



Pacific Economics Group, LLC
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***SENSITIVITY ANALYSIS ON EFFICIENCY
RANKING AND COHORTS FOR THE 2009 RATE
YEAR: UPDATE***

In July 2008, Pacific Economics Group (PEG) updated its benchmarking evaluations of the operations, maintenance and administrative (OM&A) costs of Ontario's electricity distributors to include 2007 data. We computed updated econometric benchmarks and unit cost benchmarks. These benchmarking evaluations were used to divide the Ontario industry into three efficiency "cohorts" for the purpose of assigning stretch factors to distributors for the 2009 rate year using a methodology described in the July 14, 2008 Report of the Board on 3rd Generation Incentive Regulation for Ontario's Electricity Distributors. The Board issued the results of our work on July 22, 2008.

Subsequent to the release of the September 17, 2008 Supplemental Report of the Board, Board staff asked PEG to undertake a sensitivity analysis of our July 2008 results to address two potential issues. The first was the sensitivity of benchmarking results where a firm may be incorrectly identified as being on the Canadian Shield; specifically, for the purposes of this test, Renfrew Hydro. The second was the treatment of charges billed by Hydro One to distributors "embedded" within its network for the use of low voltage (LV) facilities. In both cases, our benchmarking models were identical to those used in our original March 20, 2008 report and our July 2008 update. Any changes in results would therefore reflect the impact of changes in distributor data only and not any changes in benchmarking techniques. The results of these sensitivity tests were released publicly on November 21, 2008.

As part of the consultation on our November 2008 benchmarking results, PEG was asked to present updated versions of the tables which detail our proposed peer groups

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and the unit cost indexes for each individual distributor within each peer group. This information was previously presented in Tables 5 and 6, respectively, in our March 2008 report. In responding to this request, PEG noticed a data processing error in the 2007 update (*i.e.* for some companies, the unit cost benchmarks that were computed were based on 2004-2006 data rather than 2005-2007 data). This error affects both the 2007 benchmarking update as well as any tests of the sensitivity of these results to LV charge allocation and whether firms are incorrectly identified as being on the Canadian shield. PEG has therefore produced a new set of benchmarking results that corrects this data processing error. These tables are presented here, and they supersede the Tables previously presented by PEG in July 2008 (the update to include 2007 data) and November 2008 (the sensitivity tests). This memorandum will describe the results of these analyses, which do not materially impact the conclusions of our previous (November 2008) memorandum.

2007 Update

The results of the 2007 update are attached. Table One presents PEG's proposed peer groups; this is an update of what was Table 5 in the March 2008 report. The peer groups have not been altered since that report. Table Two presents the OM&A unit cost indexes for all distributors and all peer groups; this is an update of what was Table 6 in the March 2008 report. Table Three presents the econometric benchmarking results that include 2007 data. Table Four presents the unit cost benchmarking results; these benchmarks are calculated using 2005-2007 data for each distributor. Table Five presents the stretch factor assignments for each distributor using the methodology approved by the Board.

The Canadian Shield Sensitivity Test

With respect to the Canadian Shield sensitivity, Staff selected Renfrew Hydro since there was a possibility that it could have been misclassified based on the physiography reference maps used. Our review of Ontario geography and Renfrew's service territory indicated that there was some uncertainty about whether Renfrew should or should not have been categorized as serving territory on the Canadian Shield. We therefore investigated the sensitivity of our benchmarking results to this uncertainty by

estimating an econometric model in which Renfrew was classified as being “off” rather than “on” the Canadian Shield (*i.e.* the value of the Canadian Shield dummy variable for Renfrew was changed from a 1 to a zero). It should be noted that this sensitivity test affected the econometric benchmarking results only because the unit cost benchmarking results do not depend on the Canadian Shield variable.

It should also be noted that, even though this sensitivity test did not lead to changes in the econometric model itself, using different data for even a single company can lead to changes in the coefficients that are estimated for the independent variables in an econometric model. Carrying out this test did affect the coefficients. After making the change in Renfrew’s data for the Canadian Shield variable, the coefficients in PEG’s econometric model were very similar, although not identical, to what were obtained earlier and presented in our March 2008 report.

The results of the Renfrew Canadian Shield variable sensitivity test are summarized in Table 6. The groups of “statistically superior” and “statistically inferior” cost performers are demarcated by the bold lines in the table. It can be seen that there are 15 statistically superior distributors (*i.e.* those distributors above the first bold line), 12 statistically inferior distributors (*i.e.* those distributors below the second bold line), and the remaining 56 distributors are statistically average cost performers. In our July 2008 update, there were 17 statistically superior cost performers, 13 statistically inferior cost performers, and 53 statistically average cost distributors. Thus this sensitivity test moved two distributors (Kingston Electricity Distribution and Horizon Utilities) from statistically superior to average cost performance, and one distributor (Fort Frances Power) from statistically inferior to average cost performance. This change in the econometric benchmarks would cause Kingston and Horizon to move from the top to the middle efficiency cohort, and Fort Frances from the bottom to the middle efficiency cohort.¹

¹ As described in the July 14 Report of the Board, a company will be in efficiency cohort 1 if it is statistically superior on the econometric benchmarking model and in the top quartile on the unit cost benchmarking model. A company will be in efficiency cohort 3 if it is statistically inferior on the econometric benchmarking model and in the bottom quartile on the unit cost benchmarking model. All other companies will be in efficiency cohort 2.

In all three cases, the companies that moved were just on the edge of being classified in one cohort vis-à-vis another in our July 2008 study. The new Renfrew data used to re-estimate the econometric model led to small changes in estimated coefficients, and standard errors, which were nevertheless material enough to move these three distributors from one identified cohort into another. The classification for Renfrew itself was not impacted by this sensitivity test; the company was in the top efficiency cohort in the July 2008 update and in our current results, although the difference between its actual and predicted cost widened from -19.3% in July to -24.8% with the new data.

Low Voltage Charges

The second set of sensitivity tests concerned Hydro One's charges to distributors embedded within its territory for the use of low voltage (LV) facilities. A number of embedded distributors are currently charged by Hydro One for the use of its LV assets, but these charges are not reported as O&M costs in the distributors' RRR filings which were used as the basis for PEG's benchmarking results. This accounting treatment may lead to a lack of comparability among sampled companies, since the reported OM&A for non-embedded distributors in the Province do include the costs of LV facilities, which the non-embedded firms own, operate and maintain themselves.

Hydro One does not segregate its charges for LV facilities into the associated capital and O&M costs so, to control for these costs in OM&A benchmarking, it was necessary to develop proxies for the O&M component of Hydro One's charges. OEB Staff developed two separate proxies for these O&M costs, using data from Hydro One's 2006 and 2008 electricity distribution rate (EDR) proceedings. The first proxy was equal to 26% of LV charges to each distributor. The second proxy was equal to 26% of LV charges for each distributor, divided by 2.354. Further details on these proxies are

The forthcoming Tables 9 and 12 display the efficiency cohorts under two different sensitivity tests, for two different measures of LV costs. For both Table 9 and Table 12, the ordering of firms in the top and bottom cohorts is identical to that presented for the econometric rankings in the associated Tables Seven and Ten, respectively, although it will be noted that not all firms identified as being statistically superior or inferior necessarily achieve top or bottom cohort performance. The rank ordering of companies within an efficiency cohort should also not itself be interpreted as evidence of relative performance *i.e.* the first firm appearing in the top efficiency cohort in Table 12 is not necessarily the "most" efficient, and the last firm appearing in the bottom cohort in Table 12 is not necessarily the "least" efficient, distributor in Ontario.

provided as part of the accompanying letter to this note. For both proxies, the proxy O&M costs were added to the OM&A costs which were benchmarked originally for each embedded distributor. After the proxy O&M costs were added in, PEG re-estimated the econometric model, re-computed unit cost indexes, and re-determined the efficiency cohorts for all distributors in the sample (again, separately for each of the proxy O&M costs associated with LV assets).

The results of the sensitivity tests for the first LV proxy (26% of LV charges) are presented in Tables 7, 8 and 9. Table 7 presents the updated econometric benchmarks, Table 8 the updated unit cost benchmarks, and Table 9 the updated efficiency cohort/stretch factor assignments. Comparing our July 2008 results (presented above) with the results of the sensitivity test for the first LV proxy, PEG finds that efficiency cohort classifications have changed for four of the 83 distributors. Hydro 2000 was in the top cohort in our July 2008 update but moved to the middle cohort when these proxy LV charges are included in the analysis. Eastern Ontario Power, Centre Wellington and Niagara Falls Hydro move from the bottom cohort to the middle cohort. Overall, with this sensitivity test, there are 10 distributors in the top efficiency cohort, 8 distributors in the bottom cohort, and 65 distributors in the middle cohort.

The results of the sensitivity tests for the second LV proxy (26% of LV charges, divided by 2.354) are presented in Tables 10, 11 and 12. Table 10 presents the updated econometric benchmarks, Table 11 the updated unit cost benchmarks, and Table 12 the updated efficiency cohort/stretch factor assignments. Comparing the results of the second sensitivity test for the LV proxy to the July 2008 results, PEG finds that efficiency cohort classifications have changed for two of the 83 distributors. Hydro 2000 moves from the top cohort in our July 2008 to the middle cohort in the current results. Centre Wellington Hydro moves from the bottom cohort to the middle cohort. Overall, with this sensitivity test, there are 10 distributors in the top efficiency cohort, 10 distributors in the bottom cohort, and 63 distributors in the middle cohort.

Concluding Comments

Overall, PEG believes that these sensitivity analyses show that the efficiency cohorts identified in our July 2008 update are robust. Our sensitivity tests show that relatively few distributors move from one efficiency cohort to another based on changes in accounting for LV charges or for whether or not Renfrew is classified as being on the Canadian Shield. These factors have a relatively small impact on any given firm's efficiency ranking. A principal reason is that LV costs and changes in Renfrew's Canadian Shield classification have little impact on the estimated coefficients for customer numbers, kWh, and km of line in our econometric model, and these variables continue to be the major drivers of distributors' OM&A costs. PEG's benchmarking models also control for labour prices and dimensions of capital cost (system undergrounding and asset age). Our previous econometric research also investigated whether distributors' ownership of high voltage transmission assets impacted OM&A cost performance, but we found that there was no statistically significant relationship between this variable and distributors' OM&A costs. However, PEG believes that further research on this, and on related issues, is warranted in the total cost benchmarking analysis to be undertaken.

