Distribution Volumetric Rate	\$/kWh	0.0144
Retail Transmission Rate – Network Service Rate	\$/kWh	0.0052
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

Sentinel Lighting

Service Charge (per connection)	\$	0.80
Distribution Volumetric Rate	\$/kW	4.2375
Retail Transmission Rate – Network Service Rate	\$/kW	1.6083
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kW	1.4113
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 (per connection)	\$	0.45
Distribution Volumetric Rate	\$/kW	2.1202
Retail Transmission Rate – Network Service Rate	\$/kW	1.6002
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kW	1.3824
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
Income tax letter	\$	15.00
Credit reference/credit check (plus credit agency costs)	\$	15.00
Returned cheque charge (plus bank charges)	\$	15.00
Account set up charge/change of occupancy charge (plus credit agency costs if applicable)	\$	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
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



2008 INCENTIVE RATE MECHANISM ADJUSTMENT MODEL

Festival Hydro Inc.

EB-2007-XXXX, EB-2007-0527, EB-2005-0364

Wednesday, October 31, 2007

Sheet 11 - Distribution Rate Change Summary

Note: No inputs are required for this worksheet.

Residential

Data	Fixed (\$)	Volumetric \$ per kW / kWh
2007 Rates	\$ 14.43	\$ 0.0159
Less: Smart meters	-\$ 0.26	\$ -
Less: CDM	\$ -	\$ -
Add: GDP-IPI - X	\$ 0.13	\$ 0.0001
Add: K-Factor	\$ (0.06)	-\$ 0.0001
Add: Smart Meters	\$ 0.26	\$ -
Final 2008 Rates	\$ 14.50	\$ 0.0160

Residential - Hensall

Data	Fixed (\$)	Volumetric \$ per kW / kWh
2007 Rates	\$ 9.34	\$ 0.0100
Less: Smart meters	-\$ 0.26	\$ -
Less: CDM	\$ -	\$ -
Add: GDP-IPI - X	\$ 0.08	\$ 0.0001
Add: K-Factor	\$ (0.04)	-\$ 0.0000
Add: Smart Meters	\$ 0.26	\$ -
Final 2008 Rates	\$ 9.39	\$ 0.0101

General Service Less Than 50 kW

Data	Fixed (\$)	Volumetric \$ per kW / kWh
2007 Rates	\$ 28.53	\$ 0.0143
Less: Smart meters	-\$ 0.26	\$ -
Less: CDM	\$ -	\$ -
Add: GDP-IPI - X	\$ 0.25	\$ 0.0001
Add: K-Factor	\$ (0.11)	-\$ 0.0001
Add: Smart Meters	\$ 0.26	\$ -
Final 2008 Rates	\$ 28.67	\$ 0.0144

General Service 50 to 4,999 kW

Data	Fixed (\$)	Volumetric \$ per kW / kWh
2007 Rates	\$ 211.22	\$ 2.2732
Less: Smart meters	-\$ 0.26	\$ -
Less: CDM	\$ -	\$ -
Add: GDP-IPI - X	\$ 1.90	\$ 0.0205
Add: K-Factor	\$ (0.84)	-\$ 0.0091
Add: Smart Meters	\$ 0.26	\$ -
Final 2008 Rates	\$ 212.27	\$ 2.2846



2008 INCENTIVE RATE MECHANISM ADJUSTMENT MODEL

Festival Hydro Inc.

EB-2007-XXXX, EB-2007-0527, EB-2005-0364

Wednesday, October 31, 2007

Sheet 11 - Distribution Rate Change Summary

Large Use

Data	Fixed (\$)	Volumetric \$ per kW / kWh
2007 Rates	\$ 10,506.81	\$ 1.0993
Less: Smart meters	-\$ 0.26	\$ -
Less: CDM	\$ -	\$ -
Add: GDP-IPI - X	\$ 94.56	\$ 0.0099
Add: K-Factor	\$ (42.03)	-\$ 0.0044
Add: Smart Meters	\$ 0.26	\$ -
Final 2008 Rates	\$ 10,559.34	\$ 1.1048

Unmetered Scattered Load

Data	Fixed (\$)	Volumetric \$ per kW / kWh
2007 Rates	\$ 14.14	\$ 0.0143
Less: Smart meters	\$ -	\$ -
Less: CDM	\$ -	\$ -
Add: GDP-IPI - X	\$ 0.13	\$ 0.0001
Add: K-Factor	\$ (0.06)	-\$ 0.0001
Add: Smart Meters	\$ -	\$ -
Final 2008 Rates	\$ 14.21	\$ 0.0144

Sentinel Lighting

Data	Fixed (\$)	Volumetric \$ per kW / kWh
2007 Rates	\$ 0.80	\$ 4.2164
Less: Smart meters	\$ -	\$ -
Less: CDM	\$ -	\$ -
Add: GDP-IPI - X	\$ 0.01	\$ 0.0379
Add: K-Factor	\$ (0.00)	-\$ 0.0169
Add: Smart Meters	\$ -	\$ -
Final 2008 Rates	\$ 0.80	\$ 4.2375

Street Lighting

Data	Fixed (\$)	Volumetric \$ per kW / kWh
2007 Rates	\$ 0.45	\$ 2.1097
Less: Smart meters	\$ -	\$ -
Less: CDM	\$ -	\$ -
Add: GDP-IPI - X	\$ 0.00	\$ 0.0190
Add: K-Factor	\$ (0.00)	-\$ 0.0084
Add: Smart Meters	\$ -	\$ -
Final 2008 Rates	\$ 0.45	\$ 2.1202



2008 INCENTIVE RATE MECHANISM ADJUSTMENT MODEL

Festival Hydro Inc.

