



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

November 3, 2008

Attention: Board Secretary

Re: Kenora Hydro Electric Corporation Ltd. (ED-2003-0030) 2009 IRM Application

Dear Ms. Walli:

Kenora Hydro submits this 2009 IRM application and requests a final order for Electricity Distribution Rates commencing May 1, 2009.

This application contains 2 paper copies of the Manager's Summary and the 2009 IRM Model.

Also enclosed is a CD containing the electronic files of these materials, as follows:

- Kenora_APPL_20081101.doc (Cover letter + Manager's Summary)
- Kenora_APPL_20081101.xls (2009 IRM Model – excel)
- Kenora_APPL_20081101.pdf (Single PDF of entire filing)

These files have also been e-mailed to Boardsec@oeb.gov.on.ca as of the date of this letter. Electronic filing of the searchable PDF file was submitted on November 3, 2008 through the Board's web portal.

Sincerely,

Janice Robertson
Manager of Finance & Regulatory Affairs
Kenora Hydro Electric Corporation Ltd.
Ph (807) 467-2014
Fax (807) 467-2068
jrobertson@kenora.ca

Encls.



MANAGER'S SUMMARY

Kenora Hydro submits the 2009 IRM Model using the Model and instructions as provided by the Board.

Smart Meter Adder

Kenora Hydro has applied for the standard \$1.00 smart meter funding adder in this Rate Model.

- It is anticipated that 100% of Kenora Hydro residential and general service less than 50 kW customers will be switched to smart meters in 2009. (Approximately 5,600 meters)
- The expected cost per meter installed is \$110.87. In total, it is anticipated that approximately \$620,872 will be spent to install 100% of the smart meters.
- Kenora Hydro is a member of the London Hydro Smart Meter Consortium, and as such, has not and does not expect to purchase smart meters or "AMI" whose functionality will exceed the minimum functionality adopted in O. Reg. 425/06.
- Kenora Hydro has not, and does not expect to incur any costs associated with functions for which the SME has exclusive authority to carry out pursuant to O. Reg. 393/07.

Elster was selected through the London Group as our vendor of record. We are in negotiation to finalize this contract, expected to be awarded by January, 2009. Similarly, we are in the final negotiations of the install RFP award and expect it to be completed by January 2009. The install timeline for Kenora is May/June/July 2009.

Conservation & Demand Management

No CDM adjustment was required in this filing, as there was no approval for incremental CDM spending approved in the 2009 Rates.

"K-Factor"

Kenora Hydro is classified as a small utility, therefore the K-Factor as calculated by this model is (0.3%).

Network and Connection Rates

As detailed in the OEB Guideline G-2008-0001 "Electricity Distribution Retail Transmission Service Rates" issued October 22, 2008, this rate filing includes a proposed adjustment to customer rates for Network and Connection charges, as a result of the IESO's increased charges to distributors. An analysis of the impact of the increase from the IESO on the Network and Connection variance accounts has resulted in a requested increase of 9% for the customer Network Service rate, and a 5% increase in customer rates for the Connection Service charge. The increases are to be applied uniformly to all rate classes, effective May 1, 2009. The analysis indicates that the proposed IESO rate increases require these adjustments to customer rates in order to minimize the impact on the two corresponding variance accounts. A summary of the impacts follows in this document as Schedule 1. Details are presented in Schedules 2 and 3 in the pdf document Kenora_APPL_20081101.



Rate Impacts

The distribution rate adjustments proposed in the 2009 IRM have the following impact on rates, using consumption as prescribed in the model:

<u>Customer Class</u>	<u>Rate Impact</u>
Residential customers (at 1,000 kwh)	\$1.55 = 1.4% increase
General Service < 50 kW (at 10,000 kwh)	\$5.38 = 0.6% increase
General Service > 50 kW (at 715,000 kwh, 2,480kW)	\$455.40 = 0.7% increase
Unmetered Scattered Load (at 10,000 kwh)	\$4.49 = 0.5% increase
Streetlights (at 180 kwh, 0.5 kW)	\$0.19 = 0.9% increase

The distribution rate adjustments proposed in the 2009 IRM have the following impact on rates, using typical consumption by class for Kenora Hydro customers:

<u>Customer Class</u>	<u>Rate Impact</u>
Residential customers (at 1,000 kwh)	\$1.55 = 1.4% increase
General Service < 50 kW (at 2,000 kwh)	\$1.86 = 0.9% increase
General Service > 50 kW (at 30,000 kwh, 70kW)	\$16.62 = 0.5% increase
Unmetered Scattered Load (at 9,000 kwh)	\$4.04 = 0.5% increase
Streetlights (at 273 kwh, 0.8 kW)	\$0.19 = 0.7% increase

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 2009 Incentive Regulation Mechanism Distribution Rate Adjustments, of October 3, 2008, as well as Guidelines G-2008-0001 and G-2008-0002 of October 22, 2008.

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

Kenora Hydro
Network and Connection Rates
Impact on Variance Accounts

Network Variance Account

Expense from IESO will be increased by 11.3% May 1, 2009

With the increase in IESO Network Service rate:

	Estimated 2009
2009 If No Change in Customer Rates	
Annual Revenue with rates as at May 1, 2008	434,976
Annual Expense with IESO rate increase Jan 1, 2009	460,085
	(25,109)

	Estimated 2009
2009 With a 9 % Increase in Customer Rates	
Annual Revenue with increase effective May 1, 2009	460,894
Annual Expense with IESO rate increase Jan 1, 2009	460,085
	809

With a 9% increase in customer rates effective May 1, 2009, there will be no material change in the variance account by the end of 2009.

Connection Variance Account

Line Connection expense from IESO will be increased 18.6% effective January 1, 2009.

Kenora Hydro owns the Transformers, no IESO Transformation Connection charges are paid by Kenora Hydro.

Monthly variance changes are minimal, rate was re-set in May 1, 2007 rate filing to correct for majority of growth in variance account.

With the increase of 18.6% in IESO Line Connection Service rate:

	Estimated 2009
2009 If No Change in Customer Rates	
Annual Revenue with rates as at May 1, 2008	132,252
Annual Expense with IESO rate increase Jan 1, 2009	136,137
	(3,885)

	Estimated 2009
2009 With a 5 % Increase in Customer Rates	
Annual Revenue with increase effective May 1, 2009	136,314
Annual Expense with IESO rate increase Jan 1, 2009	136,137
	178

With a 5% increase in customer rates effective May 1, 2009, there will be no material change in the variance account by the end of 2009.



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2nd Generation Incentive Regulation Mechanism



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Please note that this model uses MACROS. Before starting, please ensure that macros have been enabled. For best viewing, set your screen resolution to 1280 by 960 pixels

Applicant Name	Kenora Hydro Electric Corporation Ltd.
Applicant Service Area	Main
OEB Application Number	EB-2008-0190
LDC Licence Number	ED-2003-0030
Notice Publication Language	English
DRC Rate	0.00700
Customer Bills	12 per year
Distribution Demand Bill Determinant	kW
RTSR - Low Voltage	No

Contact Information

Name:	Janice Robertson
Title:	Manager of Finance & Regulatory Affairs
Phone Number:	807-467-2014
E-Mail Address:	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 2nd Generation Incentive Regulation of Ontario's Electricity Distributors", the Report governs.

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.



