



**July 15, 2008**

Ontario Energy Board  
P.O. Box 2319  
2300 Yonge Street  
26th Floor  
Toronto, Ontario  
Attn: Ms. Kirsten Walli  
Board Secretary

**Re: OEB File No. EB-2007-0753  
2008 Electricity Distribution Rate Application  
Norfolk Power Distribution Inc. Response – Board staff's submission  
Draft Rate Order**

Dear Ms. Walli,

Norfolk Power Distribution Inc. is pleased to file with the Board, a revised response to Board staff's submission on the Draft Rate Order, dated June 17, 2008. We have included two paper copies and an electronic version filed through the Board's RESS.

If you have any questions, please contact the undersigned at 519-426-4440, extension 2264.

Yours truly,

A handwritten signature in black ink, appearing to read 'Alvin E. Allim', written in a cursive style.

Alvin E. Allim  
Manager of Finance

### **Responses to Board Staff Submission on Draft Rate Order**

Norfolk Power Distribution Inc. ("Norfolk Power") respectfully submits the following responses to Board Staff Submission on Draft Rate Order, including a Proposed 2008 Tariff of Rates and Charges as instructed by the Ontario Energy Board in the May 26, 2008 decision.

Board staff addressed the following issues in their submission:

1. Operating, Maintenance & Administrative Expenses
2. Rate Base – Capital Expenditures  
Rate Base – Cash Working Capital
3. Smart Meters
4. Cost of Capital
5. Deferral and Variance Account Disposition
6. PILs Calculations

Norfolk Power has re-calculated the original rates proposed in the 2008 Electricity Distribution Rate Application, submitted November 16, 2007. The revised rates have been adjusted as per the direction of the OEB in the following manner:

#### **1. Operating, Maintenance & Administrative ("OM&A") Expenses**

With respect to controllable OM&A expenses, Norfolk Power interpreted the Board's Decision as approving Regulatory Costs of \$76,618 (i.e. Page 8 of Decision - \$65,000 plus \$2,200 plus 1/3 of 28,885) and Bad Debt Expenses of \$70,000. With respect to other costs, Norfolk Power relied on the statement on page 14 of the Decision that states

*"Accordingly the Board will approve an increase in other costs of amount equivalent to 12% over the 2006 actuals, excluding cost associated with smart meters"*

As a result, Norfolk Power assumed other costs should be the 2006 actual amount (i.e. \$3,797,656) plus 12% which is 4,253,374. Norfolk Power also noted that \$4,253,374 plus \$76,618 plus \$70,000 was, within rounding, an even \$4.4 million. Norfolk Power believed that when the Board was discussing an envelop of controllable OM&A expenses it would be reasonable to be referring to amount that was an even \$4.4 million.

On page 11 of 30 of the Draft Rate Order, Norfolk Power shows an adjusted OM&A expense amount of \$4,485,762 as going into the approved revenue requirement calculation. The amount is different from the \$4.4 million by \$85,762 because it

reflects the cost of "Taxes other than income tax". It is Norfolk Power's opinion that this cost is outside the control of Norfolk Power and is therefore not a controllable expense.

The following table summarizes the total approved controllable OM&A expenses:

**Approved Controllable OM&A Expenses:**

|   |                           |
|---|---------------------------|
| Smart Meter Expenses                      | \$0                       |
| Regulatory Costs                          | \$76,618                  |
| Bad Debt Expenses                         | \$70,000                  |
| Other Expenses                            | \$4,106,757               |
| Subtotal                                  | <u>\$4,253,375</u>        |
| Plus: Taxes other than Income Tax         | \$85,762                  |
| Total Approved Controllable OM&A Expenses | <u><u>\$4,339,137</u></u> |

## **2. Rate Base**

### **Capital Expenditures**

Evidence provided to support the \$5,938,600 in the Board interrogatory #2 is incorrect. Norfolk Power's recalculation of its 2008 Capital Expenditures, excluding \$120K for a new transformer and \$4.061M for Smart Meters, is \$6,008,600.

Norfolk Power's evidence filed to VECC interrogatory #8 & 9, and SEC interrogatory #3, provides summary tables of Norfolk Power's capital program for 2008. It has been re-produced below:

|   | 2006<br>BUDGET | 2007<br>BRIDGE | 2008<br>TEST |
|---|----------------|----------------|--------------|
| <b><u>DISTRIBUTION PLANT</u></b>          |                |                |              |
| Land and Land Rights                      | \$8,000        | \$1,000        | \$1,000      |
| Transformer Station - Building & Fixtures | 0              | 5,000          | 74,200       |
| Transformer Station Equipment             | 35,000         | 195,000        | 322,000      |
| Substation Equipment                      | 130,000        | 1,177,000      | 811,500      |
| Distribution System - Overhead:           |                |                |              |
| Poles, Towers, & Equipment                | 814,000        | 651,000        | 1,130,800    |
| Conductor & Devices                       | 760,000        | 854,000        | 738,200      |
| Distribution System - Underground:        |                |                |              |
| Conduit                                   | 507,000        | 280,000        | 282,000      |
| Conductor & Devices                       | 751,000        | 431,000        | 600,000      |
| Transformation                            | 424,000        | 745,000        | 876,000      |
| Services - Overhead and Underground       | 277,000        | 311,000        | 322,000      |

**Reply Submission - Draft Rate Order**  
**Norfolk Power Distribution Inc.**  
**2008 Electricity Distribution Rates**  
**EB-2007-0753**  
**Page 3 of 36**

|                                 |                     |                     |                     |
|---------------------------------|---------------------|---------------------|---------------------|
| Meters (includes Smart Meters)  | 220,000             | 410,200             | 4,577,400           |
| <b>TOTAL DISTRIBUTION PLANT</b> | <b>\$ 3,926,000</b> | <b>\$ 5,060,200</b> | <b>\$ 9,735,100</b> |

**GENERAL PLANT**

|   |                   |                   |                   |
|---|-------------------|-------------------|-------------------|
| Land and Land Rights                        | \$15,000          | \$25,000          | \$0               |
| Buildings: Fixtures & Improvements          | 20,000            | 153,000           | 108,400           |
| Leasehold Improvements                      | 0                 | 2,000             | 5,000             |
| Office Furniture and Equipment              | 20,000            | 23,000            | 29,000            |
| Computer Equipment - Hardware               | 51,000            | 88,000            | 67,000            |
| Computer Equipment - Software               | 186,000           | 87,000            | 129,000           |
| Transportation Equipment                    | 338,000           | 95,000            | 95,000            |
| Stores Equipment                            | 5,000             | 4,000             | 5,000             |
| Garage, Truck Tools and Stringing Equipment | 49,000            | 33,000            | 32,000            |
| Measurement & Testing Equipment             | 25,000            | 22,000            | 25,500            |
| Communication Equipment                     | 48,000            | 29,000            | 29,000            |
| Miscellaneous Equipment                     | 33,000            | 32,000            | 37,500            |
| Load Control Equipment                      | 0                 | 76,000            | 0                 |
| SCADA Equipment                             | 103,000           | 44,000            | 92,100            |
| <b>TOTAL GENERAL PLANT</b>                  | <b>\$ 893,000</b> | <b>\$ 713,000</b> | <b>\$ 654,500</b> |

|                                      |     |             |             |
|--------------------------------------|-----|-------------|-------------|
| Contributions in Aid of Construction | \$0 | (\$200,000) | (\$200,000) |
|--------------------------------------|-----|-------------|-------------|

|   |                    |                    |                     |
|---|--------------------|--------------------|---------------------|
| <b>SUBTOTAL CAPITAL BUDGET</b>          | <b>\$4,819,000</b> | <b>\$5,573,200</b> | <b>\$10,189,600</b> |
| <b>Less: Board decision adjustments</b> |                    |                    |                     |
| Deposit for transformer                 | 0                  | 0                  | (120,000)           |
| Smart Meters                            | 0                  | 49,000             | (4,061,000)         |
| <b>TOTAL CAPITAL BUDGET</b>             | <b>\$4,819,000</b> | <b>\$5,622,200</b> | <b>\$6,008,600</b>  |

**Cash Working Capital**

Norfolk Power has reduced the low voltage costs from \$371,652 to \$252,864 to reflect the Hydro One low voltage rates proposal outlined in Hydro One's 2008 Distribution Rate Application. (EB-2007-0681). The following table shows the detailed calculation:

|  | <b>As per 2008<br/>EDR<br/>Application</b> | <b>As per<br/>Board's<br/>Decision</b> |      |
|--|--|--|------|
| Low Voltage Charges - Haldimand County Hydro | \$85,480                                   | \$85,480                               |      |
| Low Voltage Charges - Hydro One              | \$286,172                                  | \$167,384                              | NB 1 |

**Reply Submission - Draft Rate Order**  
**Norfolk Power Distribution Inc.**  
**2008 Electricity Distribution Rates**  
**EB-2007-0753**  
**Page 4 of 36**

|                  |                  |
|------------------|------------------|
| <u>\$371,652</u> | <u>\$252,864</u> |
|------------------|------------------|

Note 1:

Hydro One's 2008 EDR Application: EB-2007-0681; Exhibit G1/Tab 4/Schedule 4/Page 2 of 4

Current shared LVDS = \$2.12/kW, which is consistent with the rate Hydro One charges  
Norfolk Power for LV services

Proposed LVDS = \$1.24/kW. Therefore, revised Hydro One LV charges are:  
\$286,172 X \$1.24/\$2.12 = \$167,384

### 3. Smart Meters

Norfolk Power's smart meter initiative as per the Board's decision, excludes capital expenditures of \$4,061,000 and a smart meter adder of \$1.00/month per metered customer. Table 1.0 provides the details of the rate base and Table 1.1 shows the proposed monthly fixed rates including the rate adder.

| <b>Table 1.0</b>                  | <b>As per 2008<br/>EDR<br/>Application</b> | <b>As per<br/>Board's<br/>Decision</b> |      |
|-----------------------------------|--|--|------|
| Opening Balance, Net Fixed Assets | \$41,528,376                               | \$41,528,376                           |      |
| Additions                         | 10,189,600                                 | 6,008,600                              | NB 1 |
| Depreciation                      | (2,836,810)                                | (2,754,090)                            | NB 2 |
| Closing Balance, Net Fixed Assets | <u>\$48,881,166</u>                        | <u>\$44,782,886</u>                    |      |
| Average Net Fixed Assets          | \$45,204,771                               | \$43,155,631                           |      |
| Allowance for Working Capital     | 5,294,835                                  | 4,996,170                              | NB 3 |
| <b>Rate Base</b>                  | <b><u>\$50,499,606</u></b>                 | <b><u>\$48,151,801</u></b>             |      |

Note 1: See response to Rate Base - Capital Expenditures

Note 2: \$2,836,810 - \$2,754,090 = \$82,720, comprised of:

|  |                 |
|--|-----------------|
| *Smart Meter [(\$4,061,000 X 1/2) / 4.0% | \$81,220        |
| Transformer [(\$120,000 X 1/2) / 2.5%    | <u>1,500</u>    |
|  | <u>\$82,720</u> |

\*Please note that for the purposes of the application, smart meters were included in the regular meter category, which assumes a 25-year amortization period.

|                           |             |
|---------------------------|-------------|
| Note 3: Controllable OM&A | \$4,339,137 |
| ***Power Supply Expense   | 28,968,663  |

|   |              |
|---|--------------|
| Total Expense for Working Capital Allowance | \$33,307,800 |
| Allowance for Working Capital (@ 15%)       | \$4,996,170  |

\*\*\*From June 9, 2008 Draft Rate Order

**Table 1.1**

| Customer Class           | Fixed Charge before Rate Adder | Smart Meter Rate Adder | Fixed Charge After Rate Adder |
|--------------------------|--------------------------------|------------------------|-------------------------------|
| Residential              | \$20.91                        | \$1.00                 | \$21.91                       |
| GS <50                   | \$49.33                        | \$1.00                 | \$50.33                       |
| GS>50                    | \$242.37                       | \$1.00                 | \$243.37                      |
| Street Light             | \$1.60                         | \$0.00                 | \$1.60                        |
| Sentinel                 | \$4.90                         | \$0.00                 | \$4.90                        |
| Unmetered Scattered Load | \$26.33                        | \$0.00                 | \$26.33                       |

#### **4. Cost of Capital and Capital Structure**

The Board approved Norfolk Power's overall cost of capital of 7.19% and it has been used to calculate the proposed rates in the draft rate order, as follows:

$$\text{Rate Base} \times \text{Cost of Capital Rate} = \$48,151,801 \times 7.19\% = \$3,462,114$$

*(Please see Table 1.0 above for calculation of the Rate Base)*

#### **5. Deferral and Variance Account Disposition**

Since Account 1550 was not addressed in the Board's Decision, Norfolk Power was uncertain as to the disposition of this account and sought direction from the Board. Board staff has requested Norfolk Power to provide a schedule of the calculated rate riders for the Board to consider. Below are the details of Account 1550 and a proposed rate rider schedule.

**Reply Submission - Draft Rate Order**  
**Norfolk Power Distribution Inc.**  
**2008 Electricity Distribution Rates**  
**EB-2007-0753**  
**Page 6 of 36**

DATE **26-Jun-08**

NAME OF UTILITY NOROLK POWER DISTRIBUTION INC.  
NAME OF CONTACT ALVIN ALLIM  
E-MAIL ADDRESS [aallim@norfolkpower.on.ca](mailto:aallim@norfolkpower.on.ca)  
PHONE NUMBER 519-426-4440 ext. 2264

LICENCE NUMBER ED-2002-0521  
DOCID NUMBER RP-2005-0020  
EB-2005-0396

Annual Interest Rate: **4.59%** Consult OEB website at:  
[http://www.oeb.gov.on.ca/html/en/industryrelations/rulesguidesandforms\\_regulatory\\_prescribedinterestrates.htm](http://www.oeb.gov.on.ca/html/en/industryrelations/rulesguidesandforms_regulatory_prescribedinterestrates.htm)

This column should reconcile with Dec 31/06 trial balances.

