



CANADIAN NIAGARA POWER INC.

A **FORTIS** ONTARIO
Company

BY COURIER

December 11, 2007

Ms. Kirsten Walli
Board Secretary
Ontario Energy Board
2300 Yonge Street
Suite 2700
P.O. Box 2319
Toronto, ON M4P 1E4

Dear Ms. Walli:

RE: CANADIAN NIAGARA POWER INC. – FORT ERIE 2008 IRM – EB-2007-0839
ADDENDUM – RETAIL TRANSMISSION RATES

Please find attached two paper copies of an addendum to Canadian Niagara Power Inc. – Fort Erie's 2008 Incentive Rate Mechanism Application. Along with the paper copies of the Addendum is a CD containing a copy of the Addendum in PDF format.

Yours truly,

Douglas R. Bradbury
Director, Regulatory Affairs

Enclosures

RETAIL TRANSMISSION RATES

On October 29, 2007, Canadian Niagara Power Inc. – Fort Erie (“CNPI – Fort Erie”) submitted a 2008 Incentive Rate Mechanism application for an Order or Orders approving electricity distribution rates effective May 1, 2008.

CNPI – Fort Erie has applied for electricity distribution rates on the basis of the Board’s *Report of the Board on Cost of Capital and 2nd Generation Incentive Regulation for Ontario’s Electricity Distributors* and the 2008 IRM instructions. The Board has assigned file number EB-2007-0839 to this matter.

On October 17, 2007, the Board issued an Order in the matter of EB-2007-0759, establishing Uniform Transmission Rates effective November 1, 2007.

On October 29, 2007, the Board directed distributors to amend its 2008 Cost of Service or Incentive Rate Mechanism application and propose an adjustment to their retail transmission rates and disposition of the associated retail settlement variance account balances.

CNPI – Fort Erie will be impacted by the approved changes to the Uniform Transmission Rates in that these rates invoiced by the Independent Electric System Operator (the “IESO”) impact customer billing and contribute to the respective Retail Settlement Variance Accounts.

As directed by the Board, CNPI – Fort Erie is proposing an adjustment to its retail transmission rates and disposition of the respective retail settlement variance accounts as an addendum to its 2008 Incentive Rate Mechanism application filed with the Board.

CNPI – Fort Erie requests that the retail transmission rates proposed in this addendum be made effective May 1, 2008.

METHODOLOGY

CNPI – Fort Erie employed the methodology described in the following text to determine the proposed retail transmission rates.

Retail Transmission Revenue Requirement

The retail transmission revenue requirement was determined by extracting the IESO transmission charges for the previous 24 month period and using the monthly averages to normalize the invoicing.

CNPI – Fort Erie is somewhat unique in that it does not utilize the dual element station design used in much of the province. As a result, in order to perform maintenance or respond to a forced outage, CNPI – Fort Erie may have to transfer supply from one IESO delivery point to another; this practice will attract additional transmission charges from the IESO though no actual additional loads occurs. CNPI – Fort Erie strives to limit its station maintenance to off peak periods and restrained to a single calendar month; this practice minimizes the applicable IESO charges and therefore benefits the customers. In the most recent 24 month period, CNPI – Fort Erie has incurred these additional charges from the IESO as a result of load transfers for maintenance; these additional charges have been adjusted downward, for purposes of determining a normalized revenue requirement, reflecting CNPI – Fort Erie's planned maintenance schedule.

CNPI – Fort Erie has determined its retail transmission requirement for this exercise as shown in the Table 1 below.

1 Table 1
2 Retail Transmission Revenue Requirement

Charge Type	Revenue Requirement
Network Service Charge	\$1,655,970
Line & Transformation Connection Charge	\$1,426,983
Total Transmission Charges	\$3,082,953

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4 Summary of Uniform Transmission Rate Changes

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6 The changes to the Uniform Transmission Rates approved by the Board in EB-2007-
7 0759 are summarized in Table 2 below.

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9 Table 2
10 Changes to the Uniform Transmission Rates

Charge Type	Current Rates	New Rates	Change %
Network Service Charge (\$/kW)	2.83	2.31	-18.4
Connection Service Charges (\$/kW)	2.32	2.20	-5.2

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12 New Retail Transmission Revenue Requirement

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14 To reflect the new Uniform Transmission Rates, the retail transmission revenue
15 requirement specified in Table 1 has been reduced by the percentage change in
16 Table 2. The new retail transmission revenue requirement is shown in Table 3

17
18 Table 3
19 New Retail Transmission Revenue Requirement

Charge Type	New Revenue Requirement
Network Service Charge	\$1,351,693
Line & Transformation Connection Charge	\$1,353,174
Total Transmission Charges	\$2,704,867

Adjustments to the New Retail Transmission Revenue Requirement

The new retail transmission revenue requirement identified in Table 3, has been further refined to 1) recognize the projected over recovery from November 1, 2007 to April 30, 2008 resulting from the reduced uniform transmission rates, and 2) clear the retail settlement variance accounts (RSVA) associated with retail transmission service charges.

