NIAGARA-ON-THE-LAKE HYDRO INC.

EB-2011-0186

APPLICATION FOR DISTRIBUTION RATES EFFECTIVE MAY 1, 2012

MANAGER'S SUMMARY

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NOTL's notice of application will be appearing in the local weekly newspaper, "The Niagara Advance", which is not a paid publication and has circulation of approximately 7,500 per week.

The contact for this application is:

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1. INTRODUCTION

The Sections in this Manager's Summary of the rate application by Niagara-on-the-Lake Hydro Inc. ("NOTL") are:

- Section 2 - Requested adjustments to the **Retail Transmission Service Rates** ("RTSRs") for 2012;
- Section 3 - Request for approval of new **LRAM/SSM** rate riders;
- Section 4 - Request for approval of **Shared Tax Savings** rate riders;
- Section 5 – **Z-Factor** request for approval of rate riders to recover the costs incurred due to a natural disaster;
- Section 6 – Request for disposition of **Deferral/Variance Accounts;** and
- Section 7 - Request for approval of 2012 **Distribution Rates**.

Sections 8 and 9 provide the proposed rate tariff and bill impacts.

NOTL also wishes to bring the following to the Board's attention:

Revenue-Cost Ratio Adjustments

The revenue-cost ratio adjustments approved in NOTL's 2009 re-basing were completed in the 2011 rates, so that no such adjustments are required in 2012.

Smart Meter Adders/Riders

NOTL's current $1 rate adders sunset on April 30, 2012. Please note that, with NOTL's smart meter implementation now being virtually complete, NOTL will be making a separate application in the near future for approval of Smart Meter rate riders effective May 1, 2012 to refund Board-approved smart meter implementation costs based on a prudence review.

2. RETAIL TRANSMISSION SERVICE RATES

NOTL's application to adjust RTSRs is in accordance with Revision 3.0 of Guideline G-2008-0001, as attached to the OEB letter to all LDCs, issued June 22, 2011. In Accordance with Section 4 of that Guideline, NOTL is presenting evidence as follows:

a) Historical transmission costs adjusted for new UTR levels.

NOTL's historical costs (2010) consist of only IESO-invoiced costs for network and line connection. NOTL owns its own transformer stations and consequently has no IESO-invoiced transformation costs. NOTL also has no Hydro One-invoiced transmission costs. The Table below, from Sheet 6 of the OEB model represents the historical network and line connection costs:

IESO	Network			Line Connection		
Month	Units Billed	Rate	Amount	Units Billed	Rate	Amount
January	27,885	$2.97	$ 82,818	28,362	$0.73	$ 20,704
February	25,907	$2.97	$ 76,944	26,232	$0.73	$ 19,149
March	22,656	$2.97	$ 67,288	23,472	$0.73	$ 17,135
April	19,928	$2.97	$ 59,186	21,213	$0.73	$ 15,485
May	30,538	$2.97	$ 90,698	32,240	$0.73	$ 23,535
June	30,588	$2.97	$ 90,846	32,819	$0.73	$ 23,958
July	39,613	$2.97	$ 117,651	41,613	$0.73	$ 30,377
August	38,382	$2.97	$ 113,995	40,861	$0.73	$ 29,829
September	37,455	$2.97	$ 111,241	43,426	$0.73	$ 31,701
October	20,196	$2.97	$ 59,982	21,340	$0.73	$ 15,578
November	24,472	$2.97	$ 72,682	28,899	$0.73	$ 21,096
December	27,569	$2.97	$ 81,880	28,821	$0.73	$ 21,039
Total	345,189	$ 2.97	$ 1,025,211	369,298	$ 0.73	$ 269,588

When the forecasted Board approved UTRs are applied against the above historical billing, the historical network and line connection costs adjusted for

the new UTR levels are as shown in the Table below, from Sheet 8 of the OEB model:

TOTAL	Network			Line Connection		
Month	Units Billed	Rate	Amount	Units Billed	Rate	Amount
January	27,885	$ 3.22	$ 89,790	28,362	$ 0.79	$ 22,406
February	25,907	$ 3.22	$ 83,421	26,232	$ 0.79	$ 20,723
March	22,656	$ 3.22	$ 72,952	23,472	$ 0.79	$ 18,543
April	19,928	$ 3.22	$ 64,168	21,213	$ 0.79	$ 16,758
May	30,538	$ 3.22	$ 98,332	32,240	$ 0.79	$ 25,470
June	30,588	$ 3.22	$ 98,493	32,819	$ 0.79	$ 25,927
July	39,613	$ 3.22	$ 127,554	41,613	$ 0.79	$ 32,874
August	38,382	$ 3.22	$ 123,590	40,861	$ 0.79	$ 32,280
September	37,455	$ 3.22	$ 120,605	43,426	$ 0.79	$ 34,307
October	20,196	$ 3.22	$ 65,031	21,340	$ 0.79	$ 16,859
November	24,472	$ 3.22	$ 78,800	28,899	$ 0.79	$ 22,830
December	27,569	$ 3.22	$ 88,772	28,821	$ 0.79	$ 22,769
Total	345,189	$ 3.22	$ 1,111,509	369,298	$ 0.79	$ 291,745

It is noted that In the OEB model available at the time of our application, the wholesale billing forecast rates (effective Jan 1, 2012) in Sheet 8 are shown as being the same as the current rates in Sheet 7.

b) Revenues generated from existing RTSRs.

The billing determinants used to calculate the revenue are equal to the 2010 actual data, as reported in RRR and per the Table below from Sheet 4 of the model:

Rate Class	Unit	Non-Loss Adjusted Metered kWh	Non-Loss Adjusted Metered kW	Applicable Loss Factor	Load Factor	Loss Adjusted Billed kWh	Billed kW
Residential	kWh	67,066,095		1.0463		70,171,255	-
General Service Less Than 50 kW	kWh	33,559,042		1.0463		35,112,826	-
General Service 50 to 4,999 kW	kW	35,308,504	101,891		47.50%	35,308,504	101,891
General Service 50 to 4,999 kW – Interval Metered	kW	41,383,242	115,033		49.31%	41,383,242	115,033
Unmetered Scattered Load	kWh	209,503		1.0463		219,203	-
Street Lighting	kW	1,184,010	2,040		79.55%	1,184,010	2,040

The Tables below, taken from Sheets 9 and 10 of the OEB model, show what network and connection revenue would be billed at current RTSR rates as compared with the wholesale billing at current rates, and the necessary adjusted RTSR rates to bring the revenue in line with wholesale billing:

Rate Class	Unit	Current RTSR - Network	Loss Adjusted Billed kWh	Loss Adjusted Billed kW	Billed Amount	Billed Amount %	Wholesale Billing	RTSR Network
Residential	kWh	$ 0.0061	70,171,255	-	$ 428,045	37.4%	$ 415,969	$ 0.0059
General Service Less Than 50 kW	kWh	$ 0.0056	35,112,826	-	$ 196,632	17.2%	$ 191,085	$ 0.0054
General Service 50 to 4,999 kW	kW	$ 2.2738	35,308,504	101,891	$ 231,680	20.3%	$ 225,144	$ 2.2097
General Service 50 to 4,999 kW – Interval Metered	kW	$ 2.4575	41,383,242	115,033	$ 282,694	24.7%	$ 274,719	$ 2.3882
Unmetered Scattered Load	kWh	$ 0.0056	219,203	-	$ 1,228	0.1%	$ 1,193	$ 0.0054
Street Lighting	kW	$ 1.7147	1,184,010	2,040	$ 3,498	0.3%	$ 3,399	$ 1.6663
					$ 1,143,775			

Rate Class	Unit	Current RTSR - Connection	Loss Adjusted Billed kWh	Loss Adjusted Billed kW	Billed Amount	Billed Amount %	Wholesale Billing	RTSR Connection
Residential	kWh	$ 0.0013	70,171,255	-	$ 91,223	29.7%	$ 86,556	$ 0.0012
General Service Less Than 50 kW	kWh	$ 0.0012	35,112,826	-	$ 42,135	13.7%	$ 39,980	$ 0.0011
General Service 50 to 4,999 kW	kW	$ 0.4573	35,308,504	101,891	$ 46,595	15.2%	$ 44,211	$ 0.4339
General Service 50 to 4,999 kW – Interval Metered	kW	$ 1.1000	41,383,242	115,033	$ 126,536	41.2%	$ 120,064	$ 1.0437
Unmetered Scattered Load	kWh	$ 0.0012	219,203	-	$ 263	0.1%	$ 250	$ 0.0011
Street Lighting	kW	$ 0.3535	1,184,010	2,040	$ 721	0.2%	$ 684	$ 0.3354
					$ 307,473			

With regard to adjustments from current to forecast wholesale rates, in the OEB model available at the time of our application, the wholesale billing forecast rates (effective Jan 1, 2012) are shown as being the same as the current rates. Thus, at this time, the following adjustments to NOTL's RTSRs, from Sheets 11 and 12 of the model are incorporated in NOTLs IRM3 rate generator model:

Rate Class	Unit	Adjusted RTSR - Network	Loss Adjusted Billed kWh	Loss Adjusted Billed kW	Billed Amount	Billed Amount %	Wholesale Billing	RTSR Network
Residential	kWh	$ 0.0059	70,171,255	-	$ 415,969	37.4%	$ 415,969	$ 0.0059
General Service Less Than 50 kW	kWh	$ 0.0054	35,112,826	-	$ 191,085	17.2%	$ 191,085	$ 0.0054
General Service 50 to 4,999 kW	kW	$ 2.2097	35,308,504	101,891	$ 225,144	20.3%	$ 225,144	$ 2.2097
General Service 50 to 4,999 kW – Interval Metered	kW	$ 2.3882	41,383,242	115,033	$ 274,719	24.7%	$ 274,719	$ 2.3882
Unmetered Scattered Load	kWh	$ 0.0054	219,203	-	$ 1,193	0.1%	$ 1,193	$ 0.0054
Street Lighting	kW	$ 1.6663	1,184,010	2,040	$ 3,399	0.3%	$ 3,399	$ 1.6663
					$ 1,111,509			

Rate Class	Unit	Adjusted RTSR - Connection	Loss Adjusted Billed kWh	Loss Adjusted Billed kW	Billed Amount	Billed Amount %	Wholesale Billing	RTSR Connectio
Residential	kWh	$ 0.0012	70,171,255	-	$ 86,556	29.7%	$ 86,556	$ 0.0012
General Service Less Than 50 kW	kWh	$ 0.0011	35,112,826	-	$ 39,980	13.7%	$ 39,980	$ 0.0011
General Service 50 to 4,999 kW	kW	$ 0.4339	35,308,504	101,891	$ 44,211	15.2%	$ 44,211	$ 0.4339
General Service 50 to 4,999 kW – Interval Metered	kW	$ 1.0437	41,383,242	115,033	$ 120,064	41.2%	$ 120,064	$ 1.0437
Unmetered Scattered Load	kWh	$ 0.0011	219,203	-	$ 250	0.1%	$ 250	$ 0.0011
Street Lighting	kW	$ 0.3354	1,184,010	2,040	$ 684	0.2%	$ 684	$ 0.3354
					$ 291,745			

The following summary of the adjusted rates is taken from Sheet 13 of the OEB model:

Rate Class	Unit	Proposed RTSR Network	Proposed RTSI Connection
Residential	**kWh**	**$ 0.0059**	**$ 0.0012**
General Service Less Than 50 kW	**kWh**	**$ 0.0054**	**$ 0.0011**
General Service 50 to 4,999 kW	**kW**	**$ 2.2097**	**$ 0.4339**
General Service 50 to 4,999 kW – Interval Metered	**kW**	**$ 2.3882**	**$ 1.0437**
Unmetered Scattered Load	**kWh**	**$ 0.0054**	**$ 0.0011**
Street Lighting	**kW**	**$ 1.6663**	**$ 0.3354**

We understand that the OEB will adjust each applicant's model to reflect any UTR changes on Jan 1, 2012 when they are determined.

