



Name of LDC: Thunder Bay Hydro Electricity Distribution Inc.  
File Number: EB-2009-0250  
Effective Date: Saturday, May 01, 2010

LDC Information

Applicant Name	Thunder Bay Hydro Electricity Distribution Inc.
OEB Application Number	EB-2009-0250
LDC Licence Number	ED-2002-0529
Applied for Effective Date	May 1, 2010
Stretch Factor Group	II
Stretch Factor Value	0.4%
Re-based Year	2009
Most Recent Year Reported	2008



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## Worksheet Completion Guide

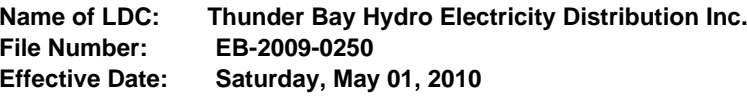
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Rate Class and Re-Based Billing Determinants & Rates

Rate Group	Rate Class	Fixed Metric	Vol Metric	Re-based Billed	Re-based Billed	Re-based Billed	Re-based Tariff	Re-based Tariff	Re-based Tariff
				Customers or Connections A	kWh B	kW C	Service Charge D	Distribution Volumetric Rate kWh E	Distribution Volumetric Rate kW F
RES	Residential	Customer	kWh	44,635	350,217,935		12.72	0.0135	
GSLT50	General Service Less Than 50 kW	Customer	kWh	4,466	144,258,193		19.89	0.0131	
GSGT50	General Service 50 to 999 kW	Customer	kW	511	305,337,414	718,710	220.13		1.2274
GSGT50	General Service 1,000 to 4,999 kW	Customer	kW	19	194,477,088	561,149	2,105.35		1.6795
USL	Unmetered Scattered Load	Connection	kWh	437	1,786,004		8.94	0.0130	
Sen	Sentinel Lighting	Connection	kW	176	146,789	402	6.43		5.1586
SL	Street Lighting	Connection	kW	13,091	10,616,947	31,276	1.25		7.5549
NA	Rate Class 8	NA	NA						
NA	Rate Class 9	NA	NA						
NA	Rate Class 10	NA	NA						
NA	Rate Class 11	NA	NA						
NA	Rate Class 12	NA	NA						
NA	Rate Class 13	NA	NA						
NA	Rate Class 14	NA	NA						
NA	Rate Class 15	NA	NA						
NA	Rate Class 16	NA	NA						
NA	Rate Class 17	NA	NA						
NA	Rate Class 18	NA	NA						
NA	Rate Class 19	NA	NA						
NA	Rate Class 20	NA	NA						
NA	Rate Class 21	NA	NA						
NA	Rate Class 22	NA	NA						
NA	Rate Class 23	NA	NA						
NA	Rate Class 24	NA	NA						
NA	Rate Class 25	NA	NA						





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Calculated Re-Based Revenue From Rates

Rate Class	Re-based Billed Customers or Connections A	Re-based Billed kWh B	Re-based Billed kW C	Re-based Base Service Charge D	Re-based Base Distribution Volumetric Rate kWh E	Re-based Base Distribution Volumetric Rate kW F	Service Charge Revenue G = A * D *12	Distribution Volumetric Rate Revenue kWh H = B * E	Distribution Volumetric Rate Revenue kW I = C * F	Revenue Requireme nt from Rates I	Service Charge % Revenue K = G / J	Distribution Volumetric Rate % Revenue kWh L = H / J	Distribution Volumetric Rate % Revenue kW M = I / J	Total % Revenue N = J / R
Residential	44,635	350,217,935	0	10.75	0.0135	0.0000	5,757,915	4,727,942	0	10,485,857	54.9%	45.1%	0.0%	59.9%
General Service Less Than 50 kW	4,466	144,258,193	0	17.92	0.0131	0.0000	960,369	1,889,782	0	2,850,151	33.7%	66.3%	0.0%	16.3%
General Service 50 to 999 kW	511	305,337,414	718,710	218.16	0.0000	1.2274	1,337,757	0	882,145	2,219,902	60.3%	0.0%	39.7%	12.7%
General Service 1,000 to 4,999 kW	19	194,477,088	561,149	2,103.38	0.0000	1.6795	479,571	0	942,450	1,422,020	33.7%	0.0%	66.3%	8.1%
Unmetered Scattered Load	437	1,786,004	0	8.94	0.0130	0.0000	46,881	23,218	0	70,099	66.9%	33.1%	0.0%	0.4%
Sentinel Lighting	176	146,789	402	6.43	0.0000	5.1586	13,580	0	2,074	15,654	86.8%	0.0%	13.2%	0.1%
Street Lighting	13,091	10,616,947	31,276	1.25	0.0000	7.5549	196,365	0	236,287	432,652	45.4%	0.0%	54.6%	2.5%
							8,792,438	6,640,943	2,062,955	17,496,336				100.0%
							O	P	Q	R				



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Detailed Re-Based Revenue From Rates

