



January 16th, 2009

Ms. Kirsten Walli
Secretary
Ontario Energy Board
P.O Box 2319
2300 Yonge Street
26th Floor
Toronto, Ontario
M4P 1E4

Re: West Coast Huron Energy 2009 Rebasing Application EB-2008-0248

Dear Ms. Walli,

West Coast Huron Energy, as part of its response to Interrogatories with respect to the above mentioned hearing, agreed to revise portions of its application due to changes required in load forecasting. Please accept this filing as a revision to West Coast Huron Energy's current application.

Should you have any questions concerning these matter please do not hesitate to contact the undersigned.

Sincerely,
West Coast Huron Energy Inc.

Original Signed

Per: Larry McCabe
President and General Manager

West Coast Huron Energy
2009 Cost of Service Rebasing Application
EB-2008-0248
Revision Document

Required Changes Explained:

- As a result of the announced closure of the Volvo grading plant in Goderich Ontario, and the substantive changes required for Load Forecasting, stemming from interrogatories. WCHE felt it necessary to update its load forecasting for 2008 and 2009 in the application.
 - Reference: Board Staff IR's # 1 B), 16 B), 27, 28, 29, 30, 31, 32, 33, 34, 35, 36 and 37.
 - Reference: VECC IR's # 3, 4
 - Reference: SEC IR's # 4,
- The impact of this update is pervasive throughout the application and requires WCHE to provide updated exhibits.
- It was also discovered through the interrogatory process that values detailed in the continuity statements, gross asset tables and accumulated amortization schedules did not match the RRR trial balance filing.
 - Reference: Board Staff IR's # 3, 10, 11
 - Reference: SEC IR's # 2, 3, 10
- Corrections have been made and the Continuity Schedules, Gross Asset Tables and Accumulated Amortization schedules have been updated and are correctly utilized in the determination of rates.
- Payments in Lieu of Taxes (PILS) was calculated incorrectly as determined in response to Board Staff interrogatory #22.
- WCHE included the updates required as these amounts directly impact rates.
- RRRP rates have also been updated in this revision from \$0.001 per kWh per customer to \$0.0013 per kWh as per Ontario Regulation 442/01 referenced in the Board Secretary's letter of December 17th, 2008. A copy of the Board Secretary's letter is included at the end of this revised application.
- In Board Staff interrogatory #46 it was requested that new rates be established to recover network and connection costs. However, upon completing its analysis as per question 46, WCHE was not confident that the results meet the intent of the question.

- Therefore WCHE did not include changes to its RTR's and would expect that further discovery would be part of any supplemental interrogatories.

Detailed Listing of Exhibits, Tabs and Schedules that have been Revised:

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ONTARIO ENERGY BOARD

IN THE MATTER OF the Ontario Energy Board Act, 1998, being Schedule B to the Energy Competition Act, 1998, S.O. 1998, c.15;

AND IN THE MATTER OF an Application by ("LDC Name") to the Ontario Energy Board for an Order or Orders approving or fixing just and reasonable rates and other service charges for the distribution of electricity as of May 1, 2008.

APPLICATION

The Applicant is WEST COAST HURON ENERGY (WCHE). WCHE is an Ontario corporation with its office in the Town of Goderich Ontario. WCHE carries on the business of distributing electricity within the town of Goderich.

WCHE hereby applies to the Ontario Energy Board (the "OEB") pursuant to section 78 of the Ontario Energy Board Act, 1998 for approval of its proposed distribution rates and other charges, effective May 1, 2009.

Except where specifically identified in the Application, WCHE followed Chapter 2 of the Filing Requirements for Transmission and Distribution Applications dated November 14, 2006 (the "Filing Requirements") in order to prepare this application

The Schedule of Rates and Charges proposed in this Application is identified in Exhibit 9; Tab 1; Schedule 6 attached to this Summary.

WCHE requests that the OEB make its Rate Order effective May 1, 2009 in accordance with the Filing Requirements.

WCHE submits the proposed distribution rates contained in this Application are just and reasonable on the following grounds:

- (i) the proposed rates for the distribution of electricity have been prepared in accordance with the Filing Requirements;
- (ii) the proposed adjusted rates are necessary to meet WCHE's Market Based Rate of Return and PILs requirements;
- (iii) there are no impacts to any of the customer classes or consumption level subgroups that are so significant as to warrant the deferral of any adjustments being requested by WCHE; and
- (iv) other grounds as may be set out in the material accompanying this Application Summary.

WCHE applies for an Order or Orders approving the proposed distribution rates and other charges set out in this Application to be effective May 1, 2009, or as soon as

possible thereafter. WCHE submits these rates and charges are just and reasonable pursuant to section 78 of the Ontario Energy Board Act, 1998 being Schedule B to the Energy Competition Act, 1998, S.O. 1998, c.15,

The address of service for WCHE is: 64 West Street, Goderich, Ontario N7A 2K4

DATED at Goderich Ontario, this 16th day of January, 2009.

Larry McCabe, President/Secretary
West Coast Huron Energy
lmccabe@goderich.ca

Judy Kay, Treasurer
West Coast Huron Energy
jkay@goderich.ca

Electricity Distribution License

See Appendix A

CONTACT INFORMATION

Larry McCabe
President/Secretary

Direct line: 519-524-7371
Direct Fax: 519-524-7930
E-mail: lmccabe@goderich.ca

Judy Kay
Treasurer

Direct line: 519-524-7371
Direct Fax: 519-524-7930
E-mail: jkay@goderich.ca

SPECIFIC APPROVALS REQUESTED

- Approval to charge rates effective May 1, 2009 to recover a revenue deficiency of \$637,479 (Exhibit 7, Tab 1, Schedule 1,)
- Approval to increase RRRP rate for \$0.001 per kWh to \$0.0013 per kWh as per Ontario Regulation 442/01.
- Approval of WCHE's proposed change in capital structure, decreasing WCHE's deemed common equity component from 50% to 46.67% (Exhibit 6, Tab 1, Schedule 2,) consistent with Report of the Board on Cost of Capital and 2nd Generation Incentive Regulation for Ontario's Electricity Distributors dated December 20, 2006
- Approval to continue the following deferral/variance accounts on May 1, 2008 (Exhibit 5, Tab, Schedule):
 - o 1550 LV Variance Account
 - o 1580 RSVA-Wholesale Market Service Charge
 - o 1582 RSVA-One-time Wholesale Market Service
 - o 1584 RSVA-Retail Transmission Network Charge
 - o 1586 RSVA-Retail Transmission Connection Charge
 - o 1588 RSVA-Power
 - o 1562 Deferred Payments in Lieu of Taxes
- Approval of the proposed loss factor of 4.67% Exhibit 4, Tab 2, Schedule 9.

DRAFT ISSUES LIST

1. Smart Metering

West Coast Huron Energy has not included any costs with respect to smart metering in this rate application. In its current rates WCHE has approval for \$0.26 per customer per month to cover the costs for Smart Metering. WCHE requests the approval for a smart meter rate adder of \$1.00 per metered customer as per its inclusion in the London Hydro RFP.

PROCEDURAL ORDERS/MOTIONS/NOTICES

To be included when received

ACCOUNTING ORDERS REQUESTED

WCHE requests no accounting orders.

NON-COMPLIANCE WITH UNIFORM SYSTEM OF ACCOUNTS

WCHE follows the main categories and accounting guidelines as stated in the Uniform System of Accounts.

MAP OF DISTRIBUTION SYSTEM

Distribution System Maps are located in Appendix B.

LIST OF NEIGHBORING UTILITIES

**LIST OF ADJACENT
DISTRIBUTORS**

Hydro One Networks Inc.
483 Bay St.
Toronto, ON M5G 2P5

Direct line: 416-345-5000
Direct Fax:
Website: www.HydroOne.com

DESCRIPTION OF DISTRIBUTOR

COMMUNITIES SERVED:	Goderich
TOTAL SERVICE AREA	8 sq km
RURAL SERVICE AREA	0 sq km
DISTRIBUTION TYPE	Directly connected
SERVICE AREA POPULATION	7,411
MUNICIPAL POPULATION	7,411
BOUNDARIES	West: Refer to Schedule 1 of distribution License App. A North: Refer to Schedule 1 of distribution License App. A East: Refer to Schedule 1 of distribution License App. A South: Refer to Schedule 1 of distribution License App. A

EXPLANATION OF HOST AND EMBEDDED UTILITIES

West Coast Huron Energy is neither a Host or an Embedded Utility. WCHE is directly connected to the IESO grid.

UTILITY ORGANIZATIONAL CHART

See Appendix C

CORPORATE ENTITIES RELATIONSHIP CHARTS

See Appendix D

PLANNED CHANGES IN CORPORATE AND OPERATIONAL STRUCTURE

West Coast Huron Energy has no planned changes in its corporate and operational structure.

STATUS REPORT ON BOARD DIRECTIVES

West Coast Huron Energy has no Board Directives at this time.

CONDITIONS OF SERVICE

See Appendix E

PLANNED CHANGES IN CONDITIONS OF SERVICE AND SERVICE CHARGES

West Coast Huron Energy reviews its Conditions of Service periodically as required by the Distribution System Code.

West Coast Huron Energy is requesting no changes to its currently approved Specific Service Charges.

LIST OF WITNESSES

To be provided if oral hearing occurs

SUMMARY OF THE APPLICATION

PURPOSE AND NEED

WCHE estimates that its present rates will produce a deficiency in distribution revenue of \$637,479 for the 2009 Test Year. Excluded from this estimate is the impact of energy costs. WCHE therefore seeks the Board's approval to revise its rates applicable to its distribution of electricity. The issues to be reviewed in this case, as WCHE sees them, are discussed below.

Through this Application, WCHE seeks:

- To recover:
 - o Revenue deficiency arising from changes in OM&A, Amortization, Rate Base, Rate of Return and PILS
- To change:
 - o Distribution Loss Factor, and RRRP rate.
- To reflect:
 - o Just and reasonable Distribution Rates that have been filed in accordance with the Ontario Energy Board Filing Requirements for Distribution Rate Applications

The information used in this Application is WCHE's forecasted results for its 2009 Test Year. With the rates presently in effect, WCHE estimates that its revenue for 2009 would not be sufficient to provide a reasonable return. WCHE is also presenting the historical actual information for fiscal 2006 and 2007, information for the current approved test year and six months actual and six months forecast for the fiscal 2008 bridge year.

TIMING

The financial information supporting the test Year for this Application will be WCHE's fiscal year ending December 31, 2009 (the "2009 Test Year"). However, this information will be used to set rates for the period May 1, 2009 to April 30, 2010. The Test Year revenue requirement is that forecast by WCHE as needed to enable it to earn a reasonable return for fiscal 2009. For the required revenues to match and appropriately offset the expected costs of service for the Test Year, revised rates reflecting the Board's decision must be effective for volumes consumed on and after May 1, 2009.

CUSTOMER IMPACT

West Coast Huron Energy will not have unacceptable impacts on the total distribution portion of the customer's bill and therefore WCHE is not proposing any rate mitigation measures.

Residential	UOM	2008	2009	% Change
Service Charge	\$	\$14.0900	\$14.0900	0.00%
Distribution Volumetric Rate	\$/kWh	\$0.0084	\$0.0233	177.35%
Retail Transmission Rate – Network Service Rate	\$/kWh	\$0.0039	\$0.0039	0.00%
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kWh	\$0.0041	\$0.0041	0.00%
Wholesale Market Service Rate	\$/kWh	\$0.0052	\$0.0052	0.00%
Rural Rate Protection Charge	\$/kWh	\$0.0010	\$0.0013	30.00%
Regulated Price Plan – Administration Charge	\$	\$0.2500	\$0.2500	0.00%

In order to adjust the variable cost recovery through the variable charge, WCHE is proposing to increase the volumetric charge by \$0.0149 in the 2009 test year. The net impact of these changes is an increase in the revenue-to-cost ratios for Residential customers (from 82.39% to 92.70%).

The impact on a typical residential customer is an increase of 12.16% on the total bill. The overall bill impact on a typical Residential customer is shown in detail in Exhibit 9, Tab 1, Schedule 9.

GS<50 kW		2008	2009	% Change
Service Charge	\$	\$33.4600	\$33.4600	0.00%
Distribution Volumetric Rate	\$/kWh	\$0.0052	\$0.0148	184.75%
Retail Transmission Rate – Network Service Rate	\$/kWh	\$0.0036	\$0.0036	0.00%
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kWh	\$0.0037	\$0.0037	0.00%
Wholesale Market Service Rate	\$/kWh	\$0.0052	\$0.0052	0.00%
Rural Rate Protection Charge	\$/kWh	\$0.0010	\$0.0013	30.00%
Regulated Price Plan – Administration Charge	\$	\$0.2500	\$0.2500	0.00%

In order to adjust the variable cost recovery through the variable charge, WCHE is proposing to increase the volumetric charge by \$0.0096 in the 2009 test year. The net impact of these changes is a decrease in the revenue-to-cost ratios for Residential customers (from 81.66% to 92.33%).

The impact on a typical GS<50 kW customer is a decrease of 10.8% on the total bill. The overall bill impact on a typical GS<50 kW customer is shown in detail in Exhibit 9, Tab 1, Schedule 9.

GS>50 to 499 kW		2008	2009	% Change
Service Charge	\$	\$402.5600	\$402.5600	0.00%
Distribution Volumetric Rate	\$/kW	\$1.0695	\$1.3698	28.08%
Retail Transmission Rate – Network Service Rate	\$/kW	\$1.4585	\$1.4585	0.00%
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kW	\$1.4725	\$1.4725	0.00%
Wholesale Market Service Rate	\$/kWh	\$0.0052	\$0.0052	0.00%
Rural Rate Protection Charge	\$/kWh	\$0.0010	\$0.0013	30.00%
Regulated Price Plan – Administration Charge	\$	\$0.2500	\$0.2500	0.00%

In order to adjust the variable cost recovery through the variable charge, WCHE is proposing to increase the volumetric charge by \$0.3003 in the 2009 test year. The net impact of these changes is a decrease in the revenue-to-cost ratios for GS.50 to 499 kW customers (from 169.08% to 136.76%).

The impact on a typical GS>50 to 499 kW customer is a decrease of 1.1% on the total bill. The overall bill impact on a typical GS>50 to 499 kW customer is shown in detail in Exhibit 9, Tab 1, Schedule 9.

GS>500 to 4999 kW		2008	2009	% Change
Service Charge	\$	\$3,476.4200	\$3,476.4200	0.00%
Distribution Volumetric Rate	\$/kW	\$1.4725	\$1.3867	-5.82%
Retail Transmission Rate – Network Service Rate	\$/kW	\$1.5491	\$1.5491	0.00%
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kW	\$1.6142	\$1.6142	0.00%
Wholesale Market Service Rate	\$/kWh	\$0.0052	\$0.0052	0.00%
Rural Rate Protection Charge	\$/kWh	\$0.0010	\$0.0013	30.00%
Regulated Price Plan – Administration Charge	\$	\$0.2500	\$0.2500	0.00%

In order to adjust the variable cost recovery through the variable charge, WCHE is proposing to decrease the volumetric charge by \$0.0858 in the 2009 test year. The net impact of these changes is a decrease in the revenue-to-cost ratios for GS>500 to 4999 kW customers (from 371.28% to 179.72%).

The impact on a typical GS>500 to 4999 kW customer is a decrease of 0.3% on the total bill. The overall bill impact on a typical GS>500 to 4999 kW customer is shown in detail in Exhibit 9, Tab 1, Schedule 9.

Large Use		2008	2009	% Change
Service Charge	\$	\$8,652.7200	\$8,652.7200	0.00%
Distribution Volumetric Rate	\$/kW	\$0.7592	\$1.6219	113.64%
Retail Transmission Rate – Network Service Rate	\$/kW	\$1.7153	\$1.7153	0.00%
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kW	\$1.8459	\$1.8459	0.00%
Wholesale Market Service Rate	\$/kWh	\$0.0052	\$0.0052	0.00%
Rural Rate Protection Charge	\$/kWh	\$0.0010	\$0.0013	30.00%
Regulated Price Plan – Administration Charge	\$	\$0.2500	\$0.2500	0.00%

In order to adjust the variable cost recovery through the variable charge, WCHE is proposing to increase the volumetric charge by \$0.8627 in the 2009 test year. The net impact of these changes is a decrease in the revenue-to-cost ratios for Large Use customers (from 108.03% to 105.73%).

The impact on a typical Large Use customer is an increase of 2.4% on the total bill. The overall bill impact on a typical Large Use customer is shown in detail in Exhibit 9, Tab 1, Schedule 9

Street Lighting		2008	2009	% Change
Service Charge	\$	\$0.7100	\$1.9458	174.05%
Distribution Volumetric Rate	\$/kW	\$2.6563	\$14.7460	455.13%
Retail Transmission Rate – Network Service Rate	\$/kW	\$1.1000	\$1.1000	0.00%
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kW	\$1.1384	\$1.1384	0.00%
Wholesale Market Service Rate	\$/kWh	\$0.0052	\$0.0052	0.00%
Rural Rate Protection Charge	\$/kWh	\$0.0010	\$0.0013	30.00%
Regulated Price Plan – Administration Charge	\$	\$0.2500	\$0.2500	0.00%

In order to adjust the variable cost recovery through the variable charge, WCHE is proposing to increase the volumetric charge by \$12.0897 in the 2009 test year. The net impact of these changes is an increase in the revenue-to-cost ratios for Street Lighting customers (from 27.82% to 72.10%).

The impact on a typical Street Lighting customer is an increase of 166.9% on the total bill. The overall bill impact on a typical Street Lighting customer is shown in detail in Exhibit 9, Tab 1, Schedule 9.

Sentinel Lighting		2008	2009	% Change
Service Charge	\$	\$5.6400	\$5.6400	0.00%
Distribution Volumetric Rate	\$/kW	\$4.2206	\$14.1964	236.36%
Retail Transmission Rate – Network Service Rate	\$/kW	\$1.1056	\$1.1056	0.00%
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kW	\$1.1621	\$1.1621	0.00%
Wholesale Market Service Rate	\$/kWh	\$0.0052	\$0.0052	0.00%
Rural Rate Protection Charge	\$/kWh	\$0.0010	\$0.0013	30.00%
Regulated Price Plan – Administration Charge	\$	\$0.2500	\$0.2500	0.00%

Explanation; In order to adjust the fixed cost recovery through the monthly fixed charge, WCHE is proposing to increase the monthly customer charge by \$3.18 in the 2008 test year. The net impact of these changes is an increase in the revenue-to-cost ratios for Sentinel Lighting connections (from 81.15% to 92.07%).

The impact on a typical Sentinel Lighting connection is an increase of 60.7% on the total bill. The overall bill impact on a typical Sentinel Lighting connection is shown in detail in Exhibit 9, Tab 1, Schedule 9.

Unmetered Scattered Load		2008	2009	% Change
Service Charge	\$	\$33.4700	\$33.4700	0.00%
Distribution Volumetric Rate	\$/kWh	\$0.0052	\$0.0328	531.13%
Retail Transmission Rate – Network Service Rate	\$/kWh	\$0.0036	\$0.0036	0.00%
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kWh	\$0.0037	\$0.0037	0.00%
Wholesale Market Service Rate	\$/kWh	\$0.0052	\$0.0052	0.00%
Rural Rate Protection Charge	\$/kWh	\$0.0010	\$0.0013	30.00%
Regulated Price Plan – Administration Charge	\$	\$0.2500	\$0.2500	0.00%

Explanation; In order to adjust the fixed cost recovery through the monthly fixed charge, WCHE is proposing to increase the monthly customer charge by \$3.00 in the 2008 test year. The net impact of these changes is a decrease in the revenue-to-cost ratios for Unmetered Scattered Load customers (from 63.57% to 83.13%).

The impact on a typical Unmetered Scattered Load customer is an increase of 21.1% on the total bill. The overall bill impact on a typical Unmetered Scattered Load customer is shown in detail in Exhibit 9, Tab 1, Schedule 9.

Specific Service Charges

West Coast Huron Energy proposes no change to its currently approved Specific Service Charges. The Charges are listed below.

Specific Service Charges

Customer Administration

Arrears Certificate	\$	15.00
Account set up charge/change of occupancy charge (plus credit agency costs if applicable)	\$	30.00
Special meter reads	\$	15.00
Meter dispute charge plus Measurement Canada fees (if meter found correct)	\$	30.00

Non-Payment of Account

Late Payment - Per month	%	1.50
Late Payment - Per annum	%	19.56
Collection of account charge-no disconnection	\$	30.00
Disconnect/Reconnect at meter-during regular hours	\$	65.00

Specific Charge for Access to the Power Poles \$/pole/year	\$	22.35
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Allowances

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

Loss Factors

	2007	2008	% Change
Total Loss Factor - Secondary Metered Customer <5,000 kW	1.0427	1.0436	2.11%
Total Loss Factor - Secondary Metered Customer >5,000 kW	1.0145	1.0145	0.00%
Total Loss Factor - Primary Metered Customer <5,000 kW	1.0322	1.0331	2.80%
Total Loss Factor - Primary Metered Customer >5,000 kW	1.0045	1.0045	0.00%

MAJOR ISSUES

There are a number of issues that, although they may not all be defined as major, are anticipated to be examined in this case. These issues are listed below.

Capital Structure

WCHE is requesting a change in its deemed capital structure. Specifically, WCHE is requesting a decrease in the deemed equity ratio from 50% to 47% consistent with the 3 year phase in of WCHE's capital structure from 50% to 40% equity as outlined in the Report of the Board on Cost of Capital and 2nd Generation Incentive Regulation for Ontario Electricity Distributors dated December 20, 2006.

Return on Equity

In addition, WCHE has assumed a return on equity of 8.68% consistent with the methodology outlined in Appendix B of the Report of the Board on Cost of Capital and 2nd Generation Incentive Regulation for Ontario Electricity Distributors dated December 20, 2006. WCHE understands the OEB will be finalizing the return on equity for 2008 rates based on January 2008 market interest rate information.

Capital Expenditures

WCHE continues to expand and reinforce its distribution system in order to meet the demand of new and existing customers in its service territory, and to ensure and enhance its quality of service. This increase in demand comes both from currently un-serviced areas as well as existing areas needing upgrades.

Operating and Maintenance Costs

Operating and maintenance costs have been forecast to reflect the impact of inflation, customer growth, safety, reliability and expected changes in costs.

BUDGET DIRECTIVES

WCHE compiles budget information for the three major components of the budgeting process: revenue forecasts, operating and maintenance expense forecast and capital budgets. This budget information is compiled for both the bridge and test years.

Revenue Forecast

The energy sales and revenue forecast model was updated to reflect more recent information. This model was then used to prepare the revenues sales and throughput volume and revenue forecast at existing rates for fiscal 2008 and 2009. The forecast is weather normalized as outlined in Exhibit 3; Tab 2 Schedule 1 and considers such factors as new customer additions and load profiles for all classes of customers.

Operating and Maintenance Expense Forecast

The operating and maintenance expenses for fiscal 2008 bridge year and the 2009 test year have been forecast using a zero based methodology and is strongly influenced by prior year experience. Each item is reviewed account by account for each of the forecast years.

Capital Budget

All capital expenditures are budgeted on a line by line basis based on need and forecasted customer growth. WCHE utilizes an Asset Management tool which weighs the need for new capital projects based on a wide range factors such as reliability, safety, customer growth and economic factors. This tool allows WCHE to weigh all capital projects against these metrics and recommends approval of those projects that best meet the above noted criteria.

CHANGES IN METHODOLOGY

The following is a summary of the changes in methodology requested by WCHE in the current proceeding:

a) Capital Structure

WCHE has applied to change its existing debt equity split to a deemed structure of 53.33% Debt and 46.67% Equity.

b) Return on Equity

WCHE has applied no change to current the methodology in existence for return on equity in this application.

c) Interest Rate Applicable to Deferral/Variance Accounts

WCHE has applied no change to the current methodology in existence for Deferral/Variance Account interest rates in this application.

d) Cost Allocation & Fully Allocated Costing Study

WCHE has applied no change to the current methodology in existence for Cost Allocation & Fully Allocated Costing Study in this application, as per the report of the Board Application of Cost Allocation for Electricity Distributors released November 28th, 2007.

NUMERICAL DETAILS OF CAUSES OF Deficiency
2009 TEST YEAR

	Per Existing Rates				Application	Revenue Sufficiency
	2006 EDR	IRM Rate Changes	Load Changes	Test Year	Test Year	or Deficiency
Distribution Expenses	\$1,321,591.92	\$23,788.65	\$148,347.78	\$1,493,728.35	\$2,156,708.81	\$662,980.46
Return on Capital	\$387,170.58	\$6,969.07	\$6,996.11	\$401,135.76	\$367,669.28	-\$33,466.48
PILs	\$41,727.00	\$751.09	\$850.70	\$43,328.79	\$51,294.10	\$7,965.31
Total Service Revenues	\$1,750,489.50	\$31,508.81	\$156,194.58	\$1,938,192.90	\$2,575,672.19	\$637,479.29

CAUSES OF REVENUE DEFICIENCY

The increase in WCHE's distribution expenses including depreciation expense in the 2009 Test Year of \$835,117 relative to estimated amount to be collected in existing rates results are from normal operating expenses plus inflation.

The change in WCHE's return on capital in the 2008 Test Year of \$-19,501 relative to estimated amount to be collected in existing rates results from the change in the deemed debt equity split.

The change in WCHE's PILs in the 2008 Test Year of \$9,567 relative to estimated amount to be collected in existing rates reflects the change in the tax rates and the change in deemed taxable revenue.

AUDITED FINANCIAL STATEMENTS
AT
DECEMBER 31 2007

See Appendix F

PRO FORMA FINANCIAL STATEMENTS
AT
DECEMBER 31 2008

See Appendix G

PRO FORMA FINANCIAL STATEMENTS
AT
DECEMBER 31 2009

See Appendix H

RECONCILIATION BETWEEN FINANCIAL STATEMENTS AND FINANCIAL RESULTS FILED

West Coast Huron Energy's Financial Statements and Financial Results filed for 2007 match on another. Therefore, no reconciliation is required.

PROPOSED ACCOUNTING TREATMENT

West Coast Huron Energy does not have any projects with a life cycle of greater than one year in this application.

INFORMATION ON PARENT AND SUBSIDIARIES

West Coast Huron Energy's Parent is the Town of Goderich and there are no subsidiaries.

<u>Ex.</u>	<u>Tab</u>	<u>Schedule</u>	<u>Contents of Schedule</u>
<u>2 – Rate Base</u>			
	1		<u>Overview</u>
		1	Rate Base Overview
		2	Rate Base Summary Table
		3	Variance Analysis on Rate Base Table
	2		<u>Gross Assets – Property, Plant and Equipment Accumulated Depreciation</u>
		1	Continuity Statements
		2	Gross Assets Table
		3	Materiality Analysis on Gross Assets
		4	Accumulated Depreciation Table
		5	Materiality Analysis on Accumulated Depreciation
	3		<u>Capital Budget</u>
		1	Capital Budget by Project
		2	Materiality Analysis on Capital Additions
		3	System Expansions
		4	Capitalization Policy
	4		<u>Allowance for Working Capital</u>
		1	Working Capital Allowance calculations by account

RATE BASE OVERVIEW

A projection of West Coast Huron Energy rate base is provided for both the Bridge Year (2008) and the Test Year (2009). Historical data pertaining to rate base is also presented for 2006 Approved through to 2007 Actual.

West Coast Huron Energy's forecast rate base for the test year is \$5,056,336. The rate base underlying the test year revenue requirement includes a forecast of net fixed assets, plus a working capital allowance. Net fixed assets are gross assets in service minus accumulated depreciation and contributed capital. Details for the utility's working capital allowance are provided at Exhibit 2, Tab 4, Schedule 1.

Continuity schedules for Historical Board Approved, Historical Actual, Bridge and Test years are provided at Exhibit 2, Tab 2, Schedule 1.

Gross Asset – Property, Plant and Equipment and Accumulated Depreciation

The bridge and test year's gross asset balance reflects the capital expenditure programs forecast for both years. These programs are described in detail in the company's written evidence at Exhibit 2, Tab 2, Schedule 1, 2, 3, & 4. The justification for capital projects in excess of 1% of the net fixed assets are filed at Exhibit 2, Tab 2, Schedule 2.

Capital Budget

The Bridge year (2007) and Test year (2008) capital budgets are included in Exhibit 2, Tab, 3 Schedule 1.

Allowance for Working Capital

The allowance for working capital follows the board's current methodology of 15% of predetermined account balances, this calculation is detailed in Exhibit 2, Tab 4, Schedule 1.

RATE BASE SUMMARY TABLE

RATE BASE SUMMARY	2006 Board Approved	2006 Actual	Variance from 2006 Board Approved	2006 Actual	2007 Actual	Variance from 2006 Actual	2007 Actual	2008 Bridge	Variance from 2007 Actual	2008 Bridge	2009 Test	Variance from 2008 Bridge
	(\$'s)	(\$'s)	(\$'s)	(\$'s)	(\$'s)	(\$'s)	(\$'s)	(\$'s)	(\$'s)	(\$'s)	(\$'s)	(\$'s)
<u>Gross Asset</u>												
Asset Values at Cost	\$4,464,965	\$4,683,791	\$218,826	\$4,683,791	\$4,934,105	\$250,314	\$4,934,105	\$5,301,783	\$367,678	\$5,301,783	\$5,905,783	\$604,000
<u>Accumulated Depreciation</u>												
Depreciation	-\$748,304	-\$1,057,411	-\$309,107	-\$1,057,411	-\$1,430,661	-\$373,250	-\$1,430,661	-\$1,715,732	-\$285,071	-\$1,715,732	-\$2,038,760	-\$323,028
Net Fixed Asset	\$3,716,660	\$3,626,380	-\$90,280	\$3,626,380	\$3,503,444	-\$122,936	\$3,503,444	\$3,586,050	\$82,607	\$3,586,050	\$3,867,022	\$280,972
<u>Allowance for Working Capital</u>												
	\$1,048,516	\$1,199,097	\$150,581	\$1,199,097	\$1,189,823	-\$9,274	\$1,189,823	\$1,117,285	-\$72,539	\$1,117,285	\$1,189,314	\$72,029
Utility Rate Base	\$4,765,176	\$4,825,478	\$60,301	\$4,825,478	\$4,693,267	-\$132,210	\$4,693,267	\$4,703,335	\$10,068	\$4,703,335	\$5,056,336	\$353,001

VARIANCE ANALYSIS ON RATE BASE SUMMARY TABLE

A summary of utility rate base is presented in Exhibit 2, Tab 1, Schedule 2

2009 Test Year

As shown in Exhibit 2, Tab 1, Schedule 2, the total rate base in the 2009 test year is forecast to be \$5,056,336. Net fixed assets accounts for \$3,867,022 this total. The allowance for working capital totals \$1,189,314.

Comparison to 2008 Bridge Year

The total rate base is expected to increase by \$353,001 or 67.5% in the 2009 test year than in the 2008 bridge year. This increase is shown in Exhibit 2, Tab 1, Schedule 2. This increase is the result of a \$280,972 increase in net fixed assets due to capital additions and a \$72,029 increase in the working capital allowance which is primarily a result of a increase in working capital allowance related to the cost of OM&A.

2008 Bridge Year**Comparison to 2007 Actual**

The total rate base is \$10,068 or 0.2% higher in the 2008 bridge year than in 2007 actual. This increase is shown in Exhibit 2, Tab 1, Schedule 2. This increase is the result of a \$82,607 increase in net fixed assets due to capital additions and a \$72,539 decrease in working capital.

2007 Actual**Comparison to 2006 Actual**

The 2006 total rate base is \$-132,210 or 2.7% lower in 2007 than the 2006 Actual rate base. This decrease is shown in Exhibit 2, Tab 1, Schedule 2. This decrease is the result of a \$122,936 decrease in net fixed assets, and a \$9,274 decrease in working capital.

2006 Actual**Comparison to 2006 Board Approved**

The 2006 total rate base is \$60,304 or 1.3% higher in 2006 than the 2006 Board Approved rate base. This increase is shown in Exhibit 2, Tab 1, Schedule 2. This increase is the result of a \$90,280 decrease in net fixed assets, and a \$150,581 increase in working capital. This increase in working capital is primarily related to a \$64,392 increase in working capital directly related to cost of power.

CONTINUITY STATEMENTS

	2006 Actual Gross Asset Value	Accumulated Depreciation	Net Book Value	2007 Actual Gross Asset Value	Accumulated Depreciation	Net Book Value
Land and Buildings						
1805-Land -Opening Balance	\$21,747	\$0	\$21,747	\$21,747	\$0	\$21,747
1805-Land -Additions	\$0		\$0	\$0		\$0
1805-Land -Depreciation		\$0	\$0	\$0	\$0	\$0
1805-Land -Adjustments			\$0	\$0	\$0	\$0
1805-Land -Closing Balance	\$21,747	\$0	\$21,747	\$21,747	\$0	\$21,747
Average	\$21,747	\$0	\$21,747	\$21,747	\$0	\$21,747
1808-Buildings and Fixtures-Opening Balance	\$67,891	-\$10,864	\$57,027	\$70,714	-\$16,409	\$54,305
1808-Buildings and Fixtures-Additions	\$2,822	-\$5,545	-\$2,723	\$225		\$225
1808-Buildings and Fixtures-Depreciation			\$0		-\$2,833	-\$2,833
1808-Buildings and Fixtures -Adjustments			\$0	\$0		\$0
1808-Buildings and Fixtures -Closing Balance	\$70,714	-\$16,409	\$54,305	\$70,939	-\$19,242	\$51,697
Average	\$69,302	-\$13,637	\$55,666	\$70,826	-\$17,826	\$53,001
Total	\$92,460	-\$16,409	\$76,051	\$92,685	-\$19,242	\$73,443
DS						
1820-Distribution Station Equipment Opening Balance	\$151,907	-\$24,304	\$127,603	\$152,252	-\$36,484	\$115,768
1820-Distribution Station Equipment Additions	\$346		\$346	\$0		\$0
1820-Distribution Station Equipment Depreciation		-\$12,180	-\$12,180		-\$6,090	-\$6,090
1820-Distribution Station Equipment Adjustments			\$0	\$0		\$0
1820-Distribution Station Equipment Closing Balance	\$152,252	-\$36,484	\$115,768	\$152,252	-\$42,574	\$109,678
Average	\$152,079	-\$30,394	\$121,685	\$152,252	-\$39,529	\$112,723
Total	\$152,252	-\$36,484	\$115,768	\$152,252	-\$42,574	\$109,678
Poles and Wires						
1830-Poles, Towers and Fixtures-Opening Balance	\$0	\$0	\$0	\$27,035	-\$1,081	\$25,954
1830-Poles, Towers and Fixtures-Additions	\$27,035		\$27,035	\$41,925		\$41,925
1830-Poles, Towers and Fixtures-Depreciation		-\$1,081	-\$1,081		-\$839	-\$839
1830-Poles, Towers and Fixtures-Adjustments			\$0	\$0		\$0
1830-Poles, Towers and Fixtures-Closing Balance	\$27,035	-\$1,081	\$25,954	\$68,960	-\$1,920	\$67,040
Average	\$13,518	-\$541	\$12,977	\$47,998	-\$1,500	\$46,497
1835-Overhead Conductors and Devices-Opening Balance	\$2,038,965	-\$303,967	\$1,734,998	\$2,173,740	-\$476,742	\$1,696,998
1835-Overhead Conductors and Devices-Additions	\$134,775		\$134,775	\$21,195		\$21,195
1835-Overhead Conductors and Devices-Depreciation		-\$172,775	-\$172,775		-\$87,373	-\$87,373
1835-Overhead Conductors and Devices-Adjustments			\$0	\$0		\$0
1835-Overhead Conductors and Devices-Closing Balance	\$2,173,740	-\$476,742	\$1,696,998	\$2,194,935	-\$564,115	\$1,630,819
Average	\$2,106,353	-\$390,355	\$1,715,998	\$2,184,337	-\$520,429	\$1,663,909
1840-Underground Conduit-Opening Balance	\$0	\$0	\$0	\$2,927	-\$127	\$2,800
1840-Underground Conduit-Additions	\$2,927		\$2,927	\$1,115		\$1,115
1840-Underground Conduit-Depreciation		-\$127	-\$127		-\$139	-\$139
1840-Underground Conduit-Adjustments			\$0	\$0		\$0
1840-Underground Conduit-Closing Balance	\$2,927	-\$127	\$2,800	\$4,042	-\$266	\$3,775
Average	\$1,463	-\$64	\$1,400	\$3,484	-\$197	\$3,288

1845-Underground Conductors and Devices-Opening Balance	\$889,762	-\$134,197	\$755,565	\$981,813	-\$211,204	\$770,609
1845-Underground Conductors and Devices-Additions	\$92,051		\$92,051	\$74,201		\$74,201
1845-Underground Conductors and Devices-Depreciation		-\$77,007	-\$77,007		-\$40,757	-\$40,757
1845-Underground Conductors and Devices-Adjustments			\$0	\$0		\$0
1845-Underground Conductors and Devices-Closing Balance	\$981,813	-\$211,204	\$770,609	\$1,056,014	-\$251,961	\$804,053
Average	\$935,788	-\$172,701	\$763,087	\$1,018,914	-\$231,582	\$787,331
Total	\$3,185,515	-\$689,154	\$2,496,361	\$3,323,951	-\$818,262	\$2,505,689
Line Transformers						
1850-Line Transformers-Opening Balance	\$681,332	-\$101,207	\$580,125	\$656,835	-\$161,072	\$495,763
1850-Line Transformers-Additions	-\$24,498		-\$24,498	\$116,967		\$116,967
1850-Line Transformers-Depreciation		-\$59,865	-\$59,865		-\$28,613	-\$28,613
1850-Line Transformers-Adjustments			\$0	\$0		\$0
1850-Line Transformers-Closing Balance	\$656,835	-\$161,072	\$495,763	\$773,801	-\$189,685	\$584,117
Average	\$669,083	-\$131,140	\$537,944	\$715,318	-\$175,378	\$539,940
Total	\$656,835	-\$161,072	\$495,763	\$773,801	-\$189,685	\$584,117
Services and Meters						
1855-Services-Opening Balance	\$0	\$0	\$0	\$23,481	-\$754	\$22,727
1855-Services-Additions	\$23,481		\$23,481	\$53,849		\$53,849
1855-Services-Depreciation		-\$754	-\$754		-\$2,016	-\$2,016
1855-Services-Adjustments			\$0	\$0		\$0
1855-Services-Closing Balance	\$23,481	-\$754	\$22,727	\$77,331	-\$2,770	\$74,560
Average	\$11,741	-\$377	\$11,364	\$50,406	-\$1,762	\$48,644
1860-Meters						
1860-Meters-Opening Balance	\$301,300	-\$46,104	\$255,196	\$389,349	-\$78,991	\$310,358
1860-Meters-Additions	\$88,049		\$88,049	\$2,382		\$2,382
1860-Meters-Depreciation		-\$32,887	-\$32,887		-\$15,622	-\$15,622
1860-Meters-Adjustments			\$0	\$0		\$0
1860-Meters-Closing Balance	\$389,349	-\$78,991	\$310,358	\$391,731	-\$94,613	\$297,118
Average	\$345,325	-\$62,548	\$282,777	\$390,540	-\$86,802	\$303,738
Total	\$412,831	-\$79,745	\$333,086	\$469,062	-\$97,383	\$371,679
IT Assets						
1920-Computer Equipment - Hardware-Opening Balance	\$44,191	-\$15,431	\$28,760	\$63,315	-\$25,948	\$37,367
1920-Computer Equipment - Hardware-Additions	\$19,124		\$19,124	\$17,667		\$17,667
1920-Computer Equipment - Hardware-Depreciation		-\$10,517	-\$10,517		-\$7,215	-\$7,215
1920-Computer Equipment - Hardware-Adjustments			\$0	\$0		\$0
1920-Computer Equipment - Hardware-Closing Balance	\$63,315	-\$25,948	\$37,367	\$80,982	-\$33,163	\$47,819
Average	\$53,753	-\$20,690	\$33,064	\$72,149	-\$29,555	\$42,593
1925-Computer Software						
1925-Computer Software-Opening Balance	\$27,606	-\$14,686	\$12,920	\$27,606	-\$27,366	\$240
1925-Computer Software-Additions	\$0		\$0	\$47,260		\$47,260
1925-Computer Software-Depreciation		-\$12,680	-\$12,680		-\$5,124	-\$5,124
1925-Computer Software-Adjustments			\$0	\$0		\$0
1925-Computer Software-Closing Balance	\$27,606	-\$27,366	\$240	\$74,866	-\$32,490	\$42,376
Average	\$27,606	-\$21,026	\$6,580	\$51,236	-\$29,928	\$21,308
Total	\$90,921	-\$53,314	\$37,607	\$155,848	-\$65,652	\$90,196

