



December 21, 2007

Ms. Kirsten Walli
Board Secretary
P.O Box 2319
2300 Yonge St.
Toronto, ON
M4P 1E4

Dear Ms. Walli,

Re: Halton Hills Hydro Inc. 2008 Electricity Distribution Rates Application
Board File Number EB 2007-0696
Second Round Interrogatory Responses to VECC

Please find the second round of interrogatory responses to VECC questions, dated December 7, 2007 and as directed in Procedural Order #1 dated October 23, 2007 in proceeding EB-2007-0696.

These responses have been filed through the OEB RESS, couriered to the OEB offices and emailed to all intervenors.

Yours truly,

Arthur A. Skidmore CMA
Corporate Vice-President and
Chief Financial Officer
Halton Hills Hydro Inc.
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c. Dan Guatto, President Halton Hills Hydro Inc.
Interested Parties EB-2007-0696

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Cover Letter to Board Secretary

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Tab 1 Halton Hills Hydro Inc.'s responses to Round 2 VECC Interrogatory questions.

Tab 2 Appendices

Appendix A	Service Agreement for Fibre Optics Telecommunication Halton Hills Fibre Optics and Halton Hills Hydro Inc.
Appendix B	Approved Rates for 2005 and 2006
Appendix C	Revised Rate Impacts

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Question #1 – Cost of Capital

Reference: *i) Exhibit 6/Tab 1/Schedule 4/Page 3*
ii) VECC IR #10 and #17 (a)

a) Please provide a schedule that set out the derivation of the 6.14% cost for long term debt (per Reference (i)), based on the debt issues and associated interest rates set out in Reference (ii).

Debt Instrument	Issue Date	Amount Outstanding	Rate	Year Costs	Term Date	Year	Year Days	Average Balance	Cost
Note Payable to Shareholder	1-Nov-05	16,141,970	6.25%	0.00	31-Dec-10	2008	366	16,141,970	1,008,873
Bank loan	1-May-08	7,200,000	5.78%	0	30-Apr-13	2008	245	4,819,672	278,577
								<u>20,961,642</u>	<u>1,287,450</u>

2008

Debt Service Costs	1,287,450
Average Debt Outstanding	20,961,642
Effective Debt Rate	6.14%

Question #2 – Service Agreements

**Reference: i) Exhibit 4/Tab 2/Schedule 3
ii) VECC IR #13**

- a) Please reconcile the differences in the totals for each year as shown in References (i) and (ii).**
- b) Please confirm that Hydro does not purchase services from any of its affiliates (i.e., all of the services set out in Reference (ii) are service provided by Hydro to its affiliates). If this is not the case please provide a schedule setting out only the services purchased, the costs of each service for 2006, 2007 and 2008 and provide a copy of the relevant service agreements.**
- c) Table 6 in the response to VECC IR #13 suggests that the pricing for most services provided to affiliates is based on fair market value (FMV). However, the subsequent discussion suggests that, in virtually all cases, the charges to affiliates are based on an “allocation” of Hydro’s costs. Please reconcile.**
- d) Please identify any specific services provided to affiliates where the charge is based on fair market value (as opposed to allocated costs) and, in each case, explain how “fair market value” was established.**

- a) Reference (i)-Exhibit 4, Tab 2, Schedule 3 is the revenue for services performed for affiliates and Reference (ii)-VECC IR #13 is the cost for those services.
- b) Reference (ii) shows services provided by Halton Hills Hydro Inc. to its affiliates. The only service Halton Hills Hydro Inc. purchases from an affiliate is Fibre Optics Telecommunication requirements for its administration building. The cost has been \$9,108 for 2006 and will remain the same for 2007 and 2008. Refer to Appendix A for the relevant service agreement.
- c) Halton Hills Hydro Inc. views the costs that are incurred for the various components listed in Table 6 of VECC IR#13 responses to be fair market value. The fair market value is then allocated to the appropriate affiliate activity.
- d) Fair market value is established by:
 - a. Meter Reading costs – Provided by third party
 - b. Bills/Postage costs – Provided by third party
 - c. Billing/Collection costs – Actual wage cost incurred
 - d. Warehouse Service – Market value of leased square footage space
 - e. Office Equipment – Actual amortization and maintenance costs

Question #3 – Loss Factors

Reference: *i) Exhibit 4/Tab 2/Schedule 8*
 ii) OEB Staff IR #8
 iii) SEC IR #10
 iv) VECC #14

- a) Please explain how previous existence of less accurate data resulted in the actual loss factor for 2006 being incorrectly determined (Reference (ii), part (e)). Wouldn't the 2006 actual loss factor calculation be the more recent one and, therefore, reflect the updated procedures discussed in Reference (ii), part (d)?*
- b) Please explain how the discovery of un-metered power means that historical loss factors were under calculated (Reference (ii), part (e) and Reference (iii), part (a)). Doesn't the existence of unmetered power tend to increase losses?*
- c) When were the new information gathering and internal procedures implemented? Please indicate which year's actual loss factors have been calculated using the "more accurate information gathering and new internal procedures"*

Halton Hills Hydro Inc., in responding to this question, is referencing the following information:

- ii.) OEB Staff IR #10
 - iii.) SEC IR #8.
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- a) When compiling loss factor data, the use of ERP system queries were used to determine the information. As with any programming tool, if the data parameters are not correctly determined when requesting the information, then the results would be incorrect. We have been internally engaged to determine the appropriate method of retrieving the data. It was not until Halton Hills Hydro Inc. was preparing our 2008 Rate application were these procedures implemented.
 - b) The un-metered data was found in different years so in fact the historical losses were higher in those years. The year in which we corrected the un-metered consumption would have been lower than expected.
 - c) As mentioned in (a) above the new procedures were used in the preparation of our 2008 Rate Application. Halton Hills Hydro Inc. then retro-actively calculated the loss factors and submitted our proposed loss factor as part of the 2008 Rate application.

Question #4 – Smart Meters

Reference: *i) Exhibit 1/Tab 1/Schedule 6*

ii) VECC IR #2

iii) OEB Staff IR #46

*iv) Enersource's 2008 Rate Application (EB-2007-0706),
Exhibit G/Schedule 2/Tabs 7 and 8*

v) VECC IR #5

- a) *The response to Reference (iii) states the Hydro is applying for a Smart Meter Rate Adder of \$1.18 per month. Please indicate where in the Application this request is made.***
 - b) *Do the proposed rates set out in Exhibit 10/Tab 1/Schedule 6 include a Smart Meter Rate Adder? If so, how much?***
 - c) *Do the actual 2007 rates set out in Exhibit 10/Tab 1/Schedule 4 include a Smart Meter Rate Adder? If so, how much?***
 - d) *Appendix G provided in response to Reference (iii) does not appear to contain the derivation of the \$1.18 per month Smart Meter Rate Adder. Please provide a schedule setting out the derivation of the \$1.18 and provide source references for all inputs used.***
 - e) *In Appendix G, the response to Question #8 appears to suggest that Hydro was looking to recover in 2007 the complete capital expenditure (plus the annual operating cost) for all smart meters installed that year. Please confirm if this was the case. If so, why is this appropriate, as opposed to recovery just the revenue requirement impact from the planned capital expense (e.g., amortization, cost of capital and taxes)?***
 - f) *Please provide a schedule that sets out, for 2007 and 2008, the annual revenue requirement implications of the planned smart meter installations for 2007 and 2008 and the resulting Smart Meter Rate Adder. For an illustration of such a calculation, see Reference (iv).***
 - g) *Reference (v), part (a) suggests that \$211,800 (\$136,800 + \$75,000) has been spent on Smart Meters. However, Reference (iii) indicates only \$40,000 has been spent. Please reconcile***
-
- a) Halton Hills Hydro Inc. did not request a Smart Meter Adder in the original application. In response to Round 1 OEB Staff Interrogatory #46, the only submission filed is the Smart Meter Investment Plan. The plan was formed with the best information available at that time. Halton Hills Hydro Inc. has not selected a Smart Metering vendor nor have we implemented any Smart Meters as we are prohibited by legislation. Halton Hills Hydro Inc. expects that a further provincial directive will be necessary in order to extend the current Smart Meter initiative and this will likely require Halton Hills Hydro Inc. and other LDCs to adjust their current planning.**
 - b) The proposed rates in Exhibit 10, Tab 1, Schedule 6, do not include a Smart Meter Rate Adder.**
 - c) The actual 2007 rates include a Smart Meter Rate adder of \$0.26 per customer per month.**

- d) The derivation of \$1.18 comes from Halton Hills Hydro Inc.'s Smart Meter Investment Plan dated December 15, 2006. Please refer to Table 1.

Table 1

Year	Operating (\$)	Amortization (\$)	Total (\$)
2007	10,000	17,300	27,300
2008	67,000	116,730	183,730
2009	121,000	211,730	322,730
2010	177,000	306,740	483,740
			1,017,500
Total Cost			\$1,017,500
# of Customers			17,004
Cost per Customer			\$59.83
Number of Months			48
~Monthly Cost			\$1.18

- e)
- As mentioned in (a) above, Halton Hills Hydro Inc. has not implemented any Smart Meters and has not received any other Smart Meter Rate Adder noted in answer (c) above.
 - Not applicable based on (e)(i) above.
- f) Please refer to Table 2.

Table 2

	Planned Installations	Revenue Requirement
2007	0	\$0

It is difficult to plan for 2008 as Halton Hills Hydro Inc. is prohibited by legislation to install any Smart Meters. Refer to 4(a) above.

- g) The \$40,000 as indicated in Round 1 OEB Staff Interrogatory is the actual expenditures related to Smart meters as of July 31, 2007. The \$136,800 was an estimate used for the purposes of the 2006 EDR and the \$75,000 is the forecast of expenditures to the end of 2007.