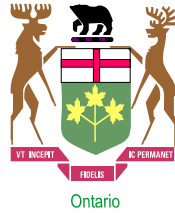
Applicants Rate Base		Last Rate Re-based Amount	
Average Net Fixed Assets			
Gross Fixed Assets - Re-based Opening	\$ 137,587,772	A	
Add: CWIP Re-based Opening	\$ 494,000	B	
Re-based Capital Additions	\$ 7,597,833	C	
Re-based Capital Disposals	-\$ 164,270	D	
Re-based Capital Retirements	\$ -	E	
Deduct: CWIP Re-based Closing	-\$ 494,000	F	
Gross Fixed Assets - Re-based Closing	\$ 145,021,335	G	
Average Gross Fixed Assets			\$ 141,304,553 H = ( A + G ) / 2
Accumulated Depreciation - Re-based Opening	\$ 76,866,395	I	
Re-based Depreciation Expense	\$ 4,935,732	J	
Re-based Disposals	-\$ 164,270	K	
Re-based Retirements	\$ -	L	
Accumulated Depreciation - Re-based Closing	\$ 81,637,857	M	
Average Accumulated Depreciation			\$ 79,252,126 N = ( I + M ) / 2
Average Net Fixed Assets			\$ 62,052,427 O = H - N
Working Capital Allowance			
Working Capital Allowance Base	\$ 89,872,307	P	
Working Capital Allowance Rate	15.0%	Q	
Working Capital Allowance			\$ 13,480,846 R = P * Q
Rate Base			\$ 75,533,273 S = O + R
Return on Rate Base			
Deemed ShortTerm Debt %	4.00%	T	\$ 3,021,331 W = S * T
Deemed Long Term Debt %	52.70%	U	\$ 39,806,035 X = S * U
Deemed Equity %	43.30%	V	\$ 32,705,907 Y = S * V
Short Term Interest	1.33%	Z	\$ 40,184 AC = W * Z
Long Term Interest	0.21%	AA	\$ 82,617 AD = X * AA
Return on Equity	3.75%	AB	\$ 1,226,472 AE = Y * AB
Return on Rate Base			\$ 1,349,272 AF = AC + AD + AE
Distribution Expenses			
OM&A Expenses	\$ 11,935,063	AG	
Amortization	\$ 4,443,745	AH	
Ontario Capital Tax (F1.1 Z-Factor Tax Changes)	\$ 170,284	AI	
Grossed Up PILs (F1.1 Z-Factor Tax Changes)	\$ 705,382	AJ	
Low Voltage	\$ -	AK	
Transformer Allowance	\$ 410,406	AL	
		AM	
		AN	
		AO	
			\$ 17,664,880 AP = SUM ( AG : AO )
Revenue Offsets			
Specific Service Charges	-\$ 745,000	AQ	
Late Payment Charges	-\$ 282,000	AR	
Other Distribution Income	-\$ 131,500	AS	
Other Income and Deductions	-\$ 339,290	AT	-\$ 1,497,790 AU = SUM ( AQ : AT )
Revenue Requirement from Distribution Rates			\$ 17,516,362 AV = AF + AP + AU
Rate Classes Revenue			
Rate Classes Revenue - Total (B1.1 Re-based Revenue - Gen)			\$ 17,496,336 AW
Difference			\$ 20,027 AZ = AV - AW
Difference (Percentage - should be less than 1%)			0.11% BA = AZ / AW



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**Decision - Cost Revenue Adjustments by Rate Class**

Rate Class	Group	Pre -Rebased	Rebased	Transition	Transition	Transition	Transition
		Year 2008	Year 2009	Year 2 2010	Year 3 2011	Year 4 2012	Year 5 2013
Residential	Rebalance	128.71%	120.95%	tbd	tbd	tbd	tbd
General Service Less Than 50 kW	No Change	115.55%	115.55%	115.55%	115.55%	115.55%	115.55%
General Service 50 to 999 kW	Change	66.09%	73.05%	80.00%	80.00%	80.00%	80.00%
General Service 1,000 to 4,999 kW	Change	43.41%	52.56%	59.42%	66.28%	73.14%	80.00%
Unmetered Scattered Load	No Change	114.91%	114.91%	114.91%	114.91%	114.91%	114.91%
Sentinel Lighting	No Change	109.17%	109.17%	109.17%	109.17%	109.17%	109.17%
Street Lighting	Change	14.03%	42.02%	56.01%	70.00%	70.00%	70.00%



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**Revenue Offsets Allocation**

Rate Class	Informational Filing Revenue Offsets		Percentage Split	Allocated Revenue Offsets
	A		C= A / B	E = D * C
Residential	821,918		60.12%	900,522
General Service Less Than 50 kW	284,946		20.84%	312,197
General Service 50 to 999 kW	167,866		12.28%	183,920
General Service 1,000 to 4,999 kW	61,102		4.47%	66,945
Unmetered Scattered Load	2,105		0.15%	2,306
Sentinel Lighting	657		0.05%	720
Street Lighting	28,459		2.08%	31,180
	1,367,052		100.00%	1,497,790
	B			D



