



CANADIAN NIAGARA POWER INC.

A FORTIS ONTARIO
Company

October 13, 2009

Ms. Kirsten Walli
Board Secretary
Ontario Energy Board
2300 Yonge Street, 27th Floor
Toronto, ON M4P 1E4

Dear Ms. Walli:

**RE: 2009 ELECTRICITY DISTRIBUTION RATE APPLICATION – DRAFT RATE ORDER
CNPI – PORT COLBORNE (EB-2008-0224)**

On September 30, 2009, the Board issued its Decision in the matter of Canadian Niagara Power – Port Colborne's 2009 Electricity Distribution Rate Application, EB-2008-0224. Attached is the Draft Rate Order related to that Decision.

Arising from the Decision are two matters that CNPI – Port Colborne has addressed in the Draft Rate Order. The matters relate to:

1. The approved Retail Transmission Service Rates; and,
2. The implementation of a foregone revenue rate adder.

These matters are discussed individually here.

Retail Transmission Service Rates

The Decision on page 19 related to Retail Transmission suggests that the Board is approving a reduction in the Network Service rate and the Connection Service rate. In CNPI's response to the OEB Interrogatory #70, dated December 12, 2008, CNPI – Port Colborne proposed new retail transmission service rates as per the Board Staff direction. The request was for a 7.26% "increase" in the Network Service rate and 5.45% "increase" in Connection Service rate. The Decision refers to both as "reductions" of the same percentages. Changing the wording in the Decision to reflect a proposed increase will not affect the rates proposed by CNPI; the rate design submitted with the December 12 interrogatories had included these increases.

CNPI – Port Colborne respectfully requests that a decision accompany the final rate order addressing this matter.

Implementation

CNPI – Port Colborne requested and the Board ordered, in its Decision, that CNPI – Port Colborne would collect the foregone revenue that results from a November 1, 2009 implementation date. In preparation of the Draft Rate Order, CNPI – Port Colborne has drafted new distribution rates based on the Decision. The relocation of revenue shares when establishing the new starting point for the revenue to cost ratios combined with the foregone rate adder is posing significant rate stress for the smaller residential customer. It is yielding a total bill increase in the neighbourhood of 11.5%. This total bill impact is resulting from the addition of the rate adder combined with downward pressure on the GS > 50 kW class rates due to reallocation of revenues as ordered in the Decision. CNPI – Port Colborne is proposing that it be permitted to collect the foregone revenue over an 18 month period (April 30, 2011) rather than six months (April 30, 2010). This modification would reduce total bill impacts for those same customers to the 8% range.

CNPI – Port Colborne respectfully requests that a decision accompany the final rate order addressing this matter.

CNPI – Port Colborne has approached the registered intervenors in the proceeding seeking their agreement with these proposals with copy to Board staff. The intervenors are in support of these requests.

If you have any questions in connection with the above matter, please do not hesitate to contact the undersigned at (905) 994 3634.

Yours truly,



Doug Bradbury
Director, Regulatory Affairs

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

AND IN THE MATTER OF an application by Canadian
Niagara Power Inc. – Port Colborne for an order approving
just and reasonable rates and other charges for electricity
distribution to be effective May 1, 2009.

INTRODUCTION

Canadian Niagara Power Inc. (“CNPI”) is a wholly-owned subsidiary of FortisOntario Inc. CNPI owns and operates distribution businesses in the following three territories; Fort Erie, Port Colborne and Gananoque (or Eastern Ontario Power). Currently the three service areas have separate rates.

CNPI submitted a separate rate application for each of these service territories and the Board gave them file numbers as follows:

- CNPI – Eastern Ontario Power EB-2008-0222,
- CNPI – Fort Erie EB-2008-0223, and
- CNPI – Port Colborne EB-2008-0224.

While the applications are separate, because they have been prepared by CNPI and contain some common elements and the intervenors are the same, the Board decided to deal with all three applications at the same time.

On September 30, 2009, the Board issued its Decision in the matter of CNPI – Port Colborne, EB-2008-0224. This is CNPI – Port Colborne’s draft rate order prepared in compliance with that Decision.

LEASE ARRANGEMENT

In its Decision, the Board determined that a cost of \$1.0 million for the annual lease payments is the reasonable amount to be recovered in rates for 2009. CNPI – Port Colborne has complied with this direction and the amount of \$1.0 million has been substituted as the lease cost approved for the determination of the Service Revenue Requirement.

CAPITAL EXPENDITURES

In its Decision, the Board approved the proposed capital expenditures for CNPI – Port Colborne as reasonable subject to an adjustment to its capital meter forecast.

CNPI – Port Colborne has complied with this direction and has reduced its forecast related to capital spending on meters to \$9,000 in 2008 and \$7,000 in 2009. In all other aspects, CNPI – Port Colborne has maintained its proposed capital expenditure as per its applications.

WORKING CAPITAL ALLOWANCE (WCA)

CNPI – Port Colborne has used the standard methodology for calculating the WCA as 15% of the sum of controllable expenses and the cost of power. In its Decision, the Board directed CNPI to update its WCA in the same manner as was ordered in the Fort Erie and Gananoque Decision. In that Decision, CNPI was directed to reflect the current Board-approved transmission rates and the most current RPP commodity estimate available, namely \$0.06072/kWh, from the Board's Regulated Price Plan Report of April 15, 2009. As well, the Board directed CNPI to submit with this draft rate order, an updated Exhibit 2, Tab 4, Schedules 1 and 2, as support for that recalculation. In this submission, CNPI has identified the commodity, RTS, Wholesale Market Service Charge and other applicable rates used in the Cost of Power update. The updated schedule also includes other changes that the Board has determined elsewhere in its Decision, including the allowable lease payment.

CNPI – Port Colborne's updated Exhibit 2, Tab 4, Schedules 1 and 2 are provided in Appendix A.

LOAD FORECAST

In its Decision the Board stated that CNPI's load forecasting methodology is common for all three service territories. In the Fort Erie and Gananoque decision, the Board addressed the concerns raised by the parties regarding CNPI's load forecasting methodology and accepted that methodology and its results. Given that there were no new issues were raised that were specific to CNPI – Port Colborne and that no party objected to the customer forecast for CNPI – Port Colborne, the Board has accepted CNPI – Port Colborne's load forecast.

CNPI – Port Colborne has maintained its proposed load forecast as per its application. The customer and load forecast is shown on Tab [Forecast Data] of the updated Rate Design Model in Appendix B. A live Excel version of this model is also being submitted accompanying this draft rate order.

OPERATIONS, MAINTENANCE AND ADMINISTRATIVE COSTS (OM&A COSTS)

Regulatory Costs

On April 20, 2009, CNPI had proposed regulatory costs of \$475,000, amortized over three years, for the three distribution service areas. For Port Colborne, the proposed regulatory costs were \$241,197, the proposed costs were also amortized over three years. The balance of costs was attributable to Fort Erie and Gananoque.

The Board concluded that while the total amount proposed is high the applicant has furnished sufficient justification and in its Decision considered it reasonable to allow the full amount of \$241,197. These one-time costs shall be amortized over three years.

CNPI has complied with the Board's direction in this matter and has adjusted its OM&A costs accordingly.

INCOME TAXES

CNPI is an investor-owned corporation that pays Federal and provincial taxes, in contrast to PILs (Payments In Lieu of taxes) that municipally-owned or provincially-owned distributors are subject to. CNPI is subject to taxes as one corporate entity. It documented the allocation of taxes in a top-down method, allocating between transmission and distribution and then, within distribution, between the three service areas.

The Fort Erie and Gananoque Decision referenced that Board staff had noted that the recently-passed Federal Budget has provisions which may impact on a corporation's tax liability for 2009. Board staff submitted that CNPI should flow through applicable changes and update the tax allowance to determine the revenue requirement and rates resulting from the Board's Decision.

That Decision noted that there is no dispute as to the method and inputs in calculating the final income tax amounts to be reflected in rates.

CNPI – Port Colborne has complied with the Board's direction in the matter of income taxes and the appropriate details are included with this draft rate order. The revised income tax calculations are provided in Appendix C.

DEFERRAL AND VARIANCE ACCOUNTS

Disposition of Accounts

In its pre-filed evidence, CNPI – Port Colborne sought to dispose of Account 1508 - Other Regulatory Assets over one year. The Board accepted the disposition of Account 1508 - Other Regulatory Assets over one year as proposed. CNPI – Port Colborne has maintained its proposed disposition of Account 1508 - Other Regulatory Assets as per its pre-filed evidence.

The implementation of Regulatory Asset Rate Riders consistent with CNPI – Port Colborne's application is detailed in Tab [Regulatory Assets] of the Rate Design Model, Appendix B.

International Financial Reporting Standards (IRFS) Deferral Account

During the evidentiary process, CNPI sought to establish a deferral account to record costs associated with the transition of utility accounting from Canadian Generally Accepted Accounting Principles to International Financial Reporting Standards.

The Board did not authorize this deferral account and CNPI – Port Colborne has complied with this direction.

COST OF CAPITAL

Capital Structure

In the Decision related to Fort Erie and Gananoque, the Board accepted CNPI's proposed deemed capital structure of 43.3% common equity and 56.7% debt, composed of 52.7% long-term debt and 4.0% short-term debt. The Board has directed CNPI – Port Colborne to reflect the findings related to Fort Erie and Gananoque in the CNPI – Port Colborne Decision.

CNPI has maintained its proposed capital structure as per its pre-filed evidence. The capital structure is detailed in the accompanying Revenue Requirement Work Forms.

Return on Common Equity

CNPI's applications reflected a rate of return on equity of 8.39% based on the May 2008 Consensus Forecast. On February 24, 2009, the Board issued a letter to all distributors announcing updated cost of capital parameters to be used, in which the maximum rate of return on common equity is 8.01% for 2009.

The Board has directed CNPI to reflect a maximum rate of return on common equity of 8.01% in its draft rate orders. CNPI has complied with the Board's direction in the matter of return on common equity and the appropriate details are included with this draft rate order. The return on common equity is detailed in the accompanying Revenue Requirement Work Forms.

Short Term Debt Rate

CNPI's applications reflected a short term debt rate of 3.38% based on May 2008 Consensus Forecast. On February 24, 2009, the Board issued a letter to all distributors announcing updated Cost of Capital parameters to be used, in which the deemed short term debt rate is 1.33% for 2009.

The Board has directed CNPI to reflect a cost rate for short term debt of 1.33% in its draft rate orders. CNPI has complied with the Board's direction in the matter of short term debt and the appropriate details are included with this draft rate order. The short term debt rate is detailed in the accompanying Revenue Requirement Work Forms.

Long Term Debt Rate

CNPI has forecasted that its debt requirements in the 2009 test year will increase, and expects that its \$15 million debt instrument will be recalled and replaced with a \$21 million instrument in 2009 Q4. CNPI has proposed that the current deemed long-term debt rate of 7.62% should apply to the \$21 million debt.

The Board, in its Decision, found it reasonable to deem the cost of the affiliate debt to be the continuation of the \$15 million existing affiliated debt with FortisOntario at the rate of 6.13% and an additional \$6 million affiliated debt with FortisOntario at the rate of 7.62%. The Board noted that from the evidence that CNPI assumes refinancing in Q4 of 2009 (Undertaking Response JT2.6) but its revenue requirement reflected an amount equivalent to having refinanced in mid year (E6/T1/S1, page 4). The Board has directed CNPI to make the necessary adjustments to the cost of debt when filing its draft rate order.

The Board noted that there were no issues raised with respect to the third-party debt of \$30 million, and has allowed this debt at its documented rate of 7.092%.

As was the case for Fort Erie and Gananoque, the Board has directed CNPI – Port Colborne to use a cost rate for long term debt that reflects the above debt rates weighted by the principal of each debt instrument. CNPI has complied with the Board's direction in the matter of the long term debt rate and has determined the rate to be 6.88%. The long term debt rate is detailed in the accompanying Revenue Requirement Work Forms.

