



EB-2009-0143

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

AND IN THE MATTER OF an application by Essex
Powerlines Corporation for an order approving just and
reasonable rates and other charges for electricity distribution
to be effective May 1, 2010.

BEFORE: Ken Quesnelle
Presiding Member

DECISION ON PARTIAL SETTLEMENT AND PROCEDURAL ORDER No. 3

Essex Powerlines Corporation (“Essex”) filed an application with the Ontario Energy Board (the “Board”) on September 28, 2009 under section 78 of the *Ontario Energy Board Act, 1998*, S.O. 1998, c. 15, (Schedule B), seeking approval for changes to the rates that Essex charges for electricity distribution, to be effective May 1, 2010. The Board has assigned the File Number EB-2009-0143 to this application.

The Board issued a Notice of Application and Hearing on October 21, 2009. In accordance with Procedural Order No. 1, issued on November 17, 2009, the Board made provision for written interrogatories. Energy Probe Research Foundation (“Energy Probe”), School Energy Coalition (“SEC”), Vulnerable Energy Consumers Coalition (“VECC”), and Board staff filed interrogatories. Essex filed responses to the interrogatories on December 14, 2010.

On January 8, 2010 the Board issued Procedural Order No. 2 which provided for a supplemental round of interrogatories and a Settlement Conference. The Settlement Conference was conducted on February 3, 2010 at the Board’s offices. Representatives of Essex and the intervenors (Energy Probe, SEC and VECC)

participated in the Settlement Conference. Board staff participated in accordance with their role as set out in the Board's Settlement Conference Guidelines.

Partial Settlement

On February 24, 2010, Essex filed a proposed partial Settlement Agreement (the "Partial Agreement") with the Board. Essex, Energy Propbe, SEC and VECC are the parties (collectively, the "Parties") to the proposed Partial Agreement.

The Partial Agreement is included as Appendix A to this Decision and represents a comprehensive settlement of most issues, but also documents issues for which settlement was not attained. The Parties agreed that unsettled issues should be dealt with by way of written submissions.

Non-settled Issues

The issues for which settlement was not reached are summarized as follows:

- **Rate Base:**
 - The appropriateness of a lead-lag study being required for Essex' next cost of service application.

- **Operating Revenue:**
 - The treatment of non-utility Accounts 4375 and 4380 as they pertain to revenue offsets; and
 - The forecasted balance of Account 4375.

- **Operating Costs:**
 - The appropriateness of including \$108,750 in OM&A for a Regulatory Manager in light of the fact that Essex is heading into an IRM period. The Parties agree that the outcome of the Regulatory Manager position issue will not affect the status of their agreement on OM&A generally. That is, the Parties agree that the agreed-upon OM&A of \$6,344,940 may be reduced further in accordance with the Board's findings in respect of the Regulatory Manager position.

- **Taxes**
 - Whether or not Essex qualifies for the small business deduction credit.

- **Cost of Capital and Capital Structure:**
 - The percentage of Essex' regulated capital structure that should be made up of short-term debt; and
 - The appropriate allowed Return on Equity.

- **Deferral and Variance Accounts:**
 - RSVA Account 1588 – Subaccount Global Adjustment – recovery of the balances.

Although the Parties reached a settlement on Deferral and Variance Accounts, the Agreement provided for Board staff to make a submission on the narrow issue of RSVA Account 1588 (Sub-account Global Adjustment).

Findings

On those matters for which settlement was reached by the Parties, the Board accepts the Partial Agreement as filed on February 24, 2010. The Board reminds Parties that elements of a settlement agreement do not create a precedent for the Board.

Next Steps

The Board will hear submissions on the unsettled issues, as documented in the Partial Agreement, and intends to do so by way of written submissions.

The Board considers it necessary to make provision for the following matters related to this proceeding. The Board may issue further procedural orders from time to time.

THE BOARD ORDERS THAT:

1. Board staff and intervenors who wish to do so shall file written submissions on unsettled issues with the Board and deliver it to Essex and all other intervenors no later than **March 5, 2010**.

2. Essex, if it wishes to do so, shall file a written reply submission addressing any issues raised in any submissions filed by Board staff or intervenors no later than **March 12, 2010**.

All filings to the Board must quote the file number, EB-2009-0143, be made through the Board's web portal at www.errr.oeb.gov.on.ca, and consist of two paper copies and one electronic copy in searchable / unrestricted PDF format. Filings must clearly state the sender's name, postal address and telephone number, fax number and e-mail address. Please use the document naming conventions and document submission standards outlined in the RESS Document Guideline found at www.oeb.gov.on.ca. If the web portal is not available you may email your document to the address below. Those who do not have internet access are required to submit all filings on a CD or diskette in PDF format, along with two paper copies. Those who do not have computer access are required to file 7 paper copies.

All communications should be directed to the attention of the Board Secretary at the address below, and be received no later than 4:45 p.m. on the required date.

