



360

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May 19, 2009

Board Secretary - Ontario Energy Board
PO BOX 2319
2300 Yonge St, 27th Floor
Toronto ON, M4P1E4

Re: Northern Ontario Wires 2009 Rate Application (EB-2008-0238) – Comments on VECC (May 8, 2009) and Board Staff Submissions (May 12, 2009) Incorporation of OEB Decision

Please find enclosed Northern Ontario Wires (NOW's) comments on the above noted submissions.

Appendix

- 1 LV Charges
 - Update of LV charges to Board Staff value \$117,507
 - Calculation of LV rate adder by customer class
- 2 Fixed / Variable splits – implementation of approved ratios (with adjustment for USL & GS < 50 classes)
- 3 WCA Calculation Details
 - Load profiles & Rates used
 - Calculated Revenues (COP related expenses)
 - WCA summary (by account)
 - Updated Rate Base Derivation (LV charge changes & RRRP adjustment)
- 4 Draft Rate Order – Updated May 19
 - Incorporates
 - i. LV charge change & RRRP Adjustments
 - ii. Proper loss factor values
 - iii. Adjusted RRRP value
 - iv. Fixed / Variable Split adjustments
- 5 2009 Distribution Rate Derivations
- 6 2009 Distribution Revenue Requirement (using 43.3% Equity and combined 56.7% debt)
- 7 Revenue Deficiency Calculation
- 8 2009 Pro-Forma

NOW is providing an updated RRWF as requested.

If you require any further information, please contact me directly.

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Appendix 1

Month	Year	Units	Variable Rate	Variable Charge	Fixed Charge	Total Charge
Nov	2007	3,505.78	\$ 2.54	\$ 8,904.68	\$ 297.80	\$ 9,202.48
Dec	2007	3,776.33	\$ 2.54	\$ 9,591.88	\$ 297.80	\$ 9,889.68
Jan	2008	4,369.80	\$ 2.54	\$ 11,099.29	\$ 297.80	\$ 11,397.09
Feb	2008	4,444.23	\$ 2.54	\$ 11,288.34	\$ 297.80	\$ 11,586.14
Mar	2008	4,458.77	\$ 2.54	\$ 11,325.28	\$ 297.80	\$ 11,623.08
Apr	2008	4,130.65	\$ 2.54	\$ 10,491.85	\$ 297.80	\$ 10,789.65
May	2008	3,752.66	\$ 2.54	\$ 9,531.76	\$ 297.80	\$ 9,829.56
June	2008	3,517.82	\$ 2.54	\$ 8,935.26	\$ 297.80	\$ 9,233.06
July	2008	3,337.59	\$ 2.54	\$ 8,477.48	\$ 297.80	\$ 8,775.28
Aug	2008	3,097.18	\$ 2.54	\$ 7,866.84	\$ 297.80	\$ 8,164.64
Sept	2008	2,759.66	\$ 2.54	\$ 7,009.54	\$ 297.80	\$ 7,307.34
Oct	2008	3,705.29	\$ 2.54	\$ 9,411.44	\$ 297.80	\$ 9,709.24
12 Month Total						\$ 117,507.23

Billed Connection Charges (4068)

	2007		2008		Two Year Weighted Average
	\$	%	\$	%	
Residential	212,126	36.7%	248,738	39.2%	38.0%
GS < 50 kW	69,987	12.1%	71,851	11.3%	11.7%
GS > 50 kW	289,191	50.1%	308,136	48.5%	49.3%
Street Lights	6,111	1.1%	6,589	1.0%	1.0%
Total	577,415		635,314		100.0%

note: unmetered loads included in GS < 50 kW class.