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Sheet Name	Purpose of Sheet	
A1.1 LDC Information	Enter LDC Data	
A2.1 Table of Contents	Table of Contents	
B1.1 Curr&Appl Rt Class General	Set up Tariff Sheet Rate Classes - General	
B2.1 Curr&Appl Rt Class Unique	Set up Tariff Sheet Rate Classes - Unique	
C1.1 Smart Meters Rate Adder	Enter Smart Meter Rate Adder	
C2.1 Smart Meter Cost Recovery		0
C2.2 Regulatory Asset Recovery		0
C2.3 LV Wheeling		0
C3.1 Curr Rates & Chgs General	Enter Current Tariff Sheet Rates - General Rate Classes	
C6.1 Curr Rates & Chgs Unique	Enter Current Tariff Sheet Rates - Unique Rate Classes (if applicable)	
C7.1 Base Dist Rates Gen	Calculation of Base Distribution Rates - General Rate Classes	
C8.1 Base Dist Rates Unique	Calculation of Base Distribution Rates - Unique Rate Classes	
D1.1 K-factor Adjustment Wrkshd	Enter 2006 EDR K-Factor Adjustment Data	
D1.2 K-factor Adjustment - Gen	Calculation of Adjustment to Rates for K-Factor - General Rate Class	
D1.3 K-factor Adjustment - Uniq	Calculation of Adjustment to Rates for K-Factor - Unique Rate Class	
D2.1 Federal Tax Adjust Wrkshd	Enter Federal Tax Adjustment Data	
D2.2 Federal Tax Adjustment Gen	Calculation of Adjustment to Rates for Federal Taxes - General Rate Classes	
D2.3 Federal Tax Adjustment Unq	Calculation of Adjustment to Rates for Federal Taxes - Unique Rate Classes	
E1.1 Rate Reb Base Dist Rts Gen	Calculation of Rates before Price Cap Adjustment - General Rate Classes	
E2.1 Rate Reb Base Dist Rts Unq	Calculation of Rates before Price Cap Adjustment - Unique Rate Classes	
F1.1 Price Cap Adjustmnt Wrkshd	Enter Price Cap Adjustment Data	
F1.2 Price Cap Adjustment - Gen	Calculation of Adjustment to Rates for Price Cap Adjustment - General Rate Classes	
F1.3 Price Cap Adjustment - Unq	Calculation of Adjustment to Rates for Price Cap Adjustment - Unique Rate Classes	
G1.1 Aft PrcCp Base Dst Rts Gen	Base Distribution Rates after Price Cap Adjustment - General Rate Class	
G2.1 AftPrcCp Bas Dst Rts Uniq	Base Distribution Rates after Price Cap Adjustment - Unique Rate Class	
J1.1 Smart Meters Rate Adder	Enter Proposed Tariff Sheet Smart Meter Rate Adder	
J2.1 Smart Meter Cost Recovery		0
J2.2 Regulatory Asset Recovery		0
J2.3 LV Wheeling		0
K1.1 App For Dist Rates Gen	Calculation of Proposed Distribution Rates - General Rate Classes	
K2.1 App For Dist Rates Uniq	Calculation of Proposed Distribution Rates - Unique Rate Classes	
L1.1 Curr&Appl For TX Network	To input adjustment changes for Retail Transmission Network Rates General	
L1.2 Curr&Appl For TX Net Uniq	To input adjustment changes for Retail Transmission Network Rates Unique	
L2.1 Curr&Appl For TX Connect	To input adjustment changes for Retail Transmission Connection Rates General	
L2.2 Curr&Appl For TX Conn Uniq	To input adjustment changes for Retail Transmission Connection Rates Unique	
N1.1 Appl For Mthly R&C General	Monthly Rates and Charges - General Rate Classes	
N2.1 Appl For Mthly R&C Unique	Monthly Rates and Charges - Unique Rate Classes	
N3.1 Curr&Appl For Loss Factor	Enter Loss Factors From Current Tariff Sheet	
O1.1 Sum of Chgs To MSC&DX Gen	Shows Summary of Changes To General Service Charge and Distribution Volumetric Charge	
O1.2 Sum of Chgs To MSC&DX Uniq	Shows Summary of Changes To Unique Service Charge and Distribution Volumetric Charge	
O2.1 Calculation of Bill Impact	Bill Impact Calculations	
P1.1 Curr&Appl For Allowances	Enter Allowances from Current Tariff Sheets	
P2.1 Curr&Appl For Spc Srv Chg	Enter Specific Service Charges from Current Tariff Sheets	
P3.1 Curr&Appl For Rtl Srv Chg	Enter Retail Service Charges from Current Tariff Sheets	



2nd Generation Incentive Regulation Mechanism

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Instructions

Using the pull-down list in column C and D, choose the general classes that match those on your Board-Approved 2008 Tariff of Rates and Charges.

In column E, indicate whether the class is **NEW, CONTINUING, OR DISCONTINUING**.

(If a Rate Classification needs to be added to the pull-down list, please contact the Board.)

<u>Rate Group</u>	<u>Rate Class</u>	<u>Applied for Status</u>	<u>Fixed Metric</u>	<u>Vol Metric</u>
RES	Residential	Continuing	Customer - 12 per year	kWh
GSLT50	General Service Less Than 50 kW	Continuing	Customer - 12 per year	kWh
GSGT50	General Service 50 to 4,999 kW	Continuing	Customer - 12 per year	kW
SL	Street Lighting	Continuing	Connection - 12 per year	kW
USL	Unmetered Scattered Load	Continuing	Connection - 12 per year	kWh
NA	Rate Class 6	NA	NA	NA
NA	Rate Class 7	NA	NA	NA
NA	Rate Class 8	NA	NA	NA
NA	Rate Class 9	NA	NA	NA
NA	Rate Class 10	NA	NA	NA
NA	Rate Class 11	NA	NA	NA
NA	Rate Class 12	NA	NA	NA
NA	Rate Class 13	NA	NA	NA
NA	Rate Class 14	NA	NA	NA
NA	Rate Class 15	NA	NA	NA
NA	Rate Class 16	NA	NA	NA
NA	Rate Class 17	NA	NA	NA
NA	Rate Class 18	NA	NA	NA
NA	Rate Class 19	NA	NA	NA
NA	Rate Class 20	NA	NA	NA
NA	Rate Class 21	NA	NA	NA
NA	Rate Class 22	NA	NA	NA
NA	Rate Class 23	NA	NA	NA
NA	Rate Class 24	NA	NA	NA
NA	Rate Class 25	NA	NA	NA



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Instructions

Using the pull-down list in column C and D, choose the unique classes that match those on your Board-Approved 2008 Tariff of Rates and Charges.

In column E, indicate whether the class is NEW, CONTINUING, OR DISCONTINUING.

(If a Rate Classification needs to be added to the pull-down list, please contact the Board.)

Rate Group	Rate Class	Applied for Status	Fixed Metric	Vol Metric
NA	Rate Class 26	NA	NA	NA
NA	Rate Class 27	NA	NA	NA
NA	Rate Class 28	NA	NA	NA
NA	Rate Class 29	NA	NA	NA
NA	Rate Class 30	NA	NA	NA
NA	Rate Class 31	NA	NA	NA
NA	Rate Class 32	NA	NA	NA
NA	Rate Class 33	NA	NA	NA
NA	Rate Class 34	NA	NA	NA
NA	Rate Class 35	NA	NA	NA



Email



Instructions

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 rate adder in cell D28. For most utilities, the rate adder can be located in the Board-approved 2008 IRM model, worksheet "8. Addback of Smart Meter Amt", column D.

Rate Adder	Smart Meters Rate Adder
Applied for Status	Continuing
Metric Applied To	Metered Customers
Method of Application	Uniform Service Charge
Uniform Service Charge Amount	0.260000

<u>Rate Class</u>	<u>Applied to Class</u>	<u>Fixed Amount</u>	<u>Fixed Metric</u>	<u>Vol Amount</u>	<u>Vol Metric</u>
Residential	Yes	0.260000	Customer - 12 per year	0.000000	kWh
General Service Less Than 50 kW	Yes	0.260000	Customer - 12 per year	0.000000	kWh
General Service 50 to 4,999 kW	Yes	0.260000	Customer - 12 per year	0.000000	kW

Rate Rider	Smart Meter Cost Recovery
Sunset Date	<small>DD/MM/YYYY</small>
Metric Applied To	Metered Customers
Method of Application	Uniform Service Charge
Uniform Service Charge Amount	0.000000

Rate Class	Applied to Class	Fixed Amount	Fixed Metric	Vol Amount	Vol Metric
Residential	Yes	0.000000	Customer - 12 per year	0.000000	kWh
General Service Less Than 50 kW	Yes	0.000000	Customer - 12 per year	0.000000	kWh
General Service 50 to 4,999 kW	Yes	0.000000	Customer - 12 per year	0.000000	kW

Rate Rider	Regulatory Asset Recovery
Sunset Date	DD/MM/YYYY
Metric Applied To	All Customers
Method of Application	Distinct Volumetric

