

Name of LDC: Guelph Hydro Electric Systems Inc.  
File Number: EB-2009-0226  
Effective Date: Saturday, May 01, 2010

## LDC Information

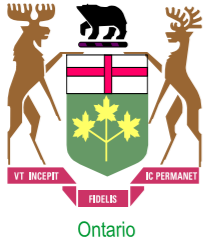
<b>Applicant Name</b>	Guelph Hydro Electric Systems Inc.
<b>OEB Application Number</b>	EB-2009-0226
<b>LDC Licence Number</b>	ED-2002-0565
<b>Applied for Effective Date</b>	May 1, 2010
<b>Stretch Factor Group</b>	II
<b>Stretch Factor Value</b>	0.4%
<b>Re-based Year</b>	2008
<b>Most Recent Year Reported</b>	2008



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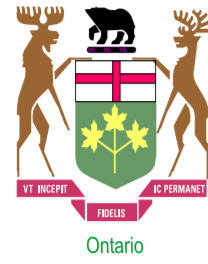
Sheet Name	Purpose of Sheet
<a href="#">A1.1 LDC Information</a>	Enter LDC Data
<a href="#">A2.1 Table of Contents</a>	Table of Contents
<a href="#">A3.1 WS Completion Guide</a>	Worksheet Completion Guide
<a href="#">B1.1 Re-Based Bill Det &amp; Rates</a>	Set Up Rate Classes and enter Re-Based Billing Determinants and Tariff Rates
<a href="#">B1.2 Removal of Rate Adders</a>	Removal of Rate Adders
<a href="#">B1.3 Re-Based Rev From Rates</a>	Calculated Re-Based Revenue From Rates
<a href="#">B1.4 Re-Based Rev Req</a>	Detailed Re-Based Revenue From Rates
<a href="#">B2.1 2009 Base Dist Rates</a>	2009 Base Distribution Rates
<a href="#">B2.2 CA Information</a>	Enter Cost Allocation Information
<a href="#">B2.3 New Starting Point</a>	Calculate New Starting Point for 2008 Re-Based Decisions
<a href="#">C1.1 Decision Cost Revenue Adj</a>	Decision - Cost Revenue Adjustments by Rate Class
<a href="#">C1.2 Revenue Offsets Allocation</a>	Revenue Offsets Allocation
<a href="#">C1.3 Transformer Allowance</a>	Transformer Allowance
<a href="#">C1.4 R C Ratio Revenue</a>	Revenue / Cost Ratio Revenue
<a href="#">C1.5 Proposed R C Ratio Adj</a>	Proposed Revenue / Cost Ratio Adjustment
<a href="#">C1.6 Proposed Revenue</a>	Proposed Revenue from Revenue / Cost Ratio Adjustment
<a href="#">C1.7 Proposed Curr Rev Alloc</a>	Proposed Current Revenue Allocation
<a href="#">C1.8 Proposed F V Rev Alloc</a>	Proposed Fixed Variable Revenue Allocation
<a href="#">C1.9 Proposed F V Rates</a>	Proposed Fixed and Variable Rates
<a href="#">C1.10 Adjust To Proposed Rates</a>	Adjustment required to Proposed Rates
<a href="#">D1.1 Ld Act-Mst Rcent Yr</a>	Enter Billing Determinants for most recent actual year (i.e. 2007)
<a href="#">E1.1 CapitalStructureTransition</a>	Shows the determination of change required for capital transition
<a href="#">E1.2 K-Factor Adjustment</a>	Calculates the K-Factor to be used in determination of rates
<a href="#">F1.1 Z-Factor Tax Changes</a>	Sharing formula for Tax changes - this is very preliminary
<a href="#">F1.3 Calc Tax Chg RRider Var</a>	Option B - Calculation of Tax Sharing Rate Rider - Volumetric Allocation
<a href="#">G1.1 Threshold Parameters</a>	Shows calculation of Price Cap and Growth used for incremental capital threshold calculation
<a href="#">G2.1 Threshold Test</a>	Input sheet to calculate Threshold and Incremental Capital
<a href="#">G3.1 Summary of I C Projects</a>	Summary of Incremental Capital Projects
<a href="#">G4.1 IncrementalCapitalAdjust</a>	Shows Calculation of Incremental Capital Revenue Requirement
<a href="#">G4.2 Incr Cap RRider Opt A FV</a>	Option A - Calculation of Incremental Capital Rate Rider - Fixed & Variable Split
<a href="#">G4.3 Incr Cap RRider Opt B Var</a>	Option B - Calculation of Incremental Capital Rate Rider - Variable Allocation



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## Worksheet Completion Guide

<b>1 Price Cap Index</b>	<a href="#">G1.1 Threshold Parameters</a>
<b>2 Z Factor Tax Changes</b>	<a href="#">F1.1 Z-Factor Tax Changes</a> <a href="#">F1.3 Calc Tax Chg RRider Var</a>
<b>3 K-Factor Adjustment</b>	<a href="#">B1.4 Re-Based Rev Req</a> <a href="#">E1.1 CapitalStructureTransition</a> <a href="#">E1.2 K-Factor Adjustment</a>
<b>4 2008 Revenue Cost Ratio Adjustment</b>	<a href="#">B2.1 2009 Base Dist Rates</a> <a href="#">B2.2 CA Information</a> <a href="#">B2.3 New Starting Point</a>
<b>5 2009 Revenue Cost Ratio Adjustment</b>	<a href="#">B1.1 Re-Based Bill Det &amp; Rates</a> <a href="#">B1.2 Removal of Rate Adders</a> <a href="#">B1.3 Re-Based Rev From Rates</a> <a href="#">B1.4 Re-Based Rev Req</a> <a href="#">C1.1 Decision Cost Revenue Adj</a> <a href="#">C1.2 Revenue Offsets Allocation</a> <a href="#">C1.3 Transformer Allowance</a> <a href="#">C1.4 R C Ratio Revenue</a> <a href="#">C1.5 Proposed R C Ratio Adj</a> <a href="#">C1.6 Proposed Revenue</a> <a href="#">C1.7 Proposed Curr Rev Alloc</a> <a href="#">C1.8 Proposed F V Rev Alloc</a> <a href="#">C1.9 Proposed F V Rates</a> <a href="#">C1.10 Adjust To Proposed Rates</a>
<b>6 Incremental Capital Module</b>	<a href="#">B1.1 Re-Based Bill Det &amp; Rates</a> <a href="#">B1.2 Removal of Rate Adders</a> <a href="#">B1.3 Re-Based Rev From Rates</a> <a href="#">B1.4 Re-Based Rev Req</a> <a href="#">D1.1 Ld Act-Mst Rcent Yr</a> <a href="#">G1.1 Threshold Parameters</a> <a href="#">G2.1 Threshold Test</a> <a href="#">G3.1 Summary of I C Projects</a> <a href="#">G4.1 IncrementalCapitalAdjust</a> <a href="#">G4.2 Incr Cap RRider Opt A FV</a> <a href="#">G4.3 Incr Cap RRider Opt B Var</a>