LV Rate Adder Calculations

	Allocation Factor	Allocated Expense	2009 Billing Determinant	2009 LV Rate Adder
Residential	38.0%	44,655	41,311,741 kWh	0.0011 per kWh
GS < 50 kW	11.7%	13,743	21,827,114 kWh	0.0006 per kWh
GS > 50 kW	49.3%	57,878	173,160 kW	0.3342 per kW
Street Lights	1.0%	1,231	5,014 kW	0.2454 per kW
Unmetered	0	-	kWh	0.0006 per kWh
Total		117,507		

Note: unmetered loads uses the GS < 50 kW rate, the billing determinants for the GS class are based on the combination of the Unmetered loads and GS < 50 kW from the load profile included in the NOW application.

Appendix 2

Board staff have provided comments on the proposed fixed / variable splits from implementation of the OEB decision.

NOW had utilized the same fixed charge as communicated in previous filings. The fixed / variable split changed as we used a fixed reference point for the fixed distribution charge. This has been corrected.

NOW has updated the WCA for the LV charges and is providing recalculated distribution rates based on approved fixed / variable splits as approved as follows:

- **Residential**
 - Fixed = 66.6%
 - Variable = 33.4%
- **General Service < 50 kW**
 - Fixed = 43.3% (plus change from USL F/V direction calculated below)
 - Variable = 56.7%
- **General Service 50 to 4,999 kW**
 - Fixed = 55.8%
 - Variable = 44.2%
- **Street Light**
 - Fixed = 77.9%
 - Variable = 22.1%
- **Unmetered Loads**
 - Fixed = calculated below based on OEB decision pg. 27
 - Variable = 25.5% (pegged @ variable charge for GS < 50 class, used to be 66.1%)

Unmetered / GS < 50 Fixed Charge Adjustment			
USL 2009 Revenue Requirement			\$ 6,247.52
Original Variable %			66.1%
Final Variable % (based on GS rate)			25.5%
Delta %			40.6%
Delta \$			\$ 2,538.44
GS < 50 Customers			785
USL Customers			15
Total Customers			800
Total Bills (customer X12)			9,600
Calculated Adjustment (per month)			\$ 0.2644

Appendix 3

Normalized Average Consumption kWh								
	2002	2003	2004	2005	2006	2007	2008	2009
<u>RESIDENTIAL</u>								
Regular	44,019,666	40,762,778	40,051,199	43,456,249	42,801,444	42,999,708	41,391,187	41,311,741
GENERAL SERVICE	0	0	0	0	0	0	0	0
Less than 50 kW	32,921,379	26,370,914	23,700,544	26,662,913	22,378,881	20,997,295	21,966,140	21,827,114
Greater than 50 to 499 kW	54,573,194	67,438,200	60,609,276	61,567,351	69,951,279	67,977,992	68,468,487	68,468,487
Greater than 500 to 4,999 kW	0	0	0	0	0	0	0	0
Large Use	0	0	0	0	0	0	0	0
Unmetered Scattered Load	119,472	119,472	119,472	121,104	121,104	121,104	121,104	121,104
Sentinel Lighting	0	0	0	0	0	0	0	0
Street Lighting	591,609	2,011,548	2,011,548	1,786,858	1,805,749	1,742,799	1,778,469	1,778,469
	132,225,319	136,702,912	126,492,039	133,594,474	137,058,458	133,838,897	133,725,387	133,506,915
Normalized Average Consumption kW								
	2002	2003	2004	2005	2006	2007	2008	2009
<u>RESIDENTIAL</u>								
Regular								
GENERAL SERVICE								
Less than 50 kW								
Greater than 50 to 499 kW	159,673	161,239	167,568	161,633	176,998	171,831	173,160	173,160
Greater than 500 to 4,999 kW	0	0	0	0	0	0	0	0
Large Use	0	0	0	0	0	0	0	0
Unmetered Scattered Load	0	0	0	0	0	0	0	0
Sentinel Lighting	2,091	5,868	5,014	5,014	5,014	5,014	5,014	5,014
Street Lighting	0	0	0	0	0	0	0	0
	161,764	167,107	172,582	166,647	182,012	176,845	178,174	178,174