Table 1

PEG Proposed Peer Groups for Ontario LDCs

Peer Group Designation	Distributor	Customers ^{1,2,3,4}	% Undergrounding ^{1,5,6,7,8}	Canadian Shield	Customer Growth/Output Index ^{1,9}
Small Northern Low Undergrounding	Atikokan Hydro	1,711	0.5%	Yes	-1,470
Small Northern Low Undergrounding	Chapleau Public Utilities	1,338	3.7%	Yes	-2,346
Small Northern Low Undergrounding	Espanola Regional Hydro Distribution	3,316	8.0%	Yes	691
Small Northern Low Undergrounding	Fort Frances Power	3,864	9.5%	Yes	650
Small Northern Low Undergrounding	Great Lakes Power	11,522	0.1%	Yes	236
Small Northern Low Undergrounding	Northern Ontario Wires	6,112	1.4%	Yes	-772
Small Northern Low Undergrounding	Parry Sound Power	3,365	8.6%	Yes	716
Small Northern Low Undergrounding	Renfrew Hydro	4,149	3.6%	Yes	323
Small Northern Low Undergrounding	Sioux Lookout Hydro	2,754	2.8%	Yes	105
Small Northern Medium Undergrounding	Hearst Power Distribution	2,772	16.2%	Yes	209
Small Northern Medium Undergrounding	Kenora Hydro Electric	5,642	10.2%	Yes	226
Small Northern Medium Undergrounding	Lakeland Power Distribution	9,135	19.7%	Yes	789
Small Northern Medium Undergrounding	Ottawa River Power	10,230	13.0%	Yes	869
Mid-Size Northern	Greater Sudbury Hydro & West Nipissing	46,451	20.1%	Yes	90
Mid-Size Northern	North Bay Hydro Distribution	23,642	15.6%	Yes	408
Mid-Size Northern	PUC Distribution	32,512	15.7%	Yes	255
Mid-Size Northern	Thunder Bay Hydro Electricity Distribution	49,421	19.9%	Yes	428
Large Northern	Hydro One Networks	1,173,360	3.5%	Yes	855
Small Southern Low & Medium Undergrounding	Brant County Power	9,339	13.1%	No	2,164
Small Southern Low & Medium Undergrounding	Clinton Power	1,639	19.0%	No	331
Small Southern Low & Medium Undergrounding	Dutton Hydro	600	14.3%	No	2,755
Small Southern Low & Medium Undergrounding	Eastern Ontario Power	3,552	11.2%	No	313
Small Southern Low & Medium Undergrounding	Grand Valley Energy	677	11.1%	No	1,203
Small Southern Low & Medium Undergrounding	Hydro 2000	1,159	14.3%	No	1,106
Small Southern Low & Medium Undergrounding	Hydro Hawkesbury	5,428	13.8%	No	2,044
Small Southern Low & Medium Undergrounding	Lakefront Utilities	9,057	16.7%	No	1,967
Small Southern Low & Medium Undergrounding	Port Colborne	9,159	4.5%	No	391
Small Southern Low & Medium Undergrounding	Rideau St. Lawrence Distribution	5,864	10.3%	No	197
Small Southern Low & Medium Undergrounding	Wellington North Power	3,486	12.3%	No	857
Small Southern Medium-High Undergrounding	Middlesex Power Distribution	6,957	23.6%	No	1,809
Small Southern Medium-High Undergrounding	Midland Power Utility	6,709	31.3%	No	1,751
Small Southern Medium-High Undergrounding	Newbury Power	199	25.0%	No	1,168
Small Southern Medium-High Undergrounding	Tilsonburg Hydro	6,571	33.3%	No	1,596
Small Southern Medium-High Undergrounding	West Coast Huron Energy	3,853	20.0%	No	1,002
Small Southern Medium-High Undergrounding	West Perth Power	2,034	30.6%	No	1,530
Small Southern Medium-High Undergrounding with Rapid Growth ¹⁰	Centre Wellington Hydro	6,239	47.3%	No	3,522
Small Southern Medium-High Undergrounding with Rapid Growth	Cooperative Hydro Embrun	1,882	44.4%	No	6,605
Small Southern Medium-High Undergrounding with Rapid Growth	Grimsby Power	9,792	24.3%	No	3,588
Small Southern Medium-High Undergrounding with Rapid Growth	Niagara-on-the-Lake Hydro	7,778	26.7%	No	2,800
Small Southern Medium-High Undergrounding with Rapid Growth	Orangeville Hydro	10,134	41.5%	No	3,582
Mid-size Southern Low & Medium Undergrounding	Fort Erie	15,494	8.4%	No	503
Mid-size Southern Low & Medium Undergrounding	Haldimand County Hydro	20,698	4.7%	No	780
Mid-size Southern Low & Medium Undergrounding	Innisfil Hydro Distribution Systems	14,120	18.2%	No	2,244
Mid-size Southern Low & Medium Undergrounding	Norfolk Power Distribution	18,641	12.5%	No	3,174
Mid-size Southern Low & Medium Undergrounding	Orillia Power Distribution	12,648	18.9%	No	1,199
Mid-size Southern Low & Medium Undergrounding	Peninsula West Utilities	15,491	7.9%	No	1,639
Mid-size Southern Medium-High Undergrounding	Bluewater Power Distribution	35,906	22.7%	No	837
Mid-size Southern Medium-High Undergrounding	Chatham-Kent Hydro	32,007	27.4%	No	401
Mid-size Southern Medium-High Undergrounding	COLLUS Power	14,325	33.9%	No	2,761
Mid-size Southern Medium-High Undergrounding	E.L.K. Energy	10,719	38.4%	No	2,233
Mid-size Southern Medium-High Undergrounding	Erie Thames Powerlines	14,181	19.1%	No	1,468
Mid-size Southern Medium-High Undergrounding	Essex Powerlines	27,789	50.3%	No	2,809
Mid-size Southern Medium-High Undergrounding	Festival Hydro	19,262	32.8%	No	1,605
Mid-size Southern Medium-High Undergrounding	Kingston Electricity Distribution	26,632	30.5%	No	-68
Mid-size Southern Medium-High Undergrounding	Niagara Falls Hydro	34,704	40.4%	No	1,225
Mid-size Southern Medium-High Undergrounding	Peterborough Distribution	34,161	29.5%	No	1,371
Mid-size Southern Medium-High Undergrounding	St. Thomas Energy	15,919	33.3%	No	2,591
Mid-size Southern Medium-High Undergrounding	Wasaga Distribution	11,311	45.4%	No	6,308
Mid-size Southern Medium-High Undergrounding	Welland Hydro-Electric System	21,389	24.9%	No	770
Mid-size Southern Medium-High Undergrounding	Westario Power	21,297	29.0%	No	1,188
Mid-size Southern Medium-High Undergrounding	Woodstock Hydro Services	14,441	43.3%	No	1,730
Large City Southern Medium-High Undergrounding	ENWIN Powerlines	84,757	36.2%	No	1,332
Large City Southern Medium-High Undergrounding	Hydro Ottawa	287,006	49.5%	No	2,653
Large City Southern Medium-High Undergrounding	Toronto Hydro-Electric System	679,913	45.5%	No	457
Large City Southern Medium-High Undergrounding	Veridian Connections	109,225	32.9%	No	2,837
Large City Southern High Undergrounding	Enersource Hydro Mississauga	183,715	65.3%	No	2,511
Large City Southern High Undergrounding	Horizon Utilities	232,493	55.0%	No	1,302
Large City Southern High Undergrounding	Hydro One Brampton Networks	126,026	70.4%	No	5,800
Large City Southern High Undergrounding	London Hydro	142,105	51.2%	No	2,265
Large City Southern High Undergrounding	PowerStream	236,220	69.3%	No	4,617
Mid-size GTA Medium-High & High Undergrounding	Barrie Hydro Distribution	68,535	54.9%	No	5,188
Mid-size GTA Medium-High & High Undergrounding	Brantford Power	37,108	44.3%	No	2,160
Mid-size GTA Medium-High & High Undergrounding	Burlington Hydro	61,776	40.2%	No	3,192
Mid-size GTA Medium-High & High Undergrounding	Cambridge and North Dumfries Hydro	48,944	33.9%	No	2,712
Mid-size GTA Medium-High & High Undergrounding	Guelph Hydro Electric Systems	47,720	58.6%	No	3,331
Mid-size GTA Medium-High & High Undergrounding	Halton Hills Hydro	20,078	34.4%	No	2,533
Mid-size GTA Medium-High & High Undergrounding	Kitchener-Wilmot Hydro	82,599	43.3%	No	2,730
Mid-size GTA Medium-High & High Undergrounding	Milton Hydro Distribution	22,811	35.2%	No	6,256
Mid-size GTA Medium-High & High Undergrounding	Newmarket Hydro & Tay Hydro	31,193	43.9%	No	2,746
Mid-size GTA Medium-High & High Undergrounding	Oakville Hydro Electricity Distribution	59,883	61.0%	No	4,067
Mid-size GTA Medium-High & High Undergrounding	Oshawa PUC Networks	50,980	46.2%	No	1,643
Mid-size GTA Medium-High & High Undergrounding	Waterloo North Hydro	49,558	31.5%	No	2,932
Mid-size GTA Medium-High & High Undergrounding	Whitby Hydro Electric	38,278	51.9%	No	5,447

¹Latest year of available data.²Small is defined as less than 10,000 customers with the exception of Great Lakes Power and Ottawa River Power, who have more than 10,000 customers but are defined as "small."³Mid-size is defined as between 10,000 and 82,000 customers.⁴Large is defined as more than 82,000 customers.⁵Low undergrounding is defined as 0% to 10%.⁶Medium undergrounding is between 10% and 20%.⁷Medium-high undergrounding is between 20% and 50%.⁸High undergrounding is over 50%.⁹Rapid growth is defined as a value for (Customer Growth/Output Index) that exceeds 2,000.¹⁰Centre Wellington is in the GTA but no GTA peer group is appropriate.