Rate Class	Applied to Class	Fixed Amount	Fixed Metric	Vol Amount	Vol Metric
Residential	No	0.000000	Customer - 12 per year	0.000000	kWh
General Service Less Than 50 kW	No	0.000000	Customer - 12 per year	0.000000	kWh
General Service 50 to 4,999 kW	No	0.000000	Customer - 12 per year	0.000000	kW
Street Lighting	No	0.000000	Connection - 12 per year	0.000000	kW
Unmetered Scattered Load	No	0.000000	Connection -12 per year	0.000000	kWh

Rate Rider	LV Wheeling
Sunset Date	DD/MM/YYYY
Metric Applied To	All Customers
Method of Application	Distinct Volumetric

Rate Class	Applied to Class	Fixed Amount	Fixed Metric	Vol Amount	Vol Metric
Residential	No	0.000000	Customer - 12 per year	0.000000	kWh
General Service Less Than 50 kW	No	0.000000	Customer - 12 per year	0.000000	kWh
General Service 50 to 4,999 kW	No	0.000000	Customer - 12 per year	0.000000	kW
Street Lighting	No	0.000000	Connection - 12 per year	0.000000	kW
Unmetered Scattered Load	No	0.000000	Connection -12 per year	0.000000	kWh



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Instructions

Enter your Board-Approved 2008 Tariff of Rates and Charges for all General Classes

Rate Class

Residential

Rate Description	Metric	Rate
Service Charge	\$	13.67
Distribution Volumetric Rate	\$/kWh	0.0098
Retail Transmission Rate – Network Service Rate	\$/kWh	0.0043
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kWh	0.0012
Wholesale Market Service Rate	\$/kWh	0.0052
Rural Rate Protection Charge	\$/kWh	0.0010
Standard Supply Service – Administrative Charge (if applicable)	\$	0.25

Rate Class

General Service Less Than 50 kW

Rate Description	Metric	Rate
Service Charge	\$	25.80
Distribution Volumetric Rate	\$/kWh	0.0040
Retail Transmission Rate – Network Service Rate	\$/kWh	0.0038
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kWh	0.0011
Wholesale Market Service Rate	\$/kWh	0.0052
Rural Rate Protection Charge	\$/kWh	0.0010
Standard Supply Service – Administrative Charge (if applicable)	\$	0.25

Rate Class

General Service 50 to 4,999 kW

Rate Description	Metric	Rate
Service Charge	\$	369.21
Distribution Volumetric Rate	\$/kW	1.2262
Retail Transmission Rate – Network Service Rate	\$/kW	1.5790
	\$/kW	0.0000
	\$/kW	0.0000
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kW	0.4299
	\$/kW	0.0000
	\$/kW	0.0000
Wholesale Market Service Rate	\$/kWh	0.0052
Rural Rate Protection Charge	\$/kWh	0.0010
Standard Supply Service – Administrative Charge (if applicable)	\$	0.25

Rate Class

Street Lighting

Rate Description	Metric	Rate
Service Charge (per connection)	\$	3.51
Distribution Volumetric Rate	\$/kW	2.3070
Retail Transmission Rate – Network Service Rate	\$/kW	1.1908
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kW	0.3323
Wholesale Market Service Rate	\$/kWh	0.0052
Rural Rate Protection Charge	\$/kWh	0.0010
Standard Supply Service – Administrative Charge (if applicable)	\$	0.25

Rate Class

Unmetered Scattered Load

Rate Description	Metric	Rate
Service Charge (per connection)	\$	12.88
Distribution Volumetric Rate	\$/kWh	0.0041
Retail Transmission Rate – Network Service Rate	\$/kWh	0.0038
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kWh	0.0011
Wholesale Market Service Rate	\$/kWh	0.0052
Rural Rate Protection Charge	\$/kWh	0.0010
Standard Supply Service – Administrative Charge (if applicable)	\$	0.25



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Instructions

Enter your Board-Approved 2008 Tariff of Rates and Charges for the Unique classes



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Instructions

No input required.

The sheet provides a breakdown for the determination of "Current Base Rates" for all general classes.

Service Charge

<u>Class</u>	<u>Metric</u>	<u>Current Rates</u>	<u>Smart Meters Rate Adder</u>	<u>Current Base Rates</u>
Residential	Customer - 12 per year	13.670000	0.260000	13.410000
General Service Less Than 50 kW	Customer - 12 per year	25.800000	0.260000	25.540000
General Service 50 to 4,999 kW	Customer - 12 per year	369.210000	0.260000	368.950000
Street Lighting	Connection - 12 per year	3.510000	0.000000	3.510000
Unmetered Scattered Load	Connection -12 per year	12.880000	0.000000	12.880000

Distribution Volumetric Rate

<u>Class</u>	<u>Metric</u>	<u>Current Rates</u>	<u>Smart Meters Rate Adder</u>	<u>Current Base Rates</u>
Residential	kWh	0.009800	0.000000	0.009800



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K-Factor Derivation Worksheet

Please enter the required information into the green-shaded cells.

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	
2006	E1 50.0%	50.0%	E2
2008	F1 53.3%	46.7%	F2
2009	F1.2 56.7%	43.3%	F2.2

Based on C, copies the deemed D/E from row "2007" of the table
Based on C, copies the deemed D/E from row "2008" of the table
Based on C, copies the deemed D/E from row "2009" of the table

Cost of Capital

2006	G	7.75%	= (E1 X B) + (E2 X A)	Weighted Average Cost of capital
2008	H	7.67%	= (F1 X B) + (F2 X A)	
2009	H1	7.58%	= (F1.2 X B) + (F2.2 X A)	

Return on Rate Base

2006	I	\$ 490,259.34	= C X G / 100
2008	J	\$ 485,040.45	= C X H / 100
2009	J1	\$ 479,663.41	= C X H1 / 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)

2006	N	\$ 2,280,234.34	= I + K
2008	O	\$ 2,275,015.45	= J + K
2009	O2	\$ 2,269,638.41	= J1 + K

Target Net Income (EBIT)

2006	\$ 284,666.72	P1 = I - P2
2008	\$ 265,878.71	Q1 = J - Q2
2009	\$ 246,521.38	Q1.2 = J1 - Q2.2

Interest Expense

2006	\$ 205,592.63	P2 = C X (B X E1 / 100)
2008	\$ 219,161.74	Q2 = C X (B X F1 / 100)
2009	\$ 233,142.04	Q2.2 = C X (B X F1.2 / 100)

PILs

Tax Rate	R	18.62%	(Board Approved 2006 PILs Model, Sheet "Test Year PILs, Tax Provision", Cell D14)
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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	2006 \$ -	AC	(Board Approved 2006 PILs Model, Sheet "Test Year PILs, Tax Provision", Cell D11)
	2008 \$ 3,498	AD	= AC + (Q1 - P1) * (R / 100)
	2009 \$ 7,103	AD1	= AC + (Q1.2 - P1) * (R / 100)
Federal Tax (grossed up)	2006 \$ -	V	= AC * (R / 100) / (1 - R / 100)
	2008 \$ 800	W	= AD * (R / 100) / (1 - R / 100)
	2009 \$ 1,625	W1	= AD1 * (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)
2006	\$ 2,282,151.34 X = N + V + T
2008	\$ 2,276,132.02 Y = O + W + T
2009	\$ 2,269,930.30 Y2 = O2 + 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)

2006	\$ 1,937,402.19	Z	= L + M
2008	\$ 1,931,382.87	AA1	= Z + (Y - X)
2009	\$ 1,925,181.15	AA1.2	= Z + (Y2 - X)
Difference	2008 \$ 6,019.32	AA2	= AA1 - Z
	2009 \$ 6,201.72	AA2.2	= AA1.2 - AA1
K-factor	2008	-0.3%	AB = AA2 / Z
	2009	-0.3%	AC = AA2.2 / AA1



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Instructions

This worksheet applies the 2009 K-Factor adjustment from Sheet D1.1 to all general classes.

No input required.