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### Rate Class and Re-Based Billing Determinants & Rates

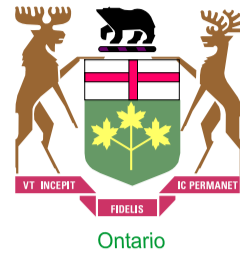
Rate Group	Rate Class	Fixed Metric	Vol Metric	Re-based Billed			Re-based Tariff Service Charge D	Re-based Tariff Distribution Volumetric Rate kWh E	Re-based Tariff Distribution Volumetric Rate kW F
				Customers or Connections A	Re-based Billed kWh B	Re-based Billed kW C			
RES	Residential	Customer	kWh	44,220	357,871,626		14.27	0.0164	
GSLT50	General Service Less Than 50 kW	Customer	kWh	3,612	146,156,347		13.26	0.0158	
GSGT50	General Service 50 to 999 kW	Customer	kW	515	0	1,023,682	231.36	2.7994	
GSGT50	General Service 1,000 to 4,999 kW	Customer	kW	37	0	864,467	614.29	1.9595	
LU	Large Use	Customer	kW	4	0	471,742	898.69	2.1526	
USL	Unmetered Scattered Load	Connection	kWh	591	2,336,603		5.42	0.0249	
Sen	Sentinel Lighting	Connection	kW	30	0	352	6.46	7.1686	
SL	Street Lighting	Connection	kW	13,670	0	25,194	0.14	3.3423	
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

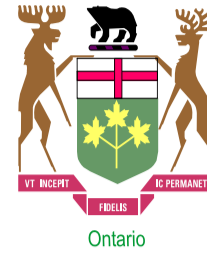
Rate Class	Re-based Tariff	Re-based Tariff	Re-based Tariff	Service Charge	Distribution	Distribution
	Service Charge	Distribution Volumetric Rate kWh	Distribution Volumetric Rate kW	Rate Adders	Volumetric kWh Rate Adders	Volumetric kW Rate Adders
	A	B	C	D	E	F
Residential	14.27	0.0164	0.0000	1.00	0.0001	0.0000
General Service Less Than 50 kW	13.26	0.0158	0.0000	1.00	0.0001	0.0000
General Service 50 to 999 kW	231.36	0.0000	2.7994	1.00	0.0000	0.0370
General Service 1,000 to 4,999 kW	614.29	0.0000	1.9595	1.00	0.0000	0.0000
Large Use	898.69	0.0000	2.1526	1.00	0.0000	0.0000
Unmetered Scattered Load	5.42	0.0249	0.0000	0.00	0.0001	0.0000
Sentinel Lighting	6.46	0.0000	7.1686	0.00	0.0000	0.0283
Street Lighting	0.14	0.0000	3.3423	0.00	0.0000	0.0341



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### Calculated Re-Based Revenue From Rates

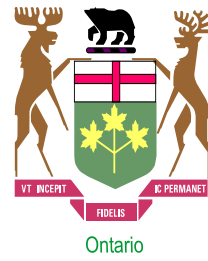
Rate Class	Re-based Billed Customers or Connections	Re-based Billed kWh	Re-based Billed kW	Re-based Base Service Charge	Re-based Base Distribution Volumetric Rate kWh	Re-based Base Distribution Volumetric Rate kW	Service Charge Revenue	Distribution Volumetric Rate Revenue kWh	Distribution Volumetric Rate Revenue kW	Revenue Requirement from Rates
	A	B	C	D	E	F	G = A * D * 12	H = B * E	I = C * F	J = G + H + I
Residential	44,220	357,871,626	0	13.27	0.0163	0.0000	7,041,593	5,833,308	0	12,874,900
General Service Less Than 50 kW	3,612	146,156,347	0	12.26	0.0157	0.0000	531,397	2,294,655	0	2,826,052
General Service 50 to 999 kW	515	0	1,023,682	230.36	0.0000	2.7624	1,423,625	0	2,827,819	4,251,444
General Service 1,000 to 4,999 kW	37	0	864,467	613.29	0.0000	1.9595	272,301	0	1,693,923	1,966,224
Large Use	4	0	471,742	897.69	0.0000	2.1526	43,089	0	1,015,472	1,058,561
Unmetered Scattered Load	591	2,336,603	0	5.42	0.0248	0.0000	38,439	57,948	0	96,386
Sentinel Lighting	30	0	352	6.46	0.0000	7.1403	2,326	0	2,513	4,839
Street Lighting	13,670	0	25,194	0.14	0.0000	3.3082	22,966	0	83,347	106,312
							9,375,735	8,185,910	5,623,074	23,184,719



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**Detailed Re-Based Revenue From Rates**

Applicants Rate Base			Last Rate Re-based Amount	
<b>Average Net Fixed Assets</b>				
Gross Fixed Assets - Re-based Opening	\$	123,637,713	A	
Add: CWIP Re-based Opening	\$	-	B	
Re-based Capital Additions	\$	7,298,949	C	
Re-based Capital Disposals	-\$	995,146	D	
Re-based Capital Retirements	\$	-	E	
Deduct: CWIP Re-based Closing	\$	-	F	
Gross Fixed Assets - Re-based Closing	\$	129,941,516	G	
Average Gross Fixed Assets				\$ 126,789,615 H = ( A + G ) / 2
Accumulated Depreciation - Re-based Opening	\$	37,841,267	I	
Re-based Depreciation Expense	\$	5,984,160	J	
Re-based Disposals	-\$	552,335	K	
Re-based Retirements	\$	-	L	
Accumulated Depreciation - Re-based Closing	\$	43,273,092	M	
Average Accumulated Depreciation				\$ 40,557,180 N = ( I + M ) / 2
<b>Average Net Fixed Assets</b>				\$ 86,232,435 O = H - N
<b>Working Capital Allowance</b>				
Working Capital Allowance Base	\$	125,742,305	P	
Working Capital Allowance Rate		15.0%	Q	
<b>Working Capital Allowance</b>				\$ 18,861,346 R = P * Q
<b>Rate Base</b>				\$ 105,093,781 S = O + R
<b>Return on Rate Base</b>				
Deemed ShortTerm Debt %		4.00%	T	\$ 4,203,751 W = S * T
Deemed Long Term Debt %		49.30%	U	\$ 51,811,234 X = S * U
Deemed Equity %		46.70%	V	\$ 49,078,796 Y = S * V
Short Term Interest		4.47%	Z	\$ 187,908 AC = W * Z
Long Term Interest		6.10%	AA	\$ 3,160,485 AD = X * AA
Return on Equity		8.57%	AB	\$ 4,206,053 AE = Y * AB
<b>Return on Rate Base</b>				\$ 7,554,446 AF = AC + AD + AE
<b>Distribution Expenses</b>				
OM&A Expenses	\$	9,325,109	AG	
Amortization	\$	5,637,037	AH	
Ontario Capital Tax (F1.1 Z-Factor Tax Changes)	\$	239,079	AI	
Grossed Up PILs (F1.1 Z-Factor Tax Changes)	\$	1,971,258	AJ	
Low Voltage	\$	92,876	AK	
Transformer Allowance	\$	319,608	AL	
			AM	
			AN	
			AO	
				\$ 17,584,967 AP = SUM ( AG : AO )
<b>Revenue Offsets</b>				
Specific Service Charges	-\$	248,600	AQ	
Late Payment Charges	-\$	100,000	AR	
Other Distribution Income	-\$	125,213	AS	
Other Income and Deductions	-\$	1,391,500	AT	-\$ 1,865,313 AU = SUM ( AQ : AT )
<b>Revenue Requirement from Distribution Rates</b>				\$ 23,274,100 AV = AF + AP + AU
<b>Rate Classes Revenue</b>				
<b>Rate Classes Revenue - Total (B1.1 Re-based Revenue - Gen)</b>				\$ 23,184,719 AW



