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January 19, 2009

Attention: Kirsten Walli (Board Secretary)

Re: COLLUS Power Corp – 2008 Electricity Distribution Rate Application – File No. EB-2008-0226

On January 13th, 2009 Board Staff suggested to COLLUS Power that a short conference call would help facilitate an understanding by all parties involved in regards to responses to clarification questions as per Procedural Order #4. The call was held on January 16th and included a review a short list of requests for additional information. The following provides a summary:

1. Board Staff Clarification Part A

It would be helpful to understand exactly how the new revenue requirement was established in response to the IR triggered changes.

COLLUS Power provides a worksheet "2009 Revenue Deficiency Rec" which provides the values which were in the original submission along with the updated values. Any resulting differences are noted in the adjacent column. The spreadsheet clarifies that the total difference of $99,439 in Revenue Deficiency is due to a $46,000 increase in Other Revenue which resulted from the inclusion of Interest Revenue. The remaining difference of $53,429 is based on a decrease in the amount of PILs requirement for the required 2009 revenue. There are only these two changes from the original submission.

NOTE: It was requested that an updated supplement Exhibit #7 with the reconciliation data be provided when this summary was submitted. It is provided as an attachment.

2. Board Staff Clarification Part B

It would be helpful if COLLUS could "black line" the changes in its updated exhibits to show what has changed.

Exhibit 8 and Exhibit 9 are provided with highlighted areas that identify the changes that were made. The highlight is in neon yellow for easy reference.

Exhibit 8 changes resulted from a correction to the Cost Allocation factors resulting from the need to remove the amount of ALCOA's transformer allowance when the CA model was adjusted to eliminate ALCOA information since they are no longer an active customer.

Exhibit 9 changes are due to a combination of the Revenue Deficiency explained in Exhibit 7's reconciliation and the correction to Cost Allocation factors related to changes outlined in Exhibit 8.

Additionally, in Exhibit #9 the impacts of moving to $1 for Smart Meter adder from $0.26 per month per RPP customer are shown. The remaining change is the inclusion of the increase to the Retail Transmission Connection charge of 5.5% to properly allow for a correct view of overall customer impacts.

NOTE: Updated Exhibits 8 & 9 with the highlighted changed areas are attached to this letter.

3. Board Staff Clarification of their Interrogatory Question #2.1

Where the service reliability indices are concerned, COLLUS has provided a revised set of numbers and new explanations. It might be useful for COLLUS to take staff and intervenors through this response so that it is clear to them.

During discussions, it became clear that there was difficulty in providing clarity related to the SQI 2009 and 2010 targets set by COLLUS. In response, COLLUS is filing a revised SQI Schedule "Schedule 3.7(a)-1 revised Jan14".

The revised schedule separates the SQI reporting and related targets between those directly attributable to COLLUS Power distribution facilities and those directly attributable to Hydro One facilities in order to clearly delineate targets. COLLUS Power cannot be reasonably expected to set targets for Hydro One and as such has not incorporated targets in those columns.

NOTE: As indicated above Sch 3.7(a) – 1 revised Jan. 16 is provided as an attachment.

4. Board Staff Clarification of their Interrogatory Question #4.1

Where it is explained how COLLUS developed its weather normal kWh filed in the evidence from the data provided by Hydro One. It might be useful for COLLUS to take staff and intervenors through the reconciliation analysis detail listed in Table 3 and explain the cause of the large loss factors (over 10%) listed under column E.

COLLUS Staff explained that the loss factors noted in column E referenced in Table 3 were customer specific loss factors which were used by Hydro One in their model. The loss factors in column E were backed out by COLLUS when establishing forecasts for 2009 and replaced by the revised "lower" loss factor which is common to all customer classes apart from the Large User category.

NOTE: The explanation provided was viewed to be complete.

5. VECC Clarification of their Interrogatory Question #35

COLLUS is asking for a variance account to deal with the potential loss of their largest customer. To understand the materiality of this, it would be useful to get an indication as to how much of the Dx service revenue is attributable to this one customer.

COLLUS staff confirms that the Base Revenue Requirement amount of $166,142.07 identified in Table 3 in Updated Exhibit 9 submitted on Jan. 9/09 is the amount we expect to recover on an annual basis from our Large User. This represents 3% of the total Base Revenue Requirement of $5,709,546.

NOTE: The explanation provided was viewed to be complete.

6. VECC Clarification of their Interrogatory Question #36

Shows vegetation management spending for 2008 and 2009 of over $100,000 annually based on a 3-year cycle. However, the same table shows spending of less than $80,000 for each of 2006 and 2007 based on a 2-year cycle. The only difference appears to be the 100% use of contract staff in 2008 and 2009. This begs the question as to the prudence of COLLUS' contracting this work out – unless there is some other explanation.

COLLUS Staff explained that the differences in costs are not simply related to the move to 100% contract staff. The key difference is the move from a 2 year cycle which requires lower clearances and the 3 year cycle for trimming which ultimately provides for greater clearances (to allow for growth over the 3 year period). The increase in 2008 and 2009 is related to the additional work involved to increase the clearances needed to meet an ESA requirement 3 year growth allowance on the line clearing. Moving to a three year cycle means more brush – more disposals, and significantly more customer contact given the greater impact to the appearance of the trees being trimmed.

COLLUS staff also emphasizes that the increase in costs are expected to be reduced once the additional work related to achieving the new clearances are achieved at the end of the first three year term of the project.

NOTE: The explanation provided was viewed to be complete.

7. VECC Clarification Request of their Interrogatory Question #43

The response suggests that not all items included in the RPP price are billed through in the COP and therefore should be part of working capital. However, COLLUS has not been definitive in its response. This may leave parties to make interpretation in argument where a more specific response would negate this.

For further clarity, VECC explained the question was meant to ask if all or only parts of the RPP rates charged by the LDC are treated as Cost of Power. COLLUS Staff confirmed that 100% of the RPP charges to customers are billed through the IESO and treated as Cost of Power.

NOTE: The explanation provided was viewed to be complete.

We trust that the information provided will be sufficient but if there are any further requirements please contact us.

Respectfully Submitted:

Mr. T. E. Fryer CMA
Chief Financial Officer

Exhibit	Tab	Schedule	Appendix	Contents
7 – Calculation of Revenue Deficiency or Surplus				
	1	1		Revenue Deficiency – Overview
				Table 1 (Calculation of Revenue Deficiency or Surplus)

REVENUE DEFICIENCY - OVERVIEW:

COLLUS Power Corp has provided detailed calculations supporting its 2009 revenue deficiency.