Rate Rebalancing Adjustment

K-factor Adjustment - General

Metric Applied To

All Customers

Method of Application

Both Uniform%

Uniform Service Charge Percent

-0.300%

Uniform Volumetric Charge Percent

-0.300% kWh
-0.300% kW

Monthly Service Charge

Class	Metric	Base Rate	To This Class	% Adjustment	Adj To Base
Residential	Customer - 12 per year	13.410000	Yes	-0.300% -	0.040230
General Service Less Than 50 kW	Customer - 12 per year	25.540000	Yes	-0.300% -	0.076620
General Service 50 to 4,999 kW	Customer - 12 per year	368.950000	Yes	-0.300% -	1.106850
Street Lighting	Connection - 12 per year	3.510000	Yes	-0.300% -	0.010530
Unmetered Scattered Load	Connection -12 per year	12.880000	Yes	-0.300% -	0.038640

Volumetric Distribution Charge

Class	Metric	Base Rate	To This Class	% Adjustment	Adj To Base
Residential	kWh	0.009800	Yes	-0.300% -	0.000029
General Service Less Than 50 kW	kWh	0.004000	Yes	-0.300% -	0.000012
General Service 50 to 4,999 kW	kW	1.226200	Yes	-0.300% -	0.003679
Street Lighting	kW	2.307000	Yes	-0.300% -	0.006921
Unmetered Scattered Load	kWh	0.004100	Yes	-0.300% -	0.000012



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Instructions

This worksheet applies the 2009 K-Factor adjustment from Sheet D1.1 to all unique classes.

No input required.

Rate Rebalancing Adjustment	K-factor Adjustment - Unique	
Metric Applied To	All Customers	
Method of Application	Both Uniform%	
Uniform Service Charge Percent	-0.300%	Uniform Volumetric Charge Percent
		-0.300% kWh
		-0.300% kW

Monthly Service Charge

<u>Class</u>	<u>Metric</u>	<u>Base Rate</u>	<u>To This Class</u>	<u>% Adjustment</u>	<u>Adj To Base</u>
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Volumetric Distribution Charge

<u>Class</u>	<u>Metric</u>	<u>Base Rate</u>	<u>To This Class</u>	<u>% Adjustment</u>	<u>Adj To Base</u>
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Instructions

This worksheet derives the 2009 Federal Tax Rate Adjustment Factor.

No input required.

	2006		2008	2008 Adjustment	2009	2009 Adjustment
From 2006 PIL's Model						
2006 Regulatory Taxable Income (<i>K-Factor Cell H87</i>)	0	A	0		0	
2006 Corporate Income Tax Rate (<i>K-Factor Cell E79</i>)	18.62%	B	0.00%		0.00%	
Corporate PILs/Income Tax Provision for Test Year	0	$C = A * B$	0		0	
Income Tax (grossed-up)	0	$D = C / (1 - B)$	0	0	0	0 ← 2009 Amount to be adjusted
From 2006 EDR Model						
2006 EDR Base Revenue Requirement From Distribution Rates (<i>K-Factor Cell E105</i>)	1,937,402	E	1,937,402		1,937,402	
Grossed up taxes as a % of Revenue Requirement	0.000%	$F = D / E$	0.000%	0.000%	0.000%	0.000%

↑
2009 Federal Tax Rate Adjustment Factor



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Instructions

This worksheet applies the 2009 Federal Tax Rate Adjustment Factor to all general classes.

No input required.

Rate Rebalancing Adjustment	Federal Tax Adjustment General
Metric Applied To	All Customers
Method of Application	Both Uniform%
Uniform Service Charge Percent	0.000%
	Uniform Volumetric Charge Percent
	0.000% kWh
	0.000% kW

Monthly Service Charge

<u>Class</u>	<u>Metric</u>	<u>Base Rate</u>	<u>To This Class</u>	<u>% Adjustment</u>	<u>Adi To Base</u>
Residential	Customer - 12 per year	13.410000	Yes	0.000%	0.000000



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Instructions

This worksheet applies the 2009 Federal Tax Rate Adjustment Factor to all unique classes.

No input required.

Rate Rebalancing Adjustment

Federal Tax Adjustment Unique

Metric Applied To

All Customers

Method of Application

Both Uniform%

Uniform Service Charge Percent

0.000%

Uniform Volumetric Charge Percent

0.000% kWh

0.000% kW

Monthly Service Charge

Class

Metric

Base Rate

To This Class

% Adjustment

Adj To Base

Volumetric Distribution Charge

Class

Metric

Base Rate

To This Class

% Adjustment

Adj To Base



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Instructions

This worksheet shows the adjustments to Base Rates prior to the application of the Price Cap Index for all general classes.

No input required.

Monthly Service Charge

Class	Metric	Base Rate	K-factor Adjustment -	Federal Tax Adjustment	Rate ReBal Base
			General	General	
Residential	Customer - 12 per year	13.410000	-0.040230	0.000000	13.369770
General Service Less Than 50 kW	Customer - 12 per year	25.540000	-0.076620	0.000000	25.463380
General Service 50 to 4,999 kW	Customer - 12 per year	368.950000	-1.106850	0.000000	367.843150
Street Lighting	Connection - 12 per year	3.510000	-0.010530	0.000000	3.499470
Unmetered Scattered Load	Connection -12 per year	12.880000	-0.038640	0.000000	12.841360

Volumetric Distribution Charge

Class	Metric	Base Rate	K-factor Adjustment -	Federal Tax Adjustment	Rate ReBal Base
			General	General	
Residential	kWh	0.009800	-0.000029	0.000000	0.009771
General Service Less Than 50 kW	kWh	0.004000	-0.000012	0.000000	0.003988
General Service 50 to 4,999 kW	kW	1.226200	-0.003679	0.000000	1.222521
Street Lighting	kW	2.307000	-0.006921	0.000000	2.300079
Unmetered Scattered Load	kWh	0.004100	-0.000012	0.000000	0.004088



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Instructions

This worksheet shows the adjustments to Base Rates prior to the application of the Price Cap Index for all unique classes.

No input required.

Monthly Service Charge

<u>Class</u>	<u>Metric</u>	<u>Base Rate</u>	<u>K-factor Adjustment - Unique</u>	<u>Federal Tax Adjustment Unique</u>	<u>Rate ReBal Base</u>
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Volumetric Distribution Charge

<u>Class</u>	<u>Metric</u>	<u>Base Rate</u>	<u>K-factor Adjustment - Unique</u>	<u>Federal Tax Adjustment Unique</u>	<u>Rate ReBal Base</u>
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Instructions

This worksheet is a placeholder for the 2009 GDP-IPI amount that will be determine in the beginning of March 2009.

Board staff will make the necessary adjustment to cell C22.

No input required.

Price Escalator (GDP-IPI)	Average annual expected Productivity Gain (X)	(GDP-IPI) - X
2.1%	1.0%	1.1%



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Instructions

This worksheet applies the Price Cap Adjustment from Sheet F1.1 to all general classes.

No input required.

Price Cap Adjustment	Price Cap Adjustment - General		
Metric Applied To	All Customers		
Method of Application	Both Uniform%		
Uniform Service Charge Percent	1.100%	Uniform Volumetric Charge Percent	1.100% kWh 1.100% kW

Monthly Service Charge

<u>Class</u>	<u>Metric</u>	<u>Base Rate</u>	<u>To This Class</u>	<u>% Adjustment</u>	<u>Adj To Base</u>
Residential	Customer - 12 per year	13.369770	Yes	1.100%	0.147067
General Service Less Than 50 kW	Customer - 12 per year	25.463380	Yes	1.100%	0.280097
General Service 50 to 4,999 kW	Customer - 12 per year	367.843150	Yes	1.100%	4.046275
Street Lighting	Connection - 12 per year	3.499470	Yes	1.100%	0.038494
Unmetered Scattered Load	Connection -12 per year	12.841360	Yes	1.100%	0.141255

Volumetric Distribution Charge

<u>Class</u>	<u>Metric</u>	<u>Base Rate</u>	<u>To This Class</u>	<u>% Adjustment</u>	<u>Adj To Base</u>
Residential	kWh	0.009771	Yes	1.100%	0.000107
General Service Less Than 50 kW	kWh	0.003988	Yes	1.100%	0.000044
General Service 50 to 4,999 kW	kW	1.222521	Yes	1.100%	0.013448
Street Lighting	kW	2.300079	Yes	1.100%	0.025301
Unmetered Scattered Load	kWh	0.004088	Yes	1.100%	0.000045



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Instructions

This worksheet applies the Price Cap Adjustment from Sheet F1.1 to all unique classes.

No input required.

