



July 28, 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. On July 18, 2011, Horizon Utilities filed its draft Rate Order and Appendices thereto, which included Horizon Utilities' proposed rates and charges reflecting the Board's findings in the Decision. Horizon Utilities has received submissions on the draft Rate Order from Board Staff, Energy Probe, VECC, the School Energy Coalition and AMPCO.

Please find accompanying this letter Horizon Utilities' response to the submissions of the parties on its draft Rate Order. Two hard copies will be delivered to the Board. A text-searchable electronic version of the response and live Excel versions of the Revised Revenue Requirement Work Form (Revised Appendix C); the Revised Green Energy Act Rate Rider calculations (Revised Appendix E); and Deferral and Variance Account Rate Rider calculations 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.

**HORIZON UTILITIES CORPORATION RESPONSE TO
BOARD STAFF AND INTERVENOR COMMENTS ON ITS
JULY 18, 2011 DRAFT RATE ORDER**

DELIVERED JULY 28, 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.

On July 7, 2011 the Board issued its Decision and Order pertaining to the Application (referred to here as the “Decision”). In that 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 filed its draft Rate Order and related supporting materials on July 18, 2011.

The Decision also provided that “Intervenors shall file any comments on the draft Rate Order with the Board and forward them to Horizon Utilities Corporation within 7 days of the date of filing of the draft Rate Order”; and that “Horizon Utilities Corporation shall file with the Board and forward to intervenors, responses to any comments on its draft Rate Order within 3 days of the date of receipt of submissions.”

Horizon Utilities has received comments from Energy Probe (during the evening of July 20, 2011), the School Energy Coalition (July 21, 2011), VECC (July 21, 2011), Board Staff (July 25, 2011) and AMPCO (late in the evening of July 25, 2011). No comments have been received from CCC.

Horizon Utilities offers the following submissions in response to the substantive comments offered by Board staff and intervenors on the draft Rate Order. Board staff and the intervenors are referred to collectively as the "Parties" in these submissions. This response addresses the following matters commented on by Board staff and intervenors, in the order presented in the submissions:

- Rate Base and Capital Expenditures
 - Rate Base
 - Capital Expenditures
 - Lead-lag Study
- Operating Revenues and Load Forecast
 - Load Forecast:
 - Other Revenues:
- Operating Expenses
 - Depreciation
 - PILs
- Cost Allocation and Rate Design
 - Cost Allocation
 - Retail Transmission Service Rates
 - Low Voltage Rate Riders
 - Specific Service Charges, Transformer Allowance Credit, and Standby Rate Application
- Deferral and Variance Accounts
- Green Energy Plan
- Implementation (Forgone Revenue Rate Riders)
- Appendix B – Estimated Bill Impacts
- Tariff of Rates and Charges

The following Appendices accompany this response:

- Appendix A (Revised): Revised Draft Schedule of Rates and Charges
- Appendix B (Revised): Revised Horizon Utilities Customer Bill Impacts
- Appendix B-1: Customer Bill Impacts for Requested Profiles Inclusive of Forgone Revenue Rate Rider
- Appendix C (Revised): Revised Revenue Requirement Work Form

- Appendix D (Revised): Revised PILs Supporting Documentation
- Appendix E (Revised): Revised Calculation of Green Energy Act Rate Riders
- Appendix F (Revised): Revised Calculation of Forgone Revenue Rate Riders

The following live Excel models also accompany this response:

- Revised Revenue Requirement Work Form
- Revised Green Energy Act Rate Rider Model
- Deferral and Variance Account Rate Rider calculations

RATE BASE AND CAPITAL EXPENDITURES

- **Rate Base**

Board staff have accepted Horizon Utilities' explanation of the adjustments to rate base to use the 2010 Closing Net Book Value as the opening for 2011 and to reflect lower capital expenditures in 2011 of \$39 million. Intervenors did not comment on this, and Horizon Utilities has no further comments in this regard.

- **Capital Expenditures:**

At page 14 of the Decision, the Board wrote:

“The Board finds that the capital expenditures for setting 2011 rates should be \$39 million (exclusive of smart meters), which is approximately equal to a \$5 million reduction in the applied-for capital expenditures budget of about \$44 million. The approved capital expenditures budget is within the range suggested by parties and Board staff and is a 3.5% increase to Horizon’s previous peak-year capital spending of \$37.7 million, reached in 2009.”

In making its finding, the Board did not disallow specific capital expenditures proposed by Horizon Utilities (with the exception that the Board did find that premiums for hybrid vehicles should not be borne by the ratepayer). It is clear from the Decision that Horizon Utilities will be responsible for deciding how this reduced amount will be spent.

In the draft Rate Order, Horizon Utilities allocated the \$5 million reduction among Distribution Plant (\$3,000,000); Miscellaneous Hardware and Software (\$1,450,000); Fleet (\$400,000); and General Plant (\$150,000).

Comments of the Parties:

Energy Probe submitted that it is not clear how the reduction was allocated, and requested further information in this regard, as (in Energy Probe's words) "The choice of which capital expenditures have been reduced has not been explained and can have a significant impact on both the depreciation expense and the capital cost allowance used for PILS purposes." VECC supported the Energy Probe request. As noted above Board staff have accepted Horizon Utilities' explanation of the adjustments to rate base to use the 2010 Closing Net Book Value as the opening for 2011 and to reflect lower capital expenditures in 2011 of \$39 million.

Horizon Utilities' Response:

Horizon Utilities acknowledges that the choices made in allocating the overall reduction in its capital expenditures for rate making purposes will affect the depreciation and capital cost allowance ("CCA") calculations. Because different categories of capital assets are subject to different depreciation rates, it is not possible to simply subtract approximately \$5 million from the total capital expenditure of approximately \$44,000,000 proposed in the Application – there must be some allocation.

Table 3 in the draft Rate Order reflects what Horizon Utilities considers to have been a reasonable approach to allocating the approximately \$5 million reduction. The allocation was not done in light of specific disallowances by the Board, as there were none, with the exception of the small (approximately \$5,000 - \$7,000 per vehicle) hybrid vehicle premium. Rather, in considering an appropriate allocation, Horizon Utilities considered the Board's comments in respect of its overall capital expenditures and, more particularly, in respect of expenditures on fleet and the Operational Data Store ("ODS", part of Miscellaneous Hardware and Software). While that project may still be undertaken, and while the Decision allows Horizon Utilities to continue to exercise its judgment as to appropriate capital expenditures, it appeared appropriate to Horizon Utilities to apply a larger share of the reduction to these categories of expenditures. However, the allocation of reductions is by necessity arbitrary given the approach to the overall reduction set out in the Decision.

Energy Probe notes that the reductions are not proportionate. Horizon Utilities confirms that that is true, for the reasons set out above. However, Horizon Utilities' approach benefits its customers, in large part because allocating a disproportionately large share of the reduction to a category of capital with a high depreciation expense (since computer hardware and software

depreciate much more quickly than typical distribution plant) reduces the costs that would otherwise be payable by customers. In order to assist the Board in considering the appropriate allocation of the reduction, Horizon Utilities has prepared an expanded version of Table 3 from the draft Rate Order (Capital and Depreciation Reductions) that provides further information on how Horizon Utilities allocated the reduction of approximately \$5 million in capital expenditures. The proportionate allocation of the reduction would increase the revenue requirement by approximately \$75,000. The expanded Table 3 also contains a correction – in the Decision, the Board determined that Horizon Utilities’ capital expenditures for setting 2011 rates should be \$39 million, and the Table now reflects that amount, as does Horizon Utilities’ 2011 revenue requirement used in calculating rates.

TABLE 3 – Capital and Depreciation Reductions (Expanded)

	Capital Expenditures			Depreciation Life	Number of Months in Service in 2011	Depreciation Expense		
	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
1806	Land Rights					\$ 3,338		\$ 3,338
1808	Buildings and Fixtures					\$ 75,750		\$ 73,250
1820	Distribution Station Equipment - Normally Primary below 50 kV					\$ 277,009		\$ 277,009
1830	Poles, Towers and Fixtures	\$ 9,821,068	(\$825,255)	\$ 8,995,813	25	6 \$ 3,254,891	(\$16,505)	\$ 3,238,386
1835	Overhead Conductors and Devices	\$ 5,295,003	(\$444,934)	\$ 4,850,069	25	6 \$ 3,077,998	(\$8,899)	\$ 3,069,099
1840	Underground Conduit	\$ 5,751,824	(\$483,320)	\$ 5,268,504	25	6 \$ 4,681,325	(\$9,666)	\$ 4,671,659
1845	Underground Conductors and Devices	\$ 7,087,847	(\$595,585)	\$ 6,492,262	25	6 \$ 4,969,510	(\$11,912)	\$ 4,957,598
1850	Line Transformers	\$ 7,044,713	(\$591,960)	\$ 6,452,753	25	6 \$ 3,959,275	(\$11,839)	\$ 3,947,436
1855	Services	\$ 701,504	(\$58,947)	\$ 642,557	25	6 \$ 1,013,028	(\$1,179)	\$ 1,011,849
1860	Meters	\$ 1,125,434		\$ 1,125,434	25	6 \$ 1,513,694		\$ 1,513,694
1908	Buildings and Fixtures	\$ 1,540,500	(\$150,000)	\$ 1,390,500	30	6 \$ 1,297,289	(\$2,500)	\$ 1,294,789
1915	Office Furniture and Equipment	\$ 384,500		\$ 384,500	10	6 \$ 244,099		\$ 244,099
1920	Computer Equipment - Hardware	\$ 1,612,172	(\$367,098)	\$ 1,245,074	5	8 \$ 1,001,222	(\$48,377)	\$ 952,845
1925	Computer Software	\$ 1,933,578	(\$1,075,000)	\$ 858,578	3	8 \$ 2,275,458	(\$234,722)	\$ 2,040,736
1930	Transportation Equipment	\$ 1,445,500	(\$400,000)	\$ 1,045,500	6.5	6 \$ 1,365,431	(\$30,769)	\$ 1,334,662
1935	Stores Equipment					\$ 46,034		\$ 46,034
1940	Tools, Shop and Garage Equipment	\$ 549,350		\$ 549,350	10	\$ 337,440		\$ 337,440
1945	Measurement and Testing Equipment	\$ 208,500		\$ 208,500	10	\$ 106,076		\$ 106,076
1950	Power Operated Equipment					\$ 11,436		\$ 11,436
1955	Communication Equipment	\$ 1,099,500		\$ 1,099,500	10	\$ 206,665		\$ 206,665
1960	Miscellaneous Equipment					\$ 51,533		\$ 51,533
1980	System Supervisory Equipment	\$ 435,278		\$ 435,278	25	\$ 77,459		\$ 77,459
1995	Contributions and Grants	(\$2,044,172)		(\$2,044,172)	25	(\$1,063,358)		(\$1,063,358)
	Total	\$ 43,992,099	(\$4,992,099)	\$ 39,000,000				
					Less:	Transportation	\$ 1,365,431	\$ 1,334,662
						Stores	\$ 46,034	\$ 46,034
						Net	\$ 27,371,137	\$ 27,025,538

Horizon Utilities respectfully requests that the Board approve Horizon Utilities’ approach to the allocation of the Board’s reduction in overall capital expenditures for rate making purposes.

- **Lead-lag Study:**

At page 16 of the Decision the Board made the following finding:

“The Board has considered the many adjustments and corrections suggested by Energy Probe, and supported by other parties, in order to calculate the WCA. The Board is in agreement that these factors would reduce the WCA by approximately \$2.6 million, as suggested by Energy Probe....For the reasons set out above, the Board directs that a 13.5% working capital allowance will be used.”

Comments of the Parties:

Energy Probe requested that Horizon Utilities provide a cost of power calculation, similar to that provided by Energy Probe in Appendix B of its Final Argument to support the cost of power calculation of \$393,275,662. SEC noted that additional information was required for the computations. VECC agreed with Energy Probe that Horizon Utilities should provide a similar calculation to Energy Probe's Appendix B. Board staff supported Energy Probe's submission that Horizon should provide further documentation on the derivation of the Working Capital Allowance.

Horizon Utilities' Response:

Horizon Utilities has provided its cost of power calculation in a manner similar to that previously provided by Energy Probe, on the following page. With corrections to quantities used in calculating network and connection charges, the calculations have resulted in a very slightly revised cost of power calculation of \$393,275,654.

DETAILED COST OF POWER CALCULATION

<u>Electricity - Commodity</u>		2011 Forecasted Metered kWhs	2011 Loss Factor	2011		
Class per Load Forecast	Uplifted			Cost Of Energy	Total Cost	
Residential		1,539,676,985	1.0407			
- Rpp				1,349,011,593	0.06736	\$90,869,421
- Non Rpp				253,330,245	0.06466	\$16,380,334
GS<50kW		537,886,860	1.0407			
- Rpp				472,509,332	0.06736	\$31,828,229
- Non Rpp				87,269,524	0.06466	\$5,642,847
GS>50kW		1,745,006,174	1.0407			
- Rpp				205,211,156	0.06736	\$13,823,023
- Non Rpp				1,610,816,769	0.06466	\$104,155,412
Large User		538,081,868	1.0078			
- Rpp				0	0.06736	\$0
- Non Rpp				542,278,907	0.06466	\$35,063,754
Unmetered Scattered Load		12,541,586	1.0407			
- Rpp				12,197,121	0.06736	\$821,598
- Non Rpp				854,908	0.06466	\$55,278
Sentinel Lighting		502,459	1.0407			
- Rpp				508,373	0.06736	\$34,244
- Non Rpp				14,537	0.06466	\$940
Street Lighting		40,006,298	1.0407			
- Rpp				220,663	0.06736	\$14,864
- Non Rpp				41,413,891	0.06466	\$2,677,822
TOTAL		4,413,702,230		4,575,637,018		\$301,367,767
Transmission - Network						
Class per Load Forecast			Volume Metric	2011		
Residential			kWh	1,602,341,838	\$0.0071	\$11,324,455
GS<50kW			kWh	559,778,856	\$0.0062	\$3,486,823
GS>50kW			kW	4,758,680	\$2.4643	\$11,726,629
Large User			KW	2,500,000	\$2.8151	\$7,037,793
Unmetered Scattered Load			kWh	13,052,029	\$0.0063	\$82,864
Sentinel Lighting			kW	1,421	\$2.0478	\$2,910
Street Lighting			kW	111,295	\$1.9400	\$215,907
TOTAL						\$33,877,380
Transmission - Connection						
Class per Load Forecast			Volume Metric	2011		
Residential			kWh	1,602,341,838	\$0.0057	\$9,110,593
GS<50kW			kWh	559,778,856	\$0.0052	\$2,922,970
GS>50kW			kW	4,758,680	\$2.0584	\$9,795,149
Large User			KW	2,500,000	\$2.3654	\$5,913,520
Unmetered Scattered Load			kWh	13,052,029	\$0.0053	\$69,668
Sentinel Lighting			kW	1,421	\$1.6564	\$2,354
Street Lighting			kW	111,295	\$1.6150	\$179,741
TOTAL						\$27,993,994
Wholesale Market Service						
Class per Load Forecast			Volume Metric	2011		
Residential			kWh	1,602,341,838	\$0.0052	\$8,332,178
GS<50kW			kWh	559,778,856	\$0.0052	\$2,910,850
GS>50kW			kWh	1,816,027,925	\$0.0052	\$9,443,345
Large User			kWh	542,278,907	\$0.0052	\$2,819,850
Unmetered Scattered Load			kWh	13,052,029	\$0.0052	\$67,871
Sentinel Lighting			kWh	508,373	\$0.0052	\$2,644
Street Lighting			kWh	41,634,554	\$0.0052	\$216,500
TOTAL						\$23,793,237
Rural Rate Assistance						
Class per Load Forecast			Volume Metric	2011		
Residential			kWh	1,602,341,838	\$0.0013	\$2,083,044
GS<50kW			kWh	559,778,856	\$0.0013	\$727,713
GS>50kW			kWh	1,816,027,925	\$0.0013	\$2,360,836
Large User			kWh	542,278,907	\$0.0013	\$704,963
Unmetered Scattered Load			kWh	13,052,029	\$0.0013	\$16,968
Sentinel Lighting			kWh	508,373	\$0.0013	\$661
Street Lighting			kWh	41,634,554	\$0.0013	\$54,125
TOTAL						\$5,948,309
2011						
4705-Power Purchased	\$301,367,767					
4708-Charges-WMS	\$23,793,237					
4714-Charges-NW	\$33,877,380					
4716-Charges-CN	\$27,993,994					
4730-Rural Rate Assistance	\$5,948,309					
4750-Low Voltage	\$294,966					
TOTAL	393,275,654					

OPERATING REVENUES AND LOAD FORECAST

- **Load Forecast:**

Board staff have accepted Horizon Utilities estimates of its 2011 adjusted load forecast as reasonable and in accordance with the Board's Decision and Order. Intervenors did not comment on this, and Horizon Utilities has no further comments in this regard.

- **Other Revenues:**

The Board found 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. At page 11 of the draft Rate Order, Horizon Utilities stated:

"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."

Comments of the Parties:

Board staff confirmed that Horizon Utilities "has revised Other Revenues to \$5,896,000, in accordance with the Board's Decision and Order." Energy Probe did not dispute Horizon Utilities calculations, but advised that it believes the transfer of \$784,515 noted above is more accurately described as the transfer of \$784,515 in costs related to the provision of services to affiliates from OM&A to a revenue offset in Account 4380.

Horizon Utilities' Response:

While there is no change in calculations resulting from the Energy Probe comment, Horizon Utilities agrees that the Energy Probe characterization is more accurate.

OPERATING EXPENSES

- **Depreciation**

At page 13 of the draft Rate Order, Horizon Utilities confirmed that it used the Board-approved methodology for calculating its depreciation expense, and that it had recalculated that expense for the 2011 Test Year based on the Board's determinations on Horizon Utilities' rate base and capital expenditures. In Table 3 of the draft Rate Order, Horizon Utilities illustrated the changes in the value of depreciation and the impact of these changes on Horizon Utilities' proposed revenue requirement.

Comments of the Parties:

Energy Probe has requested additional detail indicating how the adjustments to Horizon Utilities' depreciation expense, or the resulting depreciated figures, were calculated. Board staff support the Energy Probe request in respect of both depreciation and PILs calculations.

Horizon Utilities' Response:

Board staff and intervenor comments relating to PILs are addressed below. With respect to depreciation, Horizon Utilities submits that the expanded version of Table 3 provided above in the context of capital expenditures includes the additional detail requested with respect to the calculation of Horizon Utilities' depreciation expense.

- **PILs**

Horizon Utilities provided information with respect to its PILs calculations in Appendix D of the draft Rate Order, and illustrated the changes in the PILs calculations and their impact on Horizon Utilities' revenue requirement in Table 2 of the draft Rate Order (at p.5).

Comments of the Parties:

Energy Probe has requested that Horizon Utilities clarify that the UCC Ending Balance for 2010 reflects actual expenditures for 2010 and that these figures match the UCC Ending Balance from the actual 2010 PILS calculation for the CCA; and that Horizon Utilities explain the difference in the Board approved level of capital expenditures for 2011 and the additions shown in the CCA continuity schedule shown in Appendix D to the draft Rate Order. Energy Probe has requested a mapping that shows the allocation of the capital expenditures shown in Table 3 of the draft Rate Order with the additions shown in the CCA continuity schedule in Appendix D of the draft Rate Order. As noted above, Board staff support the comments of Energy Probe.

