



## Lakefront Utilities Inc.

207 Division Street, Cobourg, ON K9A 4L3 • [www.lusi.on.ca](http://www.lusi.on.ca) • Tel: (905) 372-2193 • Fax: (905) 372-2581

May 27, 2008

Attn: Ms. Kristen Walli – Board Secretary

Ontario Energy Board  
P. O. Box 2319  
2300 Yonge St.  
Suite 2701  
Toronto, ON M4P 1E4

Dear Ms. Walli:

**Re: Lakefront Utilities Inc. (LUI) 2008 Distribution Rate Application Ref: EB-2007-0761**  
**Draft Rate Order**

In response to the Board's Decision and direction dated May 9<sup>th</sup>, 2008 on Lakefront Utilities Inc. 2008 cost of service rate application, please find attached LUI's draft rate order.

As per Procedural Order, we have enclosed two paper copies along with a CD.

Should you have any questions regarding the above, please contact me at (905) 372-2193.

Yours truly,

Dereck C. Paul  
Manager; Compliance and Finance  
Lakefront Utilities Inc.

Copy: Bruce Craig – President – Lakefront Utilities Inc.  
Christie Clark – Case Manager – OEB  
Andrew Taylor – Ogilvy Renault; Counsel for LUI  
Michael Buonaguro – Counsel for VECC  
John De Vellis – Counsel for SEC

**LAKEFRONT UTILITIES INC.**

**DRAFT RATE ORDER**

**EB-2007-0761**

**May 27, 2008**

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## **Overview**

On October 31, 2007, Lakefront Utilities Inc. ("LUI") filed an application using the cost of service methodology, Board file number EB-2007-0761, under section 78 of the *Ontario Energy Board Act, 1998* seeking approval for changes to the distribution rates that LUI charges for electricity distribution, to be effective May 1, 2008.

LUI is a municipally owned distribution company owned by the Town of Cobourg Holdings Inc. LUI was incorporated under the Ontario Business Corporations Act on April 12, 2000 and began doing business as Lakefront Utilities Inc. on May 1, 2000. LUI serves approximately 8,000 residential customers and 1,150 general service customers including Street lighting and Sentinel lights in the Town of Cobourg and the former Village of Colborne.

In its application, LUI applied for the following:

- Service Revenue Requirement \$5,077,851
- Base Revenue Requirement \$4,742,287
- Rate Base \$15,557,507
- Return on Rate Base 7.82%
- Deficiency \$1,011,962
- With the following proposed rate impacts:
  - Res @ 750 kWh: \$4.25 or +4.8% Dist charges only: \$4.62 or +5.2%
  - GS<50 @2,000 kWh: \$16.00 or +5.3% Dist charges only: \$12.10 or +3.8%
- Interim approval of the rates applied effective, May 1<sup>st</sup>, 2008 subject to final approval, if, final rates are not be approved in time to implement on May 1<sup>st</sup>, 2008
- Approval of LUI's proposed change in capital structure, decreasing LUI's deemed common equity component from "50%" to "46.67%" in 2008
- Approval of disposition of the principal of certain deferral and variance account balances as of December 31, 2006 and the projected accrued interest to April 30, 2008, plus the continuation of account 1590, transition costs rate rider, for a combined total of \$1,389,869
- Approval of the Distribution Loss Factor (DLF) of 1.0494
- Recovery of Specific Service Charges

The following issues were raised through interrogatories by Board Staff, Schools and VECC and LUI filed responses along with a final submission on March 10, 2008.

- Load Forecast
- Operating, Maintenance & Administrative Expenses
- Payments in Lieu of Taxes
- Capital Expenditures and Rate Base
- Cost of Capital
- Cost Allocation and Rate Design
- Deferral and Variance Accounts

## **Load Forecast**

In its Decision, the Board decided to make no adjustments to LUI's 2008 load forecast based on its findings.

LUI explained that total customer numbers (including residential) are forecast to increase. The decrease in customer numbers for the GS 50-2,999 kW class is due to customer reclassifications. But Schools noted that the decrease in the GS 50-2,999 kW class from 2006 to 2008 is 13,854,000 kWh but the increase in the GS<50 kW class for the same period is only 1,057,000 kWh.

Although the Board accepted the fact Kraft Canada, LUI's largest customer will be closing its plant in October 2008, and as a result LUI projected a reduction in load for 2008 to be 15,561,809 kWh and 29,581 kW, based on the evidence available at the time of filing LUI's Submission. The Board found the two situations have largely offsetting impacts and therefore concluded that the most appropriate approach is to leave LUI's forecast unchanged.

LUI suggests that both customer attrition and conservation initiatives along with reclassification should also be taken into consideration for this downward trend in load.

LUI accepts the Board's decision on this issue pertaining to 2008 due to Kraft Canada's closure in October of 2008 having a lesser impact.

LUI is more concerned about 2009 and future years where Kraft Canada will be completely closed resulting in a reduction in load of approximately 50,000 KW annually and subsequent distribution revenue of \$111,500. For this reason, it is expected LUI will require a new cost allocation and cost of service application ASAP unless the Board provides a mechanism for LUI to adjust its load forecast in the 2009 3<sup>rd</sup> Generation IRM process.

## Operating, Maintenance & Administrative Expenses

In its Decision, the Board decided to make three specific adjustments to LUI's OM&A expenses plus the removal of \$80,408 incremental CDM amount.

1. LUI forecasted an increase of \$100,000 in 2008 for regulatory expenses over the estimated 2007 level of \$49,198 and proposed in its submission to amortize the \$100,000 over three years. In its findings, the Board approved LUI's "proposal to reduce OM&A by \$66,667 to reflect the amortization of the incremental expenses associated with the 2008 application over a three-year period."
2. LUI submitted a forecast increase of \$45,586 in bad debt expenses because of recent trending but the Board finds that LUI has not substantiated the continuing high level of bad debt expenses and adjusted the OM&A \$25,000 downward as a result.
3. The Board removed the expenses associated with LUI's smart meter proposal and consequently ruled that LUI deduct the \$220,278 in LUI's OM&A related to smart meters.

In its application, LUI sought approval to implement its smart meter program to avoid the duplication of expenses by having to replace expired/expiring meters with conventional meters and then soon after replacing those conventional meters with smart meters.

As indicated by LUI during the course of the proceeding, approximately half of its customers' meter seals are expired or on the verge of expiration.<sup>1</sup>

In the Decision, the Board denied LUI's smart meter program and provided that LUI's expired conventional meters do not necessarily require replacement:

Lakefront's evidence is that "approximately half of our customer's meter seals are expired or on the verge of expiration." The Board notes, however, that an expired seal does not necessarily require replacement of the meter. Rather, the meters will be subject to further testing.

After the Decision was issued, LUI investigated the possibility of resealing its expired meters as recommended by the Board. The OM&A cost of the resealing process is estimated to be \$250,187. This estimate of \$250,187 includes acquiring a limited number of used available meters from other LDCs that are changing out conventional meters for new smart meters. These used meters will facilitate the pulling of a number of existing meters to start the resealing process on a rotating basis. The resealing of all expired meters is expected to be completed in 2008. This program will not result in stranded capital assets as LUI intends to charge costs to O&M including labour of \$205,795 in 2008. The details are listed in the table below:

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<sup>1</sup> Response to Board staff interrogatory #2.5

<u>Recommendations to bring into seal for Industry Canada</u>		units	\$/unit	extended
Purchase 700 used residential type meters at \$5.00 per unit		700	\$ 5.00	\$ 3,500.00
Remove outdoor S-base residential meters		1,808	\$ 37.80	\$ 68,342.40
Remove indoor residential meters (includes installing S base adapter if necessary)		873	\$ 67.50	\$ 58,927.50
Reseal and shipping for residential meters 1808+873 (\$6.50 seal + \$1.50 shipping)		2,681	\$ 8.00	\$ 21,448.00
Purchase 50 used S base Network \$25.00 per unit		50	\$ 25.00	\$ 1,250.00
Remove network meters		271	\$ 45.00	\$ 12,195.00
Reseal and shipping for 271 network (seal \$10.25 + shipping \$1.50)		271	\$ 11.75	\$ 3,184.25
Purchase 20 used 2 wire transformer type 1 phase meters \$25.00 per unit		20	\$ 25.00	\$ 500.00
Remove 72 by 1 phase transformer type meters (includes A base and S base with test switch)		72	\$ 67.50	\$ 4,860.00
Reseal and shipping for 72 1 phase transformer type (seal \$10.25 + shipping \$1.50)		72	\$ 11.75	\$ 846.00
Purchase 40 used 3 phase S-base meters \$40.00 per unit		40	\$ 40.00	\$ 1,600.00
Remove 200 by 3 phase S-base meters		200	\$ 90.00	\$ 18,000.00
Reseal and shipping for 200 by 3 phase S base (seal \$10.25 + shipping \$2.00)		200	\$ 12.25	\$ 2,450.00
Purchase 40 used 3 phase P base transformer meters \$70.00 per unit		40	\$103.50	\$ 4,140.00
Remove 161 by 3 phase transformer type meters		161	\$270.00	\$ 43,470.00
Reseal and shipping for 161 3 phase transformer type meters (seal \$30.00 + shipping \$4.00)		161	\$ 34.00	\$ 5,474.00
		TOTAL		\$ 250,187.15

Because LUI would treat this program as OM&A, LUI has amortized the cost of the \$250,187 meter re-sealing program over 3-years by including \$83,396 in its 2008 OM&A budget. Given that the Board recognized re-sealing as an option for LUI and that \$83,396 is a significant expense to LUI and that re-sealing its existing conventional meters is necessary to come into compliance with Measurement Canada's requirements, LUI believes that it is prudent to include this expense in its operating budget. If it is not included, LUI will not have the funds to comply with Measurement Canada's requirements.

LUI has made all the adjustments accordingly to its OM&A as reflected in the table below to calculate the draft rate order. The detailed OM&A Costs Table in Exhibit 4, Tab 2, Schedule 1 Page 1 to 3 were also updated with the adjustments accordingly and updated copy included below.

## SUMMARY OF REVISED OPERATING COSTS WITH ADJUSTMENTS

	2006 Board Approved	2006 Actual	2007 Bridge	2008 Test with Adjustments
<b>OM&amp;A expenses</b>				
Operations	523,452	481,734	568,635	620,871
Maintenance	104,971	88,033	114,011	187,503
Billing & Collecting	223,962	420,421	441,986	428,844
Community Relations	8,918	17,130	19,767	19,767
Administrative and General Expenses	698,073	801,751	786,480	921,831
	1,559,376	1,809,069	1,930,879	2,178,816

