Ontario

Name of LDC: Niagara-on-the-Lake Hydro Inc.
File Number: EB-2009-0237
Effective Date: May 1, 2010

LDC Information

Applicant Name	**Niagara-on-the-Lake Hydro Inc.**
OEB Application Number	**EB-2009-0237**
LDC Licence Number	**ED-2002-0547**
Applied for Effective Date	**May 1, 2010**
Stretch Factor Group	**II**
Stretch Factor Value	**0.4%**
Re-based Year	**2009**
Most Recent Year Reported	**2007**

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Rate Class and Re-Based Billing Determinants & Rates

Rate Group	Rate Class	Fixed Metric	Vol Metric	Re-based Billed Customers or Connections A	Re-based Billed kWh B	Re-based Billed kW C	Re-based Tariff Service Charge D	Re-based Tariff Distribution Volumetric Rate kWh E	Re-based Tariff Distribution Volumetric Rate kW F
RES	Residential	Customer	kWh	6,584	66,607,551		19.05	0.0127	
GSLT50	General Service Less Than 50 kV	Customer	kWh	1,209	34,497,593		46.33	0.0136	
GSGT50	General Service 50 to 4,999 kW	Customer	kW	123	80,852,618	208,072	347.25		2.7058
USL	Unmetered Scattered Load	Customer	kWh	32	302,169		53.55	0.0161	
SL	Street Lighting	Connection	kW	1,953	1,086,069	2,900	2.91		11.3847
NA	Rate Class 6	NA	NA						
NA	Rate Class 7	NA	NA						
NA	Rate Class 8	NA	NA						
NA	Rate Class 9	NA	NA						
NA	Rate Class 10	NA	NA						
NA	Rate Class 11	NA	NA						
NA	Rate Class 12	NA	NA						
NA	Rate Class 13	NA	NA						
NA	Rate Class 14	NA	NA						
NA	Rate Class 15	NA	NA						
NA	Rate Class 16	NA	NA						
NA	Rate Class 17	NA	NA						
NA	Rate Class 18	NA	NA						
NA	Rate Class 19	NA	NA						
NA	Rate Class 20	NA	NA						
NA	Rate Class 21	NA	NA						
NA	Rate Class 22	NA	NA						
NA	Rate Class 23	NA	NA						
NA	Rate Class 24	NA	NA						
NA	Rate Class 25	NA	NA						

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Removal of Rate Adders

Rate Class	Re-based Tariff Service Charge A	Re-based Tariff Distribution Volumetric Rate kWh B	Re-based Tariff Distribution Volumetric Rate kW C	Service Charge Rate Adders D	Distribution Volumetric kWh Rate Adders E	Distribution Volumetric kW Rate Adders F	Re-based Base Service Charge H = A - D	Re-based Base Distribution Volumetric Rate kWh I = B - E	Re-based Base Distribution Volumetric Rate kW J = C - F
Residential	19.05	0.0127	0.0000	1.00	0.0000	0.0000	18.05	0.0127	0.0000
General Service Less Than 50 kW	46.33	0.0136	0.0000	1.00	0.0000	0.0000	45.33	0.0136	0.0000
General Service 50 to 4,999 kW	347.25	0.0000	2.7058	1.00	0.0000	0.0000	346.25	0.0000	2.7058
Unmetered Scattered Load	53.55	0.0161	0.0000	0.00	0.0000	0.0000	53.55	0.0161	0.0000
Street Lighting	2.91	0.0000	11.3847	0.00	0.0000	0.0000	2.91	0.0000	11.3847

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Calculated Re-Based Revenue From Rates

