Chatham-Kent Hydro Inc.

EB-2009-0261

Responses to Vulnerable Energy Consumer Coalition Interrogatories

Question #1

Reference: Exhibit 2/Tab 1/Schedule 1, pages 9-10

a) Please provide a copy of the budget approved by the Board of Directors for each year, 2008, 2009, and 2010.

Answer:

a) See Appendix A.

Question #2

Reference: Exhibit 2/Tab 1/Schedule 1, page 9
Exhibit 4/Tab 2/Schedule 6, page 6

a) Please provide a comprehensive list detailing the financial, regulatory, and service targets approved for each year 2006-2010 inclusive.

b) Please provide the actual results with respect to each of the targets for 2006-2008 inclusive, along with the projected results for 2009.

c) Please provide the actual incentive amounts paid for each year 2006-2008 inclusive, along with the projected incentive amount for 2009, along with the breakdown of the payment amounts by employee group.

Answer:

a)

	2006 Budget	2006 Actual	2007 Budget	2007 Actual	2008 Budget	2008 Actual	2009 Budget	2010 Budget
Customers								
· CK Hydro	32,240	32,101	32,370	32,144	32,500	32,227	32,111	32,120
Employees	40	38.5	39	38	39	38	38	44
Net Income ($1000)	1,992	2,040	2,185	2,284	2,415	2,415	2,022	1,728
Regulated ROE (%)	8.30%	7.80%	8.70%	8.30%	9.40%	8.40%	7.80%	7.00%
Net Fixed Assets ($1000)	42,838	42,392	44,846	44,935	44,705	46,431	47,238	47,683
Changes in Cash Flow ($1000)	1,544	-1,894	1,156	-3,597	3,988	2,249	-2,647	437
Controllable Costs ($1000)	8,269	8,885	8,162	8,948	8,564	9,605	9,197	10,168
· Hydro (Net of Contr.)	5,323	4,884	7,130	6,383	3,888	5,347	4,197	5,517

b)

	2006 Target	2007 Target	2008 Target	2009 Target	2006 Actual	2007 Actual	2008 Actual
Service Connections	90%	90%	90%	90%	97%	95%	97%
Locates	90%	90%	90%	90%	98%	99%	90%
Appointments	90%	90%	90%	90%	99%	100%	100%
Telephone	65%	65%	65%	65%	74%	77%	79%
Written response	80%	80%	80%	80%	100%	100%	100%
Emergency Response	80%	80%	80%	80%	93%	92%	93%
SAIDI	1.83	1.96	1.96	1.88	2.20	1.84	1.60
SAIFI	1.69	1.90	1.90	1.78	2.27	1.58	1.48
CAIDI	1.09	1.03	1.03	1.07	0.97	1.16	1.08

c) The information has been filed with the Board confidentially, as it is personal information of an identifiable individual.

Question #3

Reference: Exhibit 2/Tab 3/Schedule 2, page1

a) Please provide a copy of the four-year capital plan that was approved for the years 2008-2011, i.e., the plan approved one year before the 2009-2012 plan.

Answer:

a) See Appendix B.

Question #4

Reference: Exhibit 2/ Tab 2/ Schedule 3, pages 5, 10, 14, 20, and 24
Exhibit 2/Tab 3/Schedule 2, pp 5-6 and pp 43-45

a) It appears that CK purchased a bucket truck in each year 2004-2008 inclusive. Please provide the details of the bucket truck fleet for each year 2004-2009 on an actual basis and for 2010-2012 on a planned basis. The details should include the number, type, and purchase price for each bucket truck in the fleet.

b) For each year 2004-2009 inclusive and for bucket truck that was replaced or retired in this period, please provide the original purchase price, the vintage of the truck, years in service to CK, and kilometres (mileage) when replaced or retired.

c) If the number of bucket trucks in CK's fleet has changed since 2004, please provide a rationale for the change.

Answer:

a) See Appendix C.

b) See Appendix D.

c) The number of vehicles in 2004 was 14 and in 2010 CK Hydro expects to have 13. The reduction will occur due to CK Hydro's constant efforts to use all assets as efficiently and safely as possible.

Question #5

Reference: Exhibit 2/Tab 3/Schedule 2, page 15

a) The evidence states that Chatham-Kent has 13,420 wooden poles and replaces about 35 annually. Please provide the expected life of a wooden pole.

Answer:

a) The expected life of a wooden pole is approximately 30 to 40 years.

Question #6

Reference: Exhibit 4/Tab 2/Schedule 6, page 4
Exhibit 4/Tab 2/Schedule 6, page 8, Table 4-20

a) The first referenced exhibit states that FTEs will increase from 39 in 2009 to 44 in 2010 and appears to indicate the addition of only 1 management position. The second referenced exhibit states that FTEs will increase from 38 in 2009 to 44 in 2010 and indicates the addition of 2 management positions. Please reconcile this difference and make any corrections required to these two exhibits.

Answer:

a) Please see CK Hydro's response to Board Staff Question #26 a)

Question #7

Reference: Exhibit 4/Tab 2/Schedule 6, page 8, Table 4-20

a) The referenced exhibit shows no incentive payments for 2006-2010 inclusive. If this is correct, please confirm; if unable to so confirm please complete this exhibit by providing the incentive amounts paid for each year by employee group.

b) Please supplement this table by showing compensation per FTE for each employee group, in each compensation category.

Answer:

a) The President of CK Hydro is the only employee that is eligible for incentive payments. The incentive payments are being filed with the Board under its rules for confidentiality filings.

b)

Management	2006 Actual	2007 Actual	2008 Actual	2009 Bridge	2010 Test
Number of FTEEs	6.5	6	7	7	9
Total Compensation	110,440	109,007	117,973	117,153	120,213
Avg Yearly Base Wage	90,348	88,365	94,732	95,415	97,907
Avg Yearly Overtime	267	-	1,939		
Avg Yearly Incentive					
Avg Yearly Benefits	19,825	20,642	21,302	21,738	22,305

Non Union	2006 Actual	2007 Actual	2008 Actual	2009 Bridge	2010 Test
Number of FTEEs	1	1	1	1	1
Total Compensation	25,923	38,526	25,905	27,846	27,846
Avg Yearly Base Wage	21,255	30,246	21,092	23,800	23,800
Avg Yearly Overtime	15	985	8	-	-
Avg Yearly Incentive					
Avg Yearly Benefits	4,653	7,295	4,805	4,046	4,046

Union	2006 Actual	2007 Actual	2008 Actual	2009 Bridge	2010 Test
Number of FTEEs	31	31	30	30	34
Total Compensation	81,366	83,345	91,166	86,539	84,490
Avg Yearly Base Wage	61,545	62,846	66,517	64,527	63,558
Avg Yearly Overtime	5,215	4,717	7,603	5,955	5,255
Avg Yearly Incentive					
Avg Yearly Benefits	14,606	15,782	17,047	16,057	15,677

Question #8

Reference: Exhibit 3/Tab 1/Schedule 1, page 1

a) Please provide a schedule setting out the rates and volumes by customer class supporting the 2010 test year revenues at current rates reported here. Please provide the results for the fixed and variable revenues separately and reconcile with the percentages reported in Table 8-6.

b) Please clarify whether the rates used in part (a) included:
- Smart Meter charges
- LV charges
- Discounts for transformer ownership where applicable.

Answer:

a) Please see the following schedule:

Rate Class	Fixed	variable	total	% fixed	% variable
Residential	4,238,221	2,649,378	6,887,599	61.5%	38.5%
GS<50	1,130,382	745,800	1,876,182	60.2%	39.8%
GS>50	804,433	604,789	1,409,222	57.1%	42.9%
Intermediate	1,557,920	739,255	2,297,175	67.8%	32.2%
Street Light	60,637	51,418	112,055	54.1%	45.9%
Sentinel Light	15,206	2,810	18,016	84.4%	15.6%
Unmetered Scattered	7,696	4,980	12,676	60.7%	39.3%
Standby	56,467	168,789	225,256	25.1%	74.9%
Total	7,870,962	4,967,219	12,838,181		

Rate Class	Volumne KWh	Volumne KW	Annualized Customers	Annual connections	Fixed Rate	Total Fixed	Variable Rate	Total Variable
Residential	199,501,364		343,732		12.33	4,238,221	0.0133	2,649,378
GS<50	86,923,094		36,452		31.01	1,130,382	0.0086	745,800
GS>50	183,018,503	456,548	5,048		159.37	804,433	1.3247	604,789
Intermediate	134,791,341	353,322	331		4705.58	1,557,920	2.0923	739,256
Street Light	5,547,412	16,969	0	129,016	0.47	60,637	3.0301	51,417
Sentinel Light	334,470	997		3,919	3.88	15,206	2.8193	2,811
Unmetered Scattered	1,041,782			2,332	3.3	7,696	0.0048	4,980
Standby	31,031,687	80,671	12		4705.58	56,467	2.0923	168,788
Total						7,870,961		4,967,218

b) The rates used in part (a) do not include Smart Meter charges, LV Charges and Transformer Allowance.

Question #9

Reference: Exhibit 3/Tab 2/Schedule 1, pages 1-7

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 Chatham-Kent 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 Chatham-Kent's?

b) Is Chatham-Kent aware of the fact that for its 2010 Rate Application (EB-2009-0139), Toronto Hydro has changed its load forecasting methodology to one that uses class specific models to forecast sales on a class specific basis? If yes, please comment as to why the Toronto data supports such analysis while (as discussed on page 4) Chatham-Kent's data does not.

c) What was the weather normalization period used by Toronto Hydro and the other utilities referenced on page 4 of the Application?

Answer:

a) CK Hydro has not had any discussions with Toronto Hydro regarding changes it may be implementing in its load forecast methodology

b) Yes, CK Hydro is aware of the fact that for its 2010 Rate Application (EB-2009-0139), Toronto Hydro has changed its load forecasting methodology to one that uses class specific models to forecast sales on a class specific basis. CK Hydro notes that it appears the Toronto Hydro model uses purchased kWh energy per day by customer class by month as the actual data which the regression analysis attempts to predict. In the case of CK Hydro, purchased kWh energy per day by customer class by month is not available. As a result, CK Hydro would not be able to develop at this time a load forecast consistent with the approach used by Toronto Hydro in its 2010 Rate Application.

In addition, CK Hydro understands that in the 2010 cost of service rate applications for Burlington Hydro Inc., Cambridge and North Dumfries Hydro Inc. and Kitchener-Wilmot Hydro Inc, the load forecasting evidence for these three distributors indicates that they attempted to conduct the load forecast on a class specific basis. However, in all three cases a load forecasting methodology based on total system purchases was more accurate than a load forecast based on class specific data. Consequently, the three distributors based their load forecast in their 2010 rate applications on a total system basis. Based on this experience, it is CK Hydro's view that class specific load forecast would also be less accurate for CK Hydro than the total system forecast.

c) The weather normalization period used by Toronto Hydro and the other utilities referenced on page 4 of the Application is as follows:

Innisfil – 6 years
Lakeland Power – 7 years
Niagara-on-the-Lake – 12.25 years
Toronto - 10 years
Thunder Bay – 12 years

Question #10

Reference: Exhibit 3/Tab 2/Schedule 1, pages 8-13

a) Did Chatham-Kent examine whether the Seasonal Weighting Factor variable and the Industrial Production Weighing Factor variable were both independent of the HDD and CDD variables (i.e. whether the independent variables were correlated with each other)? If yes, what tests were performed and what were the conclusions? If not, provide such an assessment.

b) What is the basis for the unemployment rate forecast used for 2009 and 2010?

c) Please provide a schedule that sets out the following for each year from 2002-2008:
- Local Unemployment Rate (i.e., Windsor-Sarnia Region)
- Ontario Unemployment Rate.

d) What is the most recent forecast by Ontario Ministry of Finance for the Ontario unemployment rate and GDP for 2009 and 2010 (i.e., based on October 2009 Economic Outlook)? How does this compare with the forecast used by Chatham-Kent?

e) Please provide the actual 2009 monthly unemployment rates for the Windsor-Sarnia region for those months data is available.

f) Please confirm that in the proposed regression model GDP has a "negative coefficient" and that this means higher levels of GDP will result in lower forecast purchases. Please also confirm that this is a counter-intuitive result.

g) Please explain why, given the GDP variable is statistically insignificant and appears to have a counter-intuitive sign, Chatham Kent retained it in the regression model.

h) Please provide the results (similar to page 11) for a regression equation similar to that used by Chatham-Kent but excludes the independent variables GDP and Median Age.

i) Using the results from part (h) and Chatham-Kent's forecast for the remaining independent variables, please provide a forecast of predicted purchases (prior to any adjustments for Slow Down/Closures and CDM) for 2009 and 2010.

j) Using Chatham-Kent's proposed regression model and Chatham-Kent's definition of weather normal please provide the **predicted weather normal** purchases for the years 2002 to 2008.

k) Please provide a table similar to Table 3-8 that compares the Predicted Purchases (based on actual weather conditions) and the Predicted Weather Normal Purchases (per part j)) for each year and set out the variance.

