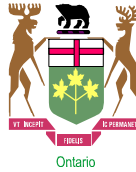


Appendix A
Board Adjustment Worksheet



REVENUE REQUIREMENT WORK FORM

Name of LDC: **Greater Sudbury Hydro Inc.**
File Number: **EB-2008-0230**
Rate Year: **2009** Version: 1.0

Table of Content

<u>Sheet</u>	<u>Name</u>
A	Data Input Sheet
1	Rate Base
2	Utility Income
3	Taxes/PILS
4	Capitalization/Cost of Capital
5	Revenue Sufficiency/Deficiency
6	Revenue Requirement
7	Bill Impacts

Notes:

- (1) Pale green cells represent inputs
- (2) **Please note that this model uses MACROS. Before starting, please ensure that macros have been enabled.**

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REVENUE REQUIREMENT WORK FORM

Name of LDC: Greater Sudbury Hydro Inc.
File Number: EB-2008-0230
Rate Year: 2009

Data Input (1)					
	Application	Adjustments		Per Board Decision	
1 Rate Base					
Gross Fixed Assets (average)	\$161,360,978	(4) (\$1,949,644)		\$159,411,333	
Accumulated Depreciation (average)	(\$97,238,655)	(5) \$388,687		(\$96,849,968)	
Allowance for Working Capital:					
Controllable Expenses	\$11,874,566	(6) (\$123,876)		\$11,750,690	
Cost of Power	\$77,531,341	(7) \$166,419		\$77,697,760	
Working Capital Rate (%)	15.00%			15.00%	
2 Utility Income					
Operating Revenues:					
Distribution Revenue at Current Rates	\$21,172,574			\$21,105,019	
Distribution Revenue at Proposed Rates	\$23,818,357			\$23,134,397	
Other Revenue:					
Specific Service Charges	\$217,032			\$217,032	
Late Payment Charges	\$112,728			\$112,728	
Other Distribution Revenue	\$872,672			\$872,672	
Other Income and Deductions	\$495,448			\$445,448	
Operating Expenses:					
OM+A Expenses	\$11,874,566	(6) (\$123,876)		\$11,750,690	
Depreciation/Amortization	\$5,597,110	(8) (\$483,897)		\$5,113,212	
Property taxes	\$ -			\$0	
Capital taxes	\$140,700			\$137,202	
Other expenses					
3 Taxes/PILs					
Taxable Income:					
Adjustments required to arrive at taxable income	\$1,229,061	(3)		\$2,029,110	
Utility Income Taxes and Rates:					
Income taxes (not grossed up)	\$1,355,036			\$1,539,219	
Income taxes (grossed up)	\$2,022,442			\$2,297,342	
Capital Taxes	\$140,700			\$137,202	
Federal tax (%)	19.00%			19.00%	
Provincial tax (%)	14.00%			14.00%	
Income Tax Credits					
4 Capitalization/Cost of Capital					
Capital Structure:					
Long-term debt Capitalization Ratio (%)	52.7%			52.7%	
Short-term debt Capitalization Ratio (%)	4.0%	(2)		4.0%	(2)
Common Equity Capitalization Ratio (%)	43.3%			43.3%	
Preferred Shares Capitalization Ratio (%)					
Cost of Capital					
Long-term debt Cost Rate (%)	7.01%			7.01%	
Short-term debt Cost Rate (%)	4.47%			1.33%	
Common Equity Cost Rate (%)	8.57%			8.01%	
Preferred Shares Cost Rate (%)					

Notes:

- This input sheet provides all inputs needed to complete sheets 1 through 6 (Rate Base through Revenue Requirement), except for Notes that the utility may wish to use to support the components. Notes should be put on the applicable pages to understand the context of each such note.
- (1) All inputs are in dollars (\$) except where inputs are individually identified as percentages (%)
- (2) 4.0% unless an Applicant has proposed or been approved for another amount.
- (3) Net of addbacks and deductions to arrive at taxable income.
- (4) Average of Gross Fixed Assets at beginning and end of the Test Year
- (5) Average of Accumulated Depreciation at the beginning and end of the Test Year. Enter as a negative amount.
- (6) Comprised of \$25,000 reduction in software maintenance, the removal of \$50,000 related to IFRS work (reclassified to a deferral account, and \$48,876 reduction in line apprentice wages.
- (7) Refer to revised cost of power calculation in Appendix B
- (8) Amortization calculation updated based on half year rule for additions and revised capital program for 2009.



