

## Hearst Power Distribution Company Limited

925 Rue Alexandra Street  
Hearst Ontario

September 30<sup>th</sup> 2010

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### Re: Addendum to Cost of Service Application EB-2009-0266.

Hearst Power Distribution Company Limited ("Hearst") would like to inform the Board and VECC that new information has recently come to light with respect to one of Hearst's three intermediate customers. As a result of this new information, Hearst would like to introduce, as an addendum to its Cost of Service Application, an alternate Load Forecast. Please find attached the documentation necessary to support this alternate scenario.

The following attachments are being filed in conjunction with this document;

#### RateMaker

- Hearst\_2010EDR\_AlternateLF\_20100930.zip

#### RMPiIs

- Hearst\_RMPiIs 2010EDR\_AlternateLF\_20100930.zip

#### Cost Allocation


- Run 3 2010 Cost Allocation Filing: HPL-2010 – Sept 30.zip

#### Determination of load forecast

- Alternate Load Forecast – 30 Sept 2010

This document is being filed pursuant to the Board's e-Filing Services.  
In order to reduce the carbon footprint, hard copies of these documents will be provided upon request.

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

  
Nicole C. Leduc  
General Manager

(705)372-2815

Hearst would like to inform the Board and VECC that new information has come to light with respect to one of the intermediate customers.

### Preamble

In 2007, one of Hearst 3 intermediate customers announced that one of their two processes was shutting down. Consequently, at the end of 2007, the load dropped by 20% and was further reduced by 86% in 2008.

In 2009, when Hearst began its rebasing application, speculation was that the customer would bring in a new process to replace the lost load. This was to happen sometime in the latter part of 2009. To date, the customer has not resumed its normal level of activity and the load still hasn't been replaced.

Hearst recently re-evaluated the possibility of this particular customer resuming their full load and as a result, feels it would appropriate to propose an alternate scenario where the load forecast is more illustrative of the intermediate class' actual load.

The herein supporting documentation includes the following;

- Proposed Load Forecast under the alternate scenario;
- Determination of the Load Forecast;
  - Weather normalised historical years (Table 1.1)
  - NAC approach (weather sensitive classes) (Table 1.2)
  - 12 month historical (non weather sensitive classes) (Table 1.3)
- Pass-Through Charges highlighting the determination of Cost of Power
- Rate Base including determination of WAC;
- Revenue Requirement;
- Cost Allocation Results;
- Revenue Allocation;
- Rate Design;
- Rate Schedule;
- Bill Impacts;

Proposed Load Forecast

**Hearst Power Distribution Company Limited (ED-1999-0292)**

2010 EDR Application (EB-2009-0266) version: v2

September 30, 2010

**C1 Load Data and Forecast***Enter historical volume data and projections for 2009-2010***CUSTOMERS (CONNECTIONS)**

Customer Class Name	2006 EDR Approved	2006 Actual	2007 Actual	2008 Actual	2008 Normalized	2009 Normalized	2009 Actual	2010 Normalized
Residential	2,340	2,318	2,316	2,318	2,318	2,320	2,320	2,322
GS<50kW	395	399	391	391	391	391	391	391
GS>50kW	39	41	41	41	41	39	39	38
Intermediate Users	3	3	3	3	3	3	3	3
Sentinel Lights	23	46	45	38	38	17	17	17
Street Lights	900	903	909	916	916	915	915	922
<b>TOTAL</b>	<b>3,700</b>	<b>3,710</b>	<b>3,705</b>	<b>3,707</b>	<b>3,707</b>	<b>3,685</b>	<b>3,685</b>	<b>3,693</b>

**METERED KILOWATT-HOURS (kWh)**

Customer Class Name	2006 EDR Approved	2006 Actual	2007 Actual	2008 Actual	2008 Normalized	2009 Normalized	2009 Actual	2010 Normalized
Residential	27,473,386	25,897,339	27,069,577	26,596,195	26,581,493	26,604,427	26,719,860	26,627,362
GS<50kW	12,719,994	12,993,046	12,370,240	12,592,670	12,405,535	12,405,535	11,429,892	12,405,535
GS>50kW	21,314,306	19,484,942	21,523,842	20,680,870	20,524,699	19,523,494	18,126,386	19,022,892
Intermediate Users	47,635,245	53,977,594	44,939,095	24,123,994	24,123,994	20,110,397	20,110,397	18,502,357
Sentinel Lights	64,848	60,823	54,603	42,445	42,445	26,687	26,687	23,544
Street Lights	1,108,379	1,091,309	1,097,289	1,159,799	1,159,799	1,001,530	1,001,530	1,006,025
<b>TOTAL</b>	<b>110,316,158</b>	<b>113,505,053</b>	<b>107,054,646</b>	<b>85,195,973</b>	<b>84,837,965</b>	<b>79,672,071</b>	<b>77,414,752</b>	<b>77,587,715</b>

**KILOWATTS (kW)**

Customer Class Name	2006 EDR Approved	2006 Actual	2007 Actual	2008 Actual	2008 Normalized	2009 Normalized	2009 Actual	2010 Normalized
Residential								
GS<50kW								
GS>50kW	60,958	55,083	57,195	56,061	56,061	50,670	50,670	53,176
Intermediate Users	108,040	115,268	109,115	70,701	70,701	65,897	65,897	59,721
Sentinel Lights	182	168	148	121	121	99	99	72
Street Lights	3,072	3,036	3,056	3,069	3,069	3,071	3,071	3,084
<b>TOTAL</b>	<b>172,252</b>	<b>173,555</b>	<b>169,514</b>	<b>129,952</b>	<b>129,952</b>	<b>119,737</b>	<b>119,737</b>	<b>116,053</b>

