



Name of LDC: Hydro 2000 Inc.
File Number: EB-2009-0229
Effective Date: Saturday, May 01, 2010

LDC Information

Applicant Name	Hydro 2000 Inc.
OEB Application Number	EB-2009-0229
LDC Licence Number	ED-2002-0542
Applied for Effective Date	May 1, 2010
Stretch Factor Group	II
Stretch Factor Value	0.4%
Re-based Year	2008
Most Recent Year Reported	2008



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Rate Class and Re-Based Billing Determinants & Rates

Rate Group	Rate Class	Fixed Metric	Vol Metric	Re-based Billed Customers or Connections			Re-based Tariff Service Charge D	Re-based Tariff Distribution Volumetric Rate kWh E	Re-based Tariff Distribution Volumetric Rate kW F
				A	B	C			
RES	Residential	Customer	kWh	1,005	16,514,191		8.76	0.0115	
GSLT50	General Service Less Than 50 kW	Customer	kWh	147	5,682,016		24.78	0.0132	
GSGT50	General Service 50 to 4,999 kW	Customer	kW	12	5,496,281	13,280	120.54		2.9631
USL	Unmetered Scattered Load	Connection	kWh	6	19,951		12.26	0.0132	
SL	Street Lighting	Connection	kW	368	359,553	941	0.05		8.6628
NA	Rate Class 6	NA	NA						
NA	Rate Class 7	NA	NA						
NA	Rate Class 8	NA	NA						
NA	Rate Class 9	NA	NA						
NA	Rate Class 10	NA	NA						
NA	Rate Class 11	NA	NA						
NA	Rate Class 12	NA	NA						
NA	Rate Class 13	NA	NA						
NA	Rate Class 14	NA	NA						
NA	Rate Class 15	NA	NA						
NA	Rate Class 16	NA	NA						
NA	Rate Class 17	NA	NA						
NA	Rate Class 18	NA	NA						
NA	Rate Class 19	NA	NA						
NA	Rate Class 20	NA	NA						
NA	Rate Class 21	NA	NA						
NA	Rate Class 22	NA	NA						
NA	Rate Class 23	NA	NA						
NA	Rate Class 24	NA	NA						
NA	Rate Class 25	NA	NA						



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Removal of Rate Adders

Rate Class	Re-based Tariff Service Charge A	Re-based Tariff Distribution Volumetric Rate kWh B	Re-based Tariff Distribution Volumetric Rate kW C	Service Charge Rate Adders D	Distribution Volumetric kWh Rate Adders E	Distribution Volumetric kW Rate Adders F
Residential	8.76	0.0115	0.0000	0.26	0.0053	0.0000
General Service Less Than 50 kW	24.78	0.0132	0.0000	0.26	0.0049	0.0000
General Service 50 to 4,999 kW	120.54	0.0000	2.9631	0.26	0.0000	1.9117
Unmetered Scattered Load	12.26	0.0132	0.0000	0.00	0.0048	0.0000
Street Lighting	0.05	0.0000	8.6628	0.00	0.0000	1.4786



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Calculated Re-Based Revenue From Rates

Rate Class	Re-based Billed			Re-based Base Service Charge D	Re-based Base	Re-based Base	Service Charge Revenue G = A * D * 12	Distribution	Distribution	Revenue Requirement from Rates J = G + H + I
	Customers or Connections A	Re-based Billed kWh B	Re-based Billed kW C		Volumetric Rate kWh E	Volumetric Rate kW F		Volumetric Rate kWh H = B * E	Volumetric Rate kW I = C * F	
Residential	1,005	16,514,191	0	8.50	0.0062	0.0000	102,510	102,388	0	204,898
General Service Less Than 50 kW	147	5,682,016	0	24.52	0.0083	0.0000	43,253	47,161	0	90,414
General Service 50 to 4,999 kW	12	5,496,281	13,280	120.28	0.0000	1.0514	17,320	0	13,963	31,283
Unmetered Scattered Load	6	19,951	0	12.26	0.0084	0.0000	883	168	0	1,050
Street Lighting	368	359,553	941	0.05	0.0000	7.1842	221	0	6,760	6,981
							164,187	149,716	20,723	334,626



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Detailed Re-Based Revenue From Rates