COST ALLOCATION AND RATE DESIGN

Low Voltage Charges

In its Decision, the Board has accepted the low voltage rate adder has determined in the CNPI – Port Colborne's prefiled evidence.

Retail Transmission Service Charges

In its original application, CNPI – Port Colborne did not propose any changes to its Retail Transmission Service Charges. In response to Board Staff interrogatories, CNPI – Port Colborne calculated new retail transmission service charges to be effective May 1, 2009, in accordance with the Board's Guideline G-2008-0001. This latter proposal increased

the Network Service rate by 7.26% and the Line and Transformation Connection Service rate by 5.45%.

However, in the Decision, on page 19, this proposal has been described as a “reduction” in rates citing these same percentages. CNPI – Port Colborne suggests that this is a misprint.

CNPI – Port Colborne has maintained the percentage increases has proposed in Board Staff Interrogatory # 70, filed on December 12, 2008, being 7.26% for Network Service and 5.45% for Transformation Connection Service. The appropriate details are included with this draft rate order. The determination of retail transmission service charges for CNPI – Port Colborne is detailed in that interrogatory and the results are shown on Tab [Other Electricity Charges] of the updated Rate Design Model in Appendix B.

Other Charges

In its pre-filed evidence CNPI – Port Colborne proposed to:

- Continue with all of its currently approved Specific Service Charges;
- Continue with the previously approved Wholesale Market Service charge of \$0.0052 per kWh; and
- Continue to charge \$0.0010 per kWh for Rural or Remote Rate Protection.

In a letter to the Board dated December 18, 2008, CNPI had requested approval to charge \$0.0013 per kWh for Rural or Remote Rate Protection as per the Board's direction.

In its Decision, the Board found these proposals acceptable and approved them. As well, the Board approved the change to the Rural or Remote Rate Protection charge to \$0.0013 per kWh.

CNPI – Port Colborne has complied with the Board's direction in the matter of the Rural or Remote Rate Protection charge and the appropriate details are included with this draft rate order. These determinants have been included in the rate design model, Appendix B.

SMART METER ADDER

In its pre-filed evidence under the harmonization proposal, CNPI – Port Colborne proposed to charge a smart meter rate adder of \$0.27 per metered customer per month.

The Board has approved this request for a smart meter rate adder of \$0.27 per metered customer per month.

CNPI – Port Colborne has maintained its proposed smart meter adder as per its pre-filed evidence in this draft order. Determinants for the smart meter adder are found in Tab [Smart Meters] of the rate design model, Appendix B.

LOSS ADJUSTMENT FACTORS

CNPI – Port Colborne has proposed a Distribution Loss Factor of 1.0382 and a Total Loss Factor of 1.0328.

The Board has approved the loss factor as proposed by CNPI – Port Colborne. CNPI – Port Colborne has maintained its proposed loss factors as per its pre-filed evidence in this draft order.

REVENUE-TO-COST RATIOS

In its Decision, the Board has directed CNPI – Port Colborne to re-allocate costs that the move class recovery by 50% to the closest boundary of the Board's policy range and that this should be accomplished by starting with VECC's approach, where the

transformer ownership allowance is removed and using the R/C ratios in column 4 of the table as a starting point. Therefore, CNPI has been directed to move the:

- USL class R/C ratio from the new starting point of 59.80% to 69.90%
- Sentinel Lights class R/C ratio from the new starting point of 53.41% to 61.70%, and
- Street Lights class R/C ratio from the new starting point of 31.99% to 51.00%

In addition, CNPI – Port Colborne has been directed to apply the net of the revenue responsibility increase related to the USL, Sentinel Lights and Street Lights classes to reduce the revenue responsibility related to the GS>50 class by moving the R/C ratio from the current starting point of 160.16% to a lower point.

CNPI – Port Colborne has also been directed to maintain:

- Residential class R/C ratio at the new starting point of 94.70%
- GS<50 R/C ratio at the new starting point of 91.16%

For 2010 and 2011, CNPI – Port Colborne has been directed to move the R/C ratios for the USL, Sentinel Lights and Street Lights classes to the closest boundary of the Board's policy range in two equal steps. As a product of the preceding direction, CNPI – Port Colborne is to apply the net of the revenue responsibility increase to move the R/C ratio for the GS>50 class to a lower point.

With respect to the Back-up/Standby Power class, the Board has found that inclusion of costs related to this class in the costs related to the GS>50 class is appropriate and will not affect the Board's earlier finding to apply the net of the revenue responsibility increase related to the USL, Sentinel Lights and Street Lights classes to reduce the revenue responsibility related to the GS>50 class.

CNPI – Port Colborne has complied with the Board's direction in the matter of the revenue-to-cost ratios and the appropriate details are included with this draft rate order.

Adherence to the Board's direction is evidenced on Tab [Cost Alloc Revenue Distribution], Column K of the rate design model, Appendix B.

FIXED/VARIABLE SPLITS

Based on the evidence, the Board considered CNPI – Port Colborne's proposal to be adequate and has not required to CNPI – Port Colborne to adjust the monthly service charge for the GS>50 kW customer class.

CNPI – Port Colborne has maintained its fixed/variable split for the GS > 50 kW customer class.

IMPLEMENTATION

In all three of its applications, CNPI requested that its proposed rates be made effective on May 1, 2009. Because the distribution rates were made interim as of May 1, 2009, the Board has the jurisdiction to make the rates effective on May 1, 2009.

CNPI – Port Colborne filed its rate application on August 15, 2008 in accordance with the Board's January 30, 2008 letter regarding its multi-year rate setting plan. CNPI – Port Colborne met all deadlines set out in procedural orders during the course of the proceeding.

In its Decision, the Board approved an effective date of May 1, 2009. The foregone or excess revenue was ordered by the Board to be recovered or refunded over six months through a rate rider in effect from November 1, 2009 to April 30, 2010.

CNPI – Port Colborne, during the preparation of this draft rate order, has determined that the total bill impacts for the smaller residential customer would be in excess of 11.5% should CNPI – Port Colborne implement rate adders that recover foregone revenue in the six month period from November 1, 2009 through April 30, 2010.

To mitigate this adverse rate impact, CNPI – Port Colborne has calculated the rate riders necessary to recover the foregone revenue over an eighteen-month period (November 1, 2009 through to April 30, 2011) as detailed on Tab [May 1 Rate Adder] of the rate design model Appendix B. As indicated in the covering letter to this document, the intervenors in the proceeding do not object to this approach.

The appropriate details are included with this draft rate order. The draft tariff of rates and charges are provided in Appendices D.

ALL OF WHICH IS RESPECTFULLY SUBMITTED

Appendix A

WORKING CAPITAL CALCULATION

Overview

The working capital allowance for CNPI – Port Colborne is forecast to be \$2,720,187 for 2009 and is based on the “15% of specific O&M accounts formula approach” referred to at page 15 of the Board’s Filing Requirements. CNPI – Port Colborne has provided its calculations by account for each of 2006 Actual, 2007 Actual, 2008 Bridge Year and the 2009 Test Year in the table on the following page.

For 2009, the power purchased amount is based on the load forecast as described in Exhibit 3 times the current RPP commodity estimate of \$0.06072/kWh¹. The rates used for the wholesale market charge, transmission connection charge and transmission network charge are those approved by the Board in the September 30, 2009 Decision.

The low voltage charges from Hydro One are recovered in the distribution rates in CNPI – Port Colborne.

¹ Navigant Report Regulated Price Plan – April 11, 2008, page 16, Table 2 – Average RPP Supply Cost Summary.

