



Energizing Our Community

Telephone: (705) 326-7315
Fax: (705) 326-0800

February 8, 2010

Ms. Kirsten Walli, Board Secretary
Ontario Energy Board
P.O. Box 2319, 27th Floor
2300 Yonge Street
Toronto, Ontario M4P 1E4

Dear Ms. Walli:

**Re: Orillia Power Distribution Corporation
Settlement Proposal (Board File No: EB-2009-0273)**

Pursuant to Procedural Order No. 3 in the above noted matter, enclosed please find the Settlement Proposal and its associated Schedule of Appendices.

Respectfully,

John F. Mattinson P. Eng.
President & Secretary
Orillia Power Distribution Corporation





Energizing Our Community

ORILLIA POWER
DISTRIBUTION CORPORATION
Settlement Proposal

Filed with the Board: February 8, 2010

EB-2009-0273

RE: ORILLIA POWER APPLICATION FOR APPROVAL OF CHANGES TO ELECTRICITY DISTRIBUTION RATES

EFFECTIVE MAY 1, 2010

ORILLIA POWER DISTRIBUTION CORPORATION
Distribution Rate Application
EB-2009-0273
Settlement Proposal
Filed: February 8, 2010

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ORILLIA POWER DISTRIBUTION CORPORATION
Distribution Rate Application
EB-2009-0273
Settlement Proposal
Filed: February 8, 2010

This Settlement Proposal (“Proposal”) is for the consideration of the Ontario Energy Board (the “Board”) in its determination of the Orillia Power Distribution Corporation’s (“Orillia Power”) 2010 distribution rates application (EB-2009-0273).

There was a complete settlement of all issues raised in the proceeding.

I Background

Orillia Power filed an application (EB-2009-0273) with the Board on September 16, 2009 under section 78 of the *Ontario Energy Board Act, 1998* (the “Act”) seeking approval for changes to electricity distribution rates and other charges, to be effective May 1, 2010.

Procedural Order No. 1 (“PO1”), dated November 2, 2009, determined that both the School Energy Coalition and the Vulnerable Energy Consumers Coalition were to be granted intervenor status. It also noted that the intention of the Board was to proceed with a written hearing. PO1 ordered that interrogatory questions were to be filed by November 16, 2009 with Orillia Power responses due by December 2, 2009. Orillia Power filed its responses on December 2, 2009.

Procedural Order No. 2 (“PO2”), dated December 17, 2009, required that a Settlement Conference (the “Conference”) be held at the Board’s offices on January 18 & 19, 2010. The timing of the Conference, as outlined in PO2, was such that it followed the deadline for submission of the second round of interrogatory responses by Orillia Power on January 11, 2010. Orillia Power filed its responses on January 11, 2010.

This Proposal is supported by all of the evidence previously filed as noted above in EB-2009-0273 and by additional evidence provided within this agreement and attached appendices.

II Settlement Conference

The Settlement Conference was held in one of the board's hearing rooms on January 18, 2010, in accordance with the Board's *Settlement Conference Guidelines*. Mr. Chris Haussmann was the facilitator. The Conference was successfully concluded the same day with all outstanding issues settled. Orillia Power, the following intervenors and the Board's technical staff ("Board Staff") participated in all of the Conference:

- School Energy Coalition ("SEC")
- Vulnerable Energy Consumers Coalition ("VECC")
- Orillia Power Distribution Corporation ("Orillia Power")

The role adopted by Board Staff is set out on page 5 of the Board's Settlement Conference Guidelines. Board Staff, who participated in the Conference, while not a party to this agreement, are bound by the same confidentiality standards that apply to all other parties of this proceeding.

All parties (the "Parties") participated in the negotiation of the issues. The Parties are in complete support of the Proposal outlined in this document. There are no issues remaining unsettled.

Orillia Power notes its appreciation to all of the Parties who exhibited professionalism and a willingness to work through the issues throughout this entire rates process culminating with this Settlement Proposal. Orillia Power is of the view that the results of the efforts put forth by the Parties, and which are outlined in this document, demonstrate a successful outcome which is in the public interest.

III Settlement Proposal

All issues dealt with in this settlement proposal have been completely settled. It is acknowledged and agreed that none of the completely settled provisions of this Agreement is severable. If the Board does not accept the Agreement in its entirety, then there is no Agreement (unless the Parties agree that the portion of the Agreement that the Board does accept may continue as a valid agreement).

It is further acknowledged and agreed that none of the Parties will withdraw from this Agreement under any circumstances, except as provided under Rule 32.05 of the

Board's Rules of Practice and Procedure. It is also agreed that this Agreement is without prejudice to any of the Parties re-examining these issues in any subsequent proceeding and taking positions inconsistent with the resolution of these issues in this Agreement. None of the Parties will in any subsequent proceeding take the position that the resolution therein of any issue settled in this Agreement, if contrary to the terms of this Agreement, should be applicable for all or any part of the 2010 Test Year.

The Parties agree that all positions, information, documents, negotiations, and discussions of any kind whatsoever which took place or were exchanged during the Settlement Conference are strictly confidential, without prejudice and inadmissible unless relevant to the resolution of any ambiguity that subsequently arises with respect to the interpretation of any provisions of this Agreement, all as set forth in the Board's *Settlement Conference Guidelines*.

IV Statement of Settlement Proposal by Issue

The evidence supporting this Proposal on each issue is set out in each section of the Agreement. The Appendices to the Agreement provide further evidentiary support. The Parties agree that these documents form part of the record in **EB-2009-0273**.

V Overview

In support of the need for adjusted distribution rates, Orillia Power has demonstrated that its forecast 2010 Test Year costs to provide electricity distribution service to its customers are reasonable. The rate adjustments arising from this Agreement will allow Orillia Power to make the necessary investments to serve customers, maintain the integrity of the distribution system, maintain and improve the quality of its service and meet all compliance requirements during 2010. The resulting rates are just and reasonable.

Orillia Power's proposed rates and charges effective May 1, 2010 are summarized in Appendix A to this agreement. An overview summary of customer rate impacts resulting from this proposed settlement is attached as Appendix B.

The Parties believe that they have reached an agreement that:

- 1 Protects the interests of consumers with respect to prices and the adequacy, reliability and quality of electricity service;
- 2 Promotes economic efficiency and cost effectiveness in the distribution of electricity and facilitates the maintenance of the financial viability of Orillia Power;

It should be noted that Orillia Power has filed a budget for the Test Year that numerically formalizes their intention of how they would achieve these goals. However, as is always the case with forward test year cost of service cases, the actual decisions as to how to allocate resources, and in what areas to spend the agreed-upon capital and OM&A, are ones that are made by the utility during the course of the year.

The **revenue deficiency** for the 2010 Test Year, which the Parties have agreed to, is **\$900,000**. This is calculated as the difference between distribution revenue at current rates of \$6,202,400 and Orillia Power's agreed Base Revenue Requirement of \$7,102,400. Orillia Power's calculation of revenue deficiency is included as Appendix E and while the calculation of base revenue requirement is included as Appendix H.

The following table illustrates the impact of the change in rates on a typical residential and small general service customer as originally filed in Orillia Power's application and the impacts that would result from the Proposal.

RATE INCREASES PROPOSED FOR TYPICAL RESIDENTIAL AND SMALL GENERAL SERVICE CUSTOMERS

RATE INCREASES PROPOSED FOR TYPICAL RESIDENTIAL AND SMALL GENERAL SERVICE CUSTOMERS - From Filed to Settlement Conference Agreement	2010 Rate Application AS FILED	2010 Rate Application SETTLEMENT	CHANGES FROM FILED TO SETTLEMENT
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INCREASE IN TOTAL BILL

Residential - 800 kWh per month	\$3.82	\$2.77	(\$1.05)
General Service Less Than 50 kW - 2000 kWh per month	\$10.25	\$8.05	(\$2.20)

% INCREASE IN TOTAL BILL

Residential - 800 kWh per month	4.3%	3.1%	-1.2%
General Service Less Than 50 kW - 2000 kWh per month	4.5%	3.5%	-1.0%

VI Summary of Significant Changes in this Agreement from EDR Application

The table below highlights significant changes reflected in the Agreement.

SUMMARY OF KEY RATEMAKING COMPONENTS - FROM APPLICATION TO SETTLEMENT

KEY RATEMAKING COMPONENTS - From Filed to Settlement Conference Agreement	2010 Rate Application AS FILED	2010 Rate Application SETTLEMENT	CHANGES FROM FILED TO SETTLEMENT
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EXHIBIT 2 - RATE BASE			
Rate Base	20,743,200	20,805,800	62,600
Working Capital Allowance	4,211,700	4,253,600	41,900
Capital Expenditures	1,714,000	1,714,000	-

EXHIBIT 3 - REVENUES			
Base Revenue Requirement	7,116,900	7,102,400	(14,500)
Other Revenue	541,300	541,300	-
Total Revenue Requirement	7,658,200	7,643,700	(14,500)
Load Forecast - kWh billed	311,571,133	316,000,000	4,428,867
Load Forecast - kW billed	405,186	412,649	7,463

EXHIBIT 4 - OPERATING COSTS			
OM&A Expenses	4,346,000	4,346,000	-
Amortization Expenses	1,449,000	1,407,700	(41,300)
PILs	302,400	339,300	36,900
Effective Tax Rate	29.2%	28.8%	-0.4%

EXHIBIT 5 - COST OF CAPITAL			
Long-Term Debt - Effective Rate	7.62%	6.25%	-1.37%
Short-Term Debt - Effective Rate	1.33%	1.33%	0.00%
Total Debt - Weighted Effective Rate	7.20%	5.92%	-1.28%
Equity - Effective Rate	8.01%	9.75%	1.74%

EXHIBIT 6 - REVENUE DEFICIENCY			
Utility Net Earnings - Proposed Rates	664,600	811,400	146,800
Utility Net Earnings - Assuming Existing Rates Maintained	(6,600)	186,800	193,400
Revenue Deficiency After Tax - Assuming Existing Rates Maintained	671,200	624,600	(46,600)
Revenue Deficiency Before Tax - Assuming Existing Rates Maintained	955,200	900,000	(55,200)

Throughout this Proposal, Orillia Power agrees to certain changes from its initial 2010 Cost of Service EDR Application, received by the Board on September 16, 2009. In conjunction with the above table, a brief summary of the key highlights follows:

Rate Base: The Parties agreed that the level of capital expenditures reflected in the rate application submitted was appropriate. Changes in the rate base from application to settlement reflect increased working capital allowance due to an increase in cost of power as a result of the higher load forecast as well as an adjustment for accumulated depreciation due to a revision to 2010 depreciation expense. Orillia Power's calculation of rate base is included as Appendix F.

Load Forecast: The Parties agreed to modify the load forecast to reflect more recent information as outlined in Appendix C. Compared to the originally filed information, the updated information projected the same number of customers, 1.4% more consumption at 316,000,000 kWh, and 1.8% more demand at 412,649 kW.

Total Loss Factor: The Parties agreed to reduce the Total Loss Factor from 1.0593 to 1.0561 in order to more properly reflect the experience of 2008 as opposed to a three year average for the supply facility loss factor component.

PILs Forecast: The Settlement Proposal reflects an effective tax rate of 28.8% instead of 29.2% included in the original application. There was substantial consultation with Board Staff in order to arrive at and reflect the Board's PILs methodology. Tax calculations are reflected in Appendix D.

Deemed Return on Equity: The Parties have agreed that the Return on Equity (ROE) will be the amount emanating from the Board's Cost of Capital Report. The current rate is 9.75%. Should this rate change prior to receiving final rate approval, Orillia Power will accept that changed rate as its deemed return on equity rate and the revenue requirement will be adjusted accordingly.

Deemed Return on Debt: As a result of the Cost of Capital Report, the Parties agreed that the deemed long term debt rate should be modified from 7.62% to the rate currently paid of 6.25%. Orillia Power accepts the short term debt rate of 1.33% as part of the settlement proposal.

Deemed returns from application to settlement are summarized in Appendix G. The effect of all the changes in the equity and debt return rates was to decrease the weighted Regulated Rate of Return from 7.52% to 7.45%. Total Regulated Return on Capital changed from \$1,560,800 (application) to \$1,550,700 (settlement).

The results of moving from the original application to the Proposal can be seen in the summaries of rate changes (Appendix I) and the bill impact comparisons (Appendix J). Detailed monthly bill impacts moving from existing approved rates to the rates put forth in this proposal are outlined in Appendix K.

VII Settlement Proposal Terms by Issue

The Parties believe that the Proposal results in a balanced proposal that protects the interests of consumers, promotes economic efficiency and cost effectiveness while at the same time protecting the financial viability of Orillia Power.

The following pages summarize the Settlement Proposal.

1. ADMINISTRATION (Exhibit 1)

Has Orillia responded appropriately to all relevant Board directions from previous proceedings?

Status: Complete Settlement

Supporting Parties: Orillia Power, SEC & VECC

Evidence: Not Applicable

The Parties accept the evidence of Orillia that there are no outstanding Orillia obligations arising from previous proceedings.

2. RATE BASE (Exhibit 2)

(a) Are Orillia's asset condition, economic and business planning assumptions appropriate?

Status: Complete Settlement

Supporting Parties: Orillia Power, SEC & VECC

Evidence: Exhibit 1, Tab 2, Schedule 2
 Exhibit 2, Tab 4, Schedule 1
 Exhibit 2, Tab 4, Schedule 3
 Exhibit 4, Tab 1, Schedule 1

For the purpose of achieving settlement of all of the issues, the Parties accept Orillia's asset condition, economic and business planning assumptions as reasonable and appropriate.

2. RATE BASE (Exhibit 2)

(b) Are the amounts proposed for the Rate Base appropriate?

Status: Complete Settlement

Supporting Parties: Orillia Power, SEC & VECC

Evidence: Exhibit 2, Tab 1, Schedule 1
Appendix F to this agreement

The Parties agreed that the level of capital expenditures reflected in the rate application submitted was appropriate. Changes in the rate base from application to settlement reflect increased working capital allowance due to an increase in cost of power as a result of the higher load forecast and an adjustment for accumulated depreciation to reflect the half year rule on additions. Orillia Power's calculation of rate base is included as Appendix F.

2. RATE BASE (Exhibit 2)

(c) Has the Working Capital Allowance been determined appropriately?

Status: Complete Settlement

Supporting Parties: Orillia Power, SEC & VECC

Evidence: Exhibit 2, Tab 3, Schedule 1
 Exhibit 2, Tab 3, Schedule 2
 Appendix C to this agreement

Changes in the working capital allowance from application to settlement reflect increased working capital allowance due to a change in cost of power as a result of increasing the load forecast. The purchase of these additional kWh resulted in an increase to cost of power of \$279,000.

2. RATE BASE (Exhibit 2)

(d) Are the amounts proposed for Capital Expenditures appropriate?

