



July 18, 2011

**By RESS and Courier**

Ms. Kirsten Walli  
Board Secretary  
Ontario Energy Board  
2300 Yonge Street  
27th Floor  
Toronto, ON  
M4P 1E4

Dear Ms. Walli;

**Re: EB-2010-0131 - Horizon Utilities Corporation Application to the Ontario Energy Board for Electricity Distribution Rates and Charges as of January 1, 2011**

On July 7, 2011, the Ontario Energy Board (the "Board") issued its Decision and Order in the above-captioned proceeding. As directed by the Board, please find accompanying this letter Horizon Utilities' draft Rate Order and Appendices thereto, which include Horizon Utilities' proposed rates and charges reflecting the Board's findings in the Decision. Two hard copies will be delivered to the Board. A text-searchable electronic version of the draft Rate Order and live Excel versions of the Revenue Requirement Work Form (Appendix C) and the Green Energy Act Rate Rider Model (related to Appendix E) are being filed using the Board's RESS system. .

Should you have any questions or require further information, please do not hesitate to contact me.

Yours Truly,

***Original signed by Indy Butany-DeSouza***

Indy J. Butany-DeSouza  
Vice-President, Regulatory and Government Affairs  
Horizon Utilities Corporation

Encl.

cc. Keith Ritchie, Ontario Energy Board (electronic version only)  
Intervenors of Record (electronic version only)

**IN THE MATTER OF** the *Ontario Energy Board Act*, 1998, being Schedule B to the *Energy Competition Act*, 1998, S.O. 1998, c.15;

**AND IN THE MATTER OF** an Application by Horizon Utilities Corporation to the Ontario Energy Board for an Order or Orders approving or fixing just and reasonable rates and other service charges for the distribution of electricity as of January 1, 2011.

**DRAFT RATE ORDER OF HORIZON UTILITIES CORPORATION**

**DELIVERED JULY 18, 2011**

**INTRODUCTION:**

On August 26, 2011, Horizon Utilities Corporation (“Horizon Utilities”) filed an application (the “Application”) with the Ontario Energy Board (the “Board”), under section 78 of the *Ontario Energy Board Act*, 1998, S.O. 1998, c. 15, seeking approval for changes to rates Horizon Utilities charges for electricity distribution, to be effective January 1, 2011. The Board assigned File Number EB-2010-0131 to the Application.

On July 7, 2011 the Board issued its Decision and Order pertaining to the Application (referred to here as the “Decision”). In the Decision, the Board directed Horizon Utilities to file with the Board, and also forward to the intervenors, a draft Rate Order attaching a proposed Tariff of Rates and Charges and other filings reflecting the Board’s findings in its Decision, within 11 days of the date of issuance of the Decision. Horizon Utilities was directed to include, in the draft Rate Order, customer bill impacts and detailed supporting information showing the calculations of the final rates including the Revenue Requirement Work Form in Microsoft Excel format.

This draft Rate Order incorporates the Board’s findings as set out in the Decision. The adjustments to the Application arising from the Decision are discussed and illustrated in this draft Rate Order and the accompanying Appendices. In accordance with the Decision, the draft Rate Order has been prepared on the basis that Horizon Utilities’ new rates will be effective May 1, 2011, with an implementation date of August 1, 2011. All rate riders including the recovery of the revenue requirement shortfall for the May 1, 2011 – July 31, 2011 period are calculated based on an August 1, 2011 implementation date.

This draft Rate Order addresses the following matters considered and disposed of by the Board in the Decision, in the order presented in the Decision:

- Alignment of the Rate Year with the Calendar Fiscal Year
- Effective Date of January 1, 2011
- Rate Base and Capital Expenditures
  - Rate Base
  - Capital Expenditures
  - Lead-Lag Study
- Operating Revenues and Load Forecast
  - Customer Forecast
  - Load Forecast – Other than Large Use Customers
  - Load Forecast – Large Use Customers
  - Other Revenues
- Operating Expenses
  - OM&A
  - Depreciation
  - PILs
  - LEAP
- Cost of Capital
  - Capital Structure
  - Return on Equity and Short Term Debt
  - Long-term Debt
- Cost Allocation
- Rate Design
  - Fixed/Variable Split
  - Retail Transmission Service Rates
  - Low Voltage Rate Riders
  - Specific Service Charges, Transformer Allowance Credit and Standby Rate Application
- Deferral and Variance Accounts
  - General
  - Group 2 Account Balances: Account 1508
  - Account 1592

- Disposition of IFRS Account
- OMERS
- Account 1572
- Account 1595
- Green Energy Plan
- Late Payment Penalty Litigation Cost
- Smart Meters
- Implementation

The following Appendices accompany the draft Rate Order:

- Appendix A: Draft Schedule of Rates and Charges
- Appendix B: Horizon Utilities Customer Bill Impacts
- Appendix C: Revenue Requirement Work Form
- Appendix D: PILs Supporting Documentation
- Appendix E: Calculation of Green Energy Act Rate Riders
- Appendix F: Calculation of Forgone Revenue Rate Riders

The following live Excel models also accompany the draft Rate Order:

- Revenue Requirement Work Form
- Green Energy Act Rate Rider Model

## **SUMMARY OF CHANGES**

Horizon Utilities has updated its revenue requirement for the 2011 Test Year and has recalculated the original rates proposed in its Application in accordance with the Board's findings in the Decision and as described in the sections below. As a result of the Decision, Horizon Utilities' revenue deficiency has been reduced from \$19,560,006 as initially proposed in the Application (and \$20,721,655 as set out in Horizon Utilities' updated Revenue Requirement Work Form filed at the direction of the Board on April 15, 2011 after the completion of the oral hearing) to \$13,917,717. Horizon Utilities' revenue requirement has been reduced from \$108,707,939 as initially proposed in the Application (and \$108,099,607 as set out in Horizon Utilities' April 15, 2011 updated Revenue Requirement Work Form) to \$102,144,047. Horizon Utilities' Draft Schedule of Rates and Charges reflecting the Decision accompanies this draft Rate Order as Appendix A. The comparison of customer bill impacts is attached as Appendix B.

Horizon Utilities notes that the customer bill impact analysis reflects the change in Horizon Utilities' distribution rates and other charges effective May 1, 2011, including the Late Payment Penalty rider. However, the customer bill impact analysis does not include the impact of the proposed rate riders related to the recovery of the revenue requirement shortfall.

Changes arising out of the Decision and reflected in the proposed rates include, without limitation, the following:

- Changes in Rate Base, including changes to 2011 Test Year Capital Expenditures and the Working Capital Allowance (both the percentage of controllable expenses and cost of power to be used in calculating the Working Capital Allowance and the values of the components thereof);
- Changes in Operating Revenues and Load Forecast;
- Changes in Operating Expenses;
- Updates to Cost of Capital Parameters;
- Changes in Horizon Utilities' approach to Cost Allocation;
- Updates to the Uniform Transmission Rates and Low Voltage rates used by Horizon Utilities in the Application in light of more recent Board decisions in respect thereof;
- Updated balances for certain Deferral and Variance Accounts within Account 1508 – Other Regulatory Assets, and Horizon Utilities' agreement to dispose of the balance in Account 1592;
- Revisions to the amount recoverable in the 2011 Test Year on account of Horizon Utilities' Board-approved Green Energy Plan;
- The incorporation of Horizon Utilities' Late Payment Penalty rider into its Schedule of Rates and Charges;
- The incorporation of Horizon Utilities' revised Smart Meter Funding Adder, addressed by the Board in EB-2010-0292, into the Schedule of Rates and Charges; and
- The establishment of rate riders to provide for the recovery of three months of incremental revenue for the period of May 1, 2011 through July 31, 2011, reflecting the Board-approved effective date of May 1, 2011 and the implementation date for 2011 rates of August 1, 2011.

In addition to the draft Schedule of Rates and Charges and the comparison of customer impacts mentioned above, Horizon Utilities has included with this draft Rate Order an updated version of the Board's Revenue Requirement Work Form as Appendix C. Tables and other Appendices within this draft Rate Order have been provided for the Board's assistance, including tables to demonstrate the calculation of revenue requirement, distribution rates, transmission rates, and rate adders and riders. These tables and Appendices also support the information provided in

the Revenue Requirement Work Form. Horizon Utilities has provided a description of the changes resulting from the Board's Decision in Table 1, below.

**TABLE 1 – Description of Revenue Requirement Calculation**

Steps	Description
1	Reflect actual 2010 closing net book value of \$304,891,000 and decrease 2011 capital expenditures to \$39,000,000
2	Decrease working capital allowance to 13.5%
3	Adjust cost of power to reflect Energy Probe suggestions
4	Increase other revenues to \$5,896,000
5	Decrease OM&A to \$42,000,000 before adjustments for property tax, LEAP and OMERS
6	Reflect LEAP funding of 0.12% of distribution revenue and remove \$55,000 for Winter Warmth program
7	Increase OMERS expense by \$351,000
8	Adjust PILS tax changes, capital tax rate and CCA as required
9	Reflect Return on Equity of 9.58% and short term debt cost of 2.46%
10	Adjust cost of power to reflect updated RTSR and Low Voltage charges

Table 2, below, summarizes the changes made to the Revenue Requirement that result from the Decision.

**TABLE 2 – Revenue Requirement Calculation**

	2011 As Filed April 6, 2011	2011 Test Year Adjustments	2011 Test Year as per Decision
Operation, Maintenance & Administration	\$47,457,439	(\$5,038,967)	\$42,418,472
Amorization Expenses	\$27,371,137	(\$346,389)	\$27,024,748
Property Taxes	\$337,800		\$337,800
Interest Expense	\$12,530,334	(\$201,673)	\$12,328,661
PILS Taxes	\$5,904,367	(\$11,960)	\$5,892,407
Return on Equity	\$14,498,530	(\$356,571)	\$14,141,959
Service Revenue Requirement	\$108,099,607	(\$5,955,560)	\$102,144,047
Less Revenue Offsets	\$5,481,969	\$414,031	\$5,896,000
Base Revenue Requirement	\$102,617,638	(\$6,369,591)	\$96,248,047
Capital Expenditure	\$43,992,099	(\$5,000,000)	\$38,992,099

As noted above, Horizon Utilities has organized its draft Rate Order to correspond to the order of the Board Findings in the Decision. References to the relevant pages of the Decision are shown throughout this draft Rate Order in square brackets.

## **ALIGNMENT OF THE RATE YEAR WITH THE CALENDAR FISCAL YEAR**

The Board approved the change in Horizon Utilities' rate year from May 1-April 30 to January 1-December 31, in principle commencing January 1, 2011. [p.7] However, the effective date of Horizon Utilities' new rates will be May 1, 2011. This is addressed in the following section.

## **EFFECTIVE DATE OF JANUARY 1, 2011**

The Board has determined that the effective date for Horizon Utilities' new 2011 electricity distribution rates is May 1, 2011. [p.9-10] The new rates will be implemented August 1, 2011. With respect to the recovery of forgone incremental revenue for the May 1, 2011 – July 31, 2011 period, the Board found:

“In preparing its draft Rate Order filing, Horizon is directed to calculate class-specific rate riders that would recover the foregone incremental revenue for the period from May 1, 2011 to July 31, 2011. Horizon should propose an appropriate time period for recovery giving due consideration to bill impacts on its ratepayers. The current interim rates are in effect until the Board approves the final Rate Order.” [p.68]

The proposed riders are discussed at the end of this draft Rate Order, in the section titled “Implementation”.

## **RATE BASE AND CAPITAL EXPENDITURES**

- **Rate Base**

The Board accepted the submissions of several parties, as agreed to by Horizon Utilities, that the actual 2010 NBV adjusted for the increase in CWIP should be used by Horizon Utilities as the opening balance for 2011 in the calculation of the rate base for the 2011 Test Year.

Horizon Utilities has adjusted its 2011 CWIP opening balance to 2010 Actuals, and the 2011 CWIP closing balance is the same as opening 2011. Accordingly, Horizon Utilities has reflected an opening balance of \$304,891,418 for 2011. The OEB also directed Horizon Utilities to reflect the lower capital expenditures of \$39 million closed to rate base in the 2011. The resulting Test Year depreciation expense for 2011 is computed as \$27,024,748.

- **Capital Expenditures**

The Board did not accept Horizon Utilities' proposed 2011 capital expenditures as filed, in the amount of \$43,992,099. Rather, the Board found that Horizon Utilities' capital expenditures for 2011 rates should be reduced by approximately \$5 million to approximately \$39 million

(exclusive of smart meters). [p.14] Horizon Utilities has reflected this reduction in its rate base calculation by making the changes shown in Table 3 below:

**TABLE 3 – Capital and Depreciation Reductions**

	Capital			Depreciation		
	2011 As Filed April 6, 2011	2011 Test Year Adjustments	2011 Test Year as per Decision	2011 As Filed April 6, 2011	2011 Test Year Adjustments	2011 Test Year as per Decision
Distribution Plant	\$36,827,393	(\$3,000,000)	\$33,827,393	\$22,750,068	(\$60,000)	\$22,690,068
Miscellaneous hardware and software	\$3,545,750	(\$1,450,000)	\$2,095,750	\$3,276,680	(\$283,889)	\$2,992,791
Fleet	\$2,078,456	(\$400,000)	\$1,678,456			
General Plant	\$1,540,500	(\$150,000)	\$1,390,500	\$1,344,389	(\$2,500)	\$1,341,889
<b>Total</b>	<b>\$43,992,099</b>	<b>(\$5,000,000)</b>	<b>\$38,992,099</b>	<b>\$27,371,137</b>	<b>(\$346,389)</b>	<b>\$27,024,748</b>

Please note that the depreciation on Fleet is not shown in the above table since it is a depreciation item that is included in OM&A.

- **Lead-Lag Study**

In its Application, Horizon Utilities had proposed a Working Capital Allowance (“WCA”) of 14% of the sum of Cost of Power plus controllable expenses, based on a Lead-Lag study conducted by Navigant Consulting Inc. In its Decision, the Board determined that the WCA percentage will be 13.5%. [p.16] The Board-approved WCA percentage of 13.5% is reflected in Horizon Utilities’ updated Rate Base calculation.

In addition to the percentage used for the calculation of the WCA, the values of the components of the WCA have changed as a result of the Decision. The WCA has been updated from \$60,197,211 to \$58,864,311. The updated WCA reflects the following changes:

- Controllable expenses have changed as a result of the Decision. In addition to the Board’s reduction in Horizon Utilities’ proposed OM&A, discussed below, Horizon Utilities agreed to remove \$784,515 from OM&A for the purposes of calculating the WCA, and to move it to Account 4380 – Expenses of Non-Utility Operations; and
- Horizon Utilities agreed to use updated values for the Cost of Power component of the WCA – these are \$0.06736/kWh for RPP customers and \$0.06466/kWh for non-RPP customers. [see p.16 of the Decision, and Appendix B to the Energy Probe submission dated May 6, 2011 in this proceeding]



The following Table 4 compares Horizon Utilities' Rate Base as proposed in the Application (as revised April 6, 2011) to the Rate Base approved in the Decision.

**TABLE 4 – Adjustments to Rate Base**

	2011 As Filed April 6, 2011	2011 Test Year Adjustments	2011 Test Year as per Decision
Opening Gross Fixed Assets	\$647,244,887	(\$15,274,503)	\$ 631,970,385
Opening Accumulated Depreciation	\$339,826,078	(\$12,747,111)	\$ 327,078,967
Opening Net Fixed Assets	\$307,418,809	(\$2,527,392)	\$ 304,891,418
Closing Gross Fixed Assets	\$691,236,986	(\$20,274,503)	\$ 670,962,484
Closing Accumulated Depreciation	\$368,608,680	(\$13,124,269)	\$ 355,484,411
Closing Net Fixed Assets	\$322,628,306	(\$7,150,233)	\$ 315,478,073
Avg of Opening & Closing	\$315,023,558	(\$4,838,813)	\$ 310,184,745
Allowance for Working Capital	\$ 60,197,211	(\$1,332,900)	\$ 58,864,311
<b>Total Rate Base</b>	<b>\$375,220,768</b>	<b>(\$6,171,712)</b>	<b>\$ 369,049,056</b>

## OPERATING REVENUES AND LOAD FORECAST

- **Customer Forecast**

In the Application, Horizon Utilities proposed a total customer/connections count of 290,997 for the 2011 Test Year. In the Decision, the Board observed that VECC submitted that the 2011 customer and connected forecast should be accepted, and that it is reasonable based on Horizon Utilities' 2010 actuals; and that no other parties made submissions with respect to the forecast of customers and connections [p.17]. This draft Rate Order incorporates the total customer/connections count of 290,997 used in the Application and acknowledged by the Board in the Decision.

- **Load Forecast – Other than Large Use Customers**

The Board observed that in the Application, Horizon Utilities proposed a billed demand forecast of 3,966.3 GWh (4,127.6 GWh purchased) for non-Large Use load. [p.18] The updated non-Large Use load forecast delivered by Horizon Utilities in response to Undertaking J3.3 provided a revised billed demand forecast of 3,835.1 GWh (3,991.0 GWh purchased) for non-Large Use load. The update provided in response to Undertaking J3.3 addressed certain Conservation and Demand Management (“CDM”)-related adjustments discussed in the Undertaking response.

In its Decision [at p. 24], the Board accepted the non-Large Use load forecast as updated in Horizon Utilities' response to Undertaking J3.3, but made a CDM-related adjustment. In the Application, Horizon Utilities had used a value equal to 25% of its 4-year target for CDM as the basis for its CDM-related adjustment to the load forecast. The Board reduced that to 10%. Specifically, the Board made the following finding:

"The Board accepts the last updated load forecast of 3,991.0 GWh for non-Large Use load, but will revise this number for the impact of CDM. As noted in the submissions of Energy Probe, and as accepted by a number of other parties, Horizon's 4-year target for CDM has been revised to 281.42 GWh; but this is a cumulative target. To achieve this target, Horizon will need to achieve 28.142 GWh in the first year, which is 1/10 of the cumulative target. The Board will therefore adjust the accepted load forecast by 10% of Horizon's 4-year target for CDM or 28.142 GWh. This approach is consistent with the Board's Decision in the HOBNI proceeding. The result of this adjustment is a volumetric forecast of 4,033.2 GWh<sup>43</sup> for non-Large Use customers in the test year.<sup>43</sup> Calculated as: updated load forecast of 3,991.0 GWh, increased by one quarter of Horizon's 4-year target for CDM of 281.42 GWh and reduced by 1/10 of the cumulative target or 28.142 GWh."

The Board also accepted Horizon Utilities' approach for the kW/kWh conversion of 0.2727% for the GS 50-4,999 kW class, as proposed by Horizon Utilities.

In this draft Rate Order, Horizon Utilities has used the Board-approved forecast of purchased power in the amount of 4,033.2 GWh for non-Large Use customers in the 2011 Test Year. A revised summary of the forecast (including the load forecast for Large Use customers discussed in the following section) is provided in Table 5, below.

**TABLE 5 - Revised Load Forecast Summary**

By Class	2011 As Filed April 6, 2011	2011 Test Year Adjustments	2011 Test Year as per Decision
Residential Customers	214,658	0	214,658
kWh	1,521,550,679	18,126,306	1,539,676,985
General Service < 50 kW Customers	17,931	0	17,931
kWh	531,554,427	6,332,433	537,886,860
General Service 50 to 4,999 kW Customers	2,279	0	2,279
kWh	1,728,901,613	16,104,560	1,745,006,174
kW	4,714,763	43,918	4,758,680
Street Lighting Connections	52,388	0	52,388
kWh	40,006,298	0	40,006,298
kW	111,295	0	111,295
Sentinel Lighting Connections	501	0	501
kWh	502,459	0	502,459
kW	1,421	0	1,421
Unmetered Scattered Load Connections	3,228	0	3,228
kWh	12,541,586	0	12,541,586
Standby kW	199,012	0	199,012
Large Use Customers	12	0	12
kWh	520,292,236	17,789,632	538,081,868
kW	2,417,347	82,653	2,500,000
Total Customer/Connections	290,997	0	290,997
kWh	4,355,349,299	58,352,932	4,413,702,230
kW from applicable classes	7,443,838	126,571	7,570,408
Predicted kWh Purchases	3,991,027,993	42,213,000	4,033,240,993
Billed kWh	3,835,057,063	40,563,299	3,875,620,362

- **Load Forecast – Large Use Customers**

In the Application, Horizon Utilities forecasted a Large Use class billed consumption of 693.7 GWh and demand of 3,044.9 MW. This was reduced to 520.3 GWh and 2,417.3 MW in Horizon Utilities' March 14, 2011 evidence update, as a result of more recent events involving two of its 12 Large Use customers, including the shutdown of one of those customers; and the addition of a new Large Use customer. [See pages 21-23 of the Decision for the Board's discussion of the Large Use load forecast.]

The Board made the following finding in respect of the Large Use load forecast:

“The Board will accept the most recent forecast filed by the Applicant (2,417,347 kW), but will make an adjustment to account for the fact that not all the volumes for the two

customers have been eliminated and to provide for a modest amount for potential growth. The Board finds that a large use load forecast of 2,500,000 kW is therefore reasonable under the circumstances.”

In preparing this draft Rate Order, Horizon Utilities has used the Board-approved Large Use load forecast of 2,500,000 kW. That value is set out in Table 5, above. Horizon Utilities has adjusted the March 14, 2011 consumption forecast of 520.3 GWh upward to 538.1 GWh using the same percentage increase as that applied to the demand forecast.

- **Other Revenues**

In the Application, Horizon Utilities forecasted Other Operating Revenues as \$5,481,969 for the 2011 Test Year. In its reply submission (at page 66, paragraph 190), Horizon Utilities agreed to transfer \$784,515 in revenues related to the provision of services to affiliates from OM&A to Account 4380. As the Board confirmed at page 25 of the Decision, this resulted in an adjusted forecast for Other Operating Revenues of \$4,697,454.

In the Decision, the Board made the following finding:

“The Board finds the amount to be attributed to Other Revenues to be \$5,896,000, which is the 2010 actual amount of Other Revenue adjusted for the cessation of rents from the John St. property.”

In preparing this draft Rate Order, Horizon Utilities has used the Board-approved value of \$5,896,000 for Other Revenues, and it has transferred \$784,515 in revenues related to the provision of services to affiliates from OM&A to Account 4380. The adjustment to Other Revenues is reflected in Table 2, Revenue Requirement Calculation, above.

## **OPERATING EXPENSES**

- **OM&A**

In the Application, Horizon Utilities requested Operation, Maintenance, and Administration (“OM&A”) costs of \$47,537,239, which excluded \$337,800 in property taxes. This was later reduced to \$47,457,279, reflecting a reduction of \$80,000 from the original amount requested to reflect the amortization of one time regulatory costs over four years as opposed to three years as originally proposed. These amounts, and the OM&A amounts proposed by Board staff and the intervenors in their submissions, are set out at page 28 of the Decision.

In the Decision, the Board confirmed the reduction of approximately \$80,000 in OM&A to reflect the four-year amortization of one time regulatory costs, and made the following finding:

“The Board finds that OM&A spending of \$42 million, before adjustments for property taxes, LEAP and OMERS expenses, for the 2011 test period is appropriate.” [p.31]

In preparing this draft Rate Order, Horizon Utilities has used the Board-approved value of \$42 million, exclusive of property taxes, LEAP and OMERS expenses. Table 6, below, illustrates the impact of these reductions to OM&A on Horizon Utilities’ proposed revenue requirement.

**TABLE 6 – Reductions to OM&A**

	2011 As Filed April 6, 2011	2011 Test Year Adjustments	2011 Test Year as per Decision
Distribution Expenses - Operations	\$ 17,254,043	(\$1,984,154)	\$ 15,269,889
Distribution Expenses - Maintenance	\$ 5,292,206	(\$608,585)	\$ 4,683,621
Billing and Collecting	\$ 8,537,861	(\$981,825)	\$ 7,556,036
Community Relations	\$ 295,000	(\$33,924)	\$ 261,076
Administrative and General Expenses	\$ 16,078,329	(\$1,848,951)	\$ 14,229,378
<b>Subtotal</b>	<b>\$ 47,457,439</b>	<b>(\$5,457,439)</b>	<b>\$ 42,000,000</b>
Property Taxes	\$ 337,800	\$0	\$ 337,800
OMERS		\$351,000	\$ 351,000
LEAP		\$122,472	\$ 122,472
Winter Warmth Program		(\$55,000)	(\$55,000)
<b>Total Distribution Expenses</b>	<b>\$ 47,795,239</b>	<b>(\$5,038,967)</b>	<b>\$ 42,756,272</b>

- **Depreciation**

As the Board notes at page 31 of the Decision,

“In its Application, Horizon stated that it has followed the Accounting for Municipal Electric Utilities in Ontario and the *2006 Electricity Distribution Rate Handbook*.<sup>57</sup> It has estimated a depreciation expense of \$27,371,137 in the updated Revenue Requirement Work Form (“RRWF”) filed on April 15, 2011.

Board staff submitted that Horizon’s methodology for calculating depreciation expense is consistent with Board policy and practice, but that depreciation expense may need to be updated in light of any findings in the Board’s Decision, particularly with respect to rate base and capital expenditures.<sup>58</sup>

<sup>57</sup> Exhibit 4/Tab 1/Schedule 13

<sup>58</sup> Board staff submission [EB-2010-0131], May 4, 2011, pg. 44”

In the Decision, the Board made the following finding:

“The Board approves Horizon’s methodology for calculating its depreciation expense, and notes that this more detailed approach is used by natural gas distributors and some

electricity distributors in Ontario. Using this approach, Horizon is directed to recalculate the depreciation expense for the 2011 test year based on the Board's determinations, elsewhere in this Decision, on Horizon's rate base and capital expenditures." [p.32]

In preparing this draft Rate Order, Horizon Utilities has used the Board-approved methodology for calculating its depreciation expense, and has recalculated that expense for the 2011 Test Year based on the Board's determinations on Horizon Utilities' rate base and capital expenditures, as discussed above. Table 3 – Capital and Depreciation Reductions – illustrates the changes in the value of depreciation and the impact of these changes on Horizon Utilities' proposed revenue requirement.

- **PILs**

The Board observes [p.32] that in the Application, "Horizon Utilities proposed a grossed-up PILs expense allowance of \$6,058,643. This amount was subject to adjustment for the updated cost of capital, in addition to changes in capital and operating expenses, and possibly other factors, as determined by the Board in its Decision."

The Board went on to confirm the following adjustments made to the calculation of the PILs allowance by Horizon Utilities to reflect responses to interrogatories and Technical Conference questions:

- Correct classification of certain Class 52 computer hardware assets effective January 1, 2011. This in turn results in a different Capital Cost Allowance for these assets in the 2011 test year.
- Adjustments to reflect tax credits available. These tax credits include the Ontario Small Business Tax Credit as well as Federal and Provincial Apprenticeship Training Tax Credits.

Finally, the Board noted [p.33] that:

"Horizon also accepted a tax reduction of \$36,250 due to the availability of an Ontario surtax clawback on the first \$500,000 of taxable income, as documented in its response to Undertaking J2.2, and confirmed that it would reflect that in the calculation of the revenue requirement resulting from the Board's Decision. In the updated RRWF filed on April 15, 2011, Horizon documented a grossed-up PILs expense of \$5,904,367."

In the Decision [p.33], the Board made the following finding:

"The Board approves Horizon's methodology for calculating PILs. Horizon is directed to re-calculate its 2011 PILs expense allowance to reflect the adjustments documented above and additionally to reflect the Board's determinations in this Decision with respect to Horizon's rate base and capital expenditures and Cost of Capital."

In preparing this draft Rate Order, Horizon Utilities has used the Board-approved methodology for calculating its PILs expense, and has recalculated that expense for the 2011 Test Year based on the Board's determinations on Horizon Utilities' rate base and capital expenditures and Cost of Capital. Table 2 – Revenue Requirement Calculation – illustrates the changes in the value of the PILs expense and the impact of these changes on Horizon Utilities' proposed revenue requirement. Further details associated with the calculation of PILs are provided in Appendix D to this draft Rate Order.

- **LEAP**

The Board notes in the Decision [pp.33-34] that while no amount for the Low-income Energy Assistance Program ("LEAP") had been included in the Application, Horizon Utilities had agreed that:

"an expense amount for LEAP, equal to 0.12% of approved 2011 distribution revenues should be included. Based on the original Application, this would be an amount of \$130,450. Horizon also noted that it had included in 2011 an amount of \$55,000 for Winter Warmth programs, which will now be replaced by the LEAP program."

In the Decision [p.34], the Board made the following finding:

"The Board agrees with Horizon that LEAP funding of 0.12% of distribution revenues is incremental to the OM&A envelope. The \$55,000 budgeted for the Winter Warmth program should be removed from the approved OM&A envelope of \$42 million, with a LEAP expense of 0.12% of distribution revenues, as determined in Horizon's draft Rate Order should be, added to OM&A."

