

PUC DISTRIBUTION INC. ("PUC")

MANAGER'S SUMMARY

2009 Distribution Rate Application under 3rd Generation IRM

November 7, 2008

1. Introduction

On July 14, 2008 the Ontario Energy Board (the "OEB") issued a Report of the Board on 3rd Generation Incentive Regulation for Ontario's Electricity Distributors and on September 17, 2008 the OEB issued a Supplemental Report of the Board on 3rd Generation Incentive Regulation for Ontario's Electricity Distributors. PUC has prepared the 2009 IRM rate application consistent with the filing guidelines in the two reports issued by the OEB utilizing the 3rd Generation Supplementary Filing Module and the 3rd Generation Rate Generator Module issued by the OEB.

2. Price Cap Index (X-factor)

PUC followed the OEB methodology and 3rd GIRM supplementary filing module for determining the price cap index adjustment factor. The calculation is as follows:

Price Escalator (GDP-IPI)	2.10%
Less Productivity Factor	-0.72%
Less Stretch Factor	<u>-0.40%</u>
Price Cap Index	0.98%

The GDP-IPI will be updated at the end of February 2009 when amounts are published by Statistics Canada and the change reflected in the final rate order issued by the Board. The productivity component of the X-factor is an external benchmark which all LDC's are expected to achieve. The Board has determined the appropriate value for the productivity factor to be 0.72 percent and is fixed for the IRM plan term. PUC Distribution is classed in Group 2 in the benchmarking evaluations resulting in a stretch factor of 0.4%.

3. Revenue to Cost Ratio Adjustment

In the OEB decision dated May 22, 2008 for PUC's 2008 Cost of Service application it was determined that the revenue to cost ratios that are below the Board's target ranges shall move 50% toward the bottom of the Board's target ranges and the remaining 50% to be moved by equal increments in years 2009 and 2010. PUC has two rate classes, streetlights and sentinel lights, that are below the Board's target ranges. The Board decided the additional revenue from the streetlight and sentinel light rate classes shall be allocated to the General Service classes so that the revenue from General Service classes will be reduced and prorated on the basis of forecast revenues for the two general service classes. In this application the street lights and sentinel lights are moved one-half of the remaining 50% towards the bottom of the Board's target ranges and PUC will achieve the remaining move in 2010 as directed by the Board. Below is a summary of PUC's cost ratios.

<u>Customer Class</u>	<u>Informational Filing</u>	<u>2008 Board Approved</u>	<u>2009 Ratios</u>	<u>Board Target Range</u>
Residential	90	93	93	85-115
GS < 50 kW	137	117	114	80-120
GS > 50 kW	132	125	123	80-180
Streetlights	17	44	57	70-120
Sentinel Lights	38	54	62	70-120
USL	82	82	82	80-120

PUC calculated the cost ratios based on the methodology used in the cost allocation study and specifically sheet O1 "Revenue to Cost Summary Worksheet". This methodology is consistent with PUC's approved 2008 Cost of Service Application and the ratio adjustments approved in that application.

The percentage increase/decrease calculated was then applied to the current approved volumetric and fixed rates. A summary is provided below with a detailed calculation following.

	<u>2008 Approved Service Charge</u>	<u>Cost Ratio Adjustment</u>	<u>Adjustment to Service Charge \$</u>
Residential	8.65	0.0000%	0.0000
GS < 50 kW	15.50	-2.5954%	-0.4000
GS > 50 kW	150.07	-1.7674%	-2.6500
Streetlights	1.56	32.2623%	0.5000
Sentinel Lights	1.93	15.6385%	0.3000
USL	10.94	0.0000%	0.0000

	<u>2008 Approved Volumetric Charge</u>	<u>Cost Ratio Adjustment</u>	<u>Adjustment to Volumetric Rate</u>
Residential	0.0150	0.0000%	0.0000
GS < 50 kW	0.0185	-2.5954%	-0.0004
GS > 50 kW	4.5237	-1.7674%	-0.0800
Streetlights	10.1419	32.2623%	3.2720
Sentinel Lights	17.9528	15.6385%	2.8075
USL	0.269	0.0000%	0.0000