Based on historic billing patterns, CNPI – Fort Erie estimates that approximately 48% of the annual retail transmission revenue requirement is realized in the period from November 1st to April 30th. To compensate for the anticipated over recovery of retail transmission revenue for this period, CNPI – Fort Erie is reducing its 2008 retail transmission revenue requirement accordingly. This is detailed in Table 4.

As of October 31, 2007, CNPI – Fort Erie has debit balances in its RSVA – Network Service and RSVA – Connection Service accounts. CNPI – Fort Erie is proposing to recover the debit balances during the 2008 rate year. The balances are shown in Table 4.

Table 4

Adjustments to Retail Transmission Revenue Requirement

Description	Acct. 1584 Network	Acct. 1586 Connection	Total
Estimated Over Recovery from November 1, 2007 to April 30, 2008	(\$146,053)	(\$35,429)	(\$181,482)
Current Debit Balance (Including Interest Improvement)	\$124,107	\$94,075	\$218,182
Total Adjustment to Retail Transmission Revenue Requirement	(\$21,946)	\$58,646	\$36,700

Summary of Proposed 2008 Retail Transmission Rates

Table 5

Development of the 2008 Estimated Retail Transmission Revenue Requirement

Description	Acct. 1584 Network	Acct. 1586 Connection	Total
Current Revenue Requirement	\$1,655,970	\$1,426,983	\$3,082,953
Uniform Transmission Rate Reduction	-18.4%	-5.2%	-12.6%
Updated Revenue Requirement	\$1,351,693	\$1,353,174	\$2,704,867
Anticipated Over Recovery due to Rate Change	(\$146,053)	(\$35,429)	(\$181,482)
RSVA Balances (Debit Balance)	\$124,107	\$94,075	\$218,182
Estimated Retail Transmission Revenue Requirement for May 1, 2008 to April 30, 2009	\$1,329,747	\$1,411,820	\$2,741,567
Impact on Retail Transmission Rates	-19.70%	-1.06%	-11.07%

Table 6 compares the current retail transmission rates approved for September 1, 2007 with the proposed rates for May 1, 2008. The percentage change in rates was determined as the percentage of the estimated retail transmission revenue requirement for May 1, 2008 to April 30, 2009 to the current retail transmission revenue requirement.

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Table 6
Proposed 2008 Retail Transmission Rates

Monthly Rate	Metric	Sept 1, 2007	% Change	May 1, 2008
Residential				
Network Service Rate	\$/kWh	0.0054	-19.70	0.0043
Line & Transformation Service Rate	\$/kWh	0.0047	-1.06	0.0047
General Service Less Than 50 kW				
Network Service Rate	\$/kWh	0.0049	-19.70	0.0039
Line & Transformation Service Rate	\$/kWh	0.0042	-1.06	0.0042
General Service 50 to 4,999 kW				
Network Service Rate	\$/kW	2.0150	-19.70	1.6180
Line & Transformation Service Rate	\$/kW	1.6849	-1.06	1.6670
Unmetered Scattered Load				
Network Service Rate	\$/kWh	0.0049	-19.70	0.0039
Line & Transformation Service Rate	\$/kWh	0.0042	-1.06	0.0042
Sentinel Lighting				
Network Service Rate	\$/kW	1.6083	-19.70	1.2915
Line & Transformation Service Rate	\$/kW	1.3298	-1.06	1.3157
Street Lighting				
Network Service Rate	\$/kW	1.5196	-19.70	1.2202
Line & Transformation Service Rate	\$/kW	1.3025	-1.06	1.2887

RETAIL TRANSMISSION RATES REQUESTED

CNPI – Fort Erie requests the following retail transmission rates.

Retail Transmission Rates, Effective May 1, 2008

Residential

Retail Transmission Rate - Network Service Rate	\$/kWh	0.0043
Retail Transmission Rate - Line and Transformation Connection Service Rate	\$/kWh	0.0047

General Service Less Than 50 kW

Retail Transmission Rate - Network Service Rate	\$/kWh	0.0039
Retail Transmission Rate - Line and Transformation Connection Service Rate	\$/kWh	0.0042

General Service 50 to 4,999 kW

Retail Transmission Rate - Network Service Rate	\$/kW	1.6180
Retail Transmission Rate - Line and Transformation Connection Service Rate	\$/kW	1.6670

Unmetered Scattered Load

Retail Transmission Rate - Network Service Rate	\$/kWh	0.0039
Retail Transmission Rate - Line and Transformation Connection Service Rate	\$/kWh	0.0042

