

October 31, 2007

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

ATT: Ms. Kirsten Walli, Board Secretary

Dear Ms. Walli,

EB - 2007 – XXXX
ED - 2002 - 0544
2008 Incentive Rate Mechanism Adjustment Application
Wasaga Distribution Inc.

In accordance with instructions released September 28, 2007 Wasaga Distribution Inc. requests a final order for Electricity Distribution Rates commencing May 1, 2008.

This application contains the following parts:

- Manager's Summary,
- Completed 2008 IRM Excel Model

Two (2) hard copies of this application are enclosed, together with a CD of the application.

This application is respectfully submitted for the Board's consideration.

Thank you,

Joanne Tackaberry, CGA
Asst. Manager, Administrative & Financial Services
Wasaga Distribution Inc.
P.O. Box 20
Wasaga Beach, ON
L9Z 1A2
Phone: 705-429-2517 Fax: 705-429-2590
j.tackaberry@wasagadist.ca

Encl.

October 31, 2007

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

ATT: Ms. Kirsten Walli, Board Secretary

Dear Ms. Walli,

EB - 2007 – XXXX
ED - 2002 - 0544
2008 Incentive Rate Mechanism Adjustment Application
Wasaga Distribution Inc.

Manager's Summary

Wasaga Distribution Inc. at September 30, 2007 served 11,224 electric customers and 2,290 Street Light connections. There are 10,416 Residential customers, 768 General Service customers less than 50kW, 40 General Service customers who exceed the 50kW threshold.

Wasaga Distribution Inc. is submitting the Incentive Rate Mechanism Adjustment model as requested in the September 28, 2007 letter re: Cost of Capital (EB-2006-0088 and 2nd Generation Incentive Regulation Mechanism (EB-2006-0089) Issuance of the Report of the Board and Filing Requirements for 2008 Incentive Regulation Mechanism Distribution Rate Adjustments, and is requesting approval for those rate adjustments consistent with those contained in the model.

As requested, we have emailed an electronic version of the Manager's Summary and the 2008 IRM Model as a single PDF Document. We have enclosed 2 hard copies of the Manager's Summary and the 2008 IRM Model and a CD containing both an electronic copy of the PDF document emailed earlier and a completed copy of the MSEXcel 2008 IRM Model.

The revised distribution rates when approved will be implemented by Wasaga Distribution Inc. on May 1, 2008.

These rates will be reflected on a pro-rated basis with pre-May 1 consumption at the old distribution rates and post-May 1 consumption at the new distribution rates.

Encl.

The rate adjustments have the following bill impact on customers of Wasaga Distribution Inc.:

| Customer Class | Distribution Charges |
|---|-----------------------------|
| Residential 1,000 kWh | \$0.17 or 0.10% |
| General Service <50kW 2,000 kWh | \$0.29 or 0.10% |

If you have any questions please contact Joanne Tackaberry, Asst. Manager, Administrative and Financial Services, Wasaga Distribution Inc. at (705) 429-2517, email: j.tackaberry@wasagadist.ca.

Yours truly,

Joanne Tackaberry, CGA
Asst. Manager, Administrative & Financial Services
Wasaga Distribution Inc.
P.O. Box 20
Wasaga Beach, ON
L9Z 1A2
Phone: 705-429-2517 Fax: 705-429-2590
j.tackaberry@wasagadist.ca

Encl.



Ontario Energy Board

2008 INCENTIVE RATE MECHANISM ADJUSTMENT MODEL

Sheet 1 Utility Information Sheet

| | | | |
|----------------|------------|-----------------------|-------------|
| Legend: | Input Cell | Pull-Down Menu Option | Output Cell |
|----------------|------------|-----------------------|-------------|

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

| | | | |
|--|--|----------------------------|-------------------|
| Name of LDC: | Wasaga Distribution Inc. | | |
| Licence Number: | ED-2002-0544 | | |
| IRM 2008 EB Number: (if known) | EB-2007-XXXX | | |
| IRM 2007 EB Number: | EB-2007-0584 | | |
| EDR 2006 RP Number: | RP-2005-0020 | EDR 2006 EB Number: | EB-2005-0427 |
| Date of Submission: | 10/31/2007 | Last Saved Date: | 10/26/07 10:24 AM |
| Model Version: | 2.0 | | |
| Contact Information | | | |
| Name: | Joanne Tackaberry | | |
| Title: | Assistant Manager, Administrative & Financial Services | | |
| Phone Number: | 705-429-2517 | | |
| E-Mail Address: | j.tackaberry@wasagadist.ca | | |

Please Note: In the event of an inconsistency between this model and any element of the December 20, 2006 "Report of the Board on Cost of Capital and 2nd Generation Incentive Regulation of Ontario's Electricity Distributors", the Report governs.

Comments

Copyright

This IRM adjustment model is protected by copyright and is being made available to you solely for the purpose of preparing or reviewing an IRM adjustment application. You may use and copy this model for that purpose, and provide a copy of this model to any person that is advising or assisting you in that regard. Except as indicated above, any copying, reproduction, publication, sale, adaptation, translation, modification, reverse engineering or other use or dissemination of this model without the express written consent of the Ontario Energy Board is prohibited. If you provide a copy of this model to a person that is advising or assisting you in preparing or reviewing an IRM adjustment application, you must ensure that the person understands and agrees to the restrictions noted above.



2008 INCENTIVE RATE MECHANISM ADJUSTMENT MODEL

Wasaga Distribution Inc.

EB-2007-XXXX, EB-2007-0584, EB-2005-0427

10/31/2007

Sheet 2 - 2007 Rate Classes

Are you changing the descriptions of any of your Service Classifications?

YES NO

Service Classifications, including descriptions, can be found on your Board Approved 2007 Tariff of Rates and Charges.

Instructions:

(In some instances, rate classifications may differ from service classifications. The following table accounts for those differences.)

Using the pull-down list in column B, choose the classes that match those on your Board-Approved 2007 Tariff of Rates and Charges, are found under sub-heading "Monthly Rates and Charges". (If a Rate Classification needs to be added to the pull-down list, please contact the Board.)

Indicate which Rate Classifications exist using the pull-down menu in column C.

Changes made to the Class names will affect the rest of the model.

Upon completion, press the update button.

LEGEND

INPUT CELLS

PULL-DOWN MENU

OUTPUT CELLS

| | Rate Classifications | Currently in Place |
|----|---------------------------------|--------------------|
| 1 | Residential | Yes |
| 2 | General Service Less Than 50 kW | Yes |
| 3 | General Service 50 to 4,999 kW | Yes |
| 4 | Unmetered Scattered Load | Yes |
| 5 | Street Lighting | Yes |
| 6 | Rate Class 6 | No |
| 7 | Rate Class 7 | No |
| 8 | Rate Class 8 | No |
| 9 | Rate Class 9 | No |
| 10 | Rate Class 10 | No |
| 11 | Rate Class 11 | No |
| 12 | Rate Class 12 | No |
| 13 | Rate Class 13 | No |
| 14 | Rate Class 14 | No |
| 15 | Rate Class 15 | No |
| 16 | Rate Class 16 | No |





2008 INCENTIVE RATE MECHANISM ADJUSTMENT MODEL

Wasaga Distribution Inc.

EB-2007-XXXX, EB-2007-0584, EB-2005-0427

10/31/2007

Sheet 3 - 2007 Board-Approved Tariff of Rates and Charges



2008 INCENTIVE RATE MECHANISM ADJUSTMENT MODEL

Wasaga Distribution Inc.

EB-2007-XXXX, EB-2007-0584, EB-2005-0427

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Sheet 3 - 2007 Board-Approved Tariff of Rates and Charges

MONTHLY RATES AND CHARGES

Using the pull-down menu in column H below, indicate whether (Yes) or not (No) the rate riders will be continuing into the 2008-09 rate year

Residential

| | | | |
|--|--------|--------|----|
| Service Charge | \$ | 12.19 | |
| Distribution Volumetric Rate | \$/kWh | 0.0161 | |
| Rate Rider 1 (if applicable) | | | |
| Rate Rider 2 (if applicable) | | | |
| Regulatory Asset Recovery | \$/kWh | 0.0000 | No |
| Retail Transmission Rate – Network Service Rate | \$/kWh | 0.0057 | |
| Retail Transmission Rate – Line and Transformation Connection Service Rate | \$/kWh | 0.0050 | |
| Retail Transmission Rate – Network Service Rate (if applicable) | \$/kWh | | |
| Retail Transmission Rate – Line and Transformation Connection Service Rate (if applicable) | \$/kWh | | |
| Retail Transmission Rate – Network Service Rate (if applicable) | \$/kWh | | |
| Retail Transmission Rate – Line and Transformation Connection Service Rate (if applicable) | \$/kWh | | |
| Wholesale Market Service Rate | \$/kWh | 0.0052 | |
| Rural Rate Protection Charge | \$/kWh | 0.0010 | |
| Standard Supply Service – Administrative Charge (if applicable) | \$ | 0.25 | |



2008 INCENTIVE RATE MECHANISM ADJUSTMENT MODEL

Wasaga Distribution Inc.

