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March 2, 2009

Ms. Kirsten Walli
Board Secretary
Ontario Energy Board
2300 Yonge Street, Suite 2701
Toronto ON M4P 1E4

Dear Ms. Walli:

Re: EB-2008-0221 Bluewater Power 2009 Rate Application
Proposed Settlement Agreement

Pursuant to Procedural Order #6 in the above-noted proceeding, please find attached the Proposed Settlement Agreement for consideration by the Board on March 9, 2009.

Two hard copies will follow via courier.

Sincerely,

A handwritten signature in black ink, appearing to read "AP", is located below the word "Sincerely,".

Alex Palimaka
Vice President Corporate Services & General Counsel
Bluewater Power Distribution Corporation
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/enc.

cc: All Intervenors

EB-2008-0221

Bluewater Power Distribution Corporation Proposed Settlement Agreement

March 2, 2009

This Settlement Agreement (“Agreement”) is for the consideration of the Ontario Energy Board (the “Board”) in its determination of the rate application by Bluewater Power Distribution Corporation (“Bluewater Power”) for 2009 electricity distribution rates (EB-2008-0221) (hereinafter referred to as the “Application”).

Bluewater Power’s Application was received by the Board on September 9, 2008. Subsequent to that filing, it was announced publicly that one large use customer and one intermediate use customer intended to close at some point during the Test Year. The dates of closing during the Test Year for these customers are unknown. On February 2, 2009 Bluewater Power filed an update with the Board wherein it was proposed that the 2009 Test Year be revised to reflect the certainty that these customers will be closed; in other words, the application was updated as if these customers had been closed on January 1, 2009 and it was further proposed that revenue from these customers be recorded in a deferral account (such update and proposal referred to herein as the “Updated Application”). The purpose of the update was to ensure not only that Bluewater Power’s revenue requirement would be recovered in the Test Year, but also that rates for the Test Year would be appropriate as base rates for the subsequent period of incentive regulation.

Attached as Appendix A is a copy of Procedural Order No. 4, dated January 27, 2008, wherein the Board scheduled:

- i. a Technical Conference on February 10, 2009 to address questions relating to the Updated Application; and
- ii. a Settlement Conference to commence February 11, 2009.

The Updated Application, along with the original Application and two rounds of responses to Interrogatories filed on December 22, 2008 and February 2, 2009, respectively, as well as the transcript to the Technical Conference held on February 10, 2009 are hereinafter collectively referred to as the “Evidence”.

The Settlement Conference was duly convened in accordance with Procedural Order No. 4 with Mr. George Dominy as facilitator. The Settlement Conference concluded on February 12, 2009, with further discussions held by conference call on February 13, 2009 and February 18, 2009.

Bluewater Power and the following Intervenors participated in the Settlement Conference:

Bluewater Power Distribution Corporation ("Bluewater Power")

Association of Major Power Consumers in Ontario ("AMPCO")

Canadian Manufacturers & Exporters ("CME")

School Energy Coalition ("SEC")

Vulnerable Energy Consumers Coalition ("VECC")

The role adopted by the Board Staff in the Settlement Conference is set out on page 5 of the Board's Settlement Conference Guidelines. Although Board Staff is not a party to this Agreement, as noted in the Guidelines, the Board Staff who did participate in the Settlement Conference are bound by the same confidentiality standards that apply to the Parties to the proceeding.

No formal Issues List has been approved for this proceeding. For the purposes of organizing this Agreement, a draft Issues List has been prepared and is attached as Appendix B to this Agreement. The settlement reached and, therefore, this Agreement are supported by the Evidence.

This Agreement represents a settlement of all issues. It is acknowledged and agreed that none of the completely settled provisions of this Agreement is severable. If the Board does not, prior to commencement of any hearing of the evidence in EB-2008-0221, accept the Agreement in its entirety, then there is no Agreement (unless the Parties agree that the portion of the Agreement that the Board does accept may continue as a valid agreement).

It is further acknowledged and agreed that none of the Parties will withdraw from this Agreement under any circumstances, except as provided under Rule 32.05 of the Board's Rules of Practice and Procedure.

It is also agreed that this Agreement is without prejudice to any of the Parties re-examining these issues in any subsequent proceeding and taking positions inconsistent with the resolution of these issues in this Agreement. However, none of the Parties will in any subsequent proceeding take the position that the resolution therein of any issue settled in this Agreement, if contrary to the terms of this Agreement, should be applicable for all or any part of the 2009 Test Year.

The Parties agree that all positions, information, documents, negotiations, and discussions of any kind whatsoever which took place or were exchanged during the Settlement Conference are strictly confidential, without prejudice and inadmissible unless relevant to the resolution of any ambiguity that subsequently arises with respect to the interpretation of any provisions of this Agreement, all as set forth in the Board's Settlement Conference Guidelines.

References to the evidence supporting this Agreement on each issue are set out in each section of the Agreement. The Appendices to the Agreement provide further evidentiary support. The Parties agree that this Agreement and the Appendices form part of the record in EB-2008-0221.

Overview

The revenue requirement and rate adjustments arising from this Agreement will allow Bluewater Power to make the necessary investments to serve customers, maintain the integrity of the distribution system, to maintain and improve the quality of its service and to meet all compliance requirements during 2009. The parties submit that the resulting rates are just and reasonable.

The Parties have reached an agreement that achieves the following goals:

- 1) Protects the interests of consumers with respect to prices and the adequacy, reliability and quality of electricity service;
- 2) Promotes economic efficiency and cost effectiveness in the distribution of electricity and facilitates the maintenance of the financial viability of Bluewater Power;

While Bluewater Power has filed budgets for the Test Year that are illustrative of how it would achieve these goals, as is always the case with forward test year cost of service cases, the actual decisions as to how to allocate resources, and in what areas to spend the agreed-upon capital and OM&A, are ones that must be made by the utility during the course of the year.

The revenue deficiency for the 2009 Test Year, which the Parties have agreed to, including the flow through adjustments to the date of this Agreement, is \$3,293,048. This is calculated as the difference between distribution revenue at current rates of \$15,367,563 and Bluewater Power's agreed Base Revenue Requirement of \$18,660,611.

Attached as Appendix C to this Agreement is a summary that demonstrates how this Agreement modifies the major components set out in the Application. The analysis contains seven columns labeled "A" to "G". Column B reflects the Application, as filed on September 9, 2008. Column C reflects the Updated Application to reflect the loss of two customers. Columns D through G reflect the layering-on of various components of this settlement; namely, the base settlement not including updates to flow through rates (column D), update for Cost of Capital parameters (Column E), update for Retail Transmission Network Rate, Retail Transmission Connection Rate (known collectively as "RTSR"), Regulated Price Plan rate ("RPP") and Rural or Remote Rate Protection price ("RRRP") (Column F), and projected update for PILs (Column G). Appendix C is illustrative of the terms of the settlement, but the actual terms of the settlement are those contained in the body of this Agreement.

Attached as Appendix D to this Agreement is an implementation overview that was prepared by Bluewater Power to demonstrate that the agreed Base Revenue Requirement is sufficient for the safe and reliable operation of the distribution system for the Test Year.

Attached as Appendix L to this Agreement are the rate schedules resulting from this Agreement. The rate schedules were prepared by Bluewater Power to reflect the terms of this Agreement.

Attached as Appendices M and N to this Agreement are the distribution charge and total bill impacts resulting from this Agreement. The distribution charge and total bill impacts were prepared by Bluewater Power to reflect the terms of this Agreement. Appendix M shows the impact of the increases in Distribution charges resulting from this Settlement on the total 2008 bills of representative customers in each rate class. Appendix N reflects the cumulative effects of the increases in Distribution charges resulting from this Agreement and increases in the RTSR price, RPP price and RRRP price that will be included in Bluewater Power's 2009 Rates and bills to its customers. The bill impacts in Appendix N use the following commodity assumptions: RPP eligible customers have the current 2-tiered pricing applied as per the OEB's October 2008 Regulated Price Plan Report. Non-RPP customers have the Average RPP price applied as per the October 2008 Regulated Price Plan Report.

Through this Agreement, Bluewater Power has agreed to certain changes from its initial 2009 Cost of Service EDR Application filed with the Board on September 9, 2008. The most significant changes are noted below:

- **Updated Application:** The Parties have agreed to use the Updated Application filed by Bluewater Power on February 2, 2009 in response to the closing of two significant customers as the initial basis for this Settlement Agreement. In particular, the parties agree that:
 - the two customers (Royal Polymers and UBE Automotive) be removed from the forecasts included in the Test Year as of January 1, 2009. The removal of the two customers has the following implications:
 - reduction to the load forecast by one large use customer, one intermediate customer, and reduces total forecast consumption by 57,043,431 kWh and forecast demand by 97,928 kW.
 - Reduction to the Base Revenue Requirement by approximately \$130,000 due to the reduction to Rate Base arising from the reduction of working capital related to the lost load, as well as the removal from Fixed Assets of the Stranded Assets associated with one of the customers, which assets have a remaining Net Book Value of \$422,193 at December 31, 2008.
 - all net distribution revenue derived from these customers or locations be recorded to a deferral account, proposed to be Account 1572, for future disposition to customers in the manner set-out herein.
 - the return of variance and deferral account credit balances should be accelerated from the three-year disposition proposed in the original Application to a two-year disposition.

- **Load Forecast:** The Parties agree to an update that reflects more recent information with respect to the residential and general service classes as filed by Bluewater Power in response to Board Staff Interrogatory #6.1. Compared to the originally filed information, the updated information projected 477 fewer customers, 0.6% less consumption (-6,724,050

kWh), and 0.4% less demand (-5,175 kW). The details of the update to the load forecast are set out in response to Issue 3.5.

- **Smart Meter Rider:** Bluewater Power has agreed to keep the Smart meter rate adder at \$0.26 per month per metered customer, instead of increasing the adder to \$1.00 as proposed in the Application.
- **OM&A Forecast:** Bluewater Power originally forecasted 2009 OM&A at \$11,656,169. The Parties agree that 2009 OM&A should be forecast at \$10,254,169. This revised amount reflects a 11.5% increase over 2007 actual OM&A of \$9,194,081.
- **2009 Capital Budget and Amortization:** The 2009 Capital Budget was reduced from its original budgeted amount of \$8,285,818 to \$5,651,818 in order to be more reflective of capital spending in the most recent five-year period for the utility. The impact on Amortization was to reduce the amount from \$4,358,109 to \$4,120,022.
- **Working Capital Allowance:** The Working Capital Allowance has been adjusted from \$13,613,408 to \$9,931,607 to reflect the Updated Application, the removal of consumption related to a wholesale market participant improperly included in the calculation, the reduction to the working capital rate from 15% to 12% for the purpose of reaching settlement, as well as the update to RPP, RRRP and RTSR rates.
- **Rate Base:** The total impact on Rate Base from the various adjustments set out above was a reduction from the forecast level of Rate Base from \$53,158,483 as filed in the original Application to \$47,830,944 as agreed to as part of this settlement.
- **PILs Forecast:** The Parties have assumed a deemed tax rate of 33%. Combined with changes to the 2009 Capital Budget and a reduction to the assumed deemed ROE, the grossed-up PILs forecast has been changed from \$1,322,854 to \$1,409,808 as part of this settlement.
- **Cost of Capital:** This Agreement has been prepared utilizing the most accurate Board approved rates of 8.01% for ROE, 7.62% for Long-term Debt and 1.33% for Short-term Debt. The Parties have assumed a PILs rate of 33%. The Parties have agreed that the draft Rate Order will be prepared by Bluewater Power using:
 - PILs tax rate at a tax rate of 19% for Federal Tax plus the rate to be announced by the Province of Ontario as part of the 2009 Budget expected to be released on March 26, 2009.

Settlement Terms by Issue

1. ADMINISTRATION

- 1.1 Has Bluewater Power responded appropriately to all relevant Board directions and settlement agreements from previous proceedings?

Status: Complete Settlement

There are no specific Board directives active for Bluewater Power at this time.

Supporting Parties: AMPCO, CME, SEC, VECC

Evidence References: Exhibit 1, Tab 1, Schedule 11, 12, 13

2. RATE BASE

2.1 Are the amounts proposed for Rate Base appropriate?

Status: Complete Settlement

For purposes of achieving settlement of all issues, the Parties have agreed to a Rate Base on \$47,830,944 as the basis for setting rates for the Test Year.

Supporting Parties: AMPCO, CME, SEC, VECC

Evidence References: Exhibit 1, Tab 1, Schedule 3

Exhibit 2

Updated Application of Feb 2, 2009

Interrogatory Response, Board Staff 3.1

2.2 Are the amounts proposed for 2009 Capital Expenditures appropriate?

Status: Complete Settlement

Bluewater Power has agreed to reduce its 2009 Capital Expenditures from \$8,285,818 to \$5,651,818. The adjustment to the 2009 Capital Expenditures brings the 2009 spending in-line with the five-year average capital budget for the utility plus 20% to reflect inflation, contingency and increasing capital pressures. This result is consistent with the Board's decision in the Enbridge Gas Distribution Inc. application (EB-2005-0001).

Supporting Parties:	AMPCO, CME, SEC, VECC
Evidence References:	Exhibit 2, Tab 3, Schedule 1
	Exhibit 2, Tab 3, Schedule 6
	Exhibit 2, Tab 3, Schedule 7
	Interrogatory Response, Board Staff 3.2 – 3.13
	Interrogatory Response, VECC 5-6, 8-11
	Interrogatory Response, SEC 2
	Interrogatory Response, CME 5
	Supplemental IR, Board Staff 2
	Supplemental IR, VECC 2-4

2.3 Has the Working Capital Allowance been determined appropriately?

Status: Complete Settlement

The Parties have agreed that the Rate Base for the purposes of setting rates for the Test Year will include a Working Capital Allowance of \$9,931,607. There are three changes to the Working Capital Allowance as filed in the original Application.

First, the Updated Application filed on February 2, 2009 had the effect of reducing the Working Capital Allowance by \$584,166 to reflect the removal of load for UBE Automotive and Royal Polymers.

Second, the Working Capital Allowance calculation was further reduced by \$3.87 million, which reduction is comprised of numerous changes but is driven primarily by two factors. First, approximately 60% of the decrease is explained by the agreed reduction in the working capital allowance calculation from being based on 15% to 12% of the cost of power and other power supply expenses and controllable expenses. Second, approximately 40% is explained by the removal of the cost of power, wholesale market service charges, and rural rate protection charges for a wholesale market participant whose commodity charges do not flow through the utility and were included in the calculation by mistake.

Third, the Working Capital Allowance was increased by \$770,935 when the rates for RTSR, RPP, and RRRP are updated to reflect current rates. See Issue 9.5.

Supporting Parties: AMPCO, CME, SEC, VECC

Evidence References: Exhibit 2, Tab 4

Interrogatory Response, Board Staff 3.14

3. REVENUE REQUIREMENT

3.1 Is the calculation of the proposed revenue requirement for 2009 appropriate?

Status: Complete Settlement

For purposes of achieving settlement of all issues, the Parties have agreed to a revised Base Revenue Requirement for 2009 of \$18,660,611.

Supporting Parties: AMPCO, CME, SEC, VECC

Evidence References: Exhibit 1, Tab 1, Schedule 3
Exhibit 3, Tab 1

3.2 Is the proposed amount for 2009 Other Revenues, including Corporate and Shared Services appropriate? Is the methodology used to cost and price these services appropriate?

Status: Complete Settlement

See Issue 3.1.

Supporting Parties: AMPCO, CME, SEC, VECC

Evidence References: Exhibit 1, Tab 2, Schedule 6

Exhibit 3, Tab 3

Exhibit 4, Tab 2, Schedule 4, 5, 6, 7

Interrogatory Response, Board Staff 1.15, 1.17, 6.6

Interrogatory Response, VECC 2, 3, 21, 22, 23, 24, 25

Interrogatory Response SEC 4

Supplemental IR, VECC 1, 10

3.3 Are the proposed Specific Service Charges for 2009 appropriate?

Status: Complete Settlement

For purposes of achieving settlement of all issues, the Parties have accepted Bluewater Power's proposed Specific Service Charges for 2009.

Supporting Parties: AMPCO, CME, SEC, VECC

Evidence References: Exhibit 3, Tab 3, Schedule 1, 2

3.4 Are Bluewater Power's Economic and Business Planning Assumptions for 2009 appropriate?

Status: Complete Settlement

For purposes of achieving settlement of all issues, the Parties have agreed to revised assumptions with respect to economic and business planning considerations for the utility that are implicit in the settlement of revenue requirement.

Supporting Parties: AMPCO, CME, SEC, VECC

Evidence References: Exhibit 3, Tab 2

Exhibit 4, Tab 2

Exhibit 2, Tab 3

Updated Application filed February 2, 2009

Interrogatory Response, Board Staff 6.1

Interrogatory Response, VECC 17

3.5 Is the load forecast and methodology appropriate including the weather normalization methodology?

Status: Complete Settlement

The Parties have agreed that rates should be set for the Test year based on the original load forecast proposed by Bluewater Power, subject to two changes.

The load forecast has been revised in accordance with the Updated Application filed on February 2, 2009 to remove UBE Automotive and Royal Polymers. In particular, the load forecast has experienced a reduction by one large use customer, one intermediate customer, and reduces total forecast consumption by 57,043,431 kWh and 97,928 kW.

In response to Board Staff IR #6.1, Bluewater Power carried out a further revision to the forecast to reflect changing economic conditions. The load forecast methodology employed in the original application was updated to reflect the revised employment outlook based on figures from the Fall of 2008, as well as revised trends in the number of connections. For the sake of clarity, the revised forecast does not reflect in any way specific electricity conservation programs. The variance from the original forecast related to the residential and GS rate classes are summarized in the table below.

	Variance in # of connections	Variance in kWh	Variance in kW
Residential	-446	-4,586,697	
GS <50kW	-34	-257,261	
GS >50kW	+3	-1,880,092	-5,175

A complete summary of all changes to the load forecast is included as Schedule F to this Agreement.

- Supporting Parties: AMPCO, CME, SEC, VECC
- Evidence References: Exhibit 3, Tab 2
 Updated Application of Feb 2, 2009
 Interrogatory Response, Board Staff 6.1 – 6.5
 Interrogatory Response, VECC 15-18
 Interrogatory Response, CME 6
 Supplemental IR, VECC 7
 Exhibit TC 1.1

3.6 Is the Revenue Deficiency calculation for the test year appropriate?

Status: Complete Settlement

For purposes of achieving settlement of all issues, the Parties have agreed to a revised Revenue Deficiency for the Test Year of \$3,293,048.

Supporting Parties: AMPCO, CME, SEC, VECC

Evidence References: Exhibit 1, Tab 1, Schedule 10

Exhibit 7

Interrogatory Response CME 8

4. COST OF SERVICE

- 4.1 Are the overall levels of the 2009 Operation, Maintenance and Administration budgets appropriate?

Status: Complete Settlement

For purposes of achieving settlement of all issues, the Parties have agreed to a revised Operation, Maintenance and Administration (including Capital and Property Tax) budget for 2009 of \$10,254,169. This represents an increase of 11.5% over 2007 Actuals of \$9,194,081.

Supporting Parties:	AMPCO, CME, SEC, VECC
Evidence References:	Exhibit 1, Tab 1, Schedule 3
	Exhibit 4, Tab 1
	Exhibit 4, Tab 2
	Interrogatory Response, Board Staff 1.2 – 1.14
	Interrogatory Response, VECC 1, 11(c), 19, 20
	Interrogatory Response SEC 5-7
	Supplemental IR, Board Staff 1 – 1.3
	Supplemental IR, VECC 8-9
	Supplemental IR, SEC 1-2

4.2 Are the proposed Purchased Services and Shared Services appropriate?

Status: Complete Settlement

See Issue 4.1.

Supporting Parties: AMPCO, CME, SEC, VECC

Evidence References: Exhibit 4, Tab 2, Schedule 4, 6, 8

Interrogatory Response, Board Staff 1.15, 1.16, 1.17

Interrogatory Response, VECC 3, 21-25

Interrogatory Response, SEC 4

Supplemental IR, VECC 1

4.3 Are the methodologies used to allocate Corporate and Shared Services appropriate? Are the Affiliate Service Agreements appropriate?

Status: Complete Settlement

See Issue 4.1.

Supporting Parties: AMPCO, CME, SEC, VECC

Evidence References: Exhibit 1, Tab 2, Schedule 6

Exhibit 3, Tab 3, Schedule 4

Exhibit 4, Tab 2, Schedule 4, 5, 6, 7

Interrogatory Response, Board Staff 1.15, 1.16, 1.17

Interrogatory Response, VECC 21-25

Supplemental IR, VECC 1

4.4 Are the 2009 Human Resources related costs (wages, salaries, benefits, incentive payments, labour productivity and pension costs) including employee levels, appropriate?

Status: Complete Settlement

See Issue 4.1.

