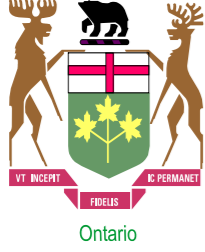


Name of LDC: Bluewater Power Distribution Corporation
File Number: ED-2002-0517
Effective Date: Saturday, May 01, 2010

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	\$10,036,108	52.28%	-\$28,451	261,847,739	0	-\$0.000109	
General Service Less Than 50 kW	\$3,210,086	16.72%	-\$9,100	120,287,121	0	-\$0.000076	
General Service 50 to 999 kW	\$2,742,187	14.28%	-\$7,774	214,354,332	588,341		-\$0.013213
General Service 1,000 to 4,999 kW	\$1,025,811	5.34%	-\$2,908	165,546,229	372,459		-\$0.007808
Large Use	\$1,530,763	7.97%	-\$4,340	280,461,771	421,890		-\$0.010286
Unmetered Scattered Load	\$123,863	0.65%	-\$351	2,188,838	0	-\$0.000160	
Sentinel Lighting	\$39,994	0.21%	-\$113	684,138	1,637		-\$0.069260
Street Lighting	\$488,916	2.55%	-\$1,386	8,719,920	23,562		-\$0.058825
	\$19,197,728 H	100.00%	-\$54,424 I				

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



Name of LDC: Bluewater Power Distribution Corporation
File Number: ED-2002-0517
Effective Date: Saturday, May 01, 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%

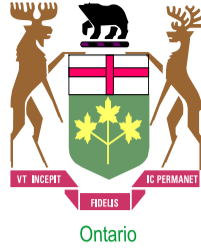
Enter the above value onto Sheet
"F1.2 Price Cap Adjustment"
of the 2010 OEB IRM3 Rate Generator.

Growth

Re-Based Revenue Requirement From Rates	<u>\$19,197,728</u>	A
Most Recent Year Reported Revenue Requirement From Rates	<u>\$ -</u>	B

Growth

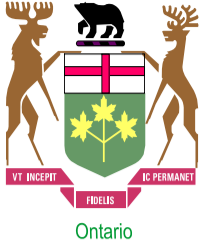
0.00% C



Name of LDC: Bluewater Power Distribution Corporation
File Number: ED-2002-0517
Effective Date: Saturday, May 01, 2010

Threshold Test

Year	2008	
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	\$89,892,081	
Add: CWIP Opening	\$ -	
Capital Additions	\$ 4,924,628	
Capital Disposals	\$ -	
Capital Retirements	-\$ 1,509,513	
Deduct: CWIP Closing	\$ -	
Gross Fixed Assets - Closing	\$93,307,196	
Average Gross Fixed Assets	<u>\$91,599,639</u>	
Accumulated Depreciation - Opening	\$51,947,265	
Depreciation Expense	\$ 4,120,022	D
Disposals	\$ -	
Retirements	-\$ 613,951	
Accumulated Depreciation - Closing	\$55,453,336	
Average Accumulated Depreciation	<u>\$53,700,301</u>	
Average Net Fixed Assets	<u>\$37,899,338</u>	E
Working Capital Allowance		
Working Capital Allowance Base	\$82,763,388	
Working Capital Allowance Rate	12%	
Working Capital Allowance	<u>\$ 9,931,607</u>	F
Rate Base	<u>\$47,830,944</u>	G = E + F
Depreciation	D \$ 4,120,022	H
Threshold Test	133.70%	I = 1 + (G / H) * (B + A * (1 + B)) + (
Threshold CAPEX	<u>\$ 5,508,432</u>	J = H * I



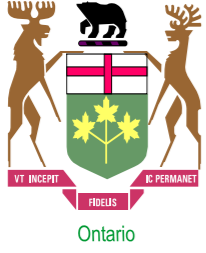
Name of LDC: Bluewater Power Distribution Corporation
File Number: ED-2002-0517
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Summary of Incremental Capital Projects

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: Bluewater Power Distribution Corporation
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Incremental Capital Adjustment

Current Revenue Requirement

Current Revenue Requirement - Total	\$ 19,204,192	A
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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	7.62%	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
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Grossed up PIL's

