

Ontario Energy Board

IN THE MATTER OF the *Ontario Energy Board Act, 1998*,
S.O. 1998, c.15 (Schedule B);

AND IN THE MATTER OF an Application by Welland
Hydro-Electric System Corp. for an order approving just and
reasonable rates and other charges for electricity distribution
to be effective May 1, 2009.

**WELLAND HYDRO ELECTRIC SYSTEM CORP.
RESPONSE TO:**

**INTERROGATORIES OF
ENERGY PROBE RESEARCH FOUNDATION
("ENERGY PROBE")**

SECOND ROUND

February 13, 2009

Interrogatory # 34

Ref: Response to Energy Probe Interrogatory # 12

- a) Please confirm that the customer that was moved to Large User effective May 1, 2008 is now a GS 50 to 4999 kW customer. If this cannot be confirmed, when in 2009 does Welland Hydro expect this change to take place?

Response:

May 1, 2009 (2009 rate year).

- b) Has the second large use customer that has announced that they will be closing their Welland facility by the end of 2009 provided a more precise date when the facility will be closed? If yes, please provide the date and any correspondence or information to support this date. If no, please provide all the information used by Welland Hydro to support the removal of this customer for all of 2009.

Response:

A meeting was held with this customer on January 28, 2009. Welland Hydro considers information disclosed at this meeting to be confidential in nature. However, the customer has indicated to Welland Hydro that it intends to "wind down" the majority of its operations by the end of April, 2009 just prior to the 2009 rate year.

Interrogatory # 35

**Ref: Response to Board Staff Interrogatory # 17 &
Response to Energy Probe Interrogatory # 14**

The response to the question indicates that Welland Hydro believes that the 2004 weather normalized usage for the residential class appears to be too high.

- a) Please provide all the information used by Welland Hydro to come to this conclusion.

Response:

The following data is taken from Exhibit 3 Tab 2 Schedule 7 Table 6 from the original rate application:

“Actual” Average Residential Usage/Year

2002 – 8,343 kwh
2003 – 8,229 kwh
2004 – 8,281 kwh
2005 – 8,861 kwh
2006 – 8,270 kwh
2007 – 8,313 kwh

Welland Hydro pointed out that only once in the past six years has the actual average consumption for residential customers reached the 2004 weather normalized usage of 8,427 kwh. In addition, the actual 2008 kwh billings for the residential class totaled 158,305,609. As a result, the actual average usage for the residential class for 2008 is approximately 8,093 kwh (based on 19,561 customers as at September/08) which is lower than any of the above years. The economic recession and an increased focus on energy conservation are having a significant impact on usage per residential customer.

- b) Please provide the normalized usage for the residential class for 2002, 2003, 2005, 2006 and 2007.

Response:

Weather normalized usage is not available for each of the above years. The cost and time to obtain this information from Hydro One outweigh the benefits.

- c) In the response to Energy Probe # 14, Welland Hydro states that only once in the last six years has actual residential usage exceeded the normalized average annual residential usage of 8427 kWh. Please explain the relevance of this comparison of actual usage to normalized usage.

Response:

Welland Hydro collects revenues based on “Actual” volumes. Welland Hydro believes that to base a forecast on a volume level actually attained only once in the past six years is not prudent. As a result, Welland Hydro used the average usage from 2002 to 2007 in the supplemental filing of January 20, 2009. Based on the actual usage for 2008 even this appears to be too high as the economic recession is expected to continue for some time and more emphasis is being placed on energy conservation.

Interrogatory # 36

Ref: Response to Board Staff Interrogatory # 19

It appears that Welland Hydro has changed the methodology used to determine the average use per GS <50 kW customer, as the response to this interrogatory appears to use an average use of 29,382 kWh, rather than the 2007 figure of 32,236 that is shown in the original evidence at Exhibit 3, Tab 2, Schedule 7, page 2. Please provide the rationale for this change in methodology. Please also provide the impact on the revenues forecast from this rate class of this change.

Response:

Exhibit G was submitted in response to Board Staff Interrogatory #19 which is a restatement of customer numbers and volumes to reflect the most current information. Welland Hydro added 22 customers and 709,192 kwh for the General Service <50 kW customer classification. This represents an average annual usage of 32,236 kwh per customer which is the same usage as contained in Exhibit 3 Tab 2 Schedule 7 page 2.

Interrogatory # 37

Ref: Response to Energy Probe Interrogatory # 16 (i) & (j)

Please confirm that the year-to-date September, 2008 figures for scrap metal sales and misc. non operating revenue are \$16,556. If one of the figures is a typo, please provide the actual figure.

Response:

The September, 2008 year to date scarp metal sales is a typo and should read \$16,418.

Interrogatory # 38

Ref: Response to Energy Probe Interrogatory # 23

- a) Please provide a breakdown of the \$60,000 in regulatory expenses associated with the 2009 cost of service application into each of the major components. Please provide an estimate of the actual costs incurred to date for each of these components.**

Response:

The \$60,000 included in Regulatory expenses was a forecast of amounts which would be billed to Welland Hydro to recover intervenor and board costs. There have been no charges to date for any of these expenses in relation to the 2009 cost of service application.

- b) Please provide a breakdown of the \$30,000 original forecast and \$60,000 current estimate of consulting costs associated with the 2009 cost of service application into each of the major components. Please provide an estimate of the actual costs incurred to date for each of these components.

Response:

	Original Estimate	Expenses To Date	Revised Estimate
Legal Expenses	\$15,000	\$17,874	\$35,000
Consulting Expenses	\$15,000	\$12,898	\$25,000
Total Expenditures	\$30,000	\$30,772	\$60,000

Please note that Welland Hydro did not increase the amount for consulting expenses for the revised Revenue Deficiency estimate in the January 20, 2009 supplemental filing.

- c) How much of the budgeted regulatory and consulting costs are associated with a technical conference and/or oral component of the hearing?

Response:

As indicated earlier, the amount of regulatory expenses are related to intervenor and board cost recoveries and were not split out in detail as to the amount relating to the cost of a technical conference or oral hearing. The revised legal and consulting expenses each include \$5,000 to cover the expected costs of the technical conference.

Interrogatory # 39

Ref: Supplemental Filing attached to January 20, 2009 Letter

- a) Does the reduction in rate base shown in Exhibit F include an adjustment related to the lower OM&A costs of \$193,849 shown in Exhibit E that would be associated with a reduction in working capital? If not, please calculate the change in rate base associated with this change. Please confirm that any

reduction in rate base related to the lower OM&A costs would also reduce the Ontario Capital Tax.

Response:

The rate base in Exhibit F has not been adjusted to reflect the reduced OM & A expenses proposed in the January 20, 2009 supplemental filing. Welland Hydro was waiting on approval of the estimated Cost of Power rate used in the August 15, 2008 filing before recalculating working capital allowance and its effect on rate base. The recalculation would also take into consideration the effect of any approved volume changes and changes in RTR rates and RRP rates.

An estimate of the effect of the reduced OM & A expenses is as follows:

$\$193,849 \times 15\% \times 7.18\%$ (current return on rate base) = \$2,087 reduction in revenue deficiency (before PILS).

- b) Has there been an adjustment to the working capital component of rate base to reflect the reduced cost of power associated with the reduced revenues shown? If not, please calculate the change in rate base associated with this change. Please show all calculations. Please confirm that any change in rate base related to the reduced cost of power would also reduce the Ontario Capital Tax.