WORKING CAPITAL CALCULATION BY ACCOUNT

Description	2006 Actual	Allowance for Working Capital	2007 Actual	Allowance for Working Capital	2008 Bridge Year	Allowance for Working Capital	2009 Test Year	Allowance for Working Capital
Rate Used for Working Capital Allowance	15%		15%			15%		15%
Power Supply Expenses								
4705 Power Purchased	10,987,368	1,648,105	11,420,846	1,713,127	10,743,331	1,611,500	11,294,350	1,694,153
4708 Charges-WMS	1,254,181	188,127	1,228,999	184,350	1,233,494	185,024	1,232,393	184,859
4710 Cost of Power Adjustments	-	-	-	-	-	-	-	-
4712 Charges-One-Time	-	-	-	-	-	-	-	-
4714 Charges-NW	1,129,740	169,461	1,065,597	159,840	979,178	146,877	951,737	142,760
4716 Charges-CN	994,462	149,169	882,870	132,430	873,917	131,087	886,093	132,914
4730 Rural Rate Assistance Expense	-	-	-	-	-	-	-	-
4750 Charges - LV	-	-	-	-	35,723	5,358	20,783	3,118
5685 Independent Market Operator Fees and Penalties	-	-	-	-	-	-	-	-
Power Supply Expenses Total	14,365,751	2,154,863	14,598,312	2,189,747	13,865,643	2,079,846	14,385,356	2,157,803
Distribution Expenses - Operation								
5005 Operation Supervision and Engineering	13,303	1,995	39,518	5,928	28,642	4,296	33,780	5,067
5010 Load Dispatching	92,008	13,801	132,233	19,835	106,362	15,954	78,120	11,718
5012 Station Buildings and Fixtures Expense	48,257	7,238	31,291	4,694	50,004	7,501	30,000	4,500
5014 Transformer Station Equipment - Operation Labour	-	-	-	-	-	-	-	-
5015 Transformer Station Equipment - Operation Supplies and Expenses	-	-	-	-	-	-	-	-
5016 Distribution Station Equipment - Operation Labour	57,810	8,671	69,690	10,454	39,882	5,982	39,765	5,965
5017 Distribution Station Equipment - Operation Supplies and Expenses	-	-	-	-	-	-	-	-
5020 Overhead Distribution Lines and Feeders - Operation Labour	13,106	1,966	18,324	2,749	-	-	-	-
5025 Overhead Distribution Lines and Feeders - Operation Supplies and Expenses	-	-	-	-	-	-	-	-
5030 Overhead Subtransmission Feeders - Operation	-	-	-	-	-	-	-	-
5035 Overhead Distribution Transformers - Operation	-	-	-	-	-	-	-	-
5040 Underground Distribution Lines and Feeders - Operation Labour	33,643	5,046	33,152	4,973	27,124	4,069	47,568	7,135
5045 Underground Distribution Lines and Feeders - Operation Supplies and Expenses	-	-	-	-	-	-	-	-
5050 Underground Subtransmission Feeders - Operation	-	-	-	-	-	-	-	-
5055 Underground Distribution Transformers - Operation	-	-	1,028	154	-	-	-	-
5065 Meter Expense	113,280	16,992	129,575	19,436	101,507	15,226	123,887	18,583
5070 Customer Premises - Operation Labour	-	-	-	-	-	-	6,000	900
5075 Customer Premises - Materials and Expenses	-	-	-	-	-	-	-	-
5085 Miscellaneous Distribution Expense	49,183	7,377	59,363	8,904	47,916	7,187	51,582	7,737
5090 Underground Distribution Lines and Feeders - Rental Paid	-	-	-	-	-	-	-	-
5095 Overhead Distribution Lines and Feeders - Rental Paid	-	-	-	-	-	-	-	-
5096 Other Rent	-	-	-	-	-	-	-	-
Distribution Expenses - Operation Total	420,589	63,088	514,172	77,126	401,436	60,215	410,703	61,605
Distribution Expenses - Maintenance								
5105 Maintenance Supervision and Engineering	11,001	1,650	27,772	4,166	25,921	3,888	15,267	2,290
5110 Maintenance of Buildings and Fixtures - Distribution Stations	10,497	1,575	8,686	1,303	5,598	840	2,016	302
5112 Maintenance of Transformer Station Equipment	-	-	-	-	-	-	-	-
5114 Maintenance of Distribution Station Equipment	9,594	1,439	40,461	6,069	-	-	6,000	900
5120 Maintenance of Poles, Towers and Fixtures	23,197	3,480	33,210	4,981	44,593	6,689	38,886	5,833
5125 Maintenance of Overhead Conductors and Devices	41,811	6,272	88,807	13,321	72,177	10,827	96,414	14,462
5130 Maintenance of Overhead Services	47,044	7,057	88,647	13,297	74,577	11,187	102,414	15,362
5135 Overhead Distribution Lines and Feeders - Right of Way	166,568	24,985	85,062	12,759	85,276	12,791	128,046	19,207
5145 Maintenance of Underground Conduit	-	-	-	-	-	-	-	-
5150 Maintenance of Underground Conductors and Devices	4,895	734	12,394	1,859	19,039	2,856	23,715	3,557
5155 Maintenance of Underground Services	5,146	772	8,762	1,314	17,839	2,676	30,417	4,563
5160 Maintenance of Line Transformers	10,411	1,562	22,314	3,347	29,154	4,373	23,715	3,557
5175 Maintenance of Meters	49,598	7,440	37,411	5,612	93,332	14,000	78,862	11,829
Distribution Expenses - Maintenance Total	379,762	56,964	453,526	68,029	467,506	70,126	545,753	81,863
Billing and Collection								
5305 Supervision	57,505	8,626	59,923	8,988	63,151	9,473	58,046	8,707
5310 Meter Reading Expense	93,055	13,958	100,775	15,116	80,458	12,069	98,433	14,765
5315 Customer Billing	175,759	26,364	156,948	23,542	157,226	23,584	157,661	23,649
5320 Collecting	72,325	10,849	111,558	16,734	119,903	17,985	103,910	15,587
5325 Collecting- Cash Over and Short	20	3	-	-	-	-	-	-
5330 Collection Charges	-	-	-	-	-	-	-	-
5335 Bad Debt Expense	19,764	2,965	66,402	9,960	40,000	6,000	65,945	9,892
5340 Miscellaneous Customer Accounts Expenses	109,391	16,409	162,023	24,303	135,301	20,295	128,523	19,278
Billing and Collection Total	527,818	79,173	657,629	98,644	596,039	89,406	612,519	91,878
Community Relations								
5405 Supervision	-	-	-	-	-	-	-	-
5410 Community Relations - Sundry	-	-	-	-	-	-	10,532	1,580
5415 Energy Conservation	-	-	-	-	-	-	-	-
5420 Community Safety Program	-	-	1,847	277	900	135	2,500	375
5425 Miscellaneous Customer Service and Informational Expenses	-	-	-	-	5,400	810	10,666	1,600
5515 Advertising Expense	-	-	-	-	-	-	-	-
5660 General Advertising Expenses	-	-	-	-	-	-	-	-
Community Relations Total	-	-	1,847	277	6,300	945	23,698	3,555
Administrative and General Expenses								
5605 Executive Salaries and Expenses	-	-	-	-	-	-	-	-
5610 Management Salaries and Expenses	-	-	-	-	-	-	-	-
5615 General Administrative Salaries and Expenses	549,557	82,433	552,079	82,812	608,815	91,322	619,072	92,861
5620 Office Supplies and Expenses	37,928	5,689	35,468	5,320	41,348	6,202	41,976	6,296
5625 Administrative Expense Transferred/Credit	(239,851)	(35,978)	(244,428)	(36,664)	(253,283)	(37,993)	(260,729)	(39,109)
5630 Outside Services Employed	42,051	6,308	49,584	7,438	46,712	7,007	49,384	7,408
5635 Property Insurance	41,847	6,277	43,878	6,582	53,408	8,011	55,000	8,250
5640 Injuries and Damages	-	-	-	-	-	-	-	-
5645 Employee Pensions and Benefits	-	-	99,917	14,988	667	100	700	105
5650 Franchise Requirements	-	-	-	-	-	-	-	-
5655 Regulatory Expenses	81,885	12,283	98,882	14,832	82,909	12,436	167,207	25,081
5665 Miscellaneous General Expenses	110,975	16,646	-	-	-	-	-	-
5670 Rent	1,696,191	254,429	1,691,187	253,678	1,697,463	254,619	1,222,829	183,424
5675 Maintenance of General Plant	105,945	15,892	134,009	20,101	208,187	31,228	191,112	28,667
5680 Electrical Safety Authority Fees	-	-	-	-	-	-	-	-
Administrative and General Expenses Total	2,426,527	363,979	2,460,576	369,086	2,486,227	372,934	2,086,552	312,983
Taxes								
6105 Taxes Other Than Income Taxes (Note less capital taxes)	66,535	9,980	65,914	9,887	70,000	10,500	70,000	10,500
Taxes Total	66,535	9,980	65,914	9,887	70,000	10,500	70,000	10,500
Working Capital Allowance Total	18,186,981	2,728,047	18,751,975	2,812,796	17,893,150	2,683,972	18,134,580	2,720,187

Appendix B



CANADIAN NIAGARA POWER INC.

A FORTIS ONTARIO
Company

REVISED per Decision

Dated September 30, 2009

Foregone Revenue Recovery Sunset - April 30, 2011

**Port Colborne Service Territory
Rate Design Model
2009 Electricity Distribution Rate Application
EB - 2008 - 0224**

Revenue Requirement for 2009 Test Year

	2006 EDR	2009 Test Year
Service Revenue Requirement (Including Low Voltage Charge)	4,790,357	5,545,376
Less:		
Revenue Offsets		
Specific Service Charges	271,227	22,500
Late Payment Charges	30,844	100,000
Other Distribution revenue	23,000	163,500
Other Income and deductions	127,157	
Total Revenue Offsets	452,228	286,000
Base Revenue Requirements	4,338,129	5,259,376
Low Voltage Costs to Hydro One	19,027	20,783
Base Revenue Requirement Net of LV Costs	4,319,102	5,238,593
Transformation Credit (Annualized Amount)	136,729	142,119
Base Revenue Requirement with Transformation Credit Add Back	4,455,831	5,380,712

CNPI - Port Colborne Load and Customer Forecast Information

	Data From 2006 EDR Board Approved Model				From Energy Sales			Normalized Forecast	
	2002	2003	2004	2006 EDR	2005	2006 Year End	2007 Year End	2008 Bridge Year	2009 Test Year
Residential									
Number of Customers	7,885	7,943	8,064	8,064	8,098	8,115	8,131	8,132	8,155
Kilowatt-hours	55,948,133	67,222,437	61,303,778	62,256,160	65,834,052	63,377,413	65,276,604	64,789,160	64,972,406
GS < 50 kW									
Number of Customers	911	921	962	962	968	937	930	932	934
Kilowatt-hours	24,146,580	28,166,788	27,297,710	27,405,586	27,395,952	26,343,975	25,917,221	25,775,838	25,831,151
GS > 50 kW									
Number of Customers	63	66	72	72	69	74	79	80	81
Kilowatt-hours	107,685,006	90,884,587	91,730,694	104,648,698	106,285,822	106,927,250	100,053,760	98,319,637	99,392,250
Kilowatts	258,337	425,272	342,128	367,101	378,665	372,061	365,187	374,581	377,959
Unmetered Scattered Load	Prior to 2006, the Unmetered Scattered Load class was classified as GS < 50 kW								
Number of Customers						19	19	19	19
Kilowatt-hours						586,376	581,173	581,173	581,173
Sentinel Light									
Number of Connections	46	46	46	46	44	42	40	38	36
Kilowatt-hours	4,941	4,941	4,941	4,941	16,042	14,060	13,929	13,233	12,725
Kilowatts	14	14	14	14	49	44	42	40	38
Street Light									
Number of Connections	2,015	2,015	2,015	2,015	2,009	2,006	1,997	1,991	1,985
Kilowatt-hours	479,613	479,613	583,413	514,213	1,860,540	2,027,080	1,803,389	1,797,971	1,792,552
Kilowatts	1,343	1,343	1,634	1,440	5,322	5,490	5,466	5,449	5,433
Totals									
Number of Connections	10,920	10,991	11,159	11,159	11,188	11,193	11,196	11,192	11,210
Kilowatt-hours	188,264,273	186,758,366	180,920,536	194,829,599	201,392,408	199,276,154	193,646,076	191,277,011	192,582,257
Kilowatts	259,694	426,629	343,776	368,555	384,036	377,595	370,695	380,070	383,429

CNPI - Port Colborne Transformation Allowance Forecast Information

	2006 EDR		From Energy Sales Data						Forecasted			
Classification	2006 EDR		2005 Actual		2006 Actual		2007 Actual		2008 Bridge Year		2009 Test Year	
	kW	\$	kW	\$	kW	\$	kW	\$	kW	\$	kW	\$
General Service 50 to 4,999 kW	227,881	136,929	252,603	151,562	221,782	133,069	228,388	137,033	234,748	140,849	236,865	142,119
Transformation Allowance Rate	\$/kW	0.60										

**CNPI - Port Colborne
Smart Meter Adder**

Class	Smart Meter Adder
Residential	0.270
General Service Less Than 50 kW	0.270
General Service 50 to 4,999 kW	0.270

**CNPI - Port Colborne
Loss Factors**

Description	2006 EDR Board Approved	2009 EDR Proposed
Supply Facility Loss Factor	1.0045	1.0052
Distribution Loss Factors		
Secondary Metered Customer < 5,000 kW	1.0276	1.0328
Primary Metered Customer < 5,000 kW	1.0173	1.0225
Total Loss Factors		
Secondary Metered Customer < 5,000 kW	1.0322	1.0382
Primary Metered Customer < 5,000 kW	1.0219	1.0278

**CNPI - Port Colborne
Monthly Service Charge Analysis**

Customer Class	2006 Board Approved	2008 Board Approved	2009 Proposed	Lower Bound from Cost Allocation Filing	Upper Bound from Cost Allocation Filing	120 % of Upper Bound	Is the 2006 Board Approved Higher than the Lower Boundary?	Is the 2006 Board Approved Lower than the Upper Boundary?	Is the 2006 Board Approved Higher than the Lower Boundary?	Is the 2006 Board Approved Lower than the Upper Boundary?
Residential	15.36	15.59	15.48	4.41	21.13	25.36	YES	YES	YES	YES
General Service Less Than 50 kW	30.60	31.05	30.72	9.13	36.65	43.98	YES	YES	YES	YES
General Service 50 to 4,999 kW	611.07	620.00	568.21	61.22	197.15	236.58	YES	NO	YES	NO
Unmetered Scattered Load	30.87	31.32	43.85	10.93	40.65	48.78	YES	YES	YES	YES
Sentinel Lighting	2.07	2.10	3.73	0.19	9.84	11.81	YES	YES	YES	YES
Street Lighting	1.37	1.39	2.19	0.05	9.38	11.26	YES	YES	YES	YES
Backup/Standby				-	-	-				

CNPI - Port Colborne Regulatory Asset Recovery

Customer Class	Rate Rider	
	per kWh	per kW
Residential	0.0002	
General Service Less Than 50 kW	0.0001	
General Service 50 to 4,999 kW		0.0221
Unmetered Scattered Load	0.0001	
Sentinel Lighting		0.1691
Street Lighting		0.0491

CNPI - Port Colborne
Allocation of Low Voltage Charges from Hydro One to the Customer Classes

Low Voltage Costs to Hydro One \$ 20,783

Customer Classification	Retail		Allocation	2009 EDR Allocation	Volumetric	
	Transmission Connection Rate per kWh	per kW			Distribution Rate Component per kWh	per kW
Residential	0.0042		29.38%	6,105	0.0001	
General Service Less Than 50 kW	0.0034		11.77%	2,447	0.0001	
General Service 50 to 4,999 kW		1.3549	58.63%	12,186		0.0324
Unmetered Scattered Load	0.0034			-	0.0001	
Sentinel Lighting		1.0678	0.00%	0.39		0.0101
Street Lighting		1.0693	0.22%	45		0.0083
Backup/Standby Power						
			100%	20,783		

CNPI - Port Colborne
Allocation of the 2009 Revenue Requirement on the Basis of the Cost Allocation Informational Filing