OM&A Detailed Costs Table	Variance			Variance			Variance		
	2006	2006	from 2006	2006	2007	from 2006	2007	2008 Test	Variance
	Board Approved	Actual	Board Approved	Actual	Bridge	Actual	Bridge	1 % of Distribution Expense	from 2007 Bridge
	1 % of Distribution Expense			1 % of Distribution Expense			1 % of Distribution Expense		
<b>3500 Distribution Expenses - Operation</b>									
5005-Operation Supervision and Engineering	131,397	126,807	4,590	126,807	136,368	(9,561)	136,368	140,459	(4,091)
Operation Labour	-	5,175	(5,175)	5,175	7,462	(2,287)	7,462	7,686	(224)
Supplies and Expenses	20,693	29,979	(9,286)	29,979	43,672	(13,693)	43,672	41,527	2,145
Operation Labour	192,532	159,245	33,287	159,245	215,752	(56,507)	215,752	224,080	(8,328)
Operation Supplies and Expenses	31,666	129,262	(97,596)	129,262	133,140	(3,878)	133,140	173,912	(40,772)
Operation	3,676	1,069	2,607	1,069	1,514	(445)	1,514	1,558	(44)
Feeders - Operation Labour	51,572	22,091	29,481	22,091	24,725	(2,634)	24,725	25,467	(742)
Operation Supplies & Expenses	2,083	6,017	(3,934)	6,017	3,850	2,167	3,850	3,966	(116)
5085-Miscellaneous Distribution Expense	-	2,089	(2,089)	2,089	2,152	(63)	2,152	2,216	(64)
<b>3500 Distribution Expenses - Operation</b>	<b>523,452</b>	<b>481,734</b>	<b>41,718</b>	<b>481,734</b>	<b>568,635</b>	<b>(86,901)</b>	<b>568,635</b>	<b>620,871</b>	<b>(52,236)</b>
<b>3550 Distribution Expenses - Maintenance</b>									
5120-Maintenance of Poles, Towers and Fixtures	4,883	3,433	1,450	3,433	3,033	400	3,033	3,124	(91)
Right of Way	80,094	21,539	58,555	21,539	17,492	4,047	17,492	18,016	(524)
5155-Maintenance of Underground Services	39	214	(175)	214	214	-	214	214	-
5160-Maintenance of Line Transformers	865	34,975	(34,110)	34,975	63,613	(28,638)	63,613	65,522	(1,909)
5175-Maintenance of Meters	14,450	27,872	(13,422)	27,872	29,659	(1,787)	29,659	100,627	(70,968)
<b>3550 Distribution Expenses - Maintenance</b>	<b>104,971</b>	<b>88,033</b>	<b>16,938</b>	<b>88,033</b>	<b>114,011</b>	<b>(25,978)</b>	<b>114,011</b>	<b>187,503</b>	<b>(73,492)</b>
<b>3650 Billing and Collecting</b>									
5310-Meter Reading Expense	48,560	55,580	(7,020)	55,580	63,624	(8,044)	63,624	65,533	(1,909)
5315-Customer Billing	63,349	115,706	(52,357)	115,706	119,269	(3,563)	119,269	122,846	(3,577)
5320-Collecting	76,796	89,253	(12,457)	89,253	94,469	(5,216)	94,469	97,303	(2,834)
5325-Collecting- Cash Over and Short	(161)	(17)	(144)	(17)	(17)	-	(17)	(17)	-
5330-Collection Charges	2,841	674	2,167	674	501	173	501	516	(15)
5335-Bad Debt Expense	758	46,344	(45,586)	46,344	46,344	-	46,344	21,344	25,000
Expenses	31,819	112,881	(81,062)	112,881	117,796	(4,915)	117,796	121,319	(3,523)
<b>3650 Billing and Collecting</b>	<b>223,962</b>	<b>420,421</b>	<b>(196,459)</b>	<b>420,421</b>	<b>441,986</b>	<b>(21,565)</b>	<b>441,986</b>	<b>428,844</b>	<b>13,142</b>
<b>3700 Community Relations</b>									
5410-Community Relations - Sundry	9,718	17,130	(7,412)	17,130	19,767	2,637	19,767	19,767	-
5415-Energy Conservation	-	-	-	-	-	-	-	-	-
<b>3700 Community Relations</b>	<b>8,918</b>	<b>17,130</b>	<b>(8,212)</b>	<b>17,130</b>	<b>19,767</b>	<b>2,637</b>	<b>19,767</b>	<b>19,767</b>	<b>-</b>
<b>3800 Administrative and General Expenses</b>									
5605-Executive Salaries and Expenses	30,151	16,644	13,507	16,644	17,143	(499)	17,143	17,657	(514)
5610-Management Salaries and Expenses	285,002	268,484	16,518	268,484	303,221	(34,737)	303,221	312,318	(9,097)
Expenses	73,748	75,625	(1,877)	75,625	79,406	(3,781)	79,406	148,698	(69,292)
5620-Office Supplies and Expenses	81,592	80,603	989	80,603	91,195	(10,592)	91,195	93,931	(2,736)
5630-Outside Services Employed	85,077	201,180	(116,103)	201,180	121,974	79,206	121,974	138,624	(16,650)
5635-Property Insurance	16,164	14,466	1,698	14,466	19,335	(4,869)	19,335	19,915	(580)
5640-Injuries and Damages	33,445	37,409	(3,964)	37,409	38,404	(995)	38,404	39,556	(1,152)
5655-Regulatory Expenses	45,012	46,296	(1,284)	46,296	49,198	(2,902)	49,198	82,531	(33,333)
5660-General Advertising Expenses	-	5,444	(5,444)	5,444	4,879	565	4,879	5,025	(146)
5665-Miscellaneous General Expenses	9,690	1,750	7,940	1,750	3,422	(1,672)	3,422	3,524	(102)
5675-Maintenance of General Plant	36,575	27,846	8,729	27,846	31,519	(3,673)	31,519	32,464	(945)
5680-Electrical Safety Authority Fees	-	26,004	(26,004)	26,004	26,784	(780)	26,784	27,588	(804)
<b>3800 Administrative and General Expenses</b>	<b>698,073</b>	<b>801,751</b>	<b>(103,678)</b>	<b>801,751</b>	<b>786,480</b>	<b>15,271</b>	<b>786,480</b>	<b>921,831</b>	<b>(135,351)</b>
<b>TOTAL OM&amp;A COSTS</b>	<b>2,642,248</b>	<b>2,992,403</b>	<b>(350,155)</b>	<b>1,809,069</b>	<b>1,930,879</b>	<b>(116,536)</b>	<b>1,930,879</b>	<b>2,178,816</b>	<b>(247,937)</b>
<b>TOTAL DISTRIBUTION EXPENSE</b>	<b>2,296,952</b>	<b>2,633,885</b>		<b>2,633,885</b>	<b>2,711,860</b>		<b>2,711,860</b>	<b>3,000,353</b>	

Dereck Paul:  
Reduced by \$220,278  
per Board Decision but  
\$83,396 added for meter  
reseat project

Dereck Paul:  
Reduced by \$25,000  
per Board Decision

Dereck Paul:  
\$80,408 CDM  
amounts removed per  
Board Decision

Dereck Paul:  
Reduced by \$66,667  
per Board Decision

## Amortization

In its application, LUI indicated for financial statement purposes it will depreciate smart meters over 17.5 years at an annual percentage rate of 5.7%. In fact, the model did calculate depreciation using the half year rule.

However, as per Board decision to remove smart meters from its 2008 capital expenditures, LUI has recalculated meter depreciation expenses at 4%. All other capital expenditures for 2008 were calculated using the half year rule.

As demonstrated in the continuity statement example below, the half year rule applied to all additions in 2008 in the rate model LUI used.

ACCOUNT 1915      1915-Office Furniture and Equipment						
	BRIDGE YEAR			TEST YEAR		
	Gross Cost	Accumulated Amortization	Net Book Value	Gross Cost	Accumulated Amortization	Net Book Value
<b>Opening Balance</b>	<b>83,191</b>	<b>-28,227</b>	<b>54,964</b>	<b>83,191</b>	<b>-36,546</b>	<b>46,645</b>
Additions	0		0	25,000		25,000
Depreciation 10.0%		-8,319	-8,319		-9,569	-9,569
Retirements & Sales	0	0	0	0	0	0
Other (sp. ARO)			0			0
			0			0
			0			0
<b>Closing Balance</b>	<b>83,191</b>	<b>-36,546</b>	<b>46,645</b>	<b>108,191</b>	<b>-46,115</b>	<b>62,076</b>
Average Balance	83,191	-32,386	50,804	95,691	-41,330	54,360
Change in Year	0	-8,319	-8,319	25,000	-9,569	15,431

Gross Cost	\$ 83,190.77	10%	\$ 8,319.08	\$ 83,190.77	10%	\$ 8,319.08
Additions	\$ -	10%	\$ -	\$ 25,000.00	10%	\$ 2,500.00 *
Total Amortization			\$ 8,319.08			\$ 10,819.08

\* \$25,000 divided by 2 multiply by 10%

### **Incremental CDM Funding**

The Board finds that LUI has misinterpreted the Board's August 13, 2007 decision relating to incremental third-tranche CDM funding and adjusted LUI's OM&A to remove the amount of \$80,408 in 2008.

The Board also directed LUI to record the over-collection arising from the difference between the originally approved \$38,761 expense (associated with the originally proposed \$550,000 CDM plan) and the appropriate level of \$8,398 for the \$119,169 approved, in a sub-account of 1508 for return to customers at a future date.

LUI has complied accordingly with the Board's decision and \$80,408 has been removed from OM&A (Account 5415). LUI also adjusted the sub-account to 1508 to include a credit of \$30,363 to be disposed at a future date.

## Payments in Lieu of Taxes ("PILs")

The Board directed LUI to reflect the new maximum federal income tax rate for 2008 (reduced to 19.5%, yielding a combined federal and Ontario income tax rate for 2008 of 33.5%) and the new CCA class rates. LUI has changed the CCA class for Computer System Software purchases for 2008 to class 50 which attracts a CCA rate of 55%.

The following tables provides a comparison between what LUI submitted to the Board on October 31, 2007 and the Board's direction dated May 9, 2008 with regards to Payment in Lieu of Taxes (PILs). The changes take into consideration both the change to the combined federal and Ontario income tax rate for 2008 to 33.5% and the new CCA rates for computer hardware and software acquired after March 17, 2007. Please note, with the 4.667% Ontario SBD Clawback, the total combined income tax rate works out to 35.547% as demonstrated in the revised table below.

The change to the Taxable Regulatory Income is also impacted by other changes directed by the Board such as the recalculation of the Cost of Power and the new lower transmission rates.

## Original Submission: October 31, 2007:

### Income Tax Rates

	<i>Income Range</i>			
	<b>0 to 300,000</b>	<b>300,000 to 400,000</b>	<b>400,000 to 1,128,519</b>	<b>1,128,519 or more</b>
<b>Federal Income Tax</b>	11.500%	11.500%	20.500%	20.500%
<b>Ontario Income Tax</b>	5.500%	5.500%	14.000%	14.000%
<b>Combined Income Tax</b>	<b>17.000%</b>	<b>17.000%</b>	<b>34.500%</b>	<b>34.500%</b>
<b>Ontario SBD Clawback</b>	0.000%	0.000%	4.667%	0.000%

<b>Total Rate Base</b>	15,577,507
<b>OCT exemption</b>	15,000,000
<b>LCT exemption</b>	50,000,000
<b>OCT rate</b>	0.285%
<b>LCT rate</b>	0.000%
<b>LCT surtax</b>	0.000%

**Payment in Lieu of Taxes (PILs)**

	Source or Input	Tax Payable	Inclusion in Revenue Req.	
Regulatory Taxable Income	TxbllIncome	704,914		
Combined Income Tax Rate	TaxRates	36.519%		
Total Income Taxes		257,425		
Investment Tax Credits	-			
Miscellaneous Tax Credits	-			
Total Tax Credits		-		
Income Tax Provision		257,425	405,511	<i>grossed-up for income taxes</i>
Ontario Capital Tax	CapitalTaxes	1,646	1,646	<i>not grossed-up</i>
Large Corporations Tax	CapitalTaxes	-	-	<i>grossed-up for income taxes</i>
<b>Total PILs</b>		<b>259,070</b>	<b>407,157</b>	<i>amount for Output</i>

**Boards Direction May 9, 2008:**

**Revised Income Tax Rates:**

	<i>Income Range</i>			
	0 to 300,000	300,000 to 400,000	400,000 to 1,128,519	1,128,519 or more
<b>Federal Income Tax</b>	11.000%	11.000%	19.500%	19.500%
<b>Ontario Income Tax</b>	5.500%	5.500%	14.000%	14.000%
<b>Combined Income Tax</b>	<b>16.500%</b>	<b>16.500%</b>	<b>33.500%</b>	<b>33.500%</b>
<b>Ontario SBD Clawback</b>	0.000%	0.000%	4.667%	0.000%

<b>Total Rate Base</b>	14,456,654
<b>OCT exemption</b>	15,000,000
<b>LCT exemption</b>	50,000,000
<b>OCT rate</b>	0.285%
<b>LCT rate</b>	0.000%
<b>LCT surtax</b>	0.000%

**Revised Payment in Lieu of Taxes (PILs) results:**

	Source or Input	Tax Payable	Inclusion in Revenue Req.	
Regulatory Taxable Income	TxbllIncome	712,464		
Combined Income Tax Rate	TaxRates	35.547%		
Total Income Taxes		253,258		
Investment Tax Credits	-			
Miscellaneous Tax Credits	-			
Total Tax Credits		-		
Income Tax Provision		253,258	392,933	<i>grossed-up for income taxes</i>
Ontario Capital Tax	CapitalTaxes	-	-	<i>not grossed-up</i>
Large Corporations Tax	CapitalTaxes	-	-	<i>grossed-up for income taxes</i>
<b>Total PILs</b>		<b>253,258</b>	<b>392,933</b>	<i>amount for Output</i>

## **Capital Expenditures and Rate Base**

### **Capital Budget**

#### **Smart Meters**

As indicated in the Board's decision, LUI had provided an estimate in its submission dated March 10, 2008 (page 23) to replace the meters with expired seals for a total capital budget of \$503,992 in the event the smart meter proposal was denied. This estimate was based on replacing the meters, a high percentage of which (2,714 out of 3,400) were older than their expected life.