Rates 2009						
	Network Service	Conncection Service	Wholesale Market	Rural Rate Protection	Commodity	SSS Admin
<u>RESIDENTIAL</u>						
Regular	\$0.0049	\$0.0044	\$0.0055	\$0.0000	\$0.06072	\$0.2500
GENERAL SERVICE						
Less than 50 kW	\$0.0045	\$0.0040	\$0.0055	\$0.0000	\$0.0607	\$0.2500
Greater than 50 to 499 kW	\$1.8274	\$1.5758	\$0.0055	\$0.0000	\$0.0607	\$0.2500
Greater than 500 to 4,999 kW			\$0.0055	\$0.0000	\$0.0607	\$0.2500
Large Use			\$0.0055	\$0.0000	\$0.0607	\$0.2500
Unmetered Scattered Load	\$0.0045	\$0.0040	\$0.0055	\$0.0000	\$0.0607	\$0.2500
Sentinel Lighting			\$0.0055	\$0.0000	\$0.0607	\$0.2500
Street Lighting	\$1.3783	\$1.2183	\$0.0055	\$0.0000	\$0.0607	\$0.2500

Revenues 2009							
	Network Service	Conncection Service	Wholesale Market	Rural Rate Protection	Commodity	Commodity	L/V
<u>RESIDENTIAL</u>							
Regular	\$202,239.15	\$182,965.57	\$227,214.58	\$0.00	\$2,508,448.94	\$15,600.00	
GENERAL SERVICE							
Less than 50 kW	\$97,139.39	\$87,463.43	\$120,049.13	\$0.00	\$1,325,342.36	\$2,355.00	
Greater than 50 to 499 kW	\$316,439.70	\$272,872.63	\$376,576.68	\$0.00	\$4,157,406.54	\$207.00	
Greater than 500 to 4,999 kW	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	
Large Use	\$0.00	\$0.00					
Unmetered Scattered Load	\$538.96	\$485.28	\$666.07	\$0.00	\$7,353.43	\$45.00	
Sentinel Lighting	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$39.00	
Street Lighting	\$0.00	\$0.00	\$9,781.58	\$0.00	\$107,988.62	\$5,211.00	
	\$616,357.20	\$543,786.91	\$734,288.03	\$0.00	\$8,106,539.89	\$23,457.00	\$117,507.23