In preparing this draft Rate Order, Horizon Utilities has used the Board-approved methodology for calculating its LEAP expense, and has recalculated that expense for the 2011 Test Year based on the Board's determinations as they affect Horizon Utilities' distribution revenues. Based on the Board's findings, the LEAP expense will be 0.12% of 2011 Test Year distribution revenues before LEAP, \$102,059,590, or \$122,472. Table 7, below, illustrates the LEAP calculation.

**TABLE 7 – Calculation of LEAP Expense**

Revenue Requirement before LEAP	\$ 102,059,590
LEAP %	0.12%
LEAP Amount included in 5380	\$ 122,472

## **COST OF CAPITAL**

- **Capital Structure**

The Board observes [p.34] that in the Application, Horizon Utilities used a deemed capital structure of 40% equity, 56% long term debt and 4% short term debt. In its Decision, the Board made the following finding:

The Board also accepts the deemed capital structure used by Horizon in its application: 40% equity, 56% long term debt and 4% short term debt, which is consistent with the Board's policy, as set out in the Board's Cost of Capital Report. [p.39]

In preparing this draft Rate Order, Horizon Utilities has used this Board-approved deemed capital structure.

- **Return on Equity and Short Term Debt**

At pages 34 and 35 of the Decision, the Board observes that in its Application,

"Horizon used a Return on Equity ("ROE") of 9.85% and deemed short-term debt rate of 2.07%, which were the Cost of Capital parameters for 2010 applications with May 1, 2010 effective dates as announced in the Board's letter of February 24, 2010. Horizon acknowledged that these parameters would be updated with data three months in advance of the effective date for its new rates, proposed to be January 1, 2011, in accordance with the methodology documented in the *Report of the Board on Cost of Capital for Ontario's Regulated Utilities*, issued December 11, 2009 (the "Cost of Capital Report")."

The Board also acknowledges that:

"In its updated evidence, Horizon reflected the ROE and deemed short-term debt rate assuming an effective date of January 1, 2011, as proposed. The parameters used are an ROE of 9.66% and short-term debt rate of 2.43%, as documented in the Board's letter of November 15, 2010."

In its Decision, the Board made the following finding:

"The Board approves the use of the Cost of Capital parameters set out in the Letter of the Board dated March 3, 2011, which provides the cost of capital parameters for Cost of Service rate applications with rates effective May 1, 2011. Included therein is a Return on Equity of 9.58% and a deemed short term debt cost of 2.46%."

In preparing this draft Rate Order, Horizon Utilities has used the Board-approved Return on Equity of 9.58% and deemed short term debt cost of 2.46%.



- **Long-term Debt**

In its Decision, the Board made the following finding:

“The Board also accepts Horizon’s weighted debt cost of 5.79%, which reflects two long term debt instruments with its parent company: (i) \$116 million, 6.10% term note maturing in July 2012; and (ii) \$40 million, 4.89% term note due in 2020.” [p.39]

In preparing this draft Rate Order, Horizon Utilities has used the Board-approved weighted long term debt cost of 5.79%.

Appendix C – the Revenue Requirement Work Form – and more particularly the Capitalization and Cost of Capital sheet in that form, illustrates the changes related to updates to Horizon Utilities’ cost of capital parameters and the impact of these changes on Horizon Utilities’ proposed revenue requirement.

**COST ALLOCATION**

At page 40 of the Decision, the Board wrote:

“For this Application, Horizon conducted an updated Cost Allocation study, which was subsequently revised during the course of the proceeding. Horizon’s most current proposal for cost allocation between all customer classes is as follows:<sup>86</sup>

**Revised Table 7-1 - Revenue to Cost Ratios - 2008 Board Approved and 2011 Proposed**

<b>Customer Class</b>	<b>Low</b>	<b>High</b>	<b>2008 Approved</b>	<b>2009 and 2010 Actual</b>	<b>2011 Cost Allocation</b>	<b>2011 Proposed</b>
<b>Residential</b>	85.0%	115.0%	111.6%	106.4%	110.7%	104.0%
<b>General Service &lt; 50 kW</b>	80.0%	120.0%	92.5%	88.1%	102.8%	102.7%
<b>General Service &gt; 50 kW</b>	80.0%	180.0%	86.3%	98.0%	84.8%	91.2%
<b>Large Use</b>	85.0%	115.0%	92.1%	95.2%	63.9%	91.2%
<b>Streetlighting</b>	70.0%	120.0%	43.0%	70.0%	62.4%	91.2%
<b>Sentinel Lighting</b>	70.0%	120.0%	70.0%	72.3%	75.6%	91.2%
<b>Unmetered Scattered Load</b>	80.0%	120.0%	80.0%	62.0%	129.8%	120.0%

<sup>86</sup> Exhibit 7/Tab 1/Schedule 1/pg. 3/Table 7-1 (updated March 14, 2011), revised to reflect Table 7-1 in response to VECC IR # 44 (April 1, 2011)”

The Board made the following findings in this regard [p.43]:

“The Board accepts the results of Horizon’s 2011 Cost Allocation Study and agrees that the results, as updated in the response to VECC IR # 44, represent an appropriate starting point for any consideration of adjustment to customer class revenue-to-cost ratios.

The Board finds, however, that the proposed revenue-to-cost ratios are not appropriate and not consistent with the Board’s revenue to cost policy, which establishes ranges of tolerance around revenue-to-cost ratios of one and adopts an incremental approach,

whereby changes to revenue-to-cost ratios within the range are to be supported by improvements to the cost allocation model.

...

For those customer classes with starting revenue-to-cost ratios greater or less than the upper or lower end of the range provided by the Board in EB-2007-0667, Horizon is directed to move the customer class ratio to the upper or lower boundary, as appropriate, and to adjust the other class ratios only as required to reconcile with the overall approved revenue requirement.”

With respect to updates to the revenue-to-cost ratio for street lighting, the Board noted that “Horizon clarified that it would await the outcome of the Cost Allocation consultation before addressing the matter of streetlights”, and made the following finding [p.45]:

“The Board accepts Horizon’s proposal to await the outcome of the consultation process on the terminology and modeling methodology for Street Lighting and Unmetered Scattered Load classes, as per the *Report of the Board on the Review of Electricity Distribution Cost Allocation Policy* (EB-2010-0219), dated March 31, 2011. The effective date for the implementation of any changes as a result of that consultation will be addressed at a later date.”

In preparing this draft Rate Order, Horizon Utilities has implemented the Board’s directions with respect to the adjustment of revenue-to-cost ratios. Table 8, below, illustrates the changes in Horizon Utilities’ previously proposed revenue-to-cost ratios shown in Table 7-1, reproduced above, resulting from the Decision.

**TABLE 8 – Revenue to Cost Ratio Adjustments**

Class	Revenue Cost Ratios from 2011 Cost Allocation Model as Filed	Proposed Revenue to Cost Ratios as Filed	Revenue Cost Ratios from 2011 Cost Allocation Model per Decision	Revenue to Cost Ratio per Decision	Board Target Low	Board Target High
Residential	110.7%	104.0%	111.2%	108.24%	85%	115%
GS < 50 kW	102.8%	102.7%	103.5%	103.45%	80%	120%
GS >50	84.8%	91.2%	84.0%	84.02%	80%	120%
Large Use	63.9%	91.2%	63.3%	85.00%	85%	115%
Sentinel Lights	62.4%	91.2%	62.0%	80.00%	80%	120%
Street Lighting	75.6%	91.2%	75.0%	75.03%	70%	120%
USL	129.8%	120.0%	131.4%	120.00%	80%	120%

**RATE DESIGN**

- **Fixed/Variable Split**

At page 45 of the Decision, the Board wrote:

“With the exception of the Large Use class, Horizon has proposed to retain the existing fixed/variable (“F/V”) split for other customer classes. For the Large Use class, Horizon has proposed to make the fixed component 49.4% instead of the existing 34.3%. The fixed component would be equal to that for the GS 50-4999 kW class.”

The Board made the following findings in this regard [pp.47-48]:

“The Board approves the continuation of the current fixed/variable splits for all customer classes as proposed by Horizon, with the exception of the Large Use Class. The Board approves the proposed fixed/variable split for the Large Use class of 49.4%/50.6%, which is the same ratio for Horizon’s GS 50 – 4999 kW class. The Board notes that there are special circumstances in this case that warrant deviating from the policy of the Board, as set out in EB-2007-0667, particularly as it relates to the Large Use class.

...

The decline and variability in revenue from the Large Use class go to the heart of this application and the previous approval by the Board that resulted in this full Cost of Service application. The Board finds it appropriate to approve a higher fixed ratio for Large Use customers in this Application.”

In preparing this draft Rate Order, Horizon Utilities has used its proposed approach to fixed/variable splits, as approved by the Board. This is illustrated in Table 9, below.

**TABLE 9 – Rate Design**

Class	Revenue Requirement - 2011 Cost Allocation Model	2010 Base Revenue Allocated based on Porportion of Revenue at Existing Rates	Miscellaneous Revenue Allocated from 2011 Cost Allocation Model	Total Revenue	Starting Point Revenue to Cost Ratio	Revenue to Cost Ratio per Decision	Revenue per Decision	Miscellaneous Revenue	Base Revenue per Decision
Residential	\$ 57,924,043	\$ 60,683,305	\$ 3,726,717	\$ 64,410,022	111.20%	108.24%	\$ 62,695,994	(\$3,726,717)	\$ 58,969,277
GS < 50 kW	\$ 11,926,391	\$ 11,432,538	\$ 905,555	\$ 12,338,093	103.45%	103.45%	\$ 12,338,093	(\$905,555)	\$ 11,432,538
GS >50	\$ 20,059,297	\$ 16,002,653	\$ 850,867	\$ 16,853,520	84.02%	84.02%	\$ 16,853,520	(\$850,867)	\$ 16,002,653
Large Use	\$ 8,048,961	\$ 4,835,811	\$ 256,630	\$ 5,092,440	63.27%	85.00%	\$ 6,841,617	(\$256,630)	\$ 6,584,987
Sentinel Lights	\$ 57,010	\$ 33,484	\$ 1,865	\$ 35,350	62.01%	80.00%	\$ 45,608	(\$1,865)	\$ 43,742
Street Lighting	\$ 2,956,848	\$ 2,131,987	\$ 86,671	\$ 2,218,658	75.03%	75.03%	\$ 2,218,658	(\$86,671)	\$ 2,131,987
USL	\$ 533,398	\$ 651,211	\$ 49,766	\$ 700,977	131.42%	120.00%	\$ 640,078	(\$49,766)	\$ 590,312
Standby Power	\$ 638,099	\$ 477,058	\$ 17,929	\$ 494,987	77.57%	80.00%	\$ 510,479	(\$17,929)	\$ 492,550
<b>TOTAL</b>	\$ 102,144,047	\$ 96,248,047	\$ 5,896,000	\$102,144,047	100.00%		\$102,144,047	(\$5,896,000)	\$ 96,248,047

Class	Base Revenue per Decision	Approved Fixed Charge Split	Approved Volumetric Split	Fixed Cost	Variable Cost	Transformer allowance	Variable Cost including TA	Number of Customers/Connections	Volumetric Units	UOM	Monthly Service Charge per Decision	Volumetric Charge per Decision
Residential	\$ 58,969,277	62.92%	37.08%	\$37,105,344	\$21,863,932		\$21,863,932	214,658	1,539,676,985	kWh	\$ 14.40	\$ 0.0142
GS < 50 kW	\$ 11,432,538	60.40%	39.60%	\$ 6,905,069	\$ 4,527,469		\$ 4,527,469	17,931	537,886,860	kWh	\$ 32.09	\$ 0.0084
GS >50	\$ 16,002,653	50.02%	49.98%	\$ 8,004,334	\$ 7,998,319	\$ 1,664,400	\$ 9,662,719	2,279	4,758,680	kW	\$ 292.65	\$ 2.0305
Large Use	\$ 6,584,987	49.40%	50.60%	\$ 3,252,984	\$ 3,332,004		\$ 3,332,004	12	2,500,000	kW	\$22,590.17	\$ 1.3328
Sentinel Lights	\$ 43,742	60.66%	39.34%	\$ 26,535	\$ 17,208		\$ 17,208	501	1,421	kW	\$ 4.41	\$ 12.1102
Street Lighting	\$ 2,131,987	67.91%	32.09%	\$ 1,447,809	\$ 684,179		\$ 684,179	52,388	111,295	kW	\$ 2.30	\$ 6.1474
USL	\$ 590,312	66.68%	33.32%	\$ 393,611	\$ 196,701		\$ 196,701	3,228	12,541,586	kWh	\$ 10.16	\$ 0.0157
Standby Power	\$ 492,550	0.00%	100.00%	\$ -	\$ 492,550		\$ 492,550		199,012	kW		\$ 2.4750
<b>TOTAL</b>	<b>\$ 96,248,047</b>			<b>\$57,135,686</b>	<b>\$39,112,361</b>	<b>\$ 1,664,400</b>	<b>\$40,776,761</b>	<b>290,997</b>				

- Retail Transmission Service Rates**

At page 49 of the Decision, the Board made the following finding:

“The Board directs Horizon to update the Retail Transmission Service Rates to reflect Hydro One Network’s approved Uniform Transmission Rates effective January 1, 2011 and also to reflect the 2011 load forecast approved elsewhere in this Decision.”

In preparing this draft Rate Order, Horizon Utilities has updated its Retail Transmission Service Rate calculations to reflect the Board's finding. Tables 10 through 13, below, illustrate the changes in Horizon Utilities' previously proposed Retail Transmission Service Rates resulting from the Decision.

**TABLE 10 – IESO Charges for Transmission**

Rate	Line Connection Quantities	Line Connection Costs	Transformation Connection Quantities	Transformation Connection Costs	Network Charge Quantities	Network Charge Costs
		\$ 0.79		\$ 1.77		\$ 3.22
Jan-10	788,686	\$ 623,061.94	857,140	\$ 1,517,137.80	793,857	\$ 2,556,219.54
Feb-10	747,313	\$ 590,377.27	807,792	\$ 1,429,791.84	775,502	\$ 2,497,116.44
Mar-10	717,039	\$ 566,460.81	776,338	\$ 1,374,118.26	714,271	\$ 2,299,952.62
Apr-10	686,038	\$ 541,970.02	748,300	\$ 1,324,491.00	676,705	\$ 2,178,990.10
May-10	889,288	\$ 702,537.52	959,753	\$ 1,698,762.81	888,354	\$ 2,860,499.88
Jun-10	878,141	\$ 693,731.39	940,655	\$ 1,664,959.35	892,933	\$ 2,875,244.26
Jul-10	990,804	\$ 782,735.16	1,061,505	\$ 1,878,863.85	1,015,434	\$ 3,269,697.48
Aug-10	972,989	\$ 768,661.31	1,046,791	\$ 1,852,820.07	990,667	\$ 3,189,947.74
Sep-10	948,404	\$ 749,239.16	1,015,539	\$ 1,797,504.03	974,398	\$ 3,137,561.56
Oct-10	671,185	\$ 530,236.15	734,485	\$ 1,300,038.45	664,296	\$ 2,139,033.12
Nov-10	674,314	\$ 532,708.06	730,525	\$ 1,293,029.25	700,247	\$ 2,254,795.34
Dec-10	742,234	\$ 586,364.86	802,470	\$ 1,420,371.90	764,549	\$ 2,461,847.78
<b>Totals</b>	<b>8,937,598</b>	<b>\$7,668,084.44</b>	<b>9,657,831</b>	<b>\$ 18,551,890.38</b>	<b>9,021,640</b>	<b>\$ 31,720,909.08</b>

**Table 11 – Hydro One Charges for Transmission**

	<b>Connection Charge Quantities</b>	<b>Connection Charge Costs</b>	<b>Network Charge Quantities</b>	<b>Network Charge Costs</b>
<b>Rate</b>		\$ 2.14		\$ 2.65
January	62,990	\$ 134,798.60	61,148	\$ 162,042.20
February	61,174	\$ 130,912.36	60,300	\$ 159,795.00
March	57,947	\$ 124,006.58	56,033	\$ 148,487.45
April	54,720	\$ 117,100.80	53,254	\$ 141,123.10
May	77,002	\$ 164,784.28	75,511	\$ 200,104.15
June	86,572	\$ 185,264.08	85,690	\$ 227,078.50
July	88,676	\$ 189,766.64	87,347	\$ 231,469.55
August	86,078	\$ 184,206.92	84,714	\$ 224,492.10
September	66,440	\$ 142,181.60	65,272	\$ 172,970.80
October	65,025	\$ 139,153.50	64,731	\$ 171,537.15
November	58,418	\$ 125,014.52	56,627	\$ 150,061.55
December	63,940	\$ 136,831.60	63,137	\$ 167,313.05
<b>Totals</b>	<b>828,982</b>	<b>\$1,774,023.62</b>	<b>813,764</b>	<b>\$ 2,156,474.60</b>

**Table 12 – Summary of Charges for Transmission**

<b>Description</b>	<b>Amount</b>
IESO One Line Connection Costs	\$ 7,668,084
IESO Transformation Connection Costs	\$ 18,551,890
Hydro One Connection Charge Costs	\$ 1,774,024
<b>Total Connection Costs</b>	<b>\$ 27,993,998</b>
IESO Network Charge Costs	\$ 31,720,909
Hydro One Network Charge Costs	\$ 2,156,475
<b>Total Network Costs</b>	<b>\$ 33,877,384</b>

**Table 13 – Calculation of Retail Transmission Service Rates**

Connection			Adjustment Factor		16.0367%	
Rate Class	May 1, 2010	UOM	Quantity	May 1, 2011	UOM	Adjusted Revenue
Residential	\$ 0.0049	kWh	1,602,341,838	\$ 0.0057	kWh	\$ 9,110,594
Gen Svc < 50	\$ 0.0045	kWh	559,778,856	\$ 0.0052	kWh	\$ 2,922,971
Gen Svc > 50	\$ 1.7739	kW	4,758,680	\$ 2.0584	kW	\$ 9,795,150
Large User	\$ 2.0385	kW	2,500,000	\$ 2.3654	kW	\$ 5,913,521
Unmetered	\$ 0.0046	kW	13,052,029	\$ 0.0053	kW	\$ 69,668
Sentinel	\$ 1.4275	kW	1,421	\$ 1.6564	kW	\$ 2,354
Streetlighting	\$ 1.3918	kWh	111,295	\$ 1.6150	kWh	\$ 179,741
<b>Total</b>						<b>\$ 27,993,998</b>
Network			Adjustment Factor		19.7871%	
Rate Class	May 1, 2010	UOM	Quantity	May 1, 2011	UOM	Adjusted Revenue
Residential	\$ 0.0059	kWh	1,602,341,838	\$ 0.0071	kWh	\$ 11,324,456
Gen Svc < 50	\$ 0.0052	kWh	559,778,856	\$ 0.0062	kWh	\$ 3,486,824
Gen Svc > 50	\$ 2.0572	kW	4,758,680	\$ 2.4643	kW	\$ 11,726,630
Large User	\$ 2.3501	kW	2,500,000	\$ 2.8151	kW	\$ 7,037,794
Unmetered	\$ 0.0053	kW	13,052,029	\$ 0.0063	kW	\$ 82,864
Sentinel	\$ 1.7095	kW	1,421	\$ 2.0478	kW	\$ 2,910
Streetlighting	\$ 1.6195	kWh	111,295	\$ 1.9400	kWh	\$ 215,907
<b>Total</b>						<b>\$ 33,877,384</b>

- **Low Voltage Rate Riders**

At page 49 of the Decision, the Board notes that Horizon Utilities had proposed updated Low Voltage (“LV”) rate riders in its original Application, and that it had used Hydro One Networks’ LV rates approved by the Board effective May 1, 2010 to derive its proposed LV rate riders that would be applicable to Horizon Utilities’ ratepayers.

The Board made the following finding in this regard:

“The Board directs Horizon to update its proposed Low Voltage rates to reflect Hydro One Networks’ Low Voltage rates approved by the Board effective January 1, 2011. Horizon is also directed to provide adequate documentation to allow the Board to confirm the derivation of its proposed updated Low Voltage rate riders.”

Tables 14 and 15 below illustrate the changes in Horizon Utilities’ previously proposed LV rate riders to reflect the 2011 Hydro One rates and the Board-approved load forecast

**Table 14 – Low Voltage Costs**

Month	2011 Variable Rate / (kW) (A)	Actual 2010 Qty Billed (kW) (B)	2011 Variable Rate / (kW) (C)	Actual 2010 Qty Billed (kW) (D)	2011 Variable Rate / (KM) (E)	Actual 2010 Qty Billed (KM) (F)	2011 Fixed Rate (G)	Total (A*B) + (C*D) + (E*F) + G
January	\$ 0.485	24,764.00	\$ 1.548	492.00	\$ 400.74	9.35	\$ 1,623.79	\$ 18,142.87
February	\$ 0.485	23,449.00	\$ 1.548	473.00	\$ 400.74	9.35	\$ 1,623.79	\$ 17,475.68
March	\$ 0.485	21,967.00	\$ 1.548	468.00	\$ 400.74	9.35	\$ 1,623.79	\$ 16,749.17
April	\$ 0.485	19,818.00	\$ 1.548	461.00	\$ 400.74	9.35	\$ 1,623.79	\$ 15,696.07
May	\$ 0.680	30,157.00	\$ 1.978	507.00	\$ 644.51	9.35	\$ 2,084.25	\$ 29,620.02
June	\$ 0.680	34,005.00	\$ 1.978	565.00	\$ 644.51	9.35	\$ 2,084.25	\$ 32,351.39
July	\$ 0.680	34,941.00	\$ 1.978	586.00	\$ 644.51	9.35	\$ 2,084.25	\$ 33,029.41
August	\$ 0.680	32,900.00	\$ 1.978	576.00	\$ 644.51	9.35	\$ 2,084.25	\$ 31,621.75
September	\$ 0.680	24,713.00	\$ 1.978	400.00	\$ 644.51	9.35	\$ 2,084.25	\$ 25,706.46
October	\$ 0.680	20,658.00	\$ 1.978	378.00	\$ 644.51	9.35	\$ 2,084.25	\$ 22,905.54
November	\$ 0.680	23,794.00	\$ 1.978	442.00	\$ 644.51	9.35	\$ 2,084.25	\$ 25,164.61
December	\$ 0.680	25,635.00	\$ 1.978	486.00	\$ 644.51	9.35	\$ 2,084.25	\$ 26,503.53
<b>Hydro One LV Charges</b>								<b>\$ 294,966.49</b>

**Table 15 – Calculation of Low Voltage Rate Rider**

Customer Class	2011 RTSR Connection Billed	Allocation %	LV \$ Allocated	2011 Billing Determinant kWh/kW	Rate kWh/kW
Residential	\$ 9,110,594	32.54%	\$ 95,996.29	1,602,341,838	\$ 0.00006
G.S<50	\$ 2,922,971	10.44%	\$ 30,798.69	559,778,856	\$ 0.00006
G.S>50	\$ 9,795,150	34.99%	\$ 103,209.30	4,758,680	\$ 0.02169
Large User	\$ 5,913,521	21.12%	\$ 62,309.45	2,500,000	\$ 0.02492
Unmetered Scattered Load	\$ 69,668	0.25%	\$ 734.07	13,052,029	\$ 0.00006
Sentinel	\$ 2,354	0.01%	\$ 24.80	1,421	\$ 0.01745
Streetlighting	\$ 179,741	0.64%	\$ 1,893.89	111,295	\$ 0.01702
<b>TOTALS</b>	<b>\$ 27,993,998</b>	<b>100.00%</b>	<b>\$ 294,966.49</b>		

\*RTSR Connection Billed dollars in Table 15 above are from Table 13 - Adjusted Revenue, Connection

- **Specific Service Charges, Transformer Allowance Credit, and Standby Rate Application**

At page 51 of the Decision, the Board wrote:

“Horizon is not proposing any changes to its current approved Specific Service Charges. Horizon is not proposing any change in treatment for the Transformer Allowance credit either.

In its Application, Horizon proposes a change to the method by which the standby rate is applied to applicable customers.<sup>124</sup> Currently, the application of standby power is based on the generator name plate rating for the customer-owned generation equipment. Horizon proposes that the standby charge be based on the amount of load displaced, so that the customer is only billed on the reserved capacity to supply its gross load.”

<sup>124</sup> Exhibit 3/Tab 2/Schedule 2/page 14

The Board made the following finding in this regard:

“The Board approves the continuation of the current approved Specific Service Charges and the rate and application of the Transformer Allowance credit.

The Board also approves the proposed change in the method by which the standby rate is applied to applicable customers, but on an interim basis, until such time as the Board has reviewed the rate methodology for standby charges generically for all Ontario distributors. The Board notes that none of Board staff and the parties had an issue with the proposed change in approach.” [p.52]

In preparing this draft Rate Order, Horizon Utilities has provided for the continuation of its current approved Specific Service Charges and the rate and application of the Transformer Allowance credit, and has incorporated the Board-approved change in the approach to the standby rate.

#### **DEFERRAL AND VARIANCE ACCOUNTS**

- **General**

At pages 52-53 of the Decision, the Board summarized Horizon Utilities’ requests with respect to the disposition of deferral and variance account balances. That summary included confirmation that Horizon Utilities had withdrawn its requests for two new deferral and variance accounts:

- A new D/V account to record charges from the Smart Meter Entity (“SME”) for Provincial MDM/R charges once these are established beginning in 2011. This D/V account is sought regardless of whether the issue is dealt with in this application or by way of a generic hearing; and
- A new D/V account to track payments for the Late Payment Penalty (“LPP”) charges and recovery for customers. Horizon’s amount of the Late LPP is \$1,107,863. Again, the D/V account is sought regardless of whether the issue is dealt with in this application or generically.”

The Board made the following finding with respect to those proposed accounts:

“With the updated evidence filed on March 14, 2011, Horizon removed its request for the D/V accounts to track the LPP, as this has been dealt with by the Board in a separate proceeding (EB-2010-0295) and the tracking of SME MDM/R charges, as no charges have been applied for by the SME or approved by the Board.” [p.53]



In its Decision, the Board made the following general finding, followed by findings on specific accounts (addressed in the sections that follow):

“Except as set out below, the Board approves the disposition of Horizon’s Group 1 and Group 2 deferral accounts, on a final basis as at December 31, 2009, including carrying charges to December 31, 2010.

In general, the Board finds that a one year disposition period is appropriate. However, as noted by the Board later in this Decision, the implementation date for final rates arising from this proceeding will be August 1, 2011. In order to avoid multiple changes in rates over the 2011 and 2012 rate years, and to mitigate the impacts on Horizon’s ratepayers and administrative work for the utility, the disposition will be over the 17-month period from August 1, 2011 to December 31, 2012.

The Board finds it appropriate to dispose of the GA sub-account by means of a separate rate rider applicable to non-RPP customers that is included in the delivery component of the bill.” [p.54]

In preparing this draft Rate Order, Horizon Utilities has calculated riders based on the 17-month disposition period approved by the Board. For the Board’s assistance, Table 16, below, sets out the relevant accounts; the amounts requested for disposition based on Horizon Utilities’ updated (March 14, 2011) evidence and testimony at the oral hearing; and the Board-approved amounts.

**Table 16 – Summary of Deferral and Variance Account Adjustments**

Account Description	Account	Total Amount for Disposition as filed March 14, 2011	2011 Test Year Adjustment	Total Amount for Disposition per Board's Decision
<b>Group 1 Accounts:</b>				
Low Voltage	1550	\$69,410	\$0	\$69,410
RSVA - Wholesale Market Service Charge	1580	(\$2,016,350)	\$0	(\$2,016,350)
RSVA - Retail Transmission Network Charge	1584	\$919,083	\$0	\$919,083
RSVA - Retail Transmission Connection Charge	1586	(\$326,991)	\$0	(\$326,991)
RSVA - Power	1588	(\$1,412,127)	\$0	(\$1,412,127)
<b>Sub-total not including RSVA Power Global Adjustment</b>		(\$2,766,975)	\$0	(\$2,766,975)
RSVA - Power Global Adjustment	1588	\$5,315,314	\$0	\$5,315,314
<b>Total including RSVA Power Global Adjustment</b>		\$2,548,340	\$0	\$2,548,340
<b>Group 2 Accounts:</b>				
Other Regulatory Assets Deferred IFRS Transition Cos	1508	\$565,479	\$0	\$565,479
Other Regulatory Assets Incremental Capital Charges	1508	\$10,092	\$0	\$10,092
Other Regulatory Assets CDM Costs	1508	\$445,690	\$0	\$445,690
Retail Cost Variance Account - Retail	1518	\$301,545	\$0	\$301,545
Retail Cost Variance Account - STR	1548	\$59,160	\$0	\$59,160
PILS and Tax Variance	1592	\$0	(\$1,096,510)	(\$1,096,510)
<b>Total Group 2</b>		\$1,381,966	(\$1,096,510)	\$285,456
<b>Total Amount for Disposition</b>		\$3,930,306	(\$1,096,510)	\$2,833,796

- **Group 2 Account Balances: Account 1508**

In its Decision, the Board made the following finding with respect to the recovery of the balance in this account:

“The Board finds \$445,690 of CDM costs and \$10,017 in Other Regulatory Assets Incremental Capital costs in account 1508 to be appropriate. The Board directs Horizon to cease accruing CDM costs in account 1508, in light of the CDM framework established by the Green Energy and Green Economy Act, (the “GEA”). Pursuant to this framework, CDM costs are either funded by the OPA pursuant to a Master Agreement with the LDC or via Board approved CDM programs, which are also funded through the Global Adjustment.