Customer Class Name	Loss Factor
Residential	1.0509
GS<50kW	1.0509
GS>50kW	1.0509
Intermediate Users	1.0509
Sentinel Lights	1.0509
Street Lights	1.0509

**WHOLESALE kWh's <sup>1</sup>**

2009 Normalized	2009 Actual	2010 Normalized
27,958,593	28,079,901	27,982,695
13,036,977	12,011,674	13,036,977
20,517,240	19,049,019	19,991,157
21,134,016	21,134,016	19,444,127
28,045	28,045	24,742
1,052,508	1,052,508	1,057,232

<sup>1</sup> Metered kWh's multiplied by Loss Factor

## Determination of Load Forecast

For the classes that are weather sensitive, namely Residential, GS< 50 and GS >50, Hearst used a NAC approach (identified in green). The most recent 12 months was used for the Intermediate, StreetLights and Sentinel Light classes which are deemed to be non-weather sensitive.(identified in yellow)

The table 1.1 below shows the weather normalized years using the NAC. Determination of the Annual Average Use per Customer is found at table 1.2 at the next page. The 12-month historical used to determine the load forecast for the non- weather sensitive classes are presented at Table 1.3. Finally for the GS>50 kW, a kWh/kW ratio on the 2009 Actuals to determine the 2010 Forecast.

**Table 1.1- Weather normalized historical years.**

weather normalized								
	<b>METERED KILOWATT-HOURS (kWh)</b>							
		<b>2005</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>		<b>2010F</b>
Residential		26,856,711	26,581,493	26,558,558	26,581,493	26,604,427		26,627,362
GS<50kW		12,564,173	12,659,357	12,405,535	12,405,535	12,405,535		12,405,535
GS>50kW		19,523,494	20,524,699	20,524,699	20,524,699	19,523,494		19,022,892
Intermediate Users		50,416,143	53,977,594	44,939,095	24,123,994	20,110,397		18,502,357
Sentinel Lights		60,548	60,823	54,603	42,445	26,687		23,544
Street Lights		1,085,954	1,091,309	1,097,289	1,159,799	1,001,530		1,006,025
TOTAL		110,507,024	114,895,274	105,579,779	84,837,965	79,672,071		77,587,715
		weather sensitive kWh load, weather normalized based on 5-yr average use per customer						
		not weather sensitive, 2010 intermediate based on most recent actual 12-months, Sept'09 to Aug'10						
	<b>KILOWATTS (kW)</b>							
		<b>2005</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>		<b>2010F</b>
Residential								
GS<50kW								
GS>50kW		59,893	55,083	57,195	56,061	50,670		53,176
Intermediate Users		112,529	115,268	109,115	70,701	65,897		59,721
Sentinel Lights		169	168	148	121	99		72
Street Lights		3,038	3,036	3,056	3,069	3,071		3,084
TOTAL		175,630	173,555	169,514	129,952	119,737		116,053
		weather sensitive kW, use actual kW/kWh and weather normalized kWh; 2010 based on 2009 actual kW/kWh						
		not weather sensitive, 2010 intermediate based on most recent actual 12-months, Sept'09 to Aug'10						

**Table 1.2- NAC - based on 5 year average (2005-2009) use per customer.**

<b>METERED KILOWATT-HOURS (kWh)</b>							
	<b>2006 Approved</b>	<b>2005 Actual</b>	<b>2006 Actual</b>	<b>2007 Actual</b>	<b>2008 Actual</b>	<b>2009 Actual</b>	
Residential	27,473,386	26,899,810	25,897,339	27,069,577	26,596,195	26,719,860	
GS<50kW	12,719,994	13,067,330	12,993,046	12,370,240	12,592,670	11,429,892	
GS>50kW	21,314,306	20,810,683	19,484,942	21,523,842	20,680,870	18,126,386	
Intermediate Users	47,635,245	50,416,143	53,977,594	44,939,095	24,123,994	20,110,397	
Sentinel Lights	64,848	60,548	60,823	54,603	42,445	26,687	
Street Lights	1,108,379	1,085,954	1,091,309	1,097,289	1,159,799	1,001,530	
<b>TOTAL</b>	<b>110,316,158</b>	<b>112,340,468</b>	<b>113,505,053</b>	<b>107,054,646</b>	<b>85,195,973</b>	<b>77,414,752</b>	
<b>KILOWATTS (kW)</b>							
	<b>2006 Approved</b>	<b>2005 Actual</b>	<b>2006 Actual</b>	<b>2007 Actual</b>	<b>2008 Actual</b>	<b>2009 Actual</b>	
Residential							
GS<50kW							
GS>50kW	60,958	59,893	55,083	57,195	56,061	50,670	
Intermediate Users	108,040	112,529	115,268	109,115	70,701	65,897	
Sentinel Lights	182	169	168	148	121	99	
Street Lights	3,072	3,038	3,036	3,056	3,069	3,071	
<b>TOTAL</b>	<b>172,252</b>	<b>175,630</b>	<b>173,555</b>	<b>169,514</b>	<b>129,952</b>	<b>119,737</b>	
<b>CUSTOMERS (CONNECTIONS)</b>							
	<b>2006 Approved</b>	<b>2005 Actual</b>	<b>2006 Actual</b>	<b>2007 Actual</b>	<b>2008 Actual</b>	<b>2009 Actual</b>	
Residential	2,340	2,342	2,318	2,316	2,318	2,320	
GS<50kW	395	396	399	391	391	391	
GS>50kW	39	39	41	41	41	39	
Intermediate Users	3	3	3	3	3	3	
Sentinel Lights	23	46	46	45	38	17	
Street Lights	900	903	907	909	916	915	
<b>TOTAL</b>	<b>2,802</b>		<b>2,783</b>	<b>2,772</b>	<b>2,769</b>	<b>2,767</b>	
<b>Annual Average Use Per Customer (kWh)</b>							
		<b>2005 Actual</b>	<b>2006 Actual</b>	<b>2007 Actual</b>	<b>2008 Actual</b>	<b>2009 Actual</b>	<b>2005-2009 Avg</b>
Residential		11,486	11,172	11,688	11,474	11,517	11,467
GS<50kW		32,998	32,564	31,637	32,206	29,232	31,728
GS>50kW		533,607	475,242	524,972	504,411	464,779	500,602