Answer:

a) Without the weighting factors the R2 value drops to 85.5%. If a correlation existed between these values and HDD and CDD this would not be the case. Regression analysis would scale HDD and/or CDD accordingly.

b) Unemployment forecasts are based on a trending of historical values.

c)

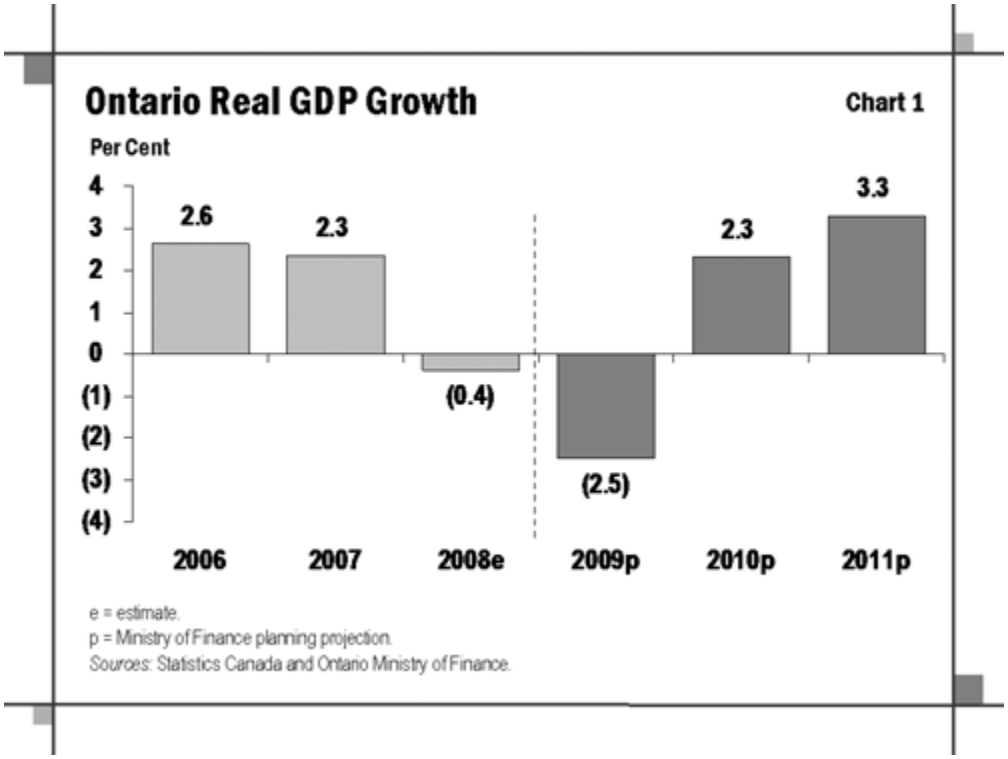
Windsor-Sarnia Regional Unemployment Rate

Jan-02	7.3	Jan-03	7	Jan-04	7.3	Jan-05	8.1	Jan-06	7.5	Jan-07	8.4	Jan-08	7.7
Feb-02	7.4	Feb-03	7	Feb-04	7.5	Feb-05	7.9	Feb-06	7.6	Feb-07	8.5	Feb-08	7.7
Mar-02	7.4	Mar-03	7	Mar-04	7.7	Mar-05	7.9	Mar-06	7.7	Mar-07	8.5	Mar-08	7.8
Apr-02	7.5	Apr-03	7	Apr-04	7.9	Apr-05	7.9	Apr-06	7.8	Apr-07	8.6	Apr-08	8
May-02	7.5	May-03	7.1	May-04	8	May-05	7.8	May-06	7.9	May-07	8.6	May-08	8.1
Jun-02	7.5	Jun-03	7.1	Jun-04	8.1	Jun-05	7.7	Jun-06	7.9	Jun-07	8.5	Jun-08	8.2
Jul-02	7.4	Jul-03	7.1	Jul-04	8.1	Jul-05	7.5	Jul-06	7.9	Jul-07	8.3	Jul-08	8.3
Aug-02	7.2	Aug-03	7.1	Aug-04	8.1	Aug-05	7.5	Aug-06	8	Aug-07	8.2	Aug-08	8.5
Sep-02	7	Sep-03	7.1	Sep-04	8.1	Sep-05	7.4	Sep-06	8	Sep-07	8	Sep-08	8.7
Oct-02	7	Oct-03	7.1	Oct-04	8.1	Oct-05	7.5	Oct-06	8.1	Oct-07	8	Oct-08	9.1
Nov-02	7.1	Nov-03	7.1	Nov-04	8.1	Nov-05	7.5	Nov-06	8.2	Nov-07	7.9	Nov-08	9.5
Dec-02	7.1	Dec-03	7.2	Dec-04	8.1	Dec-05	7.5	Dec-06	8.4	Dec-07	7.8	Dec-08	9.9

Ontario Unemployment Rate

Jan-02	7.7	Jan-03	6.7	Jan-04	7.5	Jan-05	8.2	Jan-06	7.5	Jan-07	8.6	Jan-08	7.6
Feb-02	8.7	Feb-03	7.4	Feb-04	7.8	Feb-05	8.2	Feb-06	8	Feb-07	9	Feb-08	7.9
Mar-02	9.2	Mar-03	8.1	Mar-04	8	Mar-05	8.4	Mar-06	8.6	Mar-07	9.6	Mar-08	8.6
Apr-02	8.2	Apr-03	8.2	Apr-04	8.2	Apr-05	7.9	Apr-06	7.9	Apr-07	9	Apr-08	8.1
May-02	7.5	May-03	7.5	May-04	8	May-05	7.9	May-06	7.9	May-07	9.1	May-08	8.3
Jun-02	7.2	Jun-03	6.8	Jun-04	8	Jun-05	7.7	Jun-06	7.7	Jun-07	9.2	Jun-08	8.2
Jul-02	7.6	Jul-03	6.9	Jul-04	8.5	Jul-05	7.7	Jul-06	8.4	Jul-07	9.2	Jul-08	8.8
Aug-02	7.7	Aug-03	6.8	Aug-04	8.9	Aug-05	7.7	Aug-06	8.6	Aug-07	9	Aug-08	9
Sep-02	7	Sep-03	6.9	Sep-04	8.3	Sep-05	7.5	Sep-06	8.5	Sep-07	8.1	Sep-08	8.7
Oct-02	6	Oct-03	6.4	Oct-04	7.8	Oct-05	7.1	Oct-06	7.4	Oct-07	6.8	Oct-08	7.8
Nov-02	6	Nov-03	6.5	Nov-04	7.6	Nov-05	6.6	Nov-06	6.9	Nov-07	6.3	Nov-08	7.7
Dec-02	6.3	Dec-03	6.9	Dec-04	7.8	Dec-05	6.3	Dec-06	7	Dec-07	6.2	Dec-08	8.1

d) Current Ministry forecast for GDP and unemployment
Source: Ontario Budget 2009: Chapter II: Ontario's Economic Outlook and Fiscal Plan



Projected unemployment rates (see bottom line):

Table 9
The Ontario Economy, 2006 to 2011
(Per Cent Change)

	Actual			Projected		
	2006	**2007**	**2008**	**2009**	**2010**	**2011**
Real Gross Domestic Product	2.6	2.3	(0.4e)	(2.5)	2.3	3.3
Personal Consumption	3.5	3.8	3.0e	(0.6)	1.8	2.4
Residential Construction	0.9	2.0	(1.0e)	(7.0)	0.7	1.5
Non-residential Construction	10.3	14.1	(0.5e)	(6.1)	3.5	4.0
Machinery and Equipment	9.0	7.8	(1.0e)	(9.0)	4.3	5.9
Exports	0.6	0.9	(7.4e)	(9.7)	3.0	4.0
Imports	2.9	3.8	(3.8e)	(8.4)	3.1	3.3
Nominal Gross Domestic Product	4.3	4.5	1.7e	(2.4)	3.6	4.7
Other Economic Indicators						
Retail Sales	4.1	3.9	3.3	(1.0)	3.8	4.0
Housing Starts (000s)	73.4	68.1	75.1	50.0	55.0	65.0
Personal Income	5.3	5.2	4.1e	0.6	3.6	4.6
Labour Income	5.0	4.7	4.2e	0.3	3.2	4.2
Corporate Profits	5.9	(0.4)	(4.5e)	(24.8)	9.5	8.2
Consumer Price Index	1.8	1.8	2.3	0.4	1.9	2.0
Labour Market						
Employment	1.5	1.6	1.4	(2.0)	0.8	1.6
Job Creation (000s)	95	101	94	(135)	54	107
Unemployment Rate (per cent)	6.3	6.4	6.5	8.8	8.9	8.2

- e = estimate.

e) Essex Region unemployment rates for 2009

Jan-09	10.0
Feb-09	11.3
Mar-09	11.9
Apr-09	12.1
May-09	12.1
Jun-09	12.9
Jul-09	13.3
Aug-09	12.7
Sep-09	12.4

f) Please see CK Hydro's response to Board Staff Question 12 a)

g) Please see CK Hydro's response to Board Staff Question 12 a)

h)
SUMMARY OUTPUT

Regression Statistics	
Multiple R	0.903576
R Square	0.816449
Adjusted R Square	0.799543
Standard Error	2873056
Observations	84

Years 2002-2008

ANOVA

	df	*SS*	*MS*	*F*	*Significance F*
Regression	7	2.79E+15	3.99E+14	48.29337	1.93E-25
Residual	76	6.27E+14	8.25E+12		
Total	83	3.42E+15			

	Co-efficients	*Standard Error*	*t Stat*	*P-value*	*Lower 95%*	*Upper 95%*
Intercept	-1.2E+07	1.55E+08	-0.07749	0.938434	-3.2E+08	2.96E+08
Heating Degree Days	20998.05	2876.108	7.300858	2.37E-10	15269.79	26726.32
Cooling Degree Days	125363.8	9926.487	12.62922	2.39E-20	105593.4	145134.1
Peakhours	45634.34	20263.53	2.252043	0.027207	5276.017	85992.66
Seasonal Weighting Factor	3646275	749172.2	4.867072	6E-06	2154169	5138380
Industrial Production Weighting Factor	859804.4	423246.9	2.031449	0.045706	16835.26	1702774
Population	634.9917	1439.678	0.441065	0.660418	-2232.38	3502.359
Unemployment Rate	-1288921	407931.4	-3.15965	0.002268	-2101387	-476455

i) Predicted purchases as per h) above

Year	**Forecasted kWH Purchase**
2009	864,727,906.80
2010	851,684,436.69

j) Predicted kWh Purchases from 2002-2008

2002	2003	2004	2005	2006	2007	2008
922,072,858	922,965,372	908,874,999	912,546,969	911,789,217	892,074,248	846,507,369

k)

Year	Predicted kWH	Predicted WN (j)	Difference	% Variance
2002	931,094,934	922,072,858	9,022,076	0.97%
2003	912,060,999	922,965,372	-10,904,373	-1.20%
2004	895,326,292	908,874,999	-13,548,707	-1.51%
2005	936,088,378	912,546,969	23,541,409	2.51%
2006	903,700,016	911,789,217	-8,089,201	-0.90%
2007	893,753,531	892,074,248	1,679,283	0.19%
2008	844,806,881	846,507,369	-1,700,488	-0.20%

Question #11

Reference: Exhibit 3/Tab 2/Schedule 1, pages 14-18

a) Please update Table 3-8 for actual values through to November 2009.

b) In using its regression model to forecast purchases for 2009 and 2010, Chatham-Kent the unemployment forecast used by the Company increases over the two years relative to 2007 and 2008. To what extent is this increased unemployment capturing the plant shut downs and slowdowns discussed on pages 15-16 such that the proposed manual adjustment results in "double counting' the impact?

c) Please provide a schedule that sets out the total load (kWh) for the 17 customers noted in Table 3-11 for each of the years 2002-2008 and for the period January-November 2009.

d) Please provide details regarding the derivation of the 4% load reduction adjustment for CDM applied to the Residential class and the 1,794,773 kWh adjustment for CDM applied to the GS<50 class.

e) With respect to the CDM adjustment (pages 16-17), please compare the kWh adjustment made for each class with the kWh savings for post January 2007 programs as identified in the LRAM/SSM request in Exhibit 10. Please reconcile any differences.

f) Please confirm that the values set out in Table 3-10 are meant to reflect the adjustment required to the forecast of purchases Chatham-Kent will make.

g) Are the values in Table 3-11 customer billed quantities or have they been marked up for losses. If the former, please explain why the same total value is used in Table 3-10. If the latter, what was the loss factor used?

