

Ontario Energy Board

2300 Yonge Street, Suite 2700

Toronto, ON M4P 1E4

Attn: K. Walli

Board Secretary

August 7, 2009

Re: EB-2008-0246

Dear Ms. Walli

Please find enclosed Tillsonburg Hydro Inc.'s responses to comments received on its July 24, 2009 Draft Rate Order.

Sincerely



S. T. Lund, P. Eng

General Manager

cc All Intervenors

1 Tillsonburg Hydro Inc. (“THI”) filed an application seeking authorization to charge revised rates
2 and charges with the Board on August 20, 2008. The Board assigned the application Board file
3 number EB-2008-0246. The Board issued its Decision with Reasons dated July 10, 2009. As
4 required by the Decision, THI filed a Draft Rate Order (“DRO”) on July 24, 2009. Board Staff,
5 School Energy Coalition (“SEC”) and Energy Probe (“EP”) (the “Parties”) filed comments on
6 THI’s DRO on July 31, 2009. This document provides THI’s response to Parties’ comments and
7 supporting rate making schedules.

8

9 Parties commented on:

10 THI’s adjustments to reflect the Board Authorized OM&A recoverable through rates;
11 THI’s use of Fixed Monthly Charges that included 2008 SMRA;
12 Disclosure (eg., PILs estimate, Allocation of Variance and Deferral account balances,
13 Revenue:Cost ratios);
14 The baseline Cost Allocation Review – Informational Filing (“CAR-IF”) supporting the
15 DRO; and
16 Rate mitigation.

17

18 **OM&A Adjustment**

19 THI confirms that EP is correct that the Board disallowed 2009 EDR costs removed from the
20 2009 Test Year Revenue Requirement are understated by the applicable 5% Management Fee.
21 As the Management Fee on the disallowed \$125,000 of costs is \$6,250, which is to be
22 amortized over four years, the annual impact is a further reduction of \$1,563. THI confirms that
23 it’s July 24, 2009 DRO materials included appropriately adjusted disallowances that include the
24 applicable Management Fee. Appendix B.6 demonstrates that the disallowances, other than
25 the 2009 EDR costs, include the Management Fee and that no further adjustments are required.
26 Appendix B.7 provides detailed support for Appendix B.6 and is filed in confidence.

27

1 **Fixed Monthly Charges**

2 Board Staff is correct that THI's proposed 2009 Test Year Fixed Monthly Charges had not been
3 adjusted to remove the Board authorized 2008 Smart Meter Rate Adder (Board Staff p7). The
4 revised proposed Fixed Monthly Charges are provided at Appendix D.3. Appendices D.1 and
5 D.2 support the derivation of the proposed variable rates. Appendix E demonstrates that the
6 proposed rates recover the Board authorized 2009 Test Year Revenue Requirement plus
7 Transformer Ownership Allowance.

8
9

10 **Disclosure**

11 Appendices B.1-B.4 provide the requested supporting detail re derivation of PILs expense in
12 response to EP's comments (p4).

13

14 THI notes that Appendices C.8, D.8 and E.8 attached to the July 24, 2009 DRO provide the
15 detail requested by EP (p4) of the allocation of Variance and Deferral account balances to each
16 customer class.

17

18 The CAR-IF relied on to develop the proposed rates correctly reflects the Board approved
19 correction for the Transformer Ownership Allowance credit and treats Street Lighting on a
20 connections basis, rather than as an individual customer (EP p6). The July 24, 2009 DRO
21 materials incorrectly relied on 244 connections of an average of 10 street lighting devices per
22 connection and results in a Revenue:Cost ratio of approximately 115%. E10/T3/S40 reflected
23 that approximately 3 street lighting devices were connected to each transformer, resulting in a
24 Revenue:Cost ratio of approximately 45%. The attached proposed rates are premised on the
25 assumption that 3 street lighting devices are connected to each transformer.

26

27 THI clarifies that it desires to transition all customer classes Revenue:Cost ratios to levels
28 consistent with the Board's policy by the beginning of the 2012 rate year (EP p7); please see
29 the comments below on mitigation.

30

31 A live version of the Board's Revenue Requirement Work Form is provided at Appendix H, as
32 required by the Board.

1 **Bill Impact Mitigation**

2 Each party took a different position on the appropriate mitigation:

- 3 • EP commented that the proposed rates should be set at levels that achieve bill impacts
4 to the General Service (“GS”) 50-499 kW, GS 500-1,499 kW and GS>1500 kW customer
5 classes of no more than 10%;
- 6 • SEC commented that the proposed GS<50 kW rates should be adjusted down so that
7 2009 Test Year Revenue Requirement is recovered through the proposed rates, rather
8 than providing this flexibility to the Residential customer class; and
- 9 • Board staff commented that no rate mitigation was required.

10

11 In its Argument in Chief and Reply Argument THI submitted that it was not appropriate to
12 mitigate rates. This continues to be THI’s position since it sends a better quality price signal to
13 consumers.

14

15 The Board’s July 10, 2009 Decision with Reasons found explicitly as follows:

16 “However, in this particular application, the Board is concerned with the large rate
17 increases in base rates for 2009. The Board therefore directs disposition of the
18 balances in all accounts except the PILS accounts (1562) ...”

19 “The Board does not expect that typical customers, as customarily measured by the
20 Board, will experience bill impacts greater than 10%. Should that be the case, the Board
21 expects THI to identify and report these situations when it files its draft rate order and the
22 Board will be guided by those reports.”

23

24 Upon implementing the Board’s Decision (p41), THI identified bill impacts greater than 10% to
25 several customer classes; THI’s DRO clearly disclosed this outcome. To address the Board’s
26 concern over the associated bill impacts, THI provided mitigation scenarios. THI proposes to
27 implement the Board’s Decision – specifically to move 50% of the way to the Board endorsed
28 Revenue:Cost ratios in the 2009 Test Year and to achieve the remaining 50% evenly over the
29 2010 and 2011 rate years. THI does not propose any further rate mitigation measures.

30

1 Appendix I attached updates the rate mitigation data presented in Appendix E to THI's July 24,
2 2009 DRO. Using the same mitigation strategies, (i.e., returning variance and deferral account
3 balances over the period September 1, 2009 to April 30, 2010; recovering LRAM/SSM and
4 Uncollected Revenue over the period September 1, 2009 to April 30, 2011; amending
5 Revenue:Cost ratios to contain estimated bill impacts to 10% or less), it illustrates the impact to
6 rates and customer's bills of THI's full mitigation strategies. THI notes that the computed
7 variable rate for the General Service 500 – 1,499 kW customer class exceeds the Transformer
8 Ownership Allowance; as a result, the need to adjust the proposed Fixed Monthly Charge
9 identified in the July 24, 2009 DRO no longer exists. This material is provided for completeness
10 purposes only. THI does not propose to mitigate rates and does not seek authorization to
11 charge the mitigated rates identified in Appendix I.

12

13 Appendices A through G attached detail THI's adjustments to the 2009 Test Year Revenue
14 Requirement, the derivation of proposed 2009 Test Year rates, the estimated bill impacts and
15 provide the requested additional documents.

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Appendices
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Appendix H	Revenue Requirement Work Form
Appendix I	Updated Appendix E of THI's July 24, 2009 Draft Rate Order

Tillsonburg Hydro Inc. - Draft Rate Order

Effective
May 1/09

Residential

Service Charge	\$	11.89
Distribution Volumetric Rate	\$/kWh	0.0195
Regulatory Asset Recovery (1)	\$/kWh	(0.0002)
Recovery of Uncollected Revenue (2)	\$/kWh	0.0012
LRAM/SSM Rate Rider (2)	\$/kWh	0.0006
Retail Transmission Rate – Network Service Rate	\$/kWh	0.0052
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kWh	0.0044
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 kW

Service Charge	\$	25.27
Distribution Volumetric Rate	\$/kWh	0.0151
Regulatory Asset Recovery	\$/kWh	(0.0006)
Recovery of Uncollected Revenue	\$/kWh	0.0016
Retail Transmission Rate – Network Service Rate	\$/kWh	0.0047
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kWh	0.0040
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 kW, <500 kW

Service Charge	\$	112.00
Distribution Volumetric Rate	\$/kW	1.4654
Regulatory Asset Recovery	\$/kW	(0.3261)
Recovery of Uncollected Revenue	\$/kW	0.2043
Retail Transmission Rate – Network Service Rate	\$/kW	1.8219
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kW	1.5486
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	\$	1.18
Distribution Volumetric Rate	\$/kW	12.4459

Regulatory Asset Recovery	\$/kW	0.4117
Recovery of Uncollected Revenue	\$/kW	1.6599
Retail Transmission Rate – Network Service Rate	\$/kW	1.5001
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kW	1.2750
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	\$	1,336.76
Distribution Volumetric Rate	\$/kW	9.4849
Regulatory Asset Recovery	\$/kW	(0.1678)
Recovery of Uncollected Revenue	\$/kW	1.6127
Retail Transmission Rate – Network Service Rate	\$/kW	1.4962
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kW	1.2716
Wholesale Market Service Rate	\$/kWh	0.0052
Rural Rate Protection Charge	\$/kWh	0.0013
Standard Supply Service – Administrative Charge (if applicable)	\$	0.25

Unmetered Scattered Load

Service Charge	\$	12.38
Distribution Volumetric Rate	\$/kWh	0.0243
Regulatory Asset Recovery	\$/kWh	(0.0006)
Recovery of Uncollected Revenue	\$/kWh	0.0046
Retail Transmission Rate – Network Service Rate	\$/kWh	0.0047
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kWh	0.0040
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 >500 kW, <1,500 kW

Service Charge	\$	1,158.66
Distribution Volumetric Rate	\$/kW	0.3939
Regulatory Asset Recovery	\$/kW	(0.4215)
Recovery of Uncollected Revenue	\$/kW	(0.0269)
Retail Transmission Rate – Network Service Rate	\$/kW	2.3874
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kW	2.1092
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 >1,500 kW

Service Charge	\$	1,158.66
Distribution Volumetric Rate	\$/kW	2.2975
Regulatory Asset Recovery	\$/kW	(0.5175)
Recovery of Uncollected Revenue	\$/kW	0.5867
Retail Transmission Rate – Network Service Rate	\$/kW	2.3874
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kW	2.1092
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

Returned Cheque charge (plus bank charges)	\$	15.00
Account set up charge / change of occupancy charge	\$	30.00
Special Meter reads	\$	30.00
Late Payment - per month	%	1.50
Collection of account charge – no disconnection	\$	30.00
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
Install / remove load control device – after regular hours	\$	185.00
Service call – after regular hours	\$	165.00
Specific Charge for Access to the Power Poles – per pole/year	\$	22.35
Transformer Allowance for Ownership - per kW of billing demand/month	\$	0.60
Retailer Service Agreement -- standard charge	\$	100.00
Retailer Service Agreement -- monthly fixed charge (per retailer)	\$	20.00
Retailer Service Agreement -- monthly variable charge (per customer)	\$	0.50
Distributor-Consolidated Billing -- monthly charge (per customer)	\$	0.30
Retailer-Consolidated Billing -- monthly credit (per customer)	\$	-0.30
Service Transaction Request -- request fee (per request)	\$	0.25
Service Transaction Request -- processing fee (per processed request)	\$	0.50

