

October 29, 2007

Ontario Energy Board  
26th Floor  
2300 Yonge Street  
Toronto, Ontario  
M4P 1E4  
ATT: Ms. Kirsten Walli, Secretary

Dear Ms. Walli,

ED-2002-0540  
RP- 2005-0020 EB-2005-0388 (2006 EDR)  
**EB-2007-0551**  
**2008 Electricity Distribution Rate Application**  
**Lakeland Power Distribution Ltd.**

In accordance with instructions released on December 20, 2006 of the Report of the Board on Cost of Capital and 2<sup>nd</sup> Generation Incentive Regulation, and the 2006 Electricity Distribution Rate Handbook, Lakeland Power Distribution Ltd. requests a final order for the establishment of 2008 Tariff of Rates and Charges based on the 2008 IRM Model issued October 12, 2007.

This application contains the following parts:

- Summary of the Application,
- Completed 2007 IRM Model

Two (2) hard copies of this application are enclosed, together with electronic copies of the application and attachments.

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

Yours truly,

Mr. Chris Litschko  
President & CEO  
Lakeland Power Distribution Ltd.

**RP- 2005-0020**  
**EB-2005-0388**  
**2008 Electricity Distribution Rate Application**  
**Lakeland Power Distribution Ltd.**

**SUMMARY OF APPLICATION**

**2008 IRM Rate Model**

Lakeland Power Distribution Ltd. (LPDL) is filing a request for a 2008 Rate adjustment as per the Report of the Board dated December 20, 2006. We have provided the requisite inputs to the 2008 IRM Rate model.

**Price Cap Adjustment**

LPDL has used the default value as found in the current version of the 2008 IRM model. LPDL is aware that this value will be updated with the final 2007 data published by Statistics Canada in late February 2008.

**The Smart Meter Adder**

LPDL currently includes \$.25 per month per metered customer in its Monthly Service Charge in accordance with the Board's Decision of LPDL 2006 EDR decision. This has been removed then re-incorporated as per the IRM model.

**K-Factor Adjustment**

LPDL is a small sized utility and as such is moving from a deemed debt/equity ratio of 50/50 to 60/40 as per the Board directions. This has resulted in a K-factor of -.7%.

**Distributor Retail Transmission Rates**

At this time, LPDL does not propose a change in the Retail Transmission Rates identified in the Board letter of October 29, 2007. LPDL would like the opportunity to effectively review and propose new rates at the time of their Cost of Service rebasing application in conjunction with all deferral and variance accounts.

## Bill Impacts

Customer Class	Distribution Charge Impact
Residential (1,000 kWh per month)	(\$8.34) or (6.5)%
GS < 50 kW (15,000 kWh per month)	(\$93.75) or (5.6)%
GS > 50 kW (600 kW)	(\$1,211.28) or (3.9)%
USL (15,000 kWh)	(\$2.57) or (0.2)%
Sentinel Lighting (250 kWh)	(\$0.64) or (2.4)%
Street Lighting (25,000 kWh)	(\$82.22) or (3.0)%

Should you have any questions regarding this rate application, please contact

Ms. Margaret Maw  
Chief Financial Officer  
1-705-789-5442 Ext. 225  
[mmaw@lakelandpower.on.ca](mailto:mmaw@lakelandpower.on.ca)



# Ontario Energy Board

## 2008 INCENTIVE RATE MECHANISM ADJUSTMENT

### 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:	Lakeland Power Distribution Ltd.		
Licence Number:	ED-2002-0540		
IRM 2008 EB Number: ( if known )	EB-2007-XXXX		
IRM 2007 EB Number:	EB-2007-0551		
EDR 2006 RP Number:	RP-2005-0020	EDR 2006 EB Number:	EB-2005-0388
Date of Submission:	10/29/07	Last Saved Date:	10/30/07 8:39 AM
Model Version:	2.0		
<b>Contact Information</b>			
Name:	Margaret Maw		
Title:	CFO		
Phone Number:	705-789-5442 ext 225		
E-Mail Address:	mmaw@lakelandpower.on.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 2<sup>nd</sup> 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

Lakeland Power Distribution Ltd.

EB-2007-XXXX, EB-2007-0551, EB-2005-0388

Monday, October 29, 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	Sentinel Lighting	Yes
6	Street Lighting	Yes
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

Lakeland Power Distribution Ltd.

EB-2007-XXXX, EB-2007-0551, EB-2005-0388

Monday, October 29, 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	\$	14.92	
Distribution Volumetric Rate	\$/kWh	0.0132	
Rate Rider Z factor - Storm Damage Cost Recovery - effective until August 31, 2008-fixed	\$	0.80	Yes
Rate Rider Z factor - Storm Damage Cost Recovery - effective until August 31, 2008-volumetric	\$/kWh	0.0006	Yes
Regulatory Asset Recovery	\$/kWh	0.0079	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

Lakeland Power Distribution Ltd.

EB-2007-XXXX, EB-2007-0551, EB-2005-0388

Monday, October 29, 2007

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

#### General Service Less Than 50 kW

Service Charge	\$	30.17	
Distribution Volumetric Rate	\$/kWh	0.0097	
Rate Rider 1 (if applicable)	\$	1.61	Yes
Rate Rider 2 (if applicable)	\$/kWh	0.0004	Yes
Regulatory Asset Recovery	\$/kWh	0.0059	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	\$	501.51	
Distribution Volumetric Rate	\$/kW	2.6613	
Rate Rider Z factor - Storm Damage Cost Recovery - effective until August 31, 2008-fixed	\$	25.83	Yes
Rate Rider Z factor - Storm Damage Cost Recovery - effective until August 31, 2008-volumetric	\$/kW	0.0726	Yes
Regulatory Asset Recovery	\$/kW	1.9115	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	\$	14.95	
Distribution Volumetric Rate	\$/kWh	0.0097	
Rate Rider Z factor - Storm Damage Cost Recovery - effective until August 31, 2008-fixed	\$	1.66	Yes
Rate Rider Z factor - Storm Damage Cost Recovery - effective until August 31, 2008-volumetric	\$/kWh	0.0008	Yes
Regulatory Asset Recovery	\$/kWh	0.0130	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	

#### Sentinel Lighting

Service Charge	\$	1.26	
Distribution Volumetric Rate	\$/kW	5.1560	
Rate Rider Z factor - Storm Damage Cost Recovery - effective until August 31, 2008-fixed	\$	0.08	Yes
Rate Rider Z factor - Storm Damage Cost Recovery - effective until August 31, 2008-volumetric	\$/kW	0.2681	Yes
Regulatory Asset Recovery	\$/kW	0.9154	No
Retail Transmission Rate – Network Service Rate	\$/kW	1.6083	
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kW	1.4113	
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

Lakeland Power Distribution Ltd.