LUI has removed its forecast for smart meters from OM&A and rate base as directed by the Board and has made the appropriate adjustments to the revenue requirement. LUI has also included a revised smart meter rate adder of \$1.00 per meter per month to qualified customer classes.

As indicated in the Decision, LUI proposed the advancement of capital projects in the event the Board rejected LUI's smart meter capital program. As per LUI's submission (page 16), LUI proposed to advance its 2009 voltage conversion program projects to 2008 in the amount of \$325,262. The Board did not reject this proposal in its Decision. The inclusion of \$325,262 in LUI's 2009 capital budget would bring LUI's total capital budget to \$1,234,015, consistent with (although less than) LUI's 2007 capital budget of approximately \$1,600,000 and 2006 capital budget of approximately \$1,500,000. The Board was supportive of LUI's voltage conversion program as indicated in the Decision:

*"The Board believes that asset condition assessments and asset management plans are an important component of capital expenditure proposals, particularly when significant capital expenditures are contemplated. However Lakefront has demonstrated that its capital expenditures, particularly in the area of voltage conversion, are the result of a plan developed in response to its ongoing assessment of asset conditions on its system. The Board concludes that this approach is suitable given the circumstances of Lakefront's system."*

Accordingly, LUI assumes that its proposal has been accepted by the Board and has included \$325,262 in its 2008 capital budget for voltage conversion. Failure to include this amount will result in the unnecessary delay of a program that is important to LUI's distribution system as recognized by the Board.

The associated voltage conversion projects are provided in the list below which brings LUI's total capital budget for 2008 to \$1,234,015.

**Draft Rate Order  
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Burnham St	1830	\$	32,256.00	\$	32,256.00
Barbara St	1830	\$	10,752.00	\$	10,752.00
Elizabeth St	1830	\$	13,658.00	\$	13,658.00
Shirley St	1830	\$	8,598.00	\$	8,598.00
Norma St	1830	\$	3,990.00	\$	3,990.00
Ruth St	1830	\$	3,990.00	\$	3,990.00
Burnham St	1835	\$	58,463.00	\$	58,463.00
Burnham Manor	1835	\$	9,026.00	\$	9,026.00
Barbara St	1835	\$	17,580.00	\$	17,580.00
Elizabeth St	1835	\$	17,627.00	\$	17,627.00
Shirley St	1835	\$	11,352.00	\$	11,352.00
Norma St	1835	\$	4,713.00	\$	4,713.00
Ruth St	1835	\$	4,907.00	\$	4,907.00
Burnham St	1850	\$	79,935.00	\$	79,935.00
Burnham Manor	1850	\$	4,500.00	\$	4,500.00
Barbara St	1850	\$	13,526.00	\$	13,526.00
Elizabeth St	1850	\$	22,792.00	\$	22,792.00
Shirley St	1850	\$	7,597.00	\$	7,597.00

Total: \$325,262.00

**Draft Rate Order  
2008 Rate Application  
Lakefront Utilities Inc.  
File Number: EB-2007-0761**

**Original Submission: October 31, 2007 re Capital Spending:**

Project	Bridge	Test	(blank)	Grand Total
(blank)				
WO# 6174 - CARLISLE	41,170			41,170
WO# 7585 - DIVISION	136,208			136,208
WO# 7586 - DENSMORE LT	31,264			31,264
WO# 7587 - JARVIS LT	10,544			10,544
WO# 7588 - ANNE	27,493			27,493
WO# 7589 - COLLEGE	23,332			23,332
WO# 7590 - CHAPEL	18,547			18,547
WO# 7591 - JOHN ST N	30,497			30,497
WO# 7592 - JOHN ST S	65,760			65,760
WO# 7594 - SWAYNE		109,970		109,970
WO# 7595 - UNIVERSITY	169,104			169,104
Pole Yard Upgrades - Fence	50,000			50,000
Meters	80,000			80,000
Smart Meters		2,041,819		2,041,819
Office Equip - Storage, shelving		25,000		25,000
Computer Hardware/Software	15,000	115,000		130,000
RBD Chasis - Replacing Elec-5 (1990)	60,000			60,000
Tools & Equipment	10,000	25,000		35,000
WO# 7593 - KING ST E (Back Yard)	38,078			38,078
WO# 7596 - KING ST E	49,615			49,615
WILLIAM ST 28 KV	119,960			119,960
Boulton, Jeffery, Sinclair Streets	80,371			80,371
Burnham St - William to Heath	51,200			51,200
Carlisle St East	33,500			33,500
Carlisle St	14,400			14,400
Curtis Cres	55,000			55,000
Northwood Dr	33,650			33,650
Westwood Dr	15,700			15,700
Westwood Dr North	58,800			58,800
William St ROW to Tracks	66,050			66,050
Truck		260,000		260,000
Burwash		39,154		39,154
Harnden Cres		39,653		39,653
Harnden St		58,019		58,019
Hayden Cres		53,684		53,684
Marion St		9,312		9,312
Murray Cres		54,992		54,992
Sandra Cres		19,764		19,764
Sinclair St		68,878		68,878
Spragge Cres		20,327		20,327
WO# 6155 - WILLIAM ST	45,349			45,349
WO# 6155 - WILLIAM ST	113,340			113,340
MS 1 Security System		10,000		10,000
<b>Grand Total</b>	<b>1,543,932</b>	<b>2,950,572</b>		<b>4,494,504</b>

**Draft Rate Order  
2008 Rate Application  
Lakefront Utilities Inc.  
File Number: EB-2007-0761**

**Boards Direction May 9, 2008:**

**Revised Capital Spending:**

Project	Bridge	Test	(blank)	Grand Total
(blank)				
WO# 6174 - CARLISLE	41,170			41,170
WO# 7585 - DIVISION	136,208			136,208
WO# 7586 - DENSMORE LT	31,264			31,264
WO# 7587 - JARVIS LT	10,544			10,544
WO# 7588 - ANNE	27,493			27,493
WO# 7589 - COLLEGE	23,332			23,332
WO# 7590 - CHAPEL	18,547			18,547
WO# 7591 - JOHN ST N	30,497			30,497
WO# 7592 - JOHN ST S	65,760			65,760
WO# 7594 - SWAYNE		109,970		109,970
WO# 7595 - UNIVERSITY	169,104			169,104
Pole Yard Upgrades - Fence	50,000			50,000
Meters	80,000			80,000
Smart Meters		0		0
Office Equip - Storage, shelving		25,000		25,000
Computer Hardware/Software	15,000	115,000		130,000
RBD Chasis - Replacing Elec-5 (1990)	60,000			60,000
Tools & Equipment	10,000	25,000		35,000
WO# 7593 - KING ST E (Back Yard)	38,078			38,078
WO# 7596 - KING ST E	49,615			49,615
WILLIAM ST 28 KV	119,960			119,960
Boulton, Jeffery, Sinclair Streets	80,371			80,371
Burnham St - William to Heath	51,200			51,200
Carlisle St East	33,500			33,500
Carlisle St	14,400			14,400
Curtis Cres	55,000			55,000
Northwood Dr	33,650			33,650
Westwood Dr	15,700			15,700
Westwood Dr North	58,800			58,800
William St ROW to Tracks	66,050			66,050
Truck		260,000		260,000
Burwash		39,154		39,154
Harnden Cres		39,653		39,653
Harnden St		58,019		58,019
Hayden Cres		53,684		53,684
Marion St		9,312		9,312
Murray Cres		54,992		54,992
Sandra Cres		19,764		19,764
Sinclair St		68,878		68,878
Spragge Cres		20,327		20,327
WO# 6155 - WILLIAM ST	45,349			45,349
WO# 6155 - WILLIAM ST	113,340			113,340
MS 1 Security System		10,000		10,000
Burnham St		170,654		170,654
Burnham Manor		13,526		13,526
Barbara St.		41,858		41,858
Elizabeth St.		54,077		54,077
Shirley St.		27,547		27,547
Norma St.		8,703		8,703
Ruth St.		8,897		8,897
Grand Total	1,543,932	1,234,015		2,777,947

**Draft Rate Order  
2008 Rate Application  
Lakefront Utilities Inc.  
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**Fixed Asset Continuity Schedule as submitted October 31, 2007:**

(Note: only those schedules that have changed are presented here)

ACCOUNT: 1830 1830-Poles, Towers and Fixtures

	BRIDGE YEAR			TEST YEAR		
	Gross Cost	Accumulated Amortization	Net Book Value	Gross Cost	Accumulated Amortization	Net Book Value
<b>Opening Balance</b>	3,883,075	-3,511,776	371,299	4,142,537	-3,672,288	470,249
Additions	259,462		259,462	115,229		115,229
Depreciation 4.0%		-160,512	-160,512		-168,006	-168,006
Retirements & Sales	0	0	0	0	0	0
Other (specify) ARO			0			0
			0			0
			0			0
<b>Closing Balance</b>	4,142,537	-3,672,288	470,249	4,257,766	-3,840,294	417,472
Average Balance	4,012,806	-3,592,032	420,774	4,200,152	-3,756,291	443,860
Change in Year	259,462	-160,512	98,950	115,229	-168,006	Return to Total Fixe

ACCOUNT: 1835 1835-Overhead Conductors and Devices

	BRIDGE YEAR			TEST YEAR		
	Gross Cost	Accumulated Amortization	Net Book Value	Gross Cost	Accumulated Amortization	Net Book Value
<b>Opening Balance</b>	2,750,896	213,078	2,963,974	3,062,671	217,158	3,279,830
Additions	432,127		432,127	177,612		177,612
Depreciation 4.0%		-116,271	-116,271		-123,876	-123,876
Retirements & Sales	-120,352	120,352	0	-109,174	109,174	0
Other (specify) ARO			0			0
			0			0
			0			0
<b>Closing Balance</b>	3,062,671	217,158	3,279,830	3,131,109	202,456	3,333,566
Average Balance	2,906,784	215,118	3,121,902	3,096,890	209,807	3,306,698
Change in Year	311,775	4,081	315,856	68,438	-14,700	Return to Total Fixe

ACCOUNT: 1850 1850-Line Transformers

	BRIDGE YEAR			TEST YEAR		
	Gross Cost	Accumulated Amortization	Net Book Value	Gross Cost	Accumulated Amortization	Net Book Value
<b>Opening Balance</b>	3,377,741	-1,514,537	1,863,205	4,015,084	-1,662,393	2,352,691
Additions	637,343		637,343	180,912		180,912
Depreciation 4.0%		-147,857	-147,857		-164,222	-164,222
Retirements & Sales	0	0	0	0	0	0
Other (specify) ARO			0			0
			0			0
			0			0
<b>Closing Balance</b>	4,015,084	-1,662,393	2,352,691	4,195,996	-1,826,615	2,369,382
Average Balance	3,696,413	-1,588,465	2,107,948	4,105,540	-1,744,504	2,361,036
Change in Year	637,343	-147,857	489,486	180,912	-164,222	Return to Total Fixe

**Draft Rate Order  
2008 Rate Application  
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ACCOUNT: 1860 1860-Meters

	BRIDGE YEAR			TEST YEAR		
	Gross Cost	Accumulated Amortization	Net Book Value	Gross Cost	Accumulated Amortization	Net Book Value
<b>Opening Balance</b>	<b>825,640</b>	<b>-392,534</b>	<b>433,106</b>	<b>905,640</b>	<b>-441,876</b>	<b>463,764</b>
Additions	80,000		80,000	2,041,819		2,041,819
Depreciation 5.7%		-49,341	-49,341		-109,813	-109,813
Retirements & Sales	0	0	0	0	0	0
Other (specify) ARO			0			0
			0			0
			0			0
<b>Closing Balance</b>	<b>905,640</b>	<b>-441,876</b>	<b>463,764</b>	<b>2,947,459</b>	<b>-551,689</b>	<b>2,395,770</b>
Average Balance	865,640	-417,205	448,435	1,926,550	-496,783	1,429,767
Change in Year	80,000	-49,341	30,659	2,041,819	-109,813	Return to Total Fixed Assets