Question #5 – 2007 Revenue Requirement and Deficiency

Reference: *i) Exhibit 7/Tab 1/Schedule 1*
ii) OEB Staff IR #33

- a) Please confirm that the revenues shown in this schedule are based on 2007 volumes and rates.***
- b) Please confirm that the costs and expenses shown in this schedule are for 2008.***
- c) Please confirm that the table does not demonstrate Hydro's revenue deficiency for 2007, as suggested in Response to Reference (ii). If it does, please explain why.***

- a) Halton Hills Hydro Inc. confirms that the revenues shown in the schedule are based on 2007 volumes and rates.
- b) Halton Hills Hydro Inc. confirms that the costs and expenses shown in the schedule are for 2008.
- c) The purpose of the table was to demonstrate that 2007 rates and volumes would not support 2008 activities. Halton Hills Hydro Inc.'s revised revenue sufficiency / deficiency calculation for the 2008 Test year is included in response to Round 1 OEB Staff Interrogatory #37 (i) -Table 27.

Question #6 – 2008 Revenue Requirement and Deficiency

Reference: *i) Exhibit 10/Tab 1/Schedule 8*
ii) VECC IR #5
iii) OEB Staff IR #37

- a) Please reconcile the total proposed test year revenue of \$11,162,240 shown in Reference (i) with the revenue requirement from distribution rates of \$11,289,282 shown in Reference (iii), page 12.**
- b) Please confirm that the amount shown in Reference (iii) for SSM/LRAM of \$42,304 has been revised to \$29,435 as per response to VECC IR #21.**

- a) The source of the \$127,042 difference between the reported test year revenue amounts are as follows:

	(\$)
Transformer allowance reported at volumetric amount rather than dollar amount per OEB Staff IR #37	91,500
Halton Hills Hydro Inc. model regulated return difference	67,140
LRAM / SSM included in proposed Test year revenue	<u>(31,598)</u>
Total difference	<u><u>127,042</u></u>

- b) Halton Hills Hydro Inc. confirms the SSM/LRAM amount of \$42,304 has been revised to \$29,435 as per Round 1 VECC Interrogatory #21.

Question #7 – LRAM/SSM

Reference: i) *Exhibit 9/Tab 1/Schedule 5*
 ii) *VECC IR # 21*
 iii) *OEB Staff IR #41*
 iv) *OEB Staff IR #45*

- a) *Please confirm if the volumetric rates used to determine the 2005 and 2006 LRAM amounts include the volumetric rate rider for each year.*
 b) *Please provide copies of Hydro's approved 2005 and 2006 rates.*
 c) *With respect to the response to Reference (iv), part (b) - please confirm that Hydro is not claiming SSM amounts for utility-side programs.*

- a) The volumetric rates use to determine the 2005 and 2006 LRAM amounts do not include the volumetric rate rider for each year.
- b) Please see Appendix B for copies of Halton Hills Hydro Inc.'s 2005 and 2006 approved rates.
- c) Halton Hills Hydro Inc. has revised the SSM calculation as per Round 2 OEB Staff Interrogatory #23.

Please find the revised SSM amounts with utility-side programs removed in Table 3, Table 4 and Table 5.

Table 3

Residential - SSM	TRC	TRC Rate	SSM
2005	12,034	5%	\$602
2006	93,993	5%	\$4,700
Total			\$5,302

Table 4

General Service <50 kW - SSM	TRC	TRC Rate	SSM
2005	48,609	5%	\$2,430
2006	9,914	5%	\$ 496
Total			\$2,926

In Halton Hills Hydro Inc.'s response to Round 1 OEB Staff Interrogatory #42 (b), the rate rider calculation in Table 33 was recalculated as follows:

Table 5

Rate Class	Amounts (2005 + 2006)		Billing Units (2006)		Rate Riders		
	LRAM	SSM			LRAM	SSM	Total
	(\$)	(\$)			\$/unit (kWh or kW)	\$/unit (kWh or kW)	\$/unit (kWh or kW)
Residential	\$ 1,163	\$ 5,302	208,116,543	kWh	0.00000	.00003	.00003
General Service less than 50 kW	\$ 6,818	\$ 2,926	54,412,911	kWh	0.00013	.00005	.00018
Total	\$ 7,981	\$ 8,228					

Question #8 – Load Forecast

**Reference: i) OEB Staff IR # 29
ii) Exhibit 3/Tab 2**

- a) Are the values presented in Schedule 2, page 1 of Reference (ii) based on customer loads as measured at the point of delivery to the customer or do they include losses and therefore reflect wholesale purchases to meet each class' requirements?**
- b) Please explain the source of the actual wholesale consumption figures reported in Table 19 of Reference (i).**
- c) With respect to Table 20 (Reference (i)), for each customer class, please explain the basis for Hydro's adjustment to the "2008 Revised Weather Normalized Consumption" made to derive the "2008 Load Forecast of Halton Hills Hydro".**
- a) The values in Exhibit 3, Tab 2, Schedule 2, Page 1, reflect weather normalized wholesale consumption. The values in Exhibit 3, Tab 2, Schedule 2, Page 2, reflect actual 2006 retail consumption and forecast of 2007 and 2008 retail consumption.
- b) Enerconnect, the settlement service provider for Halton Hills Hydro Inc., is the source of the wholesale consumption figures.
- c) The information contained in Table 20 is for comparison purposes only. No adjustment has been made to the "2008 Revised Weather Normalized Consumption" to derive the "2008 Load Forecast of Halton Hills Hydro".

Question #9 – Cost Allocation

Reference: i) *Exhibit 8/Tab 1*
ii) *VECC IR # 22*
iii) *OEB Staff IR # 35*
iv) *OEB Staff IR #36*
v) *OEB – Application of Cost Allocation for Electricity Distributors, Report of the Board (EB-2007-0667)*

- a) *Reference (i), Schedule 2 states that one of the objectives of the proposed fixed charges is to “start the process of moving to 100% revenue to expense ratio”. Please explain how changing the fixed monthly charge addresses the revenue to cost ratio issue.*
- b) *Since Hydro filed its Application the OEB has issued a report on Cost Allocation (Reference (v)). This report concludes that (given the quality of the current data) the appropriate range within which the residential revenue to cost ratio should fall is +/- 15%. Given this conclusion by the Board, does Hydro still consider it appropriate to move the class’ revenue to cost ratio up from 88.37% to 94.6% - roughly half way to 100% for 2008? If yes, please explain why? If no, what is Hydro’s revised proposal in light of the Board’s recent report?*
- c) *Please provide a revised set of rates based on a cost allocation that:*
- Only increases the revenue to cost ratios for Street Lights and Sentinel Lights (to Hydro’s proposed levels) and uses the resulting increased revenues to reduce the revenue to cost ratios for the GS 50-999 and GS 1000-4999 classes, while maintaining the existing revenue to cost ratios for all other classes.*
 - Maintains the same fixed variable split each class’ revenues as exists based on 2007 rates. Please provide supporting schedules setting out the derivation of the rates.*
- d) *Please provide a schedule that demonstrates that the revenue to cost ratios for various customer classes are those set out in Reference (ii), Table 15.*
- e) *With respect to Reference (iii), please re-run the cost allocation methodology and provide the results based on the following adjustments to the model as filed:*
- Remove (i.e., set at zero) the transformer ownership allowance discount (Sheet I3, Step 7).*
 - For those customer classes receiving the transformer ownership allowance discount, reduce the revenues (Sheet I6) by the amount of transformer ownership allowance they receive.*
- a) *By changing the fixed charge, the overall revenue collected by class increases. Therefore, by increasing the fixed charge in the residential class, the “Under Contributing” amount is reduced as outlined in Exhibit 8, Tab 1, Schedule 1, Page 3.*
- b) *Please refer to Round 2 OEB Staff Interrogatory #19.*

- c) Please refer to Table 6, Table 7 and Table 8 for the calculation of revised rates as requested. These schedules outline a revised set of revenue to cost ratios as requested, a fixed variable split as per 2007 rates (small differences are due to rounding) and revised rates based on the revenue requirement in the original application respectively.

Table 6 – Revised Revenue to Cost Ratios

Customer Classes	2007 Rates	2008 Rate Application	VECC 9 c)
Residential	51.38%	55.90%	51.38%
GS less than 50kW	10.63%	11.59%	10.63%
GS 50 to 999 kW	23.11%	19.11%	22.87%
GS 1000 to 4999kW	13.95%	11.99%	13.71%
Street Lighting	0.54%	1.00%	1.00%
Sentinel Lighting	0.07%	0.10%	0.10%
Un-metered Scattered Load	0.30%	0.30%	0.30%
Residential TOU	0.01%	0.01%	0.01%
Total	100.00%	100.00%	100.00%

Table 7 – Revised Fixed Variable Split

Customer Classes	2007 Rates		2008 Rate Application		VECC 9 c)	
	Fixed %	Variable %	Fixed %	Variable %	Fixed %	Variable %
Residential	50.34%	49.66%	50.35%	49.65%	50.35%	49.65%
GS less than 50kW	44.90%	55.10%	44.90%	55.10%	44.90%	55.10%
GS 50 to 999 kW	8.80%	91.20%	8.80%	91.20%	8.80%	91.20%
GS 1000 to 4999kW	2.15%	97.85%	2.15%	97.85%	2.15%	97.85%
Street Lighting	51.80%	48.20%	51.96%	48.04%	51.96%	48.04%
Sentinel Lighting	38.86%	61.14%	38.91%	61.09%	38.91%	61.09%
Un-metered Scattered Load	66.20%	33.80%	66.20%	33.80%	66.20%	33.80%
Residential TOU	22.10%	77.90%	22.11%	77.89%	22.11%	77.89%

Table 8 – Revised Rates

Customer Classes	2008 Rate Application			VECC 9 c)		
	Variable	Per	Fixed	Variable	Per	Fixed
Residential	\$0.0142	kWh	\$12.88	\$0.0132	kWh	\$11.84
GS less than 50kW	\$0.0128	kWh	\$28.13	\$0.0119	kWh	\$25.80
GS 50 to 999 kW	\$4.4350	kW	\$80.77	\$5.2190	kW	\$96.66
GS 1000 to 4999kW	\$4.5649	kW	\$185.71	\$5.1177	kW	\$212.35
Street Lighting	\$6.9720	kW	\$1.01	\$6.9720	kW	\$1.01
Sentinel Lighting	\$8.2545	kW	\$1.88	\$8.2545	kW	\$1.88
Un-metered Scattered Load	\$0.0114	kWh	\$12.63	\$0.0114	kWh	\$12.63
Residential TOU	\$0.0124	kWh	\$9.56	\$0.0124	kWh	\$9.56

d) Please refer to Table 9 and Table 10 for schedules that demonstrate the revenue to cost ratios for various customer classes as shown previously in Reference (ii), Table 15.

