

## List of Amended Application Sections

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## List of Amended Application Sections

<u>Exh</u>	<u>Tab</u>	<u>Sch</u>	<u>Att</u>	<u>Title</u>
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## ONTARIO ENERGY BOARD

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

AND IN THE MATTER OF an application by Essex Powerlines Corporation for an Order or Orders pursuant to section 78 of the *Ontario Energy Board Act, 1998* for 2010 distribution rates and related matters.

### APPLICATION

1. The Applicant is Essex Powerlines Corporation ("Essex"). Essex is a licensed electricity distributor operating pursuant to license ED-2002-0499. Essex distributes electricity to customers in the Town of Amherstburg, the Town of LaSalle, the Municipality of Leamington and the Town of Tecumseh.
2. Essex hereby applies to the Ontario Energy Board (the "Board") for an order or orders made pursuant to Section 78 of the *Ontario Energy Board Act, 1998*, as amended, (the "OEB Act") approving just and reasonable rates for the distribution of electricity based on a 2010 test year.
3. Specifically, Essex hereby applies for an order or orders granting approval of:
  - a. its forecasted 2010 distribution revenue requirement of \$11,591,351;
  - b. distribution rates that allow Essex to recover its forecasted 2010 distribution revenue requirement, effective May 1, 2010;
  - c. specific distribution service charges of \$601,073;
  - d. the dispersal of Regulatory Asset, deferral and variance accounts;

- e. Essex's current distribution rates becoming interim commencing May 1, 2009 until its proposed distribution rates are implemented; and
  - f. other approvals as set out in Exhibit 1, Tab 1, Schedule 3.
4. As indicated by Essex's pre-filed evidence, its 2010 revenue requirement is forecast to be \$12,292,424 million. Based on current distribution rates and forecasted load, Essex forecasts a 2010 revenue deficiency of \$1,819,294.
  5. The 2010 distribution rates proposed by Essex will result in overall bill impacts as follows: 1) a Residential customer using 800 kWh's in the summer - a 4.8% increase; 2) a General Service customer less than 50 kW using 2,000 kWh's - a 7.1% increase; 3) a General Service customer 50 kW to 2,999 kW with a demand of 500 kW and energy of 100,000 kWh's - a 3.2% decrease; 4) a General Service 3,000 to 4,999 kW with a demand of 3,000 kW and energy of 800,000 kWh's - a 26.0% decrease; 5) Unmetered Scattered Load using 100 kWh's - a 1.1% decrease, 6) Sentinel lighting with a demand of .55 kW's and energy of 190 kWh's - a 8.1% increase; and 7) Street Lighting with a demand of .55 kW's and energy of 190 kWh's - a 9.0% increase.
  6. This Application is made in accordance with the Board's Chapter 2 of the Board's *Filing Requirements for Transmission and Distribution Applications* dated May 27, 2009.
  7. This Application is supported by written evidence. The written evidence will be pre-filed and may be amended from time to time, prior to the Board's final decision on this Application.
  8. The Applicant requests that, pursuant to Section 34.01 of the Board's *Rules of Practice and Procedure*, this proceeding be conducted by way of written hearing.

9. The Applicant requests that a copy of all documents filed with the Board in this proceeding be served on the Applicant and the Applicant's counsel, as follows:

The Applicant:

Essex Powerlines Corporation  
360 Fairview Avenue West, Suite 218  
Essex, Ontario N8M 3G4

Attention:  
Richard Dimmel  
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The Applicant's Counsel:

Ogilvy Renault LLP  
Suite 3800  
Royal Bank Plaza, South Tower  
200 Bay Street  
P.O. Box 84  
Toronto, Ontario M5J 2Z4

Attention:  
Mr. Andrew Taylor  
ataylor@ogilvyrenault.com  
Telephone: (416) 216-4771  
Fax: (416) 216-3930

DATED at Toronto, Ontario, this \_\_\_\_\_ day of \_\_\_\_\_, 2009.

ESSEX POWERLINES CORPORATION

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Richard Dimmel

## 2009-2010 Pro-Forma Income Statement

Account Grouping	2009 □ Projection	2010 @ existing rates	2010 @ new dist. rates
3000-Sales of Electricity	47,166,836	48,056,490	48,056,490
3050-Revenues From Services - Distribution	9,817,753	9,898,087	11,717,381
3100-Other Operating Revenues	427,250	418,250	418,250
3150-Other Income & Deductions	121,300	121,300	121,300
3200-Investment Income	25,241	28,698	35,493
3350-Power Supply Expenses	-47,166,836	-48,056,490	-48,056,490
<b>Net Revenues</b>	<b>10,391,544</b>	<b>10,466,334</b>	<b>12,292,424</b>
3500-Distribution Expenses - Operation	1,064,016	1,111,126	1,111,126
3550-Distribution Expenses - Maintenance	1,411,921	1,592,732	1,592,732
3650-Billing and Collecting	1,469,958	1,480,565	1,480,565
3700-Community Relations	22,500	40,503	40,503
3800-Administrative and General Expenses	2,041,180	2,162,193	2,162,193
3950-Taxes Other Than Income Taxes	52,768	53,823	53,823
<b>OM&amp;A Expenses</b>	<b>6,062,343</b>	<b>6,440,941</b>	<b>6,440,941</b>
3850-Amortization Expense	2,237,386	2,421,991	2,421,991
<b>Earnings Before Interest &amp; Taxes</b>	<b>2,091,815</b>	<b>1,603,402</b>	<b>3,429,491</b>
3900-Interest Expense	671,000	1,271,881	1,271,881
<b>Earnings Before Tax</b>	<b>1,420,815</b>	<b>331,521</b>	<b>2,157,610</b>
4000-Income Taxes	451,576	122,525	730,483
<b>Net Income excluding Extraordinary Items</b>	<b>969,239</b>	<b>208,996</b>	<b>1,427,127</b>
4100-Extraordinary & Other Items			
<b>Net Income</b>	<b>969,239</b>	<b>208,996</b>	<b>1,427,127</b>

## 2009-2010 Pro-forma Balance Sheets

Account Grouping	2009 □ Projection	2010 @ existing rates	2010 @ new dist. rates
1050-Current Assets	15,790,871	18,314,046	18,418,024
1100-Inventory	60,000	60,000	60,000
1150-Non-Current Assets			
1200-Other Assets and Deferred Charges	2,150,789	-22,677	1,091,476
1300-Intangible Plant			
1450-Distribution Plant	52,029,976	55,908,443	55,908,443
1500-General Plant	3,766,069	4,973,497	4,973,497
1550-Other Capital Assets	-9,450,666	-10,345,516	-10,345,516
1600-Accumulated Amortization	-14,001,823	-16,248,342	-16,248,342
<b>Total Assets</b>	<b>50,345,216</b>	<b>52,639,451</b>	<b>53,857,582</b>
1650-Current Liabilities	12,405,435	16,174,001	16,174,001
1700-Non-Current Liabilities	4,780,592	4,523,787	4,523,787
1800-Long-Term Debt	14,641,374	13,214,852	13,214,852
<b>Total Liabilities</b>	<b>31,827,401</b>	<b>33,912,640</b>	<b>33,912,640</b>
1850-Shareholders' Equity	18,517,815	18,726,811	19,944,942
<b>Total Liabilities &amp; Shareholders' Equity</b>	<b>50,345,216</b>	<b>52,639,451</b>	<b>53,857,582</b>



1  
2  
3  
4  
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7

## **MATERIALITY THRESHOLD**

Essex Powerlines Corporation is using the default materiality thresholds of:  
.5% of distribution revenue requirement for distributors with a revenue requirement greater than \$10 million and less than or equal to \$200 million. The materiality threshold for this rate filing is \$60,962.

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## Revenue Sufficiency / Deficiency

	2010 Projection	2009 Projection	Var #	Var %
Utility Income <i>(see below)</i>	1,563,144	1,479,049	84,095	5.7%
Utility Rate Base	41,490,434	39,756,789	1,733,644	4.4%
Indicated Rate of Return	3.77%	3.72%	0.05%	1.3%
Requested / Approved Rate of Return	6.69%	7.55%	(0.87%)	(11.5%)
Sufficiency / (Deficiency) in Return	(2.92%)	(3.83%)	0.91%	23.8%
<b>Net Revenue Sufficiency / (Deficiency)</b>	<b>-1,211,336</b>	<b>-1,524,238</b>	<b>312,902</b>	<b>20.5%</b>
Provision for PILs/Taxes	-607,958	-719,158	111,200	15.5%
<b>Gross Revenue Sufficiency / (Deficiency)</b>	<b>-1,819,294</b>	<b>-2,243,396</b>	<b>424,102</b>	<b>18.9%</b>
<i>Deemed Overall Debt Rate</i>	5.81%	6.45%	(0.64%)	(10.0%)
<i>Deemed Cost of Debt</i>	1,445,127	1,086,222	358,904	33.0%
<i>Utility Income less Deemed Cost of Debt</i>	118,017	392,827	-274,810	(70.0%)
<i>Return On Deemed Equity</i>	0.71%	2.28%	(1.57%)	(68.8%)
<b>UTILITY INCOME</b>				
Total Net Revenues	10,373,130	10,301,143	71,986	0.7%
OM&A Expenses	6,387,118	6,009,575	377,543	6.3%
Depreciation & Amortization	2,246,519	2,061,914	184,606	9.0%
Taxes other than PILs / Income Taxes	53,823	52,768	1,055	2.0%
Total Costs & Expenses	8,687,461	8,124,257	563,204	6.9%
Utility Income before Income Taxes / PILs	1,685,669	2,176,887	-491,218	(22.6%)
PILs / Income Taxes	122,525	697,837	-575,312	(82.4%)
<b>Utility Income</b>	<b>1,563,144</b>	<b>1,479,049</b>	<b>84,095</b>	<b>5.7%</b>

## **REVENUE REQUIREMENT WORK FORM**



## REVENUE REQUIREMENT WORK FORM

Name of LDC:  (1)  
File Number:   
Rate Year:  Version: 1.0

### Table of Content

<u>Sheet</u>	<u>Name</u>
A	<a href="#"><u>Data Input Sheet</u></a>
1	<a href="#"><u>Rate Base</u></a>
2	<a href="#"><u>Utility Income</u></a>
3	<a href="#"><u>Taxes/PILS</u></a>
4	<a href="#"><u>Capitalization/Cost of Capital</u></a>
5	<a href="#"><u>Revenue Sufficiency/Deficiency</u></a>
6	<a href="#"><u>Revenue Requirement</u></a>
7	<a href="#"><u>Bill Impacts</u></a>

#### Notes:

(1) Pale green cells represent inputs

(2) **Please note that this model uses MACROS. Before starting, please ensure that macros have been enabled.**

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## REVENUE REQUIREMENT WORK FORM

Name of LDC: ESSEX POWERLINES CORPORATION

File Number: EB-2009-0143

Rate Year: 2010

Data Input
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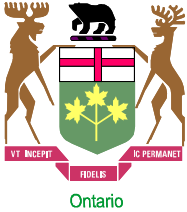
(1)

	Application		Adjustments		Per Board Decision
<b>1 Rate Base</b>					
Gross Fixed Assets (average)	\$48,440,901	(4)			\$48,440,901
Accumulated Depreciation (average)	(\$15,125,082)	(5)			(\$15,125,082)
<b>Allowance for Working Capital:</b>					
Controllable Expenses	\$6,440,941	(6)			\$6,440,941
Cost of Power	\$48,056,490				\$48,056,490
Working Capital Rate (%)	15.00%				15.00%
<b>2 Utility Income</b>					
<b>Operating Revenues:</b>					
Distribution Revenue at Current Rates	\$9,772,057				
Distribution Revenue at Proposed Rates	\$11,591,351				
<b>Other Revenue:</b>					
Specific Service Charges	\$269,739				
Late Payment Charges	\$148,511				
Other Distribution Revenue	\$126,030				
Other Income and Deductions	\$56,793				
<b>Operating Expenses:</b>					
OM+A Expenses	\$6,440,941				\$6,440,941
Depreciation/Amortization	\$2,246,519				\$2,246,519
Property taxes					
Capital taxes	\$20,405				
Other expenses					
<b>3 Taxes/PILs</b>					
<b>Taxable Income:</b>					
Adjustments required to arrive at taxable income	\$65,938	(3)			
<b>Utility Income Taxes and Rates:</b>					
Income taxes (not grossed up)	\$470,589				
Income taxes (grossed up)	\$710,077				
Capital Taxes	\$20,405				
Federal tax (%)	24.00%				
Provincial tax (%)	9.73%				
Income Tax Credits					
<b>4 Capitalization/Cost of Capital</b>					
<b>Capital Structure:</b>					
Long-term debt Capitalization Ratio (%)	56.0%				
Short-term debt Capitalization Ratio (%)	4.0%	(2)			(2)
Common Equity Capitalization Ratio (%)	40.0%				
Preferred Shares Capitalization Ratio (%)					
Capital Structure must total 100%					
<b>Cost of Capital</b>					
Long-term debt Cost Rate (%)	6.14%				
Short-term debt Cost Rate (%)	1.13%				
Common Equity Cost Rate (%)	8.01%				
Preferred Shares Cost Rate (%)					

**Notes:**

This input sheet provides all inputs needed to complete sheets 1 through 6 (Rate Base through Revenue Requirement), except for Notes that the utility may wish to use to support the components. Notes should be put on the applicable pages to understand the context of each such note.

- (1) All inputs are in dollars (\$) except where inputs are individually identified as percentages (%)
- (2) 4.0% unless an Applicant has proposed or been approved for another amount.
- (3) Net of addbacks and deductions to arrive at taxable income.
- (4) Average of Gross Fixed Assets at beginning and end of the Test Year
- (5) Average of Accumulated Depreciation at the beginning and end of the Test Year. Enter as a negative amount.



## REVENUE REQUIREMENT WORK FORM

Name of LDC: ESSEX POWERLINES CORPORATION  
 File Number: EB-2009-0143  
 Rate Year: 2010

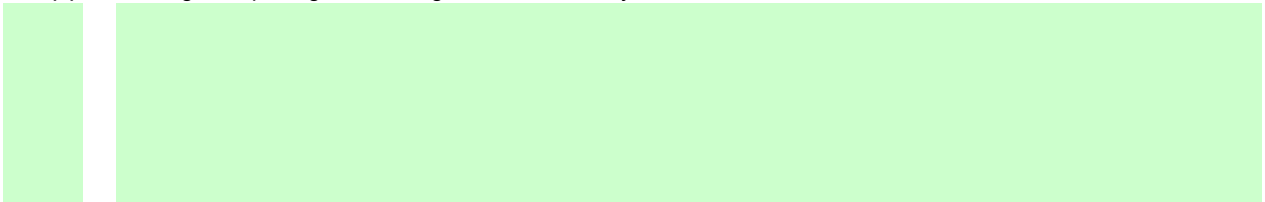
Ontario

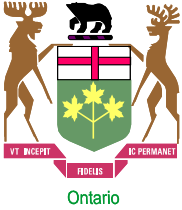
Line No.	Particulars	Rate Base		
		Application	Adjustments	Per Board Decision
1	Gross Fixed Assets (average) (3)	\$48,440,901	\$ -	\$48,440,901
2	Accumulated Depreciation (average) (3)	(\$15,125,082)	\$ -	(\$15,125,082)
3	Net Fixed Assets (average) (3)	\$33,315,819	\$ -	\$33,315,819
4	Allowance for Working Capital (1)	\$8,174,615	\$ -	\$8,174,615
5	<b>Total Rate Base</b>	<b>\$41,490,434</b>	<b>\$ -</b>	<b>\$41,490,434</b>

(1) Allowance for Working Capital - Derivation				
6	Controllable Expenses	\$6,440,941	\$ -	\$6,440,941
7	Cost of Power	\$48,056,490	\$ -	\$48,056,490
8	Working Capital Base	\$54,497,431	\$ -	\$54,497,431
9	Working Capital Rate % (2)	15.00%		15.00%
10	Working Capital Allowance	\$8,174,615	\$ -	\$8,174,615

### Notes

- (2) Generally 15%. Some distributors may have a unique rate due as a result of a lead-lag study.  
 (3) Average of opening and closing balances for the year.





## REVENUE REQUIREMENT WORK FORM

Name of LDC: ESSEX POWERLINES CORPORATION

File Number: EB-2009-0143

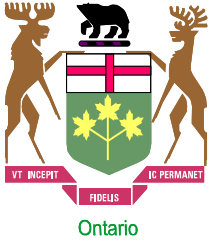
Rate Year: 2010

### Utility income

Line No.	Particulars	Application	Adjustments	Per Board Decision
<b>Operating Revenues:</b>				
1	Distribution Revenue (at Proposed Rates)	\$11,591,351	\$ -	\$11,591,351
2	Other Revenue (1)	\$601,073	\$ -	\$601,073
3	<b>Total Operating Revenues</b>	<u>\$12,192,424</u>	<u>\$ -</u>	<u>\$12,192,424</u>
<b>Operating Expenses:</b>				
4	OM+A Expenses	\$6,440,941	\$ -	\$6,440,941
5	Depreciation/Amortization	\$2,246,519	\$ -	\$2,246,519
6	Property taxes	\$ -	\$ -	\$ -
7	Capital taxes	\$20,405	\$ -	\$20,405
8	Other expense	\$ -	\$ -	\$ -
9	<b>Subtotal</b>	<u>\$8,707,865</u>	<u>\$ -</u>	<u>\$8,707,865</u>
10	Deemed Interest Expense	<u>\$1,445,127</u>	<u>\$ -</u>	<u>\$1,445,127</u>
11	<b>Total Expenses (lines 4 to 10)</b>	<u>\$10,152,992</u>	<u>\$ -</u>	<u>\$10,152,992</u>
12	<b>Utility income before income taxes</b>	<u>\$2,039,432</u>	<u>\$ -</u>	<u>\$2,039,432</u>
13	Income taxes (grossed-up)	<u>\$710,077</u>	<u>\$ -</u>	<u>\$710,077</u>
14	<b>Utility net income</b>	<u>\$1,329,356</u>	<u>\$ -</u>	<u>\$1,329,356</u>

#### Notes

(1)	<b>Other Revenues / Revenue Offsets</b>		
	Specific Service Charges	\$269,739	\$269,739
	Late Payment Charges	\$148,511	\$148,511
	Other Distribution Revenue	\$126,030	\$126,030
	Other Income and Deductions	\$56,793	\$56,793
	<b>Total Revenue Offsets</b>	<u>\$601,073</u>	<u>\$601,073</u>



## REVENUE REQUIREMENT WORK FORM

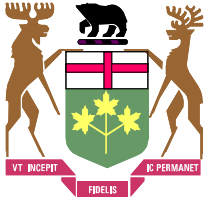
Name of LDC: ESSEX POWERLINES CORPORATION  
 File Number: EB-2009-0143  
 Rate Year: 2010

### Taxes/PILs

Line No.	Particulars	Application	Per Board Decision
<b><u>Determination of Taxable Income</u></b>			
1	Utility net income	\$1,329,353	\$1,329,353
2	Adjustments required to arrive at taxable utility income	\$65,938	\$65,938
3	Taxable income	\$1,395,291	\$1,395,291
<b><u>Calculation of Utility income Taxes</u></b>			
4	Income taxes	\$470,589	\$470,589
5	Capital taxes	\$20,405	\$20,405
6	Total taxes	\$490,994	\$490,994
7	Gross-up of Income Taxes	\$239,488	\$239,488
8	Grossed-up Income Taxes	\$710,077	\$710,077
9	PILs / tax Allowance (Grossed-up Income taxes + Capital taxes)	\$730,482	\$730,482
10	Other tax Credits	\$ -	\$ -
<b><u>Tax Rates</u></b>			
11	Federal tax (%)	24.00%	24.00%
12	Provincial tax (%)	9.73%	9.73%
13	Total tax rate (%)	33.73%	33.73%

**Notes**





Ontario

## REVENUE REQUIREMENT WORK FORM

Name of LDC: ESSEX POWERLINES CORPORATION

File Number: EB-2009-0143

Rate Year: 2010

### Capitalization/Cost of Capital

Line No.	Particulars	Capitalization Ratio		Cost Rate	Return
		(%)	(\$)	(%)	(\$)
<b>Application</b>					
<b>Debt</b>					
1	Long-term Debt	56.00%	\$23,234,643	6.14%	\$1,426,373
2	Short-term Debt	4.00%	\$1,659,617	1.13%	\$18,754
3	<b>Total Debt</b>	<b>60.00%</b>	<b>\$24,894,260</b>	<b>5.81%</b>	<b>\$1,445,127</b>
<b>Equity</b>					
4	Common Equity	40.00%	\$16,596,173	8.01%	\$1,329,353
5	Preferred Shares	0.00%	\$ -	0.00%	\$ -
6	<b>Total Equity</b>	<b>40.00%</b>	<b>\$16,596,173</b>	<b>8.01%</b>	<b>\$1,329,353</b>
7	<b>Total</b>	<b>100%</b>	<b>\$41,490,434</b>	<b>6.69%</b>	<b>\$2,774,480</b>
<b>Per Board Decision</b>					
<b>Debt</b>					
8	Long-term Debt	56.00%	\$23,234,643	6.14%	\$1,426,373
9	Short-term Debt	4.00%	\$1,659,617	1.13%	\$18,754
10	<b>Total Debt</b>	<b>60.00%</b>	<b>\$24,894,260</b>	<b>5.81%</b>	<b>\$1,445,127</b>
<b>Equity</b>					
11	Common Equity	40.0%	\$16,596,173	8.01%	\$1,329,353
12	Preferred Shares	0.0%	\$ -	0.00%	\$ -
13	<b>Total Equity</b>	<b>40.0%</b>	<b>\$16,596,173</b>	<b>8.01%</b>	<b>\$1,329,353</b>
14	<b>Total</b>	<b>100%</b>	<b>\$41,490,434</b>	<b>6.69%</b>	<b>\$2,774,480</b>

#### Notes

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



## REVENUE REQUIREMENT WORK FORM

Name of LDC: ESSEX POWERLINES CORPORATION  
 File Number: EB-2009-0143  
 Rate Year: 2010

### Revenue Sufficiency/Deficiency

Line No.	Particulars	Per Application		Per Board Decision	
		At Current Approved Rates	At Proposed Rates	At Current Approved Rates	At Proposed Rates
1	Revenue Deficiency from Below		\$1,819,293		\$1,819,293
2	Distribution Revenue	\$9,772,057	\$9,772,057	\$9,772,057	\$9,772,057
3	Other Operating Revenue Offsets - net	\$601,073	\$601,073	\$601,073	\$601,073
4	<b>Total Revenue</b>	<b>\$10,373,130</b>	<b>\$12,192,424</b>	<b>\$10,373,130</b>	<b>\$12,192,424</b>
5	Operating Expenses	\$8,707,865	\$8,707,865	\$8,707,865	\$8,707,865
6	Deemed Interest Expense	\$1,445,127	\$1,445,127	\$1,445,127	\$1,445,127
	<b>Total Cost and Expenses</b>	<b>\$10,152,992</b>	<b>\$10,152,992</b>	<b>\$10,152,992</b>	<b>\$10,152,992</b>
7	<b>Utility Income Before Income Taxes</b>	<b>\$220,138</b>	<b>\$2,039,432</b>	<b>\$220,138</b>	<b>\$2,039,432</b>
	Tax Adjustments to Accounting				
8	Income per 2009 PILs	\$65,938	\$65,938	\$65,938	\$65,938
9	<b>Taxable Income</b>	<b>\$286,076</b>	<b>\$2,105,370</b>	<b>\$286,076</b>	<b>\$2,105,370</b>
10	Income Tax Rate	33.73%	33.73%	33.73%	33.73%
11	<b>Income Tax on Taxable Income</b>	<b>\$96,485</b>	<b>\$710,078</b>	<b>\$96,485</b>	<b>\$710,078</b>
12	<b>Income Tax Credits</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
13	<b>Utility Net Income</b>	<b>\$123,653</b>	<b>\$1,329,356</b>	<b>\$123,653</b>	<b>\$1,329,356</b>
14	<b>Utility Rate Base</b>	<b>\$41,490,434</b>	<b>\$41,490,434</b>	<b>\$41,490,434</b>	<b>\$41,490,434</b>
	Deemed Equity Portion of Rate Base	\$16,596,173	\$16,596,173	\$16,596,173	\$16,596,173
15	Income/Equity Rate Base (%)	0.75%	8.01%	0.75%	8.01%
16	Target Return - Equity on Rate Base	8.01%	8.01%	8.01%	8.01%
	Sufficiency/Deficiency in Return on Equity	-7.26%	0.00%	-7.26%	0.00%
17	Indicated Rate of Return	3.78%	6.69%	3.78%	6.69%
18	Requested Rate of Return on Rate Base	6.69%	6.69%	6.69%	6.69%
19	Sufficiency/Deficiency in Rate of Return	-2.91%	0.00%	-2.91%	0.00%
20	Target Return on Equity	\$1,329,353	\$1,329,353	\$1,329,353	\$1,329,353
21	Revenue Sufficiency/Deficiency	\$1,205,700	\$2	\$1,205,700	\$2
22	<b>Gross Revenue Sufficiency/Deficiency</b>	<b>\$1,819,293 (1)</b>		<b>\$1,819,293 (1)</b>	

