



Coopérative Hydro Embrun  
821 Rue Notre Dame  
Embrun, ON, K0A 1W1

April 5, 2010

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

**Re: Draft Rate Order**

Dear Ms. Walli:

Coopérative Hydro Embrun ("CHE") acknowledges receipt of the Ontario Energy Board's Decision and Order dated March 19, 2010 and thus submits its Draft Rate Order for 2010 Distribution Rates effective May 1st, 2010

This Draft Rate Order contains the following components.

- Manager Summary
- Tariff of Rates and Charges
- Customer Rate Impact Schedule (Summary and Detail)
- PDF version of Revenue Requirement Work Form
- Appendices A through F
- Summary of changes to the final RateMaker Model

Excel versions of;

- RateMaker [CHE.RateMaker.RateOrder.Apr1]
- RateMaker PILs Model [CHE.RMpils.RateOrder.Apr1]
- Revenue Requirement Work Form [CHE-2010 RRWF.RateOrder.Apr1]
- Cost Allocation Model [CHE-2010 CA Model.RateOrder.Apr1]

This document is being filed pursuant to the Board's e-Filing Services. Two hard copies of the Responses will be delivered to the Board over the next few days.

Should there be any questions, please do not hesitate to contact me at the number below.

Yours truly,

A handwritten signature in blue ink, appearing to be "Benoit Lamarche", written in a cursive style.

Benoit Lamarche  
General Manager  
Coopérative Hydro Embrun  
821 Rue Notre Dame  
Embrun, ON, K0A 1W1

**Cooperative Hydro Embrun  
Draft Rate Order  
EB-2009-0132**

**Manager's Summary**

Cooperative Hydro Embrun Corporation (CHE) submits this Manager Summary accompanied by a Tariff of Rates and Charges for 2010, Customer Bill Impacts, and a completed Revenue Requirement Work Form in both PDF and excel format. CHE is also filing its final RateMaker Model revised to reflect the Board Decision and Order issued March 19, 2010. The RateMaker model is accompanied by a detailed description of all changes it underwent to produce CHE's final tariff of rates and charges.

In the following Manager Summary, CHE presents a brief review of Board's decision and how CHE's complied and implemented the Board's rulings. The summary follows the same format as the decision and is presented as follows;

- Rate Base;
- Energy Forecast;
- Customer Forecast;
- Operating Costs;
- Cost of Capital;
- Rate Design; and
- Deferral and Variance Accounts Review and Disposition.

**Rate Base;**

As per agreed upon, and as per directed by the Board in its March 19, 2010 decision ("Decision and Order") CHE transferred their two trailer boxes from account 1810 – Leasehold improvements to Account 1935 – Stores and Work Equipment. CHE also confirms that it revised its COP component of the WCA using the transmission rates effective January 1, 2010. Revised Pass-through charges and WCA are presented at appendix B of this document

**Energy Forecast and Customer Forecast**

The Board accepted CHE's load and customer forecast as originally filed in its September 17, 2009 rate application. CHE submits that with the implementation of smart meters, concerns related to the data per class will not be an issue in the next cost of service application.

## **Operating Costs**

### International Financial reporting Standards:

As per agreed upon by all parties, and as per directed by the Board in its Decision and Order, CHE removed the projected cost related to the implementation of IFRS from account 5630 and will use the appropriate deferral accounts instead.

### Regulatory Costs:

In the Decision and Order, the Board approved the recovery of an expense of 267,200 amortized over 4 years. CHE acknowledges that some area of the application as well as post-filing process could have been clearer. CHE feels that there is always room for improvements and is determined to improve its efficiency in its next cost of service application thus reduce future regulatory costs.

### PST/HST

The estimates on p.10 refer to the PST payable until June 30, 2010, or for a half year. A full year of PST has been added to test year costs, i.e. \$1,500 for OM&A and \$15,286 for Capital. Embrun will record in the deferral account all ITCs it receives on distribution revenue requirement items that were previously subject to PST. Details of how this adjustment was undertaken can be found at Appendix A of this document.

### Employee Costs.

CHE confirms that a specific employee costs for 2010 in the amount of \$8,208.25 was not included in its 2010 Total OM&A expenses and therefore was not included in the proposed revenue requirement. Consequently, Embrun submits that no adjustment to the revenue requirement was carried out.

## **Cost of Capital**

CHE attests that it updated the components of its capital structure based on the rates specified in the Board's letter of February 24, 2010. Details of the specific rates used are presented below;

<b>Cost of Capital Parameter</b>	<b>Value for 2010 Cost of Service Applications (assuming May 1, 2010 implementation date for rate changes)</b>
ROE	9.85%
Deemed LT Debt rate	5.87%
Deemed ST Debt rate	2.07%

## **Rate Design**

### Loss Adjustment Factor

As per agreed upon by all parties, and as per directed by the Board in its Decision and Order, CHE use the three-year average for the derivation of the loss adjustment factor. The final proposed loss adjustment factor is therefore; 1.0579

### Retail Transmission Service Charge

CHE attests that it has updated its proposed RTSRs to reflect the new UTRs effective January 1, 2010, and accordingly reflected the revised RTSRs in its draft Rate Order. The details of its calculations are provided at Appendix B of this document.

### Revenue to Cost Ratio

All directions in the Board's decision affecting the Accounting of Assets or the revenue requirement were reflected in the Cost Allocation model, resulting in changes to revenue responsibility percentages by class as presented in Appendix C of this document.

Revenue to Cost ratios were recalculated on the basis of the service revenue requirement by class, rather than the base revenue requirement; as presented in Appendix D of this document. The resulting ratios agree with the company's proposals for each class as shown on page 14 of the Board's decision

### Monthly Service Charge

CHE confirms that it will implement monthly service charges based on a methodology approved by the Board. CHE also recognises the Board ruling that the derivation of the class monthly service charge should not include the low voltage rate and has therefore excluded the LV charges from the monthly service charge. The supporting calculations are presented at Appendix E of this document.

### Smart Meter Adder

Embrun will implement a utility-specific smart meter funding adder of \$1.33 per metered customer per month as approved by the Board

### MicroFIT Generator Service Classification and Rate

As part of its draft Rate Order, Embrun has identified the MicroFIT Generator service classification on its Tariff of Rates and Charges and included the currently approved monthly service charge of \$5.25.

### **Deferral and Variance Accounts**

CHE confirms that it will dispose of the balances specified in the Decision in the manner directed by the Board in the Decision. Group 1 and Group 2 accounts will be transferred to Account 1595 Disposition and Recovery of regulatory Balances Control Account by May 1, 2010 so that the Reporting and Record-keeping Requirements ("RRR") data reported in the second quarter of 2010 reflects these adjustments. CHE also confirms that it will dispose of these balances over a period of 1 year as agreed upon by all parties and as direction by the Board. Please note that as per the March 17, 2010 notice issued by the Board, the prescribed interest rate for Board-approved deferral and variance accounts has been revised to reflect the Q2 2010 rate of 0.55%. Revised balances can be found at Appendix F.

#### **Account 1562 – Deferred PILs Account**

Embrun submitted that it has removed the Deferred PILs Account from the proposed list of accounts to be disposed.

#### **Account 1588 – RSVA Power and RSVA Power GA Sub-account**

CHE confirms that, based on the Board's decision, it has calculated a separate rate to dispose of the global adjustment sub-account. The rate rider applies prospectively to non-RPP customers, excluding the MUSH sector. Details of the determination of this proposed rate rider can be found at Appendix F of this document.

Tariffs of Rates and Charges

(See next page)

## Appendix 1-1

### Monthly Rates and Charges

		<b>Effective May 1/10</b>
<b>Residential</b>		
Service Charge	\$	14.82
Distribution Volumetric Rate	\$/kWh	0.0141
Deferral Account Rate Rider - effective until April 30, 2011	\$/kWh	0.0004
Global Adjustment Rate Rider (non-RPP accounts) - effective until April 30, 2011	\$/kWh	0.0035
Retail Transmission Rate – Network Service Rate	\$/kWh	0.0051
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kWh	0.0046
Wholesale Market Service Rate	\$/kWh	0.0052
Rural Rate Protection Charge	\$/kWh	0.0013
Standard Supply Service – Administrative Charge (if applicable)	\$	0.25
<b>General Service Less Than 50 kW</b>		
Service Charge	\$	21.35
Distribution Volumetric Rate	\$/kWh	0.0179
Deferral Account Rate Rider - effective until April 30, 2011	\$/kWh	0.0008
Global Adjustment Rate Rider (non-RPP accounts) - effective until April 30, 2011	\$/kWh	0.0035
Retail Transmission Rate – Network Service Rate	\$/kWh	0.0047
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kWh	0.0041
Wholesale Market Service Rate	\$/kWh	0.0052
Rural Rate Protection Charge	\$/kWh	0.0013
Standard Supply Service – Administrative Charge (if applicable)	\$	0.25
<b>General Service 50 to 4,999 kW</b>		
Service Charge	\$	242.87
Distribution Volumetric Rate	\$/kW	4.9531
Deferral Account Rate Rider - effective until April 30, 2011	\$/kW	0.5901
Global Adjustment Rate Rider (non-RPP accounts) - effective until April 30, 2011	\$/kWh	0.0035
Retail Transmission Rate – Network Service Rate	\$/kW	1.8771
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kW	1.6294
Wholesale Market Service Rate	\$/kWh	0.0052
Rural Rate Protection Charge	\$/kWh	0.0013
Standard Supply Service – Administrative Charge (if applicable)	\$	0.25
<b>Unmetered Scattered Load</b>		
Service Charge (per connection)	\$	39.40
Distribution Volumetric Rate	\$/kWh	0.0115
Deferral Account Rate Rider - effective until April 30, 2011	\$/kWh	0.0015
Global Adjustment Rate Rider (non-RPP accounts) - effective until April 30, 2011	\$/kWh	0.0035
Retail Transmission Rate – Network Service Rate	\$/kWh	0.0047
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kWh	0.0041
Wholesale Market Service Rate	\$/kWh	0.0052
Rural Rate Protection Charge	\$/kWh	0.0013
Standard Supply Service – Administrative Charge (if applicable)	\$	0.25

## Appendix 1-1

### Monthly Rates and Charges

		<b>Effective May 1/10</b>
<b>Street Lighting</b>		
Service Charge (per connection)	\$	1.58
Distribution Volumetric Rate	\$/kW	6.7847
Deferral Account Rate Rider - effective until April 30, 2011	\$/kW	0.7680
Global Adjustment Rate Rider (non-RPP accounts) - effective until April 30, 2011	\$/kWh	0.0035
Retail Transmission Rate – Network Service Rate	\$/kW	1.4156
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kW	1.2597
Wholesale Market Service Rate	\$/kWh	0.0052
Rural Rate Protection Charge	\$/kWh	0.0013
Standard Supply Service – Administrative Charge (if applicable)	\$	0.25
<b>MicroFIT Generator Service</b>		
Service Charge (per connection)	\$	5.25
<b>Specific Service Charges</b>		
Arrears Certificate	\$	15.00
Duplicate invoices for previous billing	\$	15.00
Request for other billing information	\$	15.00
Income tax letter	\$	15.00
Account history	\$	15.00
Credit reference/credit check (plus credit agency costs)	\$	25.00
Returned Cheque charge (plus bank charges)	\$	15.00
Legal letter charge	\$	15.00
Account set up charge / change of occupancy charge	\$	15.00
Special Meter reads	\$	20.00
Late Payment - per month	%	1.50
Collection of account charge – no disconnection	\$	20.00
Collection of account charge – no disconnection – after regular hours	\$	50.00
Disconnect/Reconnect at meter – during regular hours	\$	25.00
Disconnect/Reconnect at meter – after regular hours	\$	50.00
Disconnect/Reconnect at pole – during regular hours	\$	185.00
Disconnect/Reconnect at pole – after regular hours	\$	415.00
Install / remove load control device – during regular hours	\$	25.00
Install / remove load control device – after regular hours	\$	50.00
Specific Charge for Access to the Power Poles – per pole/year	\$	22.50
Retailer Service Agreement -- standard charge	\$	100.00
Retailer Service Agreement -- monthly fixed charge (per retailer)	\$	20.00
Retailer Service Agreement -- monthly variable charge (per customer)	\$	0.50
Distributor-Consolidated Billing -- monthly charge (per customer)	\$	0.30
Service Transaction Request -- request fee (per request)	\$	0.25
<b>Allowances</b>		
Transformer Allowance for Ownership - per kW of billing demand/month	\$/kW	-0.60
Primary Metering Allowance for transformer losses – applied to measured demand and energy	%	-1.00
<b>LOSS FACTORS</b>		
Secondary Metered Customer < 5,000 kW		1.0579
Primary Metered Customer < 5,000 kW		1.0473



Summary of Customer Bill Impact

(See next page)

**Coopérative Hydro Embrun Inc. (ED-2002-0493)**  
**2010 EDR Application (EB-2009-0132) version: Draft Rate Order**  
**April 1, 2010**