**Deferred Charge Accounts**

| Account Description                               | Account Number | Dec 31/06 Balance |                 |       | Apply for Disposal? | Jan1/07 to Apr30/07 |       |         | May1/07 to Dec31/07 |       |         | Jan1 to Apr30/08 |       |         |
|---|----------------|-------------------|-----------------|-------|---------------------|---------------------|-------|---------|---------------------|-------|---------|------------------|-------|---------|
|   |                | Principal Portion | Accum. Interest | Total |                     | Interest            | Other | Balance | Interest            | Other | Balance | Interest         | Other | Balance |
| Unrecovered Plant and Regulatory Study Costs      | 1505           | -                 | -               | -     | NO                  | -                   | -     | -       | -                   | -     | -       | -                | -     | -       |
| Other Regulatory Assets                           | 1508           | -                 | -               | -     | NO                  | -                   | -     | -       | -                   | -     | -       | -                | -     | -       |
| Preliminary Survey and Investigation Charges      | 1510           | -                 | -               | -     | NO                  | -                   | -     | -       | -                   | -     | -       | -                | -     | -       |
| Emission Allowance Inventory                      | 1515           | -                 | -               | -     | NO                  | -                   | -     | -       | -                   | -     | -       | -                | -     | -       |
| Emission Allowances Withheld                      | 1516           | -                 | -               | -     | NO                  | -                   | -     | -       | -                   | -     | -       | -                | -     | -       |
| Retail Cost Variance Account - Retail             | 1518           | -                 | -               | -     | YES                 | -                   | -     | -       | -                   | -     | -       | -                | -     | -       |
| Power Purchase Variance Account                   | 1520           | -                 | -               | -     | NO                  | -                   | -     | -       | -                   | -     | -       | -                | -     | -       |
| Misc. Deferred Debits - incl. Rebate Cheques      | 1525           | -                 | -               | -     | NO                  | -                   | -     | -       | -                   | -     | -       | -                | -     | -       |
| Deferred Losses from Disposition of Utility Plant | 1530           | -                 | -               | -     | NO                  | -                   | -     | -       | -                   | -     | -       | -                | -     | -       |
| Unamortized Loss on Reacquired Debt               | 1540           | -                 | -               | -     | NO                  | -                   | -     | -       | -                   | -     | -       | -                | -     | -       |
| Development Charge Deposits/ Receivables          | 1545           | -                 | -               | -     | NO                  | -                   | -     | -       | -                   | -     | -       | -                | -     | -       |
| Retail Cost Variance Account - STR                | 1548           | -                 | -               | -     | YES                 | -                   | -     | -       | -                   | -     | -       | -                | -     | -       |
| LV Variance Account                               | 1550           | 8,377             | 273             | 8,650 | YES                 | 128                 | -     | 8,778   | 256                 | -     | 9,034   | 128              | -     | 9,162   |
| Smart Meter Capital Variance Account              | 1555           | -                 | -               | -     | NO                  | -                   | -     | -       | -                   | -     | -       | -                | -     | -       |
| Smart Meters OM&A Variance Account                | 1556           | -                 | -               | -     | NO                  | -                   | -     | -       | -                   | -     | -       | -                | -     | -       |
| Deferred Development Costs                        | 1560           | -                 | -               | -     | NO                  | -                   | -     | -       | -                   | -     | -       | -                | -     | -       |
| Deferred Payments in Lieu of Taxes                | 1562           | -                 | -               | -     | NO                  | -                   | -     | -       | -                   | -     | -       | -                | -     | -       |
| PILS Contra Account                               | 1563           | -                 | -               | -     | NO                  | -                   | -     | -       | -                   | -     | -       | -                | -     | -       |
| CDM Expenditures and Recoveries                   | 1565           | -                 | -               | -     | NO                  | -                   | -     | -       | -                   | -     | -       | -                | -     | -       |
| CDM Contra Account                                | 1566           | -                 | -               | -     | NO                  | -                   | -     | -       | -                   | -     | -       | -                | -     | -       |
| Qualifying Transition Costs                       | 1570           | -                 | -               | -     | NO                  | -                   | -     | -       | -                   | -     | -       | -                | -     | -       |
| Pre-Market Opening Energy Variances Total         | 1571           | -                 | -               | -     | NO                  | -                   | -     | -       | -                   | -     | -       | -                | -     | -       |
| Extra-Ordinary Event Losses                       | 1572           | -                 | -               | -     | YES                 | -                   | -     | -       | -                   | -     | -       | -                | -     | -       |
| Deferred Rate Impact Amounts                      | 1574           | -                 | -               | -     | NO                  | -                   | -     | -       | -                   | -     | -       | -                | -     | -       |
| RSVA - Wholesale Market Service Charge            | 1580           | -                 | -               | -     | YES                 | -                   | -     | -       | -                   | -     | -       | -                | -     | -       |
| RSVA - One-time Wholesale Market Service          | 1582           | -                 | -               | -     | YES                 | -                   | -     | -       | -                   | -     | -       | -                | -     | -       |
| RSVA - Retail Transmission Network Charge         | 1584           | -                 | -               | -     | YES                 | -                   | -     | -       | -                   | -     | -       | -                | -     | -       |
| RSVA - Retail Transmission Connection Charge      | 1586           | -                 | -               | -     | YES                 | -                   | -     | -       | -                   | -     | -       | -                | -     | -       |
| RSVA - Power                                      | 1588           | -                 | -               | -     | YES                 | -                   | -     | -       | -                   | -     | -       | -                | -     | -       |
| Deferred PILs Account                             | 1592           | -                 | -               | -     | NO                  | -                   | -     | -       | -                   | -     | -       | -                | -     | -       |
| Other Deferred Credits                            | 2425           | -                 | -               | -     | NO                  | -                   | -     | -       | -                   | -     | -       | -                | -     | -       |
|   |                | 8,377             | 273             | 8,650 |                     | 128                 | -     | 8,778   | 256                 | -     | 9,034   | 128              | -     | 9,162   |

**Reply Submission - Draft Rate Order**  
**Norfolk Power Distribution Inc.**  
**2008 Electricity Distribution Rates**  
**EB-2007-0753**  
**Page 7 of 36**

| Account Description                                 | Account Number  | Dec31/06 Balance | Apr 30/08 Balance | Allocation Basis             | Residential    | GS < 50 KW     | GS > 50 Non TOU | GS > 50 TOU | Intermediate | Large Users | Small Scattered Load | Standby Power | Sentinel Lighting | Street Lighting | Totals       |
|---|-----------------|------------------|-------------------|------------------------------|----------------|----------------|-----------------|-------------|--------------|-------------|----------------------|---------------|-------------------|-----------------|--------------|
| Unrecovered Plant and Regulatory Study Costs        | 1505            | -                | -                 |                              |                |                |                 |             |              |             |                      |               |                   |                 | -            |
| Other Regulatory Assets                             | 1508            | -                | -                 | KWh                          | -              | -              | -               | -           | -            | -           | -                    | -             | -                 | -               | -            |
| Preliminary Survey and Investigation Charges        | 1510            | -                | -                 |                              |                |                |                 |             |              |             |                      |               |                   |                 | -            |
| Emission Allowance Inventory                        | 1515            | -                | -                 |                              |                |                |                 |             |              |             |                      |               |                   |                 | -            |
| Emission Allowances Withheld                        | 1516            | -                | -                 |                              |                |                |                 |             |              |             |                      |               |                   |                 | -            |
| Retail Cost Variance Account - Retail               | 1518            | -                | -                 | KWh                          | -              | -              | -               | -           | -            | -           | -                    | -             | -                 | -               | -            |
| Power Purchase Variance Account                     | 1520            | -                | -                 |                              |                |                |                 |             |              |             |                      |               |                   |                 | -            |
| Misc. Deferred Debits - incl. Rebate Cheques        | 1525            | -                | -                 | # Customers w/Rebate Cheques |                |                |                 |             |              |             |                      |               |                   |                 | -            |
| Deferred Losses from Disposition of Utility Plant   | 1530            | -                | -                 |                              |                |                |                 |             |              |             |                      |               |                   |                 | -            |
| Unamortized Loss on Reacquired Debt                 | 1540            | -                | -                 |                              |                |                |                 |             |              |             |                      |               |                   |                 | -            |
| Development Charge Deposits/ Receivables            | 1545            | -                | -                 |                              |                |                |                 |             |              |             |                      |               |                   |                 | -            |
| Retail Cost Variance Account - STR                  | 1548            | -                | -                 | KWh                          | -              | -              | -               | -           | -            | -           | -                    | -             | -                 | -               | -            |
| LV Variance Account                                 | 1550            | 8,650            | 9,162             | KWh                          | 3,331          | 1,448          | 4,287           | -           | -            | -           | 11                   | -             | 7                 | 78              | 9,162        |
| Smart Meter Capital Variance Account                | 1555            | -                | -                 |                              |                |                |                 |             |              |             |                      |               |                   |                 | -            |
| Smart Meters OM&A Variance Account                  | 1556            | -                | -                 |                              |                |                |                 |             |              |             |                      |               |                   |                 | -            |
| Deferred Development Costs                          | 1560            | -                | -                 |                              |                |                |                 |             |              |             |                      |               |                   |                 | -            |
| Deferred Payments in Lieu of Taxes                  | 1562            | -                | -                 |                              |                |                |                 |             |              |             |                      |               |                   |                 | -            |
| PILS Contra Account                                 | 1563            | -                | -                 |                              |                |                |                 |             |              |             |                      |               |                   |                 | -            |
| CDM Expenditures and Recoveries                     | 1565            | -                | -                 |                              |                |                |                 |             |              |             |                      |               |                   |                 | -            |
| CDM Contra Account                                  | 1568            | -                | -                 |                              |                |                |                 |             |              |             |                      |               |                   |                 | -            |
| Qualifying Transition Costs                         | 1570            | -                | -                 | # Customers                  | -              | -              | -               | -           | -            | -           | -                    | -             | -                 | -               | -            |
| Pre-Market Opening Energy Variances Total           | 1571            | -                | -                 | KWh for Non TOU Customers    | -              | -              | -               | -           | -            | -           | -                    | -             | -                 | -               | -            |
| Extra-Ordinary Event Losses                         | 1572            | -                | -                 | # Customers                  | -              | -              | -               | -           | -            | -           | -                    | -             | -                 | -               | -            |
| Deferred Rate Impact Amounts                        | 1574            | -                | -                 |                              |                |                |                 |             |              |             |                      |               |                   |                 | -            |
| RSVA - Wholesale Market Service Charge              | 1580            | -                | -                 | KWh                          | -              | -              | -               | -           | -            | -           | -                    | -             | -                 | -               | -            |
| RSVA - One-time Wholesale Market Service            | 1582            | -                | -                 | KWh                          | -              | -              | -               | -           | -            | -           | -                    | -             | -                 | -               | -            |
| RSVA - Retail Transmission Network Charge           | 1584            | -                | -                 | KWh                          | -              | -              | -               | -           | -            | -           | -                    | -             | -                 | -               | -            |
| RSVA - Retail Transmission Connection Charge        | 1586            | -                | -                 | KWh                          | -              | -              | -               | -           | -            | -           | -                    | -             | -                 | -               | -            |
| RSVA - Power  | 1588            | -                | -                 | KWh                          | -              | -              | -               | -           | -            | -           | -                    | -             | -                 | -               | -            |
| Deferred PILS Account                               | 1592            | -                | -                 |                              |                |                |                 |             |              |             |                      |               |                   |                 | -            |
| Other Deferred Credits                              | 2425            | -                | -                 | # Customers                  | -              | -              | -               | -           | -            | -           | -                    | -             | -                 | -               | -            |
| <b>Sub-total to Dispose at May1/08 or Dec31/06?</b> | <b>Apr30/08</b> | <b>8,650</b>     | <b>9,162</b>      |                              | <b>3,331</b>   | <b>1,448</b>   | <b>4,287</b>    | <b>-</b>    | <b>-</b>     | <b>-</b>    | <b>11</b>            | <b>-</b>      | <b>7</b>          | <b>78</b>       | <b>9,162</b> |
| Clear residual 1590 balance as of April 30/08?      | <b>NO</b>       |                  |                   |                              | -              | -              | -               | -           | -            | -           | -                    | -             | -                 | -               | -            |
| <b>Total to Dispose at May1/08</b>                  |                 |                  |                   |                              | <b>3,331</b>   | <b>1,448</b>   | <b>4,287</b>    | <b>-</b>    | <b>-</b>     | <b>-</b>    | <b>11</b>            | <b>-</b>      | <b>7</b>          | <b>78</b>       | <b>9,162</b> |
| Disposal period?                                    | <b>1 YEAR</b>   |                  |                   |                              | 3,331          | 1,448          | 4,287           | -           | -            | -           | 11                   | -             | 7                 | 78              | 9,162        |
| <b>Projected 2008 Rate Riders</b>                   |                 |                  |                   |                              | <b>0.00002</b> | <b>0.00002</b> | <b>0.0106</b>   |             |              |             | <b>0.00002</b>       |               | <b>0.0229</b>     | <b>0.0099</b>   |              |
| Rate Determinant                                    |                 |                  |                   |                              | kWh            | kWh            | kW              | kW          | kW           | kW          | kWh                  | kW            | kW                | kW              |              |



