

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
		<b>641,400</b>	-	<b>641,400</b>
Servicing	Moose St.	12,360	(12,360)	-
		<b>12,360</b>	<b>(12,360)</b>	-
Equipment Metering	Crossphase analyzer for CTPT Metering -Interval Customers	28,000		28,000
		<b>28,000</b>	-	<b>28,000</b>
		<b>681,760</b>	<b>(12,360)</b>	<b>669,400</b>



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			
		<b>532,100</b>	-	<b>532,100</b>
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
		<b>64,100</b>	-	<b>64,100</b>
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)	-
		<b>132,500</b>	<b>(132,500)</b>	<b>-</b>
IT	Computer Hardware	11,000		11,000
IT	Computer Software	54,000		54,000
		<b>65,000</b>	-	<b>65,000</b>
		<b>793,700</b>	<b>(132,500)</b>	<b>661,200</b>

## 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
		<b>483,000</b>	-	<b>483,000</b>
Expansion	27.6kV M-8 Extension - John Pound Road	130,000		130,000
		<b>130,000</b>	-	<b>130,000</b>
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)	-
		<b>103,500</b>	<b>(103,500)</b>	<b>-</b>
		<b>716,500</b>	<b>(103,500)</b>	<b>613,000</b>

### 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
		<b>600,000</b>	-	<b>600,000</b>
Expansion	Potters Road - East of tracks	60,000		60,000
		<b>60,000</b>	-	<b>60,000</b>
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)	-
		<b>187,500</b>	<b>(187,500)</b>	<b>-</b>
		<b>847,500</b>	<b>(187,500)</b>	<b>660,000</b>



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

## 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
		<b>600,000</b>	-	<b>600,000</b>
Expansion	Bell Mill Sd Rd - At HWY#3	75,000		75,000
		<b>75,000</b>	-	<b>75,000</b>
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)	-
		<b>95,000</b>	<b>(95,000)</b>	<b>-</b>
		<b>770,000</b>	<b>(95,000)</b>	<b>675,000</b>

## 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

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

Variances &gt; 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	<b>359,931</b>	<b>6.0%</b>
Ending Balance	7,520,472	6,342,449	<b>1,178,023</b>	<b>18.6%</b>
Average Balance	6,931,460	6,162,484	<b>768,977</b>	<b>12.5%</b>
Working Capital Allowance <i>(see below)</i>	2,590,610	2,866,276	<b>(275,666)</b>	<b>(9.6%)</b>
<b>Total Rate Base</b>	<b>9,522,071</b>	<b>9,028,760</b>	<b>493,311</b>	<b>5.5%</b>

**Expenses for Working Capital**

<i>Eligible Distribution Expenses:</i>				
3500-Distribution Expenses - Operation	1,093,436	1,053,216	<b>40,220</b>	<b>3.8%</b>
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	<b>36,428</b>	<b>5.1%</b>
3950-Taxes Other Than Income Taxes	0	0	0	0.0%
Total Eligible Distribution Expenses	2,715,082	2,635,271	<b>79,811</b>	<b>3.0%</b>
3350-Power Supply Expenses	17,212,690	16,473,238	<b>739,453</b>	<b>4.5%</b>
Total Expenses for Working Capital	19,927,772	19,108,508	<b>819,264</b>	<b>4.3%</b>
Working Capital factor	13.0%	15.0%	(0)	(13.3%)
<b>Working Capital Allowance</b>	<b>2,590,610</b>	<b>2,866,276</b>	<b>(275,666)</b>	<b>(9.6%)</b>

**Tillsonburg Hydro Inc. (ED-2003-0026)**  
**2013 EDR Application (EB-2012-0168) version: 1**  
**August 31, 2012**

**MIFRS**

**S6 Variance Analysis: Rate Base**

*Enter previously approved working capital factor*

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

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

***Expenses for Working Capital***

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

**Tillsonburg Hydro Inc. (ED-2003-0026)**  
**2013 EDR Application (EB-2012-0168) version: 1**  
**August 31, 2012**

**MIFRS**

**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	<b>51,763</b>	<b>0.9%</b>
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	<b>204,897</b>	<b>7.8%</b>
<b>Total Rate Base</b>	<b>8,801,580</b>	<b>8,597,795</b>	<b>203,785</b>	<b>2.4%</b>

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

**Tillsonburg Hydro Inc. (ED-2003-0026)**  
**2013 EDR Application (EB-2012-0168) version: 1**  
**August 31, 2012**

**MIFRS**

**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	<b>377,067</b>	<b>6.7%</b>
Ending Balance	5,930,755	5,984,742	<b>(53,987)</b>	<b>(0.9%)</b>
Average Balance	5,957,748	5,796,208	<b>161,540</b>	<b>2.8%</b>
Working Capital Allowance <i>(see below)</i>	2,640,046	2,557,074	<b>82,973</b>	<b>3.2%</b>
<b>Total Rate Base</b>	<b>8,597,795</b>	<b>8,353,282</b>	<b>244,513</b>	<b>2.9%</b>

