



Westario Power Inc.

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February 28, 2011

Ontario Energy Board
PO Box 2319
2300 Yonge Street
26th Floor
Toronto, ON M4P 1E4

Dear Ms. Walli,

**Westario Power Inc. – License #ED-2002-0515
Late Payment Penalty (“LPP”) Class Action – EB-2010-0295**

Westario Power Inc. is pleased to submit to the Ontario Energy Board (“OEB”), its Late Payment Penalty (“LPP”) Class Action Rate Rider. This Application is in compliance with the Board’s Decision and Order (EB-2010-0295) (the “Decision and Order”) regarding the recovery by electricity distributors of costs and damages associated with the Late Payment Penalty (“LPP”) class action, issued February 22, 2011.

Further to the Board’s RESS filing guidelines, an electronic copy of our application will be submitted through the OEB’s e-Filing Services. Two hard copies of the application and one electronic version will be supplied to the Board.

We would be pleased to provide any further information or details that you may require relative to this application.

Respectively submitted,

WESTARIO POWER INC.

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Chief Financial Officer
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ONTARIO ENERGY BOARD

IN THE MATTER OF the *Ontario Energy Board Act, 1998*, S.O. 1998, c.15, Sch.B, as amended;

AND IN THE MATTER OF an Application by Westario Power Inc. pursuant to section 78 of the *Ontario Energy Board Act* for an Order or Orders approving just and reasonable rates for electricity distribution to be effective May 1, 2011.

Supplemental Filing

by

Westario Power Inc.

February 28, 2011

**Supplemental Filing
Westario Power Inc.
2011 IRM3 Rate Application
EB-2010-0122**

INTRODUCTION

Westario Power Inc. ("WPI") filed an application (the "Application") with the Ontario Energy Board (the "Board") on November 25, 2010, under section 78 of the *Ontario Energy Board Act, 1998*, seeking approval for electricity distribution rates effective May 1, 2011. The Application was filed in accordance with the Board's guideline for 3rd Generation Incentive Regulation.

The Board in its February 22, 2011, Decision and Order (EB-2010-0295) (the "Decision and Order") regarding the recovery by electricity distributors of costs and damages associated with the Late Payment Penalty ("LPP") class action stated, "The Board directs all Affected Electricity Distributors (in Appendix A) that currently have an IRM or cost of service application before the Board, to file with the Board within seven days of the date of this Decision and Order, detailed calculations including support documentation, outlining the derivation of the rate riders based on the methodology outlined in this Decision."

WPI's IRM application is currently before the Board and WPI is an Affected Electricity Distributor as defined in the Decision and Order. Therefore, through this supplemental filing, WPI is providing the additional information directed by the Board.

METHODOLOGY

In the Decision and Order, the Board sets out on pages 18 and 19 the methodology that distributors are to use to determine the LPP rate rider. They are as follows:

- The costs and damages were allocated across all customers.
- The recovery amount was allocated on the basis of distribution revenues to all rate classes (metered and unmetered). The distribution revenues used were the 2009 actual distribution revenues as had been used for Reporting and Record Keeping Requirements ("RRR").
- The rate riders used to recover the subject costs were established on the basis of a monthly fixed charge. The amount WPI is seeking to recover was allocated to each rate class by distribution revenue and then a specific rate rider was calculated for each rate class. WPI used the 2009 data as reported in its RRR filing.
- The rate riders were calculated so that the full amount to be recovered would be recovered over a 12 month period, starting May 1, 2011.

The Decision and Order states that distributors are not required to file any documentation regarding their corporate history; thus no corporate history is included in this supplemental filing.

The Decision and Order also states that any insurance proceeds or any other funds related to the late payment penalty litigation shall be deducted from the amount to be recovered through the rates. WPI received no insurance proceeds or other LPP-related funds. Hence, the LPP rate riders by customer class reported in this Supplemental Filing are based directly on WPI's share of the LPP class action costs as shown in the Decision and Order.