Applicants Rate Base	Last Rate Re-based Amount		
Average Net Fixed Assets			
Gross Fixed Assets - Re-based Opening	\$ 637,548	A	
Add: CWIP Re-based Opening		B	
Re-based Capital Additions	\$ 97,200	C	
Re-based Capital Disposals		D	
Re-based Capital Retirements		E	
Deduct: CWIP Re-based Closing		F	
Gross Fixed Assets - Re-based Closing	\$ 734,748	G	
Average Gross Fixed Assets			\$ 686,148 H = (A + G) / 2
Accumulated Depreciation - Re-based Opening	\$ 273,761	I	
Re-based Depreciation Expense	\$ 51,889	J	
Re-based Disposals		K	
Re-based Retirements		L	
Accumulated Depreciation - Re-based Closing	\$ 325,650	M	
Average Accumulated Depreciation			\$ 299,706 N = (I + M) / 2
Average Net Fixed Assets			\$ 386,443 O = H - N
Working Capital Allowance			
Working Capital Allowance Base	\$ 2,296,761	P	
Working Capital Allowance Rate	15.0%	Q	
Working Capital Allowance			\$ 344,514 R = P * Q
Rate Base			\$ 730,957 S = O + R
Return on Rate Base			
Deemed ShortTerm Debt %	4.00%	T	\$ 29,238 W = S * T
Deemed Long Term Debt %	49.30%	U	\$ 360,362 X = S * U
Deemed Equity %	46.70%	V	\$ 341,357 Y = S * V
Short Term Interest	4.47%	Z	\$ 1,307 AC = W * Z
Long Term Interest	5.50%	AA	\$ 19,820 AD = X * AA
Return on Equity	8.57%	AB	\$ 29,254 AE = Y * AB
Return on Rate Base			\$ 50,381 AF = AC + AD + AE
Distribution Expenses			
OM&A Expenses	\$ 262,650	AG	
Amortization	\$ 51,889	AH	
Ontario Capital Tax (F1.1 Z-Factor Tax Changes)		AI	
Grossed Up PILS (F1.1 Z-Factor Tax Changes)	\$ 4,932	AJ	
Low Voltage	\$ 143,001	AK	
Transformer Allowance		AL	
		AM	
		AN	
		AO	
			\$ 462,472 AP = SUM (AG : AO)
Revenue Offsets			
Specific Service Charges	-\$ 4,668	AQ	
Late Payment Charges	-\$ 4,403	AR	
Other Distribution Income	-\$ 6,526	AS	
Other Income and Deductions	-\$ 20,383	AT	-\$ 35,980 AU = SUM (AQ : AT)
Revenue Requirement from Distribution Rates			\$ 476,873 AV = AF + AP + AU
Rate Classes Revenue			
Rate Classes Revenue - Total (B1.1 Re-based Revenue - Gen)	\$ 334,626		AW

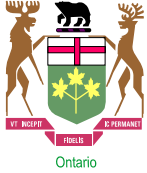


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2009 Base Distribution Rates

Rate Class	Fixed Metric	Vol Metric	Current Base		Re-based Customers or Connections	Re-based Billed kWh	Re-based Billed kW	Current Base Service Charge Revenue	Current Base Distribution Volumetric Rate kWh Revenue	Current Base Distribution Volumetric Rate kW Revenue	Total Current Base Revenue
			Current Base Service Charge	Current Base Distribution Volumetric Rate kWh							
Residential	Customer	kWh	8.49	0.0060	1,005	16,514,191	0	102,389	99,085	0	201,475
General Service Less Than 50 kW	Customer	kWh	24.48	0.0081	147	5,682,016	0	43,183	46,024	0	89,207
General Service 50 to 4,999 kW	Customer	kW	120.09	0.9829	12	5,496,281	13,280	17,293	0	13,053	30,346
Unmetered Scattered Load	Connection	kWh	12.24	0.0082	6	19,951	0	881	164	0	1,045
Street Lighting	Connection	kW	0.05	7.1210	368	359,553	941	221	0	6,701	6,922
								163967	145273	19754	328994

"C7.1 Base Dist Rates Gen"
 of the 2010 OEB IRM3 Rate
 Generator.



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Cost Allocation Information

Rate Class	2006 EDR	2006 Cost Allocation Informational Filing				Allocation of TOA	Revised Total Revenue	Revised Revenue Requirement	Revised Revenue to Cost Ratio
	TOA Sheet 6-3	Revenue Total	Revenue Requirement	Revenue To Cost Ratio	TOA Allocators				
	A	B	C	D = B / C	E				
Residential		168,181	108,760	154.63%	62.16%	0	168,181	108,760	154.63%
General Service Less Than 50 kW		53,755	57,658	93.23%	19.36%	0	53,755	57,658	93.23%
General Service 50 to 4,999 kW		21,053	16,357	128.71%	18.48%	0	21,053	16,357	128.71%
Unmetered Scattered Load		577	5,696	10.13%		0	577	5,696	10.13%
Street Lighting		1,718	1,463	117.43%		0	1,718	1,463	117.43%
Total		245,284	189,934	129.14%	100.00%		245,284	189,934	129.14%
Transformer Ownership Allowance		<u>0</u>				<u>0</u>			
		F							



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Calculate New Starting Point for 2008 Re-Based Decisions

