



WELLAND HYDRO-ELECTRIC SYSTEM CORP.

P.O. Box 280 950 East Main Street, Welland, Ontario L3B 5P6 Telephone 905-732-1381 Fax 905-732-0266

October 30, 2007

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

Dear Ms Walli:

Please find enclosed the following materials in regards to the 2008 Distribution Rate Application for Welland Hydro-Electric System Corporation:

- Manager's Summary - 2 hard copies
- Transmission Rate Analysis - 2 hard copies
- 2008 IRM Model - 2 hard copies; and
- CD containing electronic copies of the Manager's Summary (Word), 2008 IRM Model (Excel), Transmission Rate Analysis (Excel), and Application (PDF).

In addition, an email was sent to Boardsec@oeb.gov.on.ca containing the 2008 IRM Model and an electronic copy of the application has been filed using the OEB's E-filing services.

Yours very truly,

Wayne Armstrong
Director of Finance
905-732-1381 Ext 234
warmstrong@wellandhydro.com

**Welland Hydro-Electric System Corp.
Manger's Summary
2008 Electricity Distribution Rate Application**

Overview

On September 28, 2007 the Ontario Energy Board ("OEB") issued filing instructions for adjusting distribution rates effective May 1, 2008 for all electricity distributors that are not filing a Cost of Service application. Welland Hydro-Electric System Corp. has completed the 2008 IRM Model in line with guidelines issued by the Ontario Energy Board using information from approved 2007 IRM, 2006 EDR, and 2006 OEB Tax models.

This document will review the impact on distribution rates as a result of using information from the required models. However, a rate application (EB-2007-0663) has been filed by Welland Hydro-Electric System Corp. requesting revised 2007 distribution rates effective October 1, 2007. This rate application contains revised 2007 IRM, 2006 EDR, and 2006 OEB Tax models. As a result, Welland Hydro-Electric System Corp. is expecting to file a revised 2008 IRM after a decision is obtained from the Ontario Energy Board on rate application EB-2007-0663.

2008 Incentive Regulation Mechanism Distribution Rate Adjustments

The 2008 IRM has five mechanisms which could impact current rates charged to Welland Hydro-Electric System Corp.'s customers. A description of each mechanism and their impact are as follows:

1) Price Escalator (GDP IPI) Minus Average annual expected Productivity Gain (X)

The model currently includes a price escalator of 1.9% and a productivity gain of 1.0% which results in a 0.9% increase in both monthly and volumetric distribution rates. The final price escalator will be based on data published by Statistics Canada early in 2008. The OEB will adjust the model once the final rate has been published.

2) Adjustment for the transition to the common deemed capital structure (K)

The OEB has determined that a common deemed capital structure of 60% debt and 40% equity will replace the four capital structures currently in place. The change will be phased in over a three year period or until a Cost of Service Application is filed. As a result, Welland Hydro-Electric System Corp.'s current deemed capital structure of 50% equity and 50% debt is being revised to 53.3% debt and 46.7% equity for 2008 rate setting. This results in reduced base revenue requirements and a corresponding 0.4% reduction in both monthly and volumetric distribution rates.

The Total Price Cap Adjustment for Welland Hydro-Electric System Corp. is 0.5% comprised of 0.9% inflation/productivity less 0.4% due to change in capital structure.

3) Regulatory Asset Recovery

Rate riders for the recovery of regulatory assets will be removed from rates effective May 1, 2008. This charge currently accounts for approximately 2% of Residential, General Service less than 50kw, Unmetered Scattered Load and Street Light customer's monthly billings. Reductions to other customer class's monthly billings include 1.3% for General Service 50 to 4999kw, 0.3% for Large Users, and 5.6% for Sentinel Lights.

4) Approved Incremental 2007 CDM Funding

Welland Hydro-Electric System Corp.'s 2007 rates do not contain any amounts for CDM Funding. As a result, this mechanism will have no impact on current rates.

5) Smart Meter Adder

The 2008 IRM model removes the current smart meter adder of \$.27/mth prior to calculating any effect of the Total Price Cap Adjustment. The model uses the existing \$.27/mth by default to re-incorporate the smart meter adder into 2008 rates. However, the model allows the OEB to implement a new value for this rate adder if required by a subsequent decision of the board.

Bill Impacts

The 2008 IRM Model includes a bill impact analysis, which provides bill impacts for changes in distribution rates only. The Regulated Price Plan ("RPP") prices do not reflect the recently announce price reduction effective October 1, 2007. Prices may also change when the board announces new RPP pricing effective May 1, 2008.

The removal of the Regulatory Asset Recovery will more than offset the Total Price Cap Adjustment and will result in reduced total monthly billings to all Welland Hydro-Electric System Corp.'s customers. Price reductions range from 0.2% to 5.6% with most reductions averaging 1.8% to 2.5%. The actual amount of reduction is dependent upon the customer class, the peak demand (kW), and total power consumed (kWh).

Z Factors or Other Adjustments

Welland Hydro-Electric System Corp. confirms that there are no Z-factor or other adjustments being requested in this application.

Conclusion

Welland Hydro-Electric System Corp. submits that the anticipated bill impacts in this application are reasonable and that no mitigation measures are necessary. In light of all of the foregoing, including the minimal bill impacts arising out of its proposed 2008 distribution rate adjustments, Welland Hydro-Electric System Corp. requests that the OEB adjust its rates in the manner set out in the 2008 IRM Model submitted.

Welland Hydro-Electric System Corp. reserves the right to resubmit the 2008 IRM Model based on resolution of Rate Application EB-2007-0663 and have 2008 rates adjusted accordingly.

Supplemental

Retail Transmission Rate Analysis

In October, 2007 the OEB issued the Ontario Uniform Transmission Rate Order (EB-2007-0759). The new wholesale transmission rates are expected to decrease by an average of approximately 12%. As a result, the OEB has asked distributors to review Retail Transmission rates charged to customers. Welland Hydro-Electric System Corp. has a unfavorable balance of \$704,671 as of September 30, 2007 in the Network & Connection variance and interest accounts. The revised lower transmission rates will result in favorable monthly variances of approximately \$20,409/mth starting in November 2007. Welland Hydro-Electric System Corp. recommends leaving Retail Transmission rates at current levels to begin reducing the balance in the Network & Connection variance accounts. The projected balance recoverable in these accounts at April 30, 2009 is approximately \$421,635. Details outlined above are included in the attached Wholesale versus Retail Transmission Rate Analysis document.



Ontario Energy Board

2008 INCENTIVE RATE MECHANISM ADJUSTMENT MODEL

Sheet 1 Utility Information Sheet

Legend:

Input Cell	Pull-Down Menu Option	Output Cell
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Please note that this model uses MACROS. Before starting, please ensure that macros have been enabled.

Name of LDC:	Welland Hydro-Electric System Corp.	
Licence Number:	ED-2003-0002	
IRM 2008 EB Number: (if known)	EB-2007-XXXX	
IRM 2007 EB Number:	EB-2007-0586	
EDR 2006 RP Number:	RP-2005-0020	EDR 2006 EB Number: EB-2005-0428
Date of Submission:	10/30/07	Last Saved Date: 10/29/07 8:39 AM
Model Version:	2.0	
Contact Information		
Name:	Wayne Armstrong	
Title:	Director of Finance	
Phone Number:	905-732-1381 Ext 234	
E-Mail Address:	warmstrong@wellandhydro.com	

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

Submission based on OEB approved 2007 IRM Model, 2006 EDR Model, and 2006 OEB Tax Model.

A rate application (EB-2007-0663) has been filed by Welland Hydro-Electric System Corp. requesting revised 2007 rates. The rate application contains revised 2007 IRM, 2006 EDR, and 2006 OEB Tax models.

As a result, Welland Hydro-Electric System Corp. is expecting to file a revised 2008 IRM after a decision is obtained from the Ontario Energy Board on rate application EB-2007-0663.

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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
Welland Hydro-Electric System Corp.
EB-2007-XXXX, EB-2007-0586, EB-2005-0428
October 30, 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	Large Use	Yes
5	Unmetered Scattered Load	Yes
6	Sentinel Lighting	Yes
7	Street Lighting	Yes
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

Welland Hydro-Electric System Corp.

EB-2007-XXXX, EB-2007-0586, EB-2005-0428

October 30, 2007

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



2008 INCENTIVE RATE MECHANISM ADJUSTMENT MODEL

Welland Hydro-Electric System Corp.