The Board approves the disposition of the balance in account 1508 on a final basis as at December 31, 2009, including carrying costs to December 31, 2010. The disposition period will begin with the effective date for final rates and end December 31, 2012.”  
[p.55]

In preparing this draft Rate Order, Horizon Utilities has implemented the Board's findings in this regard.

- **Account 1592**

In its Decision, the Board made the following finding with respect to the recovery of the balance in this account:

“The Board approves the disposition of account 1592, as agreed to by Horizon. The Board approves the disposition of a credit balance of \$1,017,175 on a final basis as of December 31, 2009, plus interest to December 31, 2010, totaling (\$1,089,186). The disposition period will begin with the implementation date for final rates of August 1, 2011 and end December 31, 2012.” [p.55]

In preparing this draft Rate Order, Horizon Utilities has implemented the Board's findings in this regard, but this has necessitated the following minor change to the amount of the disposition: Horizon Utilities notes that the principal balance for Account 1592 is correct, as stated above. However, the amount for the principal and accumulated interest to December 31, 2010 of (\$1,089,186) is incorrect. That value represents the interest and principal as at December 31, 2009. The interest for the period January 1, 2010 through December 31, 2010 is an additional (\$7,324), and therefore the correct balance of principal to December 31, 2009 and interest to December 31, 2010, in compliance with the Board's findings, is (\$1,096,510)<sup>1</sup>. Horizon Utilities respectfully requests that if the Board considers it necessary to do so, it vary its Decision to provide for disposition of the corrected balance for Account 1592.

- **Disposition of IFRS Account**

At page 55 of the Decision, the Board wrote:

“Horizon has included an amount of \$560,752 as the December 31, 2009 balance of Account 1508 – Other Regulatory Assets – sub-account Deferred IFRS Costs in the D/V accounts for which it is seeking disposition.”<sup>131</sup>

<sup>131</sup> Response to Board staff IR # 58”

The Board made the following finding with respect to the recovery of the balance in this account:

“The Board finds Horizon's deferred IRFS transition costs to be reasonable and approves the disposition of 100% of these costs on a final basis as at December 31, 2009, including carrying charges to December 31, 2010. The disposition period will be over the 17-month period from August 1, 2011 to December 31, 2012.” [p.56]

In preparing this draft Rate Order, Horizon Utilities has implemented the Board's findings in this regard.

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<sup>1</sup> Horizon Utilities' response to Board staff Interrogatory 55

- **OMERS**

At pages 56 and 57 of the Application, the Board wrote:

“In its Application, Horizon requested a D/V account to track increases in the Ontario Municipal Employees Retirement System (“OMERS”) pension contribution increases being implemented in 2011, 2012 and 2013. Horizon noted that the contributions are an expense item and hence only the 2011 amounts are factored into its test year revenue requirement. The requested D/V account would track the incremental increases in 2012 and 2013.

...

In reply, Horizon requested that the 2011 revenue requirement be increased by \$351,000 to reflect an amortized OMERS contribution increase over the 2011-2014 period, and that no variance account would be required as a result.<sup>137</sup>

<sup>137</sup> Horizon reply submission [EB-2010-0131], May 20, 2011, pg. 142”

The Board made the following finding in this regard:

“The Board accepts the proposal put forth by Board staff and most intervenors – to take the known increases in OMERS premiums and amortize them over four years. The Board therefore approves an increase of the approved OM&A budget envelope by \$351,000. No variance account is required pursuant to this approach. The Board notes that Horizon has withdrawn the request for a variance account, subject to approval of Board staff’s proposal by the Board.”

In preparing this draft Rate Order, Horizon Utilities has added the sum of \$351,000 to the Board-approved OM&A budget envelope in order to implement the Board’s findings in this regard as illustrated in Table 6 – Reductions to OM&A, above.

- **Account 1572**

At page 58 of the Application, the Board wrote:

“In its revised evidence of March 14, 2011, Horizon requested approval to track in a subaccount of account 1572 – Extraordinary Event Losses any distribution revenues related to demand above the revised load forecast for the two specific Large Use customers. Horizon proposed that any balance recorded in the sub-account, upon disposition, be shared 50:50 with its Large Use customers. Horizon proposed that the account be asymmetric and that any downside risk be borne by Horizon and its shareholder.”

The Board denied Horizon Utilities’ request. [p.60] Horizon Utilities confirms that it has not provided for this proposed account in preparing this draft Rate Order.

- **Account 1595**

At page 60 of the Application, the Board wrote:

“In its Application, Horizon requested approval for a new sub-account of Account 1595 - Account 1595 – Disposition of Regulatory Asset Balances, to record D/V account balances approved in this application and the subsequent cost recovery and carrying charges.”

The Board made the following finding in this regard:

“The Board will approve and issue new industry-wide sub-accounts of Account 1595 for deferral and variance accounts cleared through the 2011 rates process in the Accounting Procedures Handbook FAQs that will be forthcoming later this year. This approach is consistent with the Board’s practice of approving three generic subaccounts of Account 1595 for the approved disposition of account balances in each rate year promulgated through the APH-FAQs.

In the interim, Horizon should setup and track the deferral and variance accounts cleared in 2011 rates in sub-accounts of Account 1595 consistent with the sub-accounts format and guidance in the Accounting Procedures Handbook FAQ (Question and Answer #6) issued in December 2010.” [p.61]

In accordance with this finding, Horizon Utilities will be using sub-accounts of Account 1595 to set up and track the deferral and variance accounts cleared in 2011 rates.

Horizon Utilities has recalculated its Deferral and Variance Account riders to reflect the Decision. The disposition period in accordance with the Decision is 17 months. The riders and their derivation are set out in Tables 17-20, below:

**Table 17 – Allocation for Rate Riders**

Group 1:	OEB	Allocator	Amount to be Recovered	RESIDENTIAL CLASS	GENERAL SERVICE <50 KW CLASS	GENERAL SERVICE >50 KW	LARGE USER CLASS	UNMETERED & SCATTERED LOADS	SENTINEL LIGHTS	STREET LIGHTING	STANDBY	Totals
Low Voltage	1550	kWh	\$69,410	\$24,213	\$8,459	\$27,442	\$8,462	\$197	\$8	\$629	\$0	\$69,410
RSVA - Wholesale Market Service Charge	1580	kWh	(\$2,016,350)	(\$703,384)	(\$245,728)	(\$797,186)	(\$245,817)	(\$5,729)	(\$230)	(\$18,276)	\$0	(\$2,016,350)
RSVA - Retail Transmission Network Charge	1584	kWh	\$919,083	\$320,613	\$112,006	\$363,370	\$112,047	\$2,612	\$105	\$6,331	\$0	\$919,083
RSVA - Retail Transmission Connection Charge	1586	kWh	(\$326,991)	(\$114,067)	(\$39,850)	(\$129,279)	(\$39,864)	(\$929)	(\$37)	(\$2,964)	\$0	(\$326,991)
RSVA - Power	1588	kWh	(\$1,412,127)	(\$492,607)	(\$172,092)	(\$558,300)	(\$172,155)	(\$4,013)	(\$161)	(\$12,800)	\$0	(\$1,412,127)
<b>Sub-total RSVA</b>			<b>(\$2,766,975)</b>	<b>(\$965,232)</b>	<b>(\$337,204)</b>	<b>(\$1,093,954)</b>	<b>(\$337,327)</b>	<b>(\$7,862)</b>	<b>(\$315)</b>	<b>(\$25,080)</b>	<b>\$0</b>	<b>(\$2,766,975)</b>
RSVA - Power Global Adjustment	1588	non-RPP kWh	\$5,315,314	\$614,490	\$201,236	\$3,225,787	\$1,199,455	\$931	\$34	\$73,381	\$0	\$5,315,314
<b>Sub-total RSVA - Non-RPP</b>			<b>\$5,315,314</b>	<b>\$614,490</b>	<b>\$201,236</b>	<b>\$3,225,787</b>	<b>\$1,199,455</b>	<b>\$931</b>	<b>\$34</b>	<b>\$73,381</b>	<b>\$0</b>	<b>\$5,315,314</b>
Group 2 Accounts:												
Other Regulatory Assets Deferred IFRS Transition Costs	1508	Dx Revenue	\$565,479	\$347,091	\$68,305	\$93,303	\$37,876	\$3,544	\$252	\$12,283	\$2,826	\$565,479
Other Regulatory Assets Incremental Capital Costs	1508	Dx Revenue	\$10,092	\$6,194	\$1,219	\$1,665	\$676	\$63	\$5	\$219	\$50	\$10,092
Other Regulatory Assets CDM Expenses	1508	Dx Revenue	\$445,690	\$273,564	\$53,835	\$73,538	\$29,852	\$2,793	\$199	\$9,681	\$2,227	\$445,690
Retail Cost Variance Account - Retail	1518	# customers	\$301,545	\$273,103	\$22,813	\$2,900	\$15	\$2,391	\$318	\$5	\$0	\$301,545
Retail Cost Variance Account - STR	1548	# customers	\$59,160	\$53,580	\$4,476	\$569	\$3	\$469	\$62	\$1	\$0	\$59,160
PILS and Tax Variance	1592	Dx Revenue	(\$1,096,510)	(\$673,038)	(\$132,449)	(\$180,921)	(\$73,444)	(\$6,871)	(\$490)	(\$23,817)	(\$5,480)	(\$1,096,510)
<b>Sub-total Non-RSVA</b>			<b>\$285,456</b>	<b>\$280,495</b>	<b>\$18,200</b>	<b>(\$8,947)</b>	<b>(\$5,022)</b>	<b>\$2,388</b>	<b>\$347</b>	<b>(\$1,628)</b>	<b>(\$376)</b>	<b>\$285,456</b>
<b>Total to be Recovered over 17 Months</b>			<b>\$2,833,796</b>	<b>(\$70,248)</b>	<b>(\$117,769)</b>	<b>\$2,122,886</b>	<b>\$857,107</b>	<b>(\$4,543)</b>	<b>\$66</b>	<b>\$46,672</b>	<b>(\$376)</b>	<b>\$2,833,796</b>

**Table 18 – Calculation of Rate Riders**

Class	RESIDENTIAL CLASS	GENERAL SERVICE <50 KW CLASS	GENERAL SERVICE >50 KW	LARGE USER CLASS	UNMETERED & SCATTERED LOADS	SENTINEL LIGHTS	STREET LIGHTING	STANDBY
RSVA Account Recovery Rate Riders	(\$0.0004)	(\$0.0004)	(\$0.1623)	(\$0.0952)	(\$0.0004)	(\$0.1565)	(\$0.1591)	\$0.0000
Non-RSVA Account Recovery Rate Riders	\$0.0001	\$0.0000	(\$0.0013)	(\$0.0014)	\$0.0001	\$0.1723	(\$0.0103)	(\$0.0013)
	(\$0.0003)	(\$0.0004)	(\$0.1636)	(\$0.0967)	(\$0.0003)	\$0.0158	(\$0.1694)	(\$0.0013)
Billing Determinants	kWh	kWh	kW	kW	kWh	kW	kW	kW
Class	RESIDENTIAL CLASS	GENERAL SERVICE <50 KW CLASS	GENERAL SERVICE >50 KW	LARGE USER CLASS	UNMETERED & SCATTERED LOADS	SENTINEL LIGHTS	STREET LIGHTING	STANDBY
Applicable to Non-Regulated Price Plan Customers Only								
RSVA -Global Adjustment Account Recovery Rate Riders	\$ 0.0003	\$ 0.0003	\$ 0.4785	\$ 0.3387	\$ 0.0001	\$ 0.0170	\$ 0.4654	\$ -
Billing Determinants	kWh	kWh	kW	kW	kWh	kW	kW	kW

**Table 19 – Billing Determinants and Allocators for Rate Rider Calculations**

2011 Billed Data By Class	kW	kWhs	Customer Counts	Metered Customers	Dx Revenue
RESIDENTIAL CLASS		1,539,676,985	214,658	214,658	\$ 62,695,994
GENERAL SERVICE <50 KW CLASS		537,886,860	17,931	17,931	\$ 12,338,093
GENERAL SERVICE >50 KW NON TIME OF USE	4,758,680	1,745,006,174	2,279	2,279	\$ 16,853,520
LARGE USER CLASS	2,500,000	538,081,868	12	12	\$ 6,841,617
UNMETERED & SCATTERED LOADS		12,541,586	1,879		\$ 640,078
SENTINEL LIGHTS	1,421	502,459	250		\$ 45,608
STREET LIGHTING	111,295	40,006,298	4		\$ 2,218,658
STANDBY	199,012				\$ 510,479
<b>Totals</b>	<b>7,570,408</b>	<b>4,413,702,230</b>	<b>237,014</b>	<b>234,881</b>	<b>\$ 102,144,047</b>

Allocators	kW	kWhs	Customer Counts	Metered Customers	Dx Revenue
RESIDENTIAL CLASS	0.0%	34.9%	90.6%	91.4%	61.4%
GENERAL SERVICE <50 KW CLASS	0.0%	12.2%	7.6%	7.6%	12.1%
GENERAL SERVICE >50 KW NON TIME OF USE	62.9%	39.5%	1.0%	1.0%	16.5%
LARGE USER CLASS	33.0%	12.2%	0.0%	0.0%	6.7%
UNMETERED & SCATTERED LOADS	0.0%	0.3%	0.8%	0.0%	0.6%
SENTINEL LIGHTS	0.0%	0.0%	0.1%	0.0%	0.0%
STREET LIGHTING	1.5%	0.9%	0.0%	0.0%	2.2%
STANDBY	2.6%	0.0%	0.0%	0.0%	0.5%
<b>Totals</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>

Allocators - Non-RPP kWh			
Rate Class	Total kWhs 2009	Non-RPP kWhs 2009	Ratio
RESIDENTIAL CLASS	1,664,343,351	285,104,908	11.56%
GENERAL SERVICE <50 KW CLASS	601,884,833	93,367,393	3.79%
GENERAL SERVICE >50 KW NON TIME OF USE	1,887,001,777	1,496,668,686	60.69%
LARGE USER CLASS	558,050,242	556,511,257	22.57%
UNMETERED & SCATTERED LOADS	13,271,876	432,122	0.02%
STREET LIGHTING	41,121,603	34,046,544	1.38%
SENTINEL LIGHTS	556,595	15,913	0.00%
STANDBY	-	-	0.00%
<b>Total</b>	<b>4,766,230,277</b>	<b>2,466,146,824</b>	<b>100%</b>

**Table 20 – Deferral and Variance Account Rate Riders per Board Decision**

Customer Class	All Classes		Non-Regulated Price Plan Customers Only	
	Deferral and Variance Rates Riders (\$) per kWh	Deferral and Variance Rates Riders (\$) per kW	Non-RPP Global Adjustment Variance Rate Rider (\$) per kWh	Non - RPP Global Adjustment Variance Rate Rider (\$) per kW
RESIDENTIAL	(\$0.0003)		\$0.0003	
GENERAL SERVICE <50 KW	(\$0.0004)		\$0.0003	
GENERAL SERVICE >50 KW		(\$0.1636)		\$0.4785
LARGE USER		(\$0.0967)		\$0.3387
UNMETERED & SCATTERED LOADS	(\$0.0003)		\$0.0001	
SENTINEL LIGHTS		\$0.0158		\$0.0170
STREET LIGHTING		(\$0.1694)		\$0.4654
STANDBY		(\$0.0013)		\$0.0000

**GREEN ENERGY PLAN**

At pages 61-63 of the Decision, the Board wrote (in part):

“Horizon submitted its Green Energy Act Plan (“GEA Plan”) as part of its original application on August 26, 2010. Horizon requested GEA Plan capital and operating expenditures as set out in the table below:

**GEA plan amounts requested for prudence and recovery**

Year	Operating Expenditures	Capital Expenditures
2011	\$530,000	nil
2012	\$640,000	\$156,000
2013	\$640,000	\$192,000
2014	\$590,000	\$1,682,000
Total	\$2,400,000	\$2,030,000

...

Horizon did not propose the use of a funding adder. Instead, and in the absence of capital expenditures in 2011, all operating expenditures in 2011 would be recovered through its revenue requirement. Horizon indicated that it was not seeking to recover any portion of the GEA Plan amounts through the provincial recovery mechanism. Horizon clarified at the oral hearing that it was seeking a finding of prudence with respect to all amounts from 2011 through 2014 included in its GEA Plan, in keeping with the years that Horizon expects to be subject to the Board’s IRM process.

...



In its reply submission, Horizon stated that the direct benefit percentages approved by the Board for Hydro One Networks Inc. and as set out in Horizon's response to Board staff Interrogatory #36 should be used. Horizon also stated that 'if the Board finds that the costs associated with Horizon Utilities' GEA Plan are prudent, that it should approve the recovery of such in the Test Year, rather than through a funding adder as suggested by Board Staff.'<sup>150</sup>

<sup>150</sup> Horizon reply submission [EB-2010-0131], May 20, 2011, pg. 105"

The Board made the following findings in this regard [pp.63-66]:

"The Board finds that the GEA Plan expenditures are within the scope of permitted initiatives in the Board's DSP Filing Requirements, and that the GEA Plan expenditures from 2011- 2014 are prudent. The Board approves Horizon's GEA Plan as filed. The Board understands that this approval of Horizon's GEA Plan commits the utility to incur the investments and expenditures and implement the programs.

...

Horizon has not provided any mechanism for cost recovery beyond 2011. Since capital and operating expenditures for 2012 to 2014 are beyond the 2011 test year, the Board finds it inappropriate to include these in the test year revenue requirement, although the Board approves inclusion of the 2011 operating expenses.

The Board notes that Horizon, in its reply argument, agreed that the investments in the GEA Plan do qualify as eligible investments for the purpose of connecting or enabling the connection of qualifying generation facilities, within the meaning of section 79.1 of the OEB Act. Horizon proposes to apply the standard direct benefit percentages approved by the Board for basic GEA Plans in an application for Hydro One Networks Inc., in EB-2009-0096. The Board orders that these percentages be applied and that Horizon file with the Board, along with its proposed rate riders, the calculated amounts to be recovered from provincial ratepayers.

For costs for 2012 to 2014, Horizon is directed to propose rate riders for each year that would recover the incremental revenue requirement associated with capital expenditures in service in that year and incremental operating expenses in that year. In the draft Rate Order filing, Horizon should document the derivation of the incremental revenue requirement and associated rate riders, clearly showing all assumptions and calculations, including the application of the direct benefit percentages established by the Board for Hydro One Networks Inc. in EB-2009-0096, which Horizon agreed to apply in its reply submission."

In accordance with these findings, Horizon Utilities has:

- Incorporated the 2011 Test Year GEA operating expenses into its 2011 Test Year revenue requirement; and confirms that this amount is within the OM&A envelope; and
- For costs for 2012 to 2014, Horizon Utilities has calculated rate riders for each year that would recover the incremental revenue requirement associated with capital expenditures in service in that year and incremental operating expenses in that year. Horizon Utilities

has documented the derivation of the incremental revenue requirement and associated rate riders, showing all assumptions and calculations, including the application of the direct benefit percentages established by the Board for Hydro One Networks Inc. in EB-2009-0096, in Appendix E. Horizon Utilities has also provided its Green Energy Act Rate Rider Model in live Excel format in conjunction with this draft Rate Order. Table 21, below, illustrates the GEA riders for 2012 to 2014:

**Table 21 – Green Energy Act Rate Riders**

	2012	2013	2014
OM&A	\$640,000	\$640,000	\$590,000
Capital	\$ 16,029	\$ 34,978	\$136,578
Direct Benefit % on capital	13.62%	12.80%	59.43%
Direct Benefit on capital	\$ 2,182	\$ 4,477	\$ 81,174
Total Direct Benefit	\$642,182	\$644,477	\$671,174
Total # of Customers (excl connections)	234,881	234,881	234,881
<b>GEA Rate Rider</b>	<b>\$ 0.2278</b>	<b>\$ 0.2287</b>	<b>\$ 0.2381</b>
Annual Provincial Rate Protection to be paid in monthly installments by the IESO	\$ 13,846	\$ 30,501	\$ 55,404
Monthly Provincial Protection amount paid by IESO	\$ 1,154	\$ 2,542	\$ 4,617

### LATE PAYMENT PENALTY LITIGATION COST

At pages 66-67 of the Decision, the Board wrote:

“In its Application, Horizon requested the recovery of a one time expense of \$1,102,335.23 related to the late payment penalty (“LPP”) costs and damages resulting from a court settlement that addressed litigation against many of the former municipal electricity utilities in Ontario.

...

On February 22, 2011 the Board issued its Decision and Order in the LPP Generic Hearing (the “LPP Decision”) and determined that it is appropriate for the Affected Electricity Distributors to be eligible to recover the costs and damages associated with the LPP class action in rates. The LPP Decision listed Horizon as an Affected Electricity Distributor and approved Horizon’s share of the class action costs. The Board directed Affected Electricity Distributors such as Horizon to file with the Board detailed

calculations including supporting documentation, outlining the derivation of the rate riders based on the methodology outlined in the LPP Decision. The Board noted that the rate riders submitted would be verified in each Affected Electricity Distributor's IRM or Cost of Service application, as applicable. Horizon elected to recover the amount approved in the LPP proceeding and accordingly filed the associated rate riders on February 28, 2011.

In its reply submission, Horizon requested that the LPP rate rider be confirmed for a twelve month recovery period.<sup>154</sup>

<sup>154</sup> Horizon Reply submission [EB-2010-0131], May 20, 2011, pg. 145"

The Board made the following finding in this regard:

The Board has reviewed Horizon's proposed LPP rate riders and approves them as filed. [p.67]

In preparing this draft Rate Order, Horizon Utilities has provided for the collection of the LPP rate riders over the twelve months commencing August 1, 2011, being the implementation date for the rates arising out of the Decision. The Schedule of Rates and Charges will indicate that the riders will be in place through July 2012. A copy of Horizon Utilities' calculation of the riders filed on February 28, 2011 has been provided in Table 22, below.

**Table 22 – Late Payment Penalty Rate Rider**

Rate Class	2009 Actual Distribution Revenue as per RRR	Allocation of LPP	2009 Year-end Actual Customer/Connections as per RRR	Proposed LPP Recovery Rate Rider
Residential	\$55,192,117	\$686,815.12	212,580	\$0.27
General Service Less Than 50 kW	\$10,889,476	\$135,509.51	17,979	\$0.63
Unmetered Scattered Load	\$822,018	\$10,229.26	1,879	\$0.45
General Service 50 to 4,999 kW	\$15,201,214	\$189,165.12	2,216	\$7.11
Large Use	\$4,797,288	\$59,697.83	12	\$414.57
Street Lighting	\$1,650,885	\$20,543.75	52,281	\$0.03
Sentinel Lighting	\$30,105	\$374.63	502	\$0.06
Total	\$88,583,104	\$1,102,335.23	287,449	

## **SMART METERS**

At page 67 of the Decision, the Board confirmed that in Horizon Utilities' separate application for an increase to its Smart Meter Funding Adder (the "SMFA", Board File. No. EB-2010-0292), the Board approved an increased SMFA of \$2.14 per month per metered customer, effective from March 1, 2011 to April 30, 2012. The Board also confirmed that "Horizon Utilities noted that the Smart Meter Funding Adder increase from \$1.56 to \$2.14 has been incorporated into the RRWF and requires no further adjustment."

In its findings, the Board "confirms the approval, on a final basis, of the Smart Meter Funding Adder of \$2.14 per month per metered customer, effective March 1, 2011 to April 30, 2012." Horizon Utilities has incorporated the SMFA into this draft Rate Order.

## **IMPLEMENTATION**

At page 68 of the Decision, the Board made the following findings with respect to implementation of the Decision:

"While the Board approves a May 1, 2011 effective date, it notes that the rates will be implemented at a date subsequent to this Decision, following the draft Rate Order process and after the Board has issued a Rate Order approving the final Tariff of Rates and Charges. The Board determines that the implementation date should be August 1, 2011.

In preparing its draft Rate Order filing, Horizon is directed to calculate class-specific rate riders that would recover the foregone incremental revenue for the period from May 1, 2011 to July 31, 2011. Horizon should propose an appropriate time period for recovery giving due consideration to bill impacts on its ratepayers. The current interim rates are in effect until the Board approves the final Rate Order.

As the 2011 rates will be implemented beginning August 1, 2011, for the rate riders to dispose of approved deferral and variance account balances, Horizon is directed to recalculate the rate riders to collect the balances from customers assuming recovery for the period from August 1, 2011 to December 31, 2012. Horizon should provide detailed documentation in support of all rate riders in its draft Rate Order filing.

The Board expects Horizon to file detailed supporting material, including all relevant calculations showing the impact of this Decision on its proposed Revenue Requirement, the allocation of the approved Revenue Requirement to the classes, and the determination of the final rates, including estimated bill impacts. The draft Rate Order supporting documentation shall include, but not be limited to, filing a completed version of the Revenue Requirement Work Form excel spreadsheet which can be found on the Board's website. Horizon should also show detailed calculations of any revisions to the rate riders or rate adders reflecting this Decision."

Pursuant to the Decision, Horizon Utilities has calculated class-specific rate riders that would recover the forgone incremental revenue for the period May 1, 2011 to July 31, 2011. Horizon Utilities has considered bill impacts on its rate payers and has calculated these riders on the basis of a recovery period of August 1, 2011 through December 31, 2011. The proposed class-specific rate riders are set out in Table 23 below. Horizon Utilities submits that the riders are appropriate and do not create undue impacts. The methodology for determining the riders is as follows:

- To determine the forgone revenue for May and June 2011, Horizon Utilities used May and June 2011 actual consumption and applicable demand by class.
- To determine the forgone revenue for July 2011, Horizon Utilities began by taking the following steps to estimate July 2011 consumption and applicable demand by class:
  - Horizon Utilities used the actual total power purchases for the first 10 days of July 2011 and prorated that value to estimate the total power purchases for July 2011;
  - The ratio of total power purchases in the months of July 2010 and July 2011 was determined; and
  - This ratio was applied to the class consumption and applicable demand for July 2010 to estimate the July 2011 consumption and applicable demand by class.
- The May and June actual consumption and applicable demand plus the estimated July 2011 consumption and applicable demand were added together and multiplied by the new rates effective May 1, 2011 in order to determine the related revenue. The related revenue from this consumption and applicable demand at existing rates was then subtracted in order to determine the forgone revenue.
- In order to calculate the forgone incremental revenue rider, Horizon Utilities took the following steps:
  - Horizon Utilities took the actual consumption from August through December 2010 and calculated this as a percentage of the total load for the year;

- Horizon Utilities then applied this percentage to the 2011 load forecast to determine the estimated 2011 consumption and applicable demand for the same period by rate class;
- The forgone revenue was divided by the estimated 2011 volume for August through December; and
- The fixed and variable riders by customer class were then computed

Horizon Utilities has provided detailed calculations of the forgone revenue rate riders in Appendix F.

**Table 23 – Forgone Revenue Rate Riders**

Rate Class	Forgone Fixed Revenue Rate Rider	Forgone Variable Revenue Rate Rider
<b>Residential</b>	\$ 1.03	\$ 0.0011
<b>General Service &lt; 50 kW</b>	\$ 2.80	\$ 0.0008
<b>General Service 50 to 4,999 kW</b>	\$ 25.31	\$ 0.1609
<b>Large Use</b>	\$ 7,244.61	\$ 0.1915
<b>Unmetered Scattered Load</b>	\$ 0.34	\$ 0.0005
<b>Sentinel Lighting</b>	\$ 0.91	\$ 2.6706
<b>Street Lighting</b>	\$ 0.20	\$ 0.5014
<b>Standby</b>		\$ 0.2547

**CONCLUSION**

Horizon Utilities has fully complied with the Decision and has implemented all of the changes directed by the Board in the Decision. Details of the changes are discussed above and further supported by the Appendices and live Excel workbooks accompanying this draft Rate Order. Horizon Utilities' revised service revenue requirement is \$102,144,047, and is summarized in Table 2 – Revenue Requirement.

