



**CENTRE WELLINGTON HYDRO LTD.**  
**730 Gartshore St. P.O. Box 217, Fergus, Ontario, N1M 2W8**  
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Keith Roszell, Chair  
Ron Hallman, Director  
Audrey McNiven, Director  
George Pinkney, Director

May 11, 2009

Ontario Energy Board  
26th Floor  
2300 Yonge Street  
Toronto, Ontario  
M4P 1E4

ATT: Ms. Kirsten Walli, Board Secretary

Dear Ms. Walli,

**EB – 2008 - 0225**  
**2009 Draft Rate Order**  
**Centre Wellington Hydro Ltd.**

In accordance with the directions received on April 29, 2009 Centre Wellington Hydro Ltd. has attached a Draft Rate Order reflecting the Board's findings including an effective date of May 1, 2009.

Centre Wellington Hydro Ltd. requests the approved rates be implemented July 1, 2009 to allow time for completion of the processes outlined in the Decision and Order on pages 25 and 26. Riders to deal with the two months (May 1, 2009 – June 30, 2009) of foregone distribution revenue and Deferral and Variance account balances have been calculated and details are provided in the Manager's Summary and the resulting rates included on the Tariff of Rates and Charges. These Riders are proposed to be in effect for a period of one month.

This Draft Rate Order contains the following parts:

- Manager's Summary,
- Customer Rate Impacts,
- Tariff of Rates and Charges, and
- Completed RRWF excel model

Two (2) hard copies of this Draft Rate Order are enclosed, together with an electronic copy in searchable / unrestricted PDF format.

This Draft Rate Order is respectfully submitted for the Board's consideration.

Thank you,

Mr. Doug Sherwood  
President/Secretary  
Centre Wellington Hydro Ltd.

**Centre Wellington Hydro Ltd.**  
**Draft Rate Order**  
**EB-2008-0225**

**Manager's Summary**

Centre Wellington Hydro Ltd. (Centre Wellington) submits this Manager's Summary as well as Customer Rate Impacts, a Tariff of Rates and Charges for 2009, and a completed RRF excel model as directed by the Ontario Energy Board (Board) in its Decision and Order dated April 29, 2009. Centre Wellington is requesting the Rate Order be approved for an implementation date of July 1, 2009 with an effective date of May 1, 2009.

Centre Wellington has calculated the two (2) months of foregone distribution revenue to be recovered in a one (1) month rate rider. The calculation of the one (1) month rate rider is provided in the table below. The split between fixed distribution and smart meter charges are provided in the last two columns.

Centre Wellington Hydro																		
Calculation of Foregone Revenue Rate Riders																		
May 1, 2009 to June 30, 2009 - Assuming May 1, 2009 Effective Date, July 1, 2009 Implementation Date																		
Centre Wellington Hydro			2008 Approved				2009 Proposed				Foregone Revenue Difference Existing vs. Proposed		Foregone 2 months Revenue recovered over 1 month Rate Riders		Foregone Revenue Difference Existing vs. Proposed		Split Between Fixed Distribution & Smart Meter Charge	
			Rates		Revenue		Rates		Revenue		B	C	B / 1 / A	C / 1 / A	2 months w/o Smart Meter Fixed	2 months Smart Meter Fixed	Fixed Distribution	Fixed Smart Meter
			Fixed	Volumetric	2 Months Fixed	2 Months Volumetric	Fixed	Volumetric	2 Months Fixed	2 Months Volumetric	2 Months Fixed	2 Months Volumetric	Total Fixed	Volumetric				
Customer Class	Test Year Normalized Forecast 2009																	
Residential	Customers	5,710	\$13.28	\$151,658		\$15.00	\$171,300		\$19,642		\$3.44		\$11,305.80	\$8,336.60		\$1.98	\$1.46	
	kWh	45,046,630		\$0.0153	\$114,869		\$0.0135	\$101,355		-\$13,514		-\$0.0036						
GS < 50 kW	Customers	687	\$13.96	\$19,181		\$16.44	\$22,589		\$3,408		\$4.96		\$2,404.50	\$1,003.02		\$3.50	\$1.46	
	kWh	21,809,071		\$0.0177	\$64,337		\$0.0167	\$60,702		-\$3,635		-\$0.0020						
GS >50 - 2999 kW	Customers	53	\$42.23	\$4,476		\$72.46	\$7,681		\$3,204		\$60.46		\$3,127.00	\$77.38		\$59.00	\$1.46	
	kWh	64,439,774																
	kW	166,526		\$2.9804	\$82,719		\$3.4778	\$96,524		\$13,805		\$0.9948						
GS >3000 - 4999	Customers	1	\$558.28	\$1,117		\$559.28	\$1,119		\$2		\$2.00		\$0.54	\$1.46		\$0.54	\$1.46	
	kWh	20,979,417																
	kW	43,874		\$1.6740	\$12,241		\$2.7166	\$19,865		\$7,624		\$2.0852						
Street Lighting	Connections	1,658	\$0.16	\$531		\$2.36	\$7,826		\$7,295		\$4.40		\$7,295.20	\$0.00		\$4.40	\$0.00	
	kWh	1,112,732																
	kW	3,066		\$1.0613	\$542		\$11.5745	\$5,915		\$5,372		\$21.0264						
Sentinel Lighting	Connections	35	\$0.46	\$32		\$2.72	\$190		\$158		\$4.52		\$158.20	\$0.00		\$4.52	\$0.00	
	kWh	43,755																
	kW	122		\$1.7575	\$36		\$7.3719	\$150		\$114		\$11.2288						
Unmetered	Customers	2	\$14.29	\$57		\$16.65	\$67		\$9		\$4.72		\$9.44	\$0.00		\$4.72	\$0.00	
	kWh	400,443		\$0.0177	\$1,181		\$0.0269	\$1,795		\$614		\$0.0184						
Total					\$177,052	\$275,925			\$210,771	\$286,305	\$33,719	\$10,380			\$24,301	\$9,418		
					\$452,976			\$497,076		\$44,100				\$33,719				

Centre Wellington has provided the following Summary of Proposed Changes table reflecting the impact of all changes since the original 2009 Cost of Service Application dated August 18, 2008.

**Centre Wellington Hydro  
Summary of Proposed Changes**

	Regulated Return on Capital	Regulated Rate of Return	Rate Base	Working Capital	Working Capital Allowance	Amortization	PILs	OM&A	Service Revenue Requirement	Base Revenue Requirement	Gross Revenue Deficiency
<b>Original Submission August 18, 2008</b>	<b>\$679,945</b>	<b>7.71%</b>	<b>\$8,818,124</b>	<b>\$13,116,153</b>	<b>\$1,967,423</b>	<b>\$638,185</b>	<b>\$10,466</b>	<b>\$1,746,600</b>	<b>\$3,075,196</b>	<b>\$2,739,753</b>	<b>\$216,645</b>
1 PILs Correction Change	\$679,945 \$0	7.71% \$0	\$8,818,124 \$0	\$13,116,153 \$0	\$1,967,423 \$0	\$638,185 \$0	\$17,292 \$0	\$1,746,600 \$0	\$3,082,022 \$0	\$2,746,579 \$0	\$223,471 \$0
2 Loss Factor Correction (Bill Impact only) Change	\$679,945 \$0	7.71% \$0	\$8,818,124 \$0	\$13,116,153 \$0	\$1,967,423 \$0	\$638,185 \$0	\$17,292 \$0	\$1,746,600 \$0	\$3,082,022 \$0	\$2,746,579 \$0	\$223,471 \$0
3 DVAD Interest Correction Change	\$679,945 \$0	7.71% \$0	\$8,818,124 \$0	\$13,116,153 \$0	\$1,967,423 \$0	\$638,185 \$0	\$38,278 \$0	\$1,746,600 \$0	\$3,103,008 \$0	\$2,767,565 \$0	\$244,457 \$0
4 Smart Meter Funding Adder (Bill Impact only) Change	\$679,945 \$0	7.71% \$0	\$8,818,124 \$0	\$13,116,153 \$0	\$1,967,423 \$0	\$638,185 \$0	\$38,278 \$0	\$1,746,600 \$0	\$3,103,008 \$0	\$2,767,565 \$0	\$244,457 \$0
5 Commodity & RTSR update Change	\$690,473 \$10,528	7.71% \$0	\$8,954,651 \$136,537	\$14,026,401 \$910,248	\$2,103,960 \$136,537	\$638,185 \$0	\$39,708 \$17,430	\$1,746,600 \$0	\$3,114,966 \$11,956	\$2,779,523 \$11,956	\$256,415 \$11,956
6 Rate application cost increase over 4 years Change	\$690,552 \$79	7.71% \$0	\$8,955,673 \$10,012	\$14,033,151 \$6,750	\$2,104,973 \$1,013	\$638,185 \$0	\$39,719 \$11	\$1,753,350 \$6,750	\$3,121,805 \$6,839	\$2,786,362 \$6,839	\$263,254 \$6,839
7 Contributed Capital 08 & 09 Amortization Change	\$695,985 \$5,433	7.71% \$0	\$9,026,137 \$70,464	\$14,033,151 \$0	\$2,104,973 \$0	\$501,209 \$0	\$27,207 \$12,512	\$1,753,350 \$0	\$3,087,751 \$0	\$2,732,308 \$0	\$209,200 \$0
8 1508 OMERS and Cost Assessment Adjustment Change	\$695,985 \$0	7.71% \$0	\$9,026,137 \$0	\$14,033,151 \$0	\$2,104,973 \$0	\$501,209 \$0	\$28,427 \$0	\$1,753,350 \$0	\$3,088,971 \$0	\$2,733,528 \$0	\$210,420 \$0
9 DVAD Allocator Changes Change	\$695,985 \$0	7.71% \$0	\$9,026,137 \$0	\$14,033,151 \$0	\$2,104,973 \$0	\$501,209 \$0	\$28,427 \$0	\$1,753,350 \$0	\$3,088,971 \$0	\$2,733,528 \$0	\$210,420 \$0
10 Tax Rate Changes Change	\$695,985 \$0	7.71% \$0	\$9,026,137 \$0	\$14,033,151 \$0	\$2,104,973 \$0	\$501,209 \$0	\$20,168 \$8,259	\$1,753,350 \$0	\$3,080,712 \$0	\$2,725,269 \$0	\$202,161 \$0
11 Removal of DVAD from Regulatory Tax Income Change	\$695,985 \$0	7.71% \$0	\$9,026,137 \$0	\$14,033,151 \$0	\$2,104,973 \$0	\$501,209 \$0	\$44,703 \$24,535	\$1,753,350 \$0	\$3,085,247 \$0	\$2,749,804 \$0	\$226,696 \$0
12 Hydro One LV Rate Change Change	\$695,966 \$19	7.71% \$0	\$9,025,895 \$242	\$14,031,543 \$1,608	\$2,104,731 \$241	\$501,209 \$0	\$44,701 \$2	\$1,753,350 \$0	\$3,085,226 \$0	\$2,749,783 \$0	\$226,675 \$0
13 Disposition of DVAD s proposed by board Staff Change	\$695,966 \$0	7.71% \$0	\$9,025,895 \$0	\$14,031,543 \$0	\$2,104,731 \$0	\$501,209 \$0	\$44,701 \$0	\$1,753,350 \$0	\$3,085,226 \$0	\$2,749,783 \$0	\$226,675 \$0
14 Loss Factor Change	\$695,677 \$289	7.71% \$0	\$9,022,142 \$3,753	\$14,006,519 \$25,024	\$2,100,978 \$3,753	\$501,209 \$0	\$44,674 \$27	\$1,753,350 \$0	\$3,084,910 \$0	\$2,749,467 \$0	\$226,359 \$0
15 Cost of Power to 0.06072 Change	\$696,458 \$781	7.71% \$0	\$9,032,268 \$10,126	\$14,074,029 \$67,510	\$2,111,104 \$10,126	\$501,209 \$0	\$44,748 \$74	\$1,753,350 \$0	\$3,085,765 \$0	\$2,750,322 \$0	\$227,214 \$0
16 Debt Equity Change	\$680,796 \$15,662	7.54% \$0	\$9,032,268 \$0	\$14,074,029 \$0	\$2,111,104 \$0	\$501,209 \$0	\$40,417 \$4,331	\$1,753,350 \$0	\$3,085,772 \$0	\$2,730,329 \$0	\$207,221 \$0
17 Revenue to Cost Ratios Change	\$680,796 \$0	7.54% \$0	\$9,032,268 \$0	\$14,074,029 \$0	\$2,111,104 \$0	\$501,209 \$0	\$40,417 \$0	\$1,753,350 \$0	\$3,085,772 \$0	\$2,730,329 \$0	\$207,221 \$0
18 Rate Design Change	\$680,796 \$0	7.54% \$0	\$9,032,268 \$0	\$14,074,029 \$0	\$2,111,104 \$0	\$501,209 \$0	\$40,417 \$0	\$1,753,350 \$0	\$3,085,772 \$0	\$2,730,329 \$0	\$207,221 \$0
19 DVAD to 4 years recovery Change	\$680,796 \$0	7.54% \$0	\$9,032,268 \$0	\$14,074,029 \$0	\$2,111,104 \$0	\$501,209 \$0	\$40,417 \$0	\$1,753,350 \$0	\$3,085,772 \$0	\$2,730,329 \$0	\$207,221 \$0
20 RRA from 0.001 to 0.0013 Change	\$681,341 \$545	7.54% \$0	\$9,039,502 \$7,234	\$14,122,251 \$48,222	\$2,113,338 \$7,234	\$501,209 \$0	\$40,467 \$50	\$1,753,350 \$0	\$3,086,367 \$0	\$2,730,924 \$0	\$207,816 \$0
<b>Centre Wellington - OEB Decision &amp; Order</b>	<b>\$681,341</b>	<b>\$0</b>	<b>\$9,039,502</b>	<b>\$14,122,251</b>	<b>\$2,113,338</b>	<b>\$501,209</b>	<b>\$40,467</b>	<b>\$1,753,350</b>	<b>\$3,086,367</b>	<b>\$2,730,924</b>	<b>\$207,816</b>
<b>Change - DRO vs. Original</b>	<b>2% \$1,396</b>	<b>0%</b>	<b>2% \$221,378</b>	<b>7% \$1,006,098</b>	<b>7% \$150,915</b>	<b>-7% \$-46,976</b>	<b>327% \$30,001</b>	<b>0% \$6,750</b>	<b>0% \$0</b>	<b>0% \$-8,829</b>	<b>4% \$-8,829</b>
2006 EDR	\$723,056	8.13%	\$8,899,155	\$12,052,184	\$1,807,828	\$510,349	\$54,544	\$1,508,695	\$2,796,645	\$2,520,990	
Change - 2009 Rate Order vs. 2006 EDR	-6% -\$41,715	-7%	2% \$140,347	17% \$2,070,067	17% \$310,510	16% \$80,860	-26% \$-14,077	16% \$244,655	10% \$269,722	8% \$209,934	