EB-2007-XXXX, EB-2007-0584, EB-2005-0427

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Sheet 3 - 2007 Board-Approved Tariff of Rates and Charges

General Service Less Than 50 kW

| | | | |
|--|--------|--------|----|
| Service Charge | \$ | 14.03 | |
| Distribution Volumetric Rate | \$/kWh | 0.0151 | |
| Rate Rider 1 (if applicable) | | | |
| Rate Rider 2 (if applicable) | | | |
| Regulatory Asset Recovery | \$/kWh | 0.0000 | No |
| Retail Transmission Rate – Network Service Rate | \$/kWh | 0.0052 | |
| Retail Transmission Rate – Line and Transformation Connection Service Rate | \$/kWh | 0.0045 | |
| Retail Transmission Rate – Network Service Rate (if applicable) | \$/kWh | | |
| Retail Transmission Rate – Line and Transformation Connection Service Rate (if applicable) | \$/kWh | | |
| Retail Transmission Rate – Network Service Rate (if applicable) | \$/kWh | | |
| Retail Transmission Rate – Line and Transformation Connection Service Rate (if applicable) | \$/kWh | | |
| Wholesale Market Service Rate | \$/kWh | 0.0052 | |
| Rural Rate Protection Charge | \$/kWh | 0.0010 | |
| Standard Supply Service – Administrative Charge (if applicable) | \$ | 0.25 | |

General Service 50 to 4,999 kW

| | | | |
|--|--------|--------|----|
| Service Charge | \$ | 31.79 | |
| Distribution Volumetric Rate | \$/kW | 5.3318 | |
| Rate Rider 1 (if applicable) | | | |
| Rate Rider 2 (if applicable) | | | |
| Regulatory Asset Recovery | \$/kW | 0.0000 | No |
| Retail Transmission Rate – Network Service Rate | \$/kW | 2.1218 | |
| Retail Transmission Rate – Line and Transformation Connection Service Rate | \$/kW | 1.7882 | |
| Retail Transmission Rate – Network Service Rate (if applicable) | \$/kW | | |
| Retail Transmission Rate – Line and Transformation Connection Service Rate (if applicable) | \$/kW | | |
| Retail Transmission Rate – Network Service Rate (if applicable) | \$/kW | | |
| Retail Transmission Rate – Line and Transformation Connection Service Rate (if applicable) | \$/kW | | |
| Wholesale Market Service Rate | \$/kWh | 0.0052 | |
| Rural Rate Protection Charge | \$/kWh | 0.0010 | |
| Standard Supply Service – Administrative Charge (if applicable) | \$ | 0.25 | |

Unmetered Scattered Load

| | | | |
|--|--------|--------|----|
| Service Charge | \$ | 6.87 | |
| Distribution Volumetric Rate | \$/kWh | 0.0151 | |
| Rate Rider 1 (if applicable) | | | |
| Rate Rider 2 (if applicable) | | | |
| Regulatory Asset Recovery | \$/kWh | 0.0000 | No |
| Retail Transmission Rate – Network Service Rate | \$/kWh | 0.0052 | |
| Retail Transmission Rate – Line and Transformation Connection Service Rate | \$/kWh | 0.0045 | |
| Retail Transmission Rate – Network Service Rate (if applicable) | \$/kWh | | |
| Retail Transmission Rate – Line and Transformation Connection Service Rate (if applicable) | \$/kWh | | |
| Retail Transmission Rate – Network Service Rate (if applicable) | \$/kWh | | |
| Retail Transmission Rate – Line and Transformation Connection Service Rate (if applicable) | \$/kWh | | |
| Wholesale Market Service Rate | \$/kWh | 0.0052 | |
| Rural Rate Protection Charge | \$/kWh | 0.0010 | |
| Standard Supply Service – Administrative Charge (if applicable) | \$ | 0.25 | |

Street Lighting

| | | | |
|--|--------|--------|----|
| Service Charge | \$ | 0.24 | |
| Distribution Volumetric Rate | \$/kW | 0.5574 | |
| Rate Rider 1 (if applicable) | | | |
| Rate Rider 2 (if applicable) | | | |
| Regulatory Asset Recovery | \$/kW | 0.0000 | No |
| Retail Transmission Rate – Network Service Rate | \$/kW | 1.6002 | |
| Retail Transmission Rate – Line and Transformation Connection Service Rate | \$/kW | 1.3824 | |
| Retail Transmission Rate – Network Service Rate (if applicable) | \$/kW | | |
| Retail Transmission Rate – Line and Transformation Connection Service Rate (if applicable) | \$/kW | | |
| Retail Transmission Rate – Network Service Rate (if applicable) | \$/kW | | |
| Retail Transmission Rate – Line and Transformation Connection Service Rate (if applicable) | \$/kW | | |
| Wholesale Market Service Rate | \$/kWh | 0.0052 | |
| Rural Rate Protection Charge | \$/kWh | 0.0010 | |
| Standard Supply Service – Administrative Charge (if applicable) | \$ | 0.25 | |



2008 INCENTIVE RATE MECHANISM ADJUSTMENT MODEL

Wasaga Distribution Inc.

EB-2007-XXXX, EB-2007-0584, EB-2005-0427

10/31/2007

Sheet 3 - 2007 Board-Approved Tariff of Rates and Charges



2008 INCENTIVE RATE MECHANISM ADJUSTMENT MODEL

Wasaga Distribution Inc.

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Sheet 3 - 2007 Board-Approved Tariff of Rates and Charges



2008 INCENTIVE RATE MECHANISM ADJUSTMENT MODEL

Wasaga Distribution Inc.

EB-2007-XXXX, EB-2007-0584, EB-2005-0427

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Sheet 3 - 2007 Board-Approved Tariff of Rates and Charges

Specific Service Charges

Customer Administration

| | | |
|---|----|-------|
| Arrears certificate | \$ | 15.00 |
| Statement of account | \$ | 15.00 |
| Request for other billing information | \$ | 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 |
| Returned cheque charge (plus bank charges) | \$ | 15.00 |
| Legal letter charge | \$ | 15.00 |
| Account set up charge/change of occupancy charge (plus credit agency costs if applicable) | \$ | 30.00 |
| 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 |
| 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 |
| | | |
| | | |
| | | |

| | | |
|--|----|--------|
| Install/Remove load control device - during regular hours | \$ | 65.00 |
| Install/Remove load control device - after regular hours | \$ | 185.00 |
| Service call - customer-owned equipment | \$ | 30.00 |
| Service call - after regular hours | \$ | 165.00 |
| Specific Charge for Access to the Power Poles \$/pole/year | \$ | 22.35 |
| | \$ | |
| | \$ | |
| | \$ | |
| | \$ | |
| | \$ | |
| | \$ | |
| | \$ | |
| | \$ | |
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| | \$ | |
| | \$ | |
| | \$ | |
| | \$ | |
| | \$ | |
| | \$ | |
| | \$ | |

Allowances

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

LOSS FACTORS

| | |
|---|--------|
| Total Loss Factor - Secondary Metered Customer < 5,000 kW | 1.0739 |
| Total Loss Factor - Secondary Metered Customer > 5,000 kW | n/a |
| Total Loss Factor - Primary Metered Customer < 5,000 kW | 1.0632 |
| Total Loss Factor - Primary Metered Customer > 5,000 kW | n/a |



2008 INCENTIVE RATE MECHANISM ADJUSTMENT MODEL

Wasaga Distribution Inc.

EB-2007-XXXX, EB-2007-0584, EB-2005-0427

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Sheet 3 - 2007 Board-Approved Tariff of Rates and Charges



2008 INCENTIVE RATE MECHANISM ADJUSTMENT

Wasaga Distribution Inc.