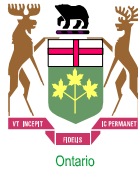
REVENUE REQUIREMENT WORK FORM

Name of LDC: Greater Sudbury Hydro Inc.
File Number: EB-2008-0230
Rate Year: 2009

Rate Base				
Line No.	Particulars	Application	Adjustments	Per Board Decision
1	Gross Fixed Assets (average) (3)	\$161,360,978	(\$1,949,644)	\$159,411,333
2	Accumulated Depreciation (average) (3)	(\$97,238,655)	\$388,687	(\$96,849,968)
3	Net Fixed Assets (average) (3)	\$64,122,323	(\$1,560,957)	\$62,561,365
4	Allowance for Working Capital (1)	\$13,410,886	\$6,381	\$13,417,267
5	Total Rate Base	\$77,533,209	(\$1,554,576)	\$75,978,633
(1) Allowance for Working Capital - Derivation				
6	Controllable Expenses	\$11,874,566	(\$123,876)	\$11,750,690
7	Cost of Power	\$77,531,341	\$166,419	\$77,697,760
8	Working Capital Base	\$89,405,907	\$42,543	\$89,448,450
9	Working Capital Rate % (2)	15.00%		15.00%
10	Working Capital Allowance	\$13,410,886	\$6,381	\$13,417,267

Notes

- (2) Generally 15%. Some distributors may have a unique rate due as a result of a lead-lag study.
(3) Average of opening and closing balances for the year.



REVENUE REQUIREMENT WORK FORM

Name of LDC: Greater Sudbury Hydro Inc.
File Number: EB-2008-0230
Rate Year: 2009

Utility income				
Line No.	Particulars	Application	Adjustments	Per Board Decision
Operating Revenues:				
1	Distribution Revenue (at Proposed Rates)	\$23,818,357	(\$683,959)	\$23,134,397
2	Other Revenue (1)	\$1,697,880	(\$50,000)	\$1,647,880
3	Total Operating Revenues	\$25,516,237	(\$733,959)	\$24,782,277
Operating Expenses:				
4	OM+A Expenses	\$11,874,566	(\$123,876)	\$11,750,690
5	Depreciation/Amortization	\$5,597,110	(\$483,897)	\$5,113,212
6	Property taxes	\$ -	\$ -	\$ -
7	Capital taxes	\$140,700	(\$3,498)	\$137,202
8	Other expense	\$ -	\$ -	\$ -
9	Subtotal	\$17,612,375	(\$611,271)	\$17,001,104
10	Deemed Interest Expense	\$3,004,309	(\$155,667)	\$2,848,642
11	Total Expenses (lines 4 to 10)	\$20,616,684	(\$766,938)	\$19,849,746
12	Utility income before income taxes	\$4,899,552	\$32,979	\$4,932,531
13	Income taxes (grossed-up)	\$2,022,442	\$274,899	\$2,297,342
14	Utility net income	\$2,877,110	(\$241,920)	\$2,635,190

Notes

(1)	Other Revenues / Revenue Offsets		
	Specific Service Charges	\$217,032	\$217,032
	Late Payment Charges	\$112,728	\$112,728
	Other Distribution Revenue	\$872,672	\$872,672
	Other Income and Deductions	\$495,448	\$445,448
	Total Revenue Offsets	\$1,697,880	\$1,647,880

Other revenues and offsets as per page 8 of the Board Decision



REVENUE REQUIREMENT WORK FORM

Name of LDC: Greater Sudbury Hydro Inc.
File Number: EB-2008-0230
Rate Year: 2009