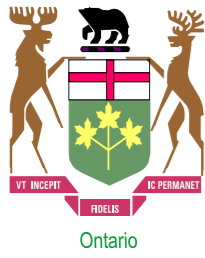
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## 2009 Base Distribution Rates

Rate Class	Fixed Metric	Vol Metric	Current Base	Current Base	Re-based Customers or Connections	Re-based Billed kWh	Re-based Billed kW	Current Base	Current Base	Total Current Base Revenue	
			Service Charge	Distribution Volumetric Rate kWh				Distribution Volumetric Rate kW	Service Charge Revenue		Distribution Volumetric Revenue
Residential	Customer	kWh	13.38	0.0164	44,220	357,871,626	0	7,099,963	5,869,095	12,969,058	
General Service Less Than 50 kW	Customer	kWh	12.40	0.0157	3,612	146,156,347	0	537,466	2,294,655	2,832,120	
General Service 50 to 999 kW	Customer	kW	231.13	2.7714	515	0	1,023,682	1,428,383	0	4,265,416	
General Service 1,000 to 4,999 kW	Customer	kW	618.17	1.9751	37	0	864,467	274,467	0	1,981,876	
Large Use	Customer	kW	904.83	2.1697	4	0	471,742	43,432	0	1,066,970	
Unmetered Scattered Load	Connection	kWh	5.46	0.0250	591	2,336,603	0	38,722	58,415	97,137	
Sentinel Lighting	Connection	kW	6.51	7.1970	30	0	352	2,344	0	4,877	
Street Lighting	Connection	kW	0.18	4.3666	13,670	0	25,194	29,527	0	139,539	
								9454305	8222164	5680525	23356994

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

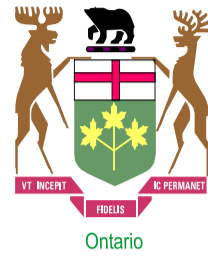




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### Cost Allocation Information

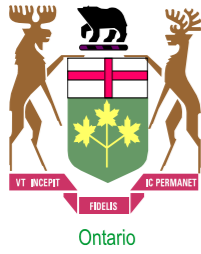
Rate Class	2006 EDR	2006 Cost Allocation Informational Filing				Allocation of TOA	Total Revenue	Revenue Requirement	Revenue to Cost Ratio
	TOA Sheet 6-3 A	Total Revenue B	Requirement C	To Cost Ratio D = B / C	TOA Allocators LTNCP4 E				
					G = F * E	H = B - A	I = C - G	J = H / I	
Residential	0	13,088,743	14,044,491	93.19%	0	13,088,743	14,044,491	93.19%	
General Service Less Than 50 kW	0	3,424,743	2,490,988	137.49%	0	3,424,743	2,490,988	137.49%	
General Service 50 to 999 kW	0	4,460,833	3,404,898	131.01%	0	4,460,833	3,404,898	131.01%	
General Service 1,000 to 4,999 kW	0	1,677,655	2,012,970	83.34%	0	1,677,655	2,012,970	83.34%	
Large Use	0	795,330	1,231,750	64.57%	0	795,330	1,231,750	64.57%	
Unmetered Scattered Load	0	73,959	120,687	61.28%	0	73,959	120,687	61.28%	
Sentinel Lighting	0	5,123	6,785	75.50%	0	5,123	6,785	75.50%	
Street Lighting	0	26,153	239,972	10.90%	0	26,153	239,972	10.90%	
<b>Total</b>		<b>23,552,539</b>	<b>23,552,541</b>	<b>100.00%</b>	<b>0.00%</b>	<b>23,552,539</b>	<b>23,552,541</b>	<b>100.00%</b>	
Transformer Ownership Allowance	<u>0</u> F					<u>0</u>			



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### Calculate New Starting Point for 2008 Re-Based Decisions

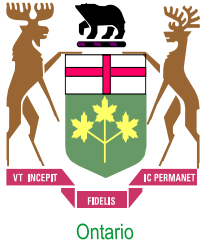
Rate Class	2008 Decision	2008	2009	2010	2011	2012	Point	2008	2009	2010	2011	2012
	A	B	C	D	E	F	G	H = B * (G / A) I = C * (G / A) J = D * (G / A) K = E * (G / A) L = F * (G / A)				
Residential	93.19%	92.99%	92.99%	92.99%	92.99%	92.99%	93.19%	92.99%	92.99%	92.99%	92.99%	92.99%
General Service Less Than 50 kW	137.49%	119.58%	119.04%	118.43%	118.43%	118.43%	137.49%	119.58%	119.04%	118.43%	118.43%	118.43%
General Service 50 to 999 kW	131.01%	127.39%	126.81%	126.16%	126.16%	126.16%	131.01%	127.39%	126.81%	126.16%	126.16%	126.16%
General Service 1,000 to 4,999 kW	83.34%	96.75%	96.75%	96.75%	96.75%	96.75%	83.34%	96.75%	96.75%	96.75%	96.75%	96.75%
Large Use	64.57%	85.11%	85.11%	85.11%	85.11%	85.11%	64.57%	85.11%	85.11%	85.11%	85.11%	85.11%
Unmetered Scattered Load	61.28%	80.62%	80.62%	80.62%	80.62%	80.62%	61.28%	80.62%	80.62%	80.62%	80.62%	80.62%
Sentinel Lighting	75.50%	70.45%	70.45%	70.45%	70.45%	70.45%	75.50%	70.45%	70.45%	70.45%	70.45%	70.45%
Street Lighting	10.90%	43.82%	57.02%	70.00%	70.00%	70.00%	10.90%	43.82%	57.02%	70.00%	70.00%	70.00%



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## Decision - Cost Revenue Adjustments by Rate Class

