

EB-2012-0168

Exhibit 2

Tab 1

Schedule 1

Attachment 4

Capital Financial Plan

Tillsonburg Hydro Inc's 5 yr Capital Plan

Executive Summary

In March 2012 Tillsonburg Hydro Inc's (THI) Board of Directors was presented with a draft 5yr Capital Plan in conjunction with the final 2012 budget. The plan included a list of expected Capital projects to be completed 2012 – 2016 including preliminary costs. The plan also included forecasted expansion and servicing projects that were identified by the Town of Tillsonburg as expected areas of development. The draft 5yr capital plan was approved by the THI Board in conjunction with the approval of the entire 2012 budget. All years are presented on an IFRS basis for comparison.

2012 Special Projects

<u>Type</u>	<u>Description</u>	<u>Capital Investment</u>	<u>CIAC</u>	<u>Net Capital</u>
	Capital Projects	-	-	
Conversion	Queen St Apartments	115,080		115,080
Conversion	Queen St - Concession St. To First St.	89,280		89,280
Conversion	Durham St. and Ebert Alley	126,240		126,240
Conversion	Frances St - Tillson Ave.	115,560		115,560
Conversion	Clark St-Bond St.-Wellington St.	142,200		142,200
Conversion	Broadway St.- Christie to Carolina (rear yard)	12,900		12,900
Conversion	Decommission MS2	11,000		11,000
Conversion	Brock St.	5,300		5,300
Conversion	Parkwood	6,700		6,700
Conversion	Concession St. E.	8,300		8,300
Conversion	Misc Conversion upgrades	8,840		8,840
		641,400	-	641,400
Servicing	Moose St.	12,360	(12,360)	-
		12,360	(12,360)	-
Equipment Metering	Crossphase analyzer for CTPT Metering -Interval Customers	28,000		28,000
		28,000	-	28,000
		681,760	(12,360)	669,400



Tillsonburg Hydro Inc
 10 Lisgar Ave
 Tillsonburg, ON.
 N4G 5A5

Tillsonburg Hydro Inc's 5 yr Capital Plan

2013 Special Projects

<u>Type</u>	<u>Description</u>	<u>Capital Investment</u>	<u>CIAC</u>	<u>Net Capital</u>
	Capital Projects			
Conversion	Herford St. -Nelson St.	34,900		34,900
Conversion	North St, Trailer Park - Falcon St.	69,600		69,600
Conversion	Broadway - Misc N Broadway	12,700		12,700
Conversion	King St., Fourth to Bridge St.	29,000		29,000
Conversion	Delevan Cres-Frank St. -Lisgar Ave. , Conc.-4th St. Queen St., 1st-4th St.	133,000		133,000
Conversion	Lisgar Ave.(Fourth to Van Norman)	99,800		99,800
Conversion	Fourth St, Tillson Ave. - Lisgar Ave..	67,800		67,800
Conversion	Tillson Ave., Cranberry Rd.	85,300		85,300
Conversion	Misc Conversion upgrades			
		532,100	-	532,100
Expansion	27.6 Extension Loop Clearview to HWY#3	29,100		29,100
Expansion	London St - M8 to M5 Feeder link	35,000		35,000
		64,100	-	64,100
Servicing	Eichenberg Motors	12,500	(12,500)	-
Servicing	Tillsonburg Retirement Home	20,000	(20,000)	-
Servicing	Developer Solar Projects	20,000	(20,000)	-
Servicing	Annandale Phase 7 Stage 2	80,000	(80,000)	-
		132,500	(132,500)	-
IT	Computer Hardware	11,000		11,000
IT	Computer Software	54,000		54,000
		65,000	-	65,000
		793,700	(132,500)	661,200

Tillsonburg Hydro Inc's 5 yr Capital Plan

2014 Special Projects

<u>Type</u>	<u>Description</u>	<u>Capital Investment</u>	<u>CIAC</u>	<u>Net Capital</u>
	Capital Projects			
Conversion	Devonshire Apartments-Underground	320,000		320,000
Conversion	Sanders St. Fairgrounds	100,000		100,000
Conversion	North St. Pole Line Removal	52,000		52,000
Conversion	De-Commission MS4	11,000		11,000
		483,000	-	483,000
Expansion	27.6kV M-8 Extension - John Pound Road	130,000		130,000
		130,000	-	130,000
Servicing	Underdetermined site servicing	8,500	(8,500)	-
Servicing	New Public School	40,000	(40,000)	-
Servicing	Developer Solar Projects	20,000	(20,000)	-
Servicing	Nautical Lands Extension	35,000	(35,000)	-
		103,500	(103,500)	-
		716,500	(103,500)	613,000

2015 Special Projects

<u>Type</u>	<u>Description</u>	<u>Capital Investment</u>	<u>CIAC</u>	<u>Net Capital</u>
	Capital Projects			
Conversion	Lisgar Ave. Apartments	275,000		275,000
Conversion	Lisgar Heights Subdivision	325,000		325,000
		600,000	-	600,000
Expansion	Potters Road - East of tracks	60,000		60,000
		60,000	-	60,000
Servicing	Undetermined site servicing	10,000	(10,000)	-
Servicing	Developer Solar Projects	10,000	(10,000)	-
Servicing	Undetermined Commercial property	20,000	(20,000)	-
Servicing	Colin Ave Subdivision	147,500	(147,500)	-
		187,500	(187,500)	-
		847,500	(187,500)	660,000



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Tillsonburg Hydro Inc's 5 yr Capital Plan

2016 Special Projects

<u>Type</u>	<u>Description</u>	<u>Capital Investment</u>	<u>CIAC</u>	<u>Net Capital</u>
	Capital Projects			
Conversion	Rolling Meadows Subdivision	600,000		600,000
		600,000	-	600,000
Expansion	Bell Mill Sd Rd - At HWY#3	75,000		75,000
		75,000	-	75,000
Servicing	Undetermined site servicing	10,000	(10,000)	-
Servicing	Undetermined Commercial property	20,000	(20,000)	-
Servicing	Developer Solar Projects	10,000	(10,000)	-
Servicing	Sandy Court Subdivision	55,000	(55,000)	-
		95,000	(95,000)	-
		770,000	(95,000)	675,000

RATE BASE VARIANCE ANALYSIS

E2/T1/S1/Att1 shows the annual variances in the rate base. Variances in fixed asset balances are described in E2/T3/S3/Att2. Variances in the Working Capital Allowance are described in E2/T5/S1.

2013TY vs. 2012BY-CGAAP

The projected rate base in 2013 of \$9,522k (E2/T1/S2/Att1) is \$622k (E2/T1/S1 Table 1) higher than 2012. Rate base increased due to the addition of the smart meters costs to capital assets and the revised amortization on a MIFRS basis from CGAAP. The increase is mitigated due to a lower Working Capital Allowance. The lower Working Capital Allowance results from the Working Capital Factor decreasing to 13% from 15% applied against higher distribution expenses and increased power supply cost.

2012BY-CGAAP vs. 2011 actual

The projected rate base in 2012 of \$8,900k (E2/T1/S2/Att2) is \$98k higher than 2011. The increase is mainly due to the investment in capital assets.

2011 actual vs. 2010 actual

The rate base in 2011 of \$8,802k (E2/T1/S2/Att2) was \$204k higher than 2010. The increase is mainly due to a higher Working Capital Allowance, reflecting increased power supply cost.

2010 actual vs. 2009 actual

The rate base in 2010 of \$8,598k (E2/T1/S2/Att2) was \$245k higher than 2009. The increase is mainly due to the investment in capital assets and the Working Capital Allowance being higher due to distribution and power supply costs.

1

2 **2009 actual vs. 2009 Board-Approved**

3 The rate base in 2009 of \$8,353k (E2/T1/S2/Att2) was \$333k lower than 2009 Board-
4 Approved. The decrease is mainly due to higher than anticipated 2008 CiAC and the
5 capitalization of the Customer Information System in 2009. The decrease is mitigated
6 due to a higher Working Capital Allowance. The higher Working Capital Allowance
7 results from the increased power supply cost.

EB-2012-0168

Exhibit 2

Tab 1

Schedule 2

Attachment 1

Rate Base Variance Table - MIFRS

Tillsonburg Hydro Inc. (ED-2003-0026)

2013 EDR Application (EB-2012-0168) version: 1

August 31, 2012

S6 Variance Analysis: Rate Base*Enter previously approved working capital factor*

Variances > 10% (min \$2,000) or \$17,874 are shown in bold

	2013 □ Projection	2012 □ Projection	Var \$	Var %
<i>Net Capital Assets in Service:</i>				
Opening Balance	6,342,449	5,982,518	359,931	6.0%
Ending Balance	7,520,472	6,342,449	1,178,023	18.6%
Average Balance	6,931,460	6,162,484	768,977	12.5%
Working Capital Allowance <i>(see below)</i>	2,590,610	2,866,276	(275,666)	(9.6%)
Total Rate Base	9,522,071	9,028,760	493,311	5.5%

Expenses for Working Capital

<i>Eligible Distribution Expenses:</i>				
3500-Distribution Expenses - Operation	1,093,436	1,053,216	40,220	3.8%
3550-Distribution Expenses - Maintenance	275,312	269,390	5,922	2.2%
3650-Billing and Collecting	596,505	599,164	(2,659)	(0.4%)
3700-Community Relations	900	1,000	(100)	(10.0%)
3800-Administrative and General Expenses	748,929	712,501	36,428	5.1%
3950-Taxes Other Than Income Taxes	0	0	0	0.0%
Total Eligible Distribution Expenses	2,715,082	2,635,271	79,811	3.0%
3350-Power Supply Expenses	17,212,690	16,473,238	739,453	4.5%
Total Expenses for Working Capital	19,927,772	19,108,508	819,264	4.3%
Working Capital factor	13.0%	15.0%	(0)	(13.3%)
Working Capital Allowance	2,590,610	2,866,276	(275,666)	(9.6%)

Tillsonburg Hydro Inc. (ED-2003-0026)

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August 31, 2012

S6 Variance Analysis: Rate Base*Enter previously approved working capital factor*

Variances > 10% (min \$2,000) or \$17,874 are shown in bold

	2012 □ Projection	2011 □ Actual	Var \$	Var %
<i>Net Capital Assets in Service:</i>				
Opening Balance	5,982,518	5,930,755	51,763	0.9%
Ending Balance	6,342,449	5,982,518	359,931	6.0%
Average Balance	6,162,484	5,956,637	205,847	3.5%
Working Capital Allowance <i>(see below)</i>	2,866,276	2,844,943	21,333	0.7%
Total Rate Base	9,028,760	8,801,580	227,180	2.6%

Expenses for Working Capital

<i>Eligible Distribution Expenses:</i>				
3500-Distribution Expenses - Operation	1,053,216	744,387	308,828	41.5%
3550-Distribution Expenses - Maintenance	269,390	205,657	63,733	31.0%
3650-Billing and Collecting	599,164	563,328	35,836	6.4%
3700-Community Relations	1,000	5,365	(4,365)	(81.4%)
3800-Administrative and General Expenses	712,501	709,134	3,367	0.5%
3950-Taxes Other Than Income Taxes	0	0	0	0.0%
Total Eligible Distribution Expenses	2,635,271	2,227,871	407,400	18.3%
3350-Power Supply Expenses	16,473,238	16,738,417	(265,180)	(1.6%)
Total Expenses for Working Capital	19,108,508	18,966,288	142,220	0.7%
Working Capital factor	15.0%	15.0%	0	0.0%
Working Capital Allowance	2,866,276	2,844,943	21,333	0.7%

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August 31, 2012

S6 Variance Analysis: Rate Base*Enter previously approved working capital factor*

