



WELLAND HYDRO-ELECTRIC SYSTEM CORP.

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July 16, 2009

Delivered by Courier and E-File

Ms. Kristen Walli
Board Secretary
Ontario Energy Board
P.O. Box 2319, 27th Floor
2300 Yonge Street
Toronto, ON M4P 1E4

Dear Ms. Walli:

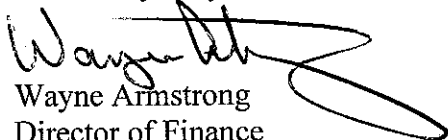
Re: Welland Hydro-Electric System Corp.
2009 Distribution Rates Application
Board File No. EB-2008-0247
Draft Rate Order

This will acknowledge receipt of the Ontario Energy Board's Decision and Order dated July 7, 2009. As directed, Welland Hydro-Electric System Corp. submits two (2) paper copies of its Draft Rate Order for the 2009 Distribution Rate Application OEB File No. EB-2008-0247 and encloses the following:

1. Manager's Summary;
2. RRWF excel model; and
3. Proposed Tariff of Rates and Charges

An electronic copy has been filed using the OEB's E-filing services.

Yours very truly,



Wayne Armstrong
Director of Finance
905-732-1381 Ext 234
905-732-0266 Fax
Email: warmstrong@wellandhydro.com

WELLAND HYDRO-ELECTRIC SYSTEM CORP.

DRAFT RATE ORDER

EB-2008-0247

1) MANAGER'S SUMMARY

- A) Revenue Requirement
- B) Load Forecast
- C) Other Distribution Revenue
- D) Operating, Maintenance and Administrative Expenses
- E) Payment in Lieu of Taxes ("PILs")
- F) Capital Expenditures and Rate Base
- G) Smart Meters
- H) Cost of Capital and Capital Structure
- I) Cost Allocation and Rate Design
- J) Deferral and Variance Accounts
- K) Implementation

A) Revenue Requirement

In its original application filed August 15, 2008 Welland Hydro requested a revenue requirement of \$9,347,747. This was later adjusted to \$9,145,865 in a revised application submitted on January 20, 2009. Changes required as a result of the Board's Decision and Order on July 7, 2009 reduces the revenue requirement to \$9,107,846. The changes made by Welland Hydro as a result of the Decision and Order are outlined in the sections below.

B) Load Forecast

The Board accepted Welland Hydro's customer count and load forecast in the Revised Application subject to one adjustment;

- i) Residential load forecast to be based on HONI's NAC data used in the original application

In Exhibit C of the revised application Welland Hydro reduced Distribution Revenues at Current Rates by \$284,279 from the original application. This included an \$11,323 reduction for the change in the Residential Class which has not been allowed by the Board. As a result, the total Distribution Revenues at Current Rates has been revised as follows:

Distribution Revenues at Current Rates (Original)	\$7,093,092
Reduction in Exhibit C Revised Application	<u>(284,479)</u>
Distribution Revenues at Current Rates (Revised)	\$6,808,613
Adjustment per Decision & Order	<u>11,323</u>
Distribution Revenues at Current Rates(Rate Order)	<u>\$6,819,936</u>

This can be seen in Exhibit C Summary of Distribution & Other Revenues, Exhibit F Revenue Deficiency, and Exhibit O Revenue Requirement Work Form (RRWF) Page 2.

C) Other Distribution Revenue

Welland Hydro submitted \$656,350 of Other Distribution Revenue in the Original Application. In the revised application, Welland Hydro reduced Other Distribution Revenues by \$87,959 to \$568,391 which was mainly due to decreased interest rates. Energy Probe made objections to Interest Earned as a result of the inclusion of interest on regulatory assets. Energy Probe made a number of other submissions on other miscellaneous revenues earned. In the Decision & Order the Board ordered the removal of the interest on regulatory assets but found no changes were required to the other miscellaneous revenues. As a result, the final Other Distribution Revenue has been revised to \$581,381 as follows:

Other Distribution Revenue (Original)	\$656,350
Decrease in Interest Revenue-Interest Rates	(87,995)
SSA Administrative Revenue	<u>36</u>
Other Distribution Revenue (Revised)	\$568,391
Exclude Regulatory Interest	<u>13,140</u>
Other Distribution Revenue (Rate Order)	<u>\$581,531</u>

This can be seen in Exhibit C Summary of Distribution & Other Revenues, Exhibit F Revenue Deficiency, and Exhibit O Revenue Requirement Work Form (RRWF) Page 2.

D) Operating, Maintenance, and Administrative Expenses ("OM&A")

In the Original Application Welland Hydro requested \$5,113,936 in total OM&A expenses. In the Revised Application Welland Hydro reduced forecasted expenses by \$193,847 to help offset lost revenues due to the loss of two large users. The Revised Application OM & A expenses totaled \$4,920,089. In its Decision & Order the Board accepted the amount in the Revised Application with the exception of the change to a four year amortization of regulatory costs resulting in a reduction of \$6,250 in OM&A expenses. As a result, the final OM&A expenses have been revised to \$4,913,837 as follows:

OM&A Expenses (Original)	\$5,113,936
Decreases proposed by Welland Hydro	<u>(193,847)</u>
OM& A Expenses (Revised)	\$4,920,089
Regulatory Expenses (4 yr amortization)	<u>(6,250)</u>
OM& A Expenses (Rate Order)	<u>\$4,913,837</u>

This can be seen in Exhibit B Summary of Rate Base Changes, Exhibit F Revenue Deficiency, and Exhibit O Revenue Requirement Work Form (RRWF) Page 2.

E) Payment in Lieu of Taxes ("PILs")

The Board addressed the following issues with regards to PILs in its Decision and Order;

- i) PILS Methodolgy
- ii) Use of Latest Tax Rates & CCA Amounts
- iii) Apprenticeship Tax Credit

i) PILS Methodology

In both the Original and Revised Applications Welland Hydro used a "Top Down" approach to calculate PILS expenses. The Top Down approach assumes revenues and cost are known and that taxable income can be determined to calculate income taxes in a manner similar to the process used to submit a tax return. In its Decision & Order the Board rejected this methodology and ordered the Return on Equity Method be used. Exhibit E shows Welland Hydro's revised PILS expense calculation using Return on Equity as the starting point. The revised PILS expense is calculated to be \$446,947 (\$420,101 Income Tax and \$26,846 Ontario Capital Tax).

This can be seen in Exhibit F Revenue Deficiency, and Exhibit O Revenue Requirement Work Form (RRWF) Page 2.

ii) Use of Latest Tax Rates & CCA Amounts

To Welland Hydro's knowledge it has used the most appropriate Federal and Ontario Tax rates detailed in Exhibit E. In response to Board Staff Supplemental Interrogatory No. 12, Welland Hydro provided an revised CCA schedule to reflect the most recent change to the Federal CCA to 100% for Computers and System Software purchased from January 27, 2009 to February, 2011. The revised CCA schedule also included the affects of reducing capital spending by \$280,000 submitted by Welland Hydro in the Revised Application. A copy of the revised CCA schedule has been provided in Exhibit D. As a result of the above changes, the CCA was increased by \$9,462 from \$1,590,579 in the Original Application to \$1,600,041. Welland Hydro has included this change in the Adjustments Required to arrive at Taxable Income. This amount was \$65,019 in the Original and Revised Applications and has been adjusted to \$55,620 for the Rate Order.

This can be seen in Exhibit E Regulatory Gross Up PILs, Exhibit F Revenue Deficiency, and Exhibit O Revenue Requirement Work Form (RRWF) Page 2.

iii) Apprenticeship Tax Credits

In its Decision & Order the Board found that Welland Hydro had accounted for the Apprenticeship Tax Credits correctly. Exhibit E details that Welland Hydro has used a \$10,000 deduction for Apprenticeship Tax Credits in calculating Grossed Up PILs.

F) Capital Expenditures and Rate Base

i) Capital Expenditures

The Board Accepted Welland Hydro's proposal to decrease capital expenditures by \$280,000 to \$2,278,000 in the Revised Application from \$2,558,000 in the Original application. Exhibit B Summary of Rate Base Changes details the adjustments made for this reduction in Gross Fixed Assets, Accumulated Depreciation, and OM&A expenses.

This can be seen in Exhibit O Revenue Requirement Work Form (RRWF) Page 2 & 3.

ii) Working Capital

The Board ordered Welland Hydro to revise the Rate Base to reflect all of the necessary changes in capital spending and OM&A expenses which can be seen in Exhibit B. In addition, the Board ordered Welland to recalculate the Cost of Power used for determining Working Capital Allowance to include the change in load forecasts, the approved new Retail Transmission (Network & Connection) and Rural Rate Protection rates, and the latest approved RPP of \$0.06072/kwh. Exhibit A attached shows the detail to arrive at the \$37,173,850 Cost of Power contained in the Original Application along with the detail to arrive at the amount of \$35,671,999 used for the Rate Order.

This can be seen in Exhibit O Revenue Requirement Work Form (RRWF) Page 2 & 3.