**Notes:**

- (1) Revenue Sufficiency/Deficiency divided by (1 - Tax Rate)  
 Revenue Deficiency is denoted by a positive value, while a revenue sufficiency is denoted by a negative value



## REVENUE REQUIREMENT WORK FORM

Name of LDC: ESSEX POWERLINES CORPORATION

File Number: EB-2009-0143

Rate Year: 2010

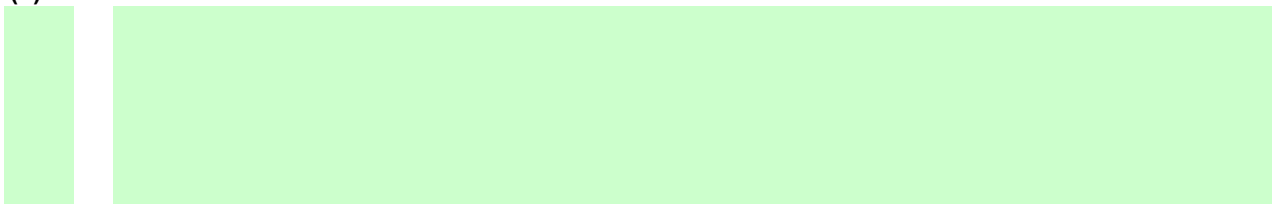
Ontario

		Revenue Requirement	
Line No.	Particulars	Application	Per Board Decision
1	OM&A Expenses	\$6,440,941	\$6,440,941
2	Amortization/Depreciation	\$2,246,519	\$2,246,519
3	Property Taxes	\$ -	\$ -
4	Capital Taxes	\$20,405	\$20,405
5	Income Taxes (Grossed up)	\$710,077	\$710,077
6	Other Expenses	\$ -	\$ -
7	Return		
	Deemed Interest Expense	\$1,445,127	\$1,445,127
	Return on Deemed Equity	\$1,329,353	\$1,329,353
8	Distribution Revenue Requirement before Revenues	\$12,192,422	\$12,192,422
9	Distribution revenue	\$11,591,351	\$11,591,351
10	Other revenue	\$601,073	\$601,073
11	<b>Total revenue</b>	\$12,192,424	\$12,192,424
12	<b>Difference (Total Revenue Less Distribution Revenue Requirement before Revenues)</b>	\$2 (1)	\$2 (1)

**Notes**

(1)

Line 11 - Line 8





## REVENUE REQUIREMENT WORK FORM

Name of LDC: ESSEX POWERLINES CORPORATION

File Number: EB-2009-0143

Rate Year: 2010

Selected Delivery Charge and Bill Impacts Per Draft Rate Order									
		Monthly Delivery Charge				Total Bill			
		Current	Per Draft Rate Order	Change		Current	Per Draft Rate Order	Change	
				\$	%			\$	%
<b>Residential</b>	<b>800 kWh/month</b>	\$ 11.95	\$ 15.64	\$ 3.69	30.9%	\$ 90.88	\$ 95.75	\$ 4.87	5.4%
<b>GS &lt; 50kW</b>	<b>2000 kWh/month</b>	\$ 13.60	\$ 24.01	\$ 10.41	76.5%	\$ 201.25	\$ 215.71	\$ 14.46	7.2%

Notes:

## 1                   **OVERVIEW OF DISTRIBUTION REVENUE**

2   Revenue from current distribution charges is shown in Exhibit 3, Tab 2, Schedule 1,  
3   Attachment 1.

4  
5   Distribution revenue is derived through a combination of fixed monthly charges and  
6   volumetric charges based on consumption. Revenues are collected from 7 customer  
7   classes including: Residential, General Service less than 50 kW, General Service 50 to  
8   2,000kW, General Service 3,000 to 4,999 kW, Unmetered scattered load, Sentinel  
9   lighting and Street lighting.

10  
11   Fixed rate revenue is determined by applying the current fixed monthly charge by the  
12   number of customers or connections in each of the customer classes. Volumetric  
13   charges are based on monthly meter readings for consumption. A rate is applied to this  
14   consumption and depending on the customer class the consumption is based on kWh or  
15   if the customer has a demand meter the charges are based on kW 's. Some customers  
16   receive a transformer allowance that is deducted from distribution revenues. This  
17   amount was projected to be \$78,810 for 2009 and 2010.

18  
19   This table shows that revenues are collected from these customers on a fixed and  
20   variable ratio for 2009 of 44.82% fixed and 55.18% variable. For 2010 this ratio is  
21   44.83% fixed and 55.17% variable.

22  
23   Based on current distribution rates 2010 revenues collected from customers would be  
24   \$4,750,477 from fixed charges (excluding smart meter funding adder proceeds of  
25   \$335,736) and variable charges of \$5,923,964 for total revenues of \$10,674,441. Pass  
26   through charges of \$823,575 for LV charges from Hydro One are included in these  
27   revenues. Deducting those charges, and Transformer Allowances of \$78,810, results in  
28   Net Distribution Revenues of \$9,772,057 for 2010.

29

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**C4 Revenue from Current Distribution Charges** Rates from sheet C3; Volumes from sheet C1

2009 PROJECTED DISTRIBUTION REVENUE AT EXISTING RATES								
Customer Class Name	Fixed Rate	Customers (Connections) <sup>1</sup>	Fixed Charge Revenue	Variable Rate	per	Volume	Variable Charge Revenue	TOTAL
Residential	\$10.9500	25,773	3,386,572	\$0.0150	kWh	270,027,943	4,050,419	7,436,991
General Service Less Than 50 kW	\$12.6000	1,848	279,418	\$0.0050	kWh	71,857,425	359,287	638,705
General Service 50 to 2,999 kW	\$343.5100	221	910,989	\$2.7475	kW	464,533	1,276,304	2,187,293
General Service 3,000 to 4,999 kW	\$4,076.0300	2	97,825	\$4.8094	kW	20,364	97,939	195,763
Unmetered Scattered Load	\$8.9200	151	16,163	\$0.0309	kWh	1,605,371	49,606	65,769
Sentinel Lighting	\$0.7200	325	2,808	\$4.5442	kW	1,076	4,890	7,698
Street Lighting	\$0.3800	7,607	34,688	\$3.4074	kW	17,792	60,624	95,312
<b>Gross Revenue (before Transformer Allowances)</b>			4,728,462				5,899,069	10,627,531
Transformer Allowances				(\$0.6000)	kW	131,350	-78,810	-78,810
<b>Total Revenue</b>			<b>4,728,462</b>				<b>5,820,259</b>	<b>10,548,721</b>
Less: Pass-through amount embedded in distribution rates <sup>2</sup>							-823,575	-823,575
<b>DISTRIBUTION REVENUE</b>			<b>4,728,462</b>				<b>4,996,685</b>	<b>9,725,147</b>

2010 PROJECTED DISTRIBUTION REVENUE AT EXISTING RATES								
Customer Class Name	Fixed Rate	Customers (Connections) <sup>1</sup>	Fixed Charge Revenue	Variable Rate	per	Volume	Variable Charge Revenue	TOTAL
Residential	\$10.9500	25,902	3,403,523	\$0.0150	kWh	271,379,498	4,070,692	7,474,215
General Service Less Than 50 kW	\$12.6000	1,852	280,022	\$0.0050	kWh	72,012,960	360,065	640,087
General Service 50 to 2,999 kW	\$343.5100	222	915,111	\$2.7475	kW	467,092	1,283,335	2,198,446
General Service 3,000 to 4,999 kW	\$4,076.0300	2	97,825	\$4.8094	kW	19,537	93,961	191,786
Unmetered Scattered Load	\$8.9200	151	16,163	\$0.0309	kWh	1,605,371	49,606	65,769
Sentinel Lighting	\$0.7200	325	2,808	\$4.5442	kW	1,076	4,890	7,698
Street Lighting	\$0.3800	7,681	35,025	\$3.4074	kW	18,024	61,415	96,440
<b>Gross Revenue (before Transformer Allowances)</b>			4,750,477				5,923,964	10,674,441
Transformer Allowances				(\$0.6000)	kW	131,350	-78,810	-78,810
<b>Total Revenue</b>			<b>4,750,477</b>				<b>5,845,154</b>	<b>10,595,631</b>
Less: Pass-through amount embedded in distribution rates <sup>2</sup>							-823,575	-823,575
<b>DISTRIBUTION REVENUE</b>			<b>4,750,477</b>				<b>5,021,580</b>	<b>9,772,057</b>

<sup>1</sup> forecast for Lighting classes based on existing count basis (number of lights)

<sup>2</sup> per revenue amounts on sheet C2 e.g. Low Voltage

**C4 Revenue from Current Distribution Charges** Rates from sheet C3; Volumes from sheet C1

Customer Class Name	PROJECTED REVENUE FROM DISTRIBUTION CHARGES AT EXISTING RATES					
	2009 Fixed %	2009 Variable %	2009 Total %	2010 Fixed %	2010 Variable %	2010 Total %
Residential	45.54%	54.46%	69.98%	45.54%	54.46%	70.02%
General Service Less Than 50 kW	43.75%	56.25%	6.01%	43.75%	56.25%	6.00%
General Service 50 to 2,999 kW	41.65%	58.35%	20.58%	41.63%	58.37%	20.60%
General Service 3,000 to 4,999 kW	49.97%	50.03%	1.84%	51.01%	48.99%	1.80%
Unmetered Scattered Load	24.58%	75.42%	0.62%	24.58%	75.42%	0.62%
Sentinel Lighting	36.48%	63.52%	0.07%	36.48%	63.52%	0.07%
Street Lighting	36.39%	63.61%	0.90%	36.32%	63.68%	0.90%
<b>TOTAL</b>	<b>44.82%</b>	<b>55.18%</b>	<b>100.00%</b>	<b>44.83%</b>	<b>55.17%</b>	<b>100.00%</b>

Customer Class Name	2010 PROCEEDS FROM CURRENT MONTHLY SERVICE (FIXED) RATES				TOTAL
	Distribution	Smart Meters			
Residential	3,403,523	310,824			3,714,347
General Service Less Than 50 kW	280,022	22,224			302,246
General Service 50 to 2,999 kW	915,111	2,664			917,775
General Service 3,000 to 4,999 kW	97,825	24			97,849
Unmetered Scattered Load	16,163				16,163
Sentinel Lighting	2,808				2,808
Street Lighting	35,025				35,025
<b>TOTAL</b>	<b>4,750,477</b>	<b>335,736</b>			<b>5,086,213</b>

Customer Class Name	2010 PROCEEDS FROM CURRENT VARIABLE RATES				TOTAL
	Distribution				
Residential	4,070,692				4,070,692
General Service Less Than 50 kW	360,065				360,065
General Service 50 to 2,999 kW	1,283,335				1,283,335
General Service 3,000 to 4,999 kW	93,961				93,961
Unmetered Scattered Load	49,606				49,606
Sentinel Lighting	4,890				4,890
Street Lighting	61,415				61,415
<b>TOTAL</b>	<b>5,923,964</b>				<b>5,923,964</b>

## OVERVIEW OF OTHER REVENUE

1

2

3 An Other Revenue Trend Table is included as Exhibit 3, Tab 3, Schedule 1, Attachment  
4 1 and is entitled "Appendix 2-D". This table shows the revenues received and projected  
5 to be received from 2006 to 2010 from the specific service charges and other revenue  
6 sources. Further break down of the revenues included in this table is included as Exhibit  
7 3, Tab 3, Schedule 1, Attachment 2 entitled "Account Breakdowns".

8

9 The overall trend for other revenues is declining from 2008 at \$933,855 to 2010 at  
10 \$701,074. The trend downward is attributed to significant decreases for interest revenue  
11 on cash balances and reduced revenues from non-utility operations which includes  
12 reduced services provided for third parties. More detail is provided in Exhibit 3, Tab 3,  
13 Schedule 1, Attachment 2 entitled "Account Breakdowns".

14

15 Other revenue sources include:

16 Standard Supply Service charges – SSS charges and transformer allowances

17 Retailer Service Agreement charges – various charges associated with interacting with

18 Retailers



- 1 Service Transaction Requests charges - various charges associated with interacting with
- 2 Retailers
- 3 Rent from Electric Property – joint use pole rental fees
- 4 Late Payment charges – charges for not paying bills on time
- 5 Miscellaneous Services Charges – Occupancy, reconnection, NSF etc
- 6 Gain on disposition of utility and other property – gain on disposal of 2 small trucks
- 7 Revenues from Non-utility operations – OPA CDM activities, street light and other
- 8 services provided to EPS, water and sewer billing to Towns
- 9 Miscellaneous Non-operating Income – miscellaneous small or non-recurring activities
- 10 Interest and Dividend Income – interest on bank balances and regulatory asset interest
- 11 (not shown for bridge and test years as per filing guidelines)
- 12
- 13

**Revenue Account Breakdowns**

**APPENDIX 2-D  
 Other Operating Revenue**

Uniform System of Account #	Description	Actual Year 2006	2007	2008	Bridge Year 2009	Test Year 2010
4080	Standard Supply Service	174,035	158,770	152,140	91,250	91,250
4082	Retailer Service Agreement	39,506	43,592	33,424	33,424	33,424
4084	Service Transaction Request	3,498	2,729	1,357	1,357	1,357
4210	Rent from Electric Property	107,264	101,402	102,324	102,324	102,324
4225	Late Payment Charges	159,436	146,530	148,511	148,511	148,511
4235	Miscellaneous Service Revenues	160,432	207,254	179,038	176,415	167,415
4325	Revenues from Merchandise, Jobbing, Etc.	(3,292)	(797)			
4355	Gain on Disposition of Utility and Other Property			3,053	-	-
4375	Revenues from Non-Utility Operations		864,249	1,899,074	1,710,296	1,787,240
4380	Expenses of Non-Utility Operations		(804,236)	(1,690,436)	(1,610,296)	(1,687,240)
4390	Miscellaneous Non-Operating Income	6,458	25,268	27,926	21,300	21,300
4405	Interest and Dividend Income	412,166	148,539	77,444	34,840	35,493
<b>Specific Service Charges</b>		<b>160,432</b>	<b>207,254</b>	<b>179,038</b>	<b>176,415</b>	<b>167,415</b>
<b>Late Payment Charges</b>		<b>159,436</b>	<b>146,530</b>	<b>148,511</b>	<b>148,511</b>	<b>148,511</b>
<b>Other Distribution Revenues</b>		<b>324,303</b>	<b>306,493</b>	<b>289,245</b>	<b>228,355</b>	<b>228,355</b>
<b>Other Income and Expenses</b>		<b>415,332</b>	<b>233,023</b>	<b>317,061</b>	<b>156,140</b>	<b>156,793</b>
<b>Total</b>		<b>1,059,503</b>	<b>893,299</b>	<b>933,855</b>	<b>709,421</b>	<b>701,074</b>

Specific Service Charges: Account 4235

Late Payment Charges: Account 4225

Other Distribution Revenues: Accounts 4082, 4084, 4090, 4205, 4210, 4215, 4220, 4240, 4245

Other Income and Expenses: Accounts 4305, 4310, 4315, 4320, 4325, 4330, 4335, 4340, 4345, 4350, 4355, 4360, 4365, 4370, 4375, 4380, 4385, 4395, 4398, 4405, 4415

**Revenue Account Breakdowns**

	Actual Year 1	Actual Year 2	Actual Year 3	Bridge Year	Test Year
	2006	2007	2008	2009	2010
<b>3050 REVENUES FROM SERVICES</b>					
4080-Distribution Services Revenue					
Standard Supply Service -- Administrative Charge	89,579	87,286	90,462	91,250	91,250
<b>Total Revenues from Services</b>	<b>89,579</b>	<b>87,286</b>	<b>90,462</b>	<b>91,250</b>	<b>91,250</b>
4082-Retail Services Revenues					
Retailer Service Agreement-standard charge	100	-	-	-	-
Retailer Service Agreement-monthly fixed charge (per retailer)	2,960	3,580	3,440	3,440	3,440
Retailer Service Agreement-monthly variable charge (per customer)	36,446	40,012	29,984	29,984	29,984
Distributor-Consolidated Billing-monthly charge (per customer)	-	-	-	-	-
Retailer-Consolidated Billing-monthly credit (per customer)	-	-	-	-	-
<b>Total Retail Services Revenues</b>	<b>39,506</b>	<b>43,592</b>	<b>33,424</b>	<b>33,424</b>	<b>33,424</b>
4084-Service Transaction Requests (STR) Revenues					
Service Transaction Request -- request fee (per request)	1,257	1,370	433	433	433
Service Transaction Request -- processing fee (per processed request)	2,241	1,359	924	924	924
<b>Total Service Transaction Request Revenue</b>	<b>3,498</b>	<b>2,729</b>	<b>1,357</b>	<b>1,357</b>	<b>1,357</b>
4090 - Electric Services Incidental to Energy Sales	-	-	-	-	-
<b>TOTAL REVENUES FROM SERVICES</b>	<b>132,583</b>	<b>133,607</b>	<b>125,243</b>	<b>126,031</b>	<b>126,031</b>
<b>3100 OTHER OPERATING REVENUES</b>					
4210 - Rent from Electric Property					
	107,264	101,402	102,324	102,324	102,324
4225 - Late Payment Charges					
	159,436	146,530	148,511	148,511	148,511
4235 - Miscellaneous Service Revenue					
Occupancy Charges	96,803	125,817	114,367	107,490	98,490
Reconnection Charges	52,566	67,128	29,120	35,940	35,940
Dispute Meter Test	-	90	30	-	-
NSF Charges	9,669	7,320	6,582	7,725	7,725
Collection Charge	30	35	22,702	19,080	19,080
Misc. Charges and Legal letter	1,124	6,760	6,057	6,000	6,000
Misc Service statement of account	105	75	105	105	105
Easement Letter	135	30	75	75	75
<b>Total Miscellaneous Service Revenue</b>	<b>160,432</b>	<b>207,254</b>	<b>179,038</b>	<b>176,415</b>	<b>167,415</b>
<b>TOTAL OTHER OPERATING REVENUES</b>	<b>427,132</b>	<b>455,185</b>	<b>429,873</b>	<b>427,250</b>	<b>418,250</b>

<b>3150 - OTHER INCOME &amp; DEDUCTIONS</b>					
4325 - Revenues from Merchandise, Jobbing, Etc.					
Rev Merch Jobbing (Temp)	1,991	1,873	-	-	-
Cost Merch Jobbing (Temp)	(5,283)	(2,670)	-	-	-
<b>Total Revenues from Merch. Jobbing</b>	<b>(3,292)</b>	<b>(797)</b>	<b>-</b>	<b>-</b>	<b>-</b>
4355 - Gain on Disposition of Utility and other property			3,053		
4375 - Revenues from Non-Utility Operations					
Summer Saver Revenues	-	188,645	50,902	50,000	50,000
Peak Saver Revenues	-	465,981	151,980	150,000	150,000
Refridgerator Roundup Revenues	-	57,584	45,011	45,000	45,000
Elect Retro Revenues	-	152,040	27,234	25,000	25,000
OPA Community Initiative revenues	-	-	20,000	20,000	20,000
Power Savings Blitz	-	-	23,531	23,000	23,000
EPS Street Light Service	-	-	368,787	300,788	300,885
EPS Traffic Light Service	-	-	-	1,500	1,500
EPS Sentinel Light Service	-	-	-	5,000	5,000
Work for Others	-	-	448,397	239,130	239,130
B&C for town	-	-	763,231	850,878	927,725
<b>Total Revenues form Non-Utility Operations</b>	<b>-</b>	<b>864,249</b>	<b>1,899,074</b>	<b>1,710,296</b>	<b>1,787,240</b>
4380 - Expenses of Non-Utility Operations					
Summer Saver	-	(84,391)	(119,751)	(69,242)	(64,242)
Peak Saver	-	(555,109)	(69,243)	(120,605)	(135,605)
Refridgerator Roundup	-	(48,366)	(30,554)	(28,554)	(28,554)
Elect Retro	-	(116,370)	(43,096)	(33,096)	(28,096)
Community Initiative (xmas light xchange)	-	-	(12,466)	(12,466)	(13,156)
Power Savings Blitz	-	-	(10,746)	(10,746)	(10,746)
EPS Street Light Services	-	-	(310,480)	(279,430)	(279,529)
EPS Traffic Light Services	-	-	(1,421)	(1,394)	(1,394)
EPS Sentinel Light Service	-	-	-	(4,645)	(4,645)
Work for Others	-	-	(386,823)	(263,142)	(263,142)
B&W, W&C for town - expenses	-	-	(705,856)	(786,976)	(858,131)
<b>Total Expense of Non-Utility Opertions</b>	<b>-</b>	<b>(804,236)</b>	<b>(1,690,436)</b>	<b>(1,610,296)</b>	<b>(1,687,240)</b>
4390 - Miscellaneous Non-Operating Income					
Invoicing	683	18,968	21,626	15,000	15,000
EFT for OEFC for Heinz	5,775	6,300	6,300	6,300	6,300
<b>Total Miscellaneous Non-Operating Income</b>	<b>6,458</b>	<b>25,268</b>	<b>27,926</b>	<b>21,300</b>	<b>21,300</b>
<b>TOTAL OTHER INCOME AND DEDUCTIONS</b>	<b>3,166</b>	<b>84,484</b>	<b>239,617</b>	<b>121,300</b>	<b>121,300</b>
<b>3200 - INVESTMENT INCOME</b>					
4405 - Interest and Dividend Income					
Regulatory Asset Interest	54,203	(49,370)	(3,410)		
Bank Deposit Interest	357,963	197,909	80,854	34,840	35,493
<b>Total Interest and Dividend Income</b>	<b>412,166</b>	<b>148,539</b>	<b>77,444</b>	<b>34,840</b>	<b>35,493</b>
<b>TOTAL INVESTMENT INCOME</b>	<b>412,166</b>	<b>148,539</b>	<b>77,444</b>	<b>34,840</b>	<b>35,493</b>

**C8 Other Service Revenues**

Service	USA #	2006 EDR Approved			2006 Actual		
		Volume	Rate	Revenue	Volume	Rate	Revenue
Standard Supply Service -- Administrative Charge	4080	270,948	\$0.25	67,737	358,317	\$0.25	89,579
Arrears Certificate	4235	632	\$15.00	9,485		\$15.00	
Statement of Account	4235		\$30.00		7	\$15.00	105
Easement Letter	4235				9	\$15.00	135
Returned Cheque charge (plus bank charges)	4235	654	\$15.00	9,810	645	\$15.00	9,669
Legal letter charge	4235				75	\$15.00	1,125
Account set up charge / change of occupancy charge	4235	4,891	\$30.00	146,730	3,227	\$30.00	96,803
Meter dispute charge plus Measurement Canada fees (if meter found correct)	4235	1	\$30.00	40		\$30.00	
Late Payment - per month	4225			120,416			159,436
Collection of account charge -- no disconnection	4235	632	\$30.00	18,970	1	\$30.00	30
Disconnect/Reconnect at meter -- during regular hours	4235	352	\$65.00	22,859	586	\$65.00	38,691
Disconnect/Reconnect at meter -- after regular hours	4235	51	\$185.00	9,496	75	\$185.00	13,875
Disconnect/Reconnect at pole -- after regular hours	4235					\$415.00	
Temporary service install and remove -- overhead -- no transformer	4235	12	\$500.00	6,167		\$500.00	
Specific Charge for Access to the Power Poles -- per pole/year	4210	4,618	\$22.35	103,220	4,799	\$22.35	107,264
Retailer Service Agreement -- standard charge	4082		\$100.00		1	\$100.00	100
Retailer Service Agreement -- monthly fixed charge (per retailer)	4082		\$20.00		148	\$20.00	2,960
Retailer Service Agreement -- monthly variable charge (per customer)	4082		\$0.50		72,892	\$0.50	36,446
Service Transaction Request -- request fee (per request)	4084	5,027	\$0.25	1,257	5,027	\$0.25	1,257
Service Transaction Request -- processing fee (per processed request)	4084	4,482	\$0.50	2,241	4,482	\$0.50	2,241
<b>TOTAL</b>				<b>518,426</b>			<b>559,715</b>