WORKING CAPITAL ALLOWANCE CALCULATION BY ACCOUNT	2009 Test	15%	Allowance for Working Capital
Operation (Working Capital)			
5005-Operation Supervision and Engineering	\$95,920.10	15%	\$14,388.02
5010-Load Dispatching	\$0.00	15%	\$0.00
5012-Station Buildings and Fixtures Expense	\$4,090.83	15%	\$613.62
5014-Transformer Station Equipment - Operation Labour	\$0.00	15%	\$0.00
5015-Transformer Station Equipment - Operation Supplies and Expenses	\$0.00	15%	\$0.00
5016-Distribution Station Equipment - Operation Labour	\$4,197.67	15%	\$629.65
5017-Distribution Station Equipment - Operation Supplies and Expenses	\$8,637.20	15%	\$1,295.58
5020-Overhead Distribution Lines and Feeders - Operation Labour	\$31,482.78	15%	\$4,722.42
5025-Overhead Distribution Lines & Feeders - Operation Supplies and Expenses	\$12,345.42	15%	\$1,851.81
5030-Overhead Sub transmission Feeders - Operation	\$8,572.07	15%	\$1,285.81
5035-Overhead Distribution Transformers- Operation	\$0.00	15%	\$0.00
5040-Underground Distribution Lines and Feeders - Operation Labour	\$0.00	15%	\$0.00
5045-Underground Distribution Lines & Feeders - Operation Supplies & Expenses	\$7,907.95	15%	\$1,186.19
5050-Underground Sub transmission Feeders - Operation	\$93.36	15%	\$14.00
5055-Underground Distribution Transformers - Operation	\$820.08	15%	\$123.01
5060-Street Lighting and Signal System Expense	\$0.00	15%	\$0.00
5065-Meter Expense	\$101,650.65	15%	\$15,247.60
5070-Customer Premises - Operation Labour	\$33,996.54	15%	\$5,099.48
5075-Customer Premises - Materials and Expenses	\$24,076.06	15%	\$3,611.41
5085-Miscellaneous Distribution Expense	\$89,148.20	15%	\$13,372.23
5090-Underground Distribution Lines and Feeders - Rental Paid	\$0.00	15%	\$0.00
5095-Overhead Distribution Lines and Feeders - Rental Paid	\$16,374.00	15%	\$2,456.10
5096-Other Rent	\$1,660.31	15%	\$249.05
Sub-Total	\$440,973.22		\$66,145.98
Maintenance (Working Capital)			
5105-Maintenance Supervision and Engineering	\$4,068.55	15%	\$610.28
5110-Maintenance of Buildings and Fixtures - Distribution Stations	\$1,491.63	15%	\$223.74
5112-Maintenance of Transformer Station Equipment	\$2,447.50	15%	\$367.12
5114-Maintenance of Distribution Station Equipment	\$14,863.21	15%	\$2,229.48
5120-Maintenance of Poles, Towers and Fixtures	\$13,064.98	15%	\$1,959.75
5125-Maintenance of Overhead Conductors and Devices	\$39,436.84	15%	\$5,915.53
5130-Maintenance of Overhead Services	\$12,851.74	15%	\$1,927.76
5135-Overhead Distribution Lines and Feeders - Right of Way	\$41,688.07	15%	\$6,253.21
5145-Maintenance of Underground Conduit	\$390.41	15%	\$58.56
5150-Maintenance of Underground Conductors and Devices	\$19,138.64	15%	\$2,870.80
5155-Maintenance of Underground Services	\$20,693.92	15%	\$3,104.09
5160-Maintenance of Line Transformers	\$11,193.56	15%	\$1,679.03
5165-Maintenance of Street Lighting and Signal Systems	\$0.00	15%	\$0.00
5170-Sentinel Lights - Labour	\$0.00	15%	\$0.00
5172-Sentinel Lights - Materials and Expenses	\$0.00	15%	\$0.00
5175-Maintenance of Meters	\$0.00	15%	\$0.00
5178-Customer Installations Expenses- Leased Property	\$0.00	15%	\$0.00
5185-Water Heater Rentals - Labour	\$0.00	15%	\$0.00
5186-Water Heater Rentals - Materials and Expenses	\$0.00	15%	\$0.00
5190-Water Heater Controls - Labour	\$0.00	15%	\$0.00
5192-Water Heater Controls - Materials and Expenses	\$0.00	15%	\$0.00
5195-Maintenance of Other Installations on Customer Premises	\$0.00	15%	\$0.00
Sub-Total	\$181,329.03		\$27,199.35
Billing and Collections			
5305-Supervision	\$77,073.32	15%	\$11,561.00
5310-Meter Reading Expense	\$267,101.73	15%	\$40,065.26
5315-Customer Billing	\$278,392.20	15%	\$41,758.83
5320-Collecting	\$95,974.32	15%	\$14,396.15
5325-Collecting- Cash Over and Short	\$0.00	15%	\$0.00
5330-Collection Charges	\$0.00	15%	\$0.00
5335-Bad Debt Expense	\$27,457.15	15%	\$4,118.57
5340-Miscellaneous Customer Accounts Expenses	\$3,870.16	15%	\$580.52
Sub-Total	\$749,868.89		\$112,480.33