Horizon Utilities' Response:

Horizon Utilities has provided detailed PILs calculations in response to the Energy Probe request at Appendix D (Revised) to this submission. Appendix D (Revised) provides greater detail than the material provided in Appendix D to the draft Rate Order, and includes 2010 and 2011 continuity schedules and updated PILs calculations that reflect corrections to certain of the calculations on which Appendix D to the draft Rate Order was based.

Regarding Energy Probe's request that Horizon Utilities clarify that the UCC Ending Balance for 2010 reflects actual expenditures for 2010 and that these figures match the UCC Ending Balance from the actual 2010 PILS calculation for the CCA, Horizon Utilities confirms that actual expenditures for 2010 are reflected in the UCC Ending Balance for 2010. In the table that follows, Horizon Utilities has provided a reconciliation of the differences between what is shown in the UCC schedule and the 2010 actual expenditures.

Reconciliation of Total Fixed Asset Additions to Total Additions for Regulatory UCC Purposes			
2010 Additions per Horizon Utilities'			
	Response to EP TCQ #1		37,431,684
Deduct:			
	Work In Process (1)	2,841,193	
	Capitalized Fleet Depreciation (2)	555,309	3,396,502
			34,035,182
Add:			
	Hydro One S/S Contribution (3)	4,576,800	4,576,800
Additions for 2010 CCA Purposes shown in Exhibit 4, Tab 3, Schedule 3, Table 4-39			
			38,611,982
Notes:			
1.)	Work in process represents investments in assets not yet available for use. Such assets do not qualify as additions in the year for tax purposes.		
2.)	This amount represents capitalized fleet depreciation, which does not qualify as an addition in the year for tax purposes. Please refer to Energy Probe interrogatory 29 b) for an explanation of the tax treatment of capitalized fleet depreciation.		
3.)	This addition is incorrectly provided in the opening balance of OEB account 1995 in Figure 2-11 of Exhibit 2, Tab 2, Schedule 2. Such opening balance included capital contributions towards a yet to be energized transformer station, which had not been previously included as additions for CCA purposes. Such transformer station was energized in 2010 and, as such, the adjustment above is to recognize additions for CCA purposes on assets reflected as book additions in prior years. It is noteworthy that this adjustment was also made for depreciation purposes in prior years to ensure that no depreciation was taken in respect of capital contributions towards assets not yet energized. Please also refer to the schedule and Note 2. to the schedule provided in response to Energy Probe		

Horizon Utilities confirms that the fixed asset additions agree to the PILs additional supporting documentation referenced above and provided in Appendix D (Revised) to this response.

Horizon Utilities provides the additional table below to reconcile the difference between the Board-approved level of capital expenditures for 2011 and the additions shown in the CCA continuity schedule shown in Appendix D to the draft Rate Order as revised in Appendix D (Revised) to this response.

Reconciliation of Total Fixed Asset Additions to Total Additions for Regulatory UCC Purposes			
2011 Additions per Figure 2-12 of Exhibit 2, Tab 2, Schedule 2			45,570,373
Deduct:			
Capital Expenditure reduction per Decision	4,992,098		
			40,578,275
Deduct:			
Smart Meter Additions (1)	1,578,275		
			39,000,000
Deduct:			
Capitalized Fleet Depreciation (2)	500,000		
Additions for 2011 CCA Purposes shown in Exhibit 4, Tab 3, Schedule 3, Table 4-40			38,500,000
Notes:			
1.)	This amount represents investment in Smart Meter assets, which is not sought for recovery in this rate application and, as such, not part of 2011 rate base. Smart Meter investments are recovered within the Smart Meter Rate Adder mechanism.		
2.)	This amount represents capitalized fleet depreciation, which does not qualify as an addition in the year for tax purposes. Please refer to Energy Probe interrogatory 29 b) for an explanation of the tax treatment of capitalized fleet depreciation.		

COST ALLOCATION AND RATE DESIGN

- **Cost Allocation**

As noted at page 17 of the draft Rate Order, among the Board's findings with respect to cost allocation was the following:

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."

In Table 8 of the draft Rate Order, Horizon Utilities illustrated the changes in its previously proposed revenue-to-cost ratios as a result of the Decision. The comments of the Parties relate to Horizon Utilities' proposed reduction of the ratio for the Residential class from 111.2% to 108.24% to reconcile the movement of other classes to the boundaries with the overall revenue requirement, while the USL ratio would remain at the upper boundary of 120%.

Comments of the Parties:

Energy Probe confirmed that Horizon Utilities had followed the Board's Decision with respect to the revenue-to-cost ratios shown in Table 8 in that ratios below or above the Board's ranges had been moved to the lower or upper limit of the ranges. However, Energy Probe disagreed with Horizon Utilities' proposed adjustment of the ratio for the Residential class to reconcile with the overall revenue requirement. Energy Probe (supported by VECC) submitted that:

"...when all classes are within the Board's approved ranges, the revenue excess should be addressed by decreasing the ratios for those classes whose starting points are the furthest above 100%. In this instance, this means that the USL ratio should be reduced to that of the Residential class (111.2%). These two classes would then be reduced in tandem until the revenue excess is eliminated."

Board staff submit that:

"the Revenue-to-Cost ("R/C") ratios proposed in Table 8 of Horizon's DRO are in compliance with the Board's Decision and Order."

Board staff confirm (at pages 2-3 of their submission) that:

Horizon Utilities "has allocated the residual adjustments to reconcile to the overall revenue requirement largely to the Residential class. Board staff is aware of the submissions of intervenors, arguing for a more equitable and principled adjustment to other classes.

...Given that the Residential class shows the highest R/C ratio next to Unmetered Scattered Load which is moved down to the class threshold of 120%, Board staff submits that Horizon's proposal to reduce the Residential class R/C ratio to reduce subsidization within that class is reasonable.

Horizon may wish to further address its proposal or to consider whether a more equitable allocation to all classes is appropriate under the circumstances."

Horizon Utilities' Response:

While Board staff have confirmed that the approach proposed by Horizon Utilities in its draft Rate Order is reasonable, Horizon Utilities has considered this matter further and has determined that it will adopt the approach suggested by Energy Probe and VECC. Accordingly, Horizon Utilities has prepared a revised version of Table 9 (Rate Design), below, which illustrates Horizon Utilities' adjustment of both the Residential and USL revenue-to-cost ratios to 108.4%. The revised Table 9 reflects the movement of the USL class from 120% down to the Residential starting ratio of 111.2%, followed by the reduction of the ratios for both of those classes in tandem until the revenue excess is eliminated at 108.4%. The revised Table 9 also illustrates the rates resulting from the adjustments to the revenue-to-cost ratios and other adjustments proposed by Horizon Utilities in this response. Horizon Utilities has provided a revised Schedule of Rates and Charges at Appendix A (Revised) to this response, and revised impact tables at Appendix B (Revised).

Revised 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	\$ 58,034,239	\$ 60,811,098	\$ 3,726,717	\$ 64,537,815	111.2%	108.4%	\$ 62,881,094	(\$3,726,717)	\$ 59,154,377
GS < 50 kW	\$ 11,949,011	\$ 11,456,614	\$ 905,555	\$ 12,362,169	103.5%	103.5%	\$ 12,362,169	(\$905,555)	\$ 11,456,614
GS >50	\$ 20,101,816	\$ 16,036,353	\$ 850,867	\$ 16,887,220	84.0%	84.0%	\$ 16,887,220	(\$850,867)	\$ 16,036,353
Large Use	\$ 8,066,771	\$ 4,845,995	\$ 256,630	\$ 5,102,624	63.3%	85.0%	\$ 6,856,755	(\$256,630)	\$ 6,600,125
Sentinel Lights	\$ 57,144	\$ 33,555	\$ 1,865	\$ 35,420	62.0%	80.0%	\$ 45,715	(\$1,865)	\$ 43,850
Street Lighting	\$ 2,963,843	\$ 2,136,477	\$ 86,671	\$ 2,223,148	75.0%	75.0%	\$ 2,223,148	(\$86,671)	\$ 2,136,477
USL	\$ 534,372	\$ 652,582	\$ 49,766	\$ 702,348	131.4%	108.4%	\$ 579,001	(\$49,766)	\$ 529,235
Standby Power	\$ 639,542	\$ 478,063	\$ 17,929	\$ 495,992	77.6%	80.0%	\$ 511,634	(\$17,929)	\$ 493,704
TOTAL	\$ 102,346,736	\$ 96,450,735	\$ 5,896,000	\$102,346,735	100.0%		\$102,346,735	(\$5,896,000)	\$ 96,450,735

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	\$ 59,154,377	62.92%	37.08%	\$37,221,815	\$21,932,562		\$21,932,562	214,658	1,539,676,985	kWh	\$ 14.45	\$ 0.0142
GS < 50 kW	\$ 11,456,614	60.40%	39.60%	\$ 6,919,610	\$ 4,537,004		\$ 4,537,004	17,931	537,886,860	kWh	\$ 32.16	\$ 0.0084
GS >50	\$ 16,036,353	50.02%	49.98%	\$ 8,021,190	\$ 8,015,163	\$ 1,664,400	\$ 9,679,563	2,279	4,758,680	kW	\$ 293.26	\$ 2.0341
Large Use	\$ 6,600,125	49.40%	50.60%	\$ 3,260,462	\$ 3,339,663		\$ 3,339,663	12	2,500,000	kW	\$22,642.10	\$ 1.3359
Sentinel Lights	\$ 43,850	60.66%	39.34%	\$ 26,600	\$ 17,250		\$ 17,250	501	1,421	kW	\$ 4.42	\$ 12.1399
Street Lighting	\$ 2,136,477	67.91%	32.09%	\$ 1,450,858	\$ 685,619		\$ 685,619	52,388	111,295	kW	\$ 2.31	\$ 6.1604
USL	\$ 529,235	66.68%	33.32%	\$ 352,886	\$ 176,349		\$ 176,349	3,228	12,541,586	kWh	\$ 9.11	\$ 0.0141
Standby Power	\$ 493,704	0.00%	100.00%	\$ -	\$ 493,704		\$ 493,704		199,012	kW		\$ 2.4808
TOTAL	\$ 96,450,735			\$57,253,422	\$39,197,314	\$ 1,664,400	\$40,861,714	290,997				

- **Retail Transmission Service Rates**

In preparing the draft Rate Order, Horizon Utilities updated its Retail Transmission Service Rate calculations to reflect the Board's direction that Horizon Utilities update the Retail Transmission Service Rates to reflect Hydro One Networks' approved Uniform Transmission Rates effective January 1, 2011 and to reflect the 2011 load forecast approved by the Board in the Decision. Horizon Utilities prepared Tables 10 through 13 (pp.19-21 of the draft Rate Order) to illustrate the changes in Horizon Utilities' previously proposed Retail Transmission Service Rates resulting from the Decision.

Comments of the Parties:

Board staff advise that they are unable to replicate some of the numbers shown in Tables 10 through 13, and submit (at p.4 of their comments) that:

“... Horizon should confirm or correct the data shown in Tables 10 to 13. If updates to the RTSRs are necessary due to any corrections, Horizon should provide these. However, Board staff views that any necessary corrections will not likely have any material impacts on the proposed RTSRs.”

Horizon Utilities' Response:

Horizon Utilities has reviewed its calculations of its proposed Retail Transmission Service Rates, and has provided revised versions of Tables 10-13, below. Horizon Utilities notes, however, that as Board staff anticipated, any corrections were immaterial and the Retail Transmission Service Rates remain as proposed in the draft Rate Order.

Revised Table 10 – IESO Charges for Transmission

	Line Connection Quantities	Line Connection Costs	Transformation Connection Quantities	Transformation Connection Costs	Network Charge Quantities	Network Charge Costs
Rate		\$ 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
Totals	9,706,435	\$7,668,083.65	10,481,293	\$18,551,888.61	9,851,213	\$ 31,720,905.86

Revised Table 11 – Hydro One Charges for Transmission

	Connection Charge Quantities	Connection Charge Costs	Network Charge Quantities	Network Charge Costs
Rate		\$ 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
Totals	828,982	\$1,774,021.48	813,764	\$ 2,156,474.60

Revised Table 12 – Summary of Charges for Transmission

Description	Amount
IESO One Line Connection Costs	\$ 7,668,084
IESO Transformation Connection Costs	\$ 18,551,889
Hydro One Connection Charge Costs	\$ 1,774,021
Total Connection Costs	\$ 27,993,994
IESO Network Charge Costs	\$ 31,720,906
Hydro One Network Charge Costs	\$ 2,156,475
Total Network Costs	\$ 33,877,380

Revised 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	\$ 9,110,593
Gen Svc < 50	\$ 0.0045	kWh	559,778,856	\$ 0.0052	kWh	\$ 2,922,970
Gen Svc > 50	\$ 1.7739	kW	4,758,680	\$ 2.0584	kW	\$ 9,795,149
Large User	\$ 2.0385	kW	2,500,000	\$ 2.3654	kW	\$ 5,913,520
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
Total						\$ 27,993,994
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	\$ 11,324,455
Gen Svc < 50	\$ 0.0052	kWh	559,778,856	\$ 0.0062	kWh	\$ 3,486,823
Gen Svc > 50	\$ 2.0572	kW	4,758,680	\$ 2.4643	kW	\$ 11,726,629
Large User	\$ 2.3501	kW	2,500,000	\$ 2.8151	kW	\$ 7,037,793
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
Total						\$ 33,877,380

- **Low Voltage Rate Riders**

As discussed at page 21 of the draft Rate Order, the Board made the following finding with respect to Horizon Utilities' proposed Low Voltage ("LV") rate riders (at p.49 of the Decision):

"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 of the draft Rate Order (at p.22) illustrated the changes in Horizon Utilities' previously proposed LV rate riders to reflect the 2011 Hydro One rates and the Board-approved load forecast.

Comments of the Parties:

Board staff make the following submission in this regard:

Subject to any adjustments that Horizon may make to Tables 10 to 13 with respect to the RTSRs, and that adjusted data in those tables also impact on the determination of Low Voltage rates, Board staff takes no issue with the methodology for Horizon's proposed Low Voltage rates. Board staff observes that Horizon is proposing the Low Voltage rates to five decimal places for all customer classes, whereas all other rates, rate riders and rate adders are calculated to two or four decimal places. Board staff submits that Horizon should provide further explanation on this proposal, or should round the rates to four decimal places for consistency.

Horizon Utilities' Response:

Horizon Utilities has revised Table 15 in order to reflect adjustments made to Tables 10-13, above. Please see Revised Table 15, below.

With respect to the Board staff comments on the use of five decimal places, Horizon Utilities notes that five decimal places were used for the calculation of LV charges in the Application. At that time, in certain cases, such as that of the GS<50 kW class, rounding to four decimal places would have eliminated the rate for that class.

With updates to the Hydro One LV rates, rounding to four decimal places would not eliminate the LV rate for any class, but Horizon Utilities maintains that the use of five decimal places remains a reasonable approach in these circumstances. While the dollar value and corresponding impacts associated with rounding may be small, the fact is that by rounding to four decimal places, Horizon Utilities would be almost doubling the Low Voltage rate for its Residential, GS<50 and USL customers. Horizon Utilities respectfully submits that this is neither appropriate nor necessary. Horizon Utilities' billing system is capable of using five decimal places, and the use of five decimal places is not uncommon across the province. Horizon Utilities respectfully requests that the Board confirm the Low Voltage rate riders set out in the Revised Table 15 below.

Revised 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	\$ 9,110,593	32.54%	\$ 95,996.29	1,602,341,838	\$ 0.00006
G.S<50	\$ 2,922,970	10.44%	\$ 30,798.68	559,778,856	\$ 0.00006
G.S>50	\$ 9,795,149	34.99%	\$ 103,209.31	4,758,680	\$ 0.02169
Large User	\$ 5,913,520	21.12%	\$ 62,309.44	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
TOTALS	\$ 27,993,994	100.00%	\$ 294,966.49		

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

Board staff have submitted that Horizon Utilities has reflected the Board's determinations in the Decision accurately. Intervenor did not comment on this, and Horizon Utilities has no further comments in this regard.

DEFERRAL AND VARIANCE ACCOUNTS

In the draft Rate Order, Horizon Utilities calculated deferral and variance account rate riders based on the 17-month disposition period approved by the Board. Table 16 of the draft Rate Order set 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.

As Board staff note in their comments, Horizon Utilities made a small change to the amount of the disposition in respect of the balance in Account 1592, to accurately reflect the principal and interest accumulated to December 31, 2010. At page 28 of the draft Rate Order, Horizon Utilities stated:

“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)¹. 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.”

Comments of the Parties:

Board staff do not oppose the correction of the Account 1592 balance, and make the following submissions in regard to Account 1592 and Horizon Utilities' calculation of the deferral and variance account rate riders:

"Board staff observes that Horizon, in fact, has used the corrected balance including interest to December 31, 2010 in its derivation of the rate riders, as shown in Tables 16 and 17. Board staff submits that the Board may wish to confirm the correction in its Rate Order.

Board staff submits that it would be helpful to provide the determination of the deferral and variance account rate riders in Tables 16 through 19 inclusive in Excel format, but Board staff's analysis suggests that Horizon has calculated the deferral and variance account rate riders appropriately and in compliance with the Board's Decision and Order."

No other Parties commented on this element of the draft Rate Order.

Horizon Utilities' Response:

Horizon Utilities agrees with the Board staff suggestion that the Board may wish to confirm the correction in its Rate Order. With respect to the Board staff comment about the provision of the determination of the deferral and variance account rate riders in Tables 16 through 19 inclusive in Excel format, Horizon Utilities confirms, as noted previously in this response, that it will provide a live Excel version of its deferral and variance account rate rider calculations in conjunction with this response.

GREEN ENERGY PLAN

In the draft Rate Order, Horizon Utilities incorporated the 2011 Test Year *Green Energy Act, 2009* ("GEA") operating expenses of \$530,000 into its 2011 Test Year revenue requirement and confirmed that this amount is within the OM&A envelope; and for costs for 2012 to 2014, Horizon Utilities 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. The proposed GEA rate riders were set out in Table 21 of the draft Rate Order (at p.33).

Comments of the Parties:

No issue was raised by any of the Parties with respect to the treatment of \$530,000 in 2011 Test Year GEA operating expenses. However, while Board staff concur with Horizon Utilities' methodology for determining the riders, Board staff, Energy Probe and VECC identified an error in Horizon Utilities' calculations of those riders. Specifically, the proposed riders do not take into account the fact that \$530,000 of GEA-related operating expenses is already incorporated into the revenue requirement and therefore recovered in base rates in the 2012-2014 period. As Board staff note at pages 5-6 of their comments,

"Horizon's 2011 rebased rates recover an amount of \$530,000 in 2011, and will do so in future years⁴ until Horizon's next rebasing.

In Board staff's submission, the incremental revenue requirement for each year should be based on the incremental change in operating expenses for that year from the 2011 level of \$530,000. This impacts not only operating expenses, but also the working capital allowance.

⁴ Ignoring the marginal impact of the GDP-IPI – X price cap adjustment for each year under IRM"

Horizon Utilities' Response:

Horizon Utilities agrees with the comments of the Parties, and acknowledges that it inadvertently did not take into account the \$530,000 in GEA-related operating expenses incorporated into base rates in calculating its proposed GEA rate riders.