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Transformer Allowance

Rate Class	Transformer Allowance In Rate	Transformer Allowance	Transformer Allowance kW's	Transformer Allowance Rate	Volumetric Distribution Rate	Billed kW's	Adjusted Volumetric Distribution Rate
		A	C	E	F	G	I =( F * (G - C) + (F - E) * C) / G
Residential	No						
General Service Less Than 50 kW	No						
General Service 50 to 999 kW	Yes	77,679	129,466	0.6000	1.2274	718,710	1.1193
General Service 1,000 to 4,999 kW	Yes	332,726	554,544	0.6000	1.6795	561,149	1.0866
Unmetered Scattered Load	No						
Sentinel Lighting	No						
Street Lighting	No						
		410,406	684,009			1,279,859	
		B	D			H	
		-	0				



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Revenue / Cost Ratio Revenue

Rate Class	Billed Customers or Connections		Billed kWh		Billed kW		Base Service Charge	Base Distribution Volumetric Rate kWh	Base Distribution Volumetric Rate kW	Service Charge	Distribution Volumetric Rate kWh	Distribution Volumetric Rate kW	Revenue Requirement from Rates	Allocated Revenue Offset	Adjusted Revenue
	A	B	C				D	E	F	G = A * D *12	H = B * E	I = C * F	J = G + H + I	K	L = J + K
Residential	44,635	350,217,935	0	0			10.75	0.0135	0.0000	5,757,915	4,727,942	0	10,485,857	900,522	11,386,379
General Service Less Than 50 kW	4,466	144,258,193	0	0			17.92	0.0131	0.0000	960,369	1,889,782	0	2,850,151	312,197	3,162,347
General Service 50 to 999 kW	511	305,337,414	718,710	0			218.16	0.0000	1.1193	1,337,757	0	804,465	2,142,222	183,920	2,326,142
General Service 1,000 to 4,999 kW	19	194,477,088	561,149	0			2,103.38	0.0000	1.0866	479,571	0	609,724	1,089,294	66,945	1,156,239
Unmetered Scattered Load	437	1,786,004	0	0			8.94	0.0130	0.0000	46,881	23,218	0	70,099	2,306	72,405
Sentinel Lighting	176	146,789	402	0			6.43	0.0000	5.1586	13,580	0	2,074	15,654	720	16,374
Street Lighting	13,091	10,616,947	31,276	0			1.25	0.0000	7.5549	196,365	0	236,287	432,652	31,180	463,832
										8,792,438	6,640,943	1,652,550	17,085,930	1,497,790	18,583,720
										O	P	Q	R		
										-					
										0					



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**Proposed Revenue / Cost Ratio Adjustment**

Rate Class	Adjusted Revenue	Current Revenue Cost Ratio	Re-Allocated Cost	Proposed Revenue Cost Ratio	Final Adjusted Revenue	Dollar Change	Percentage Change
	A	B	C = A / B	D	E = C * D	F = E - C	G = (E / C) - 1
Residential	\$ 11,386,379	1.21	\$ 9,414,175	1.15	\$ 10,859,771	-\$ 526,608	-4.6%
General Service Less Than 50 kW	\$ 3,162,347	1.16	\$ 2,736,778	1.16	\$ 3,162,348	\$ 0	0.0%
General Service 50 to 999 kW	\$ 2,326,142	0.73	\$ 3,184,315	0.80	\$ 2,547,452	\$ 221,310	9.5%
General Service 1,000 to 4,999 kW	\$ 1,156,239	0.53	\$ 2,199,849	0.59	\$ 1,307,138	\$ 150,898	13.1%
Unmetered Scattered Load	\$ 72,405	1.15	\$ 63,011	1.15	\$ 72,405	-\$ 0	0.0%
Sentinel Lighting	\$ 16,374	1.09	\$ 14,999	1.09	\$ 16,374	-\$ 0	0.0%
Street Lighting	\$ 463,832	0.42	\$ 1,103,858	0.56	\$ 618,232	\$ 154,400	33.3%
	<u>\$ 18,583,720</u>		<u>\$ 18,716,985</u>		<u>\$ 18,583,720</u>	<u>-\$ 0</u>	<u>0.0%</u>
Out of Balance					-		
Final ?					Yes		



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**Proposed Revenue from Revenue / Cost Ratio Adjustment**

Rate Class	Adjusted Revenue By Revenue Cost Ratio		Allocated Re-Based Revenue Offsets		Revenue Requirement from Rates Before Transformer Allowance		Re-based Transformer Allowance	Revenue Requirement from Rates
	A		B		C = A - B		D	E = C + D
Residential	\$ 10,859,771		\$ 900,522		\$ 9,959,249		\$ -	\$ 9,959,249
General Service Less Than 50 kW	\$ 3,162,348		\$ 312,197		\$ 2,850,151		\$ -	\$ 2,850,151
General Service 50 to 999 kW	\$ 2,547,452		\$ 183,920		\$ 2,363,532		\$ 77,679	\$ 2,441,212
General Service 1,000 to 4,999 kW	\$ 1,307,138		\$ 66,945		\$ 1,240,192		\$ 332,726	\$ 1,572,919
Unmetered Scattered Load	\$ 72,405		\$ 2,306		\$ 70,099		\$ -	\$ 70,099
Sentinel Lighting	\$ 16,374		\$ 720		\$ 15,654		\$ -	\$ 15,654
Street Lighting	\$ 618,232		\$ 31,180		\$ 587,052		\$ -	\$ 587,052
	\$ 18,583,720		\$ 1,497,790		\$ 17,085,930		\$ 410,406	\$ 17,496,336



