



**Peterborough
Distribution Inc.**

PETERBOROUGH DISTRIBUTION INC.

1867 Ashburnham Drive, PO Box 4125, Station Main
Peterborough ON K9J 6Z5

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File: F69

Board Secretary
Ontario Energy Board
P.O. Box 2319
2300 Yonge Street, 26th Floor
Toronto, ON M4P 1E4

MANAGER'S SUMMARY PETERBOROUGH DISTRIBUTION INC_ LAKEFIELD 2008 ELECTRICITY DISTRIBUTION RATE APPLICATION LICENCE-# EB-2002-0504

Peterborough Distribution Inc, Lakefield service territory, submits its 2008 rate application consistent with the policies set out in the Report of the Board on Cost of Capital and 2nd Generation Incentive Regulation Mechanism dated December 20, 2006.

The 2008 rate application includes adjustments for the cost of capital, the 2nd Generation IRM price cap adjustment and the removal of regulatory asset recovery.

The 2008 rate application also includes a 12% reduction in transmission rates as directed by the Board in the October 29, 2007 letter to all electricity distributors. The proposed rates do not include disposition of the associated variance accounts as the amounts are not deemed to be material and they will be reviewed again when Peterborough proposes a rate harmonization model.

Our submission includes the 2008 IRM model and the annualized customer total bill impact is provided below.

Following is a summary of each component of the 2008 IRM model:

- Sheet 1: LDC Information has been updated per the instructions.
- Sheet 2: 2007 Rate Classes have been updated per the 2007 Rate Order.
- Sheet 3: 2007 Tariff Sheet has been updated per the Board Approved Tariff of Rates and Charges, effective September 1, 2007.
Transmission rates have been reduced by 12% from the 2007 Board Approved Tariff of Rates and Charges, effective September 1, 2007.
- Sheet 4: 2007 Smart Meter Information, the smart meter rate adder of \$0.25 per metered customer has been updated.
- Sheet 5: Rate Adders, Lakefield did not receive incremental CDM funding.
- Sheet 6: K-Factor has been updated per the information contained in the Board Approved 2006 EDR model and the Board Approved 2006 PILS model, resulting in a K-factor of -0.4%.
- Sheet 7: Price Cap Adjustment, no inputs required for this spreadsheet.

- Sheet 8: Addback of smart meter rate adder, no inputs required for this spreadsheet.
 Sheet 9: Rate Rider Adjustment, no input required as Lakefield is not seeking approval for additional rate adjustments.
 Sheet 10: 2008 Tariff Schedule, attached.
 Sheet 11: Distribution Rate Change Summary, no inputs required, summary attached.
 Sheet 12: Annualized Bill Impact, attached, both the 2007 and 2008 rates reflect the proposed reduction in transformation rates.
 Sheet 13: Bill Impacts by Consumption, attached. Both the 2007 and 2008 rates reflect the proposed reduction in transmission rates.

The annualized customer total bill impact after taxes are as follows:

		2007	2008	\$ Impact	% Impact
Residential	1,000 kWh	\$114.78	\$110.98	(\$3.80)	(3.3%)
	2,000 kWh	\$221.15	\$213.48	(\$7.67)	(3.5%)
General Service <50 kWh	1,000 kWh	\$125.89	\$123.68	(\$2.21)	(1.8%)
	2,000 kWh	\$228.28	\$223.72	(\$4.56)	(2.0%)
	5,000 kWh	\$535.45	\$523.82	(\$11.63)	(2.2%)
General Service > 50 kW	60 kW				
	15,000 kWh	\$2,260.47	\$2,191.59	(\$68.88)	(3.0%)
	100 kW,				
	40,000 kWh	\$4,769.55	\$4,653.49	(\$116.06)	(2.4%)
	500 kW,				
	100,000 kWh	\$14,028.31	\$13,440.47	(\$587.84)	(4.2%)

The 2007 rates are calculated using the 2007 Transmission rates and are higher than the rates that are presented in sheets 12 and 13.

Yours very truly,



G. Andrew Hoggarth, B. Admin., CGA, ICD.D
 CFO & Vice President Corporate Services
 Telephone (705) 748-9301 ext 1270
 Fax (705) 748-4358
 e-mail ahoggarth@puc.org

Attachments 1 disk
 2 hard copies 2007 IRM Model