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

LOSS FACTORS

Primary Metered Customer < 5,000 kW	1.0320
Secondary Metered Customer < 5,000 kW	1.0420

(1) Expires April 30, 2011

(2) Expires April 30, 2010

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Tillsonburg Hydro Inc. (ED-2003-0026)
2009 EDR Application (EB 2008-0246) version: 1
August 22, 2008

F1 Distribution Revenue Requirement

Enter adjustments for non-recurring items in 2009 to be addressed via rate adder

		2009 □ Projection	Non-recurring items (Total)	2009 □ Normalized	Comment
OM&A Expenses	<i>from sheet D1</i>	1,862,236		1,862,236	
3850-Amortization Expense	<i>from sheet E2</i>	491,357		491,357	
Total Distribution Expenses		2,353,593		2,353,593	
Regulated Return On Capital	<i>from sheet D3</i>	654,719		654,719	
PILs (with gross-up)	<i>from sheet E4</i>	62,158		62,158	
Service Revenue Requirement		3,070,470		3,070,470	
Less: Revenue Offsets	<i>from sheet C9</i>	130,733		130,733	
Base Revenue Requirement		2,939,737		2,939,737	

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P3 Interest Expense

	2008	2009	
Deemed Interest Expense (A)	317,804	353,241	
3900-Interest Expense			
Add: Capitalized Interest (USA #6040)			<i>Enter credit to P&L as positive number</i>
Add: Capitalized Interest (USA #6042)			<i>Enter credit to P&L as positive number</i>
Less: non-debt interest expense (USA #6035)			<i>Enter other adjustments for tax purposes</i>
Total Interest Projected (B)			
Excess Interest Expense			<i>(B) less (A); if negative: zero</i>

P6 Taxable Income

	T2 S1 line #	2006 EDR Approved			2008 Projection	2009 @ existing rates	2009 @ new dist. rates
		Tax Return	Less: Non- Distribution Portion	Utility Only			
Income/(Loss) before PILs/Taxes (Accounting) ¹					420,867	130,063	301,478
Additions:							
Interest and penalties on taxes	103						
Amortization of tangible assets	104				462,589	491,357	491,357
Amortization of intangible assets	106						
Recapture of capital cost allowance from Schedule 8	107						
Gain on sale of eligible capital property from Schedule 10	108						
Income or loss for tax purposes- joint ventures or partnerships	109						
Loss in equity of subsidiaries and affiliates	110						
Loss on disposal of assets	111						
Charitable donations	112						
Taxable Capital Gains	113						
Political Donations	114						
Deferred and prepaid expenses	116						
Scientific research expenditures deducted on financial statements	118						
Capitalized interest	119						
Non-deductible club dues and fees	120						
Non-deductible meals and entertainment expense	121						
Non-deductible automobile expenses	122						
Non-deductible life insurance premiums	123						
Non-deductible company pension plans	124						
Tax reserves beginning of year	125						
Reserves from financial statements- balance at end of year	126						
Soft costs on construction and renovation of buildings	127						
Book loss on joint ventures or partnerships	205						

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P6 Taxable Income

	T2 S1 line #	2006 EDR Approved			2008 Projection	2009 @ existing rates	2009 @ new dist. rates
		Tax Return	Less: Non- Distribution Portion	Utility Only			
Income/(Loss) before PILs/Taxes (Accounting) ¹					420,867	130,063	301,478
Capital items expensed	206						
Debt issue expense	208						
Development expenses claimed in current year	212						
Financing fees deducted in books	216						
Gain on settlement of debt	220						
Non-deductible advertising	226						
Non-deductible interest	227						
Non-deductible legal and accounting fees	228						
Recapture of SR&ED expenditures	231						
Share issue expense	235						
Write down of capital property	236						
Amounts received in respect of qualifying environment trust per paragraphs 12(1)(z.1) and 12(1)(z.2)	237						
Excess Interest Expense							
Total Additions					462,589	491,357	491,357

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P6 Taxable Income

	T2 S1 line #	2006 EDR Approved			2008 Projection	2009 @ existing rates	2009 @ new dist. rates
		Tax Return	Less: Non- Distribution Portion	Utility Only			
Income/(Loss) before PILs/Taxes (Accounting) ¹					420,867	130,063	301,478
Deductions:							
Gain on disposal of assets per financial statements	401						
Dividends not taxable under section 83	402						
Capital cost allowance from Schedule 8	403				449,343	478,280	478,280
Terminal loss from Schedule 8	404						
Cumulative eligible capital deduction from Schedule 10 CEC	405						
Allowable business investment loss	406						
Deferred and prepaid expenses	409						
Scientific research expenses claimed in year	411						
Tax reserves end of year	413						
Reserves from financial statements - balance at beginning of year	414						
Contributions to deferred income plans	416						
Book income of joint venture or partnership	305						
Equity in income from subsidiary or affiliates	306						
Total Deductions					449,343	478,280	478,280

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P6 Taxable Income

	T2 S1 line #	2006 EDR Approved			2008 Projection	2009 @ existing rates	2009 @ new dist. rates
		Tax Return	Less: Non- Distribution Portion	Utility Only			
Income/(Loss) before PILs/Taxes (Accounting) ¹					420,867	130,063	301,478
NET INCOME (LOSS) FOR TAX PURPOSES					434,113	143,140	314,555
Charitable donations from Schedule 2							
Taxable dividends deductible under section 112 or 113, from Schedule 3 (item 82)							
Non-capital losses of preceding taxation years from Schedule 4							
Net-capital losses of preceding taxation years from Schedule 4							
Limited partnership losses of preceding taxation years from Schedule 4							
TAXABLE INCOME (LOSS)					434,113	143,140	314,555

¹ 2008 Projection = "Earnings before Tax" (sheet E1); 2009 @ existing rates = "Earnings before Tax" (sheet E2); 2009 @ new dist. rates = "Deemed Return On Equity" (sheet E3)

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P8 Total PILs Expense

	2008 Projection	2009 at Existing Rates	2009 at new Revenue Req.	
Regulatory Taxable Income/(Loss)	434,113	143,140	314,555	from sheet P6
Combined Income Tax Rate	17.61%	16.50%	16.50%	"t" (from sheet Y1)
Total Income Taxes	76,461	23,618	51,902	
Investment & Miscellaneous Tax Credits				Input amounts
Income Tax Payable	76,461	23,618	51,902	"i"
Large Corporations Tax (LCT)				from sheet P7
Ontario Capital Tax (OCT)				from sheet P7
Grossed-up Income Tax	92,808		62,158	= $i / (1 - t)$
Grossed-up LCT				= $LCT / (1 - t)$
Total PILs Expense	92,808	23,618	62,158	Enter these results on sheet E4

Reconciliation of THI Proposed OM&A to OEB Authorized

			Amount		
Line Item	Management Fee	Total			
Additional Revenue Offset correction					
Cost of Living Adjustment	\$ 6,750	\$ 6,750	\$ 6,429	\$ 321	\$ 6,750
50% of 2 apprentice linemen	\$ 60,000	\$ 60,000	\$ 57,143	\$ 2,857	\$ 60,000
Denial of ORAM	\$ 102,000	\$ 102,000	\$ 97,143	\$ 4,857	\$ 102,000
Denial of 2 incremental Board members	\$ 18,400	\$ 18,400	\$ 17,524	\$ 876	\$ 18,400
Denial of Paper and Postage	\$ 30,000	\$ 31,500	\$ 30,000	\$ 1,500	\$ 31,500
THI share of CIS capital cost (1)	\$ 21,825	\$ 21,825	\$ 20,786	\$ 1,039	\$ 21,825
Rate Rebasing Application (2)	\$ 31,250	\$ 32,813	\$ 31,250	\$ 1,563	\$ 32,813
Total	\$ 270,225	\$ 273,288	\$ 260,275	\$ 13,013	\$ 273,288
		\$ (1,563)	\$ -	\$ (1,563)	\$ (1,563)
		\$ 271,725	\$ 260,275	\$ 11,450	\$ 271,725

OEB Adjustments

Description	Impact	Management Fee Included?
Additional Revenue Offset correction		
Cost of Living Adjustment	\$ 6,750	Y
50% of 2 apprentice linemen	\$ 60,000	Y
Denial of ORAM	\$ 102,000	Y
Denial of 2 incremental Board members	\$ 18,400	Y
Denial of Paper and Postage	\$ 30,000	N
THI share of CIS capital cost (1)	\$ 21,825	Y
Rate Rebasing Application (2)	\$ 31,250	N
Total	\$ 270,225	

THI Proposed OM&A - April 2009	\$ 2,135,524
OEB Authorized 2009 Test Year OM&A	\$ (271,725)
	<u>\$ 1,863,799</u>

Mgmt Fee on Rate Rebasing Costs	\$ (1,563)
	<u>\$ 1,862,236</u>

(1) Derivation: \$308,500 * 71.7% / 4

(2) Derivation: \$125,000 / 4

 **2006 COST ALLOCATION INFORMATION FILING**
TILLSONBURG HYDRO INC
EB-2005-0420 EB-2006-0247
January 0, 1900
Sheet 01 Revenue to Cost Summary Worksheet - First Run THI v.1