**C8 Other Service Revenues**

Service	USA #	2007 Actual			2008 Actual		
		Volume	Rate	Revenue	Volume	Rate	Revenue
Standard Supply Service -- Administrative Charge	4080	349,142	\$0.25	87,286	361,848	\$0.25	90,462
Arrears Certificate	4235		\$15.00		404	\$15.00	6,057
Statement of Account	4235	5	\$15.00	75	7	\$15.00	105
Easement Letter	4235	2	\$15.00	30	5	\$15.00	75
Returned Cheque charge (plus bank charges)	4235	488	\$15.00	7,320	439	\$15.00	6,582
Legal letter charge	4235	450	\$15.00	6,760		\$15.00	
Account set up charge / change of occupancy charge	4235	4,194	\$30.00	125,817	3,812	\$30.00	114,367
Meter dispute charge plus Measurement Canada fees (if meter found correct)	4235	3	\$30.00	90	1	\$30.00	30
Late Payment - per month	4225			146,530			148,511
Collection of account charge -- no disconnection	4235	1	\$30.00	35	757	\$30.00	22,702
Disconnect/Reconnect at meter -- during regular hours	4235	628	\$65.00	40,813	400	\$65.00	25,974
Disconnect/Reconnect at meter -- after regular hours	4235	140	\$185.00	25,900	17	\$185.00	3,145
Disconnect/Reconnect at pole -- after regular hours	4235	1	\$415.00	415		\$415.00	
Temporary service install and remove -- overhead -- no transformer	4235		\$500.00			\$500.00	
Specific Charge for Access to the Power Poles -- per pole/year	4210	4,537	\$22.35	101,402	4,578	\$22.35	102,324
Retailer Service Agreement -- standard charge	4082		\$100.00			\$100.00	
Retailer Service Agreement -- monthly fixed charge (per retailer)	4082	179	\$20.00	3,580	172	\$20.00	3,440
Retailer Service Agreement -- monthly variable charge (per customer)	4082	80,023	\$0.50	40,012	59,967	\$0.50	29,984
Service Transaction Request -- request fee (per request)	4084	5,479	\$0.25	1,370	1,732	\$0.25	433
Service Transaction Request -- processing fee (per processed request)	4084	2,719	\$0.50	1,359	1,847	\$0.50	924
<b>TOTAL</b>				<b>588,793</b>			<b>555,115</b>

## C8 Other Service Revenues

Service	USA #	2009 Projection			2010 Projection (existing rates)		
		Volume	Rate	Revenue	Volume	Rate	Revenue
Standard Supply Service -- Administrative Charge	4080	365,000	\$0.25	91,250	365,000	\$0.25	91,250
Arrears Certificate	4235	400	\$15.00	6,000	400	\$15.00	6,000
Statement of Account	4235	7	\$15.00	105.00	7	\$15.00	105
Easement Letter	4235	5	\$15.00	75	5	\$15.00	75
Returned Cheque charge (plus bank charges)	4235	515	\$15.00	7,725	515	\$15.00	7,725
Legal letter charge	4235		\$15.00			\$15.00	
Account set up charge / change of occupancy charge	4235	3,583	\$30.00	107,490	3,283	\$30.00	98,490
Meter dispute charge plus Measurement Canada fees (if meter found correct)	4235		\$30.00			\$30.00	
Late Payment - per month	4225			148,511			148,511
Collection of account charge -- no disconnection	4235	636	\$30.00	19,080	636	\$30.00	19,080
Disconnect/Reconnect at meter -- during regular hours	4235	496	\$65.00	32,240	496	\$65.00	32,240
Disconnect/Reconnect at meter -- after regular hours	4235	20	\$185.00	3,700	20	\$185.00	3,700
Disconnect/Reconnect at pole -- after regular hours	4235		\$415.00			\$415.00	
Temporary service install and remove -- overhead -- no transformer	4235		\$500.00			\$500.00	
Specific Charge for Access to the Power Poles -- per pole/year	4210	4,578	\$22.35	102,324	4,578	\$22.35	102,324
Retailer Service Agreement -- standard charge	4082		\$100.00			\$100.00	
Retailer Service Agreement -- monthly fixed charge (per retailer)	4082	172	\$20.00	3,440	172	\$20.00	3,440
Retailer Service Agreement -- monthly variable charge (per customer)	4082	59,967	\$0.50	29,984	59,967	\$0.50	29,984
Service Transaction Request -- request fee (per request)	4084	1,732	\$0.25	433	1,732	\$0.25	433
Service Transaction Request -- processing fee (per processed request)	4084	1,847	\$0.50	924	1,847	\$0.50	924
<b>TOTAL</b>				<b>553,280</b>			<b>544,280</b>

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<b>C8 Other Service Revenues</b>				
<b>Service</b>	<b>USA #</b>	<b>2010 Projection (proposed rates)</b>		
		<b>Volume</b>	<b>Rate</b>	<b>Revenue</b>
		<i>USA Account #s per sheet Y6</i>		
Standard Supply Service -- Administrative Charge	4080	365,000	\$0.25	91,250
Arrears Certificate	4235	400	\$15.00	6,000
Statement of Account	4235	7	\$15.00	105
Easement Letter	4235	5	\$15.00	75
Returned Cheque charge (plus bank charges)	4235	515	\$15.00	7,725
Legal letter charge	4235		\$15.00	
Account set up charge / change of occupancy charge	4235	3,283	\$30.00	98,490
Meter dispute charge plus Measurement Canada fees (if meter found correct)	4235		\$30.00	
Late Payment - per month	4225			148,511
Collection of account charge -- no disconnection	4235	636	\$30.00	19,080
Disconnect/Reconnect at meter -- during regular hours	4235	496	\$65.00	32,240
Disconnect/Reconnect at meter -- after regular hours	4235	20	\$185.00	3,700
Disconnect/Reconnect at pole -- after regular hours	4235		\$415.00	
Temporary service install and remove -- overhead -- no transformer	4235		\$500.00	
Specific Charge for Access to the Power Poles -- per pole/year	4210	4,578	\$22.35	102,324
Retailer Service Agreement -- standard charge	4082		\$100.00	
Retailer Service Agreement -- monthly fixed charge (per retailer)	4082	172	\$20.00	3,440
Retailer Service Agreement -- monthly variable charge (per customer)	4082	59,967	\$0.50	29,984
Service Transaction Request -- request fee (per request)	4084	1,732	\$0.25	433
Service Transaction Request -- processing fee (per processed request)	4084	1,847	\$0.50	924
<b>TOTAL</b>				<b>544,280</b>



## REVENUE OFFSETS

1

2 The Revenue Offset Projects are included in Exhibit 3, Tab 3, Schedule 4, Attachment 1.

3 Also detailed account breakdowns for the various charges can be found in Exhibit 3, Tab  
4 3, Schedule 1, Attachment 1.

5

6 Account 4080 Distribution Services Revenue is forecasted at \$91,250 for 2009 and the  
7 test year 2010. The revenue in this category are derived from the Standard Supply  
8 Service charge. The SSS charge has been forecasted to increase minimally due to low  
9 growth.

10

11 Account 4082 Retail Services Revenue is forecasted to be \$33,424 for 2009 and 2010.  
12 This forecast was based on 2008 actual because it is not anticipated that there will be a  
13 significant increase in retailer activity in the foreseeable future.

14

15 Account 4084 Service Transaction Requests Revenue is forecasted to be \$1,357 for  
16 2009 and 2010. This forecast was based on 2008 actual because it is not anticipated  
17 that there will be a significant increase in retailer activity in the foreseeable future.

18

19 Account 4210 Rent from Electric Property represents joint use pole charges and is  
20 forecasted to be \$102,324 for 2009 and 2010. This is based on 2008 actual for the  
21 same amount. It is not anticipated that there will be a significant change in the number  
22 of pole attachments in the foreseeable.

23

1 Account 4225 Late Payment Charges are forecasted to be \$148,511 for 2009 and 2010.  
2 This is based on 2008 actual for the same amount. There does not seem to be a trend  
3 with the current economic activity in the area and the amount of these charges, so 2008  
4 actual was used for the forecast.

5

6 Account 4235 Miscellaneous Service Revenues represent the specific service charges  
7 for Occupancy, reconnection, NSF cheque, collection, misc letters etc. The total for  
8 these charges is estimated to be \$176,415 in 2009 and \$167,415 in 2010. The  
9 decreases are attributable to lower Occupancy charges from declining house sales  
10 offset by increases in reconnection charges because of an increase in disconnections  
11 and an increase in NSF cheque charges both due to economic conditions. Occupancy  
12 charges increased in 2007 (2006 was a partial year with EDR decision and effective date  
13 of May 1, 2006) due to an increase in the rate charged approved in the 2006 EDR and a  
14 full year of rate charges.

15

16 Account 4390 Miscellaneous Non-Operating Income includes miscellaneous activities  
17 that provide small amounts of revenue. These are mainly unforeseen requests that are  
18 difficult to forecast therefore the forecast of \$21,300 for 2009 and 2010 was based on an  
19 average of the last three years actual.

20

21

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Account Grouping		Account Description	2009		
			Service Projection	Other (+ / -)	Total
3050-Revenues From Services - Distribution	4080-Distribution Services Revenue	91,250		91,250	
	4082-Retail Services Revenues	33,424		33,424	
	4084-Service Transaction Requests (STR) Revenues	1,357		1,357	
3100-Other Operating Revenues	4210-Rent from Electric Property	102,324		102,324	
	4225-Late Payment Charges	148,511		148,511	
	4235-Miscellaneous Service Revenues	176,415		176,415	
3150-Other Income & Deductions	4375-Revenues from Non-Utility Operations				
	4380-Expenses of Non-Utility Operations				
	4390-Miscellaneous Non-Operating Income	21,300		21,300	
3200-Investment Income	4405-Interest and Dividend Income		34,840	34,840	
<b>TOTAL</b>		<b>574,580</b>	<b>34,840</b>	<b>609,420</b>	

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## C9 Revenue Offset Projections

Account Grouping	Account Description	2010 (existing rates)		
		Service Projection	Other (+ / -)	Total
3050-Revenues From Services - Distribution	4080-Distribution Services Revenue	91,250		91,250
	4082-Retail Services Revenues	33,424		33,424
	4084-Service Transaction Requests (STR) Revenues	1,357		1,357
3100-Other Operating Revenues	4210-Rent from Electric Property	102,324		102,324
	4225-Late Payment Charges	148,511		148,511
	4235-Miscellaneous Service Revenues	167,415		167,415
3150-Other Income & Deductions	4375-Revenues from Non-Utility Operations			
	4380-Expenses of Non-Utility Operations			
	4390-Miscellaneous Non-Operating Income	21,300		21,300
3200-Investment Income	4405-Interest and Dividend Income		35,493	35,493
<b>TOTAL</b>		<b>565,580</b>	<b>35,493</b>	<b>601,073</b>

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## C9 Revenue Offset Projections

Account Grouping	Account Description	2010 (proposed rates)		
		Service Projection	Other (+ / -)	Total
3050-Revenues From Services - Distribution	4080-Distribution Services Revenue	91,250		91,250
	4082-Retail Services Revenues	33,424		33,424
	4084-Service Transaction Requests (STR) Revenues	1,357		1,357
3100-Other Operating Revenues	4210-Rent from Electric Property	102,324		102,324
	4225-Late Payment Charges	148,511		148,511
	4235-Miscellaneous Service Revenues	167,415		167,415
3150-Other Income & Deductions	4375-Revenues from Non-Utility Operations			
	4380-Expenses of Non-Utility Operations			
	4390-Miscellaneous Non-Operating Income	21,300		21,300
3200-Investment Income	4405-Interest and Dividend Income	35,493		35,493
<b>TOTAL</b>		<b>601,073</b>		<b>601,073</b>

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<b>C9 Revenue Offset Projections</b>		<i>Service Projections from Sheet C8</i>			
Account Grouping	Account Description	Offset Input			2010 Offset Amount
		%	or	\$	
3050-Revenues From Services - Distribution	4080-Distribution Services Revenue	100%			91,250
	4082-Retail Services Revenues	100%			33,424
	4084-Service Transaction Requests (STR) Revenues	100%			1,357
3100-Other Operating Revenues	4210-Rent from Electric Property	100%			102,324
	4225-Late Payment Charges	100%			148,511
	4235-Miscellaneous Service Revenues	100%			167,415
3150-Other Income & Deductions	4375-Revenues from Non-Utility Operations	100%			
	4380-Expenses of Non-Utility Operations	100%			
	4390-Miscellaneous Non-Operating Income	100%			21,300
3200-Investment Income	4405-Interest and Dividend Income	100%			35,493
<b>TOTAL</b>					<b>601,073</b>

## ALLOWANCE FOR PILS

1

2 Attached as Exhibit 4, Tab 8, Schedule 3, Attachment 1, is the tax model used to  
3 determine the proposed allowance for PILS to be included in the revenue requirement  
4 for the test year, 2010. The model includes sheets for P1 Undepreciated Capital Costs  
5 (UCC), P2 Cumulative Eligible Capital (CEC), P3 Interest Expense, P4 Loss carry-  
6 forwards, P5 Reserve Balances, P6 Taxable Income, P7 Capital Taxes, P8 Total PILS  
7 expense, Y1 tax rates, Y2 CCA classes. Sheets P2, P4, and P5 are not applicable to  
8 Essex Powerlines.

9

10 Essex Powerlines is subject to the payment of PILs under section 93 of the Electricity  
11 Act, 1998, as amended. The Applicant does not pay Section 89 proxy taxes, and is  
12 exempt from the payment of income and capital taxes under the Income Tax Act  
13 (Canada) and the Ontario Corporations Tax Act. A copy of the 2008 Federal T2 and  
14 Ontario CT23 has been provided in Exhibit 4, Tab 8, Schedule 2, Attachment 2.

15

16 There are no tax credits such as apprenticeship or education tax credits included in the  
17 2010 calculations for PILS.

18

19 The 2010 Test Year's PILs have been calculated at \$470,590 before gross-up (\$710,078  
20 after gross-up) and Ontario Capital Tax has been calculated at \$20,405. The details of  
21 the calculations are in Exhibit 4, Tab 8, Schedule 3, Attachment 1. PILs are calculated  
22 by determining the taxable income T2S(1) for the 2010 Test Year and then calculating  
23 the amount based on the substantively enacted 2010 tax rates. In determining 2010

1 Taxable Income, there are two components, income before taxes and applicable tax  
2 adjustments.

3

4 Income before taxes in 2010 is based on a return on equity amount of \$1,329,354. The  
5 details of this calculation are found in Exhibit 5, Tab 1, Schedule 1, Attachment 1.

6

7 Tax adjustments are made for both temporary and permanent differences and reserves.  
8 The temporary differences included are the difference between depreciation for  
9 accounting purposes versus capital cost allowance (CCA) for tax purposes. The other  
10 difference included is the accrual for future benefits (\$22,430) and the amortization of  
11 deferred charge \$175,472. This deferred charge was created when Essex Powerlines  
12 was formed and is being amortized over 20 years and is not deductible for tax purposes.  
13 Future benefits paid on behalf of employees are deductible for tax purposes and are  
14 included in the amount of \$175,000.

15

16 EPL has used a combined tax rate of 33.73% for the 2010 Test Year. The Ontario  
17 Capital tax is being eliminated on July 1, 2010. The Ontario Capital tax rate for the 2010  
18 Test Year is .15% but because it is only in effect for half the year, the rate of .075% has  
19 been used.

20



***Attachment 1 (of 1):***

***Proposed PILs Model***

## Essex Powerlines (ED-2002-0499)

PILs Calculations for 2010 EDR Application (EB-2009-0143) version: Amendment #1  
 December 21, 2009

### Model Overview

Select a worksheet link

Tab	ShortName	Title	Instruction	Link
<b>P</b>		<b>PILs Calculations</b>		
P0	Admin	Administration	Enter administrative information about the Application	<a href="#">P0 Administration</a>
P1	UCC	Undepreciated Capital Costs (UCC)	Enter actual balances and projected asset additions & retirements	<a href="#">P1 Undepreciated Capital Costs (UCC)</a>
P2	CEC	Cumulative Eligible Capital (CEC)	Enter actual balance, projected changes and deduction rates	<a href="#">P2 Cumulative Eligible Capital (CEC)</a>
P3	Interest	Interest Expense	Enter deemed and projected actual interest amounts	<a href="#">P3 Interest Expense</a>
P4	LCF	Loss Carry-Forward (LCF)	Enter details of historical losses available to offset projected taxable income	<a href="#">P4 Loss Carry-Forward (LCF)</a>
P5	Reserves	Reserve Balances	Enter balance amounts and projected changes in tax and accounting reserves	<a href="#">P5 Reserve Balances</a>
P6	TxbIncome	Taxable Income	Enter amounts required to calculate taxable income	<a href="#">P6 Taxable Income</a>
P7	CapitalTax	Capital Taxes	Enter rate base amounts	<a href="#">P7 Capital Taxes</a>
P8	TotalPILs	Total PILs Expense	Enter tax credit amounts	<a href="#">P8 Total PILs Expense</a>
<b>Y</b>		<b>Reference Information</b>		
Y1	TaxRates	Tax Rates and Exemptions	Enter applicable rates and exemption amounts	<a href="#">Y1 Tax Rates and Exemptions</a>
Y2	CCA	Capital Cost Allowances (CCA)	Enter asset classes and applicable rates for CCA deductions	<a href="#">Y2 Capital Cost Allowances (CCA)</a>
<b>Z</b>		<b>Model Parameters</b>		
Z1	ModelVariables	Model Variables		<a href="#">Z1 Model Variables</a>
Z0	Disclaimer	Software Terms of Use		<a href="#">Z0 Software Terms of Use</a>

## Essex Powerlines (ED-2002-0499)

PILs Calculations for 2010 EDR Application (EB-2009-0143) version: Amendment #1  
December 21, 2009

### P0 Administration

*Enter administrative information about the Application*

Application Version  
Name of Applicant  
License Number  
Test Year  
File Number(s)  
Date of Application  
Contact:

Amendment #1  
Essex Powerlines  
ED-2002-0499  
2010  
EB-2009-0143  
21-Dec-2009

Name  
email  
phone

Richard Dimmel  
rdimmel@essexpowerlines.ca  
(519) 776-8900

Date of previous Test Year approval

12-Apr-2006





**Essex Powerlines (ED-2002-0499)**  
 PILs Calculations for 2010 EDR Application (EB-2009-014):  
 December 21, 2009

**P1 Undepreciated Capital Costs (UCC)**  
*Enter actual balances and projected asset additions*

Class	Description	UCC <input type="checkbox"/> 31 Dec/09
1	Distribution System - post 1987	35,485,614
2	Distribution System - pre 1988	
8	General Office/Stores Equip	90,291
10	Computer Hardware/ Vehicles	841,278
10.1	Certain Automobiles	
12	Computer Software	
13.1	Leasehold Improvement # 1	
13.2	Leasehold Improvement # 2	
13.3	Leasehold Improvement # 3	
13.4	Leasehold Improvement # 4	
14	Franchise	
17	New Electrical Generating Equipment Acq'd after Feb 27/00	
	Other Than Bldgs	
43.1	Certain Energy-Efficient Electrical Generating Equipment	
45	Computers & Systems Software acq'd post Mar 22/04	
46	Data Network Infrastructure Equipment (acq'd post Mar 22/04)	
47	Distribution System post Feb 22/05	
50	Computer Equipment Post March 18, 2007	
17	Communication equipment	205,402
	<b>TOTAL</b>	<b>36,622,585</b>

<sup>1</sup> per Schedule 8 of 2008 corporate tax return







## Essex Powerlines (ED-2002-0499)

PILs Calculations for 2010 EDR Application (EB-2009-0143) version: Amendment #1  
 December 21, 2009

### P2 Cumulative Eligible Capital (CEC)

Enter actual balance, projected changes and deduction rates

	2009	2010
<b>CEC Opening Balance <sup>1</sup></b>		
Eligible Capital Property (ECP) Acquisitions		
Other Adjustments		
Subtotal	x 3/4 =	x 3/4 =
Non-taxable portion of a non-arm's length transferor's gain realized on the transfer of an ECP to the Corporation after December 20, 2002	x 1/2 =	x 1/2 =
Amount transferred on amalgamation or wind-up of subsidiary		
Subtotal before deductions		
ECP Dispositions (net)		
Other Adjustments		
Subtotal	x 3/4 =	x 3/4 =
Balance before tax deduction		
<b>Tax Deduction</b>	Rate:	Rate:
<b>CEC Ending Balance</b>		

<sup>1</sup> 2009 amount per ending balance on Schedule 10 of 2008 corporate tax return

# Essex Powerlines (ED-2002-0499)

PILs Calculations for 2010 EDR Application (EB-2009-0143) version: Amendment #1  
 December 21, 2009

## P3 Interest Expense

Enter deemed and projected actual interest amounts

	2009	2010
<b>Deemed Interest Expense (A)</b>	1,379,768	1,452,532
3900-Interest Expense	671,000	1,271,881
Add: Capitalized Interest (USA #6040)		
Add: Capitalized Interest (USA #6042)		
Less: non-debt interest expense (USA #6035)		
<b>Total Interest Projected (B)</b>	<b>671,000</b>	<b>1,271,881</b>
<b>Excess Interest Expense</b>		

Enter credit to P&L as positive number  
 Enter credit to P&L as positive number  
 Enter other adjustments for tax purposes

(B) less (A), if negative: zero

## Essex Powerlines (ED-2002-0499)

PILs Calculations for 2010 EDR Application (EB-2009-0143) version: Amendment #1  
 December 21, 2009

### P4 Loss Carry-Forward (LCF)

*Enter details of historical losses available to offset projected taxable income*

	Balance <input type="checkbox"/> 31 Dec/08 <sup>1</sup>	Less: Non-Distribution Portion	Utility Balance <input type="checkbox"/> 31 Dec/08	2009	2010
<b>Non-Capital LCF:</b>					
Opening Balance					
Application of LCF to reduce taxable income					
<b>Ending Balance</b>					
<b>Net Capital LCF:</b>					
Opening Balance					
Application of LCF to reduce taxable capital gains					
<b>Ending Balance</b>					

<sup>1</sup> per Schedule 7-1 of 2008 corporate tax return

**Essex Powerlines (ED-2002-0499)**

PILs Calculations for 2010 EDR Application (EB-2009-0143) version: Amendment #1  
December 21, 2009

**P5 Reserve Balances**

*Enter balance amounts and projected changes in tax and accounting reserves*

	Balance <input type="checkbox"/> 31 Dec/08 <sup>1</sup>	Less: Non- Distribution Portion	Utility Balance <input type="checkbox"/> 31 Dec/08	Changes <input type="checkbox"/> (+ / -) <input type="checkbox"/> in 2009	Balance <input type="checkbox"/> 31 Dec/09	Changes <input type="checkbox"/> (+ / -) <input type="checkbox"/> in 2010	Balance <input type="checkbox"/> 31 Dec/10
Capital Gains Reserves ss.40(1)							
<b>Tax Reserves not deducted for book purposes:</b>							
Reserve for doubtful accounts ss. 20(1)(l)							
Reserve for goods and services not delivered ss. 20(1)(m)							
Reserve for unpaid amounts ss. 20(1)(n)							
Debt & Share Issue Expenses ss. 20(1)(e)							
<b>TOTAL</b>							
<b>Accounting Reserves not deducted for tax purposes:</b>							
General Reserve for Inventory Obsolescence (non-specific)							
General reserve for bad debts							
Accrued Employee Future Benefits:							
- Medical and Life Insurance							
- Short & Long-term Disability							
- Accumulated Sick Leave							
- Termination Cost							
- Other Post-Employment Benefits							
Provision for Environmental Costs							
Restructuring Costs							
Accrued Contingent Litigation Costs							
Accrued Self-Insurance Costs							
Other Contingent Liabilities							
Bonuses Accrued and Not Paid Within 180 Days of Year-End ss. 78(4)							
Unpaid Amounts to Related Person and Not Paid Within 3 Taxation Years ss. 78(1)							
<b>TOTAL</b>							

<sup>1</sup> per Schedule 13 of 2008 corporate tax return

# Essex Powerlines (ED-2002-0499)

PILs Calculations for 2010 EDR Application (EB-2009-0143) version: Amendment #1  
 December 21, 2009