The net revenue deficiency is calculated as $ **550,482** and when grossed up for PILs

COLLUS Power Corp's revenue deficiency is $ **877,262** .

Table 1 on the following page provides the revenue deficiency calculations for the 2009

Test Year at Existing 2008 OEB-approved rates and the 2009 Test Year Revenue Requirement.

Table 1 (Updated Supplementary Jan. 15/09)

COLLUS Power Corp
, License Number ED - 2002 - 0518, File Number EB - 2008 - 0226

COLLUS Power Corp
Revenue Deficiency Determination

Description	2009 Test Existing Rates	2009 Test - Required Revenue Updated Submission	Original Submission 2009	Difference of Original and Updated Amounts	Footnote
Revenue					
Revenue Deficiency		**877,263**	976,701	99,438	Total RR Difference
Distribution Revenue	4,832,283	4,832,283	4,832,283		
Other Operating Revenue (Net)	***372,000***	372,000	326,000 -	46,000	Int. Rev. added in
Smart Meter Deferral Account Adjustment					
Total Revenue	**5,204,283**	**6,081,546**	6,134,984	53,438	Net Diff. RR - Int Rev.
Costs and Expenses					
Administrative & General, Billing & Collecting	1,878,223	1,878,223	1,878,223		
Operation & Maintenance	1,919,625	1,919,625	1,919,625		
Depreciation & Amortization	983,056	983,056	983,055		
Property Taxes	8,916	8,916	8,916		
Capital Taxes	2,174	2,174	2,174		
Deemed Interest	515,894	515,894	515,894		
Total Costs and Expenses	**5,307,888**	**5,307,888**	5,307,887		
Less OCT Included Above					
Total Costs and Expenses Net of OCT	**5,307,888**	**5,307,888**	5,307,887		
Utility Income Before Income Taxes	**(103,605)**	**773,658**	827,097	53,439	Net Diff. RR - Int Rev.
Income Taxes:					
Corporate Income Taxes	(145,592)	181,189	234,628	53,439	Lower PILs amount
Total Income Taxes	**(145,592)**	**181,189**			
Utility Net Income	**41,987**	**592,469**	592,469	0	
Capital Tax Expense Calculation:					
Total Rate Base	15,966,037	15,966,037			
Exemption	15,000,000	15,000,000			
Deemed Taxable Capital	**966,037**	**966,037**			
Ontario Capital Tax	2,174	2,174			
Income Tax Expense Calculation:					
Accounting Income	(103,605)	773,658			
Tax Adjustments to Accounting Income	(116,104)	**(116,104)**			
Taxable Income	**(219,709)**	**657,554**			
Income Tax Expense	-145,592	181,189			
Federal Tax	19.00%	19.00%			
Provincial Tax					
Tax rate when Taxable Income is above $1.5 million	14.00%	14.00%			
When Taxable Income is below $1.5 million					
First $500,000	5.50%	5.50%			
Remianing	18.25%	18.25%			
Combined					
Tax rate when Taxable Income is above $1.5 million	33.00%	33.00%			
When Taxable Income is below $1.5 million					
First $500,000	24.50%	24.50%			
Remianing	37.25%	37.25%			
Effective Tax Rate	66.27%	27.55%			
Actual Return on Rate Base:					
Rate Base	15,966,037	15,966,037			
Interest Expense(Deemed used for tax purposes)	515,894	515,894			
Net Income	41,987	592,469			
Total Actual Return on Rate Base	**557,881**	**1,108,363**			
Actual Return on Rate Base	3.49%	6.94%			
Required Return on Rate Base:					
Rate Base	15,966,037.0	15,966,037.0			
Return Rates:					
Return on Debt (Weighted)	5.70%	5.70%			
Return on Equity	8.57%	8.57%			
Deemed Interest Expense	515,894	515,894			
Return On Equity	592,469	592,469			
Total Return	**1,108,363**	**1,108,363**			
Expected Return on Rate Base	6.94%	6.94%			
Revenue Deficiency After Tax	**550,482**	**0**			
Revenue Deficiency Before Tax	**877,263**				

Tax Exhibit	**2009**
Deemed Utility Income	592,469
Tax Adjustments to Accounting Income	(116,104)
Taxable Income prior to adjusting revenue to PILs	**476,365**
Tax Rate	27.55%
Total PILs before gross up	**131,262**
Grossed up PILs	**181,189**

FOOTNOTE TO TABLE 1:

1. The adjustment to include Interest Revenue in the Total Other Revenue resulted from COLLUS Power's response as per Board PO #2 to Board Staff Interrogatory #6.6.

2. The adjustment to the PILs incorporates the use of current tax rates as per the request in Energy Probe's IR #19 in COLLUS Power's response to Board PO #2. There also is a reference in the response to Board staff IR #5.1 that explains the impact of the adjustment to the current rates.

End of Exhibit 7 (Calculation of Revenue Deficiency)

FOOTNOTE: There are neon yellow colored highlighted items in this Exhibit that identify the areas that have changed (when re-submitted on Jan. 9/09) on in comparison to the information provided in the August 15, 2008 submission.

COST ALLOCATION OVERVIEW:

Introduction:

On September 29, 2006, the Ontario Energy Board (the "OEB") issued its directions on Cost Allocation Methodology for Electricity Distributors (the "Directions"). On November 15, 2006, the Board issued the Cost Allocation Information Filing Guidelines for Electricity Distributors ("the Guidelines"), the Cost Allocation Model (the "Model") and User Instructions (the "Instructions") for the Model. COLLUS Power Corp prepared a cost allocation information filing consistent with COLLUS Power Corp's understanding of the Directions, the Guidelines, the Model and the Instructions. COLLUS Power Corp submitted this filing to the OEB in January 2007.

One of the main objectives of the filing, based on the OEB's Model was to determine and provide the information to the OEB on the Revenue to Cost ratios among a distributor's rate classifications. It was felt that this would give an indication of cross-subsidization from one class to another and this information would be useful as a tool in future rate applications.

