



EB-2012-0064

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

AND IN THE MATTER OF an application by Toronto
Hydro-Electric System Limited for an order approving
just and reasonable rates and other charges for
electricity distribution to be effective June 1, 2012, May
1, 2013 and May 1, 2014.

BEFORE: Marika Hare
Presiding Member

Cathy Spoel
Member

DECISION AND RATE ORDER

May 9, 2013

Toronto Hydro-Electric System Limited (“THESL”) filed an application with the Ontario Energy Board on May 10, 2012, under section 78 of the *Ontario Energy Board Act*, 1998, and the Board’s Incentive Regulation Mechanism (“IRM”) framework seeking approval for changes to the rates that THESL charges for electricity distribution, to be effective June 1, 2012, May 1, 2013 and May 1, 2014.

The Board issued its Partial Decision and Order (the “Decision”) on the application on April 2, 2013. In the Decision, the Board ordered THESL to file a draft Rate Order reflecting the Board’s findings in the Decision. The Board approved an effective date of June 1, 2012 for 2012 rates and May 1, 2013 for 2013 rates. The Board stated its expectation that May 1, 2013 would be the implementation date, but that if this date did not provide THESL with sufficient time to implement the Decision, THESL could propose an alternative date in its draft Rate Order (“DRO”).

THESL filed a DRO and supporting material on April 12, 2013. The DRO proposed a June 1, 2013 implementation date and an updated Foregone Revenue Rate Rider to reflect the addition of foregone IRM revenue for the month of May 2013.

Intervenor and Board staff comments on the DRO were due by April 19, 2013 and were received from Board staff and the School Energy Coalition ("SEC"). On April 26, 2013, THESL filed its responses to these comments.

Bremner TS Project

SEC noted that THESL had included in its eligible 2013 ICM amounts \$2.43 million for in-service additions for its Bremner TS project. SEC stated that THESL's justification for this appeared to be comments by its witness Mr. Odell during the hearing.

SEC stated that it had two concerns with the inclusion of any amount for 2013 for the Bremner TS project. First, SEC stated that the Board's Decision is clear which is that the approved ICM treatment for the Bremner TS project is for 2014 only with no amount being approved for 2013 and second, that there is no evidence on the record about what asset the \$2.43 million is attributed to and how it can be in-service in 2013, while the Bremner station itself will not be in-service until 2014.

SEC therefore submitted that no rate rider amounts related to the Bremner TS project should be included in the final Rate Order.

In its reply submission, THESL stated that it could clarify that the discrete assets underlying the forecast amount to come into service in 2013 were: (1) a service road costing \$927,000 and (2) a cable chamber beneath Rees Street costing \$1,500,000.

THESL submitted that the DRO process is a mechanism for the Board to address the consequential effects of its decisions and that, at the time of hearing, it had understood that funding was to be determined on a spend basis. THESL stated its belief that if the Board were to select an in-service model as it has done, these sorts of adjustments would be appropriately addressed through the DRO process.

THESL noted that during the oral hearing, its witness Mr. Odell had testified that the asset classification of the Bremner project required minor corrections, as new

information had arisen since the Phase One Oral Hearing in December. THESL submitted that a consequence of this asset reclassification was the change in 2013 ISAs, more specifically some asset classes, such as land, roads and certain civil infrastructure may be used or useful in advance of other classes of assets.

Board Findings

The Board notes the Decision was clear that the approvals for the Bremner project were for 2014, not 2013. The Board therefore finds that THESL will not be granted recovery for the 2013 amounts of \$2.43 million and has removed the proposed riders to recover this amount from THESL's approved Tariff of Rates and Charges.

Calculation of 2013 ICM Project Recovery

Board staff expressed a number of concerns with the approach THESL had used in making this calculation, exclusive of the proposed Bremner project recovery amount. Board staff invited THESL to comment on these concerns. In its reply submission, THESL provided further explanations of its approach and maintained that its proposed recovery amount was appropriate.

Board Findings

The Board accepts the explanations provided by THESL and finds that with the exception of the 2013 proposed Bremner project recovery discussed above, THESL's proposed 2013 ICM project recovery is approved.

Carrying Charges

Board staff submitted that THESL should update carrying charges on all deferral account balances to be disposed up to May 31, 2013, the date prior to implementation of the new rates.

THESL stated that it had prepared the DRO in accordance with the Board's Decision. THESL advised the Board that the impact of the adoption of Board staff's proposal would be approximately \$40,000.

Board Findings

The Board will not require any updates for the carrying charges as the Decision referred to the calculation of carrying charges up to December 31, 2012.

Deferral and Variance Accounts

Board staff noted that THESL had stated in its DRO regarding deferral and variance accounts that the provided DRO Tariff of Rates and Charges reflected a variable only rate rider, but that the Decision had stated that a combined fixed and variable DVA rate rider with a one-year recovery period should be used.

Board staff submitted that THESL should use a combined fixed and variable DVA rate rider, rather than a variable only rider as proposed, since the Board's direction was clear on this matter.

THESL stated that as described in the DRO, it did provide DVA riders with both fixed and variable components. THESL, however, stated that it has produced a variable rate rider for the proposed tariff because it is consistent with the Board's methodology for this account, and will reduce the already large number of riders and adders on its customers' bills.

Board Findings

The Board is in agreement with THESL that a variable rate rider is consistent with the Board's methodology. The Board accepts THESL's proposal that a variable rate rider be used.

Billing Determinants

Board staff stated that in calculating rate riders and RTSRs, THESL had used 2010 billing determinants as the basis for the allocation of balances to the rate classes, as well as for the basis of the calculation of the corresponding volumetric rate riders. Board staff noted that in a typical IRM application, the most recent billing determinants are used as the basis for the allocation of balances and calculation of rate riders.

Board staff submitted that as the Board is approving 2013 rates for THESL in this application, standard practice would require that the rate riders be based on 2011 billing determinants.

Board staff submitted that it would consider THESL's approach to be acceptable provided that it can show that the allocation between classes using 2011 billing determinants would not be materially different from that resulting from use of the 2010 billing determinants.

THESL stated that it had used 2011 Board-Approved billing determinants to allocate and derive rates related to the Deferral and Variance Account balances, Shared Tax Savings, and ICM rate riders and believed this to be consistent with the Board's models.