EB-2007-XXXX, EB-2007-0527, EB-2005-0364

Wednesday, October 31, 2007

Sheet 11 - Distribution Rate Change Summary





2008 INCENTIVE RATE MECHANISM ADJUSTMENT MODEL

Festival Hydro Inc.

EB-2007-XXXX, EB-2007-0527, EB-2005-0364

Wednesday, October 31, 2007

Sheet 11 - Distribution Rate Change Summary





2008 INCENTIVE RATE MECHANISM ADJUSTMENT MODEL

Festival Hydro Inc.
 EB-2007-XXXX, EB-2007-0527, EB-2005-0364
 Wednesday, October 31, 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	1,000 kWh	0 kW	Loss Factor 1.0281
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	2007 BILL			2008 BILL			IMPACT	
	Volume	RATE \$	CHARGE \$	Volume	RATE \$	CHARGE \$	\$	%
Energy First Tier (kWh)	600	\$ 0.0530	\$ 31.80	600	\$ 0.0530	\$ 31.80	\$0.00	0.0%
Energy Second Tier (kWh)	428	\$ 0.0620	\$ 26.54	428	\$ 0.0620	\$ 26.54	\$0.00	0.0%
Sub-Total: Energy			\$ 58.34			\$ 58.34	\$0.00	0.0%
Monthly Service Charge	1	\$ 14.43	\$ 14.43	1	\$ 14.50	\$ 14.50	\$0.07	0.5%
Distribution (kWh)	1,000	\$ 0.0159	\$ 15.90	1,000	\$ 0.0160	\$ 16.00	\$0.10	0.6%
Distribution (kW)	0	\$ -	\$ -	0	\$ -	\$ -	\$0.00	0.0%
Regulatory Assets (kWh)	1,000	\$ 0.0007	\$ 0.70	1,000	\$ -	\$ -	(\$0.70)	(100.0)%
Rate Riders	1,000	\$ -	\$ -	1,000	\$ -	\$ -	\$0.00	0.0%
Monthly Rate Rider Adjustment (Sheet 9)	N/A	N/A	N/A	1	\$ -	\$ -	\$0.00	0.0%
Volumetric Rate Rider Adjustment (Sheet 9)	N/A	N/A	N/A	1,000	\$ -	\$ -	\$0.00	0.0%
Retail Transmission Rate – Network Service Rate	1,028	\$ 0.0057	\$ 5.86	1,028	\$ 0.0057	\$ 5.86	\$0.00	0.0%
Retail Transmission Rate – Line and Transformation Connection Service Rate	1,028	\$ 0.0050	\$ 5.14	1,028	\$ 0.0050	\$ 5.14	\$0.00	0.0%
Sub-Total: Delivery			\$ 42.03			\$ 41.50	(\$0.53)	(1.3)%
Wholesale Market Service Rate	1028	\$ 0.0052	\$ 5.35	1028	\$ 0.0052	\$ 5.35	\$0.00	0.0%
Rural Rate Protection Charge	1028	\$ 0.0010	\$ 1.03	1028	\$ 0.0010	\$ 1.03	\$0.00	0.0%
Regulated Price Plan – Administration Charge	1	\$ 0.2500	\$ 0.25	1	\$ 0.2500	\$ 0.25	\$0.00	0.0%
Sub-Total: Regulatory			\$ 6.62			\$ 6.62	\$0.00	0.0%
Debt Retirement Charge (DRC)	1,000	\$ 0.0070	\$ 7.00	1,000	\$ 0.0070	\$ 7.00	\$0.00	0.0%
Total Bill before Taxes			\$ 114.00			\$ 113.47	(\$0.53)	(0.5)%
GST	\$ 114.00	6.00%	\$ 6.84	\$ 113.47	6.00%	\$ 6.81	(\$0.03)	(0.5)%
Total Bill after Taxes			\$ 120.84			\$ 120.28	(\$0.56)	(0.5)%

Residential - Hensall

Consumption	1,000 kWh	0 kW	Loss Factor 1.0281
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	2007 BILL			2008 BILL			IMPACT	
	Volume	RATE \$	CHARGE \$	Volume	RATE \$	CHARGE \$	\$	%
Energy First Tier (kWh)	600	\$ 0.0530	\$ 31.80	600	\$ 0.0530	\$ 31.80	\$0.00	0.0%
Energy Second Tier (kWh)	428	\$ 0.0620	\$ 26.54	428	\$ 0.0620	\$ 26.54	\$0.00	0.0%
Sub-Total: Energy			\$ 58.34			\$ 58.34	\$0.00	0.0%
Monthly Service Charge	1	\$ 9.34	\$ 9.34	1	\$ 9.39	\$ 9.39	\$0.05	0.5%
Distribution (kWh)	1,000	\$ 0.0100	\$ 10.00	1,000	\$ 0.0101	\$ 10.10	\$0.10	1.0%
Distribution (kW)	0	\$ -	\$ -	0	\$ -	\$ -	\$0.00	0.0%
Regulatory Assets (kWh)	1,000	\$ 0.0007	\$ 0.70	1,000	\$ -	\$ -	(\$0.70)	(100.0)%
Rate Riders	1,000	\$ -	\$ -	1,000	\$ -	\$ -	\$0.00	0.0%
Monthly Rate Rider Adjustment (Sheet 9)	N/A	N/A	N/A	1	\$ -	\$ -	\$0.00	0.0%
Volumetric Rate Rider Adjustment (Sheet 9)	N/A	N/A	N/A	1,000	\$ -	\$ -	\$0.00	0.0%
Retail Transmission Rate – Network Service Rate	1,028	\$ 0.0057	\$ 5.86	1,028	\$ 0.0057	\$ 5.86	\$0.00	0.0%
Retail Transmission Rate – Line and Transformation Connection Service Rate	1,028	\$ 0.0050	\$ 5.14	1,028	\$ 0.0050	\$ 5.14	\$0.00	0.0%



2008 INCENTIVE RATE MECHANISM ADJUSTMENT MODEL

Festival Hydro Inc.
 EB-2007-XXXX, EB-2007-0527, EB-2005-0364
 Wednesday, October 31, 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.

