

EXHIBIT TC-5

1. Reference: Exhibit 9 / Tab 1 / Schedule 9 / Appendix A / pp. 7 – 12

The 2008 customer bills in West Nipissing service area are calculated on the basis of the distribution rates that became effective March 1, 2005 (RP-2005-0013 / EB-2005-0093). Similar to the rates approved for other distributors at that time, the rates include a rate adder designed to partially recover regulatory asset balances. In contrast to other distributors, the rate adder did not end in 2006 and was not replaced by a two-year rate rider. Also in contrast to other distributors, the distribution rates have not been changed as a result of cost-of-service and IRM applications.

- a. Please break the volumetric rates at March 2005 for each class into two components i) the distribution rate, and ii) the regulatory asset rate adder.

See attached

- b. If each distribution rate (not including the component for regulatory asset recovery) for each class in West Nipissing had been changed by the same percentage amount as the corresponding rate for similar customers in Greater Sudbury, what would those rates have been in 2008?

See attached

- c. How much revenue would have been generated from each class in West Nipissing service area in 2008 if the hypothetical distribution rates in part b) had been in effect, and how does this revenue compared to the actual distribution revenue (net of the revenue from the regulatory asset rate adder)?

See attached

- d. Please confirm that the revenue generated by the regulatory asset recovery rate adders from all customer classes in West Nipissing in 2008 was \$117,081 (per response to Board staff Supplemental IR 21b, Sheet 2 row 'Recoveries, Jan 1-08 to Dec 31-08')

We confirm the amount of \$117,081. However, the description should read 'Recoveries, Jan 1-08 to April 30-09. As well, the interest line that follows should have the same description as well.

2. Reference: Board staff Supplemental IR # 22

The combined Greater Sudbury and West Nipissing balance in account 1590 as at December 2008 with interest forecast April 2009 was \$566,082 (credit).

Please provide a breakdown of this balance for Greater Sudbury and West Nipissing. If the West Nipissing component differs from \$678,693 (credit) as provided in response to Board staff Supplemental IR 21b, Sheet 2 'Total Recoveries to April 09', please provide an explanation.

The figure of \$678,693 reflects West Nipissing numbers through April 30, 2009 plus interest vs December 31, 2008 plus interest through April 2009 which is what the \$566,082 represents.

The West Nipissing numbers in IR 21b are based on the regulatory asset spreadsheet associated with the 2006 rate application. The backup calculations use kWh/kW figures for each year times the rate and apply an interest factor by month. Volumes are averaged over the year. As such, this is an estimate of what would be billed and should be a close proximity to actual.

The West Nipissing 2007 balance prior to accruals was as follows:

Principal	437,250CR
Interest	65,770CR

The West Nipissing 2008 amounts billed and the accrual are as follows:

Principal	83,065CR
Y/E Accrual	22,979CR
Interest	19,243CR

Balance 2008/12/31 628,307CR

As such, the balance of \$566,082CR is split between Sudbury and West Nipissing as follows:

West Nipissing	\$628,307CR
GSH Inc	62,225DR
Total	\$566,307CR

DEREGULATED RATES EFFECTIVE

2005/04/012007/01/012005/04/012007/01/01

Rate

Residential	Service charge - Base Service charge - Smart meters	11.62 -	11.62 11.62	Streetlights	Connection fee	1.01 1.01000
	Dist'n charge	0.011700	0.00863		Dist'n charge	3.258200
	Dist'n charge - PILs	-	0.00033		Dist'n charge - PILs	-
	Dist'n charge - low voltage	-	-		Dist'n charge - low voltage	-
	Dist'n charge - RSVA reg assets	-	(0.00077)		Dist'n charge - RSVA reg assets	-
	Dist'n charge - Non-RSVA reg assets	-	0.00351		Dist'n charge - Non-RSVA reg assets	-
	Subtotal - delivery to you	0.011700	0.011700		Subtotal - delivery to you	3.25820
						3.25820
						2.21710
						0.11370
						-
						(0.29860)
						1.22600
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DEREGULATED RATES EFFECTIVE