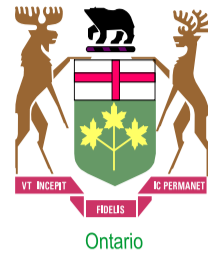
Rate Class	Group	Pre -Rebased	Rebased	Transitio	Transitio	Transitio	Transitio
		Year	Year	n Year 2	n Year 3	n Year 4	n Year 5
		2007	2008	2009	2010	2011	2012
Residential	No Change	93.19%	92.99%	92.99%	92.99%	92.99%	92.99%
General Service Less Than 50 kW	Rebalance	137.49%	119.58%	119.04%	tbd	tbd	tbd
General Service 50 to 999 kW	Rebalance	131.01%	127.39%	126.81%	tbd	tbd	tbd
General Service 1,000 to 4,999 kW	No Change	83.34%	96.75%	96.75%	96.75%	96.75%	96.75%
Large Use	No Change	64.57%	85.11%	85.11%	85.11%	85.11%	85.11%
Unmetered Scattered Load	No Change	61.28%	80.62%	80.62%	80.62%	80.62%	80.62%
Sentinel Lighting	No Change	75.50%	70.45%	70.45%	70.45%	70.45%	70.45%
Street Lighting	Change	10.90%	43.82%	57.02%	tbd	tbd	tbd



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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	706,771	59.57%	1,111,227
General Service Less Than 50 kW	174,046	14.67%	273,645
General Service 50 to 999 kW	164,763	13.89%	259,050
General Service 1,000 to 4,999 kW	79,192	6.68%	124,510
Large Use	48,309	4.07%	75,954
Unmetered Scattered Load	5,854	0.49%	9,204
Sentinel Lighting	238	0.02%	374
Street Lighting	7,218	0.61%	11,349
	<b>1,186,391</b>	<b>100.00%</b>	<b>1,865,313</b>
	<b>B</b>		<b>D</b>



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### Transformer Allowance

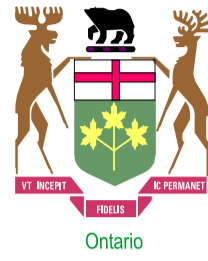
Rate Class	Transformer Allowance In Rate	Transformer Allowance A	Transformer Allowance kW's C	Transformer Allowance Rate E	Volumetric Distribution Rate F	Billed kW's G	Adjusted Volumetric Distribution Rate I=(F*(G-C)+(F-E)*C)/G
Residential	No						
General Service Less Than 50 kW	No						
General Service 50 to 999 kW	Yes	319,608	443,900	0.7200	2.7624	1,023,682	2.4502
General Service 1,000 to 4,999 kW	No						
Large Use	No						
Unmetered Scattered Load	No						
Sentinel Lighting	No						
Street Lighting	No						
		<u>319,608</u>	<u>443,900</u>			<u>1,023,682</u>	
		<b>B</b>	<b>D</b>			<b>H</b>	



Name of LDC: Guelph Hydro Electric Systems Inc.  
File Number: EB-2009-0226  
Effective Date: Saturday, May 01, 2010

Revenue / Cost Ratio Revenue

Rate Class	Billed Customers or Connections A	Billed kWh B	Billed kW C	Base Service Charge D	Base Distribution Volumetric Rate kWh E	Base Distribution Volumetric Rate kW F	Service Charge G = A * D * 12	Distribution Volumetric Rate kWh H = B * E	Distribution Volumetric Rate kW I = C * F	Revenue Requirement from Rates J = G + H + I	Allocated Revenue Offset K	Adjusted Revenue L = J + K
Residential	44,220	357,871,626	0	13.27	0.0163	0.0000	7,041,593	5,833,308	0	12,874,900	1,111,227	13,986,127
General Service Less Than 50 kW	3,612	146,156,347	0	12.26	0.0157	0.0000	531,397	2,294,655	0	2,826,052	273,645	3,099,697
General Service 50 to 999 kW	515	0	1,023,682	230.36	0.0000	2.4502	1,423,625	0	2,508,211	3,931,836	259,050	4,190,886
General Service 1,000 to 4,999 kW	37	0	864,467	613.29	0.0000	1.9595	272,301	0	1,693,923	1,966,224	124,510	2,090,734
Large Use	4	0	471,742	897.69	0.0000	2.1526	43,089	0	1,015,472	1,058,561	75,954	1,134,515
Unmetered Scattered Load	591	2,336,603	0	5.42	0.0248	0.0000	38,439	57,948	0	96,386	9,204	105,590
Sentinel Lighting	30	0	352	6.46	0.0000	7.1403	2,326	0	2,513	4,839	374	5,213
Street Lighting	13,670	0	25,194	0.14	0.0000	3.3082	22,966	0	83,347	106,312	11,349	117,661
							9,375,735	8,185,910	5,303,466	22,865,111	1,865,313	24,730,424
							O	P	Q	R		



Name of LDC: Guelph Hydro Electric Systems Inc.  
File Number: EB-2009-0226  
Effective Date: Saturday, May 01, 2010

### Proposed Revenue / Cost Ratio Adjustment

Rate Class	Adjusted Revenue A	Current Revenue Cost Ratio B	Re-Allocated Cost C = A / B	Proposed Revenue Cost Ratio D	Final Adjusted Revenue E = C * D	Dollar Change F = E - C	Percentage Change G = (E / C) - 1
Residential	\$ 13,986,127	0.93	\$ 15,040,463	0.93	\$ 13,986,127	\$ -	0.0%
General Service Less Than 50 kW	\$ 3,099,697	1.20	\$ 2,592,154	1.18	\$ 3,069,810	-\$ 29,888	-1.0%
General Service 50 to 999 kW	\$ 4,190,886	1.27	\$ 3,289,808	1.26	\$ 4,150,477	-\$ 40,409	-1.0%
General Service 1,000 to 4,999 kW	\$ 2,090,734	0.97	\$ 2,160,965	0.97	\$ 2,090,734	\$ -	0.0%
Large Use	\$ 1,134,515	0.85	\$ 1,332,999	0.85	\$ 1,134,515	\$ -	0.0%
Unmetered Scattered Load	\$ 105,590	0.81	\$ 130,973	0.81	\$ 105,590	\$ -	0.0%
Sentinel Lighting	\$ 5,213	0.70	\$ 7,400	0.70	\$ 5,213	\$ -	0.0%
Street Lighting	\$ 117,661	0.44	\$ 268,510	0.70	\$ 187,957	\$ 70,296	59.7%
	<u>\$ 24,730,424</u>		<u>\$ 24,823,271</u>		<u>\$ 24,730,423</u>	<u>-\$ 1</u>	<u>0.0%</u>

Out of Balance  1

Final ?  Yes



**Name of LDC:** Guelph Hydro Electric Systems Inc.  
**File Number:** EB-2009-0226  
**Effective Date:** Saturday, May 01, 2010