Status: Complete Settlement

Supporting Parties: Orillia Power, SEC & VECC

Evidence: Exhibit 2, Tab 4, Schedule 1
 Board Staff IRR # 12
 VECC IRR # 3
 VECC IRR # 5
 VECC IRR Supplementary # 28

The Parties agree that Orillia Power's proposal for capital expenditures is appropriate as described in the above schedule.

3. OPERATING REVENUE (Exhibit 3)

(a) Is the load forecast and methodology (including weather normalization) appropriate?

Status: Complete Settlement

Supporting Parties: Orillia Power, SEC & VECC

Evidence: Exhibit 3, Tab 1
 Board Staff IRR # 14
 VECC IRR # 10
 VECC IRR # 11
 VECC IRR # 33
 Appendix C in this agreement

The Parties agree to an updated load forecast including the impact of conservation and demand management. The updated load forecast is based on the original forecast with modifications for recent information on the current production capabilities of load displacement (embedded) generation and a slightly more optimistic economic outlook than had been anticipated in the application.

Appendix C compares forecast from application to settlement and shows that the billed load forecast was increased by 4,428,867 kWh and 7,463 kw to reflect information known to date of the settlement conference.

3. OPERATING REVENUE (Exhibit 3)

(b) Are the proposed Loss Factors appropriate for conversion from purchased power to billed power? (Also Exh.8)

Status: Complete Settlement

Supporting Parties: Orillia Power, SEC & VECC

Evidence: Exhibit 3, Tab 1, Schedule 3
 Exhibit 8, Tab 4, Schedule 1
 Board Staff IRR # 43
 Appendix C in this agreement

The Parties agree that the total loss factor should be decreased from 1.0593 to 1.0561. The reduction reflects a more refined estimate of the portion of the loss factor related to supply. It is expected that the 2008 figure of 1.0218 is more representative of the supply loss factor that should be experienced going forward instead of the three year average of 1.0249.

3. OPERATING REVENUE (Exhibit 3)

(c) Is the calculation of the proposed Revenue Requirement appropriate?

Status: Complete Settlement

Supporting Parties: Orillia Power, SEC & VECC

Evidence: Exhibit 1, Tab 2, Schedule 6
 Exhibit 2, Tab 1, Schedule 1
 Exhibit 3, Tab 3, Schedule 1
 Exhibit 4, Tab 2, Schedule 1
 Exhibit 6, Tab 1, Schedule 1
 Appendices E, F, G & H of this agreement

Appendices E, F, G & H outline the change in the key components of the revenue requirement from the application to the Proposal.

3. OPERATING REVENUE (Exhibit 3)

(d) Is the proposed amount for Other Revenue appropriate?

Status: Complete Settlement

Supporting Parties: Orillia Power, SEC & VECC

Evidence: Exhibit 3, Tab 3, Schedule 1
 Exhibit 3, Tab 3, Schedule 3
 VECC IRR # 13

The Parties agree that the proposed amount for Other Revenue as described in the above Schedules is appropriate.

3. OPERATING REVENUE (Exhibit 3)

(e) Is the revenue from the Specific Service Charges appropriate?

Status: Complete Settlement

Supporting Parties: Orillia Power, SEC & VECC

Evidence: Exhibit 1, Tab 1, Schedule 1 Table 1-1 Part 2
 Exhibit 3, Tab 3, Schedule 3
 Exhibit 6, Tab 1, Schedule 1 Table 6-1
 Exhibit 8, Tab 5, Schedule 2 Table 8-17 Part 2

Orillia Power is not proposing changes to approved Specific Service Charges in this rate application. The Parties agree that the existing Specific Service Charges are appropriate.

4. OPERATING COSTS (Exhibit 4)

(a) Are the overall levels of OM&A budgets appropriate?

Status: Complete Settlement

Supporting Parties: Orillia Power, SEC & VECC

Evidence: Exhibit 4, Tab 1, Schedule 1
 Exhibit 4, Tab 2, Schedule 1
 Board Staff IRR # 23
 Board IRR Supplementary # 7

Orillia Power's original rate application included a forecast for 2010 operations, maintenance and administration expenses (OM&A) of \$4,346,000. The Parties have agreed that OM&A should be maintained at that level.

The Ontario provincial sales tax ("PST") (currently at 8%) and the Federal goods and services tax ("GST") (currently at 5%) will be harmonized effective July 1, 2010, at 13%, pursuant to Ontario Bill 218 which received Royal Assent on December 15, 2009. The PST is currently an incremental cost applied to the price of most goods and certain services purchased by an electricity distributor and is included in a distributor's OM&A expenses and capital expenditures. The PST is therefore included in the distributor's revenue requirement and is recovered from ratepayers through the application of distribution rates.

When the PST and GST are harmonized, distributors will pay the HST on purchased goods and services but will be eligible to claim an input tax credit for the PST portion. The mechanics of HST as a value added tax means that the distributor will no longer incur that portion of the tax that was formerly applied as PST (i.e. the 8%). However, the current rates as applied will continue to affect cost recovery as if the PST were still in place. If no action is taken, the distributor will realize a savings in the cost of goods purchased while applying rates which do not reflect those savings.

In order to quantify the potential savings the Parties agree that Orillia should establish a deferral account to record the amounts, after July 1, 2010 and until Orillia Power's next cost-of-service rebasing application, that were formerly incorporated as the 8% PST on capital expenditures and expenses incurred, but which will now be eligible for an HST Input Tax Credit ("ITC").

The intention of this account would be to track the incremental change due to the introduction of the HST that incorporates an ITC from the 5% to the 13% level. To qualify for this treatment, the cost of the subject items must be in the category of distribution revenue requirement or "non pass through" expenditures. For example, cost of power and all other upstream charges applied to Orillia Power by the IESO and/or Hydro One are excluded from this calculation.

Tracking of these amounts would continue in the deferral account until Orillia Power's next cost of service application is determined by the Board or until the Board provides guidance on this matter, whichever occurs first. Orillia Power would apply to clear the balance in the account as a credit to customers at the next opportunity for a cost of service rate change.

The parties have agreed to a deferral account, as they feel it will result in the most accurate and realistic value of tax embedded within the actual OM&A and capital expenditures, thereby resulting in the fairest treatment of Orillia's customers. In practice, this treatment effects a refund to the ratepayer of the incremental ITC.

The parties understand that as of the date of the filing of this settlement agreement, the Board has not established a deferral account to address the introduction of the HST for any rate regulated distributor. Parties recognize that if the Board establishes an HST account on a generic basis, the Board will likely provide specific directions on the accounting guidelines to be followed with regard to the HST account ("HST guidelines"). If the Board does so, the parties understand that the Board's HST guidelines will supersede the methodology noted above.

4. OPERATING COSTS (Exhibit 4)

(b) Are the proposed Purchased / Shared Services (including methodologies and Service Agreements) appropriate?

Status: Complete Settlement

Supporting Parties: Orillia Power, SEC & VECC

Evidence: Exhibit 4, Tab 5, Schedule 1
 Exhibit 4, Tab 6, Schedule 1
 Board Staff IRR # 34
 Exhibit 1, Appendix 1-E

Orillia Power described its Shared Services and Corporate Cost Allocation methodologies in Exhibit 4, Tab 5, Schedule 1 and its Purchasing Policies for Non-Affiliates in Exhibit 4, Tab 6, Schedule 1. The Parties agree that the proposed Purchased / Shared Services (including methodologies and Service Agreements) are appropriate.

4. OPERATING COSTS (Exhibit 4)

(c) Are the Staffing Resources and related costs appropriate?

Status: Complete Settlement

Supporting Parties: Orillia Power, SEC & VECC

Evidence: Exhibit 4, Tab 1, Schedule 1
 Exhibit 4, Tab 2, Schedule 1
 Exhibit 4, Tab 4, Schedule 4
 Board Staff IRR # 26
 Board Staff IRR # 30
 Board Staff IRR # 31
 SEC IRR # 7
 VECC IRR # 8
 Board Staff IRR Supplementary # 4

The Parties agree that the Staffing Resources and related costs contemplated in this rate application are appropriate.

4. OPERATING COSTS (Exhibit 4)

(d) Is Orillia's depreciation policy and expenses appropriate?

Status: Complete Settlement

Supporting Parties: Orillia Power, SEC & VECC

Evidence: Exhibit 4, Tab 7, Schedule 1
 Exhibit 4, Tab 7, Schedule 2
 Board Staff IRR # 35 (c) and # 35 (d)

Orillia Power's application included provision for a full year of depreciation expense on the 2010 capital expenditure additions in the determination of revenue requirement as well as the rationale for doing so. As the result of discussions as to the merits of the policy with Board Staff and subsequently with the Parties at the Settlement Conference, the Parties agreed that Orillia Power should reflect the half year rule adjustment in the determination of its 2010 depreciation calculation and revenue requirement.

The Parties have agreed as part of the overall Proposal that test year revenue requirement shall be adjusted downwards to reflect the calculation made in response to Board Staff IRR Questions # 35 (d). That results in a reduction to 2010 depreciation expense of \$41,300.

4. OPERATING COSTS (Exhibit 4)

(e) Is the Payment in Lieu of Taxes (including methodology) appropriate?

Status: Complete Settlement

Supporting Parties: Orillia Power, SEC & VECC

Evidence: Exhibit 4, Tab 8, Schedules 1 & 2
 Board Staff IRR # 36
 Board Staff IRR Supplementary # 6
 OPDC's letter on January 14, 2010 correcting an error in its
 response to IR Supplementary # 6
 Appendix D to this agreement

The settlement proposal reflects an effective tax rate of 28.8% instead of 29.2% as included in the original application. There was substantial consultation with Board Staff in order to arrive at and reflect the Board's PILs methodology based on current tax rates. Changes in tax calculations from the original application to the Proposal are reflected in Appendix D.

5. COST OF CAPITAL AND CAPITAL STRUCTURE (Exhibit 5)

(a) Are the proposed Capital Structure and Rate of Return on Equity appropriate?

Status: Complete Settlement

Supporting Parties: Orillia Power, SEC & VECC

Evidence: Exhibit 5, Tab 1, Schedule 1
 Exhibit 5, Tab 1, Schedule 2
 Board Cost of Capital Report (EB-2009-0084)

There were no issues around the proposed capital structure.

The Parties agreed that the Return on Equity (ROE) resulting from the application of the methodology set out in the Board's Cost of Capital Report (EB-200900084) will apply to OPDC. That rate is currently 9.75%. However, in the event the applicable rate changes prior to receiving final rate approval, Orillia Power will accept that changed rate as our allowed return on equity rate and the revenue requirement will be adjusted accordingly.

SEC and VECC's agreement on this issue is specific to OPDC and, in addition, is in consideration of the parties' agreement on all issues set out in this Settlement Proposal. It is agreed that SEC and VECC reserve the right to consider issues surrounding the return on equity rate in future proceedings.

5. COST OF CAPITAL AND CAPITAL STRUCTURE (Exhibit 5)

(b) Is the proposed Return on Debt appropriate?

Status: Complete Settlement

Supporting Parties: Orillia Power, SEC & VECC

Evidence: Exhibit 5, Tab 1, Schedule 2
 Board Staff IRR # 37
 SEC IRR # 9
 Board Cost of Capital Report (EB-2009-0084)

The Parties agree that the existing interest rate for long term affiliate debt of 6.25% should be used in the determination of revenue requirement. This rate is lower than the current deemed debt rate of 7.62% as filed in the application.

The Parties agree to use the short term debt rate as filed in the application currently at 1.33%

6. CALCULATION OF REVENUE DEFICIENCY (Exhibit 6)

Is the calculation of Revenue Deficiency appropriate?

Status: Complete Settlement

Supporting Parties: Orillia Power, SEC & VECC

Evidence: Exhibit 6, Tab 1, Schedule 1
 Appendix E to this agreement

The Parties agree that the calculation of Revenue Deficiency is appropriate and reflects the changes agreed to during the settlement process.

7. COST ALLOCATION (Exhibit 7)

(a) Is Orillia's cost allocation appropriate?

Status: Complete Settlement

Supporting Parties: Orillia Power, SEC & VECC

Evidence: Exhibit 7, Tab 1, Schedule 1
 Exhibit 5, Tab 1, Schedule 2
 VECC IRR # 19

Orillia Power provided its cost allocation model to all Parties as part of its rate application filing. The Parties are satisfied that Orillia's cost allocation is appropriate.

7. COST ALLOCATION (Exhibit 7)

(b) Are the proposed revenue-to-cost ratios appropriate?

Status: Complete Settlement

Supporting Parties: Orillia Power, SEC & VECC

Evidence: Exhibit 7, Tab 1, Schedule 3
 VECC IRR # 19
 SEC IRR # 10

The Parties agreed to the revenue to cost ratios as follows:

PROPOSED REVENUE TO COST RATIOS

REVENUE TO COST RATIOS - From Filed to Settlement Conference Agreement	2010 Rate Application AS FILED	2010 Rate Application SETTLEMENT	CHANGES FROM FILED TO SETTLEMENT
Residential	93.3%	93.2%	-0.1%
GS <50 kW	108.6%	108.7%	0.1%
GS ≥50 kW	125.2%	125.1%	-0.1%
Street Light	45.5%	45.5%	0.0%
Sentinel	74.9%	74.5%	-0.4%
Unmetered Scattered Load	100.0%	120.0%	20.0%

The Parties also agreed that, as part of this proposal, Orillia Power would commit to moving the Street Light revenue to cost ratio to 70% in 2011. In conjunction with this change, Orillia Power will reduce the General Service 50 kW and Over revenue to cost ratio downwards by the appropriate offsetting amount.

8. RATE DESIGN (Exhibit 8)

(a) Are the customer charges and the fixed-variable splits for each class appropriate?

Status: Complete Settlement

Supporting Parties: Orillia Power, SEC & VECC

Evidence: Exhibit 8, Tab 2, Schedule 1
 Exhibit 8, Tab 2, Schedule 2
 Board Staff IRR # 39
 SEC IRR # 11
 VECC IRR # 20
 Appendix I to this agreement

The Parties agreed that the customer charges and fixed variable splits were appropriate as filed in the evidence with two exceptions.

In order to reduce the impact to low volume residential consumers, the Parties agreed to limit the Residential service charge to 100% of the fixed rate determined by the cost allocation model or \$13.45 compared to the rate filed in the application of \$15.41. These rates exclude the \$1.00 per month funding adder for smart meters.

The Parties also agreed to hold the General Service 50 kW and over service charge at the approved rate level of \$338.04 compared to the rate filed in the application of \$375.23.

Appendix I compares all distribution rates as filed in the application to the rates determined as a result of the Proposal.

8. RATE DESIGN (Exhibit 8)

(b) Are Orillia's proposed rates appropriate?

Status: Complete Settlement

Supporting Parties: Orillia Power, SEC & VECC

Evidence: Exhibit 8, Tab 5, Schedule 2
Appendix I to this agreement

The Parties agree that the proposed rates in this Proposal are appropriate.

Appendix I compares all distribution rates as filed in the application to the rates determined as a result of the Proposal.