G) Smart Meters

In its Decision & Order the Board agreed with Welland Hydro's proposal to leave the Smart Meter Rate Adder at \$.27 per month as opposed to \$1.00 per month. This was proposed by Welland Hydro as rate mitigation for the Residential and GS<50 customer classes.

H) Cost of Capital and Capital Structure

In its Decision & Order the Board approved the following capital structure and cost rates:

<u>Capital Component</u>	<u>Total Capital Structure(%)</u>	<u>Cost Rate%</u>
Long-Term Debt	52.7	7.62
Short-Term Debt	4.0	1.33
Equity	43.3	8.01
Total	100.0	7.54

Exhibit F Revised Revenue deficiency shows the calculation of Deemed Interest Expense of \$1,095,828 and Return on Equity of \$934,073.

D) Cost Allocation and Rate Design

i) Line Losses

The Board Approved the reduction in the Distribution Loss Factor from 1.0552 to 1.0485 to produce a Total Loss Factor of 1.0532 which is a reduction from the current rate of 1.0599. These changes have been reflected in Exhibit M – Proposed Tariff of Rates and Charges attached.

ii) Revenue to Cost Ratios

The Board Approved the Revenue to Cost Ratios by Customer Class as set out in Welland Hydro's Final Submission-Addendum filed on March 30, 2009 as follows:

Residential	102.43%
GS<50	80.05%
GS 50 to 4,999	72.62%
Large Use	100.73%
Street Lighting	40.14%
Sentinel Lighting	52.69%
USL	101.44%

Exhibit G and H attached show that Welland Hydro has maintained these revenue to cost ratios in determining final rates. The only change that was made was to apply these ratios to the revised Base Revenue Requirement which has been reduced to \$8,526,315 as a result of changes in the Decision & Order.

Welland Hydro was also ordered to bring all classes to within the approved targeted ranges during the 2010 IRM process.

iii) Transformer Ownership Allowance

The Board accepted Welland Hydro's proposal to increase the amount from \$0.60/kW to \$0.70/kW. These changes have been reflected in Exhibit M - Proposed Tariff of Rates and Charges attached.

iv) Rate Design

The Board approved Welland Hydro's proposal as filed. Exhibit I attached shows the revised fixed and variable rates when applied in the same manner to the revised Base Revenue Requirement. Small reductions in all fixed and variable rates across all customer classes resulted from the decrease in the Base Revenue Requirement in the Rate Order. The revised rates have been reflected below and in Exhibit M – Proposed Tariff of Rates and Charges attached.

1		Monthly	Smart	Total Monthly	Volumetric
2	<u>Customer Class</u>	<u>Distribution</u>	<u>Meter</u>	<u>Service Charge</u>	<u>Charge</u>
3					
4	Residential	\$14.92	\$0.27	\$15.19	\$.015/kwh
5	GS<50 kW	\$24.59	\$0.27	\$24.86	\$.0086/kwh
6	GS 50 to 4,999 kW	\$307.10	\$0.27	\$307.37	\$1.2883/kW
7	Large Use	\$12,860.62	\$0.27	\$12,860.89	\$.8677/kW
8	Street Light	\$1.38		\$1.38	\$5.8581/kW
9	Sentinel Light	\$1.93		\$1.93	\$4.4031/kW
10	Unmetered	\$13.42		\$13.42	\$.0093/kwh
11	Transformer Allowance				\$(0.70)/kW

12
13 Bill Impacts for Residential (1000 kwh) and GS<50 (2,000 kwh) are contained in Exhibit N.

14
15 v) Retail Transmission Service & Rural Rate Protection Rates

16
17 The Board approved Welland Hydro's revised Retail Transmission Service Rates (Network &
18 Connection) filed on November 3, 2008.

19
20 The Board approved Welland Hydro's revised Rural Rate Protection Rates filed on December
21 18, 2008.

22
23 The above changes have been reflected in Exhibit M – Proposed Tariff of Rates and Charges.

24
25 **J) Deferral and Variance Accounts**

26
27 The Board accepted Welland Hydro's total dollars and methodology to dispose (\$798,772) in
28 regulatory assets over the next two years. The 2009 forecasted volumes were adjusted for the
29 change required to the Residential Class. In addition, Welland Hydro has adjusted the rates to
30 account for the August 1, 2009 versus May 1, 2009 implementation of the rate rider. Exhibit J
31 shows the revised rate riders to reflect the disposition over 1.75 years instead of 2 years.

32
33 **K) Implementation**

34
35 The Board has directed Welland Hydro to establish the 2009 rates assuming a twelve month
36 recovery period. The implementation date of the Final Rate Order will be August 1, 2009. As
37 directed, Welland Hydro has calculated the rate riders that are necessary to recover the three
38 months of foregone distribution revenue. Welland Hydro proposes to recover the foregone
39 monthly service charges and volumetric revenues over a nine month period until April 30, 2010.
40 Exhibit K details the calculation of the Foregone Revenue Rate Riders-Monthly Service Charge.
41 Exhibit L details the calculation of the Foregone Revenue Rate Riders-Volumetric. A review of
42 usage between May 1 to July 31 for previous years shows this period represents between 26% to
43 27% of annual volumes. However, for ease of calculation, Welland Hydro has assumed a
44 constant usage throughout the year and requested recovery based on 25% of the annual volumes.

Exhibit A

WELLAND HYDRO-ELECTRIC SYSTEM CORP.
2009 TEST YEAR COST OF POWER
APPLICATION

Customer Class	A Customers	A Distribution Volume kwh/kw	B Loss Factor	C Wholesale Market Rate	A x B x C Wholesale Market Revenue	D RTR Network Rate	A x B x D RTR Network Revenue	E RTR Connect Rate	A x B x E RTR Connect Revenue	F Cost of Power Rate	A x B x F Cost of Power Revenue
Residential-kwh	19,818	166,999,701	1.0599	0.0062	1,097,418	0.0056	991,217	0.0047	831,914	0.0593	10,490,947
General <50-kwh	1,695	54,639,337	1.0599	0.0062	359,056	0.0049	283,770	0.0043	249,023	0.0593	3,432,452
General 50-5000 kw	179	393,395									
General 50-5000 Prim/Int - kw		173,094				1.6874	292,078	1.7356	300,422	0.0593	3,705,114
General 50-5000 Second - kw		220,301				1.7011	374,754	1.4490	319,216	0.0593	4,763,236
General 50-5000 Prim/Int - kwh		59,575,510	1.0493	0.0062	387,578						
General 50-5000 Second - kwh		75,823,376	1.0599	0.0062	498,264						
Large User -kw	3	300,555				1.2364	371,606	1.9274	579,290	0.0593	6,626,192
Large User -kwh		111,296,111	1.0045	0.0062	693,141						
Unmetered Scattered-kwh	208	1,072,774	1.0599	0.0062	7,050	0.0049	5,571	0.0043	4,889	0.0593	67,392
Sentinel Lights-kw	721	2,592				1.5844	4,107	1.3496	3,498	0.0593	68,996
Sentinel Lights-kwh		1,098,311	1.0599	0.0062	7,217						
Street Lights-kw	6,677	13,262				1.5809	12,862	1.3466	17,859	0.0593	296,686
Street Lights-kwh		4,722,781	1.0599	0.0062	31,035						
TOTAL COST OF POWER		\$37,173,850			3,080,760		2,335,966		2,306,110		29,451,014

WELLAND HYDRO-ELECTRIC SYSTEM CORP.
2009 TEST YEAR COST OF POWER
BOARD DECISION

Customer Class	A Customers	A Distribution Volume kwh/kw	B Loss Factor	C Wholesale Market Rate	A x B x C Wholesale Market Revenue	D RTR Network Rate	A x B x D RTR Network Revenue	E RTR Connect Rate	A x B x E RTR Connect Revenue	F Cost of Power Rate	A x B x F Cost of Power Revenue
Residential-kwh	19,818	166,999,701	1.0532	0.0065	1,143,247	0.0062	1,090,481	0.0050	879,420	0.06072	10,679,682
General <50-kwh	1,717	55,348,528	1.0532	0.0065	378,905	0.0055	320,612	0.0045	262,319	0.06072	3,539,555
General 50-5000 kw	171	440,796									
General 50-5000 Prim/Int - kw		193,950				1.8773	364,102	1.9303	354,987	0.06072	4,479,004
General 50-5000 Second - kw		246,846				1.8926	467,181	1.5280	377,181	0.06072	5,757,955
General 50-5000 Prim/Int - kwh		70,744,109	1.0427	0.0065	479,472						
General 50-5000 Second - kwh		90,037,957	1.0532	0.0065	616,382						
Large User -kw	1	169,553				1.3756	233,237	2.0325	344,616	0.06072	3,037,719
Large User -kwh		49,804,199	1.0045	0.0065	325,184						
Unmetered Scattered-kwh	208	1,072,774	1.0532	0.0065	7,344	0.0055	6,214	0.0045	5,084	0.06072	68,604
Sentinel Lights-kw	721	2,592				1.7627	4,569	1.4232	3,689	0.06072	70,237
Sentinel Lights-kwh		1,098,311	1.0532	0.0065	7,519						
Street Lights-kw	6,677	13,262				1.7588	14,310	1.4201	18,833	0.06072	302,023
Street Lights-kwh		4,722,781	1.0532	0.0065	32,331						
TOTAL COST OF POWER		\$35,671,999			2,990,383		2,500,706		2,246,130		27,934,780

