

EB-2007-0776

Newmarket-Tay Power Distribution Ltd.

Proposed Settlement Agreement

April 9, 2009

This Settlement Agreement ("Agreement") is for the consideration of the Ontario Energy Board (the "Board") in its determination of the rate application by Newmarket-Tay Power Distribution Ltd. ("Newmarket Hydro") for 2008 electricity distribution rates (EB-2007-0776).

Newmarket Hydro's rate application was filed with the Board on July 4, 2008 (the "Application"). The Application was based on a forecasted 2008 Test Year, and pertained to the pre-amalgamated Newmarket Hydro Inc. on a stand-alone basis (i.e. the Application did not pertain to the distribution facilities in Tay). During the course of the proceeding, Newmarket Hydro faced a number of operational pressures, most notably the merger with Tay Hydro Electric Distribution Company Inc. and the implementation of its smart meter program. Newmarket Hydro is the first electricity distributor in Ontario to implement a fully functional smart meter program. Consequently, Newmarket Hydro missed certain procedural deadlines that delayed the rate proceeding beyond the Test Year. As a result of those delays, the earliest date for new rates in this proceeding to be effective is likely to be May 1, 2009.

By Procedural Order No. 2, dated January 30, 2009, the Board scheduled:

- i. a Technical Conference on March 17, 2009; and
- ii. a Settlement Conference to commence immediately following the Technical Conference.

The Settlement Conference was duly convened in accordance with Procedural Order No. 2 with Mr. George Dominy as facilitator. The Settlement Conference concluded on March 18, 2009.

Newmarket Hydro and the following Intervenors (collectively the "Parties") participated in the Settlement Conference:

School Energy Coalition ("SEC")

Vulnerable Energy Consumers Coalition ("VECC")

Energy Probe Research Foundation ("Energy Probe")

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

A document entitled 'Draft Framework for Settlement Conference' has been used as the framework for this Agreement. The settlement reached and this Agreement are both supported by the evidence previously filed in EB-2007-0776 and by additional evidence filed during the course of the rate proceeding.

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

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

It is also agreed that this Agreement is without prejudice to any of the Parties re-examining these issues in any subsequent proceeding and taking positions inconsistent with the resolution of these issues in this Agreement. However, none of the Parties will in any subsequent proceeding take the position that the resolution therein of any issue settled in this Agreement, if contrary to the terms of this Agreement, should be applicable for all or any part of the 2008 Test Year or 2009 IRM Year.

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

The evidence supporting this Agreement on each issue is set out in each section of the Agreement. The Appendices to the Agreement provide further evidentiary support. The Parties agree that this Agreement and the Appendices form part of the record in EB-2007-0776.

Overview

The Parties in this proceeding started with the realization that, as a result of the delay in this proceeding, new rates for Newmarket Hydro would probably be effective May 1, 2009, the same time as rates for 2009 rate applications. Since it was understood – as set forth in the Application - that any 2008 component would not be retroactive, it was agreed that the appropriate way to get to new rates for May 1, 2009 was in two steps. First, rates as if effective May 1, 2008 would be determined on a cost of service basis. Those rates could not, of course, be implemented, as that rate year is now over. Second, those rates would be adjusted using the standard Board IRM rules to get to May 1, 2009 rates. Those rates would be implemented on that date.

As a first step, the Parties agreed that it would be appropriate given the timing to develop Newmarket Hydro's nominal May 1, 2008 rates based on actual 2008 data instead of forecasted 2008 data. In the Application, Newmarket Hydro had forecasted a 2008 revenue deficiency of \$814,915. Based on actual 2008 data agreed upon by the Parties, Newmarket Hydro's 2008 sufficiency, including flow through adjustments as of May 1, 2008, was \$6,301. This is calculated as the difference between distribution revenue at current rates of \$13,474,348 and Newmarket Hydro's agreed Base Revenue Requirement of \$13,468,244. The Parties also agreed to modify Newmarket Hydro's proposed rate design (described in detail below). The resulting notional "2008 rates" are set out at Appendix "A" attached. The rate schedules were prepared by Newmarket Hydro to reflect the terms of this Agreement. As discussed below, the purpose of the 2008 distribution rates at Appendix "A" is to develop 2009 distribution rates using the Board's IRM Model.

Attached at Appendix "B" to this Agreement is a summary that demonstrates how this Agreement modifies the major components set out in the Application and Evidence. The analysis contains 2 columns. The first column reflects the rate application as filed on July 4, 2008. The second column reflects the major components based on actual 2008 data agreed upon by the Parties. The remaining columns reflect the layering-on of various components of this settlement; namely, an update for Cost of Capital parameters, an update for Retail Transmission Network Rate, Retail Transmission Connection Rate (known collectively as "RTSR"), Regulated Price Plan rate ("RPP") and Rural or Remote Rate Protection price ("RRRP"), and an update for PILs. Appendix "B" is illustrative of the terms of the settlement, but the actual terms of the settlement are those contained in the body of this Agreement.

Newmarket Hydro can no longer implement "2008 rates", since the rate year of May 1, 2008 to April 30, 2009 will be finished at the time new rates are approved. Further, the Parties recognize that there is a need for Newmarket Hydro to catch-up with other 2008 cost-of-service applicants who have filed 2009 IRM distribution rate applications for rates effective May 1, 2009. The Parties agree that the best way to effect a catch-up is to develop new distribution rates for implementation on May 1, 2009, using the Board's IRM Model. The inputs for the IRM Model would be the 2008 distribution rates set out at

Appendix "A", without any extraordinary variables such as Z-factors or capital additions (ie. the Parties are proposing a standard IRM filing using the 2008 rates contained in Appendix "A"). The resulting distribution rate schedules for implementation on May 1, 2009 are set out at Appendix "A" attached. For greater certainty, the proposed rates pertain to the pre-amalgamated Newmarket Hydro service area and do not affect distribution customers in the Tay service area. The Parties agree that the rates set forth in Appendix "A" implement the terms of this Agreement for the Newmarket Hydro service area.

Because the delays prevented Newmarket Hydro from establishing cost of service rates on a forward test year basis for 2008, the Parties have also agreed that Newmarket Hydro should file for cost of service rates on a forward test year basis no later than the 2011 test year.

Attached as Appendix "C" to this Agreement are the bill impacts resulting from this Agreement. The bill impacts were prepared by Newmarket Hydro to reflect the terms of this Agreement.

Additional items agreed to by the Parties are:

- a smart meter rate adder in the amount of \$0.61;
- in the event that the Board develops a mechanism for addressing lost revenues due to customer closures during the IRM period, and that mechanism is intended for general application by qualifying LDCs, Newmarket Hydro may avail itself of that mechanism;
- Newmarket Hydro will file a cost-of-service application on a harmonized Newmarket-Tay basis for rates effective May 1, 2010 or May 1, 2011, but no later than May 1, 2011;

Settlement Terms by Issue

1. ADMINISTRATION

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

Status: Complete Settlement

The parties accept the evidence of Newmarket that there are no specific Board directives active for Newmarket Hydro at this time.

Supporting Parties: Energy Probe, SEC, VECC

Evidence References:

2. RATE BASE

2.1 Are the amounts proposed for Rate Base appropriate?

Status: Complete Settlement

For purposes of developing 2008 rates to input in the 2009 IRM Model, the Parties have agreed to a Rate Base of \$53, 598,720 for the 2008 Test Year, and that Rate Base is an appropriate base on which to establish revenue requirement for the IRM period commencing in 2009.