***Proposed Rate Rider for  
Disposition of Account 1550***

| Customer Class           | Rate Rider |
|--------------------------|------------|
| Residential              | \$0.00002  |
| GS <50                   | \$0.00002  |
| GS>50                    | \$0.01060  |
| Street Light             | \$0.00990  |
| Sentinel                 | \$0.02290  |
| Unmetered Scattered Load | \$0.00002  |

## 6. PILs Calculations

### Regulatory Net Income and Rate Base

Since Norfolk Power has revised the OM&A expenses to reflect the Board's decision, the rate base has been adjusted from the amount reported on the Draft Rate Order. With respect to Regulatory Net Income, the formula used to calculate this number: Rate Base X Equity% X ROE %, must be equal to the same number used to calculate PILs. Norfolk Power agrees with Board staff there should be no difference. Regulatory Net Income for Norfolk Power using the formula above yields:

$$\begin{array}{rcl}
 \text{Rate Base X Equity Component X ROE \%} & = & \$48,151,801 \times 46.7\% \times 8.57\% \\
 \text{Regulatory Net Income} & = & \$1,927,127
 \end{array}$$

Regulatory Net Income of \$1,927,127 is used to calculate PILs shown below:

| Line Item  | T2S1<br>line # | Total for<br>Legal<br>Entity | Non-<br>Distribution<br>Eliminations | Utility<br>Amount |
|--|----------------|------------------------------|--------------------------------------|-------------------|
| <b>Income before PILs/Taxes</b>                                    | <b>A</b>       | 1,927,127                    | 0                                    | 1,927,127         |
| <b>Additions:</b>  |                |                              |                                      |                   |
| Interest and penalties on taxes                                    | 103            | 0                            | 0                                    | 0                 |
| Amortization of tangible assets                                    | 104            | 2,754,090                    | 0                                    | 2,754,090         |
| Amortization of intangible assets                                  | 106            | 0                            | 0                                    | 0                 |
| Recapture of capital cost allowance<br>from Schedule 8             | 107            | 0                            | 0                                    | 0                 |
| Gain on sale of eligible capital property<br>from Schedule 10      | 108            | 0                            | 0                                    | 0                 |
| Income or loss for tax purposes- joint<br>ventures or partnerships | 109            | 0                            | 0                                    | 0                 |

**Reply Submission - Draft Rate Order**  
**Norfolk Power Distribution Inc.**  
**2008 Electricity Distribution Rates**  
**EB-2007-0753**  
**Page 9 of 36**

|  |     |   |   |   |
|--|-----|---|---|---|
| Loss in equity of subsidiaries and affiliates  | 110 | 0 | 0 | 0 |
| Loss on disposal of assets   | 111 | 0 | 0 | 0 |
| Charitable donations   | 112 | 0 | 0 | 0 |
| Taxable Capital Gains  | 113 | 0 | 0 | 0 |
| Political Donations  | 114 | 0 | 0 | 0 |
| Deferred and prepaid expenses  | 116 | 0 | 0 | 0 |
| Scientific research expenditures deducted on financial statements                                    | 118 | 0 | 0 | 0 |
| Capitalized interest   | 119 | 0 | 0 | 0 |
| Non-deductible club dues and fees  | 120 | 0 | 0 | 0 |
| Non-deductible meals and entertainment expense   | 121 | 0 | 0 | 0 |
| Non-deductible automobile expenses   | 122 | 0 | 0 | 0 |
| Non-deductible life insurance premiums   | 123 | 0 | 0 | 0 |
| Non-deductible company pension plans   | 124 | 0 | 0 | 0 |
| Tax reserves beginning of year   | 125 | 0 | 0 | 0 |
| Reserves from financial statements- balance at end of year   | 126 | 0 | 0 | 0 |
| Soft costs on construction and renovation of buildings   | 127 | 0 | 0 | 0 |
| Book loss on joint ventures or partnerships  | 205 | 0 | 0 | 0 |
| Capital items expensed   | 206 | 0 | 0 | 0 |
| Debt issue expense   | 208 | 0 | 0 | 0 |
| Development expenses claimed in current year   | 212 | 0 | 0 | 0 |
| Financing fees deducted in books   | 216 | 0 | 0 | 0 |
| Gain on settlement of debt   | 220 | 0 | 0 | 0 |
| Non-deductible advertising   | 226 | 0 | 0 | 0 |
| Non-deductible interest  | 227 | 0 | 0 | 0 |
| Non-deductible legal and accounting fees   | 228 | 0 | 0 | 0 |
| Recapture of SR&ED expenditures  | 231 | 0 | 0 | 0 |
| Share issue expense  | 235 | 0 | 0 | 0 |
| Write down of capital property   | 236 | 0 | 0 | 0 |
| Amounts received in respect of qualifying environment trust per paragraphs 12(1)(z.1) and 12(1)(z.2) | 237 | 0 | 0 | 0 |
| Interest Expensed on Capital Leases  | 290 | 0 | 0 | 0 |
| Realized Income from Deferred Credit Accounts  | 291 | 0 | 0 | 0 |
| Pensions   | 292 | 0 | 0 | 0 |
| Non-deductible penalties   | 293 | 0 | 0 | 0 |

**Reply Submission - Draft Rate Order**  
**Norfolk Power Distribution Inc.**  
**2008 Electricity Distribution Rates**  
**EB-2007-0753**  
**Page 10 of 36**

|  |     |                  |          |                  |
|--|-----|------------------|----------|------------------|
| Debt Financing Expenses for Book Purposes  | 294 | 0                | 0        | 0                |
| Other Additions (see OtherAdditions sheet)                                       | 295 | 0                | 0        | 0                |
| <b>Total Additions</b>   |     | <b>2,754,090</b> | <b>0</b> | <b>2,754,090</b> |
| <b>Deductions:</b>   |     |                  |          |                  |
| Gain on disposal of assets per financial statements                              | 401 | 0                | 0        | 0                |
| Dividends not taxable under section 83   | 402 | 0                | 0        | 0                |
| Capital cost allowance from Schedule 8   | 403 | 2,875,796        | 0        | 2,875,796        |
| Terminal loss from Schedule 8  | 404 | 0                | 0        | 0                |
| Cumulative eligible capital deduction from Schedule 10                           | 405 | 101              | 0        | 101              |
| Allowable business investment loss   | 406 | 0                | 0        | 0                |
| Deferred and prepaid expenses  | 409 | 0                | 0        | 0                |
| Scientific research expenses claimed in year                                     | 411 | 0                | 0        | 0                |
| Tax reserves end of year   | 413 | 0                | 0        | 0                |
| Reserves from financial statements - balance at beginning of year                | 414 | 0                | 0        | 0                |
| Contributions to deferred income plans   | 416 | 0                | 0        | 0                |
| Book income of joint venture or partnership                                      | 305 | 0                | 0        | 0                |
| Equity in income from subsidiary or affiliates                                   | 306 | 0                | 0        | 0                |
| Interest capitalized for accounting deducted for tax                             | 390 | 0                | 0        | 0                |
| Capital Lease Payments   | 391 | 0                | 0        | 0                |
| Non-taxable imputed interest income on deferral and variance accounts            | 392 |                  | 0        | 0                |
| Financing Fees for Tax Under S.20(1)(e)  | 393 |                  | 0        | 0                |
| Other Deductions (see OtherDeductions sheet)                                     | 394 | 0                | 0        | 0                |
| <b>Total Deductions</b>  |     | <b>2,875,897</b> | <b>0</b> | <b>2,875,897</b> |
|  |     |                  |          |                  |
| <b>Net Income for Tax Purposes</b>   |     | <b>1,805,319</b> | <b>0</b> | <b>1,805,319</b> |
| -  | -   | -                | -        | -                |
| -  | -   | -                | -        | -                |
| Charitable donations from Schedule 2   | 311 | 0                | 0        | 0                |
| Taxable dividends deductible under section 112 or 113, from Schedule 3 (item 82) | 320 | 0                | 0        | 0                |

**Reply Submission - Draft Rate Order**  
**Norfolk Power Distribution Inc.**  
**2008 Electricity Distribution Rates**  
**EB-2007-0753**  
**Page 11 of 36**

|  |     |                  |          |                  |
|--|-----|------------------|----------|------------------|
| Non-capital losses of preceding taxation years from Schedule 7-1       | 331 | 0                | 0        | 0                |
| Net-capital losses of preceding taxation years from Schedule 7-1       | 332 | 0                | 0        | 0                |
| Limited partnership losses of preceding taxation years from Schedule 4 | 335 | 0                | 0        | 0                |
|  |     |                  |          |                  |
| <b>TAXABLE INCOME</b>  |     | <b>1,805,319</b> | <b>0</b> | <b>1,805,319</b> |

|                           | Source or Input | Tax Payable    | Inclusion in Revenue Req. |
|---------------------------|-----------------|----------------|---------------------------|
| -                         |                 |                |                           |
| Regulatory Taxable Income | TxblIncome      | 1,805,319      |                           |
| Combined Income Tax Rate  | TaxRates        | 33.500%        |                           |
| Total Income Taxes        |                 | 604,782        |                           |
| Investment Tax Credits    |                 |                |                           |
| Miscellaneous Tax Credits | -               |                |                           |
| Total Tax Credits         |                 | -              |                           |
| Income Tax Provision      |                 | 604,782        | 909,447                   |
| Ontario Capital Tax       | CapitalTaxes    | 74,592         | 74,592                    |
| Large Corporations Tax    | CapitalTaxes    | -              | -                         |
| <b>Total PILs</b>         |                 | <b>679,374</b> | <b>984,038</b>            |

## Capital Cost Allowance

Board staff noted the capital additions for 2008 reported on page 3 of the draft rate order is \$6,007,600. Compared to page 7, the revised capital expenditures is \$6,008,600, a difference of \$1,000. Norfolk Power confirms the difference pertains to land, which for tax purposes, is not subject to capital cost allowance.

## Ontario Capital Tax

Norfolk Power agrees with Board staff that the capital tax rate to be used in the Rate Order should 0.225%. A revised schedule is provided below to support this position.

|                        | <b>OCT</b>          | <b>LCT</b>          |
|------------------------|---------------------|---------------------|
| Total Rate Base        | 48,151,801          | 48,151,801          |
| Exemption              | <u>(15,000,000)</u> | <u>(50,000,000)</u> |
| Deemed Taxable Capital | 33,151,801          | 0                   |
| Rate                   | <u>0.225%</u>       | <u>0.000%</u>       |
| Gross Tax Payable      | 74,592              | 0                   |
| Surtax                 |                     | 0                   |
| <b>Net Tax Payable</b> | <b>74,592</b>       | <b>0</b>            |

## 7. Revenue to Cost Ratios

The volumetric rate of \$3.9408/kW for GS > 50kW as shown on page 13 of the Draft Rate Order does increase if compared to the original 2008 EDR Application file November 16, 2007. However, this is not the case if compared to the Revised 2008 EDR Application filed with the Board on February 25, 2008. The rate actually decreased.

Furthermore, the Proposed Rates in this submission for GS > 50kW is \$3.8907/kW, produces distribution revenue not above 17% of the total, and therefore, no further adjustment is required to the residential class.

| Rate Class | Volumetric Rates<br>As per Original<br>2008 EDR<br>Application | Volumetric Rates<br>As per Revised<br>2008 EDR<br>Application filed<br>February 25, 2008 | Volumetric Rates<br>As per Board<br>Decision (see<br>Proposed Rate<br>Schedule below) |
|------------|--|--|---|
| GS > 50kW  | \$3.6631   | \$4.4072   | \$3.8907  |

## 8. Summary of Submission

Norfolk Power's Draft Rate Order from the revised 2008 EDR Application proposes a Service Revenue Requirement of \$11,539,379, as a result of the Board's decision. A reduction of \$1,260,973 from the original rates proposed in the 2008 Electricity Distribution Rate Application, submitted November 16, 2007. The components of the Service Revenue Requirement is provided below:

|                             | As per 2008<br>EDR<br>Application |      | As per<br>Board's<br>Decision |
|-----------------------------|-----------------------------------|------|-------------------------------|
| OM&A Expenses               | \$5,098,246                       |      | \$4,339,137                   |
| Amortization Expenses       | 2,836,810                         |      | 2,754,090                     |
| PILs (with gross-up)        | 1,053,527                         |      | 984,038                       |
| Regulated Return On Capital | 3,811,769                         | NB 5 | 3,462,114                     |
| Service Revenue Requirement | <u>\$12,800,352</u>               |      | <u>\$11,539,379</u>           |

Note 5: Rate Base X Cost of Capital Rate = \$50,499,605 X 7.55% = \$3,811,769

Note 6: Rate Base X Cost of Capital Rate = \$48,151,801 X 7.19% = \$3,462,114

Norfolk Power is hopeful that it has addressed Board staff's comments and is seeking approval of the rates as applied for.

All of which is respectfully submitted,

*(original signed)*

Alvin E. Allim  
Manager of Finance

## **Proposed 2008 Tariff of Rates and Charges**

### **Residential**

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

### **General Service Less Than 50kW**

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

### **General Service 50 to 4,999kW**

This classification applies to a non residential account whose average monthly maximum demand used for billing purposes is equal to or greater than, or is forecast to be equal to or greater than 50 kW but less than 5,000 kW.

### **Unmetered Scattered Load**

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

### **StreetLights**

This classification applies to an account for roadway lighting with a Municipality, Regional Municipality, Ministry of Transportation and private roadway lighting, 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.