## 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	\$ 13,986,127	\$ 1,111,227	\$12,874,900	\$ -	\$12,874,900
General Service Less Than 50 kW	\$ 3,069,810	\$ 273,645	\$ 2,796,165	\$ -	\$ 2,796,165
General Service 50 to 999 kW	\$ 4,150,477	\$ 259,050	\$ 3,891,427	\$ 319,608	\$ 4,211,035
General Service 1,000 to 4,999 kW	\$ 2,090,734	\$ 124,510	\$ 1,966,224	\$ -	\$ 1,966,224
Large Use	\$ 1,134,515	\$ 75,954	\$ 1,058,561	\$ -	\$ 1,058,561
Unmetered Scattered Load	\$ 105,590	\$ 9,204	\$ 96,386	\$ -	\$ 96,386
Sentinel Lighting	\$ 5,213	\$ 374	\$ 4,839	\$ -	\$ 4,839
Street Lighting	\$ 187,957	\$ 11,349	\$ 176,608	\$ -	\$ 176,608
	<b>\$ 24,730,423</b>	<b>\$ 1,865,313</b>	<b>\$22,865,110</b>	<b>\$ 319,608</b>	<b>\$23,184,718</b>

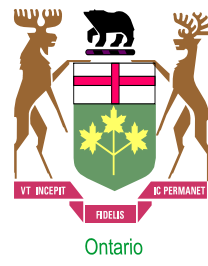




Name of LDC: Guelph Hydro Electric Systems Inc.  
File Number: EB-2009-0226  
Effective Date: Saturday, May 01, 2010

### Proposed Fixed Variable Revenue Allocation

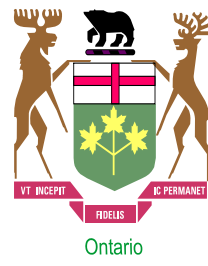
Rate Class	Revenue Requirement from Rates A	Service Charge % Revenue C = A / B	Revenue Requirement from Rates E = F * C
Residential	\$ 12,874,900	55.5%	\$ 12,970,568
General Service Less Than 50 kW	\$ 2,796,165	12.1%	\$ 2,816,942
General Service 50 to 999 kW	\$ 4,211,035	18.2%	\$ 4,242,325
General Service 1,000 to 4,999 kW	\$ 1,966,224	8.5%	\$ 1,980,834
Large Use	\$ 1,058,561	4.6%	\$ 1,066,427
Unmetered Scattered Load	\$ 96,386	0.4%	\$ 97,103
Sentinel Lighting	\$ 4,839	0.0%	\$ 4,875
Street Lighting	\$ 176,608	0.8%	\$ 177,921
	<b>\$ 23,184,718</b> B		<b>\$ 23,356,994</b> -



Name of LDC: Guelph Hydro Electric Systems Inc.  
File Number: EB-2009-0226  
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### Proposed Fixed Variable Revenue Allocation

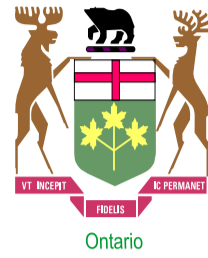
Rate Class	Revenue Requirement from Rates A	Distribution Volumetric		Distribution Volumetric		Distribution Volumetric		Revenue Requirement from Rates by Rate Class H = E + F + G
		Service Charge % Revenue B	Rate % Revenue kWh C	Rate % Revenue kW D	Service Charge Revenue E = A * B	Rate Revenue kWh F = A * C	Rate Revenue kW G = A * D	
Residential	\$ 12,970,568	54.7%	45.3%	0.0%	\$ 7,093,916	\$ 5,876,652	\$ -	\$ 12,970,568
General Service Less Than 50 kW	\$ 2,816,942	18.8%	81.2%	0.0%	\$ 529,684	\$ 2,287,257	\$ -	\$ 2,816,942
General Service 50 to 999 kW	\$ 4,242,325	33.5%	0.0%	66.5%	\$ 1,420,571	\$ -	\$ 2,821,754	\$ 4,242,325
General Service 1,000 to 4,999 kW	\$ 1,980,834	13.8%	0.0%	86.2%	\$ 274,324	\$ -	\$ 1,706,510	\$ 1,980,834
Large Use	\$ 1,066,427	4.1%	0.0%	95.9%	\$ 43,409	\$ -	\$ 1,023,017	\$ 1,066,427
Unmetered Scattered Load	\$ 97,103	39.9%	60.1%	0.0%	\$ 38,724	\$ 58,378	\$ -	\$ 97,103
Sentinel Lighting	\$ 4,875	48.1%	0.0%	51.9%	\$ 2,343	\$ -	\$ 2,532	\$ 4,875
Street Lighting	\$ 177,921	21.6%	0.0%	78.4%	\$ 38,434	\$ -	\$ 139,486	\$ 177,921
	<b>\$ 23,356,994</b>				<b>\$ 9,441,407</b>	<b>\$ 8,222,288</b>	<b>\$ 5,693,299</b>	<b>\$ 23,356,994</b>



Name of LDC: Guelph Hydro Electric Systems Inc.  
File Number: EB-2009-0226  
Effective Date: Saturday, May 01, 2010

### Proposed Fixed and Variable Rates

Rate Class	Distribution Volumetric			Re-based Billed Customers or Connections D	Re-based Billed kWh E	Re-based Billed kW F	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
	Service Charge Revenue	Rate Revenue kWh	Rate Revenue kW						
	A	B	C						
Residential	\$ 7,093,916	\$ 5,876,652	\$ -	44,220	357,871,626	0	13.37	0.0164	-
General Service Less Than 50 kW	\$ 529,684	\$ 2,287,257	\$ -	3,612	146,156,347	0	12.22	0.0156	-
General Service 50 to 999 kW	\$ 1,420,571	\$ -	\$ 2,821,754	515	0	1,023,682	229.87	-	2.7565
General Service 1,000 to 4,999 kW	\$ 274,324	\$ -	\$ 1,706,510	37	0	864,467	617.85	-	1.9741
Large Use	\$ 43,409	\$ -	\$ 1,023,017	4	0	471,742	904.36	-	2.1686
Unmetered Scattered Load	\$ 38,724	\$ 58,378	\$ -	591	2,336,603	0	5.46	0.0250	-
Sentinel Lighting	\$ 2,343	\$ -	\$ 2,532	30	0	352	6.51	-	7.1934
Street Lighting	\$ 38,434	\$ -	\$ 139,486	13,670	0	25,194	0.23	-	5.5365

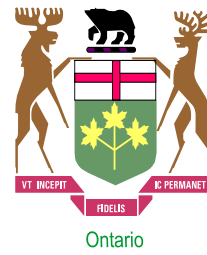


Name of LDC: Guelph Hydro Electric Systems Inc.  
File Number: EB-2009-0226  
Effective Date: Saturday, May 01, 2010

