



**2011 IRM Electricity
Distribution Rate
Application**

EB-2010-0065

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Application & Management
Summary

ONTARIO ENERGY BOARD

IN THE MATTER OF the *Ontario Energy Board Act, 1998*,
S.O.1998, c.15 (Sched. B)

AND IN THE MATTER OF an application by Bluewater Power
Distribution Corporation for an Order or Orders pursuant to
section 78 of the *Ontario Energy Board Act, 1998* for 2010
distribution rates and related matters.

APPLICATION

1. The Applicant is Bluewater Power Distribution Corporation ("Bluewater Power"). Bluewater Power is a licensed electricity distributor operating pursuant to license ED-2002-0517. Bluewater Power distributes electricity to approximately 36,000 customers in the municipalities of the City of Sarnia, the Town of Petrolia, the Village of Point Edward, the Village of Oil Springs, the Township of Warwick and the Township of Brooke-Alvinston in south-western Ontario.
2. Bluewater Power hereby applies to the Ontario Energy Board (the "Board") for an order or orders made pursuant to Section 78 of the *Ontario Energy Board Act, 1998*, as amended, (the "OEB Act") approving just and reasonable rates for the distribution of electricity based on a 2011 incentive regulation mechanism ("IRM") application, effective May 1, 2011.
3. Specifically, Bluewater Power hereby applies for an order or orders granting distribution rates updated and adjusted in accordance with Chapter 3 of the Filing Requirements for Transmission and Distribution Applications dated July 22, 2009, including the following:
 - a. an adjustment to the retail transmission service rates as provided in Guideline (G-2008-0001) on Retail Transmission Service Rates – October 22, 2008 (Revision 2.0 July 8, 2010);
 - b. an increase in the Smart Meter funding from \$1.00 to \$2.00 per metered customer in compliance with the Guideline (G-2008-0002) on Smart Meter Funding and Cost Recovery – October 22, 2008;

- c. the disposition of certain deferral and variance account principal balances as at December 31, 2009 along with the carrying charges projected to April 30, 2011 in accordance with the Report of the Board on Electricity Distributors' Deferral and Variance Account Review Initiative (EDDVAR) – July 31, 2009;
 - d. the final disposition of \$200,000 in deferral and variance account principal balances as at December 31, 2008, along with the carrying charges projected to April 30, 2011, not disposed of by the Board in EB-2009-0213 in respect of balances attributable to a Wholesale Market Participant not contributing to the account balances therein;
 - e. an adjustment to the revenue to cost ratio's as agreed to in Bluewater Power's Settlement Agreement and approved by the Ontario Energy Board under file number EB-2008-0221;
 - f. Recovery of lost revenues of \$241,149.13 related to conservation and demand management programs implemented by Bluewater Power, and verified through a third party review; and
 - g. Review and potential recovery of the late payment penalty litigation cost recovery consistent with treatment of such costs for all other electricity distributors filing for cost of service and IRM applications for 2011 electricity distribution rates.
4. This Application is supported by written evidence that may be amended from time to time, prior to the Board's final decision on this Application.
 5. The Applicant requests that, pursuant to Section 34.01 of the Board's *Rules of Practice and Procedure*, this proceeding be conducted by way of written hearing.
 6. The Applicant requests that a copy of all documents filed with the Board in this proceeding be served on the Applicant as follows:

October 15, 2010
Tab 1

Bluewater Power Distribution Corporation
855 Confederation Street
Sarnia, ON N7T 7L6

Attention:
Ms. Leslie Dugas
Manager of Regulatory Affairs
ldugas@bluewaterpower.com
Telephone: (519) 337-8201 ext. 255
Fax: (519) 332-3878

DATED at Sarnia, Ontario, this 15th day of October, 2010.

BLUEWATER POWER DISTRIBUTION CORPORATION



Alex Palimaka, VP Corporate Service and General Counsel

Manager's Summary

Bluewater Power Distribution Corporation (“Bluewater Power”) hereby submits a complete application for the approval of distribution rates proposed to be effective May 1, 2011 under the 2011 electricity distribution incentive regulation mechanism (“IRM”). Bluewater Power filed a comprehensive cost of service rebasing application for May 1, 2009 rates, proceeded by way of a Settlement Conference and Agreement, and had rates approved by the Ontario Energy Board (“OEB”) under file number EB-2008-0221. Most recently, Bluewater Power submitted and had approved by the OEB an IRM application for rates effective May 1, 2010 under file number EB-2009-0213.

For purposes of the 2011 IRM application, Bluewater Power has relied upon the following OEB issued documents and guidelines:

- Chapter 3 of the Filing Requirements for Transmission and Distribution Applications updated on July 9, 2010 (“Filing Requirements”)
- Guideline (G-2008-0001) on Retail Transmission Service Rates – October 22, 2008 (Revision 2.0, July 8, 2010) known as (“RSTR Guidelines”)
- Guideline (G-2008-0002) on Smart Meter Funding and Cost Recovery – October 22, 2008 (“SM Funding”)
- Report of the Board on Electricity Distributors’ Deferral and Variance Account Review Initiative – July 31, 2009 (“EDDVAR”).
- Guidelines for Electricity Distributor Conservation And Demand Management EB-2008-0037, dated March 28, 2008

Listed below are the specific items to be addressed in the Manager’s Summary and reflected in the IRM Model:

1. Embedded Market Participant Rate Rider
2. Current and Proposed Deferral and Variance Account Rate Riders
3. Revenue-to-Cost Ratio Adjustments
4. Shared Tax Savings Workform
5. Price Cap Adjustment
6. Retail Transmission Service Charges
7. Smart Meter Rate Rider
8. Lost Revenue Adjustment Mechanism
9. Late Payment Penalty Litigation Cost Recovery
10. Proposed Rates and Bill Impacts

1. Embedded Market Participant Rate Rider

Bluewater Power has one wholesale market participant (“WMP”) embedded within our service territory. We invoice the customer for distribution charges, and retail transmission network and connection charges. The customer has an arrangement with the IESO for the commodity and wholesale market service charges and settles with them directly for these items.

Historically, the practice of the Board is to approve disposition of the aggregate balance of all deferral and variance accounts through a single rate rider. However, during the 2010 IRM application process, the Board sought to establish a separate rate rider for the disposition of account 1588 RSVA – Power (Global Adjustment sub account) to only non-RPP customers. This had the effect of segregating customers based on their contribution to the variances in the deferral and variance accounts. This caused Bluewater Power to question the embedded WMP’s contribution to certain deferral and variance accounts, namely account 1580 (RSVA - Wholesale Market Service Charge), and 1588 (RSVA – Power, excluding Global Adjustment) to which the embedded WMP does not contribute.

Through the 2010 IRM process, Bluewater Power received approval for a separate rate rider for the WMP which excluded certain dispositions from accounts 1580 and 1588. The Board withheld \$200,000 which is the approximate amount that would have been allocated to the WMP related to accounts 1580 and 1588, until the matter was thoroughly reviewed. Below is the excerpt related to the WMP from OEB’s Decision and Order EB-2009-0213, page 12, dated April 13, 2010:

Bluewater has a Wholesale Market Participant (“WMP”) that is connected to the Independent Electricity System Operator (“IESO”) through its distribution system. A WMP has a contractually negotiated alternate energy arrangement with the IESO, and like any distributor, a WMP is billed directly by the IESO for energy consumption, wholesale market service rates (“WMSR”), and rural rate protection (“RRRP”).

In its submission, Board staff suggested that if a WMP is connected to the distribution grid (i.e. using the distributor’s wires to receive electricity), the variances included in accounts 1580 (Wholesale Market Service Rates and Rural Rate Protection) and 1588 (energy consumption) should not be attributable to the WMP since the WMP would have settled directly with IESO. Board staff stated that it was unclear on whether Bluewater’s WMP fell into this category and submitted that it would be useful to the Board were Bluewater to provide additional information including its views on this particular issue.

In its reply submission, Bluewater noted that it was unaware of the potential implications of the WMP in respect of the disposition of Account 1580 and 1588 prior to considering Board staff's interrogatories related to RPP and non-RPP customers. Bluewater also noted that the financial implications for the WMP would greatly exceed those associated with the issue around the disposition of the global adjustment sub-account. Bluewater expressed the view that this issue needs to be resolved, but should be resolved in a more generic process. Bluewater further stated that it did not propose the exclusion of the WMP from the disposition of Account 1580 and 1588 in this rate application and had not provided notice to the WMP customer that of the impact of a potential change to the typical practice for disposing of account 1580 and 1588 balances. Bluewater concluded that this situation is not unique to it, and therefore all distributors with WMP should be treated consistently.