EB-2007-XXXX, EB-2007-0551, EB-2005-0388

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

#### Street Lighting

Service Charge	\$	0.84	
Distribution Volumetric Rate	\$/kW	3.5071	
Rate Rider Z factor - Storm Damage Cost Recovery - effective until August 31, 2008-fixed	\$	0.05	Yes
Rate Rider Z factor - Storm Damage Cost Recovery - effective until August 31, 2008-volumetric	\$/kW	0.1627	Yes
Regulatory Asset Recovery	\$/kW	1.1016	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

Lakeland Power Distribution Ltd.

EB-2007-XXXX, EB-2007-0551, EB-2005-0388

Monday, October 29, 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	\$ 0.25	
General Service Less Than 50 kW	\$ 0.25	
General Service 50 to 4,999 kW	\$ 0.25	



## 2008 INCENTIVE RATE MECHANISM ADJUSTMENT MODEL

Lakeland Power Distribution Ltd.

EB-2007-XXXX, EB-2007-0551, EB-2005-0388

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### 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>	\$ 14.92	\$ 0.0132	\$ 0.25	\$ 0.25	\$ 14.67	\$ 0.0132	\$/kWh
<i>General Service Less Than 50 kW</i>	\$ 30.17	\$ 0.0097	\$ 0.25	\$ 0.25	\$ 29.92	\$ 0.0097	\$/kWh
<i>General Service 50 to 4,999 kW</i>	\$ 501.51	\$ 2.6613	\$ 0.25	\$ 0.25	\$ 501.26	\$ 2.6613	\$/kW
<i>Unmetered Scattered Load</i>	\$ 14.95	\$ 0.0097	\$ -	\$ -	\$ 14.95	\$ 0.0097	\$/kWh
<i>Sentinel Lighting</i>	\$ 1.26	\$ 5.1560	\$ -	\$ -	\$ 1.26	\$ 5.1560	\$/kW
<i>Street Lighting</i>	\$ 0.84	\$ 3.5071	\$ -	\$ -	\$ 0.84	\$ 3.5071	\$/kW



# 2008 INCENTIVE RATE MECHANISM ADJUSTMENT MODEL

Lakeland Power Distribution Ltd.  
 EB-2007-XXXX, EB-2007-0551, EB-2005-0388  
 Monday, October 29, 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	4.38%	(Board Approved 2006 EDR Model, Sheet 3-2, Cell C25)
Rate Base	C	\$ 15,622,096	(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	6.69%	= (E1 X B) + (E2 X A)	<b>Weighted Average Cost of capital</b>
2008	H	6.54%	= (F1 X B) + (F2 X A)	

### Return on Rate Base

Current	I	\$ 1,045,118.22	= C X G / 100
2008	J	\$ 1,021,300.77	= C X H / 100

### Distribution Expenses and Revenue Requirement (before PILs)

Distribution Expenses (other than PILs)	K	\$ 3,398,147	(Board Approved 2006 EDR Model, Sheet 4-1, Cell F15)
Base Revenue Requirement	L	\$ 4,464,584	(Board Approved 2006 EDR Model, Sheet 5-5, Cell F27)
Transformer Allowance Credit	M	\$ 56,626	(Board Approved 2006 EDR Model, Sheet 6-3, Cell "Total" in Row R120)

### Revenue Requirement (before PILs)

Current	N	\$ 4,443,265.22	= I + K
2008	O	\$ 4,419,447.77	= J + K

### Target Net Income (EBIT)

Current	\$ 702,994.32	P1 = I - P2
2008	\$ 656,596.69	Q1 = J - Q2

### Interest Expense

Current	\$ 342,123.90	P2 = C X (B X E1 / 100)
2008	\$ 364,704.08	Q2 = C X (B X F1 / 100)

### PILs

Tax Rate R 29.71% (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%)	\$ 39,543	T	(Board Approved 2006 PILs Model, Sheet "Test Year PILs, Tax Provision", Cell D30)
PILs Allowance	\$ 346,148	U	(Board Approved 2006 PILs Model, Sheet "Test Year PILs, Tax Provision", Cell D33)
Taxable Income	Current \$ 725,286	AC	(Board Approved 2006 PILs Model, Sheet "Test Year PILs, Tax Provision", Cell D11)
	2008 \$ 711,501	AD	= AC + (Q1 - P1) * (R / 100)
Federal Tax (grossed up)	Current \$ 306,562	V	= AC * (R / 100) / (1 - R / 100) 346,105
	2008 \$ 300,736	W	= AD * (R / 100) / (1 - R / 100)

### Base Revenue Requirement Adjustment (including PILs)

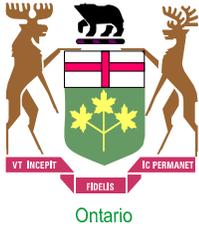
#### Revenue Requirement (less LCT) (LCT is removed as it was removed in from rates in 2007 EDR)

Current	\$ 4,789,370.28	X	= N + V + T
2008	\$ 4,759,726.34	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	\$ 4,521,210.00	Z	= L + M
2008	\$ 4,491,566.06	AA1	= Z + (Y - X)
Difference	\$ -29,643.94	AA2	= AA1 - Z
K-factor	-0.7%	AB	= AA2 / Z



## 2008 INCENTIVE RATE MECHANISM ADJUSTMENT

Lakeland Power Distribution Ltd.

EB-2007-XXXX, EB-2007-0551, EB-2005-0388

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### 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%	-0.7%	0.2%
	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>	\$ 14.67	\$ 14.70	\$ 0.0132	\$ 0.0132
<i>General Service Less Than 50 kW</i>	\$ 29.92	\$ 29.98	\$ 0.0097	\$ 0.0097
<i>General Service 50 to 4,999 kW</i>	\$ 501.26	\$ 502.26	\$ 2.6613	\$ 2.6666
<i>Unmetered Scattered Load</i>	\$ 14.95	\$ 14.98	\$ 0.0097	\$ 0.0097
<i>Sentinel Lighting</i>	\$ 1.26	\$ 1.26	\$ 5.1560	\$ 5.1663
<i>Street Lighting</i>	\$ 0.84	\$ 0.84	\$ 3.5071	\$ 3.5141



## 2008 INCENTIVE RATE MECHANISM ADJUSTMENT

Lakeland Power Distribution Ltd.