***Expenses for Working Capital***

	2010	2009	Var \$	Var %
<i>Eligible Distribution Expenses:</i>				
3500-Distribution Expenses - Operation	897,447	853,629	<b>43,818</b>	<b>5.1%</b>
3550-Distribution Expenses - Maintenance	170,839	186,094	(15,255)	(8.2%)
3650-Billing and Collecting	484,560	434,918	<b>49,642</b>	<b>11.4%</b>
3700-Community Relations	1,967	0	1,967	0.0%
3800-Administrative and General Expenses	647,967	398,456	<b>249,511</b>	<b>62.6%</b>
3950-Taxes Other Than Income Taxes	0	0	0	0.0%
Total Eligible Distribution Expenses	2,202,780	1,873,097	<b>329,683</b>	<b>17.6%</b>
3350-Power Supply Expenses	15,397,529	15,174,062	<b>223,467</b>	<b>1.5%</b>
Total Expenses for Working Capital	17,600,309	17,047,159	<b>553,151</b>	<b>3.2%</b>
Working Capital factor	15.0%	15.0%	0	0.0%
<b>Working Capital Allowance</b>	<b>2,640,046</b>	<b>2,557,074</b>	<b>82,973</b>	<b>3.2%</b>

**Tillsonburg Hydro Inc. (ED-2003-0026)**  
**2013 EDR Application (EB-2012-0168) version: 1**  
**August 31, 2012**

**MIFRS**

**S6 Variance Analysis: Rate Base**

*Enter previously approved working capital factor*

Variances > 10% (min \$2,000) or \$17,874 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 <i>(see below)</i>	2,557,074	2,443,672	113,402	4.6%
<b>Total Rate Base</b>	<b>8,353,282</b>	<b>8,686,283</b>	<b>(333,001)</b>	<b>(3.8%)</b>

**Expenses for Working Capital**

	2009 Actual	2009 Approved	Var \$	Var %
<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%
<b>Working Capital Allowance</b>	<b>2,557,074</b>	<b>2,443,672</b>	<b>113,402</b>	<b>4.6%</b>

EB-2012-0168

Exhibit 2

Tab 1

Schedule 2

Attachment 2

Rate Base Variance Table - CGAAP

RateMaker 2011 release 1.0 © Elenchus Research Associates

## Tillsonburg Hydro Inc. (ED-2003-0026)

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

August 31, 2012

### CGAAP

## S6 Variance Analysis: Rate Base

Enter previously approved working capital factor

	2013 □ Projection	2012 □ Projection	Var \$	Var %
Variances > 10% (min \$2,000) or \$19,446 are shown in bold				
<i>Net Capital Assets in Service:</i>				
Opening Balance	6,127,695	5,982,518	<b>145,177</b>	<b>2.4%</b>
Ending Balance	7,089,160	6,127,695	<b>961,465</b>	<b>15.7%</b>
Average Balance	6,608,428	6,055,107	<b>553,321</b>	<b>9.1%</b>
Working Capital Allowance (see below)	2,575,200	2,844,944	<b>(269,744)</b>	<b>(9.5%)</b>
<b>Total Rate Base</b>	<b>9,183,627</b>	<b>8,900,051</b>	<b>283,576</b>	<b>3.2%</b>
		16,035		

### Expenses for Working Capital

<i>Eligible Distribution Expenses:</i>				
3500-Distribution Expenses - Operation	974,196	911,002	<b>63,194</b>	<b>6.9%</b>
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	<b>36,428</b>	<b>5.1%</b>
3950-Taxes Other Than Income Taxes				
<b>Total Eligible Distribution Expenses</b>	<b>2,595,842</b>	<b>2,493,057</b>	<b>102,785</b>	<b>4.1%</b>
3350-Power Supply Expenses	17,213,386	16,473,238	<b>740,149</b>	<b>4.5%</b>
<b>Total Expenses for Working Capital</b>	<b>19,809,228</b>	<b>18,966,295</b>	<b>842,934</b>	<b>4.4%</b>
Working Capital factor	13.0%	15.0%	(0)	(13.3%)
<b>Working Capital Allowance</b>	<b>2,575,200</b>	<b>2,844,944</b>	<b>(269,744)</b>	<b>(9.5%)</b>

