

**MANAGER’S SUMMARY - MAY 1, 2009
ELECTRICITY DISTRIBUTION RATE ADJUSTMENT –
NIAGARA PENINSULA ENERGY INC. (THE “APPLICANT”)
FILED NOVEMBER 7, 2008**

1. Introduction:

1.1 On October 3, 2008, the Ontario Energy Board (the “OEB”) issued the Filing Requirements for 2009 Incentive Regulation Mechanism Distribution Rate Adjustments. The Filing Requirements set out that distributor’s applying for distribution rate adjustments for May 1, 2009 based on the 2nd Generation Incentive Regulation Mechanism (“IRM”) policies set out in the Report of the Board on Cost of Capital and 2nd Generation Incentive Regulation Mechanism (the “Board Report” or the “Report”) dated December 20, 2006 and subsequent Board Decisions. Distributors not filing on this basis will need to file a Cost of Service rate application in accordance with the Board’s Filing Requirements for Transmission and Distribution Applications, based on a forward test year.

1.2 The Filing Requirements convey the OEB’s expectation that 2009 electricity distribution rate adjustment applications be filed by November 7, 2008.

The Filing Requirements outline that the 2009 rate adjustments will include the 2nd Generation IRM price cap adjustment; and the adder for Smart Meters, as applicable. Retail Transmission Service Rates Guideline (G-2008-0001) was considered.

1.3 The Applicant confirms that it is applying for its 2009 distribution rate adjustment based on the cost of capital and 2nd Generation IRM policies as set out in the OEB’s Filing Requirements. Accordingly, the Applicant has prepared its submission in accordance with the methodology set out in the Filing Requirements, and has used the OEB’s 2009 Incentive Regulation Mechanism Distribution Rate Adjustment Model (the “2009 IRM Model”) issued with the Filing Requirements to calculate its proposed 2009 electricity distribution rates and charges, effective May 1, 2008 for the service territories of Niagara Falls and the previous Peninsula West Utilities service territory which includes the Town of Lincoln, the Township of West Lincoln, and the village of Fonthill in the Town of Pelham.

1.4 The Applicant’s requested 2009 adjustments, based on the bill impact analysis incorporated into the 2009 IRM Model, result in the following bill impacts:

1.4.1 Niagara Falls

Residential (1000 kWh)	0.5%
General Service <50 kW (10,000 kWh)	-0.1%
General Service > 50 kW (67, 000 kWh, 230 kW)	-0.2%

1.4.2 Peninsula West

Residential (1000 kWh)	0.6%
General Service <50 kW (10,000 kwh)	-0.03%
General Service > 50 kW (67, 000 kWh, 230 kW)	-0.1%

Bill impacts related to specific customer classes and consumption profiles are detailed in the Bill Generator worksheet of the 2009 IRM Model.

1.5 As this submission is consistent with the policies of the Report and the OEB's Filing Requirements, the Applicant trusts that this Application will be addressed and determined by the OEB in order that the proposed distribution rates may be implemented for May 1, 2009. In the event that the OEB determines that it will be unable to consider certain of the adjustments requested by the Applicant within the time available prior to May 1, 2009, the Applicant requests that the OEB issue an interim Order which would allow for those adjustments with which the OEB has no concerns to be made effective May 1, 2009.

1.6 This Manager's Summary is organized to correspond to the various steps in the 2009 IRM Model, from the identification of the Applicant's 2008 Rate Classes in Sheet B1.1 (Sheet A1.1, the "Utility Information Sheet", consists simply of the identification of, and the contact information for the Applicant), through the analysis of bill impacts in Sheets O2.1, following by the current and application for allowances, specific service charges, and retail service charges in Sheets P.1.1, P2.1, and P3.1. The Applicant has completed two models – one for each service territory: Niagara Falls (Application Number EB-2008-0199) and Peninsula West (Application Number EB-2008-0200). The remainder of this submission is set out as follows:

Section:	Topic:
2.	Identification of 2008 Rate Classes
3.	2008 OEB-Approved Tariff of Rates and Charges
4.	Smart Meter Information, and Removal of Smart Meter Charge from 2008 Rates
5.	K-factor Derivation
6.	Federal Tax Adjustment and Price Cap Adjustment to "Basic" Distribution Rates
7.	Add back of Smart Meter Amounts
8.	Uniform Retail Transmission Service Rates
9.	Proposed Tariff of Rates and Charges, Effective May 1, 2009
10.	Conclusion

The Applicant would be pleased to address any questions the OEB may have in respect of this proposed rate adjustment, to be implemented May 1, 2009.

