



October 26, 2007

Ontario Energy Board  
P.O. Box 2319  
26<sup>th</sup> Floor  
2300 Yonge Street  
TORONTO, ON M4P 1E4

**Re: Kenora Hydro Electric Corporation Ltd**

Dear Sirs:

Enclosed please find one CD containing the 2008 IRM and Manager's Summary, along with a single PDF file of the same, and 2 paper copies of the summary and filing, as requested in your letter dated September 28, 2007.

Should you require anything further, please contact this office.

Sincerely,

*J Robertson*

Janice Robertson  
Manager of Finance & Regulatory Affairs  
Kenora Hydro Electric Corporation Ltd.  
Phone (807)467-2014  
jrobertson@kenora.ca



## 2008 IRM MODEL MANAGER'S SUMMARY

OCTOBER 31, 2007

- Janice Robertson
- Manager of Finance  
& Regulatory Affairs
- [jrobertson@kenora.ca](mailto:jrobertson@kenora.ca)
- Phone (807) 467-2014
- Fax (807) 467-2068



### **Submission:**

Kenora Hydro submits the 2008 IRM Model including:

- One CD – containing the electronic filing of the 2008 IRM Model, and a copy of the Microsoft Excel 2008 IRM Model.
- Two paper copies of the Manager's Summary and the 2008 IRM Model.

### **General Comments:**

- Kenora Hydro did not use any alternative principles or mechanism for this rate setting model, it is filed as presented as instructed by the Board, September 28, 2007.
- No extension of the Regulatory Asset recovery has been applied for in this model. Kenora Hydro intends to file for recovery of the final balances in the accounts at a later date.
- Kenora Hydro's current approved 2007 rates include a \$.26 per month charge for all Residential and General Service customers for Smart Meters.
- No CDM adjustment was required in this filing, as there was no approval for incremental CDM spending approved in the 2007 Rates.
- Kenora Hydro is classified as a small utility, therefore the K-Factor as calculated by this model is (.3%).
- Customer impact as a result of this filing is minimal; maximum 1.6% increase for Residential; 1.1% increase for General Service Under 50kw; and 1.4% increase for General Service Over 50kw (pre-tax, annualized impact).

# Residential

**Consumption**

**1,000**

**KWh**

**0**

**kW**

**Loss Factor 1.043**

	2007 BILL			2008 BILL			IMPACT	
	Volume	RATE \$	CHARGE \$	Volume	RATE \$	CHARGE \$	\$	%
Energy First Tier (kWh)	600	\$ 0.0530	\$ 31.80	600	\$ 0.0530	\$ 31.80	\$0.00	0.0%
Energy Second Tier (kWh)	443	\$ 0.0620	\$ 27.47	443	\$ 0.0620	\$ 27.47	\$0.00	0.0%
<b>Sub-Total: Energy</b>			<b>\$ 59.27</b>			<b>\$ 59.27</b>	<b>\$0.00</b>	<b>0.0%</b>
Monthly Service Charge	1	\$ 13.56	\$ 13.56	1	\$ 13.64	\$ 13.64	\$0.08	0.6%
Distribution (kWh)	1,000	\$ 0.0097	\$ 9.70	1,000	\$ 0.0098	\$ 9.80	\$0.10	1.0%
Distribution (kW)	0	\$ -	\$ -	0	\$ -	\$ -	\$0.00	0.0%
Regulatory Assets (kWh)	1,000	-\$ 0.0015	-\$ 1.50	1,000	\$ -	\$ -	\$1.50	(100.0)%
Rate Riders	1,000	\$ -	\$ -	1,000	\$ -	\$ -	\$0.00	0.0%
Monthly Rate Rider Adjustment (Sheet 9)	N/A	N/A	N/A	1	\$ -	\$ -	\$0.00	0.0%
Volumetric Rate Rider Adjustment (Sheet 9)	N/A	N/A	N/A	1,000	\$ -	\$ -	\$0.00	0.0%
Retail Transmission Rate – Network Service Rate	1,043	\$ 0.0049	\$ 5.11	1,043	\$ 0.0049	\$ 5.11	\$0.00	0.0%
Retail Transmission Rate – Line and Transformation Connection Service Rate	1,043	\$ 0.0017	\$ 1.77	1,043	\$ 0.0017	\$ 1.77	\$0.00	0.0%
<b>Sub-Total: Delivery</b>			<b>\$ 28.64</b>			<b>\$ 30.32</b>	<b>\$1.68</b>	<b>5.9%</b>
Wholesale Market Service Rate	1043	\$ 0.0052	\$ 5.42	1043	\$ 0.0052	\$ 5.42	\$0.00	0.0%
Rural Rate Protection Charge	1043	\$ 0.0010	\$ 1.04	1043	\$ 0.0010	\$ 1.04	\$0.00	0.0%
Regulated Price Plan – Administration Charge	1	\$ 0.2500	\$ 0.25	1	\$ 0.2500	\$ 0.25	\$0.00	0.0%
<b>Sub-Total: Regulatory</b>			<b>\$ 6.72</b>			<b>\$ 6.72</b>	<b>\$0.00</b>	<b>0.0%</b>
<b>Debt Retirement Charge (DRC)</b>	1,000	\$ 0.0070	\$ 7.00	1,000	\$ 0.0070	\$ 7.00	\$0.00	0.0%
<b>Total Bill before Taxes</b>			<b>\$ 101.63</b>			<b>\$ 103.31</b>	<b>\$1.68</b>	<b>1.7%</b>
<b>GST</b>	\$ 101.63	6.00%	\$ 6.10	\$ 103.31	6.00%	\$ 6.20	\$0.10	1.7%
<b>Total Bill after Taxes</b>			<b>\$ 107.72</b>			<b>\$ 109.50</b>	<b>\$1.78</b>	<b>1.7%</b>