Community Relations				
5405-Supervision		\$0.00	15%	\$0.00
5410-Community Relations - Sundry		\$0.00	15%	\$0.00
5415-Energy Conservation		\$0.00	15%	\$0.00
5420-Community Safety Program		\$0.00	15%	\$0.00
5425-Miscellaneous Customer Service and Informational Expenses		\$0.00	15%	\$0.00
5505-Supervision		\$0.00	15%	\$0.00
5510-Demonstrating and Selling Expense		\$0.00	15%	\$0.00
5515-Advertising Expense		\$0.00	15%	\$0.00
5520-Miscellaneous Sales Expense		\$0.00	15%	\$0.00
Sub-Total		\$0.00		\$0.00
Administrative and General Expenses				
5605-Executive Salaries and Expenses		\$131,188.84	15%	\$19,678.33
5610-Management Salaries and Expenses		\$122,445.99	15%	\$18,366.90
5615-General Administrative Salaries and Expenses		\$95,369.15	15%	\$14,305.37
5620-Office Supplies and Expenses		\$28,841.63	15%	\$4,326.24
5625-Administrative Expense Transferred Credit		\$0.00	15%	\$0.00
5630-Outside Services Employed		\$141,784.45	15%	\$21,267.67
5635-Property Insurance		\$16,909.69	15%	\$2,536.45
5640-Injuries and Damages		\$17,504.85	15%	\$2,625.73
5645-Employee Pensions and Benefits		\$0.00	15%	\$0.00
5650-Franchise Requirements		\$0.00	15%	\$0.00
5655-Regulatory Expenses		\$44,550.10	15%	\$6,682.52
5660-General Advertising Expenses		-\$259.76	15%	-\$38.96
5665-Miscellaneous General Expenses		\$13,303.69	15%	\$1,995.55
5670-Rent		\$0.00	15%	\$0.00
5675-Maintenance of General Plant		\$0.00	15%	\$0.00
5680-Electrical Safety Authority Fees		\$3,502.30	15%	\$525.34
5685-Independent Market Operator Fees and Penalties		\$0.00	15%	\$0.00
Sub-Total		\$615,140.92		\$92,271.14
Amortization Expenses				
5705-Amortization Expense - Property, Plant, and Equipment		\$404,740.45	0%	\$0.00
5710-Amortization of Limited Term Electric Plant		\$0.00	0%	\$0.00
5715-Amortization of Intangibles and Other Electric Plant		\$0.00	0%	\$0.00
5720-Amortization of Electric Plant Acquisition Adjustments		\$0.00	0%	\$0.00
5725-Miscellaneous Amortization		\$0.00	0%	\$0.00
5730-Amortization of Unrecovered Plant and Regulatory Study Costs		\$0.00	0%	\$0.00
5735-Amortization of Deferred Development Costs		\$0.00	0%	\$0.00
5740-Amortization of Deferred Charges		\$0.00	0%	\$0.00
Sub-Total		\$404,740.45		\$0.00
Cost of Power				
4705-Power Purchased		\$8,106,539.89	15%	\$1,215,980.98
4708-Charges-WMS		\$734,288.03	15%	\$110,143.20
4710-Cost of Power Adjustments		\$0.00	15%	\$0.00
4712-Charges-One-Time		\$0.00	15%	\$0.00
4714-Charges-NW		\$616,357.20	15%	\$92,453.58
4715-System Control & Load Dispatching		\$0.00	15%	\$0.00
4716-Charges-CN		\$543,786.91	15%	\$81,568.04
4720-Other Expenses		\$0.00	15%	\$0.00
4725-Competition Transition Expense		\$0.00	15%	\$0.00
4730-Rural Rate Assistance Expense		\$0.00	15%	\$0.00
4750-LV charges		\$117,507.23	15%	\$17,626.08
5205-Purchase of Transmission and System Services		\$0.00	15%	\$0.00
5210-Transmission Charges		\$0.00	15%	\$0.00
5215-Transmission Charges Recovered		\$0.00	15%	\$0.00
5685-Independent Market Operator Fees and Penalties		\$0.00	15%	\$0.00
Sub-Total		\$10,118,479.26		\$1,517,771.89
WORKING CAPITAL ALLOWANCE TOTAL		\$12,510,531.77		\$1,815,868.70

