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March 19, 2009

Ms. Kirsten Walli
Board Secretary
Ontario Energy Board
P.O. Box 2319
2300 Yonge St.
Toronto, ON
M4P 1E4

Dear Ms. Walli:

Re: EB-2008-0250
Westario Power Inc. – 2009 Electricity Distribution Rate Application
Reply Submision

Please find enclosed two copies of Westario Power Inc.'s reply submission filed by:

Ontario Energy Board Staff
Vulnerable Energy Consumers Coalition
School Energy Coalition

I trust this meets your satisfaction. Should you require additional information, please feel free to contact me at 519-507-6666 ext-216 or lisa.milne@westario.com.

Yours truly,

Lisa Milne

Lisa Milne, CGA
President/CEO

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

AND IN THE MATTER *of an application by Westario Power Inc. for an Order or Orders approving just and reasonable rates and other services charges for the distribution of electricity effective May 1, 2009*

REPLY SUBMISSION OF WESTARIO POWER INC. FILED MARCH 19, 2009

This is the reply submission of Westario Power Inc. (referred to in this submission as "WPI" or "Applicant") in its application for an order approving just and reasonable rates for the distribution of electricity effective May 1, 2009 (the "Application"). WPI's submission is filed in reply to submissions filed by Ontario Energy Board Staff ("Board Staff") on February 27, 2009, the Vulnerable Energy Consumers' Coalition ("VECC") on March 2, 2009 and the School Energy Coalition ("SEC") on March 4, 2009.

In its reply submission, WPI has organized its responses following the headings and issues set out in Board Staff's submission, and have incorporated into that structure its reply to matters raised by VECC and SEC. Each issue raised by Board Staff, SEC and VECC is summarized, and WPI's response follows.

On November 1, 2000 Westario Power Holdings Inc. (the "Holding Company") and its affiliates Westario Power Services Inc. (the "Services Company") and Westario Power

Inc. (the "LDC") were incorporated as new business entities under the *Business Corporations Act (Ontario)*. The shareholders of the LDC included eight municipal shareholders, and one private entity. The service territories currently supplied by Westario Power were previously served by eight (8) municipal entities in fifteen (15) communities.

In 2007, an application was made to the Ontario Energy Board ("OEB") to amalgamate the Holding Company, the Services Company and the LDC into one company, Westario Power Inc. OEB approval was received on July 17, 2007, and the amalgamation took place on January 1, 2008.

The fifteen (15) communities that WPI serves includes Southampton, Port Elgin, Kincardine, Ripley, Lucknow, Wingham, Teeswater, Palmerston, Harriston, Clifford, Mildmay, Walkerton, Elmwood, Neustadt and Hanover. These communities are spread over a large geographical area spanning approximately 60 kilometres east/west by 80 kilometres north/south. The area between these service territories is served by Hydro One Networks Inc.

WPI submitted its Application for 2009 electricity distribution rates on August 22, 2008. The Application was based on a future test year cost of service methodology. On December 22, 2008, WPI submitted its response to interrogatories from Board Staff, VECC and the Association of Major Power Consumer of Ontario ("AMPCO"). On

February 5, 2009, WPI submitted its response to supplemental interrogatories from Board Staff and VECC.

Through this Application, WPI sought:

- Approval to charge rates effective May 1, 2009 to recover a forecasted revenue requirement of $9,811,263 net of Other Revenue offsets adjusted for Low Voltage wheeling charges of $601,861 from Hydro One Networks Inc., Transformer Allowance Costs of $69,720 and Smart Meter Adder costs of $257,904.
- Approval to discharge and/or dispose of the principle of Account 1550 and Account 1508 to December 31, 2007 and the projected interest to April 30, 2009.
- Approval of our Specific Service charges listed in Exhibit 1, Tab 1, Schedule 5
- Approval of WPI's proposed change in capital structure involving the shift in deemed common equity component from 46.67% to 43.33%, consistent with the Report of the Board on Cost of Capital and 2nd Generation Incentive Regulation for Ontario's Electricity Distributors dated December 20, 2006.
- Approval of the proposed Total Loss Factor of 1.0788.
- Approval of a $1.00 per month per customer rate adder for Smart Meters.
- Approval of Hydro One Networks Inc. pass-through Transmission/Connection/Network Charges; and
- Approval of all IESO Market pass-through charges including Debt Retirement.

1.0 Revised Revenue Forecast

WPI has projected a total revenue requirement in the amount of $9,811,263. A breakdown of the revenue requirement is as follows:

Revenue Requirement	2009 Test (as per original Application)	2009 Test (amended during evidentiary stage)	Difference	Notes
OM&A	$4,868,425	$4,868,425	$0	
Amortization	1,829,713	1,829,713	0	
Regulated Return on Capital	2,339,543	2,338,170	(1,373)	(1)
PILs (with Gross Up)	897,156	515,025	(382,131)	(2)
Service Revenue Requirement	**$9,934,837**	**$9,551,333**	**($383,504)**	
Less: Revenue Offsets	(669,555)	(669,555)	0	
Base Revenue Requirement	**$9,265,282**	**$8,881,778**	**($383,504)**	
Low Voltage Charges	733,477	601,861	(131,616)	(3)
Transformer Allowance	69,720	69,720	0	
Smart Meter Adder	257,904	257,904	0	
Total Revenue Requirement	**$10,326,383**	**$9,811,263**	**($515,120)**	

Notes:
(1) Reduction due to decrease in Working Capital Allowance due to decrease in Low Voltage Charges.
(2) Reduction due to misallocation of capital additions for CCA purposes and removal of the recovery of regulatory assets included in the original Application. Details provided in 4.0 PILs below.
(3) Reduction due to response to VECC IR #38. Details provided in 5.2 Low Voltage Costs below.

WPI respectfully submits revised bill impacts to reflect the total amended revenue requirement of $9,811,263 as 'Appendix A'.

2.0 Load Forecast

2.1 Customer Forecast

In its submission, Board Staff confirmed that it had "analyzed observed trends and historical customer levels to test the reasonableness of the proposed forecast" and concluded that "while the methodology is simple the forecast is in line with the observed historical trends".[1]

Since none of the other parties provided submissions on expected customer growth and Board Staff concluded that WPI's forecast seems reasonable, WPI requests that the Board approve the forecast as proposed.

2.2 Load Forecast

The parties in this proceeding raised two main issues with respect WPI's Load Forecast: the appropriateness of using a single regression equation for wholesale purchases; and the exclusion of the number of customers as an explanatory variable. As explained in WPI's evidence and interrogatory responses (and reiterated below) the first issue arises from the data limitations which WPI inherited from its predecessor utilities and the second relates to the appropriateness of the econometric methodology.

Single Equation Forecast for Wholesale Purchases

In its final submission, Board Staff acknowledged that WPI's load forecast "is based on a multi-factor regression analysis of monthly wholesale purchases for the distribution system from 2003 to 2007," that the volumes from these purchases "represent the bulk of

[1] Board Staff Final Submission, pp.2-3

the electricity system deliveries to the distribution utility" and that "the statistical results of the regression equation are reasonable". Board Staff were concerned that the use of a single regression equation with simplifying assumptions "does not take into account the effect of class specific drivers of demand" but they noted that this "may be the result of practical considerations given the poor quality of the consumption data". Board Staff did not propose an alternative method for the Board to consider in this proceeding and instead recommended that the Board direct WPI "to develop class specific econometric load forecasts for its next cost of service rate filing".[2]

The data limitations and need to develop a practical approach were described in the load forecast report prepared for WPI by its consultant ERA. The report states that "While it may be desirable to isolate demand determinants related to individual rate classes, such as residential, commercial, and industrial (since demand determinants and weather sensitivity may be different for each of these classes), data limitations precluded the ability to do this for Westario"[3]. The data limitations were further elucidated in response to VECC IR #9 (a) where ERA confirmed that the small sample of available data (3 years) was only part of the reason why wholesale data was used rather than class specific data. Because the monthly class-specific consumption data that was available did not correlate with the observed weather, the billing data could not be used to determine weather normalized consumption by customer class. In the response, ERA suggested

[2] Board Staff Final Submission, bottom of pp. 3-4
[3] ERA Load Forecast prepared for WPI at E3/T2/S1/Attachment at p.2.

several reasons for this, including billing system implementation issues, allocation of unbilled consumption, and the diverse geographical territory WPI serves.

Given the limited information available, the choices for WPI's load forecast were to use monthly wholesale consumption and degree days to normalize consumption and allocate it to the classes, or to normalize consumption based on annual class data averages over 3 years, or to use the normalized average use for 2004 derived by Hydro One for the cost allocation filing. The former approach was chosen over the latter to incorporate the historical and most current consumption, weather, and economic conditions, and the relationships between them and because the Board has approved of this approach for other LDCs load forecasts.

For example, the Board approved forecasts based on a single equation for wholesale purchases for Toronto Hydro Electric System Limited in EB-2005-0421 (April 12, 2006) and again in EB-2007-0680 (May 15, 2008). Since none of the other parties raised a specific concern with this issue and no alternative was proposed, WPI recommends that the Board approve the methodology recommended by its load forecast consultant for the purposes of setting rates in the 2009 rebasing year.

Number of Customers as an Explanatory Variable

Board Staff notes that WPI's regression equation "does not include number of customers as an explanatory variable" and that "customer additions can be a significant driver of demand" and recommends that WPI "further explore the possibility of including a customer growth variable in its regression equation at its next cost of service rate filing" when additional consumption data will be available.[4] VECC raises the same concern with the lack of customer count in the regression equation and questions the use of "2007 (non-weather normalized) class shares to establish each class' share of the weatherized total sales forecast" but notes that "given the limited data WPI has to work with there may be no better approach for now.[5] SEC concurs with the submissions of Board Staff and VECC on this point.[6]

In its submission, Board Staff assumed that one of the reasons attributed to the exclusion of number of customers as an explanatory variable was the lack of monthly class specific customer data prior to 2004. This was not the case as the number of customers was excluded intentionally to improve the accuracy of the forecast. As noted in the response to Board Staff IR#34, WPI's consultant, based on his extensive load forecast experience, determined that employment is a better predictor of economic activity than the number of customers and that when number of customers is added as a predictor, the estimated coefficient is statistically insignificant or the wrong sign. In addition, the inclusion of number of customers may also cause other parameters to have counterintuitive results or create multicollinearity problems. It was for these reasons that ERA omitted the number of customers as an explanatory variable from WPI's load forecast equation.

[4] Board Staff pp.4-5
[5] VECC, p.4
[6] SEC, p.2

The response to Board Staff IR#34 also provided the statistical results of an equation proposed by Board Staff that included both the number of customers and employment levels. As VECC pointed out in its submission, the estimated coefficient in this example does have the correct sign and is statistically significant, but this outcome is not sufficient to justify the inclusion of both variables and the more likely explanation of this result is that there may be a strong correlation between employment and number of customers creating multicollinearity among the independent variables.

WPI submits that economic variables such as employment will echo changes in customer counts as well as behavioural and economic reasons for changes in energy consumption. Based on the experience our consultant has had in forecasting energy consumption for other LDCs, WPI believes the equation suggested by Board Staff in IR#34 is incorrectly specified and could produce misleading results. WPI also notes that the Board has approved WPI's recommended approach where weather, calendar and economic variables are used to predict total energy demand without the including the number of customers as an explanatory variable.[7]

VECC's "Check of Reasonableness" of WPI's Projection for Weather Sensitive Classes

Finally, WPI would like to comment on VECC's "check of reasonableness" of WPI's projections for the weather sensitive customer classes. In its Final Submission, VECC presents a table in section 3.4 at p.5 which purports to show that WPI's forecast use per

[7] EB-2005-0421and EB-2007-0680

customer for the residential and GS<50 classes in 2009 is too low, as compared to values from Hydro One's cost allocation values ("HON CA") and also compared to a 2004-2007 average of actual values.

The discussion in section 3.5 also suggests that the GS>50 2009 forecast may be too high, although they note that per customer use in this class in 2006 and 2007 is close to WPI's forecast. The problem with the table is that it is comparing customer use at different time periods without taking into consideration the changing level of consumption over time. VECC is directly comparing HON CA values for 2004 and actual average values for 2004-2007 with WPI's forecast values for 2009. However, comparing consumption from different years can be misleading.

As shown in E3/T2/S5 Attachment 1, page 1, the trend in actual average use per customer for residential and GS<50 kW class customers has generally been downwards since 2004. Residential average use per customer in 2004 was 11,189; and by 2007 it was 10,877. On the other hand, GS>50 kW class average use per customer has been increasing since 2004. In 2004, the GS>50 average use was 598,996 versus 656,360 in 2007. If VECC had compared the weather normal average use per customer generated using the ERA model (provided in response to VECC IR #9 (e)) to calculate the HON CA values for 2004, it would have found that the values are very consistent as shown below:

WPI Per Customer Use (kWh/Customer/Annum)

	Actual (2004)	HON CA Values (2004)	ERA Model (2004)
Residential	11,189	11,388	11,349
GS<50	30,306	30,804	30,684
GS>50	598,996	580,389	583,501

Given the consistency between the ERA Model and the HON CA values and the points raised in the previous section explaining why customer count does not need to be included as an explanatory variable, WPI recommends that the Board approve the load forecast as proposed by WPI and its consultant. This approach has been previously approved by the Board and it is the best approach to use in this case.

2.3 Weather Normalization

In assessing the appropriateness of WPI's 10-year average weather normal method, Board Staff tested the accuracy by applying the proposed method in the previous 3 years and comparing it to the 20-year trend method used by the Board for large natural gas utilities. With the exception of 2006, Board Staff found the proposed method performed well with a variance of only 2% in 2007 and 2008, and that it exhibited a similar level of accuracy to the 20-year model.[8]

Since none of the other parties provided submissions on weather normalization and Board Staff seems satisfied with the accuracy of WPI's 10-year average method, WPI requests

[8] Board Staff Final Submission, p.5

that the Board accept the use of the weather normalization method proposed by WPI in determining its 2009 load forecast.

3.0 OM&A

3.1 Accuracy of Reported Numbers

WPI was created in 2000 through the merger of eight former utilities and a private partnership to provide distribution services to fifteen communities in Bruce, Grey, Wellington and Huron counties. Following the merger, the distribution services required to operate the merged utilities were provided by a services company. In 2007, application was made to the OEB to amalgamate the holding company, the services company and the LDC into one company, WPI. OEB approval of the merger was received on July 17, 2007, and the amalgamation took place on January 1, 2008.[9] As is the case with any merger, a consolidation of financial statements was required and comparisons with previous statements must be viewed from that perspective.

As stated in its submission, "Board Staff experienced difficulties in assessing Westario's financial situation and the reasonableness of its operating and capital expenses in the bridge and test years" because the 2007 amalgamation and the new operations centre

[9] WPI Exhibit 1 Tab 1 Schedule 3, page 1 of 9.

"created inconsistencies with historical numbers".[10] WPI maintains that the reported numbers represent what is a normal outcome of any year-over-year change in circumstance. This presumably was the understanding of the other parties since none of the intervenors mentioned having any difficulty assessing the numbers.

WPI contends that there is no basis for Board Staff to question the reliability or soundness of the historic data. WPI affirms that the numbers filed in this proceeding accurately reflect the operational and financial results of WPI and its affiliated companies before and after the merger. As a result of the repeated references to difficulties and inconsistencies throughout Board Staff's submissions on operating and capital expenditures, WPI felt that it should confirm for the benefit of the Board that the reported numbers can be relied on for consistency and accuracy when making its decision with respect to the 2009 rebasing. Going forward under the current amalgamated structure, any confusion raised by Board Staff regarding the comparison of pre and post merger data will be resolved.

3.2 Appropriate Comparison Framework

For the purposes of replying to the submissions of Board Staff, VECC and SEC, WPI has related its comments to the OM&A totals shown in the summary table provided by Board Staff[11] as these are the amounts that all of the parties referred to in their submissions.

[10] Board Staff Submission, p.6
[11] Ibid, p.7

WPI is proceeding on this basis without prejudice to its right to seek approval from the Board for the actual OM&A amount as filed in its application. To help clarify, WPI confirms that it is seeking approval for $4,868,425 in 2009, not the $4,811,825 amount shown in Board Staff's table. The $56,600 difference reflects the costs of the 2009 property taxes from Account 6105 that should be included in OM&A.

The only difference between the two sets of numbers is that the totals shown in Board Staff's table do not include Taxes Other Than Income Taxes from Account 3950 that are included in WPI's variance tables.[12] Since the tax entries in 2006 and 2007 include capital taxes, this may explain why Board Staff did not include any of the tax numbers in their summary tables. WPI believes that using the same reference numbers as the other parties will be less confusing and will not change the general thrust of the analysis because the relative size of the taxes each year is small. By way of example, WPI notes that the difference between the 2006 Board Approved OM&A and the 2009 Test Year OM&A is $3,791 using the OM&A including other taxes and $5,740 using the OM&A numbers from Board Staff's table.

As demonstrated in its application, WPI has been able to operate its distribution system in a safe and reliable manner without a significant cost increase. The OM&A spending approved by the Board in 2006 was based on 2004 actuals and the 2009 forecast

[12] Exhibit 4, Tab 1, Schedule 2, Attachment 1, pages 1&2

expenditures are only slightly higher. For the reasons stated below WPI submits that the 2006 Board Approved OM&A is the more appropriate comparison to use when assessing WPI's long-term cost management performance than the 2007 base year selected by Board Staff.