SUMMARY OF RESULTS AND PROPOSED CHANGES:

INITIAL COST ALLOCATION STUDY RESULTS:

The data used in the Cost Allocation Model was consistent with COLLUS Power Corp's cost data that supported its 2006 OEB-approved distribution rates. Consistent with the Guidelines, COLLUS Power Corp assets were broken out into primary and secondary distribution functions. The breakout of assets, capital contributions, depreciation, accumulated depreciation, customer data and load data by primary, line transformer and secondary categories were developed from the best data available to all LDCs, its engineering records, and its customer and financial information systems.

As noted above the results of a cost allocation study are typically presented in the form of revenue to cost ratios. The ratio is shown by rate classification and is the percentage of distribution revenue collected by rate classification compared to the costs allocated to the classification. The percentage identifies the rate classifications that are being subsidized and those that are over-contributing. A percentage of less than 100% means the rate classification is under-contributing and is being subsidized by other classes of customers. A percentage of greater than 100% indicates the rate classification is over-contributing and is subsidizing other classes of customers.

The following Table 1 outlines the revenue to cost ratios from the Cost Allocation Informational Filing submitted by COLLUS Power Corp in January 2007. The calculations are based on COLLUS Power Corp's OEB-approved 2006 electricity distribution rates.

Table 1
Revenue to Cost Ratios as Filed in COLLUS Power Corp
(INITIAL)Cost Allocation Informational Filing

Rate Classification	Revenue (A)	Allocated Cost (B)	Revenue to Cost Ratio (A)/(B)
Residential	$3,545,358	$3,056,930	115.98%
GS <50 kW	$798,452	$805,706	99.1%
GS>50 kW	$342,951	$744,219	46.08%
Large User	$546,816	$415,472	131.61%
Street Lighting	$38,137	$246,216	15.49%
Unmetered Scattered Load	$14,997	$18,168	82.54%
Total	**$5,286,711**	**$5,286,711**	**100.00**

UPDATED COST ALLOCATION STUDY RESULTS:

In early 2006 ALCOA Wheel Products, COLLUS Power Corp's largest distribution customer, announced that the Collingwood operation would be closed within one (1) year. This resulted in a loss of almost 6% of total distribution revenue for COLLUS Power Corp and this issue has been earlier addressed in Exhibit 5 of this application. For this Exhibit purposes there is a need to consider the impact from a Cost Allocation Study basis. Since ALCOA was a single customer from within the Large Use Class it was determined that the previous study should be updated. Although COLLUS Power Corp's management believed that the load data for the model that was provided by HONI as per the approved calculation procedures, would only change for the Large Use customer class, staff decided to request a re-run. HONI completed this re-run and it confirmed that the only class of customer that had changes was the Large Use, when ALCOA's information was not included.

Upon inserting the load data into the CA model to replace the former information some of the other outcomes did change. It should be noted here that the reason for re-running the CA model was to determine what the Revenue to Cost ratios were without ALCOA in the numbers. COLLUS Power Corp decided this would be the better starting point for any consideration of adjustment during the 2009 Cost of Service rate application process. The results of the update run of the CA model are provided in Table 2 below:

Table 2
Revenue to Cost Ratios as Filed in COLLUS Power Corp
UPDATED Cost Allocation Information

Rate Classification	Revenue (A)	Allocated Cost (B)	Revenue to Cost Ratio (A)/(B
Residential	$3,547,823	$3,117,935	113.79%
GS <50 kW	$799,284	$829,991	96.30%
GS>50 kW	$344,599	$816,391	42.21%
Large User	$231,042	$191,324	120.76%
Street Lighting	$38,142	$240,786	15.84%
Unmetered Scattered Load	$15,004	$18,216	82.37%
Total	**$4,975,894**	**$5,214,643**	**95.42%**

In comparing the revenues in Table 2 with Table 1, the Large Use class has decline from $546,816 to $231,042 which is a difference of $310,817 before transformation allowance. With the transformation

allowance applied the difference is 238,749 and represents the net annual lost revenue associated with ALCOA. The revenues in the other classes are slightly different between Table 2 and Table 1 since the miscellaneous revenue is allocated to the various classes differently when ALCOA is removed.

In order to balance costs with gross revenues (i.e. before the transformation allowance is applied), the cost allocation model assumes the transformation allowance is a cost item. With the transformation allowance declining by $72,068 when ALCOA is removed the allocated costs between Table 1 and Table 2 will also be reduced by this amount.

In comparing the costs in Table 2 with Table 1, in some classes allocation of these costs has significantly changed since the costs associated with ALCOA have been redistributed to the remaining customers. While COLLUS Power Corp failed to recover the revenue requirement from ALCOA the total costs of providing distribution service remained the same.

As a result, the revenue to cost ratios shown in Table 2 not only recognize the issue of cross subsidization between classes but also reflect how revenues should be adjusted to collect the on-going inability to collect the revenue requirement from ALCOA. For example, in Table 1, the revenue to cost ratio for the GS < 50 kW class is 99.10% which suggests in order to fully address cross subsidization this class should have its revenue increase by 0.9%. However in Table 2 the comparable revenue to cost ratio is 96.30%. This suggests revenues should increase by 3.7% to address cross subsidization as well as the loss of revenue from ALCOA. In order to collect the lost revenue the GS < 50 kW class should have their revenues increased by 2.8% (i.e. 3.7% - 0.9%).

It also should be noted here that COLLUS Power Corp determined that the 2006 CA model data in all other respects was still very accurate in its' calculations and that it would be appropriate to utilize the results of the recent cost allocation filing for rate setting proposals in the 2009 COS filing.

Proposed Adjustment to Cost Allocation:

On November 28, 2007, the OEB issued its "Report on Application of Cost Allocation for Electricity Distributors" (the "Cost Allocation Report"). In the Cost Allocation Report, the OEB established what it considered to be the appropriate ranges of revenue to cost ratios which are

summarized in Table 3 below. As can be seen from the table, COLLUS Power Corp's Cost Allocation Filing Results, the Residential and Large User classes currently appear to be subsidizing the rest of the other classes. Additionally the Large User class is higher than the upper limit of the parameters. Of the subsidized classes of customer the General Service < 50 kW and Unmetered Scattered Load are within the revenue to cost ratio ranges established by the OEB. But both the GS > 50 kW and Street Light classes are well below the lower parameter in their class range.

Table 3 also provides COLLUS Power Corp's Proposed 2009 R/C ratios for ease of comparison purposes. The proposed R/C ratios reflect adjustments to revenue to address cross subsidization measures and the collection of lost revenue from ALCOA's departure.