Equipment						
1915-Office Furniture and Equipment-Opening Balance	\$50,428	-\$19,863	\$30,565	\$51,442	-\$30,055	\$21,387
1915-Office Furniture and Equipment-Additions	\$1,014		\$1,014	\$4,459		\$4,459
1915-Office Furniture and Equipment-Depreciation		-\$10,192	-\$10,192		-\$6,709	-\$6,709
1915-Office Furniture and Equipment-Adjustments			\$0	\$0		\$0
1915-Office Furniture and Equipment-Closing Balance	\$51,442	-\$30,055	\$21,387	\$55,901	-\$36,764	\$19,137
Average	\$50,935	-\$24,959	\$25,976	\$53,671	-\$33,409	\$20,262
1930-Transportation Equipment-Opening Balance	\$245,849	-\$110,463	\$135,386	\$253,297	-\$173,735	\$79,562
1930-Transportation Equipment-Additions	\$7,448		\$7,448	\$0		\$0
1930-Transportation Equipment-Depreciation		-\$63,272	-\$63,272		-\$63,324	-\$63,324
1930-Transportation Equipment-Adjustments			\$0	\$0		\$0
1930-Transportation Equipment-Closing Balance	\$253,297	-\$173,735	\$79,562	\$253,297	-\$237,059	\$16,238
Average	\$249,573	-\$142,099	\$107,474	\$253,297	-\$205,397	\$47,900
1940-Tools, Shop and Garage Equipment-Opening Balance	\$53,677	-\$40,347	\$13,330	\$60,832	-\$52,751	\$8,081
1940-Tools, Shop and Garage Equipment-Additions	\$7,155		\$7,155	\$8,066		\$8,066
1940-Tools, Shop and Garage Equipment-Depreciation		-\$12,404	-\$12,404		-\$16,216	-\$16,216
1940-Tools, Shop and Garage Equipment-Adjustments			\$0	\$0		\$0
1940-Tools, Shop and Garage Equipment-Closing Balance	\$60,832	-\$52,751	\$8,081	\$68,897	-\$68,967	-\$70
Average	\$57,254	-\$46,549	\$10,705	\$64,865	-\$60,859	\$4,006
1945-Measurement and Testing Equipment-Opening Balance	\$0	\$0	\$0	\$2,678	-\$670	\$2,008
1945-Measurement and Testing Equipment-Additions	\$2,678		\$2,678	\$0		\$0
1945-Measurement and Testing Equipment-Depreciation		-\$670	-\$670		-\$670	-\$670
1945-Measurement and Testing Equipment-Adjustments			\$0	\$0		\$0
1945-Measurement and Testing Equipment-Closing Balance	\$2,678	-\$670	\$2,008	\$2,678	-\$1,340	\$1,339
Average	\$1,339	-\$335	\$1,004	\$2,678	-\$1,005	\$1,674
Total	\$368,249	-\$257,211	\$111,038	\$380,774	-\$344,130	\$36,644
1995-Contributions and Grants - Credit-Opening Balance	\$0	\$0	\$0	-\$166,135	\$0	-\$166,135
1995-Contributions and Grants - Credit-Additions	-\$166,135		-\$166,135	-\$106,955		-\$106,955
1995-Contributions and Grants - Credit-Depreciation		\$0	\$0		\$8,995	\$8,995
1995-Contributions and Grants - Credit-Adjustments			\$0	\$0		\$0
1995-Contributions and Grants - Credit-Closing Balance	-\$166,135	\$0	-\$166,135	-\$273,091	\$8,995	-\$264,096
Average	-\$83,068	\$0	-\$83,068	-\$219,613	\$4,497	-\$215,116
Total	-\$166,135	\$0	-\$166,135	-\$273,091	\$8,995	-\$264,096
Total Opening Balance	\$4,574,655	-\$821,433	\$3,753,222	\$4,792,927	-\$1,293,389	\$3,499,538
Total Additions	\$218,272	-\$5,545	\$212,727	\$282,356	\$0	\$282,356
Total Depreciation	\$0	-\$466,411	-\$466,411	\$0	-\$274,545	-\$274,545
Total Adjustments	\$0	\$0	\$0	\$0	\$0	\$0
Total Closing Balance	\$4,792,927	-\$1,293,389	\$3,499,538	\$5,075,283	-\$1,567,934	\$3,507,349
Average	\$4,683,791	-\$1,057,411	\$3,626,380	\$4,934,105	-\$1,430,661	\$3,503,444
Total	\$4,792,927	-\$1,293,389	\$3,499,538	\$5,075,283	-\$1,567,934	\$3,507,349

CONTINUITY STATEMENTS

	2008 Bridge Gross Asset Value	Accumulated Depreciation	Net Book Value	2009 Test Gross Asset Value	Accumulated Depreciation	Net Book Value
Land and Buildings						
1805-Land -Opening Balance	\$21,747	\$0	\$21,747	\$21,747	\$0	\$21,747
1805-Land -Additions	\$0		\$0	\$0		\$0
1805-Land -Depreciation	\$0	\$0	\$0	\$0	\$0	\$0
1805-Land -Adjustments	\$0	\$0	\$0	\$0	\$0	\$0
1805-Land -Closing Balance	\$21,747	\$0	\$21,747	\$21,747	\$0	\$21,747
Average	\$21,747	\$0	\$21,747	\$21,747	\$0	\$21,747
1808-Buildings and Fixtures-Opening Balance	\$70,939	-\$19,242	\$51,697	\$70,939	-\$22,080	\$48,859
1808-Buildings and Fixtures-Additions	\$0		\$0	\$0		\$0
1808-Buildings and Fixtures-Depreciation		-\$2,838	-\$2,838		-\$2,838	-\$2,838
1808-Buildings and Fixtures -Adjustments	\$0		\$0	\$0		\$0
1808-Buildings and Fixtures -Closing Balance	\$70,939	-\$22,080	\$48,859	\$70,939	-\$24,917	\$46,021
Average	\$70,939	-\$20,661	\$50,278	\$70,939	-\$23,498	\$47,440
Total	\$92,685	-\$22,080	\$70,606	\$92,685	-\$24,917	\$67,768
DS						
1820-Distribution Station Equipment Opening Balance	\$152,252	-\$42,574	\$109,678	\$152,252	-\$48,664	\$103,588
1820-Distribution Station Equipment Additions	\$0		\$0	\$30,000		\$30,000
1820-Distribution Station Equipment Depreciation		-\$6,090	-\$6,090		-\$6,690	-\$6,690
1820-Distribution Station Equipment Adjustments	\$0		\$0	\$0		\$0
1820-Distribution Station Equipment Closing Balance	\$152,252	-\$48,664	\$103,588	\$182,252	-\$55,354	\$126,898
Average	\$152,252	-\$45,619	\$106,633	\$167,252	-\$52,009	\$115,243
Total	\$152,252	-\$48,664	\$103,588	\$182,252	-\$55,354	\$126,898
Poles and Wires						
1830-Poles, Towers and Fixtures-Opening Balance	\$68,960	-\$1,920	\$67,040	\$213,960	-\$5,658	\$208,302
1830-Poles, Towers and Fixtures-Additions	\$145,000		\$145,000	\$120,000		\$120,000
1830-Poles, Towers and Fixtures-Depreciation		-\$3,739	-\$3,739		-\$5,300	-\$5,300
1830-Poles, Towers and Fixtures-Adjustments	\$0		\$0	\$0		\$0
1830-Poles, Towers and Fixtures-Closing Balance	\$213,960	-\$5,658	\$208,302	\$333,960	-\$10,958	\$323,002
Average	\$141,460	-\$3,789	\$137,671	\$273,960	-\$8,308	\$265,652
1835-Overhead Conductors and Devices-Opening Balance	\$2,194,935	-\$564,115	\$1,630,819	\$2,334,935	-\$654,713	\$1,680,222
1835-Overhead Conductors and Devices-Additions	\$140,000		\$140,000	\$170,000		\$170,000
1835-Overhead Conductors and Devices-Depreciation		-\$90,597	-\$90,597		-\$96,797	-\$96,797
1835-Overhead Conductors and Devices-Adjustments	\$0		\$0	\$0		\$0
1835-Overhead Conductors and Devices-Closing Balance	\$2,334,935	-\$654,713	\$1,680,222	\$2,504,935	-\$751,510	\$1,753,425
Average	\$2,264,935	-\$609,414	\$1,655,521	\$2,419,935	-\$703,112	\$1,716,823
1840-Underground Conduit-Opening Balance	\$4,042	-\$266	\$3,775	\$4,042	-\$428	\$3,614
1840-Underground Conduit-Additions	\$0		\$0	\$0		\$0
1840-Underground Conduit-Depreciation		-\$162	-\$162		-\$162	-\$162
1840-Underground Conduit-Adjustments	\$0		\$0	\$0		\$0
1840-Underground Conduit-Closing Balance	\$4,042	-\$428	\$3,614	\$4,042	-\$590	\$3,452
Average	\$4,042	-\$347	\$3,695	\$4,042	-\$509	\$3,533

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1845-Underground Conductors and Devices-Opening Balance	\$1,056,014	-\$251,961	\$804,053	\$1,056,014	-\$294,201	\$761,813
1845-Underground Conductors and Devices-Additions	\$0		\$0	\$0		\$0
1845-Underground Conductors and Devices-Depreciation		-\$42,241	-\$42,241		-\$42,241	-\$42,241
1845-Underground Conductors and Devices-Adjustments	\$0		\$0	\$0		\$0
1845-Underground Conductors and Devices-Closing Balance	\$1,056,014	-\$294,201	\$761,813	\$1,056,014	-\$336,442	\$719,572
Average	\$1,056,014	-\$273,081	\$782,933	\$1,056,014	-\$315,321	\$740,693
Total	\$3,608,951	-\$955,000	\$2,653,951	\$3,898,951	-\$1,099,500	\$2,799,451
Line Transformers						
1850-Line Transformers-Opening Balance	\$773,801	-\$189,685	\$584,117	\$898,801	-\$223,137	\$675,665
1850-Line Transformers-Additions	\$125,000		\$125,000	\$135,000		\$135,000
1850-Line Transformers-Depreciation		-\$33,452	-\$33,452		-\$38,652	-\$38,652
1850-Line Transformers-Adjustments	\$0		\$0	\$0		\$0
1850-Line Transformers-Closing Balance	\$898,801	-\$223,137	\$675,665	\$1,033,801	-\$261,789	\$772,013
Average	\$836,301	-\$206,411	\$629,891	\$966,301	-\$242,463	\$723,839
Total	\$898,801	-\$223,137	\$675,665	\$1,033,801	-\$261,789	\$772,013
Services and Meters						
1855-Services-Opening Balance	\$77,331	-\$2,770	\$74,560	\$82,331	-\$5,963	\$76,367
1855-Services-Additions	\$5,000		\$5,000	\$10,000		\$10,000
1855-Services-Depreciation		-\$3,193	-\$3,193		-\$3,493	-\$3,493
1855-Services-Adjustments	\$0		\$0	\$0		\$0
1855-Services-Closing Balance	\$82,331	-\$5,963	\$76,367	\$92,331	-\$9,457	\$82,874
Average	\$79,831	-\$4,367	\$75,464	\$87,331	-\$7,710	\$79,620
1860-Meters-Opening Balance						
1860-Meters-Additions	\$0		\$0	\$0		\$0
1860-Meters-Depreciation		-\$15,669	-\$15,669		-\$15,669	-\$15,669
1860-Meters-Adjustments	\$0		\$0	\$0		\$0
1860-Meters-Closing Balance	\$391,731	-\$110,282	\$281,449	\$391,731	-\$125,951	\$265,780
Average	\$391,731	-\$102,447	\$289,284	\$391,731	-\$118,116	\$273,615
Total	\$474,062	-\$116,245	\$357,816	\$484,062	-\$135,408	\$348,654
IT Assets						
1920-Computer Equipment - Hardware-Opening Balance	\$80,982	-\$33,163	\$47,819	\$80,982	-\$41,261	\$39,721
1920-Computer Equipment - Hardware-Additions	\$0		\$0	\$0		\$0
1920-Computer Equipment - Hardware-Depreciation		-\$8,098	-\$8,098		-\$8,098	-\$8,098
1920-Computer Equipment - Hardware-Adjustments	\$0		\$0	\$0		\$0
1920-Computer Equipment - Hardware-Closing Balance	\$80,982	-\$41,261	\$39,721	\$80,982	-\$49,359	\$31,623
Average	\$80,982	-\$37,212	\$43,770	\$80,982	-\$45,310	\$35,672
1925-Computer Software-Opening Balance						
1925-Computer Software-Additions	\$0		\$0	\$0		\$0
1925-Computer Software-Depreciation		-\$7,487	-\$7,487		-\$7,487	-\$7,487
1925-Computer Software-Adjustments	\$0		\$0	\$0		\$0
1925-Computer Software-Closing Balance	\$74,866	-\$39,976	\$34,890	\$74,866	-\$47,463	\$27,403
Average	\$74,866	-\$36,233	\$38,633	\$74,866	-\$43,720	\$31,146
Total	\$155,848	-\$81,237	\$74,611	\$155,848	-\$96,822	\$59,026

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Equipment						
1915-Office Furniture and Equipment-Opening Balance	\$55,901	-\$36,764	\$19,137	\$55,901	-\$43,752	\$12,149
1915-Office Furniture and Equipment-Additions	\$0		\$0	\$0		\$0
1915-Office Furniture and Equipment-Depreciation		-\$6,988	-\$6,988		-\$6,988	-\$6,988
1915-Office Furniture and Equipment-Adjustments	\$0		\$0	\$0		\$0
1915-Office Furniture and Equipment-Closing Balance	\$55,901	-\$43,752	\$12,149	\$55,901	-\$50,739	\$5,162
Average	\$55,901	-\$40,258	\$15,643	\$55,901	-\$47,245	\$8,656
1930-Transportation Equipment-Opening Balance	\$253,297	-\$237,059	\$16,238	\$286,297	-\$304,509	-\$18,211
1930-Transportation Equipment-Additions	\$33,000		\$33,000	\$290,000		\$290,000
1930-Transportation Equipment-Depreciation		-\$67,449	-\$67,449		-\$107,824	-\$107,824
1930-Transportation Equipment-Adjustments	\$0		\$0	\$0		\$0
1930-Transportation Equipment-Closing Balance	\$286,297	-\$304,509	-\$18,211	\$576,297	-\$412,333	\$163,964
Average	\$269,797	-\$270,784	-\$987	\$431,297	-\$358,421	\$72,876
1940-Tools, Shop and Garage Equipment-Opening Balance	\$68,897	-\$68,967	-\$70	\$73,897	-\$86,816	-\$12,919
1940-Tools, Shop and Garage Equipment-Additions	\$5,000		\$5,000	\$0		\$0
1940-Tools, Shop and Garage Equipment-Depreciation		-\$17,849	-\$17,849		-\$18,474	-\$18,474
1940-Tools, Shop and Garage Equipment-Adjustments	\$0		\$0	\$0		\$0
1940-Tools, Shop and Garage Equipment-Closing Balance	\$73,897	-\$86,816	-\$12,919	\$73,897	-\$105,291	-\$31,393
Average	\$71,397	-\$77,892	-\$6,494	\$73,897	-\$96,054	-\$22,156
1945-Measurement and Testing Equipment-Opening Balance	\$2,678	-\$1,340	\$1,339	\$2,678	-\$2,009	\$669
1945-Measurement and Testing Equipment-Additions	\$0		\$0	\$0		\$0
1945-Measurement and Testing Equipment-Depreciation		-\$670	-\$670		-\$670	-\$670
1945-Measurement and Testing Equipment-Adjustments	\$0		\$0	\$0		\$0
1945-Measurement and Testing Equipment-Closing Balance	\$2,678	-\$2,009	\$669	\$2,678	-\$2,679	\$0
Average	\$2,678	-\$1,674	\$1,004	\$2,678	-\$2,344	\$334
Total	\$418,774	-\$437,086	-\$18,312	\$708,774	-\$571,042	\$137,732
1995-Contributions and Grants - Credit-Opening Balance	-\$273,091	\$8,995	-\$264,096	-\$273,091	\$19,918	-\$253,173
1995-Contributions and Grants - Credit-Additions	\$0		\$0	\$0		\$0
1995-Contributions and Grants - Credit-Depreciation		\$10,924	\$10,924		\$10,924	\$10,924
1995-Contributions and Grants - Credit-Adjustments	\$0		\$0	\$0		\$0
1995-Contributions and Grants - Credit-Closing Balance	-\$273,091	\$19,918	-\$253,173	-\$273,091	\$30,842	-\$242,249
Average	-\$273,091	\$14,456	-\$258,634	-\$273,091	\$25,380	-\$247,711
Total	-\$273,091	\$19,918	-\$253,173	-\$273,091	\$30,842	-\$242,249
Total Opening Balance	\$5,075,283	-\$1,567,934	\$3,507,349	\$5,528,283	-\$1,863,531	\$3,664,752
Total Additions	\$453,000	\$0	\$453,000	\$755,000	\$0	\$755,000
Total Depreciation	\$0	-\$295,597	-\$295,597	\$0	-\$350,459	-\$350,459
Total Adjustments	\$0	\$0	\$0	\$0	\$0	\$0
Total Closing Balance	\$5,528,283	-\$1,863,531	\$3,664,752	\$6,283,283	-\$2,213,990	\$4,069,293
Average	\$5,301,783	-\$1,715,732	\$3,586,050	\$5,905,783	-\$2,038,760	\$3,867,022
Total	\$5,528,283	-\$1,863,531	\$3,664,752	\$6,283,283	-\$2,213,990	\$4,069,293

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GROSS ASSETS TABLE

GROSS ASSET	2006 Board Approved (\$'s)	2006 Actual (\$'s)	Variance form 2006 Board Approved	2006 Actual (\$'s)	2007 Actual (\$'s)	Variance form 2006 Actual
Land and Buildings						
1805-Land	\$21,747	\$21,747	\$0	\$21,747	\$21,747	\$0
1806-Land Rights	\$0	\$0	\$0	\$0	\$0	\$0
1808-Buildings and Fixtures	\$67,891	\$70,714	\$2,822	\$70,714	\$70,939	\$225
1905-Land	\$0	\$0	\$0	\$0	\$0	\$0
1906-Land Rights	\$0	\$0	\$0	\$0	\$0	\$0
1810-Leasehold Improvements	\$0	\$0	\$0	\$0	\$0	\$0
Sub-Total-Land and Buildings	\$89,638	\$92,460	\$2,822	\$92,460	\$92,685	\$225
TS Primary Above 50						
1815-Transformer Station Equipment - Normally Primary above 50 kV	\$0	\$0	\$0	\$0	\$0	\$0
Sub-Total-TS Primary Above 50	\$0	\$0	\$0	\$0	\$0	\$0
DS						
1820-Distribution Station Equipment - Normally Primary below 50 kV	\$151,907	\$152,252	\$346	\$152,252	\$152,252	\$0
Sub-Total-DS	\$151,907	\$152,252	\$346	\$152,252	\$152,252	\$0
Poles and Wires						
1830-Poles, Towers and Fixtures	\$0	\$27,035	\$27,035	\$27,035	\$68,960	\$41,925
1835-Overhead Conductors and Devices	\$2,038,965	\$2,173,740	\$134,775	\$2,173,740	\$2,194,935	\$21,195
1840-Underground Conduit	\$0	\$2,927	\$2,927	\$2,927	\$4,042	\$1,115
1845-Underground Conductors and Devices	\$889,762	\$981,813	\$92,051	\$981,813	\$1,056,014	\$74,201
Sub-Total-Poles and Wires	\$2,928,728	\$3,185,515	\$256,787	\$3,185,515	\$3,323,951	\$138,436
Line Transformers						
1850-Line Transformers	\$681,332	\$656,835	-\$24,498	\$656,835	\$773,801	\$116,967
Sub-Total-Line Transformers	\$681,332	\$656,835	-\$24,498	\$656,835	\$773,801	\$116,967
Services and Meters						
1855-Services	\$0	\$23,481	\$23,481	\$23,481	\$77,331	\$53,849
1860-Meters	\$301,300	\$389,349	\$88,049	\$389,349	\$391,731	\$2,382
Sub-Total-Services and Meters	\$301,300	\$412,831	\$111,531	\$412,831	\$469,062	\$56,231

General Plant

1908-Buildings and Fixtures	\$0	\$0	\$0	\$0	\$0	\$0
1910-Leasehold Improvements	\$0	\$0	\$0	\$0	\$0	\$0
Sub-Total-General Plant	\$0	\$0	\$0	\$0	\$0	\$0

IT Assets

1920-Computer Equipment - Hardware	\$44,191	\$63,315	\$19,124	\$63,315	\$80,982	\$17,667
1925-Computer Software	\$27,606	\$27,606	\$0	\$27,606	\$74,866	\$47,260
Sub-Total-IT Assets	\$71,797	\$90,921	\$19,124	\$90,921	\$155,848	\$64,927

Equipment

1915-Office Furniture and Equipment	\$50,428	\$51,442	\$1,014	\$51,442	\$55,901	\$4,459
1930-Transportation Equipment	\$245,849	\$253,297	\$7,448	\$253,297	\$253,297	\$0
1935-Stores Equipment	\$0	\$0	\$0	\$0	\$0	\$0
1940-Tools, Shop and Garage Equipment	\$53,677	\$60,832	\$7,155	\$60,832	\$68,897	\$8,066
1945-Measurement and Testing Equipment	\$0	\$2,678	\$2,678	\$2,678	\$2,678	\$0
1950-Power Operated Equipment	\$0	\$0	\$0	\$0	\$0	\$0
1955-Communication Equipment	\$0	\$0	\$0	\$0	\$0	\$0
1960-Miscellaneous Equipment	\$0	\$0	\$0	\$0	\$0	\$0
Sub-Total-Equipment	\$349,953	\$368,249	\$18,296	\$368,249	\$380,774	\$12,525

Other Distribution Assets

1825-Storage Battery Equipment	\$0	\$0	\$0	\$0	\$0	\$0
1970-Load Management Controls - Customer Premises	\$0	\$0	\$0	\$0	\$0	\$0
1975-Load Management Controls - Utility Premises	\$0	\$0	\$0	\$0	\$0	\$0
1980-System Supervisory Equipment	\$0	\$0	\$0	\$0	\$0	\$0
1985-Sentinel Lighting Rental Units	\$0	\$0	\$0	\$0	\$0	\$0
1990-Other Tangible Property	\$0	\$0	\$0	\$0	\$0	\$0
1995-Contributions and Grants - Credit	\$0	-\$166,135	-\$166,135	-\$166,135	-\$273,091	-\$106,955
Sub-Total-Other Distribution Assets	\$0	-\$166,135	-\$166,135	-\$166,135	-\$273,091	-\$106,955

GROSS ASSET TOTAL

\$4,574,655	\$4,792,927	\$218,272	\$4,792,927	\$5,075,283	\$282,356
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GROSS ASSET	2007 Actual (\$'s)	2008 Bridge (\$'s)	Variance form 2007 Actual	2008 Bridge (\$'s)	2009 Test (\$'s)	Variance form 2008 Bridge
Land and Buildings						
1805-Land	\$21,747	\$21,747	\$0	\$21,747	\$21,747	\$0
1806-Land Rights	\$0	\$0	\$0	\$0	\$0	\$0
1808-Buildings and Fixtures	\$70,939	\$70,939	\$0	\$70,939	\$70,939	\$0
1905-Land	\$0	\$0	\$0	\$0	\$0	\$0
1906-Land Rights	\$0	\$0	\$0	\$0	\$0	\$0
1810-Leasehold Improvements	\$0	\$0	\$0	\$0	\$0	\$0
Sub-Total-Land and Buildings	\$92,685	\$92,685	\$0	\$92,685	\$92,685	\$0
TS Primary Above 50						
1815-Transformer Station Equipment - Normally Primary above 50 kV	\$0	\$0	\$0	\$0	\$0	\$0
Sub-Total-TS Primary Above 50	\$0	\$0	\$0	\$0	\$0	\$0
DS						
1820-Distribution Station Equipment - Normally Primary below 50 kV	\$152,252	\$152,252	\$0	\$152,252	\$182,252	\$30,000
Sub-Total-DS	\$152,252	\$152,252	\$0	\$152,252	\$182,252	\$30,000
Poles and Wires						
1830-Poles, Towers and Fixtures	\$68,960	\$213,960	\$145,000	\$213,960	\$333,960	\$120,000
1835-Overhead Conductors and Devices	\$2,194,935	\$2,334,935	\$140,000	\$2,334,935	\$2,504,935	\$170,000
1840-Underground Conduit	\$4,042	\$4,042	\$0	\$4,042	\$4,042	\$0
1845-Underground Conductors and Devices	\$1,056,014	\$1,056,014	\$0	\$1,056,014	\$1,056,014	\$0
Sub-Total-Poles and Wires	\$3,323,951	\$3,608,951	\$285,000	\$3,608,951	\$3,898,951	\$290,000
Line Transformers						
1850-Line Transformers	\$773,801	\$898,801	\$125,000	\$898,801	\$1,033,801	\$135,000
Sub-Total-Line Transformers	\$773,801	\$898,801	\$125,000	\$898,801	\$1,033,801	\$135,000
Services and Meters						
1855-Services	\$77,331	\$82,331	\$5,000	\$82,331	\$92,331	\$10,000
1860-Meters	\$391,731	\$391,731	\$0	\$391,731	\$391,731	\$0
Sub-Total-Services and Meters	\$469,062	\$474,062	\$5,000	\$474,062	\$484,062	\$10,000

General Plant

1908-Buildings and Fixtures	\$0	\$0	\$0	\$0	\$0	\$0
1910-Leasehold Improvements	\$0	\$0	\$0	\$0	\$0	\$0
Sub-Total-General Plant	\$0	\$0	\$0	\$0	\$0	\$0

IT Assets

1920-Computer Equipment - Hardware	\$80,982	\$80,982	\$0	\$80,982	\$80,982	\$0
1925-Computer Software	\$74,866	\$74,866	\$0	\$74,866	\$74,866	\$0
Sub-Total-IT Assets	\$155,848	\$155,848	\$0	\$155,848	\$155,848	\$0

Equipment

1915-Office Furniture and Equipment	\$55,901	\$55,901	\$0	\$55,901	\$55,901	\$0
1930-Transportation Equipment	\$253,297	\$286,297	\$33,000	\$286,297	\$576,297	\$290,000
1935-Stores Equipment	\$0	\$0	\$0	\$0	\$0	\$0
1940-Tools, Shop and Garage Equipment	\$68,897	\$73,897	\$5,000	\$73,897	\$73,897	\$0
1945-Measurement and Testing Equipment	\$2,678	\$2,678	\$0	\$2,678	\$2,678	\$0
1950-Power Operated Equipment	\$0	\$0	\$0	\$0	\$0	\$0
1955-Communication Equipment	\$0	\$0	\$0	\$0	\$0	\$0
1960-Miscellaneous Equipment	\$0	\$0	\$0	\$0	\$0	\$0
Sub-Total-Equipment	\$380,774	\$418,774	\$38,000	\$418,774	\$708,774	\$290,000

Other Distribution Assets

1825-Storage Battery Equipment	\$0	\$0	\$0	\$0	\$0	\$0
1970-Load Management Controls - Customer Premises	\$0	\$0	\$0	\$0	\$0	\$0
1975-Load Management Controls - Utility Premises	\$0	\$0	\$0	\$0	\$0	\$0
1980-System Supervisory Equipment	\$0	\$0	\$0	\$0	\$0	\$0
1985-Sentinel Lighting Rental Units	\$0	\$0	\$0	\$0	\$0	\$0
1990-Other Tangible Property	\$0	\$0	\$0	\$0	\$0	\$0
1995-Contributions and Grants - Credit	-\$273,091	-\$273,091	\$0	-\$273,091	-\$273,091	\$0
Sub-Total-Other Distribution Assets	-\$273,091	-\$273,091	\$0	-\$273,091	-\$273,091	\$0

GROSS ASSET TOTAL

\$5,075,283	\$5,528,283	\$453,000	\$5,528,283	\$6,283,283	\$755,000
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MATERIALITY ANALYSIS CALCULATION

The calculation of the Materiality Threshold for Accumulated Depreciation and Gross Assets is shown in the following table:

Materiality Threshold is 1% of net fixed assets.

	2007 Actual		2008 Bridge		2009 Test
Gross cost	\$4,967,110		\$5,420,110		\$6,175,110
Accumulated Amortization	-\$1,329,086		-\$1,617,244		-\$1,960,264
Net Fixed Assets	\$3,638,024		\$3,802,866		\$4,214,847
1% of Net Fixed Assets	\$36,380		\$38,029		\$42,148

MATERIALITY ANALYSIS ON GROSS ASSET

Asset Account	Bridge Year	Test Year	Variance
1830-Poles Towers and Fixtures	\$213,960	\$333,960	-\$120,000

Explanation: The majority of system improvement projects will impact this account as invariably poles are replaced either due to deterioration or movement of the poles to ease access. There was also a single project for \$80,000 that impacts this account which is WEST COAST's Pole Replacement program. Three of the projects that had dollar amounts impact this account were greater than the materiality threshold for 2008 and they will be explained in Exhibit 2, Tab 3, Schedule 2.

Asset Account	Bridge Year	Test Year	Variance
1835-Overhead Conductors and Devices	\$2,334,935	\$2,504,935	-\$170,000

Explanation: Once again the majority of system improvement projects will impact this account as in any enhancement project there will be additions of conductors and devices utilized in the construction project. Two of the projects that had dollar amounts impact this gl account were greater than the materiality threshold for 2008 and they will be explained in Exhibit 2, Tab 3, Schedule 2.

Asset Account	Bridge Year	Test Year	Variance
1850-Line Transformers	\$898,801	\$1,033,801	-\$135,000

Explanation: The majority of system improvement projects will impact this account as in any enhancement project there will be additions of transformers utilized in the construction project. Two of the projects that had dollar amounts impact this gl account were greater than the materiality threshold for 2008 and they will be explained in Exhibit 2, Tab 3, Schedule 2.

Asset Account	Bridge Year	Test Year	Variance
1930-Transportation Equipment	\$286,297	\$576,297	-\$290,000

Explanation: West Coast Huron Energy is in need of replacing a bucket truck due to a current truck coming to the end of its useful life. This purchase will be explained in Exhibit 2, Tab 3, Schedule 2.

ACCUMULATED DEPRECIATION TABLE

ACCUMULATED DEPRECIATION TABLE	2006 Board Approved (\$'s)	2006 Actual (\$'s)	Variance from 2006 Board Approved	2006 Actual (\$'s)	2007 Actual (\$'s)	Variance from 2006 Actual
Land and Buildings						
1805-Land-Depreciation			\$0	\$0		\$0
1806-Land Rights-Depreciation			\$0	\$0		\$0
1808-Buildings and Fixtures-Depreciation	\$10,864	\$16,409	\$5,545	\$16,409	\$19,242	\$2,833
1905-Land-Depreciation			\$0	\$0		\$0
1906-Land Rights-Depreciation			\$0	\$0		\$0
1810-Leasehold Improvements-Depreciation			\$0	\$0		\$0
Sub-Total-Land and Buildings	\$10,864	\$16,409	\$5,545	\$16,409	\$19,242	\$2,833
TS Primary Above 50						
1815-Transformer Station Equipment - Normally Primary above 50 kV-Depreciation			\$0	\$0		\$0
Sub-Total-TS Primary Above 50	\$0	\$0	\$0	\$0	\$0	\$0
DS						
1820-Distribution Station Equipment - Normally Primary below 50 kV-Depreciation	\$24,304	\$36,484	\$12,180	\$36,484	\$42,574	\$6,090
Sub-Total-DS	\$24,304	\$36,484	\$12,180	\$36,484	\$42,574	\$6,090
Poles and Wires						
1830-Poles, Towers and Fixtures-Depreciation		\$1,081	\$1,081	\$1,081	\$1,920	\$839
1835-Overhead Conductors and Devices-Depreciation	\$303,967	\$476,742	\$172,775	\$476,742	\$564,115	\$87,373
1840-Underground Conduit-Depreciation		\$127	\$127	\$127	\$266	\$139
1845-Underground Conductors and Devices-Depreciation	\$134,197	\$211,204	\$77,007	\$211,204	\$251,961	\$40,757
Sub-Total-Poles and Wires	\$438,164	\$689,154	\$250,990	\$689,154	\$818,262	\$129,108
Line Transformers						
1850-Line Transformers-Depreciation	\$101,207	\$161,072	\$59,865	\$161,072	\$189,685	\$28,613
Sub-Total-Line Transformers	\$101,207	\$161,072	\$59,865	\$161,072	\$189,685	\$28,613
Services and Meters						
1855-Services-Depreciation		\$754	\$754	\$754	\$2,770	\$2,016
1860-Meters-Depreciation	\$46,104	\$78,991	\$32,887	\$78,991	\$94,613	\$15,622
Sub-Total-Services and Meters	\$46,104	\$79,745	\$33,641	\$79,745	\$97,383	\$17,638

General Plant

1908-Buildings and Fixtures-Depreciation			\$0		\$0	\$0
1910-Leasehold Improvements-Depreciation			\$0		\$0	\$0
Sub-Total-General Plant	\$0	\$0	\$0	\$0	\$0	\$0

IT Assets

1920-Computer Equipment - Hardware-Depreciation	\$15,431	\$25,948	\$10,517	\$25,948	\$33,163	\$7,215
1925-Computer Software-Depreciation	\$14,686	\$27,366	\$12,680	\$27,366	\$32,490	\$5,124
Sub-Total-IT Assets	\$30,117	\$53,314	\$23,197	\$53,314	\$65,652	\$12,338

Equipment

1915-Office Furniture and Equipment-Depreciation	\$19,863	\$30,055	\$10,192	\$30,055	\$36,764	\$6,709
1930-Transportation Equipment-Depreciation	\$110,463	\$173,735	\$63,272	\$173,735	\$237,059	\$63,324
1935-Stores Equipment-Depreciation			\$0	\$0	\$0	\$0
1940-Tools, Shop and Garage Equipment-Depreciation	\$40,347	\$52,751	\$12,404	\$52,751	\$68,967	\$16,216
1945-Measurement and Testing Equipment-		\$670	\$670	\$670	\$1,340	\$670
1945-Measurement and Testing Equipment-Depreciation			\$0	\$0	\$0	\$0
1950-Power Operated Equipment-Depreciation			\$0	\$0	\$0	\$0
1955-Communication Equipment-Depreciation			\$0	\$0	\$0	\$0
1960-Miscellaneous Equipment-Depreciation			\$0	\$0	\$0	\$0
Sub-Total-Equipment	\$170,673	\$257,211	\$86,538	\$257,211	\$344,130	\$86,919

Other Distribution Assets

1825-Storage Battery Equipment-Depreciation			\$0	\$0		\$0
1970-Load Management Controls - Customer Premises-Depreciation			\$0	\$0		\$0
1975-Load Management Controls - Utility Premises-Depreciation			\$0	\$0		\$0
1980-System Supervisory Equipment-Depreciation			\$0	\$0		\$0
1985-Sentinel Lighting Rental Units-Depreciation			\$0	\$0		\$0
1990-Other Tangible Property-Depreciation			\$0	\$0		\$0
1995-Contributions and Grants - Credit-Depreciation			\$0	\$0	-\$8,995	-\$8,995
Sub-Total-Other Distribution Assets	\$0	\$0	\$0	\$0	-\$8,995	-\$8,995

ACCUMULATED DEPRICIATION TOTAL

\$821,433	\$1,293,389	\$471,956	\$1,293,389	\$1,567,934	\$274,545
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ACCUMULATED DEPRECIATION TABLE	2007 Actual (\$'s)	2008 Bridge (\$'s)	Variance from 2007 Actual	2008 Bridge (\$'s)	2009 Test (\$'s)	Variance from 2008 Bridge
Land and Buildings						
1805-Land-Depreciation	\$0		\$0	\$0		\$0
1806-Land Rights-Depreciation	\$0		\$0	\$0		\$0
1808-Buildings and Fixtures-Depreciation	\$19,242	\$22,080	\$2,838	\$22,080	\$24,917	\$2,838
1905-Land-Depreciation	\$0		\$0	\$0		\$0
1906-Land Rights-Depreciation	\$0		\$0	\$0		\$0
1810-Leasehold Improvements-Depreciation	\$0		\$0	\$0		\$0
Sub-Total-Land and Buildings	\$19,242	\$22,080	\$2,838	\$22,080	\$24,917	\$2,838
TS Primary Above 50						
1815-Transformer Station Equipment - Normally Primary above 50 kV-Depreciation	\$0		\$0	\$0		\$0
Sub-Total-TS Primary Above 50	\$0	\$0	\$0	\$0	\$0	\$0
DS						
1820-Distribution Station Equipment - Normally Primary below 50 kV-Depreciation	\$42,574	\$48,664	\$6,090	\$48,664	\$55,354	\$6,690
Sub-Total-DS	\$42,574	\$48,664	\$6,090	\$48,664	\$55,354	\$6,690
Poles and Wires						
1830-Poles, Towers and Fixtures-Depreciation	\$1,920	\$5,658	\$3,739	\$5,658	\$10,958	\$5,300
1835-Overhead Conductors and Devices-Depreciation	\$564,115	\$654,713	\$90,597	\$654,713	\$751,510	\$96,797
1840-Underground Conduit-Depreciation	\$266	\$428	\$162	\$428	\$590	\$162
1845-Underground Conductors and Devices-Depreciation	\$251,961	\$294,201	\$42,241	\$294,201	\$336,442	\$42,241
Sub-Total-Poles and Wires	\$818,262	\$955,000	\$136,738	\$955,000	\$1,099,500	\$144,500
Line Transformers						
1850-Line Transformers-Depreciation	\$189,685	\$223,137	\$33,452	\$223,137	\$261,789	\$38,652
Sub-Total-Line Transformers	\$189,685	\$223,137	\$33,452	\$223,137	\$261,789	\$38,652
Services and Meters						
1855-Services-Depreciation	\$2,770	\$5,963	\$3,193	\$5,963	\$9,457	\$3,493
1860-Meters-Depreciation	\$94,613	\$110,282	\$15,669	\$110,282	\$125,951	\$15,669
Sub-Total-Services and Meters	\$97,383	\$116,245	\$18,862	\$116,245	\$135,408	\$19,162

General Plant

1908-Buildings and Fixtures-Depreciation	\$0		\$0	\$0		\$0
1910-Leasehold Improvements-Depreciation	\$0		\$0	\$0		\$0
Sub-Total-General Plant	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

IT Assets

1920-Computer Equipment - Hardware-Depreciation	\$33,163	\$41,261	\$8,098	\$41,261	\$49,359	\$8,098
1925-Computer Software-Depreciation	\$32,490	\$39,976	\$7,487	\$39,976	\$47,463	\$7,487
Sub-Total-IT Assets	<u>\$65,652</u>	<u>\$81,237</u>	<u>\$15,585</u>	<u>\$81,237</u>	<u>\$96,822</u>	<u>\$15,585</u>

Equipment

1915-Office Furniture and Equipment-Depreciation	\$36,764	\$43,752	\$6,988	\$43,752	\$50,739	\$6,988
1930-Transportation Equipment-Depreciation	\$237,059	\$304,509	\$67,449	\$304,509	\$412,333	\$107,824
1935-Stores Equipment-Depreciation	\$0	\$0	\$0	\$0	\$0	\$0
1940-Tools, Shop and Garage Equipment-Depreciation	\$68,967	\$86,816	\$17,849	\$86,816	\$105,291	\$18,474
1945-Measurement and Testing Equipment-	\$1,340	\$2,009	\$670	\$2,009	\$2,679	\$670
1945-Measurement and Testing Equipment-Depreciation	\$0	\$0	\$0	\$0	\$0	\$0
1950-Power Operated Equipment-Depreciation	\$0	\$0	\$0	\$0	\$0	\$0
1955-Communication Equipment-Depreciation	\$0	\$0	\$0	\$0	\$0	\$0
1960-Miscellaneous Equipment-Depreciation	\$0	\$0	\$0	\$0	\$0	\$0
Sub-Total-Equipment	<u>\$344,130</u>	<u>\$437,086</u>	<u>\$92,956</u>	<u>\$437,086</u>	<u>\$571,042</u>	<u>\$133,956</u>

Other Distribution Assets

1825-Storage Battery Equipment-Depreciation	\$0		\$0	\$0		\$0
1970-Load Management Controls - Customer Premises-Depreciation	\$0		\$0	\$0		\$0
1975-Load Management Controls - Utility Premises-Depreciation	\$0		\$0	\$0		\$0
1980-System Supervisory Equipment-Depreciation	\$0		\$0	\$0		\$0
1985-Sentinel Lighting Rental Units-Depreciation	\$0		\$0	\$0		\$0
1990-Other Tangible Property-Depreciation	\$0		\$0	\$0		\$0
1995-Contributions and Grants - Credit-Depreciation	-\$8,995	-\$19,918	-\$10,924	-\$19,918	-\$30,842	-\$10,924
Sub-Total-Other Distribution Assets	<u>-\$8,995</u>	<u>-\$19,918</u>	<u>-\$10,924</u>	<u>-\$19,918</u>	<u>-\$30,842</u>	<u>-\$10,924</u>

ACCUMULATED DEPRICIATION TOTAL

<u>\$1,567,934</u>	<u>\$1,863,531</u>	<u>\$295,597</u>	<u>\$1,863,531</u>	<u>\$2,213,990</u>	<u>\$350,459</u>
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MATERIALITY ANALYSIS ON ACCUMULATED DEPRICIATION

Asset Account	Bridge Year	Test Year	Variance
1835-Overhead Conductors and Devices - Depreciation	\$567,868	\$664,665	\$96,797

Explanation: The accumulated depreciation increased by more than materiality for Overhead Conductors and Devices due to the fact that the associated asset account represents a large portion of the Distribution Assets in service for WEST COAST. The associated asset account is \$2,504,935 of WEST COAST's total gross asset base and consequently will generate a large amount of amortization as a result. It is important to note that amortization rates have not changed on this account throughout the whole timeframe of the application.