Sub-Total: Delivery			\$ 31.04			\$ 30.49	(\$0.55)	(1.8)%
Wholesale Market Service Rate	1028	\$ 0.0052	\$ 5.35	1028	\$ 0.0052	\$ 5.35	\$0.00	0.0%
Rural Rate Protection Charge	1028	\$ 0.0010	\$ 1.03	1028	\$ 0.0010	\$ 1.03	\$0.00	0.0%
Regulated Price Plan - Administration Charge	1	\$ 0.2500	\$ 0.25	1	\$ 0.2500	\$ 0.25	\$0.00	0.0%
Sub-Total: Regulatory			\$ 6.62			\$ 6.62	\$0.00	0.0%
Debt Retirement Charge (DRC)	1,000	\$ 0.0070	\$ 7.00	1,000	\$ 0.0070	\$ 7.00	\$0.00	0.0%
Total Bill before Taxes			\$ 103.01			\$ 102.46	(\$0.55)	(0.5)%
GST	\$ 103.01	6.00%	\$ 6.18	\$ 102.46	6.00%	\$ 6.15	(\$0.03)	(0.5)%
Total Bill after Taxes			\$ 109.19			\$ 108.60	(\$0.58)	(0.5)%

General Service Less Than 50 kW

Consumption	2,000 kWh	0 kW	Loss Factor 1.0281
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	2007 BILL			2008 BILL			IMPACT	
	Volume	RATE \$	CHARGE \$	Volume	RATE \$	CHARGE \$	\$	%
Energy First Tier (kWh)	750	\$ 0.0530	\$ 39.75	750	\$ 0.0530	\$ 39.75	\$0.00	0.0%
Energy Second Tier (kWh)	1,306	\$ 0.0620	\$ 80.98	1,306	\$ 0.0620	\$ 80.98	\$0.00	0.0%
Sub-Total: Energy			\$ 120.73			\$ 120.73	\$0.00	0.0%
Monthly Service Charge	1	\$ 28.53	\$ 28.53	1	\$ 28.67	\$ 28.67	\$0.14	0.5%
Distribution (kWh)	2,000	\$ 0.0143	\$ 28.60	2,000	\$ 0.0144	\$ 28.80	\$0.20	0.7%
Distribution (kW)	0	\$ -	\$ -	0	\$ -	\$ -	\$0.00	0.0%
Regulatory Assets (kWh)	2,000	-\$ 0.0003	-\$ 0.60	2,000	\$ -	\$ -	\$0.60	(100.0)%
Rate Riders	2,000	\$ -	\$ -	2,000	\$ -	\$ -	\$0.00	0.0%
Monthly Rate Rider Adjustment (Sheet 9)	N/A	N/A	N/A	1	\$ -	\$ -	\$0.00	0.0%
Volumetric Rate Rider Adjustment (Sheet 9)	N/A	N/A	N/A	2,000	\$ -	\$ -	\$0.00	0.0%
Retail Transmission Rate - Network Service Rate	2,056	\$ 0.0052	\$ 10.69	2,056	\$ 0.0052	\$ 10.69	\$0.00	0.0%
Retail Transmission Rate - Line and Transformation Connection Service Rate	2,056	\$ 0.0045	\$ 9.25	2,056	\$ 0.0045	\$ 9.25	\$0.00	0.0%
Sub-Total: Delivery			\$ 76.48			\$ 77.42	\$0.94	1.2%
Wholesale Market Service Rate	2056	\$ 0.0052	\$ 10.69	2056	\$ 0.0052	\$ 10.69	\$0.00	0.0%
Rural Rate Protection Charge	2056	\$ 0.0010	\$ 2.06	2056	\$ 0.0010	\$ 2.06	\$0.00	0.0%
Regulated Price Plan - Administration Charge	1	\$ 0.2500	\$ 0.25	1	\$ 0.2500	\$ 0.25	\$0.00	0.0%
Sub-Total: Regulatory			\$ 13.00			\$ 13.00	\$0.00	0.0%
Debt Retirement Charge (DRC)	2,000	\$ 0.0070	\$ 14.00	2,000	\$ 0.0070	\$ 14.00	\$0.00	0.0%
Total Bill before Taxes			\$ 224.21			\$ 225.15	\$0.94	0.4%
GST	\$ 224.21	6.00%	\$ 13.45	\$ 225.15	6.00%	\$ 13.51	\$0.06	0.4%
Total Bill after Taxes			\$ 237.66			\$ 238.66	\$1.00	0.4%



2008 INCENTIVE RATE MECHANISM ADJUSTMENT MODEL

Festival Hydro Inc.
 EB-2007-XXXX, EB-2007-0527, EB-2005-0364
 Wednesday, October 31, 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 50 to 4,999 kW