Upon completion of the interrogatory and submission requirements in this proceeding, the Board addressed the following issues in its Decision:

- 1.0 Load Forecast
- 2.0 Operating, Maintenance & Administrative Expenses
- 3.0 Payments in Lieu of Taxes
- 4.0 Capital Expenditures and Rate Base
  - 4.1 Purchase of Line Transformers
  - 4.2 Working Capital
- 5.0 Smart Meters
- 6.0 Cost of Capital
  - Capital Structure
  - Short Term Debt
  - Long Term Debt
  - Common Equity
- 7.0 Cost Allocation and Rate Design
  - 7.1 Retail Transmission Service Rates
  - 7.2 Line Losses
  - 7.3 Low Voltage Costs
  - 7.4 Revenue to Cost Ratios
  - 7.5 Rate Design – monthly fixed charges
- 8.0 Deferral and Variance Accounts

### **1.0 LOAD FORECAST**

The Board accepted Centre Wellington's forecast as originally filed with the August 18, 2008 rate application.

### **2.0 OPERATION, MAINTENANCE AND ADMINISTRATIVE EXPENSES**

The Board found Centre Wellington's OM&A amount of \$1,753,350 including property and capital taxes of \$35,000 for 2009 is appropriate without any further adjustment.

### **3.0 PAYMENTS IN LIEU OF TAXES (PILS)**

The Board is satisfied with the amendments adopted by Centre Wellington with respect to the appropriate tax rates and methodology used in arriving at the PILs calculation. In response to interrogatories Centre Wellington made adjustments to the tax rates from those originally filed. Centre Wellington accepted Board staff's position to use a corporate tax rate of 16.5% and an Ontario Capital Tax Rate of 0.225% in its PILs calculation and has reflected those rates in this Draft Rate Order. Those rates and the resulting PILs expense are provided in the following PILs tables.

	2008	2009
<b>OCT (Ontario Capital Tax):</b>		
Taxable Capital	15,813,849	15,996,307
Less: Exemption	15,000,000	15,000,000
Deemed Taxable Capital	813,849	996,307
Tax Rate	0.285%	0.225%
<b>OCT payable</b>	<b>2,319</b>	<b>2,242</b>

	2008 Projection	2009 Projection <sup>1</sup>	2009 Test <sup>1</sup>
Regulatory Taxable Income/(Loss)	20,011	(38,202)	193,441
Combined Income Tax Rate	16.50%	0.00%	16.50%
Total Income Taxes	3,302	0	31,918
Investment & Miscellaneous Tax Credits			
<b>Income Tax Payable</b>	<b>3,302</b>	<b>0</b>	<b>31,918</b>
Large Corporations Tax (LCT)			
Ontario Capital Tax (OCT)	2,319	2,242	2,242
Grossed-up Income Tax			38,225
Grossed-up LCT			
<b>Total PILs Expense</b>	<b>5,621</b>	<b>2,242</b>	<b>40,467</b>

#### 4.0 CAPITAL EXPENDITURES AND RATE BASE

##### 4.1 Purchase of Line Transformers

The Board accepted Centre Wellington's plan with respect to transformer replacement resulting in no adjustment to the original forecast for capital expenditures.

##### 4.2 Working Capital

The Board directed Centre Wellington to update the cost of power to reflect the price in the April 2009 RPP price report of \$0.06072. That updated cost of power price is reflected in this Draft Rate Order. The following two tables provide a comparison of the amount of Working Capital resulting from the cost of power rates originally included versus the updated cost of power rate directed by the Board.

#### Original Rate Application – August 18, 2008

Electricity (Commodity)	Customer	2009	rate (\$/kWh):	\$0.05450
	Class Name	Volume		Amount
kWh	Residential	47,069,224		2,565,273
kWh	General Service Less Than 50 kW	22,788,298		1,241,962
kWh	General Service 50 to 2,999 kW	67,333,120		3,669,655
kWh	General Service 3,000 to 4,999 kW	21,921,393		1,194,716
kWh	Unmetered Scattered Load	418,423		22,804
kWh	Sentinel Lighting	45,720		2,492
kWh	Street Lighting	1,162,694		63,367
	<b>TOTAL</b>			<b>8,760,268</b>

Updated Cost of Power rate directed by the Board

Electricity (Commodity)	Customer Class Name	2009 rate (\$/kWh): <b>\$0.06072</b>		
		Volume		Amount
kWh	Residential	47,069,224		2,858,043
kWh	General Service Less Than 50 kW	22,788,298		1,383,705
kWh	General Service 50 to 2,999 kW	67,333,120		4,088,467
kWh	General Service 3,000 to 4,999 kW	21,921,393		1,331,067
kWh	Unmetered Scattered Load	418,423		25,407
kWh	Sentinel Lighting	45,720		2,776
kWh	Street Lighting	1,162,694		70,599
	<b>TOTAL</b>			<b>9,760,064</b>

Centre Wellington has also updated the Rural or Remote Electricity Rate Protection from \$0.0010 to \$0.0013 per the OEB letter dated December 17, 2008.

Original Rate Application – August 18, 2008

Rural Rate Protection	Customer Class Name	2009 rate (\$/kWh): <b>\$0.00100</b>		
		Volume		Amount
kWh	Residential	47,069,224		47,069
kWh	General Service Less Than 50 kW	22,788,298		22,788
kWh	General Service 50 to 2,999 kW	67,333,120		67,333
kWh	General Service 3,000 to 4,999 kW	21,921,393		21,921
kWh	Unmetered Scattered Load	418,423		418
kWh	Sentinel Lighting	45,720		46
kWh	Street Lighting	1,162,694		1,163
	<b>TOTAL</b>			<b>160,739</b>

Update RRRP as directed by the Board – December 17, 2008

Rural Rate Protection	Customer Class Name	2009 rate (\$/kWh): <b>\$0.00130</b>		
		Volume		Amount
kWh	Residential	47,069,224		61,190
kWh	General Service Less Than 50 kW	22,788,298		29,625
kWh	General Service 50 to 2,999 kW	67,333,120		87,533
kWh	General Service 3,000 to 4,999 kW	21,921,393		28,498
kWh	Unmetered Scattered Load	418,423		544
kWh	Sentinel Lighting	45,720		59
kWh	Street Lighting	1,162,694		1,512
	<b>TOTAL</b>			<b>208,961</b>

## 5.0 SMART METERS

The Board approved Centre Wellington's request for a smart meter funding adder of \$1.00 per month per metered customer in accordance with the Board Guideline on Smart Meter Funding and Cost Recovery. The smart meter funding adder is included in this Draft Rate Order.

## 6.0 COST OF CAPITAL AND CAPITAL STRUCTURE

Other than Centre Wellington's proposed long term debt rate of 7.25%, the Board accepted all other aspects of the utility's proposal with respect to capital structure and cost of capital.

The Board has directed Centre Wellington to apply a deemed long term debt rate of 7.62% to its embedded debt.