Table 9 - Cost Allocation Information

	(1) Cost Allocation @ 100%	(2) Existing Rates	(3) Rate Application	(4) Column (2) - (1)	(5) Column (3) - (2)	(6) Column (5) / (4)
Residential	59.81%	51.38%	55.90%	8.43%	4.52%	53.60%
GS less than 50kW	12.01%	10.63%	11.59%	1.38%	0.96%	69.32%
GS 50 to 999 kW	12.81%	23.11%	19.11%	-10.30%	-4.00%	38.86%
GS 1000 to 4999kW	10.05%	13.95%	11.99%	-3.91%	-1.96%	50.26%
Street Lighting	4.83%	0.54%	1.00%	4.29%	0.46%	10.76%
Sentinel Lighting	0.20%	0.07%	0.10%	0.13%	0.03%	26.39%
Un-metered Scattered Load	0.30%	0.30%	0.30%	-0.01%	0.00%	50.19%
Residential TOU	0.00%	0.01%	0.01%	-0.01%	0.00%	13.87%

Table 10 - Revenue to Cost Ratio

	(7) Revenue to Cost Ratios @ 100%	(8) Existing Rates	(9) Difference (7) - (8)	(10) Column (6) X (9)	(11) Column (10) + (8)
Residential	100.00%	88.37%	11.63%	6.23%	94.60%
GS less than 50kW	100.00%	81.87%	18.13%	12.57%	94.44%
GS 50 to 999 kW	100.00%	156.93%	-56.93%	-22.12%	134.81%
GS 1000 to 4999kW	100.00%	164.17%	-64.17%	-32.25%	131.92%
Street Lighting	100.00%	15.14%	84.86%	9.13%	24.27%
Sentinel Lighting	100.00%	36.74%	63.26%	16.69%	53.43%
Un-metered Scattered Load	100.00%	106.77%	-6.77%	-3.40%	103.37%

- e) Please refer to Table 11 for a re-run of the Cost Allocation information filing based on the requested information.

Table 11

Proposed Customer Classes	Revenue to Costs Ratios from Informational Filing	Revenue to Costs Ratios based on information in (e)
Residential	88.34 %	89.88 %
Residential TOU	0.00 %	0.00 %
General Service less than 50 kW	81.75 %	83.60 %
General Service 50 kW to 999kW	156.93 %	160.47 %
General Service 1,000 kW to 4,999kW	164.17 %	164.24 %
Un-metered Scattered Load	106.77 %	108.13 %
Street Lighting	15.14 %	15.81 %
Sentinel Lighting	36.74 %	38.18 %

Question #10 – Rate Design

Reference: i) *Exhibit 10/Tab 1/Schedule 1*
ii) *SEC IR #2*

- a) *Please provide a series of schedules that sets out the calculations as described by the three steps outlined in Reference (i).*
- b) *Please provide a revised set bill impact calculations (Appendix F), where the rates for 2008 also include Hydro's proposed Smart Meter Rate Adder.*
- c) *Based on a recent 12 consecutive months of actual billing data, please indicate the percentage of total residential customers that:*
i. *Consume less than 100 kWh per month*
ii. *Consume 100 -> 250 kWh per month*
iii. *Consume 250 -> 500 kWh per month*
iv. *Consume 500 -> 750 kWh per month*
- d) *The 2007 fixed monthly service charges in Reference (ii) are different from those set out in Exhibit 8/Tab 1/Schedule 2 under "approved". Since Hydro did not correct the SEC IR, please reconcile.*
- a) Please see Table 12 and Table 13 for schedules which set out the calculations for the three steps outlined in Exhibit 10, Tab 1, Schedule 1, Page 1.
- b) Halton Hills Hydro Inc.'s proposed smart meter rate adder amounts to \$1.18 per meter per month and would be added to the fixed monthly charge of residential and General Service less than 50kW customers. Please see Appendix C for updated bill impacts on residential and General Service less than 50kW customers.
- c) See Table 14 for requested information.

Table 14

Classification		Total Number of Residential Customers	Total Number of Customers in Classification	Percentage of Total Residential Customers
0-99	kWhs per month	18335	130	0.7%
100-249	kWhs per month	18335	522	2.8%
250-499	kWhs per month	18335	2691	14.7%
500-749	kWhs per month	18335	4568	24.9%

- d) There was no need to correct the SEC IR because the 2007 fixed monthly service charges referenced in Round 1 SEC Interrogatory #2 are the actual OEB approved rates. Exhibit 8/Tab 1/Schedule 2 is a part of the Halton Hills Hydro Inc. Cost Allocation Filing submitted in 2006. The fixed monthly service charges referenced in Exhibit 8, Tab 1, Schedule 2, are the proposed fixed monthly service charges for the purposes of the Cost Allocation Filing.

Table 12

Customer Class	Outstanding Base Revenue Requirement (%)			Outstanding Base Revenue Requirement (\$)			CDM Revenue Allocations	Total Base Revenue Requirement
	Cost Allocation	Existing Rates	Rate Application	Cost Allocation	Existing Rates	Rate Application		
Residential	59.81%	51.38%	55.90%	6,207,759	5,333,078	5,801,940	0	5,801,940
GS less than 50 kW	12.01%	10.63%	11.59%	1,247,014	1,103,354	1,202,943	0	1,202,943
GS 50 to 999 kW	12.81%	23.11%	19.11%	1,329,575	2,399,047	1,983,454	0	1,983,454
GS 1000 to 4999 kW	10.05%	13.95%	11.99%	1,042,742	1,448,300	1,244,459	0	1,244,459
Street Lighting	4.83%	0.54%	1.00%	500,865	55,911	103,791	0	103,791
Sentinel Lighting	0.20%	0.07%	0.10%	20,355	6,803	10,379	0	10,379
Un-metered Scattered Load	0.30%	0.30%	0.30%	30,832	31,445	31,137	0	31,137
Residential TOU	0.00%	0.01%	0.01%	0	1,205	1,038	0	1,038
TOTAL	100.00%	100.00%	100.00%	10,379,142	10,379,142	10,379,142	0	10,379,142

Table 13

Customer Class	Per Cost Allocation		Existing Fixed/Variable Split		Application		
	Minimum	Maximum	Existing Rate	with new Rev. Req	Proposed Fixed Rate	Resulting Usage Rate	per
Residential	\$3.40	\$13.83	\$11.35	\$12.88	\$12.88	0.0130	kWh
GS less than 50 kW	\$5.13	\$20.56	\$24.74	\$28.13	\$28.13	0.0114	kWh
GS 50 to 999 kW	\$52.12	\$106.55	\$93.67	\$80.77	\$80.77	3.9846	kW
GS 1000 to 4999 kW	\$103.57	\$213.94	\$207.22	\$185.71	\$185.71	3.8535	kW
Street Lighting	\$0.01	\$8.73	\$0.52	\$1.01	\$1.01	6.6477	kW
Sentinel Lighting	\$0.19	\$7.72	\$1.18	\$1.88	\$1.88	7.9261	kW
Un-metered Scattered Load	\$1.95	\$11.10	\$12.23	\$12.63	\$12.63	0.0103	kWh
Residential TOU	#N/A	#N/A	\$10.64	\$9.56	\$9.56	0.0112	kWh

Table 13 (cont'd)

Customer Class	Application		Existing Rates		Cost Allocation Min		Cost Allocation Max	
	Fixed %	Variable %	Fixed %	Variable %	Fixed %	Variable %	Fixed %	Variable %
Residential	50.35%	49.65%	50.34%	49.66%	13.29%	86.71%	54.05%	45.95%
GS less than 50kW	44.90%	55.10%	44.90%	55.10%	8.19%	91.81%	32.82%	67.18%
GS 50 to 999 kW	8.80%	91.20%	8.80%	91.20%	5.68%	94.32%	11.60%	88.40%
GS 1000 to 4999 kW	2.15%	97.85%	2.15%	97.85%	1.20%	98.80%	2.48%	97.52%
Street Lighting	51.96%	48.04%	51.80%	48.20%	0.68%	99.32%	449.30%	-349.30%
Sentinel Lighting	38.91%	61.09%	38.86%	61.14%	3.84%	96.16%	159.77%	-59.77%
Un-metered Scattered Load	66.20%	33.80%	66.20%	33.80%	10.21%	89.79%	58.20%	41.80%
Residential TOU	22.11%	77.89%	22.10%	77.90%	#N/A	#N/A	#N/A	#N/A

Appendix A

Service Agreement for Fibre Optics Telecommunication Halton Hills Fibre Optics and Halton Hills Hydro Inc.

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NETWORK SERVICES AGREEMENT

DATE: Dec-15-2005 **AGREEMENT NUMBER:** HHH-15Dec05-36

SUPPLIER: HALTON HILLS FIBRE OPTICS INC. ("Fibre")

SUPPLIER'S ADDRESS: 43 Alice Street
Halton Hills (Acton)
Ontario L7J 2A9

TELEPHONE: 1-866-941-9898
FAX: 519-853-5168
EMAIL: marin@haltonhillsfibre.com

SOLD BY: Massimo Marin

CUSTOMER: Halton Hills Hydro

CUSTOMER'S ADDRESS: 43 Alice St 43 Alice St
Halton Hills Halton Hills
Ontario L7, Ontario L7,

TELEPHONE: 519-853-3700 ext 225
FAX: 519-853-5592
EMAIL: askidmore@haltonhillshydro.com

Customer Contact: Art Skidmore

INITIAL TERM: 36 months commencing Jan-01-2006

RENEWAL: ☒ Term renews automatically for successive periods equal to the length of the Initial Term at the prices for the Services existing under this Services Agreement at the time of renewal unless terminated by written notice given by either the Customer or the Supplier to the other 90 days prior to the end of the Initial Term or any period of renewal. *[Place "X" in the box if applicable, otherwise automatic renewal is not applicable to this Agreement.]*

INSTALLATION: The installation of necessary facilities by the Supplier is estimated to be completed by 31/12/2005 (DD/MM/YEAR).