EB-2007-XXXX, EB-2007-0551, EB-2005-0388

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### 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>	\$ 14.70	\$ 0.25	\$ 14.95	0.0132
<i>General Service Less Than 50 kW</i>	\$ 29.98	\$ 0.25	\$ 30.23	0.0097
<i>General Service 50 to 4,999 kW</i>	\$ 502.26	\$ 0.25	\$ 502.51	2.6666
<i>Unmetered Scattered Load</i>	\$ 14.98	\$ -	\$ 14.98	0.0097
<i>Sentinel Lighting</i>	\$ 1.26	\$ -	\$ 1.26	5.1663
<i>Street Lighting</i>	\$ 0.84	\$ -	\$ 0.84	3.5141



## 2008 INCENTIVE RATE MECHANISM ADJUSTMENT

Lakeland Power Distribution Ltd.

EB-2007-XXXX, EB-2007-0551, EB-2005-0388

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

# Lakeland Power Distribution Ltd.

## 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-2007-0551

FOR OEB STAFF USE ONLY

### MONTHLY RATES AND CHARGES

#### Residential

Service Charge	\$	14.95
Service Charge - Non-Routine Rate Rider	\$	0.00
Distribution Volumetric Rate	\$/kWh	0.0132
Distribution Volumetric, Non-routine Rate Rider	\$/kWh	0.0000
Rate Rider Z factor - Storm Damage Cost Recovery - effective until August 31, 2008-fixed	\$	0.8000
Rate Rider Z factor - Storm Damage Cost Recovery - effective until August 31, 2008-volumetric	\$/kWh	0.0006
Regulatory Asset Recovery	\$/kWh	0.0000
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	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	\$	30.23
Service Charge - Non-Routine Rate Rider	\$	0.00
Distribution Volumetric Rate	\$/kWh	0.0097
Distribution Volumetric, Non-routine Rate Rider	\$/kWh	0.0000
Rate Rider 1 (if applicable)	\$	1.6100
Rate Rider 2 (if applicable)	\$/kWh	0.0004
Regulatory Asset Recovery	\$/kWh	0.0000
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	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	\$	502.51
Service Charge - Non-Routine Rate Rider	\$	0.00
Distribution Volumetric Rate	\$/kW	2.6666
Distribution Volumetric, Non-routine Rate Rider	\$/kW	0.0000
Rate Rider Z factor - Storm Damage Cost Recovery - effective until August 31, 2008-fixed	\$	25.8300
Rate Rider Z factor - Storm Damage Cost Recovery - effective until August 31, 2008-volumetric	\$/kW	0.0726
Regulatory Asset Recovery	\$/kW	0.0000
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	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	\$	14.98
Service Charge - Non-Routine Rate Rider	\$	0.00
Distribution Volumetric Rate	\$/kWh	0.0097
Distribution Volumetric, Non-routine Rate Rider	\$/kWh	0.0000
Rate Rider Z factor - Storm Damage Cost Recovery - effective until August 31, 2008-fixed	\$	1.6600
Rate Rider Z factor - Storm Damage Cost Recovery - effective until August 31, 2008-volumetric	\$/kWh	0.0008
Regulatory Asset Recovery	\$/kWh	0.0000
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	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	\$	1.26
Service Charge - Non-Routine Rate Rider	\$	0.00
Distribution Volumetric Rate	\$/kW	5.1663
Distribution Volumetric, Non-routine Rate Rider	\$/kW	0.0000
Rate Rider Z factor - Storm Damage Cost Recovery - effective until August 31, 2008-fixed	\$	0.0800
Rate Rider Z factor - Storm Damage Cost Recovery - effective until August 31, 2008-volumetric	\$/kW	0.2681
Regulatory Asset Recovery	\$/kW	0.0000
Retail Transmission Rate – Network Service Rate	\$/kW	1.6083
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kW	1.4113
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	\$	0.84
Service Charge - Non-Routine Rate Rider	\$	0.00
Distribution Volumetric Rate	\$/kW	3.5141
Distribution Volumetric, Non-routine Rate Rider	\$/kW	0.0000
Rate Rider Z factor - Storm Damage Cost Recovery - effective until August 31, 2008-fixed	\$	0.0500
Rate Rider Z factor - Storm Damage Cost Recovery - effective until August 31, 2008-volumetric	\$/kW	0.1627
Regulatory Asset Recovery	\$/kW	0.0000
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	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





# 2008 INCENTIVE RATE MECHANISM ADJUSTMENT MODEL

Lakeland Power Distribution Ltd.

EB-2007-XXXX, EB-2007-0551, EB-2005-0388

Monday, October 29, 2007

## Sheet 11 - Distribution Rate Change Summary

Note: No inputs are required for this worksheet.

### Residential

Data	Fixed (\$)	Volumetric \$ per kW / kWh
2007 Rates	\$ 14.92	\$ 0.0132
Less: Smart meters	-\$ 0.25	\$ -
Less: CDM	\$ -	\$ -
Add: GDP-IPi - X	\$ 0.13	\$ 0.0001
Add: K-Factor	\$ (0.10)	-\$ 0.0001
Add: Smart Meters	\$ 0.25	\$ -
<b>Final 2008 Rates</b>	<b>\$ 14.95</b>	<b>\$ 0.0132</b>

### General Service Less Than 50 kW

Data	Fixed (\$)	Volumetric \$ per kW / kWh
2007 Rates	\$ 30.17	\$ 0.0097
Less: Smart meters	-\$ 0.25	\$ -
Less: CDM	\$ -	\$ -
Add: GDP-IPi - X	\$ 0.27	\$ 0.0001
Add: K-Factor	\$ (0.21)	-\$ 0.0001
Add: Smart Meters	\$ 0.25	\$ -
<b>Final 2008 Rates</b>	<b>\$ 30.23</b>	<b>\$ 0.0097</b>

