

November 5, 2007
Board Secretary
Ontario Energy Board
PO Box 2319
2300 Yonge St. 27th Floor
Toronto, Ontario, M4P1E4

Re: Clinton Powerlines – 2007 & 2008 IRM Application

RDI is filing on behalf of Clinton Powerlines a 2007 and 2008 IRM model to adjust distribution rates. RDI has discussed this filing with Board Staff and has been instructed to file one application containing both 2007 & 2008 models using the 2008 IRM process.

Clinton Powerlines is requesting May 1 2008 approval for rates that will incorporate both of 2007 and 2008 IRM adjustments (including Industry Price Index, Productivity Factors and K-Factor).

In preparing Clinton Powerlines 2008 and 2007 IRM process, all instructions were followed and nothing outside the normal adjustments are applied for (with the exception of a retail transmission rate adjustment discussed below).

The 2007 IRM model was filed in accordance with board directions, see below for a section by section description of the filling:

- **Tab 1 – LDC Information** - Filled out according to instructions
- **Tab 2 – 2006 Rate Classes** - Clinton is not amending, adding or removing any customer classes
- **Tab 3 – 2007 Tariff Sheet**
 - All customer class rates entered as requested
- **Tab 4 – 2006 Smart Meter Information & Tab 5 – Removal of SM**
 - Clinton is applying for the same Smart Meter rate adders as in the 2007 IRM process
- **Tab 6 – CDM Adjustment** - Clinton is not applying for any incremental CDM recovery
- **Tab 7 – LCT Adjustment** – Clinton does not require a LCT adjustment (\$0 balance)
- **Tab 8 – Dx IRM Adjustment to Tab 13 Bill Impact - Annualized**
 - No input required
 - Board Staff will need to update IPI factor to 1.9% (RDI could not perform this task as model was password protected, note: this will adjust starting rates in 2008 model)

Clinton is filing a 2008 IRM model as prescribed by the Board. All filing instructions were followed and below is a section by section description of the information filed:

- **Tab 1 – LDC Information** - Filled out according to instructions
- **Tab 2 – 2007 Rate Classes** - Clinton is not amending, adding or removing any customer classes
- **Tab 3 – 2007 Tariff Sheet**
 - All customer class rates entered as requested
- **Tab 4 – 2007 Smart Meter Information** - Clinton is applying for the same Smart Meter rate adders as in the 2007 IRM process
- **Tab 5 – Rate Adders** - Clinton is not applying for any incremental CDM recovery
- **Tab 6 – K-Factor**
 - Model filled out as requested
- **Tab 7 – DX IRM Adjustment & Tab 8 – Add back of Smart Meter Amt**
 - No input required
- **Tab 9 – Rate Rider Adjustment** – Clinton is not filing for a Z factor adjustment
- **Tab 10 – 2008 Tariff Schedule to Tab 13 Bill Impact by Consumption**
 - No input required

All bill impacts are reductions as the increase in distribution rates (0.6%, 1.9% IPI, -1.0% PF and -0.3% K-Factor) is less than the removal of the Regulatory Asset rate rider.

The OEB has instructed LDCs to adjust retail transmission rates and provide information on a plan to remit any over recovery of transmission revenues to end use customers. Please see the summary of requested Retail Transmission Rate approvals in this cover letter. The transmission rates contained in the 2008 IRM model are not the rates being applied for but rather the rates included in this cover letter. We do apologize for this inconvenience, however, the Board did not allow much time (2 business days) to respond to requests and develop a methodology. As the Board did not include this adjustment in the 2008 IRM model, Clinton Powerlines has performed the retail transmission calculations off-line from the model.

Below you will see a summary chart that lowers the retail network rates by 22.51% (the same reduction in the wholesale network charges) and a cumulative reduction in retail connection rates of 5.45% (cumulative reduction in line and transformation connection wholesale charges).



**Retail Transmission Rate Adjustment
Clinton Powerlines
November 5, 2007**

	Wholesale			Retail		Billing Determinant
	Old Rate	New Rate	Adjustment	Old Rate	New Rate	
Wholesale Network	2.83	2.31	-18.37%			
Retail Network						
Residential				0.0057	0.0047	per kWh
General Service < 50 kW				0.0052	0.0042	per kWh
General Service 50 to 4,999 kW				2.1218	1.7319	per kW
Unmetered / Scattered Loads				0.0052	0.0042	per kWh
Sentinel Light				1.6083	1.3128	per kW
Street Light				1.6002	1.3062	per kW
Wholesale Line Connection	0.82	0.59				
Wholesale Transformation Connection	1.5	1.61				
Total Wholesale Connection	2.32	2.2	-5.17%			
Retail Connection						
Residential				0.005	0.0047	per kWh
General Service < 50 kW				0.0045	0.0043	per kWh
General Service 50 to 4,999 kW				1.7882	1.6957	per kW
Unmetered / Scattered Loads				0.0045	0.0043	per kWh
Sentinel Light				1.4113	1.3383	per kW
Street Light				1.3824	1.3109	per kW

Clinton is proposing to continue to track the RSVA 1584 / 1586 variance accounts until rebasing as previously approved and instructed by the OEB. Clinton will continue to use the OEB prescribed interest rates applicable to variance and deferral accounts to improve these accounts with interest to ensure both the LDC and customer remain financially whole during this transmission. As part of the rebasing / variance account disposition application (occurring in 2009 or 2010) Clinton will revisit the retail transmission rates and will adjust accordingly.

If you require any further information, please contact me directly.

Sincerely,

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