Answer:

a)

2009

Month	Predicted	Actual	difference	%
January	72,724,870	70,151,166	- 2,573,704	-3.5%
February	62,829,046	61,402,562	- 1,426,484	-2.3%
March	67,217,271	63,603,438	- 3,613,833	-5.4%
April	59,341,806	55,871,387	- 3,470,419	-5.8%
May	60,962,841	53,642,004	- 7,320,837	-12.0%
June	70,579,978	57,547,966	- 13,032,012	-18.5%
July	76,576,209	60,227,287	- 16,348,922	-21.3%
August	75,746,646	68,100,545	- 7,646,101	-10.1%
September	67,540,266	59,927,601	- 7,612,665	-11.3%
October	62,650,944	56,877,549	- 5,773,395	-9.2%
November	61,479,258	56,358,658	- 5,120,600	-8.3%
Total	737,649,135	663,710,163	- 73,938,972	

b) The unemployment forecast was a simple extrapolation of past trends and only accounts for the very start of the slowdown since more current statistics were not available at the time. Chatham-Kent Hydro forecasted an unemployment rate of 12.4% for September 2009, whereas the actual figure is 15.5%. CK Hydro believes that accounting for specific known reductions does not result in double counting, as the slowdown was so sudden and severe that the regression analysis would not be able to follow the quick changes in data.

c) Chart- Summary of the Customer closures and slow downs

Customers Closed

	kWh 2002	kWh 2003	kWh 2004	kWh 2005	kWh 2006	kWh 2007	kWh 2008	11 months kWh 2009
Customer 1	403,172	422,786	524,297	596,924	551,865	365,194	110,354	-
Customer 2	8,387,497	9,666,377	10,630,289	9,375,866	8,611,997	8,349,700	1,640,564	-
Customer 3					873,482	1,238,559	1,205,390	-
Customer 4 A	1,272,827	1,686,539	2,048,210	1,965,327	1,861,937	1,230,644	229,921	-
Customer 4 B	2,518,374	2,426,834	2,673,598	2,920,363	2,579,471	2,962,591	795,929	-
Customer 4 C							175,268	
Customer 5							182,178	49,000
Customer 5	1,507,558	1,478,077	1,486,239	1,189,871	1,163,800	1,125,106	774,571	-
Customer 6	1,644,275	1,510,683	937,874	851,863	508,437	103,025	38,948	-
Customer 7	19,942,541	18,027,053	20,547,731	21,115,019	18,212,698	16,541,416	7,386,752	-
Customer 8	12,184,699	12,569,904	14,524,643	15,083,516	15,133,425	15,999,793	13,839,060	3,149,790
Customer 9	512,986	488,255	504,455	542,129	810,282	1,333,920	1,489,965	-
Customer 10	554,617	646,015	659,012	736,621	595,804	373,151	228,414	-
Customer 11						302,290	319,251	-
Customer 12	25,161,314	23,641,653	29,010,762	33,258,177	38,553,008	35,525,700	32,138,492	-
Customer 13	11,212,351	11,061,956	10,756,803	10,486,887	9,764,304	8,224,414	7,713,829	2,707,151
	85,302,211	83,626,132	94,303,913	98,122,563	99,220,510	93,675,503	68,268,885	5,905,941

Customers Slow down

	kWh 2002	kWh 2003	kWh 2004	kWh 2005	kWh 2006	kWh 2007	kWh 2008	11 months kWh 2009
Customer 14	1,514,327	1,638,819	1,674,923	1,602,715	1,667,528	1,672,583	1,484,123	945,441
Customer 15	1,215,754	551,296	945,617	1,538,355	1,551,310	1,260,169	760,122	65,333
Customer 16	6,336,860	5,830,261	5,488,683	5,130,362	4,679,530	4,378,973	4,030,531	3,621,782
	9,066,941	8,020,376	8,109,223	8,271,432	7,898,368	7,311,725	6,274,776	4,632,556

Customers Slow down

	kWh 2002	kWh 2003	kWh 2004	kWh 2005	kWh 2006	kWh 2007	kWh 2008	11 months kWh 2009
Customer 17 A	1,384,684	1,274,637	1,162,243	1,328,009	1,192,084	1,257,656	1,243,208	477,432
Customer 17 B	2,625,493	1,701,609	1,709,772	1,775,701	1,699,640	2,039,137	2,457,518	609,354
Customer 17 C	2,099,604	1,927,653	1,871,142	1,904,421	1,822,146	1,708,076	1,653,422	332,946
	6,109,782	4,903,899	4,743,157	5,008,130	4,713,870	5,004,869	5,354,149	1,419,732

Companies purchased above closures	kWh 2002	kWh 2003	kWh 2004	kWh 2005	kWh 2006	kWh 2007	kWh 2008	11 months kWh 2009
Customer 2							4,506,869	4,471,314
Customer 4							652,072	616,264
Customer 5							650,187	1,063,543
Customer 7								261,959
Customer 9							46,487	7,538
Customer 14							3,015	33,734
							5,858,630	6,454,352
Usage just for Lights								
Customer 1							30,991	44,183
Customer 3								523,165
Customer 10								744,116
Customer 15								12,467,863
							30,991	13,779,327

d) The Residential adjustment is found on Exhibit 3, Tab 2, Schedule 1, Table 3-12. The 4% load reduction adjustment for CDM that was applied to the residential class is a reasonable approximation of the conservation achieved by customers that is over and above the trend in the regression analysis. CK Hydro's residential customers have achieved conservation as a result of the Smart Meter deployment and related conservation education which began in 2005 with full deployment in 2007.

The 4% estimate is comparable to the 5% additional conservation by CK Hydro customers as identified in the Navigant report (Exhibit 10, Schedule 2, Appendix C), is less then the 6% conservation experienced in the Ottawa Hydro Study and is same amount identified in Exhibit 10, Tab 1, Schedule 1, Appendix A.

Power Savings Blitz Program
Calculation of the GS>50

Total Retrofits	650
Average Fixture/Retrofit	12.82782
kWh Savings/Fixture-Year	215.25
Total kWh Savings Annually	1,794,772

e) The residential difference is due primarily to smart meter conservation effects that occurred in 2008, and which would not be captured in the regression analysis.

The General Service < 50 kWh difference is because CK Hydro has sponsored many CDM programs with the OPA in 2008 and 2009. The LRAM does not reflect 2009 programs. Streetlight difference is due to a Streetlight Conversion program which was completed in 2005 and should be reflected in the regression model.

2009	CDM - Load Forecast	LRAM	Difference
Rate Class			
Residential	9,922,209	14,126,764	4,204,555
GS<50	1,794,773	149,929	- 1,644,844
GS>50			-
Intermediate			-
Street Light		1,866,950	1,866,950
Sentinel Light			-
Unmetered Scattered			-
Standby			-
Total	11,716,982	16,143,643	4,426,661

f) Yes, the values set out in Table 3-10 are meant to reflect the adjustment required to the forecast of purchases CK Hydro will make.

g) In Table 3-11 these have been marked up for losses. The loss factor used was 4.43%.

Question #12

Reference: Exhibit 3/Tab 2/Schedule 1, pages 18-24

a) Please clarify whether the customer/connection data set out in Table 3-13 is year end or average annual values.

b) Table 3-13 shows no Large Use customers for 2002-2008. However, Table 3-11 identifies the recent shut down of a large use customer. Please reconcile and revise Table 3-13 as required.

c) What is the most recent actual customer count for each class and on what month of 2009 are the values based?

d) Please confirm that the calculation of the geometric mean annual growth rate in Table 3-17 really only considers the average use values for 2002 and 2008. If this is not the case, please explain more fully how the value is calculated.

e) Residential and GS<50 classes annual usage per customer values set out in Table 3-17 will be influenced weather in the year concerned.
   - Given this fact, please confirm that the calculated growth rates for these two classes will be affected by historical variations 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?

f) Exhibit 7/Tab 1/Schedule 2 (page 1) states that the historical load and customer count for the Large Use class has all been moved to the new Intermediate class. Please confirm that placing these larger customers in the history for the Intermediate class will increase the historical use per customer values set out in Table 3-16.

g) Please re-do Table 3-16 such that for each class the customers and load included are only those that meet the class definition. Please then re-do Table 3-17 using these results.

h) Please contrast the size of the weather adjustment required for 2009 and 2010 (Table 3-20) with the size of the historical weather adjustments per Question 10, part k).

i) Please provide the source and specific Hydro One information relied on in order to determine the weather sensitivity by rate class (Table 3-22, page 23).

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 Chatham-Kent's 2007 Cost Allocation filing and indicate the year the data is based on.

k) Please apply the same methodology as used by Chatham-Kent to weather normalize 2010 usage and determine the weather normalized use by customer class for 2008 using the predicted total weather normalized purchases as determined in Question 10, part (j) 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 per customer weather normalized use by customer class for 2008.

l) Why is it reasonable to assume that all customer classes have the same degree of weather sensitivity (page 23)? What assumptions were made by Hydro One regarding the weather sensitivity of the GS>50; Intermediate; Streetlights; Sentinel Lights and USL classes for purposes of creating load profiles used for the 2007 Cost Allocation filing?

m) Chatham-Kent suggests that using Hydro One's weather sensitivity assumptions yields unreasonable results and there the Company has used an alternative assumption regarding weather sensitivity by class. Did Chatham-Kent consider that the unreasonableness of the adjustment may be due to the fact its forecast of non-normal billed energy for 2009 and 2010 (per Table 3-20) was unreasonable? If not, why not? What evidence is there that Chatham-Kent's non-normal billed energy forecast for 2009 and 2010 is reasonable?

n) Please confirm that Table 3-23 reflects billed energy by customer class.

o) Please reconcile the 101,717,086 adjustment in billed energy shown in Table 3-23 with the 102,236,148 adjustment in purchased energy shown in Table 3-10 along with the assumed 4.43% loss factor (per page 18). Shouldn't the adjustment in billed energy be less than 98,000,000 kWh?

Answer:

a) The customer count is at the end of the year.

b) Please see CK Hydro's response to Board Staff Question #18.

c)

November 2009	No of Customers
Residential	28,477
GS<50	3,168
GS>50	403
Intermediate	3
Large User	2
Street Light	1
Sentinel Light	190
Unmetered Scattered	57
Total	32,301

d) The geometric mean annual growth rate in Table 3-17 is an average of growth rates from 2002 to 2008.

e) The customer usage in each year for the Residential and General Service < 50 class are impacted by weather but are also significantly impacted by conservation efforts by these customers.

Growth rate usage per customer per connection (non weather-normalized) was only used to allocate the weather-normalized consumption and was not used to forecast usage for 2008 and 2009.

f) Placing the Large Use customers in the intermediate class historically increases the average usage per customer in the class.

g) Revised table 3-17 taking the Large Use customers from the Intermediate rate class and reporting it on its own is as follows:

	Residential	General Service < 50 kW	General Service > 50 to 999 kW	Intermediate	Large Use	Streetlights	Sentinel Lights	Unmetered Scattered Loads	Standby
2002	9,031	34,385	853,124	7,941,019	21,062,621	825	1,261	4,587	30,542,407
2003	8,805	34,469	766,687	8,331,574	20,004,882	771	1,040	4,587	27,611,150
2004	8,755	34,783	749,028	9,714,010	24,399,662	753	1,219	4,587	31,347,945
2005	9,020	33,585	678,456	9,711,436	26,802,987	727	1,172	4,587	37,615,872
2006	8,453	32,784	604,998	9,420,159	27,363,057	630	1,190	4,587	36,900,476
2007	8,315	32,202	606,275	9,245,115	25,107,367	634	1,160	5,440	37,331,496
2008	8,174	32,262	573,731	7,177,039	22,591,912	615	1,144	5,468	51,354,780
2002									
2003	-3%	0%	-11%	5%	-5%	-7%	-21%	0%	-11%
2004	-1%	1%	-2%	14%	18%	-2%	15%	0%	12%
2005	3%	-4%	-10%	0%	9%	-4%	-4%	0%	17%
2006	-7%	-2%	-12%	-3%	2%	-15%	2%	0%	-2%
2007	-2%	-2%	0%	-2%	-9%	1%	-3%	16%	1%
2008	-2%	0%	-6%	-29%	-11%	-3%	-1%	1%	27%

h)

Year	Difference
2002	7,194,303
2003	-18,266,399
2004	8,849166
2005	10,749,858
2006	-4,593,706
2007	-11,944,418
2008	8,011,199
2009 B	-32,216,448
2010 T	-60,567,394

i) The source of the data was the 2007 cost allocation filing which relied upon a load forecast and analysis from Hydro One.

CK Hydro assumed the following weather sensitivity for each rate class from the Hydro One information.

Weather Sensitive Classes and Consumption							
Residential	GS<50KW	GS>50KW	Intermediate	Large user	Streetlighting	Sentinel lighting	USL
100%	100%	50.30%	5.60%	0%	0%	0%	0%

When the above percentages are applied to the non-normalized weather billed energy forecast in Table 3-19, the weather sensitivity would be allocated to each rate class as follows:

Weather Sensitive Consumption								
Residential	GS<50KW	GS>50KW	Intermediate	Large user	Streetlighting	Sentinel lighting	USL	**TOTAL**
229,705,301	97,907,768	112,061,839	11,730,066	0	0	0	0	451,404,974

Pro-ration of Weather Sensitive Consumption (above)

Allocation of Weather Adjustment							
Residential	GS<50KW	GS>50KW	Intermediate	Large user	Streetlighting	Sentinel lighting	USL
50.9%	21.7%	24.8%	2.6%	0%	0%	0%	0%

j) The weather-normalized use per customer for each rate class from the cost allocation filing for 2008 is as follows:

Class	**Customer / Connection**	**Normalized amount**	**Per customer**
Residential	28,200	249,594,959	8,851
General service <50kW	3,226	107,878,784	2,444
General service >50kW	365	290,220,980	1,206
Intermediate	18	171,967,212	5,993,266
Large user	2	49,955,029	145,110,490
USL	193	885,330	258,834
Street lighting	2,069	7,885,369	428
Sentinel lighting	364	440,186	89,221
Standby	1	32,476,471	171,967,212
	34,438	911,304,320	

k)

Year	Residential	General Service < 50 kW	General Service > 50 to 999 kW	Intermediate	Streetlights	Sentinel Lights	Unmetered Scattered Loads	Standby
2008 WN	8,123	32,062	570,172	8,525,183	611	1,137	5,434	51,036,253
2008 Actual	8,174	32,262	573,731	8,578,391	615	1,144	5,468	51,354,780

l) CK Hydro is assuming that the weather and economic adjustment has the same degree of sensitivity for each rate class. Due to the magnitude of the adjustment and the significant changes in the economy in the service area CK Hydro believes that there is more than just weather impacting the difference.

m) No, the estimate of the non-weather normal weather consumption is the best method based upon the data available. The non-normal weather consumption is used to allocate the weather normalized consumption. See CK Hydro's response to Energy Probes Question #40 g).

n) Yes.

o) The Residential and General Service < 50 manual adjustment totalling 11,716,982 was not adjusted for losses.