	Total	Residential	GS <50	GS>60- Regular	Street Light	Sentinel	Unmetered Scattered Load
Distribution Revenue (sale)	\$11,960,614	\$6,660,836	\$1,876,498	\$2,959,578	\$409,959	\$24,032	\$19,611
Miscellaneous Revenue (mi)	\$1,100,386	\$742,543	\$169,117	\$157,128	\$27,410	\$1,469	\$2,720
Total Revenue	\$13,060,900	\$7,403,379	\$2,045,615	\$3,116,706	\$437,369	\$25,501	\$22,331
	100.00%	55.74%	15.70%	24.77%	3.43%	0.20%	0.16%
Expenses							
Distribution Costs (di)	\$3,006,705	\$1,767,185	\$384,706	\$618,480	\$217,765	\$11,679	\$6,891
Customer Related Costs (cu)	\$1,329,116	\$925,309	\$231,428	\$166,045	\$4,000	\$213	\$2,122
General and Administration (ad)	\$2,652,606	\$1,642,117	\$375,185	\$484,261	\$138,025	\$7,402	\$5,516
Depreciation and Amortization (dep)	\$2,593,891	\$1,527,282	\$338,382	\$537,011	\$176,252	\$9,477	\$5,487
PIUs (INPUT)	\$164,831	\$96,885	\$21,572	\$34,532	\$10,912	\$586	\$344
Interest	\$1,366,389	\$803,139	\$178,825	\$286,257	\$90,460	\$4,855	\$2,853
Total Expenses	\$11,113,438	\$6,761,916	\$1,530,039	\$2,126,686	\$637,414	\$34,212	\$23,212
Direct Allocation	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Allocated Net Income (NI)	\$1,937,462	\$1,138,805	\$253,564	\$405,896	\$128,267	\$6,884	\$4,045
Revenue Requirement (includes NI)	\$13,050,900	\$7,900,721	\$1,783,662	\$2,532,482	\$765,682	\$41,096	\$27,257
	Revenue Requirement Input equals Output						
Rate Base Calculation							
Net Assets							
Distribution Plant - Gross	\$69,090,835	\$40,470,336	\$9,076,016	\$14,771,737	\$4,398,336	\$236,165	\$138,243
General Plant - Gross	\$3,374,864	\$1,985,099	\$440,921	\$704,568	\$225,100	\$12,083	\$7,092
Accumulated Depreciation	(\$36,205,186)	(\$21,126,955)	(\$4,779,555)	(\$7,908,220)	(\$2,204,898)	(\$118,422)	(\$69,138)
Capital Contribution	(\$989,570)	(\$595,779)	(\$121,906)	(\$182,733)	(\$32,196)	(\$4,428)	(\$2,528)
Total Net Plant	\$36,270,943	\$20,732,702	\$4,616,477	\$7,387,363	\$2,336,343	\$125,399	\$73,669
Directly Allocated Net Fixed Assets	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Cost of Power (COP)	\$44,990,256	\$22,073,841	\$6,177,894	\$16,228,539	\$437,680	\$18,146	\$54,156
OM&A Expenses	\$6,988,327	\$4,334,610	\$991,319	\$1,268,786	\$359,790	\$19,294	\$14,528
Directly Allocated Expenses	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Subtotal	\$51,978,583	\$26,408,451	\$7,169,213	\$17,497,325	\$797,470	\$37,439	\$68,684
Working Capital	\$7,796,787	\$3,961,268	\$1,075,382	\$2,624,599	\$119,820	\$5,616	\$10,303
Total Rate Base	\$49,067,730	\$24,593,970	\$6,690,859	\$10,011,952	\$2,455,963	\$131,015	\$83,972
	Rate Base Input equals Output						
Equity Component of Rate Base	\$21,533,865	\$12,346,986	\$2,845,429	\$5,005,976	\$1,227,992	\$65,507	\$41,986
Net Income on Allocated Assets	\$1,937,462	\$641,463	\$515,516	\$990,120	(\$200,046)	(\$8,711)	(\$881)
Net Income on Direct Allocation Ass	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Net Income	\$1,937,462	\$641,463	\$515,516	\$990,120	(\$200,046)	(\$8,711)	(\$881)
RATIOS ANALYSIS							
REVENUE TO EXPENSES %	100.00%	93.71%	114.69%	123.07%	57.12%	62.05%	81.93%
EXISTING REVENUE MINUS ALLOC	(\$0)	(\$497,342)	\$261,952	\$584,224	(\$328,312)	(\$15,595)	(\$4,926)
RETURN ON EQUITY COMPONENT C	9.00%	5.20%	18.12%	19.78%	-16.29%	-13.30%	-2.10%
Adjustment to class revenue for 2008	\$0	\$319,500	(\$346,000)	(\$184,100)	\$204,000	\$6,600	\$0
Cost of Service Application	100.00%	55.74%	16.13%	25.22%	2.59%	0.16%	0.16%
Increase		5%	-14%	-5%	153%	42%	0%
Adjustment to class revenue for 2009 IRM Application	\$0	\$0	-\$50,000	-\$53,250	\$100,000	\$3,250	\$0
Increase	0.00%	0.0000%	-2.6964%	-1.7674%	32.2623%	15.6385%	0.0000%
Revenue to expense		93.7%	114.7%	123.1%	57.1%	62.1%	82.0%
Share of revenue	100.00%	55.74%	15.70%	24.77%	3.43%	0.20%	0.16%