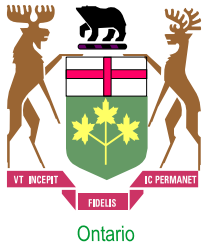
Rate Class	2008 Decision	2008	2009	2010	2011	2012	New Starting Point	2008	2009	2010	2011	2012
	A	B	C	D	E	F	G	H = B * (G / A)	I = C * (G / A)	J = D * (G / A)	K = E * (G / A)	L = F * (G / A)
Residential	154.63%	61.12%	61.32%	61.32%			154.63%	61.12%	61.32%	61.32%	0.00%	0.00%
General Service Less Than 50 kW	93.23%	27.09%	24.80%	24.80%			93.23%	27.09%	24.80%	24.80%	0.00%	0.00%
General Service 50 to 4,999 kW	128.71%	9.37%	11.88%	11.88%			128.71%	9.37%	11.88%	11.88%	0.00%	0.00%
Unmetered Scattered Load	10.13%	0.33%	0.24%	0.24%			10.13%	0.33%	0.24%	0.24%	0.00%	0.00%
Street Lighting	117.43%	2.09%	1.76%	1.76%			117.43%	2.09%	1.76%	1.76%	0.00%	0.00%



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Decision - Cost Revenue Adjustments by Rate Class

Rate Class	Group	Pre -					
		Rebased Year 2007	Rebased Year 2008	Transition Year 2 2009	Transition Year 3 2010	Transition Year 4 2011	Transition Year 5 2012
Residential	No Change	154.63%	61.12%	61.32%	61.32%	0.00%	0.00%
General Service Less Than 50 kW	No Change	93.23%	27.09%	24.80%	24.80%	0.00%	0.00%
General Service 50 to 4,999 kW	No Change	128.71%	9.37%	11.88%	11.88%	0.00%	0.00%
Unmetered Scattered Load	No Change	10.13%	0.33%	0.24%	0.24%	0.00%	0.00%
Street Lighting	No Change	117.43%	2.09%	1.76%	1.76%	0.00%	0.00%



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Revenue Offsets Allocation

Rate Class	Informational Filing		Allocated Revenue
	Revenue Offsets A	Percentage Split C = A / B	Offsets E = D * C
Residential	31,192	68.53%	24,657
General Service Less Than 50 kW	9,963	21.89%	7,876
General Service 50 to 4,999 kW	3,973	8.73%	3,141
Unmetered Scattered Load	55	0.12%	43
Street Lighting	332	0.73%	263
	45,515	100.00%	35,980
	B		D



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Transformer Allowance

Rate Class	Transformer Allowance In Rate	Transformer Allowance	Transformer Allowance kW's	Transformer Allowance Rate	Volumetric Distribution Rate	Billed kW's	Adjusted Volumetric Distribution Rate
		A	C	E	F	G	$I = (F * (G - C) + (F - E) * C) / G$
Residential	No						
General Service Less Than 50 kW	No						
General Service 50 to 4,999 kW	No						
Unmetered Scattered Load	No						
Street Lighting	No						
		B	D			H	
		-	-			-	
		-	-			-	



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Revenue / Cost Ratio Revenue

Rate Class	Billed Customers or Connections		Billed kWh		Base Service Charge D	Base Distribution Volumetric Rate kWh E	Base Distribution Volumetric Rate kW F	Distribution Volumetric Rate kWh H = B * E	Distribution Volumetric Rate kW I = C * F	Revenue Requirement from Rates J = G + H + I	
	A	B	C								G = A * D * 12
Residential	1,005	16,514,191	0	0	8.50	0.0062	0.0000	102,510	102,388	0	204,898
General Service Less Than 50 kW	147	5,682,016	0	0	24.52	0.0083	0.0000	43,253	47,161	0	90,414
General Service 50 to 4,999 kW	12	5,496,281	13,280	0	120.28	0.0000	1.0514	17,320	0	13,963	31,283
Unmetered Scattered Load	6	19,951	0	0	12.26	0.0084	0.0000	883	168	0	1,050
Street Lighting	368	359,553	941	0	0.05	0.0000	7.1842	221	0	6,760	6,981
								164,187	149,716	20,723	334,626



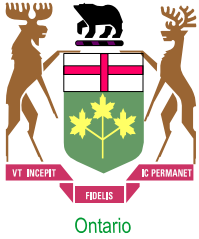
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Proposed Revenue / Cost Ratio Adjustment

Rate Class	Current Revenue			Proposed Revenue		Final Adjusted	
	Adjusted Revenue A	Cost Ratio B	Re-Allocated Cost C = A / B	Cost Ratio D	Revenue E = C * D	Dollar Change F = E - C	Percentage Change G = (E / C) - 1
Residential	\$ 229,555	0.61	\$ 375,581	0.61	\$ 230,306	\$ 751	0.3%
General Service Less Than 50 kW	\$ 98,290	0.27	\$ 362,827	0.25	\$ 89,981	-\$ 8,309	-8.5%
General Service 50 to 4,999 kW	\$ 34,424	0.09	\$ 367,385	0.12	\$ 43,645	\$ 9,221	26.8%
Unmetered Scattered Load	\$ 1,093	0.00	\$ 331,359	0.00	\$ 795	-\$ 298	-27.3%
Street Lighting	\$ 7,244	0.02	\$ 346,593	0.02	\$ 6,100	-\$ 1,144	-15.8%
	<u>\$ 370,606</u>		<u>\$ 1,783,744</u>		<u>\$ 370,828</u>	<u>\$ 222</u>	<u>0.1%</u>