Consumption		1,000,000 kWh	2,000 kW			Loss Factor 1.0281		
		2007 BILL		2008 BILL		IMPACT		
	Volume	RATE \$	CHARGE \$	Volume	RATE \$	CHARGE \$	\$	%
Energy First Tier (kWh)	750	\$ 0.0530	\$ 39.75	750	\$ 0.0530	\$ 39.75	\$0.00	0.0%
Energy Second Tier (kWh)	1,027,350	\$ 0.0620	\$ 63,695.70	1,027,350	\$ 0.0620	\$ 63,695.70	\$0.00	0.0%
Sub-Total: Energy			\$ 63,735.45			\$ 63,735.45	\$0.00	0.0%
Monthly Service Charge	1	\$ 211.22	\$ 211.22	1	\$ 212.27	\$ 212.27	\$1.05	0.5%
Distribution (kWh)	1,000,000	\$ -	\$ -	1,000,000	\$ -	\$ -	\$0.00	0.0%
Distribution (kW)	2,000	\$ 2.2732	\$ 4,546.40	2,000	\$ 2.2846	\$ 4,569.20	\$22.80	0.5%
Regulatory Assets (kWh)	2,000	\$ 0.2085	\$ 417.00	2,000	\$ -	\$ -	\$417.00	(100.0)%
Rate Riders	2,000	\$ -	\$ -	2,000	\$ -	\$ -	\$0.00	0.0%
Monthly Rate Rider Adjustment (Sheet 9)	N/A	N/A	N/A	1	\$ -	\$ -	\$0.00	0.0%
Volumetric Rate Rider Adjustment (Sheet 9)	N/A	N/A	N/A	2,000	\$ -	\$ -	\$0.00	0.0%
Retail Transmission Rate – Network Service Rate	2,056	\$ 4.3753	\$ 8,996.49	2,056	\$ 4.3753	\$ 8,996.49	\$0.00	0.0%
Retail Transmission Rate – Line and Transformation Connection Service Rate	2,056	\$ 3.7485	\$ 7,707.67	2,056	\$ 3.7485	\$ 7,707.67	\$0.00	0.0%
Sub-Total: Delivery			\$ 21,044.78			\$ 21,485.63	\$440.85	2.1%
Wholesale Market Service Rate	1028100	\$ 0.0052	\$ 5,346.12	1028100	\$ 0.0052	\$ 5,346.12	\$0.00	0.0%
Rural Rate Protection Charge	1028100	\$ 0.0010	\$ 1,028.10	1028100	\$ 0.0010	\$ 1,028.10	\$0.00	0.0%
Regulated Price Plan – Administration Charge	1	\$ 0.2500	\$ 0.25	1	\$ 0.2500	\$ 0.25	\$0.00	0.0%
Sub-Total: Regulatory			\$ 6,374.47			\$ 6,374.47	\$0.00	0.0%
Debt Retirement Charge (DRC)	1,000,000	\$ 0.0070	\$ 7,000.00	1,000,000	\$ 0.0070	\$ 7,000.00	\$0.00	0.0%
Total Bill before Taxes			\$ 98,154.70			\$ 98,595.55	\$440.85	0.4%
GST	\$ 98,154.70	6.00%	\$ 5,889.28	\$ 98,595.55	6.00%	\$ 5,915.73	\$26.45	0.4%
Total Bill after Taxes			\$ 104,043.98			\$ 104,511.28	\$467.30	0.4%

Large Use

Consumption		3,000,000 kWh	5,500 kW			Loss Factor 1.0145		
		2007 BILL		2008 BILL		IMPACT		
	Volume	RATE \$	CHARGE \$	Volume	RATE \$	CHARGE \$	\$	%
Energy First Tier (kWh)	750	\$ 0.0530	\$ 39.75	750	\$ 0.0530	\$ 39.75	\$0.00	0.0%
Energy Second Tier (kWh)	3,042,750	\$ 0.0620	\$ 188,650.50	3,042,750	\$ 0.0620	\$ 188,650.50	\$0.00	0.0%
Sub-Total: Energy			\$ 188,690.25			\$ 188,690.25	\$0.00	0.0%
Monthly Service Charge	1	\$ 10,506.81	\$ 10,506.81	1	\$ 10,559.34	\$ 10,559.34	\$52.53	0.5%
Distribution (kWh)	3,000,000	\$ -	\$ -	3,000,000	\$ -	\$ -	\$0.00	0.0%
Distribution (kW)	5,500	\$ 1.0993	\$ 6,046.15	5,500	\$ 1.1048	\$ 6,076.40	\$30.25	0.5%
Regulatory Assets (kWh)	5,500	\$ 0.0580	\$ 319.00	5,500	\$ -	\$ -	\$319.00	(100.0)%
Rate Riders	5,500	\$ -	\$ -	5,500	\$ -	\$ -	\$0.00	0.0%
Monthly Rate Rider Adjustment (Sheet 9)	N/A	N/A	N/A	1	\$ -	\$ -	\$0.00	0.0%
Volumetric Rate Rider Adjustment (Sheet 9)	N/A	N/A	N/A	5,500	\$ -	\$ -	\$0.00	0.0%
Retail Transmission Rate – Network Service Rate	5,580	\$ 2.4952	\$ 13,922.59	5,580	\$ 2.4952	\$ 13,922.59	\$0.00	0.0%
Retail Transmission Rate – Line and Transformation Connection Service Rate	5,580	\$ 2.2417	\$ 12,508.13	5,580	\$ 2.2417	\$ 12,508.13	\$0.00	0.0%
Sub-Total: Delivery			\$ 42,664.68			\$ 43,066.46	\$401.78	0.9%
Wholesale Market Service Rate	3043500	\$ 0.0052	\$ 15,826.20	3043500	\$ 0.0052	\$ 15,826.20	\$0.00	0.0%
Rural Rate Protection Charge	3043500	\$ 0.0010	\$ 3,043.50	3043500	\$ 0.0010	\$ 3,043.50	\$0.00	0.0%
Regulated Price Plan – Administration Charge	1	\$ 0.2500	\$ 0.25	1	\$ 0.2500	\$ 0.25	\$0.00	0.0%
Sub-Total: Regulatory			\$ 18,869.95			\$ 18,869.95	\$0.00	0.0%
Debt Retirement Charge (DRC)	3,000,000	\$ 0.0070	\$ 21,000.00	3,000,000	\$ 0.0070	\$ 21,000.00	\$0.00	0.0%
Total Bill before Taxes			\$ 271,224.88			\$ 271,626.66	\$401.78	0.1%
GST	\$ 271,224.88	6.00%	\$ 16,273.49	\$ 271,626.66	6.00%	\$ 16,297.60	\$24.11	0.1%
Total Bill after Taxes			\$ 287,498.37			\$ 287,924.26	\$425.89	0.1%