Variances > 10% (min \$2,000) or \$17,874 are shown in bold

	2011 Actual	2010 Actual	Var \$	Var %
<i>Net Capital Assets in Service:</i>				
Opening Balance	5,930,755	5,984,742	(53,987)	(0.9%)
Ending Balance	5,982,518	5,930,755	51,763	0.9%
Average Balance	5,956,637	5,957,748	(1,112)	(0.0%)
Working Capital Allowance <i>(see below)</i>	2,844,943	2,640,046	204,897	7.8%
Total Rate Base	8,801,580	8,597,795	203,785	2.4%

Expenses for Working Capital

<i>Eligible Distribution Expenses:</i>				
3500-Distribution Expenses - Operation	744,387	897,447	(153,060)	(17.1%)
3550-Distribution Expenses - Maintenance	205,657	170,839	34,817	20.4%
3650-Billing and Collecting	563,328	484,560	78,769	16.3%
3700-Community Relations	5,365	1,967	3,398	172.7%
3800-Administrative and General Expenses	709,134	647,967	61,167	9.4%
3950-Taxes Other Than Income Taxes	0	0	0	0.0%
Total Eligible Distribution Expenses	2,227,871	2,202,780	25,091	1.1%
3350-Power Supply Expenses	16,738,417	15,397,529	1,340,888	8.7%
Total Expenses for Working Capital	18,966,288	17,600,309	1,365,979	7.8%
Working Capital factor	15.0%	15.0%	0	0.0%
Working Capital Allowance	2,844,943	2,640,046	204,897	7.8%

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August 31, 2012

S6 Variance Analysis: Rate Base*Enter previously approved working capital factor*

Variances > 10% (min \$2,000) or \$17,874 are shown in bold

	2010 Actual	2009 Actual	Var \$	Var %
<i>Net Capital Assets in Service:</i>				
Opening Balance	5,984,742	5,607,674	377,067	6.7%
Ending Balance	5,930,755	5,984,742	(53,987)	(0.9%)
Average Balance	5,957,748	5,796,208	161,540	2.8%
Working Capital Allowance (see below)	2,640,046	2,557,074	82,973	3.2%
Total Rate Base	8,597,795	8,353,282	244,513	2.9%

Expenses for Working Capital

<i>Eligible Distribution Expenses:</i>				
3500-Distribution Expenses - Operation	897,447	853,629	43,818	5.1%
3550-Distribution Expenses - Maintenance	170,839	186,094	(15,255)	(8.2%)
3650-Billing and Collecting	484,560	434,918	49,642	11.4%
3700-Community Relations	1,967	0	1,967	0.0%
3800-Administrative and General Expenses	647,967	398,456	249,511	62.6%
3950-Taxes Other Than Income Taxes	0	0	0	0.0%
Total Eligible Distribution Expenses	2,202,780	1,873,097	329,683	17.6%
3350-Power Supply Expenses	15,397,529	15,174,062	223,467	1.5%
Total Expenses for Working Capital	17,600,309	17,047,159	553,151	3.2%
Working Capital factor	15.0%	15.0%	0	0.0%
Working Capital Allowance	2,640,046	2,557,074	82,973	3.2%

Tillsonburg Hydro Inc. (ED-2003-0026)

2013 EDR Application (EB-2012-0168) version: 1

August 31, 2012

S6 Variance Analysis: Rate Base

Enter previously approved working capital factor

<i>Net Capital Assets in Service:</i>	
Opening Balance	
Ending Balance	
Average Balance	
Working Capital Allowance <i>(see below)</i>	
Total Rate Base	

Expenses for Working Capital

<i>Eligible Distribution Expenses:</i>	
3500-Distribution Expenses - Operation	
3550-Distribution Expenses - Maintenance	
3650-Billing and Collecting	
3700-Community Relations	
3800-Administrative and General Expenses	
3950-Taxes Other Than Income Taxes	
Total Eligible Distribution Expenses	
3350-Power Supply Expenses	
Total Expenses for Working Capital	
Working Capital factor	
Working Capital Allowance	

Tillsonburg Hydro Inc. (ED-2003-0026)

2013 EDR Application (EB-2012-0168) version: 1

August 31, 2012

S6 Variance Analysis: Rate Base*Enter previously approved working capital factor*

Variances > 10% (min \$2,000) or \$17,874 are shown in bold

	2009 <input type="checkbox"/> Actual	2009 Approved	Var \$	Var %
<i>Net Capital Assets in Service:</i>				
Opening Balance	5,607,674	5,655,006	(47,332)	(0.8%)
Ending Balance	5,984,742	6,830,215	(845,474)	(12.4%)
Average Balance	5,796,208	6,242,611	(446,403)	(7.2%)
Working Capital Allowance <i>(see below)</i>	2,557,074	2,443,672	113,402	4.6%
Total Rate Base	8,353,282	8,686,283	(333,001)	(3.8%)

Expenses for Working Capital

<i>Eligible Distribution Expenses:</i>				
3500-Distribution Expenses - Operation	853,629	714,543	139,086	19.5%
3550-Distribution Expenses - Maintenance	186,094	186,092	2	0.0%
3650-Billing and Collecting	434,918	501,622	(66,704)	(13.3%)
3700-Community Relations	0	0	0	0.0%
3800-Administrative and General Expenses	398,456	459,981	(61,525)	(13.4%)
3950-Taxes Other Than Income Taxes	0	0	0	0.0%
Total Eligible Distribution Expenses	1,873,097	1,862,238	10,859	0.6%
3350-Power Supply Expenses	15,174,062	14,428,910	745,152	5.2%
Total Expenses for Working Capital	17,047,159	16,291,148	756,011	4.6%
Working Capital factor	15.0%	15.0%	0	0.0%
Working Capital Allowance	2,557,074	2,443,672	113,402	4.6%

EB-2012-0168

Exhibit 2

Tab 1

Schedule 2

Attachment 2

Rate Base Variance Table - CGAAP

Tillsonburg Hydro Inc. (ED-2003-0026)

2013 EDR Application (EB-2012-0168) version: 1

August 31, 2012

S6 Variance Analysis: Rate Base

Enter previously approved working capital factor

Variances > 10% (min \$2,000) or \$19,446 are shown in bold

	2013 Projection	2012 Projection	Var \$	Var %
<i>Net Capital Assets in Service:</i>				
Opening Balance	6,127,695	5,982,518	145,177	2.4%
Ending Balance	7,089,160	6,127,695	961,465	15.7%
Average Balance	6,608,428	6,055,107	553,321	9.1%
Working Capital Allowance <i>(see below)</i>	2,575,200	2,844,944	(269,744)	(9.5%)
Total Rate Base	9,183,627	8,900,051	283,576	3.2%

Expenses for Working Capital

<i>Eligible Distribution Expenses:</i>				
3500-Distribution Expenses - Operation	974,196	911,002	63,194	6.9%
3550-Distribution Expenses - Maintenance	275,312	269,390	5,922	2.2%
3650-Billing and Collecting	596,505	599,164	(2,659)	(0.4%)
3700-Community Relations	900	1,000	(100)	(10.0%)
3800-Administrative and General Expenses	748,929	712,501	36,428	5.1%
3950-Taxes Other Than Income Taxes				
Total Eligible Distribution Expenses	2,595,842	2,493,057	102,785	4.1%
3350-Power Supply Expenses	17,213,386	16,473,238	740,149	4.5%
Total Expenses for Working Capital	19,809,228	18,966,295	842,934	4.4%
Working Capital factor	13.0%	15.0%	(0)	(13.3%)
Working Capital Allowance	2,575,200	2,844,944	(269,744)	(9.5%)

Tillsonburg Hydro Inc. (ED-2003-0026)

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August 31, 2012

S6 Variance Analysis: Rate Base

Enter previously approved working capital factor

Variances > 10% (min \$2,000) or \$19,446 are shown in bold

	2012 □ Projection	2011 □ Actual	Var \$	Var %
<i>Net Capital Assets in Service:</i>				
Opening Balance	5,982,518	5,930,755	51,763	0.9%
Ending Balance	6,127,695	5,982,518	145,177	2.4%
Average Balance	6,055,107	5,956,637	98,470	1.7%
Working Capital Allowance (see below)	2,844,944	2,844,943	1	0.0%
Total Rate Base	8,900,051	8,801,580	98,471	1.1%

Expenses for Working Capital

<i>Eligible Distribution Expenses:</i>				
3500-Distribution Expenses - Operation	911,002	744,387	166,615	22.4%
3550-Distribution Expenses - Maintenance	269,390	205,657	63,733	31.0%
3650-Billing and Collecting	599,164	563,328	35,836	6.4%
3700-Community Relations	1,000	5,365	(4,365)	(81.4%)
3800-Administrative and General Expenses	712,501	709,134	3,367	0.5%
3950-Taxes Other Than Income Taxes				
Total Eligible Distribution Expenses	2,493,057	2,227,871	265,186	11.9%
3350-Power Supply Expenses	16,473,238	16,738,417	(265,180)	(1.6%)
Total Expenses for Working Capital	18,966,295	18,966,288	6	0.0%
Working Capital factor	15.0%	15.0%		
Working Capital Allowance	2,844,944	2,844,943	1	0.0%

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August 31, 2012

S6 Variance Analysis: Rate Base

Enter previously approved working capital factor

Variances > 10% (min \$2,000) or \$19,446 are shown in bold

	2011 Actual	2010 Actual	Var \$	Var %
<i>Net Capital Assets in Service:</i>				
Opening Balance	5,930,755	5,984,742	(53,987)	(0.9%)
Ending Balance	5,982,518	5,930,755	51,763	0.9%
Average Balance	5,956,637	5,957,748	(1,112)	(0.0%)
Working Capital Allowance (see below)	2,844,943	2,640,046	204,897	7.8%
Total Rate Base	8,801,580	8,597,795	203,785	2.4%

Expenses for Working Capital

<i>Eligible Distribution Expenses:</i>				
3500-Distribution Expenses - Operation	744,387	897,447	(153,060)	(17.1%)
3550-Distribution Expenses - Maintenance	205,657	170,839	34,817	20.4%
3650-Billing and Collecting	563,328	484,560	78,769	16.3%
3700-Community Relations	5,365	1,967	3,398	172.7%
3800-Administrative and General Expenses	709,134	647,967	61,167	9.4%
3950-Taxes Other Than Income Taxes				
Total Eligible Distribution Expenses	2,227,871	2,202,780	25,091	1.1%
3350-Power Supply Expenses	16,738,417	15,397,529	1,340,888	8.7%
Total Expenses for Working Capital	18,966,288	17,600,309	1,365,979	7.8%
Working Capital factor	15.0%	15.0%		
Working Capital Allowance	2,844,943	2,640,046	204,897	7.8%

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S6 Variance Analysis: Rate Base

Enter previously approved working capital factor

Variances > 10% (min \$2,000) or \$19,446 are shown in bold

	2010 Actual	2009 Actual	Var \$	Var %
<i>Net Capital Assets in Service:</i>				
Opening Balance	5,984,742	5,607,674	377,067	6.7%
Ending Balance	5,930,755	5,984,742	(53,987)	(0.9%)
Average Balance	5,957,748	5,796,208	161,540	2.8%
Working Capital Allowance <i>(see below)</i>	2,640,046	2,557,074	82,973	3.2%
Total Rate Base	8,597,795	8,353,282	244,513	2.9%