ADDRESS

Ontario Energy Board
P.O. Box 2319
2300 Yonge Street, 27th Floor
Toronto ON M4P 1E4
Attention: Board Secretary

E-mail: Boardsec@oeb.gov.on.ca
Tel: 1-888-632-6273 (toll free)
Fax: 416-440-7656

DATED at Toronto, March 3, 2010

ONTARIO ENERGY BOARD

Original signed by

Kirsten Walli
Board Secretary

APPENDIX A

Settlement Agreement

Essex Powerlines Corporation

EB-2009-0143

EB-2009-0143

Essex Powerlines Corporation

Proposed Settlement Agreement

February 3, 2010

This Settlement Agreement (“Agreement”) is for the consideration of the Ontario Energy Board (the “Board”) in its determination of the rate application by Essex Powerlines Corporation (“Essex Powerlines”) for 2010 electricity distribution rates (EB-2009-0143), as updated by Essex Powerlines on January 29, 2010 (hereinafter referred to as the “Application”).

Essex Powerlines’ Application was received by the Board on September 28, 2009. Further to Procedural Order #2, dated January 8, 2010, a Settlement Conference was scheduled for February 3, 2010.

The Settlement Conference was duly convened in accordance with Procedural Order No. 2 with Mr. George Dominy as facilitator. The Settlement Conference concluded on February 3, 2010.

Essex Powerlines and the following Intervenors participated in the Settlement Conference:

Energy Probe Research Foundation (“EP”)

School Energy Coalition (“SEC”)

Vulnerable Energy Consumers Coalition (“VECC”) (collectively the “Parties”)

The role adopted by the Board Staff in the Settlement Conference is set out on page 5 of the Board’s Settlement Conference Guidelines. Although Board Staff is not a party to this Agreement, as noted in the Guidelines, the Board Staff who did participate in the Settlement Conference are bound by the same confidentiality standards that apply to the Parties to the proceeding.

This Agreement represents a partial settlement of all issues. It is 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.

The Parties explicitly request that the Board consider and accept this Settlement Agreement as a package. None of the matters in respect of which a settlement has been reached is severable. Numerous compromises were made by the Parties with respect to various matters to arrive at this comprehensive Settlement Agreement. The distinct issues addressed in this proposal are

intricately interrelated, and reductions or increases to the agreed-upon amounts may have financial consequences in other areas of this proposal which may be unacceptable to one or more of the Parties. If the Board does not accept the Settlement Agreement in its entirety, then there is no settlement, unless the Parties agree that those portions of the Settlement Agreement that the Board does accept may continue as a valid settlement.

This having been said, Board Staff have requested that one matter be addressed with the Board pertaining to RSVA Account 1588 – Power – Subaccount Global Adjustment and more particularly, to the manner in which any balance in the Global Adjustment sub-account should be recovered. This is not a matter that is at issue for the Parties, and the Board's determination with respect to this matter will not affect the settlement.

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. However, 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.

References to the evidence supporting this Agreement on each issue are set out in each section of the Agreement. The Appendices to the Agreement provide further evidentiary support. The Parties agree that this Agreement and the Appendices form part of the record in EB-2009-0143.

Because this is a partial settlement, and certain matters that will be the subject of written submissions will have an impact on Essex Powerlines' final 2010 rates, the Parties have not appended a revised Schedule of Rates and Charges to this Settlement Agreement.

Overview

The revenue requirement and rate adjustments arising from this Agreement will allow Essex Powerlines to make the necessary investments to serve customers, maintain the integrity of the distribution system, to maintain and improve the quality of its service and to meet all compliance requirements during 2010.

The Parties have reached an agreement that achieves the following goals:

- 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 Essex Powerlines

While Essex Powerlines has filed budgets for the Test Year that are illustrative of how it would achieve these goals, 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 must be made by the utility during the course of the year.

There is no approved issues list for this proceeding. However, for the purposes of organizing this Settlement Agreement, the Parties have followed the Board's Filing Guidelines that address all of the revenue requirement components, load forecast, deferral and variance account dispositions, cost allocation and rate design and other issues relevant to determining Essex Powerlines' 2010 distribution rates and rate riders.

Next Steps:

The Parties request that the Board attempt to issue a decision on this Settlement Agreement prior to the date on which submissions on the unsettled issues is required.

Outline of Settlement by Category

1. RATE BASE and CAPITAL EXPENDITURES

- 1.1. Are the amounts proposed for Rate Base and the 2010 capital program reasonable?

Status: Complete Settlement

For purposes of achieving settlement of all issues, the Parties have agreed to a reduction in 2010 Rate Base from \$41,322,336 as set out in the response to BS IR #50 and included in the January 29, 2010 Application update to \$41,128,526. The agreed-upon 2010 Rate Base represents a decrease from the above-noted as-filed in the amount of \$193,810, and reflects the following adjustments to either or both of 2009 estimated capital additions and 2010 capital expenditures:

- (a) A reduction to capital spending related to HST in the amount of \$45,000. This results in a reduction in 2010 Rate Base in the amount of \$22,500.