3. RECOVERY OF LRAM AMOUNT

a) Current LRAM/SSM Rate Riders

NOTL has current LRAM/SSM rate riders which were approved in the 2010 IRM3 rate application process (EB-2011-0098). However, these riders have a sunset date of 30 April, 2012. These current rates are entered in Sheet 6 of the 2012 IRM3 rate generator model.

b) Requested LRAM Rate Riders

Consultant's Report

NOTL has contracted Burman Energy Consultants Group Inc. ("BECGI") to prepare and critically assess an additional LRAM claim for program results to the end of 2010. The most recent OPA published results (program evaluations) were used as input assumptions to perform LRAM calculations. A pdf copy of the BECGI report and detailed Appendices are provided with this application. These documents provide the detailed basis for the requested claim of $57,921.

The Table below, from Page 4 of the consultant's report, sets out the components by rate class of the requested LRAM claim:

Rate Class	LRAM $
OPA Programs	
RESIDENTIAL	$30,929.11
GENERAL SERVICE <50KW	$20,270.28
GENERAL SERVICE >50KW	$6,722.00
	$57,921.39

No claim is made for SSM.

Rate Rider Calculation

The Table below provides the calculation of the requested LRAM one-year recovery rate riders for each applicable rate class:

2012 IRM - LRAM Rate Rider Calculation

Rate Class	LRAM	Billing Determinants (2009 Audited RRR)	Metrics	One Year Rate Riders
	$			$/unit (kWh or kW)
OPA Programs				Rounded to 4 decimal places
Residential	$30,929	63,529,367	**kWh**	0.0005
GS<50kW	$20,270	33,919,641	**kWh**	0.0006
GS>50 kW	$6,722	194,671	**kW**	0.0345
Total	**$57,921**			

The requested one-year rate riders in this Table are entered in Sheet 14 of the 2012 IRM3 rate generator.

4. SHARED TAX SAVINGS

NOTL has completed the required inputs to the OEB shared tax saving model model in order to calculate the associated rate riders:

- Sheet 3 - Re-based Bill Determinants & Rates
- Sheet 5 - Z-Factor Tax Changes.

a) Rebased Bill Determinants and Rates

As indicated on Sheet 3, the billing determinants are required to be the 2009 rebased data. These determinants are taken from the final Revenue Requirement Workbook for NOTL's approved 2009 rate application (Sheet A – Data Input Sheet, Footnote 15) for case EB-2008-0237:

Recalculation due to all changes:

Customer Class	Application Number of Customers/ Connections	Board Decision Number of Customers/ Connections	Application Proposed Rates	Board Decision Proposed Rates	Application Revenue at Proposed Rates	Board Decision Revenue at Proposed Rates
Residential	6,584	6,584	$19.08	$18.05	$1,507,473	$1,426,094
GS <50 kW	1,209	1,209	$47.83	$45.33	$693,918	$657,648
GS>50 kW	123	123	$370.25	$346.25	$547,172	$511,704
Street Light	1,953	1,953	$3.0087	$2.91	$70,512	$68,199
Unmetered Scattered Load	32	32	$36.30	$53.55 *	$13,940	$20,563
					$2,833,014	$2,684,208

Customer Class	Volumes kW or kWh		Volumes kW or kWh	Proposed Rates	Proposed Rates	Revenue at Proposed Rates	Revenue at Proposed Rates
Residential	66,320,829	kWh	66,607,551	$0.01340	$0.0127	$888,699	$845,916
GS <50 kW	34,349,093	kWh	34,497,593	$0.01440	$0.0136	$494,627	$469,167
GS>50 kW	207,437	kW	208,072	$2.88560	$2.7058	$598,581	$563,002
Street Light	2,900	kW	2,900	$11.79060	$11.3847	$34,191	$33,014
Unmetered Scattered Load	302,169	kWh	302,169	$0.01090	$0.0161 *	$3,294	$4,865
						$2,019,392	$1,915,965
					Total of fixed and variable rates	$4,852,406	$4,600,172
					Transformer allowance	-$24,326	-$24,326
					Difference due to rounding in models	$1,438	$2,153
					Total distribution revenue at current rates	**$4,829,518**	**$4,577,999**

Note re USL *
The change from Application to Board Decision includes the Board Findings [Page 23 of Rate Decision] to allocate the revenue requirement for the 39 re-assigned sentinel lights to the assigned classes, i.e. 25 sentinel lights (64%) go to USL and 14 lights (36%) go to streetlights. The relative impact on streetlights and USL of this re-assignment is different because of the relatively larger size (load) of the streetlight class. In the case of streetlights, the impact is offset by the net effect of various other changes made as a result of the interrogatory process.

-$251,519

and are input into Sheet 3 as shown below:

Last COS Re-based Year was in 2009

Rate Group	Rate Class	Fixed Metric	Vol Metric	Re-based Billed Customers or Connections A	Re-based Billed kWh B	Re-based Billed kW C
RES	Residential	Customer	kWh	6,584	66,607,551	
GSLT50	General Service Less Than 50 kW	Customer	kWh	1,209	34,497,593	
GSGT50	General Service 50 to 4,999 kW	Customer	kW	123		208,072
USL	Unmetered Scattered Load	Customer	kWh	32	302,169	
SL	Street Lighting	Connection	kW	1,953		2,900

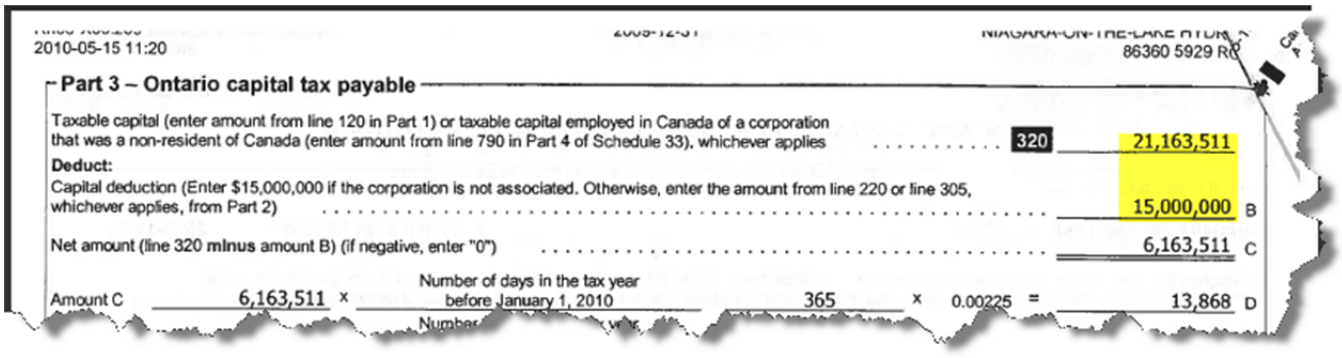
The required rates are 2011 approved rates and are taken from NOTL's 2011 Tariff. These rates are also input into Sheet 3 as shown below:

Last COS Re-based Year was in 2009

Rate Group	Rate Class	Fixed Metric	Vol Metric	Re-based Billed Customers or Connections A	Re-based Billed kWh B	Re-based Billed kW C	Rate ReBal Base Service Charge D	Rate ReBal Base Distribution Volumetric Rate kWh E	Rate ReBal Base Distribution Volumetric Rate kW F
RES	Residential	Customer	kWh	6,584	66,607,551		18.06	0.0127	
GSLT50	General Service Less Than 50 kW	Customer	kWh	1,209	34,497,593		45.35	0.0136	
GSGT50	General Service 50 to 4,999 kW	Customer	kW	123		208,072	323.99		2.5318
USL	Unmetered Scattered Load	Customer	kWh	32	302,169		53.58	0.0161	
SL	Street Lighting	Connection	kW	1,953		2,900	4.92		19.2173

b) Z-Factor Tax Changes

The required data are to be from the latest COS filing, i.e. 2009 in NOTL's case. The taxable capital and deduction for taxable capital for NOTL in 2009 are as per Page 2 of Schedule 515 of NOTL's tax return, as highlighted below:


2010-05-15 11:20

86360 5929 R

Part 3 – Ontario capital tax payable

Taxable capital (enter amount from line 120 in Part 1) or taxable capital employed in Canada of a corporation that was a non-resident of Canada (enter amount from line 790 in Part 4 of Schedule 33), whichever applies 320 21,163,511

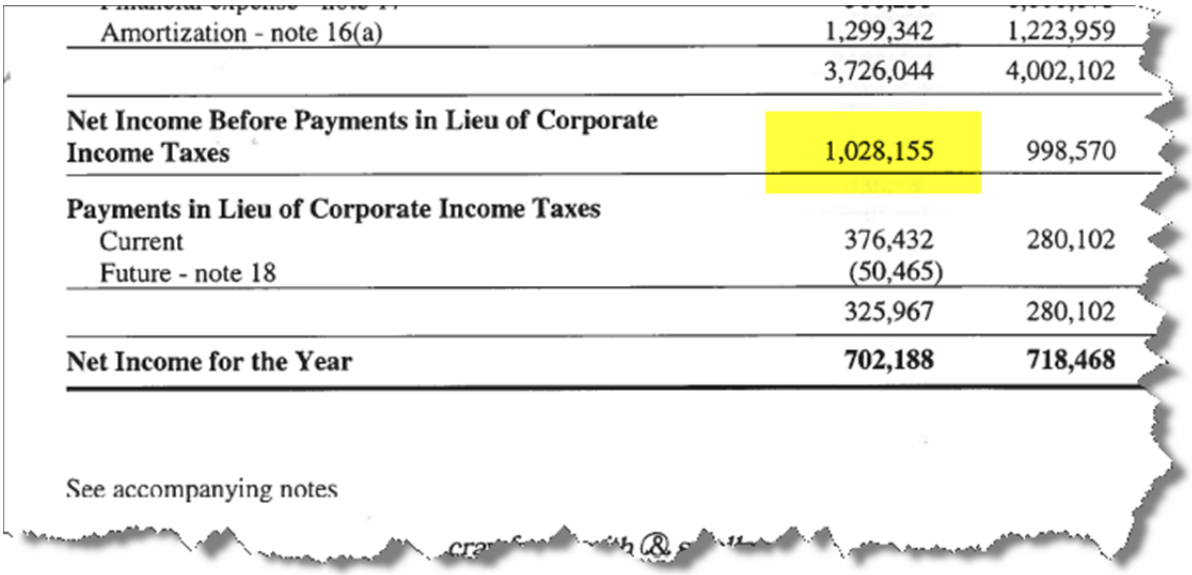
Deduct:

Capital deduction (Enter $15,000,000 if the corporation is not associated. Otherwise, enter the amount from line 220 or line 305, whichever applies, from Part 2) ..... 15,000,000 B

Net amount (line 320 **minus** amount B) (if negative, enter "0") ..... 6,163,511 C

Amount C 6,163,511 × Number of days in the tax year before January 1, 2010 365 × 0.00225 = 13,868 D

NOTL's regulatory taxable income for 2009 is as per NOTL's audited financial statements, as highlighted below:



Amortization - note 16(a)	1,299,342	1,223,959
	3,726,044	4,002,102
Net Income Before Payments in Lieu of Corporate Income Taxes	1,028,155	998,570
Payments in Lieu of Corporate Income Taxes		
Current	376,432	280,102
Future - note 18	(50,465)	
	325,967	280,102
Net Income for the Year	**702,188**	**718,468**

See accompanying notes

1

2 These data are input into the 2011 column of Sheet 5, as shown below. The
3 2012 column shows the 2012 50% tax sharing amount:

Summary - Sharing of Tax Change Forecast Amounts

For the 2009 year, enter any Tax Credits from the Cost of Service Tax Calculation (Positive #)	$ -	
1. Tax Related Amounts Forecast from Capital Tax Rate Changes	**2009**	**2012**
Taxable Capital	$ 21,163,511	$ 21,163,511
Deduction from taxable capital up to $15,000,000	$ 15,000,000	$ 15,000,000
Net Taxable Capital	$ 6,163,511	$ 6,163,511
Rate	0.225%	0.000%
Ontario Capital Tax (Deductible, not grossed-up)	**$ 13,868**	**$ -**
2. Tax Related Amounts Forecast from Income Tax Rate Changes	**2009**	**2012**
Regulatory Taxable Income	$ 1,028,155	$ 1,028,155
Corporate Tax Rate	24.72%	22.97%
Tax Impact	$ 217,933	$ 236,130
Grossed-up Tax Amount	**$ 289,506**	**$ 306,529**
Tax Related Amounts Forecast from Capital Tax Rate Changes	$ 13,868	$ -
Tax Related Amounts Forecast from Income Tax Rate Changes	$ 289,506	$ 306,529
Total Tax Related Amounts	**$ 303,373**	**$ 306,529**
Incremental Tax Savings		**$ 3,156**
Sharing of Tax Savings (50%)		**$ 1,578**

The resulting requested rate riders are calculated in sheet 6, as shown below, and are entered into Sheet 14 of NOTL's 2012 IRM3 Rate Generator model;

Rate Class	Total Revenue $ by Rate Class A	Total Revenue % by Rate Class B = A / $H	Total Z-Factor Tax Change$ by Rate Class C = $I * B	Billed kWh D	Billed kW E	Distribution Volumetric Rate kWh Rate Rider F = C / D	Distribution Volumetric Rate kW Rate Rider G = C / E
Residential	$2,272,800.3777	49.39%	$779	66,607,551	0	$0.0000	
General Service Less Than 50 kW	$1,127,105	24.49%	$386	34,497,593	0	$0.0000	
General Service 50 to 4,999 kW	$1,005,006	21.84%	$345	0	208,072		$0.0017
Unmetered Scattered Load	$25,440	0.55%	$9	302,169	0	$0.0000	
Street Lighting	$171,035	3.72%	$59	0	2,900		$0.0202
	$4,601,386	100.00%	$1,578				

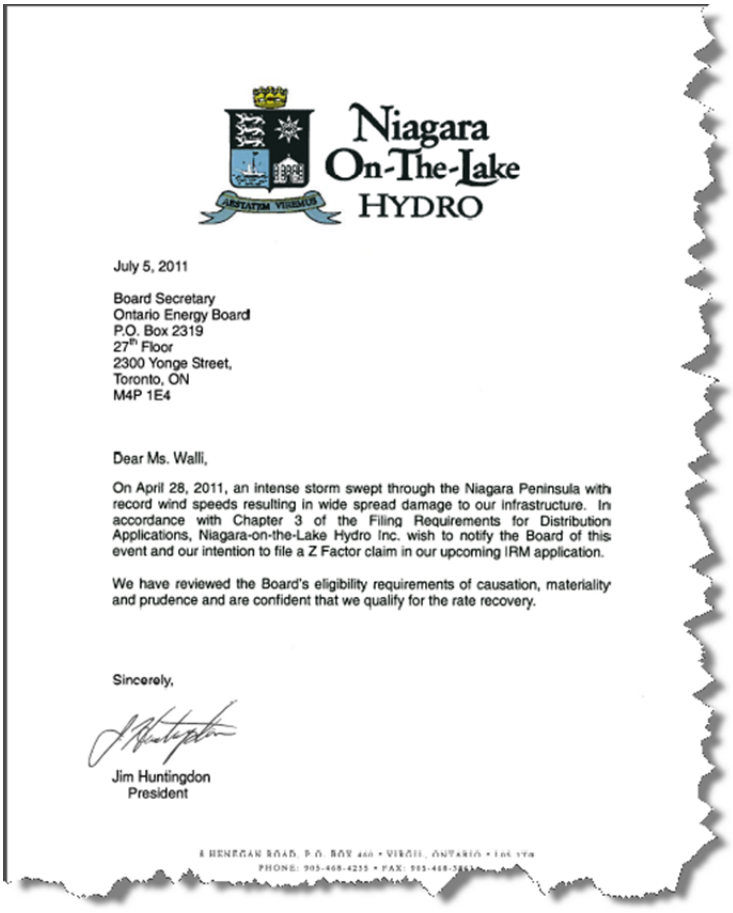
It is noted that the calculation of some of these riders results in a 0.0000 rate, and that these do not carry through to the proposed tariff.

5. Z-FACTOR – WIND STORM

a) Purpose of Submission

The Applicant, Niagara-on-the-Lake Hydro Inc. (NOTLH), is a licensed electricity distributor servicing approximately 8000 customers within the 132 km² of our municipal boundaries. NOTLH hereby applies to the Ontario Energy Board pursuant to Section 78 of the Ontario Energy Board Act, 1998, for an Order approving its 2011 Z-Factor amounts incurred in connection with a natural disaster that occurred on April 28, 2011, and its proposed Rate Rider for recovery of those balances over a one year period beginning on May 1, 2012.

The Board was notified of this Z-Factor event by letter dated July 5, 2011, shown below:



Niagara On-The-Lake HYDRO

July 5, 2011

Board Secretary
Ontario Energy Board
P.O. Box 2319
27th Floor
2300 Yonge Street,
Toronto, ON
M4P 1E4

Dear Ms. Walli,

On April 28, 2011, an intense storm swept through the Niagara Peninsula with record wind speeds resulting in wide spread damage to our infrastructure. In accordance with Chapter 3 of the Filing Requirements for Distribution Applications, Niagara-on-the-Lake Hydro Inc. wish to notify the Board of this event and our intention to file a Z Factor claim in our upcoming IRM application.

We have reviewed the Board's eligibility requirements of causation, materiality and prudence and are confident that we qualify for the rate recovery.

Sincerely,

Jim Huntingdon
President

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b) Management Representation

This section summarizes management's representations summarizing the occurrence of the natural disaster, its impact and the response by NOTLH.

On April 28, 2011, Niagara-on-the-Lake experienced record breaking wind speeds that lasted several hours causing significant system damage and widespread power outages.

The April 28th disaster commenced earlier with a series of record breaking powerful tornadoes that travelled up through the mid-United States on April 27, 2011, leaving death and carnage in its wake. The National Weather Service records indicate that 321 people were killed during the April 25-28 tornado outbreak[1]. "Between April 25th and April 28th, one of the largest, deadliest and most destructive tornado outbreaks in U.S. history struck the eastern third of the nation"[2]. The storm could be tracked through Ontario as it first appeared on the shores of Lake Erie near Long Point and pushed north-east through Norfolk County, Niagara Falls, St Catharines, Niagara-on-the-Lake and up through Brockville and Ottawa. The sudden wind speeds appeared with little warning and resulted in an emergency rescue of a high school rowing team in the Hamilton Harbour. The Niagara Region issued a Severe Wind Warning and advised residents to "stay off the roads and remain indoors."[3] A Niagara Falls weather station logged a record wind speed of 124 km/hour at 10:30 a.m. at the peak of the storm[4]. The weather station at neighbouring Niagara Falls New York airport recorded wind gusts of 83

[1] www.noaanews.noaa.gov/2011_tornado_information.html

[2] www.ncdc.noaa.gov/sotc/tonadoes/2011/4#0426

[3] www.niagararegion.ca/news/apr282011.aspx

[4] Environment Canada News Release: 99AWCN11 CWTO 282013

miles/hour (134 km/hour)[5]. One local area death resulted as a door blew off a garage and killed a Niagara resident.

After an extremely wet month, the saturated ground contributed to the uprooting of hundreds of large primarily coniferous trees of which several fell on Niagara-on-the-Lake Hydro power lines. The deciduous trees, still without foliage, were for the most part spared from the wind effect. Our first power outage calls were logged around 8:30 a.m. At the peak of the disaster around noon on Thursday, approximately 6500 of our 8000 customers were without power. Our emergency plan was initiated which involved placing calls to neighbouring LDCs and contractors for assistance and assigning employees special details and working hours. Line crews agreed to 16 hour shifts and the Engineering Department moved to line patrol and line material delivery functions. Front office staff answered heavy call volumes from early morning and the phones were answered throughout the night Thursday. Calls for assistance from neighbouring LDCs and contractors were placed in the early afternoon Thursday but as expected, damage was widespread across the Region. We were pleased to receive the assistance of a crew from Canadian Niagara Power (Fort Erie) for late Friday and Saturday. Power was restored to our last customer at approximately 7:30 p.m. on Saturday, April 30, 2011.

A total of 10 wood poles and 7 pole-mounted transformers were damaged during the disaster and required replacement. Approximately 50 spans of primary conductor and 70 individual services were spliced or replaced prior to restoring power.

[5] www.qsl.net/n2sln/04282011.html

c) Z-Factor Amounts Claim and Eligibility

This Section provides a summary of the Z-Factor amounts to be recovered; and an analysis of the amounts to show they satisfy all three tests set out under the Z-Factor eligibility criteria.

- ***Z-Factor Amounts Claim***

The Z-Factor amount requested for recovery is $76,074, as follows:

2011 WIND-STORM DISASTER COSTS			
	See Note		$
DESCRIPTION			
Internal Labour	1		$ 53,520
Materials	2		$ 21,405
Local Distribution Companies and Outside Contractors	3		$ 14,510
Meals and Other	4		$ 12,131
TOTAL COSTS			**$ 101,565**
ADJUSTMENTS			
LESS: Non-incremental internal labour	5		-$ 26,987
LESS: Insurance proceeds	6		$ -
Subtotal exc. Interest			$ 74,578
PLUS: Projected interest costs	7		$ 1,495
Z-FACTOR AMOUNT REQUESTED FOR RECOVERY			**$ 76,074**

Notes

1. Internal labour costs were as follows:

INTERNAL LABOUR						
	Overtime Hours	***Overtime $***	***Regular Hours***	***Regular $***	***Total Hours***	***Total $***
Hourly	*288*	*$ 19,839*	*487*	*$ 22,267*	*775*	*$ 42,107*
Management	*58*	*$ 6,694*	*75*	*$ 4,719*	*133*	*$ 11,413*
TOTAL	***346***	***$ 26,533***	***562***	***$ 26,987***	***908***	***$ 53,520***

2. *Materials costs were as follows:*

Materials	***$***
Distribution OH Lines	*$ 6,435*
Poles	*$ 6,188*
Transformers	*$ 8,781*
Total	*$ 21,405*

3. *LDCs and outside contractor costs were as follows:*

Outside Contractors	***$***
Cindy Osborne	*$ 285*
CNP	*$ 8,202*
Tiltan Services	*$ 6,022*
Total	*$ 14,510*

4. *Meals and other costs were as follows:*

Meals Other	***$***
Meals	*$ 1,856*
Vehicles/Safety	*$ 10,275*
Total	*$ 12,131*

5. *Non-incremental labour costs were as follows:*

NON-INCREMENTAL LABOUR						
	Overtime Hours	***Overtime $***	***Regular Hours***	***Regular $***	***Total Hours***	***Total $***
Hourly	-	-	*487*	*$ 22,267*	*487*	*$ 22,267*
Management	-	-	*75*	*$ 4,719*	*75*	*$ 4,719*
TOTAL	-	-	***562***	***$ 26,987***	***562***	***$ 26,987***

6. *NOTL does not have insurance on the parts of the distribution system that were damaged. NOTL's property insurance only covers NOTL*

headquarters office and major distribution assets such as transformer stations and distribution stations.