EB-2007-XXXX, EB-2007-0584, EB-2005-0427

10/31/2007

Sheet 4 - Smart Meter Information

The smart meter plan rate adder is a monthly service charge for metered customers equivalent to an amount of \$0.30 per month per residential customer for utilities that do not have a plan. A different amount applied to utilities who had a smart meter plan that was modified in accordance with the Decision with Reasons RP-2005-0020 / EB-2005-0529

Please identify the customer classes and sub-classes that the smart meter funding incremental adjustment applies to by inserting the smart meter rate adder into column D. For most utilities, the rate adder can be located in the Board-approved 2007 IRM model. Clicking the cursor on the Residential cell should show the formula for the monthly service charge including the smart meter adder. The adder is the same for all metered classes and sub-classes of a distributor.

Leave column F blank, and the model will by default use the existing rate adder in the following calculations. If a new value of the rate rider is required by a subsequent decision, Board staff will enter the appropriate values in column F.

Smart Meter Rate Adder

| | 2007 IRM | 2008 IRM |
|---------------------------------|----------|----------|
| Residential | \$ 0.28 | |
| General Service Less Than 50 kW | \$ 0.28 | |
| General Service 50 to 4,999 kW | \$ 0.28 | |



2008 INCENTIVE RATE MECHANISM ADJUSTMENT MODEL

Wasaga Distribution Inc.

EB-2007-XXXX, EB-2007-0584, EB-2005-0427

10/31/2007

Sheet 5 - Removal of Smart Meter and CDM

Did the applicant receive Board approval for incremental CDM spending (over and above the 3rd tranche) in 2007?

YES NO

| Class | 2007 Monthly Service Charge | 2007 Volumetric Rate Charge | Less: 2007 Smart Meter Adder from Monthly Service Charge | | Adjusted Monthly Service Charge | Adjusted Volumetric Charge | |
|--|-----------------------------|-----------------------------|--|---------|---------------------------------|----------------------------|--------|
| | \$ | kW / kWh | \$ | \$ | \$ | kW / kWh | |
| <i>Residential</i> | \$ 12.19 | \$ 0.0161 | \$ 0.28 | \$ 0.28 | \$ 11.91 | \$ 0.0161 | \$/kWh |
| <i>General Service Less Than 50 kW</i> | \$ 14.03 | \$ 0.0151 | \$ 0.28 | \$ 0.28 | \$ 13.75 | \$ 0.0151 | \$/kWh |
| <i>General Service 50 to 4,999 kW</i> | \$ 31.79 | \$ 5.3318 | \$ 0.28 | \$ 0.28 | \$ 31.51 | \$ 5.3318 | \$/kW |
| <i>Unmetered Scattered Load</i> | \$ 6.87 | \$ 0.0151 | \$ - | \$ - | \$ 6.87 | \$ 0.0151 | \$/kWh |
| <i>Street Lighting</i> | \$ 0.24 | \$ 0.5574 | \$ - | \$ - | \$ 0.24 | \$ 0.5574 | \$/kW |



2008 INCENTIVE RATE MECHANISM ADJUSTMENT MODEL

Wasaga Distribution Inc.

EB-2007-XXXX, EB-2007-0584, EB-2005-0427

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Sheet 6 - K-Factor Derivation

Capital Structure Transition

Size of Utility (Rate Base)

| Year | Small [\$0, \$100M) | | Med-Small [\$100M, \$250M) | | Med-Large [\$250M, \$1B) | | Large >=\$1B | |
|------|------------------------|--------|-------------------------------|--------|-----------------------------|--------|-----------------|--------|
| | Debt | Equity | Debt | Equity | Debt | Equity | Debt | Equity |
| 2007 | 50.0% | 50.0% | 55.0% | 45.0% | 60.0% | 40.0% | 65.0% | 35.0% |
| 2008 | 53.3% | 46.7% | 57.5% | 42.5% | 60.0% | 40.0% | 62.5% | 37.5% |
| 2009 | 56.7% | 43.3% | 60.0% | 40.0% | 60.0% | 40.0% | 60.0% | 40.0% |
| 2010 | 60.0% | 40.0% | 60.0% | 40.0% | 60.0% | 40.0% | 60.0% | 40.0% |

Cost of Capital parameters

| | | | |
|-----------------|---|--------------|--|
| ROE | A | 9.00% | (Board Approved 2006 EDR Model, Sheet 3-2, Cell E32) |
| Debt Rate | B | 6.35% | (Board Approved 2006 EDR Model, Sheet 3-2, Cell C25) |
| Rate Base | C | \$ 9,380,135 | (Board Approved 2006 EDR Model, Sheet 3-1, Cell F21) |
| Size of Utility | D | Small | |

Deemed Capital Structure

| | Debt | Equity | |
|---------|----------|--------|---|
| Current | E1 50.0% | 50.0% | E2 Based on C, copies the deemed D/E from row "2007" of the table |
| 2008 | F1 53.3% | 46.7% | F2 Based on C, copies the deemed D/E from row "2008" of the table |

Cost of Capital

| | | | | |
|---------|---|--------|-----------------------|---|
| Current | G | 7.675% | = (E1 X B) + (E2 X A) | Weighted Average Cost of capital |
| 2008 | H | 7.59% | = (F1 X B) + (F2 X A) | |

Return on Rate Base

| | | | |
|---------|---|---------------|---------------|
| Current | I | \$ 719,925.36 | = C X G / 100 |
| 2008 | J | \$ 711,722.43 | = C X H / 100 |

Distribution Expenses and Revenue Requirement (before PILs)

| | | | |
|---|---|--------------|--|
| Distribution Expenses (other than PILs) | K | \$ 2,272,312 | (Board Approved 2006 EDR Model, Sheet 4-1, Cell F15) |
| Base Revenue Requirement | L | \$ 2,991,683 | (Board Approved 2006 EDR Model, Sheet 5-5, Cell F27) |
| Transformer Allowance Credit | M | \$ 20,798 | (Board Approved 2006 EDR Model, Sheet 6-3, Cell "Total" in Row R120) |

Revenue Requirement (before PILs)

| | | | |
|---------|---|-----------------|---------|
| Current | N | \$ 2,992,237.36 | = I + K |
| 2008 | O | \$ 2,984,034.43 | = J + K |

Target Net Income (EBIT)

| | | |
|---------|---------------|-------------|
| Current | \$ 422,106.08 | P1 = I - P2 |
| 2008 | \$ 394,247.07 | Q1 = J - Q2 |

Interest Expense

| | | |
|---------|---------------|-------------------------|
| Current | \$ 297,819.29 | P2 = C X (B X E1 / 100) |
| 2008 | \$ 317,475.36 | Q2 = C X (B X F1 / 100) |

PILs

Tax Rate R 29.09% (Board Approved 2006 PILs Model, Sheet "Test Year PILS, Tax Provision", Cell D14)

| | | | |
|--|--------------------|----|---|
| Large Corporation Tax Allowance (if applicable) - grossed up | \$ - | S | (Board Approved 2006 PILs Model, Sheet "Test Year PILS, Tax Provision", Cell D31) |
| OCT (Rate Base less \$10,000,000 X 0.30%) | \$ - | T | (Board Approved 2006 PILs Model, Sheet "Test Year PILS, Tax Provision", Cell D30) |
| PILs Allowance | \$ 239,505 | U | (Board Approved 2006 PILs Model, Sheet "Test Year PILS, Tax Provision", Cell D33) |
| Taxable Income | Current \$ 583,836 | AC | (Board Approved 2006 PILs Model, Sheet "Test Year PILS, Tax Provision", Cell D11) |
| | 2008 \$ 575,732 | AD | = AC + (Q1 - P1) * (R / 100) |
| Federal Tax (grossed up) | Current \$ 239,512 | V | = AC * (R / 100) / (1 - R / 100) 239,512 |
| | 2008 \$ 236,187 | W | = AD * (R / 100) / (1 - R / 100) |

Base Revenue Requirement Adjustment (including PILs)

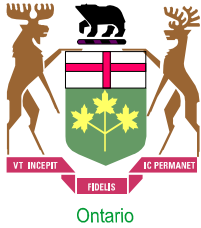
Revenue Requirement (less LCT) (LCT is removed as it was removed in from rates in 2007 EDR)

| | | | |
|---------|-----------------|---|-------------|
| Current | \$ 3,231,749.27 | X | = N + V + T |
| 2008 | \$ 3,220,221.69 | Y | = O + W + T |

Base Revenue Requirement (plus transformer allowance credit)

(Transformer allowance credit needs to be added onto revenue requirement for full rate recovery - similar to LCT calculation in 2007 EDR)

| | | | |
|------------|-----------------|-----|---------------|
| Current | \$ 3,012,481.00 | Z | = L + M |
| 2008 | \$ 3,000,953.43 | AA1 | = Z + (Y - X) |
| Difference | \$ - 11,527.57 | AA2 | = AA1 - Z |
| K-factor | -0.4% | AB | = AA2 / Z |



2008 INCENTIVE RATE MECHANISM ADJUSTMENT

Wasaga Distribution Inc.