4. K-Factor Adjustment

The Ontario Energy Board report on Cost of Capital and 2nd Generation Incentive Regulation dated December 20, 2006 directed that distributors will be required to phase-in a deemed 60% debt and 40% equity capital structure to be completed by 2010. In PUC's 2008 Cost of Service Rate Application the first phase of the capital structure transition adjustment was completed. In the 2009 IRM application the second phase of the capital structure transmission is being applied for resulting in a K-Factor adjustment. The K-Factor calculation compares the revenue requirement before and after the capital structure transition. Refer to E1.2 "K-Factor Adjustment" in the 2009 OEB 3 GIRM Supplementary Filing Module. The K-Factor applied for in the 2009 IRM is -0.25%. The final capital structure transition to arrive at 60% debt and 40% equity deemed capital structure will be applied for in the 2010 rate application. A summary of the capital structure is below:

	Short Term Debt	Long Term Debt	Equity
2008 Approved	4.0%	49.3%	46.7%
2009 3 rd Generation IRM Application	4.0%	52.7%	43.3%

5. Z- Factor Tax Sharing Rate Rider

The Board has determined that a 50/50 sharing of the impact of currently known legislation tax changes is to be appropriate in the 2009 IRM application. PUC Distribution calculated the annual tax savings and allocated it to customer rate classes in accordance with the OEB methodology in the 3rd Generation Supplementary Filing Module. The amount will be refunded to customers through a volumetric rate rider derived using annualized consumption by customer rate class underlying the Board-approved base rates. The total tax savings calculated in the supplementary filing module was \$14,339. PUC has applied for a tax change rate rider to only be a volumetric rate rider. A summary of the rate riders in the application is below. Due to rounding there are no rate riders applied for the residential, GS<50 kW and USL rate classes.

		<u>Tax Savings Rate Rider</u>
Residential	kWh	0.0000
GS < 50 kW	kWh	0.0000
GS > 50 kW	KW	-0.0053
Streetlights	KW	-0.0225
Sentinel Lights	KW	-0.0347
USL	kWh	0.0000

6. Incremental Capital Adjustment

In the 2009 IRM application PUC Distribution has not applied to recover through rates any incremental capital investment needs.

7. Smart Meters

PUC plans to have smart meter installation completed in 2009. At the time of this application PUC has not achieved 50% penetration of smart meters in its service area. Therefore PUC is applying for continuance of the standard \$1.00 smart meter funding adder that was approved in the 2008 cost of service application.

8. Transmission Network Rates

PUC has applied for an 11.3% uniform percentage increase to the 2009 network service rate as per the OEB guidelines (G-2008-001) issued October 22, 2008. The percentage increase is calculated in the 3 GIRM Rate Generator Model and included in the proposed rate schedule include in the model.