7. *The calculation of the projected interest costs is provided below:*

Interest Calculation					
	Opening			***Assumed***	
	Balance	***Expenses***	***Principal***	***Closing***	***OEB Prescribed***	
Month	***(exc. Interest)***	***Posted***	***Recovery***	***Balance***	***Interest Rate***	***Interest***
Apr-11		*$ 661*		*$ 661*	*1.47%*	*$ -*
May-11	*$ 661*	*$ 63,199*		*$ 63,860*	*1.47%*	*$ 0.81*
Jun-11	*$ 63,860*	*$ 10,719*		*$ 74,579*	*1.47%*	*$ 78.23*
Jul-11	*$ 74,579*			*$ 74,579*	*1.47%*	*$ 91.36*
Aug-11	*$ 74,579*			*$ 74,579*	*1.47%*	*$ 91.36*
Sep-11	*$ 74,579*			*$ 74,579*	*1.47%*	*$ 91.36*
Oct-11	*$ 74,579*			*$ 74,579*	*1.47%*	*$ 91.36*
Dec-11	*$ 74,579*			*$ 74,579*	*1.47%*	*$ 91.36*
Jan-12	*$ 74,579*			*$ 74,579*	*1.47%*	*$ 91.36*
Feb-12	*$ 74,579*			*$ 74,579*	*1.47%*	*$ 91.36*
Mar-12	*$ 74,579*			*$ 74,579*	*1.47%*	*$ 91.36*
Apr-12	*$ 74,579*			*$ 74,579*	*1.47%*	*$ 91.36*
May-12	*$ 74,579*		*-$ 6,215*	*$ 68,364*	*1.47%*	*$ 91.36*
Jun-12	*$ 68,364*		*-$ 6,215*	*$ 62,149*	*1.47%*	*$ 83.75*
Jul-12	*$ 62,149*		*-$ 6,215*	*$ 55,935*	*1.47%*	*$ 76.13*
Aug-12	*$ 55,935*		*-$ 6,215*	*$ 49,720*	*1.47%*	*$ 68.52*
Sep-12	*$ 49,720*		*-$ 6,215*	*$ 43,505*	*1.47%*	*$ 60.91*
Oct-12	*$ 43,505*		*-$ 6,215*	*$ 37,290*	*1.47%*	*$ 53.29*
Nov-12	*$ 37,290*		*-$ 6,215*	*$ 31,075*	*1.47%*	*$ 45.68*
Dec-12	*$ 31,075*		*-$ 6,215*	*$ 24,860*	*1.47%*	*$ 38.07*
Jan-13	*$ 24,860*		*-$ 6,215*	*$ 18,645*	*1.47%*	*$ 30.45*
Feb-13	*$ 18,645*		*-$ 6,215*	*$ 12,430*	*1.47%*	*$ 22.84*
Mar-13	*$ 12,430*		*-$ 6,215*	*$ 6,216*	*1.47%*	*$ 15.23*
Apr-13	*$ 6,216*		*-$ 6,216*	*-$ 0*	*1.47%*	*$ 7.61*
Totals		***$ 74,579***	***-$ 74,579***			***$ 1,495***

- ***Eligibility***

The Table below presents the analysis of the Z-Factor claim relative to the eligibility criteria set out in Section 2.3 of "Chapter 3 of the Filing Requirements for Transmission and Distribution Applications", dated June

22, 2011. NOTLH believes that this analysis shows that the criteria are met.

Criteria	Analysis
Causation	The Z-Factor amounts to be recovered are incremental costs directly related to the April disaster event. If the event had not occurred, these costs would not have been incurred by NOTLH. The costs of such a disaster are beyond the normalized costs which were included in NOTLH's approved 2009 cost-of-service rate application, and as such are outside the base upon which the rates were derived.
Materiality	NOTLH's revenue requirement in the 2009 cost-of-service application approval was $5,191,140. Hence, the applicable materiality threshold is $50,000. The cost claim exceeds this threshold.
Prudence	The Z-Factor request results from costs that were prudently incurred by Niagara-on-the-Lake Hydro Inc. Upon assessing the full impact of the April 28 wind storm disaster, NOTL Hydro immediately sought assistance from area LDCs. With the wind storm adversely affecting large areas of Southern Ontario, only Canadian Niagara Power was able to answer our plea for assistance and provided a line crew. Reasonable and capped terms of compensation to Canadian Niagara Power were pre-established in a Mutual Aid Agreement that was originally signed by nine area LDCs in late 2006. With a large percentage of customers out of power, our emergency plan involved working additional (overtime) hours until we were assured that all of our customers had their power restored and the system was left in a safe and stable condition until permanent repairs could be completed. By Sunday evening May 1, 2011, the overtime work ceased as our management team was confident that we met the pre-established conditions. The permanent repairs to the storm-damaged infrastructure took several additional weeks to complete and were done during regular working hours (no overtime). The associated labour costs for the permanent repairs are not reflected in the Z factor costs presented. Regular employee working hours on Thursday, April 28 and Friday, April 29 were similarly not included in the Z Factor costs

	presented. Materials utilized during the disaster were primarily obtained from our existing inventory. During the storm, our Niagara-on-the-Lake Transformer Stations experienced equipment failure due to repetitive breaker action that required follow-up repair by Tiltran Services. Boxed lunches and take-out meals were delivered to crews during the emergency phase of the operation as a prudent time saving measure and these costs were included in our application.

d) Requested Rate Riders

This section sets out the requested rate riders and how they are calculated. NOTL's methodology has been guided by the Board decision on the combined proceeding on storm damage claims by CNP et alia, dated July 31, 2007 (cases EB-2007-0514/0595/0571/0551). NOTL notes that in this decision, the latest historical test year data was used (2004). In NOTL's case, the year would be 2009, the latest re-basing year.

The Table below shows the required 2009 re-basing distribution revenue data and determinants, in order to implement this methodology. This data is taken from the final Revenue Requirement Workbook for NOTL's approved 2009 rate application (Sheet A – Data Input Sheet, Footnote 15) for case EB-2008-0237:

Recalculation due to all changes:

Customer Class	Application Number of Customers/ Connections	Board Decision Number of Customers/ Connections	Application Proposed Rates	Board Decision Proposed Rates	Application Revenue at Proposed Rates	Board Decision Revenue at Proposed Rates
Residential	6,584	6,584	$19.08	$18.05	$1,507,473	$1,426,094
GS <50 kW	1,209	1,209	$47.83	$45.33	$693,918	$657,648
GS>50 kW	123	123	$370.25	$346.25	$547,172	$511,704
Street Light	1,953	1,953	$3.0087	$2.91	$70,512	$68,199
Unmetered Scattered Load	32	32	$36.30	$53.55 *	$13,940	$20,563
					$2,833,014	$2,684,208

Customer Class	Volumes kW or kWh		Volumes kW or kWh	Proposed Rates	Proposed Rates	Revenue at Proposed Rates	Revenue at Proposed Rates
Residential	66,320,829	kWh	66,607,551	$0.01340	$0.0127	$888,699	$845,916
GS <50 kW	34,349,093	kWh	34,497,593	$0.01440	$0.0136	$494,627	$469,167
GS>50 kW	207,437	kW	208,072	$2.88560	$2.7058	$598,581	$563,002
Street Light	2,900	kW	2,900	$11.79060	$11.3847	$34,191	$33,014
Unmetered Scattered Load	302,169	kWh	302,169	$0.01090	$0.0161 *	$3,294	$4,865
						$2,019,392	$1,915,965
					Total of fixed and variable rates	$4,852,406	$4,600,172
					Transformer allowance	-$24,326	-$24,326
					Difference due to rounding in models	$1,438	$2,153
					Total distribution revenue at current rates	**$4,829,518**	**$4,577,999**
							-$251,519

Note re USL *
The change from Application to Board Decision includes the Board Findings [Page 23 of Rate Decision] to allocate the revenue requirement for the 39 re-assigned sentinel lights to the assigned classes, i.e. 25 sentinel lights (64%) go to USL and 14 lights (36%) go to streetlights. The relative impact on streetlights and USL of this re-assignment is different because of the relatively larger size (load) of the streetlight class. In the case of streetlights, the impact is offset by the net effect of various other changes made as a result of the interrogatory process.

- **Allocation of costs to rate classes**

NOTL proposes to allocate the requested cost recovery amount according to the approved distribution revenue by class in this latest re-basing application (2009), which underpins current rates, as follows:

Class	Distribution Revenue	%	Allocation
Residential	$ 2,272,010	49.4%	$ 37,572
GS<50 kW	$ 1,126,815	24.5%	$ 18,634
GS>50 kW	$ 1,074,706	23.4%	$ 17,773
USL	$ 25,428	0.6%	$ 421
Streetlights	$ 101,213	2.2%	$ 1,674
	$ 4,600,172	100.0%	**$ 76,074**

- **Division into fixed and variable charges**

NOTL proposes to divide the costs between fixed and variable components as per the class-specific percentage splits approved in the 2009 re-basing, as follows:

Class	Fixed	Variable	Distribution Revenue
Residential	$ 1,426,094	$ 845,916	$ 2,272,010
GS<50 kW	$ 657,648	$ 469,167	$ 1,126,815
GS>50 kW	$ 511,704	$ 563,002	$ 1,074,706
USL	$ 20,563	$ 4,865	$ 25,428
Streetlights	$ 68,199	$ 33,014	$ 101,213
	$ 2,684,208	$ 1,915,965	$ 4,600,172

Class	Fixed %	Variable %	Total
Residential	63%	37%	100%
GS<50 kW	58%	42%	100%
GS>50 kW	48%	52%	100%
USL	81%	19%	100%
Streetlights	67%	33%	100%

Class	Fixed Claim	Variable Claim	Total Claim
Residential	$ 23,583	$ 13,989	$ 37,572
GS<50 kW	$ 10,876	$ 7,759	$ 18,634
GS>50 kW	$ 8,462	$ 9,310	$ 17,773
USL	$ 340	$ 80	$ 421
Streetlights	$ 1,128	$ 546	$ 1,674
Totals	$ 44,389	$ 31,685	$ 76,074

- **Determinant for fixed charge**

NOTL proposes to divide the fixed charge total for each class by the customer or connection counts in the approved 2009 re-basing, divided by 12, to get the monthly fixed charge rider, as follows:

Class	Fixed Claim	Determinant		Rider
Residential	$ 23,583	6,584	customers	$ 0.30
GS<50 kW	$ 10,876	1,209	customers	$ 0.75
GS>50 kW	$ 8,462	123	customers	$ 5.73
USL	$ 340	32	customers	$ 0.89
Streetlights	$ 1,128	1,953	connections	$ 0.05
Totals	$ 44,389			

- **Determinant for variable charge**

  NOTL proposes to divide the variable charge total for each class by the 2009 re-basing volumes to get the monthly variable charge rider, as follows:

Class	Variable Claim	Determinant		Rider
Residential	$ 13,989	66,607,551	kWh	$ 0.0002
GS<50 kW	$ 7,759	34,497,593	kWh	$ 0.0002
GS>50 kW	$ 9,310	208,072	kW	$ 0.0447
USL	$ 80	302,169	kWh	$ 0.0003
Streetlights	$ 546	2,900	kW	$ 0.1883
Totals	$ 31,685			

These proposed rate riders are inserted in Sheets 13 (fixed) and 14 (variable) of the IRM rate generator model.

e) Supplemental Information

The following photos were taken by local media and private citizens in and around our community on April 28, 2011. The graphics illustrate the power of the wind in uprooting trees, damaging property and overturning large transport trucks. The photos also provide a sense of the resulting damage to power lines and infrastructure that Niagara-on-the-Lake Hydro Inc. faced in the aftermath.

