



CENTRE WELLINGTON HYDRO LTD.
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May 20, 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- Response to VECC Comments
Centre Wellington Hydro Ltd.

In accordance with the directions received on April 29, 2009 Centre Wellington Hydro Ltd. is responding to comments made by the Vulnerable Energy Consumers Coalition's (VECC) in their letter dated May 14, 2009 to Centre Wellington Hydro's Draft Rate Order.

Two (2) hard copies of the response to comments by VECC on Centre Wellington Hydro Draft Rate Order are enclosed, together with an electronic copy in searchable / unrestricted PDF format. This submission has also been submitted using the OEB's RESS e-filing format.

Centre Wellington Hydro respectfully submits this letter in response to VECC's comments.

Thank you,

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

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

Response to VECC Comments

Centre Wellington is responding to the Vulnerable Energy Consumers Coalition's (VECC) letter of May 14, 2009.

The response is presented in four parts.

- 1.0 First, is a response to the Working Capital charts referred to in VECC's third paragraph on page 1.
- 2.0 Second, is a response to attempt to bring VECC up-to-date with respect to the Working Capital and Rate Base changes. Tables and explanations have been provided.
- 3.0 Third is a table providing the details of changes that resulted in a change to the taxes payable followed by a brief description of each of the changes
- 4.0 Fourth is a section to deal with VECC's concern that Centre Wellington may not have followed the Board's direction when Centre Wellington has clearly stated in the Draft Rate Order that Centre Wellington did.

The change numbers referred to in this document reference the change number on the Summary of Changes Table included on page 2 of the Draft Rate Order.

1.0 Working Capital Charts

On pages 4 and 5 in the Working Capital section of the Manager's Summary of Centre Wellington Hydro's 2009 Draft Rate Order, Centre Wellington used volumes which included a loss factor which had been updated during the application process and not the loss factor used in the August 18, 2008 cost of Service Rate Application. This has no impact on the Draft Rate Order and Tariff of Rates and Charges.

VECC was correct in their assumption in their May 14, 2009 letter stating the Original Application Commodity costs appear to be calculated using the revised loss factors. Centre Wellington has provided the charts used in the original application for both commodity and Rural Rate Protection (RRP) for clarification purposes.

Original rate application with original volumes

Electricity (Commodity)		2009 rate (\$/kWh):		\$0.05450
er forecast average t rates on this row. er RPP rates on sheet	Customer	Volume	Amount	
	Class Name			
	kWh Residential	47,172,831	2,570,919	
	kWh General Service Less Than 50 kW	22,838,459	1,244,696	
	kWh General Service 50 to 2,999 kW	67,481,331	3,677,733	
	kWh General Service 3,000 to 4,999 kW	21,969,645	1,197,346	
	kWh Unmetered Scattered Load	419,344	22,854	
	kWh Sentinel Lighting	45,820	2,497	
	kWh Street Lighting	1,165,253	63,506	
	TOTAL		8,779,551	
Rural Rate Protection		2009 rate (\$/kWh):		\$0.00100
	Customer	Volume	Amount	
	Class Name			
	kWh Residential	47,172,831	47,173	
	kWh General Service Less Than 50 kW	22,838,459	22,838	
	kWh General Service 50 to 2,999 kW	67,481,331	67,481	
	kWh General Service 3,000 to 4,999 kW	21,969,645	21,970	
	kWh Unmetered Scattered Load	419,344	419	
	kWh Sentinel Lighting	45,820	46	
	kWh Street Lighting	1,165,253	1,165	
	TOTAL		161,093	

The totals in the above chart agree with the Original Rate application Exhibit 2, Tab 4, Schedule 2, pages 3 & 4.

2.0 Working Capital and Rate Base

The following table provides additional details to support the Working Capital and Rate Base changes made throughout the Cost of Service Rate Application process. The table is followed by notes providing further details where required.