The Board agrees with Board staff and Bluewater that this is an issue that needs to be addressed. The Board also concurs that this application is not the appropriate forum to resolve this issue. The Board will not approve at this time the disposition of the credit amount in accounts 1580 and 1588 as proposed by Bluewater. The Board estimates that the credit amount that is attributable to the WMP by Bluewater is about \$200,000. The Board will approve the disposition of the remaining net balance in accounts 1580 and 1588 and directs Bluewater to retain a credit balance of \$200,000 in these accounts for disposition at a later time. Whether or not there will be a Board policy on this issue by the time Bluewater files its next rates application, Bluewater shall bring this matter forward at that time in any event.

No Board policy has been issued in respect of the treatment of WMP customers. Nevertheless, Bluewater Power has proposed in this application to dispose of the \$200,000 credit balance held in accounts 1580 and 1588 to all other customer classes eligible. That credit balance has been included in the calculations that produced the dispositions discussed in Section 2(b) of this Manager's Summary. Accordingly, that credit will be finally disposed of and the WMP will be denied recovery of its proportionate share of the credit.

Bluewater Power is further proposing in this application that the WMP be treated as a separate customer in respect to the disposition of the deferral accounts in this application, and we propose that the Group 1 deferral and variance accounts be segregated so that a distinct rate rider can be established for the WMP that excludes disposition of the following accounts:

- Account 1580 – RSVA Wholesale Market Service Charge
- Account 1588 – RSVA Power (excluding Global Adjustment)
- Account 1588 - RSVA Power (sub account for Global Adjustment)

The effect of this treatment is to avoid imposing a charge to the WMP in the rate rider proposed for 2011. That treatment is appropriate in 2011, as it was appropriate in the disposition approved by the OEB in 2010, as the WMP has contributed to Global Adjustment and Wholesale Market Service Charges through the IESO.

For purposes of the 2011 Deferral and Variance Account workform, the WMP is treated as a separate rate category. Table 1 sets out the statistical basis for allocation of deferral account, such amounts taken from 2009 RRR filings. Tables 2 through 5 below detail the allocation of the deferral accounts to the category containing the WMP (labelled as “Large Use – WMP”) as well as to all other rate categories.

Table 1 – 2009 RRR Billing Determinants

Rate Class	Vol Metric	Metered kWh	Metered kW	Billed kWh for Non-RPP customers
Residential	kWh	256,212,050		45,035,338
General Service Less Than 50 kW	kWh	112,787,581		18,845,917
General Service 50 to 999 kW	kW	215,198,957	590,469	155,318,807
General Service 1,000 to 4,999 kW	kW	168,112,239	367,127	156,840,841
Large Use	kW	126,871,903	220,838	126,871,903
Unmetered Scattered Load	kWh	2,155,483		0
Sentinel Lighting	kW	655,494	1,549	100,559
Street Lighting	kW	8,841,203	24,000	5,423,606
Large Use - WMP	kW	124,059,105	190,452	0
Total		1,014,894,015	1,394,435	508,436,971

Table 2 – Allocation of Group 1 accounts that pertain to the WMP

Rate Class	Billed kWh	% kWh	Account 1550 (\$)	Account 1584 (\$)	Account 1586 (\$)	Total (\$)
Residential	256,212,050	25.2%	(19,228)	20,544	(44,333)	(43,017)
General Service Less Than 50 kW	112,787,581	11.1%	(8,465)	9,044	(19,516)	(18,937)
General Service 50 to 999 kW	215,198,957	21.2%	(16,150)	17,255	(37,237)	(36,131)
General Service 1,000 to 4,999 kW	168,112,239	16.6%	(12,617)	13,480	(29,089)	(28,226)
Large Use	126,871,903	12.5%	(9,522)	10,173	(21,953)	(21,302)
Unmetered Scattered Load	2,155,483	0.2%	(162)	173	(373)	(362)
Sentinel Lighting	655,494	0.1%	(49)	53	(113)	(110)
Street Lighting	8,841,203	0.9%	(664)	709	(1,530)	(1,484)
Large Use - WMP	124,059,105	12.2%	(9,310)	9,948	(21,466)	(20,829)
	1,014,894,015	100.0%	(76,166)	81,378	(175,610)	(170,398)

Table 3 - Allocation of Group 1 accounts that do not pertain to WMP

Rate Class	Billed kWh	% kWh	Account 1580 (\$)	Account 1588 (\$) (excl GA)	Total (\$)
Residential	256,212,050	28.8%	(115,978)	743,899	627,922
General Service Less Than 50 kW	112,787,581	12.7%	(51,055)	327,473	276,419
General Service 50 to 999 kW	215,198,957	24.2%	(97,413)	624,820	527,407
General Service 1,000 to 4,999 kW	168,112,239	18.9%	(76,098)	488,106	412,008
Large Use	126,871,903	14.2%	(57,430)	368,366	310,936
Unmetered Scattered Load	2,155,483	0.2%	(976)	6,258	5,283
Sentinel Lighting	655,494	0.1%	(297)	1,903	1,606
Street Lighting	8,841,203	1.0%	(4,002)	25,670	21,668
Large Use - WMP	0	0.0%	0	0	0
	890,834,910	100.0%	(403,248)	2,586,496	2,183,248

Table 4 - Allocation of Global Adjustment sub-account, which excludes WMP

Rate Class	Non-RPP kWh	% kWh	1588 Global Adjustment (\$)
Residential	45,035,338	8.9%	230,837
General Service Less Than 50 kW	18,845,917	3.7%	96,598
General Service 50 to 999 kW	155,318,807	30.5%	796,116
General Service 1,000 to 4,999 kW	156,840,841	30.8%	803,918
Large Use	126,871,903	25.0%	650,306
Unmetered Scattered Load	0	0.0%	0
Sentinel Lighting	100,559	0.0%	515
Street Lighting	5,423,606	1.1%	27,800
Large Use - WMP	0	0.0%	0
	508,436,971	100.0%	2,606,090

Table 5 – Resulting Rate Rider for WMP (excluding global adjustment)

Rate Class	Vol Metric	Billed kWh	Billed kW	Accounts Allocated by kWh with Large User – WMP (\$)	Accounts Allocated by kWh without Large User – WMP (\$)	Account 1590 (\$)	Account 1595 (\$)	Total (\$)	Rate Rider kWh
		A	B	C	D	E	F	G = C + D + E + F	H = G / A (kWh) or H = G / B (kW)
Residential	kWh	256,212,050	0	(43,017)	627,922	9,714	0	594,618	0.00116
General Service Less Than 50 kW	kWh	112,787,581	0	(18,937)	276,419	2,380	0	259,862	0.00115
General Service 50 to 999 kW	kW	215,198,957	590,469	(36,131)	527,407	3,015	0	494,290	0.41856
General Service 1,000 to 4,999 kW	kW	168,112,239	367,127	(28,226)	412,008	758	0	384,540	0.52372
Large Use	kW	126,871,903	220,838	(21,302)	310,936	952	0	290,587	0.65792
Unmetered Scattered Load	kWh	2,155,483	0	(362)	5,283	88	0	5,009	0.00116
Sentinel Lighting	kW	655,494	1,549	(110)	1,606	35	0	1,532	0.49441
Street Lighting	kW	8,841,203	24,000	(1,484)	21,668	35	0	20,219	0.42122
Large Use - WMP	kW	124,059,105	190,452	(20,829)	0	652	0	(20,177)	(0.05297)
		1,014,894,015	1,394,435	(170,398)	2,183,248	17,629	0	2,030,479	

2. Current and Proposed Deferral Account Rate Riders

(a) Current Deferral Account Rate Riders

Bluewater Power currently has 2 distinct rate riders in effect. Rate Rider 1 was approved by the OEB as part of Bluewater Power's 2009 COS application, and entails disposing of \$(3,974,345) over a two year period ending April 30, 2011.

Rate Rider 2 was approved by the OEB as part of Bluewater Power's 2010 IRM application, and entails disposing of \$(2,725,917) over a two year period ending April 30, 2012.

Table 6 below details the current rate riders previously approved by the OEB.