## P6 Taxable Income

Enter amounts required to calculate taxable income

T2 S1 line #	2006 EDR Approved			2009 Projection	2010 @ existing rates	2010 @ new dist. rates
	Total Entity	Less: Non- Distribution Portion	Utility Only			
	1,336,560		1,336,560	1,449,089	359,563	1,329,353
<b>Additions:</b>						
Interest and penalties on taxes						
Amortization of tangible assets	1,373,767		1,373,767	2,061,914	2,246,519	2,246,519
Amortization of intangible assets						
Recapture of capital cost allowance from Schedule 8						
Gain on sale of eligible capital property from Schedule 10						
Income or loss for tax purposes- joint ventures or partnerships						
Loss in equity of subsidiaries and affiliates						
Loss on disposal of assets						
Charitable donations						
Taxable Capital Gains						
Political Donations						
Deferred and prepaid expenses						
Scientific research expenditures deducted on financial statements						
Capitalized interest						
Non-deductible club dues and fees						
Non-deductible meals and entertainment expense						
Non-deductible automobile expenses						
Non-deductible life insurance premiums						
Non-deductible company pension plans						
Tax reserves beginning of year						
Reserves from financial statements- balance at end of year						

# Essex Powerlines (ED-2002-0499)

PILs Calculations for 2010 EDR Application (EB-2009-0143) version: Amendment #1  
 December 21, 2009

## P6 Taxable Income

Enter amounts required to calculate taxable income

T2 S1 line #	2006 EDR Approved	2006 EDR Approved		2009 Projection	2010 @ existing rates	2010 @ new dist. rates
		Total Entity	Less: Non- Distribution Portion			
	<b>Income/(Loss) before PILs/Taxes (Accounting) <sup>1</sup></b>	1,336,560		1,449,089	359,563	1,329,353
127	Soft costs on construction and renovation of buildings					
205	Book loss on joint ventures or partnerships					
206	Capital items expensed					
208	Debt issue expense					
212	Development expenses claimed in current year					
216	Financing fees deducted in books					
220	Gain on settlement of debt					
226	Non-deductible advertising					
227	Non-deductible interest					
228	Non-deductible legal and accounting fees					
231	Recapture of SR&ED expenditures					
235	Share issue expense					
236	Write down of capital property					
237	Amounts received in respect of qualifying environment trust per paragraphs 12(1)(z.1) and 12(1)(z.2)					
	Future Benefit Accrual			22,430	22,430	22,430
	Amortization of deferred charge			175,472	175,472	175,472
	<b>Total Additions</b>	<b>1,373,767</b>		<b>2,259,816</b>	<b>2,444,421</b>	<b>2,444,421</b>

## Essex Powerlines (ED-2002-0499)

PILs Calculations for 2010 EDR Application (EB-2009-0143) version: Amendment #1  
 December 21, 2009

### P6 Taxable Income

*Enter amounts required to calculate taxable income*

T2 S1 line #	2006 EDR Approved	2009 Projection		2010 @ existing rates	2010 @ new dist. rates
		Total Entity	Utility Only		
		1,336,560	1,336,560	359,563	1,329,353
<b>Deductions:</b>					
Gain on disposal of assets per financial statements	401				
Dividends not taxable under section 83	402				
Capital cost allowance from Schedule 8	403	1,163,677	1,163,677	2,203,483	2,203,483
Terminal loss from Schedule 8	404				
Cumulative eligible capital deduction from Schedule 10	405				
CEC	406				
Allowable business investment loss	409				
Deferred and prepaid expenses	411				
Scientific research expenses claimed in year	413				
Tax reserves end of year	414				
Reserves from financial statements - balance at beginning of year	416				
Contributions to deferred income plans	305				
Book income of joint venture or partnership	306				
Equity in income from subsidiary or affiliates			41,000	175,000	175,000
Future Benefits Paid					
<b>Total Deductions</b>		<b>1,163,677</b>	<b>1,163,677</b>	<b>2,378,483</b>	<b>2,378,483</b>

# Essex Powerlines (ED-2002-0499)

PILs Calculations for 2010 EDR Application (EB-2009-0143) version: Amendment #1  
 December 21, 2009

## P6 Taxable Income

Enter amounts required to calculate taxable income

T2 S1 line #	2006 EDR Approved			2009 Projection	2010 @ existing rates	2010 @ new dist. rates
	Total Entity	Less: Non- Distribution Portion	Utility Only			
	1,336,560		1,336,560	1,449,089	359,563	1,329,353
	1,546,650		1,546,650	1,941,771	425,501	1,395,291
	<b>NET INCOME (LOSS) FOR TAX PURPOSES</b>					
	Charitable donations from Schedule 2					
	Taxable dividends deductible under section 112 or 113, from Schedule 3 (item 82)					
	Non-capital losses of preceding taxation years from Schedule 4					
	Net-capital losses of preceding taxation years from Schedule 4					
	Limited partnership losses of preceding taxation years from Schedule 4					
	1,546,650		1,546,650	1,941,771	425,501	1,395,291
	<b>TAXABLE INCOME (LOSS)</b>					

<sup>1</sup> 2009 Projection = "Earnings before Tax" (sheet E1); 2010 @ existing rates = "Earnings before Tax" (sheet E2); 2010 @ new dist. rates = "Deemed Return On Equity" (sheet E3)



# Essex Powerlines (ED-2002-0499)

PILs Calculations for 2010 EDR Application (EB-2009-0143) version: Amendment #1  
 December 21, 2009

## P7 Capital Taxes

Enter rate base amounts

Rates and exemptions from sheet Y1

	2009	2010
<b>OCT (Ontario Capital Tax):</b>		
Rate Base	39,756,789	41,490,434
Less: Exemption	14,400,000	14,284,010
Deemed Taxable Capital	25,356,789	27,206,424
Tax Rate	0.225%	0.075%
<b>OCT payable</b>	<b>57,053</b>	<b>20,405</b>
<b>Federal LCT (Large Corporations Tax):</b>		
Rate Base	39,756,789	41,490,434
Less: Exemption	50,000,000	50,000,000
Deemed Taxable Capital		
Tax Rate		
<b>LCT payable</b>		

'Calculated Value' from sheet E3

# Essex Powerlines (ED-2002-0499)

PILs Calculations for 2010 EDR Application (EB-2009-0143) version: Amendment #1  
 December 21, 2009

## P8 Total PILs Expense

Enter tax credit amounts

	2009 Projection	2010 Projection <sup>1</sup>	2010 Test <sup>1</sup>
Regulatory Taxable Income/(Loss)	1,941,771	425,501	1,395,291
Combined Income Tax Rate	33.00%	24.00%	33.73%
Total Income Taxes	640,785	102,120	470,590
Investment & Miscellaneous Tax Credits			
<b>Income Tax Payable</b>	<b>640,785</b>	<b>102,120</b>	<b>470,590</b>
Large Corporations Tax (LCT)			
Ontario Capital Tax (OCT)	57,053	20,405	20,405
Grossed-up Income Tax			710,078
Grossed-up LCT			
<b>Total PILs Expense</b>	<b>697,837</b>	<b>122,525</b>	<b>730,483</b>

from sheet P6  
 "t" (from sheet Y1)

Input amounts  
 "i"

from sheet P7

from sheet P7

= i / (1 - t)

= LCT / (1 - t)

Enter these results on sheet E4

<sup>1</sup> 'Projection' per existing rates; 'Test' based on proposed revenue requirement

gross up before cap tax  
 gross up incl cap tax

956,395	134,369	710,078
1,013,448	154,774	730,483

# Essex Powerlines (ED-2002-0499)

PILs Calculations for 2010 EDR Application (EB-2009-0143) version: Amendment #1  
 December 21, 2009

## Y1 Tax Rates and Exemptions

Enter applicable rates and exemption amounts

### 2009 INCOME TAXES

Income Range		Income Tax Rates			SBD
From	To	Federal	Ontario	Combined	Clawback
\$0	\$400,000	11.00%	5.50%	16.50%	
\$400,000	\$500,000	19.00%	5.50%	24.50%	
\$500,000	\$1,500,000	19.00%	14.00%	33.00%	4.25%
\$1,500,000		19.00%	14.00%	33.00%	

### 2009 CAPITAL TAXES

	LCT	OCT
Exemption	\$50,000,000	\$14,400,000
Capital Tax Rate		0.225%
Surtax Rate		

### 2010 INCOME TAXES

Income Range		Income Tax Rates			SBD
From	To	Federal	Ontario	Combined	Clawback
\$0	\$400,000	11.00%	5.00%	16.00%	
\$400,000	\$500,000	19.00%	5.00%	24.00%	
\$500,000	\$1,500,000	18.00%	13.00%	31.00%	4.25%
\$1,500,000		18.00%	13.00%	31.00%	

### 2010 CAPITAL TAXES

	LCT	OCT
Exemption	\$50,000,000	\$14,284,010
Capital Tax Rate		0.075%
Surtax Rate		

# Essex Powerlines (ED-2002-0499)

P/Ls Calculations for 2010 EDR Application (EB-2009-0143) version: Amendment #1  
 December 21, 2009

## Y2 Capital Cost Allowances (CCA)

Enter asset classes and applicable rates for CCA deductions

Class	Description	Rate	Years	1/2 Year Rule
1	Distribution System - post 1987	4.0%		YES
2	Distribution System - pre 1988	6.0%		YES
8	General Office/Stores Equip	20.0%		YES
10	Computer Hardware/ Vehicles	30.0%		YES
10.1	Certain Automobiles	30.0%		YES
12	Computer Software	100.0%		YES
13.1	Leasehold Improvement # 1		25	YES
13.2	Leasehold Improvement # 2		4	YES
13.3	Leasehold Improvement # 3			YES
13.4	Leasehold Improvement # 4			YES
14	Franchise		6	NO
17	New Electrical Generating Equipment Acq'd after Feb 27/00 Other Than Bldgs	8.0%		YES
43.1	Certain Energy-Efficient Electrical Generating Equipment	30.0%		YES
45	Computers & Systems Software acq'd post Mar 22/04	45.0%		YES
46	Data Network Infrastructure Equipment (acq'd post Mar 22/04)	30.0%		YES
47	Distribution System post Feb 22/05	8.0%		YES
50	Computer Equipment Post March 18, 2007	55.0%		YES

## REVENUE FROM EXISTING RATES

Revenue from existing rates is derived from using the load forecast and extrapolating the consumption against current rates by customer class to determine a revenue deficiency or surplus for the bridge year 2009 and the test year 2010. Revenue from current distribution charges can be found in Exhibit 3, Tab 2, Schedule 1, Attachment 1. This exhibit shows that at the current rates Total Revenue for 2009 is \$4,750,477 from fixed charges and \$5,845,154 from variable charges giving total charges of \$9,772,057 (after deducting \$823,575 in Low Voltage charges and \$78,810 for Transformer Allowances).

Also included are other revenues which are listed and can be found in Exhibit 3, Tab 3, Schedule 1, Attachment 1 and total \$709,421 for 2009 and \$701,074 for 2010.

Other revenue sources include:

Standard Supply Service charges – SSS charges and transformer allowances

Retailer Service Agreement charges – various charges associated with interacting with Retailers

Service Transaction Requests charges - various charges associated with interacting with Retailers

Rent from Electric Property – joint use pole rental fees

Late Payment charges – charges for not paying bills on time

- 1 Miscellaneous Services Charges – Occupancy, reconnection, NSF etc
- 2 Gain on disposition of utility and other property – gain on disposal of 2 small trucks
- 3 Revenues from Non-utility operations – OPA CDM activities, street light and other
- 4 services provided to EPS, water and sewer billing to Towns
- 5 Miscellaneous Non-operating Income – miscellaneous small or non-recurring activities
- 6 Interest and Dividend Income – interest on bank balances and regulatory asset interest
- 7
- 8

1                   **OVERVIEW OF REVENUE REQUIREMENT**

2   The Distribution Revenue Requirement is submitted as Exhibit 6, Tab1, Schedule 2,  
3   Attachment 1. This schedule includes 4 components to make up the service revenue  
4   requirement. OM&A expenses of \$6,440,941 from Exhibit 4, Tab 2, Schedule 1,  
5   Attachment 1. Amortization expense of \$2,421,991 from Exhibit 4, Tab 7, Schedule 1  
6   Attachment 1 and included with OM&A totals \$8,862,933 for Total Distribution Expenses.

7   The Regulated Return on Capital is included for an amount of \$2,774,480 from Exhibit 5,  
8   Tab 1, Schedule 1, Attachment 1. PILs grossed up is included in the amount of \$443,549  
9   from Exhibit 4, Tab 8, Schedule 3 Attachment 1.

10   These items total the Service Revenue Requirement of \$12,193,424. Deducted from  
11   this amount are the Revenue Offsets of \$601,073 from Exhibit 3, Tab 3, Schedule 4,  
12   Attachment 1. The resulting Base Revenue requirement is \$11,591,351.

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## Distribution Revenue Requirement

	2010 □ Projection	Non-recurring items (Total)	2010 □ Normalized	Comment
OM&A Expenses <i>from sheet D1</i>	6,440,941		6,440,941	
3850-Amortization Expense <i>from sheet E2</i>	2,246,519		2,246,519	
Total Distribution Expenses	8,687,461		8,687,461	
Regulated Return On Capital <i>from sheet D3</i>	2,774,480		2,774,480	
PILs (with gross-up) <i>from sheet E4</i>	730,483		730,483	
<b>Service Revenue Requirement</b>	<b>12,192,424</b>		<b>12,192,424</b>	
Less: Revenue Offsets <i>from sheet C9</i>	601,073		601,073	
<b>Base Revenue Requirement</b>	<b>11,591,351</b>		<b>11,591,351</b>	



1                   **CALCULATION OF REVENUE DEFICIENCY OR**  
2                   **SURPLUS**

3   EPL's revenue deficiency is the result of increased OM&A expenses in 2010 with the  
4   increase of 3 new staff members, new CIS costs, the cost of the 2010 rate application,  
5   the inclusion of IFRS and the increase of our rate base from the 2006 EDR that was  
6   based on 2004 historical data. The calculation of the revenue deficiency is included in  
7   Exhibit 6, Tab 2, Schedule 1, Attachment 1. The rate base trend is included as Exhibit 6,  
8   Tab 2, Schedule 1, Attachment 2.

9

10   Utility Income was determined from a number of factors. Based on the projected load  
11   forecast, Total Net Revenues are increasing slightly from the bridge year to the test year  
12   for a total of \$10,373,130. OM&A expenses are increasing by \$378,598 or 6.2% from the  
13   bridge year to the test year because of the addition of 3 new staff, new CIS costs, the  
14   cost of the rate application and IFRS costs. Depreciation and Amortization is increasing  
15   due to capital expenditures being invested in the system. Total income before PILs for  
16   the test year declines by \$491,218 to \$1,685,669. PILs of \$122,525 are deducted and  
17   the result is Net Income of \$1,563,144 for the test year.

18

19   This Net Income represents an indicated rate of return of 3.77% which is substantially  
20   below the requested rate of return of 6.69%. This results in a net deficiency of  
21   \$1,524,238 for 2009 and \$1,211,336 for 2010. With the addition of the gross up for PILs  
22   of \$719,158 for 2009 and \$607,957 for 2010, the gross revenue deficiency is \$2,243,396  
23   for 2009 and \$1,819,294 for 2010.

1

2 The overall deemed debt rate for 2009 is 6.45% with interest of \$1,086,222 and 5.81%  
3 or \$1,445,127 for 2010. Utility income less the deemed cost of debt is \$392,827 for  
4 2009 and \$118,017 for 2010. Return on equity for 2009 is 2.28% and 0.71% for 2010.

5

## Table of Revenue Deficiency or Surplus

	2010 □ Projection	2009 □ Projection	Var #	Var %
Utility Income <i>(see below)</i>	1,563,144	1,479,049	84,095	5.7%
Utility Rate Base	41,490,434	39,756,789	1,733,644	4.4%
Indicated Rate of Return	3.77%	3.72%	0.05%	1.3%
Requested / Approved Rate of Return	6.69%	7.55%	(0.87%)	(11.5%)
Sufficiency / (Deficiency) in Return	(2.92%)	(3.83%)	0.91%	23.8%
<b>Net Revenue Sufficiency / (Deficiency)</b>	<b>-1,211,336</b>	<b>-1,524,238</b>	<b>312,902</b>	<b>20.5%</b>
Provision for PILs/Taxes	-607,958	-719,158	111,200	15.5%
<b>Gross Revenue Sufficiency / (Deficiency)</b>	<b>-1,819,294</b>	<b>-2,243,396</b>	<b>424,102</b>	<b>18.9%</b>
<i>Deemed Overall Debt Rate</i>	5.81%	6.45%	(0.64%)	(10.0%)
<i>Deemed Cost of Debt</i>	1,445,127	1,086,222	358,904	33.0%
<i>Utility Income less Deemed Cost of Debt</i>	118,017	392,827	-274,810	(70.0%)
<i>Return On Deemed Equity</i>	0.71%	2.28%	(1.57%)	(68.8%)
<b>UTILITY INCOME</b>				
Total Net Revenues	10,373,130	10,301,143	71,986	0.7%
OM&A Expenses	6,387,118	6,009,575	377,543	6.3%
Depreciation & Amortization	2,246,519	2,061,914	184,606	9.0%
Taxes other than PILs / Income Taxes	53,823	52,768	1,055	2.0%
Total Costs & Expenses	8,687,461	8,124,257	563,204	6.9%
Utility Income before Income Taxes / PILs	1,685,669	2,176,887	-491,218	(22.6%)
PILs / Income Taxes	122,525	697,837	-575,312	(82.4%)
<b>Utility Income</b>	<b>1,563,144</b>	<b>1,479,049</b>	<b>84,095</b>	<b>5.7%</b>

1           **CAUSES OF REVENUE DEFICIENCY OR SURPLUS**

2  
3       EPL's net revenue deficiency for 2010 is \$1,211,336 and when grossed up for PILs, the  
4       deficiency is \$1,819,294. The calculation of the revenue deficiency is included in Exhibit  
5       6, Tab 2, Schedule 1, Attachment 1.

6  
7       The revenue deficiency is primarily the result of:

- 8           ➤ Increases in OM&A costs. The increase is due primarily to the addition of 3 new  
9           staff members and the replacement of a vacant position. The need for the  
10          additional staff members is outlined in Exhibit 4, Tab 4, Schedule 1, Staffing and  
11          Compensation Levels.
- 12          ➤ Depreciation expense is increasing due the continued capital program since the  
13          last rebasing to enhance the system to improve reliability and to meet customer  
14          demands for safe, reliable power. A new CIS and financial system in 2010 is also  
15          contributing to the increase in this category.

16

***Attachment 1 (of 1):***

***Cost Allocation Study Report***

**Essex Powerlines Corporation  
2010 Cost Allocation Study**

**A Report Prepared by  
Elenchus Research Associates Inc.**

**On Behalf of  
Essex Powerlines Corporation**

**October 2009**



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# 1 1 INTRODUCTION

2 Essex Powerlines Corporation (“Essex”) has prepared its 2010 EDR Application as a  
3 cost of service rate application based on a forward test year. The relevant filing  
4 requirements for this Application are set out in Chapter 2 of the May 27, 2009 update to  
5 the document entitled *Ontario Energy Board, Filing Requirements for Transmission and*  
6 *Distribution Applications* (“Filing Requirements”).

7 Section 2.8 of the Filing Requirements sets out the expectations of the Board with  
8 respect to Exhibit 7: Cost Allocation. The Filing Requirements state:

9 *A completed cost allocation study using the Board approved methodology must be*  
10 *filed whether the applicant proposes to use it or not. This filing must*

- 11 • *reflect future loads and cost and be supported by appropriate explanations;*
- 12 • *be corrected for transformer ownership allowance ..., and*
- 13 • *be presented in the form of an Excel spreadsheet.*<sup>1</sup>

14 The Filing Requirements also state that:

15 *The Board expects the filings made by the applicant will follow the cost allocation*  
16 *policies reflected in the Board’s report of November 28, 2007, Application of Cost*  
17 *Allocation for Electricity Distributors (EB-2007-0667).*

18 Essex asked Elenchus Research Associated (ERA)<sup>2</sup> to assist it by preparing an  
19 appropriate cost allocation study for its 2010 cost of service rate application. In  
20 addressing this issue, ERA was guided by the Filing Requirements and the November  
21 28, 2007 *Report of the Board, Application of Cost Allocation for Electricity Distributors*  
22 *(EB-2007-0667)* (“CA Application Report”) which “sets out the Board’s policies in  
23 relation to specific cost allocation matters for electricity distributors”.<sup>3</sup>

---

<sup>1</sup> *Ontario Energy Board, Chapter 2 of the Filing Requirements for Transmission and Distribution Applications, May 27, 2009, p. 19.*

<sup>2</sup> John Todd, President of Elenchus Research Associates, was the lead consultant for the development and implementation of the methodology used by Essex and documented in this report. John Todd’s curriculum vitae is available at [www.era-inc.ca](http://www.era-inc.ca).

<sup>3</sup> Ontario Energy Board, *Report of the Board, Application of Cost Allocation for Electricity Distributors (EB-2007-0667)*, November 28, 2007, page 1.



1 The CA Application Report observes at page 2 that:

2 *The Board is cognizant of factors that currently limit or otherwise affect the ability or*  
3 *desirability of moving immediately to a cost allocation framework that might, from a*  
4 *theoretical perspective, be considered the ideal. These influencing factors include*  
5 *data quality issues and limited modelling experience, and are discussed in greater*  
6 *detail in section 2.3 of this Report.*

7 The “influencing factors” discussed in section 2.3 of the report are:

8 • **Quality of the data:** The Board notes “that accounting and load data can be  
9 improved.” (p. 5)

10 • **Limited modelling experience:** The Board observed that “the cost allocation  
11 model is complex, and the data required for the model was not always readily  
12 available for modelling.” (p. 6)

13 • **Status of current rate classes:** The Board points out that “Any changes in  
14 customer classification or load data could have a significant impact on future cost  
15 allocation studies” (p. 6).

16 • **Managing the movement of rates closer to allocated costs:** The Board notes:

17 *The Board considers it appropriate to avoid premature movement of rates in*  
18 *circumstances where subsequent applications of the model or changes in*  
19 *circumstances could lead to a directionally different movement. Rate*  
20 *instability of this nature is confusing to consumers, frustrates their energy cost*  
21 *planning and undermines their confidence in the rate making process. (p. 6)*

22 In utilizing the Board’s cost allocation model for Essex’s 2010 cost allocation study, ERA  
23 has been cognizant of these “influencing factors” as they apply to Essex. In particular,  
24 Essex has recently added several metering points for embedded distribution, and does  
25 not have access to normalized hourly load profiles for these customers.

## 26 **1.1 PURPOSE OF THE COST ALLOCATION STUDY**

27 In the context of a cost of service rate application based on a 2010 forward test year,  
28 the primary purpose of the cost allocation study (“CA Study”) is to determine the  
29 proportions of a distributor’s total revenue requirement that are the “responsibility” of  
30 each rate class.

1 In addition, cost allocation studies provide revenue to cost ratios for each customer  
2 class that can be examined to ensure that they generally fall within the Board-specified  
3 ranges (or move toward those ranges where appropriate to mitigate rate impacts) and  
4 generally are not moving away from 100%.

5 Conceptually, the desired results can be achieved in either of two ways.

- 6 • **Prospective Year CA Study:** A cost allocation study for the 2010 test year can  
7 be based on an allocation of the 2010 test year costs (i.e., the 2010 forecast  
8 revenue requirement) to the various customer classes using allocators that are  
9 based on the forecast class loads (kW and kWh) by class, customer counts, etc.  
10 By definition, this approach will result in a total revenue to cost ratio at proposed  
11 rates of 100%. Assuming there is a revenue deficiency for the test year, the total  
12 revenue to cost ratio at current rates will be somewhat below 100%.
- 13 • **Historic Year CA Study:** As an alternative, an historic year cost allocation study  
14 can be prepared that determines the proportion of costs allocated to each class  
15 for the most recent historic year. In the case, the CA Study will rely on actual  
16 costs, weather adjusted loads, customer counts, etc. that are not affected by  
17 forecast errors. Assuming the costs and loads are relatively stable so that the  
18 proportionate cost responsibility of each rate class in the historic year is a  
19 reasonable proxy for the 2010 test year cost responsibility, the resulting  
20 proportionate cost responsibilities can be used to allocate the 2010 revenue  
21 requirement to the various classes.

22 The Essex CA Study uses the first of these methods in order to ensure compliance with  
23 the Board's direction in the Filing Requirements that the CA Study should "reflect future  
24 loads and cost". Relying on a Prospective Year CA Study is also appropriate at this time  
25 since the Ontario economy has suffered over the past two years and, as a result, many  
26 distributors have experienced significant changes in the load profiles of their customer  
27 classes. These changes could have a significant impact on the allocation of costs to the  
28 classes and the resulting revenue to cost ratios. This approach implicitly assumes that  
29 the economic recovery will be slow and, as a result, the relative loads of customer  
30 classes are more likely to reflect 2010 loads than 2008 loads during the next IRM cycle.