Customer Classes	Cost Allocation - Revenue Requirement	Revenue Requirement Allocation Percentage	Cost Allocation - Miscellaneous Requirement	Miscellaneous Revenue Allocation Percentage	2009 Service Revenue Requirement Allocation	2009 Miscellaneous Revenue Offset	2009 Base Revenue Requirement Calculation	Low Voltage Allocation	2009 Base Revenue Requirement Less Low Voltage	2009 Base Revenue Allocation per Class	Transformer Allowance Allocation	2009 Base Revenue per Class with Transformer Allocation	2009 Base Revenue with Transformer Allowance Allocation
Residential	2,914,387	59.38%	292,622	64.71%	3,292,841	185,062	3,107,779	6,105	3,101,673	59.21%		3,101,673	57.64%
GS <50 kW	737,951	15.04%	71,649	15.84%	833,779	45,313	788,466	2,447	786,020	15.00%		786,020	14.61%
GS >50 kW	1,066,736	21.73%	74,876	16.56%	1,205,260	47,353	1,157,907	12,186	1,145,721	21.87%	142,119	1,287,840	23.93%
Street Lights	153,516	3.13%	6,571	1.45%	173,451	4,156	169,295	45	169,250	3.23%		169,250	3.15%
Sentinel Lights	2,798	0.06%	159	0.04%	3,161	101	3,060	0.39	3,060	0.06%		3,060	0.06%
Unmetered Scattered Load Standby/Backup	32,645	0.67%	6,350	1.40%	36,884	4,016	32,869	-	32,869	0.63%		32,869	0.61%
	4,908,033	100.00%	452,227	100.00%	5,545,376	286,000	5,259,376	20,783	5,238,593	100.00%		5,380,712	100.00%

CNPI - Port Colborne
Determination of the 2009 EDR Revenue to Cost Ratios

Customer Classes	Adjusted Allocation to Variable Component	Adjusted Allocation to Fixed Component	Revenue at 100% Rev/Cost Ratio (less Transformer Allowance)	Allocation of Revenue at 100% Rev/Cost Ratio (less Transformer Allowance)	Proposed Proportion of Revenue	Base Revenue Requirement @ Proposed Proportions	Over /(Under) Contributing	Proposed Revenue/C ost Ratio	Revenue/C ost Ratio from the 2006 Cost Allocation Adjusted Starting Point
Residential	48.50%	51.50%	3,101,673	59.21%	56.071%	2,937,339	(164,335)	94.70%	94.70%
GS <50 kW	52.00%	48.00%	786,020	15.00%	13.678%	716,545	(69,475)	91.16%	91.16%
GS >50 kW	62.75%	37.25%	1,145,721	21.87%	28.128%	1,473,538	327,817	128.61%	160.16%
Street Lights	39.44%	60.56%	169,250	3.23%	1.647%	86,300	(82,950)	50.99%	31.99%
Sentinel Lights	12.30%	87.70%	3,060	0.06%	0.036%	1,888	(1,172)	61.69%	53.41%
Unmetered Scattered Load Standby/Backup	56.50%	43.50%	32,869	0.63%	0.439%	22,984	(9,885)	69.93%	59.80%
			5,238,593	100.00%	100.00%	5,238,593	0		

CNPI - Port Colborne

Rates - Base Revenue Requirement - Allocated on the Cost Allocation Informational Filing Distribution of Revenues

Class	Annualized Data			Base Revenue Allocation				Distribution Rates							
	Number of Customers (Connections)	Kwh	kW	Base Revenue Proposed Allocation				2009 Base Revenue Requirement Divided by the Annualized Forecasted Consumption for the Test Year							
				Base Revenue Requirement @ Proposed Proportions	Transformer Allowance Allocation	Base Revenue Proposed Allocation		Base Rate per kWh	Base Rate per kW	Low Voltage Rate per kWh	Low Voltage Rate per kW	Combined Rate per kWh	Combined Rate per kW	Fixed Service Charge	With Smart Meter Adder
						Variable Component	Fixed Component								
Residential	8,144	64,972,406		2,937,339		1,424,609	1,512,729	0.0219		0.0001		0.0220		15.48	15.75
General Service Less Than 50 kW	933	25,831,151		716,545		372,603	343,942	0.0144		0.0001		0.0145		30.72	30.99
General Service 50 to 4,999 kW	81	99,392,250	377,959	1,473,538	142,119	1,066,764	548,893		2.8224		0.0324		2.8548	568.21	568.48
Unmetered Scattered Load	19	581,173		22,984		12,986	9,998	0.0223		0.0001		0.0224		43.85	43.85
Sentinel Lighting	37	12,725	38	1,888		232	1,656		6.1137		0.0101		6.1238	3.73	3.73
Street Lighting	1,988	1,792,552	5,433	86,300		34,037	52,263		6.2650		0.0083		6.2733	2.19	2.19
Totals	11,201	192,582,257	383,429	5,238,593	142,119	2,911,232	2,469,481								

**Calculation of Rate Riders
Required to Recover Revenue as a Result of November 1, 2009 Rate Implementation**

	Number of Customers (Connections)	KWh	kW	Board Approved 2008 Distribution Rates			Calculated Revenue May to October 2009
	2009	2009	2009	Fixed	per kWh	per kW	
Revenue at Approved 2009 Rates							
Residential	8,144	64,972,406		15.48	0.022		1,471,065
General Service Less Than 50 kW	933	25,831,151		30.72	0.0145		359,246
General Service 50 to 4,999 kW	81	99,392,250	377,959	568.21		2.8548	274,445
Unmetered Scattered Load	19	581,173		43.85	0.0224		11,508
Sentinel Lighting	37	12,725	38	3.73		6.1238	828
Street Lighting	1,988	1,792,552	5,433	2.19		6.2733	26,122
Revenue at Approved 2008 Rates							
Residential	8,144	64,972,406	-	15.59	0.0154		1,262,031
General Service Less Than 50 kW	933	25,831,151	-	31.05	0.0093		293,933
General Service 50 to 4,999 kW	81	99,392,250	377,959	620.00		2.3984	299,460
Unmetered Scattered Load	19	581,173	-	31.32	0.0093		6,273
Sentinel Lighting	37	12,725	38	2.10		6.1316	466
Street Lighting	1,988	1,792,552	5,433	1.39		2.7636	16,580
Revenue Deficit Resulting from November 1, 2009 Rate Implementation							
Residential							209,034
General Service Less Than 50 kW							65,314
General Service 50 to 4,999 kW							(25,015)
Unmetered Scattered Load							5,235
Sentinel Lighting							362
Street Lighting							9,542
Total							<u>\$ 264,473</u>

Rate Adder Required to Recover Foregone Revenue from November 1, 2009 to April 30, 2011

Class				Fixed	per kWh	per kW	Balance Check
Residential	8,144	64,972,406	-	0.73	0.0010		209,034
General Service Less Than 50 kW	933	25,831,151	-	1.87	0.0009		65,314
General Service 50 to 4,999 kW	81	99,392,250	377,959	(6.43)		(0.0277)	(25,015)
Unmetered Scattered Load	19	581,173	-	6.66	0.0034		5,235
Sentinel Lighting	37	12,725	38	0.48		0.7813	362
Street Lighting	1,988	1,792,552	5,433	0.16		0.4618	9,542
Number of Months for Recovery	18						<u>\$ 264,473</u>
Percentage of Year for Recovery	150%						

CNPI - Port Colborne
Other Electricity Charges - Board Approved

Class	Retail Transmission Rate				Wholesale Market Service	Commodity Charges - \$/kWh				Fees
	Connection Charge	Unit	Network Charge	Unit		Rural Rate Protection	Debt Retirement	Cost of Power 1st Block	Cost of Power Balance	Administration Fee
Residential	0.0038	kWh	0.0042	kWh	0.0052	0.001	0.007	0.053	0.062	0.25
General Service Less Than 50 kW	0.0034	kWh	0.0035	kWh	0.0052	0.001	0.007	0.053	0.062	0.25
General Service 50 to 4,999 kW	1.3549	kW	1.4174	kW	0.0052	0.001	0.007	0.053	0.062	0.25
Unmetered Scattered Load	0.0034	kWh	0.0035	kWh	0.0052	0.001	0.007	0.053	0.062	0.25
Sentinel Lighting	1.0678	kW	1.0743	kW	0.0052	0.001	0.007	0.053	0.062	0.25
Street Lighting	1.0693	kW	1.0352	kW	0.0052	0.001	0.007	0.053	0.062	0.25

CNPI - Port Colborne
Other Electricity Charges - Effective May 1, 2009

Class	Retail Transmission Rate				Wholesale Market Service	Commodity Charges - \$/kWh				Fees
	Connection Charge	Unit	Network Charge	Unit		Rural Rate Protection	Debt Retirement	Cost of Power 1st Block	Cost of Power Balance	Administration Fee
Residential	0.0040	kWh	0.0045	kWh	0.0052	0.0013	0.007	0.057	0.066	0.25
General Service Less Than 50 kW	0.0036	kWh	0.0038	kWh	0.0052	0.0013	0.007	0.057	0.066	0.25
General Service 50 to 4,999 kW	1.4288	kW	1.5202	kW	0.0052	0.0013	0.007	0.057	0.066	0.25
Unmetered Scattered Load	0.0036	kWh	0.0038	kWh	0.0052	0.0013	0.007	0.057	0.066	0.25
Sentinel Lighting	1.1260	kW	1.1522	kW	0.0052	0.0013	0.007	0.057	0.066	0.25
Street Lighting	1.1276	kW	1.1103	kW	0.0052	0.0013	0.007	0.057	0.066	0.25