Table 6 – Current Deferral Account Disposition

Rate Class	Deferral Account 1 Clearing of Balances ending Dec 31, 2007 (\$)	Rate Rider 1 ends April 30, 2011	Deferral Account 2 Clearing of Balances ending Dec 31, 2008 (\$)	Rate Rider 2 Ends April 30, 2012	per kW or kWh
Residential	(712,460)	-0.0014	(860,600)	-0.0016	kWh
General Service Less Than 50 kW	(416,550)	-0.0017	(365,981)	-0.0015	kWh
General Service 50 to 999 kW	(866,715)	-0.7366	(585,438)	-0.4975	kW
General Service 1,000 to 4,999 kW	(721,653)	-0.9688	(412,376)	-0.5536	kW
Large Use	(1,224,804)	-1.4516	(352,473)	-0.8479	kW
Unmetered Scattered Load	(5,743)	-0.0013	(7,449)	-0.0017	kWh
Sentinel Lighting	(1,968)	-0.6011	(2,402)	-0.7337	kW
Street Lighting	(24,452)	-0.5189	(22,882)	-0.4856	kW
Large Use - Wholesale Market Participant	-	0	(116,315)	-0.2717	kW
Total	(3,974,345)		(2,725,917)		

(b) Proposed Deferral Account Rate Rider 3

Bluewater Power is proposing to dispose of audited balances as of December 31, 2009. Table 7 below indicates the disposition by account.

Table 7 – Balances in Group 1 deferral and variance accounts

Account Description	Account Number	Total Claim (\$)
LV Variance Account	1550	(76,166)
RSVA - Wholesale Market Service Charge	1580	(403,248)
RSVA - Retail Transmission Network Charge	1584	81,378
RSVA - Retail Transmission Connection Charge	1586	(175,610)
RSVA - Power (Excluding Global Adjustment)	1588	2,586,496
RSVA - Power (Global Adjustment Sub-account)		2,606,090
Recovery of Regulatory Asset Balances	1590	17,629
Residual Balance Disposition and recovery of Def/Var Balances Account (2008)	1595	0
Total		4,636,569

The balance of \$4,636,569 exceeds the materiality threshold of \$.001/kWh as defined in the EDDVAR report, therefore warrant disposition. Bluewater Power is proposing to dispose of the balance in the accounts over a two year period commencing May 1, 2011 to allow for smoothing of rates having regard to the proposed timing for the full recovery of Smart Meter related costs as part of the 2013 Cost of Service application.

In addition, Bluewater Power is proposing to dispose of the RSVA – Power (Global Adjustment sub-account) through a distinct rate rider for the non-RPP customers that exist at the time of disposition. Due to timing and the lack of materiality in the 2010 IRM Application, disposition of this account was to all customers; however, given the magnitude of the disposition in this application we have proposed a distinct rate rider for non-RPP customers and we expect to be in a position to bill in the manner required to implement that rate rider.

The resulting rate riders excluding global adjustment are presented in Table 8 below.

Table 8 – Proposed Deferral Account Rate Rider excluding global adjustment

Rate Class	Total (\$)	Rate Rider kWh – 2 year disposition	Vol Metric
Residential	594,618	0.00116	kWh
General Service Less Than 50 kW	259,862	0.00115	kWh
General Service 50 to 999 kW	494,290	0.41856	kW
General Service 1,000 to 4,999 kW	384,540	0.52372	kW
Large Use	290,587	0.65792	kW
Unmetered Scattered Load	5,009	0.00116	kWh
Sentinel Lighting	1,532	0.49441	kW
Street Lighting	20,219	0.42122	kW
Large Use - WMP	(20,177)	(0.05297)	kW
Total	2,030,479		

The balance in Account 1588 – sub account Global Adjustment as at December 31, 2009 is \$2,606,090. Bluewater Power has used the 2009 RRR filing data as the billing determinant (shown in Table 1 above) for the allocation of the global adjustment balance. Bluewater Power is currently looking at the options of implementing the rate rider as either part of the delivery component, or as part of the electricity component. For the purposes of this application, we have calculated the rate rider as a per kWh charge to be included as part of the electricity component on the customer’s bill. The resulting rate rider expressed as a uniform \$/kWh is detailed in Table 9.

Table 9 – Global Adjustment rate rider

Rate Class	Vol Metric	Non-RPP kWh	Total (\$)	Rate Rider \$/kWh – 2 year disposition
All Non-RPP Customers	kWh	508,436,971	2,606,090	0.00256

In the event that such a proposal to recover through a uniform \$/kWh is not acceptable to the OEB, or in the event that implementation requires the recovery to be calculated as a component of the distribution rate, we have shown the allocation that would be required from each rate class in Table 10 below.

Table 10 – Global Adjustment allocation to rate classes

Rate Class	Non-RPP kWh	% kWh	1588 – Global Adjustment (\$)
Residential	45,035,338	8.9%	230,837
General Service Less Than 50 kW	18,845,917	3.7%	96,598
General Service 50 to 999 kW	155,318,807	30.5%	796,116
General Service 1,000 to 4,999 kW	156,840,841	30.8%	803,918
Large Use	126,871,903	25.0%	650,306
Unmetered Scattered Load	0	0.0%	0
Sentinel Lighting	100,559	0.0%	515
Street Lighting	5,423,606	1.1%	27,800
Large Use – WMP	0	0.0%	0
Total	508,436,971	100.0%	2,606,090

3. Revenue-to-Cost Ratio Adjustments

Bluewater Power, as part of the Settlement Agreement for 2009 rates, agreed to adjustments to the revenue-to-cost ratio's over a number of years in order to bring the unmetered scattered load rate class and "Lighting Rate Classes" (sentinel lighting and street lighting) up to the target range as endorsed by the Ontario Energy Board ("the Board"). Below is an excerpt from the Settlement Agreement, Section 7.1, pages 28-29.

Bluewater Power has agreed that: in its 2010 Rate Application it will move each of the lighting categories one-third of the way to 0.85; in its 2011 Rate Application it will move each of the lighting categories one-half of the way to 0.85; and in its 2012 Rate Application it will move each of the lighting categories to a R/C Ratio of 0.85. In each year, the excess revenue will be allocated to the class with the highest R/C Ratio until it is no longer the highest, and then proportionately between the two or more classes with the highest R/C Ratios so that their R/C Ratios remain equal with each other, and so on, from year to year.

Bluewater Power has followed the parameters of the Settlement Agreement in this Application and has proposed to move the revenue-to-cost ratio's to the values indicated in Table 11, which is a summary of Sheet C1.5 of the Revenue to Cost Ratio Adjustment Workform

Table 11 - Proposed Revenue-to-Cost Ratio Adjustments for 2011 IRM

Rate Class	Current Revenue/Cost Ratio	Proposed Revenue/Cost Ratio (2011 IRM)	Dollar Change	% Change
Residential	1.03	1.03	\$ -	0.0%
General Service Less Than 50 kW	1.07	1.05	-\$ 67,063	-2.0%
General Service 50 to 999 kW	0.90	0.90	\$ -	0.0%
General Service 1,000 to 4,999 kW	1.01	1.01	\$ -	0.0%
Large Use	1.07	1.05	-\$ 26,487	-2.0%
Unmetered Scattered Load	0.75	0.80	\$ 8,864	6.7%
Sentinel Lighting	0.60	0.72	\$ 8,990	21.2%
Street Lighting	0.66	0.75	\$ 75,696	14.7%
			\$ 0	

4. Tax Change

In 2011 the Corporate Tax Rate is expected to decrease from 30.99% to 28.25%, which creates an incremental tax savings of \$341,981. Given the Board's determination that a 50/50 sharing of the impact of known legislated tax changes is appropriate, the impact of the \$341,981 tax reduction equates to a decrease of \$170,990 in Bluewater Power's base distribution rates. The decrease is proposed to be reflected through a tax change rate rider dispersed over a one year period as detailed in the table below.

Table 12 – Tax Change Rate Rider

Rate Class	Distribution Volumetric Rate kWh Rate Rider	Distribution Volumetric Rate kW Rate Rider
Residential	-\$0.0003	
General Service Less Than 50 kW	-\$0.0002	
General Service 50 to 999 kW		-\$0.0415
General Service 1,000 to 4,999 kW		-\$0.0245
Large Use		-\$0.0318
Unmetered Scattered Load	-\$0.0005	
Sentinel Lighting		-\$0.2667
Street Lighting		-\$0.2134

5. Price Cap Adjustment

Based on the current price cap parameters, the Rate Generator model reflects an adjustment of 1.18%. That calculation is based on a price escalator of 2.3%, less a productivity factor of 0.72%, and less a stretch factor of 0.4%. Bluewater Power understands the model will be adjusted at a later date to reflect the updated price escalator.

