

# **MANAGER'S SUMMARY**

## **HYDRO 2000 INC.**

**RP-2005-0020 - EDR 2006**

**EB-2005-0380 - EDR 2006**

**EB-2007-0539- IRM 2007**

**IN THE MATTER OF** an Application by Hydro 2000 Inc. for Incentive Rate Mechanism Adjustment Model, effective May 1, 2007, in accordance with the Cost of Capital EB –2006-0088 and 2<sup>nd</sup> Generation Incentive Regulation Mechanism issued December 20,2006 by the Ontario Energy Board.

### **1. Introduction**

- 1.1 Hydro 2000 Inc. (the "Company") is a licensed electricity distribution business operating in the Towns of Alfred And Plantagenet, under license #ED-2002-0542 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 Hydro 2000 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-2005-0380.

**As mentioned in the Hydro 2000 Inc Smart Meter Investment Plan, filed to the board on December 13, 2006, question # 9, Hydro 2000 Inc. 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  
Hydro 2000 Inc. had no CDM incremental spending in 2006.
- 2.7 Tab 7 LCT Adjustments  
Hydro 2000 Inc. have not received Board approval for LCT adjustments 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 Add back 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	(0.21)	(0.17%)
General Service <50 kW	2000 kWh	(0.44)	(0.18%)
General Service > 50 kW	100 kW 40000 kWh	(11.55)	(0.25%)

2.12 Tab 12      Bill Impact – Winter (Total Bill)

Rate Class	Consumption	Increase	
		\$ Amount	Percent
Residential	1000 kWh	(4.03)	(3.22%)
General Service <50 kW	2000 kWh	(0.44)	(0.18%)
General Service > 50 kW	100 kW 40000 kWh	(11.55)	(0.25%)

2.13 Tab 13      Bill Impact – Annualized (Total Bill)

Rate Class	Consumption	Increase	
		\$ Amount	Percent
Residential	1000 kWh	(0.21)	(0.17%)
General Service <50 kW	2000 kWh	(0.44)	(0.18%)
General Service > 50 kW	100 kW 40000 kWh	(11.55)	(0.25%)

Signed this 24<sup>th</sup> day of January, 2007 at Alfred by:

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René Beaulne (Bone)  
 Manager/Ceo  
 Hydro 2000 Inc.