As discussed elsewhere in this draft Rate Order, Horizon Utilities has recalculated the rate riders to dispose of approved deferral and variance account balances assuming recovery for the

period from August 1, 2011 to December 31, 2012, and has provided detailed documentation in support of all rate riders in this draft Rate Order.

Horizon Utilities has filed detailed supporting material, including all relevant calculations showing the impact of this Decision on its proposed Revenue Requirement, the allocation of the approved Revenue Requirement to its customer classes, and the determination of the final rates, including estimated bill impacts. The supporting documentation includes a completed version of the Board's Revenue Requirement Work Form Excel spreadsheet. Horizon Utilities has shown detailed calculations of any revisions to the rate riders or rate adders reflecting the Board's Decision.

Horizon Utilities has attached, as Appendix A, a Draft Schedule of Rates and Charges with an effective date of May 1, 2011, which includes its Board-approved riders and its Specific Service Charges. Horizon Utilities has also provided the customer bill impacts as Appendix B. As mentioned previously, the customer bill impact analysis reflects the change in Horizon Utilities' distribution rates and other charges effective May 1, 2011, including the Late Payment Penalty rider. However, the customer bill impact analysis does not include the impact of the proposed rate riders related to the recovery of the revenue requirement shortfall.

Horizon Utilities respectfully submits its draft Schedule of Rates and Charges, to be effective May 1, 2011 with an implementation date of August 1, 2011, for the Board's approval.

DATED THIS 18<sup>th</sup> DAY OF JULY, 2011

Original signed by Indy J. Butany-DeSouza

Indy J. Butany-DeSouza  
Vice-President, Regulatory and Government Affairs  
Horizon Utilities Corporation

## **Appendix A: Draft Schedule of Rates and Charges**



**Horizon Utilities Corporation**  
**TARIFF OF RATES AND CHARGES**  
**Effective Date May 1, 2011**  
**Implementation August 1, 2011**

**This schedule supersedes and replaces all previously  
approved schedules of Rates, Charges and Loss Factors**

EB-2010-0131

## RESIDENTIAL SERVICE CLASSIFICATION

This classification applies to an account taking electricity at 750 volts or less where the electricity is used exclusively in a separate metered living accommodation. Customers shall be residing in single-dwelling units that consist of a detached house or one unit of a semi-detached, duplex, triplex or quadruplex house, with a residential zoning. Separately metered dwellings within a town house complex or apartment building also qualify as residential customers. All customers are single-phase. Further servicing details are available in the distributor's Conditions of Service.

### APPLICATION

The application of these rates and charges shall be in accordance with the Licence of the Distributor and any Code or Order of the Board, and amendments thereto as approved by the Board, which may be applicable to the administration of this schedule.

No rates and charges for the distribution of electricity and charges to meet the costs of any work or service done or furnished for the purpose of the distribution of electricity shall be made except as permitted by this schedule, unless required by the Distributor's Licence or a Code or Order of the Board, and amendments thereto as approved by the Board, or as specified herein.

Unless specifically noted, this schedule does not contain any charges for the electricity commodity, be it under the Regulated Price Plan, a contract with a retailer or the wholesale market price, as applicable.

It should be noted that this schedule does not list any charges or assessments that are required by law to be charged by a distributor and that are not subject to Board approval, such as the Debt Retirement Charge, charges for Ministry of Energy Conservation and Renewable Energy Program, the Provincial Benefit and any applicable taxes.

### MONTHLY RATES AND CHARGES – Delivery Component

Service Charge	\$	14.40
Foregone Distribution Revenue Rate Rider – Service Charge - effective until December 31, 2011	\$	1.03
Smart Meter Funding Adder – effective until April 30, 2012	\$	2.14
Late Payment Penalty Rider – effective until July 31, 2012	\$	0.27
Distribution Volumetric Rate	\$/kWh	0.0142
Foregone Distribution Revenue Rate Rider – Volumetric Rate - effective until December 31, 2011	\$/kWh	0.0011
Low Voltage Service Rate	\$/kWh	0.00006
Rate Rider for Global Adjustment Sub-Account Disposition – effective until April 30, 2012		
Applicable only for Non-RPP Customers	\$/kWh	0.0021
Rate Rider for Global Adjustment Sub-Account Disposition – effective until December 31, 2012		
Applicable only for Non-RPP Customers	\$/kWh	0.0003
Rate Rider for Deferral/Variance Account Disposition (2010) – effective until April 30, 2012	\$/kWh	(0.0020)
Rate Rider for Deferral/Variance Account Disposition (2011) – effective until December 31, 2012	\$/kWh	(0.0003)
Retail Transmission Rate – Network Service Rate	\$/kWh	0.0071
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kWh	0.0057

### MONTHLY RATES AND CHARGES – Regulatory Component

Wholesale Market Service Rate	\$/kWh	0.0052
Rural Rate Protection Charge	\$/kWh	0.0013
Standard Supply Service – Administrative Charge (if applicable)	\$	0.25

**Horizon Utilities Corporation**  
**TARIFF OF RATES AND CHARGES**  
**Effective Date May 1, 2011**  
**Implementation August 1, 2011**

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EB-2010-0131

## GENERAL SERVICE LESS THAN 50 kW SERVICE CLASSIFICATION

This classification applies to a non residential account taking electricity at 750 volts or less whose average monthly maximum demand is less than, or is forecast to be less than, 50 kW. Further servicing details are available in the distributor's Conditions of Service.

### APPLICATION

The application of these rates and charges shall be in accordance with the Licence of the Distributor and any Code or Order of the Board, and amendments thereto as approved by the Board, which may be applicable to the administration of this schedule.

No rates and charges for the distribution of electricity and charges to meet the costs of any work or service done or furnished for the purpose of the distribution of electricity shall be made except as permitted by this schedule, unless required by the Distributor's Licence or a Code or Order of the Board, and amendments thereto as approved by the Board, or as specified herein.

Unless specifically noted, this schedule does not contain any charges for the electricity commodity, be it under the Regulated Price Plan, a contract with a retailer or the wholesale market price, as applicable.

It should be noted that this schedule does not list any charges or assessments that are required by law to be charged by a distributor and that are not subject to Board approval, such as the Debt Retirement Charge, charges for Ministry of Energy Conservation and Renewable Energy Program, the Provincial Benefit and any applicable taxes.

### MONTHLY RATES AND CHARGES – Delivery Component

Service Charge	\$	32.09
Foregone Distribution Revenue Rate Rider – Service Charge - effective until December 31, 2011	\$	2.80
Smart Meter Funding Adder– effective until April 30, 2012	\$	2.14
Late Payment Penalty Rider – effective until July 31, 2012	\$	0.63
Distribution Volumetric Rate	\$/kWh	0.0084
Foregone Distribution Revenue Rate Rider – Volumetric Rate - effective until December 31, 2011	\$/kWh	0.0008
Low Voltage Service Rate	\$/kWh	0.00006
Rate Rider for Global Adjustment Sub-Account Disposition – effective until April 30, 2012		
Applicable only for Non-RPP Customers	\$/kWh	0.0002
Rate Rider for Global Adjustment Sub-Account Disposition – effective until December 31, 2012		
Applicable only for Non-RPP Customers	\$/kWh	0.0003
Rate Rider for Deferral/Variance Account Disposition (2010) – effective until April 30, 2012	\$/kWh	(0.0020)
Rate Rider for Deferral/Variance Account Disposition (2011) – effective until December 31, 2012	\$/kWh	(0.0004)
Retail Transmission Rate – Network Service Rate	\$/kWh	0.0062
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kWh	0.0052

### MONTHLY RATES AND CHARGES – Regulatory Component

Wholesale Market Service Rate	\$/kWh	0.0052
Rural Rate Protection Charge	\$/kWh	0.0013
Standard Supply Service – Administrative Charge (if applicable)	\$	0.25

**Horizon Utilities Corporation**  
**TARIFF OF RATES AND CHARGES**  
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EB-2010-0131

## GENERAL SERVICE 50 to 4,999 kW SERVICE CLASSIFICATION

This classification applies to a non residential account whose average monthly maximum demand used for billing purposes is equal to or greater than, or is forecast to be equal to or greater than, 50 kW but less than 5,000 kW. Further servicing details are available in the distributor's Conditions of Service.

### APPLICATION

The application of these rates and charges shall be in accordance with the Licence of the Distributor and any Code or Order of the Board, and amendments thereto as approved by the Board, which may be applicable to the administration of this schedule.

No rates and charges for the distribution of electricity and charges to meet the costs of any work or service done or furnished for the purpose of the distribution of electricity shall be made except as permitted by this schedule, unless required by the Distributor's Licence or a Code or Order of the Board, and amendments thereto as approved by the Board, or as specified herein.

Unless specifically noted, this schedule does not contain any charges for the electricity commodity, be it under the Regulated Price Plan, a contract with a retailer or the wholesale market price, as applicable.

It should be noted that this schedule does not list any charges or assessments that are required by law to be charged by a distributor and that are not subject to Board approval, such as the Debt Retirement Charge, charges for Ministry of Energy Conservation and Renewable Energy Program, the Provincial Benefit and any applicable taxes.

### MONTHLY RATES AND CHARGES – Delivery Component

Service Charge	\$	292.65
Foregone Distribution Revenue Rate Rider – Service Charge - effective until December 31, 2011	\$	25.31
Smart Meter Funding Adder– effective until April 30, 2012	\$	2.14
Late Payment Penalty Rider – effective until July 31, 2012	\$	7.11
Distribution Volumetric Rate	\$/kW	2.0305
Foregone Distribution Revenue Rate Rider – Volumetric Rate - effective until December 31, 2011	\$/kW	0.1609
Low Voltage Service Rate	\$/kW	0.02169
Rate Rider for Global Adjustment Sub-Account Disposition – effective until April 30, 2012 Applicable only for Non-RPP Customers	\$/kW	0.0767
Rate Rider for Global Adjustment Sub-Account Disposition – effective until December 31, 2012 Applicable only for Non-RPP Customers	\$/kW	0.4785
Rate Rider for Deferral/Variance Account Disposition (2010) – effective until April 30, 2012	\$/kW	(0.7500)
Rate Rider for Deferral/Variance Account Disposition (2011) – effective until December 31, 2012	\$/kW	(0.1636)
Retail Transmission Rate – Network Service Rate	\$/kW	2.4643
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kW	2.0584

### MONTHLY RATES AND CHARGES – Regulatory Component

Wholesale Market Service Rate	\$/kWh	0.0052
Rural Rate Protection Charge	\$/kWh	0.0013
Standard Supply Service – Administrative Charge (if applicable)	\$	0.25

**Horizon Utilities Corporation**  
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EB-2010-0131

## LARGE USE SERVICE CLASSIFICATION

This classification applies to an account whose average monthly maximum demand used for billing purposes is equal to or greater than, or is forecast to be equal to or greater than, 5,000 kW. Further servicing details are available in the distributor's Conditions of Service.

### APPLICATION

The application of these rates and charges shall be in accordance with the Licence of the Distributor and any Code or Order of the Board, and amendments thereto as approved by the Board, which may be applicable to the administration of this schedule.

No rates and charges for the distribution of electricity and charges to meet the costs of any work or service done or furnished for the purpose of the distribution of electricity shall be made except as permitted by this schedule, unless required by the Distributor's Licence or a Code or Order of the Board, and amendments thereto as approved by the Board, or as specified herein.

Unless specifically noted, this schedule does not contain any charges for the electricity commodity, be it under the Regulated Price Plan, a contract with a retailer or the wholesale market price, as applicable.

It should be noted that this schedule does not list any charges or assessments that are required by law to be charged by a distributor and that are not subject to Board approval, such as the Debt Retirement Charge, charges for Ministry of Energy Conservation and Renewable Energy Program, the Provincial Benefit and any applicable taxes.

### MONTHLY RATES AND CHARGES – Delivery Component

Service Charge	\$	22,590.17
Foregone Distribution Revenue Rate Rider – Service Charge - effective until December 31, 2011	\$	7,244.61
Smart Meter Funding Adder– effective until April 30, 2012	\$	2.14
Late Payment Penalty Rider – effective until July 31, 2012	\$	414.57
Distribution Volumetric Rate	\$/kW	1.3328
Foregone Distribution Revenue Rate Rider – Volumetric Rate - effective until December 31, 2011	\$/kW	0.1915
Low Voltage Service Rate	\$/kW	0.02492
Rate Rider for Global Adjustment Sub-Account Disposition – effective until April 30, 2012 Applicable only for Non-RPP Customers	\$/kW	0.0543
Rate Rider for Global Adjustment Sub-Account Disposition – effective until December 31, 2012 Applicable only for Non-RPP Customers	\$/kW	0.3387
Rate Rider for Deferral/Variance Account Disposition (2010) – effective until April 30, 2012	\$/kW	(0.4855)
Rate Rider for Deferral/Variance Account Disposition (2011) – effective until December 31, 2012	\$/kW	(0.0967)
Retail Transmission Rate – Network Service Rate	\$/kW	2.8151
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kW	2.3654

### MONTHLY RATES AND CHARGES – Regulatory Component

Wholesale Market Service Rate	\$/kWh	0.0052
Rural Rate Protection Charge	\$/kWh	0.0013
Standard Supply Service – Administrative Charge (if applicable)	\$	0.25

**Horizon Utilities Corporation**  
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EB-2010-0131

## UNMETERED SCATTERED LOAD SERVICE CLASSIFICATION

This classification applies to an account taking electricity at 750 volts or less whose average monthly maximum demand is less than, or is forecast to be less than, 50 kW and the consumption is unmetered. Such connections include cable TV power packs, bus shelters, telephone booths, traffic lights, railway crossings, etc. The level of the consumption will be agreed to by the distributor and the customer, based on detailed manufacturer information/documentation with regard to electrical consumption of the unmetered load or periodic monitoring of actual consumption. Further servicing details are available in the distributor's Conditions of Service.

### APPLICATION

The application of these rates and charges shall be in accordance with the Licence of the Distributor and any Code or Order of the Board, and amendments thereto as approved by the Board, which may be applicable to the administration of this schedule.

No rates and charges for the distribution of electricity and charges to meet the costs of any work or service done or furnished for the purpose of the distribution of electricity shall be made except as permitted by this schedule, unless required by the Distributor's Licence or a Code or Order of the Board, and amendments thereto as approved by the Board, or as specified herein.

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### MONTHLY RATES AND CHARGES – Delivery Component

Service Charge (per connection)	\$	10.16
Foregone Distribution Revenue Rate Rider – Service Charge - effective until December 31, 2011	\$	0.20
Late Payment Penalty Rider – effective until July 31, 2012 (per connection)	\$	0.45
Distribution Volumetric Rate	\$/kWh	0.0157
Foregone Distribution Revenue Rate Rider – Volumetric Rate - effective until December 31, 2011	\$/kWh	0.0005
Low Voltage Service Rate	\$/kWh	0.00006
Rate Rider for Global Adjustment Sub-Account Disposition – effective until April 30, 2012		
Applicable only for Non-RPP Customers	\$/kWh	0.0002
Rate Rider for Global Adjustment Sub-Account Disposition – effective until December 31, 2012		
Applicable only for Non-RPP Customers	\$/kWh	0.0001
Rate Rider for Deferral/Variance Account Disposition (2010) – effective until April 30, 2012	\$/kWh	(0.0025)
Rate Rider for Deferral/Variance Account Disposition (2011) – effective until December 31, 2012	\$/kWh	(0.0003)
Retail Transmission Rate – Network Service Rate	\$/kWh	0.0063
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kWh	0.0053

### MONTHLY RATES AND CHARGES – Regulatory Component

Wholesale Market Service Rate	\$/kWh	0.0052
Rural Rate Protection Charge	\$/kWh	0.0013
Standard Supply Service – Administrative Charge (if applicable)	\$	0.25

**Horizon Utilities Corporation**  
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EB-2010-0131

## **STANDBY POWER SERVICE CLASSIFICATION**

This classification refers to an account that has Load Displacement Generation and requires the distributor to provide back-up service. Further servicing details are available in the distributor's Conditions of Service.

### **APPLICATION**

The application of these rates and charges shall be in accordance with the Licence of the Distributor and any Code or Order of the Board, and amendments thereto as approved by the Board, which may be applicable to the administration of this schedule.

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### **MONTHLY RATES AND CHARGES – APPROVED ON AN INTERIM BASIS**

Standby Charge – for a month where standby power is not provided. The charge is applied to the amount of reserved load transfer capacity contracted or the amount of monthly peak load displaced by a generating facility.

	\$/kW	2.4750
Foregone Distribution Revenue Rate Rider – Volumetric Rate - effective until December 31, 2011	\$/kW	0.2547
Rate Rider for Deferral/Variance Account Disposition (2010) – effective until April 30, 2012	\$/kW	(0.0002)
Rate Rider for Deferral/Variance Account Disposition (2011) – effective until December 31, 2012	\$/kW	(0.0013)

**Horizon Utilities Corporation**  
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EB-2010-0131

## SENTINEL LIGHTING SERVICE CLASSIFICATION

This classification applies to safety/security lighting with a Residential, General Service or Large Use customer. This is typically exterior lighting, and often unmetered. Consumption is estimated based on the equipment rating and estimated hours of use. Further servicing details are available in the distributor's Conditions of Service.

### APPLICATION

The application of these rates and charges shall be in accordance with the Licence of the Distributor and any Code or Order of the Board, and amendments thereto as approved by the Board, which may be applicable to the administration of this schedule.

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### MONTHLY RATES AND CHARGES – Delivery Component

Service Charge (per connection)	\$	4.41
Foregone Distribution Revenue Rate Rider – Service Charge - effective until December 31, 2011	\$	0.91
Late Payment Penalty Rider – effective until July 31, 2012 (per connection)	\$	0.06
Distribution Volumetric Rate	\$/kW	12.1102
Foregone Distribution Revenue Rate Rider – Volumetric Rate - effective until December 31, 2011	\$/kW	2.6706
Low Voltage Service Rate	\$/kW	0.01745
Rate Rider for Global Adjustment Sub-Account Disposition – effective until April 30, 2012 Applicable only for Non-RPP Customers	\$/kW	0.0724
Rate Rider for Global Adjustment Sub-Account Disposition – effective until December 31, 2012 Applicable only for Non-RPP Customers	\$/kW	0.0170
Rate Rider for Deferral/Variance Account Disposition (2010) – effective until April 30, 2012	\$/kW	(1.2647)
Rate Rider for Deferral/Variance Account Disposition (2011) – effective until December 31, 2012	\$/kW	0.0158
Retail Transmission Rate – Network Service Rate	\$/kW	2.0478
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kW	1.6564

### MONTHLY RATES AND CHARGES – Regulatory Component

Wholesale Market Service Rate	\$/kWh	0.0052
Rural Rate Protection Charge	\$/kWh	0.0013
Standard Supply Service – Administrative Charge (if applicable)	\$	0.25

**Horizon Utilities Corporation**  
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## **STREET LIGHTING SERVICE CLASSIFICATION**

This classification applies to an account for roadway lighting with a Municipality, Regional Municipality, Ministry of Transportation and private roadway lighting, controlled by photo cells. The consumption for these customers will be based on the calculated connected load times the required lighting times established in the approved OEB street lighting load shape template. Further servicing details are available in the distributor's Conditions of Service.

### **APPLICATION**

The application of these rates and charges shall be in accordance with the Licence of the Distributor and any Code or Order of the Board, and amendments thereto as approved by the Board, which may be applicable to the administration of this schedule.

No rates and charges for the distribution of electricity and charges to meet the costs of any work or service done or furnished for the purpose of the distribution of electricity shall be made except as permitted by this schedule, unless required by the Distributor's Licence or a Code or Order of the Board, and amendments thereto as approved by the Board, or as specified herein.

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It should be noted that this schedule does not list any charges or assessments that are required by law to be charged by a distributor and that are not subject to Board approval, such as the Debt Retirement Charge, charges for Ministry of Energy Conservation and Renewable Energy Program, the Provincial Benefit and any applicable taxes.

### **MONTHLY RATES AND CHARGES – Delivery Component**

Service Charge (per connection)	\$	2.30
Foregone Distribution Revenue Rate Rider – Service Charge - effective until December 31, 2011	\$	0.20
Late Payment Penalty Rider – effective until July 31, 2012 (per connection)	\$	0.03
Distribution Volumetric Rate	\$/kW	6.1474
Foregone Distribution Revenue Rate Rider – Volumetric Rate - effective until December 31, 2011	\$/kW	0.5014
Low Voltage Service Rate	\$/kW	0.01702
Rate Rider for Global Adjustment Sub-Account Disposition – effective until April 30, 2012 Applicable only for Non-RPP Customers	\$/kW	0.0740
Rate Rider for Global Adjustment Sub-Account Disposition – effective until December 31, 2012 Applicable only for Non-RPP Customers	\$/kW	0.4654
Rate Rider for Deferral/Variance Account Disposition (2010) – effective until April 30, 2012	\$/kW	(0.6378)
Rate Rider for Deferral/Variance Account Disposition (2011) – effective until December 31, 2012	\$/kW	(0.1694)
Retail Transmission Rate – Network Service Rate	\$/kW	2.0478
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kW	1.6150

### **MONTHLY RATES AND CHARGES – Regulatory Component**

Wholesale Market Service Rate	\$/kWh	0.0052
Rural Rate Protection Charge	\$/kWh	0.0013
Standard Supply Service – Administrative Charge (if applicable)	\$	0.25



**Horizon Utilities Corporation**  
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EB-2010-0131

## **microFIT GENERATOR SERVICE CLASSIFICATION**

This classification applies to an electricity generation facility contracted under the Ontario Power Authority's microFIT program and connected to the distributor's distribution system. Further servicing details are available in the distributor's Conditions of Service.

### **APPLICATION**

The application of these rates and charges shall be in accordance with the Licence of the Distributor and any Code or Order of the Board, and amendments thereto as approved by the Board, which may be applicable to the administration of this schedule.

No rates and charges for the distribution of electricity and charges to meet the costs of any work or service done or furnished for the purpose of the distribution of electricity shall be made except as permitted by this schedule, unless required by the Distributor's Licence or a Code or Order of the Board, and amendments thereto as approved by the Board, or as specified herein.

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### **MONTHLY RATES AND CHARGES – Delivery Component**

Service Charge	\$	5.25
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### **ALLOWANCES**

Transformer Allowance for Ownership - General Service 50 to 4,999 kW customers - per kW of billing demand/month	\$/kW	(0.73)
Primary Metering Allowance for transformer losses – applied to measured demand and energy	%	(1.00)

# Horizon Utilities Corporation

## TARIFF OF RATES AND CHARGES

**Effective Date May 1, 2011**  
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EB-2010-0131

### SPECIFIC SERVICE CHARGES

#### APPLICATION

The application of these rates and charges shall be in accordance with the Licence of the Distributor and any Code or Order of the Board, and amendments thereto as approved by the Board, which may be applicable to the administration of this schedule.

No charges to meet the costs of any work or service done or furnished for the purpose of the distribution of electricity shall be made except as permitted by this schedule, unless required by the Distributor's Licence or a Code or Order of the Board, and amendments thereto as approved by the Board, or as specified herein.

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Customer Administration		
Arrears Certificate	\$	15.00
Statement of Account	\$	15.00
Pulling post-dated cheques	\$	15.00
Duplicate invoices for previous billing	\$	15.00
Request for other billing information	\$	15.00
Easement Letter	\$	15.00
Income tax letter	\$	15.00
Notification Charge	\$	15.00
Account history	\$	15.00
Credit reference/credit check (plus credit agency costs)	\$	15.00
Returned Cheque charge (plus bank charges)	\$	15.00
Charge to certify cheque	\$	15.00
Legal letter charge	\$	15.00
Account set up charge / change of occupancy charge (plus credit agency costs if applicable)	\$	30.00
Special Meter reads	\$	30.00
Meter dispute charge plus Measurement Canada fees (if meter found correct)	\$	30.00
Credit Card Convenience Charge	\$	15.00
Non-Payment of Account		
Late Payment - per month	%	1.50
Late Payment - per annum	%	19.56
Collection of account charge – no disconnection	\$	30.00
Collection of account charge – no disconnection – after regular hours	\$	165.00
Disconnect/Reconnect at meter – during regular hours	\$	65.00
Disconnect/Reconnect at meter – after regular hours	\$	185.00
Disconnect/Reconnect at pole – during regular hours	\$	185.00
Disconnect/Reconnect at pole – after regular hours	\$	415.00
Install / remove load control device – during regular hours	\$	65.00
Install / remove load control device – after regular hours	\$	185.00
Service call – customer-owned equipment	\$	30.00
Service call – after regular hours	\$	165.00
Temporary service install and remove – overhead – no transformer	\$	500.00
Temporary service install and remove – underground – no transformer	\$	300.00
Temporary service install and remove – overhead – with transformer	\$	1,000.00
Specific Charge for Access to the Power Poles – per pole/year	\$	22.35
Administrative Billing Charge	\$	150.00

**Horizon Utilities Corporation**  
**TARIFF OF RATES AND CHARGES**  
**Effective Date May 1, 2011**  
**Implementation August 1, 2011**

**This schedule supersedes and replaces all previously  
approved schedules of Rates, Charges and Loss Factors**

EB-2010-0131

## **RETAIL SERVICE CHARGES (if applicable)**

### **APPLICATION**

The application of these rates and charges shall be in accordance with the Licence of the Distributor and any Code or Order of the Board, and amendments thereto as approved by the Board, which may be applicable to the administration of this schedule.

No rates and charges for the distribution of electricity and charges to meet the costs of any work or service done or furnished for the purpose of the distribution of electricity shall be made except as permitted by this schedule, unless required by the Distributor's Licence or a Code or Order of the Board, and amendments thereto as approved by the Board, or as specified herein.

Unless specifically noted, this schedule does not contain any charges for the electricity commodity, be it under the Regulated Price Plan, a contract with a retailer or the wholesale market price, as applicable.

It should be noted that this schedule does not list any charges or assessments that are required by law to be charged by a distributor and that are not subject to Board approval, such as the Debt Retirement Charge, charges for Ministry of Energy Conservation and Renewable Energy Program, the Provincial Benefit and any applicable taxes.

Retail Service Charges refer to services provided by a distributor to retailers or customers related to the supply of competitive electricity

One-time charge, per retailer, to establish the service agreement between the distributor and the retailer	\$	100.00
Monthly Fixed Charge, per retailer	\$	20.00
Monthly Variable Charge, per customer, per retailer	\$/cust.	0.50
Distributor-consolidated billing charge, per customer, per retailer	\$/cust.	0.30
Retailer-consolidated billing credit, per customer, per retailer	\$/cust.	(0.30)
Service Transaction Requests (STR)		
Request fee, per request, applied to the requesting party	\$	0.25
Processing fee, per request, applied to the requesting party	\$	0.50
Request for customer information as outlined in Section 10.6.3 and Chapter 11 of the Retail Settlement Code directly to retailers and customers, if not delivered electronically through the Electronic Business Transaction (EBT) system, applied to the requesting party		
Up to twice a year		no charge
More than twice a year, per request (plus incremental delivery costs)	\$	2.00

### **LOSS FACTORS**

If the distributor is not capable of prorating changed loss factors jointly with distribution rates, the revised loss factors will be implemented upon the first subsequent billing for each billing cycle.