Centre Wellington Hydro

CHANGES AFFECTING WORKING CAPITAL AND RATE BASE

	August 18 2008									
	Change 5	Change 6	Change 7	Change 12	Change 14	Change 15	Change 20			
Eligible Distribution Expenses:										
3500-Distribution Expenses - Operation	264,900	264,900	264,900	264,900	264,900	264,900	264,900			264,900
3550-Distribution Expenses - Maintenance	292,600	292,600	292,600	292,600	292,600	292,600	292,600			292,600
3650-Billing and Collecting	332,200	332,200	332,200	332,200	332,200	332,200	332,200			332,200
3700-Community Relations	35,600	35,600	35,600	35,600	35,600	35,600	35,600			35,600
3800-Administrative and General Expenses	786,300	786,300	786,300	786,300	786,300	786,300	786,300			786,300
3950-Taxes Other Than Income Taxes	35,000	35,000	35,000	35,000	35,000	35,000	35,000			35,000
Total Eligible Distribution Expenses	1,746,600	1,746,600	1,746,600	1,746,600	1,746,600	1,746,600	1,746,600			1,746,600
Commodity	8,779,551	8,779,551	8,779,551	8,779,551	8,779,551	8,779,551	8,779,551			8,779,551
Network	819,716	819,716	819,716	819,716	819,716	819,716	819,716			819,716
connection	680,511	680,511	680,511	680,511	680,511	680,511	680,511			680,511
WMS	837,682	837,682	837,682	837,682	837,682	837,682	837,682			837,682
RRP	161,093	161,093	161,093	161,093	161,093	161,093	161,093			161,093
LV	91,000	91,000	91,000	91,000	91,000	91,000	91,000			91,000
3350-Power Supply Expenses	11,369,553	11,369,553	11,369,553	11,369,553	11,369,553	11,369,553	11,369,553			11,369,553
Total Expenses for Working Capital	13,116,153	13,116,153	13,116,153	13,116,153	13,116,153	13,116,153	13,116,153			13,116,153
Working Capital Allowance	1,967,423	1,967,423	1,967,423	1,967,423	1,967,423	1,967,423	1,967,423			1,967,423
Net Fixed Assets in Service:										
Opening Balance	6,802,840	6,802,840	6,802,840	6,802,840	6,802,840	6,802,840	6,802,840			6,802,840
Closing Balance	6,898,562	6,898,562	6,898,562	6,898,562	6,898,562	6,898,562	6,898,562			6,898,562
Average Balance	6,850,701	6,850,701	6,850,701	6,850,701	6,850,701	6,850,701	6,850,701			6,850,701
TOTAL RATE BASE	8,818,124	8,818,124	8,818,124	8,818,124	8,818,124	8,818,124	8,818,124			8,818,124

A description of the changes affecting working capital and rate base is provided below:

Change # 5

Centre Wellington updated both the Commodity and Network and Connection rates during the rate application process.

Rates Prior to Change # 5

Electricity (Commodity)		2009 rate (\$/kWh): \$0.05450	
	Customer Class Name	Volume	Amount
	kWh Residential	47,172,831	2,570,919
	kWh General Service Less Than 50 kW	22,838,459	1,244,696
	kWh General Service 50 to 2,999 kW	67,481,331	3,677,733
	kWh General Service 3,000 to 4,999 kW	21,969,645	1,197,346
	kWh Unmetered Scattered Load	419,344	22,854
	kWh Sentinel Lighting	45,820	2,497
	kWh Street Lighting	1,165,253	63,506
	TOTAL		8,779,551
Transmission - Network		2009	
	Customer Class Name	Volume	Rate
			Amount
	kWh Residential	47,172,831	\$0.005534 261,054
	kWh General Service Less Than 50 kW	22,838,459	\$0.004966 113,416
	kW General Service 50 to 2,999 kW	166,526	\$2.032847 338,522
	kW General Service 3,000 to 4,999 kW	43,874	\$2.273633 99,753
	kWh Unmetered Scattered Load	419,344	\$0.004966 2,082
	kW Sentinel Lighting	122	\$1.540917 188
	kW Street Lighting	3,066	\$1.533113 4,701
	TOTAL		819,716
Transmission - Connection		2009	
	Customer Class Name	Volume	Rate
			Amount
	kWh Residential	47,172,831	\$0.004649 219,306
	kWh General Service Less Than 50 kW	22,838,459	\$0.004124 94,186
	kW General Service 50 to 2,999 kW	166,526	\$1.654846 275,575
	kW General Service 3,000 to 4,999 kW	43,874	\$1.951787 85,633
	kWh Unmetered Scattered Load	419,344	\$0.004124 1,729
	kW Sentinel Lighting	122	\$1.306090 159
	kW Street Lighting	3,066	\$1.279320 3,922
	TOTAL		680,511