The Parties agree to establish a variance account to track the difference between the forecast and actual savings in OM&A and capital expenditures that are related to the implementation of the HST.

- (b) A reduction of \$20,000 in both 2009 and 2010 capital additions for Work-in-Progress. This represents a reduction to 2010 Rate Base in the amount of \$30,000.
- (c) An increase in 2010 capital expenditures in the amount of \$55,000 to reflect the partial capitalization of the Distribution Engineer and Special Customer Service positions. This reflects an increase in 2010 Rate Base in the amount of \$27,500.
- (d) An increase in 2010 capital additions in the amount of \$64,600 to reflect the deferral of residential expansions from 2009 to 2010. This will result in a corresponding decrease to 2009 Capital Spending in the amount of \$64,600 and a decrease in 2010 Rate Base in the amount of \$32,300.
- (e) An increase in 2010 capital expenditures in the amount of \$50,000 to reflect the deferral of commercial expansions from 2009 to 2010. This will result in a corresponding decrease in 2009 capital spending in the amount of \$50,000 and a decrease to 2010 Rate Base in the amount of \$25,000.
- (f) An adjustment to accumulated amortization to reflect full-year depreciation for capital additions during the historic period, which results in a decrease to 2010 Rate Base in the amount of \$92,310.
- (g) Changes to Working Capital, as described in further detail below and included the working capital impact of all other changes would result in a decrease to 2010 Rate Base in the amount of \$19,200.

Supporting Parties: EP, SEC, VECC

Evidence References: Exhibit 2

Updated Application of January 29, 2010

Exhibit 2, Tab 3, Schedule 1

Exhibit 2, Tab 4

Interrogatory Response, Board Staff 40

Interrogatory Response, VECC 6

Interrogatory Response, EP 66

2. WORKING CAPITAL ALLOWANCE

2.1 Has the Working Capital Allowance been determined appropriately?

Status: Complete Settlement

The Parties have agreed that the working capital allowance for the purposes of setting rates for the Test Year will include a Working Capital Allowance of \$8,119,276. This reflects the following three changes to the Working Capital allowance as filed in the original Application:

- 1) The Parties agree that the October 2009 pricing from the Navigant Consulting report that was used in the January 29, 2010 update to calculate the weighted average cost of power applied against the load forecast is appropriate.
- 2) The Parties agree that for the purpose of determining working capital allowance, a cost of power that reflects the RPP and Non-RPP split for Essex Power's customers will be used. (EP IR #67)
- 3) The Parties agree that the Working Capital Allowance will reflect the reductions to OM&A as set out in section 4.) below.

Supporting Parties: EP, SEC, VECC

Evidence References: Exhibit 2, Tab 5, Schedule 1

Exhibit 3, Tab 1 Schedule 3

Interrogatory Reponse EP #67

Unsettled Issue - Lead Lag Study:

The Parties did not settle on the issue of whether Essex Powerlines should file a lead-lag study with its next cost of service application. The Parties agree to address this unsettled issue by way of written argument.

3 COST OF CAPITAL

3.1 Are the proposed Capital Structure and Rate of Return on Equity appropriate?

Status: Not Settled

The Parties agree that Essex Powerlines' debt to equity ratio for rate making purposes of 60% to 40% is appropriate. However, the following two matters are not settled with respect to the proposed Capital Structure and Rate of Return on Equity:

- 1) The debt component of Essex Powerlines' capital structure is comprised of 56% long-term debt and 4% short term debt for rate making purposes. The intervenors do not agree that 4% short term debt is an appropriate amount for Essex Powerlines for rate making purposes. The Parties have agreed that this matter will be the subject of written submissions.
- 2) The Application provides for an adjustment based on the Board's updated cost of capital parameters. It is Essex Powerlines' position that the methodology for determining its Return on Equity for the 2010 Test Year is as set out in the December 11, 2009 *Report of the Board on the Cost of Capital for Ontario's Regulated Utilities*. The intervenors do not agree that the rate should be determined as provided for in that Report. The Parties have agreed that this matter will be the subject of written submissions.

3.2 Is the average weighted cost of debt for the long-term debt appropriate?

Status: Complete Settlement

The Parties have agreed that the stamping fee on the long term debt be adjusted to the most recent agreement with the TD Bank which results in a decrease in the percentage from 5.56% to 5.4%.

Supporting Parties: EP, SEC, VECC
Evidence References: Exhibit 5, Tab 1, Schedule 2
Interrogatory Response BS 22
Interrogatory Response EP 44

Interrogatory Response EP 23

Exhibit 4, Tab 1, Schedule 1

Interrogatory Response VECC 14

Exhibit 4, Tab 4, Schedule 1

Interrogatory Response BS 13

4.2 Are the proposed IFRS costs appropriate?

Status: Complete Settlement

The Parties have agreed that the IFRS costs of \$50,000 per year are to be included in the application with the establishment of a variance account to track the costs for disposition later.