7

Class Revenue, Cost Analysis, and Return on Rate Base

		Total	1	2	7	8	9	12	13	14
		Residential	GS 50-500 kW	Street Light	Sentinel	Unmetered Scattered Load	GS<50 kW	GS 500-1500 kW	GS >1500 kW	
Rate Base										
Assets										
crev	Distribution Revenue (sale)	\$2,287,082	\$1,553,396	\$160,108	\$32,338	\$3,210	\$12,165	\$442,022	\$57,005	\$26,839
mi	Miscellaneous Revenue (mi)	\$119,518	\$86,015	\$6,789	\$1,304	\$57	\$3,058	\$12,189	\$3,117	\$6,988
	Total Revenue	\$2,406,600	\$1,639,411	\$166,897	\$33,642	\$3,267	\$15,223	\$454,211	\$60,122	\$33,827
	Expenses									
di	Distribution Costs (di)	\$410,476	\$171,606	\$57,575	\$16,134	\$449	\$1,171	\$48,846	\$31,908	\$82,787
cu	Customer Related Costs (cu)	\$465,377	\$309,660	\$22,930	\$5,933	\$186	\$9,265	\$103,725	\$8,366	\$5,313
ad	General and Administration (ad)	\$468,872	\$257,238	\$43,250	\$11,849	\$341	\$5,559	\$81,548	\$21,649	\$47,437
dep	Depreciation and Amortization (dep)	\$295,849	\$123,356	\$42,216	\$11,011	\$308	\$822	\$38,953	\$22,408	\$56,774
INPUT	PILs (INPUT)	\$139,400	\$58,124	\$19,892	\$5,188	\$145	\$388	\$18,354	\$10,558	\$26,751
INT	Interest	\$256,814	\$107,080	\$36,646	\$9,558	\$268	\$714	\$33,813	\$19,452	\$49,283
	Total Expenses	\$2,036,788	\$1,027,064	\$222,509	\$59,674	\$1,696	\$17,919	\$326,240	\$114,341	\$268,345
	Direct Allocation	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
NI	Allocated Net Income (NI)	\$369,812	\$154,195	\$52,770	\$13,764	\$385	\$1,028	\$48,691	\$28,010	\$70,968
	Revenue Requirement (includes NI)	\$2,406,600	\$1,181,259	\$275,279	\$73,438	\$2,082	\$18,947	\$373,931	\$142,351	\$339,313
Revenue Requirement Input equals Output										
	Rate Base Calculation									
	Net Assets									
dp	Distribution Plant - Gross	\$7,504,802	\$3,129,167	\$1,070,891	\$279,320	\$7,823	\$20,864	\$988,125	\$568,426	\$1,440,186
gp	General Plant - Gross	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
accum dep	Accumulated Depreciation	(\$1,302,387)	(\$543,037)	(\$185,843)	(\$48,473)	(\$1,358)	(\$3,621)	(\$171,480)	(\$98,645)	(\$249,931)
co	Capital Contribution	(\$538,500)	(\$224,525)	(\$76,839)	(\$20,042)	(\$561)	(\$1,497)	(\$70,912)	(\$40,787)	(\$103,339)
	Total Net Plant	\$5,663,915	\$2,361,604	\$808,209	\$210,805	\$5,904	\$15,746	\$745,734	\$428,994	\$1,086,916
	Directly Allocated Net Fixed Assets	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
COP	Cost of Power (COP)	\$15,682,815	\$3,545,291	\$4,276,206	\$95,921	\$9,428	\$31,045	\$1,741,312	\$1,582,107	\$4,401,505
	OM&A Expenses	\$1,344,725	\$738,504	\$123,756	\$33,916	\$975	\$15,995	\$234,120	\$61,923	\$135,537
	Directly Allocated Expenses	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
	Subtotal	\$17,027,540	\$4,283,795	\$4,399,962	\$129,836	\$10,403	\$47,040	\$1,975,431	\$1,644,030	\$4,537,042
	Working Capital	\$2,554,131	\$642,569	\$659,994	\$19,475	\$1,561	\$7,056	\$296,315	\$246,605	\$680,556
	Total Rate Base	\$8,218,046	\$3,004,174	\$1,468,204	\$230,280	\$7,464	\$22,802	\$1,042,048	\$675,599	\$1,767,472
Rate Base Input equals Output										
	Equity Component of Rate Base	\$4,109,023	\$1,502,087	\$734,102	\$115,140	\$3,732	\$11,401	\$521,024	\$337,799	\$883,736
	Net Income on Allocated Assets	\$369,812	\$612,347	(\$55,612)	(\$26,032)	\$1,571	(\$2,696)	\$128,971	(\$54,219)	(\$234,518)
	Net Income on Direct Allocation Assets	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
	Net Income	\$369,812	\$612,347	(\$55,612)	(\$26,032)	\$1,571	(\$2,696)	\$128,971	(\$54,219)	(\$234,518)
	RATIOS ANALYSIS									
	REVENUE TO EXPENSES %	100.00%	138.79%	60.63%	45.81%	156.94%	80.34%	121.47%	42.23%	9.97%
	EXISTING REVENUE MINUS ALLOCATED COSTS	(\$0)	\$458,152	(\$108,382)	(\$39,796)	\$1,185	(\$3,724)	\$80,280	(\$82,229)	(\$305,486)
	RETURN ON EQUITY COMPONENT OF RATE BASE	9.00%	40.77%	-7.58%	-22.61%	42.09%	-23.65%	24.75%	-16.05%	-26.54%



Sheet 02 Monthly Fixed Charge Min. & Max. Worksheet - First Run THI v.1

Output sheet showing minimum and maximum level for Monthly Fixed Charge

Summary

	1	2	7	8	9	12	13	14
	Residential	GS 50-500 kW	Street Light	Sentinel	Unmetered Scattered Load	GS<50 kW	GS 500-1500 kW	GS >1500 kW
Customer Unit Cost per month - Avoided Cost	\$4.20	\$33.29	\$0.57	\$0.77	\$10.49	\$10.22	\$147.25	\$138.41
Customer Unit Cost per month - Directly Related	\$6.38	\$45.65	\$0.88	\$1.20	\$16.99	\$14.42	\$207.50	\$195.79
Customer Unit Cost per month - Minimum System with PLCC Adjustment	\$12.02	\$54.13	\$7.06	\$6.46	\$23.65	\$27.53	\$230.44	\$238.53
Fixed Charge per approved 2006 EDR	\$11.29	\$110.51	\$1.53	\$1.17	\$12.26	\$24.52	\$1,115.23	\$1,115.23

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Tillsonburg Hydro Inc. (ED-2003-0026)

2009 EDR Application (EB 2008-0246) version: 1

August 22, 2008

F3 Cost Allocation

Enter selected amounts from sheets 'O1' and 'O2' of Cost Allocation model

Customer Class Name	REVENUE ALLOCATION (sheet O1)				Base Revenue Requirement *	%	Revenue to Expenses %
	Service Revenue Requirement	%	Miscellaneous Revenue (mi)	%			
Residential	1,181,259	49.08%	86,015	71.97%	1,095,244	47.89%	138.79%
General Service < 50 kW	373,931	15.54%	12,189	10.20%	361,742	15.82%	121.47%
General Service >50 kW, <500 kW	275,279	11.44%	6,789	5.68%	268,490	11.74%	60.63%
Sentinel Lighting	2,082	0.09%	57	0.05%	2,025	0.09%	156.94%
Street Lighting	73,438	3.05%	1,304	1.09%	72,134	3.15%	45.81%
Unmetered Scattered Load	18,947	0.79%	3,058	2.56%	15,889	0.69%	80.34%
General Service >500 kW, <1,500 kW	142,351	5.92%	3,117	2.61%	139,234	6.09%	42.33%
General Service >1,500 kW	339,313	14.10%	6,988	5.85%	332,325	14.53%	9.97%
TOTAL (from Column C of sheet O1)	2,406,600	100.00%	119,518	100.00%	2,287,082	100.00%	100.00%
	OK	OK	OK	OK	OK	OK	

* Service Revenue Requirement less Miscellaneous Revenue

Customer Class Name	CUSTOMER UNIT COST PER MONTH (sheet O2)				
	Avoided Costs (Minimum Charge)	Directly Related	Minimum System with PLCC * adjustment	Existing Fixed Rate	Maximum Charge **
Residential	\$4.20	\$6.38	\$12.02	\$11.39	\$12.02
General Service < 50 kW	\$10.22	\$14.42	\$27.53	\$24.77	\$27.53
General Service >50 kW, <500 kW	\$33.29	\$45.65	\$54.13	\$111.50	\$111.50
Sentinel Lighting	\$0.77	\$1.20	\$6.46	\$1.18	\$6.46
Street Lighting	\$0.57	\$0.88	\$7.06	\$1,336.76	\$1,336.76
Unmetered Scattered Load	\$10.49	\$16.99	\$23.65	\$12.38	\$23.65
General Service >500 kW, <1,500 kW	\$147.25	\$207.50	\$230.44	\$1,158.16	\$1,158.16
General Service >1,500 kW	\$138.41	\$195.79	\$238.53	\$1,158.16	\$1,158.16

* PLCC = 'Peak Load Carrying Capability'

** Greater of 'Directly Related', 'Minimum System with PLCC adjustment', and Existing Fixed Rate

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F4 Revenue Requirement Allocation

Customer Class Name	Outstanding Base Revenue Requirement %			Outstanding Base Revenue Requirement \$ ³			Directly Assigned Revenues ³	Total Base Revenue Requirement
	Cost Allocation ¹	Existing Rates ²	Rate Application	Cost Allocation	Existing Rates	Rate Application		
Residential	47.89%	64.66%	60.52%	1,407,789	1,900,768	1,778,991		1,778,991
General Service < 50 kW	15.82%	17.52%	18.98%	464,971	514,973	557,965		557,965
General Service >50 kW, <500 kW	11.74%	7.18%	8.21%	345,108	211,090	241,394		241,394
Sentinel Lighting	0.09%	0.11%	0.12%	2,603	3,109	3,670		3,670
Street Lighting	3.15%	1.33%	1.77%	92,719	39,173	51,922		51,922
Unmetered Scattered Load	0.69%	0.31%	0.49%	20,423	8,967	14,296		14,296
General Service >500 kW, <1,500	6.09%	5.52%	3.41%	178,967	162,191	100,221		100,221
General Service >1,500 kW	14.53%	3.38%	6.51%	427,159	99,465	191,278		191,278
TOTAL	100.00%	100.00%	100.00%	2,939,738	2,939,737	2,939,737		2,939,737
			OK			OK		

¹ from sheet F3
² from sheet C4
³ from sheet F2

Customer Class Name	Total Base Revenue Requirement	Transformer Allowance Recovery ⁴	Low Voltage Revenue Required ⁵	Gross Base Revenue Requirement
Residential	1,778,991			1,778,991
General Service < 50 kW	557,965			557,965
General Service >50 kW, <500 kW	241,394	462		241,856
Sentinel Lighting	3,670			3,670
Street Lighting	51,922			51,922
Unmetered Scattered Load	14,296			14,296
General Service >500 kW, <1,500	100,221	31,915		132,137
General Service >1,500 kW	191,278	52,873		244,150
TOTAL	2,939,737	85,250		3,024,987
		OK		

⁴ Volume per sheet C4: total allocations must match total amount of allowances
⁵ allocated per table below:

2009 Transformer Allowances

	Volume ⁴	Rate	Amount
kW:	142,083	(\$0.6000)	-85,250

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F4 Revenue Requirement Allocation

Customer Class Name	Test Year Revenues ⁶ Transmission - Connection	Class Share	Low Voltage Charges ⁷
Residential	227,374	28.7%	
General Service < 50 kW	101,839	12.9%	
General Service >50 kW, <500 kW	156,606	19.8%	
Sentinel Lighting	261	0.0%	
Street Lighting	4,810	0.6%	
Unmetered Scattered Load	1,971	0.2%	
General Service >500 kW, <1,500 kW	112,193	14.2%	
General Service >1,500 kW	185,865	23.5%	
TOTAL	790,919	100.0%	

OK

⁶ charge type per sheet Y4: amounts per sheet C2:

⁷ Total per sheet C2: allocated to customer classes based on Class Share

Customer Class Name	Rate Application			Cost Allocation		Variance	Target Range	
	Allocated Revenue ⁸	Allocated Cost ⁸	Revenue to Cost Ratio	Revenue to Cost Ratio ⁹	Floor		Ceiling	
Residential	1,778,991	1,407,789	1.26	1.39	-0.12	0.85	1.15	
General Service < 50 kW	557,965	464,971	1.20	1.21	-0.01	0.80	1.20	
General Service >50 kW, <500 kW	241,394	345,108	0.70	0.61	0.09	0.80	1.80	
Sentinel Lighting	3,670	2,603	1.41	1.57	-0.16	0.70	1.20	
Street Lighting	51,922	92,719	0.56	0.46	0.10	0.70	1.20	
Unmetered Scattered Load	14,296	20,423	0.70	0.80	-0.10	0.80	1.20	
General Service >500 kW, <1,500	100,221	178,967	0.56	0.42	0.14	0.70	1.20	
General Service >1,500 kW	191,278	427,159	0.45	0.10	0.35	0.80	1.20	
TOTAL	2,939,737	2,939,738	1.00	1.00	-0.00			

⁸ see first table above (Outstanding Revenue Requirement \$)

⁹ from sheet F3

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F5 Fixed/Variable Rate Design

Customer Class Name	Existing Rates (1)			Cost Allocation - Minimum Fixed Rate (2)			Cost Allocation - Maximum Fixed Rate (2)		
	Rate	Fixed %	Variable %	Rate	Fixed %	Variable %	Rate	Fixed %	Variable %
Residential	\$11.39	50.74%	49.26%	\$4.20	16.83%	83.17%	\$12.02	48.18%	51.82%
General Service < 50 kW	\$24.77	43.66%	56.34%	\$10.22	14.00%	86.00%	\$27.53	37.72%	62.28%
General Service >50 kW, <500 kW	\$111.50	52.69%	47.31%	\$33.29	11.56%	88.44%	\$111.50	38.73%	61.27%
Sentinel Lighting	\$1.18	42.72%	57.28%	\$0.77	19.89%	80.11%	\$6.46	166.87%	-66.87%
Street Lighting	\$1,336.76	48.63%	51.37%	\$0.57	0.01%	99.99%	\$1,336.76	30.89%	69.11%
Unmetered Scattered Load	\$12.38	37.38%	62.62%	\$10.49	16.73%	83.27%	\$23.65	37.72%	62.28%
General Service >500 kW, <1,500 kW	\$1,158.16	81.41%	18.59%	\$147.25	10.70%	89.30%	\$1,158.16	84.14%	15.86%
General Service >1,500 kW	\$1,158.16	49.78%	50.22%	\$138.41	2.04%	97.96%	\$1,158.16	17.08%	82.92%

(1) per sheet C4

(2) Rates per sheet F3; %s based on # customers per sheet C1 and revenue requirement allocated to customer class per sheet F4

Customer Class Name	Existing Fixed/Variable Split (3)			Rate Application			Resulting Usage		(4) Existing Usage Rate
	Rate	Fixed %	Variable %	Rate	Fixed %	Variable %	Rate	per	
Residential	\$12.66	50.74%	49.26%	\$11.39	45.65%	54.35%	\$0.0195	kWh	\$0.0159
General Service < 50 kW	\$31.87	43.66%	56.34%	\$24.77	33.93%	66.07%	\$0.0151	kWh	\$0.0100
General Service >50 kW, <500 kW	\$151.71	52.69%	47.31%	\$111.50	38.73%	61.27%	\$1.4654	kW	\$0.8315
Sentinel Lighting	\$1.65	42.72%	57.28%	\$1.18	30.48%	69.52%	\$12.4459	kW	\$7.3155
Street Lighting	\$2,104.19	48.63%	51.37%	\$1,336.76	30.89%	69.11%	\$9.4849	kW	\$4.4791
Unmetered Scattered Load	\$23.44	37.38%	62.62%	\$12.38	19.74%	80.26%	\$0.0243	kWh	\$0.0100
General Service >500 kW, <1,500 kW	\$1,120.55	81.41%	18.59%	\$1,158.16	84.14%	15.86%	\$0.3939	kW	\$0.4773
General Service >1,500 kW	\$3,376.14	49.78%	50.22%	\$1,158.16	17.08%	82.92%	\$2.2975	kW	\$0.4773

(3) %s per Existing Rates, Rate based on Revenue Requirement allocated to Customer Class per sheet F4 and # customers per sheet C1

(4) per sheet C4

F6 Reconciliation of Rates with Revenue / Recovery Requirements

DISTRIBUTION CHARGES

Customer Class Name	Fixed Charge			Variable Charge			Gross Revenue from Distribution Charges		
	Rate ¹	Volume ²	Revenue ³	Rate ¹	Volume ²	Revenue ³	Calculated *	Allocated **	Difference
Residential	\$11.39	71,304	812,153	\$0.0195	49,583,434	966,877	1,779,030	1,778,991	39
General Service < 50 kW	\$24.77	7,644	189,342	\$0.0151	24,428,744	368,874	558,216	557,965	251
General Service >50 kW, <500 kW	\$111.50	840	93,660	\$1.4654	101,127	148,192	241,852	241,856	-4
Sentinel Lighting	\$1.18	948	1,119	\$12.4459	205	2,551	3,670	3,670	0
Street Lighting	\$1,336.76	12	16,041	\$9.4849	3,783	35,881	51,923	51,922	0
Unmetered Scattered Load	\$12.38	228	2,823	\$0.0243	472,835	11,490	14,313	14,296	16
General Service >500 kW, <1,500 kW	\$1,158.16	96	111,183	\$0.3939	53,192	20,952	132,136	132,137	-1
General Service >1,500 kW	\$1,158.16	36	41,694	\$2.2975	88,121	202,458	244,152	244,150	2
TOTAL			1,268,014			1,757,276	3,025,290	3,024,987	303

¹ From sheet F5, rounded off to decimals displayed

² Fixed Charge = # Customers (Connections) multiplied by 12 (months); Variable Charge = # kW's or kWh's, as applicable (per sheet C1)

³ Rate x Volume

* Sum of 'Revenue' columns

** From sheet F4 (Gross Base Revenue Requirement)

Variance and Deferral Account Balances for Disposition through Rate Riders implemented September 1, 2009

Customer Class	Balance to be Recovered	Balance to be Recovered in 2009	Balance to be Recovered in 2010	2009 Rate Rider		
				Balance to be Recovered in 2009	Charge Parameter	Rate Rider
Residential	-14,120	-5630	-8491	-5630	32874496	-0.0002
General Service < 50 kW	-24,933	-9940	-14993	-9940	16196592	-0.0006
General Service >50 kW, <500 kW	-54,843	-21865	-32978	-21865	67049	-0.3261
Sentinel Lighting	141	56	85	56	136	0.4117
Street Lighting	-1,055	-421	-635	-421	2508	-0.1678
Unmetered Scattered Load	-499	-199	-300	-199	313496	-0.0006
General Service >500 kW, <1,500 kW	-37,283	-14864	-22419	-14864	35267	-0.4215
General Service >1,500 kW	-75,842	-30237	-45605	-30237	58425	-0.5175
Total	-208,435	-83099	-125336			
# days		242	365			

THI
09 EDR
Computation of LRAM/SSM Rate Rider

LRAM/SSM Award		52436			
Annual Recovery	2009	20905.292	# of days	2009	242
	2010	31530.708		2010	365
Charge Parameter	2009	32874496			
	2010	49,583,434			
Rate Rider	2009	0.0006			
	2010	0.0006			

Derivation of Uncollected Revenue Rate Rider

Customer Class	Proposed	Currently	Variable	Charge	Uncollected	Charge	Rate Rider
	Variable	Authorized	Distribution	Parameter:		Parameter:	
	Distribution	Distribution	Rate	June 15-	Revenue of the	September 1-	
	Rate	Rate	Difference	August 31	Period	April 30	
Residential	0.0195	0.0159	0.0036	10595912	38145.28	32874496	0.0012
General Service < 50 kW	0.0151	0.01	0.0051	5220389	26623.98	16196592	0.0016
General Service >50 kW, <500 kW	1.4654	0.8315	0.6339	21611	13699.21	67049	0.2043
Sentinel Lighting	12.4459	7.3155	5.1304	44	225.74	136	1.6599
Street Lighting	9.4849	4.4791	5.0058	808	4044.69	2508	1.6127
Unmetered Scattered Load	0.0243	0.01	0.0143	101044	1444.93	313496	0.0046
General Service >500 kW, <1,500 kW	0.3939	0.4773	-0.0834	11367	-948.01	35267	-0.0269
General Service >1,500 kW	2.2975	0.4773	1.8202	18831	34276.19	58425	0.5867
Total					117512.01		

F8 Customer Bill Impact Analysis

RPP rates per sheet Y7

Residential

Volume		RPP Rate Class	Distribution Charges		Total Bill	
kWh *	kW		\$ change	% change	\$ change	% change
250		Summer	\$1.14	7.3%	\$1.81	5.3%
1,500		Summer	\$5.64	15.9%	\$9.63	6.2%
500		Summer	\$2.04	10.4%	\$3.38	5.9%
1,000		Summer	\$3.84	13.9%	\$6.49	6.1%
1,000		Winter	\$3.84	13.9%	\$6.48	5.9%
2,000		Winter	\$7.44	17.1%	\$12.73	5.9%
2,000		Summer	\$7.44	17.1%	\$12.75	6.2%

* Loss Factors (sheet F6) apply to certain pass-through charges (per sheet Y4)

F8 Customer Bill Impact Analysis

RPP rates per sheet Y7

General Service < 50

Volume		RPP?	Distribution Charges		Total Bill	
kWh *	kW		\$ change	% change	\$ change	% change
1,000		n/a	\$5.34	15.2%	\$13.77	12.1%
2,000		n/a	\$10.44	23.2%	\$27.30	13.5%
5,000		n/a	\$25.74	34.3%	\$67.90	14.5%
10,000		n/a	\$51.24	41.0%	\$135.57	14.9%
15,000		n/a	\$76.74	43.8%	\$203.25	15.0%
3,256		n/a	\$16.85	29.3%	\$44.31	14.1%

* Loss Factors (sheet F6) apply to certain pass-through charges (per sheet Y4)

F8 Customer Bill Impact Analysis

RPP rates per sheet Y7

General Service >50 l

Volume		RPP?	Distribution Charges		Total Bill	
kWh *	kW		\$ change	% change	\$ change	% change
15,000	60	n/a	\$38.27	23.7%	\$148.93	10.6%
25,000	100	n/a	\$63.63	32.6%	\$248.08	11.0%
100,000	500	n/a	\$317.19	60.1%	\$1,071.52	11.8%
		n/a				
		n/a				
42,574	124	n/a	\$78.84	36.7%	\$385.28	10.7%