### Adjustment required to Proposed Rates

Rate Class	Proposed Base			Current Base			Adjustment		
	Proposed Base Service Charge	Proposed Base Distribution Volumetric Rate kWh	Proposed Base Distribution Volumetric Rate kW	Current Base Service Charge	Current Base Distribution Volumetric Rate kWh	Current Base Distribution Volumetric Rate kW	Adjustment Required Base Service Charge	Adjustment Required Base Distribution Volumetric Rate kWh	Adjustment Required Base Distribution Volumetric Rate kW
	A	B	C	D	E	F	G = A - D	H = B - E	I = C - F
Residential	\$ 13.37	\$ 0.0164	\$ -	\$ 13.38	\$ 0.0164	\$ -	-\$ 0.01	\$ 0.0000	\$ -
General Service Less Than 50 kW	\$ 12.22	\$ 0.0156	\$ -	\$ 12.40	\$ 0.0157	\$ -	-\$ 0.18	-\$ 0.0001	\$ -
General Service 50 to 999 kW	\$ 229.87	\$ -	\$ 2.7565	\$ 231.13	\$ -	\$ 2.7714	-\$ 1.26	\$ -	-\$ 0.0149
General Service 1,000 to 4,999 kW	\$ 617.85	\$ -	\$ 1.9741	\$ 618.17	\$ -	\$ 1.9751	-\$ 0.32	\$ -	-\$ 0.0010
Large Use	\$ 904.36	\$ -	\$ 2.1686	\$ 904.83	\$ -	\$ 2.1697	-\$ 0.47	\$ -	-\$ 0.0011
Unmetered Scattered Load	\$ 5.46	\$ 0.0250	\$ -	\$ 5.46	\$ 0.0250	\$ -	\$ 0.00	-\$ 0.0000	\$ -
Sentinel Lighting	\$ 6.51	\$ -	\$ 7.1934	\$ 6.51	\$ -	\$ 7.1970	-\$ 0.00	\$ -	-\$ 0.0036
Street Lighting	\$ 0.23	\$ -	\$ 5.5365	\$ 0.18	\$ -	\$ 4.3666	\$ 0.05	\$ -	\$ 1.1699

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

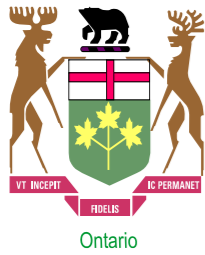


Name of LDC: Guelph Hydro Electric Systems Inc.  
File Number: EB-2009-0226  
Effective Date: Saturday, May 01, 2010

**Load Actual - Most Recent Year**

Most Recent Year Reported - 2008

Rate Class	Fixed Metric	Vol Metric	Billed Customers or Connections			Base Service Charge	Base Distribution	Base Distribution	Service Charge Revenue	Distribution Volumetric	Distribution Volumetric	Total Revenue by Rate Class
			A	B	C		Volumetric Rate kWh	Volumetric Rate kW		Rate Revenue kWh	Rate Revenue kW	
			A	B	C	D	E	F	G = A * D * 12	H = B * E	I = C * F	J = G + H + I
Residential	Customer	kWh	43,220	354,769,113	0	\$13.27	\$0.0163	\$0.0000	\$6,882,353	\$5,782,737	\$0	\$12,665,089
General Service Less Than 50 kW	Customer	kWh	3,569	143,104,728	0	\$12.26	\$0.0157	\$0.0000	\$525,071	\$2,246,744	\$0	\$2,771,816
General Service 50 to 999 kW	Customer	kW	502	0	1,154,647	\$230.36	\$0.0000	\$2.7624	\$1,387,689	\$0	\$3,189,597	\$4,577,286
General Service 1,000 to 4,999 kW	Customer	kW	37	0	865,338	\$613.29	\$0.0000	\$1.9595	\$272,301	\$0	\$1,695,630	\$1,967,931
Large Use	Customer	kW	4	0	468,671	\$897.69	\$0.0000	\$2.1526	\$43,089	\$0	\$1,008,861	\$1,051,950
Unmetered Scattered Load	Connection	kWh	590	2,343,467	0	\$5.42	\$0.0248	\$0.0000	\$38,374	\$58,118	\$0	\$96,492
Sentinel Lighting	Connection	kW	30	0	347	\$6.46	\$0.0000	\$7.1403	\$2,326	\$0	\$2,478	\$4,803
Street Lighting	Connection	kW	13,230	0	25,101	\$0.14	\$0.0000	\$3.3082	\$22,226	\$0	\$83,039	\$105,266
									<b>\$9,173,428</b>	<b>\$8,087,599</b>	<b>\$5,979,605</b>	<b>\$23,240,632</b>



Name of LDC: Guelph Hydro Electric Systems Inc.  
File Number: EB-2009-0226  
Effective Date: Saturday, May 01, 2010

## Capital Structure Transition

### Capital Structure Transition

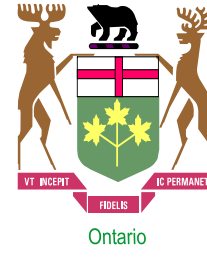
#### Size of Utility (Rate Base)

Year	Small [\$0, \$100M)			Med-Small [\$100M, \$250M)			Med-Large [\$250M, \$1B)			Large >=\$1B		
	Short Term	Long Term		Short Term	Long Term		Short Term	Long Term		Short Term	Long Term	
	Debt	Debt	Equity	Debt	Debt	Equity	Debt	Debt	Equity	Debt	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	\$105,093,781
Size of Utility	B	Med-Small

#### Deemed Capital Structure

	Short Term	Long Term	
	Debt	Debt	Equity
2008	4.0%	53.5%	42.5%
2009	4.0%	56.0%	40.0%
2010	4.0%	56.0%	40.0%

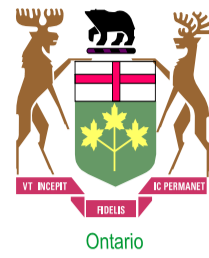


Name of LDC: Guelph Hydro Electric Systems Inc.  
File Number: EB-2009-0226  
Effective Date: Saturday, May 01, 2010

