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June 8, 2009

VIA MAIL and E-MAIL

Ms. Kirsten Walli
Board Secretary
Ontario Energy Board
P.O. Box 2319
2300 Yonge Street
Toronto, ON
M4P 1E4

Dear Ms. Walli:

RE: Lakeland Power Distribution Ltd.
EB-2008-0234
2009 Electricity Distribution Rate Application
Draft Rate Order

Lakeland Power Distribution Ltd is submitting its revised draft rate order for the 2009 Distribution Rate Application as per the Board's Decision and Order dated May 8, 2009. This is in response to Board Staff comments, dated June 3, 2009 and VECC comments, dated June 1, 2009.

An electronic copy of this reply will be submitted through the OEB e-Filing services and two hard copies via courier. The draft rate order and the updated revenue requirement worksheet will be emailed to you, the intervenors and OEB staff.

If you have any further questions, please do not hesitate to contact me.

Respectfully submitted,

A handwritten signature in blue ink, appearing to read "Margaret Maw".

Margaret Maw
CFO
Lakeland Holding Ltd.

EB-2008-0234

**IN THE MATTER OF the *Ontario Energy Board Act*
1998, S.O. 1998, c. 15, (Schedule B);**

**AND IN THE MATTER OF an Application by
Lakeland Power Distribution Ltd. for an Order or
Orders approving or fixing just and reasonable
rates and other charges for the distribution of
electricity commencing May 1, 2009.**

**BEFORE: Cathy Spoel
Presiding Member**

**Pamela Nowina
Member and Vice Chair**

DRAFT RATE ORDER

June 8, 2009

Lakeland Power Distribution Ltd (LPDL) submits the following Draft Rate Order including a proposed 2009 Schedule of Rates and Charges as directed by the Ontario Energy Board (the "Board") in its Decision dated May 8, 2009.

This reply specifically responds to the comments from both Board staff and VECC regarding the Revenue to Cost Ratios and Rate Design. LPDL has revised this portion of the draft rate order based upon these comments. All other areas are as submitted in the original Draft Rate Order dated May 26, 2009.

Revenue to Cost Ratios

In accordance with comments provided by VECC in their response to the first version of the Draft Rate Order dated May 26, 2009, the cost allocation model used to respond to VECC's Supplementary Interrogatory #6 has been revised to reduce the revenue for GS>50kW to reflect revenues after the transformation allowance is applied. This produces a Revenue to Expense % of 100% in the line indicated below. In addition, the USL ratio has been adjusted to increase from the currently approved rates by the same percentage as the corresponding General Service <50 kW rates.



2006 COST ALLOCATION INFORMATION FILING

Lakeland Power Distribution Ltd.