EB-2007-XXXX, EB-2007-0584, EB-2005-0427

10/31/2007

Sheet 7 - Price Cap Adjustment

Note: No inputs are required for this worksheet.

| Price Escalator (GDP-IPI) | Average annual expected Productivity Gain (X) | (GDP-IPI) - X | K-Factor | Total Price Cap Adjustment |
|--|---|---|--|--|
| 1.9% | 1.0% | 0.9% | -0.4% | 0.5% |
| | Adjusted Monthly Service Charge | Monthly Service Charge with Price Cap Adjustment | Adjusted Volumetric Rate (kW / kWh) | Volumetric Rate with Price Cap Adjustment |
| <i>Residential</i> | \$ 11.91 | \$ 11.97 | \$ 0.0161 | \$ 0.0162 |
| <i>General Service Less Than 50 kW</i> | \$ 13.75 | \$ 13.82 | \$ 0.0151 | \$ 0.0152 |
| <i>General Service 50 to 4,999 kW</i> | \$ 31.51 | \$ 31.67 | \$ 5.3318 | \$ 5.3585 |
| <i>Unmetered Scattered Load</i> | \$ 6.87 | \$ 6.90 | \$ 0.0151 | \$ 0.0152 |
| <i>Street Lighting</i> | \$ 0.24 | \$ 0.24 | \$ 0.5574 | \$ 0.5602 |



2008 INCENTIVE RATE MECHANISM ADJUSTMENT MODEL
Wasaga Distribution Inc.

EB-2007-XXXX, EB-2007-0584, EB-2005-0427

10/31/2007

Sheet 8 - Addback of Smart Meter Rate Adder

Note: No inputs are required for this worksheet.

| Class | Monthly Service Charge \$ | Add: Smart Meter Rate Adder \$ | Adjusted Monthly Service Charge \$ | Adjusted Volumetric Charge kW / kWh |
|--|------------------------------|--------------------------------------|--|---|
| <i>Residential</i> | \$ 11.97 | \$ 0.28 | \$ 12.25 | 0.0162 |
| <i>General Service Less Than 50 kW</i> | \$ 13.82 | \$ 0.28 | \$ 14.10 | 0.0152 |
| <i>General Service 50 to 4,999 kW</i> | \$ 31.67 | \$ 0.28 | \$ 31.95 | 5.3585 |
| <i>Unmetered Scattered Load</i> | \$ 6.90 | \$ - | \$ 6.90 | 0.0152 |
| <i>Street Lighting</i> | \$ 0.24 | \$ - | \$ 0.24 | 0.5602 |



2008 INCENTIVE RATE MECHANISM ADJUSTMENT

Wasaga Distribution Inc.

EB-2007-XXXX, EB-2007-0584, EB-2005-0427

10/31/2007

Sheet 9. - Z-Factor Rate Rider Adjustment

Is the Applicant seeking Board approval for other rate adjustments?

YES NO

Wasaga Distribution Inc.

Tariff OF RATES AND CHARGES

Effective May 1, 2008*

(*Except as otherwise noted)

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

EB-2007-0584

FOR OEB STAFF USE ONLY

MONTHLY RATES AND CHARGES

Residential

| | | |
|--|--------|--------|
| Service Charge | \$ | 12.25 |
| Distribution Volumetric Rate | \$/kWh | 0.0162 |
| Retail Transmission Rate – Network Service Rate | \$/kWh | 0.0057 |
| Retail Transmission Rate – Line and Transformation Connection Service Rate | \$/kWh | 0.0050 |
| Wholesale Market Service Rate | \$/kWh | 0.0052 |
| Rural Rate Protection Charge | \$/kWh | 0.0010 |
| Standard Supply Service – Administrative Charge (if applicable) | \$ | 0.25 |

General Service Less Than 50 kW

| | | |
|--|--------|--------|
| Service Charge | \$ | 14.10 |
| Distribution Volumetric Rate | \$/kWh | 0.0152 |
| Retail Transmission Rate – Network Service Rate | \$/kWh | 0.0052 |
| Retail Transmission Rate – Line and Transformation Connection Service Rate | \$/kWh | 0.0045 |
| Wholesale Market Service Rate | \$/kWh | 0.0052 |
| Rural Rate Protection Charge | \$/kWh | 0.0010 |
| Standard Supply Service – Administrative Charge (if applicable) | \$ | 0.25 |

General Service 50 to 4,999 kW

| | | |
|--|--------|--------|
| Service Charge | \$ | 31.95 |
| Distribution Volumetric Rate | \$/kW | 5.3585 |
| Retail Transmission Rate – Network Service Rate | \$/kW | 2.1218 |
| Retail Transmission Rate – Line and Transformation Connection Service Rate | \$/kW | 1.7882 |
| Wholesale Market Service Rate | \$/kWh | 0.0052 |
| Rural Rate Protection Charge | \$/kWh | 0.0010 |
| Standard Supply Service – Administrative Charge (if applicable) | \$ | 0.25 |

Unmetered Scattered Load

| | | |
|--|--------|--------|
| Service Charge | \$ | 6.90 |
| Distribution Volumetric Rate | \$/kWh | 0.0152 |
| Retail Transmission Rate – Network Service Rate | \$/kWh | 0.0052 |
| Retail Transmission Rate – Line and Transformation Connection Service Rate | \$/kWh | 0.0045 |
| Wholesale Market Service Rate | \$/kWh | 0.0052 |
| Rural Rate Protection Charge | \$/kWh | 0.0010 |
| Standard Supply Service – Administrative Charge (if applicable) | \$ | 0.25 |

Street Lighting

| | | |
|--|--------|--------|
| Service Charge | \$ | 0.24 |
| Distribution Volumetric Rate | \$/kW | 0.5602 |
| Retail Transmission Rate – Network Service Rate | \$/kW | 1.6002 |
| Retail Transmission Rate – Line and Transformation Connection Service Rate | \$/kW | 1.3824 |
| Wholesale Market Service Rate | \$/kWh | 0.0052 |
| Rural Rate Protection Charge | \$/kWh | 0.0010 |
| Standard Supply Service – Administrative Charge (if applicable) | \$ | 0.25 |

Specific Service Charges

Customer Administration

| | | |
|---|----|-------|
| Arrears certificate | \$ | 15.00 |
| Statement of account | \$ | 15.00 |
| Request for other billing information | \$ | 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 |
| Returned cheque charge (plus bank charges) | \$ | 15.00 |
| Legal letter charge | \$ | 15.00 |
| Account set up charge/change of occupancy charge (plus credit agency costs if applicable) | \$ | 30.00 |
| 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 |
| 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 |
| Install/Remove load control device - during regular hours | \$ | 65.00 |
| Install/Remove load control device - after regular hours | \$ | 185.00 |
| Service call - customer-owned equipment | \$ | 30.00 |
| Service call - after regular hours | \$ | 165.00 |
| 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 for transformer losses – applied to measured demand and energy | % | (1.00) |

LOSS FACTORS

| | |
|---|--------|
| Total Loss Factor – Secondary Metered Customer < 5,000 kW | 1.0739 |
| Total Loss Factor – Secondary Metered Customer > 5,000 kW | n/a |
| Total Loss Factor – Primary Metered Customer < 5,000 kW | 1.0632 |
| Total Loss Factor – Primary Metered Customer > 5,000 kW | n/a |



2008 INCENTIVE RATE MECHANISM ADJUSTMENT MODEL

Wasaga Distribution Inc.

EB-2007-XXXX, EB-2007-0584, EB-2005-0427

10/31/2007

Sheet 11 - Distribution Rate Change Summary

Note: No inputs are required for this worksheet.