Sentinel Lighting

Retail Transmission Rate - Network Service Rate	\$/kW	1.2915
Retail Transmission Rate - Line and Transformation Connection Service Rate	\$/kW	1.3157

Street Lighting

Retail Transmission Rate - Network Service Rate	\$/kW	1.2202
Retail Transmission Rate - Line and Transformation Connection Service Rate	\$/kW	1.2887

RATE IMPACTS

As a result of changing the retail transmission rates the Customer impacts for total bill and electricity distribution charges for the period of September 1, 2007 versus May 1, 2008 have changed from those originally stated in the 2008 IRM application. In order to illustrate the May 1, 2008 versus September 1, 2007 total bill impact for customers, CNPI – Fort Erie has included, in Appendix A (attached hereto), bill impact sheets in the same format as the sheets contained within the 2008 IRM Model.

Customer impacts for the total bill calculated from the period September 1, 2007 to May 1, 2008 for common customer profiles are summarized below:

Customer Class	Typical Customer	Impact on Total Bill	
		%	\$
Residential	1,000 kWh	-4.8%	-\$5.70
GS Less Than 50 kW	2,000 kWh	0.3%	\$0.61

ALL OF WHICH IS RESPECTFULLY SUBMITTED

Appendix A

Bill Impact Sheets

CNPI – Fort Erie

2008 INCENTIVE RATE MECHANISM ADJUSTMENT

Canadian Niagara Power Inc. - Fort Erie

EB-2007-XXXX, EB-2007-0514, EB-2005-0344

Thursday, November 01, 2007

Annualized Bill Impact September 1, 2007 vs. May 1, 2008

Regulated Price Plan Residential	May-07 Threshold	May-07 \$/ kWh	May-08 Threshold	May-08 \$/ kWh
less than or equal to	600	\$ 0.053	600	\$ 0.053
greater than	> 600	\$ 0.062	> 600	\$ 0.062

Regulated Price Plan Non-Residential	May-07 Threshold	May-07 \$/ kWh	May-08 Threshold	May-08 \$/ kWh
less than or equal to	750	\$ 0.053	750	\$ 0.053
greater than	> 750	\$ 0.062	> 750	\$ 0.062

Residential

Consumption	1,000 kWh	0 kW	Loss Factor 1.0479
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	September 2007 BILL			May 2008 BILL			IMPACT		
	Volume	RATE \$	CHARGE \$	Volume	RATE \$	CHARGE \$	\$	%	% of Total Bill
Energy First Tier (kWh)	600	\$ 0.0530	\$ 31.80	600	\$ 0.0530	\$ 31.80	\$0.00	0.0%	28.33%
Energy Second Tier (kWh)	448	\$ 0.0620	\$ 27.77	448	\$ 0.0620	\$ 27.77	\$0.00	0.0%	24.74%
Sub-Total: Energy			\$ 59.57			\$ 59.57	\$0.00	0.0%	53.08%
Monthly Service Charge	1	\$ 19.94	\$ 19.94	1	\$ 20.02	\$ 20.02	\$0.08	0.4%	17.84%
Distribution (kWh)	1,000	\$ 0.0072	\$ 7.20	1,000	\$ 0.0072	\$ 7.20	\$0.00	0.0%	6.42%
Distribution (kW)	0	\$ -	\$ -	0	\$ -	\$ -	\$0.00	0.0%	0.00%
Regulatory Assets (kWh)	1,000	\$ 0.0043	\$ 4.30	1,000	\$ -	\$ -	(\$4.30)	(100.0)%	0.00%
Rate Riders	1,000	\$ -	\$ -	1,000	\$ -	\$ -	\$0.00	0.0%	0.00%
Monthly Rate Rider Adjustment (Sheet 9)	1	\$ 2.11	\$ 2.11	1	\$ 2.11	\$ 2.11	\$0.00	0.0%	1.88%
Volumetric Rate Rider Adjustment (Sheet 9)	1,000	\$ 0.0008	\$ 0.80	1,000	\$ 0.0008	\$ 0.80	\$0.00	0.0%	0.71%
Retail Transmission Rate – Network Service Rate	1,048	\$ 0.0054	\$ 5.66	1,048	\$ 0.0043	\$ 4.51	(\$1.15)	(20.4)%	4.01%
Retail Transmission Rate – Line and Transformation Connection Service Rate	1,048	\$ 0.0047	\$ 4.93	1,048	\$ 0.0047	\$ 4.93	\$0.00	0.0%	4.39%
Sub-Total: Delivery			\$ 44.93			\$ 39.56	(\$5.37)	(12.0)%	35.25%
Wholesale Market Service Rate	1048	\$ 0.0052	\$ 5.45	1048	\$ 0.0052	\$ 5.45	\$0.00	0.0%	4.86%
Rural Rate Protection Charge	1048	\$ 0.0010	\$ 1.05	1048	\$ 0.0010	\$ 1.05	\$0.00	0.0%	0.93%
Regulated Price Plan – Administration Charge	1	\$ 0.2500	\$ 0.25	1	\$ 0.2500	\$ 0.25	\$0.00	0.0%	0.22%
Sub-Total: Regulatory			\$ 6.75			\$ 6.75	\$0.00	0.0%	6.01%
Debt Retirement Charge (DRC)	1,000	\$ -	\$ -	1,000	\$ -	\$ -	\$0.00	0.0%	0.00%
Total Bill before Taxes			\$ 111.25			\$ 105.88	(\$5.37)	(4.8)%	94.34%
GST	\$ 108.34	6.00%	\$ 6.48	\$ 107.03	6.00%	\$ 6.35	(\$0.32)	(4.8)%	5.66%
Total Bill after Taxes			\$ 117.93			\$ 112.23	(\$5.70)	(4.8)%	100.00%