## General Service Less Than 50 kW

<i>Consumption</i>	<b>2,000</b>	<b>kWh</b>	<b>0</b>	<b>kW</b>	<i>Loss Factor 1.043</i>			
	<b>2007 BILL</b>			<b>2008 BILL</b>			<b>IMPACT</b>	
	<b>Volume</b>	<b>RATE \$</b>	<b>CHARGE \$</b>	<b>Volume</b>	<b>RATE \$</b>	<b>CHARGE \$</b>	<b>\$</b>	<b>%</b>
Energy First Tier (kWh)	750	\$ 0.0530	\$ 39.75	750	\$ 0.0530	\$ 39.75	\$0.00	0.0%
Energy Second Tier (kWh)	1,336	\$ 0.0620	\$ 82.83	1,336	\$ 0.0620	\$ 82.83	\$0.00	0.0%
<b>Sub-Total: Energy</b>			<b>\$ 122.58</b>			<b>\$ 122.58</b>	<b>\$0.00</b>	<b>0.0%</b>
Monthly Service Charge	1	\$ 25.60	\$ 25.60	1	\$ 25.75	\$ 25.75	\$0.15	0.6%
Distribution (kWh)	2,000	\$ 0.0040	\$ 8.00	2,000	\$ 0.0040	\$ 8.00	\$0.00	0.0%
Distribution (kW)	0	\$ -	\$ -	0	\$ -	\$ -	\$0.00	0.0%
Regulatory Assets (kWh)	2,000	-\$ 0.0010	-\$ 2.00	2,000	\$ -	\$ -	\$2.00	(100.0)%
Rate Riders	2,000	\$ -	\$ -	2,000	\$ -	\$ -	\$0.00	0.0%
Monthly Rate Rider Adjustment (Sheet 9)	N/A	N/A	N/A	1	\$ -	\$ -	\$0.00	0.0%
Volumetric Rate Rider Adjustment (Sheet 9)	N/A	N/A	N/A	2,000	\$ -	\$ -	\$0.00	0.0%
Retail Transmission Rate – Network Service Rate	2,086	\$ 0.0044	\$ 9.18	2,086	\$ 0.0044	\$ 9.18	\$0.00	0.0%
Retail Transmission Rate – Line and Transformation Connection Service Rate	2,086	\$ 0.0015	\$ 3.13	2,086	\$ 0.0015	\$ 3.13	\$0.00	0.0%
<b>Sub-Total: Delivery</b>			<b>\$ 43.91</b>			<b>\$ 46.06</b>	<b>\$2.15</b>	<b>4.9%</b>
Wholesale Market Service Rate	2086	\$ 0.0052	\$ 10.85	2086	\$ 0.0052	\$ 10.85	\$0.00	0.0%
Rural Rate Protection Charge	2086	\$ 0.0010	\$ 2.09	2086	\$ 0.0010	\$ 2.09	\$0.00	0.0%
Regulated Price Plan – Administration Charge	1	\$ 0.2500	\$ 0.25	1	\$ 0.2500	\$ 0.25	\$0.00	0.0%
<b>Sub-Total: Regulatory</b>			<b>\$ 13.18</b>			<b>\$ 13.18</b>	<b>\$0.00</b>	<b>0.0%</b>
<b>Debt Retirement Charge (DRC)</b>	2,000	\$ 0.0070	\$ 14.00	2,000	\$ 0.0070	\$ 14.00	\$0.00	0.0%
<b>Total Bill before Taxes</b>			<b>\$ 193.67</b>			<b>\$ 195.82</b>	<b>\$2.15</b>	<b>1.1%</b>
<b>GST</b>	\$ 193.67	6.00%	\$ 11.62	\$ 195.82	6.00%	\$ 11.75	\$0.13	1.1%
<b>Total Bill after Taxes</b>			<b>\$ 205.29</b>			<b>\$ 207.57</b>	<b>\$2.28</b>	<b>1.1%</b>

## General Service 50 to 4,999 kW

<i>Consumption</i>	<b>30,000</b>	<b>kWh</b>	<b>70</b>	<b>kW</b>	<i>Loss Factor 1.043</i>			
	<b>2007 BILL</b>			<b>2008 BILL</b>			<b>IMPACT</b>	
	<b>Volume</b>	<b>RATE \$</b>	<b>CHARGE \$</b>	<b>Volume</b>	<b>RATE \$</b>	<b>CHARGE \$</b>	<b>\$</b>	<b>%</b>
Energy First Tier (kWh)	750	\$ 0.0530	\$ 39.75	750	\$ 0.0530	\$ 39.75	\$0.00	0.0%
Energy Second Tier (kWh)	30,540	\$ 0.0620	\$ 1,893.48	30,540	\$ 0.0620	\$ 1,893.48	\$0.00	0.0%
<b>Sub-Total: Energy</b>			<b>\$ 1,933.23</b>			<b>\$ 1,933.23</b>	<b>\$0.00</b>	<b>0.0%</b>
Monthly Service Charge	1	\$ 366.28	\$ 366.28	1	\$ 368.48	\$ 368.48	\$2.20	0.6%
Distribution (kWh)	30,000	\$ -	\$ -	30,000	\$ -	\$ -	\$0.00	0.0%
Distribution (kW)	70	\$ 1.2165	\$ 85.16	70	\$ 1.2238	\$ 85.67	\$0.51	0.6%
Regulatory Assets (kWh)	70	-\$ 0.4097	-\$ 28.68	70	\$ -	\$ -	\$28.68	(100.0)%
Rate Riders	70	\$ -	\$ -	70	\$ -	\$ -	\$0.00	0.0%
Monthly Rate Rider Adjustment (Sheet 9)	N/A	N/A	N/A	1	\$ -	\$ -	\$0.00	0.0%
Volumetric Rate Rider Adjustment (Sheet 9)	N/A	N/A	N/A	70	\$ -	\$ -	\$0.00	0.0%
Retail Transmission Rate – Network Service Rate	73	\$ 1.8149	\$ 132.51	73	\$ 1.8149	\$ 132.51	\$0.00	0.0%
Retail Transmission Rate – Line and Transformation Connection Service Rate	73	\$ 0.5930	\$ 43.29	73	\$ 0.5930	\$ 43.29	\$0.00	0.0%
<b>Sub-Total: Delivery</b>			<b>\$ 598.56</b>			<b>\$ 629.95</b>	<b>\$31.39</b>	<b>5.2%</b>
Wholesale Market Service Rate	31290	\$ 0.0052	\$ 162.71	31290	\$ 0.0052	\$ 162.71	\$0.00	0.0%
Rural Rate Protection Charge	31290	\$ 0.0010	\$ 31.29	31290	\$ 0.0010	\$ 31.29	\$0.00	0.0%
Regulated Price Plan – Administration Charge	1	\$ 0.2500	\$ 0.25	1	\$ 0.2500	\$ 0.25	\$0.00	0.0%
<b>Sub-Total: Regulatory</b>			<b>\$ 194.25</b>			<b>\$ 194.25</b>	<b>\$0.00</b>	<b>0.0%</b>
<b>Debt Retirement Charge (DRC)</b>	30,000	\$ 0.0070	\$ 210.00	30,000	\$ 0.0070	\$ 210.00	<b>\$0.00</b>	<b>0.0%</b>
<b>Total Bill before Taxes</b>			<b>\$ 2,936.03</b>			<b>\$ 2,967.42</b>	<b>\$31.39</b>	<b>1.1%</b>
<b>GST</b>	\$ 2,936.03	6.00%	\$ 176.16	\$ 2,967.42	6.00%	\$ 178.05	<b>\$1.88</b>	<b>1.1%</b>
<b>Total Bill after Taxes</b>			<b>\$ 3,112.20</b>			<b>\$ 3,145.47</b>	<b>\$33.27</b>	<b>1.1%</b>