EB-2007-XXXX, EB-2007-0586, EB-2005-0428

October 30, 2007

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	\$	12.51	
Distribution Volumetric Rate	\$/kWh	0.0123	
Rate Rider 1 (if applicable)			
Rate Rider 2 (if applicable)			
Regulatory Asset Recovery	\$/kWh	0.0030	No
Retail Transmission Rate – Network Service Rate	\$/kWh	0.0062	
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kWh	0.0046	
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

Welland Hydro-Electric System Corp.

EB-2007-XXXX, EB-2007-0586, EB-2005-0428

October 30, 2007

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

General Service Less Than 50 kW

Service Charge	\$	18.44	
Distribution Volumetric Rate	\$/kWh	0.0063	
Rate Rider 1 (if applicable)			
Rate Rider 2 (if applicable)			
Regulatory Asset Recovery	\$/kWh	0.0020	No
Retail Transmission Rate – Network Service Rate	\$/kWh	0.0055	
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kWh	0.0042	
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	\$	182.48	
Distribution Volumetric Rate	\$/kW	0.7643	
Rate Rider 1 (if applicable)			
Rate Rider 2 (if applicable)			
Regulatory Asset Recovery	\$/kW	0.5337	No
Retail Transmission Rate – Network Service Rate	\$/kW	1.8997	
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kW	1.4294	
Retail Transmission Rate – Network Service Rate - Interval Meter	\$/kW	1.8844	
Retail Transmission Rate – Line and Transformation Connection Service Rate - Interval Meter	\$/kW	1.7121	
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	

Large Use

Service Charge	\$	10,112.87	
Distribution Volumetric Rate	\$/kW	0.6824	
Rate Rider 1 (if applicable)			
Rate Rider 2 (if applicable)			
Regulatory Asset Recovery	\$/kW	0.1004	No
Retail Transmission Rate – Network Service Rate	\$/kW	1.3808	
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kW	1.9013	
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	\$	9.22	
Distribution Volumetric Rate	\$/kWh	0.0063	
Rate Rider 1 (if applicable)			
Rate Rider 2 (if applicable)			
Regulatory Asset Recovery	\$/kWh	0.0020	No
Retail Transmission Rate – Network Service Rate	\$/kWh	0.0055	
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kWh	0.0042	
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

Welland Hydro-Electric System Corp.

EB-2007-XXXX, EB-2007-0586, EB-2005-0428

October 30, 2007

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

Sentinel Lighting

Service Charge	\$	0.34	
Distribution Volumetric Rate	\$/kW	0.7819	
Rate Rider 1 (if applicable)			
Rate Rider 2 (if applicable)			
Regulatory Asset Recovery			No
Retail Transmission Rate – Network Service Rate	\$/kW	1.2981	
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kW	1.7694	
Retail Transmission Rate – Network Service Rate (if applicable)	\$/kW	1.3313	
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	

Street Lighting

Service Charge	\$	0.17	
Distribution Volumetric Rate	\$/kW	0.7302	
Rate Rider 1 (if applicable)			
Rate Rider 2 (if applicable)			
Regulatory Asset Recovery	\$/kW	0.0477	No
Retail Transmission Rate – Network Service Rate	\$/kW	1.7655	
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kW	1.3284	
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

Welland Hydro-Electric System Corp.

EB-2007-XXXX, EB-2007-0586, EB-2005-0428

October 30, 2007

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



2008 INCENTIVE RATE MECHANISM ADJUSTMENT MODEL

Welland Hydro-Electric System Corp.

EB-2007-XXXX, EB-2007-0586, EB-2005-0428

October 30, 2007

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
Account history	\$	15.00
Returned cheque charge (plus bank charges)	\$	15.00
Charge to certify cheque	\$	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
Disconnect/Reconnect at meter - during regular hours	\$	65.00
Disconnect/Reconnect at meter - after regular hours	\$	185.00

Install/Remove load control device - during regular hours	\$	65.00
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	\$/kW	(1.00)
	\$/kW	
	\$/kW	

LOSS FACTORS

Total Loss Factor - Secondary Metered Customer < 5,000 kW	1.0599
Total Loss Factor - Secondary Metered Customer > 5,000 kW	1.0145
Total Loss Factor - Primary Metered Customer < 5,000 kW	1.0493
Total Loss Factor - Primary Metered Customer > 5,000 kW	1.0045



2008 INCENTIVE RATE MECHANISM ADJUSTMENT
Welland Hydro-Electric System Corp.
EB-2007-XXXX, EB-2007-0586, EB-2005-0428
October 30, 2007
Sheet 4 - Smart Meter Information

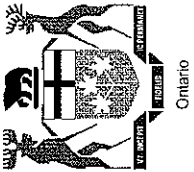
The smart meter plan rate adder is a monthly service charge for metered customers equivalent to an amount of \$0.30 per month per residential customer for utilities that do not have a plan. A different amount applied to utilities who had a smart meter plan that was modified in accordance with the Decision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

	<u>2007 IRM</u>	<u>2008 IRM</u>
Residential	\$ 0.27	
General Service Less Than 50 kW	\$ 0.27	
General Service 50 to 4,999 kW	\$ 0.27	
Large Use	\$ 0.27	



Ontario

2008 INCENTIVE RATE MECHANISM ADJUSTMENT MODEL
Welland Hydro-Electric System Corp.
 EB-2007-XXXX, EB-2007-0586, EB-2005-0428
 October 30, 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	\$	kw / kWh	\$	kw / kWh	\$	kw / kWh
Residential	\$	12.51	\$	0.0123	\$	0.27	\$	12.24	\$	0.0123
General Service Less Than 50 kW	\$	18.44	\$	0.0063	\$	0.27	\$	18.17	\$	0.0063
General Service 50 to 4,999 kW	\$	182.48	\$	0.7643	\$	0.27	\$	182.21	\$	0.7643
Large Use	\$	10,112.87	\$	0.6824	\$	0.27	\$	10,112.60	\$	0.6824
Unmetered Scattered Load	\$	9.22	\$	0.0063	\$	-	\$	9.22	\$	0.0063
Sentinel Lighting	\$	0.34	\$	0.7819	\$	-	\$	0.34	\$	0.7819
Street Lighting	\$	0.17	\$	0.7302	\$	-	\$	0.17	\$	0.7302



2008 INCENTIVE RATE MECHANISM ADJUSTMENT MODEL

Welland Hydro-Electric System Corp.

EB-2007-XXXX, EB-2007-0586, EB-2005-0428

October 30, 2007

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	6.25%	(Board Approved 2006 EDR Model, Sheet 3-2, Cell C25)
Rate Base	C	\$ 23,959,349	(Board Approved 2006 EDR Model, Sheet 3-1, Cell F21)
Size of Utility	D	Small	

Deemed Capital Structure

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

Cost of Capital

Current	G	7.625%	= (E1 X B) + (E2 X A)	Weighted Average Cost of capital
2008	H	7.53%	= (F1 X B) + (F2 X A)	

Return on Rate Base

Current	I	\$ 1,826,900.36	= C X G / 100
2008	J	\$ 1,805,157.25	= C X H / 100

Distribution Expenses and Revenue Requirement (before PILs)

Distribution Expenses (other than PILs)	K	\$ 5,284,979	(Board Approved 2006 EDR Model, Sheet 4-1, Cell F15)
Base Revenue Requirement	L	\$ 6,402,375	(Board Approved 2006 EDR Model, Sheet 5-5, Cell F27)
Transformer Allowance Credit	M	\$ 302,587	(Board Approved 2006 EDR Model, Sheet 6-3, Cell "Total" in Row R120)

Revenue Requirement (before PILs)

Current	N	\$ 7,111,879.36	= I + K
2008	O	\$ 7,090,136.25	= J + K

Target Net Income (EBIT)

Current	\$ 1,078,170.71	P1 = I - P2
2008	\$ 1,007,011.44	Q1 = J - Q2

Interest Expense

Current	\$ 748,729.66	P2 = C X (B X E1 / 100)
2008	\$ 798,145.81	Q2 = C X (B X F1 / 100)

PILs

Tax Rate R 18.62% (Board Approved 2006 PILs Model, Sheet "Test Year PILs, Tax Provision", Cell D14)