9. Summary of Results

SUMMARY OF CHANGES						
	Current Base	Revenue Cost	K-Factor	Price Cap	Smart Meter	Final Rates
	Rate	Ratio	Adjustment	Adjustment	Rate	Applied for
		Adjustment			Adder	in 2009 IRM
<u>Monthly Service Charge</u>						
Residential	8.6500	0.0000	-0.02163	0.08456	1.0000	9.7129
General Service < 50kW	15.4000	-0.4000	-0.03850	0.14662	1.0000	16.1081
General Service > 50kW	150.0700	-2.6500	-0.37518	1.44104	1.0000	149.4859
USL	10.9400	0.0000	-0.02735	0.10694		11.0196
Sentinel Lighting	1.9300	0.3000	-0.00483	0.02181		2.2470
Street Lighting	1.5600	0.5000	-0.00390	0.02015		2.0763
<u>Volumetric Charge</u>						
Residential	0.0150	0.0000	-0.00004	0.00015		0.0151
General Service < 50kW	0.0185	-0.0004	-0.00005	0.00018		0.0182
General Service > 50kW	4.5237	-0.0800	-0.01131	0.04344		4.4758
USL	0.0269	0.0000	0.00007	0.00026		0.0272
Sentinel Lighting	17.9528	2.8075	-0.04488	0.20301		20.9184
Street Lighting	10.1419	3.2720	-0.02536	0.13121		13.5198

10. Bill Impacts

Below are the bill impact schedules as a result of the rates applied for in the 2009 IRM application. Consumption levels are based on PUC's estimated average usage by customer/connection in each rate class. Sentinel and Street Light rate class impacts per connection exceed the 10% threshold as a result of the cost revenue adjustment directed by the Board.

Residential

Monthly Rates and Charges	Metric	Current Rate	Applied For Rate
Service Charge	\$	9.65	9.71
Service Charge Rate Rider(s)	\$	-	-
Distribution Volumetric Rate	\$/kWh	0.0150	0.0151
Distribution Volumetric Rate Rider(s)	\$/kWh	0.0006	0.0006
Retail Transmission Rate - Network Service Rate	\$/kWh	0.0043	0.0048
Retail Transmission Rate - Line and Transformation Connection Service Rate	\$/kWh	-	-
Wholesale Market Service Rate	\$/kWh	0.0052	0.0052
Rural Rate Protection Charge	\$/kWh	0.0010	0.0010
Standard Supply Service - Administration Charge (if applicable)	\$	0.25	0.25

Consumption

1,000 kWh

kW

Loss Factor 1.0454

RPP Tier One

600 kWh

Load Factor

	Volume	RATE \$	CHARGE \$	Volume	RATE \$	CHARGE \$	%	% of Total Bill
Energy First Tier (kWh)	600	0.0560	33.60	600	0.0560	33.60	0.0%	31.45%
Energy Second Tier (kWh)	446	0.0650	28.99	446	0.0650	28.99	0.0%	27.13%
Sub-Total: Energy			62.59			62.59	0.0%	58.58%
Service Charge	1	9.65	9.65	1	9.71	9.71	0.6%	9.09%
Service Charge Rate Rider(s)	1	0.00	0.00	1	0.00	0.00	0.0%	0.00%
Distribution Volumetric Rate	1,000	0.0150	15.00	1,000	0.0151	15.10	0.7%	14.13%
Distribution Volumetric Rate Rider(s)	1,000	0.0006	0.60	1,000	0.0006	0.60	0.0%	0.56%
Total: Distribution			25.25			25.41	0.6%	23.78%
Retail Transmission Rate - Network Service Rate	1,046	0.0043	4.50	1,046	0.0048	5.02	11.6%	4.70%
Retail Transmission Rate - Line and Transformation Connection Service Rate	1,046	0.0000	0.00	1,046	0.0000	0.00	0.0%	0.00%
Total: Retail Transmission			4.50			5.02	11.6%	4.70%
Sub-Total: Delivery (Distribution and Retail Transmission)			29.75			30.43	2.3%	28.48%
Wholesale Market Service Rate	1,046	0.0052	5.44	1,046	0.0052	5.44	0.0%	5.09%
Rural Rate Protection Charge	1,046	0.0010	1.05	1,046	0.0010	1.05	0.0%	0.98%
Standard Supply Service - Administration Charge (if applicable)	1	0.25	0.25	1	0.25	0.25	0.0%	0.23%
Sub-Total: Regulatory			6.74			6.74	0.0%	6.31%
Debt Retirement Charge (DRC)	1,000	0.00200	2.00	1,000	0.00200	2.00	0.0%	1.87%
Total Bill before Taxes			101.08			101.76	0.7%	95.24%
GST	101.08	5%	5.05	101.76	5%	5.09	0.8%	4.76%
			106.13			106.85	0.7%	100.00%

