

Parry Sound Power Corporation

2012 3rd Generation Incentive Rate Mechanism

Electricity Distribution

Rate Application

EB-2011-0193

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Tab 1

Application

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Manager's 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 Parry Sound Power Corporation for an Order or Orders pursuant to section 78 of the *Ontario Energy Board Act, 1998* for 2012 distribution rates and related matters.

APPLICATION

1. The Applicant is Parry Sound Power Corporation ("Parry Sound"). Parry Sound is a licensed electricity distributor operating pursuant to license ED-2003-0006. Parry Sound distributes electricity to approximately 3,467 customers in the Town of Parry Sound.
2. Parry Sound 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 2012 incentive regulation mechanism ("IRM") application, effective January 1, 2012.
3. Specifically, Parry Sound 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 updated June 22, 2011, including the following:
 - a. the disposition of deferral and variance account principal balances as at December 31, 2010 along with the carrying charges projected to December 31, 2011 in accordance with the Report of the Board on Electricity Distributors' Deferral and Variance Account Review Initiative (EDDVAR) – July 31, 2009, and approval to defer the disposition of account 1521-Special Purpose Charge and 1562- Payment in Lieu of Taxes;
 - b. approval of the Tax Sharing amount as calculated in the Tax Sharing Workform;
 - c. an adjustment to the retail transmission service rates as provided in Guideline (G-2008-0001) on Retail Transmission Service Rates – October 22, 2008 (Revision 3.0 June 22, 2011); and
 - d. approval to Revenue Cost ratio adjustments as directed in the 2011 Cost of Service Decision and Order EB-2010-0140 dated June 17, 2011.
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:

Parry Sound Power Corporation
125 William St.
Parry Sound, ON
P2A 1V9

Attention:
Miles Thompson
Vice President and General Manager
mthompson@pspower.ca
Telephone: (705) 746-5866

DATED at Parry Sound, Ontario, this 29th day of September, 2011.

Parry Sound Power Corporation

M. Thompson – Vice President & General Manager

Manager's Summary

Parry Sound hereby submits a complete application for the approval of distribution rates proposed to be effective January 1, 2012 under the 2012 electricity distribution incentive regulation mechanism ("IRM"). Parry Sound filed a comprehensive cost of service rebasing application for May 1, 2011 rates, proceeded by way of a written hearing, and had rates approved by the Ontario Energy Board ("OEB") under file number EB-2010-0140. For purposes of the 2012 IRM application, Parry Sound relied upon the following OEB issued documents and guidelines:

Chapter 3 of the Filing Requirements for Transmission and Distribution Applications updated on June 22, 2011 ("Filing Requirements")

Guideline (G-2008-0001) on Retail Transmission Service Rates – October 22, 2008 (Revision 3.0, June 22, 2011) 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 specific sections of Manager's Summary as well as being reflected in the IRM Models:

1. Current and Proposed Deferral and Variance Account Rate Riders
2. Shared Tax Savings & Workform
3. Retail Transmission Service Rates & Workform
4. Price Cap Index
5. Revenue to Cost Ratios
6. Bill Impacts
7. Tariff sheet

1. Current and Proposed Deferral and Variance Account Rate Riders

Current Deferral Account Rate Riders

Parry Sound currently has five rate riders in effect which were approved by the Board as part of Parry Sound's 2011 COS. Two of those Riders were approved as fixed charges \$/customer /month to recover Late Payment Penalty Litigation costs and Foregone Incremental Revenue and are in effect until December 31, 2012. There are two volumetric rate riders approved to recover Foregone Incremental Revenue and LRAM/SSM both of which are also in effect until December 31, 2012. The fifth rate rider is a Rate Mitigation Rider which was approved with a sunset date of December 31, 2011.

Proposed Deferral Account Rate Riders

Parry Sound has completed the D&VA worksheets included in the 2012 Rate Generator model.

The receivable balance of \$120,600 for the Group 1 accounts exceeds the materiality threshold of \$.001/kWh as defined in the EDDVAR report and calculated on sheet 10 of the rate generator model, therefore, Parry Sound is requesting approval to dispose of the Group 1 accounts in this rate application. The following table provides the claim for each of the accounts which includes principal and interest balances at December 31, 2010 plus a forecast of interest to December 31, 2011. Since Parry Sound's rates will become effective January 1, 2012 following approval of this rate application, there was no need to forecast interest for the first four months of 2012. Parry Sound is requesting disposition of the Group 1 accounts over a one year period commencing January 1, 2012.