Supporting Parties: EP, SEC, VECC

Evidence References: Exhibit 4, Tab 2, Schedule 1 & 2

Interrogatory Response EP 23

4.3 Are the property taxes appropriate?

Status: Complete Settlement

The Parties have agreed that the property taxes of \$32,000 should be included, as provided in the Application.

Supporting Parties: EP, SEC, VECC

Evidence References: Exhibit 4, Tab 1, Schedule 1

Interrogatory Response EP 36

4.4 Are the positions of Distribution Engineer and Special Customer Account Manager appropriate costs to be included in the application?

Status: Complete Settlement

The parties agreed to include 40% of the Distribution Engineer and 20% of the Special Customer Account Manager as a capitalized cost addition to the capital budget, resulting in a reduction in OM&A of \$55,000. The Parties also agreed to a \$20,000 OM&A reduction associated with the cost of the Special Customer Account Manager position to reflect recoverable amounts from customer impact assessments associated with the position.

Supporting Parties: EP, SEC, VECC
Evidence References: Exhibit 4, Tab 4, Schedule 1
Interrogatory Response EP 32

5 TAXES

5.1 Are the PILs taxes calculations appropriate?

Status: Partial Settlement

The Parties agreed to the changes to capital tax, CCA corrections and provincial tax rates to be used. The issue of whether Essex Powerlines qualifies for the small business deduction could not be agreed upon. The Parties agree to that this issue will be the subject of written submissions.

Supporting Parties: EP, SEC, VECC
Evidence References: Exhibit 8, Tab 4, Schedule 3
Exhibit 4, Tab 8, Schedule 3
Interrogatory Response BS 13,18,50
Interrogatory Response EP 38,40,41

6 DEPRECIATION

6.1 Is the depreciation expense appropriate?

Status: Complete Settlement

The parties agreed to reduce overall OM&A costs by \$20,000 to reflect the Parties' agreement that the depreciable life span of the building should be increased from 25 years to 35.7 years.

Supporting Parties: EP, SEC, VECC
Evidence References: Exhibit 4, Tab 7, Schedule 1
Interrogatory Response BS 17

7 LOSS FACTORS

7.1 Are the loss factors appropriate?

Status: Complete Settlement

The Parties agree to the loss factors submitted in the Application.

Supporting Parties: EP, SEC, VECC

Evidence References: Exhibit 8, Tab 3, Schedule 3

Interrogatory Response BS 27

8 LOAD FORECAST

8.1 Is the Load Forecast appropriate?

Status: Complete Settlement

The Parties agree to the Load Forecast submitted with the following added as a comment: "Due to data limitations, we accept the methodology as the best currently available and the forecast appears to be reasonable".

Supporting Parties: EP, SEC, VECC

Evidence References: Exhibit 3, Tab 1, Schedule 2

9 REVENUE OFFSETS

9.1 Are the revenue offsets appropriate?

Status: Complete Settlement

Revenue Offsets: The revenue offsets proposed in the Application amounted to \$601,073. The Parties agree to increase this amount by \$10,000 to reflect the scrap value of any vehicles replaced in 2010.

Unsettled Issues- Revenue Offsets:

The Parties have not settled on the following issues:

- the treatment of non-utility Accounts 4375 and 4380 as they pertain to revenue offsets; and
- the forecasted balance of Account 4375.

The Parties agree to address these unsettled issues by way of written submissions.

Evidence References: Exhibit 3, Tab 3, Schedule 1, Attachment 1 & 2

10 DEFERRAL AND VARIANCE ACCOUNTS

10.1 Is the disposition period appropriate for the disposal of the deferral and variance accounts?

Status: Complete Settlement

The Parties agree to disposition of these accounts over 4 years.

Supporting Parties: EP, SEC, VECC

Evidence References: Exhibit 9

11 RATE DESIGN and COST ALLOCATION

11.1 Is the fixed variable split appropriate?

Status: Complete Settlement

The Parties Agree that the fixed charge, which represents the Monthly Service Charge excluding the Smart Meter funding adder, will be set to \$300.00 for the General Service 50 to 2,999 kW rate class. For all other rate classes, the fixed charge will be set so as to preserve the same proportions of distribution revenues from fixed charges as would have resulted in 2010 from existing rates. The distribution volumetric rate for each class will then be set so as to achieve consistency with revenue-to-cost ratios established in accordance with the approach described under Cost Allocation in this agreement.