General Service Less Than 50 kW

Consumption	2,000 kWh	0 kW	Loss Factor 1.0479
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	September 2007 BILL			May 2008 BILL			IMPACT		
	Volume	RATE \$	CHARGE \$	Volume	RATE \$	CHARGE \$	\$	%	% of Total Bill
Energy First Tier (kWh)	750	\$ 0.0530	\$ 39.75	750	\$ 0.0530	\$ 39.75	\$0.00	0.0%	16.89%
Energy Second Tier (kWh)	1,346	\$ 0.0620	\$ 83.44	1,346	\$ 0.0620	\$ 83.44	\$0.00	0.0%	35.46%
Sub-Total: Energy			\$ 123.19			\$ 123.19	\$0.00	0.0%	52.35%
Monthly Service Charge	1	\$ 17.46	\$ 17.46	1	\$ 17.53	\$ 17.53	\$0.07	0.4%	7.45%
Distribution (kWh)	2,000	\$ 0.0221	\$ 44.20	2,000	\$ 0.0222	\$ 44.40	\$0.20	0.5%	18.87%
Distribution (kW)	0	\$ -	\$ -	0	\$ -	\$ -	\$0.00	0.0%	0.00%
Regulatory Assets (kWh)	2,000	\$ 0.0012	\$ 2.40	2,000	\$ -	\$ -	\$2.40	(100.0)%	0.00%
Rate Riders	2,000	\$ -	\$ -	2,000	\$ -	\$ -	\$0.00	0.0%	0.00%
Monthly Rate Rider Adjustment (Sheet 9)	1	\$ 1.85	\$ 1.85	1	\$ 1.85	\$ 1.85	\$0.00	0.0%	0.79%
Volumetric Rate Rider Adjustment (Sheet 9)	2,000	\$ 0.0024	\$ 4.80	2,000	\$ 0.0024	\$ 4.80	\$0.00	0.0%	2.04%
Retail Transmission Rate – Network Service Rate	2,096	\$ 0.0049	\$ 10.27	2,096	\$ 0.0039	\$ 8.17	(\$2.10)	0.0%	3.47%
Retail Transmission Rate – Line and Transformation Connection Service Rate	2,096	\$ 0.0042	\$ 8.80	2,096	\$ 0.0042	\$ 8.80	\$0.00	0.0%	3.74%
Sub-Total: Delivery			\$ 84.98			\$ 85.56	\$0.57	0.7%	36.36%
Wholesale Market Service Rate	2096	\$ 0.0052	\$ 10.90	2096	\$ 0.0052	\$ 10.90	\$0.00	0.0%	4.63%
Rural Rate Protection Charge	2096	\$ 0.0010	\$ 2.10	2096	\$ 0.0010	\$ 2.10	\$0.00	0.0%	0.89%
Regulated Price Plan – Administration Charge	1	\$ 0.2500	\$ 0.25	1	\$ 0.2500	\$ 0.25	\$0.00	0.0%	0.11%
Sub-Total: Regulatory			\$ 13.24			\$ 13.24	\$0.00	0.0%	5.63%
Debt Retirement Charge (DRC)	2,000	\$ -	\$ -	2,000	\$ -	\$ -	\$0.00	0.0%	0.00%
Total Bill before Taxes			\$ 221.42			\$ 221.99	\$0.57	0.3%	94.34%
GST	\$ 214.77	6.00%	\$ 12.88	\$ 224.09	6.00%	\$ 13.32	\$0.03	0.3%	5.66%
Total Bill after Taxes			\$ 234.70			\$ 235.31	\$0.61	0.3%	100.00%