SERVICE LOCATIONS AND PRICES:

A) Location: 43 Alice Street, Acton ON
Service: Internet Access
Monthly Charge: \$759 Install Charge: N/C
Media Converter N/C

B) Location: _____
Service: _____
Monthly Charge: _____ Install Charge: _____
Media Converter _____

Total Monthly Charge: \$759.00 **Total Install Charge:** _____

TERMS AND CONDITIONS: This Services Agreement includes and incorporates the Terms and Conditions indicated below:

General Commercial Terms and Conditions
Other Provisions
Acceptable Use Terms and Conditions

_____ Dark Fibre	<u>X</u>	Internet	_____ Professional Services
_____ HAS ADSL	_____	IPVPN	_____ Rental of Equipment
_____ Fibre Access	_____	Network Security	_____ Sale of Equipment
_____ FibreSecure	_____	Other Services	_____ Transparent LAN Service
_____ Hosting Services	_____	Private Line	_____ Fixed Wireless
_____ Off-Site Backup	_____	Blackberry Server	_____ Shared Server
_____ Disaster Recovery	_____	CO-Location	

ACCEPTED AND AGREED TO BY:

SUPPLIER:

Halton Hills Fibre Optics Inc. ("Fibre")

By: _____
Name: Massimo Marin
Position: Customer Relations Manager
I have the authority to bind the Supplier.

CUSTOMER:

Halton Hills Hydro

By: _____
Name: Art Skidmore
Position: Chief Financial Officer
I have the authority to bind the Customer.

Appendix B

Approved Rates for 2005 and 2006

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RP-2005-0013
EB-2005-0035

IN THE MATTER OF the *Ontario Energy Board Act, 1998*,
S.O. 1998, c.15 (Schedule B);

AND IN THE MATTER OF an Application by **Halton Hills
Hydro Inc.** for an order or orders approving or fixing just
and reasonable rates.

BEFORE: Gordon Kaiser
Vice Chair and Presiding Member

Paul Vlahos
Member

Pamela Nowina
Member

DECISION AND ORDER

Background and Application

In November 2003 the Ontario government announced that it would permit local distribution companies to apply to the Board for the next installment of their allowable return on equity beginning March 1, 2005. The Government also indicated that the Board's approval would be conditional on a financial commitment to reinvest in conservation and demand management initiatives, an amount equal to one year's incremental returns.

Also in November 2003, the Government announced, in conjunction with the introduction of Bill 4, the *Ontario Energy Board Amendment Act, (Electricity Pricing), 2003*, that electricity distributors could start recovering Regulatory Assets in their rates, beginning March 1, 2004, over a four year period.

In February and March, 2004, the Board approved the applications of distributors to recover 25% of their December 31, 2002 Regulatory Asset balances (or additional amounts for rate stability) in their distribution rates on an interim basis effective March 1, 2004 and implemented on April 1, 2004.

On December 20, 2004 the Board issued filing guidelines to all electricity distribution utilities for the April 1, 2005 distribution rate adjustments. The guidelines allowed the applicants to recover three types of costs. These costs concern (i) the rate recovery of the third tranche of the allowable return on equity (Market Adjusted Revenue Requirement or “MARR”), (ii) the 2005 proxy allowance for payments in lieu of taxes (“PILs”) and (iii) a second installment of the recovery of Regulatory Assets.

A generic Notice of the proceeding was published on January 25, 2005 in major newspapers in the province, which provided a 14 day period for submissions from interested parties. On February 4, 2005, the Board issued Procedural Order No. 1, providing for an extension for submissions until February 16, 2005 and also providing for reply submissions from applicants and other parties.

The Applicant filed an application for adjustments to their rates for the following amounts:

MARR: \$ 715,191

2005 PILs Proxy: \$ 874,817

Regulatory Assets Second Tranche: \$ 1,087,483

The Applicant also applied for an item outside of the guidelines. Specifically, the Applicant requested an amount of PILs proxy in excess of the guidelines.

Submissions

The Board received one submission which addressed the 2005 rate setting process in general. This submission was made by School Energy Coalition (SEC). SEC objected to the guideline which caused the recovery of the 2005 PILs proxy to be reflected only on the variable charge. SEC was also concerned that monthly service charges and overall distribution charges varied significantly between utilities across the province. SEC also raised concerns regarding the consistency of, and access to, information on the applications as filed by the utilities.

Reply submissions to SEC’s general submissions were received from the Coalition of Large Distributors, the Electricity Distributors Association, Hydro One Networks, and the LDC Coalition (a group of 7 distributors). These parties generally argued against the recommendations put forward by SEC, by and large indicating that the Board’s existing

processes for 2006 and 2007 have been planned to address these issues going forward and that these issues should not be added to the 2005 rates adjustment process.

The Applicant was not specifically named in any of these submissions.

The full record of the proceeding is available for review at the Board's offices.

Board Findings

The Board first addresses the general submission of SEC. While SEC raises important issues regarding electricity distribution rates, the Board has put in place a process which will address most of the issues raised by SEC on a comprehensive basis with coordinated cost of service, cost allocation and cost of capital studies for all distributors in 2006, 2007 and 2008. The Board does agree that unless there are compelling reasons to diverge from the Board's original filing guidelines for the 2005 distribution rate adjustment process, distributors should follow the guidelines in their applications.

At this time, the Board will approve only the portion of the application that conforms to the guidelines as the generic notice published informed customers and the public of only the changes contemplated in the guidelines. The Applicant may wish to apply for other specific changes to rates in a separate application.

As a result, the Board has made adjustments correcting errors in the PILs proxy, resulting in the following approved amounts:

MARR: \$ 715,191

2005 PILs Proxy: \$ 830,648

Regulatory Assets Second Tranche: \$ 1,087,483

Subject to these adjustments, the Board finds that the application conforms with earlier decisions of the Board (including approval for the Applicant's Conservation and Demand Management plan), directives and guidelines.

The Board will issue a separate decision on cost awards.

THE BOARD ORDERS THAT:

- 1) The rate schedule attached as Appendix "A" is approved effective March 1, 2005, to be implemented on April 1, 2005. All other rates currently in effect that are not shown on the attached schedule remain in force. If the Applicant's billing system is not capable of prorating to accommodate the April 1, 2005 implementation date, the new rates shall be implemented with the first billing cycle for electricity consumed or estimated to have been consumed after April 1, 2005.
- 2) The Applicant shall notify its customers of the rate changes, no later than with the first bill reflecting the new rates and include the brochure provided by the Board.

DATED at Toronto, March 29, 2005

ONTARIO ENERGY BOARD

Original signed by

Peter H. O'Dell
Assistant Board Secretary

Appendix "A"

RP-2005-0013

EB-2005-0035

March 29, 2005

ONTARIO ENERGY BOARD

Halton Hills Hydro Inc.
Schedule of Changed Distribution Rates and Charges

Effective Date: March 1, 2005
Implementation Date: April 1, 2005

RP-2005-0013
EB-2005-0035

RESIDENTIAL

Monthly Service Charge	(per month)	\$11.92
Distribution Volumetric Rate	(per kWh)	\$0.0136

RESIDENTIAL (Time of Use)

Monthly Service Charge	(per month)	\$11.92
Distribution Volumetric Rate	(per kWh)	\$0.0136

GENERAL SERVICE < 50 KW

Monthly Service Charge	(per month)	\$26.07
Distribution Volumetric Rate	(per kWh)	\$0.0118

GENERAL SERVICE > 50 KW (Non Time of Use)

Monthly Service Charge	(per month)	\$104.92
Distribution Volumetric Rate	(per kW)	\$5.9278

GENERAL SERVICE > 50 KW (Time of Use)

Monthly Service Charge	(per month)	\$228.81
Distribution Volumetric Rate	(per kW)	\$5.0707

SENTINEL LIGHTS (Non Time of Use)

Monthly Service Charge	(per connection)	\$1.30
Distribution Volumetric Rate	(per kW)	\$5.8899

STREET LIGHTING (Non Time of Use)

Monthly Service Charge	(per connection)	\$0.55
Distribution Volumetric Rate	(per kW)	\$4.1633

The rates on this schedule include an interim recovery of Regulatory Assets.



RP-2005-0020
EB-2005-0374

IN THE MATTER OF the *Ontario Energy Board Act*,
1998, S.O. 1998, c.15 (Schedule B);

AND IN THE MATTER OF an Application by Halton Hills
Hydro Inc. for an order or orders approving or fixing just
and reasonable distribution rates and other charges,
effective May 1, 2006.

BEFORE: Paul Vlahos
Presiding Member

Bob Betts
Member

DECISION AND ORDER

Halton Hills Hydro Inc. (“Halton Hills Hydro” or the “Applicant”) is a licensed distributor providing electrical service to consumers within its defined service area. Halton Hills Hydro filed an application (the “Application”) with the Ontario Energy Board (the “Board”) for an order or orders approving or fixing just and reasonable rates for the distribution of electricity and other matters, to be effective May 1, 2006.

Halton Hills Hydro is one of over 90 electricity distributors in Ontario that are regulated by the Board. To streamline the process for the approval of distribution rates and charges for these distributors, the Board developed and issued the 2006 Electricity Distribution Rate Handbook (the “Handbook”) and complementary spreadsheet-based models. These materials were developed after extensive public consultation with distributors, customer groups, public and environmental interest groups, and other interested parties. The Handbook contains requirements and guidelines for filing an

application. The models determine the amounts to be included for the payments in lieu of taxes (“PILs”) and calculate rates based on historical financial and other information entered by the distributor.

Also included in this process was a methodology and model for the final recovery of regulatory assets flowing from the Board’s decision dated December 9, 2004 on the Review and Recovery of Regulatory Assets – Phase 2 for Toronto Hydro, London Hydro, Enersource Hydro Mississauga and Hydro One Networks Inc. (“Hydro One”). In Chapter 10 of the decision, the Board outlined a Phase 2 process for the remaining distributors. By letter of July 12, 2005, the Board provided guidance and a spreadsheet-based model to the distributors for the inclusion of this recovery as part of their 2006 distribution rate applications.

As a distributor that is embedded in Hydro One Network’s low voltage system, the Applicant has included the recovery of certain Regulatory Assets that have been allocated by Hydro One Networks. The amount claimed by the Applicant was provided by Hydro One Networks as a reasonable approximation of the actual amount that Hydro One Networks will assess the Applicant. To the degree that the amount differs from the actual amount approved for Hydro One Networks in another proceeding (RP-2005-0020/EB-2005-0378), this difference will be reconciled at the end of the Regulatory Asset recovery period, as set out in the Phase II regulatory assets decision issued on December 9, 2004 (RP-2004-0064/RP-2004-0069/RP-2004-0100/RP-2004-0117/RP-2004-0118).