Expenses for Working Capital

<i>Eligible Distribution Expenses:</i>				
3500-Distribution Expenses - Operation	897,447	853,629	43,818	5.1%
3550-Distribution Expenses - Maintenance	170,839	186,094	(15,255)	(8.2%)
3650-Billing and Collecting	484,560	434,918	49,642	11.4%
3700-Community Relations	1,967		1,967	
3800-Administrative and General Expenses	647,967	398,456	249,511	62.6%
3950-Taxes Other Than Income Taxes				
Total Eligible Distribution Expenses	2,202,780	1,873,097	329,683	17.6%
3350-Power Supply Expenses	15,397,529	15,174,062	223,467	1.5%
Total Expenses for Working Capital	17,600,309	17,047,159	553,151	3.2%
Working Capital factor	15.0%	15.0%		
Working Capital Allowance	2,640,046	2,557,074	82,973	3.2%

Tillsonburg Hydro Inc. (ED-2003-0026)

2013 EDR Application (EB-2012-0168) version: 1

August 31, 2012

S6 Variance Analysis: Rate Base

Enter previously approved working capital factor

<i>Net Capital Assets in Service:</i>	
Opening Balance	
Ending Balance	
Average Balance	
Working Capital Allowance <i>(see below)</i>	
Total Rate Base	

Expenses for Working Capital

<i>Eligible Distribution Expenses:</i>	
3500-Distribution Expenses - Operation	
3550-Distribution Expenses - Maintenance	
3650-Billing and Collecting	
3700-Community Relations	
3800-Administrative and General Expenses	
3950-Taxes Other Than Income Taxes	
Total Eligible Distribution Expenses	
3350-Power Supply Expenses	
Total Expenses for Working Capital	
Working Capital factor	
Working Capital Allowance	

Tillsonburg Hydro Inc. (ED-2003-0026)

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S6 Variance Analysis: Rate Base

Enter previously approved working capital factor

Variances > 10% (min \$2,000) or \$19,446 are shown in bold

	2009 Actual	2009 Approved	Var \$	Var %
<i>Net Capital Assets in Service:</i>				
Opening Balance	5,607,674	5,655,006	(47,332)	(0.8%)
Ending Balance	5,984,742	6,830,215	(845,474)	(12.4%)
Average Balance	5,796,208	6,242,611	(446,403)	(7.2%)
Working Capital Allowance (see below)	2,557,074	2,443,672	113,402	4.6%
Total Rate Base	8,353,282	8,686,283	(333,001)	(3.8%)

Expenses for Working Capital

<i>Eligible Distribution Expenses:</i>				
3500-Distribution Expenses - Operation	853,629	714,543	139,086	19.5%
3550-Distribution Expenses - Maintenance	186,094	186,092	2	0.0%
3650-Billing and Collecting	434,918	501,622	(66,704)	(13.3%)
3700-Community Relations				
3800-Administrative and General Expenses	398,456	459,981	(61,525)	(13.4%)
3950-Taxes Other Than Income Taxes				
Total Eligible Distribution Expenses	1,873,097	1,862,238	10,859	0.6%
3350-Power Supply Expenses	15,174,062	14,428,910	745,152	5.2%
Total Expenses for Working Capital	17,047,159	16,291,148	756,011	4.6%
Working Capital factor	15.0%	15.0%		
Working Capital Allowance	2,557,074	2,443,672	113,402	4.6%

Exhibit 2: Rate Base

Tab 2 (of 7): Capital Asset Policies

1

CAPITALIZATION POLICY

2 For 2012, THI capitalizes all eligible costs consistent with Canadian GAAP and with the
3 requirements of the CICA. See Note 1 of the financial statements at E1/T3/S1/Att1. All
4 period costs and eligible indirect costs are capitalized.

5 For 2013, THI's capitalizes directly attributable costs consistent with MIFRS. Indirect
6 charges related to the project are expensed.

7 For 2013, \$119k (E2/T2/S1/Att1) is to be expensed under MIFRS that would have been
8 capitalized under CGAAP.

EB-2012-0168

Exhibit 2

Tab 2

Schedule 1

Attachment 1

Capitalization of Overhead

File Number: 0
 Exhibit:
 Tab:
 Schedule:
 Page:
 Date:

Appendix 2-D Overhead Expense

The following table should be completed based on the information requested below. An explanation should be provided for any blank entries. The entries should include overhead costs that are currently capitalized on self-constructed assets under MIFRS or an alternate accounting

Nature of the Overhead Costs	(A) ¹	(B)	(C)	(D)	(E) ¹	(F)	(G)
	Dollar Impact on PP&E Historic Year	Dollar Impact on PP&E Bridge Year	Dollar Impact on PP&E Test Year	Dollar Impact - PP&E Variance Test versus Bridge	Dollar Impact - PP&E Variance Test versus Historic	Directly Attributable? (Y/N)	Reasons why the overhead costs are allowed to be capitalized under MIFRS or an alternate accounting standard given limitations on capitalized overhead
employee benefits				\$ -	\$ -	Y	Included for employees directly charging time to project
costs of site preparation				\$ -	\$ -	Y	If costs incurred, directly charged to the project
initial delivery and handling costs				\$ -	\$ -	Y	If costs incurred, directly charged to the project
costs of testing whether the asset is functioning properly				\$ -	\$ -	Y	If costs incurred, directly charged to the project
professional fees				\$ -	\$ -	Y	If costs incurred, directly charged to the project
costs of opening a new facility				\$ -	\$ -		
costs of introducing a new product or service (including costs of advertising and promotional activities)				\$ -	\$ -		
costs of conducting business in a new location or with a new class of customer (including costs of staff training)				\$ -	\$ -		
administration and other general overhead costs				\$ -	\$ -	Y	Based on a percentage of project cost
engineering and project management				\$ -	\$ -	Y	Based on a percentage of project cost
				\$ -	\$ -		
				\$ -	\$ -		
Insert description of additional item(s) and new rows if needed.				\$ -	\$ -		
Total	\$ -	\$ -	\$ -	\$ -	\$ -		

The following table should be completed based on the information requested below. An explanation should be provided for any blank entries. The entries should include overhead costs that were capitalized on self-constructed assets under CGAAP but are no longer capitalized under MIFRS or an alternate accounting standard and are included in OM&A.

Nature of the Overhead Costs	(A) ¹	(B)	(C)	(D)	(E) ¹	(F)	(G)
	Dollar Impact on OM&A Historic Year	Dollar Impact on OM&A Bridge Year	Dollar Impact on OM&A Test Year	Dollar Impact - OM&A Variance Test versus Bridge	Dollar Impact - OM&A Variance Test versus Historic	Directly Attributable? (Y/N)	Reasons why the overhead costs are not allowed to be capitalized under MIFRS or an alternate accounting standard given limitations on capitalized overhead
employee benefits				\$ -	\$ -		
costs of site preparation				\$ -	\$ -		
initial delivery and handling costs				\$ -	\$ -		
costs of testing whether the asset is functioning properly				\$ -	\$ -		
professional fees				\$ -	\$ -		
costs of opening a new facility				\$ -	\$ -		
costs of introducing a new product or service (including costs of advertising and promotional activities)				\$ -	\$ -		
costs of conducting business in a new location or with a new class of customer (including costs of staff training)				\$ -	\$ -		
administration and other general overhead costs		\$ 90,865	\$ 101,354	\$ 10,489	\$ 101,354	Y	Percentage charge rather than direct time
engineering and project management		\$ 16,035	\$ 17,886	\$ 1,851	\$ 17,886	Y	Percentage charge rather than direct time
				\$ -	\$ -		
				\$ -	\$ -		
Insert description of additional item(s) and new rows if needed.				\$ -	\$ -		
Total	\$ -	\$ 106,900	\$ 119,240	\$ 12,340	\$ 119,240		

Notes:
 1 If the applicant chooses to adopt IFRS or an alternate accounting standard for financial reporting purposes in 2013, the applicant does not need to complete Columns A, E. If the applicant adopts IFRS or an alternate accounting standard for financial reporting purposes in 2012, the applicant must complete all columns.

1

ASSET RETIREMENT POLICY

2 Assets that have reached their end of useful life are retired. As required, THI completes
3 asset inspections and performs predictive testing on certain assets where such testing is
4 available and replaces assets as warranted.

1

DEPRECIATION POLICY

2 For 2012, capital assets are amortized on a straight line basis, applying the half-year
3 rule in the year of addition, over the deemed life of the assets as identified in Table 1,
4 consistent with Canadian GAAP, the requirements of the CICA, and the requirements of
5 the OEB.

6

Table 1 Canadian GAAP Asset Life

Substation Equipment	25 years
Distribution Lines and Equipment	25 years
Distribution Meters	25 years
Computer Hardware	2 years
Computer Software	2 years

7

8 For 2013, capital assets are amortized over the asset's useful life, applying the half-year
9 rule in the year of addition, as identified in Table 2, consistent with MIFRS and the
10 Kinectrics' study. With the transition to MIFRS, the opening net book value of assets will
11 be amortized over the assets average remaining life.

12

Table 2 MIFRS Asset Useful Life

Substation Equipment	40 years
Poles, Towers and Fixtures	50 years
Overhead Conductors	60 years
Overhead Devices	40 years
Underground Conduit	50 years
Underground Conductors and Devices	30 years
Line Transformers	40 years

Overhead Services	50 years
Underground Services	40 years
Conventional Meters	25 years
Meters – Smart	15 years
Distribution Meters	25 years
Computer Hardware	5 years
Computer Software	5 years

1

CAPITAL CONTRIBUTION POLICY

- 2 Complete an economic evaluation to determine the required capital contribution value for
3 equipment, labour and maintenance costs. When THI is required to add new capital,
4 alter existing capital, or expand the capacity of the distribution system to connect a new
5 Embedded Generation facility, THI will perform an economic evaluation.

Exhibit 2: Rate Base

Tab 3 (of 7): Fixed Assets

GROSS ASSETS

1

2

3 E2/T3/S1/Att1 shows the annual variances in the balances for gross capital assets. The
4 investments leading to increases in specific account balances are described in Exhibit 2,
5 E2/T4/S3 describes the capital projects up to year 2011, while E2/T4/S4 describes the
6 capital projects in 2012 and 2013.

7

8 **2013TY-MIFRS vs 2012BY-MIFRS:**

9

10 The total projected ending balance in 2013 of \$17,125k, \$1,194k greater than 2012. The
11 increase is primarily due to the disposition of smart meter variance account 1555
12 (\$1,246k), investment in poles and overhead conductors/devices of (\$330k), as well as
13 increases in transformers (\$223k) as part of a continuing phase of THI's ongoing
14 conversion of existing 4.16 kV to 27.6 kV assets, and the cost to update the CIS system
15 (\$65k). The capital cost of the retired stranded meters assets removed was \$713k.

16

17 **2012BY - MIFRS vs. 2012BY - CGAAP:**

18

19 The total projected ending balance in 2012 MIFRS of \$15,931k is \$107k less than 2012
20 CGAAP. The decrease is due to the indirect engineering and administration charge that
21 cannot be capitalized under MIFRS.

22

23 **2012BY- CGAAP vs. 2011 Actual:**

24

25 The total projected ending balance in 2012 of \$16,038k is \$670k greater than 2011. The
26 increase is primarily due to investment in poles and overhead conductors/devices of
27 (\$252k), as well as transformers (\$182k), underground conduit (\$78k) and underground
28 conductors/devices (\$70k) as part of a continuing phase of THI's ongoing conversion of
29 existing 4.16kW to 27.6kV assets.

30

1 **2011 Actual vs. 2010 Actual:**

2 The ending balance in 2011 was \$15,368k, \$648k greater than 2010. The increase is
3 primarily due to investment in transformers (\$207k) as well as poles and overhead
4 conductors/devices (\$234k) as part of a continuing phase of THI's ongoing conversion of
5 existing 4.16kV to 27.6kV assets. THI also supplied a new residential development,
6 increasing underground conduit (\$108k) and services (\$153k).