Response:

As per the response in a) above no adjustment has been made for the reduced cost of power associated with the reduced volumes pending approval of the Cost of Power rate. Exhibit A contains a revised cost of power for the reduced volumes assuming the same cost of power rate included in the original filing and revised RTR and RRP rates.

An estimate of the effect of the reduced Cost of Power is as follows:

$\$29,451,014 - \$27,367,388 = \$2,083,626$ Reduction

$\$2,083,626 \times 15\% \times 7.18\%$ (current return on rate base) = \$22,441 reduction in revenue deficiency (before PILS).

As indicated in response to Board Staff interrogatory #37 Welland Hydro's model uses Rate Base for Return on Equity in order to calculate Ontario Capital Tax. This method is incorrect and results in an understatement of the amount of Ontario Capital Tax Payable. The correct method should be based on Taxable Capital for tax purposes. In 2007, this amount was \$31,148,072 for Welland Hydro. Based on the 2009 OCT Exemption of

\$15,000,000 (assuming 100% taken by WHESC) and Ontario Capital Tax Rate of 0.225% it would result in a Ontario Capital Tax payable of \$36,333 which is higher than the \$27,420 used in Exhibit A. Welland Hydro has not adjusted for this increase in cost in the revised Revenue Deficiency filed on January 20, 2009.

- c) Why is there no Ontario Capital Tax shown in the last column of Exhibit A in the section titled Capital Tax Expense Calculation?**

Response:

The amount in the last column for Ontario Capital tax should be \$27,420.35. This is a presentation error and has no effect of the amount of Revenue Deficiency calculation.

Interrogatory # 40

Ref: Exhibit 4, Tab 2, Schedule 4

Please confirm that Welland Hydro does not receive any services from or pay any charges to Welland Hydro-Electric Holding Corp., Welland Hydro Energy Service Corp. or Welland Wifi Corp. If this is not confirmed, please indicate what services are provided by each of these affiliates and the amount paid by Welland Hydro for them. Please also indicate where in the evidence this information has been provided.

Response:

Confirmed

Interrogatory #41

Ref: Supplemental Filing attached to January 20, 2009 Letter

- a) Please provide a detailed explanation for the decrease in the revenue to cost ratio from 100.73% to 95.56% for the Large Use class proposed for 2009.**

Response:

See Response to Board Staff Supplemental Interrogatory #7

Exhibit B attached was taken from Exhibit O (Page 6) of the January 20, 2009 supplemental filing. This represents a monthly bill with similar demand and volume to the last remaining large use customer. As pointed

out in Section 3 of the Manager's Summary in the supplemental filing the reduction in the revenue to cost ratio was to offset the fact that the transformer credit was not increased from the current \$0.60/kw. As the Large Use class revenue to cost ratio was at 100.73% in the original cost allocation filing this customer class should only expect its distribution rates to increase by the overall percentage increase in distribution rates included in the supplemental filing. The increase can be calculated from Exhibit A in the January 20, 2009 supplemental filing as 26% (\$1,768,861/\$6,808,613). As can be seen from Exhibit B attached the distribution portion of the bill increases by 25.8% (\$15,458.55/\$12,290.90).

Failure to adjust the revenue to cost ratio will increase the distribution portion of the monthly bill for the large user class by 36.2% (\$16,734.40/\$12,290.90) as can be seen in Exhibit E and Exhibit F.

- b) Please provide the rationale for the further decline proposed in the revenue to cost ratio for the Large Use class in 2010 to 85%.

Response:

Welland Hydro has increased the revenue to cost ratio for the General Service customer classes to 85% in 2009. No further increases to these ratios are currently planned in 2010 or beyond. Welland Hydro expects to revisit the Cost Allocation process after rate classifications have been revised as part of EB-2007-031 Rate Design for Recovery of Distribution Costs. Welland Hydro is of the opinion that once the cost allocation process has been refined (specific costs have been allocated to specific customer classes) the revenue to cost ratios will increase for all classes with the exception of residential which will decrease. Welland Hydro is adjusting the revenue to cost ratio for the Large Use class to 85% in 2010 to be in line with the General Service customer classes. All three of these classes will then remain at 85% until both Rate Design and Cost Allocation have been further developed.

Welland Hydro is concerned that any significant increase to Large Use distribution rates could have a negative impact on the last remaining Large Use customer. Although the bill impact amount might be a low percentage, the actual dollar increase in the distribution portion of the monthly bill in 2009 is significant. The loss of this last remaining Large Use customer will only add to the amount to be recovered from all other remaining customers.

- c) If the revenue to cost ratio was maintained at 100% in both 2009 and 2010 and the incremental revenue generated was used to reduce the revenue to cost ratio for the residential class, please indicate what this ratio for the residential class would be in each of 2009 and 2010.

Response:

2009 – 115.32%

2010 – 111.93%

See Exhibit C

- d) If the revenue to cost ratio was maintained at 95.56% in 2010 and the incremental revenue generated was used to reduce the revenue to cost ratio for the residential class, please indicate what this ratio for the residential class would be in 2010.**

Response:

2010 - 112.22%

See Exhibit D

- e) Please explain why the targeted revenue to cost ratio for the Sentinel Light class is 90% whereas the target for the Street Lighting class is only 70%.**

Response:

As stated in response to Board Staff interrogatory #7 the dollar impact to the Street Light customer classification was significant compared to the impact on the Sentinel Light classification.

Interrogatory #42

Ref: Supplemental Filing attached to January 20, 2009 Letter

- a) Did Welland Hydro use the OEB prescribed interest rate of 2.45% for the first quarter of 2009? If not, please provided updates to Exhibit M and Exhibit N that reflect this interest rate for the January through April, 2009 period.**

Response:

Welland Hydro continued to use the 4.29% rate included in the original application. If adjustments are to be made to interest rates, then all of 2008 must also be revised in addition to the first quarter of 2009. As a result Welland Hydro has attached Exhibit G which shows revised balances using the actual rate of interest of 3.98% for 2008 and 2.45% for 2009. The amount to be returned to customers has been reduced from \$721,566 to

\$714,929 as a result of these adjustments. Exhibit H shows the revised rate riders for each customer class.

- b) If the Board does not allow the inclusions of accounts 1580, 1582, 1584, 1586 and 1588 in the calculation of the rate rider, would Welland Hydro be open to extending the recovery period to recover the balances in accounts 1508, 1525 and 1574 to four years? Please calculate the rate riders if the recovery period was four years in length rather than three.**

Response:

Confirmed

Exhibit I

- c) Please confirm that the allocators used in Exhibit N are based on 2007 data.**

Response:

Confirmed

- d) Should there not be an adjustment to these allocators, similar to the adjustment shown in Exhibit G, to reflect the significant change in distribution revenues and kWh's associated with the Large Use class? If not, please explain why not.**

Response:

Past practice for the allocation of rate riders has been to use historical usage data to ensure that the customer classes that contributed to the variance receive the appropriate corresponding charge or credit. However, Welland Hydro would agree with Energy Probe that there may be some merit to use forecasted 2009 customers/volumes as a result of the significant change within the Large Use class.

- e) Please provide a revised Exhibit N that uses revised allocators (distribution revenue and kWhs) that reflect the removal of the 2007 figures associated with the 2 Large Use customers and is consistent with that done in Exhibit G.**

Response:

See Exhibits J & K

Rate Riders have been calculated using forecasted customers/volumes for 2009. For the purposes of this exercise, the same interest rates (actual) used to calculate the rate riders in Exhibit G & H have been used.