Table 3
OEB Proposed Revenue to Cost Ratio Ranges & COLLUS Power Corp Results

Customer Class	OEB Low	OEB High	COLLUS Power Corp Cost Allocation Filing Results	COLLUS Power Corp Proposed 2009 Revenue to Cost Ratios
Residential	85%	115%	113.79%	109.45%
GS <50 kW	80%	120%	96.3%	100.0%
GS>50 kW	80%	180%	42.21%	80.0%
Large User	80%	180%	120.76%	100.0%
Street Lighting	70%	120%	15.84%	42.92%
Unmetered Scattered Load	80%	180%	82.37%	100.0%

COLLUS Power Corp is proposing in the 2009 COS rate filing to re-align its revenue to cost ratios by adjusting the allocations of revenue among certain rate classes in order to reduce some of the cross-subsidization that is occurring. The re-alignment will attempt to move all classes to a 100% (revenue and cost are equal) ratio, while bearing in mind: overall rate impact to each class; the parameters of the class; and what has possibly been occurring over the past few years. The revenue split by rate class needed to achieve the proposed revenue to cost ratios is outline in Table 4 below.

Table 4

Revenue Split by Rate Class to Achieve Proposed Revenue to Cost Ratios

Class	Proposed Revenue Split for 2009 Rate Application
Residential	66.69205%
GS <50 kW	16.12590%
GS>50 kW	11.86000%
Large Use >5MW	2.90990%
Street Light	2.06450%
Unmetered Scattered Load	0.34765%
TOTAL	**100.00000%**

The 2009 rate application made by COLLUS Power Corp proposes rates that will achieve levels that will fall within the OEB's standards for 5 of the 6 customer classes. Of the 5 within the parameters the forecast is that 3 will be at a 100% level which means that neither subsidization or over recovery occur. The other 2 are the Residential and General Service > 50 kW classes. COLLUS Power Corp believes that the level of movement, from 42.21% up to 80% creates a sufficient impact on the GS > 50kW class. Also it does move to within the OEB's target range. COLLUS Power Corp is determined to continue to reduce the apparent subsidization by the Residential class, as it has with these proposed rates, but will wait until the next stage of adjustment, most likely the next Cost of Service application, to take the final steps.

The remaining customer class that falls outside the OEB target range with the proposed rate changes is the Street Light class. The proposed rates will achieve movement that equates to a 50% change between an existing 15.84% and the 70% lower level of the OEB's target range for this class. COLLUS Power Corp further submits to adjust the 42.92% allocation to 56.37% in 2010 and then finally to 70% in 2011.

Cost Allocation Summary:

The discussion and tables above support COLLUS Power Corp's proposed reallocation of distribution revenues across customer classes, in order to begin moving toward revenue to cost ratios of 100% and reduce cross-subsidization. COLLUS Power Corp submits that the proposed reallocation of distribution revenue is fair and reasonable for the following reasons:

- Customer class revenues will more closely reflect the actual costs of providing distribution service to that class;
- When necessary partial reallocation provides time for further refinement of the cost allocation model and movement between classes;

End of Exhibit 8 (Cost Allocation)

FOOTNOTE: There are neon yellow colored highlighted items in this Exhibit that identify the areas that have changed (when re-submitted on Jan. 9/09) on in comparison to the information provided in the August 15, 2008 submission

RATE DESIGN OVERVIEW:

This exhibit documents the calculation of COLLUS Power Corp's proposed distribution rates by rate class for the 2009 test year, based on rate design as proposed in this Exhibit.

COLLUS Power Corp has determined its total 2009 service revenue requirement to be $**6,081,546**. The total revenue offsets in the amount of $**372,000** reduce COLLUS Power Corp's total service revenue requirement to a base revenue requirement to $**5,709,545.73**, which is used to determine the proposed distribution rates. The base revenue requirement is derived from COLLUS Power Corp's 2009 capital and operating forecasts, weather normalized usage, forecasted customer counts, and COLLUS Power Corp's regulated return on rate base. The revenue requirement is summarized in Table 1 below:

TABLE 1

Calculation of Base Revenue Requirement

OM&A, Capital Tax & Deemed Interest Exp.	4,324,831
Amortization Expenses	983,056
Total Distribution Expenses	**5,307,887**
Regulated Return On Capital	**592,469**
PILs (with gross-up)	181,189
Service Revenue Requirement	6,081,545
Less: Revenue Offsets	372,000
Base Revenue Requirement	**5,709,545**

(Note: The amounts in the above table are provided in more detail at Table 1 Ex7, Tab1, Sch 1)

The outstanding base revenue requirement is allocated to the various rate classes using the following proposed apportionment of revenue as outlined in Exhibit 8 – Cost Allocation.

TABLE 2

Proposed Apportionment of Revenue to Rate Classes

Rate Classification	Proposed Proportion of Revenue
Residential	66.69205%
General Service Less Than 50 kW	16.12590%
General Service Greater Than 50 kW	11.86000%
Large Use	2.90990%
Street Lights	2.06450%
Unmetered Scattered Load	0.34765%
Total	100.00000%

The following Table 3 outlines the results of this allocation.

TABLE 3

Allocation of Outstanding Base Revenue Requirement

Rate Classification	Proposed Revenue
Residential	3,807,813.09
General Service Less Than 50 kW	920,715.63
General Service Greater Than 50 kW	677,152.12
Large User	166,142.07
Street Lights	117,873.57
Unmetered Scattered Load	19,849.24
Total	5,709,545.73

Determination of Monthly Fixed Charges:

COLLUS Power Corp's current OEB-approved monthly fixed charges based on its 2008 IRM application by customer class are summarized in Table 4 below.

TABLE 4

Current Monthly Fixed Charges

Rate Class (Customer or Connection)	Current Monthly Fixed Charge ($)
Residential (per Customer)	9.26
General Service Less Than 50 kW (Cust.)	16.26
General Service Greater Than 50 kW (Cust.)	54.14
Large Use (Customer)	6,908.18
Street Lights (per connection)	0.6100
Unmetered Scattered Load	No Fixed Rate

Using the existing approved fixed charges applied to the forecasted number of customers for 2009, the following Table 5 outlines the current split between fixed and variable distribution revenue.