Horizon Utilities has addressed this by recalculating its GEA rate riders, and to assist the Board, Horizon Utilities has provided an updated version of its Green Energy Act Rate Rider Model in live Excel format in conjunction with this response. Horizon Utilities agrees with the Board staff recalculation of the GEA rate riders set out at page 7 of the Board staff submission and repeated here for the Board's reference:

Year	2012	2013	2014
GEA Rate Rider (\$/month)	\$0.0395	\$0.0403	\$0.0488

Horizon Utilities has also provided a revised version of 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 (Revised) to this response.

IMPLEMENTATION (FORGONE REVENUE RATE RIDERS)

The Board determined that Horizon Utilities' new rates would be effective May 1, 2011, with an implementation date of August 1, 2011. At pages 35-37 of the Draft Rate Order, Horizon Utilities explained its methodology for calculating the calculated class-specific rate riders that would recover the forgone incremental revenue for the period May 1, 2011 to July 31, 2011. Part of that methodology included the use of May and June 2011 actual consumption and applicable demand by class. For July 2011, Horizon Utilities used the actual total power purchases for the first 10 days of July 2011; prorated that value to estimate the total power purchases for July 2011; and applied the ratio of total power purchases in July 2010 and July 2011 to the class consumption and applicable demand for July 2010 to estimate the July 2011 consumption and applicable demand by class.

Comments of the Parties:

No party has opposed Horizon Utilities' proposed recovery period of August 2011 through December 2011, with the possible exception of AMPCO. AMPCO has suggested that "it would be beneficial if Horizon provided example bill impacts including the application of the Foregone Distribution Revenue Rate Riders for...some sample customer profiles including the Large User customer class." AMPCO also submits:

AMPCO believes after some preliminary analysis that when the Bill Impact includes the Foregone Distribution Revenue Rate Riders, and the Deferral/Variance Account Rates and Low Voltage Service Rate shown on the Draft Tariff Sheet, the Total Bill Impact is over 10%. AMPCO submits that pending confirmation from Horizon, rate mitigation measures should be implemented for the Large User class, even for four to five months, if the Total Bill Impact is found to be greater than 10%.

With respect to Horizon Utilities' approach to calculating the forgone revenue, Energy Probe suggests that the calculation should be based on forecasted consumption rather than actual consumption. VECC would also tie the calculation to the forecast, although it acknowledges that a simpler calculation based on 1/12 of the estimated revenue requirement could also be used (similar to one of the approaches discussed by Board staff below). Board staff discuss the Horizon Utilities approach and make the following comments (in part):

Board staff observes that Horizon has used a more involved method to estimate the rate riders for the foregone revenue requirement. Many other utilities seem to use a simpler technique of assuming that the revenue requirement and the number of customers and demand is constant through the test year. Hence one month's revenue requirement is simply 1/12 of the estimated revenue requirement for the test year.

Horizon has used a more complicated method to estimate the actual foregone revenues for the period May 1 to July 31. This reflects actual customers (for the first two months) and a representation closer to actual demand in the period.

...

There are some advantages and disadvantages to Horizon's approach. An attractive feature of this is that it takes into account seasonal effects. Summer and winter are peak periods, in large part for cooling and heating, and so have higher relative loads. Streetlighting demand, on the other hand, may be lower for the summer period because of the shorter periods of darkness.

One difficulty with Horizon's approach is that both the May, June and July 2011 data used, and the 2010 actuals used, are not weather-normalized, while the revenue requirement and the test year forecast and demand is.

Board staff submits that an alternative approach using weather normalized data is possible. [Board staff then proceed to describe that weather normalized approach.]

...

Board staff submits that this approach would seem more consistent with the Cost of Service concept, where the demand, costs and hence revenues and rates to recover the revenue requirement are based on weather-normalized data. However, in previous decisions the Board has approved the simpler 1/12 of the revenue requirement per month approach, and Board staff would have no issue with this methodology.

Horizon Utilities' Response:

Horizon Utilities respectfully disagrees with the Parties. For May and June, the actual consumption and applicable demand by class are known. For the first 24 days of July actual power purchases are known, and based on this information a good estimate of July consumption and applicable demand by class can be determined. Accordingly, the actual foregone revenues for May and June are known and a good estimate of July foregone revenues can be calculated.

Horizon Utilities submits that using actual data in the calculation of the foregone revenue and associated riders is reasonable in that it places Horizon Utilities in the position that it would have been had its rates been implemented on May 1, 2011. The best evidence that could underpin

Horizon Utilities' forgone revenue calculation is the consumption and demand that it actually experienced. Reverting to the forecast in calculating the forgone revenues for May-July 2011 is not reflective of reality. As the Board is well aware, there is no assurance that the consumption and demand contemplated in the Board-approved forecast will in fact be met. This means that with a portion of the forgone revenue being recovered through a variable rate rider, there is no guarantee that the forgone revenues will be recovered in their entirety through the recovery period, as actual consumption and demand may differ from forecast consumption and demand for the August-December 2011 period.

With respect to the Board staff proposal to use weather normalized data, Horizon Utilities reiterates its submission that it is its actual forgone revenue that is relevant. Horizon Utilities submits that the reasonable approach is to use actual data to the extent that it is available – in this case, actual data through July 24, 2011 would be used. Horizon Utilities' revised Forgone Revenue Riders are set out at Appendix F (Revised) to this response.

Horizon Utilities respectfully requests that the Board approve its methodology for the calculation of its forgone revenue riders, and that the riders proposed in the revised draft Schedule of Rates and Charges accompanying this submission at Appendix A (Revised) be approved.

APPENDIX B – ESTIMATED BILL IMPACTS

Horizon Utilities provided tables of customer bill impacts at Appendix B to the draft Rate Order. At page 4 of the draft Rate Order, Horizon Utilities stated:

“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.”

Comments of the Parties:

Board staff and AMPCO commented on Appendix B, and on bill impacts generally. Board staff (at pp.9-10 of their submission) and AMPCO identified a number of discrepancies between certain rates used in calculating estimated bill impacts and the corresponding rates shown in the proposed Tariff of Rates and Charges (Appendix A to the draft Rate Order). Board staff submit that:

“...Horizon should review and revise the bill impacts shown in Appendix B of the DRO to correspond with the proposed Tariff of Rates and Charges. Board staff also submits that

it would be beneficial if Horizon also showed example bill impacts including the application of the Rate Riders for Foregone Revenues for some sample customer profiles:

- Residential, 800 kWh consumption
- GS < 50 kW, 2,000 kWh consumption
- GS 50 to 4,999 kW, 30,000 kWh consumption, 100 kW demand
- Large Use 4,700,000 kWh consumption, 13,000 kW demand”

AMPCO makes a similar request with respect to correction of the discrepancies and the provision of sample impacts that include the impact of the forgone revenue riders.

AMPCO also comments specifically on bill impacts for Large Use customers, and raises the possibility of mitigation measures. AMPCO makes the following comments in this regard:

“AMPCO believes after some preliminary analysis that when the Bill Impact includes the Foregone Distribution Revenue Rate Riders, and the Deferral/Variance Account Rates and Low Voltage Service Rate shown on the Draft Tariff Sheet, the Total Bill Impact is over 10%. AMPCO submits that pending confirmation from Horizon, rate mitigation measures should be implemented for the Large User class, even for four to five months, if the Total Bill Impact is found to be greater than 10%.

AMPCO observes that the Rate Riders for Global-Adjustment Sub-Account Disposition have not been included in the Customer Bill Impacts for the Large User Class.”

Horizon Utilities' Response:

With respect to the Board staff comments on discrepancies between the impact tables and the Schedule of Rates and Charges, Horizon Utilities has provided a revised Schedule of Rates and Charges, reflecting changes agreed to by Horizon Utilities in this submission, at Appendix A (Revised) to this response, and revised bill impact tables at Appendix B (Revised). Horizon Utilities has reviewed these Appendices to ensure that the rates used in the impact tables correspond to those in the Schedule of Rates and Charges.

With respect to the Board staff and AMPCO suggestions that Horizon Utilities provide impact calculations that include the application of the forgone revenue rate riders, Horizon Utilities has provided those calculations for the customer profiles shown in the Board staff comment set out above, at Appendix B-1 to this response.

With respect to the AMPCO observation that the rate riders for the Global Adjustment Sub-Account disposition have not been included in the customer bill impacts for the Large Use class, Horizon Utilities submits that the exclusion of those riders is consistent with the Board's practice in this regard. Those riders are typically not included in impact calculations. The inclusion of

those riders where only non-RPP customers are affected by them would make it more difficult to compare impacts both within and across classes. However, for the Board's assistance, Horizon Utilities has performed a calculation that includes the effect of the Global Adjustment Sub-Account rider in respect of the Large Use customer profile identified by Board staff, as discussed in the following paragraph.

With respect to AMPCO's comments on mitigation measures, Horizon Utilities notes that for the customer profile referred to in the Board staff request for sample impacts inclusive of the forgone revenue rate riders (4,700,000 kWh consumption, 13,000 kW demand – this represents slightly lower than average demand in the Large Use class) the bill impact, inclusive of the forgone revenue rate rider and before the rate riders for the Global Adjustment Sub-Account disposition, is 8.47%. When the Global Adjustment Sub-Account rate rider is included, the bill impact is 9.73%. Accordingly, Horizon Utilities submits that no rate mitigation measures are necessary or appropriate.

TARIFF OF RATES AND CHARGES

As noted previously, Horizon Utilities had provided a proposed Schedule of Rates and Charges at Appendix A to the draft Rate Order.

Comments of the Parties:

Only Board staff commented on the draft Schedule of Rates and Charges. Board staff made the following comments in this regard (at p.10 of their submission):

“Board staff observes the following errors in the proposed Tariff of Rates and Charges:

- For the Residential customer class, the “Rate Rider for Global Adjustment Sub-account Disposition – effective until April 30, 2012” is shown with a charge of \$0.0021/kWh. Per the Board's Decision and Order on Horizon's 2010 IRM rate application [EB-2009-0228] and the Board's Rate Order on Horizon's Smart Meter Funding Adder [EB-2010-0292], this rate, unchanged in this application, should be \$0.0002/kWh.
- For the Streetlighting class the Retail Transmission Service Rate – Network Charge should be \$1.9400/kW, per Table 13 of the DRO, rather than the shown \$2.0478/kW.

Horizon Utilities' Response:

In the revised Schedule of Rates and Charges accompanying this response as Appendix A (Revised), Horizon Utilities has addressed the errors identified by Board staff.

CONCLUSION

In this response, Horizon Utilities has addressed the comments of Board staff and those intervenors that commented on the draft Rate Order. Horizon Utilities has filed updated calculations of its proposed rates and charges, and has included not only updated supporting material but additional detailed calculations and supporting material as requested by Board staff and the other Parties. Horizon Utilities has provided updated impact tables, including tables that include the impact of the forgone revenue rate riders. The supporting documentation includes revised printed and Excel versions of the Board's Revenue Requirement Work Form (the printed version can be found at Appendix C (Revised) to this submission); Horizon Utilities' Revised Green Energy Act Rate Rider Model (the printed version can be found at Appendix E (Revised) to this submission); and a live Excel version of Horizon Utilities' Deferral and Variance Account Rate Rider calculations.

Horizon Utilities submits that the draft Rate Order and this submission, and the material and calculations that accompany them, provide the necessary support for Horizon Utilities' proposed Schedule of Rates and Charges. Horizon Utilities respectfully requests that the Board approve its revised draft Schedule of Rates and Charges at Appendix A (Revised) to this submission, to be effective May 1, 2011 with an implementation date of August 1, 2011.

ALL OF WHICH IS RESPECTFULLY SUBMITTED THIS 28TH 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 (Revised):
Revised 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.

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MONTHLY RATES AND CHARGES – Delivery Component

Service Charge	\$	14.45
Foregone Distribution Revenue Rate Rider – Service Charge - effective until December 31, 2011	\$	1.06
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	0.0002
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	(0.0003)
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
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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.

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MONTHLY RATES AND CHARGES – Delivery Component

Service Charge	\$	32.16
Foregone Distribution Revenue Rate Rider – Service Charge - effective until December 31, 2011	\$	2.84
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	0.0009
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
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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.

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MONTHLY RATES AND CHARGES – Delivery Component

Service Charge	\$	293.26
Foregone Distribution Revenue Rate Rider – Service Charge - effective until December 31, 2011	\$	25.68
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	2.0341
Foregone Distribution Revenue Rate Rider – Volumetric Rate - effective until December 31, 2011	\$/kW	0.1689
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
TARIFF OF RATES AND CHARGES
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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.

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MONTHLY RATES AND CHARGES – Delivery Component

Service Charge	\$	22,642.10
Foregone Distribution Revenue Rate Rider – Service Charge - effective until December 31, 2011	\$	7,277.49
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	1.3359
Foregone Distribution Revenue Rate Rider – Volumetric Rate - effective until December 31, 2011	\$/kW	0.1933
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)	\$	9.11
Foregone Distribution Revenue Rate Rider – Service Charge - effective until December 31, 2011	\$	(0.28)
Late Payment Penalty Rider – effective until July 31, 2012 (per connection)	\$	0.45
Distribution Volumetric Rate	\$/kWh	0.0141
Foregone Distribution Revenue Rate Rider – Volumetric Rate - effective until December 31, 2011	\$/kWh	(0.0004)
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	2.4808
Foregone Distribution Revenue Rate Rider – Volumetric Rate - effective until December 31, 2011	\$/kW	0.2582
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
TARIFF OF RATES AND CHARGES
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Implementation August 1, 2011

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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)	\$	4.42
Foregone Distribution Revenue Rate Rider – Service Charge - effective until December 31, 2011	\$	0.92
Late Payment Penalty Rider – effective until July 31, 2012 (per connection)	\$	0.06
Distribution Volumetric Rate	\$/kW	12.1399
Foregone Distribution Revenue Rate Rider – Volumetric Rate - effective until December 31, 2011	\$/kW	2.7996
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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EB-2010-0131

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

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MONTHLY RATES AND CHARGES – Delivery Component

Service Charge (per connection)	\$	2.31
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	6.1604
Foregone Distribution Revenue Rate Rider – Volumetric Rate - effective until December 31, 2011	\$/kW	0.5088
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	1.9400
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

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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.

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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

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SPECIFIC SERVICE CHARGES

APPLICATION

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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

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RETAIL SERVICE CHARGES (if applicable)

APPLICATION

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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 (Revised):
Revised Horizon Utilities Customer Bill Impacts

RESIDENTIAL										
		2010 BILL			2011 BILL			IMPACT		
		Volume	RATE \$	CHARGE \$	Volume	RATE \$	CHARGE \$	Change \$	Change %	% of Total Bill
Consumption	Monthly Service Charge			12.68			14.45	1.77	13.96%	47.53%
100 kWh	Distribution (kWh)	100	0.0125	1.25	100	0.0142	1.42	0.17	13.60%	4.67%
	Low Voltage Rider (kWh)	100	0.0000	0.00	100	0.00006	0.01	0.01	#DIV/0!	0.02%
	Smart Meter Rider (per month)			1.56			2.14	0.58	37.18%	7.04%
	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%)
	Distribution Sub-Total			15.28			18.06	2.78	18.17%	59.40%
	Retail Transmission (kWh)	104	0.0108	1.13	104	0.0128	1.33	0.21	18.36%	4.38%
	Delivery Sub-Total			16.41			19.39	2.98	18.18%	63.78%
	Other Charges (kWh)	104	0.0072	0.75	104	0.0072	0.75	(0.00)	(0.13%)	2.46%
	Cost of Power Commodity (kWh)	104	0.0650	6.77	104	0.0650	6.76	(0.01)	(0.13%)	22.25%
	SPC (kWh)	104	0.0003725	0.04	104	0.0000000	0.00	(0.04)	(100.00%)	0.00%
	Total Bill Before Taxes			23.97			26.90	2.73	11.38%	88.50%
	HST		13.00%	3.12		13.00%	3.50	0.38	12.24%	11.50%
	Total Bill			27.08			30.40	3.11	11.48%	100.00%

RESIDENTIAL										
		2010 BILL			2011 BILL			IMPACT		
		Volume	RATE \$	CHARGE \$	Volume	RATE \$	CHARGE \$	Change \$	Change %	% of Total Bill
Consumption	Monthly Service Charge			12.68			14.45	1.77	13.96%	30.47%
250 kWh	Distribution (kWh)	250	0.0125	3.13	250	0.0142	3.55	0.43	13.60%	7.49%
	Low Voltage Rider (kWh)	250	0.0000	0.00	250	0.00006	0.02	0.02	#DIV/0!	0.03%
	Smart Meter Rider (per month)			1.56			2.14	0.58	37.18%	4.51%
	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%)
	Distribution Sub-Total			16.84			19.85	3.01	17.87%	41.86%
	Retail Transmission (kWh)	261	0.0108	2.81	260	0.0128	3.33	0.52	18.36%	7.02%
	Delivery Sub-Total			19.65			23.18	3.53	17.94%	48.88%
	Other Charges (kWh)	261	0.0072	1.88	260	0.0072	1.87	(0.00)	(0.13%)	3.95%
	Cost of Power Commodity (kWh)	261	0.0650	16.93	260	0.0650	16.91	(0.02)	(0.13%)	35.66%
	SPC (kWh)	261	0.0003725	0.10	261	0.0000000	0.00	(0.10)	(100.00%)	0.00%
	Total Bill Before Taxes			38.56			41.96	2.89	7.49%	88.50%
	HST		13.00%	5.01		13.00%	5.46	0.44	8.83%	11.50%
	Total Bill			43.57			47.42	3.33	7.64%	100.00%

RESIDENTIAL										
		2010 BILL			2011 BILL			IMPACT		
		Volume	RATE \$	CHARGE \$	Volume	RATE \$	CHARGE \$	Change \$	Change %	% of Total Bill
Consumption	Monthly Service Charge			12.68			14.45	1.77	13.96%	19.07%
500 kWh	Distribution (kWh)	500	0.0125	6.25	500	0.0142	7.10	0.85	13.60%	9.37%
	Low Voltage Rider (kWh)	500	0.0000	0.00	500	0.00006	0.03	0.03	#DIV/0!	0.04%
	Smart Meter Rider (per month)			1.56			2.14	0.58	37.18%	2.82%
	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%)
	Distribution Sub-Total			19.44			22.84	3.40	17.49%	30.14%
	Retail Transmission (kWh)	521	0.0108	5.63	520	0.0128	6.66	1.03	18.36%	8.79%
	Delivery Sub-Total			25.07			29.50	4.43	17.68%	38.92%
	Other Charges (kWh)	521	0.0072	3.75	520	0.0072	3.75	(0.01)	(0.13%)	4.94%
	Cost of Power Commodity (kWh)	521	0.0650	33.87	520	0.0650	33.82	(0.05)	(0.13%)	44.63%
	SPC (kWh)	521	0.0003725	0.19	521	0.0000000	0.00	(0.19)	(100.00%)	0.00%
	Total Bill Before Taxes			62.88			67.07	3.16	5.02%	88.50%
	HST		13.00%	8.17		13.00%	8.72	0.54	6.66%	11.50%
	Total Bill			71.06			75.79	3.70	5.21%	100.00%