WPI contends that by selecting the 2007 OM&A and removing the non-recurring items Board Staff has presented the worst case scenario, i.e. the highest per annum percentage increase possible in the 2006 to 2009 timeframe. Board Staff calculated this to be 5.7% but it is actually 5.52%. The lowest cost impact would of course come from the 2008 to 2009 numbers which produce a 1% cost reduction.

The point WPI is presenting here is that the appropriate level of spending should not be based on an arbitrary selection of a comparison year; it should be based on the sound judgment of experienced staff in the field estimating the appropriate level of cost spending to ensure that the utility services can be provided prudently in a safe and reliable manner. In WPI's submission this is what its management and staff have done and as discussed below there is no substantive evidence to support a reduced level of spending.

WPI submits that if parties wish to use spending trends to assess the appropriateness of test year costs, the spending results should be reviewed over a longer period that should at least cover the previous incentive period. If the 2006 Board Approved spending is used as the comparison year there is virtually no (0.1%) increase in costs between 2006 and 2009. From a ratepayer perspective WPI's costs have been held constant since 2004 as that was the base year for the 2006 approved spending.

Consequently, the comparison provided by Board Staff using 2007 as a base year does not accurately reflect WPI's long-term commitment to cost containment. In WPI's opinion, the more appropriate comparison year when assessing the appropriateness of the 2009 test year is the last Board approved cost-of service rates. On this basis, WPI is requesting that the Board approve OM&A expenses of $4,868,425 for the 2009 test year (i.e. $4,411,825 plus $56,600 for property taxes) which is the same level of spending that the Board approved in 2006 ($4,864,634) plus a $3,791 increase.[13]

When assessing historic costs, WPI submits that it is important to note that spending during an incentive period represents a cost to the utility shareholder since once costs are accepted as being prudent and used to approve just and reasonable rates in a rebasing decision, any subsequent rate increases are determined by the incentive formula, not by the annual changes in actual costs. To the extent that the utility spends more than the forecast OM&A approved in rates the expected shareholder profit is reduced. This provides an incentive for the utility to manage its costs prudently within the Board approved rates and the annual rate adjustments.

[13] Exhibit 4, Tab 1, Schedule 2, Attachment 1, pp. 1&2

It is also important to note that during the incentive period the shareholder is responsible for paying all costs whether they are on-going or one-time costs. Consequently it is the management of the overall spending and the service quality that is important to the shareholder and the ratepayer. WPI submits that shareholder incentive to manage costs prudently and defer them when possible during the incentive period is further proof that the expenditures in 2007 and 2008 were made based on the priority needs of the utility to maintain the distribution infrastructure and service quality, rather than as a means to enhance shareholder profit or increase future rates.

As shown in the table on page 7 of Board Staff's submission, the OM&A cost components vary considerably from year to year over the 2006 to 2009 period but in aggregate they have remained fairly stable, which is quite an accomplishment when one considers growth, cost pressures and additional distribution requirements that WPI's management and employees have had to meet over the last five years. The year-over-year changes in the significance of each component represent the management decisions that must be made each year to balance operational resources and work requirements. From the perspective of the ratepayers, the key measures of benefits are the overall costs and the impact on rates and service quality. It is from this perspective that WPI submits that it has managed its utility effectively to maintain distribution service to its ratepayers at acceptable levels while holding its costs constant at the same level of OM&A spending in 2004.

3.3 Leasing Cost Savings

SEC was the only party to argue that the 2007 OM&A should be reduced further by removing the leasing costs. Board Staff took an opposite position that "the decrease in rental costs is due to the fact that Westario constructed a new operations centre rather than from efficiencies arising from the amalgamation of the three prior affiliates."[14]

In WPI's view, neither position is correct since the elimination of the leasing costs cannot be assessed in isolation, either as an OM&A expense or as a capital investment. Examining the leasing cost reduction separately as an OM&A impact would ignore the capital impact and the long-term benefit of owning the building versus leasing (described below). To properly assess these benefits, WPI submits that a long-term perspective is required to determine the net benefits of ownership versus leasing. In addition, there are some obvious operating efficiencies that were created by centralizing facilities such as tighter inventory control and reduced travel costs.[15] The cost savings associated with the amalgamation ($267K) and the facility centralization are both reflected in the 2008 and 2009 OM&A forecasts.

[14] Board Staff Submission, p.10
[15] Exhibit 2, Tab 3, Schedule 4, pp.9-11

In its submission SEC confirmed that the NPV calculation provided by WPI demonstrates that "owning a single facility is more cost effective than leasing" and that "intuitively one would expect operational efficiencies to result from having one facility versus leasing eight separate facilities" but it was concerned with "the apparent lack of offsetting expense savings resulting from the new operations centre".[16]

WPI agrees with SEC that the costs to maintain eight separate facilities should clearly exceed the costs of operating out of one centralized location. For example, there will be one maintenance cost instead of eight, one insurance policy instead of eight, and one property tax payment instead of eight. Some costs will be significantly reduced by the consolidation like the $37,339 annual reduction in inventory costs. Other costs will be eliminated completely like the annual leasing costs of $221,000. WPI has no doubt that ratepayers will benefit significantly from all of these cost reductions but wishes to point out that even if there were no efficiencies, ratepayers would still benefit by a NPV of $2.6M from WPI consolidating its operations in one central facility. [17]

WPI contends that the operational efficiencies from its facility consolidation and structural amalgamation are reflected in declining growth of the OM&A expenses, moving from an increase of $331,316 in the 2007 Actuals, to a $255,927 variance

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[16] SEC Submission, p.2, para.3&4
[17] Response to Board Staff Supplemental IR #6

between 2007 and 2008 OM&A expenses to a $40,690 OM&A reduction in 2009[18]. WPI further contends that the cost to track and calculate all of the cost savings individually would not have been a prudent expenditure or a practical use of utility resources given the significant expected benefits. WPI is confident that there are costs savings in the 2009 OM&A forecast as a result of the facility consolidation and that the operational centre will continue to provide operational efficiencies and improved service for ratepayers.

3.4 Operating Efficiencies

SEC infers that because WPI did not conduct a detailed analysis of the operational efficiencies resulting from moving to a single amalgamated facility, the savings likely have not been factored into the 2009 OM&A forecasts.[19] WPI submits that this is not the case and that in fact all of the synergies are reflected in the 2009 OM&A as demonstrated by declining growth of OM&A described in the previous section. WPI is not aware of any additional operational savings resulting from moving to a single amalgamated facility that would be experienced in the test year or the subsequent IRM period. It is important to note that operational savings from projects such as this are often not realized immediately. SEC has not presented or referenced any evidence to support its speculation that the expected savings were not taken into consideration when determining the appropriate level of forecast spending.

[18] Exhibit 4, Tab 1, Schedule 2, Attachment 1, pp.1&2
[19] SEC Submission, p.4, para.9

SEC speculates further on the appropriate level of OM&A by proposing a $315,825 (7%) reduction[20] from the 2009 forecast that WPI's management has stated is required to operate the utility in a safe and reliable manner. SEC's proposed reduction presumes that a 4% increase in 2008 and 2009 costs starting from an arbitrarily adjusted cost base in 2007 is a better indication of the utility's required annual OM&A expenses over the next four years than what WPI's management has determined from its extensive utility experience. WPI suggests that even applying a 4% increase to the 2006 Actual OM&A would lead to a $56,281[21] shortfall from what WPI's management has stated is required to operate the utility safely and effectively.

WPI submits that since no substantive evidence has been provided by SEC or any other party there is no justification for such a significant reduction to the level of OM&A spending recommended by WPI's management. An arbitrary 7% reduction of the 2009 OM&A would lead to a spending shortfall of almost $1.3M over the expected four year incentive period. WPI contends that a random reduction of this magnitude would hamper the utility's ability to maintain service quality and system reliability at the current levels. WPI urges the Board to ignore such a speculative approach and approve the OM&A required by WPI to operate the utility safely and effectively in the 2009 test year and the following 3-year incentive period.

[20] Ibid, para.10
[21] This amount was calculated using the totals in Board Staff's OM&A Summary table and therefore does not include $56,600 in property taxes included in the requested OM&A total of $4,868425.

With respect the Master Service Agreement Board Staff concludes that the "service company was under recovering its costs, and Westario's ratepayers benefited". WPI confirms that this was the case and that the inflation adjustment provision was never invoked, only the depreciation expenses were recovered, and "no recovery of a return or interest expense" was charged for services provided to WPI with capital assets owned by the service company.[22]

Board Staff concludes that "this means that the historical costs serve as a less-than-ideal basis for assessing the forecasted costs and revenue requirement." WPI disagrees with this interpretation since all that is required is to assess the historic numbers from that perspective. WPI agrees with Board Staff that intentional under-recovery is not the normal expectation for a profit seeking firm and that this explains why SEC would think there was an "apparent" lack of savings, but the fact that the affiliate shareholders decided not to maximize their profits should not bring into question the validity of the 2009 OM&A forecasts.

WPI's view is that the pre-amalgamation expenses can still be used to test the appropriateness of the 2009 OM&A expenses, provide the 2006 and 2007 expenses are increased by an amount equal to the costs that normally be recovered under a full cost recovery approach. WPI realizes now that it would have been preferable to provide an

[22] Board Staff Submission, p.14

estimate of these additional costs, but does not think that this oversight should prevent the Board from considering the expected directional impact on the historic expenses. If anything, this supports WPI's contention that it has held the previous level of Board approved costs constant since the historic spending levels if adjusted to match the full operating costs would be higher in 2006 and 2007.

3.5 Inflation

Board Staff confirmed that WPI's "2009 OM&A reflects a 3% inflation rate" and that in selecting this rate WPI "was guided by the CPI for June and July 2008 being 2.8% and 3.6%". Board Staff was aware "that more recent statistics indicate a lower rate of inflation" later in 2008 but still concluded that "Westario's assumption of a 3% inflation rate for its 2009 OM&A expenses, where detailed data was not available, is not unreasonable."[23] VECC also points out that "more recent estimates of inflation for 2009 suggest that it will be materially less" suggesting that the Board should consider this factor when assessing the reasonableness of VECC's proposed spending reductions.[24]

WPI has four concerns with VECC's suggestion. The first is that adjusting one factor in an application to reflect a more recent value is not reasonable unless all of the inputs are

[23] Ibid, pp.8&9
[24] VECC Submission, p.8, para.4.6

updated at the same time. Secondly, VECC would undoubtedly oppose a cost adjustment in the other direction if the inflation estimates were rising. Thirdly changes in inflation are partially reflected in the updated rates of return. And finally, under the Board's IR framework reducing a cost based on a short-term variation in inflation expectations would not be reasonable if the inflation rate were expected to rise by the same amount or more during the 4 year incentive program.

For all of these reasons, WPI submits that a 3% adjustment for inflation is reasonable, as Board Staff points out, but only where detailed data is not available. Where more accurate data is available, however, WPI disagrees with VECC's position that operating costs should be set using an inflation rate. If rate approvals were that simple, parties would not need to review or justify any of the costs and the Board would simply improve an inflation factor and apply it to the previous Board approved costs.

Board Staff has noted that in response to VECC IR #34, WPI has indicated that its 2009 OM&A reflects a 3% inflation rate amounting to 160K[25]. In response to Board Staff IR #4, WPI has also noted that it used a 3% inflation rate when the price changes were not otherwise obtained directly from the vendor or service provider[26]. The Applicant wishes to clarify that in its response to VECC IR #34, WPI indicated that approximately $160K (or 3.3%) of the 2009 OM&A expenses were estimated using a 3% inflation rate.

[25] Board Staff Final Submission, p 8.
[26] Response to Board Staff IR #4

Therefore, inflationary costs of approximately $5K ($160,000 x 3%) are included in the 2009 OM&A expenses.

Board Staff has noted that although more recent statistical data is available indicating a lower rate of inflation than assumed by WPI, they have also indicated that WPI's assumption of 3% is not unreasonable[27]. Therefore WPI requests that the Board accept an inflation rate of 3% as presented for OM&A costs when a price was not attainable from a vendor or service provider.

3.6 Field Asset Program

In its submission, Board Staff notes a discrepancy between WPI's pre-filed evidence and its response to a VECC interrogatory and requests that WPI confirm the spending levels for this activity.[28] There is no discrepancy. WPI expects to spend $382K in 2008, allocated to Account 5160 and $356K in 2009, allocated to Account 5040 on its Field Asset Program. When assessing the impact of the proposed spending and the account changes it is important to review the variances in aggregate, since the year over year increase in Account 5040 due to the accounting change will be offset by the decrease in Account 5160.

Asset management is an important aspect of the efficient management of WPI's capital and operational plans and the company intends to continue the projected level spending

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[27] Board Staff Final Submission, p. 9
[28] Board Staff Submission, p.9

throughout the incentive period in order to provide a more comprehensive and integrated asset management plan to the Board in its next rebasing application.

3.7 Tree Trimming and Line Clearing Operations

Board Staff questioned the level of trimming and clearing forecasts on the basis that the year-over-year increases are too large. No explanation for the large increases was sought from WPI and no other justification for a different level of expenditure was provided by Board Staff. Board Staff simply proposes that the Board trim the forecast determined by management by $70,000.

WPI submits that the costs forecast for these activities are management's best estimate of what amount of trimming and clearing is required to prevent outages and accidents from happening. WPI contends that arbitrary reductions based on required changes in activity and spending levels are not in the best interests of ratepayers or the general public.

WPI posits that one could just as easily argue that the large cost reductions in other areas of the OM&A forecast should be reduced by the same amount, thereby increasing the OM&A spending in 2009. Without some factual evidence to justify the reductions, WPI argues that one change is as good as another, and management's ability to manage the utility's tree trimming program and the clearing of its distribution lines to ensure safety and reliability should not be hampered by arbitrary spending cuts in one direction. Further, WPI notes that Board Staff's 2007 to 2009 comparison regarding this expense is again a worst-case scenario, since the 2007 cost of $156,000 was unusually low (ie. WPI's tree trimming and clearing cost was $193,000 in 2006 and $230,000 in 2008). For these reasons, WPI recommends that the Board approve the costs WPI forecast for tree trimming and line clearing

3.8 2009 Engineering Burden

When assessing the appropriateness of WPI’s 2009 OM&A expenditures and in particular WPI’s engineering burden, VECC selected a different comparison year than Board Staff and did not comment on the position taken by Board Staff. WPI’s assessment of VECC’s position is that while the year selected for comparison was different the approach was the same as the one used by Board Staff and SEC, i.e. to make the comparison using the worst case scenario from the perspective of the utility. This may be a coincidence, or it just may be the natural result of parties trying to present the best case from the perspective of their constituents, but what is most important from WPI’s perspective is that the Board has a complete picture of the OM&A spending.

As stated previously, WPI urges the Board to consider the overall cost management results during the incentive period and the reality that utility managers must deal with when balancing resources and yearly operational requirements to provide quality service at reasonable costs. WPI contends that looking selectively at short term increases in specific accounts in specific years does not provide a proper framework for setting an appropriate level of OM&A under incentive regulation as it overlooks savings in other accounts and ignores the long-term stability from efficient cost containment as demonstrated by WPI over the 2006-2009 incentive period.

The point WPI is making here is best demonstrated by looking at the accounts that VECC has selected, but over the entire incentive period, as opposed to focusing only on the 2008-2009 variance. WPI has selected two other accounts to demonstrate that cost reductions of the same magnitude are also occurring in the timeframe that VECC has selected. WPI contends that the yearly variations and the compensating impacts show why a longer-term aggregate assessment of the OM&A spending is required.

What is readily evident in the following table is that the spending in each account varies considerably from year to year. WPI submits that this is the normal outcome from managing utility activities on a priority basis as required to maintain the usefulness of its distribution assets and the quality of its service reliability. WPI strongly disagrees with the notion implied in the position put forward by VECC and the other parties that specific utility activities can be and must be managed in a way that the annual increase in each account cannot exceed 3 or 4 percent. WPI contends that this is simply not possible and suggests that it could lead to absurd results, like clearing half a right-of-way one year and leaving danger trees standing because the budget cap is reached. In WPI's respectful opinion this is not the proper way to run a utility. There are expenditures that must be made in a timely manner that are driven by circumstances beyond management's control. The operating environment in which WPI and other distributors must plan and deliver services is not static and smooth and it is not practical to try and fit their expenditures into such a theoretic world.

Cost Variations by Account During the 2006-2009 Incentive Period [29]

Acct/Yr	2006	2007	2008	2009	Avg	Var	08 vs 09	07 vs 09	06 vs 09
5125	282,089	130,569	27,625	131,200	142,871	(11,671)	103,575	631	(150,889)
5130	91,758	53,347	74,650	106,600	81,589	25,011	31,950	53,253	14,842
5155	106,517	61,846	98,000	112,000	94,591	17,409	14,000	50,154	5,483
TOTALS	480,364	245,762	200,275	349,800	319,050	30,750	149,525	104,038	(130,564)
5175	6,164	13,128	309,175	95,000	105,867	(10,867)	(214,175)	81,872	88,836
5630	240,708	353,621	311,490	178,500	271,080	(92,580)	(132,990)	(175,121)	(62,208)
TOTALS	246,872	366,749	620,665	273,500	376,947	(103,447)	(347,165)	(93,249)	26,628

As shown in the table for account 5125, selecting the 2008 to 2009 comparison provides the biggest cost increase variance. The 2007 to 2009 comparison shows a slight increase and the 2006 to 2009 comparison shows a $150,889 reduction. This is the entire amount that VECC is concerned about in its submission.[30] The average expenditure over the incentive period is $142,871, which is $11,671 higher than the amount forecast for 2009.