## **PROPOSED RATE SCHEDULE**

| <b>Residential</b>   | <b>UOM</b> | <b>Rate</b> |
|--|------------|-------------|
| Service Charge   | \$         | 21.91       |
| Distribution Volumetric Rate   | \$/kWh     | 0.0198      |
| Regulatory Asset Recovery  | \$/kWh     | 0.00002     |
| Retail Transmission Rate – Network Service Rate                            | \$/kWh     | 0.0044      |
| Retail Transmission Rate – Line and Transformation Connection Service Rate | \$/kWh     | 0.0044      |
| Wholesale Market Service Rate  | \$/kWh     | 0.0053      |
| Rural Rate Protection Charge   | \$/kWh     | 0.0010      |
| Standard Supply Service – Administration Charge (if applicable)            | \$         | 0.25        |
| <b>General Service Less Than 50 kW</b>                                     |            |             |
| Service Charge   | \$         | 50.33       |
| Distribution Volumetric Rate   | \$/kWh     | 0.0145      |
| Regulatory Asset Recovery  | \$/kWh     | 0.00002     |
| Retail Transmission Rate – Network Service Rate                            | \$/kWh     | 0.0040      |
| Retail Transmission Rate – Line and Transformation Connection Service Rate | \$/kWh     | 0.0039      |
| Wholesale Market Service Rate  | \$/kWh     | 0.0053      |
| Rural Rate Protection Charge   | \$/kWh     | 0.0010      |
| Standard Supply Service – Administration Charge (if applicable)            | \$         | 0.25        |
| <b>General Service 50 to 4,999kW</b>                                       |            |             |
| Service Charge   | \$         | 243.37      |
| Distribution Volumetric Rate   | \$/kW      | 3.8907      |
| Regulatory Asset Recovery  | \$/kW      | 0.01060     |
| Retail Transmission Rate – Network Service Rate                            | \$/kW      | 1.6462      |
| Retail Transmission Rate – Line and Transformation Connection Service Rate | \$/kW      | 1.5469      |
| Wholesale Market Service Rate  | \$/kWh     | 0.0053      |
| Rural Rate Protection Charge   | \$/kWh     | 0.0010      |
| Standard Supply Service– Administration Charge (if applicable)             | \$         | 0.25        |
| <b>Unmetered Scattered Load</b>  |            |             |
| Service Charge (per connection)  | \$         | 26.33       |
| Distribution Volumetric Rate   | \$/kWh     | 0.0155      |
| Regulatory Asset Recovery  | \$/kWh     | 0.00002     |
| Retail Transmission Rate – Network Service Rate                            | \$/kWh     | 0.0040      |
| Retail Transmission Rate – Line and Transformation Connection Service Rate | \$/kWh     | 0.0039      |
| Wholesale Market Service Rate  | \$/kWh     | 0.0053      |
| Rural Rate Protection Charge   | \$/kWh     | 0.0010      |
| Standard Supply Service – Administration Charge (if applicable)            | \$         | 0.25        |



**Reply Submission - Draft Rate Order**  
**Norfolk Power Distribution Inc.**  
**2008 Electricity Distribution Rates**  
**EB-2007-0753**  
**Page 16 of 36**

**Sentinel Lighting**

|  |        |         |
|--|--------|---------|
| Service Charge (per connection)  | \$     | 4.90    |
| Distribution Volumetric Rate   | \$/kW  | 12.2817 |
| Regulatory Asset Recovery  | \$/kW  | 0.02290 |
| Retail Transmission Rate – Network Service Rate                            | \$/kW  | 1.2478  |
| Retail Transmission Rate – Line and Transformation Connection Service Rate | \$/kW  | 1.2209  |
| Wholesale Market Service Rate  | \$/kWh | 0.0053  |
| Rural Rate Protection Charge   | \$/kWh | 0.0010  |
| Standard Supply Service – Administration Charge (if applicable)            | \$     | 0.25    |

**Street Lighting**

|  |        |         |
|--|--------|---------|
| Service Charge (per connection)  | \$     | 1.60    |
| Distribution Volumetric Rate   | \$/kW  | 5.6166  |
| Regulatory Asset Recovery  | \$/kW  | 0.00990 |
| Retail Transmission Rate – Network Service Rate                            | \$/kW  | 1.2416  |
| Retail Transmission Rate – Line and Transformation Connection Service Rate | \$/kW  | 1.1959  |
| Wholesale Market Service Rate  | \$/kWh | 0.0053  |
| Rural Rate Protection Charge   | \$/kWh | 0.0010  |
| Standard Supply Service – Administration Charge (if applicable)            | \$     | 0.25    |

**Specific Service Charges**

Customer Administration

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

Non-Payment of Account

|   |    |        |
|---|----|--------|
| Late Payment - per month  | %  | 1.50   |
| Late Payment - per annum  | %  | 19.56  |
| Collection of account charge – no disconnection                       | \$ | 30.00  |
| Collection of account charge – no disconnection – after regular hours | \$ | 165.00 |
| Disconnect/Reconnect at meter – during regular hours                  | \$ | 65.00  |

**Reply Submission - Draft Rate Order**  
**Norfolk Power Distribution Inc.**  
**2008 Electricity Distribution Rates**  
**EB-2007-0753**  
**Page 17 of 36**

|   |    |        |
|---|----|--------|
| Disconnect/Reconnect at meter – after regular hours       | \$ | 185.00 |
| Disconnect/Reconnect at pole – during regular hours       | \$ | 415.00 |
| Disconnect/Reconnect at pole – after regular hours        | \$ | 415.00 |
| Install/Remove load control device – during regular hours | \$ | 65.00  |
| Install/Remove load control device – after regular hours  | \$ | 185.00 |
| Service call – customer-owned equipment                   | \$ | 30.00  |
| Service call – after regular hours                        | \$ | 165.00 |

**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 Factor**

|   |        |
|---|--------|
| Total Loss Factor – Secondary Metered Customer < 5,000 kW | 1.0560 |
| Total Loss Factor – Secondary Metered Customer > 5,000 kW | N/A    |
| Total Loss Factor – Primary Metered Customer < 5,000 kW   | 1.0454 |
| Total Loss Factor – Primary Metered Customer > 5,000 kW   | N/A    |

## **BILL IMPACTS**

**Reply Submission - Draft Rate Order**  
**Norfolk Power Distribution Inc.**  
**2008 Electricity Distribution Rates**  
**EB-2007-0753**  
**Page 19 of 36**

**Residential**

100

kWh Consumption

- - -

|   | Metric | 2007 BILL |            |              | 2008 BILL |            |              | IMPACT       |              |                       |
|---|--------|-----------|------------|--------------|-----------|------------|--------------|--------------|--------------|-----------------------|
|   |        | Volume    | Rate<br>\$ | Charge<br>\$ | Volume    | Rate<br>\$ | Charge<br>\$ | Change<br>\$ | Change<br>%  | % of<br>Total<br>Bill |
| Monthly Service Charge                                      | kWh    |           |            | 18.48        |           |            | 21.91        | 3.43         | 18.6%        | 11.8%                 |
| Distribution  |        | 100       | 0.01690    | 1.69         | 100       | 0.01980    | 1.98         | 0.29         | 17.2%        | 1.0%                  |
| <b>Sub-Total</b>  |        |           |            | <b>20.17</b> |           |            | <b>23.89</b> | <b>3.72</b>  | <b>18.4%</b> | <b>12.8%</b>          |
| Regulatory Asset Recovery                                   | kWh    | 100       | 0.00460    | 0.46         | 100       | 0.00002    | 0.00         | (0.46)       | -99.6%       | -1.6%                 |
| Retail Transmission - Network                               | kWh    | 106       | 0.00540    | 0.57         | 106       | 0.00443    | 0.47         | (0.10)       | -18.0%       | -0.4%                 |
| Retail Transmission - Line and<br>Transformation Connection | kWh    | 106       | 0.00460    | 0.49         | 106       | 0.00437    | 0.46         | (0.02)       | -5.0%        | -0.1%                 |
| Wholesale Market Service                                    | kWh    | 106       | 0.00520    | 0.55         | 106       | 0.00530    | 0.56         | 0.01         | 1.9%         | 0.0%                  |
| Rural Rate Protection Charge                                | kWh    | 106       | 0.00100    | 0.11         | 106       | 0.00100    | 0.11         | 0.00         | 0.0%         | 0.0%                  |
| Debt Retirement Charge                                      | kWh    | 100       | 0.00700    | 0.70         | 100       | 0.00700    | 0.70         | 0.00         | 0.0%         | 0.0%                  |
| Cost of Power Commodity                                     | kWh    | 106       | 0.05704    | 6.02         | 106       | 0.05704    | 6.02         | 0.00         | 0.0%         | 0.0%                  |
| <b>Total Bill</b>   |        |           |            | <b>29.06</b> |           |            | <b>32.21</b> | <b>3.15</b>  | <b>10.8%</b> | <b>10.8%</b>          |

**Residential**

250

kWh Consumption

- - -

|                        | Metric | 2007 BILL |            |              | 2008 BILL |            |              | IMPACT       |             |                       |
|------------------------|--------|-----------|------------|--------------|-----------|------------|--------------|--------------|-------------|-----------------------|
|                        |        | Volume    | Rate<br>\$ | Charge<br>\$ | Volume    | Rate<br>\$ | Charge<br>\$ | Change<br>\$ | Change<br>% | % of<br>Total<br>Bill |
| Monthly Service Charge | kWh    |           |            | 18.48        |           |            | 21.91        | 3.43         | 18.6%       | 7.6%                  |
| Distribution           |        | 250       | 0.01690    | 4.23         | 250       | 0.01980    | 4.95         | 0.73         | 17.2%       | 1.6%                  |

**Reply Submission - Draft Rate Order**  
**Norfolk Power Distribution Inc.**  
**2008 Electricity Distribution Rates**  
**EB-2007-0753**  
**Page 20 of 36**

|  |     |     |         |              |     |         |              |             |              |             |
|--|-----|-----|---------|--------------|-----|---------|--------------|-------------|--------------|-------------|
| <b>Sub-Total</b>   |     |     |         | <b>22.71</b> |     |         | <b>26.86</b> | <b>4.16</b> | <b>18.3%</b> | <b>9.2%</b> |
| Regulatory Asset Recovery                                | kWh | 250 | 0.00460 | 1.15         | 250 | 0.00002 | 0.01         | (1.15)      | -99.6%       | -2.5%       |
| Retail Transmission - Network                            | kWh | 264 | 0.00540 | 1.43         | 264 | 0.00443 | 1.17         | (0.26)      | -18.0%       | -0.6%       |
| Retail Transmission - Line and Transformation Connection | kWh | 264 | 0.00460 | 1.21         | 264 | 0.00437 | 1.15         | (0.06)      | -5.0%        | -0.1%       |
| Wholesale Market Service                                 | kWh | 264 | 0.00520 | 1.37         | 264 | 0.00530 | 1.40         | 0.03        | 1.9%         | 0.1%        |
| Rural Rate Protection Charge                             | kWh | 264 | 0.00100 | 0.26         | 264 | 0.00100 | 0.26         | 0.00        | 0.0%         | 0.0%        |
| Debt Retirement Charge                                   | kWh | 250 | 0.00700 | 1.75         | 250 | 0.00700 | 1.75         | 0.00        | 0.0%         | 0.0%        |
| Cost of Power Commodity                                  | kWh | 264 | 0.05704 | 15.06        | 264 | 0.05704 | 15.06        | 0.00        | 0.0%         | 0.0%        |
| <b>Total Bill</b>  |     |     |         | <b>44.94</b> |     |         | <b>47.66</b> | <b>2.72</b> | <b>6.1%</b>  | <b>6.1%</b> |

**Residential**

500 kWh Consumption

|  | Metric | 2007 BILL |         |              | 2008 BILL |         |              | IMPACT      |              |                 |
|--|--------|-----------|---------|--------------|-----------|---------|--------------|-------------|--------------|-----------------|
|  |        | Volume    | Rate \$ | Charge \$    | Volume    | Rate \$ | Charge \$    | Change \$   | Change %     | % of Total Bill |
| Monthly Service Charge                                   |        |           |         | 18.48        |           |         | 21.91        | 3.43        | 18.6%        | 4.8%            |
| Distribution   | kWh    | 500       | 0.01690 | 8.45         | 500       | 0.01980 | 9.90         | 1.45        | 17.2%        | 2.0%            |
| <b>Sub-Total</b>   |        |           |         | <b>26.93</b> |           |         | <b>31.81</b> | <b>4.88</b> | <b>18.1%</b> | <b>6.8%</b>     |
| Regulatory Asset Recovery                                | kWh    | 500       | 0.00460 | 2.30         | 500       | 0.00002 | 0.01         | (2.29)      | -99.6%       | -3.2%           |
| Retail Transmission - Network                            | kWh    | 528       | 0.00540 | 2.85         | 528       | 0.00443 | 2.34         | (0.51)      | -18.0%       | -0.7%           |
| Retail Transmission - Line and Transformation Connection | kWh    | 528       | 0.00460 | 2.43         | 528       | 0.00437 | 2.31         | (0.12)      | -5.0%        | -0.2%           |
| Wholesale Market Service                                 | kWh    | 528       | 0.00520 | 2.75         | 528       | 0.00530 | 2.80         | 0.05        | 1.9%         | 0.1%            |
| Rural Rate Protection Charge                             | kWh    | 528       | 0.00100 | 0.53         | 528       | 0.00100 | 0.53         | 0.00        | 0.0%         | 0.0%            |
| Debt Retirement Charge                                   | kWh    | 500       | 0.00700 | 3.50         | 500       | 0.00700 | 3.50         | 0.00        | 0.0%         | 0.0%            |
| Cost of Power Commodity                                  | kWh    | 528       | 0.05704 | 30.12        | 528       | 0.05704 | 30.12        | 0.00        | 0.0%         | 0.0%            |