EB-2005-0388 EB-2006-0247

January 15, 2007

Sheet 01 Revenue to Cost Summary Worksheet - Second Run

Class Revenue, Cost Analysis, and Return on Rate Base

		ADJUSTED TRANSFORMER ALLOWANCE						
		Total	1	2	3	7	8	9
Rate Base Assets		Residential	GS <50	GS>50-Regular	Street Light	Sentinel	Unmetered Scattered Load	
crev mi	Distribution Revenue (sale)	\$3,809,198	\$2,097,742	\$852,652	\$808,874	\$33,395	\$1,133	\$15,402
	Miscellaneous Revenue (mi)	\$325,141	\$185,480	\$79,562	\$48,429	\$7,831	\$204	\$3,635
	Total Revenue	\$4,134,339	\$2,283,222	\$932,214	\$857,303	\$41,226	\$1,337	\$19,037
di cu ad dep INPUT INT	Expenses							
	Distribution Costs (di)	\$660,050	\$351,889	\$147,932	\$85,675	\$70,673	\$1,511	\$2,369
	Customer Related Costs (cu)	\$666,773	\$435,992	\$168,085	\$48,300	\$283	\$178	\$13,936
	General and Administration (ad)	\$637,624	\$376,465	\$151,581	\$66,881	\$34,340	\$813	\$7,544
	Depreciation and Amortization (dep)	\$778,314	\$405,222	\$177,780	\$143,442	\$49,129	\$1,051	\$1,690
	PILs (INPUT)	\$346,148	\$178,993	\$78,992	\$65,932	\$21,062	\$451	\$718
	Interest	\$342,436	\$177,073	\$78,145	\$65,225	\$20,836	\$446	\$711
Total Expenses	\$3,431,345	\$1,925,633	\$802,515	\$475,454	\$196,324	\$4,449	\$26,970	
Direct Allocation		\$0	\$0	\$0	\$0	\$0	\$0	\$0
NI	Allocated Net Income (NI)	\$702,994	\$363,517	\$160,425	\$133,901	\$42,776	\$915	\$1,459
	Revenue Requirement (includes NI)	\$4,134,339	\$2,289,151	\$962,941	\$609,355	\$239,099	\$5,365	\$28,429
	Revenue Requirement Input equals Output							
Rate Base Calculation								
Net Assets								
dp gp accum dep co	Distribution Plant - Gross	\$15,885,617	\$8,249,231	\$3,625,321	\$2,962,140	\$993,921	\$21,263	\$33,742
	General Plant - Gross	\$1,480,882	\$768,415	\$337,961	\$276,933	\$92,447	\$1,978	\$3,148
	Accumulated Depreciation	(\$3,313,079)	(\$1,725,462)	(\$756,067)	(\$611,009)	(\$209,053)	(\$4,470)	(\$7,018)
	Capital Contribution	(\$1,070,494)	(\$576,961)	(\$244,459)	(\$158,589)	(\$85,774)	(\$1,834)	(\$2,876)
	Total Net Plant	\$12,982,927	\$6,715,223	\$2,962,756	\$2,469,474	\$791,541	\$16,937	\$26,996
Directly Allocated Net Fixed Assets		\$0	\$0	\$0	\$0	\$0	\$0	\$0
COP	Cost of Power (COP)	\$14,974,633	\$5,617,500	\$3,288,498	\$5,920,060	\$125,777	\$2,743	\$20,055
	OM&A Expenses	\$1,964,447	\$1,164,345	\$467,598	\$200,856	\$105,296	\$2,502	\$23,850
	Directly Allocated Expenses	\$0	\$0	\$0	\$0	\$0	\$0	\$0
	Subtotal	\$16,939,080	\$6,781,845	\$3,756,097	\$6,120,916	\$231,072	\$5,244	\$43,906
	Working Capital	\$2,540,862	\$1,017,277	\$563,415	\$918,137	\$34,661	\$787	\$6,586
Total Rate Base		\$15,523,789	\$7,732,500	\$3,526,170	\$3,387,612	\$826,202	\$17,723	\$33,582
		Rate Base Input equals Output						
Equity Component of Rate Base		\$7,761,894	\$3,866,250	\$1,763,085	\$1,693,806	\$413,101	\$8,862	\$16,791
Net Income on Allocated Assets		\$702,994	\$357,588	\$129,698	\$381,849	(\$155,098)	(\$3,112)	(\$7,933)
Net Income on Direct Allocation Assets		\$0	\$0	\$0	\$0	\$0	\$0	\$0
Net Income		\$702,994	\$357,588	\$129,698	\$381,849	(\$155,098)	(\$3,112)	(\$7,933)
RATIOS ANALYSIS								
REVENUE TO EXPENSES %		100.00%	99.74%	96.81%	140.69%	17.24%	24.92%	66.96%
EXISTING REVENUE MINUS ALLOCATED COSTS		(\$0)	(\$5,929)	(\$30,727)	\$247,948	(\$197,873)	(\$4,028)	(\$9,392)
RETURN ON EQUITY COMPONENT OF RATE BASE		9.06%	9.25%	7.36%	22.54%	-37.54%	-35.12%	-47.24%

Recalcuation of Base Revenue % by Class using Cost Allocation data net of Transformer Allowance:

Table 1:

Lakeland Power Distribution Ltd

ED-2002-0540

2009 Rate Application

EB-2008-0234

Base Revenues by Class for 2009 Based on Cost Allocation Ratios

FOR 2009	Total Revenue Requirement			Miscellaneous Revenue Requirement			Base Revenue Requirement	
Class	Revenue Requirement - Cost Allocation Net of TX Allow.	Service Revenue Requirement % - Cost Allocation	2009 Total Revenue Requirement	Miscellaneous Rev Allocation - Revised Cost Allocation	Miscellaneous Revenue %	Current Miscellaneous Revenue	Base Rev Requirement	Base Revenue Per Class %
Residential	\$2,289,151	55.37%	\$2,826,993	\$185,480	57.05%	\$248,194	\$2,578,800	55.21%
GS <50 kW	\$962,941	23.29%	\$1,189,187	\$79,562	24.47%	\$106,463	\$1,082,723	23.18%
GS ≥50 kW	\$609,355	14.74%	\$752,525	\$48,429	14.89%	\$64,804	\$687,721	14.72%
Street Light	\$239,099	5.78%	\$295,276	\$7,831	2.41%	\$10,479	\$284,797	6.10%
Sentinel	\$5,365	0.13%	\$6,626	\$204	0.06%	\$273	\$6,353	0.14%
Unmetered Scattered Load	\$28,429	0.69%	\$35,108	\$3,635	1.12%	\$4,864	\$30,244	0.65%
Back-up/Standby Power								
TOTALS	\$4,134,340	100.00%	\$5,105,714	\$325,141	100.00%	\$435,076	\$4,670,638	100.00%