Asset Account	Bridge Year	Test Year	Variance
1845-Underground Conductors and Devices-Depreciation	\$254,922	\$297,163	\$42,241

Explanation: The accumulated depreciation increased by more than materiality for Underground Conductors and Devices due to the fact that the associated asset account represents a large portion of the Distribution Assets in service for WEST COAST. The associated asset account is \$1,056,014 of WEST COAST's total gross asset base and consequently will generate a large amount of amortization as a result. It is important to note that amortization rates have not changed on this account throughout the whole timeframe of the application.

Asset Account	Bridge Year	Test Year	Variance
1850-Line Transformers-Depreciation	\$191,819	\$230,471	\$38,652

Explanation: The accumulated depreciation increased by more than materiality for Line Transformers due to the fact that the associated asset account represents a large portion of the Distribution Assets in service for WEST COAST. The associated asset account is \$1,033,801 of WEST COAST's total gross asset base and consequently will generate a large amount of amortization as a result. It is important to note that amortization rates have not changed on this account throughout the whole timeframe of the application.

Asset Account	Bridge Year	Test Year	Variance
1930-Transportation Equipment- Depreciation	\$272,898	\$380,722	\$107,824

Explanation: The accumulated depreciation increased by more than materiality for Transportation Equipment as a direct result of the fact that vehicles amortize quickly coupled by the fact that a new Bucket Truck is being added in service in 2009 which will explained in the explanation of capital additions in Exhibit 2, Tab 3, Schedule 2.

CAPITAL BUDGET BY PROJECT

Project Description	USoA Account	Expansion or Enhancement	Amount	Spend Year
27KV Conversion and Feeder Operating Enhancements	1830, 1835, 1850	Enhancement	\$175,000	Bridge
Replace Danger Poles within Distribution System	1830, 1835	Enhancement	\$95,000	Bridge
Upgrade Poles and Conductor on M3 6 spans from TS	1830, 1836	Enhancement	\$80,000	Bridge
Cost of Connecting New Customers	1850, 1855	Expansion	\$50,000	Bridge
Tools and equipment purchases	1940	Enhancement	\$5,000	Bridge
Transformer purchases for Inventory	1850	Enhancement	\$15,000	Bridge
purchase truck	1930	Enhancement	\$33,000	Bridge
			\$453,000	

Project Description	USoA Account	Expansion or Enhancement	Amount	Spend Year
Release 31M3 27.6kv Constraints on South Loop by Introducing 31M4 27.6 Circuit	1830, 1835, 1850	Enhancement	\$305,000	Test
Replace Danger Poles within Distribution System	1830, 1835	Enhancement	\$50,000	Test
Fencing & Grounding and station overhaul	1820	Enhancement	\$30,000	Test
Cost of Connecting New Customers	1850, 1855	Expansion	\$60,000	Test
Transformer purchases for Inventory	1850	Enhancement	\$20,000	Test
New Bucket Truck Ordered in 2008	1930	Enhancement	\$290,000	Test
			\$755,000	

MATERIALITY ANALYSIS ON CAPITAL BUDGETS**West Coast Huron Energy (WCHE) Capital Additions Explanations.****Project ID 2009, “New Bucket Truck”**

WCHE has a current fleet of only one bucket truck. The existing bucket truck is a 1990 50' aerial device over 18 years old and has exceeded its end of life expectation. Most bucket truck fleets have a life cycle of 10-15 years maximum. With some of the distribution system configurations that will be posed in coming years a larger 55' unit will be required to perform some of the day to day functions required. With the constraint of only one bucket truck it is imperative that the utilities fleet maintains in good operational standing and not to jeopardize worker safety while working aloft.

Project ID 1126, “Replace Danger Poles”:

In 2007 WCHE had contractor a company to come in a perform pole testing on ¼ of the poles in the distribution system. The results of testing have been evaluated and prioritized to mitigate the utilities risks. Funding is required over a two year period (2008, 2009) to deal with the asset condition.

Project ID 1129, “Cost of Connecting New Customers”:

Starting in 2007 WCHE has seen a rise in new capital commercial additions as a result of big box stores being attracted to the community. System expansions/enhancements have been taken to accommodate the new connections. Local municipal planners have indicated the trend to continue into 2009.

Project ID 1124, 1132, 1134, “M3 & M4 Feeder Enhancements”:

In 2007 Sifto Salt announced an expansion to the plant which was cause for concern for the existing distribution infrastructure. WCHE retained an engineering firm to conduct a distribution system feeder assessment and report back on their findings and recommendations.

Report Summary

Goderich Hydro (the LDC) has two feeders, the M3 which peaks at 17 MW or 475 A and the M4 which peaks at 9.5 MW or 215 A. The feeders are 336 conductor which has a maximum current rating of 450 A. Refer to Section 5 for discussion. The load on the M3 is primarily one customer, Sifto Salt, whose load characteristic has a low power factor of about 0.78. Since at peak the 336 conductor exceeds its rating, the LDC has no operating flexibility or redundancy for the loss of critical feeder elements. Sifto has expansion plans and the LDC is concerned that a critical situation is going to get worse.

This report assesses the status quo and works through a number of potential options to reinforce supply, lower operating currents and provide operating flexibility and redundancy.

There are two approaches with some similar and some alternate options. The first is to maximize the facility of the two existing feeders. The second and preferred option is to add a third feeder.

The components of the approaches can be mixed and matched for interim relief providing the end point is kept in focus and to some extent the order of activities depending on the opportunity to do work, the timing

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available and working with Sifto's plans to integrate the upgrades to ensure the least disruption to the town's customers and Sifto.

In summary the upgrade recommendations have been considered and WCHE has determined the best solution to be:

Add a Third Feeder

- Build tie line between M3 and M4 circuits MS 1 to MS 2.
- Add breaker position to TS.
- Build 3rd circuit from TS to MS2. Increase M3 conductor size to 556 from TS to MS2.
- Split Sifto load by double circuiting into plant
- Add ties between TS and splits for M3, M4 and 3rd feeder to increase operating flexibility.
- Upgrade M4 egress from 750 kCMil Al to 1000 kCMil Cu.

This solution will require significant investment over the next five years. Once completed the results will relieve constraints, reduce system losses, and provide safe, reliable power for the customers served.

Complete report can be viewed in Appendix I and Appendix J attached to this application.

West Coast Huron Energy Inc. (WCHE) Asset Management Plan

WCHE has developed a number of processes and work flow procedures necessary to manage and maintain the distribution assets within its licensed service territory. The asset investment strategy for WCHE is illustrated within Appendix L.

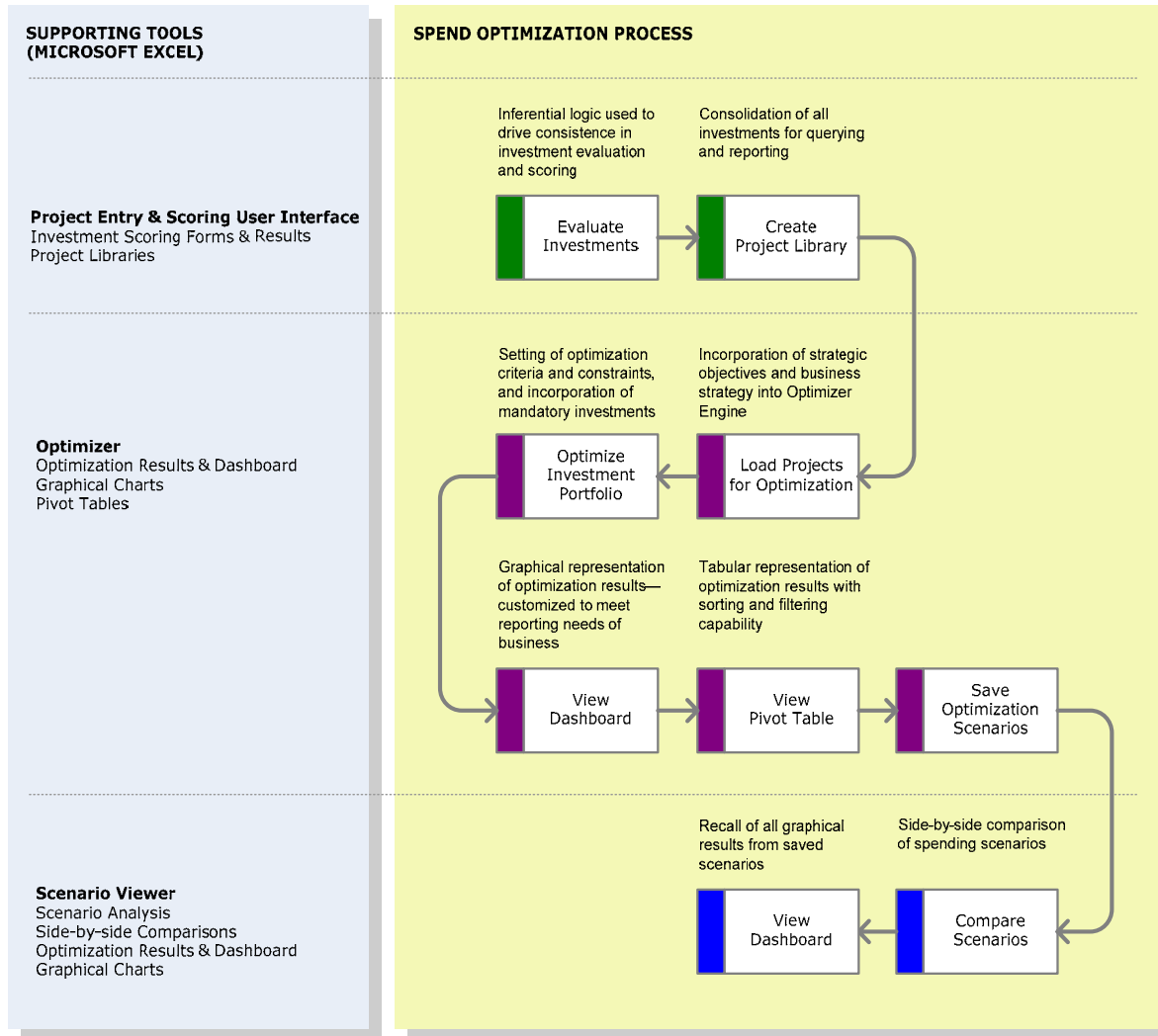
Embedded with in the plan is the requirement for needs assessments. Ongoing assessments are done on a continue basis through annual inspections, work flow processes and trouble report procedures. In addition it is imperative for WCHE to participate and communicate with local developers along with municipal planners to assess future requirements for the distribution system. Attachments for these processes are detailed below.

1. Appendix J describes the annual process for annual inspection and maintenance of the distribution system. In addition to the annual inspection requirement for WCHE staff, contractors are used to perform yearly infrared scans on the entire distribution system along with bi annual pole testing on $\frac{1}{4}$ of the distribution system. Through this process information is gathered pertinent to the condition and state of the distribution system in its current state that lend to the needs assessment process to support capex and opex spending decisions.
2. Appendix K describes the day to day work flow methods which also lend itself to the needs assessment process.
3. Appendix M illustrates another method of gathering data for both OEB reporting requirements and outage information that trend ongoing issues with the distribution system. This information is evaluated on an ongoing basis and used to support capex and opex spending decisions.
4. Customer requests, participation in municipal planning and development meetings, market rules (Electrical Safety Authority requirements) all form part of the needs assessment process as well.
5. Distribution System analysis (feeder studies) – WCHE has recently undergone a feeder study which has determined that its 27kv distribution system (loop) circuits M3 and M4 are very constrained and it lacks operational flexibility and the ability to support new load growth. Results of such studies and their recommendations along with priorities of needs over the next 5 years have been included within the portfolio.

Elements listed above held identify areas of need which will form projects that become part of a portfolio which is developed throughout the year. The projects are then analyzed for their validity before being entered into our project library and optimized for the best outcome.

With the optimization process employed the projects that bring the greatest value along with accelerated plans for projects that pose the greatest risk will be executed first. When all drivers are thoroughly and equally evaluated “reactive” situations can be avoided.

Optimization Process



1.1 FUNCTIONAL Walkthrough

Optimizer Toolset is designed to facilitate the asset planning and budgeting processes through portfolio optimization. Portfolio optimization takes a holistic view of all expenditures by project/program and enables the determination of a spending portfolio that fits any given budget constraint and produces the highest cumulative weighted benefit across all nominated strategic objectives of the business.

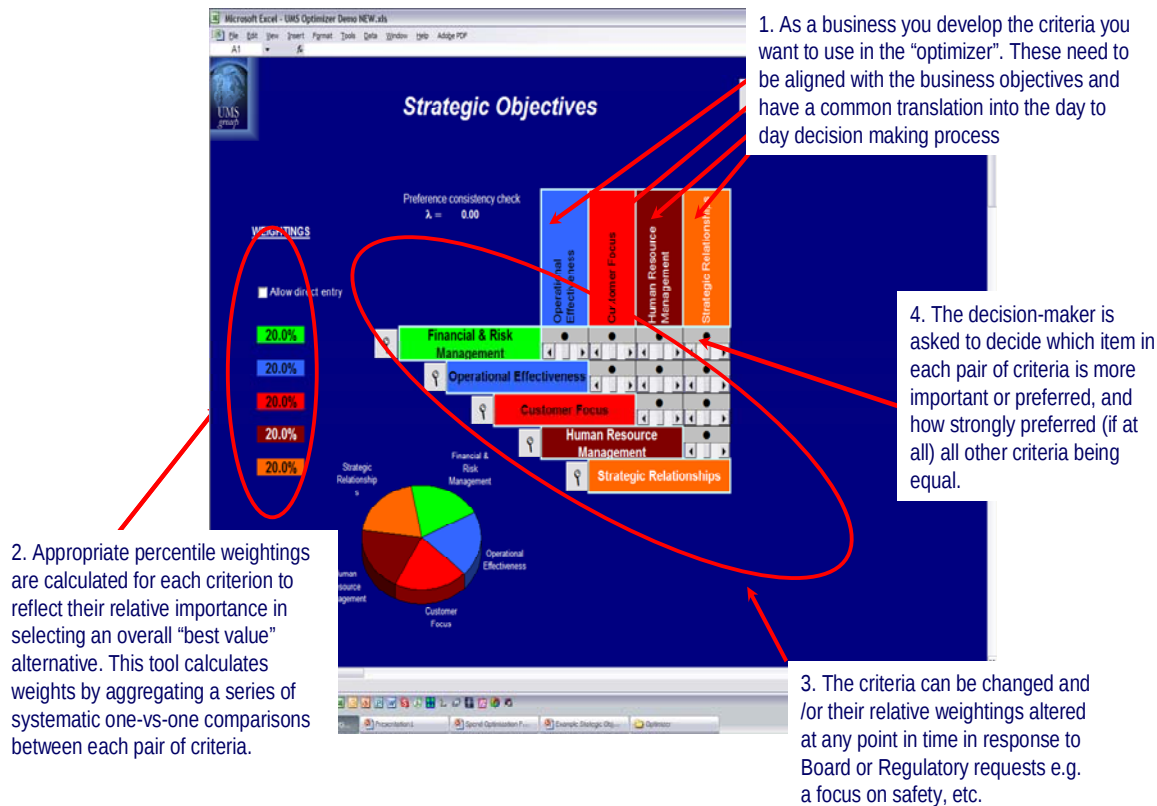
Put another way, investment optimization focuses on selecting the optimum bundle of projects/programs that maximizes the strategic value with an acceptable risk exposure and for minimum cost. The contribution of individual projects is measured within the bundle. What portfolio optimization avoids, therefore, is the trap of budget entitlements. That is, budget allocation based primarily on subjective or organization political considerations, rather than to meet strategic objectives (maximize value) or to minimize risk for the least cost. The Optimizer toolset

incorporates the latest techniques and mathematical algorithms, and the functionality fits the realities of today's operating requirements.

The overall Optimizer toolset is comprised of six components: Strategic Objectives, Project Entry and Scoring User Interface, Project Library, Optimizer Engine, Optimization Results Dashboard, and Scenario Viewer.

1.2 Strategic Objectives

A unique set of strategic business objectives is incorporated into the Optimizer. Business leaders outline the strategic value and risk frameworks you want to use to influence spend decisions. The strategic objectives and sub-criteria making up this framework need to be aligned with your business strategies and mission.



Scoring Matrices

Subject Matter Experts (SMEs) facilitate the development of scoring matrices for all strategic objectives and decision parameters (both value and risk). Each proposed investment will be analyzed across these defined value parameters and risk domains. For our purposes, value is assessed as the benefit (or detriment) that would result if the investment were funded, whereas the risk is assessed in terms of the risk of deferral, or what could potentially happen (consequence and probability) for any investment not funded.

1.3 Project Entry and Scoring User Interface

Consistency, accuracy, and precision are all important in ensuring effective evaluation of investments. However, in our experience, consistency is the most important because, at its root, investment optimization is a relative comparison process. Accuracy, although secondary in importance, is also necessary to achieve a clear and truthful depiction of the value and risk associated with each investment. Precision is tertiary in importance and is to be achieved when consistency and accuracy are not jeopardized. To this end, the Optimizer offers an inferential Project Entry and Scoring User Interface that dramatically facilitates the task of assembling the data needed to evaluate investments. "Data input" is the program-guided and user-executed process by which all data and assumptions relevant to the evaluation of work, projects or investments are queried for, responded to and collected as program inputs.

1.4 Project Library

The Project Library functions as a database of all investment information. All CAPEX and OPEX spend is stored in the Library. The Library is divided into four major categories of information:

- Demographics – where basic information about each investment, such as year, location, and budget process data is captured,

- Cost – where the investment cost information is broken down,
- Value – where the results of the investment scorings are captured, and
- Risk – where the results of the risk assessment are captured.

The Project Library is created from the Project Entry and Scoring User Interface. This relationship between the Project Entry and Scoring User Interface and the Project Library allows for both the information needed for analysis and the additional information required for value determination to be retained for audit, detailed analysis and historical/ reference purposes.

The decision-maker has the ability to "force select" certain projects – e.g. new

Project Identifier	Project Name	Budget Year	Cost Category	Project Type	Business Unit	Estimated Start Date	Program	Business Case Prepared By	Business Case Reviewed By	Project Manager	Project Status
2000-0001	Here to There Tie	2000	Capital	Reliability	Network Planning & Operations	Anytime	Betterments	R. Abdullah	R. Abdullah		Planned
2000-0002	Station Betterments-Tap changer Filter	2000	Capital	Reliability	Network Planning & Operations	Anytime	Minor Station Works	R. Abdullah	R. Abdullah		Planned
2000-0003	Relocate poles for 3rd Party	2000	Capital	Demand	Network Planning & Operations	February	Distribution System Program	R. Abdullah	R. Abdullah		Planned
2000-0004	Linebank Reconst - 7F4	2000	Capital	Demand	Network Planning & Operations	May	Road Reconstruction Projects	R. Abdullah	R. Abdullah		Planned
2000-0005	Smithville U/G Improvements	2000	Capital	Reliability	Network Planning & Operations	July	Betterments	R. Abdullah	R. Abdullah		Planned
2000-0006	Padmounted SV/G	2000	Capital	Reliability	Network Planning & Operations	October	Distribution Automation	R. Abdullah	R. Abdullah		Planned
2000-0007	Angtown F1/F5	2000	Capital	Reliability	Network Planning & Operations	June	Betterments	R. Abdullah	R. Abdullah		Planned
2000-0008	Hwy 7 Reconstruction	2000	Capital	Demand	Network Planning & Operations	August	Road Reconstruction Projects	R. Abdullah	R. Abdullah		Planned
2000-0009	Upgrade BRDF cable to opt. Capacity	2000	Capital	Reliability	Network Planning & Operations	August	Betterments	R. Abdullah	R. Abdullah		Planned
2000-0010	Splice Replacement	2000	Capital	Reliability	Network Planning & Operations	July	Distribution System Program	R. Abdullah	R. Abdullah		Planned
2000-0011	Pole Mounted SV/G	2000	Capital	Reliability	Network Planning & Operations	January	Distribution Automation	R. Abdullah	R. Abdullah		Planned
2000-0012	Residential Developments	2000	Capital	Demand	Network Planning & Operations	Anytime	Metering	R. Abdullah	R. Abdullah		Planned
2000-0013	SV/ Vault removal	2000	Capital	Reliability	Network Planning & Operations	August	Betterments	R. Abdullah	R. Abdullah		Planned
2000-0014	New RTU's	2000	Capital	Reliability	Network Planning & Operations	August	SCADA	R. Abdullah	R. Abdullah		Planned
2000-0015	Minor SCADA upgrades	2000	Capital	Reliability	Network Planning & Operations	June	SCADA	R. Abdullah	R. Abdullah		Planned
2000-0016	Life extension Program-Russel	2000	Capital	Reliability	Network Planning & Operations	Anytime	Minor Station Works	R. Abdullah	R. Abdullah		Planned
2000-0017	ASMS 44 kV Improvements	2000	Capital	Reliability	Network Planning & Operations	December	Betterments	R. Abdullah	R. Abdullah		Planned
2000-0018	Commercial Developments	2000	Capital	General Plant	Network Planning & Operations	Anytime	Metering	J. Smith	J. Smith		Planned
2000-0019	Transformer Replacement	2000	Capital	Demand	Network Planning & Operations	January	Distribution System Program	J. Smith	J. Smith		Planned
2000-0020	Station Betterments-Bagshore D.S. up	2000	Capital	Reliability	Network Planning & Operations	Anytime	Minor Station Works	J. Smith	J. Smith		Planned
2000-0021	Bow Conversion	2000	Capital	Reliability	Network Planning & Operations	October	SCADA	J. Smith	J. Smith		Planned
2000-0022	Transformer Replacements	2000	Capital	Reliability	Network Planning & Operations	March	Distribution System Program	J. Smith	J. Smith		Planned
2000-0023	Jack Bus Replacement	2000	Capital	Reliability	Network Planning & Operations	Anytime	Betterments	J. Smith	J. Smith		Planned
2000-0024	Unplanned PLC Cable replacement	2000	Capital	Demand	Network Planning & Operations	March	Distribution System Program	J. Smith	J. Smith		Planned
2000-0025	service upgrades	2000	Capital	Demand	Network Planning & Operations	Anytime	Residential Development	J. Smith	J. Smith		Planned
2000-0026	Goulbourn Stat. Monitoring	2000	Capital	Reliability	Network Planning & Operations	September	SCADA	J. Smith	J. Smith		Planned
2000-0027	4th Line Reconstruction	2000	Capital	Demand	Network Planning & Operations	July	Road Reconstruction Projects	J. Smith	J. Smith		Planned
2000-0028	minor commercial upgrades	2000	Capital	Demand	Network Planning & Operations	July	Commercial Development	J. Smith	J. Smith		Planned
2000-0029	Laurel Bridge Reconstruction	2000	Capital	Demand	Network Planning & Operations	March	Road Reconstruction Projects	J. Smith	J. Smith		Planned
2000-0030	DMP3 Conver. remote Sv/s	2000	Capital	Reliability	Network Planning & Operations	August	SCADA	J. Smith	J. Smith		Planned
2000-0031	Angtown F3/F4	2000	Capital	Reliability	Network Planning & Operations	Anytime	Betterments	J. Smith	J. Smith		Planned
2000-0032	SCADA Upgrades	2000	Capital	Reliability	Network Planning & Operations	July	SCADA	J. Smith	J. Smith		Planned

1.5 Optimizer Engine

The Optimizer Engine brings all of the decision parameters together for rapid analysis and easy business studies of multiple issues, including complete flexibility for scenario analysis.

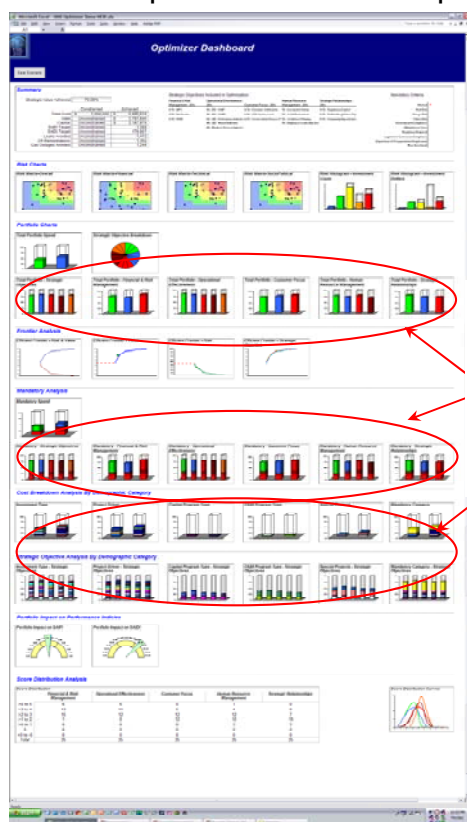
The user is in total control over the analysis parameters. The Optimizer allows the user to designate the investment cost type and budget limits that they wish to analyze (OPEX, CAPEX, or both). In addition to budgetary constraints, users are able to apply any combination of target constraints (e.g., safety performance, plant reliability, resource availability, remediation cost, etc), or any other operational program targets to a given optimization scenario. Likewise, complete flexibility is provided to the user over the optimization parameters. The default analysis is an

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optimization across all the strategic objectives, however, any combination of the strategic objectives or sub-objectives or risk parameters can be selected or unselected for more targeted analysis. In addition to the optimization criteria, the Optimizer allows the user to further enhance the analysis by designating investments as mandatory or discretionary. Investments can be marked as mandatory either individually or by category. The Optimizer also allows for inclusion of dependencies and exclusivities among investments.

1.6 Optimization Results Dashboard

The Optimizer provides both graphical and tabular outputs. The graphical outputs are provided in a thumbnail “Dashboard” as well as full screen charts. This approach allows for quick scanning across all parameters and still provides for detailed analysis where appropriate.



Charts outline the portfolios breakdown of value according to Strategic Objectives, mandatory spend, budget categories,

There are many standard charts included in the dashboard – Risk Breakdowns, Cost Breakdowns, Value Breakdowns, and Frontier Analysis (allowing users to compare the selected portfolio against the efficient frontier, or maximum achievable value or risk mitigation at any spending level). If desired, all of the Optimizer’s graphical outputs can be customized on the engagement to meet the needs. You can choose to include additional Target Analysis (allowing the direct impact of portfolio spend to be calculated in terms of performance targets reliability, availability, emissions limits. The primary limitation on the graphical outputs is the availability of your data inputs.

The tabular outputs take advantage of Excel’s pivot table capabilities to provide complete sorting, filtering, and report printing control. These results are easily saved and archived for scenario analysis or incorporation into the budgeting systems.

CAPITALIZATION POLICY**POLICIES, PROCEDURES & DIRECTIVES**APPROVAL DATE: October 28, 2004DATE PREPARED: October 28, 2004POLICY: Fixed Asset and Acquisition Policy**1. PURPOSE**

The purpose of this policy is to lay out the authorization levels required for the purchase of fixed assets and to detail the costs that shall be capitalized as acquisition value. It also provides guidance on the accounting treatment of lease-to-purchase assets.

2. SCOPE

This policy applies to all employees engaged in the purchase of fixed assets.

3. POLICY

- 3.01 Only fixed assets with a cost exceeding \$500 shall be capitalized.
- 3.02 Fixed asset purchases not included in the capital budget may be authorized by the President.
- 3.03 Fixed asset purchases greater than \$50,000 shall always require a business case to be presented before the purchase will be authorized.
- 3.04 Fixed asset purchases shall follow all purchasing policies except where superseded by this policy.

4. RESPONSIBILITY

- 4.01 The initiating department is responsible for preparing and presenting a business case for any purchase valued at \$50,000.00 or more. Finance and purchasing will assist as required.
- 4.02 The Finance Department is responsible for maintaining fixed asset records.

5. PROCEDURES

- 5.01 Only fixed assets with a cost exceeding \$500.00 shall be capitalized. In the case of the purchase of a set or group of items, this limit applies to the entire set or group.
- 5.02 Fixed asset purchases greater than \$50,000.00 whether or not included in the capital budget, shall require a business case that explains why the purchase is required and demonstrates the financial justification. Where applicable it should also review alternative solutions, and whether the asset should be purchased or leased. Financial justification is not required for purchases required for health and safety reasons.

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- 5.03 Fixed asset purchase not included in the capital budget must be authorized by the President.
- 5.04 The acquisition value of a fixed asset purchased outright shall incorporate:
- i. Purchase price
 - ii. Taxes, excluding GST
 - iii. Shipping and handling costs
 - iv. Installation, retrofit or fit-up costs
 - v. Cost of major additions or improvements to the asset
 - vi.
- 5.05 Leased to purchase assets require additional approval of the CFO or designate who will review the effect of the transaction on the company's balance sheet and bank agreements.
- 5.06 The acquisition value of leased to purchase assets shall incorporate:
- i. The present value of the lease costs
 - ii. The present value of the future purchase price specified in the contract
 - iii. Taxes, excluding GST/HST
 - iv. Shipping and handling costs
 - v. Installation, retrofit or fit-up costs
 - vi. Cost of major leasehold improvements
- 5.07 In determining whether a specific expenditure is in fact a fixed asset, reference should be made to Section 3061 of the CICA Handbook.
- 5.08 Fixed assets shall be assigned to one of the following categories:
Land, building, transportation equipment, communications, office furniture, computer equipment and software, leasehold improvements, poles, OH&UG, conductors and devices.

WORKING CAPITAL ALLOWANCE CALCULATION BY ACCOUNT	2006 Actual	15%	Allowance for Working Capital	2007 Actual	15%	Allowance for Working Capital
Operation (Working Capital)						
5005-Operation Supervision and Engineering	\$1,121.00	15%	\$168.15	\$340.80	15%	\$51.12
5010-Load Dispatching	\$628.00	15%	\$94.20	\$2,810.67	15%	\$421.60
5012-Station Buildings and Fixtures Expense	\$0.00	15%	\$0.00	\$0.00	15%	\$0.00
5014-Transformer Station Equipment - Operation Labour	\$16,314.00	15%	\$2,447.10	\$19,366.34	15%	\$2,904.95
5015-Transformer Station Equipment - Operation Supplies and Expenses	\$100.00	15%	\$15.00	\$50.00	15%	\$7.50
5016-Distribution Station Equipment - Operation Labour	\$0.00	15%	\$0.00	\$0.00	15%	\$0.00
5017-Distribution Station Equipment - Operation Supplies and Expenses	\$0.00	15%	\$0.00	\$0.00	15%	\$0.00
5020-Overhead Distribution Lines and Feeders - Operation Labour	\$259,058.00	15%	\$38,858.70	\$158,282.14	15%	\$23,742.32
5025-Overhead Distribution Lines & Feeders - Operation Supplies and Expenses	\$0.00	15%	\$0.00	\$0.00	15%	\$0.00
5030-Overhead Sub transmission Feeders - Operation	\$0.00	15%	\$0.00	\$0.00	15%	\$0.00
5035-Overhead Distribution Transformers- Operation	\$0.00	15%	\$0.00	\$0.00	15%	\$0.00
5040-Underground Distribution Lines and Feeders - Operation Labour	\$0.00	15%	\$0.00	\$0.00	15%	\$0.00
5045-Underground Distribution Lines & Feeders - Operation Supplies & Expenses	\$5,593.00	15%	\$838.95	\$0.00	15%	\$0.00
5050-Underground Sub transmission Feeders - Operation	\$68,461.00	15%	\$10,269.15	\$85,654.13	15%	\$12,848.12
5075-Customer Premises - Materials and Expenses	\$1,026.00	15%	\$153.90	\$0.00	15%	\$0.00
Sub-Total	\$352,301.00		\$52,845.15	\$266,504.08		\$39,975.61
Maintenance (Working Capital)						
5105-Maintenance Supervision and Engineering	\$15,616.00	15%	\$2,342.40	\$2,376.32	15%	\$356.45
5110-Maintenance of Buildings and Fixtures - Distribution Stations	\$0.00	15%	\$0.00	\$0.00	15%	\$0.00
5112-Maintenance of Transformer Station Equipment	\$0.00	15%	\$0.00	\$0.00	15%	\$0.00
5114-Maintenance of Distribution Station Equipment	\$5,229.00	15%	\$784.35	-\$15,793.14	15%	-\$2,368.97
5120-Maintenance of Poles, Towers and Fixtures	\$8,957.00	15%	\$1,343.55	\$319.92	15%	\$47.99
5125-Maintenance of Overhead Conductors and Devices	\$0.00	15%	\$0.00	\$0.00	15%	\$0.00
5130-Maintenance of Overhead Services	\$11,593.00	15%	\$1,738.95	\$18,644.33	15%	\$2,796.65
5135-Overhead Distribution Lines and Feeders - Right of Way	\$0.00	15%	\$0.00	\$0.00	15%	\$0.00
5145-Maintenance of Underground Conduit	\$0.00	15%	\$0.00	\$0.00	15%	\$0.00
5150-Maintenance of Underground Conductors and Devices	\$27,773.00	15%	\$4,165.95	\$26,989.57	15%	\$4,048.44
5155-Maintenance of Underground Services	\$290.00	15%	\$43.50	\$453.53	15%	\$68.03
5160-Maintenance of Line Transformers	\$5,910.00	15%	\$886.50	\$4,971.82	15%	\$745.77
5165-Maintenance of Street Lighting and Signal Systems	\$0.00	15%	\$0.00	\$0.00	15%	\$0.00
5170-Sentinel Lights - Labour	\$0.00	15%	\$0.00	\$0.00	15%	\$0.00
5172-Sentinel Lights - Materials and Expenses	\$0.00	15%	\$0.00	\$0.00	15%	\$0.00
5175-Maintenance of Meters	\$39,204.00	15%	\$5,880.60	\$4,800.00	15%	\$720.00
5178-Customer Installations Expenses- Leased Property	\$0.00	15%	\$0.00	\$0.00	15%	\$0.00
5185-Water Heater Rentals - Labour	\$42.00	15%	\$6.30	\$0.00	15%	\$0.00
5186-Water Heater Rentals - Materials and Expenses	\$1,358.00	15%	\$203.70	\$432.68	15%	\$64.90
Sub-Total	\$115,972.00		\$17,395.80	\$43,195.03		\$6,479.25

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Billing and Collections

5305-Supervision	\$0.00	15%	\$0.00	\$0.00	15%	\$0.00
5310-Meter Reading Expense	\$77,860.00	15%	\$11,679.00	\$90,989.73	15%	\$13,648.46
5315-Customer Billing	\$249,860.00	15%	\$37,479.00	\$287,903.53	15%	\$43,185.53
5320-Collecting	\$0.00	15%	\$0.00	\$0.00	15%	\$0.00
5325-Collecting- Cash Over and Short	\$110.00	15%	\$16.50	\$40.00	15%	\$6.00
5330-Collection Charges	\$0.00	15%	\$0.00	\$0.00	15%	\$0.00
5335-Bad Debt Expense	\$575.00	15%	\$86.25	\$0.00	15%	\$0.00
5340-Miscellaneous Customer Accounts Expenses	\$0.00	15%	\$0.00	\$0.00	15%	\$0.00
Sub-Total	\$328,405.00		\$49,260.75	\$378,933.26		\$56,839.99

Community Relations

5405-Supervision	\$0.00	15%	\$0.00	\$0.00	15%	\$0.00
5410-Community Relations - Sundry	\$36,360.00	15%	\$5,454.00	\$3,364.68	15%	\$504.70
5415-Energy Conservation	\$17,011.00	15%	\$2,551.65	\$22,556.84	15%	\$3,383.53
5420-Community Safety Program	\$0.00	15%	\$0.00	\$0.00	15%	\$0.00
5425-Miscellaneous Customer Service and Informational Expenses	\$0.00	15%	\$0.00	\$0.00	15%	\$0.00
5505-Supervision	\$0.00	15%	\$0.00	\$0.00	15%	\$0.00
5510-Demonstrating and Selling Expense	\$0.00	15%	\$0.00	\$0.00	15%	\$0.00
5515-Advertising Expense	\$3,262.00	15%	\$489.30	\$4,875.00	15%	\$731.25
5520-Miscellaneous Sales Expense	\$0.00	15%	\$0.00	\$0.00	15%	\$0.00
Sub-Total	\$56,633.00		\$8,494.95	\$30,796.52		\$4,619.48