Total Loss Factor – Secondary Metered Customer < 5,000 kW	1.0407
Total Loss Factor – Secondary Metered Customer > 5,000 kW	1.0179
Total Loss Factor – Primary Metered Customer < 5,000 kW	1.0303
Total Loss Factor – Primary Metered Customer > 5,000 kW	1.0078

## **Appendix B: Horizon Utilities Customer Bill Impacts**

RESIDENTIAL									
	2010 BILL			2011 BILL			IMPACT		
	Volume	RATE \$	CHARGE \$	Volume	RATE \$	CHARGE \$	Change \$	Change %	% of Total Bill
<b>Consumption</b>									
<b>100 kWh</b>									
Monthly Service Charge			12.68			14.40	1.72	13.56%	47.46%
Distribution (kWh)	100	0.0125	1.25	100	0.0142	1.42	0.17	13.60%	4.68%
Low Voltage Rider (kWh)	100	0.0000	0.00	100	0.000050	0.01	0.01	#DIV/0!	0.02%
Smart Meter Rider (per month)			1.56			2.14	0.58	37.18%	7.05%
LRAM & SSM Rider (kWh)	100	0.0002	0.02	100	0.0000	0.00	(0.02)	(100.00%)	0.00%
Late Payment (\$/Customer/Month)						0.27	0.27	#DIV/0!	0.89%
Deferral & Variance Acct (kWh)	100	(0.0023)	(0.23)	100	(0.0023)	(0.23)	0.00	0.00%	(0.76%)
<b>Distribution Sub-Total</b>			<b>15.28</b>			<b>18.01</b>	<b>2.73</b>	<b>17.83%</b>	<b>59.34%</b>
Retail Transmission (kWh)	104	0.0108	1.13	104	0.0128	1.33	0.21	18.36%	4.39%
<b>Delivery Sub-Total</b>			<b>16.41</b>			<b>19.34</b>	<b>2.93</b>	<b>17.87%</b>	<b>63.73%</b>
Other Charges (kWh)	104	0.0072	0.75	104	0.0072	0.75	(0.00)	(0.13%)	2.47%
Cost of Power Commodity (kWh)	104	0.0650	6.77	104	0.0650	6.76	(0.01)	(0.13%)	22.29%
SPC (kWh)	104	0.0003725	0.04	104	0.0000000	0.00	(0.04)	(100.00%)	0.00%
<b>Total Bill Before Taxes</b>			<b>23.97</b>			<b>26.85</b>	<b>2.88</b>	<b>11.17%</b>	<b>88.50%</b>
HST		13.00%	3.12		13.00%	3.49	0.37	12.03%	11.50%
<b>Total Bill</b>			<b>27.08</b>			<b>30.34</b>	<b>3.05</b>	<b>11.26%</b>	<b>100.00%</b>

RESIDENTIAL									
	2010 BILL			2011 BILL			IMPACT		
	Volume	RATE \$	CHARGE \$	Volume	RATE \$	CHARGE \$	Change \$	Change %	% of Total Bill
<b>Consumption</b>									
<b>250 kWh</b>									
Monthly Service Charge			12.68			14.40	1.72	13.56%	30.40%
Distribution (kWh)	250	0.0125	3.13	250	0.0142	3.55	0.43	13.60%	7.50%
Low Voltage Rider (kWh)	250	0.0000	0.00	250	0.000050	0.01	0.01	#DIV/0!	0.03%
Smart Meter Rider (per month)			1.56			2.14	0.58	37.18%	4.52%
LRAM & SSM Rider (kWh)	250	0.0002	0.05	250	0.0000	0.00	(0.05)	(100.00%)	0.00%
Late Payment (\$/Customer/Month)						0.27	0.27	#DIV/0!	0.57%
Deferral & Variance Acct (kWh)	250	(0.0023)	(0.58)	250	(0.0023)	(0.58)	0.00	0.00%	(1.21%)
<b>Distribution Sub-Total</b>			<b>16.84</b>			<b>19.80</b>	<b>2.96</b>	<b>17.56%</b>	<b>41.80%</b>
Retail Transmission (kWh)	261	0.0108	2.81	260	0.0128	3.33	0.52	18.36%	7.03%
<b>Delivery Sub-Total</b>			<b>19.65</b>			<b>23.13</b>	<b>3.47</b>	<b>17.68%</b>	<b>48.83%</b>
Other Charges (kWh)	261	0.0072	1.88	260	0.0072	1.87	(0.00)	(0.13%)	3.96%
Cost of Power Commodity (kWh)	261	0.0650	16.93	260	0.0650	16.91	(0.02)	(0.13%)	35.71%
SPC (kWh)	261	0.0003725	0.10	261	0.0000000	0.00	(0.10)	(100.00%)	0.00%
<b>Total Bill Before Taxes</b>			<b>38.56</b>			<b>41.91</b>	<b>3.35</b>	<b>7.35%</b>	<b>88.50%</b>
HST		13.00%	5.01		13.00%	5.45	0.44	8.69%	11.50%
<b>Total Bill</b>			<b>43.57</b>			<b>47.36</b>	<b>3.77</b>	<b>7.51%</b>	<b>100.00%</b>

RESIDENTIAL									
	2010 BILL			2011 BILL			IMPACT		
	Volume	RATE \$	CHARGE \$	Volume	RATE \$	CHARGE \$	Change \$	Change %	% of Total Bill
<b>Consumption</b>									
<b>500 kWh</b>									
Monthly Service Charge			12.68			14.40	1.72	13.56%	19.02%
Distribution (kWh)	500	0.0125	6.25	500	0.0142	7.10	0.85	13.60%	9.38%
Low Voltage Rider (kWh)	500	0.0000	0.00	500	0.000050	0.03	0.03	#DIV/0!	0.03%
Smart Meter Rider (per month)			1.56			2.14	0.58	37.18%	2.83%
LRAM & SSM Rider (kWh)	500	0.0002	0.10	500	0.0000	0.00	(0.10)	(100.00%)	0.00%
Late Payment (\$/Customer/Month)						0.27	0.27	#DIV/0!	0.36%
Deferral & Variance Acct (kWh)	500	(0.0023)	(1.15)	500	(0.0023)	(1.15)	0.00	0.00%	(1.52%)
<b>Distribution Sub-Total</b>			<b>19.44</b>			<b>22.79</b>	<b>3.35</b>	<b>17.21%</b>	<b>30.09%</b>
Retail Transmission (kWh)	521	0.0108	5.63	520	0.0128	6.66	1.03	18.36%	8.80%
<b>Delivery Sub-Total</b>			<b>25.07</b>			<b>29.45</b>	<b>4.38</b>	<b>17.47%</b>	<b>38.88%</b>
Other Charges (kWh)	521	0.0072	3.75	520	0.0072	3.75	(0.01)	(0.13%)	4.95%
Cost of Power Commodity (kWh)	521	0.0650	33.87	520	0.0650	33.82	(0.05)	(0.13%)	44.66%
SPC (kWh)	521	0.0003725	0.19	521	0.0000000	0.00	(0.19)	(100.00%)	0.00%
<b>Total Bill Before Taxes</b>			<b>62.88</b>			<b>67.01</b>	<b>4.13</b>	<b>4.93%</b>	<b>88.50%</b>
HST		13.00%	8.17		13.00%	8.71	0.54	6.57%	11.50%
<b>Total Bill</b>			<b>71.06</b>			<b>75.73</b>	<b>4.67</b>	<b>5.12%</b>	<b>100.00%</b>

RESIDENTIAL									
	2010 BILL			2011 BILL			IMPACT		
	Volume	RATE \$	CHARGE \$	Volume	RATE \$	CHARGE \$	\$	%	% of Total Bill
<b>Consumption</b>									
<b>680 kWh</b>									
Monthly Service Charge			12.68			14.40	1.72	13.56%	128.55%
Distribution (kWh)	680	0.0125	8.50	680	0.0142	9.66	1.16	13.60%	86.20%
Low Voltage Rider (kWh)	680	0.0000	0.00	680	0.000050	0.03	0.03	#DIV/0!	0.30%
Smart Meter Rider (per month)			1.56			2.14	0.58	37.18%	19.10%
LRAM & SSM Rider (kWh)	680	0.0002	0.14	680	0.0000	0.00	(0.14)	(100.00%)	0.00%
Late Payment (\$/Customer/Month)			0.00			0.27	0.27	#DIV/0!	0.28%
Deferral & Variance Acct (kWh)	680	(0.0023)	(1.56)	680	(0.0023)	(1.56)	0.00	0.00%	(1.61%)
<b>Distribution Sub-Total</b>			<b>21.31</b>			<b>24.94</b>	<b>3.62</b>	<b>17.00%</b>	<b>25.61%</b>
Retail Transmission (kWh)	709	0.0108	7.65	708	0.0128	9.06	1.41	18.36%	9.30%
<b>Delivery Sub-Total</b>			<b>28.97</b>			<b>33.99</b>	<b>5.03</b>	<b>17.36%</b>	<b>34.91%</b>
Other Charges (kWh)	709	0.0072	5.10	708	0.0072	5.10	(0.01)	(0.13%)	5.23%
Cost of Power Commodity (kWh)	600	0.0650	39.00	600	0.0650	39.00	0.00	0.00%	40.05%
Cost of Power Commodity (kWh)	109	0.0750	8.15	108	0.0750	8.08	(0.07)	(0.88%)	8.29%
SPC (kWh)	709	0.0003725	0.26	709	0.0000000	0.00	(0.26)	(100.00%)	0.00%
<b>Total Bill Before Taxes</b>			<b>81.48</b>			<b>86.17</b>	<b>4.69</b>	<b>5.75%</b>	<b>88.50%</b>
HST		13.00%	10.59		13.00%	11.20	0.61	5.75%	11.50%
<b>Total Bill</b>			<b>92.07</b>			<b>97.37</b>	<b>5.30</b>	<b>5.75%</b>	<b>100.00%</b>

RESIDENTIAL									
	2010 BILL			2011 BILL			IMPACT		
	Volume	RATE \$	CHARGE \$	Volume	RATE \$	CHARGE \$	\$	%	% of Total Bill
<b>Consumption</b>									
<b>800 kWh</b>									
Monthly Service Charge			12.68			14.40	1.72	13.56%	12.81%
Distribution (kWh)	800	0.0125	10.00	800	0.0142	11.36	1.36	13.60%	10.11%
Low Voltage Rider (kWh)	800	0.0000	0.00	800	0.000050	0.04	0.04	#DIV/0!	0.04%
Smart Meter Rider (per month)			1.56			2.14	0.58	37.18%	1.90%
LRAM & SSM Rider (kWh)	800	0.0002	0.16	800	0.0000	0.00	(0.16)	(100.00%)	0.00%
Late Payment (\$/Customer/Month)			0.00			0.27	0.27	#DIV/0!	0.24%
Deferral & Variance Acct (kWh)	800	(0.0023)	(1.84)	800	(0.0023)	(1.84)	0.00	0.00%	(1.64%)
<b>Distribution Sub-Total</b>			<b>22.56</b>			<b>26.37</b>	<b>3.81</b>	<b>16.89%</b>	<b>23.46%</b>
Retail Transmission (kWh)	834	0.0108	9.00	833	0.0128	10.66	1.65	18.36%	9.48%
<b>Delivery Sub-Total</b>			<b>31.56</b>			<b>37.03</b>	<b>5.46</b>	<b>17.31%</b>	<b>32.94%</b>
Other Charges (kWh)	834	0.0072	6.00	833	0.0072	5.99	(0.01)	(0.13%)	5.33%
Cost of Power Commodity (kWh)	600	0.0650	39.00	600	0.0650	39.00	0.00	0.00%	34.70%
Cost of Power Commodity (kWh)	234	0.0750	17.53	233	0.0750	17.44	(0.08)	(0.48%)	15.52%
SPC (kWh)	834	0.0003725	0.31	834	0.0000000	0.00	(0.31)	(100.00%)	0.00%
<b>Total Bill Before Taxes</b>			<b>94.40</b>			<b>99.46</b>	<b>5.06</b>	<b>5.36%</b>	<b>88.50%</b>
HST		13.00%	12.27		13.00%	12.93	0.66	5.36%	11.50%
<b>Total Bill</b>			<b>106.68</b>			<b>112.39</b>	<b>5.72</b>	<b>5.36%</b>	<b>100.00%</b>

RESIDENTIAL									
	2010 BILL			2011 BILL			IMPACT		
	Volume	RATE \$	CHARGE \$	Volume	RATE \$	CHARGE \$	\$	%	% of Total Bill
<b>Consumption</b>									
<b>1,000 kWh</b>									
Monthly Service Charge			12.68			14.40	1.72	13.56%	10.48%
Distribution (kWh)	1,000	0.0125	12.50	1,000	0.0142	14.20	1.70	13.60%	10.33%
Low Voltage Rider (kWh)	1,000	0.0000	0.00	1,000	0.000050	0.05	0.05	#DIV/0!	0.04%
Smart Meter Rider (per month)			1.56			2.14	0.58	37.18%	1.56%
LRAM & SSM Rider (kWh)	1,000	0.0002	0.20	1,000	0.0000	0.00	(0.20)	(100.00%)	0.00%
Late Payment (\$/Customer/Month)			0.00			0.27	0.27	#DIV/0!	0.20%
Deferral & Variance Acct (kWh)	1,000	(0.0023)	(2.30)	1,000	(0.0023)	(2.30)	0.00	0.00%	(1.67%)
<b>Distribution Sub-Total</b>			<b>24.64</b>			<b>28.76</b>	<b>4.12</b>	<b>16.72%</b>	<b>20.93%</b>
Retail Transmission (kWh)	1,042	0.0108	11.25	1,041	0.0128	13.32	2.07	18.36%	9.69%
<b>Delivery Sub-Total</b>			<b>35.89</b>			<b>42.08</b>	<b>6.19</b>	<b>17.23%</b>	<b>30.62%</b>
Other Charges (kWh)	1,042	0.0072	7.50	1,041	0.0072	7.49	(0.01)	(0.13%)	5.45%
Cost of Power Commodity (kWh)	600	0.0650	39.00	600	0.0650	39.00	0.00	0.00%	28.38%
Cost of Power Commodity (kWh)	442	0.0750	33.16	441	0.0750	33.05	(0.11)	(0.32%)	24.05%
SPC (kWh)	1,042	0.0003725	0.39	1,042	0.0000000	0.00	(0.39)	(100.00%)	0.00%
<b>Total Bill Before Taxes</b>			<b>115.94</b>			<b>121.63</b>	<b>5.68</b>	<b>4.90%</b>	<b>88.50%</b>
HST		13.00%	15.07		13.00%	15.81	0.74	4.90%	11.50%
<b>Total Bill</b>			<b>131.02</b>			<b>137.44</b>	<b>6.42</b>	<b>4.90%</b>	<b>100.00%</b>

**RESIDENTIAL**

Consumption	1,500 kWh	2010 BILL			2011 BILL			IMPACT		
		Volume	RATE \$	CHARGE \$	Volume	RATE \$	CHARGE \$	\$	%	% of Total Bill
		Monthly Service Charge			12.68			14.40	1.72	13.56%
Distribution (kWh)	1,500	0.0125	18.75	1,500	0.0142	21.30	2.55	13.60%	10.65%	
Low Voltage Rider (kWh)	1,500	0.0000	0.00	1,500	0.000050	0.08	0.08	#DIV/0!	0.04%	
Smart Meter Rider (per month)			1.56			2.14	0.58	37.18%	1.07%	
LRAM & SSM Rider (kWh)	1,500	0.0002	0.30	1,500	0.0000	0.00	(0.30)	(100.00%)	0.00%	
Late Payment (\$/Customer/Month)			0.00			0.27	0.27	#DIV/0!	0.13%	
Deferral & Variance Acct (kWh)	1,500	(0.0023)	(3.45)	1,500	(0.0023)	(3.45)	0.00	0.00%	(1.72%)	
<b>Distribution Sub-Total</b>			<b>29.84</b>			<b>34.74</b>	<b>4.90</b>	<b>16.40%</b>	<b>17.36%</b>	
Retail Transmission (kWh)	1,563	0.0108	16.88	1,561	0.0128	19.98	3.10	18.36%	9.99%	
<b>Delivery Sub-Total</b>			<b>46.72</b>			<b>54.72</b>	<b>7.99</b>	<b>17.11%</b>	<b>27.35%</b>	
Other Charges (kWh)	1,563	0.0072	11.25	1,561	0.0072	11.24	(0.02)	(0.13%)	5.62%	
Cost of Power Commodity (kWh)	600	0.0650	39.00	600	0.0650	39.00	0.00	0.00%	19.50%	
Cost of Power Commodity (kWh)	963	0.0750	72.24	961	0.0750	72.08	(0.16)	(0.22%)	36.03%	
SPC (kWh)	1,563	0.0003725	0.58	1,563	0.0000000	0.00	(0.58)	(100.00%)	0.00%	
<b>Total Bill Before Taxes</b>			<b>169.80</b>			<b>177.03</b>	<b>7.24</b>	<b>4.26%</b>	<b>88.50%</b>	
HST		13.00%	22.07		13.00%	23.01	0.94	4.26%	11.50%	
<b>Total Bill</b>			<b>191.87</b>			<b>200.05</b>	<b>8.18</b>	<b>4.26%</b>	<b>100.00%</b>	

**GENERAL SERVICE < 50 kW**

Consumption	2,000 kWh	2010 BILL			2011 BILL			IMPACT		
		Volume	RATE \$	CHARGE \$	Volume	RATE \$	CHARGE \$	\$	%	% of Total Bill
		Monthly Service Charge			27.45			32.09	4.64	16.90%
Distribution (kWh)	2,000	0.0072	14.40	2,000	0.0084	16.80	2.40	16.67%	6.37%	
Low Voltage Rider (kWh)	2,000	0.0000	0.00	2,000	0.000040	0.08	0.08	#DIV/0!	0.03%	
Smart Meter Rider (per month)			1.56			2.14	0.58	37.18%	0.81%	
LRAM & SSM Rider (kWh)	2,000	0.0000	0.00	2,000	0.0000	0.00	0.00	#DIV/0!	0.00%	
Late Payment (\$/Customer/Month)			0.00			0.63	0.63	#DIV/0!	0.24%	
Deferral & Variance Acct (kWh)	2,000	(0.0025)	(5.00)	2,000	(0.0029)	(5.80)	(0.80)	16.00%	(2.20%)	
<b>Distribution Sub-Total</b>			<b>38.41</b>			<b>45.94</b>	<b>7.53</b>	<b>19.60%</b>	<b>17.43%</b>	
Retail Transmission (kWh)	2,084	0.0097	20.22	2,081	0.0114	23.73	3.51	17.37%	9.00%	
<b>Delivery Sub-Total</b>			<b>58.63</b>			<b>69.67</b>	<b>11.04</b>	<b>18.83%</b>	<b>26.43%</b>	
Other Charges (kWh)	2,084	0.0072	15.01	2,081	0.0072	14.99	(0.02)	(0.13%)	5.69%	
Cost of Power Commodity (kWh)	750	0.0650	48.75	750	0.0650	48.75	0.00	0.00%	18.50%	
Cost of Power Commodity (kWh)	1,334	0.0750	100.07	1,331	0.0750	99.86	(0.21)	(0.21%)	37.88%	
SPC (kWh)	2,084	0.0003725	0.78	2,084	0.0000000	0.00	(0.78)	(100.00%)	0.00%	
<b>Total Bill Before Taxes</b>			<b>223.22</b>			<b>233.26</b>	<b>\$10.03</b>	<b>4.50%</b>	<b>88.50%</b>	
HST		13.00%	29.02		13.00%	30.32	1.30	4.50%	11.50%	
<b>Total Bill</b>			<b>252.24</b>			<b>263.58</b>	<b>\$11.34</b>	<b>4.50%</b>	<b>100.00%</b>	

**GENERAL SERVICE < 50 kW**

Consumption	5,000 kWh	2010 BILL			2011 BILL			IMPACT		
		Volume	RATE \$	CHARGE \$	Volume	RATE \$	CHARGE \$	\$	%	% of Total Bill
		Monthly Service Charge			27.45			32.09	4.64	16.90%
Distribution (kWh)	5,000	0.0072	36.00	5,000	0.0084	42.00	6.00	16.67%	6.86%	
Low Voltage Rider (kWh)	5,000	0.0000	0.00	5,000	0.000040	0.20	0.20	#DIV/0!	0.03%	
Smart Meter Rider (per month)			1.56			2.14	0.58	37.18%	0.35%	
LRAM & SSM Rider (kWh)	5,000	0.0000	0.00	5,000	0.0000	0.00	0.00	#DIV/0!	0.00%	
Late Payment (\$/Customer/Month)			0.00			0.63	0.63	#DIV/0!	0.10%	
Deferral & Variance Acct (kWh)	5,000	(0.0025)	(12.50)	5,000	(0.0029)	(14.50)	(2.00)	16.00%	(2.37%)	
<b>Distribution Sub-Total</b>			<b>52.51</b>			<b>62.56</b>	<b>10.05</b>	<b>19.14%</b>	<b>10.21%</b>	
Retail Transmission (kWh)	5,211	0.0097	50.54	5,204	0.0114	59.32	8.78	17.37%	9.68%	
<b>Delivery Sub-Total</b>			<b>103.05</b>			<b>121.88</b>	<b>18.83</b>	<b>18.27%</b>	<b>19.90%</b>	
Other Charges (kWh)	5,211	0.0072	37.52	5,204	0.0072	37.47	(0.05)	(0.13%)	6.12%	
Cost of Power Commodity (kWh)	750	0.0650	48.75	750	0.0650	48.75	0.00	0.00%	7.96%	
Cost of Power Commodity (kWh)	4,461	0.0750	334.54	4,454	0.0750	334.01	(0.52)	(0.16%)	54.53%	
SPC (kWh)	5,211	0.0003725	1.94	5,211	0.0000000	0.00	(1.94)	(100.00%)	0.00%	
<b>Total Bill Before Taxes</b>			<b>525.80</b>			<b>542.11</b>	<b>\$16.31</b>	<b>3.10%</b>	<b>88.50%</b>	
HST		13.00%	68.35		13.00%	70.47	2.12	3.10%	11.50%	
<b>Total Bill</b>			<b>594.15</b>			<b>612.58</b>	<b>\$18.43</b>	<b>3.10%</b>	<b>100.00%</b>	

**GENERAL SERVICE < 50 kW**

Consumption	2010 BILL			2011 BILL			IMPACT		
	Volume	RATE \$	CHARGE \$	Volume	RATE \$	CHARGE \$	\$	%	% of Total Bill
10,000 kWh			27.45			32.09	4.64	16.90%	2.69%
	10,000	0.0072	72.00	10,000	0.0084	84.00	12.00	16.67%	7.03%
	10,000	0.0000	0.00	10,000	0.000040	0.40	0.40	#DIV/0!	0.03%
			1.56			2.14	0.58	37.18%	0.18%
	10,000	0.0000	0.00	10,000	0.0000	0.00	0.00	#DIV/0!	0.00%
			0.00			0.63	0.63	#DIV/0!	0.05%
	10,000	(0.0025)	(25.00)	10,000	(0.0029)	(29.00)	(4.00)	16.00%	(2.43%)
			<b>76.01</b>			<b>90.26</b>	<b>14.25</b>	<b>18.75%</b>	<b>7.56%</b>
	10,421	0.0097	101.08	10,407	0.0114	118.64	17.56	17.37%	9.93%
			<b>177.09</b>			<b>208.90</b>	<b>31.81</b>	<b>17.96%</b>	<b>17.49%</b>
	10,421	0.0072	75.03	10,407	0.0072	74.93	(0.10)	(0.13%)	6.27%
	750	0.0650	48.75	750	0.0650	48.75	0.00	0.00%	4.08%
	9,671	0.0750	725.33	9,657	0.0750	724.28	(1.05)	(0.14%)	60.65%
	10,421	0.0003725	3.88	10,421	0.0000000	0.00	(3.88)	(100.00%)	0.00%
			<b>1,030.08</b>			<b>1,056.86</b>	<b>\$26.77</b>	<b>2.60%</b>	<b>88.50%</b>
		13.00%	133.91		13.00%	137.39	3.48	2.60%	11.50%
			<b>1,163.99</b>			<b>1,194.25</b>	<b>\$30.25</b>	<b>2.60%</b>	<b>100.00%</b>

**GENERAL SERVICE < 50 kW**

Consumption	2010 BILL			2011 BILL			IMPACT		
	Volume	RATE \$	CHARGE \$	Volume	RATE \$	CHARGE \$	\$	%	% of Total Bill
12,500 kWh			27.45			32.09	4.64	16.90%	2.16%
	12,500	0.0072	90.00	12,500	0.0084	105.00	15.00	16.67%	7.07%
	12,500	0.0000	0.00	12,500	0.000040	0.50	0.50	#DIV/0!	0.03%
			1.56			2.14	0.58	37.18%	0.14%
	12,500	0.0000	0.00	12,500	0.0000	0.00	0.00	#DIV/0!	0.00%
			0.00			0.63	0.63	#DIV/0!	0.04%
	12,500	(0.0025)	(31.25)	12,500	(0.0029)	(36.25)	(5.00)	16.00%	(2.44%)
			<b>87.76</b>			<b>104.11</b>	<b>16.35</b>	<b>18.63%</b>	<b>7.01%</b>
	13,026	0.0097	126.35	13,009	0.0114	148.30	21.95	17.37%	9.99%
			<b>214.11</b>			<b>252.41</b>	<b>38.30</b>	<b>17.89%</b>	<b>17.00%</b>
	13,026	0.0072	93.79	13,009	0.0072	93.66	(0.13)	(0.13%)	6.31%
	750	0.0650	48.75	750	0.0650	48.75	0.00	0.00%	3.28%
	12,276	0.0750	920.72	12,259	0.0750	919.41	(1.31)	(0.14%)	61.91%
	13,026	0.0003725	4.85	13,026	0.0000000	0.00	(4.85)	(100.00%)	0.00%
			<b>1,282.22</b>			<b>1,314.23</b>	<b>\$32.00</b>	<b>2.50%</b>	<b>88.50%</b>
		13.00%	166.69		13.00%	170.85	4.16	2.50%	11.50%
			<b>1,448.91</b>			<b>1,485.08</b>	<b>\$36.16</b>	<b>2.50%</b>	<b>100.00%</b>

**GENERAL SERVICE < 50 kW**

Consumption	2010 BILL			2011 BILL			IMPACT		
	Volume	RATE \$	CHARGE \$	Volume	RATE \$	CHARGE \$	\$	%	% of Total Bill
15,000 kWh			27.45			32.09	4.64	16.90%	1.81%
	15,000	0.0072	108.00	15,000	0.0084	126.00	18.00	16.67%	7.09%
	15,000	0.0000	0.00	15,000	0.000040	0.60	0.60	#DIV/0!	0.03%
			1.56			2.14	0.58	37.18%	0.12%
	15,000	0.0000	0.00	15,000	0.0000	0.00	0.00	#DIV/0!	0.00%
			0.00			0.63	0.63	#DIV/0!	0.04%
	15,000	(0.0025)	(37.50)	15,000	(0.0029)	(43.50)	(6.00)	16.00%	(2.45%)
			<b>99.51</b>			<b>117.96</b>	<b>18.45</b>	<b>18.54%</b>	<b>6.64%</b>
	15,632	0.0097	151.63	15,611	0.0114	177.96	26.33	17.37%	10.02%
			<b>251.14</b>			<b>295.92</b>	<b>44.78</b>	<b>17.83%</b>	<b>16.66%</b>
	15,632	0.0072	112.55	15,611	0.0072	112.40	(0.15)	(0.13%)	6.33%
	750	0.0650	48.75	750	0.0650	48.75	0.00	0.00%	2.75%
	14,882	0.0750	1,116.11	14,861	0.0750	1,114.54	(1.58)	(0.14%)	62.76%
	15,632	0.0003725	5.82	15,632	0.0000000	0.00	(5.82)	(100.00%)	0.00%
			<b>1,534.37</b>			<b>1,571.60</b>	<b>\$37.24</b>	<b>2.43%</b>	<b>88.50%</b>
		13.00%	199.47		13.00%	204.31	4.84	2.43%	11.50%
			<b>1,733.84</b>			<b>1,775.91</b>	<b>\$42.08</b>	<b>2.43%</b>	<b>100.00%</b>



**GENERAL SERVICE > 50 kW**

	2010 BILL			2011 BILL			IMPACT		
	Volume	RATE \$	CHARGE \$	Volume	RATE \$	CHARGE \$	Change \$	Change %	% of Total Bill
<b>Consumption</b>									
<b>30,000 kWh</b>									
<b>100 kW</b>									
Monthly Service Charge			250.33			292.65	42.32	16.91%	8.38%
Distribution (kW)	100	1.7875	178.75	100	2.0305	203.05	24.30	13.59%	5.81%
Low Voltage Rider (kW)	100	0.0121	1.21	100	0.018250	1.83	0.62	50.83%	0.05%
Smart Meter Rider (per month)			1.56			2.14	0.58	37.18%	0.06%
LRAM & SSM Rider (kW)	100		0.00	100	0.0000	0.00	0.00	#DIV/0!	0.00%
Late Payment (\$/Customer/Month)			0.00			7.11	7.11	#DIV/0!	0.20%
Deferral & Variance Acct (kW)	100	(1.0002)	(100.02)	100	(1.2162)	(121.62)	(21.60)	21.60%	(3.48%)
<b>Distribution Sub-Total</b>			<b>331.83</b>			<b>385.16</b>	<b>53.33</b>	<b>16.07%</b>	<b>11.02%</b>
Retail Transmission (kW)	100	3.8311	383.11	100	4.5227	452.27	69.16	18.05%	12.95%
<b>Delivery Sub-Total</b>			<b>714.94</b>			<b>837.43</b>	<b>122.49</b>	<b>17.13%</b>	<b>23.97%</b>
Other Charges (kWh)	31,263	0.0072	225.09	31,221	0.0072	224.79	(0.30)	(0.13%)	6.43%
Cost of Power Commodity (kWh)	31,263	0.0650	2,032.10	31,221	0.0650	2,029.37	(2.73)	(0.13%)	58.09%
SPC (kWh)	31,263	0.0003725	11.65	31,263	0.0000000	0.00	(11.65)	(100.00%)	0.00%
<b>Total Bill Before Taxes</b>			<b>2,983.77</b>			<b>3,091.58</b>	<b>107.81</b>	<b>3.61%</b>	<b>88.50%</b>
HST		13.00%	387.89		13.00%	401.91	14.01	3.61%	11.50%
<b>Total Bill</b>			<b>3,371.66</b>			<b>3,493.49</b>	<b>121.82</b>	<b>3.61%</b>	<b>100.00%</b>