Centre Wellington confirms the use of a short term debt rate of 1.33%, a long term debt rate of 7.62%, and a return on equity of 8.01% in this Draft Rate Order.

The table below provides the capital structure amounts as well as the rate used for each of the capital structure components.

	<i>Current Application</i>		
	<i>Deemed Portion</i>	<i>Effective Rate <sup>1</sup></i>	<i>Return Amount</i>
Short-Term Debt	4.00%	1.33%	
Long-Term Debt	52.67%	7.62%	
Total Equity	43.33%	8.01%	
<b>Regulated Rate of Return</b>	<b>100.00%</b>	<b>7.54%</b>	
<b>Rate Base <sup>2</sup></b>			9,039,502
<b>Regulated Return on Capital</b>			<b>681,341</b>
<i>Deemed Interest Expense</i>			367,582
<i>Deemed Return on Equity</i>			313,759

## 7.0 COST ALLOCATION AND RATE DESIGN

### 7.1 Retail Transmission Service Rates

Following the original submission of its rate application on August 18, 2008 Centre Wellington updated its RTS rates to reflect the changes in the Board guideline, Electricity Distribution Retail Transmission Service Rates [G-2008-0001] issued on October 22, 2008. The Board accepted this updated proposal and Centre Wellington confirms the resulting rates are in this Draft Rate Order.

The following tables include the information used to arrive at the final rates for Network and connection charges:

Network Rate Calculations:

<b>Estimated NW Charges - August 15, 2008</b>					
	Actual 2005	Actual 2006	Actual 2007	Estimate 2008	Estimate 2009
<b>Transmission Network Charges</b>	<b>\$ 793,857.35</b>	<b>\$ 814,627.48</b>	<b>\$ 808,227.29</b>	<b>\$ 815,436.68</b>	<b>\$ 819,704.00</b>
Increases		2.62%	-0.79%	0.89%	0.52%

<b>Estimated NW Charges - December 15, 2008</b>					
	Actual 2005	Actual 2006	Actual 2007	Estimate 2008	H1 Increases Estimate 2009
<b>Transmission Network Charges</b>	<b>\$ 793,857.35</b>	<b>\$ 814,627.48</b>	<b>\$ 808,227.29</b>	<b>\$ 723,791.00</b>	<b>\$ 805,579.38</b>
Increases		2.62%	-0.79%	-10.45%	11.30%

Class	Estimated NW - 4714 Cost With OEB increase of 11.30%	% of proposed \$ times total NW-4714 Cost	New NW Rate	Proof	2009 - kWh	2009 - kW	Proposed \$ Received for NW - 4066 GL (using existing rates)	% of proposed \$ per class
Residential	256,541		0.0054	\$ 256,526	47,172,831		\$ (183,974)	31.85%
GS<50	111,464		0.0049	\$ 111,475	22,838,459		\$ (79,935)	13.84%
GS>50	332,689		1.9978	\$ 332,689		166,526	\$ (238,582)	41.30%
Street Lights	4,620		1.5067	\$ 4,620		3,066	\$ (3,313)	0.57%
Sentinel Lights	185		1.5144	\$ 185		122	\$ (132)	0.02%
Unmetered Scattered Load	2,047		0.0049	\$ 2,047	419,344		\$ (1,468)	0.25%
Intermediate	98,034		2.2345	\$ 98,034		43,874	\$ (70,304)	12.17%
<b>TOTAL</b>	<b>\$ 805,579</b>	<b>805,579</b>		<b>\$ 805,575</b>	<b>70,430,634</b>	<b>213,588</b>	<b>\$ (577,707)</b>	<b>100.00%</b>

Connection Rate Calculations:

<b>Estimated CN Charges - August 15, 2008</b>					
	Actual 2005	Actual 2006	Actual 2007	Estimate 2008	Estimate 2009
<b>Transmission Connection Charges</b>	<b>\$ 679,690.08</b>	<b>\$ 679,156.22</b>	<b>\$ 670,990.56</b>	<b>\$ 676,975.80</b>	<b>\$ 680,518.63</b>
Increases		-0.08%	-1.20%	0.89%	0.52%

<b>Estimated CN Charges - December 15, 2008</b>					
	Actual 2005	Actual 2006	Actual 2007	Estimate 2008	Estimate 2009
<b>Transmission Connection Charges</b>	<b>\$ 679,690.08</b>	<b>\$ 679,156.22</b>	<b>\$ 670,990.56</b>	<b>\$ 634,941.00</b>	<b>\$ 669,862.76</b>
Increases		-0.08%	-1.20%	-5.37%	5.50%



Class	Estimated CN-4716 Cost With OEB increase of 5.50%	% of proposed \$ times total CN 4716 Cost	New Proposed CN Rate - with Hydro One Increases	CN - 4068 Revenue at Proposed Rates - Proof	2009 - kWh	2009 - kW	Proposed \$ Received for CN - 4068 GL (using existing rates)	% of proposed \$ per class
Residential	\$ 215,876		0.0046	\$ 215,863	47,172,831		\$ (292,472)	32.23%
GS<50	\$ 92,715		0.0041	\$ 92,724	22,838,459		\$ (125,612)	13.84%
GS>50	\$ 271,260		1.6289	\$ 271,260		166,526.00	\$ (367,506)	40.49%
Street Lights	\$ 3,861		1.2593	\$ 3,861		3,066.00	\$ (5,231)	0.58%
Sentinel Lights	\$ 157		1.2856	\$ 157		122.00	\$ (212)	0.02%
USL	\$ 1,702		0.0041	\$ 1,703	419,344		\$ (2,306)	0.25%
Intermediate	\$ 84,292		1.9212	\$ 84,292		43,874.00	\$ (114,200)	12.58%
<b>TOTAL</b>	<b>\$ 669,863</b>	<b>\$ 669,863</b>		<b>\$ 669,859</b>	<b>70,430,634.00</b>	<b>213,588.00</b>	<b>\$ (907,539)</b>	<b>100.00%</b>

## 7.2 Line Losses

The Board has accepted Centre Wellington's updated Distribution Loss Factor of 1.0308 and a Total Loss Factor of 1.0449 for 2009. These loss factors are reflected in this Draft Rate Order.

The calculation of the Loss Factors is provided below:

### Loss Adjustment Factor Calculation

	2003	2004	2005	2006	2007	Ave 2005-2007		
Purchased kWh's	151,346,722	157,652,103	160,365,615	156,947,523	158,318,135	158,543,758		
"Wholesale" kWh (IESO) Qty at the Meter	150,922,680	156,298,377	158,215,850	154,774,514	156,206,350	156,398,904	5 Yr Avg	3 Yr Avg
Supply Facility Loss Factor [(A-B)]	1.0028	1.0087	1.0136	1.0140	1.0135	1.0137	1.0105	1.0137
	2003	2004	2005	2006	2007			
"Wholesale" kWh (IESO) Qty at the Meter	150,922,680	156,298,377	158,215,850	154,774,514	156,206,350	156,398,904		
Wholesale kWh for Large Use customer(s) (IESO)	-	-	-	-	-	-		
Net "Wholesale" kWh (D)-(E)	150,922,680	156,298,377	158,215,850	154,774,514	156,206,350	156,398,904		
Retail kWh (Distributor) Qty at the Meter	145,548,659	150,868,319	153,080,310	150,395,314	151,700,375	151,725,333		
Retail kWh for Large Use Customer(s) (1% loss)	-	-	-	-	-	-		
Net "Retail" kWh (G)-(H)	145,548,659	150,868,319	153,080,310	150,395,314	151,700,375	151,725,333	5 Yr Avg	3 Yr Avg
Distribution Loss Factor [(F)/(I)]	1.0369	1.0360	1.0335	1.0291	1.0297	1.0308	1.0331	1.0308
Total Loss Factor	1.0398	1.0450	1.0476	1.0436	1.0436	1.0449		

Total Utility Loss Adjustment Factor	LAF
Supply Facility Loss Factor	1.0137
Distribution Loss Factor	1.0308
<b>Total Loss Factor</b>	
<b>Secondary Metered Customer</b>	
Total Loss Factor - Secondary Metered Customer < 5,000kW	1.0449
Total Loss Factor - Secondary Metered Customer > 5,000kW	n/a
<b>Primary Metered Customer</b>	
Total Loss Factor - Primary Metered Customer < 5,000kW	1.0345
Total Loss Factor - Primary Metered Customer > 5,000kW	n/a

### 7.3 Low Voltage Costs

The Board accepted Centre Wellington's updated Low Voltage costs, including the proposed allocation of those costs. The original application included \$91,000 in Low Voltage costs for 2009. In response to an interrogatory, Centre Wellington updated the Low Voltage cost forecast to \$89,391.98 using the 2007 kW and km quantities and confirms this updated amount is used in this Draft Rate Order.

The information used to calculate the Low Voltage costs forecast is provided in the following table:

#### 2007 LV Actual Charges

Shared LV Line Charges			Specific LV Line Charges			Total
Rate	kW	\$	Rate	km	\$	
\$ 0.630	7,118.50	4484.66	\$ 524.00	5.24	2745.76	\$ 7,230.42
\$ 0.630	7,216.34	4546.29	\$ 524.00	5.24	2745.76	\$ 7,292.05
\$ 0.630	6,960.16	4384.90	\$ 524.00	5.24	2745.76	\$ 7,130.66
\$ 0.630	6,088.42	3835.70	\$ 524.00	5.24	2745.76	\$ 6,581.46
	6,426.51	4065.57		5.24	2754.93	\$ 6,820.50
\$ 0.633	7,792.54	4932.68	\$ 526.00	5.24	2756.24	\$ 7,688.92
\$ 0.633	7,691.69	4868.84	\$ 526.00	5.24	2756.24	\$ 7,625.08
\$ 0.633	8,016.94	5074.72	\$ 526.00	5.24	2756.24	\$ 7,830.96
\$ 0.633	7,657.81	4847.39	\$ 526.00	5.24	2756.24	\$ 7,603.63
\$ 0.633	6,158.83	3898.54	\$ 526.00	5.24	2756.24	\$ 6,654.78
\$ 0.633	6,855.18	4339.33	\$ 526.00	5.24	2756.24	\$ 7,095.57
\$ 0.633	7,544.06	4775.39	\$ 526.00	5.24	2756.24	\$ 7,531.63
85,526.98		<b>\$ 54,054.02</b>	<b>\$ 33,031.65</b>			<b>\$ 87,085.67</b>

#### 2009 Forecast

Shared LV Line Charges			Specific LV Line Charges			Total
Rate	kW	\$	Rate	km	\$	
\$ 0.545	7,118.50	3879.58	\$ 680.34	5.24	3564.98	\$ 7,444.56
\$ 0.545	7,216.34	3932.91	\$ 680.34	5.24	3564.98	\$ 7,497.89
\$ 0.545	6,960.16	3793.29	\$ 680.34	5.24	3564.98	\$ 7,358.27
\$ 0.545	6,088.42	3318.19	\$ 680.34	5.24	3564.98	\$ 6,883.17
\$ 0.545	6,426.51	3502.45	\$ 680.34	5.24	3564.98	\$ 7,067.43
\$ 0.545	7,792.54	4246.93	\$ 680.34	5.24	3564.98	\$ 7,811.92
\$ 0.545	7,691.69	4191.97	\$ 680.34	5.24	3564.98	\$ 7,756.95
\$ 0.545	8,016.94	4369.23	\$ 680.34	5.24	3564.98	\$ 7,934.21
\$ 0.545	7,657.81	4173.51	\$ 680.34	5.24	3564.98	\$ 7,738.49
\$ 0.545	6,158.83	3356.56	\$ 680.34	5.24	3564.98	\$ 6,921.54
\$ 0.545	6,855.18	3736.07	\$ 680.34	5.24	3564.98	\$ 7,301.05
\$ 0.545	7,544.06	4111.51	\$ 680.34	5.24	3564.98	\$ 7,676.49
85,526.98		<b>\$ 46,612.20</b>	<b>\$ 42,779.78</b>			<b>\$ 89,391.98</b>

#### **7.4 Revenue to Cost Ratios**

Centre Wellington confirms it has used the data from Column 5 of Table 4 – Revenue to Cost Ratios of the Decision and Order in this Draft Rate Order.