Account Descriptions	Account Number	Closing Principal Balances as of Dec 31-10 Adjusted for Dispositions during 2011	Closing Interest Balances as of Dec 31-10 Adjusted during 2011 Disposition	Projected Interest from Jan 1, 2011 to December 31, 2011 on Dec 31 -10 balance adjusted for disposition during 2011 ⁵	Total Claim
LV Variance Account	1550	\$ 7,839	-\$ 30	\$ 115	\$ 7,925
RSVA - Wholesale Market Service Charge	1580	-\$ 139,047	\$ 7,513	-\$ 2,044	-\$ 133,577
RSVA - Retail Transmission Network Charge	1584	-\$ 20,176	-\$ 397	-\$ 297	-\$ 20,870
RSVA - Retail Transmission Connection Charge	1586	-\$ 80,647	-\$ 948	-\$ 1,186	-\$ 82,780
RSVA - Power (excluding Global Adjustment)	1588	-\$ 85,517	-\$ 7,307	-\$ 1,257	-\$ 94,082
RSVA - Power - Sub-Account - Global Adjustment	1588	\$ 430,232	\$ 7,403	\$ 6,324	\$ 443,959
Recovery of Regulatory Asset Balances	1590	\$ 20	\$ 4	\$ 0	\$ 24
Group 1 Sub-Total (including Account 1588 - Global Adjustment)		\$ 112,704	\$ 6,239	\$ 1,657	\$ 120,600
Group 1 Sub-Total (excluding Account 1588 - Global Adjustment)		-\$ 317,527	-\$ 1,164	-\$ 4,668	-\$ 323,359
RSVA - Power - Sub-Account - Global Adjustment	1588	\$ 430,232	\$ 7,403	\$ 6,324	\$ 443,959
Group 1 Total		\$ 112,704	\$ 6,239	\$ 1,657	\$ 120,600

During the preparation of this rate application Parry Sound discovered an error in its calculation of the 1588 Global Adjustment account on one of its internal worksheets. The error which occurred with the ending balance in 2009 only impacts the RRR filings and does not affect the customers since the error can be corrected prior to disposition of the 2010 balances. The error resulted in an understatement of the 1588 Subaccount Global Adjustment and an offsetting over statement in the 1588 Power account.

Parry Sound will request the Board to allow revisions to the RRR 2.1.1 reports for the reporting periods beginning with December 31, 2009. The 1588 accounts included with this rate application reflects the correction required, therefore, Parry Sound is requesting approval to dispose of the 1588 account as stated in the Rate Generator Model which is found in Tab 5 of this application.

Account 1521 - Special Purpose Charge

Although Parry Sound has a receivable balance of \$18,668.60 in this account at December 31, 2010 full collection of the Special Purpose Charge had not been completed at December 31, 2010. Parry Sound is therefore not requesting disposition of this account in this rate application. Any balance in Account 1521 will require disposition in Parry Sound's next rate application.

Account 1562 – Payment in Lieu of Taxes (PILs)

Parry Sound is not requesting approval to dispose of account 1562 in this rate application. A third party has been acquired to review Parry Sound's PILs account for the period October 2001 through April 30, 2006. Based on the fact that the PILs proceeding for three applicants took approximately three years to complete there appears to be few experts in this industry with the required knowledge to complete the PILs filing by following the Decision and Order EB-2008-0381 dated June 24, 2011 as recommended by the Board. The third party acquired by Parry Sound to assist with the PILs filing is also assisting several other LDCs with similar filings. Parry Sound is aware of major swings in the PILs account other LDCs are experiencing when following the process similar to EB-2008-0381. For the reasons explained above Parry Sound Power is requesting to defer the PILs April 30, 2006 principal balance and the interest which has been accumulating since that date until its next rate application to ensure the customers of Parry Sound are treated correctly.

2. Tax Sharing

For 2012 the Sharing of Tax Savings is calculated as a relatively immaterial amount of \$568 debit as a result of the Tax Rate increase from 2011 to 2012. Parry Sound requests Board approval to record this \$568 in account 1595 for disposition in a future rate application. The 2012 Tax Sharing Workform is included with this application as Tab 2.

3. Retail Transmission Service Rates

Parry Sound is charged retail transmission service rates 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. Parry Sound has completed the model and included the proposed RTSR-Network and RTSR-Connection rates on sheets 15 and 16 of the Rate Generator Model, respectively. Parry Sound understands the model will be updated with any changes to Hydro One's transmission service rates. A summary of the Current and Proposed RTSRs is included in the table below:

		Unit	Current Network	Proposed Network		Current Connection	Proposed Connection
Residential		kWh	\$ 0.0054	\$ 0.0051		\$ 0.0047	\$ 0.0040
General Service Less Than 50 kW		kWh	\$ 0.0049	\$ 0.0047		\$ 0.0043	\$ 0.0037
General Service 50 to 4,999 kW		kW	\$ 1.9979	\$ 1.9014		\$ 1.7032	\$ 1.4641
General Service 50 to 4,999 kW – Interval Metered		kW	\$ 2.3775	\$ 2.2626		\$ 2.0659	\$ 1.7759
Unmetered Scattered Load		kWh	\$ 0.0049	\$ 0.0047		\$ 0.0043	\$ 0.0037
Sentinel Lighting		kW	\$ 1.5144	\$ 1.4412		\$ 1.3441	\$ 1.1554
Street Lighting		kW	\$ 1.5067	\$ 1.4339		\$ 1.3166	\$ 1.1318

Parry Sound notes sheet 4 of the RTSR Workform Sheet 4. RRR Data produces inconsistent Loss Adjusted kWh in column H when some of the kWh is loss adjusted while others are not. Parry Sound has used the appropriate billing determinants that apply to the RTSRs only. For example, kWh is applicable only to Residential, General Service less than 50kW, and Unmetered Scattered Load customer classes. For the General Service Greater than 50kW, Sentinel Lighting and Street Lighting classes kW is the applicable billing determinant.