2008 INCENTIVE RATE MECHANISM ADJUSTMENT MODEL

Festival Hydro Inc.
 EB-2007-XXXX, EB-2007-0527, EB-2005-0364
 Wednesday, October 31, 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.

Unmetered Scattered Load

Consumption	67,000 kWh	0 kW	Loss Factor 1.0281
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	2007 BILL			2008 BILL			IMPACT	
	Volume	RATE \$	CHARGE \$	Volume	RATE \$	CHARGE \$	\$	%
Energy First Tier (kWh)	750	\$ 0.0530	\$ 39.75	750	\$ 0.0530	\$ 39.75	\$0.00	0.0%
Energy Second Tier (kWh)	68,133	\$ 0.0620	\$ 4,224.23	68,133	\$ 0.0620	\$ 4,224.23	\$0.00	0.0%
Sub-Total: Energy			\$ 4,263.98			\$ 4,263.98	\$0.00	0.0%
Monthly Service Charge	1	\$ 14.14	\$ 14.14	1	\$ 14.21	\$ 14.21	\$0.07	0.5%
Distribution (kWh)	67,000	\$ 0.0143	\$ 958.10	67,000	\$ 0.0144	\$ 964.80	\$6.70	0.7%
Distribution (kW)	0	\$ -	\$ -	0	\$ -	\$ -	\$0.00	0.0%
Regulatory Assets (kWh)	67,000	\$ 0.0005	\$ 33.50	67,000	\$ -	\$ -	\$33.50	(100.0)%
Rate Riders	67,000	\$ -	\$ -	67,000	\$ -	\$ -	\$0.00	0.0%
Monthly Rate Rider Adjustment (Sheet 9)	N/A	N/A	N/A	1	\$ -	\$ -	\$0.00	0.0%
Volumetric Rate Rider Adjustment (Sheet 9)	N/A	N/A	N/A	67,000	\$ -	\$ -	\$0.00	0.0%
Retail Transmission Rate – Network Service Rate	68,883	\$ 0.0052	\$ 358.19	68,883	\$ 0.0052	\$ 358.19	\$0.00	0.0%
Retail Transmission Rate – Line and Transformation Connection Service Rate	68,883	\$ 0.0045	\$ 309.97	68,883	\$ 0.0045	\$ 309.97	\$0.00	0.0%
Sub-Total: Delivery			\$ 1,606.90			\$ 1,647.17	\$40.27	2.5%
Wholesale Market Service Rate	68883	\$ 0.0052	\$ 358.19	68883	\$ 0.0052	\$ 358.19	\$0.00	0.0%
Rural Rate Protection Charge	68883	\$ 0.0010	\$ 68.88	68883	\$ 0.0010	\$ 68.88	\$0.00	0.0%
Regulated Price Plan – Administration Charge	1	\$ 0.2500	\$ 0.25	1	\$ 0.2500	\$ 0.25	\$0.00	0.0%
Sub-Total: Regulatory			\$ 427.32			\$ 427.32	\$0.00	0.0%
Debt Retirement Charge (DRC)	67,000	\$ 0.0070	\$ 469.00	67,000	\$ 0.0070	\$ 469.00	\$0.00	0.0%
Total Bill before Taxes			\$ 6,767.20			\$ 6,807.47	\$40.27	0.6%
GST	\$ 6,767.20	6.00%	\$ 406.03	\$ 6,807.47	6.00%	\$ 408.45	\$2.42	0.6%
Total Bill after Taxes			\$ 7,173.23			\$ 7,215.92	\$42.69	0.6%