As a result of this change the 2009 Revenue to Cost Ratios are as follows:

	<b>Aug 18, 2008 Rate Application</b>	<b>Per Decision &amp; Order</b>
Residential	103.00	102.77
GS < 50kW	106.62	107.90
GS > 50 – 2999 kW	112.82	112.94
GS Intermediate	87.30	82.48
Street Lighting	40.47	41.18
Sentinel Lighting	45.23	46.09
Unmetered Scattered Load	112.08	111.69

#### **Street and Sentinel Lighting**

Centre Wellington will migrate the Street Lighting Class to the lower end of the preferred band (70%) over 2010 and 2011 as directed by the Board. Centre Wellington will also migrate the Sentinel Lighting class to the lower end of the preferred band (70%) as discussed in the Decision and Order.

The resulting Revenue to Cost Ratios for these two classes are as follows:

	<b>2009</b>	<b>2010</b>	<b>2011</b>
Street Lighting	41.18	55.59	70.00
Sentinel Lighting	46.09	58.05	70.00

The revenue cost ratios in the table above are slightly different than those in Table 5-Centre Wellington's Proposed Street and Sentinel Lighting Ratios of the Board's Decision and Order. The difference results from the change to the revenue to cost ratios that were used from column 5 of Table 4 – Revenue to Cost Ratios as directed by the Board in the Decision and Order.

**7.5 Rate Design – Monthly Fixed Charges**

With the exception that the change proposed for the GS>50kW class shall be phased in over three years, the Board accepted Centre Wellington's proposal with respect to the increase in the fixed portion of the rates.

The Board has directed Centre Wellington to phase in the revenue-neutral change to the GS>50kW over the years 2009, 2010 and 2011. This will result in the following fixed rates, excluding the Smart Meter funding adder, for the GS>50kW class over the phase in period:

<b>Current Rate</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>
\$41.96	\$71.46	\$100.96	\$130.45

**8.0 DEFERAL AND VARIANCE ACCOUNTS**

Centre Wellington has been directed by the Board to dispose of all of the accounts represented on Tables 6 and 7 of the Decision and Order dated April 29, 2009 over a four year period. The Board has also directed Centre Wellington to allocate the recovery of account 1508 to customer classes based on distribution revenues and accounts 1584 and 1586 on the basis of kWh.

The table below provides the results of this calculation including the 4 year rate rider for each customer class.

Deferral / Variance Account	Total Recovery Amount	Allocation Basis	Residential	General Service Less Than 50 kW	General Service 50 to 2,999 kW	General Service 3,000 to 4,999 kW	Unmetered Scattered Load	Sentinel Lighting	Street Lighting
1508-Other Regulatory Assets	90,466	Distribution Revenue (existing rates)	53,033	16,738	17,547	2,689	249	14	216
1518-RCVAREtail	58,239	Customers	51,240	6,165	476	9	18	314	18
1548-RCVASTR	1,551	Customers	1,365	164	13	0	0	8	0
1550-LV Variance Account	(106,721)	LV Account 1550 Allocator	(35,407)	(14,023)	(41,304)	(15,174)	(144)	(22)	(647)
1580-RS/AVMS	(309,874)	kWh's	(90,741)	(43,932)	(129,806)	(42,260)	(807)	(88)	(2,241)
1582-RS/AONE-TIME	21,141	kWh's	6,191	2,997	8,856	2,883	55	6	153
1584-RS/ANW	14,277	kWh's	4,181	2,024	5,981	1,947	37	4	103
1586-RS/ACN	(733,449)	kWh's	(214,776)	(103,983)	(307,240)	(100,027)	(1,909)	(209)	(5,305)
1588-RS/APOWER	(149,904)	kWh's	(43,896)	(21,252)	(62,794)	(20,444)	(390)	(43)	(1,084)
Sub-Total for recovery	(1,114,253)		(268,811)	(155,101)	(508,271)	(170,377)	(2,890)	(15)	(8,788)
Total Recoveries Required (4 years)	(1,114,253)		(268,811)	(155,101)	(508,271)	(170,377)	(2,890)	(15)	(8,788)
Annual Recovery Amounts	(278,563)		(67,203)	(38,775)	(127,068)	(42,594)	(723)	(4)	(2,197)
Annual Volume			45,046,630	21,809,071	166,526	43,874	400,443	122	3,066
Proposed Rate Rider per			(\$0.0015) kWh	(\$0.0018) kWh	(\$0.7631) kW	(\$0.9708) kW	(\$0.0018) kWh	(\$0.0303) kW	(\$0.7165) kW

Although the disposition is effective May 1, 2009 with an implementation date of July 1, 2009 for the rate changes, Centre Wellington has calculated a one (1) month Foregone Revenue Regulatory Asset Recovery Account Rate Rider to dispose of two (2) months (May 1, 2009 – June 30, 2009) of the Deferral and Variance account balance. This rate rider will be in effect for a period of one month and is provided in the table below.

**Centre Wellington Hydro**  
**Calculation of Foregone Deferral Account Rate Riders**

May 1, 2009 to June 30, 2009 - Assuming May 1, 2009 Effective Date, July 1, 2009 Implementation Date

Customer Class			Test Year Normalized Forecast 2009	Volumetric per month	2 Months Volumetric Foregone	1 month Deferral Rate Rider
Residential	Customers	5,710				
	kWh	45,046,630		-\$0.0015	-\$11,262	-\$0.0030
GS < 50 kW	Customers	687				
	kWh	21,809,071		-\$0.0018	-\$6,543	-\$0.0036
GS >50 - 2999 kW	Customers	53				
	kWh	64,439,774				
	kW	166,526		-\$0.7631	-\$21,179	-\$1.5262
GS >3000 - 4999 kW	Customers	1				
	kWh	20,979,417				
	kW	43,874		-\$0.9708	-\$7,099	-\$1.9416
Street Lighting	Connections	1,658				
	kWh	1,112,732				
	kW	3,066		-\$0.7165	-\$366	-\$1.4330
Sentinel Lighting	Connections	35				
	kWh	43,755				
	kW	122		-\$0.0303	-\$1	-\$0.0606
Unmetered Scattered	Customers	2				
	kWh	400,443		-\$0.0018	-\$120	-\$0.0036
Total					-\$46,569	

**Centre Wellington Hydro Ltd**  
**EB-2008-0225**

**Customer Rate Impacts**

Residential – Bill Impact Summary

Volume		RPP	Distribution Charges		Total Bill	
kWh *	kW	Rate Class	\$ change	% change	\$ change	% change
500		Summer	\$0.82	3.9%	\$0.10	0.2%
1,000		Summer	(\$0.08)	(0.3%)	(\$1.54)	(1.4%)
1,500		Summer	(\$0.98)	(2.7%)	(\$3.19)	(2.0%)
500		Winter	\$0.82	3.9%	\$0.10	0.2%
1,000		Winter	(\$0.08)	(0.3%)	(\$1.54)	(1.5%)
1,500		Winter	(\$0.98)	(2.7%)	(\$3.19)	(2.0%)

Residential Bill Impact – 1,000 kWh

Residential 1,000 kWh's		RPP: Summer							
Metric		2008 BILL			2009 BILL			CHANGE IMPACT	
		Volume	Rate	Charge	Volume	Rate	Charge	\$	%
Monthly Service Charge				\$13.28			\$15.00	\$1.72	13.0%
Distribution	kWh	1,000	\$0.0153	\$15.30	1,000	\$0.0135	\$13.50	(\$1.80)	(11.8%)
<b>Sub-Total (Distribution)</b>				<b>\$28.58</b>			<b>\$28.50</b>	<b>(\$0.08)</b>	<b>(0.3%)</b>
Deferral/Variance	kWh	1,000			1,000	(\$0.0015)	(\$1.50)	(\$1.50)	
Electricity (Commodity)	kWh	1,047	RPP-Summer	\$56.38	1,045	RPP-Summer	\$56.25	(\$0.13)	(0.2%)
Transmission - Network	kWh	1,047	\$0.0039	\$4.08	1,045	\$0.0054	\$5.64	\$1.56	38.2%
Transmission - Connection	kWh	1,047	\$0.0062	\$6.49	1,045	\$0.0046	\$4.81	(\$1.68)	(25.9%)
Wholesale Market Service	kWh	1,047	\$0.0052	\$5.45	1,045	\$0.0052	\$5.43	(\$0.02)	(0.4%)
Rural Rate Protection	kWh	1,047	\$0.0010	\$1.05	1,045	\$0.0013	\$1.36	\$0.31	29.5%
Debt Retirement Charge	kWh	1,000	\$0.0070	\$7.00	1,000	\$0.0070	\$7.00		
<b>TOTAL BILL</b>				<b>\$109.03</b>			<b>\$107.49</b>	<b>(\$1.54)</b>	<b>(1.4%)</b>

General Service less than 50 kW – Bill Impact Summary

Volume			Distribution Charges		Total Bill	
kWh *	kW	RPP?	\$ change	% change	\$ change	% change
2,000		Non-res.	\$0.48	1.0%	(\$2.82)	(1.3%)
3,000		Non-res.	(\$0.52)	(0.8%)	(\$5.49)	(1.7%)
5,000		Non-res.	(\$2.52)	(2.5%)	(\$10.81)	(2.1%)
10,000		Non-res.	(\$7.52)	(3.9%)	(\$24.10)	(2.3%)
17,500		Non-res.	(\$15.02)	(4.6%)	(\$44.02)	(2.4%)