**Table 1.3 – 12 Months Historical for non-weather sensitive.**

	Intermediate				Sentinel				Street Light		
	Month	kWh	kW		Month	kWh	kW		Month	kWh	kW
1	Sep-09	1,388,956	5,847		Sep-09	2,088	6		Sep-09	68,700	256
2	Oct-09	1,893,443	5,791		Oct-09	2,088	6		Oct-09	80,160	256
3	Nov-09	1,920,514	5,404		Nov-09	2,088	6		Nov-09	97,360	256
4	Dec-09	1,285,449	5,509		Dec-09	2,088	6		Dec-09	106,702	257
5	Jan-10	1,170,086	3,472		Jan-10	2,088	6		Jan-10	117,300	257
6	Feb-10	1,275,424	3,353		Feb-10	2,088	6		Feb-10	113,992	257
7	Mar-10	1,235,918	3,387		Mar-10	2,088	6		Mar-10	92,760	257
8	Apr-10	1,413,675	5,444		Apr-10	1,836	6		Apr-10	87,723	257
9	May-10	1,923,037	5,470		May-10	1,773	6		May-10	70,779	258
10	Jun-10	1,771,071	5,426		Jun-10	1,773	6		Jun-10	60,439	258
11	Jul-10	1,811,818	5,332		Jul-10	1,773	6		Jul-10	52,320	258
12	Aug-10	1,412,966	5,286		Aug-10	1,773	6		Aug-10	57,790	258
	Total	18,502,357	59,721		Total	23,544	72		Total	1,006,025	3,084

## Rate Base

The major contributor to the change in Rate Base is the change in Power Supply Expense. The Derivation of the Power Supply Expense is presented at the next page in the section entitled “Pass-Through Charges”.

		<b>2010 Projection</b>
<i>Net Capital Assets in Service:</i>		
Opening Balance		1,234,595
Ending Balance		1,343,572
Average Balance		1,289,084
Working Capital Allowance	<i>(see below)</i>	1,170,237
<b>Total Rate Base</b>		<b>2,459,320</b>
<b><i>Expenses for Working Capital</i></b>		
<u><i>Eligible Distribution Expenses:</i></u>		
3500-Distribution Expenses - Operation		106,940
3550-Distribution Expenses - Maintenance		284,565
3650-Billing and Collecting		230,079
3700-Community Relations		5,000
3800-Administrative and General Expenses		308,815
3950-Taxes Other Than Income Taxes		
Total Eligible Distribution Expenses		935,399
3350-Power Supply Expenses		6,866,179
Total Expenses for Working Capital		7,801,578
Working Capital factor		15.0%
<b>Working Capital Allowance</b>		<b>1,170,237</b>