CHANGE # 5 Commodity, Network and Connection rate changes

Electricity (Commodity)		2009 rate (\$/kWh):		\$0.06030
Customer Class Name		Volume		Amount
kWh	Residential	47,172,831		2,844,522
kWh	General Service Less Than 50 kW	22,838,459		1,377,159
kWh	General Service 50 to 2,999 kW	67,481,331		4,069,124
kWh	General Service 3,000 to 4,999 kW	21,969,645		1,324,770
kWh	Unmetered Scattered Load	419,344		25,286
kWh	Sentinel Lighting	45,820		2,763
kWh	Street Lighting	1,165,253		70,265
TOTAL				9,713,889
Transmission - Network		2009		
Customer Class Name		Volume	Rate	Amount
kWh	Residential	47,172,831	\$0.005400	254,733
kWh	General Service Less Than 50 kW	22,838,459	\$0.004900	111,908
kW	General Service 50 to 2,999 kW	166,526	\$1.997800	332,686
kW	General Service 3,000 to 4,999 kW	43,874	\$2.234500	98,036
kWh	Unmetered Scattered Load	419,344	\$0.004900	2,055
kW	Sentinel Lighting	122	\$1.514400	185
kW	Street Lighting	3,066	\$1.506700	4,620
TOTAL				804,223
Transmission - Connection		2009		
Customer Class Name		Volume	Rate	Amount
kWh	Residential	47,172,831	\$0.004600	216,995
kWh	General Service Less Than 50 kW	22,838,459	\$0.004100	93,638
kW	General Service 50 to 2,999 kW	166,526	\$1.628900	271,254
kW	General Service 3,000 to 4,999 kW	43,874	\$1.921200	84,291
kWh	Unmetered Scattered Load	419,344	\$0.004100	1,719
kW	Sentinel Lighting	122	\$1.285600	157
kW	Street Lighting	3,066	\$1.259300	3,861
TOTAL				671,915

Change # 6

Change # 6 of \$6,750 was required to amortize the cost of preparing the Cost of Service Rate application over 4 years and to reflect the revisions to the budget amount to reflect amounts not originally budgeted for.

Change # 7

A change to the method of amortizing Contributed capital resulted in an increase of \$70,463 to the average balance of the Net Fixed Assets.

Change # 12

Centre Wellington was asked to revise the LV Costs. The result was a reduction in LV costs of \$1,608.

Change # 14

The Loss Factor was revised from 1.0472 to 1.0449.

Volumes used prior to Change # 14 (Same as Change # 5)

