

2.7. Rate Implementation and Rate Impacts

Horizon Utilities submits that the total LRAM and SSM in the amount of \$1,197,045 is material to Horizon Utilities operations and therefore Horizon Utilities proposes that the LRAM and SSM amounts be recovered through rate riders effective for the 2009 rate year commencing September 1, 2009 and expiring April 30, 2010. Appendix 5 provides a summary of LRAM and SSM rate impacts expressed as the percentage changes in the total distribution cost and total bill. All comparisons are made against existing approved 2009 Horizon Utilities distribution rates, and for the purposes of the total bill comparison, using the commodity and transmission rates in place at the time of this application. The total per month bill impact for the Residential customer class is ~~\$0.80~~ ~~\$0.60~~ or ~~0.7%~~ ~~0.5%~~; for the General Service customer class is \$1.60 or 0.7%; and the Unmetered/Scattered load customer class impact is \$5.25 or 8.8%.

Horizon Utilities submits that the rate impacts arising from recovery of the LRAM and SSM over the 7 month period as proposed are minimal and do not warrant mitigation by way of an extended period of recovery. Horizon Utilities views the impacts as reasonable given the necessity of the CDM activities.

In accordance with the Board's decision in EB-2007-0697, Horizon Utilities proposes that the rate rider amounts for the LRAM and SSM be recovered separately through a variable rate component for each class at the applicable billing determinant.

3.0. Relief Requested

Horizon Utilities seeks recovery of its total LRAM and SSM in the amount of \$1,197,045 by customer class through a variable rate rider. Horizon Utilities proposes that the LRAM and SSM rate riders be combined into, and recovered through a single distribution rate rider as provided in Table 15 below and that the total LRAM and SSM rate rider be implemented effective September 1, 2009 for a period of seven months ending April 30, 2010.