### General Service 50 to 4,999 kW

Data	Fixed (\$)	Volumetric \$ per kW / kWh
2007 Rates	\$ 501.51	\$ 2.6613
Less: Smart meters	-\$ 0.25	\$ -
Less: CDM	\$ -	\$ -
Add: GDP-IPi - X	\$ 4.51	\$ 0.0240
Add: K-Factor	\$ (3.51)	-\$ 0.0186
Add: Smart Meters	\$ 0.25	\$ -
<b>Final 2008 Rates</b>	<b>\$ 502.51</b>	<b>\$ 2.6666</b>

### Unmetered Scattered Load

Data	Fixed (\$)	Volumetric \$ per kW / kWh
2007 Rates	\$ 14.95	\$ 0.0097
Less: Smart meters	\$ -	\$ -
Less: CDM	\$ -	\$ -
Add: GDP-IPi - X	\$ 0.13	\$ 0.0001
Add: K-Factor	\$ (0.10)	-\$ 0.0001
Add: Smart Meters	\$ -	\$ -
<b>Final 2008 Rates</b>	<b>\$ 14.98</b>	<b>\$ 0.0097</b>



## 2008 INCENTIVE RATE MECHANISM ADJUSTMENT MODEL

Lakeland Power Distribution Ltd.

EB-2007-XXXX, EB-2007-0551, EB-2005-0388

Monday, October 29, 2007

### Sheet 11 - Distribution Rate Change Summary

#### Sentinel Lighting

Data	Fixed (\$)	Volumetric \$ per kW / kWh
2007 Rates	\$ 1.26	\$ 5.1560
Less: Smart meters	\$ -	\$ -
Less: CDM	\$ -	\$ -
Add: GDP-IPi - X	\$ 0.01	\$ 0.0464
Add: K-Factor	\$ (0.01)	\$ 0.0361
Add: Smart Meters	\$ -	\$ -
Final 2008 Rates	\$ <b>1.26</b>	\$ <b>5.1663</b>

#### Street Lighting

Data	Fixed (\$)	Volumetric \$ per kW / kWh
2007 Rates	\$ 0.84	\$ 3.5071
Less: Smart meters	\$ -	\$ -
Less: CDM	\$ -	\$ -
Add: GDP-IPi - X	\$ 0.01	\$ 0.0316
Add: K-Factor	\$ (0.01)	\$ 0.0245
Add: Smart Meters	\$ -	\$ -
Final 2008 Rates	\$ <b>0.84</b>	\$ <b>3.5141</b>

# Ontario Energy Board

## 2008 INCENTIVE RATE MECHANISM ADJUSTMENT

### 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:	Lakeland Power Distribution Ltd.		
Licence Number:	ED-2002-0540		
IRM 2008 EB Number: ( if known )	EB-2007-XXXX		
IRM 2007 EB Number:	EB-2007-0551		
EDR 2006 RP Number:	RP-2005-0020	EDR 2006 EB Number:	EB-2005-0388
Date of Submission:	10/29/07	Last Saved Date:	10/29/07 9:53 AM
Model Version:	2.0		
<b>Contact Information</b>			
Name:	Margaret Maw		
Title:	CFO		
Phone Number:	705-789-5442 ext 225		
E-Mail Address:	mmaw@lakelandpower.on.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 2<sup>nd</sup> Generation Incentive Regulation of Ontario's Electricity Distributors", the Report governs.

#### Comments

#### Copyright

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2008 INCENTIVE RATE MECHANISM ADJUSTMENT MODEL

Lakeland Power Distribution Ltd.

EB-2007-XXXX, EB-2007-0551, EB-2005-0388

Monday, October 29, 2007

Sheet 12 - Annualized Bill Impact

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 1.0428
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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%	26.39%
Energy Second Tier (kWh)	443	\$ 0.0620	\$ 27.45	443	\$ 0.0620	\$ 27.45	\$0.00	0.0%	22.78%
<b>Sub-Total: Energy</b>			<b>\$ 59.25</b>			<b>\$ 59.25</b>	<b>\$0.00</b>	<b>0.0%</b>	<b>49.17%</b>
Monthly Service Charge	1	\$ 14.92	\$ 14.92	1	\$ 14.95	\$ 14.95	\$0.03	0.2%	12.41%
Distribution (kWh)	1,000	\$ 0.0132	\$ 13.20	1,000	\$ 0.0132	\$ 13.20	\$0.00	0.0%	10.95%
Distribution (kW)	0	\$ -	\$ -	0	\$ -	\$ -	\$0.00	0.0%	0.00%
Regulatory Assets (kWh)	1,000	\$ 0.0079	\$ 7.90	1,000	\$ -	\$ -	(\$7.90)	(100.0)%	0.00%
Rate Riders	1,000	\$ -	\$ -	1,000	\$ -	\$ -	\$0.00	0.0%	0.00%
Monthly Rate Rider	1	\$ 0.80	\$ 0.80	1	\$ 0.80	\$ 0.80	\$0.00	0.0%	0.66%
Volumetric Rate Rider	1,000	\$ 0.0006	\$ 0.60	1,000	\$ 0.0006	\$ 0.60	\$0.00	0.0%	0.50%
Retail Transmission Rate – Network Service Rate	1,043	\$ 0.0057	\$ 5.94	1,043	\$ 0.0057	\$ 5.94	\$0.00	0.0%	4.93%
Retail Transmission Rate – Line and Transformation Connection Service Rate	1,043	\$ 0.0050	\$ 5.21	1,043	\$ 0.0050	\$ 5.21	\$0.00	0.0%	4.33%
<b>Sub-Total: Delivery</b>			<b>\$ 48.58</b>			<b>\$ 40.71</b>	<b>(\$7.87)</b>	<b>(16.2)%</b>	<b>33.78%</b>
Wholesale Market Service Rate	1043	\$ 0.0052	\$ 5.42	1043	\$ 0.0052	\$ 5.42	\$0.00	0.0%	4.50%
Rural Rate Protection Charge	1043	\$ 0.0010	\$ 1.04	1043	\$ 0.0010	\$ 1.04	\$0.00	0.0%	0.87%
Regulated Price Plan – Administration Charge	1	\$ 0.2500	\$ 0.25	1	\$ 0.2500	\$ 0.25	\$0.00	0.0%	0.21%
<b>Sub-Total: Regulatory</b>			<b>\$ 6.72</b>			<b>\$ 6.72</b>	<b>\$0.00</b>	<b>0.0%</b>	<b>5.57%</b>
Debt Retirement Charge (DRC)	1,000	\$ 0.0070	\$ 7.00	1,000	\$ 0.0070	\$ 7.00	\$0.00	0.0%	5.81%
<b>Total Bill before Taxes</b>			<b>\$ 121.55</b>			<b>\$ 113.68</b>	<b>(\$7.87)</b>	<b>(6.5)%</b>	<b>94.34%</b>
GST	\$ 121.55	6.00%	\$ 7.29	\$ 113.68	6.00%	\$ 6.82	(\$0.47)	(6.5)%	5.66%
<b>Total Bill after Taxes</b>			<b>\$ 128.84</b>			<b>\$ 120.50</b>	<b>(\$8.34)</b>	<b>(6.5)%</b>	<b>100.00%</b>

