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Ontario Energy Board
27th Floor
2300 Yonge Street
Toronto, ON
M4P 1E4

November 20, 2009

Dear Ms. Walli,

RE: EB-2009-0259
2010 Electricity Distribution Rate Application for Burlington Hydro Inc.
Responses to Interrogatories

Please find attached the responses to interrogatories related to the 2010 Cost of Service Electricity Distribution Rate Application from Burlington Hydro Inc ("BHI"), requesting new distribution rates effective May 1, 2010.

BHI has used the following numbering system for ease of reference, included in the header:

Q1.1-Q1.33 – Board Staff questions and responses
Q2.1-Q2.37 – Energy Probe questions and responses
Q3.1-Q3.22 – School Energy Coalition questions and responses
Q4.1-Q4.38 – VECC questions and responses

BHI has included two paper copies and one CD with all electronic files. BHI has also filed through the Board's web portal at www.err.oeb.gov.on.ca.

I can be reached at 905-332-2265 should anything further be required.

Yours truly,

original signed by

Michael Kysley
Chief Financial Officer

Burlington Hydro Inc.
Response to Interrogatory from Board Staff
Question 1

Question:

Manager's Summary
Ref: Exhibit 1/Tab 2/Sch. 6 – Revenue Requirement Workform

Please submit the Microsoft Excel file containing the revenue requirement workform.

Response:

Burlington has provided a Microsoft Excel file containing the revenue requirement workform on the CD submitted to the OEB with all interrogatory responses.

Question Date: October 30, 2009
Response Date: November 20, 2009

Burlington Hydro Inc.
Response to Interrogatory from Board Staff
Question 2

Question:

Capital Expenditures
Ref: Exhibit 2/Tab 4/Sch. 5/PG.9 – Fairwood & Woodward MS Lead Cable Replacement

The evidence states that the 2007 budgeted amount for the above project is $8. Please confirm and/or update the 2007 budgeted amount.

Response:

The Fairwood and Woodward MS lead cable replacements was completed June 2006. The stray material charge of $8 was inadvertently charged to the incorrect work order number. The material cost represents a 10 foot length, 4 inch diameter rigid conduit used to cover exposed cables on hydro riser poles.

Burlington Hydro Inc.
Response to Interrogatory from Board Staff
Question 3

Question:

Capital Expenditures
Ref: Exhibit 2/Tab 4/Sch.5/Pg. 12 and Exhibit 2/Tab 4/Sch. 6/Pg. 9 – Subdivisions Assumed

Project Name	2008 Budget Amount	2010 Budget Amount
Subdivision Assumed	$ 617,676	$ 2,000,000
Variance		$1,382,324
		224%

Please provide an explanation for the above variance.

Response:

The projected 2010 budget amount of $2,000,000 is higher than the actual 2008 assumed budget amount as Burlington is anticipating an increase in the number of subdivisions assumed. Burlington has experienced significant growth over the past years and there is potential for a large number of developments that could be assumed, however, there remains outstanding condition(s) holding up these developments being assumed. The onus is on the Developer to complete the last outstanding conditions to Burlington Hydro satisfaction prior to assumption of the development by Burlington Hydro. The projected amount in 2010 considers the cost for assumed assets associated with developments that were expected to be assumed earlier but were delayed. Given a current slow down in building, many developers are addressing these outstanding conditions.

Burlington Hydro Inc.
Response to Interrogatory from Board Staff
Question 4

Question:

Capital Expenditures
Ref: Exhibit 2/Tab 4/Sch. 7/Pg.3 – Burlington Performing Arts Centre

Please provide the in-service date for the above project.

Response:

The bulk of the work associated with Burlington Performing Arts Centre was the burial of the overhead pole line adjacent to the new Burlington Performing Arts Centre site. The overhead assets were replaced with underground distribution assets. The in service date of the capital assets and expenditures was Monday, August 10, 2009.

Burlington Hydro Inc.
Response to Interrogatory from Board Staff
Question 5

Question:

Capital Expenditures
Ref: Exhibit 2/Tab 3/Sch. 1/Pg. 4

Please provide the percentage of the completed expenditures as compared to total 2009 bridge year budget of $8,446,500 as of September 30, 2009 or the latest information that is available.

Response:

The percentage of the completed expenditures as compared to total 2009 bridge year budget of $8,446,500 as of September 30, 2009 is 77%.

Burlington Hydro Inc.
Response to Interrogatory from Board Staff
Question 6

Question:

Capital Expenditures
Ref: Exhibit 2/Tab 4/Sch. 1/Pg. 4-5

Between 2006 and 2008, the total amount for capital expenditures per year has increased significantly. Board staff notes that from 2006 and 2007, capital expenditures increased 46%. ($2,247,125) and from 2007 to 2008 capital expenditures increased 37.2% ($2,649,392).

Please comment on these increases to capital expenditures and complete the following table.

Project Name	**Amount for 2006**	**Amount for 2007**	**Amount for 2008**
Project 1			
Project 2			
Project 3			
Etc.			
Total			

Response:

The table below provides a summary of capital expenditures per year. Detailed information is provided at that attached table, Actual 2006 – 2008 Expenditures.

	2006	2007	2008
Net Capital Expenditure	*$4,880,740	*$7,127,864	*$9,777,253
Variance		46%	37%

*Values shown above were taken from EB-2009-0259, Exhibit 2, Tab 4, Schedule 1, Pages 3, 4, 5

Comments on Variances from 2006 to 2007 and from 2007 to 2008:
The observed variances mentioned in the question refer to the net capital contribution amount. The capital contributions received in 2006 were notably higher than in 2007 and 2008. From a general perspective the numerous projects completed in 2008 were significant in scope such as the Bronte Feeders extension (over $1,000,000). In addition to this the cost to acquire the lands from Hydro One for the Palermo feeders was completed in 2008, $575,000.

- The projects were generated by BHI, City, Federal Government, and the Region.
- The City of Burlington alone had scheduled 2 large rebuild projects in 2008 – Uppermiddle grade separation, Guelph Line rebuild, $651,659.
- The Region had commenced their Uppermiddle Rd/Burloak Dr. reconstruction in 2008, $291,000.
- Over the course of 2007 and 2008 the cost for updating the control room equipment occurred, $475,000. In 2007 and 2008 the trades purchased a large number of vehicles, $830,000.
- In 2008 the PCB transformer replacement program took off, $500,000.
- From a maintenance end, substantial roof repairs were required, $161,000.

- Costs for the new GIS were captured to begin the vendor selection and conversion process, $200,000. Unplanned capital expenditures such as the Lasalle Towers transformer replacement also contributes to the capital variance, $90,000.

Actual 2006-2008 Expenditures			
Project Name	**2006**	**2007**	**2008**
Upgrade Relays to Solid State - Walkers Station	24,778	4,745	32,303
Upgrade Relays to Solid State - Current Transducers	3,671		
Recomission Substations - Various Locations	103,447	115,107	175,356
SCADA System Upgrade	12,168	241,961	233,576
Conversion of Communications to Fibre	761		
Pole Replacement Program	329,057	302,191	550,855
SCADAMATE Program	296,957	439,076	583,334
#5155 Dundas - Hanson Brick Meter Tank Replacement	16,866		
#1215 Appleby Line - Install 4 Sidewalk Slabs	5,648		
Hydro ROW - Pole Replacement Bridgeview MS to Old York Road	49,708		
Structures - Overhead Primary	506,355	524,574	344,149
Structures - Overhead Secondary	122,753	51,176	14,855
North Side of QEW at Guelph Line	3,078		
Uppermiddle Road Cable Replacement - Ph 2	5,672		
Conductors - Overhead Primary	367,700	338,468	190,779
Replacement of Permalli Deadend Insulators	37,807		
Conductors - Overhead Secondary	40,486	39,122	27,474
Subdivisions Assumed	1,511,100	1,025,089	617,674
System Optimization	517,127		
Lakeshore Road 27.6kV Feeder Extension	313		
Palmer Subdivision Primary Cable Rebuild PH 3	673		
Conductors - Underground Primary	418,851	365,604	486,033
Conductors - Underground Secondary	2,525	17,369	2,391
Transformer Oil Testing	90,214	60,610	
Transformer - Overhead Primary	306,223	221,682	321,963
Transformer - Underground Primary	1,335,848	947,444	1,054,611
Spare Transformers	(216,279)	105,372	75,631
Conductors - Overhead Services	83,932	87,688	77,210
Conductors - Underground Services	534,686	564,003	823,280
Temporary Services Revenue	10,200	14,000	(49,400)
Metering Installed	468,052	229,525	
Wholesale Metering Upgrades at Burlington and Cumberland TS	(460)		
Smart Meters Installed	28,371	(34,795)	45,418
Spare Meters	28,046	94,866	
Smart Metering Pilot	77,372	48,491	
Work Management/Standards	34,451		
Utilocate Module	3,618		
Daffron Cust. Programming	15,589		
Financials/WMS - custom programming	24,741		
MV90 Software Smart Metering	34,575		
MV90 Installation	10,486		
Replacement for Digger Truck #35	228,046		
Small Vehicle Replacement	199,681	343,127	
Disposals	(267,331)	(69,487)	(389,053)
Fairwood & Woodward MS	121,668		
Structures - Underground Primary	98,136	46,248	40,808
Structures - Underground Services	46,394	21,029	20,132
Buildings and Fixture Upgrades	60,728	52,993	
Office Furniture and Equipment Upgrades	68,126	21,758	7,663
Computer Equipment - Hardware	84,324	44,311	50,532

Actual 2006-2008 Expenditures			
Project Name	**2006**	**2007**	**2008**
Tools, Shop and Garage Equipment	28,256	81,035	19,825
Switchgear Replacement - Elizabeth MS		322,257	
Repaint Appleby MS T1 & T2		24,075	
Battery Bank and Charges		9,157	11,554
ROW Pole Replacement Brant to TS39		92,341	
Hydro One ROW - Burloak to Bronte Feeders		379,111	
CDM Distribution System Improvements SCADAMATES		499,823	
Fault Indicator Installations		7,622	267
Pollard Windows		23,239	
Tyandage Cable Replacement Program		360,816	
Downtown Lakeshore Road 27.6kV Feeder Extension		578,354	
Brant Street Streetscape Refurbishment by City - Manhole Adjustment		72,177	
Dryden Avenue Extension - City Project		154	
Structures - Underground Secondary		8,919	7,900
Fairwood and Woodward MS Lead Cable Replacement		8	
Lasalle Towers at Northshore Blvd.		90,223	
Lowville MS - Replacement of Lead Cable		83,661	
PCB Compliance - Transformer Replacement		38,366	528,448
Pinecove MS - Spare Transformer Repair		18,696	
Structures - Overhead Service		13,241	5,750
Cross Phase Analysis (Rodan)		11,500	
Hot Water Heater		8,950	
Storage Room		4,130	
Roof Repairs		160,812	16,896
Driveway Repairs		13,824	
Office Building		9,500	
Enterprise		27,649	
Materials Management		74,172	
Custom Programming		14,014	
Lotus Notes		12,960	
GIS Product Evaluation		24,859	
U2 License Dispatcher Software		8,561	
Web Security Suite		3,242	
Wi Fi Network		30,300	
Howard and Partridge		1,197	
Land Rights - Palermo Feeders			176,418
Substation			108,974
Fence			8,998
UPPERMIDDLE ROAD GRADE SEPARATION STORM SEWER			9,324
FAIRVIEW STREET WIDENING AT WALMART			177,041
POLE REPLACEMENT IN ROW - LEIGHLAND TO FAIRVIEW			187,624
QEW/BURLOAK CROSSING OF BRONTE FEEDER			159,660
HYDRO ONE ROW BRONTE FEEDERS INSTALLATION			1,077,901
UPPERMIDDLE ROAD GRADE SEPARATION BY CITY			420,694
TREMAINE RD SOUTH OF NO. 1 SIDE RD			120,887
NO 6 HWY - MTO ROAD CONSTRUCTION			34,093
DERRY RD FEEDER INSTALLATION			25,045
UPPERMIDDLE/BURLOAK REGION PROJECT			291,104
GUELPH LINE SOUTH OF PROSPECT - CITY RECONSTRUCTION			230,965
Walkers and Uppermiddle - Commercial Service			26,325
ROW POLE REPLACEMENT - BRANT STREET TO TS39			96,729
BURLINGTON HYDRO TO PROVIDE CLEAR PASSAGE FOR OVERSIZED LOAD			1,646
FAIRVIEW STREET & BRANT STREET - WALMART SERVICE			154,034
HAVENDALE SUBDIVISION PRIMARY CABLE REPLACEMENT			341,803
TYANDAGA SUBDIVISION PRIMARY CABLE REPLACEMENT			7,938
DOWNTOWN LAKESHORE ROAD - 27.6kV FEEDER EXTENSION			253
BURLINGTON PERFORMING ARTS CENTRE - BURIAL OF POLE LINE			129,425
MAPLEVIEW MALL EXTENSION			104,991
RAVINES OF GLOUSCESTER - NEW SERVICE			4,223
QEW WIDENING BY MTO - BRANT STREET TO BURLOAK DRIVE			1,800
PALMER SUBDIVISION PRIMARY CABLE REPLACEMENT			4
BRANT STREET STREETSCAPE BY CITY - MANHOLE ADJUSTMENT			1,249
MATTAMY HOMES - #4011 DUNDAS - COMMERCIAL DEVELOPMENT			80
LOWVILLE M.S. - REPLACEMENT OF LEAD CABLES			(5,735)
ARTISANS #1370- REPLACEMENT OF TRANSFORMER FOR VOLTAGE CHANGE			438
Sun Screen			17,291
Carpet Roof			47,120
Painting			132,805
Rain Screen			21,751
Roof Repairs			6,121
Fence Alarm			2,505
Garage Siding			31,321
GIS Mapping			191,963
Licenses			51,378
Daffron Cust. Programming			14,986
Van			69,888
Vehicles			421,221
Palermo Feeder			575,000
Measurement and Testing Equipment			16,740
Contributions and Grants	(3,034,454)	(2,244,428)	(1,644,982)
Total	**4,882,746**	**7,129,871**	**9,779,261**

Question Date: October 30, 2009
Response Date: November 20, 2009

Burlington Hydro Inc.
Response to Interrogatory from Board Staff
Question 7

Question:

Load Forecasting and Methodology
Ref: Exhibit 3/Tab 2/Sch. 1/Pg. 4-9

On page 7 the applicant stated that the process of developing a model of energy usage involves estimating multifactor models using different input variable to predict total system purchased energy. Amongst others, Burlington also used the Ontario real GDP monthly index numbers which came from the Ontario Ministry of Finance's "Ontario Economic Outlook and Fiscal Review" (2003, 2008 and 2009 Outlook) and Number of Customers. On page 9, Burlington provided the equation resulting from the multifactor regression model.

(i) Explain why GDP is included in the multifactor regression model when the only output is the 2008 weather normalized load. Please re-estimate 2008 weather normalized load using only weather related variables.

(ii) Explain why a more localized GDP forecast was not used.

Response:

(i) The reference to 2008 at line 2 of Exhibit 3, Tab 2, Schedule 1 should read "2009 and 2010". As result, Burlington Hydro multifactor regression model is used for the 2009 and 2010 weather normalized load forecast.

(ii) A more localized GDP forecast was not used since Burlington Hydro was not aware of a reliable economic indicator that reflected the economic conditions of the Burlington Hydro service area for the period 1996 to 2008 (i.e. the period of the regression analysis).

Burlington Hydro Inc.
Response to Interrogatory from Board Staff
Question 8

Question:

Other Revenues
Ref: Exhibit 3/Tab 3/Sch. 1/Pg. 1 – Interest and Dividend Income

Please provide a breakdown of the interest income for 2007, 2008, 2009 and 2010 that is related to:

(i) Monthly interest earned in the bank account
(ii) Interest on Regulatory assets/Liabilities
(iii) Interest earned on load Burlington has made to its affiliate businesses
(iv) All other sources.

Response:

Exhibit 3/Tab 3/Sch. 1/Pg. 1

Account No. 4405 - Interest and Dividend Income

Please note that interest costs associated with deferral accounts, variance accounts and regulatory assets were included in error for the years 2006 to 2008 for rate purposes. The corrected balances are as follows:

2006	624,155
2007	831,537
2008	499,096

The table below provides the requested breakdown:

	INTEREST AND DIVIDEND INCOME BREAKDOWN				
ITEM	DESCRIPTION	2007	2008	2009	2010
(i)	Bank Account Interest	755,981	404,370	47,016	27,000
(ii)	Interest on Regulatory Assets/Liabilities	263,828	(87,056)	0	0
(iii)	Interest on loans to affiliate businesses	0	0	0	0
(iv)	Interest on Short Term Investments	75,556	94,726	19,209	5,270
	TOTAL (Account 4405)	**1,095,365**	**412,040**	**66,225**	**32,270**
less					
	Interest on Regulatory Assets/Liabilites	(263,828)	87,056	0	0
	Interest and Revenue Income for Rate Purposes	**831,537**	**499,096**	**66,225**	**32,270**

Question Date: October 30, 2009
Response Date: November 20, 2009

Burlington Hydro Inc.
Response to Interrogatory from Board Staff
Question 9

Question:

Operating Expenses
Ref: Exhibit 4/Tab 2/Sch. 2/Pg. 1 – Appendix 2-L

Burlington is proposing to capitalize approximately 20% of its compensation costs for 2010. This is about 1% higher than its 2006 approach.

(i) Please explain the change in capitalization from 2006 to 2010.

(ii) Please confirm that Burlington has not made change to the company's accounting policies in respect to capitalization of operation expenses and/or has not made any significant changes to accounting estimates used in allocation of costs between operations and capital expenses post fiscal year end 2004. If any accounting policy changes or any significant change in accounting estimates have been made post 2004 fiscal year end, please provide all supporting documentation and a discussion highlighting the impact of changes.

Response:

(i) The percentage of labour that is capitalized varies from year to year. The percentages have ranged historically from a low of 18.62% in 2006 to a high of 20.34% in 2008. The amount of Burlington Hydro labour that is charged to capital depends on the type of capital work being done in the year. Some capital projects are more labour intensive, thereby attracting higher labour which would explain the higher percentage. Depending on the capital project and the work involved it is sometimes more efficient to use outside contractors rather than our own staff; thus the percentage of capitalized labour decreases; conversely, when Burlington Hydro staff are used; the percentage of capitalized labour increases. The 19.64% capitalization of labour for 2010 is within the historical averages of 2006 to 2008.

(ii) Burlington Hydro has not made any changes to the company's accounting policies in respect to capitalization or operation expenses and/or has not made any significant changes to accounting estimates used in allocation of costs between operations and capital expenses post fiscal year end 2004.

Burlington Hydro Inc.
Response to Interrogatory from Board Staff
Question 10

Question:

Operating Expenses
Ref: Exhibit 2/Tab 6/Pg. 8-9 – Tree Trimming

Please complete the following table for Tree Trimming expenditures.

	2007	2008	2009	2010
Annual Expenditure				
Miscellaneous Expenditure				
Total				
Year-to-Year Variance ($)				
Year-to-Year Variance (%)				

Response:

Please see attached table. The City of Burlington is trimmed on a three year cycle and the cost varies each year depending on where Burlington Hydro is in the cycle. In 2010, Burlington Hydro will be trimming the west part of Burlington and this section includes trimming all of the rural areas in north Burlington. This area has always been the most expensive area to trim due to high number of trees. Also in 2008 Burlington Hydro changed the clearance guidelines to provide a more reliable system. These new clearance guidelines were put in place for the 2009 trimming cycle. The clearances were changes from 3 meters to 2 meters plus 3 years growth.

	2007	2008	2009	2010
Annual Expenditure	$175,057.00	$334,138.42	$244,285.00	$341,421.00
Miscellaneous Expenditure	$207,492.33	$84,434.35	$79,393.00	$107,100.00
Total	$382,549.33	$418,572.77	$323,678.00	$448,521.00
Year-to-Year Variance ($)		$36,023.44	($94,894.77)	$124,843.00
Year-to-Year Variance (%)		9.42%	(22.67%)	38.57%

Burlington Hydro Inc.
Response to Interrogatory from Board Staff
Question 11

Question:

Operating Expenses
Ref: Exhibit 2/Tab 4/Sch.1/Pg.1 and Exhibit 2/Tab 6/Pg 8-9 – Bad Debt Expense

In Exhibit 2/Tab 4/Sch.1/Page 1 Burlington has provided data for bad debt expense for the years 2006 to 2010. Board Staff has developed the following table:

	2006	2007	2008	2009	2010
Bad Debt Expense	77,364	156,380	405,047	400,000	400,000
Year-to-Year Variance ($)		79,016	248,667	-5,047	0
Year-to-Year Variance (%)			159%		

(i) In Exhibit 4/Tab 2/Sch. 4/Pg. 1 Burlington provides a table outlining the key OM&A cost drivers. Burlington notes that the 2009 bad debt expense increased $13,484 from 2008. This seems to contradict the value provided in Exhibit 2/Tab 4/Sch. 1/Pg. 1 for the 2009 bad debt expense which shows a decrease of $5,047. Please reconcile the amounts and provide an explanation of the inconsistency.

(ii) For 2009, please provide the actual bad debt expense amount up until September 30.

(iii) In Exhibit 4/Tab 2/Sch. 4/ Pg. 12 Burlington noted that the bad debt expense increase in 2008 was a result of four large commercial accounts that were recognized for write-offs due to bankruptcy. Please discuss why the variance of $248,667 from 2007 to 2008 should not be treated as a one-time expense.

Response:

(i) Burlington Hydro records its Bad Debts in two accounts. The first account is Account 5335 Bad Debts Expenses. This account includes all uncollectible accounts from power sales. The second account is for those accounts that are uncollectable from Billable Jobs. Examples of Billable Jobs are found in the response to Question 15 from the Board Staff. Bad Debts arising from Uncollectible Billable Jobs are recorded in Account 5665 – Miscellaneous General Expenses.

The Bad Debts on Billable Jobs included in Account 5665 are as follows:

2005	$ 8,208
2006	$29,217
2007	$29,253
2008	$11,469
2009	$30,000
2010	$30,000

The following table, utilizing the Board's format, was prepared to show how the drivers were calculated. The driver for 2008 was incorrectly recorded. The 2008 driver did not include the change in the Bad Debts recorded in Account 5665. The following corrections are required on Exhibit 4, Tab 2, Schedule 4, Page 1; the Bad Debts driver for 2008 should be $230,883

and the Other driver should be ($159,845). This change has no impact to the derivation of the 2010 revenue requirement.

BAD DEBTS DRIVERS TABLE						
ACCOUNT	2005	2006	2007	2008	2009	2010
5335	137,936	77,364	156,380	405,047	400,000	400,000
5665	8,208	29,217	29,253	11,469	30,000	30,000
Bad Debt Expense	146,144	106,581	185,633	416,516	430,000	430,000
Year-to-Year Variance ($)		(39,563)	79,052	230,883	13,484	0
Year-to-Year Variance (%)		-27%	74%	124%	3%	0%

(ii) Burlington Hydro calculates and records the Bad Debts Expense in December, and therefore there is no actual bad debt expense recorded as at September 30. Using preliminary reports the Bad Debts Expense for nine months is estimated at $358,970.

(iii) The four commercial bankruptcies reflected in the 2008 bad debt expense coincided with the start of the economic recession in late 2008. Recognizing that the recession had just begun in late 2008, it is reasonable to expect that further deterioration of credit quality would occur through 2009 and 2010 before economic conditions improve. While the economy is struggling out of recession, the restructuring and consolidation underway in many industries will continue to impact both manufacturing and service sectors.

Burlington Hydro Inc.
Response to Interrogatory from Board Staff
Question 12

Question:

Operating Expenses
Ref: Exhibit 4/Tab 2/Sch.5/Pg.1 – Regulatory Costs

In the above schedule, Burlington has provided the following information regarding one-time costs associated with the preparation of its rebasing application.

Costs associates with preparation of CoS (amortized over 4 years)	2010 Test Year Forecast
OEB Hearing Assessments (applicant initiated)	$ 45,000
Legal Costs for regulatory matters	$ 15,250
Consultants costs for regulatory matters	$ 10,000
Intervenor costs	$ 35,000
Total	$105,000

Burlington has identified $105,250 of one-time costs (amortized over 4 years) associated with the completion of a full cost of service review.

In Exhibit 4/Tab 2/Sch. 4/Pg. 14, Burlington identified $304,744 related to the preparation of the rate rebasing application. If amortized over 4 years, this would result in an amount of $76,186.

Please reconcile the amounts and indicate the correct amount for regulatory costs associated with the preparation of Burlington's rate rebasing application.

Response:

Burlington completed the table in Exhibit 4/Tab 2/Schedule 5 with the following assumptions:

- Column 3 – "USofA Account balance (2010)" – reflects the amortized costs of the completion of a full cost of service review. These costs are then reflected in the trial balance Account 5655 that supports the revenue requirement.
- Column 9 – "Test Year Forecast (2010)" – reflects the costs associated with the cost of service review that are budgeted to be expensed in 2010.

Under these assumptions, and using column 3 data, the table of one-time costs would appear as follows:

Costs associates with preparation of CoS (amortized over 4 years)	Total Forecasted Cost	2010 Test Year Forecast (2010)
OEB Hearing Assessments (applicant initiated)	$ 45,000	$ 11,250
Legal Costs for regulatory matters	$ 101,000	$ 25,250
Consultants costs for regulatory matters	$ 46,947	$ 11,737
Operating Expenses associated with staff resources	$153,599	$ 38,400
Intervenor costs	$ 35,000	$ 8,750
Total	$381,546	$ 95,387

This total of $95,387 in addition to the on-going costs of $256,883 identified on this schedule, match the total of $352,270 in this schedule and at Exhibit 4/Tab 2/Schedule 3/Page 1.

The variance amount of $304,744 identified in the cost driver schedule, reflects the change in dollar amount expensed in Account 5655 from a 2008 amount of $214,409 to a 2009 amount of $519,153, as detailed in Exhibit 4/Tab 2/Schedule 3/Page 1. This dollar change reflects both changes in the on-going regulatory costs, as well as costs expensed in 2009 related to the preparation of the cost of service application. Details on the cost breakdown for each year are provided in Exhibit 4/Tab 2/Schedule 5 with 2008 costs in column 6 and 2009 costs in column 7. Burlington notes that 2008 costs of $7,197 related to "Consultants for Regulatory Matters" and 2008 costs of $40,631 related to "Operating expenses associates with staff resources allocated to regulatory matters" were incorrectly recorded in 2008 and expensed in 2009 as part of the $519,153 total.

Burlington Hydro Inc.
Response to Interrogatory from Board Staff
Question 13

Question:

Operating Expenses
Ref: Exhibit 4/Tab 2/Sch.7/Pg.1 – One time costs

Please identify all one-time costs included in the 2010 test year OM&A forecast.

Response

Burlington has identified the following one-time costs included in the 2010 test year OM&A forecast.

Respect in the Workplace Training	5,500
Compensation Study	20,000
First Aid Training	8,800

Question Date: October 30, 2009
Response Date: November 20, 2009

Burlington Hydro Inc.
Response to Interrogatory from Board Staff
Question 14

Question:

Operating Expenses
Ref: Exhibit 4/Tab 2/Sch.4/Pg.20 – LEAP

In the above reference, Burlington stated that the amount of $39,000 is included in the 2010 Test Year for Low Income Energy Assistance Program. Please identify whether these amounts relate to existing or new program(s).

Response:

The amount of $39,000 is new, related specifically to the Low-Income Energy Assistance Program (EB-2008-0150). More information is provided at Exhibit 4, Tab 2, Schedule 8.

The $39,000 included in this cost of service application are costs Burlington intends on spending in order to meet the requirement and guidelines of the Ontario Energy Board. Burlington Hydro acknowledges that recently (letter Dated September 28, 2009) the Board's initiatives are changing and are deferring further work on LEAP at this time based on the Ministry of Energy's intervention, however, Burlington Hydro expects it will incur equivalent costs associated with development of the Ministry's integrated program.

Burlington Hydro Inc.
Response to Interrogatory from Board Staff
Question 15

Question:

Operating Expenses
Ref: Exhibit 4/Tab 4/Sch.2/Pg.1 – Employee Costs Table

Please provide an explanation for the following line item labeled "Total Compensation Charged to Billings".

Response:

Total Compensation Charged to Billings are the labour costs charged to jobs that are invoiced to a third party. Some examples of Billable Jobs are:

(i) Labour costs incurred to accommodate the connection of a new subdivision or development to the existing plant.
(ii) Labour costs incurred to provide service isolation after hours or on weekends.
(iii) Labour costs incurred in repairing damages to Hydro equipment as a result of an accident.
(iv) Labour costs incurred in moving hydro equipment at the request of a customer.

Burlington Hydro Inc.
Response to Interrogatory from Board Staff
Question 16

Question:

Operating Expenses
Ref: Exhibit 4/Tab 4/Sch.2/Pg.1 – Employee Costs Table

Board staff has prepared the following analysis regarding Burlington's non-union employee's average yearly base wage.

	2006	2007	2008	2009	2010
Non-union	$ 38,372	$ 44,853	$ 47,190	$ 55,255	$ 66,026
Year-to-Year Variance		17%	5%	17%	19%
2010 vs 2008					40%
# FTEs	5	4	4	5	5

(i) Please confirm the figures in the above table.
(ii) Please explain the 40% increase in average yearly base wage between 2008 and 2010.

Response:

i. The figures in the above table are correct except for #FTE in 2007 and the average costs in 2007 and 2008. This does not change the 2010 values, but reduces the change in base wages between 2008 and 2010.

In 2007, it should read 3 FTEs vs 4. As a result the average base wage in 2007 was calculated incorrectly and should read $59,803.

The 2008 average was miscalculated as well. It should have been divided by 4 FTEs but was divided by 5 FTEs. Therefore it should read $58,987.

As a result, this changes the variance year over year (please see below).

	2006	2007	2008	2009	2010
Non-union	$ 38,372	$ 59,803	$ 58,987	$ 55,255	$ 66,026
Year-to-Year Variance		55%	-2%	-7%	19%
2010 vs 2008					12%
# FTEs	5	3	4	5	5

ii. Therefore the increase between 2008 and 2010 changes to 12 percent. The reason for the percent increase in average yearly base wage between 2008 and 2010 is the following:

- Hiring of a Regulatory Accountant in late 2009. The full year salary of the regulatory accountant position in 2010 increases the average in 2010.

Burlington Hydro Inc.
Response to Interrogatory from Board Staff
Question 17

Question:

Operating Expenses
Ref: Exhibit 4/Tab 2/Sch. 4/Pg.1 – Bank Fees

From 2009 to 2010, bank fees have increased to $73,005. On page 16 or the above schedule, Burlington noted that the increase was associated with a bank loan for smart meter funding.

Please identify the amount of the bank loan and explain why Burlington required a new credit facility for smart meter funding in light of the fact that a funding adder has been included in rates since 2006.

Response:

Burlington Hydro Inc secured a $4M term loan to assist in financing the Smart Meter capital program. The Smart Meter capital program is estimated to cost Burlington Hydro approximately $11.5M.

The Smart Meter adder included in rates since 2006 has resulted in the following collections:

	To Sept 2009	***2008***	***2007***	***2006***	***Total***
Smart Meter Adder	$384k	$208k	$192k	$124k	$908k

As the total expenditure required for the Smart Meter program is well in excess of the funds provided through the Smart Meter adder, Burlington Hydro has secured external financing to assist in funding this project.

Burlington Hydro Inc.
Response to Interrogatory from Board Staff
Question 19

Question:

Cost of Capital
Ref: Exhibit 5/Tab 2/Sch. 2/Pg.1 – Promissory Note

Burlington identified that it has a $47.8M promissory note with the City of Burlington as of April 1, 2002. The interest rate since April 2002 has been 7.25% per annum.

Please identify the terms of the note including the conditions under which the rate could or will change. Please explain why Burlington has not negotiated a rate decrease since 2002.

Response:

The Promissory Note states "…pay interest on the Principle Sum at the rate of 7.25% **per annum (** or as deemed from time to time by the Ontario Energy Board)…". A full copy of the note is included in the evidence in Exhibit 5 Tab2 Schedule 2.

A rate decrease has not been negotiated since 2002 as the legal terms of the Note do not provide the debtor with the option to negotiate a lower rate.

Burlington Hydro Inc.
Response to Interrogatory from Board Staff
Question 20

Question:

Cost of Capital
Ref: Exhibit 5/Tab 3/Sch. 1/Pg.1 – Deemed Capital Structure

Appendix 2-O indicates that the return on short-term debt is $4,189,602 which is equal to the amount of short-term debt.

Please update appendix 2-O to include the correct amount for the return on short term debt.

Response:

Burlington has updated the 2010 return on short term debt and has provided this below. It is noted that no other figures were changed, and this revision does not impact the revenue requirement calculation for 2010.

Particulars	Capitalization Ratio		Cost Rate	Return
		2010 Test Year		
	(%)	($)	(%)	($)
Debt				
Long Term Debt	56.00%	$ 58,654,433	7.62%	$ 4,469,468
Short Term Debt	4.00%	$ 4,189,602	1.33%	$ 55,722
Total Debt	60.00%	$ 62,844,035	7.20%	$ 4,525,189
Equity				
Common Equity	40.00%	$ 41,896,023	8.01%	$ 3,355,871
Preferred Shares	0.00%	$ -	0.00%	$ -
Total Equity	40.00%	$ 41,896,023	8.01%	$ 3,355,871
Total	100.00%	$ 104,740,059	7.52%	$ 7,881,061

Question Date: October 30, 2009
Response Date: November 20, 2009

Burlington Hydro Inc.
Response to Interrogatory from Board Staff
Question 21

Question:

Cost Allocation
Ref: Exhibit 7/Tab 1/Sch. 1/2010 Cost Allocation Information Filing – Sheet I4 Break out worksheet

(i) Please confirm whether Burlington has changed any Break out (%) in Sheet I4 or not.
(ii) If the answer to (i) is affirmative, please provide the details of the changes and explanations.

Response:

Burlington has not changed any Break out percentages in Sheet I4.

Question Date: October 30, 2009
Response Date: November 20, 2009

Burlington Hydro Inc.
Response to Interrogatory from Board Staff
Question 22

Question:

Cost Allocation
Ref: Exhibit 7/Tab 1/Sch. 1/2010 Cost Allocation Information Filing – Sheet I7.1 Meter Capital Worksheet

Please confirm whether or not the number of meters includes smart meters.

Response:

The data in Sheet I7.1 reflects the same proportions of meters by rate class as determined in the 2007 Cost Allocation filing. Smart meters have not been reflected. It is Burlington Hydro' view that until the smart meters are including in the rate base they should not be reflected in the cost allocation study.

Question Date: October 30, 2009
Response Date: November 20, 2009

Burlington Hydro Inc.
Response to Interrogatory from Board Staff
Question 23

Question:

Rate Design
Ref: Exhibit 8/Tab 2/Pg. 1 – Monthly Fixed Charges (MFC)

Please provide an explanation as to why Burlington is proposing to set all monthly fixed charges at the ceiling amount (excluding USL and street lighting).

Response:

Burlington has proposed to set all monthly fixed charges at the ceiling amount based on applying a consistent methodology to the setting of rates for all rate classes. The resulting fixed rate based on the current fixed/variable splits resulted in the fixed charge for both GS>50kW rate class and the Unmetered Scattered Load rate class that was in excess of the ceiling fixed charge from the cost allocation model. Burlington's approach was to propose rates based on the ceiling amount for all customer groups. The only exception to this approach was Street Lighting as setting the Street Lighting rate would cause the volumetric rate to be negative

In addition in the Report of the Board on the Application of Cost Allocation for Electricity Distributors EB-2007-0667 dated November 28, 2007 it states on pages 12 and 13

> *"In the interim, the Board does not expect distributors to make changes to the MSC that result in a charge that is greater than the ceiling as defined in the Methodology for the MSC. Distributors that are currently above this value are not required to make changes to their current MSC to bring it to or below this level at this time."*

It is Burlington Hydro's view that the above statement suggests that if a distributor moved to the ceiling it would be consistent with the Board's current position on this issue.

Burlington Hydro Inc.
Response to Interrogatory from Board Staff
Question 24

Question:

Rate Design
Ref: Exhibit 8/Tab 3/Pg. 1 – Accounts 1584 and 1586

Please update the tables in the above schedule to include actual balances for June 2009 to October 2009.

Response:

Please see attached tables showing information to September 30, 2009. Due to the timing of receipt of the IESO final invoice, October data was not able to be provided.

OEB Account 1584 - RTS Network

Month	2007 Actuals	2008 Actuals	2009 Actuals
Opening Balance	**153,961.85**	**(168,804.96)**	**(1,003,791.36)**
January	(59,149.29)	(214,602.34)	(2,194.49)
February	(34,957.05)	(147,217.55)	53,616.44
March	(142,676.63)	(243,735.33)	(15,758.86)
April	(96,426.67)	(219,672.08)	1,040.56
May	39,365.41	(132,665.42)	(28,213.23)
June	203,308.09	104,526.98	128,011.55
July	41,972.25	30,976.91	39,518.67
August	74,626.07	46,539.55	145,387.20
September	114,337.13	52,487.83	(46,756.47)
October	(114,651.78)	(81,684.55)	
November	(155,044.97)	(48,890.35)	
December	(193,469.37)	18,949.95	
Annual Activity	**(322,766.81)**	**(834,986.40)**	**274,651.37**
Closing Balance	**(168,804.96)**	**(1,003,791.36)**	**(729,139.99)**

OEB Account 1584 - RTS Connection

Month	2007 Actuals	2008 Actuals	2009 Actuals
Opening Balance	**(80,283.92)**	**69,258.92**	**(301,032.42)**
January	(66,086.69)	(101,557.84)	(16,928.23)
February	(17,329.13)	(12,379.05)	35,362.67
March	(106,742.23)	(96,354.39)	(36,093.61)
April	(57,536.34)	(116,712.13)	3,621.05
May	63,008.29	(56,796.49)	(64,604.29)
June	152,798.46	138,220.44	84,351.34
July	76,228.70	48,456.16	(6,682.31)
August	35,718.00	19,493.84	58,550.43
September	95,629.73	17,279.73	(79,917.79)
October	(26,499.34)	(68,646.88)	
November	42,078.82	(53,887.42)	
December	(41,725.43)	(87,407.31)	
Annual Activity	**149,542.84**	**(370,291.34)**	**(22,340.74)**
Closing Balance	**69,258.92**	**(301,032.42)**	**(323,373.16)**

Burlington Hydro Inc.
Response to Interrogatory from Board Staff
Question 25

Question:

Low Voltage
Ref: Exhibit 8/Tab 4/Pg. 1 and Exhibit 9/Tab 1/Sch. 2/Pg. 4-5

On September 21, 2007, the Board approved an application filed by Hydro One Networks granting the sale of assets to Burlington. The assets purchased generally consisted of feeder lines off Hydro One Network's Palermo Transformer Station. As a result of this approval, Burlington does not incur any LV charges going forward and will not be seeking an LV rate adder as part of this application.

In Exhibit 9/Tab 1/Sch. 2/Pg. 4-5 a credit balance exists in account 1550. Please confirm that the transactions supporting this credit balance all occurred before September 21, 2007.

Response:

Burlington has completed the purchase of assets at Palermo Transformer Station. As a result of that purchase, Burlington has not incurred any LV charges from Hydro One since November, 2007.

As part of the 2006 EDR rates application, Burlington requested and had approved LV/Wheeling rates as shown in the following table:

	Rate / kwh	Rate / kw
Resid.	0.0001	
GS <50	0.0001	
GS >50		0.05180
G33 (USL)	0.0002	
S/L		0.04080

These rate adders have continued to be in place to date, and have resulted in the accumulations of credits in the LV variance account. These credits will continue to accumulate until the new distribution rates determined through this process are in place May 1, 2010. Burlington is not seeking a rate adder in the current application.

Burlington Hydro Inc.
Response to Interrogatory from Board Staff
Question 26

Question:

Deferral and Variance Accounts
Ref: Exhibit 9/Tab 2/Sch. 1/Pg. 1 – Account 1588

On October 15, 2009, the Board's Regulatory Audit & Accounting group issued a bulletin related to Regulatory Account & Reporting of Account 1588 RSVA Power and Account 1588 Power Sub-account Global Adjustment. Please confirm whether or not Burlington plans on making any changes to its filing with respect to Account 1588.

Response:

Based on the review of the Regulatory Account & Reporting of Account 1588 RSVA Power and Account 1588 Power Sub-account Global Adjustment Bulletin, Burlington will be making changes to the balances in Account 1588 and Sub-Account 1588 Global Adjustment. The changes in the balances are primarily related to Burlington having tracked both RPP and non-RPP portions of the global adjustment in the 1588 Global Adjustment Sub-Account.

A revised continuity schedule and revised variance account disposition schedules are attached.

The table below provides the revised rates for recovery for balances that are proposed for clearance for RSVA and non-RSVA.

Customer Class	RSVA Accounts		non-RSVA Accounts		Total	
	per kWh	per kW	per kWh	per kW	per kWh	per kW
Residential	(0.0007)		0.0001		(0.0006)	
General Service <50 kW	(0.0007)		0.0000		(0.0006)	
General Service >50 kW		(0.1777)		(0.0252)		(0.2030)
Street Lighting		0.0001		(0.0892)		(0.0891)
Unmetered Scattered Load	(0.0006)		(0.0892)		(0.0899)	

Question Date: October 30, 2009
Response Date: November 20, 2009

SHEET 1 - Regulatory Assets - Continuity Schedule

NAME OF UTILITY	Burlington Hydro Inc.	**LICENCE NUMBER**	ED-2003-0004
NAME OF CONTACT		**DOCID NUMBER**	EB-2009-0259
E-mail Address	arampado@burlingtonhydro.com		
VERSION NUMBER	v1.1	**PHONE NUMBER**	
Date	Nov 20, 2009	**(extension)**	

Enter appropriate data in cells which are highlighted in yellow only.
Enter the total applied for Regulatory Asset amounts for each account in the appropriate cells below.
Debits should be recorded as positive numbers and credits should be recorded as negative numbers.
Repeat cells going across as necessary for each year in application

Account Description	Account Number	2005 Opening Principal Amounts as of Jan-1-05 [1]	2005 Transactions (additions) during 2005, excluding interest and adjustments [6]	2005 Transactions (reductions) during 2005, excluding interest and adjustments [6]	2005 Adjustments during 2005 - instructed by Board [2]	2005 Adjustments during 2005 - other [3]	2005 Closing Principal Balance as of Dec-31-05	2005 Opening Interest Amounts as of Jan-1-05	2005 Interest Jan-1 to Dec31-05	2005 Closing Interest Amounts as of Dec-31-05	2006 Opening Principal Amounts as of Jan-1-06	2006 Transactions (additions) during 2006, excluding interest and adjustments [6]	2006 Transactions (reductions) during 2006, excluding interest and adjustments [6]	2006 Adjustments during 2006 - instructed by Board [2]	2006 Adjustments during 2006 - other [3]	2006 Transfer of Board-approved amounts to 1590 as per 2006 EDR	2006 Closing Principal Balance as of Dec-31-06	2006 Opening Interest Amounts as of Jan-1-06	2006 Interest Jan-1 to Dec31-06	2006 Transfer of Board-approved amounts to 1590 as per 2006 EDR	2006 Closing Interest Amounts as of Dec-31-06
RSVA - Wholesale Market Service Charge	1580	$ 2,590,585	$ 1,206,374				$ 3,796,959	$ 467,857	$ 237,517	$ 705,374	$ 3,796,959	$ (2,044,738)				$ (2,590,585)	$ (838,364)	$ 705,374	195,257	$ (795,289)	$ 105,341
RSVA - One-time Wholesale Market Service	1582	$ 204,943	$ 251,781				$ 456,724	$ 16,344	$ 20,676	$ 37,020	$ 456,724					$ (204,943)	$ 251,781	$ 37,020	$ 22,710	$ (42,247)	$ 17,483
RSVA - Retail Transmission Network Charge	1584	$ 900,169	$ 57,388				$ 957,557	$ 126,493	$ 92,732	$ 219,225	$ 957,557	$ 96,574				$ (900,169)	$ 153,962	$ 219,225	$ 78,972	$ (240,268)	$ 57,929
RSVA - Retail Transmission Connection Charge	1586	$ 255,740	$ (48,997)				$ 206,744	$ 51,356	$ 40,011	$ 91,367	$ 206,744	$ (31,287)				$ (255,740)	$ (80,284)	$ 91,367	$ 31,910	$ (83,680)	$ 39,597
Sub-Totals		$ 3,951,437	$ 1,466,547		$ -	$ -	$ 5,417,984	$ 662,050	$ 390,935	$ 1,052,985	$ 5,417,984	$ (1,979,451)		$ -	$ -	$ (3,951,437)	$ (512,905)	$ 1,052,985	$ 328,849	$ (1,161,484)	$ 220,350
Other Regulatory Assets - Sub-Account - OEB Cost A	1508	$ 70,087	$ 231,075	$ (86,332)			$ 214,830	$ 1,347	$ 7,606	$ 8,953	$ 214,830	$ 101,251	$ (55,826)			$ (70,087)	$ 190,168	$ 8,953	$ 4,993	$ (8,809)	$ 5,137
Other Regulatory Assets - Sub-Account - Pension Cor	1508	$ -	$ 402,906				$ 402,906		$ 7,192	$ 7,192	$ 402,906	$ 159,018				$ -	$ 561,924	$ 7,192	$ 20,959	$ -	$ 28,151
Other Regulatory Assets - Sub-Account - Other [7]	1508	$ -					$ -			$ -	$ -	$ -					$ -	$ -	$ -		$ -
Other Regulatory Assets - Sub-Account - Other [7]	1508	$ -					$ -			$ -	$ -	$ -					$ -	$ -	$ -		$ -
Other Regulatory Assets - Sub-Account - Other [7]	1508	$ -					$ -			$ -	$ -	$ -					$ -	$ -	$ -		$ -
Retail Cost Variance Account - Retail	1518	$ (12,101)	$ 7,418				$ (4,683)	$ (419)	$ 60	$ (359)	$ (4,683)	$ (12,967)				$ 12,101	$ (5,550)	$ (359)	$ (107)	$ 1,948	$ 1,482
Retail Cost Variance Account - STR	1548	$ 12,233	$ (738)				$ 11,495	$ 565	$ 888	$ 1,453	$ 11,495	$ (2,534)				$ (12,233)	$ (3,273)	$ 1,453	$ 582	$ (2,111)	$ (76)
Misc. Deferred Debits	1525	$ 104,093	$ 11,303				$ 115,396	$ 15,094	$ 7,547	$ 22,640	$ 115,396	$ 110				$ (104,093)	$ 11,413	$ 22,640	$ 6,224	$ (28,250)	$ 614
LV Variance Account	1550	$ -					$ -	$ -		$ -	$ -	$ 750					$ 750	$ -	$ (37)		$ (37)
Smart Meter Capital and Recovery Offset Variance - Si	1555						$ -			$ -	$ -						$ -	$ -			$ -
Smart Meter Capital and Recovery Offset Variance - Si	1555						$ -			$ -	$ -	$ (117,480)					$ (117,480)	$ -	$ (1,083)		$ (1,083)
Smart Meter Capital and Recovery Offset Variance - Si	1555						$ -			$ -	$ -						$ -	$ -			$ -
Smart Meter OM&A Variance	1556						$ -			$ -	$ -						$ -	$ -	$ -		$ -
Qualifying Transition Costs [5]	1570	$ 150,762	n/a	n/a	$ (15,076)		$ 135,686	$ 37,085	$ 10,930	$ 48,016	$ 135,686	n/a	n/a			$ (135,686)	$ -	$ 48,016	$ 7,313	$ (55,328)	$ -
Pre-Market Opening Energy Variances Total [5]	1571	$ 3,583,103	n/a	n/a			$ 3,583,103	$ 583,202	$ 396,856	$ 980,058	$ 3,583,103	n/a	n/a			$ (3,583,103)	$ -	$ 980,058	$ 193,105	$ (1,173,163)	$ -
Extra-Ordinary Event Costs	1572	$ -					$ -			$ -	$ -						$ -	$ -	$ -		$ -
Deferred Rate Impact Amounts	1574	$ -					$ -			$ -	$ -						$ -	$ -	$ -		$ -
Other Deferred Credits	2425	$ (2,846,226)	$ 826,349		$ 19,878		$ (2,000,000)			$ -	$ (2,000,000)		$ 1,100,000				$ (900,000)	$ -			$ -
Sub-Totals		$ 1,061,952	$ 1,478,311	$ (86,332)	$ 4,802	$ -	$ 2,458,733	$ 636,874	$ 431,079	$ 1,067,953	$ 2,458,733	$ 128,148	$ 1,044,174	$ -	$ -	$ (3,893,102)	$ (262,047)	$ 1,067,953	$ 231,948	$ (1,265,712)	$ 34,189
Deferred Payments in Lieu of Taxes	1562				see PILs reconciliation requested										see PILs reconciliation requested						
2006 PILs & Taxes Variance	1592				see PILs reconciliation requested										see PILs reconciliation requested						
Sub-Totals					see PILs reconciliation requested										see PILs reconciliation requested						
Total		$ 5,013,389	$ 2,944,858	$ (86,332)	$ 4,802	$ -	$ 7,876,717	$ 1,298,924	$ 822,014	$ 2,120,938	$ 7,876,717	$ (1,851,304)	$ 1,044,174	$ -	$ -	$ (7,844,539)	$ (774,952)	$ 2,120,938	$ 560,798	$ (2,427,197)	$ 254,539
The following is not included in the total claim but is included on a memo basis:																					
Deferred PILs Contra Account [8]	1563				see PILs reconciliation requested										see PILs reconciliation requested						
RSVA - Power (including Global Adjustment)	1588	$ (2,889,024)	$ 1,603,950				$ (1,285,074)	$ (136,055)	$ 7,242	$ (128,813)	$ (1,285,074)	$ 1,085,561				$ 1,198,752	$ 999,239	$ (128,813)	$ 70,752	$ 385,222	$ 327,162
RSVA - Power - Sub-Account - Global Adjustment [4]	1588	$ -	$ (1,129,880)				$ (1,129,880)	$ -	$ (30,200)	$ (30,200)	$ (1,129,880)	$ 1,862,193					$ 732,313	$ (30,200)	$ (164)		$ (30,364)
Recovery of Regulatory Asset Balances	1590	$ (1,193,404)	$ (1,610,592)				$ (2,803,996)	$ (20,870)	$ (130,467)	$ (151,336)	$ (2,803,996)	$ (1,535,598)				$ 5,808,556	$ 1,468,962	$ (151,336)	$ (206,923)	$ 2,041,975	$ 1,683,715

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[1] As per general ledger, if does not agree to Dec-31-04 balance filed in 2006 EDR then provide supplementary analysis (732,313)
[2] Provide supporting statement indicating whether due to denial of costs in 2006 EDR by the Board, 10% transition costs write-off, and etc.
[3] Provide supporting statement indicating nature of this adjustments and periods they relate to
[4] Not included in sub-total 1,129,880
[5] Closed April 30, 2002
[6] For RSVA accounts only, report the net additions to the account during the year. For all other accounts, record the additions and reductions separately.
[7] Please describe "other" components of 1508 and add more component lines if necessary.
[8] 1563 is a contra-account and is not included in the total but is shown on a memo basis. Account 1562 establishes the obligation to the ratepayer.
[9] Interest projected on December 31, 2008 closing principal balance.

SHEET 1 - Regulatory Assets - Continuity Schedule

NAME OF UTILITY	Burlington Hydro Inc.
NAME OF CONTACT	
E-mail Address	arampado@burlingtonhydro.com
VERSION NUMBER	v1.1
Date	Nov 20, 2009

		2007								2008							
Account Description	**Account Number**	**Opening Principal Amounts as of Jan-1-07**	**Transactions (additions) during 2007, excluding interest and adjustments [6]**	**Transactions (reductions) during 2007, excluding interest and adjustments [6]**	**Adjustments during 2007 - instructed by Board [2]**	**Adjustments during 2007 - other [3]**	**Closing Principal Balance as of Dec-31-07**	**Opening Interest Amounts as of Jan-1-07**	**Interest Jan-1 to Dec31-07**	**Closing Interest Amounts as of Dec-31-07**	**Opening Principal Amounts as of Jan-1-08**	**Transactions (additions) during 2008, excluding interest and adjustments [6]**	**Transactions (reductions) during 2008, excluding interest and adjustments [6]**	**Adjustments during 2008 - instructed by Board [2]**	**Adjustments during 2008 - other [3]**	**Closing Principal Balance as of Dec-31-08**	**Opening Interest Amounts as of Jan-1-08**	**Interest Jan-1 to Dec31-08**	**Closing Interest Amounts as of Dec-31-08**
RSVA - Wholesale Market Service Charge	1580	$ (838,364)	$ (2,176,931)				$ (3,015,294)	$ 105,341	$ (53,718)	$ 51,623	$ (3,015,294)	$ (877,138)				$ (3,892,432)	$ 51,623	$ (115,421)	$ (63,798)
RSVA - One-time Wholesale Market Service	1582	$ 251,781					$ 251,781	$ 17,483	$ 10,025	$ 27,508	$ 251,781					$ 251,781	$ 27,508	$ 8,430	$ 35,938
RSVA - Retail Transmission Network Charge	1584	$ 153,962	$ (322,767)				$ (168,805)	$ 57,929	$ 25,407	$ 83,336	$ (168,805)	$ (834,986)				$ (1,003,791)	$ 83,336	$ (5,518)	$ 77,818
RSVA - Retail Transmission Connection Charge	1586	$ (80,284)	$ 149,543				$ 69,259	$ 39,597	$ 14,005	$ 53,602	$ 69,259	$ (370,291)				$ (301,032)	$ 53,602	$ 11,955	$ 65,557
Sub-Totals		$ (512,905)	$ (2,350,155)		$ -	$ -	$ (2,863,059)	$ 220,350	$ (4,282)	$ 216,068	$ (2,863,059)	$ (2,082,415)		$ -	$ -	$ (4,945,474)	$ 216,068	$ (100,553)	$ 115,515
Other Regulatory Assets - Sub-Account - OEB Cost A	1508	$ 190,168	$ -	$ -			$ 190,168	$ 5,137	$ 9,103	$ 14,240	$ 190,168					$ 190,168	$ 14,240	$ 7,562	$ 21,803
Other Regulatory Assets - Sub-Account - Pension Cor	1508	$ 561,924					$ 561,924	$ 28,151	$ 26,471	$ 54,622	$ 561,924					$ 561,924	$ 54,622	$ 22,345	$ 76,967
Other Regulatory Assets - Sub-Account - Other [7]	1508	$ -					$ -	$ -		$ -	$ -					$ -	$ -		$ -
Other Regulatory Assets - Sub-Account - Other [7]	1508	$ -					$ -	$ -		$ -	$ -					$ -	$ -		$ -
Other Regulatory Assets - Sub-Account - Other [7]	1508	$ -					$ -	$ -		$ -	$ -					$ -	$ -		$ -
Retail Cost Variance Account - Retail	1518	$ (5,550)	$ (18,291)				$ (23,841)	$ 1,482	$ (263)	$ 1,218.90	$ (23,841)	$ (26,296)				$ (50,137)	$ 1,219	$ (1,083)	$ 136
Retail Cost Variance Account - STR	1548	$ (3,273)	$ (2,718)				$ (5,991)	$ (76)	$ (193)	$ (269)	$ (5,991)	$ (750)				$ (6,741)	$ (269)	$ (245)	$ (513)
Misc. Deferred Debits	1525	$ 11,413					$ 11,413	$ 614	$ 540	$ 1,153	$ 11,413					$ 11,413	$ 1,153	$ 454	$ 1,607
LV Variance Account	1550	$ 750	$ 3,414				$ 4,164	$ (37)	$ 240	$ 204	$ 4,164	$ (199,719)				$ (195,556)	$ 204	$ (2,291)	$ (2,088)
Smart Meter Capital and Recovery Offset Variance - Si	1555	$ -	$ 586,162				$ 586,162	$ -		$ -	$ 586,162	$ 635,830				$ 1,221,992	$ -		$ -
Smart Meter Capital and Recovery Offset Variance - Si	1555	$ (117,480)	$ (201,022)				$ (318,502)	$ (1,083)	$ 1,538	$ 455	$ (318,502)	$ (327,340)				$ (645,841)	$ 455	$ 18,289	$ 18,744
Smart Meter Capital and Recovery Offset Variance - Si	1555	$ -	$ 2,487				$ 2,487	$ -		$ -	$ 2,487		$ (2,624)			$ (137)	$ -		$ -
Smart Meter OM&A Variance	1556	$ -	$ 8,543				$ 8,543	$ -	$ 122	$ 122	$ 8,543	$ 147,878				$ 156,421	$ 122	$ 559	$ 681
Qualifying Transition Costs [5]	1570	$ -	n/a	n/a			$ -	$ -		$ -	$ -	n/a	n/a			$ -	$ -		$ -
Pre-Market Opening Energy Variances Total [5]	1571	$ -	n/a	n/a			$ -	$ -		$ -	$ -	n/a	n/a			$ -	$ -		$ -
Extra-Ordinary Event Costs	1572	$ -					$ -	$ -		$ -	$ -					$ -	$ -		$ -
Deferred Rate Impact Amounts	1574	$ -					$ -	$ -		$ -	$ -					$ -	$ -		$ -
Other Deferred Credits	2425	$ (900,000)					$ (900,000)	$ -		$ -	$ (900,000)		$ 900,000			$ 0	$ -		$ -
Sub-Totals		$ (262,047)	$ 378,575	$ -	$ -	$ -	$ 116,528	$ 34,189	$ 37,558	$ 71,747	$ 116,528	$ 229,603	$ 897,376	$ -	$ -	$ 1,243,506	$ 71,747	$ 45,589	$ 117,337
Deferred Payments in Lieu of Taxes	1562				see PILs reconciliation requested									see PILs reconciliation requested					
2006 PILs & Taxes Variance	1592				see PILs reconciliation requested									see PILs reconciliation requested					
Sub-Totals					see PILs reconciliation requested									see PILs reconciliation requested					
Total		$ (774,952)	$ (1,971,580)	$ -	$ -	$ -	$ (2,746,532)	$ 254,539	$ 33,276	$ 287,815	$ (2,746,532)	$ (1,852,812)	$ 897,376	$ -	$ -	$ (3,701,968)	$ 287,815	$ (54,964)	$ 232,851
The following is not included in the total claim but is included on a memo basis:																			
Deferred PILs Contra Account [8]	1563				see PILs reconciliation requested									see PILs reconciliation requested					
RSVA - Power (including Global Adjustment)	1588	$ 999,239	$ (327,434)				$ 671,804	$ 327,162	$ 130,718	$ 457,880	$ 671,804	$ 12,516				$ 684,320	$ 457,880	$ 120,991	$ 578,871
RSVA - Power - Sub-Account - Global Adjustment [4]	1588	$ 732,313	$ (354,727)				$ 377,586	$ (30,364)	$ 10,905	$ (19,459)	$ 377,586	$ 686,043				$ 1,063,629	$ (19,459)	$ 18,121	$ (1,338)
Recovery of Regulatory Asset Balances	1590	$ 1,468,962	$ (2,800,866)				$ (1,331,904)	$ 1,683,715	$ 99,971	$ 1,783,686	$ (1,331,904)	$ (883,113)				$ (2,215,017)	$ 1,783,686	$ (153,083)	$ 1,630,603

SHEET 1 - Regulatory Assets - Continuity Schedule

NAME OF UTILITY	Burlington Hydro Inc.
NAME OF CONTACT	
E-mail Address	arampado@burlingtonhydro.com
VERSION NUMBER	v1.1
Date	Nov 20, 2009

Account Description	Account Number	Projected Interest on Dec 31 -08 balance from Jan 1, 2009 to Dec 31, 2009 [9]	Projected Interest on Dec 31 -08 balance from Jan 1, 2010 to April 30, 2010 [9]	Claim before Forecasted Transactions	Forecasted Transactions, Excluding Interest from Jan 1, 2009 to Dec 31, 2009	Forecasted Transactions, Excluding Interest from Jan 1, 2010 to April 30, 2010	Projected Interest from Jan 1, 2009 to April 30, 2010 on Forecasted Transx (Excl Interest) from Jan 1, 2009 to December 31, 2009	Projected Interest from Jan 1, 2010 to April 30, 2010 on Forecasted Transx (Excl Interest) from Jan 1, 2010 to April 30, 2010	Total Claim
RSVA - Wholesale Market Service Charge	1580	$ (37,530)	$ (6,002)	$ (3,999,762.23)					$ (3,999,762)
RSVA - One-time Wholesale Market Service	1582	$ 2,397	$ 383	$ 290,499.69					$ 290,500
RSVA - Retail Transmission Network Charge	1584	$ (5,078)	$ (812)	$ (931,863.94)					$ (931,864)
RSVA - Retail Transmission Connection Charge	1586	$ 2,148	$ 344	$ (232,983.60)					$ (232,984)
Sub-Totals		$ (38,063)	$ (6,087)	$ (4,874,110.08)	$ -	$ -	$ -	$ -	$ (4,874,110)
Other Regulatory Assets - Sub-Account - OEB Cost A	1508	$ 2,150	$ 344	$ 214,464.68					$ 214,465
Other Regulatory Assets - Sub-Account - Pension Cor	1508	$ 6,336	$ 1,013	$ 646,241.37					$ 646,241
Other Regulatory Assets - Sub-Account - Other [7]	1508			$ -					$ -
Other Regulatory Assets - Sub-Account - Other [7]	1508			$ -					$ -
Other Regulatory Assets - Sub-Account - Other [7]	1508			$ -					$ -
Retail Cost Variance Account - Retail	1518	$ (523)	$ (84)	$ (50,607.83)					$ (50,608)
Retail Cost Variance Account - STR	1548	$ (76)	$ (12)	$ (7,341.82)					$ (7,342)
Misc. Deferred Debits	1525	$ 132	$ 21	$ 13,173.87					$ 13,174
LV Variance Account	1550	$ (1,981)	$ (317)	$ (199,940.64)					$ (199,941)
Smart Meter Capital and Recovery Offset Variance - S	1555			$ 1,221,992.32					$ 1,221,992
Smart Meter Capital and Recovery Offset Variance - S	1555	$ 6,827	$ 1,092	$ (619,179.00)					$ (619,179)
Smart Meter Capital and Recovery Offset Variance - S	1555			$ (137.46)					$ (137)
Smart Meter OM&A Variance	1556	$ 1,685	$ 269	$ 159,055.76					$ 159,056
Qualifying Transition Costs [5]	1570			$ -					$ -
Pre-Market Opening Energy Variances Total [5]	1571			$ -					$ -
Extra-Ordinary Event Costs	1572			$ -					$ -
Deferred Rate Impact Amounts	1574			$ -					$ -
Other Deferred Credits	2425			$ 0.00					$ 0
Sub-Totals		$ 14,551	$ 2,327	$ 1,377,721.25	$ -	$ -	$ -	$ -	$ 1,377,721
Deferred Payments in Lieu of Taxes	1562								
2006 PILs & Taxes Variance	1592								
Sub-Totals				$ -					$ -
Total		$ (23,512)	$ (3,760)	$ (3,496,388.83)	$ -	$ -	$ -	$ -	$ (3,496,389)
The following is not included in the total claim but is included on a memo basis:									
Deferred PILs Contra Account [8]	1563								
RSVA - Power (including Global Adjustment)	1588	$ 7,738	$ 2,267	$ 1,273,195.15					$ 1,273,195
RSVA - Power - Sub-Account - Global Adjustment [4]	1588	$ 12,026	$ 1,923	$ 1,076,240.52					$ 1,076,241
Recovery of Regulatory Asset Balances	1590	$ (25,045)	$ (4,005)	$ (613,464.77)					$ (613,465)
C:\Documents and Settings\Rampado\My Documents\Rates\Rebasing\Interrogatories\OEB IRs\Draft Responses\[Q1.26 revised Continuity Schedule.XLS]Continuity Sche				$ (2,836,658.45)					

SHEET 1 - December 31, 2008 Deferral and Variance Accounts

NAME OF UTILITY	Burlington Hydro Inc.	**LICENCE NUMBER**	
NAME OF CONTACT		**DOCID NUMBER**	EB-2009-0259
E-mail Address			
VERSION NUMBER		**PHONE NUMBER**	
Date	28-Aug-09	**(extension)**	

Note to User - You may want to add others

Enter appropriate data in cells which are highlighted in yellow only.
Enter the total applied for Deferral and Variance amounts for each account in the appropriate cells below.

Account Description	Account Number	Principal Amounts as of Dec-31 2008	Interest to Dec31-08	Interest Jan-1 to Dec31-09	Interest Jan1-10 to Apr30-10	Total Claim
RSVA - Wholesale Market Service Charge	1580	$ (3,892,432)	$ (63,798)	$ (37,530)	$ (6,002)	$ (3,999,762)
RSVA - One-time Wholesale Market Service	1582	$ 251,781	$ 35,938	$ 2,397	$ 383	$ 290,500
RSVA - Retail Transmission Network Charge	1584	$ (1,003,791)	$ 77,818	$ (5,078)	$ (812)	$ (931,864)
RSVA - Retail Transmission Connection Charge	1586	$ (301,032)	$ 65,557	$ 2,148	$ 344	$ (232,984)
RSVA - Power (excluding Global Adjustment)	1588	$ (379,309)	$ 580,209	$ (4,288)	$ 344	$ 196,956
RSVA - Power (Global Adjustment)	1588	$ 1,063,629	$ (1,338)	$ 12,026	$ 1,923	$ 1,076,240
Sub-Totals		$ (4,261,154)	$ 694,386	$ (30,325)	$ (3,820)	$ (3,600,914)
Other Regulatory Assets - OEB Cost Assessments	1508	$ 190,168	$ 21,803	$ 2,150	$ 344	$ 214,465
Other Regulatory Assets - Pension Contributions	1508	$ 561,924	$ 76,967	$ 6,336	$ 1,013	$ 646,241
Retail Cost Variance Account - Retail	1518	$ (50,137)	$ 136	$ (523)	$ (84)	$ (50,608)
Retail Cost Variance Account - STR	1548	$ (6,741)	$ (513)	$ (76)	$ (12)	$ (7,342)
Msc. Deferred Debits	1525	$ 11,413	$ 1,607	$ 132	$ 21	$ 13,174
Smart Meters Revenue and Capital	1555			$ -	$ -	$ -
Smart Meter Expenses	1556			$ -	$ -	$ -
Low Voltage	1550	$ (195,556)	$ (2,088)	$ (1,981)	$ (317)	$ (199,941)
CDM	1565	$ 7,771	$ 200	$ -	$ -	$ 7,971
CDM Contra	1566	$ (7,771)	$ (200)	$ -	$ -	$ (7,971)
Other Deferred Credits	2425			$ -	$ -	$ -
Recovery of Regulatory Asset Balances	1590	$ (2,215,017)	$ 1,630,603	$ (25,045)	$ (4,005)	$ (613,465)
Sub-Totals		$ (1,703,945)	$ 1,728,515	$ (19,006)	$ (3,039)	$ 2,525
Totals per column		$ (5,965,099)	$ 2,422,900	$ (49,331)	$ (6,859)	$ (3,598,389)

Annual interest rate: 3.35%

2010 Data By Class	kW	kWhs	Non-RPP kWhs	Cust. Num's	2006 EDR Recovery Allocation	Cust #'s w/ Rebate Cheques	Dx Revenue
RESIDENTIAL CLASS		520,407,965	46,472,431	58,643	3,002,897	43,544	$ 17,872,017
GENERAL SERVICE <50 KW CLASS		171,414,280	28,489,053	5,028	888,254	4,139	$ 4,074,973
GENERAL SERVICE >50 KW NON TIME OF USE	2,343,504	910,133,799	763,420,230	1,030	4,786,601	201	$ 7,330,390
GENERAL SERVICE >50 KW TIME OF USE							
STANDBY							
LARGE USER CLASS							
UNMETERED & SCATTERED LOADS		3,918,008	25,075	602	23,869	0	$ 149,415
SENTINEL LIGHTS							
STREET LIGHTING	26,120	9,421,002	9,349,402	14,673	20,515	2	$ 134,500
Totals	2,369,624	1,615,295,054	847,756,193	79,977	8,722,136	47,886	$ 29,561,295

Allocators	kW	kWhs	Non-RPP kWhs	Cust. Num's	2006 EDR Recovery Allocation	Cust #'s w/ Rebate Cheques	Dx Revenue
RESIDENTIAL CLASS	0.0%	32.2%	5.5%	73.3%	34.4%	90.9%	60.5%
GENERAL SERVICE <50 KW CLASS	0.0%	10.6%	3.4%	6.3%	10.2%	8.6%	13.8%
GENERAL SERVICE >50 KW NON TIME OF USE	98.9%	56.3%	90.1%	1.3%	54.9%	0.4%	24.8%
GENERAL SERVICE >50 KW TIME OF USE	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
STANDBY	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
LARGE USER CLASS	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
UNMETERED & SCATTERED LOADS	0.0%	0.2%	0.0%	0.8%	0.3%	0.0%	0.5%
SENTINEL LIGHTS	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
STREET LIGHTING	1.1%	0.6%	1.1%	18.3%	0.2%	0.0%	0.5%
Totals	100%	100%	100%	100%	100%	100%	100%

Sheet 2 - Rate Riders Calculation

NAME OF UTILITY	Burlington Hydro Inc.	**LICENCE NUMBER**	
NAME OF CONTACT		**DOCID NUMBER**	EB-2009-0259
E-mail Address			
VERSION NUMBER		**PHONE NUMBER**	
Date	28-Aug-09	**(extension)**	

Deferral and Variance Accounts:	**Amount**	**ALLOCATOR**	**Residential**	**GS < 50 KW**	**GS > 50 Non TOU**	**Small Scattered Load**	**Street Lighting**	**Total**
WMSC - Account 1580	$ (3,999,762)	kWh	$ (1,288,624)	$ (424,453)	$ (2,253,656)	$ (9,702)	$ (23,328)	$ (3,999,762)
One-Time WMSC - Account 1582	$ 290,500	kWh	$ 93,592	$ 30,828	$ 163,681	$ 705	$ 1,694	$ 290,500
Network - Account 1584	$ (931,864)	kWh	$ (300,223)	$ (98,889)	$ (525,056)	$ (2,260)	$ (5,435)	$ (931,864)
Connection - Account 1586	$ (232,984)	kWh	$ (75,062)	$ (24,724)	$ (131,274)	$ (565)	$ (1,359)	$ (232,984)
Power (excluding Global Adj)- Account 1588	$ 196,956	kWh	$ 63,454	$ 20,901	$ 110,974	$ 478	$ 1,149	$ 196,956
Power (Global Adjustment) - Account 1588	$ 1,076,240	kWh non-RPP customers	$ 58,997	$ 36,167	$ 969,174	$ 32	$ 11,869	$ 1,076,240
Subtotal - RSVA	$ (3,600,914)		$ (1,447,865)	$ (460,170)	$ (1,666,156)	$ (11,313)	$ (15,410)	$ (3,600,914)
Other Regulatory Assets - Account 1508	$ 214,465	Dx Revenue	$ 129,660	$ 29,564	$ 53,181	$ 1,084	$ 976	$ 214,465
Other Regulatory Assets - Account 1508	$ 646,241	Dx Revenue	$ 390,701	$ 89,083	$ 160,250	$ 3,266	$ 2,940	$ 646,241
Retail Cost Variance Account - Acct 1518	$ (50,608)	# of Customers	$ (37,108)	$ (3,182)	$ (652)	$ (381)	$ (9,285)	$ (50,608)
Retail Cost Variance Account (STR) Acct 1548	$ (7,342)	# of Customers	$ (5,383)	$ (462)	$ (95)	$ (55)	$ (1,347)	$ (7,342)
Msc. Deferred Debits - Account 1525	$ 13,174	# cust w/ rebate Cheq	$ 11,979	$ 1,139	$ 55	$ -	$ 1	$ 13,174
Low Voltage - Account 1550	$ (199,941)	kWh	$ (64,416)	$ (21,218)	$ (112,656)	$ (485)	$ (1,166)	$ (199,941)
CDM	$ 7,971	kWh	$ 2,568	$ 846	$ 4,491	$ 19	$ 46	$ 7,971
CDM Contra	$ (7,971)	kWh	$ (2,568)	$ (846)	$ (4,491)	$ (19)	$ (46)	$ (7,971)
Recovery of Regulatory Asset Balances	$ (613,465)	2006 EDR Allocation	$ (211,206)	$ (62,475)	$ (336,662)	$ (1,679)	$ (1,443)	$ (613,465)
Subtotal - Non RSVA, Variable	$ 2,525		$ 214,226	$ 32,450	$ (236,577)	$ 1,750	$ (9,324)	$ 2,525
Smart Meters Revenue and Capital, 1555 (Fixed)	$ -	# of Metered Customers	$ -	$ -	$ -	$ -	$ -	$ -
Smart Meter Expenses, 1556 (Fixed)	$ -	# of Metered Customers	$ -	$ -	$ -	$ -	$ -	$ -
Subtotal - Non RSVA Fixed	$ -		$ -	$ -	$ -	$ -	$ -	$ -
Total to be Recovered	$ (3,598,389)		$ (1,233,639)	$ (427,720)	$ (1,902,733)	$ (9,563)	$ (24,734)	$ (3,598,389)

Balance to be collected or refunded, Variable	$ (3,598,389)		$ (1,233,639)	$ (427,720)	$ (1,902,733)	$ (9,563)	$ (24,734)	$ (3,598,389)
Balance to be collected or refunded, Fixed	$ -		$ -	$ -	$ -	$ -	$ -	$ -
Number of years for Variable	4							
Number of years for Fixed	4							
Balance to be collected or refunded per year, Variable	$ (899,597)		$ (308,410)	$ (106,930)	$ (475,683)	$ (2,391)	$ (6,184)	$ (899,597)
Balance to be collected or refunded per year, Fixed	$ -		$ -	$ -	$ -	$ -	$ -	$ -

Class	**Residential**	**GS < 50 KW**	**GS > 50 Non TOU**	**Scattered Load**	**Street Lighting**
Deferral and Variance Account Rate Riders, Variable	$ (0.0006)	$ (0.0006)	$ (0.2030)	$ (0.0006)	$ (0.2367)
Billing Determinants	kWh	kWh	kW	kWh	kW
Deferral and Variance Account Rate Riders, Fixed (per month)	$ -	$ -	$ -	$ -	$ -
Billing Determinants	# metered cust.	# metered cust.	# metered cust.		

Components of 2010 Riders:						
Variable	RSVA	$ (0.0007)	$ (0.0007)	$ (0.1777)	$ (0.0007)	$ (0.1475)
Variable	Non RSVA	$ 0.0001	$ 0.0000	$ (0.0252)	$ 0.0001	$ (0.0892)
Fixed, per month		$ -	$ -	$ -	$ -	$ -

Question Date: October 30, 2009
Response Date: November 20, 2009

Burlington Hydro Inc.
Response to Interrogatory from Board Staff
Question 27

Question:

Deferral and Variance Accounts
Ref: Exhibit 9/Tab 1/Sch. 1/Pg. 1 – Accounts requested for Disposition

Burlington has requested disposition of Account 1590. The balance as of December 31, 2008 is:

Principal:	$(2,215,017)
Interest:	$ 1,630,603

(i) Please explain why the principal is a credit number, and the interest is a debit number, and why there is such a large variation.

(ii) Please provide the monthly breakdown to show the balance in both principal and interest from 2006 and 2008.

Response:

(i) The Principal balance of $(2,215,017) is made up of $(8,023,573) in recoveries, less $5,808,556, the total of the 2004 balances transferred to this account. The interest balance of $1,630,602 is made up of $(354,315) interest on the recoveries, less $1,984,918 interest on the accumulated 2004 balances.

(ii) The monthly breakdown is attached at page 2 of this response.

ACCOUNT 1590 - MONTHLY BREAKDOWN

	Principal			Interest		
	Dr	Cr	Balance	Dr	Cr	Balance
2006			(2,210,433)			(151,336)
Jan		(65,454)	(2,275,888)			(151,336)
Feb		(64,083)	(2,339,971)			(151,336)
Mar		(68,023)	(2,407,994)			(151,336)
Apr		(60,524)	(2,468,518)			(151,336)
May		(68,554)	(2,537,072)			(151,336)
Jun		(196,379)	(2,733,451)			(151,336)
Jul		(238,132)	(2,971,584)			(151,336)
Aug	3	(249,673)	(3,221,253)			(151,336)
Sep	393	(274,353)	(3,495,213)			(151,336)
Oct	14	(222,227)	(3,717,427)			(151,336)
Nov	1	(223,860)	(3,941,287)			(151,336)
Dec	78,720	(477,028)	(4,339,594)		(143,626)	(294,962)
Dec	6,645,787	(837,231)	1,468,962	2,041,975	(63,298)	1,683,715
2007						
Jan	273,977	(502,781)	1,240,157			1,683,715
Feb	78	(227,392)	1,012,843			1,683,715
Mar		(243,163)	769,680			1,683,715
Apr		(222,474)	547,206			1,683,715
May	279,677	(496,297)	330,586			1,683,715
Jun		(219,432)	111,155			1,683,715
Jul		(248,116)	(136,962)			1,683,715
Aug		(245,690)	(382,652)			1,683,715
Sep		(265,868)	(648,520)			1,683,715
Oct		(236,368)	(884,888)			1,683,715
Nov		(234,696)	(1,119,585)			1,683,715
Dec	373,524	(585,844)	(1,331,904)	99,971		1,783,686
2008						
Jan		(221,791)	(1,553,695)			1,783,686
Feb		(229,764)	(1,783,459)			1,783,686
Mar		(238,051)	(2,021,510)			1,783,686
Apr		(216,333)	(2,237,843)			1,783,686
May		(213,159)	(2,451,001)			1,783,686
Jun		(34,454)	(2,485,455)			1,783,686
Jul		(8,722)	(2,494,177)			1,783,686
Aug	22		(2,494,155)			1,783,686
Sep	112		(2,494,043)			1,783,686
Oct	3		(2,494,040)			1,783,686
Nov	238		(2,493,802)			1,783,686
Dec	278,988	(203)	(2,215,017)		(153,083)	1,630,603
* transfer of 2004 balances						

Burlington Hydro Inc.
Response to Interrogatory from Board Staff
Question 28

Question:

Deferral and Variance Accounts
Ref: Exhibit 9/Tab 1/Sch. 1/Pg. 1 – Accounts requested for Disposition – 1565 and 1566

Per email request from Board Staff November 18, 2009, the original question asked was replaced with the following question:

CDM TRACKING ACCOUNTS 1565 AND 1566
The Applicant has requested disposition of accounts 1565 and 1566. The 1565 account balance as of December 31, 2008 is shown as $7971. Staff notes that this balance is not zero.

a) Please explain the credit balance of ($1,356,456) in account 1565 on December 31, 2005.
b) On February 17, 2005, the Board approved Burlington's CDM plan in the amount of $2,157,862. Board staff notes that the amount charged to account 1565 from January 1, 2005 to December 31, 2008 is $2,720,683. Please provide the justification for the Board to approve the 1565 account balance since it represents an amount that is above the total spending limit approved in the applicant's CDM Plan.
c) Please explain why the balance in account 1565 (and the corresponding offsetting balance in 1566) is not zero.
d) Please confirm that all entries made in accounts 1565 and 1566 are consistent with the accounting procedures in Article 220 of the Accounting Procedures Handbook and the Board's FAQs dated December 2005.

Response:

Burlington has provided the following summary chart of project expenditures and booking of revenues to assist in the response to this question.

Breakdown of Account 1565	2004	2005	2006	2007	Total
Third Tranche Program Expenditures	21,000	420,762	866,528	857,343	2,165,633
Total Revenue Booked	-	(1,798,218)	(359,644)	-	(2,157,862)
Account 1565 Expenses	-	(1,356,456)	506,884	857,343	7,771

a) The credit balance of ($1,356,456) in the closing principle balance of Account 1565 as at December 31, 2005 is based on the sum of ($1,798,218) in revenue booked less program expenditures in 2004 and 2005 of $420,000.
b) As illustrated in the chart above, Burlington confirms total expenditures of $2,167,955 related to third tranche CDM initiatives.
c) Burlington targeted spending to the expenditure level of $2,157,862 as approved by the OEB. The overspending of $7,771, a variance of 0.4%, was held in this account for future review.
d) Burlington confirms that all entries made in accounts 1565 and 1566 are consistent with the Accounting Procedures Handbook and Board's FAQ.

Burlington Hydro Inc.
Response to Interrogatory from Board Staff
Question 29

Question:

LRAM & SSM
Ref: Exhibit 8/Tab 6/Sch. 1 – IndEco Third Party Review, Pg. 10

In section 3.3, Proposed LRAM amounts; it states that "LRAM calculations are to be completed with the best information available at the time of the third party review. As such, the energy savings for programs in Burlington's CDM portfolio were recalculated with the most current list of measures and assumptions."

Please confirm that the list of measure and assumptions that Burlington has used with calculating its LRAM claim are the most recently published OPA assumptions and measures list, which were adopted by the Board on January 27 2009. If Burlington has not used the most recently published OPA assumptions and measures list in calculating its LRAM, please provide the rationale for not doing so.

Response:

The OPA Measures and Input Assumptions List represents the best available *default* assumptions list to be used in the absence of more specific data for the actual installations for the LRAM calculation. In addition, the list has a number of limitations that mean it is impractical or impossible to map implemented measures to the list, either because the list does not include them, or is too specific (e.g. the list provides multiple values for furnaces equipped with ECM motors, but program results may be less aggregated.) In many cases, the Measures and Assumptions List does not address the measures implemented by Burlington Hydro. In particular, many Burlington Hydro programs installed types of lighting fixtures that are not found on the OPA list.

For the 2005 Public Education and Outreach program LRAM calculations, on additional scrutiny, we have concluded that the source document for these program results was not an independent, program-specific evaluation, but rather a calculation of savings and TRC based on the measures and assumptions in the then-current OEB's TRC Guide. We have updated the calculations for this program to the values in the OPA's most current measures and assumptions list.

For the OPA funded programs and the 2006, 2007 and 2008 Residential Coupon (EKC) programs, the OPA has conducted a program specific evaluation, and calculated results for those specific programs, and these became available after the most current Measures and Assumptions List.[1] Those evaluation results are more appropriate than would be calculations based on the default assumptions in the Measures and Assumptions List, and so we have used those results, provided by the OPA.

The energy savings, LRAM claim and SSM claim in our application as filed were based on preliminary numbers for the 2008 OPA funded programs (including the Residential Coupon program). The 2008 results were released on 10 November and we have updated the results to their confirmed, finalized

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[1] Raegan Bunker, (Manager Conservation Portfolio, OPA). 2009. Re: Estimated allocation of 2006-2008 provincial conservation results to Local Distribution Company service territories - update to July 2009 report. E-mail to Anne Rampado, Gerry Smallgange, Jenna Holzshuh and Amy Kunz (10 November). Signed by R. Bunker, sent by James Yue. The e-mail is appended.

values. These values have been used to update the LRAM and SSM claims, as well as respond to this set of interrogatories as they are more suitable that the assumptions listed in the 2008 OPA Measures and Assumptions list. In the e-mail sent to Burlington Hydro with these results, the OPA states: "All results presented herein are considered final" and "The results provided in the enclosed report are in accordance with current OPA practices and policies for reporting progress against the provincial conservation goals."[2]

Resulting from the interrogatories sent by VECC (OEB filing EB-2009-0259), the assumptions used to calculate the LRAM claim from the 2007 Residential Coupon program 13W CFLs were updated to use the energy savings from the 2008 OPA Measures and Assumptions list. In the application as filed, the assumptions used for the 13W CFLs were those of the 2008 OEB Measures and Assumptions list 15W CFLs prorated to a 13W CFL.

The assumptions used to calculate the LRAM claim for the 2005 Public Education and Outreach program were also updated to use the energy savings found in the 2008 OPA Measures and Assumptions list. Assumptions used for this program in the independent third party review were provided by a 2005 SeeLine report. At the time of filing it was thought that this report was the result of an independent program-specific evaluation, but on additional scrutiny is now seen to be simply a calculation of savings and TRC whose values were based on the then-current OEB TRC Guide and these estimates should be and have been updated for the LRAM claim.

[2] Bunker, e-mail of 10 Nov 2009.

Burlington Hydro Inc.
Response to Interrogatory from Board Staff
Question 30

Question:

LRAM & SSM
Ref: Exhibit 8/Tab 6/Sch. 1 – IndEco Third Party Review, Pg. 11

Table 5 in the above schedule shows the energy savings of each program by rate class.

It appears that only the net kW and kWh savings data has been reported. In the Board's Guidelines for Electricity Distributor Conservation and Demand Management (the "Guidelines") issued of March 28, 2008, section 9.2 outlines the information that is required when filing an application for LRAM. Please explain why the following has not been included in the application:

(i) The gross kW or kW impacts of each program and for each class.
(ii) Please provide the gross kW and kWh impacts on each program and for each class.

Response:

Table 1 provides the gross kWh and kW savings for Burlington Hydro's CDM portfolio. It reflects the updates made to the savings provided in the filed application. These updates are referenced at the end of Board Staff Question 32 in Table 4.

Table 1 - GROSS kWh and kW impacts of each program on each rate class

Funding Source	Program	Year	Free Ridership	GROSS			NET		
				Residential (kWh)	GS < 50kW (kWh)	GS 50-4,999kW (kW)	Residential (kWh)	GS < 50kW (kWh)	GS 50-4,999kW (kW)
Third tranche	BHI lighting retrofit	2005	0%			48			48
		2006	0%			8			8
		2007	30%		901,462	141		631,023	99
	Municipal building retrofit	2006	0%		423,107	52		423,107	52
		2007	30%	792,000			554,400		
	Municipal new construction	2006	0%		585,308			585,308	
	Public education and outreach	2005	30%	1,356,949			949,864		
		2007	30%	300,800			210,560		
	Staff development program	2007	30%	93,600			65,520		
	Residential coupon program	2006	10%	16,361,380			14,725,242		
Post-third tranche		2007	29%[1]	5,812,617			4,103,198		
		2008	60%[1]	4,044,412			1,630,708		
	Multi-unit residential lighting retrofit	2006	30%		689,932	59		482,953	41
		2007	30%			239			167
	General service lighting	2006	30%		1,202,583	297		841,808	208
		2007	30%		305,455	112		213,819	79
OPA funded	Cool Savings Rebate	2006	10%	428,020			385,218		
		2007	47%[1]	1,585,861			834,000		
		2008	46%[1]	552,766			296,419		
	Electricity Retrofit Incentive Program (ERIP)	2007	10%		36,000	46		32,400	42
		2008	30%		761,459			533,022	
	peaksaver®	2008	10%	40,551			36,496		
	Renewable Energy Standard Offer Program (RESOP)	2007	0%		12,000			12,000	
	Social housing	2007	0%	328,000			328,000		
	The Great Refrigerator Roundup	2007	60%[1]	864,297			348,000		

	2008	46%[1]	937,513		508,933	
Summer Savings/Sweepstakes	2007	88%	35,883,333		4,306,000	
	2008	22%	228,918		178,556	
Secondary fridge retirement pilot	2006	10%	255,432		229,889	
High performance new construction	2008	30%		5,957		4,170
Power Savings Blitz	2008	30%		439,879		307,915
Total kWh saved			**75,229,592**		**33,758,258**	
Total kW saved				**1,003**		**744**

1. For this program, free riderships are specific to each measure within the program. The listed value is a weighted average free ridership

Burlington Hydro Inc.
Response to Interrogatory from Board Staff
Question 31

Question:

LRAM & SSM
Ref: Exhibit 8/Tab 6/Sch. 1 – IndEco Third Party Review, Pg. 12

In Table 6 – Energy rates per rate class; it appears as though Regulatory Asset recovery has been included in the 2005 figures. In section 5.2 of the Guidelines, Calculation of LRAM, it states that "the [LRAM] calculation does not include any Regulatory Asset Recovery rate riders, as these finds are subject to their own independent true-up process.

Please provide the rationale for including Regulatory Assets Recovery in 2005.

Response:

The regulatory assets recovery was included as an oversight that was a result of the 2005 rate schedule in the rate decision bundling the Regulatory Assets Recovery in 2005, whereas in other years it was shown as a separate line item. 2005 electricity rates were corrected to remove Regulatory Asset Recovery rate riders (Table 2).

Table 2 - 2005 electricity rates with and without Regulatory Asset Recovery rate riders

Rate class	Electricity rate including Regulatory Asset Recovery rate riders	Electricity rate with Regulatory Asset Recovery rate riders removed
GS > 50 kW TOU	2.7466 $/kW	2.3974 $/kW
GS > 50 kW (Non TOU)	2.8595 $/kW	2.6067 $/kW
Streetlighting	1.0434 $/kWh	0.8262 $/kWh

The LRAM claim has been corrected to apply the 2005 electricity rates that do not include Regulatory Asset Recovery rate riders. The one program affected by this change was the 2005 BHI Lighting Retrofit Program. The LRAM claim associated with this program changed from $7,831 to $7,545.

Burlington Hydro Inc.
Response to Interrogatory from Board Staff
Question 32

Question:

LRAM & SSM
Ref: Exhibit 8/Tab 6/Sch. 1 – IndEco Third Party Review, Pg. 9

Table 4 (Summary of net TRC benefits and requested SSM amounts in 2010) lists the different programs that Burlington has included in its calculation of its SSM. In section 6.1 of the Guidelines, [SSM] Eligible Programs, it states that "the SSM is not available for utility-side expenditures…."

(i) Please provide the rationale for including distribution system improvements in BHI's SSM claim.
(ii) Please provide an updated SSM summary table with the distribution system improvements program removed.

Response:

We agree the Board's Guidelines indicate that distribution system improvements should be excluded from the SSM calculation. An updated SSM amount is provided in Table 3. The SSM in Table 3 also reflects a removal of the 2008 Residential Coupon program from the list of program eligible for SSM. Unlike the 2006 and 2007 versions of that program, the 2008 Residential Coupon program was fully run by the OPA, without involvement from the LDCs so no SSM is being claimed. There are now no 2008 programs with SSM claims. The effect of removing the distribution system improvements increases the SSM claim; the overall effect of both described changes is still an increase to the SSM claim.

Table 3 – Summary of Net TRC benefits and requested SSM amounts in 2010$ without the Distribution System Improvements or the 2008 Residential Coupon program

Funding source	Program	Net TRC benefits (2010$)			Three-year Net TRC	SSM amount (2010$)
		2005	2006	2007		
Third tranche	Appliance replacement		($16,768)	($158)	($16,927)	($846.34)
	BHI lighting retrofit	$161,319	($33,204)	($210)	$127,906	$6,395.31
	CCIW showcase	($18,712)	($14,623)	($158)	($33,493)	($1,674.64)
	Education and outreach – general service	($11,242)	($24,819)	($3,679)	($39,739)	($1,986.97)
	Home developers program	($52,834)	($837)	$152,841	$99,170	$4,958.50
	Municipal building retrofit		$41,840	$70,150	$111,990	$5,599.51
	Municipal new construction		$46,848	($240,561)	($193,713)	($9,685.67)
	Planning, administration and monitoring	($98,402)	($30,258)	($12,300)	($140,960)	($7,048.01)
	Public education and outreach	$231,573	($26,471)	$9,411	$214,513	$10,725.65
	Staff development program	($2,115)	($393)	$597	($1,911)	($95.53)
	Voluntary demand management	($84,533)	($33,926)	($16,727)	($135,186)	($6,759.31)
Third tranche Total		*$125,054*	*($92,612)*	*($40,792)*	*($8,350)*	*($417.50)*
Post-third tranche	Residential coupon program		$1,976,406	$1,159,346	$3,135,752	$156,787.60
	Multi-unit residential lighting retrofit		$118,439	$48,248	$166,687	$8,334.33
	General service lighting		$677,178	$454,384	$1,131,563	$56,578.14
Post-third tranche Total			*$2,772,023*	*$1,661,978*	*$4,434,001*	*$221,700.07*
Grand Total		*$125,054*	*$2,679,412*	*$1,621,185*	*$4,425,651*	**$221,283**

On the account of adjustments made, values for energy savings and both LRAM and SSM claims differ from those presented in the application as filed. The adjustments made are in Table 4.

Table 4 - Adjustments made to the LRAM and SSM claims since the application was filed

Adjustment	Adjusts the LRAM claim?	Adjusts the SSM claim?	Justification for the adjustment
Addition of the free ridership missed by the OPA for its 2006 Cool Savings Rebate Program	Yes	No	See response to VECC interrogatory Q32b
Adjustment of the energy savings for 13W CFLs found as part of the 2007 Residential Coupon program to reflect the 2008 OPA M&A list	Yes	No	See response to VECC interrogatory Q32b
Removal of Regulatory Asset Recovery rate riders for the 2005 electricity rates	Yes	No	See response to Board interrogatory Q31
Removal of Distribution system improvements from the BHI CDM portfolio	No	Yes	See response to Board interrogatory Q32 (and VECC interrogatory Q36)
Update of the results for the 2008 OPA funded programs to their confirmed, finalized values	Yes	No	See response to Board Staff IR question 29
Removal of the 2008 Residential Coupon program from the list of programs eligible for SSM	No	Yes	See response to Board Staff IR question 32
Adjustment of the 2005 Public Education and Outreach program to reflect the OPA M&A list	Yes	No	See response to VECC interrogatory Q33b

The revised requested LRAM amount is given in Table 5.

Table 5 - Final requested LRAM amounts in 2010$

Funding source	Program	2005	2006	2007	2008	Program total
Third tranche	BHI lighting retrofit	$7,545	$918	$0	$0	$8,463
	Home developers program	$0	$0	$15,783	$0	$15,783
	Municipal building retrofit	$0	$13,647	$10,435	$0	$24,082
	Municipal new construction	$0	$10,789	$0	$0	$10,789
	Public education and outreach	$14,081	$0	$3,963	$0	$18,044

	Staff development program	$0	$0	$1,233	$0	$1,233
Third tranche Total		***$21,626***	***$25,354***	***$31,415***	***$0***	***$78,395***
Post-third tranche	Residential coupon program	$0	$290,338	$77,435	$29,585	$397,359
	Multi-unit residential lighting retrofit	$0	$12,524	$12,318	$0	$24,843
	General service lighting	$0	$37,174	$9,517		$46,690
Post-third tranche Total		***$0***	***$340,036***	***$99,270***	***$29,585***	***$468,892***
OPA funded	The Great Refrigerator Roundup			$6,550	$9,233	$15,784
	Cool Savings Rebate		$7,559	$15,698	$5,378	$28,635
	peaksaver®			$0	$662	$662
	Social housing			$6,174		$6,174
	Electricity Retrofit Incentive Program (ERIP)			$3,621	$8,941	$12,562
	Renewable Energy Standard Offer Program (RESOP)			$209	$0	$209
	Summer Savings/Sweepstakes			$81,049	$3,239	$84,288
	Secondary fridge retirement pilot		$4,511			$4,511
	High performance new construction				$70	$70
	Power Savings Blitz				$5,165	$5,165
OPA funded Total			***$12,070***	***$113,301***	***$32,688***	***$158,059***
Grand Total		***$21,626***	***$377,460***	***$243,986***	***$62,274***	**$705,345**

The revised net energy savings are given in Table 1of Board Staff interrogatory 30 and the SSM program breakdown is given in Table 3 of this response. The SSM and LRAM claims by rate class are given in Table 6 below.

Table 6 - Final LRAM and SSM amounts in 2010$

Rate class	LRAM	SSM
Residential	$567,125	$166,045
GS < 50 kW	$72,485	$4,450
GS > 50 kW	$65,735	$50,823
Unmetered Scattered Load	$0	-$36
TOTAL	$705,345	$221,283

Burlington Hydro Inc.
Response to Interrogatory from Board Staff
Question 33

Question:

Rate Design
Ref: Exhibit 8/Tab 7/Sch. 1 – Proposed 2010 Rates Schedule

Burlington provided its proposed list of specific service charges for 2010 as part of its proposed rate schedule in the reference above.

Please identify any rates that are in Burlington's Condition of Services that have not been identified in the proposed list of specific service charges.

Response:

The list at Exhibit 8, Tab 8, Schedule1 excludes late payment charges, allowances (transformer and primary metering) and retail service charges. These rates are listed in the Schedule of Proposed Rates and Charges at Exhibit 1, Tab 1, Schedule 3, page 2. There are no additional rates in the Conditions of Service that are not identified.

Burlington Hydro Inc.
Response to Interrogatory from Energy Probe
Question 1

Question:

Ref: Exhibit 2 & Exhibit 4

The provincial government has announced plans to harmonize the provincial retail sales tax (RST) with the goods and services tax (GST) effective July 1, 2010 to create harmonized sales tax (HST). Based on the proposed elimination of the RST effective July 1, 2010:

a) Please confirm that Burlington Hydro has not made any adjustments to the OM&A forecasts shown in Exhibit 4 to reflect the elimination of the 8% provincial sales tax.
b) Please provide the estimated costs of the provincial sales tax included in the OM&A forecast for 2010.
c) Please provide the amount of provincial sales tax paid by Burlington Hydro in each of 2006, 2007, 2008 and 2009 on OM&A expenses.
d) Is there any reduction in compliance costs that will result from the reduction in the administrative burden on Burlington Hydro to comply with two separate sets of tax rules?
e) Please confirm that Burlington Hydro has not made any adjustments to the capital expenditure forecasts shown in Exhibit 2 to reflect the elimination of the 8% provincial sales tax.
f) Please provide the estimated costs of the provincial sales tax included in the capital expenditures included in rate base forecast for 2010.
g) Please provide the amount of provincial sales tax paid by Burlington Hydro on capital expenditures included in rate base in each of 2006, 2007, 2008 and 2009.
h) If Burlington Hydro is unable to quantify the impact of the removal of the provincial sales tax, is Burlington Hydro agreeable to the creation of a deferral account into which the resulting savings would be placed and rebated to customers in the future? If not, why not?

Response:

(a) Burlington Hydro has not made any adjustments to the OM&A forecasts shown in Exhibit 4 to reflect the elimination of the 8% provincial sales tax.

(b) The estimated costs of the provincial sales tax included in the OM&A forecast for 2010 are $72,728.

(c) The amount of provincial sales tax paid by Burlington Hydro on OM&A for the following years are:

2006	$65,609
2007	$71,243
2008	$70,363
2009(YTD)	$62,389

(d) There is no reduction in compliance costs that will result from the reduction in the administrative burden on Burlington Hydro to comply with two separate sets of tax rules.

(e) Burlington Hydro has not made any adjustments to the capital expenditure forecasts shown in Exhibit 2 to reflect the elimination of the 8% provincial sales tax.

(f) The estimated costs of the Provincial Sales tax included in the capital expenditures included in the rate base forecast for 2010 are $344,929.

(g) The amount of provincial sales tax paid by Burlington Hydro on capital expenditures included in rate base for the following years are:

2006	$204,660
2007	$288,918
2008	$300,732
2009 (YTD)	$331,471

(h) Burlington Hydro has quantified the impact of the removal of the provincial sales tax above. Burlington Hydro will comply with any directions as provided by the OEB, and would agree to a variance account should that be the requirement.

Burlington Hydro Inc.
Response to Interrogatory from Energy Probe
Question 2

Question:

Ref: Exhibit 1, Tab 1, Schedule 16

Are any of the costs associated with Burlington Hydro Electric Inc. and/or Burlington Electricity Services Inc. including their Board of Directors, included in the costs included in the filing by Burlington Hydro for recovery through the revenue requirement? If yes, please and identify and quantify these costs.

Response:

The Director fees and D&O insurance costs of the Directors of Burlington Hydro Electric Inc (BHEI) is apportioned between Burlington Electricity Services Inc (BESI) and Burlington Hydro (BHI) on the basis of their approximate respective asset size.

	2010 Budgeted Costs
BHEI Director Fees	$134,500
Recovered from BHI	$127,500
Recovered from BESI	$ 7,000

	2010 Budgeted Costs
D&O Insurance Premiums	$34,300
Charged to BHI	$32,800
Charged to BESI	$ 1,500
Charged to BHEI	$ 0

As the business of the Holdco Board is oversight of BHI and BESI, the costs to operate this Board have been allocated to the entities that it oversees.

While the Holdco Board oversees the LDC operation, the LDC does have its own Board of Directors with one third independence from the Holdco Board in compliance with the Affiliate Relationships Code.

Burlington Hydro Inc.
Response to Interrogatory from Energy Probe
Question 3

Question:

Ref: Exhibit 1, Tab 2, Schedule 5

a) Please identify the "additional regulatory requirements" that require the addition of a regulatory accountant in 2010.
b) What are the total all in costs associated with this new position?

Response:

a) The Regulatory Accountant will perform all of the regulatory accounting functions that are currently being carried out by the Staff Accountant and the Controller. In addition, this position will participate in and/or monitor OEB proceedings related to generic issues that will impact all LDC's such as the development of various handbooks, codes, rules and reporting requirements. Some of the current and upcoming OEB initiatives such as the LEAP and FIT/microFIT programs will be assigned to the Regulatory Accountant. The Regulatory Accountant will work on the Rate Applications and assist in the implementation of the IFRS Accounting Standards. This will reduce the cost of hiring temporary staff. This position will reduce the excessive hours of overtime and free up the Controller's and Staff Accountant's time to undertake new projects and initiatives that have been deferred, such as a complete review of the Management Information Systems.

b) The cost associated with this new position is $67,500.

Burlington Hydro Inc.
Response to Interrogatory from Energy Probe
Question 4

Question:

Ref: Exhibit 2, Tab 3, Schedule 1

The evidence states that Burlington Hydro has used the half year rule for calculating the depreciation expense for the 2010 test year. Did Burlington Hydro also use the half year rule for calculating the depreciation expense for the 2009 bridge year? If not, please explain how the 2009 bridge year expense was calculated and how this compares in terms of total depreciation expense in 2009 if the half year rule methodology had been used for 2009.

Response:

Burlington Hydro has used the half year rule for calculating the depreciation expense for the 2009 bridge year.

Burlington Hydro Inc.
Response to Interrogatory from Energy Probe
Question 5

Question:

Ref: Exhibit 2, Tab 4, Schedule 2

a) Please update the cost of power component of the working capital allowance to reflect the October 15, 2009 OEB RPP Report that has a cost of power of $.06215 per kWh.
b) Has Burlington Hydro reflected the different rates applicable to RPP and non-RPP customers in the cost of power calculation? If not, why not?
c) Exhibit 9, Tab 2, Schedule 1 shows that the allocation factor for the RSVA – Power – Global Adjustment is kWh – non RPP. Please provide the total non RPP kWh used for this allocation. Is this figure a 2010 forecast or an actual historical figure? Please provide the percentage of the total kWh represented by the non RPP kWh based on either the forecast or the actual historical period used.
d) Please calculate the cost of power and the related impact on the working capital allowance to reflect the RPP and non RPP volumes (as provided in the response to part (c) above using the RPP price of $0.06215 per kWh and a price of $0.05820 per kWh for the non RPP volumes (being the sum of the forecasted average HOEP price of $0.03326 per kWh and the forecasted global adjustment of $0.02494 per kWh for the RPP year).
e) Are the kWh's associated with any market participants served by the distributor included in the kWh's used to calculate the cost of power? If yes, please recalculate the cost of power component of the working capital allowance removing any such volumes.
f) Does the distributor intend to update the transmission related cost of power to reflect 2010 transmission rates when they are approved by the Board?

Response:

a) The updated cost of power calculation for 2010 is attached at page 3 of this response.
b) Burlington Hydro used the RPP forecast as provide in the OEB RPP Report as an approximation of both RPP and non-RPP customers in the cost of power calculation. This value was used as it is easily accessible, well documented and updated on a regular basis. In addition, it is Burlington Hydro's understanding that the method used to determine the cost of power is consistent with the method approved by the Board in the 2009 rebased/cost of service rate applications
c) Please see the table below that summarizes data found at Exhibit 9, Tab 1, page 3, and Exhibit 9, Tab 2 Schedule 2, page 2. This table represents the 2010 forecasted allocation between RPP and non-RPP based on 2008 actual data.

2010 Data By Class	Total Forecasted 2010 kWhs	% of 2008 Consumption Billed Provincial Benefit	Forecasted RPP kWhs	Forecasted Non-RPP kWhs
RESIDENTIAL CLASS	520,407,965	8.93%	473,935,534	46,472,431
GENERAL SERVICE <50 KW CLASS	171,414,280	16.62%	142,925,227	28,489,053
GENERAL SERVICE >50 KW	910,133,799	83.88%	146,713,568	763,420,230
UNMETERED SCATTERED LOADS	3,918,008	0.64%	3,892,933	25,075
STREET LIGHTING	9,421,002	99.24%	71,600	9,349,402
TOTAL	**1,615,295,054**	**52.48%**	**1,615,295,054**	**847,756,193**

d) Burlington has updated the cost of power calculation for 2010 using the RPP price of $0.06215/kWh and non-RPP price of $0.05820/kWh, based on the kWh consumption identified in part c) of this response. This calculation is provided at page 4 of this response.
e) Burlington does not have any customers that are billed directly for commodity costs.
f) Burlington will follow any directions provided by the OEB following approval of new Ontario Uniform Transmission Rates.

2010 Cost of Power Forecast Calculation
(commodity rate of $0.06215)

Electricity - Commodity	**2010 Forecasted Metered kWhs**	**2010 Loss Factor**			
Class per Load Forecast			**2010**		
Residential	520,407,965	1.0405	541,484,488	$0.06215	$33,653,261
Street Lighting	9,421,002	1.0405	9,802,552	$0.06215	$609,229
GS<50kW	171,414,280	1.0405	178,356,558	$0.06215	$11,084,860
GS>50kW	910,133,799	1.0405	946,994,218	$0.06215	$58,855,691
Unmetered Scattered Load	3,918,008	1.0405	4,076,687	$0.06215	$253,366
TOTAL	**1,615,295,054**		**1,676,637,816**		**$104,456,406**

Transmission - Network		**Volume**			
Class per Load Forecast		**Metric**	**2010**		
Residential		kWh	541,484,488	$0.0055	$2,978,165
Street Lighting		kW	26,120	$1.5557	$40,635
GS<50kW		kWh	178,356,558	$0.0051	$909,618
GS>50kW		kW	2,343,504	$2.0983	$4,917,374
Unmetered Scattered Load		kWh	4,076,687	$0.0051	$20,791
TOTAL					**$8,866,583**

Transmission - Connection		**Volume**			
Class per Load Forecast		**Metric**	**2010**		
Residential		kWh	541,484,488	$0.0050	$2,707,422
Street Lighting		kW	26,120	$1.3674	$35,717
GS<50kW		kWh	178,356,558	$0.0044	$784,769
GS>50kW		kW	2,343,504	$1.8202	$4,265,645
Unmetered Scattered Load		kWh	4,076,687	$0.0044	$17,937
TOTAL					**$7,811,491**

Wholesale Market Service					
Class per Load Forecast			**2010**		
Residential			541,484,488	$0.0052	$2,815,719
Street Lighting			9,802,552	$0.0052	$50,973
GS<50kW			178,356,558	$0.0052	$927,454
GS>50kW			946,994,218	$0.0052	$4,924,370
Unmetered Scattered Load			4,076,687	$0.0052	$21,199
TOTAL					**$8,739,715**

Rural Rate Assistance					
Class per Load Forecast			**2010**		
Residential			541,484,488	$0.0013	$703,930
Street Lighting			26,120	$0.0013	$34
GS<50kW			178,356,558	$0.0013	$231,864
GS>50kW			2,343,504	$0.0013	$3,047
Unmetered Scattered Load			4,076,687	$0.0013	$5,300
TOTAL					**$944,174**

	2010
4705-Power Purchased	$104,456,406
4708-Charges-WMS	$8,739,715
4714-Charges-NW	$8,866,583
4716-Charges-CN	$7,811,491
4730-Rural Rate Assistance	$944,174
4750-Low Voltage	
TOTAL	**130,818,370**

2010 Cost of Power Forecast Calculation
(RPP commodity rate of $0.06215, non-RPP commodity rate of $0.05820)

Electricity - Commodity	**2010 RPP Forecasted**				
Class per Load Forecast	**Metered kWhs**	**2010 Loss Factor**	**2010**		
Residential	473,935,534	1.0405	493,129,923	$0.06215	$30,648,025
Street Lighting	71,600	1.0405	74,499	$0.06215	$4,630
GS<50kW	142,925,227	1.0405	148,713,698	$0.06215	$9,242,556
GS>50kW	146,713,568	1.0405	152,655,468	$0.06215	$9,487,537
Unmetered Scattered Load	3,892,933	1.0405	4,050,596	$0.06215	$251,745
TOTAL	**767,538,861**		**794,573,589**		**$49,634,493**

Electricity - Commodity	**2010 non-RPP Forecasted**				
Class per Load Forecast	**Metered kWhs**	**2010 Loss Factor**	**2010**		
Residential	46,472,431	1.0405	48,354,565	$0.05820	$2,814,236
Street Lighting	9,349,402	1.0405	9,728,053	$0.05820	$566,173
GS<50kW	28,489,053	1.0405	29,642,860	$0.05820	$1,725,214
GS>50kW	763,420,230	1.0405	794,338,750	$0.05820	$46,230,515
Unmetered Scattered Load	25,075	1.0405	26,091	$0.05820	$1,518
TOTAL	**847,756,193**		**882,064,228**		**$51,337,657**

Transmission - Network		**Volume**			
Class per Load Forecast		**Metric**	**2010**		
Residential		kWh	541,484,488	$0.0055	$2,978,165
Street Lighting		kW	26,120	$1.5557	$40,635
GS<50kW		kWh	178,356,558	$0.0051	$909,618
GS>50kW		kW	2,343,504	$2.0983	$4,917,374
Unmetered Scattered Load		kWh	4,076,687	$0.0051	$20,791
TOTAL					**$8,866,583**

Transmission - Connection		**Volume**			
Class per Load Forecast		**Metric**	**2010**		
Residential		kWh	541,484,488	$0.0050	$2,707,422
Street Lighting		kW	26,120	$1.3674	$35,717
GS<50kW		kWh	178,356,558	$0.0044	$784,769
GS>50kW		kW	2,343,504	$1.8202	$4,265,645
Unmetered Scattered Load		kWh	4,076,687	$0.0044	$17,937
TOTAL					**$7,811,491**

Wholesale Market Service					
Class per Load Forecast			**2010**		
Residential			493,129,923	$0.0052	$2,564,276
Street Lighting			74,499	$0.0052	$387
GS<50kW			148,713,698	$0.0052	$773,311
GS>50kW			152,655,468	$0.0052	$793,808
Unmetered Scattered Load			4,050,596	$0.0052	$21,063
TOTAL					**$4,152,846**

Rural Rate Assistance					
Class per Load Forecast			**2010**		
Residential			541,484,488	$0.0013	$703,930
Street Lighting			26,120	$0.0013	$34
GS<50kW			178,356,558	$0.0013	$231,864
GS>50kW			2,343,504	$0.0013	$3,047
Unmetered Scattered Load			4,076,687	$0.0013	$5,300
TOTAL					**$944,174**

	2010
4705-Power Purchased	$100,972,150
4708-Charges-WMS	$4,152,846
4714-Charges-NW	$8,866,583
4716-Charges-CN	$7,811,491
4730-Rural Rate Assistance	$944,174
4750-Low Voltage	
TOTAL	**122,747,243**

Burlington Hydro Inc.
Response to Interrogatory from Energy Probe
Question 6

Question:

Ref: Exhibit 2, Tab 4, Schedule 2, page 20 &
Exhibit 2, Tab 4, Schedule 3, page 19 &
Exhibit 2, Tab 4, Schedule 4, page 15 &
Exhibit 2, Tab 4, Schedule 5, page 21 &
Exhibit 2, Tab 4, Schedule 6, page 20

The referenced exhibits all show the composition of the capital contribution/grants in 2004 through 2008.

a) Please explain what is meant by "Subdivisions Assumed".
b) Please explain what is meant by "Subdivision Buy Back".
c) Why is the subdivisions figure shown in 2008 considerably lower than the corresponding figures for each of 2004 through 2007?