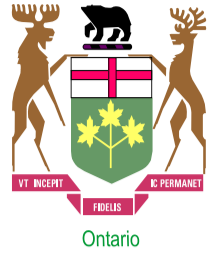
Regulatory Taxable Income		O	\$ -	T
Add Back Amortization Expense		S	\$ -	U
Deduct CCA			\$ -	V
Incremental Taxable Income			\$ -	W = T + U - V
Current Tax Rate (F1.1 Z-Factor Tax Changes)	33.0%	X		
PIL's Before Gross Up			\$ -	Y = W * X
Incremental Grossed Up PIL's			\$ -	Z = Y / (1 - X)

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



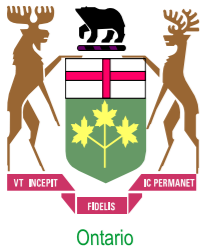
Name of LDC: Bluewater Power Distribution Corporation
 File Number: ED-2002-0517
 Effective Date: Saturday, May 01, 2010

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

Rate Class	Distribution Volumetric			Service Charge Revenue D = \$N * A	Distribution Volumetric		Total Revenue by Rate Class F	Billed Customers or Connections			Distribution Volumetric		
	Service Charge % Revenue A	Rate % Revenue kWh B	Rate % Revenue kW C		Distribution Rate Revenue kWh E = \$N * B	Distribution Rate Revenue kW F = \$N * C		Customers H	Billed kWh I	Billed kW J	Service Charge Rate Rider K = D / H / 12	Distribution Rate kWh Rider L = E / I	Distribution Rate kW Rider M = F / J
Residential	26.9%	25.4%	0.0%	\$ -	\$ -	\$ -	\$ -	31,560	261,847,739	0	\$0.000000	\$0.000000	
General Service Less Than 50 kW	5.9%	10.8%	0.0%	\$ -	\$ -	\$ -	\$ -	3,890	120,287,121	0	\$0.000000	\$0.000000	
General Service 50 to 999 kW	3.5%	0.0%	10.8%	\$ -	\$ -	\$ -	\$ -	399	214,354,332	588,341	\$0.000000	\$0.000000	\$0.000000
General Service 1,000 to 4,999 kW	2.9%	0.0%	2.5%	\$ -	\$ -	\$ -	\$ -	15	165,546,229	372,459	\$0.000000	\$0.000000	\$0.000000
Large Use	4.7%	0.0%	3.3%	\$ -	\$ -	\$ -	\$ -	3	280,461,771	421,890	\$0.000000	\$0.000000	\$0.000000
Unmetered Scattered Load	0.2%	0.4%	0.0%	\$ -	\$ -	\$ -	\$ -	266	2,188,838	0	\$0.000000	\$0.000000	
Sentinel Lighting	0.1%	0.0%	0.1%	\$ -	\$ -	\$ -	\$ -	526	684,138	1,637	\$0.000000	\$0.000000	\$0.000000
Street Lighting	1.0%	0.0%	1.5%	\$ -	\$ -	\$ -	\$ -	10,009	8,719,920	23,562	\$0.000000	\$0.000000	\$0.000000
	45.2%	36.6%	18.2%	\$ -	\$ -	\$ -	\$ -						

N

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



Name of LDC: Bluewater Power Distribution Corporation
File Number: ED-2002-0517
Effective Date: Saturday, May 01, 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	\$10,036,108	52.28%	\$0	261,847,739	0	\$0.000000	
General Service Less Than 50 kW	\$3,210,086	16.72%	\$0	120,287,121	0	\$0.000000	
General Service 50 to 999 kW	\$2,742,187	14.28%	\$0	214,354,332	588,341		\$0.000000
General Service 1,000 to 4,999 kW	\$1,025,811	5.34%	\$0	165,546,229	372,459		\$0.000000
Large Use	\$1,530,763	7.97%	\$0	280,461,771	421,890		\$0.000000
Unmetered Scattered Load	\$123,863	0.65%	\$0	2,188,838	0	\$0.000000	
Sentinel Lighting	\$39,994	0.21%	\$0	684,138	1,637		\$0.000000
Street Lighting	\$488,916	2.55%	\$0	8,719,920	23,562		\$0.000000
	\$19,197,728	100.00%	\$0				

H

I

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