Supporting Parties: EP, SEC, VECC

Evidence References: Exhibit 7

11.2 Are the revenue to cost ratios appropriate?

Status: Complete Settlement

The Parties agree to the following cost allocation adjustments:

i.) The 2010 Cost Allocation model has been revised to be consistent with all above-noted revenue requirement changes in this Agreement.

ii.) The revenue-to-cost ratios from this revised model, uniformly increased to achieve a 100% overall ratio, serve as the starting point (“existing ratios”) in determining proposed ratios for each rate class. The following approach will apply in determining the proposed ratios:

- Residential: the existing ratio, which is near unity, will be retained;
- General Service Less Than 50 kW: the existing ratio, which is well below the target floor value of 0.80, will transition to 0.80 over two years in equal increments;
- Unmetered Scattered Load: The existing ratio, which is above the 1.20 target ceiling value, will be set to 1.20;
- Sentinel Lighting and Street Lighting: The existing ratios, which are well below the 0.70 target floor value, will transition to 0.70 over four years in equal increments; and
- General Service 50 to 2,999 kW and General Service 3,000 to 4,999 kW: The same ratio will apply to each of these classes, with a value that preserves an overall 100% ratio across all rate classes. The proposed ratio value for 2010 will be above unity, less than the 1.80 ceiling target and represent a decrease from the existing ratios. The ratio value will further decrease over the following three years to offset ratio increases in other rate classes, while remaining above unity.

Supporting Parties: EP, SEC, VECC

Evidence References: Exhibit 7

11.3 Should the Low Voltage charges be shown as a separate rate rider?

Status: Complete Settlement

The Parties agree that the low voltage charge rates will be appear as a distinct line item on the draft rate order for each rate class, rather than being included within the distribution volumetric rate.

Supporting Parties: EP, SEC, VECC
Evidence References: Exhibit 7

12 SMART METERS

12.1 Are there any issues with the smart meter information and rate adders in the application?

Status: Complete Settlement

Smart Meter Rider: The Parties agree to the \$1.96 smart meter rate adder submitted by Essex Powerlines.

Supporting Parties: EP, SEC, VECC
Evidence References: Exhibit 9

Unsettled Issues:

The following is a summary of the eight unsettled issues:

- i) the production of a lead lag study for next cost of service application;
- ii) the appropriate return on equity
- iii) the appropriate capital structure, in particular, the appropriate level of short-term debt;
- iv) the addition of the position of Manager, Regulatory Affairs;
- v) the small business deduction for the calculation of PILs;
- vi) the non-utility revenues inclusion in revenue offsets; and
- vii) the level of non-utility revenues;
- viii) the appropriate rate rider for the recovery of the Global Adjustment sub-account.

The Parties agree that all unsettled issues will be dealt with through written submissions.

Appendix A

Revenue Requirement

	As Filed (Jan 29/10)	As per Settlement Agreement (Before CoC Impact)	As per Settlement Agreement (including CoC Estimate Impact)
Net Fixed Assets	33,183,859	33,009,250	33,009,250
Working Capital	8,138,477	8,119,276	8,119,276
Rate Base	41,322,336	41,128,526	41,128,526
Deemed Long-Term Debt Component %	56.00%	56.00%	56.00%
Deemed Short-Term Debt Component %	4.00%	4.00%	4.00%
Deemed Equity Component %	40.00%	40.00%	40.00%
Long-Term Debt Rate	5.56%	5.40%	5.40%
Short-Term Debt Rate	1.33%	1.33%	1.33%
Return Equity	8.01%	8.01%	9.75%
Weighted Average Cost of Capital	6.37%	6.28%	6.98%
Cost Of Capital (Return on Rate Base)	2,631,810	2,584,378	2,870,632
OM&A	6,440,941	6,312,939	6,312,939
Municipal and Property Tax	32,001	32,001	32,001
Depreciation and Amortization	2,240,755	2,247,501	2,247,501
PILs	443,088	444,657	573,264
Service Revenue Requirement	11,788,595	11,621,476	12,036,337
Revenue Offset	(601,073)	(611,073)	(611,073)
Base Revenue Requirement	11,187,522	11,010,403	11,425,264

Appendix B

Bill Impacts (before CoC impacts)