6. DEFERRAL /VARIANCE ACCOUNTS

[This Section is structured in terms of headings the same as "Appendix A: Filing Guidelines" of the EDDVAR Report, July 31, 2009]

General Filing Requirements

a) Manager's Summary and Certification

Disposal of Group 1 Accounts

- **Accounts 1580, 1584, 1586 and 1588**

As per Sheet 10 of the IRM model, the "Group 1" threshold test claim calculation in the model includes 1580, 1584, 1586 and 1588, but excludes 1521 and 1562. The calculated claim for this subset of the Group 1 accounts falls below the Threshold Test.

Total Claim for Threshold Test (All Group 1 Accounts)	**$**	**146,059**
Threshold Test [3] (Total Claim per kWh)		**0.00084**

Consequently, no disposal of these accounts (1580, 1584, 1586 and 1588) is requested in this application. Only disposal of accounts 1521 and 1562 is requested.

(Please note that for NOTL, Group 1 accounts 1550, 1590 and 1595 do not require disposal regardless of the Threshold. This is indicated by the zero amounts in column BV of Sheet 9 of the IRM model.)

- **Account 1521**

Balance for disposal (as of Dec 31, 2010 or after all bills have come due for payment?)

NOTL observes that the IRM model calculates rate riders to dispose of account 1521 with one-year recovery based on the principal balance at

December 31, 2011, plus interest to April 30, 2012. However, NOTL notes that the Board letter of April 23, 2010 regarding the Special Purpose Charge variance account, page 2, last paragraph, states:

> In accordance with section 9 of the SPC Regulation, recovery of your SPC assessment is to be spread over a one-year period, starting from the date on which you begin billing to recover your assessment. The request for disposition of the balance in "Sub-account 2010 SPC Variance" and "Sub-account 2010 SPC Assessment Carrying Charges" should be made after that one-year period has come to an end, and all bills that include amounts on account of that assessment have come due for payment.

Thus, NOTL believes that it is more appropriate to calculate riders to dispose of the balance after all relevant bills have come due for payment. This approach will avoid collecting funds from customers through the rider that they have already paid through the special purpose charge. NOTL's calculation of the proposed claim using this approach is as follows:

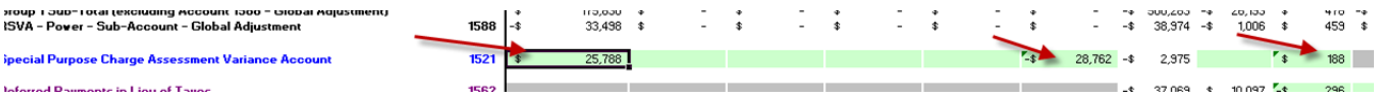
1521 Disposal Amount Calculation							
	Opening			Assumed		Interest	Interest
	Balance	SPC	Closing	OEB Prescribed		Opening	Closing
Month	(exc. Interest)	Revenue	Balance	Interest Rate	Interest	Balance	Balance
Jan-11	$ 25,788	-$ 6,080	$ 19,707	1.47%	$ 31.59	$ 184	$ 215
Feb-11	$ 19,707	-$ 6,001	$ 13,707	1.47%	$ 24.14	$ 215	$ 239
Mar-11	$ 13,707	-$ 6,644	$ 7,063	1.47%	$ 16.79	$ 239	$ 256
Apr-11	$ 7,063	-$ 4,657	$ 2,406	1.47%	$ 8.65	$ 256	$ 265
May-11	$ 2,406	-$ 4,750	-$ 2,344	1.47%	$ 2.95	$ 265	$ 268
Jun-11	-$ 2,344	-$ 614	-$ 2,958	1.47%	-$ 2.87	$ 268	$ 265
Jul-11	-$ 2,958	-$ 17	-$ 2,975	1.47%	-$ 3.62	$ 265	$ 261
Aug-11	-$ 2,975		-$ 2,975	1.47%	-$ 3.64	$ 261	$ 258
Sep-11	-$ 2,975		-$ 2,975	1.47%	-$ 3.64	$ 258	$ 254
Oct-11	-$ 2,975		-$ 2,975	1.47%	-$ 3.64	$ 254	$ 250
Dec-11	-$ 2,975		-$ 2,975	1.47%	-$ 3.64	$ 250	$ 247
Jan-12	-$ 2,975		-$ 2,975	1.47%	-$ 3.64	$ 247	$ 243
Feb-12	-$ 2,975		-$ 2,975	1.47%	-$ 3.64	$ 243	$ 239
Mar-12	-$ 2,975		-$ 2,975	1.47%	-$ 3.64	$ 239	$ 236
Apr-12	-$ 2,975		-$ 2,975	1.47%	-$ 3.64	$ 236	$ 232
May-12	-$ 2,975		-$ 2,975	1.47%	-$ 3.64	$ 232	$ 228
Jun-12	-$ 2,975		-$ 2,975	1.47%	-$ 3.64	$ 228	$ 225
Jul-12	-$ 2,975		-$ 2,975	1.47%	-$ 3.64	$ 225	$ 221
Aug-12	-$ 2,975		-$ 2,975	1.47%	-$ 3.64	$ 221	$ 217
Sep-12	-$ 2,975		-$ 2,975	1.47%	-$ 3.64	$ 217	$ 214
Oct-12	-$ 2,975		-$ 2,975	1.47%	-$ 3.64	$ 214	$ 210
Nov-12	-$ 2,975		-$ 2,975	1.47%	-$ 3.64	$ 210	$ 206
Dec-12	-$ 2,975		-$ 2,975	1.47%	-$ 3.64	$ 206	$ 203
Jan-13	-$ 2,975		-$ 2,975	1.47%	-$ 3.64	$ 203	$ 199
Feb-13	-$ 2,975		-$ 2,975	1.47%	-$ 3.64	$ 199	$ 196
Mar-13	-$ 2,975		-$ 2,975	1.47%	-$ 3.64	$ 196	$ 192
Apr-13	-$ 2,975		**-$ 2,975**	1.47%	-$ 3.64	$ 192	**$ 188**
Totals		**-$ 28,762**			**$ 4.74**		
		TOTAL CLAIM	**-$ 2,786**				

2
3

4 The calculation of the proposed riders to recover this amount is
5 done by pro-rating the disposal amounts on page 28 above, as
6 follows:

Please indicate the Rate Rider Recovery Period (in years)	1			Account 1521		
Rate Class	Unit	Billed kWh	Billed kW	Accounts Allocated by kWh/kW (RPP) or Distribution Revenue	Deferral/Variance Account Rate Rider	
Residential	$/kWh	63,529,367		-$ 1,020	($0.00002)	$/kWh
GS<50 kW	$/kWh	33,919,641		-$ 545	($0.00002)	$/kWh
GS>50 kW	$/kW	74,700,317	194,671	-$ 1,200	($0.00616)	$/kW
USL	$/kWh	202,191		-$ 3	($0.00002)	$/kWh
Streetlights	$/kW	1,124,575	2,864	$ (18)	($0.00631)	$/kW
Total		173,476,091	197,535	$ (2,786)		

Please note that in order to facilitate the required inclusion of these riders in the tariff, the IRM Sheet 9, account 1521 continuity data was entered as follows:



- The Dec 31, 2010 principal balance was entered in cell BD38
- An adjustment to bring the net principal balance to the requested amount was entered in cell BI38
- The interest claim to Apr 30, 2013 was entered in cell BL38.

As a result, there is an apparent difference between the RRR amount and the claim. This difference can be reconciled as per below:

RRR Amount cell BW38	$ 25,454
IRM Model	-$ 2,786
Difference cell BX38	$ 28,241
2011 SPC revenue	-$ 28,762
2011 interest	$ 4.74
Adjustment in Q1 2011	516.91
Net difference	-$ 0

Disposal of Group 2 Accounts

- **Account 1562**

The only Group 2 account for disposal by NOTL is account 1562.

NOTL has reviewed the evidentiary record of the combined proceeding EB-2008-0381, as well as EB-2010-0132 and the letter from the Board dated September 13, 2011 regarding disposition of PILs. NOTL has completed SIMPIL models based on the Halton Hills models. These models and other evidence, such as rate decisions, rate models, tax assessments and tax returns are submitted as part of NOTL's 2012 rate application package. The evidence comprises:

- Tax assessments – 2001 to 2005 (one scanned pdf);
- Tax returns (T2 and CT23) – 2001 to 2005 (a scanned pdf for each year);
- Board PILs decisions (2002 and 2005 rates);
- SIMPIL models – 2001Q4 to 2005 (PSFs and Excel files – xls format);
- PILs billed from March 2002 to September 2006;
- PILs summary (PDF and Excel file – xls format), containing:
  - Summary of 1562 output from each SIMPIL;
  - Board PILS approvals;
  - Proxy in rates based on the above Board PILs approvals;
  - Interest calculations to April 30, 2012.

The PILs summary output of the above evidentiary model and the interest calculation is used to determine the values entered in Row 40 of Sheet 9 of the IRM model.

There is a variance between the Dec-31-10 balance as calculated in cell BX40 of Sheet 9 vs the RRR reported value. This variance reflects the

difference between the methodology approved in the combined proceeding, resulting in the Halton Hills SIMPIL models, as compared with the methodology used by NOTL during the period 2001 to 2005, which was believed to be consistent with the required methodology at that time..

NOTL has used the calculation approach and billed determinants in Sheet 12 of the IRM model to calculate the rate riders to dispose of account 1562 with one-year recovery, as follows:

Please indicate the Rate Rider Recovery Period (in years)	1			Account 1562		
Rate Class	Unit	Billed kWh	Billed kW	Accounts Allocated by kWh/kW (RPP) or Distribution Revenue	Deferral/Variance Account Rate Rider	
Residential	$/kWh	63,529,367	-	-$ 12,318	($0.00019)	$/kWh
GS<50 kW	$/kWh	33,919,641	-	-$ 6,109	($0.00018)	$/kWh
GS>50 kW	$/kW	74,700,317	194,671	-$ 5,695	($0.02925)	$/kW
USL	$/kWh	202,191	-	-$ 138	($0.00068)	$/kWh
Streetlights	$/kW	1,124,575	2,864	$ (549)	($0.19160)	$/kW
Total		173,476,091	197,535	$ (24,809)		

Rate Riders for Combined Disposal of Group 1 and 2

The combined rate riders for 1521 and 1562 are the sums of the above riders as shown below:

Please indicate the Rate Rider Recovery Period (in years)		1				Accounts 1521 and 1562		
Rate Class	Unit	Billed kWh	Billed kW	Accounts Allocated by kWh/kW (RPP) or Distribution Revenue		Deferral/Variance Account Rate Rider	
Residential	$/kWh	63,529,367	-	-$	13,339	($0.00021)	$/kWh
GS<50 kW	$/kWh	33,919,641	-	-$	6,654	($0.00020)	$/kWh
GS>50 kW	$/kW	74,700,317	194,671	-$	6,895	($0.03542)	$/kW
USL	$/kWh	202,191	-	-$	141	($0.00070)	$/kWh
Streetlights	$/kW	1,124,575	2,864	$	(567)	($0.19791)	$/kW
Total		173,476,091	197,535	$	(27,595)		

These proposed rate riders are rounded to 4 decimal places and entered into Sheet 14 of the IRM model as follows:

Class	Proposed Rider	
Residential	($0.0002)	$/kWh
GS<50 kW	($0.0002)	$/kWh
GS>50 kW	($0.0354)	$/kW
USL	($0.0007)	$/kWh
Streetlights	($0.1979)	$/kW

Accounting Procedures

There are no exceptions to the accounting procedures to note or explain.