**Reply Submission - Draft Rate Order**  
**Norfolk Power Distribution Inc.**  
**2008 Electricity Distribution Rates**  
**EB-2007-0753**  
**Page 21 of 36**

|                   |              |              |             |             |             |
|-------------------|--------------|--------------|-------------|-------------|-------------|
| <b>Total Bill</b> | <b>71.40</b> | <b>73.41</b> | <b>2.01</b> | <b>2.8%</b> | <b>2.8%</b> |
|-------------------|--------------|--------------|-------------|-------------|-------------|

**Residential**

750 kWh Consumption

|  | Metric | 2007 BILL |         |              | 2008 BILL |         |              | IMPACT      |              |                 |
|--|--------|-----------|---------|--------------|-----------|---------|--------------|-------------|--------------|-----------------|
|  |        | Volume    | Rate \$ | Charge \$    | Volume    | Rate \$ | Charge \$    | Change \$   | Change %     | % of Total Bill |
| Monthly Service Charge                                   |        |           |         | 18.48        |           |         | 21.91        | 3.43        | 18.6%        | 3.5%            |
| Distribution   | kWh    | 750       | 0.01690 | 12.68        | 750       | 0.01980 | 14.85        | 2.18        | 17.2%        | 2.2%            |
| <b>Sub-Total</b>   |        |           |         | <b>31.16</b> |           |         | <b>36.76</b> | <b>5.61</b> | <b>18.0%</b> | <b>5.7%</b>     |
| Regulatory Asset Recovery                                | kWh    | 750       | 0.00460 | 3.45         | 750       | 0.00002 | 0.02         | (3.44)      | -99.6%       | -3.5%           |
| Retail Transmission - Network                            | kWh    | 792       | 0.00540 | 4.28         | 792       | 0.00443 | 3.51         | (0.77)      | -18.0%       | -0.8%           |
| Retail Transmission - Line and Transformation Connection | kWh    | 792       | 0.00460 | 3.64         | 792       | 0.00437 | 3.46         | (0.18)      | -5.0%        | -0.2%           |
| Wholesale Market Service                                 | kWh    | 792       | 0.00520 | 4.12         | 792       | 0.00530 | 4.20         | 0.08        | 1.9%         | 0.1%            |
| Rural Rate Protection Charge                             | kWh    | 792       | 0.00100 | 0.79         | 792       | 0.00100 | 0.79         | 0.00        | 0.0%         | 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    | 792       | 0.05704 | 45.18        | 792       | 0.05704 | 45.18        | 0.00        | 0.0%         | 0.0%            |
| <b>Total Bill</b>  |        |           |         | <b>97.86</b> |           |         | <b>99.16</b> | <b>1.30</b> | <b>1.3%</b>  | <b>1.3%</b>     |

**Residential**

1,000 kWh Consumption

|  |  | 2007 BILL | 2008 BILL | IMPACT |
|--|--|-----------|-----------|--------|
|--|--|-----------|-----------|--------|

**Reply Submission - Draft Rate Order**  
**Norfolk Power Distribution Inc.**  
**2008 Electricity Distribution Rates**  
**EB-2007-0753**  
**Page 22 of 36**

|   | Metric | Volume | Rate<br>\$ | Charge<br>\$   | Volume | Rate<br>\$ | Charge<br>\$   | Change<br>\$ | Change<br>%    | % of<br>Total<br>Bill |
|---|--------|--------|------------|----------------|--------|------------|----------------|--------------|----------------|-----------------------|
| Monthly Service Charge<br>Distribution                      | kWh    | 1,000  | 0.01690    | 18.48<br>16.90 | 1,000  | 0.01980    | 21.91<br>19.80 | 3.43<br>2.90 | 18.6%<br>17.2% | 2.8%<br>2.3%          |
| <b>Sub-Total</b>  |        |        |            | <b>35.38</b>   |        |            | <b>41.71</b>   | <b>6.33</b>  | <b>17.9%</b>   | <b>5.1%</b>           |
| Regulatory Asset Recovery                                   | kWh    | 1,000  | 0.00460    | 4.60           | 1,000  | 0.00002    | 0.02           | (4.58)       | -99.6%         | -3.7%                 |
| Retail Transmission - Network                               | kWh    | 1,056  | 0.00540    | 5.70           | 1,056  | 0.00443    | 4.68           | (1.02)       | -18.0%         | -0.8%                 |
| Retail Transmission - Line and<br>Transformation Connection | kWh    | 1,056  | 0.00460    | 4.86           | 1,056  | 0.00437    | 4.61           | (0.24)       | -5.0%          | -0.2%                 |
| Wholesale Market Service                                    | kWh    | 1,056  | 0.00520    | 5.49           | 1,056  | 0.00530    | 5.60           | 0.11         | 1.9%           | 0.1%                  |
| Rural Rate Protection Charge                                | kWh    | 1,056  | 0.00100    | 1.06           | 1,056  | 0.00100    | 1.06           | 0.00         | 0.0%           | 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    | 1,056  | 0.05704    | 60.23          | 1,056  | 0.05704    | 60.23          | 0.00         | 0.0%           | 0.0%                  |
| <b>Total Bill</b>   |        |        |            | <b>124.32</b>  |        |            | <b>124.91</b>  | <b>0.59</b>  | <b>0.5%</b>    | <b>0.5%</b>           |

**Residential**

1,500 kWh Consumption

|  | Metric | 2007 BILL |            |                | 2008 BILL |            |                | IMPACT       |                |                       |
|--|--------|-----------|------------|----------------|-----------|------------|----------------|--------------|----------------|-----------------------|
|  |        | Volume    | Rate<br>\$ | Charge<br>\$   | Volume    | Rate<br>\$ | Charge<br>\$   | Change<br>\$ | Change<br>%    | % of<br>Total<br>Bill |
| Monthly Service Charge<br>Distribution | kWh    | 1,500     | 0.01690    | 18.48<br>25.35 | 1,500     | 0.01980    | 21.91<br>29.70 | 3.43<br>4.35 | 18.6%<br>17.2% | 1.9%<br>2.5%          |
| <b>Sub-Total</b>                       |        |           |            | <b>43.83</b>   |           |            | <b>51.61</b>   | <b>7.78</b>  | <b>17.8%</b>   | <b>4.4%</b>           |
| Regulatory Asset Recovery              | kWh    | 1,500     | 0.00460    | 6.90           | 1,500     | 0.00002    | 0.03           | (6.87)       | -99.6%         | -3.9%                 |
| Retail Transmission - Network          | kWh    | 1,584     | 0.00540    | 8.55           | 1,584     | 0.00443    | 7.02           | (1.54)       | -18.0%         | -0.9%                 |
| Retail Transmission - Line and         | kWh    | 1,584     | 0.00460    | 7.29           | 1,584     | 0.00437    | 6.92           | (0.36)       | -5.0%          | -0.2%                 |

**Reply Submission - Draft Rate Order**  
**Norfolk Power Distribution Inc.**  
**2008 Electricity Distribution Rates**  
**EB-2007-0753**  
**Page 23 of 36**

|                              |     |       |         |               |       |         |               |               |              |              |
|------------------------------|-----|-------|---------|---------------|-------|---------|---------------|---------------|--------------|--------------|
| Transformation Connection    |     |       |         |               |       |         |               |               |              |              |
| Wholesale Market Service     | kWh | 1,584 | 0.00520 | 8.24          | 1,584 | 0.00530 | 8.40          | 0.16          | 1.9%         | 0.1%         |
| Rural Rate Protection Charge | kWh | 1,584 | 0.00100 | 1.58          | 1,584 | 0.00100 | 1.58          | 0.00          | 0.0%         | 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 | 1,584 | 0.05704 | 90.35         | 1,584 | 0.05704 | 90.35         | 0.00          | 0.0%         | 0.0%         |
| <b>Total Bill</b>            |     |       |         | <b>177.24</b> |       |         | <b>176.41</b> | <b>(0.83)</b> | <b>-0.5%</b> | <b>-0.5%</b> |

**Residential**

2,000 kWh Consumption

|  | Metric | 2007 BILL |         |               | 2008 BILL |         |               | IMPACT        |              |                 |
|--|--------|-----------|---------|---------------|-----------|---------|---------------|---------------|--------------|-----------------|
|  |        | Volume    | Rate \$ | Charge \$     | Volume    | Rate \$ | Charge \$     | Change \$     | Change %     | % of Total Bill |
| Monthly Service Charge                                   |        |           |         | 18.48         |           |         | 21.91         | 3.43          | 18.6%        | 1.5%            |
| Distribution   | kWh    | 2,000     | 0.01690 | 33.80         | 2,000     | 0.01980 | 39.60         | 5.80          | 17.2%        | 2.5%            |
| <b>Sub-Total</b>   |        |           |         | <b>52.28</b>  |           |         | <b>61.51</b>  | <b>9.23</b>   | <b>17.7%</b> | <b>4.0%</b>     |
| Regulatory Asset Recovery                                | kWh    | 2,000     | 0.00460 | 9.20          | 2,000     | 0.00002 | 0.04          | (9.16)        | -99.6%       | -4.0%           |
| Retail Transmission - Network                            | kWh    | 2,112     | 0.00540 | 11.40         | 2,112     | 0.00443 | 9.36          | (2.05)        | -18.0%       | -0.9%           |
| Retail Transmission - Line and Transformation Connection | kWh    | 2,112     | 0.00460 | 9.72          | 2,112     | 0.00437 | 9.23          | (0.49)        | -5.0%        | -0.2%           |
| Wholesale Market Service                                 | kWh    | 2,112     | 0.00520 | 10.98         | 2,112     | 0.00530 | 11.19         | 0.21          | 1.9%         | 0.1%            |
| Rural Rate Protection Charge                             | kWh    | 2,112     | 0.00100 | 2.11          | 2,112     | 0.00100 | 2.11          | 0.00          | 0.0%         | 0.0%            |
| Debt Retirement Charge                                   | kWh    | 2,000     | 0.00700 | 14.00         | 2,000     | 0.00700 | 14.00         | 0.00          | 0.0%         | 0.0%            |
| Cost of Power Commodity                                  | kWh    | 2,112     | 0.05704 | 120.47        | 2,112     | 0.05704 | 120.47        | 0.00          | 0.0%         | 0.0%            |
| <b>Total Bill</b>  |        |           |         | <b>230.16</b> |           |         | <b>227.91</b> | <b>(2.25)</b> | <b>-1.0%</b> | <b>-1.0%</b>    |



**Reply Submission - Draft Rate Order**  
**Norfolk Power Distribution Inc.**  
**2008 Electricity Distribution Rates**  
**EB-2007-0753**  
**Page 24 of 36**

**GS <50**

1,000

kWh Consumption

|  | Metric | 2007 BILL |         |               | 2008 BILL |         |               | IMPACT       |              |                 |
|--|--------|-----------|---------|---------------|-----------|---------|---------------|--------------|--------------|-----------------|
|  |        | Volume    | Rate \$ | Charge \$     | Volume    | Rate \$ | Charge \$     | Change \$    | Change %     | % of Total Bill |
| Monthly Service Charge                                   | kWh    |           |         | 41.74         |           |         | 50.33         | 8.59         | 20.6%        | 6.2%            |
| Distribution   |        | 1,000     | 0.01170 | 11.70         | 1,000     | 0.01450 | 14.50         | 2.80         | 23.9%        | 2.0%            |
| <b>Sub-Total</b>   |        |           |         | <b>53.44</b>  |           |         | <b>64.83</b>  | <b>11.39</b> | <b>21.3%</b> | <b>8.2%</b>     |
| Regulatory Asset Recovery                                | kWh    | 1,000     | 0.00230 | 2.30          | 1,000     | 0.00002 | 0.02          | (2.28)       | -99.1%       | -1.6%           |
| Retail Transmission - Network                            | kWh    | 1,056     | 0.00490 | 5.17          | 1,056     | 0.00402 | 4.25          | (0.93)       | -18.0%       | -0.7%           |
| Retail Transmission - Line and Transformation Connection | kWh    | 1,056     | 0.00410 | 4.33          | 1,056     | 0.00390 | 4.12          | (0.21)       | -4.9%        | -0.2%           |
| Wholesale Market Service                                 | kWh    | 1,056     | 0.00520 | 5.49          | 1,056     | 0.00530 | 5.60          | 0.11         | 1.9%         | 0.1%            |
| Rural Rate Protection Charge                             | kWh    | 1,056     | 0.00100 | 1.06          | 1,056     | 0.00100 | 1.06          | 0.00         | 0.0%         | 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    | 1,056     | 0.05704 | 60.23         | 1,056     | 0.05704 | 60.23         | 0.00         | 0.0%         | 0.0%            |
| <b>Total Bill</b>  |        |           |         | <b>139.03</b> |           |         | <b>147.10</b> | <b>8.08</b>  | <b>5.8%</b>  | <b>5.8%</b>     |