The results from above were then compared to existing rate structure and adjustments made to come closer to the results from the cost allocation results (Draft Rate Order column)

Table 2:

Lakeland Power Distribution Ltd

ED-2002-0540

2009 Rate Application

EB-2008-0234

2009 Test Year Class Revenue Design

FOR 2009	Outstanding Base Revenue Requirement %			Outstanding Base Revenue Requirement \$		
Customer Class	Cost Allocation Revised	Existing Rates	Draft Rate Order	Cost Allocation	Existing Rates	Draft Rate Order
Residential	55.21%	55.59%	55.21%	\$2,578,800	\$2,596,416	\$2,578,659
GS <50 kW	23.18%	22.40%	23.18%	\$1,082,723	\$1,046,411	\$1,082,654
GS ≥ 50 kW	14.72%	20.86%	18.25%	\$687,721	\$974,411	\$852,391
Street Light	6.10%	0.87%	3.04%	\$284,797	\$40,638	\$141,987
Sentinel	0.14%	0.03%	0.07%	\$6,353	\$1,329	\$3,269
Unmetered Scattered Load	0.65%	0.24%	0.25%	\$30,244	\$11,434	\$11,677
Back-up/Standby Power						
TOTALS	100.00%	100.00%	100.00%	\$4,670,638	\$4,670,638	\$4,670,638

Resulting allocation of Revenue by Class and Revenue to Cost ratios

Table 3 (data in Column C is from Table 1)

Lakeland Power Distribution Ltd

ED-2002-0540

2009 Rate Application

EB-2008-0234

Revenue to Cost Analysis Per Cost Allocation Study

		A	B	=A+B	C	=(A+B)/C
Customer Class	Revenue to Cost Ratios Per VECC Sppl IR 6 Revised	Net Revenue Per 2009 Test Year	2009 Miscellaneous Revenue Allocation	Total Revenue Per Draft Rate Order	Total Revenue Per Revised Cost Allocation Split	Revenue to Cost Ratios Per Draft Rate Order
Residential	99.74%	2,578,659	248,194	2,826,853	2,826,993	100.00%
GS <50 kW	96.81%	1,082,654	106,463	1,189,117	1,189,187	99.99%
GS ≥ 50 kW	140.69%	852,391	64,804	917,195	752,525	121.88%
Street Light	17.24%	141,987	10,479	152,466	295,276	51.64%
Sentinel	24.92%	3,269	273	3,542	6,626	53.47%
Unmetered Scattered Load	66.96%	11,677	4,864	16,541	35,108	47.11%
Back-up/Standby Power						
TOTALS		4,670,638	435,076	5,105,714	5,105,714	

Using these Revenue to Cost Ratios and the Fixed/Volumetric split as indicated in the original Rate Application, and 2009 Billing Determinants from Load Forecast, the following Fixed and Variable Rates were determined

Lakeland Power Distribution Ltd

ED-2002-0540

2009 Rate Application

EB-2008-0234

Distribution Rate Allocation Between Fixed & Variable Rates For 2009 Test Year

FOR 2009	Net Revenue Requirement		Revenue from Monthly Service Charges - Fixed							Revenue from Volumetric Rates - Variable			
Customer Class	Total Net Revenue Requirement for 2009	Net Revenue Requirement For 2009 Percentages by Class	2008 Fixed Rates From OEB Approved Tariff	Proposed Fixed Charge Split	Proposed Volumetric Split	Fixed Rate Based on Fixed / Variable Revenue Proportions	Proposed Fixed Service Charge Rate	Annualized Customers / Connections	Total Fixed Monthly Service Charge Revenue	Total Variable Revenue	Transformer Allowance	Annualized kWh or kW as required	Resulting Variable Rate
Residential	\$2,578,659	55.21%	\$14.86	53.5%	46.5%	\$15.21	\$15.21	90,744	\$1,380,216	\$1,198,443		87,027,546	\$0.0138
GS <50 kW	\$1,082,654	23.18%	\$30.05	62.3%	37.7%	\$36.31	\$36.31	18,588	\$674,930	\$407,724		49,211,450	\$0.0083
GS ≥ 50 kW	\$852,391	18.25%	\$499.50	70.2%	29.8%	\$514.32	\$514.32	1,164	\$598,668	\$253,723	\$57,567	209,041	\$1.4891
Street Light	\$141,987	3.04%	\$0.84	60.1%	39.9%	\$3.46	\$3.46	24,696	\$85,448	\$56,539		5,336	\$10.5958
Sentinel	\$3,269	0.07%	\$1.25	55.8%	44.2%	\$3.62	\$3.62	504	\$1,824	\$1,445		115	\$12.5649
Unmetered Scattered Load	\$11,677	0.25%	\$14.89	82.8%	17.2%	\$17.91	\$17.91	540	\$9,671	\$2,005		249,040	\$0.0081
Back-up/Standby Power													
TOTALS	\$4,670,638	100.00%							\$2,750,759	\$1,919,879	\$57,567		