Supporting Parties: AMPCO, CME, SEC, VECC

Evidence References: Exhibit 4, Tab 2, Schedule 2, 3
Interrogatory Response, Board Staff 1.9, 1.13
Interrogatory Response, VECC 1, 20
Interrogatory Response, SEC 5, 7, 8
Supplemental IR, VECC 8-9
Supplemental IR, SEC 1-2

4.5 Is Bluewater Power's depreciation expense appropriate?

Status: Complete Settlement

For purposes of achieving settlement of all issues, the Parties have agreed to a revised Amortization amount of \$4,120,022 from the original proposal of \$4,358,109. The reduction primarily reflects the agreed changes to the 2009 Capital Expenditures.

Supporting Parties: AMPCO, CME, SEC, VECC

Evidence References: Exhibit 2, Tab 2, Schedule 1, 4, 5

4.6 Are the amounts proposed for 2009 capital and property taxes appropriate?

Status: Complete Settlement

See Issue 4.1.

Supporting Parties: AMPCO, CME, SEC, VECC

Evidence References: Exhibit 4, Tab 1

Exhibit 4, Tab 2, Schedule 1

4.7 Is the amount proposed for 2009 Payments in Lieu of Taxes, including the methodology, appropriate?

Status: Complete Settlement

For purposes of achieving settlement of all issues, the Parties have agreed to accept the grossed-up PILs amount of \$1,409,808.

The Parties have assumed a 2009 tax rate of 33% in arriving at this amount. The parties agree that Bluewater Power will use a tax rate of 19% for Federal Tax plus the rate to be announced by the Province of Ontario as part of the 2009 Budget expected to be released on March 26, 2009 in preparing the draft Rate Order. The March 26th Budget will be relevant for the purpose of determining the appropriate provincial corporate tax rate to be applied to the calculation of PILs and for no other purpose.

Supporting Parties: AMPCO, CME, SEC, VECC

Evidence References: Exhibit 4, Tab 3

Interrogatory Response, Board Staff 5.1, 5.2

Supplemental IR, 3.1

5. DEFERRAL/VARIANCE ACCOUNTS

5.1 Is the proposal for the amounts, disposition and continuance of BLUEWATER POWER's existing Deferral and Variance Accounts appropriate?

Status: Complete Settlement

For purposes of achieving settlement of all issues, the Parties have accepted Bluewater Power's proposal set out in the Updated Application to dispose of, over a two-year period, the following deferral and variance accounts, totaling \$(3,974,344):

- 1508 – Other Regulatory Assets
- 1525 – Miscellaneous Deferred Debits
- 1550 – LV Variance Account
- 1580 – RSVAWMS
- 1584 - RSVANW
- 1586 – RSVACN
- 1588 – RSVAPOWER

The credit amount noted above also includes the debit balance of \$130,666 related to the LRAM/SSM recovery.

The Parties propose disposal of these accounts, despite the Board's proceeding in respect of RCVA and RSVA accounts (EB-2008-0046). The Parties note that the Board granted disposition of the accounts subject to EB-2008-0046 in the 2008 Cost of Service EDR's for Horizon Utilities Corporation (EB-2007-0697), for Hydro 2000 Inc. (EB-2007-0704), and partially for Guelph Hydro Electric Systems Inc (EB-2007-0742). Bluewater Power currently has a significant net credit balance in the above-noted accounts. In light of the current economic conditions, the Parties propose to refund these amounts to customers through this proceeding rather than await the results of EB-2008-0046.

Bluewater Power originally proposed to dispose of the balances over a three year period commencing May 1, 2009. In its Updated Application filed February 2, 2009, Bluewater Power proposed to dispose of the balances over a two year period in order to mitigate the rate increase brought about by the removal of two customers from the forecast.

For a discussion on the disposition of Account 1572 as proposed in the Updated Application, please see Issue 8.1.

Supporting Parties: AMPCO, CME, SEC, VECC

Evidence References: Exhibit 1, Tab 1, Schedule 3
Exhibit 5, Tab 1, Schedule 1, 2, 5, 6
Updated Application of Feb 2, 2009
Interrogatory Response, Board Staff 7.1, 7.2
Interrogatory Response, VECC 26

Interrogatory Response, AMPCO 2

Supplemental IR, Board Staff 4, 5, 7

Supplemental IR, VECC 11

Exhibit TC 1.1 (related to Technical Conference)

Undertaking TCK 1.1, 1.3 (related to Technical Conference)

6. COST OF CAPITAL/DEBT

6.1 Is the proposed Capital Structure and Rate of Return on Equity for Bluewater Power's distribution business appropriate?

Status: Complete Settlement

The Parties accept Bluewater Power's proposed Capital Structure.

The Parties have prepared this Agreement using a 2009 Return on Equity of 8.01% as announced by the Board on February 24, 2009.

Supporting Parties: AMPCO, CME, SEC, VECC

Evidence References: Exhibit 1, Tab 1, Schedule 3
Exhibit 6

Interrogatory Response, Board Staff 2.1

Interrogatory Response, VECC 29

Interrogatory Response, SEC 9

6.2 Are Bluewater Power's proposed costs and mix for its short and long-term debt for the 2009 test year appropriate?

Status: Complete Settlement

The Parties accept Bluewater Power's proposed Capital Structure.

The Parties have prepared this Agreement using a long-term debt rate of 7.62% as announced by the Board on February 24, 2009.

The Parties have prepared this Agreement using a short-term debt rate of 1.33% as announced by the Board on February 24, 2009.

Supporting Parties: AMPCO, CME, SEC, VECC

Evidence References: Exhibit 6
Interrogatory Response, Board Staff 2.1
Interrogatory Response, VECC 29
Interrogatory Response, SEC 9

7. COST ALLOCATION AND RATE DESIGN

7.1 Is Bluewater Power's cost allocation appropriate?

Status: Complete Settlement

The Parties agree that Bluewater Power followed the Board's Cost Allocation Model in its Application and Evidence, updated for the loss of two customers.

However, the Parties have agreed that a modification to the Cost Allocation Model is appropriate for Bluewater Power without prejudice to their right to advocate for further modifications to the Board's Costs Allocation model. The agreed modification is to remove the Transformer Allowance Credits from both the costs and the revenues included in the Cost Allocation model. This treatment represents a reasonable alternative to the Cost Allocation Model that is consistent with the approach approved for a number of distributors' 2008 rates such as EB-2007-0697 (Horizon 2008 COS EDR) and EB-2007-0706 (Enersource 2008 COS EDR).

In response to VECC interrogatory 30(c), and later detailed in Exhibit TC 1.1 to the Technical Conference (which was a modification to Table 7 filed with the Updated Application) Bluewater Power provided a modified version of its Cost Allocation Informational Filing ("Modified CAIF") that is consistent with the above proposal for the treatment of Transformer Allowance Credits. The Parties agree that it is appropriate for Bluewater Power to make these same adjustments to the Cost Allocation Model in determining its current revenue-to-cost ratios ("R/C Ratios").

The Parties further agree that for the purpose of designing the 2009 rates the R/C Ratios targets obtained from the Modified CAIF should be adjusted to reflect further movement towards unity as follows:

- The R/C Ratio target for the GS<50kW class is reduced from 1.12 to 1.10;
- The R/C Ratio target for the GS>50kW class is increased from 0.88 to 0.90;
- The R/C Ratio targets for the lighting categories (USL, Streetlight, and Sentinel) to move one quarter of the way to a R/C Ratio of .85, with the excess revenue allocated to the Large Use class for the Test Year.

The results of these adjustments are set out in the table below.

Bluewater Power has agreed that: in its 2010 Rate Application it will move each of the lighting categories one-third of the way to 0.85; in its 2011 Rate Application it will move each of the lighting categories one-half of the way to 0.85; and in its 2012 Rate Application it will each of the lighting categories to a R/C Ratio of 0.85. In each year, the excess revenue will be allocate to the class with the highest R/C Ratio until it is no longer the highest, and then proportionately

between the two or more classes with the highest R/C Ratios so that their R/C Ratios remain equal with each other, and so on, from year to year.

Further, the Parties agree that Bluewater Power shall undertake a study of its costs to serve its customers in the Large Use rate classes. The purpose of the study derives from the fact that Bluewater Power did not fully update its 2006 Cost Allocation Model (based on 2004 actual expenses) for the 2009 Test Year. Instead, Bluewater Power adjusted the Cost Allocation Model to reflect the impact of the loss of two customers. The study will assist both in determining the true costs to serve customers in this rate class and determining the balancing of rates among all rate classes in the future. The study shall be filed as evidence in Bluewater Power's next rebasing rate application.

Summary of Revenue to Cost Ratio's

Customer Class Name	Original Application	Modified CAIF Table 7 of TC 1.1	Settlement Proposal
Residential	1.00	1.04	1.03
General Service <50 kW	1.07	1.12	1.10
General Service 50 to 999 kW	0.88	0.88	0.90
General Service 1,000 to 4,999 kW	1.41	1.01	1.01
Large	1.26	1.10	1.07
Unmetered Scattered Load	0.65	0.65	0.70
Sentinel Lighting	0.33	0.35	0.47
Street Lighting	0.44	0.47	0.56

Supporting Parties: AMPCO, CME, SEC, VECC (except as noted below)

Parties Taking No Position: VECC (with the proposed shifts in R/C ratios from the agreed starting point in Table 7 of the Updated Application or TC1.1)

Evidence References:

- Exhibit 8
- Exhibit 9, Tab 1, Schedule 3
- Interrogatory Response, Board Staff 8
- Interrogatory Response, VECC 30-33
- Interrogatory Response, SEC 10
- Interrogatory Response, CME 8

Interrogatory Response, AMPCO 3

Supplemental IR, VECC 12

Exhibit TC 1.1

7.2 Are the proposed revenue to cost ratios appropriate?

Status: Complete Settlement

For purposes of achieving settlement of all issues, the Parties have agreed to revenue to cost ratio's as detailed in Issue 7.1 above.

Supporting Parties: AMPCO, CME, SEC, VECC (subject to the qualifications noted Under Issue 7.1)

Evidence References: Exhibit 8
Interrogatory Response, Board Staff 8
Interrogatory Response, VECC 30-33
Interrogatory Response, SEC 10
Interrogatory Response, CME 8
Exhibit TC 1.1

8. LOSS OF LARGE CUSTOMERS

8.1 Is the methodology proposed by Bluewater Power in February 2, 2009 update appropriate?

Status: Complete Settlement

The Parties have accepted the update of the original Application in the manner proposed in the Updated Application. The settlement negotiations and this Agreement have been based on the proposal set out in the Updated Application.

The Updated Application was proposed in response to the permanent closure of two significant customers that were announced after the filing of the original Application. Bluewater Power examined numerous options, but determined that the proposal put forward in the Updated Application best protected the utility from load loss and benefited customers through the reduction of Base Revenue Requirement.

The proposal put forward was to adjust the 2009 Test Year to reflect the certainty that these two customers will be closed; in other words, the application was updated assuming these customers were already closed as of January 1, 2009. In order to recognize the fact that the Updated Application assumed no revenue from these two customers, it is further proposed that any net distribution revenue from these customers (or the customer's building and facilities) would be recorded into a deferral account, namely Account 1572, for later disposition to customers. Accordingly, the utility does not benefit from the delayed closure of these customer's operations.

The purpose of the Updated Application was to ensure the application creates rates that are appropriate for the Test Year but also produces base rates that are appropriate for the subsequent period of incentive regulation.

The specific requests that form part of the Updated Application, and which have been included in this Agreement, are as follows:

1. Base Revenue Requirement reduced by approximately \$130,000 due to:
 - a. **Stranded Assets:** Assets with a Net Book Value of \$422,194 have been removed from Net Fixed Assets (effective December 31, 2008 instead of December 31, 2009 as proposed in the Updated Application) which impacts Rate Base as well as Amortization. By impacting Rate Base, there is a consequential impact on net income and, therefore, PILs.
 - b. **Working Capital Allowance:** was reduced by \$584,166 due to the removal of consumption data associated with these two customers.
2. Load Forecast is reduced.
3. All net distribution revenue from UBE Automotive or Royal Polymers is proposed to be recorded to Account 1572 during the Test Year and the subsequent incentive regulation period. Net Distribution revenue means all revenue derived from fixed and variable distribution rates, less any direct costs to serve the customers. In the event that a new customer occupies the existing building and/or facilities of either UBE Automotive or Royal Polymers, the revenues related to the new customer will also be recorded to

Account 1572 for the same time period less any direct and incremental OM&A and capital-related costs (ie. Amortization and Cost of Capital) required to serve the new customer.

The Parties have further agreed that Account 1572 should be dispersed amongst rate classes in proportion to the extent to which each rate class was impacted by the Updated Application. For the sake of clarity, any amounts recorded to the deferral account should be dispersed to rate classes in the proportions set out in the table below. The proportions set out below have been determined by comparing the original rates proposed in the original Application with the rates proposed in the Updated Application, which demonstrated the change in revenue by rate class due to the update.

Proposed Allocation for Disposal of Deferral Account related to Updated Application

Residential	14.10%
GS<50kW	3.74%
GS 50kW to 999kW	26.08%
GS 1000kW to 4999kW	16.63%
Large	38.53%
Unmetered Scattered Load	0.05%
Sentinel Lighting	0.06%
Street Lighting	0.80%

Supporting Parties: AMPCO, CME, SEC, VECC
 Evidence References: Exhibit 3, Tab 2, Schedule 1
 Updated Application of Feb 2, 2009
 Technical Conference of February 10, 2009
 Undertakings: TCK 1.1, TCK 1.2, TCK 1.3
 Exhibit TC. 1.1

9. RATE DESIGN

9.1 Are customer charges and the fixed-variable splits for each class appropriate?

Status: Complete Settlement

For the purposes of settlement of all issues, the Parties have agreed to a variation on the original fixed/variable splits proposed by Bluewater Power. Bluewater Power had originally proposed to maintain the existing fixed/variable splits until such time as the Rate Design review (EB-2007-0031) was completed. However, this led to fixed charges that were above the Board established 'ceiling' for the Residential, GS>50, GS 1000-4999 kW, and Large Use classes, as established in the Board's Report on Cost Allocation for Electricity Distributors dated November 28, 2007.

The Parties therefore agree to maintain the existing fixed charge for all rate class with the exception of GS>50 and Large Use Class, which shall be treated as follows:

- 1) The GS>50 fixed charge will move to the Board established ceiling, which is 20% above the 'Customer Unit Cost per month – Minimum system with PLCC Adjustment', from Sheet O2 of Exhibit TC 1.1, Table 7.
- 2) The Large Use Class will maintain its existing Fixed/Variable split.

The table below details the existing and proposed fixed charge and associated Fixed/Variable split excluding the Smart Meter rate adder of \$.26 per metered customer.

Customer Class Name	Existing Rates		
	Rate	Fixed %	Variable %
Residential	\$13.64	62.77%	37.23%
General Service <50 kW	\$25.16	43.27%	56.73%
General Service 50 to 999 kW	\$330.56	62.35%	37.65%
General Service 1,000 to 4,999 kW	\$3,084.29	49.43%	50.57%
Large	\$18,021.16	57.36%	42.64%
Unmetered Scattered Load	\$12.58	58.90%	41.10%
Sentinel Lighting	\$1.81	59.13%	40.87%
Street Lighting	\$1.37	65.14%	34.86%

Customer Class Name	Settlement Proposal		
	Rate	Fixed %	Variable %
Residential	\$13.64	51.17%	48.83%
General Service <50 kW	\$25.16	35.28%	64.72%
General Service 50 to 999 kW	\$140.30	24.12%	75.88%
General Service 1,000 to 4,999 kW	\$3,084.29	52.61%	47.39%
Large	\$24,998.69	57.36%	42.64%
Unmetered Scattered Load	\$12.58	34.80%	65.20%
Sentinel Lighting	\$1.81	36.72%	63.28%
Street Lighting	\$1.37	39.69%	60.31%

Supporting Parties: AMPCO, CME, SEC, VECC (expect as noted below)

Parties Taking No Position: VECC (with respect to the rate design proposals applicable to Classes other than the residential class)

Evidence References: Exhibit 9
 Interrogatory Response, VECC 34-35
 Interrogatory Response, SEC 11

9.2 Are Bluewater Power's proposed rates appropriate?

Status: Complete Settlement

The Parties agree that the proposed rates are appropriate.

Supporting Parties: AMPCO, CME, SEC, VECC

Evidence References: Exhibit 1, Tab 1, Schedule 5

Exhibit 9, Tab 1, Schedule 8

Interrogatory Response, VECC 37

Interrogatory Response, CME 7

9.3 Are the customer bill impacts appropriate?

Status: Complete Settlement

The Parties agree that the proposed bill impacts are appropriate.

See Appendices M and N. The percentage bill impacts on customers with usage greater than 250,000 kWh/year are likely overstated because these customers are not eligible for the RPP. The current RPP price used in the bill impact analysis is per the most recent OEB Regulated Price Plan report of October 2008, and this price has been used in accordance with the OEB Filing Guidelines for Rate Applications as a proxy for the commodity price. Bluewater Power reviewed a sample of customer bills for customers using more than 250,000 kWh/year and have indicated that their price for Electricity (Commodity) in January 2009 was approximately \$0.054/kWh rather than the RPP price of \$0.0603 shown in Appendix N. For example, at an assumed price for Electricity (Commodity) of \$0.54/kWh, rather than the RPP price of \$0.0603, the total bill of the GS > 50 customer at page 16 of Schedule N reduces by an amount of about \$2800.00 and the Total bill impact of 10.3% reduces to about 2.2 %.

Supporting Parties:	AMPCO, CME, SEC, VECC
Evidence References:	Exhibit 1, Tab 1, Schedule 3
	Exhibit 9, Tab 1, Schedule 9
	Updated Application of Feb 2, 2009
	Interrogatory Response, VECC 37
	Interrogatory Response, CME 7
	Interrogatory Response, AMPCO 1
	Exhibit TC 1.1
	Undertaking TCK 1.1, 1.3

9.4 Is the proposed rate impact mitigation plan reasonable?

Status: Complete Settlement

No formal rate mitigation plan has been proposed as part of this settlement; however the Parties agree that the settlement appropriately mitigates rate impact.

Informal rate mitigation was proposed in the original Application with respect to the phase-in of the Street Lighting, Sentinel Lighting and Unmetered Scattered Load Class customers from current levels of Revenue to Cost Ratios to the floor outlined in the Cost Allocations guidelines of the Board. That mitigation has been further extended through this settlement to allow the phase in over four years in equal amounts.

Informal rate mitigation was also included as part of the Updated Application filed February 2, 2009 in the form of accelerated disposition of the debit currently held in deferral/variance accounts from a three year disposition to a two year disposition. That accelerated disposition was accepted as part of the Updated Application as dealt with in Issue 8.1.

Supporting Parties: AMPCO, CME, SEC, VECC (except as noted below)

Parties Taking No Position: VECC (with respect to the proposal to Phase-in Revenue to Cost Ratios)

Evidence References: Exhibit 9, Tab 1, Schedule 4
Updated Application dated February 2, 2009

9.5 Are the proposed Retail Transmission Service Rates appropriate?

Status: Complete Settlement

The Parties agree that the updated Retail Transmission Service Rates (“RTSR”) as presented in response to Board Staff IR #10.1 are appropriate. The Parties further agree that the base Revenue Requirement of \$18,660,611 includes the update to the RTSR rates, the latest Regulated Price Plan (“RPP”) price as established in the Regulated Price Plan Report of the OEB dated October 15, 2008, and the update to the Rural or Remote Electricity Rate Protection (“RRRP”) rate as detailed in the letter of the OEB dated December 17, 2008.

Supporting Parties: AMPCO, CME, SEC, VECC

Evidence References: Exhibit 4, Tab 2, Schedule 13
Interrogatory Response, Board Staff 10

9.6 Are the proposed Loss Factors appropriate?

Status: Complete Settlement

The Parties agree that the Loss Factor as proposed by Bluewater Power is appropriate.

Supporting Parties: AMPCO, CME, SEC, VECC

Evidence References: Exhibit 4, Tab 2, Schedule 10
Interrogatory Response, Board Staff 9
Supplemental IR, Board Staff 6

9.7 Are the proposed Regulatory Asset (Deferral and Variance Account) rate riders appropriate?

Status: Complete Settlement

The Parties agree that the rate riders resulting from the recovery and disposition as agreed to in Issue 5.1 are appropriate.

Supporting Parties: AMPCO, CME, SEC, VECC

Evidence References: Exhibit 5, Tab 1, Schedule 1, 2, 3, 5, 6
Updated Application of Feb 2, 2009
Interrogatory Response, Board Staff 7.1, 7.2
Interrogatory Response, VECC 26
Interrogatory Response, AMPCO 2
Supplemental IR, Board Staff 4, 5, 7
Supplemental IR, VECC 11
Exhibit TC 1.1
Undertaking TCK 1.1, 1.3

9.8 Is the Smart Meter rate adder change appropriate?

Status: Complete Settlement

For purposes of achieving settlement of all issues, the Parties have agreed to keep the Smart meter rate adder at \$0.26 per month per metered customer, instead of increasing the adder to \$1.00 as proposed in the Application.