In its preliminary review of the 2006 rate applications received from the distributors, the Board identified several issues that appeared to be common to many or all of the distributors. As a result, the Board held a hearing (EB-2005-0529) to consider these issues (the “Generic Issues Proceeding”) and released its decision (the “Generic Decision”) on March 21, 2006. The rulings flowing from that Generic Decision apply to this Application, except to the extent noted in this Decision. The Board notes that pursuant to ss. 21 (6.1) of the *Ontario Energy Board Act, 1998*, and to the extent that it is pertinent to this Application, the evidentiary record of the Generic Issues Proceeding is part of the evidentiary record upon which the Board is basing this Decision.

In December 2001, the Board authorized the establishment of deferral accounts by the distributors related to the payments that the distributors make to the Ministry of Finance

in lieu of taxes. The Board is required, under its enabling legislation, to make an order with respect to non-commodity deferral accounts once every twelve months. The Board has considered the information available with respect to these accounts and orders that the amounts recorded in the accounts will not be reflected in rates as part of the Rate Order that will result from this Decision. The Board will continue to monitor the accounts with a view to clearing them when appropriate.

Public notice of the rate Application made by Halton Hills Hydro was given through newspaper publication in its service area. The evidence filed was made available to the public. Interested parties intervened in the proceeding. The evidence in the Application was tested through written interrogatories from Board staff and intervenors, and intervenors and Halton Hills Hydro had the opportunity to file written argument. While the Board has considered the entire record in this proceeding, it has made reference in this Decision only to such evidence and argument as is necessary to provide context to its findings.

Halton Hills Hydro has requested an amount of \$11,966,215 as revenue to be recovered through distribution rates and charges. Included in this amount is a debit of \$1,663,845 for the recovery of regulatory assets. Except where noted in this Decision, the Board finds that Halton Hills Hydro has filed its Application in accordance with the Handbook and the guidelines for the recovery of regulatory assets.

Notwithstanding Halton Hills Hydro's general compliance with the Handbook and associated models, in considering this Application the Board reviewed the following matters in detail:

- Low Voltage Rates;
- Cost of Debt;
- Adjustment to Rate Base;
- Bad Debt;
- Management Incentive Compensation Plan;
- Conservation and Demand Management ("CDM") Funding; and
- Consequences of the Generic Decision (EB-2005-0529).

Low Voltage Rates

Halton Hills Hydro included in its Application recovery of ongoing Low Voltage (“LV”) charges that Hydro One Networks will be levying on Halton Hills Hydro for Low Voltage wheeling distribution services provided to Halton Hills Hydro.

The Board notes that this estimate reflects Hydro One Networks’ current approved LV rate of \$0.56/kW. The Board further notes that Hydro One Networks applied for an LV rate of \$0.63/kW in its 2006 rate application RP-2005-0020/EB-2005-0378, and the Board has approved this rate.

The Board is of the view that the LV adjustment that Halton Hills Hydro has included in its Application is insufficient to recover its expected LV charges in 2006, as this amount does not reflect the updated Hydro One Networks rate. Although the Generic Decision provides that embedded distributors are to track differences between LV costs charged by the host distributor(s) and corresponding revenues recovered from ratepayers, the Board seeks to minimize systemic sources of variance. The Board is of the view that Halton Hills Hydro's rates should reflect the LV rates authorized by the Board for the host distributor. Accordingly, the Board has revised the amount for LV charge recovery in Halton Hills Hydro's revenue requirement.

Cost of Debt

In the application, Halton Hills identified a promissory note issued by the Town of Halton Hills in November of 2005, bearing an interest rate of 9.16%. The applied-for debt rate was 7.25%, the former deemed debt rate for a distributor the size of Halton Hills. However, as stated in section 5.2 of the Handbook, debt held by an affiliated party and issued on May 13, 2005 or later is costed at the lower of the actual rate or the updated deemed debt rate of 6.25%, documented in Table 5.1 of the Handbook. Therefore, the Board allows a rate of 6.25% on this debt.

Adjustment to Rate Base

In its Application, Halton Hills Hydro applied to adjust its ratebase in the amount of \$680,687 for the cost of a new distribution line, scheduled to have been built in 2005.

As set out in section 3.2.3 of the Handbook, the purpose of a Tier 1 adjustment is to adjust the results of the 2004 year closer to a typical year of capital investments, operations and revenue to the extent possible.

This adjustment is not consistent with the Handbook, and therefore the Board does not approve the rate base adjustment for investments taking place in 2005. The Board notes that Halton Hills Hydro had the option to apply on a forward test year basis to reflect forecast costs for the test year, but did not do so. Having chosen to file the Application on an historical test year basis, Halton Hills Hydro may not make selective adjustments for post-2004 events outside the guidelines of the Handbook.

Bad Debt

Halton Hills has applied to adjust its distribution expenses in the amount of \$31,913 related to the bankruptcy of a customer in 2004.

As defined by the Handbook, a Tier 1 adjustment is to move the results of the 2004 year closer to a typical year of capital investments, operations and revenue to the extent possible. However, it is not to be used to collect a discrete, non-recurring cost that occurred in 2004 only. If it were, the adjustment would persist in rates.

The Board will not allow the Tier 1 adjustment for recovery of this bad debt amount because such an adjustment is out of compliance with the Handbook. The Board has adjusted the rate model to reflect this finding.

Management Incentive Compensation Plan

In its Application, Halton Hills Hydro proposed to recover \$58,000 associated with its management incentive compensation program, which it asserted benefits both ratepayers and the shareholder.

As set out in section 6.2.5 of the Handbook, an Applicant seeking to recover incentive compensation through rates is to provide details of the incentive compensation plan(s) that includes: a list of performance measurement criteria, identification and explanation of incentives that benefit ratepayers and shareholders, and a separate breakdown of the total annual dollar value relating to the shareholders and ratepayers.

The record in this Application contained insufficient information on this cost. In response to interrogatories from intervenors, Halton Hills stated that it considered its incentive program to be proprietary.

Due to the insufficient amount of evidence filed, the Board will not approve the recovery of this amount for Halton Hills Hydro's incentive program. The Board reminds Halton Hills Hydro that the onus is on the Applicant to justify their proposals in evidence, and that interveners are rightful parties in the rate-making process. Halton Hills Hydro has an obligation to provide complete responses to intervenor interrogatories.

CDM Funding

Halton Hills applied for approval to recover \$88,690 in distribution rates and \$90,979 as an adjustment to ratebase to be invested in incremental Conservation and Demand Management ("CDM") activities.

In the Report of the Board, total resource cost ("TRC") cost effectiveness analysis was identified as a requirement for approval of incremental funding for CDM. Furthermore, the Board notes that in the decision on the Generic CDM Issues RP-2005-0020 / EB-2005-0523, the Board adopted the TRC test as the prudence test for CDM spending.

Halton Hills Hydro supplied its TRC effectiveness analysis subsequent to the discovery process. The Board does not condone the filing of new evidence after the record of a proceeding is closed, but accepts the filing on an exception basis, given the public interest in the pursuit of cost effective CDM and the fact that no intervenor commented on the Applicant's original proposal. The Board will accept the results of the TRC testing, which indicates positive net benefits for the activities, and will therefore allow the requested CDM amounts.

The Board cautions Halton Hills Hydro that subsequent rate filings must be complete and on time.

Consequences of the Generic Decision on this Application

The Generic Decision contains findings relevant to funding for smart meters for electricity distributors. The Applicant did file a specific smart meter plan in the revenue requirement. In this situation, the Generic Decision provides that an amount determined as \$3.50 per meter per month installed during the rate year be reflected in the Applicant's revenue requirement, instead of the smart meter-related costs proposed by the Applicant. Consequently, the amounts that the Applicant has proposed in the 2006 rate Application have been removed and replaced with the amount determined in accordance with the Generic Decision. Furthermore, the Board finds in this Decision

that this smart meter revenue will be allocated to all metered customers and recovered through the monthly service charge. The revised amount is reflected in the approved monthly service charges contained in the Tariff of Rates and Charges appended to this Decision. Pursuant to the Generic Decision, a variance account will be established, the details of which will be communicated in due course.

Resulting Revenue Requirement

As a result of the Board's determinations on these issues, the Board has adjusted the revenue requirement to be recovered through distribution rates and charges to \$11,777,084, including a debit amount of \$1,663,845 for the recovery of Regulatory Assets.

In its letter of December 20, 2004 to electricity distributors, the Board indicated that it would consider the disposition of the 2005 OEB dues recorded in Account 1508 in this proceeding. However, given that the final 2005 OEB dues are not available because of the difference in fiscal years for the Board and the distributors, and given that the model used to develop the Application does not incorporate this provision, the Board will review and dispose of the 2005 OEB dues at a later time.

Cost Awards

This Application is one of a number of applications before the Board dealing with 2006 rates chargeable by distributors. Intervenors may be parties to multiple applications and, if eligible, their costs associated with a specific distributor may not be separable. Therefore, for these applications, the matter of intervenor cost awards will be addressed by the Board at a later date, upon the conclusion of the current rate applications. If an intervenor that is eligible to recover its costs is able to uniquely identify its costs associated with this Application, it must file its cost claim within 10 days from the receipt of this Decision.

THE BOARD ORDERS THAT:

1. The Tariff of Rates and Charges set out in Appendix "A" of this Order is approved, effective May 1, 2006, for electricity consumed or estimated to have been consumed on and after May 1, 2006. The application of the revised distribution rates shall be prorated to May 1, 2006. If Halton Hills Hydro Inc.'s billing system is not capable of prorating changed loss factors jointly with

distribution rates, the revised loss factors shall be implemented upon the first subsequent billing for each billing cycle.

2. The Tariff of Rates and Charges set out in Appendix "A" of this Order supersedes all previous distribution rate schedules approved by the Ontario Energy Board for Halton Hills Hydro Inc., and is final in all respects.
3. Halton Hills Hydro Inc. shall notify its customers of the rate changes no later than with the first bill reflecting the new rates.