THESL stated however that where the 2013 RTSRs were concerned, it acknowledged that the Board's model requests "the most recent reported RRR billing determinants." THESL stated that at the time the application had been filed, these were 2010 billing determinants. THESL further stated that in its DRO, it had filed the updated RTSR with billing units consistent with the other models in its filed evidence.

THESL submitted that the differences between allocating the transmission costs using the 2011 data as compared with the allocation as filed in the DRO would not be material.

Board Findings

The Board accepts THESL's approach on the basis that the differences that arise are not material.

Appendix E Draft Accounting Order

Board staff stated that it had two issues with THESL's approach to the Draft Accounting Order, which were: (1) the clarity of the treatment for the rate rider revenues through a true-up of the revenue requirement for actual in-service assets; and (2) the accounting treatment of the revenue requirement impact of replaced assets which are concurrently in rate base with new in-service asset replacements.

(1) Clarity of the treatment for the rate rider revenues through a true-up of the revenue requirement for actual in-service assets

Board staff submitted that THESL's treatment of the rate rider revenues should be more clear and detailed and the accounting order should specify that there will be a true-up of the (current) revenue requirement which was used to derive the rate rider revenues.

THESL stated that it believed the level of detail in the Draft Accounting Order accurately reflects the direction provided by the Board in its Decision. THESL, however, stated that it did not object to the revenue reconciliation process that had been outlined by Board staff. THESL stated that, in particular, it supported the administrative clarity in confirming, alongside the accounting order, a process through which actual in-service assets in Board approved ICM segments are to be used to determine eligible ICM revenue requirements.

Board Findings

The Board will modify the accounting order to reflect the true-up proposed by Board staff as THESL stated that it did not object to the revenue reconciliation process that had been outlined by Board staff.

(2) Accounting treatment of the revenue requirement impact of replaced assets which are concurrently in rate base with new in-service asset replacements

Board staff noted that THESL had observed that its treatment of the rate rider revenues was similar to the method the Board used to reconcile smart meter rate rider revenues with smart meter capital spending. In this context, Board staff suggested that the Board may also wish to consider whether or not depreciation of assets coming out of service should be tracked for future consideration by the Board. Board staff noted that under the general framework of the accounting for smart meters, the Board's treatment does not allow for the "double counting" of the not in-service conventional meters (i.e., stranded meters) and the new smart meter replacements, which are concurrently included in rate base. Board staff invited THESL to comment on this matter in its reply submission.

THESL submitted that the tracking of assets coming out of service is fundamentally inconsistent with the operation of the ICM and the IRM and rejected the Board staff suggestion.

Board Findings

The Board is in agreement with THESL that neither the Board's ICM Guidelines nor any previous Board Decision has ever contemplated the tracking of ICM related assets coming out of service and that this matter was never addressed in evidence or in argument. The Board therefore finds that it is not a matter that can be properly considered in the context of the DRO.

Tariff of Rates and Charges

Board staff submitted that THESL's proposed Tariff of Rates and Charges did not in a number of instances use the standard Board terminology and that these discrepancies should be addressed before the final Rate Order is issued.

Board staff also had a number of other specific concerns with some of the charges proposed by THESL.

In its reply submission, THESL stated that the Tariff of Rates and Charges in the DRO were based on the tariff sheets generated by the Board's IRM Rate Generator model, but as a convenience, THESL had manually prepared a revised Tariff of Rates and Charges modeled after those approved in EB-2010-0142.

Board Findings

The Board notes that the revised Tariff of Rates and Charges deals with many of the concerns raised by Board staff. The Board has made some further revisions to the Tariff of Rates and Charges in order to reflect standard Board practice and nomenclature. With the incorporation of these revisions, the Board finds that the Tariff of Rates and Charges accurately reflects the Decision in this proceeding.

The Board has reviewed the information provided in support of the draft Rate Order and the proposed Tariff of Rates and Charges. Subject to the adjustments noted above, the

Board is satisfied that the Tariff of Rates and Charges filed accurately reflects the Board's Decision in this proceeding. The Board approves an implementation date of June 1, 2013 with foregone revenue for the month of May 2013 to be recovered by THESL through the Foregone Revenue Rate Riders.

THE BOARD ORDERS THAT:

1. The Tariff of Rates and Charges for Toronto Hydro-Electric System Limited set out in Appendix A of this Decision and Rate Order is approved effective June 1, 2012 for electricity consumed or estimated to have been consumed on and after June 1, 2012 as outlined in the Decision and Rate Order and is to be implemented on June 1, 2013. Toronto Hydro-Electric System Limited shall notify its customers of the rate changes no later than with the first bill reflecting the new rates.
2. Toronto Hydro-Electric System Limited shall establish the deferral accounts specified in the Accounting Order, Appendix B, effective June 1, 2013.

DATED at Toronto, May 9, 2013

ONTARIO ENERGY BOARD

Original signed by

Kirsten Walli
Board Secretary

Appendix A

TO RATE ORDER

Toronto Hydro-Electric System Limited

2013 Electricity Distribution Rates

EB-2012-0064

May 9, 2013

Toronto Hydro-Electric System Limited

TARIFF OF RATES AND CHARGES

Effective Date June 1, 2012
Implementation Date June 1, 2013

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

EB-2012-0064

RESIDENTIAL SERVICE CLASSIFICATION

This classification is applicable to an account where electricity is used exclusively for residential purposes in a separately metered living accommodation, where the Competitive Sector Multi-Unit Residential classification is not applicable. Eligibility is restricted to a dwelling unit that consists of a detached house or one unit of a semi-detached, duplex, triplex or quadruplex building, with a residential zoning; a separately metered dwelling within a town house complex or apartment building; and bulk metered residential buildings with six or fewer units. Further details concerning the terms of service are available in the distributor's Conditions of Service.

APPLICATION

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

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

Unless specifically noted, this schedule does not contain any charges for the electricity commodity, be it under the Regulated Price Plan, a contract with a retailer or the wholesale market price, as applicable. In addition, the charges in the MONTHLY RATES AND CHARGES – Regulatory Component of this schedule do not apply to a customer that is an embedded wholesale market participant.