8. RATE DESIGN (Exhibit 8)

(c) Are the customer bill impacts appropriate?

Status: Complete Settlement

Supporting Parties: Orillia Power, SEC & VECC

Evidence: Exhibit 8, Tab 5, Schedule 3
 Appendix B to this agreement
 Appendix J to this agreement
 Appendix K to this agreement

The Parties agree that the customer bill impacts are appropriate.

Appendix B to this agreement outlines summary rate impacts for major customer classes. Appendix J to this agreement compares changes to bill impacts for the major classes from application to Proposal. Appendix K to this agreement provides detailed customer bill impacts for all major classes that would result upon rates approval.

8. RATE DESIGN (Exhibit 8)

(d) Are the proposed Retail Transmission Service, Wholesale Market and Rural and Remote Rate Protection rates appropriate?

Status: Complete Settlement

Supporting Parties: Orillia Power, SEC & VECC

Evidence: Exhibit 8, Tab 3, Schedule 1
 Board Staff IRR # 42
 VECC IRR # 22

The Parties agree that the proposed Retail Transmission Service, Wholesale Market and Rural and Remote Rate Protection rates are appropriate.

8. RATE DESIGN (Exhibit 8)

(e) Are the Specific Service Charges and the Transformer Allowance appropriate?

Status: Complete Settlement

Supporting Parties: Orillia Power, SEC & VECC

Evidence: Exhibit 8, Tab 5, Schedule 2
 Board Staff IRR # 40

Orillia Power is not proposing changes to either the approved Specific Service Charges or the currently approved Transformer Allowance in this rate application. The Parties agree that the existing Specific Service Charges and Transformer Allowance are appropriate.

8. RATE DESIGN (Exhibit 8)

(f) Is the Smart Meter funding adder appropriate?

Status: Complete Settlement

Supporting Parties: Orillia Power, SEC & VECC

Evidence: Exhibit 8, Tab 5, Schedule 2
 Exhibit 9, Tab 1, Schedule 2
 Board Staff IRR # 49

Orillia Power currently has an approved funding adder of \$1.00 per month per meter. No changes to that rate are requested in this application.

8. RATE DESIGN (Exhibit 8)

(g) Are the proposed Deferral and Variance Account rate riders appropriate (Also Exh.9)

Status: Complete Settlement

Supporting Parties: Orillia Power, SEC & VECC

Evidence: Exhibit 8, Tab 5, Schedule 2
 Exhibit 9, Tab 1, Schedule 2
 Board Staff IRR # 47 (d)
 Board Staff IRR # 48
 Appendix I to this agreement

The Parties agree that the proposed Deferral and Variance Account rate riders are appropriate subject to the changes as outlined in the next question.

DEFERRAL AND VARIANCE ACCOUNTS (Exhibit 9)

Is the proposal for the amounts, disposition and continuance of Orillia's Deferral and Variance accounts appropriate? (Also response to Board staff IR#48 for account 1590)

Status: Complete Settlement

Supporting Parties: Orillia Power, SEC & VECC

Evidence: Exhibit 9, Tab 1, Schedule 1
 Exhibit 9, Tab 1, Schedule 2
 Board Staff IRR # 47 (d)
 Board Staff IRR # 48
 Appendix I to this agreement

The Parties agreed that the methodology established in 47 (d) would be followed by Orillia Power in determining rate riders. The Parties also agreed that Orillia Power should clear the balance in account 1590 as outlined in Board Staff IRR # 48. This clearance is required by the EDDVAR report which states that at the time of a cost of service application, if there is no reason a 1590 account should not be cleared, then it should be cleared.

Appendix I outlines the changes in the rate riders from what had initially been proposed in the application.

SCHEDULE OF APPENDICES

- A** Proposed Rates and Charges Effective May 1, 2010
- B** Summary of Monthly Bill Impact Calculations per Settlement _ Proposed Rates
- C** Load Forecast Comparison (Application vs. Settlement)
- D** Tax Calculations (Application vs. Settlement)
- E** Revenue Deficiency (Application vs. Settlement)
- F** Rate Base (Application vs. Settlement)
- G** Deemed Returns on Debt and Equity (Application vs. Settlement)
- H** Base Revenue Requirement (Application vs. Settlement)
- I** Schedule of Distribution Rates Effective May 1, 2010 (Application vs. Settlement)
- J** Bill Impact Comparison (Application vs. Settlement)
- K** Details of Monthly Bill Impact Calculations per Settlement _ Proposed Rates

Appendix A

Proposed Rates and Charges Effective May 1, 2010

Part 1: SCHEDULE OF PROPOSED RATES AND CHARGES

Description	Metric	Proposed Schedule of Rates and Charges Effective May 1, 2010
RESIDENTIAL		
Service Charge	\$	13.45
Smart Meter Funding Adder	\$	1.00
Distribution Volumetric Rate	\$/kWh	0.0161
Low Voltage Cost Recovery	\$/kWh	0.0006
Regulatory Asset Rider (One Year)	\$/kWh	(0.0021)
Retail Transmission Rate – Network Service Rate	\$/kWh	0.0038
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kWh	0.0035
Wholesale Market Service Rate	\$/kWh	0.0052
Rural Rate Protection Charge	\$/kWh	0.0013
Standard Supply Service – Administrative Charge (if applicable)	\$	0.25
GENERAL SERVICE LESS THAN 50 KW		
Service Charge	\$	35.26
Smart Meter Funding Adder	\$	1.00
Distribution Volumetric Rate	\$/kWh	0.0157
Low Voltage Cost Recovery	\$/kWh	0.0006
Regulatory Asset Rider (One Year)	\$/kWh	(0.0016)
Retail Transmission Rate – Network Service Rate	\$/kWh	0.0033
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kWh	0.0032
Wholesale Market Service Rate	\$/kWh	0.0052
Rural Rate Protection Charge	\$/kWh	0.0013
Standard Supply Service – Administrative Charge (if applicable)	\$	0.25
GENERAL SERVICE 50 to 4,999 KW		
Service Charge	\$	338.04
Smart Meter Funding Adder	\$	1.00
Distribution Volumetric Rate	\$/kW	3.5471
Low Voltage Cost Recovery	\$/kW	0.2230
Regulatory Asset Rider (One Year)	\$/kW	(0.3750)
Retail Transmission Rate – Network Service Rate	\$/kW	1.4236
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kW	1.2955
Wholesale Market Service Rate	\$/kWh	0.0052
Rural Rate Protection Charge	\$/kWh	0.0013
Standard Supply Service – Administrative Charge (if applicable)	\$	0.25
STANDBY POWER - Approved on an Interim Basis		
Distribution Volumetric Rate - \$ per kW of nameplate capacity (per month)	\$/kW	1.0110

Part 1 (continued): SCHEDULE OF PROPOSED RATES AND CHARGES

Description	Metric	Proposed Schedule of Rates and Charges Effective May 1, 2010
UNMETERED SCATTERED LOAD		
Service Charge (per connection)	\$	9.97
Distribution Volumetric Rate	\$/kWh	0.0089
Low Voltage Cost Recovery	\$/kWh	0.0006
Regulatory Asset Rider (One Year)	\$/kWh	(0.0007)
Retail Transmission Rate – Network Service Rate	\$/kWh	0.0033
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kWh	0.0032
Wholesale Market Service Rate	\$/kWh	0.0052
Rural Rate Protection Charge	\$/kWh	0.0013
Standard Supply Service – Administrative Charge (if applicable)	\$	0.25
SENTINEL LIGHTING		
Service Charge (per connection)	\$	3.65
Distribution Volumetric Rate	\$/kW	9.5685
Low Voltage Cost Recovery	\$/kW	0.1698
Regulatory Asset Rider (One Year)	\$/kW	(0.6249)
Retail Transmission Rate – Network Service Rate	\$/kW	1.0541
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kW	0.9862
Wholesale Market Service Rate	\$/kWh	0.0052
Rural Rate Protection Charge	\$/kWh	0.0013
Standard Supply Service – Administrative Charge (if applicable)	\$	0.25
STREET LIGHTING		
Service Charge (per connection)	\$	2.75
Distribution Volumetric Rate	\$/kW	9.1945
Low Voltage Cost Recovery	\$/kW	0.1663
Regulatory Asset Rider (One Year)	\$/kW	0.1061
Retail Transmission Rate – Network Service Rate	\$/kW	1.0487
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kW	0.9659
Wholesale Market Service Rate	\$/kWh	0.0052
Rural Rate Protection Charge	\$/kWh	0.0013
Standard Supply Service – Administrative Charge (if applicable)	\$	0.25

Part 2: SCHEDULE OF PROPOSED SPECIFIC SERVICE CHARGES AND ALLOWANCES

Description	Metric	Proposed Schedule of Rates and Charges Effective May 1, 2010
Customer Administration		
Arrears certificate	\$	15.00
Statement of account	\$	15.00
Easement letter	\$	15.00
Income tax letter	\$	15.00
Account history	\$	15.00
Credit reference/credit check (plus credit agency costs)	\$	15.00
Account set up charge / change of occupancy charge (plus credit agency costs if applicable)	\$	30.00
Returned cheque charge (plus bank charges)	\$	15.00
Legal letter charge	\$	15.00
Special meter reads	\$	30.00
Meter dispute charge plus Measurement Canada fees (if meter found correct)	\$	30.00
Non-Payment of Account		
Late Payment - per month	%	1.50
Late Payment - per annum	%	19.56
Collection of account charge - no disconnection	\$	30.00
Collection of account charge - no disconnection - after regular hours	\$	165.00
Disconnect/Reconnect at meter - during regular hours	\$	65.00
Disconnect/Reconnect at meter - after regular hours	\$	185.00
Disconnect/Reconnect at pole - during regular hours	\$	185.00
Disconnect/Reconnect at pole - after regular hours	\$	415.00
Other		
Install/Remove load control device - during regular hours	\$	65.00
Install/Remove load control device - after regular hours	\$	185.00
Temporary service install & remove - overhead - no transformer	\$	500.00
Temporary service install & remove - underground - no transformer	\$	300.00
Temporary service install & remove - overhead - with transformer	\$	1000.00
Specific Charge for Access to the Power Poles \$/pole/year	\$	22.35
Allowances		
Transformer Allowance for Ownership - per kW of billing demand/month	\$/kW	(0.60)
Primary Metering Allowance -transformer losses - applied to measured demand and energy and energy	%	(1.00)

Part 3: SCHEDULE OF PROPOSED RETAIL SERVICE CHARGES

Description	Metric	Proposed Schedule of Rates and Charges Effective May 1, 2010
Retail Service Charges (if applicable)		
Retail Service Charges refer to services provided by a distributor to retailers or customers related to the supply of competitive electricity		
One-time charge, per retailer, to establish the service agreement between the distributor and the retailer	\$	100.00
Monthly Fixed Charge, per retailer	\$	20.00
Monthly Variable Charge, per customer, per retailer	\$/cust.	0.50
Distributor-consolidated billing charge, per customer, per retailer	\$/cust.	0.30
Retailer-consolidated billing credit, per customer, per retailer	\$/cust.	(0.30)
Service Transaction Requests (STR)		
Request fee, per request, applied to the requesting party	\$	0.25
Processing fee, per request, applied to the requesting party	\$	0.50
Request for customer information as outlined in Section 10.6.3 and Chapter 11 of the Retail Settlement Code directly to retailers and customers, if not delivered electronically through the Electronic Business Transaction (EBT) system, applied to the requesting party		
Up to twice a year		no charge
More than twice a year, per request (plus incremental delivery costs)	\$	2.00

Part 4: SCHEDULE OF PROPOSED LOSS FACTORS

Description	Metric	Proposed Schedule of Rates and Charges Effective May 1, 2010
LOSS FACTORS		
Total Loss Factor - Secondary Metered Customer < 5,000 kW		1.0561
Total Loss Factor - Secondary Metered Customer > 5,000 kW		N/A
Total Loss Factor - Primary Metered Customer < 5,000 kW		1.0455
Total Loss Factor - Primary Metered Customer > 5,000 kW		N/A

Appendix B

Summary of Monthly Bill Impact Calculations per Settlement _ Proposed Rates

SUMMARY Monthly Bill Impact Calculations - Change From May 1, 2009 Approved to May 1, 2010 Proposed Rates

RESIDENTIAL

VOLUMES			Distribution Portion \$\$\$			Total Bill \$\$\$			Percentage Changes		
kWh			2009	2010	Change	2009	2010	Change	Distribution 2009 to 2010	Distribution vs Total 2009	Total Bill 2009 to 2010
100			\$15.62	\$15.91	\$0.29	\$23.48	\$23.90	\$0.42	1.9%	1.2%	1.8%
250			\$17.54	\$18.10	\$0.56	\$37.10	\$38.02	\$0.92	3.2%	1.5%	2.5%
500			\$20.74	\$21.77	\$1.03	\$59.93	\$61.61	\$1.68	5.0%	1.7%	2.8%
800			\$24.58	\$26.16	\$1.58	\$89.34	\$92.11	\$2.77	6.4%	1.8%	3.1%
1,000			\$27.14	\$29.08	\$1.94	\$109.39	\$112.85	\$3.46	7.1%	1.8%	3.2%
1,500			\$33.54	\$36.40	\$2.86	\$159.66	\$164.75	\$5.09	8.5%	1.8%	3.2%
2,000			\$39.94	\$43.72	\$3.78	\$209.84	\$216.66	\$6.82	9.5%	1.8%	3.3%

GENERAL SERVICE LESS THAN 50 KW

VOLUMES			Distribution Portion \$\$\$			Total Bill \$\$\$			Percentage Changes		
kWh			2009	2010	Change	2009	2010	Change	Distribution 2009 to 2010	Distribution vs Total 2009	Total Bill 2009 to 2010
1,000			\$46.19	\$50.95	\$4.76	\$126.26	\$132.52	\$6.26	10.3%	3.8%	5.0%
2,000			\$60.59	\$65.63	\$5.04	\$227.48	\$235.53	\$8.05	8.3%	2.2%	3.5%
3,000			\$74.99	\$80.32	\$5.33	\$328.72	\$338.54	\$9.82	7.1%	1.6%	3.0%
5,000			\$103.79	\$109.70	\$5.91	\$531.15	\$544.66	\$13.51	5.7%	1.1%	2.5%
10,000			\$175.79	\$183.13	\$7.34	\$1,037.27	\$1,059.71	\$22.44	4.2%	0.7%	2.2%
15,000			\$247.79	\$256.57	\$8.78	\$1,543.39	\$1,574.83	\$31.44	3.5%	0.6%	2.0%
20,000			\$319.79	\$330.00	\$10.21	\$2,049.50	\$2,089.88	\$40.38	3.2%	0.5%	2.0%