**Welland Hydro-Electric System Corp.
Summary of Rate Base Changes
Exhibit B**

	<u>2008 Bridge Year</u>	<u>2009 Test Year Filing</u>	<u>Reduced Capital Spending</u>	<u>2009 Test Year Rate Base Board Decision</u>
Gross Fixed Assets	\$44,476,751	\$47,034,751	-\$280,000	\$46,754,751
Accumulated Depreciation	<u>\$23,913,517</u>	<u>\$25,635,344</u>	<u>-\$4,667</u>	<u>\$25,630,677</u>
Net Book Value	\$20,563,234	\$21,399,407	-\$275,333	\$21,124,074
Average Net Book Value	\$20,310,343	\$20,981,320		\$20,843,654
Working Capital	\$41,017,457	\$42,287,786		\$42,287,786
Working Capital Allowance	<u>\$6,152,619</u>	<u>\$6,343,168</u>		<u>\$6,087,875</u>
Rate Base	<u>\$26,462,961</u>	<u>\$27,324,488</u>		<u>\$26,931,529</u>
		<u>Revised Application Changes</u>	<u>Revised Submission Changes</u>	<u>Final Working Capital Board Decision</u>
Cost of Power	\$37,173,850			\$35,671,999
OM&A Expenses	\$5,113,936	-\$193,849	-\$6,250	\$4,913,837
Total Working Capital Listed Above	\$42,287,786			\$40,585,836
Working Capital Allowance	15% \$6,343,168			\$6,087,875

WELLAND HYDRO ELECTRIC SYSTEM CORP
EXHIBIT C
SUMMARY OF DISTRIBUTION (Current Rates) & OTHER REVENUES

	2009 Original Test Yr Current Rates (\$)	2009 Revised Test Yr Current Rates (\$)	2009 Decision Test Yr Current Rates (\$)
Distribution Services Revenue-Monthly			
Residential	3,063,071	3,063,071	3,063,071
General Service Less Than 50 kw	389,104	394,155	394,155
General Service 50 to 4999 kw	412,029	393,615	393,615
Large Use	383,265	127,755	127,755
Unmetered Scattered Load*	24,236	24,236	24,236
Sentinel Lighting	3,115	3,115	3,115
Street Lighting	14,422	14,422	14,422
Total Distribution Revenue Monthly	4,289,242	4,020,369	4,020,369
Distribution Services Revenue-Volumetric			
Residential	2,170,996	2,159,673	2,170,996
General Service Less Than 50 kw	366,084	370,835	370,835
General Service 50 to 4999 kw	316,565	354,709	354,709
Large Use	215,889	121,790	121,790
Unmetered Scattered Load*	7,188	7,188	7,188
Sentinel Lighting	2,133	2,133	2,133
Street Lighting	10,196	10,196	10,196
Total Distribution Revenue Volumetric	3,089,051	3,026,524	3,037,847
Transformer Allowance-General Service 50 to 4999 kW	-104,868	-136,548	-136,548
Transformer Allowance-Large Use	-180,333	-101,732	-101,732
Total Distribution Services Revenue-Current Rates	7,093,092	6,808,613	6,819,936
SSA Administrative Revenue	72,780	72,816	72,816
Retail Services Revenue	35,174	35,174	35,174
Service Transaction Requests	2,040	2,040	2,040
Rent from Electric Property	149,031	149,031	149,031
Late Payment Charges	66,000	66,000	66,000
Misc-Account Status Fee	3,960	3,960	3,960
Misc Service-NSF Charges	6,480	6,480	6,480
Misc Service-Occupancy Related	83,880	83,880	83,880
Misc Service-Disconnect/Reconnect	31,135	31,135	31,135
Misc Service-Mark Up on Work Orders	24,000	24,000	24,000
Scrap Metal Sales	12,000	12,000	12,000
Miscellaneous Non Operating	7,020	7,020	7,020
Interest Income Bank Account	175,990	87,995	87,995
Interest Variance Accounts	-13,140	-13,140	0
Other Income & Reveune	656,350	568,391	581,531
Total Operating Revenue	7,749,442	7,377,004	7,401,467

CCA Continuity Schedule (2009)

Class	Class Description	UCC Prior Year Ending Balance	Less: Distribution Portion	Less: Disallowed FMV Increment	UCC Bridge Year Opening Balance	Additions	Disposals	UCC Before 1/2 Yr Adjustment	1/2 Year Rule (1/2 Additions Less Disposals)	Reduced UCC	Rate %	CCA	UCC Ending Balance
1	Distribution System - 1988 to 22-Feb-2005	18,686,755	0	0	18,686,755	0	0	18,686,755	0	18,686,755	4%	747,470	17,939,285
2	Distribution System - pre 1988	0	0	0	0	0	0	0	0	0	6%	0	0
6	Buildings (No footings below ground)	0	0	0	0	0	0	0	0	0	10%	0	0
8	General Office/Stores Equip	612,799	0	0	612,799	598,500	0	1,212,299	298,750	912,549	20%	182,510	1,029,789
10	Computer Hardware/ Vehicles	302,102	0	0	302,102	0	0	302,102	0	302,102	30%	90,631	211,471
10.1	Certain Automobiles	0	0	0	0	0	0	0	0	0	30%	0	0
12	Computer Software	24,500	0	0	24,500	35,000	0	59,500	17,500	42,000	100%	42,000	17,500
13.1	Lease # 1	0	0	0	0	0	0	0	0	0	20%	0	0
13.2	Lease # 2	0	0	0	0	0	0	0	0	0	20%	0	0
13.3	Lease # 3	0	0	0	0	0	0	0	0	0	20%	0	0
13.4	Lease # 4	0	0	0	0	0	0	0	0	0	20%	0	0
14	Franchise	0	0	0	0	0	0	0	0	0	20%	0	0
17	New Electrical Generating Equipment Acq'd after Feb 27/00 Other Than Bldgs	0	0	0	0	0	0	0	0	0	8%	0	0
43.1	Certain Energy-Efficient Electrical Generating Equipment	0	0	0	0	0	0	0	0	0	30%	0	0
45	Computers & Systems Hardware acq'd post Mar 22/04	12,068	0	0	12,068	0	0	12,068	0	12,068	45%	5,431	6,637
50	Computers & Systems Hardware acq'd post Mar 19/07 pre January 27, 2009	32,552	0	0	32,552	0	0	32,552	0	32,552	55%	17,903	14,648
50	Computers & Systems Hardware acq'd post January 27, 2009	0	0	0	0	28,500	0	28,500	0	28,500	100%	28,500	0
50	Data Network Infrastructure Equipment (acq'd post Mar 22/04)	0	0	0	0	0	0	0	0	0	30%	0	0
46	Distribution System - post 22-Feb-2005	5,262,458	0	0	5,262,458	1,615,000	0	6,877,458	807,500	6,069,958	8%	485,597	6,391,881
47	SUB-TOTAL UCC	24,933,233	0	0	24,933,233	2,278,500	0	27,211,733	1,124,750	26,086,983		1,600,041	25,611,192

Original Application

1,590,579

Reduction in Taxable Income

9,462 *

Welland Hydro-Electric System Corp.
Regulatory Gross Up Method -PILS
Exhibit E

	<u>Rate</u>	<u>\$</u>
Return on Equity		\$934,074
Adjustment for Reserves		<u>55,620</u>
Taxable Income Using Return on Equity Method		\$989,694
Income Tax Payable First 500,000 Income (5.5% - Ontario) (19% - Federal)	24.50%	122,500
Income 500,000 to 1,500,000 (14% - Ontario) (19% - Federal)	33.00%	161,599
Clawback 500,000 to 1,500,000 (Ontario)	4.25%	<u>20,812</u>
Total PILS Before Apprentice Tax Credit	30.81%	304,911
Apprentice Tax Credit		<u>-10,000</u>
Total Tax Before Gross Up	29.80%	<u>\$294,911</u>
Grossed Up PILS Welland Hydro $294,911 / (1 - .2980)$		\$420,101
Ontario Capital Tax-Not Grossed Up		<u>26,846</u>
Total Grossed Up PILS		<u><u>\$446,947</u></u>

Welland Hydro-Electric System Corp.
Exhibit F
Revised Revenue Deficiency Determination