2008 INCENTIVE RATE MECHANISM ADJUSTMENT MODEL

Lakeland Power Distribution Ltd.  
 EB-2007-XXXX, EB-2007-0551, EB-2005-0388  
 Monday, October 29, 2007

Sheet 12 - Annualized Bill Impact

General Service Less Than 50 kW

Consumption	15,000 kWh	0 kW	Loss Factor 1.0428
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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%	2.50%
Energy Second Tier (kWh)	14,892	\$ 0.0620	\$ 923.30	14,892	\$ 0.0620	\$ 923.30	\$0.00	0.0%	58.06%
<b>Sub-Total: Energy</b>			<b>\$ 963.05</b>			<b>\$ 963.05</b>	<b>\$0.00</b>	<b>0.0%</b>	<b>60.56%</b>
Monthly Service Charge	1	\$ 30.17	\$ 30.17	1	\$ 30.23	\$ 30.23	\$0.06	0.2%	1.90%
Distribution (kWh)	15,000	\$ 0.0097	\$ 145.50	15,000	\$ 0.0097	\$ 145.50	\$0.00	0.0%	9.15%
Distribution (kW)	0	\$ -	\$ -	0	\$ -	\$ -	\$0.00	0.0%	0.00%
Regulatory Assets (kWh)	15,000	\$ 0.0059	\$ 88.50	15,000	\$ -	\$ -	(\$88.50)	(100.0)%	0.00%
Rate Riders	15,000	\$ -	\$ -	15,000	\$ -	\$ -	\$0.00	0.0%	0.00%
Monthly Rate Rider	1	\$ 1.61	\$ 1.61	1	\$ 1.61	\$ 1.61	\$0.00	0.0%	0.10%
Volumetric Rate Rider	15,000	\$ 0.0004	\$ 6.00	15,000	\$ 0.0004	\$ 6.00	\$0.00	0.0%	0.38%
Retail Transmission Rate – Network Service Rate	15,642	\$ 0.0052	\$ 81.34	15,642	\$ 0.0052	\$ 81.34	\$0.00	0.0%	5.11%
Retail Transmission Rate – Line and Transformation Connection Service Rate	15,642	\$ 0.0045	\$ 70.39	15,642	\$ 0.0045	\$ 70.39	\$0.00	0.0%	4.43%
<b>Sub-Total: Delivery</b>			<b>\$ 423.51</b>			<b>\$ 335.07</b>	<b>(\$88.44)</b>	<b>(20.9)%</b>	<b>21.07%</b>
Wholesale Market Service Rate	15642	\$ 0.0052	\$ 81.34	15642	\$ 0.0052	\$ 81.34	\$0.00	0.0%	5.11%
Rural Rate Protection Charge	15642	\$ 0.0010	\$ 15.64	15642	\$ 0.0010	\$ 15.64	\$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%	0.02%
<b>Sub-Total: Regulatory</b>			<b>\$ 97.23</b>			<b>\$ 97.23</b>	<b>\$0.00</b>	<b>0.0%</b>	<b>6.11%</b>
Debt Retirement Charge (DRC)	15,000	\$ 0.0070	\$ 105.00	15,000	\$ 0.0070	\$ 105.00	\$0.00	0.0%	6.60%
<b>Total Bill before Taxes</b>			<b>\$ 1,588.79</b>			<b>\$ 1,500.35</b>	<b>(\$88.44)</b>	<b>(5.6)%</b>	<b>94.34%</b>
GST	\$ 1,588.79	6.00%	\$ 95.33	\$ 1,500.35	6.00%	\$ 90.02	(\$5.31)	(5.6)%	5.66%
<b>Total Bill after Taxes</b>			<b>\$ 1,684.12</b>			<b>\$ 1,590.37</b>	<b>(\$93.75)</b>	<b>(5.6)%</b>	<b>100.00%</b>

2008 INCENTIVE RATE MECHANISM ADJUSTMENT MODEL

Lakeland Power Distribution Ltd.