**F9 Bill Impact Summary**

*Review bill impacts (no input on this sheet)*

Customer Class Name	Volume		RPP Rate Class	Distribution Charges		Delivery Sub-total		Total Bill	
	kWh	kW		\$ change	% change	\$ change	% change	\$ change	% change
Residential	800		Summer	\$4.97	23.5%	\$4.83	16.2%	\$4.53	4.9%
	800		Winter	\$4.97	23.5%	\$4.83	16.2%	\$4.58	5.1%
General Service Less Than 50 kW	2,000		Non-res.	\$13.43	30.7%	\$13.87	21.8%	\$13.15	5.8%
General Service 50 to 4,999 kW	20,000	100	Non-res.	\$153.74	26.3%	\$191.90	20.1%	\$184.71	7.0%
Unmetered Scattered Load	1,000		n/a	\$28.99	>100%	\$29.92	94.1%	\$29.59	26.5%
Street Lighting	100	0.50	Non-res.	\$2.24	82.0%	\$2.54	61.2%	\$2.52	21.5%

<b>EXCLUDING RATE RIDER</b>									
Customer Class Name	Volume		RPP Rate Class	Distribution Charges		Delivery Sub-total		Total Bill	
	kWh	kW		\$ change	% change	\$ change	% change	\$ change	% change
Residential	800		Summer	\$4.97	23.5%	\$4.51	15.1%	\$4.21	4.6%
	800		Winter	\$4.97	23.5%	\$4.51	15.1%	\$4.26	4.7%
General Service Less Than 50 kW	2,000		Non-res.	\$13.43	30.7%	\$12.27	19.3%	\$11.55	5.1%
General Service 50 to 4,999 kW	20,000	100	Non-res.	\$153.74	26.3%	\$132.89	13.9%	\$125.70	4.7%
Unmetered Scattered Load	1,000		n/a	\$28.99	>100%	\$28.42	89.4%	\$28.09	25.1%
Street Lighting	100	0.50	Non-res.	\$2.24	82.0%	\$2.16	52.0%	\$2.14	18.3%

Detailed Customer Bill Impact

(See next page)

**Coopérative Hydro Embrun Inc. (ED-2002-0493)**  
**2010 EDR Application (EB-2009-0132) version: Draft Rate Order**  
**April 1, 2010**

**F8 Customer Bill Impact Analysis**

RPP rates per sheet Y7

Enter example volumes in kWh's (and kW's if applicable) for each customer class

**Residential**

**RPP: Summer**

800 kWh's

	Metric	2009 BILL			2010 BILL			CHANGE IMPACT	
		Volume	Rate	Charge	Volume	Rate	Charge	\$	%
† Monthly Service Charge				\$12.81			\$14.82	\$2.01	15.7%
† Distribution	kWh	800	\$0.0104	\$8.32	800	\$0.0141	\$11.28	\$2.96	35.6%
<b>Sub-Total (Distribution)</b>				<b>\$21.13</b>			<b>\$26.10</b>	<b>\$4.97</b>	<b>23.5%</b>
† Deferral/Variance	kWh	800			800	\$0.0004	\$0.32	\$0.32	
Electricity (Commodity)	kWh	850	RPP-Summer	\$51.57	846	RPP-Summer	\$51.30	(\$0.27)	(0.5%)
† Transmission - Network	kWh	850	\$0.0052	\$4.42	846	\$0.0051	\$4.32	(\$0.10)	(2.3%)
† Transmission - Connection	kWh	850	\$0.0050	\$4.25	846	\$0.0046	\$3.89	(\$0.36)	(8.5%)
Wholesale Market Service	kWh	850	\$0.0052	\$4.42	846	\$0.0052	\$4.40	(\$0.02)	(0.5%)
Rural Rate Protection	kWh	850	\$0.0013	\$1.11	846	\$0.0013	\$1.10	(\$0.01)	(0.9%)
Debt Retirement Charge	kWh	800	\$0.0070	\$5.60	800	\$0.0070	\$5.60		
<b>TOTAL BILL</b>				<b>\$92.50</b>			<b>\$97.03</b>	<b>\$4.53</b>	<b>4.9%</b>
† Delivery Only				\$29.80			\$34.63	\$4.83	16.2%

**Coopérative Hydro Embrun Inc. (ED-2002-0493)**  
**2010 EDR Application (EB-2009-0132) version: Draft Rate Order**  
**April 1, 2010**

**F8 Customer Bill Impact Analysis**

RPP rates per sheet Y7

Enter example volumes in kWh's (and kW's if applicable) for each customer class

**Residential**

**RPP: Winter**

800 kWh's

	Metric	2009 BILL			2010 BILL			CHANGE IMPACT	
		Volume	Rate	Charge	Volume	Rate	Charge	\$	%
† Monthly Service Charge				\$12.81			\$14.82	\$2.01	15.7%
† Distribution	kWh	800	\$0.0104	\$8.32	800	\$0.0141	\$11.28	\$2.96	35.6%
<b>Sub-Total (Distribution)</b>				<b>\$21.13</b>			<b>\$26.10</b>	<b>\$4.97</b>	<b>23.5%</b>
† Deferral/Variance	kWh	800			800	\$0.0004	\$0.32	\$0.32	
Electricity (Commodity)	kWh	850	RPP-Winter	\$49.31	846	RPP-Winter	\$49.09	(\$0.22)	(0.4%)
† Transmission - Network	kWh	850	\$0.0052	\$4.42	846	\$0.0051	\$4.32	(\$0.10)	(2.3%)
† Transmission - Connection	kWh	850	\$0.0050	\$4.25	846	\$0.0046	\$3.89	(\$0.36)	(8.5%)
Wholesale Market Service	kWh	850	\$0.0052	\$4.42	846	\$0.0052	\$4.40	(\$0.02)	(0.5%)
Rural Rate Protection	kWh	850	\$0.0013	\$1.11	846	\$0.0013	\$1.10	(\$0.01)	(0.9%)
Debt Retirement Charge	kWh	800	\$0.0070	\$5.60	800	\$0.0070	\$5.60		
<b>TOTAL BILL</b>				<b>\$90.24</b>			<b>\$94.82</b>	<b>\$4.58</b>	<b>5.1%</b>
† Delivery Only				\$29.80			\$34.63	\$4.83	16.2%

**Coopérative Hydro Embrun Inc. (ED-2002-0493)**  
**2010 EDR Application (EB-2009-0132) version: Draft Rate Order**  
**April 1, 2010**

**F8 Customer Bill Impact Analysis**

RPP rates per sheet Y7

Enter example volumes in kWh's (and kW's if applicable) for each customer class

**General Service Less Than 50 kW**

**RPP: Non-res.**

2,000 kWh's

	Metric	2009 BILL			2010 BILL			CHANGE IMPACT	
		Volume	Rate	Charge	Volume	Rate	Charge	\$	%
† Monthly Service Charge				\$16.12			\$21.35	\$5.23	32.4%
† Distribution	kWh	2,000	\$0.0138	\$27.60	2,000	\$0.0179	\$35.80	\$8.20	29.7%
<b>Sub-Total (Distribution)</b>				<b>\$43.72</b>			<b>\$57.15</b>	<b>\$13.43</b>	<b>30.7%</b>
† Deferral/Variance	kWh	2,000			2,000	\$0.0008	\$1.60	\$1.60	
Electricity (Commodity)	kWh	2,126	RPP-Non-res.	\$135.67	2,116	RPP-Non-res.	\$135.01	(\$0.66)	(0.5%)
† Transmission - Network	kWh	2,126	\$0.0048	\$10.20	2,116	\$0.0047	\$9.94	(\$0.26)	(2.5%)
† Transmission - Connection	kWh	2,126	\$0.0045	\$9.57	2,116	\$0.0041	\$8.67	(\$0.90)	(9.4%)
Wholesale Market Service	kWh	2,126	\$0.0052	\$11.05	2,116	\$0.0052	\$11.00	(\$0.05)	(0.5%)
Rural Rate Protection	kWh	2,126	\$0.0013	\$2.76	2,116	\$0.0013	\$2.75	(\$0.01)	(0.4%)
Debt Retirement Charge	kWh	2,000	\$0.0070	\$14.00	2,000	\$0.0070	\$14.00		
<b>TOTAL BILL</b>				<b>\$226.97</b>			<b>\$240.12</b>	<b>\$13.15</b>	<b>5.8%</b>
† Delivery Only				\$63.49			\$77.36	\$13.87	21.8%

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**2010 EDR Application (EB-2009-0132) version: Draft Rate Order**  
**April 1, 2010**

**F8 Customer Bill Impact Analysis**

RPP rates per sheet Y7

Enter example volumes in kWh's (and kW's if applicable) for each customer class

**General Service 50 to 4,999 kW**

**RPP: Non-res.**

20,000 kWh's 100 kW's	Metric	2009 BILL			2010 BILL			CHANGE IMPACT	
		Volume	Rate	Charge	Volume	Rate	Charge	\$	%
† Monthly Service Charge				\$242.54			\$242.87	\$0.33	0.1%
† Distribution	kW	100	\$3.4190	\$341.90	100	\$4.9531	\$495.31	\$153.41	44.9%
<b>Sub-Total (Distribution)</b>				<b>\$584.44</b>			<b>\$738.18</b>	<b>\$153.74</b>	<b>26.3%</b>
† Deferral/Variance	kW	100			100	\$0.5901	\$59.01	\$59.01	
Electricity (Commodity)	kWh	21,256	RPP-Non-res.	\$1,417.40	21,158	RPP-Non-res.	\$1,410.84	(\$6.56)	(0.5%)
† Transmission - Network	kW	100	\$1.9313	\$193.13	100	\$1.8771	\$187.71	(\$5.42)	(2.8%)
† Transmission - Connection	kW	100	\$1.7837	\$178.37	100	\$1.6294	\$162.94	(\$15.43)	(8.7%)
Wholesale Market Service	kWh	21,256	\$0.0052	\$110.53	21,158	\$0.0052	\$110.02	(\$0.51)	(0.5%)
Rural Rate Protection	kWh	21,256	\$0.0013	\$27.63	21,158	\$0.0013	\$27.51	(\$0.12)	(0.4%)
Debt Retirement Charge	kWh	20,000	\$0.0070	\$140.00	20,000	\$0.0070	\$140.00		
<b>TOTAL BILL</b>				<b>\$2,651.50</b>			<b>\$2,836.21</b>	<b>\$184.71</b>	<b>7.0%</b>
† Delivery Only				\$955.94			\$1,147.84	\$191.90	20.1%

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 2010 EDR Application (EB-2009-0132) version: Draft Rate Order  
 April 1, 2010

**F8 Customer Bill Impact Analysis**

RPP rates per sheet Y7

Enter example volumes in kWh's (and kW's if applicable) for each customer class

**Unmetered Scattered Load**

RPP: n/a

1,000 kWh's

	Metric	2009 BILL			2010 BILL			CHANGE IMPACT	
		Volume	Rate	Charge	Volume	Rate	Charge	\$	%
† Monthly Service Charge				\$7.81			\$39.40	\$31.59	>100%
† Distribution	kWh	1,000	\$0.0141	\$14.10	1,000	\$0.0115	\$11.50	(\$2.60)	(18.4%)
<b>Sub-Total (Distribution)</b>				<b>\$21.91</b>			<b>\$50.90</b>	<b>\$28.99</b>	<b>&gt;100%</b>
† Deferral/Variance	kWh	1,000			1,000	\$0.0015	\$1.50	\$1.50	
Electricity (Commodity)	kWh	1,063	\$0.0622	\$66.05	1,058	\$0.0622	\$65.75	(\$0.30)	(0.5%)
† Transmission - Network	kWh	1,063	\$0.0048	\$5.10	1,058	\$0.0047	\$4.97	(\$0.13)	(2.5%)
† Transmission - Connection	kWh	1,063	\$0.0045	\$4.78	1,058	\$0.0041	\$4.34	(\$0.44)	(9.2%)
Wholesale Market Service	kWh	1,063	\$0.0052	\$5.53	1,058	\$0.0052	\$5.50	(\$0.03)	(0.5%)
Rural Rate Protection	kWh	1,063	\$0.0013	\$1.38	1,058	\$0.0013	\$1.38		
Debt Retirement Charge	kWh	1,000	\$0.0070	\$7.00	1,000	\$0.0070	\$7.00		
<b>TOTAL BILL</b>				<b>\$111.75</b>			<b>\$141.34</b>	<b>\$29.59</b>	<b>26.5%</b>
† Delivery Only				\$31.79			\$61.71	\$29.92	94.1%



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**F8 Customer Bill Impact Analysis**

RPP rates per sheet Y7

Enter example volumes in kWh's (and kW's if applicable) for each customer class

**Street Lighting**

RPP: Non-res.