Description	Original Application		Based on Revised Application		Board Decision
	2009 Test Existing Rates	2009 Test - Required Revenue	2009 Revised Existing Rates	2009 Rev Appl - Required Revenue	2009 Submission - Required Revenue
Revenue		1,608,304.65		1,768,860.77	1,706,379.00
Revenue Deficiency					6,819,936.00
Distribution Revenue	7,093,092.00	7,093,092.00	6,808,613.00	6,808,613.00	581,531.00
Other Operating Revenue (Net)	656,350.00	656,350.00	568,391.00	568,391.00	
Smart Meter Deferral Account Adjustment					
Total Revenue	7,749,442.00	9,357,746.65	7,377,004.00	9,145,864.77	9,107,846.00
Costs and Expenses					
Administrative & General, Billing & Collecting	2,385,686.00	2,385,686.00	2,342,686.00	2,342,686.00	2,336,436.00
Operation & Maintenance	2,728,250.00	2,728,250.00	2,577,401.00	2,577,401.00	2,577,401.00
Depreciation & Amortization	1,721,827.03	1,721,827.03	1,717,160.37	1,717,160.37	1,717,160.37
Capital Taxes	27,730.00	27,730.00	27,420.35	27,420.35	26,845.94
Deemed Interest	948,856.52	948,856.52	943,393.60	943,393.60	1,095,828.00
Total Costs and Expenses	7,812,349.55	7,812,349.55	7,608,061.32	7,608,061.32	7,753,671.31
Less OCT Included Above	-27,730	-27,730	-27,420	-27,420	-26,846
Total Costs and Expenses Net of OCT	7,784,619.55	7,784,619.55	7,580,640.97	7,580,640.97	7,726,825.37
Utility Income Before Income Taxes	-35,177.55	1,573,127.10	-203,636.97	1,565,223.80	1,381,020.63
Income Taxes:					
Corporate Income Taxes	696.72	531,437.26	0.00	528,952.14	420,101.00
Ontario Capital Taxes	27,730.00	27,730.00	27,420.35	27,420.35	26,845.94
Apprenticeship Tax Credit			0.00	0.00	0.00
Total Income Taxes	28,426.72	559,167.26	27,420.35	556,372.49	446,946.94
Utility Net Income	-63,604.27	1,013,959.85	-231,057.32	1,008,851.31	934,073.69
Capital Tax Expense Calculation:					
Total Rate Base	27,324,488.38	27,324,488.38	27,186,822.00	27,186,822.00	26,931,529.00
Exemption	15,000,000.00	15,000,000.00	15,000,000.00	15,000,000.00	15,000,000.00
Deemed Taxable Capital	12,324,488.38	12,324,488.38	12,186,822.00	12,186,822.00	11,931,529.00
Ontario Capital Tax	27,730.10	27,730.10	27,420.35	27,420.35	26,845.94
Income Tax Expense Calculation:					
Accounting Income	-35,177.55	1,573,127.10	-203,636.97	1,565,223.80	
Ontario Capital Tax	-27,730.00	-27,730.00	-27,420.35	-27,420.35	
Tax Adjustments to Accounting Income	65,018.83	65,018.83	65,081.83	65,081.83	55,620.00
Taxable Income	2,111.28	1,610,415.93	-165,975.49	1,602,885.28	
Income Tax Expense	696.72	531,437.26	0.00	528,952.14	
	33.00%	33.00%	33.00%	33.00%	
Actual Return on Rate Base:					
Rate Base	27,324,488.38	27,324,488.38	27,186,822.00	27,186,822.00	26,931,529.00
Interest Expense	948,856.52	948,856.52	943,393.60	943,393.60	1,095,828.00
Net Income	-63,604.27	1,013,959.85	-231,057.32	1,008,851.31	934,073.39
Total Actual Return on Rate Base	885,252.25	1,962,816.37	712,336.28	1,952,244.91	2,029,901.39
Actual Return on Rate Base	3.24%	7.18%	2.62%	7.18%	7.54%
Required Return on Rate Base:					
Rate Base	27,324,488.38	27,324,488.38	27,186,822.00	27,186,822.00	26,931,529.00
Return Rates:					
Return on Debt (Weighted)	6.12%	6.12%	6.12%	6.12%	7.18%
Return on Equity	8.57%	8.57%	8.57%	8.57%	8.01%
Deemed Interest Expense	948,856.52	948,856.52	943,393.60	943,393.60	1,095,828.00
Return On Equity	1,013,959.85	1,013,959.85	1,008,851.31	1,008,851.31	934,073.39
Total Return	1,962,816.37	1,962,816.37	1,952,244.91	1,952,244.91	2,029,901.39
Expected Return on Rate Base	7.18%	7.18%	7.18%	7.18%	7.54%
Revenue Deficiency After Tax	1,077,564.12		1,239,908.63		
Revenue Deficiency Before Tax	1,608,304.65		1,768,860.77		

Welland Hydro Electric System Corp

Exhibit G

2009 Test Year Class Revenue Design-Board Decision

2009 Test Year Class Revenue Design

Customer Class	Outstanding Base Revenue Requirement %			Outstanding Base Revenue Requirement \$			Total Base Revenue Requirement
	Cost Allocation	Existing Rates	Rate Application	Cost Allocation	Existing Rates	Rate Application	
Residential	58.36%	76.75%	71.09%	4,975,947.41	6,543,611.95	6,061,553.44	6,061,553.44
GS <50 kW	14.67%	11.22%	11.53%	1,250,492.45	956,387.50	983,425.17	983,425.17
GS>50 kW	17.88%	8.97%	12.18%	1,524,268.45	764,839.27	1,038,760.96	1,038,760.96
Large Use >5MW	2.11%	2.17%	2.14%	180,299.26	184,851.62	182,761.56	182,761.56
Street Light	5.83%	0.36%	2.21%	496,753.13	30,777.52	188,261.04	188,261.04
Sentinel	0.65%	0.08%	0.33%	55,796.34	6,561.28	28,111.26	28,111.26
Unmetered Scattered Load	0.50%	0.46%	0.51%	42,757.95	39,285.86	43,441.57	43,441.57
Back-up/Standby Power	0.00%	0.00%	0.00%	0.00	0.00	0.00	0.00
TOTAL	100.00%	100.00%	100.00%	8,526,315.00	8,526,315.00	8,526,315.00	8,526,315.00
Check		OK	OK	OK			

Welland Hydro Electric System Corp
Exhibit H
Revenue to Cost Analysis-Board Decision

Revenue to Cost Analysis Per Cost Allocation Study-2009

Customer Class	Revenue to Cost Ratios Per C.A. Study	Net Revenue Per 2009 Test Year	Addback Transformer Allowances	Gross Distribution Revenue	Miscellaneous Revenue Allocation 2009	Total Revenue Cost Allocation 2009	Updated C.A. Study Cost Proportions For 2009 Excluding Transformer	Addback Transformer Allowances	Updated C.A. Study Cost Proportions For 2009 Excluding Transformer	Revenue to Cost Ratios Per 2009 Test Year Filing	Target Ranges Low	Target Ranges High
Residential	127.28%	6,061,553.44		6,061,553.44	338,526.16	6,400,079.60	5,314,473.57		5,314,473.57	120.43%	85.00%	115.00%
GS <50 kW	75.23%	983,425.17		983,425.17	88,283.09	1,071,708.27	1,338,775.55		1,338,775.55	80.05%	80.00%	120.00%
GS>50 kW	65.24%	1,038,760.96	159,306.00	1,198,066.96	89,921.46	1,287,988.42	1,614,189.92	159,306.00	1,773,495.92	72.62%	80.00%	180.00%
Large Use >5MW	100.73%	182,761.58	118,687.33	301,448.90	38,871.81	340,320.70	219,171.07	118,687.33	337,858.40	100.73%	85.00%	115.00%
Street Light	12.17%	188,261.04		188,261.04	18,610.95	206,871.99	515,364.08		515,364.08	40.14%	70.00%	120.00%
Seminal	18.71%	28,111.26		28,111.26	2,718.84	30,830.10	58,515.19		58,515.19	52.69%	70.00%	120.00%
Unmetered Scattered Load	114.93%	43,441.57		43,441.57	4,598.68	48,040.25	47,356.63		47,356.63	101.44%	80.00%	120.00%
Back-up/Standby Power												
		8,626,315.00	277,993.33	8,804,308.33	581,531.00	9,385,839.33	9,107,846.00	277,993.33	9,385,839.33			

Welland Hydro Electric System Corp

Exhibit I

Distribution Rate Allocation Between Fixed & Variable Rates For 2009-Board Decision

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

Customer Class	Total Net Rev. Requirement	Rev Requirement %	Proposed Fixed Rate	Resulting Variable Rate	Total Fixed Revenue	Total Variable Revenue	Transformer Allowance	Gross Distribution Revenue	LV & Wheeling Charges	Total
Residential	6,061,553.44	71.09%	14.92	\$0.0150	\$ 3,548,215	\$ 2,513,339		6,061,553.44	0.00	6,061,553.44
GS <50 kW	983,425.17	11.53%	24.59	\$0.0086	\$ 506,652	\$ 476,773		983,425.17	0.00	983,425.17
GS>50 kW	1,038,760.96	12.18%	307.10	\$1.2883	\$ 630,169	\$ 408,592	\$ 159,306	1,198,066.96	0.00	1,198,066.96
Large Use >5MW	182,761.56	2.14%	12,860.62	\$0.8677	\$ 154,327	\$ 28,434	\$ 118,687	301,448.90	0.00	301,448.90
Street Light	188,261.04	2.21%	1.38	\$5.8581	\$ 110,571	\$ 77,690		188,261.04	0.00	188,261.04
Sentinel	28,111.26	0.33%	1.93	\$4.4031	\$ 16,698	\$ 11,413		28,111.26	0.00	28,111.26
Unmetered Scattered Load	43,441.57	0.51%	13.42	\$0.0093	\$ 33,496	\$ 9,945		43,441.57	0.00	43,441.57
Back-up/Standby Power										
TOTAL	8,526,315.00	100.00%			\$ 5,000,130	\$ 3,526,185	\$ 277,993	\$ 8,804,308	\$ -	\$ 8,804,308
Forecast Fixed/Variable Ratios										
					56.792%	40.051%	3.157%	100.000%		