Table 3-23	Residential	9,922,209
	GS<50	1,794,773
		11,716,982
	Losses 4.43%	519,062
Table 3-10		12,236,044

Table 3-23	101,717,086
Losses	519,062
Table 3-10	102,236,148

Yes, the adjustment in billed energy should be less than 98,000,000 kWh.

Question #13

Reference: Exhibit 3/Tab 3/Schedule 1, page 2

a) Please explain why year over year variance in Interest and Dividend Income between 2007 and 2010.

Answer:

a) The inter-company loan between CK Hydro and CK Energy was paid off in 2007, thus CK Hydro has no inter-company loan interest income beyond 2007.

Interest income on transition costs and RSVA interest have been applied for through the 2010 rate application deferral recovery, therefore CK Hydro did not include interest on these amounts in 2010. Please see CK Hydro's response to Board Staff Question #22.

Bank interest rates paid in 2007 were at 4.25%, while in 2009 and projected for 2010 the rate is 0.5%.

Question #14

Reference: Exhibit 6

a) Based on the responses to the first round of interrogatories from all parties please prepare a schedule that sets out all the adjustments/revisions that Chatham-Kent has acknowledged as being required to the currently requested 2010 revenue requirement and the impact of each. For each, please provide a cross-reference to the relevant interrogatory response.

Answer:

No significant changes have been identified.

Question #15

Reference: Exhibit 7/Tab 1/Schedule 2

a) What is the difference between Chatham-Kent's proposed Intermediate class and the Intermediate 1,000 kW to 4,999 kW (TOU) class in the existing rate schedule (per Exhibit 8/Tab 1/Schedule 8)?

b) Page 1 suggests that the USL is now a new separate class. However, the existing rate schedule includes a separate USL class. Please reconcile.

c) Please provide an electronic version of Appendix C.

d) With respect to Appendix C, Sheet O1, please list the cost elements that are directly allocated to customer classes and explain the rationale for using the direct allocation for each and how the quantum to be directly allocated was determined.

e) Please reconcile the revenue requirement components (i.e.,, Interest, Net Income, Depreciation, OM&A and PILs) shown on Sheet O1 with the values reported in Exhibit 6/Tab 1/Schedule 1.

f) Chatham-Kent is proposing to increase the revenue to cost ratios for some customer classes well above the Board's recommended lower boundary for the class. Please explain why such increases are considered to be consistent with the Board's Report per EB-2007-0667 and the Board's finding in other cost of service Applications where the ratios were to move to the lower boundary over several years.

g) Please explain why, in the case of Residential and GS<50, the ratios are being moved from one side of unity to the other and why this is viewed as consistent with the Board's guidelines.

h) Please provide the derivation of the revenue splits set out in Table 7-6 (also Table 8-2).

Answer:

a) The current Intermediate class is a legacy rate class which only included 3 customers with a demand of 1,000 to 4,999 kW. There are other customers that fit this category but were not included in this rate class. The Intermediate class being proposed includes all customers with a demand of 1,000 to 4,999 kW. CK Hydro was unable to make the necessary changes to the rates and the classification until a full cost of service application is filed.

b) The reference to a new rate class was incorrect; CK Hydro has had a separate rate class for the USL.

c) A copy of the 2010 Cost Allocation in excel format has been filed with the electronic version of these responses. It has the following file name: "Chatham-Kent Hydro Cost Allocation without TA.xls".

d) Direct Cost Summary

Contributed Capital and Credits

	Amount
Residential	2,372,516
General service < 50	257,186
General Service > 50	1,669,550
Total	4,299,252

Contributed Capital has been allocated to the different rate classes based on the work performed.

Fixed Assets

	GS >50	Standby
1830- Poles	218,922	
1835-Overhead	609,415	116,603
1850- Line Transformers	4,487	
1855- Services	12,577	
1860- Meters		22,512
	845,401	139,115

The reallocation of the Fixed Assets is based on particular customers.

Accumulated Depreciation

	Amount
Residential	563,240
General service < 50	63,743
General Service > 50	213,192
Standby	- 58,801
Total	781,374

This is the accumulated depreciation related to the fixed assets above.

Depreciation

	Amount
Residential	92,802
General service < 50	10,623
General Service > 50	40,897
Standby	- 5,737
Total	138,585

This is the depreciation expense of the fixed assets listed above for the year.

e) Reconciliation of Sheet O1 and Table 6-1

Sheet O1		
Total Expenses	$	14,292,014
Direct Allcoation	-$	328,965
Net Incoem on Direct Allocation	$	65,690
Total	$	14,028,739
Table 6-1		
Total Costs	$	13,071,881
Corproate Taxes	$	956,858
Total	$	14,028,739

f) Please see CK Hydro's response to Board Staff Questions 39 to 43.

g) Please see CK Hydro's response to Board Staff Questions 39 to 43.

h)

Customer Class	Total Net Rev. Requirement	Rev Requirement %	Standby Charge Revenue	Total Net Rev. Requirement	Proposed Fixed Rate	Resulting Variable Rate	Total Fixed Revenue	Total Variable Revenue	Standby Charge Revenue
Residential	7,927,879	54.2%	0	7,927,879	$18.12	$0.0085	6,229,576	1,698,302	0
General Service < 50 kW	2,159,088	14.8%	0	2,159,088	$33.74	$0.0107	1,230,075	929,013	0
General Service > 50 to 999 kW	2,510,397	17.2%	0	2,510,397	$97.46	$4.7091	491,940	2,018,457	0
Intermediate	1,317,410	9.0%	0	1,317,410	$795.83	$3.5829	263,482	1,053,928	0
Large Use	0	0.0%	0	0	$0.00	$0.0000	0	0	0
Streetlights	292,758	2.0%	0	292,758	$1.23	$7.9163	158,422	134,336	0
Sentinel Lights	36,595	0.3%	0	36,595	$7.88	$5.7266	30,887	5,708	0
Unmetered Scattered Loads	27,812	0.2%	0	27,812	$9.06	$0.0064	21,121	6,691	0
Standby	365,947	2.5%	30,942	335,005	$6,099.12	$3.8455	73,189	261,816	30,942
TOTAL	**$ 14,637,886**	**100.0%**	**$ 30,942**	**$ 14,606,944**			**$8,498,692**	**$6,108,252**	**$ 30,942**

Question #16

Reference: Exhibit 8, page 2

a) Please explain why the values reported in Table 2 for "2010 Base Revenue Allocation from Cost Allocation" don't match the values reported Sheet O1 of the 2010 Cost Allocation Model filing.

Answer:

a) The difference between the two schedules is the Miscellaneous Income of $1,187,450.

Base revenue requirement	14,637,886
Miscellaneous Income	1,187,450
Total of sheet O1	15,825,336

Question #17

Reference: Exhibit 8/Tab 1/Schedule 1

a) Please provide a schedule that sets out the derivation of the revenue splits reported in Table 4.

b) Please confirm that the Board's EB-2007-0667 Guideline (page 12) sets the upper limit for the MSC at 120% of avoided costs plus the allocated customer costs (i.e., Minimum System plus PLCC Adjustment).

c) The Board's report establishes an upper and lower bound for the MSC and provides guidance on the application of such boundaries when the current rates fall outside the values. Please explain why it is appropriate for Chatham-Kent to increase the service charges for the Residential, GS<50 and USL classes to the ceiling amount shown in the Cost Allocation model.

d) Please provide a schedule that sets out the service charges for each class based on maintaining the current fixed/variable proportions shown in Table 8-6.

e) Please confirm that based on the proposed rates set out in Exhibit 8/Tab 1/Schedule 9, all GS>50; Intermediate and Standby customers who own their own transformer will receive the $0.60/kW discount.

Answer:

a)

Rate Classification	Currently Monthly Charge	Cost Allocation Fixed Ceiling	Cost Allocation Fixed Floor	Customers	
Residential	$12.33	$18.12	$5.84	28,644	
General Service Less Than 50	$31.01	$33.74	$13.91	3,038	
General Service Greater Than	$159.37	$97.46	$50.17	421	
Intermediate	$4,705.58	$128.62	$81.69	28	
Street Lights	$0.47	$9.02	$0.07	10,751	
Sentinel Lights	$3.88	$11.37	$0.06	327	
Unmetered Scattered Load	$3.30	$9.06	$0.06	194	
Standby	$4,705.58	$216.99	$120.52	1	
Fixed Variabel Split - Current Monthly Charge					
	Fixed	**Variable**	**Total**	**Fixed %**	**Variable %**
Residential	$4,238,221	$3,689,658	$7,927,879	53%	47%
General Service Less Than 50	$1,130,382	$1,028,706	$2,159,088	52%	48%
General Service Greater Than	$804,433	$1,705,965	$2,510,397	32%	68%
Intermediate	$1,557,920	-$240,510	$1,317,410	118%	-18%
Street Lights	$60,637	$232,120	$292,758	21%	79%
Sentinel Lights	$15,206	$21,389	$36,595	42%	58%
Unmetered Scattered Load	$7,696	$20,116	$27,812	28%	72%
Standby	$56,467	$278,538	$335,005	17%	83%
Fixed Variabel Split - Cost Allocation Fixed Ceiling					
	Fixed	**Variable**	**Total**	**Fixed %**	**Variable %**
Residential	$6,229,576	$1,698,302	$7,927,879	79%	21%
General Service Less Than 50	$1,230,075	$929,013	$2,159,088	57%	43%
General Service Greater Than	$491,937	$2,018,460	$2,510,397	20%	80%
Intermediate	$42,583	$1,274,826	$1,317,410	3%	97%
Street Lights	$1,163,721	-$870,963	$292,758	398%	-298%
Sentinel Lights	$44,560	-$7,965	$36,595	122%	-22%
Unmetered Scattered Load	$21,121	$6,691	$27,812	76%	24%
Standby	$2,604	$332,401	$335,005	1%	99%
Fixed Variabel Split - Cost Allocation Fixed Floor					
	Fixed	**Variable**	**Total**	**Fixed %**	**Variable %**
Residential	$2,005,692	$5,922,187	$7,927,879	25%	75%
General Service Less Than 50	$507,155	$1,651,933	$2,159,088	23%	77%
General Service Greater Than	$253,229	$2,257,168	$2,510,397	10%	90%
Intermediate	$27,044	$1,290,365	$1,317,410	2%	98%
Street Lights	$9,236	$283,522	$292,758	3%	97%
Sentinel Lights	$246	$36,348	$36,595	1%	99%
Unmetered Scattered Load	$143	$27,669	$27,812	1%	99%
Standby	$1,446	$333,559	$335,005	0%	100%

b) Yes.

c) Please see CK Hydro's response to Board staff questions 39 to 43.

d)

Rate Class	% fixed	% variable	Fixed	variable	Annual kWh	Annual kW For Dx	Annualized Customers	Annualized Connections	Fixed Charge	Volumetric
Residential	61.5%	38.5%	4,984,502	3,115,890	199,501,364		343,732		14.50	0.0156
GS<50	60.2%	39.8%	1,329,423	877,123	86,923,094		36,452		36.47	0.0101
GS>50	57.1%	42.9%	857,807	644,917	183,018,503	456547.83	5,048		169.94	127.77
Intermediate	67.8%	32.2%	1,663,157	789,191	134,791,341	353321.69	331		5,023.44	2,383.69
Street Light	54.1%	45.9%	71,315	60,472	5,547,412	16969.483	-	129,016	0.55	3.5636
Sentinel Light	84.4%	15.6%	17,884	3,305	334,470	996.74754		3,919	4.56	3.3156
Unmetered Scattered	60.7%	39.3%	9,051	5,857	1,041,782			2,332	3.88	0.0056
Standby	25.1%	74.9%	52,140	155,854	31,031,687	80671.44	12		4,344.98	1.9320
Total			8,985,277	5,652,608	642,189,652	908,507				

e) Yes.

Question #18

Reference: Exhibit 8/Tab 1/Schedule 3, page 3

a) Please explain more fully how the Forecast 2010 values shown in Table 8-11 were derived (i.e., what were the load and rates used to determine the "costs" and "revenues")? in particular, what were the HON charge assumptions for 2010 and what was the basis for these assumptions?

Answer:

a) The forecast for 2010 is based upon the costs and revenue for the first 5 months of 2009. An analysis of loads and rates was not performed.

