

Summary of Model Changes
Espanola Regional Hydro Distribution Corporation (“Espanola”)
EB-2008- 0210

In addition to the changes made to the rate models to reflect the elements of the Decision, the following changes were made following Espanola’s response to Board staff’s interrogatories and submission.

Rate Generator

Ref.: Sheet L2.1, Cell D22

- Requested RTSR- Line and Transformation Connection Service Rate reduced from 19.2% to 5%.

Several other changes were made to the original model filed when Espanola replied to Board staff’s interrogatories. Updated models were filed around January 26, 2009 reflecting that:

- The request for an adjustment to payments in lieu of taxes (“PILs”) would not be heard as part of this proceeding.
- A proposed capital cost allowance correction was removed as the model would not allow for the same once the PILs request was eliminated.
- The K-Factor adjustment was increased from 0.18% to 0.19%, reflecting the exclusion of the PILs request.
- The utility noted a formula error in the line “Adjustment to class revenue for the 2008 Cost of Service Rate Application”. A correction was made to the updated model.