Response:

a) The item "Subdivisions Assumed" indicates the capital costs of the distribution assets installed by the developer. The Developer installs the capital assets under Burlington Hydro's approval and inspection when the Developer selects the alternate bid and waives the offer to connect option. Following a one year warranty period, final inspections are performed to ensure absence of defects. Other BHI conditions must be satisfied by the Developer prior to assumption of the development. Once all conditions are satisfied and defects rectified, the development is assumed. The cost of the assets are shown as a BHI expenditure, however, the capital contributions and grants account indicates the Developers contribution.

b) The next step in the process requires the Developer to apply for the capital cost rebate or "Subdivision Buy Back" determined by BHI using the EEM. The EEM calculates the Developers fair share of the cost to install the new distribution assets. Since the Developer has paid for the entire installation, BHI will rebate the portion over and above the Developer's fair share. The capital contributions and grants account reflects the rebate as a positive expenditure.

c) The onus is on the Developer to complete the last outstanding conditions to Burlington Hydro satisfaction prior to assumption of the development by Burlington Hydro. A single field defect could delay the assumption of a development which is flagged as a potential candidate for assumption in a budget year but fails to do so. Burlington Hydro monitors the status of each development and issues reminder letters to the developer's consultant regarding the assumption status.

Year	Expenditure
2004	$416,977
2005	$473,487
2006	$1,511,100
2007	$1,025,089
2008	$617,674

Burlington Hydro Inc.
Response to Interrogatory from Energy Probe
Question 7

Question:

Ref: Exhibit 2, Tab 4, Schedule 1, page 6 &
Exhibit 2, Tab 4, Schedule 7

a) Please provide a table that shows the 2009 budget forecast, the most recent year-to-date amount available that has been spent and the remainder to be spent in 2009 for each of the projects shown on page 6 of Schedule 1 and explained in Schedule 7.

b) Are any of the 2009 projects, or portion of the projects, now forecast to be completed and in service after the end of 2009? If yes, please provide the details, including the capital additions associated with these projects, or portion of these projects, that will not be in service until 2010.

Response:

a) See attached spread sheet for 2009 actual expenditures and up to Sept 30 and the projected spending for the remainder of 2009.

b) The total of capital projects anticipated for completion in 2009 agree with the 2009 bridge year forecast in this application. While the projects listed below are anticipated to be deferred, other unbudgeted projects have been required in place there of. A number of other capital projects, primarily related to municipal/regional/MTO projects, have grown in scope based on information that was not available when developing the budget.

The following projects have been deferred:

Metering

1. Wholesale metering at Cumberland TS – no 2009 additions, deferred to 2010
(This deferral will allow BHI to coordinate its work with other work to be performed in 2010 at Cumberland TS by Hydro One)

2. Metering upgrades, 2.5 to 3 element – no 2009 additions, no activity this year
3. Relocate wholesale metering at Palermo TS – no 2009 additions
(Items 2 & 3: Due to the London Hydro RFP process for the smart meter installation program, the intended deployment date of January 2009 was delayed to June 2009. Labour resources were allocated from these meter projects to the smart meter program to meet target deadlines. As these internal resources are funded through existing rates, they are captured in the capital budget and not via the smart metering deferral account.)

Underground Projects

1. 12 Mile Trail Conversion – no 2009 additions, driver is the City of Burlington's capital budget and project schedule

(The City of Burlington has deferred this project for another year – design information was not available for Burlington Hydro to proceed.)

2. Downtown Lakeshore Rd., 27.6kV feeder extension – no 2009 additions, project is Developer and demand driven
   (This project is developer driven and will proceed when site approval is provided by the City of Burlington.)

3. Cable Rebuild Project, North Brant Hills area – no 2009 additions, deferred to 2010
   (Burlington redeployed staff to other capital projects necessary to meet target deadlines.)

Overhead Projects

1. Rebuild Crossing at Plains Rd. bridge – construction to begin 2010, the 2009 additions were associated with design fees
   (Burlington Hydro coordinated deployment of this work with the City of Burlington's Storm fallout diversion in the same area to avoid conflict with contract labour. The City deferred this work due to design problems which left Burlington a small window of opportunity to complete the work in 2009. Redeployment of staff to other projects contributed to this project being deferred.)

2. Fault Indicators – no 2009 additions, deferred to 2010
   (Burlington redeployed staff to other capital projects necessary to meet target deadlines.)

Stations

1. Metalclad equipment refurbish/Paint – no 2009 additions
   (Due to the London Hydro RFP process for the smart meter installation program, the intended deployment date of January 2009 was delayed to June 2009. Labour resources were allocated from these meter projects to the smart meter program to meet target deadlines.)

2009 Expenditures

	Project	2009 Budget Expenditures (includes transformers)	Actual Expenditures up to Sept 30	Capital Contributions Received	BHI Funded Expenditures up to Sept 30	Remainder to be Spent
1	Coverall Building	$60,000.00	$3,388.00	$0.00	$3,388.00	$0.00
2	Distribution Stations	$15,000.00	$21,964.00	$0.00	$21,964.00	$0.00
3	Miscellaneous Building Repairs Including Driveway	$40,000.00	$0.00	$0.00	$0.00	$0.00
4	Upgrade Relays to Solid State	$80,000.00	$42,176.00	$0.00	$42,176.00	$0.00
5	Re-comissioning of Various Stations	$130,000.00	$95,759.00	$0.00	$95,759.00	$20,000.00
6	Metalclad Equipment Refurbish/Paint	$20,000.00	$0.00	$0.00	$0.00	$0.00
7	Upgrade RTUs	$25,000.00	$0.00	$0.00	$0.00	$20,000.00
8	Battery Bank Chargers	$10,000.00	$2,724.00	$0.00	$2,724.00	$0.00
9	Transducers	$5,000.00	$0.00	$0.00	$0.00	$0.00
10	Miscellaneous Projects	$7,500.00	$3,653.00	$0.00	$3,653.00	$0.00
11	Burlington Performing Arts Centre	$1,985,000.00	$1,618,740.00	($1,844,324.00)	($225,584.00)	$20,000.00
12	Downtown Lakeshore Road - 27.6 kV Feeder Extension	$750,000.00	$0.00	$0.00	$0.00	$0.00
13	Butyl Insulated Cable Replacement Program	$50,000.00	$4,524.00	$0.00	$4,524.00	$40,000.00
14	12 Mile Trail Conversion to Underground - 16kV	$180,000.00	$0.00	$0.00	$0.00	$0.00
15	Pole Replacement Program	$720,000.00	$455,576.00	$0.00	$455,576.00	$230,000.00
16	Motorized ABS Program	$400,000.00	$297,765.00	($22,800.00)	$274,965.00	$0.00
17	City Projects -Waterdown Road, Harrison Court	$315,000.00	$553,501.00	$0.00	$553,501.00	$40,000.00
18	Rebuild Crossings - Plains Road at Royal Botanical Gardens	$185,000.00	$9,581.00	$0.00	$9,581.00	$0.00
19	Region Projects - Appleby Line, Burload Drive & Uppermiddle Road	$1,465,000.00	$617,874.00	($125,368.00)	$492,506.00	$250,000.00
20	General Service - Overhead	$740,000.00	$853,287.00	($80,183.00)	$773,104.00	$180,000.00
21	MTO Projects - QEW Widening, #6 Highway Reconstruction	$675,000.00	$1,203,758.00	($996,392.00)	$207,366.00	$40,000.00
22	Cable Rebuild (North Brant Hills)	$25,000.00	$0.00	$0.00	$0.00	$0.00
23	General Service - Underground	$1,595,000.00	$770,504.00	($388,918.00)	$381,586.00	$160,000.00
24	Subdivisions Assumed	$2,000,000.00	$1,049,098.00	($1,049,098.00)	$0.00	$0.00
25	PCB Complianace - Transformer Replacement	$500,000.00	$227,856.00	$0.00	$227,856.00	$200,000.00
26	Relocate Wholesale Metering (Palermo TS)	$84,000.00	$0.00	$0.00	$0.00	$0.00
27	Cross Phase Analysis (Rodan)	$30,000.00	$0.00	$0.00	$0.00	$0.00
28	Current Limiters (Customer Service)	$5,500.00	$5,192.00	$0.00	$5,192.00	$0.00
29	Primary Metering Tank Replacement	$25,000.00	$2,260.00	$0.00	$2,260.00	$22,000.00
30	Metering Upgrades 2.5 Element to 3 Element	$25,000.00	$0.00	$0.00	$0.00	$0.00
31	Meters Installed	$200,000.00	$193,298.00	($1,873.00)	$191,425.00	$60,000.00
32	1340 Brant Street	$340,000.00	$419,570.00	$0.00	$419,570.00	$8,000.00
33	Daffron Cust. Programming	$20,000.00	$2,533.00	$0.00	$2,533.00	$0.00
34	Health and Safety Software	$3,000.00	$0.00	$0.00	$0.00	$0.00
35	GIS Mapping System Upgrades and New Landbase	$650,000.00	$437,467.00	$0.00	$437,467.00	$213,000.00
36	OCE Printer Software	$6,000.00	$0.00	$0.00	$0.00	$0.00
37	New and/or Replacements (>4500kg)	$370,000.00	$237,593.00	$0.00	$237,593.00	$0.00
38	New and/or Replacements (<4500kg)	$85,000.00	$145,446.00	$0.00	$145,446.00	$0.00
39	Control Room Upgrades	$125,000.00	$119,557.00	$0.00	$119,557.00	$0.00
40	Burlington Mall	$125,000.00	$110,396.00	$0.00	$110,396.00	$0.00
41	Fault Indicators	$25,000.00	$0.00	$0.00	$0.00	$0.00
42	Wholesale Metering (IT Metering at Cumberland TS)	$350,000.00	$0.00	$0.00	$0.00	$0.00
43	Tools, Shop and Garage Equipment	$52,000.00	$0.00	$0.00	$0.00	$20,000.00
44	Measurement and Testing Equipment	$14,600.00	$7,871.00	$0.00	$7,871.00	$0.00
45	Computer Equipment - Hardware	$56,000.00	$24,982.00	$0.00	$24,982.00	$0.00
46	Office Furniture and Equipment Upgrade	$77,900.00	$71,392.00	$0.00	$71,392.00	$0.00
47	Projected Contributions and Grants	($6,200,000.00)				
	Sub Total	$8,446,500.00	$9,609,285.00	($4,508,956.00)	$14,118,241.00	$1,523,000.00
		Transformer Costs	$1,458,790.00	($35,667.00)	$1,494,457.00	$400,000.00
			Actual Expenditures	Capital Contributions	BHI Funded Expenditures	Remainder to be spent
		Totals (including transformers and meters)	**$11,068,075.00**	**($4,544,623.00)**	**$6,523,452.00**	**$1,923,000.00**

Question Date: November 3, 2009
Response Date: November 20, 2009

Burlington Hydro Inc.
Response to Interrogatory from Energy Probe
Question 8

Question:

Ref: Exhibit 2, Tab 4, Schedule 8

Based on the most recent information available, can any of the 2010 projects listed be deferred to 2011?

Response:

When preparing the capital budget, Burlington Hydro staff complete a thorough review process. This asset management process forms the framework for development of the 10 year capital plan. Planning consideration includes capital work required for external government agencies (City, Region, MTO, etc). As a result of our review process coupled with requirements from external government agencies, all projects identified in the 2010 capital program are considered a priority, and none can be deferred to 2011.

Burlington Hydro Inc.
Response to Interrogatory from Energy Probe
Question 9

Question:

Ref: Exhibit 3, Tab 2, Schedule 1, Table 3-1

Please provide the estimated coefficients, t-statistics and regression statistics for each of the three equations shown in Table 3-1 in the same level of detail as shown in page 9 and in Table 3-5.

Response:

The estimated coefficients, t-statistics and regression statistics for each of the three equations shown in Table 3-1 in the same level of detail as shown in page 9 and in Table 3-5 is provided below.

Statistic	Residential	GS < 50	GS > 50
R Square	86.5%	43.7%	61.8%
Adjusted R Square	85.0%	37.6%	57.6%
F Test	58.4	7.1	14.8
T-stats by Coefficient			
Intercept	(1.1)	0.6	1.7
Heating Degree Days	4.4	1.1	1.8
Cooling Degree Days	10.6	2.9	4.8
Ontario Real GDP Monthly %	(2.9)	(0.9)	(1.2)
Number of Days in Month	1.6	0.1	2.1
Spring Fall Flag	(3.0)	(1.3)	(1.2)
Number of Customers	3.1	2.3	2.8
Number of Peak Hours	1.3	(0.5)	1.6

Question Date: November 3, 2009
Response Date: November 20, 2009

Burlington Hydro Inc.
Response to Interrogatory from Energy Probe
Question 10

Question:

Ref: Exhibit 3, Tab 2, Schedule 1, Table 3-7

a) Please explain why Burlington Hydro has used an average loss factor calculated over the 2003 through 2008 period while the regression analysis is based on a different time period of 1996 through 2008.
b) Please provide the average loss factor for the period 1996 through 2008 in the same format as Table 3-7.
c) Please re-estimate the regression analysis using data for 2003 through 2008 only. Please provide the resulting coefficients, t-statistics and regression statistics.
d) Using the equation estimated in (c) above, please provide a table similar to that on page 12 showing the actual and predicted figures from 2003 through 2008 as well as the forecast for 2009 and 2010 (using all 3 weather normals).

Response:

a) Burlington Hydro has used an average loss factor calculated over the 2003 through 2008 period since billing data was only available for this time period.

b) The billing data for the period 1996 to 2002 is not available to determine this value.

c) Burlington Hydro has re-estimated the regression analysis using data for 2003 through 2008 only. The resulting coefficients, t-statistics and regression statistics are as follows.

Statistic	Value
R Square	91.5%
Adjusted R Square	90.6%
F Test	98.2
Resulting Coefficients	
Intercept	(11,773,522)
Heating Degree Days	21,406
Cooling Degree Days	309,081
Ontario Real GDP Monthly %	(291,575)
Number of Days in Month	2,882,881
Spring Fall Flag	(6,112,188)
Number of Customers	1,246
Number of Peak Hours	68,284
T-stats by Coefficient	
Intercept	(0.5)
Heating Degree Days	7.3
Cooling Degree Days	13.3
Ontario Real GDP Monthly %	(0.4)
Number of Days in Month	4.9
Spring Fall Flag	(4.9)
Number of Customers	0.8

d) Using the equation estimated in (c) above, the following provides a table similar to that on page 12 showing the actual and predicted figures from 2003 through 2008 as well as the forecast for 2009 and 2010 (using all 3 weather normals).

Year	Actual	Predicted	% Difference
Purchased Energy (GWh)			
2003	1,689.6	1,711.1	1.3%
2004	1,712.3	1,705.4	(0.4%)
2005	1,803.8	1,775.8	(1.6%)
2006	1,740.5	1,734.1	(0.4%)
2007	1,768.8	1,765.1	(0.2%)
2008	1,716.7	1,740.2	1.4%
2009 Actual (J-A) and Weather Normal for remaining		**1,750.5**	
2010 Weather Normal - 13 year average		**1,802.9**	
2010 Weather Normal - 10 year average		**1,806.0**	
2010 Weather Normal - 20 year trend		**1,811.1**	

Burlington Hydro Inc.
Response to Interrogatory from Energy Probe
Question 11

Question:

Ref: Exhibit 3, Tab 2, Schedule 1, page 9

a) Please explain the significance of a negative coefficient on the number of customers.
b) Did Burlington Hydro try using population as an explanatory variable in place of the number of customers? If not, why not?
c) Please provide the estimated equation that results when the number of customers is removed from the equation as estimated and is replaced by the population of the service area. Please also provide the volume forecast for 2009 and 2010 (using all 3 weather normals) generated by this equation.

Response:

a) The resulting regression model assigns a negative co-efficient to number of customers. Burlington Hydro was aware of this result at the time the load forecast was prepared for the 2010 rate application. An analysis was conducted to address this situation since Burlington Hydro could not quantify the negative co-efficient. When number of customers were eliminated and replace with population the negative co-efficient was assigned to population. When number of customers and population were both eliminated the resulting equation did not have any negative co-efficients that were not explainable but the equation had a R-square that was lower than the result when the number of customers were included. Based on observing the review of the load forecasting methodology in the 2009 rate application, to not include number of customer or population as an explanatory variable would not be reasonable in Burlington Hydro's view. In addition, it is Burlington Hydro's view that the negative co-efficient on number of customer is somewhat associated with the CDM savings that have occurred after 2005.

b) Yes

c) Burlington Hydro has re-estimated the regression analysis by replacing number of customers with population. The resulting coefficients, t-statistics and regression statistics is shown in the first table below. The second table provides the volume forecast for 2009 and 2010 (using all 3 weather normals) generated by this equation.

Statistic	Value
R Square	92.4%
Adjusted R Square	92.1%
F Test	258.5
Estiimated Coefficient Values	
Intercept	(15,509,589)
Heating Degree Days	23,742
Cooling Degree Days	315,960
Ontario Real GDP Monthly %	1,152,785
Number of Days in Month	3,206,474
Spring Fall Flag	(4,949,752)
Population	(720)
Number of Peak Hours	40,141
T-stats by Coefficient	
Intercept	(0.7)
Heating Degree Days	10.0
Cooling Degree Days	16.9
Ontario Real GDP Monthly %	7.7
Number of Days in Month	6.9
Spring Fall Flag	(5.1)
Population	(3.4)
Number of Peak Hours	1.7

Year	Actual	Predicted	% Difference
Purchased Energy (GWh)			
1996	1,397.5	1,408.5	0.8%
1997	1,416.7	1,406.0	(0.8%)
1998	1,475.5	1,474.1	(0.1%)
1999	1,556.1	1,555.5	(0.0%)
2000	1,598.0	1,592.4	(0.4%)
2001	1,637.9	1,640.7	0.2%
2002	1,716.0	1,701.7	(0.8%)
2003	1,689.6	1,679.6	(0.6%)
2004	1,712.3	1,673.0	(2.3%)
2005	1,803.8	1,759.6	(2.4%)
2006	1,740.5	1,731.7	(0.5%)
2007	1,768.8	1,778.9	0.6%
2008	1,716.7	1,736.6	1.2%
2009 Actual (J-A) and Weather Normal for remaining		**1,687.4**	
2010 Weather Normal - 13 year average		**1,691.0**	
2010 Weather Normal - 10 year average		**1,694.5**	
2010 Weather Normal - 20 year trend		**1,699.6**	

Question Date: November 3, 2009
Response Date: November 20, 2009

Burlington Hydro Inc.
Response to Interrogatory from Energy Probe
Question 12

Question:

Ref: Exhibit 3, Tab 2, Schedule 1, Table 3-8

Please provide the most recent month of actual customers/connections for 2009 and the corresponding number of customers for the same month in 2008 for each of the rate classes shown in Table 3-8.

Response:

The table below provides customer/connection totals as of October 31, 2008 and October 31, 2009.

Customer Class	Number Customers/ Connection (at Oct. 31/08)	Number Customers/ Connection (at Oct. 31/09)
Residential	56,576	57,328
GS < 50 kW	4,829	4,970
GS >50	1,027	975
Street Lighting	14,408	14,457
USL	601	589
Total	**77,441**	**78,319**

Question Date: November 3, 2009
Response Date: November 20, 2009

Burlington Hydro Inc.
Response to Interrogatory from Energy Probe
Question 13

Question:

Ref: Exhibit 3, Tab 2, Schedule 1, Table 3-8

Ref: Exhibit 3, Tab 2, Schedule 1, page 12 &
Exhibit 6, Tab 1, Schedule 1

What is the impact on the gross revenue deficiency of $3,255,392 shown in Exhibit 6, Tab 1, Schedule 1 if the 20 year trend 2010 weather normal forecast of 1,689.7 GWh was used?

Response:

Using the 20 year trend 2010 weather normal forecast of 1,689.7 GWh, the gross revenue deficiency is $3,159,112, an decrease of $96,280.

Question Date: November 3, 2009
Response Date: November 20, 2009

Burlington Hydro Inc.
Response to Interrogatory from Energy Probe
Question 14

Question:

Ref: Exhibit 3, Tab 2, Schedule 1, Table 3-15 &
Exhibit 6, Tab 1, Schedule 1

What is the impact on the gross revenue deficiency of $3,255,392 shown in Exhibit 6, Tab 1, Schedule 1 if the residential, GS < 50 and GS > 50 rate classes were all assumed to be 50% weather sensitive?

Response:

Assuming weather sensitivity of 50% for residential, GS<50kW and GS>50kW rate classes, the weather normal forecast is revised to 1,615.7 GWh, and the gross revenue deficiency is $3,170,617, an decrease of $84,775.

Question Date: November 3, 2009
Response Date: November 20, 2009

Burlington Hydro Inc.
Response to Interrogatory from Energy Probe
Question 15

Question:

Ref: Exhibit 3, Tab 3, page 1

Please provide the most recent year-to-date figure available in the level of detail shown in the table in page 1 for 2009, along with the corresponding figure for the same period in 2008.

Response:

Please see table below:

OTHER DISTRIBUTION REVENUE		
	Actual	Actual
Description	September	September
	2008	2009
Other Distribution Revenues		
Specific Service Charges	618,744	732,412
Late Payment Charges	168,679	154,268
Other Distribution Revenues	140,459	66,254
Other Income and Expenses	527,583	153,843
Total	**1,455,465**	**1,106,777**

Question Date: November 3, 2009
Response Date: November 20, 2009

Burlington Hydro Inc.
Response to Interrogatory from Energy Probe
Question 16

Question:

Ref: Exhibit 3, Tab 3, Schedule 1

a) Please explain the significant decrease in the forecast of account 4235 Specific Service Charges in 2010 as compared to 2009.
b) In the midst a severe recession, why has Burlington Hydro forecast a substantial reduction in account 4225 Late Payment Charges for both 2009 and 2010?
c) Please explain the significant increase in account 4210 Rent from Electric Property forecast for 2009.
d) What is included in account 4220 Other Electric Revenues and why is a significant decrease forecast for 2009?
e) Please explain the figure shown in account 4360 Loss from Disposition of Utility and Other Property shown in 2009 and 2010. What are these losses related to and how has the disposition of this property been reflected in the gross assets and accumulated depreciation schedules shown Exhibit 2, Tab 3, Schedule1? How has the depreciation expense associated with these disposed properties been calculated?
f) What is included in account 4375 Revenues from Non-Utility Operations account 4380 Expenses of Non-Utility Operations?
g) What is driving the significant reduction in margins for accounts 4375 and 4380 from $116,000 in 2008 to less than $73,000 in 2009?
h) Please provide the average balance in 2010 and the interest rate forecast to generate the $32,270 in account 4405 Interest and Dividend Income.
i) Please confirm that account 4405 Interest and Dividend Income does not include any interest credits or debits associated with regulatory assets. If this cannot be confirmed, please provide the forecast for this account in 2010 excluding all interest associated with regulatory asset accounts.
j) If Burlington Hydro has interest earned on any loans made to its affiliate, please indicate the rate charged on these loans.

Response:

(a) In 2008 an accrual of $113,000 was recorded for the payment of the Incentive Compensation Plan. After the completion of the 2008 audit in 2009, it was determined that the Financial targets required to activate the plan were not met. The reversal of the accrual in 2009 resulted in a one time revenue of $113,000 for the year.

(b) Despite the current recession, the Late Payment Charges Revenue for 2009 has decreased by 8.54% in comparison to our 2008 revenues. It is anticipated that the 2009 revenues will be approximately $200,000. A slight increase of 1.4% was budgeted for 2010.

(c) In June 2008 the Fibre services of an affiliate was sold. One of the services provided to the affiliate was the pole and duct rental to carry the fibre wire. From January to June of 2008, the pole and duct rental income of $34,981 was recorded in account 4375-Revenues from Non-Utility

Operations. The July to December 2008 pole and duct rental income of $34,981 was recorded in Account 4210- Rent from Electric Property. In 2009 the full amount of $69,962 has been recorded in account 4210-Rent from Electric Property where as only half was recorded in 2008.

(d) Account 4220- Other Electric Revenues includes the following revenues:

-Subdivision Administration Fees Revenue
-Vendor Discounts on Early Payments
-Standby Charges

The Subdivision Administration Fees Revenue makes up 99% of the account balance. These fees are paid by the developer for services provided by Burlington Hydro to accommodate the building of the subdivision. Due to the recession, the number of subdivision developments has dropped which has resulted in a significant decrease in Revenues.

(e) The amounts recorded in Account 4360- Loss on Disposition of Utility and other Property for the years 2009 and 2010 should have been recorded in Account 4355-Gain on Disposition of Utility and other Property. The gain for 2009 was on the sale of two vehicles which were fully depreciated. As these assets were fully depreciated there is no impact on the Gross Assets and Accumulated Depreciation Schedules shown in Exhibit 2, Tab 3, Schedule 1. The Net Book Value of these assets are $0. A similar gain has been budgeted for 2010.

(f) Account 4375 – Revenues from Non-Utility Operations include the revenues for administrative services provided to the two affiliated corporations, Burlington Electricity Services Inc and Burlington Hydro Electric Inc. Account 4380 – Expenses of Non-Utility Operations, includes the salaries and benefits of the staff, and other costs associated with providing these services, which generated the revenue recorded in Account 4375.

(g) The significant reduction in the margins for accounts 4375 and 4380 from $116,000 in 2008 to less than $73,000 in 2009 is due to the sale of the Fibre Services of an affiliated company in June 2008, after which these services were greatly reduced.

(h) The average balance forecasted for 2010 is $11,951,2 00. At an interest rate of .27% the balance of $11,951,200 is budgeted to generate an interest income of $32,270.

(i) Account 4405 – Interest and Dividend Income

Please note that interest costs associated with deferral accounts, variance accounts and regulatory assets were included in error for the years 2006 to 2008. The corrected balances are as follows:

2006	624,155
2007	831,537
2008	499,096

(j) Burlington Hydro does not have any loans to its affiliates.

Burlington Hydro Inc.
Response to Interrogatory from Energy Probe
Question 17

Question:

Ref: Exhibit 4, Tab 1, page 2

The evidence indicates that non-unionized wages and benefits were increased at a rate of 3.4% and unionized wages and benefits were increased at a rate of 3.0% for the 2010 test year.

a) What is the forecast increase for union and non-union employees for the 2009 bridge year?
b) What were the actual increases given to union and non-union employees for the 2009 bridge year?

Response:

a) The forecast increase for Unionized employees for the 2009 bridge year was 3.5%. In 2009, we entered into negotiations for a new collective agreement. The forecast increase took into consideration other settlements between other Utilities and their unions in our geographic area.

The forecast increase for non unionized employees for the 2009 bridge year was 3.9%. Factors taking into consideration in projecting increases are projected industry averages, information from external salary surveys, CPI and external consultants. The budgetary increase to non unionized staff takes into consideration merit and progressions for junior staff using a merit matrix system. Please see attached merit matrix guidelines.

b) The actual increase negotiated with the unionized employees was 3.0% effective April 1, 2009. The negotiations ended July 9, 2009 after a 7 day strike. The actual average increase given to non-union employees on average was 3.9% effective January 1, 2009. The Merit Matrix was set at 3.5% (please see attached).

Burlington Hydro Inc.
Compensation
Merit Increase Guidelines

As per our compensation philosophy (see below) in order to attract, retain, motivate, and develop talented individuals Burlington Hydro Electric Inc. will provide a competitive and rewarding compensation plan (please see below compensation philosophy). To avoid falling behind the market it is important that on-going maintenance of the compensation system be done as well. With that in mind, each year any recommended compensation adjustments are based on market data from various HR consultants and industry projections.

MERIT MATRIX

a) Merit Increases Guidelines

Annually, Burlington Hydro develops a merit increase guide matrix (see attached) to administer salaries in the compensation program. This guide follows the general compensation principles:

1. Higher rewards shall be granted for higher levels of performance.

2. Higher increases to salaries that are at the lower end of the pay grades (i.e., between 80% and 100%) shall be granted in order to move salaries to the job rate (i.e., 100%) within a reasonable period of time.

3. The amount of increase for competent performance at midpoint (100%) is set at the market "going" rate for merit pay.

b) Salary Positioning in the Range

The movement of an employee through the salary range is based on the individual's performance against the requirements of the position.

Although performance should always be the primary criterion to support movement through the range it is common practice for any employee to reach the midpoint of the salary range in no more than 3 to 4 years. Under the assumption that a new employee is hired with a salary between 80% and 85% of the range midpoint, the positioning of the salary for the following years should go as follows:

End of year 1:	**At about 87%-88% of midpoint**
End of year 2:	**At about 92%-93% of midpoint**
End of year 3:	**At about 97%-98% of midpoint**
End of year 4:	**At midpoint**

c) Sample Projected Salary Increase Market Data

COMPANY	JOB LEVEL	ACTUAL	PROJECTED
		20__	20__
Hay Group	CEO Toronto Utilities Broader Public Sector	3.8% 3.4% 4.1%	3.8% 3.3% 3.7% 3.8%
Morneau Sobeco Canada	Ontario		3.8%
Mercer Compensation Survey	Executive Utilities	4.1% 3.7%	3.9% 3.7%
Hewitt Canadian Salary Increase Survey	Toronto		3.4%
World at Work	Management Toronto	3.6%	3.6% 3.6%
MEARIE Salary Survey	Management	3.36%	3.15%
Watson Wyatt	Toronto Other Ontario Public Sector	3.35% 3.3% 3.74%	3.33% 3.41% 3.63%
Conference Board of Canada	Utilities	3.63%	4.0%
BHI Union contract forecasted increase	Lineperson	3.0%	3.0%(progressions factored into budget already)

Average: 3.7%

Based on the above guidelines and market data management would then recommend an appropriate Merit Matrix. Another consideration would be adjustments to salaries of junior staff (as there is no progression schedule to salaries) that are at the minimum area of the salary range and to recognize superior performance.

2. BASE SALARY RANGE MOVEMENT

The salary structure and salary ranges should be adjusted once a year against the targeted market to ensure that the Burlington Hydro is maintaining its designated market positioning. Normally, ranges will be increased, depending on the movement of salaries in the market. This recommended increase for the total pay framework should be based on updated pay survey data and general trends in the economy or the community.

SAMPLE MERIT MATRIX – Non Union

BASED ON PERFORMANCE LEVEL AND CURRENT POSITION IN SALARY RANGE

When performance as measured against full accountabilities of the position is:	**Up to 84%** **Merit Increase**	**85 – 94%** **Merit Increase**	**95 – 104%** **Merit Increase**	**105% - 114%** **Merit Increase**	**115% - 120%** **Merit Increase**	**120% - 125%** **Merit Increase**
Greatly exceeds expectations 5% of population	**Up to** **8.0%**	**Up to** **7.0%**	**Up to** **5.0%**	**Up to** **4.0%**	**Up to** **3.0%**	**Up to** **2.0%**
Exceeds expectations 15% of population	**Up to** **7.0%**	**Up to** **6.0%**	**Up to** **4.0%**	**Up to** **3.0%**	**Up to** **2.0%**	**Up to** **1.0%**
Meets expectations 65% of population	**Up to** **5.0%**	**Up to** **4.0%**	**Up to** **3.0%**	**Up to** **2.0%**	**Up to** **1.0%**	**NO INCREASE**
Does not meet expectations 13% of population	**Up to** **3.0%**	**Up to** **2.0%**	**NO INCREASE**	**NO INCREASE**	**NO INCREASE**	**NO INCREASE**
Significantly below expectations 2% of population	**NO INCREASE**	**NO INCREASE**	**NO INCREASE**	**NO INCREASE**	**NO INCREASE**	**NO INCREASE**

Burlington Hydro Inc.
Response to Interrogatory from Energy Probe
Question 18

Question:

Ref: Exhibit 4, Tab 2, Schedule 4, page 1

a) On September 28, 2009 the OEB issued a letter providing a status update on the LEAP initiative. As part of that letter the Board indicated that the Minister of Energy and Infrastructure requested that the Board not proceed to implement new support programs for low-income energy consumers in advance of a ministerial direction. In light of this, would Burlington Hydro agree that the $39,000 included in the 2010 revenue requirement should be removed? If not, why not?
b) Please explain why the software amortization line is included in the table to explain the cost drivers for OM&A expenses. Why are these expenses not included in depreciation & amortization?
c) Are there any other amortization or depreciation expense changes included in the OM&A cost drivers? If yes, please identify, quantify and explain.

Response:

a) Please see the response to Board Staff question 14.
b) It is Burlington Hydro's practice of charging software amortization on Engineering software to the Engineering Department instead of directly to Account 5705. The expenses of the Engineering Department are then applied to all capital, operations and maintenance work orders through the Engineering Overhead Rate. It is through the application of the Engineering Overhead to Operations and Maintenance accounts that they are included in the cost drivers.
c) Yes, there are other depreciation expenses which are included in the OM&A cost drivers. These amounts are part of 'Other' in the table on Exhibit 4, Tab 2, Schedule 4, page 1. The amortization of the Computer Software, and the depreciation on vehicles and stores equipment is also included in the OM&A cost drivers. The Computer software amortization is recorded in Account 5665-Miscellaneous General Expenses. The depreciation on vehicles is charged to the Fleet Department, which is then charged out to capital, operations and maintenance work orders through the Hourly Truck Rate. In a similar fashion, the depreciation on Stores equipment is charged to the Stores Department and is then charged out to capital and maintenance work orders through the Inventory Mark-up on material issued by the Stores Department.

   The amounts of the driver relating to these amortization and depreciation expenses which are included in the line called Other are as follows:

2006	$39,334
2007	$31,712
2008	$(432)
2009	$(10,713)
2010	$ 6,307

Question Date: November 3, 2009
Response Date: November 20, 2009

Burlington Hydro Inc.
Response to Interrogatory from Energy Probe
Question 19

Question:

Ref: Exhibit 4, Tab 2, Schedule 4, page 16 &
Exhibit 3, Tab 3, Schedule 1

a) Please provide the total costs of the services provided by Burlington Hydro to the affiliate for each of 2006 through 2010.
b) Please provide the total revenues received for service provided by Burlington Hydro from the affiliate for each of 2006 through 2010.
c) Where are these revenues shown in Exhibit 3, Tab 3, Schedule 1?
d) If there is a reduction in the quantity of services provided to the affiliate in 2008, why is there an increase of $117,614 shown for this line item in the table on page 1 for 2009?
e) Please explain the link between bank fees and smart meter funding. Are these fees interest costs for a loan to help finance the purchase of smart meters? If so, why are these costs included in OM&A costs and not covered through the smart meter (1555) account?

Response:

a) Burlington Hydro provides services to two affiliates, Burlington Electricity Services Inc. (BESI) and Burlington Hydro Electric Inc. (BHEI). The costs of the services provided by Burlington Hydro to the affiliate for the years 2006 through 2010 can be found on Exhibit 4, Tab 5, Schedule 1, Pages 1 to 4.
b) The total revenues received for services provided by Burlington Hydro from the affiliate for the years 2006 through 2010 can be found on Exhibit 4, Tab 5, Schedule 1, Pages 1 to 4.
c) These revenues are included in Account 4375 on Exhibit 3, Tab 3, Schedule 1, Page 1.
d) The cost of the services provided to the affiliate were credited to the following OM&A accounts 5315, 5340, 5615, and 5670 and debited to account 4380. As these services are no longer provided, the credits to these accounts would be significantly less than previous years, resulting in the increase of $117,614 in OM&A costs.
e) The bank fees represent extension fees for renewal of our annual bank credit facilities which include an Operating Line of Credit and a Letter of Credit for the IESO re: power purchases. Also included in fees is an arrangement fee for a new bank credit facility, a non-revolving term facility, to assist in funding the smart meter program. These bank fees are not interest costs.

Burlington Hydro Inc.
Response to Interrogatory from Energy Probe
Question 20

Question:

Ref: Exhibit 4, Tab 2, Schedule 2

Please provide the actual year-to-date OM&A expenses for the most recent month of actual data available for 2009 and the corresponding figures for the same period in 2008 in the same level of detail as shown in the table Summary of OM&A Expenses.

Response:

Please see table below:

SUMMARY OF OM&A EXPENSES			
	SEPTEMBER 2008	SEPTEMBER 2009	VARIANCE 2009 - 2008
OPERATION	2,897,981	3,157,664	259,683
MAINTENANCE	1,962,119	1,861,903	(100,216)
BILLING AND COLLECTING	1,567,397	1,667,363	99,966
COMMUNITY RELATIONS	9,934	10,656	722
ADMINISTRATIVE AND GENERAL	3,010,920	3,517,585	506,665
TOTAL OM&A EXPENSES	**9,448,351**	**10,215,171**	**766,820**
VARIANCE FROM PREVIOUS YEAR			766,820
PERCENTAGE CHANGE (Year over Year)			8.12%

Question Date: November 3, 2009
Response Date: November 20, 2009

Burlington Hydro Inc.
Response to Interrogatory from Energy Probe
Question 21

Question:

Ref: Exhibit 4, Tab 2, Schedule 4, page 18

a) Please reconcile the 3.0% budgeted pay increase with 3.4% figure for non-unionized staff on page 2 of Exhibit 4, Tab 1.
b) Are any of the three apprentice positions forecast to be added in 2010 related to current positions where the incumbent is expected to retire in 2010 through 2013? If yes, please indicate when the incumbent is expected to retire in this time period.
c) Are any of the existing personnel in positions for which apprentices have been hired in 2007 through 2009 expected to retire in 2010 through 2013? If yes, please indicate when the incumbent is expected to retire in this time period.
d) What is the impact on the OM&A costs if the budgeted pay increase is reduced to 2% for all personnel?
e) Is there a negotiated agreement in place with the Union for the 2010 year? If yes, please provide the negotiated increase for 2010 for unionized personnel.
f) What is the impact on the OM&A costs if the budget pay increase for non-unionized personnel is 1.5%?

Response:

a. As stated in response to question 17, in 2009, we entered into negotiations for a new collective agreement. As such, the 3.0% budgeted pay increase for unionized staff is the negotiated increase for 2010. The 3.4% pay increase for non-unionized staff for 2010 was based on the same criteria used in 2009. (please refer to Merit Matrix guidelines)

b. Two of the three apprentice positions forecasted are to replace an incumbent that will retire in 2014. The other will replace an employee eligible to retire in 2015.

c. Two apprentices to be hired in 2007 are to replace employees retiring in 2009. Although slated for 2007, timing of hiring of these apprentices due to lengthy recruitment process took place Jan 1, 2008. Three apprentices hired in 2008 are to replace 3 employees eligible to retire in 2009, 2010 and one in 2011. Three apprentices hired in 2009 are to replace 3 employees eligible to retire in 2013 and 2014.

d. If the budgeted pay increase is reduced to 2% for all personnel the impact on the OM&A costs is a reduction of $61,451.

e. As stated in response a above, there is a negotiated agreement in place for the union for 2010 which is 3 percent.

f. If the budgeted pay increase for non-unionized personnel is1.5% the impact on the OM&A costs is a reduction of $42,509.

Burlington Hydro Inc.
Response to Interrogatory from Energy Probe
Question 22

Question:

Ref: Exhibit 4, Tab 2, Schedule 4, page 1 & page 14 & page 18 &
Exhibit 4, Tab 2, Schedule 5 &
Exhibit 4, Tab 2, Schedule 3

Exhibit 4, Tab 2, Schedule 3 appears to show regulatory expenses (account 5655) of $214,409 in 2008, $519,153 in 2009 and $352,270 in 2010. The differences in these figures are shown as Regulatory Expenses in the table on page 1 of Exhibit 4, tab 2, Schedule 4.

As part of the 2009 cost driver explanation on page 14 of Exhibit 4, Tab 2, Schedule 4, it appears that the increase in the 2009 expenses is the result of the preparation of the rate rebasing application. In the 2010 cost driver explanation on page 18 of the same exhibit, the evidence indicates that one-quarter of the costs associated with the rate rebasing application are included in the 2010 costs. At Exhibit 4, Tab 2, Schedule 5, the evidence indicates that Burlington Hydro will recover these costs over a four year time horizon beginning in 2010.

a) Why has Burlington Hydro included the rate rebasing costs in 2009 while proposing to recover the costs in 2010 through 2013?
b) It is not clear from the evidence provided at Exhibit 4, Tab 2, Schedule 5 what the total cost associated with the rate rebasing application is. Please provide a table that shows each of the components associated with the rates rebasing application (such as legal, consultants, intervenors, Board costs, etc.)
c) What is the impact on the forecast of rate rebasing application costs if there is no oral component (technical conference, hearing) of the proceeding?
d) Please explain why line 5 of the table on Exhibit 4, Tab 2, Schedule 5 has $25,250 in the USofA Account column as part of the 2010 test year forecast, but the second last column in the table, labeled Test Year Forecast, has $15,250.
e) Please explain why line 6 of the table on Exhibit 4, Tab 2, Schedule 5 has $11,737 in the USofA Account column as part of the 2010 test year forecast, but the second last column in the table, labeled Test Year Forecast, has $10,000.
f) Please explain why line 7 of the table on Exhibit 4, Tab 2, Schedule 5 has $38,400 in the USofA Account column as part of the 2010 test year forecast, but the second last column in the table, labeled Test Year Forecast, has $0.

Response:

a) It is Burlington's understanding that the amount included in the revenue requirement is equal to one quarter of the total costs, but that on an annual basis any costs are expensed as they are incurred. The costs included in 2009 are those that are forecasted to be expensed and occur in the year.
b) Please see response to Board Staff interrogatory #12.
c) If Burlington has no oral component, it would be anticipated that the legal costs would be reduced by approximately $50,000.
d) Please see response to Board Staff interrogatory #12.
e) Please see response to Board Staff interrogatory #12.
f) Please see response to Board Staff interrogatory #12.

Question Date: November 3, 2009
Response Date: November 20, 2009

Burlington Hydro Inc.
Response to Interrogatory from Energy Probe
Question 23

Question:

Ref: Exhibit 4, Tab 2, Schedule 6

a) Please confirm that based on the Comparison of Ontario Electricity Distributors Costs (EB-2006-0268), updated with 2007 data issued June 25, 2008 and last updated December 4, 2008, Burlington Hydro's average OM&A cost per customer over the 2005 through 2007 period was $196 per customer, while the relevant cohort (Mid-Size GTA Medium-High Undergrounding) average was $182.
b) Please confirm that the corresponding figures for 2007 are $206 for Burlington Hydro and $188 for the cohort.
c) The evidence in the table in Schedule 6 indicates that Burlington Hydro is forecasting an increase in the 2010 test year forecast of OM&A per customer of 11.1% relative to the 2007 actual cost per customer. If this increase was applied to the cohort average cost in 2007 of $188 per customer, the 2010 cost be $209 per customer, or $20 below the Burlington Hydro forecast. With approximately 80,000 customers, this represents a cost of $1.6 million or more than 70% of the net deficiency claimed by Burlington Hydro. Please explain why Burlington Hydro's costs are significantly higher than those of its cohorts. Please also explain why the Ontario Energy Board should approve significant OM&A cost increases when Burlington Hydro is already significantly above the cohort average.

Response:

a) Burlington has confirmed these figures.
b) Burlington has confirmed these figures.
c) The total expenditures for a utility vary depending on both the management approach and costs that are dependent on each utilities physical characteristics including age of asset, physical geography and mix of overhead and underground plan. This is a factor for both the capital spending plans and the O&M spending requirements. Burlington has included a description of its assets and geography that impact its O&M requirements and contribute to an average higher than others in the cohort group.

   Burlington distributes power at 3 primary voltages (26.6/16kV, 13.8/8kV, 4.16/2.4kV). In the 1950's and 1960's as Burlington was developing, the primary distribution voltage was 4.16/2.4kV. In the 1970's and into the 1980's Burlington also utilized the primary voltage 13.8/8kV, and in the 1990's starting utilizing the primary voltage 27.6/16kV. Up to this point 27.6kV was used as a sub-transmission voltage to supply the primary side of Burlington's Distribution Stations.

   When supplying primary voltage at either the 4.16/2.4kV or 13.8/8kV level, Burlington was required to build Distribution Stations to convert the 27.6kV sub-transmission voltage to the distribution voltage of 4.16/2.4kV or 13.8/8kV. The number of customers that can be supplied by the different primary voltages varies greatly. A typical 4.16/2.4kV feeder can supply 200-300 customers, a 13.8/8kV feeder can supply 600-800 customers, whereas a 27.6/16kV feeder can supply in excess of 2000 customers fed directly from the Hydro One owned Transmission Stations. As a result Burlington had to build and maintain 24 x 4.16/2.4kV Distribution Stations (a mix of single and DESN stations) and 8 x 13.8/8kV Distribution Stations (again, a mix of single

and DESN stations). As per the OEB Distribution System Code these stations must meet set-out inspection cycles, which we are audited on annually under ESA Reg.#22/04. In addition to the inspections, we are required to carry out many maintenance programs, for example, breaker and relay maintenance, DGA oil analysis, and station recomissioning. As a result of all these maintenance requirements, we have a large Station Maintenance Department. Communities that have developed more recently than Burlington, would have their power system typically fed from the 27.6/16kV system. In Burlington's case, the 27.6/16kV primary system is fed from Hydro One owned Transmission Stations, thereby not requiring Utility owned Station Maintenance staff.

The geography of Burlington's distribution area is also unique, where we have the Niagara Escarpment running through Burlington. The south half of Burlington is urban, whereas, the north half of Burlington is very rural with a major portion located on Niagara Escarpment land. As a result, we are required to maintain a large rural feeder network with very few customers attached to them.

On the 4.16/2.4kV system, Burlington has a large number of polelines constructed rear lot, which in most cases restricts access by aerial bucket trucks and other modern power assisted equipment. When maintaining or repairing this equipment, work is completed by staff that are required to climb the poles. As a result of not being able to use aerial devices and derrick trucks, these projects require many more staff and the maintenance/repairs take a longer to complete. The practice of rear lot construction has not been routinely used for more than 30 years, but Burlington has a large amount of legacy construction.

Burlington started installing underground primary cable in the 1970's with the construction of new homes and subdivisions. Due to the age of this underground primary cable, there is now a need to include O&M costs for repairs, in the budget related to the increase in cable failures

With respect to Burlington's forecasted OM&A costs, in addition to the distribution system requirements described above, Burlington, like many other LDCs, is faced with an aging workforce and the need to have a succession plan to attract and train apprentices in order to ensure Burlington has skilled trades workers when many of the existing workforce retires. This requirement is described in detail in Exhibit 4, Tab 4, Schedule 1.

Burlington Hydro Inc.
Response to Interrogatory from Energy Probe
Question 24

Question:

Ref: Exhibit 4, Tab 3, Schedule 1, page 4 &
Exhibit 4, Tab 2, Schedule 3

a) Burlington Hydro has indicated that it has purchased Accounts Receivable Insurance beginning in 2009. For the bad debt expense of $405,047 in 2008 shown in Exhibit 4, Tab 2, Schedule 3, please indicate how much of this amount would have been covered by the Accounts Receivable Insurance had it been in place in 2008.
b) Would the four large commercial accounts written off in 2008 been covered by the insurance had it been in place? If not, please explain why not.

Response:

a) The specific receivables that would have been covered by Insurance would have been dependent on whether the insurer wished to provide coverage for these specific accounts. The insurer does not provide coverage for all receivables and in fact, for receivables covered, the insurer does not necessarily provide 100% coverage. The insurer makes an assessment of the credit quality of the accounts being requested for coverage and makes a determination of what coverage they are prepared to offer.

b) These accounts would not necessarily have been covered by the insurance. The Insurer would have made an assessment in 2008 based on their knowledge of the accounts at that time as to whether they were prepared to provide coverage. It is not possible to say whether coverage would have been provided as it would have been dependent on the Insurer's assessment of the accounts credit quality at that time.

Burlington Hydro Inc.
Response to Interrogatory from Energy Probe
Question 25

Question:

Ref: Exhibit 4, Tab 4, Schedule 2

a) Please explain why no incentive pay has been forecast for 2009.
b) Why has incentive pay been forecast for 2010 but not 2009? What it expected to change?
c) What is the total amount of incentive pay forecast for 2010 based on the figures provided in the employee costs table?
d) Is this the maximum amount of incentive pay that could be paid out? If not, what is the maximum amount of incentive pay that could be paid out in 2010?
e) Please explain what is meant by "Total Compensation Charged to Billings" on the last line of the table. Is the figure shown for 2010 of $673,493 included in the 2010 revenue requirement? If yes, please explain where this cost is shown.

Response:

a. There was no incentive pay in 2009 because the financial targets that trigger the plan were not met.
b. Incentive pay is forecasted each year in anticipation of the company meeting corporate objectives that are set. However, if financial objectives are not met, there would not be any incentive pay to staff in 2010.
c. The total amount of incentive forecast for 2010 is $204,000.
d. This is not the maximum amount of incentive pay that could be paid out. The maximum amount is $281,072.
e. Please see response to Board Staff question 15. These costs are not included in the 2010 revenue requirement.

Burlington Hydro Inc.
Response to Interrogatory from Energy Probe
Question 26

Question:

Ref: Exhibit 4, Tab 5, Schedule 1 &
Exhibit 3, Tab 3, Schedule 1

Please explain why there is no pole rental revenue shown for 2009 or 2010? Is this revenue now received from an unrelated party? If so, does this account for the increase in revenues in account 4210 shown in Exhibit 3, Tab 3, Schedule 1?

Response:

There is no pole rental revenue for 2009 and 2010 because our Affiliate sold its Fibre Division in June of 2008.

The revenue is now received from an unrelated party.

Yes, because the revenue was previously recorded in Account 4375 – Revenues from Non Utility Operations.

Burlington Hydro Inc.
Response to Interrogatory from Energy Probe
Question 27

Question:

Ref: Exhibit 4, Tab 7, Schedule 2, page 5 &
Exhibit 6, Tab 1, Schedule 1 &
Exhibit 4, Tab 1 &
Exhibit 4, Tab 8, Schedule 2

a) Please explain the difference in the 2010 depreciation expense of $7,371,345 shown in Exhibit 4, Tab 7, Schedule 2 and the figure of $6,694,092 shown in the deficiency calculation in Exhibit 6, Tab 1, Schedule 1 and also shown in the Summary of Operating Costs table in Exhibit 4, Tab 1.
b) Please explain why Burlington Hydro has added back in a depreciation expense of $7,371,345 in the income tax calculation shown in Exhibit 4, Tab 8, Schedule 2 rather than the figure of $6,694,092.
c) Please confirm that the utility income before taxes figure of $5,001,233 reflects a depreciation expense of $6,694,902. If this cannot be confirmed, please provide the figure for depreciation used to calculate the utility income before taxes figure.

Response:

(a) The difference between the depreciation expense of $7,371,345 as reported on Exhibit 4, Tab 7, Schedule 2, Page 5 and the amount of $6,694,092 on Exhibit 6, Tab 1, Schedule 1 is $677,253. The amount of $677,253 is the depreciation that is charged directly to the OM&A costs and is not included in Account 5705 – Amortization Expense.

(b) For Income Tax purposes the total depreciation of $7,371,345 as calculated on Exhibit 4, Tab 7, Schedule 2, is correctly added back to income. As discussed in (a) the figure of $6,694,092 is only the amount that is charged to Account 5705 with the difference of $677,523 being recorded in the OM&A expenses.

(c) Burlington Hydro confirms that The Utility Income Before Taxes figure of $5,001,233 as reported on Exhibit 4, Tab 8, Schedule 2 reflects a depreciation expense of $6,694,902.

Burlington Hydro Inc.
Response to Interrogatory from Energy Probe
Question 28

Question:

Ref: Exhibit 4, Tab 8, Schedule 2

a) Please explain the line labeled "Federal ITCs" and provide all details of the calculation of the $33,325.
b) Where does Burlington Hydro make adjustments to the regulatory income taxes for input tax credits such as the Apprenticeship Training Tax Credit, the Co-Operative Education Tax Credit, Investment Tax Credit, etc.?
c) Please calculate the impact on taxes and on the revenue requirement of including the Apprenticeship Training Tax Credit as modified in the 2009 provincial budget to 35% of qualifying wages to a maximum of $10,000 per position and extending the eligibility period from 36 months to 48 months. Please show where this credit has been used to reduce income taxes.
d) Has Burlington Hydro included any tax credits related to the Co-operative Education Tax Credit? If not, why not? If yes, please provide the calculations used to calculate this credit and indicate where in the calculation of income taxes it can be found. Please indicate if the calculation reflects the 2009 provincial budget changes that increased the credit to 25% of qualifying wages to a maximum of $3,000.

Response:

a) The line labeled "Federal ITC's" is the income inclusion based on federal ITC's claimed in fiscal 2008. They were made up of $10,000 of Apprenticeship Tax Credits and $23,325 of Scientific Research & Experimental Development ITC's. These credits were claimed in 2008 and are required to be included in income the following year.
b) No adjustment was made to reduce taxes for tax credits such as the Apprenticeship Training Tax Credit, the Co-operative Education Tax Credit or Investment Tax Credits. There is little certainty as to the amount and due to the income inclusion in the following year it was felt that the amount would not be significant.
c) For 2009 there will be 5 apprentices from 2008 and 4 from 2009. Pro-rating the 4 hired in 2009 based on the hiring date results in approximately 3 full time equivalents. Therefore the 2009 tax credits would be $16,000 [(5 + 3) x $2,000] (calculated federally) and $80,000 [(5 + 3) x $10,000] (calculated provincially). The income inclusion in 2009 would be the provincial credit of $80,000 and taxes on this amount would be $26,400 ($80,000 x 33%). The income inclusion in 2010 due to the federal tax credits from 2009 would be $16,000 and taxes on this amount would be $4,960 ($16,000 x 31%).
   For 2010 there is estimated to be 3 apprentices hired. Therefore with the above apprentices as well as the apprentices hired in 2010 there would be a total of twelve. Therefore the federal tax credit would be $24,000 (12 x $2,000) and the provincial credit would be $120,000 (12 x $10,000). The income inclusion due to these credits would be $120,000 in 2010 and $24,000 in 2011. The additional taxes due to the income inclusion would be $37,200 ($120,000 x 31%) in 2010 and $6,840 ($24,000 x 28.5%).
d) One Co-op student has been hired for 2009 and one is expected for 2010. For 2009 the expected credit would be $2,500 (as eligible costs are expected to be $10,000) with an income inclusion of the same amount. The taxes owing on this amount would be $775. The expected credit for 2010

is expected to be $3,000 (as eligible costs are expected to be $12,000 or greater) with an income inclusion of the same amount. The taxes owing on this amount would be $855.

Burlington Hydro Inc.
Response to Interrogatory from Energy Probe
Question 29

Question:

Ref: Exhibit 4, Tab 3, Schedule 1

a) Please confirm that the 2009 provincial budget reduced the small business tax rate from 5.5% to 4.5% effective July 1, 2010 on the first $500,000 of taxable income and eliminated the 4.25% surtax on taxable income over $500,000, also effective July 1, 2010.
b) Please confirm that the 2010 provincial tax savings resulting from the above change is $18,750, the difference between the following calculations on the first $1,500,000 of taxable income:
   * 13% x $1,500,000 = $195,000 and
   * 5% x $500,000 = $25,000
     13% x $1,000,000 = $130,000
     2.125% x $1,000,000 = $21,250
     Total = $176,250

   If these calculations cannot be confirmed, please provide the calculations that show the reduction in the provincial income tax and provide the rationale for the rates and numbers used.

Response:

a) We confirm that the rates have been proposed to be reduced.
b) There is no tax savings for Burlington as a result of this change. The 2010 provincial tax reductions will not have any impact to Burlington Hydro Inc. ('BHI') as the associated group's taxable capital is too large to be eligible for the small business tax deduction. Therefore as a result of the Ontario tax reduction proposed there will be no tax savings for BHI or any companies associated to it.

Burlington Hydro Inc.
Response to Interrogatory from Energy Probe
Question 30

Question:

Ref: Exhibit 5, Tab 2, Schedule 2 &
Exhibit 5, Tab 3, Schedule 1

The promissory note indicates that the principal sum is to be adjusted to the maximum "deemed amount" in keeping with the latest application to the Ontario Energy Board. The deemed long-term debt about for 2010 is $58,654,433.

a) Does Burlington Hydro expect to receive the difference of approximately $10.75 million from the City of Burlington upon issuance of a Board Decision? If not, why not?
b) If this amount is not advanced to Burlington Hydro, is it Burlington Hydro's position that the City would be in breach of the terms of promissory note? If not, why not?
c) Has Burlington Hydro tried to obtain long-term financing from third party sources, such as a bank or Infrastructure Ontario? If not, why not? If yes, please provide all correspondence related to these enquiries.
d) If the City of Burlington has indicated it will advance the additional long-term debt to Burlington Hydro, does Burlington Hydro know what the source of these funds will be? If the City of Burlington intends to borrow such funds, is Burlington Hydro aware of the rate paid by the City? If yes, please provide this rate.

Response:

a) No. Burlington Hydro expects to be going to the marketplace for long term debt to fund the Smart Meter program. It is anticipated that approximately $11 million in long term financing will be required to fund the Smart Meter roll-out.
b) No. Paragraph 5 states "The undersigned hereby waives presentment, demand, protest of other notice of every kind in the enforcement of the promissory note."
c) Burlington Hydro has not sought to replace the Promissory Note with third party funding as the holder of this note (The City of Burlington) has not demanded pay out. The replacement of this note by a third party is at the discretion of the note holder. Paragraph 4 of the note states "The City may, at any time, …setting a date on which the principle amount hereunder is due and payable …".
d) The City of Burlington has not indicated it will advance any additional long-term debt to Burlington Hydro.

Burlington Hydro Inc.
Response to Interrogatory from Energy Probe
Question 31

Question:

Ref: Exhibit 5, Tab 3, Schedule 1

a) Please confirm that the short term debt return shown for 2010 is incorrect as are the subsequent totals.
b) Do the correct figures in this table for 2010 result in any changes to the revenue requirement, income taxes, etc.?

Response:

Please see the response to Board Staff Question 20 (Q1.20).

Burlington Hydro Inc.
Response to Interrogatory from Energy Probe
Question 32

Question:

Ref: Exhibit 7, Tab 3

Please explain why Burlington Hydro believes it is appropriate to adjust the revenue to cost ratio upwards for the GS > 50 rate class when the updated cost allocation model has the ratio within the Board approved range.

Response:

The revenue to cost ratios calculated for the GS>50kW rate class in the 2007 Cost Allocation information filing was 99.16% including the transformer allowance and 92.95% with the transformer allowance amounts removed, as shown at Exhibit 7, Tab 2, Schedule 1. The 2010 updated Cost Allocation model resulted in a cost ratio of 80.26%, which is significantly lower than the earlier calculation, and moving away from an ultimate target of 100%. Burlington has requested a cost ratio of 85%, approximately half way between the current and past calculations, to attempt to keep this group closer to the 100% target. It was noted that this movement in cost ratios resulted in total bill impacts of less than 1.6%, as shown at Exhibit 8, Tab 1, Schedule 2, pages 3-4.

Burlington Hydro Inc.
Response to Interrogatory from Energy Probe
Question 33

Question:

Ref: Exhibit 7, Tab 3, Schedule 1

What would be the impact on the revenue to cost ratios and the revenues for all rate classes assuming the revenue to cost ratio for the GS > 50 class is left at 80.26%, but the Burlington Hydro proposal for the street lighting class were to proceed as proposed?

Response:

Please see the response to Schools interrogatory #22.

Burlington Hydro Inc.
Response to Interrogatory from Energy Probe
Question 34

Question:

Ref: Exhibit 8, Tab 1

Please reconcile the figures at line 14 of $31,144,197 and at line 15 of $29,561,295 with the figures of $31,317,814 and $29,734,912, respectively, shown the in the tables.

Response:

The values at lines 14 and line 15 should be $31,317,814 and $29,734,912 respectively.

Question Date: November 3, 2009
Response Date: November 20, 2009

Burlington Hydro Inc.
Response to Interrogatory from Energy Probe
Question 35

Question:

Ref: Exhibit 8, Tab 2

With the exception of the street lighting class, it appears that Burlington Hydro is proposing to move all of the fixed rates to the ceiling as derived from the cost allocation model.

a) Is this correct?
b) What is the rationale for moving all of these classes to the ceiling of the range?

Response:

Please see response to Board Staff interrogatory #23.

Burlington Hydro Inc.
Response to Interrogatory from Energy Probe
Question 36

Question:

Ref: Exhibit 8, Tab 5, Schedule 1 &
Exhibit 3, Tab 2, Schedule 1, page 13

a) Why has Burlington Hydro proposed to use a 5 year average for the calculation of the loss factor, rather than a 3 year average as was used as part of the 2006 Electricity Distribution Rate Handbook?
b) Why has Burlington Hydro used a 6 year average loss factor (1.0407) for forecasting purposes (Exhibit 3, Tab 2, Schedule 1, page 13), rather than the 5 year average of 1.0405 as calculated in Exhibit 8, Tab 5, Schedule 1?
c) What would be the total loss factor if Burlington Hydro used the average of the last three years, 2006 through 2008?
d) What would be the impact on the total revenue requirement of using this 3 year average in place of the 5 year average, assuming it was also used to calculate the weather normalized billed energy forecast?

Response:

a) The Update to Chapter 2 of the Filing Requirement for Transmission and Distribution Applications, issued May 27, 2009, specified that five years of historical data was preferred in the calculation of the loss factor.
b) Burlington used 6 years of information for forecasting purposes as it was consistent with the number of years of customer data in the forecast. The very small difference between these values makes these essentially equivalent.
c) The three year average would be 1.0338%.
d) There would be no impact to the revenue requirement as Burlington's forecast is based on a power purchased model.

Burlington Hydro Inc.
Response to Interrogatory from Energy Probe
Question 37

Question:

Ref: Exhibit 9, Tab 1, Schedule 1

The evidence indicates that Burlington Hydro has used the 2008 share of non-RPP kWh billed consumption of approximately 52% to forecast the 2010 non-RPP volumes for variance account disposition. Does Burlington Hydro believe that any further adjustments should be made to the non-RPP customers to reflect the movement of more customers into this category in late 2009? Please explain.

Response:

Burlington does not believe that further adjustments are required based on the following:

- Burlington has not seen a significant change in the number of customers moving to/from energy retailers in the past few years; and
- Burlington has had a small number of customers impacted by the recent change for MUSH customers moving from RPP to spot pricing, representing approximately 1.3% of total distribution volume. This is primarily due to the fact that most of the larger volume customers that would have been impacted by this change have contracts with energy retailers and were not on RPP pricing.

Burlington Hydro Inc.
Response to Interrogatory from School Energy Coalition
Question 1

Question:

Please confirm that the Applicant has 54 schools operated by publicly funded school boards in its franchise area. Please advise how many schools are in each of the GS<50 and GS>50 classes.

Response:

Burlington has confirmed that there are 54 schools (including administrative offices) in its franchise area. It is noted that two of these schools (Aldershot Elementary and Aldershot High School) are at the same street address and are served by one hydro account. Of these 53 accounts, one is in the GS<50 kW rate class, and 52 are in the GS>50 rate class.

Burlington Hydro Inc.
Response to Interrogatory from School Energy Coalition
Question 2

Question:

Attached to these interrogatories is a spreadsheet setting out the figures for the Applicant from the OEB's Electricity Distributor Yearbooks for each of 2005 through 2008, together with calculations of percent change from 2005 to 2008 in a number of categories. With respect to that spreadsheet:

a. Please confirm that the figures from the Yearbook have been transcribed correctly, and that the percentages calculated are correct.

b. Please confirm that the number of customers in the GS<50 class has increased at an annual compound rate of 2.8% per year. Please advise whether that growth rate is expected to continue, increase, or decrease, and explain the reasons.

c. Please confirm that the number of customers in the Residential class has increased at an annual compound rate of 1.75% per year. Please advise whether that growth rate is expected to continue, increase, or decrease, and explain the reasons.

d. Please confirm that the number of customers in the GS>50 class has decreased at an annual compound rate of 1.4% per year. Please advise whether that rate of decline is expected to continue, increase, or decrease, and explain the reasons.

Please provide any information in the possession of the Applicant explaining the decrease in total energy delivered of 5% over the three year period, including if possible any data on declines due to weather, CDM, or other known causes.

Response:

(a) All figures from the Yearbook have been transcribed correctly, with the exception of one of the 2008 figures. The $5 'Regulatory Liabilities' number on your report should be $0.

Since the 2008 Yearbook of Electricity Distributors was published , Burlington Hydro made updates, which are reflected in a revised Trial Balance submitted to the OEB on October 22, 2009. The revised Financial Information for 2008 is attached and consistent with the current application. Burlington has provided updated information as would have been provided in the Yearbook in the table below.

Burlington Hydro Inc.

Revised Electricity Yearbook Data for 2008

	2008
FINANCIAL INFORMATION	
Balance Sheet	
Assets	
Current Assets	49,196,702
Property Plant & Equipment	
Gross Property Plant & Equipment	192,719,439
Accumulated Amortization	(110,492,858)
Net Property Plant & Equipment	82,226,581
Regulatory Assets	
Other Non-Current Assets	27,496
Total Assets	131,450,779
Liabilities	
Current Liabilities	21,449,302
Regulatory Liabilities	2,790,341
Non Current Liabilities excluding debt	2,195,086
Long Term Debt	47,878,608
Total Liabilities	74,313,337
Equity	57,137,442
Total Liabilities & Equity	131,450,779
Income Statement	
Revenue	
Commodity and Distribution Revenue	148,094,963
Commodity Cost	119,783,988
Revenue from Distribution	28,310,975
Distribution Related Expenses	
Operation	4,383,027
Maintenance	2,411,913
Administration	6,250,160
	13,045,100
Other Expenses	
Amortization	6,205,927
Total Distribution Related Expenses	19,251,027
Other Income	348,206
Other Deductions	46,993
Earning before Interest and Taxes	9,361,161
Interest Expenses	3,551,971
Taxes	2,466,879
Earning before Unusual Items	3,342,311
Discontinued Operations	-
Gains/(Losses)	-
Extraordinary & Other Gains/(Losses)	-
Net Income	3,342,311

(b) Burlington confirms an annual compound rate of increase of 2.8% for the GS<50kW rate class.
(c) Burlington confirms an annual compound rate of increase of 1.75% for the residential rate class.
(d) Burlington confirms an annual compound rate of decrease of 1.4% for the GS>50kW rate class.

Burlington has no further information explaining the decrease in consumption other than information provided at Exhibit 2, Tab 2, Schedule 1 supporting the development of the Burlington throughput forecast, and information provided at Exhibit 8, Tab 6, Schedule 1 supporting the SSM/LRAM claims.

Burlington Hydro Inc.
Response to Interrogatory from School Energy Coalition
Question 3

Question:

Please file the Applicant's current strategic plan or multi-year business plan, or similar document. If the Applicant's plan is contained in a plan for the holding company, or the corporate group, or the shareholder the City of Burlington, please provide that full upstream plan.

Response:

Please see attached package that was presented to the BHI Board of Directors October 20, 2009.

Question Date: October 30, 2009
Response Date: November 20, 2009

Memo to BHI Board of Directors

To: BHI Board – Gary Graham, Chair
Gordon Forstner
Richard Johnston

CC: Staff Members - Gerry Smallegange
Dan Guatto
Jennifer Smith

From: Michael Kysley

Subject: Budget Meeting – 2010 Budget & 10 Year Forecast

Date: Tuesday October 20, 2009 8:00am

Please find enclosed the 2010 Budget and Ten Year Forecast for BHI.

This document includes commentary from:

- CEO Discussion & Analysis
- CFO Discussion & Analysis
- VP Engineering & Operations Discussion & Analysis
- VP Corporate Relations Discussion & Analysis

Michael J. Kysley, CA, MBA

BURLINGTON HYDRO INC.

Memorandum

To: BHI Budget Committee Members

From: Gerry C. Smallegange, President and CEO

Re: Draft 2010 Business Plan and 10 Year Forecast

Please find attached the Draft 2010 Business Plan (The Budget) and 10 Year Forecast for Burlington Hydro Inc. (BHI).

Foreword and Context

Looking back at a bit of history, Burlington Hydro first came into existence in 1945 first as a hydro electric commission and then later in 2000 it was restructured into the corporation you see today. Throughout our 64 year history we have always served our customers and the community of Burlington well and this isn't going to change. That said, we are entering a very unique time in the electricity sector. For years, electricity has been an expected and assumed commodity. Industry-wide, there has been technical innovation, but the basic premise of how we distribute electricity has not changed.

With the advent of the Green Energy Act which includes green energy, smart grid and conservation and demand management policy, our business is evolving. In the OEB's own words, "we are being placed in the driver's seat".

The role of electricity in the vibrancy, growth and economic development of communities is moving from the background, to the forefront, presenting exciting opportunities that are multi-faceted and far-reaching.

This Vision isn't completely new as we have already successfully established ourselves as innovators and a leader in electricity reliability, safety and financial performance. The new part is that we are evolving into a more community driven organization that seeks to engage our community's corporate and private citizens to join us in charting a path together towards a sustainable community. Our interpretation of our new role is to deliver energy solutions via a smarter, greener grid.

This vision extends beyond the borders of Burlington, recognizing the role of Burlington Hydro and our neighbouring LDCs in contributing to the broader provincial Green Energy mandate. And it extends beyond the traditional boundaries of the service and product offerings of local distribution companies.

Shifts in consumer demand and expectations from their local electricity distribution partner, both in today's terms, and for future generations, form the under-pinning of why

we need to change. Burlington Hydro will evolve into a multi-faceted energy solutions provider and be a catalyst for innovation. This will be driven by growing local expectations for cleaner, green energy choices, and our responsibility to do our part in ensuring an abundant and affordable supply of electricity for generations.

Ontario's new Green Energy Act has set the expectation for utilities to offer its customers exciting new options for renewable energy solutions, and to protect its' customers best interests through improvements to its infrastructure. Burlington Hydro's investments in distribution automation have resulted in significant gains in electricity reliability and provide a compelling point of advantage for the City, the Region and the Province.

Burlington Hydro together with the City of Burlington is effectively positioned to be a leader in this area.

At the forefront of our plans for continued growth, investment and innovation is the launching of GridSmartCity™, Burlington's Hydro future focused initiative to transform today's electricity system into tomorrow's Smart Grid. A Smart Grid integrates electricity production, delivery and consumption to produce a more efficient, reliable and responsive system with a lower environmental footprint.

GridSmartCity™ will serve as a catalyst for renewable energy innovation, expanding the boundaries of Burlington Hydro's role from a vertically-focused electricity distribution company, to a broad-based energy solutions provider. Burlington residential, institutional and business customers will benefit from our LDC becoming much more engaged with the community with new energy product bundles, services and initiatives on the regulated and unregulated side of the business.

Process and Linkage to Strategy

The *Shareholder Direction* provided by the City of Burlington requires that BHEI and its subsidiaries conduct an annual strategic planning process and subsequently prepare and present to the City a Business Plan and 10 Year Forecast 45 days prior to the calendar year end.

The BHEI Board of Directors and Management completed their strategic planning process on October 19th, 2009 and broadly directed management to incorporate the following strategic directions:

Company	No.	Strategic Initiative
BHEI (holding	1	Continue to provide the shareholder (City of Burlington)

company)		with a steady income stream – interest and dividends
BHI (electricity distribution)	2	Invest in infrastructure assets that enhance the efficiency and reliability of the distribution system and provide a low-risk, regulated return on investment
	3	Support province-wide efforts in smart grid development, renewables, conservation / demand management and smart metering to allow residential and business customers to become more energy efficient
	4	Develop sufficient new human resources to address the pending skills shortage and anticipated retirements
BESI (Energy Services)	5	Explore the opportunities within the Green Energy Act through the development of GridSmartCity premised on securing new lines of business that provide low-risk business ventures. These business ventures would centre around renewable generation, energy solution bundles, reliability enhancements or energy efficiency opportunities within the municipality that provide the highest economic development to the community

Discussion Points for BHI

BHI is an electricity distributor licensed and regulated by the Ontario Energy Board (OEB). The OEB has the authority to approve operating and capital budgets and hence set rates charged to consumers that lead to the rates of return earned by utilities.

The OEB has moved to a significantly more intensive, four year rate-rebasing regime – premised on approximately equal size cohorts of utilities applying for new rates on a four year cycle. BHI has now submitted (August 2009) its rate submission package to the OEB: following a written and verbal hearing process anticipated late fall of 2009, new rates will be approved and effective May 1, 2010.

As discussed last year, the key implication for the budgeting process is that the 2009/2010 operating budget as well as the 2009/2010 capital budget plan, adjusted for inflation, has formed the basis upon which 2010 rates will be derived by the OEB which will remain in effect until the next planned rebasing in 2014. The approved rates will drive the revenue of the utility. Given that the rate rebasing package has been submitted it is important for the Board to consider that strategically the budget process should mirror what we have applied for in rates as closely as possible to avoid the potential of having to restate the rate application.

What you see before you in both the operating and capital budgets captures this reality.

Given the precedents we are seeing in other rate application processes, the OEB has generally recognized costs impacting the electricity distribution sector linked to regulatory requirements, conservation, renewables, smart grid, smart metering, skill

shortage / retention and aging infrastructure and with well-supported evidence has approved rates for utilities that reflect these increased operating costs.

If the costs have not been well supported and hence challenged by interested interveners, the OEB has not hesitated to disallow some or most of the requested increases.

Burlington Hydro Inc.
2010 Budget & Ten Year Forecast
CFO Discussion & Analysis

The information contained herein includes forward-looking statements that involve risks and uncertainties. The forward-looking statements are not historical facts, but rather are based on current expectations, estimates, assumptions and projections about the electrical industry, the economy and future financial results.
Actual results could differ materially from the results contemplated in these forward-looking statements due to a number of factors. These factors include:

- *Government regulations that impact our industry and the way we do business*
- *Regulatory changes affecting distribution rates and revenue recovery*
- *Ontario Energy Board approval for the 2010 Rebase Application*
- *General economic and business conditions*
- *Changes in accounting standards and their impact on accounting for regulatory assets/liabilities*
- *Liabilities and other claims*
- *Adverse weather and its impact on both the maintenance of the distribution system grid and revenue recovery*
- *Demand side conservation initiatives including the Green Energy Act and their impact on revenues*

The foregoing list of factors is not intended to be exhaustive.

2009 UPDATE HIGHLIGHTS:

Net Income is forecast for 2009 at approximately **$3M which compares to the 2009 Budget of $3M.**

Top line distribution revenues are forecast to be lower than budget by **$600k**. These have been negatively impacted by:

- Unfavourable weather with both winter and summer peaks reflecting lower than normal loads.
- Economic recession which began to impact kWh consumption over one year ago.

"Other Revenues" are forecast to fall **$250k** below budget:

- Interest Revenue has been impacted (off budget by $170k) by the global financial crisis and the ensuing Government action to inject liquidity into the marketplace through the lowering of benchmark interest rates. This along with the reduction in cash position which partially occurred due to the unexpected decrease in Regulatory Liabilities has resulted in lower investment income.

The revenue shortfalls are expected to be offset by a concerted management effort, which began in early summer, to manage down operating expenses. The strategy deployed has been to minimize the capital work conducted by outside contractors and then redeploy our own trades employees to capital vs maintenance work where feasible. This is expected to bring down operating expenses yet maintain progress on key capital programs.

Capex, before Smart Meters, is forecast to be below budget by $900k. This is the result of deferral of a number of projects until 2010. It was decided to defer some projects to assist in managing reduced cash flows due to lower distribution revenues than budgeted.

2009 Financial End Statements:

- It is expected that achieving the EBIT, Free Cash Flow and ROE targets will be challenging, but attainable with the managed changes to the operating and capital budgets that have been undertaken.

	'09 Bdgt	'09 Update
Free Cash Flow	$3,094	$3,812
EBIT	$8,378	$8,215
ROE	5.3%	5.3%

Note, financial end statement is based on accounting ROE vs. regulated return on equity component of Rate Base.

2010 BUDGET HIGHLIGHTS & 10 YEAR FORECAST:

For detailed commentary on:

- *Budgeted and Forecast Operations and Capex of BHI - refer to "VP Engineering & Operations Discussion & Analysis"*
- *Discussion regarding staff compliment, salary and benefits – refer to "VP Corporate Relations Discussion & Analysis".*

A. Highlights of this year's budget plan:

i. Due to the 2009 delay in the roll-out of Smart Meters, the capex plan has shifted some expenditure between the years 2009 and 2010. In addition, the total Smart Meter expenditure has reduced from an original estimate of $17.5M in last years document to $11.5M. This change is the result of competitive pricing obtained through the RFP process in 2009 as well as significant price reductions in Smart Meter equipment over the past year. This has the resulting impact of reduced borrowing requirements as outlined in **section v.**

Sm Mtrs	2009	2010	Total
'08 Doc.	$11,775	$5,775	$17,550
'09 Doc.	$4,036	$7,448	$11,484

ii. Capital expenditures continue to include $10M representing a capital contribution for a Hydro One built Transformer Station. However, timing of expected payments to Hydro One has changed which impacts the timing of forecasted borrowing requirements.

T.Station	2010	2011	2012	Total
'08 Doc.	$3,000	$3,500	$3,500	$10,000
'09 Doc.	$1,080	$6,480	$3,240	$10,800

iii. Rebasing in 2010. Revenues, Operating Expenses and Capital expenditures all reflect the actual numbers submitted to the Ontario Energy Board (OEB) as part of our Rebasing Application. This year's document uses actual applied for 2010 distribution rates in deriving revenues. ***If the OEB does not allow recovery of our forecast operating and capital program, this forecast will need to be amended to reflect the approved levels of expenditure.***

iv. 3rd Generation Incentive Rate Mechanism (IRM) is used for periods between the rebase years of 2010, 2014 and 2018. Industry Specific Inflation Factors and OEB Productivity Factors have been applied with figures consistent with the most current data being used for 3rd Gen IRM.

The plan forecasts slightly improving ROE's in years leading up to the next Rebase on the assumption that Management will continue to be able to drive efficiencies beyond the OEB approved rate of return. At the Rebase years of 2014 and 2018, forecast returns drop back to approved levels as the OEB bring earnings back into line.

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Return	7.1%	8.0%	8.0%	8.3%	7.9%	8.2%	8.3%	8.3%	8.0%	8.2%

Note: 2010 return is based on new rates taking effect May 1/10.

Note that Returns are based on the OEB's Deemed equity component of the Utilities rate base, not Accounting ROE.

v. Funding has been negotiated for the Smart Meter capital program with Infrastructure Ontario (IO) under a 15 year amortization. At full drawdown, this facility takes the Utility to its OEB deemed debt/equity structure of 60/40 on the 2010 Rate Base. As this loan requires principal repayment, this budget plan takes into account the need for additional annual borrowings to

continue to fund capex, repay the IO loan, and maintain a steady dividend. An interest rate of 5% has been used for the financial modeling.
Should the City look to privatize the Promissory Note, we would look to include the take-out of the IO loan as part of a permanent Private Placement facility.

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Borrow.	2.0	6.0	3.5	3.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0
Repay.	0.0	0.0	-0.8	-1.1	-1.5	-2.0	-2.4	-2.7	-2.9	-2.8	-2.7
	2.0	6.0	2.7	1.9	0.5	0.0	-0.4	-0.7	-0.9	-0.8	-0.7
Outstand.	$2.0	$8.0	$10.7	$12.6	$13.1	$13.1	$12.7	$12.0	$11.1	$10.3	$9.6

Last year's document had outstanding loans of $16M. The difference is the result of lower capital requirements for the Smart Meter roll-out, see **section i.**

vi. Dividends forecast in the plan take into account two factors:

1. reduced OEB allowable rate of return from 9% in 2nd Generation IRM to current 2010 Rebase Application of 8%.
2. reduced equity component of rate base from 43% to 40%.

The impact of these OEB changes is a reduction in cash flow available to equity holders of the utility.

	2006	2007	2008	2009	2010
Rate Base	$96,409	$96,409	$96,409	$96,409	$104,740
Deemed Equity %	50.00%	50.00%	46.67%	43.33%	40.00%
Deemed Equity	$48,205	$48,205	$44,994	$41,774	$41,896
Deemed ROR	9.0%	9.0%	9.0%	9.0%	8.0%
Deemed $	$4,338	$4,338	$4,049	$3,760	$3,352
Note: 2010 assumes full year at new rates.					

In recognition of the above factors, forecasted dividends have been slightly reduced from an annual amount of $2.1M to $2M.

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Payout %	68%	60%	60%	58%	49%	47%	46%	46%	46%	45%
Payout as a % of Net Income.										

B. Other Assumptions used in the Budget Document:

i. kWh growth rate targeted over the 10 year time horizon is consistent with the Municipal forecast for "occupied units".

ii. Operating Expense inflation and productivity factors have been applied to 2010 as the base year. Productivity Factors applied are highest in the first year after rebasing and then reduce leading up to the next Rebase period reflecting the challenge of ongoing productivity gains.

iii. Capex inflation factors are applied to the forecast of Capex which uses 2009 constant dollars. These inflation factors are based on estimates of Core CPI as per Bank of Nova Scotia "Global Economic Research" dated Sept 3/09.

iv. Prime Rate estimates are based on Bank of Nova Scotia "Global Economic Research" dated Sept 3/09.

v. The interest rate on the City Promissory Note has remained at 7.25%. It is possible that this rate may in fact change with the 2010 Rebase Application, however, final rates will not be set until April 2010. Should this be the case, Distribution Revenues would be adjusted to reflect this change. City Finance is aware.

C. *2010 Distribution Revenues*

Forecast is approximately 6% higher year over year due to the Rebase Application. Consumption for 2010 was forecast in the Rebase Application to take into account lower kWh due to the continued push for conservation initiatives.

- In 2010, BHI's Rebase Application sought rate approval for the following:
  - Increase in Rate Base to $104.7M from current $96.4M
  - Return on Equity component of Rate Base of 8% vs current 9% (OEB could change prior to May 1)
  - Interest Rate on City Promissory Note of 7.62% vs current 7.25% (OEB could change prior to May 1)
  - Deemed d/e position of 60/40 vs current 56/44
  - Regulatory Liabilities of $3.5M are being returned to Rate Payers over the 4 year period of this Rebase Application
  - LRAM (lost revenue adjustment mechanism) and SSM (shared savings mechanism) totals of $900k due to successful conservation initiatives are being collected over the 4 year period of this Rebase Application
  - Cost allocation amongst rate classes to within OEB required ranges

	Distr Rate Impact	Total Bill Impact	Current Recovery	OEB Target	Proposed Recovery
Resid.	5.1%	1.2%	100.7%	85-115%	107.1%
GS<50kW	6.4%	1.3%	107.6%	80-123%	107.0%
GS>50kW	13.9%	1.6%	99.2%	80-180%	85.0%
StrLights	223.0%	13.6%	15.0%	70-120%	42.5%

While the current Street Light recovery is not within OEB target yet, it is hoped that the move from a 15% recovery of its' respective costs to 42.5% recovery will be a first step transition that is acceptable to the OEB.
City Staff are aware of the Str Light impact which translates into an approximate $80k per year increase.
Note that the province wide Cost Allocation study conducted in 2006 found that street lighting rates across all Utilities were not recovering their respective distribution costs.

D. ***Operating and Capital expenses. For detailed cost review, refer to the attached operating budgets by department and the detailed Capex. Salary adjustments for management and Union Staff are consistent with the 2010 Rebase Application.***
Refer to VP Corporate Relations discussion and analysis for staffing and salary considerations.

Operating Expenses net of depreciation are forecast at $15.3M for 2010, an increase of $.3M (2%) over the 2009 Budget of $15M.
As compared to the 2009 Update, operating expenses in the 2010 Budget are $1M (7%) higher. The change from 2009 Budget is primarily attributable to the following factors:

	Breakdown of increase in Operating Exp over 2009 Budget:		***$***	***% of YoY incr.***
1	Salaries & Benefits	Additional in Salary and Benefits	$96,000	29%
2	Bank Expenses	Annual fees for Bank Facilities	$60,000	18%
3	Regulatory Exp	Legal & Cosulting Costs for Rebase Application	$100,000	30%
4	Regulatory Exp	OEB cost recovery annual fees	$50,000	15%
			$306,000	
		Actual Year over Year Change in Operating Expense	$329,000	93%
		Actual Year over Year Change in Depreciation Expense	$279,000	

Capital Expenditures are forecast as follows:

Year	2010	2011	2012	2013	2014
08 Doc.	$16,893	$12,901	$13,071	$9,566	$9,734
'09 Doc.					
- 1) regular budget	8,836	9,117	9,213	9,379	9,533
- 2) smart meters	6,692	0	0	0	0
- 3) transformer station	1,080	6,584	3,345	0	0
	$16,608	$15,701	$12,558	$9,379	$9,533

Refer to the VP Operations Discussion & Analysis for comments on the Capital program.

E. Financial & Cash Flow Risk Factors:

- Economy and Customer Credit Risk:
  - The slow revival of the economy is positive, however, sustainability of the recovery is in question given the drag from the U.S. This recovery should have positive impacts on the incidence of bad debts for both residential and commercial customers.
  - In recognition that this risk remains, albeit at reduced level, the 2009 budget includes premium costs for continued Accounts Receivable credit insurance to protect against credit default by our largest commercial/industrial accounts.
- Economy and Banking Risk:
  - To mitigate the risks associated with investment of funds, BHI adheres to a Board approved policy for investment of funds.
- Economy and Access to Credit markets:
  - The global synchronized injection of monetary stimulus appears to have begun to positively impact credit markets.
  - The business plan is contingent on BHI having access to credit. Successful negotiations with Infrastructure Ontario have now been completed and funding is in place for the Smart Meter roll-out.
- Distribution Sales and Conservation:
  - With the push towards conservation, there is a continued likelihood of negative impacts on electricity sales.
  - Forecasted demands provided by Engineering have taken into account the impacts of conservation initiatives and are consistent with the Rebase Application.
- Size of Capex program:
  - The 10 year plan incorporates Smart Meters and a capital contribution towards a new Transformer Station to be built by Hydro One. The capex program, which mirrors' the formal Asset Management Plan is consistent with last years' Budget document and is detailed in the "VP Eng & Ops Report".
  - This cash impact has been mitigated by a plan to borrow up to $11.5M in Infrastructure Ontario term loans over the period 2009-2011 thereby matching funding against long term assets. Annual borrowings for years 2012-2019 would come from traditional 5 year bank debt.
- Smart Meters:
  - The Business Plan has assumed that Smart Meters will be in the 2014 Rate Base, the next opportunity for rebasing following 2010. If the OEB permits a specific Smart Meter rate application prior to this time period, BHI would apply for new rates.
- Transformer Station :
  - Due to forecast capacity constraints, there is need for a new TS by 2012. The cost of this project is estimated at $10M.
  - Under the Business Plan, it is budgeted that BHI would contribute $10M towards a Hydro One built and owned Transformer Station. This alternative saves $6M in cash outflows by having Hydro One construct and own.
- Regulatory Assets/Liabilities:
  - Balances in the regulatory accounts have swung to a liability position. This liability resulted in a negative rate adjustment in the 2010 Rebase Application, thereby creating a downward impact on distribution revenues.
  - Short term credit facilities are in place to cushion any near-term cash shortfall due to timing of receipt of customer payments.
- Late Payment Penalty class action lawsuit:
  - Based on liability estimates from Toronto Hydro, exposure for Burlington could be in the range of $250k to $500k.
  - Funding for this cash flow exposure is mitigated by access to our $10M operating line of credit.

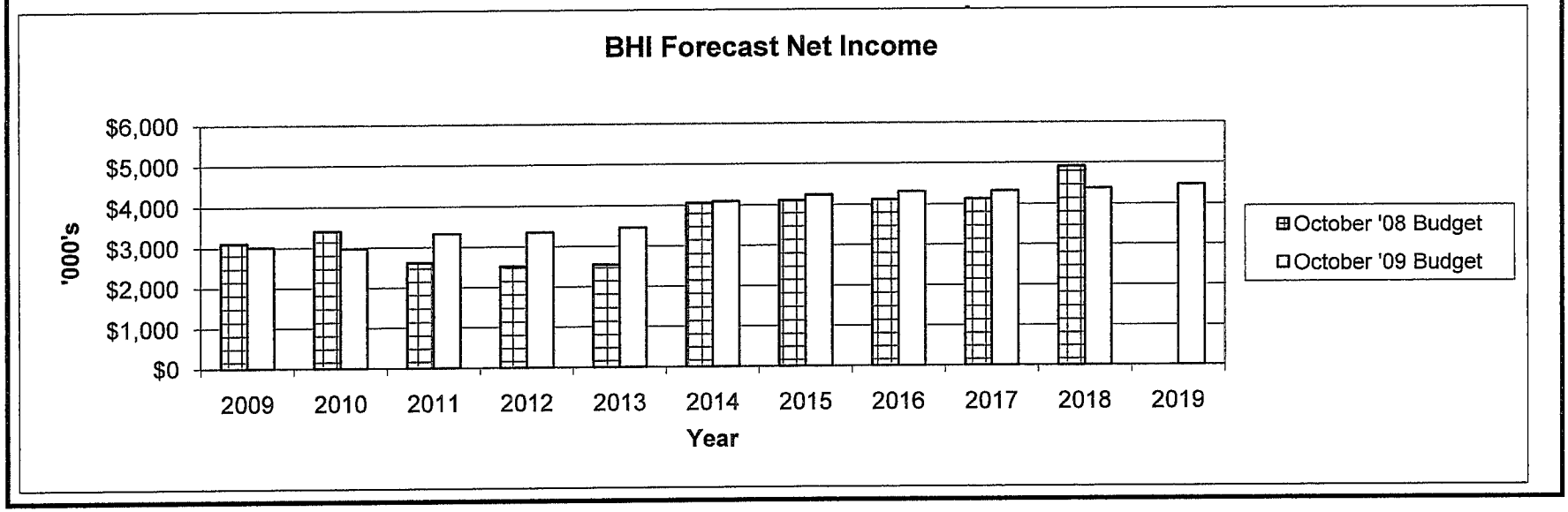
2011 - 2013 reflects higher revenues than forecast last year by taking into account currently used inflation & productivity factors under 3rd Gen IRM.

2011 -2013 revenue reflects anticipated recovery of $1M in LRAM and SSM conservation savings. Not reflected in last years forecast.

2010 reflects lower forecast kWh than was estimated last year. Incorporates actual 2010 Rebase Rates & lower demands.

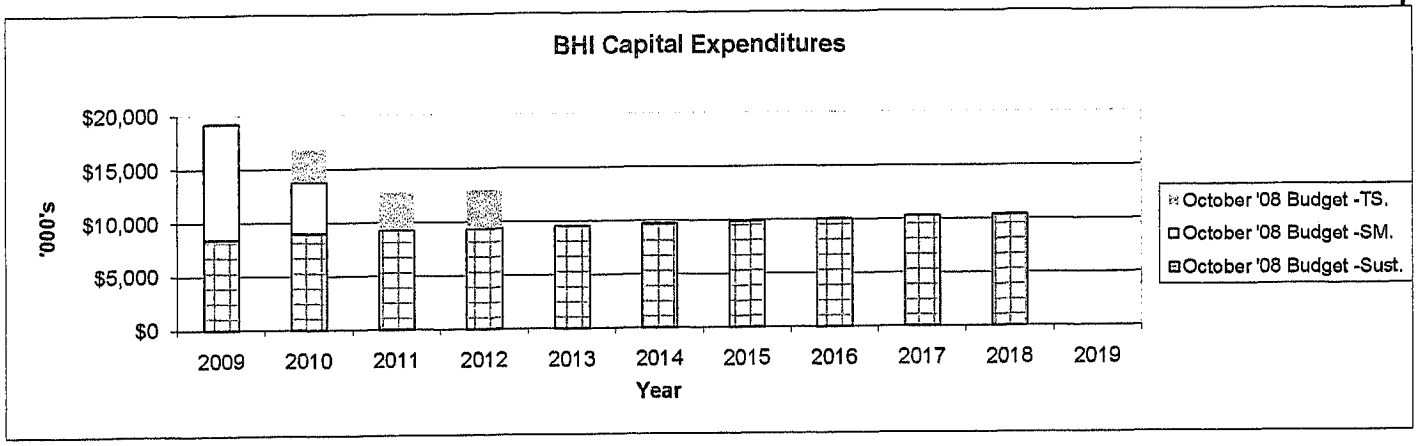
Strategy is to offset 2009 revenue decrease with operating savings.

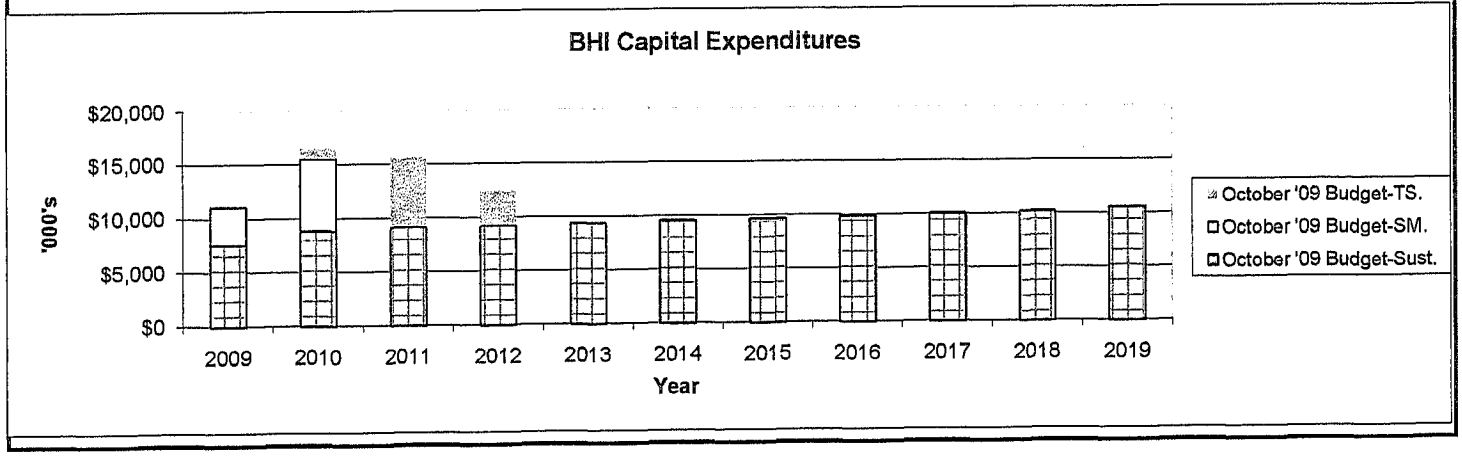
BHI Net Income	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
October '08 Budget	$3,104	$3,413	$2,625	$2,522	$2,551	$4,065	$4,111	$4,127	$4,133	$4,922	
October '09 Budget	$3,015	$2,974	$3,333	$3,355	$3,458	$4,095	$4,242	$4,311	$4,319	$4,383	$4,468



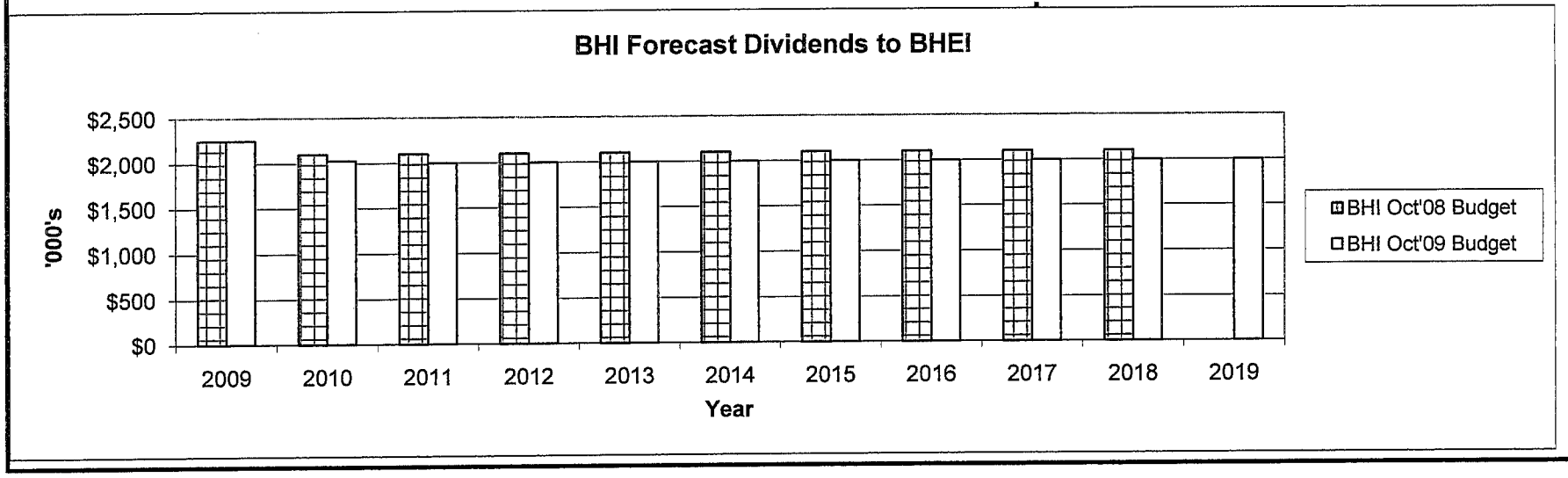
Delay in Smart Meter Implementation.

BHI Capex	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
October '08 Budget -Sust.	$8,447	$8,986	$9,281	$9,389	$9,566	$9,734	$9,908	$10,087	$10,294	$10,423	
October '08 Budget -SM.	$10,775	$4,856									
October '08 Budget -TS.		$3,051	$3,620	$3,682							
	$19,222	$16,893	$12,901	$13,071	$9,566	$9,734	$9,908	$10,087	$10,294	$10,423	$0
October '09 Budget-Sust.	$7,603	$8,836	$9,117	$9,213	$9,379	$9,533	$9,695	$9,860	$10,052	$10,169	$10,492
October '09 Budget-SM.	$3,464	$6,692									
October '09 Budget-TS.		$1,080	$6,584	$3,345							
	$11,067	$16,608	$15,701	$12,558	$9,379	$9,533	$9,695	$9,860	$10,052	$10,169	$10,492





BHI Dividends to BHE!	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
BHI Oct'08 Budget	$2,250	$2,100	$2,100	$2,100	$2,100	$2,100	$2,100	$2,100	$2,100	$2,100	$0
BHI Oct'09 Budget	$2,250	$2,025	$2,000	$2,000	$2,000	$2,000	$2,000	$2,000	$2,000	$2,000	$2,000



BHI OVERVIEW

Dan Guatto, P.Eng
Vice President Engineering and Operations
Discussion and Analysis - October 2009

2009 Budget Update and 10 Year Forecast

Burlington Hydro Inc. (BHI)

2009 Update

The economic downturn which began in late 2008 combined with the mild weather so far this year have significantly reduced top-line revenues for utilities in Ontario. BHI Management has responded to this situation by reducing budgets across all areas of the corporation. Although the new targets are tight, we believe they are achievable while maintaining our commitments to safety and reliability.

Parts of BHI's system were adversely affected by weather related events in 2008 and 2009. An unusually high number of auto reclosing events occurred on the Lowville F4 radial feeder to the Kilbride area. In spite of conventional trimming practices, a wet spring and early summer contributed to rapid tree growth leading to a high number of wind-induced tree contact interruptions during storms.

Along with additional trimming, BHI capital spends included work to enhance the reliability of the above feeder through the addition of a loop segment along 8 Sideroad, a revised protection scheme and the addition of new mid-feeder devices to minimize and segregate events.

BHI made further progress with its automated switching program in 2009 through the addition of several IntelliRupter switches, Vista pad-mounted switches and ItelliTeam II software. This program has already demonstrated system reliability improvements for BHI and will continue to do so. System investment such as this is an inherent part of the evolution to a smarter, more capable grid.

Substation improvements for 2009 include structural repairs to Partridge DS and Port Nelson DS as well as upgrades to solid state relays at Maple DS.

Field survey of all plant was completed early in the year in anticipation of our rate filing which was required to include our Asset Management Plan. This plan will drive future capital investment in the distribution system.

Smart meter deployment for 2009 began mid-year and by year end will have completed approximately 30,000 meters.

The 2010 Budget and Ten Year Capital Forecast

In keeping with its corporate mission and values, BHI is responsible for the successful management of its assets while being cognizant of realistic performance goals. Customer expectations for the delivery of safe, reliable electricity at a reasonable price have to be respected.

BHI operates a distribution system comprising of high voltage networks at 27.6 kV, 13.8 kV and 4.16 kV. Outage data is monitored and records accumulated on the performance of all feeders at all voltage levels. This data is reviewed continuously (24-7) and analyzed with attention given to the causes of feeder lock-outs, momentary interruptions and loadings. This performance analysis contributes to the prioritization of the maintenance activities and capital budgets projects all of which are documented in the BHI Asset Management Plan.

The Asset Management Plan serves as the primary input for future year capital budgets and also as the placeholder for the longer term projects recommended from the Condition/Age Risk Ratings and assessments. It is reviewed and updated annually to reflect the latest performance priorities of the distribution system and has been identified by the OEB as a mandatory filing requirement by the Ontario Energy Board for rate approval on a go forward basis. The 2010 budget and 10 year capital forecast consists of growth related projects, sustaining capital projects to maintain existing assets and two critical special projects related to smart meters (grid intelligence) and capacity planning.

BHI's growth related capital is linked to new services, residential as well as industrial / commercial within the City of Burlington. The City of Burlington has identified an additional 6000 lots of developable residential land that will come on line over the next decade.

BHI's sustaining capital is earmarked towards its physical asset management program, linked to the maintenance and re-commissioning of 32 municipal substations and 1600 kilometres of line. Refurbishment and good stewardship of this asset is the basis for the sustaining capital aspect of the budget with the intent being to make targeted investments in order to deliver modest improvement in overall reliability and keep operating costs under control.

The first of the two critical special projects (as per both provincial direction and regulator oversight) is the deployment of smart meters to all BHI customers. Deployment began in 2009 and will be completed in 2010. Smart meters will allow all stakeholders (customers, distributors, transmitters, generators and the government) to better manage consumption and demand across existing infrastructure through the use of smart grid technology. Smart grid technology allows for two way communication between the distributor and customer with some of the attributable benefits being conservation as well as demand management. The concept here is to remove the peakiness of demand in the mornings and afternoon encouraging more off peak consumption patterns by providing information on load as well as power consumption costs to consumers. The vision of the electricity

distribution company of the future is one that will use smart meters or smart grid technologies to help the end consumer better manage their electricity needs and hence cost.

The second major project stems from BHI's obligation to ensure an adequate supply of electrical capacity to the City of Burlington. In this regard, BHI is working with the provincially owned Hydro One to bring this capacity to BHI over the 10 year horizon in the 2012 to 2013 time horizon.

The BHI Asset Management Plan will also include the replacement of substation transformers, each a single significant asset, beginning in 2013.

2009 Update Highlights

Health, Safety & Environment

Paths to Zero Program – In 2009, we continued with our Paths to Zero program, which involves implementing a managed Health, Safety and Environment System. This system aligns with the vision of our industry health and safety association, the Electrical & Utilities Safety Association (E&USA), which administers ZeroQuest® – Paths to Zero program. It is based on eliminating all sector workplace injuries and illnesses by 2011 and consists of two components – a model for change; and the ZeroQuest® awards program providing assessment against legislated and industry accepted standards, and in turn recognition for improved performance / continual improvement based on a combination of leading and lagging indicators.

We completed the E&USA Safety Climate Survey toward the end of 2008, a commitment from our *ZeroQuest*® – Paths to Zero Silver / Effort Level achievement, and results of which were received in May 2009; again BHI scored at or above the industry benchmark in all categories of this survey. We successfully applied for the Gold / Outcomes Level of the ZeroQuest® program; auditing of this level will be undertaken toward the end of 2009.

At the end of September 2009, we achieved 250,000 hours without any lost time. As such we will be recognized by E&USA with a President's award.

Ergonomics – In June 2009, by way of a plaque presentation at the E&USA AGM, BHI received formal recognition for our participation in a 2008 primary research project. This research looked at the ergonomic impacts for Metering Technicians during meter change outs, and was a very relevant body of research given the number of meters now being changed across the Province.

Our Ergonomics Change Team continues with ergonomic interventions and made improvements where necessary throughout the office and where appropriate with the trades. Ongoing interventions include: the replacement/modification of workstation components; implementation of a storage rack for proper access to steel cross arms in the stores yard; and education and awareness of all employees on the risk factors associated with MSDs. Over time these interventions will improve employee well being; employee relations; provide productivity gain; avoid costs; and in turn improve overall business performance.

Training and Development – In maintaining regulatory compliance as well as alignment with BHI's due diligence and industry best practice strategy various staff participated in the following training sessions:.

- Safety, Health, Environment and Quality Management (SHEQ) for the second half of the supervisory, management group.
- AED/CPR and First Aid Recertification; plus five additional AEDs were deployed across the BHI fleet in 2009.
- Confined Space, Bucket and Pole Top Rescue Drills
- Fork Lift training for apprentices
- In vehicle driver evaluation for new hires
- Utility Work Protection Code (UWPC) Recertification
- Apprenticeship training – all of our apprentices participated in practical and in-school training throughout the year.

Wellness – In 2009, we held our fourth annual Health and Wellness Fair. We also incorporated wellness topics at Health & Safety meetings and continued to ensure healthy alternatives at any meetings / training sessions where snacks or lunches are provided.

Human Resources

Human Resources Planning – As part of our trades' succession plan, in 2009 we hired two apprentices: 1-Substation Maintenance Electrician and 1-Metering Technician.

Due to the increased maintenance issues with our aged facilities and the expected retirement of supervisory staff it became necessary to hire a trades supervisor in 2009 as well.

In order to deal with the increasing demands and complexity of regulatory activities by the OEB it also has become necessary to hire a Regulatory Accountant to assist with the increased workload. This will occur in the 4th quarter of 2009.

Salaries and Benefits – Due to the recent negotiated settlement in July of 2009, the unionized staff received a 3.0 percent increase across the board. This was slightly lower than projected as other settlements in our immediate geographic area were settled at 3.5 percent or greater in the last year. Management's overall merit/progressions increase was as approved, at 3.9 percent.

Benefit costs were forecasted overall to increase by 2.5 percent for Group Life Insurance, Long Term Disability, Dental and Health based on our usage for 2008. The 2009 actual results were as expected with an overall benefit cost increase of 2 percent.

Labour Relations – IBEW Local 636 is the sole bargaining agent for over 70 percent of BHI's employees. Burlington Hydro has two Collective Agreements with IBEW Local 636 representing both Office and Trades workers. Burlington Hydro recently negotiated a new 3 year collective agreement with both unions which took effect April 1, 2009.

The Office workers ratified their agreement without any disruption; unfortunately the outside unit took strike action resulting in a six day disruption.

Corporate Communications

Burlington Hydro has established itself as a leader in the community, innovation, electricity reliability, safety and financial performance. Provincially mandated initiatives such as smart meters, conservation, OEB regulations and now the advent of the Green Energy Act has changed the way we do business. All of this requires good external and internal communications. As such, it became necessary to enhance our communications in early 2008. Some of our communications initiatives include:

- The development of an annual community report
- A Smart Metering installation roll out communications plan to our customers
- The GridSmartCity™ initiative and partnership event
- Re-implemented an Employee Newsletter

Community Involvement

United Way - Burlington Hydro has been an active supporter of the United Way since 1993 and for the 7th year in a row we received the highest award of "Platinum Award Winner" in the local United Way Campaign.

Canadian Blood Services - BHI and our employees continue to strongly support this program through regular donations at the local clinic.

Festival of Lights - In continuing with our commitment to our customers and the community, Burlington Hydro is proud to be a participant in the City of Burlington's Festival of lights. Each year, we provide volunteers to help with the wiring, set up and removal of the displays. These employees also participated in monthly workshops held throughout the year.

School Safety program - We continue to offer our School Safety Program through a contract provider. It is run on a three year cycle through all elementary level schools within the City of Burlington, and includes electrical safety and conservation components appropriately targeted at the various age groups.

Contractor Powerline Safety Seminar – BHI presented the first of what will become an annual half day seminar targeting local businesses and trades whose workers are most at risk for inadvertent contact with overhead or underground power lines. This year 77 participants attended with representation from a good spectrum of industries.

Safe Communities Canada - BHI was the first organization in Canada (outside major national sponsors) to provide support for the local pilot of a national program aimed at doubling, over the next five years, the number of young and other Canadians certified in first Aid / CPR. This pilot was coordinated and supported by Halton Region Police Services, and was an opportunity to demonstrate BHI's commitment to safety and community goodwill to literally thousands of people in the Region.

Crime Stoppers - We continue to maintain our supportive and mutually beneficial relationship with Halton Crime Stoppers; primarily in the areas of grow house operations and copper theft.

Halton Partners for Clean Air – BHI continues to participate with this regional working group, disseminating the information and implementing joint initiatives within our operations.

2010 and Ten Year Forecast

Health, Safety & Environment

Training and Development – We will continue to stay abreast of legislative training requirements as well as update critical task training on an identified need or industry best practice basis. In addition we will stay alert to technology changes within the industry that may dictate revised skill development.

Paths to Zero Program, Platinum / Sustainability Level - We will continue on our path to zero lost time injuries. Once we have officially obtained the Gold / Outcomes level, our goal for 2010 is to enter the next phase of the Electrical and Utilities Paths to Zero Award Program - the Platinum / Sustainability Level. Completing the Sustainability Level requires successfully re-earning the Outcomes (gold) Level for five consecutive years. A customized evaluation of BHI's Managed Health & Safety System will be conducted by E&USA each year. The following needs to be completed in order to achieve this award:

- Undertake a full Health & Safety audit through a third party. Going forward we will utilize the E&USA Internal Responsibility System and Safety Climate Surveys as periodic 'pulse checks' to help gauge the continual improvement loop of the managed program. We will need to undertake a full audit every three years or so.
- Evaluation and Improvement – we must continue to evaluate our health and safety system, and work to plan and implement new health and safety initiatives based on the risk assessment and the results of the evaluations.
- Continue to incorporate into our HSE system the aspects of planning, implementing, checking and correcting.

Ergonomics - We will continue with our ergonomic assessments and interventions, improving the focus on the challenges of the trade's environment, thereby addressing the overall well being of our employees.

Wellness –While we continue to maintain a lean workforce, it is also important that we continue to focus on the overall wellness of our employees in order to ensure we are an employer of choice within the industry and within the Region.

Accessibility for Ontarians with Disabilities – In June 2005, the Ontario Government passed the Accessibility for Ontarians with Disabilities Act (AODA). The AODA lays out a comprehensive plan to make Ontario accessible to all people through the development, implementation and enforcement of new mandatory accessibility standards. Five key areas have been identified for the first accessibility standards: customer service, transportation, information and communication, the built environment, and employment. The standard for customer service is now a regulation, which came into force as of January 1, 2008. Full compliance with the regulation is required by 2012 for Burlington Hydro.