Price Cap Adjustment	Price Cap Adjustment - Unique			
Metric Applied To	All Customers			
Method of Application	Both Uniform%			
Uniform Service Charge Percent	1.100%	Uniform Volumetric Charge Percent	1.100% kWh	1.100% kW

Monthly Service Charge

<u>Class</u>	<u>Metric</u>	<u>Base Rate</u>	<u>To This Class</u>	<u>% Adjustment</u>	<u>Adj To Base</u>
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Volumetric Distribution Charge

<u>Class</u>	<u>Metric</u>	<u>Base Rate</u>	<u>To This Class</u>	<u>% Adjustment</u>	<u>Adj To Base</u>
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Instructions

This worksheet shows the adjustments made to Base Rates after the application of the Price Cap Adjustment to all general classes.

No input required.

Monthly Service Charge

<u>Class</u>	<u>Metric</u>	<u>Base Rate</u>	<u>Price Cap Adjustment - General</u>	<u>After Price Cape Base</u>
Residential	<u>Customer - 12 per year</u>	<u>13.369770</u>	<u>0.147067</u>	<u>13.516837</u>
General Service Less Than 50 kW	<u>Customer - 12 per year</u>	<u>25.463380</u>	<u>0.280097</u>	<u>25.743477</u>
General Service 50 to 4,999 kW	<u>Customer - 12 per year</u>	<u>367.843150</u>	<u>4.046275</u>	<u>371.889425</u>
Street Lighting	<u>Connection - 12 per year</u>	<u>3.499470</u>	<u>0.038494</u>	<u>3.537964</u>
Unmetered Scattered Load	<u>Connection -12 per year</u>	<u>12.841360</u>	<u>0.141255</u>	<u>12.982615</u>

Volumetric Distribution Charge

<u>Class</u>	<u>Metric</u>	<u>Base Rate</u>	<u>Price Cap Adjustment - General</u>	<u>After Price Cape Base</u>
Residential	kWh	0.009771	0.000107	0.009878
General Service Less Than 50 kW	kWh	0.003988	0.000044	0.004032
General Service 50 to 4,999 kW	kW	1.222521	0.013448	1.235969
Street Lighting	kW	2.300079	0.025301	2.325380
Unmetered Scattered Load	kWh	0.004088	0.000045	0.004133



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Instructions

This worksheet shows the adjustments made to Base Rates after the application of the Price Cap Adjustment to all unique classes.

No input required.

Monthly Service Charge

<u>Class</u>	<u>Metric</u>	<u>Base Rate</u>	<u>Price Cap Adjustment - Unique</u>	<u>After Price Cape Base</u>
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Volumetric Distribution Charge

<u>Class</u>	<u>Metric</u>	<u>Base Rate</u>	<u>Price Cap Adjustment - Unique</u>	<u>After Price Cape Base</u>
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Instructions

Enter your Smart Meter Rate Adder in cell D28.

Rate Adder	Smart Meters Rate Adder
Applied for Status	Continuing
Metric Applied To	Metered Customers
Method of Application	Uniform Service Charge
Uniform Service Charge Amount	1.000000

<u>Rate Class</u>	<u>Applied to Class</u>	<u>Fixed Amount</u>	<u>Fixed Metric</u>	<u>Vol Amount</u>	<u>Vol Metric</u>
Residential	Yes	1.000000	Customer - 12 per year	0.000000	kWh
General Service Less Than 50 kW	Yes	1.000000	Customer - 12 per year	0.000000	kWh
General Service 50 to 4,999 kW	Yes	1.000000	Customer - 12 per year	0.000000	kW

Rate Rider	Smart Meter Cost Recovery
Sunset Date	<small>DD/MM/YYYY</small>
Metric Applied To	Metered Customers
Method of Application	Uniform Service Charge
Uniform Service Charge Amount	0.000000

Rate Class	Applied to Class	Fixed Amount	Fixed Metric	Vol Amount	Vol Metric
Residential	Yes	0.000000	Customer - 12 per year	0.000000	kWh
General Service Less Than 50 kW	Yes	0.000000	Customer - 12 per year	0.000000	kWh
General Service 50 to 4,999 kW	Yes	0.000000	Customer - 12 per year	0.000000	kW

Rate Rider	Regulatory Asset Recovery
Sunset Date	DD/MM/YYYY
Metric Applied To	All Customers
Method of Application	Distinct Volumetric

Rate Class	Applied to Class	Fixed Amount	Fixed Metric	Vol Amount	Vol Metric
Residential	No	0.000000	Customer - 12 per year	0.000000	kWh
General Service Less Than 50 kW	No	0.000000	Customer - 12 per year	0.000000	kWh
General Service 50 to 4,999 kW	No	0.000000	Customer - 12 per year	0.000000	kW
Street Lighting	No	0.000000	Connection - 12 per year	0.000000	kW
Unmetered Scattered Load	No	0.000000	Connection -12 per year	0.000000	kWh

Rate Rider	LV Wheeling
Sunset Date	DD/MM/YYYY
Metric Applied To	All Customers
Method of Application	Distinct Volumetric

Rate Class	Applied to Class	Fixed Amount	Fixed Metric	Vol Amount	Vol Metric
Residential	No	0.000000	Customer - 12 per year	0.000000	kWh
General Service Less Than 50 kW	No	0.000000	Customer - 12 per year	0.000000	kWh
General Service 50 to 4,999 kW	No	0.000000	Customer - 12 per year	0.000000	kW
Street Lighting	No	0.000000	Connection - 12 per year	0.000000	kW
Unmetered Scattered Load	No	0.000000	Connection -12 per year	0.000000	kWh



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Instructions

This worksheet shows the derivation of the Final distribution rates for all general classes.

No input required.

Monthly Service Charge

<u>Class</u>	<u>Metric</u>	<u>Base Rate</u>	<u>Smart Meters Rate Adder</u>	<u>Final Base</u>
Residential	Customer - 12 per year	13.516837	1.000000	14.516837
General Service Less Than 50 kW	Customer - 12 per year	25.743477	1.000000	26.743477
General Service 50 to 4,999 kW	Customer - 12 per year	371.889425	1.000000	372.889425
Street Lighting	Connection - 12 per year	3.537964	0.000000	3.537964
Unmetered Scattered Load	Connection -12 per year	12.982615	0.000000	12.982615

Volumetric Distribution Charge

<u>Class</u>	<u>Metric</u>	<u>Base Rate</u>	<u>Smart Meters Rate Adder</u>	<u>Final Base</u>
Residential	kWh	0.009878	0.000000	0.009878
General Service Less Than 50 kW	kWh	0.004032	0.000000	0.004032
General Service 50 to 4,999 kW	kW	1.235969	0.000000	1.235969
Street Lighting	kW	2.325380	0.000000	2.325380
Unmetered Scattered Load	kWh	0.004133	0.000000	0.004133



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Purpose of this Worksheet :
Uniform Transmission rates have changed. This worksheet is a placeholder only at this time.

Method of Application **Uniform Percentage**

Uniform Percentage **9.000%**

Rate Class **Applied to Class**
Residential **Yes**

Rate Description	Vol Metric	Current Amount	% Adjustment	\$ Adjustment	Final Amount
Retail Transmission Rate – Network Service Rate	\$/kWh	0.004300	9.000%	0.000387	0.004687

Rate Class Applied to Class
General Service Less Than 50 kW **Yes**

Rate Description	Vol Metric	Current Amount	% Adjustment	\$ Adjustment	Final Amount
Retail Transmission Rate – Network Service Rate	\$/kWh	0.003800	9.000%	0.000342	0.004142

Rate Class Applied to Class
General Service 50 to 4,999 kW **Yes**

Rate Description	Vol Metric	Current Amount	% Adjustment	\$ Adjustment	Final Amount
Retail Transmission Rate – Network Service Rate	\$/kW	1.579000	9.000%	0.142110	1.721110

Rate Class Applied to Class
Street Lighting **Yes**

Rate Description	Vol Metric	Current Amount	% Adjustment	\$ Adjustment	Final Amount
Retail Transmission Rate – Network Service Rate	\$/kW	1.190800	9.000%	0.107172	1.297972

Rate Class Applied to Class
Unmetered Scattered Load **Yes**

Rate Description	Vol Metric	Current Amount	% Adjustment	\$ Adjustment	Final Amount
Retail Transmission Rate – Network Service Rate	\$/kWh	0.003800	9.000%	0.000342	0.004142



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Method of Application

Uniform Percentage

Uniform Percentage

0.000%



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Purpose of this Worksheet :

Uniform Transmission rates have changed. This worksheet is a placeholder only at this time.