EB-2007-XXXX, EB-2007-0551, EB-2005-0388

Monday, October 29, 2007

Sheet 12 - Annualized Bill Impact

General Service 50 to 4,999 kW

Consumption	302,400 kWh	600 kW	Loss Factor 1.0428
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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%	0.13%
Energy Second Tier (kWh)	314,593	\$ 0.0620	\$ 19,504.75	314,593	\$ 0.0620	\$ 19,504.75	\$0.00	0.0%	65.17%
<b>Sub-Total: Energy</b>			<b>\$ 19,544.50</b>			<b>\$ 19,544.50</b>	<b>\$0.00</b>	<b>0.0%</b>	<b>65.30%</b>
Monthly Service Charge	1	\$ 501.51	\$ 501.51	1	\$ 502.51	\$ 502.51	\$1.00	0.2%	1.68%
Distribution (kWh)	302,400	\$ -	\$ -	302,400	\$ -	\$ -	\$0.00	0.0%	0.00%
Distribution (kW)	600	\$ 2.6613	\$ 1,596.78	600	\$ 2.6666	\$ 1,599.96	\$3.18	0.2%	5.35%
Regulatory Assets (kWh)	600	\$ 1.9115	\$ 1,146.90	600	\$ -	\$ -	(\$1,146.90)	(100.0)%	0.00%
Rate Riders	0	\$ -	\$ -	0	\$ -	\$ -	\$0.00	0.0%	0.00%
Monthly Rate Rider	1	\$ 25.83	\$ 25.83	1	\$ 25.83	\$ 25.83	\$0.00	0.0%	0.09%
Volumetric Rate Rider	600	\$ 0.0726	\$ 43.56	600	\$ 0.0726	\$ 43.56	\$0.00	0.0%	0.15%
Retail Transmission Rate – Network Service Rate	626	\$ 2.1218	\$ 1,327.57	626	\$ 2.1218	\$ 1,327.57	\$0.00	0.0%	4.44%
Retail Transmission Rate – Line and Transformation Connection Service Rate	626	\$ 1.7882	\$ 1,118.84	626	\$ 1.7882	\$ 1,118.84	\$0.00	0.0%	3.74%
<b>Sub-Total: Delivery</b>			<b>\$ 5,760.99</b>			<b>\$ 4,618.27</b>	<b>(\$1,142.72)</b>	<b>(19.8)%</b>	<b>15.43%</b>
Wholesale Market Service Rate	315343	\$ 0.0052	\$ 1,639.78	315343	\$ 0.0052	\$ 1,639.78	\$0.00	0.0%	5.48%
Rural Rate Protection Charge	315343	\$ 0.0010	\$ 315.34	315343	\$ 0.0010	\$ 315.34	\$0.00	0.0%	1.05%
Regulated Price Plan – Administration Charge	1	\$ 0.2500	\$ 0.25	1	\$ 0.2500	\$ 0.25	\$0.00	0.0%	0.00%
<b>Sub-Total: Regulatory</b>			<b>\$ 1,955.37</b>			<b>\$ 1,955.37</b>	<b>\$0.00</b>	<b>0.0%</b>	<b>6.53%</b>
Debt Retirement Charge (DRC)	302,400	\$ 0.0070	\$ 2,116.80	302,400	\$ 0.0070	\$ 2,116.80	\$0.00	0.0%	7.07%
<b>Total Bill before Taxes</b>			<b>\$ 29,377.66</b>			<b>\$ 28,234.94</b>	<b>(\$1,142.72)</b>	<b>(3.9)%</b>	<b>94.34%</b>
GST	\$ 29,377.66	6.00%	\$ 1,762.66	\$ 28,234.94	6.00%	\$ 1,694.10	(\$68.56)	(3.9)%	5.66%
<b>Total Bill after Taxes</b>			<b>\$ 31,140.32</b>			<b>\$ 29,929.04</b>	<b>(\$1,211.28)</b>	<b>(3.9)%</b>	<b>100.00%</b>

2008 INCENTIVE RATE MECHANISM ADJUSTMENT MODEL

Lakeland Power Distribution Ltd.  
 EB-2007-XXXX, EB-2007-0551, EB-2005-0388  
 Monday, October 29, 2007

Sheet 12 - Annualized Bill Impact

Unmetered Scattered Load

Consumption	15,000 kWh	200 kW	Loss Factor 1.0428
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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%	2.82%
Energy Second Tier (kWh)	14,892	\$ 0.0620	\$ 923.30	14,892	\$ 0.0620	\$ 923.30	\$0.00	0.0%	65.50%
<b>Sub-Total: Energy</b>			<b>\$ 963.05</b>			<b>\$ 963.05</b>	<b>\$0.00</b>	<b>0.0%</b>	<b>68.32%</b>
Monthly Service Charge	1	\$ 14.95	\$ 14.95	1	\$ 14.98	\$ 14.98	\$0.03	0.2%	1.06%
Distribution (kWh)	15,000	\$ 0.0097	\$ 145.50	15,000	\$ 0.0097	\$ 145.50	\$0.00	0.0%	10.32%
Distribution (kW)	200	\$ -	\$ -	200	\$ -	\$ -	\$0.00	0.0%	0.00%
Regulatory Assets (kWh)	200	\$ 0.0130	\$ 2.60	200	\$ -	\$ -	(\$2.60)	(100.0)%	0.00%
Rate Riders	0	\$ -	\$ -	0	\$ -	\$ -	\$0.00	0.0%	0.00%
Monthly Rate Rider	1	\$ 1.66	\$ 1.66	1	\$ 1.66	\$ 1.66	\$0.00	0.0%	0.12%
Volumetric Rate Rider	200	\$ 0.0008	\$ 0.16	200	\$ 0.0008	\$ 0.16	\$0.00	0.0%	0.01%
Retail Transmission Rate – Network Service Rate	209	\$ 0.0052	\$ 1.08	209	\$ 0.0052	\$ 1.08	\$0.00	0.0%	0.08%
Retail Transmission Rate – Line and Transformation Connection Service Rate	209	\$ 0.0045	\$ 0.94	209	\$ 0.0045	\$ 0.94	\$0.00	0.0%	0.07%
<b>Sub-Total: Delivery</b>			<b>\$ 166.89</b>			<b>\$ 164.32</b>	<b>(\$2.57)</b>	<b>(1.5)%</b>	<b>11.66%</b>
Wholesale Market Service Rate	15642	\$ 0.0052	\$ 81.34	15642	\$ 0.0052	\$ 81.34	\$0.00	0.0%	5.77%
Rural Rate Protection Charge	15642	\$ 0.0010	\$ 15.64	15642	\$ 0.0010	\$ 15.64	\$0.00	0.0%	1.11%
Regulated Price Plan – Administration Charge	1	\$ 0.2500	\$ 0.25	1	\$ 0.2500	\$ 0.25	\$0.00	0.0%	0.02%
<b>Sub-Total: Regulatory</b>			<b>\$ 97.23</b>			<b>\$ 97.23</b>	<b>\$0.00</b>	<b>0.0%</b>	<b>6.90%</b>
Debt Retirement Charge (DRC)	15,000	\$ 0.0070	\$ 105.00	15,000	\$ 0.0070	\$ 105.00	\$0.00	0.0%	7.45%
<b>Total Bill before Taxes</b>			<b>\$ 1,332.18</b>			<b>\$ 1,329.61</b>	<b>(\$2.57)</b>	<b>(0.2)%</b>	<b>94.33%</b>
GST	\$ 1,332.18	6.00%	\$ 79.93	\$ 1,332.18	6.00%	\$ 79.93	\$0.00	0.0%	5.67%
<b>Total Bill after Taxes</b>			<b>\$ 1,412.11</b>			<b>\$ 1,409.54</b>	<b>(\$2.57)</b>	<b>(0.2)%</b>	<b>100.00%</b>

2008 INCENTIVE RATE MECHANISM ADJUSTMENT MODEL

Lakeland Power Distribution Ltd.  
 EB-2007-XXXX, EB-2007-0551, EB-2005-0388  
 Monday, October 29, 2007