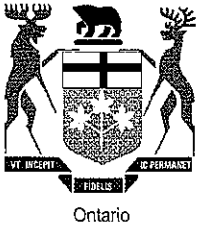
Large Corporation Tax Allowance (if applicable) - grossed up	\$ -	S	(Board Approved 2006 PILs Model, Sheet "Test Year PILs, Tax Provision", Cell D31)
OCT (Rate Base less \$10,000,000 X 0.30%)	\$ 57,116	T	(Board Approved 2006 PILs Model, Sheet "Test Year PILs, Tax Provision", Cell D30)
PILs Allowance	\$ 97,286	U	(Board Approved 2006 PILs Model, Sheet "Test Year PILs, Tax Provision", Cell D33)
Taxable Income	Current \$ 175,566	AC	(Board Approved 2006 PILs Model, Sheet "Test Year PILs, Tax Provision", Cell D11)
	2008 \$ 162,316	AD	= AC + (Q1 - P1) * (R / 100)
Federal Tax (grossed up)	Current \$ 40,170	V	= AC * (R / 100) / (1 - R / 100) 97,286
	2008 \$ 37,135	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	\$ 7,209,165.41 X = N + V + T
2008	\$ 7,184,390.70 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	\$ 6,704,962.00	Z	= L + M
2008	\$ 6,680,187.28	AA1	= Z + (Y - X)
Difference	\$ -24,774.72	AA2	= AA1 - Z
K-factor	-0.4%	AB	= AA2 / Z



2008 INCENTIVE RATE MECHANISM ADJUSTMENT
Welland Hydro-Electric System Corp.
EB-2007-XXXX, EB-2007-0586, EB-2005-0428
October 30, 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>	\$ 12.24	\$ 12.30	\$ 0.0123	\$ 0.0124
<i>General Service Less Than 50 kW</i>	\$ 18.17	\$ 18.26	\$ 0.0063	\$ 0.0063
<i>General Service 50 to 4,999 kW</i>	\$ 182.21	\$ 183.12	\$ 0.7643	\$ 0.7681
<i>Large Use</i>	\$ 10,112.60	\$ 10,163.16	\$ 0.6824	\$ 0.6858
<i>Unmetered Scattered Load</i>	\$ 9.22	\$ 9.27	\$ 0.0063	\$ 0.0063
<i>Sentinel Lighting</i>	\$ 0.34	\$ 0.34	\$ 0.7819	\$ 0.7858
<i>Street Lighting</i>	\$ 0.17	\$ 0.17	\$ 0.7302	\$ 0.7339



2008 INCENTIVE RATE MECHANISM ADJUSTMENT MODEL
Welland Hydro-Electric System Corp.
EB-2007-XXXX, EB-2007-0586, EB-2005-0428
October 30, 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>	\$ 12.30	\$ 0.27	\$ 12.57	0.0124
<i>General Service Less Than 50 kW</i>	\$ 18.26	\$ 0.27	\$ 18.53	0.0063
<i>General Service 50 to 4,999 kW</i>	\$ 183.12	\$ 0.27	\$ 183.39	0.7681
<i>Large Use</i>	\$ 10,163.16	\$ 0.27	\$ 10,163.43	0.6858
<i>Unmetered Scattered Load</i>	\$ 9.27	\$ -	\$ 9.27	0.0063
<i>Sentinel Lighting</i>	\$ 0.34	\$ -	\$ 0.34	0.7858
<i>Street Lighting</i>	\$ 0.17	\$ -	\$ 0.17	0.7339



2008 INCENTIVE RATE MECHANISM ADJUSTMENT
Welland Hydro-Electric System Corp.
EB-2007-XXXX, EB-2007-0586, EB-2005-0428
October 30, 2007
Sheet 9. - Z-Factor Rate Rider Adjustment

Is the Applicant seeking Board approval for other rate adjustments? YES NO

Z-Factor rate riders being applied for as part of the 2008 IRM rate adjustments should comply with Section 3.5 and Appendix C of the *Report of the Board on Cost of Capital and 2nd Generation Regulation Mechanism for Ontario's Electricity Distributors*, issued December 20, 2006 (link http://www.oeb.gov.on.ca/documents/cases/EB-2006-0088/report_of_the_board_201206.pdf). Rate riders applied for should comply with the eligibility requirements. A distributor should also file adequate support for its proposal.

In columns C and D below, insert the Z-Factor rate riders associated with the rate adjustment. Provide a brief explanation about the nature of the rate adjustment.

Class	Monthly Service Charge Rate Rider \$	Volumetric Charge Rate Rider kW / kWh
<i>Residential</i>		
<i>General Service Less Than 50 kW</i>		
<i>General Service 50 to 4,999 kW</i>		
<i>Large Use</i>		
<i>Unmetered Scattered Load</i>		
<i>Sentinel Lighting</i>		
<i>Street Lighting</i>		

Welland Hydro-Electric System Corp.

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-2007-0586

FOR OEB STAFF USE ONLY

MONTHLY RATES AND CHARGES

Residential

Service Charge	\$	12.57
Service Charge - Non-Routine Rate Rider	\$	0.00
Distribution Volumetric Rate	\$/kWh	0.0124
Distribution Volumetric, Non-routine Rate Rider	\$/kWh	0.0000
Rate Rider 1 (if applicable)	0	0.0000
Rate Rider 2 (if applicable)	0	0.0000
Regulatory Asset Recovery	\$/kWh	0.0000
Retail Transmission Rate – Network Service Rate	\$/kWh	0.0062
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kWh	0.0046
Retail Transmission Rate – Network Service Rate (if applicable)	\$/kWh	0.0000
Retail Transmission Rate – Line and Transformation Connection Service Rate (if applicable)	\$/kWh	0.0000
Retail Transmission Rate – Network Service Rate (if applicable)	\$/kWh	0.0000
Retail Transmission Rate – Line and Transformation Connection Service Rate (if applicable)	\$/kWh	0.0000
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	\$	18.53
Service Charge - Non-Routine Rate Rider	\$	0.00
Distribution Volumetric Rate	\$/kWh	0.0063
Distribution Volumetric, Non-routine Rate Rider	\$/kWh	0.0000
Rate Rider 1 (if applicable)	0	0.0000
Rate Rider 2 (if applicable)	0	0.0000
Regulatory Asset Recovery	\$/kWh	0.0000
Retail Transmission Rate – Network Service Rate	\$/kWh	0.0055
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kWh	0.0042
Retail Transmission Rate – Network Service Rate (if applicable)	\$/kWh	0.0000
Retail Transmission Rate – Line and Transformation Connection Service Rate (if applicable)	\$/kWh	0.0000
Retail Transmission Rate – Network Service Rate (if applicable)	\$/kWh	0.0000
Retail Transmission Rate – Line and Transformation Connection Service Rate (if applicable)	\$/kWh	0.0000
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	\$	183.39
Service Charge - Non-Routine Rate Rider	\$	0.00
Distribution Volumetric Rate	\$/kW	0.7681
Distribution Volumetric, Non-routine Rate Rider	\$/kW	0.0000
Rate Rider 1 (if applicable)	0	0.0000
Rate Rider 2 (if applicable)	0	0.0000
Regulatory Asset Recovery	\$/kW	0.0000
Retail Transmission Rate - Network Service Rate	\$/kW	1.8997
Retail Transmission Rate - Line and Transformation Connection Service Rate	\$/kW	1.4294
Retail Transmission Rate - Network Service Rate - Interval Meter	\$/kW	1.8844
Retail Transmission Rate - Line and Transformation Connection Service Rate - Interval Meter	\$/kW	1.7121
Retail Transmission Rate - Network Service Rate (if applicable)	\$/kW	0.0000
Retail Transmission Rate - Line and Transformation Connection Service Rate (if applicable)	\$/kW	0.0000
Wholesale Market Service Rate	\$/kWh	0.0052
Rural Rate Protection Charge	\$/kWh	0.0010
Standard Supply Service - Administrative Charge (if applicable)	\$	0.25