Human Resources

Burlington Hydro is committed to making the Company increasingly safe, secure and efficient. To succeed in an environment of increased growth in city boundaries, budget constraints, technological advances to the grid, Green Energy Act and regulatory change we must have exceptional people in the right places, at the right time, with the right skills. In order to meet this challenge, Burlington Hydro needs human resources who are committed in accomplishing the company's mission.

In an industry faced with an aging workforce and the challenges of a competitive labour market, BHI is faced with a potential turnover approaching 41 percent of its workforce within the next ten years. To manage this level of change, BHI must position itself to attract, motivate and retain the talent that is critical to maintaining and renewing its distribution system. Therefore, BHI's total compensation package and ability to offer a rewarding work experience must enable it to compete successfully for employees with the requisite skill sets.

Staff planning - In order to deal with the skills shortage and due to the fact that the average age of our workforce is 46.6, we have developed a succession plan that puts more focus on training our own apprentices. The succession plan involves hiring of apprentices at least 5 years ahead to ensure proper knowledge retention. It takes approximately 5 years for a skilled worker to achieve "journeyperson" status. Further, most experts would argue that it takes about 7 years for a skilled trades worker to be considered "competent". In addition, we cannot rely on replacing our retiring skilled workforce with qualified candidates, as past recruitment experience has shown there will be limited resources to choose from.

Therefore, in projecting future retirements 5 to 10 years out, Burlington Hydro Inc. has planned the following hiring of apprentices for 2010: 1 Powerline Technician, 1 Substation Maintenance Electrician and 1 Control Operator

Depending on the strategic direction of GridSmartCity™ and the Green Energy Act it may become necessary to hire additional staff. It is likely that any resources required will be considered an operating expense under BESI. However, if resources are required for Burlington Hydro then we would file another rates application with the OEB to recover any costs associated with this.

Salary and Benefit Costs – Negotiated salary adjustments for the unionized staff in 2010 is 3.0 percent. In looking at recent union settlements with surrounding utilities the ten year forecast of 3.0 percent would be reasonable as well as many are still settling at around 3.0 percent despite the recent poor economy. The trades have been very successful in negotiating higher increases using the "skills shortage" argument. If this trend continues, you will likely see higher than norm increases.

The 2010 rates rebasing application and budget reflects in a 3.4 percent salary increase for non union staff. However, recent forecasted data has caused management and the compensation committee to recommend that salaries for non union staff increase by 3.0 percent on average for 2010. It is important to note that the current budget submission should be consistent with the 2010 rates application. The differential between the two percentages is $10,361.

Given the fact that the majority of companies are experiencing benefit increases of 10% and higher, Burlington Hydro will see health benefit costs increase by 2.0% overall based on our usage for 2009. Management will continue to try and mitigate increased costs, by educating staff and working with the Benefits committee made up of Union and Management to identify cost controls each year.

Corporate Communications

In 2010 and beyond, we will continue to enhance our efforts around corporate communications and ensure that we are communicating to stakeholders key messages that support the company's mission. Specifically in 2010, we will be focused on developing a communication plan related to smart meters and time of use pricing to our customers which is scheduled to be implemented in June of 2011. We will also provide support towards any Green Energy Act activities, conservation, safety, and GridSmartCity™.

Community Involvement

Wherever possible, Burlington Hydro will continue to be a community partner whether by participating in city and region events, educating the public, volunteering in local charities, and being a steward to the environment within which we operate. 2010 will be another busy year for the School Safety Program and we will once again make ourselves available as a participant mentor in the Our Youth at Work Simulcast.

BHI will continue its commitment with Crime Stoppers of Halton to provide 'tip' funding with regard to grow house operations or copper theft concerns within the BHI service area.

FINANCIAL END STATEMENTS - BHI

			2009 Bdgt	2009 Update	2010 Budget
1)	**Annual Cash Flow ('000's)**				
	Free Cash Flow =	Earnings Before Tax	$4,670	$4,500	$4,373
		+ Depreciation	6,321	6,384	6,600
		+ Dept Depreciation	550	530	600
		-Capex	-8,447	-7,603	-9,916
			$3,094	$3,812	$1,657
2)	**Earnings Before Income & Taxes ('000's)**				
	EBIT =	Earnings Before Tax	$4,670	$4,500	$4,373
		+ Interest Expense	3,708	3,715	4,094
			$8,378	$8,215	$8,467
3)	**Return on Balance Sheet Equity**				
	ROE =	NIAT	$3,021	$3,015	$2,974
		/ Equity (use Beg.Yr Equity)	57,203	57,203	57,968
			5.3%	5.3%	5.1%
4)	**Capex**				
		Capex	$8,447	$7,603	$9,916

BHI 10 YEAR FORECAST ASSUMPTIONS

Financial forecasts are by definition, forward-looking statements. As such, they are subject to risks and uncertainties which may see actual results differ materially from those set forth in these documents.
The statements are based on the beliefs and assumptions of management. The forward-looking statements are not guarantees of performance and the assumptions listed below and elsewhere in this document could affect the future results of operation and could cause the results or outcomes to materially differ from those expressed or implied in the statements due to a number of factors.

These factors include:
- New government regulations that impact our industry and the way we do business
- Regulatory changes affecting distribution rates
- General economic and business conditions
- Changes in accounting standards and their impact on accounting for regulatory assets/liabilities
- Severe weather and its' impact on the distribution system grid
- Liabilities and other claims.

The foregoing list of factors is not intended to be exhaustive.

Dividend forecasts are subject to change based on the working capital needs of the Company, which can be impacted by changes in the commodity cost of electricity.

		2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
1	**Distribution Revenues**										
	- kWh Growth Rate	-1.72%	1.30%	1.20%	1.10%	0.90%	0.80%	0.70%	0.70%	0.60%	0.60%
	- Stretch Factor	**rebase yr**		-0.40%	-0.40%	-0.40%	**rebase yr**	-0.40%	-0.40%	-0.40%	**rebase yr**
	- Industry Specific Inflation Factor			2.00%	2.00%	2.00%		2.00%	2.00%	2.00%	
	- OEB Productivity Factor			-0.72%	-0.72%	-0.72%		-0.72%	-0.72%	-0.72%	
2	**Operating Expenses**										
	- Inflation Rate (wage & benefit factor)		3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%
	- Productivity Factor		1.12%	1.12%	0.50%	0.00%	1.00%	0.50%	0.00%	0.00%	1.00%
3	**Capital Expenditures**										
	- Inflation Rate (core CPI)		1.60%	1.60%	1.60%	1.60%	1.60%	1.60%	1.60%	1.60%	1.60%
4	**Cost of Power**										
	- Escalation Rate	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%
5	Combined Federal/Provincial Tax Rate	32.00%	30.50%	29.00%	29.00%	29.00%	29.00%	29.00%	29.00%	29.00%	29.00%
6	Prime Rate	3.00%	3.75%	3.75%	3.75%	3.75%	3.75%	3.75%	3.75%	3.75%	3.75%
7	Investment Rate	1.00%	1.75%	1.75%	1.75%	1.75%	1.75%	1.75%	1.75%	1.75%	1.75%
8	Bank Term Loans Outstanding	$8,000	$10,733	$12,667	$13,100	$13,133	$12,767	$12,000	$11,133	$10,367	$9,600
9	Rate on City Promissory Note	7.25%	7.25%	7.25%	7.25%	7.25%	7.25%	7.25%	7.25%	7.25%	7.25%
10	Dividends to BHEI -from operations	$2,025,000	$2,000,000	$2,000,000	$2,000,000	$2,000,000	$2,000,000	$2,000,000	$2,000,000	$2,000,000	$2,000,000

BURLINGTON HYDRO INC.
PROFIT & LOSS STATEMENT (000's)- BHI

	2008 Actual	2009 Update	2010 Budget	2011 Fcst	2012 Fcst	2013 Fcst	2014 Fcst	2015 Fcst	2016 Fcst	2017 Fcst	2018 Fcst	2019 Fcst	2009 Bdgt
Distribution Revenue													
Gross Sales	$150,368	$150,855	$152,729	$157,516	$161,020	$164,478	$168,592	$172,966	$177,281	$181,708	$186,190	$190,655	$159,465
Less: Cost of Sales	-122,903	-124,000	-124,210	-127,102	-129,970	-132,811	-135,523	-139,340	-143,121	-147,006	-150,846	-154,786	-131,981
Net Distribution Revenue	$27,465	$26,855	$28,519	$30,414	$31,050	$31,668	$33,069	$33,627	$34,160	$34,702	$35,344	$35,869	$27,484
Other Revenue													
Late Payment Charges	221	212	222	237	242	246	257	262	266	270	275	279	249
Interest Revenue	499	103	77	126	95	95	111	125	134	138	142	145	267
Carrying Charges on Regulatory Assets	12	0	0	0	0	0	0	0	0	0	0	0	0
Billing Services - BESI	358	359	372	383	394	404	414	424	434	444	454	464	356
Miscellaneous	1,583	1,285	1,219	1,235	1,250	1,264	1,275	1,285	1,294	1,303	1,311	1,319	1,356
Total Other Revenue	2,673	1,958	1,890	1,980	1,980	2,009	2,057	2,096	2,128	2,156	2,182	2,207	2,228
Total Revenue	30,138	28,813	30,409	32,395	33,030	33,677	35,126	35,723	36,288	36,858	37,526	38,076	29,712
Operating Expenses													
Control Department	1,001	1,069	1,090	1,110	1,131	1,159	1,194	1,218	1,249	1,286	1,325	1,351	1,059
Station Mntce.	996	907	1,192	1,214	1,237	1,268	1,306	1,332	1,365	1,406	1,448	1,477	1,161
Distribution Mntce.	4,196	3,689	4,455	4,538	4,624	4,739	4,881	4,979	5,103	5,257	5,414	5,523	4,268
Meter Mntce.	602	543	489	499	508	521	536	547	561	578	595	607	641
Billing & Collecting	2,432	2,572	2,644	2,694	2,744	2,813	2,897	2,955	3,029	3,120	3,214	3,278	2,604
Administration	4,183	4,925	5,109	5,205	5,303	5,436	5,599	5,711	5,854	6,029	6,210	6,334	4,729
Capital & Municipal Tax	442	510	363	296	300	305	310	315	320	325	330	336	550
Depreciation	6,206	6,384	6,600	7,778	8,075	8,125	8,183	8,247	8,319	8,400	8,483	8,583	6,321
Total Operating Expenses	20,058	20,598	21,942	23,335	23,923	24,366	24,907	25,305	25,800	26,401	27,019	27,489	21,334
Income Before Interest Charges	10,080	8,215	8,467	9,060	9,107	9,310	10,219	10,418	10,488	10,457	10,507	10,588	8,378
Interest Expense - long term debt	0	25	250	468	585	644	656	648	619	578	538	499	25
Interest Expense - CC on Regulatory Liabilities	0	10	125	125	125	125	125	125	125	125	125	125	125
Interest Expense - Bank Facilities	81	209	248	200	200	200	200	200	200	200	200	200	87
Interest Expense - S/H Debt	3,471	3,471	3,471	3,471	3,471	3,471	3,471	3,471	3,471	3,471	3,471	3,471	3,471
Total Interest Expense	3,552	3,715	4,094	4,265	4,381	4,440	4,452	4,444	4,415	4,375	4,334	4,295	3,708
Income Before Income Taxes	6,528	4,500	4,373	4,795	4,725	4,870	5,767	5,974	6,073	6,083	6,173	6,293	4,670
Deferred PIL's	-845	0	0	0	0	0	0	0	0	0	0	0	0
PIL's	2,870	1,485	1,399	1,463	1,370	1,412	1,673	1,732	1,761	1,764	1,790	1,825	1,649
Net Income	4,503	3,015	2,974	3,333	3,355	3,458	4,095	4,242	4,311	4,319	4,383	4,468	3,021

BALANCE SHEET (000's)- BHI		2008 Actual	2009 Update	2010 Budget	2011 Fcst	2012 Fcst	2013 Fcst	2014 Fcst	2015 Fcst	2016 Fcst	2017 Fcst	2018 Fcst	2019 Fcst
CURRENT ASSETS													
Cash & Short-Term Investments		$12,646	$9,832	$7,701	$4,699	$3,908	$4,969	$5,999	$6,780	$7,158	$7,332	$7,618	$7,766
Securities held for Subdivision Buybacks		1,411	1,410	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000
Securities held as Customer Deposits		3,172	3,129	3,137	3,346	3,416	3,483	3,638	3,699	3,758	3,817	3,888	3,946
Accounts Receivable		13,451	13,226	13,390	13,810	14,117	14,420	14,781	15,164	15,542	15,931	16,323	16,715
A/R Unbilled		16,783	16,739	16,947	17,478	17,867	18,250	18,707	19,192	19,671	20,162	20,659	21,155
Inventories		1,286	1,221	1,296	1,382	1,411	1,439	1,503	1,528	1,553	1,577	1,607	1,630
Work Orders In Progress		1,165	1,165	1,165	1,165	1,165	1,165	1,165	1,165	1,165	1,165	1,165	1,165
Future Payment In Lieu of Taxes		1,766	1,700	1,700	1,700	1,700	1,700	1,700	1,700	1,700	1,700	1,700	1,700
Prepaid Expenses		474	325	325	325	325	325	325	325	325	325	325	325
TOTAL CURRENT ASSETS		52,154	48,746	46,661	44,904	44,909	46,752	48,817	50,554	51,871	53,009	54,285	55,402
Net Property, Plant & Equipment		81,062	81,751	84,467	101,177	105,060	105,714	106,465	107,312	108,253	109,305	110,391	111,700
Smart Meters Regulatory Account			3,464	10,156	0	0	0	0	0	0	0	0	0
Future Payment In Lieu of Taxes		3,888	3,900	3,900	3,900	3,900	3,900	3,900	3,900	3,900	3,900	3,900	3,900
TOTAL NON CURRENT ASSETS		84,950	89,115	98,523	105,077	108,961	109,614	110,365	111,212	112,153	113,206	114,292	115,601
TOTAL ASSETS		137,104	137,861	145,184	149,982	153,869	156,366	159,182	161,766	164,024	166,215	168,577	171,002
CURRENT LIABILITIES													
Accounts Payable		17,742	17,581	17,746	18,119	18,498	18,886	19,270	19,768	20,272	20,801	21,326	21,843
Customer Deposits		3,378	3,129	3,137	3,346	3,416	3,483	3,638	3,699	3,758	3,817	3,888	3,946
Work Order Deposits		3,255	3,255	3,255	3,255	3,255	3,255	3,255	3,255	3,255	3,255	3,255	3,255
Current Bank Term Debt		0	0	767	1,067	1,567	1,967	2,367	2,767	2,867	2,767	2,767	2,567
Other Current Liabilities		2,176	2,176	2,176	2,176	2,176	2,176	2,176	2176	2176	2176	2176	2176
TOTAL CURRENT LIABILITIES		26,551	26,141	27,081	27,962	28,911	29,767	30,705	31,664	32,328	32,816	33,411	33,786
Long Term Shareholder Debt		47,879	47,879	47,879	47,879	47,879	47,879	47,879	47,879	47,879	47,879	47,879	47,879
Regulatory Liability (Asset)		2,790	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000
Bank Term Debt		0	2,000	8,000	10,733	12,667	13,100	13,133	12,767	12,000	11,133	10,367	9,600
Less: Current Portion of Bank Term Debt		0	0	-767	-1,067	-1,567	-1,967	-2,367	-2,767	-2,867	-2,767	-2,767	-2,567
Accrued Benefit Obligation		2,681	2,873	3,074	3,224	3,374	3,524	3,674	3,824	3,974	4,124	4,274	4,424
TOTAL OTHER LIABILITIES		53,350	53,752	59,186	61,770	63,353	63,536	63,320	62,703	61,986	61,370	60,753	60,336
SHAREHOLDERS EQUITY													
Capital Stock		45,139	45,139	45,139	45,139	45,139	45,139	45,139	45,139	45,139	45,139	45,139	45,139
Paid-In Capital		876	876	876	876	876	876	876	876	876	876	876	876
Retained Earnings		11,188	11,953	12,902	14,235	15,590	17,048	19,142	21,364	23,696	26,014	28,397	30,865
TOTAL EQUITY		57,203	57,968	58,917	60,250	61,605	63,063	65,157	67,399	69,711	72,029	74,412	76,880
TOTAL LIABILITIES & S/H EQUITY		137,104	137,861	145,184	149,982	153,869	156,366	159,182	161,766	164,024	166,215	168,577	171,002
Current Ratio		1.96	1.86	1.72	1.61	1.55	1.57	1.59	1.60	1.60	1.62	1.62	1.64
ROE Component of Rate Base		9.9%	7.3%	7.1%	8.0%	8.0%	8.3%	7.9%	8.2%	8.3%	8.3%	8.0%	8.2%
Dividend Payout Ratio		104%	75%	68%	60%	60%	58%	49%	47%	46%	46%	46%	45%
Debt as a % of Rate Base		50%	52%	53%	56%	58%	58%						
Bank Covenants													
Interest Coverage	3	4.70	4.07	3.83	4.09	4.06	4.06	4.27	4.34	4.40	4.45	4.52	4.60
Debt Service Coverage	1.2	4.70	4.07	3.83	3.47	3.26	3.00	2.96	2.83	2.70	2.69	2.76	2.80

STATEMENT OF CHANGES IN CASH FLOW (000's) - BHI

	2008 Actual	2009 Update	2010 Budget	2011 Fcst	2012 Fcst	2013 Fcst	2014 Fcst	2015 Fcst	2016 Fcst	2017 Fcst	2018 Fcst	2019 Fcst
Operating Activities	8,488	9,983	10,174	11,711	12,030	12,183	12,877	13,089	13,231	13,318	13,466	13,650
Non-Cash Working Capital Changes	849	-1,275	-82	-514	-196	-177	-347	-246	-227	-225	-244	-244
Operating Cash Flow	9,337	8,708	10,092	11,197	11,835	12,006	12,530	12,843	13,004	13,093	13,221	13,407
Investing Activities												
Additions to PP&E	9,464	7,603	9,916	15,701	12,558	9,379	9,533	9,695	9,860	10,052	10,169	10,492
Additions to PP&E (from CC)	1,645	4,450	2,700	2,946	2,994	2,910	2,957	2,815	2,860	2,906	2,952	2,999
Additions to Smart Meters(net of rate adder)	0	3,464	6,692	-10,156	0	0	0	0	0	0	0	0
Additions to PP&E (from Smart Meter Regulatory Acct)	0	0	0	9,388	0	0	0	0	0	0	0	0
Net Cash Used for Investing Activities	11,109	15,517	19,308	17,879	15,552	12,289	12,490	12,509	12,720	12,958	13,121	13,491
Financing Activities												
Bank Term Debt (Repayment)	0	2,000	6,000	2,733	1,933	433	33	-367	-767	-867	-767	-767
Capital Contributions	1,645	4,450	2,700	2,946	2,994	2,910	2,957	2,815	2,860	2,906	2,952	2,999
Change in Customer Deposits	200	-249	8	209	70	68	154	61	59	60	71	58
Change in Securities Held as Customer Deposits	-160	43	-8	-209	-70	-68	-154	-61	-59	-60	-71	-58
Change in Securities Held for Subdivision Buybacks	-99	1	410	0	0	0	0	0	0	0	0	0
Net Cash Provided by Financing Activities	1,586	6,245	9,110	5,680	4,927	3,344	2,990	2,448	2,093	2,039	2,185	2,233
Increase (decrease) in Cash & Cash Equivalents	-186	-564	-106	-1,002	1,209	3,061	3,030	2,781	2,377	2,174	2,286	2,148
Cash & Cash Equivalents, Beginning of Year	17,532	12,646	9,832	7,701	4,699	3,908	4,969	5,999	6,780	7,158	7,332	7,618
Dividends Paid to BHEI	-4,700	-2,250	-2,025	-2,000	-2,000	-2,000	-2,000	-2,000	-2,000	-2,000	-2,000	-2,000
Cash & Cash Equivalents, End of Year	12,646	9,832	7,701	4,699	3,908	4,969	5,999	6,780	7,158	7,332	7,618	7,766

BHI FORECAST DIVIDEND BREAKDOWN (000's)	2008 Actual	2009 Update	2010 Budget	2011 Fcst	2012 Fcst	2013 Fcst	2014 Fcst	2015 Fcst	2016 Fcst	2017 Fcst	2018 Fcst	2019 Fcst
Q4 prior year	$675	$675	$525	$500	$500	$500	$500	$500	$500	$500	$500	$500
Q1	675	525	500	500	500	500	500	500	500	500	500	500
Q2	675	525	500	500	500	500	500	500	500	500	500	500
Q3	675	525	500	500	500	500	500	500	500	500	500	500
	2,700	2,250	2,025	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000
Special Dividend	2,000	0	0	0	0	0	0	0	0	0	0	0
For BESI	0	0	0	0	0	0	0	0	0	0	0	0
Total BHI Dividends	4,700	2,250	2,025	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000

Dividends from Operating Earnings	2,100	2,100	2,025	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000
Dividends from Working Capital	2,600	150	0	0	0	0	0	0	0	0	0	0
	4,700	2,250	2,025	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000

CAPITAL BUDGET - BHI

	2009 Budget	2009 Update	2010 Budget	2011 Fcst	2012 Fcst	2013 Fcst	2014 Fcst	2015 Fcst	2016 Fcst	2017 Fcst	2018 Fcst	2019 Fcst
Buildings (1)	$455,000	$407,000	$430,000	$455,000	$455,000	$455,000	$455,000	$455,000	$455,000	$455,000	$455,000	$455,000
Substation Equipment	402,500	361,500	517,500	419,000	422,000	939,000	739,000	739,000	739,000	939,000	639,000	439,000
Projects - 4.16 , 15 & 27.6KV	4,035,000	3,920,000	5,107,000	5,830,000	5,650,000	4,375,000	4,950,000	5,625,000	5,300,000	5,575,000	5,575,000	5,725,000
BHI Portion of Subdivision Asset Costs (2)						300,000	300,000	300,000	300,000	300,000	300,000	300,000
Transformers	1,500,000	1,050,000	1,200,000	1,000,000	1,200,000	1,200,000	1,200,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000
Meters	719,500	398,000	935,000	870,000	585,000	759,000	550,000	290,000	290,000	290,000	310,000	310,000
Rolling Stock	455,000	571,000	185,000	175,000	340,000	370,000	175,000	340,000	510,000	220,000	243,000	140,000
Tools	66,600	30,800	63,500	66,500	66,000	90,000	65,000	65,000	65,000	65,000	65,000	65,000
Computer Hardware/Software	735,000	801,000	270,000	120,000	170,000	370,000	470,000	106,000	270,000	120,000	326,000	626,000
Office Equipment	77,900	63,350	128,100	38,000	38,000	84,500	43,000	35,000	35,200	31,000	42,900	35,000
SUSTAINING CAPITAL BUDGET	$8,446,500	$7,602,650	$8,836,100	$8,973,500	$8,926,000	$8,942,500	$8,947,000	$8,955,000	$8,964,200	$8,995,000	$8,955,900	$9,095,000
Adjusted for Inflation				$9,117,076	$9,213,917	$9,378,644	$9,533,498	$9,694,695	$9,859,929	$10,052,107	$10,168,547	$10,491,705
Capital Contributions												
Capital Contributions - projects general service	2,450,000	2,450,000	700,000	900,000	900,000	775,000	775,000	600,000	600,000	600,000	600,000	600,000
Subdivision Assets Assumed	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000
Total Capital Contributions	$4,450,000	$4,450,000	$2,700,000	$2,900,000	$2,900,000	$2,775,000	$2,775,000	$2,600,000	$2,600,000	$2,600,000	$2,600,000	$2,600,000
Capital Contributions adjusted for inflation				$2,946,400	$2,993,542	$2,910,343	$2,956,908	$2,814,763	$2,859,800	$2,905,556	$2,952,045	$2,999,278
Total Adjusted for Inflation	$12,896,500	$12,052,650	$11,536,100	$12,063,476	$12,207,459	$12,288,987	$12,490,406	$12,509,458	$12,719,729	$12,957,664	$13,120,592	$13,490,983

SPECIAL CAPITAL PROJECTS - In addition to Sustaining Capital Budget #'s Above

A. Smart Metering - government mandated project	$11,775,000	$4,036,136	$7,448,240									
Revenue from Smart Meter Rate Adder	($1,000,000)	(572,000)	($756,000)	($756,000)								
	$10,775,000	$3,464,136	$6,692,240	($756,000)	$0	$0	$0	$0	$0	$0	$0	$0
Smart Meter Capital Adjusted for Inflation				($768,096)	$0	$0	$0	$0	$0	$0	$0	$0
B. Transformer Station - Capital Contribution			$1,080,000	$6,480,000	$3,240,000							
Transformer Station Adjusted for Inflation				$6,583,680	$3,344,509	$0	$0	$0	$0	$0	$0	$0

TOTAL CAPITAL BUDGET	$19,221,500	$11,066,786	$16,608,340	$14,697,500	$12,166,000	$8,942,500	$8,947,000	$8,955,000	$8,964,200	$8,995,000	$8,955,900	$9,095,000
TOTAL CAPITAL BUDGET - adjusted for inflation				$14,932,660	$12,558,426	$9,378,644	$9,533,498	$9,694,695	$9,859,929	$10,052,107	$10,168,547	$10,491,705

BURLINGTON HYDRO INC.			
10 YEAR CAPITAL BUDGET FORECAST			
September 10, 2009			
DESCRIPTION	C.C. FUNDED 2010	2010 Budget (Incl cc)	BHI FUNDED 2010
BUILDINGS			
1340 Brant St.		$250,000	$250,000
Distribution Stations		$175,000	$175,000
Misc Building Repairs Including Driveway		$5,000	$5,000
TOTAL - BUILDINGS	**$0**	**$430,000**	**$430,000**
SUBSTATION EQUIPMENT			
Upgrade Relays to Solid State		$80,000	$80,000
Recommission Substations		$140,000	$140,000
Metalclad Equipment Refurbish/Paint		$20,000	$20,000
13.8kV/4.16kV Switchgear Upgrade (Reservoir(13), Tyandaga (14), Martha (15), Fairview (16), Towerline (		$0	$0
Vacuum Breaker Conversions (Asbestos Removal)		$105,000	$105,000
Control Room Upgrade		$100,000	$100,000
Upgrade RTUs Scouts		$60,000	$60,000
Battery Banks & Chargers		$0	$0
Control Room Upgrade		$0	$0
SCADA Upgrade		$0	$0
Transducers		$5,000	$5,000
Misc. Projects		$7,500	$7,500
OTAL - SUBSTATION EQUIPMENT	**$0**	**$517,500**	**$517,500**
DISTRIBUTION PROJECTS			
Underground Rebuilds (North Brant Hills)		$500,000	$500,000
Underground Rebuilds (Faversham/Cavendish)		$0	$0
Underground Rebuilds (Driftwood east of Guelph Ln)		$0	$0
Underground Rebuilds (Longmoor/Catalina area)		$0	$0
Underground Rebuilds		$0	$0
Overhead Area Rebuilds		$0	$0
Burlington Mall		$250,000	$250,000
Butyl Insulated Cable Replacement Program		$50,000	$50,000
Fault Indicators		$25,000	$25,000
Performing Arts Centre		$0	$0
Downtown/Lakeshore Elizabeth/Lakeshore to Martha MS		$0	$0
12 MileTrail Conversion		$0	$0
Hampton MS 27.6kV Cables		$200,000	$200,000
City Projects	$0	$700,000	$700,000
Region Projects	$100,000	$300,000	$200,000
NE Burlington T.S. Egress		$0	$0
Guelph Line Pole replacement - Uppermiddle to Reservoir		$150,000	$150,000
Millborough Town Line (LTLT)		$0	$0
Sherwood Forest Park Feeder Tie		$55,000	$55,000
Fairleigh MS Martha to Guelph Line Cndctr Upgrade	$0	$0	$0
Derry Rd, Bell Sch. Ln to Guelph Ln LTLT		$0	$0
Pole Line Refurbishment N. of CNR (Walkers to Guelph Ln)		$0	$0
build Crossings		$185,000	$185,000
ort Nelson F4 Feeder Reconfiguration		$0	$0
Pine Cove Road rebuild		$0	$0
Appleby Line, Britannia - Derry, rebuild (Lowville F3)		$0	$0
Cedar Springs Rd, rebuild(Lowville F4) $345K		$0	$0
Conductor Upgrades (Harrison Crt, Tremaine)		$0	$0

BURLINGTON HYDRO INC.			
10 YEAR CAPITAL BUDGET FORECAST			
September 10, 2009			
DESCRIPTION	**C.C. FUNDED 2010**	**2010 Budget (Incl cc)**	**BHI FUNDED 2010**
North Service Rd. King Rd- Waterdown Rd.Rebuild/2nd Cct		$0	$0
ROW Bronte TS Fdrs Egress (through Oakville) to Burloak Add 2 Ccts		$0	$0
Britannia Rd. Guelph Ln-Cedar Springs Cndctr Upgrade		$0	$0
Porcelain Underslung Switches, Replacement Prgrm		$0	$0
Mountainside area Insulator Replacements		$0	$0
Palermo Egress Feeder Rebuild		$0	$0
Mount Forest MS 4.16 kV QEW Crossing		$292,000	$292,000
Spruce Conductor Upgrade - Hampton Heath to Burloak		$150,000	$150,000
Prospect, George - Guelph Line, Conductor Upgrade		$0	$0
SC 161 Millcroft (Remove Double Lug connection)		$0	$0
Voltage Conversion (Mount Frst/Brant)		$0	$0
Voltage Conversion (Hampton MS/ Lakeshore Rd)		$0	$0
General Service - Underground	$495,000	$1,045,000	$550,000
General Service - Overhead	$105,000	$755,000	$650,000
Subdivisions Assumed	$1,400,000	$1,400,000	$0
Pole Replacement Program		$600,000	$600,000
Motorized ABS Program		$400,000	$400,000
Rear Lot Rebuild Program		$150,000	$150,000
MTO Projects			
TOTAL DISTRIBUTION	**$2,100,000**	**$7,207,000**	**$5,107,000**
TRANSFORMERS			
Installed		$1,000,000	$1,000,000
CB Free Compliance - Transformer replacement		$200,000	$200,000
Subdivision	$600,000	$600,000	$0
TOTAL TRANSFORMERS	**$600,000**	**$1,800,000**	**$1,200,000**
METERS			
Installed		$500,000	$500,000
Relocate Wholesale Metering (Palermo & BronteTS)		$0	$0
Cross Phase Analysis (Rodan)		$30,000	$30,000
Current Limiters		$0	$0
Primary Metering Tank Replacement		$25,000	$25,000
Convert Bulk to Individual (Condominiums)		$0	$0
Meter Upgrade 2.5 to 3 Element		$0	$0
Wholesale Meter Replacements		$0	$0
Wholesale Metering (IT Metering at Cumberland TS)		$380,000	$380,000
TOTAL METERS	**$0**	**$935,000**	**$935,000**
ROLLING STOCK			
New and/or Replacements (> 4500 kg)		$150,000	$150,000
New and/or Replacements (< 4500 kg)		$35,000	$35,000
TOTAL - VEHICLES	**$0**	**$185,000**	**$185,000**
TOOLS			
nstruction / Station Maint. / Meter / Safety / Engineering		$63,500	$63,500
rimary Fault Locator (Stations)		$0	
TOTAL - TOOLS	**$0**	**$63,500**	**$63,500**
OFFICE EQUIPMENT			
Misc Office Equip.		$8,000	$8,000

BURLINGTON HYDRO INC.			
10 YEAR CAPITAL BUDGET FORECAST			
September 10, 2009			
DESCRIPTION	C.C. FUNDED 2010	2010 Budget (Incl cc)	BHI FUNDED 2010
Photocopier (billing(09), control,cust.srvce, HR(11) eng/acctng (14))		$0	$0
Plotter (Engineering)		$0	$0
Ergonomics		$40,000	$40,000
Employee Communications Stations		$5,800	$5,800
Sound Monitoring/Noise Regulation		$3,600	$3,600
A/V Equipment (Safety)		$0	$0
Communication Equipment (Safety)		$0	$0
Rescue Practice Maniquins		$0	$0
AEDs		$10,200	$10,200
Shelving (Stores)		$0	$0
Tables and Chairs		$0	$0
Security System Upgrade.		$5,000	$5,000
Postage Equip.		$5,500	$5,500
Telephony upgrade PBX, Voice Mail, VOIP, ACD Systems		$50,000	$50,000
TOTAL - OFFICE EQUIPMENT	**$0**	**$128,100**	**$128,100**
COMPUTER HARDWARE & SOFTWARE			
GIS Interfaces (OMS, Ortho Mapping, etc.)		$125,000	$125,000
Computer Room Network Communications Equipment		$20,000	$20,000
Personal Computers		$30,000	$30,000
Printers / fax machines (Purchasing / billing)		$0	$0
Microsoft (Lotus Notes, Windows, MS Office, Virus, Spam)		$0	$0
affron Cust. Programming		$20,000	$20,000
GIS Mapping System Upgrades (new landbase (09))		$0	$0
Outage Management System		$0	$0
OCE Printer Software (Engrg)		$0	$0
Business Applications (CIS)		$0	$0
Business Applications (non CIS - Materials Mgt / bar coding)		$0	$0
Field Force Automation/Daffron Assistance		$0	$0
Windows 7 Operating System Site Licence		$25,000	$25,000
Virus and Security Appliance		$10,000	$10,000
Customer Account Inquiry on Website		$25,000	$25,000
Daffron iXP Dashboard		$15,000	$15,000
TOTAL - COMPUTER HARDWARE	**$0**	**$270,000**	**$270,000**
TOTAL CAPITAL BUDGET	**$2,700,000**	**$11,536,100**	**$8,836,100**
	C.C. FUNDED 2010	**2013 Budget (Incl cc)**	**BHI FUNDED 2010**
total of developer buybacks			$0
SMART METERS			
GO2 Meters (GS>50kW)		$93,768	$93,768
		$7,394,472	$7,394,472
TOTAL SMART METERS		**$7,488,240**	**$7,488,240**
NEW SUPPLY			

BURLINGTON HYDRO INC.			
10 YEAR CAPITAL BUDGET FORECAST			
September 10, 2009			
DESCRIPTION	C.C. FUNDED 2010	2010 Budget (Incl cc)	BHI FUNDED 2010
Transformer Station (N/E Burlington) -Capital Contribution(2012; 2 x 27 meter pts)		$1,080,000	$1,080,000
TOTAL NEW SUPPLY		$1,080,000	$1,080,000
GRAND TOTAL CAPITAL BUDGET	$2,700,000	$20,104,340	$17,404,340

OPERATIONS AND MAINTENANCE SUMMARY	2008 ACTUAL	2009 BUDGET	2009 UPDATE	2010 BUDGET
CONTROL	1,001,159	1,059,018	1,068,976	1,089,828
STATIONS	996,371	1,161,383	906,839	1,191,614
DISTRIBUTION	4,195,684	4,268,417	3,688,911	4,454,559
METERS	601,725	641,195	542,515	489,413
TOTAL	**6,794,939**	**7,130,013**	**6,207,241**	**7,225,414**
% CHANGE		1.34%	16.40%	
$ CHANGE		95,401	1,018,173	
Note: In 2009 Stations Update, 2 journeymen were redeployed to Smart Meter installations.				
In 2009 Distribution Update, maintenance was reduced due to drop in distribution revenues				
In 2010 Distribution, maintenance (contracted labour & labour) has returned to historic levels				
In 2009 Meter Update, increase in staff time allocated to Smart Meter installation (capital budget)				

CONTROL	2008 ACTUAL	2009 BUDGET	2009 UPDATE	2010 BUDGET
BELL CANADA LINE RENTAL	50,092	51,576	50,731	50,280
LABOUR OVERHEAD	300,767	356,767	317,599	361,470
CONFERENCES, SEMINARS	-	2,000	-	2,000
FIBRE CONNECTION - MILTON			18,540	10,380
KING ROAD - TOWER RENTAL	10,000	10,000	7,200	10,000
LABOUR - REGULAR	353,673	330,628	349,415	328,314
LABOUR - OVERTIME	89,162	66,752	73,698	68,087
LABOUR - PAID SICK TIME	11,125	13,931	11,318	20,825
MAINTENANCE CONTRACTS	56,412	66,000	76,927	67,320
MAINTENANCE	-	-	8,500	4,300
MATERIAL	446	1,740	176	2,020
MISCELLANEOUS	1,048	1,500	581	2,400
OFFICE RENT	42,166	44,525	47,036	46,154
OFFICE SUPPLIES/CONSULTANTS	1,478	1,980	1,801	2,020
OPERATING EXPENSES - BUILDING	1,661	1,632	2,681	1,665
SAFETY EQUIPMENT	75	108	71	110
SUBSCRIPTIONS AND PERIODICALS	995	1,055	635	1,076
TELEPHONE	4,728	5,100	5,015	4,980
TELEPHONE - CANTEL PAGER	1,530	1,304	1,704	1,330
TOOLS AND CLOTHING	3,880	3,780	1,990	1,800
TRUCKS	215	741	2,217	646
Sub-total	929,453	961,119	977,835	987,177
ENGINEERING	71,706	97,899	91,141	102,651
TOTAL	**1,001,159**	**1,059,018**	**1,068,976**	**1,089,828**
% CHANGE		2.91%	1.95%	
$ CHANGE		30,810	20,852	

STATIONS MAINTENANCE AND OPERATIONS	2008 ACTUAL	2009 BUDGET	2009 UPDATE	2010 BUDGET
LABOUR OVERHEAD	215,869	284,297	192,960	271,776
BUILDING REPAIRS	700	-	-	-
CONFERENCES, SEMINARS	123	1,000	500	1,020
GROUND MAINTENANCE	30,534	32,000	29,950	32,640
INSURANCE - FIRE	26,055	26,784	27,470	27,320
LABOUR - OVERTIME	35,480	32,280	26,567	32,926
LABOUR - PAID SICK TIME	30,570	29,820	24,364	37,000
LABOUR - REGULAR	251,183	273,923	225,825	255,981
LEASES - SUBSTATIONS	22,315	23,400	22,557	23,868
MAINTENANCE	1,080	49,500	28,410	50,490
MATERIAL	72,872	72,312	50,075	83,714
MISCELLANEOUS	1,261	233	338	238
OFFICE SUPPLIES/CONSULTANTS	820	940	1,309	959
OIL TESTS	12,656	17,460	13,000	17,805
BUILDING OPERATING EXPENSES	13,285	20,300	9,683	20,706
PAGER RENTAL	43	-	-	-
RENT	4,701	6,000	5,740	6,120
SAFETY EQUIPMENT	4,560	6,632	3,839	6,765
SERVICE CENTRE EXPENSES	23,617	23,026	25,665	24,131
SMALL TOOLS	4,490	4,305	2,202	4,391
TELEPHONE	52,312	50,407	49,041	51,416
TELEPHONE - PAGER	3,109	3,395	3,558	3,463
TEMPORARY STAFF	15,906	-	-	28,530
TOOL REPAIRS	1,848	1,510	700	1,540
TOOLS AND CLOTHING	14,509	8,500	6,151	8,670
TRUCKS	51,476	53,064	47,399	46,530
YARD & PARKING (SNOW REMOVAL)	7,942	17,500	19,854	17,850
UTILITIES	16,569	11,000	9,486	18,000
Sub-total	915,885	1,049,588	826,643	1,073,849
ENGINEERING	80,486	111,795	80,196	117,765
TOTAL	**996,371**	**1,161,383**	**906,839**	**1,191,614**
% CHANGE		2.60%	31.40%	
$ CHANGE		30,231	284,775	
Note: In 2009 Update, 2 journeymen were redeployed to Smart Meter installations.				

DISTRIBUTION MAINTENANCE AND OPERATIONS	2008 ACTUAL	2009 BUDGET	2009 UPDATE	2010 BUDGET
LABOUR OVERHEAD	492,241	611,270	523,974	712,681
CONFERENCES, SEMINARS	-	-	113	-
CONTRACTED LABOUR	220,574	335,000	184,814	341,700
DEPRECIATION ALLOWED	1,173	-	10,476	-
EASEMENTS	7,006	21,750	19,991	22,185
EQUIPMENT MAINTENANCE	40,000	36,000	33,000	36,720
INSULATOR WASHING & INFRARED TEST	52,022	50,000	40,927	51,000
LABOUR	467,266	442,871	503,032	530,017
LABOUR - OVERTIME	410,660	361,594	392,608	368,826
LABOUR - PAID ABSENTEEISM	43,879	61,695	42,543	90,454
LOCATES	683,015	442,000	493,267	450,840
MAINTENANCE CONTRACTS	-	33,312	-	33,984
MATERIAL	220,311	250,613	188,181	290,139
MISCELLANEOUS	3,716	3,000	3,300	3,060
OFFICE SUPPLIES	1,037	1,500	1,805	3,060
PAGER RENTAL	284	480	369	490
PCB CLEANUP	500	6,000	9,300	6,120
PCB DISPOSAL	326,668	120,000	81,597	122,400
POSTAGE AND COURIER	117	600	335	612
RENT	156,000	159,600	158,906	162,792
SAFETY EQUIPMENT	28,893	27,000	18,157	27,540
SERVICE CENTRE EXPENSES	9,825	9,574	10,676	10,038
SMALL TOOLS	15,553	14,400	11,400	14,688
SWITCH CUBICLE CLEANING	20,520	25,000	20,400	25,500
TELEPHONE	1,625	1,836	1,822	1,800
TELEPHONE - CELLULAR	2,338	19,000	15,162	16,000
TOOL REPAIRS	5,027	10,800	7,173	11,016
TOOLS AND CLOTHING	27,650	30,000	23,599	30,600
TREE TRIMMING - ANNUAL	334,138	453,804	249,383	341,421
TREE TRIMMING - MISC.	84,434	105,000	74,590	107,100
TRUCKS	209,231	197,178	218,716	172,891
Sub-total	3,865,703	3,830,877	3,339,616	3,985,674
ENGINEERING	329,981	437,540	349,295	468,885
TOTAL	**4,195,684**	**4,268,417**	**3,688,911**	**4,454,559**
% CHANGE		4.36%	20.76%	
$ CHANGE		186,142	765,648	
Note: Increase in Tree Trimming due to size of area in current cycle				
In 2009 Update, maintenance was reduced due to drop in distribution revenues				
In 2010, maintenance (contracted labour & labour) has returned to historic levels				

METERS	2008	2009	2009	2010
MAINTENANCE AND OPERATIONS	ACTUAL	BUDGET	UPDATE	BUDGET
LABOUR OVERHEAD	129,793	172,091	139,507	117,303
BENEFITS - OTHER	17,991	18,914	8,916	15,916
COMPUTER SOFTWARE - MAINT.	22,253	23,966	23,966	24,445
CONFERENCES, SEMINARS	724	3,000	1,800	3,000
CONTRACTED LABOUR	12,341	12,000	6,148	12,240
LABOUR - OVERTIME	65,118	43,424	46,807	43,424
LABOUR - PAID SICK TIME	8,957	5,527	9,568	5,070
LABOUR - REGULAR	152,038	153,870	150,544	95,878
MATERIAL	7,974	13,428	8,415	15,243
METER SEALS - INSPECTION	23,292	15,000	12,302	15,300
MISCELLANEOUS	365	600	660	600
OFFICE SUPPLIES	126	324	218	330
PAGER RENTAL	284	312	125	318
POSTAGE AND COURIER	-	120	107	120
SAFETY EQUIPMENT	1,208	1,500	1,500	1,500
SALARIES - OTHER	65,828	72,110	25,902	46,304
SERVICE CENTRE EXPENSES	9,825	9,574	10,676	11,197
SMALL TOOLS	473	1,500	700	1,600
TELEPHONE	5,409	5,640	5,523	5,640
TELEPHONE - CELLULAR	4,258	4,620	9,689	4,620
TOOLS AND CLOTHING	3,345	3,300	3,300	3,700
TRUCKS	27,771	24,836	29,223	21,777
Sub-total	559,373	585,656	495,596	445,525
ENGINEERING	42,352	55,539	46,919	43,888
TOTAL	**601,725**	**641,195**	**542,515**	**489,413**
% CHANGE		-23.67%	-9.79%	
$ CHANGE		(151,782)	(53,102)	
Note: Increase in staff time allocated to Smart Meter installation (capital budget)				

ADMINISTRATION SUMMARY	2008 ACTUAL	2009 BUDGET	2009 UPDATE	2010 BUDGET
ADMINISTRATION	1,463,730	1,513,547	1,501,108	1,607,713
BOARD OF DIRECTORS	289,640	388,635	375,477	394,700
ACCOUNTING	454,460	517,643	519,483	586,495
PURCHASING	56,932	60,335	58,141	61,636
TRAINING CENTRE	8,118	7,956	7,887	8,082
HUMAN RESOURCES	503,637	633,106	695,397	619,021
SAFETY	148,488	175,231	157,231	176,708
INFORMATION SERVICES	828,633	927,378	836,248	985,641
REGULATORY AFFAIRS	429,144	504,703	774,100	669,381
TOTAL	**4,182,782**	**4,728,534**	**4,925,072**	**5,109,377**
% CHANGE		8.05%	3.74%	
$ CHANGE		380,843	184,305	
Note: Accounting includes full salary for a Regulatory position				
IS includes new annual maintenance costs for new GIS & mapping system				
2009 Update & 2010 includes all Rebasing costs (consulting, legal, staffing, intervenor costs)				

ADMINISTRATION	2008 ACTUAL	2009 BUDGET	2009 UPDATE	2010 BUDGET
PROFESSIONAL FEES - AUDIT/TAX/ACCTNG	39,425	46,266	46,260	57,000
BANK EXPENSES	31,024	31,401	76,801	93,000
BENEFITS	18,629	18,361	18,317	18,694
BENEFITS - MANAGEMENT	153,586	140,756	142,115	143,835
CAR ALLOWANCE	13,824	13,802	13,812	13,800
UNITED WAY DONATIONS	16,568	18,500	18,500	18,500
COMPUTER SOFTWARE - MICRO	97	600	-	500
CONFERENCES, SEMINARS & WORKSHOPS	19,353	15,180	17,029	19,000
CONSULTANTS - OTHER	10,022	36,000	10,000	35,000
CONSULTANTS - ENERCONNECT	-	-	-	-
CONSULTANTS-STRATEGIC PLANNING	-	50,000	25,000	50,000
CORPORATE SPONSORSHIP	22,538	15,100	15,081	20,000
DONATIONS - CORPORATE	32,750	32,000	31,907	32,000
INSURANCE - DIRECTOR'S LIABILITY	31,320	-	-	-
INSURANCE - PL & PD	144,098	148,132	128,973	132,000
PROFESSIONAL FEES - LEGAL	59,371	36,000	50,088	45,000
MEMBERSHIPS & DUES	76,359	93,210	87,310	90,000
MILEAGE	5,016	3,540	4,827	3,600
MISCELLANEOUS EXPENSES	7,872	5,400	4,993	6,000
OFFICE RENT	27,672	29,219	30,867	30,432
OFFICE SUPPLIES	2,851	2,700	2,747	2,700
POSTAGE & COURIER	609	655	571	600
PROFESSIONAL FEES	1,712	1,760	1,008	1,700
SALARIES - MANAGEMENT	672,391	695,655	696,491	714,313
SALARIES	64,164	65,286	65,160	67,239
SUBSCRIPTIONS & PERIODICALS	2,416	4,140	3,001	3,000
TELEPHONE - BELL	3,376	3,384	3,500	3,300
TELEPHONE - CELLULAR	6,687	6,500	6,750	6,500
TOTAL	**1,463,730**	**1,513,547**	**1,501,108**	**1,607,713**
% CHANGE		6.22%	7.10%	
$ CHANGE		94,166	106,605	
Note: Banking fees include costs associated with new credit facilities obtained during 2009				

BOARD OF DIRECTOR'S	2008 ACTUAL	2009 BUDGET	2009 UPDATE	2010 BUDGET
CONFERENCES, SEMINARS, WORKSHOPS	6,768	7,000	4,511	7,000
DIRECTOR'S REMUNERATION - BHEI	244,554	324,960	318,247	331,200
DIRECTOR'S REMUNERATION - BHI	17,058	20,000	21,294	24,000
INSURANCE - DIRECTOR'S LIABILITY	-	32,200	26,950	28,000
MILEAGE	7	-	-	-
MISCELLANEOUS EXPENSES	1,856	1,475	1,475	1,500
OFFICE SUPPLIES	19,397	3,000	3,000	3,000
TOTAL	**289,640**	**388,635**	**375,477**	**394,700**
% CHANGE		1.56%	5.12%	
$ CHANGE		6,065	19,223	

ACCOUNTING	2008 ACTUAL	2009 BUDGET	2009 UPDATE	2010 BUDGET
BENEFITS	63,849	71,628	70,807	80,727
BENEFITS - MANAGEMENT	18,766	18,187	18,284	18,824
BAD DEBTS - MISC A/R	11,469	30,000	30,000	30,600
CONFERENCES, SEMINARS & WORKSHOPS	926	1,750	45	1,785
EDUCATION - EMPLOYEE REIMBURSEMENT	1,165	825	300	1,100
MILEAGE	67	150	100	153
MISCELLANEOUS EXPENSES	31	100	100	102
OFFICE EQUIPMENT MAINT. CONTRACT	486	500	486	510
OFFICE RENT	19,238	20,314	21,460	21,011
OFFICE SUPPLIES	2,970	3,410	3,387	3,478
POSTAGE & COURIER	360	480	242	240
PROFESSIONAL FEES	1,416	1,455	1,499	2,260
SALARIES - MANAGEMENT	93,328	96,892	96,826	100,049
SALARIES	233,081	265,332	270,175	318,850
SALARIES - OVERTIME	4,964	4,047	3,143	4,189
SUBSCRIPTIONS & PERIODICALS	612	629	697	697
TELEPHONE - BELL	1,732	1,944	1,932	1,920
	-	-	-	-
TOTAL	**454,460**	**517,643**	**519,483**	**586,495**
% CHANGE		13.30%	12.90%	
$ CHANGE		68,852	67,012	
Note: Accounting includes full salary for a Regulatory position				

PURCHASING	2008 ACTUAL	2009 BUDGET	2009 UPDATE	2010 BUDGET
ASSOCIATION DUES	-	800	560	600
BENEFITS	9,046	9,160	9,167	9,426
CONFERENCES, SEMINARS & WORKSHOPS	37	700	-	700
EDUCATION - EMPLOYEE REIMBURSEMENT	-	500	-	500
MEMBERSHIPS AND DUES	280	-	-	-
MILEAGE	-	150	75	160
MISCELLANEOUS EXPENSES	26	100	50	100
OFFICE RENT	6,799	7,180	7,584	7,456
OFFICE SUPPLIES	790	1,200	1,049	1,200
POSTAGE & COURIER	43	300	188	300
SALARIES	33,023	33,801	33,834	34,674
SALARIES - OVERTIME	287	-	-	-
SUBSCRIPTIONS & PERIODICALS	-	300	200	300
TELEPHONE - BELL	3,834	4,164	4,133	4,080
TELEPHONE-CELLULAR	1,035	1,080	1,101	1,140
TEMPORARY STAFF	1,732	-	-	-
TOOLS & CLOTHING	-	400	200	500
STAFF TRAINING - E.D.A. COURSES	-	500	-	500
TOTAL	**56,932**	**60,335**	**58,141**	**61,636**
% CHANGE		2.16%	6.01%	
$ CHANGE		1,301	3,495	

TRAINING CENTRE	2008 ACTUAL	2009 BUDGET	2009 UPDATE	2010 BUDGET
INSURANCE - FIRE	1,030	1,056	1,085	1,080
JANITORIAL	1,449	1,200	755	1,224
MAINTENANCE - BUILDING	1,029	-	-	-
OPERATING EXPENSES - BUILDING	278	900	1,137	918
UTILITIES	4,332	4,800	4,910	4,860
TOTAL	**8,118**	**7,956**	**7,887**	**8,082**
% CHANGE		1.58%	2.47%	
$ CHANGE		126	195	

HUMAN RESOURCES	2008 ACTUAL	2009 BUDGET	2009 UPDATE	2010 BUDGET
ATTENDANCE INITIATIVES	-	1,000	-	1,000
BENEFITS	19,533	17,393	14,571	17,716
CAR ALLOWANCES	3,300	3,300	3,300	3,300
CERIDIAN PAYROLL SERVICES	6,137	5,640	6,454	5,753
COMMUNICATIONS	34,132	65,000	67,602	66,300
CONFERENCES, SEMINARS & WORKSHOPS	8,298	7,000	7,000	8,000
CONSULTANTS - OTHER	16,313	15,000	58,000	20,000
DRIVER ABSTRACTS	372	350	350	350
EDUCATION - EMPLOYEE REIMBURSEMENT	-	400	-	400
EMPLOYEE ASSISTANCE PLAN	5,568	5,600	5,568	5,568
HEALTH AND WELLNESS	3,277	5,000	6,729	7,000
ADVERTISEMENT - STAFF POSITIONS	1,050	4,000	4,045	4,000
LABOUR - OVERTIME	334	-	942	-
PROFESSIONAL FEES - LEGAL	3,972	10,000	8,000	10,000
MEMBERSHIPS & DUES	1,240	955	965	975
MILEAGE	1,155	1,200	652	1,200
MISCELLANEOUS EXPENSES	2,958	2,400	2,377	2,450
OFFICE RENT	11,069	11,688	12,347	12,196
OFFICE SUPPLIES	1,096	1,200	643	1,200
PERSONNEL PRINTED MATTER/ID CARDS	1,638	1,900	2,153	1,500
POSTAGE & COURIER	58	180	179	180
PROFESSIONAL FEES	874	900	447	920
QUARTER CENTURY CLUB	1,452	1,500	1,500	1,500
RETIREE BENEFITS-ACTUARIAL ADJUSTMENT	135,545	181,000	181,200	201,000
RETIREE GROUP INSURANCE	51,814	52,308	50,156	51,180
RETIREE MEDICAL BENEFITS	103,096	104,928	86,397	88,200
RETIREMENT RECOGNITION	780	1,655	1,370	1,230
SALARIES	56,805	58,656	10,497	60,276
SERVICE AWARD PROGRAMME	3,592	3,361	3,361	3,926
STAFF CELEBRATION EVENTS	11,168	9,250	9,250	9,437
STATIONERY	132	360	338	360
SUBSCRIPTIONS & PERIODICALS	2,780	3,000	2,119	3,000
TELEPHONE - BELL	2,487	2,748	2,702	2,700
TELEPHONE - CELLULAR	1,205	1,234	1,704	1,704
TEMPORARY STAFF	8,011	15,000	68,523	15,500
STAFF TRAINING	1,653	6,000	6,500	5,000
UNION RELATED EXPENSE	743	32,000	67,456	4,000
TOTAL	**503,637**	**633,106**	**695,397**	**619,021**
% CHANGE		-2.22%	-10.98%	
$ CHANGE		(14,085)	(76,376)	

SAFETY	2008 ACTUAL	2009 BUDGET	2009 UPDATE	2010 BUDGET
CONFERENCES, SEMINARS & WORKSHOPS	3,836	7,535	4,989	2,835
CRIMESTOPPERS	200	2,500	1,275	2,500
ERGONOMIC COMMITTEE & JH&SC	1,177	2,500	2,500	2,500
MEMBERSHIPS & DUES	439	500	457	500
MILEAGE	1,821	2,000	1,427	2,000
MISCELLANEOUS EXPENSES	1,201	1,500	1,265	1,500
OFFICE RENT	3,426	3,618	3,821	3,757
OFFICE SUPPLIES	1,063	725	(145)	725
PATHS TO ZERO PROGRAM	29,467	30,000	19,647	26,000
POSTAGE & COURIER	41	200	298	200
PUBLIC SAFETY CAMPAIGN	14,685	17,200	17,200	11,100
SAFETY EQUIPMENT - 1ST AID KIT MTC	889	-	430	-
SAFETY INCENTIVES PROGRAM	6,096	10,000	9,131	10,000
SUBSCRIPTIONS & PERIODICALS	439	2,950	2,950	2,950
TECHNICAL LITERATURE	135	500	491	500
TELEPHONE - BELL	1,700	1,920	1,904	1,860
TELEPHONE - CELLULAR	961	-	956	1,200
TOOLS & CLOTHING	140	200	200	300
TRAINING - OTHER	79,258	89,883	86,835	104,781
TRAINING VIDEOS	1,514	1,500	1,600	1,500
TOTAL	**148,488**	**175,231**	**157,231**	**176,708**
% CHANGE		0.84%	12.39%	
$ CHANGE		1,477	19,477	
Note: Apprenticeship training for all existing and new apprentices across all departments				

INFORMATION SERVICES	2008 ACTUAL	2009 BUDGET	2009 UPDATE	2010 BUDGET
BENEFITS	70,700	71,798	72,207	74,154
CANADA POST CODE MAINTENANCE	2,643	2,717	2,015	2,771
COMPUTER HARDWARE-COMMUNICATIONS	-	617	600	629
COMPUTER HARDWARE - MAINTENANCE	10,539	9,000	10,325	12,750
COMPUTER REPAIRS & PARTS	7,690	5,055	5,003	5,156
COMPUTER SOFTWARE - MAINT- AS/400	19,151	19,479	19,818	23,000
COMPUTER SOFTWARE - MAINT- MICRO	26,594	104,500	33,392	123,500
COMPUTER UPGRADES	777	904	600	922
CONFERENCES, SEMINARS & WORKSHOPS	942	6,388	2,349	6,516
CONSULTING FEES - I.S.	19,337	21,750	21,322	22,185
DAFFRON - ANNUAL MTC CONTRACT	38,410	39,486	45,072	48,000
COMPUTER CONSUMABLES	23,913	25,235	25,237	25,740
DISASTER RECOVERY - ANNUAL MTC	27,034	27,309	26,974	27,855
EDUCATION - EMPLOYEE REIMBURSEMENT	-	257	-	262
INTERNET EXPENSES	44,195	30,000	22,403	30,600
EQUIPMENT RENTAL	-	129	-	132
LEASES - AS/400	119,686	120,000	119,843	120,000
MEMBERSHIPS & DUES	495	509	500	520
MILEAGE	2,414	1,523	1,533	1,554
MISCELLANEOUS EXPENSES	471	425	300	434
OFFICE RENT	16,762	17,699	18,696	18,265
OFFICE SUPPLIES	376	637	535	650
POSTAGE & COURIER	20	257	198	262
SALARIES	286,294	292,833	292,861	300,406
SALARIES - OVERTIME	8,654	11,269	7,019	11,495
SOFTWARE AMORTIZATION	85,035	87,960	85,776	97,851
TECHNICAL LITERATURE	152	617	500	630
TELEPHONE SYSTEM MAINTENANCE	8,044	20,560	13,835	20,972
TELEPHONE - BELL	5,095	5,376	5,319	5,280
TELEPHONE - CELLULAR	2,219	2,266	2,016	2,311
TEMPORARY STAFF	991	-	-	-
STAFF TRAINING	-	823	-	839
TOTAL	**828,633**	**927,378**	**836,248**	**985,641**
% CHANGE		6.28%	17.86%	
$ CHANGE		58,263	149,393	
Note: IS includes additional annual maintenance costs for new GIS & mapping system				

REGULATORY AFFAIRS	2008 ACTUAL	2009 BUDGET	2009 UPDATE	2010 BUDGET
BENEFITS	26,830	32,404	32,856	33,171
CONFERENCES, SEMINARS & WORKSHOPS	1,254	1,500	2,264	3,060
CONSERVATION & DEMAND MGMT.	1,569	3,026	22,000	3,087
CONSULTING FEES	7,416	18,592	9,931	18,964
ENERCONNECT	91,097	93,692	92,397	95,556
EDUCATION - EMPLOYEE REIMBURSEMENT	398	1,634	1,243	1,667
MILEAGE	166	383	313	391
MISCELLANEOUS EXPENSES	337	608	614	621
OFFICE RENT	1,950	2,060	2,175	10,547
OFFICE SUPPLIES	1,166	1,250	1,322	1,000
POSTAGE & COURIER	755	1,000	1,662	1,020
RATE REBASING COSTS	-	-	115,000	95,250
REGULATORY EXP-OEB	194,292	204,770	232,724	246,883
REGULATORY EXP-PUBL	5,100	10,000	10,626	10,200
REGULATORY EXPENSES - FILING COSTS	20,115	-	133	10,000
SALARIES	111,346	131,712	131,552	135,855
TECHNICAL LITERATURE	219	458	230	466
TELEPHONE - BELL	1,114	768	761	780
TELEPHONE - CANTEL	922	846	853	863
TEMPORARY STAFF	2,034	-	156,636	-
O.P.A. ALLOCATED COSTS	(38,936)	-	(41,192)	-
TOTAL	**429,144**	**504,703**	**774,100**	**669,381**
% CHANGE		32.63%	-13.53%	
$ CHANGE		164,678	(104,719)	
Note: 2009 Update & 2010 includes all Rebasing costs (consulting, legal, staffing, intervenor costs)				

BILLING AND COLLECTING SUMMARY	2008 ACTUAL	2009 BUDGET	2009 UPDATE	2010 BUDGET
METER READING	431,774	469,015	454,947	435,672
BILLING AND MAILROOM	711,360	763,769	716,950	782,269
CUSTOMER SERVICE	1,289,314	1,371,666	1,399,931	1,426,108
TOTAL	**2,432,448**	**2,604,450**	**2,571,828**	**2,644,049**
% Change		1.52%	2.81%	
$ CHANGE		39,599	72,221	

Meter Reading

METER READING	2008 ACTUAL	2009 BUDGET	2009 UPDATE	2010 BUDGET
BENEFITS	11,030	10,421	10,738	-
DOOR HANGER CARDS		1,200	900	900
LABOUR - OVERTIME	165	-	500	-
CONTRACTOR	332,460	350,000	344,692	378,100
MISCELLANEOUS EXPENSES	16	200	100	240
OFFICE RENT	1,134	1,105	1,232	-
OFFICE SUPPLIES	795	406	-	-
OUTSIDE CREWS	44,326	51,386	42,385	52,400
SAFETY EQUIPMENT	265	264	120	-
SALARIES	30,298	44,845	46,273	-
SALARIES - OVERTIME	-	225	-	-
GREEN PADLOCK SEALS	3,845	3,953	3,955	4,032
TELEPHONE - BELL	1,614	1,368	1,355	-
TELEPHONE - CELLULAR	380	324	325	-
TOOLS & CLOTHING	136	600	352	-
VEHICLE EXPENSE	5,310	2,718	2,020	-
TOTAL	**431,774**	**469,015**	**454,947**	**435,672**
% CHANGE		-7.11%	-4.24%	
$ CHANGE		(33,343)	(19,275)	

BILLING & MAILROOM	2008 ACTUAL	2009 BUDGET	2009 UPDATE	2010 BUDGET
BENEFITS	75,435	83,435	75,808	85,678
CONFERENCES, SEMINARS & WORKSHOPS		514	514	514
EDUCATION - EMPLOYEE REIMBURSEMENT		1,542	400	1,573
MAIL SERVICE CONTRACT	60,556	64,786	41,901	51,900
MISCELLANEOUS EXPENSES	18	200	168	404
OFFICE RENT	22,664	23,932	25,281	16,415
OFFICE SUPPLIES	4,282	4,450	4,161	4,536
OUTSIDE CREWS	958	1,529	1,569	1,560
NEWSLETTERS/PHAMPLETS	3,717	7,500	1,875	7,660
POSTAGE & COURIER	248,785	263,634	261,391	277,800
SALARIES	247,435	274,816	251,119	286,638
SALARIES-OVERTIME	4,482	4,876	13,027	4,968
STATIONERY	26,554	30,047	36,235	39,150
TELEPHONE - BELL	2,261	2,508	2,488	2,460
TEMPORARY STAFF	14,213	-	1,013	1,013
TOTAL	**711,360**	**763,769**	**716,950**	**782,269**
% CHANGE		2.42%	9.11%	
$ CHANGE		18,500	65,319	
Note: Salaries & Benefits includes a Manager for 12 months in 2010 vs 6 months in 2009				

CUSTOMER SERVICE	2008 ACTUAL	2009 BUDGET	2009 UPDATE	2010 BUDGET
BAD DEBTS	405,047	400,000	400,000	400,000
BENEFITS	148,129	145,444	144,405	148,931
BRINKS	9,897	10,200	10,272	10,500
CASH OVER AND SHORT	320	96	-	100
COLLECTION CHARGES	11,552	13,728	9,200	12,000
CONFERENCES, SEMINARS & WORKSHOPS	-	996	-	996
CONTRACTED LABOUR	60,389	82,000	108,577	96,000
CREDIT CHECKS	3,833	4,668	1,020	2,400
CREDIT INSURANCE	8,300	90,000	97,200	105,000
EDUCATION - EMPLOYEE REIMBURSEMENT	(119)	-	-	-
LABOUR OVERTIME	30,395	29,460	26,943	30,048
MISCELLANEOUS EXPENSES	18	-	845	-
OFFICE RENT	31,361	33,115	34,983	34,449
OFFICE EQUIPMENT MAINTENANCE	643	660	941	950
OFFICE SUPPLIES	6,537	7,032	2,271	7,176
OUTSIDE CREWS	7,281	6,840	4,710	7,008
POSTAGE & COURIER	-	-	64	-
SAFETY EQUIPMENT	32	-	-	-
SALARIES	523,576	533,315	521,028	550,724
SALARIES - OVERTIME	1,535	4,464	873	3,000
STATIONERY	2,780	2,856	4,212	4,500
TELEPHONE - BELL	3,489	3,792	4,204	3,720
TELEPHONE - CELLULAR	610	-	434	-
TEMPORARY STAFF	29,832		27,749	8,606
TOOLS & CLOTHING	14	-	-	-
STAFF TRAINING	838	3,000	-	-
VEHICLE EXPENSE	3,025	-	-	
TOTAL	**1,289,314**	**1,371,666**	**1,399,931**	**1,426,108**
% CHANGE		3.97%	1.87%	
$ CHANGE		54,442	26,177	

CHARGEABLE DEPARTMENTS SUMMARY	2008 ACTUAL	2009 BUDGET	2009 UPDATE	2010 BUDGET
BUILDING MAINTENANCE	263,541	278,280	293,974	289,004
SERVICE CENTRE	188,936	184,192	205,317	193,048
PAYROLL BURDEN	1,045,882	1,126,817	1,116,382	1,241,890
PAYROLL BURDEN - SUPERVISORY	1,018,972	1,106,417	1,114,710	1,134,365
FLEET	660,773	701,198	721,244	785,810
ENGINEERING	1,447,135	1,699,745	1,635,160	1,639,624
STORES	358,944	401,006	383,428	391,335
TOTAL	**4,984,183**	**5,497,655**	**5,470,215**	**5,675,076**
% CHANGE		3.23%	3.75%	
$ CHANGE		177,421	204,861	

PURCHASING - BUILDING MAINTENANCE	2008 ACTUAL	2009 BUDGET	2009 UPDATE	2010 BUDGET
GROUND MAINTENANCE	13,086	14,800	13,907	15,096
INSURANCE-FIRE	19,257	19,800	20,014	20,192
JANITORIAL	33,770	32,400	31,830	33,048
KITCHEN EXPENSES	-	100	80	102
MAINTENANCE - BUILDING	21,965	23,504	24,360	23,974
MAINTENANCE CONTRACTS	22,000	27,600	25,200	28,152
OPERATING EXPENSES - BUILDING	15,700	20,000	25,314	20,400
SAFETY EQUIPMENT	5,438	3,696	2,356	3,770
UTILITIES - HYDRO & WATER	98,506	97,880	110,597	105,000
WASTE DISPOSAL	17,250	21,000	18,064	21,420
YARD & PARKING LOT EXPENSES	16,569	17,500	22,252	17,850
TOTAL	**263,541**	**278,280**	**293,974**	**289,004**
APPLIED EXPENSES - BURDEN				
% CHANGE		3.85%	-1.69%	
$ CHANGE		10,724	(4,970)	

SERVICE CENTRE	2008 ACTUAL	2009 BUDGET	2009 UPDATE	2010 BUDGET
EQUIPMENT MAINTENANCE	18,309	12,000	11,906	12,240
EQUIPMENT OPERATIONS	-	-	364	-
INSURANCE	7,546	7,752	7,801	7,913
JANITORIAL	19,024	19,440	21,258	19,824
MAINTENANCE	22,025	20,580	22,205	20,992
OPERATING EXPENSES - BUILDING	18,074	18,000	23,307	18,360
RADIO LICENSES	4,353	4,500	4,353	4,590
TRUCKS	107	3,048	1,852	3,109
UTILITIES	98,505	97,872	110,597	105,000
YARD AND PARKING LOT EXPENSES	993	1,000	1,674	1,020
TOTAL	**188,936**	**184,192**	**205,317**	**193,048**
% CAHNGE		4.81%	-5.98%	
$ CHANGE		8,856	(12,269)	

PAYROLL BURDEN	2008 ACTUAL	2009 BUDGET	2009 UPDATE	2010 BUDGET
Unemployment	32,159	33,578	38,332	40,988
Canada Pension	74,106	82,240	89,515	91,328
Health Tax	60,577	51,657	59,157	55,070
OMERS	182,806	189,938	187,488	208,414
Group Insurance	7,993	8,640	8,295	9,966
Dental Plan	60,855	78,048	73,315	70,572
L..T.D.	34,504	39,732	37,967	38,758
Extended Health	159,972	171,600	165,306	177,781
Vacations	313,511	332,136	323,500	364,357
Family Crisis	8,950	12,600	10,506	12,000
WSIB	23,958	26,561	30,446	28,368
WSIB-Day of Injury	-	279	-	-
WSIB-Subsequent Medical	-	136	-	-
WSIB-Makeup	2,945	1,632	-	-
WSIB-Active Claim	(1,946)	3,000	-	-
Safety Meetings	25,803	28,872	25,012	34,419
Training	52,589	55,536	46,695	95,469
Bereavement	2,121	2,664	3,720	3,000
Jury Duty	269	468	2,529	600
Tool Allowance	4,710	7,500	14,599	10,800
TOTAL	**1,045,882**	**1,126,817**	**1,116,382**	**1,241,890**
% CHANGE		10.21%	11.24%	
$ CHANGE		115,073	125,508	
Note: Increase in vacation in 2010 due to seniority of workforce				
Training increase due to number of staff in apprentice programs				

PAYROLL BURDEN - SUPERVISORY	2008 ACTUAL	2009 BUDGET	2009 UPDATE	2010 BUDGET
BENEFITS	185,375	200,478	198,585	205,091
CAR ALLOWANCES	1,200		1,200	1,800
CONFERENCES	8,057	1,800	3,142	-
LABOUR-PLANNED	760,527	837,379	858,643	859,482
MISCELLANEOUS EXPENSES	704	600	44	600
OFFICE RENT	2,108	2,226	2,352	2,428
OFFICE SUPPLIES	103	-	-	-
PROFESSIONAL FEES	369	500	400	510
SEMINARS	2,438	8,750	4,500	8,750
TELEPHONE	1,959	2,184	2,170	2,160
TELEPHONE-CELLULAR	10,142	10,200	9,911	10,404
TOOLS & CLOTHING	417	300	1,481	300
VEHICLE EXPENSES	45,573	42,000	32,282	42,840
TOTAL	**1,018,972**	**1,106,417**	**1,114,710**	**1,134,365**
% CHANGE		2.53%	1.76%	
$ CHANGE		27,948	19,655	

FLEET	2008 ACTUAL	2009 BUDGET	2009 UPDATE	2010 BUDGET
LABOUR OVERHEAD	4,803	14,700	10,364	15,264
CONTRACTED LABOUR	-	-	-	-
DEPRECIATION	226,927	269,640	271,311	342,672
EQUIPMENT MAINTENANCE	997	2,000	1,843	2,040
INSURANCE	412	420	433	432
LABOUR - REGULAR	7,195	15,000	12,413	15,300
LABOUR - OVERTIME	240	-	77	-
MATERIAL	-	-	-	-
MISCELLANEOUS EXPENSES	142	-	-	-
SERVICE CENTRE EXPENSES	97,680	95,227	106,149	99,806
TOOLS & CLOTHING	1,195	-	-	-
TRUCKS	321,182	304,211	318,654	310,296
VEHICLE LEASES		-	-	-
TOTAL	**660,773**	**701,198**	**721,244**	**785,810**
% CHANGE		12.07%	8.95%	
$ CHANGE		84,612	64,566	
Note: 2010 increase in Depreciation due to acquisition of new vehicles				

ENGINEERING	2008 ACTUAL	2009 BUDGET	2009 UPDATE	2010 BUDGET
BENEFITS	203,943	225,247	228,341	215,507
COMPUTER REPAIRS & PARTS	-	1,200	600	1,200
COMPUTER SOFTWARE - MAINTENANCE	37,659	55,000	41,098	57,200
CONFERENCES - SEMINARS & WORKSHOPS	19,365	30,000	24,248	35,500
CONSULTANTS - OTHER***	70,850	75,000	82,618	76,500
EASEMENTS	-	1,000	1,000	1,000
EDUCATION - EMPLOYEE REIMBURSEMENT	2,488	2,000	1,000	2,000
MEMBERSHIP & DUES	29,967	28,556	28,600	29,127
MILEAGE	3,345	2,160	2,069	2,208
MISCELLANEOUS EXPENSE	8,892	3,500	6,050	7,800
OFFICE RENT	58,818	82,705	87,370	85,892
OFFICE EQUIPMENT - MAINT. CONTRACTS	1,030	3,600	2,988	3,672
OFFICE EQUIPMENT - MAINTENANCE	544	1,800	1,200	1,800
OFFICE SUPPLIES	165	-	156	-
POLE TESTING	23,068	30,000	30,000	30,000
POSTAGE & COURIER	846	900	659	900
PRINTS & SUPPLIES	12,846	12,600	12,586	12,600
PROFESSIONAL FEES	859	1,200	1,225	1,200
SAFETY EQUIPMENT	481	750	539	750
SALARIES - REGULAR	821,925	865,035	871,280	840,508
SALARIES - OVERTIME	16,145	12,000	17,714	12,000
SMALL TOOLS	214	1,000	1,200	1,000
SOFTWARE AMORTIZATION	72,812	205,212	162,371	167,280
SUBDIVISION ADMINISTRATION	23,708	-	-	-
TELEPHONE BELL	4,863	5,880	5,899	5,760
TELEPHONE - CANTEL	9,114	10,000	8,799	10,200
TEMPORARY STAFF	7,106	18,800	-	14,500
TOOLS & CLOTHING	1,187	3,600	3,583	2,520
TRAINING	-	6,000	-	6,000
TRUCKS - PLANNED	156	-	-	-
VEHICLE EXPENSE	14,739	15,000	11,967	15,000
TOTAL	**1,447,135**	**1,699,745**	**1,635,160**	**1,639,624**
% CHANGE		-3.54%	0.27%	
$ CHANGE		(60,121)	4,464	

STORES	2008 ACTUAL	2009 BUDGET	2009 UPDATE	2010 BUDGET
BENEFITS	64,763	64,980	65,003	66,278
DEPRECIATION	702	348	381	-
EDUCATION - EMPLOYEE REIMBURSEMENT	22	500	-	500
EQUIP MAINTENANCE	346	650	417	425
INSURANCE - FIRE	641	660	695	-
INVENTORY QUANTITY ADJUSTMENT	(16,148)	1,000	3,264	1,500
JANITORIAL	-	-	484	-
LABOUR	194	-	274	-
MISCELLANEOUS EXPENSE (REEL DAMAGE)	2,065	1,200	2,408	2,400
OFFICE SUPPLIES	1,188	1,200	649	1,200
POSTAGE & COURIER	217	300	320	300
SAFETY EQUIPMENT	148	500	250	500
SALARIES	232,220	239,452	239,598	245,781
SCRAP & SCRAP TRANSFORMERS	21,916	40,000	14,859	20,000
SERVICE CENTRE EXPENSES	46,856	45,680	50,919	47,876
TELEPHONE - BELL	1,625	1,836	1,823	1,800
TOOLS & CLOTHING	1,405	1,800	1,433	1,875
TRUCKS	784	900	651	900
TOTAL	**358,944**	**401,006**	**383,428**	**391,335**
% CHANGE		-2.41%	2.06%	
$ CHANGE		(9,671)	7,907	

Burlington Hydro Inc.
Response to Interrogatory from School Energy Coalition
Question 4

Question:

Ref: Exhibit1/Tab 2/Schedule 2

With respect to the Applicant's 2010 capital and operating budgets:

a. Page 2. Please file the 2010 capital and operating budgets that were presented to the Applicant's Board of Directors for approval, together with all materials (such as supporting schedules, powerpoints, memos, explanatory notes, etc.) used in describing or supporting the budgets or obtaining approval for them. If the formal process includes presentation to, or approval by, a committee of the Board of Directors, please file the materials provided to that committee, if different from what was provided to the Board of Directors.

b. Page 2. In the event that the 2010 capital and operating budgets do not yet have Board of Directors approval, please advise the planned date prior to the end of the current fiscal year that such approval will be sought, and any other components of the budgeting schedule that are currently known and not already provided in this exhibit.

c. Page 2. Please file the "departmental Budget Plans" referred to.

Response:

a) The 2010 capital and operating budgets are included in the BHI Board package at the response to Schools question 3.
b) The 2010 budget has been approved by the BHI Board.
c) The departmental budget plans are included in the BHI Board package at the response to Schools question 3.

Question Date: November 3, 2009
Response Date: November 20, 2009

Burlington Hydro Inc.
Response to Interrogatory from School Energy Coalition
Question 5

Question:

Ref: Exhibit1/Tab 2/Schedule 6/page 4

Please provide a table in the form set out in Table 2, setting out the calculation of the sufficiency/deficiency for each of 2007 and 2008, using actual figures, and 2009 (using the most recent forecast data such as 6+6 or 9+3), all using the tax rates, equity component, and cost of capital rates applicable to those years.

Response:

Please see attached table below.

			Utility income				
Line	Particulars		2007	2008	2009 Bridge Year	2009 Updated (Jan-Sept. actual)	2010 Test Year
	Operating Revenues:						
1	Distribution Revenue (at Proposed Rates)		$27,835,121	$27,288,136	$27,176,120	$27,084,331	$29,734,912
2	Other Revenue	(1)	$2,720,083	$2,243,438	$1,720,180	$1,820,605	$1,582,902
3	Total Operating Revenues		$30,555,204	$29,531,574	$28,896,300	$28,904,936	$31,317,814
	Operating Expenses:						
4	OM+A Expenses		$12,692,225	$13,045,099	$14,036,568	$13,921,549	$14,800,994
5	Depreciation/Amortization		$6,128,220	$6,205,927	$6,436,328	$6,382,034	$6,694,092
6	Property taxes		$279,329	$284,965	$280,000	$287,156	$229,000
7	Capital taxes		$283,000	$157,143	$198,722	$198,722	$67,305
8	Other expense		$ -	$ -	$ -	$ -	$ -
9	Subtotal		$19,382,774	$19,693,134	$20,951,618	$20,789,461	$21,791,391
10	Deemed Interest Expense		$4,404,294	$4,171,124	$4,247,271	$4,247,271	$4,525,189
11	Total Expenses (lines 4 to 10)		$23,787,068	$23,864,258	$25,198,889	$25,036,732	$26,316,580
12	**Utility income before income taxes**		$6,768,136	$5,667,316	$3,697,411	$3,868,204	$5,001,234
13	Income taxes (grossed-up)		$4,633,726	$2,869,771	$1,394,538	$1,414,565	$1,645,362
14	**Utility net income**		$2,134,410	$2,797,545	$2,302,873	$2,453,639	$3,355,872
Notes							
(1)	**Other Revenues / Revenue Offsets**						
	Specific Service Charges		$974,770	$944,028	$956,901	$973,515	$846,985
	Late Payment Charges		$233,163	$221,083	$200,000	$201,485	$202,800
	Other Distribution Revenue		$494,979	$481,523	$377,197	$358,924	$381,727
	Other Income and Deductions		$1,017,171	$596,804	$186,082	$286,681	$151,390
	Total Revenue Offsets		$2,720,083	$2,243,438	$1,720,180	$1,820,605	$1,582,902

Question Date: October 30, 2009
Response Date: November 20, 2009

Burlington Hydro Inc.
Response to Interrogatory from School Energy Coalition
Question 6

Question:

Ref: Exhibit1/Tab 3/Schedule 1

With respect to the 2008 financial statements:

a. Cash Flow Statement. Please advise the total of any dividends paid, or planned, in 2009 and 2010.

b. Note 11(b). Please reconcile the figures under "Cash paid during the year for PILs" with the figures for current taxes in the Income Statement.

c. Note 14. Please confirm that the $14 million line of credit remains outstanding. If it does, please provide the current terms, including interest rates applicable to each category of credit available, together with a copy of the agreement or commitment letter currently in effect and any amending agreements. If it is no longer outstanding, please provide the same information for any other bank line of credit currently in effect.

d. Note 15. Please describe the nature of the gross income from the City of Burlington that is not net distribution revenue. If some of that gross income is commodity sales, please identify that amount and explain any other components.

Response:

a) The table below shows dividends paid and forecasted for 2009, and dividends forecasted for 2010.

BHI Dividends	2009	2010
Dividends Paid	$1,725,000	-
Dividends Forecasted	$525,000	$2,025,000
Total Dividends	$2,250,000	$2,025,000

b) The cash figure reported in the Note 11 (b) of the Financial Statements represents actual cash disbursements made during the year. These payments include the final taxes owing for the 2007 fiscal year as well as installment payments for 2008. There are no accruals for 2008 taxes included in that amount.

Reconciliation spreadsheet is attached at page 2.

SCHOOL ENERGY COALITION		
Question No. 6 (b)		
2008 FINANCIAL STATEMENTS		
NOTE 11 (B)		
Cash paid during the year for PILs:		
2007 Final Tax Payment	725,000.00	
2008 PIL Tax Installment	4,633,353.00	
2008 Capital tax Installment	282,993.00	
TOTAL	**5,641,346.00**	
2008 FINANCIAL STATEMENTS		
BALANCE SHEET		
Payment in lieu of taxes receivable (payable) - 2007	**(800,000.34)**	
2007 Final Tax Payment	725,000.00	
2008 PIL Tax Installment	4,633,353.00	
2008 Capital Tax Installment	282,993.00	
2007 Re-assessment - Tax refund	(48,433.11)	
2008 Capital Tax	(157,143.00)	Included in General Administration
2008 Payment in lieu of Taxes - Current	(2,869,770.84)	Current Taxes on the Income Statement
Payment in lieu of taxes receivable (payable) - 2008	**1,765,998.71**	

c) Burlington confirms that the $14 million line of credit remains outstanding. The Amended and Restated Credit Agreement between the Bank of Nova Scotia and Burlington Hydro Inc is attached.

	Operating Line	IESO Line of Credit	Non-Revolving Term
Amount	$10,000,000	$14,000,000	$4,000,000
Pricing	B/A + 1.5% or P + .5%	1.50%	B/A + 2.25% or P + 1.25%
Standby Fees	0.38%		0.60%
Maturity Date	30-Apr-10	30-Apr-10	30-Apr-12

d) The gross income from the City - $2,473,773.31 – comprises of distribution revenue of $276,465.94, with the remainder being commodity sales.

AMENDED AND RESTATED CREDIT AGREEMENT

between

THE BANK OF NOVA SCOTIA

as Bank

and

BURLINGTON HYDRO INC.

as Borrower

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AMENDED AND RESTATED CREDIT AGREEMENT

THIS AGREEMENT made as of the 30th day of April, 2009.

B E T W E E N:

THE BANK OF NOVA SCOTIA, a Canadian chartered bank

(herein called the "Bank")

- and -

BURLINGTON HYDRO INC., a corporation incorporated under the laws of the Province of Ontario

(herein called the "Borrower").

WHEREAS the Borrower and the Bank entered into a credit agreement dated as of April 16, 2002, as amended as of April 25, 2002, March 5, 2003, April 11, 2006, April 11, 2007, September 27, 2007, April 10, 2008 and April 9, 2009 (collectively, the "**Original Credit Agreement**");

AND WHEREAS the Bank and the Borrower have agreed to effect certain amendments to the Original Credit Agreement by way of an amendment and restatement thereof;

NOW THEREFORE THIS AGREEMENT WITNESSES that, in consideration of the mutual covenants and agreements herein contained and for other good and valuable consideration (the receipt and sufficiency of which are hereby acknowledged), the parties hereto covenant and agree as follows:

ARTICLE 1
INTERPRETATION

1.01 Defined Terms.

The following defined terms shall for all purposes of this agreement, or any amendment, substitute, supplement, replacement, addition or schedule hereto, have the following respective meanings unless the context otherwise specifies or requires or unless otherwise defined herein:

"affiliate" shall have the meaning ascribed thereto in the *Business Corporations Act* (Ontario).

"Applicable Law" means all public laws, statutes, ordinances, decrees, judgments, codes, standards, acts, orders, by-laws, rules, regulations, Official Body Consents, permits, legally binding policies and guidelines, and legally binding requirements of all Official Bodies, which now or hereafter may be lawfully applicable to and enforceable against the Borrower or its property or any part thereof.

"Available Facility A Credit" means, at any particular time, the amount, if any, by which the amount of Facility A at such time exceeds the aggregate amount of credit outstanding under Facility A at such time.

"Available Facility B Credit" means, at any particular time, the amount, if any, by which the amount of Facility B at such time exceeds the aggregate amount of credit outstanding under Facility B at such time.

"Available Facility C Credit" means, at any particular time, the amount, if any, by which the amount of Facility C at such time exceeds the aggregate amount of credit outstanding under Facility C at such time.

"BA Discounted Proceeds" means, in respect of any Bankers' Acceptances to be accepted by the Bank on any day, an amount (rounded to the nearest whole cent and with one-half of one cent being rounded up) calculated on such day by multiplying:

(a) the aggregate face amount of such Bankers' Acceptances; by

(b) the price, where the price is determined by dividing one by the sum of one plus the product of:

(i) the BA Discount Rate which is applicable to such Bankers' Acceptance (expressed as a decimal); and

(ii) a fraction, the numerator of which is the number of days in the term of such Bankers' Acceptances and the denominator of which is 365;

with the price as so determined being rounded up or down to the fifth decimal place and .000005 being rounded up.

"BA Discount Rate" means, for a particular term, the discount rate per annum, calculated on the basis of a year of 365 days or 366 days in the case of a leap year, (i) equal to the rate per annum for Canadian dollar bankers' acceptances having such term that appear on the Reuters Screen CDOR page for the Bank at or about 10:00 a.m. (Toronto time) on the first day of such term, as reported by the Bank or (ii) if such rate does not appear on such page for the Bank, equal to the composite or average rate per annum for Canadian dollar bankers' acceptances having such term that appear on the Reuters Screen CDOR Page for Canadian chartered banks listed in Schedule I to the *Bank Act* (Canada) at or about 10:00 a.m. (Toronto time) on the first day of such term, as determined by the Bank absent manifest error or (iii) if such composite or average rate does not appear on such Page, equal to the arithmetic average of the rates per annum for Canadian dollar bankers' acceptances having such term for the Bank which are quoted to the Bank as of such time by three major Canadian investment dealers chosen by the Bank, provided that the Bank shall act in good faith in order to obtain representative quotes.

"BA Net Proceeds" means, with respect to a particular Bankers' Acceptance, the BA Discounted Proceeds with respect thereto less the aggregate amount of the acceptance fees in respect of such Bankers' Acceptance calculated in accordance with Section 7.04.

"Bankers' Acceptance" means a bill of exchange (a) drawn by the Borrower and accepted by the Bank, (b) denominated in Canadian dollars, (c) having a term of 30 to 180 days as selected by the Borrower in accordance with the provisions of this agreement and (d) issued and payable only in Canada.

"Banking Day" means any day, other than Saturday and Sunday, on which banks generally are open for business in Toronto.

"Branch of Account" means the Burlington branch of the Bank located at 547 Brant Street, Burlington, Ontario or such other branch of the Bank located in Canada as the Borrower and the Bank may agree upon.

"Capital" means, at any particular time, the aggregate of:

(a) Total Debt at such time; and

(b) Equity at such time.

"Closing Date" means April 30, 2009.

"Conversion Notice" shall have the meaning ascribed thereto in Section 6.03.

"Credit Facilities" means Facility A, Facility B and Facility C and **"Credit Facility"** means any of the Credit Facilities.

"Debenture" means the demand debenture made by the Borrower in favour of the Bank dated as of March 5, 2003, as the same may be amended, modified, supplemented or replaced from time to time.

"**Debt Service Coverage Ratio**" means, for any particular Fiscal Quarter, the ratio of EBITDA for such period to the aggregate of all payments made by the Borrower on account of scheduled principal, interest payments during such period, periodic finance charges, fees, expenses and other charges due in respect of Total Debt.

"Default" means any event which is or which, with the passage of time, the giving of notice or both, would be an Event of Default.

"Designated Account" means an account of the Borrower maintained by the Bank at the Branch of Account.

"Documents" means this agreement, the Security Documents and the Inter-Creditor Agreement, as each such agreement may be amended, modified, supplemented or replaced from time to time.

"Draft" means any draft, bill of exchange, receipt, acceptance, demand or other request for payment drawn or issued under or in respect of a Letter.

"Drawdown Notice" shall have the meaning ascribed thereto in Section 4.01.

"EBITDA" means, for any particular period, Net Income for such period plus, to the extent deducted in determining Net Income, the aggregate of

(a) Interest Expenses for such period;

(b) consolidated income tax expenses of the Borrower for such period; and

(c) consolidated depletion, depreciation and amortization expenses and other non-cash expenses of the Borrower for such period.

"Environmental Laws" means all Applicable Laws relating to public health or the protection of the environment.

"Equity" means, at any particular time, the aggregate of (i) the amount which would, in accordance with generally accepted accounting principles, be classified upon the consolidated balance sheet of the Borrower at such time as shareholder's equity and (ii) the amount of the Promissory Note at such time.

"Event of Default" means any one of the events set forth in Section 13.01.

"Facility A" means the revolving term credit facility established by the Bank in favour of the Borrower pursuant to Section 2.01(a), as the same may be reduced pursuant to Section 2.02.

"Facility A Maturity Date" means the date that is 364 days from the Closing Date, as the same may be extended pursuant to Section 9.01(b).

"Facility B" means the letter of credit facility established by the Bank in favour of the Borrower pursuant to Section 2.01(b), as the same may be reduced pursuant to Section 2.02.

"Facility B Maturity Date" means the date that is 364 days from the Closing Date, as the same may be extended pursuant to Section 9.02(b).

"Facility C" means the non-revolving term credit facility established by the Bank in favour of the Borrower pursuant to Section 2.01(c), as the same may be reduced pursuant to Section 2.02.

"**Facility C Maturity Date**" means the date that is three years from the Closing Date.

"Fiscal Quarter" means any three month period ending on the last day of March, June, September or December.

"Fiscal Year" means any 12 month period ending on the last day of December.

"generally accepted accounting principles" means generally accepted accounting principles from time to time approved by the Canadian Institute of Chartered Accountants, or any successor institute, as published in the Handbook of the Canadian Institute of Chartered Accountants, or any successor publication in Canada as at the date on which such calculation is made or required to be made in accordance with generally accepted accounting principles, consistently applied.

"Hazardous Materials" means any pollutant or contaminant or hazardous or toxic chemical, material or substance within the meaning of any Applicable Law relating to or imposing liability or standards of conduct concerning hazardous or toxic waste, substance or material, all as in effect on the applicable date.

"Infrastructure Ontario Project Corporation" means an Ontario Crown Corporation that provides Ontario municipalities, universities and other public agencies with access to affordable financing to construct and renew the province's social infrastructure.

"Inter-Creditor Agreement" means the amended and restated inter-creditor agreement dated as of March 5, 2003, between the Borrower, the Municipality and the Bank, as it may be amended, modified, supplemented or replaced from time to time.

"Interest Coverage Ratio" means, for any particular Fiscal Quarter, the ratio of (i) Rolling EBITDA for such Fiscal Quarter to (ii) Interest Expenses for such Fiscal Quarter and the three immediately preceding Fiscal Quarters.

"Interest Expenses" means, for any particular period, the amount which would, in accordance with generally accepted accounting principles, be classified on the consolidated income statement of the Borrower for such period as gross interest expenses.

"Letters" means stand-by letters of credit and letters of guarantee issued by the Bank on the instructions and credit and on behalf of the Borrower each being denominated in Canadian dollars, having a term of not more than 365 days, being renewable in the sole discretion of the Bank, being issued to a named beneficiary acceptable to the Bank and being otherwise in a form reasonably satisfactory to the Bank.

"Lien" means any deed of trust, mortgage, charge, hypothec, assignment, pledge, lien, vendor's privilege, supplier's right of reclamation or other security interest or encumbrance of whatever kind or nature, regardless of form and whether consensual or arising by law (statutory or otherwise), that secures the payment of any indebtedness or liability or the observance or performance of any obligation.

"Loans" means Prime Rate Loans.

"Material Adverse Effect" means a material adverse effect (or a series of adverse effects, none of which is material in and of itself but which, cumulatively, result in a material adverse effect) on:

(a) the ability of the Borrower to perform any of its payment obligations under any of the Documents; or

(b) the ability of the Bank to enforce any payment obligations of the Borrower under any of the Documents in accordance with applicable laws.

"Municipality" means the City of Burlington.

"Net Income" means, for any particular period, the amount which would, in accordance with generally accepted accounting principles, be classified on the consolidated income statement of the Borrower for such period as the net income of the Borrower excluding any extraordinary gains or losses on the disposition of fixed assets.

"Official Body" means any national government or government of any political subdivision thereof, or any parliament, legislature, council, agency, authority, board, central bank, monetary authority, commission, department or instrumentality thereof, or any court, tribunal, grand jury, mediator or arbitrator, whether foreign or domestic, in each case having or purporting to have jurisdiction in the relevant circumstances.

"Official Body Consent" means any licence, right, permit, franchise, privilege, registration, direction, decree, consent, order, permission, approval or authority to be issued or provided by an Official Body.

"Permitted Indebtedness" means (without duplication):

(a) indebtedness of the Borrower to the Bank;

(b) accounts payable and accrued liabilities of the Borrower incurred in the ordinary course of its business;

(c) indebtedness of the Borrower to the Municipality under the Promissory Note;

(d) intercompany indebtedness between the Borrower and Burlington Electricity Services Inc. provided such intercompany indebtedness does not exceed $5,000,000;

(e) indebtedness of the Borrower representing the unpaid purchase price of, or for moneys borrowed to pay the purchase price of, any equipment hereafter or previously acquired in the ordinary course of business, provided that such indebtedness is secured only by a Lien on the property or properties so acquired; and

(f) indebtedness of the Borrower to Infrastructure Ontario Project Corporation in the maximum principal amount of $15,000,000, provided such indebtedness is used to repay all indebtedness of the Borrower to the Bank under Facility C and is on terms and conditions acceptable to the Bank acting reasonably.

"Permitted Liens" means any one or more of the following with respect to the property and assets of the Borrower:

(a) Liens for taxes, assessments or governmental charges or levies not at the time due or delinquent or the validity of which are being contested in good faith by appropriate proceedings and as to which reserves are being maintained in accordance with generally accepted accounting principles so long as forfeiture of any part of such property or assets will not result from the failure to pay such

taxes, assessments or governmental charges or levies during the period of such contest;

(b) the Lien of any judgment rendered or the Lien of any claim filed which is being contested in good faith by appropriate proceedings and as to which reserves are being maintained in accordance with generally accepted accounting principles so long as forfeiture of any part of such property or assets will not result from the failure to satisfy such judgment or claim during the period of such contest;

(c) undetermined or inchoate Liens incidental to current operations which have not at such time been filed pursuant to law or which relate to obligations not due or delinquent at such time or which arise by operation of law or pursuant to any lease of premises occupied by the Borrower and which relate to obligations not due or delinquent at such time;

(d) restrictions, easements, rights-of-way, servitudes or other similar rights in land granted to or reserved by other persons which in the aggregate do not materially impair the usefulness, in the operation of the business of the Borrower, of the property subject to such restrictions, easements, rights-of-way, servitudes or other similar rights in land granted to or reserved by other persons;

(e) the right reserved to or vested in any municipality or governmental or other public authority by the terms of any lease, licence, franchise, grant or permit acquired by the Borrower or by any statutory provision, to terminate any such lease, licence, franchise, grant or permit, or to require annual or other payments as a condition to the continuance thereof;

(f) the encumbrance resulting from the deposit of cash or securities in connection with bids, contracts, tenders or expropriation proceedings, or to secure workers' compensation, employment insurance or other statutory deductions or withholdings, surety or appeal bonds, costs of litigation when required by law and public and statutory obligations, liens or claims incidental to construction and mechanics', warehouseman's, carriers' and other similar liens;

(g) security given to a public utility or any municipality or governmental or other public authority when required by such utility or other authority in connection with the operations of the Borrower, all in the ordinary course of business;

(h) the reservations, limitations, provisos and conditions, if any, expressed in any original grants of real property from the Crown;

(i) title defects or irregularities which are of a minor nature and in the aggregate will not materially impair the use of the property for the purpose for which it is held by the Borrower;

(j) applicable municipal and other governmental restrictions affecting the use of land or the nature of any structures which may be erected thereon, provided such

restrictions have been complied with and will not materially impair the use of the property for which it is held;

(k) Liens to secure the payment of the purchase price or the repayment of monies borrowed to pay the purchase price of any equipment hereafter or previously acquired by the Borrower;

(l) the Security;

(m) the extension, renewal or refinancing of any Permitted Lien, provided that the amount so secured does not exceed the original amount secured immediately prior to such extension, renewal or refinancing and the Lien is not extended to any additional property;

(n) security granted by the Borrower to the Municipality in connection with the Promissory Note; and

(o) security granted by the Borrower to Infrastructure Ontario Project Corporation to secure the indebtedness described in paragraph (f) of the definition of Permitted Liens, provided that such security is subject to an inter-creditor agreement in form and substance satisfactory to the Bank, acting reasonably, which will provide that such security in favour of Infrastructure Ontario Project Corporation is postponed and subordinated to the Security.

"Person" means any natural person, corporation, firm, partnership, joint venture, joint stock company, incorporated or unincorporated association, government, governmental agency or any other entity, whether acting in an individual, fiduciary or other capacity.

"Prime Rate" means the greater of (a) the variable rate of interest per annum equal to the rate of interest determined by the Bank from time to time as its prime rate for Canadian dollar loans made by the Bank in Canada from time to time, such prime rate being a variable per annum reference rate of interest adjusted automatically upon change by the Bank and calculated on the basis of a year of 365 days and (b) the sum of (i) the rate per annum for Canadian dollar bankers' acceptance having a term of 30 days that appears on the Reuters Screen CDOR Page as of 10:00 a.m. (Toronto time) on the date of determination, as reported by the Bank and (ii) 5/8 of 1% per annum.

"Prime Rate Loans" means monies lent by the Bank to the Borrower hereunder in Canadian dollars and upon which interest accrues at a rate referable to the Prime Rate.

"Promissory Note" means the promissory note dated April 10, 2002 in the principal amount of $47,878,608 made by the Borrower in favour of the Municipality.

"Rolling EBITDA" means for each Fiscal Quarter, EBITDA for such Fiscal Quarter and the three immediately preceding Fiscal Quarters.

"Rollover Notice" shall have the meaning ascribed thereto in Section 5.02.

"Secured Assets" means the property and assets of the Borrower in which a security interest has been granted pursuant to the Security Documents.

"Security" means the collateral security constituted by the Security Documents.

"Security Documents" means the Debenture.

"subsidiaries" shall have the meaning ascribed thereto in the *Business Corporations Act* (Ontario).

"Total Debt" means, at any particular time, the aggregate (without duplication) of the following amounts determined with respect to the Borrower on a consolidated basis at such time;

(a) money borrowed, indebtedness represented by the face amount of notes payable and drafts accepted representing extensions of credit (including, as regards any note or draft issued at a discount, any amount that could reasonably be regarded as being the amortized portion of such discount as at the date of determination);

(b) all obligations (whether or not with respect to the borrowing of money) which are evidenced by bonds, debentures, notes, letters of credit, letters of guarantee or other similar instruments or not so evidenced by which would be considered to be indebtedness for borrowed money in accordance with generally accepted accounting principles;

(c) all indebtedness (excluding income taxes) upon which interest charges are customarily paid;

(d) capital lease obligations and all other indebtedness issued or assumed as full or partial payment for property or services; and

(e) any guarantee or other contingent obligations (other than by endorsement of negotiable instruments for collection or deposit in the ordinary course of business) in any manner, directly or indirectly, of any part or all of any obligation of a type referred to in any of paragraphs (a) to (d) above;

1.02 Other Usages.

References to "this agreement", "the agreement", "hereof", "herein", "hereto" and like references refer to this Credit Agreement and not to any particular Article, Section or other subdivision of this agreement. Any references herein to any agreements or documents shall mean such agreements or documents as amended, supplemented or otherwise modified from time to time in accordance with the terms hereof and thereof.

1.03 Plural and Singular.

Where the context so requires, words importing the singular number shall include the plural and vice versa.

1.04 Headings.

The division of this agreement into Articles and Sections and the insertion of headings in this agreement are for convenience of reference only and shall not affect the construction or interpretation of this agreement.

1.05 Currency.

Unless otherwise specified herein, all statements of or references to dollar amounts in this agreement shall mean lawful money of Canada.

1.06 Applicable Law.

This agreement shall be governed by and construed in accordance with the laws of the Province of Ontario and the federal laws of Canada applicable therein. Any legal action or proceeding with respect to this agreement may be brought in the courts of the Province of Ontario and, by execution and delivery of this agreement, the parties hereby accept for themselves and in respect of their property, generally and unconditionally, the non-exclusive jurisdiction of the aforesaid courts. Nothing herein shall limit the right of any party to serve process in any manner permitted by law or to commence legal proceedings or otherwise proceed against any other party in any other jurisdiction.

1.07 Time of the Essence.

Time shall in all respects be of the essence of this agreement.

1.08 Non-Banking Days.

Whenever any payment to be made hereunder shall be stated to be due or any action to be taken hereunder shall be stated to be required to be taken on a day other than a Banking Day, such payment shall be made or such action shall be taken on the next succeeding Banking Day and, in the case of the payment of any amount, the extension of time shall be included for the purposes of computation of interest, if any, thereon.

1.09 Consents, Approvals and Documentation.

Whenever the consent or approval of a party hereto is required in a particular circumstance, unless otherwise expressly provided for herein, such consent or approval shall not be unreasonably withheld or delayed by such party.

1.10 Amount of Credit.

Any reference herein to the amount of credit outstanding shall mean, at any particular time:

(a) in the case of a Loan, the principal amount of such Loan at such time;

(b) in the case of a Bankers' Acceptance, the face amount of the Bankers' Acceptance at such time; and

(c) in the case of a Letter denominated in Canadian dollars, the contingent liability of the Bank thereunder at such time.

1.11 Schedules.

Each and every one of the schedules which is referred to in this agreement and attached to this agreement shall form a part of this agreement.

1.12 Statute References.

Any reference in this agreement to any statute or any section thereof shall, unless otherwise expressly stated, be deemed to be a reference to such statute or section as amended, restated or re-enacted from time to time.

1.13 Paramountcy.

In the event of any conflict or inconsistency between the provisions of this agreement and the provisions of any other Document (other than the Inter-Creditor Agreement), the provisions of this agreement shall prevail and be paramount.

1.14 Extension of Credit.

For the purposes hereof, each drawdown, rollover and conversion shall be deemed to be an extension of credit to the Borrower hereunder.

ARTICLE 2
CREDIT FACILITY

2.01 Establishment of Credit Facilities.

Subject to the terms and conditions hereof, the Bank hereby establishes in favour of the Borrower:

(a) a revolving term credit facility ("**Facility A**") in the amount of $10,000,000;

(b) a letter of credit facility ("**Facility B**") in the amount of $14,000,000; and

(c) a non-revolving credit facility ("**Facility C**") in the amount of $4,000,000.

2.02 Reduction of Credit Facilities.

The Borrower may, from time to time, by two Banking Days' notice in writing to the Bank, permanently reduce the amount of the Credit Facilities to the extent they are not utilized, provided, however, that any such permanent reduction of any of the Credit Facilities shall be in an amount of no less than $1,000,000 and otherwise in multiples of $500,000. Any repayment of outstanding credit which forms part of any rollover of credit or conversion from one type of credit to another type of credit under Article 5 or 6, as the case may be, shall not cause any reduction in the amount of the applicable Credit Facility.

2.03 Termination of Credit Facilities.

(a) Facility A shall terminate upon the earliest to occur of:

(i) the Facility A Maturity Date;

(ii) the termination of Facility A in accordance with Section 13.01; and

(iii) the date on which the amount of Facility A has been permanently reduced to zero pursuant to Section 2.02.

(b) Facility B shall terminate upon the earliest to occur of:

(i) the Facility B Maturity Date;

(ii) the termination of Facility B in accordance with Section 13.01; and

(iii) the date on which the amount of Facility B has been permanently reduced to zero pursuant to Section 2.02.

(c) Facility C shall terminate upon the earliest to occur of:

(i) the Facility C Maturity Date;

(ii) the termination of Facility C in accordance with Section 13.01; and

(iii) the date on which the amount of Facility C has been permanently reduced to zero pursuant to Section 2.02.

(d) Upon the termination of any Credit Facility, the right of the Borrower to obtain any credit under such Credit Facility and all of the obligations of the Bank to extend credit under such Credit Facility shall automatically terminate.

ARTICLE 3
GENERAL PROVISIONS RELATING TO CREDITS

3.01 Types of Credit Availments.

Subject to the terms and conditions hereof, the Borrower may obtain credit as follows:

(a) under Facility A by way of one or more Bankers' Acceptances, Loans and Letters;

(b) under Facility B by way of one or more Letters; and

(c) under Facility C by way of one or more Bankers' Acceptances and Loans.

No extension of credit by way of Loans or Bankers' Acceptances shall be in an amount less than $1,000,000 or an integral multiple of $500,000 in excess thereof.

3.02 Funding of Loans.

Subject to fulfilment by the Borrower of the terms and conditions set forth in Article 12, the Bank shall make available to the Borrower (by crediting the Designated Account) the principal amount of each Loan under the applicable Credit Facility prior to 11:00 a.m. (Toronto time) on the date of the extension of credit. Notwithstanding the foregoing, if, at any time, the honouring of cheques or withdrawals made against the Borrower's Canadian dollar current account would create an overdraft or increase an existing overdraft, the bank will honour such cheques or withdrawals provided that, after honouring such cheques or withdrawals, the total of the overdraft amount of the Canadian dollar current account (which amount shall be deemed to be a Prime Rate Loan under Facility A) plus the aggregate amount of other outstanding credit under Facility A shall not exceed the amount of Facility A referred to in Section 2.01, as such amount may be reduced pursuant to Section 2.02.

3.03 Funding of Bankers' Acceptances.

(a) The Bank shall, not later than 11:00 a.m. (Toronto time) on the date of each extension of credit by way of Bankers' Acceptance under the applicable Credit Facility, accept drafts of the Borrower which are presented to it for acceptance and which have an aggregate face amount equal to the total extension of credit being made available by way of Bankers' Acceptances on such date. The Bank shall purchase the Bankers' Acceptances accepted by it. The Bank may at any time and from time to time hold, sell, rediscount or otherwise dispose of any or all Bankers' Acceptances accepted and purchased by it.

(b) The Borrower shall provide for payment to the Bank of the face amount of each Bankers' Acceptance at its maturity, either by payment of such amount or through an extension of credit hereunder or through a combination of both. The Borrower hereby waives presentment for payment of Bankers' Acceptances by the Bank and any defence to payment of amounts due to the Bank in respect of a Bankers' Acceptance which might exist by reason of such Bankers' Acceptance being held at maturity by the Bank and agrees not to claim from the Bank any days of grace for the payment at maturity of Bankers' Acceptances.

(c) In the case of a drawdown by way of Bankers' Acceptance, the Bank shall upon fulfilment by the Borrower of the terms and conditions set forth in Article 12, make the BA Net Proceeds available to the Borrower on the date of such extension of credit by crediting the Designated Account.

(d) In the case of a rollover of or conversion into Bankers' Acceptances, the Bank shall retain the Bankers' Acceptance accepted by it and shall not be required to deposit any funds to the Designated Account; however, forthwith after the acceptance of drafts of the Borrower as aforesaid, the Borrower shall pay to the Bank an amount equal to the aggregate amount of the acceptance fees in respect of such Bankers' Acceptances calculated in accordance with Section 7.04 plus the amount by which the aggregate face amount of such Bankers' Acceptances exceeds the aggregate BA Discounted Proceeds with respect thereto.

(e) Any Bankers' Acceptance may, at the option of the Borrower, be executed in advance by the Borrower by mechanically reproduced or facsimile signatures of any two officers of the Borrower who are properly so designated and authorized by the Borrower from time to time. Any Bankers' Acceptance so executed and delivered by the Borrower to the Bank shall be valid and shall bind the Borrower and may be dealt with by the Bank to all intents and purposes as if the Bankers' Acceptance had been signed in the executing officers' own handwriting.

(f) The Borrower shall notify the Bank as to those officers whose signatures may be reproduced and used to execute Bankers' Acceptances in the manner provided in Section 3.03(e). Bankers' Acceptances with the mechanically reproduced or facsimile signatures of designated officers may be used by the Bank and shall continue to be valid, notwithstanding the death, termination of employment or termination of authorization of either or both of such officers or any other circumstance.

(g) The Borrower hereby indemnifies and agrees to hold harmless the Bank against and from all losses, damages, expenses and other liabilities caused by or attributable to the use of the mechanically reproduced or facsimile signature instead of the original signature of an authorized officer of the Borrower on a Banker's Acceptance prepared, executed, issued and accepted pursuant to this agreement, except to the extent determined by a court of competent jurisdiction to be due to the gross negligence or wilful misconduct of the Bank.

(h) The Bank agrees that, in respect of the safekeeping of executed drafts of the Borrower which are delivered to it for acceptance hereunder, it shall exercise the same degree of care which it gives to its own property, provided that it shall not be deemed to be an insurer thereof.

(i) All Bankers' Acceptances to be accepted by the Bank shall, at the option of the Bank, be issued in the form of depository bills made payable originally to and deposited with The Canadian Depository for Securities Limited pursuant to the *Depository Bills and Notes Act* (Canada).

(j) At the request of the Bank, the Borrower shall promptly execute and deliver to the Bank a power of attorney in favour of the Bank in the form of Schedule E hereto.

3.04 Timing of Credit Availments.

No Bankers' Acceptance under Facility A may have a maturity date that is later than the Facility A Maturity Date. No Bankers' Acceptance under Facility C may have a maturity date that is later than the Facility C Maturity Date. No Letter under Facility A may have an expiry date (whether at its issuance, amendment, extension or renewal) that is later than the Facility A Maturity Date. No Letter under Facility B may have an expiry date (whether at its issuance, amendment, extension or renewal) that is later than the Facility B Maturity Date.

3.05 Time and Place of Payments.

Unless otherwise expressly provided herein, the Borrower shall make all payments pursuant to this agreement, any other Document or any other document, instrument or agreement delivered pursuant hereto by deposit to the Designated Account before 1:00 p.m. (Toronto time) on the day specified for payment and the Bank shall be entitled to withdraw the amount of any payment due to the Bank from the Designated Account on the day specified for payment. Any such payment received on the day specified for such payment but after 1:00 p.m. (Toronto time) thereon shall be deemed to have been received prior to 1:00 p.m. (Toronto time) on the Banking Day immediately following such day specified for payment.