4. Price Cap Index

Based on the current price cap parameters, the Rate Generator model reflects a Price Cap Index adjustment of 0.18%. That calculation is based on a price escalator of 1.3%, less a productivity factor of 0.72%, and less a stretch factor of 0.4%. Parry Sound understands the model may be adjusted at a later date to reflect an updated price escalator and stretch factor.

5. Revenue Cost Ratio Adjustments & Workform

In its 2011 Cost of Service Rate Application Decision EB-2010-0140 Parry Sound was directed to adjust the Revenue Cost ratio for the Street Lighting customer class to 52% in this 2012 IRM application. Parry Sound has completed the Revenue Cost Ratio Adjustment Workform and has offset the increase in the Street lighting class with an offsetting reduction in the General Service greater than 50kW class. The following table provides the current and proposed Revenue Cost ratios:

Rate Class	Current Revenue Cost Ratio	Proposed Revenue Cost Ratio
Residential	1.02	1.02
General Service Less Than 50 kW	0.85	0.85
General Service 50 to 4,999 kW	1.36	1.30
Unmetered Scattered Load	0.80	0.80
Sentinel Lighting	0.70	0.70
Street Lighting	0.35	0.52

The adjustments to the Monthly Service Charge and the Distribution Volumetric rates resulting for these Revenue Cost Ratio changes have been included on Sheet “17. GDP-IPI-X” of the Rate Generator model.

6. Bill Impacts

The bill impacts reflected by the proposed changes to rates within this application are as follows:

Residential - 800 kWh per month

Consumption	800	kWh	kW	Current Loss Factor	1.0809				
RPP Tier One	600	kWh	Load Factor	Proposed Loss Factor	1.0809				
Residential	Volume	Current Rate (\$)	Current Charge (\$)	Volume	Proposed Rate (\$)	Proposed Charge (\$)	Change (\$)	Change (%)	% of Total Bill
Energy First Tier (kWh)	600.00	0.0680	40.80	600.00	0.0680	40.80	0.00	0.00%	31.20%
Energy Second Tier (kWh)	264.72	0.0790	20.91	264.72	0.0790	20.91	0.00	0.00%	15.99%
Sub-Total: Energy			61.71			61.71	0.00	0.00%	47.19%
Service Charge	1	21.55	21.55	1	21.59	21.59	0.04	0.18%	16.51%
Service Charge Rate Rider(s)	1	0.71	0.71	1	0.71	0.71	0.00	0.00%	0.54%
Distribution Volumetric Rate	800	0.0172	13.76	800	0.0172	13.78	0.02	0.18%	10.54%
Low Voltage Volumetric Rate	800	0.0011	0.88	800	0.0011	0.88	0.00	0.00%	0.67%
Distribution Volumetric Rate Rider(s)	800	(0.0014)	(1.12)	800	(0.0024)	(1.95)	-0.83	74.08%	(1.49)%
Total: Distribution			35.78			35.01	-0.77	(2.14)%	26.77%
Retail Transmission Rate – Network Service Rate	864.72	0.0054	4.67	864.72	0.0051	4.44	-0.23	(4.83)%	3.40%
Retail Transmission Rate – Line and Transformation Connection Service Rate	864.72	0.0047	4.06	864.72	0.0040	3.49	-0.57	(14.04)%	2.67%
Total: Retail Transmission			8.73			7.94	-0.80	(9.12)%	6.07%
Sub-Total: Delivery (Distribution and Retail Transmission)			44.51			42.95	-1.56	(3.51)%	32.84%
Wholesale Market Service Rate	864.72	0.0052	4.50	864.72	0.0052	4.50	0.00	0.00%	3.44%
Rural Rate Protection Charge	864.72	0.0013	1.12	864.72	0.0013	1.12	0.00	0.00%	0.86%
Standard Supply Service – Administration Charge (if applicable)	1	0.25	0.25	1	0.25	0.25	0.00	0.00%	0.19%
Sub-Total: Regulatory			5.87			5.87			4.49%
Debt Retirement Charge (DRC)	800.00	0.00650	5.20	800	0.0065	5.20	0.00	0.00%	3.98%
Total Bill before Taxes			117.30			115.73	-1.56	(1.33)%	88.50%
HST		13%	15.25		13%	15.05	-0.20	(1.33)%	11.50%
Total Bill			132.55			130.78	-1.77	(1.33)%	100.00%
Ontario Clean Energy Benefit (OCEB)		(10%)	-13.25		(10%)	-13.08			
Total Bill (less OCEB)			119.29			117.70	(1.59)	(1.33)%	