Fixed Charge Analysis

Customer Class	Current Volumetric Split	Current Fixed Charge Split	Total	Fixed Rate Based on Current Fixed/Variable Revenue Proportions	2008 Rates From OEB Approved Tariff	Minimum System with PLCC Adjusting Fixed Charge From Cost Allocation Model)	Fixed Rate Threshold @ 120% of Ceiling Charge
Residential	41.48%	58.52%	100.00%	14.92	12.88	7.98	9.58
GS <50 kW	48.48%	51.52%	100.00%	24.59	19.13	22.06	26.47
GS>50 kW	47.40%	52.60%	100.00%	307.10	191.82	97.77	117.32
Large Use >5MW	48.80%	51.20%	100.00%	12,860.62	10,646.26	258.15	309.78
Street Light	41.42%	58.58%	100.00%	1.38	0.18	5.24	6.29
Sentinel	40.65%	59.35%	100.00%	1.93	0.36	5.19	6.23
Unmetered Scattered Load	22.87%	77.13%	100.00%	13.42	9.71	6.98	8.38
Back-up/Standby Power							
TOTAL							

Welland Hydro-Electric System Corp.
Exhibit J
Rate Rider Disposal-Board Decision

Deferral and Variance Accounts:

Other Regulatory Assets OEB Assessment- Account 1508	
Other Regulatory Assets Pension- Account 1508	
Deferred Regulatory Assets - Account 1525	
Deferred Revenue - Account - 1574	
RSVA-Wholesale Market Service Charge-1580	
RSVA-One-Time Wholesale Market Service-1582	
RSVA-Retail Transmission Network Charge-1584	
RSVA-Retail Transmission Connection Charge-1586	
RSVA-Power Excluding Global Adj-1588-0	
Subtotal - Non RSVA, Variable	
Total to be Recovered	

Amount	ALLOCATOR	Residential	GS < 50 KW	GS 50-4999	Large Use	USL	Sentinel Lighting	Street Lighting	Total
\$ 35,338	Dx Revenue	\$ 27,279	\$ 3,987	\$ 3,070	\$ 682	\$ 164	\$ 27	\$ 128	\$ 35,338
\$ 234,933	Dx Revenue	\$ 181,359	\$ 26,507	\$ 20,409	\$ 4,534	\$ 1,089	\$ 182	\$ 353	\$ 234,933
\$ 13,147	Dx Revenue	\$ 10,149	\$ 1,483	\$ 1,142	\$ 254	\$ 61	\$ 10	\$ 48	\$ 13,147
\$ 130,086	Dx Revenue	\$ 100,421	\$ 14,677	\$ 11,301	\$ 2,511	\$ 603	\$ 101	\$ 472	\$ 130,086
\$ (926,168)	kwHs	\$ (351,659)	\$ (116,550)	\$ (338,587)	\$ (104,875)	\$ (2,259)	\$ (2,313)	\$ (9,945)	\$ (926,168)
\$ 42,681	Dx Revenue	\$ 32,948	\$ 4,816	\$ 3,708	\$ 824	\$ 198	\$ 33	\$ 155	\$ 42,681
\$ 443,033	kwHs	\$ 168,218	\$ 55,752	\$ 161,953	\$ 50,167	\$ 1,061	\$ 1106	\$ 4,757	\$ 443,033
\$ 193,922	kwHs	\$ 73,831	\$ 24,403	\$ 70,880	\$ 21,959	\$ 473	\$ 484	\$ 2,082	\$ 193,922
\$ (965,743)	kwHs	\$ (366,686)	\$ (121,530)	\$ (353,034)	\$ (109,356)	\$ (2,356)	\$ (2,412)	\$ (10,370)	\$ (965,743)
\$ (798,772)		\$ (124,341)	\$ (106,455)	\$ (419,127)	\$ (133,301)	\$ (947)	\$ (2,781)	\$ (11,819)	\$ (798,772)
\$ (798,772)		\$ (124,341)	\$ (106,455)	\$ (419,127)	\$ (133,301)	\$ (947)	\$ (2,781)	\$ (11,819)	\$ (798,772)

Recovery over a Two Year Period

Balance to be collected or refunded, Variable
Number of years for Variable
Number of years for Fixed (Smart Meters)
Balance to be collected or refunded per year, Variable

\$ (798,772)
2
\$ (399,386)

\$ (124,341)	\$ (106,455)	\$ (419,127)	\$ (133,301)	\$ (947)	\$ (2,781)	\$ (11,819)	\$ (798,772)
\$ (62,171)	\$ (53,228)	\$ (209,584)	\$ (66,651)	\$ (473)	\$ (1,390)	\$ (5,910)	\$ (399,386)

Class
Deferral and Variance Account Rate Riders- Variable
Billing Determinants

Residential	GS < 50 KW	GS 50-4999	Large Use	USL	Sentinel Lighting	Street Lighting
\$ (0.0004)	\$ (0.0010)	\$ (0.4754)	\$ (0.9931)	\$ (0.0004)	\$ (0.5364)	\$ (0.4456)
KWh	KWh	KWh	KWh	KWh	KWh	KWh

Two Year Recovery over 1.75 Years

Balance to be collected or refunded, Variable
Number of years for Variable
Number of years for Fixed (Smart Meters)
Balance to be collected or refunded per year, Variable

\$ (798,772)
1.75
\$ (456,441)

\$ (124,341)	\$ (106,455)	\$ (419,127)	\$ (133,301)	\$ (947)	\$ (2,781)	\$ (11,819)	\$ (798,772)
\$ (71,052)	\$ (60,832)	\$ (239,501)	\$ (76,172)	\$ (541)	\$ (1,589)	\$ (6,754)	\$ (456,441)

Class
Deferral and Variance Account Rate Riders- Variable
Billing Determinants

Residential	GS < 50 KW	GS 50-4999	Large Use	USL	Sentinel Lighting	Street Lighting
\$ (0.0004)	\$ (0.0011)	\$ (0.5433)	\$ (0.4493)	\$ (0.0005)	\$ (0.6130)	\$ (0.5093)
KWh	KWh	KWh	KWh	KWh	KWh	KWh

Welland Hydro-Electric System Corp.
Exhibit K
Foregone Revenue Rate Riders-Monthly Service Charges

Customer Class	Monthly Service Charge-Excluding Smart Meters			
	Current Rate	Revised Rate	3 Months Revenue	9 Month Rate Rider
Residential-Customer	\$12.88	\$14.92	\$6.12	\$0.68
GS<50-Customer	\$19.13	\$24.59	\$16.38	\$1.82
GS 50 to 4999 kW-Customer	\$191.82	\$307.10	\$345.84	\$38.43
Large Use-Customer	\$10,646.26	\$12,860.62	\$6,643.08	\$738.12
Street Light-Connection	\$0.18	\$1.38	\$3.60	\$0.40
Sentinel Light-Connection	\$0.36	\$1.93	\$4.71	\$0.52
Unmetered Scattered Load-Connection	\$9.71	\$13.42	\$11.13	\$1.24

Welland Hydro-Electric System Corp.
Exhibit L
Foregone Revenue Rate Riders-Volumetric

Customer Class	Volumetric							
	Current Rate	Revised Rate	Annual Billing Volumes	Number of Customers	Average Mth Usage/ Customer	3 Months Lost Revenue	9 Months Usage/ Customer	9 Month Rate Rider
Residential-Customer	\$0.0130	\$0.0150	166,999,701	19,818	702.22	\$4.21	6320.00	\$0.0007 kwh
GS<50-Customer	\$0.0067	\$0.0086	55,348,528	1,717	2686.30	\$15.31	24176.70	\$0.0006 kwh
GS 50 to 4999 kW-Customer	\$0.8047	\$1.2883	440,796	171	214.81	\$311.65	1933.32	\$0.1612 kW
Large Use-Customer	\$0.7183	\$0.8677	169,553	1	14129.42	\$6,332.80	127164.75	\$0.0498 kW
Street Light-Connection	\$0.7688	\$5.8581	13,262	6,677	0.17	\$2.53	1.49	\$1.5964 kW
Sentinel Light-Connection	\$0.8231	\$4.4031	2,592	721	0.30	\$3.22	2.70	\$1.1933 kW
Unmetered Scattered Load-Connection	\$0.0067	\$0.0093	1,072,774	208	429.80	\$3.35	3868.18	\$0.0009 kwh
Transformer Allowance-Customer	-\$0.6000	-\$0.7000	397,133	33	1002.86	-\$300.86	9025.75	-\$0.0333 kW

Welland Hydro-Electric System Corp.