RateMaker 2011 release 1.0 © Elenchus Research Associates

## Tillsonburg Hydro Inc. (ED-2003-0026)

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

August 31, 2012

### CGAAP

## 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	<b>51,763</b>	<b>0.9%</b>
Ending Balance	6,127,695	5,982,518	<b>145,177</b>	<b>2.4%</b>
Average Balance	6,055,107	5,956,637	<b>98,470</b>	<b>1.7%</b>
Working Capital Allowance (see below)	2,844,944	2,844,943	1	0.0%
<b>Total Rate Base</b>	<b>8,900,051</b>	<b>8,801,580</b>	<b>98,471</b>	<b>1.1%</b>

### Expenses for Working Capital

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



RateMaker 2011 release 1.0 © Elenchus Research Associates

## Tillsonburg Hydro Inc. (ED-2003-0026)

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

August 31, 2012

### CGAAP

## 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	<b>51,763</b>	<b>0.9%</b>
Average Balance	5,956,637	5,957,748	(1,112)	(0.0%)
Working Capital Allowance (see below)	2,844,943	2,640,046	<b>204,897</b>	<b>7.8%</b>
<b>Total Rate Base</b>	<b>8,801,580</b>	<b>8,597,795</b>	<b>203,785</b>	<b>2.4%</b>

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

RateMaker 2011 release 1.0 © Elenchus Research Associates

## Tillsonburg Hydro Inc. (ED-2003-0026)

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

August 31, 2012

### CGAAP

## 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	<b>377,067</b>	<b>6.7%</b>
Ending Balance	5,930,755	5,984,742	<b>(53,987)</b>	<b>(0.9%)</b>
Average Balance	5,957,748	5,796,208	<b>161,540</b>	<b>2.8%</b>
Working Capital Allowance (see below)	2,640,046	2,557,074	<b>82,973</b>	<b>3.2%</b>
<b>Total Rate Base</b>	<b>8,597,795</b>	<b>8,353,282</b>	<b>244,513</b>	<b>2.9%</b>

### Expenses for Working Capital

	2010 □ Actual	2009 □ Actual	Var \$	Var %
<i>Eligible Distribution Expenses:</i>				
3500-Distribution Expenses - Operation	897,447	853,629	<b>43,818</b>	<b>5.1%</b>
3550-Distribution Expenses - Maintenance	170,839	186,094	(15,255)	(8.2%)
3650-Billing and Collecting	484,560	434,918	<b>49,642</b>	<b>11.4%</b>
3700-Community Relations	1,967		1,967	
3800-Administrative and General Expenses	647,967	398,456	<b>249,511</b>	<b>62.6%</b>
3950-Taxes Other Than Income Taxes				
Total Eligible Distribution Expenses	2,202,780	1,873,097	<b>329,683</b>	<b>17.6%</b>
3350-Power Supply Expenses	15,397,529	15,174,062	<b>223,467</b>	<b>1.5%</b>
Total Expenses for Working Capital	17,600,309	17,047,159	<b>553,151</b>	<b>3.2%</b>
Working Capital factor	15.0%	15.0%		
<b>Working Capital Allowance</b>	<b>2,640,046</b>	<b>2,557,074</b>	<b>82,973</b>	<b>3.2%</b>

RateMaker 2011 release 1.0 © Elenchus Research Associates

## Tillsonburg Hydro Inc. (ED-2003-0026)

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

August 31, 2012

**CGAAP**

### S6 Variance Analysis: Rate Base

*Enter previously approved working capital factor*

Variances > 10% (min \$2,000) or \$19,446 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%
<b>Total Rate Base</b>	<b>8,353,282</b>	<b>8,686,283</b>	<b>(333,001)</b>	<b>(3.8%)</b>

#### **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%		
<b>Working Capital Allowance</b>	<b>2,557,074</b>	<b>2,443,672</b>	<b>113,402</b>	<b>4.6%</b>

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: EB-2012-0168  
Exhibit: 2  
Tab: 2  
Schedule: 1  
Attachment: 1

Date: September 28, 2012

### 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 standard.

Nature of the Overhead Costs	(A) <sup>1</sup>	(B)	(C)	(D)	(E) <sup>1</sup>	(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.				\$ -	\$ -		
<b>Total</b>	\$ -	\$ -	\$ -	\$ -	\$ -		

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) <sup>1</sup>	(B)	(C)	(D)	(E) <sup>1</sup>	(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.				\$ -	\$ -		
<b>Total</b>	\$ -	\$ 106,900	\$ 119,240	\$ 12,340	\$ 119,240		

**Notes:**

<sup>1</sup> 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  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25  
26  
27  
28  
29  
30

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

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

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

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

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

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

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

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)

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

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)