It should be noted that this schedule does not list any charges, assessments or credits that are required by law to be invoiced by a distributor and that are not subject to Board approval, such as the Debt Retirement Charge, the Global Adjustment, the Ontario Clean Energy Benefit and the HST.

MONTHLY RATES AND CHARGES – Delivery Component

Service Charge	\$	18.43	(per 30 days)
Smart Meter Funding Adder	\$	0.68	(per 30 days)
Rate Rider for Smart Metering Entity Charge – effective until October 31, 2018	\$	0.78	(per 30 days)
Rate Rider for Recovery of Foregone Revenue – effective until April 30, 2015	\$	0.07	(per 30 days)
Rate Rider for Recovery of Incremental Capital Module Costs – effective until April 30, 2015	\$	0.73	(per 30 days)
Distribution Volumetric Rate	\$/kWh	0.01521	
Rate Rider for Disposition of Deferral/Variance Accounts – effective until April 30, 2014	\$/kWh	(0.00058)	
Rate Rider for Recovery of Foregone Revenue – effective until April 30, 2015	\$/kWh	0.00005	
Rate Rider for Recovery of Incremental Capital Module Costs – effective until April 30, 2015	\$/kWh	0.00061	
Rate Rider for Application of Tax Change – effective until April 30, 2014	\$/kWh	(0.00010)	
Retail Transmission Rate – Network Service Rate	\$/kWh	0.00820	
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kWh	0.00548	

MONTHLY RATES AND CHARGES – Regulatory Component

Wholesale Market Service Rate	\$/kWh	0.0044	
Rural Rate Protection Charge	\$/kWh	0.0012	
Standard Supply Service – Administration Charge (if applicable)	\$	0.25	(per 30 days)

Issued May 9, 2013

Toronto Hydro-Electric System Limited

TARIFF OF RATES AND CHARGES

Effective Date June 1, 2012
Implementation Date June 1, 2013

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

EB-2012-0064

COMPETITIVE SECTOR MULTI-UNIT RESIDENTIAL SERVICE CLASSIFICATION

This classification is applicable to an account where electricity is used exclusively for residential purposes in a multi-unit residential building, where unit metering is provided using technology that is substantially similar to that employed by competitive sector sub-metering providers. Use of electricity in non-residential units of multi-unit buildings does not qualify for this classification and will instead be subject to the applicable commercial classification. Further details concerning the terms of service are available in the distributor's Conditions of Service.

APPLICATION

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

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

Unless specifically noted, this schedule does not contain any charges for the electricity commodity, be it under the Regulated Price Plan, a contract with a retailer or the wholesale market price, as applicable. In addition, the charges in the MONTHLY RATES AND CHARGES – Regulatory Component of this schedule do not apply to a customer that is an embedded wholesale market participant.

It should be noted that this schedule does not list any charges, assessments or credits that are required by law to be invoiced by a distributor and that are not subject to Board approval, such as the Debt Retirement Charge, the Global Adjustment, the Ontario Clean Energy Benefit and the HST.

MONTHLY RATES AND CHARGES – Delivery Component

Service Charge	\$	17.16	(per 30 days)
Smart Meter Funding Adder	\$	0.68	(per 30 days)
Rate Rider for Smart Metering Entity Charge – effective until October 31, 2018	\$	0.78	(per 30 days)
Rate Rider for Recovery of Foregone Revenue – effective until April 30, 2015	\$	0.06	(per 30 days)
Rate Rider for Recovery of Incremental Capital Module Costs – effective until April 30, 2015	\$	0.68	(per 30 days)
Distribution Volumetric Rate	\$/kWh	0.02589	
Rate Rider for Disposition of Deferral/Variance Accounts – effective until April 30, 2014	\$/kWh	(0.00065)	
Rate Rider for Recovery of Foregone Revenue – effective until April 30, 2015	\$/kWh	0.00009	
Rate Rider for Recovery of Incremental Capital Module Costs – effective until April 30, 2015	\$/kWh	0.00103	
Rate Rider for Application of Tax Change – effective until April 30, 2014	\$/kWh	(0.00018)	
Retail Transmission Rate – Network Service Rate	\$/kWh	0.00820	
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kWh	0.00548	

MONTHLY RATES AND CHARGES – Regulatory Component

Wholesale Market Service Rate	\$/kWh	0.0044	
Rural Rate Protection Charge	\$/kWh	0.0012	
Standard Supply Service – Administration Charge (if applicable)	\$	0.25	(per 30 days)

Issued May 9, 2013

Toronto Hydro-Electric System Limited

TARIFF OF RATES AND CHARGES

Effective Date June 1, 2012
Implementation Date June 1, 2013

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

EB-2012-0064

GENERAL SERVICE LESS THAN 50 kW SERVICE CLASSIFICATION

This classification refers to a non-residential account whose monthly average peak demand is less than, or is forecast to be less than 50 kW. Further servicing details are available in the distributor's Conditions of Service.

APPLICATION

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

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

Unless specifically noted, this schedule does not contain any charges for the electricity commodity, be it under the Regulated Price Plan, a contract with a retailer or the wholesale market price, as applicable. In addition, the charges in the MONTHLY RATES AND CHARGES – Regulatory Component of this schedule do not apply to a customer that is an embedded wholesale market participant.

It should be noted that this schedule does not list any charges, assessments or credits that are required by law to be invoiced by a distributor and that are not subject to Board approval, such as the Debt Retirement Charge, the Global Adjustment, the Ontario Clean Energy Benefit and the HST.