Out of Balance - **222**

Final ? **Yes**



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Proposed Revenue from Revenue / Cost Ratio Adjustment

Rate Class	Adjusted Revenue By Revenue Cost Ratio A	Allocated Re-based Revenue Offsets B	Revenue Requirement from Rates Before Transformer Allowance C = A - B	Re-based Transformer Allowance D	Revenue Requirement from Rates E = C + D
Residential	\$ 230,306	\$ 24,657	\$ 205,649	\$ -	\$ 205,649
General Service Less Than 50 kW	\$ 89,981	\$ 7,876	\$ 82,105	\$ -	\$ 82,105
General Service 50 to 4,999 kW	\$ 43,645	\$ 3,141	\$ 40,504	\$ -	\$ 40,504
Unmetered Scattered Load	\$ 795	\$ 43	\$ 752	\$ -	\$ 752
Street Lighting	\$ 6,100	\$ 263	\$ 5,837	\$ -	\$ 5,837
	\$ 370,828	\$ 35,980	\$ 334,848	\$ -	\$ 334,848



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Proposed Fixed Variable Revenue Allocation

Rate Class	Revenue Requirement from Rates A	Service Charge % Revenue C = A / B	Revenue Requirement from Rates E = F * C
Residential	\$ 205,649	61.4%	\$ 202,054
General Service Less Than 50 kW	\$ 82,105	24.5%	\$ 80,670
General Service 50 to 4,999 kW	\$ 40,504	12.1%	\$ 39,796
Unmetered Scattered Load	\$ 752	0.2%	\$ 739
Street Lighting	\$ 5,837	1.7%	\$ 5,735
	<u>\$ 334,848</u> B		<u>\$ 328,994</u> -



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Proposed Fixed Variable Revenue Allocation

Rate Class	Revenue Requirement from Rates A	Distribution Volumetric		Distribution Volumetric		Service Charge Revenue E = A * B	Rate Revenue kWh F = A * C	Rate Revenue kW G = A * D	Revenue Requirement from Rates by Rate Class H = E + F + G
		Service Charge % Revenue B	Rate % Revenue kWh C	Rate % Revenue kW D					
Residential	\$ 202,054	50.0%	50.0%	0.0%	\$ 101,087	\$ 100,967	\$ -	\$ 202,054	
General Service Less Than 50 kW	\$ 80,670	47.8%	52.2%	0.0%	\$ 38,592	\$ 42,078	\$ -	\$ 80,670	
General Service 50 to 4,999 kW	\$ 39,796	55.4%	0.0%	44.6%	\$ 22,034	\$ -	\$ 17,762	\$ 39,796	
Unmetered Scattered Load	\$ 739	84.0%	16.0%	0.0%	\$ 621	\$ 118	\$ -	\$ 739	
Street Lighting	\$ 5,735	3.2%	0.0%	96.8%	\$ 181	\$ -	\$ 5,554	\$ 5,735	
	<u>\$ 328,994</u>				<u>\$ 162,515</u>	<u>\$ 143,163</u>	<u>\$ 23,316</u>	<u>\$ 328,994</u>	



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Proposed Fixed and Variable Rates

Rate Class	Service Charge Revenue	Distribution Rate Revenue kWh	Volumetric Rate Revenue kWh	Distribution Rate Revenue kW	Volumetric Rate Revenue kW	Re-based Customers or Connections	Re-based Billed kWh	Re-based Billed kW	Proposed Base Service Charge G = A / D / 12	Proposed Base Distribution Volumetric Rate kWh H = B / E	Proposed Base Distribution Volumetric Rate kW I = C / F
	A	B	C	D	E	F	G	H	I		
Residential	\$ 101,087	\$ 100,967	\$ -	1,005	16,514,191	0	8.38	0.0061	-		
General Service Less Than 50 kW	\$ 38,592	\$ 42,078	\$ -	147	5,682,016	0	21.88	0.0074	-		
General Service 50 to 4,999 kW	\$ 22,034	\$ -	\$ 17,762	12	5,496,281	13,280	153.01	-	1.3375		
Unmetered Scattered Load	\$ 621	\$ 118	\$ -	6	19,951	0	8.63	0.0059	-		
Street Lighting	\$ 181	\$ -	\$ 5,554	368	359,553	941	0.04	-	5.9022		



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Adjustment required to Proposed Rates