Table 2

Unit OM&A Cost Indexes

	2002	2003	2004	2005	2006	2007	Average of Last 3 Available Years ²	Average / Group Average ² [A]	Percentage Differences ² [A - 1]	Implied Cost Surplus (Savings) per year ²
Small Northern Low Undergrounding										
Renfrew Hydro	0.928	0.996	0.921	0.809	0.999	1.094	0.967	0.584	-41.6%	-\$350,347
Espanola Regional Hydro Distribution	1.410	1.171	1.092	1.155	1.495	1.483	1.378	0.832	-16.8%	-\$156,347
Northern Ontario Wires	1.375	1.223	1.369	1.192	1.270	1.374	1.279	0.772	-22.8%	-\$395,437
Parry Sound Power	1.013	1.200	1.214	1.275	1.333	1.303	1.303	0.787	-21.3%	-\$215,508
Fort Frances Power	1.197	1.213	1.236	1.305	1.346	1.442	1.365	0.824	-17.6%	-\$192,252
Sioux Lookout Hydro	1.086	0.877	1.259	1.359	1.390	1.528	1.426	0.861	-13.9%	-\$149,138
Atikokan Hydro	1.443	2.729	1.758	1.618	1.619	2.022	1.753	1.058	5.8%	\$40,163
Chapleau Public Utilities	1.615	1.668	1.720	1.907	1.833	2.380	2.040	1.231	23.1%	\$128,185
Great Lakes Power	2.983	2.924	3.116	3.308	3.412	3.476	3.399	2.052	105.2%	\$8,371,020
GROUP AVERAGE							1.657			
Small Northern Medium Undergrounding										
Hearst Power Distribution	0.630	0.609	0.764	0.745	0.826	0.868	0.813	0.799	-20.1%	-\$127,595
Lakeland Power Distribution	1.076	1.296	0.905	0.909	1.083	0.977	0.990	0.972	-2.8%	-\$58,301
Ottawa River Power	0.940	1.043	1.020	0.989	1.020	1.020	1.087	1.067	6.7%	\$141,026
Kenora Hydro Electric	1.098	1.117	1.155	1.114	1.149	1.284	1.183	1.162	16.2%	\$208,696
GROUP AVERAGE							1.018			
Mid-Size Northern										
North Bay Hydro Distribution	1.126	1.005	0.991	0.878	1.147	1.007	1.010	0.906	-9.4%	-\$487,201
PUC Distribution	0.866	0.937	1.070	1.046	1.028	1.166	1.080	0.969	-3.1%	-\$225,144
Thunder Bay Hydro Electricity Distribution	1.087	1.178	1.130	1.016	1.070	1.179	1.088	0.976	-2.4%	-\$262,212
Greater Sudbury Hydro & West Nipissing	1.034	0.996	1.121	1.003	1.069	1.769	1.280	1.149	14.9%	\$1,743,696
GROUP AVERAGE							1.115			
Large Northern										
Hydro One Networks	n/a	1.015	0.969	1.042	1.252	1.465	1.253	NA	NA	NA
GROUP AVERAGE							1.253			
Small Southern Low & Medium Undergrounding										
Hydro Hawkesbury	0.495	0.517	0.473	0.568	0.537	0.581	0.562	0.398	-60.2%	-\$450,834
Lakefront Utilities	0.669	0.594	0.681	0.807	0.876	0.890	0.858	0.608	-39.2%	-\$710,739
Hydro 2000	0.572	0.649	0.648	1.164	0.930	0.989	1.028	0.728	-27.2%	-\$65,796
Rideau St. Lawrence Distribution	1.029	1.060	1.058	1.157	1.198	1.257	1.204	0.853	-14.7%	-\$200,189
Wellington North Power	1.179	1.077	1.121	1.170	1.237	1.213	1.207	0.855	-14.5%	-\$143,409
Brant County Power	1.259	1.441	1.504	1.507	1.633	0.688	1.276	0.904	-9.6%	-\$260,269
Clinton Power	1.244	1.302	1.119	1.229	1.599	1.795	1.541	1.092	9.2%	\$42,543
Eastern Ontario Power	n/a	1.736	1.297	1.565	1.936	1.826	1.776	1.258	25.8%	\$348,530
Dutton Hydro	1.310	1.428	2.325	1.592	1.538	n/a	1.818	1.288	28.8%	\$49,469
Grand Valley Energy	1.623	1.461	1.600	1.814	2.294	2.012	2.040	1.445	44.5%	\$98,248
Port Colborne	0.781	0.856	0.938	2.143	2.149	2.353	2.215	1.570	57.0%	\$2,406,782
GROUP AVERAGE							1.411			
Small Southern Medium-High Undergrounding										
Middlesex Power Distribution	0.952	1.097	0.899	1.070	0.898	0.886	0.952	0.842	-15.8%	-\$230,272
West Perth Power	1.087	1.129	1.044	0.886	1.137	1.103	1.042	0.923	-7.7%	-\$38,634
Midland Power Utility	1.102	1.069	1.049	0.974	1.089	1.065	1.042	0.923	-7.7%	-\$133,315
Tillsonburg Hydro	0.793	1.437	1.425	1.618	0.966	0.955	1.180	1.044	4.4%	\$67,583
Newbury Power	n/a	n/a	1.320	1.030	1.216	1.477	1.241	1.099	9.9%	\$4,889
West Coast Huron Energy	1.124	1.122	1.096	1.376	1.414	1.170	1.320	1.169	16.9%	\$225,336
GROUP AVERAGE							1.129			
Small Southern Medium-High Undergrounding with Rapid Growth										
Grimsby Power	0.731	0.745	0.819	0.856	0.823	0.898	0.859	0.876	-12.4%	-\$192,942
Orangeville Hydro	0.836	0.894	0.830	0.844	0.826	0.907	0.859	0.876	-12.4%	-\$224,279
Niagara-on-the-Lake Hydro	0.885	0.830	0.915	0.838	0.929	1.028	0.932	0.950	-5.0%	-\$79,402
Centre Wellington Hydro	1.196	1.146	1.083	1.079	1.095	1.109	1.094	1.116	11.6%	\$171,344
Cooperative Hydro Embrun	0.979	1.056	0.945	1.112	1.128	1.237	1.159	1.182	18.2%	\$67,523
GROUP AVERAGE							0.981			
Mid-Size Southern Low & Medium Undergrounding										
Norfolk Power Distribution	1.162	1.126	1.062	1.046	1.033	1.223	1.101	0.894	-10.6%	-\$447,089
Peninsula West Utilities	1.090	1.133	1.184	1.295	1.174	0.871	1.114	0.905	-9.5%	-\$376,880
Innisfil Hydro Distribution Systems	1.039	1.210	1.261	1.057	1.135	1.212	1.135	0.922	-7.8%	-\$229,937
Orillia Power Distribution	0.934	1.041	1.074	1.200	1.174	1.264	1.213	0.985	-1.5%	-\$50,688
Haldimand County Hydro	n/a	n/a	n/a	1.163	1.247	1.576	1.328	1.079	7.9%	\$478,050
Fort Erie	1.437	1.281	1.299	1.357	1.510	1.619	1.496	1.215	21.5%	\$979,789
GROUP AVERAGE							1.231			

¹ Last three years of available data.

² Lower values imply better performance.

Table 2 (cont'd)

Unit OM&A Cost Indexes

	2002	2003	2004	2005	2006	2007	Average of Last 3 Available Years ²	Average / Group Average ² [A]	Percentage Differences ² [A - 1]
Mid-Size Southern Medium-High Undergrounding									
Chatham-Kent Hydro	0.668	0.665	0.700	0.690	0.702	0.721	0.704	0.724	-27.6%
Festival Hydro	0.754	0.709	0.724	0.698	0.782	0.774	0.752	0.773	-22.7%
Peterborough Distribution	0.794	0.739	0.802	0.778	0.884	0.914	0.859	0.883	-11.7%
Welland Hydro-Electric System	0.817	0.907	0.981	0.841	0.789	1.016	0.882	0.907	-9.3%
COLLUS Power	0.834	0.796	0.844	0.847	1.024	1.063	0.978	1.005	0.5%
E.L.K. Energy	0.960	1.011	0.856	0.579	0.846	0.873	0.766	0.787	-21.3%
Woodstock Hydro Services	0.831	0.898	0.923	0.932	0.969	1.008	0.969	0.997	-0.3%
Wasaga Distribution	0.843	0.892	0.971	1.070	1.147	1.114	1.110	1.142	14.2%
St. Thomas Energy	0.784	0.818	0.882	0.962	1.099	1.041	1.034	1.063	6.3%
Kingston Electricity Distribution	0.911	1.004	0.993	0.917	0.832	0.827	0.859	0.883	-11.7%
Niagara Falls Hydro	0.985	1.019	1.017	1.065	1.093	1.152	1.103	1.135	13.5%
Westario Power	0.988	1.140	1.165	1.017	1.003	0.958	0.993	1.021	2.1%
Bluewater Power Distribution	n/a	1.045	1.014	1.034	1.108	1.048	1.063	1.093	9.3%
Essex Powerlines	1.055	0.958	1.068	1.177	1.166	1.079	1.141	1.173	17.3%
Erie Thames Powerlines	1.054	1.248	1.277	1.323	1.270	1.534	1.376	1.415	41.5%
GROUP AVERAGE							0.973		
Large City Southern Medium-High Undergrounding									
Hydro Ottawa	0.838	0.760	0.641	0.595	0.723	0.695	0.671	0.760	-24.0%
Veridian Connections	0.951	1.122	0.930	0.829	0.875	0.774	0.826	0.937	-6.3%
Toronto Hydro-Electric System	0.844	0.876	0.905	0.850	0.846	0.915	0.870	0.987	-1.3%
ENWIN Powerlines	1.213	1.080	1.083	0.996	1.045	1.442	1.161	1.316	31.6%
GROUP AVERAGE							0.882		
Large City Southern High Undergrounding									
Hydro One Brampton Networks	0.574	0.563	0.518	0.514	0.561	0.526	0.534	0.742	-25.8%
Horizon Utilities	0.601	0.695	0.623	0.744	0.660	0.746	0.717	0.997	-0.3%
London Hydro	0.737	0.724	0.718	0.721	0.792	0.827	0.780	1.084	8.4%
PowerStream	0.634	0.725	0.751	0.772	0.703	0.765	0.747	1.039	3.9%
Enersource Hydro Mississauga	n/a	n/a	0.746	0.776	0.819	0.861	0.819	1.138	13.8%
GROUP AVERAGE							0.719		
Mid-Size GTA Medium-High Undergrounding									
Barrie Hydro Distribution	0.607	0.740	0.650	0.547	0.604	0.601	0.584	0.739	-26.1%
Cambridge and North Dumfries Hydro	0.617	0.609	0.657	0.594	0.597	0.685	0.625	0.791	-20.9%
Kitchener-Wilmot Hydro	0.599	0.615	0.613	0.626	0.690	0.703	0.673	0.852	-14.8%
Guelph Hydro Electric Systems	0.736	0.825	0.771	0.731	0.737	0.844	0.771	0.976	-2.4%
Waterloo North Hydro	0.836	0.812	0.813	0.766	0.785	0.760	0.770	0.975	-2.5%
Oshawa PUC Networks	0.920	0.989	0.971	0.725	0.741	0.796	0.754	0.954	-4.6%
Milton Hydro Distribution	0.859	0.815	0.796	0.808	0.792	0.805	0.801	1.014	1.4%
Burlington Hydro	0.738	0.771	0.797	0.782	0.858	0.889	0.843	1.067	6.7%
Newmarket Hydro & Tay Hydro	0.841	0.949	0.921	0.859	0.859	0.846	0.855	1.082	8.2%
Oakville Hydro Electricity Distribution	0.773	0.858	0.858	0.814	0.884	0.826	0.841	1.065	6.5%
Halton Hills Hydro	0.995	0.896	0.918	0.850	1.015	0.910	0.925	1.171	17.1%
Brantford Power	0.727	0.833	0.889	0.870	0.775	0.951	0.865	1.095	9.5%
Whitby Hydro Electric	0.927	1.002	0.898	0.916	0.966	1.007	0.963	1.219	21.9%
GROUP AVERAGE							0.790		
AVERAGE: ALL COMPANIES	0.977	1.034	1.031	1.046	1.098	1.140	1.100	1.000	0.000

¹ Last three years of available data.

² Lower values imply better performance.