TABLE 5

Current Fixed and Variable Proportions

Rate Class	Fixed Revenue Proportion	Variable Revenue Proportion
Residential	41.12%	58.88%
General Service Less Than 50 kW	40.55%	59.45%
General Service Greater Than 50kW	20.47%	79.53%
Large Use	36.55%	63.45%
Street Lights	58.18%	41.82%
Unmetered Scattered Load	0.00%	100.00%

COLLUS Power Corp submits that it is appropriate for 2009 to maintain the same fixed/variable proportions assumed in the current rates. This matter is discussed further below.

In its November 28, 2007 Report on Application of Cost Allocation for Electricity Distributors, referred to in Exhibit 8 , the OEB addressed a number of "Other Rate Matters", including the treatment of the fixed rate component (the Monthly Service Charge, or "MSC") of the bill. At page 12 of the Report, the OEB determined that the floor amount for the MSC should be the avoided costs, as that term is defined in the September 29, 2006 report of the OEB entitled "Cost Allocation: Board Directions on Cost Allocation Methodology for Electricity Distributors". COLLUS Power Corp's MSCs exceed that floor amount. With respect to the upper bound for the MSC, the OEB considered it to be inappropriate to make changes to the MSC ceiling at this time, given the number of issues that remain to be examined within the scope of the OEB's Rate Review proceeding (EB-2008-0031). The OEB indicated that for the time being, it does not expect distributors to make changes to the MSC that result in a charge that is greater than the ceiling as defined in the Methodology for the MSC; and that distributors that are currently above that value are not required to make changes to their current MSC to bring it to or below that level at this time.

COLLUS Power Corp confirms that it is making no changes to the current fixed and variable proportions of its rates. Any changes in MSCs are due solely to changes in the total base revenue requirement attributable to each customer class. The following Table 6 provides COLLUS Power Corp's calculations of its proposed monthly fixed distribution charges for the 2009 Test Year assuming the fixed/variable split supporting the current approved rates.

TABLE 6

Proposed Monthly Fixed Distribution Charge

Customer Class	Fixed Portion of Total Base Revenue Requirement $	2009 Test Year Customers	Proposed Fixed Distribution Charge $
Residential	$ 1,565,829	13,011	10.03
General Service Less Than 50 kW	$ 373,310	1,588	19.59
General Service Greater Than 50 kW	$ 138,641	127	91.24
Large Use	$ 60,727	1	5,060.61
Street Lights (connections)	$ 68,582	3,051	1.8735
Unmetered Scattered Load	$ -	68	0.00
Total	**$ 2,207,089**		

Proposed Volumetric Charges:

The variable distribution charge is calculated by dividing the variable distribution portion of the base revenue requirement by the appropriate 2009 Test Year usage, kWh or kW, as the class charge determinant.

The following Table 7 provides COLLUS Power Corp's calculations of its proposed variable distribution charges for the 2009 Test Year assuming the same fixed/variable split used in designing the current approved rates, and includes the proposed adjustment for the Transformer Allowance as discussed below.

TABLE 7

Variable Distribution Charge Calculation

Customer Class	Yearly Variable Portion of Base Revenue Requirement $	2009 Test Yearly Volumetric Billing Determinant	Unit of measure	Proposed Volumetric Distribution Charge
Residential	$ 2,241,984	***121,128,423***	kWh	$0.0185
General Service Less Than 50 kW	$ 547,406	***45,443,633***	kWh	$0.0120
General Service Greater Than 50 kW	$ 538,511	***300,721***	kW	$1.9397
Large Use	$ 105,415	***75,012***	kW	$1.4053
Street Lights	$ 49,292	***6,087***	kW	$8.0983
Unmetered Scattered Load	$ 19,849	***455,702***	KWh	$0.0436
Total	**$ 3,502,457**			

Proposed Adjustment to Transformer Allowance:

Currently, COLLUS Power Corp provides a Transformer Allowance to those customers that own their transformation facilities. The current approved Transformer Allowance is $0.60 per kW. The Transformer Allowance is intended to reflect the costs to COLLUS Power Corp of providing step down transformation facilities to the customer's utilization voltage. Since COLLUS Power Corp provides electricity at utilization voltage, the cost of COLLUS Power Corp' transformers are captured in and recovered through the distribution rates. However, the distribution rates only reflect the cost of COLLUS Power Corp transformers and not the cost associated with transformers owned by the customer. Therefore the rate should reflect every customer using COLLUS Power Corp transformers and the Transformer Allowance should be applied to this rate for those customers that own their transformers. To accomplish this, the amount of Transformer Allowance should be added back to the volumetric rate to produce a rate that assumes every customer is using COLLUS Power Corp transformers. Then the customer that owns its transformer will receive a credit for their transformer and COLLUS Power Corp will

collect sufficient revenue to cover the cost of providing transformation to the customer using COLLUS Power Corp transformers.

Based on the information provided in the Cost Allocation Model results (Worksheet O3.1 Line Tran Unit Cost, Cell F28) COLLUS Power Corp proposes to reduce the current approved transformer ownership allowance to $ (0.3500) per kW for GS>50 kW.

COLLUS Power Corp proposes that the amount of Transformer Allowance expected to be provided to those General Service Greater than 50 kW customers that own their transformers has been included in the General Service Greater Than 50 kW volumetric charge. This means that the proposed General Service Greater than 50 kW

volumetric charge has been increased by $ **0.1489** per kW and has been included in the volumetric rate of $ 1.9397 per kW to recover the amount of the Transformer Allowance over all kWs in the General Service Greater Than 50 kW rate class. Once the Transformer Allowance is applied to this charge the resulting revenue will recover the full base revenue requirement for the General Service Greater than 50 kW rate class.

Based on the same Cost Allocation Study it is proposed that the Transformer Allowance for the Large Use class be eliminated. The Large Use customer class is supplied from COLLUS Power Corp primary distribution system and therefore has a share of the associated costs of the primary distribution system allocated accordingly. However, by virtue of being primary fed, the Large Use class does not have an allocation of transformation or secondary costs assigned to it. The OEB's cost allocation model allocated costs correctly for primary fed customers. The Model also correctly eliminates the provision of a Transformer Allowance for primary fed customer classes, as there are no related transformation costs assigned to this class. The Large Use customer class will no longer receive the Transformer Allowance effective May 1, 2009, when COLLUS Power Corp proposes to begin implementing the results of its cost allocation study.