3.06 Evidence of Indebtedness.

The Bank shall open and maintain accounts wherein the Bank shall record the amount of credit outstanding, each advance and each payment of principal and interest on account of each Loan, each Bankers' Acceptance accepted and cancelled, each Letter issued and drawn upon and all other amounts becoming due to and being paid to the Bank hereunder and under the other Documents. The Bank's accounts constitute, in the absence of manifest error, prima facie evidence of the indebtedness of the Borrower to the Bank hereunder and under the other Documents.

3.07 Notice Periods.

Each Drawdown Notice, Rollover Notice and Conversion Notice shall be given to the Bank:

(a) prior to 3:00 p.m. (Toronto time) on the third Banking Day prior to the date of a drawdown of or repayment of a Letter; and

(b) prior to 10:00 a.m. (Toronto time) on the first Banking Day immediately preceding the Banking Day of any other drawdown, rollover, conversion or repayment under the Credit Facilities.

3.08 General Provisions Relating to All Letters.

(a) The obligations of the Borrower hereunder with respect to Letters shall be absolute, unconditional and irrevocable and shall not be reduced by any event or occurrence including, without limitation, any lack of validity or enforceability of any such Letter, or any Draft with respect thereto paid or acted upon by the Bank or any of its correspondents being fraudulent, forged, invalid or insufficient in any respect, or any claims which the Borrower may have against any beneficiary or transferee of any such Letter; provided, however, the Borrower may, in connection with a fraudulent draw upon any Letter, take such action as is necessary to obtain an Order with respect to such Letter. The obligations of the Borrower hereunder with respect to Letters shall remain in full force and effect and shall apply to any amendment to or extension of the expiration date of any such Letter.

(b) Any action, inaction or omission taken or suffered by the Bank or any of its correspondents under or in connection with a Letter or any Draft made thereunder, if in good faith and in conformity with foreign or domestic laws, regulations or customs applicable thereto shall be binding upon the Borrower and shall not place the Bank or any of its correspondents under any resulting liability to the Borrower. Without limiting the generality of the foregoing, the Bank and its correspondents may receive, accept or pay as complying with the terms of a Letter, any Draft thereunder, otherwise in order which may be signed by, or issued to, the administrator or any executor of, or the trustee in bankruptcy of, or the receiver for any property of, or other person or entity acting as the representative or in the place of, such beneficiary or its successors and assigns. The Borrower covenants that it will not take any steps, issue any instructions to the Bank or any of its correspondents or institute any proceedings intended to derogate from the right or ability of the Bank or its correspondents to honour and pay any Draft or Drafts; provided, however, the Borrower may, in connection with a fraudulent draw upon any Letter, take such action as is necessary to obtain an Order with respect to such Letter.

(c) The Borrower agrees that the Bank shall have no liability to it for any reason in respect of the issuance of any Letter other than on account of its gross negligence or wilful misconduct.

(d) The Uniform Customs and Practice for Documentary Credits or the International Standby Practices, each as most recently published by the International Chamber of Commerce (the "UCP" and the "ISP 98", respectively) shall in all respects apply to each Letter and shall be deemed for such purpose to be a part hereof as if fully incorporated herein. In the event of any conflict between the UCP or the ISP 98 and the laws of the Province of Ontario, the UCP or the ISP 98 shall prevail to the extent necessary to remove the conflict.

(e) Upon the maturity of any of the Credit Facilities, or if an Event of Default shall have occurred and be continuing, the Borrower shall immediately deposit with the Bank cash to be held for the benefit of the Bank in an interest bearing and segregated account. The amount of cash deposited shall be equal to the aggregate of the contingent liability of the Bank under all Letters outstanding at such time, and shall be used to repay such contingent liability. If such Event of Default shall be cured or waived or the Letter expires without being drawn upon, the Bank shall return to the Borrower the cash so deposited (or any part thereof) as has not been paid out.

ARTICLE 4
DRAWDOWNS

4.01 Drawdowns.

Subject to the terms and conditions hereof and provided that all of the applicable conditions precedent set forth in Article 12 have been fulfilled by the Borrower or waived by the Bank, the

Borrower may obtain credit hereunder by way of drawdown by giving to the Bank an irrevocable notice substantially in the form of Schedule B ("Drawdown Notice") in accordance with Section 3.07, which notice shall specify:

(a) the Credit Facility under which the credit is to be extended;

(b) the date the credit is to be extended;

(c) whether the credit is to be extended by way of Loan, Bankers' Acceptance or Letter;

(d) if credit is to be extended by way of Loan, the principal amount of the Loan;

(e) if credit is to be extended by way of Bankers' Acceptances, the number of Bankers' Acceptances to be issued, the aggregate face amount of the Bankers' Acceptances to be issued and the term of the Bankers' Acceptances to be issued; and

(f) in the case of any credit obtained by way of a Letter, the named beneficiary of the Letter, the maturity date and amount of the Letter, the currency in which the Letter is to be denominated and all other terms of the Letter.

ARTICLE 5
ROLLOVERS

5.01 Bankers' Acceptances.

Provided that the Borrower has, by giving notice to the Bank in accordance with Section 5.02, requested the Bank to accept its drafts to replace all or a portion of outstanding Bankers' Acceptances as they mature, the Bank shall, on the maturity of such Bankers' Acceptances and concurrent with the payment by the Borrower to the Bank of the aggregate face amount of such Bankers' Acceptances or the portion thereof to be replaced, accept the Borrower's draft or drafts having an aggregate face amount equal to the aggregate face amount of the matured Bankers' Acceptances or the portion thereof to be replaced in accordance with Section 3.03.

5.02 Rollover Notice.

The notice to be given to the Bank pursuant to Section 5.01 ("Rollover Notice") shall be irrevocable, shall be substantially in the form of Schedule C, shall be given in accordance with Section 3.07 and shall specify:

(a) the maturity date of the maturing Bankers' Acceptances;

(b) the face amount of the maturing Bankers' Acceptances and the portion thereof to be replaced; and

(c) the number of new Bankers' Acceptances to be issued, the face amount of each new Bankers' Acceptance and the term of each new Bankers' Acceptance.

ARTICLE 6
CONVERSIONS

6.01 Converting a Loan to Bankers' Acceptances.

Provided that the Borrower has, by giving notice to the Bank in accordance with Section 6.04, requested the Bank to accept its drafts to replace all or a portion of an outstanding Loan, the Bank shall, on the date of conversion and concurrent with the payment by the Borrower to the Bank of the principal amount of such outstanding Loan or the portion thereof which is being converted, accept the Borrower's draft or drafts having an aggregate face amount equal to the aggregate principal amount of such Loan or the portion thereof which is being converted, such acceptance to be in accordance with Section 3.03.

6.02 Converting Bankers' Acceptances to a Loan.

The Bank shall, on the maturity date of a Bankers' Acceptance, pay to the holder thereof the face amount of such Bankers' Acceptance. Provided that where the Borrower has, by giving notice to the Bank in accordance with Section 6.04, requested the Bank to convert all or a portion of outstanding maturing Bankers' Acceptances into a Loan, upon the maturity date of such Bankers' Acceptance, the Bank shall, upon the payment by the Bank to the holders of such maturing Bankers' Acceptances of the aggregate face amount thereof, extend credit to the Borrower by way of the requested Loan in the principal amount equal to the aggregate amount of credit represented by such maturing Bankers' Acceptances.

6.03 Conversion Notice.

The conversion notice to be given to the Bank pursuant to Section 6.01, 6.02 or 6.03 ("Conversion Notice") shall be irrevocable, shall be substantially in the form of Schedule D and shall be given in accordance with Section 3.07 and shall specify:

(a) whether an outstanding Loan or Bankers' Acceptance is to be converted;

(b) the date on which the conversion is to take place;

(c) the face amount of the Bankers' Acceptance or the portion thereof which is to be converted or the principal amount of the Loan or the portion thereof which is to be converted;

(d) the amount of the Loan or Bankers' Acceptance into which the outstanding Loan or Bankers' Acceptance is to be converted; and

(e) if an outstanding Loan is to be converted into Bankers' Acceptances, the number of new Bankers' Acceptances to be issued, the aggregate face amount of the new Bankers' Acceptances to be issued and the term of each of the new Bankers' Acceptances.

6.04 Absence of Notice.

In the absence of a Rollover Notice or a Conversion Notice within the appropriate time periods referred to herein, a maturing Bankers' Acceptance shall be automatically converted into a Loan as though a notice to such effect had been given in accordance with Section 6.04.

6.05 Conversion after Default.

If an Event of Default has occurred and is continuing at 10:00 a.m. (Toronto time) on the first Banking Day prior to the maturity of a Bankers' Acceptance, such Bankers' Acceptance shall automatically convert into a Loan as though a notice to such effect had been given in accordance with Section 6.04.

ARTICLE 7
INTEREST

7.01 Interest Rates.

The Borrower shall pay to the Bank, in accordance with Section 3.05, interest on the outstanding principal amount from time to time of each Prime Rate Loan under the Credit Facilities and on the amount of overdue interest thereon from time to time at the rate per annum equal to:

(a) in the case of each Prime Rate Loan under Facility A, the Prime Rate plus 0.50%; and

(b) in the case of each Prime Rate Loan under Facility C, the Prime Rate plus 1.25%.

7.02 Calculation and Payment of Interest.

(a) Interest on the outstanding principal amount from time to time of each Loan and on the amount of overdue interest thereon from time to time shall accrue from day to day from and including the date on which credit is obtained by way of such Loan or the date on which such payment of overdue interest was due, as the case may be, to but excluding the date on which such Loan or overdue interest, as the case may be, is repaid in full (both before and after maturity and as well after as before judgment) and shall be calculated on the basis of the actual number of days elapsed divided by 365 or 366 in the case of a leap year.

(b) Accrued interest on Loans shall be paid monthly in arrears, on the 22nd day of each calendar month.

7.03 General Interest Rules.

(a) For the purposes hereof, whenever interest is calculated on the basis of a year of 360 or 365 days, each rate of interest determined pursuant to such calculation expressed as an annual rate for the purposes of the *Interest Act* (Canada) is equivalent to such rate as so determined multiplied by the actual number of days

in the calendar year in which the same is to be ascertained and divided by 360 or 365 days, respectively.

(b) Interest on each Loan and on the overdue interest thereon shall be payable in the currency in which such Loan is denominated during the relevant period.

(c) If the Borrower fails to pay any fee or other amount of any nature payable by it hereunder (other than principal or interest) on the due date therefor or under any other Document or other document, instrument or agreement delivered pursuant hereto on the due date therefor, the Borrower shall pay to the Bank interest on such overdue amount in the same currency as such overdue amount is payable from and including such due date to but excluding the date of actual payment (as well after as before judgment) at the rate per annum, calculated and compounded monthly, which is equal to the Prime Rate plus 2% per annum. Such interest on overdue amounts shall become due and be paid on demand by the Bank.

7.04 Acceptance Fees.

(a) Upon the acceptance of any draft of the Borrower under Facility A pursuant hereto, the Borrower shall pay to the Bank, in the manner provided herein, in advance, an acceptance fee calculated at the rate per annum, on the basis of a year of 365 days or 366 days in the case of a leap year, equal to 1.50% per annum on the face amount of such Bankers' Acceptance for its term, being the actual number of days in the period commencing on the date of acceptance of the Borrower's draft and ending on but excluding the maturity date of the Bankers' Acceptance; provided, however, that such fee shall not be less than $250 with respect to any single transaction involving the issuance of one or more Bankers' Acceptances.

(b) Upon the acceptance of any draft of the Borrower under Facility C pursuant hereto, the Borrower shall pay to the Bank, in the manner provided herein, in advance, an acceptance fee calculated at the rate per annum, on the basis of a year of 365 days or 366 days in the case of a leap year, equal to 2.25% per annum on the face amount of such Bankers' Acceptance for its term, being the actual number of days in the period commencing on the date of acceptance of the Borrower's draft and ending on but excluding the maturity date of the Bankers' Acceptance; provided, however, that such fee shall not be less than $250 with respect to any single transaction involving the issuance of one or more Bankers' Acceptances.

(c) With respect to each drawdown by way of Bankers' Acceptances, such acceptance fees shall be paid by the Bank deducting the amount thereof from the BA Discounted Proceeds received by the Bank before the Bank advances the BA Net Proceeds to the Borrower as provided in Section 3.03(c). With respect to each rollover or conversion into Bankers' Acceptances, such acceptance fees shall be paid by the Borrower to the Bank as provided in Section 3.03(d). Each such payment is non-refundable and fully earned when due.

7.05 Standby Fees.

(a) Upon the first Banking Day following the completion of each Fiscal Quarter and on each applicable Maturity Date, the Borrower shall pay to the Bank, in arrears, a standby fee, accruing daily from the date of the execution and delivery of this agreement at the rate per annum, calculated daily on the basis of a year of 365 days or 366 days in the case of a leap year, equal to 0.375% of the Available Facility A Credit.

(b) Upon the first Banking Day following the completion of each Fiscal Quarter and on each applicable Maturity Date, the Borrower shall pay to the Bank, in arrears, a standby fee, accruing daily from the date of the execution and delivery of this agreement at the rate per annum, calculated daily on the basis of a year of 365 days or 366 days in the case of a leap year, equal to 0.375% of the Available Facility B Credit.

(c) Upon the first Banking Day following the completion of each Fiscal Quarter and on each applicable Maturity Date, the Borrower shall pay to the Bank, in arrears, a standby fee, accruing daily from the date of the execution and delivery of this agreement at the rate per annum, calculated daily on the basis of a year of 365 days or 366 days in the case of a leap year, equal to 0.60% of the Available Facility C Credit.

7.06 Letter Fees.

Upon the issue of any Letter, the Borrower shall pay to the Bank in advance a letter fee, calculated at a rate per annum on the basis of a year of 365 days or 366 days in the case of a leap year, equal to 1.50% per annum on the amount of the Letter for a period of time equal to its term, provided that such fee shall not be less than $250 with respect to any single transaction involving the issuance of a Letter. In addition to the foregoing, the Borrower shall pay to the Bank customary fees and charges in respect of Letters (including, without limitation, fees charged in respect of amendments to Letters) in such reasonable amounts and upon terms which accord with the then prevailing practice of the Bank. Each such payment is non-refundable and fully earned when due.

7.07 Extension Fee.

On the Closing Date, the Borrower shall pay to the Bank an extension fee with respect to Facilities A and B in the amount of $72,000, which fee shall be non-refundable and fully earned when due.

7.08 Arrangement Fee.

The Borrower shall pay to the Bank a non-refundable arrangement fee with respect to Facility C in the amount of $30,000 in two instalments, which fee shall be fully earned when due. The first instalment in the amount of $12,000 shall be payable on the Closing Date. In the event Facility C has not been repaid in full and cancelled on the date that is one year following the Closing Date, the second instalment in the amount of $18,000 shall be payable on such date.

ARTICLE 8
RESERVE, CAPITAL, INDEMNITY AND TAX PROVISIONS

8.01 Conditions of Credit.

The obtaining or maintaining of credit hereunder shall be subject to the terms and conditions contained in this Article 8.

8.02 Change of Circumstances.

(a) If, after the date hereof, the introduction of or any change in or in the interpretation of, or any change in its application to the Bank of, any law or any regulation or guideline issued by any central bank or other governmental authority having jurisdiction over banks (whether or not having the force of law but, if not having the force of law, one with which a responsible Canadian chartered bank would comply), including, without limitation, any reserve or special deposit requirement or any tax (other than tax on the Bank's income or capital) or any capital requirement, has, due to the Bank's compliance, the effect, directly or indirectly, of (i) increasing the cost to the Bank of performing its obligations hereunder or under any Bankers' Acceptance; (ii) reducing any amount received or receivable by the Bank hereunder or under any Bankers' Acceptance or its effective return hereunder or on its capital; or (iii) causing the Bank to make any payment or to forego any return based on any amount received or receivable hereunder by the Bank or under any Bankers' Acceptance, then, upon demand (which demand shall be accompanied by a certificate setting out the reason for and the calculation of the relevant amount) from time to time the Borrower shall pay such amount as shall compensate the Bank for any such cost, reduction, payment or foregone return (the "Additional Compensation"); provided that the Borrower shall be obligated under this Section 8.02(a) to compensate the Bank for any increase in the Bank's capital adequacy requirements measured against its outstanding obligations hereunder only to the extent such capital adequacy requirements are in excess of the capital adequacy requirements as of the date hereof. Any certificate of the Bank in respect of the foregoing will be conclusive and binding upon the Borrower, except for manifest error, provided that the Bank shall determine the Additional Compensation owing to it in good faith using any reasonable averaging and attribution methods and shall set out in detail in such certificate the calculation of the Additional Compensation.

(b) The Bank agrees that, as promptly as practicable after it becomes aware of the occurrence of an event or the existence of a condition that would cause it to seek Additional Compensation from the Borrower pursuant to Section 8.02(a), it will use reasonable efforts to make, fund or maintain the affected credit through another lending office or take such other actions as it deems appropriate if as a result thereof the Additional Compensation which would otherwise be required to be paid in respect of such credit pursuant to Section 8.02(a) would be reduced and if, as determined by the Bank in its sole discretion, the making, funding or maintaining of such credit through such other lending office or the taking of such

other actions would not otherwise adversely affect such credit or the Bank and would not, in the Bank's sole discretion, be commercially unreasonable. The Bank further agrees that if the Bank subsequently recovers all or part of the Additional Compensation paid by the Borrower, it shall repay an equal amount to the Borrower. The Borrower shall be entitled to prepay any Loan advanced hereunder which is the subject of a demand for Additional Compensation under this Section 8.02 without notice, bonus or penalty. Additional Compensation shall only be payable by the Borrower pursuant to this Section 8.02 if similar compensation is being claimed as a general practice from customers of the Bank who by agreement are liable to pay similar compensation. Additional Compensation shall not be payable by the Borrower to the extent such Additional Compensation arises more than 60 days before receipt by the Borrower of a certificate described in Section 8.02(a).

8.03 Indemnity Relating to Credits.

Upon notice from the Bank (which notice shall be accompanied by a detailed calculation of the amount to be paid by the Borrower), the Borrower shall pay to the Bank such amount or amounts as will compensate the Bank for any loss, cost or expense incurred by it with respect to any Bankers' Acceptance or Letter, arising from claims or legal proceedings, and including reasonable legal fees and disbursements, respecting the obtaining of credit by the Borrower by way of such Bankers' Acceptance or Letter, the collection of amounts owed by the Borrower hereunder in respect of such Bankers' Acceptance or Letter or the enforcement of the Bank's rights hereunder in respect of such Bankers' Acceptance or Letter including, without limitation, legal proceedings attempting to restrain the Bank from paying any amount under such Bankers' Acceptance or Letter.

8.04 Indemnity for Transactional and Environmental Liability.

(a) The Borrower hereby agrees to indemnify, exonerate and hold the Bank and each of its shareholders, officers, directors, employees and agents (collectively, the "Indemnified Parties") free and harmless from and against any and all claims, demands, actions, causes of action, suits, losses, costs (including, without limitation, all documentary, recording, filing, mortgage or other stamp taxes or duties), charges, liabilities and damages, and expenses in connection therewith (irrespective of whether such Indemnified Party is a party to the action for which indemnification hereunder is sought), and including, without limitation, reasonable legal fees and reasonable out of pocket disbursements and amounts paid in settlement of any and every kind whatsoever when such amounts paid in settlement have been approved by the Borrower, acting reasonably (collectively, in this Section 8.04(a), the "Indemnified Liabilities"), paid, incurred or suffered by, or asserted against, the Indemnified Parties or any of them as a result of, or arising out of, or relating to (i) the extension of credit contemplated herein, (ii) any transaction financed or to be financed in whole or in part, directly or indirectly, with the proceeds of any credit extended hereunder, (iii) any actual or threatened investigation, litigation or other proceeding relating to any credit extended or proposed to be extended as contemplated herein or (iv) the execution,

delivery, performance or enforcement of any Document and any instrument, document or agreement executed pursuant hereto or thereto, except for any such Indemnified Liabilities which a court of competent jurisdiction determined arose on account of the relevant Indemnified Party's gross negligence or wilful misconduct.

(b) Without limiting the generality of the indemnity set out in Section 8.04(a), the Borrower hereby further agrees to indemnify, exonerate and hold the Indemnified Parties free and harmless from and against any and all claims, demand, actions, causes of action, suits, losses, costs, charges, liabilities and damages, and expenses in connection therewith, including, without limitation, legal fees and out of pocket disbursements, and amounts paid in settlement of any and every kind whatsoever (collectively, in this Section 8.04(b), the "Indemnified Liabilities"), paid, incurred or suffered by, or asserted against, the Indemnified Parties or any of them for, with respect to, or as a direct or indirect result of, (i) the presence on or under, or the escape, seepage, leakage, spillage, discharge, emission or release from, any real property legally or beneficially owned (or any estate or interest which is owned), leased, used or operated by the Borrower of any Hazardous Material or (ii) the breach or violation of any Environmental Law by the Borrower regardless of whether caused by, or within the control of, the Borrower, except for any such Indemnified Liabilities which a court of competent jurisdiction determined arose on account of the relevant Indemnified Party's gross negligence or wilful misconduct.

(c) All obligations provided for in this Section 8.04 shall survive the permanent repayment of all of the outstanding credit hereunder and the termination of the Credit Facilities and this agreement and shall not be reduced or impaired by any investigation made by or on behalf of the Bank.

(d) The Borrower hereby agrees that, for the purposes of effectively allocating the risk of loss placed on the Borrower by this Section 8.04, the Bank shall be deemed to be acting as the agent or trustee on behalf of and for the benefit of its shareholders, officers, directors, employees and agents.

(e) If, for any reason, the obligations of the Borrower pursuant to this Section 8.04 shall be unenforceable, the Borrower agrees to make the maximum contribution to the payment and satisfaction of each obligation that is permissible under applicable law, except to the extent that a court of competent jurisdiction determines such obligations arose on account of the gross negligence or wilful misconduct of any Indemnified Party.

8.05 Payments Free and Clear of Taxes.

The Borrower hereby agrees that:

(a) Any and all payments made by the Borrower under or pursuant to any Document shall be made free and clear of, and without deduction for, any and all present or

future taxes, levies, imposts, deductions, charges, fees, duties or withholding or other charges of any nature imposed by any taxing authority, and all liabilities with respect thereto, imposed by any jurisdiction as a consequence or result of any action taken by the Borrower including the making of any payment under or pursuant to any Document excluding, in the case of the Bank, taxes imposed on its net income or capital taxes or receipts and franchise taxes (all such non-excluded taxes, levies, imposts, deductions, charges, withholdings and liabilities being hereinafter referred to as "Taxes"). If the Borrower shall be required by law to deduct any Taxes from or in respect of any sum payable to the Bank under or pursuant to any Document, the sum payable to the Bank shall be increased as may be necessary so that after making all required deductions (including deductions applicable to additional sums payable under this Section 8.05) the recipient thereof receives an amount equal to the sum it would have received had no such deductions been made.

(b) The Borrower hereby indemnifies and holds harmless the Bank for the full amount of Taxes and for any incremental Taxes due to the Borrower's failure to remit to the Bank the required receipts or other required documentary evidence or due to the Borrower's failure to pay any Taxes when due to the appropriate taxing authority (including, without limitation, any Taxes imposed by any jurisdiction on amounts payable under this Section 8.05) paid by the Bank and any liability (including penalties, interest and expenses) arising therefrom or with respect thereto, whether or not such Taxes were correctly or legally assessed. If the Bank pays any Taxes, it shall promptly notify the Borrower of such payment and, if such payment was made pursuant to an incorrect or illegal assessment, shall reasonably cooperate with the Borrower, at the expense of the Borrower, in any dispute of such assessment. Payment pursuant to this indemnification shall be made within 30 days from the date the Bank makes written demand therefor.

(c) Without prejudice to the survival of any other agreement of the Borrower hereunder, the agreements and obligations of the Borrower contained in this Section 8.05 shall survive the repayment of the outstanding credit hereunder and the termination of the Credit Facilities and this agreement.

ARTICLE 9
REPAYMENTS AND PREPAYMENTS

9.01 Repayment under Facility A.

(a) Subject to Section 9.01(b), the aggregate credit outstanding under Facility A, including without limitation (A) the present value of the face amount of all Bankers' Acceptances issued and outstanding hereunder based on their respective maturity dates, such present value to be calculated using a discount rate equal to the yield of Government of Canada treasury bills having a similar maturity date and (B) the then contingent liability of the Bank under all Letters, together with all accrued and unpaid interest thereon and all accrued and unpaid fees with

respect thereto, shall be repaid by the Borrower to the Bank on the Facility A Maturity Date.

(b) The Borrower may, by written notice given to the Bank (the "Extension Request") not earlier than 90 and not later than 60 days prior to the then current Facility A Maturity Date, request an extension of the Facility A Maturity Date. The Bank shall, by written notice given to the Borrower within 30 days following receipt of the Extension Request, advise the Borrower whether or not the Bank agrees to extend the Facility A Maturity Date, which decision shall be in the Bank's sole and absolute discretion. If the Bank fails to provide such notice within such time, the Bank shall be deemed not to have agreed to an extension of the Facility A Maturity Date. If the Bank agrees to such Extension Request, the Facility A Maturity Date shall, effective on the then current Facility A Maturity Date, be extended to a date which is 364 days following the then current Facility A Maturity Date. If the Bank does not agree to such Extension Request or is deemed not to have agreed to such Extension Request, the Borrower shall repay the aggregate credit outstanding under Facility A, together with all accrued and unpaid interest thereon and all accrued and unpaid fees with respect thereto, as provided in Section 9.01(a).

9.02 Repayment under Facility B.

(a) Subject to Section 9.02(b), the aggregate credit outstanding under Facility B, including without limitation the then contingent liability of the Bank under all Letters, together with all accrued and unpaid interest thereon and all accrued and unpaid fees with respect thereto, shall be repaid by the Borrower to the Bank on the Facility B Maturity Date.

(b) The Borrower may, by written notice given to the Bank (the "Extension Request") not earlier than 90 and not later than 60 days prior to the then current Facility B Maturity Date, request an extension of the Facility B Maturity Date. The Bank shall, by written notice given to the Borrower within 30 days following receipt of the Extension Request, advise the Borrower whether or not the Bank agrees to extend the Facility B Maturity Date, which decision shall be in the Bank's sole and absolute discretion. If the Bank fails to provide such notice within such time, the Bank shall be deemed not to have agreed to an extension of the Facility B Maturity Date. If the Bank agrees to such Extension Request, the Facility B Maturity Date shall, effective on the then current Facility B Maturity Date, be extended to a date which is 364 days following the then current Facility B Maturity Date. If the Bank does not agree to such Extension Request or is deemed not to have agreed to such Extension Request, the Borrower shall repay the aggregate credit outstanding under Facility B, together with all accrued and unpaid interest thereon and all accrued and unpaid fees with respect thereto, as provided in Section 9.02(a).

9.03 Repayment under Facility C.

The aggregate credit outstanding under Facility C, including without limitation the present value of the face amount of all Bankers' Acceptances issued and outstanding hereunder based on their respective maturity dates, such present value to be calculated using a discount rate equal to the yield of Government of Canada treasury bills having a similar maturity date, shall be repaid by the Borrower to the Bank on the Facility C Maturity Date.

9.04 Voluntary Prepayments.

The Borrower shall be entitled, at its option and upon two Banking Days' irrevocable notice, to prepay all or any portion of any outstanding Loan under any Credit Facility at any time, provided that any such prepayment shall be in a minimum amount of $1,000,000 and multiples of $500,000 in excess thereof. Amounts under the Credit Facilities which are prepaid as aforesaid may be reborrowed.

9.05 Mandatory Prepayments.

The Borrower shall, unless otherwise agreed by the Bank, prepay the outstanding credit under Facility C by an amount equal to the net proceeds of all debt incurred by the Borrower from Infrastructure Ontario Project Corporation. Any prepayment under this Section 9.05 shall permanently reduce the amount of Facility C by the amount of such prepayment.

9.06 Reimbursement for Drafts Paid.

The Borrower shall reimburse the Bank on demand the amount of each and any Draft presented to and paid by the Bank in accordance with each Letter issued by the Bank hereunder (even if, under laws applicable to the rights of the beneficiary of such Letter, a Draft is validly presented after expiry of such Letter).

9.07 Letters Subject to an Order.

Subject to Section 13.02, the Borrower shall pay to the Bank all of the Bank's contingent liability in respect of any Letter issued hereunder which is the subject matter of an Order. Such payment in respect of each such Letter shall be due forthwith upon demand by the Bank.

ARTICLE 10
REPRESENTATIONS AND WARRANTIES

10.01 Representations and Warranties.

To induce the Bank to enter into this agreement and to extend credit to the Borrower hereunder from time to time, the Borrower hereby represents and warrants to the Bank as at the date hereof and as at the date of each extension of credit hereunder as follows and acknowledges and confirms that the Bank is relying upon such representations and warranties in executing this agreement and in extending credit hereunder:

(a) **Status and Power.** The Borrower is a corporation duly incorporated and validly existing under the laws of its jurisdiction of incorporation. The Borrower is duly qualified, registered or licensed in all jurisdictions where such qualification, registration or licensing is required for the Borrower to carry on its business. The Borrower has all requisite capacity, power and authority to own, hold under licence or lease its properties, to carry on its business and to otherwise enter into, and carry out the transactions contemplated by, the Documents.

(b) **Authorization and Enforcement of Documents.** All necessary action, corporate or otherwise, has been taken to authorize the execution, delivery and performance of the Documents by the Borrower. The Borrower has duly executed and delivered the Documents. The Documents are legal, valid and binding obligations of the Borrower, enforceable against the Borrower by the Bank in accordance with their respective terms, except to the extent that the enforceability thereof may be limited by applicable bankruptcy, insolvency, moratorium, reorganization and other laws of general application limiting the enforcement of creditors' rights generally and the fact that the courts may deny the granting or enforcement of equitable remedies.

(c) **Compliance with Other Instruments.** The execution, delivery and performance by the Borrower of the Documents, and the consummation of the transactions contemplated herein and therein do not and will not conflict with, result in any breach or violation of, or constitute a default under the terms, conditions or provisions of the articles of incorporation or by-laws of, or any unanimous shareholder agreement or declaration relating to, the Borrower or of any Applicable Law or of any agreement, lease, licence, permit or other instrument to which the Borrower is a party or is otherwise bound (including, without limitation, the Promissory Note) or by which the Borrower benefits or to which its property is subject and do not require the consent or approval of any Official Body or any other Person.

(d) **Litigation.** There are no actions, suits, inquiries, claims or proceedings which have been commenced or have been threatened (in writing) against or affecting the Borrower before any Official Body which could reasonably be expected to have a Material Adverse Effect.

(e) **Title to Assets.** The Borrower owns all of its property and assets free from any Liens (other than the Permitted Liens), and no Person has any agreement or right to acquire any of such property or assets out of the ordinary course of business.

(f) **Conduct of Business.** The Borrower is not in violation of any mortgage, lease, franchise, licence, certificate of approval, permit, judgment, decree, order, statute, rule or regulation relating in any way to itself or to the operation of its business or to its property or assets, the violation of which could reasonably be expected to have a Material Adverse Effect. The Borrower has all licenses, certificates of approval, permits, registrations, approvals and consents which are required to own

its properties and assets and to operate its business, the absence of which could reasonably be expected to have a Material Adverse Effect.

(g) **Outstanding Defaults.** No event has occurred which constitutes or which, with the giving of notice, lapse of time or both, would have the effect of permitting the acceleration of any indebtedness or liability of the Borrower.

(h) **Solvency.** The Borrower has not:

(A) admitted its inability to pay its debts generally as they become due or failed to pay its debts generally as they become due;

(B) filed an assignment or petition in bankruptcy or a petition to take advantage of any insolvency statute;

(C) made an assignment for the benefit of its creditors;

(D) consented to the appointment of a receiver of the whole or any substantial part of its assets;

(E) filed a petition, notice or answer seeking a reorganization, proposal, arrangement, adjustment or composition under applicable bankruptcy laws or any other applicable law or statute; or

(F) been adjudged by a court having jurisdiction a bankrupt or insolvent, nor has a decree or order of a court having jurisdiction been entered for the appointment of a receiver, liquidator, trustee or assignee in bankruptcy with such decree or order having remained in force and undischarged or unstayed for a period of 30 days.

(ii) **Tax Returns and Taxes.** The Borrower has filed all tax returns and tax reports required by law to have been filed by it and has paid all taxes and governmental charges thereby shown to be owing, except any such taxes or charges which are being diligently contested in good faith by appropriate proceedings and for which adequate reserves in accordance with generally accepted accounting principles shall have been set aside on its books.

(i) **Subsidiaries and Partnerships.** There are no subsidiaries of the Borrower. The Borrower is not a member of, or a partner or participant in, any partnership, joint venture or syndicate.

(j) **Environmental Compliance.**

(i) To the best of the Borrower's information, knowledge and belief, all facilities and property (including underlying groundwater) owned, leased, used or operated by the Borrower have been, and continue to be, owned,

leased, used or operated by the Borrower in compliance in all material respects with all Environmental Laws;

(ii) there are no pending or threatened (in writing)

(A) claims, complaints, notices or requests for information received by the Borrower with respect to any alleged violation of any Environmental Law, or

(B) complaints, notices or inquiries to the Borrower regarding potential liability under any Environmental Law which liability could reasonably be expected to have a Material Adverse Effect;

(iii) to the best of the Borrower's information, knowledge and belief, there have been no escape, seepage, leakage, spillage, discharge, emission or release of Hazardous Materials at, on, under or from any property now or previously owned, leased, used or operated by the Borrower that, singly or in the aggregate, have, or could reasonably be expected to have, a Material Adverse Effect;

(iv) the Borrower has been issued and is in compliance in all material respects with all permits, certificates, approvals, licenses and other authorizations required under any Environmental Laws to carry on its business; and

(v) to the best of the Borrower's information, knowledge and belief, no conditions exist at, on or under any property now or previously owned, leased, used or operated by the Borrower which, with the passage of time, or the giving of notice or both, would give rise to liability under any Environmental Law in effect at the time, which liability could reasonably be expected to have a Material Adverse Effect.

(k) **Financial Statements** The audited consolidated financial statements of the Borrower as of December 31, 2008 for the period ending on such date were prepared in accordance with generally accepted accounting principles and no material adverse change has occurred in the financial condition or operations of the Borrower since December 31, 2008. The balance sheet contained therein fairly presents the financial condition of the Borrower as at the date thereof and the statement of income contained therein fairly presents the consolidated results of operations of the Borrower during the period covered thereby.

(l) **Expropriation.** There is no present or threatened (in writing) expropriation of the property or assets of the Borrower.

(m) **Assets Insured.** The property and assets of the Borrower are insured with insurers or are self-insured, in amounts, for risks and otherwise which are reasonable in relation to such property and assets (subject to the amount of such deductibles as are reasonable and normal in the circumstances) against loss or damage by all insurable risks and hazards, and there has been no default or failure

by the party or parties insured under the provisions of such policies of insurance maintained which would prevent the recovery by the party or parties insured thereunder of the full amount of any insured loss.

(n) **Capital of the Borrower.** Burlington Hydro Electric Inc. is the beneficial and registered owner of all of the issued and outstanding shares of the Borrower. The issued capital of the Borrower is 2,000 common shares. Each of the common shares was issued as fully-paid and non-assessable. There are no outstanding warrants, options or other agreements which require or may require the issuance of any shares of the Borrower or the issuance of any debt or securities convertible to shares of the Borrower and there are no shares of the Borrower allotted for issuance.

(o) **Name.** The Borrower has not been known by any name and has not carried on business in any name other than Burlington Hydro Inc.

(p) **Consents, Approvals, etc.** No consents, approvals, acknowledgments, undertakings, non-disturbance agreements, directions or other documents or instruments are required to be entered into by any Person to make effective the Security created or intended to be created by the Borrower in favour of the Bank pursuant to the Security Documents.

(q) **Principal Place of Business.** The location (for purposes of the *Personal Property Security Act* (Ontario)) for the Borrower is the Province of Ontario.

(r) **Location of Assets.** The Secured Assets are now and will be located at the addresses set forth in Schedule F hereto or such other addresses of which the Borrower has notified the Bank in writing and as to which the Borrower has taken all necessary steps to maintain the Bank's first priority, perfected security interest (subject to the terms hereof and all Permitted Liens) in all of the Borrower's Secured Assets.

(s) **No Omissions.** None of the representations and statements of fact set forth in this Section 10.01 omits to state any material fact necessary to make such representation or statement of fact not misleading in any material respect.

10.02 Survival of Representations and Warranties.

All of the representations and warranties of the Borrower contained in Section 10.01 shall survive the execution and delivery of this agreement and shall continue until all credit outstanding hereunder has been repaid and the Credit Facilities and this agreement have been terminated notwithstanding any investigation made at any time by or on behalf of the Bank.

ARTICLE 11
COVENANTS

11.01 Affirmative Covenants.

The Borrower hereby covenants and agrees with the Bank that, until all credit outstanding hereunder has been repaid in full and the Credit Facilities and this agreement have been terminated and unless the Bank has otherwise consented thereto in writing:

(a) **Financial Reporting.** The Borrower shall furnish the Bank with the following documents, statements and reports:

(i) within 120 days after the end of each Fiscal Year, a copy of the audited unconsolidated financial statements of the Borrower for that Fiscal Year and the auditors' report thereon;

(ii) within 120 days after the end of each Fiscal Year, a copy of the audited, consolidated financial statement of Burlington Hydro Electric Inc. with respect thereto and the auditors' report thereon;

(iii) within 60 days after the end of each Fiscal Quarter, a copy of the unaudited consolidated financial statements of the Borrower for that Fiscal Quarter;

(iv) together with the financial statements delivered pursuant to paragraphs (i) and (iii) above, a duly executed and completed compliance certificate of the Borrower, in the form attached as Schedule A hereto, evidencing compliance with the terms of this agreement;

(v) no later than 45 days prior to the end of then current Fiscal Year, the annual business plan of the Borrower for the next five Fiscal Years, approved by the board of directors of the Borrower; and

(vi) such other documents, statements, reports and information as the Bank may reasonably require.

(b) **Prompt Payment.** The Borrower shall duly and punctually pay or cause to be paid all sums of money due and payable by it under the Documents on the dates, at the places and in the manner set forth herein.

(c) **Corporate Existence.** The Borrower shall maintain its corporate existence and shall maintain all requisite capacity, power and authority to become and remain duly qualified, registered or licensed to (i) carry on its business in each jurisdiction in which such qualification is necessary for the proper conduct of its business, (ii) own, hold under licence or lease its properties in each jurisdiction in which such qualification is necessary for the proper conduct of its business and (iii) carry out the transactions contemplated by the Documents.

(d) **Conduct of Business.** The Borrower shall conduct its business in such a manner so as to comply in all material respects with all Applicable Laws and so as to observe and perform all its obligations under all agreements (including, without limitation, the Documents) to which it is a party or is otherwise bound or by which it benefits or to which its property is subject and which are necessary for the proper conduct of its business. The Borrower shall perform all obligations incidental to any trust imposed upon it by statute and shall ensure that any breaches of the said obligations and the consequences of any such breach shall be promptly remedied. The Borrower shall obtain and maintain all material licenses, permits, registrations, approvals, franchises, authorizations and other rights which are required to own its properties and assets and to operate its business.

(e) **Use of Proceeds.** The proceeds of the credit obtained under Facility A shall be used by the Borrower to repay Existing Indebtedness, for general corporate purposes, to provide Ontario Municipal Employees Retirement System with a Letter in connection with the Borrower's annual contribution to such fund and for the provision of Letters for prudential support obligations required by the Independent Electricity Market Operator to satisfy the Borrower's obligation to provide Standard Supply Service. The proceeds of the credit obtained under Facility B shall be used by the Borrower for the provision of Letters for prudential support obligations required by the Independent Electricity Market Operator to satisfy the Borrower's obligation to provide Standard Supply Service. The proceeds of the credit obtained under Facility C shall be used by the Borrower to assist with funding the capital cost of its smart meter installation program.

(f) **Ratio of Total Debt to Capital.** The Borrower shall maintain the ratio of Total Debt to Capital on a consolidated basis to be less than or equal to 0.50 to 1 at any time.

(g) **Interest Service Coverage Ratio.** The Borrower shall maintain the Interest Service Coverage Ratio to be greater than or equal to 3.00 to 1 at any time.

(h) **Insurance.** The Borrower shall insure and keep insured, with insurers or by self-insuring and upon terms satisfactory to the Bank (including, without limitation, the undertaking of the insurer to give the Bank 30 days' prior written notice of the cancellation of any policy), all of its property and assets customarily insured by companies carrying on a similar business or owning or operating similar property and assets against the customary risks and for the customary amounts, with the Bank named as loss payee as its interest may appear, and shall provide the Bank with copies of all such insurance policies.

(i) **Taxes.** The Borrower shall pay or cause to be paid all taxes, rates, government fees and dues levied, assessed or imposed upon the Borrower and upon its property or assets or any part thereof, as and when the same become due and payable, save and except when and so long as the validity of any such taxes, rates, fees, dues, levies, assessments or imposts is being contested in good faith by proper legal proceedings and reserves are being maintained in accordance with

generally accepted accounting principles and the Borrower shall deliver to the Bank, when reasonably requested, certified copies of the receipts and vouchers establishing such payment.

(j) **Reimbursement of Expenses.** The Borrower shall reimburse the Bank, on demand, for all reasonable out-of-pocket costs, charges and expenses incurred by it or on its behalf (including, without limitation, the fees and out-of-pocket disbursements of its legal counsel and consultants) in connection with:

(i) the development, negotiation, preparation, execution, delivery, interpretation and enforcement of the Commitment Letter, the Documents and all other documentation ancillary to the completion of the transactions contemplated hereby and thereby and any amendments hereto or thereto and any waivers of any provisions hereof or thereof (whether or not consummated or entered into); and

(ii) the Bank's due diligence review with respect to the transactions contemplated hereby.

(k) **Books and Records.** The Borrower shall keep proper books of account and records covering all its business and affairs on a current basis, make full, true and correct entries of its transactions in such books, set aside on its books from its earnings all such proper reserves as required by generally accepted accounting principles and permit representatives of the Bank and its project consultant to inspect such books of account, records and documents and to make copies therefrom during reasonable business hours and upon reasonable notice and to discuss the affairs, finances and accounts of the Borrower with its auditors during reasonable business hours and upon reasonable notice.

(l) **Notice of Litigation.** The Borrower shall promptly notify the Bank of any actions, suits, claims or proceedings commenced or threatened in writing against or affecting the Borrower before any Official Body which in any case or in the aggregate could reasonably be expected to have a Material Adverse Effect. Such notice shall include a description of such action, suit, claim or proceeding and the Borrower's assessment of the duration, outcome and effect thereof.

(m) **Notice of Material Adverse Change or Default or Event of Default.** Upon the occurrence of either a material adverse change to the business, operations or assets of the Borrower or a Default or an Event of Default of which the Borrower is aware, the Borrower shall promptly deliver to the Bank a notice specifying the nature and date of occurrence of such material adverse change, Default or Event of Default, the Borrower's assessment of the duration and effect thereof and the action which the Borrower proposes to take with respect thereto.

(n) **Inspection of Assets and Operations.** The Borrower shall permit representatives of the Bank and its officers, employees, agents and representatives to inspect the property, assets and operations of the Borrower and for that purpose to enter their

premises and any other location where any of its property or assets may be situated during reasonable business hours and upon reasonable notice.

(o) **Environmental Matters.** The Borrower shall:

(i) use and operate all of its facilities and properties in compliance in all material respects with all Environmental Laws, keep all permits, approvals, certificates, licences and other authorizations relating to environmental matters in effect and remain in compliance in all material respects therewith, and handle all Hazardous Materials in compliance with all applicable Environmental Laws;

(ii) immediately notify the Bank and provide copies upon receipt of all written claims, complaints or notices relating to the condition of its facilities and properties or compliance with Environmental Laws, which claims, complaints or notices relate to matters which would have, or may reasonably be expected to have, a Material Adverse Effect and shall proceed diligently to resolve any such claims, complaints or notices relating to compliance with Environmental Laws; and

(iii) provide such information and certifications which the Bank may reasonably request from time to time to evidence compliance with this Section 11.01(o).

(p) **Location of Assets.** In the event the various types of property and assets of the Borrower become located at any address other than those addresses set forth in Schedule F hereto, the Borrower shall forthwith notify the Bank of such address.

(q) **Security.** Forthwith upon the Municipality consenting to the provision of the Security by the Borrower, the Borrower shall execute and deliver the Security Documents in favour of the Bank. The Bank hereby covenants and agrees that it will not register the Security Documents against any real property of the Borrower unless a Default has occurred, and then only upon two days prior notice to the Borrower.

11.02 Performance of Covenants by Bank.

The Bank may, upon notice by the Bank to the Borrower, perform any covenant of the Borrower under any Document to which the Borrower is a party which the Borrower fails to perform or cause to be performed and which the Bank is capable of performing, including any covenants the performance of which requires the payment of money, provided that the Bank shall not be obligated to perform any such covenant on behalf of the Borrower and no such performance by the Bank shall require the Bank to further perform the Borrower's covenants or shall operate as a derogation of the rights and remedies of the Bank under this agreement or as a waiver of such covenant by the Bank. Any amounts paid by the Bank as aforesaid shall be repaid by the Borrower to the Bank on demand.

11.03 Restrictive Covenants.

The Borrower hereby covenants and agrees with the Bank that, until all credit outstanding hereunder has been repaid in full and the Credit Facilities and this agreement have been terminated and unless the Bank has otherwise consented thereto in writing:

(a) **Liens.** The Borrower shall not enter into or grant, create, assume or suffer to exist any Lien affecting any of its property, assets or undertaking, save and except only for the Permitted Liens.

(b) **Corporate Existence.** The Borrower shall not take part in any amalgamation, merger, winding-up, dissolution, capital or corporate reorganization or similar proceeding or arrangement.

(c) **Indebtedness.** The Borrower shall not incur or permit or suffer to exist any indebtedness other than Permitted Indebtedness.

(d) **Disposition of Assets.** The Borrower shall not dispose of, and shall not grant to any Person the right to acquire, any of its material assets (including without limitation any material fixed assets used for distribution of electricity.)

(e) **Investments and Financial Assistance.** The Borrower shall not (i) invest in any other Person or Persons, singly or in the aggregate, by way of equity investment or otherwise, or (ii) provide any financial assistance (by way of loan, guarantee or otherwise) to any other Person.

(f) **Change in Business or Activity.** The Borrower shall not carry on or engage in any business or activity other than the business of electricity distribution.

(g) **Amendments et al.** The Borrower shall not amend, modify, supplement, replace, waive, surrender or terminate any material agreement (including, without limitation, the Promissory Note).

(h) **Dividends and Distributions.** The Borrower shall not be entitled to (i) pay any dividends or other distribution on or in respect of any shares in the capital of the Borrower or (ii) redeem, retract, purchase, retire or otherwise acquire, in whole or in part, any shares in the capital of the Borrower or any securities, instruments or contractual rights capable of being converted into, exchanged or exercised for shares in the capital of the Borrower, including, without limitation, options, warrants, conversion or exchange privileges and similar rights at any time that:

(i) a Default or Event of Default exists under the Credit Agreement or if a Default would arise as a result of such payment or transaction; or

(ii) when Facility C is available, the Debt Service Coverage Ratio is less than 1.25 to 1.

ARTICLE 12
CONDITIONS PRECEDENT TO OBTAINING CREDIT

12.01 Conditions Precedent to All Credit.

The obligation of the Bank to extend credit hereunder is subject to fulfilment of the following conditions precedent at the time such credit is extended:

(a) no Default has occurred and is continuing or would arise immediately after giving effect to or as a result of such extension of credit;

(b) the Borrower shall have complied with the requirements of Article 4, 5 or 6, as the case may be, in respect of the relevant credit; and

(c) the representations and warranties of the Borrower contained in Section 10.01 and in the Security Documents shall be true and correct in all material respects on the date such credit is extended as if such representations and warranties were made on such date.

12.02 Conditions Precedent to Initial Drawdown.

The obligation of the Bank to extend credit for the first time hereunder is subject to fulfilment of the following conditions precedent at the time such credit is extended:

(a) the conditions precedent set forth in Section 12.01 have been fulfilled;

(b) the Bank shall have received, in form and substance satisfactory to the Bank:

(i) a duly certified resolution of the board of directors of the Borrower authorizing the Borrower to execute, deliver and perform its obligations under the Documents;

(ii) a certificate of a senior officer of the Borrower setting forth specimen signatures of the individuals authorized to sign the Documents; and

(iii) a certificate of a senior officer of the Borrower certifying that, to the best of his knowledge after due inquiry, no Default has occurred and is continuing or would arise immediately after giving effect to or as a result of such extension of credit;

(c) there has not occurred any material adverse change in the operations, capital investments, financial condition or prospects of the Borrower nor has there occurred, developed or come into effect or existence any law, regulation, governmental action or inquiry which materially adversely affects, or may materially adversely affect the financial condition, operations, assets, affairs or prospects of the Borrower having regard to the nature of the transactions contemplated hereby;

(d) the Bank and its counsel shall be satisfied that all necessary directions, notices, approvals, acknowledgements, designations and consents have been given and that all applicable laws have been complied with respect to all agreements and transactions referred to herein;

(e) all documents and instruments have been properly registered, recorded and filed in all places which, searches shall have been conducted in all jurisdictions which, and deliveries of all consents, approvals, acknowledgements, undertakings, directions, negotiable documents of title and other documents and instruments to the Bank shall have been made which, in the opinion of the Bank's counsel, are necessary to make effective the Security created or intended to be created by the Borrower pursuant to the Security Documents and to ensure the perfection and the intended first ranking priority (subject to Permitted Liens) of such security; and

(f) all amounts then due and payable by the Borrower under the Documents shall have been paid.

12.03 Waiver.

The terms and conditions of Section 12.01 and 12.02 are inserted for the sole benefit of the Bank and the Bank may waive them in whole or in part, with or without terms or conditions, in respect of any extension of credit, without prejudicing its right to assert them in whole or in part in respect of any other extension of credit.

ARTICLE 13
DEFAULT AND REMEDIES

13.01 Events of Default.

Upon the occurrence of any one or more of the following events, unless expressly waived in writing by the Bank:

(a) a breach of any section of Article 9;

(b) the non-payment of any amount due hereunder (other than a breach of any section of Article 9) which is not remedied within five Banking Days after notice has been given to the Borrower by the Bank;

(c) the commencement of proceedings for the dissolution, liquidation or winding-up of the Borrower or for the suspension of the operations of the Borrower;

(d) the Borrower ceases or threatens to cease to carry on its business or is adjudged or declared bankrupt or insolvent or admits in writing its inability to pay debts as they become due or makes an assignment for the general benefit of creditors, petitions or applies to any tribunal for the appointment of a receiver or trustee for it or for any part of its property (or such a receiver or trustee is appointed for it or any part of its property), or files a notice of intention to file a proposal, or commences (or any other Person commences) any proceedings relating to it under

any bankruptcy, reorganization, arrangement, readjustment of debt, dissolution or liquidation law or statute of any jurisdiction whether now or hereafter in effect, or by any act indicates its consent to, approval of, or acquiescence in, any such proceeding for it or for any part of its property, or suffers the appointment of any receiver or trustee, sequestrator or other custodian;

(e) any representation or warranty made by the Borrower in any Document or in any other document, agreement or instrument delivered pursuant hereto or referred to herein or any information contained in any compliance certificate delivered pursuant to Section 11.01(a)(iv) proves to have been incorrect in any material respect when made or furnished;

(f) a default or an event of default (after the giving of all applicable notices or the expiry of all applicable grace or cure periods) under any one or more agreements, indentures or instruments under which the Borrower has outstanding indebtedness or under which any indebtedness is outstanding which is guaranteed by the Borrower shall happen and be continuing, or any indebtedness of or guaranteed by the Borrower which is payable on demand is not paid on demand;

(g) the breach or failure of due observance or performance by the Borrower of any of Section 11.01(f), (g), (l), (m) or Section 11.03 which is not remedied within 3 Banking Days after written notice to do so has been given by the Bank to the Borrower;

(h) the breach or failure of due observance or performance by the Borrower of any covenant or provision of any of the Documents, other than those heretofore or hereafter expressly dealt with in this Section 13.01, or of any other document, agreement or instrument delivered pursuant hereto or referred to herein which is not remedied within twenty Banking Days after written notice to do so has been given by the Bank to the Borrower;

(i) a default or breach by the Borrower under any material agreement to which the Borrower is a party (including, without limitation, the Promissory Note);

(j) the occurrence of a material adverse change in the affairs, financial or otherwise, condition, operations, assets, businesses, properties or prospects of the Borrower;

(k) if the Security, or any part thereof, ceases at any time after its execution and delivery to constitute in favour of the Bank a first ranking Lien (subject to the Permitted Liens) in all of the property, assets and undertaking of the Borrower and such cessation has not been fully rectified, in a manner acceptable to the Bank, within 30 days of such cessation, provided, however, that such grace period shall only apply if the Borrower is actively pursuing such rectification in good faith;

(l) any one or more of the Documents is determined by a court of competent jurisdiction not to be a legal, valid and binding, obligation of the Borrower, enforceable by the Bank against the Borrower and such Document has not been

replaced by a legal, valid, binding and enforceable document which is equivalent in effect to such Document, assuming such Document had originally been legal, valid, binding and enforceable, in form and substance acceptable to the Bank, within 30 days of such determination, provided, however, that such grace period shall only be provided if the Borrower actively cooperates with the Bank to so replace such Document; or

(m) the Municipality shall cease to own and control, directly or indirectly, with full power to vote or to direct the voting of more than 80% of the voting stock of the Borrower;

the Bank may, by notice to the Borrower, terminate the Credit Facilities and the Bank may, by the same notice or by further notice to the Borrower, declare all indebtedness of the Borrower to the Bank pursuant to this agreement (including (A) the present value of the face amount of all Bankers' Acceptances issued and outstanding hereunder based on their respective maturity dates, such present value to be calculated using a discount rate equal to the yield of Government of Canada treasury bills having a similar maturity date and (B) the then contingent liability of the Bank under all Letters) to be immediately due and payable whereupon all such indebtedness shall immediately become and be due and payable and the Security shall immediately become enforceable without further demand or other notice of any kind, all of which are expressly waived by the Borrower (provided, however, that the Credit Facilities shall terminate and all such indebtedness of the Borrower to the Bank shall automatically become due and payable, without notice of any kind, upon the occurrence of an event described in clause (b) or (c) above). Upon the payment by the Borrower to the Bank of the present value of the face amount of all Bankers' Acceptances issued and outstanding hereunder, the Borrower shall have no further liability to the Bank with respect to such Bankers' Acceptances. Upon the payment by the Borrower to the Bank of the then contingent liability under all outstanding Letters, the Borrower shall have no further liability to the Bank with respect to such Letters. Any monies paid by the Borrower to the Bank pursuant to this Section 13.01 with respect to Bankers' Acceptances shall be impressed with a trust and the Bank shall pay to the holders thereof at the maturity thereof the face amount thereof.

13.02 Refund of Overpayments.

With respect to each Letter for which the Bank has been paid all of its contingent liability pursuant to Section 9.07 or Section 13.01 and provided that all amounts due by the Borrowers to the Bank under Section 9.07 and Section 13.01 have been paid, the Bank agrees to pay to the Borrower, upon the later of

(a) if the Letter is subject to an Order, the date on which any final and non-appealable order, judgment or other determination has been rendered or issued either permanently enjoining the Bank from paying under such Letter or terminating any outstanding Order; and

(b) the earlier of:

(i) the date on which either the original counterpart of such Letter is returned to the Bank for cancellation or the Bank is released by the beneficiary thereof from any further obligations in respect of such Letter; and

(ii) the expiry of such Letter;

an amount equal to any excess of the amount received by the Bank hereunder in respect of its contingent liability under such Letter over the total of amounts applied to reimburse the Bank for amounts paid by it under or in connection with such Letter (the Bank having the right to so appropriate such funds).

13.03 Remedies Cumulative.

The Borrower expressly agrees that the rights and remedies of the Bank under this agreement are cumulative and in addition to and not in substitution for any rights or remedies provided by law. Any single or partial exercise by the Bank of any right or remedy for a default or breach of any term, covenant or condition in this agreement does not waive, alter, affect or prejudice any other right or remedy to which the Bank may be lawfully entitled for the same default or breach. Any waiver by the Bank of the strict observance, performance or compliance with any term, covenant or condition of this agreement is not a waiver of any subsequent default and any indulgence by the Bank with respect to any failure to strictly observe, perform or comply with any term, covenant or condition of this agreement is not a waiver of the entire term, covenant or condition or any subsequent default.

13.04 Set-Off.

In addition to any rights now or hereafter granted under applicable law, and not by way of limitation of any such rights, the Bank is authorized, after the occurrence of an Event of Default and for so long as such Event of Default continues and without notice to the Borrower or to any other Person, any such notice being expressly waived by the Borrower, to set-off, appropriate and apply any and all deposits, matured or unmatured, general or special, and any other indebtedness at any time held by or owing by the Bank to or for the credit of or the account of the Borrower against and on account of the obligations and liabilities of the Borrower which are due and payable to the Bank under this agreement.

ARTICLE 14
MISCELLANEOUS

14.01 Waivers.

No failure or delay by the Bank in exercising any remedy, right or power hereunder or otherwise shall operate as a waiver thereof, except a waiver which is specifically given in writing by the Bank, and no single or partial exercise of any power, right or privilege hereunder will preclude any other or further exercise thereof or the exercise of any other power, right or privilege.

14.02 Notices.

All notices, demands and other communications provided for in this agreement shall be in writing and shall be personally delivered to an officer or other responsible employee of the addressee or sent by telefacsimile, charges prepaid, at or to the applicable addresses or telefacsimile numbers, as the case may be, set opposite the party's name on the signature page hereof or at or to such other address or addresses or telefacsimile number or numbers as any party hereto may from time to time designate to the other parties in such manner. Any communication which is personally delivered as aforesaid shall be deemed to have been validly and effectively given on the date of such delivery if such date is a Banking Day and such delivery was made during normal business hours of the recipient; otherwise, it shall be deemed to have been validly and effectively given on the Banking Day next following such date of delivery. Any communication which is transmitted by telefacsimile as aforesaid shall be deemed to have been validly and effectively given on the date of transmission if such date is a Banking Day and such transmission was made during normal business hours of the recipient; otherwise, it shall be deemed to have been validly and effectively given on the Banking Day next following such date of transmission.

14.03 Severability.

Any provision hereof which is prohibited or unenforceable shall be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof.

14.04 Counterparts.

This agreement may be executed in one or more counterparts, each of which shall be deemed to be an original and all of which taken together shall be deemed to constitute one and the same instrument.

14.05 Successors and Assigns.

This agreement shall enure to the benefit of and shall be binding upon the parties hereto and their respective successors and permitted assigns.

14.06 Assignment.

(a) Neither the Documents nor the benefit thereof may be assigned by the Borrower.

(b) The Bank may at any time sell to one or more other Persons ("Participants") participating interests in any credit outstanding hereunder, the commitment of the Bank hereunder or any other interest of the Bank under the Documents provided such sale has received, unless an Event of Default has occurred and is continuing, the consent of the Borrower. In the event of any such sale by the Bank of a participating interest to a Participant, the Bank's obligations under this agreement to the Borrower shall remain unchanged, the Bank shall remain solely responsible for the performance thereof and the Borrower shall continue to be obligated to the Bank in connection with the Bank's rights under this agreement. The Borrower agrees that if amounts outstanding under this agreement are due and unpaid, or

shall have been declared to be or shall have become due and payable upon the occurrence of an Event of Default, or any Default which might mature into an Event of Default, each Participant shall be deemed to have the right of setoff in respect of its participating interest in amounts owing under this agreement to the same extent as if the amount of its participating interest were owing directly to it as the Bank under this agreement. The Borrower also agrees that each Participant shall be entitled to the benefits of Article 8 with respect to its participation hereunder; provided, that no Participant shall be entitled to receive any greater amount pursuant to such Article than the Bank would have been entitled to receive in respect of the amount of the participation transferred by the Bank to such Participant had no such transfer occurred.

(c) The Bank may at any time sell all or any part of its rights and obligations under the Documents to one or more Persons ("Purchasing Lenders"), provided such assignment has received, unless an Event of Default has occurred and is continuing, the consent of the Borrower. Upon such sale, the Bank shall, to the extent of such sale, be released from its obligations under the Documents and each of the Purchasing Lenders shall become a party to the Documents to the extent of the interest so purchased.

(d) The Borrower authorizes the Bank to disclose to any Participant or Purchasing Lender (each, a "Transferee") and any prospective Transferee any and all financial information in its possession concerning the Borrower which has been delivered to it by or on behalf of the Borrower pursuant to this agreement or which has been delivered to it by or on behalf of the Borrower in connection with its credit evaluation of the Borrower prior to entering into this agreement, so long as any such Transferee or prospective Transferee agrees not to disclose any confidential, non-public information to any person other than its non-brokerage affiliates, employees, accountants or legal counsel, unless required by law.

14.07 Entire Agreement.

This agreement and the agreements referred to herein and delivered pursuant hereto constitute the entire agreement between the parties hereto and supersede any prior agreements, commitment letters, undertakings, declarations, representations and understandings, both written and verbal, in respect of the subject matter hereof.

14.08 Further Assurances.

The Borrower shall from time to time and at all times hereafter, upon every reasonable request of the Bank, make, do, execute, and deliver or cause to be made, done, executed and delivered all such further acts, deeds, assurances and things as may be necessary in the opinion of the Bank for more effectually implementing and carrying out the true intent and meaning of this agreement, the other Documents or any agreement delivered pursuant hereto or thereto and all such additional security instruments and agreements and legal opinions in connection with the property and assets of the Borrower, in form and substance satisfactory to the Bank, as the Bank may from time to time reasonably request to ensure (i) that all property and assets of the

Borrower are subject to the Security in favour of the Bank and (ii) the intended first ranking priority (subject to Permitted Liens) of the Security.

[remainder of page left intentionally blank]

IN WITNESS WHEREOF the parties hereto have executed this agreement.

THE BANK OF NOVA SCOTIA
Corporate Banking
40 King Street West, Scotia Plaza,
62nd Floor
Toronto, ON M5W 2X6
Attention: Director
Corporate Banking
Telefax: (416) 933-7399

THE BANK OF NOVA SCOTIA

By: _____
Name: Dee Patterson
Title: Managing Director

By: _____
Name: Kirt Millwood
Title: Associate Director

BURLINGTON HYDRO INC.
1340 Brant Street
Burlington, Ontario
L7R 3Z7

Attention: Vice President Finance
Telefax: (905) 332-8384

BURLINGTON HYDRO INC.

By: _____
Name:
Title:

By: _____
Name:
Title:

IN WITNESS WHEREOF the parties hereto have executed this agreement.

THE BANK OF NOVA SCOTIA
Corporate Banking
40 King Street West, Scotia Plaza,
62nd Floor
Toronto, ON M5W 2X6
Attention: Director
Corporate Banking
Telefax: (416) 933-7399

THE BANK OF NOVA SCOTIA

By: _____
Name: Dee Patterson
Title: Managing Director

By: _____
Name:
Title:

BURLINGTON HYDRO INC.
1340 Brant Street
Burlington, Ontario
L7R 3Z7

Attention: Vice President Finance
Telefax: (905) 332-8384

BURLINGTON HYDRO INC.

By: _____
Name: MICHAEL KYSLEY
Title: CFO

By: _____
Name: DAVID COLLIE
Title: CEO

SCHEDULE A

Compliance Certificate

TO: THE BANK OF NOVA SCOTIA

I, [*], the [*] of Burlington Hydro Inc. (the "Borrower"), in such capacity and not personally, hereby certify that:

1. I am the duly appointed [*] of the Borrower, the borrower under the amended and restated credit agreement made as of April 30, 2009 between the Borrower and The Bank of Nova Scotia, as the same may be amended, modified, supplemented or replaced from time to time (the "Credit Agreement") and as such I am providing this certificate for and on behalf of the Borrower pursuant to the Credit Agreement.

2. I am familiar with and have examined the provisions of the Credit Agreement including, without limitation, those of Articles 10, 11 and 13 thereof.

3. To the best of my knowledge, information and belief and after due inquiry, no Default has occurred and is continuing as at the date hereof.

4. As of the last day of or for the Fiscal Quarter ending [*], the amounts and financial ratios referred to in Sections 11.01(f) and (g) **[and 11.03(h)]** of the Credit Agreement are as follows:

		Actual Amount	Required Limit
(a)	Total Debt to Capital	[*]:1	≤0.50:1
(b)	Interest Coverage Ratio	[*]:1	≥3.0:1
[(c)	**Debt Service Coverage Ratio**	**[*]:1**	**≥1.25:1]**

5. Unless the context otherwise requires, capitalized terms in the Credit Agreement which appear herein without definitions shall have the meanings ascribed thereto in the Credit Agreement.

DATED this [*] day of [*], [*].

[*]

SCHEDULE B

Form of Drawdown Notice

TO: The Bank of Nova Scotia (the "Bank")

RE: Amended and Restated Credit Agreement made as of April 30, 2009 between Burlington Hydro Inc. (the "Borrower") and the Bank (the "Credit Agreement")

Pursuant to the terms of the Credit Agreement, the undersigned hereby irrevocably notifies you that it wishes to draw down under **[Facility A/B/C]** on **[date of drawdown]** as follows:

1. Availment Option:

2. Amount:

3. If Bankers' Acceptance, term:

4. If Letter, named beneficiary, maturity date, currency and amount and all other terms of the Letter.

[The undersigned hereby irrevocably authorizes and directs you to pay the proceeds of this drawdown to <*> at <*>.]

The undersigned hereby confirms that no Default has occurred and is continuing as at the date hereof or would arise immediately after giving effect to or as a result of such drawdown.

All capitalized terms defined in the Credit Agreement and used herein shall have the meanings ascribed thereto in the Credit Agreement.

DATED the day of , 20 .

BURLINGTON HYDRO INC.

Per: _____
Name:
Title:

SCHEDULE C

Form of Rollover Notice

TO: The Bank of Nova Scotia (the "Bank")

RE: Amended and Restated Credit Agreement made as of April 30, 2009 between Burlington Hydro Inc. (the "Borrower") and the Bank (the "Credit Agreement")

Pursuant to the terms of the Credit Agreement, the undersigned hereby irrevocably requests a rollover of outstanding credit under Facility **[A/C]** on **[date of rollover]** as follows:

Bankers' Acceptances

Maturity Date of Maturing Bankers' Acceptances _____

Aggregate Face Amount of Maturing Bankers' Acceptances $_____

Portion Thereof to be Replaced $_____

Term of New Bankers' Acceptances _____ days

The undersigned hereby confirms that no Default has occurred and is continuing as at the date hereof or would arise immediately after giving effect to or as a result of such rollover.

All capitalized terms defined in the Credit Agreement and used herein shall have the meaning ascribed thereto in the Credit Agreement.

DATED the day of , 20 .

BURLINGTON HYDRO INC.

Per: _____
Name:
Title:

SCHEDULE D

Form of Conversion Notice

TO: The Bank of Nova Scotia (the "Bank")

RE: Amended and Restated Credit Agreement made as of April 30, 2009 between Burlington Hydro Inc. (the "Borrower") and the Bank (the "Credit Agreement")

Pursuant to the terms of the Credit Agreement, the undersigned hereby irrevocably requests a conversion of outstanding credit under Facility **[A/C]** on **[date of conversion]** as follows:

[Choose as appropriate]

Converting From		**Converting Into**	
Bankers' Acceptances		Bankers' Acceptance	
Maturity Date of Bankers' Acceptances to be converted	_____	Aggregate Face Amount of New Bankers' Acceptances	$_____
Aggregate Face Amount of said Bankers' Acceptances	_____	Term of New Bankers' Acceptance	_____ days
Portion Thereof to be Converted	_____	Prime Rate Loans	
		Principal Amount of New Prime Rate Loan	$_____
Prime Rate Loans			
Principal Amount of Prime Rate Loan to be converted	$_____		
Portion Thereof to be Converted	$_____		

The undersigned hereby confirms that no Default has occurred and is continuing as at the date hereof or would arise immediately after giving effect to or as a result of such conversion.

All capitalized terms defined in the Credit Agreement and used herein shall have the meaning ascribed thereto in the Credit Agreement.

DATED the day of , 20 .

BURLINGTON HYDRO INC.

Per: _____
Name:
Title:

SCHEDULE E

Power of Attorney re: Bankers' Acceptances

WHEREAS Burlington Hydro Inc. (the "Borrower") wishes to facilitate the issuance of Bankers' Acceptances pursuant to the terms of the amended and restated credit agreement dated April 30, 2009 between the Borrower and The Bank of Nova Scotia (as amended, supplemented and restated from time to time, the "Credit Agreement").

NOW THEREFORE, the Borrower hereby appoints The Bank of Nova Scotia (hereinafter called the "Lender"), acting by any authorized signing officer of the Lender, the attorney of such Borrower:

(a) to sign for and on behalf and in the name of the Borrower as drawer and, if applicable, as endorser, drafts ("Drafts") drawn on the Lender and payable to or to the order of CDS & Co. (or other nominee name of The Canadian Depository for Securities Limited) or payable to or to the order of the Borrower; and

(b) to fill in the amount, date and maturity date of such Drafts;

provided that such acts in each case are to be undertaken by the Lender in accordance with instructions given to the Lender by or on behalf of the Borrower as provided in this Power of Attorney. The signatures of any authorized signatory of the Lender may be mechanically or electronically reproduced in facsimile on Drafts in accordance herewith and such facsimile signatures shall be binding and effective as if they had been manually executed by such authorized signatory of the Lender.

Instructions to the Lender relating to the execution, completion, endorsement, discount and/or delivery by the Lender on behalf of the Borrower of Drafts which the Borrower wishes to submit to the Lender for acceptance by the Lender shall be communicated by the Borrower to the Lender in writing in accordance with the applicable Drawdown Notice, Rollover Notice or Conversion Notice, as the case may be, which Drawdown Notice, Rollover Notice or Conversion Notice shall specify the following:

(a) a Canadian Dollar amount which shall be the aggregate face amount of the Drafts to be accepted by the Lender in respect of a particular borrowing;

(b) a specified period of time (not less than 30 days or in excess of 180 days) which shall be the number of days after the date of such Drafts that such Drafts are to be payable, and the dates of issue and maturity of such Drafts; and

(c) payment instruction specifying the account number of the Borrower and the financial institution at which the proceeds from the sale of such Drafts are to be credited.

The communication in writing by the Borrower to the Lender for the instructions referred to above shall constitute (a) the authorization and instruction of the Borrower to the Lender to complete and endorse Drafts in accordance with such information as set out above and (b) the

request of the Borrower to the Lender to accept such Drafts and deliver the same against payment as set out in the instructions. The Borrower acknowledges that the Lender shall not be obligated to accept any such Drafts except in accordance with the provisions of the Credit Agreement.

The Lender shall be and it is hereby authorized to act on behalf of the Borrower upon and in compliance with instructions communicated to the Lender as provided herein if the Lender reasonably believes them to be genuine.

The Borrower agrees to indemnify the Lender and its directors, officers, employees, affiliates and agents and to hold it and them harmless from and against any loss, liability, expense or claim of any kind or nature whatsoever incurred by any of them as a result of any action or inaction in any way relating to or arising out of this Power of Attorney or the acts contemplated hereby, provided that this indemnity shall not apply to any such loss, liability, expense or claim which result from the gross negligence or wilful misconduct of the Lender or any of its directors, officers, employees, affiliates or agents or for the Lender or its directors, officers, employees, affiliates or agents failing to use the same standard of care in the custody of such Drafts as the Lender uses in the custody of its own property of a similar nature.

This Power of Attorney may be revoked at any time upon not less than 5 Banking Days' written notice served upon the Lender, provided that no such revocation shall reduce, limit or otherwise affect the obligations of the Borrower in respect of any Draft executed, completed, endorsed, discounted and/or delivered in accordance herewith prior to the time at which such revocation becomes effective.

This Power of Attorney is in addition to and not in substitution for any agreement to which the Lender and the Borrower are parties. In the event of a conflict between the provisions of this Power of Attorney and the Credit Agreement, the Credit Agreement shall prevail. Capitalized terms used and not defined herein shall have the meanings given to them in the Credit Agreement.

This Power of Attorney shall be governed in all respects by the laws of the Province of Ontario and the laws of Canada applicable therein and the Borrower and the Lender hereby irrevocably attorns to the non-exclusive jurisdiction of the courts of such jurisdiction in respect of all matters arising out of this Power of Attorney.

DATED the day of , 20 .

BURLINGTON HYDRO INC.

Per: _____
Name:
Title:

Per: _____
Name:
Title:

SCHEDULE F

Location of Assets

1340 Brant Street
Burlington, Ontario
L7R 3Z7

5030727.5

Burlington Hydro Inc.
Response to Interrogatory from School Energy Coalition
Question 7

Question:

Ref: Exhibit1/Tab 3/Schedule 2

With respect to the Pro Forma Financials,

a. Please provide details on the term bank loans referred to under Account 2525 on pages 6 and 16, including the purpose, terms and conditions, including interest rates applicable to each category of credit available or used, together with a copy of the agreement or commitment letter currently in effect together with any amending agreements or other such documents.

b. Please provide a detailed calculation for the interest on long term debt on page 21.

c. For each of accounts 5005 through 5695 inclusive, please provide the amount expected to be paid to affiliates and/or the City of Burlington in that budget for the Test Year.

Response:

a) The purpose of the Non-Revolving Term loan is to assist in funding the roll-out of the Smart Meter program. The $4 million dollar facility referred to in the 2009 Pro-Forma has been negotiated and is in place for drawdown. An additional $4 million for 2010 is anticipated and will need to be negotiated to continue funding of the Smart Meter program. A copy of the Amended and Restated Credit Agreement between the Bank of Nova Scotia and Burlington Hydro Inc has been included as an attachment in response to Schools interrogatory 6.

	Non-Revolving Term 2009	**Non-Revolving Term 2010**
Amount	$4,000,000	$8,000,000
Pricing	B/A + 2.25% or P + 1.25%	
Standby Fees	.6%	
Maturity Date	April 30, 2012	

Question Date: November 3, 2009
Response Date: November 20, 2009

b) Please see table below:

INTEREST ON LONG TERM DEBT					
		PROMISSORY NOTE	LETTER OF CREDIT	INTEREST ON REGULATORY ASSSETS (A)	TOTAL
PRINCIPAL		$47,878,608.00	$14,000,000.00		
DAYS		365	365		
BANKS PRIME		0.0725	0.01875		
INTEREST EXPENSE		**$3,471,199.08**	**$262,500.00**	**$1,122.00**	**$3,734,821.08**
(A) This interest should be recorded in Account 6035 per the Ontario Energy Board Questions and Answers to the September 28, 2009 Webinar on Retail Settlement Variance Account (RSVA) 1588.					

c) Burlington has budgeted $23,753 to be paid to the City of Burlington in accounts 5005 through 5695 inclusive in the Test Year.

Burlington Hydro Inc.
Response to Interrogatory from School Energy Coalition
Question 8

Question:

Ref: Exhibit 2/Tab 4/Schedule 7

With respect to the 2009 Capital Projects:

a. Page 3. Please confirm that of the $1,985,000 expected cost of the Burlington Performing Arts Centre project, $1,980,000 is expected to be received by way of a contribution from the customer.

b. Page 8 and 10. The capital projects in Schedules 2 through 6 are actual, and thus listed by project name rather than category. For comparison purposes, please provide aggregate totals for the general project categories "General Service – Overhead" and "General Service – Underground" for each of the 2006 through 2008 years (unless these figures are already included in the answer to IR #10 below).

c. Page 14. Please confirm that the GIS project is complete and in-service. Please provide the consultant recommendation on which the RFI was based, the RFI document, the winning bid, and the contract with the winning bidder.

Response:

a) The City of Burlington is responsible to pay for all actual incurred costs associated with the Burlington Performing Arts Centre. The projected cost of $1,985,000 is an estimate only, the actual cost will be determined when the project is complete.

b) Please see the aggregate totals for the General Service accounts for overhead and underground expenditures 2006 to 2008.

General Service Overhead

	2006	2007	2008
GS Overhead	$1,121,226	$1,054,269	$660,217

General Service Underground

	2006	2007	2008
GS Underground	$1,100,592	$1,023,172	$1,380,544

c) The new GIS is currently being implemented and expected to be in service by November 30, 2009. Burlington has attached the RFI document to this response. Due to the market sensitive data included in the consultants' report, Burlington has provided a copy of this document to the OEB Board Secretary with a request that it remain confidential. In addition Burlington has provided the contract with the winning bidder to the OEB Board Secretary with a request that it remain confidential.

Question Date: November 3, 2009
Response Date: November 20, 2009

BURLINGTON HYDRO INC.

REQUEST FOR INFORMATION

21 November 2007

CONFIDENTIALITY

ALL INFORMATION CONTAINED WITHIN THIS DOCUMENT IS CONFIDENTIAL AND IS PROVIDED ONLY TO GIVE SUPPLIERS AN ADEQUATE UNDERSTANDING OF BURLINGTON HYDRO'S REQUIREMENTS. UNDER NO CIRCUMSTANCES SHOULD INFORMATION BE DISCLOSED TO ANY OUTSIDE PARTY.

Contents

1 Introduction

This document is intended to provide sufficient information for suppliers to determine whether they are willing to participate in a more detailed selection process. This RFI also serves to provide Burlington Hydro with the information necessary to develop a shortlist of suppliers to which a Request for Proposal (RFP) may be issued. Suppliers are not required to prepare a detailed proposal at this stage. However, they are to provide basic information about their capabilities and approach to working with Burlington Hydro to meet the requirements as outlined in this document.

Burlington Hydro is investigating options for the replacement of their existing geographic information system. The new GIS will be a competitive and scalable product; the system will serve to stream- line operations and provide enhanced value within the utility.

1.1 Overview of Burlington Hydro

Burlington Hydro Inc. (BHI), established in 1945 as the Burlington Public Utilities Commission, is an energy services based company in the power distribution business. The company serves over 54,500 residential customers, and approximately 5,500 commercial and industrial customers. Burlington Hydro maintains 32 substations and almost 1,300 kilometres of low voltage distribution lines throughout the municipality of Burlington.

Burlington Hydro's corporate values include establishing and maintaining relationships with the community, managing environmental risks to eliminate or minimize adverse impacts, assuring availability of future electricity supply to meet customer needs and growth, delivering superior products to customers in a safe and efficient manner and pursuing appropriate business opportunities.

1.2 GIS Overview

Historically, when BHI implemented its first GIS (then called AM/FM), GIS software was viewed as a stand-alone product. Since that time, the industry has been moving towards interoperability of the GIS with other utility systems (e.g. CIS, WMS, and SCADA) and interoperability between GIS systems and GIS data. Two of the main factors affecting GIS today are the move towards using Internet technology to be able to serve GIS data to a much broader user base and efforts by the Open Geospatial Consortium (OGC) to promote interoperability. BHI needs to implement a new GIS that will fit its technology vision and provide the benefits of today's GIS to BHI operations.

1.3 BHI Technology Vision

The primary goal of replacing the GIS is to implement a product that is able to seamlessly integrate and interface with existing systems and applications, namely:

- Customer Information System
    - Customer Information
    - Work Management
- Materials Management
    - Work Order and WinStake
    - Field Design and Locates

    - Assembly Instruction Orders
    - Material Commitment
- Mobile Workforce
    - Wireless Work Management
    - Mobile Workforce
    - Wireless Work Management
    - Field Entry
- Outage Management Systems (OMS)
    - TVD Avalanche
    - SCADA System
    - Automated Call Handling
- Engineering Analysis
    - Cyme
    - DESS
- SCADA
    - System maps and topology for live circuit tracing or do system pinning on GIS
    - Get SCADA data in GIS

It should be noted that the current OMS application and enterprise version of the CIS offer a mobile based computing solution; however, BHI's vision includes a mobile solution for the GIS to ensure successful implementation of a mobile computing program throughout with links to CIS and OMS where feasible.

BHI is also currently transitioning to a smart metering program offering automated meter reading, tracking of billing information and load profiling. The new GIS is also required to interface with the smart metering application. Lastly, the interface should also be structured to address Regional water billing commitments.

In general, BHI is seeking a GIS that enhances the usability of data throughout the company, functioning as a data management tool and, in addition to the conventional features, offers wireless mobile computing.

2 Existing GIS Environment

This section provides an overview of the current GIS and related systems in use at Burlington Hydro

2.1 GIS Software and Database

Burlington Hydro currently utilizes Enghouse Systems Limited's (Enghouse) CableCad 4.2 for AM/FM activities and, although operating on a proprietary database, is no longer supported in its existing form. Furthermore, the CableCad database is not compatible with the OGC. Burlington Hydro is also using CableCad NG 2.1 that provides some additional functionality but which also does not meet the requirements of OGC.

There is one Server that stores the database. There is no backup server.

Standard features of the version utilized by BHI are described below.

The land base that serves as the coordinate reference system for BHI was purchased from the City of Burlington in the early 1990's; there have been some updates since, but the land base remains inexact. Users of the BHI GIS do not really care about accurate X-Y coordinates for any of their tasks. The staff that does locates use the GIS maps as a guide for locating underground service but this is not very accurate.

2.2 GIS Features

There are numerous features of the existing GIS that include:

- Records Manager: is the main software that controls access to and editing of the CableCad database.
- Multiple editing sessions, although there is not comprehensive error checking
- Allowing raster files and other file to be loaded.
- Allowing SQL like queries on data
- Identification of customers affected by a given work order, but the process is complicated and requires input from CIS.
- Has transformer fields that log transformer data such as size, type, location, etc
- CableCad NG Trace: to check line or phase connectivity but this has not been used yet.
- Excess of 32,000 layers to allow for separation of facilities (example, hydro, cable, gas) as well as panning, zooming and declutter of layers (but BHI only uses 4000)
- Translation from AutoCAD to CableCad to bring in designs done in AutoCAD
- An additional server gets a copy of the CableCad database and serves it to 25 view only users.
- Print drivers for flexible printing options of layers or areas
- Customized set of industry-appropriate symbols
- Different states of facilities, although limited to proposed and existing
- Business rules set up for placement of devices
- A reduced version of database is provided by CD to laptops for locators

2.3 Data Sources for GIS Input

Most external construction drawings and some internal drawings at Burlington Hydro are drafted in AutoCAD and then imported into CableCad. While CableCad allows documents and drawings to be imported, the process does not offer a timely or efficient manner in which new plant and landbase records may be added. A drawing imported for its landbase value must be oriented, scaled and then traced. Subsequent to this effort, the electrical distribution plant is drawn. There is also a concern that gaps exist between records and real-case data in the current system; for example, plant or equipment changes made during trouble calls that are not documented in CableCad.

Field work and subsequent plant or equipment changes at BHI is executed using various systems and programs including Daffron for customer information and populating transformer fields as well as Microsoft Access/Excel for instruction orders, the use of service orders for connection and disconnect orders as well as trouble reports.

2.4 Data Exports from GIS

Data from the GIS is exported using a 'Cut and Paste' function and subsequently emailed to end-users for review and project design. The GIS also currently has the ability to export data to DESS for short circuit analysis and to TVD Avalanche for outage management purposes. The data for DESS is also used in CYME for relay/fuse coordination.

2.5 Users of GIS

Corporate users of the GIS viewers and GIS data extracts currently include:

- Control room operators
- Construction designers
- Engineering staff (view only functionality)
- Asset Management group

Other users include those that track transformers or develop work orders. Currently, personnel involved in inventory do not utilize the GIS

Control system operations use the GIS viewer but also rely heavily on available D-size Mylar drawings that are maintained and updated for operations.

2.6 Existing GIS Server, User Computers and Cyber Security Provisions of GIS

Special cyber security provisions currently do not exist for the GIS software or modules. The GIS network is on the corporate network. Through the network, the GIS database is shared between two workstations to allow for editing; these two workstations also have internet access. Remaining user computers within the organization have view only privileges of the GIS. Additionally, view copies are burned onto a CD on a weekly basis and turned over to field locators.

Backups of the GIS database are performed intermittently (usually every other day) and are subsequently archived through the network to a backup server; the backup is copied to tape and then taken to an off-site location.

3 Project Overview

The project involves the following key steps:

- Issuance of this document to a list of potential suppliers by 21 November, 2007
- Responses to be received by **10 December, 2007**
- AESI will review the responses, correlate the information and prepare a report with budget and recommendation for future direction for the GIS
- Report to be submitted to BHI management

A Request For Proposal (RFP) may be issued in 2008 to a shortlist of suppliers developed based on the response to this RFI with detailed requirements for the software, contractual details, and key success criteria for successful bidders.

4 Requirements

Burlington Hydro is investigating the replacement of the existing CableCad GIS application with a new GIS. Information regarding the following objectives and requirements is requested from suppliers to assess their available products:

- Proposed GIS Application based on the technical requirements described below
    - System Hardware Description and Configuration
    - System Software Description and Configuration and which functions are certified with the Open Geospatial Consortium
    - Licensing
- Data Conversion or Migration of existing CableCad database and how the vendor would propose to keep BHI working during the data migration
- Project Management Services required
- How proposed solution integrates into BHI's long-term vision
- Implementation of Proposed GIS
- Testing
- Training
    - Description of User Training Provided
    - Training Material Offered
- Support
    - Location of Support Services
    - Product Updates and Charges, If Applicable
- Pricing
    - Summary of total project costs
    - Ongoing Licensing costs
    - Upgrading with new releases

    - Training
    - Maintenance
    - Support
- Technical Documentation of GIS product
- Existing Clients in Ontario (specify industry)

4.1 Technical Requirements

This section is divided up into three sections:

1. Functional requirements
2. Integration requirements
3. Conversion requirements

4.1.1 Functional Requirements

The GIS solution described by the vendor should have standard up-to-date GIS functionality as applicable to a distribution electric utility and that is as compatible as possible with the Open Geospatial Consortium functional requirements. The system should provide the following:

- Provide redundant GIS servers with automatic failover
- Provide at least 10 editing licenses
- Provide at least 25 viewer licenses
- Provide automatic backup facilities and recovery facilities and process
- Describe the cyber security programming standards that have been followed
- Provide the capability for multiple editing sessions with complete audit trail for review by GIS Supervisor. Provide a tool that monitors all the existing editing sessions e.g. a list of editing sessions and users doing the editing. Describe what versioning of the database is done.
- Provide the ability to extract areas for editing; Describe how users can do quick editing e.g. when checking connectivity.
- Provide ability to extract areas for emailing graphics and facility data to third parties
- Provide editing conflict handling tools e.g. highlight, review, resolve
- Provide a database that uses an industry standard relational database
- Provide extensive layering of data e.g. at least handle the 4000 layers used by BHI. Are there limits to the number of layers?
- Provide panning and zooming capabilities.
- Provide capability to implement business rules for device placement
- Describe flexibility of database so fields can be added when necessary and be taken into account by software tools

- Provide search tools to find specific devices
- Provide capability to load raster files and other picture files
- Provide capability to be able to highlight and list and count customers on a highlighted section of feeder e.g. for outage statistics, for contacting customers to be affected by a planned outage
- Provide Tracing based on normal status and based on realtime status; need to be able to trace up and down; highlight and fix connectivity errors, phasing errors
- Provide capability to place realtime Line cuts and jumpers with temporary status e.g. shouldn't affect normal layout
- Describe how the software makes use of web tools; Can the system port the maps for web viewing
- Provide standard electric utility tools and database attributes
- Describe what asset management tools are provided? BHI has to inspect poles every 3 years. Can this be scheduled and tracked in GIS?
- Does it provide the tools to scan paper maps and convert to vector based maps and incorporate into GIS?
- Provide the capability to import AutoCAD designs into the database
- Provide the capability to exchange data with Excel/Access or other ODBC compliant applications?
- Provide the capability to handle different states of devices e.g. proposed, as built but not energized, existing, normal status/real-time status

4.1.2 Integration requirements

The following represent requirements that BHI would like to implement in the GIS but may not implement immediately depending on costs:

- BHI desires a system that is compatible with or working towards compatibility with Open Geospatial Consortium requirements
- Provide capability to work with Daffron Work Order and Winstake process
- Provide capability to get information from Daffron CIS e.g. to create lists of customers for contacting, to update meter data and transformer data (do already) from CIS
- Provide capability to be able to receive realtime switch status from SCADA and have real time switch status capability included in tracing
- Provide capability to integrate with mobile work force tools
- Provide capability to provide Viewer capability to trucks and perhaps editing as well
- Provide capability to import data from field hand held devices
- Provide capability to export model to TVD Avalanche, Dromey Design DESS and Cyme Protection Coordination (already do this but need to be able to do it better and more often)

- Provide capability to work with data from other GIS's either directly or indirectly?

4.1.3 Conversion Requirements

To implement a new GIS, the existing BHI database will need to be converted. This should be done with as little lost GIS use time as possible. The Vendor shall be able to:

- Convert existing database into vendor's database format
- BHI should be able to continue working while vendor is converting database or developing the database conversion – please describe; alternatively want GIS software to provide viewing and editing of the old GIS software database while data/maps are being converted? What formats of GIS database data can the GIS software import?
- Convert existing land base into new proper coordinate based system
- Convert BHI's existing symbol set
- Convert BHI's existing business rules or provide training how to quickly duplicate them using vendors tools.

5 Instructions to Suppliers

5.1 Response Requirements

1. Responses shall be sent via email to Richard Ganton at richardg@aesi-inc.com
   - Respond to the project and technical requirements described in section 4
   - Provide marketing brochures describing your organization and setting out information about your product offerings including any relevant technical documentation
   - Provide a response to the questions in Section 6
   - Responses should be delivered no later than **10 December, 2007**
2. Contact Richard Ganton at richardg@aesi-inc.com should you have any questions

6 Questions to Suppliers

Question	Response
Company name Parent company	
Company address	
Name of person responsible for the information contained in response	
Telephone number Facsimile number Email address Web page	
Initial year of operations	
Company location: Corporate office Local offices Other office	
Total number of installations of the version of the software being proposed. Have you supplied to customers in a similar industry, with a similar growth profile that would act as a reference site for you? Have you supplied the solution to electric utilities in Ontario/Canada?	
Describe any third party alliances/relationships	
Are there any anticipated mergers or acquisitions pending?	
What documentation is provided for the software / system?	
Was your software written by your organisation or acquired from a third party?	

Burlington Hydro Inc.
Response to Interrogatory from School Energy Coalition
Question 9

Question:

Ref: Exhibit 2/Tab 4/Schedules 2-8

Please provide, for all multi-year projects in excess of the materiality limit of $156,000 in total:

a. The multi-year actual and forecast spending, by year.

b. The original project budget approved by the Applicant, and any amendments to it.

c. Any business case or other justification for the project, including any presentations on which approval was based.

Response:

See attached tables for actual and budget costs, as well as project justifications.

Response to Interrogatory from School Energy Coalition
Question 9

PROJECT DESCRIPTION	2004		2005		2006		2007		2008		2009		2010		2011		2012		TOTAL	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
Project Name: **UPGRADE OF RELAYS TO SOLID STATE DPU RELAYS**	$72,000	$50,828	$72,000	$32,749	$25,000	$24,778	$5,000	$4,745	$80,000	$32,303	$80,000		$80,000		$80,000		$80,000		$574,000	$145,403
Business case: The purpose of the circuit breaker relay is to signal the circuit breaker to operate based on voltage and current settings. Upgrade of solid state relays is necessary to replace aging electro mechanical systems. The solid state DPU relay will benefit the distribution system by improving performance and realibility with limited maintenance activities.																				
Project Name: **GIS (GRAPHICAL INFORMATION SYSTEM) MAPPING SYSTEM**							$0	$8,561	$350,000	$191,963	$650,000		$125,000		$50,000		$50,000		$1,225,000	$200,524
Business case: The current GIS has a closed proprietary architecture unlike the open platform of newer GIS products. Over the years the system has been troublesome and inefficient due to insufficient capability or lack of functionality to perform tasks required for yearly maintenance, perform line traces for the purpose of creating data files to populate an outge managment system, unable to interface with other software modules due to proprietary restrictions. The new open geo-spatial software will provide improved asset managment system in order to track massive volume of asset data which will be used to justify, plan and prepare capital budget and long term asset plan. The enhanced functionality offered by new GIS will greatly facilitate the time spent to prepare the necessary work orders and reduce the time charged towards the maintenance programs.							unbudgeted													
Project Name: **RTU UPGRADE (SURVAILENT SCOUTS)**											$25,000		$60,000		$60,000		$60,000		$205,000	$0
Business case: The upgrade of the station RTU's to the latest Surveilant technology, Scout motherboard, provided improved realibility in communication from station to the Burlington Hydro's control room. The conversion to protocol DNP3 from the old less reliable QPLH technology provided increased memory capacity, faster more efficient performance, less hardware and requires less maintenance.																				
Project Name: **POLE REPLACEMENT PROGRAM**	$350,000	$235,779	$350,000	$84,859	$350,000	$329,057	$350,000	$302,191	$500,000	$550,855	$720,000		$700,000		$510,000		$600,000		$4,430,000	$1,502,741
Business case: Burlington Hydro's annual asset preventative maintenance program aims to replace hydro poles found to be l poor condition as deemed by a comprehensive pole testing program. Each year Burlington Hydro outsources pole testing expertise to test approximately 1200 poles systematicaly throughout the City.																				
Project Name: **SCADAMATE PROGRAM**	$500,000	$666,703	$400,000	$527,934	$400,000	$296,957	$400,000	$439,076	$400,000	$583,334	$400,000		$400,000		$400,000		$400,000		$3,700,000	$2,514,004
Business case: The S&C SCADAMATE switch is designed for the 27.6kV system and provides remote operating and system monitoring features. The SCADAMATE switch also enables self healing of the distribution system by working together with other SCADAMATE switches to operate in teams to isolate the problem sections of a line while maintaining power to the majority of the customers all within a matter of seconds. Due to the configuration of the SCADAMATE switch and the weight each installation requires infrastructure improvements to accomodate the new equipment. The technical functionality requires programming to coordinate the operation settings with existing protective equipment to ensure proper coordination is achieved.																				
Project Name: **PALMER PRIMARY CABLE REPLACEMENT**	$500,000	$551,270	$500,000	$435,457	$0	$673													$1,000,000	$987,400
Business case: Burlington Hydro's annual primary cable replacement program targets underground subdivisions of vintage age where the primary cables are showning obvious signs of aging and degrading evident in the number of system faults due to cable failures.					unbudgeted															

PROJECT DESCRIPTION	2004		2005		2006		2007		2008		2009		2010		2011		2012		TOTAL	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
Project Name: **PCB COMPLIANCE - OIL TESTING**	$60,000	$164,528	$60,000	$40,690	$100,000	$90,214	$50,000	$60,610											$270,000	$356,042
Business case: Government regulations required identification off all transformers containing cooling oil with PCB's greater than 50 parts per million. The number of tested transformers were: overhead(1850), padmount (377) and vault (78).																				
Project Name: **RECOMISSIONING OF VARIOUS SUBSTATIONS**			$100,000	$107,506	$100,000	$103,447	$130,000	$115,107	$130,000	$175,356	$130,000		$140,000		$140,000		$140,000		$1,010,000	$501,416
Business case: Re-commissioning of 6 transformer substations is an integral part of Burlington Hydros's 5 year inspection program to ensure compliance with the Provincial Electrical Safety Authority and Government Regulation. Re-commissioning entails inspection for repairs or improvements to critical power distribution equipment. Preventative maintenance of substation equipment equates to reliable power supply to customers.																				
Project Name: **SCADA SYSTEM UPGRADE**					$60,000	$12,168	$80,000	$241,961	$100,000	$233,576									$240,000	$487,705
Business case: The old SCADA system was DOS based and wasn't supported anymore by supplier forcing us to upgrade to WINDOWS version of SCADA and get full support. This project also included upgrade of control room overhead monitors and workstations.																				
Project Name: **LEAD CABLE REPLACEMENT**			$0	$110,772			$0	$83,669											$0	$194,441
Business case: A number of the vintage distribution stations have lead cables for the 27.6kV supply. These lead cables have served their purpose and are now deemed an environmental risk while in service and especially at the time of the failure. The lead replacement program involved completing the replacement of the lead cables at substations that had lead cable.			unbudgeted				unbudgeted													
Project Name: **PCB TRANSFORMER REPLACEMENT PROGRAM**							$125,000	$38,366	$200,000	$528,448	$500,000		$200,000		$200,000		$200,000		$1,425,000	$566,814
Business case: Following Burlington Hydro's transformer oil sampling and testing program, Burlington Hydro implemented a transformer replacement program to replace PCB transformers containing specified levels of PCB's in accordance with OEB regulations.																				

PROJECT DESCRIPTION	2004		2005		2006		2007		2008		2009		2010		2011		2012		TOTAL	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
Project Name: **MTO PROJECTS**									$0	$34,093	$675,000								$675,000	$34,093
Business case: Each year there is a number of Ministry of Transportation (MTO) projects which involves Burlington Hydro assistance by relocation of our existing hydro overhead lines or underground systems.									unbudgeted											
Project Name: **BUTYL INSULATED CABLE REPLACEMENT PROGRAM**											$50,000		$50,000		$50,000		$50,000		$200,000	$0
Business case: This proactive Burlington Hydro's program targets old 5kV underground primary cables having butyl conductor insulation which inherently becomes brittle over time and ultimately fails. Burlington Hydro's design practice today is to over insulate by using 15kV primary cables in 4kV area resulting in improved realibility.																				
Project Name: **CITY PROJECTS**											$315,000		$740,000		$500,000		$500,000		$2,055,000	$0
Business case: Each year there is a number of City Of Burlington projects which involves Burlington Hydro assistance by relocation of our existing hydro overhead lines or underground systems.																				
Project Name: **REGION PROJECTS**											$1,465,000		$300,000		$200,000		$200,000		$2,165,000	$0
Business case: Each year there is a number of Halton Region projects which involves Burlington Hydro assistance by relocation of our existing hydro overhead lines or underground systems.																				

Question Date: November 3, 2009
Response Date: November 20, 2009

Burlington Hydro Inc.
Response to Interrogatory from School Energy Coalition
Question 10

Question:

Ref: Exhibit 2/Tab 4/Schedule 9/page 1

Please prepare a table setting out the actuals for each of 2006 through 2008, the forecast for 2009, and the budget for 2010 through 2012, all in the format of, and using the categories in, the table on this page.

Response:

Actual 2006-2008 Expenditures, Budget 2009, Forecast 2010-2012								
Project Name	**2006**	**2007**	**2008**	**2009**	**2010**	**2011**	**2012**	**OEB Accounts**
Buildings	60,728	250,208	570,198	455,000	430,000	455,000	455,000	1808; 1908
Substation Equipment	144,824	718,499	346,640	277,500	357,500	419,000	422,000	1820
Underground Distribution	1,455,802	2,353,812	2,904,573	5,687,300	3,540,300	1,375,000	1,250,000	1830; 1835; 1855
Overhead Distribution	3,168,781	3,355,585	4,776,381	3,947,700	3,666,700	4,545,000	4,400,000	1840; 1845; 1855
Transformers	2,019,119	1,704,860	2,217,733	2,100,000	1,800,000	1,200,000	1,200,000	1850
Meters	601,380	372,826	45,418	719,500	935,000	580,000	585,000	1860
Tools - Overhead	3,653		3,012	15,000	15,000	15,000	15,000	1940
Tools - Underground	8,714	6,588	3,672	12,000	10,500	12,500	12,500	1940
Tools - Station Maintenance	15,888	74,447	13,141	25,000	25,000	25,000	25,000	1940
Tools - Meter			16,740	14,600	13,000	14,000	13,500	1945
System Supervisory Equipment			106,150	125,000	160,000			1980
Roling Stock	160,397	273,640	102,055	455,000	185,000	175,000	340,000	1930
Office Equipment	68,126	21,758	7,663	77,900	128,100	38,000	38,000	1915
Computer Hardware & Softwar	207,783	240,067	308,859	735,000	270,000	120,000	170,000	1920; 1925
Contributions and Grands	(3,034,454)	(2,244,428)	(1,644,982)	(6,200,000)	(2,700,000)			1995
TOTAL	**4,880,740**	**7,127,864**	**9,777,253**	**8,446,500**	**8,836,100**	**8,973,500**	**8,926,000**	

Question Date: November 3, 2009
Response Date: November 20, 2009

Burlington Hydro Inc.
Response to Interrogatory from School Energy Coalition
Question 11

Question:

Ref: Exhibit 2/Tab 6/Schedule 1

With respect to the Asset Management Strategy

a. Please identify the date of the report, the author, the process under which it was developed, and any consultants that were employed. If any consultant reports were provided relating to this strategy, please file those reports.

b. Page 4. Please confirm that this strategy only deals with the primary system. Please advise the Applicant's asset management strategy for its secondary system, together with any documents relating to that strategy.

c. Page 5. Please file the most recent Master Plan.

d. Page 8. Please confirm that GridSmartCity is a trademark of, and program of, the unregulated affiliate BESI. Please provide a detailed description of the extent to which the Asset Management Strategy includes BESI as well as the Applicant. Please describe the GridSmartCity program and the Applicant's involvement in it, including any expenditures in or prior to the Test Year relating to that program.

e. Page 9. Please provide the most recent Capital Investment Plan, including both short term and long term components. If the most recent approved plan is no longer being followed, please file it, together with whatever amended, draft, or modified plan is being followed.

Response:

a) The author of the Asset Management Strategy document is Neil Sanford of AESI (Acumen Engineering Solutions International Inc.). The document was originally drafted in 2008 and completed in 2009. The document outlines the methodical approach Burlington Hydro is taking in developing an effective asset plan seen through the many avenues such as the upcoming GIS implementation, the asset field audit and survey, and the ongoing predictive maintenance and preventative maintenance programs. The industry generally speaking has always strived to manage their assets through manual systems of collection and storage. Thunder Bay Hydro has given rise to a more advance asset inspection and record keeping program which leverages current technologies. Burlington had decided to embark along the same path to develop an asset strategy to enhance the current practices. The asset plan will result in detailed inspection reports and equipment status data providing evidence of regulatory compliance and accountability as is expected by the rate payers.

b) The asset management strategy in intended to encompass the entire system through the inspection programs. Failures on the primary system are being tracked, however, the capability to track all cable failures on the distribution system will become the practice upon following the implementation of the new GIS. Looking forward the cost to replace the secondary system would

far outweigh the cost of replacing the primary cables. Escalation in cable rebuild costs will be significantly higher than the current value.

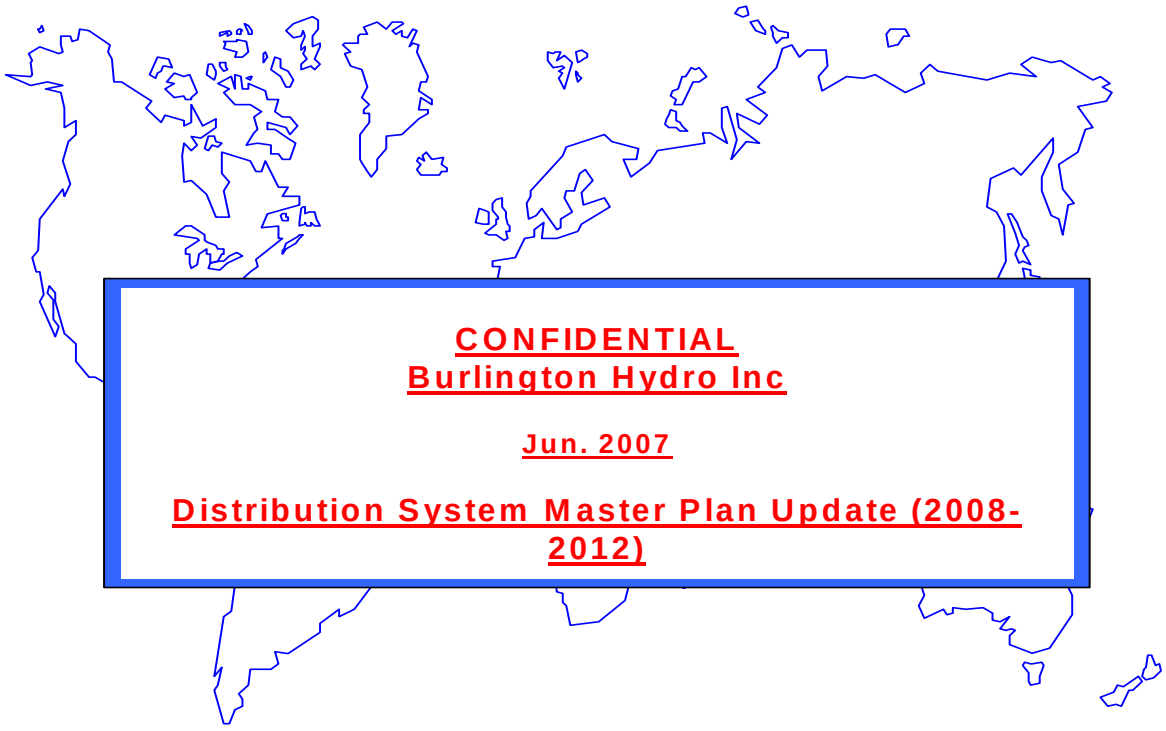
c) Please see the attached Master Plan.

d) GridSmartCity Trademark:

1. GridSmartCity is a trademark of the holding company Burlington Hydro Electric Inc (BHEI).
2. The asset management strategy does not include perview of the assets of Burlington Electricity Services Inc (BESI) which is an unregulated affiliate.
3. GridSmartCity is a brand that is owned by BHEI and managed by BESI that has been established in support of the Green Energy Act and the direction that piece of legislation is taking the industry. To date, GridSmartCity expenditures have taken place in the unregulated affiliate BESI.

e) The most recent capital investment plans are included in the BHI Board package at the response to Schools question 3

AESI Acumen Engineered Solutions International Inc.



CONFIDENTIAL
Burlington Hydro Inc

Jun. 2007

Distribution System Master Plan Update (2008-2012)

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Appendices

Burlington Hydro Inc.

Distribution System Master Plan Update

Executive Summary

This update presents a high level review of the progress from the original 2005 Distribution System Master Plan (2006 – 2010). It confirms activities and practices that have been advanced within the annual capital and maintenance programs. It also identifies recommendations from BHi's recent annual performance review and provides the foundation for an updated 5 year Capital Budget Forecast. This is presented in Appendix 1.

It also reviews the original conclusions and recommendations and adds commentary on the status of each item. Many of these have progressed well others remain open for consideration within the constraints of the annual budgeting process.

BHI's operational priorities remain to serve the growth of the community, customer expectations for reliability, environmental responsibility and to advance opportunities for improved performance and loss minimization. It continues to take advantage of advancements in distribution technology and maintenance practices to enhance its overall performance while being open to critical evaluation of its progress.

1. Introduction

In 2005 a Distribution System Master Plan (2006 – 2010) was prepared for BHI. The plan presented a high level overview of all aspects of the distribution system with recommendations for 5 year capital and maintenance priorities. A summary of recommendations contained within the plan was also included. This report is intended to review the progress on these recommendations and to develop an updated 5 year Capital Budget Forecast.

2. 27.6 kV Supply Arrangements

The supply capacity, form Hydro One has continued to be a primary concern but some relief has been achieved by negotiating the supply of 2 additional feeders, from Bronte TS. Hydro One will also be installing a new bus-tie arrangement to its original transformer station; this will reinforce the reliability of these supplies. The line extensions, through Oakville are being designed in 2007 with construction and energization planned for 2008. Load growth is continuing in north east Burlington and transformer station capacity will still become a problem that will need to be addressed in cooperation with Milton Hydro and Oakville Hydro. These projects are considered within the 5 Year Capital Program.

BHI has continued its investment in remotely motor-operated 27.6kV switches and also introduced an automatic switching scheme for some of its high priority feeders. This program will continue within the capital budget process.

3. Annual Strategies

3.1 Capital Programs

BHI's annual capital program addresses the on-going requirements to accommodate growth while maintaining a balance of investment in the upgrading, rebuilding and refurbishment of the distribution system. New priorities have also been established and capital budgeting will also include provision for Smart Meters, a Geographic Information System and upgrades to the office and operations building.

A new 5 Year Capital Budget Forecast is included in Appendix 1.

3.2 Maintenance Programs

BHI has the following established preventative maintenance programs that are typical and consistent with the practices of other Local Distribution Companies.

- Wood Pole testing
- Insulator Washing
- Infrared Thermography (Overhead System & Substations)
- Cleaning of Switching Cubicles
- PCB Testing of Distribution Transformers
- Tree Trimming

The activity and results of these programs are contained within BHI's annual system performance report. For 2006 this included recommendations to at least maintain these initiatives but also, in some cases, to accelerate the activities.

3.3 Ontario Regulation 22/04 Electrical Distribution Safety

BHI has now received two annual audits for compliance with this regulation. In both cases no non-conformances were indicated with some minor opportunities for improvements. The Electrical Safety Authority (ESA) has also carried out occasional due diligence inspections with no significant issues identified. The annual Declaration of Compliance has also been filed with the ESA, in accordance with the regulation.

3.4 Conditions of Service

BHI completed an update to its Conditions of Service, effective January 1, 2007. This reflected a number of regulatory and business changes since the last revision in 2004.

4. Substation Capacities

The loadings on BHI's municipal substations have not increased significantly as new load is generally added directly to its 27.6 kV distribution system.

A situation where limited back-up capability exists, on the 4.16 kV system, between Mount Forest MS and Brant MS had previously been identified as a concern. A plan to alleviate this situation by a series of voltage conversions was recommended within the 5 year planning process. This plan has not progressed and was reviewed in the 5 Year capital budgeting process. An alternative option to provide a new 4.16 kV back-up circuit across the QEW highway has now been included in the 5 Year Capital Budget Forecast.

5. Feeder Redundancy (4.16 kV & 13.8 kV)

The 4.16kV and 13.8 kV systems have been established for many years with an integrated network of feeders that provides redundancy and flexibility in the event of a loss of any station feeder. The use of looped underground circuits and radial overhead circuits is consistent with the design of typical North American distribution systems. There have been no recent, significant changes to these BHI systems.

6. Station Redundancy

BHI plans annual inspections and a complete station overhaul every 5 years to maintain the performance and reliability of these very important assets. The limitations on back-up capabilities for Mount Forest MS and Brant MS are noted above. There is also the loading concern on Hampton MS under heavy load conditions; this has also been recommended for consideration as a voltage conversion project within the 5 Year Capital Budget Forecast.

7. Feeder Unbalance

There are a number of poorly balanced feeders within BHI's 4.16 kV system and at one 13.8 kV station (Lowville MS). A concerted effort by both engineering and operations is required to confirm the status of these situations and to prepare a program for improvement.

8. Voltage Conversions

Potential candidates for voltage conversions have been noted above and recommended for considerations i.e. reduce loadings on Mount Forest MS and Brant MS, and the Lakeshore Road apartments supplied from Hampton MS.

The owners of Appleby Plaza have not progressed with reconstruction plans therefore this potential voltage conversion has been postponed.

9. New Growth Areas

BHI has made system plans to accommodate the new growth in north east Burlington. The additional feeders from Bronte TS and consideration for new TS capacity confirm this priority.

New growth in older areas such as the downtown/lakeshore neighbourhood presents more of a challenge in servicing high density developments from the underground distribution system. BHI is preparing for and constructing new expansions to its 27.6 kV system to supply these new developments.