General Service less than 50kW – 2,000 kWh per month

Consumption	2,000	kWh	kW
RPP Tier One	600	kWh	Load Factor

Current Loss Factor	1.0809
Proposed Loss Factor	1.0809

General Service Less Than 50 kW	Volume	Current Rate (\$)	Current Charge (\$)	Volume	Proposed Rate (\$)	Proposed Charge (\$)	Change (\$)	Change (%)	% of Total Bill
Energy First Tier (kWh)	600.00	0.0680	40.80	600.00	0.0680	40.80	0.00	0.00%	13.62%
Energy Second Tier (kWh)	1,561.80	0.0790	123.38	1,561.80	0.0790	123.38	0.00	0.00%	41.20%
Sub-Total: Energy			164.18			164.18	0.00	0.00%	54.82%
Service Charge	1	32.19	32.19	1	32.25	32.25	0.06	0.18%	10.77%
Service Charge Rate Rider(s)	1	1.06	1.06	1	1.06	1.06	0.00	0.00%	0.35%
Distribution Volumetric Rate	2,000	0.0132	26.40	2,000	0.0132	26.45	0.05	0.18%	8.83%
Low Voltage Volumetric Rate	2,000	0.0008	1.60	2,000	0.0008	1.60	0.00	0.00%	0.53%
Distribution Volumetric Rate Rider(s)	2,000	0.0003	0.60	2,000	(0.0029)	(5.87)	-6.47	(1079.06)%	(1.96)%
Total: Distribution			61.85			55.48	-6.37	(10.30)%	18.53%
Retail Transmission Rate – Network Service Rate	2,161.80	0.0049	10.59	2,161.80	0.0047	10.08	-0.51	(4.83)%	3.37%
Retail Transmission Rate – Line and Transformation Connection Service Rate	2,161.80	0.0043	9.30	2,161.80	0.0037	7.99	-1.31	(14.04)%	2.67%
Total: Retail Transmission			19.89			18.07	-1.82	(9.14)%	6.03%
Sub-Total: Delivery (Distribution and Retail Transmission)			81.74			73.55	-8.19	(10.01)%	24.56%
Wholesale Market Service Rate	2,161.80	0.0052	11.24	2,161.80	0.0052	11.24	0.00	0.00%	3.75%
Rural Rate Protection Charge	2,161.80	0.0013	2.81	2,161.80	0.0013	2.81	0.00	0.00%	0.94%
Standard Supply Service – Administration Charge (if applicable)	1	0.25	0.25	1	0.25	0.25	0.00	0.00%	0.08%
Sub-Total: Regulatory			14.30			14.30			4.78%
Debt Retirement Charge (DRC)	2,000.00	0.00650	13.00	2,000	0.0065	13.00	0.00	0.00%	4.34%
Total Bill before Taxes			273.22			265.04	-8.19	(3.00)%	88.50%
HST		13%	35.52		13%	34.45	-1.06	(3.00)%	11.50%
Total Bill			308.74			299.49	-9.25	(3.00)%	100.00%
Ontario Clean Energy Benefit (OCEB)		(10%)	-30.87		(10%)	-29.95			
Total Bill (less OCEB)			277.87			269.54	(8.32)	(3.00)%	

7. Tariff Sheet

Parry Sound Power Corporation

TARIFF OF RATES AND CHARGES

Effective Date January 1, 2012

Implementation Date January 1, 2012

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

EB-2011-0193

RESIDENTIAL SERVICE CLASSIFICATION

This classification applies to an account taking electricity at 750 volts or less where the electricity is used exclusively in a separate metered living accommodation. Customers shall be residing in single-dwelling units that consist of a detached house or one unit of a semi-detached, duplex, triplex or quadruplex house, with a residential zoning. Separately metered dwellings within a town house complex or apartment building also qualify as residential customers. All customers are single-phase. Further servicing details are available in the distributor's Conditions of Service.

APPLICATION

The application of these rates and charges shall be in accordance with the Licence of the Distributor and any Code or Order of the Board, and amendments thereto as approved by the Board, which may be applicable to the administration of this schedule.

No rates and charges for the distribution of electricity and charges to meet the costs of any work or service done or furnished for the purpose of the distribution of electricity shall be made except as permitted by this schedule, unless required by the Distributor's Licence or a Code or Order of the Board, and amendments thereto as approved by the Board, or as specified herein.

Unless specifically noted, this schedule does not contain any charges for the electricity commodity, be it under the Regulated Price Plan, a contract with a retailer or the wholesale market price, as applicable.

It should be noted that this schedule does not list any charges, assessments, or credits that are required by law to be invoiced by a distributor and that are not subject to Board approval, such as the Debt Retirement Charge, charges for the Ministry of Energy Conservation and Renewable Energy Program, the Global Adjustment, the Ontario Clean Energy Benefit and the HST.