### K-Factor Adjustment

Applicants Rate Base	Last Rate Re-Basing Amount			
<b>Average Net Fixed Assets</b>				
Gross Fixed Assets - Re-Basing Opening	\$ 123,637,713	A		
Add: CWIP Re-Basing Opening	\$ -	B		
Re-Basing Capital Additions	\$ 7,298,949	C		
Re-Basing Capital Disposals	-\$ 995,146	D		
Re-Basing Capital Retirements	\$ -	E		
Deduct: CWIP Re-Basing Closing	\$ -	F		
Gross Fixed Assets - Re-Basing Closing	\$ 129,941,516	G		
Average Gross Fixed Assets	\$ 126,789,615		H	
Accumulated Depreciation - Re-Basing Opening	\$ 37,841,267	I		
Re-Basing Depreciation Expense	\$ 5,984,160	J		
Re-Basing Disposals	-\$ 552,335	K		
Re-Basing Retirements	\$ -	L		
Accumulated Depreciation - Re-Basing Closing	\$ 43,273,092	M		
Average Accumulated Depreciation	\$ 40,557,180		N	
<b>Average Net Fixed Assets</b>	\$ 86,232,435		O	
<b>Working Capital Allowance</b>				
Working Capital Allowance Base	\$ 125,742,305	P		
Working Capital Allowance Rate	15.0%	Q		
<b>Working Capital Allowance</b>	\$ 18,861,346		R	
<b>Rate Base</b>	\$ 105,093,781		S	
<b>Return on Rate Base</b>				
Deemed ShortTerm Debt %	4.00%	T	\$ 4,203,751	W
Deemed Long Term Debt %	56.00%	U	\$ 58,852,517	X
Deemed Equity %	40.00%	V	\$ 42,037,512	Y
Short Term Interest	4.47%	Z	\$ 187,908	AC
Long Term Interest	6.10%	AA	\$ 3,590,004	AD
Return on Equity	8.57%	AB	\$ 3,602,615	AE
<b>Return on Rate Base</b>			\$ 7,380,526	AF
<b>Distribution Expenses</b>				
OM&A Expenses	\$ 9,325,109	AG		
Amortization	\$ 5,637,037	AH		
Ontario Capital Tax	\$ 239,079	AI		
Grossed Up PILs	\$ 1,971,258	AJ		
Low Voltage	\$ 92,876	AK		
Transformer Allowance	\$ 319,608	AL		
	\$ -	AM		
	\$ -	AN		
	\$ -	AO		
	\$ 17,584,967		AP	
<b>Revenue Offsets</b>				
Specific Service Charges	-\$ 248,600	AQ		
Late Payment Charges	-\$ 100,000	AR		
Other Distribution Income	-\$ 125,213	AS		
Other Income and Deductions	-\$ 1,391,500	AT	-\$ 1,865,313	AU
<b>Revenue Requirement from Distribution Rates</b> (after Capital Structure Transition)			\$ 23,100,180	AV
<b>Revenue Requirement from Distribution Rates</b> (Before Capital Structure Transition)			\$ 23,274,100	AW
<b>K-factor Adjustment</b>		AX		No K-Factor Adjustment Required
<b>2008 Filers K-factor Adjustment</b>			-0.37%	AY = AX / 2

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



Name of LDC: Guelph Hydro Electric Systems Inc.  
File Number: EB-2009-0226  
Effective Date: Saturday, May 01, 2010

## Z-Factor Tax Changes

### Summary - Sharing of Tax Change Forecast Amounts

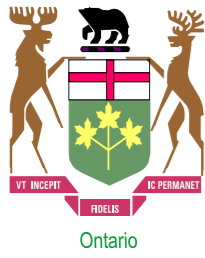
#### 1. Tax Related Amounts Forecast from Capital Tax Rate Changes

	2008	2009	2010	2011	2012
Taxable Capital	\$ 121,131,234	\$ 121,131,234	\$ 121,131,234	\$ 121,131,234	\$ 121,131,234
Deduction from taxable capital up to \$15,000,000	\$ 14,874,014	\$ 14,874,014	\$ 14,874,014	\$ 14,874,014	\$ 14,874,014
Net Taxable Capital	\$ 106,257,220	\$ 106,257,220	\$ 106,257,220	\$ 106,257,220	\$ 106,257,220
Rate	0.225%	0.225%	0.150%	0.000%	0.000%
Ontario Capital Tax (Deductible, not grossed-up)	\$ 239,079	\$ 239,079	\$ 79,475	\$ -	\$ -

#### 2. Tax Related Amounts Forecast from Income Tax Rate Changes

	2008	2009	2010	2011	2012
Regulatory Taxable Income	\$ 3,913,093	\$ 3,913,093	\$ 3,913,093	\$ 3,913,093	\$ 3,913,093
Corporate Tax Rate	33.5%	33.0%	32.0%	30.5%	29.0%
Tax Impact	\$ 1,310,886	\$ 1,291,321	\$ 1,252,190	\$ 1,193,493	\$ 1,134,797
<b>Grossed-up Tax Amount</b>	<b>\$ 1,971,257</b>	<b>\$ 1,927,344</b>	<b>\$ 1,841,456</b>	<b>\$ 1,717,257</b>	<b>\$ 1,598,306</b>
Tax Related Amounts Forecast from Capital Tax Rate Changes	\$ 239,079	\$ 239,079	\$ 79,475	\$ -	\$ -
Tax Related Amounts Forecast from Income Tax Rate Changes	\$ 1,971,257	\$ 1,927,344	\$ 1,841,456	\$ 1,717,257	\$ 1,598,306
<b>Total Tax Related Amounts</b>	<b>\$ 2,210,336</b>	<b>\$ 2,166,423</b>	<b>\$ 1,920,930</b>	<b>\$ 1,717,257</b>	<b>\$ 1,598,306</b>
Incremental Tax Savings		-\$ 43,913	-\$ 289,406	-\$ 493,079	-\$ 612,031
Total Tax Savings (2009 - 2012)					-\$ 1,438,429
Sharing of Tax Savings (50%)		-\$ 21,957	-\$ 144,703	-\$ 246,540	-\$ 306,015
Total Sharing of Tax Savings (50%)					-\$ 719,215





Name of LDC: Guelph Hydro Electric Systems Inc.  
File Number: EB-2009-0226  
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	\$12,874,900	55.53%	-\$80,356	357,871,626	0	-\$0.000225	
General Service Less Than 50 kW	\$2,796,165	12.06%	-\$17,452	146,156,347	0	-\$0.000119	
General Service 50 to 999 kW	\$4,211,035	18.16%	-\$26,282	0	1,023,682		-\$0.025674
General Service 1,000 to 4,999 kW	\$1,966,224	8.48%	-\$12,272	0	864,467		-\$0.014196
Large Use	\$1,058,561	4.57%	-\$6,607	0	471,742		-\$0.014005
Unmetered Scattered Load	\$96,386	0.42%	-\$602	2,336,603	0	-\$0.000257	
Sentinel Lighting	\$4,839	0.02%	-\$30	0	352		-\$0.085800
Street Lighting	\$176,608	0.76%	-\$1,102	0	25,194		-\$0.043751
	<b>\$23,184,718</b> H	<b>100.00%</b>	<b>-\$144,703</b> I				

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



**Name of LDC:** Guelph Hydro Electric Systems Inc.  
**File Number:** EB-2009-0226  
**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%**

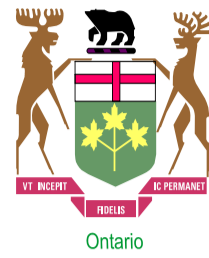
Enter the above value onto Sheet  
"F1.2 Price Cap Adjustment"  
of the 2010 OEB IRM3 Rate Generator.