Exhibit A

WELLAND HYDRO-ELECTRIC SYSTEM CORP.
2009 TEST YEAR COST OF POWER
APPLICATION

Customer Class	A Distribution Volume kwh/kw	B Loss Factor	C Wholesale Market Rate	A x B x C Wholesale Market Revenue	D RTR Network Rate	A x B x D RTR Network Revenue	E RTR Connect Rate	A x B x E RTR Connect Revenue	F Cost of Power Rate	A x B x F Cost of Power Revenue
Residential-kwh	19,818	1.0599	0.0062	1,097,418	0.0056	991,217	0.0047	831,914	0.0593	10,490,947
General <50-kwh	1,695	1.0599	0.0062	359,056	0.0049	283,770	0.0043	249,023	0.0593	3,432,452
General 50-5000 kw	179									
General 50-5000 Prim/Int - kw	393,395									
General 50-5000 Second - kw	173,094									
General 50-5000 Prim/Int - kw	220,301	1.0493	0.0062	387,578	1.6874	292,078	1.7356	300,422	0.0593	3,705,114
General 50-5000 Second - kw	59,575	1.0599	0.0062	498,264	1.7011	374,754	1.4490	319,216	0.0593	4,763,236
General 50-5000 Second - kw	75,823									
Large User -kw	3									
Large User -kw	300,555									
Large User -kw	111,296	1.0045	0.0062	693,141	1.2364	371,806	1.9274	579,290	0.0593	6,826,192
Unmetered Scattered-kwh	208	1.0599	0.0062	7,050	0.0049	5,571	0.0043	4,889	0.0593	67,392
Sentinel Lights-kw	721	2.592			1.5844	4,107	1.3496	3,498	0.0593	68,996
Sentinel Lights-kwh	1,098,311	1.0599	0.0062	7,217	1.5809	12,862	1.3466	17,859	0.0593	296,686
Street Lights-kw	13,262									
Street Lights-kwh	4,722,781	1.0599	0.0062	31,035						
TOTAL COST OF POWER	\$37,173,850			3,080,760		2,335,966		2,306,110		29,451,014

WELLAND HYDRO-ELECTRIC SYSTEM CORP.
2009 TEST YEAR COST OF POWER
REVISED

Customer Class	A Distribution Volume kwh/kw	B Loss Factor	C Wholesale Market Rate	A x B x C Wholesale Market Revenue	D RTR Network Rate	A x B x D RTR Network Revenue	E RTR Connect Rate	A x B x E RTR Connect Revenue	F Cost of Power Rate	A x B x F Cost of Power Revenue
Residential-kwh	19,818	1.0599	0.0065	1,144,519	0.0062	1,091,695	0.0050	880,399	0.0593	10,436,230
General <50-kwh	1,717	1.0599	0.0065	381,315	0.0055	322,651	0.0045	263,988	0.0593	3,477,003
General 50-5000 kw	171									
General 50-5000 Prim/Int - kw	440,796									
General 50-5000 Second - kw	193,950									
General 50-5000 Prim/Int - kw	246,846	1.0493	0.0065	482,507	1.8773	364,102	1.8303	354,987	0.0593	4,399,710
General 50-5000 Second - kw	70,744	1.0599	0.0065	620,303	1.8926	467,181	1.5280	377,181	0.0593	5,656,198
General 50-5000 Prim/Int - kw	90,037									
General 50-5000 Second - kw	169,553									
Large User -kw	1									
Large User -kw	49,804	1.0045	0.0065	325,184	1.3756	233,237	2.0325	344,616	0.0593	2,965,173
Unmetered Scattered-kwh	208	1.0599	0.0065	7,391	0.0055	6,254	0.0045	5,117	0.0593	67,392
Sentinel Lights-kw	721	2.592			1.7627	4,569	1.4232	3,689	0.0593	68,996
Sentinel Lights-kwh	1,098,311	1.0599	0.0065	7,567	1.7588	14,310	1.4201	18,833	0.0593	296,686
Street Lights-kw	13,262									
Street Lights-kwh	4,722,781	1.0599	0.0065	32,537						
TOTAL COST OF POWER	\$35,121,518			3,001,322		2,503,999		2,248,809		27,367,388

LARGE USE - BILL IMPACTS (Monthly Consumptions) WELLAND HYDRO COMPARISON 2007 - 2009																
		2007 BILL			2008 BILL			2009 BILL-FILING			2009 REVISED DISTRIBUTION			2009 REVISED ALL CHARGES		
		Volume	RATE	CHARGE	Volume	RATE	CHARGE	Volume	RATE	CHARGE	Volume	RATE	CHARGE	Volume	RATE	CHARGE
			\$	\$		\$	\$		\$	\$		\$	\$		\$	\$
Consumption	Monthly Service Charge			10,646.53			10,646.53			12,512.31			12,281.01			12,281.01
	4,700,000 kWh	13,900	0.7183	9,984.37	13,900	0.7183	9,984.37	13,900	0.8442	11,734.38	13,900	0.8286	11,517.54	13,900	0.8286	11,517.54
	13,900 Kw	13,900	(0.6000)	-8,340.00	13,900	(0.6000)	-8,340.00	13,900	(0.6000)	-8,340.00	13,900	(0.6000)	-8,340.00	13,900	(0.6000)	-8,340.00
Loss Factor	Distributor			12,290.90			12,290.90			16,906.69			16,468.55			16,468.55
	Regulatory Assets (kW)	13,900	0.1004	1,395.56			0.00	13,900	0.0359	499.01	13,900	(0.3605)	(5,010.95)	13,900	(0.3605)	(5,010.95)
	Retail Transmission (kW)	13,963	3.2821	45,626.49	13,963	3.1638	44,174.72	13,963	3.1638	44,174.72	13,963	3.1638	44,174.72	13,963	3.4081	47,585.77
1.0045 2007-9	Wholesale & Rural (kWh)	4,721,150	0.0082	29,271.13	4,721,150	0.0082	29,271.13	4,721,150	0.0082	29,271.13	4,721,150	0.0082	29,271.13	4,721,150	0.0085	30,687.48
	Standard Supply	1	0.2500	0.25	1	0.2500	0.25	1.00	0.2500	0.25	1.00	0.2500	0.25	1.00	0.2500	0.25
	Debt Retirement	4,700,000	0.0070	32,900.00	4,700,000	0.0070	32,900.00	4,700,000	0.0070	32,900.00	4,700,000	0.0070	32,900.00	4,700,000	0.0070	32,900.00
	Cost of Power Commodity (kWh)	4,721,150	0.0593	279,964.20	4,721,150	0.0593	279,964.20	4,721,150	0.0593	279,964.20	4,721,150	0.0593	279,964.20	4,721,150	0.0593	279,964.20
	Sub Total			401,648.52			398,601.19			402,715.99			396,757.89			401,586.29
	G.S.T.		6.0%	24,098.91		5.0%	19,930.06			20,135.80		5.0%	19,837.89		5.0%	20,079.26
	Total Bill			425,747.43			418,531.25			422,851.79			416,595.79			421,664.55
							Increase over 2008			1.03%			-0.48%			0.75%
							Increase over 2007			-0.68%			-2.15%			-0.96%