MONTHLY RATES AND CHARGES – Delivery Component

Service Charge	\$	24.53	(per 30 days)
Smart Meter Funding Adder	\$	0.68	(per 30 days)
Rate Rider for Smart Metering Entity Charge – effective until October 31, 2018	\$	0.78	(per 30 days)
Rate Rider for Recovery of Foregone Revenue – effective until April 30, 2015	\$	0.09	(per 30 days)
Rate Rider for Recovery of Incremental Capital Module Costs – effective until April 30, 2015	\$	0.97	(per 30 days)
Distribution Volumetric Rate	\$/kWh	0.02268	
Rate Rider for Disposition of Deferral/Variance Accounts – effective until April 30, 2014	\$/kWh	(0.00043)	
Rate Rider for Recovery of Foregone Revenue – effective until April 30, 2015	\$/kWh	0.00008	
Rate Rider for Recovery of Incremental Capital Module Costs – effective until April 30, 2015	\$/kWh	0.00090	
Rate Rider for Application of Tax Change – effective until April 30, 2014	\$/kWh	(0.00007)	
Retail Transmission Rate – Network Service Rate	\$/kWh	0.00794	
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kWh	0.00494	

MONTHLY RATES AND CHARGES – Regulatory Component

Wholesale Market Service Rate	\$/kWh	0.0044	
Rural Rate Protection Charge	\$/kWh	0.0012	
Standard Supply Service – Administration Charge (if applicable)	\$	0.25	(per 30 days)

Toronto Hydro-Electric System Limited

TARIFF OF RATES AND CHARGES

Effective Date June 1, 2012
Implementation Date June 1, 2013

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

EB-2012-0064

GENERAL SERVICE 50 to 999 kW SERVICE CLASSIFICATION

This classification refers to a non-residential account whose monthly average peak demand is equal to or greater than 50 kW but less than 1,000 kW, or is forecast to be equal to or greater than 50 kW but less than 1,000 kW. This rate also applies to bulk metered residential apartment buildings or the house service of a residential apartment building with more than 6 units. Further servicing details are available in the distributor's Conditions of Service.

APPLICATION

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

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

Unless specifically noted, this schedule does not contain any charges for the electricity commodity, be it under the Regulated Price Plan, a contract with a retailer or the wholesale market price, as applicable. In addition, the charges in the MONTHLY RATES AND CHARGES – Regulatory Component of this schedule do not apply to a customer that is an embedded wholesale market participant.

It should be noted that this schedule does not list any charges, assessments or credits that are required by law to be invoiced by a distributor and that are not subject to Board approval, such as the Debt Retirement Charge, the Global Adjustment, the Ontario Clean Energy Benefit and the HST.

MONTHLY RATES AND CHARGES – Delivery Component

Service Charge	\$	35.90	(per 30 days)
Smart Meter Funding Adder	\$	0.68	(per 30 days)
Rate Rider for Recovery of Foregone Revenue – effective until April 30, 2015	\$	0.13	(per 30 days)
Rate Rider for Recovery of Incremental Capital Module Costs – effective until April 30, 2015	\$	1.42	(per 30 days)
Distribution Volumetric Rate	\$/kVA	5.6495	(per 30 days)
Rate Rider for Disposition of Deferral/Variance Accounts – effective until April 30, 2014	\$/kVA	(0.0740)	(per 30 days)
Rate Rider for Recovery of Foregone Revenue – effective until April 30, 2015	\$/kVA	0.0202	(per 30 days)
Rate Rider for Recovery of Incremental Capital Module Costs – effective until April 30, 2015	\$/kVA	0.2225	(per 30 days)
Rate Rider for Application of Tax Change – effective until April 30, 2014	\$/kVA	(0.0134)	(per 30 days)
Retail Transmission Rate – Network Service Rate	\$/kW	2.8417	(per 30 days)
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kW	1.8824	(per 30 days)

MONTHLY RATES AND CHARGES – Regulatory Component

Wholesale Market Service Rate	\$/kWh	0.0044	
Rural Rate Protection Charge	\$/kWh	0.0012	
Standard Supply Service – Administration Charge (if applicable)	\$	0.25	(per 30 days)

Toronto Hydro-Electric System Limited

TARIFF OF RATES AND CHARGES

Effective Date June 1, 2012
Implementation Date June 1, 2013

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

EB-2012-0064

GENERAL SERVICE 1,000 to 4,999 kW SERVICE CLASSIFICATION

This classification refers to a non-residential account whose monthly average peak demand is equal to or greater than 1,000 kW but less than 5,000 kW, or is forecast to be equal to or greater than 1,000 kW but less than 5,000 kW. This rate also applies to bulk metered residential apartment buildings or the house service of a residential apartment building with more than 6 units. Further servicing details are available in the distributor's Conditions of Service.

APPLICATION

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

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

Unless specifically noted, this schedule does not contain any charges for the electricity commodity, be it under the Regulated Price Plan, a contract with a retailer or the wholesale market price, as applicable. In addition, the charges in the MONTHLY RATES AND CHARGES – Regulatory Component of this schedule do not apply to a customer that is an embedded wholesale market participant.

It should be noted that this schedule does not list any charges, assessments or credits that are required by law to be invoiced by a distributor and that are not subject to Board approval, such as the Debt Retirement Charge, the Global Adjustment, the Ontario Clean Energy Benefit and the HST.

MONTHLY RATES AND CHARGES – Delivery Component

Service Charge	\$	693.06	(per 30 days)
Smart Meter Funding Adder	\$	0.68	(per 30 days)
Rate Rider for Recovery of Foregone Revenue – effective until April 30, 2015	\$	2.49	(per 30 days)
Rate Rider for Recovery of Incremental Capital Module Costs – effective until April 30, 2015	\$	27.34	(per 30 days)
Distribution Volumetric Rate	\$/kVA	4.4925	(per 30 days)
Rate Rider for Disposition of Deferral/Variance Accounts – effective until April 30, 2014	\$/kVA	(0.0588)	(per 30 days)
Rate Rider for Recovery of Foregone Revenue – effective until April 30, 2015	\$/kVA	0.0161	(per 30 days)
Rate Rider for Recovery of Incremental Capital Module Costs – effective until April 30, 2015	\$/kVA	0.1771	(per 30 days)
Rate Rider for Application of Tax Change – effective until April 30, 2014	\$/kVA	(0.0113)	(per 30 days)
Retail Transmission Rate – Network Service Rate	\$/kW	2.7455	(per 30 days)
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kW	1.8806	(per 30 days)

MONTHLY RATES AND CHARGES – Regulatory Component

Wholesale Market Service Rate	\$/kWh	0.0044	
Rural Rate Protection Charge	\$/kWh	0.0012	
Standard Supply Service – Administration Charge (if applicable)	\$	0.25	(per 30 days)

Toronto Hydro-Electric System Limited

TARIFF OF RATES AND CHARGES

Effective Date June 1, 2012
Implementation Date June 1, 2013

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

EB-2012-0064

LARGE USE SERVICE CLASSIFICATION

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

APPLICATION

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

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It should be noted that this schedule does not list any charges, assessments or credits that are required by law to be invoiced by a distributor and that are not subject to Board approval, such as the Debt Retirement Charge, the Global Adjustment, the Ontario Clean Energy Benefit and the HST.