ACCOUNT: 1610:2005 TOTAL FIXED ASSETS IN SERVICE

	BRIDGE YEAR			TEST YEAR		
	Gross Cost	Accumulated Amortization	Net Book Value	Gross Cost	Accumulated Amortization	Net Book Value
<b>Opening Balance</b>	<b>18,786,600</b>	<b>-8,604,722</b>	<b>10,181,877</b>	<b>19,695,509</b>	<b>-8,750,681</b>	<b>10,944,829</b>
Additions	1,543,932	0	1,543,932	2,950,572	0	2,950,572
Depreciation	0	-780,981	-780,981	0	-888,341	-888,341
Retirements & Sales	-635,022	635,022	0	-252,785	252,785	0
Other (specify) ARO	0	0	0	0	0	0
	0	0	0	0	0	0
	0	0	0	0	0	0
<b>Closing Balance</b>	<b>19,695,509</b>	<b>-8,750,681</b>	<b>10,944,829</b>	<b>22,393,296</b>	<b>-9,386,236</b>	<b>13,007,060</b>
Average Balance	19,241,055	-8,677,701	10,563,353	21,044,403	-9,068,458	11,975,944
Change in Year	908,910	-145,958	762,951	2,697,787	-635,556	2,062,231

**Revised Fixed Asset Continuity Schedule per Boards direction May 9, 2008:**

ACCOUNT: 1830 1830-Poles, Towers and Fixtures

	BRIDGE YEAR			TEST YEAR		
	Gross Cost	Accumulated Amortization	Net Book Value	Gross Cost	Accumulated Amortization	Net Book Value
<b>Opening Balance</b>	<b>3,883,075</b>	<b>-3,511,776</b>	<b>371,299</b>	<b>4,142,537</b>	<b>-3,672,288</b>	<b>470,249</b>
Additions	259,462		259,462	188,473		188,473
Depreciation 4.0%		-160,512	-160,512		-169,471	-169,471
Retirements & Sales	0	0	0	0	0	0
Other (specify) ARO			0			0
			0			0
			0			0
<b>Closing Balance</b>	<b>4,142,537</b>	<b>-3,672,288</b>	<b>470,249</b>	<b>4,331,010</b>	<b>-3,841,759</b>	<b>489,251</b>
Average Balance	4,012,806	-3,592,032	420,774	4,236,774	-3,757,024	479,750
Change in Year	259,462	-160,512	98,950	188,473	-169,471	Return to Total Fixed Assets

**Draft Rate Order**  
**2008 Rate Application**  
**Lakefront Utilities Inc.**  
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ACCOUNT: 1835 1835-Overhead Conductors and Devices

	BRIDGE YEAR			TEST YEAR		
	Gross Cost	Accumulated Amortization	Net Book Value	Gross Cost	Accumulated Amortization	Net Book Value
<b>Opening Balance</b>	<b>2,750,896</b>	<b>213,078</b>	<b>2,963,974</b>	<b>3,062,671</b>	<b>217,158</b>	<b>3,279,830</b>
Additions	432,127		432,127	301,280		301,280
Depreciation 4.0%		-116,271	-116,271		-126,349	-126,349
Retirements & Sales	-120,352	120,352	0	-109,174	109,174	0
Other (specify) ARO			0			0
			0			0
			0			0
<b>Closing Balance</b>	<b>3,062,671</b>	<b>217,158</b>	<b>3,279,830</b>	<b>3,254,777</b>	<b>199,983</b>	<b>3,454,760</b>
Average Balance	2,906,784	215,118	3,121,902	3,158,724	208,571	3,367,295
Change in Year	311,775	4,081	315,856	192,106	-17,17	Return to Total Fixe

ACCOUNT: 1850 1850-Line Transformers

	BRIDGE YEAR			TEST YEAR		
	Gross Cost	Accumulated Amortization	Net Book Value	Gross Cost	Accumulated Amortization	Net Book Value
<b>Opening Balance</b>	<b>3,377,741</b>	<b>-1,514,537</b>	<b>1,863,205</b>	<b>4,015,084</b>	<b>-1,662,393</b>	<b>2,352,691</b>
Additions	637,343		637,343	309,262		309,262
Depreciation 4.0%		-147,857	-147,857		-166,789	-166,789
Retirements & Sales	0	0	0	0	0	0
Other (specify) ARO			0			0
			0			0
			0			0
<b>Closing Balance</b>	<b>4,015,084</b>	<b>-1,662,393</b>	<b>2,352,691</b>	<b>4,324,346</b>	<b>-1,829,182</b>	<b>2,495,165</b>
Average Balance	3,696,413	-1,588,465	2,107,948	4,169,715	-1,745,787	2,423,928
Change in Year	637,343	-147,857	489,486	309,262	-166,78	Return to Total Fixe

ACCOUNT: 1860 1860-Meters

	BRIDGE YEAR			TEST YEAR		
	Gross Cost	Accumulated Amortization	Net Book Value	Gross Cost	Accumulated Amortization	Net Book Value
<b>Opening Balance</b>	<b>825,640</b>	<b>-392,534</b>	<b>433,106</b>	<b>905,640</b>	<b>-427,160</b>	<b>478,480</b>
Additions	80,000		80,000	0		0
Depreciation 4.0%		-34,626	-34,626		-36,226	-36,226
Retirements & Sales	0	0	0	0	0	0
Other (specify) ARO			0			0
			0			0
			0			0
<b>Closing Balance</b>	<b>905,640</b>	<b>-427,160</b>	<b>478,480</b>	<b>905,640</b>	<b>-463,386</b>	<b>442,255</b>
Average Balance	865,640	-409,847	455,793	905,640	-445,273	460.367
Change in Year	80,000	-34,626	45,374	0	-36,22	Return to Total Fixe

ACCOUNT: 1610:2005 TOTAL FIXED ASSETS IN SERVICE

	BRIDGE YEAR			TEST YEAR		
	Gross Cost	Accumulated Amortization	Net Book Value	Gross Cost	Accumulated Amortization	Net Book Value
<b>Opening Balance</b>	<b>18,786,600</b>	<b>-8,604,722</b>	<b>10,181,877</b>	<b>19,695,509</b>	<b>-8,735,965</b>	<b>10,959,545</b>
Additions	1,543,932	0	1,543,932	1,234,015	0	1,234,015
Depreciation	0	-766,265	-766,265	0	-821,258	-821,258
Retirements & Sales	-635,022	635,022	0	-252,785	252,785	0
Other (specify) ARO	0	0	0	0	0	0
	0	0	0	0	0	0
	0	0	0	0	0	0
<b>Closing Balance</b>	<b>19,695,509</b>	<b>-8,735,965</b>	<b>10,959,545</b>	<b>20,676,739</b>	<b>-9,304,438</b>	<b>11,372,301</b>
Average Balance	19,241,055	-8,670,344	10,570,711	20,186,124	-9,020,201	11,165,923
Change in Year	908,910	-131,242	777,667	981,230	-568,473	412,756

## Working Capital

### Cost of Power

The Board directed LUI to update the cost of power to reflect the price contained in the April 2008 RPP report, \$0.0545/kWh, and revise the working capital calculation using the revised cost of power and the new lower transmission rates.

Cost of Power price submitted October 31, 2007:

\$0.05704/kWh

Cost of Power used in calculating the Draft Rate Order as directed by the Board:

\$0.0545/kWh

The table below incorporates the changes as directed:

Lakefront Utilities Inc.		
Cost of power		
Class	kwhs	Price
		\$0.0545
Residential	77,241,202	\$ 4,209,645.51
GS less 50 kW	36,960,206	\$ 2,014,331.23
GS over 50 kW (50 to 2,999 kW)	117,291,948	\$ 6,392,411.17
GS over 50 kW (3,0000 to 4,999 kW)	55,719,421	\$ 3,036,708.44
Unmetered scattered load	620,588	\$ 33,822.05
Sentinel Lighting	49,428	\$ 2,693.83
Street Lights	2,065,217	\$ 112,554.33
Total	289,948,010	\$ 15,802,166.55

### Retail Transmission Rates

LUI used the previous year (2007) Hydro One Power bills to calculate the reduction of 18% from Network Retail Transmission Service Rate and 5% from the Connection Retail Service Rate as per the table below. These reductions have been reflected in the transmission rates used by LUI in its Working Capital Calculation in the Draft Rate Order.

**Draft Rate Order  
2008 Rate Application  
Lakefront Utilities Inc.  
File Number: EB-2007-0761**

Power bill From H.O.N.I	Total Kw for transmission Connection	Total Kw for transmission Network	Previous Transmission Connection charges	Previous transmission Network charges		New Transmission Connection charges	New transmission Network charges
Rates			\$ 2.09	\$ 2.52		-5%	-18%
Jan-07	46,666	46,666	97,531.94	117,598.32		92,655.34	96,430.62
Feb-07	48,999	48,999	102,407.91	123,477.48		97,287.51	101,251.53
Mar-07	47,454	47,454	99,178.86	119,584.08		94,219.92	98,058.95
Apr-07	42,667	42,667	89,174.03	107,520.84		84,715.33	88,167.09
May-07	42,340	42,340	88,490.60	106,696.80		84,066.07	87,491.38
Jun-07	46,024	46,024	96,190.16	115,980.48		91,380.65	95,103.99
Jul-07	45,832	45,832	95,788.88	115,496.64		90,999.44	94,707.24
Aug-07	45,725	45,725	95,565.25	115,227.00		90,786.99	94,486.14
Sep-07	46,602	47,238	97,397.78	119,039.76		92,527.89	97,612.60
Oct-07	39,435	39,435	82,419.15	99,376.20		78,298.19	81,488.48
Nov-07	47,515	47,515	99,306.35	119,737.80		94,341.03	98,185.00
Dec-07	47,325	47,325	98,909.25	119,259.00		93,963.79	97,792.38
Total	547,220.00	547,220.00	1,142,360.16	1,378,994.40		1,085,242.15	1,130,775.41

Below is the calculation used to adjust the Network Retail Transmission Service Rate and the Connection Retail Service Rate charges to LUI's customers:

Retail Transmission Rate Network service Rate		
Class	Previous Rates	-18% adjustment
Residential	\$ 0.0049	0.0040
GS less 50kW	\$ 0.0045	0.0037
GS over 50 kW (50 to 2,999 kW)	\$ 1.8183	1.4910
GS over 50 kW (3,000 to 4,999 kW)	\$ 2.0336	1.6676
Unmetered scattered load	\$ 0.0052	0.0043
Sentinel Lighting	\$ 1.3782	1.1301
Street Lights	\$ 1.3713	1.1245

Retail Transmission Rate Line and Transformation Connection Service Rate		
Class	Previous rate	-5% adjustment
Residential	\$ 0.0040	0.0038
GS less 50kW	\$ 0.0036	0.0034
GS over 50 kW (50 to 2,999 kW)	\$ 1.4440	1.3718
GS over 50 kW (3,000 to 4,999 kW)	\$ 1.7030	1.6179
Unmetered scattered load	\$ 0.0045	0.0043
Sentinel Lighting	\$ 1.1396	1.0826
Street Lights	\$ 1.1163	1.0605

Changes to the Working Capital can be seen in the following tables:

Submitted October 31, 2007

		2008T
<b>ELIGIBLE DISTRIBUTION EXPENSES :</b>		
3500-Distribution Expenses - Operation		603,180
3550-Distribution Expenses - Maintenance		336,385
3650-Billing and Collecting		453,844
3700-Community Relations		100,175
3800-Administrative and General Expenses		1,015,499
3950-Taxes Other Than Income Taxes		55,209
<b>Total Eligible Distribution Expenses</b>		<b>2,564,293</b>
3350-Power Supply Expenses		21,446,127
<b>Total Expenses for Working Capital</b>		<b>24,010,419</b>
<b>Working Capital Allowance</b>	<b>15%</b>	<b>3,601,563</b>

Revised per Board Decision May 9, 2008

		2008T
<b>ELIGIBLE DISTRIBUTION EXPENSES :</b>		
3500-Distribution Expenses - Operation		620,871
3550-Distribution Expenses - Maintenance		187,503
3650-Billing and Collecting		428,844
3700-Community Relations		19,767
3800-Administrative and General Expenses		921,832
3950-Taxes Other Than Income Taxes		55,209
<b>Total Eligible Distribution Expenses</b>		<b>2,234,026</b>
3350-Power Supply Expenses		19,787,578
<b>Total Expenses for Working Capital</b>		<b>22,021,605</b>
<b>Working Capital Allowance</b>	<b>15%</b>	<b>3,303,241</b>