Residential

| Data | Fixed (\$) | Volumetric \$ per kW / kWh |
|-------------------------|-----------------|----------------------------|
| 2007 Rates | \$ 12.19 | \$ 0.0161 |
| Less: Smart meters | -\$ 0.28 | \$ - |
| Less: CDM | \$ - | \$ - |
| Add: GDP-IPi - X | \$ 0.11 | \$ 0.0001 |
| Add: K-Factor | \$ (0.05) | -\$ 0.0001 |
| Add: Smart Meters | \$ 0.28 | \$ - |
| Final 2008 Rates | \$ 12.25 | \$ 0.0162 |

General Service Less Than 50 kW

| Data | Fixed (\$) | Volumetric \$ per kW / kWh |
|-------------------------|-----------------|----------------------------|
| 2007 Rates | \$ 14.03 | \$ 0.0151 |
| Less: Smart meters | -\$ 0.28 | \$ - |
| Less: CDM | \$ - | \$ - |
| Add: GDP-IPi - X | \$ 0.12 | \$ 0.0001 |
| Add: K-Factor | \$ (0.06) | -\$ 0.0001 |
| Add: Smart Meters | \$ 0.28 | \$ - |
| Final 2008 Rates | \$ 14.10 | \$ 0.0152 |

General Service 50 to 4,999 kW

| Data | Fixed (\$) | Volumetric \$ per kW / kWh |
|-------------------------|-----------------|----------------------------|
| 2007 Rates | \$ 31.79 | \$ 5.3318 |
| Less: Smart meters | -\$ 0.28 | \$ - |
| Less: CDM | \$ - | \$ - |
| Add: GDP-IPi - X | \$ 0.28 | \$ 0.0480 |
| Add: K-Factor | \$ (0.13) | -\$ 0.0213 |
| Add: Smart Meters | \$ 0.28 | \$ - |
| Final 2008 Rates | \$ 31.95 | \$ 5.3585 |

Unmetered Scattered Load

| Data | Fixed (\$) | Volumetric \$ per kW / kWh |
|-------------------------|----------------|----------------------------|
| 2007 Rates | \$ 6.87 | \$ 0.0151 |
| Less: Smart meters | \$ - | \$ - |
| Less: CDM | \$ - | \$ - |
| Add: GDP-IPi - X | \$ 0.06 | \$ 0.0001 |
| Add: K-Factor | \$ (0.03) | -\$ 0.0001 |
| Add: Smart Meters | \$ - | \$ - |
| Final 2008 Rates | \$ 6.90 | \$ 0.0152 |

Street Lighting

| Data | Fixed (\$) | Volumetric \$ per kW / kWh |
|-------------------------|----------------|----------------------------|
| 2007 Rates | \$ 0.24 | \$ 0.5574 |
| Less: Smart meters | \$ - | \$ - |
| Less: CDM | \$ - | \$ - |
| Add: GDP-IPi - X | \$ 0.00 | \$ 0.0050 |
| Add: K-Factor | \$ (0.00) | -\$ 0.0022 |
| Add: Smart Meters | \$ - | \$ - |
| Final 2008 Rates | \$ 0.24 | \$ 0.5602 |



2008 INCENTIVE RATE MECHANISM ADJUSTMENT MODEL

Wasaga Distribution Inc.

EB-2007-XXXX, EB-2007-0584, EB-2005-0427

10/31/2007

Sheet 11 - Distribution Rate Change Summary



2008 INCENTIVE RATE MECHANISM ADJUSTMENT MODEL

Wasaga Distribution Inc.

EB-2007-XXXX, EB-2007-0584, EB-2005-0427

10/31/2007

Sheet 11 - Distribution Rate Change Summary



2008 INCENTIVE RATE MECHANISM ADJUSTMENT MODEL

Wasaga Distribution Inc.

EB-2007-XXXX, EB-2007-0584, EB-2005-0427

10/31/2007

Sheet 11 - Distribution Rate Change Summary





2008 INCENTIVE RATE MECHANISM ADJUSTMENT MODEL

Wasaga Distribution Inc.

EB-2007-XXXX, EB-2007-0584, EB-2005-0427

10/31/2007

Sheet 12 - Annualized Bill Impact

Instructions

(Remember, green cells are input cells)

1. Enter your desired consumption in both kWh and kW (if needed) into the green cells beneath the class name.
2. The Debt Retirement Charge (DRC) has been set at \$0.07. The figure can be overwritten if your LDC bills a different amount for the DRC.

| Regulated Price Plan Residential | May-07 Threshold | May-07 \$/ kWh | May-08 Threshold | May-08 \$/ kWh |
|----------------------------------|---------------------|-------------------|---------------------|-------------------|
| less than or equal to | 600 \$ | 0.053 | 600 \$ | 0.053 |
| greater than | > 600 \$ | 0.062 | > 600 \$ | 0.062 |

| Regulated Price Plan Non-Residential | May-07 Threshold | May-07 \$/ kWh | May-08 Threshold | May-08 \$/ kWh |
|--------------------------------------|---------------------|-------------------|---------------------|-------------------|
| less than or equal to | 750 \$ | 0.053 | 750 \$ | 0.053 |
| greater than | > 750 \$ | 0.062 | > 750 \$ | 0.062 |

Residential

| | | | |
|--------------------|------------------|-------------|---------------------------|
| Consumption | 1,000 kWh | 0 kW | Loss Factor 1.0739 |
|--------------------|------------------|-------------|---------------------------|

| | 2007 BILL | | | 2008 BILL | | | IMPACT | | |
|--|-----------|-----------|------------------|-----------|-----------|------------------|---------------|-------------|-----------------|
| | Volume | RATE \$ | CHARGE \$ | Volume | RATE \$ | CHARGE \$ | \$ | % | % of Total Bill |
| Energy First Tier (kWh) | 600 | \$ 0.0530 | \$ 31.80 | 600 | \$ 0.0530 | \$ 31.80 | \$0.00 | 0.0% | 26.08% |
| Energy Second Tier (kWh) | 474 | \$ 0.0620 | \$ 29.38 | 474 | \$ 0.0620 | \$ 29.38 | \$0.00 | 0.0% | 24.10% |
| Sub-Total: Energy | | | \$ 61.18 | | | \$ 61.18 | \$0.00 | 0.0% | 50.18% |
| Monthly Service Charge | 1 | \$ 12.19 | \$ 12.19 | 1 | \$ 12.25 | \$ 12.25 | \$0.06 | 0.5% | 10.05% |
| Distribution (kWh) | 1,000 | \$ 0.0161 | \$ 16.10 | 1,000 | \$ 0.0162 | \$ 16.20 | \$0.10 | 0.6% | 13.29% |
| Distribution (kW) | 0 | \$ - | \$ - | 0 | \$ - | \$ - | \$0.00 | 0.0% | 0.00% |
| Regulatory Assets (kWh) | 1,000 | \$ - | \$ - | 1,000 | \$ - | \$ - | \$0.00 | 0.0% | 0.00% |
| Rate Riders | 1,000 | \$ - | \$ - | 1,000 | \$ - | \$ - | \$0.00 | 0.0% | 0.00% |
| Monthly Rate Rider Adjustment (Sheet 9) | N/A | N/A | N/A | 1 | \$ - | \$ - | \$0.00 | 0.0% | 0.00% |
| Volumetric Rate Rider Adjustment (Sheet 9) | N/A | N/A | N/A | 1,000 | \$ - | \$ - | \$0.00 | 0.0% | 0.00% |
| Retail Transmission Rate – Network Service Rate | 1,074 | \$ 0.0057 | \$ 6.12 | 1,074 | \$ 0.0057 | \$ 6.12 | \$0.00 | 0.0% | 5.02% |
| Retail Transmission Rate – Line and Transformation Connection Service Rate | 1,074 | \$ 0.0050 | \$ 5.37 | 1,074 | \$ 0.0050 | \$ 5.37 | \$0.00 | 0.0% | 4.40% |
| Sub-Total: Delivery | | | \$ 39.78 | | | \$ 39.94 | \$0.16 | 0.4% | 32.76% |
| Wholesale Market Service Rate | 1074 | \$ 0.0052 | \$ 5.58 | 1074 | \$ 0.0052 | \$ 5.58 | \$0.00 | 0.0% | 4.58% |
| Rural Rate Protection Charge | 1074 | \$ 0.0010 | \$ 1.07 | 1074 | \$ 0.0010 | \$ 1.07 | \$0.00 | 0.0% | 0.88% |
| Regulated Price Plan – Administration Charge | 1 | \$ 0.2500 | \$ 0.25 | 1 | \$ 0.2500 | \$ 0.25 | \$0.00 | 0.0% | 0.21% |
| Sub-Total: Regulatory | | | \$ 6.91 | | | \$ 6.91 | \$0.00 | 0.0% | 5.67% |
| Debt Retirement Charge (DRC) | 1,000 | \$ 0.0070 | \$ 7.00 | 1,000 | \$ 0.0070 | \$ 7.00 | \$0.00 | 0.0% | 5.74% |
| Total Bill before Taxes | | | \$ 114.87 | | | \$ 115.03 | \$0.16 | 0.1% | 94.34% |
| GST | \$ 114.87 | 6.00% | \$ 6.89 | \$ 115.03 | 6.00% | \$ 6.90 | \$0.01 | 0.1% | 5.66% |
| Total Bill after Taxes | | | \$ 121.76 | | | \$ 121.93 | \$0.17 | 0.1% | 100.00% |