Administrative and General Expenses

5605-Executive Salaries and Expenses	\$47,701.00	15%	\$7,155.15	\$47,841.08	15%	\$7,176.16
5610-Management Salaries and Expenses	\$47,615.00	15%	\$7,142.25	\$47,555.76	15%	\$7,133.36
5615-General Administrative Salaries and Expenses	\$138,572.00	15%	\$20,785.80	\$150,364.50	15%	\$22,554.68
5620-Office Supplies and Expenses	\$5,353.00	15%	\$802.95	\$3,612.99	15%	\$541.95
5625-Administrative Expense Transferred Credit	\$0.00	15%	\$0.00	\$0.00	15%	\$0.00
5630-Outside Services Employed	\$192,738.00	15%	\$28,910.70	\$174,341.92	15%	\$26,151.29
5635-Property Insurance	\$27,667.00	15%	\$4,150.05	\$28,773.12	15%	\$4,315.97
5640-Injuries and Damages	\$0.00	15%	\$0.00	\$0.00	15%	\$0.00
5645-Employee Pensions and Benefits	\$0.00	15%	\$0.00	\$0.65	15%	\$0.10
5650-Franchise Requirements	\$0.00	15%	\$0.00	\$0.00	15%	\$0.00
5655-Regulatory Expenses	\$15,491.00	15%	\$2,323.65	\$12,946.97	15%	\$1,942.05
5660-General Advertising Expenses	\$0.00	15%	\$0.00	\$0.00	15%	\$0.00
5665-Miscellaneous General Expenses	\$32,128.00	15%	\$4,819.20	\$44,451.12	15%	\$6,667.67
5670-Rent	\$26,400.00	15%	\$3,960.00	\$26,400.00	15%	\$3,960.00
5675-Maintenance of General Plant	\$58,422.00	15%	\$8,763.30	\$115,899.89	15%	\$17,384.98
5680-Electrical Safety Authority Fees	\$0.00	15%	\$0.00	\$0.00	15%	\$0.00
5685-Independent Market Operator Fees and Penalties	\$0.00	15%	\$0.00	\$0.00	15%	\$0.00
Sub-Total	\$592,087.00		\$88,813.05	\$652,188.00		\$97,828.20

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Amortization Expenses

5705-Amortization Expense - Property, Plant, and Equipment	\$205,406.00	0%	\$0.00	\$212,970.00	0%	\$0.00
5710-Amortization of Limited Term Electric Plant	\$0.00	0%	\$0.00	\$0.00	0%	\$0.00
5715-Amortization of Intangibles and Other Electric Plant	\$2,280.00	0%	\$0.00	\$2,280.00	0%	\$0.00
5720-Amortization of Electric Plant Acquisition Adjustments	\$0.00	0%	\$0.00	\$0.00	0%	\$0.00
5725-Miscellaneous Amortization	\$0.00	0%	\$0.00	\$0.00	0%	\$0.00
5730-Amortization of Unrecovered Plant and Regulatory Study Costs	\$0.00	0%	\$0.00	\$0.00	0%	\$0.00
5735-Amortization of Deferred Development Costs	\$0.00	0%	\$0.00	\$0.00	0%	\$0.00
5740-Amortization of Deferred Charges	\$0.00	0%	\$0.00	\$0.00	0%	\$0.00
Sub-Total	\$207,686.00		\$0.00	\$215,250.00		\$0.00

6105-Taxes other than Income Taxes	\$0.00	15%	\$0.00	\$0.00	15%	\$0.00
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Cost of Power

4705-Power Purchased	\$4,679,585.00	15%	\$701,937.75	\$4,780,362.46	15%	\$717,054.37
4708-Charges-WMS	\$352,951.00	15%	\$52,942.65	\$350,056.61	15%	\$52,508.49
4710-Cost of Power Adjustments	\$0.00	15%	\$0.00	\$0.00	15%	\$0.00
4712-Charges-One-Time	\$0.00	15%	\$0.00	\$0.00	15%	\$0.00
4714-Charges-NW	\$767,821.00	15%	\$115,173.15	\$708,898.12	15%	\$106,334.72
4716-Charges-CN	\$661,464.00	15%	\$99,219.60	\$633,021.39	15%	\$94,953.21
4730-Rural Rate Assistance Expense	\$86,764.00	15%	\$13,014.60	\$88,200.82	15%	\$13,230.12
5685-Independent Market Operator Fees and Penalties	\$0.00	15%	\$0.00	\$0.00	15%	\$0.00
Sub-Total	\$6,548,585.00		\$982,287.75	\$6,560,539.40		\$984,080.91

WORKING CAPITAL ALLOWANCE TOTAL

\$1,199,097.45

\$1,189,823.44

WORKING CAPITAL ALLOWANCE CALCULATION BY ACCOUNT	2008 Bridge	15%	Allowance for Working Capital	2009 Test	15%	Allowance for Working Capital
Operation (Working Capital)						
5005-Operation Supervision and Engineering	\$2,000.00	15%	\$300.00	\$2,000.00	15%	\$300.00
5010-Load Dispatching	\$0.00	15%	\$0.00	\$0.00	15%	\$0.00
5012-Station Buildings and Fixtures Expense	\$0.00	15%	\$0.00	\$0.00	15%	\$0.00
5014-Transformer Station Equipment - Operation Labour	\$0.00	15%	\$0.00	\$5,000.00	15%	\$750.00
5015-Transformer Station Equipment - Operation Supplies and Expenses	\$0.00	15%	\$0.00	\$0.00	15%	\$0.00
5016-Distribution Station Equipment - Operation Labour	\$0.00	15%	\$0.00	\$0.00	15%	\$0.00
5017-Distribution Station Equipment - Operation Supplies and Expenses	\$0.00	15%	\$0.00	\$0.00	15%	\$0.00
5020-Overhead Distribution Lines and Feeders - Operation Labour	\$135,000.00	15%	\$20,250.00	\$221,725.00	15%	\$33,258.75
5045-Underground Distribution Lines & Feeders - Operation Supplies & Expenses	\$0.00	15%	\$0.00	\$22,425.00	15%	\$3,363.75
5050-Underground Sub transmission Feeders - Operation	\$100,000.00	15%	\$15,000.00	\$124,600.00	15%	\$18,690.00
5070-Customer Premises - Operation Labour	\$0.00	15%	\$0.00	\$5,000.00	15%	\$750.00
Sub-Total	\$237,000.00		\$35,550.00	\$380,750.00		\$57,112.50
Maintenance (Working Capital)						
5105-Maintenance Supervision and Engineering	\$4,000.00	15%	\$600.00	\$4,000.00	15%	\$600.00
5110-Maintenance of Buildings and Fixtures - Distribution Stations	\$0.00	15%	\$0.00	\$0.00	15%	\$0.00
5112-Maintenance of Transformer Station Equipment	\$0.00	15%	\$0.00	\$0.00	15%	\$0.00
5114-Maintenance of Distribution Station Equipment	\$35,500.00	15%	\$5,325.00	\$10,000.00	15%	\$1,500.00
5120-Maintenance of Poles, Towers and Fixtures	\$15,000.00	15%	\$2,250.00	\$27,000.00	15%	\$4,050.00
5125-Maintenance of Overhead Conductors and Devices	\$0.00	15%	\$0.00	\$0.00	15%	\$0.00
5130-Maintenance of Overhead Services	\$18,000.00	15%	\$2,700.00	\$15,000.00	15%	\$2,250.00
5135-Overhead Distribution Lines and Feeders - Right of Way	\$0.00	15%	\$0.00	\$0.00	15%	\$0.00
5145-Maintenance of Underground Conduit	\$0.00	15%	\$0.00	\$0.00	15%	\$0.00
5150-Maintenance of Underground Conductors and Devices	\$20,000.00	15%	\$3,000.00	\$15,000.00	15%	\$2,250.00
5155-Maintenance of Underground Services	\$7,000.00	15%	\$1,050.00	\$5,000.00	15%	\$750.00
5160-Maintenance of Line Transformers	\$0.00	15%	\$0.00	\$6,000.00	15%	\$900.00
5175-Maintenance of Meters	\$6,000.00	15%	\$900.00	\$6,000.00	15%	\$900.00
5178-Customer Installations Expenses- Leased Property	\$0.00	15%	\$0.00	\$0.00	15%	\$0.00
5185-Water Heater Rentals - Labour	\$0.00	15%	\$0.00	\$0.00	15%	\$0.00
5186-Water Heater Rentals - Materials and Expenses	\$3,800.00	15%	\$570.00	\$3,800.00	15%	\$570.00
Sub-Total	\$109,300.00		\$16,395.00	\$91,800.00		\$13,770.00

Billing and Collections

5305-Supervision	\$0.00	15%	\$0.00	\$0.00	15%	\$0.00
5310-Meter Reading Expense	\$88,000.00	15%	\$13,200.00	\$100,750.00	15%	\$15,112.50
5315-Customer Billing	\$301,324.00	15%	\$45,198.60	\$326,050.00	15%	\$48,907.50
5320-Collecting	\$0.00	15%	\$0.00	\$0.00	15%	\$0.00
5325-Collecting- Cash Over and Short	\$10,000.00	15%	\$1,500.00	\$10,000.00	15%	\$1,500.00
5330-Collection Charges	\$0.00	15%	\$0.00	\$0.00	15%	\$0.00
5335-Bad Debt Expense	\$0.00	15%	\$0.00	\$0.00	15%	\$0.00
5340-Miscellaneous Customer Accounts Expenses	\$0.00	15%	\$0.00	\$0.00	15%	\$0.00
Sub-Total	\$399,324.00		\$59,898.60	\$436,800.00		\$65,520.00

Community Relations

5405-Supervision	\$0.00	15%	\$0.00	\$0.00	15%	\$0.00
5410-Community Relations - Sundry	\$10,000.00	15%	\$1,500.00	\$13,000.00	15%	\$1,950.00
5515-Advertising Expense	\$10,000.00	15%	\$1,500.00	\$13,000.00	15%	\$1,950.00
5520-Miscellaneous Sales Expense	\$0.00	15%	\$0.00	\$0.00	15%	\$0.00
Sub-Total	\$20,000.00		\$3,000.00	\$26,000.00		\$3,900.00

Administrative and General Expenses

5605-Executive Salaries and Expenses	\$56,100.00	15%	\$8,415.00	\$59,300.00	15%	\$8,895.00
5610-Management Salaries and Expenses	\$47,200.00	15%	\$7,080.00	\$49,900.00	15%	\$7,485.00
5615-General Administrative Salaries and Expenses	\$150,500.00	15%	\$22,575.00	\$244,750.00	15%	\$36,712.50
5620-Office Supplies and Expenses	\$6,500.00	15%	\$975.00	\$6,700.00	15%	\$1,005.00
5625-Administrative Expense Transferred Credit	\$0.00	15%	\$0.00	\$0.00	15%	\$0.00
5630-Outside Services Employed	\$230,000.00	15%	\$34,500.00	\$346,400.00	15%	\$51,960.00
5635-Property Insurance	\$32,000.00	15%	\$4,800.00	\$33,900.00	15%	\$5,085.00
5655-Regulatory Expenses	\$15,300.00	15%	\$2,295.00	\$16,250.00	15%	\$2,437.50
5660-General Advertising Expenses	\$0.00	15%	\$0.00	\$0.00	15%	\$0.00
5665-Miscellaneous General Expenses	\$42,100.00	15%	\$6,315.00	\$42,100.00	15%	\$6,315.00
5670-Rent	\$27,200.00	15%	\$4,080.00	\$31,600.00	15%	\$4,740.00
5675-Maintenance of General Plant	\$35,000.00	15%	\$5,250.00	\$40,000.00	15%	\$6,000.00
5680-Electrical Safety Authority Fees	\$0.00	15%	\$0.00	\$0.00	15%	\$0.00
5685-Independent Market Operator Fees and Penalties	\$0.00	15%	\$0.00	\$0.00	15%	\$0.00
Sub-Total	\$641,900.00		\$96,285.00	\$870,900.00		\$130,635.00

Amortization Expenses

5705-Amortization Expense - Property, Plant, and Equipment	\$295,597.31	0%	\$0.00	\$350,458.81	0%	\$0.00
5710-Amortization of Limited Term Electric Plant	\$0.00	0%	\$0.00	\$0.00	0%	\$0.00
5715-Amortization of Intangibles and Other Electric Plant	\$0.00	0%	\$0.00	\$0.00	0%	\$0.00
5720-Amortization of Electric Plant Acquisition Adjustments	\$0.00	0%	\$0.00	\$0.00	0%	\$0.00
5725-Miscellaneous Amortization	\$0.00	0%	\$0.00	\$0.00	0%	\$0.00
5730-Amortization of Unrecovered Plant and Regulatory Study Costs	\$0.00	0%	\$0.00	\$0.00	0%	\$0.00
5735-Amortization of Deferred Development Costs	\$0.00	0%	\$0.00	\$0.00	0%	\$0.00
5740-Amortization of Deferred Charges	\$0.00	0%	\$0.00	\$0.00	0%	\$0.00
Sub-Total	\$295,597.31		\$0.00	\$350,458.81		\$0.00

6105-Taxes other than Income Taxes	\$0.00	15%	\$0.00	\$0.00	15%	\$0.00
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Cost of Power

4705-Power Purchased	\$4,358,484.83	15%	\$653,772.72	\$4,407,280.47	15%	\$661,092.07
4708-Charges-WMS	\$415,855.43	15%	\$62,378.31	\$420,511.16	15%	\$63,076.67
4710-Cost of Power Adjustments	\$0.00	15%	\$0.00	\$0.00	15%	\$0.00
4712-Charges-One-Time	\$0.00	15%	\$0.00	\$0.00	15%	\$0.00
4714-Charges-NW	\$578,419.90	15%	\$86,762.99	\$591,737.24	15%	\$88,760.59
4716-Charges-CN	\$608,308.96	15%	\$91,246.34	\$622,113.17	15%	\$93,316.97
4730-Rural Rate Assistance Expense	\$79,972.20	15%	\$11,995.83	\$80,867.53	15%	\$12,130.13
5685-Independent Market Operator Fees and Penalties	\$0.00	15%	\$0.00	\$0.00	15%	\$0.00
Sub-Total	\$6,041,041.33		\$906,156.20	\$6,122,509.58		\$918,376.44

WORKING CAPITAL ALLOWANCE TOTAL

\$1,117,284.80

\$1,189,313.94

<u>Ex.</u>	<u>Tab</u>	<u>Schedule</u>	<u>Contents of Schedule</u>
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3 - Operating Revenue

1	1	Overview of Operation Revenue
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OVERVIEW OF OPERATING REVENUE

This exhibit provides the details on West Coast Huron Energy operating revenue for Historical, Historical Board Approved, Bridge and Test years. This exhibit also provides a detailed variance analysis by rate class of the operating revenue components.

Distribution revenues have been calculated using the most recently approved rates from EB-2007-0892 approved on April 17th, 2008. Distribution revenues do include PILS Revenue Recovery amounts. A summary of normalized operating revenues is presented in Exhibit 3, Tab 3, and Schedule 4.

Throughput Revenue

Information related to the utility's throughput revenue include details such as weather normalized forecasting methodology, normalized volume and customer counts forecast tables. Detailed variance analysis on the forecast information is also provided.

Other Revenue

Other revenues include revenues such as Late Payment Charges, Miscellaneous Service Revenues and Retail Services Revenues. A summary of these operating revenues is presented in Exhibit 3, Tab 3, and Schedule 1.

Revenue Sharing

West Coast Huron Energy and its employees do not participate in revenue sharing.

SUMMARY OF OPERATING REVENUE TABLE

SUMMARY OF OPERATING REVENUE	2006 Board Approved (\$'s)	2006 Actual (\$'s)	Variance from 2006 Board Approved (\$'s)	2006 Actual (\$'s)	2007 Actual (\$'s)	Variance from 2006 Actual (\$'s)	2007 Actual (\$'s)	2008 Bridge (\$'s)	Variance from 2007 Actual (\$'s)	2008 Bridge (\$'s)	2009 Test (\$'s)	Variance from 2008 Bridge (\$'s)
<u>Distribution Revenues</u>												
Residential	\$683,400	\$737,012	\$53,612	\$737,012	\$765,738	\$28,726	\$765,738	\$795,352	\$29,614	\$795,352	\$803,250	\$7,898
GS<50	\$250,721	\$263,743	\$13,022	\$263,743	\$268,268	\$4,525	\$268,268	\$291,683	\$23,415	\$291,683	\$293,940	\$2,257
GS>50 to 499	\$261,989	\$251,715	-\$10,275	\$251,715	\$268,181	\$16,467	\$268,181	\$310,918	\$42,737	\$310,918	\$320,800	\$9,882
GS>500 to 4999	\$202,701	\$194,751	-\$7,949	\$194,751	\$207,492	\$12,740	\$207,492	\$161,605	-\$45,886	\$161,605	\$162,103	\$498
Large Use	\$339,295	\$250,792	-\$88,504	\$250,792	\$209,117	-\$41,675	\$209,117	\$219,726	\$10,609	\$219,726	\$221,639	\$1,913
Street Lighting	\$3,983	\$3,986	\$3	\$3,986	\$3,987	\$1	\$3,987	\$4,480	\$493	\$4,480	\$4,480	\$0
Sentinel Lighting	\$1,036	\$1,216	\$180	\$1,216	\$1,190	-\$26	\$1,190	\$1,149	-\$41	\$1,149	\$1,151	\$1
Unmetered Scattered Load	\$17,191	\$22,383	\$5,192	\$22,383	\$23,121	\$738	\$23,121	\$18,910	-\$4,211	\$18,910	\$19,050	\$140
	\$1,760,317	\$1,725,599	-\$34,718	\$1,725,599	\$1,747,094	\$21,496	\$1,747,094	\$1,803,826	\$56,731	\$1,803,826	\$1,826,414	\$22,588
<u>Other Distribution Revenue</u>												
Late Payment Charges	\$13,206	\$12,646	-\$560	\$12,646	\$13,221	\$575	\$13,221	\$13,000	-\$221	\$13,000	\$13,647	\$13,221
Specific Service Charges	\$40,115	\$18,480	-\$21,635	\$18,480	\$23,625	\$5,145	\$23,625	\$23,000	-\$625	\$23,000	\$24,145	\$23,625
Other Distribution Revenue	\$30,748	\$56,837	\$26,089	\$56,837	\$47,266	-\$9,571	\$47,266	\$52,300	\$5,034	\$52,300	\$54,904	\$47,266
	\$84,069	\$87,963	\$3,894	\$87,963	\$84,112	-\$3,851	\$84,112	\$88,300	\$4,188	\$88,300	\$92,696	\$84,112
Total Operating revenue	\$1,844,386	\$1,813,562	-\$30,824	\$1,813,562	\$1,831,207	\$17,645	\$1,831,207	\$1,892,126	\$60,919	\$1,892,126	\$1,919,110	\$106,701

VARIANCE ANALYSIS ON OPERATING REVENUE

West Coast Huron Energy distribution revenue has been calculated using the most recently approved rates. In particular, delivery rates are based on EB-2007-0892. Distribution revenue does not include commodity related revenue.

2009 Test Year

West Coast Huron Energy operating revenue is forecast to be \$1,919,110 in Fiscal 2009, as shown in Exhibit 3, Tab 1, and Schedule 2. Distribution revenue totals \$1,826,414 or 95% of total revenues. Other operating revenue (net) accounts for the remaining revenue of \$92,696.

Comparison to 2008 Bridge Year

As shown in Exhibit 3, Tab 1, Schedule 2, the total operating revenue is expected to be \$106,701 above the bridge year level in fiscal 2008. This increase is the result of the change in debt equity split for deemed revenue requirement, an increase in operating expenses, the change in load through weather normalization and the change in PILS revenue.

2008 Bridge Year**Comparison to Fiscal 2007 Actual**

As shown in Exhibit 3, Tab 1, Schedule 2, the total operating revenue is expected to be \$60,919 above the 2007 Actual level in fiscal 2008. This increase is the result the use of weather normalized consumption levels for 2008 distribution revenue.

2007 Actual**Comparison to 2006 Actual**

As shown in Exhibit 3, Tab 1, Schedule 2, the increase in total operating revenue was \$17,645 . This increase is the result changes in consumption patterns year over year.

2006 Actual**Comparison to 2006 Board Approved**

As shown in Exhibit 3, Tab 1, Schedule 2, the change in total operating revenue was a \$30,824 reduction . This increase is the result of the timing of the approval of the 2006 EDR coupled with changes in consumption patterns year over year.

WEATHER NORMALIZED FORECASTING METHODOLOGY

West Coast Huron Energy has normalized loads for 2002 through to 2007 to ensure that a truly weather corrected value was used when determining 2008 and 2009 customer load forecasts. WCHE utilized weather correction factors available via the IESO, specifically found in the 18 month outlook documents published on a regular basis that can be found at www.ieso.ca.

Annual Adjustment Factor (from IESO Report)	-2.34%	-0.68%	0.20%	-1.48%	0.75%	-0.52%
WCHE Weather Normalization Factor {100% - IESO Annual}	97.66%	99.32%	100.20%	98.52%	100.75%	99.48%

Customer Forecast

Table 1 below presents historical and forecast customer numbers, by class, for West Coast Huron Energy.

CUSTOMER COUNT FORECAST TABLE	2006 Board Approved	2006 Actual	Variance from 2006 Board Approved	2006 Actual	2007 Actual	Variance from 2006 Actual	2007 Actual	2008 Bridge	Variance from 2007 Actual	2008 Bridge	2009 Test	Variance from 2008 Actual
Residential	3,214	3,257	1.34%	3,257	3290	1.01%	3290	3323	1.00%	3323	3356	0.99%
GS<50	496	508	2.42%	508	512	0.79%	512	517	0.98%	517	521	0.77%
GS>50 to 499 kW	43	41	-4.65%	41	46	12.20%	46	48	4.35%	48	49	2.08%
GS>500 kW to 4999 kW	4	3	-25.00%	3	3	0.00%	3	3	0.00%	3	3	0.00%
Large Use	1	1	0.00%	1	1	0.00%	1	1	0.00%	1	1	0.00%
Unmetered Scattered Load	9	9	0.00%	9	9	0.00%	9	9	0.00%	9	9	0.00%
Sentinel Lighting	13	13	0.00%	13	13	0.00%	13	13	0.00%	13	13	0.00%
Street Lighting	1,334	1,333	-0.07%	1,333	1333	0.00%	1333	1333	0.00%	1333	1333	0.00%
	5,114	5,165		5,165	5207		5,207	5,247		5,247	5,285	

Annual percentage change is presented for Residential, and GS<50. For Residential and GS<50 customer classes, the percentage change for 2008 represents the annual average growth rate for 2002 to 2007. The annual trend growth rate is used to project customer growth into 2008 and 2009. For the GS>500 to 4999 customer classes, an annual growth rate of 0% was assumed for 2007 and 2008 and Volvo was removed from the customer forecast as a result of its impending closure.

Customer numbers for Sentinel Lighting, Street Lighting, and USL classes in 2007 also represent current number of connections in each of these classes. The Applicant does not expect the number of customers in the Sentinel and USL classes to change within the next year and the 2007 current figures are used for 2008. Customer growth for the Street Lighting Class is calculated based on the actual addition of street lights in 2007 and 2008.

Load Forecast

The first step utilized by West Coast Huron Energy for load forecasts was the weather normalization. After all post market opening consumption by customer class had been compiled by year a multi year average consumption per customer (class specific) was created and that average was applied to forecasted customer numbers for 2008 and 2009. An exception to this calculation was the street lighting class for 2002 which was significantly different than each other year of the analysis and was excluded for the calculation of 2008 and 2009 kWh consumption for that rate class. Another exception was the Large Use class where 2008 actual demand data was utilized to project 2009 forecasted demand since Sifto has projected growth of its business over the coming years. WCHE utilized 2008 actual data to recognize the growth in the demand for this customer that has materialized.

Non-Normalized Consumption History and Forecast (not utilized)

Volvo's GS>500 to 4,999 kW class consumption, demand and customer data removed every year of analysis.

kWh

	Weather Sensitive?	2002	2003	2004	2005	2006	2007	2008	2009 Non- Normalized Weighted Average
RESIDENTIAL	yes	26,784,344	27,326,993	27,244,635	27,719,584	27,222,139	26,672,783	27,161,746	28,265,061
Less than 50 kW	yes	15,442,483	15,708,056	15,731,386	16,195,748	15,638,855	15,487,130	15,700,610	16,409,263
Greater than 50 to 499 kW	yes	25,170,704	19,229,948	18,988,710	20,061,647	20,866,610	20,645,650	20,827,212	24,395,220
Greater than 500 to 4,999 kW	no	3,039,380	9,470,737	10,858,082	10,961,911	12,348,682	12,145,375	9,804,028	11,029,532
Large Use	no	54,488,795	65,970,074	69,093,771	66,538,600	62,522,031	62,029,064	63,440,389	63,440,389
Unmetered Scattered Load	no	149,678	156,678	163,238	172,462	179,382	177,482	166,487	166,487
Sentinel Lighting	no	14,133	22,939	23,119	23,382	24,313	23,275	21,860	22,144
Street Lighting	no	566,866	1,047,521	1,067,640	1,063,727	1,078,742	1,057,613	980,351	986,146
		125,656,383	138,932,946	143,170,581	142,737,061	139,880,754	138,238,372	138,102,683	144,714,241

kW

	2002	2003	2004	2005	2006	2007	2008	2009 Non- Normalized Weighted Average
Greater than 50 to 499 kW	84,939	69,572	67,680	70,148	69,316	71,037	73,907	83,021
Greater than 500 to 4,999 kW	5,262	20,395	22,666	23,767	25,002	25,619	24,757	23,284
Large Use	118,775	127,223	132,381	124,517	133,199	137,861	152,653	132,373
Sentinel Lighting	64	64	64	64	64	64	65	64
Street Light	2,897	2,904	2,930	2,940	2,916	2,842	2,843	2,896
	211,937	220,158	225,721	221,436	230,497	237,423	254,225	241,638

Customer Counts (Historical and Projected)

<u>Counts</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009 W/O Volvo</u>	<u>Volvo Accts</u>	<u>2009 Forecast</u>
RESIDENTIAL	3,166	3,197	3,214	3,226	3,257	3,290	3,323	3,356		3,356
Less than 50 kW	487	488	496	500	508	512	517	521	1	522
Greater than 50 to 499 kW	37	42	43	42	41	46	48	49	2	51
Greater than 500 to 4,999 kW	2	2	3	3	3	3	3	3	1	4
Large Use	1	1	1	1	1	1	1	1		1
Unmetered Scattered Load	9	9	9	9	9	9	9	9		9
Sentinel Lighting	12	13	13	13	13	13	13	13		13
Street Lighting	1,295	1,328	1,334	1,328	1,333	1,333	1,333	1,333		1,333
	5,009	5,080	5,113	5,122	5,165	5,207	5,247	5,285	4	5,289

Sample Calculation of 2009 Load Forecasts

Residential Weather Normalized.

	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>Total</u>
kWh	26,158,502	27,140,861	27,297,978	27,308,669	27,427,407	26,532,896	161,866,313
Counts	3,166	3,197	3,214	3,226	3,257	3,290	19,350
Weighted Average Usage (total kWh / total count)							8,365
2008 Count							3,323
2008 Usage							27,797,507
2009 Count							3,356
2009 Usage							28,073,558

West Coast Huron Energy		Board Approved	Historical Actual	Historical Normalized	Historical Actual	Historical Normalized	Bridge Year Estimate	Bridge Year Normalized	Test Year Normalized
Year		2004	2006	2006	2007	2007	2008	2008	2009
Customer Class									
Residential	#	3,214	3,257	3,257	3,290	3,290	3,323	3,323	3,356
	kWh	27,302,454	27,222,139	27,427,407	26,672,783	26,532,896	27,161,746	27,797,507	28,073,558
GS<50 kW	#	496	508	508	512	512	521	521	521
	kWh	15,808,273	15,638,855	15,756,780	15,487,130	15,405,907	15,700,610	16,172,585	16,297,712
GS>50 to499 kW	#	43	41	41	46	46	48	48	49
	kWh	22,642,985	20,866,610	21,023,954	20,645,650	20,537,372	20,827,212	23,719,459	24,213,614
	kW	79,207	69,316	69,839	71,037	70,664	73,907	73,907	78,630
GS> 500 to 4999	#	4	3	3	3	3	3	3	3
	kWh	17,730,678	12,348,682	12,348,682	12,145,375	12,145,375	9,804,028	11,029,532	11,029,532
	kW	40,273	25,002	25,002	25,619	25,619	24,757	24,757	25,095
Large Use >5000 kW	#	1	1	1	1	1	1	1	1
	kWh	63,184,213	62,522,031	62,522,031	62,029,064	62,029,064	63,440,389	63,440,389	63,440,389
	kW	126,126	133,199	133,199	137,861	137,861	152,653	152,653	155,172
Unmetered Scattered Load	#	9	9	9	9	9	9	9	9
	kWh	156,531	179,382	179,382	177,482	177,482	166,487	166,487	166,487
Sentinel Lighting	#	13	13	13	13	13	13	13	13
	kWh	20,456	24,313	24,313	23,275	23,275	21,860	22,144	22,144
	kW	66	64	64	64	64	65	65	64
Street Lighting	#	1,334	1,333	1,333	1,333	1,333	1,333	1,333	1,333
	kWh	901,277	1,078,742	1,078,742	1,057,613	1,057,613	980,351	1,064,486	1,064,486
	kW	2,944	2,916	2,916	2,842	2,842	2,843	2,843	2,896

Table 2.2 - Actual and Weather Corrected Weekly Energy Demand

Week Ending	Actual Energy (GWh)	Weather Corrected Energy (GWh)	Weather Correction (GWh)	Week Number	Notes for Week
5-May-02	2,701	2,653	-47	18	Victoria Day
12-May-02	2,670	2,632	-38	19	
19-May-02	2,680	2,585	-95	20	
26-May-02	2,598	2,571	-27	21	
2-Jun-02	2,746	2,703	-43	22	
9-Jun-02	2,686	2,675	-11	23	Canada Day
16-Jun-02	2,784	2,852	68	24	
23-Jun-02	2,890	2,811	-79	25	
30-Jun-02	3,113	2,944	-169	26	
7-Jul-02	3,189	2,904	-285	27	
14-Jul-02	2,998	2,991	-8	28	Civic Holiday
21-Jul-02	3,269	3,174	-95	29	
28-Jul-02	3,079	3,031	-48	30	
4-Aug-02	3,348	3,048	-300	31	
11-Aug-02	2,946	2,944	-2	32	
18-Aug-02	3,438	3,117	-321	33	Labour Day All-Time September Peak
25-Aug-02	2,949	2,940	-10	34	
1-Sep-02	2,952	2,924	-28	35	
8-Sep-02	3,017	2,826	-191	36	
15-Sep-02	3,050	2,869	-181	37	
22-Sep-02	2,986	2,830	-156	38	All-Time October Peak
29-Sep-02	2,742	2,749	7	39	
6-Oct-02	2,812	2,776	-36	40	
13-Oct-02	2,715	2,757	42	41	
20-Oct-02	2,725	2,671	-55	42	
27-Oct-02	2,856	2,784	-72	43	Thanksgiving Remembrance Day
3-Nov-02	2,921	2,769	-152	44	
10-Nov-02	2,898	2,903	5	45	
17-Nov-02	2,935	2,925	-10	46	
24-Nov-02	2,960	2,979	19	47	
1-Dec-02	3,066	2,980	-86	48	Christmas & Boxing Day
8-Dec-02	3,219	3,133	-86	49	
15-Dec-02	3,142	3,185	43	50	
22-Dec-02	3,128	3,137	9	51	
29-Dec-02	2,768	2,796	28	52	
	102,974	100,568	-2,406	-2.34%	Adjustment Factor

Week Ending	Actual Energy (GWh)	Weather Corrected Energy (GWh)	Weather Correction (GWh)	Week Number	Notes for Week
5-Jan-03	2,911	2,952	41	1	New Years Day
12-Jan-03	3,163	3,174	11	2	
19-Jan-03	3,338	3,261	-78	3	
26-Jan-03	3,435	3,275	-160	4	
2-Feb-03	3,270	3,268	-2	5	
9-Feb-03	3,250	3,251	1	6	
16-Feb-03	3,437	3,210	-227	7	
23-Feb-03	3,207	3,193	-15	8	
2-Mar-03	3,254	3,136	-118	9	
9-Mar-03	3,249	3,090	-159	10	All-Time March Peak
16-Mar-03	3,113	3,038	-75	11	
23-Mar-03	2,907	3,020	113	12	
30-Mar-03	2,851	2,904	53	13	
6-Apr-03	3,058	2,904	-153	14	
13-Apr-03	2,903	2,834	-69	15	
20-Apr-03	2,688	2,716	28	16	
27-Apr-03	2,718	2,687	-31	17	
4-May-03	2,656	2,683	27	18	
11-May-03	2,659	2,705	45	19	All-Time April Peak
18-May-03	2,625	2,641	17	20	
25-May-03	2,562	2,571	9	21	
1-Jun-03	2,638	2,666	29	22	
8-Jun-03	2,654	2,670	16	23	
15-Jun-03	2,676	2,730	54	24	
22-Jun-03	2,749	2,794	45	25	
29-Jun-03	3,088	2,870	-218	26	
6-Jul-03	2,993	2,814	-179	27	
13-Jul-03	2,846	2,878	32	28	Canada Day
20-Jul-03	2,843	2,980	137	29	
27-Jul-03	2,883	2,882	-1	30	
3-Aug-03	2,893	2,886	-7	31	
10-Aug-03	3,015	2,862	-153	32	
17-Aug-03	2,723	2,605	-118	33	
24-Aug-03	2,749	2,625	-124	34	
31-Aug-03	2,845	2,829	-17	35	
7-Sep-03	2,689	2,722	33	36	Labour Day
14-Sep-03	2,868	2,762	-107	37	
21-Sep-03	2,772	2,772	1	38	

28-Sep-03	2,679	2,698	19	39	Thanksgiving
5-Oct-03	2,731	2,661	-71	40	
12-Oct-03	2,695	2,737	42	41	
19-Oct-03	2,667	2,655	-12	42	
26-Oct-03	2,794	2,766	-28	43	
2-Nov-03	2,796	2,829	33	44	Remembrance Day
9-Nov-03	2,891	2,833	-59	45	
16-Nov-03	2,918	2,932	14	46	
23-Nov-03	2,871	3,035	165	47	
30-Nov-03	2,973	3,021	48	48	
7-Dec-03	3,146	3,120	-26	49	Christmas & Boxing Day
14-Dec-03	3,162	3,150	-12	50	
21-Dec-03	3,135	3,138	3	51	
28-Dec-03	2,703	2,873	170	52	
	151,341	150,310	-1,031	-0.68%	Adjustment Factor

4-Jan-04	2,707	2,886	178	1	New Years Day
11-Jan-04	3,369	3,217	-152	2	All-Time January Peak
18-Jan-04	3,445	3,331	-113	3	
25-Jan-04	3,446	3,285	-161	4	
1-Feb-04	3,419	3,309	-110	5	
8-Feb-04	3,239	3,271	32	6	
15-Feb-04	3,215	3,203	-13	7	
22-Feb-04	3,158	3,157	-1	8	
29-Feb-04	3,039	3,126	87	9	
7-Mar-04	2,961	3,107	147	10	
14-Mar-04	3,027	3,027	0	11	
21-Mar-04	3,069	2,982	-88	12	Good Friday Easter Monday
28-Mar-04	2,921	2,940	18	13	
4-Apr-04	2,847	2,871	24	14	
11-Apr-04	2,746	2,675	-71	15	
18-Apr-04	2,741	2,754	13	16	
25-Apr-04	2,692	2,706	14	17	All-Time May Peak
2-May-04	2,726	2,719	-7	18	
9-May-04	2,706	2,659	-47	19	
16-May-04	2,746	2,704	-42	20	
23-May-04	2,670	2,678	8	21	
30-May-04	2,607	2,648	41	22	Victoria Day
6-Jun-04	2,661	2,691	30	23	
13-Jun-04	2,893	2,821	-72	24	

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20-Jun-04	2,894	2,877	-17	25	Canada Day
27-Jun-04	2,774	2,926	152	26	
4-Jul-04	2,757	2,827	69	27	
11-Jul-04	2,792	2,831	39	28	
18-Jul-04	2,913	2,936	23	29	
25-Jul-04	2,983	2,988	4	30	Civic Holiday
1-Aug-04	2,933	2,955	22	31	
8-Aug-04	2,843	2,884	40	32	
15-Aug-04	2,828	2,947	119	33	
22-Aug-04	2,809	2,853	44	34	
29-Aug-04	3,029	2,932	-97	35	
5-Sep-04	2,949	2,874	-75	36	Thanksgiving
12-Sep-04	2,847	2,805	-42	37	
19-Sep-04	2,878	2,809	-68	38	
26-Sep-04	2,893	2,812	-81	39	
3-Oct-04	2,780	2,835	55	40	
10-Oct-04	2,745	2,784	39	41	Remembrance Day
17-Oct-04	2,716	2,752	35	42	
24-Oct-04	2,826	2,844	18	43	
31-Oct-04	2,796	2,900	104	44	
7-Nov-04	2,859	2,888	29	45	
14-Nov-04	2,964	2,942	-21	46	All-Time Winter Peak, Christmas & Boxing Day New Years Day
21-Nov-04	2,885	3,044	159	47	
28-Nov-04	3,005	3,055	50	48	
5-Dec-04	3,096	3,170	74	49	
12-Dec-04	3,170	3,217	47	50	
19-Dec-04	3,258	3,169	-88	51	All-Time Weekend Peak
26-Dec-04	3,229	3,084	-146	52	
2-Jan-05	2,906	3,008	103	53	
	155,407	155,711	304	0.20%	
					Adjustment Factor
9-Jan-05	3,186	3,226	39	1	All-Time Weekend Peak
16-Jan-05	3,215	3,294	79	2	
23-Jan-05	3,529	3,334	-195	3	
30-Jan-05	3,422	3,338	-85	4	
6-Feb-05	3,164	3,302	139	5	
13-Feb-05	3,140	3,248	107	6	
20-Feb-05	3,213	3,236	23	7	
27-Feb-05	3,226	3,146	-81	8	
6-Mar-05	3,169	3,156	-13	9	