RATE BASE SUMMARY	2006 Board Approved	2006 Actual	Variance from 2006 Board Approved	2006 Actual	2007 Actual	Variance from 2006 Actual	2007 Actual	2008 Bridge	Variance from 2007 Actual	2008 Bridge	2009 Test	Variance from 2008 Bridge
	(\$'s)	(\$'s)	(\$'s)	(\$'s)	(\$'s)	(\$'s)	(\$'s)	(\$'s)	(\$'s)	(\$'s)	(\$'s)	(\$'s)
<u>Gross Asset</u>												
Asset Values at Cost	\$5,297,550	\$5,474,266	\$176,717	\$5,474,266	\$5,880,121	\$405,854	\$5,880,121	\$6,389,883	\$509,763	\$6,389,883	\$6,893,009	\$503,125
<u>Accumulated Depreciation</u>												
Depreciation	-\$1,401,269	-\$1,908,362	-\$507,094	-\$1,908,362	-\$2,398,823	-\$490,461	-\$2,398,823	-\$2,750,046	-\$351,223	-\$2,750,046	-\$3,134,051	-\$384,005
Net Fixed Asset	\$3,896,281	\$3,565,904	-\$330,377	\$3,565,904	\$3,481,297	-\$84,607	\$3,481,297	\$3,639,837	\$158,540	\$3,639,837	\$3,758,957	\$119,120
<u>Allowance for Working Capital</u>												
	\$1,662,308	\$1,861,443	\$199,135	\$1,861,443	\$1,779,043	-\$82,401	\$1,779,043	\$1,675,786	-\$103,257	\$1,675,786	\$1,815,869	\$140,083
Utility Rate Base	\$5,558,590	\$5,427,348	-\$131,242	\$5,427,348	\$5,260,340	-\$167,008	\$5,260,340	\$5,315,623	\$55,283	\$5,315,623	\$5,574,826	\$259,203

Appendix 4

Northern Ontario Wires Inc. TARIFF OF RATES AND CHARGES Effective May 1, 2009

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

MONTHLY RATES AND CHARGES

Residential

Service Charge		\$ 18.54
Distribution Volumetric Rate	\$/kWh	0.0144
2009 Regulatory Asset Rate Rider	\$/kWh	-0.0012
Retail Transmission Rate - Network Service Rate	\$/kWh	0.0047
Retail Transmission Rate - Line and Transformation Connection Service Rate	\$/kWh	0.0042
Wholesale Market Service Rate	\$/kWh	0.0052
Rural Rate Protection Charge	\$/kWh	0.0013
Standard Supply Service - Administrative Charge		\$ 0.25

General Service Less Than 50 kW

Service Charge		\$ 24.51
Distribution Volumetric Rate	\$/kWh	0.0138
2009 Regulatory Asset Rate Rider	\$/kWh	-0.0013
Retail Transmission Rate - Network Service Rate	\$/kWh	0.0043
Retail Transmission Rate - Line and Transformation Connection Service Rate	\$/kWh	0.0038
Wholesale Market Service Rate	\$/kWh	0.0052
Rural Rate Protection Charge	\$/kWh	0.0013
Standard Supply Service - Administrative Charge		\$ 0.25

General Service 50 to 4,999 kW

Service Charge		\$179.69
Distribution Volumetric Rate	\$/kW	1.0111
2009 Regulatory Asset Rate Rider	\$/kW	-0.5839
Retail Transmission Rate - Network Service Rate	\$/kW	1.7452
Retail Transmission Rate - Line and Transformation Connection Service Rate	\$/kW	1.5012
Wholesale Market Service Rate	\$/kWh	0.0052
Rural Rate Protection Charge	\$/kWh	0.0013
Standard Supply Service - Administrative Charge		\$ 0.25

Unmetered Scattered Load

Service Charge		\$ 12.03
Distribution Volumetric Rate	\$/kWh	0.0138
2009 Regulatory Asset Rate Rider	\$/kWh	-0.0011
Retail Transmission Rate - Network Service Rate	\$/kWh	0.0043
Retail Transmission Rate - Line and Transformation Connection Service Rate	\$/kWh	0.0038
Wholesale Market Service Rate	\$/kWh	0.0052
Rural Rate Protection Charge	\$/kWh	0.0013
Standard Supply Service - Administrative Charge		\$ 0.25