Rate Class	Proposed Base			Current Base			Adjustment		
	Proposed Base Service Charge A	Distribution Volumetric Rate kWh B	Distribution Volumetric Rate kW C	Current Base Service Charge D	Distribution Volumetric Rate kWh E	Distribution Volumetric Rate kW F	Adjustment Required Base Service Charge G = A - D	Adjustment Required Base Distribution Volumetric Rate kWh H = B - E	Adjustment Required Base Distribution Volumetric Rate kW I = C - F
Residential	\$ 8.38	\$ 0.0061	\$ -	\$ 8.49	\$ 0.0060	\$ -	-\$ 0.11	\$ 0.0001	\$ -
General Service Less Than 50 kW	\$ 21.88	\$ 0.0074	\$ -	\$ 24.48	\$ 0.0081	\$ -	-\$ 2.60	-\$ 0.0007	\$ -
General Service 50 to 4,999 kW	\$ 153.01	\$ -	\$ 1.3375	\$ 120.09	\$ -	\$ 0.9829	\$ 32.92	\$ -	\$ 0.3546
Unmetered Scattered Load	\$ 8.63	\$ 0.0059	\$ -	\$ 12.24	\$ 0.0082	\$ -	-\$ 3.61	-\$ 0.0023	\$ -
Street Lighting	\$ 0.04	\$ -	\$ 5.9022	\$ 0.05	\$ -	\$ 7.1210	-\$ 0.01	\$ -	-\$ 1.2188

Enter the above values onto Sheet "D1.2 Revenue Cost Ratio Adj" of the 2010 OEB IRM3 Rate Generator.



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Load Actual - Most Recent Year

Most Recent Year Reported - 2008

Rate Class	Fixed Metric	Vol Metric	Billed Customers or Connections			Base Service Charge D	Base Distribution	Base Distribution	Service Charge Revenue G = A * D * 12	Distribution Volumetric	Distribution Volumetric	Total Revenue by Rate Class J = G + H + I
			A	Billed kWh B	Billed kW C		Volumetric Rate kWh E	Volumetric Rate kW F		Rate Revenue kWh H = B * E	Rate Revenue kW I = C * F	
Residential	Customer	kWh	1,019	15,306,507	0	\$8.50	\$0.0062	\$0.0000	\$103,938	\$94,900	\$0	\$198,838
General Service Less Than 50 kW	Customer	kWh	146	5,044,722	0	\$24.52	\$0.0083	\$0.0000	\$42,959	\$41,871	\$0	\$84,830
General Service 50 to 4,999 kW	Customer	kW	12	5,074,157	12,030	\$120.28	\$0.0000	\$1.0514	\$17,320	\$0	\$12,648	\$29,969
Unmetered Scattered Load	Connection	kWh	6	19,706	0	\$12.26	\$0.0084	\$0.0000	\$883	\$166	\$0	\$1,048
Street Lighting	Connection	kW	368	360,741	940	\$0.05	\$0.0000	\$7.1842	\$221	\$0	\$6,753	\$6,974
									\$165,321	\$136,937	\$19,401	\$321,659



Name of LDC: Hydro 2000 Inc.
 File Number: EB-2009-0229
 Effective Date: Saturday, May 01, 2010

Capital Structure Transition

Capital Structure Transition

Size of Utility (Rate Base)

Year	Small [\$0, \$100M)			Med-Small [\$100M,\$250M)			Med-Large [\$250M,\$1B)			Large >=\$1B		
	Short Term Debt	Long Term Debt	Equity	Short Term Debt	Long Term Debt	Equity	Short Term Debt	Long Term Debt	Equity	Short Term Debt	Long Term Debt	Equity
2007	4.0%	46.0%	50.0%	4.0%	51.0%	45.0%	4.0%	56.0%	40.0%	4.0%	61.0%	35.0%
2008	4.0%	49.3%	46.7%	4.0%	53.5%	42.5%	4.0%	56.0%	40.0%	4.0%	58.5%	37.5%
2009	4.0%	52.7%	43.3%	4.0%	56.0%	40.0%	4.0%	56.0%	40.0%	4.0%	56.0%	40.0%
2010	4.0%	56.0%	40.0%	4.0%	56.0%	40.0%	4.0%	56.0%	40.0%	4.0%	56.0%	40.0%

Rate Base	A	\$730,957
Size of Utility	B	Small

Deemed Capital Structure

	Short Term	Long Term	Equity
	Debt	Debt	
2008	4.0%	49.3%	46.7%
2009	4.0%	52.7%	43.3%
2010	4.0%	56.0%	40.0%



Name of LDC: Hydro 2000 Inc.
 File Number: EB-2009-0229
 Effective Date: Saturday, May 01, 2010