Lakeland Power Distribution Ltd

ED-2002-0540

2009 Rate Application

EB-2008-0234

2009 Test Year Distribution Revenue Reconciliation

	Load Forecast - Billing Determinants For 2009					Core Distribution Rates				Difference Caused By Rate Rounding		
Class	kWh	kw	Transformer Discount kw	Annualized Customers (Average)	Annualized Connections (Average)	Connection	Customer	kW	kWh	2009 Revenues Based on Applied For Rates	Rates per Fixed Variable Split Calculation	Difference
Residential	87,027,546			90,744			\$15.2100		\$0.0138	\$2,578,659	\$2,578,659	
GS <50 kW	49,211,450			18,588			\$36.3100		\$0.0083	\$1,082,654	\$1,082,654	
GS >=50 kW	87,383,887	209,041	95,945	1,164			\$514.3200	\$1.4891		\$852,391	\$852,391	
Street Light	2,007,912	5,336			24,696	\$3.4600		\$10.5958		\$141,987	\$141,987	
Sentinel	41,511	115			504	\$3.6200		\$12.5649		\$3,269	\$3,269	
Unmetered Scattered Load	249,040				540	\$17.9100			\$0.0081	\$11,677	\$11,677	
Back-up/Standby Power												
Transformer Discount								(\$0.6000)				
TOTALS	225,921,346	214,492	95,945	110,496	25,740					\$4,670,638	\$4,670,638	

Low Voltage Costs

Using the updated LV costs as per the previously submitted Draft Rate Order of \$490,440, the Low Voltage charge rates were determined using the current Retail Transmission Connection rates and 2009 Billing Determinants. These amounts generated a Retail TX/Conn Revenue for the basis of allocation. The table is provided below:

Lakeland Power Distribution Ltd

ED-2002-0540

2009 Rate Application

EB-2008-0234

Low Voltage Charges - Determination of Rates

Customer Class	Retail TX Connection Rates		Billing Determinants		Allocation of Low Voltage Charges			Low Voltage Charge Rates		
	Per kWh	per kW	Calculated kWh	Calculated kW	Retail Tx Con Revenue - Basis for Allocation (\$)	Allocation Percentages	Allocated \$	Volumetric Rate Type	Low Voltage Rates/kWh	Low Voltage Rates/ kW
Residential	\$0.0048		87,027,546		\$417,732	42.08%	\$206,381	kWh	\$0.0024	
GS <50 kW	\$0.0043		49,211,450		\$211,609	21.32%	\$104,546	kWh	\$0.0021	
GS ≥50 kW		\$1.6988	87,383,887	209,041	\$355,119	35.77%	\$175,446	kW		\$0.8393
Street Light		\$1.3133	2,007,912	5,336	\$7,008	0.71%	\$3,462	kW		\$0.6488
Sentinel		\$1.3407	41,511	115	\$154	0.02%	\$76	kW		\$0.6624
Unmetered Scattered Load	\$0.0043		249,040		\$1,071	0.11%	\$529	kWh	\$0.0021	
Back-up/Standby Power								kW		
TOTALS			225,921,346	214,492	\$992,693	100.00%	\$490,440			