General Service Less Than 50 kW

| | | | |
|--------------------|------------------|-------------|---------------------------|
| Consumption | 2,000 kWh | 0 kW | Loss Factor 1.0739 |
|--------------------|------------------|-------------|---------------------------|

| | 2007 BILL | | | 2008 BILL | | | IMPACT | | |
|--|-----------|-----------|------------------|-----------|-----------|------------------|---------------|-------------|-----------------|
| | Volume | RATE \$ | CHARGE \$ | Volume | RATE \$ | CHARGE \$ | \$ | % | % of Total Bill |
| Energy First Tier (kWh) | 750 | \$ 0.0530 | \$ 39.75 | 750 | \$ 0.0530 | \$ 39.75 | \$0.00 | 0.0% | 17.10% |
| Energy Second Tier (kWh) | 1,398 | \$ 0.0620 | \$ 86.66 | 1,398 | \$ 0.0620 | \$ 86.66 | \$0.00 | 0.0% | 37.28% |
| Sub-Total: Energy | | | \$ 126.41 | | | \$ 126.41 | \$0.00 | 0.0% | 54.38% |
| Monthly Service Charge | 1 | \$ 14.03 | \$ 14.03 | 1 | \$ 14.10 | \$ 14.10 | \$0.07 | 0.5% | 6.07% |
| Distribution (kWh) | 2,000 | \$ 0.0151 | \$ 30.20 | 2,000 | \$ 0.0152 | \$ 30.40 | \$0.20 | 0.7% | 13.08% |
| Distribution (kW) | 0 | \$ - | \$ - | 0 | \$ - | \$ - | \$0.00 | 0.0% | 0.00% |
| Regulatory Assets (kWh) | 2,000 | \$ - | \$ - | 2,000 | \$ - | \$ - | \$0.00 | 0.0% | 0.00% |
| Rate Riders | 2,000 | \$ - | \$ - | 2,000 | \$ - | \$ - | \$0.00 | 0.0% | 0.00% |
| Monthly Rate Rider Adjustment (Sheet 9) | N/A | N/A | N/A | 1 | \$ - | \$ - | \$0.00 | 0.0% | 0.00% |
| Volumetric Rate Rider Adjustment (Sheet 9) | N/A | N/A | N/A | 2,000 | \$ - | \$ - | \$0.00 | 0.0% | 0.00% |
| Retail Transmission Rate – Network Service Rate | 2,148 | \$ 0.0052 | \$ 11.17 | 2,148 | \$ 0.0052 | \$ 11.17 | \$0.00 | 0.0% | 4.80% |
| Retail Transmission Rate – Line and Transformation Connection Service Rate | 2,148 | \$ 0.0045 | \$ 9.67 | 2,148 | \$ 0.0045 | \$ 9.67 | \$0.00 | 0.0% | 4.16% |
| Sub-Total: Delivery | | | \$ 65.06 | | | \$ 65.33 | \$0.27 | 0.4% | 28.10% |
| Wholesale Market Service Rate | 2148 | \$ 0.0052 | \$ 11.17 | 2148 | \$ 0.0052 | \$ 11.17 | \$0.00 | 0.0% | 4.80% |
| Rural Rate Protection Charge | 2148 | \$ 0.0010 | \$ 2.15 | 2148 | \$ 0.0010 | \$ 2.15 | \$0.00 | 0.0% | 0.92% |
| Regulated Price Plan – Administration Charge | 1 | \$ 0.2500 | \$ 0.25 | 1 | \$ 0.2500 | \$ 0.25 | \$0.00 | 0.0% | 0.11% |



2008 INCENTIVE RATE MECHANISM ADJUSTMENT MODEL

Wasaga Distribution Inc.

EB-2007-XXXX, EB-2007-0584, EB-2005-0427

10/31/2007

Sheet 12 - Annualized Bill Impact

Instructions

(Remember, green cells are input cells)

1. Enter your desired consumption in both kWh and kW (if needed) into the green cells beneath the class name.
2. The Debt Retirement Charge (DRC) has been set at \$0.07. The figure can be overwritten if your LDC bills a different amount for the DRC.

| | | | | | | | | | |
|-------------------------------------|-----------|-----------|-----------|-----------|-----------|----------|--------|---------|-------|
| Sub-Total: Regulatory | | | \$ 13.57 | | \$ 13.57 | \$0.00 | 0.0% | 5.84% | |
| Debt Retirement Charge (DRC) | 2,000 | \$ 0.0070 | \$ 14.00 | 2,000 | \$ 0.0070 | \$ 14.00 | \$0.00 | 0.0% | 6.02% |
| Total Bill before Taxes | | | \$ 219.04 | | \$ 219.31 | \$0.27 | 0.1% | 94.34% | |
| GST | \$ 219.04 | 6.00% | \$ 13.14 | \$ 219.31 | 6.00% | \$ 13.16 | \$0.02 | 0.1% | 5.66% |
| Total Bill after Taxes | | | \$ 232.19 | | \$ 232.47 | \$0.29 | 0.1% | 100.00% | |

General Service 50 to 4,999 kW

| | | | |
|--------------------|----------------------|-----------------|---------------------------|
| Consumption | 2,000,000 kWh | 5,000 kW | Loss Factor 1.0739 |
|--------------------|----------------------|-----------------|---------------------------|

| | 2007 BILL | | | 2008 BILL | | | IMPACT | | |
|--|---------------|-----------|----------------------|---------------|-----------|----------------------|-----------------|-------------|-----------------|
| | Volume | RATE \$ | CHARGE \$ | Volume | RATE \$ | CHARGE \$ | \$ | % | % of Total Bill |
| Energy First Tier (kWh) | 750 | \$ 0.0530 | \$ 39.75 | 750 | \$ 0.0530 | \$ 39.75 | \$0.00 | 0.0% | 0.02% |
| Energy Second Tier (kWh) | 2,147,050 | \$ 0.0620 | \$ 133,117.10 | 2,147,050 | \$ 0.0620 | \$ 133,117.10 | \$0.00 | 0.0% | 60.29% |
| Sub-Total: Energy | | | \$ 133,156.85 | | | \$ 133,156.85 | \$0.00 | 0.0% | 60.31% |
| Monthly Service Charge | 1 | \$ 31.79 | \$ 31.79 | 1 | \$ 31.95 | \$ 31.95 | \$0.16 | 0.5% | 0.01% |
| Distribution (kWh) | 2,000,000 | \$ - | \$ - | 2,000,000 | \$ - | \$ - | \$0.00 | 0.0% | 0.00% |
| Distribution (kW) | 5,000 | \$ 5.3318 | \$ 26,659.00 | 5,000 | \$ 5.3585 | \$ 26,792.50 | \$133.50 | 0.5% | 12.13% |
| Regulatory Assets (kWh) | 5,000 | \$ - | \$ - | 5,000 | \$ - | \$ - | \$0.00 | 0.0% | 0.00% |
| Rate Riders | 5,000 | \$ - | \$ - | 5,000 | \$ - | \$ - | \$0.00 | 0.0% | 0.00% |
| Monthly Rate Rider Adjustment (Sheet 9) | N/A | N/A | N/A | 1 | \$ - | \$ - | \$0.00 | 0.0% | 0.00% |
| Volumetric Rate Rider Adjustment (Sheet 9) | N/A | N/A | N/A | 5,000 | \$ - | \$ - | \$0.00 | 0.0% | 0.00% |
| Retail Transmission Rate – Network Service Rate | 5,370 | \$ 2.1218 | \$ 11,393.01 | 5,370 | \$ 2.1218 | \$ 11,393.01 | \$0.00 | 0.0% | 5.16% |
| Retail Transmission Rate – Line and Transformation Connection Service Rate | 5,370 | \$ 1.7882 | \$ 9,601.74 | 5,370 | \$ 1.7882 | \$ 9,601.74 | \$0.00 | 0.0% | 4.35% |
| Sub-Total: Delivery | | | \$ 47,685.54 | | | \$ 47,819.20 | \$133.66 | 0.3% | 21.66% |
| Wholesale Market Service Rate | 2147800 | \$ 0.0052 | \$ 11,168.56 | 2147800 | \$ 0.0052 | \$ 11,168.56 | \$0.00 | 0.0% | 5.06% |
| Rural Rate Protection Charge | 2147800 | \$ 0.0010 | \$ 2,147.80 | 2147800 | \$ 0.0010 | \$ 2,147.80 | \$0.00 | 0.0% | 0.97% |
| Regulated Price Plan – Administration Charge | 1 | \$ 0.2500 | \$ 0.25 | 1 | \$ 0.2500 | \$ 0.25 | \$0.00 | 0.0% | 0.00% |
| Sub-Total: Regulatory | | | \$ 13,316.61 | | | \$ 13,316.61 | \$0.00 | 0.0% | 6.03% |
| Debt Retirement Charge (DRC) | 2,000,000 | \$ 0.0070 | \$ 14,000.00 | 2,000,000 | \$ 0.0070 | \$ 14,000.00 | \$0.00 | 0.0% | 6.34% |
| Total Bill before Taxes | | | \$ 208,159.00 | | | \$ 208,292.66 | \$133.66 | 0.1% | 94.34% |
| GST | \$ 208,159.00 | 6.00% | \$ 12,489.54 | \$ 208,292.66 | 6.00% | \$ 12,497.56 | \$8.02 | 0.1% | 5.66% |
| Total Bill after Taxes | | | \$ 220,648.53 | | | \$ 220,790.21 | \$141.68 | 0.1% | 100.00% |