## Pass-Through Charges

**Hearst Power Distribution Company Limited (ED-1999-0292)**

2010 EDR Application (EB-2009-0266) version: v2

September 30, 2010

**C2 Pass-through Charges**

Volumes from sheet C1, Account #s from sheet Y4

Enter rates for pass-through charges and estimated Low Voltage revenues

Electricity (Commodity)	Customer Class Name	Revenue USA #	Expense USA #	2009		2010	
				Volume	Amount	Volume	Amount
kWh	Residential	4006	4705	28,079,901	1,871,806	27,982,695	1,865,326
kWh	GS-50kW	4006	4705	12,011,674	800,698	13,036,977	869,045
kWh	GS-50kW	4035	4705	19,049,019	1,269,808	19,991,157	1,332,611
kWh	Intermediate Users	4035	4705	21,134,016	1,408,794	19,444,127	1,296,146
kWh	Sentinel Lights	4006	4705	28,045	1,870	24,742	1,649
kWh	Street Lights	4025	4705	1,052,508	70,160	1,057,232	70,475
	<b>TOTAL</b>			<b>81,355,163</b>	<b>5,423,135</b>	<b>81,536,930</b>	<b>5,435,252</b>
Transmission - Network	Customer Class Name	Revenue USA #	Expense USA #	2009		2010	
				Volume	Amount	Volume	Amount
kWh	Residential	4066	4714	28,079,901	\$0.0044	27,982,695	\$0.0051
kWh	GS-50kW	4066	4714	12,011,674	\$0.0040	13,036,977	\$0.0047
kW	GS-50kW	4066	4714	50,670	\$1.6512	53,176	\$1.9321
kW	Intermediate Users	4066	4714	65,897	\$1.8467	59,721	\$2.1609
kW	Sentinel Lights	4066	4714	99	\$1.2516	72	\$1.4645
kW	Street Lights	4066	4714	3,071	\$1.2452	3,084	\$1.4571
	<b>TOTAL</b>			<b>40,211,311</b>	<b>380,904</b>	<b>41,135,725</b>	<b>440,377</b>
Transmission - Connection	Customer Class Name	Revenue USA #	Expense USA #	2009		2010	
				Volume	Amount	Volume	Amount
kWh	Residential	4068	4716	28,079,901	\$0.0050	27,982,695	\$0.0045
kWh	GS-50kW	4068	4716	12,011,674	\$0.0045	13,036,977	\$0.0041
kW	GS-50kW	4068	4716	50,670	\$1.7837	53,176	\$1.6142
kW	Intermediate Users	4068	4716	65,897	\$2.1038	59,721	\$1.9038
kW	Sentinel Lights	4068	4716	99	\$1.4077	72	\$1.2739
kW	Street Lights	4068	4716	3,071	\$1.3790	3,084	\$1.2479
	<b>TOTAL</b>			<b>40,211,311</b>	<b>427,840</b>	<b>41,135,725</b>	<b>382,847</b>
Wholesale Market Service	Customer Class Name	Revenue USA #	Expense USA #	2009		2010	
				Volume	Amount	Volume	Amount
kWh	Residential	4062	4708	28,079,901	146,015	27,982,695	145,510
kWh	GS-50kW	4062	4708	12,011,674	62,461	13,036,977	67,792
kWh	GS-50kW	4062	4708	19,049,019	99,055	19,991,157	103,954
kWh	Intermediate Users	4062	4708	21,134,016	109,897	19,444,127	101,109
kWh	Sentinel Lights	4062	4708	28,045	146	24,742	129
kWh	Street Lights	4062	4708	1,052,508	5,473	1,057,232	5,498
	<b>TOTAL</b>			<b>81,355,163</b>	<b>423,047</b>	<b>81,536,930</b>	<b>423,992</b>
Rural Rate Protection	Customer Class Name	Revenue USA #	Expense USA #	2009		2010	
				Volume	Amount	Volume	Amount
kWh	Residential	4062	4730	28,079,901	36,504	27,982,695	36,378
kWh	GS-50kW	4062	4730	12,011,674	15,615	13,036,977	16,948
kWh	GS-50kW	4062	4730	19,049,019	24,764	19,991,157	25,989
kWh	Intermediate Users	4062	4730	21,134,016	27,474	19,444,127	25,277
kWh	Sentinel Lights	4062	4730	28,045	36	24,742	32
kWh	Street Lights	4062	4730	1,052,508	1,368	1,057,232	1,374
	<b>TOTAL</b>			<b>81,355,163</b>	<b>105,762</b>	<b>81,536,930</b>	<b>105,998</b>
Debt Retirement Charge	Customer Class Name	Revenue USA #	Expense USA #	2009		2010	
				Volume	Amount	Volume	Amount
	<b>TOTAL</b>						
Low Voltage Charges	Customer Class Name	Revenue USA #	Expense USA #	2009		2010	
				Volume	Amount	Volume	Amount
	<b>TOTAL (input amount)</b>	4075	4750		76,944		77,713
<b>GRAND TOTAL</b>					<b>6,837,633</b>		<b>6,866,179</b>

## Revenue Requirement

The major contributor to the change in Revenue Requirement is the change in the Regulated Return on Capital due to the change in Rate Base.

Distribution Revenue Requirement				
		2010 Projection	Non-recurring items (Total)	2010 Normalized
OM&A Expenses		935,399		935,399
3850-Amortization Expense		139,718		139,718
Total Distribution Expenses		1,075,117		1,075,117
Regulated Return On Capital		271,086		271,086
PILs (with gross-up)		27,293		27,293
<b>Service Revenue Requirement</b>		<b>1,373,496</b>		<b>1,373,496</b>
Less: Revenue Offsets		68,907		68,907
<b>Base Revenue Requirement</b>		<b>1,304,589</b>		<b>1,304,589</b>

## Cost Allocation Results

**Hearst Power Distribution Company Limited (ED-1999-0292)**

2010 EDR Application (EB-2009-0266) version: v2

September 30, 2010

**F3 Cost Allocation***Enter selected amounts from sheets 'O1' and 'O2' of Cost Allocation model*

Customer Class Name	REVENUE ALLOCATION (sheet O1)						
	Service Revenue Requirement	%	Miscellaneous Revenue (mi)	%	Base Revenue Requirement *	%	Revenue to Expenses %
Residential	830,418	59.16%	23,773	62.32%	806,645	59.07%	59.34%
GS<50kW	241,289	17.19%	7,464	19.57%	233,825	17.12%	61.47%
GS>50kW	105,698	7.53%	3,946	10.35%	101,752	7.45%	147.19%
Intermediate Users	85,829	6.11%	1,832	4.80%	83,997	6.15%	23.16%
Sentinel Lights	1,607	0.11%	18	0.05%	1,589	0.12%	38.57%
Street Lights	138,907	9.90%	1,111	2.91%	137,796	10.09%	11.34%
TOTAL (from Column C of sheet O1)	1,403,748	100.00%	38,144	100.00%	1,365,604	100.00%	100.00%
	OK	OK	OK	OK	OK	OK	