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1 **1.2 ESSEX'S 2006 COST ALLOCATION INFORMATION FILING**

2 Essex filed its 2006 Cost Allocation Information Filing ("CAIF") on February 28, 2007,  
3 using 2004 financial information. Essex's 2006 CAIF relied on the Board's 2006 Cost  
4 Allocation Model ("CA Model") and was prepared in accordance with the September 29,  
5 2006 Board report entitled *Cost Allocation: Board Directions on Cost Allocation*  
6 *Methodology for Electricity Distributors* ("the Directions"), the subsequent (November  
7 15, 2006) *Cost Allocation Informational Filing Guidelines for Electricity Distributors* ("the  
8 Guidelines"), and the *Cost Allocation Review: User Instruction for the Cost Allocation*  
9 *Model for Electricity Distributors* ("the Instructions").

10 **1.3 STRUCTURE OF THE REPORT**

11 The remainder of this report is divided into three additional sections. Section 2 provides  
12 an overview of the Essex CA Study, explaining each of the model runs (or version of the  
13 CA model) included in the study, as well as the load and cost information used for each  
14 run. Section 3 explains the methodology used to develop the 2010 Essex model by  
15 documenting each step taken in completing the model. Section 4 summarizes the  
16 results of the Essex CA Study, showing the class revenue requirements and revenue to  
17 cost ratios generated by each version of the CA models.

## 1 **2 OVERVIEW OF THE ESSEX 2010 CA STUDY**

2 There are a number of factors affecting the Essex cost allocation results in 2010 as  
3 compared to the 2006 CAIF:

- 4 • The connection counts for Sentinel Lighting and Street Lighting in the original  
5 2006 CAIF were based on number of lights. The 2010 CA Study restates these  
6 volumes to represent connection counts reflecting the number of direct  
7 connections to the distribution system.
- 8 • Certain weighting factors were incorrectly input in the 2006 CAIF
- 9 • More costs are incurred directly within the utility rather than being allocated from  
10 affiliates, changing the cost profile by account to a more accurate representation  
11 of utility spending.
- 12 • Essex now services seven metering points for embedded distribution, six being in  
13 the General Service 50 – 2,999 kW rate class and the other in the General  
14 Service 3,000 – 4,999 kW rate class.

### 15 **2.1 MODELS RUNS INCLUDED IN THE ESSEX COST ALLOCATION STUDY**

16 Section 2.8.3 of the updated Filing Requirements specifies that “three sets of revenue to  
17 cost ratios for each customer class” must be provided based on:

- 18 • “the initial cost allocation model” which is the 2006 cost allocation information  
19 filing (“CAIF”);
- 20 • “the initial cost allocation model revised with the adjusted transformer ownership  
21 allowance” which is the 2006 cost allocation information filings, adjusted in  
22 accordance with section 2.8.2 of the updated Filing Requirements; and
- 23 • “the updated cost allocation model” which is the appropriate 2010 model.

24 Hence, the cost allocation studies prepared for purposes of all 2010 cost of service  
25 filings must include these three separate CA models. Furthermore, certain corrections to  
26 the CAIF input data were identified and incorporated into an additional version of the

1 2006 model. As a result, the Essex Cost Allocation Study (“CA Study”) consists of four  
2 versions of the OEB’s cost allocation model. For clarity, the following designations are  
3 used:

- 4 • **EPL-2006: Essex 2006 Model:** The Essex CAIF as filed in 2006.
- 5 • **EPL-2006C1: Essex 2006 Model with Corrected Transformer Ownership**  
6 **Allowance (TOA) treatment:** The 2006 CAIF corrected as per section 2.8.2 of  
7 the updated Filing Requirements.
- 8 • **EPL-2006C2: Essex 2006 Model Corrected for TOA and other items:** The  
9 2006 CAIF corrected as per section 2.8.2 of the updated Filing Requirements  
10 was further corrected as follows:
  - 11 1. On Sheet I6 Customer Data, Rows 33 and 34 – certain weighting factors  
12 were inadvertently carried over from unrelated classes. All weighting  
13 factors were reset to their defaults for the class.
  - 14 2. On Sheet I6 Customer Data, Rows 36, 38, and 40-42 – various connection  
15 counts reflected the number of lamps rather than connections.  
16 Connection counts were updated to actual 2004 average connection  
17 counts.
- 18 • **EPL-2010: Essex 2010 Model:** The 2006 CAIF with the corrected treatment of  
19 the Transformer Ownership Allowance and 2010 loads, costs, and revenues.

## 20 **2.2 LOAD AND CUSTOMER INFORMATION**

21 The updated Filing Requirements specify that “the updated model must be consistent  
22 with the load forecast and costs in the test year ... If updated load profiles are not  
23 available, the load profiles of the classes may be the same as those used in the  
24 information filing scaled to match the load forecast.” (Section 2.8.1, pp. 19-20)

25 The Essex 2010 model has been prepared using the following load and load profile  
26 information:

- 27 • **Annual Loads (kW and kWh, as appropriate) and customer counts:** The  
28 2010 load forecast and customer counts by class being used by Essex in its

1 application were also used for the 2010 CA models. Essex's load forecast was  
2 prepared by ERA.

- 3 • **Hourly load profile:** The hourly load profiles prepared by Hydro One for the  
4 2006 CAIF was used for all classes except the intermediate class and GS > 50  
5 classes. The intermediate class consists of a single customer which relies  
6 exclusively on their own generation for much of the year. Since actual 2008  
7 hourly load data is available for this client, and the hourly load data does not  
8 require weather adjustment, it is a straightforward task to determine the updated  
9 hourly load shape of this class in a manner that is consistent with the Hydro One  
10 methodology. It is not reasonable to assume that the new embedded distribution  
11 points would have an hourly load profile consistent with the existing GS < 50  
12 customers. Since much of their embedded load is likely to be weather sensitive,  
13 actual load still could not be used in place of weather normalized load. To  
14 address this issue, ERA has used a load profile for the embedded distributors  
15 that is the same as the load profile of the Essex residential customer class. This  
16 approach is based on a comparison of hourly load profiles between the  
17 embedded distribution points we have data for, Essex residential class, Essex  
18 GS > 50 class, and Essex as a whole. This analysis determined that the  
19 embedded distributors most closely resemble the residential class in terms of the  
20 hourly load shape. Several new embedded distribution points use virtually no  
21 Essex assets. As a result, they are not charged a volumetric rate, are not  
22 included in the hourly load profiles or forecasts.

23 The hourly load profiles provided by Hydro One for all of the remaining classes for the  
24 2006 model were considered to be appropriate for use in the 2010 models for the  
25 following reasons.

- 26 1. ERA explored alternatives for updating the hourly load profiles by rate class  
27 comparable to the estimated load profiles that Hydro One prepared for the LDCs for  
28 their 2006 CA Models. Hydro One advised that they no longer have the capacity to  
29 produce a significant number of LDC-specific hourly load profiles. As far as ERA is  
30 aware, no other entity has the necessary information and models to produce

- 1 comparable quality hourly load profiles for Ontario LDCs. It therefore was not  
2 practical for distributors to update their hourly load profiles by class except in  
3 exceptional circumstances.
- 4 2. There would be little point in investing in updated load profiles without also investing  
5 in updated saturation surveys for the residential class in each service area. These  
6 are expensive and time consuming to undertake as they involve a survey of a  
7 statistically significant sample of customers.
- 8 3. With the widespread rollout of smart meters and the collection of smart meter data,  
9 Ontario distributors will have better hourly load profile by class data than the Hydro  
10 One estimates. Unless there is evidence of a significant change in circumstances,  
11 investing in new hourly load profile by class estimates would be a questionable use  
12 of ratepayer funds when superior hourly load profile information will be available in  
13 the next few years at minimal incremental cost.
- 14 4. Both time-of-use commodity pricing and changes to the design of distribution rates  
15 can be expected to alter the hourly load profiles of the affected classes.
- 16 5. The 2006 hourly load profiles were based on 2004 actual loads and updated hourly  
17 load profiles would be based on 2008 actual loads. An update of the hourly load  
18 profiles after only 4 years (2004 to 2008) can be expected to produce changes in  
19 cost responsibility that are small relative to the tolerances that are necessary given  
20 the imprecision of the allocated costs based on the 2006 CA Model methodology.  
21 (The revenue-to-cost ratio bands set out in the CA Application Report appear to  
22 recognize the lack of precision in cost allocation studies at this time.)

### 23 **2.3 COST INFORMATION**

24 As noted earlier, ERA's preferred methodology for preparing 2010 cost allocation  
25 models is to use the prospective 2010 test year as the basis for the CA Study, assuming  
26 appropriate expense and asset information is available for the 2010 test year. In the  
27 case of Essex, the financial information for the forecast year has been prepared at the

- 
- 1 USoA level consistent with the level of detail embedded in the OEB's cost allocation
  - 2 model.<sup>4</sup>

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<sup>4</sup> Some information (i.e., meter counts and some amortization detail) that is used in the Board's CA Model is not explicitly forecasted for the test year. These values were estimated using scaling factors based on prior year ratios. For example, the ratio of meters to customers was assumed to be constant. The portion of the total costs accounted for in this manner was too small for any plausible estimation errors to have a significant impact on the test year revenue to cost ratios.



### 1 **3 ESSEX COST ALLOCATION STUDY METHODOLOGY**

2 This section documents ERA's methodology for the Essex Cost Allocation Study which  
3 includes the 2006 models and the 2010 CA Model.

4 The uncorrected 2006 CAIF model (EPL-2006) is an unaltered version of the model that  
5 was filed with the Board in 2007.

#### 6 **3.1 CORRECTED 2006 ESSEX CA MODEL**

7 As described in section 2.1, two additional versions of the 2006 Model were completed  
8 to apply certain corrections:

- 9 • **EPL-2006C1:** This version of the Essex CA Model was corrected only for the  
10 treatment of the transformer ownership allowance in accordance with the Filing  
11 Requirements, section 2.8.2.
- 12 • **EPL-2006C2:** This version of the Essex CA Model was corrected not only for the  
13 treatment of the transformer ownership allowance, but also for two errors that  
14 were identified in the original 2006 Essex CAIF. This version is the appropriate  
15 basis for examining the impact of the rates proposed for Essex on the revenue to  
16 cost ratios by class, as compared to the 2006 revenue to cost ratios.

17 Since the appropriate version of the Essex 2006 CAIF to be used for reference  
18 purposes in the Essex application is EPL-2006C2, ERA has modified the Revenue to  
19 Cost Ratio table set out in Appendix 2-P of the Filing Requirements by adding a column  
20 labelled "Column 2 Revised (Other Corrections)". This format for the table is used in  
21 the Summary of Revenue to Cost Ratios in section 4 below. The EPL-2006C2 revenue  
22 to cost ratios should be used in assessing the direction and magnitude of changes in  
23 the revenue to cost ratios from 2006 to 2010.

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## 1 **3.2 2010 ESSEX CA MODEL**

### 2 **3.2.1 HOURLY LOAD PROFILE (HONI FILE)**

3 For the Essex CAIF, HONI provided data files with three worksheets that were used as  
4 input to the 2006 CAIF:

- 5 • **Data Summary:** actual and weather normalized monthly kWh by class,  
6 disaggregated by weather sensitive and non-weather sensitive load for relevant  
7 classes.
- 8 • **Hourly Load Shape by Class:** GWh by class for each hour in 2004.
- 9 • **Input to Cost Allocation Model:** The 1CP, 4CP, 12CP, 1NCP, 4NCP, 12NCP  
10 allocators are derived from the hourly load profiles.

11 The Essex hourly load shapes derived by Hydro One for the 2006 CAIF were not  
12 updated. However, the demand allocators derived by Hydro One for the 2006 CAIF  
13 were revised to reflect changes in the relative loads for the classes from 2004 to 2010.  
14 This was done by scaling the hourly load profiles of each class on the Hourly Load  
15 Shape by Class worksheet of the HOPNI file to levels consistent with the 2010 load  
16 forecast while maintaining the hourly load shapes.

### 17 **3.2.2 DEMAND ALLOCATORS (HONI FILE)**

18 The demand allocators used in the EPL-2010 CA model were derived using the same  
19 methodology as Hydro One used for the 2006 file; however, they were re-determined  
20 using the forecast 2010 hourly load profiles resulting from the preceding step. Using the  
21 2010 hourly load profiles by class, the 12 monthly coincident and non-coincident peaks  
22 for the rate classes were determined on the Hourly Load Shape by Rate Class  
23 worksheet. The allocators were then derived as follows.

- 24 • The 1, 4 and 12 NCP values for each class were calculated by selecting the peak  
25 in the year (1 NCP), summing the four highest monthly peaks (4 NCP) and  
26 summing the 12 monthly peaks for each class (12 NCP), respectively.

- 1 • The total 1, 4 and 12 NCP values are the totals of the corresponding class NCP  
2 values.
- 3 • The 1, 4 and 12 CP values for each class were derived by identifying the hour in  
4 each month when the coincident peak occurred and then selecting the peak in  
5 the year (1 CP), adding the demands during the four highest coincident peak  
6 hours (4 CP) and summing the demand for each class during the 12 monthly  
7 coincident peak hours (12 CP), respectively.
- 8 • The total 1, 4 and 12 CP values are the totals of the corresponding class CP  
9 values, which are the values used to identify the relevant coincident peak hours.

### 10 **3.2.3 2010 DEMAND DATA (EPL-2010 MODEL)**

11 The demand allocators derived in the updated Hydro One file as described in the  
12 preceding section were input at the appropriate cells at sheet I8 Demand Data of the  
13 2010 Essex CA Model. However, the Primary, Line Transformer, and Secondary  
14 1NCP, 4NCP and 12NCP values (rows 56-58, 62-64, 68-70) are not equal to the  
15 Classification NCP from Load Data Provider values since not all customers use these  
16 facilities, and due to transformation losses. The Primary, Line Transformer, and  
17 Secondary 1NCP, 4NCP and 12NCP values were therefore determined from the full  
18 load data NCP values using the ratio of values in the 2006 CA Model.

19 Further, scaling factors have been added at I8 Demand Data, rows 75 and 79 to provide  
20 the appropriate adjustment to the kWh that was input from the 2006 EDR in the original  
21 2006 CAIF. The scaling factor is the ratio of the 2010 to the 2006 EDR kWhs by class.

### 22 **3.2.4 2010 CUSTOMER DATA (EPL-2010 MODEL)**

23 The 30 year weather normalized kWh by rate class which was an input from the Hydro  
24 One file at Sheet I6 Customer Data row 27 in the 2006 CA model was replaced with the  
25 2010 load forecast in the 2010 CA Model.

26 In addition, the demand data (kW and kWh) in rows 21, 22, 25, and 56 of Sheet I6  
27 Customer Data were replaced with the forecasted values. Row 23 was scaled by the  
28 percentage change in row 22.

1 The 2010 Distribution Revenue in row 29 was derived using the forecast demand (kW  
2 and kWh) and customer counts by rate class and the existing 2009 rates.

### 3 **3.2.5 2010 REVENUE TO COST RATIOS**

4 Since Essex is proposing to set rates that recover its full revenue requirement, the total  
5 revenue to cost ratio at proposed rates will be 100% in 2010. The 2010 total revenue to  
6 cost ratio at current rates is less than 100% by the amount of the required rate increase.  
7 The revenue to cost ratios of the classes reflect the costs allocated to the classes based  
8 on the OEB CA Model methodology and the revenues that would be generated at  
9 current rates given the forecast demand (kW and kWh) and customer counts by rate  
10 class for 2010.

1 **4 SUMMARY OF REVENUE TO COST RATIOS**

2 The class revenue-to-cost ratios as determined in the Essex cost allocation models are  
 3 shown in Table 7, below.

4 **Table 7: Revenue to Cost Ratios**

Customer Class	EPL-2006	EPL-2006C1	EPL-2006C2	EPL-2010	Board Target Range
Residential	115.53	116.72	104.24	85.36	85-115
GS < 50 kW	47.76	48.2	46.36	41.45	80-120
GS > 50 kW	155.58	150.26	146.05	136.30	80-180
USL	129.66	129.38	143.6	114.39	80-120
Street Lighting	11.84	11.92	32.2	26.45	70-120
Sentinel	29.9	30.38	40.16	31.39	70-120
Intermediate	173.49	163.17	163.42	288.78	80-120
Total	100.00	100.00	100.00	85.08	

5  
 6 Note that the total revenue to cost ratio for EPL-2010 is less than 100% because it  
 7 represents the revenue to cost ratios for 2010 at current rates. At proposed rate the  
 8 total revenue to cost ratio would be 100%. In addition, Essex’s proposed rates for 2010  
 9 will alter the relative revenue to cost ratios of the classes.

10 The EPL-2010 ratios (at current rates) reflect the impact of changes in throughput by  
 11 class as well as changes in costs from 2006 through the 2010 forecast test year.

12 Table 8 presents the revenue responsibility (i.e., allocation of the total revenue  
 13 requirement to the rate classes) in each of the models. This revenue responsibility is  
 14 presented in both dollar and percentage terms.

1 **Table 8: Revenue Responsibility by Rate Class**

Customer Class	EPL-2006		EPL-2006C1		EPL-2006C2		EPL-2010	
	\$	%	\$	%	\$	%	\$	%
Residential	6,829,587	65.98	6,893,275	65.93	6,893,275	65.93	8,165,551	66.97
GS < 50 kW	1,400,862	13.53	1,414,222	13.53	1,414,222	13.53	1,580,303	12.96
GS > 50 kW	1,287,407	12.44	1,306,933	12.50	1,306,933	12.50	1,464,033	12.01
USL	44,650	0.43	44,628	0.43	44,628	0.43	57,088	0.47
Street Lighting	668,885	6.46	677,569	6.48	677,569	6.48	830,472	6.81
Sentinel	34,161	0.33	34,604	0.33	34,604	0.33	35,154	0.21
Intermediate	84,798	0.82	84,332	0.81	84,332	0.81	59,814	0.49
Total	10,350,350	100.00	10,455,564	100.00	10,455,564	100.00	12,192,415	100.00

2

1                   **OVERVIEW OF BASE REVENUE ALLOCATION**

2   The following table shows the Revenue to Cost ratios by rate class from the 2006 EDR  
 3   Cost Allocation model (as corrected for connection counts and the treatment of  
 4   transformer allowances), EPL’s proposed target ratios and the Board-prescribed ranges  
 5   for these ratios:

6                   **Table 1: Proposed Target Revenue to Cost Ratios**

	<b>2006 EDR</b>	<b>Target</b>	<b>Prescribed Range</b>	<b>Total Bill Impact</b>
<b>Residential</b>	1.04	1.00	0.85 – 1.15	4.1%
<b>GS &lt; 50 kW</b>	0.46	0.80	0.80 – 1.20	11.7%
<b>GS 50-2,999 kW</b>	1.46	1.28	0.80 – 1.80	(2.9%)
<b>GS 3,000-4,999 kW</b>	1.63	1.28	0.80 – 1.80	(25.4%)
<b>USL</b>	1.44	1.20	0.80 – 1.20	(1.4%)
<b>Sentinel Lighting</b>	0.40	0.70	0.70 – 1.20	22.2%
<b>Street Lighting</b>	0.32	0.70	0.70 – 1.20	26.0%

7

8   Revenue to Cost ratios for General Service less than 50 kW, Sentinel Lighting and  
 9   Street Lighting were below the applicable prescribed range. EPL proposes to move  
 10   these ratios to the applicable floor boundary.

11   For the Unmetered Scattered Load rate class, the Revenue to Cost ratio was above the  
 12   prescribed range. EPL proposes to move this ratio to the ceiling boundary (1.20).

1 The net effect of these changes requires a reduction in the revenues allocated to other  
2 rate classes. Accordingly, EPL proposes to reduce the Revenue to Cost ratio for the  
3 General Service 50 to 2,999 kW and General Service 3,000 to 4,999 kW rate classes to  
4 1.28 and the ratio for the Residential class to 1.00.

5 The above table also shows that to achieve the target Revenue to Cost ratios in 2010  
6 rates, the total bill increase would exceed the 10% threshold in three rate classes. EPL  
7 therefore proposes to phase in the increase to the Revenue to Cost ratios for these  
8 classes over several years.

9 In previous decisions on cost of service applications for electricity distributors, the Board  
10 has ordered that where the Revenue to Cost ratio for a rate class was well below the  
11 applicable prescribed range, the ratio should move halfway to the floor boundary in the  
12 Test year, with the outstanding gap to be closed over the following one or two years of  
13 the Incentive Regulation period.

14 The following table demonstrates the effect of this approach in moving towards the  
15 target ratios specified above and the resulting total bill impacts in the Test year:



1           **Table 2: Bill Impacts of Moving 50% to Target Ratios in the Test Year**

	<b>2006 EDR</b>	<b>Target</b>	<b>2010 EDR</b>	<b>Total Bill Impact</b>
<b>Residential</b>	1.04	1.00	1.04	5.2%
<b>GS &lt; 50 kW</b>	0.46	0.80	0.63	7.2%
<b>GS 50-2,999 kW</b>	1.46	1.28	1.28	(2.9%)
<b>GS 3,000-4,999 kW</b>	1.63	1.28	1.28	(25.4%)
<b>USL</b>	1.44	1.20	1.20	(0.8%)
<b>Sentinel Lighting</b>	0.40	0.70	0.55	13.0%
<b>Street Lighting</b>	0.32	0.70	0.51	14.8%

2

3   The above table also shows that this approach would result in total bill increases in  
 4   excess of 10% for both the Sentinel Lighting and Street Lighting rate classes.

5   EPL therefore proposes to increase the Revenue to Cost ratios for these classes in  
 6   equal increments over a period of four years to achieve the 0.70 target value. The  
 7   following table demonstrates the effect of this proposed approach and the resulting total  
 8   bill impacts in the Test year:

1 **Table 3: Impact of Moving 25% to Target Ratios for Lighting Classes in the**  
2 **Test Year**

	<b>2006 EDR</b>	<b>Target</b>	<b>2010 EDR</b>	<b>Total Bill Impact</b>
<b>Residential</b>	1.04	1.00	1.04	5.3%
<b>GS &lt; 50 kW</b>	0.46	0.80	0.63	7.2%
<b>GS 50-2,999 kW</b>	1.46	1.28	1.28	(2.9%)
<b>GS 3,000-4,999 kW</b>	1.63	1.28	1.28	(25.4%)
<b>USL</b>	1.44	1.20	1.20	(0.8%)
<b>Sentinel Lighting</b>	0.40	0.70	0.48	8.4%
<b>Street Lighting</b>	0.32	0.70	0.42	9.2%

3

4 Based on this proposed approach, no rate class will be subject to a total bill increase  
5 which exceeds 10%.

6 EPL thus proposes to phase in changes to Revenue to Cost ratios as follows over the  
7 Incentive Regulation period:

1

**Table 4: Proposed Changes to Revenue to Cost Ratios**

	<b>2006 EDR</b>	<b>2010 EDR</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>
<b>Residential</b>	1.04	1.04	1.02	1.00	1.00
<b>GS &lt; 50 kW</b>	0.46	0.63	0.72	0.80	0.80
<b>GS 50-2,999 kW</b>	1.46	1.28	1.28	1.28	1.28
<b>GS 3,000-4,999 kW</b>	1.63	1.28	1.28	1.28	1.28
<b>USL</b>	1.44	1.20	1.20	1.20	1.20
<b>Sentinel Lighting</b>	0.40	0.48	0.55	0.63	0.70
<b>Street Lighting</b>	0.32	0.42	0.51	0.61	0.70

2

3 Note that the changes in the ratios for the Lighting classes in 2013 are offset in the  
4 Residential class, but the impact does not change the Residential ratio when expressed  
5 to a precision of two decimals.

6 Attachment 1 to this schedule shows the results of the proposed Revenue to Cost ratios  
7 on the allocation of Test Year revenues. Attachment 2 summarizes the Revenue to Cost  
8 ratios. Attachment 3 shows the Test Year revenue impacts of the changes to Revenue to  
9 Cost ratios.