DATED at Toronto, April 12, 2006.

ONTARIO ENERGY BOARD

A handwritten signature in black ink, appearing to read 'John Zych', with a stylized, cursive script.

John Zych
Board Secretary

Appendix "A"

RP-2005-0020
EB-2005-0374

April 12, 2006

ONTARIO ENERGY BOARD

Halton Hills Hydro Inc.

TARIFF OF RATES AND CHARGES

Effective May 1, 2006

This schedule supersedes and replaces all previously approved schedules of Rates, Charges and Loss Factors

RP-2005-0020
EB-2005-0374

APPLICATION

- The application of these rates and charges shall be in accordance with the Licence of the Distributor and any Codes, Guidelines or Orders of the Board, and amendments thereto as approved by the Board, which may be applicable to the administration of this schedule.
- No rates and charges for the distribution of electricity and charges to meet the costs of any work or service done or furnished for the purpose of the distribution of electricity shall be made except as permitted by this schedule, unless required by the Distributor's Licence or a Code, Guideline or Order of the Board, and amendments thereto as approved by the Board, or as specified herein.
- This schedule does not contain any rates and charges relating to the electricity commodity (e.g. the Regulated Price Plan).

EFFECTIVE DATES

DISTRIBUTION RATES - May 1, 2006 for all consumption or deemed consumption services used on or after that date.
SPECIFIC SERVICE CHARGES - May 1, 2006 for all charges incurred by customers on or after that date.
LOSS FACTOR ADJUSTMENT – May 1, 2006 unless the distributor is not capable of prorating changed loss factors jointly with distribution rates. In that case, the revised loss factors will be implemented upon the first subsequent billing for each billing cycle.

SERVICE CLASSIFICATIONS

Residential

This classification applies to an account taking electricity at 750 volts or less where the electricity is used exclusively in a separate metered living accommodation. Customers shall be residing in single-dwelling units that consist of a detached house or one unit of a semi-detached, duplex, triplex or quadruplex house, with a residential zoning. Separately metered dwellings within a town house complex or apartment building also qualify as residential customers. The customer will be supplied at one service entrance only.

General Service Less Than 50 kW

This classification applies to a non residential account taking electricity at 750 volts or less whose average monthly maximum demand is less than, or is forecast to be less than, 50 kW.

General Service 50 to 999 kW

This classification applies to a non-residential customer with an average peak demand equal to or greater than 50 kW over the past twelve months, or is forecast to be equal to or greater than 50 kW, but less than 1,000 kW. For a new customer without prior billing history, the peak demand will be based on 90% of the proposed capacity or installed transformer.

General Service 1,000 to 4,999 kW

This classification applies to a non-residential customers with an average peak demand equal to or greater than 1,000 kW over the past twelve months, or is forecast to be equal to or greater than 1,000 kW, but less than 5,000 kW. For a new customer without prior billing history, the peak demand will be based on 90% of the installed transformer.

Unmetered Scattered Load

This classification applies to an account taking electricity at 750 volts or less whose average monthly maximum demand is less than, or is forecast to be less than, 50 kW and the consumption is unmetered. Such connections include cable TV power packs, bus shelters, telephone booths, traffic lights, pedestrian X-Walk signals/beacons, railway crossings, etc. The level of the consumption will be agreed to by the distributor and the customer, based on detailed manufacturer information/documentation with regard to electrical consumption of the unmetered load or periodic monitoring of actual consumption.

Sentinel Lighting

This classification refers to accounts that are an unmetered lighting load supplied to a sentinel light.

Street Lighting

All services supplied to street lighting equipment owned by or operated for the Municipality, the Region or the Province of Ontario shall be classified as Street Lighting Service. Street Lighting plant, facilities, or equipment owned by the customer are subject to the Electrical Safety Authority (ESA) requirements and Halton Hills Hydro specifications.

Halton Hills Hydro Inc.

TARIFF OF RATES AND CHARGES

Effective May 1, 2006

**This schedule supersedes and replaces all previously
approved schedules of Rates, Charges and Loss Factors**

RP-2005-0020
EB-2005-0374

MONTHLY RATES AND CHARGES

Residential

Service Charge	\$	11.59
Distribution Volumetric Rate	\$/kWh	0.0119
Regulatory Asset Recovery	\$/kWh	0.0042
Retail Transmission Rate – Network Service Rate	\$/kWh	0.0057
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kWh	0.0050
Wholesale Market Service Rate	\$/kWh	0.0052
Rural Rate Protection Charge	\$/kWh	0.0010
Regulated Price Plan – Administration Charge	\$	0.25

Residential (Time of Use)

Service Charge	\$	10.89
Distribution Volumetric Rate	\$/kWh	0.0124
Regulatory Asset Recovery	\$/kWh	0.0042
Retail Transmission Rate – Network Service Rate	\$/kWh	0.0057
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kWh	0.0050
Wholesale Market Service Rate	\$/kWh	0.0052
Rural Rate Protection Charge	\$/kWh	0.0010
Regulated Price Plan – Administration Charge	\$	0.25

General Service Less Than 50 kW

Service Charge	\$	24.86
Distribution Volumetric Rate	\$/kWh	0.0099
Regulatory Asset Recovery	\$/kWh	0.0038
Retail Transmission Rate – Network Service Rate	\$/kWh	0.0052
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kWh	0.0045
Wholesale Market Service Rate	\$/kWh	0.0052
Rural Rate Protection Charge	\$/kWh	0.0010
Regulated Price Plan – Administration Charge	\$	0.25

General Service 50 to 999 kW

Service Charge	\$	93.18
Distribution Volumetric Rate	\$/kW	4.5796
Regulatory Asset Recovery	\$/kW	0.4894
Retail Transmission Rate – Network Service Rate	\$/kW	2.1218
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kW	1.7882
Wholesale Market Service Rate	\$/kWh	0.0052
Rural Rate Protection Charge	\$/kWh	0.0010
Regulated Price Plan – Administration Charge	\$	0.25

General Service 1,000 to 4,999 kW

Service Charge	\$	205.71
Distribution Volumetric Rate	\$/kW	4.2615
Regulatory Asset Recovery	\$/kW	1.2870
Retail Transmission Rate – Network Service Rate – Interval metered	\$/kW	2.2535
Retail Transmission Rate – Line and Transformation Connection Service Rate – Interval Metered	\$/kW	1.9603
Wholesale Market Service Rate	\$/kWh	0.0052
Rural Rate Protection Charge	\$/kWh	0.0010
Regulated Price Plan – Administration Charge (if applicable)	\$	0.25

Halton Hills Hydro Inc.

TARIFF OF RATES AND CHARGES

Effective May 1, 2006

**This schedule supersedes and replaces all previously
approved schedules of Rates, Charges and Loss Factors**

RP-2005-0020
EB-2005-0374

Unmetered Scattered Load

Service Charge (per connection)	\$	12.12
Distribution Volumetric Rate	\$/kWh	0.0099
Regulatory Asset Recovery	\$/kWh	0.0019
Retail Transmission Rate – Network Service Rate	\$/kWh	0.0052
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kWh	0.0045
Wholesale Market Service Rate	\$/kWh	0.0052
Rural Rate Protection Charge	\$/kWh	0.0010
Regulated Price Plan – Administration Charge (if applicable)	\$	0.25

Sentinel Lighting

Service Charge (per connection)	\$	1.17
Distribution Volumetric Rate	\$/kW	4.9399
Regulatory Asset Recovery	\$/kW	2.5490
Retail Transmission Rate – Network Service Rate	\$/kW	1.6083
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kW	1.4113
Wholesale Market Service Rate	\$/kWh	0.0052
Rural Rate Protection Charge	\$/kWh	0.0010
Regulated Price Plan – Administration Charge (if applicable)	\$	0.25

Street Lighting

Service Charge (per connection)	\$	0.52
Distribution Volumetric Rate	\$/kW	3.4144
Regulatory Asset Recovery	\$/kW	1.3403
Retail Transmission Rate – Network Service Rate	\$/kW	1.6002
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kW	1.3824
Wholesale Market Service Rate	\$/kWh	0.0052
Rural Rate Protection Charge	\$/kWh	0.0010
Regulated Price Plan – Administration Charge (if applicable)	\$	0.25

Specific Service Charges

Customer Administration		
Arrears certificate	\$	15.00
Statement of account	\$	15.00
Pulling post dated cheques	\$	15.00
Duplicate invoices for previous billing	\$	15.00
Request for other billing information	\$	15.00
Easement letter	\$	15.00
Income tax letter	\$	15.00
Notification charge	\$	15.00
Account history	\$	15.00
Credit reference/credit check (plus credit agency costs)	\$	15.00
Returned cheque (plus bank charges)	\$	15.00
Charge to certify cheque	\$	15.00
Legal letter charge	\$	15.00
Account set up charge/change of occupancy charge (plus credit agency costs if applicable)	\$	30.00
Special meter reads	\$	30.00
Meter dispute charge plus Measurement Canada fees (if meter found correct)	\$	30.00

Halton Hills Hydro Inc.