* Loss Factors (sheet F6) apply to certain pass-through charges (per sheet Y4)

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F8 Customer Bill Impact Analysis

RPP rates per sheet Y7

Volume		RPP?	Distribution Charges		Total Bill	
kWh *	kW		\$ change	% change	\$ change	% change
655,475	1,390	n/a				
1,889,257	3,706	n/a				
742,137	1,595	n/a				

* Loss Factors (sheet F6) apply to certain pass-through charges (per sheet Y4)

F8 Customer Bill Impact Analysis

RPP rates per sheet Y7

Sentinel Lighting

Volume		RPP?	Distribution Charges		Total Bill	
kWh *	kW		\$ change	% change	\$ change	% change
150	1.00	Non-res.	\$5.13	60.4%	\$7.47	34.2%
200	1.00	Non-res.	\$5.13	60.4%	\$7.48	29.4%
72	0.20	n/a	\$1.03	38.8%	\$1.98	24.1%
78	0.20	Non-res.	\$1.03	38.8%	\$1.51	17.2%

* Loss Factors (sheet F6) apply to certain pass-through charges (per sheet Y4)

F8 Customer Bill Impact Analysis

RPP rates per sheet Y7

Street Lighting

Volume		RPP?	Distribution Charges		Total Bill	
kWh *	kW		\$ change	% change	\$ change	% change
150	1.00	n/a	\$5.01	0.4%	\$7.69	0.6%
110,842	320.00	n/a	\$1,601.86	57.8%	\$2,884.07	25.4%
110,842	320.00	Non-res.	\$1,601.86	57.8%	\$2,164.17	17.2%

* Loss Factors (sheet F6) apply to certain pass-through charges (per sheet Y4)

F8 Customer Bill Impact Analysis RPP rates per sheet Y7

Unmetered Scattered

Volume		RPP?	Distribution Charges		Total Bill	
kWh *	kW		\$ change	% change	\$ change	% change
730		n/a	\$10.44	53.0%	\$18.80	24.4%
2,226		Non-res.	\$31.83	91.9%	\$42.82	18.8%

* Loss Factors (sheet F6) apply to certain pass-through charges (per sheet Y4)

F8 Customer Bill Impact Analysis

RPP rates per sheet Y7

General Service >500

Volume		RPP?	Distribution Charges		Total Bill	
kWh *	kW		\$ change	% change	\$ change	% change
225,000	500.00	n/a	(\$41.46)	(3.0%)	\$1,434.75	7.4%
335,000	750.00	n/a	(\$62.31)	(4.1%)	\$2,135.20	7.6%
450,000	1,000.00	n/a	(\$83.16)	(5.1%)	\$2,869.26	7.7%
575,000	1,250.00	n/a	(\$104.01)	(5.9%)	\$3,670.45	7.8%
650,000	1,500.00	n/a	(\$124.86)	(6.7%)	\$4,135.90	7.7%

* Loss Factors (sheet F6) apply to certain pass-through charges (per sheet Y4)

F8 Customer Bill Impact Analysis

RPP rates per sheet Y7

General Service >1.5l

Volume		RPP?	Distribution Charges		Total Bill	
kWh *	kW		\$ change	% change	\$ change	% change
666,666	1,500	n/a	\$2,730.54	>100%	\$7,613.58	13.9%
1,000,000	2,500	n/a	\$4,550.74	>100%	\$11,987.37	14.5%
1,500,000	3,500	n/a	\$6,370.94	>100%	\$17,413.81	14.2%
2,900,000	4,500	n/a	\$8,191.14	>100%	\$28,524.55	12.7%

* Loss Factors (sheet F6) apply to certain pass-through charges (per sheet Y4)



REVENUE REQUIREMENT WORK FORM

Name of LDC: Tillsonburg Hydro Inc.

File Number: EB-2008-0246

Rate Year: 2009

Ontario

Data Input

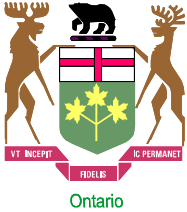
(1)

	Application		Adjustments		Per Board Decision
1 Rate Base					
Gross Fixed Assets (average)	\$14,075,175	(4)	\$ -		\$14,075,175
Accumulated Depreciation (average)	(\$7,832,553)	(5)	\$ -		(\$7,832,553)
Allowance for Working Capital:					
Controllable Expenses	\$2,135,524	(6)	(\$273,288)		\$1,862,236
Cost of Power	\$14,338,742		\$90,097		\$14,428,839
Working Capital Rate (%)	15.00%				15.00%
2 Utility Income					
Operating Revenues:					
Distribution Revenue at Current Rates	\$2,421,994	*			\$2,390,137 *
Distribution Revenue at Proposed Rates	\$3,239,584	*			\$2,939,737 *
Other Revenue:					
Specific Service Charges	\$88,133				\$112,433
Late Payment Charges	\$12,300				\$12,300
Other Distribution Revenue	\$ -				\$ -
Other Income and Deductions	\$6,000	(1)			\$6,000
Operating Expenses:					
OM+A Expenses	\$2,135,524		(\$273,288)		\$1,862,236
Depreciation/Amortization	\$491,357				\$491,357
Property taxes	\$ -				\$0
Capital taxes	\$0				\$0
Other expenses	\$ -		\$ -		\$0
3 Taxes/PILs					
Taxable Income:					
Adjustments required to arrive at taxable income	\$13,077	(3)			\$13,077
Utility Income Taxes and Rates:					
Income taxes (not grossed up)	\$52,059	c			\$51,902
Income taxes (grossed up)	\$62,346				\$62,158
Capital Taxes	\$ -				\$ -
Federal tax (%)	11.00%				11.00%
Provincial tax (%)	5.50%				5.50%
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 (%)	7.62%				7.62%
Short-term debt Cost Rate (%)	1.33%				1.33%
Common Equity Cost Rate (%)	8.01%				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.
- (1) Interest Revenue



REVENUE REQUIREMENT WORK FORM

Name of LDC: Tillsonburg Hydro Inc.

File Number: EB-2008-0246

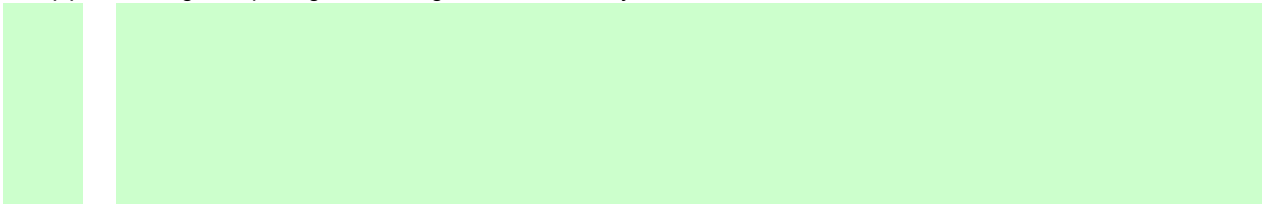
Rate Year: 2009

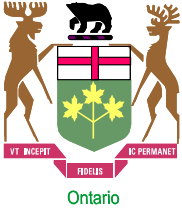
Line No.	Particulars	Rate Base		
		Application	Adjustments	Per Board Decision
1	Gross Fixed Assets (average) (3)	\$14,075,175	\$ -	\$14,075,175
2	Accumulated Depreciation (average) (3)	<u>(\$7,832,553)</u>	<u>\$ -</u>	<u>(\$7,832,553)</u>
3	Net Fixed Assets (average) (3)	\$6,242,622	\$ -	\$6,242,622
4	Allowance for Working Capital (1)	\$2,471,140	<u>(\$27,479)</u>	\$2,443,661
5	Total Rate Base	<u>\$8,713,762</u>	<u>(\$27,479)</u>	<u>\$8,686,283</u>

(1) Allowance for Working Capital - Derivation				
6	Controllable Expenses	\$2,135,524	<u>(\$273,288)</u>	\$1,862,236
7	Cost of Power	\$14,338,742	<u>\$90,097</u>	\$14,428,839
8	Working Capital Base	\$16,474,266	<u>(\$183,191)</u>	\$16,291,075
9	Working Capital Rate % (2)	15.00%		15.00%
10	Working Capital Allowance	<u>\$2,471,140</u>	<u>(\$27,479)</u>	<u>\$2,443,661</u>

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.





REVENUE REQUIREMENT WORK FORM

Name of LDC: Tillsonburg Hydro Inc.

File Number: EB-2008-0246

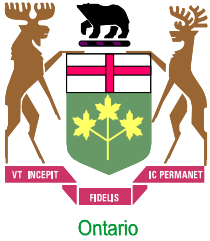
Rate Year: 2009

Utility income

Line No.	Particulars	Application	Adjustments	Per Board Decision
Operating Revenues:				
1	Distribution Revenue (at Proposed Rates)	\$3,239,584 *	(\$299,847)	\$2,939,737
2	Other Revenue	(1) \$106,433	\$24,300	\$130,733
3	Total Operating Revenues	\$3,346,017	(\$275,547)	\$3,070,470
Operating Expenses:				
4	OM+A Expenses	\$2,135,524	(\$273,288)	\$1,862,236
5	Depreciation/Amortization	\$491,357	\$ -	\$491,357
6	Property taxes	\$ -	\$ -	\$ -
7	Capital taxes	\$ -	\$ -	\$ -
8	Other expense	\$ -	\$ -	\$ -
9	Subtotal	\$2,626,881	(\$273,288)	\$2,353,593
10	Deemed Interest Expense	\$354,359	(\$1,117)	\$353,241
11	Total Expenses (lines 4 to 10)	\$2,981,240	(\$274,405)	\$2,706,834
12	Utility income before income taxes	\$364,777	(\$1,142)	\$363,636
13	Income taxes (grossed-up)	\$62,346	(\$188)	\$62,158
14	Utility net income	\$302,431	(\$954)	\$301,478

Notes

(1)	Other Revenues / Revenue Offsets		
	Specific Service Charges	\$88,133	\$112,433
	Late Payment Charges	\$12,300	\$12,300
	Other Distribution Revenue	\$ -	\$ -
	Other Income and Deductions	\$6,000	\$6,000
	Total Revenue Offsets	\$106,433	\$130,733



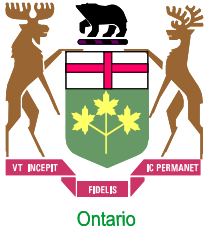
REVENUE REQUIREMENT WORK FORM

Name of LDC: Tillsonburg Hydro Inc.
 File Number: EB-2008-0246
 Rate Year: 2009

Taxes/PILs

Line No.	Particulars	Application	Per Board Decision
<u>Determination of Taxable Income</u>			
1	Utility net income	\$302,431	\$301,478
2	Adjustments required to arrive at taxable utility income	\$13,077	\$13,077
3	Taxable income	\$315,508	\$314,555
<u>Calculation of Utility income Taxes</u>			
4	Income taxes	\$52,059	\$51,902
5	Capital taxes	\$ -	\$ -
6	Total taxes	\$52,059	\$51,902
7	Gross-up of Income Taxes	\$10,287	\$10,256
8	Grossed-up Income Taxes	\$62,346	\$62,158
9	PILs / tax Allowance (Grossed-up Income taxes + Capital taxes)	\$62,346	\$62,158
10	Other tax Credits	\$ -	\$ -
<u>Tax Rates</u>			
11	Federal tax (%)	11.00%	11.00%
12	Provincial tax (%)	5.50%	5.50%
13	Total tax rate (%)	16.50%	16.50%

Notes



REVENUE REQUIREMENT WORK FORM

Name of LDC: Tillsonburg Hydro Inc.