6. Retail Transmission Service Rates

Bluewater Power is charged retail transmission service rates by both the Independent Electricity System Operator (“IESO”), and by Hydro One Networks, and in turn has established approved rates to charge customers in order to recover those expenses.

The OEB has provided a model to compare the current retail transmission costs and retail transmission revenues to the projected transmission costs. Bluewater Power has completed the model, and understands the model will be updated with any changes to either IESO or Hydro One’s transmission service rates.

7. Smart Meter

Bluewater Power is applying to the Board for an increase from the current \$1.00 smart meter funding adder to a \$2.00 per month funding adder. Bluewater Power submits that increasing the adder through this application will mitigate future smart meter disposition costs. The smart meter guideline G-2008-0002 indicates that a distributor may request a utility specific smart meter funding adder supported by the following information:

- A detailed smart meter plan which includes the number of meters proposed to be installed and an installation schedule for each month during which the proposed smart meter funding adder is expected to be in effect
- the actual or estimated costs in total and on a per meter basis for:
 - procurement and installation of the components of the AMI system
 - customer information system
 - incremental operating and maintenance activities
 - changes to ancillary systems
 - stranded meters
- a business plan justification for any smart meter or AMI costs that are incurred to support functionality that exceeds the minimum functionality adopted in O. Reg. 425/06, and an estimate of those costs
- a statement as to whether the distributor has incurred, or expects to incur, costs associated with functions for which the SME has the exclusive authority to carry out pursuant to O. Reg. 393/07, and an estimate of those costs

At the time of this filing, Bluewater Power has installed approximately 77% of the smart meters, and plans on having 100% of the meters installed by the end of 2010. The baseline plan of monthly installation provided to the Board is detailed in the Table titled ‘Appendix B – Baseline Report Part II’ below, as well as the most recent monthly report to the OEB for the period ending September 30, 2010.

Subsequent to filing the baseline plan in April 2010, the Board provided a letter dated August 4, 2010 entitled 'Determination under Section 1.2.1 of the Standard Supply Service Code to Mandate Time-of-Use Pricing for Regulated Price Plan consumers, Board File 2010-0218'. The letter detailed the Mandatory TOU Date for all utilities. The relevant date for implementation of TOU Pricing for Bluewater Power is October 2011. Accordingly, what was detailed on the original baseline plan will change to accommodate the new mandatory TOU date.

Bluewater Power Distribution Corporation**Appendix B - Baseline Report Part II****PLANNED Installations as at April 1, 2010**

Month	Residential				GS<50kW			
	Meters Installed	Meters Enrolled	ToU Notice Sent	ToU Billing	Meters Installed	Meters Enrolled	ToU Notice Sent	ToU Billing
9-May								
9-Jun								
9-Jul								
9-Aug								
9-Sep								
9-Oct								
9-Nov								
9-Dec								
10-Jan								
10-Feb								
10-Mar	344							
10-Apr	563							
10-May								
10-Jun	6,763							
10-Jul	14,763				700			
10-Aug	22,363				1,400			
10-Sep	31,430				2,100			
10-Oct					2,800			
10-Nov					3,512			
10-Dec								
11-Jan		31,430				3,512		
11-Feb								
11-Mar			15,715				1,756	
11-Apr			31,430				3,512	-
11-May				15,715				1,756
11-Jun				31,430				3,512

As at September 30, 2010, the status of smart meter installations is as follows:

As At September 30, 2010	Residential	GS<50
Total number of RPP eligible consumers	31,430	3,512
Number of smart meters installed in the month	5,704	285
Number of smart meters registered with the MDM/R in the quarter	-	-
Number of RPP consumers being charged TOU prices added this quarter	-	-
Total cumulative number of smart meters installed in the service area at the end of the quarter	25,946	828
Total cumulative number of smart meters registered with the MDM/R at the end of the quarter	-	-
Total cumulative number of consumers being charged TOU prices at the end of the quarter	-	-

The costs incurred for the Advanced Metering Infrastructure (“the AMI”) only, as defined in the Guideline G-2008-0002, are detailed in the Smart Meter Rate Calculation Model. These costs will support the proposed increase to the smart meter funding adder. The model assumes \$1.00 per month collection until April 2011, with a forecast of the carrying costs associated with the revenue collection projected to May 2012. The model indicates a proposed smart meter rate adder of \$2.95 for a 12 month period in order to recover the proxy revenue requirement for the AMI system. Sheet 8 from the Smart Meter rate calculation model, detailed below indicates the revenue requirement analysis. Bluewater Power feels that \$2.00 per month would be an appropriate rate adder rather than \$2.95 in order to provide for smooth pricing in respect of distribution rates.

Sheet 8 from the OEB Smart Meter Rate Calculation Model

Description	Amount
Revenue Requirement - 2006	\$ 6,410.24
Revenue Requirement - 2007	\$ 24,705.09
Revenue Requirement - 2008	\$ 27,545.62
Revenue Requirement - 2009	\$ 35,221.52
Revenue Requirement - 2010	\$ 701,001.57
Revenue Requirement - 2011	\$ 1,308,008.67
Total Revenue Requirement	\$ 2,102,892.71
Smart Meter Rate Adder Collected	-\$ 827,856.45
Carrying Cost / Interest	-\$ 34,618.64
Proposed Smart Meter Recovery	\$ 1,240,417.62
2011 Expected Metered Customers	35000
Proposed Smart Meter Rate Adder	\$ 2.95

Bluewater Power does not propose to incur any costs that support functionality exceeding the minimum functionality adopted in O.Reg. 425/06, nor do we propose any costs associated with functions for which the SME has exclusive authority to carry out pursuant to O.Reg 393/07.

8. Lost Revenue Adjustment Mechanism (“LRAM”)

Bluewater Power is proposing recovery of lost revenue in the amount of \$241,149.13 pertaining to OPA Conservation and Demand management programs implemented mainly in 2008 and 2009. An earlier LRAM/SSM claim was approved by the Board as part of Bluewater Power’s 2009 COS application for the majority of programs implemented up to and including 2007.

Bluewater Power submits the following documents in support of its claim:

- A third party review completed by Burman Energy Consulting Group Inc. which validates the participation levels, the kW and kWh impact for each program for each class and a calculation of the impact of the CDM programs on distribution revenue.
- An Evaluation Plan which summarizes the programs implemented and the effectiveness of the programs

A rate rider was calculated utilizing the 2009 billing determinants for each rate class. Bluewater Power is proposing a 2 year disposition of the rate rider to coincide with the disposition of the other Group 1 deferral and variance accounts. The table below indicates the proposed rate rider per rate class.

Table 13 – LRAM Rate Rider Calculation

Rate Class	Vol Metric	Metered kWh	LRAM Claim	LRAM Rate Rider \$/kWh - 2 year
Residential	kWh	256,212,050	\$ 216,708.05	\$ 0.0004
General Service Less Than 50 kW	kWh	112,787,581	\$ 24,441.08	\$ 0.0001
Total		368,999,631	\$ 241,149.13	

***Inserts

9. Late Payment Penalty Litigation Cost Recovery

As part of this application, Bluewater Power will be seeking recovery of a one-time expense in the amount of \$149,870 which is to be paid on June 30, 2011. This payment will serve to resolve long-standing litigation against all former municipal electric utilities (“MEUs”) in the Province in relation to late payment penalty (“LPP”) charges collected pursuant to, first, Ontario Hydro rate schedules and, after industry restructuring, Ontario Energy Board rate orders (the “LPP Class Action”).

On July 22, 2010, The Honourable Mr. Justice Cumming of the Ontario Superior Court of Justice approved a settlement of the LPP Class Action, the principal terms of which are the following:

- (i) Former MEUs collectively pay \$17 million in damages;
- (ii) Payment is not due until June 30, 2011; and
- (iii) Amounts paid, after deduction for class counsel fee, will be paid to the Winter Warmth Fund or similar charities.

Bluewater Power will make a payment of \$149,870 by June 30, 2011. This amount represents Bluewater Power’s share of the settlement, applicable taxes and legal fees. Bluewater Power believes that the settlement is in its best interest and the best interest of its customers and that the payment in connection with the settlement will be a prudent one.