7

8 **2010 Actual vs. 2009 Actual:**

9 The ending balance in 2010 was \$14,720k, \$600k greater than 2009. The increase is
10 primarily due the investment in transformers (\$246k) as well as poles and overhead
11 conductors/devices (\$232k) as part of a continuing phase of THI's ongoing conversion of
12 existing 4.16 kV to 27.6 kV assets.

13

14 **2009 Actual vs. 2009 Board-Approved:**

15

16 The ending balance in 2009 was \$14,120k, \$294k less than the 2009 Board Approved
17 amount. The decrease was mainly caused by Contributions and Grants being \$673k
18 higher than approved and the capitalization of a new Customer Information System
19 ("CIS").

EB-2012-0168

Exhibit 2

Tab 3

Schedule 1

Attachment 1

Gross Asset Variances Table

Tillsonburg Hydro Inc. (ED-2003-0026)

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August 31, 2012

S4 Variance Analysis: Balance Sheet

Review highlighted variances (no input on this sheet)

Variances > 10% (min \$2,000) or \$17,874 are shown in bold

Account Grouping	Account Description	2013 @ new dist. rates	2013 @ existing rates	Var \$	Var %
1450-Distribution Plant	1805-Land	11,520	11,520	0	0.0%
	1820-Distribution Station Equipment - Normally Primary below 50 kV	400,152	400,152	0	0.0%
	1830-Poles, Towers and Fixtures	4,980,168	4,980,168	0	0.0%
	1835-Overhead Conductors and Devices	1,799,871	1,799,871	0	0.0%
	1840-Underground Conduit	3,616,532	3,616,532	0	0.0%
	1845-Underground Conductors and Devices	1,642,800	1,642,800	0	0.0%
	1850-Line Transformers	4,661,156	4,661,156	0	0.0%
	1855-Services	1,220,259	1,220,259	0	0.0%
	1860-Meters	1,079,502	1,079,502	0	0.0%
	1500-General Plant	1920-Computer Equipment - Hardware	30,795	30,795	0
1925-Computer Software		607,299	607,299	0	0.0%
1550-Other Capital Assets	1995-Contributions and Grants - Credit	(2,925,121)	(2,925,121)	0	0.0%
		17,124,935	17,124,935	0	

Tillsonburg Hydro Inc. (ED-2003-0026)

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S4 Variance Analysis: Balance Sheet

Review highlighted variances (no input on this sheet)

Variances > 10% (min \$2,000) or \$17,874 are shown in bold

Account Grouping	Account Description	2013 @ existing rates	2012 □ Projection	Var \$	Var %
1450-Distribution Plant	1805-Land	11,520	11,520	0	0.0%
	1820-Distribution Station Equipment - Normally Primary below 50 kV	400,152	400,152	0	0.0%
	1830-Poles, Towers and Fixtures	4,980,168	4,805,838	174,330	3.6%
	1835-Overhead Conductors and Devices	1,799,871	1,643,861	156,010	9.5%
	1840-Underground Conduit	3,616,532	3,572,697	43,835	1.2%
	1845-Underground Conductors and Devices	1,642,800	1,587,905	54,895	3.5%
	1850-Line Transformers	4,661,156	4,438,656	222,500	5.0%
	1855-Services	1,220,259	1,143,129	77,130	6.7%
	1860-Meters	1,079,502	811,436	268,066	33.0%
1500-General Plant	1920-Computer Equipment - Hardware	30,795	11,532	19,263	167.0%
	1925-Computer Software	607,299	296,643	310,656	104.7%
1550-Other Capital Assets	1995-Contributions and Grants - Credit	(2,925,121)	(2,792,621)	(132,500)	(4.7%)
		17,124,935	15,930,750	1,194,185	

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August 31, 2012

S4 Variance Analysis: Balance Sheet

Review highlighted variances (no input on this sheet)

Variances > 10% (min \$2,000) or \$17,874 are shown in bold

Account Grouping	Account Description	2012 □ Projection	2011 □ Actual	Var \$	Var %
1450-Distribution Plant	1805-Land	11,520	11,520	0	0.0%
	1820-Distribution Station Equipment - Normally Primary below 50 kV	400,152	400,152	0	0.0%
	1830-Poles, Towers and Fixtures	4,805,838	4,679,038	126,800	2.7%
	1835-Overhead Conductors and Devices	1,643,861	1,560,341	83,520	5.4%
	1840-Underground Conduit	3,572,697	3,508,077	64,620	1.8%
	1845-Underground Conductors and Devices	1,587,905	1,529,810	58,095	3.8%
	1850-Line Transformers	4,438,656	4,286,676	151,980	3.5%
	1855-Services	1,143,129	1,083,344	59,785	5.5%
	1860-Meters	811,436	783,436	28,000	3.6%
1500-General Plant	1920-Computer Equipment - Hardware	11,532	11,532	0	0.0%
	1925-Computer Software	296,643	296,643	0	0.0%
1550-Other Capital Assets	1995-Contributions and Grants - Credit	(2,792,621)	(2,782,321)	(10,300)	(0.4%)
		15,930,750	15,368,250	562,500	

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S4 Variance Analysis: Balance Sheet

Review highlighted variances (no input on this sheet)

Variances > 10% (min \$2,000) or \$17,874 are shown in bold

Account Grouping	Account Description	2011 □ Actual	2010 □ Actual	Var \$	Var %
1450-Distribution Plant	1805-Land	11,520	11,520	0	0.0%
	1820-Distribution Station Equipment - Normally Primary below 50 kV	400,152	400,152	0	0.0%
	1830-Poles, Towers and Fixtures	4,679,038	4,523,817	155,221	3.4%
	1835-Overhead Conductors and Devices	1,560,341	1,481,954	78,387	5.3%
	1840-Underground Conduit	3,508,077	3,399,850	108,227	3.2%
	1845-Underground Conductors and Devices	1,529,810	1,442,148	87,663	6.1%
	1850-Line Transformers	4,286,676	4,079,507	207,170	5.1%
	1855-Services	1,083,344	930,559	152,785	16.4%
	1860-Meters	783,436	751,632	31,804	4.2%
1500-General Plant	1920-Computer Equipment - Hardware	11,532	11,532	0	0.0%
	1925-Computer Software	296,643	296,643	0	0.0%
1550-Other Capital Assets	1995-Contributions and Grants - Credit	(2,782,321)	(2,609,529)	(172,793)	(6.6%)
		15,368,250	14,719,786	648,464	

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S4 Variance Analysis: Balance Sheet

Review highlighted variances (no input on this sheet)

Variances > 10% (min \$2,000) or \$17,874 are shown in bold

Account Grouping	Account Description	2010 Actual	2009 Actual	Var \$	Var %
1450-Distribution Plant	1805-Land	11,520	11,520	0	0.0%
	1820-Distribution Station Equipment - Normally Primary below 50 kV	400,152	400,152	0	0.0%
	1830-Poles, Towers and Fixtures	4,523,817	4,378,633	145,184	3.3%
	1835-Overhead Conductors and Devices	1,481,954	1,394,537	87,417	6.3%
	1840-Underground Conduit	3,399,850	3,352,470	47,380	1.4%
	1845-Underground Conductors and Devices	1,442,148	1,370,472	71,676	5.2%
	1850-Line Transformers	4,079,507	3,833,266	246,241	6.4%
	1855-Services	930,559	846,866	83,693	9.9%
	1860-Meters	751,632	743,525	8,107	1.1%
1500-General Plant	1920-Computer Equipment - Hardware	11,532	11,532	0	0.0%
	1925-Computer Software	296,643	296,643	0	0.0%
1550-Other Capital Assets	1995-Contributions and Grants - Credit	(2,609,529)	(2,519,204)	(90,325)	(3.6%)
		14,719,786	14,120,413	599,372	

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S4 Variance Analysis: Balance Sheet

Review highlighted variances (no input on this sheet)

		Variances > 10% (min \$2,000) or \$17,874 are shown in bold			
Account Grouping	Account Description	2009 <input type="checkbox"/> Actual	2009 Approved	Var \$	Var %
1450-Distribution Plant	1805-Land	11,520	11,520	0	0.0%
	1820-Distribution Station Equipment - Normally Primary below 50 kV	400,152	400,152	0	0.0%
	1830-Poles, Towers and Fixtures	4,378,633	4,578,930	(200,297)	(4.4%)
	1835-Overhead Conductors and Devices	1,394,537	1,448,274	(53,737)	(3.7%)
	1840-Underground Conduit	3,352,470	3,342,633	9,837	0.3%
	1845-Underground Conductors and Devices	1,370,472	1,167,657	202,815	17.4%
	1850-Line Transformers	3,833,266	3,755,402	77,864	2.1%
	1855-Services	846,866	824,167	22,699	2.8%
	1860-Meters	743,525	731,136	12,389	1.7%
1500-General Plant	1920-Computer Equipment - Hardware	11,532	0	11,532	0.0%
	1925-Computer Software	296,643	0	296,643	0.0%
1550-Other Capital Assets	1995-Contributions and Grants - Credit	(2,519,204)	(1,845,895)	(673,309)	(36.5%)
		14,120,413	14,413,976	(293,563)	

1 **CAPITAL ACCUMULATED DEPRECIATION**

2 The calculation of THI's annual amortization until the end of 2012 is consistent with
3 Canadian GAAP, the requirements of the CICA, and the requirements of the OEB.
4 Capital assets are amortized on a straight line basis, applying the half-year rule in the
5 year of addition, over the deemed life of the assets.

6
7 For 2013, THI's amortization will be consistent with MIFRS. Under MIFRS, costs are
8 amortized over the assets useful life, subject to the half-year rule on additions. Due to
9 the transition to MIFRS, THI will amortize the opening net book value of assets over their
10 average remaining life.

11 **Annual Amortization Expense for Rate-Setting Purposes (E2/T3/S3/Att2)**

2009	\$ 552k
2010	\$ 653k
2011	\$ 597k
2012 CGAAP	\$ 524k
2012 MIFRS	\$ 203k
	\$ 336k
	(54k) PP&E
2013 MIFRS	\$ 282k

12
13 The 2013 forecast is \$79k greater than 2012 MIFRS due to the smart meter capital costs
14 that were moved to capital from Account 1555 – Smart Meter Capital Variance and offset
15 by the amortization of the PP&E variance.

1

FIXED ASSET CONTINUITIES

2 E2/T3/S3/Att1 and E2/T3/S3/Att2 present the continuity statements for fixed assets from
3 2008 – 2013. The amortization expense amounts in the statements are consistent with
4 the amounts calculated in accordance with the half-year rule for depreciation.
5 Explanations for annual balance changes in excess of the materiality threshold are
6 provided in E2/T3/S1.