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**Proposed Fixed Variable Revenue Allocation**

Rate Class	Revenue	Distribution Volumetric		Distribution Volumetric		Distribution Volumetric		Distribution Volumetric		Revenue
	Requirement	Service Charge	Rate % Revenue	Rate % Revenue	Rate % Revenue	Service Charge	Rate Revenue	Rate Revenue	Rate Revenue	Requirement from
	from Rates	% Revenue	kWh	kW	kW	Revenue	kWh	kW	kW	Rates by Rate Class
	A	B	C	D	E = A * B	F = A * C	G = A * D	H = E + F + G		
Residential	\$ 9,959,249	54.9%	45.1%	0.0%	\$ 5,468,748	\$ 4,490,501	\$ -	\$ 9,959,249		
General Service Less Than 50 kW	\$ 2,850,151	33.7%	66.3%	0.0%	\$ 960,369	\$ 1,889,782	\$ -	\$ 2,850,151		
General Service 50 to 999 kW	\$ 2,441,212	60.3%	0.0%	39.7%	\$ 1,471,123	\$ -	\$ 970,089	\$ 2,441,212		
General Service 1,000 to 4,999 kW	\$ 1,572,919	33.7%	0.0%	66.3%	\$ 530,460	\$ -	\$ 1,042,458	\$ 1,572,919		
Unmetered Scattered Load	\$ 70,099	66.9%	33.1%	0.0%	\$ 46,881	\$ 23,218	\$ -	\$ 70,099		
Sentinel Lighting	\$ 15,654	86.8%	0.0%	13.2%	\$ 13,580	\$ -	\$ 2,074	\$ 15,654		
Street Lighting	\$ 587,052	45.4%	0.0%	54.6%	\$ 266,441	\$ -	\$ 320,610	\$ 587,052		
	<u>\$17,496,336</u>				<u>\$ 8,757,603</u>	<u>\$ 6,403,502</u>	<u>\$ 2,335,231</u>	<u>\$ 17,496,336</u>		



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**Proposed Fixed and Variable Rates**

Rate Class	Service Charge Revenue A	Distribution Volumetric Rate Revenue kWh B	Distribution Volumetric Rate Revenue kW C	Re-based Billed Customers or Connections D	Re-based Billed kWh E	Re-based Billed kW F	Proposed Base Service Charge G = A / D / 12	Proposed Base Distribution Volumetric Rate kWh H = B / E	Proposed Base Distribution Volumetric Rate kW I = C / F
Residential	\$5,468,748	\$ 4,490,501	\$ -	44,635	350,217,935	0	10.21	0.0128	-
General Service Less Than 50 kW	\$ 960,369	\$ 1,889,782	\$ -	4,466	144,258,193	0	17.92	0.0131	-
General Service 50 to 999 kW	\$1,471,123	\$ -	\$ 970,089	511	305,337,414	718,710	239.91	-	1.3498
General Service 1,000 to 4,999 kW	\$ 530,460	\$ -	\$ 1,042,458	19	194,477,088	561,149	2,326.58	-	1.8577
Unmetered Scattered Load	\$ 46,881	\$ 23,218	\$ -	437	1,786,004	0	8.94	0.0130	-
Sentinel Lighting	\$ 13,580	\$ -	\$ 2,074	176	146,789	402	6.43	-	5.1586
Street Lighting	\$ 266,441	\$ -	\$ 320,610	13,091	10,616,947	31,276	1.70	-	10.2510



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**Adjustment required to Proposed Rates**

Rate Class	Proposed Base Service Charge A	Proposed Base Distribution Volumetric Rate kWh B	Proposed Base Distribution Volumetric Rate kW C	Current Base Service Charge D	Current Base Distribution Volumetric Rate kWh E	Current Base Distribution Volumetric Rate kW F	Adjustment Required Base Service Charge G = A - D	Adjustment Required Base Distribution Volumetric Rate kWh H = B - E	Adjustment Required Base Distribution Volumetric Rate kW I = C - F
Residential	\$ 10.21	\$ 0.0128	\$ -	\$ 10.75	\$ 0.0135	\$ -	-\$ 0.54	-\$ 0.0007	\$ -
General Service Less Than 50 kW	\$ 17.92	\$ 0.0131	\$ -	\$ 17.92	\$ 0.0131	\$ -	\$ 0.00	\$ 0.0000	\$ -
General Service 50 to 999 kW	\$ 239.91	\$ -	\$ 1.3498	\$ 218.16	\$ -	\$ 1.2274	\$ 21.75	\$ -	\$ 0.1224
General Service 1,000 to 4,999 kW	\$2,326.58	\$ -	\$ 1.8577	\$2,103.38	\$ -	\$ 1.6795	\$ 223.20	\$ -	\$ 0.1782
Unmetered Scattered Load	\$ 8.94	\$ 0.0130	\$ -	\$ 8.94	\$ 0.0130	\$ -	-\$ 0.00	-\$ 0.0000	\$ -
Sentinel Lighting	\$ 6.43	\$ -	\$ 5.1586	\$ 6.43	\$ -	\$ 5.1586	-\$ 0.00	\$ -	-\$ 0.0000
Street Lighting	\$ 1.70	\$ -	\$ 10.2510	\$ 1.25	\$ -	\$ 7.5549	\$ 0.45	\$ -	\$ 2.6961