2. Identification of 2008 Rate Classes

- 2.1 The Applicant has identified its 2008 Service Classifications and Rate Classifications in Sheet B1.1 of the 2009 IRM Model. The classifications are set out in Table 2-1 below, for the OEB's reference.

TABLE 2-1

NIAGARA FALLS HYDRO 2008 RATE CLASSIFICATIONS

Rate Classifications:

- **Residential**
- **General Service Less Than 50 kW**
- **General Service 50 to 4,999 kW**
- **Unmetered Scattered Load**
- **Sentinel Lighting**
- **Street Lighting**

PENINSULA WEST 2008 RATE CLASSIFICATION

- **Residential**
 - **Urban**
 - **Suburban**
- **General Service Less Than 50 kW**
- **General Service 50 to 4,999 kW**
- **Unmetered Scattered Load**
- **Sentinel Lighting**
- **Street Lighting**

3. 2009 OEB-Approved Tariff of Rates and Charges (Sheet C3.1):

- 3.1 In Sheet C3.1, the Applicant has entered its OEB-approved 2008 electricity distribution rates and charges.
- 3.2 The OEB-2008 electricity distribution rates and charges are set out in Table 3-1 and Table 3-2 below, for the OEB's reference.

Table 3-1
Current Niagara Falls Rates and Charges

Rate Class

Residential

Rate Description	Metric	Rate
Service Charge	\$	16.49
Distribution Volumetric Rate	\$/kWh	0.0138
Retail Transmission Rate – Network Service Rate	\$/kWh	0.0048
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kWh	0.0044
Wholesale Market Service Rate	\$/kWh	0.0052
Rural Rate Protection Charge	\$/kWh	0.0010
Standard Supply Service – Administrative Charge (if applicable)	\$	0.25

Rate Class

General Service Less Than 50 kW

Rate Description	Metric	Rate
Service Charge	\$	48.30
Distribution Volumetric Rate	\$/kWh	0.0102
Retail Transmission Rate – Network Service Rate	\$/kWh	0.0044
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kWh	0.0039
Wholesale Market Service Rate	\$/kWh	0.0052
Rural Rate Protection Charge	\$/kWh	0.0010
Standard Supply Service – Administrative Charge (if applicable)	\$	0.25

Rate Class

General Service 50 to 499 kW

Rate Description	Metric	Rate
Service Charge	\$	284.91
Distribution Volumetric Rate	\$/kW	3.0608
Retail Transmission Rate – Network Service Rate	\$/kW	1.7998
	\$/kW	0.0000
	\$/kW	0.0000
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kW	1.5628
	\$/kW	0.0000
	\$/kW	0.0000

Wholesale Market Service Rate	\$/kWh	0.0052
Rural Rate Protection Charge	\$/kWh	0.0010
Standard Supply Service – Administrative Charge (if applicable)	\$	0.25

Rate Class

Unmetered Scattered Load

Rate Description	Metric	Rate
Service Charge (per connection)	\$	24.03
Distribution Volumetric Rate	\$/kWh	0.0102
Retail Transmission Rate – Network Service Rate	\$/kWh	0.0044
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kWh	0.0039
Wholesale Market Service Rate	\$/kWh	0.0052
Rural Rate Protection Charge	\$/kWh	0.0010
Standard Supply Service – Administrative Charge (if applicable)	\$	0.25

Rate Class

Sentinel Lighting

Rate Description	Metric	Rate
Service Charge (per connection)	\$	1.12
Distribution Volumetric Rate	\$/kW	4.1487
Retail Transmission Rate – Network Service Rate	\$/kW	1.3642
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kW	0.0000
Wholesale Market Service Rate	\$/kWh	0.0052
Rural Rate Protection Charge	\$/kWh	0.0010
Standard Supply Service – Administrative Charge (if applicable)	\$	0.25

Rate Class

Street Lighting

Rate Description	Metric	Rate
Service Charge (per connection)	\$	0.33
Distribution Volumetric Rate	\$/kW	1.7192
Retail Transmission Rate – Network Service Rate	\$/kW	1.3573
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kW	1.2082
Wholesale Market Service Rate	\$/kWh	0.0052
Rural Rate Protection Charge	\$/kWh	0.0010
Standard Supply Service – Administrative Charge (if applicable)	\$	0.25