	2005/04/01	Unbundled 2005/04/01	Increase 2005/05/01	Increase 2007/05/01	Increase 2008/05/01	Rate 2008/05/01		Unbundled 2005/04/01	Increase 2005/05/01	Increase 2007/05/01	Increase 2008/05/01	Rate 2008/05/01
Residential												
Service charge - Base	11.62	11.62	113.865%	100.364%	99.595%	\$ 13.29	Streetlights	1.01	1.01000	164.286%	100.000%	\$ 1.659
Service charge - Smart meters	-	-				\$ 0.27	Connection fee	-	-	-	-	-
Dist'n charge	0.011700	0.00863	113.859%	101.135%	99.995%	\$ 0.01032	Dist'n charge	3.258200	2.21710	139.060%	100.949%	\$ 3.25812
Dist'n charge - PILs	-	0.00033					Dist'n charge - PILs	-	0.11370	-	-	-
Dist'n charge - low voltage	-	-				\$ 0.00010	Dist'n charge - low voltage	-	-	-	-	-
Dist'n charge - RSA reg assets	-	(0.00077)					Dist'n charge - RSA reg assets	-	(0.29860)	-	-	\$ 0.02534
Dist'n charge - Non-RSA reg assets	-	0.00351					Dist'n charge - Non-RSA reg assets	-	1.22600	-	-	-
Subtotal - delivery to you	0.011700	0.011700					Subtotal - delivery to you	3.25820	3.25820			
GS<50kW												
Service charge	11.88	11.88	117.828%	100.945%	99.582%	\$ 14.07	Connection fee	-	-	-	-	-
Service charge - Smart meters	-	-				\$ 0.27	Service charge - Smart meters	-	-	-	-	-
Dist'n charge	0.012200	0.0105	114.045%	100.900%	99.473%	\$ 0.01225	Dist'n charge	10.689600	9.37210	92.653%	100.304%	\$ 8.85338
Dist'n charge - PILs	-	0.0002					Dist'n charge - PILs	-	0.13520	-	-	-
Dist'n charge - low voltage	-	-				\$ 0.00010	Dist'n charge - low voltage	-	-	-	-	\$ 0.02660
Dist'n charge - RSA reg assets	-	(0.0008)					Dist'n charge - RSA reg assets	-	(0.29600)	-	-	-
Dist'n charge - Non-RSA reg assets	-	0.0023					Dist'n charge - Non-RSA reg assets	-	1.49930	-	-	-
Subtotal - delivery to you	0.012200	0.0122					Subtotal - delivery to you	10.689600	10.68960			
GS>50kW												
Service charge	30.32	30.32	113.693%	100.900%	99.599%	\$ 34.64	Service charge	30.32	30.32000	113.693%	100.900%	\$ 34.64
Service charge - Smart meters	-	-				\$ 0.27	Service charge - Smart meters	-	-	-	-	\$ 0.27
Dist'n charge	0.550300	0.68340	113.687%	100.904%	99.607%	\$ 0.80042	Dist'n charge	0.55030	0.68340	113.687%	100.904%	\$ 0.80042
Dist'n charge - PILs	-	0.01710					Dist'n charge - PILs	-	0.01710	-	-	-
Dist'n charge - low voltage	-	-				\$ 0.05035	Dist'n charge - low voltage	-	-	-	-	\$ 0.05035
Dist'n charge - RSA reg assets	-	(0.33432)					Dist'n charge - RSA reg assets	-	(0.33432)	-	-	-
Dist'n charge - Non-RSA reg assets	-	0.18412					Dist'n charge - Non-RSA reg assets	-	0.18412	-	-	-
Subtotal - delivery to you	0.550300	0.55030					Subtotal - delivery to you	0.55030	0.55030			

West Nipissing Revenue Analysis
2008 volumes using 2005 rates vs 2008 rates with presumed increases

		Rates 2005/04/01		Revenue	Rates 2008/05/01		Revenue
Sum of Quantity	Class	2008 Bridge Year Normalized					
	Residential	2,836	S/C	\$ 11.62	\$ 395,463.00	\$ 13.29	\$ 452,298.04
		29,052,869	Var Dist'n	\$ 0.00896	\$ 260,313.71	\$ 0.01032	\$ 299,825.61
	GS <50 kW	312	S/C	\$ 11.88	\$ 44,491.55	\$ 14.07	\$ 52,693.28
		8,655,472	Var Dist'n	\$ 0.01070	\$ 92,613.55	\$ 0.01225	\$ 106,029.53
	GS>50 kW	36	S/C	\$ 30.32	\$ 13,229.22	\$ 34.64	\$ 15,114.12
		47,747	Var Dist'n	\$ 0.70050	\$ 33,446.59	\$ 0.80042	\$ 38,217.45
		20,487,315					
	Large Use >5MW						
	Street Light	829	S/C	\$ 1.01	\$ 10,047.48	\$ 1.66	\$ 16,503.73
		2,070	Var Dist'n	\$ 2.33080	\$ 4,824.76	\$ 3.25812	\$ 6,744.31
		740,604					
	Sentinel	19	S/C	\$ -	\$ -	\$ -	\$ -
		92	Var Dist'n	\$ 10.72410	\$ 986.62	\$ 8.85338	\$ 814.51
		35,188					
				<u>\$ 855,416.47</u>		<u>\$ 988,240.58</u>	
				2008 vs 2005 rates		115.53%	

Revenue calculations are used comparing the 2005 rates and 2008 rates assuming rate increases were applied similar to those for Greater Sudbury Hydro customers. For comparison purposes, the 2008 customer/consumption data was used and applied to the full calendar year for rates.