File Number: EB-2008-0246

Rate Year: 2009

Ontario

Capitalization/Cost of Capital

Line No.	Particulars	Capitalization Ratio		Cost Rate	Return
		(%)	(\$)	(%)	(\$)
Application					
Debt					
1	Long-term Debt	52.67%	\$4,589,538	7.62%	\$349,723
2	Short-term Debt	4.00%	\$348,550	1.33%	\$4,636
3	Total Debt	56.67%	\$4,938,089	7.18%	\$354,359
Equity					
4	Common Equity	43.33%	\$3,775,673	8.01%	\$302,431
5	Preferred Shares	0.00%	\$ -	0.00%	\$ -
6	Total Equity	43.33%	\$3,775,673	8.01%	\$302,431
7	Total	100%	\$8,713,762	7.54%	\$656,790
Per Board Decision					
Debt					
8	Long-term Debt	52.67%	\$4,575,065	7.62%	\$348,620
9	Short-term Debt	4.00%	\$347,451	1.33%	\$4,621
10	Total Debt	56.67%	\$4,922,517	7.18%	\$353,241
Equity					
11	Common Equity	43.3%	\$3,763,767	8.01%	\$301,478
12	Preferred Shares	0.0%	\$ -	0.00%	\$ -
13	Total Equity	43.3%	\$3,763,767	8.01%	\$301,478
14	Total	100%	\$8,686,283	7.54%	\$654,719

Notes

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





REVENUE REQUIREMENT WORK FORM

Name of LDC: Tillsonburg Hydro Inc.
 File Number: EB-2008-0246
 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		\$817,590		\$549,599
2	Distribution Revenue	\$2,421,994	\$2,421,994	\$2,390,137	\$2,390,138
3	Other Operating Revenue Offsets - net	\$106,433	\$106,433	\$130,733	\$130,733
4	Total Revenue	\$2,528,427	\$3,346,017	\$2,520,870	\$3,070,470
5	Operating Expenses	\$2,626,881	\$2,626,881	\$2,353,593	\$2,353,593
6	Deemed Interest Expense	\$354,359	\$354,359	\$353,241	\$353,241
	Total Cost and Expenses	\$2,981,240	\$2,981,240	\$2,706,834	\$2,706,834
7	Utility Income Before Income Taxes	(\$452,813)	\$364,777	(\$185,964)	\$363,636
	Tax Adjustments to Accounting				
8	Income per 2009 PILs	\$13,077	\$13,077	\$13,077	\$13,077
9	Taxable Income	(\$439,736)	\$377,854	(\$172,887)	\$376,713
10	Income Tax Rate	16.50%	16.50%	16.50%	16.50%
11	Income Tax on Taxable Income	(\$72,556)	\$62,346	(\$28,526)	\$62,158
12	Income Tax Credits	\$ -	\$ -	\$ -	\$ -
13	Utility Net Income	(\$380,256)	\$302,431	(\$157,438)	\$301,478
14	Utility Rate Base	\$8,713,762	\$8,713,762	\$8,686,283	\$8,686,283
	Deemed Equity Portion of Rate Base	\$3,775,673	\$3,775,673	\$3,763,767	\$3,763,767
15	Income/Equity Rate Base (%)	-10.07%	8.01%	-4.18%	8.01%
16	Target Return - Equity on Rate Base	8.01%	8.01%	8.01%	8.01%
	Sufficiency/Deficiency in Return on Equity	-18.08%	0.00%	-12.19%	0.00%
17	Indicated Rate of Return	-0.30%	7.54%	2.25%	7.54%
18	Requested Rate of Return on Rate Base	7.54%	7.54%	7.54%	7.54%
19	Sufficiency/Deficiency in Rate of Return	-7.83%	0.00%	-5.28%	0.00%
20	Target Return on Equity	\$302,431	\$302,431	\$301,478	\$301,478
21	Revenue Sufficiency/Deficiency	\$682,688	(\$0)	\$458,915	\$0
22	Gross Revenue Sufficiency/Deficiency	\$817,590 (1)		\$549,599 (1)	

Notes:

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



REVENUE REQUIREMENT WORK FORM

Name of LDC: Tillsonburg Hydro Inc.
 File Number: EB-2008-0246
 Rate Year: 2009

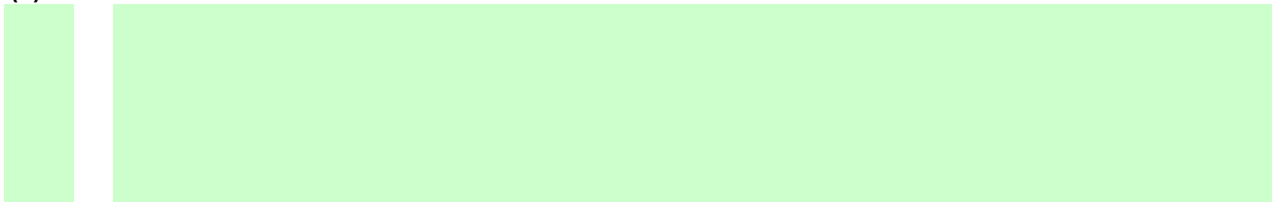
Revenue Requirement

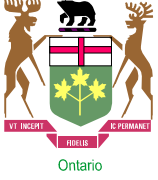
Line No.	Particulars	Application	Per Board Decision
1	OM&A Expenses	\$2,135,524	\$1,862,236
2	Amortization/Depreciation	\$491,357	\$491,357
3	Property Taxes	\$ -	\$ -
4	Capital Taxes	\$ -	\$ -
5	Income Taxes (Grossed up)	\$62,346	\$62,158
6	Other Expenses	\$ -	\$ -
7	Return		
	Deemed Interest Expense	\$354,359	\$353,241
	Return on Deemed Equity	\$302,431	\$301,478
8	Distribution Revenue Requirement before Revenues	\$3,346,017	\$3,070,470
9	Distribution revenue	\$3,239,584	\$2,939,737
10	Other revenue	\$106,433	\$130,733
11	Total revenue	\$3,346,017	\$3,070,470
12	Difference (Total Revenue Less Distribution Revenue Requirement before Revenues)	(\$0) (1)	\$0 (1)

Notes

(1)

Line 11 - Line 8





REVENUE REQUIREMENT WORK FORM

Name of LDC: Tillsonburg Hydro Inc.

File Number: EB-2008-0246

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	\$ 27.55	\$ 31.39	\$ 3.84	13.9%	\$ 106.35	\$ 112.84	\$ 6.49	6.1%
GS < 50kW	2000 kWh/month	\$ 45.03	\$ 55.47	\$ 10.44	23.2%	\$ 202.39	\$ 229.69	\$ 27.30	13.5%

Notes:

Bill Impacts based on proposed 2009 Distribution Rates and Rate Riders presented in Attachment A.

Proposed Draft Rate Order

Effective
May 1/09

Residential

Service Charge	\$	11.89
Distribution Volumetric Rate	\$/kWh	0.0195
Regulatory Asset Recovery (1)	\$/kWh	(0.0004)
Recovery of Uncollected Revenue (2)	\$/kWh	0.0005
LRAM/SSM Rate Rider (2)	\$/kWh	0.0006
Retail Transmission Rate – Network Service Rate	\$/kWh	0.0052
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kWh	0.0044
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 kW

Service Charge	\$	25.27
Distribution Volumetric Rate	\$/kWh	0.0136
Regulatory Asset Recovery (1)	\$/kWh	(0.0015)
Recovery of Uncollected Revenue (2)	\$/kWh	0.0005
Retail Transmission Rate – Network Service Rate	\$/kWh	0.0047
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kWh	0.0040
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 kW, <500 kW

Service Charge	\$	112.00
Distribution Volumetric Rate	\$/kW	1.8085
Regulatory Asset Recovery (1)	\$/kW	(0.8180)
Recovery of Uncollected Revenue (2)	\$/kW	0.1255
Retail Transmission Rate – Network Service Rate	\$/kW	1.8219
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kW	1.5486
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	\$	1.18
Distribution Volumetric Rate	\$/kW	9.9065
Regulatory Asset Recovery (1)	\$/kW	1.0362
Recovery of Uncollected Revenue (2)	\$/kW	0.3343

Retail Transmission Rate – Network Service Rate	\$/kW	1.5001
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kW	1.2750
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	\$	1,336.76
Distribution Volumetric Rate	\$/kW	8.0143
Regulatory Asset Recovery (1)	\$/kW	(0.4208)
Recovery of Uncollected Revenue (2)	\$/kW	0.4541
Retail Transmission Rate – Network Service Rate	\$/kW	1.4962
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kW	1.2716
Wholesale Market Service Rate	\$/kWh	0.0052
Rural Rate Protection Charge	\$/kWh	0.0013
Standard Supply Service – Administrative Charge (if applicable)	\$	0.25

Unmetered Scattered Load

Service Charge	\$	12.38
Distribution Volumetric Rate	\$/kWh	0.0286
Regulatory Asset Recovery (1)	\$/kWh	(0.0016)
Recovery of Uncollected Revenue (2)	\$/kWh	0.0024
Retail Transmission Rate – Network Service Rate	\$/kWh	0.0047
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kWh	0.0040
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 >500 kW, <1,500 kW

Service Charge	\$	1,158.66
Distribution Volumetric Rate	\$/kW	0.8650
Regulatory Asset Recovery (1)	\$/kW	(1.0572)
Recovery of Uncollected Revenue (2)	\$/kW	0.0498
Retail Transmission Rate – Network Service Rate	\$/kW	2.3874
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kW	2.1092
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 >1,500 kW

Service Charge	\$	1,158.66
Distribution Volumetric Rate	\$/kW	2.0658
Regulatory Asset Recovery (1)	\$/kW	(1.2981)
Recovery of Uncollected Revenue (2)	\$/kW	0.2041
Retail Transmission Rate – Network Service Rate	\$/kW	2.3874
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kW	2.1092
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