K-Factor Adjustment

Applicants Rate Base	Last Rate Re-Basing Amount		
Average Net Fixed Assets			
Gross Fixed Assets - Re-Basing Opening	\$ 637,548	A	
Add: CWIP Re-Basing Opening	\$ -	B	
Re-Basing Capital Additions	\$ 97,200	C	
Re-Basing Capital Disposals	\$ -	D	
Re-Basing Capital Retirements	\$ -	E	
Deduct: CWIP Re-Basing Closing	\$ -	F	
Gross Fixed Assets - Re-Basing Closing	\$ 734,748	G	
Average Gross Fixed Assets	\$ 686,148		H
Accumulated Depreciation - Re-Basing Opening	\$ 273,761	I	
Re-Basing Depreciation Expense	\$ 51,889	J	
Re-Basing Disposals	\$ -	K	
Re-Basing Retirements	\$ -	L	
Accumulated Depreciation - Re-Basing Closing	\$ 325,650	M	
Average Accumulated Depreciation	\$ 299,706		N
Average Net Fixed Assets	\$ 386,443		O
Working Capital Allowance			
Working Capital Allowance Base	\$2,296,761	P	
Working Capital Allowance Rate	15.0%	Q	
Working Capital Allowance	\$ 344,514		R
Rate Base	\$ 730,957		S
Return on Rate Base			
Deemed ShortTerm Debt %	4.00%	T	\$ 29,238 W
Deemed Long Term Debt %	56.00%	U	\$ 409,336 X
Deemed Equity %	40.00%	V	\$ 292,383 Y
Short Term Interest	4.47%	Z	\$ 1,307 AC
Long Term Interest	5.50%	AA	\$ 22,513 AD
Return on Equity	8.57%	AB	\$ 25,057 AE
Return on Rate Base	\$ 48,878		AF
Distribution Expenses			
OM&A Expenses	\$ 262,650	AG	
Amortization	\$ 51,889	AH	
Ontario Capital Tax	\$ -	AI	
Grossed Up PILs	\$ 4,932	AJ	
Low Voltage	\$ 143,001	AK	
Transformer Allowance	\$ -	AL	
	\$ -	AM	
	\$ -	AN	
	\$ -	AO	
	\$ 462,472		AP
Revenue Offsets			
Specific Service Charges	-\$ 4,668	AQ	
Late Payment Charges	-\$ 4,403	AR	
Other Distribution Income	-\$ 6,526	AS	
Other Income and Deductions	-\$ 20,383	AT	-\$ 35,980 AU
Revenue Requirement from Distribution Rates (after Capital Structure Transition)	\$ 475,370		AV
Revenue Requirement from Distribution Rates (Before Capital Structure Transition)	\$ 476,873		AW
K-factor Adjustment	-0.32%	AX	
2008 Filers K-factor Adjustment	-0.16%	AY = AX / 2	

Enter the above value onto Sheet
 "D2.2 K-Factor Adjustment"
 of the 2010 OEB IRM3 Rate Generator.



Name of LDC: Hydro 2000 Inc.
 File Number: EB-2009-0229
 Effective Date: Saturday, May 01, 2010

Z-Factor Tax Changes

Summary - Sharing of Tax Change Forecast Amounts

1. Tax Related Amounts Forecast from Capital Tax Rate Changes

	2008	2009	2010	2011	2012
Taxable Capital	\$ 730,958	\$ 730,958	\$ 730,958	\$ 730,958	\$ 730,958
Deduction from taxable capital up to \$15,000,000	\$ 730,958	\$ 730,958	\$ 730,958	\$ 730,958	\$ 730,958
Net Taxable Capital	\$ -	\$ -	\$ -	\$ -	\$ -
Rate	0.225%	0.225%	0.150%	0.000%	0.000%
Ontario Capital Tax (Deductible, not grossed-up)	\$ -	\$ -	\$ -	\$ -	\$ -

2. Tax Related Amounts Forecast from Income Tax Rate Changes

	2008	2009	2010	2011	2012
Regulatory Taxable Income	\$ 24,958	\$ 24,958	\$ 24,958	\$ 24,958	\$ 24,958
Corporate Tax Rate	16.5%	16.5%	16.5%	16.5%	16.5%
Tax Impact	\$ 4,118	\$ 4,118	\$ 4,118	\$ 4,118	\$ 4,118
Grossed-up Tax Amount	\$ 4,932	\$ 4,932	\$ 4,932	\$ 4,932	\$ 4,932
Tax Related Amounts Forecast from Capital Tax Rate Changes	\$ -	\$ -	\$ -	\$ -	\$ -
Tax Related Amounts Forecast from Income Tax Rate Changes	\$ 4,932	\$ 4,932	\$ 4,932	\$ 4,932	\$ 4,932
Total Tax Related Amounts	\$ 4,932	\$ 4,932	\$ 4,932	\$ 4,932	\$ 4,932
Incremental Tax Savings		\$ -	\$ -	\$ -	\$ -
Total Tax Savings (2009 - 2012)					\$ -
Sharing of Tax Savings (50%)		\$ -	\$ -	\$ -	\$ -
Total Sharing of Tax Savings (50%)					\$ -