## General Service less than 50 kW – 2000 kWh

2,000 kWh's	Metric	2008 BILL			2009 BILL			CHANGE IMPACT	
		Volume	Rate	Charge	Volume	Rate	Charge	\$	%
Monthly Service Charge				\$13.96			\$16.44	\$2.48	17.8%
Distribution	kWh	2,000	\$0.0177	\$35.40	2,000	\$0.0167	\$33.40	(\$2.00)	(5.6%)
<b>Sub-Total (Distribution)</b>				<b>\$49.36</b>			<b>\$49.84</b>	<b>\$0.48</b>	<b>1.0%</b>
Deferral/Variance	kWh	2,000			2,000	(\$0.0018)	(\$3.60)	(\$3.60)	
Electricity (Commodity)	kWh	2,094	RPP-Non-res.	\$116.82	2,090	RPP-Non-res.	\$116.55	(\$0.27)	(0.2%)
Transmission - Network	kWh	2,094	\$0.0035	\$7.33	2,090	\$0.0049	\$10.24	\$2.91	39.7%
Transmission - Connection	kWh	2,094	\$0.0055	\$11.52	2,090	\$0.0041	\$8.57	(\$2.95)	(25.6%)
Wholesale Market Service	kWh	2,094	\$0.0052	\$10.89	2,090	\$0.0052	\$10.87	(\$0.02)	(0.2%)
Rural Rate Protection	kWh	2,094	\$0.0010	\$2.09	2,090	\$0.0013	\$2.72	\$0.63	30.1%
Debt Retirement Charge	kWh	2,000	\$0.0070	\$14.00	2,000	\$0.0070	\$14.00		
<b>TOTAL BILL</b>				<b>\$212.01</b>			<b>\$209.19</b>	<b>(\$2.82)</b>	<b>(1.3%)</b>

## General Service (50 -2,999 kW) – Bill Impact Summary

Volume		RPP?	Distribution Charges		Total Bill	
kWh *	kW		\$ change	% change	\$ change	% change
20,164	74	n/a	\$67.04	25.5%	\$144.17	7.4%
46,278	91	n/a	\$75.49	24.1%	\$313.69	8.0%
179,400	396	n/a	\$227.20	18.6%	\$1,117.06	7.3%
294,372	901	n/a	\$478.39	17.5%	\$1,743.59	6.5%
1,182,146	2,241	n/a	\$1,144.90	17.0%	\$7,294.50	7.4%

## General Service (50 to 2,999 kW) – 396 kW

179,400 kWh's 396 kW's	Metric	2008 BILL			2009 BILL			CHANGE IMPACT	
		Volume	Rate	Charge	Volume	Rate	Charge		%
Monthly Service Charge				\$42.23			\$72.46	\$30.23	71.6%
Distribution	kW	396	\$2.9804	\$1,180.24	396	\$3.4778	\$1,377.21	\$196.97	16.7%
<b>Sub-Total (Distribution)</b>				<b>\$1,222.47</b>			<b>\$1,449.67</b>	<b>\$227.20</b>	<b>18.6%</b>
Deferral/Variance	kW	396			396	(\$0.7631)	(\$302.19)	(\$302.19)	
Electricity (Commodity)	kWh	187,868	\$0.0545	\$10,238.79	187,455	\$0.0607	\$11,382.27	\$1,143.48	11.2%
Transmission - Network	kW	396	\$1.4327	\$567.35	396	\$1.9978	\$791.13	\$223.78	39.4%
Transmission - Connection	kW	396	\$2.2069	\$873.93	396	\$1.6289	\$645.04	(\$228.89)	(26.2%)
Wholesale Market Service	kWh	187,868	\$0.0052	\$976.91	187,455	\$0.0052	\$974.77	(\$2.14)	(0.2%)
Rural Rate Protection	kWh	187,868	\$0.0010	\$187.87	187,455	\$0.0013	\$243.69	\$55.82	29.7%
Debt Retirement Charge	kWh	179,400	\$0.0070	\$1,255.80	179,400	\$0.0070	\$1,255.80		
<b>TOTAL BILL</b>				<b>\$15,323.12</b>			<b>\$16,440.18</b>	<b>\$1,117.06</b>	<b>7.3%</b>



## General Service (3,000 to 4,999 kW) – Bill Impact Summary

Volume			Distribution Charges		Total Bill	
kWh *	kW	RPP?	\$ change	% change	\$ change	% change
1,302,474	3,556	n/a	\$3,708.49	57.0%	\$8,771.55	7.7%
1,492,765	3,696	n/a	\$3,854.45	57.1%	\$10,044.49	7.9%
1,939,602	3,758	n/a	\$3,919.09	57.2%	\$13,027.65	8.2%

## General Service (3,000 to 4,999 kW) – 3,696 kW

Metric	2008 BILL			2009 BILL			CHANGE IMPACT	
	Volume	Rate	Charge	Volume	Rate	Charge	\$	%
Monthly Service Charge			\$558.28			\$559.28	\$1.00	0.2%
Distribution	3,696	\$1.6740	\$6,187.10	3,696	\$2.7166	\$10,040.55	\$3,853.45	62.3%
<b>Sub-Total (Distribution)</b>			<b>\$6,745.38</b>			<b>\$10,599.83</b>	<b>\$3,854.45</b>	<b>57.1%</b>
Deferral/Variance	kW	3,696		3,696	(\$0.9708)	(\$3,588.08)	(\$3,588.08)	
Electricity (Commodity)	kWh	1,563,224	\$0.0545	1,559,790	\$0.0607	\$94,710.46	\$9,514.78	11.2%
Transmission - Network	kW	3,696	\$1.6024	3,696	\$2.2345	\$8,258.71	\$2,336.24	39.4%
Transmission - Connection	kW	3,696	\$2.6029	3,696	\$1.9212	\$7,100.76	(\$2,519.56)	(26.2%)
Wholesale Market Service	kWh	1,563,224	\$0.0052	1,559,790	\$0.0052	\$8,110.91	(\$17.85)	(0.2%)
Rural Rate Protection	kWh	1,563,224	\$0.0010	1,559,790	\$0.0013	\$2,027.73	\$464.51	29.7%
Debt Retirement Charge	kWh	1,492,765	\$0.0070	1,492,765	\$0.0070	\$10,449.36		
<b>TOTAL BILL</b>			<b>\$127,625.19</b>			<b>\$137,669.68</b>	<b>\$10,044.49</b>	<b>7.9%</b>

## USL – Bill Impact Summary

Volume			Distribution Charges		Total Bill	
kWh *	kW	RPP?	\$ change	% change	\$ change	% change
32,000		Non-res.	\$296.76	51.1%	\$243.73	7.4%
34,000		Non-res.	\$315.16	51.2%	\$258.82	7.4%
36,000		Non-res.	\$333.56	51.2%	\$273.90	7.4%

## USL – 36,000 kWh

36,000 kWh's		2008 BILL			2009 BILL			CHANGE IMPACT	
	Metric	Volume	Rate	Charge	Volume	Rate	Charge	\$	%
Monthly Service Charge				\$14.29			\$16.65	\$2.36	16.5%
Distribution	kWh	36,000	\$0.0177	\$637.20	36,000	\$0.0269	\$968.40	\$331.20	52.0%
<b>Sub-Total (Distribution)</b>				<b>\$651.49</b>			<b>\$985.05</b>	<b>\$333.56</b>	<b>51.2%</b>
Deferral/Variance	kWh	36,000			36,000	(\$0.0018)	(\$64.80)	(\$64.80)	
Electricity (Commodity)	kWh	37,699	RPP-Non-res.	\$2,217.50	37,616	RPP-Non-res.	\$2,212.62	(\$4.88)	(0.2%)
Transmission - Network	kWh	37,699	\$0.0035	\$131.95	37,616	\$0.0049	\$184.32	\$52.37	39.7%
Transmission - Connection	kWh	37,699	\$0.0055	\$207.35	37,616	\$0.0041	\$154.23	(\$53.12)	(25.6%)
Wholesale Market Service	kWh	37,699	\$0.0052	\$196.04	37,616	\$0.0052	\$195.61	(\$0.43)	(0.2%)
Rural Rate Protection	kWh	37,699	\$0.0010	\$37.70	37,616	\$0.0013	\$48.90	\$11.20	29.7%
Debt Retirement Charge	kWh	36,000	\$0.0070	\$252.00	36,000	\$0.0070	\$252.00		
<b>TOTAL BILL</b>				<b>\$3,694.03</b>			<b>\$3,967.93</b>	<b>\$273.90</b>	<b>7.4%</b>

## Sentinel Lighting – Bill Impact Summary

Volume			Distribution Charges		Total Bill	
kWh *	kW	RPP?	\$ change	% change	\$ change	% change
82	0.23	Non-res.	\$3.53	>100%	\$3.51	50.9%
92	0.25	Non-res.	\$3.69	>100%	\$3.68	47.8%

## Sentinel Lighting – 92 kWh

92 kWh's 0.25 kW's		2008 BILL			2009 BILL			CHANGE IMPACT	
	Metric	Volume	Rate	Charge	Volume	Rate	Charge	\$	%
Monthly Service Charge				\$0.46			\$2.72	\$2.26	>100%
Distribution	kW	0.25	\$1.7575	\$0.45	0.25	\$7.3719	\$1.87	\$1.43	>100%
<b>Sub-Total (Distribution)</b>				<b>\$0.91</b>			<b>\$4.59</b>	<b>\$3.69</b>	<b>&gt;100%</b>
Deferral/Variance	kW	0.25			0.25	(\$0.0303)	(\$0.01)	(\$0.01)	
Electricity (Commodity)	kWh	96	RPP-Non-res.	\$4.82	96	RPP-Non-res.	\$4.81	(\$0.01)	(0.2%)
Transmission - Network	kW	0.25	\$1.0860	\$0.28	0.25	\$1.5144	\$0.38	\$0.10	35.7%
Transmission - Connection	kW	0.25	\$1.7418	\$0.44	0.25	\$1.2856	\$0.33	(\$0.11)	(25.0%)
Wholesale Market Service	kWh	96	\$0.0052	\$0.50	96	\$0.0052	\$0.50		
Rural Rate Protection	kWh	96	\$0.0010	\$0.10	96	\$0.0013	\$0.12	\$0.02	20.0%
Debt Retirement Charge	kWh	92	\$0.0070	\$0.64	92	\$0.0070	\$0.64		
<b>TOTAL BILL</b>				<b>\$7.69</b>			<b>\$11.36</b>	<b>\$3.68</b>	<b>47.8%</b>

## Street Lighting – Bill Impact Summary

Volume			Distribution Charges		Total Bill	
kWh *	kW	RPP?	\$ change	% change	\$ change	% change
44	0.16	Non-res.	\$3.83	>100%	\$3.73	>100%
64	0.16	Non-res.	\$3.83	>100%	\$3.73	75.0%