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

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 @ 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	<b>174,330</b>	<b>3.6%</b>
	1835-Overhead Conductors and Devices	1,799,871	1,643,861	<b>156,010</b>	<b>9.5%</b>
	1840-Underground Conduit	3,616,532	3,572,697	<b>43,835</b>	<b>1.2%</b>
	1845-Underground Conductors and Devices	1,642,800	1,587,905	<b>54,895</b>	<b>3.5%</b>
	1850-Line Transformers	4,661,156	4,438,656	<b>222,500</b>	<b>5.0%</b>
	1855-Services	1,220,259	1,143,129	<b>77,130</b>	<b>6.7%</b>
	1860-Meters	1,079,502	811,436	<b>268,066</b>	<b>33.0%</b>
1500-General Plant	1920-Computer Equipment - Hardware	30,795	11,532	<b>19,263</b>	<b>167.0%</b>
	1925-Computer Software	607,299	296,643	<b>310,656</b>	<b>104.7%</b>
1550-Other Capital Assets	1995-Contributions and Grants - Credit	(2,925,121)	(2,792,621)	<b>(132,500)</b>	<b>(4.7%)</b>
		17,124,935	15,930,750	1,194,185	

# Tillsonburg Hydro Inc. (ED-2003-0026)

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

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	<b>126,800</b>	<b>2.7%</b>
	1835-Overhead Conductors and Devices	1,643,861	1,560,341	<b>83,520</b>	<b>5.4%</b>
	1840-Underground Conduit	3,572,697	3,508,077	<b>64,620</b>	<b>1.8%</b>
	1845-Underground Conductors and Devices	1,587,905	1,529,810	<b>58,095</b>	<b>3.8%</b>
	1850-Line Transformers	4,438,656	4,286,676	<b>151,980</b>	<b>3.5%</b>
	1855-Services	1,143,129	1,083,344	<b>59,785</b>	<b>5.5%</b>
	1860-Meters	811,436	783,436	<b>28,000</b>	<b>3.6%</b>
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	

# Tillsonburg Hydro Inc. (ED-2003-0026)

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

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	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	<b>155,221</b>	<b>3.4%</b>
	1835-Overhead Conductors and Devices	1,560,341	1,481,954	<b>78,387</b>	<b>5.3%</b>
	1840-Underground Conduit	3,508,077	3,399,850	<b>108,227</b>	<b>3.2%</b>
	1845-Underground Conductors and Devices	1,529,810	1,442,148	<b>87,663</b>	<b>6.1%</b>
	1850-Line Transformers	4,286,676	4,079,507	<b>207,170</b>	<b>5.1%</b>
	1855-Services	1,083,344	930,559	<b>152,785</b>	<b>16.4%</b>
	1860-Meters	783,436	751,632	<b>31,804</b>	<b>4.2%</b>
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)	<b>(172,793)</b>	<b>(6.6%)</b>
		15,368,250	14,719,786	648,464	

# Tillsonburg Hydro Inc. (ED-2003-0026)

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

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	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	<b>145,184</b>	<b>3.3%</b>
	1835-Overhead Conductors and Devices	1,481,954	1,394,537	<b>87,417</b>	<b>6.3%</b>
	1840-Underground Conduit	3,399,850	3,352,470	<b>47,380</b>	<b>1.4%</b>
	1845-Underground Conductors and Devices	1,442,148	1,370,472	<b>71,676</b>	<b>5.2%</b>
	1850-Line Transformers	4,079,507	3,833,266	<b>246,241</b>	<b>6.4%</b>
	1855-Services	930,559	846,866	<b>83,693</b>	<b>9.9%</b>
	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)	<b>(90,325)</b>	<b>(3.6%)</b>
		14,719,786	14,120,413	599,372	

# Tillsonburg Hydro Inc. (ED-2003-0026)

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

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	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	<b>(200,297)</b>	<b>(4.4%)</b>
	1835-Overhead Conductors and Devices	1,394,537	1,448,274	<b>(53,737)</b>	<b>(3.7%)</b>
	1840-Underground Conduit	3,352,470	3,342,633	9,837	0.3%
	1845-Underground Conductors and Devices	1,370,472	1,167,657	<b>202,815</b>	<b>17.4%</b>
	1850-Line Transformers	3,833,266	3,755,402	<b>77,864</b>	<b>2.1%</b>
	1855-Services	846,866	824,167	<b>22,699</b>	<b>2.8%</b>
	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	<b>296,643</b>	<b>0.0%</b>
1550-Other Capital Assets	1995-Contributions and Grants - Credit	(2,519,204)	(1,845,895)	<b>(673,309)</b>	<b>(36.5%)</b>
		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 Canadian GAAP, the requirements of the CICA, and the requirements of the OEB. Capital assets are amortized on a straight line basis, applying the half-year rule in the 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 amortized over the assets useful life, subject to the half-year rule on additions. Due to the transition to MIFRS, THI will amortize the opening net book value of assets over their average remaining life.

10

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 that were moved to capital from Account 1555 – Smart Meter Capital Variance and offset by the amortization of the PP&E variance.