TARIFF OF RATES AND CHARGES

Effective May 1, 2006

**This schedule supersedes and replaces all previously
approved schedules of Rates, Charges and Loss Factors**

RP-2005-0020
EB-2005-0374

Non-Payment of Account		
Late Payment - per month	%	1.50
Late Payment - per annum	%	19.56
Collection of account charge – no disconnection	\$	30.00
Collection of account charge – no disconnection – after regular hours	\$	165.00
Disconnect/Reconnect at meter – during regular hours	\$	65.00
Disconnect/Reconnect at meter – after regular hours	\$	185.00
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	\$	65.00
Install/Remove load control device – after regular hours	\$	185.00
Service call – customer owned equipment	\$	30.00
Service call – after regular hours	\$	165.00
Interval Meter Charge	\$	20.00
Temporary service install & remove – overhead – no transformer	\$	500.00
Temporary service install & remove – underground – no transformer	\$	300.00
Temporary service install & remove – overhead – with transformer	\$	1000.00
Specific Charge for Access to the Power Poles (\$/pole/year)	\$	22.35
Allowances		
Transformer Allowance for Ownership - per kW of billing demand/month	\$	(0.50)
Primary Metering Allowance for transformer losses – applied to measured demand and energy	%	(1.00)

LOSS FACTORS

Total Loss Factor – Secondary Metered Customer < 5,000 kW	1.0368
Total Loss Factor – Secondary Metered Customer > 5,000 kW	N/A
Total Loss Factor – Primary Metered Customer < 5,000 kW	1.0265
Total Loss Factor – Primary Metered Customer > 5,000 kW	N/A

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Appendix C

Revised Rate Impacts

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Residential

100 kWh Consumption

	Metric	2007 BILL			2008 BILL			IMPACT		
		Volume	Rate \$	Charge \$	Volume	Rate \$	Charge \$	Change \$	Change %	% of Total Bill
Monthly Service Charge				11.35			14.06	2.71	23.9%	11.3%
Distribution	kWh	100	0.01150	1.15	100	0.01420	1.42	0.27	23.5%	1.1%
Sub-Total				12.50			15.48	2.98	23.8%	12.4%
Regulatory Asset Recovery	kWh	100	0.00420	0.42	100	0.00100	0.10	(0.32)	-76.2%	-1.3%
Retail Transmission - Network	kWh	104	0.00570	0.59	105	0.00570	0.60	0.01	1.3%	0.0%
Retail Transmission - Line and Transformation Connection	kWh	104	0.00500	0.52	105	0.00500	0.52	0.01	1.3%	0.0%
Wholesale Market Service	kWh	104	0.00520	0.54	105	0.00520	0.55	0.01	1.3%	0.0%
Rural Rate Protection Charge	kWh	104	0.00100	0.10	105	0.00100	0.10	0.00	1.3%	0.0%
Debt Retirement Charge	kWh	100	0.00700	0.70	100	0.00700	0.70	0.00	0.0%	0.0%
Cost of Power Commodity	kWh	104	0.05704	5.91	105	0.05704	5.99	0.08	1.3%	0.3%
Total Bill				21.29			24.04	2.76	13.0%	11.5%

Residential

500 kWh Consumption

	Metric	2007 BILL			2008 BILL			IMPACT		
		Volume	Rate \$	Charge \$	Volume	Rate \$	Charge \$	Change \$	Change %	% of Total Bill
Monthly Service Charge				11.35			14.06	2.71	23.9%	4.2%
Distribution	kWh	500	0.01150	5.75	500	0.01420	7.10	1.35	23.5%	2.1%
Sub-Total				17.10			21.16	4.06	23.7%	6.3%
Regulatory Asset Recovery	kWh	500	0.00420	2.10	500	0.00100	0.50	(1.60)	-76.2%	-2.5%
Retail Transmission - Network	kWh	518	0.00570	2.95	525	0.00570	2.99	0.04	1.3%	0.1%
Retail Transmission - Line and Transformation Connection	kWh	518	0.00500	2.59	525	0.00500	2.62	0.03	1.3%	0.1%
Wholesale Market Service	kWh	518	0.00520	2.70	525	0.00520	2.73	0.03	1.3%	0.1%
Rural Rate Protection Charge	kWh	518	0.00100	0.52	525	0.00100	0.52	0.01	1.3%	0.0%
Debt Retirement Charge	kWh	500	0.00700	3.50	500	0.00700	3.50	0.00	0.0%	0.0%
Cost of Power Commodity	kWh	518	0.05704	29.57	525	0.05704	29.95	0.38	1.3%	0.6%
Total Bill				61.03			63.98	2.95	4.8%	4.6%

Residential

1,000 kWh Consumption

	Metric	2007 BILL			2008 BILL			IMPACT		
		Volume	Rate \$	Charge \$	Volume	Rate \$	Charge \$	Change \$	Change %	% of Total Bill
Monthly Service Charge	kWh			11.35			14.06	2.71	23.9%	2.4%
Distribution		1,000	0.01150	11.50	1,000	0.01420	14.20	2.70	23.5%	2.4%
Sub-Total				22.85			28.26	5.41	23.7%	4.7%
Regulatory Asset Recovery	kWh	1,000	0.00420	4.20	1,000	0.00100	1.00	(3.20)	-76.2%	-2.8%
Retail Transmission - Network	kWh	1,037	0.00570	5.91	1,050	0.00570	5.98	0.08	1.3%	0.1%
Retail Transmission - Line and Transformation Connection	kWh	1,037	0.00500	5.18	1,050	0.00500	5.25	0.07	1.3%	0.1%
Wholesale Market Service	kWh	1,037	0.00520	5.39	1,050	0.00520	5.46	0.07	1.3%	0.1%
Rural Rate Protection Charge	kWh	1,037	0.00100	1.04	1,050	0.00100	1.05	0.01	1.3%	0.0%
Debt Retirement Charge	kWh	1,000	0.00700	7.00	1,000	0.00700	7.00	0.00	0.0%	0.0%
Cost of Power Commodity	kWh	1,037	0.05704	59.14	1,050	0.05704	59.89	0.75	1.3%	0.7%
Total Bill				110.71			113.90	3.19	2.9%	2.8%

Residential

2,000 kWh Consumption

	Metric	2007 BILL			2008 BILL			IMPACT		
		Volume	Rate \$	Charge \$	Volume	Rate \$	Charge \$	Change \$	Change %	% of Total Bill
Monthly Service Charge	kWh			11.35			14.06	2.71	23.9%	1.3%
Distribution		2,000	0.01150	23.00	2,000	0.01420	28.40	5.40	23.5%	2.5%
Sub-Total				34.35			42.46	8.11	23.6%	3.8%
Regulatory Asset Recovery	kWh	2,000	0.00420	8.40	2,000	0.00100	2.00	(6.40)	-76.2%	-3.0%
Retail Transmission - Network	kWh	2,074	0.00570	11.82	2,100	0.00570	11.97	0.15	1.3%	0.1%
Retail Transmission - Line and Transformation Connection	kWh	2,074	0.00500	10.37	2,100	0.00500	10.50	0.13	1.3%	0.1%
Wholesale Market Service	kWh	2,074	0.00520	10.78	2,100	0.00520	10.92	0.14	1.3%	0.1%
Rural Rate Protection Charge	kWh	2,074	0.00100	2.07	2,100	0.00100	2.10	0.03	1.3%	0.0%
Debt Retirement Charge	kWh	2,000	0.00700	14.00	2,000	0.00700	14.00	0.00	0.0%	0.0%
Cost of Power Commodity	kWh	2,074	0.05704	118.28	2,100	0.05704	119.78	1.50	1.3%	0.7%
Total Bill				210.07			213.73	3.66	1.7%	1.7%

Residential

5,000 kWh Consumption

	Metric	2007 BILL			2008 BILL			IMPACT		
		Volume	Rate \$	Charge \$	Volume	Rate \$	Charge \$	Change \$	Change %	% of Total Bill
Monthly Service Charge	kWh			11.35			14.06	2.71	23.9%	0.5%
Distribution		5,000	0.01150	57.50	5,000	0.01420	71.00	13.50	23.5%	2.6%
Sub-Total				68.85			85.06	16.21	23.5%	3.2%
Regulatory Asset Recovery	kWh	5,000	0.00420	21.00	5,000	0.00100	5.00	(16.00)	-76.2%	-3.1%
Retail Transmission - Network	kWh	5,184	0.00570	29.55	5,250	0.00570	29.92	0.38	1.3%	0.1%
Retail Transmission - Line and Transformation Connection	kWh	5,184	0.00500	25.92	5,250	0.00500	26.25	0.33	1.3%	0.1%
Wholesale Market Service	kWh	5,184	0.00520	26.96	5,250	0.00520	27.30	0.34	1.3%	0.1%
Rural Rate Protection Charge	kWh	5,184	0.00100	5.18	5,250	0.00100	5.25	0.07	1.3%	0.0%
Debt Retirement Charge	kWh	5,000	0.00700	35.00	5,000	0.00700	35.00	0.00	0.0%	0.0%
Cost of Power Commodity	kWh	5,184	0.05704	295.70	5,250	0.05704	299.46	3.76	1.3%	0.7%
Total Bill				508.15			513.24	5.09	1.0%	1.0%

Residential

10,000 kWh Consumption

	Metric	2007 BILL			2008 BILL			IMPACT		
		Volume	Rate \$	Charge \$	Volume	Rate \$	Charge \$	Change \$	Change %	% of Total Bill
Monthly Service Charge	kWh			11.35			14.06	2.71	23.9%	0.3%
Distribution		10,000	0.01150	115.00	10,000	0.01420	142.00	27.00	23.5%	2.7%
Sub-Total				126.35			156.06	29.71	23.5%	2.9%
Regulatory Asset Recovery	kWh	10,000	0.00420	42.00	10,000	0.00100	10.00	(32.00)	-76.2%	-3.2%
Retail Transmission - Network	kWh	10,368	0.00570	59.10	10,500	0.00570	59.85	0.75	1.3%	0.1%
Retail Transmission - Line and Transformation Connection	kWh	10,368	0.00500	51.84	10,500	0.00500	52.50	0.66	1.3%	0.1%
Wholesale Market Service	kWh	10,368	0.00520	53.91	10,500	0.00520	54.60	0.69	1.3%	0.1%
Rural Rate Protection Charge	kWh	10,368	0.00100	10.37	10,500	0.00100	10.50	0.13	1.3%	0.0%
Debt Retirement Charge	kWh	10,000	0.00700	70.00	10,000	0.00700	70.00	0.00	0.0%	0.0%
Cost of Power Commodity	kWh	10,368	0.05704	591.39	10,500	0.05704	598.91	7.52	1.3%	0.7%
Total Bill				1,004.96			1,012.42	7.46	0.7%	0.7%