**Canadian Niagara Power Inc. - Port Colborne
TARIFF OF RATES AND CHARGES**

	May 1, 2006 Board Approved	May 1, 2007 Board Approved	Sept. 1, 2007 Board Approved	May 1, 2008 Board Approved	Sept. 1, 2008 Board Approved	May 1, 2009 2006 CA Allocations	Bill Impact CA Allocations
Residential							8.4%
Service Charge	\$ 15.63	15.72	15.72	15.86	15.86	15.75	
Service Charge Rate Rider for Storm Damage Cost Recovery - effective until August 31, 2008	\$		0.89	0.89	0	0	
Distribution Volumetric Rate	\$/kWh 0.0152	0.0153	0.0153	0.0154	0.0154	0.022	
Distribution Volumetric Rate Rider for Storm Damage Cost Recovery - effective until August 31, 2008	\$/kWh		0.0009	0.0009	0	0	
Recovery of Service Charge Revenue from May 1, 2009 to October 31, 2009 - effective until April 30, 2011				0	0	0.73	
Recovery of Volumetric Revenue from May 1, 2009 to October 31, 2009 - effective until April 30, 2011				0	0	0.0010	
Regulatory Asset Recovery	\$/kWh 0.003	0.003	0.003	0	0	0.0002	
Retail Transmission Rate – Network Service Rate	\$/kWh 0.0051	0.0051	0.0051	0.0042	0.0042	0.0045	
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kWh 0.004	0.004	0.004	0.0038	0.0038	0.0040	
Retail Transmission Rate – Network Service Rate (if applicable)	\$/kWh			0	0		
Retail Transmission Rate – Line and Transformation Connection Service Rate (if applicable)	\$/kWh			0	0		
Retail Transmission Rate – Network Service Rate (if applicable)	\$/kWh			0	0		
Retail Transmission Rate – Line and Transformation Connection Service Rate (if applicable)	\$/kWh			0	0		
Wholesale Market Service Rate	\$/kWh 0.0052	0.0052	0.0052	0.0052	0.0052	0.0052	
Rural Rate Protection Charge	\$/kWh 0.001	0.001	0.001	0.001	0.001	0.0013	
Standard Supply Service – Administrative Charge (if applicable)	\$ 0.25	0.25	0.25	0.25	0.25	0.25	
General Service Less Than 50 kW							7.5%
Service Charge	\$ 30.87	31.04	31.04	31.32	31.32	30.99	
Service Charge Rate Rider for Storm Damage Cost Recovery - effective until August 31, 2009	\$		1.76	1.76	0	0	
Distribution Volumetric Rate	\$/kWh 0.0091	0.0092	0.0092	0.0093	0.0093	0.0145	
Distribution Volumetric Rate Rider for Storm Damage Cost Recovery - effective until August 31, 2009	\$/kWh		0.0005	0.0005	0	0	
Recovery of Service Charge Revenue from May 1, 2009 to October 31, 2009 - effective until April 30, 2011				0	0	1.87	
Recovery of Volumetric Revenue from May 1, 2009 to October 31, 2009 - effective until April 30, 2011				0	0	0.0009	
Regulatory Asset Recovery	\$/kWh -0.0023	-0.0023	-0.0023	0	0	0.0001	
Retail Transmission Rate – Network Service Rate	\$/kWh 0.0043	0.0043	0.0043	0.0035	0.0035	0.0038	
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kWh 0.0036	0.0036	0.0036	0.0034	0.0034	0.0036	
Retail Transmission Rate – Network Service Rate (if applicable)	\$/kWh			0	0		
Retail Transmission Rate – Line and Transformation Connection Service Rate (if applicable)	\$/kWh			0	0		
Retail Transmission Rate – Network Service Rate (if applicable)	\$/kWh			0	0		
Retail Transmission Rate – Line and Transformation Connection Service Rate (if applicable)	\$/kWh			0	0		
Wholesale Market Service Rate	\$/kWh 0.0052	0.0052	0.0052	0.0052	0.0052	0.0052	
Rural Rate Protection Charge	\$/kWh 0.001	0.001	0.001	0.001	0.001	0.0013	
Standard Supply Service – Administrative Charge (if applicable)	\$ 0.25	0.25	0.25	0.25	0.25	0.25	
General Service 50 to 4,999 kW							2.5%
Service Charge	\$ 611.34	614.74	614.74	620.27	620.27	568.48	
Service Charge Rate Rider for Storm Damage Cost Recovery - effective until August 31, 2009	\$		35.22	35.22	0	0	
Distribution Volumetric Rate	\$/kW 2.3639	2.377	2.377	2.3984	2.3984	2.8548	
Distribution Volumetric Rate Rider for Storm Damage Cost Recovery - effective until August 31, 2009	\$/kW		0.1345	0.1345	0	0	
Recovery of Service Charge Revenue from May 1, 2009 to October 31, 2009 - effective until April 30, 2011				0	0	(6.43)	
Recovery of Volumetric Revenue from May 1, 2009 to October 31, 2009 - effective until April 30, 2011				0	0	(0.0277)	
Regulatory Asset Recovery	\$/kW -1.1394	-1.1394	-1.1394	0	0	0.0221	
Retail Transmission Rate – Network Service Rate	\$/kW 1.737	1.737	1.737	1.4174	1.4174	1.5202	
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kW 1.4292	1.4292	1.4292	1.3549	1.3549	1.4288	
Retail Transmission Rate – Network Service Rate (if applicable)	\$/kW			0	0		
Retail Transmission Rate – Line and Transformation Connection Service Rate (if applicable)	\$/kW			0	0		
Retail Transmission Rate – Network Service Rate (if applicable)	\$/kW			0	0		
Retail Transmission Rate – Line and Transformation Connection Service Rate (if applicable)	\$/kW			0	0		
Wholesale Market Service Rate	\$/kWh 0.0052	0.0052	0.0052	0.0052	0.0052	0.0052	
Rural Rate Protection Charge	\$/kWh 0.001	0.001	0.001	0.001	0.001	0.0013	
Standard Supply Service – Administrative Charge (if applicable)	\$ 0.25	0.25	0.25	0.25	0.25	0.25	

**Canadian Niagara Power Inc. - Port Colborne
TARIFF OF RATES AND CHARGES**

		May 1, 2006 Board Approved	May 1, 2007 Board Approved	Sept. 1, 2007 Board Approved	May 1, 2008 Board Approved	Sept. 1, 2008 Board Approved	May 1, 2009 2006 CA Allocations	Bill Impact CA Allocations
Unmetered Scattered Load								33.2%
Service Charge	\$	30.87	31.04	31.04	31.32	31.32	43.85	
Service Charge Rate Rider for Storm Damage Cost Recovery - effective until August 31, 2009	\$			1.76	1.76	0	0	
Distribution Volumetric Rate	\$/kWh	0.0091	0.0092	0.0092	0.0093	0.0093	0.0224	
Distribution Volumetric Rate Rider for Storm Damage Cost Recovery - effective until August 31, 2009	\$/kWh			0.0005	0.0005	0	0	
Recovery of Service Charge Revenue from May 1, 2009 to October 31, 2009 - effective until April 30, 2011					0	0	6.66	
Recovery of Volumetric Revenue from May 1, 2009 to October 31, 2009 - effective until April 30, 2011					0	0	0.0034	
Regulatory Asset Recovery	\$/kWh	-0.0023	-0.0023	-0.0023	0	0	0.0001	
Retail Transmission Rate – Network Service Rate	\$/kWh	0.0043	0.0043	0.0043	0.0035	0.0035	0.0038	
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kWh	0.0036	0.0036	0.0036	0.0034	0.0034	0.0036	
Retail Transmission Rate – Network Service Rate (if applicable)	\$/kWh				0	0		
Retail Transmission Rate – Line and Transformation Connection Service Rate (if applicable)	\$/kWh				0	0		
Retail Transmission Rate – Network Service Rate (if applicable)	\$/kWh				0	0		
Retail Transmission Rate – Line and Transformation Connection Service Rate (if applicable)	\$/kWh				0	0		
Wholesale Market Service Rate	\$/kWh	0.0052	0.0052	0.0052	0.0052	0.0052	0.0052	
Rural Rate Protection Charge	\$/kWh	0.001	0.001	0.001	0.001	0.001	0.0013	
Standard Supply Service – Administrative Charge (if applicable)	\$	0.25	0.25	0.25	0.25	0.25	0.25	
Standby Power - APPROVED ON AN INTERIM BASIS								
Service Charge	\$	1.45	1.46	1.46	1.47	1.47		
Standby Charge - for a month where standby power is not provided. The charge is applied to the contracted amount (e.g. name plate rating of generation facility)	\$/kW	1.1432	1.1496	1.1496	1.1599	1.1599		
Sentinel Lighting								12.7%
Service Charge	\$	2.07	2.08	2.08	2.1	2.1	3.73	
Service Charge Rate Rider for Storm Damage Cost Recovery - effective until August 31, 2009	\$			0.12	0.12	0	0	
Distribution Volumetric Rate	\$/kW	6.0433	6.0769	6.0769	6.1316	6.1316	6.1238	
Distribution Volumetric Rate Rider for Storm Damage Cost Recovery - effective until August 31, 2009	\$/kW			0.3468	0.3468	0	0	
Recovery of Service Charge Revenue from May 1, 2009 to October 31, 2009 - effective until April 30, 2011					0	0	0.48	
Recovery of Volumetric Revenue from May 1, 2009 to October 31, 2009 - effective until April 30, 2011					0	0	0.781	
Regulatory Asset Recovery	\$/kW	12.2827	12.2827	12.2827	0	0	0.1691	
Retail Transmission Rate – Network Service Rate	\$/kW	1.3166	1.3166	1.3166	1.0743	1.0743	1.1522	
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kW	1.1264	1.1264	1.1264	1.0678	1.0678	1.1260	
Retail Transmission Rate – Network Service Rate (if applicable)	\$/kW				0	0		
Retail Transmission Rate – Line and Transformation Connection Service Rate (if applicable)	\$/kW				0	0		
Retail Transmission Rate – Network Service Rate (if applicable)	\$/kW				0	0		
Retail Transmission Rate – Line and Transformation Connection Service Rate (if applicable)	\$/kW				0	0		
Wholesale Market Service Rate	\$/kWh	0.0052	0.0052	0.0052	0.0052	0.0052	0.0052	
Rural Rate Protection Charge	\$/kWh	0.001	0.001	0.001	0.001	0.001	0.0013	
Standard Supply Service – Administrative Charge (if applicable)	\$	0.25	0.25	0.25	0.25	0.25	0.25	
Street Lighting								22.1%
Service Charge	\$	1.37	1.38	1.38	1.39	1.39	2.19	
Service Charge Rate Rider for Storm Damage Cost Recovery - effective until August 31, 2009	\$			0.08	0.08	0	0	
Distribution Volumetric Rate	\$/kW	3.855	1.5729	3.8764	2.7636	2.7636	6.2733	
Distribution Volumetric Rate Rider for Storm Damage Cost Recovery - effective until August 31, 2009	\$/kW			0.2205	0.2205	0	0	
Recovery of Service Charge Revenue from May 1, 2009 to October 31, 2009 - effective until April 30, 2011					0	0	0.16	
Recovery of Volumetric Revenue from May 1, 2009 to October 31, 2009 - effective until April 30, 2011					0	0	0.4618	
Regulatory Asset Recovery	\$/kW	-4.1211	-4.1211	-4.1211	0	0	0.0491	
Retail Transmission Rate – Network Service Rate	\$/kW	1.2686	1.2686	1.2686	1.0352	1.0352	1.1103	
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kW	1.128	1.128	1.128	1.0693	1.0693	1.1276	
Retail Transmission Rate – Network Service Rate (if applicable)	\$/kW				0	0		
Retail Transmission Rate – Line and Transformation Connection Service Rate (if applicable)	\$/kW				0	0		
Retail Transmission Rate – Network Service Rate (if applicable)	\$/kW				0	0		
Retail Transmission Rate – Line and Transformation Connection Service Rate (if applicable)	\$/kW				0	0		
Wholesale Market Service Rate	\$/kWh	0.0052	0.0052	0.0052	0.0052	0.0052	0.0052	
Rural Rate Protection Charge	\$/kWh	0.001	0.001	0.001	0.001	0.001	0.0013	

**Canadian Niagara Power Inc. - Port Colborne
TARIFF OF RATES AND CHARGES**

		May 1, 2006 Board Approved	May 1, 2007 Board Approved	Sept. 1, 2007 Board Approved	May 1, 2008 Board Approved	Sept. 1, 2008 Board Approved	May 1, 2009 2006 CA Allocations	Bill Impact CA Allocations
Standard Supply Service – Administrative Charge (if applicable)	\$	0.25	0.25	0.25	0.25	0.25	0.25	
Cost of Power 1st 600	\$/kWh				0.053	0.057	0.057	
Balance	\$/kWh				0.062	0.066	0.066	
Loss Factor		1.0322	1.0322	1.0322	1.0322	1.0322	1.0382	

CNPI - Port Colborne 2009 EDR
Rate Impacts November 2009 Compared To October 2009
Distribution Rates Calculated on the Basis of the Cost Allocational Informational Filing