100 kWh's		2009 BILL		2010 BILL			CHANGE IMPACT			
1 kW's		Volume	Rate	Charge	Volume	Rate	Charge	\$	%	
†	Monthly Service Charge			\$0.84			\$1.58	\$0.74	88.1%	
†	Distribution	kW	1	\$3.7845	\$1.89	1	\$6.7847	\$3.39	\$1.50	79.3%
	<b>Sub-Total (Distribution)</b>			<b>\$2.73</b>			<b>\$4.97</b>	<b>\$2.24</b>	<b>82.0%</b>	
†	Deferral/Variance	kW	1		1	\$0.7680	\$0.38	\$0.38		
	Electricity (Commodity)	kWh	106	RPP-Non-res. \$6.16	106	RPP-Non-res. \$6.14	\$6.14	(\$0.02)	(0.3%)	
†	Transmission - Network	kW	1	\$1.4565	\$0.73	1	\$1.4156	\$0.71	(\$0.02)	(2.7%)
†	Transmission - Connection	kW	1	\$1.3790	\$0.69	1	\$1.2597	\$0.63	(\$0.06)	(8.7%)
	Wholesale Market Service	kWh	106	\$0.0052	\$0.55	106	\$0.0052	\$0.55		
	Rural Rate Protection	kWh	106	\$0.0013	\$0.14	106	\$0.0013	\$0.14		
	Debt Retirement Charge	kWh	100	\$0.0070	\$0.70	100	\$0.0070	\$0.70		
	<b>TOTAL BILL</b>			<b>\$11.70</b>			<b>\$14.22</b>	<b>\$2.52</b>	<b>21.5%</b>	
†	Delivery Only			\$4.15			\$6.69	\$2.54	61.2%	

Revenue Requirement Work Form

(See next page)



## REVENUE REQUIREMENT WORK FORM

Name of LDC: Coopérative Hydro Embrun Inc.  
 File Number: EB-2009-0132  
 Rate Year: 2010

Ontario

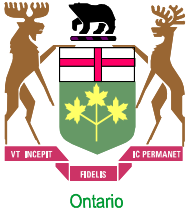
### Data Input (1)

	Application	Adjustments	Per Board Decision
<b>1 Rate Base</b>			
Gross Fixed Assets (average)	\$2,902,951 (4)		\$2,902,951
Accumulated Depreciation (average)	(\$918,246) (5)		(\$918,246)
<b>Allowance for Working Capital:</b>			
Controllable Expenses	\$495,227 (6)		\$495,227
Cost of Power	\$2,480,255		\$2,480,255
Working Capital Rate (%)	15.00%		15.00%
<b>2 Utility Income</b>			
<b>Operating Revenues:</b>			
Distribution Revenue at Current Rates	\$611,221		
Distribution Revenue at Proposed Rates	\$783,767		
<b>Other Revenue:</b>			
Specific Service Charges	\$17,305		
Late Payment Charges	\$5,250		
Other Distribution Revenue	\$8,916		
Other Income and Deductions	\$9,900		
<b>Operating Expenses:</b>			
OM+A Expenses	\$495,227		\$495,227
Depreciation/Amortization	\$131,572		\$131,572
Property taxes	\$ -		\$0
Capital taxes	\$0		
Other expenses			
<b>3 Taxes/PILs</b>			
<b>Taxable Income:</b>			
Adjustments required to arrive at taxable income	\$12,536 (3)		
<b>Utility Income Taxes and Rates:</b>			
Income taxes (not grossed up)	\$17,331		
Income taxes (grossed up)	\$20,632		
Capital Taxes	\$ -		
Federal tax (%)	11.00%		
Provincial tax (%)	5.00%		
Income Tax Credits	\$ -		
<b>4 Capitalization/Cost of Capital</b>			
<b>Capital Structure:</b>			
Long-term debt Capitalization Ratio (%)	56.0%		
Short-term debt Capitalization Ratio (%)	4.0% (2)		(2)
Common Equity Capitalization Ratio (%)	40.0%		
Preferred Shares Capitalization Ratio (%)			
			Capital Structure must total 100%
<b>Cost of Capital</b>			
Long-term debt Cost Rate (%)	5.87%		
Short-term debt Cost Rate (%)	2.07%		
Common Equity Cost Rate (%)	9.85%		
Preferred Shares Cost Rate (%)			

**Notes:**

This input sheet provides all inputs needed to complete sheets 1 through 6 (Rate Base through Revenue Requirement), except for Notes that the utility may wish to use to support the components. Notes should be put on the applicable pages to understand the context of each such note.

- (1) All inputs are in dollars (\$) except where inputs are individually identified as percentages (%)
- (2) 4.0% unless an Applicant has proposed or been approved for another amount.
- (3) Net of addbacks and deductions to arrive at taxable income.
- (4) Average of Gross Fixed Assets at beginning and end of the Test Year
- (5) Average of Accumulated Depreciation at the beginning and end of the Test Year. Enter as a negative amount.



## REVENUE REQUIREMENT WORK FORM

Name of LDC: Coopérative Hydro Embrun Inc.

File Number: EB-2009-0132

Rate Year: 2010

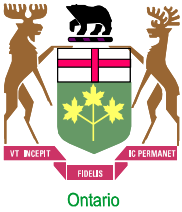
### Rate Base

Line No.	Particulars	Application	Adjustments	Per Board Decision
1	Gross Fixed Assets (average) (3)	\$2,902,951	\$ -	\$2,902,951
2	Accumulated Depreciation (average) (3)	(\$918,246)	\$ -	(\$918,246)
3	Net Fixed Assets (average) (3)	\$1,984,705	\$ -	\$1,984,705
4	Allowance for Working Capital (1)	\$446,322	\$ -	\$446,322
5	<b>Total Rate Base</b>	<b>\$2,431,027</b>	<b>\$ -</b>	<b>\$2,431,027</b>

(1) Allowance for Working Capital - Derivation				
6	Controllable Expenses	\$495,227	\$ -	\$495,227
7	Cost of Power	\$2,480,255	\$ -	\$2,480,255
8	Working Capital Base	\$2,975,482	\$ -	\$2,975,482
9	Working Capital Rate % (2)	15.00%		15.00%
10	Working Capital Allowance	\$446,322	\$ -	\$446,322

#### Notes

- (2) Generally 15%. Some distributors may have a unique rate due as a result of a lead-lag study.  
 (3) Average of opening and closing balances for the year.



## REVENUE REQUIREMENT WORK FORM

Name of LDC: Coopérative Hydro Embrun Inc.

File Number: EB-2009-0132

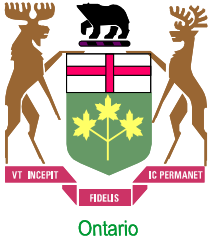
Rate Year: 2010

### Utility income

Line No.	Particulars	Application	Adjustments	Per Board Decision
<b>Operating Revenues:</b>				
1	Distribution Revenue (at Proposed Rates)	\$783,767	\$ -	\$783,767
2	Other Revenue (1)	\$41,371	\$ -	\$41,371
3	<b>Total Operating Revenues</b>	<b>\$825,138</b>	<b>\$ -</b>	<b>\$825,138</b>
<b>Operating Expenses:</b>				
4	OM+A Expenses	\$495,227	\$ -	\$495,227
5	Depreciation/Amortization	\$131,572	\$ -	\$131,572
6	Property taxes	\$ -	\$ -	\$ -
7	Capital taxes	\$ -	\$ -	\$ -
8	Other expense	\$ -	\$ -	\$ -
9	<b>Subtotal</b>	<b>\$626,799</b>	<b>\$ -</b>	<b>\$626,799</b>
10	Deemed Interest Expense	\$81,926	\$ -	\$81,926
11	<b>Total Expenses (lines 4 to 10)</b>	<b>\$708,724</b>	<b>\$ -</b>	<b>\$708,724</b>
12	<b>Utility income before income taxes</b>	<b>\$116,414</b>	<b>\$ -</b>	<b>\$116,414</b>
13	Income taxes (grossed-up)	\$20,632	\$ -	\$20,632
14	<b>Utility net income</b>	<b>\$95,782</b>	<b>\$ -</b>	<b>\$95,782</b>

**Notes**

(1)	<b>Other Revenues / Revenue Offsets</b>		
	Specific Service Charges	\$17,305	\$17,305
	Late Payment Charges	\$5,250	\$5,250
	Other Distribution Revenue	\$8,916	\$8,916
	Other Income and Deductions	\$9,900	\$9,900
	<b>Total Revenue Offsets</b>	<b>\$41,371</b>	<b>\$41,371</b>



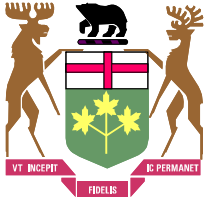
## REVENUE REQUIREMENT WORK FORM

Name of LDC: Coopérative Hydro Embrun Inc.  
 File Number: EB-2009-0132  
 Rate Year: 2010

### Taxes/PILs

Line No.	Particulars	Application	Per Board Decision
<b><u>Determination of Taxable Income</u></b>			
1	Utility net income	\$95,782	\$95,782
2	Adjustments required to arrive at taxable utility income	\$12,536	\$12,536
3	Taxable income	\$108,318	\$108,318
<b><u>Calculation of Utility income Taxes</u></b>			
4	Income taxes	\$17,331	\$17,331
5	Capital taxes	\$ -	\$ -
6	Total taxes	\$17,331	\$17,331
7	Gross-up of Income Taxes	\$3,301	\$3,301
8	Grossed-up Income Taxes	\$20,632	\$20,632
9	PILs / tax Allowance (Grossed-up Income taxes + Capital taxes)	\$20,632	\$20,632
10	Other tax Credits	\$ -	\$ -
<b><u>Tax Rates</u></b>			
11	Federal tax (%)	11.00%	11.00%
12	Provincial tax (%)	5.00%	5.00%
13	Total tax rate (%)	16.00%	16.00%

**Notes**



Ontario

## REVENUE REQUIREMENT WORK FORM

Name of LDC: Coopérative Hydro Embrun Inc.

File Number: EB-2009-0132

Rate Year: 2010

### Capitalization/Cost of Capital

Line No.	Particulars	Capitalization Ratio		Cost Rate	Return
		(%)	(\$)		
<b>Application</b>					
		(%)	(\$)	(%)	(\$)
	<b>Debt</b>				
1	Long-term Debt	56.00%	\$1,361,375	5.87%	\$79,913
2	Short-term Debt	4.00%	\$97,241	2.07%	\$2,013
3	<b>Total Debt</b>	<b>60.00%</b>	<b>\$1,458,616</b>	<b>5.62%</b>	<b>\$81,926</b>
	<b>Equity</b>				
4	Common Equity	40.00%	\$972,411	9.85%	\$95,782
5	Preferred Shares	0.00%	\$ -	0.00%	\$ -
6	<b>Total Equity</b>	<b>40.00%</b>	<b>\$972,411</b>	<b>9.85%</b>	<b>\$95,782</b>
7	<b>Total</b>	<b>100%</b>	<b>\$2,431,027</b>	<b>7.31%</b>	<b>\$177,708</b>
<b>Per Board Decision</b>					
		(%)	(\$)	(%)	
	<b>Debt</b>				
8	Long-term Debt	56.00%	\$1,361,375	5.87%	\$79,913
9	Short-term Debt	4.00%	\$97,241	2.07%	\$2,013
10	<b>Total Debt</b>	<b>60.00%</b>	<b>\$1,458,616</b>	<b>5.62%</b>	<b>\$81,926</b>
	<b>Equity</b>				
11	Common Equity	40.0%	\$972,411	9.85%	\$95,782
12	Preferred Shares	0.0%	\$ -	0.00%	\$ -
13	<b>Total Equity</b>	<b>40.0%</b>	<b>\$972,411</b>	<b>9.85%</b>	<b>\$95,782</b>
14	<b>Total</b>	<b>100%</b>	<b>\$2,431,027</b>	<b>7.31%</b>	<b>\$177,708</b>

#### Notes

(1) 4.0% unless an Applicant has proposed or been approved for another amount.



## REVENUE REQUIREMENT WORK FORM

Name of LDC: Coopérative Hydro Embrun Inc.  
 File Number: EB-2009-0132  
 Rate Year: 2010

Ontario

### Revenue Sufficiency/Deficiency

Line No.	Particulars	Per Application		Per Board Decision	
		At Current Approved Rates	At Proposed Rates	At Current Approved Rates	At Proposed Rates
1	Revenue Deficiency from Below		\$172,546		\$172,546
2	Distribution Revenue	\$611,221	\$611,221	\$611,221	\$611,221
3	Other Operating Revenue Offsets - net	\$41,371	\$41,371	\$41,371	\$41,371
4	<b>Total Revenue</b>	<b>\$652,592</b>	<b>\$825,138</b>	<b>\$652,592</b>	<b>\$825,138</b>
5	Operating Expenses	\$626,799	\$626,799	\$626,799	\$626,799
6	Deemed Interest Expense	\$81,926	\$81,926	\$81,926	\$81,926
	<b>Total Cost and Expenses</b>	<b>\$708,724</b>	<b>\$708,724</b>	<b>\$708,724</b>	<b>\$708,724</b>
7	<b>Utility Income Before Income Taxes</b>	<b>(\$56,132)</b>	\$116,414	<b>(\$56,132)</b>	\$116,414
	Tax Adjustments to Accounting				
8	Income per 2009 PILs	\$12,536	\$12,536	\$12,536	\$12,536
9	<b>Taxable Income</b>	<b>(\$43,596)</b>	\$128,950	<b>(\$43,596)</b>	\$128,950
10	Income Tax Rate	16.00%	16.00%	16.00%	16.00%
11	<b>Income Tax on Taxable Income</b>	<b>(\$6,975)</b>	\$20,632	<b>(\$6,975)</b>	\$20,632
12	<b>Income Tax Credits</b>	\$ -	\$ -	\$ -	\$ -
13	<b>Utility Net Income</b>	<b>(\$49,156)</b>	\$95,782	<b>(\$49,156)</b>	\$95,782
14	<b>Utility Rate Base</b>	\$2,431,027	\$2,431,027	\$2,431,027	\$2,431,027
	Deemed Equity Portion of Rate Base	\$972,411	\$972,411	\$972,411	\$972,411
15	Income/Equity Rate Base (%)	-5.06%	9.85%	-5.06%	9.85%
16	Target Return - Equity on Rate Base	9.85%	9.85%	9.85%	9.85%
	Sufficiency/Deficiency in Return on Equity	-14.91%	0.00%	-14.91%	0.00%
17	Indicated Rate of Return	1.35%	7.31%	1.35%	7.31%
18	Requested Rate of Return on Rate Base	7.31%	7.31%	7.31%	7.31%
19	Sufficiency/Deficiency in Rate of Return	-5.96%	0.00%	-5.96%	0.00%
20	Target Return on Equity	\$95,782	\$95,782	\$95,782	\$95,782
21	Revenue Sufficiency/Deficiency	\$144,939	(\$0)	\$144,939	(\$0)
22	<b>Gross Revenue Sufficiency/Deficiency</b>	<b>\$172,546 (1)</b>		<b>\$172,546 (1)</b>	