Sentinel Lighting

Consumption	19,000 kWh	53 kW	Loss Factor 1.0281
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	2007 BILL			2008 BILL			IMPACT	
	Volume	RATE \$	CHARGE \$	Volume	RATE \$	CHARGE \$	\$	%
Energy First Tier (kWh)	750	\$ 0.0530	\$ 39.75	750	\$ 0.0530	\$ 39.75	\$0.00	0.0%
Energy Second Tier (kWh)	18,784	\$ 0.0620	\$ 1,164.60	18,784	\$ 0.0620	\$ 1,164.60	\$0.00	0.0%
Sub-Total: Energy			\$ 1,204.35			\$ 1,204.35	\$0.00	0.0%
Monthly Service Charge	1	\$ 0.80	\$ 0.80	1	\$ 0.80	\$ 0.80	\$0.00	0.0%
Distribution (kWh)	19,000	\$ -	\$ -	19,000	\$ -	\$ -	\$0.00	0.0%
Distribution (kW)	53	\$ 4.2164	\$ 223.47	53	\$ 4.2375	\$ 224.59	\$1.12	0.5%
Regulatory Assets (kWh)	53	\$ 1.9871	\$ 105.32	53	\$ -	\$ -	(\$105.32)	(100.0)%
Rate Riders	53	\$ -	\$ -	53	\$ -	\$ -	\$0.00	0.0%
Monthly Rate Rider Adjustment (Sheet 9)	N/A	N/A	N/A	1	\$ -	\$ -	\$0.00	0.0%
Volumetric Rate Rider Adjustment (Sheet 9)	N/A	N/A	N/A	53	\$ -	\$ -	\$0.00	0.0%
Retail Transmission Rate – Network Service Rate	54	\$ 1.6083	\$ 87.64	54	\$ 1.6083	\$ 87.64	\$0.00	0.0%
Retail Transmission Rate – Line and Transformation Connection Service Rate	54	\$ 1.4113	\$ 76.90	54	\$ 1.4113	\$ 76.90	\$0.00	0.0%
Sub-Total: Delivery			\$ 494.12			\$ 389.92	(\$104.20)	(21.1)%
Wholesale Market Service Rate	19534	\$ 0.0052	\$ 101.58	19534	\$ 0.0052	\$ 101.58	\$0.00	0.0%
Rural Rate Protection Charge	19534	\$ 0.0010	\$ 19.53	19534	\$ 0.0010	\$ 19.53	\$0.00	0.0%
Regulated Price Plan – Administration Charge	1	\$ 0.2500	\$ 0.25	1	\$ 0.2500	\$ 0.25	\$0.00	0.0%
Sub-Total: Regulatory			\$ 121.36			\$ 121.36	\$0.00	0.0%
Debt Retirement Charge (DRC)	19,000	\$ 0.0070	\$ 133.00	19,000	\$ 0.0070	\$ 133.00	\$0.00	0.0%
Total Bill before Taxes			\$ 1,952.83			\$ 1,848.64	(\$104.20)	(5.3)%
GST	\$ 1,952.83	6.00%	\$ 117.17	\$ 1,848.64	6.00%	\$ 110.92	(\$6.25)	(5.3)%



2008 INCENTIVE RATE MECHANISM ADJUSTMENT MODEL

Festival Hydro Inc.
 EB-2007-XXXX, EB-2007-0527, EB-2005-0364
 Wednesday, October 31, 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.

Total Bill after Taxes	\$	2,070.00		\$	1,959.55	(\$110.45)	(5.3)%
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Street Lighting

Consumption	270,000 kWh	885 kW	Loss Factor 1.0281
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	2007 BILL			2008 BILL			IMPACT	
	Volume	RATE \$	CHARGE \$	Volume	RATE \$	CHARGE \$	\$	%
Energy First Tier (kWh)	750	\$ 0.0530	\$ 39.75	750	\$ 0.0530	\$ 39.75	\$0.00	0.0%
Energy Second Tier (kWh)	276,837	\$ 0.0620	\$ 17,163.89	276,837	\$ 0.0620	\$ 17,163.89	\$0.00	0.0%
Sub-Total: Energy			\$ 17,203.64			\$ 17,203.64	\$0.00	0.0%
Monthly Service Charge	1	\$ 0.45	\$ 0.45	1	\$ 0.45	\$ 0.45	\$0.00	0.0%
Distribution (kWh)	270,000	\$ -	\$ -	270,000	\$ -	\$ -	\$0.00	0.0%
Distribution (kW)	885	\$ 2.1097	\$ 1,867.08	885	\$ 2.1202	\$ 1,876.38	\$9.29	0.5%
Regulatory Assets (kWh)	885	-\$ 0.1200	-\$ 106.20	885	\$ -	\$ -	\$106.20	(100.0)%
Rate Riders	885	\$ -	\$ -	885	\$ -	\$ -	\$0.00	0.0%
Monthly Rate Rider Adjustment (Sheet 9)	N/A	N/A	N/A	1	\$ -	\$ -	\$0.00	0.0%
Volumetric Rate Rider Adjustment (Sheet 9)	N/A	N/A	N/A	885	\$ -	\$ -	\$0.00	0.0%
Retail Transmission Rate – Network Service Rate	910	\$ 1.6002	\$ 1,455.97	910	\$ 1.6002	\$ 1,455.97	\$0.00	0.0%
Retail Transmission Rate – Line and Transformation Connection Service Rate	910	\$ 1.3824	\$ 1,257.80	910	\$ 1.3824	\$ 1,257.80	\$0.00	0.0%
Sub-Total: Delivery			\$ 4,475.11			\$ 4,590.60	\$115.49	2.6%
Wholesale Market Service Rate	277587	\$ 0.0052	\$ 1,443.45	277587	\$ 0.0052	\$ 1,443.45	\$0.00	0.0%
Rural Rate Protection Charge	277587	\$ 0.0010	\$ 277.59	277587	\$ 0.0010	\$ 277.59	\$0.00	0.0%
Regulated Price Plan – Administration Charge	1	\$ 0.2500	\$ 0.25	1	\$ 0.2500	\$ 0.25	\$0.00	0.0%
Sub-Total: Regulatory			\$ 1,721.29			\$ 1,721.29	\$0.00	0.0%
Debt Retirement Charge (DRC)	270,000	\$ 0.0070	\$ 1,890.00	270,000	\$ 0.0070	\$ 1,890.00	\$0.00	0.0%
Total Bill before Taxes			\$ 25,290.04			\$ 25,405.53	\$115.49	0.5%
GST	\$ 25,290.04	6.00%	\$ 1,517.40	\$ 25,405.53	6.00%	\$ 1,524.33	\$6.93	0.5%
Total Bill after Taxes			\$ 26,807.44			\$ 26,929.87	\$122.42	0.5%

% of Total Bill
26.44%
22.07%
48.51%
12.06%
13.30%
0.00%
0.00%
0.00%
0.00%
0.00%
4.87%
4.27%
34.50%
4.44%
0.85%
0.21%
5.51%
5.82%
94.34%
5.66%
100.00%

% of Total Bill
29.28%
24.44%
53.72%
8.65%
9.30%
0.00%
0.00%
0.00%
0.00%
0.00%
5.40%
4.73%