Certification

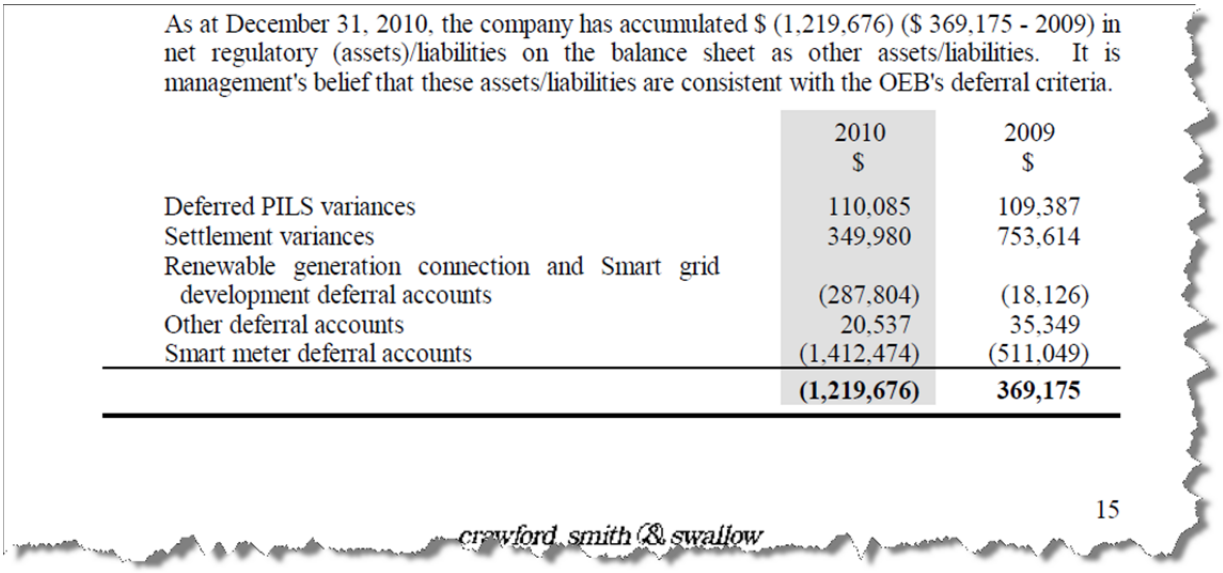
In accordance with the filing guidelines, the following certification is provided:

I, James Huntingdon, President of Niagara-on-the-Lake Hydro Inc. certify this application:

Signature 

b) Reconciliation RRR vs Financial Statements

The 2010 audited financial statements (on page 15), reported the following balances as of December 31, 2010 – please note that the amounts are stated as being liabilities, so that the amount shown here as ($1,219,676) is a debit balance of $1,219,676, i.e. an asset on the balance sheet:



As at December 31, 2010, the company has accumulated $ (1,219,676) ($ 369,175 - 2009) in net regulatory (assets)/liabilities on the balance sheet as other assets/liabilities. It is management's belief that these assets/liabilities are consistent with the OEB's deferral criteria.

	2010 $	2009 $
Deferred PILS variances	110,085	109,387
Settlement variances	349,980	753,614
Renewable generation connection and Smart grid development deferral accounts	(287,804)	(18,126)
Other deferral accounts	20,537	35,349
Smart meter deferral accounts	(1,412,474)	(511,049)
	(1,219,676)	**369,175**

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crawford, smith & swallow

The following Table provides the reconciliation between the Financial Statements and RRR:

	2010 Audited Financial Statements					
2010 RRR Totals* as submitted February 24, 2011	Deferred PILS variances	Settlement variances	Renewable generation connection and Smart grid development deferral accounts	Other deferral accounts	Smart meter deferral accounts	RRR Totals
1508				$4,693		$4,693
1518		$69,642				$69,642
1521				$25,454		$25,454
1531			$15,103			$15,103
1532			$6,865			$6,865
1534			$252,923			$252,923
1535			$12,913			$12,913
1548		$117,305				$117,305
1555					$1,276,490	$1,276,490
1556					$135,984	$135,984
1562	-$110,085					-$110,085
1580		-$360,182				-$360,182
1582		$12,121				$12,121
1584		-$56,205				-$56,205
1586		-$106,094				-$106,094
1588		-$26,567				-$26,567
1592				$33		$33
1595				-$51,202		-$51,202
Subtotal	-$110,085	-$349,980	$287,804	-$21,021	$1,412,474	$1,219,193
2010 RRR Adjustments as submitted May 12, 2011						Total RRR Adjustments
1521				$517		$517
1555					$13,971	$13,971
1556					-$13,971	-$13,971
1592				-$33		-$33
Subtotal	$0	$0	$0	$483	$0	$483
Financial Statement Totals >>>>>	**-$110,085**	**-$349,980**	**$287,804**	**-$20,537**	**$1,412,474**	**$1,219,676**
					Rounding difference	**$0**
** 2010 Q4 Closing Balances*					**Net Regulatory Asset**	**$1,219,676**

c) For Each Account Balance submitted for disposition (1521 and 1562)

- Continuity schedules - The continuity schedules for accounts 1521 and 1562 are provided in Sheet 9 of the IRM rate generator model. [This sheet also provides for the record the schedules for the Group 1 accounts not being disposed of due to the Threshold Test].

Columns BW and BX show the difference between RRR reported balances and closing amounts at December 31, 2010. All differences are

zero except for a small difference for Account 1521 (and a small difference for 1592, which is only included on a memo basis). The difference for 1521 (and also for 1592) is as a result of 2011 audited accounting transactions occurring after the Q4 2010 RRR submission deadline. The difference was reported as an adjustment in the 2011 Q1 RRR submission.

- Last approved balances – There have not been Board approved balances for accounts 1521 and 1562.
- Transfers to 1590/95 – Not applicable since there have not been Board approved balances.
- Balances for consideration in the Threshold Test for disposition - The balances (principal + interest) are shown in column BV of Sheet 9 of the IRM rate generator model, with the principal component shown in column BJ.
- Projected Carrying Charges - These charges from January 2011 to April 2012 are shown in columns BT and BU in Sheet 9.

d) Interest Rates

The interest rates used in calculating the interest shown in the continuity schedules in Sheet 9 of the IRM model for 2009 through to April 2012 are the OEB prescribed interest rates:

2009	Q1	2.45%
	Q2	1.00%
	Q3	0.55%
	Q4	0.55%
2010	Q1	0.55%
	Q2	0.55%
	Q3	0.89%
	Q4	1.20%
2011	Q1	1.47%
	Q2	1.47%
	Q3	1.47%
	Q4	1.47%
2012	Q1	1.47%
	Q2	1.47%

e) Allocation of balances

NOTL's methodology uses the approach in the IRM rate generator model provided by the OEB, and as such we believe the methodology is in accordance with applicable OEB guidelines[6]. The allocation factors are calculated in sheet 11 of the model, using bill determinants from sheet 10.

f) Bill impacts

The impact analysis calculations are done using Sheet 21 of the IRM3 rate generator model. These impacts are provided in Section 9 of this Manager's Summary.

g) Calculation of riders

The detailed calculation of rate riders is provided in the submitted IRM rate generator model, sheets 9 through 12. However, since the only disposition requested at this time is for accounts 1521 and 1562, only the calculated riders for these specific accounts appear in sheet 12. The calculations for accounts 1521 and 1562 are shown above in the "Manager's Summary and Certification", Section 6 a) above.

Account Specific Filing Requirements

- RSVA Accounts 1580, 1584, 1586, 1588

Disposition is not requested at this time due to the Threshold Test. However, pursuant to the account specific filing requirements in the EDDVAR report, NOTL states that it has used the accrual approach for the RSVA Accounts and that this approach has been used consistently over time and among RSVA Accounts for the applicable period.

- Account 1588 (RSVA Power)

[6] As suggested in cell 53 of the IRM model, NOTL proposes kWh as the allocator for account 1521 pending a final decision of the Board.

Notwithstanding that disposition of 1588 is not requested at this time, for the account 1588 (RSVA power), NOTL confirms that the variance between Board-approved and actual line losses is reflected in Account 1588 on NOTL's books for the applicable period.

7. DISTRIBUTION RATES

a) Calculations of rates

The requested rates and rate riders are calculated by completing the following OEB models, which are provided with this application:

- 2012 IRM3 rate generator
- 2012 IRM3 Shared Tax Savings work form
- 2012 RTSR Adjustment work form.

In addition, outside of the OEB models, calculations are provided in Sections above for:

- Recovery of LRAM amounts – in Section 3
- Recovery of Z-Factor amounts – in Section 5
- Evidence for disposal of 1562 – part of Section 6

b) Current items with no proposed change

In this application, the following items are requested to be continued without change:

- Rate classes
- Rate Rider for DVA disposition (2009) – effective until April 30, 2013
- Loss factors
- Allowances and specific service charges
- Retail Service charges
- microFIT service charge.

c) Sunset Items

The following current items sunset at April 30, 2012 and are requested to be discontinued:

- Smart Meter Funding Adders – effective until April 30, 2012

  [***Please see note in the Introduction - Section 1, regarding a separate application for smart meter funding riders effective May 1, 2012]***

- LRAM/SSM Rate Riders – effective until April 30, 2012
- Rate Riders for DVA disposition (2011) – effective until April 30, 2012
- Rate Riders for GA Sub-account disposition (2011) – effective until April 30, 2012
- Rate Riders for Tax Change effective until April 30, 2012

d) New Items

The following are new items requested:

- LRAM Rate Riders – effective until April 30, 2013
  - ***Please see Section 3 of this Manager's Summary for details.***
- Shared tax savings rate riders – effective until April 30, 2013
  - ***Please see Section 4 of this Manager's Summary for details.***
- Z-Factor rate riders – effective until April 30, 2013
  - ***Please see Section 5 of this Manager's Summary for details.***
- Rate Riders for DVA disposition (2012)
  - ***Please see Section 6 of this Manager's Summary for details.***

e) Adjusted Items

The following items are requested to be adjusted:

- Distribution service charge
  - ***Please see Section 7 f) below***
- Distribution volumetric charge
  - ***Please see Section 7 f) below***
- Retail transmission rates – Network
  - ***Please see Section 2 of this Manager's Summary for details.***
- Retail transmission rates – Line and Transformation Connection
  - ***Please see Section 2 of this Manager's Summary for details.***
  -

f) Distribution Service Charges and Volumetric Rates

The driver determining the requested adjustments to these rates is:

- Price cap index = 0.18%

  This parameter is provided in Sheet 17 of the 2012 IRM rate generator, as follows:

Price Escalator	**1.30%**	**Productivity Factor**	**0.72%**	**Price Cap Index**	**0.18%**
Choose Stretch Factor Group	**II**	**Associated Stretch Factor Value**	**0.4%**		

All of the requested rates and rate riders – i.e. no change, new or adjusted, referred to in b), d), e) and f) above) - are shown in the Rates Tariff in Section 8 below.