Obviously, the spending pattern for account 5125 presents the best case scenario to support WPI's position and the 2007 to 2009 comparisons for Accounts 5130 and 5155

[29] Exhibit 4, Tab 2, Schedule 2
[30] VECC Submission, p.7

have higher variances than the 2008 to 2009 comparisons used by VECC, but the point worth noting is the risk of funds being misallocated if spending is approved based on short-term selective assessments when the overall the totals of these three accounts show that the amounts forecast in 2009 are reasonable and well within the historic spending for these necessary operational activities. While WPI agrees that steady state spending may be possible for some utility activities like billing, it is not practical for field operations.

Further support for this position is demonstrated by looking at OM&A spending in aggregate. WPI has selected two accounts where costs have been cut significantly from the level of spending forecasted for 2008, Account 5175 – Maintenance of Meters and Account 5630 – Outside Services Employed. Together these two accounts provide a cost reduction of $347,165, which is more than double the cost increase from accounts 5125, 5130 and 5155 combined that VECC has suggested that the Board consider in isolation. Again there is a considerable amount of variability in the yearly spending amounts, but in general when the totals of the former two accounts go up the totals of the latter three go down and vice versa. And overall the total costs for all five accounts remain constant. WPI is not suggesting that this is always the case but simply that in general the aggregate expenditure overtime is the best measure of appropriate cost management.

With regard to VECC's concerns on the engineering burden and the estimated costs that VECC has calculated in section 4.3 of its submission, WPI believes that VECC has assumed that the 10% refers to dollars when the increase is in hours of labour as stated in

WPI's response to Board Staff IR #7. This misunderstanding was not apparent to WPI until it reviewed VECC's submission and tried to figure out why VECC was making assumptions completely different from the one-to-one proportionate matching of the burden and direct labour costs.

WPI believes that when VECC assessed the 10% direct labour increase it assumed this was a dollar increase and that on the $150,000 spending increase for accounts 5125, 5130 and 5155 between 2008 and 2009 $15,000 was for direct labour and the majority of the remainder was due to burden. This is understandable as the evidence could have been clearer on this point if WPI had known that VECC had made this assumption. The correct interpretation of the 10% is that it relates to "an increase in direct labour hours of approximately 10%" and the misinterpretation follows from "with the balance of the increase attributable to the proportionate 'Engineering Burden'."[31] In light of this misunderstanding, VECC's suggestion that spending in this area should be reduced by at least $100,000 at 4.3 and roughly $35,000 at 4.4 of its submission should be disregarded.

WPI's direct labour costs are roughly the same as the cost of its engineering burden which includes a wide range of support activities and resources.[32] WPI uses direct labour hours to allocate the burden to its capital and operational activities, so during years when there is a large number of capital projects, the amount of burden allocated to operations is lower and vice versa to years where operation activities are more prevalent. But in each

[31] Response to Board Staff IR #7
[32] Response to Board Staff Supplemental IR #2

instance the amounts allocated for direct labour and burden are basically in the same proportion because the total dollars for each set of these resources is roughly the same.

3.8 2009 Regulatory Costs

The Applicant has proposed total Regulatory Costs (Account 5655) in the amount of $140,000[33]. Included in this amount is $60K relating to ongoing Regulatory Costs and incremental costs related to the 2009 Cost of Service Application totaling $240,000 to be amortized over three years ($80K per year)[34]. Board Staff noted that the forecast regulatory costs were $140 for WPI's 2009 OM&A and suggested that the Board may wish to amortize costs related to the 2009 EDR proceeding over four years since the next Cost of Service review would occur in 2013, effectively reducing 2009 OM&A costs by approximately $20K (i.e.$140K to $120K.)[35].

WPI has no objection to amortizing the costs required to pay for the 2009 EDR over four years allowing the 25% incremental cost to be added to the normal expected regulatory expense. The resulting annual expense in Account 5655 would be ($240K/4) + $60 = $120K. WPI notes that Board Staff, SEC and AMPCO did not question or have any objection to this level of necessary expenditure on WPI's regulatory activities.

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[33] Exhibit 4, Tab 2, Schedule 2, p.19
[34] Exhibit 4, Tab 2, Schedule 2, p. 19
[35] Board Staff Final Submission, p. 10

VECC argues that, because there was no oral component and there were a limited number of intervenors, WPI's regulatory costs should be reduced by $20,000. In WPI's opinion there are a number of flaws with VECC's suggestion. Although there was no oral component, there was a tele-conference followed by supplemental interrogatories and written submissions. The number of intervenors was not limited as the turnout was normal for a midsized utility, and some of them like VECC were very active. VECC makes no reference to the detailed breakdown of costs provided by WPI and instead just assumes the costs are too high. And finally, even though WPI's annual regulatory costs during a non-rebasing year were at least $60K, VECC recommends $55K as an appropriate level of recovery of the $240K in rebasing costs and ignores the need for annual regulatory costs of $60K.

For all of these reasons, WPI recommends that the Board approve the adjusted regulatory costs of $120K as proposed by WPI and suggested by Board Staff ($140K less $20K) and reject VECC's unfounded suggestion that the costs should be reduced to $105K ($55K for the adjusted rebasing plus $60K).

4.0 PILS

As per Board Staff's final submission, WPI proposed a PILs allowance for 2009 of $897,156, comprised of $855,475 for combined Federal and Provincial Income Taxes and

$45,681 in Capital Taxes[36]. Please note that as per the Application[37], the calculated Capital Tax is $41,681, not the amount referenced above. In response to Board Staff IR#28, WPI indicated that the 2009 PILs allowance was calculated as $614,849. The Applicant wishes to clarify that the response to Board Staff IR #28, did not include the PILs 'gross-up'; which is provided in detail in Exhibit 4, Tab 3, Schedule 1, Attachment 8; totaling $897,156.

Recent revisions to the Federal Income Tax Act have increased the small business threshold to $500K from $400K effective January 1, 2009[38]. No additional adjustment is required by WPI as it is not eligible for the federal small business deduction as its taxable capital exceeds $15 million.

In addition, the 2009 Federal Budget provided that qualifying expenditures that meet the criteria for CCA Class 50 acquired after January 27, 2009 but before February 2011 can be amortized at a rate of 100%, and there is no requirement to apply the half-year rule. It its original Application, WPI indicated capital additions to Class 50 of $37,800 in 2008[39] and $35,400[40] in 2009. The above noted additions were erroneously allocated to Class 50 by the Applicant, as they do not qualify for Class 50 (or Class 50.1) treatment in either 2008 or 2009, but rather as Class 12 additions.

[36] Board Staff Final Submission, p. 11
[37] Exhibit 4, Tab 3, Schedule 1, Attachment 8
[38] Board Staff Final Submission, p 11
[39] Exhibit 4, Tab 3, Schedule 1, Attachment 1, p 2
[40] Exhibit 4, Tab 3, Schedule 1, Attachment 1, p 4

In addition, WPI has eliminated the recovery of regulatory assets in calculating taxable income as a result of VECC IR #29 a). WPI acknowledges that the Board has initiated a proceeding with respect to the Deferred PILs account 1562, and has removed the recovery of regulatory assets until such time as the Board provides direction on the treatment of the same.

WPI has updated its PILs calculation to correct the misallocation of capital additions for the purposes of calculating capital cost allowance and the elimination of the recovery of regulatory assets included in taxable income, with the resulting PILs amount indicated on page 4 of this Reply Submission.

WPI will update its PILs tax calculations accordingly when Board Staff files its draft rate order to properly reflect all applicable changes.

4.0 Capital Expenditures

In its submission, Board Staff notes that the 2009 rate base has increased by $6.6 million over the 2006 actual rate base and that this increase is mainly due a $2.4 million increased for the new operations centre in 2007 and a $1.0 million increase in net book value for the repatriation of the utility assets in 2008 as a result of the Board approval of WPI's MAAD application. When these two items are removed, the rate base increase over the same period is reduced to $3.2 million resulting in an average capital expenditure of $1.1 million per annum.

WPI submits that this level of capital expenditure is reasonable and necessary to sustain the utility operations and facilities in a safe and reliable manner. WPI further submits that the expenditures for the operations centre and the merger consolidation are reasonable and can be justified based on the evidence in this proceeding and for the reasons stated below.

As SEC points out in its submission "After adjusting for a single large expenditure in 2007, forecasted 2009 capital expenditures are in line with past years." SEC notes further that WPI's expenditure continuity was accomplished by balancing "increased expenditures in the area of Public Safety (the Pole Line Replacement and Copper Replacement projects- see Ex. 2-3-1, p. 12) with reduced expenditures in other areas. WPI appears to have appropriately prioritized projects using its Capital Projects Scoring Matrix. SEC therefore has no objection to WPI's capital plan."[41]

For similar reasons, "VECC has no issues with respect to WPI's proposed 2009 capital spending." VECC concluded that WPI's 2009 capital spending was "just 4.8% higher

[41] SEC Submission, pp.1-2, para.2

than the planned spending for 2008, but materially less than the spending levels in 2006 and 2007" and that when the capital additions for the new operating facility are removed "total capital spending for 2007 is roughly equivalent to that proposed for 2009." VECC also noted that "WPI has recently established an Asset Management Policy that includes an approach for scoring/prioritizing proposed capital projects" and that "the projects included in the current Application were screened accordingly and explanations for each project provided." [42]

Board Staff took the same position that WPI's capital expenditures appear to be relatively stable "after accounting for the operations centre, and assets transferred from the service company to Westario upon amalgamation."[43] Board Staff also had "no concerns with the evidence provide on service reliability and how it relates to Westario's proposed capital expenditures for 2009."[44]

Based on the evidence provided in this proceeding and the supporting positions taken by all of the parties in their submissions, WPI respectfully requests that the Board approve the 2009 capital spending plan as proposed. Further submissions supporting the capital expenditures related to the operations centre and the asset transfers are provided in the following sections.

[42] VECC Submission, p.2,para.2.1-2.3
[43] Board Staff Submission, p.16
[44] Ibid, p.18

4.1 New Operations Centre

As described in WPI's application[45], the need for a new administration office and operations centre was identified following the merger of the eight predecessor utilities when it became obvious that serving 15 communities out of eight offices across a large service area would be inefficient and would create operational challenges. As the existing facilities were too small and too spread out to be useful to the merged utility, ownership was retained by the municipalities and the leases on the existing facilities were continued until the new operations centre was available.

A space needs study was completed in 2005 and a search was commenced for an appropriate facility that could accommodate all of the staff, provide efficient roadway access to the communities served and permit the necessary operational uses. Two buildings and a number of potential properties were identified. Since it was not possible to negotiate suitable arrangements with the building owners, WPI continued its search for an appropriate building site. Of the properties under review only one had the right zoning in place and since the property was reasonably priced ($135K) it was purchased.

Four bids were received for the building construction ranging from $2.7M to $2.9M. The builder with the lowest bid was selected and a final price of $2.5M was negotiated for the

[45] Exhibit 2, Tab 3, Schedule 4, pp.5-9

building plus $400K in extras including a security system, communications network and energy efficiency initiatives. The building was completed under budget in 2007.

WPI submits that none of the parties in this proceeding questioned any of these facts, or the prudence of moving to a centralized operations centre, or the steps taken by WPI's management to ensure an appropriate facility was selected at the lowest possible cost. The only area of inquiry was whether the cost of owning the building was more than the leasing costs and whether there were any offsetting cost efficiencies.

WPI described the financial, operational and resources savings in its application, which included annual lease savings totally $221K, improved customer service, faster response times, shorter outages, tighter inventory control, reduced travel costs and improved employee communications.[46]

In addition, WPI provided a Net Present Value analysis which showed $2.6M in net savings for ratepayers from WPI owning the building.[47] None of the parties questioned this analysis except Board Staff who took the position that the NPV analysis was not

[46] Exhibit 2, Tab 3, Schedule 4, pp.9-11
[47] WPI Response to Board Staff Supplemental IR #6

sufficient to establish that net benefits would result from owning the building rather than leasing.[48]

SEC disagreed with Board Staff's position on leasing and concluded that the single year comparison presented by Board Staff was not appropriate. SEC confirmed that "the net present value calculation provided in response to response Board Staff supplementary IR#6 demonstrates that owning a single facility is more cost effective than leasing". With regard to the efficiencies associated with centralized operating centre, SEC noted that "intuitively one would expect operational efficiencies to result from having one facility versus leasing eight separate facilities".[49]

In its submission on capital spending VECC noted the $2.4 million expenditure associated with the new operating facility, but did not question the appropriateness of this rate base addition or the associated benefits demonstrated by the NPV analysis.[50]

WPI's management came to the same conclusion as SEC on the efficiency of consolidating eight leased buildings into one operations centre. They identified a number of areas where there were obvious cost savings, determined that there were be recognized

[48] Board Staff Submission, p.16
[49] SEC Submission, p.2, para.3&4
[50] VEEC Submission, p.2

operational benefits (e.g. the $37,339 annual inventory savings alone) and decided that the cost of a detailed review and assessment of the historic costs from eight different locations was not a prudent expenditure or use of WPI's limited resources given the significant benefits from owning the operations centre.[51]

For these reasons and based on the substantial NPV benefits, WPI respectfully requests that the Board approve the rate base as proposed, including the $2.4M capital investment in the new operations centre.

4.2 Other Capital Expenditures

As a result of the amalgamation approved by the Board in 2007, approximately $2.97M in gross assets less the accumulated depreciation were transferred from Westario Power Services Inc. to WPI at a net book value of $1,057,821. Since the amalgamation became effective January 1, 2008, WPI has included the net book value of these assets in its 2009 rate base.

In its submission, Board Staff notes the $1 million increase in net book value resulting from the Board approved MAAD application and the $267K savings related to the

[51] Exhibit 2, Tab 3, Schedule 4 pp.5-11 and Response to Board Staff Supplemental IR#6

amalgamation, but it did not take a position on the capital addition to rate base except to say that "After accounting for the operations centre, and assets transferred from the service company to Westario upon amalgamation, Westario's capital expenditures to support its distribution operations appear to be relatively stable."[52]

On page 17 of its submission, Board Staff provides a breakdown of WPI's capital expenditures in which it differentiates between distribution assets and transferred assets from the amalgamation. Based on its assessment of what it designates as the distribution assets, Board Staff concludes that the "2008 bridge and 2009 test year forecasts are in line with the 2007 actuals, and lower than the 2006 actuals" and that "Board Staff has no concerns with the evidence provided on service reliability and how it relates to Westario's proposed capital expenditures for 2009.[53]

Neither Board Staff nor any of the other parties questioned the asset transfer from the service company or the inclusion of the transferred assets in rate base. On this basis WPI submits that there is no evidence or argument to suggest that the assets shown in accounts 1915 to 1960 should be treated any differently than the assets shown in accounts 1820 to 1860 as all of the assets shown in the 2008 bridge year column of Board Staff's table are required to support the operations of the utility. WPI respectfully requests that the Board

[52] Board Staff submission, pp.13,15&16
[53] Ibid, pp.17&18

approve the rate base as proposed, including all of the assets transferred from the service company as part of the amalgamation.

4.3 Working Capital

WPI has reviewed VECC submission on working capital and agrees that its working capital should be updated as part of the final rate order to reflect the most recent cost of power and the most current estimate of Hydro One Network's transmission and LV costs for 2009.

4.4 Asset Management

Board Staff notes that "Westario's asset management is more complicated, due to legacy systems which sometimes have different engineering designs" and that the Asset Management Plan and associated documents "serve to guide Westario's management and staff in determining and prioritizing operational and capital projects with respect to providing high quality and reliable electricity distribution services." Board Staff further notes that Westario would benefit from a more "integrated or harmonized approach to managing the assets in its various communities."[54]

In its submission, VECC notes that the projects included in WPI's Application were screened and prioritized according to WPI's Asset Management Policy and that VECC

[54] Board Staff Submission, pp.18&19

had no issues with the 2009 capital spending.[55] SEC came to a similar conclusion that "WPI appears to have appropriately prioritized projects using its Capital Projects Scoring Matrix" and therefore SEC "has no objection to WPI's capital plan.[56]

WPI appreciates the positive feedback on its capital spending plan and assures the parties and the Board that it will continue to improve the efficiency and coordination of its Asset Management Plan.

5.0 Cost Allocation and Rate Design

5.1 Loss Factors

WPI has proposed a total loss factor ("TLF") from the current 6.37% to 7.88% for secondary metered customers < 5,000 kW, and a corresponding increase for primary metered customers < 5,000 kW from 5.30% to 6.80%[57]. The Applicant has provided detailed calculations of the Supplies Facilities Loss Factor ("SFLF") and Distribution Loss Factor ("DLF") in Exhibit 4, Tab 2, Schedule 9.