Method of Application Uniform Percentage

Uniform Percentage 5.000%

Rate Class **Applied to Class**
Residential Yes

<u>Rate Description</u>	<u>Vol Metric</u>	<u>Current Amount</u>	<u>% Adjustment</u>	<u>\$ Adjustment</u>	<u>Final Amount</u>
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kWh	0.001200	5.000%	0.000060	0.001260

Rate Class Applied to Class
General Service Less Than 50 kW Yes

<u>Rate Description</u>	<u>Vol Metric</u>	<u>Current Amount</u>	<u>% Adjustment</u>	<u>\$ Adjustment</u>	<u>Final Amount</u>
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kWh	0.001100	5.000%	0.000055	0.001155

Rate Class Applied to Class
General Service 50 to 4,999 kW Yes

<u>Rate Description</u>	<u>Vol Metric</u>	<u>Current Amount</u>	<u>% Adjustment</u>	<u>\$ Adjustment</u>	<u>Final Amount</u>
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kW	0.429900	5.000%	0.021495	0.451395

Rate Class Applied to Class
Street Lighting Yes

<u>Rate Description</u>	<u>Vol Metric</u>	<u>Current Amount</u>	<u>% Adjustment</u>	<u>\$ Adjustment</u>	<u>Final Amount</u>
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kW	0.332300	5.000%	0.016615	0.348915

Rate Class Applied to Class
Unmetered Scattered Load Yes

<u>Rate Description</u>	<u>Vol Metric</u>	<u>Current Amount</u>	<u>% Adjustment</u>	<u>\$ Adjustment</u>	<u>Final Amount</u>
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kWh	0.001100	5.000%	0.000055	0.001155



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Method of Application

Uniform Percentage

Uniform Percentage

0.000%



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Instructions

This worksheet displays the final distribution rates and charges for all general classes.

No input required.

Rate Class

Residential

Rate Description	Metric	Rate
Service Charge	\$	14.52
Distribution Volumetric Rate	\$/kWh	0.0099
Retail Transmission Rate – Network Service Rate	\$/kWh	0.0047
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kWh	0.0013
Wholesale Market Service Rate	\$/kWh	0.0052
Rural Rate Protection Charge	\$/kWh	0.0010
Standard Supply Service – Administrative Charge (if applicable)	\$	0.25



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Instructions

This worksheet displays the final distribution rates and charges for all unique classes.

No input required.



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Instructions

Please enter the Total Loss Factors found on your current (Board-Approved) tariff schedule.

Note: Loss Factors must be entered in order for bill impacts to be calculated.

LOSS FACTORS

Total Loss Factor - Secondary Metered Customer < 5,000 kW
Total Loss Factor - Secondary Metered Customer > 5,000 kW
Total Loss Factor - Primary Metered Customer < 5,000 kW
Total Loss Factor - Primary Metered Customer > 5,000 kW

Current

1.0430

1.0325



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This worksheet provides a summary of how the monthly service and volumetric charges are calculated for each general class

	Fixed (\$)	Volumetric (\$/kWh)
Residential		
Current Rates	13.67	0.0098
Less Rate Adders		
Smart Meters Rate Adder	0.26	0.0000
Rate Rebalancing Adj		
K-factor Adjustment - General	-0.04	0.0000
Federal Tax Adjustment General	0.00	0.0000
Price Cap Adj		
Price Cap Adjustment - General	0.15	0.0001
Smart Meters Rate Adder	1.00	0.0000
Applied For Rates	14.52	0.0099
	0.00	0.0000

	Fixed (\$)	Volumetric (\$/kWh)
General Service Less Than 50 kW		
Current Rates	25.80	0.0040
Less Rate Adders		
Smart Meters Rate Adder	0.26	0.0000
Rate Rebalancing Adj		
K-factor Adjustment - General	-0.08	0.0000
Federal Tax Adjustment General	0.00	0.0000
Price Cap Adj		
Price Cap Adjustment - General	0.28	0.0000
Smart Meters Rate Adder	1.00	0.0000
Applied For Rates	26.74	0.0040
	0.00	0.0000

	Fixed (\$)	Volumetric (\$/kWh)
General Service 50 to 4,999 kW		
Current Rates	369.21	1.2262
Less Rate Adders		
Smart Meters Rate Adder	0.26	0.0000
Rate Rebalancing Adj		
K-factor Adjustment - General	-1.11	-0.0037
Federal Tax Adjustment General	0.00	0.0000
Price Cap Adj		
Price Cap Adjustment - General	4.05	0.0134
Smart Meters Rate Adder	1.00	0.0000
Applied For Rates	372.89	1.2360
	0.00	0.0000

	Fixed (\$)	Volumetric (\$/kWh)
Street Lighting		
Current Rates	3.51	2.3070
Less Rate Adders		
Smart Meters Rate Adder	0.00	0.0000
Rate Rebalancing Adj		
K-factor Adjustment - General	-0.01	-0.0069
Federal Tax Adjustment General	0.00	0.0000
Price Cap Adj		
Price Cap Adjustment - General	0.04	0.0253
Smart Meters Rate Adder	0.00	0.0000
Applied For Rates	3.54	2.3254
	0.00	0.0000

	Fixed (\$)	Volumetric (\$/kWh)
Unmetered Scattered Load		
Current Rates	12.88	0.0041
Less Rate Adders		
Smart Meters Rate Adder	0.00	0.0000
Rate Rebalancing Adj		
K-factor Adjustment - General	-0.04	0.0000
Federal Tax Adjustment General	0.00	0.0000
Price Cap Adj		
Price Cap Adjustment - General	0.14	0.0000
Smart Meters Rate Adder	0.00	0.0000
Applied For Rates	12.98	0.0041
	0.00	0.0000



Ontario Energy Board
Commission de l'énergie de l'Ontario



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2nd Generation Incentive Regulation Mechanism

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This worksheet sheet provides a summary of how the monthly service and volumetric charges are calculated for each unique class



Ontario Energy Board
 Commission de l'énergie de l'Ontario
2nd Generation Incentive Regulation Mechanism



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Instructions

This worksheet calculates the bill impacts for all general rate classes.

Unmetered Scattered Load

Monthly Rates and Charges	Metric	Current Rate	Applied For Rate
Service Charge	\$	12.88	12.98
Service Charge Rate Rider(s)	\$	-	-
Distribution Volumetric Rate	\$/kWh	0.0041	0.0041
Distribution Volumetric Rate Rider(s)	\$/kWh	-	-
Retail Transmission Rate – Network Service Rate	\$/kWh	0.0038	0.0041
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kWh	0.0011	0.0012
Wholesale Market Service Rate	\$/kWh	0.0052	0.0052
Rural Rate Protection Charge	\$/kWh	0.0010	0.0010
Standard Supply Service – Administration Charge (if applicable)	\$	0.25	0.25