**GENERAL SERVICE > 50 kW**

	2010 BILL			2011 BILL			IMPACT		
	Volume	RATE \$	CHARGE \$	Volume	RATE \$	CHARGE \$	Change \$	Change %	% of Total Bill
<b>Consumption</b>									
<b>75,000 kWh</b>									
<b>250 kW</b>									
Monthly Service Charge			250.33			292.65	42.32	16.91%	3.56%
Distribution (kW)	250	1.7875	446.88	250	2.0305	507.63	60.75	13.59%	6.17%
Low Voltage Rider (kW)	250	0.0121	3.03	250	0.018250	4.56	1.54	50.83%	0.06%
Smart Meter Rider (per month)			1.56			2.14	0.58	37.18%	0.03%
LRAM & SSM Rider (kW)	250		0.00	250	0.0000	0.00	0.00	#DIV/0!	0.00%
Late Payment (\$/Customer/Month)			0.00			7.11	7.11	#DIV/0!	0.09%
Deferral & Variance Acct (kW)	250	(1.0002)	(250.05)	250	(1.2162)	(304.05)	(54.00)	21.60%	(3.70%)
<b>Distribution Sub-Total</b>			<b>451.74</b>			<b>510.04</b>	<b>58.30</b>	<b>12.91%</b>	<b>6.20%</b>
Retail Transmission (kW)	250	3.8311	957.78	250	4.5227	1,130.68	172.90	18.05%	13.75%
<b>Delivery Sub-Total</b>			<b>1,409.52</b>			<b>1,640.71</b>	<b>231.20</b>	<b>16.40%</b>	<b>19.96%</b>
Other Charges (kWh)	78,158	0.0072	562.73	78,053	0.0072	561.98	(0.76)	(0.13%)	6.84%
Cost of Power Commodity (kWh)	78,158	0.0650	5,080.24	78,053	0.0650	5,073.41	(6.82)	(0.13%)	61.71%
SPC (kWh)	78,158	0.0003725	29.11	78,158	0.0000000	0.00	(29.11)	(100.00%)	0.00%
<b>Total Bill Before Taxes</b>			<b>7,081.60</b>			<b>7,276.10</b>	<b>194.50</b>	<b>2.75%</b>	<b>88.50%</b>
HST		13.00%	920.61		13.00%	945.89	25.29	2.75%	11.50%
<b>Total Bill</b>			<b>8,002.21</b>			<b>8,222.00</b>	<b>219.79</b>	<b>2.75%</b>	<b>100.00%</b>

**GENERAL SERVICE > 50 kW**

	2010 BILL			2011 BILL			IMPACT		
	Volume	RATE \$	CHARGE \$	Volume	RATE \$	CHARGE \$	Change \$	Change %	% of Total Bill
<b>Consumption</b>									
<b>100,000 kWh</b>									
<b>350 kW</b>									
Monthly Service Charge			250.33			292.65	42.32	16.91%	2.67%
Distribution (kW)	350	1.7875	625.63	350	2.0305	710.68	85.05	13.59%	6.49%
Low Voltage Rider (kW)	350	0.0121	4.24	350	0.018250	6.39	2.15	50.83%	0.06%
Smart Meter Rider (per month)			1.56			2.14	0.58	37.18%	0.02%
LRAM & SSM Rider (kW)	350		0.00	350	0.0000	0.00	0.00	#DIV/0!	0.00%
Late Payment (\$/Customer/Month)			0.00			7.11	7.11	#DIV/0!	0.06%
Deferral & Variance Acct (kW)	350	(1.0002)	(350.07)	350	(1.2162)	(425.67)	(75.60)	21.60%	(3.89%)
<b>Distribution Sub-Total</b>			<b>531.68</b>			<b>593.29</b>	<b>61.61</b>	<b>11.59%</b>	<b>5.42%</b>
Retail Transmission (kW)	350	3.8311	1,340.89	350	4.5227	1,582.95	242.06	18.05%	14.46%
<b>Delivery Sub-Total</b>			<b>1,872.57</b>			<b>2,176.24</b>	<b>303.67</b>	<b>16.22%</b>	<b>19.87%</b>
Other Charges (kWh)	104,210	0.0072	750.31	104,070	0.0072	749.30	(1.01)	(0.13%)	6.84%
Cost of Power Commodity (kWh)	104,210	0.0650	6,773.65	104,070	0.0650	6,764.55	(9.10)	(0.13%)	61.78%
SPC (kWh)	104,210	0.0003725	38.82	104,210	0.0000000	0.00	(38.82)	(100.00%)	0.00%
<b>Total Bill Before Taxes</b>			<b>9,435.35</b>			<b>9,690.09</b>	<b>254.75</b>	<b>2.70%</b>	<b>88.50%</b>
HST		13.00%	1,226.59		13.00%	1,259.71	33.12	2.70%	11.50%
<b>Total Bill</b>			<b>10,661.94</b>			<b>10,949.80</b>	<b>287.86</b>	<b>2.70%</b>	<b>100.00%</b>

**GENERAL SERVICE > 50 kW**

	2010 BILL			2011 BILL			IMPACT		
	Volume	RATE \$	CHARGE \$	Volume	RATE \$	CHARGE \$	Change \$	Change %	% of Total Bill
<b>Consumption</b>									
<b>800,000 kWh</b>									
<b>2,000 kW</b>									
Monthly Service Charge			250.33			292.65	42.32	16.91%	0.36%
Distribution (kW)	2,000	1.7875	3,575.00	2,000	2.0305	4,061.00	486.00	13.59%	5.05%
Low Voltage Rider (kW)	2,000	0.0121	24.20	2,000	0.018250	36.50	12.30	50.83%	0.05%
Smart Meter Rider (per month)			1.56			2.14	0.58	37.18%	0.00%
LRAM & SSM Rider (kW)	2,000		0.00	2,000	0.0000	0.00	0.00	#DIV/0!	0.00%
Late Payment (\$/Customer/Month)			0.00			7.11	7.11	#DIV/0!	0.01%
Deferral & Variance Acct (kW)	2,000	(1.0002)	(2,000.40)	2,000	(1.2162)	(2,432.40)	(432.00)	21.60%	(3.03%)
<b>Distribution Sub-Total</b>			<b>1,850.69</b>			<b>1,967.00</b>	<b>116.31</b>	<b>6.28%</b>	<b>2.45%</b>
Retail Transmission (kW)	2,000	3.8311	7,662.20	2,000	4.5227	9,045.40	1,383.20	18.05%	11.25%
<b>Delivery Sub-Total</b>			<b>9,512.89</b>			<b>11,012.40</b>	<b>1,499.51</b>	<b>15.76%</b>	<b>13.70%</b>
Other Charges (kWh)	833,680	0.0072	6,002.50	832,560	0.0072	5,994.43	(8.06)	(0.13%)	7.46%
Cost of Power Commodity (kWh)	833,680	0.0650	54,189.20	832,560	0.0650	54,116.40	(72.80)	(0.13%)	67.33%
SPC (kWh)	833,680	0.0003725	310.55	833,680	0.0000000	0.00	(310.55)	(100.00%)	0.00%
<b>Total Bill Before Taxes</b>			<b>70,015.13</b>			<b>71,123.23</b>	<b>1,108.10</b>	<b>1.58%</b>	<b>88.50%</b>
HST		13.00%	9,101.97		13.00%	9,246.02	144.05	1.58%	11.50%
<b>Total Bill</b>			<b>79,117.10</b>			<b>80,369.25</b>	<b>1,252.15</b>	<b>1.58%</b>	<b>100.00%</b>

**GENERAL SERVICE > 50 kW**

	2010 BILL			2011 BILL			IMPACT		
	Volume	RATE \$	CHARGE \$	Volume	RATE \$	CHARGE \$	Change \$	Change %	% of Total Bill
<b>Consumption</b>									
<b>1,600,000 kWh</b>									
<b>4,000 kW</b>									
Monthly Service Charge			250.33			292.65	42.32	16.91%	0.18%
Distribution (kW)	4,000	1.7875	7,150.00	4,000	2.0305	8,122.00	972.00	13.59%	5.06%
Low Voltage Rider (kW)	4,000	0.0121	48.40	4,000	0.018250	73.00	24.60	50.83%	0.05%
Smart Meter Rider (per month)			1.56			2.14	0.58	37.18%	0.00%
LRAM & SSM Rider (kW)	4,000		0.00	4,000	0.0000	0.00	0.00	#DIV/0!	0.00%
Late Payment (\$/Customer/Month)			0.00			7.11	7.11	#DIV/0!	0.00%
Deferral & Variance Acct (kW)	4,000	(1.0002)	(4,000.80)	4,000	(1.2162)	(4,864.80)	(864.00)	21.60%	(3.03%)
<b>Distribution Sub-Total</b>			<b>3,449.49</b>			<b>3,632.10</b>	<b>182.61</b>	<b>5.29%</b>	<b>2.26%</b>
Retail Transmission (kW)	4,000	3.8311	15,324.40	4,000	4.5227	18,090.80	2,766.40	18.05%	11.28%
<b>Delivery Sub-Total</b>			<b>18,773.89</b>			<b>21,722.90</b>	<b>2,949.01</b>	<b>15.71%</b>	<b>13.54%</b>
Other Charges (kWh)	1,667,360	0.0072	12,004.99	1,665,120	0.0072	11,988.86	(16.13)	(0.13%)	7.47%
Cost of Power Commodity (kWh)	1,667,360	0.0650	108,378.40	1,665,120	0.0650	108,232.80	(145.60)	(0.13%)	67.48%
SPC (kWh)	1,667,360	0.0003725	621.09	1,667,360	0.0000000	0.00	(621.09)	(100.00%)	0.00%
<b>Total Bill Before Taxes</b>			<b>139,778.37</b>			<b>141,944.56</b>	<b>2,166.19</b>	<b>1.55%</b>	<b>88.50%</b>
HST		13.00%	18,171.19		13.00%	18,452.79	281.60	1.55%	11.50%
<b>Total Bill</b>			<b>157,949.56</b>			<b>160,397.36</b>	<b>2,447.80</b>	<b>1.55%</b>	<b>100.00%</b>

**LARGE USER (> 5000 kW)**

	2010 BILL			2011 BILL			IMPACT		
	Volume	RATE \$	CHARGE \$	Volume	RATE \$	CHARGE \$	Change \$	Change %	% of Total Bill
<b>Consumption</b>									
<b>2,800,000 kWh</b>									
<b>6,500 kW</b>									
Monthly Service Charge			11,151.32			22,590.17	11,438.85	102.58%	7.39%
Distribution (kW)	6,500	1.0123	6,579.95	6,500	1.3328	8,663.20	2,083.25	31.66%	2.83%
Low Voltage Rider (kW)	6,500	0.014	91.00	6,500	0.019320	125.58	34.58	38.00%	0.04%
Smart Meter Rider (per month)			1.56			2.14	0.58	37.18%	0.00%
LRAM & SSM Rider (kW)	6,500		0.00	6,500	0.0000	0.00	0.00	#DIV/0!	0.00%
Late Payment (\$/Customer/Month)			0.00			414.57	414.57	#DIV/0!	0.14%
Deferral & Variance Acct (kW)	6,500	(0.6827)	(4,437.55)	6,500	(0.7950)	(5,167.50)	(729.95)	16.45%	(1.69%)
<b>Distribution Sub-Total</b>			<b>13,386.28</b>			<b>26,628.16</b>	<b>13,241.88</b>	<b>98.92%</b>	<b>8.71%</b>
Retail Transmission (kW)	6,500	4.3886	28,525.90	6,500	5.1805	33,673.25	5,147.35	18.04%	11.01%
<b>Delivery Sub-Total</b>			<b>41,912.18</b>			<b>60,301.41</b>	<b>18,389.23</b>	<b>43.88%</b>	<b>19.71%</b>
Other Charges (kWh)	2,917,880	0.0072	21,008.74	2,913,960	0.0072	20,980.51	(28.22)	(0.13%)	6.86%
Cost of Power Commodity (kWh)	2,917,880	0.0650	189,662.20	2,913,960	0.0650	189,407.40	(254.80)	(0.13%)	61.92%
SPC (kWh)	2,917,880	0.0003725	1,086.91	2,917,880	0.0000000	0.00	(1,086.91)	(100.00%)	0.00%
<b>Total Bill Before Taxes</b>			<b>253,670.03</b>			<b>270,689.32</b>	<b>17,019.30</b>	<b>6.71%</b>	<b>88.50%</b>
HST		13.00%	32,977.10		13.00%	35,189.61	2,212.51	6.71%	11.50%
<b>Total Bill</b>			<b>286,647.13</b>			<b>305,878.93</b>	<b>19,231.80</b>	<b>6.71%</b>	<b>100.00%</b>

**LARGE USER (> 5000 kW)**

	2010 BILL			2011 BILL			IMPACT		
	Volume	RATE \$	CHARGE \$	Volume	RATE \$	CHARGE \$	Change \$	Change %	% of Total Bill
<b>Consumption</b>									
<b>3,100,000 kWh</b>									
<b>7,500 kW</b>									
Monthly Service Charge			11,151.32			22,590.17	11,438.85	102.58%	6.69%
Distribution (kW)	7,500	1.0123	7,592.25	7,500	1.3328	9,996.00	2,403.75	31.66%	2.96%
Low Voltage Rider (kW)	7,500	0.014	105.00	7,500	0.019320	144.90	39.90	38.00%	0.04%
Smart Meter Rider (per month)			1.56			2.14	0.58	37.18%	0.00%
LRAM & SSM Rider (kW)	7,500		0.00	7,500	0.0000	0.00	0.00	#DIV/0!	0.00%
Late Payment (\$/Customer/Month)			0.00			414.57	414.57	#DIV/0!	0.12%
Deferral & Variance Acct (kW)	7,500	(0.6827)	(5,120.25)	7,500	(0.7950)	(5,962.50)	(842.25)	16.45%	(1.76%)
<b>Distribution Sub-Total</b>			<b>13,729.88</b>			<b>27,185.28</b>	<b>13,455.40</b>	<b>98.00%</b>	<b>8.05%</b>
Retail Transmission (kW)	7,500	4.3886	32,914.50	7,500	5.1805	38,853.75	5,939.25	18.04%	11.50%
<b>Delivery Sub-Total</b>			<b>46,644.38</b>			<b>66,039.03</b>	<b>19,394.65</b>	<b>41.58%</b>	<b>19.55%</b>
Other Charges (kWh)	3,230,510	0.0072	23,259.67	3,226,170	0.0072	23,228.42	(31.25)	(0.13%)	6.88%
Cost of Power Commodity (kWh)	3,230,510	0.0650	209,983.15	3,226,170	0.0650	209,701.05	(282.10)	(0.13%)	62.07%
SPC (kWh)	3,230,510	0.0003725	1,203.36	3,230,510	0.0000000	0.00	(1,203.36)	(100.00%)	0.00%
<b>Total Bill Before Taxes</b>			<b>281,090.57</b>			<b>298,968.50</b>	<b>17,877.94</b>	<b>6.36%</b>	<b>88.50%</b>
HST		13.00%	36,541.77		13.00%	38,865.91	2,324.13	6.36%	11.50%
<b>Total Bill</b>			<b>317,632.34</b>			<b>337,834.41</b>	<b>20,202.07</b>	<b>6.36%</b>	<b>100.00%</b>

**LARGE USER (> 5000 kW)**

	2010 BILL			2011 BILL			IMPACT		
	Volume	RATE \$	CHARGE \$	Volume	RATE \$	CHARGE \$	Change \$	Change %	% of Total Bill
<b>Consumption</b>									
<b>4,200,000 kWh</b>									
<b>10,000 kW</b>									
Monthly Service Charge			11,151.32			22,590.17	11,438.85	102.58%	5.05%
Distribution (kW)	10,000	1.0123	10,123.00	10,000	1.3328	13,328.00	3,205.00	31.66%	2.98%
Low Voltage Rider (kW)	10,000	0.014	140.00	10,000	0.019320	193.20	53.20	38.00%	0.04%
Smart Meter Rider (per month)			1.56			2.14	0.58	37.18%	0.00%
LRAM & SSM Rider (kW)	10,000		0.00	10,000	0.0000	0.00	0.00	#DIV/0!	0.00%
Late Payment (\$/Customer/Month)			0.00			414.57	414.57	#DIV/0!	0.09%
Deferral & Variance Acct (kW)	10,000	(0.6827)	(6,827.00)	10,000	(0.7950)	(7,950.00)	(1,123.00)	16.45%	(1.78%)
<b>Distribution Sub-Total</b>			<b>14,588.88</b>			<b>28,578.08</b>	<b>13,989.20</b>	<b>95.89%</b>	<b>6.39%</b>
Retail Transmission (kW)	10,000	4.3886	43,886.00	10,000	5.1805	51,805.00	7,919.00	18.04%	11.58%
<b>Delivery Sub-Total</b>			<b>58,474.88</b>			<b>80,383.08</b>	<b>21,908.20</b>	<b>37.47%</b>	<b>17.97%</b>
Other Charges (kWh)	4,376,820	0.0072	31,513.10	4,370,940	0.0072	31,470.77	(42.34)	(0.13%)	7.03%
Cost of Power Commodity (kWh)	4,376,820	0.0650	284,493.30	4,370,940	0.0650	284,111.10	(382.20)	(0.13%)	63.50%
SPC (kWh)	4,376,820	0.0003725	1,630.37	4,376,820	0.0000000	0.00	(1,630.37)	(100.00%)	0.00%
<b>Total Bill Before Taxes</b>			<b>376,111.65</b>			<b>395,964.95</b>	<b>19,853.30</b>	<b>5.28%</b>	<b>88.50%</b>
HST		13.00%	48,894.51		13.00%	51,475.44	2,580.93	5.28%	11.50%
<b>Total Bill</b>			<b>425,006.16</b>			<b>447,440.39</b>	<b>22,434.23</b>	<b>5.28%</b>	<b>100.00%</b>

**LARGE USER (> 5000 kW)**

	2010 BILL			2011 BILL			IMPACT		
	Volume	RATE \$	CHARGE \$	Volume	RATE \$	CHARGE \$	Change \$	Change %	% of Total Bill
<b>Consumption</b>									
<b>4,700,000 kWh</b>									
<b>13,900 kW</b>									
Monthly Service Charge			11,151.32			22,590.17	11,438.85	102.58%	4.38%
Distribution (kW)	13,900	1.0123	14,070.97	13,900	1.3328	18,525.92	4,454.95	31.66%	3.60%
Low Voltage Rider (kW)	13,900	0.014	194.60	13,900	0.019320	268.55	73.95	38.00%	0.05%
Smart Meter Rider (per month)			1.56			2.14	0.58	37.18%	0.00%
LRAM & SSM Rider (kW)	13,900		0.00	13,900	0.0000	0.00	0.00	#DIV/0!	0.00%
Late Payment (\$/Customer/Month)			0.00			414.57	414.57	#DIV/0!	0.08%
Deferral & Variance Acct (kW)	13,900	(0.6827)	(9,489.53)	13,900	(0.7950)	(11,050.50)	(1,560.97)	16.45%	(2.14%)
<b>Distribution Sub-Total</b>			<b>15,928.92</b>			<b>30,750.85</b>	<b>14,821.93</b>	<b>93.05%</b>	<b>5.97%</b>
Retail Transmission (kW)	13,900	4.3886	61,001.54	13,900	5.1805	72,008.95	11,007.41	18.04%	13.98%
<b>Delivery Sub-Total</b>			<b>76,930.46</b>			<b>102,759.80</b>	<b>25,829.34</b>	<b>33.57%</b>	<b>19.95%</b>
Other Charges (kWh)	4,897,870	0.0072	35,264.66	4,891,290	0.0072	35,217.29	(47.38)	(0.13%)	6.84%
Cost of Power Commodity (kWh)	4,897,870	0.0650	318,361.55	4,891,290	0.0650	317,933.85	(427.70)	(0.13%)	61.71%
SPC (kWh)	4,897,870	0.0003725	1,824.46	4,897,870	0.0000000	0.00	(1,824.46)	(100.00%)	0.00%
<b>Total Bill Before Taxes</b>			<b>432,381.13</b>			<b>455,910.94</b>	<b>23,529.81</b>	<b>5.44%</b>	<b>88.50%</b>
HST		13.00%	56,209.55		13.00%	59,268.42	3,058.87	5.44%	11.50%
<b>Total Bill</b>			<b>488,590.68</b>			<b>515,179.36</b>	<b>26,588.68</b>	<b>5.44%</b>	<b>100.00%</b>

Street Lighting										
Billing Determinants		2010 BILL			2011 BILL			IMPACT		
		Volume	RATE \$	CHARGE \$	Volume	RATE \$	CHARGE \$	Change \$	Change %	% of Total Bill
6,677 Connections	Monthly Service Charge	6,677	1.9700	13,153.69	6,677	2.3030	15,377.13	2,223.44	16.90%	5.33%
2,400,000 kWh	Distribution (kW)	6,800	5.2585	35,757.80	6,800	6.1474	41,802.32	6,044.52	16.90%	14.49%
6,800 kW	Low Voltage Rider (kW)	6,800	0.0095	64.60	6,800	0.014390	97.85	33.25	51.47%	0.03%
	LRAM & SSM Rider (kW)	6,800		0.00	6,800	0.0000	0.00	0.00	#DIV/0!	0.00%
	Late Payment (\$/Customer/Month)			0.00			0.03	0.03	#DIV/0!	0.00%
	Deferral & Variance Acct (kW)	6,800	(0.8654)	-5,884.72	6,800	(0.9644)	(6,557.92)	(673.20)	11.44%	(2.27%)
	<b>Distribution Sub-Total</b>			<b>43,091.37</b>			<b>50,719.41</b>	<b>7,628.04</b>	<b>17.70%</b>	<b>17.59%</b>
	Retail Transmission (kW)	6,800	3.0113	20,476.84	6,800	3.55500	24,174.00	3,697.16	18.06%	8.38%
	<b>Delivery Sub-Total</b>			<b>63,568.21</b>			<b>74,893.41</b>	<b>11,325.20</b>	<b>17.82%</b>	<b>25.97%</b>
	Other Charges (kWh)	2,501,040	0.0072	18,007.49	2,497,680	0.0072	17,983.30	(24.19)	(0.13%)	6.24%
	Cost of Power Commodity (kWh)	2,501,040	0.0650	162,567.60	2,497,680	0.0650	162,349.20	(218.40)	(0.13%)	56.29%
	SPC (kWh)	2,501,040	0.0003725	931.64	2,501,040	0.0000000	0.00	(931.64)	(100.00%)	0.00%
	<b>Total Bill Before Taxes</b>			<b>245,074.94</b>			<b>255,225.91</b>	<b>10,150.97</b>	<b>4.14%</b>	<b>88.50%</b>
	HST		13.00%	31,859.74		13.00%	33,179.37	1,319.63	4.14%	11.50%
	<b>Total Bill</b>			<b>276,934.68</b>			<b>288,405.28</b>	<b>11,470.60</b>	<b>4.14%</b>	<b>100.00%</b>

Street Lighting										
Billing Determinants		2010 BILL			2011 BILL			IMPACT		
		Volume	RATE \$	CHARGE \$	Volume	RATE \$	CHARGE \$	Change \$	Change %	% of Total Bill
1 Connections	Monthly Service Charge	1	1.9700	1.97	1	2.3030	2.30	0.33	16.90%	23.94%
62 kWh	Distribution (kW)	0	5.2585	0.89	0	6.1474	1.05	0.15	16.90%	10.86%
0 kW	Low Voltage Rider (kW)	0	0.0095	0.00	0	0.014390	0.00	0.00	51.47%	0.03%
	LRAM & SSM Rider (kW)	0		0.00	0	0.0000	0.00	0.00	#DIV/0!	0.00%
	Late Payment (\$/Customer/Month)			0.00			0.03	0.03	#DIV/0!	0.31%
	Deferral & Variance Acct (kW)	0	(0.8654)	-0.15	0	(0.9644)	(0.16)	(0.02)	11.44%	(1.70%)
	<b>Distribution Sub-Total</b>			<b>2.72</b>			<b>3.22</b>	<b>0.50</b>	<b>18.32%</b>	<b>33.43%</b>
	Retail Transmission (kW)	0	3.0113	0.51	0	3.55500	0.60	0.09	18.06%	6.28%
	<b>Delivery Sub-Total</b>			<b>3.23</b>			<b>3.82</b>	<b>0.59</b>	<b>18.28%</b>	<b>39.71%</b>
	Other Charges (kWh)	65	0.0072	0.47	65	0.0072	0.47	(0.00)	(0.13%)	4.86%
	Cost of Power Commodity (kWh)	65	0.0650	4.23	65	0.0650	4.23	(0.01)	(0.13%)	43.92%
	SPC (kWh)	65	0.0003725	0.02	65	0.0000000	0.00	(0.02)	(100.00%)	0.00%
	<b>Total Bill Before Taxes</b>			<b>7.95</b>			<b>8.51</b>	<b>0.56</b>	<b>7.04%</b>	<b>88.50%</b>
	HST		13.00%	1.03		13.00%	1.11	0.07	7.04%	11.50%
	<b>Total Bill</b>			<b>8.99</b>			<b>9.62</b>	<b>0.63</b>	<b>7.04%</b>	<b>100.00%</b>

Sentinel Lighting										
Billing Determinants		2010 BILL			2011 BILL			IMPACT		
		Volume	RATE \$	CHARGE \$	Volume	RATE \$	CHARGE \$	Change \$	Change %	% of Total Bill
721 Connections	Monthly Service Charge	721	2.8900	2,083.69	721	4.4136	3,182.21	1,098.52	52.72%	20.62%
97,008 kWh	Distribution (kW)	216	7.9297	1,712.82	216	12.1102	2,615.80	902.99	52.72%	16.95%
216 kW	Low Voltage Rider (kW)	216	0.0097	2.10	216	0.015270	3.30	1.20	57.42%	0.02%
	LRAM & SSM Rider (kW)	216		0.00	216	0.0000	0.00	0.00	#DIV/0!	0.00%
	Late Payment (\$/Customer/Month)			0.00			0.06	0.06	#DIV/0!	0.00%
	Deferral & Variance Acct (kW)	216	(1.3797)	-298.02	216	(1.0808)	(233.45)	64.56	(21.66%)	(1.51%)
	<b>Distribution Sub-Total</b>			<b>3,500.59</b>			<b>5,567.91</b>	<b>2,067.33</b>	<b>59.06%</b>	<b>36.08%</b>
	Retail Transmission (kW)	216	3.137	677.59	216	3.70420	800.11	122.52	18.08%	5.18%
	<b>Delivery Sub-Total</b>			<b>4,178.18</b>			<b>6,368.02</b>	<b>2,189.84</b>	<b>52.41%</b>	<b>41.26%</b>
	Other Charges (kWh)	101,092	0.0072	727.86	100,956	0.0072	726.88	(0.98)	(0.13%)	4.71%
	Cost of Power Commodity (kWh)	101,092	0.0650	6,570.98	100,956	0.0650	6,562.15	(8.83)	(0.13%)	42.52%
	SPC (kWh)	101,092	0.0003725	37.66	101,092	0.0000000	0.00	(37.66)	(100.00%)	0.00%
	<b>Total Bill Before Taxes</b>			<b>11,514.68</b>			<b>13,657.06</b>	<b>2,142.38</b>	<b>18.61%</b>	<b>88.50%</b>
	HST		13.00%	1,496.91		13.00%	1,775.42	278.51	18.61%	11.50%
	<b>Total Bill</b>			<b>13,011.59</b>			<b>15,432.48</b>	<b>2,420.89</b>	<b>18.61%</b>	<b>100.00%</b>