Supporting Parties: AMPCO, CME, SEC, VECC

Evidence References: Exhibit 5, Tab 1, Schedule 4
Interrogatory Response, Board Staff 4.1
Interrogatory Response, VECC 7, 28

10. OTHER ISSUES

10.1 Is the LRAM and SSM Proposal appropriate?

Status: Complete Settlement

For purposes of achieving settlement of all issues, the Parties have accepted the amounts of LRAM and SSM proposed for clearance in the Application.

Supporting Parties: AMPCO, CME, SEC, VECC

Evidence References: Exhibit 5, Tab 1, Schedule 3
Interrogatory Response, VECC 27
Supplemental IR, VECC 11

Bluewater Power Distribution Corporation

Proposed Settlement Agreement

EB-2008-0221

SCHEDULE OF APPENDICES

<u>Appendix</u>	<u>Contents of Appendix</u>
A	Procedural Orders 4, 5 & 6
B	Draft Framework for Settlement Conference
C	Comparison of Key Components
D	Settlement Implementation Overview
E	Updated Load Forecast
F	Load Forecast Comparison
G	Revenue Requirement Summary
H	Revenue Deficiency Calculation
I	PIFs Model
J	Rate Riders
K	Revenue Requirement Allocation
L	Rate Schedule
M	Bill Impact Comparison (2008 vs. Settlement)
N	Bill Impact Detail

Appendix A



EB-2008-0221

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 Bluewater Power Distribution Corporation for an order approving just and reasonable rates and other charges for electricity distribution to be effective May 1, 2009.

PROCEDURAL ORDER NO. 4

Bluewater Power Distribution Corporation (“Bluewater” or the “Applicant”) filed an application with the Ontario Energy Board under section 78 of the *Ontario Energy Board Act, 1998*, seeking approval for changes to the rates that Bluewater charges for electricity distribution, to be effective May 1, 2009. The application was received on September 9, 2008 and the Board has assigned the application File Number EB-2008-0221. The Board issued a Notice of Application and Hearing on September 24, 2008, Procedural Order No. 1 on October 22, 2008, Procedural Order No. 2 on January 6, 2009, and Procedural Order No. 3 on January 21, 2009.

On January 23, 2009, Bluewater filed a letter with the Board and advised that on January 12, 2009 UBE Automotive North America (“UBE”) announced that it will be closing its wheel-manufacturing plant in Sarnia. Bluewater indicated that the UBE closure will result in a deficiency of approximately \$400,000 per year based on the rates proposed in Bluewater’s current rate application. Bluewater also stated that it will update its evidence prior to February 2, 2009 and propose a methodology to mitigate this revenue deficiency. As a result of this change, Bluewater requested that the first day of the settlement conference that is currently scheduled on February 10, 2009 be used for a transcribed technical conference to allow parties to ask questions regarding the impacts and the proposed methodology. The Board has determined that it will grant Bluewater’s request and order that a transcribed technical conference be held at the Board on February 10, 2009.

Please be aware that further procedural orders may be issued from time to time.

THE BOARD ORDERS THAT:

1. Parties and Board staff who wish to ask questions related to the Applicant's proposal regarding the UBE closure shall file written interrogatories with the Board and copy all parties on or before **Thursday February 5, 2009**.
2. A transcribed technical conference will be held on **Tuesday, February 10, 2009**, commencing at 9:30 a.m. at 2300 Yonge Street, 25th floor, Toronto, Ontario in the Board's North Hearing Room. The purpose of the technical conference is for the Applicant to respond to written interrogatories filed by parties and Board staff and to address any follow-up questions related to the UBE closure.
3. A Settlement Conference will be convened on **Wednesday, February 11, 2009**, starting at 9:30 a.m. The Settlement Conference will be held at 2300 Yonge Street, Toronto in the Board's ADR Room on the 25th Floor.
4. Any Settlement Proposal arising from the Settlement Conference shall be filed with the Board on **Friday, February 13, 2009**. In addition to outlining the terms of any settlement, the Settlement Proposal should contain a list of any unsettled issues that the parties believe must be dealt with by way of oral hearing.
5. If the parties reach settlement on some or all of the issues in this matter, the Settlement Proposal will be reviewed by the Board on **Thursday, February 19, 2009 at 1:30 p.m.** at 2300 Yonge Street, Toronto in the Board's West hearing room on the 25th Floor.
6. An oral hearing of this matter will begin on **Monday, March 9, 2009 at 9:30 a.m.** at 2300 Yonge Street, Toronto in the Board's West hearing room on the 25th Floor. The oral hearing will resume on Tuesday, March 10, 2009 in the event more time is required for the hearing.

All filings to the Board must quote file number EB-2008-0221, be made through the Board's web portal at www.errr.oeb.gov.on.ca, and consist of two paper copies and one electronic copy in searchable / unrestricted PDF format. Filings must clearly state the sender's name, postal address and telephone number, fax number and e-mail address. Please use the document naming conventions and document submission standards outlined in the RESS Document Guideline found at www.oeb.gov.on.ca. If the web portal is not available you may email your document to the address below. Those who do not have internet access are required to submit all filings on a CD or diskette in PDF format, along with two paper copies. Those who do not have computer access are required to file 7 paper copies.

All communications should be directed to the attention of the Board Secretary at the address below, and be received no later than 4:45 p.m. on the required date.

Ontario Energy Board
P.O. Box 2319
2300 Yonge Street, 27th Floor
Toronto ON M4P 1E4

Attention: Board Secretary

Email: Boardsec@oeb.gov.on.ca
Tel: 1-888-632-6273 (toll free)
Fax: 416-440-7656

DATED at Toronto, January 27, 2009

ONTARIO ENERGY BOARD

Original signed by

Kirsten Walli
Board Secretary



EB-2008-0221

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 **Bluewater
Power Distribution Corporation** for an order approving just
and reasonable rates and other charges for electricity
distribution to be effective **May 1, 2009**

PROCEDURAL ORDER No. 5

Bluewater Power Distribution Corporation (“Bluewater” or the “Applicant”) filed an application with the Ontario Energy Board under section 78 of the *Ontario Energy Board Act, 1998*, seeking approval for changes to the rates that Bluewater charges for electricity distribution, to be effective May 1, 2009. The application was received on September 9, 2008 and the Board has assigned the application File Number EB-2008-0221. The Board issued a Notice of Application and Hearing on September 24, 2008, Procedural Order No. 1 on October 22, 2008, Procedural Order No. 2 on January 6, 2009, Procedural Order No. 3 on January 21, 2009, and Procedural Order No. 4 on January 27, 2009.

A transcribed technical conference was held on February 10, 2009. The purpose of this technical conference was for the Applicant to respond to written interrogatories filed by parties and Board staff and to address any follow-up questions related to the UBE closure.

A Settlement Conference was held on February 11, 2009 and resumed on February 12, 2009.

The Board understands that parties have asked for an extension of the deadline of February 13, 2009 for filing any Settlement Proposal arising from the Settlement Conference. The Board notes that the parties are still making an effort to reach a settlement.

The Board will grant an extension of the deadline for the filing of any Settlement Proposal from the original date of February 13, 2009 to February 24, 2009. The Board will also postpone the February 19, 2009 date originally set aside for the review by the Board of any filed Settlement Proposal to March 9, 2009 with an oral hearing to follow on that same date. The oral hearing will resume on March 10, 2009 in the event more time is required for the hearing. The Board will consider additional dates for the oral hearing as required.

Please be aware that further procedural orders may be issued from time to time.

THE BOARD ORDERS THAT:

1. Any Settlement Proposal arising from the Settlement Conference shall be filed with the Board on **February 24, 2009**. In addition to outlining the terms of any settlement, the Settlement Proposal should contain a list of any unsettled issues that the parties believe must be dealt with by way of oral hearing.
2. If the parties reach settlement on some or all of the issues in this matter, the Settlement Proposal will be reviewed by the Board on **March 9, 2009 at 9:30 a.m.**, at 2300 Yonge Street, Toronto in the Board's West hearing room on the 25th Floor.
3. Following the Settlement Proposal, an oral hearing of this matter will begin on **March 9, 2009** at 2300 Yonge Street, Toronto in the Board's West hearing room on the 25th Floor. In the event more time is required for the hearing, the oral hearing will resume on **March 10, 2009**. The Board will consider adding additional dates for the oral hearing as required.

All filings to the Board must quote file number EB-2008-0221, be made through the Board's web portal at www.errr.oeb.gov.on.ca, and consist of two paper copies and one electronic copy in searchable / unrestricted PDF format. Filings must clearly state the sender's name, postal address and telephone number, fax number and e-mail address. Please use the document naming conventions and document submission standards outlined in the RESS Document Guideline found at www.oeb.gov.on.ca. If the web portal is not available you may email your document to the address below. Those who do not have internet access are required to submit all filings on a CD or diskette in PDF format, along with two paper copies. Those who do not have computer access are required to file 7 paper copies.

All communications should be directed to the attention of the Board Secretary at the address below, and be received no later than 4:45 p.m. on the required date.

DATED at Toronto, February 18, 2009

ONTARIO ENERGY BOARD

Original signed by

Kristen Walli
Board Secretary

Address

The Board:

Ontario Energy Board
P.O. Box 2319
2300 Yonge Street, 27th Floor
Toronto ON M4P 1E4

Attention: Board Secretary
E-mail: Boardsec@oeb.gov.on.ca

Tel: 1-888-632-6273 (toll free)
Fax: 416-440-7656



EB-2008-0221

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 **Bluewater Power Distribution Corporation** for an order approving just and reasonable rates and other charges for electricity distribution to be effective **May 1, 2009**.

PROCEDURAL ORDER No. 6

Bluewater Power Distribution Corporation (“Bluewater“ or the “Applicant”) filed an application with the Ontario Energy Board under section 78 of the *Ontario Energy Board Act, 1998*, seeking approval for changes to the rates that Bluewater charges for electricity distribution, to be effective May 1, 2009. The application was received on September 9, 2008 and the Board has assigned the application File Number EB-2008-0221. The Board issued a Notice of Application and Hearing on September 24, 2008, Procedural Order No. 1 on October 22, 2008, Procedural Order No. 2 on January 6, 2009, Procedural Order No. 3 on January 21, 2009, Procedural Order No. 4 on January 27, 2009, and Procedural Order No. 5 on February 18, 2009.

The Board understands that parties have asked for an extension of the deadline of February 24, 2009 for filing any Settlement Proposal arising from the Settlement Conference. The Board notes that the parties are still making an effort to reach a settlement.

The Board will grant an extension of the deadline for the filing of any Settlement Proposal from the original date of February 24, 2009 to February 27, 2009. Any Settlement Proposal that may be filed will be reviewed by the Board on March 9, 2009

with an oral hearing to follow on that same date. The oral hearing will resume on March 10, 2009 in the event more time is required for the hearing. The Board will consider additional dates for the oral hearing as required.

Please be aware that further procedural orders may be issued from time to time.

THE BOARD ORDERS THAT:

1. Any Settlement Proposal arising from the Settlement Conference shall be filed with the Board on **February 27, 2009**. In addition to outlining the terms of any settlement, the Settlement Proposal should contain a list of any unsettled issues that the parties believe must be dealt with by way of oral hearing.
2. If the parties reach settlement on some or all of the issues in this matter, the Settlement Proposal will be reviewed by the Board on **March 9, 2009 at 9:30 a.m.**, at 2300 Yonge Street, Toronto in the Board's West hearing room on the 25th Floor.
3. Following the Settlement Proposal, an oral hearing of this matter will begin on **March 9, 2009** at 2300 Yonge Street, Toronto in the Board's West hearing room on the 25th Floor. In the event more time is required for the hearing, the oral hearing will resume on **March 10, 2009**. The Board will consider adding additional dates for the oral hearing as required.

All filings to the Board must quote file number EB-2008-0221, be made through the Board's web portal at www.errr.oeb.gov.on.ca, and consist of two paper copies and one electronic copy in searchable / unrestricted PDF format. Filings must clearly state the sender's name, postal address and telephone number, fax number and e-mail address. Please use the document naming conventions and document submission standards outlined in the RESS Document Guideline found at www.oeb.gov.on.ca. If the web portal is not available you may email your document to the address below. Those who do not have internet access are required to submit all filings on a CD or diskette in PDF format, along with two paper copies. Those who do not have computer access are required to file 7 paper copies.

All communications should be directed to the attention of the Board Secretary at the address below, and be received no later than 4:45 p.m. on the required date.

Ontario Energy Board
P.O. Box 2319
2300 Yonge Street, 27th Floor
Toronto ON M4P 1E4

Attention: Board Secretary

Email: Boardsec@oeb.gov.on.ca

Tel: 1-888-632-6273 (toll free)
Fax: 416-440-7656

DATED at Toronto, February 24, 2009

ONTARIO ENERGY BOARD

Original Signed By

Kirsten Walli
Board Secretary

Appendix B

BLUEWATER POWER DISTRIBUTION CORPORATION
2009 Distribution Rates Application Proceeding EB-2008-0221

DRAFT FRAMEWORK FOR SETTLEMENT CONFERENCE

1. ADMINISTRATION

- 1.1 Has BLUEWATER POWER responded appropriately to all relevant Board directions and settlement agreements from previous proceedings?

2. RATE BASE

- 2.1 Are the amounts proposed for Rate Base appropriate?
- 2.2 Are the amounts proposed for 2009 Capital Expenditures appropriate?
- 2.3 Has the Working Capital Allowance been determined appropriately?

3. REVENUE REQUIREMENT

- 3.1 Is the calculation of the proposed revenue requirement for 2009 appropriate?
- 3.2 Is the proposed amount for 2009 Other Revenues, including Corporate and Shared Services appropriate? Is the methodology used to cost and price these services appropriate?
- 3.3 Are the proposed Specific Service Charges for 2009 appropriate?
- 3.4 Are BLUEWATER POWER's Economic and Business Planning Assumptions for 2009 appropriate?
- 3.5 Is the load forecast and methodology appropriate including the weather normalization methodology?
- 3.6 Is the Revenue Deficiency calculation for the test year appropriate? (Exhibit 7)

4. COST OF SERVICE

- 4.1 Are the overall levels of the 2009 Operation, Maintenance and Administration budgets appropriate?
- 4.2 Are the proposed Purchased Services and Shared Services appropriate?
- 4.3 Are the methodologies used to allocate Corporate and Shared Services appropriate? Are the Affiliate Service Agreements appropriate?
- 4.4 Are the 2009 Human Resources related costs (wages, salaries, benefits, incentive payments, labour productivity and pension costs) including employee levels, appropriate?
- 4.5 Is BLUEWATER POWER's depreciation expense appropriate?

- 4.6 Are the amounts proposed for 2009 capital and property taxes appropriate?
- 4.7 Is the amount proposed for 2009 Payments in Lieu of Taxes, including the methodology, appropriate?

5. DEFERRAL/VARIANCE ACCOUNTS

- 5.1 Is the proposal for the amounts, disposition and continuance of BLUEWATER POWER's existing Deferral and Variance Accounts appropriate?

6. COST OF CAPITAL/DEBT

- 6.1 Is the proposed Capital Structure and Rate of Return on Equity for BLUEWATER POWER's distribution business appropriate?
- 6.2 Are BLUEWATER POWER's proposed costs and mix for its short and long-term debt for the 2009 test year appropriate?

7. COST ALLOCATION AND RATE DESIGN

- 7.1 Is BLUEWATER POWER's cost allocation appropriate?
- 7.2 Are the proposed revenue to cost ratios appropriate?

8. LOSS OF LARGE CUSTOMERS

- 8.1 Is the methodology proposed by BLUEWATER POWER in February 2, 2009 update appropriate?

9. RATE DESIGN

- 9.1 Are customer charges and the fixed-variable splits for each class appropriate?
- 9.2 Are BLUEWATER POWER's proposed rates appropriate?
- 9.3 Are the customer bill impacts appropriate?
- 9.4 Is the proposed rate impact mitigation plan reasonable?
- 9.5 Are the proposed Retail Transmission Service Rates appropriate?
- 9.6 Are the proposed Loss Factors appropriate?
- 9.7 Are the proposed Regulatory Asset (Deferral and Variance Account) rate riders appropriate?
- 9.8 Is the Smart Meter rate adder change appropriate?

10. OTHER ISSUES

- 10.1 Is the LRAM and SSM Proposal appropriate?

Appendix C

Appendix C

Updated: Thursday February 26, 2009

A	B	C	D	E	F	G
Key Components	Original Application & Evidence (Sept 2008)	Update of Feb 2, 2009 to reflect loss of 2 customers	Settlement Agreement	Settlement Agreement with Cost of Capital Changes	Settlement Agreement with COC Changes RTSR, RPP, RRRP changes	Settlement Agreement - Column F with Tax Rate Change
Rate Base (Exhibit 2)						
Rate Base	53,158,483	52,363,220	47,060,010	47,060,010	47,830,944	47,830,944
Working Capital Allowance	13,613,408	13,029,242	9,160,672	9,160,672	9,931,607	9,931,607
Capital Expenditures	8,285,818	8,285,818	5,651,818	5,651,819	5,651,820	5,651,821
Revenue and Deficiency (Exhibit 3 and 7)						
Revenue Offsets	728,598	728,598	728,598	728,598	728,598	728,598
Base Revenue Requirement	20,707,479	20,591,632	17,999,635	18,388,592	18,459,632	18,660,611
Service Revenue Requirement	21,436,076	21,320,229	18,728,233	19,117,189	19,188,229	19,389,209
Revenue Deficiency	(4,843,712)	(5,087,340)	(2,632,072)	(3,021,029)	(3,092,069)	(3,293,048)
Operating costs (Exhibit 4)						
OM&A	11,656,169	11,656,169	10,254,169	10,254,169	10,254,169	10,254,169
Amortization	4,358,109	4,332,522	4,120,022	4,120,022	4,120,022	4,120,022
Grossed-up PILs	1,322,854	1,293,915	1,195,844	1,195,897	1,208,829	1,409,808
Tax Rate	33.0%	33.0%	29.5%	29.5%	29.5%	33.0%
Cost of Capital and Regulated Rate of Return (Exhibit 6)						
Short-Term Interest Rate	4.47%	4.47%	2.00%	1.33%	1.33%	1.33%
Long - Term Interest Rate	7.25%	7.25%	6.00%	7.62%	7.62%	7.62%
Return onEquity	8.57%	8.57%	8.01%	8.01%	8.01%	8.01%
Regulated Rate of Return	7.71%	7.71%	6.71%	7.54%	7.54%	7.54%
Cost Allocation (Exhibit 8)						
Methodology	OEB Methodology adjusted for movement of large customer	OEB Methodology adjusted for loss of 2 customers	Further adjusted to remove impact of transformer allowance	Further adjusted to remove impact of transformer allowance	Further adjusted to remove impact of transformer allowance	Further adjusted to remove impact of transformer allowance
Other Adjustments	Move all towards R/C ratio of 1.0	Move all towards R/C ratio of 1.0	See Issue 7.1	See Issue 7.1	See Issue 7.1	See Issue 7.2
Other Dispositions (Exhibit 5)						
Deferral and Variance Accounts (disposition per year)	(1,324,781)	(1,324,781)	(1,987,172)	(1,987,172)	(1,987,172)	(1,987,172)
LRAM and SSM (debit amount included in above disposition balance)	130,666	130,666	130,666	130,666	130,666	130,666
Rate Design (Exhibit 9)						
Monthly Fixed Charge (excluding Smart Meter adder)						
Residential	\$ 17.50	\$ 17.58	\$ 13.64	\$ 13.64	\$ 13.64	\$ 13.64
General Service <50 kW	\$ 31.52	\$ 31.61	\$ 25.16	\$ 25.16	\$ 25.16	\$ 25.16
General Service 50 to 999 kW	\$ 433.49	\$ 446.64	\$ 140.30	\$ 140.30	\$ 140.30	\$ 140.30
General Service 1,000 to 4,999 kW	\$ 3,507.63	\$ 3,684.10	\$ 3,084.29	\$ 3,084.29	\$ 3,084.29	\$ 3,084.29
Large	\$ 25,755.94	\$ 28,129.78	\$ 24,277.41	\$ 24,700.88	\$ 24,779.88	\$ 24,998.69
Unmetered Scattered Load	\$ 22.37	\$ 22.42	\$ 12.58	\$ 12.58	\$ 12.58	\$ 12.58
Sentinel Lighting	\$ 3.11	\$ 3.13	\$ 1.81	\$ 1.81	\$ 1.81	\$ 1.81
Street Lighting	\$ 2.36	\$ 2.38	\$ 1.37	\$ 1.37	\$ 1.37	\$ 1.37

Appendix D

Appendix D

Settlement Implementation Overview

Overview

The purpose of this document is to broadly set out the considerations that Bluewater Power Distribution Corporation ("Bluewater Power") has taken into account in confirming its capacity to perform its distribution obligations within the revised revenue requirement resulting from the settlement set out in this Agreement.