Table 3-2
Current Peninsula West Rates and Charges

Rate Class

Residential Urban

Rate Description	Metric	Rate
Service Charge	\$	10.36
Distribution Volumetric Rate	\$/kWh	0.0204
Retail Transmission Rate – Network Service Rate	\$/kWh	0.0047
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kWh	0.0048
Wholesale Market Service Rate	\$/kWh	0.0052
Rural Rate Protection Charge	\$/kWh	0.0010
Standard Supply Service – Administrative Charge (if applicable)	\$	0.25

Rate Class

Residential Suburban

Rate Description	Metric	Rate
Service Charge	\$	10.97
Distribution Volumetric Rate	\$/kWh	0.0158
Retail Transmission Rate – Network Service Rate	\$/kWh	0.0047
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kWh	0.0048
Wholesale Market Service Rate	\$/kWh	0.0052
Rural Rate Protection Charge	\$/kWh	0.0010
Standard Supply Service – Administrative Charge (if applicable)	\$	0.25

Rate Class

General Service Less Than 50 kW

Rate Description	Metric	Rate
Service Charge	\$	10.68
Distribution Volumetric Rate	\$/kWh	0.0195
Retail Transmission Rate – Network Service Rate	\$/kWh	0.0043
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kWh	0.0043
Wholesale Market Service Rate	\$/kWh	0.0052
Rural Rate Protection Charge	\$/kWh	0.0010
Standard Supply Service – Administrative Charge (if applicable)	\$	0.25

Rate Class

General Service 50 to 499 kW

Rate Description	Metric	Rate
Service Charge	\$	23.14

Distribution Volumetric Rate	\$/kW	7.1873
Retail Transmission Rate – Network Service Rate	\$/kW	1.7399
	\$/kW	0.0000
	\$/kW	0.0000
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kW	1.6988
	\$/kW	0.0000
	\$/kW	0.0000
Wholesale Market Service Rate	\$/kWh	0.0052
Rural Rate Protection Charge	\$/kWh	0.0010
Standard Supply Service – Administrative Charge (if applicable)	\$	0.25

Rate Class

Unmetered Scattered Load

Rate Description	Metric	Rate
Service Charge (per connection)	\$	5.21
Distribution Volumetric Rate	\$/kWh	0.0195
Retail Transmission Rate – Network Service Rate	\$/kWh	0.0043
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kWh	0.0043
Wholesale Market Service Rate	\$/kWh	0.0052
Rural Rate Protection Charge	\$/kWh	0.0010
Standard Supply Service – Administrative Charge (if applicable)	\$	0.25

Rate Class

Sentinel Lighting

Rate Description	Metric	Rate
Service Charge (per connection)	\$	1.04
Distribution Volumetric Rate	\$/kW	1.5344
Retail Transmission Rate – Network Service Rate	\$/kW	1.3188
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kW	1.3407
Wholesale Market Service Rate	\$/kWh	0.0052
Rural Rate Protection Charge	\$/kWh	0.0010
Standard Supply Service – Administrative Charge (if applicable)	\$	0.25

Rate Class

Street Lighting

Rate Description	Metric	Rate
Service Charge (per connection)	\$	0.60
Distribution Volumetric Rate	\$/kW	1.4714
Retail Transmission Rate – Network Service Rate	\$/kW	1.3122
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kW	1.3133
Wholesale Market Service Rate	\$/kWh	0.0052
Rural Rate Protection Charge	\$/kWh	0.0010
Standard Supply Service – Administrative Charge (if applicable)	\$	0.25

4. Smart Meter Information, and Removal of Smart Meter Charge from 2008 Rates:

4.1 In accordance with the Board's Smart Meter Guideline, along with Guideline to the IRM Model, the Applicant removed the current Smart Meter Adder of 0.27 (Niagara Falls) and 0.26 (Peninsula West) respectfully to calculate the Base Monthly Service Charge. This is detailed in Table 4-1 and Table 4-2.