MONTHLY RATES AND CHARGES – Delivery Component

Service Charge	\$	21.59
Smart Meter Funding Adder – effective until December 31, 2012	\$	
Rate Rider for Recovery of Late Payment Penalty Litigation Costs – December 31, 2012	\$	0.15
Rate Rider for Foregone Incremental Revenue – effective until December 31, 2012	\$	0.56
Distribution Volumetric Rate	\$/kWh	0.0172
Low Voltage Service Rate	\$/kWh	0.0011
Rate Rider for Global Adjustment Sub-Account Disposition (2012) – effective until December 31, 2012		
Applicable only for Non-RPP Customers	\$/kWh	0.0109
Rate Rider for Foregone Incremental Revenue – effective until December 31, 2012	\$/kWh	0.0005
Rate Rider for Deferral/Variance Account Disposition (2012) – effective until December 31, 2012	\$/kWh	(0.0036)
Rate Rider for Lost Revenue Adjustment Mechanism (LRAM) Recovery/Shared Savings Mechanism (SSM)		
Recovery Rate Rider (2011) – effective December 31, 2012	\$/kWh	0.0007
Retail Transmission Rate – Network Service Rate	\$/kWh	0.0051
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kWh	0.0040

MONTHLY RATES AND CHARGES – Regulatory Component

Wholesale Market Service Rate	\$/kWh	0.0052
Rural Rate Protection Charge	\$/kWh	0.0013
Standard Supply Service – Administrative Charge (if applicable)	\$	0.25

GENERAL SERVICE LESS THAN 50 kW SERVICE CLASSIFICATION

This classification applies to a non residential account taking electricity at 750 volts or less whose average monthly maximum demand is less than, or is forecast to be less than, 50 kW. Further servicing details are available in the distributor's Conditions of Service.

APPLICATION

The application of these rates and charges shall be in accordance with the Licence of the Distributor and any Code or Order of the Board, and amendments thereto as approved by the Board, which may be applicable to the administration of this schedule.

No rates and charges for the distribution of electricity and charges to meet the costs of any work or service done or furnished for the purpose of the distribution of electricity shall be made except as permitted by this schedule, unless required by the Distributor's Licence or a Code or Order of the Board, and amendments thereto as approved by the Board, or as specified herein.

Unless specifically noted, this schedule does not contain any charges for the electricity commodity, be it under the Regulated Price Plan, a contract with a retailer or the wholesale market price, as applicable.

It should be noted that this schedule does not list any charges, assessments, or credits that are required by law to be invoiced by a distributor and that are not subject to Board approval, such as the Debt Retirement Charge, charges for the Ministry of Energy Conservation and Renewable Energy Program, the Global Adjustment, the Ontario Clean Energy Benefit and the HST.

MONTHLY RATES AND CHARGES – Delivery Component

Service Charge	\$	32.25
Smart Meter Funding Adder – effective until December 31, 2012	\$	
Rate Rider for Recovery of Late Payment Penalty Litigation Costs – effective until December 31, 2012	\$	0.25
Rate Rider for Foregone Incremental Revenue – effective until December 31, 2012	\$	0.81
Distribution Volumetric Rate	\$/kWh	0.0132
Low Voltage Service Rate	\$/kWh	0.0008
Rate Rider for Global Adjustment Sub-Account Disposition (2012) – effective until December 31, 2012		
Applicable only for Non-RPP Customers	\$/kWh	0.0109

Rate Rider for Foregone Incremental Revenue – effective until December 31, 2012	\$/kWh	0.0003
Rate Rider for Deferral/Variance Account Disposition (2011) – effective until December 31, 2012	\$/kWh	(0.0036)
Rate Rider for Lost Revenue Adjustment Mechanism (LRAM) Recovery/Shared Savings Mechanism (SSM) Recovery Rate Rider (2012) – effective until December 31, 2012		0.0004
Retail Transmission Rate – Network Service Rate	\$/kWh	0.0047
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kWh	0.0037

MONTHLY RATES AND CHARGES – Regulatory Component

Wholesale Market Service Rate	\$/kWh	0.0052
Rural Rate Protection Charge	\$/kWh	0.0013
Standard Supply Service – Administrative Charge (if applicable)	\$	0.25

GENERAL SERVICE 50 to 4,999 kW SERVICE CLASSIFICATION

This classification applies to a non residential account whose average monthly maximum demand used for billing purposes is equal to or greater than, or is forecast to be equal to or greater than, 50 kW but less than 5,000 kW. Further servicing details are available in the distributor's Conditions of Service.

APPLICATION

The application of these rates and charges shall be in accordance with the Licence of the Distributor and any Code or Order of the Board, and amendments thereto as approved by the Board, which may be applicable to the administration of this schedule.

No rates and charges for the distribution of electricity and charges to meet the costs of any work or service done or furnished for the purpose of the distribution of electricity shall be made except as permitted by this schedule, unless required by the Distributor's Licence or a Code or Order of the Board, and amendments thereto as approved by the Board, or as specified herein.

Unless specifically noted, this schedule does not contain any charges for the electricity commodity, be it under the Regulated Price Plan, a contract with a retailer or the wholesale market price, as applicable.

It should be noted that this schedule does not list any charges, assessments, or credits that are required by law to be invoiced by a distributor and that are not subject to Board approval, such as the Debt Retirement Charge, charges for the Ministry of Energy Conservation and Renewable Energy Program, the Global Adjustment, the Ontario Clean Energy Benefit and the HST.