Taxes/PILs			
Line No.	Particulars	Application	Per Board Decision
<u>Determination of Taxable Income</u>			
1	Utility net income	\$2,877,110	\$2,635,190
2	Adjustments required to arrive at taxable utility income	\$1,229,061	\$2,029,110
3	Taxable income	\$4,106,171	\$4,664,300
<u>Calculation of Utility income Taxes</u>			
4	Income taxes	\$1,355,036	\$1,539,219
5	Capital taxes	\$140,700	\$137,202
6	Total taxes	\$1,495,736	\$1,676,421
7	Gross-up of Income Taxes	\$667,406	\$758,123
8	Grossed-up Income Taxes	\$2,022,442	\$2,297,342
9	PILs / tax Allowance (Grossed-up Income taxes + Capital taxes)	\$2,163,142	\$2,434,543
10	Other tax Credits	\$ -	\$ -
<u>Tax Rates</u>			
11	Federal tax (%)	19.00%	19.00%
12	Provincial tax (%)	14.00%	14.00%
13	Total tax rate (%)	33.00%	33.00%

Notes



REVENUE REQUIREMENT WORK FORM

Name of LDC: Greater Sudbury Hydro Inc.
 File Number: EB-2008-0230
 Rate Year: 2009

Capitalization/Cost of Capital

Line No.	Particulars	Capitalization Ratio		Cost Rate	Return
		(%)	(\$)	(%)	(\$)
Application					
Debt					
1	Long-term Debt	52.70%	\$40,860,001	7.01%	\$2,865,680
2	Short-term Debt	4.00%	\$3,101,328	4.47%	\$138,629
3	Total Debt	56.70%	\$43,961,329	6.83%	\$3,004,309
Equity					
4	Common Equity	43.30%	\$33,571,879	8.57%	\$2,877,110
5	Preferred Shares	0.00%	\$ -	0.00%	\$ -
6	Total Equity	43.30%	\$33,571,879	8.57%	\$2,877,110
7	Total	100%	\$77,533,209	7.59%	\$5,881,419
Per Board Decision					
Debt					
8	Long-term Debt	52.70%	\$40,040,739	7.01%	\$2,808,222
9	Short-term Debt	4.00%	\$3,039,145	1.33%	\$40,421
10	Total Debt	56.70%	\$43,079,885	6.61%	\$2,848,642
Equity					
11	Common Equity	43.3%	\$32,898,748	8.01%	\$2,635,190
12	Preferred Shares	0.0%	\$ -	0.00%	\$ -
13	Total Equity	43.3%	\$32,898,748	8.01%	\$2,635,190
14	Total	100%	\$75,978,633	7.22%	\$5,483,832

Notes

(1) 4.0% unless an Applicant has proposed or been approved for another amount.



REVENUE REQUIREMENT WORK FORM

Name of LDC: Greater Sudbury Hydro Inc.
 File Number: EB-2008-0230
 Rate Year: 2009