Cost based on first 5 months of 2009 Actual

Charges from IESO	5 months	Month	Year
Network	943,979	188,796	2,265,550
Connection	945,661	189,132	2,269,587
Total	1,889,640	377,928	4,535,137

Charges from Hydro One	5 months	Month	Year
Network	344,992	68,998	827,982
Connection	245,662	49,132	589,590
Transfer Connection		-	-
Specific LV	838	168	2,012
Shared LVDS	8,526	1,705	20,463
HVDS - High	47,038	9,408	112,892
Subtotal Connection	302,065	60,413	724,957
Total	647,058	129,412	1,552,939

Total Costs	Estimate Above	Rate Increase	Final Estimate
Network	3,093,532	3.50%	3,201,866
Connection	2,994,544	2.16%	3,059,081
Total	6,088,076		6,260,947

Revenue based on first 5 months of 2009 Actual

	5 months	Month	Year
Network	(1,351,267)	(270,253)	(3,243,041)
Connection	(1,201,719)	(240,344)	(2,884,124)
Grand Total	(2,552,986)	(510,597)	(6,127,165)

Question #19

Reference: Exhibit 8/Tab 1/Schedule 4, page 2

a) Please provide an allocation of forecast 2010 LV cost to customer classes based on the proportion of Retail Transmission Line and Transformation Connection Service revenues from each class.

Answer:

a)

	Proposed Rates	2010 Volume KWh	2010 Volume KW	Revenue	%	Low Voltage
Residential	0.0090	199,501,364		1,795,512	32	73,218
GS<50	0.0081	86,923,094		704,077	13	28,711
GS>50	3.2934	183,018,503	456,548	1,503,595	27	61,314
Intermediate	3.5551	134,791,341	353,322	1,256,095	22	51,221
Street Light	2.5119	5,547,412	16,969	42,624	1	1,738
Sentinel Light	2.5460	334,470	997	2,538	0	104
Unmetered Scattered	0.0081	1,041,782		8,438	0	344
Standby	3.5551	31,031,687	80,671	286,793	5	11,695
Total				5,599,674		228,345

Question #20

Reference: Exhibit 8/Tab 1/Schedule 6, page 1

a) Why has Chatham-Kent chosen a 6 year average as the basis for its Distribution Loss Adjustment Factor?

Answer:

a) All available data was used since market opening to ensure a good estimate.

Question #21

Reference: Exhibit 8/Tab 1/Schedule 11, Appendix A

a) Please provide a schedule that, based on the most recent 12 month billing data, sets out:
- The total number of Residential bills issued
- The number of Residential bills with usage of 250 kWh/month or less

---

Answer:

a) The total number of Residential bills issued is 181,159 and the number of Residential bills with usage of 250kWh/month or less is 22,840. Please see the tables below.

Number of bills in the most recent 12 months

Count of Bill

Bill Type	No. of Bills
Regular	171,090
Final	5,234
First	4,444
Estimate	391
Grand Total	181,159

Usage less than 250 kWh monthly

Count of Bill

Bill Type	No. of Bills
Regular	17,340
Final	3,193
First	2,213
Estimate	94
Grand Total	22,840

Question #22

Reference: Exhibit 9/Tab 1/Schedule 1, page 7

a) Please explain what the December 2008 balances in the following accounts represent (i.e. what activities are associated with the costs?):
   - Qualifying Transitions Costs (#1570)
   - Extra-Ordinary Event Costs (#1572)

b) For Accounts #1518 and #1548 please provide a schedule that sets out separately the revenues and costs posted to each account for 2007 and 2008.

c) Consistent with the Board's EB-2008-0046 Report, please report separately the balances in: i) the RSVA –Power account (excluding the Global Adjustment Sub-account and ii) the RSVA-Power-Global Adjustment sub-account for Tables 9-1 and 9-2.

d) Please revise Table 9-3 (Disposition of Accounts) to show separately the Global Adjustment sub-account and allocate the balance for disposition in this account in accordance with the EB-2008-0046 Board Report, page 21.

Answer:

a) With respect to Qualifying Transitions Costs (#1570), please refer to CK Hydro's response to Board Staff Question #54. With respect to Extra-Ordinary Event Cost (#1572), please refer to CK Hydro's response to Board Staff Question #51.

b) See Appendix E.

c) The balance in 1588 RSVA – Power account (excluding the Global Adjustment Sub account) is zero. Therefore the balance shown in account 1588 on Table 9-1, Table 9-2 and Table 9-3 all relate to RSVA-Power-Global Adjustment sub account.

d) Table 9-3 does not require adjustment; please see c).

Question #23

Reference: Exhibit 9/Tab 2/Schedule1, Appendix A
Exhibit 9/Tab 2/Schedule1, Tables 9-5, 9-6 and 9-10

Preamble: Chatham-Kent Hydro has filed pricing information with respect to smart meters in confidence for the reasons set out in the cover letter to this Application. That information is designated as Exhibit 9, Tab 2, Schedule 1, Appendix A to this Application.

a) Provide Support/details of the 2008-2009 Residential Class SM Unit costs (procurement and installation).

b) Provide Support/details of the 2008 Residential Class SM AMI, communications and back office costs (procurement and installation).

c) Provide Support/details of the 2008-2009 Commercial Class SM Unit costs (procurement and installation).

d) Provide Support/details of the 2008-2009 Commercial Class SM Unit costs (procurement and installation).

e) Provide a schedule that gives a breakdown of the historic and current Capital Costs shown in Table 9-5 between the Residential and GS<50kw and other classes. Reconcile this to the costs in Tables 9-6 and 9-10.

f) Provide a breakdown of the O&M costs for meters installed in 2008 between the Residential, GS<50kw and Other classes. Reconcile this with the costs shown in Table 9-10.

g) Confirm whether the Smart Meter Disposition Rider includes 2009 O&M Costs. If so Provide the projection of O&M costs for 2009 and provide a breakdown between the Residential, GS<50kw and Other classes

---

Answer:

a) Filed on a confidential basis.

b) Filed on a confidential basis.

c) Filed on a confidential basis.

d) Filed on a confidential basis.

e)

	EB-2008-0155			Cost in this application		
	Residential	GS >50	Other	Residential	GS >50	Other
Installed	9,820	-	-	123	963	112
Captial cost	1,820,000			26,377	330,601	78,087
Avg/Unit	185.34			214.45	343.30	697.20

f)

	Residential	GS >50	Other	Total
Administrative cost	83,392	22,202		105,594
Other AMI Expenses	315,451	1,436	1,340	318,227
Total	398,843	23,638	1,340	423,821

g) The disposition rider does not include any OM&A cost for 2009.

Question #24

Reference: Exhibit 9 Tab 2 Schedule1, Pages 10-11 Tables 9-12, 9-13 and 9-14

a) Based on the rate class split in capital and operating costs provided in the response to VECC IR#23 parts e, f and g, provide a schedule that shows the amount to be recovered (including carrying costs) and the May 2010 to April 30, 2012 SM Disposition Rider by rate class and compare this to the aggregate $0.45 per month per metered customer.

b) Calculate the Net Fixed assets and Permanent Rate Adder Revenue Requirement by rate class (residential, GS<50kw and other) and calculate the SM Permanent Rate monthly rate for each rate class. Compare this to the proposed aggregate $0.18/month per customer.

Answer:

a) See Appendix F, Summary of the Rates

	Calculated Rate for a)	Proposed
Residential	0.37	0.45
General Service	1.00	0.45
Other	0.94	0.45

b) See Appendix F, Summary of Permanent Rate Adder

	Calculated Rate for b)	Proposed
Residential	0.02	0.18
General Service	1.46	0.18
Other	2.38	0.18

Question #25

Reference: Exhibit 9/Tab 2/Schedule 1, Appendix B and Appendix C

a) Provide a cash flow projection showing SM rate adder revenue and SM expenditures by Month for the 2009, 2010 and 2011 rate years.

b) Breakdown the SM revenue requirement and SM Rate Adder by rate class (residential, GS<50kw and Other. Compare to the aggregate $0.51/metered customer per month.

Answer:

a) See Appendix G.

b) See AppendixH.

Smart Meter Rate Adder Summary

	Capital Additions				
	2009 $ Amount	2010 $ Amount	Revenue Requirement	Calculated Rate	Proposed Rate
Residential	190,000	5,000	44,332	0.13	0.51
General Service	350,000	595,000	84,805	2.33	0.51
Other	60,000	150,000	59,686	11.81	0.51
	600,000	750,000	188,823		

Vulnerable Energy Consumer Coalition Interrogatories Appendices

Appendices

VECC Question 1 Appendix
2008 Budget

Demand Capital		2008
Residential New		110,000
Detached Residential		110,000
Residential Rebuild		30,000
Commercial Industrial New		90,000
Commerical & Industrial Rebuild		120,000
Transformer Replacement		132,000
Retail Meter Replacement		25,000
Engineering Support		280,000
Control Room Support		50,000
Account Cancellation		6,000
CDM, OPA Programs, etc		100,000
Capital Expansion Requests		280,000
Total Demand Capital		**1,333,000**
Contribution from OPA		**(75,000)**
Contributed Capital		**(350,000)**
Grand Total Demand Capital		**908,000**

Specific Capital	Reason	2008
Blenheim Conversion	SL	
Tilbury Conversion	SL	400,000
Tilbury Supply Improvement	REL	50,000
Load Transfers	Reg	85,000
Dresden North DS	EOL	10,000
Replace Poles on Park Ave	Rel	50,000
Reduction of Rabbits	EOL	100,000
Dresden Park St - Single Phase Line	Safety	50,000
Murray St Extension	Rel	25,000
Parry St - backyard removal		50,000
Sub 9 Conversion	SL	5,000
Sub 7 Conversion	SL	250,000
Insulator Replacement	Rel	30,000
Emergencies	Rel	75,000
Distribution Automation	Rel	50,000
LIS Switches (3 Switches)	Rel	60,000
CDM Program	Reg	20,000
Blenheim/Bothwell WM	Reg	50,000
Pole Replacment	Rep	50,000
Operations Support		380,000
Total Specific Capital		**1,790,000**

Capital Equipment		75,000
Rolling Stock		200,000
SCADA Capital		40,000
AM/FM		50,000
QMS and ISO Certification		25,000

Outage Management System		100,000
Computers		50,000
Building		150,000
Total Equipment		690,000

Grand Total Capital		3,388,000

Transitional Capital		2008
Smart Meter		100,000
C&I Smart Meters		400,000
Total Transitional Capital		500,000

All Capital		3,888,000

OM & A		2008
Minor Systems		170,000
Emergency Response		165,000
Cable Faults		55,000
Disconnect/Reconnect		80,000
Locates		130,000
Infrared		20,000
Community Relations		35,000
Switch Maintenance		35,000
Minor Pole		30,000
Padmount Transformer Maintenance		25,000
Vegetation		175,000
Engineering Support		155,000
Operations Support		210,000
Meter O&M		60,000
Energy Services/Power Quality		30,000
Meter Reverification		120,000
MV 90		40,000
Building Maintenance		500,000
Customer Service		5,000
Environmental Management		55,000
Station Equipment Maintenance		65,000
Control Room Operator		50,000
Scada Maintenance		30,000
Vault Maintenance		25,000
Propert Disposal		5,000
Labour Relations		5,000
General Administration		210,000
Wholesale Meter Support		20,000
Total OM&A		2,505,000

VECC Question 1 Appendix
2009 Budget

Demand Capital		2009
Residential New		111,650
Detached Residential		111,650
Residential Rebuild		20,000
Commercial Industrial New		120,000
Commerical & Industrial Rebuild		130,000
Transformer Replacement		150,000
Retail Meter Replacement		30,000
Engineering Support		320,000
Control Room Support		60,000
Account Cancellation		6,090
Capital Expansion Requests		50,000
Total Demand Capital		**1,109,390**
Contributed Capital		**(275,000)**
Grand Total Demand Capital		**834,390**

Specific Capital	Reason	2009
Asset Management Development		50,000
Load Transfers	Reg	350,000
Dresden Backlot	EOL	300,000
M5 Extension to supply CKHA	Rel	250,000
Sub 8 Conversion	SL	50,000
Parry St - backyard removal		35,000
Sub 7 Conversion	SL	450,000
Primary Cable Replacement Program	Rel	100,000
Insulator Replacement	Rel	30,000
Emergencies	Rel	75,000
Smart Grid Development	Rel	50,000
LIS Switches (3 Switches)	Rel	60,000
Ridgetown PCB Transformer Replace	Rel	75,000
Pole Replacment	Rep	100,000
Operations Support		400,000
Total Specific Capital		**2,375,000**

Capital Equipment		79,500
Rolling Stock		350,000
SCADA Capital		40,000
AM/FM		75,000
Outage Management System		80,000
Computers		50,000
Building		138,500
Total Equipment		**813,000**

Grand Total Capital		4,297,390

Transitional Capital		2009
C&I Smart Meters		750,000
Total Transitional Capital		750,000