Name of LDC: Hydro 2000 Inc.
File Number: EB-2009-0229
Effective Date: Saturday, May 01, 2010

Calculate Tax Change Rate Rider Option B Volumetric

Rate Class	Total Revenue \$ by Rate Class A	Total Revenue % by Rate Class B = A / \$H	Total Z-Factor Tax Change\$ by Rate Class C = \$I * B	Billed kWh D	Billed kW E	Distribution Volumetric Rate kWh Rate Rider F = C / D	Distribution Volumetric Rate kW Rate Rider G = C / E
Residential	\$205,649	61.42%	\$0	16,514,191	0	\$0.000000	
General Service Less Than 50 kW	\$82,105	24.52%	\$0	5,682,016	0	\$0.000000	
General Service 50 to 4,999 kW	\$40,504	12.10%	\$0	5,496,281	13,280		\$0.000000
Unmetered Scattered Load	\$752	0.22%	\$0	19,951	0	\$0.000000	
Street Lighting	\$5,837	1.74%	\$0	359,553	941		\$0.000000
	<u>\$334,848</u> H	<u>100.00%</u>	<u>\$0</u> I				

Enter the above value onto Sheet "J2.1 Tax Change Rate Rider" of the 2010 OEB IRM3 Rate



Name of LDC: Hydro 2000 Inc.
File Number: EB-2009-0229
Effective Date: Saturday, May 01, 2010

Threshold Parameters

Price Cap Index

Price Escalator (GDP-IPI)	2.30%
Less Productivity Factor	-0.72%
Less Stretch Factor	-0.40%

Price Cap Index **1.18%**

"F1.2 Price Cap Adjustment"
of the 2010 OEB IRM3 Rate
Generator.

Growth

Re-Based Revenue Requirement From Rates	<u>\$334,626</u> A
Most Recent Year Reported Revenue Requirement From Rates	<u>\$321,659</u> B

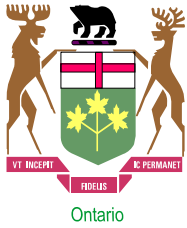
Growth **4.03%** C



Name of LDC: Hydro 2000 Inc.
File Number: EB-2009-0229
Effective Date: Saturday, May 01, 2010

Threshold Test

Year	2008	
Status	Re-Basing	
Price Cap Index	1.18%	A
Growth	4.03%	B
Dead Band	20%	C
Average Net Fixed Assets		
Gross Fixed Assets Opening	\$ 637,548	
Add: CWIP Opening	\$ -	
Capital Additions	\$ 97,200	
Capital Disposals	\$ -	
Capital Retirements	\$ -	
Deduct: CWIP Closing	\$ -	
Gross Fixed Assets - Closing	\$ 734,748	
Average Gross Fixed Assets	<u>\$ 686,148</u>	
Accumulated Depreciation - Opening	\$ 273,761	
Depreciation Expense	\$ 51,889	D
Disposals	\$ -	
Retirements	\$ -	
Accumulated Depreciation - Closing	\$ 325,650	
Average Accumulated Depreciation	<u>\$ 299,706</u>	
Average Net Fixed Assets	<u>\$ 386,443</u>	E
Working Capital Allowance		
Working Capital Allowance Base	\$ 2,296,761	
Working Capital Allowance Rate	15%	
Working Capital Allowance	<u>\$ 344,514</u>	F
Rate Base	<u>\$ 730,957</u>	G = E + F
Depreciation	D \$ 51,889	H
Threshold Test	194.08%	I = 1 + (G / H) * (B + A * (1 + B)) + C
Threshold CAPEX	\$ 100,707	J = H * I



Name of LDC: Hydro 2000 Inc.
File Number: EB-2009-0229
Effective Date: Saturday, May 01, 2010

Summary of Incremental Capital Projects

Number of ICP's

6

Project ID #	Incremental Capital Non-Discretionary Project Description	Incremental Capital CAPEX	Amortization Expense	CCA
ICP 1				
ICP 2				
ICP 3				
ICP 4				
ICP 5				
ICP 6				
		0	0	0



Name of LDC: Hydro 2000 Inc.
 File Number: EB-2009-0229
 Effective Date: Saturday, May 01, 2010