Electricity (Commodity)		Customer	2009 rate (\$/kWh): \$0.06030		
er forecast average t rates on this row. er RPP rates on sheet	kWh	Class Name	Volume	Amount	
		Residential	47,172,831	2,844,522	
	kWh	General Service Less Than 50 kW	22,838,459	1,377,159	
	kWh	General Service 50 to 2,999 kW	67,481,331	4,069,124	
	kWh	General Service 3,000 to 4,999 kW	21,969,645	1,324,770	
	kWh	Unmetered Scattered Load	419,344	25,286	
	kWh	Sentinel Lighting	45,820	2,763	
	kWh	Street Lighting	1,165,253	70,265	
		TOTAL		9,713,889	
Transmission - Network		Customer	2009		
	kWh	Class Name	Volume	Rate	Amount
	kWh	Residential	47,172,831	\$0.005400	254,733
	kWh	General Service Less Than 50 kW	22,838,459	\$0.004900	111,908
	kW	General Service 50 to 2,999 kW	166,526	\$1.997800	332,686
	kW	General Service 3,000 to 4,999 kW	43,874	\$2.234500	98,036
	kWh	Unmetered Scattered Load	419,344	\$0.004900	2,055
	kW	Sentinel Lighting	122	\$1.514400	185
	kW	Street Lighting	3,066	\$1.506700	4,620
		TOTAL			804,223
Transmission - Connection		Customer	2009		
	kWh	Class Name	Volume	Rate	Amount
	kWh	Residential	47,172,831	\$0.004600	216,995
	kWh	General Service Less Than 50 kW	22,838,459	\$0.004100	93,638
	kW	General Service 50 to 2,999 kW	166,526	\$1.628900	271,254
	kW	General Service 3,000 to 4,999 kW	43,874	\$1.921200	84,291
	kWh	Unmetered Scattered Load	419,344	\$0.004100	1,719
	kW	Sentinel Lighting	122	\$1.285600	157
	kW	Street Lighting	3,066	\$1.259300	3,861
		TOTAL			671,915
Wholesale Market Service		Customer	2009 rate (\$/kWh): \$0.00520		
	kWh	Class Name	Volume		Amount
	kWh	Residential	47,172,831		245,299
	kWh	General Service Less Than 50 kW	22,838,459		118,760
	kWh	General Service 50 to 2,999 kW	67,481,331		350,903
	kWh	General Service 3,000 to 4,999 kW	21,969,645		114,242
	kWh	Unmetered Scattered Load	419,344		2,181
	kWh	Sentinel Lighting	45,820		238
	kWh	Street Lighting	1,165,253		6,059
		TOTAL			837,682
Rural Rate Protection		Customer	2009 rate (\$/kWh): \$0.00100		
	kWh	Class Name	Volume		Amount
	kWh	Residential	47,172,831		47,173
	kWh	General Service Less Than 50 kW	22,838,459		22,838
	kWh	General Service 50 to 2,999 kW	67,481,331		67,481
	kWh	General Service 3,000 to 4,999 kW	21,969,645		21,970
	kWh	Unmetered Scattered Load	419,344		419
	kWh	Sentinel Lighting	45,820		46
	kWh	Street Lighting	1,165,253		1,165
		TOTAL			161,093

Volumes used in Change # 14

Electricity (Commodity)		2009		rate (\$/kWh):	\$0.06030
Customer Class Name		Volume			Amount
kWh	Residential	47,069,224			2,838,274
kWh	General Service Less Than 50 kW	22,788,298			1,374,134
kWh	General Service 50 to 2,999 kW	67,333,120			4,060,187
kWh	General Service 3,000 to 4,999 kW	21,921,393			1,321,860
kWh	Unmetered Scattered Load	418,423			25,231
kWh	Sentinel Lighting	45,720			2,757
kWh	Street Lighting	1,162,694			70,110
	TOTAL				9,692,554
Transmission - Network		2009			
Customer Class Name		Volume	Rate		Amount
kWh	Residential	47,069,224	\$0.005400		254,174
kWh	General Service Less Than 50 kW	22,788,298	\$0.004900		111,663
kW	General Service 50 to 2,999 kW	166,526	\$1.997800		332,686
kW	General Service 3,000 to 4,999 kW	43,874	\$2.234500		98,036
kWh	Unmetered Scattered Load	418,423	\$0.004900		2,050
kW	Sentinel Lighting	122	\$1.514400		185
kW	Street Lighting	3,066	\$1.506700		4,620
	TOTAL				803,413
Transmission - Connection		2009			
Customer Class Name		Volume	Rate		Amount
kWh	Residential	47,069,224	\$0.004600		216,518
kWh	General Service Less Than 50 kW	22,788,298	\$0.004100		93,432
kW	General Service 50 to 2,999 kW	166,526	\$1.628900		271,254
kW	General Service 3,000 to 4,999 kW	43,874	\$1.921200		84,291
kWh	Unmetered Scattered Load	418,423	\$0.004100		1,716
kW	Sentinel Lighting	122	\$1.285600		157
kW	Street Lighting	3,066	\$1.259300		3,861
	TOTAL				671,229
Wholesale Market Service		2009		rate (\$/kWh):	\$0.00520
Customer Class Name		Volume			Amount
kWh	Residential	47,069,224			244,760
kWh	General Service Less Than 50 kW	22,788,298			118,499
kWh	General Service 50 to 2,999 kW	67,333,120			350,132
kWh	General Service 3,000 to 4,999 kW	21,921,393			113,991
kWh	Unmetered Scattered Load	418,423			2,176
kWh	Sentinel Lighting	45,720			238
kWh	Street Lighting	1,162,694			6,046
	TOTAL				835,842
Rural Rate Protection		2009		rate (\$/kWh):	\$0.00100
Customer Class Name		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
	TOTAL				160,739