Sheet 12 - Annualized Bill Impact

Sentinel Lighting

Consumption	250 kWh	1 kW	Loss Factor 1.0428
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	2007 BILL			2008 BILL			IMPACT		
	Volume	RATE \$	CHARGE \$	Volume	RATE \$	CHARGE \$	\$	%	% of Total Bill
Energy First Tier (kWh)	261	\$ 0.0530	\$ 13.82	261	\$ 0.0530	\$ 13.82	\$0.00	0.0%	52.37%
Energy Second Tier (kWh)	0	\$ 0.0620	\$ -	0	\$ 0.0620	\$ -	\$0.00	0.0%	0.00%
<b>Sub-Total: Energy</b>			<b>\$ 13.82</b>			<b>\$ 13.82</b>	<b>\$0.00</b>	<b>0.0%</b>	<b>52.37%</b>
Monthly Service Charge	1	\$ 1.26	\$ 1.26	1	\$ 1.26	\$ 1.26	\$0.00	0.0%	4.78%
Distribution (kWh)	250	\$ -	\$ -	250	\$ -	\$ -	\$0.00	0.0%	0.00%
Distribution (kW)	1	\$ 5.1560	\$ 3.65	1	\$ 5.1663	\$ 3.66	\$0.01	0.2%	13.87%
Regulatory Assets (kWh)	1	\$ 0.9154	\$ 0.65	1	\$ -	\$ -	(\$0.65)	(100.0)%	0.00%
Rate Riders	0	\$ -	\$ -	0	\$ -	\$ -	\$0.00	0.0%	0.00%
Monthly Rate Rider	1	\$ 0.08	\$ 0.08	1	\$ 0.08	\$ 0.08	\$0.00	0.0%	0.30%
Volumetric Rate Rider	1	\$ 0.2681	\$ 0.19	1	\$ 0.2681	\$ 0.19	\$0.00	0.0%	0.72%
Retail Transmission Rate – Network Service Rate	1	\$ 1.6083	\$ 1.19	1	\$ 1.6083	\$ 1.19	\$0.00	0.0%	4.50%
Retail Transmission Rate – Line and Transformation Connection Service Rate	1	\$ 1.4113	\$ 1.04	1	\$ 1.4113	\$ 1.04	\$0.00	0.0%	3.95%
<b>Sub-Total: Delivery</b>			<b>\$ 8.06</b>			<b>\$ 7.42</b>	<b>(\$0.64)</b>	<b>(8.0)%</b>	<b>28.13%</b>
Wholesale Market Service Rate	261	\$ 0.0052	\$ 1.36	261	\$ 0.0052	\$ 1.36	\$0.00	0.0%	5.14%
Rural Rate Protection Charge	261	\$ 0.0010	\$ 0.26	261	\$ 0.0010	\$ 0.26	\$0.00	0.0%	0.99%
Regulated Price Plan – Administration Charge	1	\$ 0.2500	\$ 0.25	1	\$ 0.2500	\$ 0.25	\$0.00	0.0%	0.95%
<b>Sub-Total: Regulatory</b>			<b>\$ 1.87</b>			<b>\$ 1.87</b>	<b>\$0.00</b>	<b>0.0%</b>	<b>7.07%</b>
Debt Retirement Charge (DRC)	250	\$ 0.0070	\$ 1.75	250	\$ 0.0070	\$ 1.75	\$0.00	0.0%	6.63%
<b>Total Bill before Taxes</b>			<b>\$ 25.50</b>			<b>\$ 24.86</b>	<b>(\$0.64)</b>	<b>(2.5)%</b>	<b>94.20%</b>
GST	\$ 25.50	6.00%	\$ 1.53	\$ 25.50	6.00%	\$ 1.53	\$0.00	0.0%	5.80%
<b>Total Bill after Taxes</b>			<b>\$ 27.03</b>			<b>\$ 26.39</b>	<b>(\$0.64)</b>	<b>(2.4)%</b>	<b>100.00%</b>

2008 INCENTIVE RATE MECHANISM ADJUSTMENT MODEL

Lakeland Power Distribution Ltd.  
 EB-2007-XXXX, EB-2007-0551, EB-2005-0388  
 Monday, October 29, 2007

Sheet 12 - Annualized Bill Impact

Street Lighting

Consumption	25,000 kWh	71 kW	Loss Factor 1.0428
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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%	1.51%
Energy Second Tier (kWh)	25,320	\$ 0.0620	\$ 1,569.84	25,320	\$ 0.0620	\$ 1,569.84	\$0.00	0.0%	59.53%
<b>Sub-Total: Energy</b>			<b>\$ 1,609.59</b>			<b>\$ 1,609.59</b>	<b>\$0.00</b>	<b>0.0%</b>	<b>61.04%</b>
Monthly Service Charge	1	\$ 0.84	\$ 0.84	1	\$ 0.84	\$ 0.84	\$0.00	0.0%	0.03%
Distribution (kWh)	25,000	\$ -	\$ -	25,000	\$ -	\$ -	\$0.00	0.0%	0.00%
Distribution (kW)	71	\$ 3.5071	\$ 248.52	71	\$ 3.5141	\$ 249.02	\$0.50	0.2%	9.44%
Regulatory Assets (kWh)	71	\$ 1.1016	\$ 78.06	71	\$ -	\$ -	(\$78.06)	(100.0)%	0.00%
Rate Riders			\$ -			\$ -	\$0.00	0.0%	0.00%
Monthly Rate Rider	1	\$ 0.05	\$ 0.05	1	\$ 0.05	\$ 0.05	\$0.00	0.0%	0.00%
Volumetric Rate Rider	71	\$ 0.1627	\$ 71.02	71	\$ 0.1627	\$ 71.02	\$0.00	0.0%	2.69%
Retail Transmission Rate – Network Service Rate	74	\$ 1.6002	\$ 118.25	74	\$ 1.6002	\$ 118.25	\$0.00	0.0%	4.48%
Retail Transmission Rate – Line and Transformation Connection Service Rate	74	\$ 1.3824	\$ 102.15	74	\$ 1.3824	\$ 102.15	\$0.00	0.0%	3.87%
<b>Sub-Total: Delivery</b>			<b>\$ 618.89</b>			<b>\$ 541.33</b>	<b>(\$77.57)</b>	<b>(12.5)%</b>	<b>20.53%</b>
Wholesale Market Service Rate	26070	\$ 0.0052	\$ 135.56	26070	\$ 0.0052	\$ 135.56	\$0.00	0.0%	5.14%
Rural Rate Protection Charge	26070	\$ 0.0010	\$ 26.07	26070	\$ 0.0010	\$ 26.07	\$0.00	0.0%	0.99%
Regulated Price Plan – Administration Charge	1	\$ 0.2500	\$ 0.25	1	\$ 0.2500	\$ 0.25	\$0.00	0.0%	0.01%
<b>Sub-Total: Regulatory</b>			<b>\$ 161.88</b>			<b>\$ 161.88</b>	<b>\$0.00</b>	<b>0.0%</b>	<b>6.14%</b>
Debt Retirement Charge (DRC)	25,000	\$ 0.0070	\$ 175.00	25,000	\$ 0.0070	\$ 175.00	\$0.00	0.0%	6.64%
<b>Total Bill before Taxes</b>			<b>\$ 2,565.37</b>			<b>\$ 2,487.80</b>	<b>(\$77.57)</b>	<b>(3.0)%</b>	<b>94.34%</b>
GST	\$ 2,565.37	6.00%	\$ 153.92	\$ 2,487.80	6.00%	\$ 149.27	(\$4.65)	(3.0)%	5.66%
<b>Total Bill after Taxes</b>			<b>\$ 2,719.29</b>			<b>\$ 2,637.07</b>	<b>(\$82.22)</b>	<b>(3.0)%</b>	<b>100.00%</b>