Consumption	10,000	kWh	0	kW
RPP Tier One	750	kWh	Load Factor	

Loss Factor 1.0430

	Volume	RATE \$	CHARGE \$	Volume	RATE \$	CHARGE \$	\$	%	% of Total Bill
Energy First Tier (kWh)	750	0.0560	42.00	750	0.0560	42.00	0.00	0.0%	4.37%
Energy Second Tier (kWh)	9,680	0.0650	629.20	9,680	0.0650	629.20	0.00	0.0%	65.46%
Sub-Total: Energy			671.20			671.20	0.00	0.0%	69.83%
Service Charge	1	12.88	12.88	1	12.98	12.98	0.10	0.8%	1.35%
Service Charge Rate Rider(s)	1	0.00	0.00	1	0.00	0.00	0.00	0.0%	0.00%
Distribution Volumetric Rate	10,000	0.0041	41.00	10,000	0.0041	41.00	0.00	0.0%	4.27%
Distribution Volumetric Rate Rider(s)	10,000	0.0000	0.00	10,000	0.0000	0.00	0.00	0.0%	0.00%
Total: Distribution			53.88			53.98	0.10	0.2%	5.62%
Retail Transmission Rate – Network Service Rate	10,430	0.0038	39.63	10,430	0.0041	42.76	3.13	7.9%	4.45%
Retail Transmission Rate – Line and Transformation Connection Service Rate	10,430	0.0011	11.47	10,430	0.0012	12.52	1.05	9.2%	1.30%
Total: Retail Transmission			51.10			55.28	4.18	8.2%	5.75%
Sub-Total: Delivery (Distribution and Retail Transmission)			104.98			109.26	4.28	4.1%	11.37%
Wholesale Market Service Rate	10,430	0.0052	54.24	10,430	0.0052	54.24	0.00	0.0%	5.64%
Rural Rate Protection Charge	10,430	0.0010	10.43	10,430	0.0010	10.43	0.00	0.0%	1.09%
Standard Supply Service – Administration Charge (if applicable)	1	0.25	0.25	1	0.25	0.25	0.00	0.0%	0.03%
Sub-Total: Regulatory			64.92			64.92	0.00	0.0%	6.75%
Debt Retirement Charge (DRC)	10,000	0.00700	70.00	10,000	0.00700	70.00	0.00	0.0%	7.28%
Total Bill before Taxes			911.10			915.38	4.28	0.5%	95.24%
GST	911.10	5%	45.56	915.38	5%	45.77	0.21	0.5%	4.76%
			956.66			961.15	4.49	0.5%	100.00%

Rate Class Threshold Test

Unmetered Scattered Load

	kWh	500	5,000	10,000	15,000	20,000
Loss Factor Adjusted kWh		522	5,215	10,430	15,645	20,860
kW						
Load Factor						

Energy

Applied For Bill	\$ 29.23	\$ 332.22	\$ 671.20	\$ 1,010.17	\$ 1,349.15
Current Bill	\$ 29.23	\$ 332.22	\$ 671.20	\$ 1,010.17	\$ 1,349.15
\$ Impact	\$ -	\$ -	\$ -	\$ -	\$ -
% Impact	0.0%	0.0%	0.0%	0.0%	0.0%
% of Total Bill	51.5%	68.6%	69.8%	70.2%	70.4%

Distribution

Applied For Bill	\$ 15.03	\$ 33.48	\$ 53.98	\$ 74.48	\$ 94.98
Current Bill	\$ 14.93	\$ 33.38	\$ 53.88	\$ 74.38	\$ 94.88
\$ Impact	\$ 0.10	\$ 0.10	\$ 0.10	\$ 0.10	\$ 0.10
% Impact	0.7%	0.3%	0.2%	0.1%	0.1%
% of Total Bill	26.5%	6.9%	5.6%	5.2%	5.0%

Retail Transmission

Applied For Bill	\$ 2.77	\$ 27.64	\$ 55.28	\$ 82.91	\$ 110.56
Current Bill	\$ 2.55	\$ 25.56	\$ 51.10	\$ 76.66	\$ 102.22
\$ Impact	\$ 0.22	\$ 2.08	\$ 4.18	\$ 6.25	\$ 8.34
% Impact	8.6%	8.1%	8.2%	8.2%	8.2%
% of Total Bill	4.9%	5.7%	5.8%	5.8%	5.8%

Delivery (Distribution and Retail Transmission)

Applied For Bill	\$ 17.80	\$ 61.12	\$ 109.26	\$ 157.39	\$ 205.54
Current Bill	\$ 17.48	\$ 58.94	\$ 104.98	\$ 151.04	\$ 197.10
\$ Impact	\$ 0.32	\$ 2.18	\$ 4.28	\$ 6.35	\$ 8.44
% Impact	1.8%	3.7%	4.1%	4.2%	4.3%
% of Total Bill	31.4%	12.6%	11.4%	10.9%	10.7%

Regulatory

Applied For Bill	\$ 3.48	\$ 32.59	\$ 64.92	\$ 97.25	\$ 129.58
Current Bill	\$ 3.48	\$ 32.59	\$ 64.92	\$ 97.25	\$ 129.58
\$ Impact	\$ -	\$ -	\$ -	\$ -	\$ -
% Impact	0.0%	0.0%	0.0%	0.0%	0.0%
% of Total Bill	6.1%	6.7%	6.8%	6.8%	6.8%

Debt Retirement Charge

Applied For Bill	\$ 3.50	\$ 35.00	\$ 70.00	\$ 105.00	\$ 140.00
Current Bill	\$ 3.50	\$ 35.00	\$ 70.00	\$ 105.00	\$ 140.00
\$ Impact	\$ -	\$ -	\$ -	\$ -	\$ -
% Impact	0.0%	0.0%	0.0%	0.0%	0.0%
% of Total Bill	6.2%	7.2%	7.3%	7.3%	7.3%

GST

Applied For Bill	\$ 2.70	\$ 23.05	\$ 45.77	\$ 68.49	\$ 91.21
Current Bill	\$ 2.68	\$ 22.94	\$ 45.56	\$ 68.17	\$ 90.79
\$ Impact	\$ 0.02	\$ 0.11	\$ 0.21	\$ 0.32	\$ 0.42
% Impact	0.7%	0.5%	0.5%	0.5%	0.5%
% of Total Bill	4.8%	4.8%	4.8%	4.8%	4.8%

Total Bill

Applied For Bill	\$ 56.71	\$ 483.98	\$ 961.15	\$ 1,438.30	\$ 1,915.48
Current Bill	\$ 56.37	\$ 481.69	\$ 956.66	\$ 1,431.63	\$ 1,906.62
\$ Impact	\$ 0.34	\$ 2.29	\$ 4.49	\$ 6.67	\$ 8.86
% Impact	0.6%	0.5%	0.5%	0.5%	0.5%



2nd Generation Incentive Regulation Mechanism

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Instructions

Enter the following allowances from your current Board-Approved Tariff Schedule

Allowances

Transformer Allowance for Ownership - per kW of billing demand/month
Primary Metering Allowance for transformer losses - applied to measured demand and energy

<u>Metric</u>	<u>Current</u>
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\$/kW	-0.60
%	-1.0



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Instructions

Enter the following charges from your current Board-Approved Tariff Schedule

Customer Administration

	<u>Metric</u>	<u>Current</u>
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

	<u>Metric</u>	<u>Current</u>
Late Payment - per month	%	1.5%
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
	\$	
	\$	
	\$	
	\$	
	\$	

Other

	<u>Metric</u>	<u>Current</u>
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	\$	65.00
Service call - after regular hours	\$	165.00
Specific Charge for Access to the Power Poles \$/pole/year	\$	22.35
	\$	
	\$	
	\$	
	\$	
	\$	
	\$	
	\$	
	\$	



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Instructions

This worksheet displays your current Board-Approved Retail Service Charges.

Retail Service Charges (if applicable)

Retail Service Charges refer to services provided by a distributor to retailers or customers related to the supply of competitive electricity

	<u>Metric</u>	<u>Current</u>
One-time charge, per retailer, to establish the service agreement between the distributor and the retailer	\$	100.00
Monthly Fixed Charge, per retailer	\$	20.00
Monthly Variable Charge, per customer, per retailer	\$/cust.	0.50
Distributor-consolidated billing charge, per customer, per retailer	\$/cust.	0.30
Retailer-consolidated billing credit, per customer, per retailer	\$/cust. -	0.30
Service Transaction Requests (STR)		
Request fee, per request, applied to the requesting party	\$	0.25
Processing fee, per request, applied to the requesting party	\$	0.50
Request for customer information as outlined in Section 10.6.3 and Chapter 11 of the Retail Settlement Code directly to retailers and customers, if not delivered electronically through the Electronic Business Transaction (EBT) system, applied to the requesting party		
Up to twice a year		no charge
More than twice a year, per request (plus incremental delivery costs)	\$	2.00

**Kenora Hydro
Network and Connection Rates
Impact on Variance Accounts**

Schedule 1

Network Variance Account

Expense from IESO will be increased by 11.3% May 1, 2009

With the increase in IESO Network Service rate:

2009 If No Change in Customer Rates	<u>Estimated 2009</u>
Annual Revenue with rates as at May 1, 2008	434,976
Annual Expense with IESO rate increase Jan 1, 2009	460,085
Expected Change in Variance Account in 2009	<u><u>(25,109)</u></u>

2009 With a 9 % Increase in Customer Rates	<u>Estimated 2009</u>
Annual Revenue with increase effective May 1, 2009	460,894
Annual Expense with IESO rate increase Jan 1, 2009	460,085
Expected Change in Variance Account in 2009	<u><u>809</u></u>

With a 9% increase in customer rates effective May 1, 2009, there will be no material change in the variance account by the end of 2009.