Large Use

Service Charge	\$	10,163.43
Service Charge - Non-Routine Rate Rider	\$	0.00
Distribution Volumetric Rate	\$/kW	0.6858
Distribution Volumetric, Non-routine Rate Rider	\$/kW	0.0000
Rate Rider 1 (if applicable)	0	0.0000
Rate Rider 2 (if applicable)	0	0.0000
Regulatory Asset Recovery	\$/kW	0.0000
Retail Transmission Rate - Network Service Rate	\$/kW	1.3808
Retail Transmission Rate - Line and Transformation Connection Service Rate	\$/kW	1.9013
Retail Transmission Rate - Network Service Rate (if applicable)	\$/kW	0.0000
Retail Transmission Rate - Line and Transformation Connection Service Rate (if applicable)	\$/kW	0.0000
Retail Transmission Rate - Network Service Rate (if applicable)	\$/kW	0.0000
Retail Transmission Rate - Line and Transformation Connection Service Rate (if applicable)	\$/kW	0.0000
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	\$	9.27
Service Charge - Non-Routine Rate Rider	\$	0.00
Distribution Volumetric Rate	\$/kWh	0.0063
Distribution Volumetric, Non-routine Rate Rider	\$/kWh	0.0000
Rate Rider 1 (if applicable)	0	0.0000
Rate Rider 2 (if applicable)	0	0.0000
Regulatory Asset Recovery	\$/kWh	0.0000
Retail Transmission Rate - Network Service Rate	\$/kWh	0.0055
Retail Transmission Rate - Line and Transformation Connection Service Rate	\$/kWh	0.0042
Retail Transmission Rate - Network Service Rate (if applicable)	\$/kWh	0.0000
Retail Transmission Rate - Line and Transformation Connection Service Rate (if applicable)	\$/kWh	0.0000
Retail Transmission Rate - Network Service Rate (if applicable)	\$/kWh	0.0000
Retail Transmission Rate - Line and Transformation Connection Service Rate (if applicable)	\$/kWh	0.0000
Wholesale Market Service Rate	\$/kWh	0.0052
Rural Rate Protection Charge	\$/kWh	0.0010
Standard Supply Service - Administrative Charge (if applicable)	\$	0.25

Sentinel Lighting

Service Charge	\$	0.34
Service Charge - Non-Routine Rate Rider	\$	0.00
Distribution Volumetric Rate	\$/kW	0.7858
Distribution Volumetric, Non-routine Rate Rider	\$/kW	0.0000
Rate Rider 1 (if applicable)	0	0.0000
Rate Rider 2 (if applicable)	0	0.0000
Regulatory Asset Recovery	\$/kW	0.0000
Retail Transmission Rate – Network Service Rate	\$/kW	1.7694
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kW	1.3313
Retail Transmission Rate – Network Service Rate (if applicable)	\$/kW	0.0000
Retail Transmission Rate – Line and Transformation Connection Service Rate (if applicable)	\$/kW	0.0000
Retail Transmission Rate – Network Service Rate (if applicable)	\$/kW	0.0000
Retail Transmission Rate – Line and Transformation Connection Service Rate (if applicable)	\$/kW	0.0000
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	\$	0.17
Service Charge - Non-Routine Rate Rider	\$	0.00
Distribution Volumetric Rate	\$/kW	0.7339
Distribution Volumetric, Non-routine Rate Rider	\$/kW	0.0000
Rate Rider 1 (if applicable)	0	0.0000
Rate Rider 2 (if applicable)	0	0.0000
Regulatory Asset Recovery	\$/kW	0.0000
Retail Transmission Rate – Network Service Rate	\$/kW	1.7655
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kW	1.3284
Retail Transmission Rate – Network Service Rate (if applicable)	\$/kW	0.0000
Retail Transmission Rate – Line and Transformation Connection Service Rate (if applicable)	\$/kW	0.0000
Retail Transmission Rate – Network Service Rate (if applicable)	\$/kW	0.0000
Retail Transmission Rate – Line and Transformation Connection Service Rate (if applicable)	\$/kW	0.0000
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
Account history	\$	15.00
Returned cheque charge (plus bank charges)	\$	15.00
Charge to certify cheque	\$	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
	\$	0.00
	\$	0.00
	\$	0.00
	\$	0.00
	\$	0.00
	\$	0.00

Non-Payment of Account

Late Payment - per month	%	1.50
Late Payment - per annum	%	19.56
Disconnect/Reconnect at meter - during regular hours	\$	65.00
Disconnect/Reconnect at meter - after regular hours	\$	185.00
	0	0.00
	0	0.00
	0	0.00
	0	0.00
	0	0.00
	0	0.00
	0	0.00

Install/Remove load control device - during regular hours	\$	65.00
Specific Charge for Access to the Power Poles \$/pole/year	\$	22.35
	\$	0.00
	\$	0.00
	\$	0.00
	\$	0.00
	\$	0.00
	\$	0.00
	\$	0.00
	\$	0.00
	\$	0.00
	\$	0.00
	\$	0.00
	\$	0.00
	\$	0.00
	\$	0.00
	\$	0.00
	\$	0.00
	\$	0.00
	\$	0.00
	\$	0.00
	\$	0.00
	\$	0.00
	\$	0.00

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	\$/kW	(1.00)
	\$/kW	0.00
	\$/kW	0.00

LOSS FACTORS

Total Loss Factor – Secondary Metered Customer < 5,000 kW	1.0599
Total Loss Factor – Secondary Metered Customer > 5,000 kW	1.0145
Total Loss Factor – Primary Metered Customer < 5,000 kW	1.0493
Total Loss Factor – Primary Metered Customer > 5,000 kW	1.0045



2008 INCENTIVE RATE MECHANISM ADJUSTMENT MODEL
Welland Hydro-Electric System Corp.
EB-2007-XXXX, EB-2007-0586, EB-2005-0428
October 30, 2007
Sheet 11 - Distribution Rate Change Summary

Note: No inputs are required for this worksheet.

Residential

Data	Fixed (\$)	Volumetric \$ per kW / kWh
2007 Rates	\$ 12.51	\$ 0.0123
Less: Smart meters	-\$ 0.27	\$ -
Less: CDM	\$ -	\$ -
Add: GDP-IPI - X	\$ 0.11	\$ 0.0001
Add: K-Factor	\$ (0.05)	-\$ 0.0000
Add: Smart Meters	\$ 0.27	\$ -
Final 2008 Rates	\$ 12.57	\$ 0.0124

General Service Less Than 50 kW

Data	Fixed (\$)	Volumetric \$ per kW / kWh
2007 Rates	\$ 18.44	\$ 0.0063
Less: Smart meters	-\$ 0.27	\$ -
Less: CDM	\$ -	\$ -
Add: GDP-IPI - X	\$ 0.16	\$ 0.0001
Add: K-Factor	\$ (0.07)	-\$ 0.0000
Add: Smart Meters	\$ 0.27	\$ -
Final 2008 Rates	\$ 18.53	\$ 0.0063

General Service 50 to 4,999 kW

Data	Fixed (\$)	Volumetric \$ per kW / kWh
2007 Rates	\$ 182.48	\$ 0.7643
Less: Smart meters	-\$ 0.27	\$ -
Less: CDM	\$ -	\$ -
Add: GDP-IPI - X	\$ 1.64	\$ 0.0069
Add: K-Factor	\$ (0.73)	-\$ 0.0031
Add: Smart Meters	\$ 0.27	\$ -
Final 2008 Rates	\$ 183.39	\$ 0.7681

Large Use

Data	Fixed (\$)	Volumetric \$ per kW / kWh
2007 Rates	\$ 10,112.87	\$ 0.6824
Less: Smart meters	-\$ 0.27	\$ -
Less: CDM	\$ -	\$ -
Add: GDP-IPI - X	\$ 91.01	\$ 0.0061
Add: K-Factor	\$ (40.45)	-\$ 0.0027
Add: Smart Meters	\$ 0.27	\$ -
Final 2008 Rates	\$ 10,163.43	\$ 0.6858



2008 INCENTIVE RATE MECHANISM ADJUSTMENT MODEL

Welland Hydro-Electric System Corp.