TARIFF OF RATES AND CHARGES

Effective Date: May 1, 2009

Implementation Date: August 1, 2009

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

EB-2008-0247

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).

EFFECTIVE DATES

DISTRIBUTION RATES – May 1, 2009 for all consumption or deemed consumption services used on or after that date.
SPECIFIC SERVICE CHARGES - May 1, 2009 for all charges incurred by customers on or after that date.
RETAIL SERVICE CHARGES- May 1, 2009 for all charges incurred by retailers or customers on or after that date.
LOSS FACTOR ADJUSTMENT – May 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 refers to the supply of electrical energy to residential customers residing in detached or semi-detached units, as defined in the local zoning by-law.

General Service Less Than 50 kW

This classification refers to the supply of electrical energy to commercial buildings taking electricity at 750 volts or less whose monthly average peak demand is less than, or is forecast to be less than, 50 kW. Commercial buildings are defined as buildings, which are used for purposes other than resident dwellings.

General Service 50 to 4,999 kW

This classification refers to the supply of electrical energy to commercial buildings whose monthly average peak demand is equal to or greater than, or is forecast to be equal to or greater than, 50 kW but less than 5,000 kW. Commercial buildings are defined as buildings, which are used for purposes other than resident dwellings.

Large Use

This classification refers to an account whose monthly average peak demand is equal to or greater than, or is forecast to be equal to or greater than, 5,000 kW.

Unmetered Scattered Load

This classification refers to an account taking electricity at 750 volts or less whose monthly average peak demand is less than, or is forecast to be less than, 50 kW and the consumption is unmetered. Unmetered or flat connections are permitted with the approval of Welland Hydro-Electric System Corp. Engineering Department. Flat rate connects may include, but are not limited to, Traffic Lights, Street Lights, Bus Shelters, and Signs. Energy consumption is determined by information provided by the customer and/or load measurement taken by Welland Hydro-Electric System Corp. following connection of the flat service.

Sentinel Lighting

This classification refers to an account for roadway lighting not classified as unmetered or street lighting. The consumption for the customer will be based on the calculated connected load times a twelve hour day times the applicable billing period.

Street Lighting

This classification refers to the Street Lighting system owned by the City of Welland. Welland Hydro-Electric System Corp. provides new installations and maintenance of the street lighting system, as required by the City of Welland.

Welland Hydro-Electric System Corp.

TARIFF OF RATES AND CHARGES

Effective Date: May 1, 2009

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approved schedules of Rates, Charges and Loss Factors

EB-2008-0247

MONTHLY RATES AND CHARGES

Residential

Service Charge	\$	15.19
Foregone Distribution Revenue Rate Rider-Service Charge-effective until April 30, 2010	\$	0.68
Distribution Volumetric Rate	\$/kWh	0.0150
Foregone Distribution Revenue Rate Rider-Volumetric Rate-effective until April 30, 2010	\$/kWh	0.0007
Regulatory Asset Rider – effective until April 30, 2011	\$/kWh	(0.0004)
Retail Transmission Rate – Network Service Rate	\$/kWh	0.0062
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kWh	0.0050
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	\$	24.86
Foregone Distribution Revenue Rate Rider-Service Charge-effective until April 30, 2010	\$	1.82
Distribution Volumetric Rate	\$/kWh	0.0086
Foregone Distribution Revenue Rate Rider-Volumetric Rate-effective until April 30, 2010	\$/kWh	0.0006
Regulatory Asset Rider – effective until April 30, 2011	\$/kWh	(0.0011)
Retail Transmission Rate – Network Service Rate	\$/kWh	0.0055
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kWh	0.0045
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 4,999 kW

Service Charge	\$	307.37
Foregone Distribution Revenue Rate Rider-Service Charge-effective until April 30, 2010	\$	38.43
Distribution Volumetric Rate	\$/kW	1.2883
Foregone Distribution Revenue Rate Rider-Volumetric Rate-effective until April 30, 2010	\$/kW	0.1612
Regulatory Asset Rider – effective until April 30, 2011	\$/kW	(0.5433)
Retail Transmission Rate – Network Service Rate	\$/kW	1.8926
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kW	1.5280
Retail Transmission Rate – Network Service Rate – Interval Metered	\$/kW	1.8773
Retail Transmission Rate – Line and Transformation Connection Service Rate – Interval Metered	\$/kW	1.8303
Wholesale Market Service Rate	\$/kWh	0.0052
Rural Rate Protection Charge	\$/kWh	0.0013
Standard Supply Service – Administrative Charge (if applicable)	\$	0.25

Large Use

Service Charge	\$	12,860.89
Foregone Distribution Revenue Rate Rider-Service Charge-effective until April 30, 2010	\$	738.12
Distribution Volumetric Rate	\$/kW	0.8677
Foregone Distribution Revenue Rate Rider-Volumetric Rate-effective until April 30, 2010	\$/kW	0.0498
Regulatory Asset Rider – effective until April 30, 2011	\$/kW	(0.4493)
Retail Transmission Rate – Network Service Rate	\$/kW	1.3756
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kW	2.0325
Wholesale Market Service Rate	\$/kWh	0.0052
Rural Rate Protection Charge	\$/kWh	0.0013
Standard Supply Service – Administrative Charge (if applicable)	\$	0.25

Welland Hydro-Electric System Corp.

TARIFF OF RATES AND CHARGES

Effective Date: May 1, 2009

Implementation Date: August 1, 2009

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

EB-2008-0247

Unmetered Scattered Load

Service Charge (per connection)	\$	13.42
Foregone Distribution Revenue Rate Rider-Service Charge-effective until April 30, 2010	\$	1.24
Distribution Volumetric Rate	\$/kWh	0.0093
Foregone Distribution Revenue Rate Rider-Volumetric Rate-effective until April 30, 2010	\$/kWh	0.0009
Regulatory Asset Rider – effective until April 30, 2011	\$/kWh	(0.0005)
Retail Transmission Rate – Network Service Rate	\$/kWh	0.0055
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kWh	0.0045
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)	\$	1.93
Foregone Distribution Revenue Rate Rider-Service Charge-effective until April 30, 2010	\$	0.52
Distribution Volumetric Rate	\$/kW	4.4031
Foregone Distribution Revenue Rate Rider-Volumetric Rate-effective until April 30, 2010	\$/kW	1.1933
Regulatory Asset Rider – effective until April 30, 2011	\$/kW	(0.6130)
Retail Transmission Rate – Network Service Rate	\$/kW	1.7627
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kW	1.4232
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)	\$	1.38
Foregone Distribution Revenue Rate Rider-Service Charge-effective until April 30, 2010	\$	0.40
Distribution Volumetric Rate	\$/kW	5.8581
Foregone Distribution Revenue Rate Rider-Volumetric Rate-effective until April 30, 2010	\$/kW	1.6964
Regulatory Asset Rider – effective until April 30, 2011	\$/kW	(0.5093)
Retail Transmission Rate – Network Service Rate	\$/kW	1.7588
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kW	1.4201
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	\$	15.00
Arrears certificate	\$	15.00
Statement of account	\$	15.00
Request for other billing information	\$	15.00
Easement Letter	\$	15.00
Account history	\$	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
Special meter reads	\$	30.00
Meter dispute charge plus Measurement Canada fees (if meter found correct)	\$	30.00

Welland Hydro-Electric System Corp.

TARIFF OF RATES AND CHARGES

Effective Date: May 1, 2009

Implementation Date: August 1, 2009

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

EB-2008-0247

Specific Service Charges-Continued

Non-Payment of Account	%	1.50
Late Payment - per month	%	19.56
Late Payment - per annum	\$	65.00
Disconnect / Reconnect at meter - during regular hours	\$	65.00
Install / Remove load control device - during regular hours	\$	185.00
Disconnect / Reconnect at meter - after regular hours	\$	22.35
Specific Charge for Access to the Power Poles - per pole/year	\$	10.00
Meter upgrade requested by customer plus installation - per month		plus installation on a time and materials basis.