RESIDENTIAL									
	2010 BILL			2011 BILL			IMPACT		
	Volume	RATE \$	CHARGE \$	Volume	RATE \$	CHARGE \$	\$	%	% of Total Bill
Consumption									
680 kWh									
Monthly Service Charge			12.68			14.45	1.77	13.96%	128.92%
Distribution (kWh)	680	0.0125	8.50	680	0.0142	9.66	1.16	13.60%	86.15%
Low Voltage Rider (kWh)	680	0.0000	0.00	680	0.00006	0.04	0.04	#DIV/0!	0.36%
Smart Meter Rider (per month)			1.56			2.14	0.58	37.18%	19.09%
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%)
Distribution Sub-Total			21.31			24.99	3.68	17.27%	25.65%
Retail Transmission (kWh)	709	0.0108	7.65	708	0.0128	9.06	1.41	18.36%	9.30%
Delivery Sub-Total			28.97			34.05	5.09	17.56%	34.95%
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%	40.03%
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%
Total Bill Before Taxes			81.48			86.22	4.74	5.82%	88.50%
HST		13.00%	10.59		13.00%	11.21	0.62	5.82%	11.50%
Total Bill			92.07			97.43	5.36	5.82%	100.00%

RESIDENTIAL									
	2010 BILL			2011 BILL			IMPACT		
	Volume	RATE \$	CHARGE \$	Volume	RATE \$	CHARGE \$	\$	%	% of Total Bill
Consumption									
800 kWh									
Monthly Service Charge			12.68			14.45	1.77	13.96%	12.85%
Distribution (kWh)	800	0.0125	10.00	800	0.0142	11.36	1.36	13.60%	10.10%
Low Voltage Rider (kWh)	800	0.0000	0.00	800	0.00006	0.05	0.05	#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%)
Distribution Sub-Total			22.56			26.43	3.87	17.15%	23.50%
Retail Transmission (kWh)	834	0.0108	9.00	833	0.0128	10.66	1.65	18.36%	9.48%
Delivery Sub-Total			31.56			37.08	5.52	17.49%	32.98%
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%	34.68%
Cost of Power Commodity (kWh)	234	0.0750	17.53	233	0.0750	17.44	(0.08)	(0.48%)	15.51%
SPC (kWh)	834	0.0003725	0.31	834	0.0000000	0.00	(0.31)	(100.00%)	0.00%
Total Bill Before Taxes			94.40			99.52	5.12	5.42%	88.50%
HST		13.00%	12.27		13.00%	12.94	0.67	5.42%	11.50%
Total Bill			106.68			112.46	5.78	5.42%	100.00%

RESIDENTIAL									
	2010 BILL			2011 BILL			IMPACT		
	Volume	RATE \$	CHARGE \$	Volume	RATE \$	CHARGE \$	\$	%	% of Total Bill
Consumption									
1,000 kWh									
Monthly Service Charge			12.68			14.45	1.77	13.96%	10.51%
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	0.00006	0.06	0.06	#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%)
Distribution Sub-Total			24.64			28.82	4.18	16.96%	20.96%
Retail Transmission (kWh)	1,042	0.0108	11.25	1,041	0.0128	13.32	2.07	18.36%	9.69%
Delivery Sub-Total			35.89			42.14	6.25	17.40%	30.65%
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%	28.36%
Cost of Power Commodity (kWh)	442	0.0750	33.16	441	0.0750	33.05	(0.11)	(0.32%)	24.04%
SPC (kWh)	1,042	0.0003725	0.39	1,042	0.0000000	0.00	(0.39)	(100.00%)	0.00%
Total Bill Before Taxes			115.94			121.69	5.74	4.95%	88.50%
HST		13.00%	15.07		13.00%	15.82	0.75	4.95%	11.50%
Total Bill			131.02			137.51	6.49	4.95%	100.00%

RESIDENTIAL									
	2010 BILL			2011 BILL			IMPACT		
	Volume	RATE \$	CHARGE \$	Volume	RATE \$	CHARGE \$	\$	%	% of Total Bill
Consumption									
1,500 kWh									
Monthly Service Charge			12.68			14.45	1.77	13.96%	7.22%
Distribution (kWh)	1,500	0.0125	18.75	1,500	0.0142	21.30	2.55	13.60%	10.64%
Low Voltage Rider (kWh)	1,500	0.0000	0.00	1,500	0.00006	0.09	0.09	#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%)
Distribution Sub-Total			29.84			34.80	4.96	16.62%	17.39%
Retail Transmission (kWh)	1,563	0.0108	16.88	1,561	0.0128	19.98	3.10	18.36%	9.98%
Delivery Sub-Total			46.72			54.78	8.06	17.25%	27.37%
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%	19.49%
Cost of Power Commodity (kWh)	963	0.0750	72.24	961	0.0750	72.08	(0.16)	(0.22%)	36.02%
SPC (kWh)	1,563	0.0003725	0.58	1,563	0.0000000	0.00	(0.58)	(100.00%)	0.00%
Total Bill Before Taxes			169.80			177.10	7.30	4.30%	88.50%
HST		13.00%	22.07		13.00%	23.02	0.95	4.30%	11.50%
Total Bill			191.87			200.12	8.25	4.30%	100.00%

GENERAL SERVICE < 50 kW									
	2010 BILL			2011 BILL			IMPACT		
	Volume	RATE \$	CHARGE \$	Volume	RATE \$	CHARGE \$	\$	%	% of Total Bill
Consumption									
2,000 kWh									
Monthly Service Charge			27.45			32.16	4.71	17.16%	12.14%
Distribution (kWh)	2,000	0.0072	14.40	2,000	0.0084	16.80	2.40	16.67%	6.34%
Low Voltage Rider (kWh)	2,000	0.0000	0.00	2,000	0.00006	0.12	0.12	#DIV/0!	0.05%
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	(0.0024)	(4.80)	0.20	(4.00%)	(1.81%)
Distribution Sub-Total			38.41			47.05	8.64	22.49%	17.77%
Retail Transmission (kWh)	2,084	0.0097	20.22	2,081	0.0114	23.73	3.51	17.37%	8.96%
Delivery Sub-Total			58.63			70.78	12.15	20.73%	26.73%
Other Charges (kWh)	2,084	0.0072	15.01	2,081	0.0072	14.99	(0.02)	(0.13%)	5.66%
Cost of Power Commodity (kWh)	750	0.0650	48.75	750	0.0650	48.75	0.00	0.00%	18.41%
Cost of Power Commodity (kWh)	1,334	0.0750	100.07	1,331	0.0750	99.86	(0.21)	(0.21%)	37.70%
SPC (kWh)	2,084	0.0003725	0.78	2,084	0.0000000	0.00	(0.78)	(100.00%)	0.00%
Total Bill Before Taxes			223.22			234.37	\$11.14	4.99%	88.50%
HST		13.00%	29.02		13.00%	30.47	1.45	4.99%	11.50%
Total Bill			252.24			264.84	\$12.59	4.99%	100.00%

GENERAL SERVICE < 50 kW									
	2010 BILL			2011 BILL			IMPACT		
	Volume	RATE \$	CHARGE \$	Volume	RATE \$	CHARGE \$	\$	%	% of Total Bill
Consumption									
5,000 kWh									
Monthly Service Charge			27.45			32.16	4.71	17.16%	5.22%
Distribution (kWh)	5,000	0.0072	36.00	5,000	0.0084	42.00	6.00	16.67%	6.82%
Low Voltage Rider (kWh)	5,000	0.0000	0.00	5,000	0.00006	0.30	0.30	#DIV/0!	0.05%
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	(0.0024)	(12.00)	0.50	(4.00%)	(1.95%)
Distribution Sub-Total			52.51			65.23	12.72	24.22%	10.60%
Retail Transmission (kWh)	5,211	0.0097	50.54	5,204	0.0114	59.32	8.78	17.37%	9.64%
Delivery Sub-Total			103.05			124.55	21.50	20.86%	20.23%
Other Charges (kWh)	5,211	0.0072	37.52	5,204	0.0072	37.47	(0.05)	(0.13%)	6.09%
Cost of Power Commodity (kWh)	750	0.0650	48.75	750	0.0650	48.75	0.00	0.00%	7.92%
Cost of Power Commodity (kWh)	4,461	0.0750	334.54	4,454	0.0750	334.01	(0.52)	(0.16%)	54.26%
SPC (kWh)	5,211	0.0003725	1.94	5,211	0.0000000	0.00	(1.94)	(100.00%)	0.00%
Total Bill Before Taxes			525.80			544.78	\$18.98	3.61%	88.50%
HST		13.00%	68.35		13.00%	70.82	2.47	3.61%	11.50%
Total Bill			594.15			615.60	\$21.45	3.61%	100.00%

GENERAL SERVICE < 50 kW									
	2010 BILL			2011 BILL			IMPACT		
	Volume	RATE \$	CHARGE \$	Volume	RATE \$	CHARGE \$	\$	%	% of Total Bill
Consumption									
10,000 kWh									
Monthly Service Charge			27.45			32.16	4.71	17.16%	2.68%
Distribution (kWh)	10,000	0.0072	72.00	10,000	0.0084	84.00	12.00	16.67%	7.00%
Low Voltage Rider (kWh)	10,000	0.0000	0.00	10,000	0.00006	0.60	0.60	#DIV/0!	0.05%
Smart Meter Rider (per month)			1.56			2.14	0.58	37.18%	0.18%
LRAM & SSM Rider (kWh)	10,000	0.0000	0.00	10,000	0.0000	0.00	0.00	#DIV/0!	0.00%
Late Payment (\$/Customer/Month)			0.00			0.63	0.63	#DIV/0!	0.05%
Deferral & Variance Acct (kWh)	10,000	(0.0025)	(25.00)	10,000	(0.0024)	(24.00)	1.00	(4.00%)	(2.00%)
Distribution Sub-Total			76.01			95.53	19.52	25.66%	7.96%
Retail Transmission (kWh)	10,421	0.0097	101.08	10,407	0.0114	118.64	17.56	17.37%	9.88%
Delivery Sub-Total			177.09			214.17	37.08	20.94%	17.84%
Other Charges (kWh)	10,421	0.0072	75.03	10,407	0.0072	74.93	(0.10)	(0.13%)	6.24%
Cost of Power Commodity (kWh)	750	0.0650	48.75	750	0.0650	48.75	0.00	0.00%	4.06%
Cost of Power Commodity (kWh)	9,671	0.0750	725.33	9,657	0.0750	724.28	(1.05)	(0.14%)	60.35%
SPC (kWh)	10,421	0.0003725	3.88	10,421	0.0000000	0.00	(3.88)	(100.00%)	0.00%
Total Bill Before Taxes			1,030.08			1,062.13	\$32.04	3.11%	88.50%
HST		13.00%	133.91		13.00%	138.08	4.17	3.11%	11.50%
Total Bill			1,163.99			1,200.20	\$36.21	3.11%	100.00%

GENERAL SERVICE < 50 kW									
	2010 BILL			2011 BILL			IMPACT		
	Volume	RATE \$	CHARGE \$	Volume	RATE \$	CHARGE \$	\$	%	% of Total Bill
Consumption									
12,500 kWh									
Monthly Service Charge			27.45			32.16	4.71	17.16%	2.15%
Distribution (kWh)	12,500	0.0072	90.00	12,500	0.0084	105.00	15.00	16.67%	7.04%
Low Voltage Rider (kWh)	12,500	0.0000	0.00	12,500	0.00006	0.75	0.75	#DIV/0!	0.05%
Smart Meter Rider (per month)			1.56			2.14	0.58	37.18%	0.14%
LRAM & SSM Rider (kWh)	12,500	0.0000	0.00	12,500	0.0000	0.00	0.00	#DIV/0!	0.00%
Late Payment (\$/Customer/Month)			0.00			0.63	0.63	#DIV/0!	0.04%
Deferral & Variance Acct (kWh)	12,500	(0.0025)	(31.25)	12,500	(0.0024)	(30.00)	1.25	(4.00%)	(2.01%)
Distribution Sub-Total			87.76			110.68	22.92	26.12%	7.42%
Retail Transmission (kWh)	13,026	0.0097	126.35	13,009	0.0114	148.30	21.95	17.37%	9.94%
Delivery Sub-Total			214.11			258.98	44.87	20.95%	17.35%
Other Charges (kWh)	13,026	0.0072	93.79	13,009	0.0072	93.66	(0.13)	(0.13%)	6.28%
Cost of Power Commodity (kWh)	750	0.0650	48.75	750	0.0650	48.75	0.00	0.00%	3.27%
Cost of Power Commodity (kWh)	12,276	0.0750	920.72	12,259	0.0750	919.41	(1.31)	(0.14%)	61.60%
SPC (kWh)	13,026	0.0003725	4.85	13,026	0.0000000	0.00	(4.85)	(100.00%)	0.00%
Total Bill Before Taxes			1,282.22			1,320.80	\$38.57	3.01%	88.50%
HST		13.00%	166.69		13.00%	171.70	5.01	3.01%	11.50%
Total Bill			1,448.91			1,492.50	\$43.59	3.01%	100.00%

GENERAL SERVICE < 50 kW									
	2010 BILL			2011 BILL			IMPACT		
	Volume	RATE \$	CHARGE \$	Volume	RATE \$	CHARGE \$	\$	%	% of Total Bill
Consumption									
15,000 kWh									
Monthly Service Charge			27.45			32.16	4.71	17.16%	1.80%
Distribution (kWh)	15,000	0.0072	108.00	15,000	0.0084	126.00	18.00	16.67%	7.06%
Low Voltage Rider (kWh)	15,000	0.0000	0.00	15,000	0.00006	0.90	0.90	#DIV/0!	0.05%
Smart Meter Rider (per month)			1.56			2.14	0.58	37.18%	0.12%
LRAM & SSM Rider (kWh)	15,000	0.0000	0.00	15,000	0.0000	0.00	0.00	#DIV/0!	0.00%
Late Payment (\$/Customer/Month)			0.00			0.63	0.63	#DIV/0!	0.04%
Deferral & Variance Acct (kWh)	15,000	(0.0025)	(37.50)	15,000	(0.0024)	(36.00)	1.50	(4.00%)	(2.02%)
Distribution Sub-Total			99.51			125.63	26.32	26.45%	7.05%
Retail Transmission (kWh)	15,632	0.0097	151.63	15,611	0.0114	177.96	26.33	17.37%	9.97%
Delivery Sub-Total			251.14			303.79	52.65	20.97%	17.02%
Other Charges (kWh)	15,632	0.0072	112.55	15,611	0.0072	112.40	(0.15)	(0.13%)	6.30%
Cost of Power Commodity (kWh)	750	0.0650	48.75	750	0.0650	48.75	0.00	0.00%	2.73%
Cost of Power Commodity (kWh)	14,882	0.0750	1,116.11	14,861	0.0750	1,114.54	(1.58)	(0.14%)	62.45%
SPC (kWh)	15,632	0.0003725	5.82	15,632	0.0000000	0.00	(5.82)	(100.00%)	0.00%
Total Bill Before Taxes			1,534.37			1,579.47	\$45.11	2.94%	88.50%
HST		13.00%	199.47		13.00%	205.33	5.86	2.94%	11.50%
Total Bill			1,733.84			1,784.80	\$50.97	2.94%	100.00%

GENERAL SERVICE > 50 kW									
	2010 BILL			2011 BILL			IMPACT		
	Volume	RATE \$	CHARGE \$	Volume	RATE \$	CHARGE \$	Change \$	Change %	% of Total Bill
Consumption									
30,000 kWh									
100 kW									
Monthly Service Charge			250.33			293.26	42.93	17.15%	8.31%
Distribution (kW)	100	1.7875	178.75	100	2.0341	203.41	24.66	13.80%	5.76%
Low Voltage Rider (kW)	100	0.0121	1.21	100	0.02169	2.17	0.96	79.26%	0.06%
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	(0.9136)	(91.36)	8.66	(8.66%)	(2.59%)
Distribution Sub-Total			331.83			416.73	84.90	25.59%	11.81%
Retail Transmission (kW)	100	3.8311	383.11	100	4.5227	452.27	69.16	18.05%	12.82%
Delivery Sub-Total			714.94			869.00	154.06	21.55%	24.62%
Other Charges (kWh)	31,263	0.0072	225.09	31,221	0.0072	224.79	(0.30)	(0.13%)	6.37%
Cost of Power Commodity (kWh)	31,263	0.0650	2,032.10	31,221	0.0650	2,029.37	(2.73)	(0.13%)	57.50%
SPC (kWh)	31,263	0.0003725	11.65	31,263	0.0000000	0.00	(11.65)	(100.00%)	0.00%
Total Bill Before Taxes			2,983.77			3,123.16	139.38	4.67%	88.50%
HST		13.00%	387.89		13.00%	406.01	18.12	4.67%	11.50%
Total Bill			3,371.66			3,529.17	157.50	4.67%	100.00%

GENERAL SERVICE > 50 kW									
	2010 BILL			2011 BILL			IMPACT		
	Volume	RATE \$	CHARGE \$	Volume	RATE \$	CHARGE \$	Change \$	Change %	% of Total Bill
Consumption									
75,000 kWh									
250 kW									
Monthly Service Charge			250.33			293.26	42.93	17.15%	3.53%
Distribution (kW)	250	1.7875	446.88	250	2.0341	508.53	61.65	13.80%	6.12%
Low Voltage Rider (kW)	250	0.0121	3.03	250	0.02169	5.42	2.40	79.26%	0.07%
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	(0.9136)	(228.40)	21.65	(8.66%)	(2.75%)
Distribution Sub-Total			451.74			588.06	136.32	30.18%	7.08%
Retail Transmission (kW)	250	3.8311	957.78	250	4.5227	1,130.68	172.90	18.05%	13.61%
Delivery Sub-Total			1,409.52			1,718.73	309.22	21.94%	20.68%
Other Charges (kWh)	78,158	0.0072	562.73	78,053	0.0072	561.98	(0.76)	(0.13%)	6.76%
Cost of Power Commodity (kWh)	78,158	0.0650	5,080.24	78,053	0.0650	5,073.41	(6.82)	(0.13%)	61.05%
SPC (kWh)	78,158	0.0003725	29.11	78,158	0.0000000	0.00	(29.11)	(100.00%)	0.00%
Total Bill Before Taxes			7,081.60			7,354.12	272.52	3.85%	88.50%
HST		13.00%	920.61		13.00%	956.04	35.43	3.85%	11.50%
Total Bill			8,002.21			8,310.16	307.95	3.85%	100.00%

GENERAL SERVICE > 50 kW									
	2010 BILL			2011 BILL			IMPACT		
	Volume	RATE \$	CHARGE \$	Volume	RATE \$	CHARGE \$	Change \$	Change %	% of Total Bill
Consumption									
100,000 kWh									
350 kW									
Monthly Service Charge			250.33			293.26	42.93	17.15%	2.65%
Distribution (kW)	350	1.7875	625.63	350	2.0341	711.94	86.31	13.80%	6.43%
Low Voltage Rider (kW)	350	0.0121	4.24	350	0.02169	7.59	3.36	79.26%	0.07%
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	(0.9136)	(319.76)	30.31	(8.66%)	(2.89%)
Distribution Sub-Total			531.68			702.28	170.60	32.09%	6.34%
Retail Transmission (kW)	350	3.8311	1,340.89	350	4.5227	1,582.95	242.06	18.05%	14.30%
Delivery Sub-Total			1,872.57			2,285.22	412.66	22.04%	20.64%
Other Charges (kWh)	104,210	0.0072	750.31	104,070	0.0072	749.30	(1.01)	(0.13%)	6.77%
Cost of Power Commodity (kWh)	104,210	0.0650	6,773.65	104,070	0.0650	6,764.55	(9.10)	(0.13%)	61.09%
SPC (kWh)	104,210	0.0003725	38.82	104,210	0.0000000	0.00	(38.82)	(100.00%)	0.00%
Total Bill Before Taxes			9,435.35			9,799.08	363.73	3.85%	88.50%
HST		13.00%	1,226.59		13.00%	1,273.88	47.28	3.85%	11.50%
Total Bill			10,661.94			11,072.96	411.02	3.85%	100.00%