EB-2007-XXXX, EB-2007-0586, EB-2005-0428

October 30, 2007

Sheet 11 - Distribution Rate Change Summary

Unmetered Scattered Load

Data	Fixed (\$)	Volumetric \$ per kW / kWh
2007 Rates	\$ 9.22	\$ 0.0063
Less: Smart meters	\$ -	\$ -
Less: CDM	\$ -	\$ -
Add: GDP-IPI - X	\$ 0.08	\$ 0.0001
Add: K-Factor	\$ (0.04)	\$ 0.0000
Add: Smart Meters	\$ -	\$ -
Final 2008 Rates	\$ 9.27	\$ 0.0063

Sentinel Lighting

Data	Fixed (\$)	Volumetric \$ per kW / kWh
2007 Rates	\$ 0.34	\$ 0.7819
Less: Smart meters	\$ -	\$ -
Less: CDM	\$ -	\$ -
Add: GDP-IPI - X	\$ 0.00	\$ 0.0070
Add: K-Factor	\$ (0.00)	\$ 0.0031
Add: Smart Meters	\$ -	\$ -
Final 2008 Rates	\$ 0.34	\$ 0.7858

Street Lighting

Data	Fixed (\$)	Volumetric \$ per kW / kWh
2007 Rates	\$ 0.17	\$ 0.7302
Less: Smart meters	\$ -	\$ -
Less: CDM	\$ -	\$ -
Add: GDP-IPI - X	\$ 0.00	\$ 0.0066
Add: K-Factor	\$ (0.00)	\$ 0.0029
Add: Smart Meters	\$ -	\$ -
Final 2008 Rates	\$ 0.17	\$ 0.7339



2008 INCENTIVE RATE MECHANISM ADJUSTMENT MODEL
Welland Hydro-Electric System Corp.
EB-2007-XXXX, EB-2007-0586, EB-2005-0428
October 30, 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 1.0599
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	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%	27.14%
Energy Second Tier (kWh)	460	\$ 0.0620	\$ 28.51	460	\$ 0.0620	\$ 28.51	\$0.00	0.0%	24.33%
Sub-Total: Energy			\$ 60.31			\$ 60.31	\$0.00	0.0%	51.47%
Monthly Service Charge	1	\$ 12.51	\$ 12.51	1	\$ 12.57	\$ 12.57	\$0.06	0.5%	10.73%
Distribution (kWh)	1,000	\$ 0.0123	\$ 12.30	1,000	\$ 0.0124	\$ 12.40	\$0.10	0.8%	10.58%
Distribution (kW)	0	\$ -	\$ -	0	\$ -	\$ -	\$0.00	0.0%	0.00%
Regulatory Assets (kWh)	1,000	\$ 0.0030	\$ 3.00	1,000	\$ -	\$ -	(\$3.00)	(100.0)%	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	1,060	\$ 0.0062	\$ 6.57	1,060	\$ 0.0062	\$ 6.57	\$0.00	0.0%	5.61%
Retail Transmission Rate - Line and Transformation Connection Service Rate	1,060	\$ 0.0046	\$ 4.88	1,060	\$ 0.0046	\$ 4.88	\$0.00	0.0%	4.16%
Sub-Total: Delivery			\$ 39.26			\$ 36.42	(\$2.84)	(7.2)%	31.08%
Wholesale Market Service Rate	1060	\$ 0.0052	\$ 5.51	1060	\$ 0.0052	\$ 5.51	\$0.00	0.0%	4.70%
Rural Rate Protection Charge	1060	\$ 0.0010	\$ 1.06	1060	\$ 0.0010	\$ 1.06	\$0.00	0.0%	0.90%
Regulated Price Plan - Administration Charge	1	\$ 0.2500	\$ 0.25	1	\$ 0.2500	\$ 0.25	\$0.00	0.0%	0.21%
Sub-Total: Regulatory			\$ 6.82			\$ 6.82	\$0.00	0.0%	5.82%
Debt Retirement Charge (DRC)	1,000	\$ 0.0070	\$ 7.00	1,000	\$ 0.0070	\$ 7.00	\$0.00	0.0%	5.97%
Total Bill before Taxes			\$ 113.39			\$ 110.55	(\$2.84)	(2.6)%	94.34%
GST	\$ 113.39	6.00%	\$ 6.80	\$ 110.55	6.00%	\$ 6.63	(\$0.17)	(2.5)%	5.66%
Total Bill after Taxes			\$ 120.20			\$ 117.19	(\$3.01)	(2.5)%	100.00%

General Service Less Than 50 kW

Consumption	2,000 kWh	0 kW	Loss Factor 1.0599
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	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%	18.40%
Energy Second Tier (kWh)	1,370	\$ 0.0620	\$ 84.93	1,370	\$ 0.0620	\$ 84.93	\$0.00	0.0%	39.32%
Sub-Total: Energy			\$ 124.68			\$ 124.68	\$0.00	0.0%	57.72%
Monthly Service Charge	1	\$ 18.44	\$ 18.44	1	\$ 18.53	\$ 18.53	\$0.09	0.5%	8.56%
Distribution (kWh)	2,000	\$ 0.0063	\$ 12.60	2,000	\$ 0.0063	\$ 12.60	\$0.00	0.0%	5.83%
Distribution (kW)	0	\$ -	\$ -	0	\$ -	\$ -	\$0.00	0.0%	0.00%
Regulatory Assets (kWh)	2,000	\$ 0.0020	\$ 4.00	2,000	\$ -	\$ -	(\$4.00)	(100.0)%	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	2,120	\$ 0.0055	\$ 11.66	2,120	\$ 0.0055	\$ 11.66	\$0.00	0.0%	5.40%
Retail Transmission Rate - Line and Transformation Connection Service Rate	2,120	\$ 0.0042	\$ 8.90	2,120	\$ 0.0042	\$ 8.90	\$0.00	0.0%	4.12%



2008 INCENTIVE RATE MECHANISM ADJUSTMENT MODEL
Welland Hydro-Electric System Corp.
EB-2007-XXXX, EB-2007-0586, EB-2005-0428
October 30, 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: Delivery			\$ 55.60			\$ 51.69	(\$3.91)	(7.0)%	23.93%
Wholesale Market Service Rate	2120	\$ 0.0052	\$ 11.02	2120	\$ 0.0052	\$ 11.02	\$0.00	0.0%	5.10%
Rural Rate Protection Charge	2120	\$ 0.0010	\$ 2.12	2120	\$ 0.0010	\$ 2.12	\$0.00	0.0%	0.98%
Regulated Price Plan - Administration Charge	1	\$ 0.2500	\$ 0.25	1	\$ 0.2500	\$ 0.25	\$0.00	0.0%	0.12%
Sub-Total: Regulatory			\$ 13.39			\$ 13.39	\$0.00	0.0%	6.20%
Debt Retirement Charge (DRC)	2,000	\$ 0.0070	\$ 14.00	2,000	\$ 0.0070	\$ 14.00	\$0.00	0.0%	6.48%
Total Bill before Taxes			\$ 207.67			\$ 203.76	(\$3.91)	(1.9)%	94.34%
GST	\$ 207.67	6.00%	\$ 12.46	\$ 203.76	6.00%	\$ 12.23	(\$0.23)	(1.9)%	5.66%
Total Bill after Taxes			\$ 220.13			\$ 215.99	(\$4.14)	(1.9)%	100.00%

General Service 50 to 4,999 kW

Consumption 200,000 kWh 500 kW Loss Factor 1.0599

	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%	0.19%
Energy Second Tier (kWh)	211,230	\$ 0.0620	\$ 13,096.26	211,230	\$ 0.0620	\$ 13,096.26	\$0.00	0.0%	61.50%
Sub-Total: Energy			\$ 13,136.01			\$ 13,136.01	\$0.00	0.0%	61.69%
Monthly Service Charge	1	\$ 182.48	\$ 182.48	1	\$ 183.39	\$ 183.39	\$0.91	0.5%	0.86%
Distribution (kWh)	200,000	\$ -	\$ -	200,000	\$ -	\$ -	\$0.00	0.0%	0.00%
Distribution (kW)	500	\$ 0.7643	\$ 382.15	500	\$ 0.7681	\$ 384.05	\$1.90	0.5%	1.80%
Regulatory Assets (kWh)	500	\$ 0.5337	\$ 266.85	500	\$ -	\$ -	(\$266.85)	(100.0)%	0.00%
Rate Riders	500	\$ -	\$ -	500	\$ -	\$ -	\$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	500	\$ -	\$ -	\$0.00	0.0%	0.00%
Retail Transmission Rate - Network Service Rate	530	\$ 3.7841	\$ 2,005.38	530	\$ 3.7841	\$ 2,005.38	\$0.00	0.0%	9.42%
Retail Transmission Rate - Line and Transformation Connection Service Rate	530	\$ 3.1415	\$ 1,664.84	530	\$ 3.1415	\$ 1,664.84	\$0.00	0.0%	7.82%
Sub-Total: Delivery			\$ 4,501.70			\$ 4,237.66	(\$264.04)	(5.9)%	19.90%
Wholesale Market Service Rate	211980	\$ 0.0052	\$ 1,102.30	211980	\$ 0.0052	\$ 1,102.30	\$0.00	0.0%	5.18%
Rural Rate Protection Charge	211980	\$ 0.0010	\$ 211.98	211980	\$ 0.0010	\$ 211.98	\$0.00	0.0%	1.00%
Regulated Price Plan - Administration Charge	1	\$ 0.2500	\$ 0.25	1	\$ 0.2500	\$ 0.25	\$0.00	0.0%	0.00%
Sub-Total: Regulatory			\$ 1,314.53			\$ 1,314.53	\$0.00	0.0%	6.17%
Debt Retirement Charge (DRC)	200,000	\$ 0.0070	\$ 1,400.00	200,000	\$ 0.0070	\$ 1,400.00	\$0.00	0.0%	6.57%
Total Bill before Taxes			\$ 20,352.24			\$ 20,088.20	(\$264.04)	(1.3)%	94.34%
GST	\$ 20,352.24	6.00%	\$ 1,221.13	\$ 20,088.20	6.00%	\$ 1,205.29	(\$15.84)	(1.3)%	5.66%
Total Bill after Taxes			\$ 21,573.37			\$ 21,293.49	(\$279.88)	(1.3)%	100.00%



2008 INCENTIVE RATE MECHANISM ADJUSTMENT MODEL
Welland Hydro-Electric System Corp.
EB-2007-XXXX, EB-2007-0586, EB-2005-0428
October 30, 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.