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[55] VECC Submission, p.2, para.2.2&2.3
[56] SEC Submission, p.2, para.2
[57] Board Staff Final Submission, p 19

Board Staff submits that WPI's proposed DLF and SFLF are reasonable[58], and VECC submits that the Applicant's methodology is reasonable[59], therefore, WPI respectfully submits that the Board approve its total loss factors as applied for.

5.2 Low Voltage Costs

In its original Application, WPI requested low voltage ("LV") costs of $733,477, which was revised to $601,861[60] during the hearing process. Detailed calculations of LV charges were provided by the Applicant in response to VECC IR #38.

Board Staff submits that although the forecasted LV costs and rate riders are much higher than those amounts previously approved by the Board, WPI has provided a satisfactory explanation for the large increase[61].

As Board Staff submits that Hydro One's approved LV rates for embedded distributors such as WPI are approximately 4% lower than those illustrated by the Applicant[62], WPI submits that it will update its LV rates in its draft rate order based on the assumption that the Hydro One application will be approved for rates effective May 1, 2009.

5.3 Customer Classes

[58] Board Staff Final Submission, p 19
[59] VECC Final Submission, p 8
[60] WPI Response to VECC IR #38
[61] Board Staff Final Submission, p 20
[62] Board Staff Final Submission, p 21

WPI proposes to discontinue its Time of Use rate class (GS 50-4,999kW) as discussed in Exhibit 9, Tab 1, Schedule 7.

Board Staff is concerned about the rate impact resulting from Westario's proposal to discontinue the time-of-use class[63]. In Westario's view, the bill impact on the single customer that is affected by this proposal is reasonable in light of substantial discounts enjoyed by the customer in past years. Furthermore, the primary driver of this increase in the customer's total bill is the elimination of the time-of-use rate which relates primarily to acquire a cost rather than Westario's distribution rates.

Board is also concerned about the rate impact of the increase in the Monthly Service Charge for the USL class[64]. WPI notes that the customer experiencing the largest increase will have a total bill impact of 17.6%. This percentage increase results from a $7.87 increase in the customer's monthly bill. WPI submits that the percentage increases in the monthly bills of the USL class are reasonable in the context of the dollar value of the monthly charges. WPI submits that the proposed tariff for the USL class is on a per customer basis.

WPI respectfully submits that the Board approve the Rate Classes as proposed.

[63] Board Staff Final Submission, p 21
[64] Board Staff Final Submission, p 24

5.4 Revenue to Cost Ratios

WPI agrees with the correction to the cost allocation methodology with respect to the treatment up the Transformer Ownership Allowance as recognized by the Board in the 2008 COS EDR Decisions for Horizon (EB-2007-0697) and Enersource (EB-2008-0706). Further support for this approach was provided in the Bluewater Power settlement recently accepted by the Board in EB-2008-0221. The removal of the Transformer Allowance Credits from both the costs and the revenues was recognized as a reasonable and innovative alternative to the normal Cost Allocation Model. This issue is also raised by VECC at paragraphs 9.4 to 9.8.

In addition, WPI agrees with the comments of Board Staff (pages 22-23) that in its 2006 Cost Allocation Information Filing, the number of Sentinel Lighting customers used to derive revenues and to allocate costs were not consistent. It is therefore appropriate to adjust the reference revenue to cost ratio (i.e., the revenue to cost ratio in the 2006 Cost Allocation Information Filing) by a factor of 6/16.

In response to these changes, WPI has adjusted its proposed rates so that they reflect the principles that were originally used by WPI in proposing its rates in the original application. These principles are:

- for classes with reference revenue to cost ratios in the Board Policy Range, set rates for each rate class so that the revenue to cost ratios for the test year are as close as possible to the reference revenue to cost ratios;
- ensure that any changes in the revenue to cost ratios result in a change that brings them closer to 1.00;
- for classes with reference revenue to cost ratios outside of the Board Policy Range, set rates so that the revenue to cost ratio for the test year moved halfway from the reference revenue to cost ratio to 1.00.

The adjusted proposed rates are set out in Table 1 below.

TABLE 1 – PROPOSED DISTRIBUTION RATES

Customer Class Name	Proposed Fixed Monthly Charge	Proposed Variable Charge	Per
Residential	$13.29 *	$0.0154	kWh
General Service Less than 50 kW	$23.95 *	$0.0101	kWh
General Service 50 to 4,999 kW	$240.89 *	$2.8232	kW
Unmetered Scattered Load	$11.19	$0.0455	kWh
Sentinel Lighting	$2.65	$13.6938	kW
Street Lighting	$4.04	$3.4240	kW

* Includes $1.00 Smart Meter Rate Adder

Table 2 provides the adjusted revenue to cost ratios correspond to the information filing and the response to VECC IR 21c. Table 2 also shows the revenue to cost ratios for the test year based on the adjusted proposed as well as the Board Policy Range.

TABLE 2 – REVENUE TO COST RATIO (%)

Customer Class	Informational	Application:	Response to	Proposed	Board

	Filing Run 2	Exhibit 8/ Tab 1/ Schedule 2	VECC IR 21 c	Adjusted	Policy Range
Residential	94.75	94.93	95.48	95.55	85 – 115
GS Less than 50 kW	80.77	81.17	81.13	81.38	80 – 120
General Service 50 to 4,999 kW	168.03	166.28	163.46	163.18	80 – 180
Unmetered Scattered Load	100.39	100.00	99.92	100.00	80 – 120
Sentinel Lighting	99.35	100.00	101.06	71.03	70 – 120
Street Lighting	50.04	75.05	51.03	74.88	70 - 120

VECC notes that the "Cost Allocation results need to be revised to include Late Payment charge revenues." (para. 9.2) However, as the Board Staff observe that "Miscellaneous Revenue is attributed to the classes on a pro rata basis, end of the R/C ratio for each class would be affected equally by the omission [of Lake Payment Charge revenue]." WPI therefore suggests that this issue is non-consequential and does not need to be addressed.

VECC also raises a concern related to changes in the proportions of billing parameters by class in 2009 as compared to the portions in the 2006 cost allocation model. While VECC raises a legitimate issue, WPI has relied on the advice of its cost allocation consultant, ERA, in determining whether or not it was appropriate to incur the cost of a full update of the 2006 cost allocation information filing. This issue was addressed in the WPI application, which concluded that the cost of a full update is not justified unless there are significant changes to the various billing parameters in costs that affect the ultimate allocation of costs in the cost allocation study. WPI notes that the comparison of revenue responsibility as set out at paragraph 9.10 on the VECC argument confirms WPI's conclusion that the drivers for cost allocation are highly stable. The only significant change relates to Sentinel Lights, which is addressed above. In WPI's submission, it would be inappropriate to override the results of the 2006 cost allocation information filing to reflect very small changes in the billing parameters in the absence of the full update of the cost allocation model that also addresses changes in the proportion of costs allocated by the various allocators used in the model.

WPI also notes that the VECC argument includes the caveat in paragraph 9.12 that "in VECC's view where there are such differences that could prove material …" WPI is of the view that the differences identified in the table at paragraph 9.10 of the VECC argument are not of sufficient materiality to justify a full update of the cost allocation information filing. Furthermore, the preferred approach of VECC which would take into account changes in billing parameters but not changes in costs years, in the view of WPI, in inappropriate way to address the concern.

The key point is that the Board Policy Ranges for the revenue to cost ratios of the customer classes are large because of the significant uncertainty associated with the results produced by the 2006 cost allocation information filing. Small variances in results should therefore be treated as insignificant for purposes of realigning rates for the 2009 test year. WPI has therefore sought as much stability as possible in the revenue to cost ratios for 2009 as compared to the 2006 information filing.

The final issue raised by VECC relates to changes in the R/C ratios, relative to the adjusted ratios. WPI is of the view that the adjustments to the proposed rates as set out in Table 1 above address the concerns raised by VECC. In particular, WPI reiterates that its goal was to maintain the revenue to cost ratios that resulted from the 2006 cost allocation information filing (as corrected). The changes were only those necessitated to bring classes within the Board guidelines.

SEC is seeking a reduction in the R/C ratio for the GS>50kW rate class although its R/C ratio is within the Board Policy Range. It is WPI understanding that this proposal is inconsistent with current Board practices as evidenced by its Wellington North decision (EB-2007-0693, page 29) which is recorded at page 15 of VECC's Final Argument.

5.5 Monthly Fixed Charges

WPI proposes to maintain its fixed/variable split for four classes. It proposes to increase the variable portion for the General Service 50 – 4,999 kW class, and to increase the fixed portion of the Unmetered Scattered Load class to the floor amount as calculated by WPI's Cost Allocation Information Filing[65].

Board Staff submits that the proposed changes to the fixed/variable split are consistent with the results of WPI's cost allocation study and that the bill impacts of the proposed

[65] Response to Board Staff IR #39

change to the rate structure of the General Service 50 – 4,999 kW class are in acceptable range[66].

Board Staff is also concerned about the rate impact of the increase in the Monthly Service Charge for the USL class[67]. WPI notes that the customer experiencing the largest increase will have a total bill impact of 17.6%. This percentage increase results from a $7.87 increase in the customer's monthly bill. WPI submits that the percentage increases in the monthly bills of the USL class are reasonable in the context of the dollar value of the monthly charges. WPI submits that the proposed tariff is on a per connection basis.

WPI respectfully requests that the Board approve the fixed/variable split for all classes as proposed.

5.6 Rate Design – Sentinel Lighting

Board Staff submits that the revenue to cost ratio for the Sentinel Lighting class is incorrect and an increase in distribution rates higher than 100% is not valid[68]. In response to Board Staff's concerns, WPI has addressed the revenue to cost ratio for the Sentinel Lighting class as shown in Table 2 above. The resulting bill impacts are shown in Appendix A.

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66 Board Staff Final Submission, p 24
67 Board Staff Final Submission, p 24
68 Board Staff Final Submission, p 25

6.0 Retail Transmission Service Rates

Board staff indicate a preference for passing through the RTS rate as precisely as possible with in the test year, rather than adjusting the RTS rate in a manner that reduces the expected balance in the variance account at the end of the test year. VECC concurs with Board Staff[69]. WPI continues to believe that it is appropriate mitigate the overall increase in customer bills by reducing the pass-through of the RTS rate, given that it has over collected from customers in recent years. This approach is consistent with the regulatory principle of intergenerational equity which suggests that when there is an over collection of funds from customers the funds over collected should be returned to customers sooner rather than later.

WPI respectfully submits that the Board approve Retail Transmission Service Rates as proposed.

7.0 Other Distribution Revenue

Westario is forecasting revenue offsets in the amount of $669,555 for 2009 as detailed in Exhibit 3, Tab 1, Schedule 1. Westario has proposed to continue with all of its currently approved Specific Service Charges. Board Staff have also noted that WPI has

[69] VECC Final Submission, p 17

appropriately excluded interest associated with the tracking of deferral and variance accounts as this these amounts are recovered or refunded through a separate process[70].

As Board Staff submits that Westario's forecast of revenue from sources other than distribution rates is reasonable[71], and neither VECC nor SEC raises objections, the Applicant respectfully submits that the Board approve Specific Service Charges as proposed.

8.0 Cost of Capital/Capital Structure

In response to page 8 or VECC's final submission, WPI acknowledges that the deemed cost of short-term debt and the 8.57% rate of return on equity used in the Application will be updated in accordance with the Board's Guidelines.

9.0 Deferral and Variance Accounts

Westario has proposed recovery of Account 1550 – Low Voltage Variance Account and Account 1508 – Other Regulatory Assets. The balance in account 1550 is the result of the under-recovery of Low Voltage costs. The balance in account 1508 is the result of

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[70] Board Staff Final Submission, p 27
[71] Board Staff Final Submission, p 27

OEB cost assessments and pension contributions. WPI is not seeking the disposition of any further deferral or variance balances.

In its original application, WPI sought to recover $1,134,993 by means of rate riders to be applied over two years[72]. In response to Board Staff Supplemental IR #12, WPI amended the amount to be recovered to $1,120,875.

The Applicant wishes to clarify section 7.1 on page 9 of VECC's submission should read "…the amount requested for recovery has been revised to $1,120,875", not "$120,875" as noted.

As Board Staff[73] and VECC[74] approves of WPI's methodology to dispose of accounts 1550 and 1508, WPI respectfully submits the Board approve recovery of the amounts of Account 1550 and Account 1508 as proposed.

10.0 Smart Meters

In response to VECC IR #2 and Board Staff IR #26, the Applicant confirmed that it is authorized to implement smart meters and additionally has addressed the information requirements set out in the Board's Smart Meter Guideline issued October 22, 2008 in order to qualify for the $1.00 smart meter adder.

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[72] Exhibit 5, Tab 1, Schedule 3
[73] Board Staff Final Submission, p 29
[74] VECC Final Submission, Section 7.1

As VECC submits that the Board should approve a $1.00 adder[75], and no comment is provided by other parties, WPI respectfully submits that the Board approve the $1.00 smart meter adder as proposed.

11.0 Intervenor Costs

VECC and SEC have requested awards of costs in the amount of 100% of its reasonably-incurred fees and disbursements in relation to the Westario rate application review. Westario respectfully assumes that the Board's decision on the intervenor cost requests will depend on a review of the actual cost claims by the Board later in this rate process and that Westario will have the opportunity to file objections to the claims at that time, if warranted.

[75] VECC Final Submission, p 17

Attachment A

The following attachment is Amended Bill Impacts

Westario Power Inc. (ED-2002-0515)
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F8 Customer Bill Impact Analysis

RPP rates per sheet Y7

Enter example volumes in kWh's (and kW's if applicable) for each customer class

Residential

Volume		RPP	Distribution Charges		Total Bill	
kWh *	kW	Rate Class	$ change	% change	$ change	% change
1,000		Summer	$4.52	18.7%	$7.17	7.2%
1,000		Winter	$4.52	18.7%	$7.17	7.5%
1,500		Summer	$5.57	18.1%	$9.50	6.5%
1,500		Winter	$5.57	18.1%	$9.50	6.7%
2,000		Summer	$6.62	17.7%	$11.88	6.2%
2,000		Winter	$6.62	17.7%	$11.88	6.3%

** Loss Factors (sheet F6) apply to certain pass-through charges (per sheet Y4)*

Westario Power Inc. (ED-2002-0515)

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F8 Customer Bill Impact Analysis

RPP rates per sheet Y7

Enter example volumes in kWh's (and kW's if applicable) for each customer class

General Service Less

Volume			Distribution Charges		Total Bill	
kWh *	kW	RPP?	$ change	% change	$ change	% change
2,000		Non-res.	$7.23	19.6%	$11.87	6.3%
2,500		Non-res.	$7.98	19.4%	$13.77	5.9%
4,000		Non-res.	$10.23	18.9%	$19.52	5.3%
5,000		Non-res.	$11.73	18.7%	$23.32	5.1%
10,000		Non-res.	$19.23	18.2%	$42.40	4.7%
12,500		Non-res.	$22.98	18.1%	$51.95	4.7%
15,000		Non-res.	$26.73	18.0%	$61.49	4.6%

** Loss Factors (sheet F6) apply to certain pass-through charges (per sheet Y4)*

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F8 Customer Bill Impact Analysis

RPP rates per sheet Y7

Enter example volumes in kWh's (and kW's if applicable) for each customer class

General Service 50 tc

Volume			Distribution Charges		Total Bill	
kWh *	kW	RPP?	$ change	% change	$ change	% change
22,000	50	Non-res.	$31.11	8.9%	$72.82	3.5%
35,000	75	Non-res.	$46.30	11.4%	$110.85	3.6%
50,000	100	Non-res.	$61.48	13.3%	$150.82	3.5%
125,000	250	Non-res.	$152.59	19.2%	$375.95	3.6%
250,000	500	n/a	$304.44	22.6%	$734.18	3.8%
400,000	750	n/a	$456.29	24.0%	$1,123.81	3.7%
750,000	1,500	n/a	$911.84	25.6%	$2,201.06	3.8%

** Loss Factors (sheet F6) apply to certain pass-through charges (per sheet Y4)*

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F8 Customer Bill Impact Analysis

RPP rates per sheet Y7

Enter example volumes in kWh's (and kW's if applicable) for each customer class

Unmetered Scattered

Volume			Distribution Charges		Total Bill	
kWh *	kW	RPP?	$ change	% change	$ change	% change
350		Non-res.	$6.86	33.9%	$7.87	17.6%
500		Non-res.	$6.89	25.5%	$8.33	13.4%
750		Non-res.	$6.94	18.1%	$9.21	10.1%
1,000		Non-res.	$6.99	14.1%	$10.02	8.2%
1,250		Non-res.	$7.04	11.5%	$10.81	7.0%
1,500		Non-res.	$7.09	9.8%	$11.60	6.3%
2,000		Non-res.	$7.19	7.6%	$13.23	5.4%

** Loss Factors (sheet F6) apply to certain pass-through charges (per sheet Y4)*

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F8 Customer Bill Impact Analysis