Street Lighting

Service Charge		\$ 5.18
Distribution Volumetric Rate	\$/kW	6.3564
2009 Regulatory Asset Rate Rider	\$/kW	-0.2965
Retail Transmission Rate - Network Service Rate	\$/kW	1.3163
Retail Transmission Rate - Line and Transformation Connection Service Rate	\$/kW	1.1606
Wholesale Market Service Rate	\$/kWh	0.0052
Rural Rate Protection Charge	\$/kWh	0.0013
Standard Supply Service - Administrative Charge		\$ 0.25

Northern Ontario Wires Inc.
TARIFF OF RATES AND CHARGES
Effective May 1, 2009

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

Specific Service Charges

Customer Administration

Arrears Certificate	\$ 15.00
Returned Cheque charge (plus bank charges)	\$ 15.00
Account set up charge/change of occupancy charge (plus credit agency costs if applicable)	\$ 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
Disconnect/Reconnect at Meter - during Regular Hours	\$ 65.00
Disconnect/Reconnect at Meter - after Regular Hours	\$185.00
Specific Charge for Access to the Power Poles - per pole/year	\$ 22.35

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)

Retail Service Charges (if applicable)

Retail Service Charges refer 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 the 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

LOSS FACTORS

Total Loss Factor - Secondary Metered Customer < 5,000 kW	%1.0448
Total Loss Factor - Secondary Metered Customer > 5,000 kW	N/A
Total Loss Factor - Primary Metered Customer < 5,000 kW	%1.0344
Total Loss Factor - Primary Metered Customer > 5,000 kW	N/A

Appendix 5

Rate Design - May 19, 2009						
Distribuiton Revenue Requirement				\$ 2,559,450.01		
Cost allocation results						
	Residential	64.22%	\$ 1,643,616.26			
	GS < 50 kW	19.76%	\$ 505,791.46			
	GS 50 to 4,999 kW	10.36%	\$ 265,150.40			
	Street Lights	5.42%	\$ 138,644.37			
	Unmetered	0.24%	\$ 6,247.52			
	Total	100.00%	\$ 2,559,450.01			
Residential Class						
	Distribution Revenue		\$ 1,643,616.26			
	Fixed component					
		Customers	Rate	Months	Annual \$	%
		5,200	\$ 17.54	12	\$ 1,094,648.43	66.6%
			\$ 1.00	Smart Meter Adder		
			\$ 18.54	Rate including smart meter		
	Variable					
		kWh's	Rate	Annual \$		
		41,311,741	\$ 0.0133	\$ 548,967.83		33.4%
			\$ 0.0011	LV Rate Adder		
			\$ 0.0144	Rate Including LV adder		
General Service < 50 kW						
	Distribution Revenue		\$ 505,791.46			
	Fixed component					
		Customers	Rate	Months	Annual \$	%
		785	\$ 23.25	12	\$ 219,007.70	43.3%
			\$ 1.00	Smart Meter Adder		
			\$ 24.25	Rate including smart meter		
			\$ 0.26	USL / GS blending adjustment		
			\$ 24.51			
	Variable					
		kWh's	Rate	Annual \$		
		21,827,114	\$ 0.0131	\$ 286,783.76		56.7%
			\$ 0.0006	LV Rate Adder		
			\$ 0.0138	Rate Including LV adder		

General Service 50 to 4,999 kW

	Distribution Revenue			\$ 265,150.40		
	Fixed component					
		Customers	Rate	Months	Annual \$	%
		69	\$ 178.69	12	\$ 147,953.92	55.8%
			\$ 1.00	Smart Meter Adder		
			\$ 179.69	Rate including smart meter		
	Variable					
		kW's	Rate	Annual \$		
		173,160	\$ 0.6768	\$ 117,196.48		44.2%
			\$ 0.3342	LV Rate Adder		
			\$ 1.0111	Rate Including LV adder		

