

MANAGER'S SUMMARY

COOPÉRATIVE HYDRO EMBRUN INC.

RP-2005-0020 - EDR 2006

EB-2005-0354 - EDR 2006

EB-2007-0519- IRM 2007

IN THE MATTER OF an Application by Cooperative Hydro Embrun Inc. for Incentive Rate Mechanism Adjustment Model, effective May 1, 2007, in accordance with the Cost of Capital EB –2006-0088 and 2nd Generation Incentive Regulation Mechanism issued December 20,2006 by the Ontario Energy Board.

1. Introduction

- 1.1 Cooperative Hydro Embrun Inc. (the “Company”) is a licensed electricity distribution business operating in the Town of Embrun, under license #ED-2002-0493 with no special conditions in its’ licence.
- 1.2 The Company submits this Application which includes the 2007 Incentive Rate Mechanism Adjustment Model (IMR) Model, and the required documentation to adjust distribution rates effective May 1, 2007 in accordance with the Filing Guidelines issued by the Ontario Energy Board (“Board”) and dated December 20, 2006.
- 1.3 Cooperative Hydro Embrun Inc. will prorate customer consumptions, with pre-May 1, 2007consumption at the old rates and post-May 1, 2007 consumption at the new rates.

2. Incentive Rate Mechanism Adjustment (IRM) Model

The following information summarizes the output of the IRM Model. Only sheets with information inputs are identified.

- 2.1 Tab 1 LDC Information
- As per the instructions issued by the Board, *LDC* information related to the application has been entered.
- 2.2 Tab 2 2006 Rate Classes
- As per the instructions issued by the Board, Rate Classes have been identified as per Board Approved 2006 Tariff of Rates and Charges.
- 2.3 Tab 3 2006 Tariff Sheet
- As per the instructions issued by the Board, Rate Classes have been identified as per Board Approved 2006 Tariff of Rates and Charges.
- 2.4 Tab 4 2006 Smart Meter Information
- As per the instructions issued by the Board, in accordance with Decision with Reason RP-2005-0020 EB-2005-029 is from the Board approved 2006 EDR EB-2005-0354.
- As mentioned in the Coopérative Hydro Embrun Smart Meter Investment Plan, file to the board on December 13, 2006, question # 9, Coopérative Hydro Embrun will be asking to the Board for a rate increase for year 2007 and beyond until all assets and operation cost are recovered.**
- 2.5 Tab 5 Removal of Smart Meter
- No inputs are required for this spreadsheet.
- 2.6 Tab 6 CDM Adjustments
- The Coopérative have no CDM incremental spending in 2006.

2.7 Tab 7 LCT Adjustments

The Coopérative have not received Board approval for LCT in 2006.

2.8 Tab 8 DX IRM Adjustment

Monthly Service Charge and Volumetric Charge with Price Cap adjustment of 1.92%.

2.9 Tab 9 Addback for Smart Meter Amt

No inputs are required for this spreadsheet.

2.10 Tab 10 2007 Tariff Sheet

No inputs are required for this spreadsheet.

2.11 Tab 11 Bill Impact Summer (Total Bill)

Rate Class	Consumption	Increase	
		\$ Amount	Percent
Residential	1000 kWh	(-0.17)	(-0.14%)
General Service <50 kW	2000 kWh	(-0.41)	(0.17%)
General Service > 50 kW	100 kW 40000 kWh	(-8.97)	(0.19%)

2.12 Tab 12 Bill Impact – Winter (Total Bill)

Rate Class	Consumption	Increase	
		\$ Amount	Percent
Residential	1000 kWh	(-3.99)	(-3.18%)
General Service <50 kW	2000 kWh	(-0.41)	(0.17%)
General Service > 50 kW	100 kW 40000 kWh	(-8.97)	(0.19%)

2.13 Tab 13 Bill Impact – Annualized (Total Bill)

Rate Class	Consumption	Increase	
		\$ Amount	Percent
Residential	1000 kWh	(-0.16)	(0.13%)
General Service <50 kW	2000 kWh	(-0.41)	(0.17%)
General Service > 50 kW	100 kW 40000 kWh	(-8.97)	(0.19%)

Signed this 24th day of January, 2007 at Embrun by:

 Benoit Lamarche
 Manager
 Cooperative Hydro Embrun Inc.