Rate Class	Re-based Billed Customers or Connections	Re-based Billed kWh	Re-based Billed kW	Re-based Base Service Charge	Re-based Base Distribution Volumetric Rate kWh	Re-based Base Distribution Volumetric Rate kW	Service Charge Revenue	Distribution Volumetric Rate Revenue kWh	Distribution Volumetric Rate Revenue kW	Revenue Requirement from Rates	Service Charge % Revenue	Distribution Volumetric Rate % Revenue kWh	Distribution Volumetric Rate % Revenue kW	Total % Revenue
	A	B	C	D	E	F	*12	H = B * E	I = C * F	I	K = G / J	L = H / J	M = I / J	N = J / R
Residential	6,584	66,607,551	0	18.05	0.0127	0.0000	1,426,094	845,916	0	2,272,010	62.8%	37.2%	0.0%	49.4%
General Service Less Than 50 kW	1,209	34,497,593	0	45.33	0.0136	0.0000	657,648	469,167	0	1,126,815	58.4%	41.6%	0.0%	24.5%
General Service 50 to 4,999 kW	123	80,852,618	208,072	346.25	0.0000	2.7058	511,704	0	563,002	1,074,706	47.6%	0.0%	52.4%	23.4%
Unmetered Scattered Load	32	302,169	0	53.55	0.0161	0.0000	20,563	4,865	0	25,428	80.9%	19.1%	0.0%	0.6%
Street Lighting	1,953	1,086,069	2,900	2.91	0.0000	11.3847	68,199	0	33,014	101,213	67.4%	0.0%	32.6%	2.2%
							2,684,208	1,319,948	596,017	4,600,172				100.0%
							O	P	Q	R				

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Detailed Re-Based Revenue From Rates

Applicants Rate Base				Last Rate Re-based Amount	
Average Net Fixed Assets					
Gross Fixed Assets - Re-based Opening	$ 36,453,097	A			
Add: CWIP Re-based Opening	$ -	B			
Re-based Capital Additions	$ 1,877,496	C			
Re-based Capital Disposals	-$ 25,000	D			
Re-based Capital Retirements	$ -	E			
Deduct: CWIP Re-based Closing	$ -	F			
Gross Fixed Assets - Re-based Closing	$ 38,305,593	G			
Average Gross Fixed Assets			$	37,379,345	H = (A + G) / 2
Accumulated Depreciation - Re-based Opening	$ 17,239,948	I			
Re-based Depreciation Expense	$ 1,330,077	J			
Re-based Disposals	-$ 10,600	K			
Re-based Retirements	$ -	L			
Accumulated Depreciation - Re-based Closing	$ 18,559,426	M			
Average Accumulated Depreciation			$	17,899,687	N = (I + M) / 2
Average Net Fixed Assets			**$**	**19,479,658**	O = H - N
Working Capital Allowance					
Working Capital Allowance Base	$ 15,849,028	P			
Working Capital Allowance Rate	15.0%	Q			
Working Capital Allowance			**$**	**2,377,354**	R = P * Q
Rate Base			**$**	**21,857,012**	S = O + R
Return on Rate Base					
Deemed ShortTerm Debt %	4.00%	T	$	874,280	W = S * T
Deemed Long Term Debt %	52.70%	U	$	11,518,645	X = S * U
Deemed Equity %	43.30%	V	$	9,464,086	Y = S * V
Short Term Interest	1.33%	Z	$	11,628	AC = W * Z
Long Term Interest	6.04%	AA	$	695,726	AD = X * AA
Return on Equity	8.01%	AB	$	758,073	AE = Y * AB
Return on Rate Base			**$**	**1,465,427**	AF = AC + AD + AE
Distribution Expenses					
OM&A Expenses	$ 1,878,791	AG			
Amortization	$ 1,243,584	AH			
Ontario Capital Tax (F1.1 Z-Factor Tax Changes)	$ 15,428	AI			
Grossed Up PILs (F1.1 Z-Factor Tax Changes)	$ 351,762	AJ			
Low Voltage	$ -	AK			
Transformer Allowance	$ 24,326	AL			
		AM			
		AN			
		AO			
			$	**3,513,892**	AP = SUM (AG : AO)
Revenue Offsets					
Specific Service Charges	-$ 115,430	AQ			
Late Payment Charges	-$ 48,070	AR			
Other Distribution Income	-$ 97,207	AS			
Other Income and Deductions	-$ 116,287	AT	**-$**	**376,994**	AU = SUM (AQ : AT)
Revenue Requirement from Distribution Rates			**$**	**4,602,325**	AV = AF + AP + AU
Rate Classes Revenue					
Rate Classes Revenue - Total (B1.1 Re-based Revenue - Gen)			$	4,600,172	AW
Difference			$	2,153	AZ = AV - AW
Difference (Percentage - should be less than 1%)				0.05%	BA = AZ / AW

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Decision - Cost Revenue Adjustments by Rate Class