### Sentinel Lighting

Billing Determinants	2010 BILL			2011 BILL			IMPACT		
	Volume	RATE \$	CHARGE \$	Volume	RATE \$	CHARGE \$	Change \$	Change %	% of Total Bill
<b>1 Connections</b>									
<b>134.55 kWh</b>									
<b>0 kW</b>									
Monthly Service Charge	1	2.8900	2.89	1	4.4136	4.41	1.52	52.72%	20.55%
Distribution (kW)	0	7.9297	2.38	0	12.1102	3.63	1.25	52.72%	16.91%
Low Voltage Rider (kW)	0	0.0097	0.00	0	0.015270	0.00	0.00	57.42%	0.02%
LRAM & SSM Rider (kW)	0		0.00	0	0.0000	0.00	0.00	#DIV/0!	0.00%
Late Payment (\$/Customer/Month)			0.00			0.06	0.06	#DIV/0!	0.28%
Deferral & Variance Acct (kW)	0	(1.3797)	-0.41	0	(1.0808)	(0.32)	0.09	(21.66%)	(1.51%)
<b>Distribution Sub-Total</b>			<b>4.86</b>			<b>7.79</b>	<b>2.93</b>	<b>60.30%</b>	<b>36.25%</b>
Retail Transmission (kW)	0	3.137	0.94	0	3.70420	1.11	0.17	18.08%	5.17%
<b>Delivery Sub-Total</b>			<b>5.80</b>			<b>8.90</b>	<b>3.10</b>	<b>53.44%</b>	<b>41.43%</b>
Other Charges (kWh)	140	0.0072	1.01	140	0.0072	1.01	(0.00)	(0.13%)	4.69%
Cost of Power Commodity (kWh)	140	0.0650	9.11	140	0.0650	9.10	(0.01)	(0.13%)	42.37%
SPC (kWh)	140	0.0003725	0.05	140	0.0000000	0.00	(0.05)	(100.00%)	0.00%
<b>Total Bill Before Taxes</b>			<b>15.97</b>			<b>19.01</b>	<b>3.03</b>	<b>18.99%</b>	<b>88.50%</b>
HST		13.00%	2.08		13.00%	2.47	0.39	18.99%	11.50%
<b>Total Bill</b>			<b>18.05</b>			<b>21.48</b>	<b>3.43</b>	<b>18.99%</b>	<b>100.00%</b>

### Unmetered Scattered

Consumption	2010 BILL			2011 BILL			IMPACT		
	Volume	RATE \$	CHARGE \$	Volume	RATE \$	CHARGE \$	Change \$	Change %	% of Total Bill
<b>250 kWh</b>									
Monthly Service Charge			9.59			10.16	0.57	5.97%	25.28%
Distribution (kWh)	250	0.0148	3.70	250	0.0157	3.93	0.23	6.08%	9.76%
Low Voltage Rider (kWh)	250	0	0.00	250	0.000050	0.01	0.01	#DIV/0!	0.03%
LRAM & SSM Rider (kWh)	250	0.0001	0.03	250	0.0000	0.00	(0.03)	(100.00%)	0.00%
Late Payment (\$/Customer/Month)			0.00			0.45	0.45	#DIV/0!	1.12%
Deferral & Variance Acct (kWh)	250	(0.0031)	-0.78	250	(0.0031)	(0.78)	0.00	0.00%	(1.93%)
<b>Distribution Sub-Total</b>			<b>12.54</b>			<b>13.78</b>	<b>1.24</b>	<b>9.85%</b>	<b>34.26%</b>
Retail Transmission (kWh)	261	0.0099	2.58	260	0.01160	3.02	0.44	17.01%	7.51%
<b>Delivery Sub-Total</b>			<b>15.12</b>			<b>16.79</b>	<b>1.67</b>	<b>11.07%</b>	<b>41.77%</b>
Other Charges (kWh)	261	0.0072	1.88	260	0.0072	1.87	(0.00)	(0.13%)	4.66%
Cost of Power Commodity (kWh)	261	0.0650	16.93	260	0.0650	16.91	(0.02)	(0.13%)	42.06%
SPC (kWh)	261	0.00037250	0.97	261	0.00000000	0.00	(0.97)	(100.00%)	0.00%
<b>Total Bill Before Taxes</b>			<b>34.90</b>			<b>35.58</b>	<b>0.24</b>	<b>0.69%</b>	<b>88.50%</b>
HST		13.00%	4.54		13.00%	4.63	0.09	1.94%	11.50%
<b>Total Bill</b>			<b>39.44</b>			<b>40.20</b>	<b>0.33</b>	<b>0.83%</b>	<b>100.00%</b>

### Unmetered Scattered

Consumption	2010 BILL			2011 BILL			IMPACT		
	Volume	RATE \$	CHARGE \$	Volume	RATE \$	CHARGE \$	Change \$	Change %	% of Total Bill
<b>500 kWh</b>									
Monthly Service Charge			9.59			10.16	0.57	5.97%	14.85%
Distribution (kWh)	500	0.0148	7.40	500	0.0157	7.85	0.45	6.08%	11.47%
Low Voltage Rider (kWh)	500	0	0.00	500	0.000050	0.03	0.03	#DIV/0!	0.04%
LRAM & SSM Rider (kWh)	500	0.0001	0.05	500	0.0000	0.00	(0.05)	(100.00%)	0.00%
Late Payment (\$/Customer/Month)			0.00			0.45	0.45	#DIV/0!	0.66%
Deferral & Variance Acct (kWh)	500	(0.0031)	-1.55	500	(0.0031)	(1.55)	0.00	0.00%	(2.27%)
<b>Distribution Sub-Total</b>			<b>15.49</b>			<b>16.94</b>	<b>1.45</b>	<b>9.35%</b>	<b>24.76%</b>
Retail Transmission (kWh)	521	0.0099	5.16	520	0.01160	6.04	0.88	17.01%	8.82%
<b>Delivery Sub-Total</b>			<b>20.65</b>			<b>22.97</b>	<b>2.33</b>	<b>11.26%</b>	<b>33.58%</b>
Other Charges (kWh)	521	0.0072	3.75	520	0.0072	3.75	(0.01)	(0.13%)	5.48%
Cost of Power Commodity (kWh)	521	0.0650	33.87	520	0.0650	33.82	(0.05)	(0.13%)	49.44%
SPC (kWh)	521	0.00037250	1.94	521	0.00000000	0.00	(1.94)	(100.00%)	0.00%
<b>Total Bill Before Taxes</b>			<b>60.21</b>			<b>60.54</b>	<b>-0.54</b>	<b>(0.90%)</b>	<b>88.50%</b>
HST		13.00%	7.83		13.00%	7.87	0.04	0.55%	11.50%
<b>Total Bill</b>			<b>68.04</b>			<b>68.41</b>	<b>-0.50</b>	<b>(0.74%)</b>	<b>100.00%</b>

## **Appendix C: Revenue Requirement Work Form**



# Revenue Requirement Work Form

Version: 2.11

Name of LDC: Horizon Utilities Corporation  
 File Number: EB-2010-0131  
 Rate Year: 2011

Data Input						(1)
	Initial Application	Adjustments	Close of Discovery	(7) Adjustments	Per Board Decision	
<b>1 Rate Base</b>						
Gross Fixed Assets (average)	\$669,240,937	\$ -	\$ 669,240,937	(\$17,774,503)	\$651,466,434	
Accumulated Depreciation (average)	(\$354,217,379) (5)		-\$ 354,217,379	\$12,935,690	(\$341,281,689)	
<b>Allowance for Working Capital:</b>						
Controllable Expenses	\$47,875,239	(\$80,000)	\$ 47,795,239	(\$5,038,967)	\$42,756,272	
Cost of Power	\$394,028,104	(\$11,843,267)	\$ 382,184,837	\$11,090,825	\$393,275,662	
Working Capital Rate (%)	14.00%		14.00%		13.50%	
<b>2 Utility Income</b>						
<b>Operating Revenues:</b>						
Distribution Revenue at Current Rates	\$83,665,964	(\$1,769,979)	\$81,895,985	\$434,345	\$82,330,330	
Distribution Revenue at Proposed Rates	\$103,225,970	(\$608,332)	\$102,617,638	(\$6,369,591)	\$96,248,047	
<b>Other Revenue:</b>						
Specific Service Charges	\$1,545,462	\$0	\$1,545,462	\$0	\$1,545,462	
Late Payment Charges	\$850,000	\$0	\$850,000	\$0	\$850,000	
Other Distribution Revenue	\$3,086,507	\$0	\$3,086,507	\$414,031	\$3,500,538	
Other Income and Deductions						
<b>Operating Expenses:</b>						
OM+A Expenses	\$47,537,439	(\$80,000)	\$ 47,457,439	(\$5,038,967)	\$42,418,472	
Depreciation/Amortization	\$27,371,137	\$ -	\$ 27,371,137	(\$346,389)	\$27,024,748	
Property taxes	\$337,800	\$ -	\$ 337,800	\$ -	\$337,800	
<b>Capital taxes</b>						
Other expenses						
<b>3 Taxes/PILs</b>						
<b>Taxable Income:</b>						
Adjustments required to arrive at taxable income	\$538,415 (3)		\$1,835,569		\$2,290,082	
<b>Utility Income Taxes and Rates:</b>						
Income taxes (not grossed up)	\$4,347,077		\$4,336,743		\$4,337,141	
Income taxes (grossed up)	\$6,058,644		\$5,904,367		\$5,892,407	
<b>Capital Taxes</b>						
Federal tax (%)	16.50%		14.80%	(6)	16.50%	(6)
Provincial tax (%)	11.75%		11.75%		9.89%	
Income Tax Credits						(8)
<b>4 Capitalization/Cost of Capital</b>						
<b>Capital Structure:</b>						
Long-term debt Capitalization Ratio (%)	56.0%		56.0%		56.0%	
Short-term debt Capitalization Ratio (%)	4.0% (2)		4.0%	(2)	4.0%	(2)
Common Equity Capitalization Ratio (%)	40.0%		40.0%		40.0%	
Preferred Shares Capitalization Ratio (%)						
	100.0%		100.0%		100.0%	
<b>Cost of Capital</b>						
Long-term debt Cost Rate (%)	5.80%		5.79%		5.79%	
Short-term debt Cost Rate (%)	2.07%		2.43%		2.46%	
Common Equity Cost Rate (%)	9.85%		9.66%		9.58%	
Preferred Shares Cost Rate (%)						

**Notes:**

(Rate Base through Revenue Requirement), except for Notes that the utility may wish to use to support the data. Notes should be put on the applicable pages to explain numbers shown.

- (1) All inputs are in dollars (\$) except where inputs are individually identified as percentages (%)
- (2) 4.0% unless an Applicant has proposed or been approved for another amount.
- (3) Net of addbacks and deductions to arrive at taxable income.
- (4) Average of Gross Fixed Assets at beginning and end of the Test Year
- (5) Average of Accumulated Depreciation at the beginning and end of the Test Year. Enter as a negative amount.
- (6) Not applicable as of July 1, 2010
- (7) Select option from drop-down list by clicking on cell M10. This column allows for the application update reflecting the end of discovery or Argument-in-Chief. Also, the outcome of any Settlement Process can be reflected.
- (8) Income Tax credits included in net tax rate.



## Revenue Requirement Work Form

Version: 2.11

Name of LDC: Horizon Utilities Corporation

File Number: EB-2010-0131

Rate Year: 2011

### Rate Base

Line No.	Particulars	Initial Application	Adjustments	Close of Discovery	Adjustments	Per Board Decision
1	Gross Fixed Assets (average) (3)	\$669,240,937	\$ -	\$669,240,937	(\$17,774,503)	\$651,466,434
2	Accumulated Depreciation (average) (3)	(\$354,217,379)	\$ -	(\$354,217,379)	\$12,935,690	(\$341,281,689)
3	Net Fixed Assets (average) (3)	\$315,023,558	\$ -	\$315,023,558	(\$4,838,813)	\$310,184,745
4	Allowance for Working Capital (1)	\$61,866,468	(\$1,669,257)	\$60,197,211	(\$1,332,900)	\$58,864,311
5	<b>Total Rate Base</b>	<b>\$376,890,026</b>	<b>(\$1,669,257)</b>	<b>\$375,220,769</b>	<b>(\$6,171,713)</b>	<b>\$369,049,056</b>

(1) Allowance for Working Capital - Derivation						
6	Controllable Expenses	\$47,875,239	(\$80,000)	\$47,795,239	(\$5,038,967)	\$42,756,272
7	Cost of Power	\$394,028,104	(\$11,843,267)	\$382,184,837	\$11,090,825	\$393,275,662
8	Working Capital Base	\$441,903,343	(\$11,923,267)	\$429,980,076	\$6,051,858	\$436,031,934
9	Working Capital Rate % (2)	14.00%	0.00%	14.00%	-0.50%	13.50%
10	Working Capital Allowance	\$61,866,468	(\$1,669,257)	\$60,197,211	(\$1,332,900)	\$58,864,311

### Notes

- (2) Generally 15%. Some distributors may have a unique rate due as a result of a lead-lag study.  
 (3) Average of opening and closing balances for the year.





## Revenue Requirement Work Form

Version: 2.11

Name of LDC: Horizon Utilities Corporation  
 File Number: EB-2010-0131  
 Rate Year: 2011

		Utility income				
Line No.	Particulars	Initial Application	Adjustments	Close of Discovery	Adjustments	Per Board Decision
<b>Operating Revenues:</b>						
1	Distribution Revenue (at Proposed Rates)	\$103,225,970	(\$608,332)	\$102,617,638	(\$6,369,591)	\$96,248,047
2	Other Revenue (1)	\$5,481,969	\$ -	\$5,481,969	\$414,031	\$5,896,000
3	<b>Total Operating Revenues</b>	<b>\$108,707,939</b>	<b>(\$608,332)</b>	<b>\$108,099,607</b>	<b>(\$5,955,560)</b>	<b>\$102,144,047</b>
<b>Operating Expenses:</b>						
4	OM+A Expenses	\$47,537,439	(\$80,000)	\$47,457,439	(\$5,038,967)	\$42,418,472
5	Depreciation/Amortization	\$27,371,137	\$ -	\$27,371,137	(\$346,389)	\$27,024,748
6	Property taxes	\$337,800	\$ -	\$337,800	\$ -	\$337,800
7	Capital taxes	\$ -	\$ -	\$ -	\$ -	\$ -
8	Other expense	\$ -	\$ -	\$ -	\$ -	\$ -
9	<b>Subtotal (lines 4 to 8)</b>	<b>\$75,246,376</b>	<b>(\$80,000)</b>	<b>\$75,166,376</b>	<b>(\$5,385,356)</b>	<b>\$69,781,020</b>
10	Deemed Interest Expense	\$12,553,453	(\$23,119)	\$12,530,334	(\$201,673)	\$12,328,661
11	<b>Total Expenses (lines 9 to 10)</b>	<b>\$87,799,829</b>	<b>(\$103,119)</b>	<b>\$87,696,710</b>	<b>(\$5,587,029)</b>	<b>\$82,109,681</b>
12	<b>Utility income before income taxes</b>	<b>\$20,908,110</b>	<b>(\$505,213)</b>	<b>\$20,402,897</b>	<b>(\$368,531)</b>	<b>\$20,034,366</b>
13	Income taxes (grossed-up)	\$6,058,644	(\$154,277)	\$5,904,367	(\$11,960)	\$5,892,407
14	<b>Utility net income</b>	<b>\$14,849,466</b>	<b>(\$350,936)</b>	<b>\$14,498,530</b>	<b>(\$356,571)</b>	<b>\$14,141,959</b>

### Notes

(1)	<b>Other Revenues / Revenue Offsets</b>					
	Specific Service Charges	\$1,545,462	\$ -	\$1,545,462	\$ -	\$1,545,462
	Late Payment Charges	\$850,000	\$ -	\$850,000	\$ -	\$850,000
	Other Distribution Revenue	\$3,086,507	\$ -	\$3,086,507	\$414,031	\$3,500,538
	Other Income and Deductions	\$ -	\$ -	\$ -	\$ -	\$ -
	<b>Total Revenue Offsets</b>	<b>\$5,481,969</b>	<b>\$ -</b>	<b>\$5,481,969</b>	<b>\$414,031</b>	<b>\$5,896,000</b>



## Revenue Requirement Work Form

Version: 2.11

Name of LDC: Horizon Utilities Corporation  
 File Number: EB-2010-0131  
 Rate Year: 2011

### Taxes/PILs

Line No.	Particulars	Application	Close of Discovery	Per Board Decision
<u>Determination of Taxable Income</u>				
1	Utility net income before taxes	\$14,849,467	\$14,498,531	\$14,141,960
2	Adjustments required to arrive at taxable utility income	\$538,415	\$1,835,569	\$2,290,082
3	Taxable income	\$15,387,882	\$16,334,100	\$16,432,042
<u>Calculation of Utility income Taxes</u>				
4	Income taxes	\$4,347,077	\$4,336,743	\$4,337,141
5	Capital taxes	\$ - (1)	\$ - (1)	\$ - (1)
6	Total taxes	\$4,347,077	\$4,336,743	\$4,337,141
7	Gross-up of Income Taxes	\$1,711,567	\$1,567,624	\$1,555,266
8	Grossed-up Income Taxes	\$6,058,644	\$5,904,367	\$5,892,407
9	PILs / tax Allowance (Grossed-up Income taxes + Capital taxes)	\$6,058,644	\$5,904,367	\$5,892,407
10	Other tax Credits	\$ -	\$ -	\$ -
<u>Tax Rates</u>				
11	Federal tax (%)	16.50%	14.80%	16.50%
12	Provincial tax (%)	11.75%	11.75%	9.89%
13	Total tax rate (%)	28.25%	26.55%	26.39%

**Notes**

(1) Capital Taxes not applicable after July 1, 2010 (i.e. for 2011 and later test years)



## Revenue Requirement Work Form

Version: 2.11

Name of LDC: Horizon Utilities Corporation

File Number: EB-2010-0131

Rate Year: 2011

### Capitalization/Cost of Capital

Line No.	Particulars	Capitalization Ratio		Cost Rate	Return
		(%)	(\$)	(%)	(\$)
<b>Initial Application</b>					
		(%)	(\$)	(%)	(\$)
<b>Debt</b>					
1	Long-term Debt	56.00%	\$211,058,415	5.80%	\$12,241,388
2	Short-term Debt	4.00%	\$15,075,601	2.07%	\$312,065
3	<b>Total Debt</b>	60.00%	\$226,134,016	5.55%	\$12,553,453
<b>Equity</b>					
4	Common Equity	40.00%	\$150,756,010	9.85%	\$14,849,467
5	Preferred Shares	0.00%	\$ -	0.00%	\$ -
6	<b>Total Equity</b>	40.00%	\$150,756,010	9.85%	\$14,849,467
7	<b>Total</b>	100.00%	\$376,890,026	7.27%	\$27,402,920
<b>Close of Discovery</b>					
		(%)	(\$)	(%)	(\$)
<b>Debt</b>					
1	Long-term Debt	56.00%	\$210,123,630	5.79%	\$12,165,619
2	Short-term Debt	4.00%	\$15,008,831	2.43%	\$364,715
3	<b>Total Debt</b>	60.00%	\$225,132,461	5.57%	\$12,530,334
<b>Equity</b>					
4	Common Equity	40.00%	\$150,088,307	9.66%	\$14,498,531
5	Preferred Shares	0.00%	\$ -	0.00%	\$ -
6	<b>Total Equity</b>	40.00%	\$150,088,307	9.66%	\$14,498,531
7	<b>Total</b>	100.00%	\$375,220,769	7.20%	\$27,028,865
<b>Per Board Decision</b>					
		(%)	(\$)	(%)	(\$)
<b>Debt</b>					
8	Long-term Debt	56.00%	\$206,667,471	5.79%	\$11,965,517
9	Short-term Debt	4.00%	\$14,761,962	2.46%	\$363,144
10	<b>Total Debt</b>	60.00%	\$221,429,434	5.57%	\$12,328,661
<b>Equity</b>					
11	Common Equity	40.00%	\$147,619,622	9.58%	\$14,141,960
12	Preferred Shares	0.00%	\$ -	0.00%	\$ -
13	<b>Total Equity</b>	40.00%	\$147,619,622	9.58%	\$14,141,960
14	<b>Total</b>	100.00%	\$369,049,056	7.17%	\$26,470,621

**Notes**

(1) 4.0% unless an Applicant has proposed or been approved for another amount.





# Revenue Requirement Work Form

Version: 2.11

Name of LDC: Horizon Utilities Corporation  
 File Number: EB-2010-0131  
 Rate Year: 2011

## Revenue Sufficiency/Deficiency

Line No.	Particulars	Initial Application		Close of Discovery		Per Board Decision	
		At Current Approved Rates	At Proposed Rates	At Current Approved Rates	At Proposed Rates	At Current Approved Rates	At Proposed Rates
1	Revenue Deficiency from Below		\$19,560,006		\$20,721,655		\$13,917,717
2	Distribution Revenue	\$83,665,964	\$83,665,964	\$81,895,985	\$81,895,983	\$82,330,330	\$82,330,330
3	Other Operating Revenue Offsets - net	\$5,481,969	\$5,481,969	\$5,481,969	\$5,481,969	\$5,896,000	\$5,896,000
4	<b>Total Revenue</b>	<b>\$89,147,933</b>	<b>\$108,707,939</b>	<b>\$87,377,954</b>	<b>\$108,099,607</b>	<b>\$88,226,330</b>	<b>\$102,144,047</b>
5	Operating Expenses	\$75,246,376	\$75,246,376	\$75,166,376	\$75,166,376	\$69,781,020	\$69,781,020
6	Deemed Interest Expense	\$12,553,453	\$12,553,453	\$12,530,334	\$12,530,334	\$12,328,661	\$12,328,661
	<b>Total Cost and Expenses</b>	<b>\$87,799,829</b>	<b>\$87,799,829</b>	<b>\$87,696,710</b>	<b>\$87,696,710</b>	<b>\$82,109,681</b>	<b>\$82,109,681</b>
7	<b>Utility Income Before Income Taxes</b>	<b>\$1,348,104</b>	<b>\$20,908,110</b>	<b>(\$318,756)</b>	<b>\$20,402,897</b>	<b>\$6,116,649</b>	<b>\$20,034,366</b>
8	Tax Adjustments to Accounting Income per 2009 PILs	\$538,415	\$538,415	\$1,835,569	\$1,835,569	\$2,290,082	\$2,290,082
9	<b>Taxable Income</b>	<b>\$1,886,519</b>	<b>\$21,446,525</b>	<b>\$1,516,813</b>	<b>\$22,238,466</b>	<b>\$8,406,731</b>	<b>\$22,324,448</b>
10	Income Tax Rate	28.25%	28.25%	26.55%	26.55%	26.39%	26.39%
11		\$532,942	\$6,058,643	\$402,718	\$5,904,368	\$2,218,907	\$5,892,406
	<b>Income Tax on Taxable Income</b>						
12	<b>Income Tax Credits</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
13	<b>Utility Net Income</b>	<b>\$815,162</b>	<b>\$14,849,466</b>	<b>(\$721,474)</b>	<b>\$14,498,530</b>	<b>\$3,897,742</b>	<b>\$14,141,959</b>
14	<b>Utility Rate Base</b>	<b>\$376,890,026</b>	<b>\$376,890,026</b>	<b>\$375,220,769</b>	<b>\$375,220,769</b>	<b>\$369,049,056</b>	<b>\$369,049,056</b>
	Deemed Equity Portion of Rate Base	\$150,756,010	\$150,756,010	\$150,088,307	\$150,088,307	\$147,619,622	\$147,619,622
15	Income/Equity Rate Base (%)	0.54%	9.85%	-0.48%	9.66%	2.64%	9.58%
16	Target Return - Equity on Rate Base	9.85%	9.85%	9.66%	9.66%	9.58%	9.58%
17	Sufficiency/Deficiency in Return on Equity	-9.31%	0.00%	-10.14%	0.00%	-6.94%	0.00%
18	Indicated Rate of Return	3.55%	7.27%	3.15%	7.20%	4.40%	7.17%
19	Requested Rate of Return on Rate Base	7.27%	7.27%	7.20%	7.20%	7.17%	7.17%
20	Sufficiency/Deficiency in Rate of Return	-3.72%	0.00%	-4.06%	0.00%	-2.78%	0.00%
21	Target Return on Equity	\$14,849,467	\$14,849,467	\$14,498,531	\$14,498,531	\$14,141,960	\$14,141,960
22	Revenue Deficiency/(Sufficiency)	\$14,034,305	(\$1)	\$15,220,004	(\$1)	\$10,244,218	(\$1)
23	<b>Gross Revenue Deficiency/(Sufficiency)</b>	<b>\$19,560,006 (1)</b>		<b>\$20,721,655 (1)</b>		<b>\$13,917,717 (1)</b>	

**Notes:**

(1) Revenue Sufficiency/Deficiency divided by (1 - Tax Rate)



## Revenue Requirement Work Form

Version: 2.11

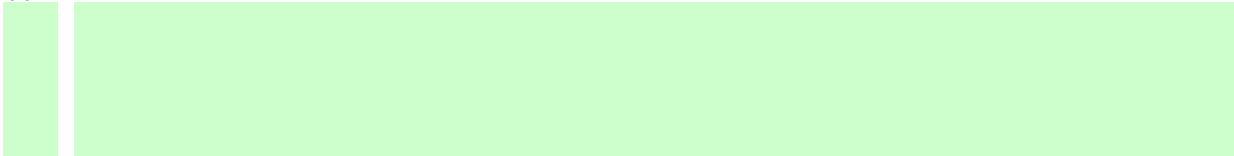
Name of LDC: Horizon Utilities Corporation  
 File Number: EB-2010-0131  
 Rate Year: 2011

### Revenue Requirement

Line No.	Particulars	Application	Close of Discovery	Per Board Decision
1	OM&A Expenses	\$47,537,439	\$47,457,439	\$42,418,472
2	Amortization/Depreciation	\$27,371,137	\$27,371,137	\$27,024,748
3	Property Taxes	\$337,800	\$337,800	\$337,800
4	Capital Taxes	\$ -	\$ -	\$ -
5	Income Taxes (Grossed up)	\$6,058,644	\$5,904,367	\$5,892,407
6	Other Expenses	\$ -		
7	Return			
	Deemed Interest Expense	\$12,553,453	\$12,530,334	\$12,328,661
	Return on Deemed Equity	\$14,849,467	\$14,498,531	\$14,141,960
8	Distribution Revenue Requirement before Revenues	\$108,707,940	\$108,099,608	\$102,144,048
9	Distribution revenue	\$103,225,970	\$102,617,638	\$96,248,047
10	Other revenue	\$5,481,969	\$5,481,969	\$5,896,000
11	<b>Total revenue</b>	\$108,707,939	\$108,099,607	\$102,144,047
12	<b>Difference (Total Revenue Less Distribution Revenue Requirement before Revenues)</b>	(\$1) (1)	(\$1) (1)	(\$1) (1)

**Notes**

(1) Line 11 - Line 8





**Revenue Requirement Work Form**

Name of LDC: Horizon Utilities Corporation  
 File Number: EB-2010-0131  
 Rate Year: 2011