2008 COMPARISON TO OTHER DISTRIBUTION COMPANIES										
		Kitchener			Cambridge			Sarnia		
		2008 BILL			2008 BILL			2008 BILL		
		Volume	RATE \$	CHARGE \$	Volume	RATE \$	CHARGE \$	Volume	RATE \$	CHARGE \$
Consumption	Monthly Service Charge			14,184.10			4,385.25			18,021.42
	4,700,000 kWh	13,900	1.4304	19,882.56	13,900	1.8342	25,485.38	13,900	1.1431	15,869.09
	13,900 Kw			34,066.66			29,880.63			33,810.51
Loss Factor	Distributor									
	Regulatory Assets (kWh)	13,900	0.0000	0.00	13,900	0.0000	0.00	13,900	0.0000	0.00
	Transformer	13,900	(0.6000)	-8,340.00	13,900	(0.6000)	-8,340.00	13,900	(0.6000)	-8,340.00
1.0053 KIT	Retail Transmission (kWh)	13,974	2.5292	35,342.21	13,972	3.2612	45,566.40	13,963	4.1757	58,303.42
	Wholesale & Rural (kWh)	4,724,910	0.0062	29,284.44	4,724,440	0.0062	29,291.53	4,721,150	0.0062	29,271.13
	Standard Supply	1	0.2500	0.25	1	0.2500	0.25	1.00	0.2500	0.25
1.0052 CAM	Debt Retirement	4,700,000	0.0070	32,900.00	4,700,000	0.0070	32,900.00	4,700,000	0.0070	32,900.00
	Cost of Power Commodity (kWh)	4,724,910	0.0593	280,187.16	4,724,440	0.0593	280,159.29	4,721,150	0.0593	279,964.20
	Cost of Power Commodity (kWh)	0	0.0593	0.00	0	0.0593	0.00	0	0.0593	0.00
1.0045 SAR	Sub Total			403,450.72			409,458.10			426,009.51
	G.S.T.		5.0%	20,172.54		5.0%	20,472.90		5.0%	21,300.48
	Total Bill			423,623.26			429,931.00			447,309.98

Revenue to Cost Analysis Per Cost Allocation Study-2009

Customer Class	Revenue to Cost Ratio Per C.A. Study	Net Revenue Per 2009 Test Year	Addback Transformer Allowances	Gross Distribution Revenue	Miscellaneous Revenue Allocation 2009	Total Revenue Cost Allocation 2009	Updated C.A. Study Cost Proportions For 2009 Excluding Transformer	Addback Transformer Allowances	Updated C.A. Study Cost Proportions For 2009 Excluding Transformer	Revenue to Cost Ratios Per 2009 Test Year Filing	Target Ranges Low High
Residential	127.28%	5,791,510.44		5,791,510.44	330,875.99	6,122,386.43	5,308,871.29		5,308,871.29	115.32%	85.00% 115.00%
GS <50 kW	75.23%	1,046,451.83		1,046,451.83	86,288.29	1,132,740.12	1,337,364.27		1,337,364.27	84.70%	80.00% 120.00%
GS >50 kW	65.24%	1,277,185.88	136,548.00	1,413,733.88	87,889.64	1,501,623.52	1,639,777.32	136,548.00	1,776,325.32	84.54%	80.00% 180.00%
Large Use >5MW	100.73%	201,570.64	101,732.00	303,302.64	37,993.48	341,296.12	239,271.09	101,732.00	341,003.09	100.09%	85.00% 115.00%
Street Light	12.17%	189,562.18		189,562.18	18,190.43	207,752.60	514,820.81		514,820.81	40.35%	70.00% 120.00%
Sentinel	18.71%	28,305.66		28,305.66	2,657.41	30,963.07	58,453.50		58,453.50	52.97%	70.00% 120.00%
Unmetered Scattered Load	114.93%	42,887.37		42,887.37	4,494.77	47,382.14	47,306.71		47,306.71	100.16%	80.00% 120.00%
Back-up/Standby Power											
		8,577,474.00	238,280.00	8,815,754.00	568,391.00	9,384,145.00	9,145,865.00	238,280.00	9,384,145.00		

Revenue to Cost Analysis Per Cost Allocation Study-2010

Customer Class	Revenue to Cost Ratio Per C.A. Study	Net Revenue Per 2010 Test Year	Addback Transformer Allowances	Gross Distribution Revenue	Miscellaneous Revenue Allocation 2009	Total Revenue Cost Allocation 2010	Updated C.A. Study Cost Proportions For 2009 Excluding Transformer	Addback Transformer Allowances	Updated C.A. Study Cost Proportions For 2009 Excluding Transformer	Revenue to Cost Ratios Per 2009 Test Year Filing	Target Ranges Low High
Residential	127.28%	5,611,520.62		5,611,520.62	330,875.99	5,942,396.61	5,308,871.29		5,308,871.29	111.93%	85.00% 115.00%
GS <50 kW	75.23%	1,046,451.83		1,046,451.83	86,288.29	1,132,740.12	1,337,364.27		1,337,364.27	84.70%	80.00% 120.00%
GS >50 kW	65.24%	1,277,185.88	136,548.00	1,413,733.88	87,889.64	1,501,623.52	1,639,777.32	136,548.00	1,776,325.32	84.54%	80.00% 180.00%
Large Use >5MW	100.73%	201,570.64	101,732.00	303,302.64	37,993.48	341,296.12	239,271.09	101,732.00	341,003.09	100.09%	85.00% 115.00%
Street Light	12.17%	347,641.18		347,641.18	18,190.43	365,831.60	514,820.81		514,820.81	71.06%	70.00% 120.00%
Sentinel	18.71%	50,216.48		50,216.48	2,657.41	52,873.89	58,453.50		58,453.50	90.45%	70.00% 120.00%
Unmetered Scattered Load	114.93%	42,887.37		42,887.37	4,494.77	47,382.14	47,306.71		47,306.71	100.16%	80.00% 120.00%
Back-up/Standby Power											
		8,577,474.00	238,280.00	8,815,754.00	568,391.00	9,384,145.00	9,145,865.00	238,280.00	9,384,145.00		

Revenue to Cost Analysis Per Cost Allocation Study-2009

Customer Class	Revenue to Cost Ratios Per C.A. Study	Net Revenue Per 2009 Test Year	Addback Transformer Allowances	Gross Distribution Revenue	Miscellaneous Revenue Allocation 2009	Total Revenue Cost Allocation 2009	Updated C.A. Study Cost Proportions For 2009 Excluding Transformer	Addback Transformer Allowances	Updated C.A. Study Cost Proportions For 2009 Excluding Transformer	Revenue to Cost Ratios Per 2009 Test Year Filing	Target Ranges Low High
Residential	127.28%	5,806,949.90		5,806,949.90	330,875.99	6,137,825.88	5,308,871.29		5,308,871.29	115.61%	85.00% 115.00%
GS <50 kW	75.23%	1,046,451.83		1,046,451.83	86,288.29	1,132,740.12	1,337,364.27		1,337,364.27	84.70%	80.00% 120.00%
GS >50 kW	65.24%	1,277,185.88	136,548.00	1,413,733.88	87,889.64	1,501,623.52	1,639,777.32	136,548.00	1,776,325.32	84.54%	80.00% 180.00%
Large Use >5MW	100.73%	186,131.19	101,732.00	287,863.19	37,993.48	325,856.66	239,271.09	101,732.00	341,003.09	95.56%	85.00% 115.00%
Street Light	12.17%	186,562.18		186,562.18	18,190.43	207,752.60	514,820.81		514,820.81	40.35%	70.00% 120.00%
Sentinel	18.71%	28,305.66		28,305.66	2,657.41	30,963.07	58,453.50		58,453.50	52.97%	70.00% 120.00%
Unmetered Scattered Load	114.93%	42,887.37		42,887.37	4,494.77	47,382.14	47,306.71		47,306.71	100.16%	80.00% 120.00%
Back-up/Standby Power											
		8,577,474.00	238,280.00	8,815,754.00	568,391.00	9,384,145.00	9,145,865.00	238,280.00	9,384,145.00		