GENERAL SERVICE > 50 kW									
	2010 BILL			2011 BILL			IMPACT		
	Volume	RATE \$	CHARGE \$	Volume	RATE \$	CHARGE \$	Change \$	Change %	% of Total Bill
Consumption									
800,000 kWh									
2,000 kW									
Monthly Service Charge			250.33			293.26	42.93	17.15%	0.36%
Distribution (kW)	2,000	1.7875	3,575.00	2,000	2.0341	4,068.20	493.20	13.80%	5.02%
Low Voltage Rider (kW)	2,000	0.0121	24.20	2,000	0.02169	43.38	19.18	79.26%	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	(0.9136)	(1,827.20)	173.20	(8.66%)	(2.25%)
Distribution Sub-Total			1,850.69			2,586.89	736.20	39.78%	3.19%
Retail Transmission (kW)	2,000	3.8311	7,662.20	2,000	4.5227	9,045.40	1,383.20	18.05%	11.16%
Delivery Sub-Total			9,512.89			11,632.29	2,119.40	22.28%	14.35%
Other Charges (kWh)	833,680	0.0072	6,002.50	832,560	0.0072	5,994.43	(8.06)	(0.13%)	7.39%
Cost of Power Commodity (kWh)	833,680	0.0650	54,189.20	832,560	0.0650	54,116.40	(72.80)	(0.13%)	66.75%
SPC (kWh)	833,680	0.0003725	310.55	833,680	0.0000000	0.00	(310.55)	(100.00%)	0.00%
Total Bill Before Taxes			70,015.13			71,743.12	1,727.99	2.47%	88.50%
HST		13.00%	9,101.97		13.00%	9,326.61	224.64	2.47%	11.50%
Total Bill			79,117.10			81,069.73	1,952.63	2.47%	100.00%

GENERAL SERVICE > 50 kW									
	2010 BILL			2011 BILL			IMPACT		
	Volume	RATE \$	CHARGE \$	Volume	RATE \$	CHARGE \$	Change \$	Change %	% of Total Bill
Consumption									
1,600,000 kWh									
4,000 kW									
Monthly Service Charge			250.33			293.26	42.93	17.15%	0.18%
Distribution (kW)	4,000	1.7875	7,150.00	4,000	2.0341	8,136.40	986.40	13.80%	5.03%
Low Voltage Rider (kW)	4,000	0.0121	48.40	4,000	0.02169	86.76	38.36	79.26%	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	(0.9136)	(3,654.40)	346.40	(8.66%)	(2.26%)
Distribution Sub-Total			3,449.49			4,871.27	1,421.78	41.22%	3.01%
Retail Transmission (kW)	4,000	3.8311	15,324.40	4,000	4.5227	18,090.80	2,766.40	18.05%	11.18%
Delivery Sub-Total			18,773.89			22,962.07	4,188.18	22.31%	14.19%
Other Charges (kWh)	1,667,360	0.0072	12,004.99	1,665,120	0.0072	11,988.86	(16.13)	(0.13%)	7.41%
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%)	66.89%
SPC (kWh)	1,667,360	0.0003725	621.09	1,667,360	0.0000000	0.00	(621.09)	(100.00%)	0.00%
Total Bill Before Taxes			139,778.37			143,183.73	3,405.36	2.44%	88.50%
HST		13.00%	18,171.19		13.00%	18,613.89	442.70	2.44%	11.50%
Total Bill			157,949.56			161,797.62	3,848.06	2.44%	100.00%

LARGE USER (> 5000 kW)									
	2010 BILL			2011 BILL			IMPACT		
	Volume	RATE \$	CHARGE \$	Volume	RATE \$	CHARGE \$	Change \$	Change %	% of Total Bill
Consumption									
2,800,000 kWh									
6,500 kW									
Monthly Service Charge			11,151.32			22,642.10	11,490.78	103.04%	7.36%
Distribution (kW)	6,500	1.0123	6,579.95	6,500	1.3359	8,683.35	2,103.40	31.97%	2.82%
Low Voltage Rider (kW)	6,500	0.014	91.00	6,500	0.02492	161.98	70.98	78.00%	0.05%
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!	0.13%
Deferral & Variance Acct (kW)	6,500	(0.6827)	-4,437.55	6,500	(0.5822)	(3,784.30)	653.25	(14.72%)	(1.23%)
Distribution Sub-Total			13,386.28			28,119.84	14,733.56	110.06%	9.14%
Retail Transmission (kW)	6,500	4.3886	28,525.90	6,500	5.1805	33,673.25	5,147.35	18.04%	10.95%
Delivery Sub-Total			41,912.18			61,793.09	19,880.91	47.43%	20.09%
Other Charges (kWh)	2,917,880	0.0072	21,008.74	2,913,960	0.0072	20,980.51	(28.22)	(0.13%)	6.82%
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%)	61.58%
SPC (kWh)	2,917,880	0.0003725	1,086.91	2,917,880	0.0000000	0.00	(1,086.91)	(100.00%)	0.00%
Total Bill Before Taxes			253,670.03			272,181.00	18,510.98	7.30%	88.50%
HST		13.00%	32,977.10		13.00%	35,383.53	2,406.43	7.30%	11.50%
Total Bill			286,647.13			307,564.53	20,917.40	7.30%	100.00%

LARGE USER (> 5000 kW)									
	2010 BILL			2011 BILL			IMPACT		
	Volume	RATE \$	CHARGE \$	Volume	RATE \$	CHARGE \$	Change \$	Change %	% of Total Bill
Consumption									
3,100,000 kWh									
7,500 kW									
Monthly Service Charge			11,151.32			22,642.10	11,490.78	103.04%	6.66%
Distribution (kW)	7,500	1.0123	7,592.25	7,500	1.3359	10,019.25	2,427.00	31.97%	2.95%
Low Voltage Rider (kW)	7,500	0.014	105.00	7,500	0.02492	186.90	81.90	78.00%	0.06%
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	(0.5822)	(4,366.50)	753.75	(14.72%)	(1.29%)
Distribution Sub-Total			13,729.88			28,898.46	15,168.58	110.48%	8.51%
Retail Transmission (kW)	7,500	4.3886	32,914.50	7,500	5.1805	38,853.75	5,939.25	18.04%	11.44%
Delivery Sub-Total			46,644.38			67,752.21	21,107.83	45.25%	19.94%
Other Charges (kWh)	3,230,510	0.0072	23,259.67	3,226,170	0.0072	23,228.42	(31.25)	(0.13%)	6.84%
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%)	61.72%
SPC (kWh)	3,230,510	0.0003725	1,203.36	3,230,510	0.0000000	0.00	(1,203.36)	(100.00%)	0.00%
Total Bill Before Taxes			281,090.57			300,681.68	19,591.12	6.97%	88.50%
HST		13.00%	36,541.77		13.00%	39,088.62	2,546.85	6.97%	11.50%
Total Bill			317,632.34			339,770.30	22,137.96	6.97%	100.00%

LARGE USER (> 5000 kW)									
	2010 BILL			2011 BILL			IMPACT		
	Volume	RATE \$	CHARGE \$	Volume	RATE \$	CHARGE \$	Change \$	Change %	% of Total Bill
Consumption									
4,200,000 kWh									
10,000 kW									
Monthly Service Charge			11,151.32			22,642.10	11,490.78	103.04%	5.03%
Distribution (kW)	10,000	1.0123	10,123.00	10,000	1.3359	13,359.00	3,236.00	31.97%	2.97%
Low Voltage Rider (kW)	10,000	0.014	140.00	10,000	0.02492	249.20	109.20	78.00%	0.06%
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	(0.5822)	(5,822.00)	1,005.00	(14.72%)	(1.29%)
Distribution Sub-Total			14,588.88			30,845.01	16,256.13	111.43%	6.85%
Retail Transmission (kW)	10,000	4.3886	43,886.00	10,000	5.1805	51,805.00	7,919.00	18.04%	11.51%
Delivery Sub-Total			58,474.88			82,650.01	24,175.13	41.34%	18.37%
Other Charges (kWh)	4,376,820	0.0072	31,513.10	4,370,940	0.0072	31,470.77	(42.34)	(0.13%)	6.99%
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%)	63.14%
SPC (kWh)	4,376,820	0.0003725	1,630.37	4,376,820	0.0000000	0.00	(1,630.37)	(100.00%)	0.00%
Total Bill Before Taxes			376,111.65			398,231.88	22,120.23	5.88%	88.50%
HST		13.00%	48,894.51		13.00%	51,770.14	2,875.63	5.88%	11.50%
Total Bill			425,006.16			450,002.02	24,995.86	5.88%	100.00%

LARGE USER (> 5000 kW)									
	2010 BILL			2011 BILL			IMPACT		
	Volume	RATE \$	CHARGE \$	Volume	RATE \$	CHARGE \$	Change \$	Change %	% of Total Bill
Consumption									
4,700,000 kWh									
13,900 kW									
Monthly Service Charge			11,151.32			22,642.10	11,490.78	103.04%	4.37%
Distribution (kW)	13,900	1.0123	14,070.97	13,900	1.3359	18,569.01	4,498.04	31.97%	3.58%
Low Voltage Rider (kW)	13,900	0.014	194.60	13,900	0.02492	346.39	151.79	78.00%	0.07%
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	(0.5822)	(8,092.58)	1,396.95	(14.72%)	(1.56%)
Distribution Sub-Total			15,928.92			33,881.63	17,952.71	112.71%	6.53%
Retail Transmission (kW)	13,900	4.3886	61,001.54	13,900	5.1805	72,008.95	11,007.41	18.04%	13.88%
Delivery Sub-Total			76,930.46			105,890.58	28,960.12	37.64%	20.41%
Other Charges (kWh)	4,897,870	0.0072	35,264.66	4,891,290	0.0072	35,217.29	(47.38)	(0.13%)	6.79%
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%)	61.29%
SPC (kWh)	4,897,870	0.0003725	1,824.46	4,897,870	0.0000000	0.00	(1,824.46)	(100.00%)	0.00%
Total Bill Before Taxes			432,381.13			459,041.72	26,660.59	6.17%	88.50%
HST		13.00%	56,209.55		13.00%	59,675.42	3,465.88	6.17%	11.50%
Total Bill			488,590.68			518,717.14	30,126.46	6.17%	100.00%

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	2.31	15,409.85	2,256.16	17.15%	5.32%
2,400,000 kWh	Distribution (kW)	6,800	5.2585	35,757.80	6,800	6.1604	41,890.72	6,132.92	17.15%	14.46%
6,800 kW	Low Voltage Rider (kW)	6,800	0.0095	64.60	6,800	0.01702	115.74	51.14	79.16%	0.04%
	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	(0.8072)	(5,488.96)	395.76	(6.73%)	(1.89%)
	Distribution Sub-Total			43,091.37			51,927.37	8,836.00	20.51%	17.92%
	Retail Transmission (kW)	6,800	3.0113	20,476.84	6,800	3.5550	24,174.00	3,697.16	18.06%	8.34%
	Delivery Sub-Total			63,568.21			76,101.37	12,533.16	19.72%	26.26%
	Other Charges (kWh)	2,501,040	0.0072	18,007.49	2,497,680	0.0072	17,983.30	(24.19)	(0.13%)	6.21%
	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%)	56.03%
	SPC (kWh)	2,501,040	0.0003725	931.64	2,501,040	0.0000000	0.00	(931.64)	(100.00%)	0.00%
	Total Bill Before Taxes			245,074.94			256,433.87	11,358.93	4.63%	88.50%
	HST		13.00%	31,859.74		13.00%	33,336.40	1,476.66	4.63%	11.50%
	Total Bill			276,934.68			289,770.27	12,835.60	4.63%	100.00%

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	2.31	2.31	0.34	17.15%	23.89%
62 kWh	Distribution (kW)	0	5.2585	0.89	0	6.1604	1.05	0.15	17.15%	10.84%
0 kW	Low Voltage Rider (kW)	0	0.0095	0.00	0	0.01702	0.00	0.00	79.16%	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	(0.8072)	(0.14)	0.01	(6.73%)	(1.42%)
	Distribution Sub-Total			2.72			3.25	0.53	19.58%	33.65%
	Retail Transmission (kW)	0	3.0113	0.51	0	3.5550	0.60	0.09	18.06%	6.26%
	Delivery Sub-Total			3.23			3.86	0.62	19.34%	39.91%
	Other Charges (kWh)	65	0.0072	0.47	65	0.0072	0.47	(0.00)	(0.13%)	4.85%
	Cost of Power Commodity (kWh)	65	0.0650	4.23	65	0.0650	4.23	(0.01)	(0.13%)	43.74%
	SPC (kWh)	65	0.0003725	0.02	65	0.0000000	0.00	(0.02)	(100.00%)	0.00%
	Total Bill Before Taxes			7.95			8.55	0.59	7.47%	88.50%
	HST		13.00%	1.03		13.00%	1.11	0.08	7.47%	11.50%
	Total Bill			8.99			9.66	0.67	7.47%	100.00%

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	4.42	3,189.99	1,106.30	53.09%	20.70%
97,008 kWh	Distribution (kW)	216	7.9297	1,712.82	216	12.1399	2,622.22	909.40	53.09%	17.02%
216 kW	Low Voltage Rider (kW)	216	0.0097	2.10	216	0.01745	3.77	1.67	79.90%	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	(1.2489)	(269.76)	28.25	(9.48%)	(1.75%)
	Distribution Sub-Total			3,500.59			5,546.28	2,045.69	58.44%	36.00%
	Retail Transmission (kW)	216	3.137	677.59	216	3.7042	800.11	122.52	18.08%	5.19%
	Delivery Sub-Total			4,178.18			6,346.38	2,168.21	51.89%	41.19%
	Other Charges (kWh)	101,092	0.0072	727.86	100,956	0.0072	726.88	(0.98)	(0.13%)	4.72%
	Cost of Power Commodity (kWh)	101,092	0.0650	6,570.98	100,956	0.0650	6,562.15	(8.83)	(0.13%)	42.59%
	SPC (kWh)	101,092	0.0003725	37.66	101,092	0.0000000	0.00	(37.66)	(100.00%)	0.00%
	Total Bill Before Taxes			11,514.68			13,635.42	2,120.75	18.42%	88.50%
	HST		13.00%	1,496.91		13.00%	1,772.61	275.70	18.42%	11.50%
	Total Bill			13,011.59			15,408.03	2,396.44	18.42%	100.00%

Sentinel Lighting									
Billing Determinants	2010 BILL			2011 BILL			IMPACT		
	Volume	RATE \$	CHARGE \$	Volume	RATE \$	CHARGE \$	Change \$	Change %	% of Total Bill
1 Connections									
134.55 kWh									
0 kW									
Monthly Service Charge	1	2.8900	2.89	1	4.42	4.42	1.53	53.09%	20.63%
Distribution (kW)	0	7.9297	2.38	0	12.1399	3.64	1.26	53.09%	16.98%
Low Voltage Rider (kW)	0	0.0097	0.00	0	0.01745	0.01	0.00	79.90%	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	(1.2489)	(0.37)	0.04	(9.48%)	(1.75%)
Distribution Sub-Total			4.86			7.76	2.90	59.68%	36.17%
Retail Transmission (kW)	0	3.137	0.94	0	3.7042	1.11	0.17	18.08%	5.18%
Delivery Sub-Total			5.80			8.87	3.07	52.93%	41.35%
Other Charges (kWh)	140	0.0072	1.01	140	0.0072	1.01	(0.00)	(0.13%)	4.70%
Cost of Power Commodity (kWh)	140	0.0650	9.11	140	0.0650	9.10	(0.01)	(0.13%)	42.44%
SPC (kWh)	140	0.0003725	0.05	140	0.0000000	0.00	(0.05)	(100.00%)	0.00%
Total Bill Before Taxes			15.97			18.98	3.00	18.80%	88.50%
HST		13.00%	2.08		13.00%	2.47	0.39	18.80%	11.50%
Total Bill			18.05			21.45	3.39	18.80%	100.00%

Unmetered Scattered									
Consumption	2010 BILL			2011 BILL			IMPACT		
	Volume	RATE \$	CHARGE \$	Volume	RATE \$	CHARGE \$	Change \$	Change %	% of Total Bill
250 kWh									
Monthly Service Charge			9.59			9.11	(0.48)	(4.99%)	23.57%
Distribution (kWh)	250	0.0148	3.70	250	0.0141	3.53	(0.18)	(4.73%)	9.12%
Low Voltage Rider (kWh)	250	0	0.00	250	0.00006	0.02	0.02	#DIV/0!	0.04%
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!	1.16%
Deferral & Variance Acct (kWh)	250	(0.0031)	-0.78	250	(0.0028)	(0.70)	0.08	(9.68%)	(1.81%)
Distribution Sub-Total			12.54			12.40	(0.14)	(1.11%)	32.09%
Retail Transmission (kWh)	261	0.0099	2.58	260	0.01160	3.02	0.44	17.01%	7.81%
Delivery Sub-Total			15.12			15.42	0.30	1.98%	39.89%
Other Charges (kWh)	261	0.0072	1.88	260	0.0072	1.87	(0.00)	(0.13%)	4.85%
Cost of Power Commodity (kWh)	261	0.0650	16.93	260	0.0650	16.91	(0.02)	(0.13%)	43.75%
SPC (kWh)	261	0.0037250	0.97	261	0.0000000	0.00	(0.97)	(100.00%)	0.00%
Total Bill Before Taxes			34.90			34.20	-0.70	(2.00%)	88.50%
HST		13.00%	4.54		13.00%	4.45	(0.09)	(1.99%)	11.50%
Total Bill			39.44			38.65	-0.79	(2.00%)	100.00%

Unmetered Scattered									
Consumption	2010 BILL			2011 BILL			IMPACT		
	Volume	RATE \$	CHARGE \$	Volume	RATE \$	CHARGE \$	Change \$	Change %	% of Total Bill
500 kWh									
Monthly Service Charge			9.59			9.11	(0.48)	(4.99%)	13.70%
Distribution (kWh)	500	0.0148	7.40	500	0.0141	7.05	(0.35)	(4.73%)	10.60%
Low Voltage Rider (kWh)	500	0	0.00	500	0.00006	0.03	0.03	#DIV/0!	0.05%
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!	0.68%
Deferral & Variance Acct (kWh)	500	(0.0031)	-1.55	500	(0.0028)	(1.40)	0.15	(9.68%)	(2.11%)
Distribution Sub-Total			15.49			15.24	(0.25)	(1.61%)	22.92%
Retail Transmission (kWh)	521	0.0099	5.16	520	0.01160	6.04	0.88	17.01%	9.08%
Delivery Sub-Total			20.65			21.28	0.63	3.05%	32.00%
Other Charges (kWh)	521	0.0072	3.75	520	0.0072	3.75	(0.01)	(0.13%)	5.63%
Cost of Power Commodity (kWh)	521	0.0650	33.87	520	0.0650	33.82	(0.05)	(0.13%)	50.86%
SPC (kWh)	521	0.0037250	1.94	521	0.0000000	0.00	(1.94)	(100.00%)	0.00%
Total Bill Before Taxes			60.21			58.85	-1.36	(2.26%)	88.50%
HST		13.00%	7.83		13.00%	7.65	(0.18)	(2.26%)	11.50%
Total Bill			68.04			66.50	-1.54	(2.26%)	100.00%