Bluewater Power, along with all other electricity distributors filing for cost of service and IRM applications for 2011 electricity distribution rates (the “LDCs”), proposes that the Board hold a generic hearing at the earliest opportunity to determine if all costs and damages incurred in this litigation and settlement are recoverable from customers and, if so, the form and timing of recovery from customers. If the Board agrees to hold this generic hearing, the LDCs will collectively file written evidence to address the prudence of the settlement, the costs incurred, the methodology of allocating total settlement costs amongst the LDCs, the proposed method of recovery, and any other matters the Board determines appropriate.

If the Board determines that it will not hold a generic proceeding, Bluewater Power asks to be advised of this fact as soon as possible so that it can file, to permit adjudication as part of this proceeding, written evidence to address the prudence of the settlement, the costs incurred, the methodology of allocating total settlement costs amongst the LDCs, the proposed method of recovery, and any other matters the Board determines appropriate.

10. Bill Impacts

The rates proposed in this application are found at Tab 9 – Current and Proposed Rates, and the detailed bill impacts by rate class are found at Tab 10 – Bill Impacts.

The bill impacts from the proposed rates are summarized in Table 14 below. The impacts reflect minor adjustments to Distribution Charges (detailed more fully in Table 16). The primary driver of the Distribution Bill Impact is the removal of a credit in the form of Rate Rider 1 (detailed in section 2(a) of this Manager’s Summary) and the addition of a charge in the form of Rate Rider 3 proposed with this application (detailed in Section 2(b)). In addition, certain rate categories (unmetered scattered load, sentinel and streetlighting) are realizing the impacts of the requirement to bring the revenue to cost ratios to the minimum of the target range as established by the Board, and as detailed in Section 3 of this Manager’s Summary.

Table 14 – Proposed Bill Impacts by Rate Class

Rate Class	kWh	kW	Distribution Bill Impact \$	Distribution Bill Impact %	Delivery Bill Impact \$	Delivery Bill Impact %	Total Bill Impact \$	Total Bill Impact %
Residential	800		3.18	11.6%	2.94	8.0%	3.33	2.8%
General Service Less Than 50 kW	2000		5.33	9.9%	4.91	6.5%	5.55	2.0%
General Service 50 to 999 kW	140,000	480	538.86	42.2%	487.98	15.0%	551.42	3.0%
General Service 1,000 to 4,999 kW	1,100,000	3,000	4,417.46	172.8%	4,073.36	25.7%	4,602.89	3.5%
Large Use	6,400,000	10,000	20,157.73	112.5%	18,864.73	27.9%	21,317.14	2.9%
Unmetered Scattered Load (Impact per connection)	2000		10.40	12.7%	9.98	9.7%	11.27	3.6%
Sentinel Lighting (Impact per connection)	180	0.5	2.70	28.6%	2.66	24.1%	3.00	10.2%
Street Lighting (Impact per connection)	37	0.1	0.52	18.7%	0.50	16.1%	0.57	7.9%

To more clearly make the point above, we have reproduced the table excluding the impact of rate riders and adders. Therefore, Table 15 below shows the impact of this rate application on base rates, which is the amount that Bluewater Power requires to operate its ordinary business. The rate riders and adders are flow-through items related to commodity charges or other items not forming a part of the costs included in base rates. Accordingly, although Table 14 reflects the impact on customers, Table 15 reflects the minimal impact on distribution revenue from the utility's perspective.

Table 15 - Proposed Bill Impacts where Distribution Charges exclude rate riders/adders

Rate Class	kWh	kW	Distribution Bill Impact \$	Distribution Bill Impact %	Delivery Bill Impact \$	Delivery Bill Impact %	Total Bill Impact \$	Total Bill Impact %
Residential	800		0.02	0.1%	2.93	8.0%	3.31	2.8%
General Service Less Than 50 kW	2000		(1.07)	-1.8%	4.92	6.6%	5.55	2.0%
General Service 50 to 999 kW	140,000	480	3.27	0.2%	487.97	15.0%	551.41	3.0%
General Service 1,000 to 4,999 kW	1,100,000	3,000	12.46	0.2%	4,073.36	25.7%	4,602.90	3.5%
Large Use	6,400,000	10,000	(620.27)	-1.5%	18,864.73	27.9%	21,317.14	2.9%
Unmetered Scattered Load (Impact per connection)	2000		6.40	7.3%	9.99	9.7%	11.28	3.6%
Sentinel Lighting (Impact per connection)	180	0.5	2.28	22.6%	2.65	24.1%	3.00	10.2%
Street Lighting (Impact per connection)	37	0.1	0.45	15.5%	0.51	16.5%	0.58	8.0%

Tab 2

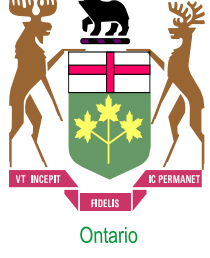
Deferral and Variance Account
Workform



Name of LDC: Bluewater Power Distribution Corporation
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LDC Information

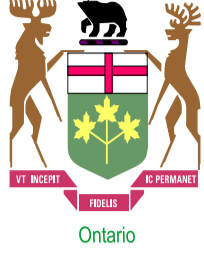
Applicant Name	Bluewater Power Distribution Corporation
OEB Application Number	EB-2010-0065
LDC Licence Number	ED-2002-0517
Applied for Effective Date	May 1, 2011
Last COS Re-based Year	2009
Last COS OEB Application Number	EB-2008-0221
Billing Determinants	2009 Audited RRR
Global Adjustment Elections	
Global Adjustment Recovery Separate Distribution Charge	Yes
Global Adjustment Recovery as Electricity Component	Yes



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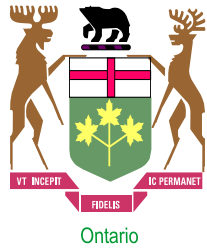
Sheet Name	Purpose of Sheet
A1.1 LDC Information	Enter LDC Data
A2.1 Table of Contents	Table of Contents
A3.1 Sheet Selection	Set up worksheets for data input
B1.3 Rate Class And Bill Det	Rate Class and 2008 Billing Determinants
C1.2 2009 Transfer to 1595 COS	2009 Board Approved Transfer of 2007 Deferral/Variance accounts to 1595 COS
C1.4 2010 Transfer to 1595 IRM	2011 Board Approved Transfer of 2008 Deferral/Variance accounts to 1595 IRM
D1.5 Def Var - Cont Sch 2009	Deferral Variance - Continuity Schedule 2009
D1.6 Def Var - Con Sch Final	Deferral Variance - Continuity Schedule Final
E1.1 Threshold Test	Threshold Test
F1.1 Cost Allocation kWh	Cost Allocation - kWh
F1.1a Cost Allocation kWh	#N/A
F1.2 Cost Allocation Non-RPPkWh	Cost Allocation - Non-RPP kWh
F1.3 Cost Allocation 1590	Cost Allocation - 1590
G1.1a Calculation Rate Rider	Calculation of Deferral Variance Recovery Rate Rider without Global Adjustment
G1.1c Energy Glob Adj Rt Rider	Calculation of Electricity Component Global Adjustment Rate Rider
G1.2 Request for Clearance	Request for Clearance of Deferral and Variance Accounts



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Sheet Selection - Show / Hide

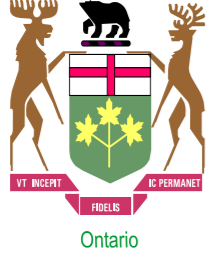
Sheet	Show / Hide	Purpose of Sheet
B1.1 2006 Reg Assets	Hide	To be used by distributor that has not previously disposed Deferral / Variance Accounts
B1.2 2006 Reg Ass Prop Shr	Hide	To be used by distributor that has not previously disposed Deferral / Variance Accounts
C1.0 2006 Reg Asset Recovery	Hide	To be used by distributor that has not previously disposed Deferral / Variance Accounts
C1.1 2008 Transfer to 1595 COS	Hide	To be used by distributor that disposed Deferral / Variance Accounts in a 2008 COS
C1.2 2009 Transfer to 1595 COS	Show	To be used by distributor that disposed Deferral / Variance Accounts in a 2009 COS
C1.3 2010 Transfer to 1595 COS	Hide	To be used by distributor that disposed Deferral / Variance Accounts in a 2010 COS
C1.4 2010 Transfer to 1595 IRM	Show	To be used by distributor that disposed Deferral / Variance Accounts in a 2010 IRM
D1.1 Def Var - Cont Sch 2005	Hide	To be used by distributor that has not previously disposed 2005 Deferral / Variance Accounts
D1.2 Def Var - Cont Sch 2006	Hide	To be used by distributor that has not previously disposed 2006 Deferral / Variance Accounts
D1.3 Def Var - Cont Sch 2007	Hide	To be used by distributor that has not previously disposed 2007 Deferral / Variance Accounts
D1.4 Def Var - Cont Sch 2008	Hide	To be used by distributor that has not previously disposed 2008 Deferral / Variance Accounts
F1.3 Cost Allocation 1590	Show	To be used by distributor that has not previously disposed of residual 1590 Account
F1.4 Cost Allocation 1595	Hide	To be used by a 2008 COS distributor that is clearing its one year Deferral /Variance disposition rate rider