General Service 50 to 4,999 kW

Consumption	250,000 kWh	500 kW	Loss Factor 1.0479
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	September 2007 BILL			May 2008 BILL			IMPACT		
	Volume	RATE \$	CHARGE \$	Volume	RATE \$	CHARGE \$	\$	%	% of Total Bill
Energy First Tier (kWh)	750	\$ 0.0530	\$ 39.75	750	\$ 0.0530	\$ 39.75	\$0.00	0.0%	0.16%
Energy Second Tier (kWh)	261,225	\$ 0.0620	\$ 16,195.95	261,225	\$ 0.0620	\$ 16,195.95	\$0.00	0.0%	64.44%
Sub-Total: Energy			\$ 16,235.70			\$ 16,235.70	\$0.00	0.0%	64.60%
Monthly Service Charge	1	\$ 115.83	\$ 115.83	1	\$ 116.29	\$ 116.29	\$0.46	0.4%	0.46%
Distribution (kWh)	250,000	\$ -	\$ -	250,000	\$ -	\$ -	\$0.00	0.0%	0.00%
Distribution (kW)	500	\$ 7.1966	\$ 3,598.30	500	\$ 7.2254	\$ 3,612.70	\$14.40	0.4%	14.37%
Regulatory Assets (kWh)	500	\$ 1.5227	\$ 761.35	500	\$ -	\$ -	\$761.35	(100.0)%	0.00%
Rate Riders	500	\$ -	\$ -	500	\$ -	\$ -	\$0.00	0.0%	0.00%
Monthly Rate Rider Adjustment (Sheet 9)	1	\$ 12.42	\$ 12.42	1	\$ 12.42	\$ 12.42	\$0.00	0.0%	0.05%
Volumetric Rate Rider Adjustment (Sheet 9)	500	\$ 0.7737	\$ 386.85	500	\$ 0.7737	\$ 386.85	\$0.00	0.0%	1.54%
Retail Transmission Rate – Network Service Rate	524	\$ 2.0150	\$ 1,055.76	524	\$ 1.6180	\$ 847.75	(\$208.01)	(19.7)%	3.37%
Retail Transmission Rate – Line and Transformation Connection Service Rate	524	\$ 1.6849	\$ 882.80	524	\$ 1.6670	\$ 873.42	(\$9.38)	(1.1)%	3.48%
Sub-Total: Delivery			\$ 5,290.61			\$ 5,849.44	\$558.82	10.6%	23.27%
Wholesale Market Service Rate	261975	\$ 0.0052	\$ 1,362.27	261975	\$ 0.0052	\$ 1,362.27	\$0.00	0.0%	5.42%
Rural Rate Protection Charge	261975	\$ 0.0010	\$ 261.98	261975	\$ 0.0010	\$ 261.98	\$0.00	0.0%	1.04%
Regulated Price Plan – Administration Charge	1	\$ 0.2500	\$ 0.25	1	\$ 0.2500	\$ 0.25	\$0.00	0.0%	0.00%
Sub-Total: Regulatory			\$ 1,624.50			\$ 1,624.50	\$0.00	0.0%	6.46%
Debt Retirement Charge (DRC)	250,000	\$ -	\$ -	250,000	\$ -	\$ -	\$0.00	0.0%	0.00%
Total Bill before Taxes			\$ 23,150.81			\$ 23,709.63	\$558.82	2.4%	94.34%
GST	\$ 22,751.54	6.00%	\$ 1,389.05	\$ 23,927.02	6.00%	\$ 1,422.58	\$33.53	2.4%	5.66%
Total Bill after Taxes			\$ 24,539.86			\$ 25,132.21	\$592.35	2.4%	100.00%