Lakeland Power Distribution Ltd

ED-2002-0540

2009 Rate Application

EB-2008-0234

Rate Schedule - 2009 Test Year Rates

FOR 2009 TEST YEAR	2009 Test Year Core Distribution Rates				Low Voltage		2009 Test Year Distribution Rates Before SM Adder				2009 Total Customer Rate	
Customer Class	Connection	Customer	kW	kWh	kW	kWh	Connection	Customer	kW	kWh	Smart Meter Rate Rider (\$) per Metered Cust /Mont	Customer Rate including Smart Meter Adder
Residential		\$15.2100		\$0.0138		\$0.0024		\$15.2100		\$0.0161	\$1.0000	\$16.2100
GS <50 kW		\$36.3100		\$0.0083		\$0.0021		\$36.3100		\$0.0104	\$1.0000	\$37.3100
GS>=50 kW		\$514.3200	\$1.4891		\$0.8393			\$514.3200	\$2.3284		\$1.0000	\$515.3200
Street Light	\$3.4600		\$10.5958		\$0.6488		\$3.4600		\$11.2446			
Sentinel	\$3.6200		\$12.5649		\$0.6624		\$3.6200		\$13.2273			
Unmetered Scattered Load	\$17.9100			\$0.0081		\$0.0021	\$17.9100			\$0.0102		
Transformer Discount			(\$0.6000)						(\$0.6000)			

DEFERRAL AND VARIANCE ACCOUNTS

The Board ordered LPDL to submit in its Draft Rate Order a set a rate riders designed to recover the total amount of \$152,151 over two years. The results are in the tables below.

Billing Determinants and Allocators:

2009	Load Forecast - Billing Determinants For 2009				
Class	kWh	kw	Annualized Customers (Average)	Annualized Connections (Average)	Distribution Revenue
Residential	87,027,546	0	90,744	0	2,578,659
GS <50 kW	49,211,450	0	18,588	0	1,082,654
GS ≥50 kW	87,383,887	209,041	1,164	0	852,392
Street Light	2,007,912	5,336	7	24,696	141,987
Sentinel	41,511	115	0	504	3,269
Unmetered Scatt	249,040	0	45	540	11,677
Back-up/Standby	0	0	0	0	0
TOTALS	225,921,346	214,492	110,548	25,740	4,670,638

2009	Allocator				
Class	kWh	kw	Customer Number	Connections	Revenue
Residential	38.52%	0.00%	82.09%		55.21%
GS <50 kW	21.78%	0.00%	16.81%		23.18%
GS ≥50 kW	38.68%	97.46%	1.05%		18.25%
Street Light	0.89%	2.49%	0.01%		3.04%
Sentinel	0.02%	0.05%	0.00%		0.07%
Unmetered Scatt	0.11%	0.00%	0.04%		0.25%
TOTALS	100.0%	100.0%	100.0%	0.0%	100.0%

Sheet 2 - Rate Riders Calculation
Lakeland Power Distribution

Regulatory Asset Accounts:	Amount	ALLOCATOR	Unmetered						Total
			Residential	GS <50 kW	GS>=50 kW	Street Light	Sentinel	Scattered Load	
WMSC - Account 1580	\$ (193,208)	kWh	\$ (74,426)	\$ (42,086)	\$ (74,731)	\$ (1,717)	\$ (36)	\$ (213)	\$ (193,208)
One-Time WMSC - Account 1582	\$ 2	kWh	\$ 1	\$ 0	\$ 1	\$ 0	\$ 0	\$ 0	\$ 2
Network - Account 1584	\$ (557,052)	kWh	\$ (214,583)	\$ (121,340)	\$ (215,462)	\$ (4,951)	\$ (102)	\$ (614)	\$ (557,052)
Connection - Account 1586	\$ (606,411)	kWh	\$ (233,596)	\$ (132,092)	\$ (234,553)	\$ (5,390)	\$ (111)	\$ (668)	\$ (606,411)
Power - Account 1588	\$ 1,367,162	kWh	\$ 526,647	\$ 297,803	\$ 528,803	\$ 12,151	\$ 251	\$ 1,507	\$ 1,367,162
Subtotal - RSVA	\$ 10,493		\$ 4,042	\$ 2,286	\$ 4,058	\$ 93	\$ 2	\$ 12	\$ 10,493
Other Regulatory Assets - Account 1508	\$ 145,083	Dx Revenue	\$ 80,100	\$ 33,630	\$ 26,478	\$ 4,411	\$ 102	\$ 363	\$ 145,083
Retail Cost Variance Account - Acct 1518	\$ (50,419)	# of Customers	\$ (41,386)	\$ (8,478)	\$ (531)	\$ (3)	\$ -	\$ (21)	\$ (50,419)
Retail Cost Variance Account (STR) Acct 1548	\$ 77,924	# of Customers	\$ 63,965	\$ 13,103	\$ 820	\$ 5	\$ -	\$ 32	\$ 77,924
Rebate Cheques - Acct 1525	\$ -		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
LV Variance Account - Acct 1550	\$ (30,931)	Dx Revenue	\$ (17,077)	\$ (7,170)	\$ (5,645)	\$ (940)	\$ (22)	\$ (77)	\$ (30,931)
Smart Meter Account - Acct 1555/1556		deferred						\$	\$ -
CDM - Acct 1565/1566	\$ 0								
Transition Costs - Acct 1570	\$ (0)								
Pre-Market Opening - Acct 1571	\$ 0								
Extraordinary Event Losses - Acct 1572	\$ -								\$ -
Deferred Rate Impact Amounts - Acct 1574	\$ -								\$ -
Other Deferred Credits - Acct 2425	\$ -								\$ -
Subtotal - Non RSVA	\$ 141,658		\$ 85,602	\$ 31,085	\$ 21,122	\$ 3,472	\$ 80	\$ 297	\$ 141,658
Total to be Recovered	\$ 152,151		\$ 89,644	\$ 33,371	\$ 25,181	\$ 3,565	\$ 82	\$ 308	\$ 152,151