8. PROPOSED RATES TARIFF

The proposed rates tariff is comprised of:

- Applied for monthly rates and charges
- Current and applied for loss factors
- Current and applied for allowances
- Current and applied for specific service charges
- Current and applied for retail service charges

These components of the rates tariff as generated by the model are provided in hard copy in Tab 6 of the application binder, as well as in PDF and Excel format.

A PDF copy of the current tariff sheet is provided in the application filing (Tab 5 of the binder and in PDF format), in accordance with Page 6 of Chapter 3 of the Filing Requirements for Transmission and Distribution Applications, dated June 22. 2011.

9. BILL IMPACTS

Using the 2011 IRM3 rate generator, the total bill impacts for NOTL customer classes are all less than 10%.

Details of the bill impacts for various usage levels are provided below, as generated by the model. Also, a copy of all of these bill impact pages is provided in the application filing in Tab 7 of the binder and in PDF format, in accordance with Page 6 of Chapter 3 of the Filing Requirements for Transmission and Distribution Applications, dated June 22. 2011.

Residential

(A representative volume for NOTL for the residential class is 1,000 kWh).

Residential

Monthly Rates and Charges	Current Rate	Applied For Rate
Service Charge	18.06	18.09
Smart Meter Funding Adder	1.00	-
Service Charge Rate Rider(s)	-	0.30
Distribution Volumetric Rate	0.01270	0.01272
Distribution Volumetric Rate Rider(s)	(0.00370)	0.00067
Low Voltage Volumetric Rate	0.00000	0.00000
Retail Transmission Rate – Network Service Rate	0.00610	0.00593
Retail Transmission Rate – Line and Transformation Connection Service Rate	0.00130	0.00123
Wholesale Market Service Rate	0.0052	0.0052
Rural Rate Protection Charge	0.0013	0.0013
Standard Supply Service – Administration Charge (if applicable)	0.25	0.25
Debt Retirement Charge (DRC)	0.0070	0.0070
Loss Factor	1.0463	1.0463

Consumption	**1,000**	**kWh**		**kW**
RPP Tier One	**600**	**kWh**	***Load Factor***	

Current Loss Factor	***1.0463***
Proposed Loss Factor	***1.0463***

Residential	Volume	Current Rate ($)	Current Charge ($)	Volume	Proposed Rate ($)	Proposed Charge ($)	Change ($)	Change (%)	% of Total Bill
Energy First Tier (kWh)	600.00	0.0680	40.80	600.00	0.0680	40.80	0.00	0.00%	27.91%
Energy Second Tier (kWh)	446.30	0.0790	35.26	446.30	0.0790	35.26	0.00	0.00%	24.12%
Sub-Total: Energy			**76.06**			**76.06**	**0.00**	**0.00%**	**52.02%**
Service Charge	1	18.06	18.06	1	18.09	18.09	0.03	0.18%	12.38%
Service Charge Rate Rider(s)	1	1.00	1.00	1	0.30	0.30	-0.70	(70.00)%	0.21%
Distribution Volumetric Rate	1,000	0.0127	12.70	1,000	0.0127	12.72	0.02	0.18%	8.70%
Low Voltage Volumetric Rate	1,000	0.0000	0.00	1,000	0.0000	0.00	0.00	0.00%	0.00%
Distribution Volumetric Rate Rider(s)	1,000	(0.0037)	(3.70)	1,000	0.0007	0.67	4.37	(117.98)%	0.45%
Total: Distribution			**28.06**			**31.78**	**3.72**	**13.26%**	**21.74%**
Retail Transmission Rate – Network Service Rate	1,046.30	0.0061	6.38	1,046.30	0.0059	6.20	-0.18	(2.82)%	4.24%
Retail Transmission Rate – Line and Transformation Connection Service Rate	1,046.30	0.0013	1.36	1,046.30	0.0012	1.29	-0.07	(5.12)%	0.88%
Total: Retail Transmission			**7.74**			**7.49**	**-0.25**	**(3.22)%**	**5.13%**
Sub-Total: Delivery (Distribution and Retail Transmission)			**35.80**			**39.27**	**3.47**	**9.69%**	**26.86%**
Wholesale Market Service Rate	1,046.30	0.0052	5.44	1,046.30	0.0052	5.44	0.00	0.00%	3.72%
Rural Rate Protection Charge	1,046.30	0.0013	1.36	1,046.30	0.0013	1.36	0.00	0.00%	0.93%
Standard Supply Service – Administration Charge (if applicable)	1	0.25	0.25	1	0.25	0.25	0.00	0.00%	0.17%
Sub-Total: Regulatory			**7.05**			**7.05**			**4.82%**
Debt Retirement Charge (DRC)	1,000.00	0.00700	**7.00**	1,000	0.0070	**7.00**	**0.00**	**0.00%**	**4.79%**
Total Bill before Taxes			**125.91**			**129.38**	**3.47**	**2.76%**	**88.50%**
HST		13%	**16.37**		13%	**16.82**	**0.45**	**2.76%**	**11.50%**
Total Bill			**142.28**			**146.20**	**3.92**	**2.76%**	**100.00%**
Ontario Clean Energy Benefit (OCEB)		**(10%)**	**-14.23**		**(10%)**	**-14.62**			
Total Bill (less OCEB)			**128.05**			**131.58**	**3.53**	**2.76%**	

GS < 50kW

(A representative volume for NOTL for the GS < 50kW class is 2,000 kWh).

General Service Less Than 50 kW

Monthly Rates and Charges	Current Rate	Applied For Rate
Service Charge	45.35	45.43
Smart Meter Funding Adder	1.00	-
Service Charge Rate Rider(s)	-	0.75
Distribution Volumetric Rate	0.01360	0.01362
Distribution Volumetric Rate Rider(s)	(0.00410)	0.00058
Low Voltage Volumetric Rate	0.00000	0.00000
Retail Transmission Rate – Network Service Rate	0.00560	0.00544
Retail Transmission Rate – Line and Transformation Connection Service Rate	0.00120	0.00114
Wholesale Market Service Rate	0.0052	0.0052
Rural Rate Protection Charge	0.0013	0.0013
Standard Supply Service – Administration Charge (if applicable)	0.25	0.25
Debt Retirement Charge (DRC)	0.0070	0.0070
Loss Factor	1.0463	1.0463

Consumption	**2,000**	**kWh**		**kW**
RPP Tier One	**600**	**kWh**	***Load Factor***	

Current Loss Factor	***1.0463***
Proposed Loss Factor	***1.0463***

General Service Less Than 50 kW	Volume	Current Rate ($)	Current Charge ($)	Volume	Proposed Rate ($)	Proposed Charge ($)	Change ($)	Change (%)	% of Total Bill
Energy First Tier (kWh)	600.00	0.0680	40.80	600.00	0.0680	40.80	0.00	0.00%	13.13%
Energy Second Tier (kWh)	1,492.60	0.0790	117.92	1,492.60	0.0790	117.92	0.00	0.00%	37.96%
Sub-Total: Energy			**158.72**			**158.72**	**0.00**	**0.00%**	**51.09%**
Service Charge	1	45.35	45.35	1	45.43	45.43	0.08	0.18%	14.62%
Service Charge Rate Rider(s)	1	1.00	1.00	1	0.75	0.75	-0.25	(25.00)%	0.24%
Distribution Volumetric Rate	2,000	0.0136	27.20	2,000	0.0136	27.25	0.05	0.18%	8.77%
Low Voltage Volumetric Rate	2,000	0.0000	0.00	2,000	0.0000	0.00	0.00	0.00%	0.00%
Distribution Volumetric Rate Rider(s)	2,000	(0.0041)	(8.20)	2,000	0.0006	1.16	9.36	(114.16)%	0.37%
Total: Distribution			**65.35**			**74.59**	**9.24**	**14.14%**	**24.01%**
Retail Transmission Rate – Network Service Rate	2,092.60	0.0056	11.72	2,092.60	0.0054	11.39	-0.33	(2.82)%	3.67%
Retail Transmission Rate – Line and Transformation Connection Service Rate	2,092.60	0.0012	2.51	2,092.60	0.0011	2.38	-0.13	(5.12)%	0.77%
Total: Retail Transmission			**14.23**			**13.77**	**-0.46**	**(3.23)%**	**4.43%**
Sub-Total: Delivery (Distribution and Retail Transmission)			**79.58**			**88.36**	**8.78**	**11.04%**	**28.44%**
Wholesale Market Service Rate	2,092.60	0.0052	10.88	2,092.60	0.0052	10.88	0.00	0.00%	3.50%
Rural Rate Protection Charge	2,092.60	0.0013	2.72	2,092.60	0.0013	2.72	0.00	0.00%	0.88%
Standard Supply Service – Administration Charge (if applicable)	1	0.25	0.25	1	0.25	0.25	0.00	0.00%	0.08%
Sub-Total: Regulatory			**13.85**			**13.85**			**4.46%**
Debt Retirement Charge (DRC)	2,000.00	0.00700	**14.00**	2,000	0.0070	**14.00**	**0.00**	**0.00%**	**4.51%**
Total Bill before Taxes			**266.15**			**274.93**	**8.78**	**3.30%**	**88.50%**
HST		13%	**34.60**		13%	**35.74**	**1.14**	**3.30%**	**11.50%**
Total Bill			**300.75**			**310.67**	**9.92**	**3.30%**	**100.00%**
Ontario Clean Energy Benefit (OCEB)		(10%)	**-30.07**		(10%)	**-31.07**			
Total Bill (less OCEB)			**270.67**			**279.60**	**8.93**	**3.30%**	

GS > 50kW

(A representative volume for NOTL for the GS > 50kW class is 500,000 kWh and 1,100 kW. However, the kWh cell in the model for this class is locked. Hence the volumes locked into the model are shown below).