Table 3

Updated Performance Rankings Based on Econometric Benchmarks

	Years Benchmarked	Actual/Predicted ¹	Deviation		Rank ¹
			Percentage [A-1] ¹	P-Value	
Hydro Hawkesbury	2005-2007	0.643	-0.357	0.000	1
Chatham-Kent Hydro	2005-2007	0.691	-0.309	0.001	2
Northern Ontario Wires	2005-2007	0.711	-0.289	0.001	3
Cambridge and North Dumfries Hydro	2005-2007	0.715	-0.285	0.002	4
E.L.K. Energy	2005-2007	0.729	-0.271	0.003	5
Grimsby Power	2005-2007	0.764	-0.236	0.008	6
Oshawa PUC Networks	2005-2007	0.787	-0.213	0.017	7
Lakeland Power Distribution	2005-2007	0.789	-0.211	0.018	8
Hydro One Brampton Networks	2005-2007	0.793	-0.207	0.020	9
Kitchener-Wilmot Hydro	2005-2007	0.805	-0.195	0.027	10
Renfrew Hydro	2005-2007	0.807	-0.193	0.028	11
Barrie Hydro Distribution	2005-2007	0.814	-0.186	0.034	12
Festival Hydro	2005-2007	0.822	-0.178	0.041	13
Welland Hydro-Electric System	2005-2007	0.834	-0.166	0.054	14
Hydro 2000	2005-2007	0.840	-0.160	0.060	15
Kingston Electricity Distribution	2005-2007	0.860	-0.140	0.090	16
Horizon Utilities	2005-2007	0.864	-0.136	0.098	17
Hydro Ottawa	2005-2007	0.873	-0.127	0.113	18
Lakefront Utilities	2005-2007	0.874	-0.126	0.115	19
Peninsula West Utilities	2005-2007	0.878	-0.122	0.123	20
Waterloo North Hydro	2005-2007	0.880	-0.120	0.127	21
Niagara-on-the-Lake Hydro	2005-2007	0.894	-0.106	0.158	22
Rideau St. Lawrence Distribution	2005-2007	0.899	-0.101	0.173	23
Kenora Hydro Electric	2005-2007	0.904	-0.096	0.185	24
Innisfil Hydro Distribution Systems	2005-2007	0.908	-0.092	0.194	25
Halton Hills Hydro	2005-2007	0.914	-0.086	0.212	26
Peterborough Distribution	2005-2007	0.914	-0.086	0.213	27
North Bay Hydro Distribution	2005-2007	0.919	-0.081	0.226	28
Atikokan Hydro	2005-2007	0.927	-0.073	0.250	29
Hearst Power Distribution	2005-2007	0.932	-0.068	0.265	30
Newmarket & Tay Hydro Electric	2005-2007	0.933	-0.067	0.268	31
Orangeville Hydro	2005-2007	0.938	-0.062	0.283	32
Enersource Hydro Mississauga	2005-2007	0.958	-0.042	0.351	33
Espanola Regional Hydro Distribution	2005-2007	0.962	-0.038	0.367	34
PUC Distribution	2005-2007	0.966	-0.034	0.378	35
Wellington North Power	2005-2007	0.967	-0.033	0.384	36
Middlesex Power Distribution	2005-2007	0.970	-0.030	0.392	37
Newbury Power	2005-2007	0.977	-0.023	0.416	38
Wasaga Distribution	2005-2007	0.984	-0.016	0.445	39
Veridian Connections	2005-2007	0.991	-0.009	0.469	40
Hydro One Networks	2005-2007	0.996	-0.004	0.485	41
Burlington Hydro	2005-2007	1.008	0.008	0.472	42
Brantford Power	2005-2007	1.011	0.011	0.461	43
Haldimand County Hydro	2005-2007	1.016	0.016	0.444	44
Westario Power	2005-2007	1.017	0.017	0.441	45
Tilsonburg Hydro	2005-2007	1.019	0.019	0.435	46
Toronto Hydro-Electric System	2005-2007	1.021	0.021	0.427	47
London Hydro	2005-2007	1.028	0.028	0.404	48
Woodstock Hydro Services	2005-2007	1.037	0.037	0.373	49
Ottawa River Power	2005-2007	1.044	0.044	0.350	50
Milton Hydro Distribution	2005-2007	1.047	0.047	0.342	51
Norfolk Power Distribution	2005-2007	1.050	0.050	0.332	52
Bluewater Power Distribution	2005-2007	1.050	0.050	0.331	53
Thunder Bay Hydro Electricity Distribution	2005-2007	1.053	0.053	0.324	54
Grand Valley Energy	2005-2007	1.056	0.056	0.314	55
Parry Sound Power	2005-2007	1.063	0.063	0.293	56
West Perth Power	2005-2007	1.064	0.064	0.290	57
COLLUS Power	2005-2007	1.073	0.073	0.265	58
Oakville Hydro Electricity Distribution	2005-2007	1.077	0.077	0.255	59
Cooperative Hydro Embrun	2005-2007	1.080	0.080	0.248	60
Clinton Power	2005-2007	1.083	0.083	0.238	61
Brant County Power	2005-2007	1.087	0.087	0.230	62
Orillia Power Distribution	2005-2007	1.087	0.087	0.229	63
St. Thomas Energy	2005-2007	1.088	0.088	0.228	64
Dutton Hydro	2004-2006	1.096	0.096	0.208	65
Sioux Lookout Hydro	2005-2007	1.101	0.101	0.197	66
Fort Erie (CNP)	2005-2007	1.115	0.115	0.167	67
Powerstream	2005-2007	1.121	0.121	0.155	68
Greater Sudbury-West Nipissing	2005-2007	1.123	0.123	0.151	69
Guelph Hydro Electric Systems	2005-2007	1.131	0.131	0.137	70
Fort Frances Power	2005-2007	1.158	0.158	0.097	71
Eastern Ontario Power (CNP)	2005-2007	1.173	0.173	0.079	72
Niagara Falls Hydro	2005-2007	1.183	0.183	0.068	73
Midland Power Utility	2005-2007	1.202	0.202	0.051	74
Centre Wellington Hydro	2005-2007	1.203	0.203	0.051	75
ENWIN Powerlines	2005-2007	1.232	0.232	0.032	76
Essex Powerlines	2005-2007	1.247	0.247	0.025	77
Whitby Hydro Electric	2005-2007	1.261	0.261	0.020	78
Chapleau Public Utilities	2005-2007	1.328	0.328	0.006	79
Erie Thames Powerlines	2005-2007	1.365	0.365	0.003	80
West Coast Huron Energy	2005-2007	1.385	0.385	0.002	81
Great Lakes Power	2005-2007	1.441	0.441	0.001	82
Port Colborne (CNP)	2005-2007	1.515	0.515	0.000	83

¹ Lower values imply better performance.

This table replaces the table on page 4 of PEG's "Efficiency Ranking & Cohorts for the 2009 Rate Year" issued on July 22, 2008.

Table 4

Updated Performance Rankings Based on Unit Cost Indexes

	Average / Group Average ¹ [A]	Percentage Differences ¹ [A - 1]	Efficiency Ranking ¹
Hydro Hawkesbury	0.398	-60.2%	1
Renfrew Hydro	0.584	-41.6%	2
Lakefront Utilities	0.608	-39.2%	3
Chatham-Kent Hydro	0.724	-27.6%	4
Hydro 2000	0.728	-27.2%	5
Barrie Hydro Distribution	0.739	-26.1%	6
Hydro One Brampton Networks	0.742	-25.8%	7
Hydro Ottawa	0.760	-24.0%	8
Northern Ontario Wires	0.772	-22.8%	9
Festival Hydro	0.773	-22.7%	10
Parry Sound Power	0.787	-21.3%	11
E.L.K. Energy	0.787	-21.3%	12
Cambridge and North Dumfries Hydro	0.791	-20.9%	13
Hearst Power Distribution	0.799	-20.1%	14
Fort Frances Power	0.824	-17.6%	15
Espanola Regional Hydro Distribution	0.832	-16.8%	16
Middlesex Power Distribution	0.842	-15.8%	17
Kitchener-Wilmot Hydro	0.852	-14.8%	18
Rideau St. Lawrence Distribution	0.853	-14.7%	19
Wellington North Power	0.855	-14.5%	20
Sioux Lookout Hydro	0.861	-13.9%	21
Grimsby Power	0.876	-12.4%	22
Orangeville Hydro	0.876	-12.4%	23
Peterborough Distribution	0.883	-11.7%	24
Kingston Electricity Distribution	0.883	-11.7%	25
Norfolk Power Distribution	0.894	-10.6%	26
Brant County Power	0.904	-9.6%	27
Peninsula West Utilities	0.905	-9.5%	28
North Bay Hydro Distribution	0.906	-9.4%	29
Welland Hydro-Electric System	0.907	-9.3%	30
Innisfil Hydro Distribution Systems	0.922	-7.8%	31
West Perth Power	0.923	-7.7%	32
Midland Power Utility	0.923	-7.7%	33
Veridian Connections	0.937	-6.3%	34
Niagara-on-the-Lake Hydro	0.950	-5.0%	35
Oshawa PUC Networks	0.954	-4.6%	36
PUC Distribution	0.969	-3.1%	37
Lakeland Power Distribution	0.972	-2.8%	38
Waterloo North Hydro	0.975	-2.5%	39
Guelph Hydro Electric Systems	0.976	-2.4%	40
Thunder Bay Hydro Electricity Distribution	0.976	-2.4%	41
Orillia Power Distribution	0.985	-1.5%	42
Toronto Hydro-Electric System	0.987	-1.3%	43
Woodstock Hydro Services	0.997	-0.3%	44
Horizon Utilities	0.997	-0.3%	45
COLLUS Power	1.005	0.5%	46
Milton Hydro Distribution	1.014	1.4%	47
Westario Power	1.021	2.1%	48
PowerStream	1.039	3.9%	49
Tillsonburg Hydro	1.044	4.4%	50
Atikokan Hydro	1.058	5.8%	51
St. Thomas Energy	1.063	6.3%	52
Oakville Hydro Electricity Distribution	1.065	6.5%	53
Burlington Hydro	1.067	6.7%	54
Ottawa River Power	1.067	6.7%	55
Haldimand County Hydro	1.079	7.9%	56
Newmarket Hydro & Tay Hydro	1.082	8.2%	57
London Hydro	1.084	8.4%	58
Clinton Power	1.092	9.2%	59
Bluewater Power Distribution	1.093	9.3%	60
Brantford Power	1.095	9.5%	61
Newbury Power	1.099	9.9%	62
Centre Wellington Hydro	1.116	11.6%	63
Niagara Falls Hydro	1.135	13.5%	64
Enersource Hydro Mississauga	1.138	13.8%	65
Wasaga Distribution	1.142	14.2%	66
Greater Sudbury Hydro & West Nippissing	1.149	14.9%	67
Kenora Hydro Electric	1.162	16.2%	68
West Coast Huron Energy	1.169	16.9%	69
Halton Hills Hydro	1.171	17.1%	70
Essex Powerlines	1.173	17.3%	71
Cooperative Hydro Embrun	1.182	18.2%	72
Fort Erie	1.215	21.5%	73
Whitby Hydro Electric	1.219	21.9%	74
Chapleau Public Utilities	1.231	23.1%	75
Eastern Ontario Power	1.258	25.8%	76
Dutton Hydro	1.288	28.8%	77
ENWIN Powerlines	1.316	31.6%	78
Erie Thames Powerlines	1.415	41.5%	79
Grand Valley Energy	1.445	44.5%	80
Port Colborne	1.570	57.0%	81
Great Lakes Power	2.052	105.2%	82

¹ Lower values imply better performance.