28.07%
4.92%
0.95%
0.23%
6.10%
6.45%
94.34%
5.66%
100.00%

% of Total Bill
16.66%
33.93%
50.59%
12.01%
12.07%
0.00%
0.00%
0.00%
0.00%
0.00%
4.48%
3.88%
32.44%
4.48%
0.86%
0.10%
5.45%
5.87%
94.34%
5.66%
100.00%

% of Total Bill
0.04%
60.95%
60.98%
0.20%
0.00%
4.37%
0.00%
0.00%
0.00%
0.00%
8.61%
7.37%
20.56%
5.12%
0.98%
0.00%
6.10%
6.70%
94.34%
5.66%
100.00%

% of Total Bill
0.01%
65.52%
65.53%
3.67%
0.00%
2.11%
0.00%
0.00%
0.00%
0.00%
0.00%
4.84%
4.34%
14.96%
5.50%
1.06%
0.00%
6.55%
7.29%
94.34%
5.66%
100.00%



% of Total Bill
0.55%
58.54%
59.09%
0.20%
13.37%
0.00%
0.00%
0.00%
0.00%
0.00%
4.96%
4.30%
22.83%
4.96%
0.95%
0.00%
5.92%
6.50%
94.34%
5.66%
100.00%

% of Total Bill
2.03%
59.43%
61.46%
0.04%
0.00%
11.46%
0.00%
0.00%
0.00%
0.00%
4.47%
3.92%
19.90%
5.18%
1.00%
0.01%
6.19%
6.79%
94.34%
5.66%

—

100.00%

% of Total Bill
0.15%
63.74%
63.88%
0.00%
0.00%
6.97%
0.00%
0.00%
0.00%
0.00%
5.41%
4.67%
17.05%
5.36%
1.03%
0.00%
6.39%
7.02%
94.34%
5.66%
100.00%

Festival Hydro Inc (EB-2007-XXXX)
 2008 IRM Model - Retail Transmission Rates
 Proposal for Revised Network and Connection Charges
 ED-2002-0513

2006 Data by Class	kW for Network	kW for Connection	kWh	><	Total Network Charged to customers	Connection Service Rate	Total Connection Charged to customers
Residential			137,953,475	0.0057	\$786,335	0.0050	\$689,767
Residential - Hensall			8,272,917	0.0057	\$47,156	0.0050	\$41,365
G.S. < 50 kW	0	0	70,330,441	0.0052	\$365,718	0.0045	\$316,487
G.S. 50 kW to 4999 kW	138,384	138,384		2.1218	\$293,623	1.7882	\$247,458
G.S. 50 kW to 4999 kW (interval Metered)	707,343	739,385		2.2535	\$1,593,996	1.9603	\$1,449,417
Larger Use	116,986	116,986		2.4952	\$291,903	2.2417	\$262,248
Unmetered Scattered Load			799,598	0.0052	\$4,158	0.0045	\$3,598
Sentinel Lighting	649	649		1.6083	\$1,044	1.4113	\$916
Street Lighting	10,562	10,562		1.6002	\$16,901	1.3824	\$14,601
TOTALS	973,924	1,005,966	217,356,431		\$3,400,835		\$3,025,857
Less: Billed by the IESO and Hydro One					\$3,286,194		\$2,728,197
Overcharge to customers					\$114,640		\$297,660
					3.49%		10.91%

2005 Data by Class	kW for Network	kW for Connection	kWh	><	Total Network Charged to customers	Connection Service Rate	Total Connection Charged to customers
Residential			143,666,834	0.0057	\$818,901	0.0050	\$718,334
Residential - Hensall			8,622,172	0.0057	\$49,146	0.0050	\$43,111
G.S. < 50 kW	0	0	73,512,606	0.0052	\$382,266	0.0045	\$330,807
G.S. 50 kW to 4999 kW	154,459	154,459		2.1218	\$327,731	1.7882	\$276,204
G.S. 50 kW to 4999 kW (interval Metered)	719,989	745,696		2.2535	\$1,622,494	1.9603	\$1,461,788
Larger Use	80,012	80,012		2.4952	\$199,646	2.2417	\$179,363
Unmetered Scattered Load			943,017	0.0052	\$4,904	0.0045	\$4,244
Sentinel Lighting	600	600		1.6083	\$965	1.4113	\$847
Street Lighting	10,550	10,550		1.6002	\$16,882	1.3824	\$14,584
TOTALS	965,610	991,317	226,744,629		\$3,422,935		\$3,029,281
Less: Billed by the IESO and Hydro One					\$3,320,837		\$2,775,730
Overcharge to customers					\$102,098		\$253,551
					3.07%		9.13%

Festival Hydro Inc (EB-2007-XXXX)
 2008 IRM Model - Retail Transmission Rates
 Proposal for Revised Network and Connection Charges
 ED-2002-0513

2004 Data by Class	kW for Network	kW for Connection	kWh	><	Total Network Charged to customers	Connection Service Rate	Total Connection Charged to customers
Residential			137,111,937	0.0057	\$781,538	0.0050	\$685,560
Residential - Hensall			8,268,607	0.0057	\$47,131	0.0050	\$41,343
G.S. < 50 kW			74,446,831	0.0052	\$387,124	0.0045	\$335,011
G.S. 50 kW to 4999 kW	163,317	163,317		2.1218	\$346,526	1.7882	\$292,043
G.S. 50 kW to 4999 kW (interval Metered)	729,447	769,307		2.2535	\$1,643,809	1.9603	\$1,508,073
Larger Use	82,960	82,960		2.4952	\$207,002	2.2417	\$185,971
Unmetered Scattered Load			921,767	0.0052	\$4,793	0.0045	\$4,148
Sentinel Lighting	475	475		1.6083	\$764	1.4113	\$670
Street Lighting	10,540	10,540		1.6002	\$16,866	1.3824	\$14,570
TOTALS	986,739	1,026,599	220,749,142		\$3,435,553		\$3,067,390
Less: Billed by the IESO and Hydro One					\$3,338,994		\$2,762,836
Overcharge to customers					\$96,558		\$304,554
					2.89%		11.02%