## Unmetered Scattered Load

<b>Consumption</b>	<b>9,000</b>	<b>kWh</b>	<b>0</b>	<b>kW</b>	<b>Loss Factor 1.043</b>
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	2007 BILL			2008 BILL			IMPACT	
	Volume	RATE \$	CHARGE \$	Volume	RATE \$	CHARGE \$	\$	%
Energy First Tier (kWh)	750	\$ 0.0530	\$ 39.75	750	\$ 0.0530	\$ 39.75	\$0.00	0.0%
Energy Second Tier (kWh)	8,637	\$ 0.0620	\$ 535.49	8,637	\$ 0.0620	\$ 535.49	\$0.00	0.0%
<b>Sub-Total: Energy</b>			<b>\$ 575.24</b>			<b>\$ 575.24</b>	<b>\$0.00</b>	<b>0.0%</b>
Monthly Service Charge	1	\$ 12.78	\$ 12.78	1	\$ 12.86	\$ 12.86	\$0.08	0.6%
Distribution (kWh)	9,000	\$ 0.0041	\$ 36.90	9,000	\$ 0.0041	\$ 36.90	\$0.00	0.0%
Distribution (kW)	0	\$ -	\$ -	0	\$ -	\$ -	\$0.00	0.0%
Regulatory Assets (kWh)	9,000	-\$ 0.0010	-\$ 9.00	9,000	\$ -	\$ -	\$9.00	(100.0)%
Rate Riders	9,000	\$ -	\$ -	9,000	\$ -	\$ -	\$0.00	0.0%
Monthly Rate Rider Adjustment (Sheet 9)	N/A	N/A	N/A	1	\$ -	\$ -	\$0.00	0.0%
Volumetric Rate Rider Adjustment (Sheet 9)	N/A	N/A	N/A	9,000	\$ -	\$ -	\$0.00	0.0%
Retail Transmission Rate – Network Service Rate	9,387	\$ 0.0044	\$ 41.30	9,387	\$ 0.0044	\$ 41.30	\$0.00	0.0%
Retail Transmission Rate – Line and Transformation Connection Service Rate	9,387	\$ 0.0015	\$ 14.08	9,387	\$ 0.0015	\$ 14.08	\$0.00	0.0%
<b>Sub-Total: Delivery</b>			<b>\$ 96.06</b>			<b>\$ 105.14</b>	<b>\$9.08</b>	<b>9.5%</b>
Wholesale Market Service Rate	9387	\$ 0.0052	\$ 48.81	9387	\$ 0.0052	\$ 48.81	\$0.00	0.0%
Rural Rate Protection Charge	9387	\$ 0.0010	\$ 9.39	9387	\$ 0.0010	\$ 9.39	\$0.00	0.0%
Regulated Price Plan – Administration Charge	1	\$ 0.2500	\$ 0.25	1	\$ 0.2500	\$ 0.25	\$0.00	0.0%
<b>Sub-Total: Regulatory</b>			<b>\$ 58.45</b>			<b>\$ 58.45</b>	<b>\$0.00</b>	<b>0.0%</b>
<b>Debt Retirement Charge (DRC)</b>	9,000	\$ 0.0070	<b>\$ 63.00</b>	9,000	\$ 0.0070	<b>\$ 63.00</b>	<b>\$0.00</b>	<b>0.0%</b>
<b>Total Bill before Taxes</b>			<b>\$ 792.76</b>			<b>\$ 801.84</b>	<b>\$9.08</b>	<b>1.1%</b>
<b>GST</b>	\$ 792.76	6.00%	<b>\$ 47.57</b>	\$ 801.84	6.00%	<b>\$ 48.11</b>	<b>\$0.54</b>	<b>1.1%</b>
<b>Total Bill after Taxes</b>			<b>\$ 840.32</b>			<b>\$ 849.95</b>	<b>\$9.62</b>	<b>1.1%</b>

## Street Lighting

<b>Consumption</b>	<b>150,000</b>	<b>kWh</b>	<b>441</b>	<b>kW</b>	<b>Loss Factor 1.043</b>
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	2007 BILL			2008 BILL			IMPACT	
	Volume	RATE \$	CHARGE \$	Volume	RATE \$	CHARGE \$	\$	%
Energy First Tier (kWh)	750	\$ 0.0530	\$ 39.75	750	\$ 0.0530	\$ 39.75	\$0.00	0.0%
Energy Second Tier (kWh)	155,700	\$ 0.0620	\$ 9,653.40	155,700	\$ 0.0620	\$ 9,653.40	\$0.00	0.0%
<b>Sub-Total: Energy</b>			<b>\$ 9,693.15</b>			<b>\$ 9,693.15</b>	<b>\$0.00</b>	<b>0.0%</b>
Monthly Service Charge	1	\$ 3.48	\$ 3.48	1	\$ 3.50	\$ 3.50	\$0.02	0.6%
Distribution (kWh)	150,000	\$ -	\$ -	150,000	\$ -	\$ -	\$0.00	0.0%
Distribution (kW)	441	\$ 2.2887	\$ 1,009.32	441	\$ 2.3024	\$ 1,015.36	\$6.04	0.6%
Regulatory Assets (kWh)	441	-\$ 0.5334	-\$ 235.23	441	\$ -	\$ -	\$235.23	(100.0)%
Rate Riders	441	\$ -	\$ -	441	\$ -	\$ -	\$0.00	0.0%
Monthly Rate Rider Adjustment (Sheet 9)	N/A	N/A	N/A	1	\$ -	\$ -	\$0.00	0.0%
Volumetric Rate Rider Adjustment (Sheet 9)	N/A	N/A	N/A	441	\$ -	\$ -	\$0.00	0.0%
Retail Transmission Rate – Network Service Rate	460	\$ 1.3687	\$ 629.55	460	\$ 1.3687	\$ 629.55	\$0.00	0.0%
Retail Transmission Rate – Line and Transformation Connection Service Rate	460	\$ 0.4584	\$ 210.85	460	\$ 0.4584	\$ 210.85	\$0.00	0.0%
<b>Sub-Total: Delivery</b>			<b>\$ 1,617.97</b>			<b>\$ 1,859.26</b>	<b>\$241.29</b>	<b>14.9%</b>
Wholesale Market Service Rate	156450	\$ 0.0052	\$ 813.54	156450	\$ 0.0052	\$ 813.54	\$0.00	0.0%
Rural Rate Protection Charge	156450	\$ 0.0010	\$ 156.45	156450	\$ 0.0010	\$ 156.45	\$0.00	0.0%
Regulated Price Plan – Administration Charge	1	\$ 0.2500	\$ 0.25	1	\$ 0.2500	\$ 0.25	\$0.00	0.0%
<b>Sub-Total: Regulatory</b>			<b>\$ 970.24</b>			<b>\$ 970.24</b>	<b>\$0.00</b>	<b>0.0%</b>
<b>Debt Retirement Charge (DRC)</b>	150,000	\$ 0.0070	\$ 1,050.00	150,000	\$ 0.0070	\$ 1,050.00	\$0.00	0.0%
<b>Total Bill before Taxes</b>			<b>\$ 13,331.36</b>			<b>\$ 13,572.65</b>	<b>\$241.29</b>	<b>1.8%</b>
<b>GST</b>	\$ 13,331.36	6.00%	\$ 799.88	\$ 13,572.65	6.00%	\$ 814.36	\$14.48	1.8%
<b>Total Bill after Taxes</b>			<b>\$ 14,131.24</b>			<b>\$ 14,387.01</b>	<b>\$255.77</b>	<b>1.8%</b>