GENERAL SERVICE 50 KW AND OVER

VOLUMES			Distribution Portion \$\$\$			Total Bill \$\$\$			Percentage Changes		
kWh	Load Factor	Kw	2009	2010	Change	2009	2010	Change	Distribution 2009 to 2010	Distribution vs Total 2009	Total Bill 2009 to 2010
24,000	56%	60	\$543.18	\$542.75	(\$0.43)	\$2,354.54	\$2,382.30	\$27.76	-0.08%	-0.02%	1.18%
40,000	56%	100	\$679.27	\$678.55	(\$0.72)	\$3,698.20	\$3,744.47	\$46.27	-0.11%	-0.02%	1.25%
200,000	56%	500	\$2,040.19	\$2,036.59	(\$3.60)	\$17,134.84	\$17,366.17	\$231.33	-0.18%	-0.02%	1.35%
400,000	56%	1,000	\$3,741.34	\$3,734.15	(\$7.19)	\$33,930.64	\$34,393.31	\$462.67	-0.19%	-0.02%	1.36%
1,000,000	56%	2,500	\$8,844.79	\$8,826.81	(\$17.98)	\$84,318.04	\$85,474.71	\$1,156.67	-0.20%	-0.02%	1.37%
1,250,000	56%	3,100	\$10,886.17	\$10,863.88	(\$22.29)	\$105,159.76	\$106,605.78	\$1,446.02	-0.20%	-0.02%	1.38%
1,600,000	56%	4,000	\$13,948.24	\$13,919.47	(\$28.77)	\$134,705.44	\$136,556.11	\$1,850.67	-0.21%	-0.02%	1.37%

STREET LIGHTING

VOLUMES			Distribution Portion \$\$\$			Total Bill \$\$\$			Percentage Changes		
kWh	Kw	Connections	2009	2010	Change	2009	2010	Change	Distribution 2009 to 2010	Distribution vs Total 2009	Total Bill 2009 to 2010
193,000	520	3,200	\$5,327.70	\$13,722.81	\$8,395.11	\$19,629.67	\$28,251.47	\$8,621.80	157.6%	42.8%	43.9%
205,000	560	3,400	\$5,688.60	\$14,651.49	\$8,962.89	\$20,895.25	\$30,098.98	\$9,203.73	157.6%	42.9%	44.0%
217,000	590	3,600	\$6,012.28	\$15,485.49	\$9,473.21	\$22,103.48	\$31,831.60	\$9,728.12	157.6%	42.9%	44.0%
229,000	620	3,800	\$6,335.95	\$16,319.50	\$9,983.55	\$23,311.69	\$33,564.25	\$10,252.56	157.6%	42.8%	44.0%
241,000	660	4,000	\$6,696.85	\$17,248.18	\$10,551.33	\$24,577.28	\$35,411.69	\$10,834.41	157.6%	42.9%	44.1%

Appendix C

Load Forecast (Application vs. Settlement)

SUMMARY OF LOAD FORECAST - FROM PURCHASED TO BILLED INCLUDING TOTAL LOSS FACTOR

LOAD FORECAST - From Filed to Settlement Conference Agreement	2010 Rate Application AS FILED	2010 Rate Application SETTLEMENT	CHANGES FROM FILED TO SETTLEMENT
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PREDICTED KWH PURCHASES			
Predicted kWh Purchases	330,047,301	333,727,600	3,680,299
Total Loss Factor - Secondary Metered Customer < 5000 kW	1.0593	1.0561	-0.0032
BILLING DETERMINANTS BY CLASS			
RESIDENTIAL CLASS			
Customers	11,409	11,409	0
kWh	108,676,163	109,779,129	1,102,966
GENERAL SERVICE LESS THAN 50 KW CLASS			
Customers	1,355	1,355	0
kWh	48,230,452	48,719,948	489,496
GENERAL SERVICE GREATER THAN OR EQUAL TO 50 KW CLASS			
Customers	157	157	0
kW	397,192	404,655	7,463
kWh	150,956,406	153,792,811	2,836,405
STREETLIGHT CLASS			
Connections	3,556	3,556	0
kW	7,098	7,098	0
kWh	2,560,651	2,560,651	0
SENTINEL LIGHTING CLASS			
Connections	195	195	0
kW	896	896	0
kWh	324,773	324,773	0
Unmetered Loads			
Connections	151	151	0
kWh	822,688	822,688	0
Totals			
Customer/Connections	16,823	16,823	0
kWh	311,571,133	316,000,000	4,428,867
kW from applicable classes	405,186	412,649	7,463

Appendix D

Tax Calculations (Application vs. Settlement)

SUMMARY OF TAX CALCULATIONS

TAX CALCULATIONS - From Filed to Settlement Conference Agreement	2010 Rate Application AS FILED	2010 Rate Application SETTLEMENT	CHANGES FROM FILED TO SETTLEMENT
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CALCULATION OF INCOME TAXES			
Accounting Income	967,000	1,150,700	183,700
Tax Adjustments to Accounting Income	68,300	27,000	(41,300)
Taxable Income	1,035,300	1,177,700	142,400
Combined Effective Income Tax Rate	29.2%	28.8%	-0.4%
Total Income Taxes	302,400	339,300	36,900

SUMMARY OF INCOME AND CAPITAL TAXES			
Income Taxes - Federal	186,400	212,000	25,600
Income Taxes - Provincial	116,000	127,300	11,300
Total Income Taxes	302,400	339,300	36,900
Capital Tax - Provincial	6,000	6,000	-
Total Taxes	308,400	345,300	36,900

Federal Income Tax Rates			
Base rate less federal tax abatement	28.00%	28.00%	0.00%
General Tax Reduction for CCPCs	10.00%	10.00%	0.00%
Net Federal Income Tax Rate	18.00%	18.00%	0.00%

Provincial Income Tax Rates			
On the first \$500,000 of taxable income	5.00%	5.00%	0.00%
On the next \$1000,000 clawback of SBD	17.00%	15.10%	-1.90%
Effective Ontario tax rate at \$1.5 million of taxable income	13.00%	11.73%	-1.27%

Orillia Power
Combined corporate taxes - 2010

Taxable Income as per Settlement Conference Proposal \$ 1,177,700

Provincial (Ontario) Corporate Taxes:

1) January 1, to June 30, 2010:

General Rate	14.00%	x	\$ 1,177,700	181	/	365	\$ 81,761
Small Business Deduction credit	8.50%	x	\$ 500,000	181	/	365	(21,075)
Surtax	4.25%		\$ 677,700	181	/	365	14,283
Subtotal							<u>74,969</u>

2) July 1, 2010 to December 31, 2010:

General Rate	12.00%	x	\$ 1,177,700	184	/	365	71,243
Small Business Deduction credit	7.50%	x	\$ 500,000	184	/	365	(18,904)
Surtax	0.00%						-
Subtotal							<u>52,339</u>

Annualized provincial tax 127,308

Federal Corporate Taxes:

General Rate	18.00%	x	\$ 1,177,700	365	/	365	211,986
Small Business Deduction (Federal SBC ground to zero)	7.00%	x	-	365	/	365	-
Annualized federal tax							<u>211,986</u>

Combined provincial and federal tax \$ 339,294

Combined provincial and federal tax rate 28.8%

Appendix E

Revenue Deficiency (Application vs. Settlement)

NET EARNINGS AND REVENUE DEFICIENCY

APPLICATION NET EARNINGS INCLUDING REVENUE DEFICIENCY - From Filed to Settlement Conference Agreement	2010 Rate Application AS FILED	2010 Rate Application SETTLEMENT	CHANGES FROM FILED TO SETTLEMENT
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REVENUES			
Distribution Revenues - existing rates	6,161,700	6,202,400	40,700
Other Operating and Interest Revenue	541,300	541,300	-
Revenue Deficiency After Tax - Assuming Existing Rates Maintained	671,200	624,600	(46,600)
Revenues required to pay additional taxes so that deemed net earnings achieved	284,000	275,400	(8,600)
Total Revenues	7,658,200	7,643,700	(14,500)

DISTRIBUTION COSTS			
Distribution Operation & Maintenance	1,823,000	1,823,000	-
Administrative & General, Billing & Collections	2,523,000	2,523,000	-
Depreciation & Amortization	1,449,000	1,407,700	(41,300)
Deemed Interest	896,200	739,300	(156,900)
Total Costs and Expenses	6,691,200	6,493,000	(198,200)

UTILITY EARNINGS AFTER PILS			
Utility Earnings Before PILS	967,000	1,150,700	183,700
Payments in lieu of income taxes (PILS)	302,400	339,300	36,900
Utility Net Earnings	664,600	811,400	146,800

REVENUE DEFICIENCY ASSUMING EXISTING RATES MAINTAINED			
Utility Net Earnings - Proposed Rates	664,600	811,400	146,800
Utility Net Earnings - Assuming Existing Rates Maintained	(6,600)	186,800	193,400
Revenue Deficiency After Tax - Assuming Existing Rates Maintained	671,200	624,600	(46,600)
Revenue Deficiency Before Tax - Assuming Existing Rates Maintained	955,200	900,000	(55,200)

DEEMED CAPITAL STRUCTURE - RATES			
Long-Term Debt - Effective Rate	7.62%	6.25%	-1.37%
Equity - Effective Rate	8.01%	9.75%	1.74%

Appendix F

Rate Base (Application vs. Settlement)

WORKING CAPITAL ALLOWANCE CALCULATION

WORKING CAPITAL ALLOWANCE CALCULATION - From Filed to Settlement Conference Agreement	2010 Rate Application AS FILED	2010 Rate Application SETTLEMENT	CHANGES FROM FILED TO SETTLEMENT
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SUMMARY OF COMPONENTS FOR DEEMED WORKING CAPITAL CALCULATION			
Distribution Maintenance & Operations	1,823,000	1,823,000	-
Billing & Collections, Community Relations	1,062,000	1,062,000	-
Administration & General	1,461,000	1,461,000	-
Cost of Power	23,732,000	24,011,000	279,000
Components for Working Capital Calculation	28,078,000	28,357,000	279,000

Working Capital Allowance @ 15% of above	4,211,700	4,253,600	41,900
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RATE BASE CALCULATION (Including Working Capital Allowance)

RATE BASE CALCULATION - From Filed to Settlement Conference Agreement	2010 Rate Application AS FILED	2010 Rate Application SETTLEMENT	CHANGES FROM FILED TO SETTLEMENT
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SUMMARY OF COMPONENTS FOR DEEMED RATE BASE CALCULATION			
Gross Property Plant and Equipment	37,101,000	37,101,000	-
Accumulated Amortization	20,437,000	20,395,700	(41,300)
Net Book Value of Total Property Plant & Equipment	16,664,000	16,705,300	41,300
(A) Average Net Book Value - LDC Operations	16,531,500	16,552,200	20,700
Working Capital Expenses	28,078,000	28,357,000	279,000
(B) Working Capital Allowance @ 15%	4,211,700	4,253,600	41,900
Rate Base (A) + (B)	20,743,200	20,805,800	62,600

Appendix G

Deemed Returns on Debt and Equity (Application vs. Settlement)

DEEMED RETURNS ON DEBT AND EQUITY

DEEMED RETURNS ON DEBT AND EQUITY - From Filed to Settlement Conference Agreement	2010 Rate Application AS FILED	2010 Rate Application SETTLEMENT	CHANGES FROM FILED TO SETTLEMENT
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DEEMED CAPITAL STRUCTURE - PERCENTAGE ALLOCATIONS			
Long-Term Debt - Deemed Percentage	56.00%	56.00%	0.00%
Short-Term Debt - Deemed Percentage	4.00%	4.00%	0.00%
All Debt - Deemed Percentage	60.00%	60.00%	0.00%
Equity - Deemed Percentage	40.00%	40.00%	0.00%
Total Deemed Capital Structure	100.00%	100.00%	0.00%

DEEMED CAPITAL STRUCTURE - EFFECTIVE RATES			
Long-Term Debt - Effective Rate	7.62%	6.25%	-1.37%
Short-Term Debt - Effective Rate	1.33%	1.33%	0.00%
Total Debt - Weighted Effective Rate	7.20%	5.92%	-1.28%
Equity - Effective Rate	8.01%	9.75%	1.74%
Weighted Regulated Rate of Return	7.52%	7.45%	-0.07%

RATE BASE			
Rate Base	20,743,200	20,805,800	62,600

DEEMED CAPITAL STRUCTURE BASED ON REGULATED RATE BASE			
Long-Term Debt	11,616,200	11,651,200	35,000
Short-Term Debt	829,700	832,200	2,500
Total Debt	12,445,900	12,483,400	37,500
Equity	8,297,300	8,322,400	25,100
Deemed Rate Base	20,743,200	20,805,800	62,600

DEEMED RETURN ON RATE BASE			
Deemed Interest	896,200	739,300	(156,900)
Return on Equity	664,600	811,400	146,800
Return on Rate Base	1,560,800	1,550,700	(10,100)

Appendix H

Allocation of Base Revenue Requirement (Application vs. Settlement)

CALCULATION OF BASE REVENUE REQUIREMENT

BASE REVENUE REQUIREMENT - From Filed to Settlement Conference Agreement	2010 Rate Application AS FILED	2010 Rate Application SETTLEMENT	CHANGES FROM FILED TO SETTLEMENT
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BASE REVENUE REQUIREMENT			
OM&A Expenses	4,346,000	4,346,000	-
Amortization Expenses	1,449,000	1,407,700	(41,300)
Regulated Return On Capital	1,560,800	1,550,700	(10,100)
PILs	302,400	339,300	36,900
Service Revenue Requirement	7,658,200	7,643,700	(14,500)
Less: Revenue Offsets	541,300	541,300	-
Base Revenue Requirement	7,116,900	7,102,400	(14,500)

PROPOSED ALLOCATION OF BASE REVENUE REQUIREMENT TO RATE CLASSES

BASE REVENUE REQUIREMENT - From Filed to Settlement Conference Agreement	2010 Rate Application AS FILED	2010 Rate Application SETTLEMENT	CHANGES FROM FILED TO SETTLEMENT
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BASE REVENUE REQUIREMENT ALLOCATION TO RATE CLASSES			
Residential	3,628,316	3,612,439	(15,877)
GS <50 kW	1,341,448	1,337,607	(3,841)
GS ≥50 kW	1,925,281	1,927,202	1,921
Street Light	183,411	182,611	(800)
Sentinel	17,262	17,114	(148)
Unmetered Scattered Load	21,182	25,426	4,244
Total	7,116,900	7,102,400	(14,500)

Appendix I

Schedule of Distribution Rates Effective May 1, 2010 (Application vs. Settlement)