2004 to 2006 Data by Class - 3 year avge	kW for Network	kW for Connection	kWh	><	Total Network Charged to customers	Connection Service Rate	Total Connection Charged to customers
Residential			139,577,415	0.0057	\$795,591	0.0050	\$697,887
Residential - Hensall			8,387,899	0.0057	\$47,811	0.0050	\$41,939
G.S. < 50 kW			72,763,293	0.0052	\$378,369	0.0045	\$327,435
G.S. 50 kW to 4999 kW	152,053	152,053		2.1218	\$322,627	1.7882	\$271,902
G.S. 50 kW to 4999 kW (interval Metered)	718,926	751,463		2.2535	\$1,620,100	1.9603	\$1,473,093
Larger Use	93,319	93,319		2.4952	\$232,850	2.2417	\$209,194
Unmetered Scattered Load			888,127	0.0052	\$4,618	0.0045	\$3,997
Sentinel Lighting	575	575		1.6083	\$924	1.4113	\$811
Street Lighting	10,551	10,551		1.6002	\$16,883	1.3824	\$14,585
TOTALS	975,424	1,007,961	221,616,734		\$3,419,774		\$3,040,843
Less: Billed by the IESO and Hydro One					3,315,342		2,755,588
Overcharge to customers					\$104,432		\$285,255
					3.15%		10.35%

Festival Hydro Inc (EB-2007-XXXX)
 2008 IRM Model - Retail Transmission Rates
 Proposal for Revised Network and Connection Charges
 ED-2002-0513

Rate reduction required to retail transmission Rates:

Average charged by IESO/Hydro One over past three years	\$3,315,342	\$2,755,588
Less 12% reduction as a result of recent rate order	-\$397,841	-\$275,559
Amount needed to be recovered through customer rates on a go forward basis	\$2,917,501	\$2,480,029

2004 to 2006 Data - 3 year ave	kW for Network	kW for Connection	kWh	Calculated Proposed Network Rate	Total Network Charged to customers	Calculated Proposed Connection Rate	Total Connection Charged to customers
Residential			139,577,415	0.0049	\$678,740	0.0041	\$569,178
Residential - Hensall			8,387,899	0.0049	\$40,789	0.0041	\$34,205
G.S. < 50 kW			72,763,293	0.0044	\$322,797	0.0037	\$267,047
G.S. 50 kW to 4999 kW	152,053	152,053		1.8102	\$275,242	1.4584	\$221,756
G.S. 50 kW to 4999 kW (interval Metered)	718,926	751,463		1.9225	\$1,382,151	1.5988	\$1,201,414
Larger Use	93,319	93,319		2.1287	\$198,651	1.8283	\$170,613
Unmetered Scattered Load			888,127	0.0044	\$3,940	0.0037	\$3,259
Sentinel Lighting	575	575		1.3721	\$788	1.1510	\$661
Street Lighting	10,551	10,551		1.3652	\$14,403	1.1274	\$11,895
TOTALS	975,424	1,007,961	221,616,734		\$2,917,501		\$2,480,029
Amount allocated to each rate group					2,917,501		2,480,029
					\$0		\$0

Proposed Network Rate Sheet	Existing Network Rate(kWh billed)	Existing Network Rate(kW billed)	Proposed Network Rate(kWh billed)	Proposed Network Rate (kW billed)	Reduction in rate	Percentage Reduction
Residential	0.0057		0.0049		0.0008	14.7%
Residential - Hensall	0.0057		0.0049		0.0008	14.7%
G.S. < 50 kW	0.0052		0.0044		0.0008	14.7%
G.S. 50 kW to 4999 kW		2.1218		1.8102	0.3116	14.7%
G.S. 50 kW to 4999 kW (interval Metered)		2.2535		1.9225	0.3310	14.7%
Larger Use		2.4952		2.1287	0.3665	14.7%
Unmetered Scattered Load	0.0052		0.0044		0.0008	14.7%
Sentinel Lighting		1.6083		1.3721	0.2362	14.7%
Street Lighting		1.6002		1.3652	0.2350	14.7%

Festival Hydro Inc (EB-2007-XXXX)
 2008 IRM Model - Retail Transmission Rates
 Proposal for Revised Network and Connection Charges
 ED-2002-0513

Proposed Connection Rate Sheet	Existing Connection Rate(kWh billed)	Existing Connection Rate (kW billed)	Proposed Connection Rate (kWh billed)	Proposed Connection Rate (kW billed)	Reduction in rate	Percentage Reduction
Residential	0.0050		0.0041		0.0009	18.4%
Residential - Hensall	0.0050		0.0041		0.0009	18.4%
G.S. < 50 kW	0.0045		0.0037		0.0008	18.4%
G.S. 50 kW to 4999 kW		1.7882		1.4584	0.3298	18.4%
G.S. 50 kW to 4999 kW (interval Metered)		1.9603		1.5988	0.3615	18.4%
Larger Use		2.2417		1.8283	0.4134	18.4%
Unmetered Scattered Load	0.0045		0.0037		0.0008	18.4%
Sentinel Lighting		1.4113		1.1510	0.2603	18.4%
Street Lighting		1.3824		1.1274	0.2550	18.4%