² Hydro One Networks has no peer group and is not included in this analysis.

This table replaces the table on page 5 of PEG's "Efficiency Ranking & Cohorts for the 2009 Rate Year" issued on July 22, 2008.

Table 5

Stretch Factor Results: 2007 Data Update

Company	Group	Stretch Factor
Hydro Hawkesbury	1	0.20%
Chatham-Kent Hydro	1	0.20%
Northern Ontario Wires	1	0.20%
Cambridge and North Dumfries Hydro	1	0.20%
E.L.K. Energy	1	0.20%
Hydro One Brampton Networks	1	0.20%
Kitchener-Wilmot Hydro	1	0.20%
Renfrew Hydro	1	0.20%
Barrie Hydro Distribution	1	0.20%
Festival Hydro	1	0.20%
Hydro 2000	1	0.20%
Grimsby Power	2	0.40%
Oshawa PUC Networks	2	0.40%
Lakeland Power Distribution	2	0.40%
Welland Hydro-Electric System	2	0.40%
Kingston Electricity Distribution	2	0.40%
Horizon Utilities	2	0.40%
Hydro Ottawa	2	0.40%
Lakefront Utilities	2	0.40%
Peninsula West Utilities	2	0.40%
Waterloo North Hydro	2	0.40%
Niagara-on-the-Lake Hydro	2	0.40%
Rideau St. Lawrence Distribution	2	0.40%
Kenora Hydro Electric	2	0.40%
Innisfil Hydro Distribution Systems	2	0.40%
Halton Hills Hydro	2	0.40%
Peterborough Distribution	2	0.40%
North Bay Hydro Distribution	2	0.40%
Atikokan Hydro	2	0.40%
Hearst Power Distribution	2	0.40%
Newmarket & Tay Hydro Electric	2	0.40%
Orangeville Hydro	2	0.40%
Enersource Hydro Mississauga	2	0.40%
Espanola Regional Hydro Distribution	2	0.40%
PUC Distribution	2	0.40%
Wellington North Power	2	0.40%
Middlesex Power Distribution	2	0.40%
Newbury Power	2	0.40%
Wasaga Distribution	2	0.40%
Veridian Connections	2	0.40%
Hydro One Networks	2	0.40%
Burlington Hydro	2	0.40%
Brantford Power	2	0.40%
Haldimand County Hydro	2	0.40%
Westario Power	2	0.40%
Tillsonburg Hydro	2	0.40%
Toronto Hydro-Electric System	2	0.40%
London Hydro	2	0.40%
Woodstock Hydro Services	2	0.40%
Ottawa River Power	2	0.40%
Milton Hydro Distribution	2	0.40%
Norfolk Power Distribution	2	0.40%
Bluewater Power Distribution	2	0.40%
Thunder Bay Hydro Electricity Distribution	2	0.40%
Grand Valley Energy	2	0.40%
Parry Sound Power	2	0.40%
West Perth Power	2	0.40%
COLLUS Power	2	0.40%
Oakville Hydro Electricity Distribution	2	0.40%
Cooperative Hydro Embrun	2	0.40%
Clinton Power	2	0.40%
Brant County Power	2	0.40%
Orillia Power Distribution	2	0.40%
St. Thomas Energy	2	0.40%
Dutton Hydro	2	0.40%
Sioux Lookout Hydro	2	0.40%
Fort Erie (CNP)	2	0.40%
Powerstream	2	0.40%
Greater Sudbury-West Nipissing	2	0.40%
Guelph Hydro Electric Systems	2	0.40%
Fort Frances Power	2	0.40%
Midland Power Utility	2	0.40%
Eastern Ontario Power (CNP)	3	0.60%
Niagara Falls Hydro	3	0.60%
Centre Wellington Hydro	3	0.60%
ENWIN Powerlines	3	0.60%
Essex Powerlines	3	0.60%
Whitby Hydro Electric	3	0.60%
Chapleau Public Utilities	3	0.60%
Erie Thames Powerlines	3	0.60%
West Coast Huron Energy	3	0.60%
Great Lakes Power	3	0.60%
Port Colborne (CNP)	3	0.60%

This table replaces the table on page 6 of PEG's "Efficiency Ranking & Cohorts for the 2009 Rate Year" issued on July 22, 2008.

Table 6

Updated Performance Rankings Based on Econometric Benchmarks (Renfrew off the Canadian Shield)

	Years Benchmarked	Actual/Predicted ¹	Deviation		Rank ¹
			Percentage [A-1] ¹	P-Value	
Hydro Hawkesbury	2005-2007	0.644	-0.356	0.000	1
Chatham-Kent Hydro	2005-2007	0.694	-0.306	0.001	2
Northern Ontario Wires	2005-2007	0.714	-0.286	0.001	3
Cambridge and North Dumfries Hydro	2005-2007	0.718	-0.282	0.002	4
E.L.K. Energy	2005-2007	0.733	-0.267	0.003	5
Renfrew Hydro	2005-2007	0.752	-0.248	0.006	6
Grimsby Power	2005-2007	0.769	-0.231	0.010	7
Oshawa PUC Networks	2005-2007	0.781	-0.219	0.014	8
Lakeland Power Distribution	2005-2007	0.787	-0.213	0.017	9
Hydro One Brampton Networks	2005-2007	0.792	-0.208	0.019	10
Kitchener-Wilmot Hydro	2005-2007	0.804	-0.196	0.027	11
Barrie Hydro Distribution	2005-2007	0.810	-0.190	0.031	12
Festival Hydro	2005-2007	0.827	-0.173	0.046	13
Welland Hydro-Electric System	2005-2007	0.839	-0.161	0.060	14
Hydro 2000	2005-2007	0.845	-0.155	0.068	15
Kingston Electricity Distribution	2005-2007	0.868	-0.132	0.105	16
Horizon Utilities	2005-2007	0.872	-0.128	0.113	17
Hydro Ottawa	2005-2007	0.873	-0.127	0.114	18
Kenora Hydro Electric	2005-2007	0.875	-0.125	0.118	19
Peninsula West Utilities	2005-2007	0.877	-0.123	0.123	20
Waterloo North Hydro	2005-2007	0.878	-0.122	0.125	21
Lakefront Utilities	2005-2007	0.878	-0.122	0.125	22
Hearst Power Distribution	2005-2007	0.891	-0.109	0.154	23
Niagara-on-the-Lake Hydro	2005-2007	0.898	-0.102	0.170	24
Rideau St. Lawrence Distribution	2005-2007	0.906	-0.094	0.190	25
Halton Hills Hydro	2005-2007	0.908	-0.092	0.196	26
Innisfil Hydro Distribution Systems	2005-2007	0.911	-0.089	0.204	27
North Bay Hydro Distribution	2005-2007	0.916	-0.084	0.217	28
Peterborough Distribution	2005-2007	0.919	-0.081	0.228	29
Atikokan Hydro	2005-2007	0.922	-0.078	0.237	30
Newmarket & Tay Hydro Electric	2005-2007	0.930	-0.070	0.260	31
Orangeville Hydro	2005-2007	0.940	-0.060	0.291	32
Espanola Regional Hydro Distribution	2005-2007	0.946	-0.054	0.310	33
Enersource Hydro Mississauga	2005-2007	0.956	-0.044	0.344	34
PUC Distribution	2005-2007	0.965	-0.035	0.377	35
Middlesex Power Distribution	2005-2007	0.973	-0.027	0.405	36
Newbury Power	2005-2007	0.982	-0.018	0.436	37
Wasaga Distribution	2005-2007	0.984	-0.016	0.444	38
Wellington North Power	2005-2007	0.991	-0.009	0.468	39
Veridian Connections	2005-2007	0.995	-0.005	0.483	40
Burlington Hydro	2005-2007	1.007	0.007	0.474	41
Haldimand County Hydro	2005-2007	1.012	0.012	0.457	42
Ottawa River Power	2005-2007	1.015	0.015	0.448	43
Brantford Power	2005-2007	1.018	0.018	0.438	44
Toronto Hydro-Electric System	2005-2007	1.019	0.019	0.433	45
Westario Power	2005-2007	1.022	0.022	0.424	46
London Hydro	2005-2007	1.026	0.026	0.411	47
Tillsonburg Hydro	2005-2007	1.027	0.027	0.406	48
Hydro One Networks	2005-2007	1.037	0.037	0.375	49
Parry Sound Power	2005-2007	1.038	0.038	0.372	50
Woodstock Hydro Services	2005-2007	1.043	0.043	0.356	51
Milton Hydro Distribution	2005-2007	1.043	0.043	0.354	52
Norfolk Power Distribution	2005-2007	1.051	0.051	0.329	53
Thunder Bay Hydro Electricity Distribution	2005-2007	1.057	0.057	0.313	54
Bluewater Power Distribution	2005-2007	1.059	0.059	0.305	55
Grand Valley Energy	2005-2007	1.060	0.060	0.302	56
West Perth Power	2005-2007	1.066	0.066	0.285	57
Oakville Hydro Electricity Distribution	2005-2007	1.075	0.075	0.260	58
COLLUS Power	2005-2007	1.076	0.076	0.257	59
Cooperative Hydro Embrun	2005-2007	1.077	0.077	0.254	60
Clinton Power	2005-2007	1.084	0.084	0.236	61
St. Thomas Energy	2005-2007	1.092	0.092	0.218	62
Dutton Hydro	2004-2006	1.092	0.092	0.217	63
Brant County Power	2005-2007	1.096	0.096	0.207	64
Sioux Lookout Hydro	2005-2007	1.097	0.097	0.206	65
Orillia Power Distribution	2005-2007	1.098	0.098	0.204	66
Powerstream	2005-2007	1.110	0.110	0.178	67
Greater Sudbury-West Nipissing	2005-2007	1.126	0.126	0.147	68
Fort Erie (CNP)	2005-2007	1.127	0.127	0.145	69
Guelph Hydro Electric Systems	2005-2007	1.129	0.129	0.141	70
Fort Frances Power	2005-2007	1.129	0.129	0.141	71
Niagara Falls Hydro	2005-2007	1.185	0.185	0.066	72
Eastern Ontario Power (CNP)	2005-2007	1.198	0.198	0.055	73
Centre Wellington Hydro	2005-2007	1.205	0.205	0.049	74
Midland Power Utility	2005-2007	1.207	0.207	0.048	75
Essex Powerlines	2005-2007	1.253	0.253	0.023	76
ENWIN Powerlines	2005-2007	1.253	0.253	0.023	77
Whitby Hydro Electric	2005-2007	1.257	0.257	0.021	78
Chapleau Public Utilities	2005-2007	1.273	0.273	0.017	79
Erie Thames Powerlines	2005-2007	1.376	0.376	0.002	80
West Coast Huron Energy	2005-2007	1.392	0.392	0.002	81
Great Lakes Power	2005-2007	1.475	0.475	0.000	82
Port Colborne (CNP)	2005-2007	1.540	0.540	0.000	83

¹ Lower values imply better performance.