**Notes:**

(1) Revenue Sufficiency/Deficiency divided by (1 - Tax Rate)





## REVENUE REQUIREMENT WORK FORM

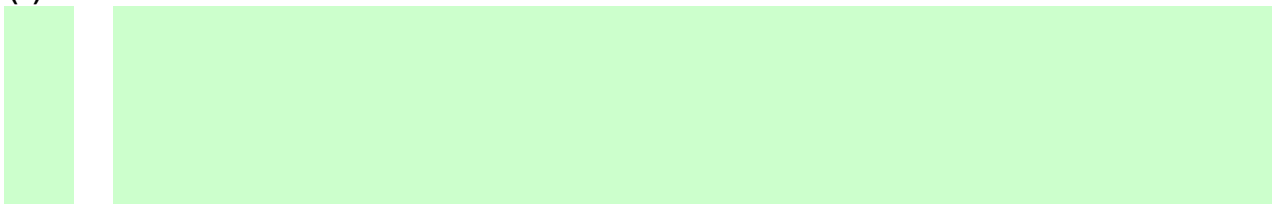
Name of LDC: Coopérative Hydro Embrun Inc.  
 File Number: EB-2009-0132  
 Rate Year: 2010

### Revenue Requirement

Line No.	Particulars	Application	Per Board Decision
1	OM&A Expenses	\$495,227	\$495,227
2	Amortization/Depreciation	\$131,572	\$131,572
3	Property Taxes	\$ -	\$ -
4	Capital Taxes	\$ -	\$ -
5	Income Taxes (Grossed up)	\$20,632	\$20,632
6	Other Expenses	\$ -	\$ -
7	Return		
	Deemed Interest Expense	\$81,926	\$81,926
	Return on Deemed Equity	\$95,782	\$95,782
8	Distribution Revenue Requirement before Revenues	\$825,139	\$825,139
9	Distribution revenue	\$783,767	\$783,767
10	Other revenue	\$41,371	\$41,371
11	<b>Total revenue</b>	\$825,138	\$825,138
12	<b>Difference (Total Revenue Less Distribution Revenue Requirement before Revenues)</b>	(\$0) (1)	(\$0) (1)

**Notes**

(1) Line 11 - Line 8





## REVENUE REQUIREMENT WORK FORM

Name of LDC: Coopérative Hydro Embrun Inc.

File Number: EB-2009-0132

Rate Year: 2010

Selected Delivery Charge and Bill Impacts Per Draft Rate Order									
		Monthly Delivery Charge				Total Bill			
		Current	Per Draft Rate Order	Change		Current	Per Draft Rate Order	Change	
				\$	%			\$	%
<b>Residential</b>	<b>800 kWh/month</b>	\$ 29.80	\$ 34.63	\$ 4.83	16.2%	\$ 92.50	\$ 97.03	\$ 4.53	4.9%
<b>GS &lt; 50kW</b>	<b>2000 kWh/month</b>	\$ 63.49	\$ 77.36	\$ 13.87	21.8%	\$ 226.97	\$ 240.12	\$ 13.15	5.8%

Notes:

## Appendix A

### Adjustment for PST/HST

\$1,500 was added to 2010 OM&A in account 5655-Regulatory Expenses [B4-OM&A]. The incremental OM&A flows through the working capital allowance to the rate base [D1-Rate Base Summary], thereby increasing the service revenue requirement components for Cost of Capital and Allowance for PILs [F1-Distribution Revenue Requirement]. The incremental distribution expense also increases the service revenue requirement [Distribution Revenue Requirement]

\$15,286 was added to 2010 asset additions to account 1845-Underground Conductors and Devices [B1-Gross Capital Assets]. Depreciation of \$305.71 was also added, consistent with 25 years amortization for account 1845 and application of the half-year rule [B2-Amortization of Capital Assets].

The incremental average net capital flows through to the rate base [D1-Rate Base Summary], thereby increasing the service revenue requirement components for Cost of Capital and Allowance for PILs [F1-Distribution Revenue Requirement]. The incremental depreciation expense also increases the service revenue requirement [F1-Distribution Revenue Requirement]

**B4 OM&A Expenses**

<b>Account Grouping</b>	<b>Account Description</b>	<b>2008 Actual</b>	<b>2009 Projection</b>	<b>2010 Projection</b>
3500-Distribution Expenses - Operation	5005-Operation Supervision and Engineering			
	5010-Load Dispatching			
	5012-Station Buildings and Fixtures Expense	1,716	1,800	1,860
	5014-Transformer Station Equipment - Operation Labour			
	5015-Transformer Station Equipment - Operation Supplies and Expenses			
	5016-Distribution Station Equipment - Operation Labour			
	5017-Distribution Station Equipment - Operation Supplies and Expenses			
	5020-Overhead Distribution Lines and Feeders - Operation Labour			
	5025-Overhead Distribution Lines & Feeders - Operation Supplies and Expenses			
	5030-Overhead Subtransmission Feeders - Operation			
	5035-Overhead Distribution Transformers- Operation			
	5040-Underground Distribution Lines and Feeders - Operation Labour			
	5045-Underground Distribution Lines & Feeders - Operation Supplies & Expenses			
	5050-Underground Subtransmission Feeders - Operation			
	5055-Underground Distribution Transformers - Operation	15,417	12,000	12,000
	5060-Street Lighting and Signal System Expense			
	5065-Meter Expense	4,770	2,000	2,000
	5070-Customer Premises - Operation Labour			
	5075-Customer Premises - Materials and Expenses	4,988	6,000	6,000
	5085-Miscellaneous Distribution Expense	11,132	11,500	12,000
5090-Underground Distribution Lines and Feeders - Rental Paid				
5095-Overhead Distribution Lines and Feeders - Rental Paid				

**B4 OM&A Expenses**

Account Grouping	Account Description	2008 Actual	2009 Projection	2010 Projection
	5096-Other Rent			
3550-Distribution Expenses - Maintenance	5105-Maintenance Supervision and Engineering		2,500	2,500
	5110-Maintenance of Buildings and Fixtures - Distribution Stations	2,355	2,400	2,425
	5112-Maintenance of Transformer Station Equipment			
	5114-Maintenance of Distribution Station Equipment	3,338	3,500	12,000
	5120-Maintenance of Poles, Towers and Fixtures	1,993	2,500	2,500
	5125-Maintenance of Overhead Conductors and Devices	5,843	6,000	6,000
	5130-Maintenance of Overhead Services			
	5135-Overhead Distribution Lines and Feeders - Right of Way	6,950	7,000	7,000
	5145-Maintenance of Underground Conduit			
	5150-Maintenance of Underground Conductors and Devices			
	5155-Maintenance of Underground Services			
	5160-Maintenance of Line Transformers	5,014	5,000	5,000
	5165-Maintenance of Street Lighting and Signal Systems			
	5170-Sentinel Lights - Labour			
	5172-Sentinel Lights - Materials and Expenses			
	5175-Maintenance of Meters			
	5178-Customer Installations Expenses- Leased Property			
	5185-Water Heater Rentals - Labour			

**B4 OM&A Expenses**

Account Grouping	Account Description	2008 Actual	2009 Projection	2010 Projection
	5186-Water Heater Rentals - Materials and Expenses			
	5190-Water Heater Controls - Labour			
	5192-Water Heater Controls - Materials and Expenses			
	5195-Maintenance of Other Installations on Customer Premises			
3650-Billing and Collecting	5305-Supervision			
	5310-Meter Reading Expense	11,464	11,600	11,600
	5315-Customer Billing	132,627	137,176	141,547
	5320-Collecting			
	5325-Collecting- Cash Over and Short			
	5330-Collection Charges	780	1,475	1,500
	5335-Bad Debt Expense		600	600
	5340-Miscellaneous Customer Accounts Expenses			
3700-Community Relations	5405-Supervision			
	5410-Community Relations - Sundry	925	1,000	3,000
	5415-Energy Conservation			
	5420-Community Safety Program			
	5425-Miscellaneous Customer Service and Informational Expenses			
	5505-Supervision			
	5510-Demonstrating and Selling Expense			
	5515-Advertising Expense			
	5520-Miscellaneous Sales Expense			
3800-Administrative and General Expenses	5605-Executive Salaries and Expenses	20,800	21,000	21,200
	5610-Management Salaries and Expenses	78,803	80,000	82,000
	5615-General Administrative Salaries and Expenses	36,033	36,500	37,000
	5620-Office Supplies and Expenses	16,201	16,500	17,000
	5625-Administrative Expense Transferred Credit			

**B4 OM&A Expenses**

Account Grouping	Account Description	2008 Actual	2009 Projection	2010 Projection
	5630-Outside Services Employed	17,715	18,500	19,500
	5635-Property Insurance	5,212	5,300	5,400
	5640-Injuries and Damages	1,468	1,500	1,500
	5645-Employee Pensions and Benefits			
	5650-Franchise Requirements			
	5655-Regulatory Expenses	5,364	5,300	68,300
	5660-General Advertising Expenses			
	5665-Miscellaneous General Expenses			
	5670-Rent	12,000	12,000	12,000
	5675-Maintenance of General Plant			
	5680-Electrical Safety Authority Fees	1,726	1,760	1,795
	5685-Independent Market Operator Fees and Penalties			
	5695-Smart Meters OM&A Contra			
3950-Taxes Other Than Income Taxes	6105-Taxes Other Than Income Taxes			
<b>TOTAL</b>		<b>404,633</b>	<b>412,411</b>	<b>495,227</b>

**Coopérative Hydro Embrun Inc. (ED-2002-0493)**  
**2010 EDR Application (EB-2009-0132) version: Draft Rate Order**  
**April 1, 2010**

**D1 Rate Base Summary**

*Enter the Working Capital Allowance factor*

**Working Capital Allowance**

	<b>2010</b>
<u>Eligible Distribution Expenses:</u> (1)	
3500-Distribution Expenses - Operation	33,860
3550-Distribution Expenses - Maintenance	37,425
3650-Billing and Collecting	155,247
3700-Community Relations	3,000
3800-Administrative and General Expenses	265,695
3950-Taxes Other Than Income Taxes	
<b>Total Eligible Distribution Expenses</b>	<b>495,227</b>
3350-Power Supply Expenses (2)	2,480,255
<b>Total Expenses for Working Capital</b>	<b>2,975,482</b>
Working Capital Allowance <span style="background-color: #d4edda; padding: 2px;">15.0%</span>	<b>446,322</b>

(1) From sheet B4  
 (2) From sheet C2

<b><u>TOTAL RATE BASE</u></b>		<b>2010</b>
<u>Net Fixed Assets in Service:</u> (3)		
Opening Balance	1,936,516	
Closing Balance	<u>2,032,895</u>	
Average Balance		1,984,705
Working Capital Allowance		446,322
<b>TOTAL RATE BASE</b>		<b>2,431,027</b>

(3) From Sheet B3



**F1 Distribution Revenue Requirement**

	2010 Projection	Non-recurring items (Total)	2010 Normalized	Comment
OM&A Expenses <i>from sheet D1</i>	495,227		495,227	
3850-Amortization Expense <i>from sheet E2</i>	131,572		131,572	
Total Distribution Expenses	626,799		626,799	
Regulated Return On Capital <i>from sheet D3</i>	177,708		177,708	
PILs (with gross-up) <i>from sheet E4</i>	20,632		20,632	
<b>Service Revenue Requirement</b>	<b>825,139</b>		<b>825,139</b>	
Less: Revenue Offsets <i>from sheet C9</i>	41,371		41,371	
<b>Base Revenue Requirement</b>	<b>783,767</b>		<b>783,767</b>	

**Coopérative Hydro Embrun Inc. (ED-2002-0493)**  
**2010 EDR Application (EB-2009-0132) version: Draft Rate Order**  
**April 1, 2010**