RPP rates per sheet Y7

Enter example volumes in kWh's (and kW's if applicable) for each customer class

Sentinel Lighting

Volume			Distribution Charges		Total Bill	
kWh *	kW	RPP?	$ change	% change	$ change	% change
200	1	Non-res.	$8.03	96.6%	$8.84	38.1%
2,000	10	Non-res.	$68.61	96.7%	$76.98	33.2%
4,000	20	Non-res.	$135.91	96.7%	$152.66	32.5%
6,000	30	Non-res.	$203.22	96.7%	$228.32	32.3%
8,000	40	Non-res.	$270.52	96.7%	$303.98	32.2%
10,000	50	Non-res.	$337.83	96.7%	$379.67	32.1%
20,000	100	Non-res.	$674.36	96.7%	$758.03	32.0%

** Loss Factors (sheet F6) apply to certain pass-through charges (per sheet Y4)*

Westario Power Inc. (ED-2002-0515)

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F8 Customer Bill Impact Analysis

RPP rates per sheet Y7

Enter example volumes in kWh's (and kW's if applicable) for each customer class

Street Lighting

Volume			Distribution Charges		Total Bill	
kWh *	kW	RPP?	$ change	% change	$ change	% change
150	1.00	Non-res.	$3.20	75.0%	$4.03	25.0%
500	3.00	Non-res.	$6.14	75.0%	$8.70	18.7%
1,000	6.00	Non-res.	$10.54	75.1%	$15.80	16.9%
5,000	30.00	Non-res.	$45.79	75.1%	$72.08	14.8%
10,000	60.00	Non-res.	$89.85	75.1%	$142.44	14.6%
20,000	120.00	Non-res.	$177.96	75.1%	$283.14	14.4%
50,000	300.00	Non-res.	$442.31	75.1%	$705.22	14.4%

** Loss Factors (sheet F6) apply to certain pass-through charges (per sheet Y4)*

Westario Power Inc. (ED-2002-0515)

2009 EDR Application (EB-2008-0250)
August 15, 2008

F8 Customer Bill Impact Analysis

RPP rates per sheet Y7

Enter example volumes in kWh's (and kW's if applicable) for each customer class

Residential RPP: Summer
1,000 kWh's

		2008 BILL			2009 BILL			CHANGE IMPACT	
	Metric	Volume	Rate	Charge	Volume	Rate	Charge	$	%
Monthly Service Charge				$10.87			$13.29	$2.42	22.3%
Distribution	kWh	1,000	$0.0133	$13.30	1,000	$0.0154	$15.40	$2.10	15.8%
Sub-Total (Distribution)				**$24.17**			**$28.69**	**$4.52**	**18.7%**
Deferral/Variance	kWh	1,000			1,000	$0.0015	$1.50	$1.50	
Electricity (Commodity)	kWh	1,064	RPP-Summer	$57.36	1,079	RPP-Summer	$58.25	$0.89	1.6%
Transmission - Network	kWh	1,064	$0.0044	$4.68	1,079	$0.0044	$4.75	$0.07	1.5%
Transmission - Connection	kWh	1,064	$0.0054	$5.74	1,079	$0.0054	$5.83	$0.09	1.6%
Wholesale Market Service	kWh	1,064	$0.0052	$5.53	1,079	$0.0052	$5.61	$0.08	1.4%
Rural Rate Protection	kWh	1,064	$0.0010	$1.06	1,079	$0.0010	$1.08	$0.02	1.9%
Debt Retirement Charge	kWh	1,000	$0.0007	$0.70	1,000	$0.0007	$0.70		
TOTAL BILL				**$99.24**			**$106.41**	**$7.17**	**7.2%**

Westario Power Inc. (ED-2002-0515)

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F8 Customer Bill Impact Analysis

RPP rates per sheet Y7

Enter example volumes in kWh's (and kW's if applicable) for each customer class

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General Service Less Than 50 kW **RPP: Non-res.**

2,000 kWh's

		2008 BILL			2009 BILL			CHANGE IMPACT	
	Metric	**Volume**	**Rate**	**Charge**	**Volume**	**Rate**	**Charge**	**$**	**%**
Monthly Service Charge				$19.72			$23.95	$4.23	21.5%
Distribution	kWh	2,000	$0.0086	$17.20	2,000	$0.0101	$20.20	$3.00	17.4%
Sub-Total (Distribution)				**$36.92**			**$44.15**	**$7.23**	**19.6%**
Deferral/Variance	kWh	2,000			2,000	$0.0012	$2.40	$2.40	
Electricity (Commodity)	kWh	2,127	RPP-Non-res.	$118.77	2,158	RPP-Non-res.	$120.55	$1.78	1.5%
Transmission - Network	kWh	2,127	$0.0040	$8.51	2,158	$0.0040	$8.63	$0.12	1.4%
Transmission - Connection	kWh	2,127	$0.0048	$10.21	2,158	$0.0048	$10.36	$0.15	1.5%
Wholesale Market Service	kWh	2,127	$0.0052	$11.06	2,158	$0.0052	$11.22	$0.16	1.4%
Rural Rate Protection	kWh	2,127	$0.0010	$2.13	2,158	$0.0010	$2.16	$0.03	1.4%
Debt Retirement Charge	kWh	2,000	$0.0007	$1.40	2,000	$0.0007	$1.40		
TOTAL BILL				**$189.00**			**$200.87**	**$11.87**	**6.3%**

Westario Power Inc. (ED-2002-0515)

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F8 Customer Bill Impact Analysis

RPP rates per sheet Y7

Enter example volumes in kWh's (and kW's if applicable) for each customer class

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General Service 50 to 4,999 kW **RPP: Non-res.**

22,000 kWh's
50 kW's

	Metric	2008 BILL Volume	2008 BILL Rate	2008 BILL Charge	2009 BILL Volume	2009 BILL Rate	2009 BILL Charge	CHANGE IMPACT $	CHANGE IMPACT %
Monthly Service Charge				$240.15			$240.89	$0.74	0.3%
Distribution	kW	50	$2.2158	$110.79	50	$2.8232	$141.16	$30.37	27.4%
Sub-Total (Distribution)				**$350.94**			**$382.05**	**$31.11**	**8.9%**
Deferral/Variance	kW	50			50	$0.4012	$20.06	$20.06	
Electricity (Commodity)	kWh	23,401	RPP-Non-res.	$1,373.93	23,734	RPP-Non-res.	$1,393.53	$19.60	1.4%
Transmission - Network	kW	50	$1.6425	$82.13	50	$1.6425	$82.13		
Transmission - Connection	kW	50	$1.9371	$96.86	50	$1.9371	$96.86		
Wholesale Market Service	kWh	23,401	$0.0052	$121.69	23,734	$0.0052	$123.41	$1.72	1.4%
Rural Rate Protection	kWh	23,401	$0.0010	$23.40	23,734	$0.0010	$23.73	$0.33	1.4%
Debt Retirement Charge	kWh	22,000	$0.0007	$15.40	22,000	$0.0007	$15.40		
TOTAL BILL				**$2,064.35**			**$2,137.17**	**$72.82**	**3.5%**

Westario Power Inc. (ED-2002-0515)

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F8 Customer Bill Impact Analysis

RPP rates per sheet Y7

Enter example volumes in kWh's (and kW's if applicable) for each customer class

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Unmetered Scattered Load RPP: Non-res.

350 kWh's

		2008 BILL			2009 BILL			CHANGE IMPACT	
	Metric	**Volume**	**Rate**	**Charge**	**Volume**	**Rate**	**Charge**	**$**	**%**
Monthly Service Charge				$4.40			$11.19	$6.79	>100%
Distribution	kWh	350	$0.0453	$15.86	350	$0.0455	$15.93	$0.07	0.4%
Sub-Total (Distribution)				**$20.26**			**$27.12**	**$6.86**	**33.9%**
Deferral/Variance	kWh	350			350	$0.0019	$0.67	$0.67	
Electricity (Commodity)	kWh	372	RPP-Non-res.	$18.61	378	RPP-Non-res.	$18.88	$0.27	1.5%
Transmission - Network	kWh	372	$0.0040	$1.49	378	$0.0040	$1.51	$0.02	1.3%
Transmission - Connection	kWh	372	$0.0048	$1.79	378	$0.0048	$1.81	$0.02	1.1%
Wholesale Market Service	kWh	372	$0.0052	$1.94	378	$0.0052	$1.96	$0.02	1.0%
Rural Rate Protection	kWh	372	$0.0010	$0.37	378	$0.0010	$0.38	$0.01	2.7%
Debt Retirement Charge	kWh	350	$0.0007	$0.25	350	$0.0007	$0.25		
TOTAL BILL				**$44.71**			**$52.58**	**$7.87**	**17.6%**

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F8 Customer Bill Impact Analysis

RPP rates per sheet Y7

Enter example volumes in kWh's (and kW's if applicable) for each customer class

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Sentinel Lighting **RPP: Non-res.**

200 kWh's

1 kW's

	Metric	2008 BILL Volume	2008 BILL Rate	2008 BILL Charge	2009 BILL Volume	2009 BILL Rate	2009 BILL Charge	CHANGE IMPACT	%
Monthly Service Charge				$1.35			$2.65	$1.30	96.3%
Distribution	kW	1	$6.9632	$6.96	1	$13.6938	$13.69	$6.73	96.7%
Sub-Total (Distribution)				**$8.31**			**$16.34**	**$8.03**	**96.6%**
Deferral/Variance	kW	1			1	$0.6397	$0.64	$0.64	
Electricity (Commodity)	kWh	213	RPP-Non-res.	$10.64	216	RPP-Non-res.	$10.79	$0.15	1.4%
Transmission - Network	kW	1	$1.2450	$1.25	1	$1.2450	$1.25		
Transmission - Connection	kW	1	$1.5286	$1.53	1	$1.5286	$1.53		
Wholesale Market Service	kWh	213	$0.0052	$1.11	216	$0.0052	$1.12	$0.01	0.9%
Rural Rate Protection	kWh	213	$0.0010	$0.21	216	$0.0010	$0.22	$0.01	4.8%
Debt Retirement Charge	kWh	200	$0.0007	$0.14	200	$0.0007	$0.14		
TOTAL BILL				**$23.19**			**$32.03**	**$8.84**	**38.1%**

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F8 Customer Bill Impact Analysis

RPP rates per sheet Y7

Enter example volumes in kWh's (and kW's if applicable) for each customer class

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Street Lighting **RPP: Non-res.**

150 kWh's		2008 BILL			2009 BILL			CHANGE IMPACT	
1 kW's	Metric	Volume	Rate	Charge	Volume	Rate	Charge		%
Monthly Service Charge				$2.31			$4.04	$1.73	74.9%
Distribution	kW	1	$1.9554	$1.96	1	$3.4240	$3.42	$1.47	75.1%
Sub-Total (Distribution)				**$4.27**			**$7.46**	**$3.20**	**75.0%**
Deferral/Variance	kW	1			1	$0.7123	$0.71	$0.71	
Electricity (Commodity)	kWh	160	RPP-Non-res.	$7.98	162	RPP-Non-res.	$8.09	$0.11	1.4%
Transmission - Network	kW	1	$1.2388	$1.24	1	$1.2388	$1.24		
Transmission - Connection	kW	1	$1.4973	$1.50	1	$1.4973	$1.50		
Wholesale Market Service	kWh	160	$0.0052	$0.83	162	$0.0052	$0.84	$0.01	1.2%
Rural Rate Protection	kWh	160	$0.0010	$0.16	162	$0.0010	$0.16		
Debt Retirement Charge	kWh	150	$0.0007	$0.11	150	$0.0007	$0.11		
TOTAL BILL				**$16.09**			**$20.11**	**$4.03**	**25.0%**

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RPP rates per sheet Y7

Enter example volumes in kWh's (and kW's if applicable) for each customer class

Residential RPP: Winter

1,000 kWh's

	Metric	2008 BILL Volume	2008 BILL Rate	2008 BILL Charge	2009 BILL Volume	2009 BILL Rate	2009 BILL Charge	CHANGE IMPACT $	CHANGE IMPACT %
Monthly Service Charge				$10.87			$13.29	$2.42	22.3%
Distribution	kWh	1,000	$0.0133	$13.30	1,000	$0.0154	$15.40	$2.10	15.8%
Sub-Total (Distribution)				**$24.17**			**$28.69**	**$4.52**	**18.7%**
Deferral/Variance	kWh	1,000			1,000	$0.0015	$1.50	$1.50	
Electricity (Commodity)	kWh	1,064	RPP-Winter	$53.76	1,079	RPP-Winter	$54.65	$0.89	1.7%
Transmission - Network	kWh	1,064	$0.0044	$4.68	1,079	$0.0044	$4.75	$0.07	1.5%
Transmission - Connection	kWh	1,064	$0.0054	$5.74	1,079	$0.0054	$5.83	$0.09	1.6%
Wholesale Market Service	kWh	1,064	$0.0052	$5.53	1,079	$0.0052	$5.61	$0.08	1.4%
Rural Rate Protection	kWh	1,064	$0.0010	$1.06	1,079	$0.0010	$1.08	$0.02	1.9%
Debt Retirement Charge	kWh	1,000	$0.0007	$0.70	1,000	$0.0007	$0.70		
TOTAL BILL				**$95.64**			**$102.81**	**$7.17**	**7.5%**

Westario Power Inc. (ED-2002-0515)

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F8 Customer Bill Impact Analysis

RPP rates per sheet Y7

Enter example volumes in kWh's (and kW's if applicable) for each customer class

General Service Less Than 50 kW **RPP: Non-res.**

2,500 kWh's

		2008 BILL			2009 BILL			CHANGE IMPACT	
	Metric	**Volume**	**Rate**	**Charge**	**Volume**	**Rate**	**Charge**	**$**	**%**
Monthly Service Charge				$19.72			$23.95	$4.23	21.5%
Distribution	kWh	2,500	$0.0086	$21.50	2,500	$0.0101	$25.25	$3.75	17.4%
Sub-Total (Distribution)				**$41.22**			**$49.20**	**$7.98**	**19.4%**
Deferral/Variance	kWh	2,500			2,500	$0.0012	$3.00	$3.00	
Electricity (Commodity)	kWh	2,659	RPP-Non-res.	$150.15	2,697	RPP-Non-res.	$152.37	$2.22	1.5%
Transmission - Network	kWh	2,659	$0.0040	$10.64	2,697	$0.0040	$10.79	$0.15	1.4%
Transmission - Connection	kWh	2,659	$0.0048	$12.76	2,697	$0.0048	$12.95	$0.19	1.5%
Wholesale Market Service	kWh	2,659	$0.0052	$13.83	2,697	$0.0052	$14.02	$0.19	1.4%
Rural Rate Protection	kWh	2,659	$0.0010	$2.66	2,697	$0.0010	$2.70	$0.04	1.5%
Debt Retirement Charge	kWh	2,500	$0.0007	$1.75	2,500	$0.0007	$1.75		
TOTAL BILL				**$233.01**			**$246.78**	**$13.77**	**5.9%**

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F8 Customer Bill Impact Analysis

RPP rates per sheet Y7

Enter example volumes in kWh's (and kW's if applicable) for each customer class

General Service 50 to 4,999 kW **RPP: Non-res.**

		2008 BILL			2009 BILL			CHANGE IMPACT	
35,000 kWh's / 75 kW's	**Metric**	**Volume**	**Rate**	**Charge**	**Volume**	**Rate**	**Charge**		**%**
Monthly Service Charge				$240.15			$240.89	$0.74	0.3%
Distribution	kW	75	$2.2158	$166.19	75	$2.8232	$211.74	$45.56	27.4%
Sub-Total (Distribution)				**$406.34**			**$452.63**	**$46.30**	**11.4%**
Deferral/Variance	kW	75			75	$0.4012	$30.09	$30.09	
Electricity (Commodity)	kWh	37,230	RPP-Non-res.	$2,189.79	37,758	RPP-Non-res.	$2,220.97	$31.18	1.4%
Transmission - Network	kW	75	$1.6425	$123.19	75	$1.6425	$123.19		
Transmission - Connection	kW	75	$1.9371	$145.28	75	$1.9371	$145.28		
Wholesale Market Service	kWh	37,230	$0.0052	$193.59	37,758	$0.0052	$196.34	$2.75	1.4%
Rural Rate Protection	kWh	37,230	$0.0010	$37.23	37,758	$0.0010	$37.76	$0.53	1.4%
Debt Retirement Charge	kWh	35,000	$0.0007	$24.50	35,000	$0.0007	$24.50		
TOTAL BILL				**$3,119.92**			**$3,230.76**	**$110.85**	**3.6%**

Westario Power Inc. (ED-2002-0515)

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RPP rates per sheet Y7

Enter example volumes in kWh's (and kW's if applicable) for each customer class

Unmetered Scattered Load RPP: Non-res.
500 kWh's

		2008 BILL			2009 BILL			CHANGE IMPACT	
	Metric	**Volume**	**Rate**	**Charge**	**Volume**	**Rate**	**Charge**	**$**	**%**
Monthly Service Charge				$4.40			$11.19	$6.79	>100%
Distribution	kWh	500	$0.0453	$22.65	500	$0.0455	$22.75	$0.10	0.4%
Sub-Total (Distribution)				**$27.05**			**$33.94**	**$6.89**	**25.5%**
Deferral/Variance	kWh	500			500	$0.0019	$0.95	$0.95	
Electricity (Commodity)	kWh	532	RPP-Non-res.	$26.59	539	RPP-Non-res.	$26.97	$0.38	1.4%
Transmission - Network	kWh	532	$0.0040	$2.13	539	$0.0040	$2.16	$0.03	1.4%
Transmission - Connection	kWh	532	$0.0048	$2.55	539	$0.0048	$2.59	$0.04	1.6%
Wholesale Market Service	kWh	532	$0.0052	$2.77	539	$0.0052	$2.80	$0.03	1.1%
Rural Rate Protection	kWh	532	$0.0010	$0.53	539	$0.0010	$0.54	$0.01	1.9%
Debt Retirement Charge	kWh	500	$0.0007	$0.35	500	$0.0007	$0.35		
TOTAL BILL				**$61.97**			**$70.30**	**$8.33**	**13.4%**

Westario Power Inc. (ED-2002-0515)

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F8 Customer Bill Impact Analysis

RPP rates per sheet Y7

Enter example volumes in kWh's (and kW's if applicable) for each customer class

Sentinel Lighting RPP: Non-res.