**GS <50**

2,000

kWh Consumption

|                        | Metric | 2007 BILL |         |           | 2008 BILL |         |           | IMPACT    |          |                 |
|------------------------|--------|-----------|---------|-----------|-----------|---------|-----------|-----------|----------|-----------------|
|                        |        | Volume    | Rate \$ | Charge \$ | Volume    | Rate \$ | Charge \$ | Change \$ | Change % | % of Total Bill |
| Monthly Service Charge | kWh    |           |         | 41.74     |           |         | 50.33     | 8.59      | 20.6%    | 3.6%            |
| Distribution           |        | 2,000     | 0.01170 | 23.40     | 2,000     | 0.01450 | 29.00     | 5.60      | 23.9%    | 2.4%            |

**Reply Submission - Draft Rate Order**  
**Norfolk Power Distribution Inc.**  
**2008 Electricity Distribution Rates**  
**EB-2007-0753**  
**Page 25 of 36**

|  |               |       |         |        |               |         |        |              |              |             |
|--|---------------|-------|---------|--------|---------------|---------|--------|--------------|--------------|-------------|
| <b>Sub-Total</b>   | <b>65.14</b>  |       |         |        | <b>79.33</b>  |         |        | <b>14.19</b> | <b>21.8%</b> | <b>6.0%</b> |
| Regulatory Asset Recovery                                | kWh           | 2,000 | 0.00230 | 4.60   | 2,000         | 0.00002 | 0.04   | (4.56)       | -99.1%       | -1.9%       |
| Retail Transmission - Network                            | kWh           | 2,112 | 0.00490 | 10.35  | 2,112         | 0.00402 | 8.49   | (1.86)       | -18.0%       | -0.8%       |
| Retail Transmission - Line and Transformation Connection | kWh           | 2,112 | 0.00410 | 8.66   | 2,112         | 0.00390 | 8.24   | (0.42)       | -4.9%        | -0.2%       |
| Wholesale Market Service                                 | kWh           | 2,112 | 0.00520 | 10.98  | 2,112         | 0.00530 | 11.19  | 0.21         | 1.9%         | 0.1%        |
| Rural Rate Protection Charge                             | kWh           | 2,112 | 0.00100 | 2.11   | 2,112         | 0.00100 | 2.11   | 0.00         | 0.0%         | 0.0%        |
| Debt Retirement Charge                                   | kWh           | 2,000 | 0.00700 | 14.00  | 2,000         | 0.00700 | 14.00  | 0.00         | 0.0%         | 0.0%        |
| Cost of Power Commodity                                  | kWh           | 2,112 | 0.05704 | 120.47 | 2,112         | 0.05704 | 120.47 | 0.00         | 0.0%         | 0.0%        |
| <b>Total Bill</b>  | <b>236.31</b> |       |         |        | <b>243.87</b> |         |        | <b>7.56</b>  | <b>3.2%</b>  | <b>3.2%</b> |

**GS <50**

5,000 kWh Consumption

|  | Metric | 2007 BILL     |         |           | 2008 BILL     |         |           | IMPACT       |              |                 |
|--|--------|---------------|---------|-----------|---------------|---------|-----------|--------------|--------------|-----------------|
|  |        | Volume        | Rate \$ | Charge \$ | Volume        | Rate \$ | Charge \$ | Change \$    | Change %     | % of Total Bill |
| Monthly Service Charge                                   | kWh    |               |         | 41.74     |               |         | 50.33     | 8.59         | 20.6%        | 1.6%            |
| Distribution   |        | 5,000         | 0.01170 | 58.50     | 5,000         | 0.01450 | 72.50     | 14.00        | 23.9%        | 2.7%            |
| <b>Sub-Total</b>   |        | <b>100.24</b> |         |           | <b>122.83</b> |         |           | <b>22.59</b> | <b>22.5%</b> | <b>4.3%</b>     |
| Regulatory Asset Recovery                                | kWh    | 5,000         | 0.00230 | 11.50     | 5,000         | 0.00002 | 0.10      | (11.40)      | -99.1%       | -2.2%           |
| Retail Transmission - Network                            | kWh    | 5,280         | 0.00490 | 25.87     | 5,280         | 0.00402 | 21.23     | (4.65)       | -18.0%       | -0.9%           |
| Retail Transmission - Line and Transformation Connection | kWh    | 5,280         | 0.00410 | 21.65     | 5,280         | 0.00390 | 20.59     | (1.06)       | -4.9%        | -0.2%           |
| Wholesale Market Service                                 | kWh    | 5,280         | 0.00520 | 27.46     | 5,280         | 0.00530 | 27.98     | 0.53         | 1.9%         | 0.1%            |
| Rural Rate Protection Charge                             | kWh    | 5,280         | 0.00100 | 5.28      | 5,280         | 0.00100 | 5.28      | 0.00         | 0.0%         | 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    | 5,280         | 0.05704 | 301.17    | 5,280         | 0.05704 | 301.17    | 0.00         | 0.0%         | 0.0%            |

**Reply Submission - Draft Rate Order**  
**Norfolk Power Distribution Inc.**  
**2008 Electricity Distribution Rates**  
**EB-2007-0753**  
**Page 26 of 36**

|                   |               |               |             |             |             |
|-------------------|---------------|---------------|-------------|-------------|-------------|
| <b>Total Bill</b> | <b>528.17</b> | <b>534.18</b> | <b>6.02</b> | <b>1.1%</b> | <b>1.1%</b> |
|-------------------|---------------|---------------|-------------|-------------|-------------|

**GS <50**

10,000 kWh Consumption

- - -  
- - -

|  | Metric | 2007 BILL |         |                 | 2008 BILL |         |                 | IMPACT       |              |                 |
|--|--------|-----------|---------|-----------------|-----------|---------|-----------------|--------------|--------------|-----------------|
|  |        | Volume    | Rate \$ | Charge \$       | Volume    | Rate \$ | Charge \$       | Change \$    | Change %     | % of Total Bill |
| Monthly Service Charge                                   |        |           |         | 41.74           |           |         | 50.33           | 8.59         | 20.6%        | 0.8%            |
| Distribution   | kWh    | 10,000    | 0.01170 | 117.00          | 10,000    | 0.01450 | 145.00          | 28.00        | 23.9%        | 2.8%            |
| <b>Sub-Total</b>   |        |           |         | <b>158.74</b>   |           |         | <b>195.33</b>   | <b>36.59</b> | <b>23.1%</b> | <b>3.6%</b>     |
| Regulatory Asset Recovery                                | kWh    | 10,000    | 0.00230 | 23.00           | 10,000    | 0.00002 | 0.20            | (22.80)      | -99.1%       | -2.2%           |
| Retail Transmission - Network                            | kWh    | 10,560    | 0.00490 | 51.74           | 10,560    | 0.00402 | 42.45           | (9.29)       | -18.0%       | -0.9%           |
| Retail Transmission - Line and Transformation Connection | kWh    | 10,560    | 0.00410 | 43.30           | 10,560    | 0.00390 | 41.18           | (2.11)       | -4.9%        | -0.2%           |
| Wholesale Market Service                                 | kWh    | 10,560    | 0.00520 | 54.91           | 10,560    | 0.00530 | 55.97           | 1.06         | 1.9%         | 0.1%            |
| Rural Rate Protection Charge                             | kWh    | 10,560    | 0.00100 | 10.56           | 10,560    | 0.00100 | 10.56           | 0.00         | 0.0%         | 0.0%            |
| Debt Retirement Charge                                   | kWh    | 10,000    | 0.00700 | 70.00           | 10,000    | 0.00700 | 70.00           | 0.00         | 0.0%         | 0.0%            |
| Cost of Power Commodity                                  | kWh    | 10,560    | 0.05704 | 602.34          | 10,560    | 0.05704 | 602.34          | 0.00         | 0.0%         | 0.0%            |
| <b>Total Bill</b>  |        |           |         | <b>1,014.59</b> |           |         | <b>1,018.04</b> | <b>3.44</b>  | <b>0.3%</b>  | <b>0.3%</b>     |

**GS <50**

15,000 kWh Consumption

- - -  
- - -

|  |  | 2007 BILL | 2008 BILL | IMPACT |
|--|--|-----------|-----------|--------|
|--|--|-----------|-----------|--------|

**Reply Submission - Draft Rate Order**  
**Norfolk Power Distribution Inc.**  
**2008 Electricity Distribution Rates**  
**EB-2007-0753**  
**Page 27 of 36**

|  | Metric | Volume | Rate<br>\$ | Charge<br>\$    | Volume | Rate<br>\$ | Charge<br>\$    | Change<br>\$  | Change<br>%    | % of<br>Total<br>Bill |
|--|--------|--------|------------|-----------------|--------|------------|-----------------|---------------|----------------|-----------------------|
| Monthly Service Charge Distribution                      | kWh    | 15,000 | 0.01170    | 41.74<br>175.50 | 15,000 | 0.01450    | 50.33<br>217.50 | 8.59<br>42.00 | 20.6%<br>23.9% | 0.6%<br>2.8%          |
| <b>Sub-Total</b>   |        |        |            | <b>217.24</b>   |        |            | <b>267.83</b>   | <b>50.59</b>  | <b>23.3%</b>   | <b>3.4%</b>           |
| Regulatory Asset Recovery                                | kWh    | 15,000 | 0.00230    | 34.50           | 15,000 | 0.00002    | 0.30            | (34.20)       | -99.1%         | -2.3%                 |
| Retail Transmission - Network                            | kWh    | 15,840 | 0.00490    | 77.62           | 15,840 | 0.00402    | 63.68           | (13.94)       | -18.0%         | -0.9%                 |
| Retail Transmission - Line and Transformation Connection | kWh    | 15,840 | 0.00410    | 64.94           | 15,840 | 0.00390    | 61.78           | (3.17)        | -4.9%          | -0.2%                 |
| Wholesale Market Service                                 | kWh    | 15,840 | 0.00520    | 82.37           | 15,840 | 0.00530    | 83.95           | 1.58          | 1.9%           | 0.1%                  |
| Rural Rate Protection Charge                             | kWh    | 15,840 | 0.00100    | 15.84           | 15,840 | 0.00100    | 15.84           | 0.00          | 0.0%           | 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    | 15,840 | 0.05704    | 903.51          | 15,840 | 0.05704    | 903.51          | 0.00          | 0.0%           | 0.0%                  |
| <b>Total Bill</b>  |        |        |            | <b>1,501.02</b> |        |            | <b>1,501.89</b> | <b>0.87</b>   | <b>0.1%</b>    | <b>0.1%</b>           |

**GS>50**

60 kW Consumption  
15,000 kWh Consumption

|                                     | Metric | 2007 BILL |            |                  | 2008 BILL |            |                  | IMPACT         |                |                       |
|-------------------------------------|--------|-----------|------------|------------------|-----------|------------|------------------|----------------|----------------|-----------------------|
|                                     |        | Volume    | Rate<br>\$ | Charge<br>\$     | Volume    | Rate<br>\$ | Charge<br>\$     | Change<br>\$   | Change<br>%    | % of<br>Total<br>Bill |
| Monthly Service Charge Distribution | kW     | 60        | 3.01750    | 219.76<br>181.05 | 60        | 3.89070    | 243.37<br>233.44 | 23.61<br>52.39 | 10.7%<br>28.9% | 1.4%<br>3.0%          |
| <b>Sub-Total</b>                    |        |           |            | <b>400.81</b>    |           |            | <b>476.81</b>    | <b>76.00</b>   | <b>19.0%</b>   | <b>4.4%</b>           |
| Regulatory Asset Recovery           | kW     | 60        | 0.12170    | 7.30             | 60        | 0.01060    | 0.64             | (6.67)         | -91.3%         | -0.4%                 |
| Retail Transmission - Network       | kW     | 63        | 2.00760    | 127.20           | 63        | 1.64623    | 104.31           | (22.90)        | -18.0%         | -1.3%                 |

**Reply Submission - Draft Rate Order**  
**Norfolk Power Distribution Inc.**  
**2008 Electricity Distribution Rates**  
**EB-2007-0753**  
**Page 28 of 36**

|  |     |        |         |                 |        |         |                 |              |             |             |
|--|-----|--------|---------|-----------------|--------|---------|-----------------|--------------|-------------|-------------|
| Retail Transmission - Line and Transformation Connection | kW  | 63     | 1.62830 | 103.17          | 63     | 1.54689 | 98.01           | (5.16)       | -5.0%       | -0.3%       |
| Wholesale Market Service                                 | kWh | 15,840 | 0.00520 | 82.37           | 15,840 | 0.00530 | 83.95           | 1.58         | 1.9%        | 0.1%        |
| Rural Rate Protection Charge                             | kWh | 15,840 | 0.00100 | 15.84           | 15,840 | 0.00100 | 15.84           | 0.00         | 0.0%        | 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 | 15,840 | 0.05704 | 903.51          | 15,840 | 0.05704 | 903.51          | 0.00         | 0.0%        | 0.0%        |
| <b>Total Bill</b>  |     |        |         | <b>1,745.20</b> |        |         | <b>1,788.07</b> | <b>42.87</b> | <b>2.5%</b> | <b>2.5%</b> |