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## Table of Allocation Results

Customer Class Name	Outstanding Base Revenue Requirement %			Outstanding Base Revenue Requirement \$ <sup>3</sup>			Directly Assigned Revenues <sup>3</sup>	Total Base Revenue Requirement
	Cost Allocation <sup>1</sup>	Existing Rates <sup>2</sup>	Rate Application	Cost Allocation	Existing Rates	Rate Application		
Residential	70.32%	70.02%	73.48%	8,150,629	8,116,233	8,517,130		8,517,130
General Service Less Than 50 kW	13.25%	6.00%	8.35%	1,535,509	695,069	967,371		967,371
General Service 50 to 2,999 kW	12.25%	20.60%	15.64%	1,419,970	2,387,287	1,813,046		1,813,046
General Service 3,000 to 4,999 kW	0.50%	1.80%	0.64%	58,183	208,260	74,290		74,290
Unmetered Scattered Load	0.45%	0.62%	0.54%	52,075	71,418	62,489		62,489
Sentinel Lighting	0.20%	0.07%	0.10%	23,442	8,359	11,135		11,135
Street Lighting	3.03%	0.90%	1.26%	351,543	104,724	145,890		145,890
<b>TOTAL</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>	<b>11,591,351</b>	<b>11,591,351</b>	<b>11,591,351</b>		<b>11,591,351</b>
			OK			OK		

<sup>1</sup> from sheet F3

<sup>2</sup> from sheet C4

<sup>3</sup> from sheet F2

Customer Class Name	Rate Application			Cost Allocation	Variance	Target Range	
	Allocated Revenue <sup>8</sup>	Allocated Cost <sup>8</sup>	Revenue to Cost Ratio			Floor	Ceiling
Residential	8,517,130	8,150,629	1.04	1.04	0.00	0.85	1.15
General Service Less Than 50 kW	967,371	1,535,509	0.63	0.46	0.17	0.80	1.20
General Service 50 to 2,999 kW	1,813,046	1,419,970	1.28	1.46	-0.18	0.80	1.80
General Service 3,000 to 4,999 kW	74,290	58,183	1.28	1.63	-0.36	0.80	1.80
Unmetered Scattered Load	62,489	52,075	1.20	1.44	-0.24	0.80	1.20
Sentinel Lighting	11,135	23,442	0.48	0.40	0.07	0.70	1.20
Street Lighting	145,890	351,543	0.42	0.32	0.09	0.70	1.20
<b>TOTAL</b>	<b>11,591,351</b>	<b>11,591,351</b>	<b>1.00</b>	<b>1.00</b>			

<sup>8</sup> see first table above (Outstanding Revenue Requirement \$)

<sup>9</sup> from sheet F3

## Revenue-to-Cost Ratios

Customer Class	(1) From 2006 EDR Cost Allocation Model	(2) Column 1 Revised (Transformer Ownership Allowance)	(3) Column 2 Revised (Connection Counts)	(4) Proposed for Test Year	(5) Board Target Range
Residential	1.09	1.10	1.04	1.04	0.85 - 1.15
General Service Less than 50kW	0.47	0.47	0.46	0.63	0.20 - 1.20
General Service 50 to 2,999 kW	1.52	1.46	1.46	1.28	0.80 - 1.80
General Service 3,000 to 4,999 kW	1.73	1.63	1.63	1.28	0.80 - 1.80
Unmetered Scattered Load	1.50	1.50	1.44	1.20	0.80 - 1.20
Sentinel Lighting	0.26	0.26	0.40	0.48	0.70 - 1.20
Street Lighting	0.16	0.16	0.32	0.42	0.70 - 1.20

## Test Year Revenue Impacts

Customer Class	Revenue at Existing Rates (see below)	Test Year Revenue Assuming Current Revenue to Cost Ratios *	Test Year Revenue Assuming Proposed Revenue to Cost Ratios *
Residential	7,037,330	8,116,233	8,517,130
General Service Less than 50kW	531,112	695,069	967,371
General Service 50 to 2,999 kW	1,865,092	2,387,287	1,813,046
General Service 3,000 to 4,999 kW	179,354	208,260	74,290
Unmetered Scattered Load	63,340	71,418	62,489
Sentinel Lighting	7,227	8,359	11,135
Street Lighting	88,602	104,724	145,890

\* per RateMaker sheet F4

## Revenue at Existing Rates

Customer Class	Proceeds from Distribution Charges (A)	Less: Transformer Allowance Recoveries (B)	Less: Low Voltage Charges (C)	Net Distribution Revenue
Residential	7,474,215		-436,885	7,037,330
General Service Less Than 50 kW	640,087		-108,975	531,112
General Service 50 to 2,999 kW	2,198,446	-78,810	-254,544	1,865,092
General Service 3,000 to 4,999 kW	191,786		-12,432	179,354
Unmetered Scattered Load	65,769		-2,429	63,340
Sentinel Lighting	7,698		-471	7,227
Street Lighting	96,440		-7,838	88,602

(A) per RateMaker sheet C4

(B) total amount per RateMaker sheet C4; class distribution per sheet F4

(C) total amount per RateMaker sheet C4, class distribution per sheet F4

## OVERVIEW OF EXISTING RATES

1

2

3 The existing rates are included in Exhibit 8, Tab 1 Schedule 1, Attachment 1. The  
4 existing rates were established based on the 2006 EDR decision and subsequent IRM  
5 decisions for 2007, 2008 and the latest decision EB-2008-0174 for 2009.

6

7 The existing rates have two components, a fixed monthly charge and a variable  
8 volumetric charge.

9

10 This Exhibit documents the calculation of Essex Powerline's (EPLC) proposed  
11 distribution rates by rate class for the 2010 Test Year, based on rate design as proposed  
12 in this Exhibit.

13

14 EPLC has determined its total 2010 service revenue requirement to be \$12,192,424.

15 The total revenue offsets in the amount of \$601,073 reduce EPLC's total service  
16 revenue requirement to a base revenue requirement to \$11,591,351. Adding the  
17 forecasted Low Voltage Charges of \$984,152 and the forecasted transformer Allowance  
18 of \$78,810, EPLC's Gross Revenue for determining the proposed distribution rates is of  
19 \$12,654,313.

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## Fixed/Variable Revenue Split

Customer Class Name	Existing Rates (1)			Cost Allocation - Minimum Fixed Rate (2)			Cost Allocation - Maximum Fixed Rate (2)		
	Rate	Fixed %	Variable %	Rate	Fixed %	Variable %	Rate	Fixed %	Variable %
Residential	\$10.95	45.54%	54.46%	\$4.07	14.00%	86.00%	\$15.07	51.81%	48.19%
General Service Less Than 50 kW	\$12.60	43.75%	56.25%	\$12.03	24.36%	75.64%	\$32.50	65.80%	34.20%
General Service 50 to 2,999 kW	\$343.51	41.63%	58.37%	\$49.73	6.03%	93.97%	\$343.51	41.67%	58.33%
General Service 3,000 to 4,999 kW	\$4,076.03	51.01%	48.99%	\$87.38	2.35%	97.65%	\$4,076.03	109.74%	-9.74%
Unmetered Scattered Load	\$8.92	24.58%	75.42%	\$6.87	19.04%	80.96%	\$23.06	63.91%	36.09%
Sentinel Lighting	\$0.72	36.48%	63.52%	\$0.96	16.51%	83.49%	\$8.74	150.57%	-50.57%
Street Lighting	\$0.38	36.32%	63.68%	\$0.96	19.63%	80.37%	\$8.59	175.57%	-75.57%

(1) per sheet C4

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

Customer Class Name	Existing Fixed/Variable Split (3)			Rate Application			Resulting Usage		(4) Existing Usage Rate
	Rate	Fixed %	Variable %	Rate	Fixed %	Variable %	Rate	per	
Residential	\$13.24	45.54%	54.46%	\$13.24	45.53%	54.47%	\$0.0181	kWh	\$0.0150
General Service Less Than 50 kW	\$21.61	43.75%	56.25%	\$21.61	43.76%	56.24%	\$0.0086	kWh	\$0.0050
General Service 50 to 2,999 kW	\$343.13	41.63%	58.37%	\$343.13	41.63%	58.37%	\$2.7445	kW	\$2.7475
General Service 3,000 to 4,999 kW	\$1,894.61	51.01%	48.99%	\$1,894.61	51.01%	48.99%	\$2.2355	kW	\$4.8094
Unmetered Scattered Load	\$8.87	24.58%	75.42%	\$8.87	24.58%	75.42%	\$0.0307	kWh	\$0.0309
Sentinel Lighting	\$2.12	36.48%	63.52%	\$2.12	36.54%	63.46%	\$6.8996	kW	\$4.5442
Street Lighting	\$1.78	36.32%	63.68%	\$1.78	36.36%	63.64%	\$5.4817	kW	\$3.4074

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

(4) per sheet C4



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## Reconciliation to Base Revenue Requirement

### DISTRIBUTION CHARGES

Customer Class Name	Fixed Charge			Variable Charge			Gross Revenue from Distribution Charges		
	Rate <sup>1</sup>	Volume <sup>2</sup>	Revenue <sup>3</sup>	Rate <sup>1</sup>	Volume <sup>2</sup>	Revenue <sup>3</sup>	Calculated *	Allocated **	Difference
Residential	\$13.24	310,824	4,115,310	\$0.0181	271,379,498	4,911,969	9,027,279	9,039,197	-11,918
General Service Less Than 50 kW	\$21.61	22,224	480,261	\$0.0086	72,012,960	619,311	1,099,572	1,097,594	1,978
General Service 50 to 2,999 kW	\$343.13	2,664	914,098	\$2.7445	467,092	1,281,934	2,196,032	2,196,030	3
General Service 3,000 to 4,999 kW	\$1,894.61	24	45,471	\$2.2355	19,537	43,675	89,146	89,146	0
Unmetered Scattered Load	\$8.87	1,812	16,072	\$0.0307	1,605,371	49,285	65,357	65,392	-35
Sentinel Lighting	\$2.12	2,016	4,274	\$6.8996	1,076	7,424	11,698	11,698	0
Street Lighting	\$1.78	31,716	56,454	\$5.4817	18,024	98,802	155,257	155,257	-0
<b>TOTAL</b>			<b>5,631,940</b>			<b>7,012,400</b>	<b>12,644,341</b>	<b>12,654,313</b>	<b>-9,972</b>

<sup>1</sup> From sheet F5, rounded off to decimals displayed

\* Sum of 'Revenue' columns

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

\*\* From sheet F4 (Gross Base Revenue Requirement)

<sup>3</sup> Rate x Volume

### DEFERRAL/VARIANCE ACCOUNT RECOVERY CHARGES (CREDITS)

Customer Class Name	Variable Charge (Credit)			Proceeds from Recovery Charges (Credits)		
	Rate <sup>1</sup>	Volume <sup>2</sup>	Proceeds <sup>3</sup>	Calculated *	Allocated **	Difference
Residential	--	271,379,498	--	--	--	--
General Service Less Than 50 kW	--	72,012,960	--	--	--	--
General Service 50 to 2,999 kW	--	467,092	--	--	--	--
General Service 3,000 to 4,999 kW	--	19,537	--	--	--	--
Unmetered Scattered Load	--	1,605,371	--	--	--	--
Sentinel Lighting	--	1,076	--	--	--	--
Street Lighting	--	18,024	--	--	--	--
<b>TOTAL</b>			<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>

<sup>1</sup> From sheet C7 ('Proposed Rate Rider'), rounded off to decimals displayed

\* = 'Proceeds' column

<sup>2</sup> Variable Charge = # kW's or kWh's, as applicable (per sheet C1)

\*\* From sheet C7 ('Annual Recovery Amounts')

<sup>3</sup> Rate x Volume

## Table of Distribution Rate Adjustments

Rate components per sheet Y5

Customer Class Name	PROPOSED FIXED RATES					* Default Loss Factor	
	per Sheet F6	Smart Meters					TOTAL
Residential	\$13.24	\$2.40				\$15.64	1.0602
General Service Less Than 50 kW	\$21.61	\$2.40				\$24.01	1.0602
General Service 50 to 2,999 kW	\$343.13	\$2.40				\$345.53	1.0602
General Service 3,000 to 4,999 kW	\$1,894.61	\$2.40				\$1,897.01	1.0602
Unmetered Scattered Load	\$8.87					\$8.87	1.0602
Sentinel Lighting	\$2.12					\$2.12	1.0602
Street Lighting	\$1.78					\$1.78	1.0602

\* For Bill Impact Analysis: based on default Line Loss Category specified for the customer class in sheet C3 and associated Loss Factor specified below on this sheet

Customer Class Name	PROPOSED VARIABLE RATES					per	
	per Sheet F6						TOTAL
Residential	\$0.0181					\$0.0181	kWh
General Service Less Than 50 kW	\$0.0086					\$0.0086	kWh
General Service 50 to 2,999 kW	\$2.7445					\$2.7445	kW
General Service 3,000 to 4,999 kW	\$2.2355					\$2.2355	kW
Unmetered Scattered Load	\$0.0307					\$0.0307	kWh
Sentinel Lighting	\$6.8996					\$6.8996	kW
Street Lighting	\$5.4817					\$5.4817	kW

Line Loss Category (per sheet C3)	Loss Factor
Secondary Metered Customer <5,000 kW	1.0602
Secondary Metered Customer >5,000 kW	1.0602
Primary Metered Customer <5,000 kW	1.0602
Primary Metered Customer >5,000 kW	1.0602

Allowances	Rate
Transformer Ownership (\$/kW) *	(\$0.6000)
Primary Metering Allowance (%)	(1.00%)

\* per sheet F4

## Table of Distribution Rate Adjustments

Rate components per sheet Y5

Customer Class Name	2010 PROCEEDS FROM PROPOSED FIXED RATES					TOTAL
	per Sheet F6	Smart Meters				
Residential	4,115,310	745,978				4,861,287
General Service Less Than 50 kW	480,261	53,338				533,598
General Service 50 to 2,999 kW	914,098	6,394				920,492
General Service 3,000 to 4,999 kW	45,471	58				45,528
Unmetered Scattered Load	16,072					16,072
Sentinel Lighting	4,274					4,274
Street Lighting	56,454					56,454
<b>TOTAL</b>	<b>5,631,940</b>	<b>805,766</b>				<b>6,437,707</b>

Customer Class Name	2010 PROCEEDS FROM PROPOSED VARIABLE RATES					TOTAL
	per Sheet F6					
Residential	4,911,969					4,911,969
General Service Less Than 50 kW	619,311					619,311
General Service 50 to 2,999 kW	1,281,934					1,281,934
General Service 3,000 to 4,999 kW	43,675					43,675
Unmetered Scattered Load	49,285					49,285
Sentinel Lighting	7,424					7,424
Street Lighting	98,802					98,802
<b>TOTAL</b>	<b>7,012,400</b>					<b>7,012,400</b>

### Reconciliation of Revenue from Distribution Charges

#### DISTRIBUTION CHARGES

Customer Class Name	Fixed Charge			Variable Charge			Gross Revenue from Distribution Charges		
	Rate <sup>1</sup>	Volume <sup>2</sup>	Revenue <sup>3</sup>	Rate <sup>1</sup>	Volume <sup>2</sup>	Revenue <sup>3</sup>	Calculated *	Allocated **	Difference
Residential	\$12.94	310,824	4,022,063	\$0.0179	271,379,498	4,857,693	8,879,756	8,874,103	5,652
General Service Less Than 50 kW	\$21.74	22,224	483,150	\$0.0088	72,012,960	633,714	1,116,864	1,113,786	3,078
General Service 50 to 2,999 kW	\$342.13	2,664	911,434	\$3.0507	467,092	1,424,958	2,336,392	2,336,369	23
General Service 3,000 to 4,999 kW	\$2,113.87	24	50,733	\$2.5239	19,537	49,309	100,042	100,042	1
Unmetered Scattered Load	\$8.56	1,812	15,511	\$0.0299	1,605,371	48,001	63,511	63,569	-58
Sentinel Lighting	\$2.10	2,016	4,234	\$6.9032	1,076	7,428	11,661	11,661	0
Street Lighting	\$1.77	31,716	56,137	\$5.4730	18,024	98,645	154,783	154,783	0
<b>TOTAL</b>			<b>5,543,261</b>			<b>7,119,748</b>	<b>12,663,009</b>	<b>12,654,313</b>	<b>8,696</b>

#### Total Base Revenue Requirement

Base Revenue Requirement	11,591,351
Transformer Allowance Recoveries	78,810
Low Voltage Charges	984,152
Total Base Revenue Requirement	<u>12,654,313</u>

1                   **TOTAL SERVICE REVENUE REQUIREMENT**

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The following table presents the Total Service Revenue for the Test Year under both current and proposed rates. EPLC is not requesting any changes to specific service charges or retailer charges (as described in Exhibit 3, Tab 3, Schedule 2).

	Test Year	
	Current Rates	Proposed Rates
Base Revenue	9,772,057	11,591,351
Other Service Revenue	<u>601,073</u>	<u>601,073</u>
Total Service Revenue	10,373,130	12,192,424

## Monthly Rates and Charges

		Effective <input type="checkbox"/> May 1/10	Existing Rate
<b>Residential</b>			
Service Charge	\$	15.64	11.95
Distribution Volumetric Rate	\$/kWh	0.0181	0.0150
Regulatory Asset Recovery	\$/kWh	(0.0030)	
Retail Transmission Rate – Network Service Rate	\$/kWh	0.0051	0.0049
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kWh	0.0050	0.0043
Wholesale Market Service Rate	\$/kWh	0.0052	0.0052
Rural Rate Protection Charge	\$/kWh	0.0013	0.0013
Standard Supply Service – Administrative Charge (if applicable)	\$	0.25	0.25
<b>General Service Less Than 50 kW</b>			
Service Charge	\$	24.01	13.60
Distribution Volumetric Rate	\$/kWh	0.0086	0.0050
Regulatory Asset Recovery	\$/kWh	(0.0030)	
Retail Transmission Rate – Network Service Rate	\$/kWh	0.0045	0.0043
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kWh	0.0047	0.0040
Wholesale Market Service Rate	\$/kWh	0.0052	0.0052
Rural Rate Protection Charge	\$/kWh	0.0013	0.0013
Standard Supply Service – Administrative Charge (if applicable)	\$	0.25	0.25
<b>General Service 50 to 2,999 kW</b>			
Service Charge	\$	345.53	344.51
Distribution Volumetric Rate	\$/kW	2.7445	2.7475
Regulatory Asset Recovery	\$/kW	(1.1077)	
Retail Transmission Rate – Network Service Rate	\$/kW	1.8127	1.7514
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kW	1.8907	1.6110
Wholesale Market Service Rate	\$/kWh	0.0052	0.0052
Rural Rate Protection Charge	\$/kWh	0.0013	0.0013
Standard Supply Service – Administrative Charge (if applicable)	\$	0.25	0.25
<b>General Service 3,000 to 4,999 kW</b>			
Service Charge	\$	1,897.01	4,077.03
Distribution Volumetric Rate	\$/kW	2.2355	4.8094
Regulatory Asset Recovery	\$/kW	(5.0304)	
Retail Transmission Rate – Network Service Rate	\$/kW	2.2331	2.1576
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kW	2.0953	1.7854
Wholesale Market Service Rate	\$/kWh	0.0052	0.0052
Rural Rate Protection Charge	\$/kWh	0.0013	0.0013
Standard Supply Service – Administrative Charge (if applicable)	\$	0.25	0.25

## Monthly Rates and Charges

		Effective <input type="checkbox"/> May 1/10	Existing Rate
<b>Unmetered Scattered Load</b>			
Service Charge (per connection)	\$	8.87	8.92
Distribution Volumetric Rate	\$/kWh	0.0307	0.0309
Regulatory Asset Recovery	\$/kWh	(0.0024)	
Retail Transmission Rate – Network Service Rate	\$/kWh	0.0045	0.0043
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kWh	0.0047	0.0040
Wholesale Market Service Rate	\$/kWh	0.0052	0.0052
Rural Rate Protection Charge	\$/kWh	0.0013	0.0013
Standard Supply Service – Administrative Charge (if applicable)	\$	0.25	0.25
<b>Sentinel Lighting</b>			
Service Charge (per connection)	\$	2.12	0.72
Distribution Volumetric Rate	\$/kW	6.8996	4.5442
Regulatory Asset Recovery	\$/kW	(1.1028)	
Retail Transmission Rate – Network Service Rate	\$/kW	1.3956	1.3484
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kW	1.4412	1.2280
Wholesale Market Service Rate	\$/kWh	0.0052	0.0052
Rural Rate Protection Charge	\$/kWh	0.0013	0.0013
Standard Supply Service – Administrative Charge (if applicable)	\$	0.25	0.25
<b>Street Lighting</b>			
Service Charge (per connection)	\$	1.78	0.38
Distribution Volumetric Rate	\$/kW	5.4817	3.4074
Regulatory Asset Recovery	\$/kW	(0.6122)	
Retail Transmission Rate – Network Service Rate	\$/kW	1.3761	1.3296
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kW	1.4320	1.2202
Wholesale Market Service Rate	\$/kWh	0.0052	0.0052
Rural Rate Protection Charge	\$/kWh	0.0013	0.0013
Standard Supply Service – Administrative Charge (if applicable)	\$	0.25	0.25

## Monthly Rates and Charges

		Effective	
		May 1/10	
<b>Specific Service Charges</b>			
Arrears Certificate	\$	15.00	15.00
Statement of Account	\$	15.00	15.00
Duplicate invoices for previous billing	\$	15.00	15.00
Request for other billing information	\$	15.00	15.00
Easement Letter	\$	15.00	15.00
Income tax letter	\$	15.00	15.00
Account history	\$	15.00	15.00
Returned Cheque charge (plus bank charges)	\$	15.00	15.00
Legal letter charge	\$	15.00	15.00
Account set up charge / change of occupancy charge	\$	30.00	30.00
Special Meter reads	\$	30.00	30.00
Meter dispute charge plus Measurement Canada fees (if meter found correct)	\$	30.00	30.00
Collection of account charge – no disconnection	\$	30.00	30.00
Collection of account charge – no disconnection – after regular hours	\$	165.00	165.00
Disconnect/Reconnect at meter – during regular hours	\$	65.00	65.00
Disconnect/Reconnect at meter – after regular hours	\$	185.00	185.00
Disconnect/Reconnect at pole – during regular hours	\$	185.00	185.00
Disconnect/Reconnect at pole – after regular hours	\$	415.00	415.00
Install / remove load control device – during regular hours	\$	65.00	65.00
Install / remove load control device – after regular hours	\$	185.00	185.00
Service call – customer-owned equipment	\$	30.00	30.00
Service call – after regular hours	\$	165.00	165.00
Temporary service install and remove – overhead – no transformer	\$	500.00	500.00
Temporary service install and remove – underground – no transformer	\$	300.00	300.00
Temporary service install and remove – overhead – with transformer	\$	1,000.00	1,000.00
Specific Charge for Access to the Power Poles – per pole/year	\$	22.35	22.35
Retailer Service Agreement -- standard charge	\$	100.00	100.00
Retailer Service Agreement -- monthly fixed charge (per retailer)	\$	20.00	20.00
Retailer Service Agreement -- monthly variable charge (per customer)	\$	0.50	0.50
Service Transaction Request -- request fee (per request)	\$	0.25	0.25
Service Transaction Request -- processing fee (per processed request)	\$	0.50	0.50
<b>Allowances</b>			
Transformer Allowance for Ownership - per kW of billing demand/month	\$/kW	-0.60	-0.60
Primary Metering Allowance for transformer losses – applied to measured demand and energy	%	-1.00	-1.00
<b>LOSS FACTORS</b>			
Secondary Metered Customer <5,000 kW		1.0602	1.0544
Secondary Metered Customer >5,000 kW		1.0602	
Primary Metered Customer <5,000 kW		1.0602	1.0439
Primary Metered Customer >5,000 kW		1.0602	