\* Service Revenue Requirement less Miscellaneous Revenue

CUSTOMER UNIT COST PER MONTH (sheet O2)					
Customer Class Name	Avoided Costs (Minimum Charge)	Directly Related	Minimum System with PLCC * adjustment	Existing Fixed Rate	Maximum Charge **
Residential	\$7.92	\$11.62	\$21.92	\$7.42	\$21.92
GS<50kW	\$18.86	\$27.38	\$36.30	\$4.97	\$36.30
GS>50kW	\$67.70	\$100.30	\$103.40	\$29.41	\$103.40
Intermediate Users	\$630.40	\$872.19	\$874.04	\$57.09	\$874.04
Sentinel Lights	\$0.27	\$0.42	\$11.91	\$3.98	\$11.91
Street Lights	\$0.01	\$0.01	\$12.38	\$0.99	\$12.38

\* PLCC = 'Peak Load Carrying Capability'

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

## Revenue Allocation

**Hearst Power Distribution Company Limited (ED-1999-0292)**

2010 EDR Application (EB-2009-0266) version: v2

September 30, 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	59.07%	55.36%	59.01%	770,604	722,173	769,794		769,794
GS<50kW	17.12%	16.62%	16.76%	223,378	216,875	218,617		218,617
GS>50kW	7.45%	19.97%	11.10%	97,206	260,495	144,747		144,747
Intermediate Users	6.15%	6.25%	6.02%	80,244	81,571	78,560		78,560
Sentinel Lights	0.12%	0.07%	0.08%	1,518	927	1,057		1,057
Street Lights	10.09%	1.73%	7.04%	131,639	22,548	91,814		91,814
<b>TOTAL</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>	<b>1,304,589</b>	<b>1,304,589</b>	<b>1,304,589</b>		<b>1,304,589</b>
			<b>OK</b>			<b>OK</b>		

<sup>1</sup> from sheet F3<sup>2</sup> from sheet C4<sup>3</sup> from sheet F2

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	769,794		25,561	795,355
GS<50kW	218,617		10,850	229,467
GS>50kW	144,747	10,305	17,424	172,476
Intermediate Users	78,560	20,921	23,079	122,560
Sentinel Lights	1,057		19	1,076
Street Lights	91,814		781	92,595
<b>TOTAL</b>	<b>1,304,589</b>	<b>31,226</b>	<b>77,713</b>	<b>1,413,528</b>
		<b>OK</b>		

<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:	89,216	(\$0.3500)	-31,226

**Hearst Power Distribution Company Limited (ED-1999-0292)**

2010 EDR Application (EB-2009-0266) version: v2

September 30, 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	125,922	32.9%	25,561	26,627,362	\$0.0010	kWh
GS<50kW	53,452	14.0%	10,850	12,405,535	\$0.0009	kWh
GS>50kW	85,837	22.4%	17,424	53,176	\$0.3277	kW
Intermediate Users	113,697	29.7%	23,079	59,721	\$0.3864	kW
Sentinel Lights	92	0.0%	19	72	\$0.2586	kW
Street Lights	3,849	1.0%	781	3,084	\$0.2533	kW
<b>TOTAL</b>	<b>382,847</b>	<b>100.0%</b>	<b>77,713</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			Previous Revenue to Cost Ratio <sup>9</sup>	Variance	Target Range	
	Rate Application <sup>8</sup>	Cost Allocation <sup>8</sup>	Revenue to Cost Ratio			Floor	Ceiling
Residential	793,567	794,377	1.00	0.59	0.41	0.85	1.15
GS<50kW	226,081	230,842	0.98	0.61	0.36	0.80	1.20
GS>50kW	148,693	101,152	1.47	1.47	-0.00	0.80	1.80
Intermediate Users	80,392	82,076	0.98	0.23	0.75	0.80	1.80
Sentinel Lights	1,075	1,536	0.70	0.39	0.31	0.70	1.20
Street Lights	92,925	132,750	0.70	0.11	0.59	0.70	1.20
<b>TOTAL</b>	<b>1,342,733</b>	<b>1,342,733</b>	<b>1.00</b>	<b>1.00</b>			

<sup>8</sup> Base Revenue Requirement (per first table above), plus Miscellaneous Revenues (per sheet F3)<sup>9</sup> from sheet F3



## Rate Design

**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	\$7.42	43.22%	56.78%	\$7.92	27.75%	72.25%	\$21.92	76.79%	23.21%
GS<50kW	\$4.97	16.23%	83.77%	\$18.86	38.56%	61.44%	\$36.30	74.22%	25.78%
GS>50kW	\$29.41	7.77%	92.23%	\$67.70	17.90%	82.10%	\$103.40	27.34%	72.66%
Intermediate Users	\$57.09	3.80%	96.20%	\$630.40	18.52%	81.48%	\$874.04	25.67%	74.33%
Sentinel Lights	\$3.98	77.79%	22.21%	\$0.27	3.01%	96.99%	\$11.91	132.85%	-32.85%
Street Lights	\$0.99	73.34%	26.66%	\$0.01	0.12%	99.88%	\$12.38	147.93%	-47.93%

(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	\$12.34	43.22%	56.78%	<b>\$9.00</b>	31.53%	68.47%	\$0.0205	kWh	\$0.0102
GS<50kW	\$7.94	16.23%	83.77%	<b>\$20.50</b>	41.92%	58.08%	\$0.0107	kWh	\$0.0097
GS>50kW	\$29.40	7.77%	92.23%	<b>\$72.00</b>	19.04%	80.96%	\$2.6261	kW	\$2.9926
Intermediate Users	\$129.50	3.80%	96.20%	<b>\$320.00</b>	9.40%	90.60%	\$1.8593	kW	\$0.8703
Sentinel Lights	\$6.97	77.79%	22.21%	<b>\$5.00</b>	55.77%	44.23%	\$6.6086	kW	\$1.8938
Street Lights	\$6.14	73.34%	26.66%	<b>\$0.50</b>	5.97%	94.03%	\$28.2307	kW	\$1.2912