**BILL IMPACT BY  
CONSUMPTION**

<b>Class</b>	<b>Consumption kWh</b>	<b>Consumption kW</b>	<b>2007 Bill</b>	<b>2008 Bill</b>	<b>Difference \$</b>	<b>Bill Impact %</b>	<b>Max</b>	
<b>Residential</b>	400		\$ 50.18	\$ 50.95	\$ 0.76	1.5%	1.7%	
	500		\$ 59.07	\$ 60.00	\$ 0.93	1.6%		
	600		\$ 68.20	\$ 69.30	\$ 1.10	1.6%		
	750		\$ 83.02	\$ 84.38	\$ 1.36	1.6%		
	1,000		\$ 107.72	\$ 109.50	\$ 1.78	1.7%		
	1,200		\$ 127.49	\$ 129.61	\$ 2.12	1.7%		
	1,500		\$ 157.13	\$ 159.76	\$ 2.63	1.7%		
<b>General Service Less Than 50 kW</b>	750		\$ 89.64	\$ 90.59	\$ 0.95	1.1%	1.1%	
	1,000		\$ 112.77	\$ 113.99	\$ 1.22	1.1%		
	2,000		\$ 205.29	\$ 207.57	\$ 2.28	1.1%		
	4,000		\$ 390.34	\$ 394.74	\$ 4.40	1.1%		
	10,000		\$ 945.48	\$ 956.24	\$ 10.76	1.1%		
	12,000		\$ 1,130.53	\$ 1,143.41	\$ 12.88	1.1%		
	15,000		\$ 1,408.10	\$ 1,424.16	\$ 16.06	1.1%		
<b>General Service 50 to 4,999 kW</b>	20,000	55	\$ 2,231.23	\$ 2,257.87	\$ 26.64	1.2%	1.4%	
	30,000	70	\$ 3,112.20	\$ 3,145.47	\$ 33.27	1.1%		
	50,000	150	\$ 5,049.99	\$ 5,118.63	\$ 68.64	1.4%		
	80,000	225	\$ 7,798.41	\$ 7,900.20	\$ 101.79	1.3%		
	100,000	300	\$ 9,718.62	\$ 9,853.56	\$ 134.94	1.4%		
	150,000	380	\$ 14,141.04	\$ 14,311.34	\$ 170.30	1.2%		
	200,000	400	\$ 18,352.41	\$ 18,531.55	\$ 179.14	1.0%		
<b>Unmetered Scattered Load</b>	200	0	\$ 30.35	\$ 30.64	\$ 0.30	1.0%	1.1%	
	8,000	0	\$ 747.69	\$ 756.26	\$ 8.56	1.1%		
	9,000	0	\$ 840.32	\$ 849.95	\$ 9.62	1.1%		
<b>Street Lighting</b>	150,000	441	\$ 14,131.24	\$ 14,387.01	\$ 255.77	1.8%	1.8%	



**Conclusion:**

The typical Kenora Hydro customer will see impact of less than a 1.8 % increase, based on the results of this Model.

**This filing has been completed with the most current and accurate information at the time of filing. Best efforts were made to ensure this filing was accurate and complete as instructed in the Filing Requirements for 2008 Incentive Regulation Mechanism Distribution Rate Adjustments, of September 28, 2007.**

Respectfully Submitted

*J Robertson*

Janice Robertson  
Manager of Finance & Regulatory Affairs  
Kenora Hydro





# Ontario Energy Board

## 2008 INCENTIVE RATE MECHANISM ADJUSTMENT MODEL

### Sheet 1 Utility Information Sheet

<b>Legend:</b>	Input Cell	Pull-Down Menu Option	Output Cell
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Please note that this model uses MACROS. Before starting, please ensure that macros have been enabled.

<b>Name of LDC:</b>	Kenora Hydro Electric Corporation Ltd.		
<b>Licence Number:</b>	ED-2003-0030		
<b>IRM 2008 EB Number:</b> (if known)	EB-2007-XXXX		
<b>IRM 2007 EB Number:</b>	EB-2007-0547		
<b>EDR 2006 RP Number:</b>	RP-2005-0020	<b>EDR 2006 EB Number:</b>	EB-2005-0384
<b>Date of Submission:</b>	10/29/07	<b>Last Saved Date:</b>	10/23/07 4:26 PM
<b>Model Version:</b>	2.0		
<b>Contact Information</b>			
<b>Name:</b>	JANICE ROBERTSON		
<b>Title:</b>	MANAGER OF FINANCE & REGULATORY AFFAIRS		
<b>Phone Number:</b>	807-467-2014		
<b>E-Mail Address:</b>	JROBERTSON@KENORA.CA		

Please Note: In the event of an inconsistency between this model and any element of the December 20, 2006 "Report of the Board on Cost of Capital and 2<sup>nd</sup> Generation Incentive Regulation of Ontario's Electricity Distributors", the Report governs.

#### Comments

#### Copyright

This IRM adjustment model is protected by copyright and is being made available to you solely for the purpose of preparing or reviewing an IRM adjustment application. You may use and copy this model for that purpose, and provide a copy of this model to any person that is advising or assisting you in that regard. Except as indicated above, any copying, reproduction, publication, sale, adaptation, translation, modification, reverse engineering or other use or dissemination of this model without the express written consent of the Ontario Energy Board is prohibited. If you provide a copy of this model to a person that is advising or assisting you in preparing or reviewing an IRM adjustment application, you must ensure that the person understands and agrees to the restrictions noted above.



## 2008 INCENTIVE RATE MECHANISM ADJUSTMENT MODEL

### **Kenora Hydro Electric Corporation Ltd.**

**EB-2007-XXXX, EB-2007-0547, EB-2005-0384**

**Monday, October 29, 2007**

### Sheet 2 - 2007 Rate Classes

**Are you changing the descriptions of any of your Service Classifications?**

YES     NO

Service Classifications, including descriptions, can be found on your Board Approved 2007 Tariff of Rates and Charges.

**Instructions:**

(In some instances, rate classifications may differ from service classifications. The following table accounts for those differences.)

Using the pull-down list in column B, choose the classes that match those on your Board-Approved 2007 Tariff of Rates and Charges, are found under sub-heading "Monthly Rates and Charges". (If a Rate Classification needs to be added to the pull-down list, please contact the Board.)

Indicate which Rate Classifications exist using the pull-down menu in column C.

Changes made to the Class names will affect the rest of the model.

**Upon completion, press the update button.**

**LEGEND**

INPUT CELLS

PULL-DOWN MENU

OUTPUT CELLS

	Rate Classifications	Currently in Place
1	Residential	Yes
2	General Service Less Than 50 kW	Yes
3	General Service 50 to 4,999 kW	Yes
4	Unmetered Scattered Load	Yes
5	Street Lighting	Yes
6	Rate Class 6	No
7	Rate Class 7	No
8	Rate Class 8	No
9	Rate Class 9	No
10	Rate Class 10	No
11	Rate Class 11	No
12	Rate Class 12	No
13	Rate Class 13	No
14	Rate Class 14	No
15	Rate Class 15	No
16	Rate Class 16	No





**2008 INCENTIVE RATE MECHANISM ADJUSTMENT MODEL**

**Kenora Hydro Electric Corporation Ltd.**

**EB-2007-XXXX, EB-2007-0547, EB-2005-0384**

**Monday, October 29, 2007**

**Sheet 3 - 2007 Board-Approved Tariff of Rates and Charges**

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**2008 INCENTIVE RATE MECHANISM ADJUSTMENT MODEL**

**Kenora Hydro Electric Corporation Ltd.**

**EB-2007-XXXX, EB-2007-0547, EB-2005-0384**

**Monday, October 29, 2007**

Ontario

**Sheet 3 - 2007 Board-Approved Tariff of Rates and Charges**

**MONTHLY RATES AND CHARGES**

Using the pull-down menu in column H below, indicate whether (Yes) or not (No) the rate riders will be continuing into the 2008-09 rate year

**Residential**

Service Charge	\$	13.56	
Distribution Volumetric Rate	\$/kWh	0.0097	
Rate Rider 1 (if applicable)			
Rate Rider 2 (if applicable)			
Regulatory Asset Recovery	\$/kWh	(0.0015)	No
Retail Transmission Rate – Network Service Rate	\$/kWh	0.0049	
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kWh	0.0017	
Retail Transmission Rate – Network Service Rate (if applicable)	\$/kWh		
Retail Transmission Rate – Line and Transformation Connection Service Rate (if applicable)	\$/kWh		
Retail Transmission Rate – Network Service Rate (if applicable)	\$/kWh		
Retail Transmission Rate – Line and Transformation Connection Service Rate (if applicable)	\$/kWh		
Wholesale Market Service Rate	\$/kWh	0.0052	
Rural Rate Protection Charge	\$/kWh	0.0010	
Standard Supply Service – Administrative Charge (if applicable)	\$	0.25	