This table replaces
 Table 1 in PEG's
 "Sensitivity
 Analysis on
 Efficiency Ranking
 & Cohorts for the
 2009 Rate Year"
 issued on
 November 21,
 2008.

Table 7

Updated Performance Rankings Based on Econometric Benchmarks (26% allocation for LV charges)

	Years Benchmarked	Actual/Predicted ¹	Deviation		Rank ¹
			Percentage [A-1] ¹	P-Value	
Hydro Hawkesbury	2005-2007	0.657	-0.343	0.000	1
Northern Ontario Wires	2005-2007	0.712	-0.288	0.001	2
Chatham-Kent Hydro	2005-2007	0.713	-0.287	0.001	3
Cambridge and North Dumfries Hydro	2005-2007	0.718	-0.282	0.001	4
Grimsby Power	2005-2007	0.754	-0.246	0.005	5
E.L.K. Energy	2005-2007	0.764	-0.236	0.007	6
Oshawa PUC Networks	2005-2007	0.773	-0.227	0.009	7
Hydro One Brampton Networks	2005-2007	0.790	-0.210	0.015	8
Kitchener-Wilmot Hydro	2005-2007	0.800	-0.200	0.020	9
Renfrew Hydro	2005-2007	0.811	-0.189	0.026	10
Welland Hydro-Electric System	2005-2007	0.825	-0.175	0.037	11
Lakeland Power Distribution	2005-2007	0.826	-0.174	0.038	12
Festival Hydro	2005-2007	0.827	-0.173	0.039	13
Barrie Hydro Distribution	2005-2007	0.841	-0.159	0.055	14
Horizon Utilities	2005-2007	0.865	-0.135	0.090	15
Niagara-on-the-Lake Hydro	2005-2007	0.865	-0.135	0.090	16
Waterloo North Hydro	2005-2007	0.873	-0.127	0.105	17
Hydro Ottawa	2005-2007	0.875	-0.125	0.109	18
Atikokan Hydro	2005-2007	0.877	-0.123	0.113	19
Kingston Electricity Distribution	2005-2007	0.879	-0.121	0.115	20
Kenora Hydro Electric	2005-2007	0.883	-0.117	0.124	21
Peninsula West Utilities	2005-2007	0.896	-0.104	0.154	22
Lakefront Utilities	2005-2007	0.909	-0.091	0.189	23
Hydro 2000	2005-2007	0.910	-0.090	0.190	24
North Bay Hydro Distribution	2005-2007	0.911	-0.089	0.193	25
Newmarket & Tay Hydro Electric	2005-2007	0.918	-0.082	0.214	26
Rideau St. Lawrence Distribution	2005-2007	0.919	-0.081	0.217	27
Innisfil Hydro Distribution Systems	2005-2007	0.925	-0.075	0.236	28
Hearst Power Distribution	2005-2007	0.926	-0.074	0.237	29
Peterborough Distribution	2005-2007	0.926	-0.074	0.239	30
Halton Hills Hydro	2005-2007	0.926	-0.074	0.240	31
Espanola Regional Hydro Distribution	2005-2007	0.957	-0.043	0.343	32
Wellington North Power	2005-2007	0.958	-0.042	0.347	33
PUC Distribution	2005-2007	0.961	-0.039	0.358	34
Newbury Power	2005-2007	0.963	-0.037	0.363	35
Orangeville Hydro	2005-2007	0.966	-0.034	0.374	36
Middlesex Power Distribution	2005-2007	0.969	-0.031	0.387	37
Enersource Hydro Mississauga	2005-2007	0.979	-0.021	0.424	38
Tillsonburg Hydro	2005-2007	0.985	-0.015	0.443	39
Hydro One Networks	2005-2007	0.988	-0.012	0.456	40
Wasaga Distribution	2005-2007	0.988	-0.012	0.456	41
Haldimand County Hydro	2005-2007	1.001	0.001	0.498	42
Burlington Hydro	2005-2007	1.004	0.004	0.485	43
Toronto Hydro-Electric System	2005-2007	1.004	0.004	0.484	44
Brantford Power	2005-2007	1.007	0.007	0.472	45
Veridian Connections	2005-2007	1.011	0.011	0.460	46
Woodstock Hydro Services	2005-2007	1.017	0.017	0.437	47
London Hydro	2005-2007	1.022	0.022	0.419	48
Milton Hydro Distribution	2005-2007	1.031	0.031	0.387	49
Westario Power	2005-2007	1.045	0.045	0.343	50
Norfolk Power Distribution	2005-2007	1.045	0.045	0.340	51
Cooperative Hydro Embrun	2005-2007	1.047	0.047	0.334	52
Bluewater Power Distribution	2005-2007	1.050	0.050	0.326	53
Grand Valley Energy	2005-2007	1.050	0.050	0.324	54
Thunder Bay Hydro Electricity Distribution	2005-2007	1.051	0.051	0.324	55
Ottawa River Power	2005-2007	1.060	0.060	0.293	56
West Perth Power	2005-2007	1.064	0.064	0.282	57
Brant County Power	2005-2007	1.068	0.068	0.270	58
Parry Sound Power	2005-2007	1.070	0.070	0.267	59
St. Thomas Energy	2005-2007	1.073	0.073	0.258	60
Oakville Hydro Electricity Distribution	2005-2007	1.078	0.078	0.243	61
Fort Erie (CNP)	2005-2007	1.097	0.097	0.196	62
Dutton Hydro	2004-2006	1.101	0.101	0.187	63
COLLUS Power	2005-2007	1.103	0.103	0.182	64
Orillia Power Distribution	2005-2007	1.104	0.104	0.181	65
Powerstream	2005-2007	1.117	0.117	0.153	66
Fort Frances Power	2005-2007	1.124	0.124	0.139	67
Guelph Hydro Electric Systems	2005-2007	1.125	0.125	0.138	68
Greater Sudbury-West Nipissing	2005-2007	1.127	0.127	0.133	69
Clinton Power	2005-2007	1.133	0.133	0.123	70
Eastern Ontario Power (CNP)	2005-2007	1.141	0.141	0.111	71
Sioux Lookout Hydro	2005-2007	1.144	0.144	0.107	72
Niagara Falls Hydro	2005-2007	1.169	0.169	0.074	73
Centre Wellington Hydro	2005-2007	1.181	0.181	0.061	74
Midland Power Utility	2005-2007	1.229	0.229	0.028	75
ENWIN Powerlines	2005-2007	1.234	0.234	0.026	76
Whitby Hydro Electric	2005-2007	1.257	0.257	0.017	77
Essex Powerlines	2005-2007	1.272	0.272	0.013	78
Chapleau Public Utilities	2005-2007	1.280	0.280	0.011	79
West Coast Huron Energy	2005-2007	1.340	0.340	0.003	80
Erie Thames Powerlines	2005-2007	1.388	0.388	0.001	81
Great Lakes Power	2005-2007	1.402	0.402	0.001	82
Port Colborne (CNP)	2005-2007	1.484	0.484	0.000	83

¹ Lower values imply better performance.

This table replaces
Table 2 in PEG's
"Sensitivity
Analysis on
Efficiency Ranking
& Cohorts for the
2009 Rate Year"
issued on
November 21,
2008.

Table 8

Updated Performance Rankings Based on Unit Cost Indexes (26% Allocation for LV charges)

	Average / Group Average ¹ [A]	Percentage Differences ¹ [A - 1]	Efficiency Ranking ¹
Hydro Hawkesbury	0.402	-59.8%	1
Renfrew Hydro	0.602	-39.8%	2
Lakefront Utilities	0.616	-38.4%	3
Chatham-Kent Hydro	0.735	-26.5%	4
Hydro One Brampton Networks	0.740	-26.0%	5
Hydro Ottawa	0.759	-24.1%	6
Barrie Hydro Distribution	0.763	-23.7%	7
Festival Hydro	0.769	-23.1%	8
Northern Ontario Wires	0.774	-22.6%	9
Cambridge and North Dumfries Hydro	0.793	-20.7%	10
Hearst Power Distribution	0.801	-19.9%	11
Hydro 2000	0.804	-19.6%	12
Parry Sound Power	0.809	-19.1%	13
Fort Frances Power	0.815	-18.5%	14
E.L.K. Energy	0.825	-17.5%	15
Middlesex Power Distribution	0.830	-17.0%	16
Wellington North Power	0.836	-16.4%	17
Kitchener-Wilmot Hydro	0.844	-15.6%	18
Espanola Regional Hydro Distribution	0.845	-15.5%	19
Rideau St. Lawrence Distribution	0.852	-14.8%	20
Brant County Power	0.862	-13.8%	21
Grimsby Power	0.867	-13.3%	22
Peterborough Distribution	0.880	-12.0%	23
Welland Hydro-Electric System	0.885	-11.5%	24
Norfolk Power Distribution	0.889	-11.1%	25
Kingston Electricity Distribution	0.890	-11.0%	26
Orangeville Hydro	0.903	-9.7%	27
North Bay Hydro Distribution	0.906	-9.4%	28
Sioux Lookout Hydro	0.909	-9.1%	29
Peninsula West Utilities	0.919	-8.1%	30
Niagara-on-the-Lake Hydro	0.924	-7.6%	31
West Perth Power	0.933	-6.7%	32
Midland Power Utility	0.935	-6.5%	33
Oshawa PUC Networks	0.939	-6.1%	34
Innisfil Hydro Distribution Systems	0.939	-6.1%	35
Veridian Connections	0.950	-5.0%	36
Waterloo North Hydro	0.965	-3.5%	37
PUC Distribution	0.968	-3.2%	38
Thunder Bay Hydro Electricity Distribution	0.973	-2.7%	39
Guelph Hydro Electric Systems	0.973	-2.7%	40
Woodstock Hydro Services	0.976	-2.4%	41
Toronto Hydro-Electric System	0.978	-2.2%	42
Tillsonburg Hydro	0.997	-0.3%	43
Horizon Utilities	0.998	-0.2%	44
Lakeland Power Distribution	0.999	-0.1%	45
Orillia Power Distribution	1.004	0.4%	46
Milton Hydro Distribution	1.012	1.2%	47
COLLUS Power	1.027	2.7%	48
Atikokan Hydro	1.035	3.5%	49
PowerStream	1.039	3.9%	50
Westario Power	1.041	4.1%	51
St. Thomas Energy	1.041	4.1%	52
Haldimand County Hydro	1.056	5.6%	53
Burlington Hydro	1.063	6.3%	54
Oakville Hydro Electricity Distribution	1.069	6.9%	55
Newmarket Hydro & Tay Hydro	1.070	7.0%	56
Bluewater Power Distribution	1.074	7.4%	57
Ottawa River Power	1.074	7.4%	58
London Hydro	1.079	7.9%	59
Brantford Power	1.095	9.5%	60
Niagara Falls Hydro	1.106	10.6%	61
Centre Wellington Hydro	1.112	11.2%	62
Kenora Hydro Electric	1.125	12.5%	63
West Coast Huron Energy	1.128	12.8%	64
Wasaga Distribution	1.135	13.5%	65
Clinton Power	1.144	14.4%	66
Enersource Hydro Mississauga	1.145	14.5%	67
Greater Sudbury Hydro & West Nipissing	1.153	15.3%	68
Newbury Power	1.177	17.7%	69
Essex Powerlines	1.188	18.8%	70
Halton Hills Hydro	1.193	19.3%	71
Fort Erie	1.193	19.3%	72
Cooperative Hydro Embrun	1.195	19.5%	73
Eastern Ontario Power	1.204	20.4%	74
Whitby Hydro Electric	1.222	22.2%	75
Chapleau Public Utilities	1.240	24.0%	76
ENWIN Powerlines	1.313	31.3%	77
Dutton Hydro	1.327	32.7%	78
Erie Thames Powerlines	1.427	42.7%	79
Grand Valley Energy	1.467	46.7%	80
Port Colborne	1.486	48.6%	81
Great Lakes Power	1.972	97.2%	82

¹ Lower values imply better performance.