Recovery of Low Voltage Costs:

Consistent with the approach in the Board's 2006 EDR model, LV costs of $ **550,000.00** have been allocated to each rate class based on the proportion of retail transmission connection revenue collected from each class. The amount of forecasted LV charges in 2009 is based on calculating the 2008 costs. This is based on actual data for the first 6 months of 2008 and then estimating the last 6 months, based on the applicable rates and utilizing historical loads from 2007 actual. The applicable rates are the newly approved HONI charges. The estimated monthly load levels that HONI will charge are based on historical data. After 2008 is estimated the same load data is used with the applicable rates for all of 2009. The calculation to proportionally spread out the LV 2009 amount is outlined in the following Table 8:

TABLE 8

Allocation of LV Costs

Rate Classification	2009 Test Year Retail Transmission Connection Revenue $	RTC Class Allocation Percentages	Allocated 2009 Test Year Low Voltage Revenue $
Residential	351,272.43	39.78%	218,815.04
General Service Less Than 50 kW	118,153.45	13.38%	73,600.28
General Service 50 to 4,999 kW	310,403.71	35.16%	193,357.04
Large Use	97,065.74	10.99%	60,464.31
Street Lights	4,856.59	0.55%	3,025.27
Unmetered Scattered Load	1,184.82	0.13%	738.05
Total	**882,936.74**	**100.00%**	**550,000.00**

These proposed LV costs by rate class are then divided by the projected volumes and this produces the proposed adjustments to the distribution volumetric charges set out in the Table 9 below:

TABLE 9

LV-Related Adjustments to Volumetric Charges

Rate Classification	LV Adjustment ($ per kWh)	LV Adjustment ($ per kW)
Residential	0.0018	
General Service Less Than 50 kW	0.0016	
General Service 50 to 4,999 kW		0.6430
Large Use		0.8061
Street Lights		0.4970
Unmetered Scattered Load	0.0016	

Proposed Distribution Rates:

The following Table 10 sets out COLLUS Power Corp's proposed 2009 electricity distribution rates based on the foregoing calculations, including adjustments for the recovery of transformer allowance.

TABLE 10

Proposed 2009 Electricity Distribution Rates

Customer Class	$ Per Connection	$ Per Customer	$ per kW	$ per kWh
Residential	0.0000	10.03	0.0000	0.0203
GS <50 kW	0.0000	19.59	0.0000	0.0136
GS>50 kW	0.0000	91.24	2.5827	0.0000
Large Use >5MW	0.0000	5,060.61	2.2114	0.0000
Street Light	1.8735	0.0000	8.5953	0.0000
	0.0000	0.0000	0.0000	0.0000
Unmetered Scattered Load	0.0000	0.0000	0.0000	0.0452
0	0.0000	0.0000	0.0000	0.0000

NOTE: The 2009 proposed rate schedule outlined below will reflect the above rates plus the smart meter rate adder of $1.00 per customer per month for metered customers.

RATE MITIGATION:

COLLUS Power Corp submits that the bill impacts of its proposed 2009 electricity distribution rates are not so significant as to warrant any mitigation measures.

RETAIL TRANSMISSION RATES:

COLLUS Power has provided information in the response to Ontario Energy Board staff interrogatory # 9.2filed on Dec. 10, 2008 to support a change to the Retail Transmission Connection Service Rate. The proposed changes are provided in the table below and incorporate a 5.5% increase, which coincides with the approved OEB rate for May 1/09.

Rate Class	UOM	Current Retail Transmission Connection Service Rate	Proposed Retail Transmission Connection Service Rate
Residential	kWh	0.0029	0.0031
GS <50 kW	kWh	0.0026	0.0027
GS>50 kW	kW	1.0322	1.0890
Large User	kW	1.2940	1.3652
Street Lighting	kW	0.7979	0.8418
USL	kWh	0.0026	0.0027

EXISTING RATE CLASSES:

Residential:

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.

General Service Less Than 50kW:

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, subject to an annual review.

General Service Greater Than 50 kW:

This classification applies to a non-residential account whose average monthly maximum demand for billing purposes is equal to or greater than, or is forecast to be greater than 50 kW, subject to an annual review.

Large Use (Greater than 5,000 kW):

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 greater than 5,000 kW, subject to annual review.

Unmetered Scattered Load:

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.

Street Lighting:

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.

EXISTING RATE SCHEDULE: MONTHLY RATES AND CHARGES

Residential

Service Charge	$	9.52
Distribution Volumetric Rate	$/kWh	0.0184
Retail Transmission Rate – Network Service Rate	$/kWh	0.0047
Retail Transmission Rate – Line and Transformation Connection Service Rate	$/kWh	0.0029
Wholesale Market Service Rate	$/kWh	0.0052
Rural Rate Protection Charge	$/kWh	0.0010
Standard Supply Service – Administrative Charge (if applicable)	$	0.25

General Service Less Than 50 kW

Service Charge	$	16.52
Distribution Volumetric Rate	$/kWh	0.0111
Retail Transmission Rate – Network Service Rate	$/kWh	0.0043
Retail Transmission Rate – Line and Transformation Connection Service Rate	$/kWh	0.0026
Wholesale Market Service Rate	$/kWh	0.0052
Rural Rate Protection Charge	$/kWh	0.0010
Standard Supply Service – Administrative Charge (if applicable)	$	0.25

General Service Greater Than 50 kW

Service Charge	$	54.40
Distribution Volumetric Rate	$/kW	1.4435
Retail Transmission Rate – Network Service Rate	$/kW	1.7399
Retail Transmission Rate – Line and Transformation Connection Service Rate	$/kW	1.0322
Wholesale Market Service Rate	$/kWh	0.0052
Rural Rate Protection Charge	$/kWh	0.0010
Standard Supply Service – Administrative Charge (if applicable)	$	0.25

Unmetered Scattered Load

Service Charge (per connection)	$	0.0000
Distribution Volumetric Rate	$/kWh	0.0162
Retail Transmission Rate – Network Service Rate	$/kWh	0.0043
Retail Transmission Rate – Line and Transformation Connection Service Rate	$/kWh	0.0026
Wholesale Market Service Rate	/kWh	0.0052
Rural Rate Protection Charge	$/kWh	0.0010
Standard Supply Service – Administrative Charge (if applicable)	$	0.25