Revenue to Cost Analysis Per Cost Allocation Study-2010

Customer Class	Revenue to Cost Ratios Per C.A. Study	Net Revenue Per 2010 Test Year	Addback Transformer Allowances	Gross Distribution Revenue	Miscellaneous Revenue Allocation 2009	Total Revenue Cost Allocation 2010	Updated C.A. Study Cost Proportions For 2009 Excluding Transformer	Addback Transformer Allowances	Updated C.A. Study Cost Proportions For 2009 Excluding Transformer	Revenue to Cost Ratios Per 2009 Test Year Filing	Target Ranges Low High
Residential	127.28%	5,626,960.08		5,626,960.08	330,876.99	5,957,837.06	5,308,871.29		5,308,871.29	112.22%	85.00% 115.00%
GS <50 kW	75.23%	1,046,451.83		1,046,451.83	86,288.29	1,132,740.12	1,337,364.27		1,337,364.27	84.70%	80.00% 120.00%
GS >50 kW	65.24%	1,277,185.88	136,548.00	1,413,733.88	87,889.64	1,501,623.52	1,639,777.32	136,548.00	1,776,325.32	84.54%	80.00% 180.00%
Large Use >5MW	100.73%	186,131.19	101,732.00	287,863.19	37,993.48	325,856.66	239,271.09	101,732.00	341,003.09	95.56%	85.00% 115.00%
Street Light	12.17%	347,641.18		347,641.18	18,190.43	365,831.60	514,820.81		514,820.81	71.06%	70.00% 120.00%
Sentinel	18.71%	50,216.48		50,216.48	2,657.41	52,873.89	58,453.50		58,453.50	90.45%	70.00% 120.00%
Unmetered Scattered Load	114.93%	42,887.37		42,887.37	4,494.77	47,382.14	47,306.71		47,306.71	100.16%	80.00% 120.00%
Back-up/Standby Power											
		8,577,474.00	238,280.00	8,815,754.00	568,391.00	9,384,145.00	9,145,865.00	238,280.00	9,384,145.00		

Welland Hydro Electric System Corp.

Exhibit E

Revised Distribution Rates with Large User Revenue to Cost Ratios at 100.09% with offset to Residential

Distribution Rate Allocation Between Fixed & Variable Rates For 2008 Test Year

Customer Class	Total Net Rev Requirement	Rev Requirement %	Proposed Fixed Rate	Resulting Variable Rate	Total Fixed Revenue	Total Variable Revenue	Transformer Allowance	Gross Distribution Revenue	LV & Wheeling Charges	Total
Residential	5,791,510.44	67.52%	14.28	\$0.0144	\$ 3,396,012	\$ 2,395,498		5,791,510.44	0.00	5,791,510.44
GS <50 kW	1,046,451.83	12.20%	26.17	\$0.0092	\$ 539,207	\$ 507,245		1,046,451.83	0.00	1,046,451.83
GS >50 kW	1,277,185.88	14.89%	327.34	\$1.6834	\$ 671,702	\$ 605,484	\$ 136,548	1,413,733.88	0.00	1,413,733.88
Large Use >5MW	201,570.64	2.35%	12,939.70	\$0.8730	\$ 155,276	\$ 46,294	\$ 101,732	303,302.64	0.00	303,302.64
Street Light	189,562.18	2.21%	1.39	\$5.8958	\$ 111,372	\$ 78,190		189,562.18	0.00	189,562.18
Sentinel	28,305.66	0.33%	1.94	\$4.4447	\$ 16,785	\$ 11,521		28,305.66	0.00	28,305.66
Unmetered Scattered Load	42,887.37	0.50%	13.25	\$0.0091	\$ 33,072	\$ 9,815		42,887.37	0.00	42,887.37
Back-up/Standby Power										
TOTAL	8,577,474.00	100.00%			\$ 4,923,426	\$ 3,654,048	\$ 238,280	\$ 8,815,754	\$ -	\$ 8,815,754

Forecast Fixed/Variable Ratios	55.848%	41.449%	2.703%	100.000%
Existing Fixed/Variable Ratios	58.133%	38.001%	3.866%	100.000%

Fixed Charge Analysis

Customer Class	Current Volumetric Split	Current Fixed Charge Split	Total	Fixed Rate Based on Current Fixed/Variable Revenue Proportions	2008 Rates From OEB Approved Tariff	Minimum System with PLCC Adjustment (Ceiling Fixed Charge From Cost Allocation Model)	Fixed Rate Threshold @ 120% of Ceiling Charge
Residential	41.35%	58.65%	100.00%	14.28	12.88	7.98	9.58
GS <50 kW	48.48%	51.52%	100.00%	26.17	19.13	22.06	26.47
GS >50 kW	47.40%	52.60%	100.00%	362.39	191.82	97.77	117.32
Large Use >5MW	48.80%	51.20%	100.00%	12,939.70	10,646.26	258.15	309.78
Street Light	41.42%	58.58%	100.00%	1.39	0.18	5.24	6.29
Sentinel	40.65%	59.35%	100.00%	1.94	0.36	5.19	6.23
Unmetered Scattered Load	22.87%	77.13%	100.00%	13.25	9.71	6.98	8.38
Back-up/Standby Power							
TOTAL							

LARGE USE - BILL IMPACTS (Monthly Consumptions)

WELLAND HYDRO COMPARISON 2007 - 2009

		2007 BILL			2008 BILL			2009 BILL-FILING			2009 REVISED DISTRIBUTION			2009 REVISED ALL CHARGES		
		Volume	RATE \$	CHARGE \$	Volume	RATE \$	CHARGE \$	Volume	RATE \$	CHARGE \$	Volume	RATE \$	CHARGE \$	Volume	RATE \$	CHARGE \$
Consumption	Monthly Service Charge			10,646.53			10,646.53			12,512.31			12,939.70			12,939.70
	4,700,000 kWh	13,900	0.7183	9,984.37	13,900	0.7183	9,984.37	13,900	0.8442	11,734.38	13,900	0.8730	12,134.70	13,900	0.8730	12,134.70
13,900 Kw	Distribution (kWh)	13,900	(0.6000)	-8,340.00	13,900	(0.6000)	-8,340.00	13,900	(0.6000)	-8,340.00	13,900	(0.6000)	-8,340.00	13,900	(0.6000)	-8,340.00
	Transformer	13,900	(0.6000)	-8,340.00	13,900	(0.6000)	-8,340.00	13,900	(0.6000)	-8,340.00	13,900	(0.6000)	-8,340.00	13,900	(0.6000)	-8,340.00
Loss Factor	Distributor			12,290.90			12,290.90			16,906.68			16,734.40			16,734.40
	Regulatory Assets (kWh)	13,900	0.1004	1,395.56			0.00	13,900	0.0359	499.01	13,900	(0.3605)	(5,010.95)	13,900	(0.3605)	(5,010.95)
1.0045 - 2007-9	Retail Transmission (kWh)	13,963	3.2821	45,826.49	13,963	3.1638	44,174.72	13,963	3.1638	44,174.72	13,963	3.1638	44,174.72	13,963	3.4081	47,585.77
	Wholesale & Rural (kWh)	4,721,150	0.0062	29,271.13	4,721,150	0.0062	29,271.13	4,721,150	0.0062	29,271.13	4,721,150	0.0062	29,271.13	4,721,150	0.0065	30,687.48
	Standard Supply	1	0.2500	0.25	1	0.2500	0.25	1.00	0.2500	0.25	1.00	0.2500	0.25	1.00	0.2500	0.25
	Debt Retirement	4,700,000	0.0070	32,900.00	4,700,000	0.0070	32,900.00	4,700,000	0.0070	32,900.00	4,700,000	0.0070	32,900.00	4,700,000	0.0070	32,900.00
	Cost of Power Commodity (kWh)	4,721,150	0.0593	279,964.20	4,721,150	0.0593	279,964.20	4,721,150	0.0593	279,964.20	4,721,150	0.0593	279,964.20	4,721,150	0.0593	279,964.20
	Sub-Total			401,648.62			398,601.19			402,715.99			398,033.74			402,861.14
	G.S.T.		6.0%	24,098.91		5.0%	19,930.06		5.0%	20,135.80		5.0%	19,901.69		5.0%	20,143.06
	Total Bill			425,747.43			418,531.25			422,851.79			417,935.43			423,004.19
										Increase over 2008	1.03%		-0.14%			1.07%
										Increase over 2007	-0.68%		-1.83%			-0.64%