Rate Class	Group	Pre -Rebased Year 2008	Rebased Year 2009	Transition Year 2 2010	Transition Year 3 2011	Transition Year 4 2012	Transition Year 5 2013
Residential	No Change	89.59%	94.80%	94.80%	94.80%	94.80%	94.80%
General Service Less Than 50 kW	No Change	92.47%	96.23%	96.23%	96.23%	96.23%	96.23%
General Service 50 to 4,999 kW	Rebalance	179.01%	143.30%	tbd	tbd	tbd	tbd
Unmetered Scattered Load	No Change	97.90%	100.00%	100.00%	100.00%	100.00%	100.00%
Street Lighting	Change	15.07%	42.43%	56.21%	70.00%	70.00%	70.00%

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Revenue Offsets Allocation

Rate Class	Informational Filing Revenue Offsets	Percentage Split	Allocated Revenue Offsets
	A	C= A / B	E = D * C
Residential	111,562	60.24%	227,084
General Service Less Than 50 kW	49,546	26.75%	100,850
General Service 50 to 4,999 kW	19,551	10.56%	39,796
Unmetered Scattered Load	1,812	0.98%	3,689
Street Lighting	2,739	1.48%	5,575
	185,210	100.00%	376,994
	B		D

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Transformer Allowance

Rate Class	Transformer Allowance In Rate	Transformer Allowance A	Transformer Allowance kW's C	Transformer Allowance Rate E	Volumetric Distribution Rate F	Billed kW's G	Adjusted Volumetric Distribution Rate I =(F * (G - C) + (F - E) * C) / G
Residential	No						
General Service Less Than 50 kW	No						
General Service 50 to 4,999 kW	Yes	24,326	43,440	0.5600	2.7058	208,072	2.5889
Unmetered Scattered Load	No						
Street Lighting	No						
		24,326	43,440			208,072	
		B	D			H	

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Revenue / Cost Ratio Revenue

Rate Class	Billed Customers or Connections A	Billed kWh B	Billed kW C		Base Service Charge D	Base Distribution Volumetric Rate kWh E	Base Distribution Volumetric Rate kW F	Service Charge *12	Distribution Volumetric Rate kWh H = B * E	Distribution Volumetric Rate kW I = C * F	Revenue Requirement from Rates J = G + H + I
Residential	6,584	66,607,551	0	0	18.05	0.0127	0.0000	1,426,094	845,916	0	2,272,010
General Service Less Than 50 kW	1,209	34,497,593	0	0	45.33	0.0136	0.0000	657,648	469,167	0	1,126,815
General Service 50 to 4,999 kW	123	80,852,618	208,072	0	346.25	0.0000	2.5889	511,704	0	538,676	1,050,379
Unmetered Scattered Load	32	302,169	0	0	53.55	0.0161	0.0000	20,563	4,865	0	25,428
Street Lighting	1,953	1,086,069	2,900	0	2.91	0.0000	11.3847	68,199	0	33,014	101,213
								2,684,208	1,319,948	571,690	4,575,846

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Proposed Revenue / Cost Ratio Adjustment

Rate Class	Adjusted Revenue A	Current Revenue Cost Ratio B	Re-Allocated Cost C = A / B	Proposed Revenue Cost Ratio D	Final Adjusted Revenue E = C * D	Dollar Change F = E - C	Percentage Change G = (E / C) - 1
Residential	$2,499,094	0.95	$ 2,636,247	0.95	$ 2,499,094	$ 0	0.0%
General Service Less Than 50 kW	$1,227,665	0.96	$ 1,275,715	0.96	$ 1,227,665	$ 0	0.0%
General Service 50 to 4,999 kW	$1,090,176	1.43	$ 760,746	1.39	$ 1,055,474	-$ 34,702	-3.2%
Unmetered Scattered Load	$ 29,117	1.00	$ 29,117	1.00	$ 29,117	$ -	0.0%
Street Lighting	$ 106,788	0.42	$ 251,702	0.56	$ 141,490	$ 34,702	32.5%
	$4,952,840		$ 4,953,527		$ 4,952,840	$ 0	0.0%

Out of Balance -

Final ? Yes

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Proposed Revenue from Revenue / Cost Ratio Adjustment