Connection Variance Account

Line Connection expense from IESO will be increased 18.6% effective January 1, 2009.
Kenora Hydro owns the Transformers, no IESO Transformation Connection charges are paid by Kenora Hydro.
Monthly variance changes are minimal, rate was re-set in May 1, 2007 rate filing to correct for majority of growth in variance account.

With the increase of 18.6% in IESO Line Connection Service rate:

2009 If No Change in Customer Rates	<u>Estimated 2009</u>
Annual Revenue with rates as at May 1, 2008	132,252
Annual Expense with IESO rate increase Jan 1, 2009	136,137
Expected Change in Variance Account in 2009	<u><u>(3,885)</u></u>

2009 With a 5 % Increase in Customer Rates	<u>Estimated 2009</u>
Annual Revenue with increase effective May 1, 2009	136,314
Annual Expense with IESO rate increase Jan 1, 2009	136,137
Expected Change in Variance Account in 2009	<u><u>178</u></u>

With a 5% increase in customer rates effective May 1, 2009, there will be no material change in the variance account by the end of 2009.

KENORA HYDRO
Network Rates - Impact of IESO Rate Increase

Schedule 2

			Jan	Feb	March	April	May	June	July	Aug	Sept	Oct	Nov	Dec
Network Expense	IESO Invoice	2006	50,433	49,621	47,383	36,694	41,434	41,304	45,240	45,617	37,741	47,363	48,351	55,199
		2007	54,404	53,994	49,582	38,918	38,757	43,607	55,776	42,869	38,015	37,766	42,613	43,391
		2008	48,686	44,412	41,659	31,180	29,252	30,684	32,827	35,223	30,155	32,000	37,000	38,000
			Jan	Feb	March	April	May	June	July	Aug	Sept	Oct	Nov	Dec
Network Revenue		2006	66,088	55,652	61,645	40,941	45,869	41,912	35,758	52,625	37,677	40,004	38,088	35,560
		2007	57,182	48,401	54,059	41,698	50,516	37,537	45,714	43,145	40,285	39,754	40,574	35,277
		2008	59,060	43,023	48,151	55,335	35,524	33,582	34,032	34,340	36,498	37,000	38,000	39,000
			Jan	Feb	March	April	May	June	July	Aug	Sept	Oct	Nov	Dec
Change in RSVA Balance	Jan 1, 2007	RSVA Balance 2007	(2,778)	5,592	(4,478)	(2,780)	(11,759)	6,071	10,063	(276)	(2,269)	(1,987)	2,039	8,115
			(16,869)	(11,277)	(15,755)	(18,534)	(30,293)	(24,223)	(14,160)	(14,436)	(16,705)	(18,692)	(16,654)	(8,539)
Change in RSVA Balance	Jan 1, 2008	RSVA Balance 2008	(10,375)	1,390	(6,493)	(24,155)	(6,272)	(2,898)	(1,205)	883	(6,344)	(5,000)	(1,000)	(1,000)
			(18,914)	(17,524)	(24,017)	(48,172)	(54,444)	(57,342)	(58,547)	(57,664)	(64,008)	(69,008)	(70,008)	(71,008)

NETWORK VARIANCE ANALYSIS

Estimated Balances to Dec 2009 - Without Customer Rate Change

			Jan	Feb	March	April	May	June	July	Aug	Sept	Oct	Nov	Dec
2009	REVENUE		42,000	38,000	32,000	35,000	35,524	33,582	34,032	34,340	36,498	37,000	38,000	39,000
2009	EXPENSE		46,094	42,294	39,178	37,418	32,557	34,151	36,537	39,203	33,562	35,616	41,181	42,294
	Jan 1/09 increase	11.30%												
	Impact on Variance		4,094	4,294	7,178	2,418	(2,967)	569	2,505	4,863	(2,936)	(1,384)	3,181	3,294
RSVA Balance Without Customer Rate Change			(66,914)	(62,620)	(55,442)	(53,024)	(55,991)	(55,421)	(52,917)	(48,054)	(50,990)	(52,374)	(49,193)	(45,899)

Effective May 1, 2009 - Increase Customer Rates

Increase Rates By			Jan	Feb	March	April	May	June	July	Aug	Sept	Oct	Nov	Dec
9.00%	2009	REVENUE	42,000	38,000	32,000	35,000	38,721	36,604	37,095	37,431	39,783	40,330	41,420	42,510
RSVA Balance with Customer Rate Increase of 9%			(66,914)	(62,620)	(55,442)	(53,024)	(59,188)	(61,641)	(62,199)	(60,427)	(66,648)	(71,362)	(71,601)	(71,817)

KENORA HYDRO
Connection Rates - Impact of IESO Rate Increase

Schedule 3

			Jan	Feb	March	April	May	June	July	Aug	Sept	Oct	Nov	Dec
Connection Expense	IESO Invoice	2006	15,680	16,602	14,308	12,241	13,738	14,080	15,422	14,257	12,865	13,808	16,482	17,058
		2007	17,040	17,285	14,970	13,453	12,275	14,566	16,675	14,293	12,959	12,730	11,996	12,045
		2008	12,496	12,057	11,095	8,859	8,584	9,220	9,395	10,225	9,602	9,600	9,500	10,000
			Jan	Feb	March	April	May	June	July	Aug	Sept	Oct	Nov	Dec
Connection Revenue		2006	57,214	48,061	53,271	35,256	38,733	20,222	12,244	18,343	12,714	13,495	12,898	12,001
		2007	19,460	16,390	18,332	14,076	17,057	12,664	15,419	14,556	13,567	13,426	13,667	11,169
		2008	20,029	14,571	16,314	18,724	11,885	9,927	9,504	9,566	10,170	10,100	10,100	10,000
Change in RSVA Balance	Jan 1, 2007	(2,420)	895	(3,362)	(623)	(4,782)	1,902	1,256	(263)	(608)	(696)	(1,672)	876	
RSVA Balance 2007	(446,877)	(449,297)	(448,403)	(451,765)	(452,388)	(457,170)	(455,268)	(454,013)	(454,276)	(454,883)	(455,580)	(457,251)	(456,375)	
Change in RSVA Balance	Jan 1, 2008	(7,533)	(2,514)	(5,219)	(9,864)	(3,301)	(707)	(109)	659	(569)	(500)	(600)	0	
RSVA Balance 2008	(456,375)	(463,908)	(466,423)	(471,642)	(481,506)	(484,808)	(485,515)	(485,624)	(484,965)	(485,533)	(486,033)	(486,633)	(486,633)	

CONNECTION VARIANCE ANALYSIS

Estimated Balances to Dec 2009 - Without Customer Rate Change

			Jan	Feb	March	April	May	June	July	Aug	Sept	Oct	Nov	Dec
2009	REVENUE		14,000	13,000	12,000	12,000	11,885	9,927	9,504	9,566	10,170	10,100	10,100	10,000
2009	EXPENSE		12,860	12,860	10,279	9,853	10,181	10,935	11,142	12,127	11,388	11,386	11,267	11,860
Jan 1/09 increase 18.60%														
	Impact on Variance		(1,140)	(140)	(1,721)	(2,147)	(1,705)	1,008	1,638	2,561	1,217	1,286	1,167	1,860
RSVA Balance Without Customer Rate Change			(487,773)	(487,913)	(489,634)	(491,781)	(493,485)	(492,477)	(490,839)	(488,278)	(487,061)	(485,775)	(484,608)	(482,748)

Effective May 1, 2009 - Increase Customer Rates

Increase Rates By			Jan	Feb	March	April	May	June	July	Aug	Sept	Oct	Nov	Dec
5.00%	2009	REVENUE	14,000	13,000	12,000	12,000	12,479	10,423	9,979	10,044	10,679	10,605	10,605	10,500
RSVA Balance with Customer Rate Increase of 5%			(487,773)	(487,913)	(489,634)	(491,781)	(494,080)	(493,568)	(492,405)	(490,322)	(489,614)	(488,833)	(488,171)	(486,811)