**2008 INCENTIVE RATE MECHANISM ADJUSTMENT MODEL**

**Kenora Hydro Electric Corporation Ltd.**

**EB-2007-XXXX, EB-2007-0547, EB-2005-0384**

**Monday, October 29, 2007**

**Sheet 3 - 2007 Board-Approved Tariff of Rates and Charges**

**General Service Less Than 50 kW**

Service Charge	\$	25.60	
Distribution Volumetric Rate	\$/kWh	0.0040	
Rate Rider 1 (if applicable)			
Rate Rider 2 (if applicable)			
Regulatory Asset Recovery	\$/kWh	(0.0010)	No
Retail Transmission Rate – Network Service Rate	\$/kWh	0.0044	
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kWh	0.0015	
Retail Transmission Rate – Network Service Rate (if applicable)	\$/kWh		
Retail Transmission Rate – Line and Transformation Connection Service Rate (if applicable)	\$/kWh		
Retail Transmission Rate – Network Service Rate (if applicable)	\$/kWh		
Retail Transmission Rate – Line and Transformation Connection Service Rate (if applicable)	\$/kWh		
Wholesale Market Service Rate	\$/kWh	0.0052	
Rural Rate Protection Charge	\$/kWh	0.0010	
Standard Supply Service – Administrative Charge (if applicable)	\$	0.25	

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

Service Charge	\$	366.28	
Distribution Volumetric Rate	\$/kW	1.2165	
Rate Rider 1 (if applicable)			
Rate Rider 2 (if applicable)			
Regulatory Asset Recovery	\$/kW	(0.4097)	No
Retail Transmission Rate – Network Service Rate	\$/kW	1.8149	
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kW	0.5930	
Retail Transmission Rate – Network Service Rate (if applicable)	\$/kW		
Retail Transmission Rate – Line and Transformation Connection Service Rate (if applicable)	\$/kW		
Retail Transmission Rate – Network Service Rate (if applicable)	\$/kW		
Retail Transmission Rate – Line and Transformation Connection Service Rate (if applicable)	\$/kW		
Wholesale Market Service Rate	\$/kWh	0.0052	
Rural Rate Protection Charge	\$/kWh	0.0010	
Standard Supply Service – Administrative Charge (if applicable)	\$	0.25	

**Unmetered Scattered Load**

Service Charge	\$	12.78	
Distribution Volumetric Rate	\$/kWh	0.0041	
Rate Rider 1 (if applicable)			
Rate Rider 2 (if applicable)			
Regulatory Asset Recovery	\$/kWh	(0.0010)	No
Retail Transmission Rate – Network Service Rate	\$/kWh	0.0044	
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kWh	0.0015	
Retail Transmission Rate – Network Service Rate (if applicable)	\$/kWh		
Retail Transmission Rate – Line and Transformation Connection Service Rate (if applicable)	\$/kWh		
Retail Transmission Rate – Network Service Rate (if applicable)	\$/kWh		
Retail Transmission Rate – Line and Transformation Connection Service Rate (if applicable)	\$/kWh		
Wholesale Market Service Rate	\$/kWh	0.0052	
Rural Rate Protection Charge	\$/kWh	0.0010	
Standard Supply Service – Administrative Charge (if applicable)	\$	0.25	

**Street Lighting**

Service Charge	\$	3.48	
Distribution Volumetric Rate	\$/kW	2.2887	
Rate Rider 1 (if applicable)			
Rate Rider 2 (if applicable)			
Regulatory Asset Recovery	\$/kW	(0.5334)	No
Retail Transmission Rate – Network Service Rate	\$/kW	1.3687	
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kW	0.4584	
Retail Transmission Rate – Network Service Rate (if applicable)	\$/kW		
Retail Transmission Rate – Line and Transformation Connection Service Rate (if applicable)	\$/kW		
Retail Transmission Rate – Network Service Rate (if applicable)	\$/kW		
Retail Transmission Rate – Line and Transformation Connection Service Rate (if applicable)	\$/kW		
Wholesale Market Service Rate	\$/kWh	0.0052	
Rural Rate Protection Charge	\$/kWh	0.0010	
Standard Supply Service – Administrative Charge (if applicable)	\$	0.25	





**2008 INCENTIVE RATE MECHANISM ADJUSTMENT MODEL**

**Kenora Hydro Electric Corporation Ltd.**

**EB-2007-XXXX, EB-2007-0547, EB-2005-0384**

**Monday, October 29, 2007**

**Sheet 3 - 2007 Board-Approved Tariff of Rates and Charges**

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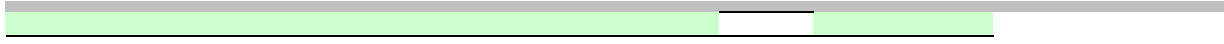
**2008 INCENTIVE RATE MECHANISM ADJUSTMENT MODEL**

**Kenora Hydro Electric Corporation Ltd.**

**EB-2007-XXXX, EB-2007-0547, EB-2005-0384**

**Monday, October 29, 2007**

**Sheet 3 - 2007 Board-Approved Tariff of Rates and Charges**





## 2008 INCENTIVE RATE MECHANISM ADJUSTMENT

**Kenora Hydro Electric Corporation Ltd.**

**EB-2007-XXXX, EB-2007-0547, EB-2005-0384**

**Monday, October 29, 2007**

### **Sheet 4 - Smart Meter Information**

The smart meter plan rate adder is a monthly service charge for metered customers equivalent to an amount of \$0.30 per month per residential customer for utilities that do not have a plan. A different amount applied to utilities who had a smart meter plan that was modified in accordance with the Decision with Reasons RP-2005-0020 / EB-2005-0529

Please identify the customer classes and sub-classes that the smart meter funding incremental adjustment applies to by inserting the smart meter rate adder into column D. For most utilities, the rate adder can be located in the Board-approved 2007 IRM model. Clicking the cursor on the Residential cell should show the formula for the monthly service charge including the smart meter adder. The adder is the same for all metered classes and sub-classes of a distributor.

Leave column F blank, and the model will by default use the existing rate adder in the following calculations. If a new value of the rate rider is required by a subsequent decision, Board staff will enter the appropriate values in column F.

#### Smart Meter Rate Adder

	<u>2007 IRM</u>	<u>2008 IRM</u>
Residential	\$ 0.26	
General Service Less Than 50 kW	\$ 0.26	
General Service 50 to 4,999 kW	\$ 0.26	



2008 INCENTIVE RATE MECHANISM ADJUSTMENT MODEL

**Kenora Hydro Electric Corporation Ltd.**

EB-2007-XXXX, EB-2007-0547, EB-2005-0384

Monday, October 29, 2007

**Sheet 5 - Removal of Smart Meter and CDM**

Did the applicant receive Board approval for incremental CDM spending (over and above the 3rd tranche) in 2007?