14

15

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	2010 Changes			2010 Actual Balance	2010 Actual Balance	2011 Changes	
	Additions	Ret./Other	Amortization			Additions	Ret./Other	Amortization			Additions	Ret./Other
1830-Poles, Towers and Fixtures												
Gross Assets	151,293			4,378,633	4,378,633	145,184			4,523,817	4,523,817	155,221	
Accumulated Amortization			(160,199)	(2,765,225)	(2,765,225)			(166,129)	(2,931,354)	(2,931,354)		
Net Book Value	151,293		(160,199)	1,613,408	1,613,408	145,184		(166,129)	1,592,463	1,592,463	155,221	
1835-Overhead Conductors and Devices												
Gross Assets	202,896			1,394,537	1,394,537	87,417			1,481,954	1,481,954	78,387	
Accumulated Amortization			(48,536)	(311,929)	(311,929)			(54,342)	(366,271)	(366,271)		
Net Book Value	202,896		(48,536)	1,082,608	1,082,608	87,417		(54,342)	1,115,683	1,115,683	78,387	
1840-Underground Conduit												
Gross Assets	4,611			3,352,470	3,352,470	47,380			3,399,850	3,399,850	108,227	
Accumulated Amortization			(124,027)	(2,226,334)	(2,226,334)			(125,067)	(2,351,401)	(2,351,401)		
Net Book Value	4,611		(124,027)	1,126,136	1,126,136	47,380		(125,067)	1,048,450	1,048,450	108,227	
1845-Underground Conductors and Devices												
Gross Assets	28,004			1,370,472	1,370,472	71,676			1,442,148	1,442,148	87,663	
Accumulated Amortization			(53,442)	(248,694)	(248,694)			(55,436)	(304,130)	(304,130)		
Net Book Value	28,004		(53,442)	1,121,778	1,121,778	71,676		(55,436)	1,138,017	1,138,017	87,663	
1850-Line Transformers												
Gross Assets	213,801			3,833,266	3,833,266	246,241			4,079,507	4,079,507	207,170	
Accumulated Amortization			(120,168)	(1,845,511)	(1,845,511)			(129,369)	(1,974,880)	(1,974,880)		
Net Book Value	213,801		(120,168)	1,987,755	1,987,755	246,241		(129,369)	2,104,627	2,104,627	207,170	
1855-Services												
Gross Assets	99,583			846,866	846,866	83,693			930,559	930,559	152,785	
Accumulated Amortization			(31,882)	(136,719)	(136,719)			(35,547)	(172,266)	(172,266)		
Net Book Value	99,583		(31,882)	710,148	710,148	83,693		(35,547)	758,293	758,293	152,785	
1860-Meters												
Gross Assets	12,461			743,525	743,525	8,107			751,632	751,632	31,804	
Accumulated Amortization			(26,879)	(588,176)	(588,176)			(27,290)	(615,466)	(615,466)		
Net Book Value	12,461		(26,879)	155,349	155,349	8,107		(27,290)	136,166	136,166	31,804	
1920-Computer Equipment - Hardware												
Gross Assets	11,532			11,532	11,532				11,532	11,532		
Accumulated Amortization			(2,883)	(2,883)	(2,883)			(5,766)	(8,649)	(8,649)		
Net Book Value	11,532		(2,883)	8,649	8,649			(5,766)	2,883	2,883		
1925-Computer Software												
Gross Assets	296,643			296,643	296,643				296,643	296,643		
Accumulated Amortization			(74,161)	(74,161)	(74,161)			(148,322)	(222,483)	(222,483)		
Net Book Value	296,643		(74,161)	222,482	222,482			(148,322)	74,160	74,160		
1995-Contributions and Grants - Credit												
Gross Assets	(91,847)			(2,519,204)	(2,519,204)	(90,325)			(2,609,529)	(2,609,529)	(172,793)	
Accumulated Amortization			98,930	387,836	387,836			102,573	490,409	490,409		
Net Book Value	(91,847)		98,930	(2,131,368)	(2,131,368)	(90,325)		102,573	(2,119,120)	(2,119,120)	(172,793)	
<b>TOTAL</b>												
Gross Assets	928,978	0		14,120,413	14,120,413	599,372			14,719,786	14,719,786	648,464	
Accumulated Amortization			(551,911)	(8,135,672)	(8,135,672)			(653,359)	(8,789,031)	(8,789,031)		
Net Book Value	928,978	0	(551,911)	5,984,741	5,984,742	599,372		(653,359)	5,930,755	5,930,755	648,464	