2008 COMPARISON TO OTHER DISTRIBUTION COMPANIES

		Kitchener 2008 BILL			Cambridge 2008 BILL			Samia 2008 BILL		
		Volume	RATE \$	CHARGE \$	Volume	RATE \$	CHARGE \$	Volume	RATE \$	CHARGE \$
Consumption	Monthly Service Charge			14,184.10			4,365.25			18,021.42
	4,700,000 kWh	13,900	1.4304	19,882.56	13,900	1.8342	25,495.38	13,900	1.1431	15,889.09
13,900 Kw	Distribution (kWh)			34,066.66			29,880.63			33,910.51
	Transformer	13,900	0.0000	0.00	13,900	0.0000	0.00	13,900	0.0000	0.00
Loss Factor	Regulatory Assets (kWh)	13,900	(0.6000)	-8,340.00	13,900	(0.6000)	-8,340.00	13,900	(0.6000)	-8,340.00
	Retail Transmission (kWh)	13,974	2.5292	35,342.21	13,972	3.2612	45,566.40	13,963	4.1757	58,303.42
1.0053 - KIT	Wholesale & Rural (kWh)	4,724,910	0.0062	29,294.44	4,724,440	0.0062	29,291.53	4,721,150	0.0062	29,271.13
	Standard Supply	1	0.2500	0.25	1	0.2500	0.25	1.00	0.2500	0.25
1.0052 - CAM	Debt Retirement	4,700,000	0.0070	32,900.00	4,700,000	0.0070	32,900.00	4,700,000	0.0070	32,900.00
	Cost of Power Commodity (kWh)	4,724,910	0.0593	280,167.16	4,724,440	0.0593	280,159.29	4,721,150	0.0593	279,964.20
1.0045 - SAR	Cost of Power Commodity (kWh)	0	0.0593	0.00	0	0.0593	0.00	0	0.0593	0.00
	Sub-Total			403,450.72			409,458.10			426,009.51
	G.S.T.		5.0%	20,172.54		5.0%	20,472.90		5.0%	21,300.48
	Total Bill			423,623.26			429,931.00			447,309.98

Welland Hydro
Regulatory Asset Accounts with Revised Actual Interest Rates
Exhibit G

Account Description	Account Number	Principal Amounts as of Dec-31 2007	Interest to Dec-31-07	Interest Jan-09 to Apr-30-09	Total Claim
RSVA - Wholesale Market Service Charge	1580	\$ (858,181)	\$ (16,333)	\$ (34,554)	\$ (7,090)
RSVA - One-line Wholesale Market Service	1582	\$ 37,169	\$ 3,735	\$ 1,479	\$ 303
RSVA - Retail Transmission Network Charge	1584	\$ 382,602	\$ 31,599	\$ 15,626	\$ 3,206
RSVA - Retail Transmission Connection Charge	1586	\$ 174,980	\$ 10,548	\$ 6,984	\$ 1,429
RSVA - Power	1588	\$ (823,144)	\$ (19,272)	\$ (32,761)	\$ (6,722)
Sub-Totals		\$ (1,096,590)	\$ 10,277	\$ (43,246)	\$ (8,874)
Other Regulatory Assets - OEB Assessments	1508	\$ 27,035	\$ 6,943	\$ 1,078	\$ 221
Other Regulatory Assets - Pension	1508	\$ 206,737	\$ 18,278	\$ 8,228	\$ 1,688
Deferred Regulatory	1525	\$ 11,871	\$ 707	\$ 472	\$ 97
Retail Cost Variance Account - STR	1548				
Smart Meters Revenue and Capital	1555				
Smart Meter Expenses	1556				
Deferred Revenue	1574	\$ 124,132		\$ 4,940	\$ 1,014
Other Deferred Credits	2425				
Sub-Totals		\$ 369,834	\$ 25,930	\$ 14,719	\$ 3,020
NON RSVA/RCA					\$ 413,504
Totals per column		\$ (716,756)	\$ 36,207	\$ (28,527)	\$ (5,854)

Annual interest rate: Jan 1 08 - Dec 08 3.06% Jan 1 09 - Apr 09 2.45%

2007 Data By Class	kW	kWhs	Cust. Num.'s	Number of Metered Customers	Dx Revenue
RESIDENTIAL CLASS		162,194,309	19,512	19,512	\$ 4,830,882
GENERAL SERVICE <50 KW CLASS		53,259,754	1,895	1,895	\$ 702,201
GENERAL SERVICE >50 KW NON TIME OF USE					
GENERAL SERVICE >50 KW TIME OF USE	441,430	162,260,470	180	180	\$ 779,035
STANDBY					
LARGE USER CLASS	256,583	85,814,110	2	2	\$ 456,174
UNMETERED & SCATTERED LOADS		1,170,025	216	0	\$ 20,476
SENTINEL LIGHTS	2,711	1,110,764	739	0	\$ 4,899
STREET LIGHTING	13,096	4,668,349	6,581	0	\$ 22,937
Totals	713,820	470,497,781	28,925	21,389	\$ 6,876,605

Allocators	kW	kWhs	Cust. Num.'s	Number of Metered Customers	Dx Revenue
RESIDENTIAL CLASS	0.0%	34.5%	67.5%	91.2%	71.1%
GENERAL SERVICE <50 KW CLASS	0.0%	11.3%	5.9%	7.8%	10.2%
GENERAL SERVICE >50 KW NON TIME OF USE	0.0%	0.0%	0.0%	0.0%	0.0%
GENERAL SERVICE >50 KW TIME OF USE	61.8%	34.5%	0.6%	0.8%	11.3%
STANDBY	0.0%	0.0%	0.0%	0.0%	0.0%
LARGE USER CLASS	35.8%	18.2%	0.0%	0.0%	6.6%
UNMETERED & SCATTERED LOADS	0.0%	0.2%	0.7%	0.0%	0.3%
SENTINEL LIGHTS	0.4%	0.2%	2.6%	0.0%	0.1%
STREET LIGHTING	1.8%	1.0%	22.8%	0.0%	0.3%
Totals	100%	100%	100%	100%	100%

Welland Hydro Electric System Corp.

