

**Board staff Comments on the EnWin Draft Rate Order, filed April 20, 2009
EB-2008-0227**

The Draft Rate Order (DRO) as filed by EnWin on April 20, 2009, appears to differ slightly from some of the figures filed when the Settlement Agreement (dated February 19, 2009) was approved by the Board on February 19, 2009 and in the Board's April 9, 2009 Decision and Order.

Specifically, Board staff has three concerns:

A) Income Tax

	<u>Settlement Agreement February 19, 2009</u>	<u>DRO Rev. Req. Work Form April 20, 2009</u>
Grossed Up Income Tax	\$1,799,988	\$1,629,293
Income Tax Rate	29.5%	33%

Why has the Grossed Up Income Tax amount fallen, despite the tax rate increasing from 29.5% in the Settlement to 33% in the Revenue Requirement Work Form?

B) Lower Costs/Higher Residential Rates

Board staff notes that in the DRO, the cost of Short Term debt is reduced by \$253,154.

	<u>Settlement Agreement February 19, 2009</u>	<u>DRO Rev. Req. Work Form April 20, 2009</u>
Short term Debt Rate	4.47%	1.33%
Cost	\$359,449	\$106,295

In light of the fact that the revenue requirement has fallen by \$170,695 due to income tax and by \$253,154 due to a lower short term debt rate, why has the variable charge for the Residential Class increased from \$0.0192 in the Settlement Agreement to \$0.0195 in the DRO (April 20, 2009)?

C) Revenue Reconciliation

Board staff has also undertaken a revenue reconciliation on a class-by-class basis and there appear to be discrepancies between the Draft Rate Order and the information filed in Appendix M of the Settlement Agreement.

Please provide a class by class revenue reconciliation to address these concerns to assure parties that class revenues are being recovered appropriately.