Supporting Parties: Energy Probe, SEC, VECC

Evidence References: Exhibit 2

Interrogatories

VECC # 7, 10 -14, 25, 44

ENERGY PROBE # 3-8 23-25 45, 46, 52

SEC # 3, 7-10

OEB # 3-8, 11, 18, 40, 43-44, 46

2.2 Are the amounts proposed for 2008 Capital Expenditures appropriate?

Status: Complete Settlement

The Parties accept the Applicant's evidence that Newmarket Hydro's 2008 Capital Expenditures that were used and useful in the 2008 Test Year amounted to \$6,576,951 for the year, and are correctly summarized in the table below.

Supporting Parties: Energy Probe, SEC, VECC

Evidence References: Exhibit 2, Section 2.2

Class	2008	
	Additions	
Distribution - Land	\$	534,258.00
Distribution - Land Rights	\$	222,075.00
Mun Trans Stn<50kv	\$	385,230.57
Distribution Lines o/h Poles	\$	998,650.79
Distribution Lines o/h Cable	\$	554,814.42
Distribution Lines u/g Conduit	\$	428,808.76
Distribution Lines u/g Cable	\$	845,771.43
Services	\$	1,069,338.97
Distribution Transformers	\$	968,618.67
Distribution Meters	\$	446,923.44
Smart Meters	\$	765,565.56
Leasehold Improvements	\$	37,455.75
Office Equipment	\$	10,333.38
Computer Equipment	\$	70,315.85
Computer Software	\$	46,297.50
Stores Whse Equipment	\$	2,764.03
Rolling Stock & Equip.	\$	725,820.65
Misc. Tools & Equip.	\$	24,301.70
Measurement & Test Equipment	\$	-
System Supervisory Equip	\$	3,605.91
Sentinel Lighting Units	\$	-
Contributed Capital	\$	(1,563,999.48)
Total Fixed Assets	\$	6,576,951.00

Interrogatories

VECC # 9-13, 27, 44

Energy Probe # 3-7, 45-46

SEC #3, 7- 9

OEB #3-7, 11, 18, 40, 43-45

2.3 Has the Working Capital Allowance been determined appropriately?

Status: Complete Settlement

For purposes of achieving settlement of all issues, the Parties have agreed to a Working Capital Allowance calculated on the basis of 15% of the cost of power and other power supply expenses and controllable expenses, and the amount thus calculated is \$8,440,553. For the purposes of finalizing this calculation, Cost of Power costs were adjusted to reflect the increase from the IESO as agreed at the Settlement Conference.

Supporting Parties:	Energy Probe, SEC, VECC
Evidence References:	Exhibit 2, Section 2.3.1
	Interrogatories
	VECC #14, 32
	Energy Probe #8, 17, 25, 53
	SEC # 10
	OEB #8, 19-22, 43, 48

3. REVENUE REQUIREMENT

3.1 Is the calculation of the proposed revenue requirement for 2008 appropriate?

Status: Complete Settlement

For purposes of achieving settlement of all issues, the Parties have agreed to a revenue requirement for 2008 of \$14,277,437, and that revenue requirement forms an appropriate basis for the IRM period commencing in 2009.

Supporting Parties: Energy Probe, SEC, VECC

Evidence References: Exhibit 1.2.3

Interrogatories

VECC # 32

Energy Board #1,2

SEC # 4

3.2 Is the proposed amount for 2008 Other Revenues appropriate?

Status: Complete Settlement

For purposes of achieving settlement of all issues, the Parties have accepted Newmarket Hydro's proposed Other Revenues of \$809,389.

Supporting Parties: Energy Probe, SEC, VECC

Evidence References: Exhibit 3, Section 3.3

Interrogatories

OEB # 36

VECC # 21, 48

Energy Probe # 14-16, 19, 42, 51

SEC #14

3.3 Are the proposed Specific Service Charges for 2008 appropriate?

Status: Complete Settlement

For purposes of achieving settlement of all issues, the Parties have accepted Newmarket Hydro's Specific Service Charges used for calculating actual 2008 amounts. The Parties have agreed that no changes to the Specific Service Charges are necessary for the IRM period commencing in 2009.

Supporting Parties: Energy Probe, SEC, VECC

Evidence References: Exhibit 3, Sections 3.3.3, 3.3.4

Interrogatories

OEB # 36

VECC # 21, 48

Energy Probe # 14-16, 19, 42, 51

SEC #14

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

Status: Complete Settlement

The Parties agree that Newmarket Hydro's actual 2008 load and consumption data should be used for the purpose of developing 2008 distribution rates.

Supporting Parties: Energy Probe, SEC, VECC

Evidence References: Exhibit 3, Section 3.1

Interrogatories:

VECC # 6, 15-17, 45, 52

Energy Probe #9-13, 47-50

SEC # 11-13

OEB #29-34, 39, 49-50

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

Status: Complete Settlement

For purposes of achieving settlement of all issues, the Parties have agreed to a revised Revenue Sufficiency for the Test Year 2008 of \$6,301.

Supporting Parties: Energy Probe, SEC, VECC

Evidence References: Exhibit 7

Interrogatories:

VECC #32, 53

Energy Probe # 37

SEC #4

OEB #39

4. COST OF SERVICE

- 4.1 Are the overall levels of the 2008 Operation, Maintenance, and Administration budgets appropriate?

Status: Complete Settlement

For purposes of achieving settlement of all issues, the Parties have agreed to a revised Operation, Maintenance and Administration (does not include Capital and Property Tax, Depreciation, Deemed Interest and PIL's) budget for 2008 of \$5,374,428 which reflects actual costs.

Supporting Parties: Energy Probe, SEC, VECC

Evidence References: Exhibit 4

Interrogatories:

VECC #19-24, 42, 48

Energy Probe # 17, 18, 20-22, 25, 29-30, 53

SEC # 2, 9, 15-18

OEB # 8, 19-22, 24-28, 48

4.2 Are the proposed Purchased Services appropriate?

Status: Complete Settlement

See Issue 4.1

Supporting Parties: Energy Probe, SEC, VECC

Evidence References: Exhibit 4, Section 4.2.6

Interrogatories:

VECC # 23

OEB # 24

- 4.3 Are the 2008 Human Resources related costs (wages, salaries, benefits, incentive payments, labour productivity and pension costs) including employee levels, appropriate?

Status: Complete Settlement

See Issue 4.1

Supporting Parties: Energy Probe, SEC, VECC

Evidence References: Exhibit 4, Section 4.2.7

Interrogatories:

VECC # 24

OEB # 25-27

ENERGY PROBE # 22

SEC # 2,18

4.4 Is NEWMARKET HYDRO's Depreciation expense appropriate?

Status: Complete Settlement

For purposes of achieving settlement of all issues, the Parties have agreed to revise the total Depreciation amount from the original proposal of \$3,998,721 to \$3,551,381 which primarily reflects: (a) an adjustment to Newmarket Hydro's methodology for calculating its Depreciation expense to bring it into line with standard Board practice; and (b) the adjustment to Newmarket Hydro's 2008 capital expenditures as set out at Issue 2.1 above.

Supporting Parties:	Energy Probe, SEC, VECC
Evidence References:	Exhibit 4, Section 4.2.8 Interrogatory Response, Board Staff 48 Undertaking JT3

4.5 Are the amounts proposed for 2008 capital and property taxes appropriate?

Status: Complete Settlement

See Issue 4.1

For purposes of achieving settlement of all issues, the Parties have agreed to accept Newmarket Hydro's actual 2008 capital and property taxes amount of \$239,949.