## B1 Gross Capital Assets

*Enter planned capital expenditures and asset retirements*

Gross Capital Asset Account	2006 EDR Approved	Variance to 2006 Actual		
		Additions	Retirements / Other	Ending Balance
1805-Land	50,000			50,000
1810-Leasehold Improvements	1,404	2,916	-4,320	
1820-Distribution Station Equipment - Normally Primary below 50 kV	193,600	1,823		195,423
1830-Poles, Towers and Fixtures	365,418	33,389	-1	398,806
1835-Overhead Conductors and Devices	363,163	88,396	-0	451,558
1845-Underground Conductors and Devices	778,877	105,456	1	884,334
1850-Line Transformers	469,688	38,897	-0	508,585
1855-Services	71,902	37,183	0	109,085
1860-Meters	71,464	8,387	0	79,851
1915-Office Furniture and Equipment	6,171	17,950	0	24,122
1920-Computer Equipment - Hardware	7,090	5,025	-0	12,115
1925-Computer Software	4,396	11,247	0	15,643
1935-Stores Equipment			4,320	4,320
1945-Measurement and Testing Equipment	2,700	1,581		4,281
1995-Contributions and Grants - Credit	-220,832	-132,225	-18,445	-371,502
<b>TOTAL</b>	<b>2,165,041</b>	<b>220,025</b>	<b>-18,444</b>	<b>2,366,621</b>

**Coopérative Hydro Embrun Inc. (ED-2002-0493)**  
**2010 EDR Application (EB-2009-0132) version: Draft Rate Order**  
**April 1, 2010**

## B1 Gross Capital Assets

*Enter planned capital expenditures and asset retirements*

Gross Capital Asset Account	2006 Actual Ending Balance	2007 Actual		
		Additions	Retirements / Other	Ending Balance
1805-Land	50,000			50,000
1810-Leasehold Improvements				
1820-Distribution Station Equipment - Normally Primary below 50 kV	195,423	2,099		197,522
1830-Poles, Towers and Fixtures	398,806	19,048		417,854
1835-Overhead Conductors and Devices	451,558	11,625		463,183
1845-Underground Conductors and Devices	884,334	54,733		939,067
1850-Line Transformers	508,585	52,001	-0	560,586
1855-Services	109,085	22,459		131,544
1860-Meters	79,851	-779	0	79,072
1915-Office Furniture and Equipment	24,122	4,842		28,964
1920-Computer Equipment - Hardware	12,115	2,083		14,198
1925-Computer Software	15,643			15,643
1935-Stores Equipment	4,320			4,320
1945-Measurement and Testing Equipment	4,281			4,281
1995-Contributions and Grants - Credit	-371,502	-93,114		-464,616
<b>TOTAL</b>	<b>2,366,621</b>	<b>74,996</b>	<b>-0</b>	<b>2,441,617</b>

**Coopérative Hydro Embrun Inc. (ED-2002-0493)**  
**2010 EDR Application (EB-2009-0132) version: Draft Rate Order**  
**April 1, 2010**

## B1 Gross Capital Assets

*Enter planned capital expenditures and asset retirements*

Gross Capital Asset Account	2007 Actual Ending Balance	2008 Actual		
		Additions	Retirements / Other	Ending Balance
1805-Land	50,000			50,000
1810-Leasehold Improvements				
1820-Distribution Station Equipment - Normally Primary below 50 kV	197,522			197,522
1830-Poles, Towers and Fixtures	417,854	18,323		436,177
1835-Overhead Conductors and Devices	463,183	73,492		536,674
1845-Underground Conductors and Devices	939,067	12,204		951,271
1850-Line Transformers	560,586	26,501		587,087
1855-Services	131,544	18,548	0	150,093
1860-Meters	79,072			79,072
1915-Office Furniture and Equipment	28,964			28,964
1920-Computer Equipment - Hardware	14,198	2,195		16,392
1925-Computer Software	15,643			15,643
1935-Stores Equipment	4,320			4,320
1945-Measurement and Testing Equipment	4,281			4,281
1995-Contributions and Grants - Credit	-464,616	-22,283		-486,899
<b>TOTAL</b>	<b>2,441,617</b>	<b>128,978</b>	<b>0</b>	<b>2,570,596</b>

**Coopérative Hydro Embrun Inc. (ED-2002-0493)**  
**2010 EDR Application (EB-2009-0132) version: Draft Rate Order**  
**April 1, 2010**

## B1 Gross Capital Assets

*Enter planned capital expenditures and asset retirements*

Gross Capital Asset Account	2008 Actual Ending Balance	2009 Projection		
		Additions	Retirements / Other	Ending Balance
1805-Land	50,000			50,000
1810-Leasehold Improvements				
1820-Distribution Station Equipment - Normally Primary below 50 kV	197,522			197,522
1830-Poles, Towers and Fixtures	436,177	34,300		470,477
1835-Overhead Conductors and Devices	536,674	18,500		555,174
1845-Underground Conductors and Devices	951,271	124,000		1,075,271
1850-Line Transformers	587,087	40,000		627,087
1855-Services	150,093	15,580		165,673
1860-Meters	79,072			79,072
1915-Office Furniture and Equipment	28,964	2,000		30,964
1920-Computer Equipment - Hardware	16,392	5,000		21,392
1925-Computer Software	15,643	62,200		77,843
1935-Stores Equipment	4,320			4,320
1945-Measurement and Testing Equipment	4,281			4,281
1995-Contributions and Grants - Credit	-486,899	-83,200		-570,099
<b>TOTAL</b>	<b>2,570,596</b>	<b>218,380</b>		<b>2,788,976</b>

**Coopérative Hydro Embrun Inc. (ED-2002-0493)**  
**2010 EDR Application (EB-2009-0132) version: Draft Rate Order**  
**April 1, 2010**

**B1 Gross Capital Assets**

*Enter planned capital expenditures and asset retirements*

Gross Capital Asset Account	2009 Projection Ending Balance	2010 Projection		
		Additions	Retirements / Other	Ending Balance
1805-Land	50,000			50,000
1810-Leasehold Improvements				
1820-Distribution Station Equipment - Normally Primary below 50 kV	197,522			197,522
1830-Poles, Towers and Fixtures	470,477	36,000		506,477
1835-Overhead Conductors and Devices	555,174	19,500		574,674
1845-Underground Conductors and Devices	1,075,271	220,286		1,295,556
1850-Line Transformers	627,087	35,000		662,087
1855-Services	165,673	28,165		193,838
1860-Meters	79,072			79,072
1915-Office Furniture and Equipment	30,964	4,000		34,964
1920-Computer Equipment - Hardware	21,392	4,000		25,392
1925-Computer Software	77,843	1,000		78,843
1935-Stores Equipment	4,320			4,320
1945-Measurement and Testing Equipment	4,281			4,281
1995-Contributions and Grants - Credit	-570,099	-120,000		-690,099
<b>TOTAL</b>	<b>2,788,976</b>	<b>227,951</b>		<b>3,016,926</b>

**Coopérative Hydro Embrun Inc. (ED-2002-0493)**  
**2010 EDR Application (EB-2009-0132) version: Draft Rate Order**  
**Revised January 25 2010"**

## B2 Amortization of Capital Assets

*Enter breakdown of actual/approved balances and projected amortization expenses*

Capital Asset Account	2006 EDR Approved	Variance to 2006 Actual		
		Amortization Expense	Retirements / Other	Ending Balance
1810-Leasehold Improvements	-140	-427	567	
1820-Distribution Station Equipment - Normally Primary below 50 kV	-23,662	-16,164	-30	-39856
1830-Poles, Towers and Fixtures	-52,963	-36,622	-1,844	-91429
1835-Overhead Conductors and Devices	-57,363	-34,738	-8,532	-100633
1845-Underground Conductors and Devices	-94,388	-78,543	-7,019	-179950
1850-Line Transformers	-62,974	-46,965	-3,158	-113097
1855-Services	-5,365	-7,250	-2,430	-15045
1860-Meters	-9,374	-7,067	-730	-17171
1915-Office Furniture and Equipment	-1,520	-1,794	-2,333	-5647
1920-Computer Equipment - Hardware	-4,101	-3,415	-904	-8420
1925-Computer Software	-1,476	-1,734	-4,651	-7861
1935-Stores Equipment			-991	-991
1945-Measurement and Testing Equipment	-990	-596	-395	-1981
1995-Contributions and Grants - Credit		24,077	27,314	51391
<b>TOTAL</b>	<b>-314,316</b>	<b>-211,237</b>	<b>-5,137</b>	<b>-530,690</b>
Accumulated Amortization on Balance Sheet	-314,316	1.1600-Accumulated Amortization		-530,690
<b>Amortization Expense</b>				

**Coopérative Hydro Embrun Inc. (ED-2002-0493)**  
**2010 EDR Application (EB-2009-0132) version: Draft Rate Order**  
**Revised January 25 2010"**

## B2 Amortization of Capital Assets

*Enter breakdown of actual/approved balances and projects*

Capital Asset Account	2006 Actual Ending Balance	2007 Actual		
		Amortization Expense	Retirements / Other	Ending Balance
1810-Leasehold Improvements				
1820-Distribution Station Equipment - Normally Primary below 50 kV	-39856	-6,549	-35	-46,440
1830-Poles, Towers and Fixtures	-91429	-16,333	-380	-108,142
1835-Overhead Conductors and Devices	-100633	-18,296	-231	-119,160
1845-Underground Conductors and Devices	-179950	-36,468	-1,095	-217,513
1850-Line Transformers	-113097	-21,383	-1,040	-135,520
1855-Services	-15045	-4,813	-449	-20,307
1860-Meters	-17171	-3,178	15	-20,334
1915-Office Furniture and Equipment	-5647	-2,654	-242	-8,543
1920-Computer Equipment - Hardware	-8420	-2,631	832	-10,219
1925-Computer Software	-7861	-3,129	332	-10,658
1935-Stores Equipment	-991	-432	-3	-1,426
1945-Measurement and Testing Equipment	-1981	-428	0	-2,409
1995-Contributions and Grants - Credit	51391	16,722	1,863	69,976
<b>TOTAL</b>	<b>-530,690</b>	<b>-99,573</b>	<b>-432</b>	<b>-630,695</b>
Accumulated Amortization on Balance Sheet	1.1600-Accumulated Amortization			
<b>Amortization Expense</b>		<b>99,573</b>		



**Coopérative Hydro Embrun Inc. (ED-2002-0493)**  
**2010 EDR Application (EB-2009-0132) version: Draft Rate Order**  
**Revised January 25 2010"**

## B2 Amortization of Capital Assets

*Enter breakdown of actual/approved balances and projects*

Capital Asset Account	2007 Actual Ending Balance	2008 Actual		Ending Balance
		Amortization Expense	Retirements / Other	
1810-Leasehold Improvements				
1820-Distribution Station Equipment - Normally Primary below 50 kV	-46,440	-6,584	-1	-53,025
1830-Poles, Towers and Fixtures	-108,142	-17,081	-366	-125,589
1835-Overhead Conductors and Devices	-119,160	-19,997	-1,470	-140,627
1845-Underground Conductors and Devices	-217,513	-37,807	-243	-255,563
1850-Line Transformers	-135,520	-22,953	-531	-159,004
1855-Services	-20,307	-5,633	-370	-26,310
1860-Meters	-20,334	-3,163		-23,497
1915-Office Furniture and Equipment	-8,543	-2,896		-11,439
1920-Computer Equipment - Hardware	-10,219	2,000	-4,000	-12,219
1925-Computer Software	-10,658	2,598	-5,197	-13,257
1935-Stores Equipment	-1,426	-432	1	-1,857
1945-Measurement and Testing Equipment	-2,409	-428		-2,837
1995-Contributions and Grants - Credit	69,976	19,030	446	89,452
<b>TOTAL</b>	<b>-630,695</b>	<b>-93,346</b>	<b>-11,731</b>	<b>-735,772</b>
Accumulated Amortization on Balance Sheet	-630,695	1.1600-Accumulated Amortization		
<b>Amortization Expense</b>		<b>93,346</b>		

**Coopérative Hydro Embrun Inc. (ED-2002-0493)**  
**2010 EDR Application (EB-2009-0132) version: Draft Rate Order**  
**Revised January 25 2010"**

**B2 Amortization of Capital Assets**

*Enter breakdown of actual/approved balances and projects*

Capital Asset Account	2008 Actual Ending Balance	2009 Projection		
		Amortization Expense	Retirements / Other	Ending Balance
1810-Leasehold Improvements				
1820-Distribution Station Equipment - Normally Primary below 50 kV	-53,025	-6,584		-59,609
1830-Poles, Towers and Fixtures	-125,589	-18,133		-143,722
1835-Overhead Conductors and Devices	-140,627	-21,837		-162,464
1845-Underground Conductors and Devices	-255,563	-40,531		-296,094
1850-Line Transformers	-159,004	-24,283		-183,287
1855-Services	-26,310	-6,315		-32,625
1860-Meters	-23,497	-3,163		-26,660
1915-Office Furniture and Equipment	-11,439	-2,996		-14,435
1920-Computer Equipment - Hardware	-12,219	-3,778		-15,997
1925-Computer Software	-13,257	-9,348		-22,605
1935-Stores Equipment	-1,857	-432		-2,289
1945-Measurement and Testing Equipment	-2,837	-428		-3,265
1995-Contributions and Grants - Credit	89,452	21,140		110,592
<b>TOTAL</b>	<b>-735,772</b>	<b>-116,688</b>		<b>-852,460</b>
Accumulated Amortization on Balance Sheet	-735,772	1.1600-Accumulated Amortization		
<b>Amortization Expense</b>		<b>116,688</b>		

**Coopérative Hydro Embrun Inc. (ED-2002-0493)**  
**2010 EDR Application (EB-2009-0132) version: Draft Rate Order**  
**Revised January 25 2010"**