Service Area Considerations

Bluewater Power is a small mid-sized LDC with approximately 36,000 customers in the municipalities of Sarnia, Petrolia, Point Edward, Watford, Alvinston and Oil Springs. Bluewater Power's system is, therefore, a mix of urban and rural that necessarily covers a large geographical area. The region of Sarnia-Lambton experienced its primary building boom during the period from 1950 to 1970 (as set out in Exhibit 2, Tab 3, Schedule 1). The leading driver for the regional economy is the Petroleum and Chemical industry, but the area does include industries serving and related to the automotive sector.

Bluewater Power is closely monitoring the regional economic conditions. The area has enjoyed growth over the most recent decade not seen in this area since the 1980's; however the area is vulnerable to the downturn in the global economy and is showing signs of weakening growth. The downturn in the local economy is evidenced by the Updated Application filed February 2, 2009 to respond to the announced closure of one large use customer (UBE Automotive) and an intermediate customer (Royal Polymers). The weakening economic conditions have also been forecast to impact the residential and general service customers, as evidenced by the response provided to Board Staff IR #6.1. These load reductions have been recognized in the load forecast that forms part of this Settlement Agreement and that is important to the viability of this settlement from the utility's perspective.

Operations, Maintenance & Administration (OM&A)

Bluewater Power originally forecasted 2009 OM&A at \$11.7 million, but has agreed to a reduced forecast of \$10.3 million. This revised forecast reflects an 11.5% increase over 2007 actual OM&A of \$9.2 million.

Scaling back OM&A from the originally proposed amount by approximately \$1.4 million was agreed to by this utility after careful and deliberate consideration. Bluewater Power has completed a preliminary but comprehensive assessment of its forecasted OM&A expenditures and is confident that its forecasted OM&A can be managed without jeopardizing the safety, reliability or sufficiency of service in its service area.

In its Operations expenditures, Bluewater Power anticipates reductions related to the delayed

hiring of certain positions not already filled. In addition, Bluewater Power had proposed several maintenance and capital projects utilizing third party consultants; those projects will be managed entirely in-house thereby reducing cash outflows from the utility and allowing the capitalization of internal labour not originally contemplated at the time of filing the Application.

In its Administration expenditures, Bluewater Power anticipates that it will be in a position to control costs through the delay of hiring positions not already filled. Bluewater Power intends to manage its 2009 capital expenditures to allow efficiencies to be achieved as soon as possible. Bluewater Power is also exploring numerous strategies to effect short-term savings, such as the delay of any expenditures that can reasonably be delayed.

In its Capital expenditures, Bluewater Power does not anticipate a significant reduction in its spending on Sustaining Capital programs designed to ensure the long-term viability of the utility. Bluewater Power expects to manage the reductions to Capital expenditures primarily by deferring two non-routine capital projects whose operational dates can be delayed into early 2010 without adversely impacting reliability or customer service. Overall, the Capital expenditures approved as part of the Settlement Proposal represent a 20% increase over the five-year average capital expenditure for the utility.

In summary, Bluewater Power is confident that it can reliably and efficiently meet its obligations as a license electricity distributor operation in Ontario under the terms of this Settlement Agreement.

Reduction to Rate Base and Pass-thru Rates

Rate Base has been impacted by the reduction of 2009 Capital Expenditures and the reductions to Working Capital Allowance agreed to as part of this settlement. These reductions impact revenue earned to recover the utility's Cost of Capital, but these impacts are not anticipated to directly affect the utility's ability to meet its operational requirements.

Amortization has decreased from \$4,358,109, as applied for, to \$4,120,022. The variance of \$238,087 is driven entirely by the reduction in the 2009 Capital Expenditures. Those reductions themselves can be achieved through the delay of certain capital projects. Those delays will need to be done in a strategic manner so as to not incur additional capital costs and to realize benefits (and cost efficiencies) as soon as possible.

The adjustments related to ROE, short-term and long-term debt rates have been updated to the most recently approved OEB Rates. In addition, the RPP and RRRP have been updated to reflect the most-current OEB approved rates, and the RTSR has been updated consistent with the response to OEB IR #10.1. The PILs recovery will be adjusted to reflect the most accurate information available at the time of filing the draft Rate Order. The original Application has been updated to reflect the following flow through rates:

	Original Application	Settlement
ROE	8.57%	8.01%
Long-term Debt	7.25%	7.62%
Short-term Debt	4.47%	1.33%
PILs Rate	33%	33%
RPP	Average = \$0.0545/kWh Tier 1 = \$0.050/kWh Tier 2 = \$0.059/kWh	Average = \$0.0603/kWh Tier 1 = \$0.056/kWh Tier 2 = \$0.065/kWh
RRRP	\$0.0010/kWh	\$0.0013/kWh
RTSR	See detailed response in OEB IR#10.1	

Appendix E

Bluewater Power Distribution Corporation (EB-2002-0517)

2009 EDR Application (ED-2008-0221)

February 24, 2009

C1 Load Data and Forecast

CUSTOMERS (CONNECTIONS)

Customer Class Name	2006 EDR Approved	2006 Actual	2007 Actual	2007 Normalized	2008 Normalized	2009 Normalized
Residential	30,648	30,997	31,436	31,436	31,720	31,560
General Service <50 kW	3,705	3,779	3,826	3,826	3,875	3,890
General Service 50 to 999 kW	360	352	362	362	379	399
General Service 1,000 to 4,999 kW	12	15	16	16	16	15
Large	5	4	4	4	4	3
Unmetered Scattered Load	254	264	266	266	266	266
Sentinel Lighting	320	526	526	526	526	526
Street Lighting	9,345	9,568	9,667	9,667	9,837	10,009
TOTAL	44,649	45,505	46,103	46,103	46,623	46,668

Bluewater Power Distribution Corporation (EB-2002-0517)

2009 EDR Application (ED-2008-0221)

February 24, 2009

C1 Load Data and Forecast

METERED KILOWATT-HOURS (kWh)

Customer Class Name	2006 EDR Approved	2006 Actual	2007 Actual	2007 Normalized	2008 Normalized	2009 Normalized
Residential	269,172,954	258,763,018	266,618,398	262,311,194	264,548,206	261,847,739
General Service <50 kW	126,666,633	117,915,371	119,898,584	119,643,998	119,801,538	120,287,121
General Service 50 to 999 kW	219,392,039	217,640,501	219,082,316	214,903,890	215,661,960	214,354,332
General Service 1,000 to 4,999 kW	170,944,308	209,342,236	202,583,345	202,583,345	183,810,752	165,546,229
Large	351,679,464	304,292,894	318,201,517	318,201,517	320,066,446	280,461,771
Unmetered Scattered Load	2,956,878	2,992,774	2,978,570	2,978,570	2,988,756	2,188,838
Sentinel Lighting	649,471	699,378	685,929	685,929	685,033	684,138
Street Lighting	8,769,187	8,581,095	8,536,684	8,536,684	8,627,815	8,719,920
TOTAL	1,150,230,934	1,120,227,267	1,138,585,343	1,129,845,127	1,116,190,506	1,054,090,088

Bluewater Power Distribution Corporation (EB-2002-0517)

2009 EDR Application (ED-2008-0221)

February 24, 2009

C1 Load Data and Forecast

KILOWATTS (kW)

Customer Class Name	2006 EDR Approved	2006 Actual	2007 Actual	2007 Normalized	2008 Normalized	2009 Normalized
Residential						
General Service <50 kW						
General Service 50 to 999 kW	467,580	591,300	601,223	589,074	590,129	588,341
General Service 1,000 to 4,999 kW	294,070	415,068	423,081	423,081	397,831	372,459
Large	563,939	494,407	492,550	492,550	493,030	421,890
Unmetered Scattered Load						
Sentinel Lighting	1,558	1,608	1,634	1,634	1,635	1,637
Street Lighting	23,274	24,059	23,751	23,751	23,656	23,562
TOTAL	1,350,421	1,526,442	1,542,239	1,530,090	1,506,281	1,407,889

Appendix F

Bluewater Power Load Forecast Comparison

	Original	Updated	Settlement	Variance from Original	Variance %
Customer Class Name	2009 Normalized	2009 Normalized	2009 Normalized	2009 Normalized	
Residential	32,006	32,006	31,560	(446)	-1.4%
General Service <50 kW	3,924	3,924	3,890	(34)	-0.9%
General Service 50 to 999 kW	396	396	399	3	0.8%
General Service 1,000 to 4,999 kW	16	15	15	(1)	-6.3%
Large	4	3	3	(1)	-25.0%
Unmetered Scattered Load	266	266	266	0	0.0%
Sentinel Lighting	526	526	526	0	0.0%
Street Lighting	10,009	10,009	10,009	0	0.0%
TOTAL	47,147	47,145	46,668	(479)	-1.0%

Metered kWh

	Original	Updated	Settlement	Variance	Variance %
Customer Class Name	2009 Normalized	200 Normalized	2009 Normalized	2009 Normalized	
Residential	266,434,436	266,434,436	261,847,739	(4,586,697)	-1.7%
General Service <50 kW	120,544,382	120,544,382	120,287,121	(257,261)	-0.2%
General Service 50 to 999 kW	216,234,424	216,234,424	214,354,332	(1,880,092)	-0.9%
General Service 1,000 to 4,999 kW	181,109,127	165,546,229	165,546,229	(15,562,898)	-8.6%
Large	321,942,304	280,461,771	280,461,771	(41,480,533)	-12.9%
Unmetered Scattered Load	2,188,838	2,188,838	2,188,838	0	0.0%
Sentinel Lighting	684,138	684,138	684,138	0	0.0%
Street Lighting	8,719,920	8,719,920	8,719,920	0	0.0%
TOTAL	1,117,857,569	1,060,814,138	1,054,090,088	(63,767,481)	-5.7%

KILOWATTS (kW)

	Original	Updated	Settlement	Variance	Variance %
Customer Class Name	2009 Normalized	2009 Normalized	2009 Normalized	2009 Normalized	
Residential					
General Service <50 kW					
General Service 50 to 999 kW	593,516	593,516	588,341	(5,175)	-0.9%
General Service 1,000 to 4,999 kW	398,767	372,459	372,459	(26,308)	-6.6%
Large	493,510	421,890	421,890	(71,620)	-14.5%
Unmetered Scattered Load					
Sentinel Lighting	1,637	1,637	1,637	0	0.0%
Street Lighting	23,562	23,562	23,562	0	0.0%
TOTAL	1,510,992	1,413,064	1,407,889	(103,103)	-6.8%

Appendix G

Bluewater Power Distribution Corporation (EB-2002-0517)
2009 EDR Application (ED-2008-0221)
February 26, 2009

Revenue Requirement Summary

Rate Base		
2008 ending Net Fixed Assets	37,944,816	
2009 ending Net Fixed Assets	<u>37,853,860</u>	
Average Net Fixed Assets		37,899,338
Working Capital Allowance Base	82,763,388	
Working Capital Allowance	12.0%	9,931,607
Rate Base		<u>47,830,944</u>
Return On Rate Base		
Deemed Short-Term Debt %	4.00%	1,913,238
Deemed Long-Term Debt %	52.67%	25,190,964
Deemed Equity %	43.33%	20,726,743
Short-Term Interest	1.33%	25,446
Long-Term Interest	7.62%	1,919,551
Return On Equity	8.01%	<u>1,660,212</u>
Return On Rate Base		<u>3,605,210</u>
Distribution Expenses & Taxes		
OM&A	10,254,169	
Amortization	4,120,022	
PILs/Taxes	1,409,808	<u>15,783,999</u>
Revenue Offsets		(728,598)
Distribution Revenue Requirement		
<i>Distribution Revenue at Existing Rates</i>	<u>15,367,563</u>	<u>18,660,611</u>
Revenue Sufficiency (Deficiency)	<u>(3,293,048)</u>	

Appendix H

Bluewater Power Distribution Corporation (EB-2002-0517)
2009 EDR Application (ED-2008-0221)
February 26, 2009

Revenue Sufficiency / Deficiency

	2009 Projection
Utility Income <i>(see below)</i>	1,636,112
Utility Rate Base	47,830,944
Indicated Rate of Return	3.42%
Requested / Approved Rate of Return	7.54%
Sufficiency / (Deficiency) in Return	(4.12%)
Net Revenue Sufficiency / (Deficiency)	(1,969,097)
Provision for PILs/Taxes	(1,323,951)
Gross Revenue Sufficiency / (Deficiency)	(3,293,048)
<i>Deemed Overall Debt Rate</i>	7.18%
<i>Deemed Cost of Debt</i>	1,944,998
<i>Utility Income less Deemed Cost of Debt</i>	(308,885)
<i>Return On Deemed Equity</i>	(1.49%)

UTILITY INCOME

Total Net Revenues	16,096,160
OM&A Expenses	9,991,419
Depreciation & Amortization	4,120,022
Taxes other than PILs / Income Taxes	262,750
Total Costs & Expenses	14,374,191
Utility Income before Income Taxes / PILs	1,721,969
PILs / Income Taxes	85,857
Utility Income	1,636,112

Appendix I

Taxable Income

	T2 S1 line #	2006 EDR Approved			2008 Projection	2009 @ existing rates	2009 @ new dist. rates
		Tax Return	Less: Non- Distribution Portion	Utility Only			
Income/(Loss) before PILs/Taxes (Accounting) ¹		2,098,932		2,098,932	1,186,162	(868,584)	1,660,212
Additions:							
Interest and penalties on taxes	103	5,540		5,540	2,049	2,049	2,049
Amortization of tangible assets	104	3,130,369		3,130,369	4,045,269	4,332,522	4,120,022
Amortization of intangible assets	106						
Recapture of capital cost allowance from Schedule 8	107						
Gain on sale of eligible capital property from Schedule 10	108						
Income or loss for tax purposes- joint ventures or partnerships	109						
Loss in equity of subsidiaries and affiliates	110						
Loss on disposal of assets	111						
Charitable donations	112	9,852		9,852			
Taxable Capital Gains	113						
Political Donations	114						
Deferred and prepaid expenses	116						
Scientific research expenditures deducted on financial statements	118						
Capitalized interest	119						
Non-deductible club dues and fees	120						
Non-deductible meals and entertainment expense	121	20,862		20,862	29,398	29,398	29,398
Non-deductible automobile expenses	122						
Non-deductible life insurance premiums	123						
Non-deductible company pension plans	124						
Tax reserves beginning of year	125						
Reserves from financial statements- balance at end of year	126						
Soft costs on construction and renovation of buildings	127						
Book loss on joint ventures or partnerships	205						

Taxable Income

	T2 S1 line #	2006 EDR Approved			2008 Projection	2009 @ existing rates	2009 @ new dist. rates
		Tax Return	Less: Non- Distribution Portion	Utility Only			
Income/(Loss) before PILs/Taxes (Accounting) ¹		2,098,932		2,098,932	1,186,162	(868,584)	1,660,212
Capital items expensed	206	5,974		5,974			
Debt issue expense	208						
Development expenses claimed in current year	212						
Financing fees deducted in books	216						
Gain on settlement of debt	220						
Non-deductible advertising	226						
Non-deductible interest	227						
Non-deductible legal and accounting fees	228						
Recapture of SR&ED expenditures	231						
Share issue expense	235						
Write down of capital property	236	2,088,064		2,088,064			
Amounts received in respect of qualifying environment trust per paragraphs 12(1)(z.1) and 12(1)(z.2)	237						
Net employee future benefits (accrual less amounts paid)	292	354,570		354,570	847,994	694,415	694,415
Interest on a/c 6035 (customer deposits)					56,820	56,820	
Interest on a/c 6005 (long term debt)					1,404,877	1,404,876	
Capital taxes expensed (included in IBT)					135,000	135,000	
Carrying charges accrued (expensed not paid)					223,924	243,636	243,636
Total Additions		5,615,231		5,615,231	6,745,331	6,898,716	5,089,520

Taxable Income

	T2 S1 line #	2006 EDR Approved			2008 Projection	2009 @ existing rates	2009 @ new dist. rates
		Tax Return	Less: Non- Distribution Portion	Utility Only			
Income/(Loss) before PILs/Taxes (Accounting) ¹		2,098,932		2,098,932	1,186,162	(868,584)	1,660,212
Deductions:							
Gain on disposal of assets per financial statements	401				57,300	26,500	26,500
Dividends not taxable under section 83	402						
Capital cost allowance from Schedule 8	403	2,903,731		2,903,731	3,667,133	3,890,096	3,890,096
Terminal loss from Schedule 8	404						
Cumulative eligible capital deduction from Schedule 10 CEC	405	174,508		174,508	129,867	120,776	120,776
Allowable business investment loss	406						
Deferred and prepaid expenses	409						
Scientific research expenses claimed in year	411						
Tax reserves end of year	413						
Reserves from financial statements - balance at beginning of year	414						
Contributions to deferred income plans	416						
Book income of joint venture or partnership	305						
Equity in income from subsidiary or affiliates	306						
Deemed interest expense (per rate model)					1,803,527	2,101,466	
Carrying charges accrued (revenue not received)	393	2,794,381		2,794,381			
Capital taxes calculated by PILS model					81,212	73,870	
Total Deductions		5,872,620		5,872,620	5,739,039	6,212,707	4,037,372

Taxable Income

	T2 S1 line #	2006 EDR Approved			2008 Projection	2009 @ existing rates	2009 @ new dist. rates
		Tax Return	Less: Non- Distribution Portion	Utility Only			
Income/(Loss) before PILs/Taxes (Accounting) ¹		2,098,932		2,098,932	1,186,162	(868,584)	1,660,212
NET INCOME (LOSS) FOR TAX PURPOSES		1,841,543		1,841,543	2,192,454	(182,575)	2,712,360
Charitable donations from Schedule 2		9,852		9,852			
Taxable dividends deductible under section 112 or 113, from Schedule 3 (item 82)							
Non-capital losses of preceding taxation years from Schedule 4							
Net-capital losses of preceding taxation years from Schedule 4							
Limited partnership losses of preceding taxation years from Schedule 4							
TAXABLE INCOME (LOSS)		1,831,691		1,831,691	2,192,454	(182,575)	2,712,360

¹ 2049 = "Earnings before Tax" (sheet E1); 2049 = "Earnings before Tax" (sheet E2); 2049 = "Deemed Return On Equity" (sheet E3)

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Capital Taxes

	2008	2009
OCT (Ontario Capital Tax):		
Rate Base	51,094,378	47,830,944
Less: Exemption	<u>15,000,000</u>	<u>15,000,000</u>
Deemed Taxable Capital	36,094,378	32,830,944
Tax Rate	0.225%	0.225%
OCT payable	81,212	73,870
Federal LCT (Large Corporations Tax):		
Rate Base	51,094,378	47,830,944
Less: Exemption	<u>50,000,000</u>	<u>50,000,000</u>
Deemed Taxable Capital	1,094,378	
Tax Rate		
LCT payable		

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P8 Total PILs Expense

	2008 Projection	2009 Projection ¹	2009 Test ¹
Regulatory Taxable Income/(Loss)	2,192,454	(182,575)	2,712,360
Combined Income Tax Rate	33.50%		33.00%
Total Income Taxes	734,472		895,079
Investment & Miscellaneous Tax Credits			
Income Tax Payable	<u>734,472</u>		<u>895,079</u>
Large Corporations Tax (LCT)			
Ontario Capital Tax (OCT)	81,212	73,870	73,870
Grossed-up Income Tax			1,335,938
Grossed-up LCT			
Total PILs Expense	815,684	73,870	1,409,808

¹ 'Projection' per existing rates; 'Test' based on proposed revenue requirement

P2 Cumulative Eligible Capital (CEC)

	2008		2009	
CEC Opening Balance ¹			2,005,239	1,725,372
Eligible Capital Property (ECP) Acquisitions				
Other Adjustments				
Subtotal		x 3/4 =		x 3/4 =
Non-taxable portion of a non-arm's length transferor's gain realized on the transfer of an ECP to the Corporation after December 20, 2002		x 1/2 =		x 1/2 =
Amount transferred on amalgamation or wind-up of subsidiary				
Subtotal before deductions			2,005,239	1,725,372
ECP Dispositions (net)	200,000			
Other Adjustments				
Subtotal	200,000	x 3/4 = 150,000	(150,000)	x 3/4 =
Balance before tax deduction			1,855,239	1,725,372
Tax Deduction		Rate: 7.0%	129,867	Rate: 7.0% 120,776
CEC Ending Balance			<u>1,725,372</u>	<u>1,604,596</u>