Street Lighting

Service Charge (per connection)	$	0.61
Distribution Volumetric Rate	$/kW	2.9941
Retail Transmission Rate – Network Service Rate	$/kW	1.3122
Retail Transmission Rate – Line and Transformation Connection Service Rate	$/kW	0.7979
Wholesale Market Service Rate	$/kWh	0.0052
Rural Rate Protection Charge	$/kWh	0.0010
Standard Supply Service – Administrative Charge (if applicable)	$	0.25

Large Use

Service Charge	$	6,908.44
Distribution Volumetric Rate	$/kW	2.4860
Retail Transmission Rate – Network Service Rate	$/kW	2.0461
Retail Transmission Rate – Line and Transformation Connection Service Rate	$/kW	1.2940
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		
Charge to certify cheque	$	15.00
Arrears certificate	$	15.00
Statement of account	$	15.00
Pulling post dated cheque	$	15.00
Duplicate invoice for previous billing	$	15.00
Account history	$	15.00
Credit reference/credit check (plus credit agency costs)	$	15.00
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)	$	15.00
Meter dispute charge plus Measurement Canada fees (if meter found correct)	$	30.00
Special meter reads	$	30.00
Non-Payment of Account		
Late Payment - per month	%	1.50
Late Payment - per annum	%	19.56
Collection of account charge – no disconnection	$	20.00
Collection of account charge – no disconnection - after regular hours	$	165.00
Disconnect/Reconnect Charge - At Meter during Regular Hours	$	40.00
Disconnect/Reconnect Charge - 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
Service call - after regular hours	$	165.00
Specific Charge for Access to the Power Poles – per pole/year	$	22.35
Allowances		
Transformer Allowance for Ownership - per kW of billing demand/month	$/kW	$ (0.6000)
Primary Metering Allowance for transformer losses – applied to measured demand and energy	%	(1.00)

Retail Service Charges (if applicable)

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 Factor

Total Loss Factor – Secondary Metered Customer < 5,000 kW	1.0838
Total Loss Factor – Secondary Metered Customer > 5,000 kW	1.0443
Total Loss Factor – Primary Metered Customer < 5,000 kW	1.0730
Total Loss Factor – Primary Metered Customer > 5,000 kW	1.0340

PROPOSED RATE CLASSES:

Residential:

This classification refers 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 townhouse complex or apartment building also qualify as residential customers. All customers are single-phase.

General Service Less Than 50kW:

This classification refers to a non-residential account taking electricity at 750 volts or less whose monthly average peak demand is less than, or is forecast to be less than, 50 kW, subject to an annual review.

General Service Greater Than 50 kW:

This classification refers 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, subject to an annual review.

Large Use (Greater than 5,000 kW):

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 greater than 5,000 kW, subject to annual review.

Unmetered Scattered Load:

This classification refers to an account taking electricity at 750 volts or less whose monthly average peak demand is less than, or is forecast to be less than, 50kW and the consumption is unmetered. Such connections include cable TV power packs, bus shelters, telephone booths, traffic lights, railway crossings, etc. The customer will provide detailed manufacturer information / documentation with regard to electrical demand / consumption of the proposed unmetered load.

Street Lighting:

This classification refers to an account for roadway lighting with a municipality, regional municipality, Ministry of Transportation and private roadway lighting operation controlled by photo cells. The consumption of these customers will be based on the calculated connected load times and the required lighting load times established in the OEB street lighting load shape template.

COLLUS Power Corp
Schedule of Proposed Tariff of Rates and Charges
Effective May 1, 2009

Monthly Rate and Charges

Residential

Service Charge	$	11.03
Distribution Volumetric Rate	$/kWh	0.0203
Deferral and Variance Account Rider	$/kWh	0.0000
Retail Transmission Rate – Network Service Rate	$/kWh	0.0047
Retail Transmission Rate – Line and Transformation Connection Service Rate	$/kWh	0.0031
Wholesale Market Service Rate	$/kWh	0.0052
Rural Rate Protection Charge	$/kWh	0.0013
Regulated Price Plan – Administrative Charge	$	0.25

General Service Less Than 50 kW

Service Charge	$	20.59
Distribution Volumetric Rate	$/kWh	0.0136
Deferral and Variance Account Rider	$/kWh	0.0000
Retail Transmission Rate – Network Service Rate	$/kWh	0.0043
Retail Transmission Rate – Line and Transformation Connection Service Rate	$/kWh	0.0027
Wholesale Market Service Rate	$/kWh	0.0052
Rural Rate Protection Charge	$/kWh	0.0013
Regulated Price Plan – Administrative Charge	$	0.25

General Service Greater Than 50 kW

Service Charge	$	92.24
Distribution Volumetric Rate	$/kW	2.5827
Deferral and Variance Account Rider	$/kW	0.0000
Retail Transmission Rate – Network Service Rate	$/kW	1.7399
Retail Transmission Rate – Line and Transformation Connection Service Rate	$/kW	1.0890
Wholesale Market Service Rate	$/kWh	0.0052
Rural Rate Protection Charge	$/kWh	0.0013
Regulated Price Plan – Administrative Charge (if applicable)	$	0.25

Large Use

Service Charge	$	5061.61
Distribution Volumetric Rate	$/kW	2.2114
Deferral and Variance Account Rider	$/kW	0.0000
Retail Transmission Rate – Network Service Rate - Interval Metered	$/kW	2.0461
Retail Transmission Rate – Line and Transformation Connection Service Rate - Interval Metered	$/kW	1.3652
Wholesale Market Service Rate	$/kWh	0.0052
Rural Rate Protection Charge	$/kWh	0.0013
Regulated Price Plan – Administrative Charge (if applicable)	$	0.25

Street Lighting

Service Charge (per connection)	$	1.8735
Distribution Volumetric Rate	$/kW	8.5953
Deferral and Variance Account Rider	$/kW	0.0000
Retail Transmission Rate – Network Service Rate	$/kW	1.3122
Retail Transmission Rate – Line and Transformation Connection Service Rate	$/kW	0.8418
Wholesale Market Service Rate	$/kWh	0.0052
Rural Rate Protection Charge	$/kWh	0.0013
Regulated Price Plan – Administrative Charge (if applicable)	$	0.25

Unmetered Scattered Load

Service Charge (per customer)	$	0
Distribution Volumetric Rate	$/kW h	0.0452
Deferral and Variance Account Rider	$/kW h	0.0000
Retail Transmission Rate – Network Service Rate	$/kW	0.0043
Retail Transmission Rate – Line and Transformation Connection Service Rate	$/kW	0.0027
Wholesale Market Service Rate	$/kWh	0.0052
Rural Rate Protection Charge	$/kWh	0.0013
Regulated Price Plan – Administrative Charge (if applicable)	$	0.25