Allowances		
Transformer Allowance for Ownership - per kW of billing demand/month	\$/kW	(0.70)
Regulatory Asset Rider - effective until April 30, 2011	\$/kW	(0.0333)
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 and 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	1.0532
Total Loss Factor - Secondary Metered Customer > 5,000 kW	1.0145
Total Loss Factor - Primary Metered Customer < 5,000 kW	1.0427
Total Loss Factor - Primary Metered Customer > 5,000 kW	1.0045

RESIDENTIAL - BILL IMPACTS (Monthly Consumptions)										
WELLAND HYDRO COMPARISON 2008 - 2009										
		2008 BILL			2009 BILL			IMPACT		
		Volume	RATE \$	CHARGE \$	Volume	RATE \$	CHARGE \$	\$	%	% of Total Bill
Consumption	Monthly Service Charge			13.15			15.19	2.04	15.51%	12.08%
1,000 kWh	Distribution (kWh)	1,000	0.0130	13.00	1,000	0.0150	15.00	2.00	15.38%	11.93%
	Distributor			26.15			30.19	4.04	15.45%	24.00%
	Regulatory Assets (kWh)	1,000	0.0000	0.00	1,000	(0.0004)	(0.40)	-0.40		-0.32%
Loss Factor	Retail Transmission (kWh)	1,060	0.0103	10.92	1,053	0.0112	11.80	0.88	8.05%	9.38%
1.0599 2008	Wholesale & Rural (kWh)	1,060	0.0062	6.57	1,053	0.0065	6.85	0.27	4.18%	5.44%
1.0532 2009	Standard Supply	1	0.2500	0.25	1.00	0.2500	0.25	0.00	0.00%	0.20%
	Debt Retirement	1,000	0.0070	7.00	1,000	0.0070	7.00	0.00	0.00%	5.57%
	Cost of Power Commodity (kWh)	600	0.0570	34.20	600	0.0570	34.20	0.00	0.00%	27.19%
	"	460	0.0660	30.35	453	0.0660	29.91	-0.44	-1.46%	23.78%
	Sub Total			115.44			119.79	4.35	3.77%	95.24%
	G.S.T.		5.0%	5.77		5.0%	5.99	0.22	3.77%	4.76%
	Total Bill			121.21			125.78	4.57	3.77%	100.00%
								Increase 2008		
								3.77%		

GS < 50 - BILL IMPACTS (Monthly Consumptions)										
WELLAND HYDRO COMPARISON 2008 - 2009										
		2008 BILL			2009 BILL			IMPACT		
		Volume	RATE \$	CHARGE \$	Volume	RATE \$	CHARGE \$	\$	%	% of Total Bill
Consumption	Monthly Service Charge			19.40			24.86	5.46	28.14%	10.71%
2,000 kWh	Distribution (kWh)	2,000	0.0067	13.40	2,000	0.0086	17.20	3.80	28.36%	7.41%
	Distributor			32.80			42.06	9.26	28.23%	18.11%
	Regulatory Assets (kWh)	2,000	0.0000	0.00	2,000	(0.0011)	(2.20)	(2.20)		-0.95%
Loss Factor	Retail Transmission (kWh)	2,120	0.0092	19.50	2,106	0.0100	21.06	1.56	8.01%	9.07%
1.0599 2008	Wholesale & Rural (kWh)	2,120	0.0062	13.14	2,106	0.0065	13.69	0.55	4.18%	5.90%
1.0532 2009	Standard Supply	1	0.2500	0.25	1.00	0.2500	0.25	0.00	0.00%	0.11%
	Debt Retirement	2,000	0.0070	14.00	2,000	0.0070	14.00	0.00	0.00%	6.03%
	Cost of Power Commodity (kWh)	750	0.0570	42.75	750	0.0570	42.75	0.00	0.00%	18.41%
	"	1,370	0.0660	90.41	1,356	0.0660	89.52	(0.88)	-0.98%	38.55%
	Sub Total			212.85			221.14	8.29	3.89%	95.24%
	G.S.T.		5.0%	10.64		5.0%	11.06	0.41	3.89%	4.76%
	Total Bill			223.49			232.19	8.70	3.89%	100.00%
								Increase 2008		
								3.89%		



REVENUE REQUIREMENT WORK FORM

Name of LDC: Welland Hydro-Electric System Corp. (1)
 File Number: EB-2008-0247
 Rate Year: 2009 Version: 1.0

Table of Content

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

Notes:

- (1) Pale green cells represent inputs
 (2) Please note that this model uses MACROS. Before starting, please ensure that macros have been enabled.

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REVENUE REQUIREMENT WORK FORM

Name of LDC: Welland Hydro-Electric System Corp.

File Number: EB-2008-0247

Rate Year: 2009

Data Input (1)

	Application	Adjustments	Per Board Decision
1 Rate Base			
Gross Fixed Assets (average)	\$45,755,751 (4)	(\$140,000) (6)	\$45,615,751
Accumulated Depreciation (average)	(\$24,774,431) (5)	\$2,333 (7)	(\$24,772,098)
Allowance for Working Capital:			
Controllable Expenses	\$5,113,936	(\$200,099) (8)	\$4,913,837
Cost of Power	\$37,173,850	(\$1,501,851) (9)	\$35,671,999
Working Capital Rate (%)	15.00%		15.00%
2 Utility Income			
Operating Revenues:			
Distribution Revenue at Current Rates	\$7,093,092		\$6,819,936 (10) Exhibit C
Distribution Revenue at Proposed Rates	\$8,701,397		\$8,526,315 (11) See Revenue Requirement
Other Revenue:			
Specific Service Charges	\$235,449		\$235,485
Late Payment Charges	\$66,000		\$66,000
Other Distribution Revenue	\$192,051		\$192,051
Other Income and Deductions	\$162,850		\$87,995 (10) Exhibit C
Operating Expenses:			
OM+A Expenses	\$5,113,936	(\$200,099) (8)	\$4,913,837
Depreciation/Amortization	\$1,721,827	(\$4,667) (7)	\$1,717,160
Property taxes	\$-	\$-	\$0
Capital taxes	\$27,730		\$26,846
Other expenses	\$-	\$-	\$0
3 Taxes/PILs			
Taxable Income:			
Adjustments required to arrive at taxable income	\$65,019 (3)		\$55,620 (12) Exhibit D
Utility Income Taxes and Rates:			
Income taxes (not grossed up)	\$356,063		\$294,911 (13) Exhibit E
Income taxes (grossed up)	\$531,437		\$420,101
Capital Taxes	\$27,730		\$26,846 (14) Exhibit F
Federal tax (%)	19.00%		19.00% (13) Exhibit E
Provincial tax (%)	14.00%		10.80% (13) Exhibit E
Income Tax Credits			
4 Capitalization/Cost of Capital			
Capital Structure:			
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%
Cost of Capital			
Long-term debt Cost Rate (%)	6.25%		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.
- (6) Reduction in 2009 Capital Spending \$280,000 (Avg \$140,000) Revised Rate Application January 20, 2009-Exhibit B Attached
- (7) \$280,000/30yrs X Half Year Rule = \$4,667 Reduced Depreciation Expense (Avg \$2,333)-Exhibit B Attached
- (8) \$193,849 reduced expenses Revised Rate Application January 20, 2009 Exhibit E plus \$6,250 reduced Regulatory Expenses
- (9) Final Submission March 30, 2009-Exhibit B Attached
- (9) Responses to Energy Probe Supplementary Interrogatories February 13, 2009 Exhibit A Attached



REVENUE REQUIREMENT WORK FORM

Name of LDC: Welland Hydro-Electric System Corp.

File Number: EB-2008-0247

Rate Year: 2009

Rate Base				
Line No.	Particulars	Application	Adjustments	Per Board Decision
1	Gross Fixed Assets (average) (3)	\$45,755,751	(\$140,000) (6)	\$45,615,751
2	Accumulated Depreciation (average) (3)	(\$24,774,431)	\$2,333 (7)	(\$24,772,098)
3	Net Fixed Assets (average) (3)	\$20,981,321	(\$137,667)	\$20,843,654
4	Allowance for Working Capital (1)	\$6,343,168	(\$255,293)	\$6,087,875
5	Total Rate Base	\$27,324,488	(\$392,960)	\$26,931,529

(1) Allowance for Working Capital - Derivation				
6	Controllable Expenses	\$5,113,936	(\$200,099) (8)	\$4,913,837
7	Cost of Power	\$37,173,850	(\$1,501,851) (9)	\$35,671,999
8	Working Capital Base	\$42,287,786	(\$1,701,950)	\$40,585,836
9	Working Capital Rate % (2)	15.00%		15.00%
10	Working Capital Allowance	\$6,343,168	(\$255,293)	\$6,087,875

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.
- (6) Reduction in 2009 Capital Spending \$280,000 (Avg \$140,000) See Exhibit B Attached
- (7) \$280,000/30yrs X Half Year Rule = \$4,667 Reduced Depreciation (Avg \$2,333) See Exhibit B Attached
- (8) See Exhibit B Attached
- (9) See Exhibit A Attached



Ontario

REVENUE REQUIREMENT WORK FORM

Name of LDC: Welland Hydro-Electric System Corp.