Supporting Parties: Energy Probe, SEC, VECC

Evidence References: Exhibit 4, Sections 4.1.2

Interrogatories:

OEB # 22, 48

Energy Probe # 25, 30, 31, 53, 56

VECC # 27, 53

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

Status: Complete Settlement

See Issue 4.1

For purposes of achieving settlement of all issues, the Parties have agreed to accept Newmarket Hydro's actual 2008 PILs amount of \$1,258,846.

Supporting Parties: Energy Probe, SEC, VECC

Evidence References: Exhibit 4, Section 4.1.2

Interrogatories:

OEB # 12-15, 48

Energy Probe # 30-35, 57-60

SEC # 1, 20

VECC # 53

5. DEFERRAL/VARIANCE ACCOUNTS

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

Status: Complete Settlement

For purposes of achieving settlement of all issues, the Parties have accepted Newmarket Hydro's December 31, 2008 balances for the following deferral and variance accounts of \$1,635,858 (as set forth in detail in the first table below), to be recovered over the two year period of May 1, 2009 to April 30, 2011 as set forth in the second table below.

1508 Other Regulatory Assets
 1518 Retail Cost Variance Account – Retail
 1525 Miscellaneous Deferred Debits – including Rebate Cheques
 1548 Retail Cost Variance Account – STR
 1556 Smart Meter OM&A
 1570 Qualifying Transition Costs
 1580 RSVA-Wholesale Market Service Charge
 1582 RSVA-One-time Wholesale Market Service
 1584 RSVA-Retail Transmission Network Charge
 1586 RSVA-Retail Transmission Connection Charge
 1588 RSVA-Power
 1590 Recovery of Regulatory Asset Balance

Account		Actual w/o Carrying Charges	Carrying Charges	Recovered to Date	Total
Other Regulatory Assets	1508	1,456,710	127,003		1,583,713
Retail Cost Variance - Retail	1518	43,874	10,551		54,426
Misc Deferred Debits	1525	27,579	8,909		36,489
Retail Cost Variance - STR	1548	53,916	9,797		63,714
Smart Meter - OM&A	1556	49,917	3,628		53,545
Transition Costs	1570	281,664	99,226		380,890
RSVA-Wholesale Market Serv	1580	(1,356,309)	(84,237)		(1,440,545)
RSVA-One Time Charges	1582	85,900	16,372		102,272
RSVA-Trans Network	1584	627,984	121,220		749,204
RSVA-Trans Connection	1586	48,706	(6,639)		42,068
RSVA-Power	1588	1,078,965	(271,773)		807,192
Approved Reg Assets	1590	3,446,595	200,148	(4,443,851)	(797,108)
Dec 2008 Actual Balance		5,845,502	234,208	(4,443,851)	1,635,858

Annual Recovery of Deferral Accounts at 2008 Activity**@ Proposed Rates with 2008 Statistics**

Class	kWh	kW	DA Rate	Recovery
Residential	236,001,322		0.0025	582,511
GS<50	90,153,061		0.0012	110,674
USL	211,968		0.0092	1,955
GS>50		854,982	0.1401	119,789
Street Lights		12,818	0.1907	2,444
Sentinel Lights		945	0.5879	556
Total Annual Recovery				817,929
Recovery May 1, 2009 to Apr 30, 2011				1,635,858

Settlement on this issue does not pertain to Newmarket Hydro's balances in Accounts 1562 Deferred Payments in Lieu of Taxes and 1563 Deferred Payments in Lieu of Taxes – Contra. Disposal of these accounts is the subject of a generic proceeding (EB-2008-0381) that is currently before the Board.

Supporting Parties: Energy Probe, SEC, VECC

Evidence References: Exhibit 5

Interrogatories:

VECC # 28-30, 50

OEB # 28, 38, 53

Energy Probe # 36, 60

SECC # 22

6. COST OF CAPITAL/DEBT

6.1 Is the proposed Capital Structure and Cost of Capital appropriate?

Status: Complete Settlement

The Parties accept Newmarket Hydro's proposed 2008 deemed Capital Structure of 53.3% debt (4 percent short term and 49.3 percent long term) and 46.7% equity. This capital structure conforms with the *Report of the Board on Cost of Capital and 2nd Generation Incentive Regulation for Ontario's Electricity Distributors*.

The Parties also agree that the 2008 Return on Equity rate to be applied to Newmarket Hydro should be the same as applied to other distributors who filed 2008 cost-of-service applications, being a rate of 8.57%. The Parties also agree to a 2008 long-term debt rate of 6.1% and short-term debt rate of 4.47%.

The Parties agree that, consistent with the standard method used by the Board in 3rd Generation IRM, the cost of capital should not change for the IRM period commencing in 2009.

Supporting Parties: Energy Probe, SEC, VECC

Evidence References: Exhibit 6

Interrogatories:

VECC #31, 53

OEB # 9-10

Energy Probe # 37, 61

7. COST ALLOCATION AND RATE DESIGN

7.1 Is NEWMARKET HYDRO's cost allocation appropriate?

Status: Complete Settlement

Newmarket Hydro has adjusted its cost allocation methodology by removing the Transformer Allowance Credits from both the costs and the revenues included in the Cost Allocation model. This treatment represents a reasonable alternative to the Cost Allocation Model that is consistent with the approach approved for a number of distributors' 2008 rates such as EB-2007-0697 (Horizon 2008 COS EDR) and EB-2007-0706 (Enersource 2008 COS EDR).

The Parties agree that it is appropriate for Newmarket Hydro to make these same adjustments to the Cost Allocation Model in determining its current revenue-to-cost ratios ("R/C Ratios").

Revenue to Cost Ratio			
Class	Submitted	Settlement	Range
Residential	0.930	0.947	.85 to 1.15
GS <50	0.985	1.021	.80 to 1.20
GS>50-Regular	1.394	1.270	.80 to 1.80
Street Light	0.233	0.400	.70 to 1.20
Sentinel	0.693	0.700	.70 to 1.20
USL	1.203	1.199	.80 to 1.20
Total	1.000	1.000	N/A

Supporting Parties: Energy Probe, SEC, VECC

Evidence References: Exhibit 8
Interrogatory Response,
VECC # 5, 32-39, 43, 51
OEB # 35, 51-52
Energy Probe # 38 -41
SEC # 23-29

7.2 Are the proposed revenue to cost ratios appropriate?

Status: Complete Settlement

For purposes of achieving settlement of all issues, the Parties have agreed to revenue to cost ratios as detailed below.

1. That Street Light rates be adjusted to move to the 70 percent threshold equally over a two year period commencing in 2009. This represents approximately an increase of \$220,000 per annum. This means the street lighting ratio moves to 40 percent for the 2009 rate year and then to 70 percent in the 2010 rate year. The Parties have agreed that the normal approach, moving to the threshold in three years, should be mitigated given that the first year would be 2008, and thus the initial change on May 1, 2009 would be two years, or two-thirds of the overall change.
2. The additional revenue received from the Street Light revenue will be applied as follows:
 - a. Unmetered Scattered Load will be adjusted in the 2009 year to bring it down to the upper threshold.
 - b. The balance of the revenue from the Street Lighting class will be applied to reduce the revenue responsibility of the GS >50 class.

Supporting Parties: Energy Probe, SEC, VECC

Evidence References: Exhibit 8

Interrogatory Responses:

VECC # 5, 32-39, 43, 51

OEB # 35, 51-52

Energy Probe # 38 -41, 43

SEC # 23-29

8. LOSS OF LARGE CUSTOMERS

- 8.1 What is the appropriate treatment for the loss of large customers of Newmarket Hydro during the IRM period?