YES  NO

Class	2007 Monthly Service Charge	2007 Volumetric Rate Charge	Less: 2007 Smart Meter Adder from Monthly Service Charge		Adjusted Monthly Service Charge	Adjusted Volumetric Charge	
	\$	kW / kWh	\$	\$	\$	kW / kWh	
<i>Residential</i>	\$ 13.56	\$ 0.0097	\$ 0.26	\$ 0.26	\$ 13.30	\$ 0.0097	\$/kWh
<i>General Service Less Than 50 kW</i>	\$ 25.60	\$ 0.0040	\$ 0.26	\$ 0.26	\$ 25.34	\$ 0.0040	\$/kWh
<i>General Service 50 to 4,999 kW</i>	\$ 366.28	\$ 1.2165	\$ 0.26	\$ 0.26	\$ 366.02	\$ 1.2165	\$/kW
<i>Unmetered Scattered Load</i>	\$ 12.78	\$ 0.0041	\$ -	\$ -	\$ 12.78	\$ 0.0041	\$/kWh
<i>Street Lighting</i>	\$ 3.48	\$ 2.2887	\$ -	\$ -	\$ 3.48	\$ 2.2887	\$/kW



**2008 INCENTIVE RATE MECHANISM ADJUSTMENT MODEL**

**Kenora Hydro Electric Corporation Ltd.**

**EB-2007-XXXX, EB-2007-0547, EB-2005-0384**

**Monday, October 29, 2007**

**Sheet 6 - K-Factor Derivation**

**Capital Structure Transition**

**Size of Utility (Rate Base)**

Year	Small [\$0, \$100M)		Med-Small [\$100M, \$250M)		Med-Large [\$250M, \$1B)		Large >=\$1B	
	Debt	Equity	Debt	Equity	Debt	Equity	Debt	Equity
2007	50.0%	50.0%	55.0%	45.0%	60.0%	40.0%	65.0%	35.0%
2008	53.3%	46.7%	57.5%	42.5%	60.0%	40.0%	62.5%	37.5%
2009	56.7%	43.3%	60.0%	40.0%	60.0%	40.0%	60.0%	40.0%
2010	60.0%	40.0%	60.0%	40.0%	60.0%	40.0%	60.0%	40.0%

**Cost of Capital parameters**

ROE	A	9.00%	(Board Approved 2006 EDR Model, Sheet 3-2, Cell E32)
Debt Rate	B	6.50%	(Board Approved 2006 EDR Model, Sheet 3-2, Cell C25)
Rate Base	C	\$ 6,325,927	(Board Approved 2006 EDR Model, Sheet 3-1, Cell F21)
Size of Utility	D	Small	

**Deemed Capital Structure**

	Debt	Equity	
Current	E1 50.0%	50.0%	E2 Based on C, copies the deemed D/E from row "2007" of the table
2008	F1 53.3%	46.7%	F2 Based on C, copies the deemed D/E from row "2008" of the table

**Cost of Capital**

Current	G	7.75%	= (E1 X B) + (E2 X A)	<b>Weighted Average Cost of capital</b>
2008	H	7.67%	= (F1 X B) + (F2 X A)	

**Return on Rate Base**

Current	I	\$ 490,259.34	= C X G / 100
2008	J	\$ 485,040.45	= C X H / 100

**Distribution Expenses and Revenue Requirement (before PILs)**

Distribution Expenses (other than PILs)	K	\$ 1,789,975	(Board Approved 2006 EDR Model, Sheet 4-1, Cell F15)
Base Revenue Requirement	L	\$ 1,914,562	(Board Approved 2006 EDR Model, Sheet 5-5, Cell F27)
Transformer Allowance Credit	M	\$ 22,840	(Board Approved 2006 EDR Model, Sheet 6-3, Cell "Total" in Row R120)

**Revenue Requirement (before PILs)**

Current	N	\$ 2,280,234.34	= I + K
2008	O	\$ 2,275,015.45	= J + K

**Target Net Income (EBIT)**

Current	\$ 284,666.72	P1 = I - P2
2008	\$ 265,878.71	Q1 = J - Q2

**Interest Expense**

Current	\$ 205,592.63	P2 = C X (B X E1 / 100)
2008	\$ 219,161.74	Q2 = C X (B X F1 / 100)

**PILs**

Tax Rate R 18.62% (Board Approved 2006 PILs Model, Sheet "Test Year PILs, Tax Provision", Cell D14)

Large Corporation Tax Allowance (if applicable) - grossed up	\$ -	S	(Board Approved 2006 PILs Model, Sheet "Test Year PILs, Tax Provision", Cell D31)
OCT (Rate Base less \$10,000,000 X 0.30%)	\$ 1,917	T	(Board Approved 2006 PILs Model, Sheet "Test Year PILs, Tax Provision", Cell D30)
PILs Allowance	\$ 1,917	U	(Board Approved 2006 PILs Model, Sheet "Test Year PILs, Tax Provision", Cell D33)
Taxable Income	Current \$ -	AC	(Board Approved 2006 PILs Model, Sheet "Test Year PILs, Tax Provision", Cell D11)
	2008 \$ - 3,498	AD	= AC + (Q1 - P1) * (R / 100)
Federal Tax (grossed up)	Current \$ -	V	= AC * (R / 100) / (1 - R / 100) 1,917
	2008 \$ - 800	W	= AD * (R / 100) / (1 - R / 100)

**Base Revenue Requirement Adjustment (including PILs)**

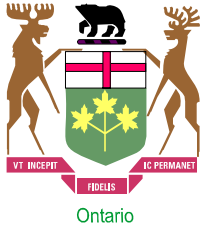
**Revenue Requirement (less LCT)** (LCT is removed as it was removed in from rates in 2007 EDR,

Current	\$ 2,282,151.34	X	= N + V + T
2008	\$ 2,276,132.02	Y	= O + W + T

**Base Revenue Requirement (plus transformer allowance credit)**

(Transformer allowance credit needs to be added onto revenue requirement for full rate recovery - similar to LCT calculation in 2007 EDR)

Current	\$ 1,937,402.19	Z	= L + M
2008	\$ 1,931,382.87	AA1	= Z + (Y - X)
Difference	\$ - 6,019.32	AA2	= AA1 - Z
K-factor	-0.3%	AB	= AA2 / Z



## 2008 INCENTIVE RATE MECHANISM ADJUSTMENT

**Kenora Hydro Electric Corporation Ltd.**

**EB-2007-XXXX, EB-2007-0547, EB-2005-0384**

**Monday, October 29, 2007**

### Sheet 7 - Price Cap Adjustment

Note: No inputs are required for this worksheet.

Price Escalator (GDP-IPI)	Average annual expected Productivity Gain (X)	(GDP-IPI) - X	K-Factor	Total Price Cap Adjustment
1.9%	1.0%	0.9%	-0.3%	0.6%
	Adjusted Monthly Service Charge	<b>Monthly Service Charge with Price Cap Adjustment</b>	Adjusted Volumetric Rate <b>(kW / kWh)</b>	<b>Volumetric Rate with Price Cap Adjustment</b>
<i>Residential</i>	\$ 13.30	\$ 13.38	\$ 0.0097	\$ 0.0098
<i>General Service Less Than 50 kW</i>	\$ 25.34	\$ 25.49	\$ 0.0040	\$ 0.0040
<i>General Service 50 to 4,999 kW</i>	\$ 366.02	\$ 368.22	\$ 1.2165	\$ 1.2238
<i>Unmetered Scattered Load</i>	\$ 12.78	\$ 12.86	\$ 0.0041	\$ 0.0041
<i>Street Lighting</i>	\$ 3.48	\$ 3.50	\$ 2.2887	\$ 2.3024



**2008 INCENTIVE RATE MECHANISM ADJUSTMENT MODEL**

**Kenora Hydro Electric Corporation Ltd.**

**EB-2007-XXXX, EB-2007-0547, EB-2005-0384**

**Monday, October 29, 2007**

**Sheet 8 - Addback of Smart Meter Rate Adder**

Note: No inputs are required for this worksheet.