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Rate Class and Billing Determinants

				2009 Audited RRR		
Rate Group	Rate Class	Fixed Metric	Vol Metric	Metered kWh	Metered kW	Billed kWh for Non-RPP customers
RES	Residential	Customer	kWh	256,212,050		45,035,338
GSLT50	General Service Less Than 50 kW	Customer	kWh	112,787,581		18,845,917
GSGT50	General Service 50 to 999 kW	Customer	kW	215,198,957	590,469	155,318,807
GSGT50	General Service 1,000 to 4,999 kW	Customer	kW	168,112,239	367,127	156,840,841
LU	Large Use	Customer	kW	126,871,903	220,838	126,871,903
USL	Unmetered Scattered Load	Connection	kWh	2,155,483		0
Sen	Sentinel Lighting	Connection	kW	655,494	1,549	100,559
SL	Street Lighting	Connection	kW	8,841,203	24,000	5,423,606
LU	Large Use - WMP	Customer	kW	124,059,105	190,452	0
NA	Rate Class 10	NA	NA			
NA	Rate Class 11	NA	NA			
NA	Rate Class 12	NA	NA			
NA	Rate Class 13	NA	NA			
NA	Rate Class 14	NA	NA			
NA	Rate Class 15	NA	NA			
NA	Rate Class 16	NA	NA			
NA	Rate Class 17	NA	NA			
NA	Rate Class 18	NA	NA			
NA	Rate Class 19	NA	NA			
NA	Rate Class 20	NA	NA			
NA	Rate Class 21	NA	NA			
NA	Rate Class 22	NA	NA			
NA	Rate Class 23	NA	NA			
NA	Rate Class 24	NA	NA			
NA	Rate Class 25	NA	NA			
						508,436,971



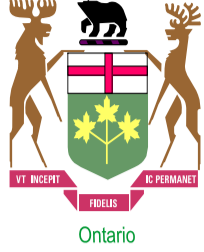
Name of LDC: Bluewater Power Distribution Corporation
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2009 Board Approved Transfer of 2007 Deferral/Variance accounts to 1595 COS

OEB Decision EB-2008-0221

Disposition Recovery Sunset Date
 April 30, 2011

Account Description	Account Number	Principal Amounts	Interest Amount	Total Balance
Group 1 Accounts				
LV Variance Account	1550	33,141.00	1,578.00	34,719.00
RSVA - Wholesale Market Service Charge	1580	1,717,946.00	112,489.00	1,830,435.00
RSVA - Retail Transmission Network Charge	1584	(111,692.00)	(5,299.00)	(116,991.00)
RSVA - Retail Transmission Connection Charge	1586	327,908.00	68,761.00	396,669.00
RSVA - Power (Excluding Global Adjustment)	1588	2,526,543.00	328,131.00	2,854,674.00
RSVA - Power (Global Adjustment Sub-account)	1588	(199,595.00)	(12,552.00)	(212,147.00)
Recovery of Regulatory Asset Balances	1590	0.00	0.00	0.00
Sub-Total - Group 1 Accounts		4,294,251.00	493,108.00	4,787,359.00
Group 2 Accounts				
Other Regulatory Assets - Sub-Account - OEB Cost Assessments	1508	(96,824.00)	(16,455.00)	(113,279.00)
Other Regulatory Assets - Sub-Account - Pension Contributions	1508	(495,363.00)	(73,191.00)	(568,554.00)
Other Regulatory Assets - Sub-Account Deferred IFRS Transition Costs	1508	0.00	0.00	0.00
Other Regulatory Assets - Sub-Account - Other	1508	(130,666.00)	0.00	(130,666.00)
Other Regulatory Assets - Sub-Account - Other	1508	0.00	0.00	0.00
Retail Cost Variance Account - Retail	1518	0.00	0.00	0.00
Retail Cost Variance Account - STR	1548	0.00	0.00	0.00
Misc. Deferred Debits	1525	(447.00)	(69.00)	(516.00)
Renewable Connection Capital Deferral Account	1531	0.00	0.00	0.00
Renewable Connection OM&A Deferral Account	1532	0.00	0.00	0.00
Smart Grid Capital Deferral Account	1534	0.00	0.00	0.00
Smart Grid OM&A Deferral Account	1535	0.00	0.00	0.00
Smart Meter Capital and Recovery Offset Variance - Sub-Account - Capital	1555	0.00	0.00	0.00
Smart Meter Capital and Recovery Offset Variance - Sub-Account - Recoveries	1555	0.00	0.00	0.00
Smart Meter Capital and Recovery Offset Variance - Sub-Account - Stranded Meter Costs	1555	0.00	0.00	0.00
Smart Meter OM&A Variance	1556	0.00	0.00	0.00
Conservation and Demand Management Expenditures and Recoveries	1565	0.00	0.00	0.00
CDM Contra	1566	0.00	0.00	0.00
Qualifying Transition Costs	1570	0.00	0.00	0.00
Pre-Market Opening Energy Variances Total	1571	0.00	0.00	0.00
Extra-Ordinary Event Costs	1572	0.00	0.00	0.00
Deferred Rate Impact Amounts	1574	0.00	0.00	0.00
RSVA - One-time Wholesale Market Service	1582	0.00	0.00	0.00
Other Deferred Credits	2425	0.00	0.00	0.00
Sub-Total - Group 2 Accounts		(723,300.00)	(89,715.00)	(813,015.00)
Disposition and recovery of Regulatory Balances Account	1595	(3,570,951.00)	(403,393.00)	(3,974,344.00)
Rate Rider Recovery				
Deferral Variance Recovery May 1, 2009 to December 31, 2009	1595	1,071,157.00	(11,367.00)	1,059,790.00
Deferral Variance Recovery Jan 1, 2010 to December 31, 2010	1595	0.00	0.00	0.00
Deferral Variance Recovery Jan 1, 2011 to December 31, 2011	1595	0.00	0.00	0.00
Deferral Variance Recovery Jan 1, 2012 to December 31, 2012	1595	0.00	0.00	0.00
Deferral Variance Recovery Jan 1, 2013 to December 31, 2013	1595	0.00	0.00	0.00
Deferral Variance Recovery Jan 1, 2014 to December 31, 2014	1595	0.00	0.00	0.00
Balance of Disposition and recovery of Regulatory Balances Account	1595	(2,499,794.00)	(414,760.00)	(2,914,554.00)



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2010 Board Approved Transfer of 2008 Deferral/Variance accounts to 1595 IRM

Disposition Recovery Sunset Date

April 30, 2011

Account Description	Account Number	Principal Amounts	Interest Amount	Total Balance
		A	B	C = A + B
Group 1 Accounts				
LV Variance Account	1550	(9,408.00)	929.00	(8,479.00)
RSVA - Wholesale Market Service Charge	1580	490,745.00	17,576.00	508,321.00
RSVA - Retail Transmission Network Charge	1584	463,877.00	22,542.00	486,419.00
RSVA - Retail Transmission Connection Charge	1586	316,248.00	13,670.00	329,918.00
RSVA - Power (Excluding Global Adjustment)	1588	1,318,895.00	53,218.00	1,372,113.00
RSVA - Power (Global Adjustment Sub-account) - when not a separate rate rider	1588	(204,254.00)	(12,442.00)	(216,696.00)
Recovery of Regulatory Asset Balances	1590	2,026,712.00	(1,772,391.00)	254,321.00
Sub-Total - Group 1 Accounts		4,402,815.00	(1,676,898.00)	2,725,917.00
Board ordered disposition of immaterial amounts too small for rate riders				
IRM3 tax sharing z-factor		0.00	0.00	0.00
Disposition and recovery of Regulatory Balances Account	1595	(4,402,815.00)	1,676,898.00	(2,725,917.00)
Rate Rider Recovery				
Deferral Variance Recovery May 1, 2010 to December 31, 2010	1595	0.00	0.00	0.00
Deferral Variance Recovery Jan 1, 2011 to December 31, 2011	1595	0.00	0.00	0.00
Deferral Variance Recovery Jan 1, 2012 to December 31, 2012	1595	0.00	0.00	0.00
Deferral Variance Recovery Jan 1, 2013 to December 31, 2013	1595	0.00	0.00	0.00
Deferral Variance Recovery Jan 1, 2014 to December 31, 2014	1595	0.00	0.00	0.00
Deferral Variance Recovery Jan 1, 2015 to December 31, 2015	1595	0.00	0.00	0.00
Balance of Disposition and recovery of Regulatory Balances Account	1595	(4,402,815.00)	1,676,898.00	(2,725,917.00)