Status: Complete Settlement

The Parties have agreed that in the event the Board develops a methodology of general application for addressing deficiencies caused by the loss of large customers during the IRM period, Newmarket Hydro may, if it qualifies, avail itself of that methodology.

Supporting Parties: Energy Probe, SEC, VECC

Evidence References: Settlement Conference

OEB # 39

9. RATE DESIGN (Exhibit 10)

- 9.1 As a result of this Settlement Agreement, all customer classes now fall within the Fixed Charge Floor/Ceiling as calculated within the Cost Allocation model. To achieve this, the GS>50 Class fixed charge has been adjusted in this Settlement to \$155.86/mn, the top of the range, and the Unmetered Scattered Load Class was adjusted to \$16.27/mn, also the top of the range.

Status: Complete Settlement

Supporting Parties: Energy Probe, SEC,

Parties taking No Position: VECC

Evidence References: Exhibit 9

Interrogatories:

SEC #23, 24, 25, 26, 27

9.2 Are NEWMARKET HYDRO's proposed rates appropriate?

Status: Complete Settlement

The Parties agree that the proposed 2008 rates set out at Appendix "A" have been appropriately calculated given actual cost of service for the Test Year 2008, and that it is appropriate that those rates not be implemented as the 2008 rate year May 1, 2008 to April 30, 2009 will be complete before a rate order can be implemented. The Parties agree that the proposed rates effective May 1, 2009 set out in Appendix "A" have been appropriately calculated based on the notional 2008 rates and using the Board's 3rd Generation IRM rules, and that it is appropriate for those new rates to be implemented on May 1, 2009.

Supporting Parties: Energy Probe, SEC, VECC

Evidence References: Exhibit 9.2.1

Interrogatory Responses:

Energy Probe # 1, 40-41

9.3 Are the customer bill impacts appropriate?

Status: Complete Settlement

The Parties agree that the proposed bill impacts set out at Appendix "C" are appropriate.

Supporting Parties: Energy Probe, SEC, VECC

Evidence References: Exhibit 9.3

Interrogatory Responses:

VECC # 1, 32,-39

Board Staff # 35-37, 52

Energy Probe # 2-3, 36-41

SEC # 11, 22-28

9.4 Are the proposed Retail Transmission Service Rates appropriate?

Status: Complete Settlement

The Parties agree that the updated Retail Transmission Service Rates ("RTSR") as presented

	Revised Rate	Interim Rate
Residential	0.0054	0.0050
GS<50	0.0052	0.0048
USL	0.0049	0.0046
GS>50 kWh	1.9923	1.8603
Street Lights	1.5025	1.4030
Sentinel Lights	1.5101	1.4101

are appropriate. The Parties further agree that the base Revenue Requirement of \$53,598,720 includes the update to the RTSR rates, the latest Regulated Price Plan ("RPP") price as established in the Regulated Price Plan Report of the OEB dated October 15, 2008, and the update to the Rural or Remote Electricity Rate Protection ("RRRP") rate as detailed in the letter of the OEB dated December 17, 2008.

Supporting Parties: Energy Probe, SEC, VECC

Evidence References: Exhibit 1.2, 5, 9.1.1

Interrogatory Responses:

SEC # 21

Energy Probe # 8, 40

9.5 Are the proposed Loss Factors appropriate?

Status: Complete Settlement

The Parties agree that Newmarket Hydro's current Loss Factor of 3.65 percent should continue until the next rebasing application.

Supporting Parties: Energy Probe, SEC, VECC

Evidence References: Exhibit 9.1.4

Interrogatories:

OEB # 37, 52

Energy Probe # 39

SEC # 28

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

Status: Complete Settlement

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

The following chart identifies the amounts to be recovered by class:

**Annual Recovery of Deferral Accounts at 2008 Activity
@ Proposed Rates with 2008 Statistics**

Class	kWh	kW	DA Rate	Recovery
Residential	236,001,322		0.0025	582,511
GS<50	90,153,061		0.0012	110,674
USL	211,968		0.0092	1,955
GS>50		854,982	0.1401	119,789
Street Lights		12,818	0.1907	2,444
Sentinel Lights		945	0.5879	556
Total Annual Recovery				817,929
Recovery May 1, 2009 to Apr 30, 2011				1,635,858

Supporting Parties: Energy Probe, SEC, VECC

Evidence References: Exhibit 5

Interrogatories:

VECC # 28-30, 50

OEB # 28, 38, 53

Energy Probe # 36, 60

SECC # 22

9.7 Is the Smart Meter rate adder change appropriate?

Status: Complete Settlement

For purposes of achieving settlement of all issues, the Parties have agreed to Newmarket Hydro adopting a Smart Meter rate adder of \$0.61 per month per metered customer. Currently, Newmarket Hydro has no Smart Meter rate adder.

The Board has not yet established a methodology for recording and recovering ongoing OM&A costs associated with smart meter programs. Since Newmarket Hydro will be the first electricity distributor in Ontario to operate a fully functional smart meter program, it is appropriate for Newmarket Hydro to retain the amounts collected from the proposed Smart Meter rate adder to offset ongoing OM&A costs, subject to Board approval of the nature and amounts of those costs in a future proceeding.

Supporting Parties: Energy Probe, SEC, VECC

Evidence References: Settlement conference

10. OTHER ISSUES

10.1 Hourly vs. 15 Minute Peak Adjustment Rate and Factor

Status: Complete Settlement

In 2002, Newmarket Hydro commenced installing interval meters on its larger GS >50 Customers. Historically, distribution demand rates have been based on readings that are established on a rolling 15 minute peak using 5 minute intervals..

The 60 minute KW demand is approximately 2.8 percent less than the 15 minute peak interval. Therefore the hourly rate needs to be increased by 2.8. A detailed analysis was provided with the rate application 9.1.5 that supports the requested adjustment.

Supporting Parties: Energy Probe, SEC, VECC

Evidence References: Exhibit 9.1.5

Interrogatory Responses:

Appendix A 2008 and 2009 Tariff Sheet

Class	Currently Approved Rates	Proposed 2008 Rates	IRM 3 May 1, 2009		
			Base Rate	Smart Meter Adder	Total Rate
<u>RESIDENTIAL</u>					
Distribution kWh Rate	0.0135	0.0134	0.0136		0.0136
Monthly Service Charge/Customer/Month	13.34	13.34	13.44	0.61	14.05
Deferral Account Recovery/kWh	0.0018	0.0025	0.0025		0.0025
Wholesale Market Services/kWh	0.0052	0.0052	0.0052		0.0052
Rural Rate Protection/kWh	0.0010	0.0010	0.0013		0.0013
Transmission Network/kWh	0.0057	0.0050	0.0054		0.0054
Transmission Connection/kWh	0.0050	0.0048	0.0048		0.0048
Debt Retirement Charge/kWh	0.0070	0.0070	0.0070		0.0070
Regulated Price Plan Administration Charge/Customer/Month	0.2500	0.2500	0.2500		0.2500
<u>GENERAL SERVICE < 50 KW</u>					
Distribution kWh Rate	0.0171	0.0157	0.0159		0.0159
Monthly Service Charge/Customer/Month	20.95	25.00	25.19	0.61	25.79
Deferral Account Recovery/kWh	0.0018	0.0012	0.0012		0.0012
Wholesale Market Services/kWh	0.0052	0.0052	0.0052		0.0052
Rural Rate Protection/kWh	0.0010	0.0010	0.0013		0.0013
Transmission Network/kWh	0.0052	0.0046	0.0052		0.0052
Transmission Connection/kWh	0.0045	0.0044	0.0043		0.0043
Debt Retirement Charge/kWh	0.0070	0.0070	0.0070		0.0070
Regulated Price Plan Administration Charge/Customer/Month	0.2500	0.2500	0.2500		0.2500