SUPPORT DOCUMENTATION

The documentation supporting the detailed calculations of the rate riders is:

- WPI's RRR filing containing its 2009 actual results; i.e.:
 - 2009 actual Distribution Revenue by customer class; and
 - Number of customers and number of connections by customer class, as of 2009 yearend.
- WPI's share of the LPP class action costs as shown in Appendix A of the Decision and Order.

The 2009 RRR filing data is presented in Table 1 – Source Data.

Table 1 – Source Data

Customer Class	2009 Actual Distribution Revenue	Number of Customers	Number of Connections
Residential	\$4,543,177	19,033	
General Service < 50kW	\$1,276,314	2,435	
General Service >= 50kW	\$1,886,930	276	
Unmetered Scattered Load	\$23,596		61
Street Lights	\$294,605		6,006
Sentinel Lights	\$386		6
Total all classes	\$8,025,008		

WPI's share of the LPP class action costs as shown in Appendix A of the Decision and Order is \$63,697.59.

CALCULATION OF RATE RIDERS

The Excel model which contains the following calculations is attached for reference.

In order to correctly allocate WPI's share of the LPP class action costs to the various customer classes, the percentage of the 2009 actual revenue is first determined by customer class as shown in Table 2 – Percentage of Actual Revenue by Customer Class.

Table 2 – Percentage of Actual Revenue by Customer Class

Customer Class	2009 Actual Distribution Revenue	Percentage of 2009 Actual Distribution Revenue
Residential	\$4,543,177	56.6127%
General Service < 50kW	\$1,276,314	15.9042%
General Service >= 50kW	\$1,886,930	23.5131%
Unmetered Scattered Load	\$23,596	0.2941%
Street Lights	\$294,605	3.6711%
Sentinel Lights	\$386	0.0048%
Total all classes	\$8,025,008	100.00%

As shown in Table 3 – Rate Riders, WPI's share of the LPP class action costs is then allocated to the various customer classes on the basis of the percentages shown in Table 2, and the monthly rate riders determined.

Table 3 – Rate Riders

Customer Class	Percentage of 2009 Actual Distribution Revenue	LPP Allocated Amount	Number of Customers/ Connections at 2009 year end	LPP Monthly Rate Rider
Residential	56.6127%	\$36,060.95	19,033	\$0.1600
General Service < 50kW	15.9042%	\$10,130.60	2,435	\$0.3500
General Service >= 50kW	23.5131%	\$14,977.29	276	\$4.5200
Unmetered Scattered Load	0.2941%	\$187.29	61	\$0.2600
Street Lights	3.6711%	\$2,338.39	6,006	\$0.0300
Sentinel Lights	0.0048%	\$3.07	6	\$0.0400
Total all classes	100.00%	\$63,697.59		

WPI respectively requests that the LPP Monthly Rate Riders shown above in Table 3 – Rate Riders, be approved as an additional charge for all customers for 12 months effective May 1, 2011.

Name of LDC: Westario Power Inc.
OEB Licence Number: ED-2002-0515
Calculation of Rate Rider for Late Payment Penalty

Distributor Information

Applicant Name

Westario Power Inc.

OEB Licence Number

ED-2002-0515

Rate Rider for

Late Payment Penalty

Name of LDC: Westario Power Inc.

OEB Licence Number: ED-2002-0515

Calculation of Rate Rider for Late Payment Penalty

Table of Contents

Sheet Name

Purpose of Sheet

[A1.1 Distributor Information](#)

Enter LDC Data

[A2.1 Table of Contents](#)

Table of Contents

[B1.1 Rate Classes](#)

Set Up Rate Classes

[B1.2 Charge Parameters](#)

Enter Rebased Charge Parameters

[B1.3 Calc Revenue Alloc](#)

Calculate Revenue Allocation

[B1.4 Calc LPP Rate Rider](#)

Calculate LPP Rate Rider

Name of LDC: Westario Power Inc.