Residential

Consumption	1,000 kWh	0 kW	Loss Factor 1.0382
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	October 2009 BILL			November 2009 BILL			IMPACT		
	Volume	RATE \$	CHARGE \$	Volume	RATE \$	CHARGE \$	\$	%	% of Total Bill
Energy First Tier (kWh)	600	\$ 0.0570	\$ 34.20	600	\$ 0.0570	\$ 34.20	\$0.00	0.0%	25.92%
Energy Second Tier (kWh)	432	\$ 0.0660	\$ 28.53	438	\$ 0.0660	\$ 28.92	\$0.40	1.4%	21.92%
Sub-Total: Energy			\$ 62.73			\$ 63.12	\$0.40	0.6%	47.84%
Monthly Service Charge	1	\$ 15.86	\$ 15.86	1	\$ 16.48	\$ 16.48	\$0.62	3.9%	12.49%
Distribution (kWh)	1,000	\$ 0.0154	\$ 15.40	1,000	\$ 0.0230	\$ 23.04	\$7.64	49.6%	17.46%
Distribution (kW)	0	\$ -	\$ -	0	\$ -	\$ -	\$0.00	0.0%	0.00%
Regulatory Assets (kWh)	1,000	\$ -	\$ -	1,000	\$ 0.0002	\$ 0.20	\$0.20	0.0%	0.15%
Rate Riders	1,000	\$ -	\$ -	1,000	\$ -	\$ -	\$0.00	0.0%	0.00%
Monthly Rate Rider Adjustment Z-Factor	1	\$ -	\$ -	1	\$ -	\$ -	\$0.00	0.0%	0.00%
Volumetric Rate Rider Adjustment Z-Factor	1,000	\$ -	\$ -	1,000	\$ -	\$ -	\$0.00	0.0%	0.00%
Retail Transmission Rate – Network Service Rate	1,032	\$ 0.0042	\$ 4.34	1,038	\$ 0.0045	\$ 4.67	\$0.34	7.8%	3.54%
Retail Transmission Rate – Line and Transformation Connection Service Rate	1,032	\$ 0.0038	\$ 3.92	1,038	\$ 0.0040	\$ 4.15	\$0.23	5.9%	3.15%
Sub-Total: Delivery			\$ 39.52			\$ 48.55	\$9.03	22.9%	36.79%
Wholesale Market Service Rate	1,032	\$ 0.0052	\$ 5.37	1038	\$ 0.0052	\$ 5.40	\$0.03	0.6%	4.09%
Rural Rate Protection Charge	1,032	\$ 0.0010	\$ 1.03	1038	\$ 0.0013	\$ 1.35	\$0.32	30.8%	1.02%
Regulated Price Plan – Administration Charge	1	\$ 0.2500	\$ 0.25	1	\$ 0.2500	\$ 0.25	\$0.00	0.0%	0.19%
Sub-Total: Regulatory			\$ 6.65			\$ 7.00	\$0.35	5.2%	5.30%
Debt Retirement Charge (DRC)	1,000	\$ 0.0070	\$ 7.00	1,000	\$ 0.0070	\$ 7.00	\$0.00	0.0%	5.3%
Total Bill before Taxes			\$ 115.89			\$ 125.67	\$9.78	8.4%	95.24%
GST	\$ 115.89	5%	\$ 5.79	\$ 125.67	5%	\$ 6.28	\$0.49	8.4%	4.76%
Total Bill after Taxes			\$ 121.69			\$ 131.95	\$10.27	8.4%	100.00%

General Service Less Than 50 kW

Consumption	2,000 kWh	0 kW	Loss Factor 1.0382
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	October 2009 BILL			November 2009 BILL			IMPACT		
	Volume	RATE \$	CHARGE \$	Volume	RATE \$	CHARGE \$	\$	%	% of Total Bill
Energy First Tier (kWh)	750	\$ 0.0570	\$ 42.75	750	\$ 0.0570	\$ 42.75	\$0.00	0.0%	17.16%
Energy Second Tier (kWh)	1,314	\$ 0.0660	\$ 86.75	1,326	\$ 0.0660	\$ 87.54	\$0.79	0.9%	35.15%
Sub-Total: Energy			\$ 129.50			\$ 130.29	\$0.79	0.6%	52.31%
Monthly Service Charge	1	\$ 31.32	\$ 31.32	1	\$ 32.86	\$ 32.86	\$1.54	4.9%	13.19%
Distribution (kWh)	2,000	\$ 0.0093	\$ 18.60	2,000	\$ 0.0154	\$ 30.75	\$12.15	65.3%	12.35%
Distribution (kW)	0	\$ -	\$ -	2,000	\$ -	\$ -	\$0.00	0.0%	0.00%
Regulatory Assets (kWh)	2,000	\$ -	\$ -	2,000	\$ 0.0001	\$ 0.20	\$0.20	0.0%	0.08%
Rate Riders	2,000	\$ -	\$ -	2,000	\$ -	\$ -	\$0.00	0.0%	0.00%
Monthly Rate Rider Adjustment Z-Factor	1	\$ -	\$ -	1	\$ -	\$ -	\$0.00	0.0%	0.00%
Volumetric Rate Rider Adjustment Z-Factor	2,000	\$ -	\$ -	2,000	\$ -	\$ -	\$0.00	0.0%	0.00%
Retail Transmission Rate – Network Service Rate	2,064	\$ 0.0035	\$ 7.23	2,076	\$ 0.0038	\$ 7.89	\$0.66	9.2%	3.17%
Retail Transmission Rate – Line and Transformation Connection Service Rate	2,064	\$ 0.0034	\$ 7.02	2,076	\$ 0.0036	\$ 7.48	\$0.46	6.5%	3.00%
Sub-Total: Delivery			\$ 64.16			\$ 79.18	\$15.01	23.4%	31.79%
Wholesale Market Service Rate	2,064	\$ 0.0052	\$ 10.73	2076	\$ 0.0052	\$ 10.80	\$0.06	0.6%	4.33%
Rural Rate Protection Charge	2,064	\$ 0.0010	\$ 2.06	2076	\$ 0.0013	\$ 2.70	\$0.63	30.8%	1.08%
Regulated Price Plan – Administration Charge	1	\$ 0.2500	\$ 0.25	1	\$ 0.2500	\$ 0.25	\$0.00	0.0%	0.10%
Sub-Total: Regulatory			\$ 13.05			\$ 13.75	\$0.70	5.3%	5.52%
Debt Retirement Charge (DRC)	2,000	\$ 0.0070	\$ 14.00	2,000	\$ 0.0070	\$ 14.00	\$0.00	0.0%	5.62%
Total Bill before Taxes			\$ 220.71			\$ 237.21	\$16.50	7.5%	95.24%
GST	\$ 220.71	5%	\$ 11.04	\$ 237.21	5%	\$ 11.86	\$0.83	7.5%	4.76%
Total Bill after Taxes			\$ 231.75			\$ 249.07	\$17.33	7.5%	100.00%

General Service 50 to 4,999 kW

Consumption	102,555 kWh	388 kW	Loss Factor 1.0382
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	October 2009 BILL			November 2009 BILL			IMPACT		
	Volume	RATE \$	CHARGE \$	Volume	RATE \$	CHARGE \$	\$	%	% of Total Bill
Energy First Tier (kWh)	750	\$ 0.0570	\$ 42.75	750	\$ 0.0570	\$ 42.75	\$0.00	0.0%	0.36%
Energy Second Tier (kWh)	105,107	\$ 0.0660	\$ 6,937.08	105,723	\$ 0.0660	\$ 6,977.69	\$40.61	0.6%	58.88%
Sub-Total: Energy			\$ 6,979.83			\$ 7,020.44	\$40.61	0.6%	59.24%

Monthly Service Charge	1	\$ 620.27	\$ 620.27	1	\$ 562.05	\$ 562.05	(\$58.22)	(9.4)%	4.74%
Distribution (kWh)	102,555	\$ -	\$ -	102,555	\$ -	\$ -	\$0.00	0.0%	0.00%
Distribution (kW)	388	\$ 2,398.4	\$ 930.58	388	\$ 2,827.1	\$ 1,096.92	\$166.34	17.9%	9.28%
Regulatory Assets (kW)	388	\$ -	\$ -	388	\$ 0.0221	\$ 8.57	\$8.57	0.0%	0.07%
Rate Riders	388	\$ -	\$ -	388	\$ -	\$ -	\$0.00	0.0%	0.00%
Monthly Rate Rider Adjustment Z-Factor	1	\$ -	\$ -	1	\$ -	\$ -	\$0.00	0.0%	0.00%
Volumetric Rate Rider Adjustment Z-Factor	388	\$ -	\$ -	388	\$ -	\$ -	\$0.00	0.0%	0.00%
Retail Transmission Rate – Network Service Rate	400	\$ 1.4174	\$ 567.66	403	\$ 1.5202	\$ 612.37	\$44.71	7.9%	5.17%
Retail Transmission Rate – Line and Transformation Connection Service Rate	400	\$ 1.3549	\$ 542.63	403	\$ 1.4288	\$ 575.55	\$32.92	6.1%	4.86%
Sub-Total: Delivery			\$ 2,661.14			\$ 2,855.47	\$194.33	7.3%	24.10%
Wholesale Market Service Rate	105,857	\$ 0.0052	\$ 550.46	106,473	\$ 0.0052	\$ 553.66	\$3.20	0.6%	4.67%
Rural Rate Protection Charge	105,857	\$ 0.0010	\$ 105.86	106,473	\$ 0.0013	\$ 138.41	\$32.56	30.8%	1.17%
Regulated Price Plan – Administration Charge	1	\$ 0.2500	\$ 0.25	1	\$ 0.2500	\$ 0.25	\$0.00	0.0%	0.00%
Sub-Total: Regulatory			\$ 656.57			\$ 692.32	\$35.76	5.4%	5.84%
Debt Retirement Charge (DRC)	102,555	\$ 0.0070	\$ 717.89	102,555	\$ 0.0070	\$ 717.89	\$0.00	0.0%	6.06%
Total Bill before Taxes			\$ 11,015.42			\$ 11,286.11	\$270.70	2.5%	95.24%
GST	\$ 11,015.42	5%	\$ 550.77	\$ 11,286.11	5%	\$ 564.31	\$13.53	2.5%	4.76%
Total Bill after Taxes			\$ 11,566.19			\$ 11,850.42	\$284.23	2.5%	100.00%

Unmetered Scattered Load

Consumption	750 kWh	0 kW	Loss Factor 1.0382
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	October 2009 BILL			November 2009 BILL			IMPACT		
	Volume	RATE \$	CHARGE \$	Volume	RATE \$	CHARGE \$	\$	%	% of Total Bill
Energy First Tier (kWh)	750	\$ 0.0570	\$ 42.75	750	\$ 0.0570	\$ 42.75	\$0.00	0.0%	31.11%
Energy Second Tier (kWh)	24	\$ 0.0660	\$ 1.59	29	\$ 0.0660	\$ 1.89	\$0.30	18.6%	1.38%
Sub-Total: Energy			\$ 44.34			\$ 44.64	\$0.30	0.7%	32.48%
Monthly Service Charge	1	\$ 31.32	\$ 31.32	1	\$ 50.51	\$ 50.51	\$19.19	61.3%	36.75%
Distribution (kWh)	750	\$ 0.0093	\$ 6.98	750	\$ 0.0258	\$ 19.34	\$12.37	177.3%	14.08%
Distribution (kW)	0	\$ -	\$ -	0	\$ -	\$ -	\$0.00	0.0%	0.00%
Regulatory Assets (kWh)	750	\$ -	\$ -	750	\$ 0.0001	\$ 0.08	\$0.08	0.0%	0.05%
Rate Riders	750	\$ -	\$ -	750	\$ -	\$ -	\$0.00	0.0%	0.00%
Monthly Rate Rider Adjustment Z-Factor	1	\$ -	\$ -	1	\$ -	\$ -	\$0.00	0.0%	0.00%
Volumetric Rate Rider Adjustment Z-Factor	750	\$ -	\$ -	750	\$ -	\$ -	\$0.00	0.0%	0.00%
Retail Transmission Rate – Network Service Rate	774	\$ 0.0035	\$ 2.71	779	\$ 0.0038	\$ 2.96	\$0.25	9.2%	2.15%
Retail Transmission Rate – Line and Transformation Connection Service Rate	774	\$ 0.0034	\$ 2.63	779	\$ 0.0036	\$ 2.80	\$0.17	6.5%	2.04%
Sub-Total: Delivery			\$ 43.64			\$ 75.69	\$32.05	73.5%	55.07%
Wholesale Market Service Rate	774	\$ 0.0052	\$ 4.03	779	\$ 0.0052	\$ 4.05	\$0.02	0.6%	2.95%
Rural Rate Protection Charge	774	\$ 0.0010	\$ 0.77	779	\$ 0.0013	\$ 1.01	\$0.24	30.8%	0.74%
Regulated Price Plan – Administration Charge	1	\$ 0.2500	\$ 0.25	1	\$ 0.2500	\$ 0.25	\$0.00	0.0%	0.18%
Sub-Total: Regulatory			\$ 5.05			\$ 5.31	\$0.26	5.2%	3.86%
Debt Retirement Charge (DRC)	750	\$ 0.0070	\$ 5.25	750	\$ 0.0070	\$ 5.25	\$0.00	0.0%	3.82%
Total Bill before Taxes			\$ 98.28			\$ 130.89	\$32.61	33.2%	95.24%
GST	\$ 98.28	5%	\$ 4.91	\$ 130.89	5%	\$ 6.54	\$1.63	33.2%	4.76%
Total Bill after Taxes			\$ 103.19			\$ 137.44	\$34.24	33.2%	100.00%