Residential		RPP: Summer								
800 kWh's		Metric	2009 BILL			2010 BILL			CHANGE IMPACT	
0			Volume	Rate	Charge	Volume	Rate	Charge	\$	%
†	Monthly Service Charge				\$11.95			\$14.28	\$2.33	19.5%
†	Distribution	kWh	800	\$0.0150	\$12.00	800	\$0.0155	\$12.40	\$0.40	3.3%
	Sub-Total (Distribution)				\$23.95			\$26.68	\$2.73	11.4%
†	Deferral/Variance Dispositions	kWh	800	\$0.0000	\$0.00	800	(\$0.0009)	(\$0.72)	(\$0.72)	0.0%
	Electricity (Commodity)	kWh	844	RPP-Summer	\$50.27	848	RPP-Summer	\$50.58	\$0.31	0.6%
†	Transmission Network	kWh	844	\$0.0049	\$4.13	848	\$0.0058	\$4.92	\$0.79	19.1%
†	Transmission Connection	kWh	844	\$0.0043	\$3.63	848	\$0.0051	\$4.33	\$0.70	19.3%
	Wholesale Market Service	kWh	844	\$0.0052	\$4.39	848	\$0.0052	\$4.41	\$0.02	0.5%
	Rural Rate Protection	kWh	844	\$0.0013	\$1.10	848	\$0.0013	\$1.10	\$0.00	0.0%
	Debt Retirement Charge	kWh	800	\$0.0070	\$5.60	800	\$0.0070	\$5.60	\$0.00	0.0%
			0	\$0.0000	\$0.00	0	\$0.0000	\$0.00	\$0.00	0.0%
			0	\$0.0000	\$0.00	0	\$0.0000	\$0.00	\$0.00	0.0%
			0	\$0.0000	\$0.00	0	\$0.0000	\$0.00	\$0.00	0.0%
	TOTAL BILL				\$93.07			\$96.90	\$3.83	4.1%
†	<i>Delivery Only</i>				<i>\$31.71</i>			<i>\$35.21</i>	<i>\$3.50</i>	<i>11.0%</i>
General Service Less Than 50 kW		RPP: Non-res.								
2,000 kWh's		Metric	2009 BILL			2010 BILL			CHANGE IMPACT	
0			Volume	Rate	Charge	Volume	Rate	Charge	\$	%
†	Monthly Service Charge				\$13.60			\$22.03	\$8.43	62.0%
†	Distribution	kWh	2,000	\$0.0050	\$10.00	2,000	\$0.0078	\$15.60	\$5.60	56.0%
	Sub-Total (Distribution)				\$23.60			\$37.63	\$14.03	59.4%
†	Deferral/Variance Dispositions	kWh	2,000	\$0.0000	\$0.00	2,000	(\$0.0008)	(\$1.60)	(\$1.60)	0.0%
	Electricity (Commodity)	kWh	2,109	RPP-Non-res.	\$132.43	2,120	RPP-Non-res.	\$133.20	\$0.77	0.6%

Essex Powerlines Corporation 2010 Distribution Rate Application
 EB-2009-0143
 Proposed Settlement Agreement
 Page 16 of 19

†	Transmission Network	-	kWh	2,109	\$0.0043	\$9.07	2,120	\$0.0051	\$10.81	\$1.74	19.2%
†	Transmission Connection	-	kWh	2,109	\$0.0040	\$8.44	2,120	\$0.0048	\$10.18	\$1.74	20.6%
	Wholesale Market Service		kWh	2,109	\$0.0052	\$10.97	2,120	\$0.0052	\$11.03	\$0.06	0.5%
	Rural Protection Rate		kWh	2,109	\$0.0013	\$2.74	2,120	\$0.0013	\$2.76	\$0.02	0.7%
	Debt Retirement Charge		kWh	2,000	\$0.0070	\$14.00	2,000	\$0.0070	\$14.00	\$0.00	0.0%
				0	\$0.0000	\$0.00	0	\$0.0000	\$0.00	\$0.00	0.0%
				0	\$0.0000	\$0.00	0	\$0.0000	\$0.00	\$0.00	0.0%
				0	\$0.0000	\$0.00	0	\$0.0000	\$0.00	\$0.00	0.0%
	TOTAL BILL					\$201.25			\$218.01	\$16.76	8.3%
†	<i>Delivery Only</i>					<i>\$41.11</i>			<i>\$57.02</i>	<i>\$15.91</i>	<i>38.7%</i>

General Service 50 to 2,999 kW											
RPP: Non-res.											
100,000	kWh's			2009 BILL			2010 BILL			CHANGE IMPACT	
500	kW's	Metric	Volume	Rate	Charge	Volume	Rate	Charge	\$	%	
†	Monthly Service Charge				\$344.51			\$301.96	(\$42.55)	(12.4%)	
†	Distribution	kW	500	\$2.7475	\$1,373.75	500	\$3.1410	\$1,570.50	\$196.75	14.3%	
	Sub-Total (Distribution)				\$1,718.26			\$1,872.46	\$154.20	9.0%	
†	Deferral/Variance Dispositions	kW	500	\$0.0000	\$0.00	500	(\$0.2992)	(\$149.60)	(\$149.60)	0.0%	
	Electricity (Commodity)	kWh	105,440	RPP-Non-res.	\$6,952.29	106,020	RPP-Non-res.	\$6,990.57	\$38.28	0.6%	
†	Transmission Network	-	kW	500	\$1.7514	\$875.70	500	\$2.0651	\$1,032.55	\$156.85	17.9%
†	Transmission Connection	-	kW	500	\$1.6110	\$805.50	500	\$1.9235	\$961.75	\$156.25	19.4%
	Wholesale Market Service		kWh	105,440	\$0.0052	\$548.29	106,020	\$0.0052	\$551.30	\$3.01	0.5%
	Rural Protection Rate		kWh	105,440	\$0.0013	\$137.07	106,020	\$0.0013	\$137.83	\$0.76	0.6%
	Debt Retirement Charge		kWh	100,000	\$0.0070	\$700.00	100,000	\$0.0070	\$700.00	\$0.00	0.0%
				0	\$0.0000	\$0.00	0	\$0.0000	\$0.00	0.0%	
				0	\$0.0000	\$0.00	0	\$0.0000	\$0.00	0.0%	
				0	\$0.0000	\$0.00	0	\$0.0000	\$0.00	0.0%	
	TOTAL BILL				\$11,737.11			\$12,096.86	\$359.75	3.1%	
†	<i>Delivery Only</i>					<i>\$3,399.46</i>			<i>\$3,717.16</i>	<i>\$317.70</i>	<i>9.3%</i>