Unmetered Scattered Load

Consumption	750 kWh	0 kW	Loss Factor 1.0479
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	September 2007 BILL			May 2008 BILL			IMPACT		
	Volume	RATE \$	CHARGE \$	Volume	RATE \$	CHARGE \$	\$	%	% of Total Bill
Energy First Tier (kWh)	750	\$ 0.0530	\$ 39.75	750	\$ 0.0530	\$ 39.75	\$0.00	0.0%	46.17%
Energy Second Tier (kWh)	36	\$ 0.0620	\$ 2.23	36	\$ 0.0620	\$ 2.23	\$0.00	0.0%	2.59%
Sub-Total: Energy			\$ 41.98			\$ 41.98	\$0.00	0.0%	48.76%
Monthly Service Charge	1	\$ 8.51	\$ 8.51	1	\$ 8.54	\$ 8.54	\$0.03	0.4%	9.92%
Distribution (kWh)	750	\$ 0.0219	\$ 16.43	750	\$ 0.0220	\$ 16.50	\$0.07	0.5%	19.17%
Distribution (kW)	0	\$ -	\$ -	0	\$ -	\$ -	\$0.00	0.0%	0.00%
Regulatory Assets (kWh)	750	\$ 0.0097	\$ 7.28	750	\$ -	\$ -	(\$7.28)	(100.0)%	0.00%
Rate Riders	750	\$ -	\$ -	750	\$ -	\$ -	\$0.00	0.0%	0.00%
Monthly Rate Rider Adjustment (Sheet 9)	1	\$ 0.91	\$ 0.91	1	\$ 0.91	\$ 0.91	\$0.00	0.0%	1.06%
Volumetric Rate Rider Adjustment (Sheet 9)	750	\$ 0.0024	\$ 1.80	750	\$ 0.0024	\$ 1.80	\$0.00	0.0%	2.09%
Retail Transmission Rate – Network Service Rate	786	\$ 0.0049	\$ 3.85	786	\$ 0.0039	\$ 3.07	(\$0.79)	0.0%	3.56%
Retail Transmission Rate – Line and Transformation Connection Service Rate	786	\$ 0.0042	\$ 3.30	786	\$ 0.0042	\$ 3.30	\$0.00	0.0%	3.83%
Sub-Total: Delivery			\$ 42.07			\$ 34.12	(\$7.96)	(18.9)%	39.63%
Wholesale Market Service Rate	786	\$ 0.0052	\$ 4.09	786	\$ 0.0052	\$ 4.09	\$0.00	0.0%	4.75%
Rural Rate Protection Charge	786	\$ 0.0010	\$ 0.79	786	\$ 0.0010	\$ 0.79	\$0.00	0.0%	0.91%
Regulated Price Plan – Administration Charge	1	\$ 0.2500	\$ 0.25	1	\$ 0.2500	\$ 0.25	\$0.00	0.0%	0.29%
Sub-Total: Regulatory			\$ 5.12			\$ 5.12	\$0.00	0.0%	5.95%
Debt Retirement Charge (DRC)	750	\$ -	\$ -	750	\$ -	\$ -	\$0.00	0.0%	0.00%
Total Bill before Taxes			\$ 89.17			\$ 81.22	(\$7.96)	(8.9)%	94.34%
GST	\$ 86.46	6.00%	\$ 5.35	\$ 82.00	6.00%	\$ 4.87	(\$0.48)	(8.9)%	5.66%
Total Bill after Taxes			\$ 94.52			\$ 86.09	(\$8.43)	(8.9)%	100.00%

Sentinel Lighting

Consumption	300 kWh	1 kW	Loss Factor 1.0479
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	September 2007 BILL			May 2008 BILL			IMPACT		
	Volume	RATE \$	CHARGE \$	Volume	RATE \$	CHARGE \$	\$	%	% of Total Bill
Energy First Tier (kWh)	314	\$ 0.0530	\$ 16.66	314	\$ 0.0530	\$ 16.66	\$0.00	0.0%	60.57%
Energy Second Tier (kWh)	0	\$ 0.0620	\$ -	0	\$ 0.0620	\$ -	\$0.00	0.0%	0.00%
Sub-Total: Energy			\$ 16.66			\$ 16.66	\$0.00	0.0%	60.57%
Monthly Service Charge	1	\$ 1.96	\$ 1.96	1	\$ 1.97	\$ 1.97	\$0.01	0.5%	7.16%
Distribution (kWh)	300	\$ -	\$ -	300	\$ -	\$ -	\$0.00	0.0%	0.00%
Distribution (kW)	1	\$ 1.9583	\$ 1.96	1	\$ 1.9661	\$ 1.97	\$0.01	0.4%	7.15%
Regulatory Assets (kWh)	1	\$ 2.6600	\$ 2.66	1	\$ -	\$ -	\$2.66	(100.0)%	0.00%
Rate Riders	1	\$ -	\$ -	1	\$ -	\$ -	\$0.00	0.0%	0.00%
Monthly Rate Rider Adjustment (Sheet 9)	1	\$ 0.21	\$ 0.21	1	\$ 0.21	\$ 0.21	\$0.00	0.0%	0.76%
Volumetric Rate Rider Adjustment (Sheet 9)	1	\$ 0.2105	\$ 0.21	1	\$ 0.2105	\$ 0.21	\$0.00	0.0%	0.77%
Retail Transmission Rate – Network Service Rate	1	\$ 1.6083	\$ 1.69	1	\$ 1.2915	\$ 1.35	(\$0.33)	(19.7)%	4.92%
Retail Transmission Rate – Line and Transformation Connection Service Rate	1	\$ 1.3298	\$ 1.39	1	\$ 1.3157	\$ 1.38	(\$0.01)	(1.1)%	5.01%
Sub-Total: Delivery			\$ 4.76			\$ 7.09	\$2.33	49.0%	25.77%
Wholesale Market Service Rate	314	\$ 0.0052	\$ 1.63	314	\$ 0.0052	\$ 1.63	\$0.00	0.0%	5.94%
Rural Rate Protection Charge	314	\$ 0.0010	\$ 0.31	314	\$ 0.0010	\$ 0.31	\$0.00	0.0%	1.14%
Regulated Price Plan – Administration Charge	1	\$ 0.2500	\$ 0.25	1	\$ 0.2500	\$ 0.25	\$0.00	0.0%	0.91%
Sub-Total: Regulatory			\$ 2.20			\$ 2.20	\$0.00	0.0%	7.99%
Debt Retirement Charge (DRC)	300	\$ -	\$ -	300	\$ -	\$ -	\$0.00	0.0%	0.00%
Total Bill before Taxes			\$ 23.62			\$ 25.95	\$2.33	9.9%	94.34%
GST	\$ 23.20	6.00%	\$ 1.42	\$ 26.30	6.00%	\$ 1.56	\$0.14	9.9%	5.66%
Total Bill after Taxes			\$ 25.04			\$ 27.51	\$2.47	9.9%	100.00%