MONTHLY RATES AND CHARGES – Delivery Component

Service Charge	\$	3,038.05	(per 30 days)
Smart Meter Funding Adder	\$	0.68	(per 30 days)
Rate Rider for Recovery of Foregone Revenue – effective until April 30, 2015	\$	10.90	(per 30 days)
Rate Rider for Recovery of Incremental Capital Module Costs – effective until April 30, 2015	\$	119.83	(per 30 days)
Distribution Volumetric Rate	\$/kVA	4.7862	(per 30 days)
Rate Rider for Disposition of Deferral/Variance Accounts – effective until April 30, 2014	\$/kVA	(0.0611)	(per 30 days)
Rate Rider for Recovery of Foregone Revenue – effective until April 30, 2015	\$/kVA	0.0172	(per 30 days)
Rate Rider for Recovery of Incremental Capital Module Costs – effective until April 30, 2015	\$/kVA	0.1887	(per 30 days)
Rate Rider for Application of Tax Change – effective until April 30, 2014	\$/kVA	(0.0118)	(per 30 days)
Retail Transmission Rate – Network Service Rate	\$/kW	3.1298	(per 30 days)
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kW	2.0893	(per 30 days)

MONTHLY RATES AND CHARGES – Regulatory Component

Wholesale Market Service Rate	\$/kWh	0.0044	
Rural Rate Protection Charge	\$/kWh	0.0012	
Standard Supply Service – Administration Charge (if applicable)	\$	0.25	(per 30 days)

Toronto Hydro-Electric System Limited

TARIFF OF RATES AND CHARGES

Effective Date June 1, 2012
Implementation Date June 1, 2013

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

EB-2012-0064

STANDBY POWER SERVICE CLASSIFICATION

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

APPLICATION

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

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

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

It should be noted that this schedule does not list any charges, assessments or credits that are required by law to be invoiced by a distributor and that are not subject to Board approval, such as the Debt Retirement Charge, the Global Adjustment, the Ontario Clean Energy Benefit and the HST.

MONTHLY RATES AND CHARGES – Delivery Component - APPROVED ON AN INTERIM BASIS

Standby Charge – for a month where standby power is not provided. The charge is applied to the contracted amount (e.g. nameplate rating of generation facility).

Service Charge	\$	199.81	(per 30 days)
Distribution Volumetric Rate			
For General Service 50 – 999 kW Service Classification	\$/kVA	5.6495	(per 30 days)
For General Service 1,000 – 4,999 kW Service Classification	\$/kVA	4.4925	(per 30 days)
For Large Use Service Classification	\$/kVA	4.7862	(per 30 days)

Toronto Hydro-Electric System Limited

TARIFF OF RATES AND CHARGES

Effective Date June 1, 2012
Implementation Date June 1, 2013

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EB-2012-0064

UNMETERED SCATTERED LOAD SERVICE CLASSIFICATION

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

APPLICATION

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

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

Unless specifically noted, this schedule does not contain any charges for the electricity commodity, be it under the Regulated Price Plan, a contract with a retailer or the wholesale market price, as applicable. In addition, the charges in the MONTHLY RATES AND CHARGES – Regulatory Component of this schedule do not apply to a customer that is an embedded wholesale market participant.

It should be noted that this schedule does not list any charges, assessments or credits that are required by law to be invoiced by a distributor and that are not subject to Board approval, such as the Debt Retirement Charge, the Global Adjustment, the Ontario Clean Energy Benefit and the HST.

MONTHLY RATES AND CHARGES – Delivery Component

Service Charge	\$	4.89	(per 30 days)
Connection Charge (per connection)	\$	0.49	(per 30 days)
Rate Rider for Recovery of Foregone Revenue – effective until April 30, 2015	\$	0.02	(per 30 days)
Rate Rider for Recovery of Foregone Revenue (per connection) – effective until April 30, 2015	\$	0.00	(per 30 days)
Rate Rider for Recovery of Incremental Capital Module Costs – effective until April 30, 2015	\$	0.02	(per 30 days)
Rate Rider for Recovery of Incremental Capital Module Costs (per connection) – effective until April 30, 2015	\$	0.19	(per 30 days)
Distribution Volumetric Rate	\$/kWh	0.06128	
Rate Rider for Disposition of Deferral/Variance Accounts – effective until April 30, 2014	\$/kWh	(0.00119)	
Rate Rider for Recovery of Foregone Revenue – effective until April 30, 2015	\$/kWh	0.00022	
Rate Rider for Recovery of Incremental Capital Module Costs – effective until April 30, 2015	\$/kWh	0.00245	
Rate Rider for Application of Tax Change – effective until April 30, 2014	\$/kWh	(0.00015)	
Retail Transmission Rate – Network Service Rate	\$/kWh	0.00499	
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kWh	0.00346	

MONTHLY RATES AND CHARGES – Regulatory Component

Wholesale Market Service Rate	\$/kWh	0.0044	
Rural Rate Protection Charge	\$/kWh	0.0012	
Standard Supply Service – Administration Charge (if applicable)	\$	0.25	(per 30 days)

Issued May 9, 2013

Toronto Hydro-Electric System Limited

TARIFF OF RATES AND CHARGES

Effective Date June 1, 2012
Implementation Date June 1, 2013

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EB-2012-0064

STREET LIGHTING SERVICE CLASSIFICATION

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

APPLICATION

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

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

Unless specifically noted, this schedule does not contain any charges for the electricity commodity, be it under the Regulated Price Plan, a contract with a retailer or the wholesale market price, as applicable. In addition, the charges in the MONTHLY RATES AND CHARGES – Regulatory Component of this schedule do not apply to a customer that is an embedded wholesale market participant.

It should be noted that this schedule does not list any charges, assessments or credits that are required by law to be invoiced by a distributor and that are not subject to Board approval, such as the Debt Retirement Charge, the Global Adjustment, the Ontario Clean Energy Benefit and the HST.