MONTHLY RATES AND CHARGES – Delivery Component

Service Charge	\$	194.45
Smart Meter Funding Adder – effective until December 31, 2012	\$	
Rate Rider for Recovery of Late Payment Penalty Litigation Costs – effective until December 31, 2012	\$	2.68
Rate Rider for Foregone Incremental Revenue – effective until December 31, 2012	\$	3.76
Distribution Volumetric Rate	\$/kW	3.9047
Low Voltage Service Rate	\$/kW	0.4071
Rate Rider for Global Adjustment Sub-Account Disposition (2012) – effective until December 31, 2012		
Applicable only for Non-RPP Customers	\$/kW	4.2167

Rate Rider for Foregone Incremental Revenue – effective until December 31, 2012	\$/kW	0.0728
Rate Rider for Deferral/Variance Account Disposition (2012) – effective until December 31, 2012	\$/kW	(1.407)
Rate Rider for Lost Revenue Adjustment Mechanism (LRAM) Recovery/Shared Savings Mechanism (SSM)		
Recovery Rate Rider (2012) – effective until December 31, 2012		0.3686
Retail Transmission Rate – Network Service Rate	\$/kW	1.9014
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kW	1.4641
Retail Transmission Rate – Network Service Rate – Interval Metered	\$/kW	2.2626
Retail Transmission Rate – Line and Transformation Connection Service Rate – Interval Metered	\$/kW	1.7759

MONTHLY RATES AND CHARGES – Regulatory Component

Wholesale Market Service Rate	\$/kWh	0.0052
Rural Rate Protection Charge	\$	0.0013
Standard Supply Service – Administrative Charge (if applicable)	\$	0.25

UNMETERED SCATTERED LOAD SERVICE CLASSIFICATION

This classification applies to an account taking electricity at 750 volts or less whose average monthly maximum demand is less than, or is forecast to be less than, 50 kW and the consumption is unmetered. Such connections include cable TV power packs, bus shelters, telephone booths, traffic lights, railway crossings, etc. The level of the consumption will be agreed to by the distributor and the customer, based on detailed manufacturer information/documentation with regard to electrical consumption of the unmetered load or periodic monitoring of actual consumption. Further servicing details are available in the distributor's Conditions of Service.

APPLICATION

The application of these rates and charges shall be in accordance with the Licence of the Distributor and any Code or Order of the Board, and amendments thereto as approved by the Board, which may be applicable to the administration of this schedule.

No rates and charges for the distribution of electricity and charges to meet the costs of any work or service done or furnished for the purpose of the distribution of electricity shall be made except as permitted by this schedule, unless required by the Distributor's Licence or a Code or Order of the Board, and amendments thereto as approved by the Board, or as specified herein.

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MONTHLY RATES AND CHARGES – Delivery Component

Service Charge (per customer)	\$	22.33
Rate Rider for Recovery of Late Payment Penalty Litigation Costs – effective until December 31, 2012	\$	0.10
Rate Rider for Foregone Incremental Revenue – effective until December 31, 2012	\$	1.57
Distribution Volumetric Rate	\$/kWh	0.1303
Low Voltage Service Rate	\$/kWh	0.001
Rate Rider for Global Adjustment Sub-Account Disposition (2012) – effective until December 31, 2012		

Applicable only for Non-RPP Customers	\$/kWh	0.0109
Rate Rider for Foregone Incremental Revenue – effective until December 31, 2012	\$/kWh	0.0092
Rate Rider for Deferral/Variance Account Disposition (2012) – effective until December 31, 2012	\$/kWh	(0.0036)
Rate Rider for Lost Revenue Adjustment Mechanism (LRAM) Recovery/Shared Savings Mechanism (SSM)		
Recovery Rate Rider (2012) – effective until December 31, 2012		0.0546
Retail Transmission Rate – Network Service Rate	\$/kWh	0.0047
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kWh	0.0037

MONTHLY RATES AND CHARGES – Regulatory Component

Wholesale Market Service Rate	\$/kWh	0.0052
Rural Rate Protection Charge	\$/kWh	0.0013
Standard Supply Service – Administrative Charge (if applicable)	\$	0.25

SENTINEL LIGHTING SERVICE CLASSIFICATION

This classification refers to accounts that are an unmetered lighting load supplied to a sentinel light. Further servicing details are available in the distributor's Conditions of Service.

APPLICATION

The application of these rates and charges shall be in accordance with the Licence of the Distributor and any Code or Order of the Board, and amendments thereto as approved by the Board, which may be applicable to the administration of this schedule.

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MONTHLY RATES AND CHARGES – Delivery Component

Service Charge	\$	4.17
Rate Rider for Recovery of Late Payment Penalty Litigation Costs – effective until December 31, 2012	\$	0.02
Rate Rider for Foregone Incremental Revenue – effective until December 31, 2012	\$	0.28
Distribution Volumetric Rate	\$/kW	16.162
Low Voltage Service Rate	\$/kW	0.3916
Rate Rider for Global Adjustment Sub-Account Disposition (2012) – effective until December 31, 2012		
Applicable only for Non-RPP Customers	\$/kW	
Rate Rider for Foregone Incremental Revenue – effective until December 31, 2012	\$/kW	1.1039