Version: 2.11

**Residential**

Consumption **800** kWh

	Charge Unit	Current Board-Approved			Proposed			Impact	
		Rate (\$)	Volume	Charge (\$)	Rate (\$)	Volume	Charge (\$)	\$ Change	% Change
1	Monthly Service Charge	\$ 12.6800	1	\$ 12.68	\$ 14.8200	1	\$ 14.82	\$ 2.14	16.88%
2	Smart Meter Rate Adder	\$ 1.5600	1	\$ 1.56	\$ 2.1400	1	\$ 2.14	\$ 0.58	37.18%
3	Service Charge Rate Adder(s)		1	\$ -		1	\$ -	\$ -	
4	Service Charge Rate Rider(s)		1	\$ -		1	\$ -	\$ -	
5	Distribution Volumetric Rate	\$ 0.0127	800	\$ 10.16	\$ 0.0146	800	\$ 11.68	\$ 1.52	14.96%
6	Low Voltage Rate Adder		800	\$ -	\$ 0.0000500	800	\$ 0.04	\$ 0.04	
7	Volumetric Rate Adder(s)		800	\$ -		800	\$ -	\$ -	
8	Volumetric Rate Rider(s)		800	\$ -		800	\$ -	\$ -	
9	Smart Meter Disposition Rider		800	\$ -		800	\$ -	\$ -	
10	LRAM & SSM Rate Rider	\$ 0.0002	800	\$ 0.16	\$ 0.0002	800	\$ 0.16	\$ -	0.00%
11	Deferral/Variance Account Disposition Rate Rider		800	\$ -		800	\$ -	\$ -	
12	to April 30, 2011	per kWh -\$ 0.0003	800	\$ 0.24	per kWh -\$ 0.0003	800	\$ 0.24	\$ -	0.00%
13	to April 30, 2012	per kWh -\$ 0.0020	800	\$ 1.60	per kWh -\$ 0.0020	800	\$ 1.60	\$ -	0.00%
14				\$ -			\$ -	\$ -	
15	Rate Rider for Tax Changes	per kWh -\$ 0.0002	800	\$ 0.16	per kWh -\$ 0.0002	800	\$ 0.16	\$ -	0.00%
16	<b>Sub-Total A - Distribution</b>			<b>\$ 22.56</b>			<b>\$ 26.84</b>	<b>\$ 4.28</b>	<b>18.97%</b>
17	RTSR - Network	per kWh \$ 0.0059	833.68	\$ 4.92	per kWh \$ 0.0059	832.56	\$ 4.91	-\$ 0.01	-0.13%
18	RTSR - Line and Transformation Connection	per kWh \$ 0.0049	833.68	\$ 4.09	per kWh \$ 0.0049	832.56	\$ 4.08	-\$ 0.01	-0.13%
19	<b>Sub-Total B - Delivery (including Sub-Total A)</b>			<b>\$ 31.56</b>			<b>\$ 35.83</b>	<b>\$ 4.27</b>	<b>13.52%</b>
20	Wholesale Market Service Charge (WMSC)	per kWh \$ 0.0052	833.68	\$ 4.34	per kWh \$ 0.0052	832.56	\$ 4.33	-\$ 0.01	-0.13%
21	Rural and Remote Rate Protection (RRRP)	per kWh \$ 0.0013	833.68	\$ 1.08	per kWh \$ 0.0013	832.56	\$ 1.08	-\$ 0.00	-0.13%
22	Special Purpose Charge	per kWh \$ 0.0003725	833.68	\$ 0.31	per kWh \$ -	832.56	\$ -	-\$ 0.31	-100.00%
23	Standard Supply Service Charge	monthly \$ 0.2500	1	\$ 0.25	monthly \$ 0.2500	1	\$ 0.25	\$ -	0.00%
24	Debt Retirement Charge (DRC)	per kWh \$ 0.0007	800	\$ 0.56	per kWh \$ 0.0007	800	\$ 0.56	\$ -	0.00%
25	Energy		833.68	\$ -		832.56	\$ -	\$ -	
26	first 600	per kWh \$ 0.0650	600	\$ 39.00	per kWh \$ 0.0650	600	\$ 39.00	\$ -	0.00%
27	over 600	per kWh \$ 0.0750	233.68	\$ 17.53	per kWh \$ 0.0750	232.56	\$ 17.44	-\$ 0.08	-0.48%
28	<b>Total Bill (before Taxes)</b>			<b>\$ 94.63</b>			<b>\$ 98.50</b>	<b>\$ 3.87</b>	<b>4.09%</b>
29	HST			\$ 12.30			\$ 12.80	\$ 0.50	4.09%
30	<b>Total Bill (including Sub-total B)</b>			<b>\$ 106.93</b>			<b>\$ 111.30</b>	<b>\$ 4.37</b>	<b>4.09%</b>
31	<b>Loss Factor (%)</b>	<b>Note 1</b>	<b>4.21%</b>		<b>4.07%</b>				

**Notes:**

**Note 1:** Enter existing and proposed total loss factor (Secondary Metered Customer < 5,000 kW) as a percentage.



# Revenue Requirement Work Form

Version: 2.11

Name of LDC: Horizon Utilities Corporation  
 File Number: EB-2010-0131  
 Rate Year: 2011

## General Service < 50 kW

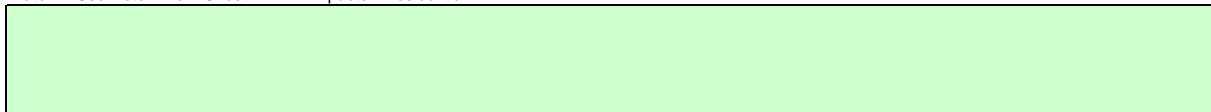
Consumption 2000 kWh

	Charge Unit	Current Board-Approved			Proposed			Impact		
		Rate (\$)	Volume	Charge (\$)	Rate (\$)	Volume	Charge (\$)	\$ Change	% Change	
1	Monthly Service Charge	monthly	\$ 27.4500	1	\$ 27.45	\$ 34.3000	1	\$ 34.30	\$ 6.85	24.95%
2	Smart Meter Rate Adder	monthly	\$ 1.5600	1	\$ 1.56	\$ 2.1400	1	\$ 2.14	\$ 0.58	37.18%
3	Service Charge Rate Adder(s)			1	\$ -		1	\$ -	\$ -	
4	Service Charge Rate Rider(s)			1	\$ -		1	\$ -	\$ -	
5	Distribution Volumetric Rate	per kWh	\$ 0.0073	2000	\$ 14.60	\$ 0.0090	2000	\$ 18.00	\$ 3.40	23.29%
6	Low Voltage Rate Adder	per kWh		2000	\$ -	\$ 0.0000400	2000	\$ 0.08	\$ 0.08	
7	Volumetric Rate Adder(s)			2000	\$ -		2000	\$ -	\$ -	
8	Volumetric Rate Rider(s)			2000	\$ -		2000	\$ -	\$ -	
9	Smart Meter Disposition Rider			2000	\$ -		2000	\$ -	\$ -	
10	LRAM & SSM Rider			2000	\$ -		2000	\$ -	\$ -	
11	Deferral/Variance Account Disposition Rate Rider			2000	\$ -	-\$ 0.0003	2000	-\$ 0.60	-\$ 0.60	
12	to April 30, 2011	per kWh	-\$ 0.0005	2000	-\$ 1.00	-\$ 0.0005	2000	-\$ 1.00	\$ -	0.00%
13	to April 30, 2012	per kWh	-\$ 0.0020	2000	-\$ 4.00	-\$ 0.0020	2000	-\$ 4.00	\$ -	0.00%
14				2000	\$ -	\$ -	2000	\$ -	\$ -	
15	Rate rider for Tax Changes	per kWh	-\$ 0.0001	2000	-\$ 0.20	-\$ 0.0001	2000	-\$ 0.20	\$ -	0.00%
16	<b>Sub-Total A - Distribution</b>				<b>\$ 38.41</b>			<b>\$ 48.72</b>	<b>\$ 10.31</b>	<b>26.84%</b>
17	RTSR - Network	per kWh	\$ 0.0052	2084.2	\$ 10.84	\$ 0.0052	2081.4	\$ 10.82	-\$ 0.01	-0.13%
18	RTSR - Line and Transformation Connection	per kWh	\$ 0.0045	2084.2	\$ 9.38	\$ 0.0045	2081.4	\$ 9.37	-\$ 0.01	-0.13%
19	<b>Sub-Total B - Delivery (including Sub-Total A)</b>				<b>\$ 58.63</b>			<b>\$ 68.91</b>	<b>\$ 10.28</b>	<b>17.54%</b>
20	Wholesale Market Service Charge (WMSC)	per kWh	\$ 0.0052	2084.2	\$ 10.84	\$ 0.0052	2081.4	\$ 10.82	-\$ 0.01	-0.13%
21	Rural and Remote Rate Protection (RRRP)	per kWh	\$ 0.0013	2084.2	\$ 2.71	\$ 0.0013	2081.4	\$ 2.71	-\$ 0.00	-0.13%
22	Special Purpose Charge	per kWh	\$ 0.0003725	2084.2	\$ 0.78	\$ -	2081.4	\$ -	-\$ 0.78	-100.00%
23	Standard Supply Service Charge	monthly	\$ 0.2500	1	\$ 0.25	\$ 0.2500	1	\$ 0.25	\$ -	0.00%
24	Debt Retirement Charge (DRC)	per kWh	\$ 0.0007	2000	\$ 1.40	\$ 0.0007	2000	\$ 1.40	\$ -	0.00%
25	Energy			2084.2	\$ -		2081.4	\$ -	\$ -	
26	First 750	per kWh	\$ 0.0650	750	\$ 48.75	\$ 0.0650	750	\$ 48.75	\$ -	0.00%
27	Over 750	per kWh	\$ 0.0750	1334.2	\$ 100.07	\$ 0.0750	1331.4	\$ 99.86	-\$ 0.21	-0.21%
28	<b>Total Bill (before Taxes)</b>				<b>\$ 223.42</b>			<b>\$ 232.69</b>	<b>\$ 9.28</b>	<b>4.15%</b>
29	HST		13%		\$ 29.04	13%		\$ 30.25	\$ 1.21	4.15%
30	<b>Total Bill (including Sub-total B)</b>				<b>\$ 252.46</b>			<b>\$ 262.94</b>	<b>\$ 10.48</b>	<b>4.15%</b>

31 Loss Factor Note 1 4.21% 4.07%

**Notes:**

**Note 1:** See Note 1 from Sheet 1A. Bill Impacts - Residential



## **Appendix D: PILs Supporting Documentation**



### 2011 PILs Schedule

Description	Tax Payable
Accounting Income	\$ 20,034,367
Tax Adj to Accounting Income	\$ 2,290,082
Taxable Income	\$ 22,324,449
Combined Income Tax Rate	28.250%
Total Income Taxes	\$ 6,306,657
Investment Tax Credits	
Apprentice Tax Credits	\$ 378,000
Other Tax Credits	\$ 36,250
<b>Total PILs</b>	<b>\$ 5,892,407</b>

### 2011 Total Taxes

Description	Tax Payable
<b>Total PILs</b>	5,892,407
<b>Net Capital Tax Payable</b>	-
<b>PILs including Capital Taxes</b>	<b>5,892,407</b>

### CCA Continuity Schedule (2011)

Class	Class Description	UCC Prior Year Ending Balance	UCC Bridge Year Opening Balance	Additions	UCC Before 1/2 Yr Adjustment	1/2 Year Rule (1/2 Additions Less Disposals)	Reduced UCC	Rate %	CCA	UCC Ending Balance
1	Distribution System - 1988 to 22-Feb-2005	\$ 192,550,591	\$192,550,591	\$ 1,540,500	\$ 194,091,091	\$ 770,250	\$ 193,320,841	4%	\$ 7,732,834	\$186,358,257
2	Distribution System - pre 1988	\$ 41,568,310	\$ 41,568,310	\$ -	\$ 41,568,310	\$ -	\$ 41,568,310	6%	\$ 2,494,099	\$ 39,074,211
6	Buildings (No footings below ground)	\$ 17,860	\$ 17,860	\$ -	\$ 17,860	\$ -	\$ 17,860	10%	\$ 1,786	\$ 16,074
8	General Office/Stores Equip	\$ 6,439,767	\$ 6,439,767	\$ 2,677,128	\$ 9,116,895	\$ 1,338,564	\$ 7,778,331	23%	\$ 1,555,666	\$ 7,561,228
10	Computer Hardware/ Vehicles	\$ 4,606,022	\$ 4,606,022	\$ 1,045,500	\$ 5,651,522	\$ 522,750	\$ 5,128,772	30%	\$ 1,538,632	\$ 4,112,890
10.1	Certain Automobiles	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	30%	\$ -	\$ -
12	Computer Software	\$ 517,725	\$ 517,725	\$ 858,578	\$ 1,376,303	\$ 429,289	\$ 947,014	100%	\$ 947,014	\$ 429,289
3		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	20%	\$ -	\$ -
13.3	Lease # 3	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	0%	\$ -	\$ -
13.4	Lease # 4	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		\$ -	\$ -
14	Franchise	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		\$ -	\$ -
17	New Electrical Generating Equipment Acq'd after Feb 27/00 Other Than Bldgs	\$ 81,080	\$ 81,080	\$ -	\$ 81,080	\$ -	\$ 81,080	8%	\$ 6,486	\$ 74,593
43.1	Certain Energy-Efficient Electrical Generating Equipment	\$ 376,756	\$ 376,756	\$ -	\$ 376,756	\$ -	\$ 376,756	30%	\$ 113,027	\$ 263,729
45	Computers & Systems Hardware acq'd post Mar 22/04	\$ 350,400	\$ 350,400	\$ -	\$ 350,400	\$ -	\$ 350,400	45%	\$ 157,680	\$ 192,720
50	Computers & Systems Hardware acq'd post Mar 19/07	\$ -	\$ -	\$ 1,612,172	\$ 1,612,172	\$ 806,086	\$ 806,086	55%	\$ 443,347	\$ 1,168,825
46	Data Network Infrastructure Equipment (acq'd post Mar 22/04)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	30%	\$ -	\$ -
47	Distribution System - post 22-Feb-2005	\$ 115,986,051	\$115,986,051	\$ 34,283,221	\$ 150,269,272	\$ 17,141,611	\$ 133,127,661	8%	\$ 10,650,213	\$139,619,059
52	Computers & Systems Hardware acq'd post Jan 27/09 and before Feb 2011	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	100%	\$ -	\$ -
	<b>SUB-TOTAL - UCC</b>	<b>\$ 362,494,560</b>	<b>\$362,494,560</b>	<b>\$ 42,017,099</b>	<b>\$ 404,511,659</b>	<b>\$ 21,008,550</b>	<b>\$ 383,503,110</b>		<b>\$ 25,640,784</b>	<b>\$378,870,876</b>
CEC	Goodwill	\$ 10,465,401	\$ 10,465,401							
CEC	Land Rights	\$ -	\$ -							
CEC	FMV Bump-up	\$ -	\$ -							
	<b>SUB-TOTAL - CEC</b>	<b>\$ 10,465,401</b>	<b>\$ 10,465,401</b>							

## **Appendix E: Calculation of Green Energy Act Rate Riders**

<b>Incremental Revenue Requirement Calculation</b>
--

	2012	2013	2014
Net Fixed Assets	\$ 76,440	\$243,840	\$1,152,020
OM&A	\$ 640,000	\$640,000	\$590,000
WCA	13.5% \$ 86,400	13.5% \$ 86,400	13.5% \$ 79,650
Rate Base	\$ 162,840	\$330,240	\$1,231,670
Deemed ST Debt	4% \$ 6,514	4% \$ 13,210	4% \$ 49,267
Deemed LT Debt	56% \$ 91,190	56% \$184,934	56% \$ 689,735
Deemed Equity	40% \$ 65,136	40% \$132,096	40% \$ 492,668
ST Interest	2.46% \$ 160	2.46% \$ 325	2.46% \$ 1,212
LT Interest	5.79% \$ 5,280	5.79% \$ 10,708	5.79% \$ 39,936
ROE	9.58% \$ 6,240	9.58% \$ 12,655	9.58% \$ 47,198
	\$ 11,680	\$ 23,687	\$ 88,345
OM&A	\$ 640,000	\$640,000	\$ 590,000
Amortization	\$ 3,120	\$ 10,080	\$ 47,560
Grossed-up PILs	\$ 1,228	\$ 1,210	\$ 673
Revenue Requirement	\$ 656,029	\$674,978	\$ 726,578
Direct Benefit			
OM&A	\$ 640,000	\$640,000	\$ 590,000
Capital	\$ 16,029	\$ 34,978	\$ 136,578
Direct Benefit % on capital	13.62%	12.80%	59.43%
Direct Benefit on capital	\$ 2,182	\$ 4,477	\$ 81,174
<b>Total Direct Benefit</b>	<b>\$ 642,182</b>	<b>\$644,477</b>	<b>\$ 671,174</b>
Total # of Customers (excl connections)	234,881	234,881	234,881
<b>GEA Rate Rider</b>	<b>\$ 0.2278</b>	<b>\$ 0.2287</b>	<b>\$ 0.2381</b>
Provincial Rate Protection	\$ 13,846	\$ 30,501	\$ 55,404
Monthly Amount Paid by IESO	\$ 1,154	\$ 2,542	\$ 4,617

For example, based on the provisionally approved methodology and allocation (i.e., dollar amounts) proposed by Hydro One as part of its 2010 and 2011 distribution rates application, those dollar amounts represent 6% for REI investments and 17% for Expansion investments. (pg 15)

## PILs Calculation

	2012	2013	2014
<b>INCOME TAX</b>			
Net Income	\$ 6,240	\$ 12,655	\$ 47,198
Amortization	\$ 3,120	\$ 10,080	\$ 47,560
CCA	-\$ 6,240	-\$ 19,661	-\$ 93,048
Change in taxable income	\$ 3,120	\$ 3,074	\$ 1,710
Tax Rate	28.25%	28.25%	28.25%
Income Taxes Payable	\$ 881	\$ 868	\$ 483
<b>ONTARIO CAPITAL TAX</b>			
Closing Net Fixed Assets	\$ 152,880	\$ 334,800	\$ 1,969,240
Less: Exemption	\$ -	\$ -	\$ -
Deemed Taxable Capital	\$ 152,880	\$ 334,800	\$ 1,969,240
Ontario Capital Tax Rate			
Net Amount (Taxable Capital x Rate)	\$ -	\$ -	\$ -

### Gross Up

	PILs Payable	PILs Payable	PILs Payable
Change in Income Taxes Payable	\$ 881.41	\$ 868.40	\$ 482.98
Change in OCT	\$ -	\$ -	\$ -
PIL's	\$ 881.41	\$ 868.40	\$ 482.98
	Gross Up	Gross Up	Gross Up
	28.25%	28.25%	28.25%
	Grossed Up PILs	Grossed Up PILs	Grossed Up PILs
Change in Income Taxes Payable	\$ 1,228.44	\$ 1,210.32	\$ 673.14
Change in OCT	\$ -	\$ -	\$ -
PIL's	\$ 1,228.44	\$ 1,210.32	\$ 673.14

## Average Net Fixed Assets

	2012	2013	2014
<b>Net Fixed Assets</b>			
Opening Capital Investment	\$ -	\$ 156,000	\$ 348,000
Capital Investment	\$ 156,000	\$ 192,000	\$ 1,682,000
Closing Capital Investment	\$ 156,000	\$ 348,000	\$ 2,030,000
Opening Accumulated Amortization	\$ -	\$ 3,120	\$ 13,200
Amortization Year One	\$ 3,120	\$ 3,840	\$ 33,640
Amortization Thereafter	\$ -	\$ 6,240	\$ 13,920
Closing Accumulated Amortization	\$ 3,120	\$ 13,200	\$ 60,760
Opening Net Fixed Assets	\$ -	\$ 152,880	\$ 334,800
Closing Net Fixed Assets	\$ 152,880	\$ 334,800	\$ 1,969,240
Average Net Fixed Assets	\$ 76,440	\$ 243,840	\$ 1,152,020

	2012	2013	2014
	Actual	Actual	Actual
<b>Net Fixed Assets</b>			
Opening Capital Investment	\$ -	\$ -	\$ -
Capital Investment	\$ -	\$ -	\$ -
Closing Capital Investment	\$ -	\$ -	\$ -
Opening Accumulated Amortization	\$ -	\$ -	\$ -
Amortization Year One	\$ -	\$ -	\$ -
Amortization Thereafter	\$ -	\$ -	\$ -
Closing Accumulated Amortization	\$ -	\$ -	\$ -
Opening Net Fixed Assets	\$ -	\$ -	\$ -
Closing Net Fixed Assets	\$ -	\$ -	\$ -
Average Net Fixed Assets	\$ -	\$ -	\$ -

## For PILs Calculation

### UCC

	2012	2013	2014
	Forecasted	Forecasted	Forecasted
Opening UCC	\$ -	\$ 149,760	\$ 322,099
Capital Additions	\$ 156,000	\$ 192,000	\$ 1,682,000
UCC Before Half Year Rule	\$ 156,000	\$ 341,760	\$ 2,004,099
Half Year Rule (1/2 Additions - Disposals)	\$ 78,000	\$ 96,000	\$ 841,000
Reduced UCC	\$ 78,000	\$ 245,760	\$ 1,163,099
CCA Rate Class	47		
CCA Rate	8%		
CCA	\$ 6,240	\$ 19,661	\$ 93,048
Closing UCC	\$ 149,760	\$ 322,099	\$ 1,911,051

### UCC

	2006	2007	2008
	Forecasted	Forecasted	Forecasted
Opening UCC	\$ -	\$ -	\$ -
Capital Additions	\$ -	\$ -	\$ -
UCC Before Half Year Rule	\$ -	\$ -	\$ -
Half Year Rule (1/2 Additions - Disposals)	\$ -	\$ -	\$ -
Reduced UCC	\$ -	\$ -	\$ -
CCA Rate Class	50		
CCA Rate	55%		
CCA	\$ -	\$ -	\$ -
Closing UCC	\$ -	\$ -	\$ -

<b>Cost</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>
Renewable Connections Capital - Expansions	0	108,000	96,000	348,000
Renewable Connections Capital - Renewable Enabling Improvements	0	48,000	96,000	84,000
Feeder Automation Projects				1,250,000
<b>TOTAL</b>	<b>0</b>	<b>156,000</b>	<b>192,000</b>	<b>1,682,000</b>

		2012	2013	2014
<b>Renewable Connections Capital - Expansions</b>				
Opening Capital Investment		\$ -	\$ 108,000	\$ 204,000
Capital Investment		\$ 108,000	\$ 96,000	\$ 348,000
Closing Capital Investment		\$ 108,000	\$ 204,000	\$ 552,000
Opening Accumulated Amortization		\$ -	\$ 2,160	\$ 8,400
Amortization Year One	25 years	\$ 2,160	\$ 1,920	\$ 6,960
Amortization Thereafter		\$ -	\$ 4,320	\$ 8,160
Closing Accumulated Amortization		\$ 2,160	\$ 8,400	\$ 23,520
Opening Net Fixed Assets		\$ -	\$ 105,840	\$ 195,600
Closing Net Fixed Assets		\$ 105,840	\$ 195,600	\$ 528,480
Average Net Fixed Assets		\$ 52,920	\$ 150,720	\$ 362,040

		2012	2013	2014
<b>Renewable Connections Capital - Renewable Enabling Improvements</b>				
Opening Capital Investment		\$ -	\$ 48,000	\$ 144,000
Capital Investment		\$ 48,000	\$ 96,000	\$ 84,000
Closing Capital Investment		\$ 48,000	\$ 144,000	\$ 228,000
Opening Accumulated Amortization		\$ -	\$ 960	\$ 4,800
Amortization Year One	25 years	\$ 960	\$ 1,920	\$ 1,680
Amortization Thereafter		\$ -	\$ 1,920	\$ 5,760
Closing Accumulated Amortization		\$ 960	\$ 4,800	\$ 12,240
Opening Net Fixed Assets		\$ -	\$ 47,040	\$ 139,200
Closing Net Fixed Assets		\$ 47,040	\$ 139,200	\$ 215,760
Average Net Fixed Assets		\$ 23,520	\$ 93,120	\$ 177,480

		2012	2013	2014
<b>Feeder Automation Projects</b>				
Opening Capital Investment		\$ -	\$ -	\$ -
Capital Investment		\$ -	\$ -	\$ 1,250,000
Closing Capital Investment		\$ -	\$ -	\$ 1,250,000

Opening Accumulated Amortization		\$ -	\$ -	\$ -
Amortization Year One	25 years	\$ -	\$ -	\$ 25,000
Amortization Thereafter		\$ -	\$ -	\$ -
Closing Accumulated Amortization		\$ -	\$ -	\$ 25,000
Opening Net Fixed Assets		\$ -	\$ -	\$ -
Closing Net Fixed Assets		\$ -	\$ -	\$ 1,225,000
Average Net Fixed Assets		\$ -	\$ -	\$ 612,500

Average Net Fixed Assets	Direct Benefit %	2012	2013	2014
Renewable Connections Capital - Expansions	17%	\$ 52,920	\$ 150,720	\$ 362,040
Renewable Connections Capital - Renewable Enabling Improvements	6%	\$ 23,520	\$ 93,120	\$ 177,480
Feeder Automation Projects	100%	\$ -	\$ -	\$ 612,500
		\$ 76,440	\$ 243,840	\$ 1,152,020
Direct Benefit		\$ 10,408	\$ 31,210	\$ 684,696
Weighted Average Direct Benefit %		13.62%	12.80%	59.43%



## **Appendix F: Calculation of Forgone Revenue Rate Riders**

## Total Forgone Revenue Calculation

	May Actual	June Actual	July Estimate	Total		Current Rates	Proposed Rates	Difference	Total Forgone Revenue
Residential Customers kWh	214,391 117,961,891	214,732 136,767,841	214,732 162,249,792	643,855 416,979,524	Fixed Variable	\$ 12.68 \$ 0.0125	\$ 14.40 \$ 0.0142	\$ 1.72 \$ 0.0017	\$ 1,107,431 \$ 708,865 \$ 1,816,296
General Service < 50 kW Customers kWh	18,041 48,252,084	18,054 49,734,947	18,054 51,939,709	54,149 149,926,739	Fixed Variable	\$ 27.45 \$ 0.0072	\$ 32.09 \$ 0.0084	\$ 4.64 \$ 0.0012	\$ 251,251 \$ 179,912 \$ 431,163
General Service 50 to 4,999 kW Customers kW	2,271 459,982	2,273 467,237	2,273 401,744	6,817 1,328,962	Fixed Variable	\$ 250.33 \$ 1.7875	\$ 292.65 \$ 2.0305	\$ 42.32 \$ 0.2430	\$ 288,495 \$ 322,938 \$ 611,433
Large Use Customers kW	13 190,668	13 202,932	12 196,800	38 590,400	Fixed Variable	\$ 11,151.32 \$ 1.0123	\$22,590.17 \$ 1.3328	\$11,438.85 \$ 0.3205	\$ 434,676 \$ 189,223 \$ 623,900
Unmetered Scattered Load Connections kWh	3,174 693,174	3,174 1,043,883	3,174 1,194,853	9,522 2,931,910	Fixed Variable	\$ 9.59 \$ 0.0148	\$ 10.16 \$ 0.0157	\$ 0.57 \$ 0.0009	\$ 5,428 \$ 2,639 \$ 8,066
Sentinel Lighting Connections kW	501 132	501 100	501 129	1,503 361	Fixed Variable	\$ 2.89 \$ 7.9297	\$ 4.41 \$ 12.1102	\$ 1.52 \$ 4.1805	\$ 2,285 \$ 1,509 \$ 3,793
Street Lighting Connections kW	52,388 9,160	52,388 9,160	52,388 9,160	157,164 27,479	Fixed Variable	\$ 1.97 \$ 5.2585	\$ 2.30 \$ 6.1474	\$ 0.33 \$ 0.8889	\$ 51,864 \$ 24,426 \$ 76,290
Standby kW	16,584	16,584	16,584	49,753	Variable	\$ 2.0505	\$ 2.4750	\$ 0.4245	\$ 21,120
<b>Total</b>									\$ 3,592,062

## Total Forgone Variable Revenue Rate Rider Calculation

	A	B	C	D	E	F	G
	Actual Consumption Aug - Dec 2010	Actual Jan - Dec 2010 Consumption	% of Aug-Dec to 2010 Total Consumption (A/B)	Board Approved Load Forecast	Estimated Aug - Dec 2011 Usage (C * D)	Total Forgone Variable Revenue	Forgone Variable Revenue Rate Rider (F/E)
Residential kWh	711,773,786	1,685,744,531	42.22%	1,539,676,985	650,099,524	\$ 708,865	\$ 0.0011
General Service < 50 kW kWh	233,853,956	582,050,636	40.18%	537,886,860	216,110,012	\$ 179,912	\$ 0.0008
General Service 50 to 4,999 kW kW	2,239,149	5,309,024	42.18%	4,758,680	2,007,034	\$ 322,938	\$ 0.1609
Large Use kW	1,140,112	2,884,523	39.53%	2,500,000	988,129	\$ 189,223	\$ 0.1915
Unmetered Scattered Load kWh	4,956,407	12,474,726	39.73%	12,541,586	4,982,972	\$ 2,639	\$ 0.0005
Sentinel Lighting kW	575	1,446	39.76%	1,421	565	\$ 1,509	\$ 2.6706
Street Lighting kW	48,189	110,097	43.77%	111,295	48,713	\$ 24,426	\$ 0.5014
Standby kW	100,925	242,220	41.67%	199,012	82,922	\$ 21,120	\$ 0.2547
<b>Total</b>						\$ 1,450,633	

## Total Forgone Fixed Revenue Rate Rider Calculation

	Board Approved Load Forecast	Billing Determinant (Customers/Connections) for Aug - Dec (5 Months)	Total Forgone Fixed Revenue	Forgone Fixed Revenue Rate Rider
Residential Customers	214,658	1,073,291	\$ 1,107,431	\$ 1.03
General Service < 50 kW Customers	17,931	89,657	\$ 251,251	\$ 2.80
General Service 50 to 4,999 kW Customers	2,279	11,396	\$ 288,495	\$ 25.31
Large Use Customers	12	60	\$ 434,676	\$ 7,244.61
Unmetered Scattered Load Connections	3,228	16,138	\$ 5,428	\$ 0.34
Sentinel Lighting Connections	501	2,505	\$ 2,285	\$ 0.91
Street Lighting Connections	52,388	261,940	\$ 51,864	\$ 0.20
Total			\$ 2,141,430	