Rate Class	Adjusted Revenue By Revenue Cost Ratio A	Allocated Re-Based Revenue Offsets B	Revenue Requirement from Rates Before Transformer Allowance C = A - B	Re-based Transformer Allowance D	Revenue Requirement from Rates E = C + D
Residential	$ 2,499,094	$ 227,084	$ 2,272,010	$ -	$ 2,272,010
General Service Less Than 50 kW	$ 1,227,665	$ 100,850	$ 1,126,815	$ -	$ 1,126,815
General Service 50 to 4,999 kW	$ 1,055,474	$ 39,796	$ 1,015,678	$ 24,326	$ 1,040,004
Unmetered Scattered Load	$ 29,117	$ 3,689	$ 25,428	$ -	$ 25,428
Street Lighting	$ 141,490	$ 5,575	$ 135,915	$ -	$ 135,915
	$ 4,952,840	$ 376,994	$ 4,575,846	$ 24,326	$ 4,600,172

Name of LDC: Niagara-on-the-Lake Hydro Inc.
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Proposed Fixed Variable Revenue Allocation

Rate Class	Revenue Requirement from Rates A	Service Charge % Revenue B	Distribution Volumetric Rate % Revenue kWh C	Distribution Volumetric Rate % Revenue kW D	Service Charge Revenue E = A * B	Distribution Volumetric Rate Revenue kWh F = A * C	Distribution Volumetric Rate Revenue kW G = A * D	Revenue Requirement from Rates by Rate Class H = E + F + G
Residential	$ 2,272,010	62.8%	37.2%	0.0%	$ 1,426,094	$ 845,916	$ -	$ 2,272,010
General Service Less Than 50 kW	$ 1,126,815	58.4%	41.6%	0.0%	$ 657,648	$ 469,167	$ -	$ 1,126,815
General Service 50 to 4,999 kW	$ 1,040,004	47.6%	0.0%	52.4%	$ 495,181	$ -	$ 544,823	$ 1,040,004
Unmetered Scattered Load	$ 25,428	80.9%	19.1%	0.0%	$ 20,563	$ 4,865	$ -	$ 25,428
Street Lighting	$ 135,915	67.4%	0.0%	32.6%	$ 91,581	$ -	$ 44,334	$ 135,915
	$ 4,600,172				$ 2,691,067	$ 1,319,948	$ 589,157	$ 4,600,172

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Proposed Fixed and Variable Rates

Rate Class	Service Charge Revenue A	Distribution Volumetric Rate Revenue kWh B	Distribution Volumetric Rate Revenue kW C	Re-based Billed Customers or Connections D	Re-based Billed kWh E	Re-based Billed kW F	Proposed Base Service Charge G = A / D / 12	Proposed Base Distribution Volumetric Rate kWh H = B / E	Proposed Base Distribution Volumetric Rate kW I = C / F
Residential	$1,426,094	$ 845,916	$ -	6,584	66,607,551	0	18.05	0.0127	-
General Service Less Than 50 kW	$ 657,648	$ 469,167	$ -	1,209	34,497,593	0	45.33	0.0136	-
General Service 50 to 4,999 kW	$ 495,181	$ -	$ 544,823	123	80,852,618	208,072	335.07	-	2.6184
Unmetered Scattered Load	$ 20,563	$ 4,865	$ -	32	302,169	0	53.55	0.0161	-
Street Lighting	$ 91,581	$ -	$ 44,334	1,953	1,086,069	2,900	3.91	-	15.2880

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Adjustment required to Proposed Rates

Rate Class	Proposed Base Service Charge A	Proposed Base Distribution Volumetric Rate kWh B	Proposed Base Distribution Volumetric Rate kW C	Current Base Service Charge D	Current Base Distribution Volumetric Rate kWh E	Current Base Distribution Volumetric Rate kW F	Adjustment Required Base Service Charge G = A - D	Adjustment Required Base Distribution Volumetric Rate kWh H = B - E	Adjustment Required Base Distribution Volumetric Rate kW I = C - F
Residential	$ 18.05	$ 0.0127	$ -	$ 18.05	$ 0.0127	$ -	$ 0.00	$ 0.0000	$ -
General Service Less Than 50 kW	$ 45.33	$ 0.0136	$ -	$ 45.33	$ 0.0136	$ -	$ 0.00	$ 0.0000	$ -
General Service 50 to 4,999 kW	$ 335.07	$ -	$ 2.6184	$346.25	$ -	$ 2.7058	-$ 11.18	$ -	-$ 0.0874
Unmetered Scattered Load	$ 53.55	$ 0.0161	$ -	$ 53.55	$ 0.0161	$ -	-$ 0.00	$ -	$ -
Street Lighting	$ 3.91	$ -	$ 15.2880	$ 2.91	$ -	$ 11.3847	$ 1.00	$ -	$ 3.9033