General Service 3,000 to 4,999 kW											
RPP: n/a											
800,000	kWh's			2009 BILL			2010 BILL			CHANGE IMPACT	
3,000	kW's	Metric	Volume	Rate	Charge	Volume	Rate	Charge	\$	%	
†	Monthly Service Charge				\$4,077.03			\$1,960.50	(\$2,116.53)	(51.9%)	
†	Distribution	kW	3,000	\$4.8094	\$14,428.20	3,000	\$2.2259	\$6,677.70	(\$7,750.50)	(53.7%)	

Essex Powerlines Corporation 2010 Distribution Rate Application
 EB-2009-0143
 Proposed Settlement Agreement
 Page 17 of 19

	Sub-Total (Distribution)				\$18,505.23			\$8,638.20	(\$9,867.03)	(53.3%)
†	Deferral/Variance Dispositions	kW	3,000	\$0.0000	\$0.00	3,000	(\$1.3040)	(\$3,912.00)	(\$3,912.00)	0.0%
	Electricity (Commodity)	kWh	843,520	\$0.0603	\$50,889.56	848,160	\$0.0603	\$51,169.49	\$279.93	0.6%
†	Transmission Network	kW	3,000	\$2.1576	\$6,472.80	3,000	\$2.5440	\$7,632.00	\$1,159.20	17.9%
†	Transmission Connection	kW	3,000	\$1.7854	\$5,356.20	3,000	\$2.1317	\$6,395.10	\$1,038.90	19.4%
	Wholesale Market Service	kWh	843,520	\$0.0052	\$4,386.30	848,160	\$0.0052	\$4,410.43	\$24.13	0.6%
	Rural Rate Protection	kWh	843,520	\$0.0013	\$1,096.58	848,160	\$0.0013	\$1,102.61	\$6.03	0.5%
	Debt Retirement Charge	kWh	800,000	\$0.0070	\$5,600.00	800,000	\$0.0070	\$5,600.00	\$0.00	0.0%
			0	\$0.0000	\$0.00	0	\$0.0000	\$0.00	\$0.00	0.0%
			0	\$0.0000	\$0.00	0	\$0.0000	\$0.00	\$0.00	0.0%
			0	\$0.0000	\$0.00	0	\$0.0000	\$0.00	\$0.00	0.0%
	TOTAL BILL				\$92,306.67			\$81,035.83	(\$11,270.84)	(12.2%)
†	<i>Delivery Only</i>				<i>\$30,334.23</i>			<i>\$18,753.30</i>	<i>(\$11,580.93)</i>	<i>(38.2%)</i>

Unmetered Scattered Load RPP: Non-res.

100 kWh's	Metric	2009 BILL			2010 BILL			CHANGE IMPACT		
		Volume	Rate	Charge	Volume	Rate	Charge	\$	%	
†	Monthly Service Charge			\$8.92			\$8.91	(\$0.01)	(0.1%)	
†	Distribution	kWh	100	\$0.0309	\$3.09	100	\$0.0287	\$2.87	(\$0.22)	(7.1%)
	Sub-Total (Distribution)				\$12.01			\$11.78	(\$0.23)	(1.9%)
†	Deferral/Variance Dispositions	kWh	100	\$0.0000	\$0.00	100	(\$0.0008)	(\$0.08)	(\$0.08)	0.0%
	Electricity (Commodity)	kWh	105	RPP-Non-res.	\$6.01	106	RPP-Non-res.	\$6.04	\$0.03	0.5%
†	Transmission Network	kWh	105	\$0.0043	\$0.45	106	\$0.0051	\$0.54	\$0.09	20.0%
†	Transmission Connection	kWh	105	\$0.0040	\$0.42	106	\$0.0048	\$0.51	\$0.09	21.4%
	Wholesale Market Service	kWh	105	\$0.0052	\$0.55	106	\$0.0052	\$0.55	\$0.00	0.0%
	Rural Rate Protection	kWh	105	\$0.0013	\$0.14	106	\$0.0013	\$0.14	\$0.00	0.0%
	Debt Retirement Charge	kWh	100	\$0.0070	\$0.70	100	\$0.0070	\$0.70	\$0.00	0.0%
			0	\$0.0000	\$0.00	0	\$0.0000	\$0.00	\$0.00	0.0%
			0	\$0.0000	\$0.00	0	\$0.0000	\$0.00	\$0.00	0.0%
			0	\$0.0000	\$0.00	0	\$0.0000	\$0.00	\$0.00	0.0%
	TOTAL BILL				\$20.28			\$20.18	(\$0.10)	(0.5%)
†	<i>Delivery Only</i>				<i>\$12.88</i>			<i>\$12.75</i>	<i>(\$0.13)</i>	<i>(1.0%)</i>

Sentinel Lighting

RPP: Non-res.