Class	
Regulatory Asset Rate Riders-ALL	\$ 152,151
Billing Determinants	

Unmetered					
Residential	GS <50 kW	GS>=50 kW	Street Light	Sentinel	Scattered Load
\$ 0.0010	\$ 0.0007	\$ 0.1205	\$ 0.0018	\$ 0.7115	\$ 0.0012
kWh	kWh	kW	kWh	kW	kWh

RAR Rate Riders	Over One Year		Over Two Years	
	per kWh	per kW	per kWh	per kW
Residential	0.0010		0.0005	
GS <50 kW	0.0007		0.0003	
GS>=50 kW		0.1205		0.0602
Street Light	0.0018		0.0009	
Sentinel		0.7115		0.3558
Unmetered Scatt	0.0012		0.0006	

Appendix A

Draft 2009 Tariff of Rates and Charges

June 8, 2009

Lakeland Power Distribution Ltd.

Tariff OF RATES AND CHARGES Effective May 1, 2009

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

EB-2008-0234

MONTHLY RATES AND CHARGES

Residential

Service Charge	\$	15.21
Distribution Volumetric Rate	\$/kWh	0.0161
Regulatory Asset Recovery Rider	\$/kWh	0.0005
Smart Meter Rate Rider	\$	1.00
Retail Transmission Rate – Network Service Rate	\$/kWh	0.0044
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kWh	0.0039
Wholesale Market Service Rate	\$/kWh	0.0052
Rural Rate Protection Charge	\$/kWh	0.0010
Standard Supply Service – Administrative Charge (if applicable)	\$	0.25

General Service Less Than 50 kW

Service Charge	\$	36.31
Distribution Volumetric Rate	\$/kWh	0.0104
Regulatory Asset Recovery Rider	\$/kWh	0.0003
Smart Meter Rate Rider	\$	1.00
Retail Transmission Rate – Network Service Rate	\$/kWh	0.0041
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kWh	0.0036
Wholesale Market Service Rate	\$/kWh	0.0052
Rural Rate Protection Charge	\$/kWh	0.0010
Standard Supply Service – Administrative Charge (if applicable)	\$	0.25

General Service 50 to 4,999 kW

Service Charge	\$	514.32
Distribution Volumetric Rate	\$/kW	2.3284
Regulatory Asset Recovery Rider	\$/kW	0.0602
Retail Transmission Rate – Network Service Rate	\$/kW	1.7390
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kW	1.5184
Wholesale Market Service Rate	\$/kWh	0.0052
Rural Rate Protection Charge	\$/kWh	0.0010
Standard Supply Service – Administrative Charge (if applicable)	\$	0.25

Unmetered Scattered Load

Service Charge (per connection)	\$	17.91
Distribution Volumetric Rate	\$/kWh	0.0102
Regulatory Asset Recovery Rider	\$/kWh	0.0006
Retail Transmission Rate – Network Service Rate	\$/kWh	0.0041
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kWh	0.0036
Wholesale Market Service Rate	\$/kWh	0.0052
Rural Rate Protection Charge	\$/kWh	0.0010
Standard Supply Service – Administrative Charge (if applicable)	\$	0.25

Sentinel Lighting

Service Charge (per connection)	\$	3.62
Distribution Volumetric Rate	\$/kW	13.2273
Regulatory Asset Recovery Rider	\$/kW	0.3558
Retail Transmission Rate – Network Service Rate	\$/kW	1.2995
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kW	1.1190
Wholesale Market Service Rate	\$/kWh	0.0052
Rural Rate Protection Charge	\$/kWh	0.0010
Standard Supply Service – Administrative Charge (if applicable)	\$	0.25

