

MANAGER'S SUMMARY

West Coast Huron Energy Inc.

**RP-2005-0020
EB-2007-0588
EB-2005-0431**

IN THE MATTER OF the *Ontario Energy Board Act, 1998*, S.O. 1998, c.15, Schedule B of the *Energy Competition Act, 1998*:

AND IN THE MATTER OF an Application by West Coast Huron Energy Inc. for 2008 electricity distribution rates, effective May 1, 2008, in accordance with the 2nd Generation Incentive Regulation Mechanism (IRM) issued September 28,, 2007 by the Ontario Energy Board.

1. Introduction

- 1.1 West Coast Huron Energy Inc. (the "Company") is a licensed electricity distribution business operating in the Town of Goderich under Licence # ED-2002-0510 with no special conditions in its' licence.
- 1.2 The Company submits this Application which includes the 2007 Incentive Regulation Mechanism (IRM) Model and the required documentation/schedules for the calculation of just and reasonable distribution rates effective May 1, 2008 in accordance with the Filing Guidelines issued by the Ontario Energy Board ("Board") and dated September 28, 2007.
- 1.3 The Company will prorate customer consumptions with pre-May 1, 2008 consumptions at the old rates and post-May 1, 2008 consumption at the new rates.

2. Incentive Regulation Mechanism (IRM) Model

The following information summarizes the output of the IRM Model. Only sheets with information inputs are identified.

2.1 Sheet 1 LDC Information

As per the instructions issued by the Board, general information related to the application has been entered.

2.2 Sheet 2 2007 Rate Classes

As per the instructions issued by the Board, the classes as indicated on the Board-Approved 2007 Tariff of Rates and Charges have been entered.

2.3 Sheet 3 2007 Tariff Sheet _____

West Coast Huron Energy Inc. has identified the approved rates and charges and the complete description of service classifications as found in the Board-Approved 2007 Tariff of Rates and Charges.

Pursuant to the Ontario Energy Board's Decision of April 20, 2006 with Reasons in the matter between Sifto Canada Inc. and West Coast Huron Energy Inc. – Board File No. EB-2004-0513 – the following changes had been made to West Coast Huron Energy Inc.'s 2006 Rate Application and need to be addressed in this rate application.

As required, by the Board, the amount of \$563,169, being refunded to Sifto Canada Inc., was allocated on a prorated basis to all customer classes through the Regulatory Asset Model, account number 1508 (Other Regulatory Assets) over a two year period, will end April 30, 2008.

To achieve this, the \$563,169 was removed from the

Regulatory Asset model, from all customer classes. This resulted in a reduction to all the Regulatory Asset Rate Riders as follows:

Customer Class	Rate Per	Current Rate	New Rate
Residential	kWh	\$0.0058	\$0.0020
General Service Less Than 50 kW	kWh	\$0.0022	(\$0.0004)
General Service 50 to 499 kW	kW	\$0.3273	(\$0.3438)
General Service 500 to 4,999 kW	kW	\$0.5146	(\$0.3593)
Large Use	kW	\$0.2774	(\$0.1177)
Unmetered Scattered Load	kWh	\$0.0063	\$0.0026
Sentinel Lighting	kW	\$7.0793	\$4.7512
Street Lighting	kW	\$0.7115	(\$0.2163)

The net balance that remained to be collected/refunded is a credit of \$10,769.00. West Coast Huron Energy Inc. wishes to discontinue the Regulatory Asset Rider effective may 1, 2008 and has so indicated this in Model.

2.4 Sheet 4 2007 Smart Meter Information

The smart meter rate adder of \$0.26 for the various rate classes has been entered. This was taken from the Board-Approved 2006 EDR Model sheet 8-5.

2.5 Sheet 5 Rate Adders

West Coast Huron Energy Inc. has not applied for an incremental Conservation Demand Management adjustment, over and above the 3rd tranche in 2007.

2.6 Sheet 6 K-Factor

All required Input information for the K-Factor Derivation has been entered from the Board Approved 2006 EDR Model and 2006 PILs Model, as instructed by the Board, which resulted in a K-Factor of -0.2%. This reduced the Total Price Cap Adjustment from 0.9% to 0.7%.

2.7 Sheet 9 Rate Rider Adjustment

The Company is not seeking Board approval for other rate adjustments.

2.8 Sheet 12 Annualised Bill Impact

The following annualized bill impacts are for typical size customers for various customer classes before the change to discontinue the Regulatory Asset Rate Riders.

Rate Class	Consumption	Increase	
		\$ Amount	Percent
Residential	1,000 kWh	0.20	0.20%
General Service Less than 50 kW	2,000 kWh	0.23	0.10%
General Service 50 – 499 kW	100 kW 40,000 kWh	3.54	0.10%
General Service 500 – 4,999 kW	1,000 kW 400,000 kWh	34.51	0.10%
LARGE USE	10,500 kW 1,250,000 kWh	115.92	0.10%

The following are the annualized bill impacts after discontinuation of the Regulatory Asset Rate Riders.

Rate Class	Consumption	Increase	
		\$ Amount	Percent
Residential	1,000 kWh	(5.94)	(5.0)%
General Service Less than 50 kW	2,000 kWh	(4.42)	(1.9)%
General Service 50 – 499 kW	100 kW 40,000 kWh	(30.94)	(0.7)%
General Service 500 – 4,999 kW	1,000 kW 400,000 kWh	(508.90)	(1.2)%
LARGE USE	10,500 kW 1,250,000 kWh	(2964.59)	(1.8)%

There are no customers that will be impacted by more than 10.0%.

Signed this 29th day of October 2007 at Goderich

Original Signed by

 Larry McCabe
 President/Secretary
 West Coast Huron Energy Inc.