Large Use

Consumption 2,400,000 kWh 5,400 kW Loss Factor 1.0145

	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)	2,434,050	\$ 0.0620	\$ 150,911.10	2,434,050	\$ 0.0620	\$ 150,911.10	\$0.00	0.0%	66.31%
Sub-Total: Energy			\$ 150,950.85			\$ 150,950.85	\$0.00	0.0%	66.33%
Monthly Service Charge	1	\$ 10,112.87	\$ 10,112.87	1	\$ 10,163.43	\$ 10,163.43	\$50.56	0.5%	4.47%
Distribution (kWh)	2,400,000	\$ -	\$ -	2,400,000	\$ -	\$ -	\$0.00	0.0%	0.00%
Distribution (kW)	5,400	\$ 0.6824	\$ 3,684.96	5,400	\$ 0.6858	\$ 3,703.32	\$18.36	0.5%	1.63%
Regulatory Assets (kWh)	5,400	\$ 0.1004	\$ 542.16	5,400	\$ -	\$ -	(\$542.16)	(100.0)%	0.00%
Rate Riders	5,400	\$ -	\$ -	5,400	\$ -	\$ -	\$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	5,400	\$ -	\$ -	\$0.00	0.0%	0.00%
Retail Transmission Rate - Network Service Rate	5,478	\$ 1.3808	\$ 7,564.44	5,478	\$ 1.3808	\$ 7,564.44	\$0.00	0.0%	3.32%
Retail Transmission Rate - Line and Transformation Connection Service Rate	5,478	\$ 1.9013	\$ 10,415.89	5,478	\$ 1.9013	\$ 10,415.89	\$0.00	0.0%	4.58%
Sub-Total: Delivery			\$ 32,320.32			\$ 31,847.08	(\$473.24)	(1.5)%	13.99%
Wholesale Market Service Rate	2434800	\$ 0.0052	\$ 12,660.96	2434800	\$ 0.0052	\$ 12,660.96	\$0.00	0.0%	5.56%
Rural Rate Protection Charge	2434800	\$ 0.0010	\$ 2,434.80	2434800	\$ 0.0010	\$ 2,434.80	\$0.00	0.0%	1.07%
Regulated Price Plan - Administration Charge	1	\$ 0.2500	\$ 0.25	1	\$ 0.2600	\$ 0.25	\$0.00	0.0%	0.00%
Sub-Total: Regulatory			\$ 15,096.01			\$ 15,096.01	\$0.00	0.0%	6.63%
Debt Retirement Charge (DRC)	2,400,000	\$ 0.0070	\$ 16,800.00	2,400,000	\$ 0.0070	\$ 16,800.00	\$0.00	0.0%	7.38%
Total Bill before Taxes			\$ 215,167.18			\$ 214,693.94	(\$473.24)	(0.2)%	94.34%
GST	\$ 215,167.18	6.00%	\$ 12,910.03	\$ 214,693.94	6.00%	\$ 12,881.64	(\$28.39)	(0.2)%	5.66%
Total Bill after Taxes			\$ 228,077.21			\$ 227,575.57	(\$501.63)	(0.2)%	100.00%

Unmetered Scattered Load

Consumption 500 kWh 0 kW Loss Factor 1.0599

	2007 BILL			2008 BILL			IMPACT		
	Volume	RATE \$	CHARGE \$	Volume	RATE \$	CHARGE \$	\$	%	% of Total Bill
Energy First Tier (kWh)	530	\$ 0.0530	\$ 28.09	530	\$ 0.0530	\$ 28.09	\$0.00	0.0%	50.30%
Energy Second Tier (kWh)	0	\$ 0.0620	\$ -	0	\$ 0.0620	\$ -	\$0.00	0.0%	0.00%
Sub-Total: Energy			\$ 28.09			\$ 28.09	\$0.00	0.0%	50.30%
Monthly Service Charge	1	\$ 9.22	\$ 9.22	1	\$ 9.27	\$ 9.27	\$0.05	0.5%	16.60%
Distribution (kWh)	500	\$ 0.0063	\$ 3.15	500	\$ 0.0063	\$ 3.15	\$0.00	0.0%	5.64%
Distribution (kW)	0	\$ -	\$ -	0	\$ -	\$ -	\$0.00	0.0%	0.00%
Regulatory Assets (kWh)	500	\$ 0.0020	\$ 1.00	500	\$ -	\$ -	(\$1.00)	(100.0)%	0.00%
Rate Riders	500	\$ -	\$ -	500	\$ -	\$ -	\$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	500	\$ -	\$ -	\$0.00	0.0%	0.00%
Retail Transmission Rate - Network Service Rate	530	\$ 0.0055	\$ 2.91	530	\$ 0.0055	\$ 2.91	\$0.00	0.0%	5.22%
Retail Transmission Rate - Line and Transformation Connection Service Rate	530	\$ 0.0042	\$ 2.23	530	\$ 0.0042	\$ 2.23	\$0.00	0.0%	3.99%
Sub-Total: Delivery			\$ 18.51			\$ 17.56	(\$0.95)	(5.1)%	31.45%
Wholesale Market Service Rate	530	\$ 0.0052	\$ 2.76	530	\$ 0.0052	\$ 2.76	\$0.00	0.0%	4.93%
Rural Rate Protection Charge	530	\$ 0.0010	\$ 0.53	530	\$ 0.0010	\$ 0.53	\$0.00	0.0%	0.95%
Regulated Price Plan - Administration Charge	1	\$ 0.2500	\$ 0.25	1	\$ 0.2500	\$ 0.25	\$0.00	0.0%	0.45%
Sub-Total: Regulatory			\$ 3.54			\$ 3.54	\$0.00	0.0%	6.33%
Debt Retirement Charge (DRC)	500	\$ 0.0070	\$ 3.50	500	\$ 0.0070	\$ 3.50	\$0.00	0.0%	6.27%
Total Bill before Taxes			\$ 53.63			\$ 52.68	(\$0.95)	(1.8)%	94.34%
GST	\$ 53.63	6.00%	\$ 3.22	\$ 52.68	6.00%	\$ 3.16	(\$0.06)	(1.8)%	5.68%
Total Bill after Taxes			\$ 56.85			\$ 55.84	(\$1.01)	(1.8)%	100.00%



2008 INCENTIVE RATE MECHANISM ADJUSTMENT MODEL
Welland Hydro-Electric System Corp.
EB-2007-XXXX, EB-2007-0586, EB-2005-0428
October 30, 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.