Residential

20,000 kWh Consumption

	Metric	2007 BILL			2008 BILL			IMPACT		
		Volume	Rate \$	Charge\$	Volume	Rate \$	Charge\$	Change\$	Change%	% of Total Bill
Monthly Service Charge				11.35			14.06	2.71	23.9%	0.1%
Distribution	kWh	20,000	0.01150	230.00	20,000	0.01420	284.00	54.00	23.5%	2.7%
Sub-Total				241.35			298.06	56.71	23.5%	2.8%
Regulatory Asset Recovery	kWh	20,000	0.00420	84.00	20,000	0.00100	20.00	(64.00)	-76.2%	-3.2%
Retail Transmission - Network	kWh	20,736	0.00570	118.20	21,000	0.00570	119.70	1.50	1.3%	0.1%
Retail Transmission - Line and Transformation Connection	kWh	20,736	0.00500	103.68	21,000	0.00500	105.00	1.32	1.3%	0.1%
Wholesale Market Service	kWh	20,736	0.00520	107.83	21,000	0.00520	109.20	1.37	1.3%	0.1%
Rural Rate Protection Charge	kWh	20,736	0.00100	20.74	21,000	0.00100	21.00	0.26	1.3%	0.0%
Debt Retirement Charge	kWh	20,000	0.00700	140.00	20,000	0.00700	140.00	0.00	0.0%	0.0%
Cost of Power Commodity	kWh	20,736	0.05704	1,182.78	21,000	0.05704	1,197.83	15.05	1.3%	0.7%
Total Bill				1,998.57			2,010.79	12.22	0.6%	0.6%

GS less than 50 kW

500 kWh Consumption

	Metric	2007 BILL			2008 BILL			IMPACT		
		Volume	Rate \$	Charge \$	Volume	Rate \$	Charge \$	Change \$	Change %	% of Total Bill
Monthly Service Charge				24.74			29.31	4.57	18.5%	3.6%
Distribution	kWh	500	0.01000	5.00	500	0.01280	6.40	1.40	28.0%	1.1%
Sub-Total				29.74			35.71	5.97	20.1%	4.7%
Regulatory Asset Recovery	kWh	500	0.00380	1.90	500	0.00090	0.45	(1.45)	-76.3%	-1.1%
Retail Transmission - Network	kWh	518	0.00520	2.70	525	0.00520	2.73	0.03	1.3%	0.0%
Retail Transmission - Line and Transformation Connection	kWh	518	0.00450	2.33	525	0.00450	2.36	0.03	1.3%	0.0%
Wholesale Market Service	kWh	518	0.00520	2.70	525	0.00520	2.73	0.03	1.3%	0.0%
Rural Rate Protection Charge	kWh	518	0.00100	0.52	525	0.00100	0.52	0.01	1.3%	0.0%
Debt Retirement Charge	kWh	518	0.00700	3.63	525	0.00700	3.67	0.05	1.3%	0.0%
Cost of Power Commodity	kWh	518	0.05704	29.57	525	0.05704	29.95	0.38	1.3%	0.3%
Total Bill				73.08			78.13	5.05	6.9%	4.0%

GS less than 50 kW

1,000 kWh Consumption

	Metric	2007 BILL			2008 BILL			IMPACT		
		Volume	Rate \$	Charge\$	Volume	Rate \$	Charge\$	Change\$	Change%	% of Total Bill
Monthly Service Charge				24.74			29.31	4.57	18.5%	3.6%
Distribution	kWh	1,000	0.01000	10.00	1,000	0.01280	12.80	2.80	28.0%	2.2%
Sub-Total				34.74			42.11	7.37	21.2%	5.8%
Regulatory Asset Recovery	kWh	1,000	0.00380	3.80	1,000	0.00090	0.90	(2.90)	-76.3%	-2.3%
Retail Transmission - Network	kWh	1,037	0.00520	5.39	1,050	0.00520	5.46	0.07	1.3%	0.1%
Retail Transmission - Line and Transformation Connection	kWh	1,037	0.00450	4.67	1,050	0.00450	4.72	0.06	1.3%	0.0%
Wholesale Market Service	kWh	1,037	0.00520	5.39	1,050	0.00520	5.46	0.07	1.3%	0.1%
Rural Rate Protection Charge	kWh	1,037	0.00100	1.04	1,050	0.00100	1.05	0.01	1.3%	0.0%
Debt Retirement Charge	kWh	1,000	0.00700	7.00	1,000	0.00700	7.00	0.00	0.0%	0.0%
Cost of Power Commodity	kWh	1,037	0.05704	59.14	1,050	0.05704	59.89	0.75	1.3%	0.6%
Total Bill				121.16			126.60	5.43	4.5%	4.3%

GS less than 50 kW

2,000 kWh Consumption

	Metric	2007 BILL			2008 BILL			IMPACT		
		Volume	Rate \$	Charge \$	Volume	Rate \$	Charge \$	Change \$	Change %	% of Total Bill
Monthly Service Charge				24.74			29.31	4.57	18.5%	2.0%
Distribution	kWh	2,000	0.01000	20.00	2,000	0.01280	25.60	5.60	28.0%	2.5%
Sub-Total				44.74			54.91	10.17	22.7%	4.5%
Regulatory Asset Recovery	kWh	2,000	0.00380	7.60	2,000	0.00090	1.80	(5.80)	-76.3%	-2.6%
Retail Transmission - Network	kWh	2,074	0.00520	10.78	2,100	0.00520	10.92	0.14	1.3%	0.1%
Retail Transmission - Line and Transformation Connection	kWh	2,074	0.00450	9.33	2,100	0.00450	9.45	0.12	1.3%	0.1%
Wholesale Market Service	kWh	2,074	0.00520	10.78	2,100	0.00520	10.92	0.14	1.3%	0.1%
Rural Rate Protection Charge	kWh	2,074	0.00100	2.07	2,100	0.00100	2.10	0.03	1.3%	0.0%
Debt Retirement Charge	kWh	2,000	0.00700	14.00	2,000	0.00700	14.00	0.00	0.0%	0.0%
Cost of Power Commodity	kWh	2,074	0.05704	118.28	2,100	0.05704	119.78	1.50	1.3%	0.7%
Total Bill				217.59			223.88	6.29	2.9%	2.8%

GS less than 50 kW

5,000 kWh Consumption

	Metric	2007 BILL			2008 BILL			IMPACT		
		Volume	Rate \$	Charge \$	Volume	Rate \$	Charge \$	Change \$	Change %	% of Total Bill
Monthly Service Charge	kWh			24.74			29.31	4.57	18.5%	0.9%
Distribution		5,000	0.01000	50.00	5,000	0.01280	64.00	14.00	28.0%	2.7%
Sub-Total				74.74			93.31	18.57	24.8%	3.6%
Regulatory Asset Recovery	kWh	5,000	0.00380	19.00	5,000	0.00090	4.50	(14.50)	-76.3%	-2.8%
Retail Transmission - Network	kWh	5,184	0.00520	26.96	5,250	0.00520	27.30	0.34	1.3%	0.1%
Retail Transmission - Line and Transformation Connection	kWh	5,184	0.00450	23.33	5,250	0.00450	23.62	0.30	1.3%	0.1%
Wholesale Market Service	kWh	5,184	0.00520	26.96	5,250	0.00520	27.30	0.34	1.3%	0.1%
Rural Rate Protection Charge	kWh	5,184	0.00100	5.18	5,250	0.00100	5.25	0.07	1.3%	0.0%
Debt Retirement Charge	kWh	5,000	0.00700	35.00	5,000	0.00700	35.00	0.00	0.0%	0.0%
Cost of Power Commodity	kWh	5,184	0.05704	295.70	5,250	0.05704	299.46	3.76	1.3%	0.7%
Total Bill				506.86			515.74	8.88	1.8%	1.7%

GS less than 50 kW

10,000 kWh Consumption

	Metric	2007 BILL			2008 BILL			IMPACT		
		Volume	Rate \$	Charge \$	Volume	Rate \$	Charge \$	Change \$	Change %	% of Total Bill
Monthly Service Charge	kWh			24.74			29.31	4.57	18.5%	0.5%
Distribution		10,000	0.01000	100.00	10,000	0.01280	128.00	28.00	28.0%	2.8%
Sub-Total				124.74			157.31	32.57	26.1%	3.2%
Regulatory Asset Recovery	kWh	10,000	0.00380	38.00	10,000	0.00090	9.00	(29.00)	-76.3%	-2.9%
Retail Transmission - Network	kWh	10,368	0.00520	53.91	10,500	0.00520	54.60	0.69	1.3%	0.1%
Retail Transmission - Line and Transformation Connection	kWh	10,368	0.00450	46.66	10,500	0.00450	47.25	0.59	1.3%	0.1%
Wholesale Market Service	kWh	10,368	0.00520	53.91	10,500	0.00520	54.60	0.69	1.3%	0.1%
Rural Rate Protection Charge	kWh	10,368	0.00100	10.37	10,500	0.00100	10.50	0.13	1.3%	0.0%
Debt Retirement Charge	kWh	10,000	0.00700	70.00	10,000	0.00700	70.00	0.00	0.0%	0.0%
Cost of Power Commodity	kWh	10,368	0.05704	591.39	10,500	0.05704	598.91	7.52	1.3%	0.8%
Total Bill				988.98			1,002.17	13.19	1.3%	1.3%

GS less than 50 kW

15,000 kWh Consumption

	Metric	2007 BILL			2008 BILL			IMPACT		
		Volume	Rate \$	Charge \$	Volume	Rate \$	Charge \$	Change \$	Change %	% of Total Bill
Monthly Service Charge				24.74			29.31	4.57	18.5%	0.3%
Distribution	kWh	15,000	0.01000	150.00	15,000	0.01280	192.00	42.00	28.0%	2.8%
Sub-Total				174.74			221.31	46.57	26.7%	3.1%
Regulatory Asset Recovery	kWh	15,000	0.00380	57.00	15,000	0.00090	13.50	(43.50)	-76.3%	-2.9%
Retail Transmission - Network	kWh	15,552	0.00520	80.87	15,750	0.00520	81.90	1.03	1.3%	0.1%
Retail Transmission - Line and Transformation Connection	kWh	15,552	0.00450	69.98	15,750	0.00450	70.87	0.89	1.3%	0.1%
Wholesale Market Service	kWh	15,552	0.00520	80.87	15,750	0.00520	81.90	1.03	1.3%	0.1%
Rural Rate Protection Charge	kWh	15,552	0.00100	15.55	15,750	0.00100	15.75	0.20	1.3%	0.0%
Debt Retirement Charge	kWh	15,000	0.00700	105.00	15,000	0.00700	105.00	0.00	0.0%	0.0%
Cost of Power Commodity	kWh	15,552	0.05704	887.09	15,750	0.05704	898.37	11.29	1.3%	0.8%
Total Bill				1,471.10			1,488.60	17.50	1.2%	1.2%