CLASS	Currently Approved Rates	Proposed 2008 Rates	IRM 3 May 1, 2009		
			Base Rate	Smart Meter Adder	Total Rate
<u>GENERAL SERVICE < 50 KW USL</u>					
Distribution kWh Rate	0.0171	0.0134	0.0138		0.0138
Monthly Service Charge/Customer/Month	20.95	16.27	16.39		16.39
Deferral Account Recovery/kWh	0.0018	0.0092	0.0092		0.0092
Wholesale Market Services/kWh	0.0052	0.0052	0.0052		0.0052
Rural Rate Protection/kWh	0.0010	0.0010	0.0013		0.0013
Transmission Network/kWh	0.0052	0.0046	0.0049		0.0049
Transmission Connection/kWh	0.0045	0.0044	0.0043		0.0043
Debt Retirement Charge/kWh	0.0070	0.0070	0.0070		0.0070
Regulated Price Plan Administration Charge/Customer/Month	0.2500	0.2500	0.2500		0.2500
<u>GENERAL SERVICE > 50 KW</u>					
Distribution KW Rate (Thermal Demand Meter old style)	3.2075	4.2885	4.3252		4.3209
Distribution KW Rate (Interval Meter)	N/A	4.4084	0.0000		4.4419
Transformer Allowance/kW	(0.50)	(0.70)	(0.70)		-0.7000
Monthly Service Charge/Customer/Month	376.28	155.86	157.05	0.61	157.65
Deferral Account Recovery/kWh	0.7774	0.1401	0.1401		0.1401
Wholesale Market Services/kWh	0.0052	0.0052	0.0052		0.0052
Rural Rate Protection/kWh	0.0010	0.0010	0.0013		0.0013
Transmission Network/kW	2.1218	1.8603	1.9923		1.9923
Transmission Connection/kW	1.7882	1.7325	1.7038		1.7038
Debt Retirement Charge/kWh	0.0070	0.0070	0.0070		0.0070
Regulated Price Plan Administration Charge/Customer/Month	0.2500	0.2500	0.2500		0.2500

CLASS	Currently Approved Rates	Proposed 2008 Rates	IRM 3 May 1, 2009		
			Base Rate	Smart Meter Adder	Total Rate
<u>SENTINEL LIGHTS</u>					
Distribution KW Rate	3.0602	6.6688	6.7259		6.7192
Monthly Service Charge/Connection/Month	1.74	1.75	1.76		1.76
Deferral Account Recovery/kW	0.5231	0.5879	0.5879		0.5879
Wholesale Market Services/kWh	0.0052	0.0052	0.0052		0.0052
Rural Rate Protection/kWh	0.0010	0.0010	0.0013		0.0013
Transmission Network/kW	1.6083	1.4101	1.5101		1.5101
Transmission Connection/kW	1.4113	1.3674	1.3447		1.3447
Debt Retirement Charge	0.0070	0.0070	0.0070		0.0070
Regulated Price Plan Administration Charge/Connection/Month	0.2500	0.2500	0.2500		0.2500
<u>STREET LIGHTING</u>					
Distribution KW Rate	1.8466	8.6670	8.7412		8.7325
Monthly Service Charge/Connection/Month	0.31	1.75	1.76		1.7650
Deferral Account Recovery/kW	0.3425	0.1907	0.1907		0.1907
Wholesale Market Services/kWh	0.0052	0.0052	0.0052		0.0052
Rural Rate Protection/kWh	0.0010	0.0010	0.0013		0.0013
Transmission Network/kW	1.6002	1.4030	1.5025		1.5025
Transmission Connection/kW	1.3824	1.3394	1.3172		1.3172
Debt Retirement Charge/kWh	0.0070	0.0070	0.0070		0.0070
Regulated Price Plan Administration Charge/Connection/Month	0.2500	0.2500	0.2500		0.2500

Appendix B

Comparison of Amounts

	2008 Test (As submitted July 4, 2008)	2008 (As revised per Settlement Conference Mar 17, 2008)
Revenue		
Deficiency	814,915	(6,301)
Distribution Revenue (from Rate Model)	13,621,411	13,474,348
	14,436,326	13,468,047
Other Operating Revenue	753,945	809,389
Total Revenue	15,190,271	14,277,437
Distribution Costs		
Operation Maintenance & Administration	5,483,028	5,374,429
Depreciation & Amortization	4,337,658	3,879,425
Depreciation & Amortization (Vehicle, Tools & Stores Adj)	(338,937)	(328,044)
Property & Capital Tax	264,949	239,949
Deemed Interest	1,787,478	1,707,709
Total Costs & Expenses	11,534,176	10,873,468
Income Before Income Tax	3,656,095	3,403,968
Income Tax @ 33.5%	1,441,363	1,258,846
Income After Income Tax	2,214,732	2,145,123

Appendix C

2008 Bill impacts

RESIDENTIAL Regular

Consumption
100 kWh

	2007 BILL			2008 BILL			IMPACT	
	Volume	RATE \$	CHARGE \$	Volume	RATE \$	CHARGE \$	Change \$	Change %
Monthly Service Charge			13.34			13.34	0.00	0.00%
Distribution (kWh)	100	0.0135	1.35	100	0.0134	1.34	(0.01)	-0.45%
Deferred Account Recovery (kWh)	100	0.0018	0.18	100	0.0025	0.25	0.07	38.27%
Sub-Total			14.87			14.93	0.06	0.42%
Debt Retirement Charge (kWh)	100	0.0070	0.70	100	0.0070	0.70	0.00	0.00%
Other Charges (kWh)	104	0.0169	1.75	104	0.0163	1.69	(0.06)	-3.29%
Cost of Power Commodity (kWh)<600	104	0.0500	5.18	104	0.0500	5.18	0.00	0.00%
Cost of Power Commodity (kWh)>600	0	0.0590	0.00	0	0.0590	0.00	0.00	0.00%
Regulated Price Plan Administration Charge/Customer/Month			0.25			0.25	0.00	0.00%
Total Bill w/o GST			22.75			22.75	0.00	0.02%
GST		6%	1.36		5%	1.14	(0.23)	-16.65%
Total Bill			24.11			23.89	(0.22)	-0.92%

Consumption
250 kWh

Monthly Service Charge			13.34			13.34	0.00	0.00%
Distribution (kWh)	250	0.0135	3.38	250	0.0134	3.36	(0.02)	-0.45%
Deferred Account Recovery (kWh)	250	0.0018	0.45	250	0.0025	0.62	0.17	38.27%
Sub-Total			17.16			17.31	0.16	0.91%
Debt Retirement Charge (kWh)	250	0.0070	1.75	250	0.0070	1.75	0.00	0.00%
Other Charges (kWh)	259	0.0169	4.38	259	0.0163	4.24	(0.14)	-3.29%
Cost of Power Commodity (kWh)<600	259	0.0500	12.96	259	0.0500	12.96	0.00	0.00%
Cost of Power Commodity (kWh)>600	0	0.0590	0.00	0	0.0590	0.00	0.00	0.00%
Regulated Price Plan Administration Charge/Customer/Month			0.25			0.25	0.00	0.00%
Total Bill w/o GST			36.49			36.51	0.01	0.03%
GST		6%	2.19		5%	1.83	(0.36)	-16.64%
Total Bill			38.68			38.33	(0.35)	-0.91%