MONTHLY RATES AND CHARGES – Delivery Component

Service Charge	\$	1.31	(per 30 days)
Rate Rider for Recovery of Foregone Revenue – effective until April 30, 2015	\$	0.00	(per 30 days)
Rate Rider for Recovery of Incremental Capital Module Costs – effective until April 30, 2015	\$	0.05	(per 30 days)
Distribution Volumetric Rate	\$/kVA	29.0011	(per 30 days)
Rate Rider for Disposition of Deferral/Variance Accounts – effective until April 30, 2014	\$/kVA	(0.5199)	(per 30 days)
Rate Rider for Recovery of Foregone Revenue – effective until April 30, 2015	\$/kVA	0.1041	(per 30 days)
Rate Rider for Recovery of Incremental Capital Module Costs – effective until April 30, 2015	\$/kVA	1.1439	(per 30 days)
Rate Rider for Application of Tax Change – effective until April 30, 2014	\$/kVA	(0.0851)	(per 30 days)
Retail Transmission Rate – Network Service Rate	\$/kW	2.5274	(per 30 days)
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kW	2.2446	(per 30 days)

MONTHLY RATES AND CHARGES – Regulatory Component

Wholesale Market Service Rate	\$/kWh	0.0044	
Rural Rate Protection Charge	\$/kWh	0.0012	
Standard Supply Service – Administration Charge (if applicable)	\$	0.25	(per 30 days)

Toronto Hydro-Electric System Limited
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Effective Date June 1, 2012
Implementation Date June 1, 2013

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EB-2012-0064

microFIT GENERATOR SERVICE CLASSIFICATION

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

APPLICATION

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

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

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

It should be noted that this schedule does not list any charges, assessments or credits that are required by law to be invoiced by a distributor and that are not subject to Board approval, such as the Debt Retirement Charge, the Global Adjustment, the Ontario Clean Energy Benefit and the HST.

MONTHLY RATES AND CHARGES – Delivery Component

Service Charge	\$	5.33	(per 30 days)
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Toronto Hydro-Electric System Limited

TARIFF OF RATES AND CHARGES

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EB-2012-0064

ALLOWANCES

Transformer Allowance for Ownership	\$/kVA	(0.62)	(per 30 days)
Primary Metering Allowance for transformer losses – applied to measured demand and energy	%	(1.00)	

SPECIFIC SERVICE CHARGES

APPLICATION

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

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

It should be noted that this schedule does not list any charges, assessments or credits that are required by law to be invoiced by a distributor and that are not subject to Board approval, such as the Debt Retirement Charge, the Global Adjustment, the Ontario Clean Energy Benefit and the HST.

Customer Administration			
Duplicate Invoices for Previous Billing	\$		15.00
Easement Letter	\$		15.00
Income Tax Letter	\$		15.00
Account set up charge/change of occupancy charge (plus credit agency costs if applicable)	\$		30.00
Returned Cheque charge (plus bank charges)	\$		15.00
Special Meter Reads	\$		30.00
Meter dispute charge plus Measurement Canada fees (if meter found correct)	\$		30.00
Non-Payment of Account			
Late Payment - per month	%		1.50
Late Payment - per annum	%		19.56
Collection of Account Charge – No Disconnection	\$		30.00
Disconnect/Reconnect Charges for non-payment of account			
- At Meter During Regular Hours	\$		65.00
- At Meter After Hours	\$		185.00
Install/Remove Load Control Device – During Regular hours	\$		65.00
Install/Remove Load Control Device – After Regular hours	\$		185.00
Disconnect/Reconnect at Pole - During Regular Hours	\$		185.00
Disconnect/Reconnect at Pole - After Regular Hours	\$		415.00
Specific Charge for Access to the Power Poles – per pole/year	\$		22.35
Specific Charge for Access to the Power Poles – per pole/year (Third Party Attachments to Poles)	\$		18.55
Specific Charge for Access to the Power Poles – per pole/year (Hydro Attachments on Third Party Poles)	\$		(22.75)

Issued May 9, 2013

Toronto Hydro-Electric System Limited

TARIFF OF RATES AND CHARGES

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EB-2012-0064

RETAIL SERVICE CHARGES (if applicable)

APPLICATION

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

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

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

It should be noted that this schedule does not list any charges, assessments or credits that are required by law to be invoiced by a distributor and that are not subject to Board approval, such as the Debt Retirement Charge, charges for the Ministry of Energy Conservation and Renewable Energy Program, the Global Adjustment, the Ontario Clean Energy Benefit and the HST.

Retail Service Charges refer to services provided by THESL to retailers or customers related to the supply of competitive electricity and are defined in the 2006 Electricity Distribution Rate Handbook.

Establishing Service Agreements		
Standard charge (one-time charge), per agreement per retailer	\$	100.00
Monthly Fixed Charge, per retailer	\$	20.00
Monthly Variable Charge, per customer, per retailer	\$	0.50
Distributor-Consolidated Billing		
Standard billing charge, per month, per customer, per retailer	\$	0.30
Retailer-Consolidated Billing		
Avoided cost credit, per month, per customer, per retailer	\$	(0.30)
Service Transaction Requests (STR)		
Request fee, per request, regardless of whether or not the STR can be processed	\$	0.25
Processing fee, per request, applied to the requesting party if the request is processed	\$	0.50
Request for customer information as outlined in Section 10.6.3 and Chapter 11 of the Retail Settlement Code directly to retailers and customers, if not delivered electronically through the Electronic Business Transaction (EBT) system, applied to the requesting party		
Up to twice a year		no charge
More than twice a year, per request (plus incremental delivery costs)	\$	2.00

Toronto Hydro-Electric System Limited
TARIFF OF RATES AND CHARGES
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EB-2012-0064

LOSS FACTORS

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

Billing Determinant:

The billing determinant is the customer's metered energy consumption adjusted by the Total Loss Factor as approved by the Board and set out in this Schedule of Rates.