General Service Less Than 50 kW

Monthly Rates and Charges	Metric	Current Rate	Applied For Rate
Service Charge	\$	16.40	16.11
Service Charge Rate Rider(s)	\$	-	-
Distribution Volumetric Rate	\$/kWh	0.0185	0.0182
Distribution Volumetric Rate Rider(s)	\$/kWh	0.0003	0.0003
Retail Transmission Rate - Network Service Rate	\$/kWh	0.0039	0.0043
Retail Transmission Rate - Line and Transformation Connection Service Rate	\$/kWh	-	-
Wholesale Market Service Rate	\$/kWh	0.0052	0.0052
Rural Rate Protection Charge	\$/kWh	0.0010	0.0010
Standard Supply Service - Administration Charge (if applicable)	\$	0.25	0.25

Consumption	2,500 kWh	kWh	-	kW
RPP Tier One	750 kWh	kWh	Load Factor	

Loss Factor 1.0454

	Volume	RATE \$	CHARGE \$	Volume	RATE \$	CHARGE \$	\$	%	% of Total Bill
Energy First Tier (kWh)	750	0.0560	42.00	750	0.0560	42.00	0.00	0.0%	15.49%
Energy Second Tier (kWh)	1,864	0.0650	121.16	1,864	0.0650	121.16	0.00	0.0%	44.69%
Sub-Total: Energy			163.16			163.16	0.00	0.0%	60.18%
Service Charge	1	16.40	16.40	1	16.11	16.11	-0.29	(1.8)%	5.94%
Service Charge Rate Rider(s)	1	0.00	0.00	1	0.00	0.00	0.00	0.0%	0.00%
Distribution Volumetric Rate	2,500	0.0185	46.25	2,500	0.0182	45.50	-0.75	(1.6)%	16.78%
Distribution Volumetric Rate Rider(s)	2,500	0.0003	0.75	2,500	0.0003	0.75	0.00	0.0%	0.28%
Total: Distribution			63.40			62.36	-1.04	(1.6)%	23.06%
Retail Transmission Rate - Network Service Rate	2,614	0.0039	10.19	2,614	0.0043	11.24	1.05	10.3%	4.15%
Retail Transmission Rate - Line and Transformation Connection Service Rate	2,614	0.0000	0.00	2,614	0.0000	0.00	0.00	0.0%	0.00%
Total: Retail Transmission			10.19			11.24	1.05	10.3%	4.15%
Sub-Total: Delivery (Distribution and Retail Transmission)			73.59			73.60	0.01	0.0%	27.15%
Wholesale Market Service Rate	2,614	0.0052	13.59	2,614	0.0052	13.59	0.00	0.0%	5.01%
Rural Rate Protection Charge	2,614	0.0010	2.61	2,614	0.0010	2.61	0.00	0.0%	0.96%
Standard Supply Service - Administration Charge (if applicable)	1	0.25	0.25	1	0.25	0.25	0.00	0.0%	0.09%
Sub-Total: Regulatory			16.45			16.45	0.00	0.0%	6.07%
Debt Retirement Charge (DRQ)	2,500	0.00200	5.00	2,500	0.00200	5.00	0.00	0.0%	1.84%
Total Bill before Taxes			258.20			258.21	0.01	0.0%	95.24%
GST	258.20	5%	12.91	258.21	5%	12.91	0.00	0.0%	4.76%
Total			271.11			271.12	0.01	0.0%	100.00%

General Service 50 to 4,999 kW

Monthly Rates and Charges	Metric	Current Rate	Applied For Rate
Service Charge	\$	151.07	149.49
Service Charge Rate Rider(s)	\$	-	-
Distribution Volumetric Rate	\$/kW	4.5237	4.4758
Distribution Volumetric Rate Rider(s)	\$/kW	0.0002	0.0002
Retail Transmission Rate – Network Service Rate	\$/kW	1.8039	1.7851
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kW	-	-
Wholesale Market Service Rate	\$/kWh	0.0052	0.0052
Rural Rate Protection Charge	\$/kWh	0.0010	0.0010
Standard Supply Service – Administration Charge (if applicable)	\$	0.25	0.25