Change # 15

Centre Wellington was directed to update the commodity rate to \$0.06072 / kWh

The following chart provides the details for each customer class and can be compared to the commodity in previous charts provided above showing the Application's original volumes and the various cost of power rates used throughout the application.

Electricity (Commodity)	Customer Class Name	2009 rate (\$/kWh): \$0.06072	
		Volume	Amount
er forecast average t rates on this row. er RPP rates on sheet	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
	TOTAL		9,760,064

Change # 20

Centre Wellington changed the RRP rate from \$0.0010 to \$0.0013 in accordance with direction from the Board in a letter dated December 17, 2008. The following table provides the revised revenues. Revenues for RRP at earlier rates can be seen in the tables above.

Rural Rate Protection	Customer Class Name	2009 rate (\$/kWh): \$0.00130	
		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
	TOTAL		208,961

3.0 Payment in Lieu of Taxes

Centre Wellington has prepared the following table to provide the details of the changes to Regulatory Taxable Income which ultimately results in a change to the Taxes Payable. A brief explanation of the changes follows the table.

Centre Wellington Hydro																							
	Aug 18 2008	1	Change	3	5	6	7	8	10	Change	11	Change	12	Change	14	Change	15	Change	16	20	Change	Final Totals	
Payment in Lieu of Taxes																							
Income (Loss) before PLS	327,473				5,071	37	2,617						(9)		(139)		376		-21918	251		313,759	
Additions																						-	
Charitable donations	10,000	(10,000)																				3,570	
Non-Deductible Meals and Expenses	3,570																					-	
Change in Reserves from end of year	1,653,329			65,576				(17,427)			(1,101,478)											591,209	
Amortization	638,185						(46,976)															594,779	
Total Additions	1,705,084																					594,779	
Deductions																						-	
Non-Utility Rev	(251,000)	251,000																				-	
Non-Utility Ded	(226,800)	(226,800)																				-	
Charitable donations	(10,000)	10,000																				-	
Change in Reserves from beginning of year	(1,256,220)			8,829				21,752			1,225,639											-	
CCA	(715,697)																					(715,697)	
Total Deductions	(2,002,817)																					(715,697)	
Regulatory Taxable Income(Loss)	27,140	24,200	51,240	74,405	5,071	130,716	130,716	43,25	90,719	-	90,719	124,161	214,880	(9)	214,871	(139)	214,732	376	215,108	(21,918)	193,190	251	493,441
Combined Income Tax Rate	22.0%		22.0%	22.0%	22.0%	22.0%	22.0%	22.0%	22.0%	22.0%	16.5%	16.5%	16.5%	16.5%	16.5%	16.5%	16.5%	16.5%	16.5%	16.5%	16.5%	16.5%	16.5%
Total Income Taxes	5,949		11,273	27,642	28,758	28,758	28,765	19,007	19,983		14,989	35,455	35,455		35,454		35,431		35,493		31,876		31,918
Investment & Miscellaneous Tax Credits																							
Income Tax Payable	5,949		11,273	27,642	28,758	28,758	28,765	19,007	19,983		14,989	35,455	35,455		35,454		35,431		35,493		31,876		31,918
Large Corporations Tax (LCT)																							
Ontario Capital Tax (OCT)	2,839		2,839	2,839	2,839	2,839	2,839	2,839	2,839	(597)	2,242	2,242	2,242		2,242		2,242		2,242		2,242		2,242
Grossed-up Income Tax	7,827		14,452	35,438	36,869	36,879	24,368	25,587	25,587		17,927	42,461	42,461		42,460		42,432		42,506		38,175		38,225
Grossed-up LCT																							
Total PLS Expense	10,465		17,291	38,277	39,706	39,716	27,207	28,425	28,425		20,169	44,703	44,703		44,702		44,674		44,748		40,417		40,467