190 kWh's		2009 BILL			2010 BILL			CHANGE IMPACT	
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Essex Powerlines Corporation 2010 Distribution Rate Application
 EB-2009-0143
 Proposed Settlement Agreement
 Page 18 of 19

0.55	kW's	Metric	Volume	Rate	Charge	Volume	Rate	Charge		%
†	Monthly Service Charge		1.93	\$0.72	\$1.39			\$1.97	\$0.58	41.4%
†	Distribution	kW	0.55	\$4.5442	\$2.50	0.55	\$5.9233	\$3.26	\$0.76	30.3%
	Sub-Total (Distribution)				\$3.89			\$5.23	\$1.34	34.3%
†	Deferral/Variance Dispositions	kW	0.55	\$0.0000	\$0.00	0.55	(\$0.3095)	(\$0.17)	(\$0.17)	0.0%
	Electricity (Commodity)	kWh	200	RPP-Non-res.	\$11.42	201	RPP-Non-res.	\$11.48	\$0.06	0.5%
†	Transmission Network	kW	0.55	\$1.3484	\$0.74	0.55	\$1.5899	\$0.87	\$0.13	17.6%
†	Transmission Connection	kW	0.55	\$1.2280	\$0.68	0.55	\$1.4662	\$0.81	\$0.13	19.1%
	Wholesale Market Service	kWh	200	\$0.0052	\$1.04	201	\$0.0052	\$1.05	\$0.01	1.0%
	Rural Rate Protection	kWh	200	\$0.0013	\$0.26	201	\$0.0013	\$0.26	\$0.00	0.0%
	Debt Retirement Charge	kWh	190	\$0.0070	\$1.33	190	\$0.0070	\$1.33	\$0.00	0.0%
			0	\$0.0000	\$0.00	0	\$0.0000	\$0.00	\$0.00	0.0%
			0	\$0.0000	\$0.00	0	\$0.0000	\$0.00	\$0.00	0.0%
			0	\$0.0000	\$0.00	0	\$0.0000	\$0.00	\$0.00	0.0%
	TOTAL BILL				\$19.36			\$20.86	\$1.50	7.7%
†	<i>Delivery Only</i>				<i>\$5.31</i>			<i>\$6.74</i>	<i>\$1.43</i>	<i>26.8%</i>
Street Lighting										
RPP: Non-res.										
190	kWh's		2009 BILL			2010 BILL			CHANGE IMPACT	
0.55	kW's	Metric	Volume	Rate	Charge	Volume	Rate	Charge		%
†	Monthly Service Charge		2.91	\$0.38	\$1.10			\$1.70	\$0.60	53.9%
†	Distribution	kW	0.55	\$3.4074	\$1.87	0.55	\$4.8614	\$2.67	\$0.80	42.7%
	Sub-Total (Distribution)				\$2.98			\$4.37	\$1.40	46.8%
†	Deferral/Variance Dispositions	kW	0.55	\$0.0000	\$0.00	0.55	(\$0.1784)	(\$0.10)	(\$0.10)	0.0%
	Electricity (Commodity)	kWh	200	RPP-Non-res.	\$11.42	201	RPP-Non-res.	\$11.48	\$0.06	0.5%
†	Transmission Network	kW	0.55	\$1.3296	\$0.73	0.55	\$1.5677	\$0.86	\$0.13	17.8%
†	Transmission Connection	kW	0.55	\$1.2202	\$0.67	0.55	\$1.4569	\$0.80	\$0.13	19.4%
	Wholesale Market Service	kWh	200	\$0.0052	\$1.04	201	\$0.0052	\$1.05	\$0.01	1.0%
	Rural Rate Protection	kWh	200	\$0.0013	\$0.26	201	\$0.0013	\$0.26	\$0.00	0.0%
	Debt Retirement Charge	kWh	190	\$0.0070	\$1.33	190	\$0.0070	\$1.33	\$0.00	0.0%
			0	\$0.0000	\$0.00	0	\$0.0000	\$0.00	\$0.00	0.0%
			0	\$0.0000	\$0.00	0	\$0.0000	\$0.00	\$0.00	0.0%
			0	\$0.0000	\$0.00	0	\$0.0000	\$0.00	\$0.00	0.0%

Essex Powerlines Corporation 2010 Distribution Rate Application
 EB-2009-0143
 Proposed Settlement Agreement
 Page 19 of 19

TOTAL BILL				\$18.43			\$20.05	\$1.63	8.8%
† <i>Delivery Only</i>				<i>\$4.38</i>			<i>\$5.93</i>	<i>\$1.56</i>	<i>35.5%</i>