Consumption
500 kWh

Monthly Service Charge			13.34			13.34	0.00	0.00%
Distribution (kWh)	500	0.0135	6.75	500	0.0134	6.72	(0.03)	-0.45%
Deferred Account Recovery (kWh)	500	0.0018	0.89	500	0.0025	1.23	0.34	38.27%
Sub-Total			20.98			21.29	0.31	1.48%
Debt Retirement Charge (kWh)	500	0.0070	3.50	500	0.0070	3.50	0.00	0.00%
Other Charges (kWh)	518	0.0169	8.76	518	0.0163	8.47	(0.29)	-3.29%
Cost of Power Commodity (kWh)<600	518	0.0500	25.91	518	0.0500	25.91	0.00	0.00%
Cost of Power Commodity (kWh)>600	0	0.0590	0.00	0	0.0590	0.00	0.00	0.00%
Regulated Price Plan Administration Charge/Customer/Month			0.25			0.25	0.00	0.00%
Total Bill w/o GST			59.40			59.42	0.02	0.04%
GST		6%	3.56		5%	2.97	(0.59)	-16.63%
Total Bill			62.97			62.40	(0.57)	-0.91%

**Class Average
Consumption**

797 kWh

Monthly Service Charge			13.34			13.34	0.00	0.00%
Distribution (kWh)	797	0.0135	10.77	797	0.0134	10.72	(0.05)	-0.45%
Deferred Account Recovery (kWh)	797	0.0018	1.42	797	0.0025	1.97	0.54	38.27%
Sub-Total			25.53			26.02	0.50	1.94%
Debt Retirement Charge (kWh)	797	0.0070	5.58	797	0.0070	5.58	0.00	0.00%
Other Charges (kWh)	826	0.0169	13.97	826	0.0163	13.51	(0.46)	-3.29%
Cost of Power Commodity (kWh)<600	600	0.0500	30.00	600	0.0500	30.00	0.00	0.00%
Cost of Power Commodity (kWh)>600	226	0.0590	13.36	226	0.0590	13.36	0.00	0.00%
Regulated Price Plan Administration Charge/Customer/Month			0.25			0.25	0.00	0.00%
Total Bill w/o GST			88.68			88.72	0.04	0.04%
GST		6%	5.32		5%	4.44	(0.88)	-16.63%
Total Bill			94.00			93.15	(0.85)	-0.90%

Consumption

1,000 kWh

Monthly Service Charge			13.34			13.34	0.00	0.00%
Distribution (kWh)	1,000	0.0135	13.50	1,000	0.0134	13.44	(0.06)	-0.45%
Deferred Account Recovery (kWh)	1,000	0.0018	1.79	1,000	0.0025	2.47	0.68	38.27%
Sub-Total			28.63			29.25	0.62	2.17%
Debt Retirement Charge (kWh)	1,000	0.0070	7.00	1,000	0.0070	7.00	0.00	0.00%
Other Charges (kWh)	1,037	0.0169	17.52	1,037	0.0163	16.94	(0.58)	-3.29%
Cost of Power Commodity (kWh)<600	600	0.0500	30.00	600	0.0500	30.00	0.00	0.00%
Cost of Power Commodity (kWh)>600	437	0.0590	25.75	437	0.0590	25.75	0.00	0.00%
Regulated Price Plan Administration Charge/Customer/Month			0.25			0.25	0.00	0.00%
Total Bill w/o GST			109.15			109.19	0.05	0.04%
GST		6%	6.55		5%	5.46	(1.09)	-16.63%
Total Bill			115.69			114.65	(1.04)	-0.90%

GENERAL SERVICE Less than 50 kW

Consumption
750 kWh

	2007 BILL			2008 BILL			IMPACT	
	Volume	RATE \$	CHARGE \$	Volume	RATE \$	CHARGE \$	Change \$	Change %
Monthly Service Charge			20.95			25.00	4.05	19.33%
Distribution (kWh)	750	0.0171	12.85	750	0.0157	11.78	(1.08)	-8.39%
Deferred Account Recovery (kWh)	750	0.0018	1.34	750	0.0012	0.92	(0.42)	-31.23%
Sub-Total			35.14			37.70	2.55	7.27%
Debt Retirement Charge (kWh)	750	0.0070	5.25	750	0.0070	5.25	0.00	0.00%
Other Charges (kWh)	777	0.0159	12.36	777	0.0154	11.97	(0.39)	-3.19%
Cost of Power Commodity (kWh)<750	750	0.0500	37.50	750	0.0500	37.50	0.00	0.00%
Cost of Power Commodity (kWh)>750	27	0.0590	1.62	27	0.0590	1.62	0.00	0.00%
Regulated Price Plan Administration Charge/Customer/Month			0.25			0.25	0.00	0.00%
Total Bill w/o GST			92.12			94.28	2.16	2.34%
GST		6%	5.53		5%	4.71	(0.81)	-14.71%
Total Bill			97.64			98.99	1.35	1.38%

Consumption
1,500 kWh

Monthly Service Charge			20.95			25.00	4.05	19.33%
Distribution (kWh)	1,500	0.0171	25.71	1,500	0.0157	23.55	(2.16)	-8.39%
Deferred Account Recovery (kWh)	1,500	0.0018	2.68	1,500	0.0012	1.84	(0.84)	-31.23%
Sub-Total			49.33			50.39	1.06	2.14%
Debt Retirement Charge (kWh)	1,500	0.0070	10.50	1,500	0.0070	10.50	0.00	0.00%
Other Charges (kWh)	1,555	0.0159	24.72	1,555	0.0154	23.93	(0.79)	-3.19%
Cost of Power Commodity (kWh)<750	750	0.0500	37.50	750	0.0500	37.50	0.00	0.00%
Cost of Power Commodity (kWh)>750	805	0.0590	47.48	805	0.0590	47.48	0.00	0.00%
Regulated Price Plan Administration Charge/Customer/Month			0.25			0.25	0.00	0.00%
Total Bill w/o GST			169.79			170.05	0.27	0.16%
GST		6%	10.19		5%	8.50	(1.68)	-16.53%
Total Bill			179.97			178.56	(1.42)	-0.79%

Class Average
Consumption
2,832 kWh

Monthly Service Charge			20.95			25.00	4.05	19.33%
Distribution (kWh)	2,832	0.0171	48.53	2,832	0.0157	44.46	(4.07)	-8.39%
Deferred Account Recovery (kWh)	2,832	0.0018	5.06	2,832	0.0012	3.48	(1.58)	-31.23%
Sub-Total			74.54			72.94	(1.60)	-2.15%
Debt Retirement Charge (kWh)	2,832	0.0070	19.82	2,832	0.0070	19.82	0.00	0.00%
Other Charges (kWh)	2,935	0.0159	46.67	2,935	0.0154	45.18	(1.49)	-3.19%
Cost of Power Commodity (kWh)<750	750	0.0500	37.50	750	0.0500	37.50	0.00	0.00%
Cost of Power Commodity (kWh)>750	2,185	0.0590	128.92	2,185	0.0590	128.92	0.00	0.00%
Regulated Price Plan Administration Charge/Customer/Month			0.25			0.25	0.00	0.00%
Total Bill w/o GST			307.70			304.61	(3.09)	-1.00%
GST		6%	18.46		5%	15.23	(3.23)	-17.50%
Total Bill			326.16			319.84	(6.32)	-1.94%