13-Mar-05	3,206	3,117	-89	10	Good Friday Easter Monday 5% Voltage Reduction April 7
20-Mar-05	3,041	3,032	-9	11	
27-Mar-05	2,884	2,907	24	12	
3-Apr-05	2,869	2,919	50	13	
10-Apr-05	2,772	2,899	128	14	
17-Apr-05	2,706	2,774	68	15	
24-Apr-05	2,738	2,766	28	16	
1-May-05	2,756	2,694	-62	17	
8-May-05	2,662	2,648	-14	18	
15-May-05	2,676	2,674	-2	19	
22-May-05	2,637	2,648	11	20	Victoria Day
29-May-05	2,617	2,633	16	21	
5-Jun-05	2,827	2,744	-84	22	
12-Jun-05	3,348	2,935	-413	23	
19-Jun-05	2,964	2,874	-90	24	
26-Jun-05	3,090	2,964	-126	25	
3-Jul-05	3,207	2,996	-211	26	
10-Jul-05	3,050	2,943	-107	27	
17-Jul-05	3,486	3,120	-366	28	
24-Jul-05	3,353	3,193	-160	29	
31-Jul-05	3,069	3,070	0	30	All-Time Peak Demand Power Warning July 18-21 Power Warning & 5% Voltage Reduction August 3-4 Power Warning August 9-10
7-Aug-05	3,312	3,090	-223	31	
14-Aug-05	3,309	3,117	-192	32	
21-Aug-05	3,051	3,042	-8	33	
28-Aug-05	2,968	2,946	-22	34	
4-Sep-05	3,016	2,988	-28	35	
11-Sep-05	2,901	2,872	-29	36	
18-Sep-05	3,058	2,888	-170	37	
25-Sep-05	2,916	2,847	-68	38	Labour Day All-Time October peak Thanksgiving Remembrance Day All-Time November peak
2-Oct-05	2,772	2,774	2	39	
9-Oct-05	2,805	2,726	-80	40	
16-Oct-05	2,660	2,699	39	41	
23-Oct-05	2,757	2,745	-13	42	
30-Oct-05	2,838	2,817	-21	43	
6-Nov-05	2,780	2,894	114	44	
13-Nov-05	2,809	2,859	50	45	
20-Nov-05	2,910	2,903	-7	46	
27-Nov-05	3,061	2,936	-125	47	
4-Dec-05	3,020	3,017	-4	48	
11-Dec-05	3,205	3,145	-60	49	

18-Dec-05	3,287	3,171	-116	50	
25-Dec-05	3,107	3,096	-11	51	Christmas Day
1-Jan-06	2,801	2,846	45	52	Boxing Day & New Year's Day
Totals for 2005	156,567	154,246	-2,321	-1.48%	Adjustment Factor
8-Jan-06	3,064	3,138	74	1	
15-Jan-06	3,051	3,222	171	2	
22-Jan-06	3,136	3,306	170	3	
29-Jan-06	3,080	3,259	179	4	
5-Feb-06	3,002	3,200	199	5	
12-Feb-06	3,173	3,167	-6	6	
19-Feb-06	3,183	3,177	-6	7	
26-Feb-06	3,138	3,124	-14	8	
5-Mar-06	3,166	3,121	-45	9	
12-Mar-06	2,959	3,087	129	10	
19-Mar-06	2,996	2,975	-21	11	
26-Mar-06	2,973	2,955	-17	12	
2-Apr-06	2,785	2,888	103	13	
9-Apr-06	2,839	2,899	60	14	
16-Apr-06	2,619	2,666	47	15	Good Friday
23-Apr-06	2,652	2,702	49	16	Easter Monday
30-Apr-06	2,675	2,726	51	17	
7-May-06	2,605	2,594	-11	18	
14-May-06	2,625	2,649	23	19	
21-May-06	2,604	2,612	8	20	Victoria Day
28-May-06	2,630	2,656	25	21	
4-Jun-06	3,032	2,881	-151	22	
11-Jun-06	2,792	2,774	-18	23	
18-Jun-06	2,959	2,951	-8	24	
25-Jun-06	3,024	3,003	-21	25	
2-Jul-06	2,981	2,939	-42	26	
9-Jul-06	2,901	2,803	-98	27	Canada Day
16-Jul-06	3,156	3,023	-134	28	
23-Jul-06	3,190	3,086	-105	29	
30-Jul-06	3,303	3,186	-117	30	
6-Aug-06	3,372	3,265	-107	31	Peak Demand record set
13-Aug-06	2,892	2,907	15	32	Civic Holiday
20-Aug-06	2,991	2,998	8	33	
27-Aug-06	2,892	2,900	8	34	
3-Sep-06	2,773	2,811	38	35	

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10-Sep-06	2,694	2,736	43	36	Labour Day
17-Sep-06	2,718	2,743	25	37	
24-Sep-06	2,700	2,737	36	38	
1-Oct-06	2,663	2,665	2	39	
8-Oct-06	2,649	2,657	8	40	
15-Oct-06	2,639	2,615	-24	41	Thanksgiving
22-Oct-06	2,718	2,685	-33	42	
29-Oct-06	2,798	2,777	-20	43	
5-Nov-06	2,824	2,852	28	44	
12-Nov-06	2,785	2,847	62	45	
19-Nov-06	2,843	2,890	47	46	
26-Nov-06	2,865	2,911	46	47	
3-Dec-06	2,921	3,008	86	48	
10-Dec-06	3,122	3,227	105	49	
17-Dec-06	2,945	3,036	91	50	
24-Dec-06	2,899	3,001	101	51	
31-Dec-06	2,671	2,768	97	52	Christmas & Boxing Day
Totals for 2006	150,669	151,805	1,136	0.75%	Adjustment Factor

7-Jan-07	2,783	2,913	131	1	New Years Day
14-Jan-07	3,047	3,112	65	2	
21-Jan-07	3,212	3,262	50	3	
28-Jan-07	3,260	3,302	42	4	
4-Feb-07	3,289	3,252	-37	5	
11-Feb-07	3,347	3,248	-100	6	
18-Feb-07	3,341	3,238	-103	7	Winter Peak Demand
25-Feb-07	3,162	3,071	-91	8	
4-Mar-07	3,075	3,036	-40	9	
11-Mar-07	3,174	3,133	-41	10	
18-Mar-07	2,950	2,972	22	11	
25-Mar-07	2,947	2,954	6	12	
1-Apr-07	2,769	2,813	44	13	
8-Apr-07	2,839	2,764	-75	14	
15-Apr-07	2,891	2,838	-53	15	Good Friday
22-Apr-07	2,695	2,716	21	16	Easter Monday
29-Apr-07	2,651	2,677	26	17	
6-May-07	2,591	2,576	-15	18	
13-May-07	2,615	2,618	3	19	
20-May-07	2,620	2,621	1	20	
27-May-07	2,696	2,693	-3	21	

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3-Jun-07	2,932	2,860	-72	22	
10-Jun-07	2,745	2,713	-32	23	
17-Jun-07	3,065	2,942	-123	24	
24-Jun-07	2,890	2,834	-56	25	
1-Jul-07	3,070	3,018	-52	26	
8-Jul-07	2,778	2,826	48	27	Canada Day
15-Jul-07	2,919	2,947	28	28	
22-Jul-07	2,837	2,886	49	29	
29-Jul-07	3,014	3,050	37	30	
5-Aug-07	3,293	3,238	-54	31	
12-Aug-07	3,091	2,983	-108	32	Civic Holiday
19-Aug-07	2,880	2,838	-43	33	
26-Aug-07	2,934	2,863	-71	34	
2-Sep-07	2,936	2,888	-49	35	
9-Sep-07	2,956	2,879	-77	36	Labour Day
16-Sep-07	2,693	2,695	2	37	
23-Sep-07	2,762	2,728	-34	38	
30-Sep-07	2,789	2,746	-43	39	
7-Oct-07	2,748	2,834	87	40	
14-Oct-07	2,652	2,699	47	41	Thanksgiving Day
21-Oct-07	2,656	2,689	33	42	
28-Oct-07	2,666	2,686	21	43	
4-Nov-07	2,693	2,684	-8	44	
11-Nov-07	2,821	2,797	-24	45	
18-Nov-07	2,831	2,811	-20	46	
25-Nov-07	2,967	2,944	-23	47	
2-Dec-07	3,089	3,071	-18	48	
9-Dec-07	3,153	3,145	-8	49	
16-Dec-07	3,200	3,185	-16	50	
23-Dec-07	3,080	3,056	-25	51	
30-Dec-07	2,720	2,674	-46	52	Christmas & Boxing Day
Totals for 2007	151,814	151,018	-796	-0.52%	Adjustment Factor

NORMALIZED VOLUME FORECAST TABLE

NORMALIZED VOLUME FORECAST

	2006 Board Approved (kWh)	2006 Board Approved (kW)	2006 Actual (kWh)	2006 Actual (kW)	Variance from 2006 Board Approved
(Volumetric + Monthly Service Charge)					
Rate Classes					
Residential	27,302,454		27,222,139	0	80,315
GS<50	15,808,273		15,638,855	0	169,418
GS>50 to 499 kW	22,642,985	79,207	20,866,610	69,316	9,891
GS>500 kW to 4999 kW	17,730,678	40,273	12,348,682	25,002	15,271
Large Use	63,184,213	126,126	62,522,031	133,199	-7,073
Unmetered Scattered Load	156,531	0	179,382	0	0
Sentinel Lighting	20,456	66	24,313	64	2
Street Lighting	901,277	2,944	1,078,742	2,916	-177,465

2006 Actual (kWh)	2006 Actual (kW)	2007 Actual (kWh)	2007 Actual (kW)	Variance from 2006 Actual
27,222,139	0	26,672,783		549,356
15,638,855	0	15,487,130		151,725
20,866,610	69,316	20,645,650	71,037	-1,721
12,348,682	25,002	12,145,375	25,619	-617
62,522,031	133,199	62,029,064	137,861	-4,662
179,382	0	177,482		0
24,313	64	23,275	64	0
1,078,742	2,916	1,057,613	2,842	21,129

	2007 Actual (kWh)	2007 Actual (kW)	2008 Bridge (kWh)	2008 Bridge (kW)	Variance from 2007 Actual
(Volumetric + Monthly Service Charge)					
Rate Classes					
Residential	26,672,783		27,797,507	0	-1,124,724
GS<50	15,487,130		16,172,585	0	-685,455
GS>50 to 499 kW	20,645,650	71,037	23,719,459	73,907	-2,870
GS>500 kW to 4999 kW	12,145,375	25,619	11,029,532	24,757	862
Large Use	62,029,064	137,861	63,440,389	152,653	-14,792
Unmetered Scattered Load	177,482	0	166,487	0	0
Sentinel Lighting	23,275	64	22,144	65	-1
Street Lighting	1,057,613	2,842	1,064,486	2,843	-6,873

2008 Bridge (kWh)	2008 Bridge (kW)	2009 Test (kWh)	2009 Test (kW)	Variance from 2008 Bridge
27,797,507		28,073,558	0	-276,051
16,172,585		16,297,712	0	-125,126
23,719,459	73,907	24,213,614	78,630	-4,723
11,029,532	24,757	11,029,532	25,095	-338
63,440,389	152,653	63,440,389	155,172	-2,519
166,487	0	166,487	0	0
22,144	65	22,144	64	1
1,064,486	2,843	1,064,486	2,896	0

VARIANCE ANALYSIS ON NORMALIZED VOLUME FORECAST

The purpose of the evidence contained in Schedules 1, 2 and 4, Tab 2, of Exhibit 3, is to provide the Board with a review of West Coast Huron Energy actual and forecasted customers, consumption and revenues for the historical, bridge and test years. Test year revenues have been calculated using the approved rate order EB-2007-0892 dated April 17th, 2008.

Exhibit 3, Tab 2, Schedule 3, provides a summary of the normalized throughput numbers from the schedules noted above.

Fiscal 2009 Test Year**Comparison to Fiscal 2008 Bridge Year**

As both 2008 and 2009 are based on normalized weighted average consumption and demand profiles by customer class multiplied by the projected customer count forecast, the only differences related to changes in customer counts, except for the large use class which utilizes 2008 actual demand data in order to accommodate the materialized growth that Sifto is projecting.

2008 Bridge Year**Comparison to Fiscal 2007 Actual**

Due the use of weather normalized consumptions per customer the variance in consumption for 2007 Actual to 2008 Bridge Year is attributable to the forecast change in customer growth.

CUSTOMER COUNT FORECAST TABLE

CUSTOMER COUNT FORECAST TABLE	2006 Board Approved	2006 Actual	Variance from 2006 Board Approved	2006 Actual	2007 Actual	Variance from 2006 Actual	2007 Actual	2008 Bridge	Variance from 2007 Actual	2008 Bridge	2009 Test	Variance from 2008 Actual
Residential	3,214	3,257	43	3,257	3290	33	3290	3323	33	3323	3356	33
GS<50	496	508	12	508	512	4	512	517	5	517	521	4
GS>50 to 499 kW	43	41	- 2	41	46	5	46	48	2	48	49	1
GS>500 kW to 4999 kW	4	3	- 1	3	3	-	3	3	-	3	3	-
Large Use	1	1	-	1	1	-	1	1	-	1	1	-
Unmetered Scattered Load	9	9	-	9	9	-	9	9	-	9	9	-
Sentinel Lighting	13	13	-	13	13	-	13	13	-	13	13	-
Street Lighting	1,334	1,333	- 1	1,333	1333	-	1333	1333	-	1333	1333	-
	5,114	5,165	51	5,165	5207	42	5,207	5,247	40	5,247	5,285	38

VARIANCE ANALYSIS ON CUSTOMER COUNT FORECAST

The purpose of the evidence contained in Schedules 1, 2 and 4, Tab 2, of Exhibit 3, is to provide the Board with a review of West Coast Huron Energy actual and forecasted customers, consumption and revenues for the historical, bridge and test years. Test year revenues have been calculated using the approved rate order EB-2007-0892 dated April 17th, 2008.

Exhibit 3, Tab 2, Schedule 4, provides a summary of the normalized customer numbers from the schedules noted above.

Fiscal 2009 Test Year

Comparison to Fiscal 2008 Bridge Year

2008 increases are based on the forecasted number of connections based on our capital projects and historical customer growth for residential and GS<50 kW classes. For GS>50 to 499 kW WCHE utilized our historical customer growth for that class of approximately 6%. We have projected no change for 2008 in the GS>500 to 4999 kW, Large Use, Unmetered Scattered Load, Sentinel Lighting and Street Lighting classes.

2008 Bridge Year

Comparison to Fiscal 2007 Actual

For all rate classes we have updated our customer numbers as of the end of June YTD and applied the resulting growth factor for the remainder of the year. No change was experienced or forecast for the GS>500 to 4999 kW, Large Use, Unmetered Scattered Load, Sentinel Lighting, and Street Lighting classes.

OTHER DISTRIBUTION REVENUE

	2006 Board Approved	2006 Actual	Variance from 2006 Board Approved	2006 Actual	2007 Actual	Variance from 2006 Actual	2007 Actual	2008 Bridge	Variance from 2007 Actual	2008 Bridge	2009 Test	Variance from 2008 Bridge
OTHER DISTRIBUTION REVENUE	(\$'s)	(\$'s)	(\$'s)	(\$'s)	(\$'s)							
Other Distribution Revenue												
Retail Services Revenues	\$960	\$2,700	\$1,740	\$2,700	\$2,940	\$240	\$2,940	\$3,300	\$360	\$3,300	\$3,464	\$164
Service Transaction Requests (STR) Revenues	\$187	\$2,734	\$2,548	\$2,734	\$6,339	\$3,605	\$6,339	\$7,000	\$661	\$7,000	\$7,349	\$349
Electric Services Incidental to Energy Sales			\$0	\$0		\$0	\$0		\$0	\$0	\$0	\$0
Rent from Electric Property	\$9,112	\$13,232	\$4,120	\$13,232	\$10,821	-\$2,411	\$10,821	\$14,000	\$3,179	\$14,000	\$14,697	\$697
Other Utility Operating Income			\$0	\$0		\$0	\$0		\$0	\$0	\$0	\$0
Other Electric Revenues			\$0	\$0		\$0	\$0		\$0	\$0	\$0	\$0
Late Payment Charges	\$13,206	\$12,646	-\$560	\$12,646	\$13,221	\$575	\$13,221	\$13,000	-\$221	\$13,000	\$13,647	\$647
Sales of Water and Water Power	\$20,489	\$38,171	\$17,682	\$38,171	\$27,166	-\$11,005	\$27,166	\$28,000	\$834	\$28,000	\$29,394	\$1,394
Miscellaneous Service Revenues	\$40,115	\$18,480	-\$21,635	\$18,480	\$23,625	\$5,145	\$23,625	\$23,000	-\$625	\$23,000	\$24,145	\$1,145
TOTAL	\$84,069	\$87,963	\$3,894	\$87,963	\$84,112	-\$3,851	\$84,112	\$88,300	\$4,188	\$88,300	\$92,696	\$4,396

MATERIALITY ANALYSIS ON OTHER DISTRIBUTION REVENUE

Materiality of 1% of 2006 board approved distribution expenses of \$2,149,269 is \$21,493.

There are no changes in other distribution revenue greater than the materiality threshold.

RATE OF RETURN ON OTHER DISTRIBUTION ACTIVITIES

In this application West Coast Huron Energy has applied for the same Specific Service Charges schedule previously approved in the 2008 Tariffs of Rates and Charges from EB-2007-0892 approved on April 17th, 2008.

DISTRIBUTION REVENUE DATA
2006 Board Approved

	Customers (Year-End)	Consumption (kWh / KW)	Distribution Revenues (\$)	Unit Revenues \$/kWh
Residential	3,214	27,302,454	\$683,400	\$0.0250
GS<50	496	15,808,273	\$250,721	\$0.0159
GS>50 to 499 kW	43	79,207	\$261,989	\$3.3076
GS>500 kW to 4999 kW	4	40,273	\$202,701	\$5.0332
Large Use	1	126,126	\$339,295	\$2.6901
Unmetered Scattered Load	9	156,531	\$3,983	\$0.0254
Sentinel Lighting	13	20,456	\$1,036	\$0.0507
Street Lighting	1,334	2,944	\$17,191	\$5.8397
TOTAL	5,114		\$1,760,317	

2006 Actual

	Customers (Year-End)	Consumption (kWh / KW)	Distribution Revenues (\$)	Unit Revenues \$/kWh
Residential	3,257	27,222,139	\$737,012	\$0.0271
GS<50	508	15,638,855	\$263,743	\$0.0169
GS>50 to 499 kW	41	73,325	\$251,715	\$3.4328
GS>500 kW to 4999 kW	3	37,283	\$194,751	\$5.2237
Large Use	1	133,199	\$250,792	\$1.8828
Unmetered Scattered Load	9	154,854	\$3,986	\$0.0257
Sentinel Lighting	13	64	\$1,216	\$19.0050
Street Lighting	1,333	2,916	\$22,383	\$7.6760
TOTAL	5,165		\$1,725,599	

2007 Actual

	Customers (Year-End)	Consumption (kWh / KW)	Distribution Revenues (\$)	Unit Revenues \$/kWh
Residential	3,290	26,672,783	\$765,738	\$0.0287
GS<50	512	15,487,130	\$268,268	\$0.0173
GS>50 to 499 kW	46	75,147	\$268,181	\$3.5688
GS>500 kW to 4999 kW	3	38,208	\$207,492	\$5.4305
Large Use	1	137,861	\$209,117	\$1.5169
Unmetered Scattered Load	9	153,351	\$3,987	\$0.0260
Sentinel Lighting	13	65	\$1,190	\$18.3077
Street Lighting	1,333	2,842	\$23,121	\$8.1355
TOTAL	5,207		\$1,747,094	

2007 Actual - Normalized

	Customers (Year-End)	Consumption (kWh / KW)	Distribution Revenues (\$)	Normalized Consumption (kWh / KW)	Normalized Distribution Revenues (\$)	Unit Revenues \$/kWh
Residential	3,290	26,672,783	\$765,738.00	26,532,896	\$779,149.52	\$0.0294
GS<50	512	15,487,130	\$268,268.00	15,405,907	\$285,688.95	\$0.0185
GS>50 to 499 kW	46	75,147	\$268,181.25	70,664	\$297,788.74	\$4.2141
GS>500 kW to 4999 kW	3	38,208	\$207,491.75	25,619	\$162,874.36	\$6.3577
Large Use	1	137,861	\$209,117.00	137,861	\$208,496.71	\$1.5124
Unmetered Scattered Load	9	153,351	\$3,987.43	177,482	\$4,537.67	\$0.0256
Sentinel Lighting	13	65	\$1,190.00	23,275	\$99,114.31	\$4.2584
Street Lighting	1,333	2,842	\$23,121.00	2,842	\$18,906.36	\$6.6525
TOTAL	5,207		\$1,747,094.43		\$1,856,556.63	

2008 Bridge - Normalized

	Customers (Year-End)	Consumption (kWh / KW)	Distribution Revenues (\$)	Normalized Consumption (kWh / KW)	Normalized Distribution Revenues (\$)	Unit Revenues \$/kWh
Residential	3,323	27,439,005	\$751,566.02	27,797,507	\$795,351.90	\$0.0286
GS<50	517	15,294,877	\$269,668.18	16,172,585	\$291,683.28	\$0.0180
GS>50 to 499 kW	48	73,456	\$305,216.74	73,907	\$310,918.41	\$4.2069
GS>500 kW to 4999 kW	3	39,379	\$181,953.36	24,757	\$161,605.43	\$6.5277
Large Use	1	147,467	\$211,832.54	152,653	\$219,726.45	\$1.4394
Unmetered Scattered Load	9	151,864	\$3,948.75	166,487	\$4,480.49	\$0.0269
Sentinel Lighting	13	64	\$1,140.00	64	\$1,149.48	\$17.9925
Street Lighting	1,333	2,867	\$18,862.84	2,843	\$18,910.08	\$6.6505
TOTAL	5,247		\$1,744,188.43		\$1,803,825.52	

2009 Test - Normalized

	Customers (Year-End)	Consumption (kWh / KW)	Distribution Revenues (\$)	Unit Revenues \$/kWh
Residential	3,356	28,073,558	\$803,250.37	\$0.028612
GS<50	521	16,297,712	\$293,940.02	\$0.018036
GS>50 to 499 kW	49	78,630	\$320,799.94	\$4.079873
GS>500 kW to 4999 kW	3	25,095	\$162,103.31	\$6.459620
Large Use	1	155,172	\$221,639.22	\$1.428345
Unmetered Scattered Load	9	166,487	\$4,480.49	\$0.026912
Sentinel Lighting	13	64	\$1,150.56	\$17.937482
Street Lighting	1,333	2,896	\$19,049.96	\$6.577894
TOTAL	5,285		\$1,826,413.87	

DESCRIPTION OF REVENUE SHARING

West Coast Huron Energy does not participate in revenue sharing.

4 - Operating Costs

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OVERVIEW OF OPERATING COSTS

Operating Costs

The operating costs presented in this exhibit represent the annual expenditures required to sustain Distribution Operations. The information presented in this exhibit is grouped into two different categories: Operation & Maintenance and Other Costs which include items such as Administration & General, Sales Promotion & Customer Accounting, Depreciation, Amortization and Depletion, Shared Services and Loss Adjustment Factor.

The second category includes Income Tax, Large Corporation Tax and Ontario Capital Taxes. Exhibit 4, Tab 1, Schedule 2 provides a summary of The Applicant's Operating Costs for the historical, bridge and test years.

OM&A Costs

The OM&A costs in this exhibit represents WCHE's integrated set of asset maintenance and customer activity needs to meet public and employee safety objectives; to comply with the Distribution System Code, environmental requirements and Government direction; and to maintain distribution business service quality and reliability at targeted performance levels. These costs also include providing services to customers connected to the Applicant's Distribution system, and to meet the service levels stipulated in the Standard Supply Service Code and the Retailer Settlement Codes.

The proposed OM&A cost expenditures for the 2009 test year result from a rigorous business planning and work prioritization process that reflects risk-based decision making to ensure that the most appropriate, cost effective solutions are put in place.

OM&A expenditures totaled \$1,114,270 for 2006 Board Approved, \$1,445,398 for 2006 Actual results, \$1,371,617 for 2007 Actual results and are forecast to be \$1,407,524 in 2008 and \$1,806,250 in 2008.

Income Tax, Large Corporation Tax and Ontario Capital Taxes

This information consists of detailed calculations of income taxes, and indemnity payments to the Province. Details of the expenditures are filed at Exhibit 4, Tab 3 Schedule 1.

The Income Taxes, Large Corporation Taxes and Ontario Capital Taxes expenditures totaled \$41,727 in 2006 Board Approved, \$11,437 in 2006 Actual, \$40,056 for 2007 Actual and are forecast to be \$47,418 in 2008 and \$51,294 in 2009.

SUMMARY OF OPERATING COSTS TABLE

SUMMARY OF OPERATING COSTS		2006 Board Approved	2006 Actual	2007 Actual	2008 Bridge	2009 Test
OM&A expenses						
Operation (Working Capital)		\$355,584	\$352,301	\$266,504	\$237,000	\$380,750
Maintenance (Working Capital)		\$2,821	\$115,972	\$43,195	\$109,300	\$91,800
Billing and Collections		\$300,181	\$328,405	\$378,933	\$399,324	\$436,800
Community Relations		\$35,976	\$56,633	\$30,797	\$20,000	\$26,000
Administrative and General Expenses		\$419,708	\$592,087	\$652,188	\$641,900	\$870,900
Amortization Expenses		\$200,009	\$207,686	\$215,250	\$295,597	\$350,459
Cost of Power		\$6,119,304	\$6,548,585	\$6,560,539	\$6,041,041	\$6,122,510
Other Operating Costs		\$0	\$0	\$0	\$0	\$0
LCT,OCT and Income Taxes		\$0	\$0	\$0	\$0	\$0
Total Operating Costs		\$7,433,583	\$8,201,669	\$8,147,406	\$7,744,163	\$8,279,218

OM&A COSTS TABLE

OM&A COSTS	2006 Board Approved	2006 Actual	Variance form 2006 Board Approved		2006 Actual	2007 Actual	Variance form 2006 Actual
Operation (Working Capital)							
5005-Operation Supervision and Engineering	\$0.00	\$1,121.00	\$1,121.00		\$1,121.00	\$340.80	-\$780.20
5010-Load Dispatching	\$0.00	\$628.00	\$628.00		\$628.00	\$2,810.67	\$2,182.67
5012-Station Buildings and Fixtures Expense	\$0.00	\$0.00	\$0.00		\$0.00	\$0.00	\$0.00
5014-Transformer Station Equipment - Operation Labour	\$21,987.06	\$16,314.00	-\$5,673.06		\$16,314.00	\$19,366.34	\$3,052.34
5015-Transformer Station Equipment - Operation Supplies and Expenses	\$23.31	\$100.00	\$76.69		\$100.00	\$50.00	-\$50.00
5016-Distribution Station Equipment - Operation Labour	\$0.00	\$0.00	\$0.00		\$0.00	\$0.00	\$0.00
5017-Distribution Station Equipment - Operation Supplies and Expenses	\$0.00	\$0.00	\$0.00		\$0.00	\$0.00	\$0.00
5020-Overhead Distribution Lines and Feeders - Operation Labour	\$217,823.27	\$259,058.00	\$41,234.73		\$259,058.00	\$158,282.14	-\$100,775.86
5025-Overhead Distribution Lines & Feeders - Operation Supplies and Expenses	\$0.00	\$0.00	\$0.00		\$0.00	\$0.00	\$0.00
5030-Overhead Subtransmission Feeders - Operation	\$0.00	\$0.00	\$0.00		\$0.00	\$0.00	\$0.00
5035-Overhead Distribution Transformers- Operation	\$0.00	\$0.00	\$0.00		\$0.00	\$0.00	\$0.00
5040-Underground Distribution Lines and Feeders - Operation Labour	\$0.00	\$0.00	\$0.00		\$0.00	\$0.00	\$0.00
5045-Underground Distribution Lines & Feeders - Operation Supplies & Expenses	\$22,924.32	\$5,593.00	-\$17,331.32		\$5,593.00	\$0.00	-\$5,593.00
5050-Underground Subtransmission Feeders - Operation	\$83,044.85	\$68,461.00	-\$14,583.85		\$68,461.00	\$85,654.13	\$17,193.13
5055-Underground Distribution Transformers - Operation	\$0.00	\$0.00	\$0.00		\$0.00	\$0.00	\$0.00
5060-Street Lighting and Signal System Expense	\$0.00	\$0.00	\$0.00		\$0.00	\$0.00	\$0.00
5065-Meter Expense	\$0.00	\$0.00	\$0.00		\$0.00	\$0.00	\$0.00
5070-Customer Premises - Operation Labour	\$0.00	\$0.00	\$0.00		\$0.00	\$0.00	\$0.00
5075-Customer Premises - Materials and Expenses	\$9,781.35	\$1,026.00	-\$8,755.35		\$1,026.00	\$0.00	-\$1,026.00
5085-Miscellaneous Distribution Expense	\$0.00	\$0.00	\$0.00		\$0.00	\$0.00	\$0.00
5090-Underground Distribution Lines and Feeders - Rental Paid	\$0.00	\$0.00	\$0.00		\$0.00	\$0.00	\$0.00
5095-Overhead Distribution Lines and Feeders - Rental Paid	\$0.00	\$0.00	\$0.00		\$0.00	\$0.00	\$0.00
5096-Other Rent	\$0.00	\$0.00	\$0.00		\$0.00	\$0.00	\$0.00
Sub-Total	\$355,584.16	\$352,301.00	-\$3,283.16		\$352,301.00	\$266,504.08	-\$85,796.92

Maintenance (Working Capital)						
5105-Maintenance Supervision and Engineering	\$0.00	\$15,616.00	\$15,616.00	\$15,616.00	\$2,376.32	-\$13,239.68
5110-Maintenance of Buildings and Fixtures - Distribution Stations	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
5112-Maintenance of Transformer Station Equipment	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
5114-Maintenance of Distribution Station Equipment	\$0.00	\$5,229.00	\$5,229.00	\$5,229.00	-\$15,793.14	-\$21,022.14
5120-Maintenance of Poles, Towers and Fixtures	\$0.00	\$8,957.00	\$8,957.00	\$8,957.00	\$319.92	-\$8,637.08
5125-Maintenance of Overhead Conductors and Devices	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
5130-Maintenance of Overhead Services	\$0.00	\$11,593.00	\$11,593.00	\$11,593.00	\$18,644.33	\$7,051.33
5135-Overhead Distribution Lines and Feeders - Right of Way	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
5145-Maintenance of Underground Conduit	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
5150-Maintenance of Underground Conductors and Devices	\$0.00	\$27,773.00	\$27,773.00	\$27,773.00	\$26,989.57	-\$783.43
5155-Maintenance of Underground Services	\$0.00	\$290.00	\$290.00	\$290.00	\$453.53	\$163.53
5160-Maintenance of Line Transformers	\$0.00	\$5,910.00	\$5,910.00	\$5,910.00	\$4,971.82	-\$938.18
5165-Maintenance of Street Lighting and Signal Systems	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
5170-Sentinel Lights - Labour	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
5172-Sentinel Lights - Materials and Expenses	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
5175-Maintenance of Meters	\$0.00	\$39,204.00	\$39,204.00	\$39,204.00	\$4,800.00	-\$34,404.00
5178-Customer Installations Expenses- Leased Property	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
5185-Water Heater Rentals - Labour	\$0.00	\$42.00	\$42.00	\$42.00	\$0.00	-\$42.00
5186-Water Heater Rentals - Materials and Expenses	\$2,820.62	\$1,358.00	-\$1,462.62	\$1,358.00	\$432.68	-\$925.32
5190-Water Heater Controls - Labour	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
5192-Water Heater Controls - Materials and Expenses	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
5195-Maintenance of Other Installations on Customer Premises	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Sub-Total	\$2,820.62	\$115,972.00	\$113,151.38	\$115,972.00	\$43,195.03	-\$72,776.97

Billing and Collections						
5305-Supervision	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
5310-Meter Reading Expense	\$82,379.34	\$77,860.00	-\$4,519.34	\$77,860.00	\$90,989.73	\$13,129.73
5315-Customer Billing	\$217,801.87	\$249,860.00	\$32,058.13	\$249,860.00	\$287,903.53	\$38,043.53
5320-Collecting	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
5325-Collecting- Cash Over and Short	\$0.00	\$110.00	\$110.00	\$110.00	\$40.00	-\$70.00
5330-Collection Charges	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
5335-Bad Debt Expense	\$0.00	\$575.00	\$575.00	\$575.00	\$0.00	-\$575.00
5340-Miscellaneous Customer Accounts Expenses	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Sub-Total	\$300,181.21	\$328,405.00	\$28,223.79	\$328,405.00	\$378,933.26	\$50,528.26
Community Relations						
5405-Supervision	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
5410-Community Relations - Sundry	\$32,960.42	\$36,360.00	\$3,399.58	\$36,360.00	\$3,364.68	-\$32,995.32
5415-Energy Conservation	\$0.00	\$17,011.00	\$17,011.00	\$17,011.00	\$22,556.84	\$5,545.84
5420-Community Safety Program	\$1,145.00	\$0.00	-\$1,145.00	\$0.00	\$0.00	\$0.00
5425-Miscellaneous Customer Service and Informational Expenses	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
5505-Supervision	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
5510-Demonstrating and Selling Expense	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
5515-Advertising Expense	\$1,871.03	\$3,262.00	\$1,390.97	\$3,262.00	\$4,875.00	\$1,613.00
5520-Miscellaneous Sales Expense	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Sub-Total	\$35,976.45	\$56,633.00	\$20,656.55	\$56,633.00	\$30,796.52	-\$25,836.48

Administrative and General Expenses							
5605-Executive Salaries and Expenses	\$49,290.66	\$47,701.00	-\$1,589.66	\$47,701.00	\$47,841.08	\$140.08	
5610-Management Salaries and Expenses	\$38,085.89	\$47,615.00	\$9,529.11	\$47,615.00	\$47,555.76	-\$59.24	
5615-General Administrative Salaries and Expenses	\$121,224.15	\$138,572.00	\$17,347.85	\$138,572.00	\$150,364.50	\$11,792.50	
5620-Office Supplies and Expenses	\$4,054.07	\$5,353.00	\$1,298.93	\$5,353.00	\$3,612.99	-\$1,740.01	
5625-Administrative Expense Transferred Credit	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	
5630-Outside Services Employed	\$93,237.01	\$192,738.00	\$99,500.99	\$192,738.00	\$174,341.92	-\$18,396.08	
5635-Property Insurance	\$2,701.08	\$27,667.00	\$24,965.92	\$27,667.00	\$28,773.12	\$1,106.12	
5640-Injuries and Damages	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	
5645-Employee Pensions and Benefits	\$4.52	\$0.00	-\$4.52	\$0.00	\$0.65	\$0.65	
5650-Franchise Requirements	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	
5655-Regulatory Expenses	\$1,460.24	\$15,491.00	\$14,030.76	\$15,491.00	\$12,946.97	-\$2,544.03	
5660-General Advertising Expenses	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	
5665-Miscellaneous General Expenses	\$34,670.41	\$32,128.00	-\$2,542.41	\$32,128.00	\$44,451.12	\$12,323.12	
5670-Rent	\$26,400.00	\$26,400.00	\$0.00	\$26,400.00	\$26,400.00	\$0.00	
5675-Maintenance of General Plant	\$48,579.69	\$58,422.00	\$9,842.31	\$58,422.00	\$115,899.89	\$57,477.89	
5680-Electrical Safety Authority Fees	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	
5685-Independent Market Operator Fees and Penalties	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	
Sub-Total	\$419,707.72	\$592,087.00	\$172,379.28	\$592,087.00	\$652,188.00	\$60,101.00	

Amortization Expenses							
5705-Amortization Expense - Property, Plant, and Equipment	\$197,729.00	\$205,406.00	\$7,677.00	\$205,406.00	\$212,970.00	\$7,564.00	
5710-Amortization of Limited Term Electric Plant	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	
5715-Amortization of Intangibles and Other Electric Plant	\$2,280.00	\$2,280.00	\$0.00	\$2,280.00	\$2,280.00	\$0.00	
5720-Amortization of Electric Plant Acquisition Adjustments	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	
5725-Miscellaneous Amortization	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	
5730-Amortization of Unrecovered Plant and Regulatory Study Costs	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	
5735-Amortization of Deferred Development Costs	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	
5740-Amortization of Deferred Charges	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	
Sub-Total	\$200,009.00	\$207,686.00	\$7,677.00	\$207,686.00	\$215,250.00	\$7,564.00	
6105-Taxes other than Income Taxes	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	
Cost of Power							
4705-Power Purchased	\$4,229,620.42	\$4,679,585.00	\$449,964.58	\$4,679,585.00	\$4,780,362.46	\$100,777.46	
4708-Charges-WMS	\$450,165.21	\$352,951.00	-\$97,214.21	\$352,951.00	\$350,056.61	-\$2,894.39	
4710-Cost of Power Adjustments	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	
4712-Charges-One-Time	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	
4714-Charges-NW	\$712,070.45	\$767,821.00	\$55,750.55	\$767,821.00	\$708,898.12	-\$58,922.88	
4716-Charges-CN	\$641,531.04	\$661,464.00	\$19,932.96	\$661,464.00	\$633,021.39	-\$28,442.61	
4730-Rural Rate Assistance Expense	\$85,916.58	\$86,764.00	\$847.42	\$86,764.00	\$88,200.82	\$1,436.82	
5685-Independent Market Operator Fees and Penalties	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	
Sub-Total	\$6,119,303.70	\$6,548,585.00	\$429,281.30	\$6,548,585.00	\$6,560,539.40	\$11,954.40	

OM&A COSTS	2007 Actual	2008 Bridge	Variance form 2007 Actual
Operation (Working Capital)			
5005-Operation Supervision and Engineering	\$340.80	\$2,000.00	\$1,659.20
5010-Load Dispatching	\$2,810.67	\$0.00	-\$2,810.67
5012-Station Buildings and Fixtures Expense	\$0.00	\$0.00	\$0.00
5014-Transformer Station Equipment - Operation Labour	\$19,366.34	\$0.00	-\$19,366.34
5015-Transformer Station Equipment - Operation Supplies and Expenses	\$50.00	\$0.00	-\$50.00
5016-Distribution Station Equipment - Operation Labour	\$0.00	\$0.00	\$0.00
5017-Distribution Station Equipment - Operation Supplies and Expenses	\$0.00	\$0.00	\$0.00
5020-Overhead Distribution Lines and Feeders - Operation Labour	\$158,282.14	\$135,000.00	-\$23,282.14
5025-Overhead Distribution Lines & Feeders - Operation Supplies and Expenses	\$0.00	\$0.00	\$0.00
5030-Overhead Subtransmission Feeders - Operation	\$0.00	\$0.00	\$0.00
5035-Overhead Distribution Transformers- Operation	\$0.00	\$0.00	\$0.00
5040-Underground Distribution Lines and Feeders - Operation Labour	\$0.00	\$0.00	\$0.00
5045-Underground Distribution Lines & Feeders - Operation Supplies & Expenses	\$0.00	\$0.00	\$0.00
5050-Underground Subtransmission Feeders - Operation	\$85,654.13	\$100,000.00	\$14,345.87
5055-Underground Distribution Transformers - Operation	\$0.00	\$0.00	\$0.00
5060-Street Lighting and Signal System Expense	\$0.00	\$0.00	\$0.00
5065-Meter Expense	\$0.00	\$0.00	\$0.00
5070-Customer Premises - Operation Labour	\$0.00	\$0.00	\$0.00
5075-Customer Premises - Materials and Expenses	\$0.00	\$0.00	\$0.00
5085-Miscellaneous Distribution Expense	\$0.00	\$0.00	\$0.00
5090-Underground Distribution Lines and Feeders - Rental Paid	\$0.00	\$0.00	\$0.00
5095-Overhead Distribution Lines and Feeders - Rental Paid	\$0.00	\$0.00	\$0.00
5096-Other Rent	\$0.00	\$0.00	\$0.00
Sub-Total	\$266,504.08	\$237,000.00	-\$29,504.08