All Capital		5,047,390
OM & A		2009
Minor Systems		160,000
Emergency Response		165,000
Cable Faults		55,000
Disconnect/Reconnect		100,000
Locates		130,000
Infrared		15,000
Community Relations		25,000
Switch Maintenance		35,000
Padmount Transformer Maintenance		20,000
Vegetation		170,000
Engineering Support		156,000
Operations Support		220,000
Meter O&M		50,000
Energy Services/Power Quality		25,000
Meter Reverification		105,000
MV 90		30,000
Building Maintenance		520,000
Customer Service		5,000
Environmental Management		50,000
Station Equipment Maintenance		55,000
Control Room Operator		50,000
Scada Maintenance		30,000
Vault Maintenance		20,000
Property Disposal		5,000
Labour Relations		5,000
General Administration		220,000
Wholesale Meter Support		45,000
Total OM&A		2,466,000

VECC question 1 Appendix

Capital

2010 Budget

Demand Capital	Benefit	2010
Residential New		113,325
Detached Residential		113,325
Residential Rebuild		20,300
Commercial Industrial New		121,800
Commerical & Industrial Rebuild		131,950
Transformer Replacement		152,250
Retail Meter Replacement		30,450
Engineering Support		324,800
Control Room Support		107,400
Account Cancellation		6,181
Capital Expansion Requests		50,750
Total Demand Capital		**1,172,531**
Contributed Capital		**(275,000)**
Grand Total Demand Capital		**897,531**

Specific Capital	Benefit	2010
Reduction of Step Down Transformers	EOL	100,000
Sub 6 Conversion	SL, Safety	300,000
Dresden Conversion (South)	Rel, Sfty, SL	450,000
Submarine Cable Replacement	Rel	200,000
Downtown Chatham	Rel	200,000
M5 Submarine cable refurbishment		100,000
Sub 7/9 Conversion	SL	260,000
Low voltage vault repairs		100,000
Primary Cable Replacement Program	Rel	100,000
Insulator Replacement	Rel	30,000
Emergencies	Rel	75,000
LIS Switches (3 Switches)	Rel	60,000
Pole Replacment	Rep	100,000
Asset Management and System Optimization Program		300,000
Operations Support		410,000
Total Specific Capital		**2,785,000**

Tools, Building and Fleet	Benefit	2010
Capital Equipment		332,000
Rolling Stock		765,000
SCADA Capital		40,000
AM/FM		80,000
Computers		50,000
Building		568,000
Total Equipment		**1,835,000**

Green Energy Initiatives: Enabling Renewal	Benefit	2010
New Enabling Transformer Station		250,000
P&C upgrades at TS's		400,000
Green Energy Initiatives: Smart Grid	**Benefit**	
Smart Grid Development		275,000
Smart Grid Deployment		
SCADA Upgrades		100,000
SCADA switches		475,000
Fault Indicators, smart meters at transformers		666,667
Tower Sites (2) - wireless infrastructure		200,000
Green Energy Initiatives: Gen and CDM	**Benefit**	
Small DG Generation Fit/Microfit		200,000
Demand Management and CDM		250,000
Total Green Energy Capital		**2,816,667**

Capital less GEA & Transitional		**5,517,531**

Transitional Capital	Benefit	2010
C&I Smart Meters		600,000
Total Transitional Capital		**600,000**

All Capital		**8,934,198**

Operations & Maintenance

OM & A	Benefit	2010
Minor Systems		180,000
Emergency Response		160,000
Cable Faults		55,000
Disconnect/Reconnect		90,000
Locates		130,000
Infrared		20,000
Community Relations		25,000
Switch Maintenance		35,000
Padmount Transformer Maintenance		20,000
Vegetation		180,000
Engineering Support		165,000
Operations Support		250,000
Meter O&M		40,000
Smart Meter O&M		70,000
Energy Services/Power Quality		25,000
Meter Reverification		90,000
MV 90		40,000
Building Maintenance		520,000

Customer Service		5,000
Environmental Management		50,000
Station Equipment Maintenance		55,000
Control Room Operator		60,000
Scada Maintenance		30,000
Vault Maintenance		20,000
Labour Relations		5,000
General Administration		230,000
Wholesale Meter Support		50,000
Total OM&A		**2,600,000**

Green Energy Initiatives O&M	**Benefit**	**2010**
Smart Grid Development - Labour 1 Tech	Rel	100,000
Control Room Support		500,000
Smart Grid Support Software/Hardware Licensing		90,000
Fiber Communication		10,000
Incentive Payments for Residential and C&I Programs		350,000
Conservation/DM Technologists		300,000
Total Green Energy O&M		**1,350,000**

Grand Total O&M			**3,950,000**

VECC Question 3 (a) Appendix
2008 – 2011 Four year plan

Demand Capital	2008	2009	2010	2011
Residential New	**110,000**	111,650	113,325	115,025
Detached Residential	**110,000**	111,650	113,325	115,025
Residential Rebuild	**30,000**	30,450	30,907	31,370
Commercial Industrial New	**90,000**	91,350	92,720	94,111
Commercial & Industrial Rebuild	**120,000**	121,800	123,627	125,481
Transformer Replacement	**132,000**	133,980	110,000	110,001
Retail Meter Replacement	**25,000**	25,375	25,756	26,142
Engineering Support	**280,000**	284,200	288,463	292,790
Control Room Support	**50,000**	50,750	51,511	52,284
Account Cancellation	**6,000**	6,090	6,181	6,274
CDM, OPA Programs, etc	**100,000**	101,500	103,023	104,568
Capital Expansion Requests	**280,000**	31,465	31,937	32,416
Total Demand Capital	**1,333,000**	1,100,260	1,090,774	1,105,487
Contribution from OPA	**(75,000)**	(75,000)	(75,000)	(75,000)
Contributed Capital	**(350,000)**	(250,000)	(250,000)	(249,999)
Grand Total Demand Capital	**908,000**	775,260	765,774	780,488

Specific Capital	2008	2009	2010	2011
Blenheim Conversion		200,000	250,000	300,000
Tilbury Conversion	**400,000**			
Tilbury Supply Improvement	**50,000**			
Load Transfers	**85,000**	200,000		
Dresden North DS	**10,000**			
Aerial Cable on King St				
Replace Poles on Park Ave	**50,000**			
Hospital on own Feeder		200,000		
Reduction of Rabbits	**100,000**	150,000	100,000	100,000
Dresden Park St - Single Phase Line	**50,000**			
Murray St Extension	**25,000**			
Sub 8 Conversion				
Parry St - backyard removal	**50,000**			
Sub 6 Conversion			300,000	300,000
Eliminate Wheatley 3 Ph Rabbits				200,000
Dresden Conversion				150,000
North Chatham Supply Enhancement		200,000	200,000	
Downtown Chatham			200,000	200,000
M5 Re-Cabling		150,000	150,000	
Sub 3 Conversion				
Sub 9 Conversion	**5,000**			
Sub 7 Conversion	**250,000**	200,000		
Thamesville Neutral				

Primary Cable Replacement Program		150,000	100,000	100,000
Insulator Replacement	**30,000**	30,000	30,000	30,000
Emergencies	**75,000**	75,000	75,000	75,000
Distribution Automation	**50,000**	50,000	100,000	100,000
LIS Switches (3 Switches)	**60,000**	60,000	60,000	60,000
Ridgetown M16-M15 Tie		250,000	200,000	
CDM Program	**20,000**	20,000	20,000	20,000
Blenheim/Bothwell WM	**50,000**			
Pole Replacement	**50,000**	100,000	100,000	100,000
Operations Support	**380,000**	390,000	400,000	410,000
Total Specific Capital	**1,790,000**	**2,425,000**	**2,285,000**	**2,145,000**

Capital Equipment	**75,000**	47,500	37,000	43,000
Rolling Stock	**200,000**	445,000	265,000	240,000
SCADA Capital	**40,000**	40,000	40,000	40,000
Replave AMI Network Control		70,000		
Replace AMI Computer				
AM/FM	**50,000**	50,000	50,000	55,000
QMS and ISO Certification	**25,000**			
Outage Management System	**100,000**			
Computers	**50,000**	50,000	50,000	50,000
Building, New entrance, Security etc.	**150,000**	53,000	78,000	73,000
Total Equipment	**690,000**	**755,500**	**520,000**	**501,000**

Grand Total Capital	**3,388,000**	**3,955,760**	**3,570,774**	**3,426,488**

Transitional Capital	**2008**	**2009**	**2010**	**2011**
Smart Meter	**100,000**			
C&I Smart Meters	**400,000**	700,000	600,000	
System Loss Reduction				
Total Transitional Capital	**500,000**	700,000	600,000	-

All Capital	**3,888,000**	4,655,760	4,170,774	3,426,488

OM & A	2008	2009	2010	2011
Minor Systems	**170,000**	175,000	175,000	180,000
Emergency Response	**165,000**	165,000	170,000	175,000
Cable Faults	**55,000**	55,000	55,000	55,000
Disconnect/Reconnect	**80,000**	80,000	80,000	80,000
Locates	**130,000**	130,000	130,000	130,000
Infrared	**20,000**	20,000	20,000	20,000
Community Relations	**35,000**	35,000	35,000	40,000
Switch Maintenance	**35,000**	35,000	40,000	45,000
Minor Pole	**30,000**	30,000	30,000	30,000
Padmount Transformer Maintenance	**25,000**	25,000	25,000	25,000
Vegetation	**175,000**	180,000	180,000	180,000
Engineering Support	**155,000**	160,000	160,000	170,000
Operations Support	**210,000**	220,000	220,000	230,000
Meter O&M	**60,000**	70,000	80,000	90,000
Energy Services/Power Quality	**30,000**	25,000	25,000	25,000
Meter Reverification	**120,000**	120,000	120,000	130,000
MV 90	**40,000**	40,000	40,000	40,000
Building Maintenance	**500,000**	500,000	500,000	500,000
Customer Service	**5,000**	5,000	5,000	5,000
Environmental Management	**55,000**	55,000	50,000	40,000
Station Equipment Maintenance	**65,000**	65,000	65,000	65,000
Control Room Operator	**50,000**	50,000	55,000	55,000
Scada Maintenance	**30,000**	30,000	30,000	30,000
Vault Maintenance	**25,000**	25,000	25,000	25,000
Property Disposal	**5,000**	5,000	5,000	5,000
Labour Relations	**5,000**	5,000	5,000	5,000
General Administration	**210,000**	215,000	220,000	225,000
Wholesale Meter Support	**20,000**	20,000	20,000	20,000
Total OM&A	**2,505,000**	**2,540,000**	**2,565,000**	**2,620,000**

Chatham-Kent Hydro Inc.
Vehicle Capital: Bucket Truck Purchases

Year 2004 :			
Single Bucket Truck	04BK20	$	225,142.20
2004 Total		$	225,142.20
Year 2005 :			
2005 Forestry Truck	05BK16	$	143,640.00
2005 Total		$	143,640.00
Year 2006 :			
Single Bucket Truck	07BK11	$	243,808.99
2006 Total		$	243,808.99
Year 2007 :			
2007 Bucket Truck	07BK06	$	278,017.16
2007 Total		$	278,017.16
Year 2008 :			
2007 Bucket Truck	08BK15	$	130,458.12
2008 Total		$	130,458.12
Year 2009 :			
New Chassis for RBD	09DD07	$	145,200.00
2009 Total		$	145,200.00
Year 2010 :			
2010 Double Bucket	10BK19	$	500,000.00
2010 Single Bucket Truck	10BK12	$	235,000.00
2010 Total		$	735,000.00
Year 2011 :			
2011 RBD Truck	VEDD03	$	230,000.00
2011 Total		$	230,000.00
Year 2012 :			
2012 Bucket Truck		$	295,000.00
2012 Total		$	295,000.00

Chatham-Kent Hydro Inc.
Vehicle : Bucket Truck Dispsoals

Description	Vehicle #	Year of Vehicle	Years In Service	Depreciation Years	Kilometers	Original Purchase Price
Year 2004 :						
1989 Ford F800 with Double Bucket - Altec Boom	VEBK05	1989	16	8	128,168	$ -
1994 International Double Bucket - RBD	VEDD06	1994	11	8	50,256	$ 214,444.16
Purchase value of VEBK05 not available as vehicle came from Wallaceburg Hydro in 1998 amalgamation and historical data available from former utility does not provided the value						
2004 Total						$ 214,444.16
Year 2005 :						
1989 Ford F700 with Double Bucket - Altec Boom	VEBK16	1989	15	8	117,720	$ 132,401.59
2005 Total						$ 132,401.59
Year 2006 :						
1993 International Bucket Truck - Telect Boom	VEBK11	1993	14	8	46,209	$ 168,469.32
2006 Total						$ 168,469.32
Year 2007 :						
1992 Ford F450 Single Bucket	VEBK17	1992	16	8	112,128	$ 58,860.00
1993 Ford F800 Double Bucket	VEBK06	1993	15	8	40,499	$ 118,357.20
2007 Total						$ 177,217.20
Year 2008 :						
1994 Ford F450 Single Bucket	VEBK15	1994	15	8	111,950	$ 64,352.08
2008 Total						$ 64,352.08
Year 2009 :						
1996 GMC Chassis only - Boom reinstalled on a New Chassis	VEDD07	1996	14	8	35,446	$ 45,532.09
2009 Total						$ 45,532.09
Year 2010 :						
1995 International Double Bucket Truck	VEBK12	1995	15	8	27,988	$ 298,196.71
1998 International Single Bucket Truck	VEBK08	1997	14	8	201,490	$ 152,918.56
1999 Chev Single Bucket	VEBK19	2000	10	8	151,580	$ 168,457.19
2010 Total						$ 619,572.46