Enter the above values onto Sheet
"D1.2 Revenue Cost Ratio Adj"
of the 2010 OEB IRM3 Rate Generator.

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Load Actual - Most Recent Year

Most Recent Year Reported - 2007

Rate Class	Fixed Metric	Vol Metric	Billed Customers or Connections A	Billed kWh B	Billed kW C	Base Service Charge D	Base Distribution Volumetric Rate kWh E	Base Distribution Volumetric Rate kW F	Service Charge Revenue 12	Distribution Volumetric Rate Revenue kWh H = B * E	Distribution Volumetric Rate Revenue kW I = C * F	Total Revenue by Rate Class J = G + H + I
Residential	Customer	kWh	0	0	0	$18.05	$0.0127	$0.0000	$0	$0	$0	$0
General Service Less Than 50 kW	Customer	kWh	0	0	0	$45.33	$0.0136	$0.0000	$0	$0	$0	$0
General Service 50 to 4,999 kW	Customer	kW	0	0	0	$346.25	$0.0000	$2.7058	$0	$0	$0	$0
Unmetered Scattered Load	Customer	kWh	0	0	0	$53.55	$0.0161	$0.0000	$0	$0	$0	$0
Street Lighting	Connection	kW	0	0	0	$2.91	$0.0000	$11.3847	$0	$0	$0	$0
									$0	**$0**	**$0**	**$0**

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Capital Structure Transition

Capital Structure Transition

Size of Utility (Rate Base)

Year	Small [$0, $100M)			Med-Small [$100M,$250M)			Med-Large [$250M,$1B)			Large >=$1B		
	Short Term Debt	Long Term Debt	Equity	Short Term Debt	Long Term Debt	Equity	Short Term Debt	Long Term Debt	Equity	Short Term Debt	Long Term Debt	Equity
2007	4.0%	46.0%	50.0%	4.0%	51.0%	45.0%	4.0%	56.0%	40.0%	4.0%	61.0%	35.0%
2008	4.0%	49.3%	46.7%	4.0%	53.5%	42.5%	4.0%	56.0%	40.0%	4.0%	58.5%	37.5%
2009	4.0%	52.7%	43.3%	4.0%	56.0%	40.0%	4.0%	56.0%	40.0%	4.0%	56.0%	40.0%
2010	4.0%	56.0%	40.0%	4.0%	56.0%	40.0%	4.0%	56.0%	40.0%	4.0%	56.0%	40.0%

Rate Base	***A***	$21,857,012
Size of Utility	***B***	Small

Deemed Capital Structure

	Short Term Debt	Long Term Debt	Equity
2008	4.0%	49.3%	46.7%
2009	4.0%	52.7%	43.3%
2010	4.0%	56.0%	40.0%