Street Light

	Distribution Revenue			\$ 138,644.37		
	Fixed component					
		Customers	Rate	Months	Annual \$	%
		1,737	\$ 5.18	12	\$ 108,003.97	77.9%
	Variable					
		kW's	Rate	Annual \$		
		5,014	\$ 6.1110	\$ 30,640.41		22.1%
			\$ 0.2454	LV Rate Adder		
			\$ 6.3564	Rate Including LV adder		

Unmetered Loads

	Distribution Revenue			\$ 6,247.52		
	Fixed component					
		Customers	Rate	Months	Annual \$	%
		15	\$ 11.77	12	\$ 2,117.91	33.9%
			\$ 0.26	USL / GS blending adjustment		
			\$ 12.03			
	Variable					
		kWh's	Rate	Annual \$		
		121,104	\$ 0.0131	\$ 1,591.17		25.5%
			\$ 0.0006	LV Rate Adder		
			\$ 0.0138	Rate Including LV adder		

Appendix 6

Calculation of Revenue Requirement			
	2006 EDR	2009 Test	Variance
OM&A	\$2,029,551	\$1,997,907	-\$31,644
Amortization	\$331,372	\$404,740	\$73,369
Return	\$381,627	\$344,391	-\$37,236
PILS	\$59,377	\$39,597	-\$19,780
Revenue Offset	-\$339,555	-\$276,353	\$63,202
Base Revenue Requirement	\$2,462,371	\$2,510,282	\$47,911
Transformer Allowance		\$49,168	\$49,168
Revenue Requirement		\$2,559,450	\$97,079

Appendix 7

Determination of Net Utility Income			
	Existing Rates	Proposed Rates	Revenue (Surplus) or Defficiency
Revenue Deficiency		\$50,156	
Distribution Revenue	\$2,460,260	\$2,460,260	\$0
Other Operating Revenue (Net)	\$276,353	\$276,353	\$0
Total Revenue	\$2,736,613	\$2,786,769	\$50,156
Costs and Expenses			\$0
Distribution Costs	\$1,372,901	\$1,372,901	\$0
Operation & Maintenance	\$625,005	\$625,005	\$0
Depreciation & Amortization	\$404,740	\$404,740	\$0
Deemed Interest	\$151,038	\$151,038	\$0
Total Costs and Expenses	\$2,553,685	\$2,553,685	\$0
Utility Income Before Income Taxes	\$182,928	\$233,084	\$50,156
Income Taxes	\$39,597	\$39,597	\$0
Utility Income (loss) After Taxes	\$143,331	\$193,487	\$50,156
Rate Base	\$5,574,826	\$5,574,826	
Equity Portion	43.3300%	43.3000%	
Equity Component of Rate Base	\$2,415,572	\$2,413,900	
Target Return on Equity	8.01%	8.01%	
Return on Rate Base	\$193,487.32	\$193,353.36	
Revenue Deficiency	-\$50,156.23	\$133.96	
Reconciliation to Revenue Requirement (colour coded)			
OM&A	\$1,997,907		
Amortization	\$404,740		
Return	\$344,391		
PILS	\$39,597		
Revenue Off-Set (Other operating revenue)	-\$276,353		
Base Revenue Requirement	\$2,510,282		
Transformer Allowance (input)	\$49,168		
Revenue Requirement	\$2,559,450		

Appendix 8

Northern Ontario Wires			
PROFORMA STATEMENT OF INCOME			
FOR THE TWELVE MONTHS ENDED DECEMBER 31ST 2009			
			YEAR ENDED
			31-Dec-09
	Electricity Revenue		\$ 12,677,929
	Cost of Power		10,118,479
	Gross Margin		2,559,450
	Miscellaneous Revenues		227,185
	Total Revenues from Operations		2,786,635
	Expenses		
	Operating & Maintenance		625,005
	Billing & Collecting		749,869
	Administration & General		623,032
	Amortization		404,740
	Interest		151,038
			2,553,685
	Net Income from Operations Before Taxes		232,950
	PILS		39,597
	Net Income (Loss)		193,353