## B2 Amortization of Capital Assets

*Enter breakdown of actual/approved balances and projections*

Capital Asset Account	2009 Projection Ending Balance	2010 Projection		
		Amortization Expense	Retirements / Other	Ending Balance
1810-Leasehold Improvements				
1820-Distribution Station Equipment - Normally Primary below 50 kV	-59,609	-6,584		-66,193
1830-Poles, Towers and Fixtures	-143,722	-19,539		-163,261
1835-Overhead Conductors and Devices	-162,464	-22,596		-185,060
1845-Underground Conductors and Devices	-296,094	-47,417		-343,511
1850-Line Transformers	-183,287	-25,783		-209,070
1855-Services	-32,625	-7,190		-39,815
1860-Meters	-26,660	-3,163		-29,823
1915-Office Furniture and Equipment	-14,435	-3,296		-17,731
1920-Computer Equipment - Hardware	-15,997	-4,678		-20,675
1925-Computer Software	-22,605	-15,668		-38,273
1935-Stores Equipment	-2,289	-432		-2,721
1945-Measurement and Testing Equipment	-3,265	-428		-3,693
1995-Contributions and Grants - Credit	110,592	25,204		135,796
<b>TOTAL</b>	<b>-852,460</b>	<b>-131,572</b>		<b>-984,032</b>
Accumulated Amortization on Balance Sheet				
<b>Amortization Expense</b>		<b>131,572</b>		

Appendix B

Calculations of Retail Transmission Service Charges

Pass-through Charges

Revised WCA

(See next page)

**Historical Transmission Costs and Revenues based on current rates**

Method #2

MONTH	IESO Network Service Charge	IESO Line Connection Service Charge	IESO Transformation Connection Service Charge	Network Billings	Connection Billings
Jun-07	12835.2	\$0	11402.7	10337.14	9823.29
Jul-07	12169.92	\$0	10811.67	12546.87	11942.24
Aug-07	13065.92	\$0	11607.67	12326.27	11717.10
Sep-07	12420.8	\$0	11034.55	13646.17	12990.90
Oct-07	10122.56	\$0	8992.81	9668.25	9174.03
Nov-07	12888.96	\$0	11450.46	12400.66	11787.96
Dec-07	14828.8	\$0	14103.13	15274.46	14530.41
Jan-08	14629.44	\$0	12996.69	10063.49	9524.10
Feb-08	13592.32	\$0	12075.32	15314.42	14569.81
Mar-08	12035.52	\$0	10915.15	18664.34	17723.79
Apr-08	10250.24	\$0	9106.24	12118.46	11522.83
May-08	8189.44	\$0	7361.01	12288.60	11681.43
Jun-08	12738.88	\$0	11317.13	10805.68	10277.84
Jul-08	11880.96	\$0	10554.96	13639.95	12995.58
Aug-08	12835.2	\$0	11402.7	11184.92	10643.98
Sep-08	12976.32	\$0	11528.07	12567.66	11970.59
Oct-08	13451.2	\$0	11949.95	11170.25	10617.12
Nov-08	12398.4	\$0	11285.29	14040.41	13362.70
Dec-08	15621.76	\$0	13878.26	14247.23	13560.65
Jan-09	15370.88	\$0	13655.38	14270.78	13563.29
Feb-09	14170.24	\$0	12588.74	15529.90	14782.31
Mar-09	12747.84	\$0	11557.92	15316.34	14602.57
Apr-09	10704.96	\$0	9510.21	12153.39	11555.31
May-09	8877.12	\$0	7886.37	12383.97	11799.75
Jun-09	12837.44	\$0	11404.69	10735.82	10211.42

Adjustements	Network	Connection
<b>Estimated New</b>		
IESO Costs	\$313,640	\$280,377
Billing Revenues	\$322,695	\$306,931
Ratio	<b>0.972</b>	<b>0.913</b>
<b>Current Rates</b>		
Residential	\$0.0052	\$0.0050
GS < 50kW	\$0.0048	\$0.0045
GS 50 to 4999 kW	\$1.9313	\$1.7837
USL	\$0.0048	\$0.0045
Street Lights	\$1.4565	\$1.3790
<b>Based on Estimated New Ratios</b>		
Residential	<b>\$0.0051</b>	<b>\$0.0046</b>
GS < 50kW	<b>\$0.0047</b>	<b>\$0.0041</b>
GS 50 to 4999 kW	<b>\$1.8771</b>	<b>\$1.6294</b>
USL	<b>\$0.0047</b>	<b>\$0.0041</b>
Street Lights	<b>\$1.4156</b>	<b>\$1.2597</b>

<b>Subtotal</b>	\$313,640	\$0	\$280,377	\$322,695	\$306,931
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<b>Total</b>	(a) \$313,640	(b) \$0	(c) \$280,377	(d) \$322,695	(e) \$306,931
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<b>Old Rate</b>	(f) 2.66	(g) 0.7	(h) 1.57
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<b>New Rate</b>	(i) 2.97	(j) 0.73	(k) 1.71
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			\$305,379
<b>Revised IESO Cost</b>	(l) \$350,192	(m) \$0	(n) \$305,379

(a) / (f) \*(i) (b) / (g) \*(j) (c) / (h) \*(k)

**C2 Pass-through Charges**

Volumes from sheet C1, Account #s from sheet Y4

Electricity (Commodity)		Customer Class Name	Status	Revenue USA #	Expense USA #	2009 rate (\$/kWh): \$0.06215		2010 rate (\$/kWh): \$0.06215	
						Volume	Amount	Volume	Amount
kWh	Residential	Continued	4006	4705	20,717,111		1,287,568	20,795,618	1,292,448
kWh	General Service Less Than 50 kW	Continued	4006	4705	5,244,545		325,948	5,264,418	327,184
kWh	General Service 50 to 4,999 kW	Continued	4035	4705	4,624,367		287,404	4,641,891	288,494
kWh	Unmetered Scattered Load	Continued	4006	4705	98,952		6,150	98,952	6,150
kWh	Street Lighting	Continued	4025	4705	410,755		25,528	410,755	25,528
<b>TOTAL</b>						<b>31,095,729</b>	<b>1,932,600</b>	<b>31,211,634</b>	<b>1,939,803</b>
Transmission - Network		Customer Class Name	Status	Revenue USA #	Expense USA #	2009		2010	
						Volume	Rate	Volume	Rate
kWh	Residential	Continued	4066	4714	20,717,111	\$0.0052	107,729	20,795,618	\$0.0051
kWh	General Service Less Than 50 kW	Continued	4066	4714	5,244,545	\$0.0048	25,174	5,264,418	\$0.0047
kWh	General Service 50 to 4,999 kW	Continued	4066	4714	12,730	\$1.9313	24,585	12,779	\$1.8771
kWh	Unmetered Scattered Load	Continued	4066	4714	98,952	\$0.0048	475	98,952	\$0.0047
kWh	Street Lighting	Continued	4066	4714	1,066	\$1.4565	1,553	1,066	\$1.4156
<b>TOTAL</b>						<b>26,074,403</b>	<b>159,516</b>	<b>26,172,833</b>	<b>156,762</b>
Transmission - Connection		Customer Class Name	Status	Revenue USA #	Expense USA #	2009		2010	
						Volume	Rate	Volume	Rate
kWh	Residential	Continued	4068	4716	20,717,111	\$0.0050	103,586	20,795,618	\$0.0046
kWh	General Service Less Than 50 kW	Continued	4068	4716	5,244,545	\$0.0045	23,600	5,264,418	\$0.0041
kWh	General Service 50 to 4,999 kW	Continued	4068	4716	12,730	\$1.7837	22,707	12,779	\$1.6294
kWh	Unmetered Scattered Load	Continued	4068	4716	98,952	\$0.0045	445	98,952	\$0.0041
kWh	Street Lighting	Continued	4068	4716	1,066	\$1.3790	1,470	1,066	\$1.2597
<b>TOTAL</b>						<b>26,074,403</b>	<b>151,808</b>	<b>26,172,833</b>	<b>139,815</b>
Wholesale Market Service		Customer Class Name	Status	Revenue USA #	Expense USA #	2009 rate (\$/kWh): \$0.00520		2010 rate (\$/kWh): \$0.00520	
						Volume	Amount	Volume	Amount
kWh	Residential	Continued	4062	4708	20,717,111		107,729	20,795,618	108,137
kWh	General Service Less Than 50 kW	Continued	4062	4708	5,244,545		27,272	5,264,418	27,375
kWh	General Service 50 to 4,999 kW	Continued	4062	4708	4,624,367		24,047	4,641,891	24,138
kWh	Unmetered Scattered Load	Continued	4062	4708	98,952		515	98,952	515
kWh	Street Lighting	Continued	4062	4708	410,755		2,136	410,755	2,136
<b>TOTAL</b>						<b>31,095,729</b>	<b>161,698</b>	<b>31,211,634</b>	<b>162,300</b>
Rural Rate Protection		Customer Class Name	Status	Revenue USA #	Expense USA #	2009 rate (\$/kWh): \$0.00130		2010 rate (\$/kWh): \$0.00130	
						Volume	Amount	Volume	Amount
kWh	Residential	Continued	4062	4730	19,583,241		25,458	20,795,618	27,034
kWh	General Service Less Than 50 kW	Continued	4062	4730	4,957,505		6,445	5,264,418	6,844
kWh	General Service 50 to 4,999 kW	Continued	4062	4730	4,371,270		5,683	4,641,891	6,034
kWh	Unmetered Scattered Load	Continued	4062	4730	93,536		122	98,952	129
kWh	Street Lighting	Continued	4062	4730	388,274		505	410,755	534
<b>TOTAL</b>						<b>29,393,826</b>	<b>38,212</b>	<b>31,211,634</b>	<b>40,575</b>
Debt Retirement Charge		Customer Class Name	Status	Revenue USA #	Expense USA #	2009 rate (\$/kWh): \$0.00700		2010 rate (\$/kWh): \$0.00700	
						Volume	Amount	Volume	Amount
<b>TOTAL</b>									
Low Voltage Charges		Customer Class Name	Status	Revenue USA #	Expense USA #	2009		2010	
						Volume	Amount	Volume	Amount
<b>TOTAL (Input amount)</b>				4075	4750		37,000		41,000
<b>GRAND TOTAL</b>							<b>2,480,833</b>		<b>2,480,255</b>

**Coopérative Hydro Embrun Inc. (ED-2002-0493)**  
**2010 EDR Application (EB-2009-0132) version: Draft Rate Order**  
**April 1, 2010**

**Working Capital Allowance**

*Enter net capital asset balances for prior years*

	<b>2010 Projection</b>	<b>2009 Projection</b>
<i>Net Capital Assets in Service:</i>		
Opening Balance	1,936,516	1,834,824
Ending Balance	2,032,895	1,936,516
Average Balance	1,984,705	1,885,670
Working Capital Allowance <i>(see below)</i>	446,322	433,987
<b>Total Rate Base</b>	<b>2,431,027</b>	<b>2,319,656</b>

***Expenses for Working Capital***

<i>Eligible Distribution Expenses:</i>		
3500-Distribution Expenses - Operation	33,860	33,300
3550-Distribution Expenses - Maintenance	37,425	28,900
3650-Billing and Collecting	155,247	150,851
3700-Community Relations	3,000	1,000
3800-Administrative and General Expenses	265,695	198,360
3950-Taxes Other Than Income Taxes		
Total Eligible Distribution Expenses	495,227	412,411
3350-Power Supply Expenses	2,480,255	2,480,833
Total Expenses for Working Capital	2,975,482	2,893,244
Working Capital factor	15.0%	15.0%
<b>Working Capital Allowance</b>	<b>446,322</b>	<b>433,987</b>

## Appendix C

### Revenue to Cost Ratios

Revenue responsibility percentages by class.

(See F3-Cost Allocation at next page)



### F3 Cost Allocation

Customer Class Name	REVENUE ALLOCATION (sheet O1)				Base Revenue Requirement *	%	Revenue to Expenses %
	Service Revenue Requirement	%	Miscellaneous Revenue (mi)	%			
Residential	557,055	67.51%	29,331	70.90%	527,723	67.33%	105.78%
General Service Less Than 50 kW	140,228	16.99%	6,508	15.73%	133,720	17.06%	91.08%
General Service 50 to 4,999 kW	78,850	9.56%	3,201	7.74%	75,649	9.65%	121.05%
Unmetered Scattered Load	23,212	2.81%	1,403	3.39%	21,809	2.78%	21.48%
Street Lighting	25,794	3.13%	928	2.24%	24,866	3.17%	49.63%
TOTAL (from Column C of sheet O1)	<b>825,139</b>	<b>100.00%</b>	<b>41,372</b>	<b>100.00%</b>	<b>783,767</b>	<b>100.00%</b>	<b>100.00%</b>
	<b>OK</b>	<b>OK</b>	<b>OK</b>	<b>OK</b>	<b>OK</b>	<b>OK</b>	

\* Service Revenue Requirement less Miscellaneous Revenue

Customer Class Name	CUSTOMER UNIT COST PER MONTH (sheet O2)				
	Avoided Costs (Minimum Charge)	Directly Related	Minimum System with PLCC *	Existing Fixed Rate	Maximum Charge **
Residential	\$4.82	\$10.53	\$13.49	\$11.81	\$13.49
General Service Less Than 50 kW	\$18.96	\$41.40	\$44.11	\$15.12	\$44.11
General Service 50 to 4,999 kW	\$58.56	\$130.07	\$134.16	\$241.54	\$241.54
Unmetered Scattered Load	\$39.40	\$88.29	\$87.12	\$7.81	\$88.29
Street Lighting	\$0.22	\$0.51	\$5.19	\$0.84	\$5.19

\* PLCC = 'Peak Load Carrying Capability'

\*\* Greater of 'Directly Related', 'Minimum System with PLCC adjustment', and Existing Fixed Rate

## Appendix D

### Revenue to Cost Ratios

R:C ratios calculations on the basis of the service revenue requirement by class.