(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 LV &amp; Transformer Allowance recoveries

## Rate Schedule

## Hearst Power Distribution Company Limited (ED-1999-0292)

2010 EDR Application (EB-2009-0266) version: v2

September 30, 2010

### Appendix 1-1

#### Monthly Rates and Charges

		Effective May 1/10
<b>Residential</b>		
Service Charge	\$	9.00
Distribution Volumetric Rate	\$/kWh	0.0195
Low Voltage Service Rate	\$/kWh	0.0010
Deferral Account Rate Rider - effective until April 30, 2014	\$/kWh	(0.0023)
Global Adjustment Rate Rider (non-RPP accounts) - effective until April 30, 2011	\$/kWh	0.0136
Retail Transmission Rate – Network Service Rate	\$/kWh	0.0051
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kWh	0.0045
Wholesale Market Service Rate	\$/kWh	0.0052
Rural Rate Protection Charge	\$/kWh	0.0013
Standard Supply Service – Administrative Charge (if applicable)	\$	0.25
<b>GS&lt;50kW</b>		
Service Charge	\$	20.50
Distribution Volumetric Rate	\$/kWh	0.0098
Low Voltage Service Rate	\$/kWh	0.0009
Deferral Account Rate Rider - effective until April 30, 2014	\$/kWh	(0.0023)
Global Adjustment Rate Rider (non-RPP accounts) - effective until April 30, 2011	\$/kWh	0.0136
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>GS&gt;50kW</b>		
Service Charge	\$	72.00
Distribution Volumetric Rate	\$/kW	2.2984
Low Voltage Service Rate	\$/kW	0.3277
Deferral Account Rate Rider - effective until April 30, 2014	\$/kW	(0.8414)
Global Adjustment Rate Rider (non-RPP accounts) - effective until April 30, 2011	\$/kWh	0.0136
Retail Transmission Rate – Network Service Rate	\$/kW	1.9321
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kW	1.6142
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

Effective  
May 1/10

#### Intermediate Users

Service Charge	\$	320.00
Distribution Volumetric Rate	\$/kW	1.4729
Low Voltage Service Rate	\$/kW	0.3864
Deferral Account Rate Rider - effective until April 30, 2014	\$/kW	(0.7443)
Global Adjustment Rate Rider (non-RPP accounts) - effective until April 30, 2011	\$/kWh	0.0136
Retail Transmission Rate – Network Service Rate	\$/kW	2.1609
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kW	1.9038
Wholesale Market Service Rate	\$/kWh	0.0052
Rural Rate Protection Charge	\$/kWh	0.0013
Standard Supply Service – Administrative Charge (if applicable)	\$	0.25

#### Sentinel Lights

Service Charge (per connection)	\$	5.00
Distribution Volumetric Rate	\$/kW	6.3500
Low Voltage Service Rate	\$/kW	0.2586
Deferral Account Rate Rider - effective until April 30, 2014	\$/kW	(0.7235)
Global Adjustment Rate Rider (non-RPP accounts) - effective until April 30, 2011	\$/kWh	0.0136
Retail Transmission Rate – Network Service Rate	\$/kW	1.4645
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kW	1.2739
Wholesale Market Service Rate	\$/kWh	0.0052
Rural Rate Protection Charge	\$/kWh	0.0013
Standard Supply Service – Administrative Charge (if applicable)	\$	0.25

#### microFIT Generator Service (effective September 21, 2009)

Service Charge	\$	5.25
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#### Specific Service Charges

Arrears Certificate	\$	15.00
	\$	
Returned Cheque charge (plus bank charges)	\$	15.00
Account set up charge / change of occupancy charge	\$	30.00
Late Payment - per month	%	1.50
Disconnect/Reconnect at meter – during regular hours	\$	40.00
Specific Charge for Access to the Power Poles – per pole/year	\$	22.35
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
Service Transaction Request -- processing fee (per processed request)	\$	0.50
	\$	

## Appendix 1-1

### *Monthly Rates and Charges*

		Effective May 1/10
<b>Allowances</b>		
Transformer Allowance for Ownership - per kW of billing demand/month	\$/kW	-0.35
Primary Metering Allowance for transformer losses – applied to measured demand and energy	%	
<b>LOSS FACTORS</b>		
Secondary Metered Customer < 5000 kWh		1.0312
Primary Metered Customer < 5000 kWh		1.0312