## X21 Capital Asset Continuity Statement

	Amortization	2011 Actual Balance	2011 Actual Balance	2012 Changes			2012 Balance	2012 Balance	2013			2013 Balance
				Additions	Ret./Other	Amortization			Additions	Ret./Other	Amortization	
<b>1830-Poles, Towers and Fixtures</b>												
Gross Assets		4,679,038	4,679,038	152,160			4,831,198	4,831,198	209,196			5,040,394
Accumulated Amortization	(172,136)	(3,103,490)	(3,103,490)			(178,285)	(3,281,775)	(3,281,775)			(185,511)	(3,467,286)
Net Book Value	(172,136)	1,575,549	1,575,549	152,160		(178,285)	1,549,424	1,549,424	209,196		(185,511)	1,573,109
<b>1835-Overhead Conductors and Devices</b>												
Gross Assets		1,560,341	1,560,341	100,224			1,660,565	1,660,565	187,212			1,847,777
Accumulated Amortization	(57,659)	(423,930)	(423,930)			(61,230)	(485,160)	(485,160)			(66,978)	(552,138)
Net Book Value	(57,659)	1,136,411	1,136,411	100,224		(61,230)	1,175,405	1,175,405	187,212		(66,978)	1,295,639
<b>1840-Underground Conduit</b>												
Gross Assets		3,508,077	3,508,077	77,544			3,585,621	3,585,621	52,602			3,638,223
Accumulated Amortization	(128,179)	(2,479,580)	(2,479,580)			(131,893)	(2,611,473)	(2,611,473)			(134,496)	(2,745,969)
Net Book Value	(128,179)	1,028,498	1,028,498	77,544		(131,893)	974,149	974,149	52,602		(134,496)	892,255
<b>1845-Underground Conductors and Devices</b>												
Gross Assets		1,529,810	1,529,810	69,714			1,599,524	1,599,524	65,874			1,665,398
Accumulated Amortization	(58,622)	(362,752)	(362,752)			(61,770)	(424,522)	(424,522)			(64,482)	(489,004)
Net Book Value	(58,622)	1,167,058	1,167,058	69,714		(61,770)	1,175,002	1,175,002	65,874		(64,482)	1,176,394
<b>1850-Line Transformers</b>												
Gross Assets		4,286,676	4,286,676	182,376			4,469,052	4,469,052	267,000			4,736,052
Accumulated Amortization	(138,437)	(2,113,317)	(2,113,317)			(146,229)	(2,259,546)	(2,259,546)			(155,216)	(2,414,762)
Net Book Value	(138,437)	2,173,359	2,173,359	182,376		(146,229)	2,209,506	2,209,506	267,000		(155,216)	2,321,290
<b>1855-Services</b>												
Gross Assets		1,083,344	1,083,344	71,742			1,155,086	1,155,086	92,556			1,247,642
Accumulated Amortization	(40,277)	(212,543)	(212,543)			(44,768)	(257,311)	(257,311)			(48,055)	(305,366)
Net Book Value	(40,277)	870,801	870,801	71,742		(44,768)	897,775	897,775	92,556		(48,055)	942,276
<b>1860-Meters</b>												
Gross Assets		783,436	783,436	28,000			811,436	811,436	980,897	(712,831)		1,079,502
Accumulated Amortization	(28,088)	(643,554)	(643,554)			(8,153)	(651,707)	(651,707)		451,839	(69,338)	(269,206)
Net Book Value	(28,088)	139,882	139,882	28,000		(8,153)	159,729	159,729	980,897	(260,992)	(69,338)	810,297
<b>1920-Computer Equipment - Hardware</b>												
Gross Assets		11,532	11,532				11,532	11,532	19,263			30,795
Accumulated Amortization	(2,883)	(11,532)	(11,532)				(11,532)	(11,532)		(4,519)	(2,753)	(18,803)
Net Book Value	(2,883)								19,263	(4,519)	(2,753)	11,991
<b>1925-Computer Software</b>												
Gross Assets		296,643	296,643				296,643	296,643	310,656			607,299
Accumulated Amortization	(74,160)	(296,643)	(296,643)				(296,643)	(296,643)		(127,254)	(56,731)	(480,628)
Net Book Value	(74,160)								310,656	(127,254)	(56,731)	126,671
<b>1995-Contributions and Grants - Credit</b>												
Gross Assets		(2,782,321)	(2,782,321)	(12,360)			(2,794,681)	(2,794,681)	(159,000)			(2,953,681)
Accumulated Amortization	107,836	598,245	598,245			111,539	709,784	709,784			114,967	824,751
Net Book Value	107,836	(2,184,077)	(2,184,077)	(12,360)		111,539	(2,084,898)	(2,084,898)	(159,000)		114,967	(2,128,931)
<b>TOTAL</b>												
Gross Assets		15,368,250	15,368,250	669,400			16,037,650	16,037,650	2,026,256	(712,831)		17,351,075
Accumulated Amortization	(596,701)	(9,385,732)	(9,385,732)			(524,223)	(9,909,955)	(9,909,955)		320,066	(672,026)	(10,261,915)
Net Book Value	(596,701)	5,982,518	5,982,518	669,400		(524,223)	6,127,695	6,127,695	2,026,256	(392,765)	(672,026)	7,089,160