10. Future Technology Applications

BHI has recognized that its Geographic Information System (GIS) is the foundation for many of its future technology applications. Its current GIS system will place limitations on many of these strategies; therefore a review and evaluation of suitable GIS products is underway. The 5 Year Capital Budget Forecast includes provision for a new system. This selection will then allow for the development of new technology applications such as Outage Management Systems (OMS) and Interactive Voice Response (IVR).

The corporate Information Technology (IT) strategic plan has been progressing and will have to be refined into a timely implementation process once the new GIS system has been confirmed.

BHI is in the process of upgrading its SCADA system and integrating its real time data from Hydro One's Barrie Control Centre. The upgrade work will continue into 2008.

11. Risk Minimization

It was not intended that this item would cover the full spectrum of corporate risk but rather to note any obvious operational items that could be readily identified to minimize liability and prevent public exposure to hazardous situations. In 2006 BHI appointed a Manager - Health, Safety & Environment, this appointment is a valuable addition to the staff and is assisting risk minimization activities, particularly in the day-to-day operations of the utility.

12. Emergency Preparedness Plan

This approved plan is practiced, and updated annually to comply with the Independent Electricity System Operator's (IESO) requirements. It is also integrated with the Emergency Plans of the City of Burlington and recently includes a new section to address a potential pandemic.

13. Load Transfers

The Ontario Energy Board (OEB) recently introduced an amendment to Section 6.5 - Load Transfers, of the Distribution System Code. Load Transfer arrangements are now approved for continuance until January 31, 2009. However, as a geographic distributor, BHI is required to file with the Ontario Energy Board, an implementation plan for eliminating its existing load transfer arrangements by December 31, 2007. The plan is under development and requires consultation and cooperation with Hydro One, Horizon Utilities Corp, (formerly Hamilton Hydro) and Milton Hydro.
The preliminary planning has identified several solutions and funds are allocated within the 5 Year Capital Budget Forecast.

14. Recommended System Improvements

The capital and maintenance budgeting process provides opportunities for valuable input for system improvements. Suggestions are presented by engineering and operations staff and address performance issues that have arisen throughout the previous year. These have been evaluated, prioritized and incorporated into the 5 Year Capital Budget Forecast or included into revised maintenance recommendations.

15. Wholesale Metering

A previous concern regarding the documentation of the Hydro One instrument transformers at Cumberland TS has not yet been resolved to the satisfaction of Measurement Canada. This issue is being pursued by BHI to eliminate the very costly change out solution.

16. 5 Year Capital Priorities

As in previous years a 5 Year Capital Budget Forecast has been carefully developed recognizing the balanced needs of new growth customers, the reliability obligations to existing customers and any new initiatives of the provincial government. Items have been identified from this planning process and from the 2006 Performance Report. The results are incorporated into the 5 Year Capital Budget Forecast.

17. 5 Year Maintenance Recommendations

The maintenance programs, noted in section 3.2 are well established, however the 2006 system Performance Report makes a number of recommendations for increased priorities on wood pole replacement, identification and replacement of PCB contaminated transformers, a vault washing program and increased attention to tree trimming in rural areas.

BHI's current practices also cover many of the specific inspection requirements of Section 4.4 of the Distribution System Code; however the documentation of the inspections should be reviewed particularly the completion and submission of the Annual Inspection Summary Report.

18. Conclusions and Summary of Recommendations

The original 2005 Distribution System Master Plan included the following non-prioritized summary of conclusions and recommendations. For reference an updated commentary on the status of each item is shown in ***(italics).***

1. Finalise the plan to address the Transformer Station capacity concern as presented in the November 2004 study of Long Range Supply Station Options. ***(Progress has been made with the securing of 2 additional 27.6kV feeders from Bronte TS and the continuing dialogue with Hydro One on a new TS, in north east Burlington.)***

2. Continue the practice of supplying new growth directly from the 27.6 kV distribution system wherever possible. ***(This is the approach and practice.)***

3. Follow through with the implementation of the suite of modules within the Trouble Call Management system. ***(This is progressing with a new server being installed for call handling reliability and the Outage Management System to come online in 2007.)***

4. Finalize the development of a "Condition Sheet" to be applied during all routine maintenance activities with the collection and summary of information in a maintenance database. Coordinate these activities with the equipment inspection requirements of the DSC to minimize any duplication of effort. ***(This item should be encouraged and revisited as part of the maintenance management aspect of the corporate IT strategic plan.)***

5. Ensure the minimum inspection requirements of the DSC are being completely addressed. ***(This should be confirmed, ref. section 17, above.)***

6. Develop the strategy for the implementation of automatic switching between 27.6 kV feeders with an emphasis on critical customers and expectations for superior reliability. ***(This has progressed well and continues to be committed in the 5 Year Capital Budget Forecast.)***

7. Continue to identify overloaded distribution transformers, introduce a schedule to revisit estimated overloads in excess of 40% and to upgrade any units with estimated overloads in excess of 100%. ***(This maintenance regimen was introduced in 2007.)***

8. Continue with the application of fault indicators on the 13.8 kV system and promote their usage as an instrument to increase reliability. ***(Overhead fault indicators have been specified and ordered.)***

9. Introduce a program to install lightning arresters at all "open points" on underground systems, on "dead ends" through out the overhead system and to investigate the Isokraunic Levels within the Burlington area, with a view to prioritizing further lightning arrester applications. ***(Installation of additional surge protection will proceed following completion of fuse coordination recommendations.)***

10. Work closely with the City of Burlington to ensure that high standards for tree clearances are not compromised in any situations where reliability could be at risk. ***(The adequacy***

of tree trimming standards has been an issue, particularly in rural areas and is receiving renewed attention.)

11. Initiate a pilot program, on a sample basis to use infra-red scanning to assess the likely incidence of hot-spots at submersible or pad-mounted transformer installations. Priority should initially be placed on the older installations to evaluate any correlation with transformer age. ***(Technology exploration is being investigated. Some pilot work has been completed within BHI's substation network.)***

12. Continue with the current pole testing program and allocate $100,000 - $150,000 per year for rebuilding of higher risk crossing installations based on the priorities of the annual testing. Pay particular attention to the integrity of the 4.16 kV crossing of the QEW supplying back-up to Mount Forest M.S. ***(These items have been given attention in the 5 Year Capital Budget Forecast.)***

13. Introduce a submersible vault washing program to clean / inspect all vaults on a 3 year cycle and install sump pumps on selected older vault installations where there are no ties to storm sewers. ***(Sump pumps have been installed along Upper Middle Road and there are plans for additions. Vault washing is planned to be incorporated into the 2008 maintenance budget.)***

14. Consider a one-time pre-audit in the fall 2005 to ensure reasonable compliance with Ontario Reg. 22/04. ***(This was completed and BHI has been receiving satisfactory audits as noted in section 3.3 above.)***

15. Prepare for the implementation of BHI's Conservation and Demand Management Plan; this should include elements for system optimization, improved phase balancing, voltage conversions and the installation of capacitor banks. Opportunities for design and system improvements to reduce costs and enhance system reliability should also be considered e.g. the use of the DESS Protection and Control module to review protection and coordination applications. ***(A CDM plan was implemented that included opportunities for system improvements.)***

16. Place a strong emphasis on phase balancing within the design process for new loads and any instances where the distribution system is re-configured. ***(This has been confirmed within the design process. Existing situations of poor phase balance still require attention.)***

17. Develop a corporate business/technology strategic plan by identifying business requirements utilizing appropriate technologies. All BHI departments including Information Technology, Customer Service and Finance should contribute to this vision, in joint sessions. ***(Strategies have been developed but not formally summarized, in a plan. Selection of a GIS product as noted in section 10 above is critical to an implementation.)***

18. Perform random site inspections to confirm the use of appropriate safety signage and tamperproof security mechanisms, at equipment locations and substations. Reinforce the need for continual diligence where public safety is a concern with all BHI outside staff and contractors. Equip crews with replacement signage for immediate upgrading whenever potential hazards are identified. ***(Safety signage, at substations, has been reviewed and replaced, where necessary. A program to check tamperproof security mechanisms and safety signage at equipment locations is in progress.)***

19. Review the status of all Load Transfer arrangements and initiate discussions with the neighbouring utilities to resolve the issue by May 1, 2007. ***(As noted in section 13***

above this has been initiated in accordance with the amended OEB timeline and funds are allocated within the 5 Year Capital Budget Forecast*.)*

20. Follow up with a process to secure the necessary Measurement Canada approvals for the current transformers, at Cumberland T.S., to eliminate the need for change outs. ***(As noted in section 15 above, this is being pursued by BHI.)***

21. Prepare annual updates to the Five Year Planning Priorities Forecast including a review of the capital financing parameters. ***(This is an update.)***

Burlington Hydro Inc.
Response to Interrogatory from School Energy Coalition
Question 12

Question:

Ref: Exhibit 2/Tab 6/Schedule 2

Please identify the date of the report, the author, the process under which it was developed, and any consultants that were employed. If any consultant reports were provided relating to this report, please file those reports.

Response:

The author of the 2008 System Performance Report is Neil Sanford of AESI (Acumen Engineering Solutions International inc.) hired by BHI to prepare. The date of the final draft was March 12, 2009, and the report was copied for distribution list and issued in March 2009. The document is created yearly to summarize the distribution systems feeder history and system performance for the purpose of providing direction and support for prioritizing capital and maintenance projects. The data for the report is provided by Burlington Hydro's control room centre where all the events are tracked and recorded in a data base and then submitted to the consultant for compiling and injecting system analysis and recommendations based on the data.

Burlington Hydro Inc.
Response to Interrogatory from School Energy Coalition
Question 13

Question:

Ref: Exhibit 3/Tab 2/Schedule 1/page 4

Please provide year to date actual and normalized volumes and customer numbers by rate class.

Response:

The following table provides year-to-date actual volumes (including an estimate for unbilled) and customer/connection numbers:

Customer Class	Number Customers/ Connection (at Oct. 31/09)	2009 Distribution Volume (to Sept. 30/09)
Residential	57,328	409,594,903
GS < 50 kW	4,970	138,500,225
GS >50	975	687,625,691
Street Lighting	14,457	6,907,821
USL	589	701,877
Total	**78,319**	**1,243,330,517**

Burlington Hydro does not have a process to weather normalize actual data. As a result, the year to date normalized volumes have not been provided.

Question Date: November 3, 2009
Response Date: November 20, 2009

Burlington Hydro Inc.
Response to Interrogatory from School Energy Coalition
Question 14

Question:

Ref: Exhibit 4/Tab 1/page 2

Please file the presentation made to the Board of Directors in the fall of 2008, together with any supporting materials provided to the Board at that time.

Response:

In 2008 Burlington prepared a 2009 detailed and 2010 preliminary budget. Only the 2009 budget was presented and approved by the Board. The 2010 budget was presented to the Board in the fall of 2009 and these materials are included in response to Schools question 4.

Burlington Hydro Inc.
Response to Interrogatory from School Energy Coalition
Question 15

Question:

Ref: Exhibit 4/Tab 2/Schedule 1

With respect to the Description of OM&A Expenses:

a. Please identify each category of assets that is operated on a "run to failure" basis, including but not limited to pole-mounted transformers, secondary system, etc. For each category operated on that basis, please provide any formal analysis on which that decision was based.

b. Page 5. Please provide the standard overhead percentages for Engineering and Materials, and the standard hourly cost for Vehicles, for each of the Bridge and Test Years, together with any memorandum, spreadsheet, email, or other documentation describing or supporting the calculation of those amounts.

c. Page 7. Please advise whether the meter reading contractor also reads water meters or does any other non-utility work while engaged in the Applicant's work. If so, please provide the contract between the Applicant and the meter reading contractor, as well as any contracts between any affiliate of the Applicant (or any other related party) and the meter reading contractor.

d. Page 7. Please advise whether the Customer Service group carries out any customer service or collections activities for any affiliate or for the City of Burlington or the Region of Halton. If so, please provide details including allocation of costs.

e. Page 8. Please provide the year to date bad debt expense. Please explain why the Applicant expects the high bad debt experience in 2008 to recur in 2009 and 2010.

Response:

a) Burlington Hydro has no run to failure as interpreted (run to failure is interpreted as equipment that will remain in service until failure without any due diligence exercised by the utility to inspect the assets on a routine basis through an asset management plan or maintenance program). Burlington Hydro in combination with our asset management plan comply with the OEB Distribution System Code to perform cyclical equipment inspections and repairs/replaces equipment as required.

b) The standard overhead percentages for Engineering and Materials for 2009 and 2010 are as follows:

	2009	2010
Engineering	11.450	12.517
Material	11.887	12.021

The standard hourly costs For Vehicles are as follow:

	2009	2010
Pickups	$19.00	$19.00
Vans	$11.00	$11.00
Derrick Trucks	$33.00	$33.00
Trucks over 55’	$60.00	$60.00
Trucks Under 55’	$26.00	$26.00
Dump Truck	$75.00	$75.00

The standard hourly cost per vehicles for the Bridge (2009) and the Test (2010) years was the 2008 estimated hourly costs.

The attached spreadsheets support the calculation of these amounts.

MATERIAL HANDLING RATE - 2009

EARNINGS TYPE	CONTROL	STATIONS	CONST.	METERS	FLEET	TOTAL	HANDLING
Material	1,560.00	64,630.00	223,988.00	12,000.00		302,178.00	35,919.83
Capital		85,138.00	2,725,709.00	109,370.00		2,920,217.00	347,125.54
Billable			151,095.00			151,095.00	17,960.63
TOTAL	1,560.00	149,768.00	3,100,792.00	121,370.00	0.00	3,373,490.00	401,006.00
		TOTAL STORES TO BE DISTRIBUTED				401,006.00	
		MATERIAL HANDLING RATE FOR 2009				11.887%	

ENGINEERING OVERHEAD RATE - 2009

EARNINGS TYPE	CONTROL	STATIONS	CONST.	METERS	FLEET	CONTRACTED LABOUR	TOTAL
Total Maintenance	855,018.00	976,378.00	3,821,303.00	485,058.00	0.00		6,137,757.00
Capital			5,141,792.00				5,141,792.00
Billable			281,006.00				281,006.00
Other				43,301.00		3,241,591.00	3,284,892.00
TOTAL	855,018.00	976,378.00	9,244,101.00	528,359.00	0.00	3,241,591.00	14,845,447.00
		TOTAL ENGINEERING OVERHEAD TO BE DISTRIBUTED					1,699,745.00
		ENGINEERING RATE FOR 2009					11.450%

MATERIAL HANDLING RATE - 2010

EARNINGS TYPE	CONTROL	STATIONS	CONST.	METERS	FLEET	TOTAL	HANDLING
Material	1,591.00	65,922.00	228,468.00	12,000.00		307,981.00	37,023.41
Capital		105,925.00	2,737,007.00	140,157.00		2,983,089.00	358,606.96
Billable			151,095.00			151,095.00	18,163.63
TOTAL	1,591.00	171,847.00	3,116,570.00	152,157.00	0.00	3,442,165.00	413,794.00
		TOTAL STORES TO BE DISTRIBUTED				413,794.00	
		MATERIAL HANDLING RATE FOR 2010				12.021%	

ENGINEERING OVERHEAD RATE - 2010

EARNINGS TYPE	CONTROL	STATIONS	CONST.	METERS	FLEET	CONTRACTED LABOUR	TOTAL
Total Maintenance	873,501.00	1,045,568.00	3,901,219.00	500,349.00	0.00		6,320,637.00
Capital			5,409,713.81				5,409,713.81
Billable			283,706.91				283,706.91
Other				45,240.91		2,329,473.00	2,374,713.91
TOTAL	873,501.00	1,045,568.00	9,594,639.72	545,589.91	0.00	2,329,473.00	14,388,771.63
		TOTAL ENGINEERING OVERHEAD TO BE DISTRIBUTED IN 2010					1,801,025.00
		ENGINEERING RATE					12.517%

VEHICLE TOTAL COSTS				
FOR THE YEAR 2008				
TYPE	YEAR	COSTS	USEAGE	RATE
Pickups	2008	60,001.70	4,147.00	19.00
Vans	2008	110,999.49	10,124.10	11.00
Derrick Trucks	2008	151,049.29	4,677.50	33.00
Trucks over 55'	2008	64,731.02	1,574.50	60.00
Trucks Under 55'	2008	149,511.03	8,055.50	26.00
Dump Truck	2008	13,930.51	138.50	75.00

c) Burlington Hydro confirms that the meter reading contractor also reads the water meters and does not perform other non-utility work while engaged in Burlington Hydro's work. Burlington has provided a copy of the meter reading contract to the OEB Board Secretary with a request that it remain confidential.

d) The Customer Service group carries out customer service and collection activities relating to water billing services for its affiliate.
Some of the activities are:

-Process Bill payments
-Set up and maintain Customer Accounts
-Answer customer queries.
-Monitor customer accounts
-Collect accounts in arrears

The allocation of the Customer Service costs to the affiliate is recorded in the response to Question No. 19 from the School Energy Coalition.

e) Please see response to Board Staff interrogatory 11.

Burlington Hydro Inc.
Response to Interrogatory from School Energy Coalition
Question 16

Question:

Ref: Exhibit 4/Tab 2/Schedule 4

With respect to the Cost Drivers exhibit:

a. Please provide a table showing the FTE's by department for each of the years 2006 through 2010.

b. Page 10. Please describe the role of the Regulatory and Conservation Analyst, and in particular the extent to which that person is responsible for programs sponsored by OPA or other bodies i.e. programs not funded through rates. Please advise any revenues received or anticipate to be received by the Applicant or any affiliate relating to the work of this person.

c. Page 16. Please describe the work that was done for the $117,614 of non-regulated activities, the positions/departments that did the work, and the adjustments to costs implemented or planned resulting from the reduced workload.

Response:

a. Please see the table below showing FTE's by department for each of the years 2006 through to 2010.

	Historical Year - 2006	Historical Year - 2007	Historical Year - 2008	Bridge Year 2009	Test Year 2010
Number of Employees (FTEs including Part-Time)					
Executive - CEO, VPs, Directors	6	6	7	7	7
Executive Assistant	1	1	1	1	1
Subtotal	7	7	8	8	8
Engineering & Operations					
Engineering	11	11	11	11	11
Construction	22	20	22	23	25
Station Maintenance	7	6	8	10	11
Control Room	6	7	7	8	8
Meter Department	5	6	6	6	6
Subtotal	51	50	54	58	61
Human Resources					
Human Resources	2.00	2.00	2	2.00	2.00
Finance & Admin					
IS	4.00	4.00	4	4.00	4.00
Billing	6.00	5.00	6	5.00	5.00
Regulatory	1.00	1.00	1	2.00	2.00
Accounting	5.00	5.00	5	6.00	6.00
Purchasing	4.00	4.00	4	4.00	4.00
Customer Service	10.00	10.00	9	9.00	9.00
Subtotal	30.00	29.00	29	30.00	30.00
Total FTE	**90**	**88**	**93**	**98**	**101**

b. The Regulatory and Conservation Analyst assists the Manager, Regulatory Affairs in various regulatory matters. In addition, they coordinate conservation initiatives that are both OPA funded and rate payer funded. Non-OPA funded initiatives include RESOP, FIT and microFIT which will become a larger portion of the Conservation and Regulatory Analyst's portfolio. Where costs have been recovered from the OPA related to this role, they have been used to offset the costs.

c. Most of the work that was done for $117,614 of non-regulated activities was for services provided by the administration, accounting, human resources, information services, customer services, billing, and purchasing departments. Included in the $117, 614 are building maintenance costs of $28,440 that were previously charged to the affiliate. Although the space is unoccupied these fixed costs have been charged to Account 5675 – Maintenance of General Plant. Some of the major duties performed by Burlington Hydro for the affiliate are listed:

- Administration: Short and Long term planning for the affiliate.
- Accounting: Prepare Financial Statements. Year- end Audit. Payables and Invoicing Data Entry. Print A/P cheques.
- Human Resources: Recruit staff. Manage Compensation and Benefits. Performance Appraisals Guidance. Joint Health and Wellness Program.
- Information Services: Programming requirements. Hardware and software maintenance.
- Customer Services: Process Invoice payments
- Billing: Print Invoices
- Purchasing: Process and print Purchase Orders

There were no adjustments to costs planned as a result of the reduced workload. No additional staff was hired by Burlington Hydro to provide these services to the affiliate and therefore there was no staff reduction when the services were discontinued. Many of the duties were carried out by non-union staff during unpaid overtime hours. Any excess time, if any, is currently being used by staff to work on the IFRS and other Government and OEB objectives.

Burlington Hydro Inc.
Response to Interrogatory from School Energy Coalition
Question 17

Question:

Ref: Exhibit 4/Tab 4/Schedule 1

With respect to Employee Compensation:

a. Page 2. Please file a copy of the current Incentive Compensation Plan, the current financial and other targets, and any communications to employees or any group of employees in the last twelve months describing that program or any changes to it.

b. Page 6. For each category in the table, please advise the number of expected retirements in each of the years 2010 to 2015, and the number of personnel currently in place, or planned for hiring in the Test Year, in anticipation of the retirements expected in those six years. Also, please provide the "longer term staffing analysis" referred to, if it is a separate document or study.

Response:

a. Please see attached incentive plan which includes the financial and other corporate targets. Employees are communicated to during department meetings explaining results and any changes that are made to the plan. Employees were also asked to set individual objectives with their managers using the attached form.

The current plan is under review by the Board Compensation Committee using Mercer an external consultant.

b. Please see attached longer term staffing analysis and that is used in consideration of succession planning. Also see attached studies from the Canadian electrical association regarding trades shortage. Below is the number of retirements and anticipated hires expected in 2010 to 2015:

# retirements	2010	2011	2012	2013	2014	2015
Trades	1	1		1	4	3
Supervisory		1		1	3	4
Clerical	1	1	1			2
Engineering/IT			1		1	
Total	**2**	**3**	**2**	**2**	**8**	**9**
# succession hires in trades	3	3	2	1	0	0
Replace retirement of other	1	1	2	1	4	6
Total Planned hires	**4**	**4**	**4**	**2**	**4**	**6**
Variance	**2**	**1**	**2**	**0**	**-4**	**-3**

Question Date: November 3, 2009
Response Date: November 20, 2009

Sample communications letter to employee

November 19, 2009

c/o Burlington Hydro Inc.
1340 Brant Street
Burlington, Ontario L7R 3Z7

Dear;

On behalf of the Board of Directors, I would like to thank you for a job well done in 2007. According to the Burlington Hydro Inc. incentive plan, three financial targets need to be achieved in order for the plan to activate. The year end financial results are as follows:

	Objective	**Result**
ROE	7.0%	7.7%
EBIT	$9.666	$10.756
FCF	$3.241	$4.831

All targets have been achieved and exceeded, which would not have happened without your excellent performance and dedication to Burlington Hydro Inc. Therefore, we are pleased to inform you that, incentive payments for 2007 have been approved by the Board of Directors.

As a result, your incentive compensation under the incentive plan for 2007 is $_____. This payment will be deposited to your account within a couple of business days and we ask that you keep this information confidential. Please also see the attached incentive plan statement that shows the rest of the corporate objectives achievements.

We are very pleased with the outstanding results and accomplishments of our Management Team and we look forward to future successes in the year ahead.

Sincerely,

David Collie,
President and CEO.

BHI Corporate Objectives results:

Must be achieved to activate plan

Objective	Result	Plan Generates	Maximum
1. ROE – 7.0%	7.7%	8.9%	20%
2. EBIT – $9.666	$10.756	15%	15%
3. Free Cash Flow – $3.241	$4.831	15%	15%
4. Call Handling – 65%	75%	10%	10%
5. Reliability – Exceed 3 yr avg.	Interruptions are down 25% over 3 yr avg.	10%	10%
6. Safety – 5 year rolling average	Lost time 5 yr avg. - 0.5 Non Lost time Frequency 5 yr avg. - 2.0	20%	20%
7. Cust. Served / Employee – 650	701	10%	10%
Total		**88.9%**	**100%**

Note: The above metrics are corporate results which affect your incentive compensation depending on your corporate rating. The plan is also based on your individual objectives results and your individual weighting for the plan.

Burlington Hydro Inc.

August 10, 2005

BHI Seven (7) Year Staffing Plan, Engineering and Operations Departments

Prepared by: Joe Saunders

References: Gerry Smallegange, Jennifer Smith, Engineering/Operations Managers and Supervisors.

Recommendation:

To follow a seven (7) year staffing plan, with hiring of apprentices and junior Engineers/Technicians/Technologists beginning in 2006. To return the Operations and Engineering staff levels to approximately 2000 levels.

To continue utilization of Contractors and Consultants to complement our workforce and ensure completion of the Capital and Operating budgets.

Staffing Plan:

Year	Staff Hiring	Department				
		Line	Meter	Control	Stat. Mtce	Engineering
2006	4	1	1	1	0	1
2007	5	2	0	1	1	1
2008	4	1	1	0	1	1
2009	3	1	1	0	0	1
2010	3	1	0	0	1	1
2011	3	1	1	0	0	1
2012	2	1	0	1	0	0

Conclusion:

The Engineering and Operations Departments have been experiencing a reduction in staff numbers since the mid 1990's, with a significant decrease in staffing levels starting in early 2000. When looking at the demographics of BHI Trades and Technical staff, along with the historical average that 1.7 employees leave BHI annually prior to retirement, the trending shows that all departments will see their staffing levels drop to unacceptable levels over the next seven (7) years.

This seven (7) year timeframe is significant since journeyperson status in all Trades include up to four (4) years of Trades schooling (approx. two (2) weeks per year) and 8,000 hours of on the job training. It takes seven (7) years for a Trades person to become fully competent in all aspects of the work performed.

The Engineering Technical staff typically comes to BHI with a post secondary education, but it takes a minimum of five (5) years to become fully competent in all aspects of the work.

With the customer and load growth experienced on a year-over-year basis coupled with the new legislative and automation requirements we face, it is becoming increasingly difficult to keep BHI on the Leading edge of technology, system reliability and customer service. These responsibilities are paramount to the Engineering/Operations group.

We have become increasingly reliant on contractors and consultants, which has worked well and enabled BHI to complete our Capital and Operating budgets, but there are areas within the organization where you cannot get qualified contractors (e.g Journeyperson Control Room Operators and Journeyperson Meter Technicians). In the Control Room we have had great difficulty covering the summer shifts for the past three (3) summers resulting in skyrocketing overtime and the Chief Operator required to perform the hands on duties of the Operators.

I believe it is important to have a combination of BHI staff and contractors/consultants. The staffing plan put forward would not eliminate the need for contractors/consultants, but it would reduce our requirements for their services.

Based on demographic data for BHI, it is recommended that the staffing to consist of apprentices and junior Engineers/Technicians/Technologists. It is also important to note that we do not allow apprentices to be on call until completion of 3rd year of school and apprentice Control Room Operators are not allowed on shift alone until their 3rd year and only after completing the Operators Training course.

As you will note on the enclosed graphs and tables, we are proposing to staff to what we see collectively as the minimum level, not the optimum level. The only exception is the Control Department where we feel it is necessary to staff to the optimum level to reduce overtime and ensure availability of staff to cover all shifts on a 24hr x 365days/year basis.

BHI requires minimum levels of staff to cover standby. As you know, we historically have four (4) staff on standby in the Operations group (2-Lines, 1-Station Maintenance, 1-Meter). In recent years we have lowered our standby staff numbers to three (3) for half the year since there are only three (3) staff in the Meter Department. This is a trend that should not continue. We would have great difficultly having contractors assist with standby duties since it requires many years working on the BHI system to become familiar with it.

The staffing plan put forward would see our Trades and Technical staffing levels brought back to approximately year 2000 levels and this would be achieved over a seven year staffing period.

Supporting Data:
The next several pages illustrate a department by department breakdown of both the actual and estimated staffing levels in comparison to either the system peak load or the number of customers served.

Graph #1: Line Department, Actual and Estimated Staffing Data vs. System Peak Load

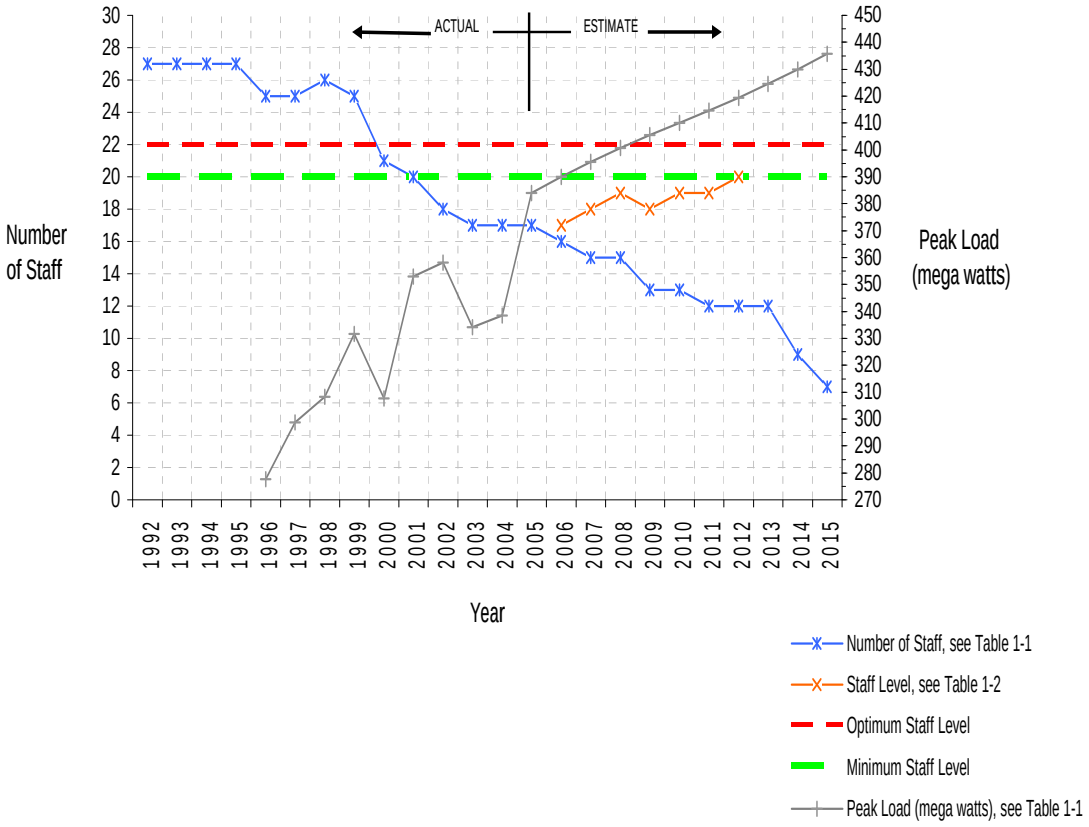


TABLE 1-1: Line Department, Actual and Estimated Staffing Data vs. System Peak Load

Year	Number of Staff (w/o Supervisor)		Optimum Staff Level	Minimum Staff Level	Peak Load (mega watts)	
	Actual	Estimated			Actual	Estimated
1992	27		22	20		
1993	27*		22	20		
1194	27*		22	20		
1995	27*		22	20		
1996	25*		22	20	277.7	
1997	25*		22	20	298.8	
1998	26*		22	20	308.3	
1999	25*		22	20	331.7	
2000	21		22	20	307.6	
2001	20		22	20	352.9	
2002	18		22	20	358.2	
2003	17		22	20	334.1	
2004	17		22	20	338.4	
2005	17		22	20		384.1
2006		16	22	20		389.9
2007		15	22	20		395.5
2008		15	22	20		400.7
2009		13	22	20		405.5
2010		13	22	20		410
2011		12	22	20		414.6
2012		12	22	20		419.3
2013		12	22	20		424.5
2014		9	22	20		429.9
2015		7	22	20		435.8

*BHI staff number complemented with Rent-a-Lineperson.

TABLE 1-2: Line Department, Seven Year Staffing Plan

Staffing Plan By Year		
Year	Staffing / Year	Aggregate Staff Number
2006	1	17
2007	2	17-1=16+2=18
2008	1	18+1=19
2009	1	19-1-1=17+1=18
2010	1	18+1=19
2011	1	19-1=18+1=19
2012	1	19+1=20

Graph #2: Meter Department, Acutal and Estimated Staffing Data vs. Total Customer Count

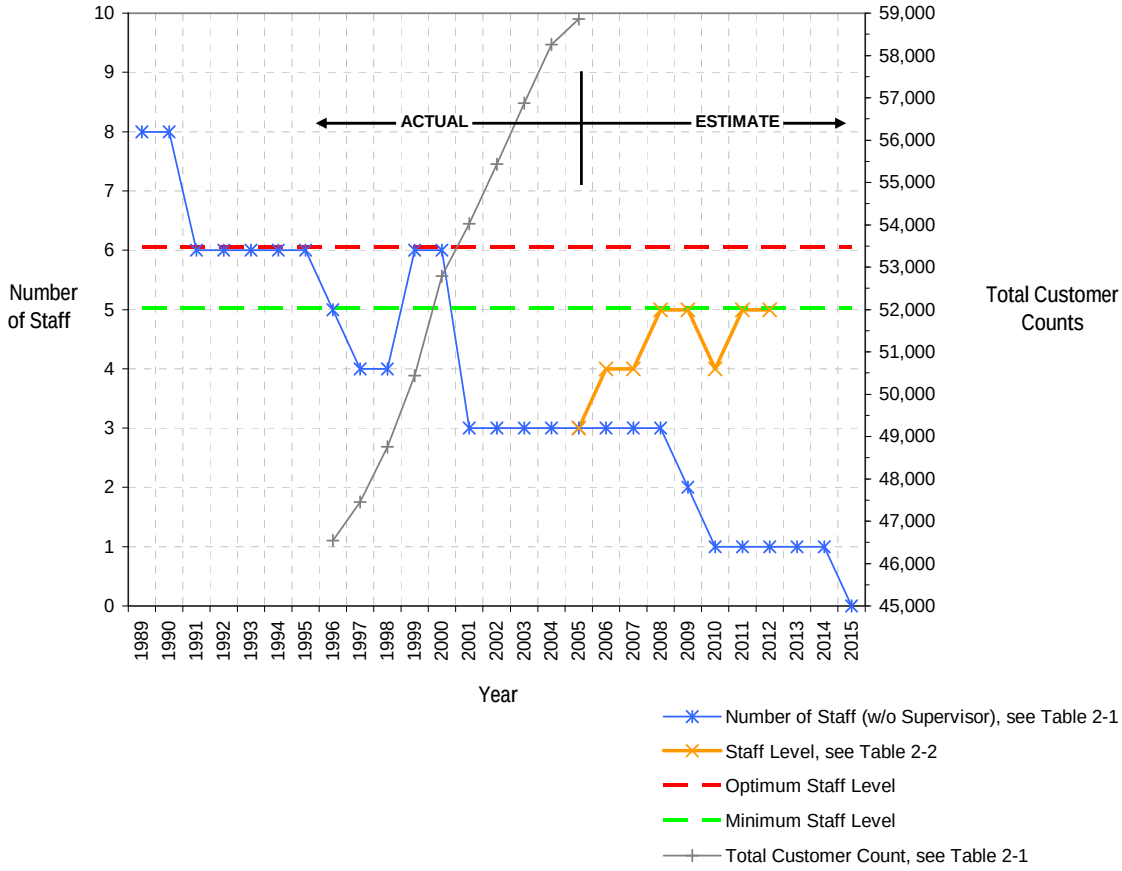


TABLE 2-1: Meter Department, Actual and Estimated Staffing Data vs. Total Customer Counts

Year	Number of Staff (w/o Supervisor)		Optimum Staff Level	Minimum Staff Level	Total Customer Counts	
	Actual	Estimated			Customer #	Month
1989	8		6	5		
1990	8		6	5		
1991	6		6	5		
1992	6		6	5		
1993	6		6	5		
1994	6		6	5		
1995	6		6	5		
1996	5		6	5	46,549	August
1997	4		6	5	47,457	August
1998	4		6	5	48,758	August
1999	6		6	5	50,442	August
2000	6		6	5	52,787	December
2001	3		6	5	54,028	December
2002	3		6	5	55,431	December
2003	3		6	5	56,877	December
2004	3		6	5	58,261	December
2005	3		6	5	58,861	June
2006		3	6	5		
2007		3	6	5		
2008		3	6	5		
2009		2	6	5		
2010		1	6	5		
2011		1	6	5		
2012		1	6	5		
2013		1	6	5		
2014		1	6	5		
2015		0	6	5		

TABLE 2-2: Meter Department, Seven Year Staffing Plan

Staffing Plan By Year		
Year	Staffing / Year	Aggregate Staff Number
2006	1	3+1=4
2007	0	4
2008	1	4+1=5
2009	1	5-1+1=5
2010	0	5-1=4
2011	1	4+1=5
2012	0	5

Graph #3: Control Department, Acutal and Estimated Staffing Data vs. System Peak Load

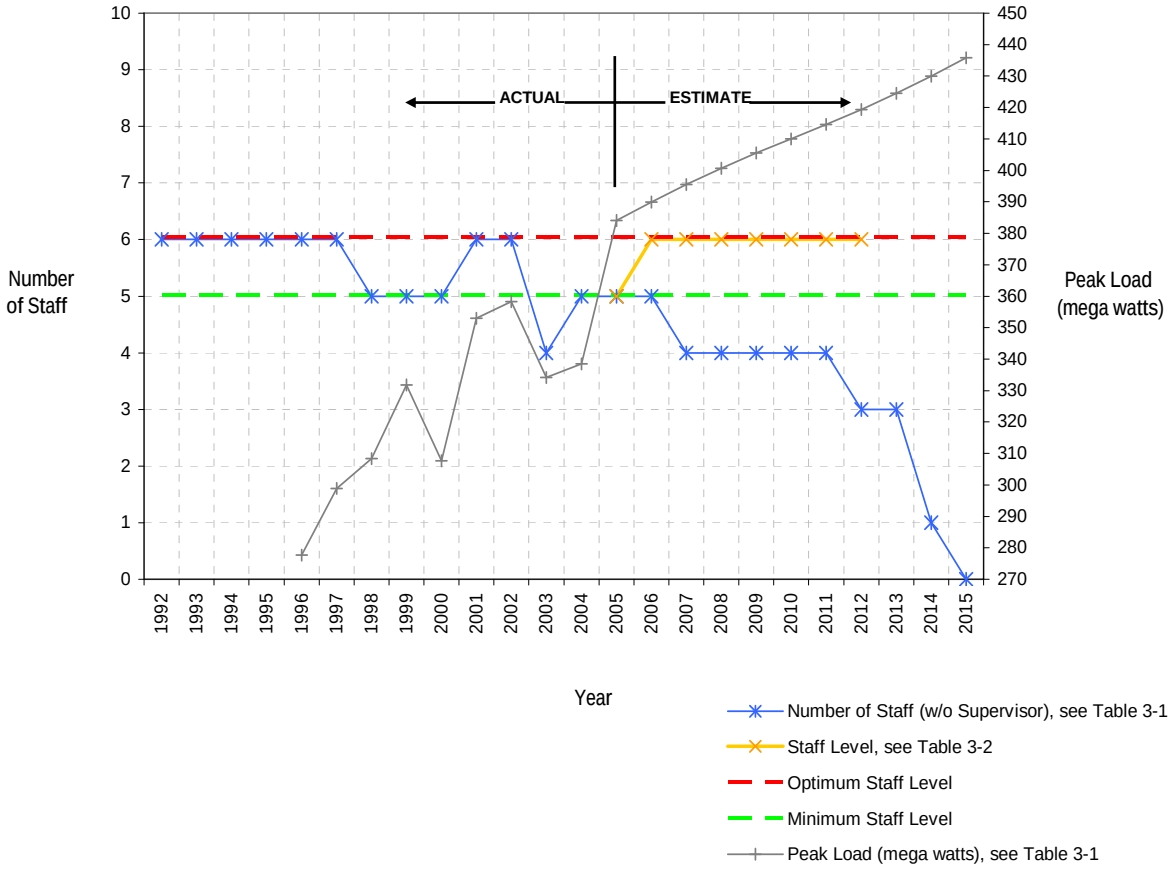


TABLE 3-2: Control Department, Actual and Estimated Staffing Data vs. System Peak Load

Year	Number of Staff (w/o Supervisor)		Optimum Staff Level	Minimum Staff Level	Peak Load (mega watts)	
	Actual	Estimated			Actual	Estimated
1992	6		6	5		
1993	6		6	5		
1994	6		6	5		
1995	6		6	5		
1996	6		6	5	277.7	
1997	6		6	5	298.8	
1998	5		6	5	308.3	
1999	5		6	5	331.7	
2000	5		6	5	307.6	
2001	6		6	5	352.9	
2002	6		6	5	358.2	
2003	4		6	5	334.1	
2004	5		6	5	338.4	
2005	5		6	5		384.1
2006		5	6	5		389.9
2007		4	6	5		395.5
2008		4	6	5		400.7
2009		4	6	5		405.5
2010		4	6	5		410
2011		4	6	5		414.6
2012		3	6	5		419.3
2013		3	6	5		424.5
2014		1	6	5		429.9
2015		0	6	5		435.8

TABLE 3-2: Control Department, Seven Year Staffing Plan

Staffing Plan By Year		
Year	Staffing / Year	Aggregate Staff Number
2006	1	5+1=6
2007	1	6-1+1=6
2008	0	6
2009	0	6
2010	0	6
2011	0	6
2012	1	6-1+1=6

Graph #4: Station Maintenance Department, Acutal and Estimated Staffing Data vs. System Peak Load

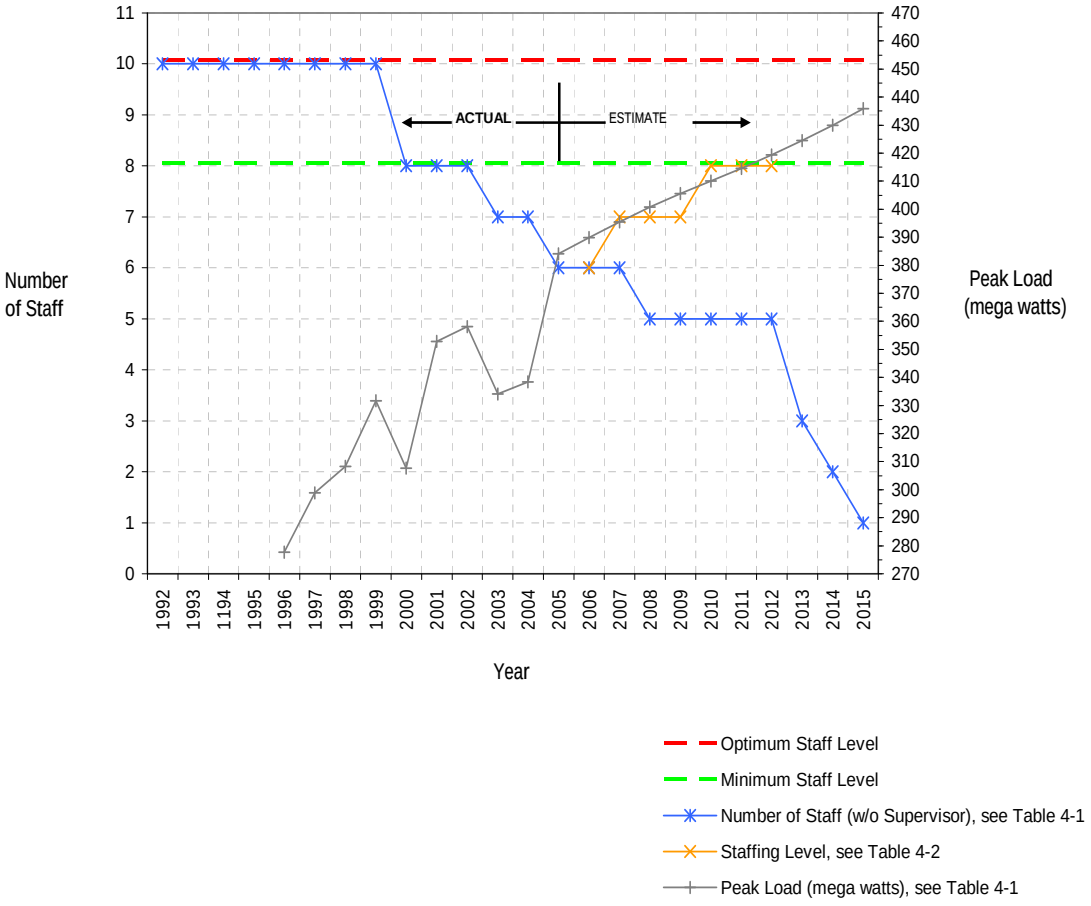


TABLE 4-1: Station Maintenance Department, Actual and Estimated Staffing Data vs. System Peak Load

Year	Number of Staff (w/o Supervisor)		Optimum Staff Level	Minimum Staff Level	Peak Load (mega watts)	
	Actual	Estimated			Actual	Estimated
1992	10		10	8		
1993	10		10	8		
1194	10		10	8		
1995	10		10	8		
1996	10		10	8	277.7	
1997	10		10	8	298.8	
1998	10		10	8	308.3	
1999	10		10	8	331.7	
2000	8		10	8	307.6	
2001	8		10	8	352.9	
2002	8		10	8	358.2	
2003	7		10	8	334.1	
2004	7		10	8	338.4	
2005	6		10	8		384.1
2006		6	10	8		389.9
2007		6	10	8		395.5
2008		5	10	8		400.7
2009		5	10	8		405.5
2010		5	10	8		410
2011		5	10	8		414.6
2012		3	10	8		419.3
2013		3	10	8		424.5
2014		2	10	8		429.9
2015		1	10	8		435.8

TABLE 4-2: Station Maintenance Department, Seven Year Staffing P

Staffing Plan By Year		
Year	Staffing / Year	Aggregate Staff Number
2006	0	6
2007	1	6+1= 6
2008	1	7-1=6+1= 7
2009	0	7
2010	1	7+1= 8
2011	0	8
2012	0	8

Graph #5: Engineering Department, Acutal & Estimated Staffing Data vs. System Peak Load

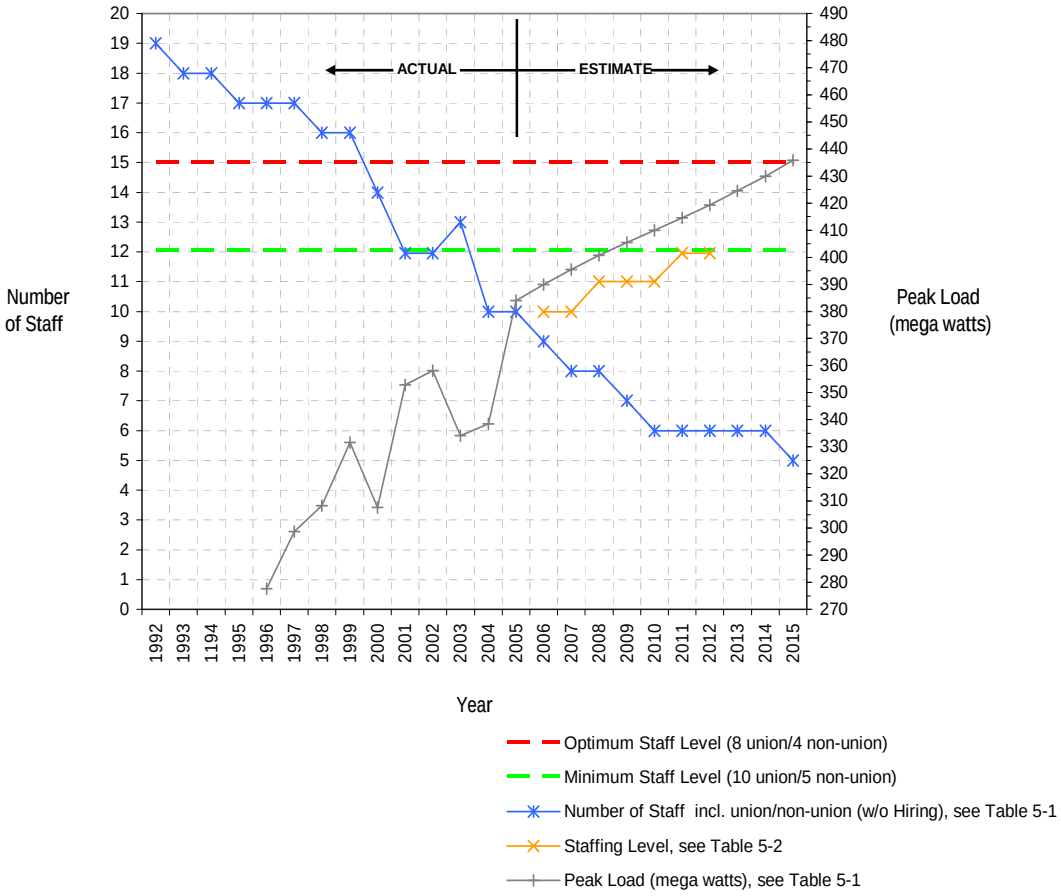


TABLE 5-1: Engineering Department, Actual and Estimated Staffing Data vs. System Peak Load

Year	Number of Staff Incl. Union/Non-Union (w/o Hiring)	Staff Level Breakdown		Optimum Staff Level (8 union/4 non-union)	Minimum Staff Level (10 union/5 non-union)	Peak Load (mega watts)	
		Union	Non-Union			Actual	Estimated
1992	19	14	5	15	12		
1993	18	13	5	15	12		
1194	18	13	5	15	12		
1995	17	13	4	15	12		
1996	17	13	4	15	12	277.7	
1997	17	13	4	15	12	298.8	
1998	16	12	4	15	12	308.3	
1999	16	12	4	15	12	331.7	
2000	14	11	3	15	12	307.6	
2001	12	9	3	15	12	352.9	
2002	12	9	3	15	12	358.2	
2003	13	9	4	15	12	334.1	
2004	10	7	3	15	12	338.4	
2005	10	7	3	15	12		384.1
2006	9	6	3	15	12		389.9
2007	8	6	2	15	12		395.5
2008	8	6	2	15	12		400.7
2009	7	5	2	15	12		405.5
2010	6	5	1	15	12		410
2011	6	5	1	15	12		414.6
2012	6	5	1	15	12		419.3
2013	6	5	1	15	12		424.5
2014	6	5	1	15	12		429.9
2015	5	4	1	15	12		435.8

NOTES: 1. Number of Union staff includes Locate Clerk.
2. Number of Union staff includes Locater and Inspectors (1992 – 2003)
3. Number of Non-union staff does not include V.P., Eng. & Op.

TABLE 5-2: Engineering Department, Seven Year Staffing Plan

Staffing Plan By Year		
Year	Staffing / Year	Aggregate Staff Number
2006	1	9+1=10
2007	1	10-1=9+1= 10
2008	1	10+1= 11
2009	1	11-1=10+1=11
2010	1	11-1=10+1=11
2011	1	11+1=12
2012	0	12

2006 Budget 7 Year Staffing Plan

2008 Incentive Plan Process

Incentive Payment Process

- Current plan in place since 2004
- Review & approval of Financial End Statements
- Corporate Measures Results
- Individual Balanced Scorecard results
- Compensation Committee Review
- Payments calculated based on above outcomes

BHI 2008 accomplishments:

- Exceeded in performance for the following financials – net income
- Operating expenses below budget
- Achieved and exceeded all other corporate objectives to Plan – Reliability, Call Handling, Internal Processes, Safety
- IRS safety audit results – top tier of industry.
- PEO Intelli-team award
- Exceeded OPA conservation program targets
- Consistent dividend payment to Shareholder with additional special dividend of $2M in 2008.

Corporate Objective results BHI:

Plan Gates

Objective	Result	Plan Generates	Maximum
1. ROE – 7.4%	6.8% (normalized from 7.8%)	0%	20%
2. EBIT – $10.227	$9.459 (normalized from $10.08)	0%	15%
3. Free Cash Flow – $3.753	$3.64 (normalized from $3.66)	0%	15%
4. Call Handling – 65%	74%	9.3%	10%
5. Reliability – meet 3 yr avg.	Interruptions were reduced by over 25%	10%	10%
6. Safety – 5 year rolling average LTI - Under 1.5 and NLTI – Under 5.0	LTI 5 year rolling avg. - 0.74 NLTI 5 year rolling avg. – 2.21	18%	20%
7. Cust. Served / Employee – 650	2008 ratio = 684	10%	10%
Total		47.3%	100%
Note: Plan gates were not met therefore no incentive payout in 2009 based on 2008 results.			

ADDRESSING THE HUMAN RESOURCE CHALLENGE IN THE ELECTRICITY INDUSTRY

Brief prepared by the Human Resource Committee
of the Canadian Electricity Association

February 2007

Canadian Electricity Association canadienne de l'électricité

The voice of Canadian Electricity. La voix de l'électricité canadienne.

Canadian Electricity Association
Association canadienne de l'électricité
www.canelect.ca

Executive Summary

A safe, secure, reliable, sustainable and competitively priced supply of electricity is essential to Canada's prosperity. As the critical enabler of the economy and an enhanced quality of life, a strong electricity industry is fundamental to realizing our potential as individuals, as communities and as a nation. Investing in our electricity supply is tantamount to investing in Canada's present and future success.

While the electricity industry consists of a vast infrastructure representing generation, transmission and distribution, at the root of this complex and expansive system is a labour force that is facing significant challenges in the years ahead. An aging workforce and pending retirements in the short and mid-term could have devastating impacts on an industry already challenged by increasing demand, technological change and regulatory instability.

According to the Canadian Electricity Human Resource Sector Study commissioned by the Canadian Electricity Association (CEA) in 2004, almost 40 percent of the electricity sector's non-support staff will be eligible to retire by 2014. A shortage of skilled labour could compromise the electricity sector in a number of ways including reduced reliability, increased cost of production, infrastructure projects delays, and decreased safety and productivity due to less experienced employees and worker shortages.

In this brief, CEA has developed a series of recommendations that provide concrete solutions to addressing the electricity industry's workforce challenges. The Association strongly believes a collaborative effort between the industry and the federal government in three focus areas will secure a strong future for the electricity workforce:

1. We must build our Canadian skills base by investing in education, skills training and apprenticeships, particularly in underrepresented communities.
2. We must ensure trained, skilled workers are able to work and flourish in their area of expertise by streamlining certification and credential recognition, and facilitating workforce mobility.
3. We must attract and retain skilled foreign workers by ensuring successful community and workplace integration.

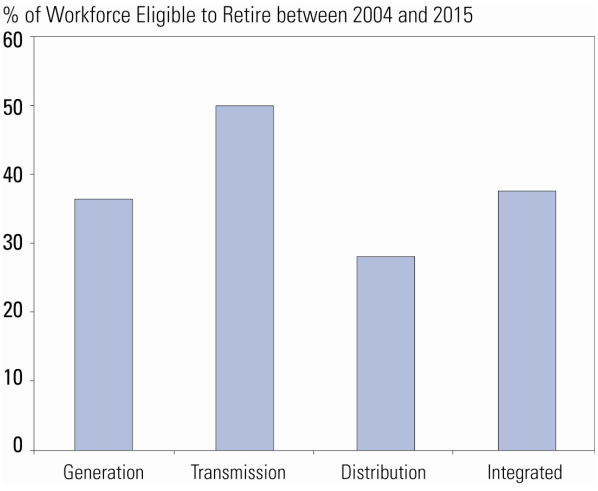
In its economic plan entitled *Advantage Canada*, the federal government acknowledges that people are "the most critical contributor to the national economy over the long term" and recognizes its role in helping individuals and industries reach their full potential *(p. 13)*. The electricity industry is encouraged by the government's intention of investing in Canada's talent pool. It is therefore CEA's intention to assist the government in this effort through the recommendations in this brief.

I Introduction

For over 125 years, the electricity industry has powered Canada's economy and way of life, and has provided the foundation for our country's growth and prosperity. Ensuring an adequate, skilled and internationally-competitive workforce for the electricity industry is critical to our economic prosperity and quality of life.

The electricity industry currently employs 98,000 people. According to the *Canadian Electricity Human Resource Sector Study* commissioned by the Canadian Electricity Association (CEA) in 2004, almost 40 percent of the electricity sector's non-support staff will be eligible to retire by 2014 *(figure 1)*. Retirements estimates show that the sector will need more than 17,000 people in technical positions in the next 8 years *(Figure 1)*.

Figure1: A Human Resource Challenge: Eligibility to Retire between 2004 and 2015



Source: 2004 Canadian Electricity Human Resources Sector Study

Training requirements are also posing a new set of challenges to the industry. The evolution of technologies in the electricity sector is constant with developments such as increased distributed generation, and the introduction of SCADA systems and "green" technologies. These new technologies have created the need for new training and skills development, and "re-skilling" of the existing and future labour force.

In this brief, the CEA has set out to inform the federal government on how the current crisis facing the electricity industry is of critical importance to all Canadians. More importantly, CEA has provided recommendations on how industry and government can work together to ensure a strong electricity future for Canada.

II Canada's Electricity Industry

Built with vision, innovation and intent, Canada's electricity system distinguishes itself on an international scale. Ranked fifth globally in total electricity generating capacity and production, Canada also has one of the cleanest electricity generation portfolios in the world. Canada is also recognized for its technological innovations in long-distance electric power transmission, in particular in High Voltage Direct Current (HVDC) transmission systems. It is also a world leader in the deployment of advanced distribution technologies. For example Ontario utilities will install 4.5 million smart meters by 2010.

Canada's electricity industry provides an essential service with far-reaching and immediate impact. It underpins and enables growth in other sectors of the economy and contributes significantly to Canada's export revenues. Twenty-four hours a day, 365 days of the year, Canadian utilities must match production from generating plants with customer demand at competitive prices, while maintaining system reliability, meeting environmental objectives, and fulfilling safety and human resource needs. The result is a highly developed system that optimizes generation, transmission and distribution technologies.

i) Diversified Generation

Canada possesses a diverse generation portfolio, covering a range of mature and

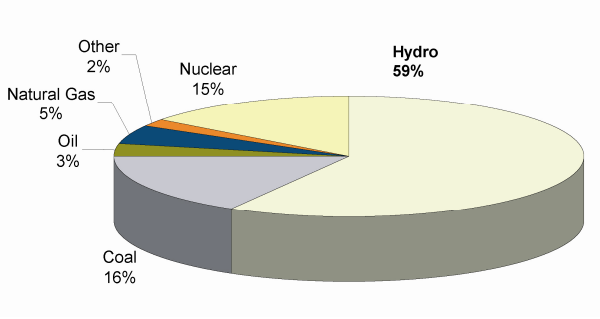
emerging electricity-producing technologies *(Figure 2).* Hydro power – of which Canada is the global leader – produces the largest share at close to 60% of electrical production, followed by fossil fuels (coal, natural gas and oil) at 28% and nuclear at 12%. Wind, bioenergy and other sources are now being considered as contributors to the overall generation mix, although when combined, represent only 2% of Canadian electricity production.

As jurisdictions look to reducing greenhouse gas and other air emissions, there exists significant potential for Canada to increase the use of hydro, nuclear and emerging renewable sources of power, while also being on the global cutting edge of innovations relating to thermal generation, such as clean coal technologies.

ii) Rising Demand

In addition to being a world leader in electricity production, Canada is also one of its top consumers. In 2003, Canada used about 3.6% of total world consumption and about 12% of total North American consumption.

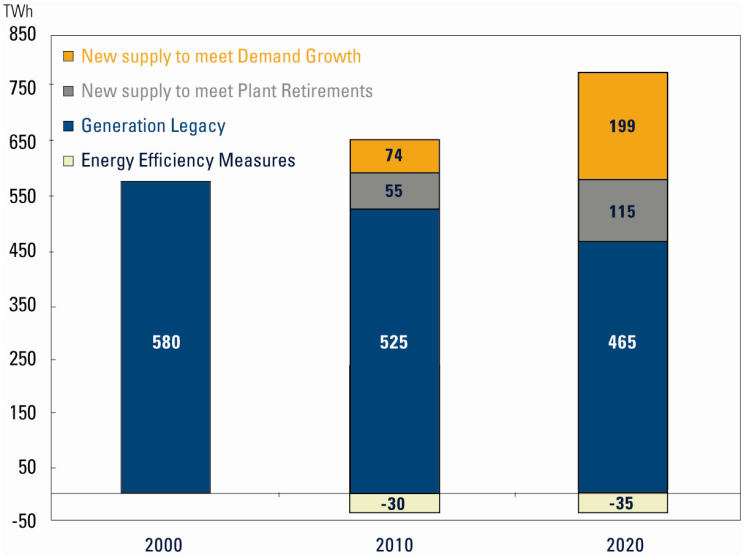
Figure 1: Net Electricity Generation, 2004 Total = 577 TWh



Source: Statistics Canada, Electric Power Generation, Transmission and Distribution, 2004 and Report on Energy Supply & Demand in Canada, 2004

The combination of increasing population, economic growth and greater use of electrical equipment means that electricity demand will continue to grow at an annual average rate of 1.5 to 2 percent. According to an average of two National Energy Board (NEB) scenarios produced in 2003, Canada's electricity supply will need to reach 814 TWh in 2020 from its current level of 594 TWh to meet requirements. CEA estimates that energy efficiency efforts could reduce future needed supply to 779 TWh. The increase in supply must also compensate for the anticipated retirement by 2020 of approximately 20 percent of facilities operating in 2000. Thus, an additional 314 TWh must be generated by 2020 to meet both system demand growth and plant replacement needs (Figure 2).

Figure 2: CEA Generation Projection to 2020



Source: CEA
Energy Efficiency Measures and New Supply to meet Plant Retirements calculated from average or MARKAL 2001, NRCAN 1999, and NEB 1999 models and New Supply to meet Demand Growth calculated from NEB 2003 Scenarios

A growing economy, rising population and the subsequent rise in electricity demand are creating a need to expand both traditional and new emerging technologies to meet rising demand.

iii) Human Resource Implications

The impact of impending retirements, rising demand, the need to build new infrastructure and the introduction of new technologies are not without significant consequence to the Canadian electricity workforce. The strain posed by these factors on individual utilities and on the electricity system as a whole could diminish the industry's ability to deliver reliable, safe, sustainable and competitively priced electricity.

A shortage of properly trained and skilled labour could have serious repercussions for the electricity sector in a number of ways including:

- Reduced reliability;
- Increased cost of production;
- Infrastructure project delays;
- Decreased safety and productivity due to less experienced employees and worker shortages.

III Addressing the Electricity Industry's Human Resource Challenge

CEA welcomes the government's commitment in *Advantage Canada* to support Canada's emergence as an energy superpower in part by making the needed investments in knowledge and people. Canada's energy sector is as much a knowledge industry as is the high tech sector. Trained and experienced workers are essential to ensure the long-term stability of Canada's electricity supply. Recognizing the significant human resource challenges facing the electricity sector, governments and industry must increase their efforts to build our Canadian skills base, ensure trained, skilled workers are able to work and flourish in their area of expertise, and attract and retain skilled foreign workers.

i) Building a Canadian Skills Base

Growing Canada's domestic labour pool and tapping into our potential as a nation is an important element in addressing the electricity industry's workforce challenges. Increasing participation of under-represented groups, expanding and improving skills training and apprenticeship funding, and raising awareness on electricity-related career choices are critical factors in developing a skilled, educated and adaptable workforce.

Engaging Non-Traditional Communities

Increasing the engagement of the non-traditional workforce is an important step in building a dynamic and sustainable Canadian skills base. CEA is encouraged by the federal government's commitment to take action in this area by "eliminating barriers to labour force participation for under-represented groups" *(Advantage Canada, p.50)*

According to the *2004 Canadian Electricity Human Resource Sector Study,* women, visible minorities and Aboriginal workers are currently underrepresented in the electricity sector. Women account for only 25.4% of all electricity employees and 6.1% of trade staff, engineers and managers/supervisors, which is well below the national average where 46.9% of the total workforce is female.

Visible minorities also fare poorly representing only 7% of total electricity sector workers as compared to 12.6% nationally. This labour group is growing at a rapid pace and based on Conference Board of Canada estimates, could reach 18.4% of the labour force by 2016.

While the electricity industry can provide significant employment opportunities for Aboriginal workers in certain jurisdictions, this labour group represents only 2.2% of electricity industry workers, a slightly lower figure than the national average of 2.6% *(Statistics Canada Census).*

Aboriginal Engagement

As the development of electricity resources increases in areas with growing Aboriginal populations, there exists the potential for increased electricity sector and government collaboration to further engage Aboriginal communities. Utilities have already benefited

from Aboriginal partnerships established through the course of project development.

For example, the Hydro Northern Training and Employment Initiative was launched as a result of two proposed Manitoba Hydro hydroelectric projects in Northern Manitoba representing $4.0B in construction costs, 2,000 jobs, and is expected to contribute $2.0B to the national Gross Domestic Product. This Initiative is the first large-scale Aboriginal human resource strategy in northern Manitoba to be planned, designed and implemented by northern Aboriginal Partners. A $60.3M multi-year program receiving $22.0M from the federal government through the Aboriginal Skills and Employment Partnership, the Initiative is training and preparing over 1,000 Aboriginal residents for 800 Manitoba Hydro construction and related employment opportunities.

Another example of a pro-active industry-Aboriginal partnership is BC Hydro's Aboriginal Employment and Education Strategy, established as a long term approach to building internal awareness and conducting recruitment outreach with Aboriginal communities in British Columbia. The utility recently created the "trades trainee" role that now provides BC Hydro with an opportunity to work directly with Aboriginal and other youth who are who are inspired to compete in the next recruitment cycle. BC Hydro is also meeting with Aboriginal educational and employment groups across B.C. to develop partnerships to support students and develop regional training programs. Last summer First Nations students were hired as Youth Trades workers and received a half day of high school tutoring and then gained a half day work experience at a generation station. This initiative was widely supported by the school principal and the community.

The Hydro Northern Training and Employment Initiative and BC Hydro's Aboriginal Employment and Education Strategy clearly demonstrate the value for Aboriginal communities and for the electricity industry, of supporting comprehensive and consistent approaches to Aboriginal engagement and partnerships throughout the country. The federal government's role as a facilitator in fostering new partnerships between Aboriginal communities and the electricity sector is a significant contributor to success.
Recommendation**:** CEA encourages the federal government to support the creation of a national strategy to engage, support and train Aboriginal peoples in the electricity sector.

Enhancing Apprenticeships and Skills Training
By enhancing the quality, efficiency and availability of apprenticeships, skills training programs, student aid and scholarships, the federal government can assist in increasing the participation of all Canadians in the electricity workforce and meeting labour needs.

CEA welcomes the federal government's Apprenticeship Incentive Program announced in the 2006 Federal Budget which includes a tax credit for employers hiring an apprentice and the Apprenticeship Tax Grant. While these developments are steps in the right direction, they only apply to "Red Seal" trades, thus limiting their applicability in the electricity sector.

Recommendation**:** CEA calls on the federal government to expand the application of the tax credit for employers hiring an apprentice and the Apprenticeship Tax Grant included in the 2006 Federal Budget to reach a broader range of trades.

Apprentices are required to invest a significant amount of unpaid time and experience work interruptions during the term of their apprenticeship, which can last up to 5 years to complete. The concerns raised by the lost income can be a disincentive to potential apprentices, particularly for northern and Aboriginal students, and students from disadvantaged communities seeking pre-apprenticeship upgrading in order to qualify to apply for an apprenticeship. Depending on the type of apprenticeship and the jurisdiction in

which they live, some students may have to fund their own schooling and lose their qualification for Employment Insurance due to the timing or structuring of work placement hours. Such lost income can lead to lower participation and higher attrition rates. To ensure the successful completion of apprentice-ship programs in order to develop a highly skilled Canadian workforce, the federal government must look at options to help defer the financial hardships faced by apprentices through changes to provisions in the Employment Insurance Act.

Recommendation**:** CEA encourages the federal government to modify provisions in the Employment Insurance Act that act as barriers to apprentices to earn income during the duration of the apprenticeship program.

ii) Enabling Opportunity and Success

CEA shares the government of Canada's vision identified in *Advantage Canada* of creating opportunity and incentives for Canadians to succeed, excel and contribute to a strong and growing national economy. With the development of a new wave of infrastructure projects and the introduction of new technologies, the electricity industry is a significant contributor to Canada's *"Knowledge"* and *"Infrastructure" Advantage.*

However, the electricity sector's ability to meet the supply and demand challenge, build new infrastructure and integrate new technologies is dependant upon an adequate and skilled workforce. Trained and experienced workers are essential to ensure the long-term stability of Canada's electricity supply. Recognizing the significant human resource challenges facing the electricity sector, governments and industry must increase their efforts to address issues such as recruiting and retaining workers, facilitating school-to-work transitions and developing sector and career awareness strategies.

Raising Career Awareness

Increasing awareness of the career choices and opportunities available in the electricity sector is a critical factor in the industry's ability to attract Canadians in all communities and all jurisdictions. The federal government has an important role to play in improving labour market programming to help Canadians develop the skills they need and employers want.

Through its participation in the Electricity Sector Council, CEA is actively involved in efforts to increase career awareness in underrepresented communities as well as in the population at large. One such effort is the work currently underway to expand the reach of the successful "Trade Up" program developed jointly by Hydro One, Ontario Power Generation, Bruce Power and the Power Workers Union. Comprised of a comprehensive kit including a student guide, lesson plans, information on trades and hands-on learning activities, the "Trade Up" campaign promotes skilled trade careers in the electricity sector and encourages teachers, counselors, parents and students to consider apprenticeships as an option.

While the "Trade Up" program is a good example of a collaboration between industry and labour to raise career awareness in Ontario, campaigns such as this must be developed on a national scale and tailored to the needs and values of targeted communities.

Recommendation**:** In recognition of the critical role electricity plays in the economy and daily lives of Canadians, CEA calls on the federal government to provide financial support of Electricity Sector Council Program initiatives aimed at increasing career awareness in the electricity sector.

Occupational Standards and Certification Recognition

Currently, the standards defining trades and occupations within the electricity industry are not evenly recognized throughout the country. Differences regarding certification and the recognition of various positions in the sector, as well as non uniform trade names and job

descriptions act as barriers to workforce mobility within Canada and impede effective comparative work to support best practices in human resources management.

In *Advantage Canada*, the government of Canada has identified "facilitating workforce mobility" (p. 48) as a priority. CEA believes support of national occupational standards for the electricity sector is an important step in removing mobility barriers and improving opportunities.

CEA is encouraged by the federal government's support of the Electricity Sector Council's occupational standard project and encourages the government to continue its support in this area.

Recommendation: CEA calls on the federal government to maintain support to the Electricity Sector Council for the establishment of national occupational standards for the electricity industry.

Ensuring a Workforce Aligned with the Needs of the Economy

The capacity to accurately forecast labour market demand and workforce supply is a critical factor in the ability of all industries to respond to the needs of Canada's economy. Labour market information is particularly germane to the electricity sector which faces a host of adjustments in the coming years including pending retirements, rising demand, increased energy conservation, the introduction of new technologies and increased environmental regulation.

In this changing market environment, there is clearly a need for the government of Canada to work with the provinces, territories and the private sector to ensure training and skills development in the electricity sector are aligned with the needs of the economy. This will require governments to enhance labour market information available to Canadians.

As a first step, we commend the federal government's support of the Electricity Sector Council's *Electricity Industry Labour Market Information System* (LMIS) project. Through a three-year phased approach, this multi-layered project will conduct an industry level labour market assessment with sufficient specificity to measure and forecast current and future need for diverse groups and key occupations.

Through the continued support of initiatives such as the Electricity Sector Council's LMIS project, the federal government can help the electricity industry plan its workforce, analyze its needs, identify training requirements and mitigate business risk related to human capitol management. The resulting operational system will better equip the electricity industry to adjust and align its labour practices to support a thriving Canadian economy.

Recommendation: CEA encourages the federal government to continue to support initiatives to assist the electricity industry analyze and plan its workforce, identify training requirements, and mitigate business risk related to human capital management.

iii) Attracting and Retaining Foreign Workers

In *Advantage Canada*, the federal government recognizes that slowing labour force growth and emerging skills shortage have created the need to introduce more workers into the labour force *(p. 49).* Canadian utilities are increasingly turning to internationally trained workers to broaden their candidate pool and are developing programs to ensure their successful integration. For instance, BC Hydro actively recruits internationally trained professionals (ITP) in B.C. and supports these new hires in a number of ways including: creating intermediate opportunities that help ITPs gain Canadian experience; encouraging structured development plans (i.e. with formal mentoring); and linking ITPs with an internal support group

and other resources such as HR providers and the Hydro Employee Multicultural Society.

Attracting skilled workers to Canada is critical in addressing the electricity sector's human resource needs. Moreover, the federal government must examine ways to make it easier for foreign students and temporary workers to stay in Canada. Current barriers impeding foreign-trained workers from entering the workforce include inhibitive security clearances and visa restrictions, particularly in the areas of transmission and generation, and foreign credential recognition. Other obstacles include: poor advanced preparation prior to immigration; requirements for Canadian work experience; lack of recognition of prior work experience and qualifications, and lack of relevant language skills.

Support for Qualification Programs
Recognizing the contribution of foreign-trained workers to filling the labour gap in the electricity industry, Manitoba Hydro has been actively involved with the Internationally-Educated Engineers Qualification (IEEQ) Program at the University of Manitoba. This innovative program provides immigrants with engineering credentials obtained outside of Canada to meet part of the licensing requirements for professional engineering practice in Manitoba. This year, the IEEQ Team at Manitoba Hydro developed formal employment systems including bursary supports (two $1500 bursaries), up to six co-op opportunities and a career development program that supports one full-time opportunity per year. The team also actively promotes IEEQ graduates to line management for consideration for current complement vacancies.

The IEEQ model shows tremendous potential for assisting foreign-trained engineers and other workers on a national scale. By broadening the educational scope and expanding models such as IEEQ nationwide, the successful integration of immigrants in the electricity sector labour force would be significantly improved and employer needs would be better met.

Recommendation: CEA encourages the federal government to support the establishment of internationally-educated qualification programs in educational institutions throughout the country.

Foreign Credential Recognition
HRSDC's Foreign Credential Recognition program is an important component of the Internationally Trained Worker Initiative and should be enhanced to ensure processes are fair, appropriate and consistent. Of particular interest to the electricity industry is the continued support of programs such as the Canadian Council of Professional Engineers's initiative to develop and implement an action plan to more quickly and efficiently integrate international engineering graduates into the Canadian labour market.

Greater funding in the field of immigrant labour market integration is also needed to accelerate and improve foreign credentials evaluation in the country of origin, and improve linkages between stakeholders and jurisdictions.

Recommendation: CEA calls on the federal government to support the establishment of a comprehensive pre-qualification process for foreign-trained workers in their country of origin. This could be achieved through the development of a process based on the existing accreditation infrastructure developed by various unions in the electricity industry.

Recommendation: CEA calls on the federal government to examine ways to make it easier for foreign students and temporary workers to stay in Canada.

Easing Visa Restrictions
CEA believes that Citizenship and Immigration Canada should increase efforts to attract skilled workers to Canada through focused initiatives such as easing visa restrictions for low risk applicants who have a strong interest in work opportunities in Canadian trades.

Recommendation:
CEA encourages the federal government to increase efforts to attract skilled workers through easing visa restrictions for low risk applicants where there is a strong interest in work opportunities in Canadian trades.

The Immigration Point System
The Immigration Point System should also be better aligned with Canadian labour market information and should be amended to recognize the value of trade workers. The need for, and value of skilled trades people must be reflected in Canada's immigration system.

Recommendation: CEA calls on the federal government to better align the Immigration Point System with Canadian labour market information, and to recognize the value of trade workers within the Point System.

Bridge to Work
Enhanced funding is required for a national Bridge to Work program that can provide consistent, Canada-wide support to foreign trained workers, from pre-employment to successful workplace integration. Initiatives providing comprehensive career information aimed at foreign trained workers need to be encouraged and supported so that such workers understand the processes involved in order to successfully work in Canada in their field of choice.

Recommendation: CEA encourages the federal government to establish a comprehensive national Bridge to Work program to support foreign trained workers, from pre-employment to successful workplace integration.

IV Conclusion

The electricity industry could face serious workforce challenges in the coming years and now is the time for industry and government to find solutions. CEA strongly believes the federal government has a leadership role in ensuring our electricity supply is in the hands of a skilled, adequate and internationally-competitive workforce.

In this brief CEA has explored various avenues where the electricity industry and the federal government, along with stakeholders and communities, can change the course of a potential labour shortage. Through its recommendations, the Association proposes a list of policy initiatives that will ensure the Canadian electricity industry can maintain and enhance its human and electricity potential.

CEA is prepared to develop detailed implementation plans and programs to operationalise any and all of the recommendations which HRSDC deems to be worth pursuing.

Summary of Recommendations

1. Building a Canadian Skills Base

Aboriginal Engagement

- CEA encourages the federal government to support the creation of a comprehensive national strategy to engage, support and train Aboriginal peoples in the electricity sector.

Enhancing Apprenticeships and Skills Training

- CEA calls on the federal government to expand the application of the tax credit for employers hiring an apprentice and the Apprenticeship Tax Grant included in the 2006 Federal Budget to reach a broader range of trades.
- CEA encourages the federal government to modify provisions in the Employment Insurance Act that act as barriers to apprentices to earn income during the duration of the apprenticeship program.

2. Enabling Opportunity and Success

Raising Career Awareness

- In recognition of the critical role electricity plays in the economy and daily lives of Canadians, CEA calls on the federal government to provide financial support of Electricity Sector Council Program initiatives aimed at increasing career awareness in the electricity sector.

Occupational Standards and Certification Recognition

- CEA calls on the federal government to maintain support to the Electricity Sector Council for the establishment of national occupational standards for the electricity industry.

Ensuring a Workforce Aligned with the Needs of the Economy

- CEA encourages the federal government to continue to support initiatives to assist the electricity industry analyze and plan its workforce, identify training requirements, and mitigate business risk related to human capital management.

3. Attracting and Retaining Foreign Workers

Support for Qualification Programs

- CEA encourages the federal government to support the establishment of internationally-educated qualification programs in educational institutions throughout the country.

Foreign Credential Recognition

- CEA calls on the federal government to support the establishment of a comprehensive pre-qualification process for foreign-trained workers in their country of origin. This could be achieved through the development of a process based on the existing accreditation infrastructure developed by various unions in the electricity industry.
- CEA calls on the federal government to examine ways to make it easier for foreign students and temporary workers to stay in Canada.

Easing Visa Restrictions

- CEA encourages the federal government to increase efforts to attract skilled workers through easing visa restrictions for low-risk applicants where there is a strong interest in work opportunities in Canadian trades.

The Immigration Point System

- CEA calls on the federal government to better align the Immigration Point System with Canadian labour market information, and to recognize the value of trade workers within the Point System.

Bridge to Work

- CEA encourages the federal government to establish a comprehensive national Bridge to Work program to support foreign trained workers, from pre-employment to successful workplace integration.

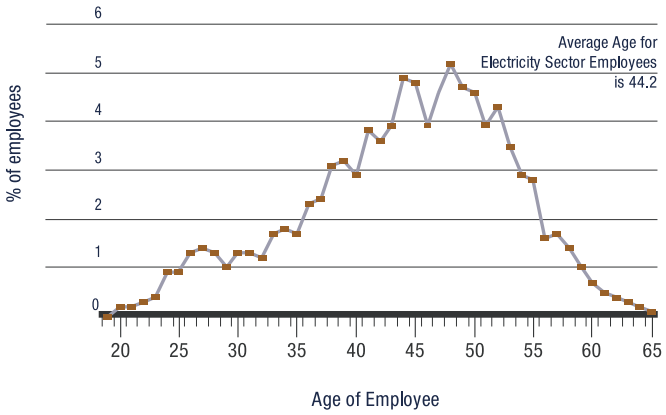
Canadian Electricity Association
perspectives
April 2006 | Human Resources

The Human Resource Crisis
in the Canadian Electricity Sector

The need for an adequate, skilled workforce to ensure a reliable supply of electricity in Canada has reached a critical stage as pending retirements, new training requirements and competition for key skills pose significant challenges to the industry as a whole. Considering the central role electricity plays in fueling our economy and maintaining our quality of life, it is clear governments and industry must work together with labour groups and educational institutions to ensure a strong, sustainable electricity workforce.

According to the Canadian Electricity Association's (CEA) *2004 Canadian Electricity Human Resource Study* (HR Study) funded in part by the Government of Canada's Sector Council Program, retirement estimates show that over 17% of the 75,000 existing workforce will be eligible for retirement by 2010, and 37% by 2014. Based on retirement estimates, the sector will need 9,000 people in technical positions in the next three years and more than 17,000 over the next eight years. Over a third of the retirees will be trades related positions. Given that it takes on average four years to develop an apprentice and a further four years to achieve competency, the industry has reached a turning point in workforce development. Dedicated support to this issue is of strategic importance to the industry's ability to sustain and grow the electricity supply.

Age of Employees in Electricity Sector



Source: 2004 Canadian Electricity Sector Study Employee Survey (n=3,330).

Eligibility to Retire by Business Line

Business Line	Now	Next 5 Years	Next 10 Years
Generation	3.1%	16.7%	36.3%
Transmission	7.6%	28.6%	50.1%
Distribution	4.5%	9.5%	28.1%
Integrated	12.3%	17.9%	37.6%
Total*	8.7%	17.3%	37.3%

Source: Primary Producer and Associate Producer Survey (n=63) — non-support staff only. Twenty-three producers did not provide data as to number of staff eligible to retire.
** Too few employees were reported for the "other" business line to report this figure.*

Other industry realities such as the need to build and replace infrastructure, and the development of emerging renewables are placing additional strains on the sector's workforce. Training and "re-skilling" requirements are on the rise as technological needs evolve and increase within the electricity sector. The ability of educational and training institutions to adequately prepare the future electricity workforce and to support and engage new Canadians in foreign credential recognition is a fundamental necessity, and appropriate programs such as co-op/apprentice/internship opportunities are essential.

The Human Resource Crisis in the Canadian Electricity Sector

A shortage of skilled labour could have serious repercussions for the electricity sector in a number of ways:

- Reduced reliability;
- Increased cost of production;
- Infrastructure projects delayed;
- Decreased safety and productivity due to less experienced employees and worker shortages.

In response to the pressing human resource needs facing the sector, CEA has identified a series of urgent policy issues that need to be addressed by industry and government:

- Promotion of the electricity industry as a viable employment option to youth;
- Standardization/certification across Canada of electricity sector occupations;
- Development of an industry-funded training centre;
- Improved and accelerated process for foreign trained worker certification;
- Strategies for keeping older workers employed in the industry; and
- Strategies for recruiting workers from targeted equity communities.

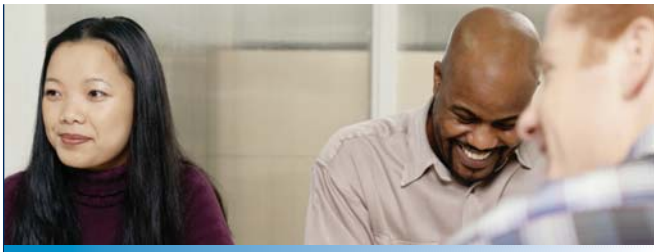
CEA monitors and reports on these and other emerging human resource issues that affect the electricity industry. It also supports the work of the Electricity Sector Council, conceived by CEA and whose establishment was sponsored by the Association in 2005. Supported by the Government of Canada, the Electricity Sector Council's mission is to develop "sector based initiatives which strengthen the ability of stakeholders in the Canadian electricity industry to meet current and future needs for a skilled, safety-focused, and internationally competitive work force."

Through the work of the CEA HR Committee and the Electricity Sector Council, the critical issues facing the electricity workforce are gaining greater prominence within industry, government, labour groups and educational institutions. Indeed, the need for collaboration between these communities is vital to ensure a viable, sustainable, safe and secure electricity workforce.

Estimated Supply and Demand Gap for Engineers and Other Non-Support Positions — High Growth Scenario

Group/Period	Average Annual Estimates	
	2005–2009	2010–2014
Current Total Workforce[1]	58,648	58,668
Engineers	11,525	11,529
Trades/other non-support	47,123	47,139
Estimated Demand — High Growth Scenario[2]		
Engineers	702	767
Trades/other non-support	2,871	3,136
Total	3,573	3,903
Estimated Supply[3]		
Engineers	65	70
Trades/other non-support	293	291
Total	358	361
Supply-Demand Gap[4] (per year)		
Engineers	(637)	(697)
Trades/other non-support	(2,577)	(2,845)
Total	(3,214)	(3,542)
Total Projected Deficit (total for period)		
Engineers	3,185	3,485
Trades/other non-support	12,885	14,225
Total	16,070	17,710

1 Total estimated workforce in electrical occupations — primary producers and associate producers, plus approximately 1.8% increase in required workforce year-over-year.
2 Additional employment growth estimated for demand increases and infrastructure replacement requirements and eligible retirements.
3 Portion of graduates who secure employment in electricity sector upon graduation as discussed in Part Four.
4 Difference between estimated demand and current education supply capacity.
Source: 2004 Canadian Electricity Sector Study



INFORMATION

For more information or to obtain a copy of the *2004 Canadian Electricity Human Resource Sector Study*, visit the CEA Web site at www.canelect.ca or contact:

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Visit the Electricity Sector Council initiative at www.brightfutures.ca.

Perspectives is published by the Canadian Electricity Association, **the voice of Canadian Electricity.**
For more information: info@canelect.ca, (613) 230-9263

Canadian Electricity Association
Association canadienne de l'électricité
www.canelect.ca

BURLINGTON HYDRO INC.

INCENTIVE COMPENSATION PLAN

MANAGEMENT and NON UNION EMPLOYEES

2009 Incentive Plan

CONFIDENTIAL

INCENTIVE COMPENSATION PLAN

OBJECTIVE:

The Burlington Hydro Inc. Incentive Compensation Plan is designed to promote teamwork and encourage all plan participants to achieve the overall mission, strategy, and objectives of the Company.

THE PLAN:

The Plan will activate if there is no negative impact to our forecasted Shareholder Dividend and if the Corporate Financial Objectives are achieved or exceeded at year end, as approved by the Board of Directors. Corporate Financial Objectives are measured at the end of the fiscal year, after receipt and approval of the audited financial statements.

The Corporate Financial Objectives consist of three key elements: **(see glossary of terms for full definitions)

ROE (Return on Equity)
EBIT (Earnings Before Interest and Taxes)
Free Cash Flow

All three of these elements must be achieved in order for the Incentive Plan to activate. These three elements are the cornerstone of the Company's business plan and are tied to the Balanced Scorecard. **

The Corporate financial objectives are established at the beginning of each fiscal year. The Board of Directors reserves the right to withhold funds for any other reason they determine that Corporate Performance Objectives have not been achieved.

When the above is achieved, the following two components to the Plan will be activated:

1. Corporate Objectives:

   Corporate Objectives are established at the beginning of each fiscal year.

   The Corporate objectives component of the Plan includes the overall Company's achievements that are measured against the Balanced Scorecard. The following are the four corporate objective categories:

   - Financial,
   - Customer Service/Stakeholder,
   - Internal Processes and
   - Learning and Growth.

   Please see figure 2 for measurements and goals for this component of the plan. The Corporate objectives weightings assigned for each position grade are outlined in Figure 1 below.

2. Individual Performance Objectives:

   The second component of the plan is comprised of individual performance objectives. Each eligible employee will work with their respective manager to develop annual performance objectives that link to the organizational goals and objectives of improved financial performance, improved customer service, learning and growth of the organization and/or improved processes. If the employees stated objectives are met or exceeded, the individual Incentive component would activate.

   Depending on the individuals position to impact the Corporate Balanced Scorecard Objectives there could be as few as two and as many as five objectives will be selected for each employee.

   a) Annual individual performance objectives will be measured in terms of each participant's achievement of key individual objectives mutually determined in advance with the participant's supervisor and the President. Individual goals will be established to reflect truly significant accomplishments which support the organization's Balanced

Scorecard. Adjustments may be made to the list of contributions and achievements in order to more fully recognize significant individual results during the fiscal year.

b) The objectives will be mutually agreed upon, with weightings assigned to each. The total weight assigned to all must equal 100%.

The Individual Performance objectives weightings assigned for each position grade are outlined in Figure 1 below.

ELIGIBILITY:

All management and management support staff are eligible to participate in the Incentive Compensation Plan. The Target Incentive and Maximum Objectives are payable on the previous year's base earnings. Incentive compensation payments will be at the sole discretion of the Board of Directors and are not considered automatic, retroactive, or precedent based. Employees must achieve their individual objectives determined in the signed Individual Performance Objectives and the Company must achieve its financial objectives before minimum Incentive payment under this plan activates.

An employee must be in active, full-time employment with the company at the time of payout and must meet acceptable standards of performance to be eligible for this incentive.

Figure 2: Corporate 'Balanced Scorecard' Components

MEASUREMENTS AND GOALS:

1. Financial – Total Corporate Rating 50%

(a) ROE as stated on Balanced Scorecard - Corporate weighting 20%

Objective – ROE 5.3%

Measurements and what the plan generates:

		over	over	over	over	over	Company Target	over	over	over	over	over	Max.
ROE	Meet objective	0.25	0.5	0.75	1.0	1.25	1.5	1.75	2.0	2.25	2.5	2.75	3.0
Plan Generates	6.67%	7.8%	8.9%	10%	11.1%	12.2%	13.3%	14.4%	15.5%	16.6%	17.8%	18.9%	20%

(b) EBIT as stated on Balanced Scorecard – Corporate weighting 15%

Objective – EBIT $8.378 M

		% over	% over	% over	% over	Company Target	% over	% over	% over	% over	Max.
EBIT	Meet Objective	1%	2%	3%	4%	5%	6%	7%	8%	9%	10%
Plan Generates	5 %	6%	7%	8%	9%	10%	11%	12%	13%	14%	15%

(C) Free Cash Flow as stated on Balanced Scorecard – Corporate weighting 15%
Objective – FCF $3.094 M

		% over	% over	% over	% over	Company Target	% over	% over	% over	% over	Max.
Free Cash Flow	Meet Objective	1%	2%	3%	4%	5%	6%	7%	8%	9%	10%
Plan Generates	5 %	6%	7%	8%	9%	10%	11%	12%	13%	14%	15%

2. Customer/Stakeholder – Total Corporate weighting 20% (incl. OEB Objectives: Call Handling 10% & Reliability 10%)

(a) OEB Objective - Call Handling: 65%

		% over	% over	% over	% over	Company Target	% over	% over	% over	% over	Max.
Call Handling	Meet Objective	1%	2%	3%	4%	5%	6%	7%	8%	9%	10%
Plan Generates	3.33 %	4%	4.6%	5.3%	6.0%	6.67%	7.3%	8.0%	8.7%	9.3%	10%

2(b) OEB Objective – Reliability: exceed 3 year average

		% under	% under	% under	% under	Company Target	% under	% under	% under	% under	Max.
Reliability	Meet objective	1%	2%	3%	4%	5%	6%	7%	8%	9%	10%
Plan Generates	3.33 %	4%	4.6%	5.3%	6.0%	6.67%	7.3%	8.0%	8.7%	9.3%	10%

3. Learning and Growth: Safe work environment – Total Corporate weighting 20%
a) Objective – BHI Loss Time Injury (LTI) Frequency – 5 year rolling average
Corporate weighting 10%

Did not meet		under	under	Under	Company Target	under	under	under	Max.
Loss Time Injury (LTI) Frequency	Meet Under 1.5	1.375	1.25	1.125	under 1.0	0.875	0.75	0.667	0.5
Plan Generates	3.33 %	4%	4.6%	5.3%	6.67%	7.3%	8.0%	8.7%	10.0%

b) Objective – BHI Non Loss Time Injury (NLTI) Frequency – 5 year rolling average
Corporate weighting 10%

		under	under	Under	Company Target	under	under	under	Max.
Non Loss Time Injury (NLTI) Frequency	Meet Under 5.0	4.75	4.5	4.25	Under 4.0	3.75	3.5	3.25	3.0
Plan Generates	3.33 %	4%	4.6%	5.3%	6.67%	7.3%	8.0%	8.7%	10.0%

4. Internal Processes – Corporate weighting 10%

Objective - Customers Served per Employee ratio: 650

						Company Objective					Max. Stretch Goal
Satisfied Customers Served per Employee 650	Meet objective	652	654	656	658	660	662	664	666	668	670
Plan Generates	3.33 %	4%	4.6%	5.3%	6.0%	6.67%	7.3%	8.0%	8.7%	9.3%	10.0%

GLOSSARY OF TERMS:

Return on Equity -

Measures the rate of return earned on the shareholder's investment in BHI.
It is used to determine whether the earnings on the shareholder's investment is attractive in comparison to the returns available on alternative investments

EBIT -

Earnings of the Company before taking into account interest on debt and corporate taxes

Measures the income of the firm negating the impact of how the firm is capitalized or the impact of taxes.

Free Cash Flow -

In valuation theory, the underlying value of a company is in the cash flows that it generates.

Free Cash Flow represents cash flows from the operations over which management has discretion (ie. revenues, operating expenses, capital expenses)

SAMPLE Corporate Balanced Scorecard

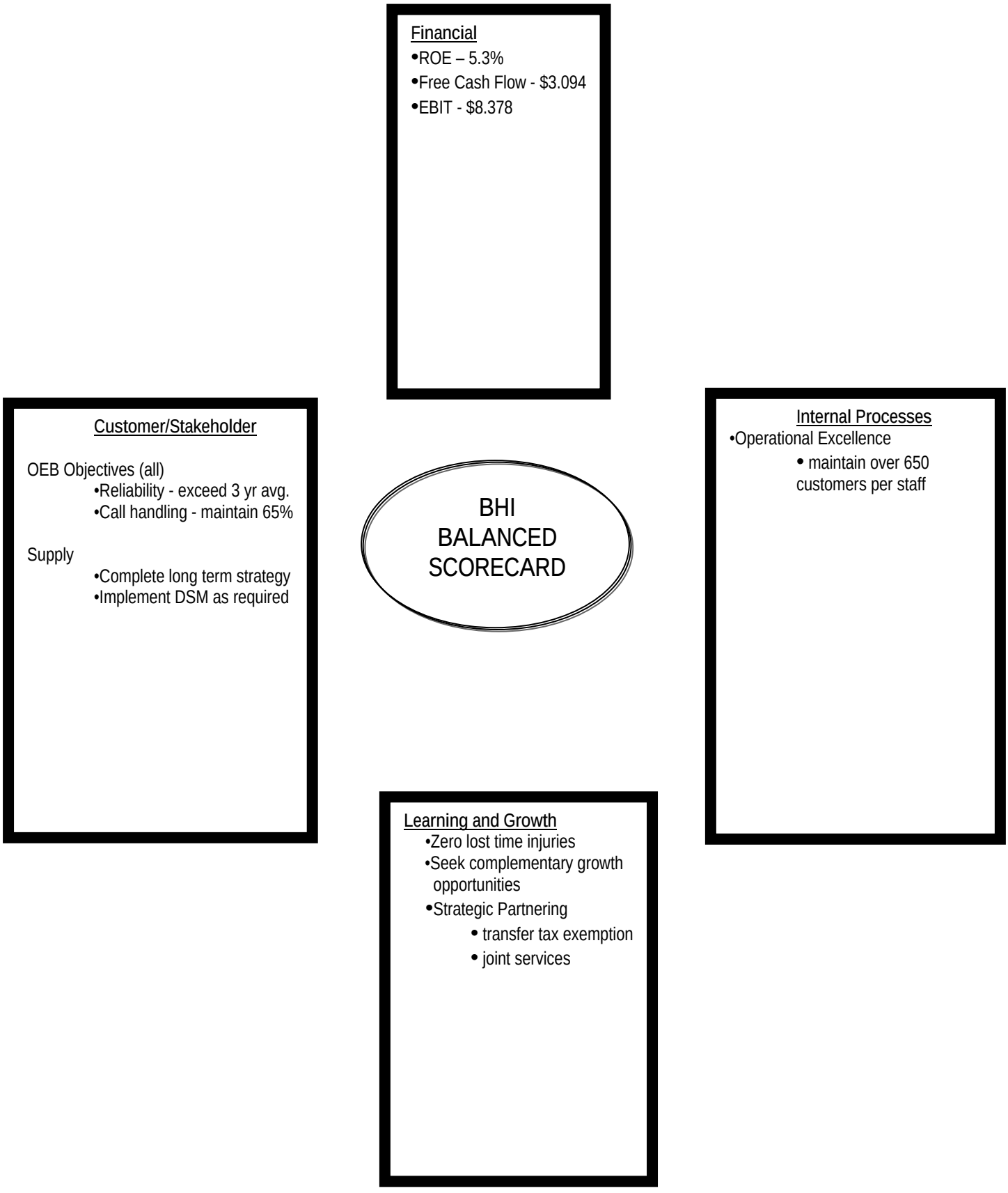

FIGURE 4 - INDIVIDUAL OBJECTIVES EXAMPLE FOR HUMAN RESOURCES LINKED TO BALANCED SCORECARD

OBJECTIVE 1	ACTIONS:	MEASURES:	TARGET DATE:	WEIGHT:	LINKAGE TO BALANCED SCORECARD
OEB Objectives Call Handling – exceed 65%	Ensure that Call Centre staff are trained and developed for future growth opportunities	40 hours training in customer relations/call centre handling Benchmark call handling Investigate rewards and recognition for positive behaviours	12/31	10% 10%	Customer/Stakeholder
OBJECTIVE 2:	ACTIONS:	MEASURES:	TARGET DATE:	WEIGHT:	LINKAGE TO BALANCED SCORECARD
Provide Safe and Rewarding Work environment	Redefine Incentive Compensation Plan Develop an HR Strategy that promotes a positive work environment	Board Acceptance Roll out to Staff Individual Objectives training/workshop Benchmarking of performance ▪ Attendance ▪ Turnover ▪ Morale	.31.	15% 10%	Learning and Growth
OBJECTIVE 3:	ACTIONS:	MEASURES:	TARGET DATE:	WEIGHT	LINKAGE TO BALANCED SCORECARD
Operational Excellence	HR Policies and Procedures Manual Post HR Policies and Procedures on Company Intranet Post Job Opportunities on Company Web Site Post Benefit Booklet On Line	Expand on existing manual to include employee handbook Complete and distributed Internal calls would be reduced ▪ Complete and installed ▪ Number of emails received as result ▪ Reduction in phone inquiries ▪ Reduction of “on spec” Emails Reduction of one on one inquiries and reduced work disruptions	12/31/03 12/31/03 12/31/03 12/31/03	5% 5% 5% 5%	Internal Processes
OBJECTIVE 4:	ACTIONS:	MEASURES	TARGET DATE	WEIGHT	LINKAGE TO BALANCED SCORECARD
Financial	Successfully negotiate Collective Agreement within financial mandate Test market re benefits plan	Accomplish Without work stoppage Establish if current plan is cost effective	6/30/03 10/31	25% 5% 10%	

BURLINGTON HYDRO INC.
Individual Balanced Scorecard
20 ____

Employee Name:		Department:	

Organizational Scorecard Perspective	Goals	Weight	Measures	Target
1. Financial		%		
		%		
		%		
2. Customer /Stakeholder		%		
		%		
		%		
3. Learning & Growth		%		
		%		
		%		
4. Internal Processes		%		
		%		

		%		
5. Personal Development		%		
		%		

Burlington Hydro Inc.
Response to Interrogatory from School Energy Coalition
Question 18

Question:

Ref: Exhibit 4/Tab 4/Schedule 2

With respect to the Employee Costs breakdown:

a. Please confirm that total compensation per person in the Executive category is expected to increase from $144,656 in 2006 to $166,855 in 2010, an increase of 15.3%. Please identify how much of this increase relates to

   i. Changes in the positions in the category;
   ii. Adjustments in compensation to reflect comparative compensation studies done by Hay or others;
   iii. Changes in responsibilities assigned to positions;
   iv. Any other identifiable causes.

b. Please confirm that total compensation per person in the Management category is expected to increase from $85,489 in 2006 to $112,290 in 2010, an increase of 31.4%. Please identify how much of this increase relates to

   i. Changes in the positions in the category;
   ii. Adjustments in compensation to reflect comparative compensation studies done by Hay or others;
   iii. Changes in responsibilities assigned to positions;
   iv. Any other identifiable causes

c. Please confirm that total compensation per person in the Non-Union category is expected to increase from $51,778 in 2006 to $83,181 in 2010, an increase of 60.7%. Please identify how much of this increase relates to

   i. Changes in the positions in the category;
   ii. Adjustments in compensation to reflect comparative compensation studies done by Hay or others;
   iii. Changes in responsibilities assigned to positions;
   iv. Any other identifiable causes

d. Please confirm that total compensation per person in the Union category is expected to increase from $78,369 in 2006 to $88,969 in 2010, an increase of 13.5%. Please identify how much of this increase relates to

   i. Changes in the positions in the category;
   ii. Adjustments in compensation to reflect comparative compensation studies done by Hay or others;
   iii. Changes in responsibilities assigned to positions;
   iv. Any other identifiable causes

Response:

a. The total compensation per person in the Executive category is correct.

v. Changes in the positions in the category;
- The compliment of staff in the executive level has remained at 7 except in 2007 when the Director of Loss Prevention position was restructured to a Safety Manager. Director level duties were reassigned to another Director. In 2008, this position was reassigned to the Engineering department.

vi. Adjustments in compensation to reflect comparative compensation studies done by Hay or others;
- A study was conducted by Hay in late 2006 (see attached). However, no adjustments were made to salaries as a result.

vii. Changes in responsibilities assigned to positions;
- no changes in responsibilities were assigned to any of these positions that resulted in an increase to pay.

viii. Any other identifiable causes;
- Much of the increase is due to inflationary/merit increases. Applying the average increase to total compensation year over year results in a $20,626 increase.
- The remaining $1,573 increase is due to 3 incumbents in the executive team during this period were paid at the lower end of their salary bands. In order to progress them through to the job rate of the position, would have received higher increases than the average inflationary/merit increases.

e. The total compensation per person in the Management category is correct.

i. Changes in the positions in the category;
- In 2009, we added a Trades Supervisor in succession planning for a current Manager who is eligible to retire. We also promoted/transferred a non-union employee to the Management group in 2008. This is the main reason for the increase of approximately $12,687 on average to the Management category.

ii. Adjustments in compensation to reflect comparative compensation studies done by Hay or others;
- Please see above response.

iii. Changes in responsibilities assigned to positions;
- 4 Management employees received promotional increases in recognition of additional responsibilities during this time period. This is equal to a $1,357 increase on average.

iv. Any other identifiable causes
- Merit / inflationary increases each year would have contributed to the increase in the amount $12,184 on average.
- The remaining $572 is due to 3 incumbents in the Management group during this period were paid at the lower end of their salary bands. In order to progress them through to the job rate of the position, would have received higher increases than the average inflationary/merit increases.

f. The total compensation per person in the Non-Union category is correct.

i. Changes in the positions in the category;
- Hiring of a Regulatory and Conservation Analyst in 2008.

- Hiring of a Regulatory Accountant in late 2009.
- In 2006 average total compensation is low due to two maternity leaves which drove the average down. $18,214 in costs is missing to the average. New 2006 total compensation average would have been $69,992.
- $3,215 is due to replacing 1 incumbent who resigned in this group, at a higher salary due to experience.

ii. Adjustments in compensation to reflect comparative compensation studies done by Hay or others;
- Please see above response

iii. Changes in responsibilities assigned to positions;
- No changes in responsibilities apply

iv. Any other identifiable causes
- Merit / inflationary increases each year would have contributed to the increase in the amount of $9,975 on average.

g. The total compensation per person in the Union category is incorrect. We calculated the total compensation per employee for 2010 as $87,943. Which is a 12.2% increase.

i. Changes in the positions in the category;
- The company has initiated a trades succession plan during this period that had resulted in hiring of apprentices. However, this has not contributed to the average total compensation increase per employee.

ii. Adjustments in compensation to reflect comparative compensation studies done by Hay or others;
- The compensation for the Union category is determined by collective bargaining. The Electrical Distributors Association is the source that is used to research compensation market data for these positions.

iii. Changes in responsibilities assigned to positions;
- There have been no material responsibility changes to the unionized positions that would result in pay increases.

iv. Any other identifiable causes
- Collective bargaining increases each year have contributed to the 12.2 percent increase of approximately $10,050 for each employee.

Burlington Hydro Inc.
Response to Interrogatory from School Energy Coalition
Question 19

Question:

Ref: Exhibit 4/Tab 5/Schedule 1

With respect to Affiliates:

a. Please provide a table showing a breakdown of the costs incurred by the Applicant to assist BESI in providing billing services to the Region of Halton, the revenues received by the Applicant from BESI for these services, the additional costs incurred by BESI in providing these services, and the revenues received by BESI for these services.

b. Please file the contract between the Applicant and BESI, and the contract between BESI and the Region, together with all schedules and supporting documents for each.

Response:

a) The table below identifies revenues received from BESI and a breakdown of costs incurred by Burlington Hydro to assist BESI in providing billing services. Burlington Hydro is not able to provide additional costs incurred by BESI or the revenue received by BESI for these services.

	2006	2007	2008	2009	2010
REVENUE TO BURLINGTON HYDRO	**338,684**	**338,410**	**357,688**	**362,051**	**373,635**
BREAKDOWN OF COSTS INCURRED BY BURLINGTON HYDRO					
SALARY AND BENEFITS OF PROGRAMMER	81,929	86,734	88,260	90,542	93,701
SALARY AND BENEFITS OF BILLING CLERK	63,915	67,712	72,228	71,958	74,556
SALARY AND BENEFITS OF ONE CUSTOMER SERVICE CLERK	67,111	70,667	72,533	75,115	77,807
METER READING CONTRACTOR	53,337	47,783	49,869	51,659	55,080
	266,292	**272,896**	**282,890**	**289,274**	**301,144**

b) Copies of the Services Agreement dated January 11, 2001 between Burlington Hydro Electric Inc, Burlington Hydro, BESI and a copy of the Billing Services Agreement dated March 14, 2001 between BHI and BESI are found at the response to interrogatory 21 from VECC. Burlington Hydro is not a party to the contract between the Region and BESI.

Burlington Hydro Inc.
Response to Interrogatory from School Energy Coalition
Question 20

Question:

Ref: Exhibit 4/Tab 8/Schedule 2

Please add three new columns to the table, containing the actual figures for each of 2006, 2007 and 2008.

Response:

Please see attached table.

Tax Calculations

Description	2006 Board Approved	2006 Actual	2007 Actual	2008 Actual	2009 Bridge	2010 Test
Determination of Taxable Income						
Utility Income Before Taxes	4,338,421	8,662,520	7,187,563	6,527,394	4,077,510	5,001,233
Book to Tax Adjustments						
Additions to Accounting Income:						
Amortization of tangible assets	5,960,693	6,237,640	6,486,151	6,597,196	7,017,486	7,371,345
Reserves from financial statements- balance at end of year	2,149,397	2,365,297	2,508,078	2,681,058	2,823,839	2,823,839
Realized Income from Deferred Credit Accounts	1,000,000	1,626,088	4,996,568	1,859,978	0	0
Federal ITCs	0				6,000	33,325
Other Additions	400,000	66,699	83,096	123,882	0	0
Total Additions	**9,510,090**	**10,295,724**	**14,073,893**	**11,262,114**	**9,847,325**	**10,228,509**
Deductions from Accounting Income:						
Capital cost allowance from Schedule 8	5,306,089	5,882,991	5,995,083	6,409,858	6,938,453	7,090,677
Cumulative eligible capital deduction from Schedule 10	228	212	9,459		8,181	7,608
Reserves from financial statements - balance at beginning of year	2,149,397	2,228,002	2,365,297	2,508,078	2,681,058	2,823,839
Other Deductions	66,243	56,107	156,945	120,200	0	0
Total Deductions	**7,521,957**	**8,167,312**	**8,526,784**	**9,038,136**	**9,627,692**	**9,922,124**
Regulatory Taxable Income	**6,326,554**	**10,790,932**	**12,734,672**	**8,751,372**	**4,297,144**	**5,307,618**
Corporate Income Tax Rate	36.12%	36.12%	36.12%	33.50%	33.00%	31.00%
Regulatory Income Tax	**2,285,151**	**3,897,685**	**4,599,764**	**2,931,710**	**1,418,057**	**1,645,362**
Calculation of Utility Income Taxes						
Income Taxes	2,285,151	3,897,685	4,599,764	2,931,710	1,418,057	1,645,362
Large Corporation Tax	0				0	0
Ontario Capital Tax	273,670	302,299	223,150	218,778	198,722	67,305
Total Taxes	**2,558,821**	**4,199,984**	**4,822,914**	**3,150,488**	**1,616,780**	**1,712,667**
Tax Rates						
Federal Tax	22.12%	22.12%	22.12%	19.50%	19.00%	18.00%
Provincial Tax	14.00%	14.00%	14.00%	14.00%	14.00%	13.00%
Total Tax Rate	36.12%	36.12%	36.12%	33.50%	33.00%	31.00%
Large Corporation Tax	**0**	**0**	**0**	**0**	**0**	**0**
Calculation of Ontario Capital Tax						
Total Rate Base		110,309,824	111,088,802	111,715,036	103,321,067	104,740,059
Less Exemption		9,543,388	11,911,153	14,480,326	15,000,000	15,000,000
Taxable Capital /Deemed taxable capital		**100,766,436**	**99,177,649**	**97,234,710**	**88,321,067**	**89,740,059**
OCT Rate		0.300%	0.225%	0.225%	0.225%	0.075%
Ontario Capital Tax	**273,670**	**302,299**	**223,150**	**218,778**	**198,722**	**67,305**

Summary of Income Taxes

Description	2006 Board Approved	2006 Actual	2007 Actual	2008 Actual	2009 Bridge	2010 Test
Income Taxes	2,285,151	3,897,685	4,599,764	2,931,710	1,418,057	1,645,362
Tax (reductions)/increases due to tax credits, etc.		(32,581)	(25,863)	(61,219)		
Large Corporation Tax	0	0	0	0	0	0
Ontario Capital Tax	273,670	302,299	223,150	218,778	198,722	67,305
Total Taxes	**2,558,821**	**4,167,403**	**4,797,050**	**3,089,269**	**1,616,780**	**1,712,667**

Burlington Hydro Inc.
Response to Interrogatory from School Energy Coalition
Question 21

Question:

Ref: Exhibit 5/Tab 2/Schedule 2

With respect to the promissory note:

a. Please confirm the Applicant's understanding that this note can be repaid at any time at the option of the Applicant. If that is not the case, please provide details of any discussions the Applicant has had with the City with respect to full or partial repayment of this note.

b. Please advise whether the wording of the note ("this Principal Sum to be adjusted to the maximum deemed amount in keeping with the latest rate application to the Ontario Energy Board") is intended to mean the principal amount varies, and that therefore at present the principal amount equals the deemed debt of $58,583,045 for 2009. If this is the case, please reconcile this term with the amount of the promissory note shown in Exhibits 1/3/1 and 1/3/2. If this is not the case, please describe the intended meaning of that phrase.

c. Please file all documents executed by the City at any time to "evidence…subordination" as required by the note.

Response:

a) The legal terms of the Note do not provide the debtor with the option to repay at any time. The shareholder would have to demand repayment of the note. Paragraph #4 of the note states "The City may, at any time, …setting a date on which the principle amount hereunder is due and payable …".
The City is aware that options exist for third party debt financing if they were to demand repayment of the note.

b) Paragraph #4 of the note states "…or adjusting the principal sum payable hereunder …". The change of principal sum on the Note is at the discretion of the City and does not occur automatically. As legal counsel for the City authored the wording for the note, Burlington Hydro is unable to say what the intent was in the original wording.

c) Please see attached the Inter-creditor Agreement executed by the City of Burlington on April 16, 2002 and the Amended Inter-creditor Agreement executed by the City of Burlington on March 5, 2003.