2008 Bridge	2009 Test	Variance form 2008 Bridge
\$2,000.00	\$2,000.00	\$0.00
\$0.00	\$0.00	\$0.00
\$0.00	\$0.00	\$0.00
\$0.00	\$5,000.00	\$5,000.00
\$0.00	\$0.00	\$0.00
\$0.00	\$0.00	\$0.00
\$0.00	\$0.00	\$0.00
\$135,000.00	\$221,725.00	\$86,725.00
\$0.00	\$0.00	\$0.00
\$0.00	\$0.00	\$0.00
\$0.00	\$0.00	\$0.00
\$0.00	\$0.00	\$0.00
\$0.00	\$22,425.00	\$22,425.00
\$100,000.00	\$124,600.00	\$24,600.00
\$0.00	\$0.00	\$0.00
\$0.00	\$0.00	\$0.00
\$0.00	\$0.00	\$0.00
\$0.00	\$5,000.00	\$5,000.00
\$0.00	\$0.00	\$0.00
\$0.00	\$0.00	\$0.00
\$0.00	\$0.00	\$0.00
\$0.00	\$0.00	\$0.00
\$0.00	\$0.00	\$0.00
\$237,000.00	\$380,750.00	\$143,750.00

Maintenance (Working Capital)			
5105-Maintenance Supervision and Engineering	\$2,376.32	\$4,000.00	\$1,623.68
5110-Maintenance of Buildings and Fixtures - Distribution Stations	\$0.00	\$0.00	\$0.00
5112-Maintenance of Transformer Station Equipment	\$0.00	\$0.00	\$0.00
5114-Maintenance of Distribution Station Equipment	-\$15,793.14	\$35,500.00	\$51,293.14
5120-Maintenance of Poles, Towers and Fixtures	\$319.92	\$15,000.00	\$14,680.08
5125-Maintenance of Overhead Conductors and Devices	\$0.00	\$0.00	\$0.00
5130-Maintenance of Overhead Services	\$18,644.33	\$18,000.00	-\$644.33
5135-Overhead Distribution Lines and Feeders - Right of Way	\$0.00	\$0.00	\$0.00
5145-Maintenance of Underground Conduit	\$0.00	\$0.00	\$0.00
5150-Maintenance of Underground Conductors and Devices	\$26,989.57	\$20,000.00	-\$6,989.57
5155-Maintenance of Underground Services	\$453.53	\$7,000.00	\$6,546.47
5160-Maintenance of Line Transformers	\$4,971.82	\$0.00	-\$4,971.82
5165-Maintenance of Street Lighting and Signal Systems	\$0.00	\$0.00	\$0.00
5170-Sentinel Lights - Labour	\$0.00	\$0.00	\$0.00
5172-Sentinel Lights - Materials and Expenses	\$0.00	\$0.00	\$0.00
5175-Maintenance of Meters	\$4,800.00	\$6,000.00	\$1,200.00
5178-Customer Installations Expenses- Leased Property	\$0.00	\$0.00	\$0.00
5185-Water Heater Rentals - Labour	\$0.00	\$0.00	\$0.00
5186-Water Heater Rentals - Materials and Expenses	\$432.68	\$3,800.00	\$3,367.32
5190-Water Heater Controls - Labour	\$0.00	\$0.00	\$0.00
5192-Water Heater Controls - Materials and Expenses	\$0.00	\$0.00	\$0.00
5195-Maintenance of Other Installations on Customer Premises	\$0.00	\$0.00	\$0.00
Sub-Total	\$43,195.03	\$109,300.00	\$66,104.97

\$4,000.00	\$4,000.00	\$0.00
\$0.00	\$0.00	\$0.00
\$0.00	\$0.00	\$0.00
\$35,500.00	\$10,000.00	-\$25,500.00
\$15,000.00	\$27,000.00	\$12,000.00
\$0.00	\$0.00	\$0.00
\$18,000.00	\$15,000.00	-\$3,000.00
\$0.00	\$0.00	\$0.00
\$0.00	\$0.00	\$0.00
\$20,000.00	\$15,000.00	-\$5,000.00
\$7,000.00	\$5,000.00	-\$2,000.00
\$0.00	\$6,000.00	\$6,000.00
\$0.00	\$0.00	\$0.00
\$0.00	\$0.00	\$0.00
\$0.00	\$0.00	\$0.00
\$6,000.00	\$6,000.00	\$0.00
\$0.00	\$0.00	\$0.00
\$0.00	\$0.00	\$0.00
\$3,800.00	\$3,800.00	\$0.00
\$0.00	\$0.00	\$0.00
\$0.00	\$0.00	\$0.00
\$0.00	\$0.00	\$0.00
\$109,300.00	\$91,800.00	-\$17,500.00

Billing and Collections			
5305-Supervision	\$0.00	\$0.00	\$0.00
5310-Meter Reading Expense	\$90,989.73	\$88,000.00	-\$2,989.73
5315-Customer Billing	\$287,903.53	\$301,324.00	\$13,420.47
5320-Collecting	\$0.00	\$0.00	\$0.00
5325-Collecting- Cash Over and Short	\$40.00	\$10,000.00	\$9,960.00
5330-Collection Charges	\$0.00	\$0.00	\$0.00
5335-Bad Debt Expense	\$0.00	\$0.00	\$0.00
5340-Miscellaneous Customer Accounts Expenses	\$0.00	\$0.00	\$0.00
Sub-Total	\$378,933.26	\$399,324.00	\$20,390.74
Community Relations			
5405-Supervision	\$0.00	\$0.00	\$0.00
5410-Community Relations - Sundry	\$3,364.68	\$10,000.00	\$6,635.32
5415-Energy Conservation	\$22,556.84	\$0.00	-\$22,556.84
5420-Community Safety Program	\$0.00	\$0.00	\$0.00
5425-Miscellaneous Customer Service and Informational Expenses	\$0.00	\$0.00	\$0.00
5505-Supervision	\$0.00	\$0.00	\$0.00
5510-Demonstrating and Selling Expense	\$0.00	\$0.00	\$0.00
5515-Advertising Expense	\$4,875.00	\$10,000.00	\$5,125.00
5520-Miscellaneous Sales Expense	\$0.00	\$0.00	\$0.00
Sub-Total	\$30,796.52	\$20,000.00	-\$10,796.52

\$0.00	\$0.00	\$0.00
\$88,000.00	\$100,750.00	\$12,750.00
\$301,324.00	\$326,050.00	\$24,726.00
\$0.00	\$0.00	\$0.00
\$10,000.00	\$10,000.00	\$0.00
\$0.00	\$0.00	\$0.00
\$0.00	\$0.00	\$0.00
\$0.00	\$0.00	\$0.00
\$399,324.00	\$436,800.00	\$37,476.00
\$0.00	\$0.00	\$0.00
\$10,000.00	\$13,000.00	\$3,000.00
\$0.00	\$0.00	\$0.00
\$0.00	\$0.00	\$0.00
\$0.00	\$0.00	\$0.00
\$0.00	\$0.00	\$0.00
\$0.00	\$0.00	\$0.00
\$10,000.00	\$13,000.00	\$3,000.00
\$0.00	\$0.00	\$0.00
\$20,000.00	\$26,000.00	\$6,000.00

Administrative and General Expenses			
5605-Executive Salaries and Expenses	\$47,841.08	\$56,100.00	\$8,258.92
5610-Management Salaries and Expenses	\$47,555.76	\$47,200.00	-\$355.76
5615-General Administrative Salaries and Expenses	\$150,364.50	\$150,500.00	\$135.50
5620-Office Supplies and Expenses	\$3,612.99	\$6,500.00	\$2,887.01
5625-Administrative Expense Transferred Credit	\$0.00	\$0.00	\$0.00
5630-Outside Services Employed	\$174,341.92	\$230,000.00	\$55,658.08
5635-Property Insurance	\$28,773.12	\$32,000.00	\$3,226.88
5640-Injuries and Damages	\$0.00	\$0.00	\$0.00
5645-Employee Pensions and Benefits	\$0.65	\$0.00	-\$0.65
5650-Franchise Requirements	\$0.00	\$0.00	\$0.00
5655-Regulatory Expenses	\$12,946.97	\$15,300.00	\$2,353.03
5660-General Advertising Expenses	\$0.00	\$0.00	\$0.00
5665-Miscellaneous General Expenses	\$44,451.12	\$42,100.00	-\$2,351.12
5670-Rent	\$26,400.00	\$27,200.00	\$800.00
5675-Maintenance of General Plant	\$115,899.89	\$35,000.00	-\$80,899.89
5680-Electrical Safety Authority Fees	\$0.00	\$0.00	\$0.00
5685-Independent Market Operator Fees and Penalties	\$0.00	\$0.00	\$0.00
Sub-Total	\$652,188.00	\$641,900.00	-\$10,288.00

\$56,100.00	\$59,300.00	\$3,200.00
\$47,200.00	\$49,900.00	\$2,700.00
\$150,500.00	\$244,750.00	\$94,250.00
\$6,500.00	\$6,700.00	\$200.00
\$0.00	\$0.00	\$0.00
\$230,000.00	\$346,400.00	\$116,400.00
\$32,000.00	\$33,900.00	\$1,900.00
\$0.00	\$0.00	\$0.00
\$0.00	\$0.00	\$0.00
\$0.00	\$0.00	\$0.00
\$15,300.00	\$16,250.00	\$950.00
\$0.00	\$0.00	\$0.00
\$42,100.00	\$42,100.00	\$0.00
\$27,200.00	\$31,600.00	\$4,400.00
\$35,000.00	\$40,000.00	\$5,000.00
\$0.00	\$0.00	\$0.00
\$0.00	\$0.00	\$0.00
\$641,900.00	\$870,900.00	\$229,000.00

Amortization Expenses			
5705-Amortization Expense - Property, Plant, and Equipment	\$212,970.00	\$295,597.31	\$82,627.31
5710-Amortization of Limited Term Electric Plant	\$0.00	\$0.00	\$0.00
5715-Amortization of Intangibles and Other Electric Plant	\$2,280.00	\$0.00	-\$2,280.00
5720-Amortization of Electric Plant Acquisition Adjustments	\$0.00	\$0.00	\$0.00
5725-Miscellaneous Amortization	\$0.00	\$0.00	\$0.00
5730-Amortization of Unrecovered Plant and Regulatory Study Costs	\$0.00	\$0.00	\$0.00
5735-Amortization of Deferred Development Costs	\$0.00	\$0.00	\$0.00
5740-Amortization of Deferred Charges	\$0.00	\$0.00	\$0.00
Sub-Total	\$215,250.00	\$295,597.31	\$80,347.31
6105-Taxes other than Income Taxes	\$0.00	\$0.00	\$0.00
Cost of Power			
4705-Power Purchased	\$4,780,362.46	\$4,358,484.83	-\$421,877.63
4708-Charges-WMS	\$350,056.61	\$415,855.43	\$65,798.82
4710-Cost of Power Adjustments	\$0.00	\$0.00	\$0.00
4712-Charges-One-Time	\$0.00	\$0.00	\$0.00
4714-Charges-NW	\$708,898.12	\$578,419.90	-\$130,478.22
4716-Charges-CN	\$633,021.39	\$608,308.96	-\$24,712.43
4730-Rural Rate Assistance Expense	\$88,200.82	\$79,972.20	-\$8,228.62
5685-Independent Market Operator Fees and Penalties	\$0.00	\$0.00	\$0.00
Sub-Total	\$6,560,539.40	\$6,041,041.33	-\$519,498.07

\$295,597.31	\$350,458.81	\$54,861.49
\$0.00	\$0.00	\$0.00
\$0.00	\$0.00	\$0.00
\$0.00	\$0.00	\$0.00
\$0.00	\$0.00	\$0.00
\$0.00	\$0.00	\$0.00
\$0.00	\$0.00	\$0.00
\$0.00	\$0.00	\$0.00
\$0.00	\$0.00	\$0.00
\$295,597.31	\$350,458.81	\$54,861.49
\$0.00	\$0.00	\$0.00
\$4,358,484.83	\$4,407,280.47	\$48,795.64
\$415,855.43	\$420,511.16	\$4,655.73
\$0.00	\$0.00	\$0.00
\$0.00	\$0.00	\$0.00
\$578,419.90	\$591,737.24	\$13,317.34
\$608,308.96	\$622,113.17	\$13,804.21
\$79,972.20	\$80,867.53	\$895.33
\$0.00	\$0.00	\$0.00
\$6,041,041.33	\$6,122,509.58	\$81,468.25

VARIANCE ANALYSIS ON OM&A COSTS

A summary of operating and maintenance costs is presented in Exhibit 4, Tab 1, Schedule 2.

2009 Test year

The 2009 test year Operating & Maintenance forecast is shown in Exhibit 4, Tab 2, Schedule 1.

The total net cost is expected to be \$8,279,218. Operations and Maintenance represents 5.71% of the total cost. Administration and General costs represent 10.83% of the total cost. Billing and Collection costs accounts for 5.28% of the total Operating Costs. Finally Cost of Power accounts for 73.95% of the total Operating Costs

Comparison to Fiscal 2008 Bridge Year

Exhibit 4, Tab 2, Schedule 1, provides a comparison of the 2009 test year forecast of Operation & Maintenance expenses to that forecast for the 2008 bridge year. Total net Operation & Maintenance costs are forecast to increase \$535,065 or 6.91%. The resulting cost per customer increases \$90.63 or 6.14%.

2008 Bridge Year

The 2008 bridge year Operating & Maintenance forecast is shown in Exhibit 4, Tab 2, Schedule 1.

The total net cost is expected to be \$7,744,163. Operations and Maintenance costs represent 4.47% of the total operating cost. Administration and General costs represent 8.55% of the total cost. Billing and Collection costs accounts for 5.16% of the total Operating Costs. Finally Cost of Power accounts for 78.01% of the total Operating Costs.

Comparison to Fiscal 2007 Actual

Exhibit 4, Tab 2, Schedule 1, provides a comparison of the 2009 test year forecast of Operation & Maintenance expenses to that forecast for the 2007 Actual. Total net Operation & Maintenance costs are forecast to decrease \$403,244 or a 4.95% reduction. The resulting cost per customer decreases \$88.78 or a 5.76% reduction.

2007 Actual

The 2007 fiscal year Operating & Maintenance forecast is shown in Exhibit 4, Tab 2, Schedule 1.

The total net cost was \$8,147,406. Operations and Maintenance costs represent 3.80% of the total cost. Administration and General costs represent 8.38% of the total cost. Billing and Collection costs accounts for 4.65% of the total Operating Costs. Finally Cost of Power accounts for 80.52% of the total Operating Costs

Comparison to Fiscal 2006 Actual

Exhibit 4, Tab 2, Schedule 1, provides a comparison of the 2009 test year forecast of Operation & Maintenance expenses to that forecast for the 2007 fiscal year. Total net Operation & Maintenance costs are forecast to decrease \$54,263 or a 0.66% reduction. The resulting cost per customer decreases \$23.23 or a 1.46% reduction.

MATERIALITY ANALYSIS ON OM&A COSTS

Materiality of 1% of 2006 board approved distribution expenses of \$1,314,279 is \$13,143.

2006 Board Approved to 2006 Actual

Asset Account	Year 1	Year 2	Variance
5020-Overhead Distribution Lines & Feeder- Operation Supplies & Expenses	\$217,823	\$259,058	\$41,235

Explanation: Increased due to planned maintenance schedule cycle changes and cost of materials increase.

Asset Account	Year 1	Year 2	Variance
5105-Maintenance Supervision and Engineering	\$0	\$15,616	\$15,616

Explanation: Supervision was not accounted separately in the past.

Asset Account	Year 1	Year 2	Variance
5150-Maintenance of Underground Conductors and Devices	\$0	\$27,773	\$27,773

Explanation: Maintenance activities were minimal in the 2006 EDR due to increased capital spend in those years.

Asset Account	Year 1	Year 2	Variance
5175-Maintenance of Meters	\$0	\$39,204	\$39,204

Explanation: Maintenance of meters was necessary in these years to meet measurements canada requirements.

Asset Account	Year 1	Year 2	Variance
5315-Customer Billing	\$217,802	\$249,860	\$32,058

Explanation: Increase in wages and system upgrades.

Asset Account	Year 1	Year 2	Variance
5415-Energy Conservation	\$0	\$17,011	\$17,011

Explanation: New cost to the utility not experienced in the past.

Asset Account	Year 1	Year 2	Variance
5615-General Administrative Salaries and Expenses	\$121,224	\$138,572	\$17,348

Explanation: This change represents wage increases and overtime.

Asset Account	Year 1	Year 2	Variance
5630-Outside Services Employed	\$93,237	\$192,738	\$99,501

Explanation: This increase in cost is due to the Sifto salt OEB hearing.

Asset Account	Year 1	Year 2	Variance
5635-Property Insurance	\$2,701	\$27,667	\$24,966

Explanation: Represents actual marine insurance and building insurance costs.

Asset Account	Year 1	Year 2	Variance
5655-Regulatory Expenses	\$1,460	\$15,491	\$14,031

Explanation: This is the accounting of actual regulatory fees paid in 2006.

Asset Account	Year 1	Year 2	Variance
4705-Power Purchased	\$4,229,620	\$4,679,585	\$449,965

Explanation: 2006 was a higher consumption year than 2004 and is beyond WCHE's control.

Asset Account	Year 1	Year 2	Variance
4714-Charges NW	\$712,070	\$767,821	\$55,751

Explanation: 2006 was a higher consumption year than 2004 and is beyond WCHE's control.

Asset Account	Year 1	Year 2	Variance
4716-Charges CN	\$641,531	\$661,464	\$19,933

Explanation: 2006 was a higher consumption year than 2004 and is beyond WCHE's control.

2006 Actual to 2007 Actual

Asset Account	Year 1	Year 2	Variance
5050-Underground Subtransmission Feeders- Operation	\$68,461	\$85,654	\$17,193

Explanation: Increased due to planned maintenance schedule cycle changes and cost of materials increase.

Asset Account	Year 1	Year 2	Variance
5315-Customer Billing	\$249,860	\$287,904	\$38,044

Explanation: Increase in wages and system upgrades.

Asset Account	Year 1	Year 2	Variance
5675-Maintenance of General Plant	\$58,422	\$115,900	\$57,478

Explanation: Increased due to planned maintenance schedule cycle changes and cost of materials increase.

Asset Account	Year 1	Year 2	Variance
4705-Power Purchased	\$4,679,585	\$4,780,362	\$100,777

Explanation: 2007 Bridge year amount calculated using normalized consumption which are higher than 2006

2007 Actual to 2008 Bridge

Asset Account	Year 1	Year 2	Variance
5050-Underground Distribution Lines & Feeders- Operation Supplies & Expenses	\$85,654	\$100,000	\$14,346

Explanation: Increased due to planned maintenance schedule cycle changes and cost of materials increase.

Asset Account	Year 1	Year 2	Variance
5114-Maintenance of Distribution Station Equipment	-\$15,793	\$35,500	\$51,293

Explanation: Increased due to planned maintenance schedule cycle changes and cost of materials increase.

Asset Account	Year 1	Year 2	Variance
5120-Maintenance of Poles, Towers and Fixtures	\$320	\$15,000	\$14,680

Explanation: Increased due to planned maintenance schedule cycle changes and cost of materials increase.

Asset Account	Year 1	Year 2	Variance
5315-Customer Billing	\$287,904	\$301,324	\$13,420

Explanation: Expense to upgrade billing software, Increase in wages and salaries for billing staff, and additional data mining and settlement costs

Asset Account	Year 1	Year 2	Variance
5630-Outside Services Employed	\$174,342	\$230,000	\$55,658

Explanation: Addition of cost of Environmental resource shared with the Town of Goderich. Increase in Audit and legal fees.

Asset Account	Year 1	Year 2	Variance
5705-Amortization Expense-Property, Plant and Equipment	\$212,970	\$288,158	\$75,188

Explanation: Direct result of increase in capital budget in 2008 from 172,000 to \$453,000

Asset Account	Year 1	Year 2	Variance
4708-Charges-WMS	\$350,057	\$458,684	\$108,628

Explanation: 2008 bridge year amount calculated using normalized consumption which are higher than 2007

2008 Bridge to 2009 Test

Asset Account	Year 1	Year 2	Variance
5020-Overhead Distribution Lines and Feeders- Operation Supplies & Expenses	\$135,000	\$221,725	\$86,725

Explanation: Increased due to planned maintenance schedule cycle changes and cost of materials increase.

Asset Account	Year 1	Year 2	Variance
5045-Underground Distribution Lines & Feeders - Operation Supplies & Expense	\$0	\$22,425	\$22,425

Explanation: Increased due to planned maintenance schedule cycle changes and cost of materials increase.

Asset Account	Year 1	Year 2	Variance
5050-Underground Subtransmission Feeders- Operation	\$100,000	\$124,600	\$24,600

Explanation: Increased due to planned maintenance schedule cycle changes and cost of materials increase.

Asset Account	Year 1	Year 2	Variance
5315-Customer Billing	\$301,324	\$326,050	\$24,726

Explanation: Increase in Salaries and supply costs

Asset Account	Year 1	Year 2	Variance
5615-General Administrative Salaries and Expenses	\$150,500	\$244,750	\$94,250

Explanation: Addition of new staff and wage increases.

Asset Account	Year 1	Year 2	Variance
5630-Outside Services Employed	\$230,000	\$346,400	\$116,400

Explanation: Addition of costs for 2009 COS rate application, and interrogatory response as well as increased legal cost.

Asset Account	Year 1	Year 2	Variance
5705-Amortization Expense - Property, Plant & Equipment	\$288,158	\$343,020	\$54,862

Explanation: Increase in capital budget amount in 2008 and 2009 in turn has increased amortization.

Asset Account	Year 1	Year 2	Variance
4705-Power Purchased	\$4,807,364	\$4,913,263	\$105,899

Explanation: 2009 Test year amount calculated using normalized consumption which are higher than 2008

SHARED SERVICES

A summary of shared services for actual fiscal 2006, along with the projections for the 2007 actual fiscal year, 2008 bridge year and 2009 test year are shown in the following table.

Town of Goderich

	2006 Actual	2007 Actual	2008 Bridge	2009 Test
Executive Services				
Cost allocator	Actual Costs	Actual Costs	Actual Costs	Actual Costs
Explanation	WCHE is billed for use of its parent company's executive team based on their utilization			
Total Costs	\$46,129	\$47,556	\$47,200	\$49,900

CORPORATE COST ALLOCATION

West Coast Huron Energy does not utilize corporate cost allocation.

PURCHASE OF SERVICES

EMPLOYEE DESCRIPTION

Number of employees (Full-time equivalents (FTE's):

	<u>2006</u> <u>Board</u> <u>Approved</u>	<u>2006</u> <u>Actual</u>	<u>2007</u> <u>Bridge</u>	<u>2008</u> <u>Test</u>
Executive	1	1	1	1
Management				
Non-Unionized	1	1	1	1
Unionized				

DEPRECIATION, AMORTIZATION AND DEPLETION

DEPRECIATION, AMORTIZATION AND DEPLETION	2006 Board Approved (\$'s)	Depreciation Rate	Depreciation	2006 Actual (\$'s)	Rate %	Depreciation (\$'s)	2007 Actual (\$'s)	Rate %	Depreciation (\$'s)	2008 Bridge (\$'s)	Rate %	Depreciation (\$'s)	2009 Test (\$'s)	Rate %	Depreciation (\$'s)
Land and Buildings	\$89,638.12	2.00%	\$2,306.32	\$92,460.45	2.00%	\$5,545.00	\$92,685.45	2.00%	\$2,833.04	\$92,685.45	2.00%	\$2,837.54	\$92,685.45	2.00%	\$2,837.54
TS Primary Above 50	\$0.00		\$0.00	\$0.00		\$0.00	\$0.00		\$0.00	\$0.00		\$0.00	\$0.00		\$0.00
DS	\$151,906.63	3.30%	\$5,171.40	\$152,252.22	3.30%	\$12,180.00	\$152,252.22	3.30%	\$6,090.09	\$152,252.22	3.30%	\$6,090.09	\$182,252.22	3.30%	\$6,690.09
Poles and Wires	\$2,928,727.52	4.00%	\$105,005.71	\$3,185,514.67	4.00%	\$250,990.00	\$3,323,950.96	4.00%	\$129,108.31	\$3,608,950.96	4.00%	\$136,738.13	\$3,898,950.96	4.00%	\$144,499.62
Line Transformers	\$681,332.11	4.00%	\$24,241.04	\$656,834.55	4.00%	\$59,865.00	\$773,801.48	4.00%	\$28,612.72	\$898,801.48	4.00%	\$33,452.06	\$1,033,801.48	4.00%	\$38,652.06
Services and Meters	\$301,299.96	4.00%	\$14,702.40	\$412,830.72	4.00%	\$33,641.00	\$469,061.56	4.00%	\$17,637.85	\$474,061.56	4.00%	\$18,862.46	\$484,061.56	4.00%	\$19,162.46
General Plant	\$0.00	4.00%	\$0.00	\$0.00	4.00%	\$0.00	\$0.00	4.00%	\$0.00	\$0.00	4.00%	\$0.00	\$0.00	4.00%	\$0.00
IT Assets	\$71,797.13	20.00%	\$11,846.66	\$90,921.12	20.00%	\$23,197.00	\$155,848.00	20.00%	\$12,338.46	\$155,848.00	20.00%	\$15,584.80	\$155,848.00	20.00%	\$15,584.80
Equipment	\$349,953.42	10.00%	\$36,735.47	\$368,248.94	10.00%	\$86,537.84	\$380,773.95	10.00%	\$86,918.95	\$418,773.95	10.00%	\$92,955.86	\$708,773.95	10.00%	\$133,955.86
Other Distribution Assets	\$0.00	4.00%	\$0.00	-\$166,135.45	4.00%	\$0.00	-\$273,090.80	4.00%	-\$8,994.53	-\$273,090.80	4.00%	-\$10,923.63	-\$273,090.80	4.00%	-\$10,923.63
GROSS ASSET TOTAL	\$4,574,654.89		\$200,009.00	\$4,792,927.22		\$471,955.84	\$5,075,282.82		\$274,544.89	\$5,528,282.82		\$295,597.31	\$6,283,282.82		\$350,458.81

Revised January 16th, 2009

LOSS ADJUSTMENT FACTOR CALCULATION

LOSS ADJUSTMENT FACTOR CALCULATION

	2002	2003	2004	2005	2006	2007	Total
A "Wholesale" kWh (IESO)	146,272,733	84,327,123	85,916,192	87,417,942	87,069,383	87,554,002	578,557,375
B Wholesale kWh for Large Use customer(s) (IESO)	54,875,943	8,888,048					63,763,991
C Net "Wholesale" kWh (A)-(B)	201,148,676	93,215,171	85,916,192	87,417,942	87,069,383	87,554,002	642,321,366
D Retail kWh (Distributor)	138,008,817	81,017,931	82,368,202	83,184,361	84,870,508	83,714,097	553,163,917
E Retail kWh for Large Use Customer(s) (1% loss)	54,488,795	8,799,168					63,287,963
F Net "Retail" kWh (D)-(E)	192,497,612	89,817,099	82,368,202	83,184,361	84,870,508	83,714,097	616,451,880
G Loss Factor [(C)/(F)]	1.0449	1.0378	1.0431	1.0509	1.0259	1.0459	1.0420
H Distribution Loss Adjustment Factor							0.0045

Total Utility Loss Adjustment Factor

LAF

Supply Facility Loss Factor 1.0045

Distribution Loss Factors

Secondary Metered Customer

Total Loss Factor - Secondary Metered Customer < 5,000kW 1.0420
Total Loss Factor - Secondary Metered Customer > 5,000kW 1.0100

Primary Metered Customer

Total Loss Factor - Primary Metered Customer < 5,000kW 1.0315
Total Loss Factor - Primary Metered Customer > 5,000kW 1.0000

Total Loss Factor

Secondary Metered Customer

Total Loss Factor - Secondary Metered Customer < 5,000kW 1.0467
Total Loss Factor - Secondary Metered Customer > 5,000kW 1.0145

Primary Metered Customer

Total Loss Factor - Primary Metered Customer < 5,000kW 1.0362
Total Loss Factor - Primary Metered Customer > 5,000kW 1.0045

MATERIALITY ANALYSIS ON DISTRIBUTION LOSSES

The resulting Loss Factor adjustment is less than 5%.

TAX CALCULATIONS

Summary of Income Tax Calculation

	2006 Board Approved	2006 Actual	2007 Actual	2008 Bridge	2009 Test
<u>Determination of Taxable Income</u>					
Regulatory Net Income (before tax)	\$214,459	\$51,069	\$143,936	\$193,976	\$208,258
Book to Tax Adjustments					
Additions to Accounting Income:					
Depreciation and amortization	\$208,110	\$471,956	\$275,626	\$294,516	\$350,459
Meals & entertainment / Mileage					
Other Additions		\$0	\$0		
Total Additions	\$208,110	\$471,956	\$275,626	\$294,516	\$350,459
Deductions from Accounting Income:					
Capital Cost Allowance	\$239,253	\$236,618	\$244,894	\$256,980	\$314,299
Cumulative eligible capital deductions	\$946				
Gain on Disposal					
Other Deductions		\$0	\$0		
Total Deductions	\$240,199	\$236,618	\$244,894	\$256,980	\$314,299
Regulatory Taxable Income	\$182,370	\$286,406	\$174,668	\$231,512	\$244,418
Corporate Income Tax Rate	18.62%	18.62%	18.62%	17.00%	12.80%
Ontario Capital Tax Rate					14.00%
Provincial Small Business Rate					5.50%
Provincial Tax Clawback Rate					4.25%
Corporate Income Tax					\$31,285
Ontario Capital Tax					\$34,218
Provincial Small Business					-\$20,776
Provincial Tax Clawback					\$0
Regulatory Income Tax	\$33,957	\$53,329	\$32,523	\$39,357	\$44,728
<u>Calculation of Utility Income Taxes</u>					
Income Taxes (Line 23)	\$33,957	\$53,329	\$32,523	\$39,357	\$44,728
Ontario Capital Tax	\$0	\$0	\$0	\$0	\$0
Large Corporation Tax (Line 14, page 2)					
Total Taxes	\$33,957	\$53,329	\$32,523	\$39,357	\$44,728
Taxes Grossed up for Rate Purposes	\$41,727	\$65,531	\$39,964	\$47,418	\$51,294
<u>Tax Rates</u>					
Federal Tax	12.00%	12.00%	12.00%	11.50%	12.80%
Federal Surtax	1.12%	1.12%	1.12%	0.00%	0.00%
Provincial Tax	5.50%	5.50%	5.50%	5.50%	5.50%
Total Tax Rate	18.62%	18.62%	18.62%	17.00%	18.30%

INTEREST EXPENSE

Interest Expense

	2006 Board Approved	2006 Actual	2007 Bridge	2008 Bridge	2009 Test
Actual Interest Expense	\$70,647.92	\$70,647.92	\$70,647.92	\$70,647.92	\$164,390.12
Capitalized Interest	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Actual Interest	\$70,647.92	\$70,647.92	\$70,647.92	\$70,647.92	\$164,390.12
Interest forecast Adjustments	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Total Interest	\$70,647.92	\$70,647.92	\$70,647.92	\$70,647.92	\$164,390.12
Deemed Interest	\$172,737.64	\$172,737.64	\$172,737.64	\$172,737.64	\$170,696.39
Excess Interest	-\$102,089.73	-\$102,089.73	-\$102,089.73	-\$102,089.73	-\$6,306.27

CAPITAL COST ALLOWANCE

CAPITAL COST ALLOWANCE
2006 Board Approved

Class	Class Description	UCC Opening Balance	Additions	Dispositions	UCC Before 1/2 Yr Adjustment	1/2 Year Rule {1/2 Additions Less Disposals}	Reduced UCC	Rate %	CCA	UCC Ending Balance
1	Distribution System - 1988 to 22-Feb-2005	\$3,432,301	\$204,024		\$3,636,325	\$102,012	\$3,534,313	4%	\$141,373	\$3,494,952
2	Distribution System - pre 1988				\$0	\$0	\$0	6%	\$0	\$0
8	General Office/Stores Equip	\$219,472			\$219,472	\$0	\$219,472	20%	\$43,894	\$175,578
10	Computer Hardware/ Vehicles	\$183,347	\$14,990		\$198,337	\$7,495	\$190,842	30%	\$57,253	\$141,084
10.1	Certain Automobiles				\$0	\$0	\$0	30%	\$0	\$0
12	Computer Software	\$43,111			\$43,111	\$0	\$43,111	100%	\$43,111	\$0
13 1	Lease # 1				\$0	\$0	\$0		\$0	\$0
13 2	Lease #2				\$0	\$0	\$0		\$0	\$0
13 3	Lease # 3				\$0	\$0	\$0		\$0	\$0
13 4	Lease # 4				\$0	\$0	\$0		\$0	\$0
14	Franchise				\$0	\$0	\$0		\$0	\$0
17	New Electrical Generating Equipment Acq'd after Feb 27/00 Other Than Bldgs				\$0	\$0	\$0		\$0	\$0
43.1	Certain Energy-Efficient Electrical Generating Equipment				\$0	\$0	\$0		\$0	\$0
45	Computers & Systems Software acq'd post Mar 22/04				\$0	\$0	\$0		\$0	\$0
46	Data Network Infrastructure Equipment (acq'd post Mar 22/04)				\$0	\$0	\$0		\$0	\$0
47	Distribution System - post 22-Feb-2005				\$0	\$0	\$0	8%	\$0	\$0
98	No CCA				\$0	\$0	\$0		\$0	\$0
TOTAL		\$3,878,230	\$219,014	\$0	\$4,097,244	\$109,507	\$3,987,737		\$285,630	\$3,811,614

2006 Actual

Class	Class Description	UCC Opening Balance	Additions	Dispositions	UCC Before 1/2 Yr Adjustment	1/2 Year Rule {1/2 Additions Less Disposals}	Reduced UCC	Rate %	CCA	UCC Ending Balance
1	Distribution System - 1988 to 22-Feb-2005	\$3,494,952			\$3,494,952	\$0	\$3,494,952	4%	\$139,798	\$3,355,154
2	Distribution System - pre 1988	\$0			\$0	\$0	\$0	6%	\$0	\$0
8	General Office/Stores Equip	\$175,578			\$175,578	\$0	\$175,578	20%	\$35,116	\$140,462
10	Computer Hardware/ Vehicles	\$141,084	\$37,420		\$178,504	\$18,710	\$159,794	30%	\$47,938	\$130,566
10.1	Certain Automobiles	\$0			\$0	\$0	\$0	30%	\$0	\$0
12	Computer Software	\$0			\$0	\$0	\$0	100%	\$0	\$0
13 1	Lease # 1	\$0			\$0	\$0	\$0		\$0	\$0
13 2	Lease #2	\$0			\$0	\$0	\$0		\$0	\$0
13 3	Lease # 3	\$0			\$0	\$0	\$0		\$0	\$0
13 4	Lease # 4	\$0			\$0	\$0	\$0		\$0	\$0
14	Franchise	\$0			\$0	\$0	\$0		\$0	\$0
17	New Electrical Generating Equipment Acq'd after Feb 27/00 Other Than Bldgs	\$0			\$0	\$0	\$0		\$0	\$0
43.1	Certain Energy-Efficient Electrical Generating Equipment	\$0			\$0	\$0	\$0		\$0	\$0
45	Computers & Systems Software acq'd post Mar 22/04	\$0			\$0	\$0	\$0		\$0	\$0
46	Data Network Infrastructure Equipment (acq'd post Mar 22/04)	\$0			\$0	\$0	\$0		\$0	\$0
47	Distribution System - post 22-Feb-2005	\$0	\$344,166		\$344,166	\$172,083	\$172,083	8%	\$13,767	\$330,399
98	No CCA	\$0			\$0	\$0	\$0		\$0	\$0
	TOTAL	\$3,811,614	\$381,585	\$0	\$4,193,200	\$190,793	\$4,002,407		\$236,618	\$3,956,581

2007 Actual

Class	Class Description	UCC Opening Balance	Additions	Dispositions	UCC Before 1/2 Yr Adjustment	1/2 Year Rule {1/2 Additions Less Disposals}	Reduced UCC	Rate %	CCA	UCC Ending Balance
1	Distribution System - 1988 to 22-Feb-2005	\$3,355,154			\$3,355,154	\$0	\$3,355,154	4%	\$134,206	\$3,220,948
2	Distribution System - pre 1988	\$0			\$0	\$0	\$0	6%	\$0	\$0
8	General Office/Stores Equip	\$140,462			\$140,462	\$0	\$140,462	20%	\$28,092	\$112,370
10	Computer Hardware/ Vehicles	\$130,566	\$23,240		\$153,805	\$11,620	\$142,185	30%	\$42,656	\$111,150
10.1	Certain Automobiles	\$0			\$0	\$0	\$0	30%	\$0	\$0
12	Computer Software	\$0			\$0	\$0	\$0	100%	\$0	\$0
13 1	Lease # 1	\$0			\$0	\$0	\$0		\$0	\$0
13 2	Lease #2	\$0			\$0	\$0	\$0		\$0	\$0
13 3	Lease # 3	\$0			\$0	\$0	\$0		\$0	\$0
13 4	Lease # 4	\$0			\$0	\$0	\$0		\$0	\$0
14	Franchise	\$0			\$0	\$0	\$0		\$0	\$0
17	New Electrical Generating Equipment Acq'd after Feb 27/00 Other Than Bldgs	\$0			\$0	\$0	\$0		\$0	\$0
43.1	Certain Energy-Efficient Electrical Generating Equipment	\$0			\$0	\$0	\$0		\$0	\$0
45	Computers & Systems Software acq'd post Mar 22/04	\$0			\$0	\$0	\$0		\$0	\$0
46	Data Network Infrastructure Equipment (acq'd post Mar 22/04)	\$0			\$0	\$0	\$0		\$0	\$0
47	Distribution System - post 22-Feb-2005	\$330,399	\$240,011		\$570,411	\$120,006	\$450,405	8%	\$36,032	\$534,378
98	No CCA	\$0			\$0	\$0	\$0		\$0	\$0
	TOTAL	\$3,956,581	\$263,251	\$0	\$4,219,832	\$131,625	\$4,088,206		\$240,987	\$3,978,845

2008 Bridge

Class	Class Description	UCC Opening Balance	Additions	Dispositions	UCC Before 1/2 Yr Adjustment	1/2 Year Rule (1/2 Additions Less Disposals}	Reduced UCC	Rate %	CCA	UCC Ending Balance
1	Distribution System - 1988 to 22-Feb-2005	\$3,220,948			\$3,220,948	\$0	\$3,220,948	4%	\$128,838	\$3,092,110
2	Distribution System - pre 1988	\$0			\$0	\$0	\$0	6%	\$0	\$0
8	General Office/Stores Equip	\$112,370			\$112,370	\$0	\$112,370	20%	\$22,474	\$89,896
10	Computer Hardware/ Vehicles	\$111,150	\$38,000		\$149,150	\$19,000	\$130,150	30%	\$39,045	\$110,105
10.1	Certain Automobiles	\$0			\$0	\$0	\$0	30%	\$0	\$0
12	Computer Software	\$0			\$0	\$0	\$0	100%	\$0	\$0
13 1	Lease # 1	\$0			\$0	\$0	\$0		\$0	\$0
13 2	Lease #2	\$0			\$0	\$0	\$0		\$0	\$0
13 3	Lease # 3	\$0			\$0	\$0	\$0		\$0	\$0
13 4	Lease # 4	\$0			\$0	\$0	\$0		\$0	\$0
14	Franchise	\$0			\$0	\$0	\$0		\$0	\$0
17	New Electrical Generating Equipment Acq'd after Feb 27/00 Other Than Bldgs	\$0			\$0	\$0	\$0		\$0	\$0
43.1	Certain Energy-Efficient Electrical Generating Equipment	\$0			\$0	\$0	\$0		\$0	\$0
45	Computers & Systems Software acq'd post Mar 22/04	\$0			\$0	\$0	\$0		\$0	\$0
46	Data Network Infrastructure Equipment (acq'd post Mar 22/04)	\$0			\$0	\$0	\$0		\$0	\$0
47	Distribution System - post 22-Feb-2005	\$534,378	\$415,000		\$949,378	\$207,500	\$741,878	8%	\$59,350	\$890,028
98	No CCA	\$0			\$0	\$0	\$0		\$0	\$0
	TOTAL	\$3,978,845	\$453,000	\$0	\$4,431,845	\$226,500	\$4,205,345		\$249,707	\$4,182,138

2009 Test

Class	Class Description	UCC Opening Balance	Additions	Dispositions	UCC Before 1/2 Yr Adjustment	1/2 Year Rule {1/2 Additions Less Disposals}	Reduced UCC	Rate %	CCA	UCC Ending Balance
1	Distribution System - 1988 to 22-Feb-2005	\$3,092,110			\$3,092,110	\$0	\$3,092,110	4%	\$123,684	\$2,968,425
2	Distribution System - pre 1988	\$0			\$0	\$0	\$0	6%	\$0	\$0
8	General Office/Stores Equip	\$89,896			\$89,896	\$0	\$89,896	20%	\$17,979	\$71,917
10	Computer Hardware/ Vehicles	\$110,105	\$290,000		\$400,105	\$145,000	\$255,105	30%	\$76,531	\$323,573
10.1	Certain Automobiles	\$0			\$0	\$0	\$0	30%	\$0	\$0
12	Computer Software	\$0			\$0	\$0	\$0	100%	\$0	\$0
13 1	Lease # 1	\$0			\$0	\$0	\$0		\$0	\$0
13 2	Lease #2	\$0			\$0	\$0	\$0		\$0	\$0
13 3	Lease # 3	\$0			\$0	\$0	\$0		\$0	\$0
13 4	Lease # 4	\$0			\$0	\$0	\$0		\$0	\$0
14	Franchise	\$0			\$0	\$0	\$0		\$0	\$0
17	New Electrical Generating Equipment Acq'd after Feb 27/00 Other Than Bldgs	\$0			\$0	\$0	\$0		\$0	\$0
43.1	Certain Energy-Efficient Electrical Generating Equipment	\$0			\$0	\$0	\$0		\$0	\$0
45	Computers & Systems Software acq'd post Mar 22/04	\$0			\$0	\$0	\$0		\$0	\$0
46	Data Network Infrastructure Equipment (acq'd post Mar 22/04)	\$0			\$0	\$0	\$0		\$0	\$0
47	Distribution System - post 22-Feb-2005	\$890,028	\$465,000		\$1,355,028	\$232,500	\$1,122,528	8%	\$89,802	\$1,265,226
98	No CCA	\$0			\$0	\$0	\$0		\$0	\$0
	TOTAL	\$4,182,138	\$755,000	\$0	\$4,937,138	\$377,500	\$4,559,638		\$307,997	\$4,629,141

<u>Ex.</u>	<u>Tab</u>	<u>Schedule</u>	<u>Contents of Schedule</u>
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7 - Calculation of Revenue Deficiency or Surplus

1	1	Determination of Net Utility Income and Calculation of Revenue Deficiency or Surplus
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OVERVIEW OF CALCULATION OF REVENUE DEFICIENCY OR SURPLUS

The information in this Exhibit supports West Coast Huron Energy Corporation's request in this Application for an increase in its 2009 Revenue Requirement. WCHE requires a distribution revenue requirement of \$2,575,672 to continue to provide its customers safe reliable supply of electricity, service its debt and pay its deemed PILS.