2008 INCENTIVE RATE MECHANISM ADJUSTMENT MODEL

Lakeland Power Distribution Ltd.  
 EB-2007-XXXX, EB-2007-0551, EB-2005-0388  
 Monday, October 29, 2007

Sheet 12 - Annualized Bill Impact

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		\$ 27.70	\$ 26.89	-\$ 0.81	-2.9%	-2.9%	-6.8%
	250		\$ 43.85	\$ 41.79	-\$ 2.06	-4.7%		
	500		\$ 70.77	\$ 66.62	-\$ 4.15	-5.9%		
	750		\$ 99.43	\$ 93.18	-\$ 6.25	-6.3%		
	1,000		\$ 128.84	\$ 120.50	-\$ 8.34	-6.5%		
	1,500		\$ 187.66	\$ 175.13	-\$ 12.53	-6.7%		
General Service Less Than 50 kW	2,000		\$ 246.48	\$ 229.76	-\$ 16.72	-6.8%		
	1,000		\$ 137.28	\$ 131.09	-\$ 6.19	-4.5%	-4.5%	-5.6%
	2,000		\$ 247.77	\$ 235.33	-\$ 12.44	-5.0%		
	2,500		\$ 303.02	\$ 287.45	-\$ 15.57	-5.1%		
	5,000		\$ 579.24	\$ 548.03	-\$ 31.21	-5.4%		
	10,000		\$ 1,131.68	\$ 1,069.20	-\$ 62.48	-5.5%		
General Service 50 to 4,999 kW	12,500		\$ 1,407.90	\$ 1,329.79	-\$ 78.11	-5.5%		
	15,000		\$ 1,684.12	\$ 1,590.37	-\$ 93.75	-5.6%		
	25,200	50	\$ 3,101.11	\$ 3,001.14	-\$ 99.97	-3.2%	-3.2%	-4.0%
	30,240	60	\$ 3,610.91	\$ 3,490.74	-\$ 120.17	-3.3%		
	50,400	100	\$ 5,650.13	\$ 5,449.13	-\$ 201.00	-3.6%		
	252,000	500	\$ 26,042.28	\$ 25,033.06	-\$ 1,009.22	-3.9%		
	504,000	1,000	\$ 51,532.48	\$ 49,512.96	-\$ 2,019.52	-3.9%		
	1,512,000	3,000	\$ 153,493.25	\$ 147,432.59	-\$ 6,060.66	-3.9%		
	2,016,000	4,000	\$ 204,473.63	\$ 196,392.41	-\$ 8,081.22	-4.0%		

2008 INCENTIVE RATE MECHANISM ADJUSTMENT MODEL

Lakeland Power Distribution Ltd.  
 EB-2007-XXXX, EB-2007-0551, EB-2005-0388  
 Monday, October 29, 2007

Sheet 12 - Annualized Bill Impact

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
Unmetered Scattered Load	200		\$ 39.57	\$ 37.00	-\$ 2.57	-6.5%	-6.5%	-10.9%
	500		\$ 72.12	\$ 65.65	-\$ 6.47	-9.0%		
	1,000		\$ 129.15	\$ 116.18	-\$ 12.97	-10.0%		
	2,000		\$ 247.59	\$ 221.62	-\$ 25.97	-10.5%		
	5,000		\$ 602.91	\$ 537.94	-\$ 64.97	-10.8%		
	10,000		\$ 1,195.10	\$ 1,065.13	-\$ 129.97	-10.9%		
	15,000		\$ 1,787.29	\$ 1,592.32	-\$ 194.97	-10.9%		
Sentinel Lighting	100	0	\$ 11.82	\$ 11.57	-\$ 0.25	-2.1%	-2.1%	-2.5%
	250	1	\$ 27.03	\$ 26.39	-\$ 0.64	-2.4%		
	500	1	\$ 52.37	\$ 51.09	-\$ 1.28	-2.4%		
	750	2	\$ 78.02	\$ 76.09	-\$ 1.93	-2.5%		
	1,000	3	\$ 105.84	\$ 103.28	-\$ 2.56	-2.4%		
	1,500	4	\$ 161.50	\$ 157.65	-\$ 3.85	-2.4%		
	2,000	6	\$ 217.16	\$ 212.03	-\$ 5.13	-2.4%		
Street Lighting	10,000	28	\$ 1,084.25	\$ 1,051.36	-\$ 32.89	-3.0%	-3.0%	-3.0%
	15,000	43	\$ 1,629.26	\$ 1,579.93	-\$ 49.33	-3.0%		
	25,000	71	\$ 2,719.29	\$ 2,637.07	-\$ 82.22	-3.0%		
	50,000	142	\$ 5,444.35	\$ 5,279.91	-\$ 164.44	-3.0%		
	100,000	283	\$ 10,894.48	\$ 10,565.60	-\$ 328.88	-3.0%		
	200,000	567	\$ 21,794.73	\$ 21,136.97	-\$ 657.76	-3.0%		
	500,000	1,417	\$ 54,495.48	\$ 52,851.10	-\$ 1,644.38	-3.0%		