Returned Cheque charge (plus bank charges)	\$	15.00
Account set up charge / change of occupancy charge	\$	30.00
Special Meter reads	\$	30.00
Late Payment - per month	%	1.50
Collection of account charge – no disconnection	\$	30.00
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
Install / remove load control device – after regular hours	\$	185.00
Service call – after regular hours	\$	165.00
Specific Charge for Access to the Power Poles – per pole/year	\$	22.35
Transformer Allowance for Ownership - per kW of billing demand/month	\$	0.60
Retailer Service Agreement -- standard charge	\$	100.00
Retailer Service Agreement -- monthly fixed charge (per retailer)	\$	20.00
Retailer Service Agreement -- monthly variable charge (per customer)	\$	0.50
Distributor-Consolidated Billing -- monthly charge (per customer)	\$	0.30
Retailer-Consolidated Billing -- monthly credit (per customer)	\$	-0.30
Service Transaction Request -- request fee (per request)	\$	0.25
Service Transaction Request -- processing fee (per processed request)	\$	0.50

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

LOSS FACTORS

Primary Metered Customer < 5,000 kW	1.0320
Secondary Metered Customer < 5,000 kW	1.0420

(1) Expires April 30, 2010

(2) Expires April 30, 2011

F8 Customer Bill Impact Analysis

RPP rates per sheet Y7

Residential

Volume		RPP Rate Class	Distribution Charges		Total Bill	
kWh *	kW		\$ change	% change	\$ change	% change
250		Summer	\$1.14	7.3%	\$1.59	4.6%
1,500		Summer	\$5.64	15.9%	\$8.28	5.3%
500		Summer	\$2.04	10.4%	\$2.93	5.1%
1,000		Summer	\$3.84	13.9%	\$5.59	5.3%
1,000		Winter	\$3.84	13.9%	\$5.58	5.1%
2,000		Winter	\$7.44	17.1%	\$10.93	5.1%
2,000		Summer	\$7.44	17.1%	\$10.95	5.3%

* Loss Factors (sheet F6) apply to certain pass-through charges (per sheet Y4)

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F8 Customer Bill Impact Analysis

RPP rates per sheet Y7

General Service < 50

Volume		RPP?	Distribution Charges		Total Bill	
kWh *	kW		\$ change	% change	\$ change	% change
1,000		n/a	\$3.84	11.0%	\$10.27	9.0%
2,000		n/a	\$7.44	16.5%	\$20.30	10.0%
5,000		n/a	\$18.24	24.3%	\$50.40	10.8%
10,000		n/a	\$36.24	29.0%	\$100.57	11.0%
15,000		n/a	\$54.24	31.0%	\$150.75	11.1%
3,256		n/a	\$11.96	20.8%	\$32.90	10.5%

* Loss Factors (sheet F6) apply to certain pass-through charges (per sheet Y4)

F8 Customer Bill Impact Analysis

RPP rates per sheet Y7 **F8 C**

General Service >50 l

Volume			Distribution Charges		Total Bill	
kWh *	kW	RPP?	\$ change	% change	\$ change	% change
15,000	60	n/a	\$58.86	36.4%	\$135.28	9.7%
25,000	100	n/a	\$97.94	50.2%	\$225.32	10.0%
100,000	500	n/a	\$488.74	92.7%	\$957.72	10.5%
		n/a				
		n/a				
42,574	124	n/a	\$121.39	56.5%	\$357.06	9.9%

* Loss Factors (sheet F6) apply to certain pass-through charges (per sheet Y4)

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Customer Bill Impact Analysis

RPP rates per sheet Y7

Volume			Distribution Charges		Total Bill	
kWh *	kW	RPP?	\$ change	% change	\$ change	% change
655,475	1,390	n/a				
1,889,257	3,706	n/a				
742,137	1,595	n/a				

* Loss Factors (sheet F6) apply to certain pass-through charges (per sheet Y4)

F8 Customer Bill Impact Analysis

RPP rates per sheet Y7

Sentinel Lighting

Volume		RPP?	Distribution Charges		Total Bill	
kWh *	kW		\$ change	% change	\$ change	% change
150	1.00	Non-res.	\$2.59	30.5%	\$4.23	19.4%
200	1.00	Non-res.	\$2.59	30.5%	\$4.24	16.7%
72	0.20	n/a	\$0.52	19.6%	\$1.33	16.2%
78	0.20	Non-res.	\$0.52	19.6%	\$0.86	9.8%

* Loss Factors (sheet F6) apply to certain pass-through charges (per sheet Y4)

F8 Customer Bill Impact Analysis

RPP rates per sheet Y7

Street Lighting

Volume			Distribution Charges		Total Bill	
kWh *	kW	RPP?	\$ change	% change	\$ change	% change
150	1.00	n/a	\$3.54	0.3%	\$4.81	0.4%
110,842	320.00	n/a	\$1,131.26	40.8%	\$1,961.76	17.2%
110,842	320.00	Non-res.	\$1,131.26	40.8%	\$1,241.86	9.9%

* Loss Factors (sheet F6) apply to certain pass-through charges (per sheet Y4)

F8 Customer Bill Impact Analysis

RPP rates per sheet Y7

Unmetered Scattered

Volume			Distribution Charges		Total Bill	
kWh *	kW	RPP?	\$ change	% change	\$ change	% change
730		n/a	\$13.58	69.0%	\$19.60	25.4%
2,226		Non-res.	\$41.40	>100%	\$45.27	19.9%

* Loss Factors (sheet F6) apply to certain pass-through charges (per sheet Y4)

F8 Customer Bill Impact Analysis

RPP rates per sheet Y7

General Service >500

Volume		RPP?	Distribution Charges		Total Bill	
kWh *	kW		\$ change	% change	\$ change	% change
225,000	500.00	n/a	\$194.09	13.9%	\$1,390.80	7.2%
335,000	750.00	n/a	\$291.02	19.2%	\$2,069.28	7.3%
450,000	1,000.00	n/a	\$387.94	23.7%	\$2,781.36	7.4%
575,000	1,250.00	n/a	\$484.87	27.6%	\$3,560.58	7.5%
650,000	1,500.00	n/a	\$581.79	31.0%	\$4,004.05	7.4%

* Loss Factors (sheet F6) apply to certain pass-through charges (per sheet Y4)

F8 Customer Bill Impact Analysis

RPP rates per sheet Y7 **F8 C**

General Service >1,5i

Volume		RPP?	Distribution Charges		Total Bill	
kWh *	kW		\$ change	% change	\$ change	% change
666,666	1,500	n/a	\$2,382.99	>100%	\$5,521.23	10.1%
1,000,000	2,500	n/a	\$3,971.49	>100%	\$8,500.12	10.3%
1,500,000	3,500	n/a	\$5,559.99	>100%	\$12,531.66	10.2%
2,900,000	4,500	n/a	\$7,148.49	>100%	\$22,247.50	9.9%

* Loss Factors (sheet F6) apply to certain pass-through charges (per sheet Y4)

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Tillsonburg Hydro Inc. (ED-2003-0026)
2009 EDR Application (EB 2008-0246) version: 1
August 22, 2008

F1 Distribution Revenue Requirement

Enter adjustments for non-recurring items in 2009 to be addressed via rate adder

		2009 □ Projection	Non-recurring items (Total)	2009 □ Normalized	Comment
OM&A Expenses	<i>from sheet D1</i>	1,862,236		1,862,236	
3850-Amortization Expense	<i>from sheet E2</i>	491,357		491,357	
Total Distribution Expenses		2,353,593		2,353,593	
Regulated Return On Capital	<i>from sheet D3</i>	654,719		654,719	
PILs (with gross-up)	<i>from sheet E4</i>	62,158		62,158	
Service Revenue Requirement		3,070,470		3,070,470	
Less: Revenue Offsets	<i>from sheet C9</i>	130,733		130,733	
Base Revenue Requirement		2,939,737		2,939,737	

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Tillsonburg Hydro Inc. (ED-2003-0026)
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F3 Cost Allocation

Enter selected amounts from sheets 'O1' and 'O2' of Cost Allocation model

Customer Class Name	REVENUE ALLOCATION (sheet O1)				Base Revenue Requirement *	%	Revenue to Expenses %
	Service Revenue Requirement	%	Miscellaneous Revenue (mi)	%			
Residential	1,181,259	49.08%	86,015	71.97%	1,095,244	47.89%	138.79%
General Service < 50 kW	373,931	15.54%	12,189	10.20%	361,742	15.82%	121.47%
General Service >50 kW, <500 kW	275,279	11.44%	6,789	5.68%	268,490	11.74%	60.63%
Sentinel Lighting	2,082	0.09%	57	0.05%	2,025	0.09%	156.94%
Street Lighting	73,438	3.05%	1,304	1.09%	72,134	3.15%	45.81%
Unmetered Scattered Load	18,947	0.79%	3,058	2.56%	15,889	0.69%	80.34%
General Service >500 kW, <1,500 kW	142,351	5.92%	3,117	2.61%	139,234	6.09%	42.33%
General Service >1,500 kW	339,313	14.10%	6,988	5.85%	332,325	14.53%	9.97%
TOTAL (from Column C of sheet O1)	2,406,600	100.00%	119,518	100.00%	2,287,082	100.00%	100.00%
	OK	OK	OK	OK	OK	OK	

* Service Revenue Requirement less Miscellaneous Revenue

Customer Class Name	CUSTOMER UNIT COST PER MONTH (sheet O2)				
	Avoided Costs (Minimum Charge)	Directly Related	Minimum System with PLCC * adjustment	Existing Fixed Rate	Maximum Charge **
Residential	\$4.20	\$6.38	\$12.02	\$11.39	\$12.02
General Service < 50 kW	\$10.22	\$14.42	\$27.53	\$24.77	\$27.53
General Service >50 kW, <500 kW	\$33.29	\$45.65	\$54.13	\$111.50	\$111.50
Sentinel Lighting	\$0.77	\$1.20	\$6.46	\$1.18	\$6.46
Street Lighting	\$0.57	\$0.88	\$7.06	\$1,336.76	\$1,336.76
Unmetered Scattered Load	\$10.49	\$16.99	\$23.65	\$12.38	\$23.65
General Service >500 kW, <1,500 kW	\$147.25	\$207.50	\$230.44	\$1,158.16	\$1,158.16
General Service >1,500 kW	\$138.41	\$195.79	\$238.53	\$1,158.16	\$1,158.16

* PLCC = 'Peak Load Carrying Capability'

** Greater of 'Directly Related', 'Minimum System with PLCC adjustment', and Existing Fixed Rate

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F4 Revenue Requirement Allocation