**Table 4-1
Niagara Falls
"Base" Monthly Service Charge**

<u>Class</u>	<u>Metric</u>	<u>Current Rates</u>	<u>Smart Meters Rate Adder</u>	<u>Current Base Rates</u>
Residential	Customer - 12 per year	16.490000	0.270000	16.220000
General Service Less Than 50 kW	Customer - 12 per year	48.300000	0.270000	48.030000
General Service 50 to 499 kW	Customer - 12 per year	284.910000	0.270000	284.640000
Unmetered Scattered Load	Connection -12 per year	24.030000	0.000000	24.030000
Sentinel Lighting	Connection - 12 per year	1.120000	0.000000	1.120000
Street Lighting	Connection - 12 per year	0.330000	0.000000	0.330000

Distribution Volumetric Rate

<u>Class</u>	<u>Metric</u>	<u>Current Rates</u>	<u>Smart Meters Rate Adder</u>	<u>Current Base Rates</u>
Residential	kWh	0.013800	0.000000	0.013800
General Service Less Than 50 kW	kWh	0.010200	0.000000	0.010200
General Service 50 to 499 kW	kW	3.060800	0.000000	3.060800
Unmetered Scattered Load	kWh	0.010200	0.000000	0.010200
Sentinel Lighting	kW	4.148700	0.000000	4.148700
Street Lighting	kW	1.719200	0.000000	1.719200

**Table 4-2
 Peninsula West
 "Base" Monthly Service Charge**

<u>Class</u>	<u>Metric</u>	<u>Current Rates</u>	<u>Smart Meters Rate Adder</u>	<u>Current Base Rates</u>
Residential Urban	Customer - 12 per year	10.360000	0.260000	10.100000
Residential Suburban	Customer - 12 per year	10.970000	0.260000	10.710000
General Service Less Than 50 kW	Customer - 12 per year	10.680000	0.260000	10.420000
General Service 50 to 499 kW	Customer - 12 per year	23.140000	0.260000	22.880000
Unmetered Scattered Load	Connection -12 per year	5.210000	0.000000	5.210000
Sentinel Lighting	Connection - 12 per year	1.040000	0.000000	1.040000
Street Lighting	Connection - 12 per year	0.600000	0.000000	0.600000

Distribution Volumetric Rate

<u>Class</u>	<u>Metric</u>	<u>Current Rates</u>	<u>Smart Meters Rate Adder</u>	<u>Current Base Rates</u>
Residential Urban	kWh	0.020400	0.000000	0.020400
Residential Suburban	kWh	0.015800	0.000000	0.015800
General Service Less Than 50 kW	kWh	0.019500	0.000000	0.019500
General Service 50 to 499 kW	kW	7.187300	0.000000	7.187300
Unmetered Scattered Load	kWh	0.019500	0.000000	0.019500
Sentinel Lighting	kW	1.534400	0.000000	1.534400
Street Lighting	kW	1.471400	0.000000	1.471400

- 4.2 The 2009 smart meter-related adder is applied to the Base Monthly Service Charges later in the rate making process, after the price cap adjustment to the "Basic" Distribution Rates. It is discussed in Section 6, below.

5. Derivation of the K-Factor (Sheet D1.1)

- 5.1 Sheet D1.1 of the 2009 IRM Model calculates the K-factor adjustment for the transition to the common deemed capital structure of 60% equity and 40% debt to be used for rate setting, replacing the four capital structures in use since 2000. The calculated K-factor represents the percentage change in revenue requirement (including taxes/PILs) and hence, distribution rates, due solely to changing from the distributor's current deemed capital structure to the 2008 transitional capital structure appropriate for that distributor (the "K-factor adjustment").
- 5.2 The Applicant submits a calculated K-Factor of -0.5% for Niagara Falls, -0.3% for Peninsula West.

6. Federal Tax Adjustment and Price Cap Adjustment:

- 6.1 The Board has determined that GDP-IPI [the Canada Gross Domestic Product Implicit Price Index] – for final domestic demand is to be used as the price escalator for the 2nd Generation IRM. The Board expects applicants to use, as a proxy, the current value of 2.1% in their application. When the final 2008 data are published by Statistics Canada in late February 2009, the Board will adjust the inflation index in each distributor's rate application model, to ensure this final published number is used to adjust rates for all distributors."
- 6.2 The OEB's 1% X-Factor is then applied to the price escalator, so that the price adjustment formula is (GDP-IPI)-X. Based on the current GDP-IPI proxy of 2.1%, the result is a net upward adjustment of 1.1%.
- 6.3 The 2009 IRM Model applies this price cap adjustment, along with a Federal Tax Rate Adjustment Factor calculated as -0.300% for Niagara Falls and a Federal Tax Rate Adjustment Factor calculated as -0.200% for Peninsula West . The Applicant's resulting price cap adjusted monthly service charges and volumetric rates are summarized in Table 6-1, and Table 6-2 below, for the OEB's reference:

**Table 6-1
 Niagara Falls
 Adjusted Monthly Service Charge and Volumetric Rates**

<u>Class</u>	<u>Metric</u>	<u>Base Rate</u>	<u>Price Cap Adjustment - General</u>	<u>After Price Cap Base</u>
Residential	<u>Customer - 12 per year</u>	<u>16.090240</u>	<u>0.176993</u>	<u>16.267233</u>
General Service Less Than 50 kW	<u>Customer - 12 per year</u>	<u>47.645760</u>	<u>0.524103</u>	<u>48.169863</u>
General Service 50 to 499 kW	<u>Customer - 12 per year</u>	<u>282.362880</u>	<u>3.105992</u>	<u>285.468872</u>
Unmetered Scattered Load	<u>Connection -12 per year</u>	<u>23.837760</u>	<u>0.262215</u>	<u>24.099975</u>
Sentinel Lighting	<u>Connection - 12 per year</u>	<u>1.111040</u>	<u>0.012221</u>	<u>1.123261</u>
Street Lighting	<u>Connection - 12 per year</u>	<u>0.327360</u>	<u>0.003601</u>	<u>0.330961</u>

Volumetric Distribution Charge

<u>Class</u>	<u>Metric</u>	<u>Base Rate</u>	<u>Price Cap Adjustment - General</u>	<u>After Price Cap Base</u>
Residential	kWh	0.013690	0.000151	0.013841
General Service Less Than 50 kW	kWh	0.010118	0.000111	0.010229
General Service 50 to 499 kW	kW	3.036314	0.033399	3.069713
Unmetered Scattered Load	kWh	0.010118	0.000111	0.010229
Sentinel Lighting	kW	4.115510	0.045271	4.160781
Street Lighting	kW	1.705446	0.018760	1.724206

**Table 6-2
 Peninsula West
 Adjusted Monthly Service Charge and Volumetric Rates**

<u>Class</u>	<u>Metric</u>	<u>Base Rate</u>	<u>Price Cap Adjustment - General</u>	<u>After Price Cape Base</u>
Residential Urban	Customer - 12 per year	10.049500	0.110545	10.160045
Residential Suburban	Customer - 12 per year	10.656450	0.117221	10.773671
General Service Less Than 50 kW	Customer - 12 per year	10.367900	0.114047	10.481947
General Service 50 to 499 kW	Customer - 12 per year	22.765600	0.250422	23.016022
Unmetered Scattered Load	Connection -12 per year	5.183950	0.057023	5.240973
Sentinel Lighting	Connection - 12 per year	1.034800	0.011383	1.046183
Street Lighting	Connection - 12 per year	0.597000	0.006567	0.603567

Volumetric Distribution Charge

<u>Class</u>	<u>Metric</u>	<u>Base Rate</u>	<u>Price Cap Adjustment - General</u>	<u>After Price Cape Base</u>
Residential Urban	kWh	0.020298	0.000223	0.020521
Residential Suburban	kWh	0.015721	0.000173	0.015894
General Service Less Than 50 kW	kWh	0.019402	0.000213	0.019615
General Service 50 to 499 kW	kW	7.151363	0.078665	7.230028
Unmetered Scattered Load	kWh	0.019402	0.000213	0.019615
Sentinel Lighting	kW	1.526728	0.016794	1.543522
Street Lighting	kW	1.464043	0.016104	1.480147