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K-Factor Adjustment

Applicants Rate Base	Last Rate Re-Basing Amount			
Average Net Fixed Assets				
Gross Fixed Assets - Re-Basing Opening	$36,453,097	A		
Add: CWIP Re-Basing Opening	$ -	B		
Re-Basing Capital Additions	$ 1,877,496	C		
Re-Basing Capital Disposals	-$ 25,000	D		
Re-Basing Capital Retirements	$ -	E		
Deduct: CWIP Re-Basing Closing	$ -	F		
Gross Fixed Assets - Re-Basing Closing	$38,305,593	G		
Average Gross Fixed Assets			$ 37,379,345	H
Accumulated Depreciation - Re-Basing Opening	$17,239,948	I		
Re-Basing Depreciation Expense	$ 1,330,077	J		
Re-Basing Disposals	-$ 10,600	K		
Re-Basing Retirements	$ -	L		
Accumulated Depreciation - Re-Basing Closing	$18,559,426	M		
Average Accumulated Depreciation			$ 17,899,687	N
Average Net Fixed Assets			$ 19,479,658	O
Working Capital Allowance				
Working Capital Allowance Base	$15,849,028	P		
Working Capital Allowance Rate	15.0%	Q		
Working Capital Allowance			**$ 2,377,354**	R
Rate Base			**$ 21,857,012**	S
Return on Rate Base				
Deemed ShortTerm Debt %	**4.00%**	T	$ 874,280	W
Deemed Long Term Debt %	**56.00%**	U	$ 12,239,927	X
Deemed Equity %	**40.00%**	V	$ 8,742,805	Y
Short Term Interest	1.33%	Z	$ 11,628	AC
Long Term Interest	6.04%	AA	$ 739,292	AD
Return on Equity	8.01%	AB	$ 700,299	AE
Return on Rate Base			**$ 1,451,218**	AF
Distribution Expenses				
OM&A Expenses	$ 1,878,791	AG		
Amortization	$ 1,243,584	AH		
Ontario Capital Tax	$ 15,428	AI		
Grossed Up PILs	$ 351,762	AJ		
Low Voltage	$ -	AK		
Transformer Allowance	$ 24,326	AL		
	$ -	AM		
	$ -	AN		
	$ -	AO		
			$ 3,513,892	AP
Revenue Offsets				
Specific Service Charges	-$ 115,430	AQ		
Late Payment Charges	-$ 48,070	AR		
Other Distribution Income	-$ 97,207	AS		
Other Income and Deductions	-$ 116,287	AT	**-$ 376,994**	AU
Revenue Requirement from Distribution Rates (after Capital Structure Transition)			**$ 4,588,116**	AV
Revenue Requirement from Distribution Rates (Before Capital Structure Transition)			**$ 4,602,325**	AW
K-factor Adjustment			-0.31%	AX

Enter the above value onto Sheet "D2.2 K-Factor Adjustment" of the 2010 OEB IRM3 Rate Generator.

Name of LDC: Niagara-on-the-Lake Hydro Inc.
File Number: EB-2009-0237
Effective Date: May 1, 2010

Z-Factor Tax Changes

Summary - Sharing of Tax Change Forecast Amounts

1. Tax Related Amounts Forecast from Capital Tax Rate Changes	2009	2010
Taxable Capital	$21,857,012	$21,857,012
Deduction from taxable capital up to $15,000,000	$15,000,000	$15,000,000
Net Taxable Capital	$ 6,857,012	$ 6,857,012
Rate	0.225%	0.150%
Ontario Capital Tax (Deductible, not grossed-up)	**$ 15,428**	**$ 5,129**

2. Tax Related Amounts Forecast from Income Tax Rate Changes	2009	2010
Regulatory Taxable Income	$ 763,707	$ 763,707
Corporate Tax Rate	28.9%	27.9%
Tax Impact	$ 220,731	$ 213,094
Grossed-up Tax Amount	**$ 310,463**	**$ 295,564**

Tax Related Amounts Forecast from Capital Tax Rate Changes	$ 15,428	$ 5,129
Tax Related Amounts Forecast from Income Tax Rate Changes	$ 310,463	$ 295,564
Total Tax Related Amounts	**$ 325,891**	**$ 300,692**
Incremental Tax Savings		**-$ 25,198**
Total Tax Savings (2009 - 2012)		
Sharing of Tax Savings (50%)		**-$ 12,599**
Total Sharing of Tax Savings (50%)		

Name of LDC: Niagara-on-the-Lake Hydro Inc.
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Effective Date: May 1, 2010

Calculate Tax Change Rate Rider Option B Volumetric

Rate Class	Total Revenue $ by Rate Class A	Total Revenue % by Rate Class B = A / $H	Total Z-Factor Tax Change$ by Rate Class C = $I * B	Billed kWh D	Billed kW E	Distribution Volumetric Rate kWh Rate Rider F = C / D	Distribution Volumetric Rate kW Rate Rider G = C / E
Residential	$2,272,010	49.39%	-$6,223	66,607,551	0	-$0.000093	
General Service Less Than 50 kW	$1,126,815	24.50%	-$3,086	34,497,593	0	-$0.000089	
General Service 50 to 4,999 kW	$1,040,004	22.61%	-$2,848	80,852,618	208,072		-$0.013690
Unmetered Scattered Load	$25,428	0.55%	-$70	302,169	0	-$0.000230	
Street Lighting	$135,915	2.95%	-$372	1,086,069	2,900		-$0.128367
	$4,600,172	100.00%	-$12,599				
	H		- I				