Customer Class Name	Outstanding Base Revenue Requirement %			Outstanding Base Revenue Requirement \$ ³			Directly Assigned Revenues ³	Total Base Revenue Requirement
	Cost Allocation ¹	Existing Rates ²	Rate Application	Cost Allocation	Existing Rates	Rate Application		
Residential	47.89%	64.66%	60.58%	1,407,789	1,900,768	1,780,896		1,780,896
General Service < 50 kW	15.82%	17.52%	17.71%	464,971	514,973	520,767		520,767
General Service >50 kW, <500 kW	11.74%	7.18%	9.39%	345,108	211,090	276,086		276,086
Sentinel Lighting	0.09%	0.11%	0.11%	2,603	3,109	3,149		3,149
Street Lighting	3.15%	1.33%	1.58%	92,719	39,173	46,359		46,359
Unmetered Scattered Load	0.69%	0.31%	0.56%	20,423	8,967	16,339		16,339
General Service >500 kW, <1,500	6.09%	5.52%	4.26%	178,967	162,191	125,277		125,277
General Service >1,500 kW	14.53%	3.38%	5.81%	427,159	99,465	170,864		170,864
TOTAL	100.00%	100.00%	100.00%	2,939,738	2,939,737	2,939,737		2,939,737

OK

OK

¹ from sheet F3

² from sheet C4

³ from sheet F2

Customer Class Name	Total Base Revenue Requirement	Transformer Allowance Recovery ⁴	Low Voltage Revenue Required ⁵	Gross Base Revenue Requirement
Residential	1,780,896			1,780,896
General Service < 50 kW	520,767			520,767
General Service >50 kW, <500 kW	276,086	462		276,548
Sentinel Lighting	3,149			3,149
Street Lighting	46,359			46,359
Unmetered Scattered Load	16,339			16,339
General Service >500 kW, <1,500	125,277	31,915		157,192
General Service >1,500 kW	170,864	52,873		223,736
TOTAL	2,939,737	85,250		3,024,987

OK

2009 Transformer Allowances

	Volume ⁴	Rate	Amount
kW:	142,083	(\$0.6000)	-85,250

⁴ Volume per sheet C4: total allocations must match total amount of allowances

⁵ allocated per table below:

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F4 Revenue Requirement Allocation

Customer Class Name	Test Year Revenues ⁶ Transmission - Connection	Class Share	Low Voltage Charges ⁷
Residential	227,374	28.7%	
General Service < 50 kW	101,839	12.9%	
General Service >50 kW, <500 kW	156,606	19.8%	
Sentinel Lighting	261	0.0%	
Street Lighting	4,810	0.6%	
Unmetered Scattered Load	1,971	0.2%	
General Service >500 kW, <1,500 kW	112,193	14.2%	
General Service >1,500 kW	185,865	23.5%	
TOTAL	790,919	100.0%	
		OK	

⁶ charge type per sheet Y4; amounts per sheet C2:

⁷ Total per sheet C2: allocated to customer classes based on Class Share

Customer Class Name	Rate Application			Cost Allocation		Variance	Target Range	
	Allocated Revenue ⁸	Allocated Cost ⁸	Revenue to Cost Ratio	Revenue to Cost Ratio ⁹	Floor		Ceiling	
Residential	1,780,896	1,407,789	1.27	1.39	-0.12	0.85	1.15	
General Service < 50 kW	520,767	464,971	1.12	1.21	-0.09	0.80	1.20	
General Service >50 kW, <500 kW	276,086	345,108	0.80	0.61	0.19	0.80	1.80	
Sentinel Lighting	3,149	2,603	1.21	1.57	-0.36	0.70	1.20	
Street Lighting	46,359	92,719	0.50	0.46	0.04	0.70	1.20	
Unmetered Scattered Load	16,339	20,423	0.80	0.80	-0.00	0.80	1.20	
General Service >500 kW, <1,500	125,277	178,967	0.70	0.42	0.28	0.70	1.20	
General Service >1,500 kW	170,864	427,159	0.40	0.10	0.30	0.80	1.20	
TOTAL	2,939,737	2,939,738	1.00	1.00	-0.00			

⁸ see first table above (Outstanding Revenue Requirement \$)

⁹ from sheet F3

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F5 Fixed/Variable Rate Design

Customer Class Name	Existing Rates (1)			Cost Allocation - Minimum Fixed Rate (2)			Cost Allocation - Maximum Fixed Rate (2)		
	Rate	Fixed %	Variable %	Rate	Fixed %	Variable %	Rate	Fixed %	Variable %
Residential	\$11.39	50.74%	49.26%	\$4.20	16.82%	83.18%	\$12.02	48.13%	51.87%
General Service < 50 kW	\$24.77	43.66%	56.34%	\$10.22	15.00%	85.00%	\$27.53	40.41%	59.59%
General Service >50 kW, <500 kW	\$111.50	52.69%	47.31%	\$33.29	10.11%	89.89%	\$111.50	33.87%	66.13%
Sentinel Lighting	\$1.18	42.72%	57.28%	\$0.77	23.18%	76.82%	\$6.46	194.45%	-94.45%
Street Lighting	\$1,336.76	48.63%	51.37%	\$0.57	0.01%	99.99%	\$1,336.76	34.60%	65.40%
Unmetered Scattered Load	\$12.38	37.38%	62.62%	\$10.49	14.64%	85.36%	\$23.65	33.00%	67.00%
General Service >500 kW, <1,500 kW	\$1,158.16	81.41%	18.59%	\$147.25	8.99%	91.01%	\$1,158.16	70.73%	29.27%
General Service >1,500 kW	\$1,158.16	49.78%	50.22%	\$138.41	2.23%	97.77%	\$1,158.16	18.64%	81.36%

(1) per sheet C4

(2) Rates per sheet F3; %s based on # customers per sheet C1 and revenue requirement allocated to customer class per sheet F4

Customer Class Name	Existing Fixed/Variable Split (3)			Rate Application			Resulting Usage		(4) Existing Usage Rate
	Rate	Fixed %	Variable %	Rate	Fixed %	Variable %	Rate	per	
Residential	\$12.67	50.74%	49.26%	\$11.39	45.60%	54.40%	\$0.0195	kWh	\$0.0159
General Service < 50 kW	\$29.75	43.66%	56.34%	\$24.77	36.36%	63.64%	\$0.0136	kWh	\$0.0100
General Service >50 kW, <500 kW	\$173.48	52.69%	47.31%	\$111.50	33.87%	66.13%	\$1.8085	kW	\$0.8315
Sentinel Lighting	\$1.42	42.72%	57.28%	\$1.18	35.52%	64.48%	\$9.9065	kW	\$7.3155
Street Lighting	\$1,878.74	48.63%	51.37%	\$1,336.76	34.60%	65.40%	\$8.0143	kW	\$4.4791
Unmetered Scattered Load	\$26.79	37.38%	62.62%	\$12.38	17.28%	82.72%	\$0.0286	kWh	\$0.0100
General Service >500 kW, <1,500 kW	\$1,333.02	81.41%	18.59%	\$1,158.16	70.73%	29.27%	\$0.8650	kW	\$0.4773
General Service >1,500 kW	\$3,093.85	49.78%	50.22%	\$1,158.16	18.64%	81.36%	\$2.0658	kW	\$0.4773

(3) %s per Existing Rates, Rate based on Revenue Requirement allocated to Customer Class per sheet F4 and # customers per sheet C1

(4) per sheet C4

F6 Reconciliation of Rates with Revenue / Recovery Requirements

DISTRIBUTION CHARGES

Customer Class Name	Fixed Charge			Variable Charge			Gross Revenue from Distribution Charges		
	Rate ¹	Volume ²	Revenue ³	Rate ¹	Volume ²	Revenue ³	Calculated *	Allocated **	Difference
Residential	\$11.39	71,304	812,153	\$0.0195	49,583,434	966,877	1,779,030	1,780,896	-1,866
General Service < 50 kW	\$24.77	7,644	189,342	\$0.0136	24,428,744	332,231	521,573	520,767	805
General Service >50 kW, <500 kW	\$111.50	840	93,660	\$1.8085	101,127	182,889	276,549	276,548	1
Sentinel Lighting	\$1.18	948	1,119	\$9.9065	205	2,031	3,149	3,149	0
Street Lighting	\$1,336.76	12	16,041	\$8.0143	3,783	30,318	46,359	46,359	-0
Unmetered Scattered Load	\$12.38	228	2,823	\$0.0286	472,835	13,523	16,346	16,339	7
General Service >500 kW, <1,500 kW	\$1,158.16	96	111,183	\$0.8650	53,192	46,011	157,195	157,192	3
General Service >1,500 kW	\$1,158.16	36	41,694	\$2.0658	88,121	182,041	223,734	223,736	-2
TOTAL			1,268,014			1,755,920	3,023,934	3,024,987	-1,052

¹ From sheet F5, rounded off to decimals displayed

² Fixed Charge = # Customers (Connections) multiplied by 12 (months); Variable Charge = # kW's or kWh's, as applicable (per sheet C1)

³ Rate x Volume

* Sum of 'Revenue' columns

** From sheet F4 (Gross Base Revenue Requirement)

2009 Rate Rider

Customer Class	Balance to be Recovered in 2009	Balance to be Recovered in 2009	Charge Parameter	Rate Rider
Residential	-14,120	-14120.47327	32874496	-0.0004
General Service < 50 kW	-24,933	-24932.9842	16196592	-0.0015
General Service >50 kW, <500 kW	-54,843	-54843.37294	67049	-0.818
Sentinel Lighting	141	140.9306122	136	1.0362
Street Lighting	-1,055	-1055.471008	2508	-0.4208
Unmetered Scattered Load	-499	-498.75177	313496	-0.0016
General Service >500 kW, <1,500 kW	-37,283	-37282.91696	35267	-1.0572
General Service >1,500 kW	-75,842	-75841.66799	58425	-1.2981
	0			
Total	-208,435	-208,435		
# days	242			
# months	8			

LRAM/SSM Award		\$52,436
Recovery	2009	\$20,905
	2010	\$31,531
Charge Parameter	2009	32,874,496 kWh
	2010	49,583,434 kWh
		82,457,930 kWh
Rate Rider		0.0006 \$/kWh

Derivation of Foregone Revenue for June 15 - August 31, 2009

Derivation of Proposed
 Rate Rider

Customer Class	Proposed Variable Distribution Rate	Currently Authorized Variable Distribution Rate	Difference	Charge Parameter: June 15- August 31	Uncollected Revenue of the Period	Charge Parameter: September 1, 2009 - April 30, 2011	Rate Rider
Residential	0.0195	0.0159	0.0036	10,595,912	\$38,145	82,457,930	0.0005
General Service < 50 kW	0.0136	0.01	0.0036	5,220,389	\$18,793	40,625,336	0.0005
General Service >50 kW, <500 kW	1.8085	0.8315	0.977	21,611	\$21,114	168,176	0.1255
Sentinel Lighting	9.9065	7.3155	2.591	44	\$114	341	0.3343
Street Lighting	8.0143	4.4791	3.5352	808	\$2,856	6,291	0.4541
Unmetered Scattered Load	0.0286	0.01	0.0186	101,044	\$1,879	786,331	0.0024
General Service >500 kW, <1,500 kW	0.865	0.4773	0.3877	11,367	\$4,407	88,459	0.0498
General Service >1,500 kW	2.0658	0.4773	1.5885	18,831	\$29,913	146,546	0.2041
Total					\$117,223		