**Appendix B-1: Customer Bill Impacts for Requested Profiles
Inclusive of Forgone Revenue Rate Rider**

RESIDENTIAL										
		2010 BILL			2011 BILL			IMPACT		
		Volume	RATE \$	CHARGE \$	Volume	RATE \$	CHARGE \$	\$	%	% of Total Bill
Consumption	Monthly Service Charge			12.68			14.45	1.77	13.96%	12.60%
	800 kWh	800	0.0125	10.00	800	0.0142	11.36	1.36	13.60%	9.91%
	Foregone Revenue (Fixed)						1.06	1.06	#DIV/0!	0.92%
	Foregone Revenue (Variable)				800	0.0011	0.88	0.88	#DIV/0!	0.77%
	Low Voltage Rider (kWh)	800	0.0000	0.00	800	0.000060	0.05	0.05	#DIV/0!	0.04%
	Smart Meter Rider (per month)			1.56			2.14	0.58	37.18%	1.87%
	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%	(1.60%)
	Distribution Sub-Total			22.56			28.37	5.81	25.74%	24.74%
	Retail Transmission (kWh)	834	0.0108	9.00	833	0.0128	10.66	1.65	18.36%	9.29%
	Delivery Sub-Total			31.56			39.02	7.46	23.64%	34.04%
	Other Charges (kWh)	834	0.0072	6.00	833	0.0072	5.99	(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%	34.02%
	Cost of Power Commodity (kWh)	234	0.0750	17.53	233	0.0750	17.44	(0.08)	(0.48%)	15.21%
	SPC (kWh)	834	0.0003725	0.31	834	0.0000000	0.00	(0.31)	(100.00%)	0.00%
	Total Bill Before Taxes			94.40			101.46	7.06	7.48%	88.50%
	HST		13.00%	12.27		13.00%	13.19	0.92	7.48%	11.50%
	Total Bill			106.68			114.65	7.98	7.48%	100.00%

GENERAL SERVICE < 50 kW										
		2010 BILL			2011 BILL			IMPACT		
		Volume	RATE \$	CHARGE \$	Volume	RATE \$	CHARGE \$	\$	%	% of Total Bill
Consumption	Monthly Service Charge			27.45			32.16	4.71	17.16%	11.91%
	2,000 kWh	2,000	0.0072	14.40	2,000	0.0084	16.80	2.40	16.67%	6.22%
	Foregone Revenue (Fixed)						2.84	2.84	#DIV/0!	1.05%
	Foregone Revenue (Variable)				2,000	0.0009	1.80	1.80	#DIV/0!	0.67%
	Low Voltage Rider (kWh)	2,000	0.0000	0.00	2,000	0.000060	0.12	0.12	#DIV/0!	0.04%
	Smart Meter Rider (per month)			1.56			2.14	0.58	37.18%	0.79%
	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!	0.23%
	Deferral & Variance Acct (kWh)	2,000	(0.0025)	(5.00)	2,000	(0.0024)	(4.80)	0.20	(4.00%)	(1.78%)
	Distribution Sub-Total			38.41			51.69	13.28	34.57%	19.14%
	Retail Transmission (kWh)	2,084	0.0097	20.22	2,081	0.0114	23.73	3.51	17.37%	8.79%
	Delivery Sub-Total			58.63			75.42	16.79	28.64%	27.92%
	Other Charges (kWh)	2,084	0.0072	15.01	2,081	0.0072	14.99	(0.02)	(0.13%)	5.55%
	Cost of Power Commodity (kWh)	750	0.0650	48.75	750	0.0650	48.75	0.00	0.00%	18.05%
	Cost of Power Commodity (kWh)	1,334	0.0750	100.07	1,331	0.0750	99.86	(0.21)	(0.21%)	36.97%
	SPC (kWh)	2,084	0.0003725	0.78	2,084	0.0000000	0.00	(0.78)	(100.00%)	0.00%
	Total Bill Before Taxes			223.22			239.01	\$15.78	7.07%	88.50%
	HST		13.00%	29.02		13.00%	31.07	2.05	7.07%	11.50%
	Total Bill			252.24			270.08	\$17.84	7.07%	100.00%

GENERAL SERVICE > 50 kW									
	2010 BILL			2011 BILL			IMPACT		
	Volume	RATE \$	CHARGE \$	Volume	RATE \$	CHARGE \$	Change \$	Change %	% of Total Bill
Consumption									
30,000 kWh									
100 kW									
Monthly Service Charge			250.33			293.26	42.93	17.15%	8.20%
Distribution (kW)	100	1.7875	178.75	100	2.0341	203.41	24.66	13.80%	5.69%
Low Voltage Rider (kW)	100	0.0121	1.21	100	0.021690	2.17	0.96	79.26%	0.06%
Foregone Revenue (Fixed)						25.68	25.68	#DIV/0!	0.72%
Foregone Revenue (Variable)				100	0.168900	16.89	16.89	#DIV/0!	0.47%
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	(0.9136)	(91.36)	8.66	(8.66%)	(2.55%)
Distribution Sub-Total			331.83			459.30	127.47	38.41%	12.84%
Retail Transmission (kW)	100	3.8311	383.11	100	4.5227	452.27	69.16	18.05%	12.64%
Delivery Sub-Total			714.94			911.57	196.63	27.50%	25.48%
Other Charges (kWh)	31,263	0.0072	225.09	31,221	0.0072	224.79	(0.30)	(0.13%)	6.28%
Cost of Power Commodity (kWh)	31,263	0.0650	2,032.10	31,221	0.0650	2,029.37	(2.73)	(0.13%)	56.73%
SPC (kWh)	31,263	0.0003725	11.65	31,263	0.0000000	0.00	(11.65)	(100.00%)	0.00%
Total Bill Before Taxes			2,983.77			3,165.73	181.95	6.10%	88.50%
HST		13.00%	387.89		13.00%	411.54	23.65	6.10%	11.50%
Total Bill			3,371.66			3,577.27	205.60	6.10%	100.00%

LARGE USER (> 5000 kW)									
	2010 BILL			2011 BILL			IMPACT		
	Volume	RATE \$	CHARGE \$	Volume	RATE \$	CHARGE \$	Change \$	Change %	% of Total Bill
Consumption									
4,700,000 kWh									
13,900 kW									
Monthly Service Charge			11,151.32			22,642.10	11,490.78	103.04%	4.27%
Distribution (kW)	13,900	1.0123	14,070.97	13,900	1.3359	18,569.01	4,498.04	31.97%	3.50%
Low Voltage Rider (kW)	13,900	0.014	194.60	13,900	0.024920	346.39	151.79	78.00%	0.07%
Foregone Revenue (Fixed)						7,277.49	7,277.49	#DIV/0!	1.37%
Foregone Revenue (Variable)				13,900	0.193300	2,686.87	2,686.87	#DIV/0!	0.51%
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	(0.5822)	(8,092.58)	1,396.95	(14.72%)	(1.53%)
Distribution Sub-Total			15,928.92			43,845.99	27,917.07	175.26%	8.27%
Retail Transmission (kW)	13,900	4.3886	61,001.54	13,900	5.1805	72,008.95	11,007.41	18.04%	13.59%
Delivery Sub-Total			76,930.46			115,854.94	38,924.48	50.60%	21.86%
Other Charges (kWh)	4,897,870	0.0072	35,264.66	4,891,290	0.0072	35,217.29	(47.38)	(0.13%)	6.65%
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%)	59.99%
SPC (kWh)	4,897,870	0.0003725	1,824.46	4,897,870	0.0000000	0.00	(1,824.46)	(100.00%)	0.00%
Total Bill Before Taxes			432,381.13			469,006.08	36,624.95	8.47%	88.50%
HST		13.00%	56,209.55		13.00%	60,970.79	4,761.24	8.47%	11.50%
Total Bill			488,590.68			529,976.87	41,386.19	8.47%	100.00%

Appendix C (Revised):
Revised Revenue Requirement Work Form



REVENUE REQUIREMENT WORK FORM

Name of LDC: (1)
File Number:
Rate Year: Version: 2.11

Table of Content

<u>Sheet</u>	<u>Name</u>
A	Data Input Sheet
1	Rate Base
2	Utility Income
3	Taxes/PILS
4	Capitalization/Cost of Capital
5	Revenue Sufficiency/Deficiency
6	Revenue Requirement
7A	Bill Impacts -Residential
7B	Bill Impacts - GS < 50 kW

Notes:

- (1) Pale green cells represent inputs
- (2) Pale yellow cells represent drop-down lists
- (3) **Please note that this model uses MACROS. Before starting, please ensure that macros have been enabled.**
- (4) **Completed versions of the Revenue Requirement Work Form are required to be filed in working Microsoft Excel format.**

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REVENUE REQUIREMENT WORK FORM

Version: 2.11

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

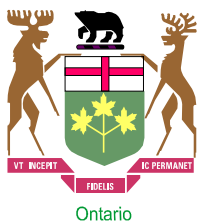
Data Input (1)

	Initial Application	Adjustments	Close of Discovery ⁽⁷⁾	Adjustments	Per Board Decision
1 Rate Base					
Gross Fixed Assets (average)	\$669,240,937	\$ -	\$ 669,240,937	(\$17,770,552)	\$651,470,385
Accumulated Depreciation (average)	(\$354,217,379) (5)		-\$ 354,217,379	\$12,935,355	(\$341,282,024)
Allowance for Working Capital:					
Controllable Expenses	\$47,875,239	(\$80,000)	\$ 47,795,239	(\$5,038,772)	\$42,756,467
Cost of Power	\$394,028,104	(\$11,843,267)	\$ 382,184,837	\$11,090,817	\$393,275,654
Working Capital Rate (%)	14.00%		14.00%		13.50%
2 Utility Income					
Operating Revenues:					
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	(\$6,166,903)	\$96,450,735
Other Revenue:					
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					
Operating Expenses:					
OM+A Expenses	\$47,537,439	(\$80,000)	\$ 47,457,439	(\$5,038,772)	\$42,418,667
Depreciation/Amortization	\$27,371,137	\$ -	\$ 27,371,137	(\$345,599)	\$27,025,538
Property taxes	\$337,800	\$ -	\$ 337,800	\$ -	\$337,800
Capital taxes					
Other expenses					
3 Taxes/PILs					
Taxable Income:					
Adjustments required to arrive at taxable income	\$538,415 (3)		\$1,835,569		\$2,801,581
Utility Income Taxes and Rates:					
Income taxes (not grossed up)	\$4,347,077		\$4,336,743		\$4,481,916
Income taxes (grossed up)	\$6,058,644		\$5,904,367		\$6,093,852
Capital Taxes					
Federal tax (%)	16.50% (6)		14.80% (6)		16.50% (6)
Provincial tax (%)	11.75%		11.75%		9.95%
Income Tax Credits					(8)
4 Capitalization/Cost of Capital					
Capital Structure:					
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%
Cost of Capital					
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	(\$17,770,552)	\$651,470,385
2	Accumulated Depreciation (average) (3)	(\$354,217,379)	\$ -	(\$354,217,379)	\$12,935,355	(\$341,282,024)
3	Net Fixed Assets (average) (3)	\$315,023,558	\$ -	\$315,023,558	(\$4,835,197)	\$310,188,361
4	Allowance for Working Capital (1)	\$61,866,468	(\$1,669,257)	\$60,197,211	(\$1,332,874)	\$58,864,336
5	Total Rate Base	\$376,890,026	(\$1,669,257)	\$375,220,769	(\$6,168,071)	\$369,052,697

(1)		Allowance for Working Capital - Derivation				
6	Controllable Expenses	\$47,875,239	(\$80,000)	\$47,795,239	(\$5,038,772)	\$42,756,467
7	Cost of Power	\$394,028,104	(\$11,843,267)	\$382,184,837	\$11,090,817	\$393,275,654
8	Working Capital Base	\$441,903,343	(\$11,923,267)	\$429,980,076	\$6,052,045	\$436,032,121
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	(\$1,332,874)	\$58,864,336

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

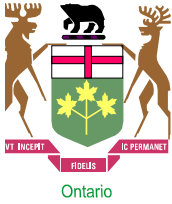
Version: 2.11

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
Operating Revenues:						
1	Distribution Revenue (at Proposed Rates)	\$103,225,970	(\$608,332)	\$102,617,638	(\$6,166,903)	\$96,450,735
2	Other Revenue (1)	\$5,481,969	\$ -	\$5,481,969	\$414,031	\$5,896,000
3	Total Operating Revenues	\$108,707,939	(\$608,332)	\$108,099,607	(\$5,752,872)	\$102,346,735
Operating Expenses:						
4	OM+A Expenses	\$47,537,439	(\$80,000)	\$47,457,439	(\$5,038,772)	\$42,418,667
5	Depreciation/Amortization	\$27,371,137	\$ -	\$27,371,137	(\$345,599)	\$27,025,538
6	Property taxes	\$337,800	\$ -	\$337,800	\$ -	\$337,800
7	Capital taxes	\$ -	\$ -	\$ -	\$ -	\$ -
8	Other expense	\$ -	\$ -	\$ -	\$ -	\$ -
9	Subtotal (lines 4 to 8)	\$75,246,376	(\$80,000)	\$75,166,376	(\$5,384,371)	\$69,782,005
10	Deemed Interest Expense	\$12,553,453	(\$23,119)	\$12,530,334	(\$201,553)	\$12,328,781
11	Total Expenses (lines 9 to 10)	\$87,799,829	(\$103,119)	\$87,696,710	(\$5,585,924)	\$82,110,786
12	Utility income before income taxes	\$20,908,110	(\$505,213)	\$20,402,897	(\$166,948)	\$20,235,949
13	Income taxes (grossed-up)	\$6,058,644	(\$154,277)	\$5,904,367	\$189,484	\$6,093,852
14	Utility net income	\$14,849,466	(\$350,936)	\$14,498,530	(\$356,433)	\$14,142,097

Notes

(1)	Other Revenues / Revenue Offsets					
	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	\$ -	\$ -	\$ -	\$ -	\$ -
	Total Revenue Offsets	\$5,481,969	\$ -	\$5,481,969	\$414,031	\$5,896,000



REVENUE REQUIREMENT WORK FORM

Version: 2.11

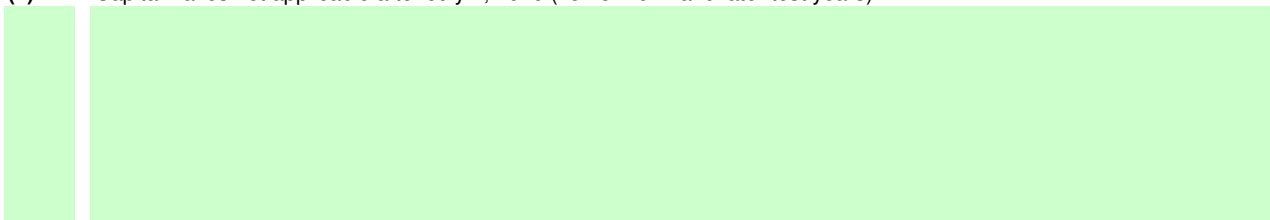
Name of LDC: Horizon Utilities Corporation
 File Number: EB-2010-0131
 Rate Year: 2011

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	\$14,142,099
2	Adjustments required to arrive at taxable utility income	\$538,415	\$1,835,569	\$2,801,581
3	Taxable income	\$15,387,882	\$16,334,100	\$16,943,681
<u>Calculation of Utility income Taxes</u>				
4	Income taxes	\$4,347,077	\$4,336,743	\$4,481,916
5	Capital taxes	\$ - (1)	\$ - (1)	\$ - (1)
6	Total taxes	\$4,347,077	\$4,336,743	\$4,481,916
7	Gross-up of Income Taxes	\$1,711,567	\$1,567,624	\$1,611,936
8	Grossed-up Income Taxes	\$6,058,644	\$5,904,367	\$6,093,852
9	PILs / tax Allowance (Grossed-up Income taxes + Capital taxes)	\$6,058,644	\$5,904,367	\$6,093,852
10	Other tax Credits	\$ -	\$ -	\$ -
<u>Tax Rates</u>				
11	Federal tax (%)	16.50%	14.80%	16.50%
12	Provincial tax (%)	11.75%	11.75%	9.95%
13	Total tax rate (%)	28.25%	26.55%	26.45%

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
Initial Application					
		(%)	(\$)	(%)	(\$)
Debt					
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	Total Debt	60.00%	\$226,134,016	5.55%	\$12,553,453
Equity					
4	Common Equity	40.00%	\$150,756,010	9.85%	\$14,849,467
5	Preferred Shares	0.00%	\$ -	0.00%	\$ -
6	Total Equity	40.00%	\$150,756,010	9.85%	\$14,849,467
7	Total	100.00%	\$376,890,026	7.27%	\$27,402,920

Close of Discovery					
		(%)	(\$)	(%)	(\$)
Debt					
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	Total Debt	60.00%	\$225,132,461	5.57%	\$12,530,334
Equity					
4	Common Equity	40.00%	\$150,088,307	9.66%	\$14,498,531
5	Preferred Shares	0.00%	\$ -	0.00%	\$ -
6	Total Equity	40.00%	\$150,088,307	9.66%	\$14,498,531
7	Total	100.00%	\$375,220,769	7.20%	\$27,028,865

Per Board Decision					
		(%)	(\$)	(%)	(\$)
Debt					
8	Long-term Debt	56.00%	\$206,669,511	5.79%	\$11,965,634
9	Short-term Debt	4.00%	\$14,762,108	2.46%	\$363,148
10	Total Debt	60.00%	\$221,431,618	5.57%	\$12,328,781
Equity					
11	Common Equity	40.00%	\$147,621,079	9.58%	\$14,142,099
12	Preferred Shares	0.00%	\$ -	0.00%	\$ -
13	Total Equity	40.00%	\$147,621,079	9.58%	\$14,142,099
14	Total	100.00%	\$369,052,697	7.17%	\$26,470,881

Notes

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



REVENUE REQUIREMENT WORK FORM

Version: 2.11

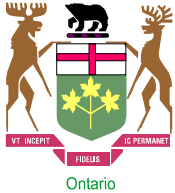
Name of LDC: Horizon Utilities Corporation
 File Number: EB-2010-0131
 Rate Year: 2011