Consumption	52,000 kWh	132 kWh
RPP Tier One	750 kWh	Load Factor 54.0%

Loss Factor 1.0454

	Volume	RATE \$	CHARGE \$	Volume	RATE \$	CHARGE \$	\$	%	% of Total Bill
Energy First Tier (kWh)	750	0.0560	42.00	750	0.0560	42.00	0.00	0.0%	0.81%
Energy Second Tier (kWh)	53,611	0.0650	3,484.72	53,611	0.0650	3,484.72	0.00	0.0%	67.13%
Sub-Total: Energy			3,526.72			3,526.72	0.00	0.0%	67.94%
Service Charge	1	151.07	151.07	1	149.49	149.49	-1.58	(1.0)%	2.88%
Service Charge Rate Rider(s)	1	0.00	0.00	1	0.00	0.00	0.00	0.0%	0.00%
Distribution Volumetric Rate	132	4.5237	597.13	132	4.4758	590.81	-6.32	(1.1)%	11.36%
Distribution Volumetric Rate Rider(s)	132	0.0051	0.67	132	-0.0002	-0.03	-0.70	(104.5)%	0.00%
Total: Distribution			748.87			740.27	-8.60	(1.1)%	14.26%
Retail Transmission Rate – Network Service Rate	132	1.8039	238.12	132	1.7851	235.63	23.92	11.3%	4.54%
Retail Transmission Rate – Line and Transformation Connection Service Rate	132	0.0000	0.00	132	0.0000	0.00	0.00	0.0%	0.00%
Total: Retail Transmission			211.71			235.63	23.92	11.3%	4.54%
Sub-Total: Delivery (Distribution and Retail Transmission)			960.58			975.90	15.32	1.6%	18.80%
Wholesale Market Service Rate	54,361	0.0052	282.68	54,361	0.0052	282.68	0.00	0.0%	5.45%
Rural Rate Protection Charge	54,361	0.0010	54.36	54,361	0.0010	54.36	0.00	0.0%	1.05%
Standard Supply Service – Administration Charge (if applicable)	1	0.25	0.25	1	0.25	0.25	0.00	0.0%	0.00%
Sub-Total: Regulatory			337.29			337.29	0.00	0.0%	6.50%
Debt Retirement Charge (DRQ)	52,000	0.00200	104.00	52,000	0.00200	104.00	0.00	0.0%	2.00%
Total Bill before Taxes			4,928.59			4,943.91	15.32	0.3%	95.24%
GST	4,928.59	5%	246.43	4,943.91	5%	247.20	0.77	0.3%	4.76%
			5,175.02			5,191.11	16.09	0.3%	100.00%

Unmetered Scattered Load

Monthly Rates and Charges			
	Metric	Current Rate	Applied For Rate
Service Charge	\$	10.94	11.02
Service Charge Rate Rider(s)	\$	-	-
Distribution Volumetric Rate	\$/kWh	0.0269	0.0271
Distribution Volumetric Rate Rider(s)	\$/kWh	0.0003	0.0003
Retail Transmission Rate – Network Service Rate	\$/kWh	0.0039	0.0043
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kWh	-	-
Wholesale Market Service Rate	\$/kWh	0.0052	0.0052
Rural Rate Protection Charge	\$/kWh	0.0010	0.0010
Standard Supply Service – Administration Charge (if applicable)	\$	0.25	0.25

	10,000 kWh	kWh	0 kW	kWh	Load Factor
Consumption	10,000	kWh	0	kWh	
RPP Tier One	750	kWh			Load Factor