2,000 kWh's
10 kW's

		2008 BILL			2009 BILL			CHANGE IMPACT	
	Metric	Volume	Rate	Charge	Volume	Rate	Charge		%
Monthly Service Charge				$1.35			$2.65	$1.30	96.3%
Distribution	kW	10	$6.9632	$69.63	10	$13.6938	$136.94	$67.31	96.7%
Sub-Total (Distribution)				**$70.98**			**$139.59**	**$68.61**	**96.7%**
Deferral/Variance	kW	10			10	$0.6397	$6.40	$6.40	
Electricity (Commodity)	kWh	2,127	RPP-Non-res.	$118.77	2,158	RPP-Non-res.	$120.55	$1.78	1.5%
Transmission - Network	kW	10	$1.2450	$12.45	10	$1.2450	$12.45		
Transmission - Connection	kW	10	$1.5286	$15.29	10	$1.5286	$15.29		
Wholesale Market Service	kWh	2,127	$0.0052	$11.06	2,158	$0.0052	$11.22	$0.16	1.4%
Rural Rate Protection	kWh	2,127	$0.0010	$2.13	2,158	$0.0010	$2.16	$0.03	1.4%
Debt Retirement Charge	kWh	2,000	$0.0007	$1.40	2,000	$0.0007	$1.40		
TOTAL BILL				**$232.08**			**$309.06**	**$76.98**	**33.2%**

Westario Power Inc. (ED-2002-0515)

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RPP rates per sheet Y7

Enter example volumes in kWh's (and kW's if applicable) for each customer class

Street Lighting **RPP: Non-res.**

	Metric	2008 BILL			2009 BILL			CHANGE IMPACT	
500 kWh's / 3 kW's	**Metric**	**Volume**	**Rate**	**Charge**	**Volume**	**Rate**	**Charge**		**%**
Monthly Service Charge				$2.31			$4.04	$1.73	74.9%
Distribution	kW	3	$1.9554	$5.87	3	$3.4240	$10.27	$4.41	75.1%
Sub-Total (Distribution)				**$8.18**			**$14.31**	**$6.14**	**75.0%**
Deferral/Variance	kW	3			3	$0.7123	$2.14	$2.14	
Electricity (Commodity)	kWh	532	RPP-Non-res.	$26.59	539	RPP-Non-res.	$26.97	$0.38	1.4%
Transmission - Network	kW	3	$1.2388	$3.72	3	$1.2388	$3.72		
Transmission - Connection	kW	3	$1.4973	$4.49	3	$1.4973	$4.49		
Wholesale Market Service	kWh	532	$0.0052	$2.77	539	$0.0052	$2.80	$0.03	1.1%
Rural Rate Protection	kWh	532	$0.0010	$0.53	539	$0.0010	$0.54	$0.01	1.9%
Debt Retirement Charge	kWh	500	$0.0007	$0.35	500	$0.0007	$0.35		
TOTAL BILL				**$46.63**			**$55.32**	**$8.70**	**18.7%**

Westario Power Inc. (ED-2002-0515)

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F8 Customer Bill Impact Analysis

RPP rates per sheet Y7

Enter example volumes in kWh's (and kW's if applicable) for each customer class

Residential **RPP: Summer**

1,500 kWh's

		2008 BILL			2009 BILL			CHANGE IMPACT	
	Metric	**Volume**	**Rate**	**Charge**	**Volume**	**Rate**	**Charge**	**$**	**%**
Monthly Service Charge				$10.87			$13.29	$2.42	22.3%
Distribution	kWh	1,500	$0.0133	$19.95	1,500	$0.0154	$23.10	$3.15	15.8%
Sub-Total (Distribution)				**$30.82**			**$36.39**	**$5.57**	**18.1%**
Deferral/Variance	kWh	1,500			1,500	$0.0015	$2.25	$2.25	
Electricity (Commodity)	kWh	1,596	RPP-Summer	$88.74	1,618	RPP-Summer	$90.07	$1.33	1.5%
Transmission - Network	kWh	1,596	$0.0044	$7.02	1,618	$0.0044	$7.12	$0.10	1.4%
Transmission - Connection	kWh	1,596	$0.0054	$8.62	1,618	$0.0054	$8.74	$0.12	1.4%
Wholesale Market Service	kWh	1,596	$0.0052	$8.30	1,618	$0.0052	$8.41	$0.11	1.3%
Rural Rate Protection	kWh	1,596	$0.0010	$1.60	1,618	$0.0010	$1.62	$0.02	1.3%
Debt Retirement Charge	kWh	1,500	$0.0007	$1.05	1,500	$0.0007	$1.05		
TOTAL BILL				**$146.15**			**$155.65**	**$9.50**	**6.5%**

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Enter example volumes in kWh's (and kW's if applicable) for each customer class

RPP rates per sheet Y7

General Service Less Than 50 kW **RPP: Non-res.**
4,000 kWh's

		2008 BILL			2009 BILL			CHANGE IMPACT	
	Metric	**Volume**	**Rate**	**Charge**	**Volume**	**Rate**	**Charge**	**$**	**%**
Monthly Service Charge				$19.72			$23.95	$4.23	21.5%
Distribution	kWh	4,000	$0.0086	$34.40	4,000	$0.0101	$40.40	$6.00	17.4%
Sub-Total (Distribution)				**$54.12**			**$64.35**	**$10.23**	**18.9%**
Deferral/Variance	kWh	4,000			4,000	$0.0012	$4.80	$4.80	
Electricity (Commodity)	kWh	4,255	RPP-Non-res.	$244.28	4,315	RPP-Non-res.	$247.85	$3.57	1.5%
Transmission - Network	kWh	4,255	$0.0040	$17.02	4,315	$0.0040	$17.26	$0.24	1.4%
Transmission - Connection	kWh	4,255	$0.0048	$20.42	4,315	$0.0048	$20.71	$0.29	1.4%
Wholesale Market Service	kWh	4,255	$0.0052	$22.12	4,315	$0.0052	$22.44	$0.32	1.4%
Rural Rate Protection	kWh	4,255	$0.0010	$4.25	4,315	$0.0010	$4.32	$0.07	1.6%
Debt Retirement Charge	kWh	4,000	$0.0007	$2.80	4,000	$0.0007	$2.80		
TOTAL BILL				**$365.01**			**$384.53**	**$19.52**	**5.3%**

Westario Power Inc. (ED-2002-0515)

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F8 Customer Bill Impact Analysis

RPP rates per sheet Y7

Enter example volumes in kWh's (and kW's if applicable) for each customer class

General Service 50 to 4,999 kW **RPP: Non-res.**

50,000 kWh's / 100 kW's	Metric	2008 BILL Volume	Rate	Charge	2009 BILL Volume	Rate	Charge	CHANGE IMPACT	%
Monthly Service Charge				$240.15			$240.89	$0.74	0.3%
Distribution	kW	100	$2.2158	$221.58	100	$2.8232	$282.32	$60.74	27.4%
Sub-Total (Distribution)				**$461.73**			**$523.21**	**$61.48**	**13.3%**
Deferral/Variance	kW	100			100	$0.4012	$40.12	$40.12	
Electricity (Commodity)	kWh	53,185	RPP-Non-res.	$3,131.17	53,940	RPP-Non-res.	$3,175.71	$44.54	1.4%
Transmission - Network	kW	100	$1.6425	$164.25	100	$1.6425	$164.25		
Transmission - Connection	kW	100	$1.9371	$193.71	100	$1.9371	$193.71		
Wholesale Market Service	kWh	53,185	$0.0052	$276.56	53,940	$0.0052	$280.49	$3.93	1.4%
Rural Rate Protection	kWh	53,185	$0.0010	$53.19	53,940	$0.0010	$53.94	$0.75	1.4%
Debt Retirement Charge	kWh	50,000	$0.0007	$35.00	50,000	$0.0007	$35.00		
TOTAL BILL				**$4,315.61**			**$4,466.43**	**$150.82**	**3.5%**

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RPP rates per sheet Y7

Enter example volumes in kWh's (and kW's if applicable) for each customer class

Unmetered Scattered Load **RPP: Non-res.**
750 kWh's

		2008 BILL			2009 BILL			CHANGE IMPACT	
	Metric	**Volume**	**Rate**	**Charge**	**Volume**	**Rate**	**Charge**	**$**	**%**
Monthly Service Charge				$4.40			$11.19	$6.79	>100%
Distribution	kWh	750	$0.0453	$33.98	750	$0.0455	$34.13	$0.15	0.4%
Sub-Total (Distribution)				**$38.38**			**$45.32**	**$6.94**	**18.1%**
Deferral/Variance	kWh	750			750	$0.0019	$1.43	$1.43	
Electricity (Commodity)	kWh	798	RPP-Non-res.	$40.32	809	RPP-Non-res.	$40.99	$0.67	1.7%
Transmission - Network	kWh	798	$0.0040	$3.19	809	$0.0040	$3.24	$0.05	1.6%
Transmission - Connection	kWh	798	$0.0048	$3.83	809	$0.0048	$3.88	$0.05	1.3%
Wholesale Market Service	kWh	798	$0.0052	$4.15	809	$0.0052	$4.21	$0.06	1.4%
Rural Rate Protection	kWh	798	$0.0010	$0.80	809	$0.0010	$0.81	$0.01	1.3%
Debt Retirement Charge	kWh	750	$0.0007	$0.53	750	$0.0007	$0.53		
TOTAL BILL				**$91.20**			**$100.41**	**$9.21**	**10.1%**

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RPP rates per sheet Y7

Enter example volumes in kWh's (and kW's if applicable) for each customer class

Sentinel Lighting **RPP: Non-res.**

4,000 kWh's
20 kW's

	Metric	2008 BILL Volume	2008 BILL Rate	2008 BILL Charge	2009 BILL Volume	2009 BILL Rate	2009 BILL Charge	CHANGE IMPACT	%
Monthly Service Charge				$1.35			$2.65	$1.30	96.3%
Distribution	kW	20	$6.9632	$139.26	20	$13.6938	$273.88	$134.61	96.7%
Sub-Total (Distribution)				**$140.61**			**$276.53**	**$135.91**	**96.7%**
Deferral/Variance	kW	20			20	$0.6397	$12.79	$12.79	
Electricity (Commodity)	kWh	4,255	RPP-Non-res.	$244.28	4,315	RPP-Non-res.	$247.85	$3.57	1.5%
Transmission - Network	kW	20	$1.2450	$24.90	20	$1.2450	$24.90		
Transmission - Connection	kW	20	$1.5286	$30.57	20	$1.5286	$30.57		
Wholesale Market Service	kWh	4,255	$0.0052	$22.12	4,315	$0.0052	$22.44	$0.32	1.4%
Rural Rate Protection	kWh	4,255	$0.0010	$4.25	4,315	$0.0010	$4.32	$0.07	1.6%
Debt Retirement Charge	kWh	4,000	$0.0007	$2.80	4,000	$0.0007	$2.80		
TOTAL BILL				**$469.53**			**$622.20**	**$152.66**	**32.5%**

Westario Power Inc. (ED-2002-0515)

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RPP rates per sheet Y7

Enter example volumes in kWh's (and kW's if applicable) for each customer class

Street Lighting — **RPP: Non-res.**

1,000 kWh's

6 kW's

	Metric	2008 BILL Volume	2008 BILL Rate	2008 BILL Charge	2009 BILL Volume	2009 BILL Rate	2009 BILL Charge	CHANGE IMPACT	%
Monthly Service Charge				$2.31			$4.04	$1.73	74.9%
Distribution	kW	6	$1.9554	$11.73	6	$3.4240	$20.54	$8.81	75.1%
Sub-Total (Distribution)				**$14.04**			**$24.58**	**$10.54**	**75.1%**
Deferral/Variance	kW	6			6	$0.7123	$4.27	$4.27	
Electricity (Commodity)	kWh	1,064	RPP-Non-res.	$56.01	1,079	RPP-Non-res.	$56.90	$0.89	1.6%
Transmission - Network	kW	6	$1.2388	$7.43	6	$1.2388	$7.43		
Transmission - Connection	kW	6	$1.4973	$8.98	6	$1.4973	$8.98		
Wholesale Market Service	kWh	1,064	$0.0052	$5.53	1,079	$0.0052	$5.61	$0.08	1.4%
Rural Rate Protection	kWh	1,064	$0.0010	$1.06	1,079	$0.0010	$1.08	$0.02	1.9%
Debt Retirement Charge	kWh	1,000	$0.0007	$0.70	1,000	$0.0007	$0.70		
TOTAL BILL				**$93.75**			**$109.55**	**$15.80**	**16.9%**

Westario Power Inc. (ED-2002-0515)

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RPP rates per sheet Y7

Enter example volumes in kWh's (and kW's if applicable) for each customer class

Residential RPP: Winter
1,500 kWh's

		2008 BILL			2009 BILL			CHANGE IMPACT	
	Metric	Volume	Rate	Charge	Volume	Rate	Charge	$	%
Monthly Service Charge				$10.87			$13.29	$2.42	22.3%
Distribution	kWh	1,500	$0.0133	$19.95	1,500	$0.0154	$23.10	$3.15	15.8%
Sub-Total (Distribution)				**$30.82**			**$36.39**	**$5.57**	**18.1%**
Deferral/Variance	kWh	1,500			1,500	$0.0015	$2.25	$2.25	
Electricity (Commodity)	kWh	1,596	RPP-Winter	$85.14	1,618	RPP-Winter	$86.47	$1.33	1.6%
Transmission - Network	kWh	1,596	$0.0044	$7.02	1,618	$0.0044	$7.12	$0.10	1.4%
Transmission - Connection	kWh	1,596	$0.0054	$8.62	1,618	$0.0054	$8.74	$0.12	1.4%
Wholesale Market Service	kWh	1,596	$0.0052	$8.30	1,618	$0.0052	$8.41	$0.11	1.3%
Rural Rate Protection	kWh	1,596	$0.0010	$1.60	1,618	$0.0010	$1.62	$0.02	1.3%
Debt Retirement Charge	kWh	1,500	$0.0007	$1.05	1,500	$0.0007	$1.05		
TOTAL BILL				**$142.55**			**$152.05**	**$9.50**	**6.7%**

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Enter example volumes in kWh's (and kW's if applicable) for each customer class

General Service Less Than 50 kW **RPP: Non-res.**

5,000 kWh's

		2008 BILL			2009 BILL			CHANGE IMPACT	
	Metric	**Volume**	**Rate**	**Charge**	**Volume**	**Rate**	**Charge**	**$**	**%**
Monthly Service Charge				$19.72			$23.95	$4.23	21.5%
Distribution	kWh	5,000	$0.0086	$43.00	5,000	$0.0101	$50.50	$7.50	17.4%
Sub-Total (Distribution)				**$62.72**			**$74.45**	**$11.73**	**18.7%**
Deferral/Variance	kWh	5,000			5,000	$0.0012	$6.00	$6.00	
Electricity (Commodity)	kWh	5,319	RPP-Non-res.	$307.04	5,394	RPP-Non-res.	$311.50	$4.46	1.5%
Transmission - Network	kWh	5,319	$0.0040	$21.27	5,394	$0.0040	$21.58	$0.31	1.5%
Transmission - Connection	kWh	5,319	$0.0048	$25.53	5,394	$0.0048	$25.89	$0.36	1.4%
Wholesale Market Service	kWh	5,319	$0.0052	$27.66	5,394	$0.0052	$28.05	$0.39	1.4%
Rural Rate Protection	kWh	5,319	$0.0010	$5.32	5,394	$0.0010	$5.39	$0.07	1.3%
Debt Retirement Charge	kWh	5,000	$0.0007	$3.50	5,000	$0.0007	$3.50		
TOTAL BILL				**$453.04**			**$476.36**	**$23.32**	**5.1%**