SCHEDULE OF DISTRIBUTION RATES EFFECTIVE MAY 1, 2010 - COMPARISON OF CHANGES

SCHEDULE OF DISTRIBUTION RATES EFFECTIVE MAY 1, 2010 - From Filed to Settlement Conference Agreement	Metric	2010 Rate Application AS FILED	2010 Rate Application SETTLEMENT	CHANGES FROM FILED TO SETTLEMENT
RESIDENTIAL				
Service Charge	\$	15.41	13.45	(1.96)
Smart Meter Funding Adder	\$	1.00	1.00	0.00
Distribution Volumetric Rate	\$/kWh	0.0140	0.0161	0.0021
Low Voltage Cost Recovery	\$/kWh	0.0006	0.0006	0.0000
Regulatory Asset Rider (One Year)	\$/kWh	(0.0013)	(0.0021)	(0.0008)
GENERAL SERVICE LESS THAN 50 KW				
Service Charge	\$	35.56	35.26	(0.30)
Smart Meter Funding Adder	\$	1.00	1.00	0.00
Distribution Volumetric Rate		0.0158	0.0157	(0.0001)
Low Voltage Cost Recovery	\$/kWh	0.0006	0.0006	0.0000
Regulatory Asset Rider (One Year)	\$/kWh	(0.0011)	(0.0016)	(0.0005)
GENERAL SERVICE 50 to 4,999 KW				
Service Charge	\$	375.23	338.04	(37.19)
Smart Meter Funding Adder	\$	1.00	1.00	0.00
Distribution Volumetric Rate	\$/kW	3.4259	3.5471	0.1212
Low Voltage Cost Recovery	\$/kW	0.2262	0.2230	(0.0032)
Regulatory Asset Rider (One Year)	\$/kW	(0.5841)	(0.3750)	0.2091
UNMETERED SCATTERED LOAD				
Service Charge (per connection)	\$	8.31	9.97	1.66
Distribution Volumetric Rate	\$/kWh	0.0074	0.0089	0.0015
Low Voltage Cost Recovery	\$/kWh	0.0006	0.0006	0.0000
Regulatory Asset Rider (One Year)	\$/kWh	(0.0001)	(0.0007)	(0.0006)
SENTINEL LIGHTING				
Service Charge (per connection)	\$	3.68	3.65	(0.03)
Distribution Volumetric Rate	\$/kW	9.6553	9.5685	(0.0868)
Low Voltage Cost Recovery	\$/kW	0.1722	0.1698	(0.0024)
Regulatory Asset Rider (One Year)	\$/kW	(0.5318)	(0.6249)	(0.0931)
STREET LIGHTING				
Service Charge (per connection)	\$	2.77	2.75	(0.02)
Distribution Volumetric Rate	\$/kW	9.1870	9.1945	0.0075
Low Voltage Cost Recovery	\$/kW	0.1686	0.1663	(0.0023)
Regulatory Asset Rider (One Year)	\$/kW	(0.2590)	0.1061	0.3651

Appendix J

Bill Impact Comparison (Application vs. Settlement)

BILL IMPACT COMPARISON_DISTRIBUTION CHARGES AND TOTAL BILL - RESIDENTIAL

DISTRIBUTION AND TOTAL BILL IMPACTS - From Filed to Settlement Conference Agreement		2010 Rate Application AS FILED	2010 Rate Application SETTLEMENT	CHANGES FROM FILED TO SETTLEMENT	% CHANGE
Residential - 100 kWh	LDC	\$17.74	\$15.91	(\$1.83)	-10.3%
	Total bill	\$25.73	\$23.90	(\$1.83)	-7.1%
Residential - 250 kWh	LDC	\$19.73	\$18.10	(\$1.63)	-8.3%
	Total bill	\$39.73	\$38.02	(\$1.71)	-4.3%
Residential - 500 kWh	LDC	\$23.06	\$21.77	(\$1.29)	-5.6%
	Total bill	\$63.04	\$61.61	(\$1.43)	-2.3%
Residential - 800 kWh	LDC	\$27.05	\$26.16	(\$0.89)	-3.3%
	Total bill	\$93.16	\$92.11	(\$1.05)	-1.1%
Residential - 1,000 kWh	LDC	\$29.71	\$29.08	(\$0.63)	-2.1%
	Total bill	\$113.71	\$112.85	(\$0.86)	-0.8%
Residential - 1,500 kWh	LDC	\$36.36	\$36.40	\$0.04	0.1%
	Total bill	\$165.11	\$164.75	(\$0.36)	-0.2%
Residential - 2,000 kWh	LDC	\$43.02	\$43.72	\$0.70	1.6%
	Total bill	\$216.51	\$216.66	\$0.15	0.1%

BILL IMPACT COMPARISON_DISTRIBUTION CHARGES AND TOTAL BILL - GENERAL SERVICE LESS THAN 50KW

DISTRIBUTION AND TOTAL BILL IMPACTS - From Filed to Settlement Conference Agreement		2010 Rate Application AS FILED	2010 Rate Application SETTLEMENT	CHANGES FROM FILED TO SETTLEMENT	% CHANGE	
GS < 50	1,000 kWh	LDC	\$51.92	\$50.95	(\$0.97)	-1.9%
		Total bill	\$133.72	\$132.52	(\$1.20)	-0.9%
GS < 50	2,000 kWh	LDC	\$67.29	\$65.63	(\$1.66)	-2.5%
		Total bill	\$237.73	\$235.53	(\$2.20)	-0.9%
GS < 50	3,000 kWh	LDC	\$82.65	\$80.32	(\$2.33)	-2.8%
		Total bill	\$341.67	\$338.54	(\$3.13)	-0.9%
GS < 50	5,000 kWh	LDC	\$113.38	\$109.70	(\$3.68)	-3.2%
		Total bill	\$549.59	\$544.66	(\$4.93)	-0.9%
GS < 50	10,000 kWh	LDC	\$190.21	\$183.13	(\$7.08)	-3.7%
		Total bill	\$1,069.31	\$1,059.71	(\$9.60)	-0.9%
GS < 50	15,000 kWh	LDC	\$267.02	\$256.57	(\$10.45)	-3.9%
		Total bill	\$1,589.09	\$1,574.83	(\$14.26)	-0.9%
GS < 50	20,000 kWh	LDC	\$343.85	\$330.00	(\$13.85)	-4.0%
		Total bill	\$2,108.80	\$2,089.88	(\$18.92)	-0.9%

BILL IMPACT COMPARISON_DISTRIBUTION CHARGES AND TOTAL BILL - GENERAL SERVICE 50KW AND OVER

DISTRIBUTION AND TOTAL BILL IMPACTS - From Filed to Settlement Conference Agreement		2010 Rate Application AS FILED	2010 Rate Application SETTLEMENT	CHANGES FROM FILED TO SETTLEMENT	% CHANGE	
GS > 50	24,000 kWh 60 Kw	LDC	\$560.30	\$542.75	(\$17.55)	-3.1%
		Total bill	\$2,404.58	\$2,382.30	(\$22.28)	-0.9%
GS > 50	40,000 kWh 100 kW	LDC	\$683.03	\$678.55	(\$4.48)	-0.7%
		Total bill	\$3,756.82	\$3,744.47	(\$12.35)	-0.3%
GS > 50	200,000 kWh 500 kW	LDC	\$1,910.20	\$2,036.59	\$126.39	6.6%
		Total bill	\$17,279.14	\$17,366.17	\$87.03	0.5%
GS > 50	400,000 kWh 1,000 kW	LDC	\$3,444.18	\$3,734.15	\$289.97	8.4%
		Total bill	\$34,182.06	\$34,393.31	\$211.25	0.6%
GS > 50	1,000,000 kWh 2,500 kW	LDC	\$8,046.10	\$8,826.81	\$780.71	9.7%
		Total bill	\$84,890.80	\$85,474.71	\$583.91	0.7%
GS > 50	1,250,000 kWh 3,100 kW	LDC	\$9,886.88	\$10,863.88	\$977.00	9.9%
		Total bill	\$105,874.78	\$106,605.78	\$731.00	0.7%
GS > 50	1,600,000 kWh 4,000 kW	LDC	\$12,648.04	\$13,919.47	\$1,271.43	10.1%
		Total bill	\$135,599.56	\$136,556.11	\$956.55	0.7%

BILL IMPACT COMPARISON_DISTRIBUTION CHARGES AND TOTAL BILL - STREET LIGHTING

DISTRIBUTION AND TOTAL BILL IMPACTS - From Filed to Settlement Conference Agreement			2010 Rate Application AS FILED	2010 Rate Application SETTLEMENT	CHANGES FROM FILED TO SETTLEMENT	% CHANGE	
Street Lighting 3,200 Connections	193,000 kWh	520 kW	LDC	\$13,594.23	\$13,722.81	\$128.58	0.9%
			Total bill	\$28,160.89	\$28,251.47	\$90.58	0.3%
Street Lighting 3,400 Connections	205,000 kWh	560 kW	LDC	\$14,512.09	\$14,651.49	\$139.40	1.0%
			Total bill	\$29,999.92	\$30,098.98	\$99.06	0.3%
Street Lighting 3,600 Connections	217,000 kWh	590 kW	LDC	\$15,338.99	\$15,485.49	\$146.50	1.0%
			Total bill	\$31,727.78	\$31,831.60	\$103.82	0.3%
Street Lighting 3,800 Connections	229,000 kWh	620 kW	LDC	\$16,165.89	\$16,319.50	\$153.61	1.0%
			Total bill	\$33,455.71	\$33,564.25	\$108.54	0.3%
Street Lighting 4,000 Connections	241,000 kWh	660 kW	LDC	\$17,083.75	\$17,248.18	\$164.43	1.0%
			Total bill	\$35,294.68	\$35,411.69	\$117.01	0.3%

Appendix K

Details of Monthly Bill Impact Calculations per Settlement _ Proposed Rates

RESIDENTIAL Monthly Bill Impact Calculations - Change From May 1, 2009 Approved to May 1, 2010 Proposed Rates

Consumption	BILL May 1, 2009 Current Rates			BILL May 1, 2010 Proposed Rates			RATE CHANGE IMPACTS		
	Volume	RATE \$	CHARGE \$	Volume	RATE \$	CHARGE \$	Rate Change Impact \$	Change %	As a % of 2009 Total Bill
100 kWh									
Monthly Service Charge			\$13.34			\$13.45	\$0.11	0.82%	0.47%
Distribution (kWh)	100	\$0.0128	\$1.28	100	\$0.0167	\$1.67	\$0.39	30.47%	1.66%
Smart Meter Rider (per month)			\$1.00			\$1.00			
Reg Asset Rider (kWh)	100			100	(\$0.0021)	(\$0.21)	(\$0.21)		-0.89%
Distribution			\$15.62			\$15.91	\$0.29	1.86%	1.24%
RTSR Network (kWh)	104	0.0038	\$0.40	106	0.0038	\$0.40			
RTSR Connection (kWh)	104	0.0035	\$0.36	106	0.0035	\$0.37	\$0.01	2.78%	0.04%
Delivery (includes Distribution)			\$16.38			\$16.68	\$0.30	1.83%	1.28%
Cost of Power Commodity (kWh)	104	\$0.0570	\$5.93	106	\$0.0570	\$6.04	\$0.11	1.85%	0.47%
Cost of Power Commodity (kWh)		0.0660			0.0660			#DIV/0!	
Wholesale Market Service (kWh)	104	0.0065	\$0.68	106	0.0065	\$0.69	\$0.01	1.47%	0.04%
Debt retirement charge (kWh)	100	0.0049	\$0.49	100	0.0049	\$0.49			
Cost of Power / WMS / DRC			\$7.10			\$7.22	\$0.12	1.69%	0.51%
Total Bill			\$23.48			\$23.90	\$0.42	1.79%	1.79%

Consumption	BILL May 1, 2009 Current Rates			BILL May 1, 2010 Proposed Rates			RATE CHANGE IMPACTS		
	Volume	RATE \$	CHARGE \$	Volume	RATE \$	CHARGE \$	Rate Change Impact \$	Change %	As a % of 2009 Total Bill
250 kWh									
Monthly Service Charge			\$13.34			\$13.45	\$0.11	0.82%	0.30%
Distribution (kWh)	250	\$0.0128	\$3.20	250	\$0.0167	\$4.18	\$0.98	30.63%	2.64%
Smart Meter Rider (per month)			\$1.00			\$1.00			
Reg Asset Rider (kWh)	250			250	(\$0.0021)	(\$0.53)	(\$0.53)		-1.43%
Distribution			\$17.54			\$18.10	\$0.56	3.19%	1.51%
RTSR Network (kWh)	259	0.0038	\$0.98	264	0.0038	\$1.00	\$0.02	2.04%	0.05%
RTSR Connection (kWh)	259	0.0035	\$0.91	264	0.0035	\$0.92	\$0.01	1.10%	0.03%
Delivery (includes Distribution)			\$19.43			\$20.02	\$0.59	3.04%	1.59%
Cost of Power Commodity (kWh)	259	\$0.0570	\$14.76	264	\$0.0570	\$15.05	\$0.29	1.96%	0.78%
Cost of Power Commodity (kWh)		0.0660			0.0660			#DIV/0!	
Wholesale Market Service (kWh)	259	0.0065	\$1.68	264	0.0065	\$1.72	\$0.04	2.38%	0.11%
Debt retirement charge (kWh)	250	0.0049	\$1.23	250	0.0049	\$1.23			
Cost of Power / WMS / DRC			\$17.67			\$18.00	\$0.33	1.87%	0.89%
Total Bill			\$37.10			\$38.02	\$0.92	2.48%	2.48%

RESIDENTIAL Monthly Bill Impact Calculations - Change From May 1, 2009 Approved to May 1, 2010 Proposed Rates

Consumption	BILL May 1, 2009 Current Rates			BILL May 1, 2010 Proposed Rates			RATE CHANGE IMPACTS		
	Volume	RATE \$	CHARGE \$	Volume	RATE \$	CHARGE \$	Rate Change Impact \$	Change %	As a % of 2009 Total Bill
500 kWh									
Monthly Service Charge			\$13.34			\$13.45	\$0.11	0.82%	0.18%
Distribution (kWh)	500	\$0.0128	\$6.40	500	\$0.0167	\$8.37	\$1.97	30.78%	3.29%
Smart Meter Rider (per month)			\$1.00			\$1.00			
Reg Asset Rider (kWh)	500			500	(\$0.0021)	(\$1.05)	(\$1.05)		-1.75%
Distribution			\$20.74			\$21.77	\$1.03	4.97%	1.72%
RTSR Network (kWh)	519	0.0038	\$1.97	528	0.0038	\$2.01	\$0.04	2.03%	0.07%
RTSR Connection (kWh)	519	0.0035	\$1.82	528	0.0035	\$1.85	\$0.03	1.65%	0.05%
Delivery (includes Distribution)			\$24.53			\$25.63	\$1.10	4.48%	1.84%
Cost of Power Commodity (kWh)	519	\$0.0570	\$29.58	528	\$0.0570	\$30.10	\$0.52	1.76%	0.87%
Cost of Power Commodity (kWh)		0.0660			0.0660			#DIV/0!	
Wholesale Market Service (kWh)	519	0.0065	\$3.37	528	0.0065	\$3.43	\$0.06	1.78%	0.10%
Debt retirement charge (kWh)	500	0.0049	\$2.45	500	0.0049	\$2.45			
Cost of Power / WMS / DRC			\$35.40			\$35.98	\$0.58	1.64%	0.97%
Total Bill			\$59.93			\$61.61	\$1.68	2.80%	2.80%