**Draft Rate Order**  
**2008 Rate Application**  
**Lakefront Utilities Inc.**  
**File Number: EB-2007-0761**

	As submitted October 31, 2007			Revised as per Board Decision		
WORKING CAPITAL ALLOWANCE CALCULATION BY ACCOUNT	2008 Test	15%	Allowance for Working Capital	2008 Test	15%	Allowance for Working Capital
<b>Operation (Working Capital)</b>						
5005-Operation Supervision and Engineering	140,459	15%	21,069	140,459	15%	21,069
5014-Transformer Station Equipment - Operation Labour	7,686	15%	1,153	7,686	15%	1,153
5015-Transformer Station Equipment - Operation Supplies and Expenses	41,527	15%	6,229	41,527	15%	6,229
5020-Overhead Distribution Lines and Feeders - Operation Labour	222,167	15%	33,325	224,080	15%	33,612
5025-Overhead Distribution Lines & Feeders - Operation Supplies and Expenses	158,134	15%	23,720	173,912	15%	26,087
5035-Overhead Distribution Transformers- Operation	1,558	15%	234	1,558	15%	234
5040-Underground Distribution Lines and Feeders - Operation Labour	25,467	15%	3,820	25,467	15%	3,820
5045-Underground Distribution Lines & Feeders - Operation Supplies & Expenses	3,966	15%	595	3,966	15%	595
5085-Miscellaneous Distribution Expense	2,216	15%	332	2,216	15%	332
<b>Sub-Total</b>	<b>603,180</b>		<b>90,477</b>	<b>620,871</b>		<b>93,131</b>
<b>Maintenance (Working Capital)</b>						
5120-Maintenance of Poles, Towers and Fixtures	3,124	15%	469	3,124	15%	469
5135-Overhead Distribution Lines and Feeders - Right of Way	18,016	15%	2,702	18,016	15%	2,702
5155-Maintenance of Underground Services	214	15%	32	214	15%	32
5160-Maintenance of Line Transformers	65,522	15%	9,828	65,522	15%	9,828
5175-Maintenance of Meters	249,509	15%	37,426	100,627	15%	15,094
5178-Customer Installations Expenses- Leased Property	0	15%	0	0	15%	0
<b>Sub-Total</b>	<b>336,385</b>		<b>50,458</b>	<b>187,503</b>		<b>28,125</b>
<b>Billing and Collections</b>						
5310-Meter Reading Expense	65,533	15%	9,830	65,533	15%	9,830
5315-Customer Billing	122,846	15%	18,427	122,846	15%	18,427
5320-Collecting	97,303	15%	14,595	97,303	15%	14,595
5325-Collecting- Cash Over and Short	-17	15%	-3	-17	15%	-3
5330-Collection Charges	516	15%	77	516	15%	77
5335-Bad Debt Expense	46,344	15%	6,952	21,344	15%	3,202
5340-Miscellaneous Customer Accounts Expenses	121,319	15%	18,198	121,319	15%	18,198
<b>Sub-Total</b>	<b>453,844</b>		<b>68,077</b>	<b>428,844</b>		<b>64,327</b>
<b>Community Relations</b>						
5410-Community Relations - Sundry	19,767	15%	2,965	19,767	15%	2,965
5415-Energy Conservation	80,408	15%	12,061	0	15%	0
<b>Sub-Total</b>	<b>100,175</b>		<b>15,026</b>	<b>19,767</b>		<b>2,965</b>
<b>Administrative and General Expenses</b>						
5605-Executive Salaries and Expenses	17,657	15%	2,649	17,657	15%	2,649
5610-Management Salaries and Expenses	312,318	15%	46,848	312,318	15%	46,848
5615-General Administrative Salaries and Expenses	148,698	15%	22,305	148,698	15%	22,305
5620-Office Supplies and Expenses	93,931	15%	14,090	93,931	15%	14,090
5630-Outside Services Employed	148,624	15%	22,294	138,624	15%	20,794
5635-Property Insurance	36,915	15%	5,537	19,915	15%	2,987
5640-Injuries and Damages	39,556	15%	5,933	39,556	15%	5,933
5655-Regulatory Expenses	149,198	15%	22,380	82,531	15%	12,380
5660-General Advertising Expenses	5,025	15%	754	5,025	15%	754
5665-Miscellaneous General Expenses	3,524	15%	529	3,524	15%	529
5675-Maintenance of General Plant	32,464	15%	4,870	32,464	15%	4,870
5680-Electrical Safety Authority Fees	27,588	15%	4,138	27,588	15%	4,138
<b>Sub-Total</b>	<b>1,015,498</b>		<b>152,325</b>	<b>921,831</b>		<b>138,275</b>
<b>Taxes Other than Income Taxes</b>						
6105-Taxes Other than Income Taxes	55,209	15%	8,281	55,209	15%	8,281
<b>Sub-Total</b>	<b>55,209</b>		<b>8,281</b>	<b>55,209</b>		<b>8,281</b>
<b>Cost of Power</b>						
4705-Power Purchased	17,249,638	15%	2,587,446	15,802,167	15%	2,370,325
4708-Charges-WMS	1,423,198	15%	213,480	1,423,198	15%	213,480
4714-Charges-NW	1,322,705	15%	198,406	1,085,242	15%	162,786
4716-Charges-CN	1,104,389	15%	165,658	1,130,775	15%	169,616
4750-LV Charges Costs	346,196	15%	51,929	346,196	15%	51,929
<b>Sub-Total</b>	<b>21,446,126</b>		<b>3,216,919</b>	<b>19,787,578</b>		<b>2,968,137</b>
<b>Total</b>	<b>24,010,417</b>			<b>22,021,603</b>		
<b>WORKING CAPITAL ALLOWANCE TOTAL</b>			<b>3,601,563</b>			<b>3,303,240</b>

### **Cost of Capital**

The following tables have been extracted from the model to indicate the required change to the deemed debt rate of 6.1% has taken place in the rate model being used by LUI resulting in a weighted average cost of capital of 7.19%. This is consistent with the Board's conclusions for LUI's Board approved capital structure and cost of capital contained in the Board's May 9, 2008, Decision.

#### **Submitted October 31, 2007:**

	<b><i>Deemed Portion</i></b>	<b><i>Effective Rate</i></b>
Long-Term Debt	49.33%	7.25%
Short-Term Debt	4.00%	4.77%
Return On Equity	46.67%	8.68%
<b>Regulated Rate of Return</b>	<b>100.00%</b>	<b>7.82%</b>

<b>Test Year Balances, Fixed Assets in Service:</b>		
Opening Balance	10,944,829	
Closing Balance	<u>13,007,060</u>	
Average Balance		11,975,944
Working Capital Allowance		3,601,563
Total Rate Base		15,577,507
<i>Regulated Rate of Return</i>		7.82%
<b>Regulated Return On Capital</b>		<b>1,218,052</b>

#### **Board's Direction May 9, 2008:**

	<b><i>Deemed Portion</i></b>	<b><i>Effective Rate</i></b>
Long-Term Debt	49.33%	6.10%
Short-Term Debt	4.00%	4.47%
Return On Equity	46.67%	8.57%
<b>Regulated Rate of Return</b>	<b>100.00%</b>	<b>7.19%</b>

<b>Test Year Balances, Fixed Assets in Service:</b>		
Opening Balance	10,959,545	
Closing Balance	<u>11,372,301</u>	
Average Balance		11,165,923
Working Capital Allowance		3,303,241
Total Rate Base		14,469,164
<i>Regulated Rate of Return</i>		7.19%
<b>Regulated Return On Capital</b>		<b>1,039,966</b>

## Cost Allocation and Rate Design

LUI has made all efforts to comply with the Board's decision with respect to moving the Street Lights and Sentinel Lights classes to revenue to cost ratios of 25% and 55% respectively. At the Board's suggestion, LUI has used VECC's cost ratios as a starting point.

	<b>VECC Rev/Cost Ratio</b>	<b>Revenue in Cost Allocation Excluding \$296,166 incorrect Misc rev \$</b>	<b>Proportion of Revenue</b>	<b>Rev/Cost Ratio at 100%</b>	<b>100% Alloc on New Rev</b>	<b>Proposed Rev/Cost Ratio</b>	<b>Proposed Revenue Allocation</b>	<b>Proportion of Revenue</b>
Residential	94.90%	\$ 1,672,296	46.94%	\$ 1,757,190	\$ 2,075,271	97.51%	\$ 2,023,505	48.09%
GS <50 kW	124.40%	\$ 621,988	17.46%	\$ 498,578	\$ 588,828	118.00%	\$ 694,817	16.51%
GS >50-2999 kW	146.80%	\$ 1,128,237	31.67%	\$ 766,383	\$ 905,109	140.95%	\$ 1,275,751	30.32%
GS 3000-4999 kW	35.10%	\$ 87,078	2.44%	\$ 247,385	\$ 292,165	35.10%	\$ 102,550	2.44%
Street Lights	9.30%	\$ 24,469	0.69%	\$ 262,365	\$ 309,856	25.00%	\$ 77,464	1.84%
Sentinel Lights	39.40%	\$ 2,119	0.06%	\$ 5,363	\$ 6,334	55.00%	\$ 3,484	0.08%
Unmetered Scattered Load	103.90%	\$ 26,758	0.75%	\$ 25,681	\$ 30,329	100.00%	\$ 30,329	0.72%
<b>\$</b>		<b>3,562,945</b>	<b>100.00%</b>	<b>\$ 3,562,945</b>	<b>\$ 4,207,891</b>		<b>\$ 4,207,891</b>	<b>100.00%</b>

In order to work with the numbers, LUI adjusted the allocation of \$296,166 miscellaneous revenues (interest on Regulatory Assets and mentioned in the Board's decision page 25) as this number distorted the Street Lights bill impact by over 1,100% increase for distribution revenue. The method used above result in a distribution revenue impact of 680% increase and a total bill impact of 47.5% increase to Street Lights.

Sentinel Lights bill impact before the adjustment of the \$296,166 was over 300% increase to distribution revenue and with the above method is 88% increase and a total bill impact of 54%.

LUI is concerned about the revenue to cost allocation for certain classes of customers, particularly the Street Lighting and Sentinel Lights classes, as mentioned throughout this rate application process. For example, as noted in the below table below, the Cost Allocation model output shows Street Lighting revenue allocation should be 12.73% of LUI's total revenue, this is obviously incorrect as Street Lighting account for only 0.8% of LUI's load.

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		
<i>Status: OK</i>								
Residential	40.47%	47.93%	48.09%	1,703,061	2,017,036	2,023,503	0	2,023,503
General Service Less Than 50 kW	12.11%	18.28%	16.51%	509,587	769,269	694,807	0	694,807
General Service 50 to 2,999 kW	20.64%	29.64%	30.32%	868,632	1,247,320	1,275,748	0	1,275,748
General Service 3,000 to 4,999 kW	12.98%	3.12%	2.44%	546,115	131,099	102,551	0	102,551
Street Lighting	12.72%	0.27%	1.84%	535,356	11,254	77,467	0	77,467
Sentinel Lighting	0.26%	0.05%	0.08%	10,917	2,097	3,484	0	3,484
Unmetered Scattered Load	0.81%	0.71%	0.72%	34,223	29,817	30,330	0	30,330
<b>TOTAL</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>	<b>4,207,891</b>	<b>4,207,891</b>	<b>4,207,891</b>	<b>0</b>	<b>4,207,891</b>
<i>Check</i>			<b>OK</b>			<b>OK</b>		

**Draft Rate Order  
2008 Rate Application  
Lakefront Utilities Inc.  
File Number: EB-2007-0761**

### Rate Design – Fixed Charges

LUI has complied with the Board's decision to leave the monthly fixed charges unchanged at the 2007 level net of the smart meter rate adder with the exception of Street Lights and Sentinel Lights. Although Board staff noted that LUI monthly fixed charges are generally above the ceiling reference point, the fixed charges proposed below for these two classes are within the floor and ceiling values provided in the Cost Allocation informational filing.