(See F4-Revenue Requirement Allocation at next page)

**Coopérative Hydro Embrun Inc. (ED-2002-0493)**  
 2010 EDR Application (EB-2009-0132) version: Draft Rate Order  
 April 1, 2010

**F4 Revenue Requirement Allocation**

Enter the outstanding Base Revenue Requirement and Transformer Allowance recoveries by customer class

Customer Class Name	Outstanding Base Revenue Requirement %			Outstanding Base Revenue Requirement \$ <sup>3</sup>			Directly Assigned Revenues <sup>3</sup>	Total Base Revenue Requirement
	Cost Allocation <sup>1</sup>	Existing Rates <sup>2</sup>	Rate Application	Cost Allocation	Existing Rates	Rate Application		
Residential	67.33%	71.20%	69.55%	527,724	558,007	545,149		545,149
General Service Less Than 50 kW	17.06%	15.04%	15.52%	133,720	117,845	121,661		121,661
General Service 50 to 4,999 kW	9.65%	12.03%	11.73%	75,649	94,300	91,971		91,971
Unmetered Scattered Load	2.78%	0.49%	1.33%	21,809	3,837	10,416		10,416
Street Lighting	3.17%	1.25%	1.86%	24,866	9,778	14,571		14,571
<b>TOTAL</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>	<b>783,767</b>	<b>783,767</b>	<b>783,767</b>		<b>783,767</b>

<sup>1</sup> from sheet F3

<sup>2</sup> from sheet C4

<sup>3</sup> from sheet F2

748957

34,810

Customer Class Name	Total Base Revenue Requirement	Transformer Allowance Recovery <sup>4</sup>	Low Voltage Revenue Required <sup>5</sup>	Gross Base Revenue Requirement
Residential	545,149		28,052	573,201
General Service Less Than 50 kW	121,661		6,329	127,990
General Service 50 to 4,999 kW	91,971		6,106	98,077
Unmetered Scattered Load	10,416		119	10,535
Street Lighting	14,571		394	14,964
<b>TOTAL</b>	<b>783,767</b>		<b>41,000</b>	<b>824,767</b>

OK

<sup>4</sup> Volume per sheet C4: total allocations must match total amount of allowances

<sup>5</sup> allocated per table below:

2010 Transformer Allowances

	Volume <sup>4</sup>	Rate	Amount
kW:		(\$0.6000)	

**Coopérative Hydro Embrun Inc. (ED-2002-0493)**  
**2010 EDR Application (EB-2009-0132) version: Draft Rate Order**  
**April 1, 2010**

**F4 Revenue Requirement Allocation**

*Enter the outstanding Base Revenue Requirement and Transformer Allowance recoveries by customer class*

Customer Class Name	Test Year Revenues <sup>6</sup> Transmission - Connection	Class Share	Low Voltage Charges <sup>7</sup>	Volume (kWh or kW)	Low Voltage Rate	per
Residential	95,660	68.4%	28,052	19,657,452	\$0.0014	kWh
General Service Less Than 50 kW	21,584	15.4%	6,329	4,976,291	\$0.0013	kWh
General Service 50 to 4,999 kW	20,822	14.9%	6,106	12,779	\$0.4778	kW
Unmetered Scattered Load	406	0.3%	119	93,536	\$0.0013	kWh
Street Lighting	1,343	1.0%	394	1,066	\$0.3694	kW
<b>TOTAL</b>	<b>139,815</b>	<b>100.0%</b>	<b>41,000</b>			
		<b>OK</b>				

<sup>6</sup> charge type per sheet Y4: amounts per sheet C2:

<sup>7</sup> Total per sheet C2: allocated to customer classes based on Class Share

Customer Class Name	Service Revenue Requirement			Cost Allocation	Variance	Target Range	
	Rate Application <sup>8</sup>	Cost Allocation <sup>8</sup>	Revenue to Cost Ratio	Revenue to Cost Ratio <sup>9</sup>		Floor	Ceiling
Residential	574,480	557,055	1.03	1.06	-0.03	0.85	1.15
General Service Less Than 50 kW	128,168	140,228	0.91	0.91	0.00	0.80	1.20
General Service 50 to 4,999 kW	95,172	78,850	1.21	1.21	-0.00	0.80	1.80
Unmetered Scattered Load	11,819	23,212	0.51	0.21	0.29	0.80	1.20
Street Lighting	15,499	25,794	0.60	0.50	0.10	0.70	1.20
<b>TOTAL</b>	<b>825,139</b>	<b>825,139</b>	<b>1.00</b>	<b>1.00</b>			

<sup>8</sup> per first table above (Outstanding Revenue Requirement \$), plus Miscellaneous Revenue (per sheet F3)

<sup>9</sup> from sheet F3

## Appendix E

### Monthly Service Charge

Monthly service charge rates were calculated so as to maintain the existing fixed/variable split for distribution revenues, excluding LV charges [Fixed / Variable Revenue Splits], These fixed rates were retained for the GS<50 kW and Street Lighting classes [F5-Fixed/Variable Rate Design].

For the Residential class, the calculated fixed rate was above the maximum shown in the Cost Allocation model; the fixed rate for Residential was thus set to this maximum. For the USL class, the calculated fixed rate was below the minimum shown in the Cost Allocation model; the fixed rate for USL was thus set to this minimum [F5-Fixed/Variable Rate Design].

For the GS>50 kW class, the calculated fixed rate was above the maximum shown in the Cost Allocation model. The existing fixed rate for this class was also above this maximum, and was therefore retained [F5-Fixed/Variable Rate Design], in accordance with Board policy which states: Distributors that are currently above this [ceiling] value are not required to make changes to their current MSC to bring it to or below this level at this time.

LV rate adders, which are included in the distribution volumetric rate for each class to ensure recovery of LV charges, were also calculated [F5-Fixed/Variable Rate Design].

## **FIXED / VARIABLE REVENUE SPLITS**

*(Excluding Low Voltage rate adder and Transformer Allowance recoveries)*

<b>2010 Projected Revenue at Existing Rates</b>	<b>Net Distribution Revenue (A)</b>	<b>Fixed Charge Revenue (B)</b>	<b>Fixed % (C)</b>	<b>Variable % (D)</b>	<b>Total % (E)</b>
Residential	436,376	259,914	59.56%	40.44%	71.39%
General Service Less Than 50 kW	91,692	29,393	32.06%	67.94%	15.00%
General Service 50 to 4,999 kW	72,341	34,782	48.08%	51.92%	11.84%
Unmetered Scattered Load	3,073	1,874	61.00%	39.00%	0.50%
Street Lighting	7,740	4,103	53.01%	46.99%	1.27%
<b>TOTAL</b>	<b>611,221</b>	<b>330,066</b>	<b>54.00%</b>	<b>46.00%</b>	<b>100.00%</b>

*(A) Sheet "2010 Revenues by Customer Class" — Distribution Revenue*

*(B) per sheet C4; "2010 PROJECTED DISTRIBUTION REVENUE AT EXISTING RATES" — Fixed Charge Revenue*

*(C) = (B) / (A)*

*(D) = 1 - (C)*

*(E) Class Revenue from column (A) divided by Total from column (A)*

<b>2010 Projected Revenue at Proposed Rates</b>	<b>Net Distribution Revenue (E)</b>	<b>Fixed Charge Revenue (F)</b>	<b>Fixed % (G)</b>	<b>Variable % (H)</b>	<b>Total % (I)</b>
Residential	545,149	296,888	54.46%	45.54%	69.55%
General Service Less Than 50 kW	121,661	38,919	31.99%	68.01%	15.52%
General Service 50 to 4,999 kW	91,971	34,782	37.82%	62.18%	11.73%
Unmetered Scattered Load	10,416	9,456	90.78%	9.22%	1.33%
Street Lighting	14,571	7,717	52.96%	47.04%	1.86%
<b>TOTAL</b>	<b>783,767</b>	<b>387,761</b>	<b>49.47%</b>	<b>50.53%</b>	<b>100.00%</b>

*(E) Sheet F4; "Total Base Revenue Requirement"*

*(F) Sheet F6; "Fixed Charge Revenue"*

*(G) = (F) / (E)*

*(H) = 1 - (G)*

*(I) Class Revenue from column (E) divided by Total from column (E)*

## F5 Fixed/Variable Rate Design

Customer Class Name	Existing Rates (1)			Cost Allocation - Minimum Fixed Rate (2)			Cost Allocation - Maximum Fixed Rate (2)		
	Rate	Fixed %	Variable %	Rate	Fixed %	Variable %	Rate	Fixed %	Variable %
Residential	\$11.81	55.97%	44.03%	\$4.82	18.49%	81.51%	\$13.49	51.78%	48.22%
General Service Less Than 50 kW	\$15.12	29.97%	70.03%	\$18.96	28.79%	71.21%	\$44.11	66.99%	33.01%
General Service 50 to 4,999 kW	\$241.54	44.32%	55.68%	\$58.56	8.60%	91.40%	\$241.54	35.46%	64.54%
Unmetered Scattered Load	\$7.81	58.70%	41.30%	\$39.40	89.75%	10.25%	\$88.29	201.13%	-101.13%
Street Lighting	\$0.84	50.42%	49.58%	\$0.22	7.33%	92.67%	\$5.19	169.35%	-69.35%

(1) per sheet C4

(2) Rates per sheet F3; %s based on # customers per sheet C1 and revenue requirement allocated to customer class per sheet F4

Customer Class Name	Existing Fixed/Variable Split (3)			Rate Application *			Resulting Usage		(4) Existing Usage Rate
	Rate	Fixed %	Variable %	Rate	Fixed %	Variable %	Rate	per	
Residential	\$14.58	55.97%	44.03%	\$13.49	51.79%	48.21%	\$0.0141	kWh	\$0.0104
General Service Less Than 50 kW	\$19.73	29.97%	70.03%	\$20.02	30.41%	69.59%	\$0.0179	kWh	\$0.0138
General Service 50 to 4,999 kW	\$301.88	44.32%	55.68%	\$241.54	35.46%	64.54%	\$4.9531	kW	\$3.4190
Unmetered Scattered Load	\$25.77	58.70%	41.30%	\$39.40	89.76%	10.24%	\$0.0115	kWh	\$0.0141
Street Lighting	\$1.54	50.42%	49.58%	\$1.58	51.67%	48.33%	\$6.7847	kW	\$3.7845

(3) %s per Existing Rates, Rate based on Revenue Requirement allocated to Customer Class per sheet F4 and # customers per sheet C1

(4) per sheet C4

\* See sheet 'FixedVarRevenue' for % splits excluding Low Voltage charges

## Appendix F

### Account 1588

#### RSVA Power and RSVA Power GA Sub-account

A forecast of 2010 kWh's excluding RPP and MUSH customers was derived on the basis of 2008 actual retail kWh proportions for these customer types [C7-Rate Riders].

The 2008 year-end balance for the Global Adjustment sub-account, plus additional interest to 30-Apr-2010, was divided by the forecast non-RPP non-MUSH kWh's, resulting in a rate rider of \$0.0035/kWh for recovery over one year [Global Adjustment Rider]. The new rate rider was added to each service class on the rates schedule [X11- Monthly Rates and Charges].

The Global Adjustment sub-account balance was excluded from the amounts to be recovered through the class-specific rate riders for deferral/variance account balances [C6-Proposed Recoveries].

Sample bill impacts in the rate model do not reflect the \$0.0035/kWh Global Adjustment rate rider, as this charge applies only to non-RPP, non-MUSH customers. The incremental bill impact to such a Residential customer consuming 800 kWh monthly would be \$2.80, increasing the total bill impact from 4.9% to 7.9%. The incremental bill impact to such a GS < 50 kW customer consuming 2,000 kWh monthly would be \$7.00, increasing the total bill impact from 5.8% to 8.9%.