Enter the above value onto Sheet "J2.1 Tax Change Rate Rider" of the 2010 OEB IRM3 Rate

Ontario

Name of LDC: Niagara-on-the-Lake Hydro Inc.
File Number: EB-2009-0237
Effective Date: May 1, 2010

Threshold Parameters

Price Cap Index

Price Escalator (GDP-IPI)	2.30%	
Less Productivity Factor	-0.72%	
Less Stretch Factor	-0.40%	
Price Cap Index		**1.18%**

Enter the above value onto Sheet "F1.2 Price Cap Adjustment" of the 2010 OEB IRM3 Rate Generator.

Growth

Re-Based Revenue Requirement From Rates	$4,600,172	A
Most Recent Year Reported Revenue Requirement From Rates	$ -	B
Growth	**0.00%**	C

Name of LDC: Niagara-on-the-Lake Hydro Inc.
File Number: EB-2009-0237
Effective Date: May 1, 2010

Threshold Test

Year	2009	
Status	Re-Basing	
Price Cap Index	**1.18%**	**A**
Growth	**0.00%**	**B**
Dead Band	**20%**	**C**
Average Net Fixed Assets		
Gross Fixed Assets Opening	$36,453,097	
Add: CWIP Opening	$ -	
Capital Additions	$ 1,877,496	
Capital Disposals	-$ 25,000	
Capital Retirements	$ -	
Deduct: CWIP Closing	$ -	
Gross Fixed Assets - Closing	$38,305,593	
Average Gross Fixed Assets	$37,379,345	
Accumulated Depreciation - Opening	$17,239,948	
Depreciation Expense	$ 1,330,077	**D**
Disposals	-$ 10,600	
Retirements	$ -	
Accumulated Depreciation - Closing	$18,559,426	
Average Accumulated Depreciation	$17,899,687	
Average Net Fixed Assets	$19,479,658	**E**
Working Capital Allowance		
Working Capital Allowance Base	$15,849,028	
Working Capital Allowance Rate	15%	
Working Capital Allowance	$ 2,377,354	**F**
Rate Base	**$21,857,012**	**G = E + F**
Depreciation	**D $ 1,330,077**	**H**
Threshold Test	**139.39%**	**I = 1 + (G / H) * (B + A * (1 + B)) + C**
Threshold CAPEX	$ 1,854,006	**J = H *I**

Name of LDC: Niagara-on-the-Lake Hydro Inc.
File Number: EB-2009-0237
Effective Date: May 1, 2010

Summary of Incremental Capital Projects

Number of ICP's
6

Project ID #	Incremental Capital Non-Discretionary Project Description	Incremental Capital CAPEX	Amortization Expense	CCA
ICP 1				
ICP 2				
ICP 3				
ICP 4				
ICP 5				
ICP 6				
		0	0	0

Name of LDC: Niagara-on-the-Lake Hydro Inc.
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Incremental Capital Adjustment

Current Revenue Requirement				
Current Revenue Requirement - Total			$ 4,602,325	A

Return on Rate Base				
Incremental Capital CAPEX			$ -	B
Depreciation Expense			$ -	C
Incremental Capital CAPEX to be included in Rate Base			$ -	D = B - C
Deemed ShortTerm Debt %	4.0%	E	$ -	G = D * E
Deemed Long Term Debt %	56.0%	F	$ -	H = D * F
Short Term Interest	1.33%	I	$ -	K = G * I
Long Term Interest	6.04%	J	$ -	L = H * J
Return on Rate Base - Interest			$ -	M = K + L
Deemed Equity %	40.0%	N	$ -	P = D * N
Return on Rate Base -Equity	8.01%	O	$ -	Q = P * O
Return on Rate Base - Total			$ -	R = M + Q