Street Lighting

Service Charge (per connection)	\$	3.46
Distribution Volumetric Rate	\$/kW	11.2446
Regulatory Asset Recovery Rider	\$/kW	0.3387
Retail Transmission Rate – Network Service Rate	\$/kW	1.2667
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kW	1.1083
Wholesale Market Service Rate	\$/kWh	0.0052
Rural Rate Protection Charge	\$/kWh	0.0010
Standard Supply Service – Administrative Charge (if applicable)	\$	0.25

Specific Service Charges**Customer Administration**

Arrears certificate	\$	15.00
Statement of account	\$	15.00
Request for other billing information	\$	15.00
Income tax letter	\$	15.00
Returned cheque charge (plus bank charges)	\$	15.00
Legal letter charge	\$	15.00
Account set up charge/change of occupancy charge (plus credit agency costs if applicable)	\$	30.00
Special meter reads	\$	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 at meter - during regular hours	\$	65.00
Disconnect/Reconnect at meter - after regular hours	\$	185.00
Disconnect/Reconnect at pole - during regular hours	\$	185.00
Disconnect/Reconnect at pole - after regular hours	\$	415.00

Temporary service install & remove - overhead - no transformer	\$	500.00
Install/Remove load control device - during regular hours	\$	65.00
Install/Remove load control device - after regular hours	\$	185.00
Specific Charge for Access to the Power Poles \$/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)
	\$/kW	0.00
	\$/kW	0.00

LOSS FACTORS

Total Loss Factor – Secondary Metered Customer < 5,000 kW	1.0585
Total Loss Factor – Secondary Metered Customer > 5,000 kW	0.0000
Total Loss Factor – Primary Metered Customer < 5,000 kW	1.0480
Total Loss Factor – Primary Metered Customer > 5,000 kW	0.0000

Appendix B

Draft 2009 Bill Impacts

June 8, 2009

Residential Consumption	2008 BILL			2009 BILL			RATE CHANGE IMPACTS		
1,000 kWh	Volume	RATE \$	CHARGE \$	Volume	RATE \$	CHARGE \$	Rate Change Impact \$	Change %	As a % of 2008 Total Bill
Monthly Service Charge			\$14.61			\$15.19	\$0.58	3.97%	0.54%
Distribution (kWh)	1,000	\$0.0131	\$13.10	1,000	\$0.0161	\$16.13	\$3.03	23.13%	2.81%
Smart Meter Rider (per month)			\$0.25			\$1.00	\$0.75	300.00%	0.70%
SSS Administration (per month)			\$0.25			\$0.25			
Regulatory Assets (kWh)	1,000			1,000	\$0.0005	\$0.50	\$0.50	#DIV/0!	0.46%
Distribution Sub-Total			\$28.21			\$33.07	\$4.86	17.23%	4.51%
Cost of Power Commodity (kWh)	600	\$0.0500	\$30.00	600	\$0.0500	\$30.00			
Cost of Power Commodity (kWh)	443	0.0590	\$26.14	459	0.0590	\$27.08	\$0.94	3.60%	0.87%
Transmission (kWh)	1,043	0.0095	\$9.91	1,059	0.0083	\$8.79	(\$1.12)	(11.30%)	(1.04%)
Wholesale Market Service (kWh)	1,043	0.0062	\$6.47	1,059	0.0062	\$6.57	\$0.10	1.55%	0.09%
Debt retirement charge (kWh)	1,000	0.0070	\$7.00	1,000	0.0070	\$7.00			
Cost of Power Sub-Total			\$79.52			\$79.44	(\$0.08)	(0.10%)	(0.07%)
Total Bill before GST			\$107.73			\$112.51	\$4.78	4.44%	4.44%