¹ 2008 amount per ending balance on Schedule 10 of 2007 corporate tax return

Appendix J

Rate Riders

Deferral / Variance Account	Total Recovery Amount	Allocation Basis	Residential	General Service <50 kW	General Service 50 to 999 kW	General Service 1,000 to 4,999 kW
1505-LRAM and SSM (holding account only)	130,666	\$ for LRAM	111,248	9,070	10,348	
1508-Other Regulatory Assets	681,832	Distribution Revenue (proposed rates)	366,826	120,823	97,085	30,074
1525-Miscellaneous Deferred Debits	517	kWh's	128	59	105	81
1550-LV Variance Account	(34,719)	Transmission Connection Revenue	(10,053)	(4,156)	(7,781)	(5,400)
1580-RSVAWMS	(1,830,435)	kWh's	(454,700)	(208,879)	(372,228)	(287,472)
1584-RSVANW	116,991	kWh's	29,062	13,350	23,791	18,374
1586-RSVACN	(396,669)	kWh's	(98,537)	(45,266)	(80,665)	(62,297)
1588-RSVAPOWER	(2,854,674)	kWh's	(709,133)	(325,760)	(580,512)	(448,330)
2425-Sub account of 1588 Global Adjustment (holding account only)	212,147	kWh's	52,700	24,209	43,141	33,318
Sub-Total for recovery	(3,974,344)		(712,460)	(416,550)	(866,715)	(721,653)
1590-Recovery of Regulatory Asset Balances (residual)						
Total Recoveries Required (2 years)	(3,974,344)		(712,460)	(416,550)	(866,715)	(721,653)
Annual Recovery Amounts	(1,987,172)		(356,230)	(208,275)	(433,357)	(360,826)
Annual Volume			261,847,739	120,287,121	588,341	372,459
Proposed Rate Rider per			(\$0.0014) kWh	(\$0.0017) kWh	(\$0.7366) kW	(\$0.9688) kW

¹ per sheet C6

Rate Riders

Deferral / Variance Account	Total Recovery Amount	Allocation Basis	Large	Unmetered Scattered Load	Sentinel Lighting	Street Lighting
1505-LRAM and SSM (holding account only)	130,666	\$ for LRAM				
1508-Other Regulatory Assets	681,832	Distribution Revenue (proposed rates)	46,589	4,201	1,133	15,100
1525-Miscellaneous Deferred Debits	517	kWh's	138	1	0	4
1550-LV Variance Account	(34,719)	Transmission Connection Revenue	(6,995)	(76)	(17)	(241)
1580-RSVAWMS	(1,830,435)	kWh's	(487,024)	(3,801)	(1,188)	(15,142)
1584-RSVANW	116,991	kWh's	31,128	243	76	968
1586-RSVACN	(396,669)	kWh's	(105,542)	(824)	(257)	(3,281)
1588-RSVAPOWER	(2,854,674)	kWh's	(759,543)	(5,928)	(1,853)	(23,615)
2425-Sub account of 1588 Global Adjustment (holding account only)	212,147	kWh's	56,446	441	138	1,755
Sub-Total for recovery	(3,974,344)		(1,224,804)	(5,743)	(1,968)	(24,452)
1590-Recovery of Regulatory Asset Balances (residual)						
Total Recoveries Required (2 years)	(3,974,344)		(1,224,804)	(5,743)	(1,968)	(24,452)
Annual Recovery Amounts	(1,987,172)		(612,402)	(2,871)	(984)	(12,226)
Annual Volume			421,890	2,188,838	1,637	23,562
Proposed Rate Rider per			(\$1.4516) kW	(\$0.0013) kWh	(\$0.6011) kW	(\$0.5189) kW

¹ per sheet C6

Rate Riders

Deferral / Variance Account	Total Recovery Amount	Allocation Basis	Residential	General Service <50 kW	General Service 50 to 999 kW	General Service 1,000 to 4,999 kW
Allocators	Data Source	2009 Projection Total	Residential	General Service <50 kW	General Service 50 to 999 kW	General Service 1,000 to 4,999 kW
Customers / Connections	C1	46,668	31,560	3,890	399	15
kWh's	C1	1,054,090,088	261,847,739	120,287,121	214,354,332	165,546,229
Distribution Revenue (existing rates)	C4	16,076,131	8,229,359	2,714,144	2,538,246	1,123,247
Distribution Revenue (proposed rates)	F4	18,660,611	10,039,409	3,306,729	2,657,066	823,088
Transmission Connection Revenue	C2	4,682,525	1,355,848	560,562	1,049,424	728,306
Number of customer accounts						
\$ for LRAM		130,666	111,248	9,070	10,348	
Approved Recoveries	C5	100.0%	97.1%	14.2%	7.3%	-15.0%

Rate Riders

Deferral / Variance Account	Total Recovery Amount	Allocation Basis	Large	Unmetered Scattered Load	Sentinel Lighting	Street Lighting
Allocators	Data Source	2009 Projection Total	Large	Unmetered Scattered Load	Sentinel Lighting	Street Lighting
Customers / Connections	C1	46,668	3	266	526	10,009
kWh's	C1	1,054,090,088	280,461,771	2,188,838	684,138	8,719,920
Distribution Revenue (existing rates)	C4	16,076,131	1,131,024	68,172	19,320	252,618
Distribution Revenue (proposed rates)	F4	18,660,611	1,275,057	114,970	31,021	413,272
Transmission Connection Revenue	C2	4,682,525	943,388	10,200	2,304	32,492
Number of customer accounts						
\$ for LRAM		130,666				
Approved Recoveries	C5	100.0%	-3.4%	0.8%	0.3%	-1.4%

Appendix K

Bluewater Power Distribution Corporation (EB-2002-0517)

2009 EDR Application (ED-2008-0221)

February 26, 2009

F4 Revenue Requirement Allocation

Enter the outstanding Base Revenue Requirement and Transformer Allowance recoveries by customer class

Customer Class Name	Outstanding Base Revenue Requirement %			Outstanding Base Revenue Requirement \$ ³			Directly Assigned Revenues ³	Total Base Revenue Requirement
	Cost Allocation ¹	Existing Rates ²	Rate Application	Cost Allocation	Existing Rates	Rate Application		
Residential	52.15%	51.19%	53.80%	9,732,017	9,552,353	10,039,409		10,039,409
General Service <50 kW	16.11%	16.88%	17.72%	3,006,117	3,150,484	3,306,729		3,306,729
General Service 50 to 999 kW	15.82%	15.79%	14.24%	2,952,296	2,946,307	2,657,066		2,657,066
General Service 1,000 to 4,999 kW	4.35%	6.99%	4.41%	811,724	1,303,826	823,088		823,088
Large	6.40%	7.04%	6.83%	1,194,158	1,312,853	1,275,057		1,275,057
Unmetered Scattered Load	0.88%	0.42%	0.62%	164,242	79,132	114,970		114,970
Sentinel Lighting	0.35%	0.12%	0.17%	66,002	22,426	31,021		31,021
Street Lighting	3.93%	1.57%	2.21%	734,054	293,230	413,272		413,272
TOTAL	100.00%	100.00%	100.00%	18,660,610	18,660,611	18,660,611		18,660,611
			OK			OK		

¹ from sheet F3

² from sheet C4

³ from sheet F2

Customer Class Name	Total Base Revenue Requirement	Transformer Allowance Recovery ⁴	Low Voltage Revenue Required ⁵	Gross Base Revenue Requirement
Residential	10,039,409		54,900	10,094,309
General Service <50 kW	3,306,729		22,698	3,329,427
General Service 50 to 999 kW	2,657,066	85,150	42,493	2,784,709
General Service 1,000 to 4,999 kW	823,088	202,746	29,490	1,055,324
Large	1,275,057	255,684	38,199	1,568,940
Unmetered Scattered Load	114,970		413	115,383
Sentinel Lighting	31,021		93	31,114
Street Lighting	413,272		1,316	414,588
TOTAL	18,660,611	543,581	189,602	19,393,794
		OK		

⁴ Volume per sheet C4: total allocations must match total amount of allowances

⁵ allocated per table below

2009 Transformer Allowances

	Volume ⁴	Rate	Amount
kW:	905,968	(\$0.6000)	(543,581)

Bluewater Power Distribution Corporation (EB-2002-0517)

2009 EDR Application (ED-2008-0221)

February 26, 2009

F4 Revenue Requirement Allocation

Enter the outstanding Base Revenue Requirement and Transformer Allowance recoveries by customer class

Customer Class Name	Test Year Revenues ⁶ Transmission - Connection	Class Share	Low Voltage Charges ⁷
Residential	1,355,848	29.0%	54,900
General Service <50 kW	560,562	12.0%	22,698
General Service 50 to 999 kW	1,049,424	22.4%	42,493
General Service 1,000 to 4,999 kW	728,306	15.6%	29,490
Large	943,388	20.1%	38,199
Unmetered Scattered Load	10,200	0.2%	413
Sentinel Lighting	2,304	0.0%	93
Street Lighting	32,492	0.7%	1,316
TOTAL	4,682,525	100.0%	189,602

OK

⁶ charge type per sheet Y4; amounts per sheet C2:

⁷ Total per sheet C2; allocated to customer classes based on Class Share

Customer Class Name	Rate Application			Cost Allocation	Variance	Target Range		
	Allocated Revenue ⁸	Allocated Cost ⁸	Revenue to Cost Ratio	Revenue to Cost Ratio ⁹		Floor	Celiling	
Residential	10,039,409	9,732,017	1.03	1.04	(0.01)	0.85	1.15	
General Service <50 kW	3,306,729	3,006,117	1.10	1.12	(0.02)	0.80	1.20	
General Service 50 to 999 kW	2,657,066	2,952,296	0.90	0.88	0.02	0.80	1.80	
General Service 1,000 to 4,999 kW	823,088	811,724	1.01	1.01	0.01	0.80	1.80	
Large	1,275,057	1,194,158	1.07	1.10	(0.03)	0.85	1.15	
Unmetered Scattered Load	114,970	164,242	0.70	0.65	0.05	0.80	1.20	1/4 towards .85
Sentinel Lighting	31,021	66,002	0.47	0.35	0.12	0.70	1.20	1/4 towards .85
Street Lighting	413,272	734,054	0.56	0.47	0.10	0.70	1.20	1/4 towards .85
TOTAL	18,660,611	18,660,610	1.00	1.00	0.00			

⁸ see first table above (Outstanding Revenue Requirement \$)

⁹ from sheet F3

Appendix L

Proposed Rate Schedule

Monthly Rates and Charges

		Effective May 1/09
Residential		
Service Charge	\$	13.90
Distribution Volumetric Rate	\$/kWh	0.0188
Regulatory Asset Recovery	\$/kWh	(0.0014)
Retail Transmission Rate – Network Service Rate	\$/kWh	0.0052
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kWh	0.0050
Wholesale Market Service Rate	\$/kWh	0.0052
Rural Rate Protection Charge	\$/kWh	0.0013
Standard Supply Service – Administrative Charge (if applicable)	\$	0.25
General Service <50 kW		
Service Charge	\$	25.42
Distribution Volumetric Rate	\$/kWh	0.0179
Regulatory Asset Recovery	\$/kWh	(0.0017)
Retail Transmission Rate – Network Service Rate	\$/kWh	0.0048
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kWh	0.0045
Wholesale Market Service Rate	\$/kWh	0.0052
Rural Rate Protection Charge	\$/kWh	0.0013
Standard Supply Service – Administrative Charge (if applicable)	\$	0.25
General Service 50 to 999 kW		
Service Charge	\$	140.56
Distribution Volumetric Rate	\$/kW	3.5913
Regulatory Asset Recovery	\$/kW	(0.7366)
Retail Transmission Rate – Network Service Rate	\$/kW	1.9313
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kW	1.7837
Wholesale Market Service Rate	\$/kWh	0.0052
Rural Rate Protection Charge	\$/kWh	0.0013
Standard Supply Service – Administrative Charge (if applicable)	\$	0.25
General Service 1,000 to 4,999 kW		
Service Charge	\$	3,084.55
Distribution Volumetric Rate	\$/kW	1.3428
Regulatory Asset Recovery	\$/kW	(0.9688)
Retail Transmission Rate – Network Service Rate	\$/kW	2.0512
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kW	1.9554
Wholesale Market Service Rate	\$/kWh	0.0052
Rural Rate Protection Charge	\$/kWh	0.0013
Standard Supply Service – Administrative Charge (if applicable)	\$	0.25

Proposed Rate Schedule

Monthly Rates and Charges

		Effective May 1/09
Large		
Service Charge	\$	24,998.95
Distribution Volumetric Rate	\$/kW	1.5857
Regulatory Asset Recovery	\$/kW	(1.4516)
Retail Transmission Rate – Network Service Rate	\$/kW	2.2712
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kW	2.2361
Wholesale Market Service Rate	\$/kWh	0.0052
Rural Rate Protection Charge	\$/kWh	0.0013
Standard Supply Service – Administrative Charge (if applicable)	\$	0.25
Unmetered Scattered Load		
Service Charge (per connection)	\$	12.58
Distribution Volumetric Rate	\$/kWh	0.0344
Regulatory Asset Recovery	\$/kWh	(0.0013)
Retail Transmission Rate – Network Service Rate	\$/kWh	0.0048
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kWh	0.0045
Wholesale Market Service Rate	\$/kWh	0.0052
Rural Rate Protection Charge	\$/kWh	0.0013
Standard Supply Service – Administrative Charge (if applicable)	\$	0.25

Proposed Rate Schedule

Monthly Rates and Charges

		Effective May 1/09
Sentinel Lighting		
Service Charge (per connection)	\$	1.81
Distribution Volumetric Rate	\$/kW	12.0277
Regulatory Asset Recovery	\$/kW	(0.6011)
Retail Transmission Rate – Network Service Rate	\$/kW	1.4639
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kW	1.4077
Wholesale Market Service Rate	\$/kWh	0.0052
Rural Rate Protection Charge	\$/kWh	0.0013
Standard Supply Service – Administrative Charge (if applicable)	\$	0.25
Street Lighting		
Service Charge (per connection)	\$	1.37
Distribution Volumetric Rate	\$/kW	10.6120
Regulatory Asset Recovery	\$/kW	(0.5189)
Retail Transmission Rate – Network Service Rate	\$/kW	1.4565
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kW	1.3790
Wholesale Market Service Rate	\$/kWh	0.0052
Rural Rate Protection Charge	\$/kWh	0.0013
Standard Supply Service – Administrative Charge (if applicable)	\$	0.25

Proposed Rate Schedule

Monthly Rates and Charges

		Effective May 1/09
Specific Service Charges		
Income tax letter	\$	15.00
Returned Cheque charge (plus bank charges)	\$	15.00
Legal letter charge	\$	15.00
Account set up charge / change of occupancy charge	\$	10.00
Late Payment - per month	%	1.50
Collection of account charge – no disconnection	\$	30.00
Disconnect/Reconnect at meter – during regular hours	\$	65.00
Disconnect/Reconnect at meter – after regular hours	\$	185.00
Specific Charge for Access to the Power Poles – per pole/year	\$	22.35
Retailer Service Agreement -- monthly fixed charge (per retailer)	\$	20.00
Retailer Service Agreement -- monthly variable charge (per customer)	\$	0.50
Distributor-Consolidated Billing -- monthly charge (per customer)	\$	0.30
Retailer-Consolidated Billing -- monthly credit (per customer)	\$	(0.30)
Service Transaction Request -- request fee (per request)	\$	0.25
Service Transaction Request -- processing fee (per processed request)	\$	0.50
Interval Meter Load Management Tool	\$	50.00
Allowances		
Transformer Allowance for Ownership - per kW of billing demand/month	\$/kW	(0.60)
Primary Metering Allowance for transformer losses – applied to measured demand and energy	%	(1.00)
LOSS FACTORS		
Secondary Metered Customer < 5000 kW		1.0356
Secondary Metered Customer > 5000 kW		1.0145
Primary Metered Customer < 5000 kW		1.0253
Primary Metered Customer > 5000 kW		1.0045

Appendix M

Appendix M - Bill Impact Comparison

Customer Class	Bill Component	Existing Rates \$	2009 Settlement \$	Existing Rates vs. Settlement		Distribution % change over Existing Total Bill (Note 1)
				\$ Change	% Change	
Residential 750 kWh	Monthly Service Charge	\$13.90	\$13.90	\$ -		
	Volumetric Distribution Charge	\$8.78	\$14.10	\$5.33	60.7%	
	Sub-Total Distribution	\$22.68	\$28.00	\$5.33	23.5%	
	Total Bill	\$85.74	\$90.26	\$4.53	5.3%	6.2%
Residential 1000 kWh	Monthly Service Charge	\$13.90	\$13.90	\$ -		
	Volumetric Distribution Charge	\$11.70	\$18.80	\$7.10	60.7%	
	Sub-Total Distribution	\$25.60	\$32.70	\$7.10	27.7%	
	Total Bill	\$111.49	\$117.52	\$6.03	5.4%	6.4%
GS<50 2000 kWh	Monthly Service Charge	\$25.42	\$25.42	\$ -		
	Volumetric Distribution Charge	\$25.60	\$35.80	\$10.20	39.8%	
	Sub-Total Distribution	\$51.02	\$61.22	\$10.20	20.0%	
	Total Bill	\$224.98	\$232.42	\$7.44	3.3%	4.5%
GS>50 52,000 kWh 135 kW	Monthly Service Charge	\$330.82	\$140.56	(\$190.26)	-57.5%	
	Volumetric Distribution Charge	\$219.25	\$484.83	\$265.57	121.1%	
	Sub-Total Distribution	\$550.07	\$625.39	\$75.31	13.7%	
	Total Bill	\$5,239.08	\$5,235.10	(\$3.99)	-0.1%	1.4%
GS>50 430,000 kWh 860 kW	Monthly Service Charge	\$330.82	\$140.56	(\$190.26)	-57.5%	
	Volumetric Distribution Charge	\$1,396.73	\$3,088.52	\$1,691.79	121.1%	
	Sub-Total Distribution	\$1,727.55	\$3,229.08	\$1,501.53	86.9%	
	Total Bill	\$34,959.94	\$38,547.07	\$3,587.13	10.3%	4.3%
GS 1000-4999 kW 1,700,000 kWh 3,532 kW	Monthly Service Charge	\$3,084.55	\$3,084.55			
	Volumetric Distribution Charge	\$5,387.01	\$4,742.77	(\$644.24)	-12.0%	
	Sub-Total Distribution	\$8,471.56	\$7,827.32	(\$644.24)	-7.6%	
	Total Bill	\$140,195.08	\$146,889.89	\$6,694.81	4.8%	-0.5%
Large Use 4,446,000 kWh 6,900 kW	Monthly Service Charge	\$18,021.42	\$24,998.95	\$6,977.53	38.7%	
	Volumetric Distribution Charge	\$7,887.39	\$10,941.33	\$3,053.94	38.7%	
	Sub-Total Distribution	\$25,908.81	\$35,940.28	\$10,031.47	38.7%	
	Total Bill	\$356,929.77	\$386,475.88	\$29,546.11	8.3%	2.8%
USL 1000 kWh	Monthly Service Charge	\$12.58	\$12.58			
	Volumetric Distribution Charge	\$12.80	\$34.40	\$21.60	168.8%	
	Sub-Total Distribution	\$25.38	\$46.98	\$21.60	85.1%	
	Total Bill	\$108.98	\$129.61	\$20.63	18.9%	19.8%
Sentinel (per connection) 176 kWh .46 kW	Monthly Service Charge	\$1.81	\$1.81			
	Volumetric Distribution Charge	\$2.22	\$5.53	\$3.31	149.4%	
	Sub-Total Distribution	\$4.03	\$7.34	\$3.31	82.3%	
	Total Bill	\$17.93	\$21.01	\$3.08	17.2%	18.5%
Streetlight (per connection) 99 kWh .21 kW	Monthly Service Charge	\$1.37	\$1.37			
	Volumetric Distribution Charge	\$0.78	\$2.23	\$1.44	183.9%	
	Sub-Total Distribution	\$2.15	\$3.60	\$1.44	67.0%	
	Total Bill	\$9.83	\$11.18	\$1.34	13.7%	14.7%

Note (1) This is the Monthly Service charge and Volumetric Distribution charge total (Sub-Total Distribution) variance from existing rates to proposed rates divided by the Total Bill at Existing rates to show the impact of the Distribution Change on the Total Bill.