Street Lighting

Consumption	300 kWh	1 kW	Loss Factor 1.0479
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	September 2007 BILL			May 2008 BILL			IMPACT		
	Volume	RATE \$	CHARGE \$	Volume	RATE \$	CHARGE \$	\$	%	% of Total Bill
Energy First Tier (kWh)	314	\$ 0.0530	\$ 16.66	314	\$ 0.0530	\$ 16.66	\$0.00	0.0%	63.67%
Energy Second Tier (kWh)	0	\$ 0.0620	\$ -	0	\$ 0.0620	\$ -	\$0.00	0.0%	0.00%
Sub-Total: Energy			\$ 16.66			\$ 16.66	\$0.00	0.0%	63.67%
Monthly Service Charge	1	\$ 1.30	\$ 1.30	1	\$ 1.31	\$ 1.31	\$0.01	0.8%	5.01%
Distribution (kWh)	300	\$ -	\$ -	300	\$ -	\$ -	\$0.00	0.0%	0.00%
Distribution (kW)	1	\$ 1.5729	\$ 1.57	1	\$ 1.5792	\$ 1.58	\$0.01	0.4%	6.03%
Regulatory Assets (kWh)	1	\$ 2.0954	\$ 2.10	1	\$ -	\$ -	\$2.10	(100.0)%	0.00%
Rate Riders	1	\$ -	\$ -	1	\$ -	\$ -	\$0.00	0.0%	0.00%
Monthly Rate Rider Adjustment (Sheet 9)	1	\$ 0.14	\$ 0.14	1	\$ 0.14	\$ 0.14	\$0.00	0.0%	0.53%
Volumetric Rate Rider Adjustment (Sheet 9)	1	\$ 0.1691	\$ 0.17	1	\$ 0.1691	\$ 0.17	\$0.00	0.0%	0.65%
Retail Transmission Rate – Network Service Rate	1	\$ 1.5196	\$ 1.59	1	\$ 1.2202	\$ 1.28	(\$0.31)	(19.7)%	4.89%
Retail Transmission Rate – Line and Transformation Connection Service Rate	1	\$ 1.3025	\$ 1.36	1	\$ 1.2887	\$ 1.35	(\$0.01)	(1.1)%	5.16%
Sub-Total: Delivery			\$ 4.04			\$ 5.83	\$1.78	44.1%	22.27%
Wholesale Market Service Rate	314	\$ 0.0052	\$ 1.63	314	\$ 0.0052	\$ 1.63	\$0.00	0.0%	6.25%
Rural Rate Protection Charge	314	\$ 0.0010	\$ 0.31	314	\$ 0.0010	\$ 0.31	\$0.00	0.0%	1.20%
Regulated Price Plan – Administration Charge	1	\$ 0.2500	\$ 0.25	1	\$ 0.2500	\$ 0.25	\$0.00	0.0%	0.96%
Sub-Total: Regulatory			\$ 2.20			\$ 2.20	\$0.00	0.0%	8.40%
Debt Retirement Charge (DRC)	300	\$ -	\$ -	300	\$ -	\$ -	\$0.00	0.0%	0.00%
Total Bill before Taxes			\$ 22.90			\$ 24.69	\$1.78	7.8%	94.34%
GST	\$ 22.60	6.00%	\$ 1.37	\$ 25.02	6.00%	\$ 1.48	\$0.11	7.8%	5.66%
Total Bill after Taxes			\$ 24.28			\$ 26.17	\$1.89	7.8%	100.00%

