May 15, 2009

Board Staff Comments
Westario Power Inc.
2009 Cost of Service
(EB-2008-0250)

Draft Rate Order (“DRO”) documentation and
Revenue Requirement Work Form (“RRWF”)

On April 24, 2009, the Board issued its Decision and Order (the “Decision”) on Westario Power Inc.’s (“Westario”) 2009 cost of service application. The Decision required Westario to submit its Draft Rate Order within fourteen days of the issuance of the Decision. Westario submitted its Draft Rate Order and supporting documentation on May 8, 2009. The following are staff’s comments regarding Westario’s Draft Rate Order.

Retail Transmission Service (“RTS”) Rates

Board staff agrees with VECC’s May 14, 2009 submission that Westario should use the RTS rates from its host distributor (Hydro One) for purposes of determining the 2009 Network and Connection charges. Staff also notes that the forecasted volumes used by Westario in calculating the final RTS rates are 0.1% lower than the 2007 actuals. As per the application (and as per the notes to Exhibit B, Schedule 4, page 1 of the Draft Rate Order), this difference should be 1.02%. Staff notes that the difference may be due to a simple input error in the calculation. Westario should address these two matters and submit revised RTS rates as part of its reply. Any impact on the working capital allowance and overall revenue requirement should be documented.

One Month Forgone Revenue Rate Rider

Staff notes that Westario has embedded the one month forgone revenue rate rider in the base volumetric rate for each class. Staff notes that the Decision identified the rate as a “rider” and not an “adder”. In accordance with Board practice, Westario should show the forgone revenue rate rider separately on the Tariff with a sunset date of April 30, 2010.