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RPP rates per sheet Y7

Enter example volumes in kWh's (and kW's if applicable) for each customer class

General Service 50 to 4,999 kW **RPP: Non-res.**

125,000 kWh's
250 kW's

		2008 BILL			2009 BILL			CHANGE IMPACT	
	Metric	**Volume**	**Rate**	**Charge**	**Volume**	**Rate**	**Charge**		**%**
Monthly Service Charge				$240.15			$240.89	$0.74	0.3%
Distribution	kW	250	$2.2158	$553.95	250	$2.8232	$705.80	$151.85	27.4%
Sub-Total (Distribution)				**$794.10**			**$946.69**	**$152.59**	**19.2%**
Deferral/Variance	kW	250			250	$0.4012	$100.30	$100.30	
Electricity (Commodity)	kWh	132,963	RPP-Non-res.	$7,838.04	134,850	RPP-Non-res.	$7,949.40	$111.36	1.4%
Transmission - Network	kW	250	$1.6425	$410.63	250	$1.6425	$410.63		
Transmission - Connection	kW	250	$1.9371	$484.28	250	$1.9371	$484.28		
Wholesale Market Service	kWh	132,963	$0.0052	$691.41	134,850	$0.0052	$701.22	$9.81	1.4%
Rural Rate Protection	kWh	132,963	$0.0010	$132.96	134,850	$0.0010	$134.85	$1.89	1.4%
Debt Retirement Charge	kWh	125,000	$0.0007	$87.50	125,000	$0.0007	$87.50		
TOTAL BILL				**$10,438.92**			**$10,814.87**	**$375.95**	**3.6%**

Westario Power Inc. (ED-2002-0515)

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F8 Customer Bill Impact Analysis

RPP rates per sheet Y7

Enter example volumes in kWh's (and kW's if applicable) for each customer class

Unmetered Scattered Load — **RPP: Non-res.**

1,000 kWh's

		2008 BILL			2009 BILL			CHANGE IMPACT	
	Metric	**Volume**	**Rate**	**Charge**	**Volume**	**Rate**	**Charge**	**$**	**%**
Monthly Service Charge				$4.40			$11.19	$6.79	>100%
Distribution	kWh	1,000	$0.0453	$45.30	1,000	$0.0455	$45.50	$0.20	0.4%
Sub-Total (Distribution)				**$49.70**			**$56.69**	**$6.99**	**14.1%**
Deferral/Variance	kWh	1,000			1,000	$0.0019	$1.90	$1.90	
Electricity (Commodity)	kWh	1,064	RPP-Non-res.	$56.01	1,079	RPP-Non-res.	$56.90	$0.89	1.6%
Transmission - Network	kWh	1,064	$0.0040	$4.25	1,079	$0.0040	$4.32	$0.07	1.6%
Transmission - Connection	kWh	1,064	$0.0048	$5.11	1,079	$0.0048	$5.18	$0.07	1.4%
Wholesale Market Service	kWh	1,064	$0.0052	$5.53	1,079	$0.0052	$5.61	$0.08	1.4%
Rural Rate Protection	kWh	1,064	$0.0010	$1.06	1,079	$0.0010	$1.08	$0.02	1.9%
Debt Retirement Charge	kWh	1,000	$0.0007	$0.70	1,000	$0.0007	$0.70		
TOTAL BILL				**$122.36**			**$132.38**	**$10.02**	**8.2%**

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F8 Customer Bill Impact Analysis

RPP rates per sheet Y7

Enter example volumes in kWh's (and kW's if applicable) for each customer class

Sentinel Lighting **RPP: Non-res.**

6,000 kWh's

30 kW's

	Metric	2008 BILL Volume	2008 BILL Rate	2008 BILL Charge	2009 BILL Volume	2009 BILL Rate	2009 BILL Charge	CHANGE IMPACT	%
Monthly Service Charge				$1.35			$2.65	$1.30	96.3%
Distribution	kW	30	$6.9632	$208.90	30	$13.6938	$410.81	$201.92	96.7%
Sub-Total (Distribution)				**$210.25**			**$413.46**	**$203.22**	**96.7%**
Deferral/Variance	kW	30			30	$0.6397	$19.19	$19.19	
Electricity (Commodity)	kWh	6,382	RPP-Non-res.	$369.80	6,473	RPP-Non-res.	$375.15	$5.35	1.4%
Transmission - Network	kW	30	$1.2450	$37.35	30	$1.2450	$37.35		
Transmission - Connection	kW	30	$1.5286	$45.86	30	$1.5286	$45.86		
Wholesale Market Service	kWh	6,382	$0.0052	$33.19	6,473	$0.0052	$33.66	$0.47	1.4%
Rural Rate Protection	kWh	6,382	$0.0010	$6.38	6,473	$0.0010	$6.47	$0.09	1.4%
Debt Retirement Charge	kWh	6,000	$0.0007	$4.20	6,000	$0.0007	$4.20		
TOTAL BILL				**$707.03**			**$935.34**	**$228.32**	**32.3%**

Westario Power Inc. (ED-2002-0515)

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F8 Customer Bill Impact Analysis

RPP rates per sheet Y7

Enter example volumes in kWh's (and kW's if applicable) for each customer class

Street Lighting RPP: Non-res.
5,000 kWh's
30 kW's

	Metric	2008 BILL Volume	2008 BILL Rate	2008 BILL Charge	2009 BILL Volume	2009 BILL Rate	2009 BILL Charge	CHANGE IMPACT	%
Monthly Service Charge				$2.31			$4.04	$1.73	74.9%
Distribution	kW	30	$1.9554	$58.66	30	$3.4240	$102.72	$44.06	75.1%
Sub-Total (Distribution)				**$60.97**			**$106.76**	**$45.79**	**75.1%**
Deferral/Variance	kW	30			30	$0.7123	$21.37	$21.37	
Electricity (Commodity)	kWh	5,319	RPP-Non-res.	$307.04	5,394	RPP-Non-res.	$311.50	$4.46	1.5%
Transmission - Network	kW	30	$1.2388	$37.16	30	$1.2388	$37.16		
Transmission - Connection	kW	30	$1.4973	$44.92	30	$1.4973	$44.92		
Wholesale Market Service	kWh	5,319	$0.0052	$27.66	5,394	$0.0052	$28.05	$0.39	1.4%
Rural Rate Protection	kWh	5,319	$0.0010	$5.32	5,394	$0.0010	$5.39	$0.07	1.3%
Debt Retirement Charge	kWh	5,000	$0.0007	$3.50	5,000	$0.0007	$3.50		
TOTAL BILL				**$486.57**			**$558.65**	**$72.08**	**14.8%**

Westario Power Inc. (ED-2002-0515)

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RPP rates per sheet Y7

Enter example volumes in kWh's (and kW's if applicable) for each customer class

Residential **RPP: Summer**

2,000 kWh's

		2008 BILL			2009 BILL			CHANGE IMPACT	
	Metric	**Volume**	**Rate**	**Charge**	**Volume**	**Rate**	**Charge**	**$**	**%**
Monthly Service Charge				$10.87			$13.29	$2.42	22.3%
Distribution	kWh	2,000	$0.0133	$26.60	2,000	$0.0154	$30.80	$4.20	15.8%
Sub-Total (Distribution)				**$37.47**			**$44.09**	**$6.62**	**17.7%**
Deferral/Variance	kWh	2,000			2,000	$0.0015	$3.00	$3.00	
Electricity (Commodity)	kWh	2,127	RPP-Summer	$120.12	2,158	RPP-Summer	$121.90	$1.78	1.5%
Transmission - Network	kWh	2,127	$0.0044	$9.36	2,158	$0.0044	$9.49	$0.13	1.4%
Transmission - Connection	kWh	2,127	$0.0054	$11.49	2,158	$0.0054	$11.65	$0.16	1.4%
Wholesale Market Service	kWh	2,127	$0.0052	$11.06	2,158	$0.0052	$11.22	$0.16	1.4%
Rural Rate Protection	kWh	2,127	$0.0010	$2.13	2,158	$0.0010	$2.16	$0.03	1.4%
Debt Retirement Charge	kWh	2,000	$0.0007	$1.40	2,000	$0.0007	$1.40		
TOTAL BILL				**$193.03**			**$204.91**	**$11.88**	**6.2%**

Westario Power Inc. (ED-2002-0515)

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RPP rates per sheet Y7

Enter example volumes in kWh's (and kW's if applicable) for each customer class

General Service Less Than 50 kW **RPP: Non-res.**

10,000 kWh's

	Metric	2008 BILL Volume	2008 BILL Rate	2008 BILL Charge	2009 BILL Volume	2009 BILL Rate	2009 BILL Charge	CHANGE IMPACT $	CHANGE IMPACT %
Monthly Service Charge				$19.72			$23.95	$4.23	21.5%
Distribution	kWh	10,000	$0.0086	$86.00	10,000	$0.0101	$101.00	$15.00	17.4%
Sub-Total (Distribution)				**$105.72**			**$124.95**	**$19.23**	**18.2%**
Deferral/Variance	kWh	10,000			10,000	$0.0012	$12.00	$12.00	
Electricity (Commodity)	kWh	10,637	RPP-Non-res.	$620.83	10,788	RPP-Non-res.	$629.74	$8.91	1.4%
Transmission - Network	kWh	10,637	$0.0040	$42.55	10,788	$0.0040	$43.15	$0.60	1.4%
Transmission - Connection	kWh	10,637	$0.0048	$51.06	10,788	$0.0048	$51.78	$0.72	1.4%
Wholesale Market Service	kWh	10,637	$0.0052	$55.31	10,788	$0.0052	$56.10	$0.79	1.4%
Rural Rate Protection	kWh	10,637	$0.0010	$10.64	10,788	$0.0010	$10.79	$0.15	1.4%
Debt Retirement Charge	kWh	10,000	$0.0007	$7.00	10,000	$0.0007	$7.00		
TOTAL BILL				**$893.11**			**$935.51**	**$42.40**	**4.7%**

Westario Power Inc. (ED-2002-0515)

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RPP rates per sheet Y7

Enter example volumes in kWh's (and kW's if applicable) for each customer class

General Service 50 to 4,999 kW **RPP: n/a**

250,000 kWh's

500 kW's

		2008 BILL			2009 BILL			CHANGE IMPACT	
	Metric	**Volume**	**Rate**	**Charge**	**Volume**	**Rate**	**Charge**		**%**
Monthly Service Charge				$240.15			$240.89	$0.74	0.3%
Distribution	kW	500	$2.2158	$1,107.90	500	$2.8232	$1,411.60	$303.70	27.4%
Sub-Total (Distribution)				**$1,348.05**			**$1,652.49**	**$304.44**	**22.6%**
Deferral/Variance	kW	500			500	$0.4012	$200.60	$200.60	
Electricity (Commodity)	kWh	265,925	$0.0545	$14,492.91	269,700	$0.0545	$14,698.65	$205.74	1.4%
Transmission - Network	kW	500	$1.6425	$821.25	500	$1.6425	$821.25		
Transmission - Connection	kW	500	$1.9371	$968.55	500	$1.9371	$968.55		
Wholesale Market Service	kWh	265,925	$0.0052	$1,382.81	269,700	$0.0052	$1,402.44	$19.63	1.4%
Rural Rate Protection	kWh	265,925	$0.0010	$265.93	269,700	$0.0010	$269.70	$3.77	1.4%
Debt Retirement Charge	kWh	250,000	$0.0007	$175.00	250,000	$0.0007	$175.00		
TOTAL BILL				**$19,454.50**			**$20,188.68**	**$734.18**	**3.8%**

Westario Power Inc. (ED-2002-0515)

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RPP rates per sheet Y7

Enter example volumes in kWh's (and kW's if applicable) for each customer class

Unmetered Scattered Load **RPP: Non-res.**

1,250 kWh's

	Metric	2008 BILL			2009 BILL			CHANGE IMPACT	
		Volume	Rate	Charge	Volume	Rate	Charge	$	%
Monthly Service Charge				$4.40			$11.19	$6.79	>100%
Distribution	kWh	1,250	$0.0453	$56.63	1,250	$0.0455	$56.88	$0.25	0.4%
Sub-Total (Distribution)				**$61.03**			**$68.07**	**$7.04**	**11.5%**
Deferral/Variance	kWh	1,250			1,250	$0.0019	$2.38	$2.38	
Electricity (Commodity)	kWh	1,330	RPP-Non-res.	$71.70	1,349	RPP-Non-res.	$72.81	$1.11	1.5%
Transmission - Network	kWh	1,330	$0.0040	$5.32	1,349	$0.0040	$5.39	$0.07	1.3%
Transmission - Connection	kWh	1,330	$0.0048	$6.38	1,349	$0.0048	$6.47	$0.09	1.4%
Wholesale Market Service	kWh	1,330	$0.0052	$6.91	1,349	$0.0052	$7.01	$0.10	1.4%
Rural Rate Protection	kWh	1,330	$0.0010	$1.33	1,349	$0.0010	$1.35	$0.02	1.5%
Debt Retirement Charge	kWh	1,250	$0.0007	$0.88	1,250	$0.0007	$0.88		
TOTAL BILL				**$153.55**			**$164.36**	**$10.81**	**7.0%**

Westario Power Inc. (ED-2002-0515)

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F8 Customer Bill Impact Analysis

RPP rates per sheet Y7

Enter example volumes in kWh's (and kW's if applicable) for each customer class

Sentinel Lighting **RPP: Non-res.**

8,000 kWh's

40 kW's

	Metric	2008 BILL Volume	2008 BILL Rate	2008 BILL Charge	2009 BILL Volume	2009 BILL Rate	2009 BILL Charge	CHANGE IMPACT	%
Monthly Service Charge				$1.35			$2.65	$1.30	96.3%
Distribution	kW	40	$6.9632	$278.53	40	$13.6938	$547.75	$269.22	96.7%
Sub-Total (Distribution)				**$279.88**			**$550.40**	**$270.52**	**96.7%**
Deferral/Variance	kW	40			40	$0.6397	$25.59	$25.59	
Electricity (Commodity)	kWh	8,510	RPP-Non-res.	$495.32	8,630	RPP-Non-res.	$502.44	$7.12	1.4%
Transmission - Network	kW	40	$1.2450	$49.80	40	$1.2450	$49.80		
Transmission - Connection	kW	40	$1.5286	$61.14	40	$1.5286	$61.14		
Wholesale Market Service	kWh	8,510	$0.0052	$44.25	8,630	$0.0052	$44.88	$0.63	1.4%
Rural Rate Protection	kWh	8,510	$0.0010	$8.51	8,630	$0.0010	$8.63	$0.12	1.4%
Debt Retirement Charge	kWh	8,000	$0.0007	$5.60	8,000	$0.0007	$5.60		
TOTAL BILL				**$944.50**			**$1,248.48**	**$303.98**	**32.2%**

Westario Power Inc. (ED-2002-0515)

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RPP rates per sheet Y7

Enter example volumes in kWh's (and kW's if applicable) for each customer class

Street Lighting **RPP: Non-res.**

10,000 kWh's

60 kW's

	Metric	2008 BILL Volume	2008 BILL Rate	2008 BILL Charge	2009 BILL Volume	2009 BILL Rate	2009 BILL Charge	CHANGE IMPACT	%
Monthly Service Charge				$2.31			$4.04	$1.73	74.9%
Distribution	kW	60	$1.9554	$117.32	60	$3.4240	$205.44	$88.12	75.1%
Sub-Total (Distribution)				**$119.63**			**$209.48**	**$89.85**	**75.1%**
Deferral/Variance	kW	60			60	$0.7123	$42.74	$42.74	
Electricity (Commodity)	kWh	10,637	RPP-Non-res.	$620.83	10,788	RPP-Non-res.	$629.74	$8.91	1.4%
Transmission - Network	kW	60	$1.2388	$74.33	60	$1.2388	$74.33		
Transmission - Connection	kW	60	$1.4973	$89.84	60	$1.4973	$89.84		
Wholesale Market Service	kWh	10,637	$0.0052	$55.31	10,788	$0.0052	$56.10	$0.79	1.4%
Rural Rate Protection	kWh	10,637	$0.0010	$10.64	10,788	$0.0010	$10.79	$0.15	1.4%
Debt Retirement Charge	kWh	10,000	$0.0007	$7.00	10,000	$0.0007	$7.00		
TOTAL BILL				**$977.58**			**$1,120.02**	**$142.44**	**14.6%**

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RPP rates per sheet Y7

Enter example volumes in kWh's (and kW's if applicable) for each customer class

Residential **RPP: Winter**
2,000 kWh's

		2008 BILL			2009 BILL			CHANGE IMPACT	
	Metric	**Volume**	**Rate**	**Charge**	**Volume**	**Rate**	**Charge**	**$**	**%**
Monthly Service Charge				$10.87			$13.29	$2.42	22.3%
Distribution	kWh	2,000	$0.0133	$26.60	2,000	$0.0154	$30.80	$4.20	15.8%
Sub-Total (Distribution)				**$37.47**			**$44.09**	**$6.62**	**17.7%**
Deferral/Variance	kWh	2,000			2,000	$0.0015	$3.00	$3.00	
Electricity (Commodity)	kWh	2,127	RPP-Winter	$116.52	2,158	RPP-Winter	$118.30	$1.78	1.5%
Transmission - Network	kWh	2,127	$0.0044	$9.36	2,158	$0.0044	$9.49	$0.13	1.4%
Transmission - Connection	kWh	2,127	$0.0054	$11.49	2,158	$0.0054	$11.65	$0.16	1.4%
Wholesale Market Service	kWh	2,127	$0.0052	$11.06	2,158	$0.0052	$11.22	$0.16	1.4%
Rural Rate Protection	kWh	2,127	$0.0010	$2.13	2,158	$0.0010	$2.16	$0.03	1.4%
Debt Retirement Charge	kWh	2,000	$0.0007	$1.40	2,000	$0.0007	$1.40		
TOTAL BILL				**$189.43**			**$201.31**	**$11.88**	**6.3%**