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## Bill Impact Summary

Customer Class Name	Volume		RPP Rate Class	Distribution Charges		Delivery Sub-total		Total Bill	
	kWh	kW		\$ change	% change	\$ change	% change	\$ change	% change
Residential	800		Summer	\$6.17	25.8%	\$4.58	14.4%	\$4.91	5.3%
	800		Winter	\$6.17	25.8%	\$4.58	14.4%	\$4.87	5.4%
	1,000		Summer	\$6.79	25.2%	\$4.80	13.1%	\$5.22	4.6%
	1,000		Winter	\$6.79	25.2%	\$4.80	13.1%	\$5.22	4.7%
	1,500		Summer	\$8.34	24.2%	\$5.35	10.9%	\$5.98	3.5%
	1,500		Winter	\$8.34	24.2%	\$5.35	10.9%	\$5.98	3.6%
General Service Less Than 50 kW	2,000		Non-res.	\$17.61	74.6%	\$13.61	33.1%	\$14.46	7.2%
	1,000		Non-res.	\$14.01	75.3%	\$12.01	43.9%	\$12.43	11.9%
	5,000		Non-res.	\$28.41	73.6%	\$18.41	22.4%	\$20.53	4.2%
	10,000		Non-res.	\$46.41	73.0%	\$26.43	17.5%	\$30.63	3.1%
	15,000		Non-res.	\$64.41	72.7%	\$34.44	15.7%	\$40.75	2.8%
General Service 50 to 2,999 kW	100,000	500	Non-res.	(\$0.48)	(0.0%)	(\$383.83)	(11.3%)	(\$341.78)	(2.9%)
	40,000	100	Non-res.	\$0.72	0.1%	(\$75.95)	(7.9%)	(\$59.14)	(1.4%)
	15,000	60	Non-res.	\$0.84	0.2%	(\$45.16)	(6.4%)	(\$38.85)	(2.0%)
	250,000	750	Non-res.	(\$1.23)	(0.1%)	(\$576.25)	(11.7%)	(\$471.12)	(1.8%)
General Service 3,000 to 4,999 kW	800,000	3,000	n/a	(\$9,901.72)	(53.5%)	(\$23,836.72)	(78.6%)	(\$23,524.81)	(25.4%)
	1,000,000	3,000	n/a	(\$9,901.72)	(53.5%)	(\$23,836.72)	(78.6%)	(\$23,446.85)	(21.7%)
	1,200,000	4,000	n/a	(\$12,475.62)	(53.5%)	(\$31,055.62)	(79.5%)	(\$30,587.77)	(23.1%)
	1,800,000	4,000	n/a	(\$12,475.62)	(53.5%)	(\$31,055.62)	(79.5%)	(\$30,353.84)	(16.9%)
Unmetered Scattered Load	100		Non-res.	(\$0.07)	(0.6%)	(\$0.20)	(1.6%)	(\$0.17)	(0.8%)
	250		Non-res.	(\$0.10)	(0.6%)	(\$0.44)	(2.3%)	(\$0.35)	(0.9%)
Sentinel Lighting	190	0.55	Non-res.	\$2.02	52.0%	\$1.55	29.2%	\$1.62	8.4%
	250	0.55	Non-res.	\$2.70	83.7%	\$2.23	48.0%	\$2.32	10.0%
Street Lighting	190	0.55	Non-res.	\$1.82	61.0%	\$1.63	37.1%	\$1.70	9.2%
	250	0.55	Non-res.	\$1.82	61.0%	\$1.63	37.1%	\$1.72	7.5%

## Detailed Sample Bill Impacts

RPP rates per sheet Y7

### Residential

### RPP: Summer

800 kWh's

	Metric	2009 BILL			2010 BILL			CHANGE IMPACT	
		Volume	Rate	Charge	Volume	Rate	Charge	\$	%
† Monthly Service Charge				\$11.95			\$15.64	\$3.69	30.9%
† Distribution	kWh	800	\$0.0150	\$12.00	800	\$0.0181	\$14.48	\$2.48	20.7%
<b>Sub-Total (Distribution)</b>				<b>\$23.95</b>			<b>\$30.12</b>	<b>\$6.17</b>	<b>25.8%</b>
† Deferral/Variance	kWh	800			800	(\$0.0030)	(\$2.40)	(\$2.40)	
Electricity (Commodity)	kWh	844	RPP-Summer	\$50.27	848	RPP-Summer	\$50.58	\$0.31	0.6%
† Transmission - Network	kWh	844	\$0.0049	\$4.13	848	\$0.0051	\$4.33	\$0.20	4.8%
† Transmission - Connection	kWh	844	\$0.0043	\$3.63	848	\$0.0050	\$4.24	\$0.61	16.8%
Wholesale Market Service	kWh	844	\$0.0052	\$4.39	848	\$0.0052	\$4.41	\$0.02	0.5%
Rural Rate Protection	kWh	844	\$0.0013	\$1.10	848	\$0.0013	\$1.10		
Debt Retirement Charge	kWh	800	\$0.0070	\$5.60	800	\$0.0070	\$5.60		
<b>TOTAL BILL</b>				<b>\$93.07</b>			<b>\$97.98</b>	<b>\$4.91</b>	<b>5.3%</b>
† Delivery Only				\$31.71			\$36.29	\$4.58	14.4%

## Detailed Sample Bill Impacts

RPP rates per sheet Y7

### Residential

### RPP: Winter

800 kWh's

	Metric	2009 BILL			2010 BILL			CHANGE IMPACT	
		Volume	Rate	Charge	Volume	Rate	Charge	\$	%
† Monthly Service Charge				\$11.95			\$15.64	\$3.69	30.9%
† Distribution	kWh	800	\$0.0150	\$12.00	800	\$0.0181	\$14.48	\$2.48	20.7%
<b>Sub-Total (Distribution)</b>				<b>\$23.95</b>			<b>\$30.12</b>	<b>\$6.17</b>	<b>25.8%</b>
† Deferral/Variance	kWh	800.00			800	(\$0.0030)	(\$2.40)	(\$2.40)	
Electricity (Commodity)	kWh	844	RPP-Winter	\$48.08	848	RPP-Winter	\$48.35	\$0.27	0.6%
† Transmission - Network	kWh	844	\$0.0049	\$4.13	848	\$0.0051	\$4.33	\$0.20	4.8%
† Transmission - Connection	kWh	844	\$0.0043	\$3.63	848	\$0.0050	\$4.24	\$0.61	16.8%
Wholesale Market Service	kWh	844	\$0.0052	\$4.39	848	\$0.0052	\$4.41	\$0.02	0.5%
Rural Rate Protection	kWh	844	\$0.0013	\$1.10	848	\$0.0013	\$1.10		
Debt Retirement Charge	kWh	800	\$0.0070	\$5.60	800	\$0.0070	\$5.60		
<b>TOTAL BILL</b>				<b>\$90.88</b>			<b>\$95.75</b>	<b>\$4.87</b>	<b>5.4%</b>
† Delivery Only				\$31.71			\$36.29	\$4.58	14.4%

## Detailed Sample Bill Impacts

RPP rates per sheet Y7

### Residential

### RPP: Summer

1,000 kWh's

	Metric	2009 BILL			2010 BILL			CHANGE IMPACT	
		Volume	Rate	Charge	Volume	Rate	Charge	\$	%
† Monthly Service Charge				\$11.95			\$15.64	\$3.69	30.9%
† Distribution	kWh	1,000	\$0.0150	\$15.00	1,000	\$0.0181	\$18.10	\$3.10	20.7%
<b>Sub-Total (Distribution)</b>				<b>\$26.95</b>			<b>\$33.74</b>	<b>\$6.79</b>	<b>25.2%</b>
† Deferral/Variance	kWh	1,000			1,000	(\$0.0030)	(\$3.00)	(\$3.00)	
Electricity (Commodity)	kWh	1,054	RPP-Summer	\$64.19	1,060	RPP-Summer	\$64.57	\$0.38	0.6%
† Transmission - Network	kWh	1,054	\$0.0049	\$5.17	1,060	\$0.0051	\$5.41	\$0.24	4.6%
† Transmission - Connection	kWh	1,054	\$0.0043	\$4.53	1,060	\$0.0050	\$5.30	\$0.77	17.0%
Wholesale Market Service	kWh	1,054	\$0.0052	\$5.48	1,060	\$0.0052	\$5.51	\$0.03	0.5%
Rural Rate Protection	kWh	1,054	\$0.0013	\$1.37	1,060	\$0.0013	\$1.38	\$0.01	0.7%
Debt Retirement Charge	kWh	1,000	\$0.0070	\$7.00	1,000	\$0.0070	\$7.00		
<b>TOTAL BILL</b>				<b>\$114.69</b>			<b>\$119.91</b>	<b>\$5.22</b>	<b>4.6%</b>
† Delivery Only				\$36.65			\$41.45	\$4.80	13.1%

## Detailed Sample Bill Impacts

RPP rates per sheet Y7

### Residential

### RPP: Winter

1,000 kWh's

	Metric	2009 BILL			2010 BILL			CHANGE IMPACT	
		Volume	Rate	Charge	Volume	Rate	Charge	\$	%
† Monthly Service Charge				\$11.95			\$15.64	\$3.69	30.9%
† Distribution	kWh	1,000	\$0.0150	\$15.00	1,000	\$0.0181	\$18.10	\$3.10	20.7%
<b>Sub-Total (Distribution)</b>				<b>\$26.95</b>			<b>\$33.74</b>	<b>\$6.79</b>	<b>25.2%</b>
† Deferral/Variance	kWh	1,000			1,000	(\$0.0030)	(\$3.00)	(\$3.00)	
Electricity (Commodity)	kWh	1,054	RPP-Winter	\$60.59	1,060	RPP-Winter	\$60.97	\$0.38	0.6%
† Transmission - Network	kWh	1,054	\$0.0049	\$5.17	1,060	\$0.0051	\$5.41	\$0.24	4.6%
† Transmission - Connection	kWh	1,054	\$0.0043	\$4.53	1,060	\$0.0050	\$5.30	\$0.77	17.0%
Wholesale Market Service	kWh	1,054	\$0.0052	\$5.48	1,060	\$0.0052	\$5.51	\$0.03	0.5%
Rural Rate Protection	kWh	1,054	\$0.0013	\$1.37	1,060	\$0.0013	\$1.38	\$0.01	0.7%
Debt Retirement Charge	kWh	1,000	\$0.0070	\$7.00	1,000	\$0.0070	\$7.00		
<b>TOTAL BILL</b>				<b>\$111.09</b>			<b>\$116.31</b>	<b>\$5.22</b>	<b>4.7%</b>
† Delivery Only				\$36.65			\$41.45	\$4.80	13.1%

## Detailed Sample Bill Impacts

RPP rates per sheet Y7

### Residential

### RPP: Summer

1,500 kWh's

	Metric	2009 BILL			2010 BILL			CHANGE IMPACT	
		Volume	Rate	Charge	Volume	Rate	Charge	\$	%
† Monthly Service Charge				\$11.95			\$15.64	\$3.69	30.9%
† Distribution	kWh	1,500	\$0.0150	\$22.50	1,500	\$0.0181	\$27.15	\$4.65	20.7%
<b>Sub-Total (Distribution)</b>				<b>\$34.45</b>			<b>\$42.79</b>	<b>\$8.34</b>	<b>24.2%</b>
† Deferral/Variance	kWh	1,500			1,500	(\$0.0030)	(\$4.50)	(\$4.50)	
Electricity (Commodity)	kWh	1,582	RPP-Summer	\$98.99	1,590	RPP-Summer	\$99.56	\$0.57	0.6%
† Transmission - Network	kWh	1,582	\$0.0049	\$7.75	1,590	\$0.0051	\$8.11	\$0.36	4.6%
† Transmission - Connection	kWh	1,582	\$0.0043	\$6.80	1,590	\$0.0050	\$7.95	\$1.15	16.9%
Wholesale Market Service	kWh	1,582	\$0.0052	\$8.22	1,590	\$0.0052	\$8.27	\$0.05	0.6%
Rural Rate Protection	kWh	1,582	\$0.0013	\$2.06	1,590	\$0.0013	\$2.07	\$0.01	0.5%
Debt Retirement Charge	kWh	1,500	\$0.0070	\$10.50	1,500	\$0.0070	\$10.50		
<b>TOTAL BILL</b>				<b>\$168.77</b>			<b>\$174.75</b>	<b>\$5.98</b>	<b>3.5%</b>
† Delivery Only				\$49.00			\$54.35	\$5.35	10.9%

## Detailed Sample Bill Impacts

RPP rates per sheet Y7

### Residential

### RPP: Winter

1,500 kWh's

	Metric	2009 BILL			2010 BILL			CHANGE IMPACT	
		Volume	Rate	Charge	Volume	Rate	Charge	\$	%
† Monthly Service Charge				\$11.95			\$15.64	\$3.69	30.9%
† Distribution	kWh	1,500	\$0.0150	\$22.50	1,500	\$0.0181	\$27.15	\$4.65	20.7%
<b>Sub-Total (Distribution)</b>				<b>\$34.45</b>			<b>\$42.79</b>	<b>\$8.34</b>	<b>24.2%</b>
† Deferral/Variance	kWh	1,500			1,500	(\$0.0030)	(\$4.50)	(\$4.50)	
Electricity (Commodity)	kWh	1,582	RPP-Winter	\$95.39	1,590	RPP-Winter	\$95.96	\$0.57	0.6%
† Transmission - Network	kWh	1,582	\$0.0049	\$7.75	1,590	\$0.0051	\$8.11	\$0.36	4.6%
† Transmission - Connection	kWh	1,582	\$0.0043	\$6.80	1,590	\$0.0050	\$7.95	\$1.15	16.9%
Wholesale Market Service	kWh	1,582	\$0.0052	\$8.22	1,590	\$0.0052	\$8.27	\$0.05	0.6%
Rural Rate Protection	kWh	1,582	\$0.0013	\$2.06	1,590	\$0.0013	\$2.07	\$0.01	0.5%
Debt Retirement Charge	kWh	1,500	\$0.0070	\$10.50	1,500	\$0.0070	\$10.50		
<b>TOTAL BILL</b>				<b>\$165.17</b>			<b>\$171.15</b>	<b>\$5.98</b>	<b>3.6%</b>
† Delivery Only				\$49.00			\$54.35	\$5.35	10.9%

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## F8 Customer Bill Impact Analysis

RPP rates per sheet Y7

### General Service Less Than 50 kW

### RPP: Non-res.

2,000 kWh's

	Metric	2009 BILL			2010 BILL			CHANGE IMPACT	
		Volume	Rate	Charge	Volume	Rate	Charge	\$	%
† Monthly Service Charge				\$13.60			\$24.01	\$10.41	76.5%
† Distribution	kWh	2,000	\$0.0050	\$10.00	2,000	\$0.0086	\$17.20	\$7.20	72.0%
<b>Sub-Total (Distribution)</b>				<b>\$23.60</b>			<b>\$41.21</b>	<b>\$17.61</b>	<b>74.6%</b>
† Deferral/Variance	kWh	2,000			2,000	(\$0.0030)	(\$6.00)	(\$6.00)	
Electricity (Commodity)	kWh	2,109	RPP-Non-res.	\$132.43	2,120	RPP-Non-res.	\$133.20	\$0.77	0.6%
† Transmission - Network	kWh	2,109	\$0.0043	\$9.07	2,120	\$0.0045	\$9.54	\$0.47	5.2%
† Transmission - Connection	kWh	2,109	\$0.0040	\$8.44	2,120	\$0.0047	\$9.97	\$1.53	18.1%
Wholesale Market Service	kWh	2,109	\$0.0052	\$10.97	2,120	\$0.0052	\$11.03	\$0.06	0.5%
Rural Rate Protection	kWh	2,109	\$0.0013	\$2.74	2,120	\$0.0013	\$2.76	\$0.02	0.7%
Debt Retirement Charge	kWh	2,000	\$0.0070	\$14.00	2,000	\$0.0070	\$14.00		
<b>TOTAL BILL</b>				<b>\$201.25</b>			<b>\$215.71</b>	<b>\$14.46</b>	<b>7.2%</b>
† Delivery Only				\$41.11			\$54.72	\$13.61	33.1%



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## F8 Customer Bill Impact Analysis

RPP rates per sheet Y7

### General Service Less Than 50 kW

RPP: Non-res.

1,000 kWh's

	Metric	2009 BILL			2010 BILL			CHANGE IMPACT	
		Volume	Rate	Charge	Volume	Rate	Charge	\$	%
† Monthly Service Charge				\$13.60			\$24.01	\$10.41	76.5%
† Distribution	kWh	1,000	\$0.0050	\$5.00	1,000	\$0.0086	\$8.60	\$3.60	72.0%
<b>Sub-Total (Distribution)</b>				<b>\$18.60</b>			<b>\$32.61</b>	<b>\$14.01</b>	<b>75.3%</b>
† Deferral/Variance	kWh	1,000			1,000	(\$0.0030)	(\$3.00)	(\$3.00)	
Electricity (Commodity)	kWh	1,054	RPP-Non-res.	\$62.84	1,060	RPP-Non-res.	\$63.22	\$0.38	0.6%
† Transmission - Network	kWh	1,054	\$0.0043	\$4.53	1,060	\$0.0045	\$4.77	\$0.24	5.3%
† Transmission - Connection	kWh	1,054	\$0.0040	\$4.22	1,060	\$0.0047	\$4.98	\$0.76	18.0%
Wholesale Market Service	kWh	1,054	\$0.0052	\$5.48	1,060	\$0.0052	\$5.51	\$0.03	0.5%
Rural Rate Protection	kWh	1,054	\$0.0013	\$1.37	1,060	\$0.0013	\$1.38	\$0.01	0.7%
Debt Retirement Charge	kWh	1,000	\$0.0070	\$7.00	1,000	\$0.0070	\$7.00		
<b>TOTAL BILL</b>				<b>\$104.04</b>			<b>\$116.47</b>	<b>\$12.43</b>	<b>11.9%</b>
† Delivery Only				\$27.35			\$39.36	\$12.01	43.9%

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## F8 Customer Bill Impact Analysis

RPP rates per sheet Y7

### General Service Less Than 50 kW

RPP: Non-res.

5,000 kWh's

	Metric	2009 BILL			2010 BILL			CHANGE IMPACT	
		Volume	Rate	Charge	Volume	Rate	Charge	\$	%
† Monthly Service Charge				\$13.60			\$24.01	\$10.41	76.5%
† Distribution	kWh	5,000	\$0.0050	\$25.00	5,000	\$0.0086	\$43.00	\$18.00	72.0%
<b>Sub-Total (Distribution)</b>				<b>\$38.60</b>			<b>\$67.01</b>	<b>\$28.41</b>	<b>73.6%</b>
† Deferral/Variance	kWh	5,000			5,000	(\$0.0030)	(\$15.00)	(\$15.00)	
Electricity (Commodity)	kWh	5,272	RPP-Non-res.	\$341.20	5,301	RPP-Non-res.	\$343.12	\$1.92	0.6%
† Transmission - Network	kWh	5,272	\$0.0043	\$22.67	5,301	\$0.0045	\$23.85	\$1.18	5.2%
† Transmission - Connection	kWh	5,272	\$0.0040	\$21.09	5,301	\$0.0047	\$24.91	\$3.82	18.1%
Wholesale Market Service	kWh	5,272	\$0.0052	\$27.41	5,301	\$0.0052	\$27.57	\$0.16	0.6%
Rural Rate Protection	kWh	5,272	\$0.0013	\$6.85	5,301	\$0.0013	\$6.89	\$0.04	0.6%
Debt Retirement Charge	kWh	5,000	\$0.0070	\$35.00	5,000	\$0.0070	\$35.00		
<b>TOTAL BILL</b>				<b>\$492.82</b>			<b>\$513.35</b>	<b>\$20.53</b>	<b>4.2%</b>
† Delivery Only				\$82.36			\$100.77	\$18.41	22.4%

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## F8 Customer Bill Impact Analysis

RPP rates per sheet Y7

**General Service Less Than 50 kW**  
 10,000 kWh's

RPP: Non-res.

	Metric	2009 BILL			2010 BILL			CHANGE IMPACT	
		Volume	Rate	Charge	Volume	Rate	Charge	\$	%
† Monthly Service Charge				\$13.60			\$24.01	\$10.41	76.5%
† Distribution	kWh	10,000	\$0.0050	\$50.00	10,000	\$0.0086	\$86.00	\$36.00	72.0%
<b>Sub-Total (Distribution)</b>				<b>\$63.60</b>			<b>\$110.01</b>	<b>\$46.41</b>	<b>73.0%</b>
† Deferral/Variance	kWh	10,000			10,000	(\$0.0030)	(\$30.00)	(\$30.00)	
Electricity (Commodity)	kWh	10,544	RPP-Non-res.	\$689.15	10,602	RPP-Non-res.	\$692.98	\$3.83	0.6%
† Transmission - Network	kWh	10,544	\$0.0043	\$45.34	10,602	\$0.0045	\$47.71	\$2.37	5.2%
† Transmission - Connection	kWh	10,544	\$0.0040	\$42.18	10,602	\$0.0047	\$49.83	\$7.65	18.1%
Wholesale Market Service	kWh	10,544	\$0.0052	\$54.83	10,602	\$0.0052	\$55.13	\$0.30	0.5%
Rural Rate Protection	kWh	10,544	\$0.0013	\$13.71	10,602	\$0.0013	\$13.78	\$0.07	0.5%
Debt Retirement Charge	kWh	10,000	\$0.0070	\$70.00	10,000	\$0.0070	\$70.00		
<b>TOTAL BILL</b>				<b>\$978.81</b>			<b>\$1,009.44</b>	<b>\$30.63</b>	<b>3.1%</b>
† Delivery Only				\$151.12			\$177.55	\$26.43	17.5%

## F8 Customer Bill Impact Analysis

RPP rates per sheet Y7

**General Service Less Than 50 kW**  
 15,000 kWh's

RPP: Non-res.

	Metric	2009 BILL			2010 BILL			CHANGE IMPACT	
		Volume	Rate	Charge	Volume	Rate	Charge	\$	%
† Monthly Service Charge				\$13.60			\$24.01	\$10.41	76.5%
† Distribution	kWh	15,000	\$0.0050	\$75.00	15,000	\$0.0086	\$129.00	\$54.00	72.0%
<b>Sub-Total (Distribution)</b>				<b>\$88.60</b>			<b>\$153.01</b>	<b>\$64.41</b>	<b>72.7%</b>
† Deferral/Variance	kWh	15,000			15,000	(\$0.0030)	(\$45.00)	(\$45.00)	
Electricity (Commodity)	kWh	15,816	RPP-Non-res.	\$1,037.11	15,903	RPP-Non-res.	\$1,042.85	\$5.74	0.6%
† Transmission - Network	kWh	15,816	\$0.0043	\$68.01	15,903	\$0.0045	\$71.56	\$3.55	5.2%
† Transmission - Connection	kWh	15,816	\$0.0040	\$63.26	15,903	\$0.0047	\$74.74	\$11.48	18.1%
Wholesale Market Service	kWh	15,816	\$0.0052	\$82.24	15,903	\$0.0052	\$82.70	\$0.46	0.6%
Rural Rate Protection	kWh	15,816	\$0.0013	\$20.56	15,903	\$0.0013	\$20.67	\$0.11	0.5%
Debt Retirement Charge	kWh	15,000	\$0.0070	\$105.00	15,000	\$0.0070	\$105.00		
<b>TOTAL BILL</b>				<b>\$1,464.78</b>			<b>\$1,505.53</b>	<b>\$40.75</b>	<b>2.8%</b>
† Delivery Only				\$219.87			\$254.31	\$34.44	15.7%

## F8 Customer Bill Impact Analysis

RPP rates per sheet Y7

### General Service 50 to 2,999 kW

RPP: Non-res.

100,000 kWh's 500 kW's	Metric	2009 BILL			2010 BILL			CHANGE IMPACT	
		Volume	Rate	Charge	Volume	Rate	Charge	\$	%
† Monthly Service Charge				\$344.51			\$345.53	\$1.02	0.3%
† Distribution	kW	500	\$2.7475	\$1,373.75	500	\$2.7445	\$1,372.25	(\$1.50)	(0.1%)
<b>Sub-Total (Distribution)</b>				<b>\$1,718.26</b>			<b>\$1,717.78</b>	<b>(\$0.48)</b>	<b>(0.0%)</b>
† Deferral/Variance	kW	500			500	(\$1.1077)	(\$553.85)	(\$553.85)	
Electricity (Commodity)	kWh	105,440	RPP-Non-res.	\$6,952.29	106,020	RPP-Non-res.	\$6,990.57	\$38.28	0.6%
† Transmission - Network	kW	500	\$1.7514	\$875.70	500	\$1.8127	\$906.35	\$30.65	3.5%
† Transmission - Connection	kW	500	\$1.6110	\$805.50	500	\$1.8907	\$945.35	\$139.85	17.4%
Wholesale Market Service	kWh	105,440	\$0.0052	\$548.29	106,020	\$0.0052	\$551.30	\$3.01	0.5%
Rural Rate Protection	kWh	105,440	\$0.0013	\$137.07	106,020	\$0.0013	\$137.83	\$0.76	0.6%
Debt Retirement Charge	kWh	100,000	\$0.0070	\$700.00	100,000	\$0.0070	\$700.00		
<b>TOTAL BILL</b>				<b>\$11,737.11</b>			<b>\$11,395.33</b>	<b>(\$341.78)</b>	<b>(2.9%)</b>
† Delivery Only				\$3,399.46			\$3,015.63	(\$383.83)	(11.3%)

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## F8 Customer Bill Impact Analysis

RPP rates per sheet Y7

### General Service 50 to 2,999 kW

RPP: Non-res.