(A) Primary Metering Adjustment	0.9900
(B) Supply Facilities Loss Factor	1.0045
Distribution Loss Factors	
(C) Customer less than 5,000 kW	1.0330
(D) Customer greater than 5,000 kW	1.0141
Total Loss Factors	
Secondary Metered Customers	
(E) Customer less than 5,000 kW (B)*(C)	1.0376
(F) Customer greater than 5,000 kW (B)*(D)	1.0187
Primary metered customers	
(G) Customer less than 5,000 kW (A)*(E)	1.0272
(H) Customer greater than 5,000 kW (A)*(F)	1.0085

Appendix B

TO RATE ORDER

Toronto Hydro-Electric System Limited

2013 Electricity Distribution Rates

EB-2012-0064

May 9, 2013

Toronto Hydro-Electric System Limited Accounting Order

EB-2012-0064

May 9, 2013

For greater clarity, this accounting order is intended to reflect the Board's Partial Decision and Order in EB-2012-0064 (the "Decision"). Toronto Hydro-Electric System Limited ("THESL") shall establish Subaccounts to Account 1508 – Other Regulatory Assets, as listed and described in Appendix E Schedule 2 of THESL's EB-2012-0064 *Draft Rate Order* filing of April 12, 2013, which is attached for reference, effective June 1, 2013.

Background

Section 2.2.7 of Chapter 3 of the Board's *Filing Requirements for Electricity Transmission and Distribution Applications* (revised June 28, 2012) describes the accounting treatment related to eligible Incremental Capital Module ("ICM") expenditures and revenues:

"The distributor will record eligible ICM amounts in Account 1508, Other Regulatory Asset, sub-account Incremental Capital Expenditures, subject to the assets being used and useful. For incremental capital assets under construction, the normal accounting treatment will continue in the construction work in progress ("CWIP") prior to these assets going into service and hence eligible for recording in the 1508 sub-account. The amortization of capital assets for the relevant accounting period will be recorded in a separate amortization account of the sub-account, Incremental Capital Expenditures. In addition, the revenues collected from the rate rider will be recorded in Account 1508, Other Regulatory Asset, sub-account, Incremental Capital Expenditures rate rider.

The distributor shall also record monthly carrying charges in sub-accounts Incremental Capital Expenditures and Incremental Capital Expenditures rate rider. Carrying charges amounts are calculated using simple interest applied to the monthly opening balances in the account and recorded in a separate sub-account of account 1508. The rate of interest shall be the rate prescribed by the Board for deferral and variance accounts for the respective quarterly period published in the Board's web site. "

The Decision provided further direction¹:

¹ P.76

- *To apply the general framework of the ICM accounting treatment outlined in Section 2.2.7 of Chapter 3 of the Board's Filing Requirements*
- *To record the actual incurred in-service asset costs for each Board-approved project segment in a separate sub-account of Account 1508, Other Regulatory Asset "Sub-account Incremental Capital Expenditures". The name of each sub-account should include the name of the approved project segment.*
- *To record the collected amounts associated with the rate rider for all approved project segments, except for the Bremner station, effective May 1, 2013 in "Sub-account, Incremental Capital Expenditures 2013 rate rider" of Account 1508, or in a similar account for any 2012 projects.*
- *To record the collected amounts associated with the rate rider for the Bremner station effective May 1, 2014 in "Sub-account, Incremental Capital Expenditures 2014 rate rider" of Account 1508.*
- *To specify for in-service assets (used and useful), depreciation expenses which would be recorded in separate sub-accounts in accordance with approved service lives of the assets. In the case of the capital contributions related to the Bremner project, depreciation should also apply to this amount based on the service life of the Bremner station.*
- *To specify the treatment of the rate rider revenues in the next rebasing application.*

With respect to the latter requirement of the Decision, THESL stated that it anticipated at the time of rebasing calculating the historical revenue requirement based on actual in-service additions of the ICM projects compared with revenues collected through the approved ICM rate riders with any variances to be refunded/collected from customers through a rate rider to be cleared at a future date. THESL observed that this approach was similar to the method which the Board had used to reconcile smart meter rate rider revenues with smart meter capital spending.

THESL is to adopt the approach outlined above. More specifically, THESL will true-up the revenue requirement which was used to derive the ICM rate rider revenues for the ICM funding.

At the time of the true-up, THESL will recalculate the revenue requirement impacts (using the ICM workform) based on the actual in-service assets (used and useful) in Board-approved ICM segments in the sub-accounts of Account 1508, as described in Appendix E Schedule 2 of THESL's EB-2012-0064 *Draft Rate Order* filing of April 12, 2013, to determine the revenue requirement on an actual basis for each applicable period (e.g. 2013 and 2014). All other input information in the ICM Workform will remain unchanged other than changes to the incremental capital CAPEX and the depreciation/amortization expense.

The recalculated revenue requirement on an actual basis will be compared to the ICM rate rider revenues accrued for the same period to determine the variances (i.e., under-spend or prudent over-spend amounts, which will be subject to Board review). These variance amounts will be refunded to or collected from customers through a separate rate rider at the time of THESL's next rebasing application.

For a number of THESL's ICM projects, the Board approved the proposed spending, but determined that the amounts were immaterial and therefore not eligible for ICM funding. No regulatory asset accounts are approved for these projects. In addition, as THESL has stated that it will divide the approved Engineering capital amount between the applicable ICM segment sub-accounts, there is no distinct Engineering Capital sub-account incorporated.

Sample accounting entries:

A: To record the 2013 Eligible ICM capital expenditures, subject to the assets coming into service:

	<u>USoA#</u>	<u>Account Description</u>
DR	1508	Other Regulatory Asset, sub-account Incremental Capital Expenditures – Specific Project
CR	2055	Construction Work in Progress Electric

B: To record the monthly amortization of the 2013 ICM capital assets in a separate amortization account of the sub-account Incremental Capital Expenditures:

	<u>USoA#</u>	<u>Account Description</u>
DR	1508	Other Regulatory Asset, sub-account Incremental Capital Expenditures Amortization Expense – Specific Project
CR	1508	Other Regulatory Asset, sub-account Incremental Capital Expenditures Accumulated Amortization – Specific Project

C: To record the ICM Rate Rider revenue billed to THESL customers:

	<u>USoA#</u>	<u>Account Description</u>
DR	1100	Customer Accounts Receivable
CR	1508	Other Regulatory Asset, sub-account Incremental Capital Expenditures - ICM Rate Rider Revenue