7. Addback of Smart Meter Funding Adder

- 7.1 Having removed the smart meter rate adder in Sheet C1.1, the 2008 IRM Model restores the smart meter funding adder in Sheet K1.1. Per Smart Meter Funding and Cost Recovery Guideline, G-2008-0002, the Board has revised the term “rate adder” to be “funding adder”. This more clearly communicates that the adder is a tool designed to provide advance funding and thus to mitigate the anticipated rate impact of smart meter costs when recovery of those costs is approved by the Board.
- 7.2 Per the Guideline, any distributor may apply for a funding adder. To date, the practice of the Board has been to make provision for a standard funding adder of 30 cents per metered customer for non-implementing distributors and a standard funding adder of one dollar per metered customer for implementing distributors. The standard \$1.00 funding adder provides funding for distributors that are authorized and clearly intend to install smart meters in the rate test year. The Board has made provision for a standard funding adder in recognition of the fact that some distributors may be in the early stages of planning and may not yet have sufficient cost information to request a utility-specific rate adder.
- 7.3 The Applicant submits that it intends to install smart meters in the rate test year. We are in the stages of planning and do not have sufficient cost information to request a utility-specific rate adder or actual costs. The Applicant would like to apply for the standard \$1.00 funding adder providing the following estimated information.
 - 7.3.1 The estimated number of meters to be installed in the rate year is 48, 016.
 - 7.3.2 The estimated costs per installed meter is \$190.00. The estimated total costs are \$7m.
 - 7.3.2.1 The Applicant expects to purchase, smart meters or advance metering infrastructure (“AMI”) whose functionality exceeds the minimum functionality adopted in O.Reg 425/06.
 - 7.3.2.2 The Applicant expects to incur, costs associated with functions for which the SME has the exclusive authority to carry out pursuant to O. Reg. 393/07.
- 7.4 The 2008 smart meter funding adder of \$1.00, as defined in Sheet J1.1, per the G2008-0002 Guidelines for Smart Meter Funding and Cost Recovery, is added to the monthly service charge. The price cap adjusted volumetric charge will not change because of the restoration of the smart meter adder.
- 7.5 Sheet K1.1 generates the “Final” 2008 monthly service charges and volumetric charges, which are then incorporated into the Applicant’s proposed Tariff of Rates and Charges.

8. Uniform Retail Transmission Service Rates

8.1 As per the Electricity Distribution Guideline, G-2008-0001, where the deferral accounts show a pattern whereby the distribution is, overcharging the customer each month, and the credit balance is growing at a predictable trend then the retail rates should be adjusted to minimize this over collection in the future. In review of the current aggressive trend of the monthly balances in the Retail Transmission Service Rates deferral accounts, an adjustment is requested to make a reasonable balance of the deferral accounts. The following table outlines the background of the deferral account balance, along with projection with the proposed adjustment, along with a recommended adjustment. The Applicant would like to respectfully apply for the recommended adjustment of Network, a decrease of 4.00% and Connection, a decrease of 1.00%.

**Table 8-1
 NPEI
 Transmission Rates**

Prorated out to December 2008		
Total Revenue Jan-Dec	(6,984,650.79)	(5,529,065.11)
Total Charges Jan-Dec	6,130,387.08	4,627,440.47
Increase in deferral balances for 2008	<u>(854,263.71)</u>	<u>(901,624.64)</u>
If we increase NW & CN by the uniform rates 2009	11.30%	19.20%
Total Revenue Jan-Dec	(7,445,055.68)	(5,893,522.65)
Total Charges Jan-Dec	6,823,120.82	5,515,909.04
Further increase in deferral balances for 2009	<u>(621,934.86)</u>	<u>(377,613.62)</u>
If we decrease our rates 2009	-4.00%	-1.00%
Total Revenue Jan-Dec	(6,821,675.60)	(5,496,812.23)
Total Charges Jan-Dec	6,823,120.82	5,515,909.04
Further increase in deferral balances for 2009	<u>1,445.22</u>	<u>19,096.81</u>

9. Proposed Tariff of Rates and Charges, Effective May 1, 2009:

9.1 The 2009 IRM Model sets out the Applicant's full tariff of rates and charges, which includes the 2009 Final Monthly Service Charges and Volumetric Rates calculated in, along with the change to Retail Transmission Service Rates, and all other specific charges that form part of the Applicant's rate order (these other specific charges are not changing in the 2009 IRM process.) Accordingly, the Applicant has provided a proposed summary of the tariff (s) in Table 9-1 and Table 9-2.

**Table 9-1
Niagara Falls
Proposed Tariff of Rates and Charges, Effective May 1, 2009**

Rate Class

Residential

Rate Description	Metric	Rate
Service Charge	\$	17.27
Distribution Volumetric Rate	\$/kWh	0.0138
Retail Transmission Rate – Network Service Rate	\$/kWh	0.0046
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kWh	0.0044
Wholesale Market Service Rate	\$/kWh	0.0052
Rural Rate Protection Charge	\$/kWh	0.0010
Standard Supply Service – Administrative Charge (if applicable)	\$	0.25

Rate Class

General Service Less Than 50 kW

Rate Description	Metric	Rate
Service Charge	\$	49.17
Distribution Volumetric Rate	\$/kWh	0.0102
Retail Transmission Rate – Network Service Rate	\$/kWh	0.0042
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kWh	0.0039
Wholesale Market Service Rate	\$/kWh	0.0052
Rural Rate Protection Charge	\$/kWh	0.0010
Standard Supply Service – Administrative Charge (if applicable)	\$	0.25