**Coopérative Hydro Embrun Inc. (ED-2002-0493)**  
**2010 EDR Application (EB-2009-0132) version: Draft Rate Order**  
**April 1, 2010**

## C7 Rate Riders

*Allocate recoveries of deferral / variance account balances*

Deferral / Variance Account	Total Recovery Amount	Allocation Basis	Residential	General Service Less Than 50 kW	General Service 50 to 4,999 kW	Unmetered Scattered Load	Street Lighting
1508-Other Regulatory Assets	3,431	Distribution Revenue (existing rates)	2,443	516	413	17	43
1550-LV Variance Account	11,539	kWh's	7,688	1,946	1,716	37	152
1565-Conservation and Demand Management Expenditures and Recoveries	8,971						
1566-CDM Contra Account	-8,971						
1580-RSVAWMS	10,304	kWh's	6,865	1,738	1,532	33	136
1584-RSVANW	-27,701	kWh's	-18,457	-4,672	-4,120	-88	-365
1586-RSVACN	-45,088	kWh's	-30,041	-7,605	-6,706	-143	-593
1588-RSVAPOWER	90,838	kWh's	60,523	15,322	13,510	288	1,195
<b>Sub-Total for recovery</b>	<b>43,323</b>		<b>29,022</b>	<b>7,244</b>	<b>6,346</b>	<b>143</b>	<b>568</b>
1590-Recovery of Regulatory Asset Balances (residual)	-23,643	Previously approved recoveries	-22,052	-3,037	1,196		251
<b>Total Recoveries Required (1 years)</b>	<b>19,680</b>		<b>6,969</b>	<b>4,207</b>	<b>7,541</b>	<b>143</b>	<b>819</b>
<b>Annual Recovery Amounts</b>	19,680		6,969	4,207	7,541	143	819
Annual Volume			19,657,452	4,976,291	12,779	93,536	1,066
<b>Proposed Rate Rider per</b>			<b>\$0.0004 kWh</b>	<b>\$0.0008 kWh</b>	<b>\$0.5901 kW</b>	<b>\$0.0015 kWh</b>	<b>\$0.7680 kW</b>

<sup>1</sup> per sheet C6

**Coopérative Hydro Embrun Inc. (ED-2002-0493)**  
 2010 EDR Application (EB-2009-0132) version: Draft Rate Order  
 April 1, 2010

**C7 Rate Riders**

*Allocate recoveries of deferral / variance account balances*

Allocators	Data Source	2010 Projection Total	Residential	General Service Less Than 50 kW	General Service 50 to 4,999 kW	Unmetered Scattered Load	Street Lighting
Customers / Connections	C1	2,435	1,834	162	12	20	407
kWh's	C1	29,503,388	19,657,452	4,976,291	4,387,835	93,536	388,274
Distribution Revenue (existing rates)	C4	652,221	464,352	98,066	78,473	3,193	8,137
Distribution Revenue (proposed rates)	F4	783,767	545,149	121,661	91,971	10,416	14,571
Transmission Connection Revenue	C2	139,815	95,660	21,584	20,822	406	1,343
Previously approved recoveries	2006 EDR	181,785	169,558	23,351	-9,194		-1,929
Non-RPP kWh's (per 2010 kWh frcst & 2008 non-RPP %s)		2,426,834	1,707,030	183,458	536,345		
Approved Recoveries	C5						

**Coopérative Hydro Embrun Inc. (ED-2002-0493)**  
**2010 EDR Application (EB-2009-0132) version: Draft Rate Order**  
**April 1, 2010**

**Global Adjustment Rate Rider**

*Specify number of years for recovery*

<i>Per Sheet B5:</i>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
Balance for Recovery (31-Dec-2008):	7,175	1,279	8,454
Additional Interest to 30-Apr-2010		53	53
<b>Total for Recovery</b>	<b>7,175</b>	<b>1,332</b>	<b>8,507</b>
Years for Recovery			1
Annual Recovery			8,507
Non-RPP, non-MUSH kWh's (per sheet C7)			2,426,834
<b>GA Rate Rider, per kWh *</b>			<b>\$0.0035</b>

*\* Applies to non-RPP, non-MUSH customers only*

**Coopérative Hydro Embrun Inc. (ED-2002-0493)**  
**2010 EDR Application (EB-2009-0132) version: Draft Rate Order**  
**April 1, 2010**

### C6 Proposed Deferral /Variance Account Balance Recoveries

Select balances to be recovered, effective date and recovery period (allocations on next sheet)

Deferral / Variance Account	Recover Balance as at?	Additional Interest to 30 Apr/10?	Balance for Recovery <sup>1</sup>	Additional Interest for Recovery	Total Recovery Amount	31 Dec/09 Projected Balance	31 Dec/10 Projected Balance	2009 Projected Interest <sup>2</sup>	2010 Projected Interest <sup>2</sup>
1508-Other Regulatory Assets	31 Dec/08	YES	3,410	21	3,431	3,426	10	-16	-16
1550-LV Variance Account	31-Dec-08	YES	11,460	79	11,539	11,519	39	-59	-59
1556-Smart Meters OM&A Variance Account	No Recovery					-16,154	-16,238	84	84
1562-Deferred Payments in Lieu of Taxes	No Recovery					-124,531	-125,097	566	566
1565-Conservation and Demand Management Expenditures and Recoveries	31 Dec/08		8,971		8,971	8,971			
1566-CDM Contra Account	31 Dec/08		-8,971		-8,971	-8,971			
1580-RSVAWMS	31-Dec-08	YES	10,242	62	10,304	10,289	31	-46	-46
1584-RSVANW	31-Dec-08	YES	-27,509	-192	-27,701	-27,653	-96	144	144
1586-RSVACN	31-Dec-08	YES	-44,777	-311	-45,088	-45,010	-155	233	233
1588-RSVAPOWER	31-Dec-08	YES	90,311	527	90,838	90,706	263	-395	-395
1598-1588 RSVAPOWER sub-acct GA	No Recovery					8,494	8,533	-39	-39
<b>Sub-Total for Recovery</b>					<b>43,323</b>	<b>-88,915</b>	<b>-132,709</b>	<b>471</b>	<b>471</b>
1590-Recovery of Regulatory Asset Balances (residual)	31-Dec-08	YES	-23,471	-172	-23,643	-23,600	6,473	129	130
<b>Total Recoveries Required</b>					<b>19,680</b>				<b>36</b>
<b>Annual Recovery Amounts</b>	<b># years:</b>	<b>1</b>			<b>19,680</b>				
<b>Interest Totals: <sup>3</sup></b>								<b>600</b>	<b>637</b>

<sup>1</sup> per sheet B5, except account 1590 (sheet C5)

<sup>2</sup> Interest Rate = 0.55% per sheet Y1

<sup>3</sup> Recorded in USA #4405 per sheet C5

***Summary of Changes made to the RateMaker Model***

## ***Accounting of Assets (p.5)***

***Embrun agreed to transfer the two truck trailer boxes from Account 1810 – Leasehold Improvements to Account 1935 – Stores and Work Equipment. The Board directs Embrun to give effect to this undertaking.***

The balance of account *1810-Leasehold Improvements* was transferred to account *1935-Stores and Work Equipment*, beginning with 2006 actuals [model sheet A2]. Related depreciation was also reclassified to pertain to account 1935 rather than account 1810. Total assets and depreciation did not change as a result of these reclassifications, thus there was no impact to the rate base or revenue requirement.

## ***Determination of Working Capital Allowance (p 5)***

***The Board directs Embrun to determine the COP component of the WCA using the transmission rates effective January 1, 2010, and distribution losses based on a three-year average rather than a five-year average.***

Proposed transmission rates were revised to reflect the January 1 2010 transmission rates [C2-Pass-through Charges] and the 2010 proposed loss adjustment factor, of 1.0579 ,based on a 3 year average, was updated in [F7-Final Rates and F8-Bill Impacts]

## ***Operating Costs (p 11)***

### ***IFRS***

The amount of \$15,000 (60000/4yrs) was removed from account 5630-Outside services Employed [model sheet B4-OM&A]. CHE proposes to use account 5630 instead and record these costs in a deferral account for disposition at a later date.

## ***Regulatory Expenses (p 11)***

The amount of \$66,800 (267,200/4yrs) was confirmed in 5655-Regulatory Expenses [model sheet B4-OM&A]. An additional \$1,500 was added to the account to reflect the Board's ruling on PST.

## ***Harmonized Sales Tax (p.10,12)***

***Embrun's revised estimate for PST was \$750 for OM&A and \$7,643 for Capital. (p.10)***

***The Board therefore directs that, beginning July 1, 2010, Embrun shall record in deferral account 1592, (PILs and Tax Variances, Sub-account HST / OVAT ITCs), the incremental ITC it receives on distribution revenue requirement items that were previously subject to PST and have become subject to HST.***

***The Board further finds that the OM&A expenses and CAPEX proposed by Embrun in its Final Argument be increased for the estimates for PST. (p.12)***

The estimates on p.10 refer to the PST payable until June 30, 2010, or for a half year. A full year of PST has been added to test year costs, i.e. \$1,500 for OM&A and \$15,286 for Capital. Embrun will record in the deferral account all ITCs it receives on distribution revenue requirement items that were previously subject to PST. This approach is consistent with recent 2010 IRM rate decisions issued by the Board.

\$1,500 was added to 2010 OM&A in account 5655-Regulatory Expenses [model sheet B4]. The incremental OM&A flows through the working capital allowance to the rate base [model sheet D1], thereby increasing the service revenue requirement components for Cost of Capital and Allowance for PILs [model sheet F1]. The incremental distribution expense also increases the service revenue requirement [model sheet F1]

\$15,286 was added to 2010 asset additions to account 1845-Underground Conductors and Devices [model sheet B1]. Depreciation of \$305.71 was also added, consistent with 25 years amortization for account 1845 and application of the half-year rule [model sheet B2].

The incremental average net capital flows through to the rate base [model sheet D1], thereby increasing the service revenue requirement components for Cost of Capital and Allowance for PILs [model sheet F1]. The incremental depreciation expense also increases the service revenue requirement [model sheet F1]

## ***Cost of Capital (p.13)***

***The Board accepts the Applicant's proposal and directs Embrun to review and update the components of its capital structure to reflect the Board's findings on the Cost of Capital.***

The rates specified in the Board's letter of February 24, 2010 were used to update the Cost of Capital, which were flowed through to the Revenue Requirement: Deemed long-term debt interest decreased, while Deemed short-term interest, Return on Equity and the Allowance for PILs increased.



## ***Revenue to Cost Ratios (p.17)***

***The Board has set a policy that the R:C ratios should be based on the service revenue requirement by class. The Board directs Embrun to set the ratios accordingly when preparing the draft rate order.***

***The Board accepts the company's proposals for the respective R:C ratios by class.***

All directions in the Board's decision affecting the Accounting of Assets or the revenue requirement were reflected in the Cost Allocation model, resulting in changes to revenue responsibility percentages by class [model sheet F3].

R:C ratios were recalculated on the basis of the service revenue requirement by class, rather than the base revenue requirement [model sheet F4]. The resulting ratios agree with the company's proposals for each class as shown on page 14 of the Board's decision.

## **Monthly Service Charge (p.17)**

***The Board agrees with Embrun's general approach to maintain the existing fixed/variable split with the exception of circumstances where doing so would result in a service charge above the maximum or below the minimum established in the Board's Guidelines. The Board will therefore, subject to this proviso, approve Embrun's proposed monthly service charges. The Board is, however, of the opinion that the derivation of the class monthly service charge should not include the low voltage rate. The Board directs Embrun to exclude the LV charges from the monthly service charge.***

Monthly service charge rates were calculated so as to maintain the existing fixed/variable split for distribution revenues, excluding LV charges [model sheet 'FixedVarRevenue'], These fixed rates were retained for the GS<50 kW and Street Lighting classes [model sheet B5].

For the Residential class, the calculated fixed rate was above the maximum shown in the Cost Allocation model; the fixed rate for Residential was thus set to this maximum. For the USL class, the calculated fixed rate was below the minimum shown in the Cost Allocation model; the fixed rate for USL was thus set to this minimum [model sheet F5].

For the GS>50 kW class, the calculated fixed rate was above the maximum shown in the Cost Allocation model. The existing fixed rate for this class was also above this maximum, and was therefore retained [model sheet F5], in accordance with Board policy which states: *Distributors that are currently above this [ceiling] value are not required to make changes to their current MSC to bring it to or below this level at this time.*<sup>1</sup>

LV rate adders, which are included in the distribution volumetric rate for each class to ensure recovery of LV charges, were also calculated [model sheet F5].

## **Introduction of MicroFIT Generator Service Classification and Rate (p.18)**

***As part of its draft Rate Order, Embrun is to identify the MicroFIT Generator service classification on its Tariff of Rates and Charges and include the currently approved monthly service charge of \$5.25.***

The new service classification and monthly service charge has been added to the rates schedule [model sheet X11]

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<sup>1</sup> Report of the Board: Application of Cost Allocation for Electricity Distributors (EB-2007-0667), November 28, 2007

## **Account 1588 – RSVA Power and RSVA Global Adjustment (p.22)**

***The Board will adopt the proposal of Board staff that a separate rate rider be established to dispose of the global adjustment sub-account. The rate rider would apply prospectively to non-RPP customers, excluding the MUSH sector.***

A forecast of 2010 kWh's excluding RPP and MUSH customers was derived on the basis of 2008 actual retail kWh proportions for these customer types [model sheet C7].

The 2008 year-end balance for the Global Adjustment sub-account, plus additional interest to 30-Apr-2010, was divided by the forecast non-RPP non-MUSH kWh's, resulting in a rate rider of \$0.0035/kWh for recovery over one year [model sheet 'GARider']. The new rate rider was added to each service class on the rates schedule [model sheet X11].

The Global Adjustment sub-account balance was excluded from the amounts to be recovered through the class-specific rate riders for deferral/variance account balances [model sheet C6].

Sample bill impacts in the rate model do not reflect the \$0.0035/kWh Global Adjustment rate rider, as this charge applies only to non-RPP, non-MUSH customers. The incremental bill impact to such a Residential customer consuming 800 kWh monthly would be \$2.80, increasing the total bill impact from 4.9% to 7.9%. The incremental bill impact to such a GS < 50 kW customer consuming 2,000 kWh monthly would be \$7.00, increasing the total bill impact from 5.8% to 8.9%.