Customer Class	Per Cost Allocation		Existing Fixed/Variable Split		Proposed Fixed Rate
	Minimum	Maximum	Existing Rate	with new Rev. Req	
Residential	\$2.16	\$8.24	\$9.52	\$10.77	<b>\$9.26</b>
General Service Less Than 50 kW	\$6.39	\$14.39	\$25.08	\$25.55	<b>\$24.82</b>
General Service 50 to 2,999 kW	\$21.43	\$33.94	\$200.80	\$231.67	<b>\$200.54</b>
General Service 3,000 to 4,999 kW	\$86.39	\$182.24	\$1,762.37	\$1,555.08	<b>\$1,762.11</b>
Street Lighting	\$0.01	\$14.93	\$0.15	\$1.16	<b>\$1.16</b>
Sentinel Lighting	\$0.00	\$14.90	\$1.98	\$3.71	<b>\$3.71</b>
Unmetered Scattered Load	\$9.66	\$25.62	\$11.19	\$12.84	<b>\$11.19</b>

Customer Class	Before Adjustment	Transformer Allowance Impact			Low Voltage Charges			Adjusted Rates	Fixed Charge
	Usage Rate per	Total \$	Load	Rate Δ	Total \$	Load	Rate Δ	Usage per	
Residential	0.0147 kWh	0	77,241,202	\$0.0000	101,285	77,241,202	\$0.0013	\$0.0160 kWh	\$9.26
General Service Less Than 50 kW	0.0101 kWh	0	36,960,206	\$0.0000	44,109	36,960,206	\$0.0012	\$0.0113 kWh	\$24.82
General Service 50 to 2,999 kW	3.5861 kW	106,625	270,520	\$0.3941	130,026	270,520	\$0.4807	\$4.4609 kW	\$200.54
General Service 3,000 to 4,999 kW	0.4886 kW	71,455	123,329	\$0.5794	67,897	123,329	\$0.5505	\$1.6185 kW	\$1,762.11
Street Lighting	7.3450 kW	0	5,335	\$0.0000	1,955	5,335	\$0.3665	\$7.7115 kW	\$1.16
Sentinel Lighting	9.1519 kW	0	98	\$0.0000	37	98	\$0.3710	\$9.5229 kW	\$3.71
Unmetered Scattered Load	0.0318 kWh	0	620,588	\$0.0000	887	620,588	\$0.0014	\$0.0332 kWh	\$11.19
<b>TOTAL</b>		<b>178,080</b>			<b>346,196</b>				

## **Deferral and Variance Accounts**

LUI has adjusted its calculation for the disposition of deferral and variance accounts in accordance with the Board's decision.

LUI will dispose of accounts 1508 and 1550 over a 1 year period. All other deferral and variance accounts will be addressed at a later date including the CDM over collection adjustment of \$30,363 as noted on page 11 of the Board's decision.

The Horizon Plastics adjustments will be made to the 2007 balances as per the Board's decision, to reflect the timing of the refund which LUI made to Horizon. The revised 2007 balance will be dealt with in a subsequent application for disposition

The rate rider for the recovery of 1508 and 1550 is included in the Draft Rate Order and the calculation is provided below:

Account Description	Apr 30/08		Allocation Basis	Residential	General	General	General	Unmetered	Sentinel	Street Lighting	Totals
	Dec31/06 Balance	Balance			Service Less Than 50 kW	Service 50 to 2,999 kW	Service 3,000 to 4,999 kW	Scattered Load			
Other Regulatory Assets 1508	122,263	129,296	KWh	34,444	16,482	52,304	24,847	277	22	921	129,296
LV Variance Account 1550	86,443	91,718	Dix Revenue	43,960	16,766	22,654	7,383	660	46	248	91,718
<b>Sub-total to Dispose at Apr30/08</b>	<b>208,707</b>	<b>221,014</b>		<b>78,404</b>	<b>33,248</b>	<b>74,958</b>	<b>32,230</b>	<b>937</b>	<b>68</b>	<b>1,169</b>	<b>221,014</b>
<b>Total to Dispose at May1/08</b>				<b>78,404</b>	<b>33,248</b>	<b>74,958</b>	<b>32,230</b>	<b>937</b>	<b>68</b>	<b>1,169</b>	<b>221,014</b>
Disposal period? 1 YEAR				78,404	33,248	74,958	32,230	937	68	1,169	221,014
<b>Projected 2008 Rate Riders</b>				<b>0.0010</b>	<b>0.0009</b>	<b>0.2771</b>	<b>0.2613</b>	<b>0.0015</b>	<b>0.6929</b>	<b>0.2190</b>	
Rate Determinant				kWh	kWh	kW	kW	kWh	kW	kW	

## REVENUE REQUIREMENT

The changes on the previous pages have resulted in changes to the Service Revenue Requirement and subsequent Base Revenue Requirement.

The following tables provide the original submitted revenue requirement and the revised amounts:

### Submitted October 31, 2007:

OM&A Expenses	2,564,293
Amortization Expenses	888,341
Total Distribution Expenses	3,452,633
Regulated Return On Capital	1,218,052
PILs (with gross-up)	407,157
<b>Service Revenue Requirement</b>	<b>5,077,843</b>

Service Revenue Requirement	5,077,843
Less: Revenue Offsets	-335,564
<b>Base Revenue Requirement</b>	<b>4,742,279</b>
Directly Allocated CDM	80,408
<b>Outstanding Base Revenue Requirement</b>	<b>4,661,871</b>

### Includes Adjustments for Boards Direction May 9, 2008:

OM&A Expenses	2,234,026
Amortization Expenses	821,258
Total Distribution Expenses	3,055,285
Regulated Return On Capital	1,039,966
PILs (with gross-up)	392,933
<b>Service Revenue Requirement</b>	<b>4,488,184</b>

Service Revenue Requirement	4,488,184
Less: Revenue Offsets	-280,293
<b>Base Revenue Requirement</b>	<b>4,207,891</b>
Directly Allocated CDM	0
<b>Outstanding Base Revenue Requirement</b>	<b>4,207,891</b>

## Base Revenue Requirement Reconciliation

	31-Oct-07	Adjustments	09-May-08
OM&A	\$ 2,564,293	-\$ 330,266	\$ 2,234,027
Amortization	\$ 888,341	-\$ 67,083	\$ 821,258
Return on Capital	\$ 1,218,052	-\$ 178,086	\$ 1,039,966
PILs	\$ 407,157	-\$ 14,224	\$ 392,933
Revenue Offsets	-\$ 335,564	\$ 55,271	-\$ 280,293
CDM	-\$ 80,408	\$ 80,408	\$ -
<b>Base Revenue Requirement</b>	<b>\$ 4,661,871</b>	<b>-\$ 453,980</b>	<b>\$ 4,207,891</b>

In the Board's decision they advised LUI that it is LUI's responsibility to ensure that our financial data is correct for the application, specifically referring to the incorrect interest entry in our 2006 rate application which seriously impacted the revenue requirement and financial situation of LUI.

In the above reconciliation table you will note an adjustment to revenue offsets. This adjustment was made in accordance with the Board's advice. LUI is making this adjustment to reduce the miscellaneous revenue in account #4405 in the amount of \$55,271 pertaining to interest earned on retained earnings. LUI mistakenly included interest on retained earnings in this account and proposes to move the \$55,271 balance to account 3040. It would be inappropriate to treat interest on retained earnings as a revenue offset since retained earnings belong to LUI's shareholder and are used to pay out as a dividend to LUI's shareholder. Accordingly, interest on retained earnings should not be treated as a revenue offset.

### RECONCILIATION OF RATE CLASS REVENUE TO TOTAL REVENUE REQUIREMENT

2008 Test - Projected									
	Customers	Projected Consumption (kWh)	Consumption (KW)	Proposed Volumetric Charge without LV & Transformer Allowance		Fixed Charge	Projected Base Revenue Requirement		Total Proposed Base Revenue
				Unit Revenues \$/kWh	Unit Revenues \$/KW		Requirement on Volumetric (\$)	Requirement on Fixed Charge (\$)	
Residential	8,012	77,241,202	-	0.0147		9.26	1,134,703	890,293	2,024,997
General Service Less Than 50 kW	1,075	36,960,206	-	0.0101		24.82	373,298	320,178	693,476
General Service 50 to 2,999 kW	127	117,291,948	270,520		3.5861	200.54	970,112	305,623	1,275,735
General Service 3,000 to 4,999 kW	2	55,719,421	123,329		0.4886	1,762.11	60,259	42,291	102,549
Unmetered Scattered Load	79	620,588	-	0.0318		11.19	19,735	10,608	30,343
Sentinel Lighting	58	49,428	98		9.1519	3.71	897	2,582	3,479
Street Lighting	2,739	2,065,217	5,335		7.3450	1.16	39,186	38,127	77,312
<b>TOTAL</b>	<b>12,092</b>	<b>289,948,010</b>	<b>399,282</b>				<b>2,598,189</b>	<b>1,609,702</b>	<b>\$ 4,207,891</b>

Transformer Allowance Revenue		\$ 178,080
Low Voltage		\$ 346,196
Smart Meter Adder	9216 Meters multiply by 12 months	\$ 110,592
Regulatory Asset Recovery	Accounts 1508 & 1550	\$ 221,014
<b>Grand Total</b>		<b>\$ 5,063,773</b>

# Lakefront Utilities Inc.

## TARIFF OF RATES AND CHARGES

Effective May 1, 2008

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

### APPLICATION

The application of these rates and charges shall be in accordance with the License 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 License 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, 2008 for all consumption or deemed consumption service used on or after that date.

SPECIFIC SERVICE CHARGES – May 1, 2008 for all charges incurred by customers on or after that date.

LOSS FACTOR ADJUSTMENT – May 1, 2008 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 refers to an account taking electricity at 750 volts or less where the electricity is used exclusively in a separately 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.

#### General Service Less Than 50 kW

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

#### General Service Less 50 to 2,999 kW

The classification refers to a non residential account whose monthly average peak demand is equal to or less than, or is forecast to be equal to or greater than, 50 kW but less than 3,000 kW.

#### General Service 3,000 to 4,999 kW

This classification refers to a non-residential account whose monthly average peak demand is equal to or greater than, or is forecast to be equal to or greater than, 3,000 kW but less than 5,000 kW.

#### Unmetered Scattered Load

This classification refers to an account taking electricity at 750 volts or less whose monthly average peak demand is less than, or is forecast to be less than, 50kW and the consumption is unmetered. Such connections include cable TV power packs, bus shelters, telephone booths, traffic lights, railway crossings, etc. The customer will provide detailed manufacturer information/documentation with regard to electrical demand/consumption of the proposed unmetered load.

#### Sentinel Lighting

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

#### Street Lighting

This classification refers to an account for roadway lighting with a Municipality, Regional Municipality, Ministry of Transportation and private railroad lighting operation, controlled by photo cells. The consumption for these customers will be based on the calculated connected load times the required lighting times established in the approved OEB street lighting load shape template.