Rate Rider for Deferral/Variance Account Disposition (2012) – effective until December 31, 2012	\$/kW	(1.2871)
Rate Rider for Lost Revenue Adjustment Mechanism (LRAM) Recovery/Shared Savings Mechanism (SSM)		
Recovery Rate Rider (2012) – effective until December 31, 2012		0.00
Retail Transmission Rate – Network Service Rate	\$/kW	1.4412
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kW	1.1554

MONTHLY RATES AND CHARGES – Regulatory Component

Wholesale Market Service Rate	\$/kWh	0.0052
Rural Rate Protection Charge	\$/kWh	0.0013
Standard Supply Service – Administrative Charge (if applicable)	\$	0.25

STREET LIGHTING SERVICE CLASSIFICATION

This classification applies to an account for roadway lighting with a Municipality, Regional Municipality, Ministry of Transportation and private roadway lighting, controlled by photo cells. The consumption for these customers will be based on the calculated connected load times the required lighting times established in the approved OEB street lighting load shape template. Further servicing details are available in the distributor's Conditions of Service.

APPLICATION

The application of these rates and charges shall be in accordance with the Licence of the Distributor and any Code or Order of the Board, and amendments thereto as approved by the Board, which may be applicable to the administration of this schedule.

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MONTHLY RATES AND CHARGES – Delivery Component

Service Charge (per connection)	\$/kW	2.00
Rate Rider for Recovery of Late Payment Penalty Litigation Costs – effective until December 31, 2012	\$	0.01
Rate Rider for Foregone Incremental Revenue – effective until December 31, 2012	\$	0.11
Distribution Volumetric Rate	\$/kW	20.0495
Low Voltage Service Rate	\$/kW	0.3635
Rate Rider for Global Adjustment Sub-Account Disposition (2012) – effective until December 31, 2012		
Applicable only for Non-RPP Customers	\$/kW	3.9076

Rate Rider for Foregone Incremental Revenue – effective until December 31, 2012	\$/kW	1.0618
Rate Rider for Deferral/Variance Account Disposition (2012) – effective until December 31, 2012	\$/kW	(1.3038)
Rate Rider for Lost Revenue Adjustment Mechanism (LRAM) Recovery/Shared Savings Mechanism (SSM)		
Recovery Rate Rider (2012) – effective until December 31, 2012		0.00
Retail Transmission Rate – Network Service Rate	\$/kW	1.4339
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kW	1.1318

MONTHLY RATES AND CHARGES – Regulatory Component

Wholesale Market Service Rate	\$/kWh	0.0052
Rural Rate Protection Charge	\$/kWh	0.0013
Standard Supply Service – Administrative Charge (if applicable)	\$	0.25

microFIT GENERATOR SERVICE CLASSIFICATION

This classification applies to an electricity generation facility contracted under the Ontario Power Authority's microFIT program and connected to the distributor's distribution system. Further servicing details are available in the distributor's Conditions of Service.

APPLICATION

The application of these rates and charges shall be in accordance with the Licence of the Distributor and any Code or Order of the Board, and amendments thereto as approved by the Board, which may be applicable to the administration of this schedule.

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MONTHLY RATES AND CHARGES – Delivery Component

Service Charge	\$	5.25
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ALLOWANCES

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

SPECIFIC SERVICE CHARGES

APPLICATION

The application of these rates and charges shall be in accordance with the Licence of the Distributor and any Code or Order of the Board, and amendments thereto as approved by the Board, which may be applicable to the administration of this schedule.

No charges to meet the costs of any work or service done or furnished for the purpose of the distribution of electricity shall be made except as permitted by this schedule, unless required by the Distributor's Licence or a Code or Order of the Board, and amendments thereto as approved by the Board, or as specified herein.

It should be noted that this schedule does not list any charges, assessments, or credits that are required by law to be invoiced by a distributor and that are not subject to Board approval, such as the Debt Retirement Charge, charges for the Ministry of Energy Conservation and Renewable Energy Program, the Global Adjustment, the Ontario Clean Energy Benefit and the HST.

Customer Administration

Arrears certificate	\$	15.00
Account history	\$	15.00
Credit reference/credit check (plus credit agency costs)	\$	15.00
Account set up charge/change of occupancy charge (plus credit agency costs if applicable)	\$	30.00
Returned Cheque (plus bank charges)	\$	15.00
Charge to certify cheques	\$	15.00
Legal letter charge	\$	15.00
Special meter reads	\$	30.00
Meter dispute charge plus Measurement Canada fees (if meter found correct)	\$	30.00

Non-Payment of Account

Late Payment - per month	%	1.50
Late Payment - per annum	%	19.56
Collection of account charge – no disconnect	\$	30.00
Disconnect/Reconnect Charge - At Meter During Regular Hours	\$	65.00
Disconnect/Reconnect Charge - At pole During Regular Hours	\$	185.00
Install/Remove load control device – during regular hours	\$	65.00
Service call – customer owned equipment	\$	30.00
Temporary Service install & remove – overhead – no transformer	\$	500.00
Temporary Service install & remove – underground – no transformer	\$	300.00
Temporary Service install & remove – overhead –with transformer	\$	1000.00
Specific Charge for Access to the Power Poles – per pole/year	\$	22.35

RETAIL SERVICE CHARGES (if applicable)

APPLICATION

The application of these rates and charges shall be in accordance with the Licence of the Distributor and any Code or Order of the Board, and amendments thereto as approved by the Board, which may be applicable to the administration of this schedule.