EB-2012-0168

Exhibit 2

Tab 3

Schedule 3

Attachment 2

OEB Appendix 2-B Fixed Asset Continuity Schedule

File Number: 2012-0168  
 Exhibit: 2  
 Tab: 3  
 Schedule: 3  
 Attachment: 2

Date: 28-Sep-12  
 Corrected: 22-Oct-12

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

Year **2008**

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)					\$ -				\$ -	\$ -
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		\$ 4,172,500	\$ 54,840		\$ 4,227,340				\$ -	\$ -
47	1835	Overhead Conductors & Devices		\$ 1,037,671	\$ 74,261	\$ 79,709	\$ 1,191,641				\$ -	\$ -
47	1840	Underground Conduit		\$ 3,299,066	\$ 48,793		\$ 3,347,859				\$ -	\$ -
47	1845	Underground Conductors & Devices		\$ 976,769	\$ 311,958	\$ 53,741	\$ 1,342,468				\$ -	\$ -
47	1850	Line Transformers		\$ 3,319,194	\$ 300,271		\$ 3,619,465				\$ -	\$ -
47	1855	Services (Overhead & Underground)		\$ 633,604	\$ 113,680		\$ 747,284				\$ -	\$ -
47	1860	Meters		\$ 717,180	\$ 13,884		\$ 731,064				\$ -	\$ -
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)					\$ -				\$ -	\$ -
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		-\$ 1,658,900	-\$ 768,457		-\$ 2,427,357				\$ -	\$ -
							\$ -				\$ -	\$ -
		<b>Total</b>		<b>\$12,908,756</b>	<b>\$ 149,230</b>	<b>\$ 133,450</b>	<b>\$13,191,436</b>	<b>-\$ 7,010,847</b>	<b>-\$ 459,467</b>	<b>-\$113,447</b>	<b>-\$ 7,583,760</b>	<b>\$5,607,676</b>

10	Transportation
8	Stores Equipment

**Less: Fully Allocated Depreciation**  
 Transportation  
 Stores Equipment  
**Net Depreciation** -\$ 113,447

**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.

File Number: 2012-0168  
 Exhibit: 2  
 Tab: 3  
 Schedule: 3  
 Attachment: 2

Date: 28-Sep-12  
 Corrected: 22-Oct-12

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

Year **2009**

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												
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												
							\$ -												
		<b>Total</b>		<b>\$13,191,435</b>	<b>\$ 928,978</b>	<b>\$ -</b>	<b>\$14,120,413</b>	<b>-\$ 7,583,760</b>	<b>-\$ 551,911</b>	<b>\$ -</b>	<b>-\$ 8,135,671</b>	<b>\$5,984,742</b>							

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.

File Number: 2012-0168  
 Exhibit: 2  
 Tab: 3  
 Schedule: 3  
 Attachment: 2

Date: 28-Sep-12  
 Corrected: 22-Oct-12

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

Year **2010**

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	-\$	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
							\$ -						\$ -	\$ -
		<b>Total</b>		<b>\$14,120,413</b>	<b>\$ 599,372</b>	<b>\$ -</b>	<b>\$14,719,786</b>	<b>-\$</b>	<b>8,135,671</b>	<b>-\$</b>	<b>653,359</b>	<b>\$ -</b>	<b>-\$ 8,789,030</b>	<b>\$5,930,755</b>

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.

File Number: 2012-0168  
 Exhibit: 2  
 Tab: 3  
 Schedule: 3  
 Attachment: 2

Date: 28-Sep-12  
 Corrected: 22-Oct-12

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

Year **2011**

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	-\$	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
							\$ -						\$ -	\$ -
		<b>Total</b>		<b>\$14,719,786</b>	<b>\$ 648,464</b>	<b>\$ -</b>	<b>\$15,368,250</b>	<b>-\$</b>	<b>8,789,031</b>	<b>-\$</b>	<b>596,701</b>	<b>\$ -</b>	<b>-\$ 9,385,732</b>	<b>\$5,982,518</b>

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.