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RPP rates per sheet Y7

Enter example volumes in kWh's (and kW's if applicable) for each customer class

General Service Less Than 50 kW **RPP: Non-res.**

12,500 kWh's

		2008 BILL			2009 BILL			CHANGE IMPACT	
	Metric	**Volume**	**Rate**	**Charge**	**Volume**	**Rate**	**Charge**	**$**	**%**
Monthly Service Charge				$19.72			$23.95	$4.23	21.5%
Distribution	kWh	12,500	$0.0086	$107.50	12,500	$0.0101	$126.25	$18.75	17.4%
Sub-Total (Distribution)				**$127.22**			**$150.20**	**$22.98**	**18.1%**
Deferral/Variance	kWh	12,500			12,500	$0.0012	$15.00	$15.00	
Electricity (Commodity)	kWh	13,296	RPP-Non-res.	$777.73	13,485	RPP-Non-res.	$788.87	$11.14	1.4%
Transmission - Network	kWh	13,296	$0.0040	$53.19	13,485	$0.0040	$53.94	$0.75	1.4%
Transmission - Connection	kWh	13,296	$0.0048	$63.82	13,485	$0.0048	$64.73	$0.91	1.4%
Wholesale Market Service	kWh	13,296	$0.0052	$69.14	13,485	$0.0052	$70.12	$0.98	1.4%
Rural Rate Protection	kWh	13,296	$0.0010	$13.30	13,485	$0.0010	$13.49	$0.19	1.4%
Debt Retirement Charge	kWh	12,500	$0.0007	$8.75	12,500	$0.0007	$8.75		
TOTAL BILL				**$1,113.15**			**$1,165.10**	**$51.95**	**4.7%**

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RPP rates per sheet Y7

Enter example volumes in kWh's (and kW's if applicable) for each customer class

General Service 50 to 4,999 kW **RPP: n/a**

		2008 BILL			2009 BILL			CHANGE IMPACT	
400,000 kWh's / 750 kW's	**Metric**	**Volume**	**Rate**	**Charge**	**Volume**	**Rate**	**Charge**		**%**
Monthly Service Charge				$240.15			$240.89	$0.74	0.3%
Distribution	kW	750	$2.2158	$1,661.85	750	$2.8232	$2,117.40	$455.55	27.4%
Sub-Total (Distribution)				**$1,902.00**			**$2,358.29**	**$456.29**	**24.0%**
Deferral/Variance	kW	750			750	$0.4012	$300.90	$300.90	
Electricity (Commodity)	kWh	425,480	$0.0545	$23,188.66	431,520	$0.0545	$23,517.84	$329.18	1.4%
Transmission - Network	kW	750	$1.6425	$1,231.88	750	$1.6425	$1,231.88		
Transmission - Connection	kW	750	$1.9371	$1,452.83	750	$1.9371	$1,452.83		
Wholesale Market Service	kWh	425,480	$0.0052	$2,212.50	431,520	$0.0052	$2,243.90	$31.40	1.4%
Rural Rate Protection	kWh	425,480	$0.0010	$425.48	431,520	$0.0010	$431.52	$6.04	1.4%
Debt Retirement Charge	kWh	400,000	$0.0007	$280.00	400,000	$0.0007	$280.00		
TOTAL BILL				**$30,693.35**			**$31,817.16**	**$1,123.81**	**3.7%**

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Enter example volumes in kWh's (and kW's if applicable) for each customer class

RPP rates per sheet Y7

Unmetered Scattered Load **RPP: Non-res.**

1,500 kWh's

		2008 BILL			2009 BILL			CHANGE IMPACT	
	Metric	**Volume**	**Rate**	**Charge**	**Volume**	**Rate**	**Charge**	**$**	**%**
Monthly Service Charge				$4.40			$11.19	$6.79	>100%
Distribution	kWh	1,500	$0.0453	$67.95	1,500	$0.0455	$68.25	$0.30	0.4%
Sub-Total (Distribution)				**$72.35**			**$79.44**	**$7.09**	**9.8%**
Deferral/Variance	kWh	1,500			1,500	$0.0019	$2.85	$2.85	
Electricity (Commodity)	kWh	1,596	RPP-Non-res.	$87.39	1,618	RPP-Non-res.	$88.72	$1.33	1.5%
Transmission - Network	kWh	1,596	$0.0040	$6.38	1,618	$0.0040	$6.47	$0.09	1.4%
Transmission - Connection	kWh	1,596	$0.0048	$7.66	1,618	$0.0048	$7.77	$0.11	1.4%
Wholesale Market Service	kWh	1,596	$0.0052	$8.30	1,618	$0.0052	$8.41	$0.11	1.3%
Rural Rate Protection	kWh	1,596	$0.0010	$1.60	1,618	$0.0010	$1.62	$0.02	1.3%
Debt Retirement Charge	kWh	1,500	$0.0007	$1.05	1,500	$0.0007	$1.05		
TOTAL BILL				**$184.73**			**$196.33**	**$11.60**	**6.3%**

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F8 Customer Bill Impact Analysis

RPP rates per sheet Y7

Enter example volumes in kWh's (and kW's if applicable) for each customer class

Sentinel Lighting **RPP: Non-res.**

10,000 kWh's 50 kW's	Metric	2008 BILL Volume	2008 BILL Rate	2008 BILL Charge	2009 BILL Volume	2009 BILL Rate	2009 BILL Charge	CHANGE IMPACT	%
Monthly Service Charge				$1.35			$2.65	$1.30	96.3%
Distribution	kW	50	$6.9632	$348.16	50	$13.6938	$684.69	$336.53	96.7%
Sub-Total (Distribution)				**$349.51**			**$687.34**	**$337.83**	**96.7%**
Deferral/Variance	kW	50			50	$0.6397	$31.99	$31.99	
Electricity (Commodity)	kWh	10,637	RPP-Non-res.	$620.83	10,788	RPP-Non-res.	$629.74	$8.91	1.4%
Transmission - Network	kW	50	$1.2450	$62.25	50	$1.2450	$62.25		
Transmission - Connection	kW	50	$1.5286	$76.43	50	$1.5286	$76.43		
Wholesale Market Service	kWh	10,637	$0.0052	$55.31	10,788	$0.0052	$56.10	$0.79	1.4%
Rural Rate Protection	kWh	10,637	$0.0010	$10.64	10,788	$0.0010	$10.79	$0.15	1.4%
Debt Retirement Charge	kWh	10,000	$0.0007	$7.00	10,000	$0.0007	$7.00		
TOTAL BILL				**$1,181.97**			**$1,561.64**	**$379.67**	**32.1%**

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F8 Customer Bill Impact Analysis

RPP rates per sheet Y7

Enter example volumes in kWh's (and kW's if applicable) for each customer class

Street Lighting RPP: Non-res.

20,000 kWh's
120 kW's

	Metric	2008 BILL Volume	2008 BILL Rate	2008 BILL Charge	2009 BILL Volume	2009 BILL Rate	2009 BILL Charge	CHANGE IMPACT	%
Monthly Service Charge				$2.31			$4.04	$1.73	74.9%
Distribution	kW	120	$1.9554	$234.65	120	$3.4240	$410.88	$176.23	75.1%
Sub-Total (Distribution)				**$236.96**			**$414.92**	**$177.96**	**75.1%**
Deferral/Variance	kW	120			120	$0.7123	$85.48	$85.48	
Electricity (Commodity)	kWh	21,274	RPP-Non-res.	$1,248.42	21,576	RPP-Non-res.	$1,266.23	$17.81	1.4%
Transmission - Network	kW	120	$1.2388	$148.66	120	$1.2388	$148.66		
Transmission - Connection	kW	120	$1.4973	$179.68	120	$1.4973	$179.68		
Wholesale Market Service	kWh	21,274	$0.0052	$110.62	21,576	$0.0052	$112.20	$1.58	1.4%
Rural Rate Protection	kWh	21,274	$0.0010	$21.27	21,576	$0.0010	$21.58	$0.31	1.5%
Debt Retirement Charge	kWh	20,000	$0.0007	$14.00	20,000	$0.0007	$14.00		
TOTAL BILL				**$1,959.61**			**$2,242.75**	**$283.14**	**14.4%**

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RPP rates per sheet Y7

Enter example volumes in kWh's (and kW's if applicable) for each customer class

Residential **RPP:**

		2008 BILL			2009 BILL			CHANGE IMPACT	
	Metric	**Volume**	**Rate**	**Charge**	**Volume**	**Rate**	**Charge**	**$**	**%**
Monthly Service Charge									
Distribution	kWh		$0.0133			$0.0154			
Sub-Total (Distribution)									
Deferral/Variance	kWh					$0.0015			
Electricity (Commodity)	kWh		RPP-	--		RPP-	--	--	--
Transmission - Network	kWh		$0.0044			$0.0044			
Transmission - Connection	kWh		$0.0054			$0.0054			
Wholesale Market Service	kWh		$0.0052			$0.0052			
Rural Rate Protection	kWh		$0.0010			$0.0010			
Debt Retirement Charge	kWh		$0.0007			$0.0007			
TOTAL BILL				**--**			**--**	**--**	**--**

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F8 Customer Bill Impact Analysis

RPP rates per sheet Y7

Enter example volumes in kWh's (and kW's if applicable) for each customer class

General Service Less Than 50 kW **RPP: Non-res.**
15,000 kWh's

		2008 BILL			2009 BILL			CHANGE IMPACT	
	Metric	**Volume**	**Rate**	**Charge**	**Volume**	**Rate**	**Charge**	**$**	**%**
Monthly Service Charge				$19.72			$23.95	$4.23	21.5%
Distribution	kWh	15,000	$0.0086	$129.00	15,000	$0.0101	$151.50	$22.50	17.4%
Sub-Total (Distribution)				**$148.72**			**$175.45**	**$26.73**	**18.0%**
Deferral/Variance	kWh	15,000			15,000	$0.0012	$18.00	$18.00	
Electricity (Commodity)	kWh	15,956	RPP-Non-res.	$934.62	16,182	RPP-Non-res.	$947.99	$13.37	1.4%
Transmission - Network	kWh	15,956	$0.0040	$63.82	16,182	$0.0040	$64.73	$0.91	1.4%
Transmission - Connection	kWh	15,956	$0.0048	$76.59	16,182	$0.0048	$77.67	$1.08	1.4%
Wholesale Market Service	kWh	15,956	$0.0052	$82.97	16,182	$0.0052	$84.15	$1.18	1.4%
Rural Rate Protection	kWh	15,956	$0.0010	$15.96	16,182	$0.0010	$16.18	$0.22	1.4%
Debt Retirement Charge	kWh	15,000	$0.0007	$10.50	15,000	$0.0007	$10.50		
TOTAL BILL				**$1,333.18**			**$1,394.67**	**$61.49**	**4.6%**

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Enter example volumes in kWh's (and kW's if applicable) for each customer class

RPP rates per sheet Y7

General Service 50 to 4,999 kW **RPP: n/a**

750,000 kWh's

1,500 kW's

		2008 BILL			2009 BILL			CHANGE IMPACT	
	Metric	**Volume**	**Rate**	**Charge**	**Volume**	**Rate**	**Charge**		**%**
Monthly Service Charge				$240.15			$240.89	$0.74	0.3%
Distribution	kW	1,500	$2.2158	$3,323.70	1,500	$2.8232	$4,234.80	$911.10	27.4%
Sub-Total (Distribution)				**$3,563.85**			**$4,475.69**	**$911.84**	**25.6%**
Deferral/Variance	kW	1,500			1,500	$0.4012	$601.80	$601.80	
Electricity (Commodity)	kWh	797,775	$0.0545	$43,478.74	809,100	$0.0545	$44,095.95	$617.21	1.4%
Transmission - Network	kW	1,500	$1.6425	$2,463.75	1,500	$1.6425	$2,463.75		
Transmission - Connection	kW	1,500	$1.9371	$2,905.65	1,500	$1.9371	$2,905.65		
Wholesale Market Service	kWh	797,775	$0.0052	$4,148.43	809,100	$0.0052	$4,207.32	$58.89	1.4%
Rural Rate Protection	kWh	797,775	$0.0010	$797.78	809,100	$0.0010	$809.10	$11.32	1.4%
Debt Retirement Charge	kWh	750,000	$0.0007	$525.00	750,000	$0.0007	$525.00		
TOTAL BILL				**$57,883.20**			**$60,084.26**	**$2,201.06**	**3.8%**

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F8 Customer Bill Impact Analysis

RPP rates per sheet Y7

Enter example volumes in kWh's (and kW's if applicable) for each customer class

Unmetered Scattered Load **RPP: Non-res.**

2,000 kWh's

	Metric	2008 BILL Volume	2008 BILL Rate	2008 BILL Charge	2009 BILL Volume	2009 BILL Rate	2009 BILL Charge	CHANGE IMPACT $	CHANGE IMPACT %
Monthly Service Charge				$4.40			$11.19	$6.79	>100%
Distribution	kWh	2,000	$0.0453	$90.60	2,000	$0.0455	$91.00	$0.40	0.4%
Sub-Total (Distribution)				**$95.00**			**$102.19**	**$7.19**	**7.6%**
Deferral/Variance	kWh	2,000			2,000	$0.0019	$3.80	$3.80	
Electricity (Commodity)	kWh	2,127	RPP-Non-res.	$118.77	2,158	RPP-Non-res.	$120.55	$1.78	1.5%
Transmission - Network	kWh	2,127	$0.0040	$8.51	2,158	$0.0040	$8.63	$0.12	1.4%
Transmission - Connection	kWh	2,127	$0.0048	$10.21	2,158	$0.0048	$10.36	$0.15	1.5%
Wholesale Market Service	kWh	2,127	$0.0052	$11.06	2,158	$0.0052	$11.22	$0.16	1.4%
Rural Rate Protection	kWh	2,127	$0.0010	$2.13	2,158	$0.0010	$2.16	$0.03	1.4%
Debt Retirement Charge	kWh	2,000	$0.0007	$1.40	2,000	$0.0007	$1.40		
TOTAL BILL				**$247.08**			**$260.31**	**$13.23**	**5.4%**

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RPP rates per sheet Y7

Enter example volumes in kWh's (and kW's if applicable) for each customer class

Sentinel Lighting RPP: Non-res.
20,000 kWh's
100 kW's

	Metric	2008 BILL Volume	2008 BILL Rate	2008 BILL Charge	2009 BILL Volume	2009 BILL Rate	2009 BILL Charge	CHANGE IMPACT	%
Monthly Service Charge				$1.35			$2.65	$1.30	96.3%
Distribution	kW	100	$6.9632	$696.32	100	$13.6938	$1,369.38	$673.06	96.7%
Sub-Total (Distribution)				**$697.67**			**$1,372.03**	**$674.36**	**96.7%**
Deferral/Variance	kW	100			100	$0.6397	$63.97	$63.97	
Electricity (Commodity)	kWh	21,274	RPP-Non-res.	$1,248.42	21,576	RPP-Non-res.	$1,266.23	$17.81	1.4%
Transmission - Network	kW	100	$1.2450	$124.50	100	$1.2450	$124.50		
Transmission - Connection	kW	100	$1.5286	$152.86	100	$1.5286	$152.86		
Wholesale Market Service	kWh	21,274	$0.0052	$110.62	21,576	$0.0052	$112.20	$1.58	1.4%
Rural Rate Protection	kWh	21,274	$0.0010	$21.27	21,576	$0.0010	$21.58	$0.31	1.5%
Debt Retirement Charge	kWh	20,000	$0.0007	$14.00	20,000	$0.0007	$14.00		
TOTAL BILL				**$2,369.34**			**$3,127.37**	**$758.03**	**32.0%**

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F8 Customer Bill Impact Analysis

RPP rates per sheet Y7

Enter example volumes in kWh's (and kW's if applicable) for each customer class

Street Lighting **RPP: Non-res.**

50,000 kWh's
300 kW's

		2008 BILL			2009 BILL			CHANGE IMPACT	
	Metric	Volume	Rate	Charge	Volume	Rate	Charge		%
Monthly Service Charge				$2.31			$4.04	$1.73	74.9%
Distribution	kW	300	$1.9554	$586.62	300	$3.4240	$1,027.20	$440.58	75.1%
Sub-Total (Distribution)				**$588.93**			**$1,031.24**	**$442.31**	**75.1%**
Deferral/Variance	kW	300			300	$0.7123	$213.69	$213.69	
Electricity (Commodity)	kWh	53,185	RPP-Non-res.	$3,131.17	53,940	RPP-Non-res.	$3,175.71	$44.54	1.4%
Transmission - Network	kW	300	$1.2388	$371.64	300	$1.2388	$371.64		
Transmission - Connection	kW	300	$1.4973	$449.19	300	$1.4973	$449.19		
Wholesale Market Service	kWh	53,185	$0.0052	$276.56	53,940	$0.0052	$280.49	$3.93	1.4%
Rural Rate Protection	kWh	53,185	$0.0010	$53.19	53,940	$0.0010	$53.94	$0.75	1.4%
Debt Retirement Charge	kWh	50,000	$0.0007	$35.00	50,000	$0.0007	$35.00		
TOTAL BILL				**$4,905.68**			**$5,610.90**	**$705.22**	**14.4%**