2008 INCENTIVE RATE MECHANISM ADJUSTMENT MODEL

Wasaga Distribution Inc.

EB-2007-XXXX, EB-2007-0584, EB-2005-0427

10/31/2007

Sheet 12 - Annualized Bill Impact

Instructions

(Remember, green cells are input cells)

1. Enter your desired consumption in both kWh and kW (if needed) into the green cells beneath the class name.
2. The Debt Retirement Charge (DRC) has been set at \$0.07. The figure can be overwritten if your LDC bills a different amount for the DRC.

Unmetered Scattered Load

| | | | |
|--------------------|----------------------|-----------------|---------------------------|
| Consumption | 2,000,000 kWh | 5,000 kW | Loss Factor 1.0739 |
|--------------------|----------------------|-----------------|---------------------------|

| | 2007 BILL | | | 2008 BILL | | | IMPACT | | |
|--|---------------|-----------|----------------------|---------------|-----------|----------------------|---------------|-------------|-----------------|
| | Volume | RATE \$ | CHARGE \$ | Volume | RATE \$ | CHARGE \$ | \$ | % | % of Total Bill |
| Energy First Tier (kWh) | 750 | \$ 0.0530 | \$ 39.75 | 750 | \$ 0.0530 | \$ 39.75 | \$0.00 | 0.0% | 0.02% |
| Energy Second Tier (kWh) | 2,147,050 | \$ 0.0620 | \$ 133,117.10 | 2,147,050 | \$ 0.0620 | \$ 133,117.10 | \$0.00 | 0.0% | 78.19% |
| Sub-Total: Energy | | | \$ 133,156.85 | | | \$ 133,156.85 | \$0.00 | 0.0% | 78.21% |
| Monthly Service Charge | 1 | \$ 6.87 | \$ 6.87 | 1 | \$ 6.90 | \$ 6.90 | \$0.03 | 0.4% | 0.00% |
| Distribution (kWh) | 2,000,000 | \$ - | \$ - | 2,000,000 | \$ - | \$ - | \$0.00 | 0.0% | 0.00% |
| Distribution (kW) | 5,000 | \$ 0.0151 | \$ 75.50 | 5,000 | \$ 0.0152 | \$ 76.00 | \$0.50 | 0.7% | 0.04% |
| Regulatory Assets (kWh) | 5,000 | \$ - | \$ - | 5,000 | \$ - | \$ - | \$0.00 | 0.0% | 0.00% |
| Rate Riders | 5,000 | \$ - | \$ - | 5,000 | \$ - | \$ - | \$0.00 | 0.0% | 0.00% |
| Monthly Rate Rider Adjustment (Sheet 9) | N/A | N/A | N/A | 1 | \$ - | \$ - | \$0.00 | 0.0% | 0.00% |
| Volumetric Rate Rider Adjustment (Sheet 9) | N/A | N/A | N/A | 5,000 | \$ - | \$ - | \$0.00 | 0.0% | 0.00% |
| Retail Transmission Rate – Network Service Rate | 5,370 | \$ 0.0052 | \$ 27.92 | 5,370 | \$ 0.0052 | \$ 27.92 | \$0.00 | 0.0% | 0.02% |
| Retail Transmission Rate – Line and Transformation Connection Service Rate | 5,370 | \$ 0.0045 | \$ 24.16 | 5,370 | \$ 0.0045 | \$ 24.16 | \$0.00 | 0.0% | 0.01% |
| Sub-Total: Delivery | | | \$ 134.45 | | | \$ 134.98 | \$0.53 | 0.4% | 0.08% |
| Wholesale Market Service Rate | 2147800 | \$ 0.0052 | \$ 11,168.56 | 2147800 | \$ 0.0052 | \$ 11,168.56 | \$0.00 | 0.0% | 6.56% |
| Rural Rate Protection Charge | 2147800 | \$ 0.0010 | \$ 2,147.80 | 2147800 | \$ 0.0010 | \$ 2,147.80 | \$0.00 | 0.0% | 1.26% |
| Regulated Price Plan – Administration Charge | 1 | \$ 0.2500 | \$ 0.25 | 1 | \$ 0.2500 | \$ 0.25 | \$0.00 | 0.0% | 0.00% |
| Sub-Total: Regulatory | | | \$ 13,316.61 | | | \$ 13,316.61 | \$0.00 | 0.0% | 7.82% |
| Debt Retirement Charge (DRC) | 2,000,000 | \$ 0.0070 | \$ 14,000.00 | 2,000,000 | \$ 0.0070 | \$ 14,000.00 | \$0.00 | 0.0% | 8.22% |
| Total Bill before Taxes | | | \$ 160,607.91 | | | \$ 160,608.44 | \$0.53 | 0.0% | 94.34% |
| GST | \$ 160,607.91 | 6.00% | \$ 9,636.47 | \$ 160,608.44 | 6.00% | \$ 9,636.51 | \$0.03 | 0.0% | 5.66% |
| Total Bill after Taxes | | | \$ 170,244.39 | | | \$ 170,244.95 | \$0.56 | 0.0% | 100.00% |

Street Lighting

| | | | |
|--------------------|----------------------|-----------------|---------------------------|
| Consumption | 2,000,000 kWh | 5,000 kW | Loss Factor 1.0739 |
|--------------------|----------------------|-----------------|---------------------------|