Specific Service Charges

Customer Administration		
Charge to certify cheque	$	15.00
Arrears certificate	$	15.00
Statement of account	$	15.00
Pulling post dated cheque	$	15.00
Duplicate invoice for previous billing	$	15.00
Account history	$	15.00
Credit reference/credit check (plus credit agency costs)	$	15.00
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)	$	15.00
Meter dispute charge plus Measurement Canada fees (if meter found correct)	$	30.00
Special meter reads	$	30.00
Non-Payment of Account		
Late Payment - per month	%	1.50
Late Payment - per annum	%	19.56
Collection of account charge – no disconnection	$	20.00
Collection of account charge – no disconnection - after regular hours	$	165.00
Disconnect/Reconnect Charge - At Meter during Regular Hours	$	40.00
Disconnect/Reconnect Charge - 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
Service call - after regular hours	$	165.00
Specific Charge for Access to the Power Poles – per pole/year	$	22.35
Allowances		
Transformer Allowance for Ownership - per kW of billing demand/month	$/kW	(0.3500)
Transformer Allowance for Ownership - per kW of billing demand/month (Large Use Class)	$/kW	0.0000
Primary Metering Allowance for transformer losses – applied to measured demand and energy	%	(1.00)
Retail Service Charges (if applicable)		
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 Factor		
Total Loss Factor – Secondary Metered Customer < 5,000 kW		1.0750
Total Loss Factor – Secondary Metered Customer > 5,000 kW		1.0397
Total Loss Factor – Primary Metered Customer < 5,000 kW		1.0643
Total Loss Factor – Primary Metered Customer > 5,000 kW		1.0340

RECONCILIATION OF RATE CLASS REVENUE:

The following Table 11 is used to examine the revenue expected to be generated with the proposed rates. Due to rounding, especially for the Fixed Charges, there will be a difference to the Total Distribution Revenue that was expected.

TABLE 11

2009 Test Year Distribution Revenue Reconciliation

Customer Class	Fixed Distribution Revenue	Variable Distribution Revenue	Transformer Allowance Credit	Total Distribution Revenue	Expected
Residential	$ 1,565,993	$ 2,458,907		$ 4,024,900	$ 4,026,628
GS <50 kW	$ 373,377	$ 618,033		$ 991,410	$ 994,316
GS>50 kW	$ 138,643	$ 776,671	($44,787.75)	$ 870,526	$ 870,509
Large Use >5MW	$ 60,727	$ 165,882	$0.00	$ 226,609	$ 226,606
Street Light	$ 68,583	$ 52,317		$ 120,900	$ 120,899
Sentinel	$ -	$ -		$ -	$ -
Unmetered Scattered Load	$ -	$ 20,598		$ 20,598	$ 20,587
Back-up/Standby Power	$ -	$ -		$ -	$ -
Total	**$ 2,207,323**	**$ 4,092,408**	**($44,787.75)**	**$ 6,254,943**	**$ 6,259,546**

Difference Due to Rate Rounding
$ 4,603

RATE AND BILL IMPACTS:

Appendix A to this Schedule presents the results of the assessment of customer total bill impacts by level of consumption by customer per rate class and per the total customer class.

Impacts are derived using the applicable May 1, 2008 rates and the proposed 2009 distribution rates (including Rate Rider for the recovery of Deferral and Variance Accounts if applicable) and proposed 2009 Retail Transmission Service Rates.

The total bill impacts are calculated for each rate class at various levels of consumption. The rate impacts are assessed on the basis of moving to the proposed distribution rates.

APPENDIX A

TABLE OF RATE AND BILL IMPACT

End of Exhibit 9 (Rate Design)

COLLUS Power

Schedule SQI 3.71(a) - Udated January 16, 2009
Revised to Identify Targets within control of COLLUS Power

SECTION I : Service Reliability Indicators

	COLLUS Only	With Hydro One	COLLUS Only	With Hydro One	COLLUS Only	With Hydro One	Response Item #
	SAIDI		**SAIFI**		**CAIDI**		
2002 Actuals	0.785377		0.401966		1.953839		
2003 Actuals	1.057000		0.379321		2.786000		#1
2004 Actuals	1.384579		0.355182		3.898224		
2005 Actuals	1.094507		0.584568		1.872335		
2006 Actuals	1.148726		0.653055		1.759003		
2007 Actuals	1.873992	2.225869	0.824000		2.274262	2.691000	#2
2008 Target	1.103448	See Note	0.568966	See Note	1.939394	See Note	#8
2009 Target	1.084746	at Bottom	0.559322	at Bottom	1.939394	at Bottom	#8
(SRI factors are =)	III(B) / III(F)		III(C) / III(F)		III(B) / III(C)		

(Prior to 2007 the factors used amounts in Section II)

SECTION II : Customer Interruptions

	Total Cust Hours Of Interruptions - COLLUS System	Total Customer Interruptions COLLUS System	Total Cust Hours Of Interruptions Hydro One Supply	Total Customer Interruptions Hydro One Supply	Average # Of Customers Served	
2002 Actuals	10,306.5	5,275			13,123	
2003 Actuals	14,095.0	5,059			13,337	#3
2004 Actuals	18,863.5	4,839			13,624	
2005 Actuals	8,897.3	8,129			13,906	
2006 Actuals	16,315.5	9,276			14,204	
2007 Actuals	26,948.0	8,195	5,060.0	3,700	14,380	#4
6 year avervage	15,904.3	6,796	5,060.0	3,700	13,762	
3 year average	17,386.9	8,533	5,060.0	3,700	14,163	
2008 Target (Est)	16,000.0	8,250	See Note	See Note	14,500	#6
2009 Target (Est)	16,000.0	8,250	at Bottom	at Bottom	14,750	#7

SECTION III : Total Customer Interruptions - COLLUS System + Hydro One Supply

	Total Cust Hours Of Interruptions	Total Customer Interruptions			Average # Of Customers Served	
2007 Actuals	32,008.0	11,895			14,380	#5
2008 Target	See Note	See Note			14,500	#7
2009 Target	at Bottom	at Bottom			14,750	

Note: COLLUS Power cannot reasonably forecast Hydro One's system performance