Change # 1

The Regulatory Taxable income was adjusted to remove Charitable Donations and Non Utility Revenue and Expenses. Although these amounts are used for tax purposes they are not included in Regulatory Taxable income.

Change # 3

The balances of the DVADs changes as a result of a change to the interest rates. The ending and beginning year balances were used to calculate Regulatory Taxable Income at his point in the rate application and were therefore adjusted to reflect the interest rate change.

Change # 5

A change to the Commodity, Network, and Connection rates increased the Income before PILs. Those changes were reflected on the tables included in the previous Working Capital and Rate Base section of this document.

Change # 6

As a result of changing the period of recovery for the rate application costs, the Income before PILs increased by \$37.

Change # 7

A change in the method of amortization of contributed capital had a \$2,617 impact on Income before PILs as well as a change to the Amortization which is added back to income before PILs in arriving at Regulatory Taxable Income.

Change # 8

A change to account 1508 for OMERS and the OEB Cost Assessment resulted in a change to the beginning and ending balances of the DVADs resulting in a change to Reserves at this point in the application.

Change # 10

Centre Wellington was directed to change the combined Income tax rate from 22.0% to 16.5%.

Change # 11

Centre Wellington was alerted to the fact the opening and closing balances of the DVAD were not to be included in Regulatory Taxable Income although they are used for tax purposes. Centre Wellington removed the remaining amounts related to these reserves.

Change # 12

Centre Wellington was directed to update the LV costs. A reduction of \$1,608 of LV costs related to a \$9 reduction in Income before PILs.

Change # 14

Centre Wellington revised its loss factor from 1.0472 to 1.0449 resulting in a decrease to Income before PILs of \$139.

Change # 15

Centre Wellington was directed to change the Cost of Power rate to \$0.06072 resulting in a further change to Income before PILs increasing it by \$376.

Change # 16

Centre Wellington was directed to change its Long Term Debt and Equity rates to 7.62 and 8.01 respectively. This had an impact of reducing the Income before PILs by \$21,918.

Change # 20

An increase to the RPP rate to \$0.0013 from \$0.0010 increase Income before PILs by \$251.

In reference to derivation of the revised adjustments of (-\$120,318) required to arrive at taxable utility income Centre Wellington provides the following reconciliation:

Income (Loss) before PILs	\$313,759
Adjustments:	
Add: Non Deductible Meals & Expenses	3,570
Add: Amortization	591,209
Less: CCA	(715,097)
Total Adjustments	(\$120,318)
Regulatory Taxable Income (Loss)	\$193,441

4.0 Cost Allocation & Rate Design

Centre Wellington will respond to VECC concerns in the same order as items identified by the BOARD in the Decision and Order.

RTSRs

Centre Wellington has provided the rates and volumes used in the calculation of the power supply expenses in their Draft Rate Order. The Network and Connection revenues are provided below.

Transmission - Network		2009		
Customer Class Name		Volume	Rate	Amount
kWh	Residential	47,069,224	\$0.005400	254,174
kWh	General Service Less Than 50 kW	22,788,298	\$0.004900	111,663
kW	General Service 50 to 2,999 kW	166,526	\$1.997800	332,686
kW	General Service 3,000 to 4,999 kW	43,874	\$2.234500	98,036
kWh	Unmetered Scattered Load	418,423	\$0.004900	2,050
kW	Sentinel Lighting	122	\$1.514400	185
kW	Street Lighting	3,066	\$1.506700	4,620
TOTAL				803,413
Transmission - Connection		2009		
Customer Class Name		Volume	Rate	Amount
kWh	Residential	47,069,224	\$0.004600	216,518
kWh	General Service Less Than 50 kW	22,788,298	\$0.004100	93,432
kW	General Service 50 to 2,999 kW	166,526	\$1.628900	271,254
kW	General Service 3,000 to 4,999 kW	43,874	\$1.921200	84,291
kWh	Unmetered Scattered Load	418,423	\$0.004100	1,716
kW	Sentinel Lighting	122	\$1.285600	157
kW	Street Lighting	3,066	\$1.259300	3,861
TOTAL				671,229