Loss Factor 1.0454

	Volume	RATE \$	CHARGE \$	Volume	RATE \$	CHARGE \$	\$	%	% of Total Bill
Energy First Tier (kWh)	750	0.0560	42.00	750	0.0560	42.00	0.00	0.0%	3.68%
Energy Second Tier (kWh)	9,705	0.0650	630.83	9,705	0.0650	630.83	0.00	0.0%	55.23%
Sub-Total: Energy			672.83			672.83	0.00	0.0%	58.90%
Service Charge	1	10.94	10.94	1	11.02	11.02	0.08	0.7%	0.96%
Service Charge Rate Rider(s)	1	0.00	0.00	1	0.00	0.00	0.00	0.0%	0.00%
Distribution Volumetric Rate	10,000	0.0269	269.00	10,000	0.0271	271.00	2.00	0.7%	23.72%
Distribution Volumetric Rate Rider(s)	10,000	0.0003	3.00	10,000	0.0003	3.00	0.00	0.0%	0.26%
Total: Distribution			282.94			285.02	2.08	0.7%	24.95%
Retail Transmission Rate – Network Service Rate	10,455	0.0039	40.77	10,455	0.0043	44.96	4.19	10.3%	3.94%
Retail Transmission Rate – Line and Transformation Connection Service Rate	10,455	0.0000	0.00	10,455	0.0000	0.00	0.00	0.0%	0.00%
Total: Retail Transmission			40.77			44.96	4.19	10.3%	3.94%
Sub-Total: Delivery (Distribution and Retail Transmission)			323.71			329.98	6.27	1.9%	28.89%
Wholesale Market Service Rate	10,455	0.0052	54.37	10,455	0.0052	54.37	0.00	0.0%	4.76%
Rural Rate Protection Charge	10,455	0.0010	10.46	10,455	0.0010	10.46	0.00	0.0%	0.92%
Standard Supply Service – Administration Charge (if applicable)	1	0.25	0.25	1	0.25	0.25	0.00	0.0%	0.02%
Sub-Total: Regulatory			65.08			65.08	0.00	0.0%	5.70%
Debt Retirement Charge (DRG)	10,000	0.00200	20.00	10,000	0.00200	20.00	0.00	0.0%	1.75%
Total Bill before Taxes	1,081.62	5%	54.08	1,087.89	5%	54.39	6.27	0.6%	95.24%
GST			1,135.70			1,142.28	6.58	0.6%	100.00%

Sentinel Lighting

Monthly Rates and Charges	Metric	Current Rate	Applied For Rate
Service Charge	\$	1.93	2.25
Service Charge Rate Rider(s)	\$	-	-
Distribution Volumetric Rate	\$/kW	17.9528	20.9184
Distribution Volumetric Rate Rider(s)	\$/kW	0.0105	0.0242
Retail Transmission Rate - Network Service Rate	\$/kW	1.2158	1.3532
Retail Transmission Rate - Line and Transformation Connection Service Rate	\$/kW	-	-
Wholesale Market Service Rate	\$/kWh	0.0052	0.0052
Rural Rate Protection Charge	\$/kWh	0.0010	0.0010
Standard Supply Service - Administration Charge (if applicable)	\$	0.25	0.25

	60 kWh	0.15 kW	750 kWh	54.8% kW
Consumption				
RPP Tier One				
				Load Factor 54.8%

Loss Factor 1.0454

	Volume	RATE \$	CHARGE \$	Volume	RATE \$	CHARGE \$	\$	%	% of Total Bill
Energy First Tier (kWh)	63	0.0560	3.53	63	0.0560	3.53	0.00	0.0%	11.88%
Energy Second Tier (kWh)	0	0.0650	0.00	0	0.0650	0.00	0.00	0.0%	0.00%
Sub-Total: Energy			3.53			3.53	0.00	0.0%	11.68%
Service Charge	1	1.93	1.93	1	2.25	2.25	0.32	16.6%	7.44%
Service Charge Rate Rider(s)	1	0.00	0.00	1	0.00	0.00	0.00	0.0%	0.00%
Distribution Volumetric Rate	1	17.9528	17.95	1	20.9184	20.92	2.97	16.5%	69.20%
Distribution Volumetric Rate Rider(s)	1	0.0105	0.01	1	-0.0242	-0.02	-0.03	(300.0)%	-0.07%
Total: Distribution			19.89			23.15	3.26	16.4%	76.58%
Retail Transmission Rate - Network Service Rate	1	1.2158	1.22	1	1.3532	1.35	0.13	10.7%	4.47%
Retail Transmission Rate - Line and Transformation Connection Service Rate	1	0.0000	0.00	1	0.0000	0.00	0.00	0.0%	0.00%
Total: Retail Transmission			1.22			1.35	0.13	10.7%	4.47%
Sub-Total: Delivery (Distribution and Retail Transmission)			21.11			24.50	3.39	16.1%	81.05%
Wholesale Market Service Rate	63	0.0052	0.33	63	0.0052	0.33	0.00	0.0%	1.09%
Rural Rate Protection Charge	63	0.0010	0.06	63	0.0010	0.06	0.00	0.0%	0.20%
Standard Supply Service - Administration Charge (if applicable)	1	0.25	0.25	1	0.25	0.25	0.00	0.0%	0.83%
Sub-Total: Regulatory			0.64			0.64	0.00	0.0%	2.12%
Debt Retirement Charge (DRC)	60	0.00200	0.12	60	0.00200	0.12	0.00	0.0%	0.40%
Total Bill before Taxes			25.40			28.79	3.39	13.3%	95.24%
GST	25.40	5%	1.27	28.79	5%	1.44	0.17	13.4%	4.76%
			26.67			30.23	3.56	13.3%	100.00%