Sentinel Lighting

Consumption	3,000 kWh	10 kW	Loss Factor 1.0382
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	October 2009 BILL			November 2009 BILL			IMPACT		
	Volume	RATE \$	CHARGE \$	Volume	RATE \$	CHARGE \$	\$	%	% of Total Bill
Energy First Tier (kWh)	750	\$ 0.0570	\$ 42.75	750	\$ 0.0570	\$ 42.75	\$0.00	0.0%	10.23%
Energy Second Tier (kWh)	2,347	\$ 0.0660	\$ 154.88	2,365	\$ 0.0660	\$ 156.06	\$1.19	0.8%	37.36%
Sub-Total: Energy			\$ 197.63			\$ 198.81	\$1.19	0.6%	47.60%
Monthly Service Charge	15	\$ 2.10	\$ 31.50	15	\$ 4.21	\$ 63.10	\$31.60	100.3%	15.11%
Distribution (kWh)	3,000	\$ -	\$ -	3,000	\$ -	\$ -	\$0.00	0.0%	0.00%
Distribution (kW)	10	\$ 6.1316	\$ 61.32	10	\$ 6.9051	\$ 69.05	\$7.73	12.6%	16.53%
Regulatory Assets (kWh)	10	\$ -	\$ -	10	\$ 0.1691	\$ 1.69	\$1.69	0.0%	0.40%
Rate Riders	10	\$ -	\$ -	10	\$ -	\$ -	\$0.00	0.0%	0.00%
Monthly Rate Rider Adjustment Z-Factor	15	\$ -	\$ -	15	\$ -	\$ -	\$0.00	0.0%	0.00%
Volumetric Rate Rider Adjustment Z-Factor	10	\$ -	\$ -	10	\$ -	\$ -	\$0.00	0.0%	0.00%
Retail Transmission Rate – Network Service Rate	10	\$ 1.0743	\$ 11.09	10	\$ 1.1522	\$ 11.96	\$0.87	7.9%	2.86%
Retail Transmission Rate – Line and Transformation Connection Service Rate	10	\$ 1.0678	\$ 11.02	10	\$ 1.1260	\$ 11.69	\$0.67	6.1%	2.80%
Sub-Total: Delivery			\$ 114.93			\$ 157.49	\$42.56	37.0%	37.71%
Wholesale Market Service Rate	3,097	\$ 0.0052	\$ 16.10	3,115	\$ 0.0052	\$ 16.20	\$0.09	0.6%	3.88%
Rural Rate Protection Charge	3,097	\$ 0.0010	\$ 3.10	3,115	\$ 0.0013	\$ 4.05	\$0.95	30.8%	0.97%

Regulated Price Plan – Administration Charge	1	\$ 0.2500	\$ 0.25	1	\$ 0.2500	\$ 0.25	\$0.00	0.0%	0.06%
Sub-Total: Regulatory			\$ 19.45			\$ 20.49	\$1.05	5.4%	4.91%
Debt Retirement Charge (DRC)	3,000	\$ 0.0070	\$ 21.00	3,000	\$ 0.0070	\$ 21.00	\$0.00	0.0%	5.03%
Total Bill before Taxes			\$ 353.00			\$ 397.80	\$44.80	12.7%	95.24%
GST	\$ 353.00	5%	\$ 17.65	\$ 397.80	5%	\$ 19.89	\$2.24	12.7%	4.76%
Total Bill after Taxes			\$ 370.65			\$ 417.69	\$47.04	12.7%	100.00%

Street Lighting

Consumption	155,000 kWh	445 kW	Loss Factor 1.0382
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	October 2009 BILL			November 2009 BILL			IMPACT		
	Volume	RATE \$	CHARGE \$	Volume	RATE \$	CHARGE \$	\$	%	% of Total Bill
Energy First Tier (kWh)	750	\$ 0.0570	\$ 42.75	750	\$ 0.0570	\$ 42.75	\$0.00	0.0%	0.19%
Energy Second Tier (kWh)	159,241	\$ 0.0660	\$ 10,509.91	160,171	\$ 0.0660	\$ 10,571.29	\$61.38	0.6%	46.89%
Sub-Total: Energy			\$ 10,552.66			\$ 10,614.04	\$61.38	0.6%	47.08%
Monthly Service Charge	1987	\$ 1.39	\$ 2,761.93	1987	\$ 2.35	\$ 4,672.42	\$1,910.49	69.2%	20.73%
Distribution (kWh)	155,000	\$ -	\$ -	155,000	\$ -	\$ -	\$0.00	0.0%	0.00%
Distribution (kW)	445	\$ 2.7636	\$ 1,229.80	445	\$ 6.7351	\$ 2,997.13	\$1,767.33	143.7%	13.29%
Regulatory Assets (kWh)	445	\$ -	\$ -	445	\$ 0.0491	\$ 21.85	\$21.85	0.0%	0.10%
Rate Riders	445	\$ -	\$ -	445	\$ -	\$ -	\$0.00	0.0%	0.00%
Monthly Rate Rider Adjustment Z-Factor	1987	\$ -	\$ -	1987	\$ -	\$ -	\$0.00	0.0%	0.00%
Volumetric Rate Rider Adjustment Z-Factor	445	\$ -	\$ -	445	\$ -	\$ -	\$0.00	0.0%	0.00%
Retail Transmission Rate – Network Service Rate	459	\$ 1.0352	\$ 475.50	462	\$ 1.1103	\$ 512.96	\$37.46	7.9%	2.28%
Retail Transmission Rate – Line and Transformation Connection Service Rate	459	\$ 1.0693	\$ 491.16	462	\$ 1.1276	\$ 520.95	\$29.79	6.1%	2.31%
Sub-Total: Delivery			\$ 4,958.39			\$ 8,725.30	\$3,766.91	76.0%	38.70%
Wholesale Market Service Rate	159991	\$ 0.0052	\$ 831.95	160921	\$ 0.0052	\$ 836.79	\$4.84	0.6%	3.71%
Rural Rate Protection Charge	159991	\$ 0.0010	\$ 159.99	160921	\$ 0.0013	\$ 209.20	\$49.21	30.8%	0.93%
Regulated Price Plan – Administration Charge	1	\$ 0.2500	\$ 0.25	1	\$ 0.2500	\$ 0.25	\$0.00	0.0%	0.00%
Sub-Total: Regulatory			\$ 992.19			\$ 1,046.24	\$54.04	5.4%	4.64%
Debt Retirement Charge (DRC)	155,000	\$ 0.0070	\$ 1,085.00	155,000	\$ 0.0070	\$ 1,085.00	\$0.00	0.0%	4.81%
Total Bill before Taxes			\$ 17,588.24			\$ 21,470.58	\$3,882.34	22.1%	95.24%
GST	\$ 17,588.24	5%	\$ 879.41	\$ 21,470.58	5%	\$ 1,073.53	\$194.12	22.1%	4.76%
Total Bill after Taxes			\$ 18,467.65			\$ 22,544.11	\$4,076.45	22.1%	100.00%

Canadian Niagara Power - Port Colborne
Reconciliation of 2009 Revenue Requirement and 2009 Proposed Electricity Distribution Rates

Customer Class	No. of Customers / Connections	2009 Volumes		Proposed 2009 Rates		2009 Revenue		Total Class Distribution Revenue	2009 Base Revenue Requirement
		kWh	kW	Monthly Service Charge	Volumetric Charge	Monthly Service Charge	Volumetric Charge		
Residential	8,144	64,972,406		15.48	0.0219	1,512,737	1,422,896	2,935,632	2,937,339
General Service Less Than 50 kW	933	25,831,151		30.72	0.0144	343,941	371,969	715,910	716,545
General Service 50 to 4,999 kW	81	99,392,250	377,959	568.21	2.8224	548,891	1,066,751	1,615,641	1,615,657
Unmetered Scattered Load	19	581,173		43.85	0.0223	9,998	12,960	22,958	22,984
Sentinel Lighting	37	12,725	38	3.73	6.1137	1,656	232	1,888	1,888
Street Lighting	1,988	1,792,552	5,433	2.19	6.2650	52,245	34,037	86,281	86,300
	11,201	192,582,257	383,429			2,469,467	2,908,844	5,378,311	5,380,712
Difference									(2,401)