File Number: 2012-0168  
 Exhibit: 2  
 Tab: 3  
 Schedule: 3  
 Attachment: 2

Date: 28-Sep-12  
 Corrected: 22-Oct-12

**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	-\$	336,636	-\$	3,434	\$ 60,082		
47	1825	Storage Battery Equipment		\$ -			\$ -	\$	-	\$	-	\$ -		
47	1830	Poles, Towers & Fixtures		\$ 4,679,038	\$ 152,160		\$ 4,831,198	-\$	3,103,490	-\$	178,285	\$ 1,549,423		
47	1835	Overhead Conductors & Devices		\$ 1,560,341	\$ 100,224		\$ 1,660,565	-\$	423,930	-\$	61,230	\$ 1,175,405		
47	1840	Underground Conduit		\$ 3,508,077	\$ 77,544		\$ 3,585,621	-\$	2,479,580	-\$	131,893	\$ 974,148		
47	1845	Underground Conductors & Devices		\$ 1,529,810	\$ 69,714		\$ 1,599,524	-\$	362,752	-\$	61,770	\$ 1,175,002		
47	1850	Line Transformers		\$ 4,286,676	\$ 182,376		\$ 4,469,052	-\$	2,113,317	-\$	146,229	\$ 2,209,506		
47	1855	Services (Overhead & Underground)		\$ 1,083,344	\$ 71,742		\$ 1,155,086	-\$	212,543	-\$	44,768	\$ 897,775		
47	1860	Meters		\$ 783,436	\$ 28,000		\$ 811,436	-\$	643,554	-\$	8,153	\$ 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	-\$ 2,084,897		
							\$ -	\$	-	\$	-	\$ -		
		<b>Total</b>		<b>\$15,368,250</b>	<b>\$ 669,400</b>	<b>\$ -</b>	<b>\$16,037,650</b>	<b>-\$</b>	<b>9,385,732</b>	<b>-\$</b>	<b>524,223</b>	<b>\$ -</b>	<b>-\$ 9,909,955</b>	<b>\$6,127,695</b>

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.



File Number: 2012-0168  
 Exhibit: 2  
 Tab: 3  
 Schedule: 3  
 Attachment: 2

Date: 28-Sep-12  
 Corrected: 22-Oct-12

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

Year 2012 IFRS

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	-\$	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
				\$ -			\$ -	\$	-		\$	-	\$ -	
		<b>Total</b>		<b>\$15,368,250</b>	<b>\$ 562,500</b>	<b>\$ -</b>	<b>\$15,930,750</b>	<b>-\$</b>	<b>9,385,732</b>	<b>-\$</b>	<b>202,569</b>	<b>\$ -</b>	<b>-\$ 9,588,301</b>	<b>\$6,342,449</b>

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.

File Number: 2012-0168  
 Exhibit: 2  
 Tab: 3  
 Schedule: 3  
 Attachment: 2

Date: 28-Sep-12  
 Corrected: 22-Oct-12

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

Year **2013**

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	\$ 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	
				\$ -			\$ -	\$	-				\$	-	\$	-
		<b>Total</b>		<b>\$15,930,750</b>	<b>\$1,907,016</b>	<b>-\$ 712,831</b>	<b>\$17,124,935</b>	<b>-\$</b>	<b>9,588,301</b>	<b>-\$</b>	<b>336,228</b>	<b>\$320,066</b>	<b>-\$</b>	<b>9,604,463</b>	<b>\$7,520,472</b>	

10	Transportation
8	Stores Equipment

Less: Fully Allocated Depreciation

Transportation

Stores Equipment

**Net Depreciation**

**\$ 320,066**

**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.

***Attachment 3 (of 3):***

***Average Opening and Closing Balances***

Table 1 shows the average opening and closing balances in Gross Assets and Accumulated Depreciation.

Table 1 – Average Balances

Gross Assets			
Year	Opening Balance	Closing Balance	Average
2008	\$12,908,756.00	\$13,191,436.00	\$13,050,096.00
2009	\$13,191,435.00	\$14,120,413.00	\$13,655,924.00
2010	\$14,120,413.00	\$14,719,786.00	\$14,420,099.50
2011	\$14,719,786.00	\$15,368,250.00	\$15,044,018.00
2012BY - GAAP	\$15,368,250.00	\$16,037,650.00	\$15,702,950.00
2012BY - IFRS	\$15,368,250.00	\$15,930,750.00	\$15,649,500.00
2013TY	\$15,930,750.00	\$17,124,935.00	\$16,527,842.50

Accumulated Depreciation			
Year	Opening Balance	Closing Balance	Average
2008	(\$7,010,847.00)	(\$7,583,760.00)	(\$7,297,303.50)
2009	(\$7,583,760.00)	(\$8,135,671.00)	(\$7,859,715.50)
2010	(\$8,135,671.00)	(\$8,789,030.00)	(\$8,462,350.50)
2011	(\$8,789,030.00)	(\$9,385,732.00)	(\$9,087,381.00)
2012BY - GAAP	(\$9,385,732.00)	(\$9,909,955.00)	(\$9,647,843.50)
2012BY - IFRS	(\$9,385,732.00)	(\$9,588,301.00)	(\$9,487,016.50)
2013TY	(\$9,588,301.00)	(\$9,604,463.00)	(\$9,596,382.00)

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

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

2