OEB Licence Number: ED-2002-0515

Calculation of Rate Rider for Late Payment Penalty

Rate Class Selection

Rate Group	Rate Class	Fixed Metric	Vol Metric
RES	Residential	Customer	kWh
GSLT50	General Service Less Than 50 kW	Customer	kWh
GSGT50	General Service 50 to 4,999 kW	Customer	kW
USL	Unmetered Scattered Load	Connection	kWh
Sen	Sentinel Lighting	Connection	kW
SL	Street Lighting	Connection	kW
NA	Rate Class 7	NA	NA
NA	Rate Class 8	NA	NA
NA	Rate Class 9	NA	NA
NA	Rate Class 10	NA	NA
NA	Rate Class 11	NA	NA
NA	Rate Class 12	NA	NA
NA	Rate Class 13	NA	NA
NA	Rate Class 14	NA	NA
NA	Rate Class 15	NA	NA
NA	Rate Class 16	NA	NA
NA	Rate Class 17	NA	NA
NA	Rate Class 18	NA	NA
NA	Rate Class 19	NA	NA
NA	Rate Class 20	NA	NA
NA	Rate Class 21	NA	NA
NA	Rate Class 22	NA	NA
NA	Rate Class 23	NA	NA
NA	Rate Class 24	NA	NA
NA	Rate Class 25	NA	NA

Name of LDC: Westario Power Inc.
OEB Licence Number: ED-2002-0515
Calculation of Rate Rider for Late Payment Penalty

Charge Parameters

Rate Class	Billed Customers or Connections
Residential	19,033
General Service Less Than 50 kW	2,435
General Service 50 to 4,999 kW	276
Unmetered Scattered Load	61
Sentinel Lighting	6
Street Lighting	6,006

Name of LDC: Westario Power Inc.

OEB Licence Number: ED-2002-0515

Calculation of Rate Rider for Late Payment Penalty

Calculate Revenue Allocation

Rate Class	Vol Metric	Distribution Revenue \$	Distribution Revenue %
Residential	kWh	4,543,177	56.61%
General Service Less Than 50 kW	kWh	1,276,314	15.90%
General Service 50 to 4,999 kW	kW	1,886,930	23.51%
Unmetered Scattered Load	kWh	23,596	0.29%
Sentinel Lighting	kW	386	0.00%
Street Lighting	kW	294,605	3.67%
		<u>8,025,008</u>	<u>100.00%</u>

Name of LDC: Westario Power Inc.
OEB Licence Number: ED-2002-0515
Calculation of Rate Rider for Late Payment Penalty

Amount To Be Recovered	\$63,697.59	A
Start Date	May 1, 2011	
End Date	April 30, 2012	
Number of Months	12	B
Rate Class Selection	All	
Applied to	Fixed	

Rate Class	Fixed Metric	Billed Customers or Connections C	Total Revenue D	Total Revenue F = D / E	Total Amount Allocated For Recovery G = A * F	Rate Rider H = G / C / B	Expected Recovery after rounding I = C * H
Residential	Customer	19,033	4,543,177	56.61%	36,060.95	\$0.16	\$36,543.36
General Service Less Than 50 kW	Customer	2,435	1,276,314	15.90%	10,130.60	\$0.35	\$10,227.00
General Service 50 to 4,999 kW	Customer	276	1,886,930	23.51%	14,977.29	\$4.52	\$14,970.24
Unmetered Scattered Load	Connection	61	23,596	0.29%	187.29	\$0.26	\$190.32
Sentinel Lighting	Connection	6	386	0.00%	3.06	\$0.04	\$2.88
Street Lighting	Connection	6,006	294,605	3.67%	2,338.39	\$0.03	\$2,162.16
			<u>8,025,008</u>	<u>100.00%</u>	<u>63,697.59</u>		<u>64,095.96</u>
			E				