EB-2012-0168

Exhibit 2

Tab 3

Schedule 3

Attachment 1

Fixed Asset Continuity Statements

X21 Capital Asset Continuity Statements

	2009 Changes			2009 Actual Balance	2009 Actual Balance
	Additions	Ret./Other	Amortization		
1830-Poles, Towers and Fixtures					
Gross Assets	151,293			4,378,633	4,378,633
Accumulated Amortization			(160,199)	(2,765,225)	(2,765,225)
Net Book Value	151,293		(160,199)	1,613,408	1,613,408
1835-Overhead Conductors and Devices					
Gross Assets	202,896			1,394,537	1,394,537
Accumulated Amortization			(48,536)	(311,929)	(311,929)
Net Book Value	202,896		(48,536)	1,082,608	1,082,608
1840-Underground Conduit					
Gross Assets	4,611			3,352,470	3,352,470
Accumulated Amortization			(124,027)	(2,226,334)	(2,226,334)
Net Book Value	4,611		(124,027)	1,126,136	1,126,136
1845-Underground Conductors and Devices					
Gross Assets	28,004			1,370,472	1,370,472
Accumulated Amortization			(53,442)	(248,694)	(248,694)
Net Book Value	28,004		(53,442)	1,121,778	1,121,778
1850-Line Transformers					
Gross Assets	213,801			3,833,266	3,833,266
Accumulated Amortization			(120,168)	(1,845,511)	(1,845,511)
Net Book Value	213,801		(120,168)	1,987,755	1,987,755
1855-Services					
Gross Assets	99,583			846,866	846,866
Accumulated Amortization			(31,882)	(136,719)	(136,719)
Net Book Value	99,583		(31,882)	710,148	710,148
1860-Meters					
Gross Assets	12,461			743,525	743,525
Accumulated Amortization			(26,879)	(588,176)	(588,176)
Net Book Value	12,461		(26,879)	155,349	155,349
1915-Office Furniture and Equipment					
Gross Assets					
Accumulated Amortization					
Net Book Value					
1920-Computer Equipment - Hardware					
Gross Assets	11,532			11,532	11,532

X21 Capital Asset Continuity Statements

	2009 Changes			2009 Actual Balance	2009 Actual Balance
	Additions	Ret./Other	Amortization		
Accumulated Amortization			(2,883)	(2,883)	(2,883)
Net Book Value	11,532		(2,883)	8,649	8,649
1925-Computer Software					
Gross Assets	296,643			296,643	296,643
Accumulated Amortization			(74,161)	(74,161)	(74,161)
Net Book Value	296,643		(74,161)	222,482	222,482
1995-Contributions and Grants - Credit					
Gross Assets	(91,847)			(2,519,204)	(2,519,204)
Accumulated Amortization			98,930	387,836	387,836
Net Book Value	(91,847)		98,930	(2,131,368)	(2,131,368)
TOTAL					
Gross Assets	928,978	0		14,120,413	14,120,413
Accumulated Amortization			(551,911)	(8,135,672)	(8,135,672)
Net Book Value	928,978	0	(551,911)	5,984,741	5,984,742

X21 Capital Asset Continuity Statement

	2010 Changes			2010 Actual Balance	2010 Actual Balance
	Additions	Ret./Other	Amortization		
1830-Poles, Towers and Fixtures					
Gross Assets	145,184			4,523,817	4,523,817
Accumulated Amortization			(166,129)	(2,931,354)	(2,931,354)
Net Book Value	145,184		(166,129)	1,592,463	1,592,463
1835-Overhead Conductors and Devices					
Gross Assets	87,417			1,481,954	1,481,954
Accumulated Amortization			(54,342)	(366,271)	(366,271)
Net Book Value	87,417		(54,342)	1,115,683	1,115,683
1840-Underground Conduit					
Gross Assets	47,380			3,399,850	3,399,850
Accumulated Amortization			(125,067)	(2,351,401)	(2,351,401)
Net Book Value	47,380		(125,067)	1,048,450	1,048,450
1845-Underground Conductors and Devices					
Gross Assets	71,676			1,442,148	1,442,148
Accumulated Amortization			(55,436)	(304,130)	(304,130)
Net Book Value	71,676		(55,436)	1,138,017	1,138,017
1850-Line Transformers					
Gross Assets	246,241			4,079,507	4,079,507
Accumulated Amortization			(129,369)	(1,974,880)	(1,974,880)
Net Book Value	246,241		(129,369)	2,104,627	2,104,627
1855-Services					
Gross Assets	83,693			930,559	930,559
Accumulated Amortization			(35,547)	(172,266)	(172,266)
Net Book Value	83,693		(35,547)	758,293	758,293
1860-Meters					
Gross Assets	8,107			751,632	751,632
Accumulated Amortization			(27,290)	(615,466)	(615,466)
Net Book Value	8,107		(27,290)	136,166	136,166
1915-Office Furniture and Equipment					
Gross Assets					
Accumulated Amortization					
Net Book Value					
1920-Computer Equipment - Hardware					
Gross Assets				11,532	11,532

X21 Capital Asset Continuity Statement

	2010 Changes			2010 Actual Balance	2010 Actual Balance
	Additions	Ret./Other	Amortization		
Accumulated Amortization			(5,766)	(8,649)	(8,649)
Net Book Value			(5,766)	2,883	2,883
1925-Computer Software					
Gross Assets				296,643	296,643
Accumulated Amortization			(148,322)	(222,483)	(222,483)
Net Book Value			(148,322)	74,160	74,160
1995-Contributions and Grants - Credit					
Gross Assets	(90,325)			(2,609,529)	(2,609,529)
Accumulated Amortization			102,573	490,409	490,409
Net Book Value	(90,325)		102,573	(2,119,120)	(2,119,120)
TOTAL					
Gross Assets	599,372			14,719,786	14,719,786
Accumulated Amortization			(653,359)	(8,789,031)	(8,789,031)
Net Book Value	599,372		(653,359)	5,930,755	5,930,755

X21 Capital Asset Continuity Statement

	2011 Changes			2011 Actual Balance	2011 Actual Balance
	Additions	Ret./Other	Amortization		
1830-Poles, Towers and Fixtures					
Gross Assets	155,221			4,679,038	4,679,038
Accumulated Amortization			(172,136)	(3,103,490)	(3,103,490)
Net Book Value	155,221		(172,136)	1,575,549	1,575,549
1835-Overhead Conductors and Devices					
Gross Assets	78,387			1,560,341	1,560,341
Accumulated Amortization			(57,659)	(423,930)	(423,930)
Net Book Value	78,387		(57,659)	1,136,411	1,136,411
1840-Underground Conduit					
Gross Assets	108,227			3,508,077	3,508,077
Accumulated Amortization			(128,179)	(2,479,580)	(2,479,580)
Net Book Value	108,227		(128,179)	1,028,498	1,028,498
1845-Underground Conductors and Devices					
Gross Assets	87,663			1,529,810	1,529,810
Accumulated Amortization			(58,622)	(362,752)	(362,752)
Net Book Value	87,663		(58,622)	1,167,058	1,167,058
1850-Line Transformers					
Gross Assets	207,170			4,286,676	4,286,676
Accumulated Amortization			(138,437)	(2,113,317)	(2,113,317)
Net Book Value	207,170		(138,437)	2,173,359	2,173,359
1855-Services					
Gross Assets	152,785			1,083,344	1,083,344
Accumulated Amortization			(40,277)	(212,543)	(212,543)
Net Book Value	152,785		(40,277)	870,801	870,801
1860-Meters					
Gross Assets	31,804			783,436	783,436
Accumulated Amortization			(28,088)	(643,554)	(643,554)
Net Book Value	31,804		(28,088)	139,882	139,882
1915-Office Furniture and Equipment					
Gross Assets					
Accumulated Amortization					
Net Book Value					
1920-Computer Equipment - Hardware					
Gross Assets				11,532	11,532

X21 Capital Asset Continuity Statement

	2011 Changes			2011 Actual Balance	2011 Actual Balance
	Additions	Ret./Other	Amortization		
Accumulated Amortization			(2,883)	(11,532)	(11,532)
Net Book Value			(2,883)		
1925-Computer Software					
Gross Assets				296,643	296,643
Accumulated Amortization			(74,160)	(296,643)	(296,643)
Net Book Value			(74,160)		
1995-Contributions and Grants - Credit					
Gross Assets	(172,793)			(2,782,321)	(2,782,321)
Accumulated Amortization			107,836	598,245	598,245
Net Book Value	(172,793)		107,836	(2,184,077)	(2,184,077)
TOTAL					
Gross Assets	648,464			15,368,250	15,368,250
Accumulated Amortization			(596,701)	(9,385,732)	(9,385,732)
Net Book Value	648,464		(596,701)	5,982,518	5,982,518

X21 Capital Asset Continuity Statement

	2012 Changes			2012 Balance	2012 Balance
	Additions	Ret./Other	Amortization		
1830-Poles, Towers and Fixtures					
Gross Assets	152,160			4,831,198	4,831,198
Accumulated Amortization			(178,285)	(3,281,775)	(3,281,775)
Net Book Value	152,160		(178,285)	1,549,424	1,549,424
1835-Overhead Conductors and Devices					
Gross Assets	100,224			1,660,565	1,660,565
Accumulated Amortization			(61,230)	(485,160)	(485,160)
Net Book Value	100,224		(61,230)	1,175,405	1,175,405
1840-Underground Conduit					
Gross Assets	77,544			3,585,621	3,585,621
Accumulated Amortization			(131,893)	(2,611,473)	(2,611,473)
Net Book Value	77,544		(131,893)	974,149	974,149
1845-Underground Conductors and Devices					
Gross Assets	69,714			1,599,524	1,599,524
Accumulated Amortization			(61,770)	(424,522)	(424,522)
Net Book Value	69,714		(61,770)	1,175,002	1,175,002
1850-Line Transformers					
Gross Assets	182,376			4,469,052	4,469,052
Accumulated Amortization			(146,229)	(2,259,546)	(2,259,546)
Net Book Value	182,376		(146,229)	2,209,506	2,209,506
1855-Services					
Gross Assets	71,742			1,155,086	1,155,086
Accumulated Amortization			(44,768)	(257,311)	(257,311)
Net Book Value	71,742		(44,768)	897,775	897,775
1860-Meters					
Gross Assets	28,000			811,436	811,436
Accumulated Amortization			(8,153)	(651,707)	(651,707)
Net Book Value	28,000		(8,153)	159,729	159,729
1915-Office Furniture and Equipment					
Gross Assets					
Accumulated Amortization					
Net Book Value					
1920-Computer Equipment - Hardware					
Gross Assets				11,532	11,532

X21 Capital Asset Continuity Statement

	2012 Changes			2012 Balance	2012 Balance
	Additions	Ret./Other	Amortization		
Accumulated Amortization				(11,532)	(11,532)
Net Book Value					
1925-Computer Software					
Gross Assets				296,643	296,643
Accumulated Amortization				(296,643)	(296,643)
Net Book Value					
1995-Contributions and Grants - Credit					
Gross Assets	(12,360)			(2,794,681)	(2,794,681)
Accumulated Amortization			111,539	709,784	709,784
Net Book Value	(12,360)		111,539	(2,084,898)	(2,084,898)
TOTAL					
Gross Assets	669,400			16,037,650	16,037,650
Accumulated Amortization			(524,223)	(9,909,955)	(9,909,955)
Net Book Value	669,400		(524,223)	6,127,695	6,127,695

X21 Capital Asset Continuity Statement

	2013			2013 Balance
	Additions	Ret./Other	Amortization	
1830-Poles, Towers and Fixtures				
Gross Assets	209,196			5,040,394
Accumulated Amortization			(185,511)	(3,467,286)
Net Book Value	209,196		(185,511)	1,573,109
1835-Overhead Conductors and Devices				
Gross Assets	187,212			1,847,777
Accumulated Amortization			(66,978)	(552,138)
Net Book Value	187,212		(66,978)	1,295,639
1840-Underground Conduit				
Gross Assets	52,602			3,638,223
Accumulated Amortization			(134,496)	(2,745,969)
Net Book Value	52,602		(134,496)	892,255
1845-Underground Conductors and Devices				
Gross Assets	65,874			1,665,398
Accumulated Amortization			(64,482)	(489,004)
Net Book Value	65,874		(64,482)	1,176,394
1850-Line Transformers				
Gross Assets	267,000			4,736,052
Accumulated Amortization			(155,216)	(2,414,762)
Net Book Value	267,000		(155,216)	2,321,290
1855-Services				
Gross Assets	92,556			1,247,642
Accumulated Amortization			(48,055)	(305,366)
Net Book Value	92,556		(48,055)	942,276
1860-Meters				
Gross Assets	980,897	(712,831)		1,079,502
Accumulated Amortization		451,839	(69,338)	(269,206)
Net Book Value	980,897	(260,992)	(69,338)	810,297
1915-Office Furniture and Equipment				
Gross Assets				
Accumulated Amortization				
Net Book Value				
1920-Computer Equipment - Hardware				
Gross Assets	19,263			30,795