## Bill Impacts

# F8 Customer Bill Impact Analysis

RPP rates per sheet Y7

## Residential

## RPP: Summer

800 kWh's

	Metric	2009 BILL			2010 BILL			CHANGE IMPACT	
		Volume	Rate	Charge	Volume	Rate	Charge	\$	%
† Monthly Service Charge				\$8.42			\$9.00	\$0.58	6.9%
† Distribution	kWh	800	\$0.0102	\$8.16	800	\$0.0205	\$16.40	\$8.24	>100%
<b>Sub-Total (Distribution)</b>				<b>\$16.58</b>			<b>\$25.40</b>	<b>\$8.82</b>	<b>53.2%</b>
† Deferral/Variance	kWh	800			800	(\$0.0023)	(\$1.84)	(\$1.84)	
Electricity (Commodity)	kWh	841	RPP-Summer	\$57.05	825	RPP-Summer	\$55.87	(\$1.18)	(2.1%)
† Transmission - Network	kWh	841	\$0.0044	\$3.70	825	\$0.0051	\$4.21	\$0.51	13.8%
† Transmission - Connection	kWh	841	\$0.0050	\$4.20	825	\$0.0045	\$3.71	(\$0.49)	(11.7%)
Wholesale Market Service	kWh	841	\$0.0052	\$4.37	825	\$0.0052	\$4.29	(\$0.08)	(1.8%)
Rural Rate Protection	kWh	841	\$0.0013	\$1.09	825	\$0.0013	\$1.07	(\$0.02)	(1.8%)
Debt Retirement Charge	kWh	800	\$0.0061	\$4.88	800	\$0.0061	\$4.88		
<b>TOTAL BILL</b>				<b>\$91.87</b>			<b>\$97.59</b>	<b>\$5.72</b>	<b>6.2%</b>
† Delivery Only				\$24.48			\$31.48	\$7.00	28.6%



# F8 Customer Bill Impact Analysis

RPP rates per sheet Y7

GS&lt;50kW

RPP: Non-res.

2,000 kWh's

	Metric	2009 BILL			2010 BILL			CHANGE IMPACT	
		Volume	Rate	Charge	Volume	Rate	Charge	\$	%
† Monthly Service Charge				\$5.97			\$20.50	\$14.53	>100%
† Distribution	kWh	2,000	\$0.0097	\$19.40	2,000	\$0.0107	\$21.40	\$2.00	10.3%
<b>Sub-Total (Distribution)</b>				<b>\$25.37</b>			<b>\$41.90</b>	<b>\$16.53</b>	<b>65.2%</b>
† Deferral/Variance	kWh	2,000			2,000	(\$0.0023)	(\$4.60)	(\$4.60)	
Electricity (Commodity)	kWh	2,102	RPP-Non-res.	\$150.14	2,062	RPP-Non-res.	\$147.18	(\$2.96)	(2.0%)
† Transmission - Network	kWh	2,102	\$0.0040	\$8.41	2,062	\$0.0047	\$9.69	\$1.28	15.2%
† Transmission - Connection	kWh	2,102	\$0.0045	\$9.46	2,062	\$0.0041	\$8.46	(\$1.00)	(10.6%)
Wholesale Market Service	kWh	2,102	\$0.0052	\$10.93	2,062	\$0.0052	\$10.72	(\$0.21)	(1.9%)
Rural Rate Protection	kWh	2,102	\$0.0013	\$2.73	2,062	\$0.0013	\$2.68	(\$0.05)	(1.8%)
Debt Retirement Charge	kWh	2,000	\$0.0061	\$12.20	2,000	\$0.0061	\$12.20		
<b>TOTAL BILL</b>				<b>\$219.24</b>			<b>\$228.23</b>	<b>\$8.99</b>	<b>4.1%</b>
† Delivery Only				\$43.24			\$55.45	\$12.21	28.2%

# F8 Customer Bill Impact Analysis

RPP rates per sheet Y7

GS&gt;50kW

RPP: Non-res.

41,700 kWh's

120 kW's

	Metric	2009 BILL			2010 BILL			CHANGE IMPACT	
		Volume	Rate	Charge	Volume	Rate	Charge	\$	%
† Monthly Service Charge				\$30.41			\$72.00	\$41.59	>100%
† Distribution	kW	120	\$2.9926	\$359.11	120	\$2.6261	\$315.13	(\$43.98)	(12.2%)
<b>Sub-Total (Distribution)</b>				<b>\$389.52</b>			<b>\$387.13</b>	<b>(\$2.39)</b>	<b>(0.6%)</b>
† Deferral/Variance	kW	120			120	(\$0.8414)	(\$100.97)	(\$100.97)	
Electricity (Commodity)	kWh	43,823	RPP-Non-res.	\$3,279.19	43,001	RPP-Non-res.	\$3,217.58	(\$61.61)	(1.9%)
† Transmission - Network	kW	120	\$1.6512	\$198.14	120	\$1.9321	\$231.85	\$33.71	17.0%
† Transmission - Connection	kW	120	\$1.7837	\$214.04	120	\$1.6142	\$193.70	(\$20.34)	(9.5%)
Wholesale Market Service	kWh	43,823	\$0.0052	\$227.88	43,001	\$0.0052	\$223.61	(\$4.27)	(1.9%)
Rural Rate Protection	kWh	43,823	\$0.0013	\$56.97	43,001	\$0.0013	\$55.90	(\$1.07)	(1.9%)
Debt Retirement Charge	kWh	41,700	\$0.0061	\$254.37	41,700	\$0.0061	\$254.37		
<b>TOTAL BILL</b>				<b>\$4,620.11</b>			<b>\$4,463.17</b>	<b>(\$156.94)</b>	
† Delivery Only				\$801.70			\$711.71	(\$89.99)	(11.2%)

# F8 Customer Bill Impact Analysis

RPP rates per sheet Y7

## Intermediate Users

RPP: Non-res.