File Number: EB-2008-0247

Rate Year: 2009

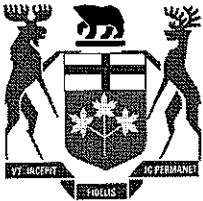
Utility income

Line No.	Particulars	Application	Adjustments	Per Board Decision
Operating Revenues:				
1	Distribution Revenue (at Proposed Rates)	\$8,701,397	(\$175,082) (11	\$8,526,315
2	Other Revenue	(1) \$656,350	(\$74,819) (10	\$581,531
3	Total Operating Revenues	\$9,357,747	(\$249,901)	\$9,107,846
Operating Expenses:				
4	OM+A Expenses	\$5,113,936	(\$200,099) (8)	\$4,913,837
5	Depreciation/Amortization	\$1,721,827	(\$4,667) (7)	\$1,717,160
6	Property taxes	\$ -	\$ -	\$ -
7	Capital taxes	\$27,730	(\$884) (14	\$26,846
8	Other expense	\$ -	\$ -	\$ -
9	Subtotal	\$6,863,493	(\$205,650)	\$6,657,843
10	Deemed Interest Expense	\$948,857	\$146,971	\$1,095,828
11	Total Expenses (lines 4 to 10)	\$7,812,350	(\$58,679)	\$7,753,671
12	Utility income before income taxes	\$1,545,397	(\$191,222)	\$1,354,175
13	Income taxes (grossed-up)	\$531,437	(\$111,336)	\$420,101
14	Utility net income	\$1,013,960	(\$79,886)	\$934,074

Notes

(1)	Other Revenues / Revenue Offsets		
	Specific Service Charges	\$235,449	\$235,485
	Late Payment Charges	\$66,000	\$66,000
	Other Distribution Revenue	\$192,051	\$192,051
	Other Income and Deductions	\$162,850 (10	\$87,995
	Total Revenue Offsets	\$656,350	\$581,531

- (7) Exhibit B Attached
 (8) Exhibit B Attached
 (10) Exhibit C Attached
 (11) See Revenue Requirement Worksheet
 (14) Exhibit F Attached



Ontario

REVENUE REQUIREMENT WORK FORM

Name of LDC: Welland Hydro-Electric System Corp.

File Number: EB-2008-0247

Rate Year: 2009

Taxes/PILs

Line No.	Particulars	Application	Per Board Decision
<u>Determination of Taxable Income</u>			
1	Utility net income	\$1,013,960	\$934,074
2	Adjustments required to arrive at taxable utility income	\$65,019	\$55,620 12
3	Taxable income	<u>\$1,078,979</u>	<u>\$989,694</u>
<u>Calculation of Utility income Taxes</u>			
4	Income taxes	\$356,063	\$294,911 13
5	Capital taxes	\$27,730	\$26,846 14
6	Total taxes	<u>\$383,793</u>	<u>\$321,757</u>
7	Gross-up of Income Taxes	<u>\$175,374</u>	<u>\$125,190</u>
8	Grossed-up Income Taxes	<u>\$531,437</u>	<u>\$420,101</u>
9	PILs / tax Allowance (Grossed-up Income taxes + Capital taxes)	<u>\$559,167</u>	<u>\$446,947</u>
10	Other tax Credits	\$ -	\$ -
<u>Tax Rates</u>			
11	Federal tax (%)	19.00%	19.00% 13
12	Provincial tax (%)	14.00%	10.80% 13
13	Total tax rate (%)	<u>33.00%</u>	<u>29.80%</u>

Notes

- 12 Exhibit D Attached
 13 Exhibit E Attached
 14 Exhibit F Attached



REVENUE REQUIREMENT WORK FORM

Name of LDC: Welland Hydro-Electric System Corp.

File Number: EB-2008-0247

Rate Year: 2009

Capitalization/Cost of Capital

Line No.	Particulars	Capitalization Ratio		Cost Rate	Return
		(%)	(\$)	(%)	(\$)
Application					
Debt					
1	Long-term Debt	52.70%	\$14,400,005	6.25%	\$900,000
2	Short-term Debt	4.00%	\$1,092,980	4.47%	\$48,856
3	Total Debt	56.70%	\$15,492,985	6.12%	\$948,857
Equity					
4	Common Equity	43.30%	\$11,831,503	8.57%	\$1,013,960
5	Preferred Shares	0.00%	\$ -	0.00%	\$ -
6	Total Equity	43.30%	\$11,831,503	8.57%	\$1,013,960
7	Total	100%	\$27,324,488	7.18%	\$1,962,816
Per Board Decision					
		(%)	(\$)	(%)	
Debt					
8	Long-term Debt	52.70%	\$14,192,916	7.62%	\$1,081,500
9	Short-term Debt	4.00%	\$1,077,261	1.33%	\$14,328
10	Total Debt	56.70%	\$15,270,177	7.18%	\$1,095,828
Equity					
11	Common Equity	43.3%	\$11,661,352	8.01%	\$934,074
12	Preferred Shares	0.0%	\$ -	0.00%	\$ -
13	Total Equity	43.3%	\$11,661,352	8.01%	\$934,074
14	Total	100%	\$26,931,529	7.54%	\$2,029,902

Notes

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



REVENUE REQUIREMENT WORK FORM

Name of LDC: Welland Hydro-Electric System Corp.

File Number: EB-2008-0247

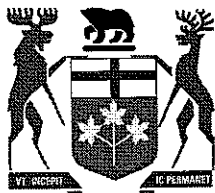
Rate Year: 2009

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		\$1,608,305		\$1,706,405
2	Distribution Revenue	\$7,093,092	\$7,093,092	\$6,819,936	\$6,819,910
3	Other Operating Revenue Offsets - net	\$656,350	\$656,350	\$581,531	\$581,531
4	Total Revenue	\$7,749,442	\$9,357,747	\$7,401,467	\$9,107,846
5	Operating Expenses	\$6,863,493	\$6,863,493	\$6,657,843	\$6,657,843
6	Deemed Interest Expense	\$948,857	\$948,857	\$1,095,828	\$1,095,828
	Total Cost and Expenses	\$7,812,350	\$7,812,350	\$7,753,671	\$7,753,671
7	Utility Income Before Income Taxes	(\$62,908)	\$1,545,397	(\$352,204)	\$1,354,175
	Tax Adjustments to Accounting				
8	Income per 2009 PILs	\$65,019	\$65,019	\$55,620	\$55,620
9	Taxable Income	\$2,111	\$1,610,416	(\$296,584)	\$1,409,795
10	Income Tax Rate	33.00%	33.00%	29.80%	29.80%
11	Income Tax on Taxable Income	\$697	\$531,437	(\$88,382)	\$420,119
12	Income Tax Credits	\$ -	\$ -	\$ -	\$ -
13	Utility Net Income	(\$63,604)	\$1,013,960	(\$263,822)	\$934,074
14	Utility Rate Base	\$27,324,488	\$27,324,488	\$26,931,529	\$26,931,529
	Deemed Equity Portion of Rate Base	\$11,831,503	\$11,831,503	\$11,661,352	\$11,661,352
15	Income/Equity Rate Base (%)	-0.54%	8.57%	-2.26%	8.01%
16	Target Return - Equity on Rate Base	8.57%	8.57%	8.01%	8.01%
	Sufficiency/Deficiency in Return on Equity	-9.11%	0.00%	-10.27%	0.00%
17	Indicated Rate of Return	3.24%	7.18%	3.09%	7.54%
18	Requested Rate of Return on Rate Base	7.18%	7.18%	7.54%	7.54%
19	Sufficiency/Deficiency in Rate of Return	-3.94%	0.00%	-4.45%	0.00%
20	Target Return on Equity	\$1,013,960	\$1,013,960	\$934,074	\$934,074
21	Revenue Sufficiency/Deficiency	\$1,077,564	\$0	\$1,197,896	(\$0)
22	Gross Revenue Sufficiency/Deficiency	\$1,608,305 (1)		\$1,706,405 (1)	

Notes:

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



Ontario

REVENUE REQUIREMENT WORK FORM

Name of LDC: Welland Hydro-Electric System Corp.
 File Number: EB-2008-0247
 Rate Year: 2009

		Revenue Requirement	
Line No.	Particulars	Application	Per Board Decision
1	OM&A Expenses	\$5,113,936	\$4,913,837
2	Amortization/Depreciation	\$1,721,827	\$1,717,160
3	Property Taxes	\$ -	\$ -
4	Capital Taxes	\$27,730	\$26,846
5	Income Taxes (Grossed up)	\$531,437	\$420,101
6	Other Expenses	\$ -	\$ -
7	Return		
	Deemed Interest Expense	\$948,857	\$1,095,828
	Return on Deemed Equity	\$1,013,960	\$934,074
8	Distribution Revenue Requirement before Revenues	<u>\$9,357,747</u>	<u>\$9,107,846</u>
9	Distribution revenue	\$8,701,397	\$8,526,315
10	Other revenue	<u>\$656,350</u>	<u>\$581,531</u>
11	Total revenue	<u>\$9,357,747</u>	<u>\$9,107,846</u>
12	Difference (Total Revenue Less Distribution Revenue Requirement before Revenues)	<u>\$0 (1)</u>	<u>(\$0) (1)</u>

Notes

(1) Line 11 - Line 8



REVENUE REQUIREMENT WORK FORM

Name of LDC: Welland Hydro-Electric System Corp.

File Number: EB-2008-0247

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	\$ 26.15	\$ 30.19	\$ 4.04	15.4%	\$ 121.21	\$ 125.78	\$ 4.57 3.8%
GS < 50kW	2000 kWh/month	\$ 32.80	\$ 42.06	\$ 9.26	28.2%	\$ 223.49	\$ 232.19	\$ 8.70 3.9%

Notes:

Excludes effect of 9 month rate rider to recover lost revenue from May 1, 2009 to July 31, 2009