Incremental Capital Adjustment

Current Revenue Requirement				
Current Revenue Requirement - Total			\$ 476,873	A
Return on Rate Base				
Incremental Capital CAPEX			\$ -	B
Depreciation Expense			\$ -	C
Incremental Capital CAPEX to be included in Rate Base			\$ -	D = B - C
Deemed ShortTerm Debt %	4.0%	E	\$ -	G = D * E
Deemed Long Term Debt %	56.0%	F	\$ -	H = D * F
Short Term Interest	4.47%	I	\$ -	K = G * I
Long Term Interest	5.50%	J	\$ -	L = H * J
Return on Rate Base - Interest			\$ -	M = K + L
Deemed Equity %	40.0%	N	\$ -	P = D * N
Return on Rate Base -Equity	8.57%	O	\$ -	Q = P * O
Return on Rate Base - Total			\$ -	R = M + Q
Amortization Expense				
Amortization Expense - Incremental			C \$ -	S
Grossed up PIL's				
Regulatory Taxable Income			O \$ -	T
Add Back Amortization Expense			S \$ -	U
Deduct CCA			\$ -	V
Incremental Taxable Income			\$ -	W = T + U - V
Current Tax Rate (F1.1 Z-Factor Tax Changes)	16.5%	X		Y = W * X
PIL's Before Gross Up			\$ -	Y = W * X
Incremental Grossed Up PIL's			\$ -	Z = Y / (1 - X)
Ontario Capital Tax				
Incremental Capital CAPEX			\$ -	AA
Less : Available Capital Exemption (if any)			\$ -	AB
Incremental Capital CAPEX subject to OCT			\$ -	AC = AA - AB
Ontario Capital Tax Rate (F1.1 Z-Factor Tax Changes)	0.225%	AD		AE = AC * AD
Incremental Ontario Capital Tax			\$ -	AE = AC * AD
Incremental Revenue Requirement				
Return on Rate Base - Total			Q \$ -	AF
Amortization Expense - Total			S \$ -	AG
Incremental Grossed Up PIL's			Z \$ -	AH
Incremental Ontario Capital Tax			AE \$ -	AI
Incremental Revenue Requirement			\$ -	AJ = AF + AG + AH + AI



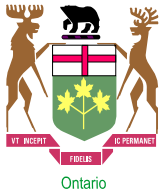
Name of LDC: Hydro 2000 Inc.
 File Number: EB-2009-0229
 Effective Date: Saturday, May 01, 2010

Calculation of Incremental Capital Rate Adder - Option A Fixed and Variable

Rate Class	Distribution Volumetric			Service Charge Revenue D = \$N *	Distribution Volumetric Rate Revenue kWh E = \$N * B	Distribution Volumetric Rate Revenue kW F = \$N * C	Total Revenue by Rate Class G = D + E + F	Billed Customers or Connections H	Billed kWh I	Billed kW J	Service Charge Rate Rider K = D / H / 12	Distribution Volumetric Rate kWh Rate Rider L = E / I	Distribution Volumetric Rate kW Rate Rider M = F / J
	Service Charge % Revenue A	Rate % Revenue kWh B	Rate % Revenue kW C										
Residential	37.7%	0.0%	12409264.3%	\$ -	\$ -	\$ -	\$ -	1,005	16,514,191	0	\$0.000000	\$0.000000	
General Service Less Than 50 kW	6.0%	0.0%	1978036.1%	\$ -	\$ -	\$ -	\$ -	147	5,682,016	0	\$0.000000	\$0.000000	
General Service 50 to 4,999 kW	1.5%	0.0%	481386.3%	\$ -	\$ -	\$ -	\$ -	12	5,496,281	13,280	\$0.000000	\$0.000000	\$0.000000
Unmetered Scattered Load	0.0%	0.0%	166.0%	\$ -	\$ -	\$ -	\$ -	6	19,951	0	\$0.000000	\$0.000000	
Street Lighting	0.0%	0.0%	9998.3%	\$ -	\$ -	\$ -	\$ -	368	359,553	941	\$0.000000	\$0.000000	\$0.000000
	45.2%	0.0%	14878851.0%	\$ -	\$ -	\$ -	\$ -						

N

Enter the above value onto Sheet "J1.2 Incremental Cap Fund Adder" of the 2010 OEB IRM3 Rate Generator.



Name of LDC: Hydro 2000 Inc.
File Number: EB-2009-0229
Effective Date: Saturday, May 01, 2010

Calculation of Incremental Capital Rate Adder - Option B Variable

Rate Class	Total Revenue \$ by Rate Class A	Total Revenue % by Rate Class B = A / \$H	Total Incremental Capital \$ by Rate Class C = \$I * B	Billed kWh D	Billed kW E	Distribution Volumetric Rate kWh Rate Rider F = C / D	Distribution Volumetric Rate kW Rate Rider G = C / E
Residential	\$205,649	61.42%	\$0	16,514,191	0	\$0.000000	
General Service Less Than 50 kW	\$82,105	24.52%	\$0	5,682,016	0	\$0.000000	
General Service 50 to 4,999 kW	\$40,504	12.10%	\$0	5,496,281	13,280		\$0.000000
Unmetered Scattered Load	\$752	0.22%	\$0	19,951	0	\$0.000000	
Street Lighting	\$5,837	1.74%	\$0	359,553	941		\$0.000000
	\$334,848	100.00%	\$0				

H
I

"J1.2 Incremental Cap Fund Adder" of the 2010 OEB IRM3 Rate Generator.