Enter the above values onto Sheet  
"D1.2 Revenue Cost Ratio Adj"  
of the 2010 OEB IRM3 Rate Generator.



Name of LDC: Thunder Bay Hydro Electricity Distribution Inc.  
File Number: EB-2009-0250  
Effective Date: Saturday, May 01, 2010

Load Actual - Most Recent Year

Most Recent Year Reported - 2008

Rate Class	Fixed Metric	Vol Metric	Billed			Base Service Charge	Base Distribution Volumetric Rate kWh	Base Distribution Volumetric Rate kW	Service Charge Revenue 12	Distribution Volumetric Rate Revenue kWh H = B * E	Distribution Volumetric Rate Revenue kW I = C * F	Total Revenue by Rate Class J = G + H + I
			Customers or Connections A	Billed kWh B	Billed kW C							
Residential	Customer	kWh	44,351	351,645,318	0	\$10.75	\$0.0135	\$0.0000	\$5,721,279	\$4,747,212	\$0	\$10,468,491
General Service Less Than 50 kW	Customer	kWh	4,425	141,413,267	0	\$17.92	\$0.0131	\$0.0000	\$951,552	\$1,852,514	\$0	\$2,804,066
General Service 50 to 999 kW	Customer	kW	509	298,044,849	785,846	\$218.16	\$0.0000	\$1.2274	\$1,332,521	\$0	\$964,547	\$2,297,069
General Service 1,000 to 4,999 kW	Customer	kW	19	202,964,640	588,629	\$2,103.38	\$0.0000	\$1.6795	\$479,571	\$0	\$988,602	\$1,468,173
Unmetered Scattered Load	Connection	kWh	454	1,916,287	0	\$8.94	\$0.0130	\$0.0000	\$48,705	\$24,912	\$0	\$73,617
Sentinel Lighting	Connection	kW	153	64,650	349	\$6.43	\$0.0000	\$5.1586	\$11,805	\$0	\$1,800	\$13,605
Street Lighting	Connection	kW	13,030	10,864,903	31,468	\$1.25	\$0.0000	\$7.5549	\$195,450	\$0	\$237,738	\$433,188
									\$8,740,884	\$6,624,637	\$2,192,687	\$17,558,208



**Name of LDC:** Thunder Bay Hydro Electricity Distribution Inc.  
**File Number:** EB-2009-0250  
**Effective Date:** Saturday, May 01, 2010

Capital Structure Transition

Capital Structure Transition

Size of Utility (Rate Base)

Year	Small [\$0, \$100M)			Med-Small [\$100M,\$250M)			Med-Large [\$250M,\$1B)			Large >=\$1B		
	Short Term Debt	Long Term Debt	Equity	Short Term Debt	Long Term Debt	Equity	Short Term Debt	Long Term Debt	Equity	Short Term Debt	Long Term Debt	Equity
2007	4.0%	46.0%	50.0%	4.0%	51.0%	45.0%	4.0%	56.0%	40.0%	4.0%	61.0%	35.0%
2008	4.0%	49.3%	46.7%	4.0%	53.5%	42.5%	4.0%	56.0%	40.0%	4.0%	58.5%	37.5%
2009	4.0%	52.7%	43.3%	4.0%	56.0%	40.0%	4.0%	56.0%	40.0%	4.0%	56.0%	40.0%
2010	4.0%	56.0%	40.0%	4.0%	56.0%	40.0%	4.0%	56.0%	40.0%	4.0%	56.0%	40.0%

Rate Base	A	\$75,533,273
Size of Utility	B	Small

Deemed Capital Structure

	Short Term Debt	Long Term Debt	Equity
2008	4.0%	49.3%	46.7%
2009	4.0%	52.7%	43.3%
2010	4.0%	56.0%	40.0%



Name of LDC: Thunder Bay Hydro Electricity Distribution Inc.  
File Number: EB-2009-0250  
Effective Date: Saturday, May 01, 2010