Class	Monthly Service Charge \$	Add: Smart Meter Rate Adder \$	Adjusted Monthly Service Charge \$	Adjusted Volumetric Charge kW / kWh
<i>Residential</i>	\$ 13.38	\$ 0.26	\$ 13.64	0.0098
<i>General Service Less Than 50 kW</i>	\$ 25.49	\$ 0.26	\$ 25.75	0.0040
<i>General Service 50 to 4,999 kW</i>	\$ 368.22	\$ 0.26	\$ 368.48	1.2238
<i>Unmetered Scattered Load</i>	\$ 12.86	\$ -	\$ 12.86	0.0041
<i>Street Lighting</i>	\$ 3.50	\$ -	\$ 3.50	2.3024





**2008 INCENTIVE RATE MECHANISM ADJUSTMENT**

**Kenora Hydro Electric Corporation Ltd.**

**EB-2007-XXXX, EB-2007-0547, EB-2005-0384**

**Monday, October 29, 2007**

**Sheet 9. - Z-Factor Rate Rider Adjustment**

Is the Applicant seeking Board approval for other rate adjustments?  YES  NO

Z-Factor rate riders being applied for as part of the 2008 IRM rate adjustments should comply with Section 3.5 and Appendix C of the *Report of the Board on Cost of Capital and 2nd Generation Regulation Mechanism for Ontario's Electricity Distributors*, issued December 20, 2006 (link [http://www.oeb.gov.on.ca/documents/cases/EB-2006-0088/report\\_of\\_the\\_board\\_201206.pdf](http://www.oeb.gov.on.ca/documents/cases/EB-2006-0088/report_of_the_board_201206.pdf) ). Rate riders applied for should comply with the eligibility requirements. A distributor should also file adequate support for its proposal.

In columns C and D below, insert the Z-Factor rate riders associated with the rate adjustment. Provide a brief explanation about the nature of the rate adjustment.

Class	<i>Monthly Service Charge Rate Rider</i> \$	<i>Volumetric Charge Rate Rider</i> kW / kWh
<i>Residential</i>		
<i>General Service Less Than 50 kW</i>		
<i>General Service 50 to 4,999 kW</i>		
<i>Unmetered Scattered Load</i>		
<i>Street Lighting</i>		

# Kenora Hydro Electric Corporation Ltd.

## Tariff OF RATES AND CHARGES

Effective May 1, 2008\*

(\*Except as otherwise noted)

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

EB-2007-0547

FOR OEB STAFF USE ONLY

### MONTHLY RATES AND CHARGES

#### Residential

Service Charge	\$	13.64
Distribution Volumetric Rate	\$/kWh	0.0098
Retail Transmission Rate – Network Service Rate	\$/kWh	0.0049
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kWh	0.0017
Wholesale Market Service Rate	\$/kWh	0.0052
Rural Rate Protection Charge	\$/kWh	0.0010
Standard Supply Service – Administrative Charge (if applicable)	\$	0.25

#### General Service Less Than 50 kW

Service Charge	\$	25.75
Distribution Volumetric Rate	\$/kWh	0.0040
Retail Transmission Rate – Network Service Rate	\$/kWh	0.0044
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kWh	0.0015
Wholesale Market Service Rate	\$/kWh	0.0052
Rural Rate Protection Charge	\$/kWh	0.0010
Standard Supply Service – Administrative Charge (if applicable)	\$	0.25

### General Service 50 to 4,999 kW

Service Charge	\$	368.48
Distribution Volumetric Rate	\$/kW	1.2238
Retail Transmission Rate – Network Service Rate	\$/kW	1.8149
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kW	0.5930
Wholesale Market Service Rate	\$/kWh	0.0052
Rural Rate Protection Charge	\$/kWh	0.0010
Standard Supply Service – Administrative Charge (if applicable)	\$	0.25

### Unmetered Scattered Load

Service Charge	\$	12.86
Distribution Volumetric Rate	\$/kWh	0.0041
Retail Transmission Rate – Network Service Rate	\$/kWh	0.0044
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kWh	0.0015
Wholesale Market Service Rate	\$/kWh	0.0052
Rural Rate Protection Charge	\$/kWh	0.0010
Standard Supply Service – Administrative Charge (if applicable)	\$	0.25

### Street Lighting

Service Charge	\$	3.50
Distribution Volumetric Rate	\$/kW	2.3024
Retail Transmission Rate – Network Service Rate	\$/kW	1.3687
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kW	0.4584
Wholesale Market Service Rate	\$/kWh	0.0052
Rural Rate Protection Charge	\$/kWh	0.0010
Standard Supply Service – Administrative Charge (if applicable)	\$	0.25







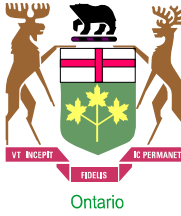
## Specific Service Charges

### Customer Administration

Arrears certificate	\$	15.00
Statement of account	\$	15.00
Duplicate invoices for previous billing	\$	15.00
Request for other billing information	\$	15.00
Easement letter	\$	15.00
Income tax letter	\$	15.00
Account history	\$	15.00
Credit reference/credit check (plus credit agency costs)	\$	25.00
Returned cheque charge (plus bank charges)	\$	25.00
Legal letter charge	\$	15.00
Account set up charge/change of occupancy charge (plus credit agency costs if applicable)	\$	30.00
Special meter reads	\$	30.00
Meter dispute charge plus Measurement Canada fees (if meter found correct)	\$	30.00

### Non-Payment of Account

Late Payment - per month	%	1.50
Late Payment - per annum	%	19.56
Disconnect/Reconnect at meter - during regular hours	\$	65.00
Disconnect/Reconnect at meter - after regular hours	\$	185.00
Disconnect/Reconnect at pole - during regular hours	\$	185.00
Disconnect/Reconnect at pole - after regular hours	\$	415.00
Install/Remove load control device - during regular hours	\$	65.00
Install/Remove load control device - after regular hours	\$	185.00



## 2008 INCENTIVE RATE MECHANISM ADJUSTMENT MODEL

### **Kenora Hydro Electric Corporation Ltd.**

**EB-2007-XXXX, EB-2007-0547, EB-2005-0384**

**Monday, October 29, 2007**

## Sheet 11 - Distribution Rate Change Summary

Note: No inputs are required for this worksheet.