Consumption	BILL May 1, 2009 Current Rates			BILL May 1, 2010 Proposed Rates			RATE CHANGE IMPACTS		
	Volume	RATE \$	CHARGE \$	Volume	RATE \$	CHARGE \$	Rate Change Impact \$	Change %	As a % of 2009 Total Bill
800 kWh									
Monthly Service Charge			\$13.34			\$13.45	\$0.11	0.82%	0.12%
Distribution (kWh)	800	\$0.0128	\$10.24	800	\$0.0167	\$13.39	\$3.15	30.76%	3.53%
Smart Meter Rider (per month)			\$1.00			\$1.00			
Reg Asset Rider (kWh)	800			800	(\$0.0021)	(\$1.68)	(\$1.68)		-1.88%
Distribution			\$24.58			\$26.16	\$1.58	6.43%	1.77%
RTSR Network (kWh)	830	0.0038	\$3.15	845	0.0038	\$3.21	\$0.06	1.90%	0.07%
RTSR Connection (kWh)	830	0.0035	\$2.91	845	0.0035	\$2.96	\$0.05	1.72%	0.06%
Delivery (includes Distribution)			\$30.64			\$32.33	\$1.69	5.52%	1.89%
Cost of Power Commodity (kWh)	600	\$0.0570	\$34.20	600	\$0.0570	\$34.20			
Cost of Power Commodity (kWh)	230	0.0660	\$15.18	245	0.0660	\$16.17	\$0.99	6.52%	1.11%
Wholesale Market Service (kWh)	830	0.0065	\$5.40	845	0.0065	\$5.49	\$0.09	1.67%	0.10%
Debt retirement charge (kWh)	800	0.0049	\$3.92	800	0.0049	\$3.92			
Cost of Power / WMS / DRC			\$58.70			\$59.78	\$1.08	1.84%	1.21%
Total Bill			\$89.34			\$92.11	\$2.77	3.10%	3.10%

RESIDENTIAL Monthly Bill Impact Calculations - Change From May 1, 2009 Approved to May 1, 2010 Proposed Rates

Consumption	BILL May 1, 2009 Current Rates			BILL May 1, 2010 Proposed Rates			RATE CHANGE IMPACTS		
	1,000 kWh	Volume	RATE \$	CHARGE \$	Volume	RATE \$	CHARGE \$	Rate Change Impact \$	Change %
Monthly Service Charge			\$13.34			\$13.45	\$0.11	0.82%	0.10%
Distribution (kWh)	1,000	\$0.0128	\$12.80	1,000	\$0.0167	\$16.73	\$3.93	30.70%	3.59%
Smart Meter Rider (per month)			\$1.00			\$1.00			
Reg Asset Rider (kWh)	1,000			1,000	(\$0.0021)	(\$2.10)	(\$2.10)		-1.92%
Distribution			\$27.14			\$29.08	\$1.94	7.15%	1.77%
RTSR Network (kWh)	1,037	0.0038	\$3.94	1,056	0.0038	\$4.01	\$0.07	1.78%	0.06%
RTSR Connection (kWh)	1,037	0.0035	\$3.63	1,056	0.0035	\$3.70	\$0.07	1.93%	0.06%
Delivery (includes Distribution)			\$34.71			\$36.79	\$2.08	5.99%	1.90%
Cost of Power Commodity (kWh)	600	\$0.0570	\$34.20	600	\$0.0570	\$34.20			
Cost of Power Commodity (kWh)	437	0.0660	\$28.84	456	0.0660	\$30.10	\$1.26	4.37%	1.15%
Wholesale Market Service (kWh)	1,037	0.0065	\$6.74	1,056	0.0065	\$6.86	\$0.12	1.78%	0.11%
Debt retirement charge (kWh)	1,000	0.0049	\$4.90	1,000	0.0049	\$4.90			
Cost of Power / WMS / DRC			\$74.68			\$76.06	\$1.38	1.85%	1.26%
Total Bill			\$109.39			\$112.85	\$3.46	3.16%	3.16%

Consumption	BILL May 1, 2009 Current Rates			BILL May 1, 2010 Proposed Rates			RATE CHANGE IMPACTS		
	1,500 kWh	Volume	RATE \$	CHARGE \$	Volume	RATE \$	CHARGE \$	Rate Change Impact \$	Change %
Monthly Service Charge			\$13.34			\$13.45	\$0.11	0.82%	0.07%
Distribution (kWh)	1,500	\$0.0128	\$19.20	1,500	\$0.0167	\$25.10	\$5.90	30.73%	3.70%
Smart Meter Rider (per month)			\$1.00			\$1.00			
Reg Asset Rider (kWh)	1,500			1,500	(\$0.0021)	(\$3.15)	(\$3.15)		-1.97%
Distribution			\$33.54			\$36.40	\$2.86	8.53%	1.79%
RTSR Network (kWh)	1,556	0.0038	\$5.91	1,584	0.0038	\$6.02	\$0.11	1.86%	0.07%
RTSR Connection (kWh)	1,556	0.0035	\$5.45	1,584	0.0035	\$5.54	\$0.09	1.65%	0.06%
Delivery (includes Distribution)			\$44.90			\$47.96	\$3.06	6.82%	1.92%
Cost of Power Commodity (kWh)	600	\$0.0570	\$34.20	600	\$0.0570	\$34.20			
Cost of Power Commodity (kWh)	956	0.0660	\$63.10	984	0.0660	\$64.94	\$1.84	2.92%	1.15%
Wholesale Market Service (kWh)	1,556	0.0065	\$10.11	1,584	0.0065	\$10.30	\$0.19	1.88%	0.12%
Debt retirement charge (kWh)	1,500	0.0049	\$7.35	1,500	0.0049	\$7.35			
Cost of Power / WMS / DRC			\$114.76			\$116.79	\$2.03	1.77%	1.27%
Total Bill			\$159.66			\$164.75	\$5.09	3.19%	3.19%

RESIDENTIAL Monthly Bill Impact Calculations - Change From May 1, 2009 Approved to May 1, 2010 Proposed Rates

Consumption	BILL May 1, 2009 Current Rates			BILL May 1, 2010 Proposed Rates			RATE CHANGE IMPACTS		
	Volume	RATE \$	CHARGE \$	Volume	RATE \$	CHARGE \$	Rate Change Impact \$	Change %	As a % of 2009 Total Bill
2,000 kWh									
Monthly Service Charge			\$13.34			\$13.45	\$0.11	0.82%	0.05%
Distribution (kWh)	2,000	\$0.0128	\$25.60	2,000	\$0.0167	\$33.47	\$7.87	30.74%	3.75%
Smart Meter Rider (per month)			\$1.00			\$1.00			
Reg Asset Rider (kWh)	2,000			2,000	(\$0.0021)	(\$4.20)	(\$4.20)		-2.00%
Distribution			\$39.94			\$43.72	\$3.78	9.46%	1.80%
RTSR Network (kWh)	2,074	0.0038	\$7.88	2,112	0.0038	\$8.03	\$0.15	1.90%	0.07%
RTSR Connection (kWh)	2,074	0.0035	\$7.26	2,112	0.0035	\$7.39	\$0.13	1.79%	0.06%
Delivery (includes Distribution)			\$55.08			\$59.14	\$4.06	7.37%	1.93%
Cost of Power Commodity (kWh)	600	\$0.0570	\$34.20	600	\$0.0570	\$34.20			
Cost of Power Commodity (kWh)	1,474	0.0660	\$97.28	1,512	0.0660	\$99.79	\$2.51	2.58%	1.20%
Wholesale Market Service (kWh)	2,074	0.0065	\$13.48	2,112	0.0065	\$13.73	\$0.25	1.85%	0.12%
Debt retirement charge (kWh)	2,000	0.0049	\$9.80	2,000	0.0049	\$9.80			
Cost of Power / WMS / DRC			\$154.76			\$157.52	\$2.76	1.78%	1.32%
Total Bill			\$209.84			\$216.66	\$6.82	3.25%	3.25%

GENERAL SERVICE LESS THAN 50 KW Monthly Bill Impact Calculations - Change From May 1, 2009 Approved to May 1, 2010 Proposed Rates

Consumption	BILL May 1, 2009 Current Rates			BILL May 1, 2010 Proposed Rates			RATE CHANGE IMPACTS		
	1,000 kWh	Volume	RATE \$	CHARGE \$	Volume	RATE \$	CHARGE \$	Rate Change Impact \$	Change %
Monthly Service Charge			\$30.79			\$35.26	\$4.47	14.52%	3.54%
Distribution (kWh)	1,000	\$0.0144	\$14.40	1,000	\$0.0163	\$16.29	\$1.89	13.13%	1.50%
Smart Meter Rider (per month)			\$1.00			\$1.00			
Reg Asset Rider (kWh)	1,000			1,000	(\$0.0016)	(\$1.60)	(\$1.60)		-1.27%
Distribution			\$46.19			\$50.95	\$4.76	10.31%	3.77%
RTSR Network (kWh)	1,037	0.0033	\$3.42	1,056	0.0033	\$3.48	\$0.06	1.75%	0.05%
RTSR Connection (kWh)	1,037	0.0032	\$3.32	1,056	0.0032	\$3.38	\$0.06	1.81%	0.05%
Delivery (includes Distribution)			\$52.93			\$57.81	\$4.88	9.22%	3.87%
Cost of Power Commodity (kWh)	750	\$0.0570	\$42.75	750	\$0.0570	\$42.75			
Cost of Power Commodity (kWh)	287	0.0660	\$18.94	306	0.0660	\$20.20	\$1.26	6.65%	1.00%
Wholesale Market Service (kWh)	1,037	0.0065	\$6.74	1,056	0.0065	\$6.86	\$0.12	1.78%	0.10%
Debt retirement charge (kWh)	1,000	0.0049	\$4.90	1,000	0.0049	\$4.90			
Cost of Power / WMS / DRC			\$73.33			\$74.71	\$1.38	1.88%	1.09%
Total Bill			\$126.26			\$132.52	\$6.26	4.96%	4.96%

Consumption	BILL May 1, 2009 Current Rates			BILL May 1, 2010 Proposed Rates			RATE CHANGE IMPACTS		
	2,000 kWh	Volume	RATE \$	CHARGE \$	Volume	RATE \$	CHARGE \$	Rate Change Impact \$	Change %
Monthly Service Charge			\$30.79			\$35.26	\$4.47	14.52%	1.97%
Distribution (kWh)	2,000	\$0.0144	\$28.80	2,000	\$0.0163	\$32.57	\$3.77	13.09%	1.66%
Smart Meter Rider (per month)			\$1.00			\$1.00			
Reg Asset Rider (kWh)	2,000			2,000	(\$0.0016)	(\$3.20)	(\$3.20)		-1.41%
Distribution			\$60.59			\$65.63	\$5.04	8.32%	2.22%
RTSR Network (kWh)	2,074	0.0033	\$6.84	2,112	0.0033	\$6.97	\$0.13	1.90%	0.06%
RTSR Connection (kWh)	2,074	0.0032	\$6.64	2,112	0.0032	\$6.76	\$0.12	1.81%	0.05%
Delivery (includes Distribution)			\$74.07			\$79.36	\$5.29	7.14%	2.33%
Cost of Power Commodity (kWh)	750	\$0.0570	\$42.75	750	\$0.0570	\$42.75			
Cost of Power Commodity (kWh)	1,324	0.0660	\$87.38	1,362	0.0660	\$89.89	\$2.51	2.87%	1.10%
Wholesale Market Service (kWh)	2,074	0.0065	\$13.48	2,112	0.0065	\$13.73	\$0.25	1.85%	0.11%
Debt retirement charge (kWh)	2,000	0.0049	\$9.80	2,000	0.0049	\$9.80			
Cost of Power / WMS / DRC			\$153.41			\$156.17	\$2.76	1.80%	1.21%
Total Bill			\$227.48			\$235.53	\$8.05	3.54%	3.54%

GENERAL SERVICE LESS THAN 50 KW Monthly Bill Impact Calculations - Change From May 1, 2009 Approved to May 1, 2010 Proposed Rates

Consumption	BILL May 1, 2009 Current Rates			BILL May 1, 2010 Proposed Rates			RATE CHANGE IMPACTS		
	Volume	RATE \$	CHARGE \$	Volume	RATE \$	CHARGE \$	Rate Change Impact \$	Change %	As a % of 2009 Total Bill
3,000 kWh									
Monthly Service Charge			\$30.79			\$35.26	\$4.47	14.52%	1.36%
Distribution (kWh)	3,000	\$0.0144	\$43.20	3,000	\$0.0163	\$48.86	\$5.66	13.10%	1.72%
Smart Meter Rider (per month)			\$1.00			\$1.00			
Reg Asset Rider (kWh)	3,000			3,000	(\$0.0016)	(\$4.80)	(\$4.80)		-1.46%
Distribution			\$74.99			\$80.32	\$5.33	7.11%	1.62%
RTSR Network (kWh)	3,111	0.0033	\$10.27	3,168	0.0033	\$10.45	\$0.18	1.75%	0.05%
RTSR Connection (kWh)	3,111	0.0032	\$9.96	3,168	0.0032	\$10.14	\$0.18	1.81%	0.05%
Delivery (includes Distribution)			\$95.22			\$100.91	\$5.69	5.98%	1.73%
Cost of Power Commodity (kWh)	750	\$0.0570	\$42.75	750	\$0.0570	\$42.75			
Cost of Power Commodity (kWh)	2,361	0.0660	\$155.83	2,418	0.0660	\$159.59	\$3.76	2.41%	1.14%
Wholesale Market Service (kWh)	3,111	0.0065	\$20.22	3,168	0.0065	\$20.59	\$0.37	1.83%	0.11%
Debt retirement charge (kWh)	3,000	0.0049	\$14.70	3,000	0.0049	\$14.70			
Cost of Power / WMS / DRC			\$233.50			\$237.63	\$4.13	1.77%	1.26%
Total Bill			\$328.72			\$338.54	\$9.82	2.99%	2.99%

Consumption	BILL May 1, 2009 Current Rates			BILL May 1, 2010 Proposed Rates			RATE CHANGE IMPACTS		
	Volume	RATE \$	CHARGE \$	Volume	RATE \$	CHARGE \$	Rate Change Impact \$	Change %	As a % of 2009 Total Bill
5,000 kWh									
Monthly Service Charge			\$30.79			\$35.26	\$4.47	14.52%	0.84%
Distribution (kWh)	5,000	\$0.0144	\$72.00	5,000	\$0.0163	\$81.44	\$9.44	13.11%	1.78%
Smart Meter Rider (per month)			\$1.00			\$1.00			
Reg Asset Rider (kWh)	5,000			5,000	(\$0.0016)	(\$8.00)	(\$8.00)		-1.51%
Distribution			\$103.79			\$109.70	\$5.91	5.69%	1.11%
RTSR Network (kWh)	5,185	0.0033	\$17.11	5,281	0.0033	\$17.43	\$0.32	1.87%	0.06%
RTSR Connection (kWh)	5,185	0.0032	\$16.59	5,281	0.0032	\$16.90	\$0.31	1.87%	0.06%
Delivery (includes Distribution)			\$137.49			\$144.03	\$6.54	4.76%	1.23%
Cost of Power Commodity (kWh)	750	\$0.0570	\$42.75	750	\$0.0570	\$42.75			
Cost of Power Commodity (kWh)	4,435	0.0660	\$292.71	4,531	0.0660	\$299.05	\$6.34	2.17%	1.19%
Wholesale Market Service (kWh)	5,185	0.0065	\$33.70	5,281	0.0065	\$34.33	\$0.63	1.87%	0.12%
Debt retirement charge (kWh)	5,000	0.0049	\$24.50	5,000	0.0049	\$24.50			
Cost of Power / WMS / DRC			\$393.66			\$400.63	\$6.97	1.77%	1.31%
Total Bill			\$531.15			\$544.66	\$13.51	2.54%	2.54%