40,000 kWh's 100 kW's	Metric	2009 BILL			2010 BILL			CHANGE IMPACT	
		Volume	Rate	Charge	Volume	Rate	Charge		%
† Monthly Service Charge				\$344.51			\$345.53	\$1.02	0.3%
† Distribution	kW	100	\$2.7475	\$274.75	100	\$2.7445	\$274.45	(\$0.30)	(0.1%)
<b>Sub-Total (Distribution)</b>				<b>\$619.26</b>			<b>\$619.98</b>	<b>\$0.72</b>	<b>0.1%</b>
† Deferral/Variance	kW	100			100	(\$1.1077)	(\$110.77)	(\$110.77)	
Electricity (Commodity)	kWh	42,176	RPP-Non-res.	\$2,776.87	42,408	RPP-Non-res.	\$2,792.18	\$15.31	0.6%
† Transmission - Network	kW	100	\$1.7514	\$175.14	100	\$1.8127	\$181.27	\$6.13	3.5%
† Transmission - Connection	kW	100	\$1.6110	\$161.10	100	\$1.8907	\$189.07	\$27.97	17.4%
Wholesale Market Service	kWh	42,176	\$0.0052	\$219.32	42,408	\$0.0052	\$220.52	\$1.20	0.5%
Rural Rate Protection	kWh	42,176	\$0.0013	\$54.83	42,408	\$0.0013	\$55.13	\$0.30	0.5%
Debt Retirement Charge	kWh	40,000	\$0.0070	\$280.00	40,000	\$0.0070	\$280.00		
<b>TOTAL BILL</b>				<b>\$4,286.52</b>			<b>\$4,227.38</b>	<b>(\$59.14)</b>	<b>(1.4%)</b>
† Delivery Only				\$955.50			\$879.55	(\$75.95)	(7.9%)

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## F8 Customer Bill Impact Analysis

RPP rates per sheet Y7

### General Service 50 to 2,999 kW

RPP: Non-res.

15,000 kWh's

60 kW's

	Metric	2009 BILL			2010 BILL			CHANGE IMPACT	
		Volume	Rate	Charge	Volume	Rate	Charge		%
† Monthly Service Charge				\$344.51			\$345.53	\$1.02	0.3%
† Distribution	kW	60	\$2.7475	\$164.85	60	\$2.7445	\$164.67	(\$0.18)	(0.1%)
<b>Sub-Total (Distribution)</b>				<b>\$509.36</b>			<b>\$510.20</b>	<b>\$0.84</b>	<b>0.2%</b>
† Deferral/Variance	kW	60			60	(\$1.1077)	(\$66.46)	(\$66.46)	
Electricity (Commodity)	kWh	15,816	RPP-Non-res.	\$1,037.11	15,903	RPP-Non-res.	\$1,042.85	\$5.74	0.6%
† Transmission - Network	kW	60	\$1.7514	\$105.08	60	\$1.8127	\$108.76	\$3.68	3.5%
† Transmission - Connection	kW	60	\$1.6110	\$96.66	60	\$1.8907	\$113.44	\$16.78	17.4%
Wholesale Market Service	kWh	15,816	\$0.0052	\$82.24	15,903	\$0.0052	\$82.70	\$0.46	0.6%
Rural Rate Protection	kWh	15,816	\$0.0013	\$20.56	15,903	\$0.0013	\$20.67	\$0.11	0.5%
Debt Retirement Charge	kWh	15,000	\$0.0070	\$105.00	15,000	\$0.0070	\$105.00		
<b>TOTAL BILL</b>				<b>\$1,956.01</b>			<b>\$1,917.16</b>	<b>(\$38.85)</b>	<b>(2.0%)</b>
† Delivery Only				\$711.10			\$665.94	(\$45.16)	(6.4%)

## F8 Customer Bill Impact Analysis

RPP rates per sheet Y7

### General Service 50 to 2,999 kW

RPP: Non-res.

250,000 kWh's		2009 BILL			2010 BILL			CHANGE IMPACT		
750 kW's		Volume	Rate	Charge	Volume	Rate	Charge		%	
†	Monthly Service Charge			\$344.51			\$345.53	\$1.02	0.3%	
†	Distribution	kW	750	\$2.7475	\$2,060.63	750	\$2.7445	\$2,058.38	(\$2.25)	(0.1%)
	<b>Sub-Total (Distribution)</b>			<b>\$2,405.14</b>			<b>\$2,403.91</b>	<b>(\$1.23)</b>	<b>(0.1%)</b>	
†	Deferral/Variance	kW	750		750	(\$1.1077)	(\$830.78)	(\$830.78)		
	Electricity (Commodity)	kWh	263,600	RPP-Non-res. \$17,390.85	265,050	RPP-Non-res. \$17,486.55	\$95.70	\$95.70	0.6%	
†	Transmission - Network	kW	750	\$1.7514	\$1,313.55	750	\$1.8127	\$1,359.53	\$45.98	3.5%
†	Transmission - Connection	kW	750	\$1.6110	\$1,208.25	750	\$1.8907	\$1,418.03	\$209.78	17.4%
	Wholesale Market Service	kWh	263,600	\$0.0052	\$1,370.72	265,050	\$0.0052	\$1,378.26	\$7.54	0.6%
	Rural Rate Protection	kWh	263,600	\$0.0013	\$342.68	265,050	\$0.0013	\$344.57	\$1.89	0.6%
	Debt Retirement Charge	kWh	250,000	\$0.0070	\$1,750.00	250,000	\$0.0070	\$1,750.00		
	<b>TOTAL BILL</b>			<b>\$25,781.19</b>			<b>\$25,310.07</b>	<b>(\$471.12)</b>	<b>(1.8%)</b>	
†	Delivery Only			\$4,926.94			\$4,350.69	(\$576.25)	(11.7%)	



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## F8 Customer Bill Impact Analysis

RPP rates per sheet Y7

### General Service 3,000 to 4,999 kW

RPP: n/a

800,000 kWh's 3,000 kW's	Metric	2009 BILL			2010 BILL			CHANGE IMPACT	
		Volume	Rate	Charge	Volume	Rate	Charge	\$	%
† Monthly Service Charge				\$4,077.03			\$1,897.01	(\$2,180.02)	(53.5%)
† Distribution	kW	3,000	\$4.8094	\$14,428.20	3,000	\$2.2355	\$6,706.50	(\$7,721.70)	(53.5%)
<b>Sub-Total (Distribution)</b>				<b>\$18,505.23</b>			<b>\$8,603.51</b>	<b>(\$9,901.72)</b>	<b>(53.5%)</b>
† Deferral/Variance	kW	3,000			3,000	(\$5.0304)	(\$15,091.20)	(\$15,091.20)	
Electricity (Commodity)	kWh	843,520	\$0.0607	\$51,218.53	848,160	\$0.0607	\$51,500.28	\$281.75	0.6%
† Transmission - Network	kW	3,000	\$2.1576	\$6,472.80	3,000	\$2.2331	\$6,699.30	\$226.50	3.5%
† Transmission - Connection	kW	3,000	\$1.7854	\$5,356.20	3,000	\$2.0953	\$6,285.90	\$929.70	17.4%
Wholesale Market Service	kWh	843,520	\$0.0052	\$4,386.30	848,160	\$0.0052	\$4,410.43	\$24.13	0.6%
Rural Rate Protection	kWh	843,520	\$0.0013	\$1,096.58	848,160	\$0.0013	\$1,102.61	\$6.03	0.5%
Debt Retirement Charge	kWh	800,000	\$0.0070	\$5,600.00	800,000	\$0.0070	\$5,600.00		
<b>TOTAL BILL</b>				<b>\$92,635.64</b>			<b>\$69,110.83</b>	<b>(\$23,524.81)</b>	<b>(25.4%)</b>
† Delivery Only				\$30,334.23			\$6,497.51	(\$23,836.72)	(78.6%)

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## F8 Customer Bill Impact Analysis

RPP rates per sheet Y7

### General Service 3,000 to 4,999 kW

RPP: n/a

1,000,000 kWh's 3,000 kW's	Metric	2009 BILL			2010 BILL			CHANGE IMPACT	
		Volume	Rate	Charge	Volume	Rate	Charge	\$	%
† Monthly Service Charge				\$4,077.03			\$1,897.01	(\$2,180.02)	(53.5%)
† Distribution	kW	3,000	\$4.8094	\$14,428.20	3,000	\$2.2355	\$6,706.50	(\$7,721.70)	(53.5%)
<b>Sub-Total (Distribution)</b>				<b>\$18,505.23</b>			<b>\$8,603.51</b>	<b>(\$9,901.72)</b>	<b>(53.5%)</b>
† Deferral/Variance	kW	3,000			3,000	(\$5.0304)	(\$15,091.20)	(\$15,091.20)	
Electricity (Commodity)	kWh	1,054,400	\$0.0607	\$64,023.17	1,060,200	\$0.0607	\$64,375.34	\$352.17	0.6%
† Transmission - Network	kW	3,000	\$2.1576	\$6,472.80	3,000	\$2.2331	\$6,699.30	\$226.50	3.5%
† Transmission - Connection	kW	3,000	\$1.7854	\$5,356.20	3,000	\$2.0953	\$6,285.90	\$929.70	17.4%
Wholesale Market Service	kWh	1,054,400	\$0.0052	\$5,482.88	1,060,200	\$0.0052	\$5,513.04	\$30.16	0.6%
Rural Rate Protection	kWh	1,054,400	\$0.0013	\$1,370.72	1,060,200	\$0.0013	\$1,378.26	\$7.54	0.6%
Debt Retirement Charge	kWh	1,000,000	\$0.0070	\$7,000.00	1,000,000	\$0.0070	\$7,000.00		
<b>TOTAL BILL</b>				<b>\$108,211.00</b>			<b>\$84,764.15</b>	<b>(\$23,446.85)</b>	<b>(21.7%)</b>
† Delivery Only				\$30,334.23			\$6,497.51	(\$23,836.72)	(78.6%)

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## F8 Customer Bill Impact Analysis

RPP rates per sheet Y7

General Service 3,000 to 4,999 kW

RPP: n/a

Metric	2009 BILL			2010 BILL			CHANGE IMPACT		
	Volume	Rate	Charge	Volume	Rate	Charge	\$	%	
† 1,200,000 kWh's									
† 4,000 kW's									
† Monthly Service Charge			\$4,077.03			\$1,897.01	(\$2,180.02)	(53.5%)	
† Distribution	kW	4,000	\$4.8094	\$19,237.60	4,000	\$2.2355	\$8,942.00	(\$10,295.60)	(53.5%)
<b>Sub-Total (Distribution)</b>				<b>\$23,314.63</b>			<b>\$10,839.01</b>	<b>(\$12,475.62)</b>	<b>(53.5%)</b>
† Deferral/Variance	kW	4,000			4,000	(\$5.0304)	(\$20,121.60)	(\$20,121.60)	
Electricity (Commodity)	kWh	1,265,280	\$0.0607	\$76,827.80	1,272,240	\$0.0607	\$77,250.41	\$422.61	0.6%
† Transmission - Network	kW	4,000	\$2.1576	\$8,630.40	4,000	\$2.2331	\$8,932.40	\$302.00	3.5%
† Transmission - Connection	kW	4,000	\$1.7854	\$7,141.60	4,000	\$2.0953	\$8,381.20	\$1,239.60	17.4%
Wholesale Market Service	kWh	1,265,280	\$0.0052	\$6,579.46	1,272,240	\$0.0052	\$6,615.65	\$36.19	0.6%
Rural Rate Protection	kWh	1,265,280	\$0.0013	\$1,644.86	1,272,240	\$0.0013	\$1,653.91	\$9.05	0.6%
Debt Retirement Charge	kWh	1,200,000	\$0.0070	\$8,400.00	1,200,000	\$0.0070	\$8,400.00		
<b>TOTAL BILL</b>				<b>\$132,538.75</b>			<b>\$101,950.98</b>	<b>(\$30,587.77)</b>	<b>(23.1%)</b>
† Delivery Only				\$39,086.63			\$8,031.01	(\$31,055.62)	(79.5%)

## F8 Customer Bill Impact Analysis

RPP rates per sheet Y7

### General Service 3,000 to 4,999 kW

RPP: n/a

Metric	2009 BILL			2010 BILL			CHANGE IMPACT		
	Volume	Rate	Charge	Volume	Rate	Charge	\$	%	
† Monthly Service Charge			\$4,077.03			\$1,897.01	(\$2,180.02)	(53.5%)	
† Distribution	kW	4,000	\$4.8094	\$19,237.60	4,000	\$2.2355	\$8,942.00	(\$10,295.60)	(53.5%)
<b>Sub-Total (Distribution)</b>				<b>\$23,314.63</b>			<b>\$10,839.01</b>	<b>(\$12,475.62)</b>	<b>(53.5%)</b>
† Deferral/Variance	kW	4,000			4,000	(\$5.0304)	(\$20,121.60)	(\$20,121.60)	
Electricity (Commodity)	kWh	1,897,920	\$0.0607	\$115,241.70	1,908,360	\$0.0607	\$115,875.62	\$633.92	0.6%
† Transmission - Network	kW	4,000	\$2.1576	\$8,630.40	4,000	\$2.2331	\$8,932.40	\$302.00	3.5%
† Transmission - Connection	kW	4,000	\$1.7854	\$7,141.60	4,000	\$2.0953	\$8,381.20	\$1,239.60	17.4%
Wholesale Market Service	kWh	1,897,920	\$0.0052	\$9,869.18	1,908,360	\$0.0052	\$9,923.47	\$54.29	0.6%
Rural Rate Protection	kWh	1,897,920	\$0.0013	\$2,467.30	1,908,360	\$0.0013	\$2,480.87	\$13.57	0.5%
Debt Retirement Charge	kWh	1,800,000	\$0.0070	\$12,600.00	1,800,000	\$0.0070	\$12,600.00		
<b>TOTAL BILL</b>				<b>\$179,264.81</b>			<b>\$148,910.97</b>	<b>(\$30,353.84)</b>	<b>(16.9%)</b>
† Delivery Only				\$39,086.63			\$8,031.01	(\$31,055.62)	(79.5%)

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## F8 Customer Bill Impact Analysis

RPP rates per sheet Y7

### Unmetered Scattered Load

RPP: Non-res.

100 kWh's

	Metric	2009 BILL			2010 BILL			CHANGE IMPACT	
		Volume	Rate	Charge	Volume	Rate	Charge	\$	%
† Monthly Service Charge				\$8.92			\$8.87	(\$0.05)	(0.6%)
† Distribution	kWh	100	\$0.0309	\$3.09	100	\$0.0307	\$3.07	(\$0.02)	(0.6%)
<b>Sub-Total (Distribution)</b>				<b>\$12.01</b>			<b>\$11.94</b>	<b>(\$0.07)</b>	<b>(0.6%)</b>
† Deferral/Variance	kWh	100			100	(\$0.0024)	(\$0.24)	(\$0.24)	
Electricity (Commodity)	kWh	105	RPP-Non-res.	\$6.01	106	RPP-Non-res.	\$6.04	\$0.03	0.5%
† Transmission - Network	kWh	105	\$0.0043	\$0.45	106	\$0.0045	\$0.48	\$0.03	6.7%
† Transmission - Connection	kWh	105	\$0.0040	\$0.42	106	\$0.0047	\$0.50	\$0.08	19.0%
Wholesale Market Service	kWh	105	\$0.0052	\$0.55	106	\$0.0052	\$0.55		
Rural Rate Protection	kWh	105	\$0.0013	\$0.14	106	\$0.0013	\$0.14		
Debt Retirement Charge	kWh	100	\$0.0070	\$0.70	100	\$0.0070	\$0.70		
<b>TOTAL BILL</b>				<b>\$20.28</b>			<b>\$20.11</b>	<b>(\$0.17)</b>	<b>(0.8%)</b>
† Delivery Only				\$12.88			\$12.68	(\$0.20)	(1.6%)

## F8 Customer Bill Impact Analysis

RPP rates per sheet Y7

### Unmetered Scattered Load

RPP: Non-res.

250 kWh's

	Metric	2009 BILL			2010 BILL			CHANGE IMPACT	
		Volume	Rate	Charge	Volume	Rate	Charge	\$	%
† Monthly Service Charge				\$8.92			\$8.87	(\$0.05)	(0.6%)
† Distribution	kWh	250	\$0.0309	\$7.73	250	\$0.0307	\$7.68	(\$0.05)	(0.6%)
<b>Sub-Total (Distribution)</b>				<b>\$16.65</b>			<b>\$16.55</b>	<b>(\$0.10)</b>	<b>(0.6%)</b>
† Deferral/Variance	kWh	250			250	(\$0.0024)	(\$0.60)	(\$0.60)	
Electricity (Commodity)	kWh	264	RPP-Non-res.	\$15.03	265	RPP-Non-res.	\$15.11	\$0.08	0.5%
† Transmission - Network	kWh	264	\$0.0043	\$1.13	265	\$0.0045	\$1.19	\$0.06	5.3%
† Transmission - Connection	kWh	264	\$0.0040	\$1.05	265	\$0.0047	\$1.25	\$0.20	19.0%
Wholesale Market Service	kWh	264	\$0.0052	\$1.37	265	\$0.0052	\$1.38	\$0.01	0.7%
Rural Rate Protection	kWh	264	\$0.0013	\$0.34	265	\$0.0013	\$0.34		
Debt Retirement Charge	kWh	250	\$0.0070	\$1.75	250	\$0.0070	\$1.75		
<b>TOTAL BILL</b>				<b>\$37.32</b>			<b>\$36.97</b>	<b>(\$0.35)</b>	<b>(0.9%)</b>
† Delivery Only				\$18.83			\$18.39	(\$0.44)	(2.3%)

## F8 Customer Bill Impact Analysis

RPP rates per sheet Y7

### Sentinel Lighting

RPP: Non-res.

190 kWh's		2009 BILL			2010 BILL			CHANGE IMPACT	
0.55 kW's		Volume	Rate	Charge	Volume	Rate	Charge		%
	Metric								
†	Monthly Service Charge	1.93	\$0.72	\$1.39			\$2.12	\$0.73	52.2%
†	Distribution	0.55	\$4.5442	\$2.50	0.55	\$6.8996	\$3.79	\$1.30	51.8%
	<b>Sub-Total (Distribution)</b>			<b>\$3.89</b>			<b>\$5.91</b>	<b>\$2.02</b>	<b>52.0%</b>
†	Deferral/Variance	0.55			0.55	(\$1.1028)	(\$0.61)	(\$0.61)	
	Electricity (Commodity)	200	RPP-Non-res.	\$11.42	201	RPP-Non-res.	\$11.48	\$0.06	0.5%
†	Transmission - Network	0.55	\$1.3484	\$0.74	0.55	\$1.3956	\$0.77	\$0.03	4.1%
†	Transmission - Connection	0.55	\$1.2280	\$0.68	0.55	\$1.4412	\$0.79	\$0.11	16.2%
	Wholesale Market Service	200	\$0.0052	\$1.04	201	\$0.0052	\$1.05	\$0.01	1.0%
	Rural Rate Protection	200	\$0.0013	\$0.26	201	\$0.0013	\$0.26		
	Debt Retirement Charge	190	\$0.0070	\$1.33	190	\$0.0070	\$1.33		
	<b>TOTAL BILL</b>			<b>\$19.36</b>			<b>\$20.98</b>	<b>\$1.62</b>	<b>8.4%</b>
†	Delivery Only			\$5.31			\$6.86	\$1.55	29.2%

## F8 Customer Bill Impact Analysis

RPP rates per sheet Y7

### Sentinel Lighting

RPP: Non-res.

250 kWh's 0.55 kW's	Metric	2009 BILL			2010 BILL			CHANGE IMPACT	
		Volume	Rate	Charge	Volume	Rate	Charge		%
† Monthly Service Charge		1.93	\$0.72	\$0.72			\$2.12	\$1.40	>100%
† Distribution	kW	0.55	\$4.5442	\$2.50	1	\$6.8996	\$3.79	\$1.30	51.8%
<b>Sub-Total (Distribution)</b>				<b>\$3.22</b>			<b>\$5.91</b>	<b>\$2.70</b>	<b>83.7%</b>
† Deferral/Variance	kW	0.55			1	(\$1.1028)	(\$0.61)	(\$0.61)	
Electricity (Commodity)	kWh	264	RPP-Non-res.	\$15.03	265	RPP-Non-res.	\$15.11	\$0.08	0.5%
† Transmission - Network	kW	0.55	\$1.3484	\$0.74	1	\$1.3956	\$0.77	\$0.03	4.1%
† Transmission - Connection	kW	0.55	\$1.2280	\$0.68	1	\$1.4412	\$0.79	\$0.11	16.2%
Wholesale Market Service	kWh	264	\$0.0052	\$1.37	265	\$0.0052	\$1.38	\$0.01	0.7%
Rural Rate Protection	kWh	264	\$0.0013	\$0.34	265	\$0.0013	\$0.34		
Debt Retirement Charge	kWh	250	\$0.0070	\$1.75	250	\$0.0070	\$1.75		
<b>TOTAL BILL</b>				<b>\$23.13</b>			<b>\$25.44</b>	<b>\$2.32</b>	<b>10.0%</b>
† Delivery Only				\$4.64			\$6.86	\$2.23	48.0%



## F8 Customer Bill Impact Analysis

RPP rates per sheet Y7

### Street Lighting

### RPP: Non-res.

190 kWh's 0.55 kW's	Metric	2009 BILL			2010 BILL			CHANGE IMPACT	
		Volume	Rate	Charge	Volume	Rate	Charge		%
† Monthly Service Charge		2.91	\$0.38	\$1.10			\$1.78	\$0.68	61.2%
† Distribution	kW	0.55	\$3.4074	\$1.87	0.55	\$5.4817	\$3.01	\$1.14	60.9%
<b>Sub-Total (Distribution)</b>				<b>\$2.98</b>			<b>\$4.79</b>	<b>\$1.82</b>	<b>61.0%</b>
† Deferral/Variance	kW	0.55			0.55	(\$0.6122)	(\$0.34)	(\$0.34)	
Electricity (Commodity)	kWh	200	RPP-Non-res.	\$11.42	201	RPP-Non-res.	\$11.48	\$0.06	0.5%
† Transmission - Network	kW	0.55	\$1.3296	\$0.73	0.55	\$1.3761	\$0.76	\$0.03	4.1%
† Transmission - Connection	kW	0.55	\$1.2202	\$0.67	0.55	\$1.4320	\$0.79	\$0.12	17.9%
Wholesale Market Service	kWh	200	\$0.0052	\$1.04	201	\$0.0052	\$1.05	\$0.01	1.0%
Rural Rate Protection	kWh	200	\$0.0013	\$0.26	201	\$0.0013	\$0.26		
Debt Retirement Charge	kWh	190	\$0.0070	\$1.33	190	\$0.0070	\$1.33		
<b>TOTAL BILL</b>				<b>\$18.43</b>			<b>\$20.12</b>	<b>\$1.70</b>	<b>9.2%</b>
† Delivery Only				\$4.38			\$6.00	\$1.63	37.1%

## F8 Customer Bill Impact Analysis

RPP rates per sheet Y7

### Street Lighting

RPP: Non-res.

250 kWh's 0.55 kW's	Metric	2009 BILL			2010 BILL			CHANGE IMPACT	
		Volume	Rate	Charge	Volume	Rate	Charge		%
† Monthly Service Charge		2.91	\$0.38	\$1.10			\$1.78	\$0.68	61.2%
† Distribution	kW	0.55	\$3.4074	\$1.87	1	\$5.4817	\$3.01	\$1.14	60.9%
<b>Sub-Total (Distribution)</b>				<b>\$2.98</b>			<b>\$4.79</b>	<b>\$1.82</b>	<b>61.0%</b>
† Deferral/Variance	kW	0.55			1	(\$0.6122)	(\$0.34)	(\$0.34)	
Electricity (Commodity)	kWh	264	RPP-Non-res.	\$15.03	265	RPP-Non-res.	\$15.11	\$0.08	0.5%
† Transmission - Network	kW	0.55	\$1.3296	\$0.73	1	\$1.3761	\$0.76	\$0.03	4.1%
† Transmission - Connection	kW	0.55	\$1.2202	\$0.67	1	\$1.4320	\$0.79	\$0.12	17.9%
Wholesale Market Service	kWh	264	\$0.0052	\$1.37	265	\$0.0052	\$1.38	\$0.01	0.7%
Rural Rate Protection	kWh	264	\$0.0013	\$0.34	265	\$0.0013	\$0.34		
Debt Retirement Charge	kWh	250	\$0.0070	\$1.75	250	\$0.0070	\$1.75		
<b>TOTAL BILL</b>				<b>\$22.87</b>			<b>\$24.58</b>	<b>\$1.72</b>	<b>7.5%</b>
† Delivery Only				\$4.38			\$6.00	\$1.63	37.1%