West Coast Huron Energy Target return on Rate Base is calculated using 46.67% of Rate Base with a target return on Rate base of \$204,830. Utilizing current rates and 2008 forecasted customer data WCHE would expect \$1,826,414 in distribution revenue which creates a revenue deficiency of \$520,821, which grossed up for tax purposes is \$637,479.

This revenue deficiency is in large part attributable to the increase in rate base due to the capital expenditure program in place at WCHE. The rate base has increased by \$291,160 since 2006 rebasing, coupled with this impact is a \$691,980 increase in operating costs since 2006 rebasing.

WCHE's 2008 revenue sufficiency is outlined in detail below in the Determination of Net Utility Income Table.

DETERMINATION OF NET UTILITY INCOME

Determination of Net Utility Income

	Existing Rates	Proposed Rates	Revenue Surplus or Deficiency
Revenue Deficiency		\$637,479	
Distribution Revenue	\$1,826,414	\$1,826,414	\$0
Other Operating Revenue (Net)	\$92,696	\$92,696	\$0
Total Revenue	\$1,919,110	\$2,556,589	\$637,479
Costs and Expenses			\$0
Distribution Costs	\$1,333,700	\$1,333,700	\$0
Operation & Maintenance	\$472,550	\$472,550	\$0
Depreciation & Amortization	\$350,459	\$350,459	\$0
Property & Capital Taxes	\$0	\$0	\$0
Interest	\$162,839	\$162,839	\$0
Total Costs and Expenses	\$2,319,548	\$2,319,548	\$0
Utility Income Before Income Taxes	-\$400,438	\$237,041	\$637,479
Income Taxes	-\$84,447	\$32,211	\$116,659
Utility Income	-\$315,991	\$204,830	\$754,138

Rate Base	\$5,056,336	\$5,056,336
Equity Portion	46.6700%	46.6700%
Equity Component of Rate Base	\$2,359,792	\$2,359,792
Target Return on Equity	8.68%	8.68%
Return on Rate Base	\$204,829.96	\$204,829.96
Revenue Sufficiency	-\$520,820.58	\$0.00

Calculation of Income Taxes

Utility Income Before Income Taxes	-\$400,438	\$237,041
Additions to Accounting Income	\$935,609	\$935,609
Deductions from Accounting Income	\$996,632	\$996,632
Regulatory Taxable Income	-\$461,461	\$176,018
Income Tax	-\$84,447	\$32,211

9 - Rate Design

TAB	1	Schedule 1	Rate Design Overview
		Schedule 2	Existing Rate Classes
		Schedule 3	Existing Rate Schedule
		Schedule 4	Proposed Rate Classes if different than existing
		Schedule 5	Proposed Rate Schedule
		Schedule 6	Summary of Proposed Rate Schedule
		Schedule 7	Reconciliation of Rate Class Revenue to total Revenue Requirement
		Schedule 8	Rate Impacts
		Schedule 9	Proposed Changes to Terms and Conditions of Service

RATE DESIGN OVERVIEW - 2008 Rebasing Application

In the June 28, 2007 Staff discussion paper section 4.4 recommends a range of the floor value equal to the class specific avoided costs and a ceiling value equal to 120% of the minimum system with PLCC adjustment outlined in the 2006 CA informational filing, or current approved rate. Below is a summary of the floor, ceiling and applied for values contained in the West Coast Huron Energy application.

Customer Class	Floor Value	Ceiling Value	120% Ceiling Value	Current Rate	Applied for Value
Residential	\$4.83	\$13.80	\$16.56	\$14.09	\$14.09
GS < 50 kW	\$17.45	\$31.48	\$37.78	\$33.46	\$33.46
GS 50 to 499 kW	\$54.44	\$80.36	\$96.43	\$402.56	\$402.56
GS 500 to 4,999 kW	\$119.05	\$204.53	\$245.44	\$3,476.42	\$3,476.42
Large Use	\$166.30	\$262.82	\$315.39	\$8,652.72	\$8,652.72
Street Light	\$0.57	\$9.41	\$11.29	\$0.71	\$1.95
Sentinel Light	\$0.41	\$3.55	\$4.26	\$5.64	\$5.64
Unmetered Load	\$9.17	\$19.80	\$23.76	\$33.47	\$33.47

West Coast Huron Energy has followed the guidelines outlined by Board Staff in the June 28 communication.

Historically the issue of fixed / variable rates has been widely debated since the commencement of the Ontario Government White Paper with arguments made for entirely fixed distribution rates to the fixed / variable structure currently employed and in the near future with a further reduction to values between the floor / ceiling as guided by Board Staff.

EXISTING RATE CLASSES

Residential

This classification refers to the supply of electrical energy to customers residing in residential dwelling units.

General Service Less than 50 kW

This classification refers to the supply of electrical energy to General Service Buildings requiring a connection with a connected load less than 50 kW, and, Town Houses and Condominiums described in section 3.1.8 of the distributor's Conditions of Service that require centralized bulk metering. General Service buildings are defined as buildings that are used for purposes

General Service 50 to 499 kW

This classification refers to the supply of electrical energy to General Service Customers requiring a connection with a connected load or whose average monthly maximum demand used for billing purposes is equal to or greater than 50 kW but less than 500 kW.

General Service 500 to 4,999 kW

This classification refers to the supply of electrical energy to General Service Customers requiring a connection with a connected load or whose average monthly maximum demand used for billing purposes is equal to or greater than 500 kW but less than 5,000 kW.

Large Use

This classification refers to the supply of electrical energy to General Service Customers requiring a connection with a connected load or 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, 5,000 kW.

Unmetered Scattered Load

This classification refers 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

Sentinel Lighting

This classification refers to accounts that are an unmetered lighting load supplied to a sentinel light.

Street Lighting

This classification refers 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

Residential

	UOM	Rate
Service Charge	\$	\$14.0900
Distribution Volumetric Rate	\$/kWh	\$0.0084
Retail Transmission Rate – Network Service Rate	\$/kWh	\$0.0039
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kWh	\$0.0041
Wholesale Market Service Rate	\$/kWh	\$0.0052
Rural Rate Protection Charge	\$/kWh	\$0.0010
Regulated Price Plan – Administration Charge	\$	\$0.2500

GS<50 kW

Service Charge	\$	\$33.4600
Distribution Volumetric Rate	\$/kWh	\$0.0052
Retail Transmission Rate – Network Service Rate	\$/kWh	\$0.0036
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kWh	\$0.0037
Wholesale Market Service Rate	\$/kWh	\$0.0052
Rural Rate Protection Charge	\$/kWh	\$0.0010
Regulated Price Plan – Administration Charge	\$	\$0.2500

GS>50 to 499 kW

Service Charge	\$	\$402.5600
Distribution Volumetric Rate	\$/kW	\$1.0695
Retail Transmission Rate – Network Service Rate	\$/kW	\$1.4585
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kW	\$1.4725
Wholesale Market Service Rate	\$/kWh	\$0.0052
Rural Rate Protection Charge	\$/kWh	\$0.0010
Regulated Price Plan – Administration Charge	\$	\$0.2500

GS>500 to 4999 kW

Service Charge	\$	\$3,476.4200
Distribution Volumetric Rate	\$/kW	\$1.4725
Retail Transmission Rate – Network Service Rate	\$/kW	\$1.5491
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kW	\$1.6142
Wholesale Market Service Rate	\$/kWh	\$0.0052
Rural Rate Protection Charge	\$/kWh	\$0.0010
Regulated Price Plan – Administration Charge	\$	\$0.2500

Large Use

Service Charge	\$	\$8,652.7200
Distribution Volumetric Rate	\$/kW	\$0.7592
Retail Transmission Rate – Network Service Rate	\$/kW	\$1.7153
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kW	\$1.8459
Wholesale Market Service Rate	\$/kWh	\$0.0052
Rural Rate Protection Charge	\$/kWh	\$0.0010
Regulated Price Plan – Administration Charge	\$	\$0.2500

Street Lighting

Service Charge	\$	\$0.7100
Distribution Volumetric Rate	\$/kW	\$2.6563
Retail Transmission Rate – Network Service Rate	\$/kW	\$1.1000
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kW	\$1.1384
Wholesale Market Service Rate	\$/kWh	\$0.0052
Rural Rate Protection Charge	\$/kWh	\$0.0010
Regulated Price Plan – Administration Charge	\$	\$0.2500

Sentinel Lighting

Service Charge	\$	\$5.6400
Distribution Volumetric Rate	\$/kW	\$4.2206
Retail Transmission Rate – Network Service Rate	\$/kW	\$1.1056
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kW	\$1.1621
Wholesale Market Service Rate	\$/kWh	\$0.0052
Rural Rate Protection Charge	\$/kWh	\$0.0010
Regulated Price Plan – Administration Charge	\$	\$0.2500

Unmetered Scattered Load

	\$	\$33.4700
Distribution Volumetric Rate	\$/kWh	\$0.0052
Retail Transmission Rate – Network Service Rate	\$/kWh	\$0.0036
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kWh	\$0.0037
Wholesale Market Service Rate	\$/kWh	\$0.0052
Rural Rate Protection Charge	\$/kWh	\$0.0010
Regulated Price Plan – Administration Charge	\$	\$0.2500

PROPOSED RATE CLASSES IF DIFFERENT THAN EXISTING

West Coast Huron Energy Powerlines proposes no change to its rate classes as approved in its current rates.

PROPOSED RATE SCHEDULE

Residential	UOM	2009
Service Charge	\$	\$14.0900
Distribution Volumetric Rate	\$/kWh	\$0.0233
Retail Transmission Rate – Network Service Rate	\$/kWh	\$0.0039
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kWh	\$0.0041
Wholesale Market Service Rate	\$/kWh	\$0.0052
Rural Rate Protection Charge	\$/kWh	\$0.0013
Regulated Price Plan – Administration Charge	\$	\$0.2500
GS<50 kW		2009
Service Charge	\$	\$33.4600
Distribution Volumetric Rate	\$/kWh	\$0.0148
Retail Transmission Rate – Network Service Rate	\$/kWh	\$0.0036
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kWh	\$0.0037
Wholesale Market Service Rate	\$/kWh	\$0.0052
Rural Rate Protection Charge	\$/kWh	\$0.0013
Regulated Price Plan – Administration Charge	\$	\$0.2500
GS>50 to 499 kW		2009
Service Charge	\$	\$402.5600
Distribution Volumetric Rate	\$/kW	\$1.3698
Retail Transmission Rate – Network Service Rate	\$/kW	\$1.4585
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kW	\$1.4725
Wholesale Market Service Rate	\$/kWh	\$0.0052
Rural Rate Protection Charge	\$/kWh	\$0.0013
Regulated Price Plan – Administration Charge	\$	\$0.2500
GS>500 to 4999 kW		2009
Service Charge	\$	\$3,476.4200
Distribution Volumetric Rate	\$/kW	\$1.3867
Retail Transmission Rate – Network Service Rate	\$/kW	\$1.5491
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kW	\$1.6142
Wholesale Market Service Rate	\$/kWh	\$0.0052
Rural Rate Protection Charge	\$/kWh	\$0.0013
Regulated Price Plan – Administration Charge	\$	\$0.2500

Large Use		2009
Service Charge	\$	\$8,652.7200
Distribution Volumetric Rate	\$/kW	\$1.6219
Retail Transmission Rate – Network Service Rate	\$/kW	\$1.7153
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kW	\$1.8459
Wholesale Market Service Rate	\$/kWh	\$0.0052
Rural Rate Protection Charge	\$/kWh	\$0.0013
Regulated Price Plan – Administration Charge	\$	\$0.2500
Street Lighting		2009
Service Charge	\$	\$1.9458
Distribution Volumetric Rate	\$/kW	\$14.7460
Retail Transmission Rate – Network Service Rate	\$/kW	\$1.1000
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kW	\$1.1384
Wholesale Market Service Rate	\$/kWh	\$0.0052
Rural Rate Protection Charge	\$/kWh	\$0.0013
Regulated Price Plan – Administration Charge	\$	\$0.2500
Sentinel Lighting		2009
Service Charge	\$	\$5.6400
Distribution Volumetric Rate	\$/kW	\$14.1964
Retail Transmission Rate – Network Service Rate	\$/kW	\$1.1056
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kW	\$1.1621
Wholesale Market Service Rate	\$/kWh	\$0.0052
Rural Rate Protection Charge	\$/kWh	\$0.0013
Regulated Price Plan – Administration Charge	\$	\$0.2500
Unmetered Scattered Load		2009
Service Charge	\$	\$33.4700
Distribution Volumetric Rate	\$/kWh	\$0.0328
Retail Transmission Rate – Network Service Rate	\$/kWh	\$0.0036
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kWh	\$0.0037
Wholesale Market Service Rate	\$/kWh	\$0.0052
Rural Rate Protection Charge	\$/kWh	\$0.0013
Regulated Price Plan – Administration Charge	\$	\$0.2500

SUMMARY OF PROPOSED RATE SCHEDULE

The following is a summary of the proposed changes to West Coast Huron Energy rates for the 2009 test year. The Applicant is forecasting a distribution related delivery deficiency for the 2008 test year of \$520,821.

The impact on each rate class is described below.

Residential:

The proposed changes to Residential are summarized below.

	2006 Board Approved	2008 Proposed	% change
Service Charge	\$14.09	\$14.09	0.00%
Distribution Volumetric Rate	\$0.0084	\$0.0233	177.35%

Due to the change in cost allocation WCHE has experienced a significant increase to the costs allocated to the residential class. WCHE attempted to adjust the fixed cost recovery through the monthly fixed charge in order to mitigate the impact of cost allocation. However, after multiple iterations WCHE determined that not changing the current approved fixed charge and recovering the increase in distribution revenue through variable rates allows the customer to control their costs through reduced consumption. If WCHE were to adjust its fixed variable split to the percentages approved in the 2006 EDR the low consumption customers would experience rate impacts that are well outside the tolerance levels suggested by the OEB. The net impact of the changes to cost allocation is an increase in the revenue-to-cost ratios for Residential customers (from 82.39% to 92.69%).

The impact on a typical residential customer is an increase of 12.16% on the delivery component of the bill or \$9.84. The overall bill impact on a typical Residential customer is shown in detail in Exhibit 9, Tab 1, Schedule 9.

GS<50 kW:

The proposed changes to GS<50 kW are summarized below.

	2006 Board Approved	2008 Proposed	% change
Service Charge	\$33.46	\$33.46	0.00%
Distribution Volumetric Rate	\$0.0052	\$0.0148	184.75%

Due to the change in cost allocation WCHE has experienced a significant increase to the costs allocated to the residential class. WCHE attempted to adjust the fixed cost recovery through the monthly fixed charge in order to mitigate the impact of cost allocation. However, after multiple iterations WCHE determined that not changing the current approved fixed charge and recovering the increase in distribution revenue through variable rates allows the customer to control their costs through reduced consumption. If WCHE were to adjust its fixed variable split to the percentages approved in the 2006 EDR the low consumption customers would experience rate impacts that are well outside the tolerance levels suggested by the OEB. The net impact

of the changes to cost allocation is an increase in the revenue-to-cost ratios for Residential customers (from 81.66% to 92.20%).

The impact on a typical GS<50 kW customer is an increase of 10.8% on the delivery component of the bill. The overall bill impact on a typical GS<50 kW customer is shown in detail in Exhibit 9, Tab 1, Schedule 9.

GS>50 to 499 kW:

The proposed changes to GS>50 to 999 kW are summarized below.

	2006 Board Approved	2008 Proposed	% change
Service Charge	\$402.56	\$402.56	0.00%
Distribution Volumetric Rate	\$1.0695	\$1.3698	28.08%

Since the GS>50 to 499 kW class already had rates greater than 120% of the ceiling fixed price and the fixed variable split resulting from the 2006 EDR fixed charge is similar to the fixed variable split of the EDR process. WCHE determined that it would retain its current fixed charge in the 2009 rate process since when factoring in the change in loss factor this rate class will experience a reduction in its rates. The net impact of the change in cost allocation is a decrease in the revenue-to-cost ratios for GS.50 to 499 kW customers (from 169.08% to 136.74%).

The impact on a typical GS>50 to 499 kW customer is a decrease of 1.1% on the delivery component of the bill. The overall bill impact on a typical GS>50 to 499 kW customer is shown in detail in Exhibit 9, Tab 1, Schedule 9.

GS>500 to 4999 kW:

The proposed changes to GS>500 to 4999 kW are summarized below.

	2006 Board Approved	2008 Proposed	% change
Service Charge	\$3,476.42	\$3,476.42	0.00%
Distribution Volumetric Rate	\$1.4725	\$1.3867	-5.82%

Since the GS>500 to 4999 kW class already had rates greater than 120% of the ceiling fixed price and the fixed variable split resulting from the 2006 EDR fixed charge is similar to the fixed variable split of the EDR process. WCHE determined that it would retain its current fixed charge in the 2009 rate process since when factoring in the change in loss factor this rate class will experience a reduction in its rates. The net impact of these changes is a decrease in the revenue-to-cost ratios for GS>500 to 4999 kW customers (from 371.28% to 180.00%).

The impact on a typical GS>500 to 4999 kW customer is a decrease of 0.3% on the delivery component of the bill. The overall bill impact on a typical GS>1000 to 2999 kW customer is shown in detail in Exhibit 9, Tab 1, Schedule 9.

Large Use:

The proposed changes to Large Use are summarized below.

	2006 Board Approved	2008 Proposed	% change
Service Charge	\$8,652.72	\$8,652.72	0.00%
Distribution Volumetric Rate	\$0.7592	\$1.6219	113.64%

Since the GS>50 to 499 kW class already had rates greater than 120% of the ceiling fixed price and the fixed variable split is significantly lower than that used in the 2006 EDR process, WCHE determined that it would retain its current fixed charge in the 2009 rate process as opposed to increasing the fixed charge for this customer class. The net impact of the change in cost allocation is an increase in the revenue-to-cost ratios for Large Use customers (from 108.03% to 105.72%).

The impact on a typical Large Use customer is an increase of 2.4% on the delivery component of the bill. The overall bill impact on a typical Large Use customer is shown in detail in Exhibit 9, Tab 1, Schedule 9.

Street Lighting:

The proposed changes to Street Lighting are summarized below.

	2006 Board Approved	2008 Proposed	% change
Service Charge	\$0.71	\$1.95	174.05%
Distribution Volumetric Rate	\$2.6563	\$14.7460	455.13%

Explanation; In order to adjust the fixed cost recovery through the monthly fixed charge; WCHE is proposing to increase the monthly customer charge by \$1.24 in the 2009 test year. The net impact of these changes is an increase in the revenue-to-cost ratios for Street Lighting connections (from 27.82% to 72.09%).

The impact on a typical Street Lighting connection is an increase of 166.9% on the delivery component of the bill. The overall bill impact on a typical Street Lighting connection is shown in detail in Exhibit 9, Tab 1, Schedule 9.

Sentinel Lighting:

The proposed changes to Sentinel Lighting are summarized below.

	2006 Board Approved	2008 Proposed	% change
Service Charge	\$5.64	\$5.64	0.00%
Distribution Volumetric Rate	\$4.2206	\$14.1964	236.36%

Since the GS>50 to 499 kW class already had rates greater than 120% of the ceiling fixed price and the fixed variable split resulting from the 2006 EDR fixed charge is similar to the fixed variable split of the EDR process. WCHE determined that it would retain its current fixed charge in the 2009 rate process as opposed to increasing the fixed charge

for this customer class. The net impact of the change in cost allocation is a decrease in the revenue-to-cost ratios for GS.50 to 499 kW customers (from 81.15% to 92.06%).

The impact on a typical Sentinel Lighting customer is an increase of 60.7% on the delivery component of the bill. The overall bill impact on a typical Sentinel Lighting customer is shown in detail in Exhibit 9, Tab 1, Schedule 9.

Unmetered Scattered Load:

The proposed changes to Unmetered Scattered Load are summarized below.

	2006 Board Approved	2008 Proposed	% change
Service Charge	\$33.47	\$33.47	0.00%
Distribution Volumetric Rate	\$0.0052	\$0.0328	531.13%

Since the GS>50 to 499 kW class already had rates greater than 120% of the ceiling fixed price and the fixed variable split resulting from the 2006 EDR fixed charge is similar to the fixed variable split of the EDR process. WCHE determined that it would retain its current fixed charge in the 2009 rate process as opposed to increasing the fixed charge for this customer class. The net impact of these changes is an increase in the revenue-to-cost ratios for Unmetered Scattered Load customers (from 63.57% to 83.12%).

The impact on a typical Unmetered Scattered Load customer is an increase of 21.1% on the delivery component of the bill. The overall bill impact on a typical Unmetered Scattered Load customer is shown in detail in Exhibit 9, Tab 1, Schedule 9.

**RECONCILIATION OF RATE CLASS REVENUE TO TOTAL REVENUE
REQUIREMENT**

Rate Design

		A	B	A+B
Distribution Revenue Requirement		\$ 2,482,975.91	Transformer Allowance Recovery	
Cost allocation results				
Residential	49.19%	\$ 1,221,470.09		\$ 1,221,470.09
GS < 50 kW	18.14%	\$ 450,510.42		\$ 450,510.42
GS>50 to 499 kW	12.85%	\$ 318,995.05	\$ 25,415.30	\$ 344,410.35
GS>500 kW to 4999 kW	5.84%	\$ 144,894.10	\$ 15,056.92	\$ 159,951.02
Large Use	10.57%	\$ 262,407.08	\$ 93,103.20	\$ 355,510.28
Sentinel Lighting	0.07%	\$ 1,790.44		\$ 1,790.44
Street Lights	2.97%	\$ 73,830.06		\$ 73,830.06
Unmetered	0.37%	\$ 9,078.67		\$ 9,078.67
Total	100.00%	\$ 2,482,975.91	\$ 133,575.42	\$ 2,616,551.33

	Customers (Year-End)	Consumption (kWh / KW)	Proposed Fixed Charge	Proposed Variable Charge	Distribution Revenues (\$)
Residential	3,356	28,073,558	\$14.09	\$0.0233	\$1,221,470.09
GS<50	521	16,297,712	\$33.46	\$0.0148	\$450,510.42
GS>50 to 499 kW	49	78,630	\$402.56	\$1.3698	\$344,410.35
GS>500 kW to 4999 kW	3	25,095	\$2,322.41	\$3.0422	\$159,951.02
Large Use	1	155,172	\$8,652.72	\$1.6219	\$355,510.28
Unmetered Scattered Load	9	166,487	\$33.47	\$0.0328	\$9,078.67
Sentinel Lighting	13	64	\$5.64	\$14.1964	\$1,790.44
Street Lighting	1,333	2,896	\$1.95	\$14.7460	\$73,830.06
TOTAL	5,285				\$2,616,551.33

RATE IMPACTS

This exhibit 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.

The total bill impacts are calculated for the average customer per residential rate class and for General Service Classes at certain levels of consumption. The rates are assessed on the basis of moving to the proposed distribution rates derived in Exhibit 9, Tab 1, Schedule 5. The total bill impacts are premised on the distribution rates arising from the new revenue requirements.

RATE IMPACTS

Residential

100

kWh Consumption

	Metric	2008 Bill			2009 Bill			IMPACT		
		Volume	Rate \$	Charge \$	Volume	Rate \$	Charge \$	Change \$	Change %	% of Total Bill
Monthly Service Charge				14.09			14.09	0.00	0.0%	0.0%
Distribution	kWh	100	0.00840	0.84	100	0.02330	2.33	1.49	177.3%	6.1%
Sub-Total				14.93			16.42	1.49	10.0%	6.1%
Regulatory Asset Recovery	kWh	100		0.00	100		0.00	0.00	0.0%	0.0%
Retail Transmission - Network	kWh	107	0.00390	0.42	105	0.00390	0.41	(0.01)	-2.4%	0.0%
Retail Transmission - Line and Transformation	kWh	107	0.00410	0.44	105	0.00410	0.43	(0.01)	-2.4%	0.0%
Wholesale Market Service	kWh	107	0.00520	0.56	105	0.00520	0.54	(0.01)	-2.4%	-0.1%
Rural Rate Protection Charge	kWh	107	0.00100	0.11	105	0.00100	0.10	(0.00)	-2.4%	0.0%
Debt Retirement Charge	kWh	100	0.00700	0.70	100	0.00700	0.70	0.00	0.0%	0.0%
Cost of Power Commodity	kWh	107	0.05450	5.85	105	0.05450	5.70	(0.14)	-2.4%	-0.6%
Total Bill				23.00			24.31	1.31	5.7%	5.4%

Residential

250

kWh Consumption

	Metric	2008 Bill			2009 Bill			IMPACT		
		Volume	Rate \$	Charge \$	Volume	Rate \$	Charge \$	Change \$	Change %	% of Total Bill
Monthly Service Charge				14.09			14.09	0.00	0.0%	0.0%
Distribution	kWh	250	0.00840	2.10	250	0.02330	5.82	3.72	177.3%	9.4%
Sub-Total				16.19			19.91	3.72	23.0%	9.4%
Regulatory Asset Recovery	kWh	250		0.00	100		0.00	0.00	0.0%	0.0%
Retail Transmission - Network	kWh	268	0.00390	1.05	262	0.00390	1.02	(0.03)	-2.4%	-0.1%
Retail Transmission - Line and Transformation	kWh	268	0.00410	1.10	262	0.00410	1.07	(0.03)	-2.4%	-0.1%
Wholesale Market Service	kWh	268	0.00520	1.39	262	0.00520	1.36	(0.03)	-2.4%	-0.1%
Rural Rate Protection Charge	kWh	268	0.00100	0.27	262	0.00100	0.26	(0.01)	-2.4%	0.0%
Debt Retirement Charge	kWh	250	0.00700	1.75	250	0.00700	1.75	0.00	0.0%	0.0%
Cost of Power Commodity	kWh	268	0.05450	14.61	262	0.05450	14.26	(0.35)	-2.4%	-0.9%
Total Bill				36.36			39.64	3.28	9.0%	8.3%

Residential

500

kWh Consumption

	Metric	2008 Bill			2009 Bill			IMPACT		
		Volume	Rate \$	Charge \$	Volume	Rate \$	Charge \$	Change \$	Change %	% of Total Bill
Monthly Service Charge				14.09			14.09	0.00	0.0%	0.0%
Distribution	kWh	500	0.00840	4.20	500	0.02330	11.65	7.45	177.3%	11.4%
Sub-Total				18.29			25.74	7.45	40.7%	11.4%
Regulatory Asset Recovery	kWh	500		0.00	500		0.00	0.00	0.0%	0.0%
Retail Transmission - Network	kWh	536	0.00390	2.09	523	0.00390	2.04	(0.05)	-2.4%	-0.1%
Retail Transmission - Line and Transformation	kWh	536	0.00410	2.20	523	0.00410	2.15	(0.05)	-2.4%	-0.1%
Wholesale Market Service	kWh	536	0.00520	2.79	523	0.00520	2.72	(0.07)	-2.4%	-0.1%
Rural Rate Protection Charge	kWh	536	0.00100	0.54	523	0.00100	0.52	(0.01)	-2.4%	0.0%
Debt Retirement Charge	kWh	500	0.00700	3.50	500	0.00700	3.50	0.00	0.0%	0.0%
Cost of Power Commodity	kWh	536	0.05450	29.23	523	0.05450	28.52	(0.71)	-2.4%	-1.1%
Total Bill				58.63			65.19	6.56	11.2%	10.1%

Residential

750

kWh Consumption

	Metric	2008 Bill			2009 Bill			IMPACT		
		Volume	Rate \$	Charge \$	Volume	Rate \$	Charge \$	Change \$	Change %	% of Total Bill
Monthly Service Charge				14.09			14.09	0.00	0.0%	0.0%
Distribution	kWh	750	0.00840	6.30	750	0.02330	17.47	11.17	177.3%	12.3%
Sub-Total				20.39			31.56	11.17	54.8%	12.3%
Regulatory Asset Recovery	kWh	750		0.00	750		0.00	0.00	0.0%	0.0%
Retail Transmission - Network	kWh	804	0.00390	3.14	785	0.00390	3.06	(0.08)	-2.4%	-0.1%
Retail Transmission - Line and Transformation	kWh	804	0.00410	3.30	785	0.00410	3.22	(0.08)	-2.4%	-0.1%
Wholesale Market Service	kWh	804	0.00520	4.18	785	0.00520	4.08	(0.10)	-2.4%	-0.1%
Rural Rate Protection Charge	kWh	804	0.00100	0.80	785	0.00100	0.78	(0.02)	-2.4%	0.0%
Debt Retirement Charge	kWh	750	0.00700	5.25	750	0.00700	5.25	0.00	0.0%	0.0%
Cost of Power Commodity	kWh	804	0.05450	43.84	785	0.05450	42.78	(1.06)	-2.4%	-1.2%
Total Bill				80.91			90.74	9.84	12.2%	10.8%

Revised January 16th, 2009

Residential

1,000

kWh Consumption

	Metric	2008 Bill			2009 Bill			IMPACT		
		Volume	Rate \$	Charge \$	Volume	Rate \$	Charge \$	Change \$	Change %	% of Total Bill
Monthly Service Charge				14.09			14.09	0.00	0.0%	0.0%
Distribution	kWh	1,000	0.00840	8.40	1,000	0.02330	23.30	14.90	177.3%	12.8%
Sub-Total				22.49			37.39	14.90	66.2%	12.8%
Regulatory Asset Recovery	kWh	1,000		0.00	1,000		0.00	0.00		0.0%
Retail Transmission - Network	kWh	1,073	0.00390	4.18	1,047	0.00390	4.08	(0.10)	-2.4%	-0.1%
Retail Transmission - Line and Transformation	kWh	1,073	0.00410	4.40	1,047	0.00410	4.29	(0.11)	-2.4%	-0.1%
Wholesale Market Service	kWh	1,073	0.00520	5.58	1,047	0.00520	5.44	(0.13)	-2.4%	-0.1%
Rural Rate Protection Charge	kWh	1,073	0.00100	1.07	1,047	0.00100	1.05	(0.03)	-2.4%	0.0%
Debt Retirement Charge	kWh	1,000	0.00700	7.00	1,000	0.00700	7.00	0.00	0.0%	0.0%
Cost of Power Commodity	kWh	1,073	0.05450	58.46	1,047	0.05450	57.04	(1.41)	-2.4%	-1.2%
Total Bill				103.18			116.29	13.11	12.7%	11.3%

Residential

1,500

kWh Consumption

	Metric	2008 Bill			2009 Bill			IMPACT		
		Volume	Rate \$	Charge \$	Volume	Rate \$	Charge \$	Change \$	Change %	% of Total Bill
Monthly Service Charge				14.09			14.09	0.00	0.0%	0.0%
Distribution	kWh	1,500	0.00840	12.60	1,500	0.02330	34.95	22.35	177.3%	13.3%
Sub-Total				26.69			49.04	22.35	83.7%	13.3%
Regulatory Asset Recovery	kWh	1,500		0.00	1,500		0.00	0.00		0.0%
Retail Transmission - Network	kWh	1,609	0.00390	6.27	1,570	0.00390	6.12	(0.15)	-2.4%	-0.1%
Retail Transmission - Line and Transformation	kWh	1,609	0.00410	6.60	1,570	0.00410	6.44	(0.16)	-2.4%	-0.1%
Wholesale Market Service	kWh	1,609	0.00520	8.37	1,570	0.00520	8.16	(0.20)	-2.4%	-0.1%
Rural Rate Protection Charge	kWh	1,609	0.00100	1.61	1,570	0.00100	1.57	(0.04)	-2.4%	0.0%
Debt Retirement Charge	kWh	1,500	0.00700	10.50	1,500	0.00700	10.50	0.00	0.0%	0.0%
Cost of Power Commodity	kWh	1,609	0.05450	87.69	1,570	0.05450	85.56	(2.12)	-2.4%	-1.3%
Total Bill				147.72			167.39	19.67	13.3%	11.8%

Residential

2,000

kWh Consumption

	Metric	2008 Bill			2009 Bill			IMPACT		
		Volume	Rate \$	Charge \$	Volume	Rate \$	Charge \$	Change \$	Change %	% of Total Bill
Monthly Service Charge				14.09			14.09	0.00	0.0%	0.0%
Distribution	kWh	2,000	0.00840	16.80	2,000	0.02330	46.59	29.79	177.3%	13.6%
Sub-Total				30.89			60.68	29.79	96.5%	13.6%
Regulatory Asset Recovery	kWh	2,000		0.00	2,000		0.00	0.00		0.0%
Retail Transmission - Network	kWh	2,145	0.00390	8.37	2,093	0.00390	8.16	(0.20)	-2.4%	-0.1%
Retail Transmission - Line and Transformation	kWh	2,145	0.00410	8.80	2,093	0.00410	8.58	(0.21)	-2.4%	-0.1%
Wholesale Market Service	kWh	2,145	0.00520	11.16	2,093	0.00520	10.89	(0.27)	-2.4%	-0.1%
Rural Rate Protection Charge	kWh	2,145	0.00100	2.15	2,093	0.00100	2.09	(0.05)	-2.4%	0.0%
Debt Retirement Charge	kWh	2,000	0.00700	14.00	2,000	0.00700	14.00	0.00	0.0%	0.0%
Cost of Power Commodity	kWh	2,145	0.05450	116.91	2,093	0.05450	114.09	(2.83)	-2.4%	-1.3%
Total Bill				192.27			218.49	26.23	13.6%	12.0%

GS <50

1,000

kWh Consumption

	Metric	2008 Bill			2009 Bill			IMPACT		
		Volume	Rate \$	Charge \$	Volume	Rate \$	Charge \$	Change \$	Change %	% of Total Bill
Monthly Service Charge				33.46			33.46	0.00	0.0%	0.0%
Distribution	kWh	1,000	0.00520	5.20	1,000	0.01481	14.81	9.61	184.7%	7.6%
Sub-Total				38.66			48.27	9.61	24.8%	7.6%
Regulatory Asset Recovery	kWh	1,000		0.00	1,000		0.00	0.00		0.0%
Retail Transmission - Network	kWh	1,043	0.00360	3.75	1,044	0.00360	3.76	0.00	0.1%	0.0%
Retail Transmission - Line and Transformation	kWh	1,043	0.00370	3.86	1,044	0.00370	3.86	0.00	0.1%	0.0%
Wholesale Market Service	kWh	1,043	0.00520	5.42	1,044	0.00520	5.43	0.00	0.1%	0.0%
Rural Rate Protection Charge	kWh	1,043	0.00100	1.04	1,044	0.00100	1.04	0.00	0.1%	0.0%
Debt Retirement Charge	kWh	1,000	0.00700	7.00	1,000	0.00700	7.00	0.00	0.0%	0.0%
Cost of Power Commodity	kWh	1,043	0.05450	56.83	1,044	0.05450	56.87	0.05	0.1%	0.0%
Total Bill				116.56			126.23	9.67	8.3%	7.7%

GS <50
2,000

kWh Consumption

	Metric	2008 Bill			2009 Bill			IMPACT		
		Volume	Rate \$	Charge \$	Volume	Rate \$	Charge \$	Change \$	Change %	% of Total Bill
Monthly Service Charge				33.46			33.46	0.00	0.0%	0.0%
Distribution	kWh	2,000	0.00520	10.40	2,000	0.01481	29.61	19.21	184.7%	8.8%
Sub-Total				43.86			63.07	19.21	43.8%	8.8%
Regulatory Asset Recovery	kWh	2,000	0.0000	0.00	2,000	0.0000	0.00	0.00	0.0%	0.0%
Retail Transmission - Network	kWh	2,085	0.00360	7.51	2,087	0.00360	7.51	0.01	0.1%	0.0%
Retail Transmission - Line and Transformation	kWh	2,085	0.00370	7.72	2,087	0.00370	7.72	0.01	0.1%	0.0%
Wholesale Market Service	kWh	2,085	0.00520	10.84	2,087	0.00520	10.85	0.01	0.1%	0.0%
Rural Rate Protection Charge	kWh	2,085	0.00100	2.09	2,087	0.00100	2.09	0.00	0.1%	0.0%
Debt Retirement Charge	kWh	2,000	0.00700	14.00	2,000	0.00700	14.00	0.00	0.0%	0.0%
Cost of Power Commodity	kWh	2,085	0.05450	113.65	2,087	0.05450	113.75	0.09	0.1%	0.0%
Total Bill				199.67			219.00	19.33	9.7%	8.8%