## Street Lighting – 64 kWh

64 kWh's 0.16 kW's	Metric	2008 BILL			2009 BILL			CHANGE IMPACT	
		Volume	Rate	Charge	Volume	Rate	Charge		%
Monthly Service Charge				\$0.16			\$2.36	\$2.20	>100%
Distribution	kW	0.16	\$1.0613	\$0.16	0.16	\$11.5745	\$1.79	\$1.63	>100%
<b>Sub-Total (Distribution)</b>				<b>\$0.32</b>			<b>\$4.15</b>	<b>\$3.83</b>	<b>&gt;100%</b>
Deferral/Variance	kW	0.16			0.16	(\$0.7165)	(\$0.11)	(\$0.11)	
Electricity (Commodity)	kWh	67	RPP-Non-res.	\$3.35	67	RPP-Non-res.	\$3.34	(\$0.01)	(0.3%)
Transmission - Network	kW	0.16	\$1.0805	\$0.17	0.16	\$1.5067	\$0.23	\$0.06	35.3%
Transmission - Connection	kW	0.16	\$1.7061	\$0.26	0.16	\$1.2593	\$0.20	(\$0.06)	(23.1%)
Wholesale Market Service	kWh	67	\$0.0052	\$0.35	67	\$0.0052	\$0.35		
Rural Rate Protection	kWh	67	\$0.0010	\$0.07	67	\$0.0013	\$0.09	\$0.02	28.6%
Debt Retirement Charge	kWh	64	\$0.0070	\$0.45	64	\$0.0070	\$0.45		
<b>TOTAL BILL</b>				<b>\$4.97</b>			<b>\$8.70</b>	<b>\$3.73</b>	<b>75.0%</b>

# **Centre Wellington Hydro Ltd.**

## **TARIFF OF RATES AND CHARGES**

### **Effective May 1, 2009**

### **Implementation July 1, 2009**

**This schedule supersedes and replaces all previously approved schedules of Rates, Charges and Loss Factors**

EB-2008-0225

#### **APPLICATION**

- The application of these rates and charges shall be in accordance with the Licence of the Distributor and any Codes, Guidelines or Orders of the Board, and amendments thereto as approved by the Board, which may be applicable to the administration of this schedule.
- No rates and charges for the distribution of electricity and charges to meet the costs of any work or service done or furnished for the purpose of the distribution of electricity shall be made except as permitted by this schedule, unless required by the Distributor's Licence or a Code, Guideline or Order of the Board, and amendments thereto as approved by the Board, or as specified herein.
- This schedule does not contain any rates and charges relating to the electricity commodity (e.g. the Regulated Price Plan).

#### **IMPLEMENTATION DATES**

**DISTRIBUTION RATES** - July 1, 2009 for all consumption or deemed consumption services used on or after that date.

**SPECIFIC SERVICE CHARGES** - July 1, 2009 for all charges incurred by customers on or after that date.

**LOSS FACTOR ADJUSTMENT** – July 1, 2009 unless the distributor is not capable of prorating changed loss factors jointly with distribution rates. In that case, the revised loss factors will be implemented upon the first subsequent billing for each billing cycle.

#### **SERVICE CLASSIFICATIONS**

##### **Residential**

This classification is for single dwelling units with separate metering, detached, semi-detached, triplex, etc.

##### **General Service Less Than 50 kW**

This classification applies to a non residential account taking electricity at 750 volts or less whose average monthly maximum demand is less than, or is forecast to be less than, 50 kW.

##### **General Service 50 to 2,999 kW**

This classification applies to a non residential account whose average monthly maximum demand used for billing purposes is equal to or greater than, or is forecast to be equal to or greater than, 50 kW but less than 3,000 kW. Note that for the application of the Retail Transmission Rate – Network Service Rate and the Retail Transmission Rate – Line and Transformation Connection Service Rate the following sub-classifications apply:

- General Service 50 to 1,000 kW non-interval metered
- General Service 50 to 1,000 kW interval metered
- General Service greater than 1,000 to 3,000 kW interval metered.

##### **General Service 3,000 to 4,999 kW**

This classification applies to a non residential account whose average monthly maximum demand used for billing purposes is equal to or greater than, or is forecast to be equal to or greater than, 3,000 kW but less than 5,000 kW.

##### **Unmetered Scattered Load**

This classification applies to an account taking electricity at 750 volts or less whose average monthly maximum demand is less than, or is forecast to be less than, 50 kW and the consumption is unmetered. Such connections include cable TV power packs, bus shelters, telephone booths, traffic lights, railway crossings, etc. The level of the consumption will be agreed to by the distributor and the customer, based on detailed manufacturer information/documentation with regard to electrical consumption of the unmetered load or periodic monitoring of actual consumption.

##### **Sentinel Lighting**

This classification refers to an account that is an unmetered lighting load supplied to a sentinel light where consumption is based on connected load.

##### **Street Lighting**

This classification applies to an account for roadway lighting with a Municipality, Regional Municipality, Ministry of Transportation and private roadway lighting, controlled by photo cells. The consumption for these customers will be based on the calculated connected load times the required lighting times established in the approved OEB street lighting load shape template.

# Centre Wellington Hydro Ltd.

## TARIFF OF RATES AND CHARGES

### Effective May 1, 2009

### Implementation July 1, 2009

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EB-2008-0225

### MONTHLY RATES AND CHARGES

#### Residential

Service Charge	\$	15.00
Foregone Distribution Revenue Rate Rider – Service Charge – effective until July 31, 2009	\$	3.44
Distribution Volumetric Rate	\$/kWh	0.0135
Foregone Distribution Revenue Rate Rider – Volumetric Rate – effective until July 31, 2009	\$/kWh	(0.0036)
Regulatory Asset Recovery Account Rate Rider (effective until April 30, 2013)	\$/kWh	(0.0015)
Foregone Revenue Regulatory Asset Recovery Rate Rider (effective until July 31, 2009)	\$/kWh	(0.0030)
Retail Transmission Rate – Network Service Rate	\$/kWh	0.0054
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kWh	0.0046
Wholesale Market Service Rate	\$/kWh	0.0052
Rural Rate Protection Charge	\$/kWh	0.0013
Standard Supply Service – Administrative Charge (if applicable)	\$	0.25

#### General Service Less Than 50 kW

Service Charge	\$	16.44
Foregone Distribution Revenue Rate Rider – Service Charge – effective until July 31, 2009	\$	4.96
Distribution Volumetric Rate	\$/kWh	0.0167
Foregone Distribution Revenue Rate Rider – Volumetric Rate – effective until July 31, 2009	\$/kWh	(0.0020)
Regulatory Asset Recovery Account Rate Rider (effective until April 30, 2013)	\$/kWh	(0.0018)
Foregone Revenue Regulatory Asset Recovery Rate Rider (effective until July 31, 2009)	\$/kWh	(0.0036)
Retail Transmission Rate – Network Service Rate	\$/kWh	0.0049
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kWh	0.0041
Wholesale Market Service Rate	\$/kWh	0.0052
Rural Rate Protection Charge	\$/kWh	0.0013
Standard Supply Service – Administrative Charge (if applicable)	\$	0.25

#### General Service 50 to 2,999 kW

Service Charge	\$	72.46
Foregone Distribution Revenue Rate Rider – Service Charge – effective until July 31, 2009	\$	60.46
Distribution Volumetric Rate	\$/kW	3.4778
Foregone Distribution Revenue Rate Rider – Volumetric Rate – effective until July 31, 2009	\$/kW	0.9948
Regulatory Asset Recovery Account Rate Rider (effective until April 30, 2013)	\$/kW	(0.7631)
Foregone Revenue Regulatory Asset Recovery Rate Rider (effective until July 31, 2009)	\$/kW	(1.5262)
Retail Transmission Rate – Network Service Rate	\$/kW	1.9978
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kW	1.6289
Wholesale Market Service Rate	\$/kWh	0.0052
Rural Rate Protection Charge	\$/kWh	0.0013
Standard Supply Service – Administrative Charge (if applicable)	\$	0.25

#### General Service 3,000 to 4,999 kW

Service Charge	\$	559.28
Foregone Distribution Revenue Rate Rider – Service Charge – effective until July 31, 2009	\$	2.00
Distribution Volumetric Rate	\$/kW	2.7166
Foregone Distribution Revenue Rate Rider – Volumetric Rate – effective until July 31, 2009	\$/kW	2.0852
Regulatory Asset Recovery Account Rate Rider (effective until April 30, 2013)	\$/kW	(0.9708)
Foregone Revenue Regulatory Asset Recovery Rate Rider (effective until July 31, 2009)	\$/kW	(1.9416)
Retail Transmission Rate – Network Service Rate	\$/kW	2.2345
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kW	1.9212
Wholesale Market Service Rate	\$/kWh	0.0052
Rural Rate Protection Charge	\$/kWh	0.0013
Standard Supply Service – Administrative Charge (if applicable)	\$	0.25

# Centre Wellington Hydro Ltd.

## TARIFF OF RATES AND CHARGES

**Effective May 1, 2009**  
**Implementation July 1, 2009**

**This schedule supersedes and replaces all previously  
approved schedules of Rates, Charges and Loss Factors**

EB-2008-0225

**Unmetered Scattered Load**

Service Charge (per customer)	\$	16.65
Foregone Distribution Revenue Rate Rider – Service Charge – effective until July 31, 2009	\$	4.72
Distribution Volumetric Rate	\$/kWh	0.0269
Foregone Distribution Revenue Rate Rider – Volumetric Rate – effective until July 31, 2009	\$/kWh	0.0184
Regulatory Asset Recovery Account Rate Rider (effective until April 30, 2013)	\$/kWh	(0.0018)
Foregone Revenue Regulatory Asset Recovery Rate Rider (effective until July 31, 2009)	\$/kWh	(0.0036)
Retail Transmission Rate – Network Service Rate	\$/kWh	0.0049
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kWh	0.0041
Wholesale Market Service Rate	\$/kWh	0.0052
Rural Rate Protection Charge	\$/kWh	0.0013
Standard Supply Service – Administrative Charge (if applicable)	\$	0.25

**Sentinel Lighting**

Service Charge (per connection)	\$	2.72
Foregone Distribution Revenue Rate Rider – Service Charge – effective until July 31, 2009	\$	4.52
Distribution Volumetric Rate	\$/kW	7.3719
Foregone Distribution Revenue Rate Rider – Volumetric Rate – effective until July 31, 2009	\$/kW	11.2288
Regulatory Asset Recovery Account Rate Rider (effective until April 30, 2013)	\$/kW	(0.0303)
Foregone Revenue Regulatory Asset Recovery Rate Rider (effective until July 31, 2009)	\$/kW	(0.0606)
Retail Transmission Rate – Network Service Rate	\$/kW	1.5144
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kW	1.2856
Wholesale Market Service Rate	\$/kWh	0.0052
Rural Rate Protection Charge	\$/kWh	0.0013
Standard Supply Service – Administrative Charge (if applicable)	\$	0.25