## Lakefront Utilities Inc. TARIFF OF RATES AND CHARGES

Effective May 1, 2008

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

### MONTHLY RATES AND CHARGES

#### Residential

Service Charge	\$	10.26
Distribution Volumetric Rate	\$/kWh	0.0160
Regulatory Asset Recovery	\$/kWh	0.0010
Retail Transmission Rate – Network Service Rate	\$/kWh	0.0040
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kWh	0.0038
Wholesale Market Service Rate	\$/kWh	0.0052
Rural Rate Protection Charge	\$/kWh	0.0010
Standard Supply Service – Administrative Charge (if applicable)	\$	0.25

#### General Service Less Than 50 kW

Service Charge	\$	25.82
Distribution Volumetric Rate	\$/kWh	0.0113
Regulatory Asset Recovery	\$/kWh	0.0009
Retail Transmission Rate – Network Service Rate	\$/kWh	0.0037
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kWh	0.0034
Wholesale Market Service Rate	\$/kWh	0.0052
Rural Rate Protection Charge	\$/kWh	0.0010
Standard Supply Service – Administrative Charge (if applicable)	\$	0.25

#### General Service 50 to 2,999 kW

Service Charge	\$	201.54
Distribution Volumetric Rate	\$/kWh	4.4609
Regulatory Asset Recovery	\$/kWh	0.2771
Retail Transmission Rate – Network Service Rate	\$/kWh	1.4910
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kWh	1.3718
Wholesale Market Service Rate	\$/kWh	0.0052
Rural Rate Protection Charge	\$/kWh	0.0010
Standard Supply Service – Administrative Charge (if applicable)	\$	0.25

#### General Service 2,999 to 4,999 kW

Service Charge	\$	1,763.11
Distribution Volumetric Rate	\$/kWh	1.6185
Regulatory Asset Recovery	\$/kWh	0.2613
Retail Transmission Rate – Network Service Rate	\$/kWh	1.6676
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kWh	1.6179
Wholesale Market Service Rate	\$/kWh	0.0052
Rural Rate Protection Charge	\$/kWh	0.0010
Standard Supply Service – Administrative Charge (if applicable)	\$	0.25

#### Unmetered Scattered Load

Service Charge for metered account	\$	11.19
Distribution Volumetric Rate	\$/kWh	0.0332
Regulatory Asset Recovery	\$/kWh	0.0015
Retail Transmission Rate – Network Service Rate	\$/kWh	0.0043
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kWh	0.0043
Wholesale Market Service Rate	\$/kWh	0.0052
Rural Rate Protection Charge	\$/kWh	0.0010
Standard Supply Service – Administrative Charge (if applicable)	\$	0.25

## **Lakefront Utilities Inc. TARIFF OF RATES AND CHARGES**

**Effective May 1, 2008**

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### **Sentinel Lighting**

Service Charge	\$ 3.71
Distribution Volumetric Rate	\$/kW 9.5229
Regulatory Asset Recovery	\$/kW 0.6929
Retail Transmission Rate – Network Service Rate	\$/kW 1.1301
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kW 1.0826
Wholesale Market Service Rate	\$/kWh 0.0052
Rural Rate Protection Charge	\$/kWh 0.0010
Standard Supply Service – Administrative Charge (if applicable)	\$ 0.25

### **Street Lighting**

Service Charge	\$ 1.1600
Distribution Volumetric Rate	\$/kW 7.7115
Regulatory Asset Recovery	\$/kW 0.2190
Retail Transmission Rate – Network Service Rate	\$/kW 1.1245
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kW 1.0605
Wholesale Market Service Rate	\$/kWh 0.0052
Rural Rate Protection Charge	\$/kWh 0.0010
Standard Supply Service – Administrative 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
Request for other billing information	\$ 15.00
Easement Letter	\$ 15.00
Income Tax Letter	\$ 15.00
Credit Reference/credit check	\$ 15.00
Returned cheque charge (plus bank charges)	\$ 15.00
Legal letter charge	\$ 15.00
Account setup charge/change of occupancy	\$ 30.00
Special Meter Reads	\$ 30.00
Collection of account charge - no disconnection	\$ 30.00
Collection of account charge - no disconnection - after regular hours	\$ 185.00
Disconnect/Reconnect at meter - during regular hours	\$ 65.00
Install/Remove load control device - during regular hours	\$ 65.00
Disconnect/Reconnect at meter - after regular hours	\$ 165.00
Install/Remove load control device - after regular hours	\$ 185.00
Disconnect/Reconnect at pole - during regular hours	\$ 185.00
Disconnect/Reconnect at pole - after regular hours	\$ 415.00
Service call - customer-owned equipment	\$ 30.00
Service Call - after regular hours	\$ 165.00
Temporary service install & remove O/H - no transformer	\$ 500.00
Temporary service install & remove U/G - no transformer	\$ 300.00
Temporary service install & remove O/H - with transformer	\$ 1,000.00
Specific charge for access to the Power poles \$/pole/year	\$ 22.35
Interval Meter Load Management Tool charge (\$110/month)	\$ 110.00
Meter dispute charge plus Measurement Canada fees (if meter found correct)	\$ 30.00

**Lakefront Utilities Inc.**  
**TARIFF OF RATES AND CHARGES**

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Allowances

Transformer Allowance for Ownership - per kW of billing demand/month	\$/kW	(0.60)
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	1.0541
Total Loss Factor – Secondary Metered Customer > 5,000 kW	N/A
Total Loss Factor – Primary Metered Customer < 5,000 kW	1.0456
Total Loss Factor – Primary Metered Customer > 5,000 kW	N/A

**Draft Rate Order**  
**2008 Rate Application**  
**Lakefront Utilities Inc.**  
**File Number: EB-2007-0761**

## Bill Impacts

### Residential

750 kWh Consumption

	Metric	2007 BILL			2008 BILL			IMPACT		
		Volume	Rate \$	Charge \$	Volume	Rate \$	Charge \$	Change \$	Change %	% of Total Bill
Monthly Service Charge				9.52			10.26	0.74	7.8%	0.9%
Distribution	kWh	750	0.01130	8.48	750	0.01600	12.00	3.53	41.6%	4.3%
<b>Sub-Total</b>				<b>18.00</b>			<b>22.26</b>	<b>4.27</b>	<b>23.7%</b>	<b>5.2%</b>
Regulatory Asset Recovery	kWh	750	0.00590	4.43	750	0.00100	0.75	-3.68	-83.1%	-4.5%
Retail Transmission - Network	kWh	785	0.00490	3.85	791	0.00400	3.16	-0.69	-17.8%	-0.8%
Retail Transmission - Line and Transformation Connection	kWh	785	0.00400	3.14	791	0.00380	3.00	-0.14	-4.4%	-0.2%
Wholesale Market Service	kWh	785	0.00520	4.08	791	0.00520	4.11	0.03	0.7%	0.0%
Rural Rate Protection Charge	kWh	785	0.00100	0.79	791	0.00100	0.79	0.01	0.7%	0.0%
Debt Retirement Charge	kWh	750	0.00700	5.25	750	0.00700	5.25	0.00	0.0%	0.0%
Cost of Power Commodity	kWh	785	0.05450	42.80	791	0.05450	43.09	0.29	0.7%	0.3%
<b>Total Bill</b>				<b>82.33</b>			<b>82.41</b>	<b>0.09</b>	<b>0.1%</b>	<b>0.1%</b>

### 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				9.52			10.26	0.74	7.8%	0.7%
Distribution	kWh	1,000	0.01130	11.30	1,000	0.01600	16.00	4.70	41.6%	4.4%
<b>Sub-Total</b>				<b>20.82</b>			<b>26.26</b>	<b>5.44</b>	<b>26.1%</b>	<b>5.1%</b>
Regulatory Asset Recovery	kWh	1,000	0.00590	5.90	1,000	0.00100	1.00	-4.90	-83.1%	-4.6%
Retail Transmission - Network	kWh	1,047	0.00490	5.13	1,054	0.00400	4.22	-0.91	-17.8%	-0.9%
Retail Transmission - Line and Transformation Connection	kWh	1,047	0.00400	4.19	1,054	0.00380	4.01	-0.18	-4.4%	-0.2%
Wholesale Market Service	kWh	1,047	0.00520	5.44	1,054	0.00520	5.48	0.04	0.7%	0.0%
Rural Rate Protection Charge	kWh	1,047	0.00100	1.05	1,054	0.00100	1.05	0.01	0.7%	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	1,047	0.05450	57.07	1,054	0.05450	57.45	0.38	0.7%	0.4%
<b>Total Bill</b>				<b>106.60</b>			<b>106.47</b>	<b>-0.13</b>	<b>-0.1%</b>	<b>-0.1%</b>

### Residential

1,500 kWh Consumption

	Metric	2007 BILL			2008 BILL			IMPACT		
		Volume	Rate \$	Charge \$	Volume	Rate \$	Charge \$	Change \$	Change %	% of Total Bill
Monthly Service Charge				9.52			10.26	0.74	7.8%	0.5%
Distribution	kWh	1,500	0.01130	16.95	1,500	0.01600	24.00	7.05	41.6%	4.6%
<b>Sub-Total</b>				<b>26.47</b>			<b>34.26</b>	<b>7.79</b>	<b>29.4%</b>	<b>5.0%</b>
Regulatory Asset Recovery	kWh	1,500	0.00590	8.85	1,500	0.00100	1.50	-7.35	-83.1%	-4.8%
Retail Transmission - Network	kWh	1,571	0.00490	7.70	1,581	0.00400	6.32	-1.37	-17.8%	-0.9%
Retail Transmission - Line and Transformation Connection	kWh	1,571	0.00400	6.28	1,581	0.00380	6.01	-0.27	-4.4%	-0.2%
Wholesale Market Service	kWh	1,571	0.00520	8.17	1,581	0.00520	8.22	0.05	0.7%	0.0%
Rural Rate Protection Charge	kWh	1,571	0.00100	1.57	1,581	0.00100	1.58	0.01	0.7%	0.0%
Debt Retirement Charge	kWh	1,500	0.00700	10.50	1,500	0.00700	10.50	0.00	0.0%	0.0%
Cost of Power Commodity	kWh	1,571	0.05450	85.60	1,581	0.05450	86.17	0.57	0.7%	0.4%
<b>Total Bill</b>				<b>155.14</b>			<b>154.57</b>	<b>-0.57</b>	<b>-0.4%</b>	<b>-0.4%</b>

### General Service Less Than 50 kW

3,000 kWh Consumption

	Metric	2007 BILL			2008 BILL			IMPACT		
		Volume	Rate \$	Charge \$	Volume	Rate \$	Charge \$	Change \$	Change %	% of Total Bill
Monthly Service Charge				25.08			25.82	0.74	3.0%	0.2%
Distribution	kWh	3,000	0.00970	29.10	3,000	0.01130	33.90	4.80	16.5%	1.6%
<b>Sub-Total</b>				<b>54.18</b>			<b>59.72</b>	<b>5.54</b>	<b>10.2%</b>	<b>1.9%</b>
Regulatory Asset Recovery	kWh	3,000	0.00130	3.90	3,000	0.00090	2.70	-1.20	-30.8%	-0.4%
Retail Transmission - Network	kWh	3,141	0.00450	14.14	3,162	0.00370	11.70	-2.44	-17.2%	-0.8%
Retail Transmission - Line and Transformation Connection	kWh	3,141	0.00360	11.31	3,162	0.00340	10.75	-0.56	-4.9%	-0.2%
Wholesale Market Service	kWh	3,141	0.00520	16.33	3,162	0.00520	16.44	0.11	0.7%	0.0%
Rural Rate Protection Charge	kWh	3,141	0.00100	3.14	3,162	0.00100	3.16	0.02	0.7%	0.0%
Debt Retirement Charge	kWh	3,000	0.00700	21.00	3,000	0.00700	21.00	0.00	0.0%	0.0%
Cost of Power Commodity	kWh	3,141	0.05450	171.20	3,162	0.05450	172.35	1.14	0.7%	0.4%
<b>Total Bill</b>				<b>295.20</b>			<b>297.82</b>	<b>2.62</b>	<b>0.9%</b>	<b>0.9%</b>

**Draft Rate Order**  
**2008 Rate Application**  
**Lakefront Utilities Inc.**  
**File Number: EB-2007-0761**

**General Service 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				25.08			25.82	0.74	3.0%	0.2%
Distribution	kWh	5,000	0.00970	48.50	5,000	0.01130	56.50	8.00	16.5%	1.7%
<b>Sub-Total</b>				<b>73.58</b>			<b>82.32</b>	<b>8.74</b>	<b>11.9%</b>	<b>1.8%</b>
Regulatory Asset Recovery	kWh	5,000	0.00130	6.50	5,000	0.00090	4.50	-2.00	-30.8%	-0.4%
Retail Transmission - Network	kWh	5,236	0.00450	23.56	5,271	0.00370	19.50	-4.06	-17.2%	-0.8%
Retail Transmission - Line and Transformation Connection	kWh	5,236	0.00360	18.85	5,271	0.00340	17.92	-0.93	-4.9%	-0.2%
Wholesale Market Service	kWh	5,236	0.00520	27.22	5,271	0.00520	27.41	0.18	0.7%	0.0%
Rural Rate Protection Charge	kWh	5,236	0.00100	5.24	5,271	0.00100	5.27	0.04	0.7%	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	5,236	0.05450	285.33	5,271	0.05450	287.24	1.91	0.7%	0.4%
<b>Total Bill</b>				<b>475.28</b>			<b>479.16</b>	<b>3.88</b>	<b>0.8%</b>	<b>0.8%</b>