Exhibit H

Revised-Rate Riders Calculation for Revised Interest Rates

Deferral and Variance Accounts:

	Amount	ALLOCATOR	Residential	GS < 50 KW	GS 50-4999	Large Use	USL	Sentinel Lighting	Street Lighting	Total
Other Regulatory Assets OEB Assessment- Account 1508	\$ 35,338	Dx Revenue	\$ 25,133	\$ 3,608	\$ 4,003	\$ 2,344	\$ 105	\$ 25	\$ 118	\$ 35,338
Other Regulatory Assets Pension- Account 1508	\$ 234,933	Dx Revenue	\$ 167,032	\$ 23,990	\$ 26,615	\$ 15,585	\$ 700	\$ 167	\$ 784	\$ 234,933
Deferred Regulatory Assets - Account 1525	\$ 13,147	Dx Revenue	\$ 9,351	\$ 1,343	\$ 1,489	\$ 872	\$ 39	\$ 9	\$ 44	\$ 13,147
Deferred Revenue - Account - 1574	\$ 130,086	Dx Revenue	\$ 92,522	\$ 13,284	\$ 14,737	\$ 8,630	\$ 387	\$ 93	\$ 434	\$ 130,086
RSVA-Wholesale Market Service Charge-1580	\$ (934,208)	kwhs	\$ (322,049)	\$ (105,751)	\$ (322,180)	\$ (170,390)	\$ (2,323)	\$ (2,206)	\$ (9,309)	\$ (934,208)
RSVA-One-Time Wholesale Market Service-1582	\$ 43,025	Dx Revenue	\$ 30,601	\$ 4,393	\$ 4,874	\$ 2,854	\$ 128	\$ 31	\$ 144	\$ 43,025
RSVA-Retail Transmission Network Charge-1584	\$ 446,668	kwhs	\$ 153,979	\$ 50,562	\$ 154,042	\$ 81,468	\$ 1,111	\$ 1,055	\$ 4,451	\$ 446,668
RSVA-Retail Transmission Connection Charge-1586	\$ 195,542	kwhs	\$ 67,409	\$ 22,135	\$ 67,437	\$ 35,665	\$ 486	\$ 462	\$ 1,949	\$ 195,542
RSVA-Power Excluding Global Adj-1588	\$ (889,522)	kwhs	\$ (306,644)	\$ (100,693)	\$ (306,769)	\$ (162,240)	\$ (2,212)	\$ (2,100)	\$ (8,864)	\$ (889,522)
Subtotal - Non RSVA, Variable	\$ (724,991)		\$ (82,605)	\$ (87,128)	\$ (355,751)	\$ (185,213)	\$ (1,579)	\$ (2,464)	\$ (10,251)	\$ (724,991)
Total to be Recovered	\$ (724,991)		\$ (82,605)	\$ (87,128)	\$ (355,751)	\$ (185,213)	\$ (1,579)	\$ (2,464)	\$ (10,251)	\$ (724,991)

Balance to be collected or refunded, Variable

Number of years for Variable

Number of years for Fixed (Smart Meters)

Balance to be collected or refunded per year, Variable

\$ (724,991)

2

2

\$ (362,496)

Class	Residential	GS < 50 KW	GS 50-4999	Large Use	USL	Sentinel Lighting	Street Lighting
Deferral and Variance Account Rate Riders- Variable	\$ (0.0003)	\$ (0.0008)	\$ (0.4030)	\$ (0.3609)	\$ (0.0007)	\$ (0.4545)	\$ (0.3917)
Billing Determinants	kWh	kWh	kWh	kWh	kWh	kWh	kWh

Class	Residential	GS < 50 KW	GS 50-4999	Large Use	USL	Sentinel Lighting	Street Lighting
Deferral and Variance Account Rate Riders- Variable	\$ (82,605)	\$ (87,128)	\$ (355,751)	\$ (185,213)	\$ (1,579)	\$ (2,464)	\$ (10,251)
Billing Determinants	kWh	kWh	kWh	kWh	kWh	kWh	kWh

**Welland Hydro Electric System Corp.
Rate Riders Calculation
EXHIBIT I- FOUR YEAR RECOVERY**

Deferral and Variance Accounts:

	Amount	ALLOCATOR	Residential	GS < 50 KW	GS 50-4999	Large Use	USL	Sentinel Lighting	Street Lighting	Total
Other Regulatory Assets OEB Assessment- Account 1508	\$ 35,589	Dx Revenue	\$ 25,312	\$ 3,634	\$ 4,032	\$ 2,361	\$ 106	\$ 25	\$ 119	\$ 35,589
Other Regulatory Assets Pension- Account 1508	\$ 236,847	Dx Revenue	\$ 168,454	\$ 24,186	\$ 26,832	\$ 15,712	\$ 705	\$ 169	\$ 790	\$ 236,847
Deferred Regulatory Assets - Account 1525	\$ 13,257	Dx Revenue	\$ 9,429	\$ 1,354	\$ 1,502	\$ 879	\$ 39	\$ 9	\$ 44	\$ 13,257
Deferred Revenue - Account - 1574	\$ 131,236	Dx Revenue	\$ 93,339	\$ 13,401	\$ 14,867	\$ 8,706	\$ 391	\$ 94	\$ 438	\$ 131,236
Subtotal - Non RSVA, Variable	\$ 416,929		\$ 296,534	\$ 42,574	\$ 47,233	\$ 27,658	\$ 1,241	\$ 297	\$ 1,391	\$ 416,929
Total to be Recovered	\$ 416,929		\$ 296,534	\$ 42,574	\$ 47,233	\$ 27,658	\$ 1,241	\$ 297	\$ 1,391	\$ 416,929

Balance to be collected or refunded, Variable	4	\$ 416,929	\$ 296,534	\$ 42,574	\$ 47,233	\$ 27,658	\$ 1,241	\$ 297	\$ 1,391	\$ 416,929
Number of years for Variable	4									
Number of years for Fixed (Smart Meters)										
Balance to be collected or refunded per year, Variable		\$ 104,232	\$ 74,134	\$ 10,644	\$ 11,808	\$ 6,914	\$ 310	\$ 74	\$ 348	\$ 104,232

Class	Residential	GS < 50 KW	GS 50-4999	Large Use	USL	Sentinel Lighting	Street Lighting
Deferral and Variance Account Rate Riders, Variable	\$ 0.0005	\$ 0.0002	\$ 0.0267	\$ 0.0269	\$ 0.0003	\$ 0.0274	\$ 0.0266
Billing Determinants	kWh	kWh	kW	kW	kWh	kW	kW

Residential	GS < 50 KW	GS 50-4999	Large Use	USL	Sentinel Lighting	Street Lighting
\$ 0.0005	\$ 0.0002	\$ 0.0267	\$ 0.0269	\$ 0.0003	\$ 0.0274	\$ 0.0266
kWh	kWh	kW	kW	kWh	kW	kW

Welland Hydro
Regulatory Asset Accounts with Revised Actual Interest Rates/2009 Volumes
Exhibit J