Sentinel Lighting

Consumption	500	kWh	2	kW	Loss Factor 1.0599
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	2007 BILL			2008 BILL			IMPACT		
	Volume	RATE \$	CHARGE \$	Volume	RATE \$	CHARGE \$	\$	%	% of Total Bill
Energy First Tier (kWh)	530	\$ 0.0530	\$ 28.09	530	\$ 0.0530	\$ 28.09	\$0.00	0.0%	60.76%
Energy Second Tier (kWh)	0	\$ 0.0620	\$ -	0	\$ 0.0620	\$ -	\$0.00	0.0%	0.00%
Sub-Total: Energy			\$ 28.09			\$ 28.09	\$0.00	0.0%	60.76%
Monthly Service Charge	1	\$ 0.34	\$ 0.34	1	\$ 0.34	\$ 0.34	\$0.00	0.0%	0.74%
Distribution (kWh)	500	\$ -	\$ -	500	\$ -	\$ -	\$0.00	0.0%	0.00%
Distribution (kW)	2	\$ 0.7819	\$ 1.56	2	\$ 0.7858	\$ 1.57	\$0.01	0.5%	3.40%
Regulatory Assets (kWh)	2	\$ 1.2981	\$ 2.60	2	\$ -	\$ -	(\$2.60)	(100.0)%	0.00%
Rate Riders	2	\$ -	\$ -	2	\$ -	\$ -	\$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	\$ -	\$ -	\$0.00	0.0%	0.00%
Retail Transmission Rate - Network Service Rate	2	\$ 1.7694	\$ 3.75	2	\$ 1.7694	\$ 3.75	\$0.00	0.0%	8.11%
Retail Transmission Rate - Line and Transformation Connection Service Rate	2	\$ 1.3313	\$ 2.82	2	\$ 1.3313	\$ 2.82	\$0.00	0.0%	6.11%
Sub-Total: Delivery			\$ 11.07			\$ 8.48	(\$2.59)	(23.4)%	18.36%
Wholesale Market Service Rate	530	\$ 0.0052	\$ 2.76	530	\$ 0.0052	\$ 2.76	\$0.00	0.0%	5.96%
Rural Rate Protection Charge	530	\$ 0.0010	\$ 0.53	530	\$ 0.0010	\$ 0.53	\$0.00	0.0%	1.15%
Regulated Price Plan - Administration Charge	1	\$ 0.2500	\$ 0.25	1	\$ 0.2500	\$ 0.25	\$0.00	0.0%	0.54%
Sub-Total: Regulatory			\$ 3.54			\$ 3.54	\$0.00	0.0%	7.65%
Debt Retirement Charge (DRC)	500	\$ 0.0070	\$ 3.50	500	\$ 0.0070	\$ 3.50	\$0.00	0.0%	7.57%
Total Bill before Taxes			\$ 46.20			\$ 43.61	(\$2.59)	(5.6)%	94.34%
GST		6.00%	\$ 2.77		6.00%	\$ 2.62	(\$0.16)	(5.6)%	5.66%
Total Bill after Taxes			\$ 48.97			\$ 46.22	(\$2.74)	(5.6)%	100.00%

Street Lighting

Consumption	250	kWh	1	kW	Loss Factor 1.0599
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	2007 BILL			2008 BILL			IMPACT		
	Volume	RATE \$	CHARGE \$	Volume	RATE \$	CHARGE \$	\$	%	% of Total Bill
Energy First Tier (kWh)	265	\$ 0.0530	\$ 14.04	265	\$ 0.0530	\$ 14.04	\$0.00	0.0%	60.58%
Energy Second Tier (kWh)	0	\$ 0.0620	\$ -	0	\$ 0.0620	\$ -	\$0.00	0.0%	0.00%
Sub-Total: Energy			\$ 14.04			\$ 14.04	\$0.00	0.0%	60.58%
Monthly Service Charge	1	\$ 0.17	\$ 0.17	1	\$ 0.17	\$ 0.17	\$0.00	0.0%	0.73%
Distribution (kWh)	250	\$ -	\$ -	250	\$ -	\$ -	\$0.00	0.0%	0.00%
Distribution (kW)	1	\$ 0.7302	\$ 0.73	1	\$ 0.7339	\$ 0.73	\$0.00	0.5%	3.17%
Regulatory Assets (kWh)	1	\$ 0.0477	\$ 0.05	1	\$ -	\$ -	(\$0.05)	(100.0)%	0.00%
Rate Riders	1	\$ -	\$ -	1	\$ -	\$ -	\$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	\$ -	\$ -	\$0.00	0.0%	0.00%
Retail Transmission Rate - Network Service Rate	1	\$ 1.7655	\$ 1.87	1	\$ 1.7655	\$ 1.87	\$0.00	0.0%	8.07%
Retail Transmission Rate - Line and Transformation Connection Service Rate	1	\$ 1.3284	\$ 1.41	1	\$ 1.3284	\$ 1.41	\$0.00	0.0%	6.07%
Sub-Total: Delivery			\$ 4.23			\$ 4.18	(\$0.04)	(1.0)%	18.04%
Wholesale Market Service Rate	265	\$ 0.0052	\$ 1.38	265	\$ 0.0052	\$ 1.38	\$0.00	0.0%	5.94%
Rural Rate Protection Charge	265	\$ 0.0010	\$ 0.26	265	\$ 0.0010	\$ 0.26	\$0.00	0.0%	1.14%
Regulated Price Plan - Administration Charge	1	\$ 0.2500	\$ 0.25	1	\$ 0.2500	\$ 0.25	\$0.00	0.0%	1.08%
Sub-Total: Regulatory			\$ 1.89			\$ 1.89	\$0.00	0.0%	8.17%
Debt Retirement Charge (DRC)	250	\$ 0.0070	\$ 1.75	250	\$ 0.0070	\$ 1.75	\$0.00	0.0%	7.55%
Total Bill before Taxes			\$ 21.91			\$ 21.87	(\$0.04)	(0.2)%	94.34%
GST		6.00%	\$ 1.31		6.00%	\$ 1.31	(\$0.00)	(0.2)%	5.66%



2008 INCENTIVE RATE MECHANISM ADJUSTMENT MODEL

Welland Hydro-Electric System Corp.

EB-2007-XXXX, EB-2007-0586, EB-2005-0428

October 30, 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.

Total Bill after Taxes	\$	23.23		\$	23.18	(\$0.05)	(0.2)%	100.00%
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Ontario

2008 INCENTIVE RATE MECHANISM ADJUSTMENT MODEL
Welland Hydro-Electric System Corp.
 EB-2007-XXXX, EB-2007-0586, EB-2005-0428

October 30, 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		\$ 23.75	\$ 23.51	-\$ 0.24	-1.0%	-1.0%	-2.6%
	250		\$ 39.10	\$ 38.39	-\$ 0.70	-1.8%		
	500		\$ 64.67	\$ 63.19	-\$ 1.47	-2.3%		
	600		\$ 75.24	\$ 73.46	-\$ 1.78	-2.4%		
	750		\$ 92.10	\$ 89.86	-\$ 2.24	-2.4%		
	1,000		\$ 120.20	\$ 117.19	-\$ 3.01	-2.5%		
	1,500		\$ 176.39	\$ 171.85	-\$ 4.55	-2.6%		
General Service Less Than 50 kW	2,000		\$ 220.13	\$ 215.99	-\$ 4.14	-1.9%	-1.9%	-2.0%
	2,500		\$ 272.00	\$ 266.80	-\$ 5.20	-1.9%		
	4,000		\$ 427.61	\$ 419.22	-\$ 8.38	-2.0%		
	5,000		\$ 531.35	\$ 520.84	-\$ 10.50	-2.0%		
	10,000		\$ 1,050.04	\$ 1,028.93	-\$ 21.10	-2.0%		
	12,500		\$ 1,309.38	\$ 1,282.98	-\$ 26.40	-2.0%		
	15,000		\$ 1,568.73	\$ 1,537.02	-\$ 31.70	-2.0%		
	30,000	100	\$ 3,623.48	\$ 3,568.28	-\$ 55.20	-1.5%	-1.3%	-1.6%
	75,000	250	\$ 8,778.90	\$ 8,639.44	-\$ 139.46	-1.6%		
	200,000	500	\$ 21,573.37	\$ 21,293.49	-\$ 279.88	-1.3%		
Large Use	400,000	1,000	\$ 42,960.21	\$ 42,399.48	-\$ 560.73	-1.3%		
	800,000	2,000	\$ 85,733.87	\$ 84,611.45	-\$ 1,122.42	-1.3%		
	1,200,000	3,000	\$ 128,507.54	\$ 126,823.42	-\$ 1,684.12	-1.3%		
	1,600,000	4,000	\$ 171,281.20	\$ 169,036.39	-\$ 2,245.81	-1.3%		
	2,400,000	5,400	\$ 228,077.21	\$ 227,575.57	-\$ 501.63	-0.2%	-0.2%	-0.3%
	3,100,000	7,500	\$ 293,763.78	\$ 293,046.22	-\$ 717.56	-0.2%		
	4,200,000	10,000	\$ 393,498.13	\$ 392,523.53	-\$ 974.61	-0.2%		
	4,600,000	11,000	\$ 430,161.47	\$ 429,084.04	-\$ 1,077.43	-0.3%		
	5,000,000	12,000	\$ 466,824.80	\$ 465,644.55	-\$ 1,180.25	-0.3%		
	5,400,000	13,000	\$ 503,488.13	\$ 502,205.07	-\$ 1,283.07	-0.3%		
Unmetered Scattered Load	6,300,000	15,000	\$ 584,890.82	\$ 583,402.12	-\$ 1,488.71	-0.3%		
	100		\$ 19.40	\$ 19.24	-\$ 0.16	-0.8%	-0.8%	-1.8%
	150		\$ 24.08	\$ 23.82	-\$ 0.27	-1.1%		
	200		\$ 28.76	\$ 28.39	-\$ 0.37	-1.3%		
	250		\$ 33.44	\$ 32.97	-\$ 0.48	-1.4%		
	300		\$ 38.13	\$ 37.54	-\$ 0.58	-1.5%		
	400		\$ 47.49	\$ 46.69	-\$ 0.80	-1.7%		
	500		\$ 56.85	\$ 55.84	-\$ 1.01	-1.8%		