**Unmetered Scattered Load**  
800 kWh Consumption

	Metric	2007 BILL			2008 BILL			IMPACT		
		Volume	Rate \$	Charge \$	Volume	Rate \$	Charge \$	Change \$	Change %	% of Total Bill
Monthly Service Charge				11.19			11.19	0.00	0.0%	0.0%
Distribution	kWh	800	0.02550	20.40	800	0.03320	26.56	6.16	30.2%	5.9%
<b>Sub-Total</b>				<b>31.59</b>			<b>37.75</b>	<b>6.16</b>	<b>19.5%</b>	<b>5.9%</b>
Regulatory Asset Recovery	kWh	800	0.00500	4.00	800	0.00130	1.04	-2.96	-74.0%	-2.9%
Retail Transmission - Network	kWh	838	0.00520	4.36	843	0.00520	4.39	0.03	0.7%	0.0%
Retail Transmission - Line and Transformation Connection	kWh	838	0.00450	3.77	843	0.00450	3.79	0.03	0.7%	0.0%
Wholesale Market Service	kWh	838	0.00520	4.36	843	0.00520	4.39	0.03	0.7%	0.0%
Rural Rate Protection Charge	kWh	838	0.00100	0.84	843	0.00100	0.84	0.01	0.7%	0.0%
Debt Retirement Charge	kWh	800	0.00700	5.60	800	0.00700	5.60	0.00	0.0%	0.0%
Cost of Power Commodity	kWh	838	0.05450	45.65	843	0.05450	45.96	0.31	0.7%	0.3%
<b>Total Bill</b>				<b>100.16</b>			<b>103.76</b>	<b>3.59</b>	<b>3.6%</b>	<b>3.5%</b>

**General Service 50 to 2,999 Kw**  
60 kW Consumption  
15,000 kWh Consumption

	Metric	2007 BILL			2008 BILL			IMPACT		
		Volume	Rate \$	Charge \$	Volume	Rate \$	Charge \$	Change \$	Change %	% of Total Bill
Monthly Service Charge				200.80			201.54	0.74	0.4%	0.0%
Distribution	kW	60	2.95630	177.38	60	4.46090	267.65	90.28	50.9%	5.2%
<b>Sub-Total</b>				<b>378.18</b>			<b>469.19</b>	<b>91.02</b>	<b>24.1%</b>	<b>5.3%</b>
Regulatory Asset Recovery	kW	60	0.37560	22.54	60	0.27710	16.63	-5.91	-26.2%	-0.3%
Retail Transmission - Network	kW	63	1.81830	114.24	63	1.49100	94.30	-19.94	-17.5%	-1.2%
Retail Transmission - Line and Transformation Connection	kW	63	1.44400	90.72	63	1.37180	86.76	-3.96	-4.4%	-0.2%
Wholesale Market Service	kWh	15,707	0.00520	81.67	15,812	0.00520	82.22	0.55	0.7%	0.0%
Rural Rate Protection Charge	kWh	15,707	0.00100	15.71	15,812	0.00100	15.81	0.11	0.7%	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	15,707	0.05450	856.00	15,812	0.05450	861.73	5.72	0.7%	0.3%
<b>Total Bill</b>				<b>1,664.06</b>			<b>1,731.64</b>	<b>67.58</b>	<b>4.1%</b>	<b>3.9%</b>

**General Service 50 to 2,999 Kw**  
100 kW Consumption  
40,000 kWh Consumption

	Metric	2007 BILL			2008 BILL			IMPACT		
		Volume	Rate \$	Charge \$	Volume	Rate \$	Charge \$	Change \$	Change %	% of Total Bill
Monthly Service Charge				200.80			201.54	0.74	0.4%	0.0%
Distribution	kW	100	2.95630	295.63	100	4.46090	446.09	150.46	50.9%	4.0%
<b>Sub-Total</b>				<b>496.43</b>			<b>647.63</b>	<b>151.20</b>	<b>30.5%</b>	<b>4.0%</b>
Regulatory Asset Recovery	kW	100	0.37560	37.56	100	0.27710	27.71	-9.85	-26.2%	-0.3%
Retail Transmission - Network	kW	100	1.81830	181.83	100	1.49100	149.10	-32.73	-18.0%	-0.9%
Retail Transmission - Line and Transformation Connection	kW	100	1.44400	144.40	100	1.37180	137.18	-7.22	-5.0%	-0.2%
Wholesale Market Service	kWh	41,884	0.00520	217.80	42,164	0.00520	219.25	1.46	0.7%	0.0%
Rural Rate Protection Charge	kWh	41,884	0.00100	41.88	42,164	0.00100	42.16	0.28	0.7%	0.0%
Debt Retirement Charge	kWh	40,000	0.00700	280.00	40,000	0.00700	280.00	0.00	0.0%	0.0%
Cost of Power Commodity	kWh	41,884	0.05450	2,282.68	42,164	0.05450	2,297.94	15.26	0.7%	0.4%
<b>Total Bill</b>				<b>3,682.58</b>			<b>3,800.97</b>	<b>118.40</b>	<b>3.2%</b>	<b>3.1%</b>

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**General Service 3,000 to 4,999 kW**

3,000 kW Consumption  
2,100,000 kWh Consumption

	Metric	2007 BILL			2008 BILL			IMPACT		
		Volume	Rate \$	Charge \$	Volume	Rate \$	Charge \$	Change \$	Change %	% of Total Bill
Monthly Service Charge				1,762.37			1,763.11	0.74	0.0%	0.0%
Distribution	kW	3,000	0.59940	1,798.20	3,000	1.61850	4,855.50	3,057.30	170.0%	1.8%
<b>Sub-Total</b>				<b>3,560.57</b>			<b>6,618.61</b>	<b>3,058.04</b>	<b>85.9%</b>	<b>1.8%</b>
Regulatory Asset Recovery	kW	3,000	-0.46970	-1,409.10	3,000	0.26130	783.90	2,193.00	155.6%	1.3%
Retail Transmission - Network	kW	3,000	2.03360	6,100.80	3,000	1.66760	5,002.80	-1,098.00	-18.0%	-0.7%
Retail Transmission - Line and Transformation Connection	kW	3,000	1.70300	5,109.00	3,000	1.61790	4,853.70	-255.30	-5.0%	-0.2%
Wholesale Market Service	kWh	2,198,910	0.00520	11,434.33	2,213,610	0.00520	11,510.77	76.44	0.7%	0.0%
Rural Rate Protection Charge	kWh	2,198,910	0.00100	2,198.91	2,213,610	0.00100	2,213.61	14.70	0.7%	0.0%
Debt Retirement Charge	kWh	2,100,000	0.00700	14,700.00	2,100,000	0.00700	14,700.00	0.00	0.0%	0.0%
Cost of Power Commodity	kWh	2,198,910	0.05450	119,840.60	2,213,610	0.05450	120,641.75	801.15	0.7%	0.5%
<b>Total Bill</b>				<b>161,535.11</b>			<b>166,325.14</b>	<b>4,790.03</b>	<b>3.0%</b>	<b>2.9%</b>

**General Service 3,000 to 4,999 kW**

4,700 kW Consumption  
3,000,000 kWh Consumption

	Metric	2007 BILL			2008 BILL			IMPACT		
		Volume	Rate \$	Charge \$	Volume	Rate \$	Charge \$	Change \$	Change %	% of Total Bill
Monthly Service Charge				1,762.37			1,763.11	0.74	0.0%	0.0%
Distribution	kW	4,700	0.59940	2,817.18	4,700	1.61850	7,606.95	4,789.77	170.0%	2.0%
<b>Sub-Total</b>				<b>4,579.55</b>			<b>9,370.06</b>	<b>4,790.51</b>	<b>104.6%</b>	<b>2.0%</b>
Regulatory Asset Recovery	kW	4,700	-0.46970	-2,207.59	4,700	0.26130	1,228.11	3,435.70	155.6%	1.4%
Retail Transmission - Network	kW	4,700	2.03360	9,557.92	4,700	1.66760	7,837.72	-1,720.20	-18.0%	-0.7%
Retail Transmission - Line and Transformation Connection	kW	4,700	1.70300	8,004.10	4,700	1.61790	7,604.13	-399.97	-5.0%	-0.2%
Wholesale Market Service	kWh	3,109,887	0.00520	16,171.41	3,130,677	0.00520	16,279.52	108.11	0.7%	0.0%
Rural Rate Protection Charge	kWh	3,109,887	0.00100	3,109.89	3,130,677	0.00100	3,130.68	20.79	0.7%	0.0%
Debt Retirement Charge	kWh	3,000,000	0.00700	21,000.00	3,000,000	0.00700	21,000.00	0.00	0.0%	0.0%
Cost of Power Commodity	kWh	3,109,887	0.05450	169,488.84	3,130,677	0.05450	170,621.90	1,133.06	0.7%	0.5%
<b>Total Bill</b>				<b>229,704.12</b>			<b>237,072.11</b>	<b>7,367.99</b>	<b>3.2%</b>	<b>3.1%</b>

**Street Lighting**

346 kW Consumption  
118,000 kWh Consumption  
2235 **Connections**

	Metric	2007 BILL			2008 BILL			IMPACT		
		Volume	Rate \$	Charge \$	Volume	Rate \$	Charge \$	Change \$	Change %	% of Total Bill
Monthly Service Charge				335.25			2,592.60	2,257.35	673.3%	15.6%
Distribution	kW	2235	0.15	335.25	2235	1.16	2,592.60	2,257.35	673.3%	15.6%
<b>Sub-Total</b>				<b>662.53</b>			<b>5,260.78</b>	<b>4,598.25</b>	<b>694.0%</b>	<b>31.8%</b>
Regulatory Asset Recovery	kW	346	-0.30070	-104.04	346	0.21900	75.77	179.82	172.8%	1.2%
Retail Transmission - Network	kW	346	1.37130	474.47	346	1.12450	389.08	-85.39	-18.0%	-0.6%
Retail Transmission - Line and Transformation Connection	kW	346	1.11630	386.24	346	1.06050	366.93	-19.31	-5.0%	-0.1%
Wholesale Market Service	kWh	123,558	0.00520	642.50	124,384	0.00520	646.80	4.30	0.7%	0.0%
Rural Rate Protection Charge	kWh	123,558	0.00100	123.56	124,384	0.00100	124.38	0.83	0.7%	0.0%
Debt Retirement Charge	kWh	118,000	0.00700	826.00	118,000	0.00700	826.00	0.00	0.0%	0.0%
Cost of Power Commodity	kWh	123,558	0.05450	6,733.90	124,384	0.05450	6,778.92	45.02	0.7%	0.3%
<b>Total Bill</b>				<b>9,745.16</b>			<b>14,468.66</b>	<b>4,723.50</b>	<b>48.5%</b>	<b>32.6%</b>

**Sentinel Lighting**

0.75 kW Consumption  
50 kWh Consumption

	Metric	2007 BILL			2008 BILL			IMPACT		
		Volume	Rate \$	Charge \$	Volume	Rate \$	Charge \$	Change \$	Change %	% of Total Bill
Monthly Service Charge				1.98			3.71	1.73	87.4%	10.4%
Distribution	kW	1	4.88320	3.66	1	9.52290	7.14	3.48	95.0%	20.9%
<b>Sub-Total</b>				<b>5.64</b>			<b>10.85</b>	<b>5.21</b>	<b>92.3%</b>	<b>31.3%</b>
Regulatory Asset Recovery	kW	1	-0.64040	-0.48	1	0.69290	0.52	1.00	208.2%	6.0%
Retail Transmission - Network	kW	1	1.37820	1.08	1	1.13010	0.89	-0.19	-17.5%	-1.1%
Retail Transmission - Line and Transformation Connection	kW	1	1.13960	0.89	1	1.08260	0.86	-0.04	-4.4%	-0.2%
Wholesale Market Service	kWh	52	0.00520	0.27	53	0.00520	0.27	0.00	0.7%	0.0%
Rural Rate Protection Charge	kWh	52	0.00100	0.05	53	0.00100	0.05	0.00	0.7%	0.0%
Debt Retirement Charge	kWh	50	0.00700	0.35	50	0.00700	0.35	0.00	0.0%	0.0%
Cost of Power Commodity	kWh	52	0.05450	2.85	53	0.05450	2.87	0.02	0.7%	0.1%
<b>Total Bill</b>				<b>10.67</b>			<b>16.67</b>	<b>6.00</b>	<b>56.3%</b>	<b>36.0%</b>