Global Adjustment as a separate Rate Rider

Account Description	Account Number	Principal Amounts	Interest Amount	Total Balance
RSVA - Power (Global Adjustment Sub-account) - when a separate rate rider	1588	0.00	0.00	0.00
Disposition and recovery of Regulatory Balances Account	1595	0.00	0.00	0.00
Rate Rider Recovery				
Deferral Variance Recovery May 1, 2010 to December 31, 2010	1595	0.00	0.00	0.00
Deferral Variance Recovery Jan 1, 2011 to December 31, 2011	1595	0.00	0.00	0.00
Deferral Variance Recovery Jan 1, 2012 to December 31, 2012	1595	0.00	0.00	0.00
Deferral Variance Recovery Jan 1, 2013 to December 31, 2013	1595	0.00	0.00	0.00
Deferral Variance Recovery Jan 1, 2014 to December 31, 2014	1595	0.00	0.00	0.00
Deferral Variance Recovery Jan 1, 2015 to December 31, 2015	1595	0.00	0.00	0.00
Balance of Disposition and recovery of Regulatory Balances Account	1595	0.00	0.00	0.00

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Deferral Variance - Continuity Schedule 2009

Account Description	Account Number	Opening Principal Amounts as of Jan-1-09	Transactions (additions) during 2009, excluding interest and adjustments ¹	Transactions (reductions) during 2009, excluding interest and adjustments ¹	Adjustments during 2009 - instructed by Board ²	Adjustments during 2009 - other ³	Transfer Residual Amount of USoA 1595	Closing Principal Balance as of Dec-31-09	Opening Interest Amounts as of Jan-1-09	Interest Jan-1 to Dec31-09	Transfer of Board-approved 2007 interest amounts to 1595 (2009 COS)	Closing Interest Amounts as of Dec-31-09
LV Variance Account	1550	0	(76,148)					(76,148)	0	754		754
RSVA - Wholesale Market Service Charge	1580	0	(401,955)					(401,955)	0	2,783		2,783
RSVA - Retail Transmission Network Charge	1584	0	76,220					76,220	0	4,385		4,385
RSVA - Retail Transmission Connection Charge	1586	0	(175,853)					(175,853)	0	2,026		2,026
RSVA - Power (Excluding Global Adjustment)	1588	0	2,547,648					2,547,648	0	13,015		13,015
RSVA - Power (Global Adjustment Sub-account)	1588	0	2,571,723					2,571,723	0	8,290		8,290
Recovery of Regulatory Asset Balances	1590	0	0		0			0	0	17,629		17,629
Residual Balance Disposition and recovery of Def/Var Balances Account (2008)	1595	0					0	0	0		0	0
Total		0	4,541,635	0	0	0	0	4,541,635	0	48,882	0	48,882

¹ For RSVA accounts only, report the net additions to the account during the year. For all other accounts, record the additions and reductions separately.

² Provide supporting evidence i.e. Board Decision, CRO Order, etc.

³ Provide supporting statement indicating nature of this adjustments and periods they relate to

⁴ This records the values of amounts removed from Group One accounts in previous proceedings; but does not enter offsets for disposition of 1590, as recovery has not been completed.



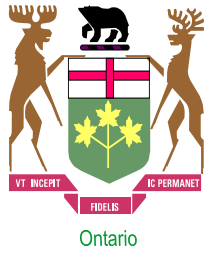
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Deferral Variance - Continuity Schedule Final

Account Description	Account Number	Opening Principal Amounts as of Jan-1-10 A	Adjustments - Please explain B	Principal Amounts to be disposed C = A + B	Opening Interest Amounts as of Jan-1-10 D	Interest on Board-approved 2008 amounts prior to transfer Jan-1, 2010 to Date of Transfer E	Adjustments - Please explain F	Projected Interest on Dec 31 -09 balance from Jan 1, 2010 to Dec 31, 2010 ¹ G	Projected Interest on Dec 31 -09 balance from Jan 1, 2011 to April 30, 2011 ¹ H	Interest Amounts to be disposed I = D + E + F + G + H	Total Claim J = C + I
LV Variance Account	1550	(76,148)		(76,148)	754			(549)	(223)	(18)	(76,166)
RSVA - Wholesale Market Service Charge	1580	(401,955)		(401,955)	2,783			(2,900)	(1,176)	(1,293)	(403,248)
RSVA - Retail Transmission Network Charge	1584	76,220		76,220	4,385			550	223	5,158	81,378
RSVA - Retail Transmission Connection Charge	1586	(175,853)		(175,853)	2,026			(1,269)	(515)	243	(175,610)
RSVA - Power (Excluding Global Adjustment)	1588	2,547,648		2,547,648	13,015			18,379	7,454	38,848	2,586,496
RSVA - Power (Global Adjustment Sub-account)		2,571,723		2,571,723	8,290			18,552	7,525	34,367	2,606,090
Recovery of Regulatory Asset Balances	1590	0		0	17,629			0	0	17,629	17,629
Residual Balance Disposition and recovery of Def/Var Balances Account (2008)	1595	0		0	0			0	0	0	0
Total		4,541,635	0	4,541,635	48,882	0	0	32,763	13,289	94,934	4,636,569

¹ Interest projected on December 31, 2009 closing principal balance.

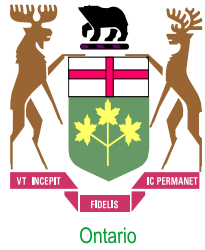
Month	Prescribed Rate	Monthly Interest	Month	Prescribed Rate	Monthly Interest
Sunday, January 31, 2010	0.55	0.0467	Monday, January 31, 2011	0.89	0.0756
Sunday, February 28, 2010	0.55	0.0422	Monday, February 28, 2011	0.89	0.0683
Wednesday, March 31, 2010	0.55	0.0467	Thursday, March 31, 2011	0.89	0.0756
Friday, April 30, 2010	0.55	0.0452	Saturday, April 30, 2011	0.89	0.0732
Monday, May 31, 2010	0.55	0.0467	Effective Rate		0.2926
Wednesday, June 30, 2010	0.55	0.0452			
Saturday, July 31, 2010	0.89	0.0756			
Tuesday, August 31, 2010	0.89	0.0756			
Thursday, September 30, 2010	0.89	0.0732			
Sunday, October 31, 2010	0.89	0.0756			
Tuesday, November 30, 2010	0.89	0.0732			
Friday, December 31, 2010	0.89	0.0756			
Effective Rate		0.7214			



Name of LDC: Bluewater Power Distributor
File Number: EB-2010-0065
Effective Date: Sunday, May 01, 2011
Version : 1.9

Threshold Test

Rate Class	Billed kWh B
Residential	256,212,050
General Service Less Than 50 kW	112,787,581
General Service 50 to 999 kW	215,198,957
General Service 1,000 to 4,999 kW	168,112,239
Large Use	126,871,903
Unmetered Scattered Load	2,155,483
Sentinel Lighting	655,494
Street Lighting	8,841,203
Large Use - WMP	124,059,105
	<u>#####</u>
Total Claim	4,636,569
Total Claim per kWh	0.004569

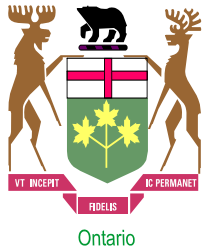


Name of LDC: Bluewater Power Distribution Corporation
File Number: EB-2010-0065
Effective Date: Sunday, May 01, 2011
Version : 1.9