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
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	Total Revenue	<u>\$89,147,933</u>	<u>\$108,707,939</u>	<u>\$87,377,954</u>	<u>\$108,099,607</u>	<u>\$88,226,330</u>	<u>\$102,346,735</u>
5	Operating Expenses	\$75,246,376	\$75,246,376	\$75,166,376	\$75,166,376	\$69,782,005	\$69,782,005
6	Deemed Interest Expense	\$12,553,453	\$12,553,453	\$12,530,334	\$12,530,334	\$12,328,781	\$12,328,781
	Total Cost and Expenses	<u>\$87,799,829</u>	<u>\$87,799,829</u>	<u>\$87,696,710</u>	<u>\$87,696,710</u>	<u>\$82,110,786</u>	<u>\$82,110,786</u>
7	Utility Income Before Income Taxes	\$1,348,104	\$20,908,110	(\$318,756)	\$20,402,897	\$6,115,544	\$20,235,949
8	Tax Adjustments to Accounting Income per 2009 PILs	\$538,415	\$538,415	\$1,835,569	\$1,835,569	\$2,801,581	\$2,801,581
9	Taxable Income	\$1,886,519	\$21,446,525	\$1,516,813	\$22,238,466	\$8,917,125	\$23,037,530
10	Income Tax Rate	28.25%	28.25%	26.55%	26.55%	26.45%	26.45%
11	Income Tax on Taxable Income	\$532,942	\$6,058,643	\$402,718	\$5,904,368	\$2,358,743	\$6,093,849
12	Income Tax Credits	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
13	Utility Net Income	<u>\$815,162</u>	<u>\$14,849,466</u>	<u>(\$721,474)</u>	<u>\$14,498,530</u>	<u>\$3,756,800</u>	<u>\$14,142,097</u>
14	Utility Rate Base	\$376,890,026	\$376,890,026	\$375,220,769	\$375,220,769	\$369,052,697	\$369,052,697
	Deemed Equity Portion of Rate Base	\$150,756,010	\$150,756,010	\$150,088,307	\$150,088,307	\$147,621,079	\$147,621,079
15	Income/Equity Rate Base (%)	0.54%	9.85%	-0.48%	9.66%	2.54%	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%	-7.04%	0.00%
18	Indicated Rate of Return	3.55%	7.27%	3.15%	7.20%	4.36%	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%	-2.81%	0.00%
21	Target Return on Equity	\$14,849,467	\$14,849,467	\$14,498,531	\$14,498,531	\$14,142,099	\$14,142,099
22	Revenue Deficiency/(Sufficiency)	\$14,034,305	(\$1)	\$15,220,004	(\$1)	\$10,385,299	(\$2)
23	Gross Revenue Deficiency/(Sufficiency)	<u>\$19,560,006 (1)</u>	<u>\$19,560,006 (1)</u>	<u>\$20,721,655 (1)</u>	<u>\$20,721,655 (1)</u>	<u>\$14,120,405 (1)</u>	<u>\$14,120,405 (1)</u>

Notes:

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



REVENUE REQUIREMENT WORK FORM

Version: 2.11

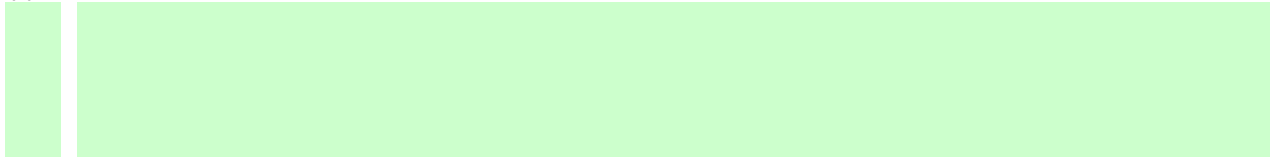
Name of LDC: Horizon Utilities Corporation
 File Number: EB-2010-0131
 Rate Year: 2011

Revenue Requirement

Line No.	Particulars	Application	Close of Discovery	Per Board Decision
1	OM&A Expenses	\$47,537,439	\$47,457,439	\$42,418,667
2	Amortization/Depreciation	\$27,371,137	\$27,371,137	\$27,025,538
3	Property Taxes	\$337,800	\$337,800	\$337,800
4	Capital Taxes	\$ -	\$ -	\$ -
5	Income Taxes (Grossed up)	\$6,058,644	\$5,904,367	\$6,093,852
6	Other Expenses	\$ -		
7	Return			
	Deemed Interest Expense	\$12,553,453	\$12,530,334	\$12,328,781
	Return on Deemed Equity	\$14,849,467	\$14,498,531	\$14,142,099
8	Distribution Revenue Requirement before Revenues	\$108,707,940	\$108,099,608	\$102,346,737
9	Distribution revenue	\$103,225,970	\$102,617,638	\$96,450,735
10	Other revenue	\$5,481,969	\$5,481,969	\$5,896,000
11	Total revenue	\$108,707,939	\$108,099,607	\$102,346,735
12	Difference (Total Revenue Less Distribution Revenue Requirement before Revenues)	(\$1) (1)	(\$1) (1)	(\$2) (1)

Notes

(1) Line 11 - Line 8





REVENUE REQUIREMENT WORK FORM

Version: 2.11

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

Residential

Consumption **800** kWh

	Charge Unit	Current Board-Approved			Proposed			Impact		
		Rate (\$)	Volume	Charge (\$)	Rate (\$)	Volume	Charge (\$)	\$ Change	% Change	
1	Monthly Service Charge	monthly	\$ 12.6800	1	\$ 12.68	\$ 14.8200	1	\$ 14.82	\$ 2.14	16.88%
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	\$ 0.0127	800	\$ 10.16	\$ 0.0146	800	\$ 11.68	\$ 1.52	14.96%
6	Low Voltage Rate Adder	per kWh		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	per kWh	\$ 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	-\$ 0.0003	800	\$ 0.24	\$ -	0.00%
13	to April 30, 2012	per kWh	-\$ 0.0020	800	\$ 1.60	-\$ 0.0020	800	\$ 1.60	\$ -	0.00%
14					\$ -			\$ -	\$ -	
15	Rate Rider for Tax Changes	per kWh	-\$ 0.0002	800	\$ 0.16	-\$ 0.0002	800	\$ 0.16	\$ -	0.00%
16	Sub-Total A - Distribution				\$ 22.56			\$ 26.84	\$ 4.28	18.97%
17	RTSR - Network	per kWh	\$ 0.0059	833.68	\$ 4.92	\$ 0.0059	832.56	\$ 4.91	-\$ 0.01	-0.13%
18	RTSR - Line and Transformation Connection	per kWh	\$ 0.0049	833.68	\$ 4.09	\$ 0.0049	832.56	\$ 4.08	-\$ 0.01	-0.13%
19	Sub-Total B - Delivery (including Sub-Total A)				\$ 31.56			\$ 35.83	\$ 4.27	13.52%
20	Wholesale Market Service Charge (WMSC)	per kWh	\$ 0.0052	833.68	\$ 4.34	\$ 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	\$ 0.0013	832.56	\$ 1.08	-\$ 0.00	-0.13%
22	Special Purpose Charge	per kWh	\$ 0.0003725	833.68	\$ 0.31	\$ -	832.56	\$ -	-\$ 0.31	-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	800	\$ 0.56	\$ 0.0007	800	\$ 0.56	\$ -	0.00%
25	Energy			833.68	\$ -		832.56	\$ -	\$ -	
26	first 600	per kWh	\$ 0.0650	600	\$ 39.00	\$ 0.0650	600	\$ 39.00	\$ -	0.00%
27	over 600	per kWh	\$ 0.0750	233.68	\$ 17.53	\$ 0.0750	232.56	\$ 17.44	-\$ 0.08	-0.48%
28	Total Bill (before Taxes)				\$ 94.63			\$ 98.50	\$ 3.87	4.09%
29	HST		13%		\$ 12.30	13%		\$ 12.80	\$ 0.50	4.09%
30	Total Bill (including Sub-total B)				\$ 106.93			\$ 111.30	\$ 4.37	4.09%
31	Loss Factor (%)	Note 1			4.21%			4.07%		

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	Sub-Total A - Distribution				\$ 38.41			\$ 48.72	\$ 10.31	26.84%
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	Sub-Total B - Delivery (including Sub-Total A)				\$ 58.63			\$ 68.91	\$ 10.28	17.54%
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	Total Bill (before Taxes)				\$ 223.42			\$ 232.69	\$ 9.28	4.15%
29	HST		13%		\$ 29.04	13%		\$ 30.25	\$ 1.21	4.15%
30	Total Bill (including Sub-total B)				\$ 252.46			\$ 262.94	\$ 10.48	4.15%
31	Loss Factor	Note 1			4.21%			4.07%		

Notes:

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



Appendix D (Revised):
Revised PILs Supporting Documentation

EB-2010-0131
Horizon Utilities Corporation
Response to Comments on Draft Rate Order
Filed: July 28, 2011

CCA Continuity Schedule (2010)

Class	Class Description	UCC Prior Year Ending Balance	Less: Non-Distribution Portion	Less: Disallowed FMV Increment	UCC Bridge Year Opening Balance	Additions	Dispositions	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	200,055,459	0	0	200,055,459	618,089	0	200,673,548	309,044	200,364,503	4%	8,014,580	92,658,967
2	Distribution System - pre 1988	44,221,606	0	0	44,221,606	0	0	44,221,606	0	44,221,606	6%	2,653,296	41,568,310
6	Buildings (No footings below ground)	19,844	0	0	19,844	0	0	19,844	0	19,844	10%	1,984	17,860
8	General Office/Stores Equip	6,782,224	0	0	6,782,224	1,031,742	0	7,813,966	515,871	7,298,095	20%	1,459,619	6,354,347
10	Computer Hardware/ Vehicles	4,648,691	0	0	4,648,691	1,685,426	0	6,334,117	842,713	5,491,404	30%	1,647,421	4,686,696
10.1	Certain Automobiles	0	0	0	0	0	0	0	0	0	30%	0	0
12	Computer Software	520,101	0	0	520,101	1,035,451	0	1,555,552	517,725	1,037,826	100%	1,037,826	517,725
3		0	0	0	0	0	0	0	0	0	20%	0	0
13.3	Lease # 3	0	0	0	0	0	0	0	0	0		0	0
13.4	Lease # 4	0	0	0	0	0	0	0	0	0		0	0
14	Franchise	0	0	0	0	0	0	0	0	0		0	0
17	New Electrical Generating Equipment Acq'd after Feb 27/00 Other Than Bldgs	88,130	0	0	88,130	0	0	88,130	0	88,130	8%	7,050	81,080
43.1	Certain Energy-Efficient Electrical Generating Equipment	538,223	0	0	538,223	0	0	538,223	0	538,223	30%	161,467	376,756
45	Computers & Systems Hardware acq'd post Mar 22/04	637,091	0	0	637,091	0	0	637,091	0	637,091	45%	286,691	350,400
50	Computers & Systems Hardware acq'd post Mar 19/07	0	0	0	0	0	0	0	0	0	55%	0	0
46	Data Network Infrastructure Equipment (acq'd post Mar 22/04)	0	0	0	0	0	0	0	0	0	30%	0	0
47	Distribution System - post 22-Feb-2005	88,630,710			88,630,710	32,936,811	0	121,567,521	16,468,405	105,099,115	8%	8,407,929	113,159,592
52	Computers & Systems Hardware acq'd post Jan 27/09 and before Feb 2011	438,919			438,919	1,304,464		1,743,383	0	1,743,383	100%	1,743,383	0
	SUB-TOTAL - UCC	346,580,998	0	0	346,580,998	88,611,982	0	385,192,980	18,653,759	366,539,221		25,421,248	359,771,732
CEC	Goodwill	11,253,119	0	0	11,253,119								
CEC	Land Rights	0	0	0	0								
CEC	FMV Bump-up	0	0	0	0								
	SUB-TOTAL - CEC	11,253,119	0	0	11,253,119								

Cumulative Eligible Capital Calculation		
Cumulative Eligible Capital		11,253,119
Additions:		
Cost of Eligible Capital Property Acquired during the year	0	
Other Adjustments	0	
Subtotal	0 x 3/4 =	0
Non-taxable portion of a non-arm's length transferor's gain realized on the transfer of an ECP to the Corporation after Friday December 31, 2002	0 x 1/2 =	0
		0 11,253,119
Amount transferred on amalgamation or wind-up of subsidiary	0	0
Subtotal		11,253,119
Deductions:		
Projected proceeds of sale (less outlays and expenses not otherwise deductible) from the disposition of all ECP during the year		
Other Adjustments	0	
Subtotal	0 x 3/4 =	0 11,253,119
Cumulative Eligible Capital Balance		11,253,119
CEC Deduction	7%	787,718
Cumulative Eligible Capital - Closing Balance		10,465,401

EB-2010-0131
Horizon Utilities Corporation
Response to Comments on Draft Rate Order
Filed: July 28, 2011

CCA Continuity Schedule (2011)

Class	Class Description	UCC Prior Year Ending Balance	Less: Non-Distribution Portion	Less: Disallowed FMV Increment	UCC Bridge Year Opening Balance	Additions	Dispositions	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	192,658,967	0	0	192,658,967	1,390,500	0	194,049,467	695,250	193,354,217	4%	7,734,169	196,315,299
2	Distribution System - pre 1988	41,568,310	0	0	41,568,310	0	0	41,568,310	0	41,568,310	6%	2,494,099	39,074,211
6	Buildings (No footings below ground)	17,860	0	0	17,860	0	0	17,860	0	17,860	10%	1,786	16,074
8	General Office/Stores Equip	6,354,347	0	0	6,354,347	1,142,350	0	7,496,697	571,175	6,925,522	20%	1,385,104	6,111,593
10	Computer Hardware/ Vehicles	4,686,696	0	0	4,686,696	2,145,000	0	6,831,696	1,072,500	5,759,196	30%	1,727,759	5,103,937
10.1	Certain Automobiles	0	0	0	0	0	0	0	0	0	30%	0	0
12	Computer Software	517,725	0	0	517,725	858,578	0	1,376,303	429,289	947,014	100%	947,014	429,289
3		0	0	0	0	0	0	0	0	0	20%	0	0
		0	0	0	0	0	0	0	0	0	0%	0	0
13.3	Lease # 3	0	0	0	0	0	0	0	0	0	0	0	0
13.4	Lease # 4	0	0	0	0	0	0	0	0	0	0	0	0
14	Franchise	0	0	0	0	0	0	0	0	0	0	0	0
17	New Electrical Generating Equipment Acq'd after Feb 27/00 Other Than Bldgs	81,080	0	0	81,080	0	0	81,080	0	81,080	8%	6,486	74,593
43.1	Certain Energy-Efficient Electrical Generating Equipment	376,756	0	0	376,756	0	0	376,756	0	376,756	30%	113,027	263,729
45	Computers & Systems Hardware acq'd post Mar 22/04	350,400	0	0	350,400	0	0	350,400	0	350,400	45%	157,680	192,720
50	Computers & Systems Hardware acq'd post Mar 19/07	0	0	0	0	1,245,074	0	1,245,074	806,086	438,988	55%	241,443	1,003,631
46	Data Network Infrastructure Equipment (acq'd post Mar 22/04)	0	0	0	0	0	0	0	0	0	30%	0	0
47	Distribution System - post 22-Feb-2005	113,159,592			113,159,592	31,718,498	0	144,878,090	15,859,249	129,018,841	8%	10,321,507	134,556,582
52	Computers & Systems Hardware acq'd post Jan 27/09 and before Feb 2011	0			0	0		0	0	0	100%	0	0
	SUB-TOTAL - UCC	359,771,732	0	0	359,771,732	38,500,000	0	398,271,732	19,433,549	378,838,183		25,130,075	373,141,658

CEC	Goodwill	10,465,401	0	0	10,465,401
CEC	Land Rights	0	0	0	0
CEC	FMV Bump-up	0	0	0	0
	SUB-TOTAL - CEC	10,465,401	0	0	10,465,401

Cumulative Eligible Capital Calculation	
Cumulative Eligible Capital	10,465,401
Additions:	
Cost of Eligible Capital Property Acquired during the year	0
Other Adjustments	0
Subtotal	0 x 3/4 = 0
Non-taxable portion of a non-arm's length transferor's gain realized on the transfer of an ECP to the Corporation after Friday December 31, 2002	0 x 1/2 = 0
Subtotal	0
Amount transferred on amalgamation or wind-up of subsidiary	0
Subtotal	10,465,401
Deductions:	
Projected proceeds of sale (less outlays and expenses not otherwise deductible) from the disposition of all ECP during the year	
Other Adjustments	0
Subtotal	0 x 3/4 = 0
Cumulative Eligible Capital Balance	10,465,401
CEC Deduction	7% 732,578
Cumulative Eligible Capital - Closing Balance	9,732,823

CONTINUITY OF RESERVES FOR 2010

Description	Balance at December 31, Actual Year as per tax returns	Non-Distribution Eliminations	Utility Only Opening Balance	Eliminate Amounts Not Relevant for Test Year Sign Convention: Increase (+) Decrease (-)	Adjusted Utility Balance	Additions	Disposals	Balance for Bridge Year	Change During the Year	Disallowed Expenses
Capital Gains Reserves ss.40(1)			0		0			0	0	
Tax Reserves Not Deducted for accounting purposes										
Reserve for doubtful accounts ss. 20(1)(l)	350,000		350,000		350,000			350,000	0	
Reserve for goods and services not delivered ss. 20(1)(m)			0		0			0	0	
Reserve for unpaid amounts ss. 20(1)(n)			0		0			0	0	
Debt & Share Issue Expenses ss. 20(1)(e)			0		0			0	0	
Other tax reserves			0		0			0	0	
Total	350,000	0	350,000	0	350,000	0	0	350,000	0	0
Financial Statement Reserves (not deductible for Tax Purposes)										
General Reserve for Inventory Obsolescence (non-specific)	370,150		370,150		370,150			370,150	0	
General reserve for bad debts	1,480,000		1,480,000		1,480,000			1,480,000	0	
Accrued Employee Future Benefits:	0		0		0			0	0	
- Medical and Life Insurance			0		0			0	0	
- Short & Long-term Disability			0		0			0	0	
- Accumulated Sick Leave	132,478		132,478		132,478			132,478	0	
- Termination Cost			0		0			0	0	
- Other Post-Employment Benefits	18,172,713		18,172,713		18,172,713			18,172,713	0	
Provision for Environmental Costs			0		0			0	0	
Restructuring Costs			0		0			0	0	
Accrued Contingent Litigation Costs			0		0			0	0	
Accrued Self-Insurance Costs			0		0			0	0	
Other Contingent Liabilities			0		0			0	0	
Bonuses Accrued and Not Paid Within 180 Days of Year-End ss. 78(4)			0		0			0	0	
Unpaid Amounts to Related Person and Not Paid Within 3 Taxation Years ss. 78(1)			0		0			0	0	
Other	48,000		48,000		48,000			48,000	0	
Total	20,203,341	0	20,203,341	0	20,203,341	0	0	20,203,341	0	0

CONTINUITY OF RESERVES FOR 2011

Description	Adjusted Utility Balance	Additions	Disposals	Balance for Test Year	Change During the Year	Disallowed Expenses
Capital Gains Reserves ss.40(1)	0			0	0	
Tax Reserves Not Deducted for accounting purposes						
Reserve for doubtful accounts ss. 20(1)(l)	350,000			350,000	0	
Reserve for goods and services not delivered ss. 20(1)(m)	0			0	0	
Reserve for unpaid amounts ss. 20(1)(n)	0			0	0	
Debt & Share Issue Expenses ss. 20(1)(e)	0			0	0	
Other tax reserves	0			0	0	
Total	350,000	0	0	350,000	0	0
Financial Statement Reserves (not deductible for Tax Purposes)						
General Reserve for Inventory Obsolescence (non-specific)	370,150			370,150	0	
General reserve for bad debts	1,480,000			1,480,000	0	
Accrued Employee Future Benefits:	0			0	0	
- Medical and Life Insurance	0			0	0	
- Short & Long-term Disability	0			0	0	
- Accumulated Sick Leave	132,478			132,478	0	
- Termination Cost	0			0	0	
- Other Post-Employment Benefits	18,172,713			18,172,713	0	
Provision for Environmental Costs	0			0	0	
Restructuring Costs	0			0	0	
Accrued Contingent Litigation Costs	0			0	0	
Accrued Self-Insurance Costs	0			0	0	
Other Contingent Liabilities	0			0	0	
Bonuses Accrued and Not Paid Within 180 Days of Year-End ss. 78(4)	0			0	0	
Unpaid Amounts to Related Person and Not Paid Within 3 Taxation Years ss. 78(1)	0			0	0	
Other	48,000			48,000	0	
Total	20,203,341	0	0	20,203,341	0	0