GENERAL SERVICE LESS THAN 50 KW Monthly Bill Impact Calculations - Change From May 1, 2009 Approved to May 1, 2010 Proposed Rates

Consumption	BILL May 1, 2009 Current Rates			BILL May 1, 2010 Proposed Rates			RATE CHANGE IMPACTS			
	10,000 kWh	Volume	RATE \$	CHARGE \$	Volume	RATE \$	CHARGE \$	Rate Change Impact \$	Change %	As a % of 2009 Total Bill
Monthly Service Charge			\$30.79			\$35.26		\$4.47	14.52%	0.43%
Distribution (kWh)	10,000	\$0.0144	\$144.00	10,000	\$0.0163	\$162.87		\$18.87	13.10%	1.82%
Smart Meter Rider (per month)			\$1.00			\$1.00				
Reg Asset Rider (kWh)	10,000			10,000	(\$0.0016)	(\$16.00)		(\$16.00)		-1.54%
Distribution			\$175.79			\$183.13		\$7.34	4.18%	0.71%
RTSR Network (kWh)	10,370	0.0033	\$34.22	10,561	0.0033	\$34.85		\$0.63	1.84%	0.06%
RTSR Connection (kWh)	10,370	0.0032	\$33.18	10,561	0.0032	\$33.80		\$0.62	1.87%	0.06%
Delivery (includes Distribution)			\$243.19			\$251.78		\$8.59	3.53%	0.83%
Cost of Power Commodity (kWh)	750	\$0.0570	\$42.75	750	\$0.0570	\$42.75				
Cost of Power Commodity (kWh)	9,620	0.0660	\$634.92	9,811	0.0660	\$647.53		\$12.61	1.99%	1.22%
Wholesale Market Service (kWh)	10,370	0.0065	\$67.41	10,561	0.0065	\$68.65		\$1.24	1.84%	0.12%
Debt retirement charge (kWh)	10,000	0.0049	\$49.00	10,000	0.0049	\$49.00				
Cost of Power / WMS / DRC			\$794.08			\$807.93		\$13.85	1.74%	1.34%
Total Bill			\$1,037.27			\$1,059.71		\$22.44	2.16%	2.16%

Consumption	BILL May 1, 2009 Current Rates			BILL May 1, 2010 Proposed Rates			RATE CHANGE IMPACTS			
	15,000 kWh	Volume	RATE \$	CHARGE \$	Volume	RATE \$	CHARGE \$	Rate Change Impact \$	Change %	As a % of 2009 Total Bill
Monthly Service Charge			\$30.79			\$35.26		\$4.47	14.52%	0.29%
Distribution (kWh)	15,000	\$0.0144	\$216.00	15,000	\$0.0163	\$244.31		\$28.31	13.11%	1.83%
Smart Meter Rider (per month)			\$1.00			\$1.00				
Reg Asset Rider (kWh)	15,000			15,000	(\$0.0016)	(\$24.00)		(\$24.00)		-1.56%
Distribution			\$247.79			\$256.57		\$8.78	3.54%	0.57%
RTSR Network (kWh)	15,555	0.0033	\$51.33	15,842	0.0033	\$52.28		\$0.95	1.85%	0.06%
RTSR Connection (kWh)	15,555	0.0032	\$49.78	15,842	0.0032	\$50.69		\$0.91	1.83%	0.06%
Delivery (includes Distribution)			\$348.90			\$359.54		\$10.64	3.05%	0.69%
Cost of Power Commodity (kWh)	750	\$0.0570	\$42.75	750	\$0.0570	\$42.75				
Cost of Power Commodity (kWh)	14,805	0.0660	\$977.13	15,092	0.0660	\$996.07		\$18.94	1.94%	1.23%
Wholesale Market Service (kWh)	15,555	0.0065	\$101.11	15,842	0.0065	\$102.97		\$1.86	1.84%	0.12%
Debt retirement charge (kWh)	15,000	0.0049	\$73.50	15,000	0.0049	\$73.50				
Cost of Power / WMS / DRC			\$1,194.49			\$1,215.29		\$20.80	1.74%	1.35%
Total Bill			\$1,543.39			\$1,574.83		\$31.44	2.04%	2.04%

GENERAL SERVICE LESS THAN 50 KW Monthly Bill Impact Calculations - Change From May 1, 2009 Approved to May 1, 2010 Proposed Rates

Consumption	BILL May 1, 2009 Current Rates			BILL May 1, 2010 Proposed Rates			RATE CHANGE IMPACTS		
	20,000 kWh	Volume	RATE \$	CHARGE \$	Volume	RATE \$	CHARGE \$	Rate Change Impact \$	Change %
Monthly Service Charge			\$30.79			\$35.26	\$4.47	14.52%	0.22%
Distribution (kWh)	20,000	\$0.0144	\$288.00	20,000	\$0.0163	\$325.74	\$37.74	13.10%	1.84%
Smart Meter Rider (per month)			\$1.00			\$1.00			
Reg Asset Rider (kWh)	20,000			20,000	(\$0.0016)	(\$32.00)	(\$32.00)		-1.56%
Distribution			\$319.79			\$330.00	\$10.21	3.19%	0.50%
RTSR Network (kWh)	20,740	0.0033	\$68.44	21,122	0.0033	\$69.70	\$1.26	1.84%	0.06%
RTSR Connection (kWh)	20,740	0.0032	\$66.37	21,122	0.0032	\$67.59	\$1.22	1.84%	0.06%
Delivery (includes Distribution)			\$454.60			\$467.29	\$12.69	2.79%	0.62%
Cost of Power Commodity (kWh)	750	\$0.0570	\$42.75	750	\$0.0570	\$42.75			
Cost of Power Commodity (kWh)	19,990	0.0660	\$1,319.34	20,372	0.0660	\$1,344.55	\$25.21	1.91%	1.23%
Wholesale Market Service (kWh)	20,740	0.0065	\$134.81	21,122	0.0065	\$137.29	\$2.48	1.84%	0.12%
Debt retirement charge (kWh)	20,000	0.0049	\$98.00	20,000	0.0049	\$98.00			
Cost of Power / WMS / DRC			\$1,594.90			\$1,622.59	\$27.69	1.74%	1.35%
Total Bill			\$2,049.50			\$2,089.88	\$40.38	1.97%	1.97%

GENERAL SERVICE 50 KW OR GREATER Monthly Bill Impact Calculations - Change From May 1, 2009 Approved to May 1, 2010 Proposed Rates

Consumption kWh & kW		BILL May 1, 2009 Current Rates			BILL May 1, 2010 Proposed Rates			RATE CHANGE IMPACTS		
24,000	60	Volume	RATE \$	CHARGE \$	Volume	RATE \$	CHARGE \$	Rate Change Impact \$	Change %	As a % of 2009 Total Bill
Monthly Service Charge				\$338.04			\$338.04			
Distribution (kW)		60	\$3.4023	\$204.14	60	\$3.7701	\$226.21	\$22.07	10.81%	0.94%
Smart Meter Rider (per month)				\$1.00			\$1.00			
Reg Asset Rider (kW)		60			60	(\$0.3750)	(\$22.50)	(\$22.50)		-0.96%
Distribution				\$543.18			\$542.75	(\$0.43)	-0.08%	-0.02%
RTSR Network (kW)		60	1.4236	\$85.42	60	1.4236	\$85.42			
RTSR Connection (kW)		60	1.2955	\$77.73	60	1.2955	\$77.73			
Delivery (includes Distribution)				\$706.33			\$705.90	(\$0.43)	-0.06%	-0.02%
Wholesale Market Service (kWh)		24,888	0.0065	\$161.77	25,346	0.0065	\$164.75	\$2.98	1.84%	0.13%
Cost of Power Commodity (kWh)		24,888	0.0550	\$1,368.84	25,346	0.0550	\$1,394.05	\$25.21	1.84%	1.07%
Debt retirement charge (kWh)		24,000	0.0049	\$117.60	24,000	0.0049	\$117.60			
Cost of Power / WMS / DRC				\$1,648.21			\$1,676.40	\$28.19	1.71%	1.20%
Total Bill				\$2,354.54			\$2,382.30	\$27.76	1.18%	1.18%

Consumption kWh & kW		BILL May 1, 2009 Current Rates			BILL May 1, 2010 Proposed Rates			RATE CHANGE IMPACTS		
40,000	100	Volume	RATE \$	CHARGE \$	Volume	RATE \$	CHARGE \$	Rate Change Impact \$	Change %	As a % of 2009 Total Bill
Monthly Service Charge				\$338.04			\$338.04			
Distribution (kW)		100	\$3.4023	\$340.23	100	\$3.7701	\$377.01	\$36.78	10.81%	0.99%
Smart Meter Rider (per month)				\$1.00			\$1.00			
Reg Asset Rider (kW)		100			100	(\$0.3750)	(\$37.50)	(\$37.50)		-1.01%
Distribution				\$679.27			\$678.55	(\$0.72)	-0.11%	-0.02%
RTSR Network (kW)		100	1.4236	\$142.36	100	1.4236	\$142.36			
RTSR Connection (kW)		100	1.2955	\$129.55	100	1.2955	\$129.55			
Delivery (includes Distribution)				\$951.18			\$950.46	(\$0.72)	-0.08%	-0.02%
Wholesale Market Service (kWh)		41,480	0.0065	\$269.62	42,244	0.0065	\$274.59	\$4.97	1.84%	0.13%
Cost of Power Commodity (kWh)		41,480	0.0550	\$2,281.40	42,244	0.0550	\$2,323.42	\$42.02	1.84%	1.14%
Debt retirement charge (kWh)		40,000	0.0049	\$196.00	40,000	0.0049	\$196.00			
Cost of Power / WMS / DRC				\$2,747.02			\$2,794.01	\$46.99	1.71%	1.27%
Total Bill				\$3,698.20			\$3,744.47	\$46.27	1.25%	1.25%

GENERAL SERVICE 50 KW OR GREATER Monthly Bill Impact Calculations - Change From May 1, 2009 Approved to May 1, 2010 Proposed Rates

Consumption kWh & kW		BILL May 1, 2009 Current Rates			BILL May 1, 2010 Proposed Rates			RATE CHANGE IMPACTS		
200,000	500	Volume	RATE \$	CHARGE \$	Volume	RATE \$	CHARGE \$	Rate Change Impact \$	Change %	As a % of 2009 Total Bill
Monthly Service Charge				\$338.04			\$338.04			
Distribution (kW)		500	\$3.4023	\$1,701.15	500	\$3.7701	\$1,885.05	\$183.90	10.81%	1.07%
Smart Meter Rider (per month)				\$1.00			\$1.00			
Reg Asset Rider (kW)		500			500	(\$0.3750)	(\$187.50)	(\$187.50)		-1.09%
Distribution				\$2,040.19			\$2,036.59	(\$3.60)	-0.18%	-0.02%
RTSR Network (kW)		500	1.4236	\$711.80	500	1.4236	\$711.80			
RTSR Connection (kW)		500	1.2955	\$647.75	500	1.2955	\$647.75			
Delivery (includes Distribution)				\$3,399.74			\$3,396.14	(\$3.60)	-0.11%	-0.02%
Wholesale Market Service (kWh)		207,400	0.0065	\$1,348.10	211,220	0.0065	\$1,372.93	\$24.83	1.84%	0.14%
Cost of Power Commodity (kWh)		207,400	0.0550	\$11,407.00	211,220	0.0550	\$11,617.10	\$210.10	1.84%	1.23%
Debt retirement charge (kWh)		200,000	0.0049	\$980.00	200,000	0.0049	\$980.00			
Cost of Power / WMS / DRC				\$13,735.10			\$13,970.03	\$234.93	1.71%	1.37%
Total Bill				\$17,134.84			\$17,366.17	\$231.33	1.35%	1.35%

Consumption kWh & kW		BILL May 1, 2009 Current Rates			BILL May 1, 2010 Proposed Rates			RATE CHANGE IMPACTS		
400,000	1,000	Volume	RATE \$	CHARGE \$	Volume	RATE \$	CHARGE \$	Rate Change Impact \$	Change %	As a % of 2009 Total Bill
Monthly Service Charge				\$338.04			\$338.04			
Distribution (kW)		1,000	\$3.4023	\$3,402.30	1,000	\$3.7701	\$3,770.11	\$367.81	10.81%	1.08%
Smart Meter Rider (per month)				\$1.00			\$1.00			
Reg Asset Rider (kW)		1,000			1,000	(\$0.3750)	(\$375.00)	(\$375.00)		-1.11%
Distribution				\$3,741.34			\$3,734.15	(\$7.19)	-0.19%	-0.02%
RTSR Network (kW)		1,000	1.4236	\$1,423.60	1,000	1.4236	\$1,423.60			
RTSR Connection (kW)		1,000	1.2955	\$1,295.50	1,000	1.2955	\$1,295.50			
Delivery (includes Distribution)				\$6,460.44			\$6,453.25	(\$7.19)	-0.11%	-0.02%
Wholesale Market Service (kWh)		414,800	0.0065	\$2,696.20	422,440	0.0065	\$2,745.86	\$49.66	1.84%	0.15%
Cost of Power Commodity (kWh)		414,800	0.0550	\$22,814.00	422,440	0.0550	\$23,234.20	\$420.20	1.84%	1.24%
Debt retirement charge (kWh)		400,000	0.0049	\$1,960.00	400,000	0.0049	\$1,960.00			
Cost of Power / WMS / DRC				\$27,470.20			\$27,940.06	\$469.86	1.71%	1.38%
Total Bill				\$33,930.64			\$34,393.31	\$462.67	1.36%	1.36%

GENERAL SERVICE 50 KW OR GREATER Monthly Bill Impact Calculations - Change From May 1, 2009 Approved to May 1, 2010 Proposed Rates