**GS>50**

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                                   |        |           |         | 219.76          |           |         | 243.37          | 23.61         | 10.7%        | 0.6%            |
| Distribution   | kW     | 100       | 3.01750 | 301.75          | 100       | 3.89070 | 389.07          | 87.32         | 28.9%        | 2.3%            |
| <b>Sub-Total</b>   |        |           |         | <b>521.51</b>   |           |         | <b>632.44</b>   | <b>110.93</b> | <b>21.3%</b> | <b>2.9%</b>     |
| Regulatory Asset Recovery                                | kW     | 100       | 0.12170 | 12.17           | 100       | 0.01060 | 1.06            | (11.11)       | -91.3%       | -0.3%           |
| Retail Transmission - Network                            | kW     | 106       | 2.00760 | 212.00          | 106       | 1.64623 | 173.84          | (38.16)       | -18.0%       | -1.0%           |
| Retail Transmission - Line and Transformation Connection | kW     | 106       | 1.62830 | 171.95          | 106       | 1.54689 | 163.35          | (8.60)        | -5.0%        | -0.2%           |
| Wholesale Market Service                                 | kWh    | 42,240    | 0.00520 | 219.65          | 42,240    | 0.00530 | 223.87          | 4.22          | 1.9%         | 0.1%            |
| Rural Rate Protection Charge                             | kWh    | 42,240    | 0.00100 | 42.24           | 42,240    | 0.00100 | 42.24           | 0.00          | 0.0%         | 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    | 42,240    | 0.05704 | 2,409.37        | 42,240    | 0.05704 | 2,409.37        | 0.00          | 0.0%         | 0.0%            |
| <b>Total Bill</b>  |        |           |         | <b>3,868.89</b> |           |         | <b>3,926.18</b> | <b>57.29</b>  | <b>1.5%</b>  | <b>1.5%</b>     |

**Reply Submission - Draft Rate Order**  
**Norfolk Power Distribution Inc.**  
**2008 Electricity Distribution Rates**  
**EB-2007-0753**  
**Page 29 of 36**

**GS>50**

500                      kW Consumption                      -                      -                      -  
 100,000                kWh Consumption                      -                      -

|   | Metric | 2007 BILL |            |                  | 2008 BILL |            |                  | IMPACT        |              |                       |
|---|--------|-----------|------------|------------------|-----------|------------|------------------|---------------|--------------|-----------------------|
|   |        | Volume    | Rate<br>\$ | Charge<br>\$     | Volume    | Rate<br>\$ | Charge<br>\$     | Change<br>\$  | Change<br>%  | % of<br>Total<br>Bill |
| Monthly Service Charge                                      |        |           |            | 219.76           |           |            | 243.37           | 23.61         | 10.7%        | 0.2%                  |
| Distribution  | kW     | 500       | 3.01750    | 1,508.75         | 500       | 3.89070    | 1,945.35         | 436.60        | 28.9%        | 3.9%                  |
| <b>Sub-Total</b>  |        |           |            | <b>1,728.51</b>  |           |            | <b>2,188.72</b>  | <b>460.21</b> | <b>26.6%</b> | <b>4.2%</b>           |
| Regulatory Asset Recovery                                   | kW     | 500       | 0.12170    | 60.85            | 500       | 0.01060    | 5.30             | (55.55)       | -91.3%       | -0.5%                 |
| Retail Transmission - Network                               | kW     | 528       | 2.00760    | 1,060.01         | 528       | 1.64623    | 869.21           | (190.80)      | -18.0%       | -1.7%                 |
| Retail Transmission - Line and<br>Transformation Connection | kW     | 528       | 1.62830    | 859.74           | 528       | 1.54689    | 816.76           | (42.98)       | -5.0%        | -0.4%                 |
| Wholesale Market Service                                    | kWh    | 105,600   | 0.00520    | 549.12           | 105,600   | 0.00530    | 559.68           | 10.56         | 1.9%         | 0.1%                  |
| Rural Rate Protection Charge                                | kWh    | 105,600   | 0.00100    | 105.60           | 105,600   | 0.00100    | 105.60           | 0.00          | 0.0%         | 0.0%                  |
| Debt Retirement Charge                                      | kWh    | 100,000   | 0.00700    | 700.00           | 100,000   | 0.00700    | 700.00           | 0.00          | 0.0%         | 0.0%                  |
| Cost of Power Commodity                                     | kWh    | 105,600   | 0.05704    | 6,023.42         | 105,600   | 0.05704    | 6,023.42         | 0.00          | 0.0%         | 0.0%                  |
| <b>Total Bill</b>   |        |           |            | <b>11,087.26</b> |           |            | <b>11,268.69</b> | <b>181.43</b> | <b>1.6%</b>  | <b>1.6%</b>           |

**GS>50**

1,000                      kW Consumption                      -                      -                      -  
 400,000                kWh Consumption                      -                      -

|  |  | 2007 BILL | 2008 BILL | IMPACT |
|--|--|-----------|-----------|--------|
|--|--|-----------|-----------|--------|

**Reply Submission - Draft Rate Order**  
**Norfolk Power Distribution Inc.**  
**2008 Electricity Distribution Rates**  
**EB-2007-0753**  
**Page 30 of 36**

|   | Metric | Volume  | Rate<br>\$ | Charge<br>\$       | Volume  | Rate<br>\$ | Charge<br>\$       | Change<br>\$    | Change<br>%    | % of<br>Total<br>Bill |
|---|--------|---------|------------|--------------------|---------|------------|--------------------|-----------------|----------------|-----------------------|
| Monthly Service Charge<br>Distribution                      | kW     | 1,000   | 3.01750    | 219.76<br>3,017.50 | 1,000   | 3.89070    | 243.37<br>3,890.70 | 23.61<br>873.20 | 10.7%<br>28.9% | 0.1%<br>2.4%          |
| <b>Sub-Total</b>  |        |         |            | <b>3,237.26</b>    |         |            | <b>4,134.07</b>    | <b>896.81</b>   | <b>27.7%</b>   | <b>2.4%</b>           |
| Regulatory Asset Recovery                                   | kW     | 1,000   | 0.12170    | 121.70             | 1,000   | 0.01060    | 10.60              | (111.10)        | -91.3%         | -0.3%                 |
| Retail Transmission - Network                               | kW     | 1,056   | 2.00760    | 2,120.03           | 1,056   | 1.64623    | 1,738.42           | (381.61)        | -18.0%         | -1.0%                 |
| Retail Transmission - Line and<br>Transformation Connection | kW     | 1,056   | 1.62830    | 1,719.48           | 1,056   | 1.54689    | 1,633.52           | (85.97)         | -5.0%          | -0.2%                 |
| Wholesale Market Service                                    | kWh    | 422,400 | 0.00520    | 2,196.48           | 422,400 | 0.00530    | 2,238.72           | 42.24           | 1.9%           | 0.1%                  |
| Rural Rate Protection Charge                                | kWh    | 422,400 | 0.00100    | 422.40             | 422,400 | 0.00100    | 422.40             | 0.00            | 0.0%           | 0.0%                  |
| Debt Retirement Charge                                      | kWh    | 400,000 | 0.00700    | 2,800.00           | 400,000 | 0.00700    | 2,800.00           | 0.00            | 0.0%           | 0.0%                  |
| Cost of Power Commodity                                     | kWh    | 422,400 | 0.05704    | 24,093.70          | 422,400 | 0.05704    | 24,093.70          | 0.00            | 0.0%           | 0.0%                  |
| <b>Total Bill</b>   |        |         |            | <b>36,711.05</b>   |         |            | <b>37,071.42</b>   | <b>360.37</b>   | <b>1.0%</b>    | <b>1.0%</b>           |

**GS>50**

3,000 kW Consumption  
 1,000,000 kWh Consumption

|  | Metric | 2007 BILL |            |                    | 2008 BILL |            |                     | IMPACT            |                |                       |
|--|--------|-----------|------------|--------------------|-----------|------------|---------------------|-------------------|----------------|-----------------------|
|  |        | Volume    | Rate<br>\$ | Charge<br>\$       | Volume    | Rate<br>\$ | Charge<br>\$        | Change<br>\$      | Change<br>%    | % of<br>Total<br>Bill |
| Monthly Service Charge<br>Distribution | kW     | 3,000     | 3.01750    | 219.76<br>9,052.50 | 3,000     | 3.89070    | 243.37<br>11,672.10 | 23.61<br>2,619.60 | 10.7%<br>28.9% | 0.0%<br>2.8%          |
| <b>Sub-Total</b>                       |        |           |            | <b>9,272.26</b>    |           |            | <b>11,915.47</b>    | <b>2,643.21</b>   | <b>28.5%</b>   | <b>2.8%</b>           |
| Regulatory Asset Recovery              | kW     | 3,000     | 0.12170    | 365.10             | 3,000     | 0.01060    | 31.80               | (333.30)          | -91.3%         | -0.4%                 |
| Retail Transmission - Network          | kW     | 3,168     | 2.00760    | 6,360.08           | 3,168     | 1.64623    | 5,215.26            | (1,144.82)        | -18.0%         | -1.2%                 |

**Reply Submission - Draft Rate Order**  
**Norfolk Power Distribution Inc.**  
**2008 Electricity Distribution Rates**  
**EB-2007-0753**  
**Page 31 of 36**

|  |     |           |         |                  |           |         |                  |                 |             |             |
|--|-----|-----------|---------|------------------|-----------|---------|------------------|-----------------|-------------|-------------|
| Retail Transmission - Line and Transformation Connection | kW  | 3,168     | 1.62830 | 5,158.45         | 3,168     | 1.54689 | 4,900.55         | (257.91)        | -5.0%       | -0.3%       |
| Wholesale Market Service                                 | kWh | 1,056,000 | 0.00520 | 5,491.20         | 1,056,000 | 0.00530 | 5,596.80         | 105.60          | 1.9%        | 0.1%        |
| Rural Rate Protection Charge                             | kWh | 1,056,000 | 0.00100 | 1,056.00         | 1,056,000 | 0.00100 | 1,056.00         | 0.00            | 0.0%        | 0.0%        |
| Debt Retirement Charge                                   | kWh | 1,000,000 | 0.00700 | 7,000.00         | 1,000,000 | 0.00700 | 7,000.00         | 0.00            | 0.0%        | 0.0%        |
| Cost of Power Commodity                                  | kWh | 1,056,000 | 0.05704 | 60,234.24        | 1,056,000 | 0.05704 | 60,234.24        | 0.00            | 0.0%        | 0.0%        |
| <b>Total Bill</b>  |     |           |         | <b>94,937.33</b> |           |         | <b>95,950.11</b> | <b>1,012.78</b> | <b>1.1%</b> | <b>1.1%</b> |

**Large Use >5MW**

6,000 kW Consumption - -  
2,800,000 kWh Consumption - -

|  | Metric | 2007 BILL |         |                  | 2008 BILL |         |                  | IMPACT      |             |                 |
|--|--------|-----------|---------|------------------|-----------|---------|------------------|-------------|-------------|-----------------|
|  |        | Volume    | Rate \$ | Charge \$        | Volume    | Rate \$ | Charge \$        | Change \$   | Change %    | % of Total Bill |
| Monthly Service Charge Distribution                      | kW     | 6,000     |         |                  | 6,000     | 0.00000 | 0.00             |             |             |                 |
| <b>Sub-Total</b>   |        |           |         | <b>0.00</b>      |           |         | <b>0.00</b>      | <b>0.00</b> |             | <b>0.0%</b>     |
| Regulatory Asset Recovery                                | kW     | 6,000     |         |                  | 6,000     | 0.00000 | 0.00             |             |             |                 |
| Retail Transmission - Network                            | kW     | 0         |         |                  | 0         | 0.00000 | 0.00             |             |             |                 |
| Retail Transmission - Line and Transformation Connection | kW     | 0         |         |                  | 0         | 0.00000 | 0.00             |             |             |                 |
| Wholesale Market Service                                 | kWh    | 0         |         |                  | 0         | 0.00000 | 0.00             |             |             |                 |
| Rural Rate Protection Charge                             | kWh    | 0         |         |                  | 0         | 0.00000 | 0.00             |             |             |                 |
| Debt Retirement Charge                                   | kWh    | 2,800,000 | 0.00700 | 19,600.00        | 2,800,000 | 0.00700 | 19,600.00        | 0.00        | 0.0%        | 0.0%            |
| Cost of Power Commodity                                  | kWh    | 0         | 0.05704 | 0.00             | 0         | 0.05704 | 0.00             | 0.00        |             | 0.0%            |
| <b>Total Bill</b>  |        |           |         | <b>19,600.00</b> |           |         | <b>19,600.00</b> | <b>0.00</b> | <b>0.0%</b> | <b>0.0%</b>     |



**Reply Submission - Draft Rate Order**  
**Norfolk Power Distribution Inc.**  
**2008 Electricity Distribution Rates**  
**EB-2007-0753**  
**Page 32 of 36**

**Large Use >5MW**

15,000            kW Consumption            -            -            -  
10,000,000        kWh Consumption                            -            -

|   | Metric | 2007 BILL  |            |                  | 2008 BILL  |            |                  | IMPACT       |             |                       |
|---|--------|------------|------------|------------------|------------|------------|------------------|--------------|-------------|-----------------------|
|   |        | Volume     | Rate<br>\$ | Charge<br>\$     | Volume     | Rate<br>\$ | Charge<br>\$     | Change<br>\$ | Change<br>% | % of<br>Total<br>Bill |
| Monthly Service Charge<br>Distribution                      | kW     | 15,000     |            |                  | 15,000     | 0.00000    | 0.00             |              |             |                       |
| <b>Sub-Total</b>  |        |            |            | <b>0.00</b>      |            |            | <b>0.00</b>      | <b>0.00</b>  |             | <b>0.0%</b>           |
| Regulatory Asset Recovery                                   | kW     | 15,000     |            |                  | 15,000     | 0.00000    | 0.00             |              |             |                       |
| Retail Transmission - Network                               | kW     | 0          |            |                  | 0          | 0.00000    | 0.00             |              |             |                       |
| Retail Transmission - Line and<br>Transformation Connection | kW     | 0          |            |                  | 0          | 0.00000    | 0.00             |              |             |                       |
| Wholesale Market Service                                    | kWh    | 0          |            |                  | 0          | 0.00000    | 0.00             |              |             |                       |
| Rural Rate Protection Charge                                | kWh    | 0          |            |                  | 0          | 0.00000    | 0.00             |              |             |                       |
| Debt Retirement Charge                                      | kWh    | 10,000,000 | 0.00700    | 70,000.00        | 10,000,000 | 0.00700    | 70,000.00        | 0.00         | 0.0%        | 0.0%                  |
| Cost of Power Commodity                                     | kWh    | 0          | 0.05704    | 0.00             | 0          | 0.05704    | 0.00             | 0.00         |             | 0.0%                  |
| <b>Total Bill</b>   |        |            |            | <b>70,000.00</b> |            |            | <b>70,000.00</b> | <b>0.00</b>  | <b>0.0%</b> | <b>0.0%</b>           |