X21 Capital Asset Continuity Statement

	2013			2013 Balance
	Additions	Ret./Other	Amortization	
Accumulated Amortization		(4,519)	(2,753)	(18,803)
Net Book Value	19,263	(4,519)	(2,753)	11,991
1925-Computer Software				
Gross Assets	310,656			607,299
Accumulated Amortization		(127,254)	(56,731)	(480,628)
Net Book Value	310,656	(127,254)	(56,731)	126,671
1995-Contributions and Grants - Credit				
Gross Assets	(159,000)			(2,953,681)
Accumulated Amortization			114,967	824,751
Net Book Value	(159,000)		114,967	(2,128,931)
TOTAL				
Gross Assets	2,026,256	(712,831)		17,351,075
Accumulated Amortization		320,066	(672,026)	(10,261,915)
Net Book Value	2,026,256	(392,765)	(672,026)	7,089,160

**Appendix 2-B
 Fixed Asset Continuity Schedule**

Year **2009**

CCA	OEB	Description	Depreciation Rate	Cost				Accumulated Depreciation				Net Book		
				Opening	Additions	Disposals	Closing	Opening Balance	Additions	Disposals	Closing			
12	1611	Computer Software (Formally known as Account 1925)			\$ 296,643		\$ 296,643							
CEC	1612	Land Rights (Formally known as Account 1906)					\$ -							
N/A	1805	Land		\$ 11,520			\$ 11,520							
47	1808	Buildings					\$ -							
13	1810	Leasehold Improvements					\$ -							
47	1815	Transformer Station Equipment >50 kv					\$ -							
47	1820	Distribution Station Equipment <50 kv		\$ 400,152			\$ 400,152							
47	1825	Storage Battery Equipment					\$ -							
47	1830	Poles, Towers & Fixtures		\$ 4,227,340	\$ 151,293		\$ 4,378,633							
47	1835	Overhead Conductors & Devices		\$ 1,191,641	\$ 202,896		\$ 1,394,537							
47	1840	Underground Conduit		\$ 3,347,859	\$ 4,611		\$ 3,352,470							
47	1845	Underground Conductors & Devices		\$ 1,342,468	\$ 28,004		\$ 1,370,472							
47	1850	Line Transformers		\$ 3,619,465	\$ 213,801		\$ 3,833,266							
47	1855	Services (Overhead & Underground)		\$ 747,283	\$ 99,583		\$ 846,866							
47	1860	Meters		\$ 731,064	\$ 12,461		\$ 743,525							
47	1860	Meters (Smart Meters)					\$ -							
N/A	1905	Land					\$ -							
47	1908	Buildings & Fixtures					\$ -							
13	1910	Leasehold Improvements					\$ -							
8	1915	Office Furniture & Equipment (10 years)					\$ -							
8	1915	Office Furniture & Equipment (5 years)					\$ -							
10	1920	Computer Equipment - Hardware					\$ -							
45	1920	Computer Equip.-Hardware(Post Mar. 22/04)					\$ -							
45.1	1920	Computer Equip.-Hardware(Post Mar. 19/07)			\$ 11,532		\$ 11,532							
10	1930	Transportation Equipment					\$ -							
8	1935	Stores Equipment					\$ -							
8	1940	Tools, Shop & Garage Equipment					\$ -							
8	1945	Measurement & Testing Equipment					\$ -							
8	1950	Power Operated Equipment					\$ -							
8	1955	Communications Equipment					\$ -							
8	1955	Communication Equipment (Smart Meters)					\$ -							
8	1960	Miscellaneous Equipment					\$ -							
47	1975	Load Management Controls Utility Premises					\$ -							
47	1980	System Supervisor Equipment					\$ -							
47	1985	Miscellaneous Fixed Assets					\$ -							
47	1995	Contributions & Grants		-\$ 2,427,357	-\$ 91,847		-\$ 2,519,204							
							\$ -							
		Total		\$13,191,435	\$ 928,978	\$ -	\$14,120,413	-\$ 7,583,760	-\$ 551,911	\$ -	-\$ 8,135,671	\$5,984,742		

10	Transportation
8	Stores Equipment

Less: Fully Allocated Depreciation

Transportation	
Stores Equipment	
Net Depreciation	\$ -

Notes:

- Tables in the format outlined above covering all fixed asset accounts should be submitted for the Test Year, Bridge Year and all relevant historical years. At a minimum, the applicant must provide data for the earlier of: 1) all historical years back to its last rebasing; or 2) at least three years of historical actuals, in addition to Bridge Year and Test Year forecasts
- The "CCA Class" for fixed assets should agree with the CCA Class used for tax purposes in Tax Returns. Fixed Assets sub-components may be used where the underlying asset components are classified under multiple CCA Classes for tax purposes. If an applicant uses any different classes from those shown in the table, an explanation should be provided. (also see note 3 below).
- The table may need to be customized for a utility's asset categories or for any new asset accounts announced or authorized by the Board
- The depreciation column (D) is not required as the relevant information will be provided in the following 2-C series of appendices.

**Appendix 2-B
 Fixed Asset Continuity Schedule**

Year 2010

CCA	OEB	Description	Depreciation Rate	Cost				Accumulated Depreciation				Net Book		
				Opening	Additions	Disposals	Closing	Opening Balance	Additions	Disposals	Closing			
12	1611	Computer Software (Formally known as Account 1925)		\$ 296,643			\$ 296,643	-\$	74,161	-\$	148,322	-\$	222,483	\$ 74,160
CEC	1612	Land Rights (Formally known as Account 1906)					\$ -						\$ -	\$ -
N/A	1805	Land		\$ 11,520			\$ 11,520						\$ -	\$ 11,520
47	1808	Buildings					\$ -						\$ -	\$ -
13	1810	Leasehold Improvements					\$ -						\$ -	\$ -
47	1815	Transformer Station Equipment >50 kv					\$ -						\$ -	\$ -
47	1820	Distribution Station Equipment <50 kv		\$ 400,152			\$ 400,152	-\$	323,876	-\$	8,664	-\$	332,540	\$ 67,613
47	1825	Storage Battery Equipment					\$ -						\$ -	\$ -
47	1830	Poles, Towers & Fixtures		\$ 4,378,633	\$ 145,184		\$ 4,523,817	-\$	2,765,225	-\$	166,129	-\$	2,931,354	\$ 1,592,463
47	1835	Overhead Conductors & Devices		\$ 1,394,537	\$ 87,417		\$ 1,481,954	-\$	311,929	-\$	54,342	-\$	366,271	\$ 1,115,683
47	1840	Underground Conduit		\$ 3,352,470	\$ 47,380		\$ 3,399,850	-\$	2,226,334	-\$	125,067	-\$	2,351,401	\$ 1,048,449
47	1845	Underground Conductors & Devices		\$ 1,370,472	\$ 71,676		\$ 1,442,148	-\$	248,694	-\$	55,436	-\$	304,130	\$ 1,138,017
47	1850	Line Transformers		\$ 3,833,266	\$ 246,241		\$ 4,079,507	-\$	1,845,511	-\$	129,369	-\$	1,974,880	\$ 2,104,627
47	1855	Services (Overhead & Underground)		\$ 846,866	\$ 83,693		\$ 930,559	-\$	136,719	-\$	35,547	-\$	172,266	\$ 758,293
47	1860	Meters		\$ 743,525	\$ 8,107		\$ 751,632	-\$	588,176	-\$	27,290	-\$	615,466	\$ 136,166
47	1860	Meters (Smart Meters)					\$ -						\$ -	\$ -
N/A	1905	Land					\$ -						\$ -	\$ -
47	1908	Buildings & Fixtures					\$ -						\$ -	\$ -
13	1910	Leasehold Improvements					\$ -						\$ -	\$ -
8	1915	Office Furniture & Equipment (10 years)					\$ -						\$ -	\$ -
8	1915	Office Furniture & Equipment (5 years)					\$ -						\$ -	\$ -
10	1920	Computer Equipment - Hardware					\$ -						\$ -	\$ -
45	1920	Computer Equip.-Hardware(Post Mar. 22/04)					\$ -						\$ -	\$ -
45.1	1920	Computer Equip.-Hardware(Post Mar. 19/07)		\$ 11,532			\$ 11,532	-\$	2,883	-\$	5,766	-\$	8,649	\$ 2,883
10	1930	Transportation Equipment					\$ -						\$ -	\$ -
8	1935	Stores Equipment					\$ -						\$ -	\$ -
8	1940	Tools, Shop & Garage Equipment					\$ -						\$ -	\$ -
8	1945	Measurement & Testing Equipment					\$ -						\$ -	\$ -
8	1950	Power Operated Equipment					\$ -						\$ -	\$ -
8	1955	Communications Equipment					\$ -						\$ -	\$ -
8	1955	Communication Equipment (Smart Meters)					\$ -						\$ -	\$ -
8	1960	Miscellaneous Equipment					\$ -						\$ -	\$ -
47	1975	Load Management Controls Utility Premises					\$ -						\$ -	\$ -
47	1980	System Supervisor Equipment					\$ -						\$ -	\$ -
47	1985	Miscellaneous Fixed Assets					\$ -						\$ -	\$ -
47	1995	Contributions & Grants		-\$ 2,519,204	-\$ 90,325		-\$ 2,609,529	\$	387,836	\$	102,573	\$	490,409	-\$ 2,119,120
							\$ -						\$ -	\$ -
		Total		\$14,120,413	\$ 599,372	\$ -	\$14,719,786	-\$	8,135,671	-\$	653,359	\$ -	-\$ 8,789,030	\$5,930,755

10	Transportation
8	Stores Equipment

Less: Fully Allocated Depreciation

Transportation	
Stores Equipment	
Net Depreciation	\$ -

Notes:

- Tables in the format outlined above covering all fixed asset accounts should be submitted for the Test Year, Bridge Year and all relevant historical years. At a minimum, the applicant must provide data for the earlier of: 1) all historical years back to its last rebasing; or 2) at least three years of historical actuals, in addition to Bridge Year and Test Year forecasts
- The "CCA Class" for fixed assets should agree with the CCA Class used for tax purposes in Tax Returns. Fixed Assets sub-components may be used where the underlying asset components are classified under multiple CCA Classes for tax purposes. If an applicant uses any different classes from those shown in the table, an explanation should be provided. (also see note 3 below).
- The table may need to be customized for a utility's asset categories or for any new asset accounts announced or authorized by the Board
- The depreciation column (D) is not required as the relevant information will be provided in the following 2-C series of appendices.