INTER-CREDITOR AGREEMENT

THIS AGREEMENT made as of the 16th day of April, 2002.

B E T W E E N:

THE BANK OF NOVA SCOTIA, a Canadian chartered bank

(herein called the "Senior Creditor")

- and -

THE CORPORATION OF THE CITY OF BURLINGTON, a municipal corporation existing under the laws of the Province of Ontario

(herein called the "Subordinated Creditor")

- and -

BURLINGTON HYDRO INC., a corporation incorporated under the laws of the Province of Ontario

(herein called the "Borrower")

WHEREAS the Borrower is or may become indebted to each of the Creditors and the parties hereto desire to enter into this agreement in order to set out their respective rights and obligations, including the respective priorities of the Creditors in connection with the indebtedness of the Borrower to them;

NOW THEREFORE THIS AGREEMENT WITNESSES that, in consideration of the mutual covenants herein contained and other good and valuable consideration, given by each of the parties hereto (the receipt and sufficiency of which are hereby acknowledged by all of the parties hereto), the parties hereto hereby agree with each other as follows:

ARTICLE 1
INTERPRETATION

1.01 Definitions. The following defined terms shall for all purposes of this agreement, or any amendment hereto, have the following respective meanings unless the context otherwise specifies or requires or unless otherwise defined herein:

"Business Day" means any day other than a Saturday or Sunday on which banks are generally open for business in Toronto, Ontario.

"Credit Agreement" means the credit agreement made as of April 16, 2002 between the Borrower and the Senior Creditor, as the same may be amended, modified, supplemented or replaced from time to time.

"Creditors" means the Senior Creditor and the Subordinated Creditor and **"Creditor"** means either of the Creditors.

"Default" means any of the events of default specified in any Loan Agreement entitling a Creditor to demand or accelerate payment of any Obligations.

"Demand" means any notification by either of the Creditors to the Borrower of a demand for payment under any Loan Agreement.

"Insolvency Legislation" means *the Bankruptcy and Insolvency Act* (Canada), the *Companies' Creditors Arrangement Act* (Canada), *the Bankruptcy Code* (United States) and any similar statute or law in any jurisdiction.

"Loan Agreements" means the Senior Loan Agreements and the Subordinated Loan Agreements and **"Loan Agreement"** means any one of the Loan Agreements.

"Obligations" means Senior Obligations and the Subordinated Obligations.

"Senior Loan Agreements" means all documents, instruments and agreements evidencing the Senior Obligations, including, without limitation, the Credit Agreement.

"Senior Obligations" means all indebtedness, obligations and liabilities, present or future, direct or indirect, absolute or contingent, matured or not, at any time owing by the Borrower to the Senior Creditor or remaining unpaid by the Borrower to the Senior Creditor under or in connection with the Senior Loan Agreements.

"Shareholder Direction" means the shareholder direction dated December 7, 1999 made by the Subordinated Creditor in connection with, *inter alia,* the Borrower.

"Subordinated Loan Agreements" means the promissory note dated April 10, 2002 in the principal amount of $47,878,608 made by the Borrower in favour of the Subordinated Creditor, as the same may be amended, modified, supplemented or replaced from time to time.

"Subordinated Obligations" means all indebtedness, obligations and liabilities, present or future, direct or indirect, absolute or contingent, matured or not, at any time owing by the Borrower to the Subordinated Creditor or remaining unpaid by the Borrower to the Subordinated Creditor under or in connection with the Subordinated Loan Agreements.

1.02 Other Usages. References to "this agreement", "the agreement", "hereof", "herein", "hereto" and like references refer to this Inter-Creditor Agreement and not to any particular Article, Section or other subdivision of this Inter-Creditor Agreement. Any references to "this agreement", "the agreement", "hereof", "herein", "hereto" and like references refer to this Inter-Creditor Agreement as amended, supplemented or otherwise modified from time to time in accordance with the terms hereof.

1.03 Plural and Singular. Where the context so requires, words importing the singular number shall include the plural and vice versa.

1.04 Headings. The division of this agreement into Articles, Sections and the insertion of headings in this agreement are for convenience of reference only and shall not affect the construction or interpretation of this agreement.

1.05 Applicable Law. This agreement shall be governed by and construed and interpreted in accordance with the laws of the Province of Ontario and the laws of Canada applicable therein. Any legal action or proceeding with respect to this agreement may be brought in the courts of the Province of Ontario and, by execution and delivery of this agreement, the parties hereby accept for themselves and in respect of their property, generally and unconditionally, the non-exclusive jurisdiction of the aforesaid courts. Nothing herein shall limit the right of any party to serve process in any manner permitted by law or to commence legal proceedings or otherwise proceed against any other party in any other jurisdiction.

1.06 Time of the Essence. Time shall in all respects be of the essence of this agreement.

1.07 Paramountcy. In the event of any conflict or inconsistency between the provisions of this agreement and the provisions of any other agreement which is referred to herein or delivered pursuant hereto, the provisions of this agreement shall prevail and be paramount.

1.08 No Rights Conferred on the Borrower. Nothing in this agreement shall be construed as conferring any rights upon the Borrower or any third party. The terms and conditions hereof are and shall be for the sole and exclusive benefit of the Creditors.

ARTICLE 2
CONSENT

2.01 Consent of Creditors. Each Creditor consents to the incurring of the Obligations by the Borrower and waives any Default that the incurring of the Obligations may have constituted under the terms of the Loan Agreements or the Shareholder Direction.

ARTICLE 3
PRIORITY OF OBLIGATIONS

3.01 Priority of Obligations. Except as otherwise expressly provided in Section 3.03, the Subordinated Obligations shall be and are hereby postponed and made subordinate in right of payment to the prior payment in full in cash of the Senior Obligations.

3.02 Prohibited Payments to Subordinated Creditor. Except as otherwise expressly provided in Section 3.03, the Borrower shall not make nor be entitled to make, and the Subordinated Creditor shall not accept and shall not be entitled to accept, any payment or prepayment of principal, interest or other amount under the Subordinated Loan Agreements, whether in the form of cash, securities or otherwise and whether by way of payment, set off or otherwise.

3.03 Permitted Payments to the Subordinated Creditor. The Borrower may make, and the Subordinated Creditor may receive, payments (but not prepayments) on account of interest owing by the Borrower to the Subordinated Creditor in accordance with the terms of the Subordinated Loan Agreements at the maximum rate of 7.25 percent per annum, subject to adjustment pursuant to Section 3.04(c) below, provided no Default under the Credit Agreement exists at the time of such payment and no Default would arise as a result of such payment.

3.04 Certain Covenants of Subordinated Creditor. The Subordinated Creditor shall not and shall not be entitled to:

(a) accelerate the time for payment of any of the Subordinated Obligations or otherwise enforce or take any action to enforce payment of all or any part of the Subordinated Obligations, whether by way of set off or otherwise, unless and until all indebtedness of the Borrower to the Senior Creditor under or in connection with the Credit Agreement has become immediately due and payable pursuant to the terms thereof;

(b) petition the Borrower into bankruptcy or initiate any similar proceeding under any applicable Insolvency Legislation, and in no event shall the Subordinated Creditor vote in any proceedings under any applicable Insolvency Legislation except as directed in writing by the Senior Creditor;

(c) increase the principal amount, the interest rate or change the payment terms under the Subordinated Loan Agreements without the prior written consent of the Senior Creditor, which will not be unreasonably withheld, except that the Subordinated Creditor may increase the principal amount or the interest rate of the Subordinated Loan Agreements without the Senior Creditor's consent if such increases are permitted or mandated by the Ontario Energy Board; or

(d) hold or obtain any security from the Borrower or any person on its behalf, for payment or performance of the Subordinated Obligations.

3.05 Distributions.

(a) The Borrower shall be entitled to make, and the Subordinated Creditor shall be entitled to accept, the payment of any dividends or other distribution on or in respect of any shares in the capital of the Borrower provided no Default under the Credit Agreement exists at the time of such payment and no Default would arise as a result of such payment.

(b) The Borrower shall be entitled to make, and the Subordinated Creditor shall be entitled to accept, the redemption, retraction, purchase, retirement or other acquisition, in whole or in part, of any shares in the capital of the Borrower or any securities, instruments or contractual rights capable of being converted into, exchanged or exercised for shares in the capital of the Borrower, including, without limitation, options, warrants, conversion or exchange privileges and similar rights provided no Default under the Credit Agreement exists at the time of such transaction and no Default would arise as a result of such transaction.

3.06 Effect of Non-Compliance.

(a) In the event any prepayments or other payments are made to or received by the Subordinated Creditor in contravention of this agreement, the Subordinated Creditor shall hold such prepayments or payments in trust for the Senior Creditor and shall not commingle such proceeds with any of its own funds and shall forthwith pay such prepayments or payments to the Senior Creditor for application to the payment or prepayment of the Senior Obligations as the Senior Creditor sees fit.

(b) Any action taken or thing done by any Subordinated Creditor in contravention of this agreement shall be null and void and of no effect.

3.07 Covenant of the Borrower. The Borrower agrees that, upon receiving consent from the Subordinated Creditor to provide security to the Senior Creditor for the Senior Obligations, the Borrower will enter into such security, as more particularly set out in the Credit Agreement.

ARTICLE 4
REMEDIES

4.01 Remedies. The Borrower and the Subordinated Creditor hereby agree that all covenants, provisions and restrictions contained herein are necessary and fundamental in order to establish the respective priorities of the Creditors in connection with the Obligations, and that a breach by the Borrower or the Subordinated Creditor of any such covenant, provision or restriction would result in damages to the Senior Creditor that could not adequately be compensated by monetary award. Accordingly, it is expressly agreed by the Borrower and the Subordinated Creditor that in addition to all other remedies available to it including, without limitation, any action for damages, the Senior Creditor shall be entitled to the immediate remedy of a restraining order, interim injunction, injunction or other form of injunctive or other relief as may be decreed or issued by any court of competent jurisdiction to restrain or enjoin the Borrower or the Subordinated Creditor from breaching any such covenant, provision or restriction.

4.02 Default Notice. Each Creditor agrees to give written notice to the other Creditor simultaneously with or immediately after the delivery to the Borrower of any written notice of a Demand or a Default. Failure of a Creditor to give notice as provided in this Section 4.02 shall not affect the priorities established or other agreements provided for herein, nor shall such Creditor be liable for failure to give any such notice nor shall any such failure in any way limit or derogate from the obligations of the other Creditor.

ARTICLE 5
REPRESENTATIONS AND WARRANTIES OF THE SUBORDINATED CREDITOR

5.01 Representations and Warranties of the Subordinated Creditor. The Subordinated Creditor hereby represents and warrants to the Senior Creditor as follows and acknowledges and confirms that the Senior Creditor is relying upon such representations and warranties in extending credit to the Borrower under the Senior Loan Agreements:

(a) The Subordinated Creditor is a municipal corporation in accordance with the provisions of the Municipal Act (Ontario) and is validly subsisting under the laws of its jurisdiction of incorporation. The Subordinated Creditor has all requisite corporate capacity, power and authority to enter into, and carry out the transactions contemplated by, this agreement.

(b) All necessary action, corporate or otherwise, has been taken to authorize the execution, delivery and performance of this agreement by the Subordinated Creditor and the Subordinated Creditor has duly executed and delivered this agreement. This agreement is a legal, valid and binding obligation of the Subordinated Creditor, enforceable against the Subordinated Creditor by the Senior Creditor in accordance with its terms provided that validity or enforceability may be subject to or affected by applicable bankruptcy, insolvency, moratorium, reorganization, personal property security or similar laws affecting the rights of creditors generally and that equitable remedies, such as specific performance, are in the discretion of the court.

ARTICLE 6
MISCELLANEOUS

6.01 Consent of the Borrower. The Borrower, by its execution hereof, hereby agrees to be bound by, and shall act in accordance with, the terms, provisions and intent of this agreement.

6.02 Information Exchange. Each Creditor agrees to disclose to each other Creditor upon reasonable request from time to time the aggregate amounts then owing by the Borrower to it in connection with their respective Obligations and whether it has any actual knowledge of any Default. The Borrower hereby consents to each Creditor providing the other Creditor with such information, financial or otherwise, regarding the Borrower and the Creditors' respective Obligations as may be deemed advisable by the Creditors from time to time.

6.03 Non-Impairment of the Senior Creditor's Rights. No right of the Senior Creditor to enforce its rights hereunder shall at any time or in any way be prejudiced or impaired by any act or failure to act on the part of the Borrower or by any act or failure to act by the Senior Creditor, or by any non-compliance by the Borrower or the Subordinated Creditor with the terms of this agreement, regardless of any knowledge thereof which the Senior Creditor may have or be otherwise charged with. Without the Subordinated Creditor's consent, the Senior Creditor may extend, renew or modify the Senior Obligations or amend or waive the terms of the Senior Loan Agreements and otherwise deal freely with the Borrower, all without affecting the liabilities and obligations of the Borrower and the Subordinated Creditor hereunder and without causing or constituting a breach of or default under any of the Subordinated Obligations. The Senior Creditor may not increase the Senior Obligations without the prior written consent of the Subordinated Creditor, which shall not be unreasonably withheld.

6.04 Waivers and Amendments. No failure or delay by the Senior Creditor in exercising any right hereunder shall operate as a waiver of such right nor shall any single or partial exercise of any power or right preclude its further exercise or the exercise of any other power or right. Any term, covenant, condition or obligation of this agreement may only be amended with the

written consent of all of the parties hereto or compliance therewith may only be waived (either generally or in a particular instance and either retroactively or prospectively) by the Senior Creditor in writing and in any such event the failure to observe, perform or discharge any such term, covenant, condition or obligation, so amended or waived (whether such amendment is executed or such consent or waiver is given before or after such failure), shall not be construed as a breach of such term, covenant, condition or obligation.

6.05 Severability. Each provision of this agreement is intended to be severable and if any provision is illegal, invalid or unenforceable, such illegality, unenforceability or invalidity shall not affect the validity of this agreement or the remaining provisions.

6.06 Counterparts. This agreement may be executed in any number of counterparts, all of which shall be deemed to be an original and such counterparts taken together shall constitute one agreement, and any of the parties hereto may execute this agreement by signing any such counterpart.

6.07 Further Assurances. The parties hereto agree to execute and deliver such further and other documents and perform and cause to be performed such further and other acts and things as may be necessary or desirable in order to give full effect to this agreement and every part thereof. No party to this agreement shall take any action whereby the priorities and rankings set out in this agreement might be impaired or defeated.

6.08 Assignment. This agreement shall enure to the benefit of and shall be binding upon the respective successors (including, without limitation, any trustee in bankruptcy or liquidator) and permitted assigns of the parties hereto. The Subordinated Creditor shall not assign any of its rights and obligations hereunder or under the Subordinated Loan Agreements without the prior written consent of the Senior Creditor, which shall not be unreasonably withheld. The rights and the obligations of the Senior Creditor hereunder may be assigned by the Senior Creditor in whole or in part without the consent of the other parties hereto but only in connection with or as part of an assignment by the Senior Creditor of its rights under the Credit Agreement.

6.09 Entire Agreement. This agreement contains the entire understanding of the parties with respect to the priority of the Obligations and supersedes any prior agreements, undertakings, declarations, representations and understandings, both written and verbal, in respect of the priority of the Obligations. There are no restrictions, agreements, promises, warranties, covenants or undertakings relating to the priority of the Obligations other than those set forth in this agreement.

6.10 Notices. Except as otherwise provided herein, all notices and other communications provided for herein shall be in writing and shall be personally delivered to an officer or other responsible employee of the addressee or sent by telefacsimile, charges prepaid, at or to the applicable addresses or telefacsimile numbers, as the case may be, set out opposite the relevant party's name below or at or to such other address or addresses, telefacsimile number or numbers as any party hereto may from time to time designate to the other parties in such manner. Any communication which is personally delivered as aforesaid shall be deemed to have been validly and effectively given on the date of such delivery if such date is a Business Day and such delivery was made during normal business hours of the recipient; otherwise, it shall be deemed

to have been validly and effectively given on the Business Day next following such date of delivery. Any communication which is transmitted by telefacsimile as aforesaid shall be deemed to have been validly and effectively given on the date of transmission if such date is a Business Day and such transmission was made during normal business hours of the recipient; otherwise, it shall be deemed to have been validly and effectively given on the Business Day next following such date of transmission.

In the case of the Senior Creditor:

The Bank of Nova Scotia
Corporate Banking
44 King Street West, 16th Floor
Toronto, Ontario M5H 1H1

Attention: Director, Corporate Banking
Telefax: (416) 933-7399

In the case of the Borrower:

Burlington Hydro Inc.
1340 Brant Street
Burlington, Ontario
L7R 3Z7

Attention: Vice President, Finance
Telefax: (905) 332-8384

In the case of the Subordinated Creditor:

The Corporation of the City of Burlington
426 Brant Street, P.O. Box 5013
Burlington, Ontario
L7R 3Z6

Attention: City Treasurer
Telefax: (905) 335-7877

6.11 Termination of Agreement. This agreement shall terminate and shall be of no further force or effect upon the earlier to occur of:

(a) all Senior Obligations being repaid in full and all commitments of the Senior Creditor under the Senior Loan Documents having been terminated; and

(b) the written agreement of the Senior Creditor to such effect.

6.12 Rights of Other Creditors. This agreement is not intended to prejudice the rights of the Subordinated Creditor as against any other creditor of the Borrower or to confer any benefit on any person other than the Senior Creditor. If the Subordinated Creditor receives or is entitled to receive any payment on account of the Subordinated Obligations in any proceedings under applicable Insolvency Legislation, that payment shall be paid by the Subordinated Creditor to the Senior Creditor until the Senior Obligations have been paid in full. If the Subordinated Creditor makes any such payment to the Senior Creditor, the Subordinated Creditor shall, following

payment in full of the Senior Obligations, be subrogated to any right the Senior Creditor has to receive payments under the applicable Insolvency Legislation.

IN WITNESS WHEREOF the parties hereto have executed this agreement.

THE BANK OF NOVA SCOTIA

By: _____
Name:
Title:

By: _____
Name:
Title:

THE CORPORATION OF THE CITY OF BURLINGTON

By: _____
Name: ROBERT S. MACISAAC
Title: MAYOR

By: _____
Name: KIM PHILLIPS
Title: CITY CLERK

CITY OF BURLINGTON
LEGAL DEPT.
APPROVED AS TO
FORM AND CONTENT
BY:
DATE:

APM-9-02
APRIL 8/02
BY-LAW 45-2002

BURLINGTON HYDRO INC.

By: _____
Name: David Collie
Title: President

By: _____
Name: Michael Kysley
Title: VP Finance, Secretary Treasurer

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IN WITNESS WHEREOF the parties hereto have executed this agreement.

THE BANK OF NOVA SCOTIA

By: _____
Name: Dee Patterson
Title: Director

By: _____
Name: Rania Llewellyn
Title: Associate Director

THE CORPORATION OF THE CITY OF BURLINGTON

By: _____
Name:
Title:

By: _____
Name:
Title:

BURLINGTON HYDRO INC.

By: _____
Name:
Title:

By: _____
Name:
Title:

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AMENDED AND RESTATED INTER-CREDITOR AGREEMENT

THIS AGREEMENT made as of the 5th day of March, 2003

BETWEEN:

THE BANK OF NOVA SCOTIA, a Canadian chartered bank

(herein called the "Senior Creditor")

- and -

THE CORPORATION OF THE CITY OF BURLINGTON, a municipal corporation existing under the laws of the Province of Ontario

(herein called the "Subordinated Creditor")

- and -

BURLINGTON HYDRO INC., a corporation incorporated under the laws of the Province of Ontario

(herein called the "Borrower")

WHEREAS the Borrower is or may become indebted to each of the Creditors and the parties hereto desire to enter into this agreement in order to set out their respective rights and obligations, including the respective priorities of the Creditors in connection with the indebtedness of the Borrower to them;

AND WHEREAS the parties entered into an inter-creditor agreement dated April 16, 2002 (the "Original Inter-Creditor Agreement");

AND WHEREAS the parties have agreed that upon the execution of this agreement the Original Inter-Creditor Agreement shall be terminated and shall be of no further force and effect;

NOW THEREFORE THIS AGREEMENT WITNESSES that, in consideration of the mutual covenants herein contained and other good and valuable consideration, given by each of the parties hereto (the receipt and sufficiency of which are hereby acknowledged by all of the parties hereto), the parties hereto hereby agree with each other as follows:

ARTICLE 1
INTERPRETATION

1.01 **Definitions.** The following defined terms shall for all purposes of this agreement, or any amendment hereto, have the following respective meanings unless the context otherwise specifies or requires or unless otherwise defined herein:

"**Borrower's Assets**" means the Borrower's undertakings and all of its properties and assets, real and personal, movable and immovable, of whatsoever nature and kind and wheresoever situate, both present and future.

"**Business Day**" means any day other than a Saturday or Sunday on which banks are generally open for business in Toronto, Ontario.

"**Cash Proceeds of Realization**" means the aggregate of (i) all Proceeds of Realization in the form of cash and (ii) all cash proceeds of the sale or disposition of non-cash Proceeds of Realization.

"**Credit Agreement**" means the credit agreement made as of April 16, 2002 between the Borrower and the Senior Creditor, as amended as of April 25, 2002, as the same may be amended, modified, supplemented or replaced from time to time.

"**Creditors**" means the Senior Creditor and the Subordinated Creditor and "**Creditor**" means either of the Creditors.

"**Default**" means any of the events of default specified in any Loan Agreement entitling a Creditor to demand or accelerate payment of any Obligations.

"**Demand**" means any notification by either of the Creditors to the Borrower of a demand for payment under any Loan Agreement.

"**Insolvency Legislation**" means *the Bankruptcy and Insolvency Act* (Canada), the *Companies' Creditors Arrangement Act* (Canada), *the Bankruptcy Code* (United States) and any similar statute or law in any jurisdiction.

"**Loan Agreements**" means the Senior Loan Agreements and the Subordinated Loan Agreements and "**Loan Agreement**" means any one of the Loan Agreements.

"**Obligations**" means Senior Obligations and the Subordinated Obligations.

"**Proceeds of Realization**" means all cash and non-cash proceeds derived (A) from payment made by the Borrower pursuant to any of the Loan Agreements or (B) from any sale or disposition of the Borrower's Assets (i) after any Demand, (ii) upon any dissolution, liquidation, winding-up, reorganization, bankruptcy, insolvency or receivership of the Borrower (or any other arrangement or marshalling of the Borrower's Assets that is similar thereto), (iii) upon the enforcement of, or any action taken with respect to, any of the Security, (iv) as insurance proceeds as a result of, *inter alia*, the loss or destruction of any of the Borrower's Assets, or (v) as a result of the expropriation or other condemnations of any of the Borrower's Assets.

"**Receiver**" means a receiver, receiver and manager or other person having similar powers or authority appointed by a Creditor or by a court at the instance of a Creditor in respect of the Borrower's Assets or any part thereof.

"**Security**" means the Senior Security and the Subordinated Security.

"**Senior Loan Agreements**" means all documents, instruments and agreements evidencing the Senior Obligations, including, without limitation, the Credit Agreement.

"**Senior Obligations**" means all indebtedness, obligations and liabilities, present or future, direct or indirect, absolute or contingent, matured or not, at any time owing by the Borrower to the Senior Creditor or remaining unpaid by the Borrower to the Senior Creditor.

"**Senior Security**" means any and all security granted by the Borrower to the Senior Creditor from time to time as collateral security for the Senior Obligations, as the same may be amended, modified, supplemented or replaced from time to time.

"**Shareholder Direction**" means the shareholder direction dated December 7, 1999 made by the Subordinated Creditor in connection with, *inter alia,* the Borrower.

"**Subordinated Loan Agreements**" means the promissory note dated April 10, 2002 in the principal amount of $47,878,608 made by the Borrower in favour of the Subordinated Creditor, as the same may be amended, modified, supplemented or replaced from time to time.

"**Subordinated Obligations**" means all indebtedness, obligations and liabilities, present or future, direct or indirect, absolute or contingent, matured or not, at any time owing by the Borrower to the Subordinated Creditor or remaining unpaid by the Borrower to the Subordinated Creditor under or in connection with the Subordinated Loan Agreements.

"**Subordinated Security**" means the debenture entered into by the Borrower in favour of the Subordinated Creditor, and any other security granted by the Borrower to the Subordinated Creditor from time to time with the consent of the Senior Creditor as collateral security for the Subordinated Obligations, as the same may be amended, modified, supplemented or replaced from time to time with the consent of the Senior Creditor.

1.02 Other Usages. References to "this agreement", "the agreement", "hereof", "herein", "hereto" and like references refer to this Inter-Creditor Agreement and not to any particular Article, Section or other subdivision of this Inter-Creditor Agreement. Any references to "this agreement", "the agreement", "hereof", "herein", "hereto" and like references refer to this Inter-Creditor Agreement as amended, supplemented or otherwise modified from time to time in accordance with the terms hereof.

1.03 Plural and Singular. Where the context so requires, words importing the singular number shall include the plural and vice versa.

1.04 Headings. The division of this agreement into Articles, Sections and the insertion of headings in this agreement are for convenience of reference only and shall not affect the construction or interpretation of this agreement.

1.05 Applicable Law. This agreement shall be governed by and construed and interpreted in accordance with the laws of the Province of Ontario and the laws of Canada applicable therein. Any legal action or proceeding with respect to this agreement may be brought in the courts of the Province of Ontario and, by execution and delivery of this agreement, the parties hereby accept for themselves and in respect of their property, generally and unconditionally, the

non-exclusive jurisdiction of the aforesaid courts. Nothing herein shall limit the right of any party to serve process in any manner permitted by law or to commence legal proceedings or otherwise proceed against any other party in any other jurisdiction.

1.06 **Time of the Essence.** Time shall in all respects be of the essence of this agreement.

1.07 **Paramountcy.** In the event of any conflict or inconsistency between the provisions of this agreement and the provisions of any other agreement which is referred to herein or delivered pursuant hereto, the provisions of this agreement shall prevail and be paramount.

1.08 **No Rights Conferred on the Borrower.** Nothing in this agreement shall be construed as conferring any rights upon the Borrower or any third party. The terms and conditions hereof are and shall be for the sole and exclusive benefit of the Creditors.

ARTICLE 2
CONSENT

2.01 **Consent of Creditors.** Each Creditor consents to the incurring of the Obligations and the granting of the Security by the Borrower and waives any Default that the incurring of the Obligations or the granting of the Security may have constituted under the terms of the Loan Agreements or the Shareholder Direction.

ARTICLE 3
PRIORITY OF OBLIGATIONS

3.01 **Priority of Obligations.** Except as otherwise expressly provided in Section 3.04, the Subordinated Obligations shall be and are hereby postponed and made subordinate in right of payment to the prior payment in full in cash of the Senior Obligations.

3.02 **Application of Cash Proceeds of Realization.**

(a) All Proceeds of Realization not in the form of cash shall be forthwith delivered (subject to the Senior Creditor's acceptance of such delivery) to the Senior Creditor and sold or disposed of by the Senior Creditor in such manner as the Senior Creditor, in its sole and absolute discretion and in accordance with the standards imposed by applicable law, sees fit so as to produce Cash Proceeds of Realization.

(b) Subject to the claims, if any, of the prior secured creditors of the Borrower, all Cash Proceeds of Realization shall be applied and distributed, and the Security shall be deemed to have the relative priorities which would result in the Cash Proceeds of Realization being applied and distributed, without duplication, as follows:

(i) firstly, to the payment of all reasonable costs and expenses incurred by the Senior Creditor in the exercise of all or any of the powers granted to it under the Senior Security and in payment of all of the reasonable remuneration of any Receiver and all reasonable costs incurred by such Receiver in the exercise of all or any powers granted to it under the Senior Security;

(ii) secondly, in payment of all amounts of money borrowed or advanced by the Senior Creditor or such Receiver pursuant to the Senior Security and any interest thereon;

(iii) thirdly, to the payment or prepayment of the Senior Obligations (including holding as cash collateral to be applied against the Senior Obligations which have not then matured) in such manner as the Senior Creditor may see fit;

(iv) fourthly, on account of the Subordinated Obligations in such manner as the Subordinated Creditor may see fit; and

(v) the balance, if any, in accordance with applicable law.

3.03 **Prohibited Payments to Subordinated Creditor.** Except as otherwise expressly provided in Section 3.04, the Borrower shall not make nor be entitled to make, and the Subordinated Creditor shall not accept and shall not be entitled to accept, any payment or prepayment of principal, interest or other amount under the Subordinated Loan Agreements, whether in the form of cash, securities or otherwise and whether by way of payment, set off or otherwise.

3.04 **Permitted Payments to the Subordinated Creditor.** The Borrower may make, and the Subordinated Creditor may receive, payments (but not prepayments) on account of interest owing by the Borrower to the Subordinated Creditor in accordance with the terms of the Subordinated Loan Agreements at the maximum rate of 7.25 percent per annum, subject to adjustment pursuant to Section 3.05(c) below, provided no Default under the Credit Agreement exists at the time of such payment and no Default would arise as a result of such payment.

3.05 **Certain Covenants of Subordinated Creditor.** The Subordinated Creditor shall not and shall not be entitled to:

(a) accelerate the time for payment of any of the Subordinated Obligations or otherwise enforce or take any action to enforce payment of all or any part of the Subordinated Obligations, whether by way of set off or otherwise, unless and until all indebtedness of the Borrower to the Senior Creditor under or in connection with the Credit Agreement has become immediately due and payable pursuant to the terms thereof;

(b) petition the Borrower into bankruptcy or initiate any similar proceeding under any applicable Insolvency Legislation, and in no event shall the Subordinated Creditor vote in any proceedings under any applicable Insolvency Legislation except as directed in writing by the Senior Creditor;

(c) increase the principal amount, the interest rate or change the payment terms under the Subordinated Loan Agreements without the prior written consent of the Senior Creditor, which will not be unreasonably withheld, except that the Subordinated Creditor may increase the principal amount or the interest rate of the Subordinated

Loan Agreements without the Senior Creditor's consent if such increases are permitted or mandated by the Ontario Energy Board; or

(d) amend, alter or otherwise modify the Subordinated Security except that if the principal amount or interest rate of the Subordinated Loan Agreements are increased in accordance with Section 3.05(c) hereof, then the Subordinated Creditor may increase the amount of the Subordinated Security in conjunction therewith;

(e) enforce any Subordinated Security or take any actions in furtherance thereof unless the Senior Creditor has consented to same, except that nothing herein shall preclude the Subordinated Creditor from filing a proof of claim in connection with any bankruptcy or similar proceeding of the Borrower;

(f) commence or initiate any action or proceeding to challenge the validity or enforceability of any of the Senior Security, the appointment of any Receiver or any act or omission of the Senior Creditor or any Receiver in the enforcement of any of the Senior Security provided such enforcement is in accordance with the standards imposed by applicable law; or

(g) register the Subordinated Security against any real property of the Borrower without the prior written consent of the Senior Creditor, except that the Subordinated Creditor may register the Subordinated Security against real property without the consent of the Senior Creditor no sooner than 30 days after receiving the notice referred to in (ii) below provided that (i) bankruptcy proceedings have been commenced by or against the Borrower and (ii) the Senior Creditor has notified the Subordinated Creditor that the Senior Creditor intends to register against such real property.

3.06 Distributions.

(a) The Borrower shall be entitled to make, and the Subordinated Creditor shall be entitled to accept, the payment of any dividends or other distribution on or in respect of any shares in the capital of the Borrower provided no Default under the Credit Agreement exists at the time of such payment and no Default would arise as a result of such payment.

(b) The Borrower shall be entitled to make, and the Subordinated Creditor shall be entitled to accept, the redemption, retraction, purchase, retirement or other acquisition, in whole or in part, of any shares in the capital of the Borrower or any securities, instruments or contractual rights capable of being converted into, exchanged or exercised for shares in the capital of the Borrower, including, without limitation, options, warrants, conversion or exchange privileges and similar rights provided no Default under the Credit Agreement exists at the time of such transaction and no Default would arise as a result of such transaction.

3.07 **Application of this Agreement.** The rights of the Creditors and the priorities of the Security and the Obligations set out in this agreement shall apply irrespective of any matter or thing including:

(a) the validity or enforceability of the Security;

(b) the time of creation, granting, execution, delivery, attachment, registration (to the extent registration is required), perfection or enforcement of the Security;

(c) the jurisdictions where any of the Security is registered or the failure of either Creditor to properly register or perfect any of the Security in any particular jurisdiction;

(d) the time of any loan or advance or other extension of credit made to the Borrower by either Creditor;

(e) the time of Default or Demand or the dates of crystallization of any floating charges held by either Creditor;

(f) any priority otherwise accorded to the Security by principle of law or in any statute, including, without limitation, the Personal Property Security Act (Ontario);

(g) the provisions of the instruments creating the Security; or

(h) any other matter whatsoever.

3.08 **Effect of Non-Compliance.**

(a) In the event any prepayments or other payments are made to or received by the Subordinated Creditor in contravention of this agreement, the Subordinated Creditor shall hold such prepayments or payments in trust for the Senior Creditor and shall not commingle such proceeds with any of its own funds and shall forthwith pay such prepayments or payments to the Senior Creditor for application to the payment or prepayment of the Senior Obligations as the Senior Creditor sees fit.

(b) Any action taken or thing done by any Subordinated Creditor in contravention of this agreement shall be null and void and of no effect.

ARTICLE 4
REMEDIES

4.01 **Enforcement.** If any Security becomes enforceable, the Creditor holding such Security may, subject to the other terms of this agreement (including, without limitation, Section 3.05(e)), exercise all rights and remedies provided for in such Security at such Creditor's discretion including, without limitation, the appointment of a Receiver. In the event the Subordinated Creditor enforces the Subordinated Security or takes any actions in furtherance thereof, the

Subordinated Creditor shall, and shall cause any Receiver appointed by it, to keep the other Creditor fully informed as to all matters relating to such enforcement.

4.02 **No Duty to Enforce or Realize.** Nothing in this agreement shall require or obligate any Creditor to enforce or realize upon its Security.

4.03 **Remedies.** The Borrower and the Subordinated Creditor hereby agree that all covenants, provisions and restrictions contained herein are necessary and fundamental in order to establish the respective priorities of the Creditors in connection with the Obligations, and that a breach by the Borrower or the Subordinated Creditor of any such covenant, provision or restriction would result in damages to the Senior Creditor that could not adequately be compensated by monetary award. Accordingly, it is expressly agreed by the Borrower and the Subordinated Creditor that in addition to all other remedies available to it including, without limitation, any action for damages, the Senior Creditor shall be entitled to the immediate remedy of a restraining order, interim injunction, injunction or other form of injunctive or other relief as may be decreed or issued by any court of competent jurisdiction to restrain or enjoin the Borrower or the Subordinated Creditor from breaching any such covenant, provision or restriction.

4.04 **Default Notice.** Each Creditor agrees to give written notice to the other Creditor simultaneously with or immediately after the delivery to the Borrower of any written notice of a Demand or a Default. Failure of a Creditor to give notice as provided in this Section 4.02 shall not affect the priorities established or other agreements provided for herein, nor shall such Creditor be liable for failure to give any such notice nor shall any such failure in any way limit or derogate from the obligations of the other Creditor.

ARTICLE 5
REPRESENTATIONS AND WARRANTIES OF THE SUBORDINATED CREDITOR

5.01 **Representations and Warranties of the Subordinated Creditor.** The Subordinated Creditor hereby represents and warrants to the Senior Creditor as follows and acknowledges and confirms that the Senior Creditor is relying upon such representations and warranties in extending credit to the Borrower under the Senior Loan Agreements:

(a) The Subordinated Creditor is a municipal corporation in accordance with the provisions of the Municipal Act (Ontario) and is validly subsisting under the laws of its jurisdiction of incorporation. The Subordinated Creditor has all requisite corporate capacity, power and authority to enter into, and carry out the transactions contemplated by, this agreement.

(b) All necessary action, corporate or otherwise, has been taken to authorize the execution, delivery and performance of this agreement by the Subordinated Creditor and the Subordinated Creditor has duly executed and delivered this agreement. This agreement is a legal, valid and binding obligation of the Subordinated Creditor, enforceable against the Subordinated Creditor by the Senior Creditor in accordance with its terms provided that validity or enforceability may be subject to or affected by applicable bankruptcy, insolvency,

moratorium, reorganization, personal property security or similar laws affecting the rights of creditors generally and that equitable remedies, such as specific performance, are in the discretion of the court.

ARTICLE 6
MISCELLANEOUS

6.01 Consent of the Borrower. The Borrower, by its execution hereof, hereby agrees to be bound by, and shall act in accordance with, the terms, provisions and intent of this agreement.

6.02 Information Exchange. Each Creditor agrees to disclose to each other Creditor upon reasonable request from time to time the aggregate amounts then owing by the Borrower to it in connection with their respective Obligations and whether it has any actual knowledge of any Default. The Borrower hereby consents to each Creditor providing the other Creditor with such information, financial or otherwise, regarding the Borrower and the Creditors' respective Obligations as may be deemed advisable by the Creditors from time to time.

6.03 Non-Impairment of the Senior Creditor's Rights. No right of the Senior Creditor to enforce its rights hereunder shall at any time or in any way be prejudiced or impaired by any act or failure to act on the part of the Borrower or by any act or failure to act by the Senior Creditor, or by any non-compliance by the Borrower or the Subordinated Creditor with the terms of this agreement, regardless of any knowledge thereof which the Senior Creditor may have or be otherwise charged with. Without the Subordinated Creditor's consent, the Senior Creditor may extend, renew or modify the Senior Obligations or amend or waive the terms of the Senior Loan Agreements and otherwise deal freely with the Borrower, all without affecting the liabilities and obligations of the Borrower and the Subordinated Creditor hereunder and without causing or constituting a breach of or default under any of the Subordinated Obligations. The Senior Creditor may not increase the Senior Obligations without the prior written consent of the Subordinated Creditor, which shall not be unreasonably withheld.

6.04 Waivers and Amendments. No failure or delay by the Senior Creditor in exercising any right hereunder shall operate as a waiver of such right nor shall any single or partial exercise of any power or right preclude its further exercise or the exercise of any other power or right. Any term, covenant, condition or obligation of this agreement may only be amended with the written consent of all of the parties hereto or compliance therewith may only be waived (either generally or in a particular instance and either retroactively or prospectively) by the Senior Creditor in writing and in any such event the failure to observe, perform or discharge any such term, covenant, condition or obligation, so amended or waived (whether such amendment is executed or such consent or waiver is given before or after such failure), shall not be construed as a breach of such term, covenant, condition or obligation.

6.05 Severability. Each provision of this agreement is intended to be severable and if any provision is illegal, invalid or unenforceable, such illegality, unenforceability or invalidity shall not affect the validity of this agreement or the remaining provisions.

6.06 Counterparts. This agreement may be executed in any number of counterparts, all of which shall be deemed to be an original and such counterparts taken together shall constitute one

agreement, and any of the parties hereto may execute this agreement by signing any such counterpart.

6.07 **Further Assurances.** The parties hereto agree to execute and deliver such further and other documents and perform and cause to be performed such further and other acts and things as may be necessary or desirable in order to give full effect to this agreement and every part thereof. No party to this agreement shall take any action whereby the priorities and rankings set out in this agreement might be impaired or defeated.

6.08 **Assignment.** This agreement shall enure to the benefit of and shall be binding upon the respective successors (including, without limitation, any trustee in bankruptcy or liquidator) and permitted assigns of the parties hereto. The Subordinated Creditor shall not assign any of its rights and obligations hereunder or under the Subordinated Loan Agreements without the prior written consent of the Senior Creditor, which shall not be unreasonably withheld. The rights and the obligations of the Senior Creditor hereunder may be assigned by the Senior Creditor in whole or in part without the consent of the other parties hereto but only in connection with or as part of an assignment by the Senior Creditor of its rights under the Credit Agreement.

6.09 **Entire Agreement.** This agreement contains the entire understanding of the parties with respect to the priority of the Obligations and supersedes any prior agreements, undertakings, declarations, representations and understandings, both written and verbal, in respect of the priority of the Obligations. There are no restrictions, agreements, promises, warranties, covenants or undertakings relating to the priority of the Obligations other than those set forth in this agreement.

6.10 **Notices.** Except as otherwise provided herein, all notices and other communications provided for herein shall be in writing and shall be personally delivered to an officer or other responsible employee of the addressee or sent by telefacsimile, charges prepaid, at or to the applicable addresses or telefacsimile numbers, as the case may be, set out opposite the relevant party's name below or at or to such other address or addresses, telefacsimile number or numbers as any party hereto may from time to time designate to the other parties in such manner. Any communication which is personally delivered as aforesaid shall be deemed to have been validly and effectively given on the date of such delivery if such date is a Business Day and such delivery was made during normal business hours of the recipient; otherwise, it shall be deemed to have been validly and effectively given on the Business Day next following such date of delivery. Any communication which is transmitted by telefacsimile as aforesaid shall be deemed to have been validly and effectively given on the date of transmission if such date is a Business Day and such transmission was made during normal business hours of the recipient; otherwise, it shall be deemed to have been validly and effectively given on the Business Day next following such date of transmission.

In the case of the Senior Creditor: The Bank of Nova Scotia
Corporate Banking
40 King Street West, 62nd Floor
Toronto, Ontario M5W 2X6

Attention: Director, Corporate Banking

Telefax: (416) 933-7399

In the case of the Borrower:

Burlington Hydro Inc.
1340 Brant Street
Burlington, Ontario
L7R 3Z7

Attention: Vice President, Finance
Telefax: (905) 332-8384

In the case of the Subordinated Creditor:

The Corporation of the City of Burlington
426 Brant Street, P.O. Box 5013
Burlington, Ontario
L7R 3Z6

Attention: City Treasurer
Telefax: (905) 335-7877

6.11 Termination of Agreement. This agreement shall terminate and shall be of no further force or effect upon the earlier to occur of:

(a) all Senior Obligations being repaid in full and all commitments of the Senior Creditor under the Senior Loan Documents having been terminated; and

(b) the written agreement of the Senior Creditor to such effect.

6.12 Rights of Other Creditors. This agreement is not intended to prejudice the rights of the Subordinated Creditor as against any other creditor of the Borrower or to confer any benefit on any person other than the Senior Creditor. If the Subordinated Creditor receives or is entitled to receive any payment on account of the Subordinated Obligations in any proceedings under applicable Insolvency Legislation, that payment shall be paid by the Subordinated Creditor to the Senior Creditor until the Senior Obligations have been paid in full. If the Subordinated Creditor makes any such payment to the Senior Creditor, the Subordinated Creditor shall, following payment in full of the Senior Obligations, be subrogated to any right the Senior Creditor has to receive payments under the applicable Insolvency Legislation.

6.13 Termination of Original Inter-Creditor Agreement. The Original Inter-Creditor Agreement is hereby terminated by mutual consent and is of no further force and effect as of the date hereof.

IN WITNESS WHEREOF the parties hereto have executed this agreement.

THE BANK OF NOVA SCOTIA

By: _____
Name: Rania Llewellyn
Title: Associate Director

By: _____
Name: Dee Patterson
Title: Director

THE CORPORATION OF THE CITY OF BURLINGTON

By: _____
Name: ROBERT S MAISAAC
Title: MAYOR

By: _____
Name: R M PHILLIPS
Title: CITY CLERK

Authorized by By-Law 50-2002
Passed on Apr 29/02
ADM-12-02

CITY OF BURLINGTON
LEGAL DEPT.
APPROVED AS TO
FORM AND CONTENT
BY: KY/cg
DATE: Apr 29/02

BURLINGTON HYDRO INC.

By: _____
Name: David Collie
Title: President

By: _____
Name: Michael Kysley
Title: VP Finance and Secretary-Treasurer

ODMA PCDOCS DOCS 1291225 4

Burlington Hydro Inc.
Response to Interrogatory from School Energy Coalition
Question 22

Question:

Ref: Exhibit 7/Tab 3/Schedule 1

Please provide revised versions of each of the tables in Exhibits 8/1 and 8/2, recalculated on the basis that the GS>50KW class remains at the 80.3% revenue to cost ratio, rather than being increased to 85%. Please explain how the increase to 85% is in compliance with the Board's current policy on revenue to cost ratios, or, alternatively, why an exception should be made to that policy in this case.

Response:

The following tables from Exhibit 8, Tab 1 and Exhibit 8, Tab 2 have been provided with the revised assumption that the GS>50 kW rate class remains at the 80.26% revenue to cost ratios. Other assumptions are as per the original filing.

Explanation for changing the revenue to cost ratio for the GS>50kW rate class is provided at the response to Energy Probe interrogatory #32.

Allocation of base revenue to rate classes:

Class	Total Revenue Requirement - 2010 Cost Allocation	Proposed Revenue to Cost Ratio	2010 Proposed Service Revenue Requirement	2010 Proposed Miscellaneous Revenue per Cost Allocation Model	2010 Proposed Base Revenue Requirement
Residential	17,693,804	109.0%	19,286,247	958,573	18,327,674
GS < 50 kW	4,081,373	109.3%	4,461,569	286,898	4,174,671
GS >50	9,064,085	80.3%	7,274,835	327,865	6,946,970
Street Lighting	328,525	42.5%	139,741	4,436	135,305
Unmetered Scattered Load	150,026	103.6%	155,424	5,131	150,293
TOTAL	**31,317,814**		**31,317,814**	**1,582,902**	**29,734,912**

Movement in revenue at existing rates to proposed revenue to cost ratios:

Class	2010 Total Base Revenue with 2009 Approved Rates	2010 Base Revenue Allocated based on Proportion of Revenue at Existing Rates	2010 Proposed Base Revenue Requirement
Residential	16,350,388	18,360,505	18,327,674
GS < 50 kW	3,768,590	4,231,901	4,174,671
GS >50	6,186,560	6,947,136	6,946,970
Street Lighting	40,142	45,077	135,305
Unmetered Scattered Load	133,839	150,293	150,293
TOTAL	**26,479,520**	**29,734,912**	**29,734,912**

Current Approved fixed charge, fixed charge reflecting current fixed/variable proportions, proposed fixed rates and floor/ceiling values:

Customer Class	2009 Fixed Rates From OEB Approved Tariff	Fixed Rate Based on Current Fixed/Variable Revenue Proportions	Proposed Fixed Rates	Customer Unit Cost per month - Avoided Cost	Minimum System with PLCC Adustment (Ceiling Fixed Charge From Cost Allocation Model)
Residential	11.55	12.95	13.89	3.33	13.89
GS < 50 kW	20.98	23.24	26.51	11.48	26.51
GS >50	65.82	73.91	76.89	38.55	76.89
Street Lighting	0.11	0.37	0.37	0.17	9.77
Unmetered Scattered Load	10.50	11.79	10.24	0.43	10.24

Proposed fixed rates and fixed base revenue:

Class	2010 Total Base Revenue	Proposed Fixed Distribution Charge	Annualized Customers / Connections	2010 Fixed Base Revenue with 2010 Proposed Rates
Residential	18,327,674	13.89	703,718	9,774,642
GS < 50 kW	4,174,671	26.51	60,340	1,599,624
GS >50	6,946,970	76.89	12,357	950,111
Street Lighting	135,305	0.37	176,080	65,285
Unmetered Scattered Load	150,293	10.24	7,224	73,974
TOTAL	**29,734,912**			**12,463,636**

Proposed fixed/variable proportions:

Class	2010 Total Base Revenue with 2010 Proposed Rates	2010 Fixed Base Revenue with 2010 Proposed Rates	2010 Variable Base Revenue with 2010 Proposed Rates	Proposed Fixed Revenue Proportion	Proposed Variable Revenue Proportion
Residential	18,327,674	9,774,642	8,553,031	53.3%	46.7%
GS < 50 kW	4,174,671	1,599,624	2,575,047	38.3%	61.7%
GS >50	6,946,970	950,111	5,996,859	13.7%	86.3%
Street Lighting	135,305	65,285	70,020	48.3%	51.7%
Unmetered Scattered Load	150,293	73,974	76,319	49.2%	50.8%
TOTAL	**29,734,912**	**12,463,636**	**17,271,275**		

Current fixed/variable proportions:

Class	2010 Total Base Revenue with 2009 Approved Rates	2010 Fixed Base Revenue with 2009 Approved Rates	2010 Variable Base Revenue with 2009 Approved Rates	Fixed Revenue Proportion	Variable Revenue Proportion
Residential	16,350,388	8,127,942	8,222,446	49.7%	50.3%
GS < 50 kW	3,768,590	1,265,942	2,502,648	33.6%	66.4%
GS >50	6,186,560	813,322	5,373,239	13.1%	86.9%
Street Lighting	40,142	19,369	20,773	48.3%	51.7%
Unmetered Scattered Load	133,839	75,852	57,987	56.7%	43.3%
TOTAL	**26,479,520**	**10,302,427**	**16,177,093**		

Proposed volumetric charges before transformer allowances:

Class	2010 Total Base Revenue	Fixed Revenue	Variable Revenue	Annualized kWh or kW as required	Unit of Measure	Proposed Variable Charge before Transformer Allowance
Residential	18,327,674	9,774,642	8,553,031	520,407,965	kWh	$0.0164
GS < 50 kW	4,174,671	1,599,624	2,575,047	171,414,280	kWh	$0.0150
GS >50	6,946,970	950,111	5,996,859	2,343,504	kW	$2.5589
Street Lighting	135,305	65,285	70,020	26,120	kW	$2.6807
Unmetered Scattered Load	150,293	73,974	76,319	3,918,008	kWh	$0.0195
TOTAL	**29,734,912**	**12,463,636**	**17,271,275**			

Proposed fixed and variable rates, including transformer allowances:

Class	Proposed Monthly Service Charge Excl. Smart Meter Adder ($)	Unit of Measure	Proposed Volumetric Distribution Charge Inc. Transformer Allowance Adjustment ($)
Residential	13.89	kWh	0.0164
GS < 50 kW	26.51	kWh	0.0150
GS >50	76.89	kW	2.8137
Street Lighting	0.37	kW	2.6807
Unmetered Scattered Load	10.24	kWh	0.0195
Transformer Discount		kW	-0.0600

Burlington Hydro Inc.
Response to Interrogatory from Vulnerable Energy Consumers Coalition
Question 1

Question:

General
Ref: Exhibit 1 / Tab 1 / Schedule 14

Please confirm that Burlington is not embedded (i.e., received any of its supply from another distributor) for 2010. If Burlington does receive supply via another distributor's facilities, please describe the supply arrangements.

Response:

Burlington confirms that it is not embedded.

Burlington Hydro Inc.
Response to Interrogatory from Vulnerable Energy Consumers Coalition
Question 2

Question:

General
Ref: Exhibit 1 / Tab 1 / Schedule 16

Does Burlington Hydro purchase or receive services from any of its affiliates? If so, please outline what those services are.

Response:

Details of all services provided from affiliates are provided at Exhibit 4, Tab 5 of the evidence package.

Burlington Hydro Inc.
Response to Interrogatory from Vulnerable Energy Consumers Coalition
Question 3

Question:

General
Ref: Exhibit 1 / Tab 1 / Schedule 6

Does Burlington Hydro's application conform to the OEB's Filing requirements issued May 27, 2009? If not, please provide a schedule setting out the exceptions and an explanation for each.

Response:

This application confirms to Burlington Hydro's understanding of the OEB Filing requirements issued May 27, 2009.

Burlington Hydro Inc.
Response to Interrogatory from Vulnerable Energy Consumers Coalition
Question 4

Question:

Rate Base
Ref: Exhibit 2/Schedule 2/Tab 1, page 1

Does Burlington Hydro or Hydro One Networks own the transformer stations that step down the power supplied down from 230 kW & 115 kW to primary distribution voltage?

Response:

The transformer stations (TS) are owned, operated and maintained by Hydro One Networks.

Burlington Hydro Inc.
Response to Interrogatory from Vulnerable Energy Consumers Coalition
Question 5

Question:

Rate Base
Ref: Exhibit 2/Schedule 3/Tab 1, pages 1-5

Why is there no Work in Progress shown for the years 2006-2009? In each of these years, were all capital projects undertaken during the year completed and in-service by year end? If not, please explain the "zero" values.

Response:

There is no Work In progress for the years 2006 – 2009 because all capital projects are budgeted for and completed and in service for the calendar year.

Burlington Hydro Inc.
Response to Interrogatory from Vulnerable Energy Consumers Coalition
Question 6

Question:

Rate Base
Ref: Exhibit 2 / Tab 1 / Schedule 4

a) What is the source of the $0.0607 /kWh value used for the Cost of Power?
b) Are any of Burlington Hydro's retail customers registered as Market Participants and billed directly for commodity costs by the IESO?
c) If the response to part (b) is yes, what is their forecast use for 2009 and 2010 and has it been excluded from the calculation of the commodity cost used to determine the working capital allowance?
d) Please confirm that, based on Burlington's proposed average cost of capital (7.52%), the 2010 return associated with working capital allowance is approximately $1.6 M, excluding tax implications. Based on the materiality of the figure, why didn't Burlington undertake a lead lag study?
e) Please confirm that over 50% of Burlington's sales are non – RPP customers (per Exhibit 9 / Tab 2 / Schedule 2, page 2). If the $0.0607 value used for the commodity cost is based on the RPP price, please undertake the following:
    - Using the same source, estimate the commodity cost for non-RPP customers.
    - Estimate an average commodity cost for all sales based on the weighted average of the RPP and non-RPP costs.
    - Re-estimate the Total Commodity cost for 2009 and 2010.

Response:

a) The value of $0.0607/kWh is the average supply cost for RPP customers as per the Regulated Price Plan Price Report issued by the OEB on April 15, 2009.
b) Burlington Hydro does not have any retail customers billed directly for commodity costs.
c) Not applicable.
d) Burlington confirms the 2010 return associated with working capital allowance is approximately $1.6M. It is Burlington's understanding that for those 2009 rebased/cost of service distributors that were a similar size to Burlington the Board did not require the distributors to complete a lead lag study as a result of the significant cost of the study. As a result, Burlington did not believe it would be cost effective to conduct such a study for this application.
e) Please see the response to Energy Probe #5 for revised calculations of the total commodity costs.

Burlington Hydro Inc.
Response to Interrogatory from Vulnerable Energy Consumers Coalition
Question 7

Question:

Rate Base
Ref: Exhibit 2/Tab 5/Schedule 1

Please provide a schedule that summarizes the total capital additions in each year 2006-2010 using the same spending categories as set out in Exhibit 2, Tab 5, Schedule 9. Please indicate the USofA accounts associated with each category.

Response:

See the table below:

Actual 2006-2008 Expenditures, Budget 2009, Forecast 2010						
Project Name	**2006**	**2007**	**2008**	**2009**	**2010**	**OEB Accounts**
Buildings	$60,728	$250,208	$570,198	$455,000	$430,000	1808; 1908
Substation Equipment	$144,824	$718,499	$346,640	$277,500	$357,500	1820
Underground Distribution	$1,455,802	$2,353,812	$2,904,573	$5,687,300	$3,540,300	1830; 1835; 1855
Overhead Distribution	$3,168,781	$3,355,585	$4,776,381	$3,947,700	$3,666,700	1840; 1845; 1855
Transformers	$2,019,119	$1,704,860	$2,217,733	$2,100,000	$1,800,000	1850
Meters	$601,380	$372,826	$45,418	$719,500	$935,000	1860
Tools - Overhead	$3,654		$3,012	$15,000	$15,000	1940
Tools - Underground	$8,714	$6,588	$3,672	$12,000	$10,500	1940
Tools - Station Maintenance	$15,888	$74,447	$13,141	$25,000	$25,000	1940
Tools - Meter			$16,740	$14,600	$13,000	1945
Sistem Supervisory Equipment			$106,150	$125,000	$160,000	1980
Rolling Stock	$160,397	$273,640	$102,055	$455,000	$185,000	1930
Office Equipment	$68,126	$21,758	$7,663	$77,900	$128,100	1915
Computer Hardware & Software	$207,783	$240,067	$308,859	$735,000	$270,000	1920; 1925
Contributions and Grands	($3,034,454)	($2,244,428)	($1,644,982)	($6,200,000)	($2,700,000)	1995
TOTAL	**$4,880,741**	**$7,127,864**	**$9,777,253**	**$8,446,500**	**$8,836,100**	

Question Date: November 3, 2009
Response Date: November 20, 2009

Burlington Hydro Inc.
Response to Interrogatory from Vulnerable Energy Consumers Coalition
Question 8

Question:

Rate Base
Ref: Exhibit 2/Tab 5/Schedule 2

a) With respect to the Towerline MS (page 1):
   - Who owned the land for the originally planned site: the City of Burlington or Burlington Hydro? If Burlington Hydro, what compensation did Burlington Hydro receive for re-locating to less valuable land?
   - Were the costs incurred by Burlington Hydro increased as a result of the swap?
   - If no compensation was received, why not?

b) With respect to pages 3 and 4/ does Burlington Hydro bear the entire costs of line relocations require by the City or MOT? If not, what are the cost sharing arrangements?

c) With respect to page 19, please explain the "positive" capital contribution associate with "Subdivision Buy Back".

Response:

a) The original site for the Towerline Distribution Station belonged to the City of Burlington. Burlington Hydro leased the lands from the City as per the lease agreement between The City of Burlington and Burlington Hydro Inc.. Burlington Hydro did receive capital contributions from the City of Burlington for the relocation of the station equipment to the new site and the construction of the building and new distribution assets.

b) The cost sharing agreement with the MTO is as follows:
MTO
-distribution asset modifications or line relocations within the MTO right of ways, the MTO pays Burlington Hydro 50% of the labour and vehicle costs – excluding all engineering fees.
-distribution asset modifications or line relocations outside of MTO right of ways driven by MTO work are 100% recoverable by Burlington Hydro.

City of Burlington
The City of Burlington does not pay Burlington Hydro capital contributions for permanent asset modifications or line relocations for road reconstruction work, sidewalk installations and bikepath installations. Burlington Hydro recovers costs from the City of Burlington for temporary modifications/line relocations.

c) The positive capital "Subdivision Buy Back" is the Developer rebate amount determined based on the economic evaluation model which takes into account the revenue income Burlington Hydro will receive over a set horizon. Burlington Hydro is required to calculate the Developer's fair share of a system expansion. Due to varying assumption schedules of each development, the assets assumed will not be proportional to the subdivision buy back from year to year.

Burlington Hydro Inc.
Response to Interrogatory from Vulnerable Energy Consumers Coalition
Question 9

Question:

Rate Base
Ref: Exhibit 2/Tab 5/Schedule 7 and Exhibit 1/Tab 2/Schedule 2/page 3

a) Reference (ii) states that during the budgeting process each capital project is prioritized and all recommended projects are listed in order from higher to lower priority.
   - Please provide the priority listing for the 2009 budgeted capital projects.
   - For the top 3 projects on the list (excluding demand driven projects require to connect customer or respond to relocation requests) please explain why they are considered high priority.
   - For the lowest three projects on the list please explain why they are viewed a low priority and the implications of not proceeding with them in 2009.

b) Exhibit 2/Tab 2/Schedule 2, page 3 states that for 2009 there is spending associated with the elimination of Long Term Load Transfers.
   - Where is this spending captures in the 2009 capital spending projects?
   - How much is budgeted for 2009?
   - Please describe the projects involved and why the approach selected (i.e. choice of eventual supplier) was adopted, including the relative economics.
   - Is Burlington still proceeding with these projects in light of the Board's recent decision to extend the deadline for the elimination of Long Term Load Transfers? If yes, why?

c) With respect to page 13, please provide more details on the circumstances under which Burlington will install Current Limiters. How frequently have such limiters been used in the last year?

d) With respect to page 17, does Burlington have to coordinate with Hydro One Networks in order to install the Wholesale Metering at Cumberland TS? Does Burlington still expect the installation to be completed by the end of 2009?

Response:

a) When preparing the capital budget, Burlington Hydro staff complete a thorough review process. This asset management process forms the framework for development of the 10 year capital plan. Planning consideration includes capital work required for external government agencies (City, Region, MTO, etc). As a result of our review process coupled with requirements from external government agencies, all projects identified in the 2009 capital program are considered a priority.

b) The long term spending is captured in the regulatory account #5655. Burlington has incurred costs in 2009 for the elimination of the load transfer with Milton Hydro. The process with Milton Hydro commenced in 2008 and was completed before the OEB ruling change. Burlington has not budgeted for the elimination of future load transfer customers in light of the new ruling.

c) Current limiter or trip meters are often used for customers that have defaulted on hydro bill payment. During the colder months, rather than completely disconnecting the power, a current limiter meter is installed in place of the revenue meter and restricts the consumption by the customer to a single circuit capacity of 15 amps allowing the customer to utilize only the vital electrical equipment. This legal action is common in a utility the size of Burlington Hydro Inc but

is not the first course of action. If the customer makes the effort to work out a payment plan that is acceptable to Burlington Hydro then the use of a current limiter is not necessary. The approximate number of disconnects expected in 2009 that require current limiters is 500. So far there have been no current limiters installed in the Fall due to the mild weather.

d) The instrument transformers (IT's) are to be installed by Hydro One and certified by a meter service provider. Burlington Hydro construction crews will not be required to be on site, however a Burlington Hydro metering representative will on site for inspection/observation purposes. The complete cost with the ITs replacement will be borne by Burlington Hydro. The work is planned for 2010.

Burlington Hydro Inc.
Response to Interrogatory from Vulnerable Energy Consumers Coalition
Question 10

Question:

Rate Base
Ref: Exhibit 2/Tab 5/Schedule 8 and Exhibit 1/Tab 2/Schedule 1/page 3

a) Reference (ii) states that during the budgeting process each capital project is prioritized and all recommended projects are listed in order from higher to lower priority.
   - Please provide the priority listing for the 2010 budgeted capital projects.
   - For the top 3 projects on the list (excluding demand driven projects require to connect customer or respond to relocation requests) please explain why they are considered high priority.
   - For the lowest three projects on the list please explain why they are viewed a low priority and the implications of not proceeding with them in 2010.

b) With respect to pages 10-11 and Subdivisions Assumed, on page 10 it is stated that this project relate to those instance where the developers hires its own utility contractor. However, on page 11 it states that the capital budget reflects that Burlington was the constructor or the project. Please reconcile.

c) Please explain the reason for the significant increase in the Pole Replacement spending from 2007 ($301,191) and 2008($550,855) to 2009 and 2010 ($720,000 and $700,000 respectively).

d) Please provide a Schedule that sets out the annual spending on General Service – Overhead for the years 2006 to 2010. Please explain if there are material changes in spending levels for 2009 and 2010 relative to the average for the earlier years.

e) Please provide a Schedule that sets out the annual spending on General Service – Underground for the years 2006 to 2010. Please explain if there are material changes in spending levels for 2009 and 2010 relative to the average for the earlier years.

f) Page 20 states that the Federal Government has allowed an extension of up to 2010 for the replacement of transformers that do not fall within certain criteria. Schedule 7 (page 12) states that the OEB has allowed the extension. Please reconcile.

g) Exhibit 2/Tab 2/Schedule 2, page 3 states that for 2010 there is spending associated with the elimination of Long Term Load Transfers.
   - Where is this spending captures in the 2010 capital spending projects?
   - How much is budgeted for 2010?
   - Please describe the projects involved and why the approach selected (i.e. choice of eventual supplier) was adopted, including the relative economics.
   - Is Burlington still proceeding with these projects in light of the Board's recent decision to extend the deadline for the elimination of Long Term Load Transfers? If yes, why?

h) With respect to page 16, what was the total spending on Region Projects in 2006, 2007 and 2008? What is the year to date spending for 2009 and the projected total for 2009?

i) What are number of new customers connected in 2008, 2009 and 2010 and what is capital spending? Where is this included in each year's reported spending?

Response:

a) When preparing the capital budget, Burlington Hydro staff complete a thorough review process. This asset management process forms the framework for development of the 10 year capital plan. Planning consideration includes capital work required for external government agencies (City, Region, MTO, etc). As a result of our review process coupled with requirements from external government agencies, all projects identified in the 2010 capital program are considered a priority.

b) The capital budget does indicate the assumed assets for assumed developments as expenditures, however, the capital assets were installed by the Developer when the Developer declines Burlington Hydro's Offer to Connect. The statement on page 11 is incorrect.

c) The 2007 actual expenditure for pole replacements was lower compared to the 2008 actual expenditure due to budget restraints in 2007 and several large capital projects and rebuild projects completed the same year. The projected amounts for pole replacements in 2009 and 2010 are higher than the 2008 actual expenditure because the projected amounts in 2009 and 2010 reflect the cost to reduce the backlog of pole replacements listed from previous annual pole testing programs. Each year the list of pole replacements grows and must be managed. The lag between the assessed pole life and the replacement time increases the risk of failure and therefore the probability of increase costs to due to reactive work instead of proactive measures.

d) General Service Overhead

	2006	2007	2008	2009	2010
GS Overhead	$1,121,226	$1,054,269	$660,217	$540,000	$755,000

Based on the average expenditure of $945,237 over 3 years, 2006 to 2008, this value is considerably higher than the projected budget amounts in 2009 and 2010 due to planned capital projects which were not shown as a capital single item. Also, unplanned capital project that do arise are charged against this account. The actual expenditure in 2008 and the projected amounts were derived as the result of more detailed capital planning and itemizing capital projects thus reducing the charges to the general service accounts. The 2008 actual was lower than the project amount.

e) General Service Underground

	2006	2007	2008	2009	2010
GS Underground	$1,100,592	$1,023,172	$1,380,544	$1,045,000	$1,045,000

Based on an average expenditure of $1,168,103 over 3 years, for 2006 to 2008, there are no irregularities with projected spending in 2009 and 2010.

f) Reconciled statement in Schedule 7 - page 12: The extension of the PCB polemount transformer replacements was granted by the Federal Government. The reference to the OEB is an error.

g) There are no capital additions planned for the elimination of load transfers in 2010 in light of the OEB ruling.

h) Region Spending:

Year	Spending
2006	$0
2007	$0
2008	$281,104
2009 Actual to Sept 30	$492,506
2009 Projected for 2009	$700,000

i) New customers connected:

Year	**Residential**	**GS<50**	**GS>50**	**SLR**	**USL**	**Total**
2008	904	60	16	158	13	1151
2009	1167	100	9	146	0	1422
2010	1192	102	9	147	0	1450

Values taken from EB-2009-0259, Exhibit 3, Tab 2, Schedule 1, pages 14 and 15.

The capital spending for the connections are within the general service overhead and underground capital accounts.

Burlington Hydro Inc.
Response to Interrogatory from Vulnerable Energy Consumers Coalition
Question 11

Question:

Rate Base
Ref: Exhibit 2/Tab 5/Schedule 9

Please confirm whether the capital spending levels report for 2010 and 2012 are net or gross of capital contributions.

Response:

The capital spending levels for 2011 and 2012 are net of capital contributions.

Burlington Hydro Inc.
Response to Interrogatory from Vulnerable Energy Consumers Coalition
Question 12

Question:

Load Forecast & Operating Revenue
Ref: Exhibit 3 / Tab 1 / Schedule 2, Page 1

a) Please provide a schedule setting out the rates and volumes by customer class supporting the 2010 test year revenues reported here.
b) Please clarify whether the rates used in part (a) included:
   - Smart Meter charges
   - Discounts for transformer ownership where applicable
c) Please reconcile the 2010 revenues (both Other Operating Revenue and Distribution Revenue) reported here with the values in the Exhibit 6 / Tab 1 / Schedule and Exhibit 8 /Tab 1. Note: The latter two references suggest a 2010 Distribution Revenue of $29,734,912.

Response:

a) The table below summarizes the rates and volumes used to calculate the test year revenues reported at Exhibit 3/Tab 1/Schedule 2.

Customer Class	2010 Annual kWh	2010 Annual kW	2010 Customers/ Connections	Proposed Fixed Rate	Proposed Variable Rate	Total Fixed Revenue	Total Variable Revenue	Total Revenue (incl trans. allow)	Transformer Allowance	Gross Distribution Revenue
Residential	520,407,965		58,643	13.89	$0.0158	$ 9,774,642	$ 8,216,849	$ 17,991,492		17,991,492
GS < 50 kW	171,414,280		5,028	26.51	$0.0145	$ 1,599,624	$ 2,481,591	$ 4,081,216		4,081,216
GS >50	910,133,799	2,343,504	1,030	76.89	$2.9970	$ 950,111	$ 7,023,569	$ 7,973,680	$ 597,071	7,376,609
Street Lighting	9,421,002	26,120	14,673	0.37	$2.6807	$ 65,285	$ 70,019	$ 135,304		135,304
USL	3,918,008		602	10.24	$0.0195	$ 73,974	$ 76,319	$ 150,293		150,293
TOTAL	**1,615,295,054**	**2,369,624**	**79,977**			**$ 12,463,636**	**$ 17,868,347**	**$ 30,331,983**	**$ 597,071**	**$ 29,734,912**

b) The rates used on part a) do not include smart meter charges. The transformer allowance is included in the Total Revenue of $30,331,983.
c) The difference between $30,331,983 and $29,734,912 is the transformer allowance, as shown in the table above.

Question Date: November 3, 2009
Response Date: November 20, 2009

Burlington Hydro Inc.
Response to Interrogatory from Vulnerable Energy Consumers Coalition
Question 13

Question:

Load Forecast & Operating Revenue
Ref: Exhibit 3 / Tab 2 / Schedule 2, Page 1, lines 6-7

a) In its EB-2007-0680 Report (page 33) the Board directed Toronto Hydro to work with other parties to understand differences in load forecast methodologies employed. Has Burlington had any discussions with Toronto Hydro regarding changes it may be implementing in its load forecast methodology? If yes, what was the outcome and how are they reflected in Burlington's current approach.

Response:

Burlington Hydro has not had any discussions with Toronto Hydro regarding changes it may be implementing in its load forecast methodology

Question Date: November 3, 2009
Response Date: November 20, 2009

Burlington Hydro Inc.
Response to Interrogatory from Vulnerable Energy Consumers Coalition
Question 14

Question:

Load Forecast & Operating Revenue
Ref: Exhibit 3 / Tab 3 / Schedule 1, Page 8-10

a) What other regression models (using alternative explanatory variables) were tested? Please provide a description of each and a summary of the results similar to that show on page 10.
b) Please confirm that the coefficient on "Number of Customers" is negative and this means a higher customer count will lead to lower predicted purchases. Is this intuitively correct and, if not, why is the model appropriate?
c) Please provide any other recent projections of Ontario GDP growth for 2009 and 2010 that Burlington is aware of and compare the year over year growth rates with those prepared by the Ontario Ministry of Finance (per page 9).

Response:

a) Please refer to responses to Energy Probe 9, 10 c & d and 11 c.
b) Please refer to responses to Energy Probe 11 a)
c) On October 22, 2009 the Ontario Minister of Finance provided a fall update to the 2009 Ontario Economic Outlook and Fiscal Review. In this review the 2009 GDP was updated from -2.5% to -3.5% and the 2010 GDP was updated from 2.3% to 2.0%

Question Date: November 3, 2009
Response Date: November 20, 2009

Burlington Hydro Inc.
Response to Interrogatory from Vulnerable Energy Consumers Coalition
Question 15

Question:

Load Forecast & Operating Revenue
Ref: Exhibit 3 / Tab 2 / Schedule 1, Page 11-13

a) With respect to the table on page 12, please calculate the predicted "weather normal" sales for 1996-2008 by using the "weather normal variables" as opposed to actual weather HDD and CDD values in the model.
b) Why has the 13 –year weather normal average been used when the result is lower than either the 10 year or 20 year value?
c) Please comment on the appropriateness of using a 10 year value given that it is in the "middle" of the three results shown.
d) How many years did the utilities Burlington has citied (i.e., Innisfil, Lakeland Power, Niagara-on-the-Lake and Thunder Bay) use for their definition of weather normal?
e) Why has Burlington chose the period 2003-2008 to determine average losses (page 13) when the analysis covered the period 1996-2008? What was the value for average losses over this longer period?

Response:

a) Consistent with the table on page 12, the predicted "weather normal" purchases for 1996-2008 by using the "weather normal variables" as opposed to actual weather HDD and CDD values in the model is provided in the following table.

Year	Actual	Predicted Weather Normal All Years	% Difference
Purchased Energy (GWh)			
1996	1,397.5	1,418.9	1.5%
1997	1,416.7	1,435.5	1.3%
1998	1,475.5	1,476.0	0.0%
1999	1,556.1	1,544.8	(0.7%)
2000	1,598.0	1,622.9	1.6%
2001	1,637.9	1,651.3	0.8%
2002	1,716.0	1,675.4	(2.4%)
2003	1,689.6	1,687.5	(0.1%)
2004	1,712.3	1,701.5	(0.6%)
2005	1,803.8	1,719.9	(4.7%)
2006	1,740.5	1,746.7	0.4%
2007	1,768.8	1,775.8	0.4%
2008	1,716.7	1,772.9	3.3%
2009 Actual (J-A) and Weather Normal for remaining		**1,690.2**	
2010 Weather Normal - 13 year average		**1,681.1**	
2010 Weather Normal - 10 year average		**1,684.6**	
2010 Weather Normal - 20 year trend		**1,689.7**	

Question Date: November 3, 2009
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b) The 13-year weather normal average was used to be consistent with the numbers of years of actual monthly purchases data used in the regression analysis.

c) It is Burlington Hydro's understanding that the accuracy of the regression analysis improves when as much historical data is used in the regression analysis as possible. Burlington was able to include 13 years of data in the regression analysis and it is Burlington Hydro view it is appropriate to conduct the weather normalization analysis over the same period. As a result, Burlington Hydro does not believe it would be appropriate to use 13 years of data in the regression analysis and 10 years of data for weather normalization purposes.

d) It is Burlington's understanding the that the number of years the requested utilities used are as follows:

Innisfil – 6 years
Lakeland Power – 7 years
Niagara-on-the-Lake – 12.25 years
Thunder Bay – 12 years

e) Please refer to Energy Probe 10 a&b

Burlington Hydro Inc.
Response to Interrogatory from Vulnerable Energy Consumers Coalition
Question 16

Question:

Load Forecast & Operating Revenue
Ref: Exhibit 3 / Tab 2 / Schedule 1, Page 13-18

a) Why was the period 2003-2008 selected to determine the geometric mean growth rate for each customer class?
b) Please confirm that the forecasts of customer count shown in Table 3-10 are for year end. If not, please indicate what the definition is.
c) What is the most recent actual customer count for each class and on what month of 2009 is it based?
d) Please confirm that Table 3-12 deals with the growth in average use per customer in each customer class
e) Please confirm that t he calculation of the geometric mean annual growth rate in Table 3-12 really only considers that average use values for 2003 and 2008. If this is not the case, please explain more fully how the value is calculated.
f) Residential and GS<50 classes annual usage per customer values set out in Table 3-11 will be influence weather in the year concerned:
    - Given this fact, please confirm that the calculated growth rates for these two classes will be affected by the historical variation in weather.
    - Why is it appropriate to use the growth rate in usage per customer / connection (non weather- normalized) to forecast usage for 2008 and 2009?
g) Please provide the Hydro One information relied on in order to determine the weather sensitivity by rate class (page 17)
h) Given that residential uses included lighting, cooking and refrigeration, why is it reasonable to assume that the Residential class is 100% weather sensitive?
i) Please provide a schedule that sets out the average use per customer for each class as forecast for 2009 and 2010 based on the results in Table 3-16
j) Please provide a schedule setting the average weather normalized use per customer for each class based on the data provided by Hydro One Networks for Burlington's 2007 Cost Allocation filing and indicate the year the data is based on.
k) Please apply the same the methodology as used by Burlington to weather normalize 2010 usage (pages 16-18) and determine the weather normalized use by customer class for 2008 using the predicted total weather normalized purchases as determined in Question 15 (a) and the actual non-weather normalized used by class for 2008. Please provide a schedule that sets out the results in terms of total weather normalized use by customer class and customer weather normalized use by customer class for 2008.
l) Please re-do Table 3-16 assuming that the Residential and GS <50 classes are 50% weather sensitive. Note: The purpose of this question is to test the sensitivity of the results to the assumptions regarding class weather sensitivity.

Response:

a) The period 2003-2008 was selected to determine the geometric mean growth rate for each customer class since this was the period that billing data was available for.

b) Burlington confirms that the customers count is at year end.

c) Please see response to Energy Probe 12.

d) Yes, Table 3-12 deals with the growth in average use per customer in each customer class.

e) Yes, the geometric mean annual growth rate in Table 3-12 only considers the average use values for 2003 and 2008

f) Burlington Hydro confirms that for the Residential and GS<50 classes the historical average use per customer will be influence by the weather conditions in the year concerned. Burlington Hydro also confirms the calculated growth rates for these two classes will be affected by historical variations in weather

The growth rate in usage per customer/connection is used to forecast the usage per customer/connection for 2009 and 2010 which is used to determined the non weather-normalized forecast for 2009 and 2010. It is appropriate to use this growth rate since the non weather normalized forecast should reflect an expectation of usage per customer in the forecast period.

g) The Hydro One information relied on in order to determine the weather sensitivity for the GS > 50 kW rate class is a as follows

GS > 50 kW	2004 kWh (Actual)	2004 kWh (Weather Corrected)	Weather Sensitive %
Weather sensitive load	502,053,813	505,762,911	50.5%
Non-weather sensitive load	495,690,262	495,690,262	
TOTAL	997,744,075	1,001,453,173	

For other rate classes please see the response to h)

h) Burlington Hydro has assumed that 100% of Residential is weather sensitive based on Burlington Hydro 's understanding of the weather normalization process used by Hydro One to provide weather normalized load data for the cost allocation study

The data shows that GS > 50 customers have a certain percentage of load that is weather sensitive and non-weather sensitive. The data also shows that for Street Lighting and USL the total actual weather amounts and the total normalized amounts are the same which suggest they are not weather sensitive. The data shows the classes that are partially weather sensitive and those that are 100% non-weather sensitive but the Residential and GS<50 loads did not fall into these two categories. As a result, Burlington Hydro concluded that Residential and GS<50 loads are 100% weather sensitive. If these classes were partially weather sensitive then Hydro One would have provided similar information as was provided for the GS > 50 customers.

i) Please refer to Table 3-4 in Exhibit 3, Tab 2, Schedule 1, Page 6

j) The following provides a table setting the annual average weather normalized use per customer for each class based on the 2004 data provided by Hydro One Networks for Burlington's 2007 Cost Allocation.

Residential	9,812
GS<50	36,998
GS>50kW	958,872
Street Lighting	644
USL	6,975

k) The requested information is provided in the following table

2008	Residential	GS<50	GS>50	SLR	USL	Total
KWhs -weather normalized	556,928,309	180,998,588	952,343,366	9,234,331	4,009,459	1,703,514,053
Customer	56,284	4,826	1,012	14,380	602	77,104
KWhs -weather normalized/Customer	9,895	37,505	941,051	642	6,660	

l) The requested revised Table 3-16 assuming that the Residential and GS<50 classes are 50% weather sensitive is shown below.

Table 3-16: Alignment of Non-normal to Weather Normal Forecast

Year	Residential	GS<50	GS>50	SLR	USL	TOTAL
Non-normalized Weather Billed Energy Forecast (GWh)						
2009 NON-Normalized Bridge	539.6	176.5	931.8	9.2	3.9	1,661.1
2010 NON-Normalized Test	544.3	179.3	930.7	9.4	3.9	1,667.6
Adjustment for Weather (GWh)						
2009 Normalized Bridge	(12.1)	(4.0)	(20.9)	0.0	0.0	(37.0)
2010 Normalized Test	(17.2)	(5.7)	(29.4)	0.0	0.0	(52.3)
Weather Normalized Billed Energy Forecast (GWh)						
2009 Normalized Bridge	527.4	172.6	910.9	9.2	3.9	1,624.1
2010 Normalized Test	527.1	173.6	901.3	9.4	3.9	1,615.3

Burlington Hydro Inc.
Response to Interrogatory from Vulnerable Energy Consumers Coalition
Question 17

Question:

Load Forecast & Operating Revenue
Ref: Exhibit 3/Tab 3/Schedule 1, page 1

a) Please explain the more than $100,000 decrease in revenues from specific service charges between 2009 and 2010.
b) Please explain the decrease in Other Electric Revenues for 2009 and 2010 relative to earlier years.
c) Is Burlington proposing to introduce any new service charge or change the "rate" for any existing service charges? If so, please identify and provide the supporting rationale, including cost analysis.

Response:

(a) In 2008 an accrual of $113,000 was recorded for the payment of the Incentive Compensation Plan. After the completion of the 2008 audit in 2009, it was determined that the Financial targets required to activate the plan were not met. The reversal of the accrual in 2009 resulted in a onetime revenue of $113,000 for the year. Upon further review, this one time revenue may have been more appropriately recorded within Account 4390. This change would not impact the derivation of the 2010 revenue requirement.

(b) The decrease in Other Electric Revenues for 2009 and 2010 relative to earlier years is due to the reduction in revenues from Subdivision Administration Fees. The Subdivision Administration Fees Revenue makes up 99% of the account balance. These fees are paid by the developer for administration services provided by Burlington Hydro to accommodate the building of a subdivision or development. In 2007 and 2008 there was a large number of subdivisions being developed which resulted in the higher revenues. Due to the recession the number of proposed subdivisions has dropped and this has impacted the revenues collected.

(c) Burlington Hydro is not proposing to introduce any new service charge or change the "rate" for any existing service charges.

Burlington Hydro Inc.
Response to Interrogatory from Vulnerable Energy Consumers Coalition
Question 18

Question:

Operating Costs
Ref: Exhibit 4 / Tab 1, Page 1

a) Please reconcile the total OM&A costs reported at line 10 ($21,535,686) with the value shown in the subsequent table ($21,495,086).

Response:

The costs at line 10 should read $21,495,086.

Burlington Hydro Inc.
Response to Interrogatory from Vulnerable Energy Consumers Coalition
Question 19

Question:

Operating Costs
Ref: Exhibit 4/Tab 2/Schedule 4

a) With respect to the cost driver table on page 1, please breakdown the Employee Costs contribution for each year as between: (i) staff changes and (ii) inflation.
b) With respect to pages 1 and 3, why is software amortization included as an OM&A cost driver? Is it not part of the Depreciation and Amortization expense?
c) With respect to page 7, please explain how the reduced need for internal staff to perform Locates is reflected in the cost driver analysis.
d) What were the annual contracted costs for tree trimming service in 2006-2008 along with the projected costs for 2009 and 2010.
e) With respect to page 9, why were electrically heated customers moved from monthly to bi-monthly billing? Do Burlington Hydro 's residential customers have an option of equal monthly (i.e. budget) billing? If not, why not?
f) With respect to page 10, is the new Regulatory and Conservation Analyst referred to here helping to support Burlington's participating in OPA CDM programs? Is part of the cost of this position covered by OPA funding? If not, why not?
g) Please reconcile the referenced 1,500 new servies in 2008 (page 13) with the customer count numbers reported at Exhibit 3/Tab 2/Schedule 1/ page 14.
h) With respect to page 16, what types of services did Burlington Hydro provide to BESI? Was there any reduction in Burlington Hydro's resource requirements as a result of no longer having to provide these services? If yes, where is it captured in the Table on page 1? If not, why not?
i) Given that Burlington Hydro has purchased Account Receivable Insurance in 2008 why is there no reduction in bad debt expense for 2009 and 2010?
j) Please confirm that, based on Burlington's 3-year tree trimming cycle, the expenses for both 2007 and 2010 are for tree trimming in West End/North area. If not, please explain.
k) Please provide a schedule that compares the tree trimming cost for 2007 and 2010 and explain the variance in terms of inflation, scope of work performed, etc.

Response:

a) In order to break down the employees costs contribution for each year, the average total compensation figures from Appendix 2-L for each grouping have been used. Year to year variances can be difficult to explain due to employees long term absences such as maternity leaves, timing of hirings and terminations etc.

Please see table below that breaks down costs:

	Staff changes		Inflation	
	Number (added)	**Cost**	**Percentage**	**Cost**
2006	2	$135,114	3.25	$231,549
2007	(2)	$-80,000	3.25	$243,228
2008	4	$2,334	3.0	$234,943
2009	5	$449,562	3.0	$248,439
2010	3	$255,343	3.0	$272,297

Notes:

- In 2006 hired an apprentice lineperson. Safety Officer was hired in succession planning to Director of Loss prevention position. There was a six month overlap in wages as a result.
- In 2007 although slated to hire two apprentices as part of trades succession plan costs did not appear until January 2008 due to lengthy recruitment process. One employee resigned but was replaced in 2008 and another employee retirement which we are currently outsourcing the position to find efficiencies. As a result staff compliment dropped by two in 2007.
- Due to delay of hiring of 2007 apprentices, 4 apprentices in total were hired in 2008. A conservation and regulatory analyst was also hired in later 4th quarter. A Director of Operations was hired in 2008, and this position has since been eliminated in 2009. However, these costs were offset in 2008 due to 3 staff resigning/retiring and were not able to replace until end of year.
- In 2009 there was a hiring of three apprentices and a trades supervisor as part of trades succession planning, in addition to a regulatory accountant. The Billing supervisor role was replaced from retirement of 2008.
- In 2010 there are 3 apprentices budgeted as part of succession planning.

b) It is Burlington Hydro's practice of charging software amortization on Engineering software to the Engineering Department instead of directly to Account 5705. The expenses of the Engineering Department are then applied to all capital, operations and maintenance work orders through the Engineering Overhead Rate. It is through the application of the Engineering Overhead to Operations and Maintenance accounts that they are included in the cost drivers.

c) The locate function in the past (pre deregulation) had been done internally. The locate process required a dedicated clerk to coordinate the incoming calls and scheduling the locates based on customer timing and commitment to the required 5 day time frame. While the progression to using an outside source to perform the locate function was necessary to meet the regulatory requirements, the in house component still required the need for a locates coordinator to administer the specific calls in the downtown city core. Turning over the locates function entirely to an outside source will result in the internal costs being reduced allowing cross training into another area and deferring the need to hire staff.

Secondly, the Burlington staff member performing the locates was called upon to work many overtime hours and in accordance with the negotiated contract was entitled to double time wages and meal allowance. The contracted staff will work on an per unit basis regardless of the number of hours worked.

d) The annual tree trimming costs for 2006 to 2010 are shown in the table below. These costs include both the annual area contact and the miscellaneous contract costs.

2006	$374,184.35
2007	$382,549.33
2008	$418,572.77
2009	$323,678.00
2010	$448,521.00

e) The number of customers that were electrically heated and billed on a monthly basis reflected a small portion of the total residential customers (approximately 7%). Given that there was no longer a practical means to track source of heating for these customers, and the efficiencies that could be gained within the billing group it was determined to integrate these customers into the bi-monthly billing cycles. All residential customers on system supply currently are able to participate in a monthly equal payment plan.

f) Please see response to School's interrogatory #16 (b).

g) The reference at Exhibit 4, Tab 2, Schedule 4 is an approximation of a typical number of customers that may be added to Burlington's system in a year. The specific numbers from year to year are those found at Exhibit 3, Tab 2, Schedule 1.

h) The services provided by Burlington Hydro to BESI for the years 2006 through 2009 can be found on Exhibit 4, Tab 5 Schedule 1, Pages 1 to 4.

There was no reduction in Burlington Hydro's resource requirements as a result of no longer having to provide these services. No additional staff was hired by Burlington Hydro to provide these services to the affiliate. Management worked many hours of unpaid overtime to provide these services. Any excess time is currently being used by staff to work on the IFRS and HST programs as well as many Government and OEB objectives.

i) The Accounts Receivable insurance product purchased does not cover 100% of accounts receivable exposure. The purpose of the coverage is to attempt to mitigate the risk of a catastrophic loss due to non-payment risk from a large customer. The insurance coverage provides no protection from residential default nor does it cover small commercial risk.

j) The tree trimming area in 2007 and 2010 is the west and north parts of the Burlington.

k) The variance between the 2007 and 2010 tree trimming expenditures is due to several factors including items such as higher contract labour costs. Other factors considered are the ongoing system problems in the rural north end of the city caused by trees over growing into the hydro lines or falling into the lines from the tree canopy. This area requires constant patrolling and diligent inspection to minimize the negative impact on the distribution system.

Burlington Hydro Inc.
Response to Interrogatory from Vulnerable Energy Consumers Coalition
Question 20

Question:

Operating Costs
Ref: Exhibit 4/Tab 2/Schedule 8

a) Please confirm that Burlington's application includes provisions for both LEAP contributions ($39,000) and contributions to Winter Warmth ($25,000 per Exhibit 4/Tab 2/Schedule 11) and explain why the LEAP contributions are not viewed as "replacing" the Winter Warmth program.
b) Given the Board's September 28, 2009 update regarding the Low Income Energy Assistance Program initiative, is the budgeted LEAP amount required for 2010? If yes, then why?

Response:

a) Burlington's application includes provisions for both the continuation of the Winter Warmth program and the new LEAP program. Burlington could not assume at the time of preparation of this application that LEAP would replace Winter Warmth without having more clarification on the new program details.
b) Please see response to Board Staff interrogatory 14.

Question Date: November 3, 2009
Response Date: November 20, 2009

Burlington Hydro Inc.
Response to Interrogatory from Vulnerable Energy Consumers Coalition
Question 21

Question:

Operating Costs
Ref: Exhibit 4/Tab 5/Schedule 1, page 4

Please provide a copy of the Affiliate Services Agreement between Burlington Hydro and BESI.

Response:

Two services agreements exist between BHI and BESI. There is a general services agreement for shared services and resources and a specific services agreement related to billing services provided by BHI. Copies of these agreements are attached to this interrogatory.

BILLING SERVICES AGREEMENT

AGREEMENT made this 1st day of March 2001.

B E T W E E N:

BURLINGTON ELECTRICITY SERVICES INC.

hereinafter called BESI
OF THE FIRST PART

- and -

BURLINGTON HYDRO INC.

hereinafter called Burlington Hydro
OF THE SECOND PART

WHEREAS BESI and Burlington Hydro are corporations incorporated pursuant to the laws of the Province of Ontario;

AND WHEREAS BESI and the Regional Municipality of Halton ("the Region") propose to enter into an Agreement (hereinafter referred to as the Agreement between BESI and the Region) to provide on behalf of the Region, within the municipal boundaries of the City of Burlington, meter reading, billing, collections, customer services and related services with respect to the Region's water and waste water customers;

AND WHEREAS BESI and Burlington Hydro have agreed that Burlington Hydro will perform, as a subcontractor to BESI, certain services required pursuant to the said Agreement between BESI and the Region;

AND WHEREAS the purpose of this Agreement is to set out the terms and conditions of the subcontract between BESI and Burlington Hydro;

NOW THEREFORE in consideration of the mutual covenants and agreements contained in this Agreement and the payment of the sum of TWO DOLLARS ($2.00) each to the other, the receipt and sufficiency of which is hereby acknowledged, the parties agree with each other as follows:

1. SERVICES

(a) Burlington Hydro will provide on BESI's behalf the following services as required pursuant to the said contract between the Region and BESI:

- meter reading
- billing
- data bases information flow
- customer services
- customer payments
- reporting to the Region's Finance Department
- flow of monies to the Region

(b) On the 21st day of each month Burlington Hydro, on behalf of BESI, will remit to the Region electronically, funds collected on behalf of the Region in the previous month, including GST collected, less the fees payable to BESI by the Region, pursuant to the said Agreement between BESI and the Region, plus GST thereon.

(c) The quality of the services provided will be as required pursuant to the said Agreement between BESI and the Region.

2. PRICING AND PAYMENT

(a) During the initial term of this Agreement, BESI will pay to Burlington Hydro for the services rendered pursuant to this Agreement inclusive, ONE DOLLAR ($1.00) per bill issued to a customer, plus applicable taxes.

(b) The price per bill issued to a customer may be adjusted annually upon the mutual agreement of the parties.

(c) On the 21st day of each month Burlington Hydro will remit to BESI, electronically, the fees payable to BESI by the Region in the previous month, pursuant to the said Agreement between BESI and the Region, including GST thereon, less the fees payable by BESI to Burlington Hydro pursuant to this Agreement, plus GST thereon.

(d) It is understood and agreed that the price per bill issued to a customer is based upon the customer billing frequency as at January 1, 2001. Should Burlington Hydro change the frequency of billing, the per-bill price shall be adjusted such that the annual cost of BESI remains unchanged for the number of customers existing at the time of the change.

(e) The parties may at any time or times establish such additional fee or fees for services rendered pursuant to this Agreement as they shall by mutual agreement determine.

3. TERM AND TERMINATION OF AGREEMENT

(a) The initial term of this Agreement shall be January 1, 2001 to December 31, 2001.

6. INDEPENDENT CONTRACTOR

BESI and Burlington Hydro both acknowledge that at all times BESI shall be deemed to be an independent contractor for the purposes of this Agreement, and the personnel of Burlington Hydro shall at all times be the employees of Burlington Hydro, and shall not be employees of BESI.

7. INSURANCE

BESI and Burlington Hydro agree that the insurance coverages required to be maintained by BESI pursuant to the said Agreement between BESI and the Region, will be maintained by BESI and Burlington Hydro, and that all policies shall include a provision for cross liability as between BESI and Burlington Hydro.

8. DISPUTE RESOLUTION

Disputes between the parties with respect to any provision of this Agreement, which cannot be resolved by the parties, shall be referred to arbitration in compliance with the provisions of the *Arbitrations Act*, R.S.O. 1990, as amended, and in particular subject to the following requirements:

(a) There shall be a single arbitrator agreeable to the parties to the dispute unless the parties are not able to agree on a single arbitrator, in which case the parties shall agree on the appointment of two arbitrators and those two arbitrators shall appoint a third, who shall be the chair of the panel.

(b) The decision of the arbitrator or arbitrators as the case may be, shall be final.

(c) The costs of the arbitration shall be borne equally by the parties unless the arbitrator or arbitrators decide otherwise.

Notwithstanding the existence of any such disputes, the parties shall continue to carry out their obligations under this agreement in a timely fashion, and such carrying out of obligations shall be without prejudice to their respective rights under this Agreement.

9. INDEMNIFICATION

Each party agrees to indemnify and save harmless the other party against all losses, damages, claims, actions, demands, suits, costs and interest arising directly or indirectly from anything done by the party in connection with this Agreement whether in performance of, outside of, or contrary to this Agreement.

10. WORKPLACE SAFETY AND INSURANCE BOARD COVERAGE

Each party shall procure and carry Workplace Safety and Insurance Board coverage for its employees while providing services to the other party.

11. CONFIDENTIALITY

The parties undertake and agree that each will not at any time before, during or after the term or terms of this Agreement, disclose any confidential information communicated to or acquired by it with respect to the other party or the Region, in the course of carrying out the services required pursuant to this Agreement and pursuant to the said Agreement between BESI and the Region, except as required by applicable legislation or a court or tribunal of competent jurisdiction.

12. ENTIRE AGREEMENT

This Agreement is the entire agreement between the parties regarding the subject of this Agreement and it can be amended or supplemented only by a document executed in writing by both parties.

13. SEVERABILITY

If any term of this Agreement is found to be invalid, illegal or unenforceable by a court or tribunal having the jurisdiction to do so, that term is to be considered to have been severed from the rest of this Agreement and the rest of this Agreement remains in force unaffected by that finding or by the severance of that term.

14. CONTEXT

In this Agreement, unless the context otherwise requires, the singular includes the plural and the masculine includes the feminine gender and a corporation.

15. GOVERNING LAW

This Agreement shall be governed by and construed and enforced in accordance with the laws of the Province of Ontario.

16. SUCCESSORS AND ASSIGNS

This Agreement shall be binding upon and shall enure to the benefit of the parties hereto and their respective successors and assigns.

17. NOTICE

Any notice required or permitted to be given hereunder or any tender or delivery of documents may be sufficiently given by personal delivery or, if other than the

EXECUTED at Burlington this 14 day of March 2001.

BURLINGTON HYDRO INC.

Per: _____

Title: PRESIDENT

Per: _____

Title: VP FINANCE

SERVICES AGREEMENT

AGREEMENT made this 8th day of January, 2001.

B E T W E E N:

BURLINGTON HYDRO ELECTRIC INC.

hereinafter called Burlington Hydro Electric
OF THE FIRST PART

- and -

BURLINGTON HYDRO INC.

hereinafter called Burlington Hydro
OF THE SECOND PART

- and -

BURLINGTON ELECTRICITY SERVICES INC.

hereinafter called BESI
OF THE THIRD PART

WHEREAS Burlington Hydro Electric, Burlington Hydro and BESI are corporations incorporated pursuant to the laws of the Province of Ontario;

AND WHEREAS Burlington Hydro Electric is a holding company which holds all of the issued shares in Burlington Hydro and in BESI;

AND WHEREAS Burlington Hydro is a "distributor" as defined in the *Electricity Act*, 1998;

AND WHEREAS BESI is a provider of goods and services, including information services, but not including the sale of electricity;

AND WHEREAS Burlington Hydro Electric, Burlington Hydro and BESI are affiliates within the meaning of the *Business Corporations Act*, R.S.O. 1990, as amended;

AND WHEREAS Burlington Hydro Electric, Burlington Hydro and BESI may share services and resources with each other and may provide services, resources and products to each other;

AND WHEREAS the purpose of this Agreement is to establish the terms and conditions respecting the sharing of services and the provision of services, resources and products among the three corporations in compliance with the Affiliate Relationships Code published by the Ontario Energy Board on April 1, 1999, and amendments thereto.

NOW THEREFORE in consideration of the mutual covenants and agreements contained in this Agreement and the payment of the sum of TWO DOLLARS ($2.00) each to the others, the receipt and sufficiency of which is hereby acknowledged, the parties agree with each other as follows.

1. SHARED SERVICES AND RESOURCES

(a) The parties agree to provide the following services and resources to each other from time to time:

- Management services.
- Office and administration services.
- Customer Service
- Financial and accounting services.
- Information management services.
- Payment, billing and collection services.
- Engineering services.

- Stores and receiving services.
- Energy Services.
- Office space.
- Storage Space.
- Vehicles.
- Other products and services as required.
- Locations and/or space for equipment in Burlington Hydro buildings and facilities.

(b) Services, resources and products will be provided upon request. The party making the request shall give the other party notice, reasonable in the circumstances, of the type and quantity of services, resources or products it requires, and the party receiving the request will supply the services, resources or products in the quantities requested, provided it has the capacity to do so without detriment to its own business or operations.

(c) The quality of the services, resources and products provided by each party to the other will be equivalent to the quality provided in the party's own business and operations.

(d) It is understood and agreed that Burlington Hydro will make its information management systems, telecommunications and data communication systems available to Burlington Hydro Electric and to BESI, and that Burlington Hydro Electric and BESI will be permitted to use those systems subject to the terms and conditions of this Agreement

(e) Prior to the installation of any equipment, fixtures or other installations in space or at locations within or on buildings or facilities owned by

Burlington Hydro, a party must obtain the specific approval of Burlington Hydro to such installation.

2. PRICING AND COST ALLOCATION MECHANISMS

(a) Services

(i) Services provided by the Engineering Department, the Stores and Receiving Department and the Energy Services Department, shall be priced at the sum of the hourly rate of earnings of the employees performing the services, the hourly cost of payroll burden for those employees, the hourly cost of all overhead and occupancy costs in respect of the service being provided, and a rate of return as specified in this Agreement.

(ii) Management services, office and administration services, customer services, financial and accounting services, payment, billing and collection services, and other services as required, shall be priced at an overhead rate to be applied to billings on behalf of the affiliates. Such overhead rate shall be established as at the signing of this Agreement, and for each ensuing year, shall be established as of the first day of January of each ensuing year.

(iii) Hourly rates of earnings, payroll burden, overhead, systems and occupancy costs for the year 2000, shall be established as at the date of signing of this Agreement, and for each ensuing year shall be established as of the first day of January in each such ensuing year.

(iv) It is understood and agreed that as between Burlington Hydro and BESI, invoicing for services provided shall be based on agreed upon monthly estimates of hours, unless either party requests that invoicing be based on actual hours, in which case services shall be invoiced on an actual hours basis commencing the first day of the next month following the month in which the request was made.

(v) Notwithstanding any other provision in this Agreement, it is understood and agreed that as between Burlington Hydro and Burlington Hydro Electric, payment for all services provided shall be based on an agreed upon annual cost, including a rate of return, based on estimated aggregate usage of Burlington Hydro services by Burlington Hydro Electric, unless either party requests that payment be based on actual usage, in which case services shall be invoiced on an actual usage basis commencing in the year following the year in which the request was made.

(b) Storage and Office Space

Storage and office space exclusively assigned by one party to another party will be priced at the providing party's average occupancy cost for storage space and office space respectively, including overhead, plus a rate of return as specified in this Agreement.

(c) Locations and/or Space for Equipment

Locations and/or space provided by one party for the equipment of another party will be priced at rates to be determined annually by the party providing such space and/or locations for the equipment of another party.

(d) Vehicles

Vehicles will be priced at the providing party's hourly cost of operation including amortization, maintenance, insurance and overhead, plus a rate of return as specified in this Agreement.

(e) Goods

Goods provided by one party to another party will be priced at the providing party's cost plus a material handling charge to be established on the date of execution of this Agreement, and the rate for each succeeding year shall be established on the first day of January of each succeeding year.

(f) Services and Resources provided to Burlington Hydro Electric

It is understood and agreed that the total value of all services and resources to be provided to Burlington Hydro Electric by Burlington Hydro will in most years be a nominal amount, and the price per year for the aggregate of all services and resources provided to Burlington Hydro Electric by Burlington Hydro shall be Two Thousand Dollars ($2,000.00), unless either party requests that services and resources be invoiced on an actual usage basis, in which case services shall be invoiced annually based on actual usage commencing in the year following the year in which the request is made.

(g) Invoices

Invoices will be rendered for services, resources and products supplied pursuant to this Agreement as soon as practicable following the supplier's year end, and will be paid within thirty (30) days of the date thereof. In the event this Agreement is terminated mid year, the amount payable will be pro-rated.

3. POLE ATTACHMENTS AND USE OF DUCTS

In addition to the shared services and resources identified in subsection 1(a) of this Agreement, Burlington Hydro and BESI agree that BESI may install, maintain, operate and remove wires, fibre optic cables and other accessories and equipment (collectively called the "Equipment"), on and from poles and in and from ducts owned by Burlington Hydro, subject to the following terms and conditions:

(a) BESI may install, maintain and operate Equipment on Burlington Hydro poles and in Burlington Hydro ducts provided that:

(i) in the opinion of Burlington Hydro, the poles and/or ducts proposed for the installation of such Equipment have the capacity to accept the said Equipment having regard for the present and future requirements of Burlington Hydro and for the structural integrity and capacity of any such poles or ducts.

(ii) Burlington Hydro has approved such proposed installation or installations and has issued a permit for such installation or installations.

(b) BESI's right to install, maintain and operate Equipment on Burlington Hydro poles and in Burlington Hydro ducts is non exclusive, and Burlington Hydro may, in its sole discretion, permit third parties to also install, maintain and operate Equipment or other installations and services on Burlington Hydro poles or in Burlington Hydro ducts.

(c) Burlington Hydro has the right, in its sole discretion, to supervise the installation, maintenance and removal of BESI's Equipment on and from Burlington Hydro poles, or in and from Burlington Hydro ducts. The right to supervise includes the right to determine the amount and type of supervision required.

(d) BESI will pay to Burlington Hydro the cost of such supervision, plus overhead, both as determined by Burlington Hydro in its sole discretion, plus a rate of return in accordance with this Agreement.

(e) For each pole attachment BESI will pay to Burlington Hydro an annual rental equal to the average annual rental charged by Burlington Hydro to Bell Canada and to Cogeco for similar attachments, or such other annual rental as is ordered by a tribunal of competent jurisdiction.

(f) For installations in ducts, BESI will pay to Burlington Hydro an annual rental of ONE DOLLAR ($1.00) per metre of duct length containing BESI installed Equipment, or such other annual rental as is from time to time mutually agreed, or as is ordered by a tribunal of competent jurisdiction.

(g) In December of each year, commencing in December of 2001, BESI will notify Burlington Hydro of the number of poles to which BESI Equipment is attached as of June 30th of such year, and the number of metres of duct containing BESI Equipment as of June 30th of such year. Burlington Hydro

containing BESI Equipment. BESI will pay the said invoice on or before December 31st of each such year.

(h) If Burlington Hydro in its sole discretion, determines that BESI Equipment should be removed from any of Burlington Hydro's poles or ducts, then on 90 days written notice, BESI will remove its Equipment from the poles and/or ducts specified in the notice at BESI's expense.

4. CONFIDENTIALITY OF INFORMATION

The parties acknowledge and agree that Burlington Hydro is an Electricity Distributor for purposes of the Ontario Energy Board Affiliate Relationships Code for Electricity Distributors and Transmitters (the "Code"), and as such is required to comply with the Code.

The parties further acknowledge that Burlington Hydro Electric has submitted a request to the Ontario Energy Board for exemption from clauses 2.2.3 and 2.2.4 of the Affiliate Relationships Code.

Subject to exemptions granted by the Ontario Energy Board and any amendments to the Affiliate Relationships Code, BESI and Burlington Hydro Electric undertake and agree that they will not request that Burlington Hydro disclose and Burlington Hydro will not disclose confidential information relating to a consumer, retailer or generator without the consent of such consumer, retailer or generator, or unless disclosure is permitted under the Code.

It is further understood and agreed that subject to any exemptions granted by the Ontario Energy Board, and any revisions to the Affiliate Relationships Code, all confidential information will be protected from access by affiliates and access to information services shall include appropriate data management and data access

It is further understood and agreed that subject to any exemptions granted by the Ontario Energy Board, and any revisions to the Affiliate Relationships Code, all confidential information will be protected from access by affiliates and access to information services shall include appropriate data management and data access protocols. The parties further agree to comply with all such protocols, and in the case of corporate management cross appointments, that Burlington Hydro corporate management will not utilize such confidential information while acting in the capacity of corporate management for Burlington Hydro Electric and/or BESI.

5. APPORTIONMENT OF RISKS

Each party will bear all risks related to the business and operations of such party, including risks related to the under or over provision of services provided by the party.

6. DISPUTE RESOLUTION

Disputes between the parties with respect to any provision of this Agreement, which cannot be resolved by the parties, shall be referred to arbitration in compliance with the provisions of the *Arbitrations Act* R.S.O. 1990, as amended, and in particular subject to the following requirements:

(i) There shall be a single arbitrator agreeable to the parties to the dispute unless the parties are not able to agree on a single arbitrator, in which case if the dispute is between two of the parties, there shall be a panel of three arbitrators, with each party appointing one arbitrator and those two arbitrators appointing a third, who shall be the chair of the panel. If the dispute is among all three parties and they cannot agree on a single

arbitrator, there shall be a panel of four arbitrators, with each party appointing one arbitrator and those three arbitrators appointing a fourth, who shall be the chair of the panel. In the event of a deadlock among the four arbitrators, the chair will have a second vote.

(ii) The decision of the arbitrator or arbitrators as the case may be, shall be final.

(iii) The costs of the arbitration shall be borne equally by the parties unless the arbitrator or arbitrators decide otherwise.

Notwithstanding the existence of any such disputes, Burlington Hydro Electric, Burlington Hydro and BESI shall continue to carry out their obligations under this Agreement in a timely fashion, and such carrying out of obligations shall be without prejudice to their respective rights under this Agreement

7. RATE OF RETURN

The Rate of return used in determining prices and cost allocations pursuant to this Agreement shall be the higher of the rate of return from time to time approved by the Ontario Energy Board for Burlington Hydro, or the prime rate set by Burlington Hydro's banker.

For purposes of this Agreement the rate of return for the balance of the year 2000 shall be established on the date of execution of this Agreement, and the rate of return for each succeeding calendar year shall be established on the first day of January of each succeeding year.

8. INSURANCE

(a) Each party will maintain policies of insurance as will protect the party from claims for damages, for personal injury including death, and from claims for property damage which may arise from the party's business or operations, including any act or omission of the party's agents or employees, and such coverage shall include all costs, charges and expenses reasonably incurred with respect to any injury or damage.

(b) In addition to such coverage, each party shall be named as an added insured on the policy or policies of the others, and all policies shall include a provision for cross liability.

(c) Where one party provides vehicles for the use of another party, the providing party will so notify the insurer of the vehicles, and the receiving party will be responsible for reimbursing the providing party for any resulting additional premiums charged by the said insurer, in addition to the insurance costs identified in subsection 2(a) of this Agreement.

9. INDEMNIFICATION

Each party agrees to indemnify and save harmless the other parties against all losses, damages, claims, actions, demands, suits, costs and interest arising directly or indirectly from anything done by the party in connection with this Agreement whether in performance of, outside of, or contrary to this Agreement.

10. WORKPLACE SAFETY AND INSURANCE BOARD COVERAGE

Each party shall procure and carry Workplace Safety and Insurance Board coverage for its employees while providing services to the other parties, the cost

of which shall be included in the "labour burden" referred to in subsection 2(b) of this Agreement.

11. TERM OF AGREEMENT

This Agreement shall continue until terminated by any one of the parties, and may be terminated by any party on thirty (30) days written notice to the others, provided that the parties shall maintain the confidentiality of any confidential information disclosed to it by the other parties for a period of five (5) years from the date of such termination.

12. ENTIRE AGREEMENT

This Agreement is the entire agreement among the parties regarding the subject of this Agreement and it can be amended or supplemented only by a document executed in writing by all of the parties.

13. SEVERABILITY

If any term of this Agreement is found to be invalid, illegal or unenforceable by a court or tribunal having the jurisdiction to do so, that term is to be considered to have been severed from the rest of this Agreement and the rest of this Agreement remains in force unaffected by that finding or by the severance of that term.

14. CONTEXT

In this Agreement, unless the context otherwise requires, the singular includes the plural and the masculine includes the feminine gender and a corporation.

15. GOVERNING LAW

This Agreement shall be governed by and construed and enforced in accordance with the laws of the Province of Ontario.

16. SUCCESSORS AND ASSIGNS

This Agreement shall be binding upon and shall enure to the benefit of the parties hereto and their respective successors and assigns.

17. NOTICE

Any notice required or permitted to be given hereunder or any tender or delivery of documents may be sufficiently given by personal delivery or, if other than the delivery of an original document, by facsimile transmission to Burlington Hydro Electric at the following address:

Burlington Hydro Electric Inc.
1340 Brant Street
Burlington, Ontario
L7R 3Z7

and to Burlington Hydro at the following address:

Burlington Hydro Inc.
1340 Brant Street
Burlington, Ontario
L7R 3Z7

and to BESI at the following address:

Burlington Electricity Services Inc.

1340 Brant Street
Burlington, Ontario
L7R 3Z7

Any notice may also be given by prepaid registered mail mailed within the Province of Ontario and such notice shall be effective three (3) days following the date of mailing, except in the event that there shall be a disruption in postal services at the date of mailing, in which case notice shall be effective by personal delivery or a facsimile transmission as stated above.

IN WITNESS WHEREOF the Corporate parties have affixed their Corporate Seals under the hands of their officers duly authorized in that behalf, and the individual parties have set their hands and seals.

EXECUTED at Burlington this 11 day of January 2001.

BURLINGTON HYDRO ELECTRIC INC.