GS <50
5,000

kWh Consumption

	Metric	2008 Bill			2009 Bill			IMPACT		
		Volume	Rate \$	Charge \$	Volume	Rate \$	Charge \$	Change \$	Change %	% of Total Bill
Monthly Service Charge				33.46			33.46	0.00	0.0%	0.0%
Distribution	kWh	5,000	0.00520	26.00	5,000	0.01481	74.03	48.03	184.7%	9.7%
Sub-Total				59.46			107.49	48.03	80.8%	9.7%
Regulatory Asset Recovery	kWh	5,000	0.0000	0.00	5,000	0.0000	0.00	0.00	0.0%	0.0%
Retail Transmission - Network	kWh	5,214	0.00360	18.77	5,218	0.00360	18.78	0.02	0.1%	0.0%
Retail Transmission - Line and Transformation	kWh	5,214	0.00370	19.29	5,218	0.00370	19.31	0.02	0.1%	0.0%
Wholesale Market Service	kWh	5,214	0.00520	27.11	5,218	0.00520	27.13	0.02	0.1%	0.0%
Rural Rate Protection Charge	kWh	5,214	0.00100	5.21	5,218	0.00100	5.22	0.00	0.1%	0.0%
Debt Retirement Charge	kWh	5,000	0.00700	35.00	5,000	0.00700	35.00	0.00	0.0%	0.0%
Cost of Power Commodity	kWh	5,214	0.05450	284.14	5,218	0.05450	284.37	0.23	0.1%	0.0%
Total Bill				448.98			497.30	48.33	10.8%	9.7%

GS <50
10,000

kWh Consumption

	Metric	2008 Bill			2009 Bill			IMPACT		
		Volume	Rate \$	Charge \$	Volume	Rate \$	Charge \$	Change \$	Change %	% of Total Bill
Monthly Service Charge				33.46			33.46	0.00	0.0%	0.0%
Distribution	kWh	10,000	0.00520	52.00	10,000	0.01481	148.07	96.07	184.7%	10.0%
Sub-Total				85.46			181.53	96.07	112.4%	10.0%
Regulatory Asset Recovery	kWh	10,000	0.0000	0.00	10,000	0.0000	0.00	0.00	0.0%	0.0%
Retail Transmission - Network	kWh	10,427	0.00360	37.54	10,436	0.00360	37.57	0.03	0.1%	0.0%
Retail Transmission - Line and Transformation	kWh	10,427	0.00370	38.58	10,436	0.00370	38.61	0.03	0.1%	0.0%
Wholesale Market Service	kWh	10,427	0.00520	54.22	10,436	0.00520	54.26	0.04	0.1%	0.0%
Rural Rate Protection Charge	kWh	10,427	0.00100	10.43	10,436	0.00100	10.44	0.01	0.1%	0.0%
Debt Retirement Charge	kWh	10,000	0.00700	70.00	10,000	0.00700	70.00	0.00	0.0%	0.0%
Cost of Power Commodity	kWh	10,427	0.05450	568.27	10,436	0.05450	568.74	0.47	0.1%	0.0%
Total Bill				864.50			961.15	96.65	11.2%	10.1%

GS <50
15,000

kWh Consumption

	Metric	2008 Bill			2009 Bill			IMPACT		
		Volume	Rate \$	Charge \$	Volume	Rate \$	Charge \$	Change \$	Change %	% of Total Bill
Monthly Service Charge				33.46			33.46	0.00	0.0%	0.0%
Distribution	kWh	15,000	0.00520	78.00	15,000	0.01481	222.10	144.10	184.7%	10.1%
Sub-Total				111.46			255.56	144.10	129.3%	10.1%
Regulatory Asset Recovery	kWh	15,000	0.0000	0.00	15,000	0.0000	0.00	0.00	0.0%	0.0%
Retail Transmission - Network	kWh	15,641	0.00360	56.31	15,653	0.00360	56.35	0.05	0.1%	0.0%
Retail Transmission - Line and Transformation	kWh	15,641	0.00370	57.87	15,653	0.00370	57.92	0.05	0.1%	0.0%
Wholesale Market Service	kWh	15,641	0.00520	81.33	15,653	0.00520	81.40	0.07	0.1%	0.0%
Rural Rate Protection Charge	kWh	15,641	0.00100	15.64	15,653	0.00100	15.65	0.01	0.1%	0.0%
Debt Retirement Charge	kWh	15,000	0.00700	105.00	15,000	0.00700	105.00	0.00	0.0%	0.0%
Cost of Power Commodity	kWh	15,641	0.05450	852.41	15,653	0.05450	853.11	0.70	0.1%	0.0%
Total Bill				1,280.01			1,424.99	144.98	11.3%	10.2%

GS>50 to 499 kW

55 kW Consumption
15,000 kWh Consumption

	Metric	2008 Bill			2009 Bill			IMPACT		
		Volume	Rate \$	Charge \$	Volume	Rate \$	Charge \$	Change \$	Change %	% of Total Bill
Monthly Service Charge				402.56			402.56	0.00	0.0%	0.0%
Distribution	kW	55	1.06950	58.82	55	1.36977	75.34	16.52	28.1%	1.0%
Sub-Total				461.38			477.90	16.52	3.6%	1.0%
Regulatory Asset Recovery	kW	55		0.00	55		0.00	0.00	0.0%	0.0%
Retail Transmission - Network	kW	59	1.45850	86.04	58	1.45840	83.95	(2.09)	-2.4%	-0.1%
Retail Transmission - Line and Transformation	kW	59	1.47250	86.87	58	1.47250	84.77	(2.10)	-2.4%	-0.1%
Wholesale Market Service	kWh	16,089	0.00520	83.66	15,700	0.00520	81.64	(2.02)	-2.4%	-0.1%
Rural Rate Protection Charge	kWh	16,089	0.00100	16.09	15,700	0.00100	15.70	(0.39)	-2.4%	0.0%
Debt Retirement Charge	kWh	15,000	0.00700	105.00	15,000	0.00700	105.00	0.00	0.0%	0.0%
Cost of Power Commodity	kWh	16,089	0.05450	876.85	15,700	0.05450	855.64	(21.21)	-2.4%	-1.2%
Total Bill				1,715.89			1,704.60	(11.30)	-0.7%	-0.7%

GS>50 to 499 kW

125 kW Consumption
20,000 kWh Consumption

	Metric	2008 Bill			2009 Bill			IMPACT		
		Volume	Rate \$	Charge \$	Volume	Rate \$	Charge \$	Change \$	Change %	% of Total Bill
Monthly Service Charge				402.56			402.56	0.00	0.0%	0.0%
Distribution	kW	125	1.06950	133.69	125	1.36977	171.22	37.53	28.1%	1.6%
Sub-Total				536.25			573.78	37.53	7.0%	1.6%
Regulatory Asset Recovery	kW	125		0.00	125		0.00	0.00	0.0%	0.0%
Retail Transmission - Network	kW	134	1.45850	195.55	131	1.45840	190.81	(4.74)	-2.4%	-0.2%
Retail Transmission - Line and Transformation	kW	134	1.47250	197.43	131	1.47250	192.65	(4.78)	-2.4%	-0.2%
Wholesale Market Service	kWh	21,452	0.00520	111.55	20,933	0.00520	108.85	(2.70)	-2.4%	-0.1%
Rural Rate Protection Charge	kWh	21,452	0.00100	21.45	20,933	0.00100	20.93	(0.52)	-2.4%	0.0%
Debt Retirement Charge	kWh	20,000	0.00700	140.00	20,000	0.00700	140.00	0.00	0.0%	0.0%
Cost of Power Commodity	kWh	21,452	0.05450	1,169.13	20,933	0.05450	1,140.85	(28.28)	-2.4%	-1.2%
Total Bill				2,371.36			2,367.87	(3.48)	-0.1%	-0.1%

GS>50 to 499 kW

250 kW Consumption
50,000 kWh Consumption

	Metric	2008 Bill			2009 Bill			IMPACT		
		Volume	Rate \$	Charge \$	Volume	Rate \$	Charge \$	Change \$	Change %	% of Total Bill
Monthly Service Charge				402.56			402.56	0.00	0.0%	0.0%
Distribution	kW	250	1.06950	267.38	250	1.36977	342.44	75.07	28.1%	1.5%
Sub-Total				669.94			745.00	75.07	11.2%	1.5%
Regulatory Asset Recovery	kW	250		0.00	250		0.00	0.00	0.0%	0.0%
Retail Transmission - Network	kW	268	1.45850	391.10	262	1.45840	381.61	(9.49)	-2.4%	-0.2%
Retail Transmission - Line and Transformation	kW	268	1.47250	394.85	262	1.47250	385.30	(9.55)	-2.4%	-0.2%
Wholesale Market Service	kWh	53,630	0.00520	278.88	52,333	0.00520	272.13	(6.75)	-2.4%	-0.1%
Rural Rate Protection Charge	kWh	53,630	0.00100	53.63	52,333	0.00100	52.33	(1.30)	-2.4%	0.0%
Debt Retirement Charge	kWh	50,000	0.00700	350.00	50,000	0.00700	350.00	0.00	0.0%	0.0%
Cost of Power Commodity	kWh	53,630	0.05450	2,922.84	52,333	0.05450	2,852.13	(70.70)	-2.4%	-1.4%
Total Bill				5,061.22			5,038.51	(22.72)	-0.4%	-0.5%

GS>50 to 499 kW

350 kW Consumption
125,000 kWh Consumption

	Metric	2008 Bill			2009 Bill			IMPACT		
		Volume	Rate \$	Charge \$	Volume	Rate \$	Charge \$	Change \$	Change %	% of Total Bill
Monthly Service Charge				402.56			402.56	0.00	0.0%	0.0%
Distribution	kW	350	1.06950	374.33	350	1.36977	479.42	105.10	28.1%	1.0%
Sub-Total				776.89			881.98	105.10	13.5%	1.0%
Regulatory Asset Recovery	kW	350		0.00	350		0.00	0.00	0.0%	0.0%
Retail Transmission - Network	kW	375	1.45850	547.54	366	1.45840	534.25	(13.28)	-2.4%	-0.1%
Retail Transmission - Line and Transformation	kW	375	1.47250	552.79	366	1.47250	539.42	(13.37)	-2.4%	-0.1%
Wholesale Market Service	kWh	134,075	0.00520	697.19	130,832	0.00520	680.33	(16.86)	-2.4%	-0.2%
Rural Rate Protection Charge	kWh	134,075	0.00100	134.08	130,832	0.00100	130.83	(3.24)	-2.4%	0.0%
Debt Retirement Charge	kWh	125,000	0.00700	875.00	125,000	0.00700	875.00	0.00	0.0%	0.0%
Cost of Power Commodity	kWh	134,075	0.05450	7,307.09	130,832	0.05450	7,130.33	(176.76)	-2.4%	-1.6%
Total Bill				10,890.56			10,772.14	(118.42)	-1.1%	-1.1%

GS>50 to 499 kW

450 kW Consumption
250,000 kWh Consumption

	Metric	2008 Bill			2009 Bill			IMPACT		
		Volume	Rate \$	Charge \$	Volume	Rate \$	Charge \$	Change \$	Change %	% of Total Bill
Monthly Service Charge				402.56			402.56	0.00	0.0%	0.0%
Distribution	kW	450	1.06950	481.28	450	1.36977	616.40	135.12	28.1%	0.7%
Sub-Total				883.84			1,018.96	135.12	15.3%	0.7%
Regulatory Asset Recovery	kW	450		0.00	450		0.00	0.00	0.0%	0.0%
Retail Transmission - Network	kW	483	1.45850	703.97	471	1.45840	686.90	(17.08)	-2.4%	-0.1%
Retail Transmission - Line and Transformation	kW	483	1.47250	710.73	471	1.47250	693.54	(17.19)	-2.4%	-0.1%
Wholesale Market Service	kWh	268,150	0.00520	1,394.38	261,663	0.00520	1,360.65	(33.73)	-2.4%	-0.2%
Rural Rate Protection Charge	kWh	268,150	0.00100	268.15	261,663	0.00100	261.66	(6.49)	-2.4%	0.0%
Debt Retirement Charge	kWh	250,000	0.00700	1,750.00	250,000	0.00700	1,750.00	0.00	0.0%	0.0%
Cost of Power Commodity	kWh	268,150	0.05450	14,614.18	261,663	0.05450	14,260.66	(353.51)	-2.4%	-1.8%
Total Bill				20,325.25			20,032.37	(292.88)	-1.4%	-1.5%

Large Use

6,000 kW Consumption
2,800,000 kWh Consumption

	Metric	2008 Bill			2009 Bill			IMPACT		
		Volume	Rate \$	Charge \$	Volume	Rate \$	Charge \$	Change \$	Change %	% of Total Bill
Monthly Service Charge				8,652.72			8,652.72	0.00	0.0%	0.0%
Distribution	kW	6,000	0.75920	4,555.20	6,000	1.62193	9,731.56	5,176.36	113.6%	2.3%
Sub-Total				13,207.92			18,384.28	5,176.36	39.2%	2.3%
Regulatory Asset Recovery	kW	6,000		0.00	6,000		0.00	0.00	0.0%	0.0%
Retail Transmission - Network	kW	6,000	1.71530	10,291.80	6,000	1.71530	10,291.80	0.00	0.0%	0.0%
Retail Transmission - Line and Transformation	kW	6,000	1.84590	11,075.40	6,000	1.84590	11,075.40	0.00	0.0%	0.0%
Wholesale Market Service	kWh	2,800,000	0.00520	14,560.00	2,800,000	0.00520	14,560.00	0.00	0.0%	0.0%
Rural Rate Protection Charge	kWh	2,800,000	0.00100	2,800.00	2,800,000	0.00100	2,800.00	0.00	0.0%	0.0%
Debt Retirement Charge	kWh	2,800,000	0.00700	19,600.00	2,800,000	0.00700	19,600.00	0.00	0.0%	0.0%
Cost of Power Commodity	kWh	2,800,000	0.05450	152,600.00	2,800,000	0.05450	152,600.00	0.00	0.0%	0.0%
Total Bill				224,135.12			229,311.48	5,176.36	2.3%	2.3%

Large Use

15,000 kW Consumption
7,000,000 kWh Consumption

	Metric	2008 Bill			2009 Bill			IMPACT		
		Volume	Rate \$	Charge \$	Volume	Rate \$	Charge \$	Change \$	Change %	% of Total Bill
Monthly Service Charge				8,652.72			8,652.72	0.00	0.0%	0.0%
Distribution	kW	15,000	0.75920	11,388.00	15,000	1.62193	24,328.90	12,940.90	113.6%	2.3%
Sub-Total				20,040.72			32,981.62	12,940.90	64.6%	2.3%
Regulatory Asset Recovery	kW	15,000		0.00	15,000		0.00	0.00	0.0%	0.0%
Retail Transmission - Network	kW	15,000	1.71530	25,729.50	15,000	1.71530	25,729.50	0.00	0.0%	0.0%
Retail Transmission - Line and Transformation	kW	15,000	1.84590	27,688.50	15,000	1.84590	27,688.50	0.00	0.0%	0.0%
Wholesale Market Service	kWh	7,000,000	0.00520	36,400.00	7,000,000	0.00520	36,400.00	0.00	0.0%	0.0%
Rural Rate Protection Charge	kWh	7,000,000	0.00100	7,000.00	7,000,000	0.00100	7,000.00	0.00	0.0%	0.0%
Debt Retirement Charge	kWh	7,000,000	0.00700	49,000.00	7,000,000	0.00700	49,000.00	0.00	0.0%	0.0%
Cost of Power Commodity	kWh	7,000,000	0.05450	381,500.00	7,000,000	0.05450	381,500.00	0.00	0.0%	0.0%
Total Bill				547,358.72			560,299.62	12,940.90	2.4%	2.3%

Large Use

30,000 kW Consumption
20,000,000 kWh Consumption

	Metric	2008 Bill			2009 Bill			IMPACT		
		Volume	Rate \$	Charge \$	Volume	Rate \$	Charge \$	Change \$	Change %	% of Total Bill
Monthly Service Charge				8,652.72			8,652.72	0.00	0.0%	0.0%
Distribution	kW	30,000	0.75920	22,776.00	30,000	1.62193	48,657.81	25,881.81	113.6%	1.7%
Sub-Total				31,428.72			57,310.53	25,881.81	82.4%	1.7%
Regulatory Asset Recovery	kW	30,000		0.00	30,000		0.00	0.00	0.0%	0.0%
Retail Transmission - Network	kW	30,000	1.71530	51,459.00	30,000	1.71530	51,459.00	0.00	0.0%	0.0%
Retail Transmission - Line and Transformation	kW	30,000	1.84590	55,377.00	30,000	1.84590	55,377.00	0.00	0.0%	0.0%
Wholesale Market Service	kWh	20,000,000	0.00520	104,000.00	20,000,000	0.00520	104,000.00	0.00	0.0%	0.0%
Rural Rate Protection Charge	kWh	20,000,000	0.00100	20,000.00	20,000,000	0.00100	20,000.00	0.00	0.0%	0.0%
Debt Retirement Charge	kWh	20,000,000	0.00700	140,000.00	20,000,000	0.00700	140,000.00	0.00	0.0%	0.0%
Cost of Power Commodity	kWh	20,000,000	0.05450	1,090,000.00	20,000,000	0.05450	1,090,000.00	0.00	0.0%	0.0%
Total Bill				1,492,264.72			1,518,146.53	25,881.81	1.7%	1.7%

Large Use

100,000 kW Consumption
53,000,000 kWh Consumption

	Metric	2008 Bill			2009 Bill			IMPACT		
		Volume	Rate \$	Charge \$	Volume	Rate \$	Charge \$	Change \$	Change %	% of Total Bill
Monthly Service Charge				8,652.72			8,652.72	0.00	0.0%	0.0%
Distribution	kW	100,000	0.75920	75,920.00	100,000	1.62193	162,192.69	86,272.69	113.6%	2.1%
Sub-Total				84,572.72			170,845.41	86,272.69	102.0%	2.1%
Regulatory Asset Recovery	kW	100,000		0.00	100,000		0.00	0.00	0.0%	0.0%
Retail Transmission - Network	kW	100,000	1.71530	171,530.00	100,000	1.71530	171,530.00	0.00	0.0%	0.0%
Retail Transmission - Line and Transformation	kW	100,000	1.84590	184,590.00	100,000	1.84590	184,590.00	0.00	0.0%	0.0%
Wholesale Market Service	kWh	53,000,000	0.00520	275,600.00	53,000,000	0.00520	275,600.00	0.00	0.0%	0.0%
Rural Rate Protection Charge	kWh	53,000,000	0.00100	53,000.00	53,000,000	0.00100	53,000.00	0.00	0.0%	0.0%
Debt Retirement Charge	kWh	53,000,000	0.00700	371,000.00	53,000,000	0.00700	371,000.00	0.00	0.0%	0.0%
Cost of Power Commodity	kWh	53,000,000	0.05450	2,888,500.00	53,000,000	0.05450	2,888,500.00	0.00	0.0%	0.0%
Total Bill				4,028,792.72			4,115,065.41	86,272.69	2.1%	2.1%

Street Light

1 kW Consumption
25 kWh Consumption

	Metric	2008 Bill			2009 Bill			IMPACT		
		Volume	Rate \$	Charge \$	Volume	Rate \$	Charge \$	Change \$	Change %	% of Total Bill
Monthly Service Charge				0.71			1.95	1.24	174.1%	7.5%
Distribution	kW	1	2.65630	1.99	1	14.74605	11.06	9.07	455.1%	55.0%
Sub-Total				2.70			13.01	10.30	381.3%	62.5%
Regulatory Asset Recovery	kW	1		0.00	1		0.00	0.00	0.0%	0.0%
Retail Transmission - Network	kW	1	1.10000	0.85	1	1.10000	0.85	0.00	0.1%	0.0%
Retail Transmission - Line and Transformation	kW	1	1.13840	0.88	1	1.13840	0.88	0.00	0.1%	0.0%
Wholesale Market Service	kWh	26	0.00520	0.13	26	0.00520	0.13	0.00	0.1%	0.0%
Rural Rate Protection Charge	kWh	26	0.00100	0.03	26	0.00100	0.03	0.00	0.1%	0.0%
Debt Retirement Charge	kWh	25	0.00700	0.18	25	0.00700	0.18	0.00	0.0%	0.0%
Cost of Power Commodity	kWh	26	0.05450	1.41	26	0.05450	1.41	0.00	0.1%	0.0%
Total Bill				6.18			16.48	10.31	166.9%	62.5%

Sentinel

0.75 kW Consumption
25 kWh Consumption

	Metric	2008 Bill			2009 Bill			IMPACT		
		Volume	Rate \$	Charge \$	Volume	Rate \$	Charge \$	Change \$	Change %	% of Total Bill
Monthly Service Charge				5.64			5.64	0.00	0.0%	0.0%
Distribution	kW	1	4.22060	3.17	1	14.19641	10.65	7.48	236.4%	37.7%
Sub-Total				8.81			16.29	7.48	85.0%	37.7%
Regulatory Asset Recovery	kW	1		0.00	1		0.00	0.00	0.0%	0.0%
Retail Transmission - Network	kW	1	1.10560	0.86	1	1.10560	0.87	0.00	0.1%	0.0%
Retail Transmission - Line and Transformation	kW	1	1.16210	0.91	1	1.16210	0.91	0.00	0.1%	0.0%
Wholesale Market Service	kWh	26	0.00520	0.14	26	0.00520	0.14	0.00	0.1%	0.0%
Rural Rate Protection Charge	kWh	26	0.00100	0.03	26	0.00100	0.03	0.00	0.1%	0.0%
Debt Retirement Charge	kWh	25	0.00700	0.18	25	0.00700	0.18	0.00	0.0%	0.0%
Cost of Power Commodity	kWh	26	0.05450	1.42	26	0.05450	1.42	0.00	0.1%	0.0%
Total Bill				12.34			19.82	7.48	60.7%	37.8%

Sentinel

0.75 kW Consumption
50 kWh Consumption

	Metric	2008 Bill			2009 Bill			IMPACT		
		Volume	Rate \$	Charge \$	Volume	Rate \$	Charge \$	Change \$	Change %	% of Total Bill
Monthly Service Charge				5.64			5.64	0.00	0.0%	0.0%
Distribution	kW	1	4.22060	3.17	1	14.19641	10.65	7.48	236.4%	34.7%
Sub-Total				8.81			16.29	7.48	85.0%	34.7%
Regulatory Asset Recovery	kW	1		0.00	1		0.00	0.00	0.0%	0.0%
Retail Transmission - Network	kW	1	1.10560	0.86	1	1.10560	0.87	0.00	0.1%	0.0%
Retail Transmission - Line and Transformation	kW	1	1.16210	0.91	1	1.16210	0.91	0.00	0.1%	0.0%
Wholesale Market Service	kWh	52	0.00520	0.27	52	0.00520	0.27	0.00	0.1%	0.0%
Rural Rate Protection Charge	kWh	52	0.00100	0.05	52	0.00100	0.05	0.00	0.1%	0.0%
Debt Retirement Charge	kWh	50	0.00700	0.35	50	0.00700	0.35	0.00	0.0%	0.0%
Cost of Power Commodity	kWh	52	0.05450	2.84	52	0.05450	2.84	0.00	0.1%	0.0%
Total Bill				14.09			21.58	7.49	53.1%	34.7%

Unmetered Scattered Load

1 kW Consumption
600 kWh Consumption

	Metric	2008 Bill			2009 Bill			IMPACT		
		Volume	Rate \$	Charge \$	Volume	Rate \$	Charge \$	Change \$	Change %	% of Total Bill
Monthly Service Charge				33.47			33.47	0.00	0.0%	0.0%
Distribution	kWh	1	0.00520	3.12	1	0.03282	19.69	16.57	531.1%	17.4%
Sub-Total				36.59			53.16	16.57	45.3%	17.4%
Regulatory Asset Recovery	kW	1		0.00	1		0.00	0.00	0.0%	0.0%
Retail Transmission - Network	kW	1	0.00360	0.00	1	0.00360	0.00	0.00	0.1%	0.0%
Retail Transmission - Line and Transformation	kW	1	0.00370	0.00	1	0.00370	0.00	0.00	0.1%	0.0%
Wholesale Market Service	kWh	626	0.00520	3.25	626	0.00520	3.26	0.00	0.1%	0.0%
Rural Rate Protection Charge	kWh	626	0.00100	0.63	626	0.00100	0.63	0.00	0.1%	0.0%
Debt Retirement Charge	kWh	600	0.00700	4.20	600	0.00700	4.20	0.00	0.0%	0.0%
Cost of Power Commodity	kWh	626	0.05450	34.10	626	0.05450	34.12	0.03	0.1%	0.0%
Total Bill				78.77			95.38	16.60	21.1%	17.4%

GS>500 kW to 4999 kW

1700 kW Consumption
700000 kWh Consumption

	Metric	2008 Bill			2009 Bill			IMPACT		
		Volume	Rate \$	Charge \$	Volume	Rate \$	Charge \$	Change \$	Change %	% of Total Bill
Monthly Service Charge				3,476.42			3,476.42	0.00	0.0%	0.0%
Distribution	kW	1,700	1.47250	2,503.25	1,700	1.38673	2,357.45	(145.80)	-5.8%	-0.2%
Sub-Total				5,979.67			5,833.87	(145.80)	-2.4%	-0.2%
Regulatory Asset Recovery	kW	1,700		0.00	1,700		0.00	0.00	0.0%	0.0%
Retail Transmission - Network	kW	1,700	1.54910	2,633.47	1,700	1.54910	2,633.47	0.00	0.0%	0.0%
Retail Transmission - Line and Transformation	kW	1,700	1.61420	2,744.14	1,700	1.61420	2,744.14	0.00	0.0%	0.0%
Wholesale Market Service	kWh	700,000	0.00520	3,640.00	700,000	0.00520	3,640.00	0.00	0.0%	0.0%
Rural Rate Protection Charge	kWh	700,000	0.00100	700.00	700,000	0.00100	700.00	0.00	0.0%	0.0%
Debt Retirement Charge	kWh	700,000	0.00700	4,900.00	700,000	0.00700	4,900.00	0.00	0.0%	0.0%
Cost of Power Commodity	kWh	700,000	0.05450	38,150.00	700,000	0.05450	38,150.00	0.00	0.0%	0.0%
Total Bill				58,747.28			58,601.48	(145.80)	-0.2%	-0.2%

GS>500 kW to 4999 kW

1500 kW Consumption
750000 kWh Consumption

	Metric	2008 Bill			2009 Bill			IMPACT		
		Volume	Rate \$	Charge \$	Volume	Rate \$	Charge \$	Change \$	Change %	% of Total Bill
Monthly Service Charge				3,476.42			3,476.42	0.00	0.0%	0.0%
Distribution	kW	1,500	1.47250	2,208.75	1,500	1.38673	2,080.10	(128.65)	-5.8%	-0.2%
Sub-Total				5,685.17			5,556.52	(128.65)	-2.3%	-0.2%
Regulatory Asset Recovery	kW	1,500		0.00	1,500		0.00	0.00	0.0%	0.0%
Retail Transmission - Network	kW	1,500	1.54910	2,323.65	1,500	1.54910	2,323.65	0.00	0.0%	0.0%
Retail Transmission - Line and Transformation	kW	1,500	1.61420	2,421.30	1,500	1.61420	2,421.30	0.00	0.0%	0.0%
Wholesale Market Service	kWh	750,000	0.00520	3,900.00	750,000	0.00520	3,900.00	0.00	0.0%	0.0%
Rural Rate Protection Charge	kWh	750,000	0.00100	750.00	750,000	0.00100	750.00	0.00	0.0%	0.0%
Debt Retirement Charge	kWh	750,000	0.00700	5,250.00	750,000	0.00700	5,250.00	0.00	0.0%	0.0%
Cost of Power Commodity	kWh	750,000	0.05450	40,875.00	750,000	0.05450	40,875.00	0.00	0.0%	0.0%
Total Bill				61,205.12			61,076.47	(128.65)	-0.2%	-0.2%

GS>500 kW to 4999 kW

1000 kW Consumption
450000 kWh Consumption

	Metric	2008 Bill			2009 Bill			IMPACT		
		Volume	Rate \$	Charge \$	Volume	Rate \$	Charge \$	Change \$	Change %	% of Total Bill
Monthly Service Charge				3,476.42			3,476.42	0.00	0.0%	0.0%
Distribution	kW	1,000	1.47250	1,472.50	1,000	1.38673	1,386.73	(85.77)	-5.8%	-0.1%
Sub-Total				4,948.92			4,863.15	(85.77)	-1.7%	-0.1%
Regulatory Asset Recovery	kW	1,000		0.00	1,000		0.00	0.00	0.0%	0.0%
Retail Transmission - Network	kW	1,000	1.54910	1,549.10	1,000	1.54910	1,549.10	0.00	0.0%	0.0%
Retail Transmission - Line and Transformation	kW	1,000	1.61420	1,614.20	1,000	1.61420	1,614.20	0.00	0.0%	0.0%
Wholesale Market Service	kWh	450,000	0.00520	2,340.00	450,000	0.00520	2,340.00	0.00	0.0%	0.0%
Rural Rate Protection Charge	kWh	450,000	0.00100	450.00	450,000	0.00100	450.00	0.00	0.0%	0.0%
Debt Retirement Charge	kWh	450,000	0.00700	3,150.00	450,000	0.00700	3,150.00	0.00	0.0%	0.0%
Cost of Power Commodity	kWh	450,000	0.05450	24,525.00	450,000	0.05450	24,525.00	0.00	0.0%	0.0%
Total Bill				38,577.22			38,491.45	(85.77)	-0.2%	-0.1%

GS>500 kW to 4999 kW

1800
1000000

kW Consumption
kWh Consumption

	Metric	2008 Bill			2009 Bill			IMPACT		
		Volume	Rate \$	Charge \$	Volume	Rate \$	Charge \$	Change \$	Change %	% of Total Bill
Monthly Service Charge				3,476.42			3,476.42	0.00	0.0%	0.0%
Distribution	kW	1,800	1.47250	2,650.50	1,800	1.38673	2,496.12	(154.38)	-5.8%	-0.3%
Sub-Total				6,126.92			5,972.54	(154.38)	-2.5%	-0.3%
Regulatory Asset Recovery	kW	1,800		0.00	1,800		0.00	0.00	0.0%	0.0%
Retail Transmission - Network	kW	1,800	1.54910	2,788.38	1,800	1.54910	2,788.38	0.00	0.0%	0.0%
Retail Transmission - Line and Transformation	kW	1,800	1.61420	2,905.56	1,800	1.61420	2,905.56	0.00	0.0%	0.0%
Wholesale Market Service	kWh	1,000,000	0.00520	5,200.00	1,000,000	0.00520	5,200.00	0.00	0.0%	0.0%
Rural Rate Protection Charge	kWh	1,000,000	0.00100	1,000.00	1,000,000	0.00100	1,000.00	0.00	0.0%	0.0%
Debt Retirement Charge	kWh	1,000,000	0.00700	7,000.00	1,000,000	0.00700	7,000.00	0.00	0.0%	0.0%
Cost of Power Commodity	kWh	1,000,000	0.05450	54,500.00	1,000,000	0.05450	54,500.00	0.00	0.0%	0.0%
Total Bill				79,520.86			79,366.48	(154.38)	-0.2%	-0.3%

GS>500 kW to 4999 kW

2000
800000

kW Consumption
kWh Consumption

	Metric	2008 Bill			2009 Bill			IMPACT		
		Volume	Rate \$	Charge \$	Volume	Rate \$	Charge \$	Change \$	Change %	% of Total Bill
Monthly Service Charge				3,476.42			3,476.42	0.00	0.0%	0.0%
Distribution	kW	2,000	1.47250	2,945.00	2,000	1.38673	2,773.47	(171.53)	-5.8%	-0.3%
Sub-Total				6,421.42			6,249.89	(171.53)	-2.7%	-0.3%
Regulatory Asset Recovery	kW	2,000		0.00	2,000		0.00	0.00	0.0%	0.0%
Retail Transmission - Network	kW	2,000	1.54910	3,098.20	2,000	1.54910	3,098.20	0.00	0.0%	0.0%
Retail Transmission - Line and Transformation	kW	2,000	1.61420	3,228.40	2,000	1.61420	3,228.40	0.00	0.0%	0.0%
Wholesale Market Service	kWh	800,000	0.00520	4,160.00	800,000	0.00520	4,160.00	0.00	0.0%	0.0%
Rural Rate Protection Charge	kWh	800,000	0.00100	800.00	800,000	0.00100	800.00	0.00	0.0%	0.0%
Debt Retirement Charge	kWh	800,000	0.00700	5,600.00	800,000	0.00700	5,600.00	0.00	0.0%	0.0%
Cost of Power Commodity	kWh	800,000	0.05450	43,600.00	800,000	0.05450	43,600.00	0.00	0.0%	0.0%
Total Bill				66,908.02			66,736.49	(171.53)	-0.3%	-0.3%

GS>500 kW to 4999 kW

3,000
800,000

kW Consumption
kWh Consumption

	Metric	2008 Bill			2009 Bill			IMPACT		
		Volume	Rate \$	Charge \$	Volume	Rate \$	Charge \$	Change \$	Change %	% of Total Bill
Monthly Service Charge				3,476.42			3,476.42	0.00	0.0%	0.0%
Distribution	kW	3,000	1.47250	4,417.50	3,000	1.38673	4,160.20	(257.30)	-5.8%	-0.3%
Sub-Total				7,893.92			7,636.62	(257.30)	-3.3%	-0.3%
Regulatory Asset Recovery	kW	3,000		0.00	3,000		0.00	0.00	0.0%	0.0%
Retail Transmission - Network	kW	3,128	1.54910	4,845.74	3,131	1.54910	4,849.71	3.97	0.1%	0.0%
Retail Transmission - Line and Transformation	kW	3,128	1.61420	5,049.38	3,131	1.61420	5,053.52	4.14	0.1%	0.0%
Wholesale Market Service	kWh	834,160	0.00520	4,337.63	834,844	0.00520	4,341.19	3.56	0.1%	0.0%
Rural Rate Protection Charge	kWh	834,160	0.00100	834.16	834,844	0.00100	834.84	0.68	0.1%	0.0%
Debt Retirement Charge	kWh	800,000	0.00700	5,600.00	800,000	0.00700	5,600.00	0.00	0.0%	0.0%
Cost of Power Commodity	kWh	834,160	0.05450	45,461.72	834,844	0.05450	45,499.00	37.28	0.1%	0.1%
Total Bill				74,022.55			73,814.88	(207.67)	-0.3%	-0.3%

GS>500 kW to 4999 kW

3,000
1,000,000

kW Consumption
kWh Consumption

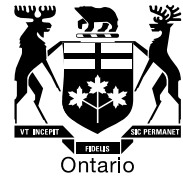
	Metric	2008 Bill			2009 Bill			IMPACT		
		Volume	Rate \$	Charge \$	Volume	Rate \$	Charge \$	Change \$	Change %	% of Total Bill
Monthly Service Charge				3,476.42			3,476.42	0.00	0.0%	0.0%
Distribution	kW	3,000	1.47250	4,417.50	3,000	1.38673	4,160.20	(257.30)	-5.8%	-0.3%
Sub-Total				7,893.92			7,636.62	(257.30)	-3.3%	-0.3%
Regulatory Asset Recovery	kW	3,000		0.00	3,000		0.00	0.00	0.0%	0.0%
Retail Transmission - Network	kW	3,128	1.54910	4,845.74	3,131	1.54910	4,849.71	3.97	0.1%	0.0%
Retail Transmission - Line and Transformation	kW	3,128	1.61420	5,049.38	3,131	1.61420	5,053.52	4.14	0.1%	0.0%
Wholesale Market Service	kWh	1,042,700	0.00520	5,422.04	1,043,555	0.00520	5,426.49	4.45	0.1%	0.0%
Rural Rate Protection Charge	kWh	1,042,700	0.00100	1,042.70	1,043,555	0.00100	1,043.55	0.85	0.1%	0.0%
Debt Retirement Charge	kWh	1,000,000	0.00700	7,000.00	1,000,000	0.00700	7,000.00	0.00	0.0%	0.0%
Cost of Power Commodity	kWh	1,042,700	0.05450	56,827.15	1,043,555	0.05450	56,873.75	46.60	0.1%	0.1%
Total Bill				88,080.93			87,883.64	(197.29)	-0.2%	-0.3%

PROPOSED CHANGES TO TERMS AND CONDITIONS OF SERVICES

Please refer back to Exhibit 1, Tab 1, Schedule 17 for proposed changes to terms and conditions of service

Ontario Energy Board
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Toronto ON M4P 1E4
Telephone: 416- 481-1967
Facsimile: 416- 440-7656
Toll free: 1-888-632-6273

Commission de l'Énergie de l'Ontario
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December 17, 2008

To: All Licensed Electricity Distributors and Retailers

Re: Rural or Remote Electricity Rate Protection

Ontario Regulation 442/01, Rural or Remote Electricity Rate Protection ("RRRP") (made under the *Ontario Energy Board Act, 1998*) requires the Ontario Energy Board (the "Board") to calculate the amount to be charged by the Independent Electricity System Operator ("IESO") with respect to the RRRP for each kilowatt-hour of electricity that is withdrawn from the IESO-controlled grid.

Amount to be charged by the IESO for RRRP

Based on the demand forecast provided by the IESO, the Board has determined that the amount to be charged by the IESO with respect to the RRRP shall remain at the current level of 0.1 cents per kilowatt-hour effective January 1, 2009. Effective May 1, 2009, the IESO's RRRP charge shall be 0.13 cents per kilowatt-hour.

Amount to be Charged by Distributors and Retailers for RRRP

Effective January 1, 2009, the RRRP charge shall remain at the current level of 0.1 cents per kilowatt-hour.

Effective May 1, 2009, the RRRP charge shall be 0.13 cents per kilowatt-hour.

After May 1, 2009 the RRRP charge shall remain at 0.13 cents per kilowatt-hour until such time as the Board revises it.

Distributors that currently have a rate application before the Board shall file this letter as an update to their evidence along with a request that the RRRP charge in their tariff sheet be revised to 0.13 cents per kilowatt-hour effective May 1, 2009.

Where a distributor does not have a rate application before the Board, the distributor shall make an application to the Board to alter the RRRP charge in its tariff sheet effective May 1, 2009 to 0.13 cents per kilowatt-hour.

In the collection of this amount from customers, the customer's metered energy consumption shall be adjusted by the Total Loss Factor as approved by the Board.

The Board wishes to remind all distributors and retailers that in accordance with subsection 5(6) of the Regulation:

A distributor or retailer who bills a consumer for electricity shall aggregate the amount that the consumer is required to contribute to the compensation required by subsection 79(3) of the Act with the wholesale market service rate described in the Electricity Distribution Rate Handbook issued by the Board, as it read on October 31, 2001.

Yours Truly,

Original Signed By

Kirsten Walli
Board Secretary