² Hydro One Networks has no peer group and is not included in this analysis.

This table replaces Table 3 in PEG's "[Sensitivity Analysis on Efficiency Ranking & Cohorts for the 2009 Rate Year](#)" issued on November 21, 2008.

Table 9

Stretch Factor Results: 2007 Data Update (26% Allocation for LV Charges)

Company	Group	Stretch Factor
Hydro Hawkesbury	1	0.20%
Northern Ontario Wires	1	0.20%
Chatham-Kent Hydro	1	0.20%
Cambridge and North Dumfries Hydro	1	0.20%
E.L.K. Energy	1	0.20%
Hydro One Brampton Networks	1	0.20%
Kitchener-Wilmot Hydro	1	0.20%
Renfrew Hydro	1	0.20%
Festival Hydro	1	0.20%
Barrie Hydro Distribution	1	0.20%
Grimsby Power	2	0.40%
Oshawa PUC Networks	2	0.40%
Welland Hydro-Electric System	2	0.40%
Lakeland Power Distribution	2	0.40%
Horizon Utilities	2	0.40%
Niagara-on-the-Lake Hydro	2	0.40%
Waterloo North Hydro	2	0.40%
Hydro Ottawa	2	0.40%
Atikokan Hydro	2	0.40%
Kingston Electricity Distribution	2	0.40%
Kenora Hydro Electric	2	0.40%
Peninsula West Utilities	2	0.40%
Lakefront Utilities	2	0.40%
Hydro 2000	2	0.40%
North Bay Hydro Distribution	2	0.40%
Newmarket & Tay Hydro Electric	2	0.40%
Rideau St. Lawrence Distribution	2	0.40%
Innisfil Hydro Distribution Systems	2	0.40%
Hearst Power Distribution	2	0.40%
Peterborough Distribution	2	0.40%
Halton Hills Hydro	2	0.40%
Espanola Regional Hydro Distribution	2	0.40%
Wellington North Power	2	0.40%
PUC Distribution	2	0.40%
Newbury Power	2	0.40%
Orangeville Hydro	2	0.40%
Middlesex Power Distribution	2	0.40%
Enersource Hydro Mississauga	2	0.40%
Tilsonburg Hydro	2	0.40%
Hydro One Networks	2	0.40%
Wasaga Distribution	2	0.40%
Haldimand County Hydro	2	0.40%
Burlington Hydro	2	0.40%
Toronto Hydro-Electric System	2	0.40%
Brantford Power	2	0.40%
Veridian Connections	2	0.40%
Woodstock Hydro Services	2	0.40%
London Hydro	2	0.40%
Milton Hydro Distribution	2	0.40%
Westario Power	2	0.40%
Norfolk Power Distribution	2	0.40%
Cooperative Hydro Embrun	2	0.40%
Bluewater Power Distribution	2	0.40%
Grand Valley Energy	2	0.40%
Thunder Bay Hydro Electricity Distribution	2	0.40%
Ottawa River Power	2	0.40%
West Perth Power	2	0.40%
Brant County Power	2	0.40%
Parry Sound Power	2	0.40%
St. Thomas Energy	2	0.40%
Oakville Hydro Electricity Distribution	2	0.40%
Fort Erie (CNP)	2	0.40%
Dutton Hydro	2	0.40%
COLLUS Power	2	0.40%
Orillia Power Distribution	2	0.40%
Powerstream	2	0.40%
Fort Frances Power	2	0.40%
Guelph Hydro Electric Systems	2	0.40%
Greater Sudbury-West Nipissing	2	0.40%
Clinton Power	2	0.40%
Eastern Ontario Power (CNP)	2	0.40%
Sioux Lookout Hydro	2	0.40%
Niagara Falls Hydro	2	0.40%
Centre Wellington Hydro	2	0.40%
Midland Power Utility	2	0.40%
ENWIN Powerlines	3	0.60%
Whitby Hydro Electric	3	0.60%
Essex Powerlines	3	0.60%
Chapleau Public Utilities	3	0.60%
West Coast Huron Energy	3	0.60%
Erie Thames Powerlines	3	0.60%
Great Lakes Power	3	0.60%
Port Colborne (CNP)	3	0.60%

This table replaces Table 4 in PEG's "Sensitivity Analysis on Efficiency Ranking & Cohorts for the 2009 Rate Year" issued on November 21, 2008.

Table 10

Updated Performance Rankings Based on Econometric Benchmarks (26% allocation for LV charges divided by 2.35)

	Years Benchmarked	Actual/Predicted ¹	Deviation Percentage [A-1] ¹	P-Value	Rank ¹
Hydro Hawkesbury	2005-2007	0.648	-0.352	0.000	1
Chatham-Kent Hydro	2005-2007	0.700	-0.300	0.001	2
Northern Ontario Wires	2005-2007	0.712	-0.288	0.001	3
Cambridge and North Dumfries Hydro	2005-2007	0.716	-0.284	0.001	4
E.L.K. Energy	2005-2007	0.743	-0.257	0.004	5
Grimsby Power	2005-2007	0.759	-0.241	0.006	6
Oshawa PUC Networks	2005-2007	0.781	-0.219	0.013	7
Hydro One Brampton Networks	2005-2007	0.792	-0.208	0.017	8
Kitchener-Wilmot Hydro	2005-2007	0.803	-0.197	0.024	9
Lakeland Power Distribution	2005-2007	0.804	-0.196	0.024	10
Renfrew Hydro	2005-2007	0.810	-0.190	0.028	11
Festival Hydro	2005-2007	0.822	-0.178	0.038	12
Barrie Hydro Distribution	2005-2007	0.826	-0.174	0.042	13
Welland Hydro-Electric System	2005-2007	0.829	-0.171	0.045	14
Horizon Utilities	2005-2007	0.865	-0.135	0.094	15
Kingston Electricity Distribution	2005-2007	0.866	-0.134	0.096	16
Hydro 2000	2005-2007	0.870	-0.130	0.103	17
Hydro Ottawa	2005-2007	0.876	-0.124	0.114	18
Waterloo North Hydro	2005-2007	0.877	-0.123	0.117	19
Niagara-on-the-Lake Hydro	2005-2007	0.880	-0.120	0.123	20
Peninsula West Utilities	2005-2007	0.886	-0.114	0.136	21
Lakefront Utilities	2005-2007	0.888	-0.112	0.141	22
Kenora Hydro Electric	2005-2007	0.895	-0.105	0.157	23
Rideau St. Lawrence Distribution	2005-2007	0.907	-0.093	0.187	24
Atkokan Hydro	2005-2007	0.908	-0.092	0.191	25
North Bay Hydro Distribution	2005-2007	0.914	-0.086	0.208	26
Innisfil Hydro Distribution Systems	2005-2007	0.915	-0.085	0.209	27
Peterborough Distribution	2005-2007	0.918	-0.082	0.219	28
Halton Hills Hydro	2005-2007	0.918	-0.082	0.219	29
Newmarket & Tay Hydro Electric	2005-2007	0.926	-0.074	0.242	30
Hearst Power Distribution	2005-2007	0.930	-0.070	0.255	31
Orangeville Hydro	2005-2007	0.949	-0.051	0.317	32
Espanola Regional Hydro Distribution	2005-2007	0.960	-0.040	0.356	33
Wellington North Power	2005-2007	0.962	-0.038	0.362	34
PUC Distribution	2005-2007	0.962	-0.038	0.364	35
Enersource Hydro Mississauga	2005-2007	0.966	-0.034	0.377	36
Middlesex Power Distribution	2005-2007	0.968	-0.032	0.384	37
Newbury Power	2005-2007	0.970	-0.030	0.391	38
Wasaga Distribution	2005-2007	0.986	-0.014	0.448	39
Veridian Connections	2005-2007	1.001	0.001	0.496	40
Tillsonburg Hydro	2005-2007	1.002	0.002	0.491	41
Burlington Hydro	2005-2007	1.006	0.006	0.478	42
Hydro One Networks	2005-2007	1.007	0.007	0.476	43
Branford Power	2005-2007	1.008	0.008	0.472	44
Haldimand County Hydro	2005-2007	1.010	0.010	0.463	45
Toronto Hydro-Electric System	2005-2007	1.015	0.015	0.445	46
London Hydro	2005-2007	1.026	0.026	0.409	47
Westario Power	2005-2007	1.027	0.027	0.405	48
Woodstock Hydro Services	2005-2007	1.027	0.027	0.403	49
Milton Hydro Distribution	2005-2007	1.040	0.040	0.361	50
Norfolk Power Distribution	2005-2007	1.048	0.048	0.334	51
Bluewater Power Distribution	2005-2007	1.049	0.049	0.333	52
Thunder Bay Hydro Electricity Distribution	2005-2007	1.050	0.050	0.328	53
Grand Valley Energy	2005-2007	1.051	0.051	0.327	54
Ottawa River Power	2005-2007	1.051	0.051	0.325	55
West Perth Power	2005-2007	1.062	0.062	0.292	56
Cooperative Hydro Embrun	2005-2007	1.064	0.064	0.286	57
Parry Sound Power	2005-2007	1.066	0.066	0.280	58
Oakville Hydro Electricity Distribution	2005-2007	1.077	0.077	0.251	59
Brant County Power	2005-2007	1.078	0.078	0.247	60
St. Thomas Energy	2005-2007	1.080	0.080	0.244	61
COLLUS Power	2005-2007	1.084	0.084	0.232	62
Orillia Power Distribution	2005-2007	1.093	0.093	0.210	63
Dutton Hydro	2004-2006	1.096	0.096	0.201	64
Clinton Power	2005-2007	1.103	0.103	0.186	65
Fort Erie (CNP)	2005-2007	1.107	0.107	0.178	66
Powerstream	2005-2007	1.121	0.121	0.151	67
Sioux Lookout Hydro	2005-2007	1.121	0.121	0.151	68
Greater Sudbury-West Nipissing	2005-2007	1.124	0.124	0.145	69
Geolph Hydro Electric Systems	2005-2007	1.127	0.127	0.139	70
Fort Frances Power	2005-2007	1.144	0.144	0.112	71
Eastern Ontario Power (CNP)	2005-2007	1.158	0.158	0.092	72
Niagara Falls Hydro	2005-2007	1.175	0.175	0.072	73
Centre Wellington Hydro	2005-2007	1.191	0.191	0.056	74
Midland Power Utility	2005-2007	1.211	0.211	0.041	75
ENWIN Powerlines	2005-2007	1.232	0.232	0.029	76
Essex Powerlines	2005-2007	1.257	0.257	0.019	77
Whitby Hydro Electric	2005-2007	1.260	0.260	0.018	78
Chapleau Public Utilities	2005-2007	1.310	0.310	0.007	79
West Coast Huron Energy	2005-2007	1.363	0.363	0.003	80
Erie Thames Powerlines	2005-2007	1.373	0.373	0.002	81
Great Lakes Power	2005-2007	1.432	0.432	0.001	82
Port Colborne (CNP)	2005-2007	1.502	0.502	0.000	83

¹ Lower values imply better performance.