Consumption
4,000 kWh

Monthly Service Charge			20.95			25.00	4.05	19.33%
Distribution (kWh)	4,000	0.0171	68.55	4,000	0.0157	62.80	(5.75)	-8.39%
Deferred Account Recovery (kWh)	4,000	0.0018	7.14	4,000	0.0012	4.91	(2.23)	-31.23%
Sub-Total			96.64			92.71	(3.93)	-4.07%
Debt Retirement Charge (kWh)	4,000	0.0070	28.00	4,000	0.0070	28.00	0.00	0.00%
Other Charges (kWh)	4,146	0.0159	65.92	4,146	0.0154	63.82	(2.10)	-3.19%
Cost of Power Commodity (kWh)<750	750	0.0500	37.50	750	0.0500	37.50	0.00	0.00%
Cost of Power Commodity (kWh)>750	3,396	0.0590	200.36	3,396	0.0590	200.36	0.00	0.00%
Regulated Price Plan Administration Charge/Customer/Month			0.25			0.25	0.00	0.00%
Total Bill w/o GST			428.68			422.64	(6.03)	-1.41%
GST		6%	25.72		5%	21.13	(4.59)	-17.84%
Total Bill			454.40			443.78	(10.62)	-2.34%

GENERAL SERVICE Less than 50 kW (USL)
Consumption
200 kWh

	2007 BILL			2008 BILL			IMPACT	
	Volume	RATE \$	CHARGE \$	Volume	RATE \$	CHARGE \$	Change \$	Change %
Monthly Service Charge			20.95			16.27	(4.68)	-22.34%
Distribution (kWh)	200	0.0171	3.43	200	0.0134	2.68	(0.75)	-21.79%
Deferred Account Recovery (kWh)	200	0.0018	0.36	200	0.0012	0.25	(0.11)	-31.23%
Sub-Total			24.73			19.20	(5.54)	-22.39%
Debt Retirement Charge (kWh)	200	0.0070	1.40	200	0.0070	1.40	0.00	0.00%
Other Charges (kWh)	207	0.0159	3.30	207	0.0154	3.19	(0.11)	-3.19%
Cost of Power Commodity (kWh)<750	207	0.0500	10.37	207	0.0500	10.37	0.00	0.00%
Cost of Power Commodity (kWh)>750	0	0.0590	0.00	0	0.0590	0.00	0.00	0.00%
Regulated Price Plan Administration Charge/Customer/Month			0.25			0.25	0.00	0.00%
Total Bill w/o GST			40.05			34.40	(5.64)	-14.09%
GST		6%	2.40		5%	1.72	(0.68)	-28.41%
Total Bill			42.45			36.12	(6.33)	-14.90%

Consumption
500 kWh

Monthly Service Charge			20.95			16.27	(4.68)	-22.34%
Distribution (kWh)	500	0.0171	8.57	500	0.0134	6.70	(1.87)	-21.79%
Deferred Account Recovery (kWh)	500	0.0018	0.89	500	0.0012	0.61	(0.28)	-31.23%
Sub-Total			30.41			23.59	(6.83)	-22.44%
Debt Retirement Charge (kWh)	500	0.0070	3.50	500	0.0070	3.50	0.00	0.00%
Other Charges (kWh)	518	0.0159	8.24	518	0.0154	7.98	(0.26)	-3.19%
Cost of Power Commodity (kWh)<750	518	0.0500	25.91	518	0.0500	25.91	0.00	0.00%
Cost of Power Commodity (kWh)>750	0	0.0590	0.00	0	0.0590	0.00	0.00	0.00%
Regulated Price Plan Administration Charge/Customer/Month			0.25			0.25	0.00	0.00%
Total Bill w/o GST			68.31			61.23	(7.09)	-10.38%
GST		6%	4.10		5%	3.06	(1.04)	-25.31%
Total Bill			72.41			64.29	(8.13)	-11.22%

GENERAL SERVICE Greater than 50 kW (to 5000 kW)

Consumption	
25,000	kWh
60	kW

	2007 BILL			2008 BILL			IMPACT	
	Volume	RATE \$	CHARGE \$	Volume	RATE \$	CHARGE \$	Change \$	Change %
Monthly Service Charge			376.28			155.86	(220.42)	-58.58%
Distribution (kW)	60	3.2075	192.45	60	4.2885	257.31	64.86	33.70%
Deferred Account Recovery (kW)	60	0.7774	46.65	60	0.1401	8.41	(38.24)	-81.98%
Sub-Total			615.38			421.57	(193.80)	-31.49%
Other Charges (kWh)	25,913	0.0062	160.66	25,913	0.0062	160.66	0.00	0.00%
Debt Retirement Charge (kWh)	25,000	0.0070	175.00	25,000	0.0070	175.00	0.00	0.00%
Other Charges (kW)	60	3.9100	234.60	60	3.7030	222.18	(12.42)	-5.29%
Cost of Power Commodity (kWh)<750	750	0.0500	37.50	750	0.0500	37.50	0.00	0.00%
Cost of Power Commodity (kWh)>750	25,163	0.0590	1,484.59	25,163	0.0590	1,484.59	0.00	0.00%
Regulated Price Plan Administration Charge/Customer/Month			0.25			0.25	0.00	0.00%
Total Bill w/o GST			2,707.97			2,501.75	(206.22)	-7.62%
GST		6%	162.48		5%	125.09	(37.39)	-23.01%
Total Bill			2,870.45			2,626.84	(243.61)	-8.49%

Class Average Consumption	
77,787	kWh
189	kW

Monthly Service Charge			376.28			155.86	(220.42)	-58.58%
Distribution (kW)	189	3.2075	606.18	189	4.2885	810.47	204.29	33.70%
Deferred Account Recovery (kW)	189	0.7774	146.92	189	0.1401	26.48	(120.45)	-81.98%
T/A	189	-0.5000	-94.49	189	(0.7000)	(132.29)	(37.80)	-40.00%
Sub-Total			1,034.89			860.52	(174.37)	-16.85%
Other Charges (kWh)	80,626	0.0062	499.88	80,626	0.0062	499.88	0.00	0.00%
Debt Retirement Charge (kWh)	77,787	0.0070	544.51	77,787	0.0070	544.51	0.00	0.00%
Other Charges (kW)	189	3.9100	738.94	189	3.7030	699.82	(39.13)	-5.29%
Cost of Power Commodity (kWh)<750	750	0.0500	37.50	750	0.0500	37.50	0.00	0.00%
Cost of Power Commodity (kWh)>750	79,876	0.0590	4,712.71	79,876	0.0590	4,712.71	0.00	0.00%
Regulated Price Plan Administration Charge/Customer/Month			0.25			0.25	0.00	0.00%
Total Bill w/o GST			7,568.69			7,355.19	(213.50)	-2.82%
GST		6%	454.12		5%	367.76	(86.36)	-19.02%
Total Bill			8,022.81			7,722.95	(299.86)	-3.74%