General Service 50 to 4,999 kW

Monthly Rates and Charges	Current Rate	Applied For Rate
Service Charge	323.99	324.57
Smart Meter Funding Adder	1.00	-
Service Charge Rate Rider(s)	-	5.73
Distribution Volumetric Rate	2.53180	2.53636
Distribution Volumetric Rate Rider(s)	(1.05560)	0.04173
Low Voltage Volumetric Rate	0.00000	0.00000
Retail Transmission Rate – Network Service Rate	2.27380	2.20965
Retail Transmission Rate – Line and Transformation Connection Service Rate	0.45730	0.43391
Wholesale Market Service Rate	0.0052	0.0052
Rural Rate Protection Charge	0.0013	0.0013
Standard Supply Service – Administration Charge (if applicable)	0.25	0.25
Debt Retirement Charge (DRC)	0.0070	0.0070
Loss Factor	1.0358	1.0358

Consumption	500,000	kWh	1,100	kW
		kWh	*Load Factor*	*62.3%*

Current Loss Factor	*1.0358*
Proposed Loss Factor	*1.0358*

General Service 50 to 4,999 kW	Volume	Current Rate ($)	Current Charge ($)	Volume	Proposed Rate ($)	Proposed Charge ($)	Change ($)	Change (%)	% of Total Bill
Energy First Tier (kWh)	517,900.00	0.0680	35,217.20	517,900	0.0680	35,217.20	0.00	0.00%	543.35%
Energy Second Tier (kWh)			0.00			0.00	0.00	0.00%	0.00%
Sub-Total: Energy			**35,217.20**			**35,217.20**	**0.00**	**0.00%**	**543.35%**
Service Charge	1	323.99	323.99	1	324.57	324.57	0.58	0.18%	5.01%
Service Charge Rate Rider(s)	1	1.00	1.00	1	5.73	5.73	4.73	473.00%	0.09%
Distribution Volumetric Rate	1,100	2.5318	2,784.98	1,100	2.5364	2,789.99	5.01	0.18%	43.05%
Low Voltage Volumetric Rate	1,100	0.0000	0.00	1,100	0.0000	0.00	0.00	0.00%	0.00%
Distribution Volumetric Rate Rider(s)	1,100	(1.0556)	(1,161.16)	1,100	0.0417	45.90	1,207.06	(103.95)%	0.71%
Total: Distribution			**1,948.81**			**3,166.20**	**1,217.39**	**62.47%**	**48.85%**
Retail Transmission Rate – Network Service Rate	1,139.38	2.2738	2,590.72	1,139.38	2.2097	2,517.64	-73.09	(2.82)%	38.84%
Retail Transmission Rate – Line and Transformation Connection Service Rate	1,139.38	0.4573	521.04	1,139.38	0.4339	494.39	-26.65	(5.12)%	7.63%
Total: Retail Transmission			**3,111.76**			**3,012.02**	**-99.74**	**(3.21)%**	**46.47%**
Sub-Total: Delivery (Distribution and Retail Transmission)			**5,060.57**			**6,178.22**	**1,117.65**	**22.09%**	**95.32%**
Wholesale Market Service Rate	517,900.00	0.0052	2,693.08	517,900.00	0.0052	2,693.08	0.00	0.00%	41.55%
Rural Rate Protection Charge	517,900.00	0.0013	673.27	517,900.00	0.0013	673.27	0.00	0.00%	10.39%
Standard Supply Service – Administration Charge (if applicable)	1	0.25	0.25	1	0.25	0.25	0.00	0.00%	0.00%
Sub-Total: Regulatory			**3,366.60**			**3,366.60**			**51.94%**
Debt Retirement Charge (DRC)	500,000.00	0.00700	**3,500.00**	500,000	0.0070	**3,500.00**	**0.00**	**0.00%**	**54.00%**
Total Bill before Taxes			**47,144.37**			**48,262.02**	**1,117.65**	**2.37%**	**744.62%**
HST		13%	**6,128.77**		13%	**6,274.06**	**145.29**	**2.37%**	**96.80%**
Total Bill			**53,273.14**			**54,536.08**	**1,262.94**	**2.37%**	**841.42%**
Ontario Clean Energy Benefit (OCEB)		(10%)	**-5,327.31**		(10%)	**-5,453.61**			
Total Bill (less OCEB)			**47,945.83**			**49,082.47**	**1,136.65**	**2.37%**	

Unmetered Scattered Loads

(A representative volume for NOTL for the USL class is 800 kWh).

Unmetered Scattered Load

Monthly Rates and Charges	Current Rate	Applied For Rate
Service Charge	53.58	53.68
Smart Meter Funding Adder	-	-
Service Charge Rate Rider(s)	-	0.89
Distribution Volumetric Rate	0.01610	0.01613
Distribution Volumetric Rate Rider(s)	(0.00170)	(0.00049)
Low Voltage Volumetric Rate	0.00000	0.00000
Retail Transmission Rate – Network Service Rate	0.00560	0.00544
Retail Transmission Rate – Line and Transformation Connection Service Rate	0.00120	0.00114
Wholesale Market Service Rate	0.0052	0.0052
Rural Rate Protection Charge	0.0013	0.0013
Standard Supply Service – Administration Charge (if applicable)	0.25	0.25
Debt Retirement Charge (DRC)	0.0070	0.0070
Loss Factor	1.0463	1.0463

Consumption	**800**	**kWh**		**kW**
RPP Tier One	**600**	**kWh**	***Load Factor***	

Current Loss Factor	***1.0463***
Proposed Loss Factor	***1.0463***

Unmetered Scattered Load	Volume	Current Rate ($)	Current Charge ($)	Volume	Proposed Rate ($)	Proposed Charge ($)	Change ($)	Change (%)	% of Total Bill
Energy First Tier (kWh)	600.00	0.0680	40.80	600.00	0.0680	40.80	0.00	0.00%	25.18%
Energy Second Tier (kWh)	237.04	0.0790	18.73	237.04	0.0790	18.73	0.00	0.00%	11.56%
Sub-Total: Energy			**59.53**			**59.53**	**0.00**	**0.00%**	**36.73%**
Service Charge	1	53.58	53.58	1	53.68	53.68	0.10	0.18%	33.12%
Service Charge Rate Rider(s)	1	0.00	0.00	1	0.89	0.89	0.89	0.00%	0.55%
Distribution Volumetric Rate	800	0.0161	12.88	800	0.0161	12.90	0.02	0.18%	7.96%
Low Voltage Volumetric Rate	800	0.0000	0.00	800	0.0000	0.00	0.00	0.00%	0.00%
Distribution Volumetric Rate Rider(s)	800	(0.0017)	(1.36)	800	(0.0005)	(0.39)	0.97	(71.44)%	(0.24)%
Total: Distribution			**65.10**			**67.08**	**1.98**	**3.04%**	**41.40%**
Retail Transmission Rate – Network Service Rate	837.04	0.0056	4.69	837.04	0.0054	4.56	-0.13	(2.82)%	2.81%
Retail Transmission Rate – Line and Transformation Connection Service Rate	837.04	0.0012	1.00	837.04	0.0011	0.95	-0.05	(5.12)%	0.59%
Total: Retail Transmission			**5.69**			**5.51**	**-0.18**	**(3.23)%**	**3.40%**
Sub-Total: Delivery (Distribution and Retail Transmission)			**70.79**			**72.59**	**1.80**	**2.54%**	**44.79%**
Wholesale Market Service Rate	837.04	0.0052	4.35	837.04	0.0052	4.35	0.00	0.00%	2.69%
Rural Rate Protection Charge	837.04	0.0013	1.09	837.04	0.0013	1.09	0.00	0.00%	0.67%
Standard Supply Service – Administration Charge (if applicable)	1	0.25	0.25	1	0.25	0.25	0.00	0.00%	0.15%
Sub-Total: Regulatory			**5.69**			**5.69**			**3.51%**
Debt Retirement Charge (DRC)	800.00	0.00700	**5.60**	800	0.0070	**5.60**	**0.00**	**0.00%**	**3.46%**
Total Bill before Taxes			**141.61**			**143.41**	**1.80**	**1.27%**	**88.50%**
HST		13%	**18.41**		13%	**18.64**	**0.23**	**1.27%**	**11.50%**
Total Bill			**160.02**			**162.05**	**2.03**	**1.27%**	**100.00%**
Ontario Clean Energy Benefit (OCEB)		**(10%)**	**-16.00**		**(10%)**	**-16.20**			
Total Bill (less OCEB)			**144.02**			**145.84**	**1.83**	**1.27%**	

Street Lighting

(A representative volume for NOTL for the Street Lighting class is 63 kWh and 0.14 kW).

Street Lighting

Monthly Rates and Charges	Current Rate	Applied For Rate
Service Charge	4.92	4.93
Smart Meter Funding Adder	-	-
Service Charge Rate Rider(s)	-	0.05
Distribution Volumetric Rate	19.21730	19.25189
Distribution Volumetric Rate Rider(s)	(2.15080)	(0.01401)
Low Voltage Volumetric Rate	0.00000	0.00000
Retail Transmission Rate – Network Service Rate	1.71470	1.66633
Retail Transmission Rate – Line and Transformation Connection Service Rate	0.35350	0.33542
Wholesale Market Service Rate	0.0052	0.0052
Rural Rate Protection Charge	0.0013	0.0013
Standard Supply Service – Administration Charge (if applicable)	0.25	0.25
Debt Retirement Charge (DRC)	0.0070	0.0070
Loss Factor	1.0463	1.0463

Consumption	63	kWh	0.14	kW
		kWh	*Load Factor*	

Current Loss Factor	*1.0463*
Proposed Loss Factor	*1.0463*

Street Lighting	Volume	Current Rate ($)	Current Charge ($)	Volume	Proposed Rate ($)	Proposed Charge ($)	Change ($)	Change (%)	% of Total Bill
Energy First Tier (kWh)	65.92	0.0680	4.48	66	0.0680	4.48	0.00	0.00%	0.02%
Energy Second Tier (kWh)			0.00			0.00	0.00	0.00%	0.00%
Sub-Total: Energy			**4.48**			**4.48**	**0.00**	**0.00%**	**0.02%**
Service Charge	1	4.92	4.92	1	4.93	4.93	0.01	0.18%	0.03%
Service Charge Rate Rider(s)	1	0.00	0.00	1	0.01	0.01	0.01	0.00%	0.00%
Distribution Volumetric Rate	0	19.2173	2.69	0	19.2519	2.70	0.00	0.18%	0.01%
Low Voltage Volumetric Rate	0	0.0000	0.00	0	0.0000	0.00	0.00	0.00%	0.00%
Distribution Volumetric Rate Rider(s)	0	(2.1508)	(0.30)	0	(0.0140)	(0.00)	0.30	(99.35)%	(0.00)%
Total: Distribution			**7.31**			**7.63**	**0.32**	**4.35%**	**0.04%**
Retail Transmission Rate – Network Service Rate	0.15	1.7147	0.25	0.15	1.6663	0.24	-0.01	(2.82)%	0.00%
Retail Transmission Rate – Line and Transformation Connection Service Rate	0.15	0.3535	0.05	0.15	0.3354	0.05	-0.00	(5.12)%	0.00%
Total: Retail Transmission			**0.30**			**0.29**	**-0.01**	**(3.21)%**	**0.00%**
Sub-Total: Delivery (Distribution and Retail Transmission)			**7.61**			**7.92**	**0.31**	**4.05%**	**0.04%**
Wholesale Market Service Rate	65.92	0.0052	0.34	65.92	0.0052	0.34	0.00	0.00%	0.00%
Rural Rate Protection Charge	65.92	0.0013	0.09	65.92	0.0013	0.09	0.00	0.00%	0.00%
Standard Supply Service – Administration Charge (if applicable)	1	0.25	0.25	1	0.25	0.25	0.00	0.00%	0.00%
Sub-Total: Regulatory			**0.68**			**0.68**			**0.00%**
Debt Retirement Charge (DRC)	63.00	0.00700	**0.44**	63	0.0070	**0.44**	**0.00**	**0.00%**	**0.00%**
Total Bill before Taxes			**13.21**			**13.52**	**0.31**	**2.33%**	**0.07%**
HST		13%	**1.72**		13%	**1.76**	**0.04**	**2.33%**	**0.01%**
Total Bill			**14.93**			**15.28**	**0.35**	**2.33%**	**0.08%**
Ontario Clean Energy Benefit (OCEB)		(10%)	**-1.49**		(10%)	**-1.53**			
Total Bill (less OCEB)			**13.44**			**13.75**	**0.31**	**2.33%**	

Mitigation Measures

NOTL submits that bill impact mitigation measures are not required for any of the classes.

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