#### Residential

Data	Fixed (\$)	Volumetric \$ per kW / kWh
2007 Rates	\$ 13.56	\$ 0.0097
Less: Smart meters	-\$ 0.26	\$ -
Less: CDM	\$ -	\$ -
Add: GDP-IPI - X	\$ 0.12	\$ 0.0001
Add: K-Factor	\$ (0.04)	\$ 0.0000
Add: Smart Meters	\$ 0.26	\$ -
<b>Final 2008 Rates</b>	<b>\$ 13.64</b>	<b>\$ 0.0098</b>

#### General Service Less Than 50 kW

Data	Fixed (\$)	Volumetric \$ per kW / kWh
2007 Rates	\$ 25.60	\$ 0.0040
Less: Smart meters	-\$ 0.26	\$ -
Less: CDM	\$ -	\$ -
Add: GDP-IPI - X	\$ 0.23	\$ 0.0000
Add: K-Factor	\$ (0.08)	\$ 0.0000
Add: Smart Meters	\$ 0.26	\$ -
<b>Final 2008 Rates</b>	<b>\$ 25.75</b>	<b>\$ 0.0040</b>

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

Data	Fixed (\$)	Volumetric \$ per kW / kWh
2007 Rates	\$ 366.28	\$ 1.2165
Less: Smart meters	-\$ 0.26	\$ -
Less: CDM	\$ -	\$ -
Add: GDP-IPI - X	\$ 3.29	\$ 0.0109
Add: K-Factor	\$ (1.10)	\$ 0.0036
Add: Smart Meters	\$ 0.26	\$ -
<b>Final 2008 Rates</b>	<b>\$ 368.48</b>	<b>\$ 1.2238</b>

#### Unmetered Scattered Load

Data	Fixed (\$)	Volumetric \$ per kW / kWh
2007 Rates	\$ 12.78	\$ 0.0041
Less: Smart meters	\$ -	\$ -
Less: CDM	\$ -	\$ -
Add: GDP-IPI - X	\$ 0.12	\$ 0.0000
Add: K-Factor	\$ (0.04)	\$ 0.0000
Add: Smart Meters	\$ -	\$ -
<b>Final 2008 Rates</b>	<b>\$ 12.86</b>	<b>\$ 0.0041</b>

#### Street Lighting

Data	Fixed (\$)	Volumetric \$ per kW / kWh
2007 Rates	\$ 3.48	\$ 2.2887
Less: Smart meters	\$ -	\$ -
Less: CDM	\$ -	\$ -
Add: GDP-IPI - X	\$ 0.03	\$ 0.0206
Add: K-Factor	\$ (0.01)	\$ 0.0069
Add: Smart Meters	\$ -	\$ -
<b>Final 2008 Rates</b>	<b>\$ 3.50</b>	<b>\$ 2.3024</b>





2008 INCENTIVE RATE MECHANISM ADJUSTMENT MODEL

**Kenora Hydro Electric Corporation Ltd.**

**EB-2007-XXXX, EB-2007-0547, EB-2005-0384**

**Monday, October 29, 2007**

**Sheet 12 - Annualized Bill Impact**

**Instructions**

(Remember, green cells are input cells)

1. Enter your desired consumption in both kWh and kW (if needed) into the green cells beneath the class name.
2. The Debt Retirement Charge (DRC) has been set at \$0.07. The figure can be overwritten if your LDC bills a different amount for the DRC.

Regulated Price Plan Residential	May-07 Threshold	May-07 \$ / kWh	May-08 Threshold	May-08 \$ / kWh
less than or equal to	600 \$	0.053	600 \$	0.053
greater than	> 600 \$	0.062	> 600 \$	0.062

Regulated Price Plan Non-Residential	May-07 Threshold	May-07 \$ / kWh	May-08 Threshold	May-08 \$ / kWh
less than or equal to	750 \$	0.053	750 \$	0.053
greater than	> 750 \$	0.062	> 750 \$	0.062

**Residential**

<b>Consumption</b>	<b>1,000 kWh</b>	<b>0 kW</b>	<b>Loss Factor 1.043</b>
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	2007 BILL			2008 BILL			IMPACT		
	Volume	RATE \$	CHARGE \$	Volume	RATE \$	CHARGE \$	\$	%	% of Total Bill
Energy First Tier (kWh)	600	\$ 0.0530	\$ 31.80	600	\$ 0.0530	\$ 31.80	\$0.00	0.0%	29.04%
Energy Second Tier (kWh)	443	\$ 0.0620	\$ 27.47	443	\$ 0.0620	\$ 27.47	\$0.00	0.0%	25.08%
<b>Sub-Total: Energy</b>			<b>\$ 59.27</b>			<b>\$ 59.27</b>	<b>\$0.00</b>	<b>0.0%</b>	<b>54.12%</b>
Monthly Service Charge	1	\$ 13.56	\$ 13.56	1	\$ 13.64	\$ 13.64	\$0.08	0.6%	12.46%
Distribution (kWh)	1,000	\$ 0.0097	\$ 9.70	1,000	\$ 0.0098	\$ 9.80	\$0.10	1.0%	8.95%
Distribution (kW)	0	\$ -	\$ -	0	\$ -	\$ -	\$0.00	0.0%	0.00%
Regulatory Assets (kWh)	1,000	-\$ 0.0015	-\$ 1.50	1,000	\$ -	\$ -	-\$1.50	(100.0)%	0.00%
Rate Riders	1,000	\$ -	\$ -	1,000	\$ -	\$ -	\$0.00	0.0%	0.00%
Monthly Rate Rider Adjustment (Sheet 9)	N/A	N/A	N/A	1	\$ -	\$ -	\$0.00	0.0%	0.00%
Volumetric Rate Rider Adjustment (Sheet 9)	N/A	N/A	N/A	1,000	\$ -	\$ -	\$0.00	0.0%	0.00%
Retail Transmission Rate – Network Service Rate	1,043	\$ 0.0049	\$ 5.11	1,043	\$ 0.0049	\$ 5.11	\$0.00	0.0%	4.67%
Retail Transmission Rate – Line and Transformation Connection Service Rate	1,043	\$ 0.0017	\$ 1.77	1,043	\$ 0.0017	\$ 1.77	\$0.00	0.0%	1.62%
<b>Sub-Total: Delivery</b>			<b>\$ 28.64</b>			<b>\$ 30.32</b>	<b>\$1.68</b>	<b>5.9%</b>	<b>27.69%</b>
Wholesale Market Service Rate	1043	\$ 0.0052	\$ 5.42	1043	\$ 0.0052	\$ 5.42	\$0.00	0.0%	4.95%
Rural Rate Protection Charge	1043	\$ 0.0010	\$ 1.04	1043	\$ 0.0010	\$ 1.04	\$0.00	0.0%	0.95%
Regulated Price Plan – Administration Charge	1	\$ 0.2500	\$ 0.25	1	\$ 0.2500	\$ 0.25	\$0.00	0.0%	0.23%
<b>Sub-Total: Regulatory</b>			<b>\$ 6.72</b>			<b>\$ 6.72</b>	<b>\$0.00</b>	<b>0.0%</b>	<b>6.13%</b>
<b>Debt Retirement Charge (DRC)</b>	1,000	\$ 0.0070	\$ 7.00	1,000	\$ 0.0070	\$ 7.00	<b>\$0.00</b>	<b>0.0%</b>	<b>6.39%</b>
<b>Total Bill before Taxes</b>			<b>\$ 101.63</b>			<b>\$ 103.31</b>	<b>\$1.68</b>	<b>1.7%</b>	<b>94.34%</b>
<b>GST</b>	\$ 101.63	6.00%	\$ 6.10	\$ 103.31	6.00%	\$ 6.20	<b>\$0.10</b>	<b>1.7%</b>	<b>5.66%</b>
<b>Total Bill after Taxes</b>			<b>\$ 107.72</b>			<b>\$ 109.50</b>	<b>\$1.78</b>	<b>1.7%</b>	<b>100.00%</b>