Consumption kWh & kW		BILL May 1, 2009 Current Rates			BILL May 1, 2010 Proposed Rates			RATE CHANGE IMPACTS		
1,000,000	2,500	Volume	RATE \$	CHARGE \$	Volume	RATE \$	CHARGE \$	Rate Change Impact \$	Change %	As a % of 2009 Total Bill
Monthly Service Charge				\$338.04			\$338.04			
Distribution (kW)		2,500	\$3.4023	\$8,505.75	2,500	\$3.7701	\$9,425.27	\$919.52	10.81%	1.09%
Smart Meter Rider (per month)				\$1.00			\$1.00			
Reg Asset Rider (kW)		2,500			2,500	(\$0.3750)	(\$937.50)	(\$937.50)		-1.11%
Distribution				\$8,844.79			\$8,826.81	(\$17.98)	-0.20%	-0.02%
RTSR Network (kW)		2,500	1.4236	\$3,559.00	2,500	1.4236	\$3,559.00			
RTSR Connection (kW)		2,500	1.2955	\$3,238.75	2,500	1.2955	\$3,238.75			
Delivery (includes Distribution)				\$15,642.54			\$15,624.56	(\$17.98)	-0.11%	-0.02%
Wholesale Market Service (kWh)		1,037,000	0.0065	\$6,740.50	1,056,100	0.0065	\$6,864.65	\$124.15	1.84%	0.15%
Cost of Power Commodity (kWh)		1,037,000	0.0550	\$57,035.00	1,056,100	0.0550	\$58,085.50	\$1,050.50	1.84%	1.25%
Debt retirement charge (kWh)		1,000,000	0.0049	\$4,900.00	1,000,000	0.0049	\$4,900.00			
Cost of Power / WMS / DRC				\$68,675.50			\$69,850.15	\$1,174.65	1.71%	1.39%
Total Bill				\$84,318.04			\$85,474.71	\$1,156.67	1.37%	1.37%

Consumption kWh & kW		BILL May 1, 2009 Current Rates			BILL May 1, 2010 Proposed Rates			RATE CHANGE IMPACTS		
1,250,000	3,100	Volume	RATE \$	CHARGE \$	Volume	RATE \$	CHARGE \$	Rate Change Impact \$	Change %	As a % of 2009 Total Bill
Monthly Service Charge				\$338.04			\$338.04			
Distribution (kW)		3,100	\$3.4023	\$10,547.13	3,100	\$3.7701	\$11,687.34	\$1,140.21	10.81%	1.08%
Smart Meter Rider (per month)				\$1.00			\$1.00			
Reg Asset Rider (kW)		3,100			3,100	(\$0.3750)	(\$1,162.50)	(\$1,162.50)		-1.11%
Distribution				\$10,886.17			\$10,863.88	(\$22.29)	-0.20%	-0.02%
RTSR Network (kW)		3,100	1.4236	\$4,413.16	3,100	1.4236	\$4,413.16			
RTSR Connection (kW)		3,100	1.2955	\$4,016.05	3,100	1.2955	\$4,016.05			
Delivery (includes Distribution)				\$19,315.38			\$19,293.09	(\$22.29)	-0.12%	-0.02%
Wholesale Market Service (kWh)		1,296,250	0.0065	\$8,425.63	1,320,125	0.0065	\$8,580.81	\$155.18	1.84%	0.15%
Cost of Power Commodity (kWh)		1,296,250	0.0550	\$71,293.75	1,320,125	0.0550	\$72,606.88	\$1,313.13	1.84%	1.25%
Debt retirement charge (kWh)		1,250,000	0.0049	\$6,125.00	1,250,000	0.0049	\$6,125.00			
Cost of Power / WMS / DRC				\$85,844.38			\$87,312.69	\$1,468.31	1.71%	1.40%
Total Bill				\$105,159.76			\$106,605.78	\$1,446.02	1.38%	1.38%

GENERAL SERVICE 50 KW OR GREATER Monthly Bill Impact Calculations - Change From May 1, 2009 Approved to May 1, 2010 Proposed Rates

Consumption kWh & kW		BILL May 1, 2009 Current Rates			BILL May 1, 2010 Proposed Rates			RATE CHANGE IMPACTS		
1,600,000	4,000	Volume	RATE \$	CHARGE \$	Volume	RATE \$	CHARGE \$	Rate Change Impact \$	Change %	As a % of 2009 Total Bill
Monthly Service Charge				\$338.04			\$338.04			
Distribution (kW)		4,000	\$3.4023	\$13,609.20	4,000	\$3.7701	\$15,080.43	\$1,471.23	10.81%	1.09%
Smart Meter Rider (per month)				\$1.00			\$1.00			
Reg Asset Rider (kW)		4,000			4,000	(\$0.3750)	(\$1,500.00)	(\$1,500.00)		-1.11%
Distribution				\$13,948.24			\$13,919.47	(\$28.77)	-0.21%	-0.02%
RTSR Network (kW)		4,000	1.4236	\$5,694.40	4,000	1.4236	\$5,694.40			
RTSR Connection (kW)		4,000	1.2955	\$5,182.00	4,000	1.2955	\$5,182.00			
Delivery (includes Distribution)				\$24,824.64			\$24,795.87	(\$28.77)	-0.12%	-0.02%
Wholesale Market Service (kWh)		1,659,200	0.0065	\$10,784.80	1,689,760	0.0065	\$10,983.44	\$198.64	1.84%	0.15%
Cost of Power Commodity (kWh)		1,659,200	0.0550	\$91,256.00	1,689,760	0.0550	\$92,936.80	\$1,680.80	1.84%	1.25%
Debt retirement charge (kWh)		1,600,000	0.0049	\$7,840.00	1,600,000	0.0049	\$7,840.00			
Cost of Power / WMS / DRC				\$109,880.80			\$111,760.24	\$1,879.44	1.71%	1.40%
Total Bill				\$134,705.44			\$136,556.11	\$1,850.67	1.37%	1.37%

STREET LIGHTING Monthly Bill Impact Calculations - Change From May 1, 2009 Approved to May 1, 2010 Proposed Rates

kWh & kW & Connections			BILL May 1, 2009 Current Rates			BILL May 1, 2010 Proposed Rates			RATE CHANGE IMPACTS		
193,000	520	3,200	Volume	RATE \$	CHARGE \$	Volume	RATE \$	CHARGE \$	Rate Change Impact \$	Change %	As a % of 2009 Total Bill
Monthly Connection Charge			3,200	\$1.0600	\$3,392.00	3,200	\$2.7500	\$8,800.00	\$5,408.00	159.43%	27.55%
Reg Asset Rider (kW)			520			520	\$0.1061	\$55.17	\$55.17		0.28%
Distribution (kW)			520	\$3.7225	\$1,935.70	520	\$9.3608	\$4,867.64	\$2,931.94	151.47%	14.94%
Distribution					\$5,327.70			\$13,722.81	\$8,395.11	157.57%	42.77%
RTSR Network (kW)			520	1.0487	\$545.32	520	1.0487	\$545.32			
RTSR Connection (kW)			520	0.9659	\$502.27	520	0.9659	\$502.27			
Delivery (includes Distribution)					\$6,375.29			\$14,770.40	\$8,395.11	131.68%	42.77%
Cost of Power Commodity (kWh)			200,141	0.0550	\$11,007.76	203,827	0.0550	\$11,210.49	\$202.73	1.84%	1.03%
Wholesale Market Service (kWh)			200,141	0.0065	\$1,300.92	203,827	0.0065	\$1,324.88	\$23.96	1.84%	0.12%
Debt retirement charge (kWh)			193,000	0.0049	\$945.70	193,000	0.0049	\$945.70			
Cost of Power / WMS / DRC					\$13,254.38			\$13,481.07	\$226.69	1.71%	1.15%
Total Bill					\$19,629.67			\$28,251.47	\$8,621.80	43.92%	43.92%

kWh & kW & Connections			BILL May 1, 2009 Current Rates			BILL May 1, 2010 Proposed Rates			RATE CHANGE IMPACTS		
205,000	560	3,400	Volume	RATE \$	CHARGE \$	Volume	RATE \$	CHARGE \$	Rate Change Impact \$	Change %	As a % of 2009 Total Bill
Monthly Connection Charge			3,400	\$1.0600	\$3,604.00	3,400	\$2.7500	\$9,350.00	\$5,746.00	159.43%	27.50%
Reg Asset Rider (kW)			560			560	\$0.1061	\$59.42	\$59.42		0.28%
Distribution (kW)			560	\$3.7225	\$2,084.60	560	\$9.3608	\$5,242.07	\$3,157.47	151.47%	15.11%
Distribution					\$5,688.60			\$14,651.49	\$8,962.89	157.56%	42.89%
RTSR Network (kW)			560	1.0487	\$587.27	560	1.0487	\$587.27			
RTSR Connection (kW)			560	0.9659	\$540.90	560	0.9659	\$540.90			
Delivery (includes Distribution)					\$6,816.77			\$15,779.66	\$8,962.89	131.48%	42.89%
Cost of Power Commodity (kWh)			212,585	0.0550	\$11,692.18	216,501	0.0550	\$11,907.56	\$215.38	1.84%	1.03%
Wholesale Market Service (kWh)			212,585	0.0065	\$1,381.80	216,501	0.0065	\$1,407.26	\$25.46	1.84%	0.12%
Debt retirement charge (kWh)			205,000	0.0049	\$1,004.50	205,000	0.0049	\$1,004.50			
Cost of Power / WMS / DRC					\$14,078.48			\$14,319.32	\$240.84	1.71%	1.15%
Total Bill					\$20,895.25			\$30,098.98	\$9,203.73	44.05%	44.05%

STREET LIGHTING Monthly Bill Impact Calculations - Change From May 1, 2009 Approved to May 1, 2010 Proposed Rates

kWh & kW & Connections			BILL May 1, 2009 Current Rates			BILL May 1, 2010 Proposed Rates			RATE CHANGE IMPACTS		
217,000	590	3,600	Volume	RATE \$	CHARGE \$	Volume	RATE \$	CHARGE \$	Rate Change Impact \$	Change %	As a % of 2009 Total Bill
Monthly Connection Charge			3,600	\$1.0600	\$3,816.00	3,600	\$2.7500	\$9,900.00	\$6,084.00	159.43%	27.53%
Reg Asset Rider (kW)			590			590	\$0.1061	\$62.60	\$62.60		0.28%
Distribution (kW)			590	\$3.7225	\$2,196.28	590	\$9.3608	\$5,522.89	\$3,326.61	151.47%	15.05%
Distribution					\$6,012.28			\$15,485.49	\$9,473.21	157.56%	42.86%
RTSR Network (kW)			590	1.0487	\$618.73	590	1.0487	\$618.73			
RTSR Connection (kW)			590	0.9659	\$569.88	590	0.9659	\$569.88			
Delivery (includes Distribution)					\$7,200.89			\$16,674.10	\$9,473.21	131.56%	42.86%
Cost of Power Commodity (kWh)			225,029	0.0550	\$12,376.60	229,174	0.0550	\$12,604.57	\$227.97	1.84%	1.03%
Wholesale Market Service (kWh)			225,029	0.0065	\$1,462.69	229,174	0.0065	\$1,489.63	\$26.94	1.84%	0.12%
Debt retirement charge (kWh)			217,000	0.0049	\$1,063.30	217,000	0.0049	\$1,063.30			
Cost of Power / WMS / DRC					\$14,902.59			\$15,157.50	\$254.91	1.71%	1.15%
Total Bill					\$22,103.48			\$31,831.60	\$9,728.12	44.01%	44.01%

kWh & kW & Connections			BILL May 1, 2009 Current Rates			BILL May 1, 2010 Proposed Rates			RATE CHANGE IMPACTS		
229,000	620	3,800	Volume	RATE \$	CHARGE \$	Volume	RATE \$	CHARGE \$	Rate Change Impact \$	Change %	As a % of 2009 Total Bill
Monthly Connection Charge			3,800	\$1.0600	\$4,028.00	3,800	\$2.7500	\$10,450.00	\$6,422.00	159.43%	27.55%
Reg Asset Rider (kW)			620			620	\$0.1061	\$65.78	\$65.78		0.28%
Distribution (kW)			620	\$3.7225	\$2,307.95	620	\$9.3608	\$5,803.72	\$3,495.77	151.47%	15.00%
Distribution					\$6,335.95			\$16,319.50	\$9,983.55	157.57%	42.83%
RTSR Network (kW)			620	1.0487	\$650.19	620	1.0487	\$650.19			
RTSR Connection (kW)			620	0.9659	\$598.86	620	0.9659	\$598.86			
Delivery (includes Distribution)					\$7,585.00			\$17,568.55	\$9,983.55	131.62%	42.83%
Cost of Power Commodity (kWh)			237,473	0.0550	\$13,061.02	241,847	0.0550	\$13,301.59	\$240.57	1.84%	1.03%
Wholesale Market Service (kWh)			237,473	0.0065	\$1,543.57	241,847	0.0065	\$1,572.01	\$28.44	1.84%	0.12%
Debt retirement charge (kWh)			229,000	0.0049	\$1,122.10	229,000	0.0049	\$1,122.10			
Cost of Power / WMS / DRC					\$15,726.69			\$15,995.70	\$269.01	1.71%	1.15%
Total Bill					\$23,311.69			\$33,564.25	\$10,252.56	43.98%	43.98%

STREET LIGHTING Monthly Bill Impact Calculations - Change From May 1, 2009 Approved to May 1, 2010 Proposed Rates

kWh & kW & Connections			BILL May 1, 2009 Current Rates			BILL May 1, 2010 Proposed Rates			RATE CHANGE IMPACTS		
241,000	660	4,000	Volume	RATE \$	CHARGE \$	Volume	RATE \$	CHARGE \$	Rate Change Impact \$	Change %	As a % of 2009 Total Bill
Monthly Connection Charge			4,000	\$1.0600	\$4,240.00	4,000	\$2.7500	\$11,000.00	\$6,760.00	159.43%	27.51%
Reg Asset Rider (kW)			660			660	\$0.1061	\$70.03	\$70.03		0.28%
Distribution (kW)			660	\$3.7225	\$2,456.85	660	\$9.3608	\$6,178.15	\$3,721.30	151.47%	15.14%
Distribution					\$6,696.85			\$17,248.18	\$10,551.33	157.56%	42.93%
RTSR Network (kW)			660	1.0487	\$692.14	660	1.0487	\$692.14			
RTSR Connection (kW)			660	0.9659	\$637.49	660	0.9659	\$637.49			
Delivery (includes Distribution)					\$8,026.48			\$18,577.81	\$10,551.33	131.46%	42.93%
Cost of Power Commodity (kWh)			249,917	0.0550	\$13,745.44	254,520	0.0550	\$13,998.60	\$253.16	1.84%	1.03%
Wholesale Market Service (kWh)			249,917	0.0065	\$1,624.46	254,520	0.0065	\$1,654.38	\$29.92	1.84%	0.12%
Debt retirement charge (kWh)			241,000	0.0049	\$1,180.90	241,000	0.0049	\$1,180.90			
Cost of Power / WMS / DRC					\$16,550.80			\$16,833.88	\$283.08	1.71%	1.15%
Total Bill					\$24,577.28			\$35,411.69	\$10,834.41	44.08%	44.08%