Appendix C

TAX CALCULATIONS

Description	TOTAL CNPI 2006 Actual	TRANSMISSION 2006 Actual	DISTRIBUTION 2006 Actual	TOTAL CNPI 2007 Actual	TRANSMISSION 2007 Actual	DISTRIBUTION 2007 Actual	TOTAL CNPI 2008 Forecast	TRANSMISSION 2008 Forecast	DISTRIBUTION 2008 Forecast	TOTAL CNPI 2009 Regulatory	TRANSMISSION 2009 Forecast	DISTRIBUTION 2009 Regulatory
Net income(loss) per financial statements	2,141,257	1,348,153	793,104	3,529,198	3,178,959	350,239	348,000	(181,000)	529,000	-	-	-
Utility income before taxes							-	-	-	3,923,647	1,802,000	2,121,647
Add:												
Provision for income taxes - current	1,130,093	761,291	368,802	2,013,199	1,804,628	208,571	175,000	(92,000)	267,000	-	-	-
Provision for income taxes - deferred	(163,314)	(29,135)	(134,179)	(288,658)	(224,911)	(63,747)	-	-	-	-	-	-
Amortization of tangible assets	3,766,482	974,064	2,792,418	3,830,740	1,092,883	2,737,857	4,043,000	1,094,390	2,948,610	4,313,000	1,213,705	3,099,295
Non-deductible meals and entertainment	19,953	1,759	18,194	18,156	1,600	16,556	18,000	1,587	16,413	18,000	1,587	16,413
Reserves from financial statements - EOY	1,992,723	175,650	1,817,073	3,206,659	282,654	2,924,005	2,638,000	232,529	2,405,471	3,138,000	276,602	2,861,398
Amortization of deferred financing	32,028	7,042	24,986	32,028	6,764	25,264	32,028	7,649	24,379	32,028	8,443	23,585
Amortization of deferred lease costs	58,140	-	58,140	58,140	-	58,140	58,140	-	58,140	58,140	-	58,140
Ontario apprentice and co-op tax credits	7,000	617	6,383	12,699	1,119	11,580	-	-	-	-	-	-
Total Additions	6,843,105	1,891,288	4,951,817	8,882,963	2,964,738	5,918,225	6,964,168	1,244,155	5,720,013	7,559,168	1,500,337	6,058,831
Deduct:												
Gain on disposal of assets per financial statements	34,052	-	34,052	3,775	-	3,775	-	-	-	-	-	-
Capital cost allowance	3,477,653	226,966	3,250,687	3,631,841	556,976	3,074,865	2,788,909	432,432	2,356,478	3,919,228	554,793	3,364,435
Cumulative eligible capital deduction	9,674	(0)	9,674	8,997	-	8,997	8,367	-	8,367	7,781	-	7,781
Reserves from financial statements - BOY	822,221	72,475	749,746	1,992,723	175,650	1,817,073	3,206,659	282,654	2,924,005	2,638,000	232,529	2,405,471
Allowance for funds used during construction	64,412	29,574	34,838	87,500	36,453	51,047	-	-	-	-	-	-
Capitalized general expense	1,201,958	14,968	1,186,990	1,226,708	(496)	1,227,204	900,068	-	900,068	934,950	-	934,950
Capital amount expensed for tax	-	-	-	20,541	4,338	16,203	-	-	-	-	-	-
Disallowed Ontario apprentice credit	1,616	142	1,474	-	-	-	-	-	-	-	-	-
Deferred financing costs	96,058	21,119	74,939	96,057	20,287	75,770	-	-	-	-	-	-
Total Deductions	5,707,644	365,245	5,342,399	7,068,142	793,209	6,274,934	6,904,004	715,086	6,188,918	7,499,960	787,322	6,712,638
Taxable Income	3,276,718	2,874,196	402,522	5,344,019	5,350,488	(6,469)	408,164	348,069	60,095	3,982,855	2,515,015	1,467,840
Corporate tax rate	36.12%	36.12%	36.12%	36.12%	36.12%	36.12%	33.50%	33.50%	33.50%	33.00%	33.00%	33.00%
Income Tax	1,183,551	1,038,160	145,391	1,930,260	1,932,596	(2,337)	136,735	116,603	20,132	1,314,342	829,955	484,387
Grossed Up Taxes												722,966
Calculation of total taxes												
Income Tax	1,183,551	1,038,160	145,391	1,930,260	1,932,596	(2,337)	136,735	116,603	20,132	1,552,921	829,955	722,966
CMT credit carryover	(41,328)	(35,696)	(5,632)	(14,699)	(14,760)	61	-	-	-	-	-	-
Ontario Capital Tax	189,195	41,596	147,599	183,091	38,668	144,423	198,362	47,374	150,988	169,363	44,647	124,716
Total taxes	1,331,418	1,044,060	287,358	2,098,652	1,956,504	142,148	335,097	163,977	171,120	1,722,284	874,602	847,682
Tax Rates												
Federal Tax	22.12%	22.12%	22.12%	22.12%	22.12%	22.12%	19.50%	19.50%	19.50%	19.00%	19.00%	19.00%
Provincial Tax	14.00%	14.00%	14.00%	14.00%	14.00%	14.00%	14.00%	14.00%	14.00%	14.00%	14.00%	14.00%
Total Tax Rate	36.12%	36.12%	36.12%	36.12%	36.12%	36.12%	33.50%	33.50%	33.50%	33.00%	33.00%	33.00%
Calculation of Ontario Capital Tax												
Net Paid Up Capital 2006&2007/Total Rate Base 2008&2009	65,412,713	14,381,586	51,031,127	67,605,956	14,277,981	53,327,975	73,636,705	17,586,268	56,050,437	79,308,507	20,907,116	58,401,391
Less Exemption	2,347,637	516,150	1,831,487	3,363,397	710,330	2,653,067	4,036,076	963,915	3,072,161	4,036,076	1,063,981	2,972,095
Taxable Capital/Deemed Taxable Capital	63,065,076	13,865,436	49,199,640	64,242,559	13,567,651	50,674,908	69,600,629	16,622,354	52,978,276	75,272,431	19,843,135	55,429,296
OCT Rate	0.30%	0.30%	0.30%	0.285%	0.285%	0.285%	0.285%	0.285%	0.285%	0.225%	0.225%	0.225%
Ontario Capital Tax	189,195	41,596	147,599	183,091	38,668	144,423	198,362	47,374	150,988	169,363	44,647	124,716
PORT COLBORNE RATE BASE			10,059,831			11,749,472			12,193,662			13,199,373
% OF TOTAL RATE BASE			20%			22%			22%			23%
TOTAL TAXES			56,647			31,319			37,227			191,586

Appendix D

Canadian Niagara Power – Port Colborne

TARIFF OF RATES AND CHARGES

Effective May 1, 2009
Implementation November 1, 2009

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

EB-2008-0224

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 - November 1, 2009 for all consumption or deemed consumption services used on or after that date.

SPECIFIC SERVICE CHARGES – November 1, 2009 for all charges incurred by customers on or after that date.

LOSS FACTOR ADJUSTMENT – November 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

The Residential Class (Regular) refers to a service taking electricity normally at 750 volts or less where the electricity is used for domestic and household purposes in a single family unit. A single family unit being a permanent structure located on a single parcel of land and approved by a civic authority as a dwelling and occupied for that purpose by a single customer.

Residential rates are also applied to apartment buildings with 6 units or less that are bulk metered. Apartment buildings with more than 6 units that are bulk metered are deemed to be General Service.

General Service Less Than 50 kW

This classification refers to the supply of electrical energy to single commercial or industrial customer and whose average peak demand is (or is forecasted to be) less than 50 kW. Single commercial or industrial customers are interpreted as a structure or structures on a single parcel of land occupied by one customer. An apartment building with more than 6 units that is bulk metered and has an average peak demand less than 50 kW is deemed to be General Service less than 50 kW. The common area of a separately metered apartment building having a demand less than 50 kW is also deemed to be General Service less than 50 kW.

General Service 50 to 4,999 kW

This classification refers to the supply of electrical energy to single commercial or industrial customer and whose average peak demand is (or is forecasted to be) equal to or greater than 50 kW but less than 5000 kW. Single commercial or industrial customers are interpreted as a structure or structures on a single parcel of land occupied by one customer.

Unmetered Scattered Load

This classification refers to the supply of electrical service to a customer that is deemed to have a constant load over a billing period, normally with minimum electrical consumption and the consumption is unmetered. Energy consumption is based on connected wattage and calculated hours of use. Examples of unmetered scattered load are cable television amplifiers, billboards, area lighting.

Standby Power

The Standby subclass charge is applied to a customer with load displacement facilities behind its meter but is dependent on Canadian Niagara Power Inc. to supply a minimum amount of electricity in the event the customer's own facilities are out of service. The minimum amount of supply that Canadian Niagara Power Inc. must supply is a contracted amount agreed upon between the customer and Canadian Niagara Power Inc.

Sentinel Lighting

This classification refers to all services required to supply sentinel lighting equipment.

Street Lighting

This classification refers to the supply of electrical service for roadway lighting. Energy consumption is based on connected wattage and calculated hours of use. Customers are usually a Municipality, Region or the Ministry of Transportation.

Canadian Niagara Power – Port Colborne

TARIFF OF RATES AND CHARGES

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EB-2008-0224

MONTHLY RATES AND CHARGES

Residential

Service Charge	\$	15.75
Foregone Distribution Revenue Rate Rider - Service Charge - effective until April 30, 2011	\$	0.73
Distribution Volumetric Rate	\$/kWh	0.0220
Foregone Distribution Revenue Rate Rider - Volumetric Rate - effective until April 30, 2011	\$/kWh	0.0010
Regulatory Asset Recovery	\$/kWh	0.0002
Retail Transmission Rate – Network Service Rate	\$/kWh	0.0045
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 Less Than 50 kW

Service Charge	\$	30.99
Foregone Distribution Revenue Rate Rider - Service Charge - effective until April 30, 2011	\$	1.87
Distribution Volumetric Rate	\$/kWh	0.0145
Foregone Distribution Revenue Rate Rider - Volumetric Rate - effective until April 30, 2011	\$/kWh	0.0009
Regulatory Asset Recovery	\$/kWh	0.0001
Retail Transmission Rate – Network Service Rate	\$/kWh	0.0038
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kWh	0.0036
Wholesale Market Service Rate	\$/kWh	0.0052
Rural Rate Protection Charge	\$/kWh	0.0013
Standard Supply Service - Administrative Charge (if applicable)	\$	0.25

General Service 50 to 4,999 kW

Service Charge	\$	568.48
Foregone Distribution Revenue Rate Rider - Service Charge - effective until April 30, 2011	\$	(6.43)
Distribution Volumetric Rate	\$/kW	2.8548
Foregone Distribution Revenue Rate Rider - Volumetric Rate - effective until April 30, 2011	\$/kW	(0.0277)
Regulatory Asset Recovery	\$/kW	0.0221
Retail Transmission Rate – Network Service Rate	\$/kW	1.5202
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kW	1.4288
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 (per customer)	\$	43.85
Foregone Distribution Revenue Rate Rider - Service Charge - effective until April 30, 2011	\$	6.66
Distribution Volumetric Rate	\$/kWh	0.0224
Foregone Distribution Revenue Rate Rider - Volumetric Rate - effective until April 30, 2011	\$/kWh	0.0034
Regulatory Asset Recovery	\$/kWh	0.0001
Retail Transmission Rate – Network Service Rate	\$/kWh	0.0038
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kWh	0.0036
Wholesale Market Service Rate	\$/kWh	0.0052
Rural Rate Protection Charge	\$/kWh	0.0013
Standard Supply Service - Administrative Charge (if applicable)	\$	0.25

Standby Power – APPROVED ON AN INTERIM BASIS

Standby Charge – for a month where standby power is not provided. The charge is applied to the contracted amount (e.g. nameplate rating of generation facility)	\$/kW	1.1599
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Canadian Niagara Power – Port Colborne

TARIFF OF RATES AND CHARGES

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EB-2008-0224

Sentinel Lighting

Service Charge	\$	3.73
Foregone Distribution Revenue Rate Rider - Service Charge - effective until April 30, 2011	\$	0.48
Distribution Volumetric Rate	\$/kW	6.1238
Foregone Distribution Revenue Rate Rider - Volumetric Rate - effective until April 30, 2011	\$/kW	0.781
Regulatory Asset Recovery	\$/kW	0.1691
Retail Transmission Rate – Network Service Rate	\$/kW	1.1522
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kW	1.1260
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)	\$	2.19
Foregone Distribution Revenue Rate Rider - Service Charge - effective until April 30, 2011	\$	0.16
Distribution Volumetric Rate	\$/kW	6.2733
Foregone Distribution Revenue Rate Rider - Volumetric Rate - effective until April 30, 2011	\$/kW	0.4618
Regulatory Asset Recovery	\$/kW	0.0491
Retail Transmission Rate – Network Service Rate	\$/kW	1.1103
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kW	1.1276
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		
Arrears Certificate	\$	15.00
Statement of Account	\$	15.00
Pulling Post Dated Cheques	\$	15.00
Duplicate invoices for previous billing	\$	15.00
Request for other billing information	\$	15.00
Easement Letter	\$	15.00
Income tax letter	\$	15.00
Notification Charge	\$	15.00
Account history	\$	15.00
Credit reference/credit check (plus credit agency costs)	\$	15.00
Account set up charge/change of occupancy charge (plus credit agency costs if applicable)	\$	30.00
Returned cheque (plus bank charges)	\$	15.00
Charge to certify cheques	\$	15.00
Legal letter charge	\$	15.00
Special meter reads	\$	30.00
Meter dispute charge plus Measurement Canada fees (if meter found correct)	\$	30.00
Non-Payment of Account		
Late Payment - per month	%	1.50
Late Payment - per annum	%	19.56
Collection of account charge – no disconnection – during regular hours	\$	30.00
Collection of account charge – no disconnection – after regular hours	\$	165.00
Disconnect/Reconnect Charges at meter - during regular hours	\$	65.00
Disconnect/Reconnect Charges at meter - after regular hours	\$	185.00
Disconnect/reconnect at pole – during regular hours	\$	185.00
Disconnect/reconnect at pole –after regular hours	\$	415.00

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Install/remove load control device – during regular hours	\$	65.00
Install/remove load control device – after regular hours	\$	185.00
Service call – customer-owned equipment	\$	30.00
Service call – after regular hours	\$	165.00
Temporary service install & remove – overhead – no transformer	\$	500.00
Temporary service install & remove – underground – no transformer	\$	300.00
Temporary service install & remove – overhead – with transformer	\$	1,000.00
Specific Charge for Access to the Power Poles – per pole/year	\$	22.35

Allowances

Transformer Allowance for Ownership - per kW of billing demand/month	\$/kW	(0.60)
Primary Metering Allowance for transformer losses – applied to measured demand and energy	%	(1.00)

Retail Service Charges (if applicable)

Retail Service Charges refer to services provided by a distributor to retailers or 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 charge, 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	1.0382
Total Loss Factor – Primary Metered Customer < 5,000 kW	1.0278