Line Losses

The total loss factor of 1.0449 was used in Centre Wellington's Draft Rate Order. The normalized load forecast is provided in the top section of the table increased by the TLF to arrive at the values provided in the bottom half of the table.

Customer Class Name	2009 <input type="checkbox"/> Normalized
Residential	45,046,630
General Service Less Than 50 kW	21,809,071
General Service 50 to 2,999 kW	64,439,774
General Service 3,000 to 4,999 kW	20,979,417
Unmetered Scattered Load	400,443
Sentinel Lighting	43,755
Street Lighting	1,112,732
TOTAL	153,831,822

Customer Class Name	2009 <input type="checkbox"/> Normalized
Residential	47,069,224
General Service Less Than 50 kW	22,788,298
General Service 50 to 2,999 kW	67,333,120
General Service 3,000 to 4,999 kW	21,921,393
Unmetered Scattered Load	418,423
Sentinel Lighting	45,720
Street Lighting	1,162,694
	160,738,871

Low Voltage Costs

The update LV charges of \$89,392 were used in the derivation of the final rates. The following table is an excerpt from the final rate model used by Centre Wellington:

Customer Class Name	Total Base Revenue Requirement	Transformer Allowance Recovery ⁴	Low Voltage Revenue Required ⁵	Gross Base Revenue Requirement
Residential	1,539,695		28,835	1,568,530
General Service Less Than 50 kW	478,076		12,443	490,519
General Service 50 to 2,999 kW	529,526	58,940	36,125	624,591
General Service 3,000 to 4,999 kW	88,755	25,908	11,226	125,889
Unmetered Scattered Load	10,924		228	11,152
Sentinel Lighting	2,021		21	2,042
Street Lighting	81,928		514	82,442
TOTAL	2,730,924	84,849	89,392	2,905,164

Revenue to Cost Ratios

The following table provides the Revenue to Cost ratios Centre Wellington Hydro was directed to use in its Draft Rate Order. The second Last column is the Revenue to Cost ratio per the Decision and Order and the last column is the results of the transformer allowance methodology recommended by VECC. The table is an excerpt from Centre Wellington's final rate model and used in the Draft Rate Order.

Customer Class Name	Rate Application			Cost Allocation
	Allocated Revenue ⁸	Allocated Cost ⁸	Revenue to Cost Ratio	Revenue to Cost Ratio ⁹
Residential	1,539,695	1,498,243	1.0277	1.0987
General Service Less Than 50 kW	478,076	443,081	1.0790	1.1468
General Service 50 to 2,999 kW	529,526	468,869	1.1294	1.0504
General Service 3,000 to 4,999 kW	88,755	107,602	0.8248	0.3487
Unmetered Scattered Load	10,924	9,780	1.1169	1.4231
Sentinel Lighting	2,021	4,385	0.4609	0.1688
Street Lighting	81,928	198,964	0.4118	0.0918
TOTAL	2,730,924	2,730,924	1.0000	

This table also provides proof that the Street lighting and Sentinel Lighting Revenue to Cost ratios directed by the Board have been used in the Draft Rate Order.

Rate Design

Centre Wellington was directed by the Board to phase in the fixed charge for the GS>50 kW customer class. It was directed to go to half way between the current and proposed rate which is mathematically proven to be \$71.46. This was calculated before the addition of any smart meter adders. The Tariff of Rates and Charges shows a fixed charge for this class of \$72.46 which includes \$1 for a smart meter funding adder.