K-Factor Adjustment

Applicants Rate Base		Last Rate Re-Basing Amount	
Average Net Fixed Assets			
Gross Fixed Assets - Re-Basing Opening	\$ 137,587,772	A	
Add: CWIP Re-Basing Opening	\$ 494,000	B	
Re-Basing Capital Additions	\$ 7,597,833	C	
Re-Basing Capital Disposals	-\$ 164,270	D	
Re-Basing Capital Retirements	\$ -	E	
Deduct: CWIP Re-Basing Closing	-\$ 494,000	F	
Gross Fixed Assets - Re-Basing Closing	\$ 145,021,335	G	
Average Gross Fixed Assets			\$ 141,304,553 H
Accumulated Depreciation - Re-Basing Opening	\$ 76,866,395	I	
Re-Basing Depreciation Expense	\$ 4,935,732	J	
Re-Basing Disposals	-\$ 164,270	K	
Re-Basing Retirements	\$ -	L	
Accumulated Depreciation - Re-Basing Closing	\$ 81,637,857	M	
Average Accumulated Depreciation			\$ 79,252,126 N
Average Net Fixed Assets			\$ 62,052,427 O
Working Capital Allowance			
Working Capital Allowance Base	\$ 89,872,307	P	
Working Capital Allowance Rate	15.0%	Q	
Working Capital Allowance			\$ 13,480,846 R
Rate Base			\$ 75,533,273 S
Return on Rate Base			
Deemed ShortTerm Debt %	4.00%	T	\$ 3,021,331 W
Deemed Long Term Debt %	56.00%	U	\$ 42,298,633 X
Deemed Equity %	40.00%	V	\$ 30,213,309 Y
Short Term Interest	1.33%	Z	\$ 40,184 AC
Long Term Interest	0.21%	AA	\$ 87,791 AD
Return on Equity	3.75%	AB	\$ 1,132,999 AE
Return on Rate Base			\$ 1,260,973 AF
Distribution Expenses			
OM&A Expenses	\$ 11,935,063	AG	
Amortization	\$ 4,443,745	AH	
Ontario Capital Tax	\$ 170,284	AI	
Grossed Up PILs	\$ 705,382	AJ	
Low Voltage	\$ -	AK	
Transformer Allowance	\$ 410,406	AL	
	\$ -	AM	
	\$ -	AN	
	\$ -	AO	
			\$ 17,664,880 AP
Revenue Offsets			
Specific Service Charges	-\$ 745,000	AQ	
Late Payment Charges	-\$ 282,000	AR	
Other Distribution Income	-\$ 131,500	AS	
Other Income and Deductions	-\$ 339,290	AT	-\$ 1,497,790 AU
Revenue Requirement from Distribution Rates (after Capital Structure Transition)			\$ 17,428,063 AV
Revenue Requirement from Distribution Rates (Before Capital Structure Transition)			\$ 17,516,362 AW
K-factor Adjustment			-0.50% AX

Enter the above value onto Sheet  
"D2.2 K-Factor Adjustment"  
of the 2010 OEB IRM3 Rate Generator.



Name of LDC:

File Number:

Effective Date:

Thunder Bay Hydro Electricity Distribution Inc.

EB-2009-0250

Saturday, May 01, 2010

Z-Factor Tax Changes

Summary - Sharing of Tax Change Forecast Amounts

1. Tax Related Amounts Forecast from Capital Tax Rate Changes

	2009	2010
Taxable Capital	\$90,681,904	\$90,681,904
Deduction from taxable capital up to \$15,000,000	\$15,000,000	\$15,000,000
Net Taxable Capital	\$75,681,904	\$75,681,904
Rate	0.225%	0.150%
Ontario Capital Tax (Deductible, not grossed-up)	\$ 170,284	\$ 56,606

2. Tax Related Amounts Forecast from Income Tax Rate Changes

	2009	2010
Regulatory Taxable Income	\$ 1,443,057	\$ 1,443,057
Corporate Tax Rate	32.8%	31.8%
Tax Impact	\$ 473,789	\$ 459,358
Grossed-up Tax Amount	\$ 705,382	\$ 673,865
Tax Related Amounts Forecast from Capital Tax Rate Changes	\$ 170,284	\$ 56,606
Tax Related Amounts Forecast from Income Tax Rate Changes	\$ 705,382	\$ 673,865
Total Tax Related Amounts	\$ 875,666	\$ 730,471
Incremental Tax Savings		-\$ 145,195
Total Tax Savings (2009 - 2012)		
Sharing of Tax Savings (50%)		-\$ 72,598
Total Sharing of Tax Savings (50%)		



Name of LDC: Thunder Bay Hydro Electricity Distribution Inc.  
File Number: EB-2009-0250  
Effective Date: Saturday, May 01, 2010