### Growth

Re-Based Revenue Requirement From Rates	<u>\$23,184,719</u> A
Most Recent Year Reported Revenue Requirement From Rates	<u>\$23,240,632</u> B

### Growth

**-0.24%** C



Name of LDC: Guelph Hydro Electric Systems Inc.  
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## Threshold Test

Year	2008	
Status	Re-Basing	
<b>Price Cap Index</b>	1.18%	A
<b>Growth</b>	-0.24%	B
<b>Dead Band</b>	20%	C
<b>Average Net Fixed Assets</b>		
Gross Fixed Assets Opening	\$ 123,637,713	
Add: CWIP Opening	\$ -	
Capital Additions	\$ 7,298,949	
Capital Disposals	-\$ 995,146	
Capital Retirements	\$ -	
Deduct: CWIP Closing	\$ -	
Gross Fixed Assets - Closing	\$ 129,941,516	
Average Gross Fixed Assets	<u>\$ 126,789,615</u>	
Accumulated Depreciation - Opening	\$ 37,841,267	
Depreciation Expense	\$ 5,984,160	D
Disposals	-\$ 552,335	
Retirements	\$ -	
Accumulated Depreciation - Closing	\$ 43,273,092	
Average Accumulated Depreciation	<u>\$ 40,557,180</u>	
<b>Average Net Fixed Assets</b>	<u>\$ 86,232,435</u>	E
<b>Working Capital Allowance</b>		
Working Capital Allowance Base	\$ 125,742,305	
Working Capital Allowance Rate	15%	
<b>Working Capital Allowance</b>	<u>\$ 18,861,346</u>	F
<b>Rate Base</b>	<u>\$ 105,093,781</u>	G = E + F
<b>Depreciation</b>	D \$ 5,984,160	H
<b>Threshold Test</b>	136.45%	I = 1 + ( G / H ) * ( B + A * ( 1 + B ) ) + C
<b>Threshold CAPEX</b>	\$ 8,165,279	J = H * I



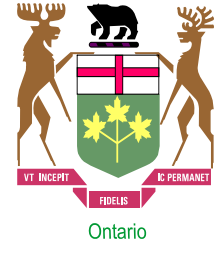
**Name of LDC:** Guelph Hydro Electric Systems Inc.  
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## Summary of Incremental Capital Projects

Number of ICP's

6

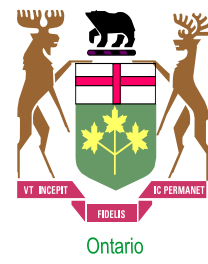
Project ID #	Incremental Capital Non-Discretionary Project Description	Incremental Capital CAPEX	Amortization Expense	CCA
ICP 1				
ICP 2				
ICP 3				
ICP 4				
ICP 5				
ICP 6				
		0	0	0



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**Incremental Capital Adjustment**

<b>Current Revenue Requirement</b>			
Current Revenue Requirement - Total		\$ 23,274,100	A
<b>Return on Rate Base</b>			
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	6.10%	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
<b>Amortization Expense</b>			
Amortization Expense - Incremental		C \$ -	S
<b>Grossed up PIL's</b>			
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)	33.0%	X	Y = W * X
PIL's Before Gross Up		\$ -	Z = Y / (1 - X)
Incremental Grossed Up PIL's		\$ -	
<b>Ontario Capital Tax</b>			
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		\$ -	
<b>Incremental Revenue Requirement</b>			
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



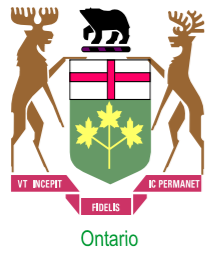
Name of LDC: Guelph Hydro Electric Systems Inc.  
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Calculation of Incremental Capital Rate Adder - Option A Fixed and Variable

Rate Class	Distribution			Service Charge Revenue	Distribution		Total Revenue by Rate Class	Billed Customers or Connections			Distribution		
	Service Charge % Revenue	Volumetric Rate % Revenue kWh	Volumetric Rate % Revenue kW		Distribution Rate Revenue kWh	Distribution Rate Revenue kW		H	I	J	Service Charge Rate Rider	Volumetric Rate kWh Rate Rider	Volumetric Rate kW Rate Rider
	A	B	C	D = \$N * A	E = \$N * B	F = \$N * C	F				K = D / H / 12	L = E / I	M = F / J
Residential	30.8%	0.0%	720279508.6%	\$ -	\$ -	\$ -	\$ -	44,220	357,871,626	0	\$0.000000	\$0.000000	
General Service Less Than 50 kW	1.5%	0.0%	33973380.5%	\$ -	\$ -	\$ -	\$ -	3,612	146,156,347	0	\$0.000000	\$0.000000	
General Service 50 to 999 kW	3.3%	0.0%	77053255.8%	\$ -	\$ -	\$ -	\$ -	515	0	1,023,682	\$0.000000		\$0.000000
General Service 1,000 to 4,999 kW	0.7%	0.0%	16798837.5%	\$ -	\$ -	\$ -	\$ -	37	0	864,467	\$0.000000		\$0.000000
Large Use	0.2%	0.0%	4869059.1%	\$ -	\$ -	\$ -	\$ -	4	0	471,742	\$0.000000		\$0.000000
Unmetered Scattered Load	0.0%	0.0%	40368.7%	\$ -	\$ -	\$ -	\$ -	591	2,336,603	0	\$0.000000	\$0.000000	
Sentinel Lighting	0.0%	0.0%	101.7%	\$ -	\$ -	\$ -	\$ -	30	0	352	\$0.000000		\$0.000000
Street Lighting	0.0%	0.0%	135529.9%	\$ -	\$ -	\$ -	\$ -	13,670	0	25,194	\$0.000000		\$0.000000
	36.5%	0.0%	853150041.9%	\$ -	\$ -	\$ -	\$ -						

N

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



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### 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	\$12,874,900	55.53%	\$0	357,871,626	0	\$0.000000	
General Service Less Than 50 kW	\$2,796,165	12.06%	\$0	146,156,347	0	\$0.000000	
General Service 50 to 999 kW	\$4,211,035	18.16%	\$0	0	1,023,682		\$0.000000
General Service 1,000 to 4,999 kW	\$1,966,224	8.48%	\$0	0	864,467		\$0.000000
Large Use	\$1,058,561	4.57%	\$0	0	471,742		\$0.000000
Unmetered Scattered Load	\$96,386	0.42%	\$0	2,336,603	0	\$0.000000	
Sentinel Lighting	\$4,839	0.02%	\$0	0	352		\$0.000000
Street Lighting	\$176,608	0.76%	\$0	0	25,194		\$0.000000
	<b>\$23,184,718</b>	<b>100.00%</b>	<b>\$0</b>				

H

I

Enter the above value onto Sheet  
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