GS <50 kW Consumption	2008 BILL			2009 BILL			RATE CHANGE IMPACTS		
2,000 kWh	Volume	RATE \$	CHARGE \$	Volume	RATE \$	CHARGE \$	Rate Change Impact \$	Change %	As a % of 2008 Total Bill
Monthly Service Charge			\$29.80			\$36.28	\$6.48	21.74%	3.07%
Distribution (kWh)	2,000	\$0.0097	\$19.40	2,000	\$0.0104	\$20.80	\$1.40	7.22%	0.66%
Smart Meter Rider (per month)			\$0.25			\$1.00	\$0.75	300.00%	0.36%
SSS Administration (per month)			\$0.25			\$0.25			
Regulatory Assets (kWh)	2,000			2,000	\$0.0003	\$0.60	\$0.60	#DIV/0!	0.28%
Distribution Sub-Total			\$49.70			\$58.93	\$9.23	18.57%	4.38%
Cost of Power Commodity (kWh)	750	\$0.0500	\$37.50	750	\$0.0500	\$37.50			
Cost of Power Commodity (kWh)	1,336	0.0590	\$78.82	1,367	0.0590	\$80.65	\$1.83	2.32%	0.87%
Transmission (kWh)	2,086	0.0086	\$17.94	2,117	0.0077	\$16.30	(\$1.64)	(9.14%)	(0.78%)
Wholesale Market Service (kWh)	2,086	0.0062	\$12.93	2,117	0.0062	\$13.13	\$0.20	1.55%	0.09%
Debt retirement charge (kWh)	2,000	0.0070	\$14.00	2,000	0.0070	\$14.00			
Cost of Power Sub-Total			\$161.19			\$161.58	\$0.39	0.24%	0.18%
Total Bill before GST			\$210.89			\$220.51	\$9.62	4.56%	4.56%

GS >50 kW Consumption kWh & kW		2008 BILL			2009 BILL			RATE CHANGE IMPACTS		
400,000	1,050	Volume	RATE \$	CHARGE \$	Volume	RATE \$	CHARGE \$	Rate Change Impact \$	Change %	As a % of 2008 Total Bill
Monthly Service Charge				\$499.25			\$514.32	\$15.07	3.02%	0.04%
Distribution (kW)		1,050	\$2.6507	\$2,783.24	1,050	\$2.3284	\$2,444.85	(\$338.39)	(12.16%)	(0.97%)
Smart Meter Rider (per month)				\$0.25			\$1.00	\$0.75	300.00%	0.00%
SSS Administration (per month)				\$0.25			\$0.25			
Regulatory Assets (kW)		1,050			1,050	\$0.0602	\$63.21	\$63.21	#DIV/0!	0.18%
Distribution Sub-Total				\$3,282.99			\$3,023.63	(\$259.36)	(7.90%)	(0.74%)
Cost of Power Commodity (kWh)		417,120	0.0545	\$22,733.04	423,400	0.0545	\$23,075.30	\$342.26	1.51%	0.98%
Transmission (kW)		1,050	3.4387	\$3,610.64	1,050	3.2574	\$3,420.27	(\$190.37)	(5.27%)	(0.54%)
Wholesale Market Service (kWh)		417,120	0.0062	\$2,586.14	423,400	0.0062	\$2,625.08	\$38.94	1.51%	0.11%
Debt retirement charge (kWh)		400,000	0.0070	\$2,800.00	400,000	0.0070	\$2,800.00			
Cost of Power Sub-Total				\$31,729.82			\$31,920.65	\$190.83	0.60%	0.55%
Total Bill before GST				\$35,012.81			\$34,944.28	(\$68.53)	(0.20%)	(0.20%)

USL Consumption kWh & Connections		2008 BILL			2009 BILL			RATE CHANGE IMPACTS		
5,534	1	Volume	RATE \$	CHARGE \$	Volume	RATE \$	CHARGE \$	Rate Change Impact \$	Change %	As a % of 2008 Total Bill
Monthly Connection Charge		1	\$14.8900	\$14.89	1	\$17.9100	\$17.91	\$3.02	20.28%	0.57%
Distribution (kWh)		5,534	\$0.0097	\$53.68	5,534	\$0.0102	\$56.32	\$2.64	4.92%	0.50%
Regulatory Assets (kWh)		5,534	\$0.0000	\$0.00	5,534	\$0.0006	\$3.32	\$3.32	#DIV/0!	0.62%
Distribution Sub-Total				\$68.57			\$77.55	\$8.98	13.10%	1.68%
Cost of Power Commodity (kWh)		5,771	0.0590	\$340.49	5,858	0.0590	\$345.62	\$5.13	1.51%	0.96%
Transmission (kWh)		5,771	0.0086	\$49.63	5,858	0.0077	\$45.11	(\$4.52)	(9.11%)	(0.85%)
Wholesale Market Service (kWh)		5,771	0.0062	\$35.78	5,858	0.0062	\$36.32	\$0.54	1.51%	0.10%
Debt retirement charge (kWh)		5,534	0.0070	\$38.74	5,534	0.0070	\$38.74	\$0.00	0.00%	0.00%
Cost of Power Sub-Total				\$464.64			\$465.79	\$1.15	0.25%	0.22%
Total Bill before GST				\$533.21			\$543.34	\$10.13	1.90%	1.90%