Summary of Accts 1518 & 1548 for 2007 & 2008

For 2007	Acct 1518	Acct 1548
Jan 2007 open	(120,948.10)	155,622.08
Revenue	(20,254.20)	(554.00)
Expenses	5,283.96	8,405.05
Mar-31 S/T	(135,918.34)	163,473.13
Revenue	(19,462.70)	(1,065.25)
Expenses	6,269.56	7,419.44
Apply 2006 rate applic interest per OEB	9,020.00	(12,856.00)
Apply 2006 rate applic principal per OEB	49,827.00	(75,484.00)
Jun-30 S/T	(90,264.48)	81,487.32
Revenue	(15,953.60)	(975.25)
Expenses	7,296.24	6,392.76
Sep-30 S/T	(98,921.84)	86,904.83
Revenue	(16,255.50)	(510.50)
Expenses	7,433.12	6,255.87
Interest Calc for 2007	(4,082.58)	3,785.72
Balance at Dec 31, 2007	(111,826.80)	96,435.92

Summary 2007		
Open	(120,948.10)	155,622.08
Revenue	(71,926.00)	(3,105.00)
Expenses	26,282.88	28,473.12
Apply 2006 rate applic interest per OEB	49,827.00	(75,484.00)
Apply 2006 rate applic principal per OEB	9,020.00	(12,856.00)
2007 Interst Calc	(4,082.58)	3,785.72
Close	(111,826.80)	96,435.92

Summary of Accts 1518 & 1548 for 2007 & 2008

For 2008	Acct 1518	Acct 1548
Jan 2008 open	(111,826.80)	96,435.92
Revenue	(15,953.00)	(527.25)
Expenses	3,852.68	3,761.32
1/4'ly Interest	(1,436.33)	878.43
Mar-31 S/T	(125,363.45)	100,548.42
Revenue	(16,064.10)	(459.50)
Expenses	4,400.90	3,213.10
1/4'ly Interest	(1,262.07)	728.64
June S/T	(138,288.72)	104,030.66
Revenue	(15,870.20)	(405.75)
Expenses	5,725.72	1,888.28
1/4'ly Interest	(1,129.71)	617.78
Sept S/T	(149,562.91)	106,130.97
Revenue	(15,809.90)	(380.00)
Expenses	4,781.60	2,832.40
1/4'ly Interest	(1,217.14)	1,642.55
Balance at Dec 31, 2008	(161,808.35)	110,225.92

Summary 2008		
Open	(111,826.80)	96,435.92
Revenue	(63,697.20)	(1,772.50)
Expenses	18,760.90	11,695.10
2008 Interst Calc	(5,045.25)	3,867.40
Close	(161,808.35)	110,225.92

Smart Meter Revenue Requirement & Proposed Rates- Summary

Chatham-Kent Hydro Inc.

Summary of Actual Costs claimed in this application	2008	2008	2009	Total Actual	Perm Adjust 2009
Capital Costs *(must be installed, and used and useful)*					
Smart Meters	$ 19,631	$ -	$ 19,631		$ 19,631
Computer Hardware	$ 8,883	$ -	$ 8,883		$ 8,883
Computer Software	$ -	$ -	$ -		$ -
Tools & Equipment	$ -	$ -	$ -		$ -
Other Equipment *(please specify)*	$ -	$ -	$ -		$ -
Total Capital Costs	$ 28,513	$ -	$ 28,513		$ 28,513
O M & A					
2.1 Advanced metering communication device (AMCD	$ -	$ -	$ -		
2.2 Advanced metering regional collector (AMRC) (inc	$ -	$ -	$ -		
2.3 Advanced metering control computer (AMCC)	$ -	$ -	$ -		
2.4 Wide area network (WAN)	$ -	$ -	$ -		
2.5 Other AMI OM&A costs related to minimum functi	$ 398,843	$ -	$ 398,843		
Total O M & A Costs	$ 398,843	$ -	$ 398,843		

Summary of Revenue Requirement Calculation	2008	2008	2009	Total Actual	Perm Adjust 2009
Net Fixed Assets					
Net Fixed Assets Beginning of Year	$ -	$ 26,971	$ 23,886		$ 23,886
Net Fixed Assets End of Year	$ 26,971	$ 23,886	$ -		$ 20,800
Average Net Fixed Asset Values	$ 13,485	$ 25,428	$ 11,943		$ 22,343
Working Capital Allowance					
Operation Expense	$ 398,843	$ -	$ -		$ -
Working Capital Allowance 15% (from approved 2006	$ 59,826	$ -	$ -		$ -
Smart Meters Rate Base	$ 73,312	$ 25,428	$ 11,943		$ 22,343
Return on Rate Base					
Deemed Debt 53.3% Times Weighted Debt Rate 7.04%	$ 2,751	$ 954	$ 448	$ 4,153	$ 891
Deemed Equity 46.7% Times ROE 9%	$ 3,081	$ 381	$ 502	$ 3,965	$ 871
Return on Rate Base	$ 5,832	$ 1,336	$ 950	$ 8,118	$ 1,763
Operating Expenses					
Incremental Operating Expenses	$ 398,843	$ -	$ -	$ 398,843	$ -
Amortization Expenses	$ 1,543	$ 3,085	$ -	$ 4,628	$ 3,085
Total Operating Expenses	$ 400,386	$ 3,085	$ -	$ 403,471	$ 3,085
Stranded Cost	$ 114,623			$ 114,623	
Total Operating Expenses	$ 515,009	$ 3,085	$ -	$ 518,094	

	2008	2008	2009	Total Actual	Perm Adjust 2009
Revenue Requirement Before PILs	$ 520,841	$ 4,421	$ 950	$ 526,212	$ 4,848
Grossed up PILs	$ 1,244	-$ 156	$ -	$ 1,089	$ 533
Revenue Requirement for Smart Meters	**$ 522,085**	**$ 4,265**	**$ 950**	**$ 527,300**	**$ 5,381**

Rate Rider to Clear Actual Expenses to December 2008

Revenue Requirement for Smart Meters Installed						$ 527,300
Carrying costs						$ 1,968

The last available Board prescribed interest rate for approved accounts to be applied against deferral accounts is assumed to continue without change for the completion of

Less Smart Meter Adder Recovery	Rate Adder	Customers	No. of Mths	Amount Recovered	
November 2008 to April 30, 2009	$ 0.54	28,200	6	$ 91,368	
May 1, 2009 to April 30, 2010	$ 0.54	28,644	12	$ 185,613	
May 1, 2010 to April 30, 2012	**$ 0.37**	28,644	24	$ 252,287	-$ 529,269
					-$ 0

Permanent Capital Rate Adjustment	Rate Adder	Metered Customers per 2010	No. of Mths	Amount Recovered

Smart Meter Revenue Requirement & Proposed Rates- Summary

Chatham-Kent Hydro Inc.

Summary of Actual Costs claimed in this application	2008	2008	2009	Total Actual	Perm Adjust 2009
Capital Costs *(must be installed, and used and useful)*					
Smart Meters	$ 321,399		$ -	$ 321,399	$ 321,399
Computer Hardware	$ 2,137		$ -	$ 2,137	$ 2,137
Computer Software	$ 7,066		$ -	$ 7,066	$ 7,066
Tools & Equipment	$ -		$ -	$ -	$ -
Other Equipment *(please specify)*	$ -		$ -	$ -	$ -
Total Capital Costs	$ 330,601		$ -	$ 330,601	$ 330,601
O M & A					
2.1 Advanced metering communication device (AMCD)	$ -		$ -	$ -	
2.2 Advanced metering regional collector (AMRC) (incl	$ -		$ -	$ -	
2.3 Advanced metering control computer (AMCC)	$ -		$ -	$ -	
2.4 Wide area network (WAN)	$ -		$ -	$ -	
2.5 Other AMI OM&A costs related to minimum functic	$ 23,638		$ -	$ 23,638	
Total O M & A Costs	$ 23,638		$ -	$ 23,638	

Summary of Revenue Requirement Calculation	2008	2008	2009	Total Actual	Perm Adjust 2009
Net Fixed Assets					
Net Fixed Assets Beginning of Year	$ -	$ 318,496	$ 294,287		$ 294,287
Net Fixed Assets End of Year	$ 318,496	$ 294,287	$ -		$ 270,078
Average Net Fixed Asset Values	$ 159,248	$ 306,392	$ 147,144		$ 282,183
Working Capital Allowance					
Operation Expense	$ 23,638	$ -	$ -		$ -
Working Capital Allowance 15% (from approved 2006 I	$ 3,546	$ -	$ -		$ -
Smart Meters Rate Base	$ 162,794	$ 306,392	$ 147,144		$ 282,183
Return on Rate Base					
Deemed Debt 53.3% Times Weighted Debt Rate 7.04%	$ 6,109	$ 11,497	$ 5,521	$ 23,127	$ 11,258
Deemed Equity 46.7% Times ROE 9%	$ 6,842	$ 4,596	$ 6,184	$ 17,623	$ 11,004
Return on Rate Base	$ 12,951	$ 16,093	$ 11,706	$ 40,749	$ 22,262
Operating Expenses					
Incremental Operating Expenses	$ 23,638	$ -	$ -	$ 23,638	$ -
Amortization Expenses	$ 12,105	$ 24,209	$ -	$ 36,314	$ 24,209
Total Operating Expenses	$ 35,742	$ 24,209	$ -	$ 59,951	$ 24,209
Stranded Cost				$ -	
Total Operating Expenses	$ 35,742	$ 24,209	$ -	$ 59,951	

	2008	2008	2009	Total Actual	Perm Adjust 2009
Revenue Requirement Before PILs	$ 48,693	$ 40,302	$ 11,706	$ 100,701	$ 46,471
Grossed up PILs	$ 3,502	$ 5,514	$ -	$ 9,017	$ 6,652
Revenue Requirement for Smart Meters	**$ 52,195**	**$ 45,816**	**$ 11,706**	**$ 109,717**	**$ 53,123**

Rate Rider to Clear Actual Expenses to December 2008

Revenue Requirement for Smart Meters Installed					$ 109,717
Carrying costs	The last available Board prescribed interest rate for approved accounts to be applied against deferral accounts is assumed to continue without change for the completion of recovery of				-$ 6,810
Less Smart Meter Adder Recovery	**Rate Adder**	**Customers**	**No. of Mths**	**Amount Recovered**	
November 2008 to April 30, 2009	$ 0.54	3,291	6	$ 10,663	
May 1, 2009 to April 30, 2010	$ 0.54	3,038	12	$ 19,686	
May 1, 2010 to April 30, 2012	**$ 1.00**	3,038	24	$ 72,558	-$ 102,907
					$ 1

Permanent Capital Rate Adjustustment	**Rate Adder**	**Metered Customers per 2010**	**No. of Mths**	**Amount Recovered**
May 2010	**$ 1.46**	3,038	12	$ 53,123

Smart Meter Revenue Requirement & Proposed Rates- Summary

Chatham-Kent Hydro Inc.

Summary of Actual Costs claimed in this application	2008	2008	2009	Total Actual	Perm Adjust 2009
Capital Costs *(must be installed, and used and useful)*					
Smart Meters	$ 78,087		$ -	$ 78,087	$ 78,087
Computer Hardware	$ -		$ -	$ -	$ -
Computer Software	$ -		$ -	$ -	$ -
Tools & Equipment	$ -		$ -	$ -	$ -
Other Equipment *(please specify)*	$ -		$ -	$ -	$ -
Total Capital Costs	$ 78,087		$ -	$ 78,087	$ 78,087
O M & A					
2.1 Advanced metering communication device (AMCD)	$ -		$ -	$ -	
2.2 Advanced metering regional collector (AMRC) (incl	$ -		$ -	$ -	
2.3 Advanced metering control computer (AMCC)	$ -		$ -	$ -	
2.4 Wide area network (WAN)	$ -		$ -	$ -	
2.5 Other AMI OM&A costs related to minimum functic	$ 1,340		$ -	$ 1,340	
Total O M & A Costs	$ 1,340		$ -	$ 1,340	

Summary of Revenue Requirement Calculation	2008	2008	2009	Total Actual	Perm Adjust 2009
Net Fixed Assets					
Net Fixed Assets Beginning of Year	$ -	$ 75,484	$ 70,278		$ 70,278
Net Fixed Assets End of Year	$ 75,484	$ 70,278	$ -		$ 65,072
Average Net Fixed Asset Values	$ 37,742	$ 72,881	$ 35,139		$ 67,675
Working Capital Allowance					
Operation Expense	$ 1,340	$ -	$ -		$ -
Working Capital Allowance 15% (from approved 2006 I	$ 201	$ -	$ -		$ -
Smart Meters Rate Base	$ 37,943	$ 72,881	$ 35,139		$ 67,675
Return on Rate Base					
Deemed Debt 53.3% Times Weighted Debt Rate 7.04%	$ 1,424	$ 2,735	$ 1,319	$ 5,477	$ 2,700
Deemed Equity 46.7% Times ROE 9%	$ 1,595	$ 1,093	$ 1,477	$ 4,165	$ 2,639
Return on Rate Base	$ 3,018	$ 3,828	$ 2,795	$ 9,642	$ 5,339
Operating Expenses					
Incremental Operating Expenses	$ 1,340	$ -	$ -	$ 1,340	$ -
Amortization Expenses	$ 2,603	$ 5,206	$ -	$ 7,809	$ 5,206
Total Operating Expenses	$ 3,943	$ 5,206	$ -	$ 9,149	$ 5,206
Stranded Cost				$ -	
Total Operating Expenses	$ 3,943	$ 5,206	$ -	$ 9,149	