Calculate Tax Change Rate Rider Option B Volumetric

Rate Class	Total Revenue \$ by Rate Class A	Total Revenue % by Rate Class B = A / \$H	Total Z-Factor Tax Change\$ by Rate Class C = \$I * B	Billed kWh D	Billed kW E	Distribution Volumetric Rate kWh Rate Rider F = C / D	Distribution Volumetric Rate kW Rate Rider G = C / E
Residential	\$9,959,249	56.92%	-\$41,324	350,217,935	0	-\$0.000118	
General Service Less Than 50 kW	\$2,850,151	16.29%	-\$11,826	144,258,193	0	-\$0.000082	
General Service 50 to 999 kW	\$2,441,212	13.95%	-\$10,129	305,337,414	718,710		-\$0.014094
General Service 1,000 to 4,999 kW	\$1,572,919	8.99%	-\$6,527	194,477,088	561,149		-\$0.011631
Unmetered Scattered Load	\$70,099	0.40%	-\$291	1,786,004	0	-\$0.000163	
Sentinel Lighting	\$15,654	0.09%	-\$65	146,789	402		-\$0.161574
Street Lighting	\$587,052	3.36%	-\$2,436	10,616,947	31,276		-\$0.077883
	\$17,496,336	100.00%	-\$72,598				
	H		I				

Enter the above value onto Sheet  
"J2.1 Tax Change Rate Rider"  
of the 2010 OEB IRM3 Rate Generator.



**Name of LDC:** Thunder Bay Hydro Electricity Distribution Inc.  
**File Number:** EB-2009-0250  
**Effective Date:** Saturday, May 01, 2010

Threshold Parameters

Price Cap Index

Price Escalator (GDP-IPI)	2.30%
Less Productivity Factor	-0.72%
Less Stretch Factor	-0.40%

Price Cap Index1.18%

Enter the above value onto Sheet  
"F1.2 Price Cap Adjustment"  
of the 2010 OEB IRM3 Rate Generator.

Growth

Re-Based Revenue Requirement From Rates	\$17,496,336	A
Most Recent Year Reported Revenue Requirement From Rates	\$17,558,208	B

Growth-0.35% C



Name of LDC:

File Number:

Effective Date:

Thunder Bay Hydro Electricity Distribution Inc.

EB-2009-0250

Saturday, May 01, 2010

Threshold Test

Year	2009	
Status	Re-Basing	
Price Cap Index	1.18%	A
Growth	-0.35%	B
Dead Band	20%	C
Average Net Fixed Assets		
Gross Fixed Assets Opening	\$ 137,587,772	
Add: CWIP Opening	\$ 494,000	
Capital Additions	\$ 7,597,833	
Capital Disposals	-\$ 164,270	
Capital Retirements	\$ -	
Deduct: CWIP Closing	-\$ 494,000	
Gross Fixed Assets - Closing	\$ 145,021,335	
Average Gross Fixed Assets	\$ 141,304,553	
Accumulated Depreciation - Opening	\$ 76,866,395	
Depreciation Expense	\$ 4,935,732	D
Disposals	-\$ 164,270	
Retirements	\$ -	
Accumulated Depreciation - Closing	\$ 81,637,857	
Average Accumulated Depreciation	\$ 79,252,126	
Average Net Fixed Assets	\$ 62,052,427	E
Working Capital Allowance		
Working Capital Allowance Base	\$ 89,872,307	
Working Capital Allowance Rate	15%	
Working Capital Allowance	\$ 13,480,846	F
Rate Base	\$ 75,533,273	G = E + F
Depreciation	D \$ 4,935,732	H
Threshold Test	132.60%	I = 1 + ( G / H) * ( B + A * ( 1 + B)) + C
Threshold CAPEX	\$ 6,544,864	J = H *I



**Name of LDC:** Thunder Bay Hydro Electricity Distribution Inc.  
**File Number:** EB-2009-0250  
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Summary of Incremental Capital Projects

Number of ICP's  
6

Project ID #	Incremental Capital Non-Discretionary Project Description	Incremental Capital CAPEX	Amortization Expense
ICP 1			
ICP 2			
ICP 3			
ICP 4			
ICP 5			
ICP 6			
		0	0

CCA



0



Name of LDC: Thunder Bay Hydro Electricity Distribution Inc.  
File Number: EB-2009-0250  
Effective Date: Saturday, May 01, 2010

Incremental Capital Adjustment

Current Revenue Requirement

Current Revenue Requirement - Total	\$	17,516,362	A
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Return on Rate Base

Incremental Capital CAPEX			\$	-	B
Depreciation Expense			\$	-	C
Incremental Capital CAPEX to be included in Rate Base			\$	-	D = B - C
Deemed ShortTerm Debt %	4.0%	E	\$	-	G = D * E
Deemed Long Term Debt %	56.0%	F	\$	-	H = D * F
Short Term Interest	1.33%	I	\$	-	K = G * I
Long Term Interest	0.21%	J	\$	-	L = H * J
Return on Rate Base - Interest			\$	-	M = K + L
Deemed Equity %	40.0%	N	\$	-	P = D * N
Return on Rate Base -Equity	3.75%	O	\$	-	Q = P * O
Return on Rate Base - Total			\$	-	R = M + Q

Amortization Expense

Amortization Expense - Incremental	C	\$	-	S
------------------------------------	---	----	---	---