**Large Use >5MW**

30,000            kW Consumption            -            -            -  
20,000,000        kWh Consumption                            -            -

|  |  | 2007 BILL | 2008 BILL | IMPACT |
|--|--|-----------|-----------|--------|
|--|--|-----------|-----------|--------|

**Reply Submission - Draft Rate Order**  
**Norfolk Power Distribution Inc.**  
**2008 Electricity Distribution Rates**  
**EB-2007-0753**  
**Page 33 of 36**

|  | Metric | Volume     | Rate<br>\$ | Charge<br>\$      | Volume     | Rate<br>\$ | Charge<br>\$      | Change<br>\$ | Change<br>% | % of<br>Total<br>Bill |
|--|--------|------------|------------|-------------------|------------|------------|-------------------|--------------|-------------|-----------------------|
| Monthly Service Charge Distribution                      | kW     | 30,000     |            |                   | 30,000     | 0.00000    | 0.00              |              |             |                       |
| <b>Sub-Total</b>   |        |            |            | <b>0.00</b>       |            |            | <b>0.00</b>       | <b>0.00</b>  |             | <b>0.0%</b>           |
| Regulatory Asset Recovery                                | kW     | 30,000     |            |                   | 30,000     | 0.00000    | 0.00              |              |             |                       |
| Retail Transmission - Network                            | kW     | 0          |            |                   | 0          | 0.00000    | 0.00              |              |             |                       |
| Retail Transmission - Line and Transformation Connection | kW     | 0          |            |                   | 0          | 0.00000    | 0.00              |              |             |                       |
| Wholesale Market Service                                 | kWh    | 0          |            |                   | 0          | 0.00000    | 0.00              |              |             |                       |
| Rural Rate Protection Charge                             | kWh    | 0          |            |                   | 0          | 0.00000    | 0.00              |              |             |                       |
| Debt Retirement Charge                                   | kWh    | 20,000,000 | 0.00700    | 140,000.00        | 20,000,000 | 0.00700    | 140,000.00        | 0.00         | 0.0%        | 0.0%                  |
| Cost of Power Commodity                                  | kWh    | 0          | 0.05704    | 0.00              | 0          | 0.05704    | 0.00              | 0.00         |             | 0.0%                  |
| <b>Total Bill</b>  |        |            |            | <b>140,000.00</b> |            |            | <b>140,000.00</b> | <b>0.00</b>  | <b>0.0%</b> | <b>0.0%</b>           |

**Large Use >5MW**

100,000      kW Consumption      -      -      -  
 53,000,000      kWh Consumption      -      -      -

|                                     | Metric | 2007 BILL |            |              | 2008 BILL |            |              | IMPACT       |             |                       |
|-------------------------------------|--------|-----------|------------|--------------|-----------|------------|--------------|--------------|-------------|-----------------------|
|                                     |        | Volume    | Rate<br>\$ | Charge<br>\$ | Volume    | Rate<br>\$ | Charge<br>\$ | Change<br>\$ | Change<br>% | % of<br>Total<br>Bill |
| Monthly Service Charge Distribution | kW     | 100,000   |            |              | 100,000   | 0.00000    | 0.00         |              |             |                       |
| <b>Sub-Total</b>                    |        |           |            | <b>0.00</b>  |           |            | <b>0.00</b>  | <b>0.00</b>  |             | <b>0.0%</b>           |
| Regulatory Asset Recovery           | kW     | 100,000   |            |              | 100,000   | 0.00000    | 0.00         |              |             |                       |
| Retail Transmission - Network       | kW     | 0         |            |              | 0         | 0.00000    | 0.00         |              |             |                       |

**Reply Submission - Draft Rate Order**  
**Norfolk Power Distribution Inc.**  
**2008 Electricity Distribution Rates**  
**EB-2007-0753**  
**Page 34 of 36**

|  |     |            |         |                   |            |         |                   |             |             |             |
|--|-----|------------|---------|-------------------|------------|---------|-------------------|-------------|-------------|-------------|
| Retail Transmission - Line and Transformation Connection | kW  | 0          |         |                   | 0          | 0.00000 | 0.00              |             |             |             |
| Wholesale Market Service                                 | kWh | 0          |         |                   | 0          | 0.00000 | 0.00              |             |             |             |
| Rural Rate Protection Charge                             | kWh | 0          |         |                   | 0          | 0.00000 | 0.00              |             |             |             |
| Debt Retirement Charge                                   | kWh | 53,000,000 | 0.00700 | 371,000.00        | 53,000,000 | 0.00700 | 371,000.00        | 0.00        | 0.0%        | 0.0%        |
| Cost of Power Commodity                                  | kWh | 0          | 0.05704 | 0.00              | 0          | 0.05704 | 0.00              | 0.00        |             | 0.0%        |
| <b>Total Bill</b>  |     |            |         | <b>371,000.00</b> |            |         | <b>371,000.00</b> | <b>0.00</b> | <b>0.0%</b> | <b>0.0%</b> |

**Street Light**

1 kW Consumption - -  
25 kWh Consumption - -

|  | Metric | 2007 BILL |         |             | 2008 BILL |         |             | IMPACT      |               |                 |
|--|--------|-----------|---------|-------------|-----------|---------|-------------|-------------|---------------|-----------------|
|  |        | Volume    | Rate \$ | Charge \$   | Volume    | Rate \$ | Charge \$   | Change \$   | Change %      | % of Total Bill |
| Monthly Service Charge                                   |        |           |         | 0.71        |           |         | 1.60        | 0.89        | 125.4%        | 13.2%           |
| Distribution   | kW     | 1         | 2.40250 | 1.80        | 1         | 5.61660 | 4.21        | 2.41        | 133.8%        | 35.8%           |
| <b>Sub-Total</b>   |        |           |         | <b>2.51</b> |           |         | <b>5.81</b> | <b>3.30</b> | <b>131.4%</b> | <b>49.0%</b>    |
| Regulatory Asset Recovery                                | kW     | 1         | 0.29310 | 0.22        | 1         | 0.00990 | 0.01        | (0.21)      | -96.6%        | -3.2%           |
| Retail Transmission - Network                            | kW     | 1         | 1.51410 | 1.19        | 1         | 1.24156 | 0.97        | (0.21)      | -18.0%        | -3.2%           |
| Retail Transmission - Line and Transformation Connection | kW     | 1         | 1.25880 | 0.99        | 1         | 1.19586 | 0.94        | (0.05)      | -5.0%         | -0.7%           |
| Wholesale Market Service                                 | kWh    | 26        | 0.00520 | 0.14        | 26        | 0.00530 | 0.14        | 0.00        | 1.9%          | 0.0%            |
| Rural Rate Protection Charge                             | kWh    | 26        | 0.00100 | 0.03        | 26        | 0.00100 | 0.03        | 0.00        | 0.0%          | 0.0%            |
| Debt Retirement Charge                                   | kWh    | 25        | 0.00700 | 0.18        | 25        | 0.00700 | 0.18        | 0.00        | 0.0%          | 0.0%            |
| Cost of Power Commodity                                  | kWh    | 26        | 0.05704 | 1.49        | 26        | 0.05704 | 1.49        | 0.00        | 0.0%          | 0.0%            |
| <b>Total Bill</b>  |        |           |         | <b>6.73</b> |           |         | <b>9.56</b> | <b>2.83</b> | <b>42.0%</b>  | <b>42.0%</b>    |

**Reply Submission - Draft Rate Order**  
**Norfolk Power Distribution Inc.**  
**2008 Electricity Distribution Rates**  
**EB-2007-0753**  
**Page 35 of 36**

**Sentinel**

|      |                 |   |   |   |
|------|-----------------|---|---|---|
| 0.75 | kW Consumption  | - | - | - |
| 25   | kWh Consumption | - | - | - |

|  | Metric | 2007 BILL |         |              | 2008 BILL |          |              | IMPACT       |                  |                 |
|--|--------|-----------|---------|--------------|-----------|----------|--------------|--------------|------------------|-----------------|
|  |        | Volume    | Rate \$ | Charge \$    | Volume    | Rate \$  | Charge \$    | Change \$    | Change %         | % of Total Bill |
| Monthly Service Charge Distribution                      | kW     | 1         | 3.37790 | 1.37<br>2.53 | 1         | 12.28170 | 4.90<br>9.21 | 3.53<br>6.68 | 257.7%<br>263.6% | 23.6%<br>44.7%  |
| <b>Sub-Total</b>   |        |           |         | <b>3.90</b>  |           |          | <b>14.11</b> | <b>10.21</b> | <b>261.5%</b>    | <b>68.3%</b>    |
| Regulatory Asset Recovery                                | kW     | 1         | 9.29090 | 6.97         | 1         | 0.02290  | 0.02         | (6.95)       | -99.8%           | -46.5%          |
| Retail Transmission - Network                            | kW     | 1         | 1.52170 | 1.21         | 1         | 1.24779  | 0.99         | (0.22)       | -18.0%           | -1.5%           |
| Retail Transmission - Line and Transformation Connection | kW     | 1         | 1.28510 | 1.02         | 1         | 1.22085  | 0.97         | (0.05)       | -5.0%            | -0.3%           |
| Wholesale Market Service                                 | kWh    | 26        | 0.00520 | 0.14         | 26        | 0.00530  | 0.14         | 0.00         | 1.9%             | 0.0%            |
| Rural Rate Protection Charge                             | kWh    | 26        | 0.00100 | 0.03         | 26        | 0.00100  | 0.03         | 0.00         | 0.0%             | 0.0%            |
| Debt Retirement Charge                                   | kWh    | 25        | 0.00700 | 0.18         | 25        | 0.00700  | 0.18         | 0.00         | 0.0%             | 0.0%            |
| Cost of Power Commodity                                  | kWh    | 26        | 0.05704 | 1.51         | 26        | 0.05704  | 1.51         | 0.00         | 0.0%             | 0.0%            |
| <b>Total Bill</b>  |        |           |         | <b>14.94</b> |           |          | <b>17.93</b> | <b>2.99</b>  | <b>20.0%</b>     | <b>20.0%</b>    |

**Sentinel**

|      |                 |   |   |   |
|------|-----------------|---|---|---|
| 0.75 | kW Consumption  | - | - | - |
| 50   | kWh Consumption | - | - | - |

|  |  | 2007 BILL | 2008 BILL | IMPACT |
|--|--|-----------|-----------|--------|
|--|--|-----------|-----------|--------|

**Reply Submission - Draft Rate Order**  
**Norfolk Power Distribution Inc.**  
**2008 Electricity Distribution Rates**  
**EB-2007-0753**  
**Page 36 of 36**

|   | <b>Metric</b> | <b>Volume</b> | <b>Rate<br/>\$</b> | <b>Charge<br/>\$</b> | <b>Volume</b> | <b>Rate<br/>\$</b> | <b>Charge<br/>\$</b> | <b>Change<br/>\$</b> | <b>Change<br/>%</b> | <b>% of<br/>Total<br/>Bill</b> |
|---|---------------|---------------|--------------------|----------------------|---------------|--------------------|----------------------|----------------------|---------------------|--------------------------------|
| Monthly Service Charge<br>Distribution                      | kW            | 1             | 3.37790            | 1.37<br>2.53         | 1             | 12.28170           | 4.90<br>9.21         | 3.53<br>6.68         | 257.7%<br>263.6%    | 21.0%<br>39.8%                 |
| <b>Sub-Total</b>  |               |               |                    | <b>3.90</b>          |               |                    | <b>14.11</b>         | <b>10.21</b>         | <b>261.5%</b>       | <b>60.8%</b>                   |
| Regulatory Asset Recovery                                   | kW            | 1             | 9.29090            | 6.97                 | 1             | 0.02290            | 0.02                 | (6.95)               | -99.8%              | -41.4%                         |
| Retail Transmission - Network                               | kW            | 1             | 1.52170            | 1.21                 | 1             | 1.24779            | 0.99                 | (0.22)               | -18.0%              | -1.3%                          |
| Retail Transmission - Line and<br>Transformation Connection | kW            | 1             | 1.28510            | 1.02                 | 1             | 1.22085            | 0.97                 | (0.05)               | -5.0%               | -0.3%                          |
| Wholesale Market Service                                    | kWh           | 53            | 0.00520            | 0.27                 | 53            | 0.00530            | 0.28                 | 0.01                 | 1.9%                | 0.0%                           |
| Rural Rate Protection Charge                                | kWh           | 53            | 0.00100            | 0.05                 | 53            | 0.00100            | 0.05                 | 0.00                 | 0.0%                | 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           | 53            | 0.05704            | 3.01                 | 53            | 0.05704            | 3.01                 | 0.00                 | 0.0%                | 0.0%                           |
| <b>Total Bill</b>   |               |               |                    | <b>16.78</b>         |               |                    | <b>19.78</b>         | <b>2.99</b>          | <b>17.8%</b>        | <b>17.8%</b>                   |