Rate Class

General Service 50 to 499 kW

Rate Description	Metric	Rate
Service Charge	\$	286.47
Distribution Volumetric Rate	\$/kW	3.0697
Retail Transmission Rate – Network Service Rate	\$/kW	1.7278
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kW	1.5472
Wholesale Market Service Rate	\$/kWh	0.0052

Rural Rate Protection Charge	\$/kWh	0.0010
Standard Supply Service – Administrative Charge (if applicable)	\$	0.25

Rate Class

Unmetered Scattered Load

Rate Description	Metric	Rate
Service Charge	\$	24.10
Distribution Volumetric Rate	\$/kWh	0.0102
Retail Transmission Rate – Network Service Rate	\$/kWh	0.0042
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kWh	0.0039
Wholesale Market Service Rate	\$/kWh	0.0052
Rural Rate Protection Charge	\$/kWh	0.0010
Standard Supply Service – Administrative Charge (if applicable)	\$	0.25

Rate Class

Sentinel Lighting

Rate Description	Metric	Rate
Service Charge	\$	1.12
Distribution Volumetric Rate	\$/kW	4.1608
Retail Transmission Rate – Network Service Rate	\$/kW	1.3096
Wholesale Market Service Rate	\$/kWh	0.0052
Rural Rate Protection Charge	\$/kWh	0.0010
Standard Supply Service – Administrative Charge (if applicable)	\$	0.25

Rate Class

Street Lighting

Rate Description	Metric	Rate
Service Charge	\$	0.33
Distribution Volumetric Rate	\$/kW	1.7242
Retail Transmission Rate – Network Service Rate	\$/kW	1.3030
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kW	1.1961
Wholesale Market Service Rate	\$/kWh	0.0052
Rural Rate Protection Charge	\$/kWh	0.0010
Standard Supply Service – Administrative Charge (if applicable)	\$	0.25

Specific Service Charges

Customer Administration

	<u>Metric</u>	<u>Current</u>
Legal letter charge	\$	15.00
Account set up charge/change of occupancy charge (plus credit agency costs if applicable)	\$	30.00
Returned cheque charge (plus bank charges)	\$	20.00

Non-Payment of Account

	<u>Metric</u>	<u>Current</u>
Late Payment - per month	%	1.5%

Late Payment - per annum	%	19.56%
Collection of account charge - no disconnection	\$	30.00
Disconnect/Reconnect at meter - during regular hours	\$	65.00
Disconnect/Reconnect at meter - after regular hours	\$	185.00
Disconnect/Reconnect at pole - during regular hours	\$	185.00
Disconnect/Reconnect at pole - after regular hours	\$	415.00

Other	Metric	Current
Specific Charge for Access to the Power Poles \$/pole/year	\$	22.35

Allowances	Metric	Current
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	%	-1.0

Retail Service Charges (if applicable)

Retail Service Charges (if applicable)	Metric	Current
---	---------------	----------------

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

	Current
Total Loss Factor - Secondary Metered Customer < 5,000 kW	1.0572
Total Loss Factor - Secondary Metered Customer > 5,000 kW	0.0000
Total Loss Factor - Primary Metered Customer < 5,000 kW	1.0466
Total Loss Factor - Primary Metered Customer > 5,000 kW	0.0000

**Table 9-2
Peninsula West
Proposed Tariff of Rates and Charges, Effective May 1, 2009**

Rate Class

Residential Urban

Rate Description	Metric	Rate
Service Charge	\$	11.16
Distribution Volumetric Rate	\$/kWh	0.0205
Retail Transmission Rate – Network Service Rate	\$/kWh	0.0045
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kWh	0.0048
Wholesale Market Service Rate	\$/kWh	0.0052
Rural Rate Protection Charge	\$/kWh	0.0010
Standard Supply Service – Administrative Charge (if applicable)	\$	0.25

Rate Class

Residential Suburban

Rate Description	Metric	Rate
Service Charge	\$	11.77
Distribution Volumetric Rate	\$/kWh	0.0159
Retail Transmission Rate – Network Service Rate	\$/kWh	0.0045
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kWh	0.0048
Wholesale Market Service Rate	\$/kWh	0.0052
Rural Rate Protection Charge	\$/kWh	0.0010
Standard Supply Service – Administrative Charge (if applicable)	\$	0.25