	2008	2008	2009	Total Actual	Perm Adjust 2009
Revenue Requirement Before PILs	$ 6,961	$ 9,034	$ 2,795	$ 18,790	$ 10,545
Grossed up PILs	$ 898	$ 1,355	$ -	$ 2,253	$ 1,471
Revenue Requirement for Smart Meters	**$ 7,859**	**$ 10,389**	**$ 2,795**	**$ 21,043**	**$ 12,016**

Rate Rider to Clear Actual Expenses to December 2008

Revenue Requirement for Smart Meters Installed						$ 21,043
Carrying costs	The last available Board prescribed interest rate for approved accounts to be applied against deferral accounts is assumed to continue without change for the completion of recovery of					-$ 7,562
Less Smart Meter Adder Recovery		**Rate Adder**	**Customers**	**No. of Mths**	**Amount Recovered**	
November 2008 to April 30, 2009		$ 0.54	381	6	$ 1,234	
May 1, 2009 to April 30, 2010		$ 0.54	421	12	$ 2,728	
May 1, 2010 to April 30, 2012		**$ 0.94**	421	24	$ 9,518	-$ 13,481
						$ 0

Permanent Capital Rate Adjustustment	**Rate Adder**	**Metered Customers per 2010**	**No. of Mths**	**Amount Recovered**
May 2010	**$ 2.38**	421	12	$ 12,016

Cash Flow Projection

Assumptions

Rate adder rates of Jan 2009 -Apr 2010 at.54 cents & Rate Adders May 2010 - April 2012 at . 45 cents & Rate Adders May 2010 - April 30, 2011 at .51 cents
Monthly billing process to begin in Jan 2010
Smart Meter Expenditure monthly allocations in 2010 & 2011 are based on 2009 actual monthly allocations.
Actual 2009 expenditures exceeded orignal budget , however the 2010 forcasted expenditures are reduced by an equal amount resulting in the total for 2009 & 2010 equalling the budget of $1,350,000.00
2009 balances are actual for Jan to November, December is an estimate.

2009	**Jan**	**Feb**	**Mar**	**Apr**	**May**	**Jun**	**Jul**	**Aug**	**Sep**	**Oct**	**Nov**	**Dec**	**Total**
Revenue Adder	$23,137.00	$10,812.00	$19,311.00	$16,976.00	$17,595.00	$16,994.00	$22,191.00	$12,442.00	$17,626.00	$20,436.00	$13,939.00	$16,756.00	$208,215.00
Smart Meter Exp	$18,017.00	$66,941.00	$38,743.00	$184,441.00	$73,558.00	$158,480.00	$198,960.00	$21,808.00	$38,066.00	$75,184.00	$132,298.00	$15,000.00	$1,021,496.00
Net Cash Flow	$5,120.00	($56,129.00)	($19,432.00)	($167,465.00)	($55,963.00)	($141,486.00)	($176,769.00)	($9,366.00)	($20,440.00)	($54,748.00)	($118,359.00)	$1,756.00	($813,281.00)

2010	**Jan**	**Feb**	**Mar**	**Apr**	**May**	**Jun**	**Jul**	**Aug**	**Sep**	**Oct**	**Nov**	**Dec**	**Total**
Revenue Adder	$17,351.00	$17,351.00	$17,351.00	$17,351.00	$17,351.00	$30,847.00	$30,847.00	$30,847.00	$30,847.00	$30,847.00	$30,847.00	$30,847.00	$302,684.00
Smart Meter Exp	$5,820.00	$21,626.00	$12,516.00	$59,585.00	$23,763.00	$51,198.00	$64,275.00	$7,045.00	$12,297.00	$24,289.00	$42,740.00	$4,846.00	$330,000.00
Net Cash Flow	$11,531.00	($4,275.00)	$4,835.00	($42,234.00)	($6,412.00)	($20,351.00)	($33,428.00)	$23,802.00	$18,550.00	$6,558.00	($11,893.00)	$26,001.00	($27,316.00)

2011	**Jan**	**Feb**	**Mar**	**Apr**	**May**	**Jun**	**Jul**	**Aug**	**Sep**	**Oct**	**Nov**	**Dec**	**Total**
Revenue Adder	$30,847.00	$30,847.00	$30,847.00	$30,847.00	$30,847.00	$16,387.00	$16,387.00	$16,387.00	$16,387.00	$16,387.00	$16,387.00	$16,387.00	$268,944.00
Smart Meter Exp	$3,527.00	$13,107.00	$7,585.00	$36,112.00	$14,402.00	$31,029.00	$38,955.00	$4,270.00	$7,453.00	$14,721.00	$25,903.00	$2,936.00	$200,000.00
Net Cash Flow	$27,320.00	$17,740.00	$23,262.00	($5,265.00)	$16,445.00	($14,642.00)	($22,568.00)	$12,117.00	$8,934.00	$1,666.00	($9,516.00)	$13,451.00	$68,944.00

Smart Meter Revenue Requirement & Proposed Rates- Summary

Summary of Actual Costs claimed in this application	2009 Capital		2010 Capital	Total
Capital Costs ***(must be installed, and used and useful)***				
Smart Meters	$ 190,000		$ 5,000	$ 195,000
Computer Hardware	$ -		$ -	$ -
Computer Software	$ -		$ -	$ -
Tools & Equipment	$ -		$ -	$ -
Other Equipment *(please specify)*	$ -		$ -	$ -
Total Capital Costs	$ 190,000		$ 5,000	$ 195,000
O M & A				
2.1 Advanced metering communication device (AMCD)	$ -		$ -	$ -
2.2 Advanced metering regional collector (AMRC) (includes LAN)	$ -		$ -	$ -
2.3 Advanced metering control computer (AMCC)	$ -		$ -	$ -
2.4 Wide area network (WAN)	$ -		$ -	$ -
2.5 Other AMI OM&A costs related to minimum functionality	$ -		$ -	$ -
Total O M & A Costs	$ -		$ -	$ -

Summary of Revenue Requirement Calculation	2009 Capital		2010 Capital	Total
Net Fixed Assets				
Net Fixed Assets Beginning of Year	$ -		$ 183,667	
Net Fixed Assets End of Year	$ 183,667		$ 175,833	
Average Net Fixed Asset Values	$ 91,833	$ -	$ 179,750	
Working Capital Allowance				
Operation Expense	$ -	$ -	$ -	
Working Capital Allowance	$ -	$ -	$ -	
Smart Meters Rate Base	$ 91,833	$ -	$ 179,750	
Return on Rate Base				
Deemed Debt	$ 3,664		$ 7,766	$ 11,430
Deemed Equity	$ 3,581		$ 5,759	$ 9,340
Return on Rate Base	$ 7,245	$ -	$ 13,525	$ 20,770
Operating Expenses				
Incremental Operating Expenses	$ -	$ -	$ -	$ -
Amortization Expenses	$ 6,333	$ -	$ 12,833	$ 19,167
Total Operating Expenses	$ 6,333	$ -	$ 12,833	$ 19,167

	2009 Capital		2010 Capital	Total
Revenue Requirement Before PILs	$ 13,578		$ 26,358	$ 39,937
Grossed up PILs	$ 1,685		$ 2,710	$ 4,395
Revenue Requirement for Smart Meters	**$ 15,264**		**$ 29,069**	**$ 44,332**

Rate Adder for Capital In 2009 and 2010	Rate Adder	Metered Customers per 2010	No. of Mths	Amount Recovered
May 1, 2010 to April 30, 2011	**$ 0.13**	**28,644**	**12**	**$ 44,332**

Smart Meter Revenue Requirement & Proposed Rates- Summary

Summary of Actual Costs claimed in this application	2009 Capital		2010 Capital	Total
Capital Costs ***(must be installed, and used and useful)***				
Smart Meters	$ 350,000		$ 50,000	$ 400,000
Computer Hardware	$ -		$ -	$ -
Computer Software	$ -		$ -	$ -
Tools & Equipment	$ -		$ -	$ -
Other Equipment *(please specify)*	$ -		$ -	$ -
Total Capital Costs	$ 350,000		$ 50,000	$ 400,000
O M & A				
2.1 Advanced metering communication device (AMCD)	$ -		$ -	$ -
2.2 Advanced metering regional collector (AMRC) (includes LAN)	$ -		$ -	$ -
2.3 Advanced metering control computer (AMCC)	$ -		$ -	$ -
2.4 Wide area network (WAN)	$ -		$ -	$ -
2.5 Other AMI OM&A costs related to minimum functionality	$ -		$ -	$ -
Total O M & A Costs	$ -		$ -	$ -

Summary of Revenue Requirement Calculation	2009 Capital		2010 Capital	Total
Net Fixed Assets				
Net Fixed Assets Beginning of Year	$ -		$ 338,333	
Net Fixed Assets End of Year	$ 338,333		$ 363,333	
Average Net Fixed Asset Values	$ 169,167	$ -	$ 350,833	
Working Capital Allowance				
Operation Expense	$ -	$ -	$ -	
Working Capital Allowance	$ -	$ -	$ -	
Smart Meters Rate Base	$ 169,167	$ -	$ 350,833	
Return on Rate Base				
Deemed Debt	$ 6,749		$ 15,157	$ 21,906
Deemed Equity	$ 6,597		$ 11,241	$ 17,838
Return on Rate Base	$ 13,346	$ -	$ 26,398	$ 39,744
Operating Expenses				
Incremental Operating Expenses	$ -	$ -	$ -	$ -
Amortization Expenses	$ 11,667	$ -	$ 25,000	$ 36,667
Total Operating Expenses	$ 11,667	$ -	$ 25,000	$ 36,667

	2009 Capital		2010 Capital	Total
Revenue Requirement Before PILs	$ 25,013		$ 51,398	$ 76,411
Grossed up PILs	$ 3,104		$ 5,290	$ 8,394
Revenue Requirement for Smart Meters	**$ 28,117**		**$ 56,688**	**$ 84,805**

Rate Adder for Capital In 2009 and 2010	Rate Adder	Metered Customers per 2010	No. of Mths	Amount Recovered
May 1, 2010 to April 30, 2011	**$ 2.33**	**3,038**	**12**	**$ 84,805**

Smart Meter Revenue Requirement & Proposed Rates- Summary

Summary of Actual Costs claimed in this application	2009 Capital		2010 Capital	Total
Capital Costs ***(must be installed, and used and useful)***				
Smart Meters	$ 60,000		$ 595,000	$ 655,000
Computer Hardware	$ -		$ -	$ -
Computer Software	$ -		$ -	$ -
Tools & Equipment	$ -		$ -	$ -
Other Equipment *(please specify)*	$ -		$ -	$ -
Total Capital Costs	$ 60,000		$ 595,000	$ 655,000
O M & A				
2.1 Advanced metering communication device (AMCD)	$ -		$ -	$ -
2.2 Advanced metering regional collector (AMRC) (includes LAN)	$ -		$ -	$ -
2.3 Advanced metering control computer (AMCC)	$ -		$ -	$ -
2.4 Wide area network (WAN)	$ -		$ -	$ -
2.5 Other AMI OM&A costs related to minimum functionality	$ -		$ -	$ -
Total O M & A Costs	$ -		$ -	$ -

Summary of Revenue Requirement Calculation	2009 Capital		2010 Capital	Total
Net Fixed Assets				
Net Fixed Assets Beginning of Year	$ -		$ 58,000	
Net Fixed Assets End of Year	$ 58,000		$ 629,167	
Average Net Fixed Asset Values	$ 29,000	$ -	$ 343,583	
Working Capital Allowance				
Operation Expense	$ -	$ -	$ -	
Working Capital Allowance	$ -	$ -	$ -	
Smart Meters Rate Base	$ 29,000	$ -	$ 343,583	
Return on Rate Base				
Deemed Debt	$ 1,157		$ 14,844	$ 16,001
Deemed Equity	$ 1,131		$ 11,008	$ 12,139
Return on Rate Base	$ 2,288	$ -	$ 25,853	$ 28,140
Operating Expenses				
Incremental Operating Expenses	$ -	$ -	$ -	$ -
Amortization Expenses	$ 2,000	$ -	$ 23,833	$ 25,833
Total Operating Expenses	$ 2,000	$ -	$ 23,833	$ 25,833

	2009 Capital		2010 Capital	Total
Revenue Requirement Before PILs	$ 4,288		$ 49,686	$ 53,974
Grossed up PILs	$ 532		$ 5,180	$ 5,713
Revenue Requirement for Smart Meters	**$ 4,820**		**$ 54,866**	**$ 59,686**

Rate Adder for Capital In 2009 and 2010	Rate Adder	Metered Customers per 2010	No. of Mths	Amount Recovered
May 1, 2010 to April 30, 2011	**$ 11.81**	**421**	**12**	**$ 59,686**