This table replaces Table 5 in PEG's "Sensitivity Analysis on Efficiency Ranking & Cohorts for the 2009 Rate Year" issued on November 21, 2008.

Table 11

Updated Performance Rankings Based on Unit Cost Indexes (26% allocation for LV charges divided by 2.35)

	Average / Group Average ¹ [A]	Percentage Differences ¹ [A - 1]	Efficiency Ranking ¹
Hydro Hawkesbury	0.399	-60.1%	1
Renfrew Hydro	0.592	-40.8%	2
Lakefront Utilities	0.610	-39.0%	3
Chatham-Kent Hydro	0.728	-27.2%	4
Hydro One Brampton Networks	0.741	-25.9%	5
Barrie Hydro Distribution	0.750	-25.0%	6
Hydro Ottawa	0.760	-24.0%	7
Hydro 2000	0.762	-23.8%	8
Festival Hydro	0.771	-22.9%	9
Northern Ontario Wires	0.772	-22.8%	10
Cambridge and North Dumfries Hydro	0.791	-20.9%	11
Parry Sound Power	0.796	-20.4%	12
Hearst Power Distribution	0.799	-20.1%	13
E.L.K. Energy	0.804	-19.6%	14
Fort Frances Power	0.820	-18.0%	15
Middlesex Power Distribution	0.836	-16.4%	16
Espanola Regional Hydro Distribution	0.838	-16.2%	17
Wellington North Power	0.846	-15.4%	18
Kitchener-Wilmot Hydro	0.848	-15.2%	19
Rideau St. Lawrence Distribution	0.852	-14.8%	20
Grimsby Power	0.872	-12.8%	21
Sioux Lookout Hydro	0.880	-12.0%	22
Peterborough Distribution	0.881	-11.9%	23
Brant County Power	0.884	-11.6%	24
Kingston Electricity Distribution	0.886	-11.4%	25
Orangeville Hydro	0.887	-11.3%	26
Norfolk Power Distribution	0.892	-10.8%	27
Welland Hydro-Electric System	0.897	-10.3%	28
North Bay Hydro Distribution	0.906	-9.4%	29
Peninsula West Utilities	0.910	-9.0%	30
Midland Power Utility	0.927	-7.3%	31
West Perth Power	0.927	-7.3%	32
Innisfil Hydro Distribution Systems	0.930	-7.0%	33
Niagara-on-the-Lake Hydro	0.938	-6.2%	34
Veridian Connections	0.944	-5.6%	35
Oshawa PUC Networks	0.948	-5.2%	36
PUC Distribution	0.969	-3.1%	37
Waterloo North Hydro	0.971	-2.9%	38
Guelph Hydro Electric Systems	0.974	-2.6%	39
Thunder Bay Hydro Electricity Distribution	0.974	-2.6%	40
Toronto Hydro-Electric System	0.981	-1.9%	41
Lakeland Power Distribution	0.983	-1.7%	42
Woodstock Hydro Services	0.988	-1.2%	43
Orillia Power Distribution	0.993	-0.7%	44
Horizon Utilities	0.997	-0.3%	45
Milton Hydro Distribution	1.014	1.4%	46
COLLUS Power	1.015	1.5%	47
Tillsonburg Hydro	1.024	2.4%	48
Westario Power	1.030	3.0%	49
PowerStream	1.038	3.8%	50
Atikokan Hydro	1.049	4.9%	51
St. Thomas Energy	1.054	5.4%	52
Burlington Hydro	1.065	6.5%	53
Oakville Hydro Electricity Distribution	1.066	6.6%	54
Haldimand County Hydro	1.069	6.9%	55
Ottawa River Power	1.071	7.1%	56
Newmarket Hydro & Tay Hydro	1.077	7.7%	57
London Hydro	1.083	8.3%	58
Bluewater Power Distribution	1.083	8.3%	59
Brantford Power	1.096	9.6%	60
Centre Wellington Hydro	1.114	11.4%	61
Clinton Power	1.115	11.5%	62
Niagara Falls Hydro	1.121	12.1%	63
Newbury Power	1.137	13.7%	64
Enersource Hydro Mississauga	1.140	14.0%	65
Wasaga Distribution	1.142	14.2%	66
Kenora Hydro Electric	1.147	14.7%	67
West Coast Huron Energy	1.149	14.9%	68
Greater Sudbury Hydro & West Nipissing	1.151	15.1%	69
Essex Powerlines	1.180	18.0%	70
Halton Hills Hydro	1.181	18.1%	71
Cooperative Hydro Embrun	1.190	19.0%	72
Fort Erie	1.206	20.6%	73
Whitby Hydro Electric	1.221	22.1%	74
Eastern Ontario Power	1.234	23.4%	75
Chapleau Public Utilities	1.237	23.7%	76
Dutton Hydro	1.309	30.9%	77
ENWIN Powerlines	1.315	31.5%	78
Erie Thames Powerlines	1.420	42.0%	79
Grand Valley Energy	1.459	45.9%	80
Port Colborne	1.531	53.1%	81
Great Lakes Power	2.016	101.6%	82

¹ Lower values imply better performance.

² Hydro One Networks has no peer group and is not included in this analysis.

This table replaces
Table 6 in PEG's
"Sensitivity
Analysis on
Efficiency Ranking
& Cohorts for the
2009 Rate Year"
issued on
November 21,
2008.

Table 12

**Stretch Factor Results: 2007 Data Update (26% allocation of
LV charges divided by 2.35)**

Company	Group	Stretch Factor
Hydro Hawkesbury	1	0.20%
Chatham-Kent Hydro	1	0.20%
Northern Ontario Wires	1	0.20%
Cambridge and North Dumfries Hydro	1	0.20%
E.L.K. Energy	1	0.20%
Hydro One Brampton Networks	1	0.20%
Kitchener-Wilmot Hydro	1	0.20%
Renfrew Hydro	1	0.20%
Festival Hydro	1	0.20%
Barrie Hydro Distribution	1	0.20%
Grimsby Power	2	0.40%
Oshawa PUC Networks	2	0.40%
Lakeland Power Distribution	2	0.40%
Welland Hydro-Electric System	2	0.40%
Horizon Utilities	2	0.40%
Kingston Electricity Distribution	2	0.40%
Hydro 2000	2	0.40%
Hydro Ottawa	2	0.40%
Waterloo North Hydro	2	0.40%
Niagara-on-the-Lake Hydro	2	0.40%
Peninsula West Utilities	2	0.40%
Lakefront Utilities	2	0.40%
Kenora Hydro Electric	2	0.40%
Rideau St. Lawrence Distribution	2	0.40%
Atikokan Hydro	2	0.40%
North Bay Hydro Distribution	2	0.40%
Innisfil Hydro Distribution Systems	2	0.40%
Peterborough Distribution	2	0.40%
Halton Hills Hydro	2	0.40%
Newmarket & Tay Hydro Electric	2	0.40%
Hearst Power Distribution	2	0.40%
Orangeville Hydro	2	0.40%
Espanola Regional Hydro Distribution	2	0.40%
Wellington North Power	2	0.40%
PUC Distribution	2	0.40%
Enersource Hydro Mississauga	2	0.40%
Middlesex Power Distribution	2	0.40%
Newbury Power	2	0.40%
Wasaga Distribution	2	0.40%
Veridian Connections	2	0.40%
Tillsonburg Hydro	2	0.40%
Burlington Hydro	2	0.40%
Hydro One Networks	2	0.40%
Brantford Power	2	0.40%
Haldimand County Hydro	2	0.40%
Toronto Hydro-Electric System	2	0.40%
London Hydro	2	0.40%
Westario Power	2	0.40%
Woodstock Hydro Services	2	0.40%
Milton Hydro Distribution	2	0.40%
Norfolk Power Distribution	2	0.40%
Bluewater Power Distribution	2	0.40%
Thunder Bay Hydro Electricity Distribution	2	0.40%
Grand Valley Energy	2	0.40%
Ottawa River Power	2	0.40%
West Perth Power	2	0.40%
Cooperative Hydro Embrun	2	0.40%
Parry Sound Power	2	0.40%
Oakville Hydro Electricity Distribution	2	0.40%
Brant County Power	2	0.40%
St. Thomas Energy	2	0.40%
COLLUS Power	2	0.40%
Orillia Power Distribution	2	0.40%
Dutton Hydro	2	0.40%
Clinton Power	2	0.40%
Fort Erie (CNP)	2	0.40%
Powerstream	2	0.40%
Sioux Lookout Hydro	2	0.40%
Greater Sudbury-West Nipissing	2	0.40%
Guelph Hydro Electric Systems	2	0.40%
Fort Frances Power	2	0.40%
Centre Wellington Hydro	2	0.40%
Midland Power Utility	2	0.40%
Eastern Ontario Power (CNP)	3	0.60%
Niagara Falls Hydro	3	0.60%
ENWIN Powerlines	3	0.60%
Essex Powerlines	3	0.60%
Whitby Hydro Electric	3	0.60%
Chapleau Public Utilities	3	0.60%
West Coast Huron Energy	3	0.60%
Erie Thames Powerlines	3	0.60%
Great Lakes Power	3	0.60%
Port Colborne (CNP)	3	0.60%

This table replaces
Table 7 in PEG's
["Sensitivity
Analysis on
Efficiency Ranking
& Cohorts for the
2009 Rate Year"](#)
issued on
November 21,
2008.