Per: _____

Name: NEIL BRYSON

Title: PRESIDENT

Per: _____

Name: MICHAEL KYSLEY

Title: V.P. FINANCE

We have the authority to bind the Corporation

EXECUTED at Burlington this 11 day of January 2001.

BURLINGTON HYDRO INC.

Per: _____

Name: NEIL BRYSON

Title: PRESIDENT

Per: _____

Name: MICHAEL KYSLEY

Title: VP FINANCE

We have the authority to bind the Corporation

EXECUTED at Burlington this 11 day of January 2001.

BURLINGTON ELECTRICITY SERVICES INC.

Per: _____

Name: NEIL BRYSON

Title: PRESIDENT

Per: _____

Name: MICHAEL KYSLEY

Title: VP FINANCE

We have the authority to bind the Corporation

Burlington Hydro Inc.
Response to Interrogatory from Vulnerable Energy Consumers Coalition
Question 22

Question:

Operating Costs
Ref: Exhibit 4/Tab 7/Schedule2, page 5

Please reconcile the depreciation expense for 2010 reported here ($7,371,345) with the value reported in Exhibit 6 and Exhibit 4/Tab 1 ($6,694,092).

Response:

The difference between the depreciation expense of $7,371,345 as reported on Exhibit 4, Tab 7, Schedule 2, Page 5 and the amount of $6,694,092 on Exhibit 6, Tab 1, Schedule 1 and Exhibit 4, Tab 1, Page 1is $677,253. The amount of $677,253 is the depreciation that is charged directly to the OM&A costs and is not included in Account 5705 – Amortization Expense.

Burlington Hydro Inc.
Response to Interrogatory from Vulnerable Energy Consumers Coalition
Question 23

Question:

Operating Costs
Ref: Exhibit 4 / Tab 8/ Schedules 1 & 2

a) Do the tax calculations for 2010 reflect the May 2009 budget changes that eliminated the small business tax deduction surtax? If not, please provide an updated tax calculation.

Response:

Please see response to Energy Probe question 29.

Burlington Hydro Inc.
Response to Interrogatory from Vulnerable Energy Consumers Coalition
Question 24

Question:

Cost of Capital
Ref: Exhibit 5/Tab 2/Schedule 1, page 1 and Exhibit 5/Tab 2/ Schedule 2

a) If Burlington Hydro wanted to pay off the promissory note, is it able to do so without the agreement of shareholder? If no, what agreements are required and why?
b) If the shareholder were to demand a re-payment if the promissory note (or, permitted Burlington Hydro wish to pay-off the note), are there any impediments to Burlington Hydro borrowing from a third party such as a commercial bank? For example, would it require the "guarantee" or "permission" of its shareholders to undertake such borrowing?
c) If the response to part (b) is yes, is there any reason to expect these impediments would prevent it from undertaking 3rd party borrowing? For example, if a "guarantee" was required from the shareholders, is there any reason to expect such a guarantee could not/would not be provided?

Response:

a) The shareholder would have to demand repayment of the note. Paragraph #4 of the note states "The City may, at any time, …setting a date on which the principle amount hereunder is due and payable …".
b) Shareholder approval is required for any borrowings in an amount exceeding $10 million. Shareholder approval is also required in the granting of a security interest that would encumber BHI assets.
c) BHI does not know how the shareholder would respond to a lender's request for a shareholder guarantee.

Burlington Hydro Inc.
Response to Interrogatory from Vulnerable Energy Consumers Coalition
Question 25

Question:

Revenue Deficiency
Ref: Exhibit 6
Exhibit 8 / Tab 1, page 2

a) Please reconcile the total of Other Revenue reported here ($1,582,903) with the value in Exhibit 3, Tab 1, Schedule 2 ($1,583,902).
b) Please provide a schedule that sets out the derivation of 2010 Revenues at 2009 Rates by customer class (per Reference (ii)). Please provide the rates and volumes used and confirm that the rates are net of transformer ownership allowances (where applicable), smart meter adders and SSS Administration charges.
c) Where in the application is the provision for Property Taxes discussed?
d) Based on the responses to the first round of interrogatories from all parties please prepare a schedules that sets out all the adjustments / revisions that Burlington Hydro has acknowledged as being required to the currently requested 2010 revenue requirement and the impact of each.

Response:

a) Burlington has a loss of $2,000 included in Account 4360 – Loss on Disposition of Utility and Other Property, that has been included at 50% of the value based on the directions included in the 2006 Electricity Distribution Rate Handbook.
b) Please see table included at part (a) of the response to interrogatory 28 from VECC. The rates in that table exclude the smart meter adder, low voltage adjustment, and include the transformer allowance and SSS admin fee.
c) The property tax amount is shown at the Utility Income page of the Revenue Requirement Workform found at Exhibit 1, Tab 2, Schedule 6. It is also found at the calculation of revenue deficiency found at Exhibit 6, Tab1, Schedule 1, page 1 where an amount of $296,305 is identified related to property and capital taxes. At Exhibit 4, Tab 8, Schedule 2 the capital tax of $67,305 is calculated. The difference of $229,000 is the provision for property taxes.
d) Burlington has not acknowledged any adjustments or revisions that are required to the 2010 revenue requirement as a result of the first round of interrogatories.

Burlington Hydro Inc.
Response to Interrogatory from Vulnerable Energy Consumers Coalition
Question 26

Question:

Cost Allocation
Ref: Exhibit 7 / Tab 1 / Schedule 1

a) Please provide an electronic copy of the 2010 Cost Allocation Study
b) Please reconcile the Distribution, Customer – Related and G&A costs reported in Sheet O1 with the OM&A costs by category reported in the Summary at Exhibit 4, Tab 1.
c) Please explain how the Distribution Revenue by customer class set out in Sheet O1 was established.

Response:

a) Burlington has provided a Microsoft Excel file containing the 2010 Cost Allocation Study on the CD submitted with all interrogatory responses.
b) Please see attached table.
c) The distribution revenue by customer class set out in Sheet O1 assumes that the requested revenue requirement is collected using a proportion of revenue based on revenue at existing rates. More details are included in response to VECC #27.

Reconcilation of Costs - Exhibit 4 vs. Cost Allocation

USofA Accounts		Summary of Costs	Distribution Costs	Customer Related Costs	General & Admin	Depreciation & Amortization	PILs	Interest	Total Prior to Direct Allocation	Direct Allocation	Total
Operation											
	5005	-	-	-	-	-	-	-	-	-	-
	5010	1,090,861	1,090,861	-	-	-	-	-	1,090,861	-	1,090,861
	5012	93,941	93,941	-	-	-	-	-	93,941	-	93,941
	5014	-	-	-	-	-	-	-	-	-	-
	5015	-	-	-	-	-	-	-	-	-	-
	5016	599,364	599,364	-	-	-	-	-	599,364	-	599,364
	5017	320,072	320,072	-	-	-	-	-	320,072	-	320,072
	5020	361,128	361,128	-	-	-	-	-	361,128	-	361,128
	5025	464,702	464,702	-	-	-	-	-	464,702	-	464,702
	5030	-	-	-	-	-	-	-	-	-	-
	5035	184,304	184,304	-	-	-	-	-	184,304	-	184,304
	5040	154,360	154,360	-	-	-	-	-	154,360	-	154,360
	5045	556,455	556,455	-	-	-	-	-	556,455	-	556,455
	5050	-	-	-	-	-	-	-	-	-	-
	5055	69,925	69,925	-	-	-	-	-	69,925	-	69,925
	5060	-	-	-	-	-	-	-	-	-	-
	5065	249,521	-	249,521	-	-	-	-	249,521	-	249,521
	5070	152,157	-	152,157	-	-	-	-	152,157	-	152,157
	5075	31,587	-	31,587	-	-	-	-	31,587	-	31,587
	5085	-	-	-	-	-	-	-	-	-	-
	5090	71	71	-	-	-	-	-	71	-	71
	5095	184,906	184,906	-	-	-	-	-	184,906	-	184,906
	5096	-	-	-	-	-	-	-	-	-	-
Subtotal Operation		**4,513,354**									
Maintenance											
	5105	-	-	-	-	-	-	-	-	-	-
	5110	129,620	129,620	-	-	-	-	-	129,620	-	129,620
	5112	-	-	-	-	-	-	-	-	-	-
	5114	108,119	108,119	-	-	-	-	-	108,119	-	108,119
	5120	137,219	137,219	-	-	-	-	-	137,219	-	137,219
	5125	555,809	555,809	-	-	-	-	-	555,809	-	555,809
	5130	248,776	248,776	-	-	-	-	-	248,776	-	248,776
	5135	582,162	582,162	-	-	-	-	-	582,162	-	582,162
	5145	44,107	44,107	-	-	-	-	-	44,107	-	44,107
	5150	406,883	406,883	-	-	-	-	-	406,883	-	406,883
	5155	254,176	254,176	-	-	-	-	-	254,176	-	254,176
	5160	194,322	194,322	-	-	-	-	-	194,322	-	194,322
	5165	-	-	-	-	-	-	-	-	-	-
	5170	-	-	-	-	-	-	-	-	-	-
	5172	-	-	-	-	-	-	-	-	-	-
	5175	233,752	-	233,752	-	-	-	-	233,752	-	233,752
	5178	-	-	-	-	-	-	-	-	-	-
	5195	-	-	-	-	-	-	-	-	-	-
Subtotal Maintenance		**2,894,945**									
Billing and Collecting											
	5305	-	-	-	-	-	-	-	-		-
	5310	376,389	-	375,881	-	-	-	-	375,881	508	376,389
	5315	726,649	-	726,649	-	-	-	-	726,649	-	726,649
	5320	198,375	-	198,375	-	-	-	-	198,375	-	198,375
	5325	100	-	100	-	-	-	-	100	-	100
	5330	13,997	-	13,997	-	-	-	-	13,997	-	13,997
	5335	400,000	-	400,000	-	-	-	-	400,000	-	400,000
	5340	633,398	-	633,398	-	-	-	-	633,398	-	633,398
Subtotal Billing and Collecting		**2,348,908**									
Community Relations											
	5405	-	-	-	-	-	-	-	-	-	-
	5410	64,000	-	-	64,000	-	-	-	64,000	-	64,000
	5415	3,087	-	-	3,087	-	-	-	3,087	-	3,087
	5420	13,600	-	-	13,600	-	-	-	13,600	-	13,600
	5425	-	-	-	-	-	-	-	-	-	-
	5505	-	-	-	-	-	-	-	-	-	-
	5510	-	-	-	-	-	-	-	-	-	-
	5515	-	-	-	-	-	-	-	-	-	-
	5520	-	-	-	-	-	-	-	-	-	-
Subtotal Community Relations		**80,687**									
Administration and General Expenses											
	5605	788,318	-	-	788,318	-	-	-	788,318	-	788,318
	5610	497,055	-	-	497,055	-	-	-	497,055	-	497,055
	5615	1,428,668	-	-	1,428,668	-	-	-	1,428,668	-	1,428,668
	5620	425,015	-	-	425,015	-	-	-	425,015	-	425,015
	5625	(259,430)	-	-	(259,430)	-	-	-	(259,430)	-	(259,430)
	5630	351,659	-	-	351,659	-	-	-	351,659	-	351,659
	5635	144,495	-	-	144,495	-	-	-	144,495	-	144,495
	5640	131,580	-	-	131,580	-	-	-	131,580	-	131,580
	5645	346,814	-	-	346,814	-	-	-	346,814	-	346,814
	5650	-	-	-	-	-	-	-	-	-	-
	5655	352,270	-	-	352,270	-	-	-	352,270	-	352,270
	5660	10,200	-	-	10,200	-	-	-	10,200	-	10,200
	5665	423,645	-	-	423,645	-	-	-	423,645	-	423,645
	5670	120,000	-	-	120,000	-	-	-	120,000	-	120,000
	5675	202,811	-	-	202,811	-	-	-	202,811	-	202,811
	5680	-	-	-	-	-	-	-	-	-	-
	5685	-	-	-	-	-	-	-	-	-	-
	5695	-	-	-	-	-	-	-	-	-	-
Subtotal Admin		**4,963,100**									
Total OM&A		**14,800,994**									
Amortization											
	5705	6,694,092	-	-	-	6,694,092	-	-	6,694,092	-	6,694,092
Total Operating Costs		**21,495,086**									
Interest and Taxes											
	6005	4,525,189	-	-	-	-	4,525,189	-	4,525,189	-	4,525,189
	6105	229,000	-	-	229,000	-	-	-	229,000	-	229,000
	6110	1,712,667	-	-	-	-	-	1,712,667	1,712,667	-	1,712,667
		27,961,942	6,741,282	3,015,417	5,272,787	6,694,092	4,525,189	1,712,667	27,961,434	508	27,961,942

Burlington Hydro Inc.
Response to Interrogatory from Vulnerable Energy Consumers Coalition
Question 27

Question:

Cost Allocation
Ref: Exhibit 7 / Tab 3 / Schedule 1

a) With respect to the second table on page 2 (Test Year Revenue Impacts), please explain how the values, by customer class, in each of three columns were determined.
b) Why is Burlington proposing to increase revenue to cost ratio for GS>50 above the lower end of the Board's recommended range when the Board concluded in its EB-2007-0667 Report that there are "factors that currently limit or affect the ability or desirability of moving immediately to a cost allocation framework that might, from a theoretical perspective, be considered ideal (page 2) and that "a range approach is preferred" (page 4)?
c) Has Burlington made any improvement or changes to the Cost Allocation model used for 2010 (as opposed to that used for the 2007 filing) to address the data and methodology concerns noted by the Board in its EB-2007-0667 Report (pages 5-6)

Response:

a) The values in the second table on page 2 were determined as follows:
    - Current Revenue – this column is based on 2010 volumes as per Exhibit 3 at 2009 distribution rates for an amount of $26,479,520, plus 2010 forecasted miscellaneous revenues of $1,582,902 as allocated by the cost allocation model and shown on Sheet O1.
    - Test Year Revenue Assuming Current Revenue to Cost Ratios – in this column, the required test year revenue from distribution rates is based on the same ratio as calculated when the 2010 volumes are collected at existing rates (current revenue column), plus miscellaneous revenues.
    - Test Year Revenue Assuming Proposed Revenue to Cost Ratios – this column is determined by using the proposed cost allocation ratios, plus miscellaneous revenues.
b) Please see the response to Energy Probe interrogatory #32.
c) Burlington has updated all data in the trial balance to reflect 2010 test year data as filed in the rate application. Further to that update, Burlington has not made any changes to the Cost Allocation model used for 2010 from that used in 2007. Burlington anticipates with there will be improved load data available in the future once the installation of smart meters is completed and hourly data is available for all customer classes. Burlington is also monitoring OEB activities related to the transition to IFRS accounting standards to ensure that future accounting data and internal detail is appropriate for cost allocation purposes.

Burlington Hydro Inc.
Response to Interrogatory from Vulnerable Energy Consumers Coalition
Question 28

Question:

Rate Design
Ref: Exhibit 8 / Tab 2 / pages1-3

a) Please provide a table that sets out the existing fixed /variable split percentages for each customer class based on the 2009 rates and 2010 volumes. Please show the rates and volumes used in the calculation.
b) For those classes whose service charges (based on the current fixed / variable split) is within the Board's recommended ranges, please explain why it is appropriate to increase the charge to the value proposed as opposed to simply maintaining the current "split".
c) Please confirm that in EB-2007-0067 (page 12) the Board set the ceiling for the Monthly Service Charge at 120% of the calculated MSC based on the avoided costs plus allocated customer costs.

Response:

a) The table that provides the calculation of the fixed/variable split based on 2009 rates and 2010 volumes is provided below.

Class	Annual kWh	Annual kW For Dx	Annualized Customers	Annualized Connections	2009 Fixed Rates (per month/ connection)	2009 Variable Rates (excl. LV)	Fixed Distribution Revenue	Variable Distribution Revenue	Transformer Allowance	Variable Distribution Revenue (excl. Trans. Allow)	Dist. Rev. Excluding Transformer	Fixed Revenue Proportion	Variable Revenue Proportion
Residential	520,407,965		703,718		11.55	0.0158	8,127,942	8,222,446		8,222,446	16,350,388	49.7%	50.3%
GS < 50 kW	171,414,280		60,340		20.98	0.0146	1,265,942	2,502,648		2,502,648	3,768,590	33.6%	66.4%
GS >50	910,133,799	2,343,504	12,357		65.82	2.5476	813,322	5,970,310	597,071	5,373,239	6,186,560	13.1%	86.9%
Street Lighting	9,421,002	26,120		176,080	0.11	0.7953	19,369	20,773		20,773	40,142	48.3%	51.7%
USL	3,918,008			7,224	10.50	0.0148	75,852	57,987		57,987	133,839	56.7%	43.3%
	1,615,295,054	**2,369,624**	**776,415**	**183,304**			**10,302,427**	**16,774,164**	**597,071**	**16,177,093**	**26,479,520**		

b) Please see response to Board Staff interrogatory #23.
c) It is Burlington's understanding of the Methodology that the ceiling amount is the Minimum System with PLCC Adjustment, as shown in the Cost Allocation model.

Burlington Hydro Inc.
Response to Interrogatory from Vulnerable Energy Consumers Coalition
Question 29

Question:

Rate Design
Ref: Exhibit 8 / Tab 5 / Schedule 1

a) To what does Burlington Hydro attribute the lower loss factors observed in 2007 and 2008?
b) Are these lower values expected to continue in the future? If not, why not?

Response:

a) Burlington continuously works towards reducing the losses that are experienced on its system. The lower loss factors would therefore be impacted by such factors as a reduction in non-technical losses (reduced number of thefts/grow-ops found in past few years, reduced number of billing accruals, etc.). In conjunction with that, there have been some distribution system changes including purchase of Palermo feeder, increased number of automated switches and other items as described in the asset management plan.
b) Burlington is not proposing at the current time to assume that this reduced level of loss factor will continue into the future. While some system improvements may have long term reductions, there are many other factors in place that may increase the loss factor closer to the historical average in the future. These may include the impact of conversion to smart meters (meter/collector consumption on the system), metering problems identified as meters are converted, and any further increase to non-technical losses. Burlington notes that any savings related to the loss factor would be passed on to the customer through Account 1588.

Burlington Hydro Inc.
Response to Interrogatory from Vulnerable Energy Consumers Coalition
Question 30

Question:

Smart Meter Funding Adder
Ref: Exhibit 9 / Tab 3 / Schedule 1 (Appendix 2S)

a) Provide details of the # Residential SM installations (Year to Date and Projected) 2009 and 2010. Also provide an estimate of actual Unit costs (procurement and installation).
b) Update the actual and projected year end 2009 balances in accounts 1555 and 1556 per Schedule 1.
c) Given the potential for a material deficit in the SM revenues relative to the SM revenue requirement, please discuss why BHI is not applying for a utility- specific rate adder at this time.

Response:

Enter your response here.

a) The table below provides a summary of monthly smart meter installations. The estimate of smart meter cost including installation, as calculated in the OEB Worksheet included at Schools interrogatory 31 is $158.28.

Detailed Tracking of Smart Meter Installations
IR Q4.30 Backup
Actuals to October 31, 2009

Month	Residential		General Service < 50		Total	
	Meters Installed (monthly)	Meters Installed (cumulative)	Meters Installed (monthly)	Meters Installed (cumulative)	Meters Installed (monthly)	Meters Installed (cumulative)
pre May 2009	6,887	6,887	300	300	7,187	7,187
31-May-2009	576	7,463	-	300	576	7,763
30-Jun-2009	3,993	11,456	2	302	3,995	11,758
31-Jul-2009	4,500	15,956	9	311	4,509	16,267
31-Aug-2009	3,953	19,909	23	334	3,976	20,243
30-Sep-2009	4,212	24,121	133	467	4,345	24,588
31-Oct-2009	3,198	27,319	171	638	3,369	27,957
30-Nov-2009	3,500	30,819	400	1,038	3,900	31,857
30-Dec-2009	1,800	32,619	262	1,300	2,062	33,919
31-Jan-2010	2,000	34,619	200	1,500	2,200	36,119
28-Feb-2010	3,000	37,619	300	1,800	3,300	39,419
31-Mar-2010	3,000	40,619	300	2,100	3,300	42,719
30-Apr-2010	4,000	44,619	400	2,500	4,400	47,119
31-May-2010	4,000	48,619	400	2,900	4,400	51,519
30-Jun-2010	4,000	52,619	400	3,300	4,400	55,919
31-Jul-2010	3,000	55,619	400	3,700	3,400	59,319
31-Aug-2010	1,220	56,839	400	4,100	1,620	60,939
30-Sep-2010		56,839	400	4,500	400	61,339
31-Oct-2010		56,839	337	4,837	337	61,676
30-Nov-2010		56,839		4,837	-	61,676
30-Dec-2010		56,839		4,837	-	61,676

b) The updated variance account balances are provided in the table below.

Year	Smart Meters Installed			Percentage of Applicable Customers Converted (%)	Account 1555		Account 1556
	Residential	GS<50 kW	Other		Funding Adder Revenues Collected	Capital Expenditures	Operating Expenses
2006	320	0	0	0%	103,941	-	-
2007	2756	80	0	5%	200,694	586,162	8,543
2008	1780	220	0	8%	222,189	635,830	147,878
2009	27762	1000	0	53%	598,170	3,598,055	404,410
2010	27220	3237	0	100%	826,716	5,164,005	1,624,149

** entries included in Accounts 1555 and 1556 include estimated carrying costs, depreciation and amortization.*

c) At the time of preparation of this evidence, Burlington had limited resources to prepare the evidence to meet the filing requirements and the filing deadlines from the Board. However, Burlington was able to file it's evidence in accordance with the Board's deadline. At the same time Burlington had just begun full deployment of smart meters. As a result it was decided that there was not enough time and resources to properly prepare the evidence to applying for a utility-specific rate adder. Burlington decided it would be a better use of the Board's and Intervenor's time to address issues regarding the cost smart meter once the smart meters were fully deployed and the actual cost were known. At which time, Burlington would bring forward a smart meter rate rider application.

Burlington Hydro Inc.
Response to Interrogatory from Vulnerable Energy Consumers Coalition
Question 31

Question:

Smart Meter Funding Adder
Ref: Exhibit 9 / Tab 3 / Schedule 1

a) Provide a cash flow projection showing SM rate adder revenue and SM expenditures by Month for the 2009 and 2010 rate year
b) Provide a copy of the OEB Worksheet for calculation of the SM revenue requirements for 2009 and 2010.
c) Comment on the result in terms of the need for increasing the SM Rate Adder for 2010 and/or the SM revenue deficiency recovery period

---

Response:

a) Burlington has provided a monthly cash flow projection from April 2009 to December 2010. The timing coincides with the full deployment of the smart meter change out program that was initiated in June 2009. Total spending for 2009 and monthly revenue are shown in the budget worksheets of part b) of this response.

b) Please see attached Smart Meter worksheets.

c) There is a revenue shortfall that is identified on the cash flow projection in part a). It is, however, Burlington's understanding that the revenue collected through the rate adder is not designed to offset the total capital requirements of the smart meter project, but to off-set the revenue requirement associated with smart meters. To date, Burlington is just nearing the level of 50% of installations of customers, with most of the communication infrastructure planned for 2010. As per the response to 30 c), Burlington believes it would be a better use of the Board's and Intervenor's time to address issues regarding the cost smart meter once the smart meters were fully deployed and the actual cost were known. At which time, Burlington would bring forward a smart meter rate rider application. That being said, the smart meter worksheets included at part b) of this response have identified a potential rate adder of $3.00. Should the Board determine that it would be most appropriate to move to that rate, Burlington would accept that direction.

Smart Meter Cash Flow Analysis										
										Apr-Dec
Capital Costs	**Apr-09**	**May-09**	**Jun-09**	**Jul-09**	**Aug-09**	**Sep-09**	**Oct-09**	**Nov-09**	**Dec-09**	**2009**
Advanced Metering Communication Device (AMDC)				$564,364	$564,363	$564,363	$564,363	$564,363	$564,363	$3,386,179
Advanced Metering Regional Collector (AMRC)									$8,589	$8,589
Advanced Metering Control Computer (AMCC)										$0
Wide Area Network (WAN)			$5,715	$5,715	$5,715	$5,715	$5,715	$5,715	$5,710	$40,000
Other AMI Capital Costs Related To Minimum Functionality										$0
Capital Costs (TOTAL)	$0	$0	$5,715	$570,079	$570,078	$570,078	$570,078	$570,078	$578,662	$3,434,768
										Apr-Dec
OM&A	**Apr-09**	**May-09**	**Jun-09**	**Jul-09**	**Aug-09**	**Sep-09**	**Oct-09**	**Nov-09**	**Dec-09**	**2009**
Advanced Metering Communication Device (AMCD)										$0
Advanced Metering Regional Collector (AMRC)										$0
Advanced Metering Control Computer (AMCC)										$0
Wide Area Network (WAN)										$0
Other AMI Capital Costs Related To Minimum Functionality			$12,660	$12,660	$12,660	$12,666	$12,660	$12,660	$12,660	$88,626
OM&A Costs (TOTAL)	$0	$0	$12,660	$12,660	$12,660	$12,666	$12,660	$12,660	$12,660	$88,626
Total Costs	**$0**	**$0**	**$18,375**	**$582,739**	**$582,738**	**$582,744**	**$582,738**	**$582,738**	**$591,322**	**$3,523,394**
Revenue	**$16,157**	**$63,828**	**$59,867**	**$66,442**	**$60,112**	**$66,263**	**$63,273**	**$63,036**	**$62,798**	**$521,775**
Monthly Cash surplus (shortfall)	$16,157	$63,828	$41,492	($516,297)	($522,626)	($516,481)	($519,465)	($519,702)	($528,524)	
Cumulative Cash surplus (shortfall)	$16,157	$79,985	$121,477	($394,820)	($917,446)	($1,433,928)	($1,953,393)	($2,473,095)	($3,001,619)	

Smart Meter Cash Flow Analysis														
Capital Costs		**Jan-10**	**Feb-10**	**Mar-10**	**Apr-10**	**May-10**	**Jun-10**	**Jul-10**	**Aug-10**	**Sep-10**	**Oct-10**	**Nov-10**	**Dec-10**	**Total 2010**
Advanced Metering Communication Device (AMDC)		$388,211	$388,211	$388,212	$388,212	$388,212	$388,212	$388,212	$388,212	$388,212	$388,212	$388,212	$388,212	$4,658,542
Advanced Metering Regional Collector (AMRC)		$49,888	$49,888	$49,888	$49,888	$49,888	$49,888	$49,888	$49,888	$49,887				$448,991
Advanced Metering Control Computer (AMCC)					$27,000			$25,000			$25,000			$77,000
Wide Area Network (WAN)		$5,000												$5,000
Other AMI Capital Costs Related To Minimum Functionality		$53,090	$53,090	$53,090	$53,090	$53,090	$78,107	$53,090	$53,090	$53,090	$53,090	$153,090	$53,090	$762,097
Capital Costs (TOTAL)		**$496,189**	**$491,189**	**$491,190**	**$518,190**	**$491,190**	**$516,207**	**$516,190**	**$491,190**	**$491,189**	**$466,302**	**$541,302**	**$441,302**	**$5,951,630**
OM&A		**Jan-10**	**Feb-10**	**Mar-10**	**Apr-10**	**May-10**	**Jun-10**	**Jul-10**	**Aug-10**	**Sep-10**	**Oct-10**	**Nov-10**	**Dec-10**	**Total 2010**
Advanced Metering Communication Device (AMCD)														
Advanced Metering Regional Collector (AMRC)														
Advanced Metering Control Computer (AMCC)		$39,293	$39,293	$39,293	$39,293	$39,293	$39,293	$39,293	$39,293	$39,293	$39,293	$39,293	$67,795	$500,018
Wide Area Network (WAN)		$2,750	$2,750	$2,750	$2,750	$2,750	$2,750	$2,750	$2,750	$2,750	$2,750	$2,750	$2,750	$33,000
Other AMI Capital Costs Related To Minimum Functionality		$21,890	$21,890	$21,890	$21,890	$21,890	$21,890	$21,890	$21,890	$21,890	$21,890	$21,890	$21,890	$262,680
OM&A Costs (TOTAL)		**$63,933**	**$63,933**	**$63,933**	**$63,933**	**$63,933**	**$63,933**	**$63,933**	**$63,933**	**$63,933**	**$63,933**	**$63,933**	**$92,435**	**$795,698**
Total Costs		**$560,122**	**$555,122**	**$555,123**	**$582,123**	**$555,123**	**$580,140**	**$580,123**	**$555,123**	**$555,122**	**$530,235**	**$605,235**	**$533,737**	**$6,747,328**
Revenue		**$64,701**	**$64,701**	**$64,701**	**$64,701**	**$64,701**	**$64,701**	**$64,701**	**$64,701**	**$64,701**	**$64,701**	**$64,701**	**$64,701**	**$776,412**
Monthly Cash surplus (shortfall)		($495,421)	($490,421)	($490,422)	($517,422)	($490,422)	($515,439)	($515,422)	($490,422)	($490,421)	($465,534)	($540,534)	($469,036)	
Cumulative Cash surplus (shortfall)	($3,001,619)	($3,497,040)	($3,987,461)	($4,477,883)	($4,995,305)	($5,485,727)	($6,001,166)	($6,516,588)	($7,007,010)	($7,497,431)	($7,962,965)	($8,503,499)	($8,972,535)	

Sheet 1 Utility Information Sheet

Name of LDC:	Burlington Hydro Inc.
Licence Number:	ED-2003-0004
Date of Submission:	November 20, 2009

Contact Information

Name:	
Title:	
Phone Number:	
E-Mail Address:	

Sheet 2. Smart Meter Capital Cost and Operational Expense Data

Smart Meter Unit Installation Plan:

assume calendar year installation

	2006 Audited Actual	2007 Audited Actual	2008 Actual	2009 Forecasted	2010 Forecasted	2011 Forecasted	Later Forecasted	Total
Planned number of Residential smart meters to be installed	320	2,756	1,780	27,763	24,220			56,839
Planned number of General Service Less Than 50 kW smart meters		80	220	1,000	3,237			4,537
Planned Meter Installation (Residential and Less Than 50 kW only)	320	2,836	2,000	28,763	27,457	-	-	61,376
Percentage of Completion	1%	5%	8%	55%	100%	100%	100%	
Planned number of General Service Greater Than 50 kW smart meters								-
Planned / Actual Meter Installations	320	2,836	2,000	28,763	27,457	-	-	61,376

Other Unit Installation Plan:

assume calendar year installation

	2006 Audited Actual	2007 Audited Actual	2008 Actual	2009 Forecasted	2010 Forecasted	2011 Forecasted	Later Forecasted	Total
Planned number of Collectors to be installed	-	3	-	3	107			113
Planned number of Repeaters to be installed	-	-	-	-	200			200
Other : Please specify								
								-
								-
								-
								-

Capital Costs

1.1 ADVANCED METERING COMMUNICATION DEVICE (AMCD)

	Asset Type	2006 Audited Actual	2007 Audited Actual	2008 Actual	2009 Forecasted	2010 Forecasted	2011 Forecasted	Later Forecasted	Total
1.1.1 Smart Meter	Smart Meter		$ 268,863	$ 236,160	$ 3,161,362	$ 4,168,649			$ 7,835,034
may include new meters and modules, etc.									
1.1.2 Installation Cost	Smart Meter		$ 317,298	$ 399,669	$ 215,210	$ 489,893			$ 1,422,070
may include socket kits plus shipping, labour, benefits, vehicle, etc.									
1.1.3a Workforce Automation Hardware	Comp. Hard.			$ 62,240	$ 9,607	$ -			$ 71,847
may include fieldworker handhelds, barcode hardware, etc.									
1.1.3b Workforce Automation Software	Comp. Soft.								$ -
may include fieldworker handhelds, barcode hardware, etc.									
Total Advanced Metering Communication Device (AMCD)		$ -	$ 586,161	$ 698,069	$ 3,386,179	$ 4,658,542	$ -	$ -	$ 9,328,951

1.2 ADVANCED METERING REGIONAL COLLECTOR (AMRC) (includes LAN)

		2006 Audited Actual	2007 Audited Actual	2008 Actual	2009 Forecasted	2010 Forecasted	2011 Forecasted	Later Forecasted	Total
1.2.1 Collectors	Smart Meter				$ 7,134	$ 254,474			$ 261,608
1.2.2 Repeaters	Smart Meter					$ 45,622			$ 45,622
may include radio licence, etc.									
1.2.3 Installation	Smart Meter				$ 1,455	$ 148,895			$ 150,350
may include meter seals and rings, collector computer hardware, etc.									
Total Advanced Metering Regional Collector (AMRC) (includes LAN)		$ -	$ -	$ -	$ 8,589	$ 448,991	$ -	$ -	$ 457,580

1.3 ADVANCED METERING CONTROL COMPUTER (AMCC)

		2006 Audited Actual	2007 Audited Actual	2008 Actual	2009 Forecasted	2010 Forecasted	2011 Forecasted	Later Forecasted	Total
1.3.1 Computer Hardware	Comp. Hard.					$ 10,000			$ 10,000
1.3.2 Computer Software	Comp. Soft.		$ 355	$ 403		$ 2,000			$ 2,758
1.3.3 Computer Software Licence & Installation (includes hardware & software)	Comp. Soft.					$ 65,000			$ 65,000
may include AS/400 disc space, backup & recovery computer, UPS, etc									
Total Advanced Metering Control Computer (AMCC)		$ -	$ 355	$ 403	$ -	$ 77,000	$ -	$ -	$ 77,758

1.4 WIDE AREA NETWORK (WAN)

		2006 Audited Actual	2007 Audited Actual	2008 Actual	2009 Forecasted	2010 Forecasted	2011 Forecasted	Later Forecasted	Total
1.4.1 Activation Fees	Tools & Equip					$ 5,000			$ 5,000
Total Wide Area Network (WAN)		$ -	$ -	$ -	$ -	$ 5,000	$ -	$ -	$ 5,000

1.5 OTHER AMI CAPITAL COSTS RELATED TO MINIMUM FUNCTIONALITY

		2006 Audited Actual	2007 Audited Actual	2008 Actual	2009 Forecasted	2010 Forecasted	2011 Forecasted	Later Forecasted	Total
1.5.1 Customer equipment (including repair of damaged equipment)	Other Equip.				$ 40,000	$ 453,497			$ 493,497
1.5.2 AMI Interface to CIS	Comp. Soft.					$ 125,000			$ 125,000
1.5.3 Professional Fees	Comp. Soft.					$ 33,600			$ 33,600

Sheet 2. Smart Meter Capital Cost and Operational Expense Data

1.5.4 Integration	Comp. Soft.								$ -
1.5.5 Program Management	Comp. Soft.					$ 150,000			$ 150,000
1.5.6 Other AMI Capital	Comp. Soft.								$ -
Total Other AMI Capital Costs Related To Minimum Functionality		**$ -**	**$ -**	**$ -**	**$ 40,000**	**$ 762,097**	**$ -**	**$ -**	**$ 802,097**
Total Capital Costs		**$ -**	**$ 586,516**	**$ 698,472**	**$ 3,434,768**	**$ 5,951,630**	**$ -**	**$ -**	**$ 10,671,386**

Sheet 2. Smart Meter Capital Cost and Operational Expense Data

O M & A

2.1 ADVANCED METERING COMMUNICATION DEVICE (AMCD)

	2006 Audited Actual	2007 Audited Actual	2008 Actual	2009 Forecasted	2010 Forecasted	2011 Forecasted	Later Forecasted	Total
2.1.1 Maintenance *may include meter reverification costs, etc.*								$ -
Total Incremental AMI Operation Expenses	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -

2.2 ADVANCED METERING REGIONAL COLLECTOR (AMRC) (includes LAN)

2.2.1 Maintenance								$ -
Total Advanced Metering Regional Collector (AMRC) (includes LAN)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -

2.3 ADVANCED METERING CONTROL COMPUTER (AMCC)

2.3.1 Hardware Maintenance *may include server support, etc*					$ 471,518	$ 471,518	$ 471,518	$ 1,414,554
2.3.2 Software Maintenance *may include maintenance support, etc.*					$ 28,500	$ 28,500	$ 28,500	$ 85,500
Total Advanced Metering Control Computer (AMCC)	$ -	$ -	$ -	$ -	$ 500,018	$ 500,018	$ 500,018	$ 1,500,054

2.4 WIDE AREA NETWORK (WAN)

2.4.1 WIDE AREA NETWORK (WAN) *may include serial to Ethernet hardware, etc.*					$ 33,000	$ 33,000	$ 33,000	$ 99,000
Total Incremental Other Operation Expenses	$ -	$ -	$ -	$ -	$ 33,000	$ 33,000	$ 33,000	$ 99,000

2.5 OTHER AMI OM&A COSTS RELATED TO MINIMUM FUNCTIONALITY

2.5.1 Business Process Redesign								$ -
2.5.2 Customer Communication *may include project communication. etc.*				$ 38,570	$ 254,680	$ 254,680	$ -	$ 547,930
2.5.3 Program Management		$ 8,186	$ 26,930	$ 50,056	$ 8,000			$ 93,172
2.5.4 Change Management *may include training, etc.*								$ -
2.5.5 Administration Cost								$ -
2.5.6 Other AMI Expenses								$ -
Total 2.5 Other AMI OM&A Costs Related To Minimum Functionality	$ -	$ 8,186	$ 26,930	$ 88,626	$ 262,680	$ 254,680	$ -	$ 641,102

Total O M & A Costs

	$ -	$ 8,186	$ 26,930	$ 88,626	$ 795,698	$ 787,698	$ 533,018	$ 2,240,156

Sheet 3. LDC Assumptions and Data

Assumptions:

1. Planned meter installations occur evenly through the year.
2. Year assumed January to December
3. Amortization is straight line and has half year rule applied in first year

	2006 EDR Data Information	2007	2008	2009	2010	2011	Later
Rate Base							
Deemed Short Term Debt %			0%	0%	4%	4%	4%
Deemed Debt (from 2006 EDR Sheet "3-2 COST OF CAPITAL (Input)" Cell C 18)	50%	50%	53%	57%	56%	56%	56%
Deemed Equity (from 2006 EDR Sheet "3-2 COST OF CAPITAL (Input)" Cell C 19)	50%	50%	47%	43%	40%	40%	40%
Deemed Short Term Debt Rate%			4.47%	1.13%	1.13%	1.13%	1.13%
Weighted Debt Rate (from 2006 EDR Sheet "3-2 COST OF CAPITAL (Input)" Cell C 25)	7.25%	7.25%	7.25%	7.25%	7.62%	7.62%	7.62%
Proposed ROE (from 2006 EDR Sheet "3-2 COST OF CAPITAL (Input)" Cell E 32)	9.00%	9.00%	9.00%	9.00%	8.01%	8.01%	8.01%
Weighted Average Cost of Capital	8.13%	8.13%	8.07%	8.01%	7.52%	7.52%	7.52%
Working Capital Allowance %	15.00%	15.00%	15.00%	15.00%	15.00%	15.00%	15.00%
2006 EDR Tax Rate							
Corporate Income Tax Rate *(from 2006 PILs Sheet "Test Year PILs,Tax Provision" Cell D 14)*	36.12%	36.12%	33.50%	33.00%	32.00%	30.50%	29.00%

Capital Data:	2006 Audited Actual	2007 Audited Actual	2008 Actual	2009 Forecasted	2010 Forecasted	2011 Forecasted	Later Forecasted	Total
Smart Meter	$ -	$ 586,161	$ 635,829	$ 3,385,161	$ 5,107,533	$ -	$ -	$ 9,714,684
Computer Hardware	$ -	$ -	$ 62,240	$ 9,607	$ 10,000	$ -	$ -	$ 81,847
Computer Software	$ -	$ 355	$ 403	$ -	$ 375,600	$ -	$ -	$ 376,358
Tools & Equipment	$ -	$ -	$ -	$ -	$ 5,000	$ -	$ -	$ 5,000
Other Equipment	$ -	$ -	$ -	$ 40,000	$ 453,497	$ -	$ -	$ 493,497
Total Capital Costs	$ -	$ 586,516	$ 698,472	$ 3,394,768	$ 5,493,133	$ -	$ -	$ 10,172,889
	-	-	-	*40,000.00*	*458,497.00*	-	-	*498,497.00*

Operating Expense Data:	2006 Audited Actual	2007 Audited Actual	2008 Actual	2009 Forecasted	2010 Forecasted	2011 Forecasted	Later Forecasted	Total
2.1 Advanced Metering Communication Device (AMCD)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
2.2 Advanced Metering Regional Collector (AMRC) (includes LAN)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
2.3 Advanced Metering Control Computer (AMCC)	$ -	$ -	$ -	$ -	$ 500,018	$ 500,018	$ 500,018	$ 1,000,036
2.4 Wide Area Network (WAN)	$ -	$ -	$ -	$ -	$ 33,000	$ 33,000	$ 33,000	$ 66,000
2.5 Other AMI OM&A Costs Related To Minimum Functionality	$ -	$ 8,186	$ 26,930	$ 88,626	$ 262,680	$ 254,680	$ -	$ 641,102
Total O M & A Costs	$ -	$ 8,186	$ 26,930	$ 88,626	$ 795,698	$ 787,698	$ 533,018	$ 1,707,138
	-	-	-	-	-	-	-	533,018.00

Per Meter Cost Split:	Per Meter	Installed	Investment	% of Invest
Smart meter including installation	$ 158.28	61,376	$ 9,714,684	78%
Computer Hardware Costs	$ 1.33	61,376	$ 81,847	1%
Computer Software Costs	$ 6.13	61,376	$ 376,358	3%
Tools & Equipment	$ 0.08	61,376	$ 5,000	0%
Other Equipment	$ 8.04	61,376	$ 493,497	4%
Smart meter incremental operating expenses	$ 27.81	61,376	$ 1,707,138	14%
Total Smart Meter Capital Costs per meter	$ 201.68		$ 12,378,524	100%

Depreciation Rates	2006 Audited Actual	2007 Audited Actual	2008 Actual	2009 Forecasted	2010 Forecasted	2011 Forecasted	Later Forecasted
Smart Meter (years)	15	15	15	15	15	15	15
Computer Hardware (years)	10	10	10	10	10	10	10
Computer Software (years)	5	5	5	5	5	5	5
Tools & Equipment (years)	10	10	10	10	10	10	10
Other Equipment (years)	10	10	10	10	10	10	10

CCA Rates	2006 Audited Actual	2007 Audited Actual	2008 Actual	2009 Forecasted	2010 Forecasted	2011 Forecasted	Later Forecasted
CCA Class	47	47	47	47	47	47	47
Smart Meter	8%	8%	8%	8%	8%	8%	8%
CCA Class	45	50	50	50	50	50	50
Computer Equipment	45%	55%	55%	55%	55%	55%	55%
CCA Class	8	8	8	8	8	8	8
General Equipment	20%	20%	20%	20%	20%	20%	20%

Sheet 4. Smart Meter Rev Req Calc

Smart Meter Revenue Requirement Calculation

Average Asset Values	2006 Audited Actual		2007 Audited Actual		2008 Actual		2009 Forecasted		2010 Forecasted		2011 Forecasted		Later Forecasted	
Net Fixed Assets Smart Meters	$ -		$ 283,311.15		$ 2,183,244.75		$ 6,136,130.75		$ 8,169,765.80		$ 7,564,508.80		$ -	
Net Fixed Assets Computer Hardware	$ -		$ -		$ 4,563.33		$ 13,396.30		$ 16,685.60		$ 14,724.90		$ -	
Net Fixed Assets Computer Software	$ -		$ 159.75		$ 284.00		$ 169,233.00		$ 300,622.00		$ 225,431.00		$ -	
Net Fixed Assets Tools & Equipment	$ -		$ -		$ -		$ 2,375.00		$ 4,500.00		$ 4,000.00		$ -	
Net Fixed Assets Other Equipment	$ -		$ -		$ 19,000.00		$ 251,411.08		$ 440,147.30		$ 390,797.60		$ -	
Total Net Fixed Assets	$ -	$ -	$ 283,470.90	$ 283,470.90	$ 2,207,092.08	$ 2,207,092.08	$ 6,572,546.13	$ 6,572,546.13	$ 8,931,720.70	$ 8,931,720.70	$ 8,199,462.30	$ 8,199,462.30	$ -	$ -
Working Capital														
Operation Expense	$ -		$ 8,186.00		$ 26,930.00		$ 88,626.00		$ 795,698.00		$ 787,698.00		$ 533,018.00	
Working Capital %	$ -	$ -	$ 1,227.90	$ 1,227.90	$ 4,039.50	$ 4,039.50	$ 13,293.90	$ 13,293.90	$ 119,354.70	$ 119,354.70	$ 118,154.70	$ 118,154.70	$ 79,952.70	$ 79,952.70
Smart Meters included in Rate Base		$ -		$ 284,698.80		$ 2,211,131.58		$ 6,585,840.03		$ 9,051,075.40		$ 8,317,617.00		$ 79,952.70
Return on Rate Base														
Deemed Short Term Debt %					0.0%		0.0%		4.0%		4.0%		4.0%	
Deemed Long Term Debt %	50.0%	$ -	50.0%	$ 142,349.40	53.3%	$ 1,178,533.13	56.7%	$ 3,734,171.29	56.0%	$ 5,068,602.22	56.0%	$ 4,657,865.52	56.0%	$ 44,773.51
Deemed Equity %	50.0%	$ -	50.0%	$ 142,349.40	46.7%	$ 1,032,598.45	43.3%	$ 2,851,668.73	40.0%	$ 3,620,430.16	40.0%	$ 3,327,046.80	40.0%	$ 31,981.08
		$ -		$ 284,698.80		$ 2,211,131.58		$ 6,585,840.03		$ 8,689,032.38		$ 7,984,912.32		$ 76,754.59
Deemed Short Term Debt Rate%					4.5%		1.1%		1.1%		1.1%		1.1%	
Weighted Debt Rate *(3. LDC Assumptions and Data)*	7.3%	$ -	7.3%	$ 10,320.33	7.3%	$ 85,443.65	7.3%	$ 270,727.42	7.6%	$ 386,227.49	7.6%	$ 354,929.35	7.6%	$ 3,411.74
Proposed ROE *(3. LDC Assumptions and Data)*	9.0%	$ -	9.0%	$ 12,811.45	9.0%	$ 92,933.86	9.0%	$ 256,650.19	8.0%	$ 289,996.46	8.0%	$ 266,496.45	8.0%	$ 2,561.68
Return on Rate Base		$ - $ -		$ 23,131.78 $ 23,131.78		$ 178,377.51 $ 178,377.51		$ 527,377.60 $ 527,377.60		$ 676,223.95 $ 676,223.95		$ 621,425.80 $ 621,425.80		$ 5,973.43 $ 5,973.43
Operating Expenses														
Incremental Operating Expenses *(3. LDC Assumptions and Data)*		$ -		$ 8,186.00		$ 26,930.00		$ 88,626.00		$ 795,698.00		$ 787,698.00		$ 533,018.00
Amortization Expenses														
Amortization Expenses - Smart Meters		$ -		$ 19,538.70		$ 151,916.10		$ 435,005.90		$ 605,257.00		$ 605,257.00		$ -
Amortization Expenses - Computer Hardware		$ -		$ -		$ 480.35		$ 1,440.70		$ 1,960.70		$ 1,960.70		$ -
Amortization Expenses - Computer Software		$ -		$ 35.50		$ 71.00		$ 37,631.00		$ 75,191.00		$ 75,191.00		$ -
Amortization Expenses - Tools & Equipment		$ -		$ -		$ -		$ 250.00		$ 500.00		$ 500.00		$ -
Amortization Expenses - Other Equipment		$ -		$ -		$ 2,000.00		$ 26,674.85		$ 49,349.70		$ 49,349.70		$ -
Total Amortization Expenses		$ -		$ 19,574.20		$ 154,467.45		$ 501,022.45		$ 732,258.40		$ 732,258.40		$ -
Revenue Requirement Before PILs		$ -		$ 50,891.98		$ 359,774.96		$ 1,117,026.05		$ 2,204,180.35		$ 2,141,382.20		$ 538,991.43
Calculation of Taxable Income														
Incremental Operating Expenses		$ -		-$ 8,186.00		-$ 26,930.00		-$ 88,626.00		-$ 795,698.00		-$ 787,698.00		-$ 533,018.00
Depreciation Expenses		$ -		-$ 19,574.20		-$ 154,467.45		-$ 501,022.45		-$ 732,258.40		-$ 732,258.40		$ -
Interest Expense		$ -		-$ 10,320.33		-$ 85,443.65		-$ 270,727.42		-$ 386,227.49		-$ 354,929.35		-$ 3,411.74
Taxable Income For PILs		$ -		$ 12,811.45		$ 92,933.86		$ 256,650.19		$ 289,996.46		$ 266,496.45		$ 2,561.68
Grossed up PILs *(5. PILs)*		$ -		$ 6,274.96		$ 38,894.20		$ 63,695.00		$ 57,362.05		-$ 332,029.08		$ -
Revenue Requirement Before PILs		$ -		$ 50,891.98		$ 359,774.96		$ 1,117,026.05		$ 2,204,180.35		$ 2,141,382.20		$ 538,991.43
Grossed up PILs *(5. PILs)*		$ -		$ 6,274.96		$ 38,894.20		$ 63,695.00		$ 57,362.05		-$ 332,029.08		$ -
Revenue Requirement for Smart Meters		$ -		$ 57,166.94		$ 398,669.16		$ 1,180,721.05		$ 2,261,542.39		$ 1,809,353.12		$ 538,991.43

Smart Meter Rate Adder					
Revenue Requirement for Smart Meter			$ 1,180,721.05	$ 2,261,542.39	
Total Metered Customers			62,798	62,798	
Annualized amount recovered from each customer			$ 18.80	$ 36.01	
Number of Months per year			12	12	
Smart Meter Rate Adder			$ 1.57	$ 3.00	

PILs Calculation

INCOME TAX	2006 Audited Actual	2007 Audited Actual	2008 Actual	2009 Forecasted	2010 Forecasted	2011 Forecasted	Later Forecasted
Net Income	$ -	$ 12,811.45	$ 92,933.86	$ 256,650.19	$ 289,996.46	$ -	$ -
Amortization	$ -	$ 19,574.20	$ 154,467.45	$ 501,022.45	$ 732,258.40	$ -	$ -
CCA - Smart Meters	$ -	-$ 23,446.44	-$ 180,423.60	-$ 505,697.48	-$ 669,543.00	-$ 615,979.56	$ -
CCA - Computers	$ -	-$ 97.63	-$ 2,783.48	-$ 109,934.49	-$ 155,510.52	-$ 69,979.73	$ -
CCA - Other Equipment	$ -	$ -	-$ 4,000.00	-$ 53,049.70	-$ 88,289.46	-$ 70,631.57	$ -
Change in taxable income	$ -	$ 8,841.58	$ 60,194.22	$ 88,990.97	$ 108,911.88	-$ 756,590.86	$ -
Tax Rate *(3. LDC Assumptions and Data)*	36.12%	36.12%	33.50%	33.00%	32.00%	30.50%	29.00%
Income Taxes Payable	$ -	$ 3,193.58	$ 20,165.07	$ 29,367.02	$ 34,851.80	-$ 230,760.21	$ -
ONTARIO CAPITAL TAX							
Smart Meters	$ -	$ 566,622.30	$ 3,799,867.20	$ 8,472,394.30	$ 7,867,137.30	$ 7,261,880.30	$ -
Computer Hardware	$ -	$ -	$ 9,126.65	$ 17,665.95	$ 15,705.25	$ 13,744.55	$ -
Computer Software	$ -	$ 319.50	$ 248.50	$ 338,217.50	$ 263,026.50	$ 187,835.50	$ -
Tools & Equipment	$ -	$ -	$ -	$ 4,750.00	$ 4,250.00	$ 3,750.00	$ -
Other Equipment	$ -	$ -	$ 38,000.00	$ 464,822.15	$ 415,472.45	$ 366,122.75	$ -
Rate Base	$ -	$ 566,941.80	$ 3,809,242.35	$ 8,828,277.75	$ 8,145,869.05	$ 7,463,460.35	$ -
Less: Exemption	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Deemed Taxable Capital	$ -	$ 566,941.80	$ 3,809,242.35	$ 8,828,277.75	$ 8,145,869.05	$ 7,463,460.35	$ -
Ontario Capital Tax Rate	0.300%	0.225%	0.225%	0.225%	0.075%	0.000%	0.000%
Net Amount (Taxable Capital x Rate)	$ -	$ 1,275.62	$ 8,570.80	$ 19,863.62	$ 6,109.40	$ -	$ -

Gross Up

	PILs Payable	PILs Payable	PILs Payable	PILs Payable	PILs Payable	PILs Payable	PILs Payable
Change in Income Taxes Payable	$ -	$ 3,193.58	$ 20,165.07	$ 29,367.02	$ 34,851.80	-$ 230,760.21	$ -
Change in OCT	$ -	$ 1,275.62	$ 8,570.80	$ 19,863.62	$ 6,109.40	$ -	$ -
PIL's	$ -	$ 4,469.20	$ 28,735.86	$ 49,230.64	$ 40,961.20	-$ 230,760.21	$ -

	Gross Up 36.12%	Gross Up 36.12%	Gross Up 33.50%	Gross Up 33.00%	Gross Up 32.00%	Gross Up 30.50%	Gross Up 29.00%
	Grossed Up PILs	Grossed Up PILs	Grossed Up PILs	Grossed Up PILs	Grossed Up PILs	Grossed Up PILs	Grossed Up PILs
Change in Income Taxes Payable	$ -	$ 4,999.34	$ 30,323.41	$ 43,831.37	$ 51,252.65	-$ 332,029.08	$ -
Change in OCT	$ -	$ 1,275.62	$ 8,570.80	$ 19,863.62	$ 6,109.40	$ -	$ -
PIL's	**$ -**	**$ 6,274.96**	**$ 38,894.20**	**$ 63,695.00**	**$ 57,362.05**	**-$ 332,029.08**	**$ -**

Smart Meter Average Net Fixed Assets

Net Fixed Assets - Smart Meters

	2006 Audited Actual	2007 Audited Actual	2008 Actual	2009 Forecasted	2010 Forecasted	2011 Forecasted
Opening Capital Investment	$ -	$ -	$ 586,161.00	$ 3,971,322.00	$ 9,078,855.00	$ 9,078,855.00
Capital Investment *(3. LDC Assumptions and Data)*	$ -	$ 586,161.00	$ 3,385,161.00	$ 5,107,533.00	$ -	$ -
Closing Capital Investment	$ -	$ 586,161.00	$ 3,971,322.00	$ 9,078,855.00	$ 9,078,855.00	$ 9,078,855.00
Opening Accumulated Amortization	$ -	$ -	$ 19,538.70	$ 171,454.80	$ 606,460.70	$ 1,211,717.70
Amortization (15 Years Straight Line)	$ -	$ 19,538.70	$ 151,916.10	$ 435,005.90	$ 605,257.00	$ 605,257.00
Closing Accumulated Amortization	$ -	$ 19,538.70	$ 171,454.80	$ 606,460.70	$ 1,211,717.70	$ 1,816,974.70
Opening Net Fixed Assets	$ -	$ -	$ 566,622.30	$ 3,799,867.20	$ 8,472,394.30	$ 7,867,137.30
Closing Net Fixed Assets	$ -	$ 566,622.30	$ 3,799,867.20	$ 8,472,394.30	$ 7,867,137.30	$ 7,261,880.30
Average Net Fixed Assets	$ -	$ 283,311.15	$ 2,183,244.75	$ 6,136,130.75	$ 8,169,765.80	$ 7,564,508.80

Net Fixed Assets - Computer Hardware

	2006 Audited Actual	2007 Audited Actual	2008 Actual	2009 Forecasted	2010 Forecasted	2011 Forecasted
Opening Capital Investment	$ -	$ -	$ -	$ 9,607.00	$ 19,607.00	$ 19,607.00
Capital Investment *(3. LDC Assumptions and Data)*	$ -	$ -	$ 9,607.00	$ 10,000.00	$ -	$ -
Closing Capital Investment	$ -	$ -	$ 9,607.00	$ 19,607.00	$ 19,607.00	$ 19,607.00
Opening Accumulated Amortization	$ -	$ -	$ -	$ 480.35	$ 1,941.05	$ 3,901.75
Amortization (10 Years Straight Line)	$ -	$ -	$ 480.35	$ 1,460.70	$ 1,960.70	$ 1,960.70
Closing Accumulated Amortization	$ -	$ -	$ 480.35	$ 1,941.05	$ 3,901.75	$ 5,862.45
Opening Net Fixed Assets	$ -	$ -	$ -	$ 9,126.65	$ 17,665.95	$ 15,705.25
Closing Net Fixed Assets	$ -	$ -	$ 9,126.65	$ 17,665.95	$ 15,705.25	$ 13,744.55
Average Net Fixed Assets	$ -	$ -	$ 4,563.33	$ 13,396.30	$ 16,685.60	$ 14,724.90

Net Fixed Assets - Computer Software

	2006 Audited Actual	2007 Audited Actual	2008 Actual	2009 Forecasted	2010 Forecasted	2011 Forecasted
Opening Capital Investment	$ -	$ -	$ 355.00	$ 355.00	$ 375,955.00	$ 375,955.00
Capital Investment *(3. LDC Assumptions and Data)*	$ -	$ 355.00	$ -	$ 375,600.00	$ -	$ -
Closing Capital Investment	$ -	$ 355.00	$ 355.00	$ 375,955.00	$ 375,955.00	$ 375,955.00
Opening Accumulated Amortization	$ -	$ -	$ 35.50	$ 106.50	$ 37,737.50	$ 112,928.50
Amortization Year 1 (5 Years Straight Line)	$ -	$ 35.50	$ 71.00	$ 37,631.00	$ 75,191.00	$ 75,191.00
Closing Accumulated Amortization	$ -	$ 35.50	$ 106.50	$ 37,737.50	$ 112,928.50	$ 188,119.50
Opening Net Fixed Assets	$ -	$ -	$ 319.50	$ 248.50	$ 338,217.50	$ 263,026.50
Closing Net Fixed Assets	$ -	$ 319.50	$ 248.50	$ 338,217.50	$ 263,026.50	$ 187,835.50
Average Net Fixed Assets	$ -	$ 159.75	$ 284.00	$ 169,233.00	$ 300,622.00	$ 225,431.00

Net Fixed Assets - Tools & Equipment

	2006 Audited Actual	2007 Audited Actual	2008 Actual	2009 Forecasted	2010 Forecasted	2011 Forecasted
Opening Capital Investment	$ -	$ -	$ -	$ -	$ 5,000.00	$ 5,000.00
Capital Investment *(3. LDC Assumptions and Data)*	$ -	$ -	$ -	$ 5,000.00	$ -	$ -
Closing Capital Investment	$ -	$ -	$ -	$ 5,000.00	$ 5,000.00	$ 5,000.00
Opening Accumulated Amortization	$ -	$ -	$ -	$ -	$ 250.00	$ 750.00
Amortization Year 1 (10 Years Straight Line)	$ -	$ -	$ -	$ 250.00	$ 500.00	$ 500.00
Closing Accumulated Amortization	$ -	$ -	$ -	$ 250.00	$ 750.00	$ 1,250.00
Opening Net Fixed Assets	$ -	$ -	$ -	$ -	$ 4,750.00	$ 4,250.00

Sheet 6. Avg Net Fixed Assets &UCC

Closing Net Fixed Assets	$ -	$ -	$ -	$ 4,750.00	$ 4,250.00	$ 3,750.00
Average Net Fixed Assets	$ -	$ -	$ -	$ 2,375.00	$ 4,500.00	$ 4,000.00

Net Fixed Assets - Other Equipment

	2006 Audited Actual	2007 Audited Actual	2008 Actual	2009 Forecasted	2010 Forecasted	2011 Forecasted
Opening Capital Investment	$ -	$ -	$ -	$ 40,000.00	$ 493,497.00	$ 493,497.00
Capital Investment *(3. LDC Assumptions and Data)*	$ -	$ -	$ 40,000.00	$ 453,497.00	$ -	$ -
Closing Capital Investment	$ -	$ -	$ 40,000.00	$ 493,497.00	$ 493,497.00	$ 493,497.00
Opening Accumulated Amortization	$ -	$ -	$ -	$ 2,000.00	$ 28,674.85	$ 78,024.55
Amortization Year 1 (10 Years Straight Line)	$ -	$ -	$ 2,000.00	$ 26,674.85	$ 49,349.70	$ 49,349.70
Closing Accumulated Amortization	$ -	$ -	$ 2,000.00	$ 28,674.85	$ 78,024.55	$ 127,374.25
Opening Net Fixed Assets	$ -	$ -	$ -	$ 38,000.00	$ 464,822.15	$ 415,472.45
Closing Net Fixed Assets	$ -	$ -	$ 38,000.00	$ 464,822.15	$ 415,472.45	$ 366,122.75
Average Net Fixed Assets	$ -	$ -	$ 19,000.00	$ 251,411.08	$ 440,147.30	$ 390,797.60

Sheet 6. Avg Net Fixed Assets &UCC

For PILs Calculation

UCC - Smart Meters

	2006 Audited Actual	2007 Audited Actual	2008 Actual	2009 Forecasted	2010 Forecasted	2011 Forecasted
Opening UCC	$ -	$ -	$ 562,714.56	$ 3,767,451.96	$ 8,369,287.48	$ 7,699,744.48
Capital Additions	$ -	$ 586,161.00	$ 3,385,161.00	$ 5,107,533.00	$ -	$ -
UCC Before Half Year Rule	$ -	$ 586,161.00	$ 3,947,875.56	$ 8,874,984.96	$ 8,369,287.48	$ 7,699,744.48
Half Year Rule (1/2 Additions - Disposals)	$ -	$ 293,080.50	$ 1,692,580.50	$ 2,553,766.50	$ -	$ -
Reduced UCC	$ -	$ 293,080.50	$ 2,255,295.06	$ 6,321,218.46	$ 8,369,287.48	$ 7,699,744.48
CCA Rate Class	47	47	47	47	47	47
CCA Rate	8%	8%	8%	8%	8%	8%
CCA	$ -	$ 23,446.44	$ 180,423.60	$ 505,697.48	$ 669,543.00	$ 615,979.56
Closing UCC	$ -	$ 562,714.56	$ 3,767,451.96	$ 8,369,287.48	$ 7,699,744.48	$ 7,083,764.92

UCC - Computer Equipment

	2006 Audited Actual	2007 Audited Actual	2008 Actual	2009 Forecasted	2010 Forecasted	2011 Forecasted
Opening UCC	$ -	$ -	$ 257.38	$ 7,080.89	$ 282,746.40	$ 127,235.88
Capital Additions Computer Hardware	$ -	$ -	$ 9,607.00	$ 10,000.00	$ -	$ -
Capital Additions Computer Software	$ -	$ 355.00	$ -	$ 375,600.00	$ -	$ -
UCC Before Half Year Rule	$ -	$ 355.00	$ 9,864.38	$ 392,680.89	$ 282,746.40	$ 127,235.88
Half Year Rule (1/2 Additions - Disposals)	$ -	$ 177.50	$ 4,803.50	$ 192,800.00	$ -	$ -
Reduced UCC	$ -	$ 177.50	$ 5,060.88	$ 199,880.89	$ 282,746.40	$ 127,235.88
CCA Rate Class	45	50	50	50	50	50
CCA Rate	45%	55%	55%	55%	55%	55%
CCA	$ -	$ 97.63	$ 2,783.48	$ 109,934.49	$ 155,510.52	$ 69,979.73
Closing UCC	$ -	$ 257.38	$ 7,080.89	$ 282,746.40	$ 127,235.88	$ 57,256.15

UCC - General Equipment

	2006 Audited Actual	2007 Audited Actual	2008 Actual	2009 Forecasted	2010 Forecasted	2011 Forecasted
Opening UCC	$ -	$ -	$ -	$ 36,000.00	$ 441,447.30	$ 353,157.84
Capital Additions Tools & Equipment	$ -	$ -	$ -	$ 5,000.00	$ -	$ -
Capital Additions Other Equipment	$ -	$ -	$ 40,000.00	$ 453,497.00	$ -	$ -
UCC Before Half Year Rule	$ -	$ -	$ 40,000.00	$ 494,497.00	$ 441,447.30	$ 353,157.84
Half Year Rule (1/2 Additions - Disposals)	$ -	$ -	$ 20,000.00	$ 229,248.50	$ -	$ -
Reduced UCC	$ -	$ -	$ 20,000.00	$ 265,248.50	$ 441,447.30	$ 353,157.84
CCA Rate Class	8	8	8	8	8	8
CCA Rate	20%	20%	20%	20%	20%	20%
CCA	$ -	$ -	$ 4,000.00	$ 53,049.70	$ 88,289.46	$ 70,631.57
Closing UCC	$ -	$ -	$ 36,000.00	$ 441,447.30	$ 353,157.84	$ 282,526.27

Smart Meter Funding Adder

	Opening	Fund Adder	Int. Rate	Interest	Closing
Jan-06	$ -	$ -	7.25%	$ -	$ -
Feb-06	$ -	$ -	7.25%	$ -	$ -
Mar-06	$ -	$ -	7.25%	$ -	$ -
Apr-06	$ -	$ -	4.14%	$ -	$ -
May-06	$ -	$ 414	4.14%	$ -	$ 414
Jun-06	$ 414	$ 5,984	4.14%	$ 1	$ 6,399
Jul-06	$ 6,399	$ 15,702	4.59%	$ 24	$ 22,125
Aug-06	$ 22,125	$ 14,848	4.59%	$ 85	$ 37,058
Sep-06	$ 37,058	$ 17,686	4.59%	$ 142	$ 54,886
Oct-06	$ 54,886	$ 14,890	4.59%	$ 210	$ 69,986
Nov-06	$ 69,986	$ 17,366	4.59%	$ 268	$ 87,619
Dec-06	$ 87,619	$ 15,986	4.59%	$ 335	$ 103,941
Jan-07	$ 103,941	$ 12,875	4.59%	$ 398	$ 117,213
Feb-07	$ 117,213	$ 15,297	4.59%	$ 448	$ 132,958
Mar-07	$ 132,958	$ 17,589	4.59%	$ 509	$ 151,055
Apr-07	$ 151,055	$ 15,352	4.59%	$ 578	$ 166,985
May-07	$ 166,985	$ 17,518	4.59%	$ 639	$ 185,142
Jun-07	$ 185,142	$ 15,427	4.59%	$ 708	$ 201,277
Jul-07	$ 201,277	$ 15,668	4.59%	$ 770	$ 217,714
Aug-07	$ 217,714	$ 15,502	4.59%	$ 833	$ 234,049
Sep-07	$ 234,049	$ 17,557	4.59%	$ 895	$ 252,502
Oct-07	$ 252,502	$ 15,487	5.14%	$ 1,082	$ 269,070
Nov-07	$ 269,070	$ 17,666	5.14%	$ 1,153	$ 287,889
Dec-07	$ 287,889	$ 15,513	5.14%	$ 1,233	$ 304,635
Jan-08	$ 304,635	$ 17,652	4.08%	$ 1,036	$ 323,323
Feb-08	$ 323,323	$ 15,654	4.08%	$ 1,099	$ 340,076
Mar-08	$ 340,076	$ 17,731	4.08%	$ 1,156	$ 358,963
Apr-08	$ 358,963	$ 15,700	3.35%	$ 1,002	$ 375,665
May-08	$ 375,665	$ 17,778	3.35%	$ 1,049	$ 394,492
Jun-08	$ 394,492	$ 15,760	3.35%	$ 1,101	$ 411,353
Jul-08	$ 411,353	$ 17,793	3.35%	$ 1,148	$ 430,294
Aug-08	$ 430,294	$ 15,861	3.35%	$ 1,201	$ 447,357
Sep-08	$ 447,357	$ 17,719	3.35%	$ 1,249	$ 466,325
Oct-08	$ 466,325	$ 15,857	3.35%	$ 1,302	$ 483,484
Nov-08	$ 483,484	$ 17,766	3.35%	$ 1,350	$ 502,599
Dec-08	$ 502,599	$ 22,821	3.35%	$ 1,403	$ 526,824
Jan-09	$ 526,824	$ 17,779	3.35%	$ 1,471	$ 546,074
Feb-09	$ 546,074	$ 16,054	3.35%	$ 1,524	$ 563,652
Mar-09	$ 563,652	$ 17,854	3.35%	$ 1,574	$ 583,079
Apr-09	$ 583,079	$ 16,157	3.35%	$ 1,628	$ 600,864
May-09	$ 600,864	$ 63,828	3.35%	$ 1,677	$ 666,370
Jun-09	$ 666,370	$ 59,867	3.35%	$ 1,860	$ 728,096
Jul-09	$ 728,096	$ 66,442	3.35%	$ 2,033	$ 796,571
Aug-09	$ 796,571	$ 60,112	3.35%	$ 2,224	$ 858,907
Sep-09	$ 858,907	$ 66,263	3.35%	$ 2,398	$ 927,567
Oct-09	$ 927,567	$ 63,273	3.35%	$ 2,589	$ 993,430
Nov-09	$ 993,430	$ 63,036	3.35%	$ 2,773	$ 1,059,239
Dec-09	$ 1,059,239	$ 62,798	3.35%	$ 2,957	$ 1,124,994
Jan-10	$ 1,124,994	$ 64,701	3.35%	$ 3,141	$ 1,192,836
Feb-10	$ 1,192,836	$ 64,701	3.35%	$ 3,330	$ 1,260,867
Mar-10	$ 1,260,867	$ 64,701	3.35%	$ 3,520	$ 1,329,088
Apr-10	$ 1,329,088	$ 64,701	3.35%	$ 3,710	$ 1,397,499
May-10	$ 1,397,499	$ 64,701	3.35%	$ 3,901	$ 1,466,101
Jun-10	$ 1,466,101	$ 64,701	3.35%	$ 4,093	$ 1,534,895
Jul-10	$ 1,534,895	$ 64,701	3.35%	$ 4,285	$ 1,603,881
Aug-10	$ 1,603,881	$ 64,701	3.35%	$ 4,478	$ 1,673,060
Sep-10	$ 1,673,060	$ 64,701	3.35%	$ 4,671	$ 1,742,431
Oct-10	$ 1,742,431	$ 64,701	3.35%	$ 4,864	$ 1,811,996
Nov-10	$ 1,811,996	$ 64,701	3.35%	$ 5,058	$ 1,881,756
Dec-10	$ 1,881,756	$ 64,701	3.35%	$ 5,253	$ 1,951,710
Jan-11	$ 1,951,710	$ 64,701	3.35%	$ 5,449	$ 2,021,860
Feb-11	$ 2,021,860	$ 64,701	3.35%	$ 5,644	$ 2,092,205
Mar-11	$ 2,092,205	$ 64,701	3.35%	$ 5,841	$ 2,162,747
Apr-11	$ 2,162,747	$ 64,701	3.35%	$ 6,038	$ 2,233,486
May-11	$ 2,233,486	$ 64,701	3.35%	$ 6,235	$ 2,304,422
Jun-11	$ 2,304,422	$ 64,701	3.35%	$ 6,433	$ 2,375,556
Jul-11	$ 2,375,556	$ 64,701	3.35%	$ 6,632	$ 2,446,889
Aug-11	$ 2,446,889	$ 64,701	3.35%	$ 6,831	$ 2,518,420
Sep-11	$ 2,518,420	$ 64,701	3.35%	$ 7,031	$ 2,590,152
Oct-11	$ 2,590,152	$ 64,701	3.35%	$ 7,231	$ 2,662,084
Nov-11	$ 2,662,084	$ 64,701	3.35%	$ 7,432	$ 2,734,217
Dec-11	$ 2,734,217	$ 64,701	3.35%	$ 7,633	$ 2,806,551
Jan-12	$ 2,806,551	$ 64,701	3.35%	$ 7,835	$ 2,879,087
Feb-12	$ 2,879,087	$ 64,701	3.35%	$ 8,037	$ 2,951,825
Mar-12	$ 2,951,825	$ 64,701	3.35%	$ 8,241	$ 3,024,767
Apr-12	$ 3,024,767	$ 64,701	3.35%	$ 8,444	$ 3,097,912
May-12	$ 3,097,912	$ 64,701	3.35%	$ 8,648	$ 3,171,261

	Approved Deferral and Variance Accounts	CWIP Account
	Prescribed Interest Rate (per the Bankers' Acceptances-3 months Plus 0.25 Spread)	Prescribed Interest Rate (per the DEX Mid Term Corporate Bond Index Yield 2)
Q2 2006	**4.14**	**4.68**
Q3 2006	**4.59**	**5.05**
Q4 2006	**4.59**	**4.72**
Q1 2007	**4.59**	**4.72**
Q2 2007	**4.59**	**4.72**
Q3 2007	**4.59**	**5.18**
Q4 2007	**5.14**	**5.18**
Q1 2008	**5.14**	**5.18**
Q2 2008	**4.08**	**5.18**
Q3 2008	**3.35**	**5.43**
Q4 2008	**3.35**	**5.43**
Q1 2009	**2.45**	**6.61**
Q2 2009	**1.00**	**6.61**
Q3 2009	**0.55**	**5.67**

Burlington Hydro Inc.
Response to Interrogatory from Vulnerable Energy Consumers Coalition
Question 32

Question:

LRAM /SSM Claim
Ref: Exhibit 8 / Tab 6 / Schedule 1:
Exhibit 8/ Tab 6 / Schedule 1 / Appendix A, pages 11 – 12, Tables 5 and 6

Preamble:
"LRAM amounts being applied for pertain to OEB approved program funded through distribution rates for the period of 2005 to 2007 inclusive, as well as OPA sponsored programs for the years 2006 to 2008 inclusive. SSM amounts pertain to OEB approved programs only. Burlington Hydro is requesting LRAM amounts of $724,398 and SSM amount of $164,820 respectively. Detail for these amounts are described in the "Third Party Review of Burlington Hydro Inc's LRMA/SSM", attached at Schedule 1 of this Tab"

a) Provide a schedule for the Residential and GS<50 kW Sector CDM programs that breaks down by measure the components of the as filed LRAM claim and the total kWh and kW for each year 2005-2009 (including showing separately carry forward of prior years' savings)
   - Third Trance Programs
   - OPA Funding Programs
   - Other e.g. Post Third Tranche Rate funded programs

b) Provide a reconciliation of the Residential Sector and GS <50kW – kWh/kW savings in the schedule with those shown in Exhibit 8, Tab 7, Schedule 1, Appendix A, page 11/12, Tables 5
and 6.

c) Provide a schedule showing the as filed SSM claim details for the Residential and GS<50kW classes and reconcile this with Exhibit 8, Tab 6, Schedule 1, Appendix A, Page 9, Table 4.

d) Provide the as-filed Carrying Cost Calculation / Schedule for the Residential and GS<50 kW LRAM claim and (separately) for the SSM claim.

e) Provide a schedule that show the derivation of the Residential and GS >50 kW classes rate riders based on the kWh / kW savings breakdown and carrying costs provided in response to parts a), c) and d) of this IR. Reconcile this with Exhibit 8, Tab 6, Schedule 2, Page 1.

Response:

a) Table 1 to Table 6 provide the LRAM and total kWh savings of the GS < 50 kW and residential sector DSM programs broken down by measure. The kW savings are not provided, as they do not enter into the LRAM calculations within these sectors. Table 1 to Table 6 also provide the rate rider breakdown requested in part e of this question

Table 1 - Energy savings and LRAM contributions for the GS < 50 kW Post Third Tranche programs

Program	Year	Energy Efficient Technology	2006 energy savings (kWh)	2007 energy savings (kWh)	2008 energy savings (kWh)	Cumulative energy savings (kWh)	Contribution to LRAM (2010$)	Contribution to rate rider ($/kWh)
General Service Lighting Program	2006	2 - T8 32W (58 W) reflectorized w/E	6,037	6,037	6,037	18,110	$329	0.00000192
	2006	3W LED EXIT Sign	9,851	9,851	9,851	29,553	$537	0.00000313
	2006	2lamp T8 32W (51W)	19,467	19,467	19,467	58,401	$1,061	0.00000619
	2006	2lamp T8 32W (58-59W)	37,593	37,593	37,593	112,778	$2,049	0.00001196
	2006	2lamp T8 32W (73-78W)	66,873	66,873	66,873	200,619	$3,646	0.00002127
	2006	2lamp T8 32W (73-78W)	504	504	504	1,512	$27	0.00000016
	2006	4lamp T8 32W (112W)	2,016	2,016	2,016	6,048	$110	0.00000064
	2006	6lamp T8 32W (174W)	11,411	11,411	11,411	34,234	$622	0.00000363
	2006	6lamp T8 32W (202-226W)	15,532	15,532	15,532	46,595	$847	0.00000494
	2006	4lamp T5-HO 54W (232W)	9,257	9,257	9,257	27,770	$505	0.00000294
	2006	6lamp T8 32W (174W)	3,134	3,134	3,134	9,402	$171	0.00000100
	2006	2lamp T8 32W (73-78W)	562	562	562	1,686	$31	0.00000018
	2006	1lamp T8 (30W)	1,404	1,404	1,404	4,213	$77	0.00000045
	2006	1lamp T8 (30W)	1,824	1,824	1,824	5,473	$99	0.00000058
	2006	1lamp T8 (24W)	3,127	3,127	3,127	9,382	$170	0.00000099
	2006	2lamp T8-3' (40W)	2,136	2,136	2,136	6,407	$116	0.00000068
	2006	4lamp T8 (100W)	980	980	980	2,940	$53	0.00000031
	2006	4lamp T8 (100W)	2,028	2,028	2,028	6,084	$111	0.00000065
	2006	4lamp T8 (102W)	23,516	23,516	23,516	70,549	$1,282	0.00000748
	2006	1lamp T8-2' (14W)	4,185	4,185	4,185	12,555	$228	0.00000133
	2006	2lamp T8-2' (30W)	1,898	1,898	1,898	5,695	$103	0.00000060
	2006	2lamp T8-2' (32W)	2,045	2,045	2,045	6,135	$111	0.00000065
	2006	2lamp T8-4' (78W)	(245)	(245)	(245)	(736)	($13)	(0.00000008)
	2006	2lamp T8 4' (59W)	3,961	3,961	3,961	11,884	$216	0.00000126

Program	Year	Energy Efficient Technology	2006 energy savings (kWh)	2007 energy savings (kWh)	2008 energy savings (kWh)	Cumulative energy savings (kWh)	Contribution to LRAM (2010$)	Contribution to rate rider ($/kWh)
	2006	7W CFL	5,359	2,680		8,039	$146	0.00000085
	2006	9W CFL	6,836	3,418		10,253	$186	0.00000109
	2006	11W CFL	1,869	1,869		3,738	$68	0.00000040
	2006	13W CFL	40,862	40,862		81,724	$1,485	0.00000866
	2006	15W CFL	966	483		1,449	$26	0.00000015
	2006	65W CFL	12,180	12,180	6,090	30,450	$553	0.00000323
	2006	23W CFL	7,546	7,546	3,773	18,865	$343	0.00000200
General Service Lighting Program	2007	8lamp T5		32,356	32,356	64,712	$1,126	0.00000657
	2007	2lamp T5		2,730	2,730	5,459	$95	0.00000055
	2007	4lamp T5		25,519	25,519	51,038	$888	0.00000518
	2007	2lamp 4' T8		8,679	8,679	17,357	$302	0.00000176
	2007	6lamp T8 High Bay		15,044	15,044	30,089	$524	0.00000306
	2007	3lamp T8 EB Troffer		2,780	2,780	5,560	$97	0.00000056
	2007	2lamp 4' T8 EB		424	424	849	$15	0.00000009
	2007	6lamp 4' T8 (158W)		4,994	4,994	9,987	$174	0.00000101
	2007	6lamp 4' T8 (220W)		461	461	922	$16	0.00000009
	2007	6lamp 4' T8 (158W)		8,733	8,733	17,465	$304	0.00000177
	2007	Exit (2.4W)		403	403	806	$14	0.00000008
	2007	Remove fixture 4lamp T8		526	526	1,051	$18	0.00000011
	2007	Remove fixture 400W Metal Halide		317	317	634	$11	0.00000006
	2007	2lamp 4' T8 (51W)		337	337	674	$12	0.00000007
	2007	4lamp 4' T8 (112W)		3,378	3,378	6,755	$118	0.00000069
	2007	Exit (2.4W)		230	230	460	$8	0.00000005
Multi-unit Residential	2006	2lamp T8 32W (51W)	1,096	1,096	1,096	3,289	$61	0.00000035
	2006	2lamp T8 32W (51W)	5,795	5,795	5,795	17,384	$320	0.00000187

Program	Year	Energy Efficient Technology	2006 energy savings (kWh)	2007 energy savings (kWh)	2008 energy savings (kWh)	Cumulative energy savings (kWh)	Contribution to LRAM (2010$)	Contribution to rate rider ($/kWh)
Lighting Retrofit Program	2006	2lamp T8 32W (58-59W)	50	50	50	150	$3	0.00000002
	2006	4lamp T8 32W (112W)	34,217	34,217	34,217	102,650	$1,889	0.00001102
	2006	1lamp T8 (30W)	2,689	2,689	2,689	8,068	$149	0.00000087
	2006	1lamp T8 (30W)	11,363	11,363	11,363	34,088	$627	0.00000366
	2006	2lamp T8 32W (51W)	18,053	18,053	18,053	54,158	$997	0.00000582
	2006	1lamp T8-3' (24W)	3,895	3,895	3,895	11,684	$215	0.00000125
	2006	1lamp T8-2' (14W)	437	437	437	1,310	$24	0.00000014
	2006	13W CFL	125,086	125,086		250,172	$4,605	0.00002686
Total			**507,394**	**607,723**	**423,463**	**1,538,580**	**$27,909**	**0.00016282**

Table 2 - Energy savings and LRAM contributions for the GS < 50 kW OPA funded programs

Program	Year	Energy Efficient Technology	2007 energy savings (kWh)	2008 energy savings (kWh)	Cumulative energy savings (kWh)	Contribution to LRAM (2010$)	Contribution to rate rider ($/kWh)
Electricity Retrofit Incentive Program	2007	Custom Retrofit Projects	16,193	16,193	32,386	$564	0.00000329
Electricity Retrofit Incentive Program	2008	Custom		533,022	533,022	$8,941	0.00005216
High Performance New Construction	2008	Custom New Construction Project		4,170	4,170	$70	0.00000041
Power Savings Blitz	2008	T8 Fixture With Electronic Ballast		284,456	284,456	$4,771	0.00002783
	2008	Energy Star® rated LED Exit Sign		13,418	13,418	$225	0.00000131
	2008	Energy Star® rated CLF		9,230	9,230	$155	0.00000090
	2008	Electric Water Heater Tank Wrap		811	811	$14	0.00000008
Renewable Energy Standard Offer	2007	Solar Photo-Voltaic	6,202	6,202	12,404	$209	0.00000122
Total			**22,395**	**867,502**	**889,896**	**$14,948**	**0.00008721**

Table 3 - Energy savings and LRAM contributions for the GS < 50 kW Third Tranche funded programs

Program	Year	Energy Efficient Technology	2006 energy savings (kWh)	2007 energy savings (kWh)	2008 energy savings (kWh)	Cumulative energy savings (kWh)	Contribution to LRAM (2010$)	Contribution to rate rider ($/kWh)
Home Developers Program	2007	2lamp 4' T8 (46W)		15,729	15,729	31,457	$558	0.00000326
	2007	2lamp 2' T8 (27W)		7,082	7,082	14,165	$251	0.00000147
	2007	1lamp 2' T8 (15W)		1,619	1,619	3,238	$57	0.00000034
	2007	2lamp 4' T8 (59W)		20,432	20,432	40,864	$725	0.00000423
	2007	2lamp 4' T8 (74W)		4,528	4,528	9,057	$161	0.00000094
	2007	Exit Sign LED=2.4W		6,008	6,008	12,016	$213	0.00000124
	2007	Exit Sign LED=2.4W		15,227	15,227	30,454	$540	0.00000315
	2007	13W CFL		311,054	43,548	354,602	$6,290	0.00003669
	2007	14W CFL		3,798	532	4,329	$77	0.00000045
	2007	9W CFL		16,364	2,291	18,655	$331	0.00000193
	2007	7W CFL		42,880		42,880	$761	0.00000444
	2007	23W CFL		2,142		2,142	$38	0.00000022
	2007	4lamp 4' T8 (112W)		23,412	23,412	46,824	$831	0.00000485
	2007	4lamp 4' T8 (95W)		28	28	56	$1	0.00000001
	2007	4lamp 4' T8 (98W)		29	29	59	$1	0.00000001
	2007	2lamp 4' T8 (51W)		6,126	6,126	12,252	$217	0.00000127
	2007	1lamp 4' T8 (28W)		182	182	363	$6	0.00000004
	2007	1lamp 4' T8 (30W)		938	938	1,876	$33	0.00000019
	2007	1lamp 3' T8 (22W)		2,759	2,759	5,519	$98	0.00000057
	2007	9W CFL		167	23	191	$3	0.00000002
	2007	13W CFL		22	3	25	$0	0.00000000
Municipal building retrofit	2006	26W CFL fixture w/EM ballast	1,284	1,284	1,284	3,851	$70	0.00000041
	2006	3W LED EXIT Sign	7,883	7,883	7,883	23,650	$427	0.00000249
	2006	2lamp T8 32W (58W)	5,714	5,714	5,714	17,143	$310	0.00000181

Program	Year	Energy Efficient Technology	2006 energy savings (kWh)	2007 energy savings (kWh)	2008 energy savings (kWh)	Cumulative energy savings (kWh)	Contribution to LRAM (2010$)	Contribution to rate rider ($/kWh)
	2006	2lamp T8 32W (73-78W)	478	478	478	1,435	$26	0.00000015
	2006	4lamp T8 32W (112W)	2,965	2,965	2,965	8,896	$161	0.00000094
	2006	6lamp T8 32W (202-226W)	31,522	31,522	31,522	94,567	$1,709	0.00000997
	2006	15W Traffic Light	20,293	20,293	20,293	60,880	$1,100	0.00000642
	2006	7.5W Pedestrian Light	12,835	12,835	12,835	38,505	$696	0.00000406
	2006	65W Metal Halide	246	246	246	737	$13	0.00000008
	2006	65W Metal Halide	159	159	159	477	$9	0.00000005
	2006	28W CFL	176	176	176	529	$10	0.00000006
	2006	1lamp T8 (30W)	309	309	309	927	$17	0.00000010
	2006	2lamp T8-2' (50W)	172	172	172	515	$9	0.00000005
	2006	2lamp T8 4' (59W)	413	413	413	1,238	$22	0.00000013
	2006	3lamp T8-4' (87W)	1,995	1,995	1,995	5,984	$108	0.00000063
	2006	2lamp T8 4' (59W)	253	253	253	760	$14	0.00000008
	2006	10lamp T5-HO (fixture input 562W)	53,744	53,744	53,744	161,231	$2,914	0.00001700
	2006	15W CFL	347			347	$6	0.00000004
	2006	65W Metal Halide	405	405	405	1,214	$22	0.00000013
	2006	23W CFL	111	111		223	$4	0.00000002
Municipal new construction	2006	Halogen (20W)	4,336	4,336	4,336	13,009	$240	0.00000140
	2006	PH Metal Halide (945W)	9,461	9,461	9,461	28,382	$523	0.00000305
	2006	PH Metal Halide (450W)	350	350	350	1,051	$19	0.00000011
	2006	PH Metal Halide (185W)	21,199	21,199	21,199	63,598	$1,172	0.00000684
	2006	1lamp T8 (30W)	2,829	2,829	2,829	8,488	$156	0.00000091
	2006	1lamp T8-3' (25W)	911	911	911	2,733	$50	0.00000029
	2006	1lamp T8-2' (19W)	263	263	263	788	$15	0.00000008
	2006	2lamp T8-3' (52W)	2,102	2,102	2,102	6,307	$116	0.00000068
	2006	2lamp T8 4' (62W)	47,374	47,374	47,374	142,122	$2,620	0.00001528

Program	Year	Energy Efficient Technology	2006 energy savings (kWh)	2007 energy savings (kWh)	2008 energy savings (kWh)	Cumulative energy savings (kWh)	Contribution to LRAM (2010$)	Contribution to rate rider ($/kWh)
	2006	2lamp T8 4' (59W)	17,143	17,143	17,143	51,430	$948	0.00000553
	2006	1lamp T8-4' (40W)	245	245	245	736	$14	0.00000008
	2006	3lamp T8-4' (83W)	5,913	5,913	5,913	17,739	$327	0.00000191
	2006	2lamp T8 4' (64W)	5,641	5,641	5,641	16,924	$312	0.00000182
	2006	2lamp T8 2' (19W)	263	263	263	788	$15	0.00000008
	2006	12W CF EXIT Sign	5,361	5,361	5,361	16,083	$296	0.00000173
	2006	26W CFL	1,945			1,945	$36	0.00000021
	2006	42W CFL	36,897			36,897	$680	0.00000397
	2006	94W Metal Halide	18,571	18,571	18,571	55,714	$1,027	0.00000599
	2006	56W Screw-in CFL	16,399			16,399	$302	0.00000176
	2006	91W Screw-in CFL	91,542			91,542	$1,687	0.00000984
	2006	94W Screw-in CFL	12,632			12,632	$233	0.00000136
Total			**442,683**	**763,449**	**433,307**	**1,639,438**	**$29,628**	**0.00017284**

Table 4 - Energy savings and LRAM contributions for the Residential Post Third Tranche funded programs

Program	Year	Energy Efficient Technology	2006 energy savings (kWh)	2007 energy savings (kWh)	2008 energy savings (kWh)	Cumulative energy savings (kWh)	Contribution to LRAM (2010$)	Contribution to rate rider ($/kWh)
Residential Coupon Program - zEKC	2006	Energy Star® Compact Fluorescent Light Bulb	1,722,140	1,722,140	1,722,140	5,166,420	$101,867	0.00019574
	2006	Electric Timers	84,628	84,628	84,628	253,883	$5,006	0.00000962
	2006	Programmable Thermostats	43,451	43,451	43,451	130,352	$2,570	0.00000494
	2006	Energy Star® Ceiling Fans	21,577	21,577	21,577	64,731	$1,276	0.00000245
	2006	Energy Star® Compact Fluorescent Light Bulb	2,553,424	2,553,424	2,553,424	7,660,272	$151,038	0.00029023
	2006	Seasonal Light Emitting Diode Light String	181,027	181,027	181,027	543,080	$10,708	0.00002058
	2006	Programmable Thermostats	202,610	202,610	202,610	607,829	$11,985	0.00002303
	2006	Dimmers	42,653	42,653	42,653	127,959	$2,523	0.00000485
	2006	Indoor Motion Sensors	23,013	23,013	23,013	69,038	$1,361	0.00000262
	2006	Programmable Basebaord Thermostats	33,893	33,893	33,893	101,678	$2,005	0.00000385
Residential Coupon Program - EKC	2007	15 W CFL		1,099,565	1,099,565	2,199,129	$41,502	0.00007975
	2007	20 W+ CFLs		258,508	258,508	517,015	$9,757	0.00001875
	2007	Project Porchlight CFLs		225,452	225,452	450,904	$8,509	0.00001635
	2007	Energy Star Ceiling Fan		13,061	13,061	26,122	$493	0.00000095
	2007	Furnace Filter		22,094		22,094	$417	0.00000080
	2007	Solar Lights		17,947	17,947	35,894	$677	0.00000130
	2007	Outdoor Motion Sensor		37,006	37,006	74,011	$1,397	0.00000268
	2007	Dimmer Switch		3,487	3,487	6,975	$132	0.00000025
	2007	Energy Star Light Fixtures		8,607	8,607	17,215	$325	0.00000062
	2007	SLEDs		58,306	58,306	116,612	$2,201	0.00000423
	2007	T8		7,149	7,149	14,297	$270	0.00000052
	2007	Programmable Thermostat		10,619	10,619	21,238	$401	0.00000077

Program	Year	Energy Efficient Technology	2006 energy savings (kWh)	2007 energy savings (kWh)	2008 energy savings (kWh)	Cumulative energy savings (kWh)	Contribution to LRAM (2010$)	Contribution to rate rider ($/kWh)
	2007	Power Bar with Timer		6,493	6,493	12,987	$245	0.00000047
	2007	Lighting Control Devices		53,553	53,553	107,106	$2,021	0.00000388
	2007	13W CFL		240,800	240,800	481,600	$9,089	0.00001746
Residential Coupon Program – EKC	2008	Air Conditioner/Furnace Filters			7,094	7,094	$129	0.00000025
	2008	Energy Star® Qualified Compact Fluorescent Floods (Indoor & Outdoor)			191,023	191,023	$3,466	0.00000666
	2008	Energy Star® Qualified Light Fixtures			402,268	402,268	$7,298	0.00001402
	2008	Heavy Duty Timers			20,481	20,481	$372	0.00000071
	2008	T8 Fluorescent Fixtures			20,076	20,076	$364	0.00000070
	2008	ENERGY STAR Decorative CFLs			245,544	245,544	$4,455	0.00000856
	2008	ENERGY STAR Dimmable CFLs			49,778	49,778	$903	0.00000174
	2008	Power Bars with Timers			2,104	2,104	$38	0.00000007
	2008	Programmable Thermostats - Baseboard			16,871	16,871	$306	0.00000059
	2008	Car block heater timer			0	0	$0	0.00000000
	2008	Energy Star® Qualified Compact Fluorescent Light Bulbs			343,328	343,328	$6,229	0.00001197
	2008	Lighting Control Devices			81,905	81,905	$1,486	0.00000286
	2008	Awnings			0	0	$0	0.00000000
	2008	Window Films			0	0	$0	0.00000000
	2008	Electric Water Heater Blankets			0	0	$0	0.00000000
	2008	Pipe Wrap			205,913	205,913	$3,736	0.00000718
	2008	Low-Flow Toilets			0	0	$0	0.00000000

Program	Year	Energy Efficient Technology	2006 energy savings (kWh)	2007 energy savings (kWh)	2008 energy savings (kWh)	Cumulative energy savings (kWh)	Contribution to LRAM (2010$)	Contribution to rate rider ($/kWh)
	2008	Keep Cool – Dehumidifier			632	632	$11	0.00000002
	2008	Keep Cool – Room Air Conditioner			239	239	$4	0.00000001
	2008	Rewards for Recycling – Dehumidifier			23,847	23,847	$433	0.00000083
	2008	Rewards for Recycling – Room Air Conditioner			7,256	7,256	$132	0.00000025
	2008	Rewards for Recycling - Halogen Lamp			12,349	12,349	$224	0.00000043
Total			**4,908,414**	**6,971,060**	**8,579,674**	**20,459,148**	**$397,359**	**0.00076355**

Table 5 - Energy savings and LRAM contributions for the Residential OPA funded program

Program	Year	Energy Efficient Technology	2006 energy savings (kWh)	2007 energy savings (kWh)	2008 energy savings (kWh)	Cumulative energy savings (kWh)	Contribution to LRAM (2010$)	Contribution to rate rider ($/kWh)
Cool Savings Rebate Program	2006	Energy Star® Air Conditioner	62,270	62,270	62,270	186,811	$3,666	0.00000704
	2006	Programmable Thermostats	21,490	21,490	21,490	64,469	$1,265	0.00000243
	2006	Air Conditioner Tune-Up	44,646	44,646	44,646	133,938	$2,628	0.00000505
Cool Savings Rebate Program	2007	ENERGY STAR® Central Air Conditioner		39,852	39,852	79,704	$1,502	0.00000289
	2007	Programmable Thermostat		9,725	9,725	19,450	$366	0.00000070
	2007	Furnace with Electronically Commutated Motor		352,660	352,660	705,320	$13,290	0.00002554
	2007	Central Air Conditioning Tune Up		14,319	14,319	28,638	$540	0.00000104
Cool Savings Rebate Program	2008	2007 Efficient Furnance with Electronically Commutable Motor			57,650	57,650	$1,046	0.00000201
	2008	2007 ENERGYSTAR® Central Air Conditioner			4,930	4,930	$89	0.00000017
	2008	2007 Programable Thermostat			2,445	2,445	$44	0.00000009
	2008	2007 Central Air Conditioner Tune-ups			0	0	$0	0.00000000
	2008	2008 Efficient Furnance with Electronically Commutable Motor			202,173	202,173	$3,668	0.00000705
	2008	2008 ENERGYSTAR® Central Air Conditioner			19,662	19,662	$357	0.00000069
	2008	2008 Programmable Thermostat			9,559	9,559	$173	0.00000033
Great Refrigerator	2007	Refrigerator		138,618	138,618	277,235	$5,228	0.00001005
	2007	Freezer		33,198	33,198	66,396	$1,252	0.00000241

Roundup	2007	Small Refrigerator		1,031	1,031	2,062	$39	0.00000007
	2007	Small Freezer		407	407	814	$15	0.00000003
	2007	Window Air Conditioner		415	415	829	$16	0.00000003
	2008	Refrigerator			395,134	395,134	$7,169	0.00001378
Great Refrigerator Roundup	2008	Freezer			113,516	113,516	$2,059	0.00000396
	2008	Room Air Conditioner			284	284	$5	0.00000001
peaksaver®	2008	Residential Programmable Thermostat			36,496	36,496	$662	0.00000127
	2006	Refrigerator Retirement	74,222	74,222	74,222	222,667	$4,369	0.00000840
Secondary Fridge Retirement Pilot	2006	Freezer Retirement	2,407	2,407	2,407	7,222	$142	0.00000027
	2007	Custom Retrofit Projects		164,191	164,191	328,381	$6,174	0.00001186
Social Housing – Pilot	2007	Household		2,152,985	2,152,985	4,305,971	$81,049	0.00015574
Summer Savings	2008	Households			178,556	178,556	$3,239	0.00000622
Summer Sweepstakes								
Total			**205,035**	**3,112,435**	**4,132,840**	**7,450,310**	**$140,053**	**0.00026912**

Table 6 - Energy savings and LRAM contributions for the Residential Third Tranche funded programs

Program	Year	Energy Efficient Technology	2005 energy savings (kWh)	2006 energy savings (kWh)	2007 energy savings (kWh)	2008 energy savings (kWh)	Cumulative energy savings (kWh)	Contribution to LRAM (2010$)	Contribution to rate rider ($/kWh)
Municipal building retrofit	2007	15W CFL			277,200	277,200	554,400	$10,435	0.00002005
Public education and outreach	2007	13W CFL			105,280	105,280	210,560	$3,963	0.00000762
Public education and outreach	2005	15W CFL	95,086	95,086	95,086	95,086	380,344	$5,638	0.00001083
	2005	LED Christmas lights	6,320	6,320	6,320	6,320	25,279	$375	0.00000072
	2005	LED Christmas lights	6,310	6,310	6,310	6,310	25,241	$374	0.00000072
	2005	Programmable thermostat - Space Heating, Existing Single Family Detached	96,755	96,755	96,755	96,755	387,019	$5,737	0.00001102
	2005	Programmable thermostat - Space Cooling, Existing Single Family Detached	16,905	16,905	16,905	16,905	67,620	$1,002	0.00000193
	2005	Timer - Outdoor - Light	3,452	3,452	3,452	3,452	13,810	$205	0.00000039
	2005	Timer - Indoor - Light	5,519	5,519	5,519	5,519	22,075	$327	0.00000063
	2005	Timer - Indoor - Air conditioners	2,468	2,468	2,468	2,468	9,870	$146	0.00000028
	2005	Ceiling Fan	4,652	4,652	4,652	4,652	18,607	$276	0.00000053
	2005	EnerGuide for Existing homes - space heating	0	0	0	0	0	$0	0.00000000
Staff Development Program	2007	15W CFL			32,760	32,760	65,520	$1,233	0.00000237
Total			**237,466**	**237,466**	**652,706**	**652,706**	**1,780,344**	**$29,713**	**0.00005709**

b) The GS < 50 kW savings in the schedule (Table 1 to Table 3) total 4,067,000 kWh, which leads to an LRAM of $72,485. The GS < 50 kW savings and LRAM values are different from those presented in the application as filed (3,951,123 kWh and $70,526, respectively) since the energy savings and participant rates of the 2008 OPA funded programs have since been updated to their confirmed, finalized values (as discussed in the response to Question 33c).

The residential sector kWh savings in the Schedule (Table 4 to Table 6) total 29,691,000 kWh, which leads to a residential sector LRAM of $567,125. The savings and LRAM differ from those reported in the independent third party review (30,363,403 kWh and $587,850, respectively) for four reasons. The first is the confirmation and finalization of the 2008 OPA funded programs. The second reason was an error on the part of the OPA for the results it reported for the 2006 Cool Savings Rebate Program. For this program (and only this program), the OPA failed to account for free ridership. The third reason was an update to the measure inputs of the 2007 Residential Coupon Program 13W CFLs to reflect the energy savings used by the 2008 OPA Measures and Assumptions list for 15W CFLs. The previous estimate for the 2008 program had prorated the input assumptions for a 15W CFL found in the 2008 OEB Measures and Assumptions list to a 13W CFL.

Finally, the results for the 2005 Public Education and Outreach program were recalculated using values from the OPA 2008/2009 Measures and Assumptions list as on additional scrutiny, it was deemed that the source document for this was not an independent, program specific evaluation, but merely a calculation of savings and TRC.

For 11 programs, the energy savings are divided across two or more rate classes. For the six programs bolded in Table 7, only their GS < 50 kW LRAM contributions were provided in Table 1 to Table 3. The other programs do not have energy savings associated with the GS<50kW or residential classes.

Table 7 - Rate class split for the energy savings of eleven split programs

Funding source	Program	Year	Residential	GS < 50	GS > 50	USL
Third tranche	CCIW showcase	2005		32.4%	67.6%	
		2006		32.4%	67.6%	
		2007		32.4%	67.6%	
	Distribution system improvements	2005	59.0%	13.1%	27.4%	0.5%
		2006	59.0%	13.1%	27.4%	0.5%
		2007	59.0%	13.1%	27.4%	0.5%
	Education and outreach – general service	2005		32.4%	67.6%	
		2006		32.4%	67.6%	
		2007		32.4%	67.6%	
	Home developers program	2005		50.0%	50.0%	
		2007		**50.0%**	**50.0%**	
	Municipal building retrofit	**2006**		**33.0%**	**67.0%**	
	Planning, administration and monitoring	2005	59.0%	13.1%	27.4%	0.5%
		2006	59.0%	13.1%	27.4%	0.5%
		2007	59.0%	13.1%	27.4%	0.5%
	Staff development program	2005		32.4%	67.6%	
		2006		32.4%	67.6%	
	Voluntary demand management	2005		32.4%	67.6%	
		2006		32.4%	67.6%	

Funding source	Program	Year	Residential	GS < 50	GS > 50	USL
		2007		32.4%	67.6%	
Post-third tranche	General service lighting	**2006**		**25.0%**	**75.0%**	
		2007		**17.0%**	**83.0%**	
	Multi-unit residential lighting retrofit	**2006**		**50.0%**	**50.0%**	
OPA funded	Electricity Retrofit Incentive Program (ERIP)	**2007**		**10.0%**	**90.0%**	

c) The residential sector and GS < 50 kW sector savings as presented in Table 8 to Table 11 are consistent with those presented in Exhibit 8, Tab 6, Schedule 1, Appendix A, page 9, Table 4 with two exceptions. The first is the removal of Distribution System Improvements which are not eligible for the shared savings mechanism. The second is the removal of the 2008 Residential Coupon program from the list of programs eligible for SSM. Unlike the 2006 and 2007 versions of that program, the 2008 Residential Coupon program was fully run by the OPA, without involvement from the LDCs so no SSM is being claimed.

For the bolded programs listed in Table 7 the SSM amounts in Table 8 an d Table 9 represent only the GS < 50 kW sector SSM contributions whereas Exhibit 8, Tab 6, Schedule 1, Appendix A, page 9, Table 4 lists the total (GS<50 kW and GS>50 kW) SSM contribution of these programs. Thus, the SSM savings listed in Table 8 to Table 11 are simpler to reconcile with the final requested LRAM and SSM claims found in Table 31.