| | 2007 BILL | | | 2008 BILL | | | IMPACT | | |
|--|---------------|-----------|----------------------|---------------|-----------|----------------------|----------------|-------------|-----------------|
| | Volume | RATE \$ | CHARGE \$ | Volume | RATE \$ | CHARGE \$ | \$ | % | % of Total Bill |
| Energy First Tier (kWh) | 750 | \$ 0.0530 | \$ 39.75 | 750 | \$ 0.0530 | \$ 39.75 | \$0.00 | 0.0% | 0.02% |
| Energy Second Tier (kWh) | 2,147,050 | \$ 0.0620 | \$ 133,117.10 | 2,147,050 | \$ 0.0620 | \$ 133,117.10 | \$0.00 | 0.0% | 70.04% |
| Sub-Total: Energy | | | \$ 133,156.85 | | | \$ 133,156.85 | \$0.00 | 0.0% | 70.07% |
| Monthly Service Charge | 1 | \$ 0.24 | \$ 0.24 | 1 | \$ 0.24 | \$ 0.24 | \$0.00 | 0.0% | 0.00% |
| Distribution (kWh) | 2,000,000 | \$ - | \$ - | 2,000,000 | \$ - | \$ - | \$0.00 | 0.0% | 0.00% |
| Distribution (kW) | 5,000 | \$ 0.5574 | \$ 2,787.00 | 5,000 | \$ 0.5602 | \$ 2,801.00 | \$14.00 | 0.5% | 1.47% |
| Regulatory Assets (kWh) | 5,000 | \$ - | \$ - | 5,000 | \$ - | \$ - | \$0.00 | 0.0% | 0.00% |
| Rate Riders | 5,000 | \$ - | \$ - | 5,000 | \$ - | \$ - | \$0.00 | 0.0% | 0.00% |
| Monthly Rate Rider Adjustment (Sheet 9) | N/A | N/A | N/A | 1 | \$ - | \$ - | \$0.00 | 0.0% | 0.00% |
| Volumetric Rate Rider Adjustment (Sheet 9) | N/A | N/A | N/A | 5,000 | \$ - | \$ - | \$0.00 | 0.0% | 0.00% |
| Retail Transmission Rate – Network Service Rate | 5,370 | \$ 1.6002 | \$ 8,592.27 | 5,370 | \$ 1.6002 | \$ 8,592.27 | \$0.00 | 0.0% | 4.52% |
| Retail Transmission Rate – Line and Transformation Connection Service Rate | 5,370 | \$ 1.3824 | \$ 7,422.80 | 5,370 | \$ 1.3824 | \$ 7,422.80 | \$0.00 | 0.0% | 3.91% |
| Sub-Total: Delivery | | | \$ 18,802.31 | | | \$ 18,816.31 | \$14.00 | 0.1% | 9.90% |
| Wholesale Market Service Rate | 2147800 | \$ 0.0052 | \$ 11,168.56 | 2147800 | \$ 0.0052 | \$ 11,168.56 | \$0.00 | 0.0% | 5.88% |
| Rural Rate Protection Charge | 2147800 | \$ 0.0010 | \$ 2,147.80 | 2147800 | \$ 0.0010 | \$ 2,147.80 | \$0.00 | 0.0% | 1.13% |
| Regulated Price Plan – Administration Charge | 1 | \$ 0.2500 | \$ 0.25 | 1 | \$ 0.2500 | \$ 0.25 | \$0.00 | 0.0% | 0.00% |
| Sub-Total: Regulatory | | | \$ 13,316.61 | | | \$ 13,316.61 | \$0.00 | 0.0% | 7.01% |
| Debt Retirement Charge (DRC) | 2,000,000 | \$ 0.0070 | \$ 14,000.00 | 2,000,000 | \$ 0.0070 | \$ 14,000.00 | \$0.00 | 0.0% | 7.37% |
| Total Bill before Taxes | | | \$ 179,275.77 | | | \$ 179,289.77 | \$14.00 | 0.0% | 94.34% |
| GST | \$ 179,275.77 | 6.00% | \$ 10,756.55 | \$ 179,289.77 | 6.00% | \$ 10,757.39 | \$0.84 | 0.0% | 5.66% |
| Total Bill after Taxes | | | \$ 190,032.32 | | | \$ 190,047.16 | \$14.84 | 0.0% | 100.00% |



2008 INCENTIVE RATE MECHANISM ADJUSTMENT MODEL

Wasaga Distribution Inc.

EB-2007-XXXX, EB-2007-0584, EB-2005-0427

10/31/2007

Sheet 13 - Bill Impacts by Consumption

Click on the Calculate" button to determine a series of bill impacts for each class at different consumption levels. *Please note that the values input into columns C (kWh) and D (kW) below are filler only and may or may not reflect the true consumption nature of the associated rate class. It is the applicant's responsibility to ensure realistic value ranges are entered into the Columns C & D.*

| Class | Consumption kWh | Consumption kW | 2007 Bill | 2008 Bill | Difference \$ | Bill Impact % | Max | Min |
|---------------------------------|-----------------|----------------|---------------|---------------|---------------|---------------|------|------|
| Residential | 100 | | \$ 23.65 | \$ 23.72 | \$ 0.07 | 0.3% | 0.3% | 0.1% |
| | 250 | | \$ 39.33 | \$ 39.42 | \$ 0.09 | 0.2% | | |
| | 500 | | \$ 65.48 | \$ 65.60 | \$ 0.12 | 0.2% | | |
| | 600 | | \$ 76.36 | \$ 76.49 | \$ 0.13 | 0.2% | | |
| | 750 | | \$ 93.59 | \$ 93.73 | \$ 0.14 | 0.2% | | |
| | 1,000 | | \$ 122.29 | \$ 122.46 | \$ 0.17 | 0.1% | | |
| | 1,500 | | \$ 179.71 | \$ 179.93 | \$ 0.22 | 0.1% | | |
| General Service Less Than 50 kW | 2,000 | | \$ 230.28 | \$ 230.56 | \$ 0.29 | 0.1% | 0.1% | 0.1% |
| | 2,500 | | \$ 285.85 | \$ 286.19 | \$ 0.34 | 0.1% | | |
| | 4,000 | | \$ 452.57 | \$ 453.07 | \$ 0.50 | 0.1% | | |
| | 5,000 | | \$ 563.72 | \$ 564.33 | \$ 0.60 | 0.1% | | |
| | 10,000 | | \$ 1,119.46 | \$ 1,120.60 | \$ 1.13 | 0.1% | | |
| | 12,500 | | \$ 1,397.33 | \$ 1,398.73 | \$ 1.40 | 0.1% | | |
| | 15,000 | | \$ 1,675.21 | \$ 1,676.87 | \$ 1.66 | 0.1% | | |
| General Service 50 to 4,999 kW | 15,000 | 10 | \$ 1,399.86 | \$ 1,400.32 | \$ 0.46 | 0.0% | 0.0% | 0.0% |
| | 40,000 | 27 | \$ 3,688.29 | \$ 3,689.23 | \$ 0.95 | 0.0% | | |
| | 100,000 | 69 | \$ 9,180.51 | \$ 9,182.62 | \$ 2.11 | 0.0% | | |
| | 400,000 | 274 | \$ 36,641.62 | \$ 36,649.55 | \$ 7.93 | 0.0% | | |
| | 1,000,000 | 685 | \$ 91,563.84 | \$ 91,583.41 | \$ 19.57 | 0.0% | | |
| | 1,500,000 | 1,028 | \$ 137,332.36 | \$ 137,361.62 | \$ 29.26 | 0.0% | | |
| | 2,000,000 | 1,371 | \$ 183,100.88 | \$ 183,139.84 | \$ 38.96 | 0.0% | | |
| Unmetered Scattered Load | 15,000 | 10 | \$ 1,276.54 | \$ 1,276.57 | \$ 0.03 | 0.0% | 0.0% | 0.0% |
| | 40,000 | 27 | \$ 3,403.45 | \$ 3,403.49 | \$ 0.03 | 0.0% | | |
| | 100,000 | 69 | \$ 8,508.04 | \$ 8,508.08 | \$ 0.04 | 0.0% | | |
| | 400,000 | 274 | \$ 34,030.98 | \$ 34,031.04 | \$ 0.06 | 0.0% | | |
| | 1,000,000 | 685 | \$ 85,076.87 | \$ 85,076.97 | \$ 0.10 | 0.0% | | |
| | 1,500,000 | 1,028 | \$ 127,615.10 | \$ 127,615.24 | \$ 0.14 | 0.0% | | |
| | 2,000,000 | 1,371 | \$ 170,153.34 | \$ 170,153.52 | \$ 0.18 | 0.0% | | |
| Street Lighting | 15,000 | 10 | \$ 1,297.67 | \$ 1,297.70 | \$ 0.03 | 0.0% | 0.0% | 0.0% |
| | 40,000 | 27 | \$ 3,471.50 | \$ 3,471.59 | \$ 0.08 | 0.0% | | |
| | 100,000 | 69 | \$ 8,688.71 | \$ 8,688.92 | \$ 0.20 | 0.0% | | |
| | 400,000 | 274 | \$ 34,774.76 | \$ 34,775.57 | \$ 0.81 | 0.0% | | |
| | 1,000,000 | 685 | \$ 86,946.85 | \$ 86,948.88 | \$ 2.03 | 0.0% | | |
| | 1,500,000 | 1,028 | \$ 130,423.59 | \$ 130,426.64 | \$ 3.05 | 0.0% | | |
| | 2,000,000 | 1,371 | \$ 173,900.33 | \$ 173,904.40 | \$ 4.07 | 0.0% | | |



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Wasaga Distribution Inc.

EB-2007-XXXX, EB-2007-0584, EB-2005-0427

10/31/2007

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| Class | Consumption kWh | Consumption kW | 2007 Bill | 2008 Bill | Difference \$ | Bill Impact % | Max | Min |
|-------|--------------------|-------------------|-----------|-----------|------------------|------------------|-----|-----|
|-------|--------------------|-------------------|-----------|-----------|------------------|------------------|-----|-----|