Grossed up PIL's

Regulatory Taxable Income	O	\$	-	T
Add Back Amortization Expense	S	\$	-	U
Deduct CCA		\$	-	V
Incremental Taxable Income		\$	-	W = T + U - V
Current Tax Rate (F1.1 Z-Factor Tax Changes)	32.8%	X		Y = W * X
PIL's Before Gross Up		\$	-	Z = Y / ( 1 - X )
Incremental Grossed Up PIL's		\$	-	

Ontario Capital Tax

Incremental Capital CAPEX		\$	-	AA
Less : Available Capital Exemption (if any)		\$	-	AB
Incremental Capital CAPEX subject to OCT		\$	-	AC = AA - AB
Ontario Capital Tax Rate (F1.1 Z-Factor Tax Changes)	0.225%	AD		AE = AC * AD
Incremental Ontario Capital Tax		\$	-	

Incremental Revenue Requirement

Return on Rate Base - Total	Q	\$	-	AF
Amortization Expense - Total	S	\$	-	AG
Incremental Grossed Up PIL's	Z	\$	-	AH
Incremental Ontario Capital Tax	AE	\$	-	AI
Incremental Revenue Requirement		\$	-	AJ = AF + AG + AH + A



Name of LDC: Thunder Bay Hydro Electricity Distribution Inc.  
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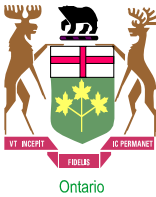
Calculation of Incremental Capital Rate Adder - Option A Fixed and Variable

Rate Class	Distribution Volumetric			Distribution Volumetric			Total Revenue by Rate Class	Billed Customers or			Distribution Volumetric		
	Service Charge % Revenue A	Rate % Revenue kWh B	Rate % Revenue kW C	Service Charge Revenue D = \$N * A	Rate Revenue kWh E = \$N * B	Rate Revenue kW F = \$N * C		Connections H	Billed kWh I	Billed kW J	Service Charge Rate Rider K = D / H / 12	Rate kWh Rate Rider L = E / I	Rate kW Rate Rider M = F / J
Residential	31.3%	25.7%	0.0%	\$ -	\$ -	\$ -	\$ -	44,635	350,217,935	0	\$0.000000	\$0.000000	
General Service Less Than 50 kW	5.5%	10.8%	0.0%	\$ -	\$ -	\$ -	\$ -	4,466	144,258,193	0	\$0.000000	\$0.000000	
General Service 50 to 999 kW	8.4%	0.0%	5.5%	\$ -	\$ -	\$ -	\$ -	511	305,337,414	718,710	\$0.000000	\$0.000000	\$0.000000
General Service 1,000 to 4,999 kW	3.0%	0.0%	6.0%	\$ -	\$ -	\$ -	\$ -	19	194,477,088	561,149	\$0.000000	\$0.000000	\$0.000000
Unmetered Scattered Load	0.3%	0.1%	0.0%	\$ -	\$ -	\$ -	\$ -	437	1,786,004	0	\$0.000000	\$0.000000	
Sentinel Lighting	0.1%	0.0%	0.0%	\$ -	\$ -	\$ -	\$ -	176	146,789	402	\$0.000000	\$0.000000	\$0.000000
Street Lighting	1.5%	0.0%	1.8%	\$ -	\$ -	\$ -	\$ -	13,091	10,616,947	31,276	\$0.000000	\$0.000000	\$0.000000
	50.1%	36.6%	13.3%	\$ -	\$ -	\$ -	\$ -						

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N

Enter the above value onto Sheet  
"J1.2 Incremental Cap Fund Adder"  
of the 2010 OEB IRM3 Rate Generator.



Name of LDC: Thunder Bay Hydro Electricity Distribution Inc.  
File Number: EB-2009-0250  
Effective Date: Saturday, May 01, 2010

Calculation of Incremental Capital Rate Adder - Option B Variable

Rate Class	Total Revenue \$ by Rate Class A	Total Revenue % by Rate Class B = A / \$H	Total Incremental Capital \$ by Rate Class C = \$I * B	Billed kWh D	Billed kW E	Distribution Volumetric Rate kWh Rate Rider F = C / D	Distribution Volumetric Rate kW Rate Rider G = C / E
Residential	\$9,959,249	56.92%	\$0	350,217,935	0	\$0.000000	
General Service Less Than 50 kW	\$2,850,151	16.29%	\$0	144,258,193	0	\$0.000000	
General Service 50 to 999 kW	\$2,441,212	13.95%	\$0	305,337,414	718,710		\$0.000000
General Service 1,000 to 4,999 kW	\$1,572,919	8.99%	\$0	194,477,088	561,149		\$0.000000
Unmetered Scattered Load	\$70,099	0.40%	\$0	1,786,004	0	\$0.000000	
Sentinel Lighting	\$15,654	0.09%	\$0	146,789	402		\$0.000000
Street Lighting	\$587,052	3.36%	\$0	10,616,947	31,276		\$0.000000
	\$17,496,336	100.00%	\$0				
	H		I			Enter the above value onto Sheet "J1.2 Incremental Cap Fund Adder" of the 2010 OEB IRM3 Rate Generator.	