**Appendix 2-B
 Fixed Asset Continuity Schedule**

Year 2011

CCA	OEB	Description	Depreciation Rate	Cost				Accumulated Depreciation				Net Book		
				Opening	Additions	Disposals	Closing	Opening Balance	Additions	Disposals	Closing			
12	1611	Computer Software (Formally known as Account 1925)		\$ 296,643			\$ 296,643	-\$	222,483	-\$	74,160	-\$	296,643	\$ -
CEC	1612	Land Rights (Formally known as Account 1906)					\$ -						\$ -	\$ -
N/A	1805	Land		\$ 11,520			\$ 11,520						\$ -	\$ 11,520
47	1808	Buildings		\$ -			\$ -						\$ -	\$ -
13	1810	Leasehold Improvements		\$ -			\$ -						\$ -	\$ -
47	1815	Transformer Station Equipment >50 kv		\$ -			\$ -						\$ -	\$ -
47	1820	Distribution Station Equipment <50 kv		\$ 400,152			\$ 400,152	-\$	332,540	-\$	4,096	-\$	336,636	\$ 63,516
47	1825	Storage Battery Equipment		\$ -			\$ -						\$ -	\$ -
47	1830	Poles, Towers & Fixtures		\$ 4,523,817	\$ 155,221		\$ 4,679,038	-\$	2,931,354	-\$	172,136	-\$	3,103,490	\$ 1,575,548
47	1835	Overhead Conductors & Devices		\$ 1,481,954	\$ 78,387		\$ 1,560,341	-\$	366,271	-\$	57,659	-\$	423,930	\$ 1,136,411
47	1840	Underground Conduit		\$ 3,399,850	\$ 108,227		\$ 3,508,077	-\$	2,351,401	-\$	128,179	-\$	2,479,580	\$ 1,028,497
47	1845	Underground Conductors & Devices		\$ 1,442,148	\$ 87,663		\$ 1,529,810	-\$	304,130	-\$	58,622	-\$	362,752	\$ 1,167,058
47	1850	Line Transformers		\$ 4,079,507	\$ 207,170		\$ 4,286,676	-\$	1,974,880	-\$	138,437	-\$	2,113,317	\$ 2,173,359
47	1855	Services (Overhead & Underground)		\$ 930,559	\$ 152,785		\$ 1,083,344	-\$	172,266	-\$	40,277	-\$	212,543	\$ 870,801
47	1860	Meters		\$ 751,632	\$ 31,804		\$ 783,436	-\$	615,466	-\$	28,088	-\$	643,554	\$ 139,882
47	1860	Meters (Smart Meters)					\$ -						\$ -	\$ -
N/A	1905	Land					\$ -						\$ -	\$ -
47	1908	Buildings & Fixtures					\$ -						\$ -	\$ -
13	1910	Leasehold Improvements					\$ -						\$ -	\$ -
8	1915	Office Furniture & Equipment (10 years)					\$ -						\$ -	\$ -
8	1915	Office Furniture & Equipment (5 years)					\$ -						\$ -	\$ -
10	1920	Computer Equipment - Hardware					\$ -						\$ -	\$ -
45	1920	Computer Equip.-Hardware(Post Mar. 22/04)					\$ -						\$ -	\$ -
45.1	1920	Computer Equip.-Hardware(Post Mar. 19/07)		\$ 11,532			\$ 11,532	-\$	8,649	-\$	2,883	-\$	11,532	\$ -
10	1930	Transportation Equipment					\$ -						\$ -	\$ -
8	1935	Stores Equipment					\$ -						\$ -	\$ -
8	1940	Tools, Shop & Garage Equipment					\$ -						\$ -	\$ -
8	1945	Measurement & Testing Equipment					\$ -						\$ -	\$ -
8	1950	Power Operated Equipment					\$ -						\$ -	\$ -
8	1955	Communications Equipment					\$ -						\$ -	\$ -
8	1955	Communication Equipment (Smart Meters)					\$ -						\$ -	\$ -
8	1960	Miscellaneous Equipment					\$ -						\$ -	\$ -
47	1975	Load Management Controls Utility Premises					\$ -						\$ -	\$ -
47	1980	System Supervisor Equipment					\$ -						\$ -	\$ -
47	1985	Miscellaneous Fixed Assets					\$ -						\$ -	\$ -
47	1995	Contributions & Grants		-\$ 2,609,529	-\$ 172,793		-\$ 2,782,321	\$	490,409	\$	107,836	\$	598,245	-\$ 2,184,076
							\$ -						\$ -	\$ -
		Total		\$14,719,786	\$ 648,464	\$ -	\$15,368,250	-\$	8,789,031	-\$	596,701	\$ -	-\$ 9,385,732	\$5,982,518

10	Transportation
8	Stores Equipment

Less: Fully Allocated Depreciation

Transportation	
Stores Equipment	
Net Depreciation	\$ -

Notes:

- Tables in the format outlined above covering all fixed asset accounts should be submitted for the Test Year, Bridge Year and all relevant historical years. At a minimum, the applicant must provide data for the earlier of: 1) all historical years back to its last rebasing; or 2) at least three years of historical actuals, in addition to Bridge Year and Test Year forecasts
- The "CCA Class" for fixed assets should agree with the CCA Class used for tax purposes in Tax Returns. Fixed Assets sub-components may be used where the underlying asset components are classified under multiple CCA Classes for tax purposes. If an applicant uses any different classes from those shown in the table, an explanation should be provided. (also see note 3 below).
- The table may need to be customized for a utility's asset categories or for any new asset accounts announced or authorized by the Board
- The depreciation column (D) is not required as the relevant information will be provided in the following 2-C series of appendices.

Appendix 2-B
Fixed Asset Continuity Schedule
 Year 2012 GAAP

CCA	OEB	Description	Depreciation Rate	Cost				Accumulated Depreciation							
				Opening	Additions	Disposals	Closing	Opening Balance	Additions	Disposals	Closing	Net Book			
12	1611	Computer Software (Formally known as Account 1925)		\$ 296,643			\$ 296,643	-\$	296,643			-\$	296,643	\$ -	
CEC	1612	Land Rights (Formally known as Account 1906)					\$ -						\$ -	\$ -	
N/A	1805	Land		\$ 11,520			\$ 11,520						\$ -	\$ 11,520	
47	1808	Buildings		\$ -			\$ -						\$ -	\$ -	
13	1810	Leasehold Improvements		\$ -			\$ -						\$ -	\$ -	
47	1815	Transformer Station Equipment >50 kv		\$ -			\$ -						\$ -	\$ -	
47	1820	Distribution Station Equipment <50 kv		\$ 400,152			\$ 400,152						\$ -	\$ -	
47	1825	Storage Battery Equipment		\$ -			\$ -						\$ -	\$ -	
47	1830	Poles, Towers & Fixtures		\$ 4,679,038	\$ 152,160		\$ 4,831,198	-\$	3,103,490	-\$	178,285		-\$	3,281,775	\$ 1,549,423
47	1835	Overhead Conductors & Devices		\$ 1,560,341	\$ 100,224		\$ 1,660,565	-\$	423,930	-\$	61,230		-\$	485,160	\$ 1,175,405
47	1840	Underground Conduit		\$ 3,508,077	\$ 77,544		\$ 3,585,621	-\$	2,479,580	-\$	131,893		-\$	2,611,473	\$ 974,148
47	1845	Underground Conductors & Devices		\$ 1,529,810	\$ 69,714		\$ 1,599,524	-\$	362,752	-\$	61,770		-\$	424,522	\$ 1,175,002
47	1850	Line Transformers		\$ 4,286,676	\$ 182,376		\$ 4,469,052	-\$	2,113,317	-\$	146,229		-\$	2,259,546	\$ 2,209,506
47	1855	Services (Overhead & Underground)		\$ 1,083,344	\$ 71,742		\$ 1,155,086	-\$	212,543	-\$	44,768		-\$	257,311	\$ 897,775
47	1860	Meters		\$ 783,436	\$ 28,000		\$ 811,436	-\$	643,554	-\$	8,153		-\$	651,707	\$ 159,729
47	1860	Meters (Smart Meters)					\$ -						\$ -	\$ -	
N/A	1905	Land					\$ -						\$ -	\$ -	
47	1908	Buildings & Fixtures					\$ -						\$ -	\$ -	
13	1910	Leasehold Improvements					\$ -						\$ -	\$ -	
8	1915	Office Furniture & Equipment (10 years)					\$ -						\$ -	\$ -	
8	1915	Office Furniture & Equipment (5 years)					\$ -						\$ -	\$ -	
10	1920	Computer Equipment - Hardware					\$ -						\$ -	\$ -	
45	1920	Computer Equip.-Hardware(Post Mar. 22/04)					\$ -						\$ -	\$ -	
45.1	1920	Computer Equip.-Hardware(Post Mar. 19/07)		\$ 11,532			\$ 11,532		11,532				-\$	11,532	\$ -
10	1930	Transportation Equipment					\$ -						\$ -	\$ -	
8	1935	Stores Equipment					\$ -						\$ -	\$ -	
8	1940	Tools, Shop & Garage Equipment					\$ -						\$ -	\$ -	
8	1945	Measurement & Testing Equipment					\$ -						\$ -	\$ -	
8	1950	Power Operated Equipment					\$ -						\$ -	\$ -	
8	1955	Communications Equipment					\$ -						\$ -	\$ -	
8	1955	Communication Equipment (Smart Meters)					\$ -						\$ -	\$ -	
8	1960	Miscellaneous Equipment					\$ -						\$ -	\$ -	
47	1975	Load Management Controls Utility Premises					\$ -						\$ -	\$ -	
47	1980	System Supervisor Equipment					\$ -						\$ -	\$ -	
47	1985	Miscellaneous Fixed Assets					\$ -						\$ -	\$ -	
47	1995	Contributions & Grants		-\$ 2,782,321	-\$ 12,360		-\$ 2,794,681		598,245		111,539		-\$	709,784	-\$ 2,084,897
							\$ -						\$ -	\$ -	
		Total		\$15,368,250	\$ 669,400	\$ -	\$16,037,650	-\$	9,385,732	-\$	524,223	\$ -	-\$ 9,909,955	\$6,127,695	

10		Transportation
8		Stores Equipment

Less: Fully Allocated Depreciation

Transportation
 Stores Equipment
Net Depreciation

\$ -

Notes:

- Tables in the format outlined above covering all fixed asset accounts should be submitted for the Test Year, Bridge Year and all relevant historical years. At a minimum, the applicant must provide data for the earlier of: 1) all historical years back to its last rebasing; or 2) at least three years of historical actuals, in addition to Bridge Year and Test Year forecasts
- The "CCA Class" for fixed assets should agree with the CCA Class used for tax purposes in Tax Returns. Fixed Assets sub-components may be used where the underlying asset components are classified under multiple CCA Classes for tax purposes. If an applicant uses any different classes from those shown in the table, an explanation should be provided. (also see note 3 below).
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- The depreciation column (D) is not required as the relevant information will be provided in the following 2-C series of appendices.