Appendix N

Bluewater Power Distribution Corporation (EB-2002-0517)
2009 EDR Application (ED-2008-0221)

--
All Rate changes incorporated (RTSR, RPP, RRRP, COC, Tax)

Residential

Volume		RPP Rate Class	Distribution Charges		Total Bill	
kWh *	kW		\$ change	% change	\$ change	% change
250		Summer	\$1.78	10.5%	\$1.54	4.1%
500		Summer	\$3.55	18.0%	\$3.04	5.0%
750		Summer	\$5.33	23.5%	\$4.53	5.3%
1,000		Summer	\$7.10	27.7%	\$6.03	5.4%
1,500		Summer	\$10.65	33.9%	\$9.02	5.5%

Bluewater Power Distribution Corporation (EB-2002-0517)
2009 EDR Application (ED-2008-0221)

--
All Rate changes incorporated (RTSR, RPP, RRRP, COC, Tax)

Residential

250 kWh's

RPP: Summer

	Metric	2008 BILL			2009 BILL			CHANGE IMPACT	
		Volume	Rate	Charge	Volume	Rate	Charge	\$	%
Monthly Service Charge				\$13.90			\$13.90		
Distribution	kWh	250	\$0.0117	\$2.93	250	\$0.0188	\$4.70	\$1.78	60.7%
Sub-Total (Distribution)				\$16.83			\$18.60	\$1.78	10.5%
Deferral/Variance	kWh	250			250	(\$0.0014)	(\$0.35)	(\$0.35)	
Electricity (Commodity)	kWh	261	RPP-Summer	\$14.62	259	RPP-Summer	\$14.50	(\$0.12)	(0.8%)
Transmission - Network	kWh	261	\$0.0047	\$1.23	259	\$0.0052	\$1.35	\$0.12	9.8%
Transmission - Connection	kWh	261	\$0.0048	\$1.25	259	\$0.0050	\$1.29	\$0.04	3.2%
Wholesale Market Service	kWh	261	\$0.0052	\$1.36	259	\$0.0052	\$1.35	(\$0.01)	(0.7%)
Rural Rate Protection	kWh	261	\$0.0010	\$0.26	259	\$0.0013	\$0.34	\$0.08	30.8%
Debt Retirement Charge	kWh	250	\$0.0070	\$1.75	250	\$0.0070	\$1.75		
TOTAL BILL				\$37.30			\$38.83	\$1.54	4.1%

Bluewater Power Distribution Corporation (EB-2002-0517)
2009 EDR Application (ED-2008-0221)

--
All Rate changes incorporated (RTSR, RPP, RRRP, COC, Tax)

Residential

500 kWh's

RPP: Summer

	Metric	2008 BILL			2009 BILL			CHANGE IMPACT	
		Volume	Rate	Charge	Volume	Rate	Charge	\$	%
Monthly Service Charge				\$13.90			\$13.90		
Distribution	kWh	500	\$0.0117	\$5.85	500	\$0.0188	\$9.40	\$3.55	60.7%
Sub-Total (Distribution)				\$19.75			\$23.30	\$3.55	18.0%
Deferral/Variance	kWh	500			500	(\$0.0014)	(\$0.70)	(\$0.70)	
Electricity (Commodity)	kWh	522	RPP-Summer	\$29.25	518	RPP-Summer	\$29.00	(\$0.25)	(0.9%)
Transmission - Network	kWh	522	\$0.0047	\$2.45	518	\$0.0052	\$2.69	\$0.24	9.8%
Transmission - Connection	kWh	522	\$0.0048	\$2.51	518	\$0.0050	\$2.59	\$0.08	3.2%
Wholesale Market Service	kWh	522	\$0.0052	\$2.72	518	\$0.0052	\$2.69	(\$0.03)	(1.1%)
Rural Rate Protection	kWh	522	\$0.0010	\$0.52	518	\$0.0013	\$0.67	\$0.15	28.8%
Debt Retirement Charge	kWh	500	\$0.0070	\$3.50	500	\$0.0070	\$3.50		
TOTAL BILL				\$60.70			\$63.74	\$3.04	5.0%

Bluewater Power Distribution Corporation (EB-2002-0517)
2009 EDR Application (ED-2008-0221)

--
All Rate changes incorporated (RTSR, RPP, RRRP, COC, Tax)

Residential

750 kWh's

RPP: Summer

	Metric	2008 BILL			2009 BILL			CHANGE IMPACT	
		Volume	Rate	Charge	Volume	Rate	Charge	\$	%
Monthly Service Charge				\$13.90			\$13.90		
Distribution	kWh	750	\$0.0117	\$8.78	750	\$0.0188	\$14.10	\$5.33	60.7%
Sub-Total (Distribution)				\$22.68			\$28.00	\$5.33	23.5%
Deferral/Variance	kWh	750			750	(\$0.0014)	(\$1.05)	(\$1.05)	
Electricity (Commodity)	kWh	783	RPP-Summer	\$45.52	777	RPP-Summer	\$45.09	(\$0.43)	(0.9%)
Transmission - Network	kWh	783	\$0.0047	\$3.68	777	\$0.0052	\$4.04	\$0.36	9.8%
Transmission - Connection	kWh	783	\$0.0048	\$3.76	777	\$0.0050	\$3.88	\$0.12	3.2%
Wholesale Market Service	kWh	783	\$0.0052	\$4.07	777	\$0.0052	\$4.04	(\$0.03)	(0.7%)
Rural Rate Protection	kWh	783	\$0.0010	\$0.78	777	\$0.0013	\$1.01	\$0.23	29.5%
Debt Retirement Charge	kWh	750	\$0.0070	\$5.25	750	\$0.0070	\$5.25		
TOTAL BILL				\$85.74			\$90.26	\$4.53	5.3%

Bluewater Power Distribution Corporation (EB-2002-0517)
2009 EDR Application (ED-2008-0221)

--
All Rate changes incorporated (RTSR, RPP, RRRP, COC, Tax)

Residential

RPP: Summer

1,000 kWh's

	Metric	2008 BILL			2009 BILL			CHANGE IMPACT	
		Volume	Rate	Charge	Volume	Rate	Charge	\$	%
Monthly Service Charge				\$13.90			\$13.90		
Distribution	kWh	1,000	\$0.0117	\$11.70	1,000	\$0.0188	\$18.80	\$7.10	60.7%
Sub-Total (Distribution)				\$25.60			\$32.70	\$7.10	27.7%
Deferral/Variance	kWh	1,000			1,000	(\$0.0014)	(\$1.40)	(\$1.40)	
Electricity (Commodity)	kWh	1,045	RPP-Summer	\$62.50	1,036	RPP-Summer	\$61.91	(\$0.59)	(0.9%)
Transmission - Network	kWh	1,045	\$0.0047	\$4.91	1,036	\$0.0052	\$5.39	\$0.48	9.8%
Transmission - Connection	kWh	1,045	\$0.0048	\$5.01	1,036	\$0.0050	\$5.18	\$0.17	3.4%
Wholesale Market Service	kWh	1,045	\$0.0052	\$5.43	1,036	\$0.0052	\$5.39	(\$0.04)	(0.7%)
Rural Rate Protection	kWh	1,045	\$0.0010	\$1.04	1,036	\$0.0013	\$1.35	\$0.31	29.8%
Debt Retirement Charge	kWh	1,000	\$0.0070	\$7.00	1,000	\$0.0070	\$7.00		
TOTAL BILL				\$111.49			\$117.52	\$6.03	5.4%

Bluewater Power Distribution Corporation (EB-2002-0517)
2009 EDR Application (ED-2008-0221)

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All Rate changes incorporated (RTSR, RPP, RRRP, COC, Tax)

Residential
1,500 kWh's

RPP: Summer

	Metric	2008 BILL			2009 BILL			CHANGE IMPACT	
		Volume	Rate	Charge	Volume	Rate	Charge	\$	%
Monthly Service Charge				\$13.90			\$13.90		
Distribution	kWh	1,500	\$0.0117	\$17.55	1,500	\$0.0188	\$28.20	\$10.65	60.7%
Sub-Total (Distribution)				\$31.45			\$42.10	\$10.65	33.9%
Deferral/Variance	kWh	1,500			1,500	(\$0.0014)	(\$2.10)	(\$2.10)	
Electricity (Commodity)	kWh	1,567	RPP-Summer	\$96.45	1,553	RPP-Summer	\$95.57	(\$0.88)	(0.9%)
Transmission - Network	kWh	1,567	\$0.0047	\$7.36	1,553	\$0.0052	\$8.08	\$0.72	9.8%
Transmission - Connection	kWh	1,567	\$0.0048	\$7.52	1,553	\$0.0050	\$7.77	\$0.25	3.3%
Wholesale Market Service	kWh	1,567	\$0.0052	\$8.15	1,553	\$0.0052	\$8.08	(\$0.07)	(0.9%)
Rural Rate Protection	kWh	1,567	\$0.0010	\$1.57	1,553	\$0.0013	\$2.02	\$0.45	28.7%
Debt Retirement Charge	kWh	1,500	\$0.0070	\$10.50	1,500	\$0.0070	\$10.50		
TOTAL BILL				\$163.00			\$172.02	\$9.02	5.5%

Bluewater Power Distribution Corporation (EB-2002-0517)
2009 EDR Application (ED-2008-0221)



General Service <50 |

Volume		RPP?	Distribution Charges		Total Bill	
kWh *	kW		\$ change	% change	\$ change	% change
1,000		Non-res.	\$5.10	13.3%	\$3.73	3.1%
2,000		Non-res.	\$10.20	20.0%	\$7.44	3.3%
5,000		Non-res.	\$25.50	28.5%	\$18.58	3.5%
10,000		Non-res.	\$51.00	33.2%	\$37.16	3.5%
15,000		Non-res.	\$76.50	35.2%	\$55.74	3.6%

Bluewater Power Distribution Corporation (EB-2002-0517)
2009 EDR Application (ED-2008-0221)



General Service <50 kW

RPP: Non-res.

1,000 kWh's

	Metric	2008 BILL			2009 BILL			CHANGE IMPACT	
		Volume	Rate	Charge	Volume	Rate	Charge	\$	%
Monthly Service Charge				\$25.42			\$25.42		
Distribution	kWh	1,000	\$0.0128	\$12.80	1,000	\$0.0179	\$17.90	\$5.10	39.8%
Sub-Total (Distribution)				\$38.22			\$43.32	\$5.10	13.3%
Deferral/Variance	kWh	1,000			1,000	(\$0.0017)	(\$1.70)	(\$1.70)	
Electricity (Commodity)	kWh	1,045	RPP-Non-res.	\$61.15	1,036	RPP-Non-res.	\$60.56	(\$0.59)	(1.0%)
Transmission - Network	kWh	1,045	\$0.0043	\$4.49	1,036	\$0.0048	\$4.97	\$0.48	10.7%
Transmission - Connection	kWh	1,045	\$0.0043	\$4.49	1,036	\$0.0045	\$4.66	\$0.17	3.8%
Wholesale Market Service	kWh	1,045	\$0.0052	\$5.43	1,036	\$0.0052	\$5.39	(\$0.04)	(0.7%)
Rural Rate Protection	kWh	1,045	\$0.0010	\$1.04	1,036	\$0.0013	\$1.35	\$0.31	29.8%
Debt Retirement Charge	kWh	1,000	\$0.0070	\$7.00	1,000	\$0.0070	\$7.00		
TOTAL BILL				\$121.82			\$125.55	\$3.73	3.1%

Bluewater Power Distribution Corporation (EB-2002-0517)
2009 EDR Application (ED-2008-0221)



General Service <50 kW
 2,000 kWh's

RPP: Non-res.

	Metric	2008 BILL			2009 BILL			CHANGE IMPACT	
		Volume	Rate	Charge	Volume	Rate	Charge	\$	%
Monthly Service Charge				\$25.42			\$25.42		
Distribution	kWh	2,000	\$0.0128	\$25.60	2,000	\$0.0179	\$35.80	\$10.20	39.8%
Sub-Total (Distribution)				\$51.02			\$61.22	\$10.20	20.0%
Deferral/Variance	kWh	2,000			2,000	(\$0.0017)	(\$3.40)	(\$3.40)	
Electricity (Commodity)	kWh	2,089	RPP-Non-res.	\$129.05	2,071	RPP-Non-res.	\$127.88	(\$1.17)	(0.9%)
Transmission - Network	kWh	2,089	\$0.0043	\$8.98	2,071	\$0.0048	\$9.94	\$0.96	10.7%
Transmission - Connection	kWh	2,089	\$0.0043	\$8.98	2,071	\$0.0045	\$9.32	\$0.34	3.8%
Wholesale Market Service	kWh	2,089	\$0.0052	\$10.86	2,071	\$0.0052	\$10.77	(\$0.09)	(0.8%)
Rural Rate Protection	kWh	2,089	\$0.0010	\$2.09	2,071	\$0.0013	\$2.69	\$0.60	28.7%
Debt Retirement Charge	kWh	2,000	\$0.0070	\$14.00	2,000	\$0.0070	\$14.00		
TOTAL BILL				\$224.98			\$232.42	\$7.44	3.3%

Bluewater Power Distribution Corporation (EB-2002-0517)
2009 EDR Application (ED-2008-0221)



General Service <50 kW

RPP: Non-res.

5,000 kWh's

	Metric	2008 BILL			2009 BILL			CHANGE IMPACT	
		Volume	Rate	Charge	Volume	Rate	Charge	\$	%
Monthly Service Charge				\$25.42			\$25.42		
Distribution	kWh	5,000	\$0.0128	\$64.00	5,000	\$0.0179	\$89.50	\$25.50	39.8%
Sub-Total (Distribution)				\$89.42			\$114.92	\$25.50	28.5%
Deferral/Variance	kWh	5,000			5,000	(\$0.0017)	(\$8.50)	(\$8.50)	
Electricity (Commodity)	kWh	5,223	RPP-Non-res.	\$332.75	5,178	RPP-Non-res.	\$329.82	(\$2.93)	(0.9%)
Transmission - Network	kWh	5,223	\$0.0043	\$22.46	5,178	\$0.0048	\$24.85	\$2.39	10.6%
Transmission - Connection	kWh	5,223	\$0.0043	\$22.46	5,178	\$0.0045	\$23.30	\$0.84	3.7%
Wholesale Market Service	kWh	5,223	\$0.0052	\$27.16	5,178	\$0.0052	\$26.93	(\$0.23)	(0.8%)
Rural Rate Protection	kWh	5,223	\$0.0010	\$5.22	5,178	\$0.0013	\$6.73	\$1.51	28.9%
Debt Retirement Charge	kWh	5,000	\$0.0070	\$35.00	5,000	\$0.0070	\$35.00		
TOTAL BILL				\$534.47			\$553.05	\$18.58	3.5%

Bluewater Power Distribution Corporation (EB-2002-0517)
2009 EDR Application (ED-2008-0221)



General Service <50 kW
10,000 kWh's

RPP: Non-res.

	Metric	2008 BILL			2009 BILL			CHANGE IMPACT	
		Volume	Rate	Charge	Volume	Rate	Charge	\$	%
Monthly Service Charge				\$25.42			\$25.42		
Distribution	kWh	10,000	\$0.0128	\$128.00	10,000	\$0.0179	\$179.00	\$51.00	39.8%
Sub-Total (Distribution)				\$153.42			\$204.42	\$51.00	33.2%
Deferral/Variance	kWh	10,000			10,000	(\$0.0017)	(\$17.00)	(\$17.00)	
Electricity (Commodity)	kWh	10,446	RPP-Non-res.	\$672.24	10,356	RPP-Non-res.	\$666.39	(\$5.85)	(0.9%)
Transmission - Network	kWh	10,446	\$0.0043	\$44.92	10,356	\$0.0048	\$49.71	\$4.79	10.7%
Transmission - Connection	kWh	10,446	\$0.0043	\$44.92	10,356	\$0.0045	\$46.60	\$1.68	3.7%
Wholesale Market Service	kWh	10,446	\$0.0052	\$54.32	10,356	\$0.0052	\$53.85	(\$0.47)	(0.9%)
Rural Rate Protection	kWh	10,446	\$0.0010	\$10.45	10,356	\$0.0013	\$13.46	\$3.01	28.8%
Debt Retirement Charge	kWh	10,000	\$0.0070	\$70.00	10,000	\$0.0070	\$70.00		
TOTAL BILL				\$1,050.27			\$1,087.43	\$37.16	3.5%

Bluewater Power Distribution Corporation (EB-2002-0517)
2009 EDR Application (ED-2008-0221)



General Service <50 kW
15,000 kWh's

RPP: Non-res.

	Metric	2008 BILL			2009 BILL			CHANGE IMPACT	
		Volume	Rate	Charge	Volume	Rate	Charge	\$	%
Monthly Service Charge				\$25.42			\$25.42		
Distribution	kWh	15,000	\$0.0128	\$192.00	15,000	\$0.0179	\$268.50	\$76.50	39.8%
Sub-Total (Distribution)				\$217.42			\$293.92	\$76.50	35.2%
Deferral/Variance	kWh	15,000			15,000	(\$0.0017)	(\$25.50)	(\$25.50)	
Electricity (Commodity)	kWh	15,669	RPP-Non-res.	\$1,011.74	15,534	RPP-Non-res.	\$1,002.96	(\$8.78)	(0.9%)
Transmission - Network	kWh	15,669	\$0.0043	\$67.38	15,534	\$0.0048	\$74.56	\$7.18	10.7%
Transmission - Connection	kWh	15,669	\$0.0043	\$67.38	15,534	\$0.0045	\$69.90	\$2.52	3.7%
Wholesale Market Service	kWh	15,669	\$0.0052	\$81.48	15,534	\$0.0052	\$80.78	(\$0.70)	(0.9%)
Rural Rate Protection	kWh	15,669	\$0.0010	\$15.67	15,534	\$0.0013	\$20.19	\$4.52	28.8%
Debt Retirement Charge	kWh	15,000	\$0.0070	\$105.00	15,000	\$0.0070	\$105.00		
TOTAL BILL				\$1,566.07			\$1,621.81	\$55.74	3.6%

Bluewater Power Distribution Corporation (EB-2002-0517)
2009 EDR Application (ED-2008-0221)



General Service 50 tc

Volume		RPP?	Distribution Charges		Total Bill	
kWh *	kW		\$ change	% change	\$ change	% change
52,000	135	Non-res.	\$75.31	13.7%	(\$3.99)	(0.1%)
165,000	355	n/a	\$508.10	56.0%	\$1,296.88	9.4%
430,000	860	n/a	\$1,501.53	86.9%	\$3,587.13	10.3%

Bluewater Power Distribution Corporation (EB-2002-0517)
2009 EDR Application (ED-2008-0221)



General Service 50 to 999 kW

RPP: Non-res.

52,000 kWh's
 135 kW's

	Metric	2008 BILL			2009 BILL			CHANGE IMPACT	
		Volume	Rate	Charge	Volume	Rate	Charge	\$	%
Monthly Service Charge				\$330.82			\$140.56	(\$190.26)	(57.5%)
Distribution	kW	135	\$1.6241	\$219.25	135	\$3.5913	\$484.83	\$265.57	121.1%
Sub-Total (Distribution)				\$550.07			\$625.39	\$75.31	13.7%
Deferral/Variance	kW	135			135	(\$0.7366)	(\$99.44)	(\$99.44)	
Electricity (Commodity)	kWh	54,319	RPP-Non-res.	\$3,524.00	53,851	RPP-Non-res.	\$3,493.58	(\$30.42)	(0.9%)
Transmission - Network	kW	135	\$1.7399	\$234.89	135	\$1.9313	\$260.73	\$25.84	11.0%
Transmission - Connection	kW	135	\$1.6988	\$229.34	135	\$1.7837	\$240.80	\$11.46	5.0%
Wholesale Market Service	kWh	54,319	\$0.0052	\$282.46	53,851	\$0.0052	\$280.03	(\$2.43)	(0.9%)
Rural Rate Protection	kWh	54,319	\$0.0010	\$54.32	53,851	\$0.0013	\$70.01	\$15.69	28.9%
Debt Retirement Charge	kWh	52,000	\$0.0070	\$364.00	52,000	\$0.0070	\$364.00		
TOTAL BILL				\$5,239.08			\$5,235.10	(\$3.99)	(0.1%)

Bluewater Power Distribution Corporation (EB-2002-0517)
2009 EDR Application (ED-2008-0221)



General Service 50 to 999 kW

RPP: n/a

165,000 kWh's
 355 kW's

	Metric	2008 BILL			2009 BILL			CHANGE IMPACT	
		Volume	Rate	Charge	Volume	Rate	Charge		%
Monthly Service Charge				\$330.82			\$140.56	(\$190.26)	(57.5%)
Distribution	kW	355	\$1.6241	\$576.56	355	\$3.5913	\$1,274.91	\$698.36	121.1%
Sub-Total (Distribution)				\$907.38			\$1,415.47	\$508.10	56.0%
Deferral/Variance	kW	355			355	(\$0.7366)	(\$261.49)	(\$261.49)	
Electricity (Commodity)	kWh	172,359	\$0.0545	\$9,393.57	170,874	\$0.0603	\$10,303.70	\$910.13	9.7%
Transmission - Network	kW	355	\$1.7399	\$617.66	355	\$1.9313	\$685.61	\$67.95	11.0%
Transmission - Connection	kW	355	\$1.6988	\$603.07	355	\$1.7837	\$633.21	\$30.14	5.0%
Wholesale Market Service	kWh	172,359	\$0.0052	\$896.27	170,874	\$0.0052	\$888.54	(\$7.73)	(0.9%)
Rural Rate Protection	kWh	172,359	\$0.0010	\$172.36	170,874	\$0.0013	\$222.14	\$49.78	28.9%
Debt Retirement Charge	kWh	165,000	\$0.0070	\$1,155.00	165,000	\$0.0070	\$1,155.00		
TOTAL BILL				\$13,745.31			\$15,042.18	\$1,296.88	9.4%

Bluewater Power Distribution Corporation (EB-2002-0517)
2009 EDR Application (ED-2008-0221)