Account Description	Account Number	Principal Amounts as of Dec-31 2007	Interest to Dec-31-07	Interest Jan-1 to Dec-31-08	Interest Jan-1 to Apr-30-09	Total Claim
RSVA - Wholesale Market Service Charge	1580	\$ (668,191)	\$ (16,333)	\$ (34,554)	\$ (7,080)	\$ (925,158)
RSVA - One-time Wholesale Market Service	1582	\$ 37,183	\$ 3,735	\$ 1,479	\$ 303	\$ 42,691
RSVA - Retail Transmission Network Charge	1584	\$ 399,602	\$ 31,599	\$ 15,626	\$ 3,208	\$ 449,033
RSVA - Retail Transmission Connection Charge	1586	\$ 174,980	\$ 10,548	\$ 6,964	\$ 1,429	\$ 193,921
RSVA - Power	1588	\$ (923,144)	\$ (19,272)	\$ (32,761)	\$ (6,722)	\$ (981,899)
RSVA/RCVA Sub-Totals		\$ (1,086,590)	\$ 10,277	\$ (43,246)	\$ (8,874)	\$ (1,128,433)
Other Regulatory Assets - OEB Assessments	1508	\$ 27,086	\$ 6,943	\$ 1,076	\$ 221	\$ 35,338
Other Regulatory Assets - Pension	1508	\$ 208,737	\$ 18,279	\$ 8,228	\$ 1,688	\$ 234,933
Deferred Regulatory	1525	\$ 11,871	\$ 707	\$ 472	\$ 97	\$ 13,147
Retail Cost Variance Account - STR	1548	\$ -	\$ -	\$ -	\$ -	\$ -
Smart Meters Revenue and Capital	1555	\$ -	\$ -	\$ -	\$ -	\$ -
Smart Meter Expenses	1556	\$ -	\$ -	\$ -	\$ -	\$ -
Deferred Revenue	1574	\$ 124,132	\$ -	\$ 4,940	\$ 1,014	\$ 130,086
Other Deferred Credits	2425	\$ -	\$ -	\$ -	\$ -	\$ -
NON RSVA/RCVA Sub-Totals		\$ 369,834	\$ 25,930	\$ 14,719	\$ 3,020	\$ 413,504
Totals per column		\$ (716,756)	\$ 36,207	\$ (28,527)	\$ (5,854)	\$ (714,929)

Annual Interest rate:
Jan 1 08 - Dec 08 3.98%
Jan 1 09 - Apr 09 2.45%

2007 Data By Class	kW	kWhs	Cust. Num.'s Metered	Number of Customers	Dx Revenue
RESIDENTIAL CLASS					
GENERAL SERVICE <50 KW CLASS		156,128,692	19,818	19,818	\$ 5,222,744
GENERAL SERVICE >50 KW NON TIME OF USE		55,348,528	1,717	1,717	\$ 764,960
GENERAL SERVICE >50 KW TIME OF USE					
STANDBY	440,796	160,762,066	171	171	\$ 611,776
LARGE USER CLASS					
UNMETERED & SCATTERED LOADS	169,553	46,804,199	1	1	\$ 147,813
SENTINEL LIGHTS	2,592	1,072,774	208	0	\$ 31,424
STREET LIGHTING	13,262	4,722,781	6,677	0	\$ 5,248
Totals	626,203	438,957,351	29,313	21,707	\$ 6,808,613

Allocators	kW	kWhs	Cust. Num.'s Metered	Number of Customers	Dx Revenue
RESIDENTIAL CLASS					
GENERAL SERVICE <50 KW CLASS	0.0%	37.8%	67.6%	91.3%	76.7%
GENERAL SERVICE >50 KW NON TIME OF USE	0.0%	12.6%	5.9%	7.9%	11.2%
GENERAL SERVICE >50 KW TIME OF USE	70.4%	36.6%	0.6%	0.8%	0.0%
STANDBY	27.1%	11.3%	0.0%	0.0%	9.0%
LARGE USER CLASS	0.0%	0.2%	0.7%	0.0%	0.0%
UNMETERED & SCATTERED LOADS	0.4%	2.5%	2.5%	0.0%	2.2%
SENTINEL LIGHTS	2.1%	1.1%	22.8%	0.0%	0.5%
STREET LIGHTING	100%	100%	100%	100%	0.1%
Totals					0.4%

Welland Hydro Electric System Corp.

Exhibit K

Revised-Rate Riders Calculation for Revised Interest Rates/2009 Volumes

Deferral and Variance Accounts:

	Amount	ALLOCATOR	Residential	GS < 50 KW	GS 50-4999	Large Use	USL	Sentinel Lighting	Street Lighting	Total
Other Regulatory Assets OEB Assessment- Account 1508	\$ 35,338	Dx Revenue	\$ 27,107	\$ 3,970	\$ 3,175	\$ 767	\$ 163	\$ 27	\$ 128	\$ 35,338
Other Regulatory Assets Pension- Account 1508	\$ 234,933	Dx Revenue	\$ 180,212	\$ 26,396	\$ 21,109	\$ 5,100	\$ 1,084	\$ 181	\$ 849	\$ 234,933
Deferred Regulatory Assets - Account 1525	\$ 13,147	Dx Revenue	\$ 10,085	\$ 1,477	\$ 1,181	\$ 285	\$ 61	\$ 10	\$ 48	\$ 13,147
Deferred Revenue - Account - 1574	\$ 130,086	Dx Revenue	\$ 99,786	\$ 14,616	\$ 11,689	\$ 2,824	\$ 600	\$ 100	\$ 470	\$ 130,086
RSVA-Wholesale Market Service Charge-1580	\$ (934,208)	kwhs	\$ (353,562)	\$ (117,795)	\$ (342,183)	\$ (105,995)	\$ (2,283)	\$ (2,337)	\$ (10,051)	\$ (934,208)
RSVA-One-Time Wholesale Market Service-1582	\$ 43,025	Dx Revenue	\$ 33,004	\$ 4,834	\$ 3,866	\$ 934	\$ 199	\$ 33	\$ 156	\$ 43,025
RSVA-Retail Transmission Network Charge-1584	\$ 446,668	kwhs	\$ 169,047	\$ 56,321	\$ 153,606	\$ 50,679	\$ 1,092	\$ 1,118	\$ 4,806	\$ 446,668
RSVA-Retail Transmission Connection Charge-1586	\$ 195,542	kwhs	\$ 74,005	\$ 24,656	\$ 71,623	\$ 22,186	\$ 478	\$ 489	\$ 2,104	\$ 195,542
RSVA-Power Excluding Global Adj-1588	\$ (889,522)	kwhs	\$ (336,650)	\$ (112,161)	\$ (325,816)	\$ (100,925)	\$ (2,174)	\$ (2,226)	\$ (9,570)	\$ (889,522)
Subtotal - Non RSVA, Variable	\$ (724,991)		\$ (96,967)	\$ (97,685)	\$ (391,749)	\$ (124,144)	\$ (781)	\$ (2,604)	\$ (11,061)	\$ (724,991)
Total to be Recovered	\$ (724,991)		\$ (96,967)	\$ (97,685)	\$ (391,749)	\$ (124,144)	\$ (781)	\$ (2,604)	\$ (11,061)	\$ (724,991)

Balance to be collected or refunded, Variable

Number of years for Variable

Number of years for Fixed (Smart Meters)

Balance to be collected or refunded per year, Variable

2	\$ (724,991)		\$ (96,967)	\$ (97,685)	\$ (391,749)	\$ (124,144)	\$ (781)	\$ (2,604)	\$ (11,061)	\$ (724,991)
2	\$ (362,496)		\$ (48,483)	\$ (48,843)	\$ (195,874)	\$ (62,072)	\$ (390)	\$ (1,302)	\$ (5,531)	\$ (362,496)

Class	GS < 50 KW	GS 50-4999	Large Use	USL	Sentinel Lighting	Street Lighting
Deferral and Variance Account Rate Riders- Variable	\$ (0.0003)	\$ (0.0009)	\$ (0.4444)	\$ (0.3661)	\$ (0.0004)	\$ (0.4170)
Billing Determinants	kWh	kWh	kWh	kWh	kWh	kWh