Amortization Expense				
Amortization Expense - Incremental		C	$ -	S

Grossed up PIL's				
Regulatory Taxable Income		O	$ -	T
Add Back Amortization Expense		S	$ -	U
Deduct CCA			$ -	V
Incremental Taxable Income			$ -	W = T + U - V
Current Tax Rate (F1.1 Z-Factor Tax Changes)	28.9%	X		
PIL's Before Gross Up			$ -	Y = W * X
Incremental Grossed Up PIL's			$ -	Z = Y / (1 - X)

Ontario Capital Tax				
Incremental Capital CAPEX			$ -	AA
Less : Available Capital Exemption (if any)			$ -	AB
Incremental Capital CAPEX subject to OCT			$ -	AC = AA - AB
Ontario Capital Tax Rate (F1.1 Z-Factor Tax Changes)	0.225%	AD		
Incremental Ontario Capital Tax			$ -	AE = AC * AD

Incremental Revenue Requirement				
Return on Rate Base - Total		Q	$ -	AF
Amortization Expense - Total		S	$ -	AG
Incremental Grossed Up PIL's		Z	$ -	AH
Incremental Ontario Capital Tax		AE	$ -	AI
Incremental Revenue Requirement			$ -	AJ = AF + AG + AH + AI

Name of LDC: Niagara-on-the-Lake Hydro Inc.
File Number: EB-2009-0237
Effective Date: May 1, 2010

Calculation of Incremental Capital Rate Adder - Option A Fixed and Variable

Rate Class	Service Charge % Revenue A	Distribution Volumetric Rate % Revenue kWh B	Distribution Volumetric Rate % Revenue kW C	Service Charge Revenue D = $N * A	Distribution Volumetric Rate Revenue kWh E = $N * B	Distribution Volumetric Rate Revenue kW F = $N * C	Total Revenue by Rate Class F	Billed Customers or Connections H	Billed kWh I	Billed kW J	Service Charge Rate Rider K = D / H / 12	Distribution Volumetric Rate kWh Rate Rider L = E / I	Distribution Volumetric Rate kW Rate Rider M = F / J
Residential	31.0%	18.4%	0.0%	$ -	$ -	$ -	$ -	6,584	66,607,551	0	$0.000000	$0.000000	
General Service Less Than 50 kW	14.3%	10.2%	0.0%	$ -	$ -	$ -	$ -	1,209	34,497,593	0	$0.000000	$0.000000	
General Service 50 to 4,999 kW	10.8%	0.0%	11.8%	$ -	$ -	$ -	$ -	123	80,852,618	208,072	$0.000000	$0.000000	$0.000000
Unmetered Scattered Load	0.4%	0.1%	0.0%	$ -	$ -	$ -	$ -	32	302,169	0	$0.000000	$0.000000	
Street Lighting	2.0%	0.0%	1.0%	$ -	$ -	$ -	$ -	1,953	1,086,069	2,900	$0.000000	$0.000000	$0.000000
	58.5%	28.7%	12.8%	$ -	$ -	$ -	$ -						
							-						
							N						

Enter the above value onto Sheet "J1.2 Incremental Cap Fund Adder" of the 2010 OEB IRM3 Rate Generator.

Name of LDC: Niagara-on-the-Lake Hydro Inc.
File Number: EB-2009-0237
Effective Date: May 1, 2010

Calculation of Incremental Capital Rate Adder - Option B Variable

Rate Class	Total Revenue $ by Rate Class A	Total Revenue % by Rate Class B = A / $H	Total Incremental Capital $ by Rate Class C = $I * B	Billed kWh D	Billed kW E	Distribution Volumetric Rate kWh Rate Rider F = C / D	Distribution Volumetric Rate kW Rate Rider G = C / E
Residential	$2,272,010	49.39%	$0	66,607,551	0	$0.000000	
General Service Less Than 50 kW	$1,126,815	24.50%	$0	34,497,593	0	$0.000000	
General Service 50 to 4,999 kW	$1,040,004	22.61%	$0	80,852,618	208,072		$0.000000
Unmetered Scattered Load	$25,428	0.55%	$0	302,169	0	$0.000000	
Street Lighting	$135,915	2.95%	$0	1,086,069	2,900		$0.000000
	$4,600,172	100.00%	$0				
	H		I				

Enter the above value onto Sheet "J1.2 Incremental Cap Fund Adder" of the 2010 OEB IRM3 Rate Generator.