2008 INCENTIVE RATE MECHANISM ADJUSTMENT

Canadian Niagara Power Inc. - Fort Erie

EB-2007-XXXX, EB-2007-0514, EB-2005-0344

November 1, 2007

Bill Impacts by Consumption September 2007 vs. May 2008

Class	Consumption kWh	Consumption kW	September 2007 Bill	May 2008 Bill	Difference \$	Bill Impact %	Max	Min
Residential	250		\$ 46.14	\$ 44.78	\$ (1.36)	-2.9%	-2.9%	-5.3%
	500		\$ 68.65	\$ 65.84	\$ (2.81)	-4.1%		
	750		\$ 92.92	\$ 88.67	\$ (4.25)	-4.6%		
	1,000		\$ 117.93	\$ 112.23	\$ (5.70)	-4.8%		
	1,250		\$ 142.93	\$ 135.79	\$ (7.14)	-5.0%		
	1,500		\$ 167.93	\$ 159.35	\$ (8.58)	-5.1%		
	2,000		\$ 217.94	\$ 206.47	\$ (11.47)	-5.3%		
General Service Less Than 50 kW	1,000		\$ 124.14	\$ 124.48	\$ 0.34	0.3%	0.3%	0.2%
	2,000		\$ 234.70	\$ 235.31	\$ 0.61	0.3%		
	2,500		\$ 289.98	\$ 290.72	\$ 0.74	0.3%		
	4,000		\$ 455.82	\$ 456.97	\$ 1.14	0.3%		
	6,000		\$ 676.94	\$ 678.63	\$ 1.68	0.2%		
	10,000		\$ 1,119.19	\$ 1,121.93	\$ 2.75	0.2%		
	15,000		\$ 1,671.99	\$ 1,676.08	\$ 4.09	0.2%		
General Service 50 to 4,999 kW	25,000	50	\$ 2,570.14	\$ 2,629.81	\$ 59.67	2.3%	2.8%	2.0%
	40,000	75	\$ 3,980.06	\$ 4,069.33	\$ 89.26	2.2%		
	40,000	100	\$ 4,253.67	\$ 4,372.52	\$ 118.86	2.8%		
	125,000	250	\$ 12,334.46	\$ 12,630.87	\$ 296.42	2.4%		
	250,000	500	\$ 24,539.86	\$ 25,132.21	\$ 592.35	2.4%		
	1,200,000	1,900	\$ 111,828.80	\$ 114,078.37	\$ 2,249.57	2.0%		
	2,500,000	4,000	\$ 233,292.86	\$ 238,028.26	\$ 4,735.40	2.0%		
Unmetered Scattered Load	250	0	\$ 38.23	\$ 35.43	\$ (2.79)	-7.3%	-7.3%	-9.0%
	350	0	\$ 49.42	\$ 45.50	\$ (3.92)	-7.9%		
	500	0	\$ 66.20	\$ 60.59	\$ (5.61)	-8.5%		
	600	0	\$ 77.39	\$ 70.65	\$ (6.74)	-8.7%		
	700	0	\$ 88.58	\$ 80.71	\$ (7.87)	-8.9%		
	800	0	\$ 100.62	\$ 91.62	\$ (9.00)	-8.9%		
	900	0	\$ 112.81	\$ 102.68	\$ (10.13)	-9.0%		
Sentinel Lighting	300	1	\$ 25.04	\$ 27.50	\$ 2.47	9.9%	9.9%	6.7%
	3,000	10	\$ 250.10	\$ 274.71	\$ 24.61	9.8%		
	6,000	20	\$ 504.80	\$ 554.01	\$ 49.21	9.7%		
	30,000	100	\$ 2,542.34	\$ 2,788.38	\$ 246.04	9.7%		
	300,000	1,000	\$ 25,464.74	\$ 27,925.06	\$ 2,460.33	9.7%		
	450,000	1,500	\$ 38,199.40	\$ 41,889.89	\$ 3,690.48	9.7%		
	900,000	2,000	\$ 73,660.50	\$ 78,581.14	\$ 4,920.64	6.7%		
Street Lighting	300	1	\$ 24.28	\$ 26.17	\$ 1.89	7.8%	7.8%	5.1%
	3,000	10	\$ 249.50	\$ 268.31	\$ 18.81	7.5%		
	6,000	20	\$ 504.37	\$ 541.97	\$ 37.60	7.5%		
	30,000	100	\$ 2,543.29	\$ 2,731.29	\$ 188.00	7.4%		
	132,000	440	\$ 11,208.72	\$ 12,035.89	\$ 827.17	7.4%		
	450,000	1,500	\$ 38,224.46	\$ 41,044.33	\$ 2,819.87	7.4%		
	900,000	2,000	\$ 73,694.17	\$ 77,453.99	\$ 3,759.82	5.1%		