Rate Class

General Service Less Than 50 kW

Rate Description	Metric	Rate
Service Charge	\$	11.48
Distribution Volumetric Rate	\$/kWh	0.0196
Retail Transmission Rate – Network Service Rate	\$/kWh	0.0041
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kWh	0.0043
Wholesale Market Service Rate	\$/kWh	0.0052
Rural Rate Protection Charge	\$/kWh	0.0010
Standard Supply Service – Administrative Charge (if applicable)	\$	0.25

Rate Class

General Service 50 to 499 kW

Rate Description	Metric	Rate
Service Charge	\$	24.02
Distribution Volumetric Rate	\$/kW	7.2300

Retail Transmission Rate – Network Service Rate	\$/kW	1.6703
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kW	1.6818
Wholesale Market Service Rate	\$/kWh	0.0052
Rural Rate Protection Charge	\$/kWh	0.0010
Standard Supply Service – Administrative Charge (if applicable)	\$	0.25

Rate Class

Unmetered Scattered Load

Rate Description	Metric	Rate
Service Charge	\$	5.24
Distribution Volumetric Rate	\$/kWh	0.0196
Retail Transmission Rate – Network Service Rate	\$/kWh	0.0041
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kWh	0.0043
Wholesale Market Service Rate	\$/kWh	0.0052
Rural Rate Protection Charge	\$/kWh	0.0010
Standard Supply Service – Administrative Charge (if applicable)	\$	0.25

Rate Class

Sentinel Lighting

Rate Description	Metric	Rate
Service Charge	\$	1.05
Distribution Volumetric Rate	\$/kW	1.5435
Retail Transmission Rate – Network Service Rate	\$/kW	1.2660
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kW	1.3273
Wholesale Market Service Rate	\$/kWh	0.0052
Rural Rate Protection Charge	\$/kWh	0.0010
Standard Supply Service – Administrative Charge (if applicable)	\$	0.25

Rate Class

Street Lighting

Rate Description	Metric	Rate
Service Charge	\$	0.60
Distribution Volumetric Rate	\$/kW	1.4801
Retail Transmission Rate – Network Service Rate	\$/kW	1.2597
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kW	1.3002
Wholesale Market Service Rate	\$/kWh	0.0052
Rural Rate Protection Charge	\$/kWh	0.0010
Standard Supply Service – Administrative Charge (if applicable)	\$	0.25

Specific Service Charges

Customer Administration

	<u>Metric</u>	<u>Current</u>
Returned cheque charge (plus bank charges)	\$	15.00
Legal letter charge	\$	15.00

Account set up charge/change of occupancy charge (plus credit agency costs if applicable)	\$	30.00
Meter dispute charge plus Measurement Canada fees (if meter found correct)	\$	30.00

Non-Payment of Account	Metric	Current
Late Payment - per month	%	1.5%
Late Payment - per annum	%	19.56%
Collection of account charge - no disconnection	\$	30.00
Collection of account charge - no disconnection - after regular hours	\$	165.00
Disconnect/Reconnect at meter - during regular hours	\$	65.00
Disconnect/Reconnect at meter - after regular hours	\$	185.00
Disconnect/Reconnect at pole - during regular hours	\$	185.00
Disconnect/Reconnect at pole - after regular hours	\$	415.00

Other	Metric	Current
Install/Remove load control device - during regular hours	\$	65.00
Install/Remove load control device - after regular hours	\$	185.00
Service call - customer-owned equipment	\$	30.00
Service call - after regular hours	\$	165.00
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 \$/pole/year	\$	22.35

Allowances	Metric	Current
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	%	-1.0

Retail Service Charges (if applicable)

Retail Service Charges (if applicable)	Metric	Current
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

	<u>Current</u>
Total Loss Factor - Secondary Metered Customer < 5,000 kW	1.0601
Total Loss Factor - Secondary Metered Customer > 5,000 kW	0.0000
Total Loss Factor - Primary Metered Customer < 5,000 kW	1.0495
Total Loss Factor - Primary Metered Customer > 5,000 kW	0.0000

10. Conclusion

- 10.1 In light of the all of the foregoing, including the minimal bill impacts arising out of its proposed 2009 distribution rate adjustments, the Applicant requests that the OEB adjust its rates in the manner set out in the 2009 IRM Model submitted herewith.