Consumption	
100,000	kWh
400	kW

Monthly Service Charge			376.28			155.86	(220.42)	-58.58%
Distribution (kW)	400	3.2075	1,283.00	400	4.2885	1,715.39	432.39	33.70%
Deferred Account Recovery (kW)	400	0.7774	310.97	400	0.1401	56.04	(254.93)	-81.98%
T/A	400	(0.50)	(200.00)	400	(0.7000)	(280.00)	(80.00)	-40.00%
Sub-Total			1,770.25			1,647.29	(122.96)	-6.95%
Other Charges (kWh)	103,650	0.0062	642.63	103,650	0.0062	642.63	0.00	0.00%
Debt Retirement Charge (kWh)	100,000	0.0070	700.00	100,000	0.0070	700.00	0.00	0.00%
Other Charges (kW)	400	3.9100	1,564.00	400	3.7030	1,481.19	(82.81)	-5.29%
Cost of Power Commodity (kWh)<750	750	0.0500	37.50	750	0.0500	37.50	0.00	0.00%
Cost of Power Commodity (kWh)>750	102,900	0.0590	6,071.10	102,900	0.0590	6,071.10	0.00	0.00%
Regulated Price Plan Administration Charge/Customer/Month			0.25			0.25	0.00	0.00%
Total Bill w/o GST			10,785.73			10,579.96	(205.77)	-1.91%
GST		6%	647.14		5%	529.00	(118.15)	-18.26%
Total Bill			11,432.87			11,108.96	(323.92)	-2.83%

Consumption	
1,500,000	kWh
3,000	kW

Monthly Service Charge			376.28			155.86	(220.42)	-58.58%
Distribution (kW)	3,000	3.2075	9,622.49	3,000	4.2885	12,865.40	3,242.90	33.70%
Deferred Account Recovery (kW)	3,000	0.7774	2,332.29	3,000	0.1401	420.32	(1,911.97)	-81.98%
T/A	3,000	(0.50)	(1,500.00)	3,000	(0.7000)	(2,100.00)	(600.00)	-40.00%
Sub-Total			10,831.06			11,341.58	510.52	4.71%
Other Charges (kWh)	1,554,750	0.0062	9,639.45	1,554,750	0.0062	9,639.45	0.00	0.00%
Debt Retirement Charge (kWh)	1,500,000	0.0070	10,500.00	1,500,000	0.0070	10,500.00	0.00	0.00%
Other Charges (kW)	3,000	3.9100	11,730.00	3,000	3.7030	11,108.92	(621.08)	-5.29%
Cost of Power Commodity (kWh)<750	750	0.0500	37.50	750	0.0500	37.50	0.00	0.00%
Cost of Power Commodity (kWh)>750	1,554,000	0.0590	91,686.00	1,554,000	0.0590	91,686.00	0.00	0.00%
Regulated Price Plan Administration Charge/Customer/Month			0.25			0.25	0.00	0.00%
Total Bill w/o GST			134,424.26			134,313.70	(110.56)	-0.08%
GST		6%	8,065.46		5%	6,715.68	(1,349.77)	-16.74%
Total Bill			142,489.72			141,029.38	(1,460.33)	-1.02%

GENERAL SERVICE Greater than 50 kW (to 5000 kW) Interval Metered

Consumption	
40,000	kWh
250	kW

	2007 BILL			2008 BILL			IMPACT	
	Volume	RATE \$	CHARGE \$	Volume	RATE \$	CHARGE \$	Change \$	Change %
Monthly Service Charge			376.28			155.86	(220.42)	-58.58%
Distribution (kW)	250	3.2075	801.87	250	4.2885	1,072.12	270.24	33.70%
Deferred Account Recovery (kW)	250	0.7774	194.36	250	0.1401	35.03	(159.33)	-81.98%
T/A	250	(0.50)	(125.00)	250	(0.7000)	(175.00)	(50.00)	-40.00%
Sub-Total			1,247.51			1,088.00	(159.51)	-12.79%
Other Charges (kWh)	41,460	0.0062	257.05	41,460	0.0062	257.05	0.00	0.00%
Debt Retirement Charge (kWh)	40,000	0.0070	280.00	40,000	0.0070	280.00	0.00	0.00%
Other Charges (kW)	250	3.9100	977.50	250	3.7030	925.74	(51.76)	-5.29%
Cost of Power Commodity (kWh)<750	750	0.0500	37.50	750	0.0500	37.50	0.00	0.00%
Cost of Power Commodity (kWh)>750	40,710	0.0590	2,401.89	40,710	0.0590	2,401.89	0.00	0.00%
Regulated Price Plan Administration Charge/Customer/Month			0.25			0.25	0.00	0.00%
Total Bill w/o GST			5,201.70			4,990.44	(211.27)	-4.06%
GST		6%	312.10		5%	249.52	(62.58)	-20.05%
Total Bill			5,513.81			5,239.96	(273.85)	-4.97%

Street Lights

Class Average Consumption	
391,976	kWh
1,068	kW
7,289	Lights

	2007 BILL			2008 BILL			IMPACT	
	Volume	RATE \$	CHARGE \$	Volume	RATE \$	CHARGE \$	Change \$	Change %
Monthly Service Charge	7,289	0.31	2,274.62	7,289	1.75	12,755.75	10,481.13	460.79%
Distribution (kW)	1,068	1.8466	1,972.42	1,068	8.6670	9,257.42	7,285.00	369.34%
Deferred Account Recovery (kW)	1,068	0.3425	365.80	1,068	0.1907	203.68	(162.13)	-44.32%
Sub-Total			4,612.84			22,216.84	17,604.00	381.63%
Other Charges (kWh)	406,283	0.0062	2,518.95	406,283	0.0062	2,518.95	0.00	0.00%
Debt Retirement Charge (kWh)	391,976	0.0070	2,743.83	391,976	0.0070	2,743.83	0.00	0.00%
Other Charges (kW)	1,068	2.9826	3,185.79	1,068	2.7424	2,929.18	(256.61)	-8.05%
Cost of Power Commodity (kWh)<750	750	0.0500	37.50	750	0.0500	37.50	0.00	0.00%
Cost of Power Commodity (kWh)>750	405,533	0.0590	23,926.43	405,533	0.0590	23,926.43	0.00	0.00%
Regulated Price Plan Administration Charge/Connection/Month	7,289	0.2500	1,822.25	7,289	0.2500	1,822.25	0.00	0.00%
Total Bill w/o GST			38,847.60			56,194.99	17,347.40	44.66%
GST		6%	2,330.86		5%	2,809.75	478.89	20.55%
Total Bill			41,178.45			59,004.74	17,826.29	43.29%

Sentinel Lights

Class Average Consumption	
60	kWh
0.18	kW
1	Lights

	2007 BILL			2008 BILL			IMPACT	
	Volume	RATE \$	CHARGE \$	Volume	RATE \$	CHARGE \$	Change \$	Change %
Monthly Service Charge			1.75			1.75	0.00	0.00%
Distribution (kW)	0.2	3.0602	0.56	0.2	6.6688	1.22	0.66	117.92%
Deferred Account Recovery (kW)	0.2	0.5231	0.10	0.2	0.5879	0.11	0.01	12.39%
Sub-Total			2.41			3.08	0.67	27.96%
Other Charges (kWh)	62	0.0062	0.38	62	0.0062	0.38	0.00	0.00%
Debt Retirement Charge (kWh)	60	0.0070	0.42	60	0.0070	0.42	0.00	0.00%
Other Charges (kW)	0.2	3.0196	0.55	0.2	2.8626	0.52	(0.03)	-5.20%
Cost of Power Commodity (kWh)<750	62	0.0500	3.10	62	0.0500	3.10	0.00	0.00%
Cost of Power Commodity (kWh)>750	0.0	0.0590	0.00	0.0	0.0590	0.00	0.00	0.00%
Regulated Price Plan Administration Charge/Connection/Month	1	0.2500	0.25	1	0.2500	0.25	0.00	0.00%
Total Bill w/o GST			7.12			7.76	0.64	9.05%
GST		6%	0.43		5%	0.39	(0.04)	-9.13%
Total Bill			7.54			8.15	0.61	8.02%