Table 8 – Net TRC benefits and SSM contributions for the GS < 50 kW Post Third Tranche funded programs

Year	Program	Energy Efficient Technology	TRC Net benefits (2010$)	Contribution to SSM (2010$)	Contribution to rate rider ($/kWh)
2006	Multi-unit Residential Lighting Retrofit Program	2lamp T8 32W (51W)	$407	$20	0.00000012
2006		2lamp T8 32W (51W)	$3,684	$184	0.00000107
2006		2lamp T8 32W (58-59W)	($34)	($2)	(0.00000001)
2006		4lamp T8 32W (112W)	$31,320	$1,566	0.00000914
2006		1lamp T8 (30W)	($166)	($8)	(0.00000005)
2006		1lamp T8 (30W)	$4,730	$237	0.00000138
2006		2lamp T8 32W (51W)	$11,583	$579	0.00000338
2006		1lamp T8-3' (24W)	($2,594)	($130)	(0.00000076)
2006		1lamp T8-2' (14W)	($291)	($15)	(0.00000008)
2006		13W CFL	$27,597	$1,380	0.00000805
2006		PROGRAM COSTS	($17,019)	($851)	(0.00000496)
2006	General Service Lighting Program	2 - T8 32W (58 W) reflectorized w/E	$5,589	$279	0.00000163
2006		3W LED EXIT Sign	$11,250	$563	0.00000328
2006		2lamp T8 32W (51W)	$7,235	$362	0.00000211
2006		2lamp T8 32W (58-59W)	$36,379	$1,819	0.00001061
2006		2lamp T8 32W (73-78W)	$58,045	$2,902	0.00001693
2006		2lamp T8 32W (73-78W)	$345	$17	0.00000010
2006		4lamp T8 32W (112W)	$1,983	$99	0.00000058
2006		6lamp T8 32W (174W)	$9,362	$468	0.00000273
2006		6lamp T8 32W (202-226W)	$10,907	$545	0.00000318
2006		4lamp T5-HO 54W (232W)	($865)	($43)	(0.00000025)
2006		6lamp T8 32W (174W)	$32	$2	0.00000001
2006		2lamp T8 32W (73-78W)	$468	$23	0.00000014

Year	Program	Energy Efficient Technology	TRC Net benefits (2010$)	Contribution to SSM (2010$)	Contribution to rate rider ($/kWh)
2006		1lamp T8 (30W)	($86)	($4)	(0.00000003)
2006		1lamp T8 (30W)	$759	$38	0.00000022
2006		1lamp T8 (24W)	($177)	($9)	(0.00000005)
2006		2lamp T8-3' (40W)	$730	$37	0.00000021
2006		4lamp T8 (100W)	$835	$42	0.00000024
2006		4lamp T8 (100W)	$1,619	$81	0.00000047
2006		4lamp T8 (102W)	$21,823	$1,091	0.00000637
2006		1lamp T8-2' (14W)	$588	$29	0.00000017
2006		2lamp T8-2' (30W)	$400	$20	0.00000012
2006		2lamp T8-2' (32W)	$1,577	$79	0.00000046
2006		2lamp T8-4' (78W)	($1,085)	($54)	(0.00000032)
2006		2lamp T8 4' (59W)	$2,237	$112	0.00000065
2006		7W CFL	$336	$17	0.00000010
2006		9W CFL	$355	$18	0.00000010
2006		11W CFL	$477	$24	0.00000014
2006		13W CFL	$9,015	$451	0.00000263
2006		15W CFL	$144	$7	0.00000004
2006		65W CFL	$3,834	$192	0.00000112
2006		23W CFL	$2,427	$121	0.00000071
2006		PROGRAM COSTS	($17,245)	($862)	(0.00000503)
2007	General Service Lighting Program	8lamp T5	$26,650	$1,333	0.00000777
2007		2lamp T5	$1,487	$74	0.00000043
2007		4lamp T5	$24,658	$1,233	0.00000719
2007		2lamp 4' T8	$8,845	$442	0.00000258

Year	Program	Energy Efficient Technology	TRC Net benefits (2010$)	Contribution to SSM (2010$)	Contribution to rate rider ($/kWh)
2007		6lamp T8 High Bay	$6,752	$338	0.00000197
2007		3lamp T8 EB Troffer	$931	$47	0.00000027
2007		2lamp 4' T8 EB	($274)	($14)	(0.00000008)
2007		6lamp 4' T8 (158W)	$5,553	$278	0.00000162
2007		6lamp 4' T8 (220W)	$468	$23	0.00000014
2007		6lamp 4' T8 (158W)	$8,665	$433	0.00000253
2007		Exit (2.4W)	$615	$31	0.00000018
2007		Remove fixture 4lamp T8	$320	$16	0.00000009
2007		Remove fixture 400W Metal Halide	$193	$10	0.00000006
2007		2lamp 4' T8 (51W)	($158)	($8)	(0.00000005)
2007		4lamp 4' T8 (112W)	$1,652	$83	0.00000048
2007		Exit (2.4W)	$351	$18	0.00000010
2007		PROGRAM COSTS	($9,465)	($473)	(0.00000276)
Total			**$305,759**	**$15,288**	**0.00008919**

Table 9 - Net TRC benefits and SSM contributions for the GS < 50 kW Third Tranche funded programs

Year	Program	Energy Efficient Technology	TRC Net benefits (2010$)	Contribution to SSM (2010$)	Contribution to rate rider ($/kWh)
2005	CCIW showcase	PROGRAM COSTS	($6,064)	($303)	(0.00000177)
2005	Education and outreach – general service	PROGRAM COSTS	($3,644)	($182)	(0.00000106)
2005	Home developers program	PROGRAM COSTS	($26,417)	($1,321)	(0.00000771)
2005	Planning, administration and monitoring	PROGRAM COSTS	($12,909)	($645)	(0.00000377)
2005	Staff development program	PROGRAM COSTS	($685)	($34)	(0.00000020)
2005	Voluntary demand management	PROGRAM COSTS	($27,397)	($1,370)	(0.00000799)
2006	Municipal new construction	Halogen (20W)	$1,279	$64	0.00000037
2006		PH Metal Halide (945W)	$5,517	$276	0.00000161
2006		PH Metal Halide (450W)	($664)	($33)	(0.00000019)
2006		PH Metal Halide (185W)	$11,407	$570	0.00000333
2006		1lamp T8 (30W)	$528	$26	0.00000015
2006		1lamp T8-3' (25W)	$4	$0	0.00000000
2006		1lamp T8-2' (19W)	($60)	($3)	(0.00000002)
2006		2lamp T8-3' (52W)	$653	$33	0.00000019
2006		2lamp T8 4' (62W)	$6,209	$310	0.00000181
2006		2lamp T8 4' (59W)	$4,007	$200	0.00000117
2006		1lamp T8-4' (40W)	($162)	($8)	(0.00000005)
2006		3lamp T8-4' (83W)	$3,038	$152	0.00000089
2006		2lamp T8 4' (64W)	$215	$11	0.00000006
2006		2lamp T8 2' (19W)	($68)	($3)	(0.00000002)
2006		12W CF EXIT Sign	($3,780)	($189)	(0.00000110)
2006		26W CFL	$88	$4	0.00000003

Year	Program	Energy Efficient Technology	TRC Net benefits (2010$)	Contribution to SSM (2010$)	Contribution to rate rider ($/kWh)
2006		42W CFL	$1,926	$96	0.00000056
2006		94W Metal Halide	$12,166	$608	0.00000355
2006		56W Screw-in CFL	$991	$50	0.00000029
2006		91W Screw-in CFL	$6,240	$312	0.00000182
2006		94W Screw-in CFL	$858	$43	0.00000025
2006		PROGRAM COSTS	($3,544)	($177)	(0.00000103)
2006	Municipal building retrofit	26W CFL fixture w/EM ballast	$569	$28	0.00000017
2006		3W LED EXIT Sign	$6,157	$308	0.00000180
2006		2lamp T8 32W (58W)	($5,414)	($271)	(0.00000158)
2006		2lamp T8 32W (73-78W)	$249	$12	0.00000007
2006		4lamp T8 32W (112W)	$1,219	$61	0.00000036
2006		6lamp T8 32W (202-226W)	$19,845	$992	0.00000579
2006		15W Traffic Light	$7,990	$400	0.00000233
2006		7.5W Pedestrian Light	$3,982	$199	0.00000116
2006		65W Metal Halide	$58	$3	0.00000002
2006		65W Metal Halide	$65	$3	0.00000002
2006		28W CFL	$117	$6	0.00000003
2006		1lamp T8 (30W)	($269)	($13)	(0.00000008)
2006		2lamp T8-2' (50W)	($214)	($11)	(0.00000006)
2006		2lamp T8 4' (59W)	($21)	($1)	(0.00000001)
2006		3lamp T8-4' (87W)	$1,233	$62	0.00000036
2006		2lamp T8 4' (59W)	($47)	($2)	(0.00000001)
2006		10lamp T5-HO (fixture input 562W)	$42,703	$2,135	0.00001246
2006		15W CFL	$26	$1	0.00000001
2006		65W Metal Halide	$98	$5	0.00000003

Year	Program	Energy Efficient Technology	TRC Net benefits (2010$)	Contribution to SSM (2010$)	Contribution to rate rider ($/kWh)
2006		23W CFL	$17	$1	0.00000001
2006		PROGRAM COSTS	($64,557)	($3,228)	(0.00001883)
2006	CCIW showcase	PROGRAM COSTS	($4,739)	($237)	(0.00000138)
2006	Education and outreach – general service	PROGRAM COSTS	($8,044)	($402)	(0.00000235)
2006	Planning, administration and monitoring	PROGRAM COSTS	($3,969)	($198)	(0.00000116)
2006	Staff development program	PROGRAM COSTS	($127)	($6)	(0.00000004)
2006	Voluntary demand management	PROGRAM COSTS	($10,995)	($550)	(0.00000321)
2007	Home Developers Program	2lamp 4' T8 (46W)	($443)	($22)	(0.00000013)
2007		2lamp 2' T8 (27W)	($1,547)	($77)	(0.00000045)
2007		1lamp 2' T8 (15W)	($882)	($44)	(0.00000026)
2007		2lamp 4' T8 (59W)	$3,736	$187	0.00000109
2007		2lamp 4' T8 (74W)	$555	$28	0.00000016
2007		Exit Sign LED=2.4W	$9,173	$459	0.00000268
2007		Exit Sign LED=2.4W	$25,934	$1,297	0.00000756
2007		13W CFL	$42,608	$2,130	0.00001243
2007		14W CFL	$484	$24	0.00000014
2007		9W CFL	$82	$4	0.00000002
2007		7W CFL	$2,647	$132	0.00000077
2007		23W CFL	$246	$12	0.00000007
2007		4lamp 4' T8 (112W)	$4,540	$227	0.00000132
2007		4lamp 4' T8 (95W)	($32)	($2)	(0.00000001)
2007		4lamp 4' T8 (98W)	($32)	($2)	(0.00000001)
2007		2lamp 4' T8 (51W)	($430)	($21)	(0.00000013)
2007		1lamp 4' T8 (28W)	$679	$34	0.00000020
2007		1lamp 4' T8 (30W)	($417)	($21)	(0.00000012)

Year	Program	Energy Efficient Technology	TRC Net benefits (2010$)	Contribution to SSM (2010$)	Contribution to rate rider ($/kWh)
2007		1lamp 3' T8 (22W)	($1,010)	($51)	(0.00000029)
2007		9W CFL	($45)	($2)	(0.00000001)
2007		13W CFL	($1)	($0)	(0.00000000)
2007		PROGRAM COSTS	($9,425)	($471)	(0.00000275)
2007	Municipal new construction	Wind Turbine	($240,561)	($12,028)	(0.00007017)
2007	CCIW showcase	PROGRAM COSTS	($51)	($3)	(0.00000001)
2007	Education and outreach – general service	PROGRAM COSTS	($1,192)	($60)	(0.00000035)
2007	Planning, administration and monitoring	PROGRAM COSTS	($1,614)	($81)	(0.00000047)
2007	Voluntary demand management	PROGRAM COSTS	($5,421)	($271)	(0.00000158)
Total			**($216,755)**	**($10,838)**	**(0.00006323)**

Table 10 - Net TRC benefits and SSM contributions for the Residential Post Third Tranche funded programs

Year	Program	Energy Efficient Technology	TRC Net benefits (2010$)	Contribution to SSM (2010$)	Contribution to rate rider ($/kWh)
2006	Residential Coupon Program - Spring and Fall EKC Program	Energy Star® Compact Fluorescent Light Bulb	$509,616	$25,481	0.00004896
2006		Electric Timers	$91,589	$4,579	0.00000880
2006		Programmable Thermostats	$36,739	$1,837	0.00000353
2006		Energy Star® Ceiling Fans	$22,103	$1,105	0.00000212
2006		Energy Star® Compact Fluorescent Light Bulb	$783,661	$39,183	0.00007529
2006		Seasonal Light Emitting Diode Light String	$171,297	$8,565	0.00001646
2006		Programmable Thermostats	$270,430	$13,521	0.00002598
2006		Dimmers	$25,226	$1,261	0.00000242
2006		Indoor Motion Sensors	$24,821	$1,241	0.00000238
2006		Programmable Baseboard Thermostats	$40,924	$2,046	0.00000393
2007	Residential Coupon Program - Spring EKC Program	15 W CFL	$697,717	$34,886	0.00006704
2007		20 W+ CFLs	$154,273	$7,714	0.00001482
2007		Project Porchlight CFLs	$107,912	$5,396	0.00001037
2007		Energy Star Ceiling Fan	$567	$28	0.00000005
2007		Furnace Filter	($6,739)	($337)	(0.00000065)
2007		Solar Lights	$3,543	$177	0.00000034
2007		Outdoor Motion Sensor	$20,712	$1,036	0.00000199
2007		Dimmer Switch	$143	$7	0.00000001
2007		Energy Star Light Fixtures	$6,764	$338	0.00000065
2007		SLEDs	($23,300)	($1,165)	(0.00000224)
2007		T8	$3,161	$158	0.00000030
2007		Programmable Thermostat	$5,587	$279	0.00000054

Year	Program	Energy Efficient Technology	TRC Net benefits (2010$)	Contribution to SSM (2010$)	Contribution to rate rider ($/kWh)
2007		Power Bar with Timer	$1,876	$94	0.00000018
2007		Lighting Control Devices	$24,997	$1,250	0.00000240
2007		13W CFL	$162,134	$8,107	0.00001558
Total			**$3,135,752**	**$156,788**	**0.00030128**

Table 11 - Net TRC benefits and SSM contributions for the Residential Third Tranche funded programs

Year	Program	Energy Efficient Technology	TRC Net benefits (2010$)	Contribution to SSM (2010$)	Contribution to rate rider ($/kWh)
2005	Public education and outreach	15W CFL	$94,238	$4,712	0.00000905
2005		LED Christmas lights	$33,051	$1,653	0.00000318
2005		LED Christmas lights	$11,597	$580	0.00000111
2005		Programmable thermostat - Space Heating, Existing Single Family Detached	$80,915	$4,046	0.00000777
2005		Programmable thermostat - Space Cooling, Existing Single Family Detached	$29,542	$1,477	0.00000284
2005		Timer - Outdoor – Light	$30,081	$1,504	0.00000289
2005		Timer - Indoor – Light	$4,433	$222	0.00000043
2005		Timer - Indoor - Air conditioners	$7,496	$375	0.00000072
2005		Ceiling Fan	($3,954)	($198)	(0.00000038)
2005		EnerGuide for Existing homes - space heating	$21	$1	0.00000000
2005		PROGRAM COSTS	($55,817)	($2,791)	(0.00000536)
2005	Planning, administration and monitoring	PROGRAM COSTS	($58,070)	($2,903)	(0.00000558)
2006	Appliance replacement	PROGRAM COSTS	($16,768)	($838)	(0.00000161)
2006	Planning, administration and monitoring	PROGRAM COSTS	($17,856)	($893)	(0.00000172)
2006	Public education and outreach	PROGRAM COSTS	($26,471)	($1,324)	(0.00000254)
2007	Municipal building retrofit	15W CFL	$77,549	$3,877	0.00000745
2007		PROGRAM COSTS	($7,399)	($370)	(0.00000071)
2007	Public education and outreach	13W CFL	$31,125	$1,556	0.00000299
2007		PROGRAM COSTS	($21,714)	($1,086)	(0.00000209)
2007	Staff Development Program	15W CFL	$9,165	$458	0.00000088
2007		PROGRAM COSTS	($8,568)	($428)	(0.00000082)

Year	Program	Energy Efficient Technology	TRC Net benefits (2010$)	Contribution to SSM (2010$)	Contribution to rate rider ($/kWh)
2007	Appliance replacement	PROGRAM COSTS	($158)	($8)	(0.00000002)
2007	Planning, administration and monitoring	PROGRAM COSTS	($7,258)	($363)	(0.00000070)
Total			**$185,181**	**$9,259**	**0.00001779**

d) Carrying costs in Table 12 reflect the updates to LRAM indicated in Table 30.

Table 12 – Carrying costs for LRAM claim

Funding	Program	Year	Lost revenue (in dollars of first program year)	Multiplier to 2010$	Carrying Cost	Contribution to total LRAM claim (2010$)
Third tranche	BHI lighting retrofit	2005	$5,338	1.414	$2,208	$7,545
		2006	$705	1.302	$213	$918
	Home developers program	2007	$12,949	1.219	$2,834	$15,783
	Municipal building retrofit	2006	$10,481	1.302	$3,165	$13,647
		2007	$8,561	1.219	$1,874	$10,435
	Municipal new construction	2006	$8,286	1.302	$2,502	$10,789
	Public education and outreach	2005	$9,961	1.414	$4,120	$14,081
		2007	$3,252	1.219	$712	$3,963
	Staff development program	2007	$1,012	1.219	$221	$1,233
Third tranche subtotal					$17,849	$78,395
Post-third tranche	Residential coupon program	2006	$222,994	1.302	$67,344	$290,338
		2007	$63,530	1.219	$13,905	$77,435
		2008	$25,928	1.141	$3,657	$29,585
	Multi-unit residential lighting retrofit	2006	$9,619	1.302	$2,905	$12,524
		2007	$10,106	1.219	$2,212	$12,318
	General service lighting	2006	$28,551	1.302	$8,622	$37,174
		2007	$7,808	1.219	$1,709	$9,517
Post third tranche subtotal					*$100,354*	*$468,892*
OPA funded	Cool Savings Rebate	2006	$5,806	1.302	$1,753	$7,559
		2007	$12,879	1.219	$2,819	$15,698
		2008	$4,713	1.141	$665	$5,378
	Electricity Retrofit Incentive Program (ERIP)	2007	$2,971	1.219	$650	$3,621
		2008	$7,835	1.141	$1,105	$8,941
	Renewable Energy Standard Offer Program (RESOP)	2007	$171	1.219	$38	$209
	Social housing	2007	$5,065	1.219	$1,109	$6,174
	The Great Refrigerator Roundup	2007	$5,374	1.219	$1,176	$6,550
		2008	$8,092	1.141	$1,141	$9,233
	Summer Savings/Sweepstakes	2007	$66,495	1.219	$14,554	$81,049
		2008	$2,839	1.141	$400	$3,239
	Secondary fridge retirement pilot	2006	$3,465	1.302	$1,046	$4,511
	High performance new construction	2008	$61	1.141	$9	$70
	Power Savings Blitz	2008	$4,526	1.141	$638	$5,165
	peaksaver	2008	$580	1.141	$82	$662

Funding	Program	Year	Lost revenue (in dollars of first program year)	Multiplier to 2010$	Carrying Cost	Contribution to total LRAM claim (2010$)
OPA funded subtotal					*$27,186*	*$158,059*
Total					**$145,389**	**$705,345**

Carrying costs in Table 13 have removed the Distribution System Improvements as discussed in response to Question #36 and removed the 2008 Residential Coupon program. All other SSM amounts remain the same as those originally filed.

Table 13 - As filed carrying cost for total SSM claim

Funding	Program	Year	SSM Savings (in $ of program year)	Multiplier to 2010$	Carrying Cost	Contribution to total SSM claim (2010$)
Third tranche	Appliance replacement	2006	($644)	1.302	($194)	($838)
		2007	($7)	1.219	($1)	($8)
	BHI lighting retrofit	2005	$5,706	1.414	$2,360	$8,066
		2006	($1,275)	1.302	($385)	($1,660)
		2007	($9)	1.219	($2)	($10)
	CCIW showcase	2005	($662)	1.414	($274)	($936)
		2006	($562)	1.302	($170)	($731)
		2007	($7)	1.219	($1)	($8)
	Education and outreach – general service	2005	($398)	1.414	($164)	($562)
		2006	($953)	1.302	($288)	($1,241)
		2007	($151)	1.219	($33)	($184)
	Home developers program	2005	($1,869)	1.414	($773)	($2,642)
		2006	($32)	1.302	($10)	($42)
		2007	$6,270	1.219	$1,372	$7,642
	Municipal building retrofit	2006	$1,607	1.302	$485	$2,092
		2007	$2,878	1.219	$630	$3,508
	Municipal new construction	2006	$1,799	1.302	$543	$2,342
		2007	($9,868)	1.219	($2,160)	($12,028)
	Planning, administration and monitoring	2005	($3,481)	1.414	($1,440)	($4,920)
		2006	($1,162)	1.302	($351)	($1,513)
		2007	($505)	1.219	($110)	($615)
	Public education and outreach	2005	$8,191	1.414	$3,388	$11,579
		2006	($1,017)	1.302	($307)	($1,324)
		2007	$386	1.219	$84	$471
	Staff development program	2005	($75)	1.414	($31)	($106)
		2006	($15)	1.302	($5)	($20)
		2007	$25	1.219	$5	$30
	Voluntary demand management	2005	($2,990)	1.414	($1,237)	($4,227)

Funding	Program	Year	SSM Savings (in $ of program year)	Multiplier to 2010$	Carrying Cost	Contribution to total SSM claim (2010$)
		2006	($1,303)	1.302	($393)	($1,696)
		2007	($686)	1.219	($150)	($836)
Third tranche Total					*$389*	*($417)*
Post-third tranche	Residential coupon program	2006	$75,899	1.302	$22,921	$98,820
		2007	$47,558	1.219	$10,409	$57,967
	Multi-unit residential lighting retrofit	2006	$4,548	1.302	$1,374	$5,922
		2007	$1,979	1.219	$433	$2,412
	General service lighting	2006	$26,005	1.302	$7,854	$33,859
		2007	$18,640	1.219	$4,080	$22,719
Post-third tranche Total					*$47,070*	*$221,700*
Grand Total					**$47,460**	**$221,283**

e) The breakdown of GS < 50 kW and Residential sector LRAM rate riders is shown in Table 1 to Table 6. The breakdown of the GS< 50kW and Residential sector SSM rate riders is shown in Table 8 to Table 11.

Burlington Hydro Inc.
Response to Interrogatory from Vulnerable Energy Consumers Coalition
Question 33

Question:

LRAM /SSM Claim
Ref: Exhibit 8/ Tab 6 / Schedule 1 / Appendix A, Indeco Report

Preamble: "It was found that TRC inputs used by prescriptive programs were taken from either the OPA Measures and Assumptions List or the OEB Total Resource Cost Guide. TRC inputs from custom programs were compiled from sources such as the OEB, the OPA, manufacturer specifications and customer information about usage patterns" [Indeco Report Pave v]

a) Does BHI agree that the OEB Guidelines Section 7.5 indicate that savings and LRAM claims should be based on "Best Available" input assumptions at the time that the LRAM /SSM claim was prepared?
b) Does BHI agree that in the case estimation of 2005-2009 savings, this means using the best available 2007 and 2008 input assumptions, which were and are those of the OPA Measures and Input Assumptions List? If not explain why Not? [1]
c) Explain why the Indeco independent review of 2009 lost revenue associated with 2005-008 savings did not use the complete set of the latest OPA Input Assumptions in Appendix Table 9,11,12 and 13 for several residential mass market measures (notably CFLs, Low Flow Showerheads and PT's) as demonstrated in the following OPA documents:
    i. OPA 2007 EKC Program Calculator
    ii. OPA 2008 / 2009 Measures and Assumptions list (now adopted by the OEB)
d) Provide a Copy of the 2007 OPA Every Kilowatt Counts Program Calculator
e) Confirm whether BHI reported to the OPA on the 2007 EKC campaign using Mass Market measures assumptions (particularly CFLs) specified in the OPA 2007 EKC Program Calculator.
f) Confirm whether or not the LRAM claim for 2006, 2007 and 2008 related to third tranche programs is based on using the OEB Guide values for CFLs, showerheads and PTs, not the OPA EKC Calculator or OPA 2008/2009 Measures values.
g) Confirm whether the 2008 claim for OPA programs is based on the OPA 2008 Measures and input assumptions for CFLs, Low Flow Showerheads and PTs.

[1]See OEB Decision Horizon Utilities LRAM /SSM Claim EB-2009-0158/0192

Response:

a) Yes, Burlington Hydro agrees that the OEB Guidelines Section 7.5 indicates that savings and LRAM claims should be based on the "Best Available" input assumptions at the time that the LRAM/SSM claim was prepared.

b) The OPA Measures and Input Assumptions List represent the best available *default* assumptions list to be used in the absence of more specific data for the actual installations for the LRAM calculation. In addition, the list has a number of limitations that mean it is impractical or impossible to map implemented measures to the list, either because the list does not include them, or is too specific (e.g. the list provides multiple values for furnaces equipped with ECM motors, but program results may be less aggregated.) In many cases, the Measures and Assumptions List does not address the measures implemented by Burlington Hydro. In

particular, many Burlington Hydro programs installed types of lighting fixtures that are not found on the OPA list.

For the 2005 Public Education and Outreach program LRAM calculations, on additional scrutiny, we have concluded that the source document for these program results was not an independent, program-specific evaluation, but rather a calculation of savings and TRC based on the measures and assumptions in the then-current OEB's TRC Guide. We have updated the calculations for this program to the values in the OPA's most current measures and assumptions list.

For the OPA funded programs and the 2006, 2007 and 2008 Residential Coupon (EKC) programs, the OPA has conducted a program specific evaluation, and calculated results for those specific programs, and these became available after the most current Measures and Assumptions List.[1] Those evaluation results are more appropriate than would be calculations based on the default assumptions in the Measures and Assumptions List, and so we have used those results, provided by the OPA.

The energy savings and LRAM claim in our application as filed were based on preliminary numbers for the 2008 OPA funded programs (including the Residential Coupon program). The 2008 results have since been updated to their confirmed, finalized values. These values have been used to update the LRAM claim, as well as respond to this set of interrogatories as they are more suitable that the assumptions listed in the 2008 OPA Measures and Assumptions list. As stated in the e-mail sent to Burlington Hydro with these results, the OPA states: "All results presented herein are considered final" and "The results provided in the enclosed report are in accordance with current OPA practices and policies for reporting progress against the provincial conservation goals."[2]

As for the calculation of SSM, it may be based on the best available information at the beginning of the year the program was launched, not necessarily the most current information. This is indicated in section 7.3 of the OEB Guidelines for Electricity CDM. As a result, the 2005 Public Education and Outreach program used the energy savings, measure life and equipment cost as indicated in the 2005 SeeLine report for SSM calculations.

c) The independent third party review used the "Best Available" input assumptions, in accordance with Board Guidelines. Those assumptions are the following:

- Program-specific inputs, provided by both BHI and its professional lighting expert to gauge what specific function each measure would have and for how long they would last in that capacity. For instance, annual operating times are from on-site inspections, and discussions with users of the equipment. Custom values for equipment cost were provided directly from pricing estimates provided by the lighting expert. All custom inputs were examined for their suitability in comparison to default prescriptive values.
- Program-specific inputs listed as 'Final' for the 2006, 2007 and 2008 OPA funded programs (and the Post Third Tranche Residential Coupon EKC program) in the 2006-

[1] Raegan Bunker, (Manager Conservation Portfolio, OPA). 2009. Re: Estimated allocation of 2006-2008 provincial conservation results to Local Distribution Company service territories - update to July 2009 report. E-mail to Anne Rampado, Gerry Smallgange, Jenna Holzshuh and Amy Kunz (10 November). Signed by R. Bunker, sent by James Yue. The e-mail is appended.

[2] Bunker e-mail of 10 Nov 2009, op cit.

2008 OPA Conservation Results for Burlington Hydro provided by the OPA (10 November 2009);

- Program-specific inputs provided by SeeLine for the 2005 Public Education and Outreach program, which at the time of filing was thought to be an independent program-specific evaluation, but on additional scrutiny is now seen to be simply a calculation of savings and TRC whose values should be and have been updated for the LRAM claim.

The input assumptions in the independent third party review for the 13W CFL giveaway run through the 2007 Post Third Tranche Residential Coupon program used inputs for a 15W CFL from the 2008 OEB Measures and Assumptions list prorated to a 13W CFL. This measure has now been updated to use the energy savings assumptions for a 15W CFL found in the 2008/2009 OPA Measures and Assumptions list when calculating its total energy savings and related LRAM claim.

The '2006-2008 OPA Conservation Results for Burlington Hydro provided by the OPA'[3] was used as a source of inputs for OPA funded CDM programs (and the Residential Coupon program). These evaluated results have been adopted in accordance with Board recommendations that "The Board would consider an evaluation by the OPA or a third party designated by the OPA to be sufficient."[4] Furthermore, they were the assumptions used by the OPA to report the energy savings of the 2006, 2007 and 2008 OPA funded programs. The inputs found in the 2006-2008 OPA Conservation Results for Burlington Hydro more appropriately reflect the energy savings for the OPA funded programs and the Residential Coupon program than the inputs listed in the OPA 2008/2009 Measures and Assumptions list. Therefore, the OPA evaluation results should be and were used in calculating energy savings, and LRAM claims.

We are not sure what VECC is referring to when it mentions "The OPA 2007 EKC Calculator" and it was not used in the calculations. There were TRC calculators distributed by the OPA for the 2006 Fall and Spring EKC program (in 2007)[5]; as mentioned, neither the 2007 calculator nor the input assumptions within it were used in the LRAM calculations.

d) We received TRC calculators from the 2006 OPA for the Spring and Fall EKC program, along with spreadsheets of program results, but these were not used in our LRAM/SSM application. We are unclear as to whether or not it is these that VECC is requesting. We do not have any other 2007 OPA Every Kilowatt Counts Program Calculator. Copies of the 2006 TRC calculators provided by the OPA are attached.

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[3] Raegan Bunker, e-mail of 10 Nov 2009, op cit.

[4] Ontario Energy Board. 2008. *Guidelines for Electricity Distributor Conservation and Demand Management* p.28

[5] EKC 2006 Fall results and 2006 Fall EKC calculator provided by e-mail from Chris Bodanis (EnergyShop) to Gerry Smallegange and Anne Rampado dated 3 March 2007. EKC 2006 Spring results and 2006 Spring EKC calculator provided by e-mail from Raegan Bunker (OPA) to Gerry Smallegange; Anne Rampado; Allan Frederick; John Cesco; <bshortreed@camhydro.com>; <rskevington@camhydro.com> dated 2 February 2007. Both e-mails are appended.

e) BHI did not report to the OPA on the 2007 Spring EKC campaign using measure assumptions specified in the OPA 2007 EKC Program Calculator since we used the final inputs provided in the 2006-2008 OPA Conservation Results for Burlington Hydro provided by the OPA

*f)*The LRAM claim for 2005, 2006 and 2007 third tranche programs is based on the input assumptions in Table 14. As indicated in the Table, and as discussed above, the LRAM calculation for CFLs and programmable thermostats are *not* based on using the OEB Guide values or the OPA EKC Calculator.

Table 1 - Source of LRAM assumptions for the BHI third tranche programs

Third Tranche Program	Source of LRAM Assumptions
BHI lighting retrofit	Custom program inputs provided by BHI and an independent lighting expert
Home developers program	
Municipal new construction	
Municipal building retrofit	
Staff development program	
2007 Public education and outreach	
2005 Public education and outreach	2008 OPA Measures and Assumptions list

g) For CFLs and PTs, the 2008 claim for OPA programs is based on the program-specific inputs listed in the 2006-2008 OPA Conservation Results for Burlington Hydro provided by the OPA. In the application as filed, preliminary results from the OPA were used. In the amended tables that are in this document, the final results which only became available on 10 November are used. These differ from the OPA 2008/2009 Measures and Assumptions list in some cases. As indicated in the response to Question #33c, the program-specific inputs provided by the 2006-2008 OPA Conservation Results for Burlington Hydro are a more appropriate basis for estimating the savings and LRAM attributed to all applicable measures (including CFLs and PTs). Low Flow Showerheads are not part of BHI's 2008 claim for OPA programs.

Burlington Hydro Inc.
Response to Interrogatory from Vulnerable Energy Consumers Coalition
Question 34

Question:

LRAM /SSM Claim
Ref: Exhibit 8/ Tab 6 / Schedule 1, Indeco Report, Pages 5-7, Table 1-3

a) Provide a Table in the format below that show for each of the Residential and Social Housing Programs for each year, which source(s) of input assumptions underpin the claimed kWh and kW savings. (Note: Entries below are illustrative only). Indicate for OPA- Funded Programs whether the 2007 Every Kilowatt Counts (EKC) Calculator or the OPA Measures for 2008 was used.

LRAM Claim	**Third Tranche Including Carry Over**	**Rate Funded Post Third Tranche**	**OPA Funded**	**Verification(s)**
2005	OEB Guide	OEB Guide	OPA EKC Calculator	Indeco
2006	OEB Guide	OEB Guide	OPA EKC Calculator	Indeco
2007	OEB Guide	OEB Guide	OPA EKC Calculator	Indeco
2008	OPA Measures	OPA Measures	OPA EKC Calculator	Indeco
SSM Claim				
2006	OEB Guide	OEB Guide	OPA EKC Calculator	Indeco
2007	OEB Guide	OEB Guide	OPA EKC Calculator	Indeco
2008	OPA Measures		OPA Measures	Indeco

b) Provide a complete list by measure **by year** of the input assumptions used to prepare the residential and Social Housing kWh and kW load impacts in Exhibit 8, Tab 6, Schedule 1, Indeco Report, page 11, Table 5 and associated LRAM and SSM claims. In particular provide the detailed input assumptions for all mass market measures including CFLs and PTs.

i. kWh and kW savings
ii. Free ridership
iii. Cost of measure
iv. Measure life
v. Source(s) / authority(ies) for assumptions(s)

Response:

*a)*Table 15 lists the source of LRAM assumptions for BHI's CDM portfolio. Note that the source of assumptions comes after the colon for each program listed

Table 1 – Source of LRAM assumptions for BHI CDM portfolio

Year	Third tranche including carryover	Post third tranche	OPA funded	Verification(s)
2005	BHI lighting retrofit: BHI			IndEco
2005	Public education and outreach: OPA M&A list			IndEco, SeeLine & OPA[1]
2006	BHI lighting retrofit: BHI			IndEco
2006	Municipal building retrofit: BHI			IndEco
2006	Municipal new construction: BHI			IndEco
2006		Residential Coupon program: 2006-2008 OPA Conservation Results for BHI[2]		IndEco & OPA[3]
2006		Multi-unit residential lighting program: BHI		IndEco
2006		General service lighting: BHI		IndEco
2006			Cool Savings Rebate: 2006-2008 OPA Conservation Results for BHI	IndEco & OPA
2006			Secondary fridge retirement pilot: 2006-2008 OPA Conservation Results for BHI	IndEco & OPA
2007	Home developers program: BHI			IndEco
2007	Municipal building retrofit: BHI			IndEco
2007	Public education and outreach: BHI			IndEco
2007	Staff development program: BHI			IndEco
2007		Residential Coupon program: 2006-2008 OPA Conservation Results for BHI, and the 2008/2009 OPA M&A list for energy savings of 15W CFLs[2]		IndEco & OPA
2007		Multi-unit residential lighting program: BHI		IndEco
2007		General service lighting: BHI		IndEco
2007			The Great Refrigerator Roundup: 2006-2008 OPA Conservation Results for BHI	IndEco & OPA
2007			Cool Savings Rebate: 2006-2008 OPA	IndEco &

Year	Third tranche including carryover	Post third tranche	OPA funded	Verification(s)
			Conservation Results for BHI	OPA
2007			Social housing: 2006-2008 OPA Conservation Results for BHI	IndEco & OPA
2007			ERIP: 2006-2008 OPA Conservation Results for BHI	IndEco & OPA
2007			RESOP: 2006-2008 OPA Conservation Results for BHI	IndEco & OPA
2007			Summer Savings Sweepstakes: 2006-2008 OPA Conservation Results for BHI	IndEco & OPA
2008		Residential Coupon program: 2006-2008 OPA Conservation Results for BHI[2]		IndEco & OPA
2008			The Great Refrigerator Roundup: 2006-2008 OPA Conservation Results for BHI	IndEco & OPA
2008			Cool Savings Rebate: 2006-2008 OPA Conservation Results for BHI	IndEco & OPA
2008			ERIP: 2006-2008 OPA Conservation Results for BHI	IndEco & OPA
2008			High performance new construction: 2006-2008 OPA Conservation Results for BHI	IndEco & OPA
2008			Power Savings Blitz: 2006-2008 OPA Conservation Results for BHI	IndEco & OPA
2008			Summer Savings Sweepstakes: 2006-2008 OPA Conservation Results for BHI	IndEco & OPA
			Peaksaver program: 2006-2008 OPA Conservation Results for BHI	IndEco & OPA

1. SeeLine provided the number of participants. The OPA Measures and Assumptions List was used for technology assumptions and free-rider rates. IndEco verified the estimation of LRAM using these numbers, distribution rates, and discount rates to calculate carrying costs.
2. The assumptions listed in the Appendix to the independent third party review for the Residential Coupon program were OPA's preliminary estimates for 2008. The actual assumptions used for LRAM calculations were those as indicated in Table 15. A list of these assumptions is provided as part of the response to Question 34b.
3. Where both OPA and IndEco are shown, OPA provided the verified number of participants, free-riders and technology assumptions. IndEco verified the estimation of LRAM and SSM (where appropriate) using these OPA numbers, and discount rates and the approved residential distribution rates from Burlington Hydro.

Table 16 lists the source of SSM assumptions for BHI's CDM portfolio. Note that the source of assumptions comes after the colon for each program listed.

Table 2 - Source of SSM assumptions for BHI's CDM portfolio

Year	Third tranche including carryover	Post third tranche	Verification (s)
2005	BHI lighting retrofit: BHI		IndEco
2005	CCIW Showcase: BHI		IndEco
2005	Distribution system improvements: BHI		IndEco
2005	Education and outreach - General Service: BHI		IndEco
2005	Home developers program: BHI		IndEco
2005	Planning, administration and monitoring: BHI		IndEco
2005	Public education and outreach: SeeLine report		IndEco & SeeLine[1]
2005	Staff development program: BHI		IndEco
2005	Voluntary demand management: BHI		IndEco
2006	Appliance replacement: BHI		IndEco
2006	BHI lighting retrofit: BHI		IndEco
2006	CCIW Showcase: BHI		IndEco
2006	Distribution system improvements: BHI		IndEco
2006	Education and outreach - General Service:BHI		IndEco
2006	Home developers program: BHI		IndEco
2006	Municipal building retrofit: BHI		IndEco
2006	Municipal new construction: BHI		IndEco
2006	Planning, administration and monitoring: BHI		IndEco
2006	Public education and outreach: BHI		IndEco
2006	Staff development program: BHI		IndEco
2006	Voluntary demand management: BHI		IndEco
2006		Residential Coupon program: 2006-2008 OPA Conservation Results for BHI and 2006 EKC calculator (for equipment cost)[2,3]	IndEco & OPA[4]

Year	Third tranche including carryover	Post third tranche	Verification (s)
2006		Multi-unit residential lighting program: BHI	IndEco
2006		General service lighting: BHI	IndEco
2007	Appliance replacement: BHI		IndEco
2007	BHI lighting retrofit: BHI		IndEco
2007	CCIW Showcase: BHI		IndEco
2007	Distribution system improvements: BHI		IndEco
2007	Education and outreach - General Service:BHI		IndEco
2007	Home developers program: BHI		IndEco
2007	Municipal building retrofit: BHI		IndEco
2007	Municipal new construction: BHI		IndEco
2007	Planning, administration and monitoring: BHI		IndEco
2007	Public education and outreach: BHI		IndEco
2007	Staff development program: BHI		IndEco
2007	Voluntary demand management: BHI		IndEco
2007		Residential Coupon program: 2006-2008 OPA Conservation Results for BHI, 2008/2009 OPA M&L list and BHI (for 13W CFL assumptions)[2,3]	IndEco & OPA[4]
2007		Multi-unit residential lighting program: BHI	IndEco
2007		General service lighting: BHI	IndEco

1. Where both SeeLine and IndEco are shown, SeeLine provided the number of participants, free-riders and technology assumptions. IndEco verified the estimation of SSM using these numbers, and discount rates from Burlington Hydro.
2. Equipment costs are only used for SSM calculations. Therefore the assumptions used were those in place at the beginning of the program and not updated to the 2008/2009 OPA Measures and Assumption list.
3. The assumptions listed in the Appendix to the independent third party review for the Residential Coupon program were of a draft version. The actual assumptions used for SSM calculations were those as indicated in Table 16. A list of these assumptions will be provided as part of the response to Question 34b.
4. Where both OPA and IndEco are shown, OPA provided the verified number of participants, free-riders and technology assumptions. IndEco verified the estimation of SSM (where appropriate) using these OPA numbers, and discount rates from Burlington Hydro

b) Table 17 lists the assumptions used to calculate the energy savings and LRAM and SSM claims for programs impacting the residential rate class. The source of these assumptions can be found in Table 15 for LRAM calculations and Table 16 for SSM calculations. The assumptions listed for the Residential Coupon program in Table 17 reflect the assumptions used for LRAM and SSM calculations; the assumptions listed in the Appendix of the third party review were of an earlier draft version and were not used to calculate LRAM and SSM claims.

Table 3 - List of assumptions used for the residential programs

Funding Source	Program	Year	Energy Efficient Technology	Measure life	Equipment cost	% Free Rider ship	Energy savings (kWh)	Demand Savings (kW)
Third Tranche	Public education and outreach (SSM Claim)	2005	15W CFL	4	$2.00	10%	94	NA
		2005	LED Christmas lights	30	$2.00	10%	40	NA
		2005	LED Christmas lights	30	$2.00	10%	15	NA
		2005	Programmable thermostat - Space Heating, Existing Single Family Detached	18	$60.00	10%	1,326	NA
		2005	Programmable thermostat - Space Cooling, Existing Single Family Detached	18	$60.00	10%	143	NA
		2005	Timer - Outdoor - Light	20	$20.00	10%	263	NA
		2005	Timer - Indoor - Light	20	$7.00	10%	88	NA
		2005	Timer - Indoor - Air conditioners	20	$7.00	10%	98	NA
		2005	Ceiling Fan	20	$42.00	10%	0	NA
		2005	EnerGuide for Existing homes - space heating	25	$150.00	10%	78	NA
	Public education and outreach (LRAM Claim)	2005	15W CFL	8	NA	30%	43	0.001
		2005	LED Christmas lights	5	NA	30%	13.7	0
		2005	LED Christmas lights	5	NA	30%	13.7	0
		2005	Programmable thermostat - Space Heating, Existing Single Family Detached	15	NA	30%	2063	0.002
		2005	Programmable thermostat - Space Cooling, Existing Single Family Detached	15	NA	30%	138	0.067
		2005	Timer - Outdoor - Light	10	NA	30%	41.1	0
		2005	Timer - Indoor - Light	10	NA	30%	219	0.007
		2005	Timer - Indoor - Air conditioners	10	NA	30%	98	NA

Funding Source	Program	Year	Energy Efficient Technology	Measure life	Equipment cost	% Free Ridership	Energy savings (kWh)	Demand Savings (kW)
		2005	Ceiling Fan	10	NA	30%	0	0.003
		2005	EnerGuide for Existing homes - space heating	25	NA	30%	78	NA
	Public education and outreach	2007	13W CFL	2	$4.00	10 / 30	188	0.0470
	Staff Development Program	2007	15W CFL	2	$4.00	10 / 30	180	0.0450
	Municipal building retrofit	2007	15W CFL	2	$4.00	0%	180	0.0450
Post Third Tranche	Residential Coupon Program - Spring and Fall EKC Program	2006	Energy Star® Compact Fluorescent Light Bulb	4	$2.50	10%	104	0.0000
		2006	Electric Timers	20	$25.00	10%	183	0.0000
		2006	Programmable Thermostats	15	$12.50	10%	216	0.0500
		2006	Energy Star® Ceiling Fans	20	$65.00	10%	141	0.0140
		2006	Energy Star® Compact Fluorescent Light Bulb	4	$54.00	10%	104	0.0000
		2006	Seasonal Light Emitting Diode Light String	30	$18.00	10%	31	0.0000
		2006	Programmable Thermostats	18	$1.62	10%	522	0.1177
		2006	Dimmers	10	$6.00	10%	139	0.0000
		2006	Indoor Motion Sensors	20	$17.00	10%	209	0.0000
		2006	Programmable Basebaord Thermostats	18	$2.00	10%	1,466	0.0000
	Residential Coupon Program - Spring EKC Program	2007	15 W CFL	8	($2.00)	22%	43	0.0013
		2007	20 W+ CFLs	8	($1.00)	22%	62	0.0019
		2007	Project Porchlight CFLs	8	$3.50	24%	43	0.0013
		2007	Energy Star Ceiling Fan	10	$47.00	45%	90	0.0028
		2007	Furnace Filter	1	$12.00	45%	38	0.0112
		2007	Solar Lights	5	$4.75	87%	33	0.0000
		2007	Outdoor Motion Sensor	10	$16.20	45%	160	0.0000
		2007	Dimmer Switch	10	$13.00	45%	24	0.0007
		2007	Energy Star Light Fixtures	16	$24.00	45%	123	0.0056
		2007	SLEDs	5	$8.70	51%	14	0.0000
		2007	T8	18	$20.00	23%	37	0.0012
		2007	Programmable Thermostat	15	$25.00	45%	75	0.0000

Funding Source	Program	Year	Energy Efficient Technology	Measure life	Equipment cost	% Free Ridership	Energy savings (kWh)	Demand Savings (kW)
		2007	Power Bar with Timer	10	$25.00	23%	72	0.0063
		2007	Lighting Control Devices	10	$20.80	45%	72	0.0185
		2007	13W CFL (SSM Claim)	2	$7.00	10%	188	0.0470
		2007	13W CFL (LRAM Claim)	8	$2.00	30%	43	0.001
	Residential Coupon Program - Spring and Fall EKC Program	2008	Air Conditioner/Furnace Filters	1	NA	65%	38	0.0210
		2008	Energy Star® Qualified Compact Fluorescent Floods (Indoor & Outdoor)	7	NA	63%	88	0.0028
		2008	Energy Star® Qualified Light Fixtures	16	NA	67%	133	0.0042
		2008	Heavy Duty Timers	10	NA	67%	301	0.0173
		2008	T8 Fluorescent Fixtures	16	NA	67%	37	0.0010
		2008	ENERGY STAR Decorative CFLs	4	NA	61%	30	0.0010
		2008	ENERGY STAR Dimmable CFLs	6	NA	62%	98	0.0031
		2008	Power Bars with Timers	10	NA	59%	53	0.0042
		2008	Programmable Thermostats - Baseboard	15	NA	53%	64	0.0000
		2008	Car block heater timer	NA	NA	100%	n/a	n/a
		2008	Energy Star® Qualified Compact Fluorescent Light Bulbs	8	NA	48%	53	0.0022
		2008	Lighting Control Devices	10	NA	55%	102	0.0030
		2008	Awnings	NA	NA	100%	0	0.0000
		2008	Window Films	NA	NA	100%	0	0.0000
		2008	Electric Water Heater Blankets	NA	NA	100%	0	0.0000
		2008	Pipe Wrap	6	NA	53%	38	0.0030
		2008	Low-Flow Toilets	NA	NA	100%	0	0.0000
		2008	Keep Cool – Dehumidifier	12	NA	65%	500	0.2900
		2008	Keep Cool – Room Air Conditioner	9	NA	58%	141	0.1420
		2008	Rewards for Recycling – Dehumidifier	12	NA	56%	500	0.2900
		2008	Rewards for Recycling – Room Air Conditioner	9	NA	56%	141	0.1420
		2008	Rewards for Recycling - Halogen Lamp	16	NA	52%	275	0.0090
OPA Funded	2006 Cool Savings Rebate Program	2006	Energy Star® Air Conditioner	14	NA	10%	351	0.3590
		2006	Programmable Thermostats	18	NA	10%	159	0.1630

Funding Source	Program	Year	Energy Efficient Technology	Measure life	Equipment cost	% Free Ridership	Energy savings (kWh)	Demand Savings (kW)
		2006	Air Conditioner Tune-Up	8	NA	10%	369	0.0378
	2006 Secondary Fridge Retirement Pilot	2006	Refrigerator Retirement	6	NA	10%	1,200	0.2720
		2006	Freezer Retirement	6	NA	10%	900	0.2040
	2007 Great Refrigerator Roundup	2007	Refrigerator	9	NA	61%	745	0.0706
		2007	Freezer	8	NA	54%	515	0.0660
		2007	Small Refrigerator	9	NA	70%	490	0.0452
		2007	Small Freezer	8	NA	70%	339	0.0425
		2007	Window Air Conditioner	5	NA	57%	240	0.5616
	2007 Cool Savings Rebate	2007	ENERGY STAR® Central Air Conditioner	18	NA	43%	152	0.1662
		2007	Programmable Thermostat	15	NA	73%	55	0.0291
		2007	Furnace with Electronically Commutated Motor	15	NA	41%	832	0.4934
		2007	Central Air Conditioning Tune Up	5	NA	84%	235	0.2567
	2007 Summer Savings	2007	Household	2	NA	88%	787	0.4370
	2007 Social Housing – Pilot	2007	Custom Retrofit Projects	10	NA	0%	Custom	Custom
	2008 Great Refrigerator Roundup	2008	Refrigerator	9	NA	45%	775	0.0794
		2008	Freezer	8	NA	48%	740	0.0846
		2008	Room Air Conditioner	4.5	NA	64%	197	0.1995
	2008 Cool Savings Rebate	2008	Efficient Furnance with Electronically Commutable Motor	15	NA	46%	837	0.5039
		2008	ENERGYSTAR® Central Air Conditioner	18	NA	48%	155	0.8302
		2008	Programable Thermostat	15	NA	54%	54	0.9723
		2008	Central Air Conditioner Tune-ups	5	NA	84%	235	0.7431
		2008	2008 Efficient Furnance with Electronically Commutable Motor	18	NA	46%	819	0.5147
		2008	2008 ENERGYSTAR® Central Air Conditioner	18	NA	48%	125	0.8630
		2008	2008 Programable Thermostat	18	NA	54%	54	0.9723
	2008 Summer Sweepstakes	2008	Households	1	NA	22%	768	0.1951
	2008 peaksaver®	2008	Residential Programmable Thermostat	13	NA	10%	17	0.8650

Burlington Hydro Inc.
Response to Interrogatory from Vulnerable Energy Consumers Coalition
Question 35

Question:

LRAM /SSM Claim
Ref: Exhibit 8/ Tab 6 / Schedule 1, Indeco Report, Pages 11, Table 5 and Appendix Table 9,10,11,12 and 13

a) Confirm/ correct/ complete the following Input Assumptions and kWh savings Comparison Table (based on Exhibit 8, Tab 6, Schedule 1, Appendix, Table 9, 10, 11, 12 and 13) in the format below for Residential Mass Market measures and Social Housing measures. Include any missing programs related to CFLs, PTs and Seasonal Lights.
b) Comment on the material differences between the result of using updated input assumptions (available in 2007) and reflected in the 2008 and 2009 OPA Measures List now adopted by the OEB?
c) Provide a revised version of Exhibit 8, Tab 6, Schedule 1, Appendix A, Page 11, Table 5 and using the updated kW and kWh savings based on OPA 2008 /2009 Measures List input assumptions (now adopted by the OEB)
d) Provide a revised version of Exhibit 8, Tab 6, Schedule 1, Appendix A page 12, Table 6 using the kWh savings based on OPA 2008/ 2009 Measures List input assumptions now adopted by the OEB.
e) Provide a revised version of Exhibit 8 , Tab 6, Schedule 1, Appendix A page 9, Table 4 using the kWh savings based on the OPA 2008/2009 Measures List input assumptions (now adopted by the OEB) **[See also Question 36 when responding].**
f) Provide a revised version of the schedule provided in response to VECC IR # 32 part a) adjusted to reflect the OPA 2008 / 2009 measures and input assumptions list for CFLs and PTs provided in part a) of this IR
g) Adjust the as filed Carrying costs to reflect the revised LRAM amounts resulting from the answer to part c) and d)
h) Adjust the as-filed Carrying costs to reflect the revised SSM amounts resulting from the answer to part e) and Questions #36, part b).

Response:

a) Table 1 lists the input assumptions used for all CFL, PT and seasonal lights within BHI's CDM portfolio as well as the input assumptions for the same measures provided by the 2008/2009 OPA Measures and Assumptions lis. Table 1 incorporates the updates to the 2008 OPA funded programs. Project Porchlight CFLs are not listed in the 2008/2009 OPA Measures and Assumptions list so the assumptions for this program are kept the same as the assumptions filed. There was some difficulty in matching the program measures in the audited results with those from the 2008/2009 OPA Measures and Assumptions list – particularly for PTs. PTs were matched by comparing energy savings and the nature of the program that offered them.

Table 1 – kWh savings comparison table for all CFLs, PTs, and seasonal lights

Program	Year	Energy Efficient Technology	Number of units	As filed			OPA Measures and Assumptions list		
				Energy Savings Used (kWh)	Free Ridership	Net kWh savings per filed LRAM claim	Energy Savings Used (kWh)	Free Ridership	Adjusted net kWh savings
Public education and outr each	2005	15W CFL	3,159	94	30%	207,761	43	30%	95,086
	2005	LED Christmas lights	659	40	30%	18,476	13.7	30%	6,320
	2005	LED Christmas lights	658	15	30%	7,060	13.7	30%	6,310
	2005	Programmable thermostat - Space Cooling, Existing Single Family Detached	175	143	30%	17,544	138[2]	30%	16,905
	2005	Programmable thermostat - Space Heating, Existing Single Family Detached	67	1,326	30%	62,169	2063[3]	30%	96,755
2006 Cool Savings Rebate Program	2006	Programmable Thermostats	150	159	10%	21,490	138[2]	30%	14,507
Residential Coupon Program - Spring and	2006	Energy Star® Compact Fluorescent Light Bulb	18,328	104	10%	1,722,140	43	30%	551,686
Fall EKC Program	2006	Energy Star® Compact Fluorescent Light Bulb	27,176	104	10%	2,553,424	43	30%	817,987
	2006	Programmable Baseboard Thermostats	26	1,466	10%	33,893	2063[3]	30%	37,088
	2006	Programmable Thermostats	224	216	10%	43,451	182[4]	30%	28,475
	2006	Programmable Thermostats	431	522	10%	202,610	75.1[5]	30%	22,668
	2006	Seasonal Light Emitting Diode Light String	6,541	31	10%	181,027	13.7	30%	62,730
2007 Cool Savings Rebate	2007	Programmable Thermostat	648	55	73%	9,725	138[2]	30%	62,629
Municipal building retrofit	2007	15W CFL	2,200	180	30%	277,200	43	30%	66,220
Public education and outreach	2007	13W CFL	800	188	30%	105,280	43	30%	24,080
Residential Coupon	2007	13W CFL	8,000	43	30%	240,800	43	30%	240,800

Program	Year	Energy Efficient Technology	Number of units	As filed			OPA Measures and Assumptions list		
				Energy Savings Used (kWh)	Free Ridership	Net kWh savings per filed LRAM claim	Energy Savings Used (kWh)	Free Ridership	Adjusted net kWh savings
Program - Spring EKC Program	2007	15 W CFL	32,784	43	22%	1,099,565	43	30%	986,789
	2007	20 W+ CFLs	5,337	62	22%	258,508	52.6	30%	196,504
	2007	Programmable Thermostat	257	75	45%	10,619	75.1[5]	30%	13,515
	2007	SLEDs	8,686	14	51%	58,306	13.7	30%	83,294
Staff Development Program	2007	15W CFL	260	180	30%	32,760	43	30%	7,826
Residential Coupon Program - Spring and Fall EKC Program	2008	Energy Star® Qualified Compact Fluorescent Floods (Indoor & Outdoor)	5,819	88	63%	191,023	77.1	30%	314,037
	2008	ENERGY STAR Decorative CFLs	20,958	30	61%	245,544	14	30%	200,989
	2008	Programmable Thermostats - Baseboard	570	64	53%	16,871	75.1[5]	30%	29,954
	2008	Energy Star® Qualified Compact Fluorescent Light Bulbs	12,406	53	48%	343,328	43	30%	373,417
Cool Savings Rebate	2008	2007 Programmable Thermostat	99	54	54%	2,445	138[2]	30%	9,560
	2008	2008 Programmable Thermostat	387	54	54%	9,559	138[2]	30%	37,375
Power Savings Blitz	2008	Energy Star® rated CFL	52	191	7%	9,230	43	30%	1,565
peaksaver®	2008	Residential Programmable Thermostat	2,344	17	10%	36,496	75[5]	30%	123,224
Total						**8,018,301**			**4,528,296**

1. A free ridership of 30% was used, as this is the default free ridership recommended by the OPA in the absence of program-specific information. The most recent document on Measures and Assumptions does not provide default free-rider rates and recommends using free rider rates from program evaluations, which is what was done wherever these were available.
2. These thermostats are assumed to map to 'Space Cooling Only' thermostats in the OPA list Measures and Assumptions List.
3. These thermostats are assumed to map to 'Forced Air Electric Heating Only' thermostats in the OPA Measures and Assumptions List.
4. These thermostats were mapped to combined savings of 'Space Cooling Only' and 'Gas Forced Air Heating Only' in the OPA Measures & Assumptions List.
5. These thermostats are assumed to map to 'Baseboard Space Heating' thermostats in the OPA Measures and Assumptions List.

b) Using input assumptions reflected in the 2008/ 2009 OPA Measures and Assumptions list instead of the program-specific inputs provided in the 2006-2008 OPA Conservation Results for Burlington Hydro would decrease the estimated energy savings for CFLs, PTs and seasonal lights by 44%. However, as stated in the response to Question #33b, the program-specific inputs provided in the 2006-2008 OPA Conservation Results for Burlington Hydro are a more appropriate basis for estimating energy savings of OPA funded programs, and the Residential Coupon program. Inputs for the 2005 Public education and outreach program have been updated to be consistent with the 2008/2009 OPA Measures and Assumptions.T

c) Table 2 provides an update of Exhibit 8, Tab 6, Schedule 1, Appendix A, page 11, Table 5 using the kW and kWh savings based on the 2008/2009 OPA Measures and Assumptions list. The free riderships were kept at the values listed in the 2006-2008 OPA Conservation Results for Burlington Hydro since the default free ridership value of 30% used by the 2008/2009 OPA Measures and Assumptions list is to be used only in the absence of program specific free riderships.[1] Table 2 also incorporates the updated results for the 2008 OPA programs.

Since the Net TRC savings listed in Table 2 use generic assumptions from the 2008/2009 OPA Measures and Assumptions list and not from the program specific evaluation, (2006-2008 OPA Conservation Results for Burlington Hydro), they are less appropriate for use to calculate the LRAM claim. Table 2 is being provided solely as a response to Question #35c.

Table 2 - Energy savings by rate class using assumptions from the 2008 OPA Measures and Assumptions list (see text for why these are not an appropriate basis for Burlington Hydro's LRAM claim)

Funding source	Program	Year	Residential (kWh)	GS < 50kW (kWh)	GS 50-4,999kW (kW)[1]
Third tranche	BHI lighting retrofit	2005			48
		2006			8
	Home developers program	2007		201,100	14
	Municipal building retrofit	2006		139,482	35
		2007	132,440		
	Municipal new construction	2006		585,308	
	Public education and outreach	2005	577,253		
		2007	48,160		
	Staff development program	2007	15,652		
Post-third tranche	Residential coupon program	2006	6,203,370		
		2007	3,998,936		
		2008	1,370,514		
	Multi-unit residential lighting retrofit	2006		159,306	5
		2007			167
	General service lighting	2006		192,170	128
		2007		36,349	65
OPA funded	Cool Savings Rebate	2006	199,456		
		2007	864,951		
		2008	315,258		
	Electricity Retrofit Incentive Program (ERIP)	2007		3,240	42
		2008		533,022	

[1] Ontario Power Authority. 2009. *2009 mass market measures and assumptions* V1.02 (April). p. 1.

Funding source	Program	Year	Residential (kWh)	GS < 50kW (kWh)	GS 50-4,999kW (kW)[1]
	peaksaver®	2008	158,431		
	Renewable Energy Standard Offer Program (RESOP)	2007		12,404	
	Social housing	2007	328,381		
	The Great Refrigerator Roundup	2007	450,562		
		2008	596,157		
	Summer Savings/Sweepstakes	2007	4,305,971		
		2008	178,556		
	Secondary fridge retirement pilot	2006	180,539		
	High performance new construction	2008		2,919	
	Power Savings Blitz	2008		300,765	
	Chiller plant re-commissioning	2008		0	
Total kWh savings			*22,090,652*		
Total kW savings					*513*

1. Rates for the general service rate class of customers rated at greater than 50kW are on a power basis, (kW) not an energy one (kWh).

d) Table 3 provides an update of Exhibit 8, Tab 6, Schedule 1, Appendix A, page 12, Table 7 using the kWh savings based on the 2008/2009 OPA Measures and Assumptions list. Table 3 incorporates the updates to the 2008 OPA funded programs.

Since the energy savings listed in Table 3 use generic assumptions from the 2008/2009 OPA Measures and Assumptions list and not from the program specific evaluation, (2006-2008 OPA Conservation Results for Burlington Hydro), they are less appropriate for use in the LRAM claim. Table 3 is being provided solely as a response to Question #35d.

Table 3 – LRAM claim (in 2010$) using assumptions from the 2008 OPA Measures and Assumptions list (see text for why these are not an appropriate basis for Burlington Hydro's LRAM claim)

Funding source	Program	2005	2006	2007	2008	Program total
Third tranche	BHI lighting retrofit	$7,831	$918			$8,749
	Home developers program			$8,611		$8,611
	Municipal building retrofit		$13,631	$2,493		$16,124
	Municipal new construction		$10,789			$10,789
	Public education and outreach	$12,086		$906		$12,992
	Staff development program			$295		$295
Third tranche Total		*$19,917*	*$25,338*	*$12,305*	*$0*	*$57,560*
Post-third tranche	Residential coupon program		$121,725	$75,284	$24,865	$221,874
	Multi-unit residential lighting retrofit		$6,498	$12,318		$18,816
	General service lighting		$32,917	$9,517		$42,434
Post-third tranche Total		*$0*	*$161,1*	*$97,11*	*$24,8*	*$283,125*

Funding source	Program	2005	2006	2007	2008	Program total
			40	*9*	*65*	
OPA funded	The Great Refrigerator Roundup			$8,481	$10,816	$19,297
	Cool Savings Rebate		$3,914	$16,280	$5,720	$25,914
	peaksaver®				$2,657	$2,657
	Social housing			$6,181		$6,181
	Electricity Retrofit Incentive Program (ERIP)			$3,621	$8,941	$12,562
	Renewable Energy Standard Offer Program (RESOP)			$216		$216
	Summer Savings/Sweepstakes			$81,048	$2,995	$84,043
	Secondary fridge retirement pilot		$3,543			$3,543
	High performance new construction				$49	$49
	Power Savings Blitz				$5,045	$5,045
OPA funded Total			*$7,456*	*$115,828*	*$36,222*	*$159,506*
Grand Total		*$19,917*	*$193,935*	*$225,252*	*$61,087*	**$500,191**

e) Table 4 provides an update of Exhibit 8, Tab 6, Schedule 1, Appendix A, page 9, Table 4 using the kWh savings based on the 2008/2009 OPA Measures and Assumptions list. It does not include the Distribution System Improvements for reasons explained in response to Question 36.

The Net TRC benefits and SSM amounts listed in Table 4 use assumptions from the 2008/2009 OPA Measures and Assumptions list and is being provided solely as a response to Question #35e. They are not the appropriate values to use for the SSM claim because they are based on neither the best available information (which is from the program-specific evaluation), nor the input values that were available at the beginning of the year the programs were introduced.

Table 4removes the 2008 Residential coupon program from the list of programs eligible for SSM (see response to Question 32c). It also incorporates the updates to the 2008 OPA funded programs.

Table 4 – Net TRC and SSM claim using assumptions from the 2008 OPA Measures and Assumptions list (see text for why these are not an appropriate basis for Burlington Hydro's SSM claim)

Funding source	Program	Net TRC Benefits				Four-year Net TRC	SSM amount
		2005	2006	2007	2008		
Third tranche	Appliance replacement	$0	($16,768)	($158)	$0	($16,927)	($846)
	BHI lighting retrofit	$161,319	($33,204)	($210)	$0	$127,906	$6,395
	CCIW showcase	($18,712)	($14,623)	($158)	$0	($33,493)	($1,675)
	Education and outreach – general service	($11,242)	($24,819)	($3,679)	$0	($39,739)	($1,987)
	Home developers program	($52,834)	($837)	$181,705	$0	$128,034	$6,402
	Municipal building retrofit	$0	$41,788	$53,385	$0	$95,173	$4,759
	Municipal new construction	$0	$46,848	($240,561)	$0	($193,713)	($9,686)
	Planning, administration and monitoring	($98,402)	($30,258)	($12,300)	$0	($140,960)	($7,048)
	Public education and outreach	$53,918	($26,471)	$796	$0	$28,244	$1,412
	Staff development program	($2,115)	($393)	($1,384)	$0	($3,892)	($195)
	Voluntary demand management	($84,533)	($33,926)	($16,727)	$0	($135,186)	($6,759)
Third tranche Total		($52,600)	($92,663)	($39,290)	$0	($184,554)	($9,228)
Post-third tranche	Residential coupon program	$0	$119,963	$281,407	$0	$401,369	$20,068
	Multi-unit residential lighting retrofit	$0	$117,054	$48,248	$0	$165,301	$8,265
	General service lighting	$0	$670,564	$454,384		$1,124,948	$56,247
Post-third tranche Total		$0	$907,581	$784,038	$0	$1,691,619	$84,581
Grand Total		($52,600)	$814,917	$744,748	$0	$1,507,065	$75,353

f) Table 5 to Table 10 provides a revised version of the schedule provided to VECC IR #32 part a) adjusted to reflect the 2008/2009 OPA Measures and Assumptions list. The free riderships were kept at the values listed in the 2006-2008 OPA Conservation Results for Burlington Hydro since the default free ridership value of 30% used by the 2008/2009 OPA Measures and Assumptions list is to be used only in the absence of program specific free riderships. The majority of program measures do not match up with measures listed in the 2008/2009 OPA Measures and Assumptions list; for measures with no match, the assumptions used in the original application were kept.

Since the energy savings and LRAM listed in Table 5 to Table 10

Table 10 use generic assumptions from the 2008/2009 OPA Measures and Assumptions list and not the program-specific evaluation results from 2006-2008 OPA Conservation Results for Burlington Hydro, they are not an appropriate basis for the LRAM claim. Tables 5 to Table 10 are being provided solely as a response to Question #35f.

Table 5 - Energy savings and LRAM contributions for the GS < 50 kW Post Third Tranche programs broken down by measure and adjusted to reflect the 2008/2009 OPA Measures and Assumptions list (see text for why these are not an appropriate basis for Burlington Hydro's LRAM claim)

Program	Year	Energy Efficient Technology	2006 energy savings (kWh)	2007 energy savings (kWh)	2008 energy savings (kWh)	Cumulative savings	Contribution to LRAM (2010$)
General Service Lighting Program	2006	2 - T8 32W (58 W) reflectorized w/E	6,037	6,037	6,037	18,110	$212
	2006	3W LED EXIT Sign	9,851	9,851	9,851	29,553	$230
	2006	2lamp T8 32W (51W)	19,467	19,467	19,467	58,401	$683
	2006	2lamp T8 32W (58-59W)	37,593	37,593	37,593	112,778	$1,319
	2006	2lamp T8 32W (73-78W)	66,873	66,873	66,873	200,619	$2,347
	2006	2lamp T8 32W (73-78W)	504	504	504	1,512	$18
	2006	4lamp T8 32W (112W)	2,016	2,016	2,016	6,048	$71
	2006	6lamp T8 32W (174W)	11,411	11,411	11,411	34,234	$400
	2006	6lamp T8 32W (202-226W)	15,532	15,532	15,532	46,595	$545
	2006	4lamp T5-HO 54W (232W)	9,257	9,257	9,257	27,770	$325
	2006	6lamp T8 32W (174W)	3,134	3,134	3,134	9,402	$110
	2006	2lamp T8 32W (73-78W)	562	562	562	1,686	$20

Program	Year	Energy Efficient Technology	2006 energy savings (kWh)	2007 energy savings (kWh)	2008 energy savings (kWh)	Cumulative savings	Contribution to LRAM (2010$)
	2006	1lamp T8 (30W)	1,404	1,404	1,404	4,213	$49
	2006	1lamp T8 (30W)	1,824	1,824	1,824	5,473	$43
	2006	1lamp T8 (24W)	3,127	3,127	3,127	9,382	$73
	2006	2lamp T8-3' (40W)	2,136	2,136	2,136	6,407	$75
	2006	4lamp T8 (100W)	980	980	980	2,940	$34
	2006	4lamp T8 (100W)	2,028	2,028	2,028	6,084	$47
	2006	4lamp T8 (102W)	23,516	23,516	23,516	70,549	$550
	2006	1lamp T8-2' (14W)	4,185	4,185	4,185	12,555	$98
	2006	2lamp T8-2' (30W)	1,898	1,898	1,898	5,695	$67
	2006	2lamp T8-2' (32W)	2,045	2,045	2,045	6,135	$48
	2006	2lamp T8-4' (78W)	(245)	(245)	(245)	(736)	($6)
	2006	2lamp T8 4' (59W)	3,961	3,961	3,961	11,884	$93
	2006	7W CFL	5,359	2,680		8,039	$99
	2006	9W CFL	6,836	3,418		10,253	$126
	2006	11W CFL	145	145	145	436	$2
	2006	13W CFL	9,346	9,346	9,346	28,038	$145
	2006	15W CFL	173	173	173	519	$23
	2006	65W CFL	12,180	12,180	6,090	30,450	$361
	2006	23W CFL	1,218	1,218	1,218	3,653	$21
General Service Lighting Program	2007	8lamp T5		32,356	32,356	64,712	$501
	2007	2lamp T5		2,730	2,730	5,459	$42
	2007	4lamp T5		25,519	25,519	51,038	$395
	2007	2lamp 4' T8		8,679	8,679	17,357	$148
	2007	6lamp T8 High Bay		15,044	15,044	30,089	$194
	2007	3lamp T8 EB Troffer		2,780	2,780	5,560	$36
	2007	2lamp 4' T8 EB		424	424	849	$5
	2007	6lamp 4' T8 (158W)		4,994	4,994	9,987	$78
	2007	6lamp 4' T8 (220W)		461	461	922	$7
	2007	6lamp 4' T8 (158W)		8,733	8,733	17,465	$137

Program	Year	Energy Efficient Technology	2006 energy savings (kWh)	2007 energy savings (kWh)	2008 energy savings (kWh)	Cumulative savings	Contribution to LRAM (2010$)
	2007	Exit (2.4W)		403	403	806	$5
	2007	Remove fixture 4lamp T8		526	526	1,051	$8
	2007	Remove fixture 400W Metal Halide		317	317	634	$5
	2007	2lamp 4' T8 (51W)		337	337	674	$9
	2007	4lamp 4' T8 (112W)		3,378	3,378	6,755	$44
	2007	Exit (2.4W)		230	230	460	$3
Multi-unit Residential Lighting Retrofit Program	2006	2lamp T8 32W (51W)	1,096	1,096	1,096	3,289	$45
	2006	2lamp T8 32W (51W)	5,795	5,795	5,795	17,384	$195
	2006	2lamp T8 32W (58-59W)	50	50	50	150	$5
	2006	4lamp T8 32W (112W)	34,217	34,217	34,217	102,650	$1,152
	2006	1lamp T8 (30W)	2,689	2,689	2,689	8,068	$112
	2006	1lamp T8 (30W)	11,363	11,363	11,363	34,088	$383
	2006	2lamp T8 32W (51W)	18,053	18,053	18,053	54,158	$608
	2006	1lamp T8-3' (24W)	3,895	3,895	3,895	11,684	$162
	2006	1lamp T8-2' (14W)	437	437	437	1,310	$18
	2006	13W CFL	28,610	28,610	28,610	85,830	$570
Total			*370,558*	*471,370*	*459,182*	*1,301,109*	*$13,096*

Table 6 - Energy savings and LRAM contributions for the GS < 50 kW OPA funded programs broken down by measure and adjusted to reflect the 2008/2009 OPA Measures and Assumptions list (see text for why these are not an appropriate basis for Burlington Hydro's LRAM claim)

Program	Year	Energy Efficient Technology	2007 energy savings (kWh)	2008 energy savings (kWh)	Cumulative savings	Contribution to LRAM (2010$)
2007 Electricity Retrofit Incentive Program	2007	Custom Retrofit Projects	16,200	16,200	32,400	$362
2007 Renewable Energy Standard Offer	2007	Solar Photo-Voltaic	6,202	6,202	12,404	$216
2008 Electricity Retrofit Incentive	2008	Custom		533,022	533,022	$8,941
2008 Power Savings Blitz	2008	T8 Fixture With		284,456	284,456	$4,771

Program	Year	Energy Efficient Technology	2007 energy savings (kWh)	2008 energy savings (kWh)	Cumulative savings	Contribution to LRAM (2010$)
		Electronic Ballast				
	2008	Energy Star® rated LED Exit Sign		13,418	13,418	$225
	2008	Energy Star® rated CLF		2,079	2,079	$35
	2008	Electric Water Heater Tank Wrap		811	811	$14
2008 High Performance New Construction	2008	Custom New Construction Project		2,919	2,919	$49
Total			22,402	859,107	881,509	$14,612

Table 7 - Energy savings and LRAM contributions for the GS < 50 kW Third tranche funded programs broken down by measure and adjusted to reflect the 2008/2009 OPA Measures and Assumptions list (see text for why these are not an appropriate basis for Burlington Hydro's LRAM claim)

Program	Year	Energy Efficient Technology	2006 energy savings (kWh)	2007 energy savings (kWh)	2008 energy savings (kWh)	Cumulative savings	Contribution to LRAM (2010$)
Home Developers Program	2007	2lamp 4' T8 (46W)		15,729	15,729	31,457	$340
	2007	2lamp 2' T8 (27W)		7,082	7,082	14,165	$153
	2007	1lamp 2' T8 (15W)		1,619	1,619	3,238	$35
	2007	2lamp 4' T8 (59W)		20,432	20,432	40,864	$442
	2007	2lamp 4' T8 (74W)		4,528	4,528	9,057	$98
	2007	Exit Sign LED=2.4W		6,008	6,008	12,016	$130
	2007	Exit Sign LED=2.4W		15,227	15,227	30,454	$329
	2007	13W CFL		65,151	65,151	130,303	$1,190
	2007	14W CFL		813	813	1,625	$15
	2007	9W CFL		16,364	2,291	18,655	$248
	2007	7W CFL		42,880		42,880	$574
	2007	23W CFL		317		317	$3
	2007	4lamp 4' T8 (112W)		23,412	23,412	46,824	$506
	2007	4lamp 4' T8 (95W)		28	28	56	$2

Program	Year	Energy Efficient Technology	2006 energy savings (kWh)	2007 energy savings (kWh)	2008 energy savings (kWh)	Cumulative savings	Contribution to LRAM (2010$)
	2007	4lamp 4' T8 (98W)		29	29	59	$1
	2007	2lamp 4' T8 (51W)		6,126	6,126	12,252	$132
	2007	1lamp 4' T8 (28W)		182	182	363	$22
	2007	1lamp 4' T8 (30W)		938	938	1,876	$20
	2007	1lamp 3' T8 (22W)		2,759	2,759	5,519	$60
	2007	9W CFL		167	23	191	$7
	2007	13W CFL		15	15	30	$0
Municipal building retrofit	2006	26W CFL fixture w/EM ballast	1,284	1,284	1,284	3,851	$46
	2006	3W LED EXIT Sign	7,883	7,883	7,883	23,650	$210
	2006	2lamp T8 32W (58W)	5,714	5,714	5,714	17,143	$271
	2006	2lamp T8 32W (73-78W)	478	478	478	1,435	$21
	2006	4lamp T8 32W (112W)	2,965	2,965	2,965	8,896	$163
	2006	6lamp T8 32W (202-226W)	31,522	31,522	31,522	94,567	$1,147
	2006	15W Traffic Light	20,293	20,293	20,293	60,880	$541
	2006	7.5W Pedestrian Light	12,835	12,835	12,835	38,505	$342
	2006	65W Metal Halide	246	246	246	737	$9
	2006	65W Metal Halide	159	159	159	477	$6
	2006	28W CFL	176	176	176	529	$6
	2006	1lamp T8 (30W)	309	309	309	927	$15
	2006	2lamp T8-2' (50W)	172	172	172	515	$8
	2006	2lamp T8 4' (59W)	413	413	413	1,238	$20
	2006	3lamp T8-4' (87W)	1,995	1,995	1,995	5,984	$71
	2006	2lamp T8 4' (59W)	253	253	253	760	$14
	2006	10lamp T5-HO (fixture input 562W)	53,744	53,744	53,744	161,231	$1,593
	2006	15W CFL	28	28	28	85	$1
	2006	65W Metal Halide	405	405	405	1,214	$14

Program	Year	Energy Efficient Technology	2006 energy savings (kWh)	2007 energy savings (kWh)	2008 energy savings (kWh)	Cumulative savings	Contribution to LRAM (2010$)
	2006	23W CFL	16	16	16	49	$0
Municipal new construction	2006	Halogen (20W)	4,336	4,336	4,336	13,009	$235
	2006	PH Metal Halide (945W)	9,461	9,461	9,461	28,382	$513
	2006	PH Metal Halide (450W)	350	350	350	1,051	$19
	2006	PH Metal Halide (185W)	21,199	21,199	21,199	63,598	$1,149
	2006	1lamp T8 (30W)	2,829	2,829	2,829	8,488	$153
	2006	1lamp T8-3' (25W)	911	911	911	2,733	$49
	2006	1lamp T8-2' (19W)	263	263	263	788	$14
	2006	2lamp T8-3' (52W)	2,102	2,102	2,102	6,307	$114
	2006	2lamp T8 4' (62W)	47,374	47,374	47,374	142,122	$2,568
	2006	2lamp T8 4' (59W)	17,143	17,143	17,143	51,430	$929
	2006	1lamp T8-4' (40W)	245	245	245	736	$13
	2006	3lamp T8-4' (83W)	5,913	5,913	5,913	17,739	$321
	2006	2lamp T8 4' (64W)	5,641	5,641	5,641	16,924	$306
	2006	2lamp T8 2' (19W)	263	263	263	788	$14
	2006	12W CF EXIT Sign	5,361	5,361	5,361	16,083	$291
	2006	26W CFL	1,945			1,945	$38
	2006	42W CFL	36,897			36,897	$716
	2006	94W Metal Halide	18,571	18,571	18,571	55,714	$1,007
	2006	56W Screw-in CFL	16,399			16,399	$318
	2006	91W Screw-in CFL	91,542			91,542	$1,776
	2006	94W Screw-in CFL	12,632			12,632	$245
Total			442,270	512,662	455,248	1,410,179	$19,593

Table 8 - Energy savings and LRAM contributions for the Residential Post third tranche funded programs broken down by measure and adjusted to reflect the 2008/2009 OPA Measures and Assumptions list (see text for why these are not an appropriate basis for Burlington Hydro's LRAM claim)

Program	Year	Energy Efficient Technology	2006 energy savings (kWh)	2007 energy savings (kWh)	2008 energy savings (kWh)	Cumulative savings	Contribution to LRAM (2010$)
Residential Coupon Program - Spring and Fall EKC Program	2006	Energy Star® Compact Fluorescent Light Bulb	709,310	709,310	709,310	2,127,931	$41,755
	2006	Electric Timers	84,628	84,628	84,628	253,883	$4,982
	2006	Programmable Thermostats	36,611	36,611	36,611	109,834	$2,155
	2006	Energy Star® Ceiling Fans	13,742	13,742	13,742	41,226	$809
	2006	Energy Star® Compact Fluorescent Light Bulb	1,051,698	1,051,698	1,051,698	3,155,093	$61,911
	2006	Seasonal Light Emitting Diode Light String	80,653	80,653	80,653	241,958	$4,748
	2006	Programmable Thermostats	29,144	29,144	29,144	87,432	$1,716
	2006	Dimmers	7,272	7,272	7,272	21,817	$428
	2006	Indoor Motion Sensors	7,047	7,047	7,047	21,141	$415
	2006	Programmable Baseboard Thermostats	47,685	47,685	47,685	143,055	$2,807
Residential Coupon Program - Spring EKC Program	2007	15 W CFL		1,099,565	1,099,565	2,199,129	$41,393
	2007	20 W+ CFLs		218,961	218,961	437,923	$8,243
	2007	Project Porchlight CFLs		225,452	225,452	450,904	$8,487
	2007	Energy Star Ceiling Fan		13,061	13,061	26,122	$492
	2007	Furnace Filter		22,094		22,094	$431
	2007	Solar Lights		5,362	5,362	10,724	$202
	2007	Outdoor Motion Sensor		37,006	37,006	74,011	$1,393
	2007	Dimmer Switch		3,487	3,487	6,975	$131
	2007	Energy Star Light Fixtures		8,607	8,607	17,215	$324
	2007	SLEDs		58,306	58,306	116,612	$2,195
	2007	T8		7,149	7,149	14,297	$269
	2007	Programmable Thermostat		10,619	10,619	21,238	$400
	2007	Power Bar with Timer		6,493	6,493	12,987	$244

Program	Year	Energy Efficient Technology	2006 energy savings (kWh)	2007 energy savings (kWh)	2008 energy savings (kWh)	Cumulative savings	Contribution to LRAM (2010$)
	2007	Lighting Control Devices		53,553	53,553	107,106	$2,016
	2007	13W CFL		240,800	240,800	481,600	$9,065
Residential Coupon Program - Spring and Fall EKC Program	2008	Air Conditioner/Furnace Filters			7,094	7,094	$129
	2008	Energy Star® Qualified Compact Fluorescent Floods (Indoor & Outdoor)			168,090	168,090	$3,050
	2008	Energy Star® Qualified Light Fixtures			370,392	370,392	$6,720
	2008	Heavy Duty Timers			34,747	34,747	$630
	2008	T8 Fluorescent Fixtures			20,076	20,076	$364
	2008	ENERGY STAR Decorative CFLs			110,738	110,738	$2,009
	2008	ENERGY STAR Dimmable CFLs			49,778	49,778	$903
	2008	Power Bars with Timers			2,857	2,857	$52
	2008	Programmable Thermostats - Baseboard			19,903	19,903	$361
	2008	Car block heater timer			0	0	$0
	2008	Energy Star® Qualified Compact Fluorescent Light Bulbs			278,759	278,759	$5,057
	2008	Lighting Control Devices			57,843	57,843	$1,049
	2008	Awnings			0	0	$0
	2008	Window Films			0	0	$0
	2008	Electric Water Heater Blankets			0	0	$0
	2008	Pipe Wrap			205,913	205,913	$3,736
	2008	Low-Flow Toilets			0	0	$0
	2008	Keep Cool – Dehumidifier			632	632	$11
	2008	Keep Cool – Room Air Conditioner			239	239	$4
	2008	Rewards for Recycling – Dehumidifier			23,847	23,847	$433
	2008	Rewards for Recycling – Room Air Conditioner			7,256	7,256	$132
	2008	Rewards for Recycling - Halogen Lamp			12,349	12,349	$224
Total			2,067,790	4,078,305	5,426,726	11,572,820	$221,874

Table 9 - Energy savings and LRAM contributions for the Residential OPA funded programs broken down by measure and adjusted to reflect the 2008/2009 OPA Measures and Assumptions list (see text for why these are not an appropriate basis for Burlington Hydro's LRAM claim)

Program	Year	Energy Efficient Technology	2005 energy savings (kWh)	2006 energy savings (kWh)	2007 energy savings (kWh)	2008 energy savings (kWh)	Cumulative savings	Contribution to LRAM (2010$)
2006 Cool Savings Rebate Program	2006	Energy Star® Air Conditioner		17,102	17,102	17,102	51,306	$1,007
	2006	Programmable Thermostats		18,651	18,651	18,651	55,954	$1,098
	2006	Air Conditioner Tune-Up		30,732	30,732	30,732	92,196	$1,809
2006 Secondary Fridge Retirement Pilot	2006	Refrigerator Retirement		58,159	58,159	58,159	174,478	$3,424
	2006	Freezer Retirement		2,020	2,020	2,020	6,061	$119
2007 Cool Savings Rebate	2007	ENERGY STAR® Central Air Conditioner			39,801	39,801	79,602	$1,498
	2007	Programmable Thermostat			24,570	24,570	49,140	$925
	2007	Furnace with Electronically Commutated Motor			352,660	352,660	705,320	$13,276
	2007	Central Air Conditioning Tune Up			15,445	15,445	30,890	$581
2007 Great Refrigerator Roundup	2007	Refrigerator		12,806	12,806	12,806	38,419	$754
	2007	Freezer		2,570	2,570	2,570	7,710	$151
	2007	Small Refrigerator			1,031	1,031	2,062	$39
	2007	Small Freezer			407	407	814	$15
	2007	Window Air Conditioner			166	166	333	$6
2007 Social Housing – Pilot	2007	Custom Retrofit Projects			164,191	164,191	328,381	$6,181
2007 Summer Savings	2007	Household			2,152,985	2,152,985	4,305,971	$81,048
2008 Cool Savings Rebate	2008	2007 Efficient Furnace with Electronically Commutable Motor				57,650	57,650	$1,046
	2008	2007 ENERGYSTAR® Central Air Conditioner				4,930	4,930	$89
	2008	2007 Programmable Thermostat				6,282	6,282	$114
	2008	2007 Central Air Conditioner Tune-ups				0	0	$0
	2008	2008 Efficient Furnance with Electronically Commutable Motor				202,173	202,173	$3,668
	2008	2008 ENERGYSTAR® Central Air Conditioner				19,662	19,662	$357
	2008	2008 Programable Thermostat				24,561	24,561	$446
2008 Great Refrigerator Roundup	2008	Refrigerator				479,412	479,412	$7,623

Program	Year	Energy Efficient Technology	2005 energy savings (kWh)	2006 energy savings (kWh)	2007 energy savings (kWh)	2008 energy savings (kWh)	Cumulative savings	Contribution to LRAM (2010$)
	2008	Freezer				115,863	115,863	$1,842
	2008	Room Air Conditioner				882	882	$14
2008 Summer Savings	2008	Households				178,556	178,556	$2,995
2008 peaksaver	2008	Residential Programmable Thermostat				158,431	158,431	$2,657
Total			0	142,041	2,893,298	4,141,700	7,177,039	$132,783

Table 10 - Energy savings and LRAM contributions for the Residential Third tranche funded programs broken down by measure and adjusted to reflect the 2008/2009 OPA Measures and Assumptions list (see text for why these are not an appropriate basis for Burlington Hydro's LRAM claim)

Program	Year	Energy Efficient Technology	2005 energy savings (kWh)	2006 energy savings (kWh)	2007 energy savings (kWh)	2008 energy savings (kWh)	Cumulative savings	Contribution to LRAM (2010$)
Municipal building retrofit	2007	15W CFL			66,220	66,220	132,440	$2,493
Public education and outreach	2007	13W CFL			24,080	24,080	48,160	$906
Public education and outreach	2005	15W CFL	95,086	95,086	95,086	95,086	380,344	$7,963
	2005	LED Christmas lights	6,320	6,320	6,320	6,320	25,279	$529
	2005	LED Christmas lights	6,310	6,310	6,310	6,310	25,241	$528
	2005	Programmable thermostat - Space Heating, Existing Single Family Detached	3,522	3,522	3,522	3,522	14,089	$295
	2005	Programmable thermostat - Space Cooling, Existing Single Family Detached	16,905	16,905	16,905	16,905	67,620	$1,416
	2005	Timer - Outdoor - Light	3,478	3,478	3,478	3,478	13,910	$291
	2005	Timer - Indoor - Light	5,519	5,519	5,519	5,519	22,075	$462
	2005	Timer - Indoor - Air conditioners	2,468	2,468	2,468	2,468	9,870	$207
	2005	Ceiling Fan	4,652	4,652	4,652	4,652	18,607	$390
	2005	EnerGuide for Existing homes - space heating	54	54	54	54	218	$5
Staff Development Program	2007	15W CFL			7,826	7,826	15,652	$295
Total			144,313	144,313	242,439	242,439	773,505	$15,780

g) Since these carrying costs are based on generic assumptions from the 2008/2009 OPA Measures and Assumptions list and not the program-specific evaluation results from 2006-2008 OPA Conservation Results for Burlington Hydro, Table 11 is less reflective of the actual LRAM carrying costs. Table 11 is being provided solely as a response to Question #35g. Table 11 incorporates the updates to the 2008 OPA funded programs.

Table 11 – Carrying costs that reflect the LRAM amounts calculated using the 2008 OPA Measures and Assumptions list (see text for why this is not an appropriate estimate of carrying costs or the LRAM claim)

Funding	Program	Year	Lost revenue (in dollars of first program year)	Multiplier to 2010$	Carrying Cost	Contribution to total LRAM claim (2010$)
Third tranche	BHI lighting retrofit	2005	$5,540	1.414	$2,291	$7,831
		2006	$705	1.302	$213	$918
	Home developers program	2007	$7,065	1.219	$1,546	$8,611
	Municipal building retrofit	2006	$10,470	1.302	$3,162	$13,631
		2007	$2,045	1.219	$448	$2,493
	Municipal new construction	2006	$8,286	1.302	$2,502	$10,789
	Public education and outreach	2005	$8,550	1.414	$3,536	$12,086
		2007	$744	1.219	$163	$906
	Staff development program	2007	$242	1.219	$53	$295
Third tranche subtotal					*$13,914*	*$57,560*
Post-third tranche	Residential coupon program	2006	$93,491	1.302	$28,234	$121,725
		2007	$61,766	1.219	$13,519	$75,284
		2008	$21,791	1.141	$3,074	$24,865
	Multi-unit residential lighting retrofit	2006	$4,991	1.302	$1,507	$6,498
		2007	$10,106	1.219	$2,212	$12,318
	General service lighting	2006	$25,282	1.302	$7,635	$32,917
		2007	$7,808	1.219	$1,709	$9,517
Post third tranche subtotal					*$57,890*	*$283,125*
OPA funded	Cool Savings Rebate	2006	$3,006	1.302	$908	$3,914
		2007	$13,357	1.219	$2,923	$16,280
		2008	$5,013	1.141	$707	$5,720
	Electricity Retrofit Incentive Program (ERIP)	2007	$2,971	1.219	$650	$3,621
		2008	$7,835	1.141	$1,105	$8,941
	Renewable Energy Standard Offer Program (RESOP)	2007	$177	1.219	$39	$216
	Social housing	2007	$5,071	1.219	$1,110	$6,181
	The Great Refrigerator Roundup	2007	$6,958	1.219	$1,523	$8,481
		2008	$9,479	1.141	$1,337	$10,816
	Summer Savings/Sweepstakes	2007	$66,495	1.219	$14,554	$81,048
		2008	$2,625	1.141	$370	$2,995
	Secondary fridge retirement pilot	2006	$2,721	1.302	$822	$3,543
	High performance new construction	2008	$43	1.141	$6	$49
	Power Savings Blitz	2008	$4,421	1.141	$624	$5,045
	peaksaver	2008	$2,329	1.141	$328	$2,657
OPA funded subtotal					*$27,006*	*$159,506*

Funding	Program	Year	Lost revenue (in dollars of first program year)	Multiplier to 2010$	Carrying Cost	Contribution to total LRAM claim (2010$)
Total					*$98,810*	**$500,191**

h) Since these carrying costs are based on generic assumptions from the 2008/2009 OPA Measures and Assumptions list and not the program-specific evaluation results from 2006-2008 OPA Conservation Results for Burlington Hydro, Table 12 is less reflective of the actual SSM carrying costs. Table 12 is being provided solely as a response to Question #35h.

Table 12 - Carrying costs that reflect the SSM amounts calculated using the 2008 OPA Measures and Assumptions list (see text for why this is not an appropriate estimate of carrying costs)

Funding source	Program	Year	SSM Savings (in dollars of first program year)	Multiplier to 2010$	Carrying Cost	Contribution to total SSM claim (2010$)
Third tranche	Appliance replacement	2006	($644)	1.302	($194)	($838)
		2007	($7)	1.219	($1)	($8)
	BHI lighting retrofit	2005	$5,706	1.414	$2,360	$8,066
		2006	($1,275)	1.302	($385)	($1,660)
		2007	($9)	1.219	($2)	($10)
	CCIW showcase	2005	($662)	1.414	($274)	($936)
		2006	($562)	1.302	($170)	($731)
		2007	($7)	1.219	($1)	($8)
	Education and outreach – general service	2005	($398)	1.414	($164)	($562)
		2006	($953)	1.302	($288)	($1,241)
		2007	($151)	1.219	($33)	($184)
	Home developers program	2005	($1,869)	1.414	($773)	($2,642)
		2006	($32)	1.302	($10)	($42)
		2007	$7,454	1.219	$1,631	$9,085
	Municipal building retrofit	2006	$1,605	1.302	$485	$2,089
		2007	$2,190	1.219	$479	$2,669
	Municipal new construction	2006	$1,799	1.302	$543	$2,342
		2007	($9,868)	1.219	($2,160)	($12,028)
	Planning, administration and monitoring	2005	($3,481)	1.414	($1,440)	($4,920)
		2006	($1,162)	1.302	($351)	($1,513)
		2007	($505)	1.219	($110)	($615)
	Public education and outreach	2005	$1,907	1.414	$789	$2,696
		2006	($1,017)	1.302	($307)	($1,324)
		2007	$33	1.219	$7	$40
	Staff development program	2005	($75)	1.414	($31)	($106)
		2006	($15)	1.302	($5)	($20)
		2007	($57)	1.219	($12)	($69)

Funding source	Program	Year	SSM Savings (in dollars of first program year)	Multiplier to 2010$	Carrying Cost	Contribution to total SSM claim (2010$)
	Voluntary demand management	2005	($2,990)	1.414	($1,237)	($4,227)
		2006	($1,303)	1.302	($393)	($1,696)
		2007	($686)	1.219	($150)	($836)
Third tranche Total					*($2,197)*	*($9,228)*
Post-third tranche	Residential coupon program	2006	$4,607	1.302	$1,391	$5,998
		2007	$11,544	1.219	$2,527	$14,070
	Multi-unit residential lighting retrofit	2006	$4,495	1.302	$1,358	$5,853
		2007	$1,979	1.219	$433	$2,412
	General service lighting	2006	$25,751	1.302	$7,777	$33,528
		2007	$18,640	1.219	$4,080	$22,719
Post-third tranche Total					*$17,565*	*$84,581*
Grand Total					*$15,368*	**$75,353**

Burlington Hydro Inc.
Response to Interrogatory from Vulnerable Energy Consumers Coalition
Question 36

Question:

LRAM /SSM Claim
Ref: Exhibit 8/ Tab 6 / Schedule 1, Indeco Report, Page 9, Table 4

Preamble: In section 6.1 of the Board's CDM Guidelines, state that an SSM is not available for utility-side expenditures

a) Provide the rationale fir including distribution system improvements in BHI's SSM claim.
b) Provide a revised copy of Table 4 incorporating the revisions request in VECC IR # 35, part e) and with the distribution system improvements program removed.

Response:

We agree that distribution system improvement projects are not eligible for the SSM.

Table 21 found in the response to Question 35e has removed Distribution System Improvements from the SSM claim calculated with assumptions from the 2008/2009 OPA Measures and Assumptions list.

As a result of the availability of OPA's final program results for 2008 and adjustments made in light of both the Board and VECC interrogatory questions, values for energy savings and both LRAM and SSM claims differ from those presented in the application as filed. The adjustments made are in Table 30.

Table 1 - Adjustments made to the LRAM and SSM claims in the application as filed

Adjustment	Adjusts the LRAM claim?	Adjusts the SSM claim?	Justification of the adjustment
Addition of the free ridership missed by the OPA for its 2006 Cool Savings Rebate Program	Yes	No	Response to VECC interrogatory Q32b
Adjustment of the energy savings for 13W CFLs found as part of the 2007 Residential Coupon program to reflect the 2008 OPA M&A list	Yes	No	Response to VECC interrogatory Q32b

Removal of Regulatory Asset Recovery rate riders for the 2005 electricity rates	Yes	No	Response to Board interrogatory Q31
Removal of Distribution system improvements from the BHI CDM portfolio	No	Yes	Response to VECC interrogatory Q36 (and Board interrogatory Q32)
Update of the results for the 2008 OPA funded programs to their confirmed, finalized values	Yes	No	Response to VECC interrogatory Q33b
Removal of the 2008 Residential Coupon program from the list of programs eligible for SSM	No	Yes	Response to VECC interrogatory Q32c
Adjustment of the 2005 Public Education and Outreach program to reflect the OPA M&A list	Yes	No	Response to VECC interrogatory Q33b

The breakdown of energy savings, LRAM and SSM amounts resulting from the changes listed in

Table 30 can be found in Questions 30 and 32 of the Board Staff interrogatories.

The split of SSM and LRAM claims reflecting the changes listed in

Table 30 is given in Table 31.

Table 2 - Final requested LRAM and SSM amounts in 2010$

Rate class	LRAM	SSM
Residential	$567,125	$166,045
GS < 50 kW	$72,485	$4,450
GS > 50 kW	$65,735	$50,823
Unmetered Scattered Load	$0	-$36
TOTAL	$705,345	$221,283

Burlington Hydro Inc.
Response to Interrogatory from Vulnerable Energy Consumers Coalition
Question 37

Question:

LRAM /SSM Claim
Ref: Exhibit 8/ Tab 6 / Schedule 2, page 1

a) Provide a revised Rate rider calculation using the complete set of updated OPA assumptions from the 2008 /2009 Measures List for the Residential Sector and GS <50kW LRAM/SSM claims.
b) Provide a revised Bill impacts using the complete set of updated OPA assumptions from the 2008/ 2009 Measures List for the Residential Sector and GS<50 kW LRAM/SSM claims
c) Comment on propose changes to the timing / implementation of the Rate rider given the above revisions.

Response:

a) Please see table below reflecting the revised LRAM/SSM claims.

2010 Test Year - LRAM and SSM Rider

Rate Class	Amounts (Up to 2009)		Billing Units (2010)		Rate Riders			Two Year Rate Rider	Three Year Rate Rider	Four Year Rate Rider	Number of Years to Use	Proposed Rate Rider
	LRAM	SSM			LRAM	SSM	Total	Total	Total	Total		Total
	$	$			$/unit (kWh or kW)	$/unit (kWh or kW)	$/unit (kWh or kW)	$/unit (kWh or kW)	$/unit (kWh or kW)	$/unit (kWh or kW)	4	$/unit (kWh or kW)
Residential	567,125	166,045	520,407,965	kWh	0.0011	0.0003	0.0014	0.0007	0.0005	0.0004		0.0004
GS < 50 kW	72,485	4,450	171,414,280	kWh	0.0004	0.0000	0.0004	0.0002	0.0001	0.0001		0.0001
GS >50	65,735	50,823	2,343,504	kW	0.0280	0.0217	0.0497	0.0249	0.0166	0.0124		0.0124
Street Lighting	0	0	26,120	kW	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000		0.0000
USL	0	-36	3,918,008	kWh	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000		0.0000
Total	705,345	221,282										

b) Please see attached schedules.
c) Burlington is not proposing any changes to the timing/implementation of the rate rider.

BILL IMPACTS *(Monthly Consumptions)*

RESIDENTIAL

		2009 BILL			2010 BILL			IMPACT		
		Volume	RATE $	CHARGE $	Volume	RATE $	CHARGE $	Change $	Change %	% of Total Bill
Consumption 100 kWh	Monthly Service Charge			11.55			13.89	2.34	20.26%	53.28%
	Distribution (kWh)	100	0.0159	1.59	100	0.0158	1.58	(0.01)	(0.63%)	6.06%
	Smart Meter Rider (per month)			1.00			1.00	0.00	0.00%	3.84%
	LRAM & SSM Rider (kWh)	100			100	0.0004	0.04	0.04	0.00%	0.15%
	Regulatory Assets (kWh)	100	0.0000	0.00	100	(0.0011)	(0.11)	(0.11)	100.00%	(0.41%)
	Sub-Total			**14.14**			**16.40**	**2.26**	**16.00%**	**62.91%**
	Other Charges (kWh)	104	0.0239	2.49	104	0.0240	2.50	0.00	0.18%	9.58%
	Cost of Power Commodity (kWh)	104	0.0570	5.94	104	0.0570	5.93	(0.01)	(0.23%)	22.75%
	Total Bill Before Taxes			**22.58**			**24.83**	**2.25**	**9.98%**	**95.24%**
	GST		5.00%	1.13		5.00%	1.24	0.11	9.98%	4.76%
	Total Bill			**23.71**			**26.07**	**2.37**	**9.98%**	**100.00%**

RESIDENTIAL

		2009 BILL			2010 BILL			IMPACT		
		Volume	RATE $	CHARGE $	Volume	RATE $	CHARGE $	$	%	% of Total Bill
Consumption 250 kWh	Monthly Service Charge			11.55			13.89	2.34	20.26%	33.29%
	Distribution (kWh)	250	0.0159	3.98	250	0.0158	3.95	(0.02)	(0.63%)	9.47%
	Smart Meter Rider (per month)			1.00			1.00	0.00	0.00%	2.40%
	LRAM & SSM Rider (kWh)	250			250	0.0004	0.10	0.10	0.00%	0.24%
	Regulatory Assets (kWh)	250	0.0000	0.00	250	(0.0011)	(0.27)	(0.27)	100.00%	(0.65%)
	Sub-Total			**16.53**			**18.67**	**2.15**	**12.98%**	**44.74%**
	Other Charges (kWh)	261	0.0239	6.23	260	0.0240	6.24	0.01	0.18%	14.96%
	Cost of Power Commodity (kWh)	261	0.0570	14.86	260	0.0570	14.83	(0.03)	(0.23%)	35.53%
	Total Bill Before Taxes			**37.62**			**39.74**	**2.12**	**5.64%**	**95.24%**
	GST		5.00%	1.88		5.00%	1.99	0.11	5.64%	4.76%
	Total Bill			**39.50**			**41.73**	**2.12**	**5.37%**	**100.00%**

RESIDENTIAL

		2009 BILL			2010 BILL			IMPACT		
		Volume	RATE $	CHARGE $	Volume	RATE $	CHARGE $	$	%	% of Total Bill
Consumption 500 kWh	Monthly Service Charge			11.55			13.89	2.34	20.26%	20.48%
	Distribution (kWh)	500	0.0159	7.95	500	0.0158	7.90	(0.05)	(0.63%)	11.65%
	Smart Meter Rider (per month)			1.00			1.00	0.00	0.00%	1.47%
	LRAM & SSM Rider (kWh)	500			500	0.0004	0.20	0.20	0.00%	0.29%
	Regulatory Assets (kWh)	500	0.0000	0.00	500	(0.0011)	(0.54)	(0.54)	100.00%	(0.79%)
	Sub-Total			**20.50**			**22.45**	**1.95**	**9.52%**	**33.10%**
	Other Charges (kWh)	521	0.0239	12.46	520	0.0240	12.49	0.02	0.18%	18.41%
	Cost of Power Commodity (kWh)	521	0.0570	29.72	520	0.0570	29.65	(0.07)	(0.23%)	43.72%
	Total Bill Before Taxes			**62.69**			**64.59**	**1.90**	**3.04%**	**95.24%**
	GST		5.00%	3.13		5.00%	3.23	0.10	3.04%	4.76%
	Total Bill			**65.82**			**67.82**	**2.00**	**3.04%**	**100.00%**

RESIDENTIAL

		2009 BILL			2010 BILL			IMPACT		
		Volume	RATE $	CHARGE $	Volume	RATE $	CHARGE $	$	%	% of Total Bill
Consumption 600 kWh	Monthly Service Charge			11.55			13.89	2.34	20.26%	18.10%
	Distribution (kWh)	600	0.0159	9.54	600	0.0158	9.48	(0.06)	(0.63%)	12.35%
	Smart Meter Rider (per month)			1.00			1.00	0.00	0.00%	1.30%
	LRAM & SSM Rider (kWh)	600			600	0.0004	0.24	0.24	0.00%	0.31%
	Regulatory Assets (kWh)	600	0.0000	0.00	600	(0.0011)	(0.65)	(0.65)	100.00%	(0.84%)
	Sub-Total			**22.09**			**23.96**	**1.87**	**8.48%**	**31.23%**
	Other Charges (kWh)	626	0.0239	14.96	624	0.0239	14.92	(0.03)	(0.23%)	19.44%
	Cost of Power Commodity (kWh)	600	0.0570	34.20	600	0.0570	34.20	0.00	0.00%	44.57%
	Total Bill Before Taxes			**71.25**			**73.08**	**1.84**	**2.58%**	**95.24%**
	GST		5.00%	3.56		5.00%	3.65	0.09	2.58%	4.76%
	Total Bill			**74.81**			**76.74**	**1.93**	**2.58%**	**100.00%**

RESIDENTIAL

		2009 BILL			2010 BILL			IMPACT		
		Volume	RATE $	CHARGE $	Volume	RATE $	CHARGE $	$	%	% of Total Bill
Consumption	Monthly Service Charge			11.55			13.89	2.34	20.26%	13.71%
800 kWh	Distribution (kWh)	800	0.0159	12.72	800	0.0158	12.64	(0.08)	(0.63%)	12.47%
	Smart Meter Rider (per month)			1.00			1.00	0.00	0.00%	0.99%
	LRAM & SSM Rider (kWh)	800			800	0.0004	0.32	0.32	0.00%	0.32%
	Regulatory Assets (kWh)	800	0.0000	0.00	800	(0.0011)	(0.86)	(0.86)	100.00%	(0.85%)
	Sub-Total			**25.27**			**26.99**	**1.72**	**6.80%**	**26.63%**
	Other Charges (kWh)	834	0.0239	19.94	832	0.0240	19.98	0.04	0.18%	19.72%
	Cost of Power Commodity (kWh)	600	0.0570	34.20	600	0.0570	34.20	0.00	0.00%	33.75%
	Cost of Power Commodity (kWh)	234	0.0660	15.47	232	0.0660	15.34	(0.13)	(0.83%)	15.14%
	Total Bill Before Taxes			**94.88**			**96.50**	**1.63**	**1.71%**	**95.24%**
	GST		5.00%	4.74		5.00%	4.83	0.08	1.71%	4.76%
	Total Bill			**99.62**			**101.33**	**1.71**	**1.71%**	**100.00%**

RESIDENTIAL

		2009 BILL			2010 BILL			IMPACT		
		Volume	RATE $	CHARGE $	Volume	RATE $	CHARGE $	$	%	% of Total Bill
Consumption	Monthly Service Charge			11.55			13.89	2.34	20.26%	11.19%
1,000 kWh	Distribution (kWh)	1,000	0.0159	15.90	1,000	0.0158	15.80	(0.10)	(0.63%)	12.72%
	Smart Meter Rider (per month)			1.00			1.00	0.00	0.00%	0.81%
	LRAM & SSM Rider (kWh)	1,000			1,000	0.0004	0.40	0.40	0.00%	0.32%
	Regulatory Assets (kWh)	1,000	0.0000	0.00	1,000	(0.0011)	(1.08)	(1.08)	100.00%	(0.87%)
	Sub-Total			**28.45**			**30.01**	**1.56**	**5.49%**	**24.17%**
	Other Charges (kWh)	1,043	0.0239	24.93	1,040	0.0240	24.97	0.05	0.18%	20.11%
	Cost of Power Commodity (kWh)	600	0.0570	34.20	600	0.0570	34.20	0.00	0.00%	27.54%
	Cost of Power Commodity (kWh)	443	0.0660	29.23	440	0.0660	29.07	(0.16)	(0.55%)	23.41%
	Total Bill Before Taxes			**116.81**			**118.25**	**1.45**	**1.24%**	**95.24%**
	GST		5.00%	5.84		5.00%	5.91	0.07	1.24%	4.76%
	Total Bill			**122.65**			**124.17**	**1.52**	**1.24%**	**100.00%**

RESIDENTIAL

		2009 BILL			2010 BILL			IMPACT		
		Volume	RATE $	CHARGE $	Volume	RATE $	CHARGE $	$	%	% of Total Bill
Consumption	Monthly Service Charge			11.55			13.89	2.34	20.26%	7.66%
1,500 kWh	Distribution (kWh)	1,500	0.0159	23.85	1,500	0.0158	23.70	(0.15)	(0.63%)	13.07%
	Smart Meter Rider (per month)			1.00			1.00	0.00	0.00%	0.55%
	LRAM & SSM Rider (kWh)	1,500			1,500	0.0004	0.60	0.60	0.00%	0.33%
	Regulatory Assets (kWh)	1,500	0.0000	0.00	1,500	(0.0011)	(1.62)	(1.62)	100.00%	(0.89%)
	Sub-Total			**36.40**			**37.57**	**1.17**	**3.22%**	**20.73%**
	Other Charges (kWh)	1,564	0.0239	37.39	1,561	0.0240	37.46	0.07	0.18%	20.66%
	Cost of Power Commodity (kWh)	600	0.0570	34.20	600	0.0570	34.20	0.00	0.00%	18.87%
	Cost of Power Commodity (kWh)	964	0.0660	63.65	961	0.0660	63.41	(0.24)	(0.38%)	34.98%
	Total Bill Before Taxes			**171.64**			**172.64**	**1.00**	**0.58%**	**95.24%**
	GST		5.00%	8.58		5.00%	8.63	0.05	0.58%	4.76%
	Total Bill			**180.22**			**181.27**	**1.05**	**0.58%**	**100.00%**

GENERAL SERVICE < 50 kW

		2009 BILL			2010 BILL			IMPACT		
		Volume	RATE $	CHARGE $	Volume	RATE $	CHARGE $	Change $	Change %	% of Total Bill
Consumption	Monthly Service Charge			20.98			26.51	5.53	26.36%	19.89%
1,000 kWh	Distribution (kWh)	1,000	0.0147	14.70	1,000	0.0145	14.50	(0.20)	(1.36%)	10.88%
	Smart Meter Rider (per month)			1.00			1.00	0.00	0.00%	0.75%
	LRAM & SSM Rider (kWh)	1,000	0.0000	0.00	1,000	0.0001	0.10	0.10	0.00%	0.08%
	Regulatory Assets (kWh)	1,000	0.0000	0.00	1,000	(0.0010)	(1.02)	(1.02)	100.00%	(0.77%)
	Sub-Total			**36.68**			**41.09**	**4.41**	**12.02%**	**30.83%**
	Other Charges (kWh)	1,043	0.0229	23.88	1,040	0.0230	23.93	0.05	0.20%	17.95%
	Cost of Power Commodity (kWh)	750	0.0570	42.75	750	0.0570	42.75	0.00	0.00%	32.07%
	Cost of Power Commodity (kWh)	293	0.0660	19.33	290	0.0660	19.17	(0.16)	(0.83%)	14.38%
	Total Bill Before Taxes			**122.64**			**126.94**	**4.30**	**3.50%**	**95.24%**
	GST		5.00%	6.13		5.00%	6.35	0.21	3.50%	4.76%
	Total Bill			**128.78**			**133.29**	**4.51**	**3.50%**	**100.00%**

GENERAL SERVICE < 50 kW

		2009 BILL			2010 BILL			IMPACT		
		Volume	RATE $	CHARGE $	Volume	RATE $	CHARGE $	Change $	Change %	% of Total Bill
Consumption 2,000 kWh	Monthly Service Charge			20.98			26.51	5.53	26.36%	10.83%
	Distribution (kWh)	2,000	0.0147	29.40	2,000	0.0145	29.00	(0.40)	(1.36%)	11.85%
	Smart Meter Rider (per month)			1.00			1.00	0.00	0.00%	0.41%
	LRAM & SSM Rider (kWh)	2,000	0.0000	0.00	2,000	0.0001	0.20	0.20	0.00%	0.08%
	Regulatory Assets (kWh)	2,000	0.0000	0.00	2,000	(0.0010)	(2.04)	(2.04)	100.00%	(0.84%)
	Sub-Total			**51.38**			**54.67**	**3.29**	**6.39%**	**22.33%**
	Other Charges (kWh)	2,086	0.0229	47.76	2,081	0.0230	47.86	0.10	0.20%	19.55%
	Cost of Power Commodity (kWh)	750	0.0570	42.75	750	0.0570	42.75	0.00	0.00%	17.47%
	Cost of Power Commodity (kWh)	1,336	0.0660	88.16	1,331	0.0660	87.84	(0.32)	(0.36%)	35.89%
	Total Bill Before Taxes			**230.06**			**233.12**	**3.06**	**1.33%**	**95.24%**
	GST		5.00%	11.50		5.00%	11.66	0.15	1.33%	4.76%
	Total Bill			**241.56**			**244.77**	**3.21**	**1.33%**	**100.00%**

GENERAL SERVICE < 50 kW

		2009 BILL			2010 BILL			IMPACT		
		Volume	RATE $	CHARGE $	Volume	RATE $	CHARGE $	Change $	Change %	% of Total Bill
Consumption 5,000 kWh	Monthly Service Charge			20.98			26.51	5.53	26.36%	4.58%
	Distribution (kWh)	5,000	0.0147	73.50	5,000	0.0145	72.50	(1.00)	(1.36%)	12.52%
	Smart Meter Rider (per month)			1.00			1.00	0.00	0.00%	0.17%
	LRAM & SSM Rider (kWh)	5,000	0.0000	0.00	5,000	0.0001	0.50	0.50	0.00%	0.09%
	Regulatory Assets (kWh)	5,000	0.0000	0.00	5,000	(0.0010)	(5.11)	(5.11)	100.00%	(0.88%)
	Sub-Total			**95.48**			**95.40**	**(0.08)**	**(0.09%)**	**16.47%**
	Other Charges (kWh)	5,215	0.0229	119.41	5,202	0.0230	119.65	0.24	0.20%	20.66%
	Cost of Power Commodity (kWh)	750	0.0570	42.75	750	0.0570	42.75	0.00	0.00%	7.38%
	Cost of Power Commodity (kWh)	4,465	0.0660	294.66	4,452	0.0660	293.85	(0.80)	(0.27%)	50.73%
	Total Bill Before Taxes			**552.30**			**551.66**	**(0.64)**	**(0.12%)**	**95.24%**
	GST		5.00%	27.61		5.00%	27.58	(0.03)	(0.12%)	4.76%
	Total Bill			**579.91**			**579.24**	**(0.67)**	**(0.12%)**	**100.00%**

GENERAL SERVICE < 50 kW

		2009 BILL			2010 BILL			IMPACT		
		Volume	RATE $	CHARGE $	Volume	RATE $	CHARGE $	Change $	Change %	% of Total Bill
Consumption 10,000 kWh	Monthly Service Charge			20.98			26.51	5.53	26.36%	2.33%
	Distribution (kWh)	10,000	0.0147	147.00	10,000	0.0145	145.00	(2.00)	(1.36%)	12.76%
	Smart Meter Rider (per month)			1.00			1.00	0.00	0.00%	0.09%
	LRAM & SSM Rider (kWh)	10,000	0.0000	0.00	10,000	0.0001	1.00	1.00	0.00%	0.09%
	Regulatory Assets (kWh)	10,000	0.0000	0.00	10,000	(0.0010)	(10.22)	(10.22)	100.00%	(0.90%)
	Sub-Total			**168.98**			**163.29**	**(5.69)**	**(3.37%)**	**14.37%**
	Other Charges (kWh)	10,429	0.0229	238.82	10,405	0.0230	239.31	0.48	0.20%	21.05%
	Cost of Power Commodity (kWh)	750	0.0570	42.75	750	0.0570	42.75	0.00	0.00%	3.76%
	Cost of Power Commodity (kWh)	9,679	0.0660	638.81	9,655	0.0660	637.21	(1.61)	(0.25%)	56.06%
	Total Bill Before Taxes			**1,089.37**			**1,082.55**	**(6.82)**	**(0.63%)**	**95.24%**
	GST		5.00%	54.47		5.00%	54.13	(0.34)	(0.63%)	4.76%
	Total Bill			**1,143.84**			**1,136.68**	**(7.16)**	**(0.63%)**	**100.00%**

GENERAL SERVICE < 50 kW

		2009 BILL			2010 BILL			IMPACT		
		Volume	RATE $	CHARGE $	Volume	RATE $	CHARGE $	Change $	Change %	% of Total Bill
Consumption 15,000 kWh	Monthly Service Charge			20.98			26.51	5.53	26.36%	1.56%
	Distribution (kWh)	15,000	0.0147	220.50	15,000	0.0145	217.50	(3.00)	(1.36%)	12.84%
	Smart Meter Rider (per month)			1.00			1.00	0.00	0.00%	0.06%
	LRAM & SSM Rider (kWh)	15,000	0.0000	0.00	15,000	0.0001	1.50	1.50	0.00%	0.09%
	Regulatory Assets (kWh)	15,000	0.0000	0.00	15,000	(0.0010)	(15.33)	(15.33)	100.00%	(0.91%)
	Sub-Total			**242.48**			**231.18**	**(11.30)**	**(4.66%)**	**13.65%**
	Other Charges (kWh)	15,644	0.0229	358.24	15,607	0.0230	358.96	0.73	0.20%	21.19%
	Cost of Power Commodity (kWh)	750	0.0570	42.75	750	0.0570	42.75	0.00	0.00%	2.52%
	Cost of Power Commodity (kWh)	14,894	0.0660	982.97	14,857	0.0660	980.56	(2.41)	(0.25%)	57.88%
	Total Bill Before Taxes			**1,626.44**			**1,613.45**	**(12.99)**	**(0.80%)**	**95.24%**
	GST		5.00%	81.32		5.00%	80.67	(0.65)	(0.80%)	4.76%
	Total Bill			**1,707.76**			**1,694.12**	**(13.64)**	**(0.80%)**	**100.00%**

Burlington Hydro Inc.
Response to Interrogatory from Vulnerable Energy Consumers Coalition
Question 38

Question:

LRAM /SSM Claim
Ref: No Reference

a) Provide a copy of the Residential Sector/ Mass market (and if available Social Housing Sector) Reports(s) that OH provided to OPA, including the detailed breakdown of measures, unit savings, participants and other assumptions.
b) Provide any correspondence from OPA confirming its acceptance of the Reports(s).

Response:

Burlington has not provided any reports of this nature to the OPA.