General Service 50 to 999 kW

RPP: n/a

430,000 kWh's
 860 kW's

	Metric	2008 BILL			2009 BILL			CHANGE IMPACT	
		Volume	Rate	Charge	Volume	Rate	Charge		%
Monthly Service Charge				\$330.82			\$140.56	(\$190.26)	(57.5%)
Distribution	kW	860	\$1.6241	\$1,396.73	860	\$3.5913	\$3,088.52	\$1,691.79	121.1%
Sub-Total (Distribution)				\$1,727.55			\$3,229.08	\$1,501.53	86.9%
Deferral/Variance	kW	860			860	(\$0.7366)	(\$633.48)	(\$633.48)	
Electricity (Commodity)	kWh	449,178	\$0.0545	\$24,480.20	445,308	\$0.0603	\$26,852.07	\$2,371.87	9.7%
Transmission - Network	kW	860	\$1.7399	\$1,496.31	860	\$1.9313	\$1,660.92	\$164.61	11.0%
Transmission - Connection	kW	860	\$1.6988	\$1,460.97	860	\$1.7837	\$1,533.98	\$73.01	5.0%
Wholesale Market Service	kWh	449,178	\$0.0052	\$2,335.73	445,308	\$0.0052	\$2,315.60	(\$20.13)	(0.9%)
Rural Rate Protection	kWh	449,178	\$0.0010	\$449.18	445,308	\$0.0013	\$578.90	\$129.72	28.9%
Debt Retirement Charge	kWh	430,000	\$0.0070	\$3,010.00	430,000	\$0.0070	\$3,010.00		
TOTAL BILL				\$34,959.94			\$38,547.07	\$3,587.13	10.3%

Bluewater Power Distribution Corporation (EB-2002-0517)
2009 EDR Application (ED-2008-0221)



General Service 50 to 999 kW

RPP:

kWh's	Metric	2008 BILL			2009 BILL			CHANGE IMPACT	
		Volume	Rate	Charge	Volume	Rate	Charge		%
Monthly Service Charge									
Distribution	kW		\$1.6241			\$3.5913			
Sub-Total (Distribution)									
Deferral/Variance	kW					(\$0.7366)			
Electricity (Commodity)	kWh		RPP-	--		RPP-	--	--	--
Transmission - Network	kW		\$1.7399			\$1.9313			
Transmission - Connection	kW		\$1.6988			\$1.7837			
Wholesale Market Service	kWh		\$0.0052			\$0.0052			
Rural Rate Protection	kWh		\$0.0010			\$0.0013			
Debt Retirement Charge	kWh		\$0.0070			\$0.0070			
TOTAL BILL				--			--	--	--

Bluewater Power Distribution Corporation (EB-2002-0517)
2009 EDR Application (ED-2008-0221)



General Service 1,000

Volume		RPP?	Distribution Charges		Total Bill	
kWh *	kW		\$ change	% change	\$ change	% change
427,000	1,028	n/a	(\$187.51)	(4.0%)	\$1,561.18	4.1%
1,700,000	3,532	n/a	(\$644.24)	(7.6%)	\$6,694.81	4.8%
2,860,000	4,477	n/a	(\$816.60)	(8.2%)	\$12,515.40	5.5%

Bluewater Power Distribution Corporation (EB-2002-0517)
2009 EDR Application (ED-2008-0221)



General Service 1,000 to 4,999 kW

RPP: n/a

427,000 kWh's
 1,028 kW's

	Metric	2008 BILL			2009 BILL			CHANGE IMPACT	
		Volume	Rate	Charge	Volume	Rate	Charge	\$	%
Monthly Service Charge				\$3,084.55			\$3,084.55		
Distribution	kW	1,028	\$1.5252	\$1,567.91	1,028	\$1.3428	\$1,380.40	(\$187.51)	(12.0%)
Sub-Total (Distribution)				\$4,652.46			\$4,464.95	(\$187.51)	(4.0%)
Deferral/Variance	kW	1,028			1,028	(\$0.9688)	(\$995.93)	(\$995.93)	
Electricity (Commodity)	kWh	441,603	\$0.0545	\$24,067.39	437,803	\$0.0603	\$26,399.53	\$2,332.14	9.7%
Transmission - Network	kW	1,028	\$1.8479	\$1,899.64	1,028	\$2.0512	\$2,108.63	\$208.99	11.0%
Transmission - Connection	kW	1,028	\$1.8623	\$1,914.44	1,028	\$1.9554	\$2,010.15	\$95.71	5.0%
Wholesale Market Service	kWh	441,603	\$0.0052	\$2,296.34	437,803	\$0.0052	\$2,276.58	(\$19.76)	(0.9%)
Rural Rate Protection	kWh	441,603	\$0.0010	\$441.60	437,803	\$0.0013	\$569.14	\$127.54	28.9%
Debt Retirement Charge	kWh	427,000	\$0.0070	\$2,989.00	427,000	\$0.0070	\$2,989.00		
TOTAL BILL				\$38,260.87			\$39,822.05	\$1,561.18	4.1%

Bluewater Power Distribution Corporation (EB-2002-0517)
2009 EDR Application (ED-2008-0221)



General Service 1,000 to 4,999 kW

RPP: n/a

1,700,000 kWh's

3,532 kW's

	Metric	2008 BILL			2009 BILL			CHANGE IMPACT	
		Volume	Rate	Charge	Volume	Rate	Charge	\$	%
Monthly Service Charge				\$3,084.55			\$3,084.55		
Distribution	kW	3,532	\$1.5252	\$5,387.01	3,532	\$1.3428	\$4,742.77	(\$644.24)	(12.0%)
Sub-Total (Distribution)				\$8,471.56			\$7,827.32	(\$644.24)	(7.6%)
Deferral/Variance	kW	3,532			3,532	(\$0.9688)	(\$3,421.80)	(\$3,421.80)	
Electricity (Commodity)	kWh	1,758,140	\$0.0545	\$95,818.63	1,743,010	\$0.0603	\$105,103.50	\$9,284.87	9.7%
Transmission - Network	kW	3,532	\$1.8479	\$6,526.78	3,532	\$2.0512	\$7,244.84	\$718.06	11.0%
Transmission - Connection	kW	3,532	\$1.8623	\$6,577.64	3,532	\$1.9554	\$6,906.47	\$328.83	5.0%
Wholesale Market Service	kWh	1,758,140	\$0.0052	\$9,142.33	1,743,010	\$0.0052	\$9,063.65	(\$78.68)	(0.9%)
Rural Rate Protection	kWh	1,758,140	\$0.0010	\$1,758.14	1,743,010	\$0.0013	\$2,265.91	\$507.77	28.9%
Debt Retirement Charge	kWh	1,700,000	\$0.0070	\$11,900.00	1,700,000	\$0.0070	\$11,900.00		
TOTAL BILL				\$140,195.08			\$146,889.89	\$6,694.81	4.8%

Bluewater Power Distribution Corporation (EB-2002-0517)
2009 EDR Application (ED-2008-0221)



General Service 1,000 to 4,999 kW

RPP: n/a

2,860,000 kWh's

4,477 kW's

	Metric	2008 BILL			2009 BILL			CHANGE IMPACT	
		Volume	Rate	Charge	Volume	Rate	Charge	\$	%
Monthly Service Charge				\$3,084.55			\$3,084.55		
Distribution	kW	4,477	\$1.5252	\$6,828.32	4,477	\$1.3428	\$6,011.72	(\$816.60)	(12.0%)
Sub-Total (Distribution)				\$9,912.87			\$9,096.27	(\$816.60)	(8.2%)
Deferral/Variance	kW	4,477			4,477	(\$0.9688)	(\$4,337.32)	(\$4,337.32)	
Electricity (Commodity)	kWh	2,957,812	\$0.0545	\$161,200.75	2,932,358	\$0.0603	\$176,821.19	\$15,620.44	9.7%
Transmission - Network	kW	4,477	\$1.8479	\$8,273.05	4,477	\$2.0512	\$9,183.22	\$910.17	11.0%
Transmission - Connection	kW	4,477	\$1.8623	\$8,337.52	4,477	\$1.9554	\$8,754.33	\$416.81	5.0%
Wholesale Market Service	kWh	2,957,812	\$0.0052	\$15,380.62	2,932,358	\$0.0052	\$15,248.26	(\$132.36)	(0.9%)
Rural Rate Protection	kWh	2,957,812	\$0.0010	\$2,957.81	2,932,358	\$0.0013	\$3,812.07	\$854.26	28.9%
Debt Retirement Charge	kWh	2,860,000	\$0.0070	\$20,020.00	2,860,000	\$0.0070	\$20,020.00		
TOTAL BILL				\$226,082.62			\$238,598.02	\$12,515.40	5.5%

Bluewater Power Distribution Corporation (EB-2002-0517)
2009 EDR Application (ED-2008-0221)



Large

Volume		RPP?	Distribution Charges		Total Bill	
kWh *	kW		\$ change	% change	\$ change	% change
7,256,000	10,389	n/a	\$11,575.70	38.7%	\$44,400.82	7.8%
11,709,000	17,801	n/a	\$14,856.25	38.7%	\$66,665.45	7.3%
4,446,000	6,900	n/a	\$10,031.47	38.7%	\$29,546.11	8.3%
3,465,000	6,000	n/a	\$9,633.13	38.7%	\$24,144.75	8.5%

Bluewater Power Distribution Corporation (EB-2002-0517)
2009 EDR Application (ED-2008-0221)



Large 7,256,000 kWh's 10,389 kW's		RPP: n/a							
		Metric	2008 BILL			2009 BILL			CHANGE IMPACT
	Volume		Rate	Charge	Volume	Rate	Charge	\$	%
Monthly Service Charge	kW	10,389	\$1.1431	\$18,021.42	10,389	\$1.5857	\$24,998.95	\$6,977.53	38.7%
Distribution	kW	10,389	\$1.1431	\$11,875.67	10,389	\$1.5857	\$16,473.84	\$4,598.17	38.7%
Sub-Total (Distribution)				\$29,897.09			\$41,472.79	\$11,575.70	38.7%
Deferral/Variance	kW	10,389			10,389	(\$1.4516)	(\$15,080.67)	(\$15,080.67)	
Electricity (Commodity)	kWh	7,288,652	\$0.0545	\$397,231.53	7,288,652	\$0.0603	\$439,505.72	\$42,274.19	10.6%
Transmission - Network	kW	10,389	\$2.0461	\$21,256.93	10,389	\$2.2712	\$23,595.50	\$2,338.57	11.0%
Transmission - Connection	kW	10,389	\$2.1296	\$22,124.41	10,389	\$2.2361	\$23,230.84	\$1,106.43	5.0%
Wholesale Market Service	kWh	7,288,652	\$0.0052	\$37,900.99	7,288,652	\$0.0052	\$37,900.99		
Rural Rate Protection	kWh	7,288,652	\$0.0010	\$7,288.65	7,288,652	\$0.0013	\$9,475.25	\$2,186.60	30.0%
Debt Retirement Charge	kWh	7,256,000	\$0.0070	\$50,792.00	7,256,000	\$0.0070	\$50,792.00		
TOTAL BILL				\$566,491.60			\$610,892.42	\$44,400.82	7.8%

Bluewater Power Distribution Corporation (EB-2002-0517)
2009 EDR Application (ED-2008-0221)



Large 11,709,000 kWh's 17,801 kW's		RPP: n/a							
		Metric	2008 BILL			2009 BILL			CHANGE IMPACT
	Volume		Rate	Charge	Volume	Rate	Charge	\$	%
Monthly Service Charge	kW	17,801	\$1.1431	\$18,021.42	17,801	\$1.5857	\$24,998.95	\$6,977.53	38.7%
Distribution	kW	17,801	\$1.1431	\$20,348.32	17,801	\$1.5857	\$28,227.05	\$7,878.72	38.7%
Sub-Total (Distribution)				\$38,369.74			\$53,226.00	\$14,856.25	38.7%
Deferral/Variance	kW	17,801			17,801	(\$1.4516)	(\$25,839.93)	(\$25,839.93)	
Electricity (Commodity)	kWh	11,761,691	\$0.0545	\$641,012.13	11,761,691	\$0.0603	\$709,229.94	\$68,217.81	10.6%
Transmission - Network	kW	17,801	\$2.0461	\$36,422.63	17,801	\$2.2712	\$40,429.63	\$4,007.00	11.0%
Transmission - Connection	kW	17,801	\$2.1296	\$37,909.01	17,801	\$2.2361	\$39,804.82	\$1,895.81	5.0%
Wholesale Market Service	kWh	11,761,691	\$0.0052	\$61,160.79	11,761,691	\$0.0052	\$61,160.79		
Rural Rate Protection	kWh	11,761,691	\$0.0010	\$11,761.69	11,761,691	\$0.0013	\$15,290.20	\$3,528.51	30.0%
Debt Retirement Charge	kWh	11,709,000	\$0.0070	\$81,963.00	11,709,000	\$0.0070	\$81,963.00		
TOTAL BILL				\$908,598.99			\$975,264.45	\$66,665.45	7.3%

Bluewater Power Distribution Corporation (EB-2002-0517)
2009 EDR Application (ED-2008-0221)



Large 4,446,000 kWh's 6,900 kW's		RPP: n/a							
		Metric	2008 BILL			2009 BILL			CHANGE IMPACT
	Volume		Rate	Charge	Volume	Rate	Charge	\$	%
Monthly Service Charge				\$18,021.42			\$24,998.95	\$6,977.53	38.7%
Distribution	kW	6,900	\$1.1431	\$7,887.39	6,900	\$1.5857	\$10,941.33	\$3,053.94	38.7%
Sub-Total (Distribution)				\$25,908.81			\$35,940.28	\$10,031.47	38.7%
Deferral/Variance	kW	6,900			6,900	(\$1.4516)	(\$10,016.04)	(\$10,016.04)	
Electricity (Commodity)	kWh	4,466,007	\$0.0545	\$243,397.38	4,466,007	\$0.0603	\$269,300.22	\$25,902.84	10.6%
Transmission - Network	kW	6,900	\$2.0461	\$14,118.09	6,900	\$2.2712	\$15,671.28	\$1,553.19	11.0%
Transmission - Connection	kW	6,900	\$2.1296	\$14,694.24	6,900	\$2.2361	\$15,429.09	\$734.85	5.0%
Wholesale Market Service	kWh	4,466,007	\$0.0052	\$23,223.24	4,466,007	\$0.0052	\$23,223.24		
Rural Rate Protection	kWh	4,466,007	\$0.0010	\$4,466.01	4,466,007	\$0.0013	\$5,805.81	\$1,339.80	30.0%
Debt Retirement Charge	kWh	4,446,000	\$0.0070	\$31,122.00	4,446,000	\$0.0070	\$31,122.00		
TOTAL BILL				\$356,929.77			\$386,475.88	\$29,546.11	8.3%

Bluewater Power Distribution Corporation (EB-2002-0517)
2009 EDR Application (ED-2008-0221)



Large 3,465,000 kWh's 6,000 kW's		RPP: n/a							
		Metric	2008 BILL			2009 BILL			CHANGE IMPACT
	Volume		Rate	Charge	Volume	Rate	Charge	\$	%
Monthly Service Charge	kW	6,000	\$1.1431	\$18,021.42	6,000	\$1.5857	\$24,998.95	\$6,977.53	38.7%
Distribution	kW	6,000	\$1.1431	\$6,858.60	6,000	\$1.5857	\$9,514.20	\$2,655.60	38.7%
Sub-Total (Distribution)				\$24,880.02			\$34,513.15	\$9,633.13	38.7%
Deferral/Variance	kW	6,000			6,000	(\$1.4516)	(\$8,709.60)	(\$8,709.60)	
Electricity (Commodity)	kWh	3,480,593	\$0.0545	\$189,692.29	3,480,593	\$0.0603	\$209,879.73	\$20,187.44	10.6%
Transmission - Network	kW	6,000	\$2.0461	\$12,276.60	6,000	\$2.2712	\$13,627.20	\$1,350.60	11.0%
Transmission - Connection	kW	6,000	\$2.1296	\$12,777.60	6,000	\$2.2361	\$13,416.60	\$639.00	5.0%
Wholesale Market Service	kWh	3,480,593	\$0.0052	\$18,099.08	3,480,593	\$0.0052	\$18,099.08		
Rural Rate Protection	kWh	3,480,593	\$0.0010	\$3,480.59	3,480,593	\$0.0013	\$4,524.77	\$1,044.18	30.0%
Debt Retirement Charge	kWh	3,465,000	\$0.0070	\$24,255.00	3,465,000	\$0.0070	\$24,255.00		
TOTAL BILL				\$285,461.18			\$309,605.93	\$24,144.75	8.5%

Bluewater Power Distribution Corporation (EB-2002-0517)
2009 EDR Application (ED-2008-0221)



Unmetered Scattered

Volume		RPP?	Distribution Charges		Total Bill	
kWh *	kW		\$ change	% change	\$ change	% change
500		Non-res.	\$10.80	56.9%	\$10.34	17.4%
1,000		Non-res.	\$21.60	85.1%	\$20.63	18.9%
5,000		Non-res.	\$108.00	141.0%	\$103.08	19.8%
15,000		Non-res.	\$324.00	158.4%	\$309.24	19.9%
950,000		Non-res.	\$20,520.00	168.6%	\$19,586.54	20.0%

Bluewater Power Distribution Corporation (EB-2002-0517)
2009 EDR Application (ED-2008-0221)



Unmetered Scattered Load
500 kWh's

RPP: Non-res.

	Metric	2008 BILL			2009 BILL			CHANGE IMPACT	
		Volume	Rate	Charge	Volume	Rate	Charge		%
Monthly Service Charge				\$12.58			\$12.58		
Distribution	kWh	500	\$0.0128	\$6.40	500	\$0.0344	\$17.20	\$10.80	168.8%
Sub-Total (Distribution)				\$18.98			\$29.78	\$10.80	56.9%
Deferral/Variance	kWh	500			500	(\$0.0013)	(\$0.65)	(\$0.65)	
Electricity (Commodity)	kWh	522	RPP-Non-res.	\$29.25	518	RPP-Non-res.	\$29.00	(\$0.25)	(0.9%)
Transmission - Network	kWh	522	\$0.0043	\$2.25	518	\$0.0048	\$2.49	\$0.24	10.7%
Transmission - Connection	kWh	522	\$0.0043	\$2.25	518	\$0.0045	\$2.33	\$0.08	3.6%
Wholesale Market Service	kWh	522	\$0.0052	\$2.72	518	\$0.0052	\$2.69	(\$0.03)	(1.1%)
Rural Rate Protection	kWh	522	\$0.0010	\$0.52	518	\$0.0013	\$0.67	\$0.15	28.8%
Debt Retirement Charge	kWh	500	\$0.0070	\$3.50	500	\$0.0070	\$3.50		
TOTAL BILL				\$59.47			\$69.81	\$10.34	17.4%

Bluewater Power Distribution Corporation (EB-2002-0517)
2009 EDR Application (ED-2008-0221)



Unmetered Scattered Load
 1,000 kWh's

RPP: Non-res.

	Metric	2008 BILL			2009 BILL			CHANGE IMPACT	
		Volume	Rate	Charge	Volume	Rate	Charge		%
Monthly Service Charge				\$12.58			\$12.58		
Distribution	kWh	1,000	\$0.0128	\$12.80	1,000	\$0.0344	\$34.40	\$21.60	168.8%
Sub-Total (Distribution)				\$25.38			\$46.98	\$21.60	85.1%
Deferral/Variance	kWh	1,000			1,000	(\$0.0013)	(\$1.30)	(\$1.30)	
Electricity (Commodity)	kWh	1,045	RPP-Non-res.	\$61.15	1,036	RPP-Non-res.	\$60.56	(\$0.59)	(1.0%)
Transmission - Network	kWh	1,045	\$0.0043	\$4.49	1,036	\$0.0048	\$4.97	\$0.48	10.7%
Transmission - Connection	kWh	1,045	\$0.0043	\$4.49	1,036	\$0.0045	\$4.66	\$0.17	3.8%
Wholesale Market Service	kWh	1,045	\$0.0052	\$5.43	1,036	\$0.0052	\$5.39	(\$0.04)	(0.7%)
Rural Rate Protection	kWh	1,045	\$0.0010	\$1.04	1,036	\$0.0013	\$1.35	\$0.31	29.8%
Debt Retirement Charge	kWh	1,000	\$0.0070	\$7.00	1,000	\$0.0070	\$7.00		
TOTAL BILL				\$108.98			\$129.61	\$20.63	18.9%

Bluewater Power Distribution Corporation (EB-2002-0517)
2009 EDR Application (ED-2008-0221)



Unmetered Scattered Load
 5,000 kWh's

RPP: Non-res.