**Street Lighting**

Service Charge (per connection)	\$	2.36
Foregone Distribution Revenue Rate Rider – Service Charge – effective until July 31, 2009	\$	4.40
Distribution Volumetric Rate	\$/kW	11.5745
Foregone Distribution Revenue Rate Rider – Volumetric Rate – effective until July 31, 2009	\$/kW	21.0264
Regulatory Asset Recovery Account Rate Rider (effective until April 30, 2013)	\$/kW	(0.7165)
Foregone Revenue Regulatory Asset Recovery Rate Rider (effective until July 31, 2009)	\$/kW	(1.4330)
Retail Transmission Rate – Network Service Rate	\$/kW	1.5067
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kW	1.2593
Wholesale Market Service Rate	\$/kWh	0.0052
Rural Rate Protection Charge	\$/kWh	0.0013
Standard Supply Service – Administrative Charge (if applicable)	\$	0.25

**Specific Service Charges**

Customer Administration		
Arrears Certificate	\$	15.00
Statement of Account	\$	15.00
Pulling Post-Dated Cheques	\$	15.00
Duplicate invoices for previous billing	\$	15.00
Request for Other Billing Information	\$	15.00
Easement Letter	\$	15.00
Income Tax Letter	\$	15.00
Notification Charge	\$	15.00
Account History	\$	15.00
Credit Reference/Credit Check (plus Credit Agency costs)	\$	15.00
Returned Cheque (Plus Bank Charges)	\$	15.00
Charge to Certify Cheque	\$	15.00
Legal Letter Charge	\$	15.00
Account Set up Charge/Change of Occupancy Charge (plus Credit Agency Costs If Applicable)	\$	30.00

# Centre Wellington Hydro Ltd.

## TARIFF OF RATES AND CHARGES

### Effective May 1, 2009

### Implementation July 1, 2009

**This schedule supersedes and replaces all previously approved schedules of Rates, Charges and Loss Factors**

		EB-2008-0225
Special Meter Reads	\$	30.00
Meter Dispute Charge Plus Measurement Canada Fees (If Meter Found Correct)	\$	30.00
Non-Payment of Account		
Late Payment - per month	%	1.50
Late Payment - per annum	%	19.56
Collection of Account Charge – No Disconnection	\$	30.00
Collection of Account Charge – No Disconnection – After Regular Hours	\$	165.00
Disconnect/Reconnect Charge – At Meter – During Regular Hours	\$	65.00
Disconnect/Reconnect Charge – At Meter – After Hours	\$	185.00
Disconnect/Reconnect Charge – At Pole – During Regular Hours	\$	185.00
Disconnect/Reconnect Charge – At Pole – After Hours	\$	415.00
Install/Remove Load Control Device – During Regular Hours	\$	65.00
Install/Remove Load Control Device – After Regular Hours	\$	185.00
Service Call – Customer-Owned Equipment	\$	30.00
Service Call – After Regular Hours	\$	165.00
Temporary Service Install & Remove – Overhead – No Transformer	\$	500.00
Temporary Service Install & Remove – Underground – No Transformer	\$	300.00
Temporary Service Install & Remove – Overhead – With Transformer	\$	1000.00
Specific Charge for Access to the Power Poles – per pole/year	\$	22.35
Retail Service Charges (if applicable)		
Retail Service Charges refers to services provided by a distributor to retailers or customers related to the supply of competitive electricity.		
One-time charge, per retailer, to establish the service agreement between the distributor and the retailer	\$	100.00
Monthly Fixed Charge, per retailer	\$	20.00
Monthly Variable Charge, per customer, per retailer	\$/cust.	0.50
Distributor – Consolidated Billing Charge, per customer, per retailer	\$/cust.	0.30
Retailer Consolidated Billing Credit, per customer, per retailer	\$/cust.	(0.30)
Service Transaction Requests (STR)		
Request Fee, per request, applied to the requesting party	\$	0.25
Processing Fee, per request, applied to the requesting party	\$	0.50
Request for customer information as outlined in Section 10.6.3 and Chapter 11 of Retail Settlement Code directly to retailers and customers, if not delivered electronically through the Electronic Business Transaction (EBT) system, applied to the requesting party.		
Up to twice a year		no charge
More than twice a year, per request (plus incremental delivery costs)	\$	2.00
Allowances		
Transformer Allowance for Ownership - per kW of billing demand/month	\$/kW	(0.60)
Primary Metering Allowance for transformer losses – applied to measured demand and energy	%	(1.00)

### LOSS FACTORS

Total Loss Factor – Secondary Metered Customer < 5,000 kW	1.0449
Total Loss Factor – Secondary Metered Customer > 5,000 kW	N/A
Total Loss Factor – Primary Metered Customer < 5,000 kW	1.0345
Total Loss Factor – Primary Metered Customer > 5,000 kW	N/A



## REVENUE REQUIREMENT WORK FORM

Name of LDC: Centre Wellington Hydro (1)  
 File Number: EB-2008-0225  
 Rate Year: 2009 Version: 1.0

### Table of Content

<u>Sheet</u>	<u>Name</u>
A	<a href="#">Data Input Sheet</a>
1	<a href="#">Rate Base</a>
2	<a href="#">Utility Income</a>
3	<a href="#">Taxes/PILS</a>
4	<a href="#">Capitalization/Cost of Capital</a>
5	<a href="#">Revenue Sufficiency/Deficiency</a>
6	<a href="#">Revenue Requirement</a>
7	<a href="#">Bill Impacts</a>

#### Notes:

(1) Pale green cells represent inputs

(2) **Please note that this model uses MACROS. Before starting, please ensure that macros have been enabled.**

#### **Copyright**

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# REVENUE REQUIREMENT WORK FORM

Name of LDC: Centre Wellington Hydro  
File Number: EB-2008-0225  
Rate Year: 2009

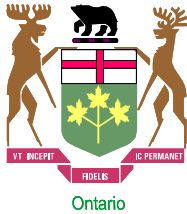
## Data Input (1)

	Application	Adjustments	Per Board Decision
<b>1 Rate Base</b>			
Gross Fixed Assets (average)	\$15,397,196	(4) \$ -	\$15,397,196
Accumulated Depreciation (average)	(\$8,546,495)	(5) \$70,463	(\$8,476,032)
<b>Allowance for Working Capital:</b>			
Controllable Expenses	\$1,746,600	\$6,750	\$1,753,350
Cost of Power	\$11,369,553	\$999,348	\$12,368,901
Working Capital Rate (%)	15.00%		15.00%
<b>2 Utility Income</b>			
Operating Revenues:			
Distribution Revenue at Current Rates	\$2,521,108	d	\$2,522,716 d
Distribution Revenue at Proposed Rates	\$2,739,752	d	\$2,730,924 d
<b>Other Revenue:</b>			
Specific Service Charges	\$120,120		\$120,120
Late Payment Charges	\$10,373		\$10,373
Other Distribution Revenue	\$49,250		\$49,250
Other Income and Deductions	\$155,700		\$155,700
<b>Operating Expenses:</b>			
OM+A Expenses	\$1,711,600	\$6,750	\$1,718,350
Depreciation/Amortization	\$638,185	(\$46,976)	\$591,209
Property taxes	\$35,000	\$ -	\$35,000
<b>Capital taxes</b>	\$2,839		\$2,242
Other expenses			
<b>3 Taxes/PILs</b>			
Taxable Income:			
Adjustments required to arrive at taxable income	(\$300,433)	(3)	(\$120,318)
<b>Utility Income Taxes and Rates:</b>			
Income taxes (not grossed up)	\$5,949		\$31,918
<b>Income taxes (grossed up)</b>	\$7,627		\$38,225
Capital Taxes	\$2,839		\$2,242
Federal tax (%)	22.00%		11.00%
Provincial tax (%)	0.00%		5.50%
Income Tax Credits	\$ -		\$ -
<b>4 Capitalization/Cost of Capital</b>			
<b>Capital Structure:</b>			
Long-term debt Capitalization Ratio (%)	52.7%		52.7%
Short-term debt Capitalization Ratio (%)	4.0%	(2)	4.0% (2)
Common Equity Capitalization Ratio (%)	43.3%		43.3%
Preferred Shares Capitalization Ratio (%)	0.0%		0.0%
<b>Cost of Capital</b>			
Long-term debt Cost Rate (%)	7.25%		7.62%
Short-term debt Cost Rate (%)	4.47%		1.33%
Common Equity Cost Rate (%)	8.57%		8.01%
Preferred Shares Cost Rate (%)	0.00%		0.00%

### Notes:

This input sheet provides all inputs needed to complete sheets 1 through 6 (Rate Base through Revenue Requirement), except for Notes that the utility may wish to use to support the components. Notes should be put on the applicable pages to understand the context of each such note.

- (1) All inputs are in dollars (\$) except where inputs are individually identified as percentages (%)
- (2) 4.0% unless an Applicant has proposed or been approved for another amount.
- (3) Net of addbacks and deductions to arrive at taxable income.
- (4) Average of Gross Fixed Assets at beginning and end of the Test Year
- (5) Average of Accumulated Depreciation at the beginning and end of the Test Year. Enter as a negative amount.
- a Change in accounting for the Amortization of Contributed Capital for 2008 & 2009. 2009 Amort adj of \$46,976 for this item.
- b Change in recovery of costs for the rate application and to amortize over 4 years.
- c Change Cost of Power from \$0.0545 to \$0.06072 per kWh to reflect the price contained in the April 2009 RPP price report. and the RRRP from \$0.0010 to \$0.0013 per OEB December 17, 2008 Letter.
- d Application excludes Transformer Allowance \$84,849 and LV \$91,000. Board Decision TA \$84,849, LV \$89,392.



## REVENUE REQUIREMENT WORK FORM

Name of LDC: Centre Wellington Hydro

File Number: EB-2008-0225

Rate Year: 2009

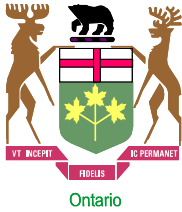
### Rate Base

Line No.	Particulars		Application	Adjustments	Per Board Decision
1	Gross Fixed Assets (average)	(3)	\$15,397,196	\$ -	\$15,397,196
2	Accumulated Depreciation (average)	(3)	(\$8,546,495)	\$70,463	(\$8,476,032)
3	Net Fixed Assets (average)	(3)	\$6,850,701	\$70,463	\$6,921,164
4	Allowance for Working Capital	(1)	\$1,967,423	\$150,915	\$2,118,338
5	<b>Total Rate Base</b>		<b>\$8,818,124</b>	<b>\$221,378</b>	<b>\$9,039,502</b>

<b>(1) Allowance for Working Capital - Derivation</b>					
6	Controllable Expenses		\$1,746,600	\$6,750	\$1,753,350
7	Cost of Power		\$11,369,553	\$999,348	\$12,368,901
8	Working Capital Base		\$13,116,153	\$1,006,098	\$14,122,251
9	Working Capital Rate %	(2)	15.00%		15.00%
10	Working Capital Allowance		\$1,967,423	\$150,915	\$2,118,338

### Notes

- (2) Generally 15%. Some distributors may have a unique rate due as a result of a lead-lag study.  
 (3) Average of opening and closing balances for the year.