**Appendix 2-B
 Fixed Asset Continuity Schedule**

Year 2012 IFRS

CCA	OEB	Description	Depreciation Rate	Cost				Accumulated Depreciation				Net Book		
				Opening	Additions	Disposals	Closing	Opening Balance	Additions	Disposals	Closing			
12	1611	Computer Software (Formally known as Account 1925)		\$ 296,643			\$ 296,643	-\$	296,643			-\$	296,643	\$ -
CEC	1612	Land Rights (Formally known as Account 1906)		\$ -			\$ -						\$ -	\$ -
N/A	1805	Land		\$ 11,520			\$ 11,520						\$ -	\$ 11,520
47	1808	Buildings		\$ -			\$ -						\$ -	\$ -
13	1810	Leasehold Improvements		\$ -			\$ -						\$ -	\$ -
47	1815	Transformer Station Equipment >50 kv		\$ -			\$ -						\$ -	\$ -
47	1820	Distribution Station Equipment <50 kv		\$ 400,152			\$ 400,152	-\$	336,636	-\$	2,146	-\$	338,782	\$ 61,370
47	1825	Storage Battery Equipment		\$ -			\$ -						\$ -	\$ -
47	1830	Poles, Towers & Fixtures		\$ 4,679,038	\$ 126,800		\$ 4,805,838	-\$	3,103,490	-\$	46,046	-\$	3,149,536	\$ 1,656,303
47	1835	Overhead Conductors & Devices		\$ 1,560,341	\$ 83,520		\$ 1,643,861	-\$	423,930	-\$	34,254	-\$	458,184	\$ 1,185,677
47	1840	Underground Conduit		\$ 3,508,077	\$ 64,620		\$ 3,572,697	-\$	2,479,580	-\$	30,872	-\$	2,510,452	\$ 1,062,246
47	1845	Underground Conductors & Devices		\$ 1,529,810	\$ 58,095		\$ 1,587,905	-\$	362,752	-\$	51,088	-\$	413,840	\$ 1,174,066
47	1850	Line Transformers		\$ 4,286,676	\$ 151,980		\$ 4,438,656	-\$	2,113,317	-\$	74,682	-\$	2,187,999	\$ 2,250,657
47	1855	Services (Overhead & Underground)		\$ 1,083,344	\$ 59,785		\$ 1,143,129	-\$	212,543	-\$	25,014	-\$	237,557	\$ 905,572
47	1860	Meters		\$ 783,436	\$ 28,000		\$ 811,436	-\$	643,554	-\$	8,155	-\$	651,709	\$ 159,727
47	1860	Meters (Smart Meters)		\$ -			\$ -						\$ -	\$ -
N/A	1905	Land		\$ -			\$ -						\$ -	\$ -
47	1908	Buildings & Fixtures		\$ -			\$ -						\$ -	\$ -
13	1910	Leasehold Improvements		\$ -			\$ -						\$ -	\$ -
8	1915	Office Furniture & Equipment (10 years)		\$ -			\$ -						\$ -	\$ -
8	1915	Office Furniture & Equipment (5 years)		\$ -			\$ -						\$ -	\$ -
10	1920	Computer Equipment - Hardware		\$ -			\$ -						\$ -	\$ -
45	1920	Computer Equip.-Hardware(Post Mar. 22/04)		\$ -			\$ -						\$ -	\$ -
45.1	1920	Computer Equip.-Hardware(Post Mar. 19/07)		\$ 11,532			\$ 11,532	-\$	11,532			-\$	11,532	\$ -
10	1930	Transportation Equipment		\$ -			\$ -						\$ -	\$ -
8	1935	Stores Equipment		\$ -			\$ -						\$ -	\$ -
8	1940	Tools, Shop & Garage Equipment		\$ -			\$ -						\$ -	\$ -
8	1945	Measurement & Testing Equipment		\$ -			\$ -						\$ -	\$ -
8	1950	Power Operated Equipment		\$ -			\$ -						\$ -	\$ -
8	1955	Communications Equipment		\$ -			\$ -						\$ -	\$ -
8	1955	Communication Equipment (Smart Meters)		\$ -			\$ -						\$ -	\$ -
8	1960	Miscellaneous Equipment		\$ -			\$ -						\$ -	\$ -
47	1975	Load Management Controls Utility Premises		\$ -			\$ -						\$ -	\$ -
47	1980	System Supervisor Equipment		\$ -			\$ -						\$ -	\$ -
47	1985	Miscellaneous Fixed Assets		\$ -			\$ -						\$ -	\$ -
47	1995	Contributions & Grants		\$ 2,782,321	-\$ 10,300		\$ 2,792,621		598,245	\$	69,687		667,932	-\$ 2,124,690
				\$ -			\$ -						\$ -	\$ -
		Total		\$15,368,250	\$ 562,500	\$ -	\$15,930,750	-\$	9,385,732	-\$	202,569	\$ -	-\$ 9,588,301	\$6,342,449

10	Transportation
8	Stores Equipment

Less: Fully Allocated Depreciation

Transportation	
Stores Equipment	
Net Depreciation	\$ -

Notes:

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**Appendix 2-B
 Fixed Asset Continuity Schedule**

Year 2013

CCA	OEB	Description	Depreciation Rate	Cost				Accumulated Depreciation				Net Book		
				Opening	Additions	Disposals	Closing	Opening Balance	Additions	Disposals	Closing			
12	1611	Computer Software (Formally known as Account 1925)		\$ 296,643	\$ 310,656		\$ 607,299	-\$	296,643	-\$	56,731	-\$ 127,254	-\$ 480,628	\$ 126,671
CEC	1612	Land Rights (Formally known as Account 1906)		\$ -			\$ -						\$ -	\$ -
N/A	1805	Land		\$ 11,520			\$ 11,520						\$ -	\$ 11,520
47	1808	Buildings		\$ -			\$ -						\$ -	\$ -
13	1810	Leasehold Improvements		\$ -			\$ -						\$ -	\$ -
47	1815	Transformer Station Equipment >50 kv		\$ -			\$ -						\$ -	\$ -
47	1820	Distribution Station Equipment <50 kv		\$ 400,152			\$ 400,152	-\$	338,782	-\$	2,146	-\$	340,928	\$ 59,224
47	1825	Storage Battery Equipment		\$ -			\$ -						\$ -	\$ -
47	1830	Poles, Towers & Fixtures		\$ 4,805,838	\$ 174,330		\$ 4,980,168	-\$	3,149,536	-\$	49,057	-\$	3,198,592	\$ 1,781,576
47	1835	Overhead Conductors & Devices		\$ 1,643,861	\$ 156,010		\$ 1,799,871	-\$	458,184	-\$	36,949	-\$	495,132	\$ 1,304,739
47	1840	Underground Conduit		\$ 3,572,697	\$ 43,835		\$ 3,616,532	-\$	2,510,452	-\$	31,956	-\$	2,542,408	\$ 1,074,125
47	1845	Underground Conductors & Devices		\$ 1,587,905	\$ 54,895		\$ 1,642,800	-\$	413,840	-\$	52,971	-\$	466,810	\$ 1,175,990
47	1850	Line Transformers		\$ 4,438,656	\$ 222,500		\$ 4,661,156	-\$	2,187,999	-\$	79,363	-\$	2,267,363	\$ 2,393,793
47	1855	Services (Overhead & Underground)		\$ 1,143,129	\$ 77,130		\$ 1,220,259	-\$	237,557	-\$	26,437	-\$	263,994	\$ 956,265
47	1860	Meters		\$ 811,436		-\$ 712,831	\$ 98,605	-\$	651,709	-\$	3,945	-\$ 623,476	-\$ 32,178	\$ 66,427
47	1860	Meters (Smart Meters)		\$ -	\$ 980,897		\$ 980,897			-\$	65,393	-\$ 171,637	-\$ 237,030	\$ 743,867
N/A	1905	Land		\$ -			\$ -						\$ -	\$ -
47	1908	Buildings & Fixtures		\$ -			\$ -						\$ -	\$ -
13	1910	Leasehold Improvements		\$ -			\$ -						\$ -	\$ -
8	1915	Office Furniture & Equipment (10 years)		\$ -			\$ -						\$ -	\$ -
8	1915	Office Furniture & Equipment (5 years)		\$ -			\$ -						\$ -	\$ -
10	1920	Computer Equipment - Hardware		\$ -			\$ -						\$ -	\$ -
45	1920	Computer Equip.-Hardware(Post Mar. 22/04)		\$ -			\$ -						\$ -	\$ -
45.1	1920	Computer Equip.-Hardware(Post Mar. 19/07)		\$ 11,532	\$ 19,263		\$ 30,795	-\$	11,532	-\$	2,752	-\$ 4,519	-\$ 18,803	\$ 11,992
10	1930	Transportation Equipment		\$ -			\$ -						\$ -	\$ -
8	1935	Stores Equipment		\$ -			\$ -						\$ -	\$ -
8	1940	Tools, Shop & Garage Equipment		\$ -			\$ -						\$ -	\$ -
8	1945	Measurement & Testing Equipment		\$ -			\$ -						\$ -	\$ -
8	1950	Power Operated Equipment		\$ -			\$ -						\$ -	\$ -
8	1955	Communications Equipment		\$ -			\$ -						\$ -	\$ -
8	1955	Communication Equipment (Smart Meters)		\$ -			\$ -						\$ -	\$ -
8	1960	Miscellaneous Equipment		\$ -			\$ -						\$ -	\$ -
47	1975	Load Management Controls Utility Premises		\$ -			\$ -						\$ -	\$ -
47	1980	System Supervisor Equipment		\$ -			\$ -						\$ -	\$ -
47	1985	Miscellaneous Fixed Assets		\$ -			\$ -						\$ -	\$ -
47	1995	Contributions & Grants		-\$ 2,792,621	-\$ 132,500		-\$ 2,925,121		667,932	\$	71,472	\$	739,404	-\$ 2,185,718
				\$ -			\$ -						\$ -	\$ -
		Total		\$15,930,750	\$1,907,016	-\$ 712,831	\$17,124,935	-\$	9,588,301	-\$	336,228	\$320,066	-\$ 9,604,463	\$7,520,472

10	Transportation
8	Stores Equipment

Less: Fully Allocated Depreciation

Transportation	
Stores Equipment	
Net Depreciation	\$ 320,066

Notes:

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- The "CCA Class" for fixed assets should agree with the CCA Class used for tax purposes in Tax Returns. Fixed Assets sub-components may be used where the underlying asset components are classified under multiple CCA Classes for tax purposes. If an applicant uses any different classes from those shown in the table, an explanation should be provided. (also see note 3 below).
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Exhibit 2: Rate Base

Tab 4 (of 7): Capital Plan

1 **SUMMARY OF HISTORICAL CAPITAL EXPENDITURES**

2

3 The following table summarizes THI's annual total capital expenditures:

4 **Table 1: Capital Expenditure History (E2/T4/S3/Att1)**

Year	Amount (\$K)
2007	803
2008	149
2009	929
2010	599
2011	648

5

6 The decrease from 2007 to 2008 was mainly due to exceptionally high number of
7 expansion (developer paid) projects. The significant increase in 2009 reflects an
8 approximate \$308k purchase of a new Customer Information System (CIS). The slight
9 decrease in 2010 can be attributed to one particular project that could not be completed
10 on schedule and had to be finished in 2011. Thus the increase in 2011 was due to the
11 finishing of the previous year's projects.

12

13 E2/T4/S3 presents each capital project from 2007 to 2011, including a summary of the
14 justification for the investment, a description of the project scope, and spending amounts
15 by asset account. The same information is presented for capital projects in the 2012BY
16 and 2013TY at E2/T4/S4. E2/T4/S4/Att1 is the Board Appendix 2A detail.

1 **PROJECT/PROGRAM CLASSIFICATIONS**

2 Tillsonburg Hydro Inc. (“THI”) has recently adopted to classify its capital investments into
3 three major categories and a number of sub-categories. The three major categories are
4 described below with a detailed list of sub-categories in the chart that follows.

5
6 **Sustainment Capital** – This major category includes projects that replace assets in
7 accordance with THI’s Asset Management Plan where assets are primarily replaced at
8 the end of their lifecycle or as part of our 4.16 kV voltage conversion program. This
9 enables THI to improve safety, reliability and efficiency in the operation of the distribution
10 system. Sub categories include: Conversion Program, Emergency Restoration;
11 Transformer/Municipal stations; Emerging THI Sustainment capital.

12
13 **Development Capital** – This major category includes projects that involve system
14 expansion or relocation due to growth and/or to satisfy external demands. Sub
15 categories include: Subdivisions/Services; Road Authority Projects; Growth Driven
16 Transformer/Municipal Stations; Growth Driven Lines; Emerging Development Capital;
17 and Distributed Generation.

18
19 **Operations Capital** – This major category includes projects that support the day-to-day
20 operations of THI. Sub categories include: Metering; Tools; Customer
21 Information/Communication Systems; Emerging Operations.

22

1

Major and Sub-Categories for Capital Budget	
1. Sustainment Capital	
a	Conversion Program
b	Emergency Restoration
c	Transformer/Municipal Stations
d	Emerging THI Sustainment Capital
2. Development Capital	
a	Subdivisions / Services
b	Road Authority Projects
c	Growth Driven Transformer / Municipal Stations
d	Emerging Development Capital
e	Distributed Generation Projects
3. Operations Capital	
a	Metering
b	Tools
c	Customer Information / Communications Systems
d	Emerging Operations

2