Cost Allocation - kWh

Rate Class	Billed kWh	% kWh				Total
			1550	1584	1586	
Residential	256,212,050	25.2%	(19,228)	20,544	(44,333)	(43,017)
General Service Less Than 50 kW	112,787,581	11.1%	(8,465)	9,044	(19,516)	(18,937)
General Service 50 to 999 kW	215,198,957	21.2%	(16,150)	17,255	(37,237)	(36,131)
General Service 1,000 to 4,999 kW	168,112,239	16.6%	(12,617)	13,480	(29,089)	(28,226)
Large Use	126,871,903	12.5%	(9,522)	10,173	(21,953)	(21,302)
Unmetered Scattered Load	2,155,483	0.2%	(162)	173	(373)	(362)
Sentinel Lighting	655,494	0.1%	(49)	53	(113)	(110)
Street Lighting	8,841,203	0.9%	(664)	709	(1,530)	(1,484)
Large Use - WMP	124,059,105	12.2%	(9,310)	9,948	(21,466)	(20,829)
	<u>1,014,894,015</u>	<u>100.0%</u>	<u>(76,166)</u>	<u>81,378</u>	<u>(175,610)</u>	<u>(170,398)</u>
			-	-	-	-

¹ RSA - Power (Excluding Global Adjustment)

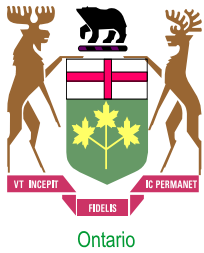


Name of LDC: Bluewater Power Distribution Corporation
File Number: EB-2010-0065
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Cost Allocation - kWh

Rate Class	Billed kWh	% kWh			Total
			1580	1588 ¹	
Residential	256,212,050	28.8%	(115,978)	743,899	627,922
General Service Less Than 50 kW	112,787,581	12.7%	(51,055)	327,473	276,419
General Service 50 to 999 kW	215,198,957	24.2%	(97,413)	624,820	527,407
General Service 1,000 to 4,999 kW	168,112,239	18.9%	(76,098)	488,106	412,008
Large Use	126,871,903	14.2%	(57,430)	368,366	310,936
Unmetered Scattered Load	2,155,483	0.2%	(976)	6,258	5,283
Sentinel Lighting	655,494	0.1%	(297)	1,903	1,606
Street Lighting	8,841,203	1.0%	(4,002)	25,670	21,668
Large Use - WMP	0	0.0%	0	0	0
	<u>890,834,910</u>	<u>100.0%</u>	<u>(403,248)</u>	<u>2,586,496</u>	<u>2,183,248</u>
			-	-	-

¹ RSVA - Power (Excluding Global Adjustment)

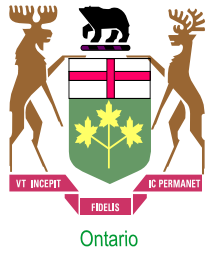


Name of LDC: Bluewater Power Distribution Corporation
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Version : 1.9

Cost Allocation - Non-RPP kWh

Rate Class	Non-RPP kWh	% kWh	1588 ¹
Residential	45,035,338	8.9%	230,837
General Service Less Than 50 kW	18,845,917	3.7%	96,598
General Service 50 to 999 kW	155,318,807	30.5%	796,116
General Service 1,000 to 4,999 kW	156,840,841	30.8%	803,918
Large Use	126,871,903	25.0%	650,306
Unmetered Scattered Load	0	0.0%	0
Sentinel Lighting	100,559	0.0%	515
Street Lighting	5,423,606	1.1%	27,800
Large Use - WMP	0	0.0%	0
	508,436,971	100.0%	2,606,090

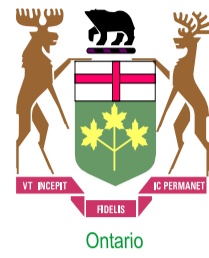
¹ RSVA - Power (Global Adjustment Sub-account)



Name of LDC: Bluewater Power Distribution Corporation
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Cost Allocation - 1590

Rate Class	1590 Recovery Share Proportion	1590
Residential	55.1%	9,714
General Service Less Than 50 kW	13.5%	2,380
General Service 50 to 999 kW	17.1%	3,015
General Service 1,000 to 4,999 kW	4.3%	758
Large Use	5.4%	952
Unmetered Scattered Load	0.5%	88
Sentinel Lighting	0.2%	35
Street Lighting	0.2%	35
Large Use - WMP	3.7%	652
	100.0%	17,629



Name of LDC: Bluewater Power Distribution Corporation
 File Number: EB-2010-0065
 Effective Date: Sunday, May 01, 2011
 Version : 1.9

Calculation of Deferral Variance Recovery Rate Rider without Global Adjustment

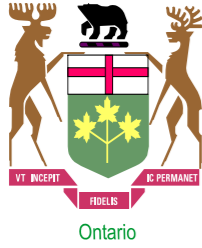
Rate Rider Recovery Period - Years **Two**

Rate Rider Effective To Date

Tuesday, April 30, 2013

Rate Class	Vol Metric	Billed kWh	Billed kW	Accounts Allocated by kWh with Large User -WMP	Accounts Allocated by kWh without Large User -WMP	Account 1590	Account 1595	Total	Rate Rider kWh
		A	B	C	D	E	F	G = C + D + E + F	H = G / A (kWh) or H = G / B (kW)
Residential	kWh	256,212,050	0	(43,017)	627,922	9,714	0	594,618	0.00116
General Service Less Than 50 kW	kWh	112,787,581	0	(18,937)	276,419	2,380	0	259,862	0.00115
General Service 50 to 999 kW	kW	215,198,957	590,469	(36,131)	527,407	3,015	0	494,290	0.41856
General Service 1,000 to 4,999 kW	kW	168,112,239	367,127	(28,226)	412,008	758	0	384,540	0.52372
Large Use	kW	126,871,903	220,838	(21,302)	310,936	952	0	290,587	0.65792
Unmetered Scattered Load	kWh	2,155,483	0	(362)	5,283	88	0	5,009	0.00116
Sentinel Lighting	kW	655,494	1,549	(110)	1,606	35	0	1,532	0.49441
Street Lighting	kW	8,841,203	24,000	(1,484)	21,668	35	0	20,219	0.42122
Large Use - WMP	kW	124,059,105	190,452	(20,829)	0	652	0	(20,177)	(0.05297)
		<u>1,014,894,015</u>	<u>1,394,435</u>	<u>(170,398)</u>	<u>2,183,248</u>	<u>17,629</u>	<u>0</u>	<u>2,030,479</u>	
				2,183,248					

Enter the above value onto Sheet "J2.X DeferralAccount Rate Rider" of the 2011 OEB IRM2 Rate Generator "J2.X DeferralAccount Rate Rider2" of the 2011 OEB IRM3 Rate Generator



Name of LDC: Bluewater Power Distribution Corporation
File Number: EB-2010-0065
Effective Date: Sunday, May 01, 2011

Calculation of Electricity Component Global Adjustment Rate Rider

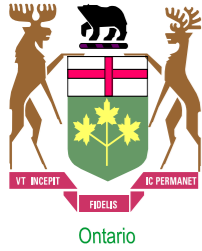
Rate Rider Recovery Period - Years

Two

Rate Rider Effective To Date

Tuesday, April 30, 2013

Rate Class	Vol Metric	Non-RPP kWh	Accounts Allocated by Non-RPP kWh	Rate Rider kWh
All Non-RPP Customers	kWh	508,436,971	2,606,090	0.00256
				Enter the above value onto Sheet "XXX" of the 2011 OEB IRM Rate Generator



Name of LDC: Bluewater Power Distribution Corporation
File Number: EB-2010-0065
Effective Date: Sunday, May 01, 2011
Version : 1.9

Request for Clearance of Deferral and Variance Accounts

Account Description	Account Number	Principal Amounts	Interest Amounts	Total Claim
		A	B	C = A + B
LV Variance Account	1550	76,148	18	76,166
RSVA - Wholesale Market Service Charge	1580	401,955	1,293	403,248
RSVA - Retail Transmission Network Charge	1584	(76,220)	(5,158)	(81,378)
RSVA - Retail Transmission Connection Charge	1586	175,853	(243)	175,610
RSVA - Power (Excluding Global Adjustment)	1588	(2,547,648)	(38,848)	(2,586,496)
RSVA - Power (Global Adjustment Sub-account)	1588	(2,571,723)	(34,367)	(2,606,090)
Recovery of Regulatory Asset Balances	1590	0	(17,629)	(17,629)
Balance of Disposition and recovery of Regulatory Balances Account (2008)	1595	0	0	0
Disposition and recovery of Regulatory Balances Account	1595	4,541,635	94,934	4,636,569
	Total	0	0	0