D: To record the monthly Carrying Charges in sub-accounts Incremental Capital Expenditures and Incremental Capital Expenditures rate rider:

	<u>USoA#</u>	<u>Account Description</u>
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DR	1508	Other Regulatory Asset, sub-account Incremental capital Expenditures – Carrying Charges – ICM Expenditures
CR	1508	Other Regulatory Asset, sub-account Incremental Capital Expenditures - ICM Rate Rider Revenue
DR	6035	Other Interest Expense
CR	4405	Interest and Dividend Income

Proposed Sub-Accounts - Regulatory Asset Account 1508 - Other Regulatory Assets

Sub-account Name	Purpose
Incremental Capital Expenditures - Underground Infrastructure	To record the in-service asset costs for this named project
Incremental Capital Expenditures - PILC Piece Outs and Leakers	To record the in-service asset costs for this named project
Incremental Capital Expenditures - Handwell Replacement	To record the in-service asset costs for this named project
Incremental Capital Expenditures - Overhead Infrastructure	To record the in-service asset costs for this named project
Incremental Capital Expenditures - Box Construction	To record the in-service asset costs for this named project
Incremental Capital Expenditures - Rear Lot Construction	To record the in-service asset costs for this named project
Incremental Capital Expenditures - Network Vault & Roofs	To record the in-service asset costs for this named project
Incremental Capital Expenditures - Fibertop Network Units	To record the in-service asset costs for this named project
Incremental Capital Expenditures - Automatic Transfer Switches (ATS) & Reverse Power Breakers (RPB)	To record the in-service asset costs for this named project
Incremental Capital Expenditures - Stations Power Transformers	To record the in-service asset costs for this named project
Incremental Capital Expenditures - Stations Switchgear - Muncipal and Transformer Stations	To record the in-service asset costs for this named project
Incremental Capital Expenditures - Bremner Transformer Station	To record the in-service asset costs for this named project
Incremental Capital Expenditures - Metering	To record the in-service asset costs for this named project
Incremental Capital Expenditures - Externally-Initiated Plant Relocations and Expansions	To record the in-service asset costs for this named project
Incremental Capital Expenditures - Amortization Expense - Underground Infrastructure	To record the amortization expense for this named project
Incremental Capital Expenditures - Amortization Expense - PILC Piece Outs and Leakers	To record the amortization expense for this named project
Incremental Capital Expenditures - Amortization Expense - Handwell Replacement	To record the amortization expense for this named project
Incremental Capital Expenditures - Amortization Expense - Overhead Infrastructure	To record the amortization expense for this named project
Incremental Capital Expenditures - Amortization Expense - Box Construction	To record the amortization expense for this named project
Incremental Capital Expenditures - Amortization Expense - Rear Lot Construction	To record the amortization expense for this named project
Incremental Capital Expenditures - Amortization Expense - Network Vault & Roofs	To record the amortization expense for this named project
Incremental Capital Expenditures - Amortization Expense - Fibertop Network Units	To record the amortization expense for this named project
Incremental Capital Expenditures - Amortization Expense - Automatic Transfer Switches (ATS) & Reverse Power Breakers (RPB)	To record the amortization expense for this named project
Incremental Capital Expenditures - Amortization Expense - Stations Power Transformers	To record the amortization expense for this named project
Incremental Capital Expenditures - Amortization Expense - Stations Switchgear - Muncipal and Transformer Stations	To record the amortization expense for this named project
Incremental Capital Expenditures - Amortization Expense - Bremner Transformer Station	To record the amortization expense for this named project
Incremental Capital Expenditures - Amortization Expense - Metering	To record the amortization expense for this named project
Incremental Capital Expenditures - Amortization Expense - Externally-Initiated Plant Relocations and Expansions	To record the amortization expense for this named project
Incremental Capital Expenditures - Accumulated Amortization - Underground Infrastructure	To record the accumulated amortization for this named project
Incremental Capital Expenditures - Accumulated Amortization - PILC Piece Outs and Leakers	To record the accumulated amortization for this named project
Incremental Capital Expenditures - Accumulated Amortization - Handwell Replacement	To record the accumulated amortization for this named project
Incremental Capital Expenditures - Accumulated Amortization - Overhead Infrastructure	To record the accumulated amortization for this named project
Incremental Capital Expenditures - Accumulated Amortization - Box Construction	To record the accumulated amortization for this named project
Incremental Capital Expenditures - Accumulated Amortization - Network Vault & Roofs	To record the accumulated amortization for this named project
Incremental Capital Expenditures - Accumulated Amortization - Fibertop Network Units	To record the accumulated amortization for this named project
Incremental Capital Expenditures - Accumulated Amortization - Automatic Transfer Switches (ATS) & Reverse Power Breakers (RPB)	To record the accumulated amortization for this named project
Incremental Capital Expenditures - Accumulated Amortization - Stations Power Transformers	To record the accumulated amortization for this named project
Incremental Capital Expenditures - Accumulated Amortization - Stations Switchgear - Muncipal and Transformer Station:	To record the accumulated amortization for this named project
Incremental Capital Expenditures - Accumulated Amortization - Bremner Transformer Station	To record the accumulated amortization for this named project
Incremental Capital Expenditures - Accumulated Amortization - Metering	To record the accumulated amortization for this named project
Incremental Capital Expenditures - Accumulated Amortization - Externally-Initiated Plant Relocations and Expansions	To record the accumulated amortization for this named project
Incremental Capital Expenditures - Carrying Charges - ICM Expenditures	To record carrying charges on monthly opening balances of Total non-Bremner ICM expenditures
Incremental Capital Expenditures - Carrying Charges - Bremner Expenditures	To record carrying charges on monthly opening balances for Bremner expenditures
Incremental Capital Expenditures - ICM Rate Rider Revenue	To record revenue collected from 2013 ICM rate riders
Incremental Capital Expenditures - Bremner Rate Rider Revenue	To record revenue collected from 2013 Bremner rate rider
Incremental Capital Expenditures - Carrying Charges - ICM Rate Rider Revenue	To record carrying charges on monthly balances of ICM rate rider revenues
Incremental Capital Expenditures - Carrying Charges - Bremner Rate Rider Revenue	To record carrying charges on monthly balances of Bremner rate rider revenues