Ontario

2008 INCENTIVE RATE MECHANISM ADJUSTMENT MODEL

Welland Hydro-Electric System Corp.

EB-2007-XXXX, EB-2007-0586, EB-2005-0428

October 30, 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
Sentinel Lighting	200	1	\$ 21.10	\$ 19.73	-\$ 1.37	-6.5%	-4.8%	-6.5%
	225	1	\$ 22.95	\$ 21.58	-\$ 1.37	-6.0%		
	250	1	\$ 24.80	\$ 23.42	-\$ 1.37	-5.5%		
	275	1	\$ 26.64	\$ 25.27	-\$ 1.37	-5.1%		
	300	1	\$ 28.49	\$ 27.12	-\$ 1.37	-4.8%		
	500	2	\$ 48.97	\$ 46.22	-\$ 2.74	-5.6%		
Street Lighting	750	3	\$ 73.57	\$ 69.45	-\$ 4.12	-5.6%		
	200	1	\$ 19.53	\$ 19.49	-\$ 0.05	-0.2%	-0.2%	-0.2%
	225	1	\$ 21.38	\$ 21.33	-\$ 0.05	-0.2%		
	250	1	\$ 23.23	\$ 23.18	-\$ 0.05	-0.2%		
	275	1	\$ 25.08	\$ 25.03	-\$ 0.05	-0.2%		
	300	1	\$ 26.93	\$ 26.88	-\$ 0.05	-0.2%		
	400	2	\$ 38.62	\$ 38.53	-\$ 0.09	-0.2%		
	500	2	\$ 46.01	\$ 45.92	-\$ 0.09	-0.2%		

Welland Hydro-Electric System Corp.
Wholesale vs Retail Transmission Rate Analysis
Effective November 1, 2007

		<u>Network Service</u>	<u>Line Transformation Connection</u>	<u>Total Transmission</u>
<u>Currently Average Actual Variances</u>				
Average Actual Monthly Revenue (May 06-Sep 07)		(216,293)	(186,563)	(402,856)
Average Actual Monthly Expense (May -06-Sep 07)		<u>237,281</u>	<u>199,442</u>	<u>436,722</u>
Average Actual Monthly Variance Unfav (Fav)	A	20,988	12,879	33,867
<u>Estimated Average Monthly Variance - New Transmission Rates</u>				
Average Actual Monthly Revenue (May 06-Sep 07)		(216,293)	(186,563)	(402,856)
Average Est Monthly Expense (Nov 07 - Apr 08)		<u>193,681</u>	<u>189,126</u>	<u>382,807</u>
Average Est Monthly Variance (Nov 07 - Apr 08) Unfav (Fav)	B	(22,612)	2,563	(20,049)
<u>Variance Account Analysis</u>				
Account 158400 Variance Sep 30, 2007		479,061	-	479,061
Account 158600 Variance Sep 30, 2007		-	190,620	190,620
Account 158444 Interest Sep 30, 2007		25,856	-	25,856
Account 158644 Interest Sep 30, 2007		-	<u>9,133</u>	<u>9,133</u>
Total Variance Recoverable as of Sep 30, 2007		<u>504,917</u>	<u>199,754</u>	<u>704,671</u>
Estimated Variance Oct 07 (1 month)	1 X A	20,988	12,879	33,867
Estimated Variance Nov 07 to Apr 08 (6 months)	6 X B	(135,669)	15,377	(120,292)
Estimated Interest Oct 07 to Apr 08 (5.14%/mth)		<u>13,450</u>	<u>6,211</u>	<u>19,662</u>
Estimated Variance Recoverable Apr 30, 2008		403,686	234,221	637,907
Estimated Variance May 08 to Apr 09	12 X B	(271,338)	30,755	(240,583)
Estimated Interest May 08 to Apr 09 (5.14% mth)		<u>12,337</u>	<u>11,975</u>	<u>24,312</u>
Estimated Balance Recoverable Apr 30, 2009		144,685	276,951	421,635

Network -158400

	<u>Revenue</u>	<u>Expense</u>
May 06 to Dec 06 (8mths)	(1,677,796)	1,866,331
Jan 07 to Sep 07 (9mths)	<u>(1,999,185)</u>	<u>2,167,441</u>
Total May 06 to Sep 07 (17mths)	(3,676,980)	4,033,772
Average Actual Monthly	(216,293)	237,281
Average Monthly KW (\$2.83/kw)		83,845
Estimated Revised Monthly (\$2.31/kw)		193,681

Connection - 158600

	<u>Revenue</u>	<u>Expense</u>
May 06 to Dec 06 (8mths)	(1,449,543)	1,570,144
Jan 07 to Sep 07 (9mths)	<u>(1,722,023)</u>	<u>1,820,363</u>
Total May 06 to Sep 07 (17mths)	(3,171,566)	3,390,507
Average Actual Monthly	(186,563)	199,442
Average Monthly KW (\$2.32/kw)		85,966
Estimated Revised Monthly (\$2.20/kw)		189,126

Network -158400

		Balance	Interest	5.14%
Balance September 30, 2007		479061.26		
Oct-07	20987.77	500049.03	2051.98	
Nov-07	-22611.51	477437.52	2141.88	
Dec-07	-22611.51	454826.01	2045.02	
Jan-08	-22611.51	432214.49	1948.17	
Feb-08	-22611.51	409602.98	1851.32	
Mar-08	-22611.51	386991.47	1754.47	
Apr-08	-22611.51	364379.96	1657.61	13450.45
May-08	-22611.51	341768.44	1560.76	
Jun-08	-22611.51	319156.93	1463.91	
Jul-08	-22611.51	296545.42	1367.06	
Aug-08	-22611.51	273933.91	1270.20	
Sep-08	-22611.51	251322.39	1173.35	
Oct-08	-22611.51	228710.88	1076.50	
Nov-08	-22611.51	206099.37	979.64	
Dec-08	-22611.51	183487.86	882.79	
Jan-09	-22611.51	160876.34	785.94	
Feb-09	-22611.51	138264.83	689.09	
Mar-09	-22611.51	115653.32	592.23	
Apr-09	-22611.51	93041.81	495.38	12336.86

Connection - 158600

		Balance	Interest	5.14%
Balance September 30, 2007		190620.46		
Oct-07	12878.84	203499.30	816.49	
Nov-07	2562.90	206062.20	871.66	
Dec-07	2562.90	208625.10	882.63	
Jan-08	2562.90	211188.00	893.61	
Feb-08	2562.90	213750.90	904.59	
Mar-08	2562.90	216313.80	915.57	
Apr-08	2562.90	218876.70	926.54	6211.09
May-08	2562.90	221439.60	937.52	
Jun-08	2562.90	224002.50	948.50	
Jul-08	2562.90	226565.40	959.48	
Aug-08	2562.90	229128.30	970.46	
Sep-08	2562.90	231691.20	981.43	
Oct-08	2562.90	234254.10	992.41	
Nov-08	2562.90	236817.00	1003.39	
Dec-08	2562.90	239379.89	1014.37	
Jan-09	2562.90	241942.79	1025.34	
Feb-09	2562.90	244505.69	1036.32	
Mar-09	2562.90	247068.59	1047.30	
Apr-09	2562.90	249631.49	1058.28	11974.79