Revenue Sufficiency/Deficiency

Line No.	Particulars	Per Application		Per Board Decision	
		At Current Approved	At Proposed Rates	At Current Approved	At Proposed Rates
1	Revenue Deficiency from Below		\$2,645,783		\$2,029,378
2	Distribution Revenue	\$21,172,574	\$21,172,574	\$21,105,019	\$21,105,019
3	Other Operating Revenue Offsets - net	\$1,697,880	\$1,697,880	\$1,647,880	\$1,647,880
4	Total Revenue	\$22,870,454	\$25,516,237	\$22,752,899	\$24,782,277
5	Operating Expenses	\$17,612,375	\$17,612,375	\$17,001,104	\$17,001,104
6	Deemed Interest Expense	\$3,004,309	\$3,004,309	\$2,848,642	\$2,848,642
	Total Cost and Expenses	\$20,616,684	\$20,616,684	\$19,849,746	\$19,849,746
7	Utility Income Before Income Taxes	\$2,253,770	\$4,899,552	\$2,903,153	\$4,932,531
	Tax Adjustments to Accounting				
8	Income per 2009 PILs	\$1,229,061	\$1,229,061	\$2,029,110	\$2,029,110
9	Taxable Income	\$3,482,830	\$6,128,613	\$4,932,263	\$6,961,641
10	Income Tax Rate	33.00%	33.00%	33.00%	33.00%
11	Income Tax on Taxable Income	\$1,149,334	\$2,022,442	\$1,627,647	\$2,297,342
12	Income Tax Credits	\$ -	\$ -	\$ -	\$ -
13	Utility Net Income	\$1,104,436	\$2,877,110	\$1,275,506	\$2,635,190
14	Utility Rate Base	\$77,533,209	\$77,533,209	\$75,978,633	\$75,978,633
	Deemed Equity Portion of Rate Base	\$33,571,879	\$33,571,879	\$32,898,748	\$32,898,748
15	Income/Equity Rate Base (%)	3.29%	8.57%	3.88%	8.01%
16	Target Return - Equity on Rate Base	8.57%	8.57%	8.01%	8.01%
	Sufficiency/Deficiency in Return on Equity	-5.28%	0.00%	-4.13%	0.00%
17	Indicated Rate of Return	5.30%	7.59%	5.43%	7.22%
18	Requested Rate of Return on Rate Base	7.59%	7.59%	7.22%	7.22%
19	Sufficiency/Deficiency in Rate of Return	-2.29%	0.00%	-1.79%	0.00%
20	Target Return on Equity	\$2,877,110	\$2,877,110	\$2,635,190	\$2,635,190
21	Revenue Sufficiency/Deficiency	\$1,772,674	\$ -	\$1,359,683	(\$0)
22	Gross Revenue Sufficiency/Deficiency	\$2,645,783 (1)		\$2,029,378 (1)	

Notes:

(1) Revenue Sufficiency/Deficiency divided by (1 - Tax Rate)



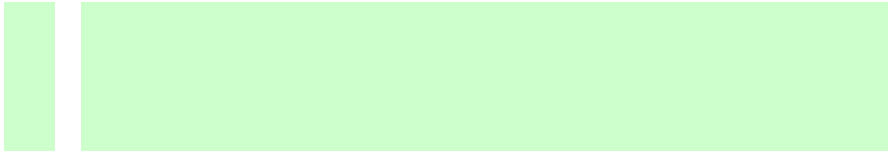
REVENUE REQUIREMENT WORK FORM

Name of LDC: Greater Sudbury Hydro Inc.
 File Number: EB-2008-0230
 Rate Year: 2009

		Revenue Requirement	
Line No.	Particulars	Application	Per Board Decision
1	OM&A Expenses	\$11,874,566	\$11,750,690
2	Amortization/Depreciation	\$5,597,110	\$5,113,212
3	Property Taxes	\$ -	\$ -
4	Capital Taxes	\$140,700	\$137,202
5	Income Taxes (Grossed up)	\$2,022,442	\$2,297,342
6	Other Expenses	\$ -	\$ -
7	Return		
	Deemed Interest Expense	\$3,004,309	\$2,848,642
	Return on Deemed Equity	\$2,877,110	\$2,635,190
8	Distribution Revenue Requirement before Revenues	\$25,516,237	\$24,782,277
9	Distribution revenue	\$23,818,357	\$23,134,397
10	Other revenue	\$1,697,880	\$1,647,880
11	Total revenue	\$25,516,237	\$24,782,277
12	Difference (Total Revenue Less Distribution Revenue Requirement before Revenues)	\$ - (1)	(\$0) (1)

Notes

(1) Line 11 - Line 8





REVENUE REQUIREMENT WORK FORM

Name of LDC: Greater Sudbury Hydro Inc.
 File Number: EB-2008-0230
 Rate Year: 2009

		Selected Delivery Charge and Bill Impacts Per Draft Rate Order								
		Monthly Delivery Charge					Total Bill			
		Current	Per Draft Rate Order	Change			Current	Per Draft Rate Order	Change	
				\$	%				\$	%
1000										
Residential	kWh/month			\$ -				\$ -		
GS < 50kW	2000 kWh/month			\$ -				\$ -		

Notes:

Refer to Appendix B for rate impacts
 Impacts are broken down for full harmonization of rates, rate impacts for Greater Sudbury Hydro area, rate impacts for West Nipissing area