Determination of Tax Adjustments to Accounting Income for 2010				
Line Item	T2S1 line #	Total for Legal Entity	Non-Distribution Eliminations	Utility Amount
Additions:				
Interest and penalties on taxes	103	0	0	0
Amortization of tangible assets	104	25,969,960	0	25,969,960
Amortization of intangible assets	106	0	0	0
Recapture of capital cost allowance from Schedule 8	107	0	0	0
Gain on sale of eligible capital property from Schedule 10	108	0	0	0
Income or loss for tax purposes- joint ventures or partnerships	109	0	0	0
Loss in equity of subsidiaries and affiliates	110	0	0	0
Loss on disposal of assets	111	0	0	0
Charitable donations	112	0	0	0
Taxable Capital Gains	113	0	0	0
Political Donations	114	0	0	0
Deferred and prepaid expenses	116	0	0	0
Scientific research expenditures deducted on financial statements	118	0	0	0
Capitalized interest	119	0	0	0
Non-deductible club dues and fees	120	0	0	0
Non-deductible meals and entertainment expense	121	65,000	0	65,000
Non-deductible automobile expenses	122	0	0	0
Non-deductible life insurance premiums	123	0	0	0
Non-deductible company pension plans	124	0	0	0
Tax reserves beginning of year	125	350,000	0	350,000
Reserves from financial statements- balance at end of year	126	20,203,341	0	20,203,341
Soft costs on construction and renovation of buildings	127	0	0	0
Book loss on joint ventures or partnerships	205	0	0	0
Capital items expensed	206	0	0	0
Debt issue expense	208	0	0	0
Development expenses claimed in current year	212	0	0	0
Financing fees deducted in books	216	0	0	0
Gain on settlement of debt	220	0	0	0
Non-deductible advertising	226	0	0	0
Non-deductible interest	227	0	0	0
Non-deductible legal and accounting fees	228	0	0	0
Recapture of SR&ED expenditures	231	0	0	0
Share issue expense	235	0	0	0
Write down of capital property	236	0	0	0
Amounts received in respect of qualifying environment trust per paragraphs 12(1)(z.1) and 12(1)(z.2)	237	0	0	0
Interest Expensed on Capital Leases	290	0	0	0
Realized Income from Deferred Credit Accounts	291	0	0	0
Pensions	292	0	0	0
Non-deductible penalties	293	0	0	0
Debt Financing Expenses for Book Purposes	294	0	0	0
Other Additions	295	0	0	0
Total Additions		46,588,301	0	46,588,301
Deductions:				
Gain on disposal of assets per financial statements	401	0	0	0
Dividends not taxable under section 83	402	0	0	0
Capital cost allowance from Schedule 8	403	25,421,248	0	25,421,248
Terminal loss from Schedule 8	404	0	0	0
Cumulative eligible capital deduction from Schedule 10	405	787,718	0	787,718
Allowable business investment loss	406	0	0	0
Deferred and prepaid expenses	409	0	0	0
Scientific research expenses claimed in year	411	0	0	0
Tax reserves end of year	413	350,000	0	350,000
Reserves from financial statements - balance at beginning of year	414	20,203,341	0	20,203,341
Contributions to deferred income plans	416	0	0	0
Book income of joint venture or partnership	305	0	0	0
Equity in income from subsidiary or affiliates	306	0	0	0
Interest capitalized for accounting deducted for tax	390	0	0	0
Capital Lease Payments	391	0	0	0
Non-taxable imputed interest income on deferral and variance accounts	392	0	0	0
Financing Fees for Tax Under S.20(1)(e)	393	0	0	0
Other Deductions	394	160,000	0	160,000
Total Deductions		46,922,307	0	46,922,307
Other Adjustments to Taxable Income				
Charitable donations from Schedule 2	311	0	0	0
Taxable dividends deductible under section 112 or 113, from Schedule 3 (item 82)	320	0	0	0
Non-capital losses of preceding taxation years from Schedule 7-1	331	0	0	0
Net-capital losses of preceding taxation years from Schedule 7-1	332	0	0	0
Limited partnership losses of preceding taxation years from Schedule 4	335	0	0	0
Total Adjustments		0	0	0
Tax Adjustments to Accounting Income		(334,006)	0	(334,006)

Determination of Tax Adjustments to Accounting Income for 2011

Line Item	T2S1 line #	Total for Legal Entity	Non-Distribution Eliminations	Utility Amount
Additions:				
Interest and penalties on taxes	103	0	0	0
Amortization of tangible assets	104	28,406,234	0	28,406,234
Amortization of intangible assets	106	0	0	0
Recapture of capital cost allowance from Schedule 8	107	0	0	0
Gain on sale of eligible capital property from Schedule 10	108	0	0	0
Income or loss for tax purposes- joint ventures or partnerships	109	0	0	0
Loss in equity of subsidiaries and affiliates	110	0	0	0
Loss on disposal of assets	111	0	0	0
Charitable donations	112	0	0	0
Taxable Capital Gains	113	0	0	0
Political Donations	114	0	0	0
Deferred and prepaid expenses	116	0	0	0
Scientific research expenditures deducted on financial statements	118	0	0	0
Capitalized interest	119	0	0	0
Non-deductible club dues and fees	120	0	0	0
Non-deductible meals and entertainment expense	121	60,000	0	60,000
Non-deductible automobile expenses	122	0	0	0
Non-deductible life insurance premiums	123	0	0	0
Non-deductible company pension plans	124	0	0	0
Tax reserves beginning of year	125	350,000	0	350,000
Reserves from financial statements- balance at end of year	126	20,203,341	0	20,203,341
Soft costs on construction and renovation of buildings	127	0	0	0
Book loss on joint ventures or partnerships	205	0	0	0
Capital items expensed	206	0	0	0
Debt issue expense	208	0	0	0
Development expenses claimed in current year	212	0	0	0
Financing fees deducted in books	216	0	0	0
Gain on settlement of debt	220	0	0	0
Non-deductible advertising	226	0	0	0
Non-deductible interest	227	0	0	0
Non-deductible legal and accounting fees	228	0	0	0
Recapture of SR&ED expenditures	231	0	0	0
Share issue expense	235	0	0	0
Write down of capital property	236	0	0	0
Amounts received in respect of qualifying environment trust per paragraphs 12(1)(z.1) and 12(1)(z.2)	237	0	0	0
Interest Expensed on Capital Leases	290	0	0	0
Realized Income from Deferred Credit Accounts	291	0	0	0
Pensions	292	0	0	0
Non-deductible penalties	293	0	0	0
Debt Financing Expenses for Book Purposes	294	0	0	0
Other Additions	295	378,000	0	378,000
Total Additions		49,397,575	0	49,397,575
Deductions:				
Gain on disposal of assets per financial statements	401	0	0	0
Dividends not taxable under section 83	402	0	0	0
Capital cost allowance from Schedule 8	403	25,130,075	0	25,130,075
Terminal loss from Schedule 8	404	0	0	0
Cumulative eligible capital deduction from Schedule 10	405	732,578	0	732,578
Allowable business investment loss	406	0	0	0
Deferred and prepaid expenses	409	0	0	0
Scientific research expenses claimed in year	411	0	0	0
Tax reserves end of year	413	350,000	0	350,000
Reserves from financial statements - balance at beginning of year	414	20,203,341	0	20,203,341
Contributions to deferred income plans	416	0	0	0
Book income of joint venture or partnership	305	0	0	0
Equity in income from subsidiary or affiliates	306	0	0	0
Interest capitalized for accounting deducted for tax	390	0	0	0
Capital Lease Payments	391	0	0	0
Non-taxable imputed interest income on deferral and variance accounts	392	0	0	0
Financing Fees for Tax Under S.20(1)(e)	393	0	0	0
Other Deductions	394	180,000	0	180,000
Total Deductions		46,595,994	0	46,595,994
Charitable donations from Schedule 2	311	0	0	0
Taxable dividends deductible under section 112 or 113, from Schedule 3 (item 82)	320	0	0	0
Non-capital losses of preceding taxation years from Schedule 7-1	331	0	0	0
Net-capital losses of preceding taxation years from Schedule 7-1	332	0	0	0
Limited partnership losses of preceding taxation years from Schedule 4	335	0	0	0
Total Adjustments		0	0	0
Tax Adjustments to Accounting Income		2,801,581	0	2,801,581

EB-2010-0131
 Horizon Utilities Corporation
 Response to Comments on Draft Rate Order
 Filed: July 28, 2011

2010 Capital Taxes

Description	OCT	LCT
Total Rate Base	369,420,114	341,312,649
Exemption	(15,000,000)	0
Deemed Taxable Capital	354,420,114	341,312,649
Rate	0.075%	0.000%
Gross Tax Payable	265,815	0
Surtax	0	0
Net Capital Tax Payable	265,815	0

2010 PILs Schedule

Description	Source or Input	Tax Payable
Accounting Income	10' Rev Def	18,545,857
Tax Adj to Accounting Income	10' Rev Def	(334,006)
Taxable Income		18,211,850
Combined Income Tax Rate	PILs Rates	31.000%
Total Income Taxes		5,645,674
Investment Tax Credits		-
Apprentice Tax Credits		-
Other Tax Credits		-
Total PILs		5,645,674

2010 Total Taxes

Description	Tax Payable
Total PILs	5,645,674
Net Capital Tax Payable	265,815
PILs including Capital Taxes	5,911,489

2011 Capital Taxes

Description	OCT	LCT
Total Rate Base	369,052,637	369,420,114
Exemption	0	0
Deemed Taxable Capital	369,052,637	369,420,114
Rate	0.000%	0.000%
Gross Tax Payable	0	0
Surtax	0	0
Net Capital Tax Payable	0	0

2011 PILs Schedule

Description	Source or Input	Tax Payable
Accounting Income	10' Rev Def	20,235,950
Tax Adj to Accounting Income	10' Rev Def	2,801,581
Taxable Income		23,037,531
Combined Income Tax Rate	PILs Rates	28.250%
Total Income Taxes		6,508,103
Investment Tax Credits		-
Apprentice Tax Credits		378,000
Other Tax Credits		36,250
Total PILs		6,093,853

2011 Total Taxes

Description	Tax Payable
Total PILs	6,093,853
Net Capital Tax Payable	-
PILs including Capital Taxes	6,093,853

Appendix E (Revised):
Revised Calculation of Green Energy Act Rate Riders

Incremental Revenue Requirement Calculation
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	2012		2013		2014	
Net Fixed Assets		\$ 76,440		\$243,840		\$1,152,020
OM&A	\$ 110,000		\$110,000		\$ 60,000	
WCA	13.5%	\$ 14,850	13.5%	\$ 14,850	13.5%	\$ 8,100
Rate Base		\$ 91,290		\$258,690		\$1,160,120
Deemed ST Debt	4%	\$ 3,652	4%	\$ 10,348	4%	\$ 46,405
Deemed LT Debt	56%	\$ 51,122	56%	\$144,866	56%	\$ 649,667
Deemed Equity	40%	\$ 36,516	40%	\$103,476	40%	\$ 464,048
ST Interest	2.46%	\$ 90	2.46%	\$ 255	2.46%	\$ 1,142
LT Interest	5.79%	\$ 2,960	5.79%	\$ 8,388	5.79%	\$ 37,616
ROE	9.58%	\$ 3,498	9.58%	\$ 9,913	9.58%	\$ 44,456
		\$ 6,548		\$ 18,555		\$ 83,213
OM&A		\$ 110,000		\$110,000		\$ 60,000
Amortization		\$ 3,120		\$ 10,080		\$ 47,560
Grossed-up PILs		\$ 149		\$ 131		-\$ 406
Revenue Requirement		\$ 119,817		\$138,766		\$ 190,367
Direct Benefit						
OM&A		\$ 110,000		\$110,000		\$ 60,000
Capital		\$ 9,817		\$ 28,766		\$ 130,367
Direct Benefit % on capital		13.62%		12.80%		59.43%
Direct Benefit on capital		\$ 1,337		\$ 3,682		\$ 77,483
Total Direct Benefit		\$ 111,337		\$113,682		\$ 137,483
Total # of Customers (excl connections)		234,881		234,881		234,881
GEA Rate Rider		\$ 0.0395		\$ 0.0403		\$ 0.0488
Provincial Rate Protection		\$ 8,480		\$ 25,084		\$ 52,884
Monthly Amount Paid by IESO		\$ 707		\$ 2,090		\$ 4,407

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
INCOME TAX			
Net Income	\$ 3,498	\$ 9,913	\$ 44,456
Amortization	\$ 3,120	\$ 10,080	\$ 47,560
CCA	-\$ 6,240	-\$ 19,661	-\$ 93,048
Change in taxable income	\$ 378	\$ 332	-\$ 1,032
Tax Rate	28.25%	28.25%	28.25%
Income Taxes Payable	\$ 107	\$ 94	-\$ 292
ONTARIO CAPITAL TAX			
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	\$ 106.85	\$ 93.85	-\$ 291.58
Change in OCT	\$ -	\$ -	\$ -
PIL's	\$ 106.85	\$ 93.85	-\$ 291.58
	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	\$ 148.92	\$ 130.80	-\$ 406.38
Change in OCT	\$ -	\$ -	\$ -
PIL's	\$ 148.92	\$ 130.80	-\$ 406.38

Average Net Fixed Assets

	2012	2013	2014
Net Fixed Assets			
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
Net Fixed Assets			
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	\$ -	\$ -	\$ -

Cost	2011	2012	2013	2014
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
TOTAL	0	156,000	192,000	1,682,000

2012 2013 2014

Renewable Connections Capital - Expansions

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

Renewable Connections Capital - Renewable Enabling Improvements

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

Feeder Automation Projects

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 (Revised):
Revised Calculation of Forgone Revenue Rate Riders

EB-2010-0131
Horizon Utilities Corporation
Response to Comments on Draft Rate Order
Filed: July 28, 2011

	May Actual	June Actual	July Estimate	Total		Current Rates	Proposed Rates	Difference	Total Forgone Revenue
Residential Customers kWh	214,391	214,732	214,732	643,855	Fixed	\$ 12.68	\$ 14.45	\$ 1.77	\$ 1,139,623
	117,961,891	136,767,841	180,793,821	435,523,553	Variable	\$ 0.0125	\$ 0.0142	\$ 0.0017	\$ 740,390
									\$ 1,880,013
General Service < 50 kW Customers kWh	18,041	18,054	18,054	54,149	Fixed	\$ 27.45	\$ 32.16	\$ 4.71	\$ 255,042
	48,252,084	49,734,947	57,876,058	155,863,089	Variable	\$ 0.0072	\$ 0.0084	\$ 0.0012	\$ 187,036
									\$ 442,077
General Service 50 to 4,999 kW Customers kW	2,271	2,273	2,273	6,817	Fixed	\$ 250.33	\$ 293.26	\$ 42.93	\$ 292,654
	459,982	467,237	447,660	1,374,879	Variable	\$ 1.7875	\$ 2.0341	\$ 0.2466	\$ 339,045
									\$ 631,699
Large Use Customers kW	13	13	12	38	Fixed	\$ 11,151.32	\$ 22,642.10	\$ 11,490.78	\$ 436,650
	190,668	202,932	196,800	590,400	Variable	\$ 1.0123	\$ 1.3359	\$ 0.3236	\$ 191,054
									\$ 627,703
Unmetered Scattered Load Connections kWh	3,174	3,174	3,174	9,522	Fixed	\$ 9.59	\$ 9.11	-\$ 0.48	-\$ 4,571
	693,174	1,043,883	1,331,416	3,068,474	Variable	\$ 0.0148	\$ 0.0141	-\$ 0.0007	-\$ 2,148
									-\$ 6,718
Sentinel Lighting Connections kW	501	501	501	1,503	Fixed	\$ 2.89	\$ 4.42	\$ 1.53	\$ 2,300
	132	100	144	376	Variable	\$ 7.9297	\$ 12.1399	\$ 4.2102	\$ 1,582
									\$ 3,881
Street Lighting Connections kW	52,388	52,388	52,388	157,164	Fixed	\$ 1.97	\$ 2.31	\$ 0.34	\$ 53,436
	9,160	9,160	9,160	27,479	Variable	\$ 5.2585	\$ 6.1604	\$ 0.9019	\$ 24,784
									\$ 78,219
Standby kW	16,584	16,584	16,584	49,753	Variable	\$ 2.0505	\$ 2.4808	\$ 0.4303	\$ 21,409
Total									\$ 3,678,284

Variable Rider Calculation

	Actual Consumption Aug - Dec 2010	Actual Jan - Dec 2010 Consumption	% of Aug-Dec to 2010 Total Consumption	Board Approved Load Forecast	Estimated Aug - Dec 2011 Usage	Total Forgone Variable Revenue	Forgone Variable Revenue Rate Rider
Residential kWh	711,773,786	1,685,744,531	42.22%	1,539,676,985	650,099,524	\$ 740,390	\$ 0.0011
General Service < 50 kW kWh	233,853,956	582,050,636	40.18%	537,886,860	216,110,012	\$ 187,036	\$ 0.0009
General Service 50 to 4,999 kW kW	2,239,149	5,309,024	42.18%	4,758,680	2,007,034	\$ 339,045	\$ 0.1689
Large Use kW	1,140,112	2,884,523	39.53%	2,500,000	988,129	\$ 191,054	\$ 0.1933
Unmetered Scattered Load kWh	4,956,407	12,474,726	39.73%	12,541,586	4,982,972	-\$ 2,148	-\$ 0.0004
Sentinel Lighting kW	575	1,446	39.76%	1,421	565	\$ 1,582	\$ 2.7996
Street Lighting kW	48,189	110,097	43.77%	111,295	48,713	\$ 24,784	\$ 0.5088
Standby kW	100,925	242,220	41.67%	199,012	82,922	\$ 21,409	\$ 0.2582
Total						\$ 1,503,151	

Fixed 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	\$ 1,139,623	\$ 1.06
General Service < 50 kW Customers	17,931	89,657	\$ 255,042	\$ 2.84
General Service 50 to 4,999 kW Customers	2,279	11,396	\$ 292,654	\$ 25.68
Large Use Customers	12	60	\$ 436,650	\$ 7,277.49
Unmetered Scattered Load Connections	3,228	16,138	(\$4,570.56)	(\$0.28)
Sentinel Lighting Connections	501	2,505	\$ 2,300	\$ 0.92
Street Lighting Connections	52,388	261,940	\$ 53,436	\$ 0.20
Total			\$ 2,175,133	

Forgone Revenue Riders

Rate Class	Forgone Fixed Revenue	Forgone Variable Revenue
Residential	\$ 1.06	\$ 0.0011
General Service < 50 kW	\$ 2.84	\$ 0.0009
General Service 50 to 4,999 kW	\$ 25.68	\$ 0.1689
Large Use	\$ 7,277.49	\$ 0.1933
Unmetered Scattered Load	(\$0.28)	(\$0.0004)
Sentinel Lighting	\$ 0.92	\$ 2.7996
Street Lighting	\$ 0.20	\$ 0.5088
Standby		\$ 0.2582