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Retail Service Charges refer to services provided by a distributor to retailers or customers related to the supply of competitive electricity

One-time charge, per retailer, to establish the service agreement between the distributor and the retailer	\$	100.00
Monthly Fixed Charge, per retailer	\$	20.00
Monthly Variable Charge, per customer, per retailer	\$/cust.	0.50
Distributor-consolidated billing charge, per customer, per retailer	\$/cust.	0.30
Retailer-consolidated billing credit, per customer, per retailer	\$/cust.	(0.30)
Service Transaction Requests (STR)		
Request fee, per request, applied to the requesting party	\$	0.25
Processing fee, per request, applied to the requesting party	\$	0.50

Request for customer information as outlined in Section 10.6.3 and Chapter 11 of the Retail

Settlement Code directly to retailers and customers, if not delivered electronically through the

Electronic Business Transaction (EBT) system, applied to the requesting party

Up to twice a year		no charge
More than twice a year, per request (plus incremental delivery costs)	\$	2.00

LOSS FACTORS

If the distributor is not capable of prorating changed loss factors jointly with distribution rates, the revised loss factors will be implemented upon the first subsequent billing for each billing cycle.

Total Loss Factor – Secondary Metered Customer < 5,000 kW	1.0809
Total Loss Factor – Secondary Metered Customer > 5,000 kW	N/A
Total Loss Factor – Primary Metered Customer < 5,000 kW	1.0700
Total Loss Factor – Primary Metered Customer > 5,000 kW	N/A

Tab 2

Shared Tax Savings Workform

Rate Class	Total Revenue \$ by Rate Class A	Total Revenue % by Rate Class B = A / \$H	Total Z-Factor Tax Change\$ by Rate Class C = \$I * B	Billed kWh D	Billed kW E	Distribution Volumetric Rate kWh Rate Rider F = C / D	Distribution Volumetric Rate kW Rate Rider G = C / E
Residential	\$1,302,143.4928	55.67%	\$316	33,427,924	0	\$0.0000	
General Service Less Than 50 kW	\$411,317	17.59%	\$100	16,733,379	0	\$0.0000	
General Service 50 to 4,999 kW	\$564,189	24.12%	\$137	37,802,659	97,727		\$0.0014
Unmetered Scattered Load	\$12,458	0.53%	\$3	58,750	0	\$0.0001	
Sentinel Lighting	\$1,180	0.05%	\$0	12,745	36		\$0.0080
Street Lighting	\$47,599	2.04%	\$12	867,846	2,421		\$0.0048
	<u>\$2,338,885</u>	<u>100.00%</u>	<u>\$568</u>				
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Tab 3

Retail Transmission Service Rates Workform

Rate Class	Unit	Proposed RTSR Network	Proposed RTSR Connection
Residential	kWh	\$ 0.0051	\$ 0.0040
General Service Less Than 50 kW	kWh	\$ 0.0047	\$ 0.0037
General Service 50 to 4,999 kW	kW	\$ 1.9014	\$ 1.4641
General Service 50 to 4,999 kW – Interval Metered	kW	\$ 2.2626	\$ 1.7759
Unmetered Scattered Load	kWh	\$ 0.0047	\$ 0.0037
Sentinel Lighting	kW	\$ 1.4412	\$ 1.1554
Street Lighting	kW	\$ 1.4339	\$ 1.1318

Tab 4

Revenue to Cost Ratio Workform

Rate Class	Proposed Base			Current Base			Adjustment		
	Proposed Base Service Charge A	Distribution Volumetric Rate kWh B	Distribution Volumetric Rate kW C	Current Base Service Charge D	Distribution Volumetric Rate kWh E	Distribution Volumetric Rate kW F	Adjustment Required Base Service Charge G = A - D	Adjustment Required Base Distribution Volumetric Rate kWh H = B - E	Adjustment Required Base Distribution Volumetric Rate kW I = C - F
Residential	\$ 21.55	\$ 0.0172	\$ -	\$ 21.55	\$ 0.0172	\$ -	\$ -	\$ -	\$ -
General Service Less Than 50 kW	\$ 32.19	\$ 0.0132	\$ -	\$ 32.19	\$ 0.0132	\$ -	\$ -	\$ -	\$ -
General Service 50 to 4,999 kW	\$ 194.10	\$ -	\$ 3.8977	\$ 203.06	\$ -	\$ 4.0776	-\$ 8.96	\$ -	\$ 0.1799
Unmetered Scattered Load	\$ 22.29	\$ 0.1301	\$ -	\$ 22.29	\$ 0.1301	\$ -	\$ -	\$ -	\$ -
Sentinel Lighting	\$ 4.16	\$ -	\$ 16.1330	\$ 4.16	\$ -	\$ 16.1330	\$ -	\$ -	\$ -
Street Lighting	\$ 1.99	\$ -	\$ 20.0135	\$ 1.31	\$ -	\$ 13.1417	\$ 0.68	\$ -	\$ 6.8718