Street Lighting

Monthly Rates and Charges		
Metric	Current Rate	Applied For Rate
Service Charge	\$ 1.56	2.08
Service Charge Rate Rider(s)	\$ -	-
Distribution Volumetric Rate	\$/kW 10.1419	13.5198
Distribution Volumetric Rate Rider(s)	\$/kW 0.0018	0.0207
Retail Transmission Rate - Network Service Rate	\$/kW 1.2096	1.3463
Retail Transmission Rate - Line and Transformation Connection Service Rate	\$/kW -	-
Wholesale Market Service Rate	\$/kWh 0.0052	0.0052
Rural Rate Protection Charge	\$/kWh 0.0010	0.0010
Standard Supply Service - Administration Charge (if applicable)	\$ 0.25	0.25

Loss Factor 1.0454

	80 kWh	0.20 kW
Consumption	80 kWh	0.20 kW
RPP Tier One	750 kWh	Load Factor 54.8%

	Volume	RATE \$	CHARGE \$	Volume	RATE \$	CHARGE \$	\$	%	% of Total Bill
Energy First Tier (kWh)	84	0.0560	4.70	84	0.0560	4.70	0.00	0.0%	19.84%
Energy Second Tier (kWh)	0	0.0650	0.00	0	0.0650	0.00	0.00	0.0%	0.00%
Sub-Total: Energy			4.70			4.70	0.00	0.0%	19.84%
Service Charge	1	1.56	1.56	1	2.08	2.08	0.52	33.3%	8.78%
Service Charge Rate Rider(s)	1	0.00	0.00	1	0.00	0.00	0.00	0.0%	0.00%
Distribution Volumetric Rate	1	10.1419	10.14	1	13.5198	13.52	3.38	33.3%	57.07%
Distribution Volumetric Rate Rider(s)	1	0.0018	0.00	1	-0.0207	-0.02	-0.02	0.0%	-0.08%
Total: Distribution			11.70			15.58	3.88	33.2%	65.77%
Retail Transmission Rate - Network Service Rate	1	1.2096	1.21	1	1.3463	1.35	0.14	11.6%	5.70%
Retail Transmission Rate - Line and Transformation Connection Service Rate	1	0.0000	0.00	1	0.0000	0.00	0.00	0.0%	0.00%
Total: Retail Transmission			1.21			1.35	0.14	11.6%	5.70%
Sub-Total: Delivery (Distribution and Retail Transmission)			12.91			16.93	4.02	31.1%	71.46%
Wholesale Market Service Rate	84	0.0052	0.44	84	0.0052	0.44	0.00	0.0%	1.86%
Rural Rate Protection Charge	84	0.0010	0.08	84	0.0010	0.08	0.00	0.0%	0.34%
Standard Supply Service - Administration Charge (if applicable)	1	0.25	0.25	1	0.25	0.25	0.00	0.0%	1.06%
Sub-Total: Regulatory			0.77			0.77	0.00	0.0%	3.25%
Debt Retirement Charge (DRG)	80	0.00200	0.16	80	0.00200	0.16	0.00	0.0%	0.68%
Total Bill before Taxes			18.54			22.56	4.02	21.7%	95.23%
GST	18.54	5%	0.93	22.56	5%	1.13	0.20	21.5%	4.77%
			19.47			23.69	4.22	21.7%	100.00%

Signed on this 7th day of November 2008 at Sault Ste. Marie, on behalf of the Board of Directors of PUC Distribution Inc. by:

A handwritten signature in black ink, appearing to read "Terry Greco", written over a horizontal line.

Terry Greco, CA
Treasurer
PUC Distribution Inc.