	Metric	2008 BILL			2009 BILL			CHANGE IMPACT	
		Volume	Rate	Charge	Volume	Rate	Charge		%
Monthly Service Charge				\$12.58			\$12.58		
Distribution	kWh	5,000	\$0.0128	\$64.00	5,000	\$0.0344	\$172.00	\$108.00	168.8%
Sub-Total (Distribution)				\$76.58			\$184.58	\$108.00	141.0%
Deferral/Variance	kWh	5,000			5,000	(\$0.0013)	(\$6.50)	(\$6.50)	
Electricity (Commodity)	kWh	5,223	RPP-Non-res.	\$332.75	5,178	RPP-Non-res.	\$329.82	(\$2.93)	(0.9%)
Transmission - Network	kWh	5,223	\$0.0043	\$22.46	5,178	\$0.0048	\$24.85	\$2.39	10.6%
Transmission - Connection	kWh	5,223	\$0.0043	\$22.46	5,178	\$0.0045	\$23.30	\$0.84	3.7%
Wholesale Market Service	kWh	5,223	\$0.0052	\$27.16	5,178	\$0.0052	\$26.93	(\$0.23)	(0.8%)
Rural Rate Protection	kWh	5,223	\$0.0010	\$5.22	5,178	\$0.0013	\$6.73	\$1.51	28.9%
Debt Retirement Charge	kWh	5,000	\$0.0070	\$35.00	5,000	\$0.0070	\$35.00		
TOTAL BILL				\$521.63			\$624.71	\$103.08	19.8%

Bluewater Power Distribution Corporation (EB-2002-0517)
2009 EDR Application (ED-2008-0221)



Unmetered Scattered Load
 15,000 kWh's

RPP: Non-res.

	Metric	2008 BILL			2009 BILL			CHANGE IMPACT	
		Volume	Rate	Charge	Volume	Rate	Charge		%
Monthly Service Charge				\$12.58			\$12.58		
Distribution	kWh	15,000	\$0.0128	\$192.00	15,000	\$0.0344	\$516.00	\$324.00	168.8%
Sub-Total (Distribution)				\$204.58			\$528.58	\$324.00	158.4%
Deferral/Variance	kWh	15,000			15,000	(\$0.0013)	(\$19.50)	(\$19.50)	
Electricity (Commodity)	kWh	15,669	RPP-Non-res.	\$1,011.74	15,534	RPP-Non-res.	\$1,002.96	(\$8.78)	(0.9%)
Transmission - Network	kWh	15,669	\$0.0043	\$67.38	15,534	\$0.0048	\$74.56	\$7.18	10.7%
Transmission - Connection	kWh	15,669	\$0.0043	\$67.38	15,534	\$0.0045	\$69.90	\$2.52	3.7%
Wholesale Market Service	kWh	15,669	\$0.0052	\$81.48	15,534	\$0.0052	\$80.78	(\$0.70)	(0.9%)
Rural Rate Protection	kWh	15,669	\$0.0010	\$15.67	15,534	\$0.0013	\$20.19	\$4.52	28.8%
Debt Retirement Charge	kWh	15,000	\$0.0070	\$105.00	15,000	\$0.0070	\$105.00		
TOTAL BILL				\$1,553.23			\$1,862.47	\$309.24	19.9%

Bluewater Power Distribution Corporation (EB-2002-0517)
2009 EDR Application (ED-2008-0221)



Sentinel Lighting

Volume		RPP?	Distribution Charges		Total Bill	
kWh *	kW		\$ change	% change	\$ change	% change
176	0.46	Non-res.	\$3.31	82.3%	\$3.08	17.2%
318	0.45	Non-res.	\$3.24	81.5%	\$2.99	10.7%
63	0.21	Non-res.	\$1.51	53.6%	\$1.40	17.7%
48	0.13	Non-res.	\$0.94	38.4%	\$0.87	13.9%

Bluewater Power Distribution Corporation (EB-2002-0517)
2009 EDR Application (ED-2008-0221)



Sentinel Lighting

RPP: Non-res.

176 kWh's
 0 kW's

	Metric	2008 BILL			2009 BILL			CHANGE IMPACT	
		Volume	Rate	Charge	Volume	Rate	Charge		%
Monthly Service Charge				\$1.81			\$1.81		
Distribution	kW	0	\$4.8230	\$2.22	0	\$12.0277	\$5.53	\$3.31	149.4%
Sub-Total (Distribution)				\$4.03			\$7.34	\$3.31	82.3%
Deferral/Variance	kW	0			0	(\$0.6011)	(\$0.28)	(\$0.28)	
Electricity (Commodity)	kWh	184	RPP-Non-res.	\$10.30	182	RPP-Non-res.	\$10.21	(\$0.09)	(0.9%)
Transmission - Network	kW	0	\$1.3188	\$0.61	0	\$1.4639	\$0.67	\$0.06	9.8%
Transmission - Connection	kW	0	\$1.3407	\$0.62	0	\$1.4077	\$0.65	\$0.03	4.8%
Wholesale Market Service	kWh	184	\$0.0052	\$0.96	182	\$0.0052	\$0.95	(\$0.01)	(1.0%)
Rural Rate Protection	kWh	184	\$0.0010	\$0.18	182	\$0.0013	\$0.24	\$0.06	33.3%
Debt Retirement Charge	kWh	176	\$0.0070	\$1.23	176	\$0.0070	\$1.23		
TOTAL BILL				\$17.93			\$21.01	\$3.08	17.2%

Bluewater Power Distribution Corporation (EB-2002-0517)
2009 EDR Application (ED-2008-0221)



Sentinel Lighting

RPP: Non-res.

318 kWh's
 0 kW's

	Metric	2008 BILL			2009 BILL			CHANGE IMPACT	
		Volume	Rate	Charge	Volume	Rate	Charge		%
Monthly Service Charge				\$1.81			\$1.81		
Distribution	kW	0	\$4.8230	\$2.17	0	\$12.0277	\$5.41	\$3.24	149.4%
Sub-Total (Distribution)				\$3.98			\$7.22	\$3.24	81.5%
Deferral/Variance	kW	0			0	(\$0.6011)	(\$0.27)	(\$0.27)	
Electricity (Commodity)	kWh	332	RPP-Non-res.	\$18.60	329	RPP-Non-res.	\$18.44	(\$0.16)	(0.9%)
Transmission - Network	kW	0	\$1.3188	\$0.59	0	\$1.4639	\$0.66	\$0.07	11.9%
Transmission - Connection	kW	0	\$1.3407	\$0.60	0	\$1.4077	\$0.63	\$0.03	5.0%
Wholesale Market Service	kWh	332	\$0.0052	\$1.73	329	\$0.0052	\$1.71	(\$0.02)	(1.2%)
Rural Rate Protection	kWh	332	\$0.0010	\$0.33	329	\$0.0013	\$0.43	\$0.10	30.3%
Debt Retirement Charge	kWh	318	\$0.0070	\$2.23	318	\$0.0070	\$2.23		
TOTAL BILL				\$28.06			\$31.05	\$2.99	10.7%

Bluewater Power Distribution Corporation (EB-2002-0517)
2009 EDR Application (ED-2008-0221)



Sentinel Lighting

RPP: Non-res.

63 kWh's
 0 kW's

	Metric	2008 BILL			2009 BILL			CHANGE IMPACT	
		Volume	Rate	Charge	Volume	Rate	Charge		%
Monthly Service Charge				\$1.81			\$1.81		
Distribution	kW	0	\$4.8230	\$1.01	0	\$12.0277	\$2.53	\$1.51	149.4%
Sub-Total (Distribution)				\$2.82			\$4.34	\$1.51	53.6%
Deferral/Variance	kW	0			0	(\$0.6011)	(\$0.13)	(\$0.13)	
Electricity (Commodity)	kWh	66	RPP-Non-res.	\$3.69	65	RPP-Non-res.	\$3.65	(\$0.04)	(1.1%)
Transmission - Network	kW	0	\$1.3188	\$0.28	0	\$1.4639	\$0.31	\$0.03	10.7%
Transmission - Connection	kW	0	\$1.3407	\$0.28	0	\$1.4077	\$0.30	\$0.02	7.1%
Wholesale Market Service	kWh	66	\$0.0052	\$0.34	65	\$0.0052	\$0.34		
Rural Rate Protection	kWh	66	\$0.0010	\$0.07	65	\$0.0013	\$0.08	\$0.01	14.3%
Debt Retirement Charge	kWh	63	\$0.0070	\$0.44	63	\$0.0070	\$0.44		
TOTAL BILL				\$7.92			\$9.33	\$1.40	17.7%

Bluewater Power Distribution Corporation (EB-2002-0517)
2009 EDR Application (ED-2008-0221)



Sentinel Lighting

48 kWh's
 0 kW's

RPP: Non-res.

	Metric	2008 BILL			2009 BILL			CHANGE IMPACT	
		Volume	Rate	Charge	Volume	Rate	Charge		%
Monthly Service Charge				\$1.81			\$1.81		
Distribution	kW	0	\$4.8230	\$0.63	0	\$12.0277	\$1.56	\$0.94	149.4%
Sub-Total (Distribution)				\$2.44			\$3.37	\$0.94	38.4%
Deferral/Variance	kW	0			0	(\$0.6011)	(\$0.08)	(\$0.08)	
Electricity (Commodity)	kWh	50	RPP-Non-res.	\$2.81	50	RPP-Non-res.	\$2.78	(\$0.03)	(1.1%)
Transmission - Network	kW	0	\$1.3188	\$0.17	0	\$1.4639	\$0.19	\$0.02	11.8%
Transmission - Connection	kW	0	\$1.3407	\$0.17	0	\$1.4077	\$0.18	\$0.01	5.9%
Wholesale Market Service	kWh	50	\$0.0052	\$0.26	50	\$0.0052	\$0.26		
Rural Rate Protection	kWh	50	\$0.0010	\$0.05	50	\$0.0013	\$0.06	\$0.01	20.0%
Debt Retirement Charge	kWh	48	\$0.0070	\$0.34	48	\$0.0070	\$0.34		
TOTAL BILL				\$6.24			\$7.10	\$0.87	13.9%

Bluewater Power Distribution Corporation (EB-2002-0517)
2009 EDR Application (ED-2008-0221)



Street Lighting

Volume		RPP?	Distribution Charges		Total Bill	
kWh *	kW		\$ change	% change	\$ change	% change
99	0.21	Non-res.	\$1.44	67.0%	\$1.34	13.7%
81	0.18	Non-res.	\$1.24	60.6%	\$1.17	14.0%
83	0.18	Non-res.	\$1.24	60.6%	\$1.15	13.5%
102	0.22	Non-res.	\$1.51	69.0%	\$1.42	14.1%
81	0.18	Non-res.	\$1.24	60.6%	\$1.17	14.0%
65	0.14	Non-res.	\$0.96	50.8%	\$0.91	13.2%
92	0.20	Non-res.	\$1.37	64.9%	\$1.30	14.1%

Bluewater Power Distribution Corporation (EB-2002-0517)
2009 EDR Application (ED-2008-0221)



Street Lighting

RPP: Non-res.

99 kWh's 0.21 kW's	Metric	2008 BILL			2009 BILL			CHANGE IMPACT	
		Volume	Rate	Charge	Volume	Rate	Charge		%
Monthly Service Charge				\$1.37			\$1.37		
Distribution	kW	0	\$3.7378	\$0.78	0	\$10.6120	\$2.23	\$1.44	183.9%
Sub-Total (Distribution)				\$2.15			\$3.60	\$1.44	67.0%
Deferral/Variance	kW	0			0	(\$0.5189)	(\$0.11)	(\$0.11)	
Electricity (Commodity)	kWh	103	RPP-Non-res.	\$5.79	103	RPP-Non-res.	\$5.74	(\$0.05)	(0.9%)
Transmission - Network	kW	0	\$1.3122	\$0.28	0	\$1.4565	\$0.31	\$0.03	10.7%
Transmission - Connection	kW	0	\$1.3133	\$0.28	0	\$1.3790	\$0.29	\$0.01	3.6%
Wholesale Market Service	kWh	103	\$0.0052	\$0.54	103	\$0.0052	\$0.53	(\$0.01)	(1.9%)
Rural Rate Protection	kWh	103	\$0.0010	\$0.10	103	\$0.0013	\$0.13	\$0.03	30.0%
Debt Retirement Charge	kWh	99	\$0.0070	\$0.69	99	\$0.0070	\$0.69		
TOTAL BILL				\$9.83			\$11.18	\$1.34	13.7%

Bluewater Power Distribution Corporation (EB-2002-0517)
2009 EDR Application (ED-2008-0221)



Street Lighting

RPP: Non-res.

81 kWh's 0 kW's	Metric	2008 BILL			2009 BILL			CHANGE IMPACT	
		Volume	Rate	Charge	Volume	Rate	Charge		%
Monthly Service Charge				\$1.37			\$1.37		
Distribution	kW	0	\$3.7378	\$0.67	0	\$10.6120	\$1.91	\$1.24	183.9%
Sub-Total (Distribution)				\$2.04			\$3.28	\$1.24	60.6%
Deferral/Variance	kW	0			0	(\$0.5189)	(\$0.09)	(\$0.09)	
Electricity (Commodity)	kWh	85	RPP-Non-res.	\$4.74	84	RPP-Non-res.	\$4.70	(\$0.04)	(0.8%)
Transmission - Network	kW	0	\$1.3122	\$0.24	0	\$1.4565	\$0.26	\$0.02	8.3%
Transmission - Connection	kW	0	\$1.3133	\$0.24	0	\$1.3790	\$0.25	\$0.01	4.2%
Wholesale Market Service	kWh	85	\$0.0052	\$0.44	84	\$0.0052	\$0.44		
Rural Rate Protection	kWh	85	\$0.0010	\$0.08	84	\$0.0013	\$0.11	\$0.03	37.5%
Debt Retirement Charge	kWh	81	\$0.0070	\$0.57	81	\$0.0070	\$0.57		
TOTAL BILL				\$8.35			\$9.52	\$1.17	14.0%

Bluewater Power Distribution Corporation (EB-2002-0517)
2009 EDR Application (ED-2008-0221)



Street Lighting

RPP: Non-res.

83 kWh's 0 kW's	Metric	2008 BILL			2009 BILL			CHANGE IMPACT	
		Volume	Rate	Charge	Volume	Rate	Charge		%
Monthly Service Charge				\$1.37			\$1.37		
Distribution	kW	0	\$3.7378	\$0.67	0	\$10.6120	\$1.91	\$1.24	183.9%
Sub-Total (Distribution)				\$2.04			\$3.28	\$1.24	60.6%
Deferral/Variance	kW	0			0	(\$0.5189)	(\$0.09)	(\$0.09)	
Electricity (Commodity)	kWh	87	RPP-Non-res.	\$4.86	86	RPP-Non-res.	\$4.81	(\$0.05)	(1.0%)
Transmission - Network	kW	0	\$1.3122	\$0.24	0	\$1.4565	\$0.26	\$0.02	8.3%
Transmission - Connection	kW	0	\$1.3133	\$0.24	0	\$1.3790	\$0.25	\$0.01	4.2%
Wholesale Market Service	kWh	87	\$0.0052	\$0.45	86	\$0.0052	\$0.45		
Rural Rate Protection	kWh	87	\$0.0010	\$0.09	86	\$0.0013	\$0.11	\$0.02	22.2%
Debt Retirement Charge	kWh	83	\$0.0070	\$0.58	83	\$0.0070	\$0.58		
TOTAL BILL				\$8.50			\$9.65	\$1.15	13.5%

Bluewater Power Distribution Corporation (EB-2002-0517)
2009 EDR Application (ED-2008-0221)



Street Lighting

RPP: Non-res.

102 kWh's
 0 kW's

	Metric	2008 BILL			2009 BILL			CHANGE IMPACT	
		Volume	Rate	Charge	Volume	Rate	Charge		%
Monthly Service Charge				\$1.37			\$1.37		
Distribution	kW	0	\$3.7378	\$0.82	0	\$10.6120	\$2.33	\$1.51	183.9%
Sub-Total (Distribution)				\$2.19			\$3.70	\$1.51	69.0%
Deferral/Variance	kW	0			0	(\$0.5189)	(\$0.11)	(\$0.11)	
Electricity (Commodity)	kWh	107	RPP-Non-res.	\$5.97	106	RPP-Non-res.	\$5.92	(\$0.05)	(0.8%)
Transmission - Network	kW	0	\$1.3122	\$0.29	0	\$1.4565	\$0.32	\$0.03	10.3%
Transmission - Connection	kW	0	\$1.3133	\$0.29	0	\$1.3790	\$0.30	\$0.01	3.4%
Wholesale Market Service	kWh	107	\$0.0052	\$0.55	106	\$0.0052	\$0.55		
Rural Rate Protection	kWh	107	\$0.0010	\$0.11	106	\$0.0013	\$0.14	\$0.03	27.3%
Debt Retirement Charge	kWh	102	\$0.0070	\$0.71	102	\$0.0070	\$0.71		
TOTAL BILL				\$10.11			\$11.53	\$1.42	14.1%

Bluewater Power Distribution Corporation (EB-2002-0517)
2009 EDR Application (ED-2008-0221)



Street Lighting

RPP: Non-res.

81 kWh's 0 kW's	Metric	2008 BILL			2009 BILL			CHANGE IMPACT	
		Volume	Rate	Charge	Volume	Rate	Charge		%
Monthly Service Charge				\$1.37			\$1.37		
Distribution	kW	0	\$3.7378	\$0.67	0	\$10.6120	\$1.91	\$1.24	183.9%
Sub-Total (Distribution)				\$2.04			\$3.28	\$1.24	60.6%
Deferral/Variance	kW	0			0	(\$0.5189)	(\$0.09)	(\$0.09)	
Electricity (Commodity)	kWh	85	RPP-Non-res.	\$4.74	84	RPP-Non-res.	\$4.70	(\$0.04)	(0.8%)
Transmission - Network	kW	0	\$1.3122	\$0.24	0	\$1.4565	\$0.26	\$0.02	8.3%
Transmission - Connection	kW	0	\$1.3133	\$0.24	0	\$1.3790	\$0.25	\$0.01	4.2%
Wholesale Market Service	kWh	85	\$0.0052	\$0.44	84	\$0.0052	\$0.44		
Rural Rate Protection	kWh	85	\$0.0010	\$0.08	84	\$0.0013	\$0.11	\$0.03	37.5%
Debt Retirement Charge	kWh	81	\$0.0070	\$0.57	81	\$0.0070	\$0.57		
TOTAL BILL				\$8.35			\$9.52	\$1.17	14.0%

Bluewater Power Distribution Corporation (EB-2002-0517)
2009 EDR Application (ED-2008-0221)



Street Lighting

RPP: Non-res.

65 kWh's
 0 kW's

	Metric	2008 BILL			2009 BILL			CHANGE IMPACT	
		Volume	Rate	Charge	Volume	Rate	Charge		%
Monthly Service Charge				\$1.37			\$1.37		
Distribution	kW	0	\$3.7378	\$0.52	0	\$10.6120	\$1.49	\$0.96	183.9%
Sub-Total (Distribution)				\$1.89			\$2.86	\$0.96	50.8%
Deferral/Variance	kW	0			0	(\$0.5189)	(\$0.07)	(\$0.07)	
Electricity (Commodity)	kWh	68	RPP-Non-res.	\$3.80	67	RPP-Non-res.	\$3.77	(\$0.03)	(0.8%)
Transmission - Network	kW	0	\$1.3122	\$0.18	0	\$1.4565	\$0.20	\$0.02	11.1%
Transmission - Connection	kW	0	\$1.3133	\$0.18	0	\$1.3790	\$0.19	\$0.01	5.6%
Wholesale Market Service	kWh	68	\$0.0052	\$0.35	67	\$0.0052	\$0.35		
Rural Rate Protection	kWh	68	\$0.0010	\$0.07	67	\$0.0013	\$0.09	\$0.02	28.6%
Debt Retirement Charge	kWh	65	\$0.0070	\$0.46	65	\$0.0070	\$0.46		
TOTAL BILL				\$6.93			\$7.85	\$0.91	13.2%

Bluewater Power Distribution Corporation (EB-2002-0517)
2009 EDR Application (ED-2008-0221)



Street Lighting

RPP: Non-res.

92 kWh's
 0 kW's

	Metric	2008 BILL			2009 BILL			CHANGE IMPACT	
		Volume	Rate	Charge	Volume	Rate	Charge		%
Monthly Service Charge				\$1.37			\$1.37		
Distribution	kW	0	\$3.7378	\$0.75	0	\$10.6120	\$2.12	\$1.37	183.9%
Sub-Total (Distribution)				\$2.12			\$3.49	\$1.37	64.9%
Deferral/Variance	kW	0			0	(\$0.5189)	(\$0.10)	(\$0.10)	
Electricity (Commodity)	kWh	96	RPP-Non-res.	\$5.38	95	RPP-Non-res.	\$5.34	(\$0.04)	(0.7%)
Transmission - Network	kW	0	\$1.3122	\$0.26	0	\$1.4565	\$0.29	\$0.03	11.5%
Transmission - Connection	kW	0	\$1.3133	\$0.26	0	\$1.3790	\$0.28	\$0.02	7.7%
Wholesale Market Service	kWh	96	\$0.0052	\$0.50	95	\$0.0052	\$0.50		
Rural Rate Protection	kWh	96	\$0.0010	\$0.10	95	\$0.0013	\$0.12	\$0.02	20.0%
Debt Retirement Charge	kWh	92	\$0.0070	\$0.64	92	\$0.0070	\$0.64		
TOTAL BILL				\$9.26			\$10.56	\$1.30	14.1%