1,500,000 kWh's

5,000 kW's

	Metric	2009 BILL			2010 BILL			CHANGE IMPACT	
		Volume	Rate	Charge	Volume	Rate	Charge	\$	%
† Monthly Service Charge				\$57.09			\$320.00	\$262.91	>100%
† Distribution	kW	5,000	\$0.8703	\$4,351.50	5,000	\$1.8593	\$9,296.50	\$4,945.00	>100%
<b>Sub-Total (Distribution)</b>				<b>\$4,408.59</b>			<b>\$9,616.50</b>	<b>\$5,207.91</b>	<b>&gt;100%</b>
† Deferral/Variance	kW	5,000			5,000	(\$0.7443)	(\$3,721.50)	(\$3,721.50)	
Electricity (Commodity)	kWh	1,576,350	RPP-Non-res.	\$118,218.75	1,546,800	RPP-Non-res.	\$116,002.50	(\$2,216.25)	(1.9%)
† Transmission - Network	kW	5,000	\$1.8467	\$9,233.50	5,000	\$2.1609	\$10,804.50	\$1,571.00	17.0%
† Transmission - Connection	kW	5,000	\$2.1038	\$10,519.00	5,000	\$1.9038	\$9,519.00	(\$1,000.00)	(9.5%)
Wholesale Market Service	kWh	1,576,350	\$0.0052	\$8,197.02	1,546,800	\$0.0052	\$8,043.36	(\$153.66)	(1.9%)
Rural Rate Protection	kWh	1,576,350	\$0.0013	\$2,049.26	1,546,800	\$0.0013	\$2,010.84	(\$38.42)	(1.9%)
Debt Retirement Charge	kWh	1,500,000	\$0.0061	\$9,150.00	1,500,000	\$0.0061	\$9,150.00		
<b>TOTAL BILL</b>				<b>\$161,776.12</b>			<b>\$161,425.20</b>	<b>(\$350.92)</b>	<b>(0.2%)</b>
† Delivery Only				\$24,161.09			\$26,218.50	\$2,057.41	8.5%

# F8 Customer Bill Impact Analysis

RPP rates per sheet Y7

## Sentinel Lights

RPP: n/a

196 kWh's

1 kW's

	Metric	2009 BILL			2010 BILL			CHANGE IMPACT	
		Volume	Rate	Charge	Volume	Rate	Charge	\$	%
† Monthly Service Charge				\$3.98			\$5.00	\$1.02	25.6%
† Distribution	kW	0.60	\$1.8938	\$1.14	1	\$6.6086	\$3.97	\$2.83	>100%
<b>Sub-Total (Distribution)</b>				<b>\$5.12</b>			<b>\$8.97</b>	<b>\$3.85</b>	<b>75.2%</b>
† Deferral/Variance	kW	0.60			1	(\$0.7235)	(\$0.43)	(\$0.43)	
Electricity (Commodity)	kWh	206	\$0.0667	\$13.74	202	\$0.0667	\$13.49	(\$0.25)	(1.8%)
† Transmission - Network	kW	0.60	\$1.2516	\$0.75	1	\$1.4645	\$0.88	\$0.13	17.3%
† Transmission - Connection	kW	0.60	\$1.4077	\$0.84	1	\$1.2739	\$0.76	(\$0.08)	(9.5%)
Wholesale Market Service	kWh	206	\$0.0052	\$1.07	202	\$0.0052	\$1.05	(\$0.02)	(1.9%)
Rural Rate Protection	kWh	206	\$0.0013	\$0.27	202	\$0.0013	\$0.26	(\$0.01)	(3.7%)
Debt Retirement Charge	kWh	196	\$0.0061	\$1.20	196	\$0.0061	\$1.20		
<b>TOTAL BILL</b>				<b>\$22.99</b>			<b>\$26.18</b>	<b>\$3.19</b>	<b>13.9%</b>
† Delivery Only				\$6.71			\$10.18	\$3.47	51.7%

# F8 Customer Bill Impact Analysis

RPP rates per sheet

## Residential

## RPP: Winter

1,000 kWh's

	Metric	2009 BILL			2010 BILL			CHANGE IMPACT	
		Volume	Rate	Charge	Volume	Rate	Charge	\$	%
† Monthly Service Charge				\$8.42			\$9.00	\$0.58	6.9%
† Distribution	kWh	1,000	\$0.0102	\$10.20	1,000	\$0.0205	\$20.50	\$10.30	>100%
<b>Sub-Total (Distribution)</b>				<b>\$18.62</b>			<b>\$29.50</b>	<b>\$10.88</b>	<b>58.4%</b>
† Deferral/Variance	kWh	1,000			1,000	(\$0.0023)	(\$2.30)	(\$2.30)	
Electricity (Commodity)	kWh	1,051	RPP-Winter	\$68.82	1,031	RPP-Winter	\$67.34	(\$1.48)	(2.2%)
† Transmission - Network	kWh	1,051	\$0.0044	\$4.62	1,031	\$0.0051	\$5.26	\$0.64	13.9%
† Transmission - Connection	kWh	1,051	\$0.0050	\$5.25	1,031	\$0.0045	\$4.64	(\$0.61)	(11.6%)
Wholesale Market Service	kWh	1,051	\$0.0052	\$5.46	1,031	\$0.0052	\$5.36	(\$0.10)	(1.8%)
Rural Rate Protection	kWh	1,051	\$0.0013	\$1.37	1,031	\$0.0013	\$1.34	(\$0.03)	(2.2%)
Debt Retirement Charge	kWh	1,000	\$0.0061	\$6.10	1,000	\$0.0061	\$6.10		
<b>TOTAL BILL</b>				<b>\$110.24</b>			<b>\$117.24</b>	<b>\$7.00</b>	<b>6.3%</b>
† Delivery Only				\$28.49			\$37.10	\$8.61	30.2%