## REVENUE REQUIREMENT WORK FORM

Name of LDC: Centre Wellington Hydro

File Number: EB-2008-0225

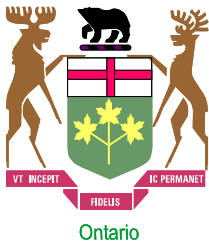
Rate Year: 2009

### Utility income

Line No.	Particulars	Application	Adjustments	Per Board Decision
<b>Operating Revenues:</b>				
1	Distribution Revenue (at Proposed Rates)	\$2,739,752	(\$8,828)	\$2,730,924
2	Other Revenue (1)	\$335,443	\$ -	\$335,443
3	Total Operating Revenues	\$3,075,195	(\$8,828)	\$3,066,367
<b>Operating Expenses:</b>				
4	OM+A Expenses	\$1,711,600	\$6,750	\$1,718,350
5	Depreciation/Amortization	\$638,185	(\$46,976)	\$591,209
6	Property taxes	\$35,000	\$ -	\$35,000
7	Capital taxes	\$2,839	(\$597)	\$2,242
8	Other expense	\$ -	\$ -	\$ -
9	Subtotal	\$2,387,624	(\$40,823)	\$2,346,801
10	Deemed Interest Expense	\$352,493	\$15,318	\$367,812
11	Total Expenses (lines 4 to 10)	\$2,740,117	(\$25,505)	\$2,714,613
12	Utility income before income taxes	\$335,078	\$16,677	\$351,754
13	Income taxes (grossed-up)	\$7,627	\$30,598	\$38,225
14	Utility net income	\$327,451	(\$13,922)	\$313,529

### Notes

(1)	<b>Other Revenues / Revenue Offsets</b>		
	Specific Service Charges	\$120,120	\$120,120
	Late Payment Charges	\$10,373	\$10,373
	Other Distribution Revenue	\$49,250	\$49,250
	Other Income and Deductions	\$155,700	\$155,700
	<b>Total Revenue Offsets</b>	<b>\$335,443</b>	<b>\$335,443</b>



## REVENUE REQUIREMENT WORK FORM

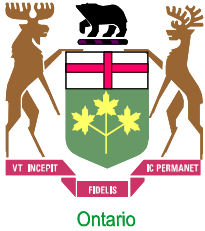
Name of LDC: Centre Wellington Hydro  
 File Number: EB-2008-0225  
 Rate Year: 2009

### Taxes/PILs

Line No.	Particulars	Application	Per Board Decision
<u><b>Determination of Taxable Income</b></u>			
1	Utility net income	\$327,451	\$313,520
2	Adjustments required to arrive at taxable utility income	(\$300,433)	(\$120,318)
3	Taxable income	\$27,018	\$193,202
<u><b>Calculation of Utility income Taxes</b></u>			
4	Income taxes	\$5,949	\$31,918
5	Capital taxes	\$2,839	\$2,242
6	Total taxes	\$8,788	\$34,160
7	Gross-up of Income Taxes	\$1,678	\$6,307
8	Grossed-up Income Taxes	\$7,627	\$38,225
9	PILs / tax Allowance (Grossed-up Income taxes + Capital taxes)	\$10,466	\$40,467
10	Other tax Credits	\$ -	\$ -
<u><b>Tax Rates</b></u>			
11	Federal tax (%)	22.00% i	11.00%
12	Provincial tax (%)	0.00% i	5.50%
13	Total tax rate (%)	22.00%	16.50%

#### Notes

i In the initial Rate application the PILs rate was deemed to be 22% based on directions from auditors. In the final written submission, CWH agreed to change the rates to 11% for Federal tax and 5.5% for Provincial taxes.



## REVENUE REQUIREMENT WORK FORM

Name of LDC: Centre Wellington Hydro

File Number: EB-2008-0225

Rate Year: 2009

### Capitalization/Cost of Capital

Line No.	Particulars	Capitalization Ratio		Cost Rate	Return
Application					
		(%)	(\$)	(%)	(\$)
	Debt				
1	Long-term Debt	52.67%	\$4,644,506	7.25%	\$336,727
2	Short-term Debt	4.00%	\$352,725	4.47%	\$15,767
3	Total Debt	56.67%	\$4,997,231	7.05%	\$352,493
	Equity				
4	Common Equity	43.33%	\$3,820,893	8.57%	\$327,451
5	Preferred Shares	0.00%	\$ -	0.00%	\$ -
6	Total Equity	43.33%	\$3,820,893	8.57%	\$327,451
7	Total	100%	\$8,818,124	7.71%	\$679,944
Per Board Decision					
		(%)	(\$)	(%)	
	Debt				
8	Long-term Debt	52.70% a	\$4,763,817	7.62%	\$363,003
9	Short-term Debt	4.00%	\$361,580	1.33%	\$4,809
10	Total Debt	56.70%	\$5,125,397	7.18%	\$367,812
	Equity				
11	Common Equity	43.3% a	\$3,914,104	8.01%	\$313,520
12	Preferred Shares	0.0%	\$ -	0.00%	\$ -
13	Total Equity	43.3%	\$3,914,104	8.01%	\$313,520
14	Total	100%	\$9,039,502	7.54%	\$681,332

#### Notes

(1) 4.0% unless an Applicant has proposed or been approved for another amount.

a Rounding differs from data input sheet. (i.e. 52.70% is 52.67% on data input sheet).



# REVENUE REQUIREMENT WORK FORM

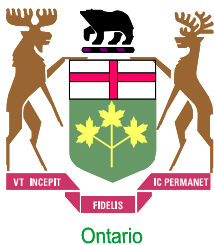
Name of LDC: Centre Wellington Hydro  
File Number: EB-2008-0225  
Rate Year: 2009

## Revenue Sufficiency/Deficiency

Line No.	Particulars	Per Application		Per Board Decision	
		At Current Approved Rates	At Proposed Rates	At Current Approved Rates	At Proposed Rates
1	Revenue Deficiency from Below		\$218,637		\$208,151
2	Distribution Revenue	\$2,521,108	\$2,521,115	\$2,522,716	\$2,522,773
3	Other Operating Revenue Offsets - net	\$335,443	\$335,443	\$335,443	\$335,443
4	<b>Total Revenue</b>	<b>\$2,856,551</b>	<b>\$3,075,195</b>	<b>\$2,858,159</b>	<b>\$3,066,367</b>
5	Operating Expenses	\$2,387,624	\$2,387,624	\$2,346,801	\$2,346,801
6	Deemed Interest Expense	\$352,493	\$352,493	\$367,812	\$367,812
	<b>Total Cost and Expenses</b>	<b>\$2,740,117</b>	<b>\$2,740,117</b>	<b>\$2,714,613</b>	<b>\$2,714,613</b>
7	<b>Utility Income Before Income Taxes</b>	<b>\$116,434</b>	<b>\$335,078</b>	<b>\$143,546</b>	<b>\$351,754</b>
	Tax Adjustments to Accounting				
8	Income per 2009 PILs	(\$300,433)	(\$300,433)	(\$120,318)	(\$120,318)
9	<b>Taxable Income</b>	<b>(\$183,999)</b>	<b>\$34,645</b>	<b>\$23,228</b>	<b>\$231,436</b>
10	Income Tax Rate	22.00%	22.00%	16.50%	16.50%
11	<b>Income Tax on Taxable Income</b>	<b>(\$40,480)</b>	<b>\$7,622</b>	<b>\$3,833</b>	<b>\$38,187</b>
12	<b>Income Tax Credits</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
13	<b>Utility Net Income</b>	<b>\$156,913</b>	<b>\$327,451</b>	<b>\$139,713</b>	<b>\$313,529</b>
14	<b>Utility Rate Base</b>	<b>\$8,818,124</b>	<b>\$8,818,124</b>	<b>\$9,039,502</b>	<b>\$9,039,502</b>
	Deemed Equity Portion of Rate Base	\$3,820,893	\$3,820,893	\$3,914,104	\$3,914,104
15	Income/Equity Rate Base (%)	4.11%	8.57%	3.57%	8.01%
16	Target Return - Equity on Rate Base	8.57%	8.57%	8.01%	8.01%
	Sufficiency/Deficiency in Return on Equity	-4.46%	0.00%	-4.44%	0.00%
17	Indicated Rate of Return	5.78%	7.71%	5.61%	7.54%
18	Requested Rate of Return on Rate Base	7.71%	7.71%	7.54%	7.54%
19	Sufficiency/Deficiency in Rate of Return	-1.93%	0.00%	-1.92%	0.00%
20	Target Return on Equity	\$327,451	\$327,451	\$313,520	\$313,520
21	Revenue Sufficiency/Deficiency	\$170,537	\$0	\$173,806	\$9
22	<b>Gross Revenue Sufficiency/Deficiency</b>	<b>\$218,637 (1)</b>		<b>\$208,151 (1)</b>	

### Notes:

(1) Revenue Sufficiency/Deficiency divided by (1 - Tax Rate)



## REVENUE REQUIREMENT WORK FORM

Name of LDC: Centre Wellington Hydro  
 File Number: EB-2008-0225  
 Rate Year: 2009

Revenue Requirement			
Line No.	Particulars	Application	Per Board Decision
1	OM&A Expenses	\$1,711,600	\$1,718,350
2	Amortization/Depreciation	\$638,185	\$591,209
3	Property Taxes	\$35,000	\$35,000
4	Capital Taxes	\$2,839	\$2,242
5	Income Taxes (Grossed up)	\$7,627	\$38,225
6	Other Expenses	\$ -	\$ -
7	Return		
	Deemed Interest Expense	\$352,493	\$367,812
	Return on Deemed Equity	\$327,451	\$313,520
8	Distribution Revenue Requirement before Revenues	<u>\$3,075,195</u>	<u>\$3,066,358</u>
9	Distribution revenue	\$2,739,752	\$2,730,924
10	Other revenue	<u>\$335,443</u>	<u>\$335,443</u>
11	<b>Total revenue</b>	<u>\$3,075,195</u>	<u>\$3,066,367</u>
12	<b>Difference (Total Revenue Less Distribution Revenue Requirement before Revenues)</b>	<u>\$0 (1)</u>	<u>\$9 (1)</u>

### Notes

(1)

Line 11 - Line 8

(1)

The \$10 difference is due to rounding of % of common shares in the "Cost of Capital" per Board decision.



## REVENUE REQUIREMENT WORK FORM

Name of LDC: Centre Wellington Hydro

File Number: EB-2008-0225

Rate Year: 2009

		Selected Delivery Charge and Bill Impacts Per Draft Rate Order								
		Monthly Delivery Charge					Total Bill			
		Current	Per Draft Rate Order	Change			Current	Per Draft Rate Order	Change	
				\$	%				\$	%
Residential	1000 kWh/month	\$ 28.58	\$ 28.50	-\$ 0.08	-0.3%		\$ 109.03	\$ 107.49	-\$ 1.54	-1.4%
GS < 50kW	2000 kWh/month	\$ 49.36	\$ 49.84	\$ 0.48	1.0%		\$ 212.01	\$ 209.19	-\$ 2.82	-1.3%

Notes: