

January 12, 2010

BY RESS & COURIER

Ms. Kirsten Walli, Board Secretary
Ontario Energy Board
2300 Yonge Street, 26th Floor, P.O. Box 2319
TORONTO, ON M4P 1E4

**Re: EB Number: EB-2009-0267
Kitchener-Wilmot Hydro Inc. Submission-in-Chief
2010 Electricity Distribution Rates, Licence No. ED-2002-0573**

Dear Ms. Walli:

On December 10, 2009, the Ontario Energy Board (the Board) issued Procedural Order #3 in EB-2009-0267 requiring Kitchener-Wilmot Hydro Inc. (KWHI) to submit its Submission-in-Chief to the Board and all registered intervenors on or before January 13, 2010.

KWHI respectfully submits its Submission-in-Chief as per the Board's Procedural Order #3. Updated documents included in this submission are:

- KWHI's Cost Allocation model (on CD) and;
- KWHI's Revenue Requirement Work Form (RRWF).

A copy of this submission has been electronically filed through the Board's RESS system. The original has been couriered to the Board's offices.

Should you require any further information or clarification of any of the above, kindly contact the writer.

Respectfully submitted,

Original Signed by

J. Van Ooteghem, P.Eng.

President & CEO

cc All Intervenors

EB-2009-0267

ONTARIO ENERGY BOARD

IN THE MATTER OF the *Ontario Energy Board Act, 1998*,
S.O. 1998, c.15 (Schedule B);

AND IN THE MATTER OF an Application by Kitchener-Wilmot
Hydro Inc. to the Ontario Energy Board for an Order approving just
and reasonable rates and other charges, effective May 1, 2010.

SUBMISSION-IN-CHIEF OF KITCHENER-WILMOT HYDRO INC.

A. INTRODUCTION

1. Kitchener-Wilmot Hydro Inc. (“KW Hydro” or the “Applicant”) owns and operates the electricity distribution system located in the City of Kitchener and the Township of Wilmot.
2. On August 31, 2009, KW Hydro filed an application with the Ontario Energy Board (“the Board”) under section 78 of the *Ontario Energy Board Act, 1998*, *S.O. 1998, c. 15*, (Schedule B), seeking approval for changes to the rates that KW Hydro charges for electricity distribution to be effective May 1, 2010. The Board has assigned the File Number EB-2009-0267 to this Application (the “Application”).
3. Further, on September 18, 2009, KW Hydro submitted its Asset Management Strategy as Appendix E to Exhibit 2.
4. The Board issued a Notice of Application and Hearing on September 14, 2009. The School Energy Coalition (“SEC”), Energy Probe Research Foundation (“Energy Probe”) and the Vulnerable Energy Consumers Coalition (“VECC”)

applied for Intervenor status and cost eligibility. No objections were received and the Board allowed all Intervenors.

5. The Board issued Procedural Order No. 1 on October 15, 2009 declaring its intent to continue with the Application by way of a written hearing. Procedural Order No. 1 further allowed for a set of written interrogatories. In accordance with the Board's Order, Board staff interrogatories were submitted to KW Hydro on October 23, 2009 and Intervenor interrogatories were submitted on October 26, 2009.
6. The Applicant filed its responses to those interrogatories on November 16, 2009.
7. Following its interrogatory responses submitted on November 16, 2009, KW Hydro submitted an Addendum to Exhibit 10 – LRAM and SSM due to changes required to its original Application stemming from the Board's decision in EB-2009-0192 (Horizon).
8. On December 2, 2009, the Board issued Procedural Order No. 2 which outlined the following process to be followed for this Application:
 - a. A supplemental set of interrogatories to be delivered to the Applicant by Board staff and all Intervenors by December 11, 2009.
 - b. KW Hydro to file its response to those Interrogatories by December 22, 2009.
 - c. A formal Submission-in-Chief to be submitted by the Applicant to the Board and all Intervenors by January 7, 2010.

- d. Board staff Submission to the Board due January 18, 2010; Intervenor Submissions to the Board due January 22, 2010; and the Applicant's Reply Submission due February 5, 2010.
9. KW Hydro filed a letter with the Board on December 8, 2009 asking for a six (6) calendar day extension for the deadline of its Submission-in-Chief (to January 13, 2010) due to scheduling conflicts and short-staffing in its Regulatory department.
10. Also, on December 8, 2009, Energy Probe responded to KW Hydro's letter agreeing to the extension but submitted that all subsequent dates from Procedural Order No. 2 should also be extended.
11. On December 10, 2009, the Board issued Procedural Order No. 3, granting KW Hydro's extension request and adjusted the deadline dates to be followed for this Application as follows:
 - a. The supplemental set of interrogatories delivery date remained unchanged (December 11, 2009).
 - b. KW Hydro's interrogatory response deadline date was unchanged (December 22, 2009).
 - c. KW Hydro's formal Submission-in-Chief to be submitted by the Applicant to the Board and all Intervenor by *January 13, 2010*.
 - d. Board staff Submission to the Board due *January 21, 2010*; Intervenor Submissions to the Board due *January 28, 2010*; and the Applicant's Reply Submission due *February 8, 2010*.

12. In accordance with the Board's Order, Board staff and all Intervenors submitted the supplemental set of written interrogatories to KW Hydro on December 11, 2009.
13. KW Hydro's response to the supplemental set of interrogatories was filed with the Board and all Intervenors on December 22, 2009.
14. The record in this proceeding, consisting of comprehensive pre-filed evidence and responses to interrogatories, supports KW Hydro's Application. The Application, with the adjustments set out in this submission, will provide the revenue requirement necessary to sustain its capital, operating and maintenance programs in a manner that continues to provide safe and reliable distribution of electricity in the City of Kitchener and the Township of Wilmot.
15. Throughout the Application process, KW Hydro has been conscious of and focused on minimizing impacts on its customers. KW Hydro's rates, as proposed in the Application as filed (including Addendum), would have resulted in the following total bill impacts:
 - Residential customers using 800 kWh per month would have a total bill increase of 5.25%. Revisions to the Application arising out of the interrogatory process have reduced those impacts to 4.27%.
 - General Service < 50 kW customers using 2,000 kWh per month would have a total bill increase of 1.79%. This impact has been decreased to 1.22%.
16. KW Hydro submits that its proposed revenue requirement has been determined appropriately; that its proposed capital and OM&A programs for the 2010 Test Year are reasonable and supported by the evidence in this proceeding; and that the resulting distribution rates are fair and reasonable. KW Hydro submits that, in approving this Application, the Board will have met its objective, set out in section 1 of the *Ontario Energy Board Act, 1998*, as amended, "to protect the

interests of consumers with respect to prices and the adequacy, reliability and quality of electricity service”.

B. RELIEF SOUGHT

The relief sought by KW Hydro, subject to the adjustments arising out of the interrogatory process, will result in just and reasonable rates.

17. KW Hydro filed its Application for just and reasonable rates to be effective on May 1, 2010. The original application (at Exhibit 1 pages 61 ~ 62) requested the following relief:

- Approval to charge rates effective May 1, 2010 to recover a revenue requirement of \$40,631,182 which included a revenue deficiency of \$6,157,264 as set out in Exhibit 1 (page 14) and Exhibit 6 (page 8). The schedule of proposed rates was set out in Exhibit 1 (pages 58 ~ 60) and Exhibit 8 (pages 23 ~25);
- Approval of the Applicant’s proposed capital structure, with a deemed common equity component of 40.0% and a deemed debt component of 60.0%, as set out in Exhibit 5 (page 2), consistent with *Report of the Board on Cost of Capital and 2nd Generation Incentive Regulation for Ontario’s Electricity Distributors* dated December 20, 2006. KW Hydro completed the transition from 42.5% equity and 57.5% debt through its 2009 rate application (EB-2008-0192);
- Approval of the proposed loss factor to 3.20% as set out in Exhibit 8.
- Approval to adjust the Applicant’s approved Retail Transmission Network and Transmission Connection rates due to the OEB’s decision on Hydro One Networks’ 2009 Uniform Transmission Rate Adjustment Application (OEB File EB-2008-072), subject to any modification as a result of the OEB’s decision in

Hydro One Network's 2010 Uniform Transmission Rate Adjustment Application resulting in adjustments effective January 1, 2010;

- Approval to continue to charge Wholesale Market and Rural Rate Protection Charges approved in the OEB Decision and Order in the matter of KW Hydro's 2009 Distribution Rates (EB-2008-0192);
- Approval to continue the Specific Service Charges that were not changed in its Application and approved in the OEB Decision and Order in the matter of KW Hydro's 2009 Distribution Rates (EB-2008-0192);
- Approval to implement three new Specific Service Charges for the following services:
 - Collection of Account Charge – No Disconnection
 - Meter Dispute Charge plus Measurement Canada Fees (if meter found correct)
 - Meter Removal without Authorization
- Approval to adjust its approved Transformer Ownership Allowance;
- Approval to continue the Smart Meter Funding Adder approved by the Board in KW Hydro's 2009 rate application (EB-2008-0192);
- Approval to implement rate riders for LRAM and SSM;
- Approval to dispose of Deferral and Variance Account Balances as at December 31, 2008 with projected interest to April 30, 2010 over a four-year period using the method of recovery described in Exhibit 9.

- Approval to use the Board Approved 1595 account – Disposition and Recovery of Regulatory Balances and sub-accounts to record the disposition and recoveries of Deferral and Variance account balances.

18. KW Hydro's Application was arranged as follows:

Exhibit 1	Administration
Exhibit 2	Rate Base
Exhibit 3	Operating Revenues
Exhibit 4	Operating Costs
Exhibit 5	Cost of Capital and Rate of Return
Exhibit 6	Calculation of Revenue Deficiency or Surplus
Exhibit 7	Cost Allocation
Exhibit 8	Rate Design
Exhibit 9	Deferral and Variance Accounts
Exhibit 10	LRAM and SSM

19. KW Hydro has arranged its comments regarding its Application and the revisions thereto arising out of the interrogatory process in a similar manner. KW Hydro is proposing no changes to its Application and the proposed Schedule of Rates and Charges set out therein other than those indicated below. The comments that follow refer only to those Exhibits that are relevant to the changes made through the interrogatory process.

C. ADJUSTMENTS TO RELIEF SOUGHT ARISING OUT OF THE INTERROGATORY PROCESS

Exhibit 2: Rate Base

20. As discussed at Exhibit 2 (page 35), KW Hydro's proposed rate base for the 2010 Test Year was \$163,113,438. The rate base has been reduced by \$24,596 as a result of minor adjustments made to distribution expenses (and thus, the working

capital allowance) through the interrogatory process for a revised 2010 Test Year rate base of \$163,088,842. KW Hydro's revised rate base is presented below as Table 1.

TABLE 1 REVISED RATE BASE CALCULATION FOR 2010	
Fixed Assets Opening Balance 2010	131,887,366
Fixed Assets Closing Balance 2010	<u>147,744,834</u>
Average Fixed Asset Balance for 2010	139,816,100
Working Capital Allowance	<u>23,272,742</u>
Rate Base	<u>163,088,842</u>
Regulated Rate of Return	7.5244%
Regulated Return on Capital	12,271,457
Deemed Interest Expense	7,046,090
Deemed Return on Equity	5,225,366

21. As discussed in the Application, the rate base used for the purpose of calculating the revenue requirement is the average of the beginning and ending fixed asset and accumulated depreciation balances, plus a working capital allowance which is 15% of specific OM&A and cost of power accounts.
22. The increase in average net fixed assets from the 2006 Board Approved year as shown in the Application was \$13,286,507 or 10.5%. This amount has not changed through the interrogatory process. Given that the 2006 Board Approved Year is based largely on 2004 Actual results, the average annual increase over the six year period 2005 to 2010 is approximately 1.75% and KW Hydro submits that this increase is reasonable and appropriate.
23. With respect to its proposed capital spending for the 2010 Test Year, KW Hydro submits that its proposed capital spending is fully explained and supported by the comprehensive evidence filed in Exhibit 2 of its Application and further

supported in its subsequent filing of its Asset Management Strategy (Exhibit 2 Appendix E).

24. KW Hydro's working capital allowance was forecast to be \$23,297,338 for the 2010 Test Year. With a reduction of \$163,976 in distribution expenses (administrative and general expenses) through the interrogatory process, the working capital allowance has been reduced by \$24,596, to a revised total of \$23,272,742. KW Hydro's revised working capital allowance calculation (with comparators to the original application as filed) is shown below as Table 2. The calculation of the working capital allowance is based on the 15% of specific OM&A accounts formula approach referred to in the Board's Filing Requirements. KW Hydro has not completed a lead lag study. It has completed the calculation of the working capital allowance in a manner which is consistent with other recent rate applications submitted by LDCs that also have not completed a utility specific lead lag study. KW Hydro understands that this approach has been accepted by the Board in numerous test year Cost of Service applications, and KW Hydro submits that it is appropriate to maintain that accepted approach with respect to this Application.

Table 2			
REVISED WORKING CAPITAL ALLOWANCE FOR 2010			
Distribution Expenses	Original 2010	Revised 2010	Change
Distribution Expenses - Operation	3,051,200	3,051,200	-
Distribution Expenses - Maintenance	4,761,500	4,761,500	-
Billing and Collecting	3,003,200	3,003,200	-
Community Relations	256,376	209,400	(46,976)
Administrative and General Expenses	3,028,200	2,911,200	(117,000)
Taxes Other than Income Taxes	550,500	550,500	-
Total Eligible Distribution Expenses	14,650,976	14,487,000	(163,976)
Power Supply Expenses	140,664,613	140,664,613	-
Total Working Capital Expenses	155,315,589	155,151,613	(163,976)
Working Capital Allowance Rate of 15%	23,297,338	23,272,742	(24,596)

25. The revised proposed 2010 working capital allowance (shown below in Table 3) results in a decrease of (\$89,055) or (0.38%) from the 2009 Bridge Year. KW Hydro notes that the cost of Power Supply Expense has not yet been updated to reflect the new energy prices (RPP and non-RPP). KW Hydro expects and supports that the Board will require this value to be updated prior to the issuance of KW Hydro's final rates.

Table 3 Distribution Expenses			
Distribution Expenses - Operation	2009 Bridge	Revised 2010	Change
Distribution Expenses - Operation	2,799,800	3,051,200	251,400
Distribution Expenses - Maintenance	4,342,200	4,761,500	
Billing and Collecting	3,006,500	3,003,200	(3,300)
Community Relations	208,800	209,400	600
Administrative and General Expenses	2,884,400	2,911,200	26,800
Taxes Other than Income Taxes	529,300	550,500	21,200
Total Eligible Distribution Expenses	13,771,000	14,487,000	716,000
Power Supply Expenses	141,974,310	140,664,613	(1,309,697)
Total Working Capital Expenses	155,745,310	155,151,613	(593,697)
 Working Capital Allowance Rate of 15%	 23,361,797	 23,272,742	 (89,055)

26. The revised change between the 2006 Board Approved Year and the 2010 Test Year is an increase of \$2,076,413 or 9.80%. Given that the 2006 Board Approved Year is based largely on 2004 Actual results, the average annual increase over the six year period 2005 to 2010 is approximately 1.64% and KW Hydro submits that this increase is reasonable and appropriate.
27. KW Hydro's Application, as adjusted through the interrogatory process, seeks approval of a 2010 Test Year rate base of \$163,088,842 calculated on average net fixed assets plus a working capital allowance. KW Hydro submits that the rate base has been sufficiently supported throughout the Application and reflects its requirements to ensure a safe and reliable distribution system which will allow for the continuation of KW Hydro's high performance indices and customer

satisfaction. KW Hydro respectfully requests that the Board approve the proposed rate base.

Exhibit 3: Operating Revenues

28. In its Application, KW Hydro calculated total operating revenue of \$40,646,183, based on a service revenue requirement of \$40,631,182 and a base revenue requirement of \$38,905,888. Revenue offsets were \$1,725,295. The calculation is shown below in Table 4:

Table 4

Original Base Revenue Requirement

Service Revenue Requirement	40,631,182	
Less: Revenue Offsets	(1,725,295)	
Base Revenue Requirement		38,905,888
Allocated to:		
Low Voltage Wheeling Costs		
Directly Assigned CDM	0	
Other	38,905,888	
Total		38,905,888

29. Due to adjustments stemming from the interrogatory process, the revised total operating revenue is \$40,201,169. The service revenue requirement is revised to \$40,186,169 and the base revenue requirement is \$38,324,657. Revenue offsets are revised to \$1,861,512. The revised calculation is presented below in Table 5:

Table 5

Revised Base Revenue Requirement

Service Revenue Requirement	40,186,169	
Less: Revenue Offsets	(1,861,512)	
Base Revenue Requirement		38,324,657
Allocated to:		
Low Voltage Wheeling Costs		
Directly Assigned CDM	0	
Other	38,324,657	
Total		38,324,657

30. The overall reduction to the total operating revenue is therefore (\$445,014); the reduction to the service revenue requirement is (\$430,013); and the reduction to

the base revenue requirement is (\$581,231). Revenue offsets have been increased by \$136,217. Note that the \$15,000 difference between total operating revenue and the service revenue requirement is fully explained in Exhibit 6, page 4. Only half of the balance recorded in OEB Account #4355 - Gain on Disposition of Utility and Other Property (\$30,000) is recorded as a revenue offset as half of the total (\$15,000) is kept by KW Hydro's shareholders.

31. The overall revenue reduction is comprised of decreases to KW Hydro's distribution expenses (reducing distribution revenue) and an increase to the total revenue offset. These changes are explained in more detail below.

Distribution Revenue Adjustment

32. Due to the changes stemming from the interrogatory process, KW Hydro's distribution revenues have decreased by \$581,231. The amount recorded in OEB account 4080 – Distribution Revenues is reduced to \$38,552,657 from the amount in the original application of \$39,133,888. The revised revenue deficiency calculation is presented below as Table 6. A reconciliation of the dollar amounts recorded in OEB Account 4080 – Distribution Revenues is attached as Table 7. Miscellaneous deductions from the Income Tax Expense Calculation are described and reconciled in Table 8.

Table 6
Revenue Deficiency Determination

Description	2010 Test Existing Rates	2010 Test - Required Revenue
Revenue		
Revenue Deficiency		5,576,034
Distribution Revenue	32,748,623	32,748,623
Other Operating Revenue (Net)	1,861,512	1,861,512
Smart Meter Deferral Account Adjustment		
Total Revenue	34,610,135	40,186,169
Costs and Expenses		
Administrative & General, Billing & Collecting	6,123,800	6,123,800
Operation & Maintenance	7,812,700	7,812,700
Depreciation & Amortization	10,735,844	10,735,844
Property Taxes	550,500	550,500
Capital Taxes	111,067	111,067
Deemed Interest	7,046,090	7,046,090
Total Costs and Expenses	32,380,001	32,380,001
Less OCT Included Above		
Total Costs and Expenses Net of OCT	32,380,001	32,380,001
Utility Income Before Income Taxes	2,230,135	7,806,169
Income Taxes:		
Corporate Income Taxes	852,789	2,580,802
Total Income Taxes	852,789	2,580,802
Utility Net Income	1,377,346	5,225,366
Capital Tax Expense Calculation:		
Total Rate Base	163,088,842	163,088,842
Exemption	15,000,000	15,000,000
Deemed Taxable Capital	148,088,842	148,088,842
Ontario Capital Tax	111,067	111,067
Income Tax Expense Calculation:		
Accounting Income	2,230,135	7,806,169
Tax Adjustments to Accounting Income	975,865	975,865
Taxable Income	3,206,000	8,782,034
Income Tax Expense before deductions	993,539	2,721,552
Miscellaneous Deductions	(140,750) -	140,750
Income Tax Expense after deductions	852,789	2,580,802
	30.99%	30.99%
Actual Return on Rate Base:		
Rate Base	163,088,842	163,088,842
Interest Expense	7,046,090	7,046,090
Net Income	1,377,346	5,225,366
Total Actual Return on Rate Base	8,423,436	12,271,457
Actual Return on Rate Base	5.16%	7.52%
Required Return on Rate Base:		
Rate Base	163,088,842	163,088,842
Return Rates:		
Return on Debt (Weighted)	7.20%	7.20%
Return on Equity	8.01%	8.01%
Deemed Interest Expense	7,046,090	7,046,090
Return On Equity	5,225,366	5,225,366
Total Return	12,271,457	12,271,457
Expected Return on Rate Base	7.52%	7.52%
Revenue Deficiency After Tax	3,848,021	0
Revenue Deficiency Before Tax	5,576,034	0

Table 7
Revenue Deficiency Comparison

Description	2010 Original Application	2010 Adjusted Application	\$\$\$ Change	% Change
Revenue				
Revenue Deficiency	6,157,264	5,576,034	(581,230)	-9.44%
Distribution Revenue	32,748,623	32,748,623	-	0.00%
Other Operating Revenue (Net)	1,725,295	1,861,512	136,217	7.90%
Smart Meter Deferral Account Adjustment				
Total Revenue	40,631,182	40,186,169	(445,013)	-1.10%
Costs and Expenses				
Administrative & General, Billing & Collecting	6,287,776	6,123,800	(163,976)	-2.61%
Operation & Maintenance	7,812,700	7,812,700	-	0.00%
Depreciation & Amortization	10,735,844	10,735,844	-	0.00%
Property Taxes	550,500	550,500	-	0.00%
Capital Taxes	222,170	111,067	(111,104)	-50.01%
Deemed Interest	7,047,153	7,046,090	(1,063)	-0.02%
Total Costs and Expenses	32,656,142	32,380,001	(276,142)	-0.85%
Less OCT Included Above				
Total Costs and Expenses Net of OCT	32,656,142	32,380,001	(276,142)	-0.85%
Utility Income Before Income Taxes	7,975,040	7,806,169	(168,871)	-2.12%
Income Taxes:				
Corporate Income Taxes	2,748,885	2,580,802	(168,083)	-6.11%
Total Income Taxes	2,748,885	2,580,802	(168,083)	-6.11%
Utility Net Income	5,226,155	5,225,366	(788)	-0.02%
Capital Tax Expense Calculation:				
Total Rate Base	163,113,438	163,088,842	(24,596)	-0.02%
Exemption	15,000,000	15,000,000	-	0.00%
Deemed Taxable Capital	148,113,438	148,088,842	(24,596)	-0.02%
Ontario Capital Tax	222,170	111,067	(111,104)	-50.01%
Income Tax Expense Calculation:				
Accounting Income	7,975,040	7,806,169	(168,871)	-2.12%
Tax Adjustments to Accounting Income	975,865	975,865	-	0.00%
Taxable Income	8,950,905	8,782,034	(168,871)	-1.89%
Income Tax Expense before deductions	2,773,885	2,721,552	(52,333)	-1.89%
Miscellaneous Deductions	(25,000)	(140,750)	(115,750)	463.00%
Income Tax Expense after deductions	2,748,885	2,580,802	(168,083)	-6.11%
	30.99%	30.99%	30.99%	-
Actual Return on Rate Base:				
Rate Base	163,113,438	163,088,842	(24,596)	-0.02%
Interest Expense	7,047,153	7,046,090	(1,063)	-0.02%
Net Income	5,226,155	5,225,366	(788)	-0.02%
Total Actual Return on Rate Base	12,273,308	12,271,457	(1,851)	-0.02%
Actual Return on Rate Base	7.52%	7.52%	7.52%	-
Required Return on Rate Base:				
Rate Base	163,113,438	163,088,842	(24,596)	-0.02%
Return Rates:				
Return on Debt (Weighted)	7.20%	7.20%	7.20%	0.00%
Return on Equity	8.01%	8.01%	8.01%	0.00%
Deemed Interest Expense	7,047,153	7,046,090	(1,063)	-0.02%
Return On Equity	5,226,155	5,225,366	(788)	-0.02%
Total Return	12,273,308	12,271,457	(1,851)	-0.02%
Expected Return on Rate Base	7.52%	7.52%	7.52%	-
Revenue Deficiency After Tax	0	0	0	-
Revenue Deficiency Before Tax	0	0	0	-

Table 8
Miscellaneous Tax Deductions

Deduction	Original As Filed	Amended	Change
Small Business Deduction		18,750	18,750
Co-operative Education Credit		6,000	6,000
ATTC (Provincial)	25,000	100,000	75,000
ATTC (Federal)		16,000	16,000
Total Tax Credits	25,000	140,750	115,750

Revenue Offset Adjustment

33. KW Hydro's revenue offset in its original application was \$1,725,295. As part of the interrogatory process, this amount has been revised to \$1,861,512, an increase of \$136,217. For additional detail, see paragraphs 34 ~ 36 of this document.

Reference: Energy Probe #44

34. KW Hydro has increased the revenues recorded in OEB account 4225 – Late Payment Charges by \$14,820 to reflect the increased late payments charges revenue expected to be collected from its customers.

Reference: Energy Probe #8

35. KW Hydro has increased the revenues recorded in OEB account 4235 – Miscellaneous Service Revenues by \$11,113 to annualize the revenues expected from the three new Specific Service Charges requested in its Application.

Reference: Board Staff interrogatory #1, Energy Probe #51

36. KW Hydro has increased the revenues recorded in OEB account 4375 – Revenue from Non-Utility Operations by \$110,284 to gross-up PILS and to adjust the rate of return used for Street Lighting revenue.

Exhibit 4: Operating Costs

37. In its Application, KW Hydro proposed recovery through distribution rates of 2010 Test Year total Operating Costs, including amortization and PILS, totaling \$35,405,028. Forecasted amortization expense totaled \$10,735,844, interest expense was \$7,047,153 and PILS expense totaled \$2,971,056. Net Operating Expenses (O&M) were therefore forecast to be \$14,650,976 (see Table 9).

Table 9
Revised Summary of Operating Costs

OM&A Expenses	2010 as Filed	2010 as Amended	Variance \$\$	Variance %	Detail
Operation	3,051,200	3,051,200	0	0.00%	No change
Maintenance	4,761,500	4,761,500	0	0.00%	No change
Billing and Collections	3,003,200	3,003,200	0	0.00%	No change
Community Relations	256,376	209,400	(46,976)	-18.32%	See Paragraph 41
Administrative and General Expenses	3,028,200	2,911,200	(117,000)	-3.86%	See Paragraphs 42 ~ 43
Property Tax	550,500	550,500	0	0.00%	No change
Total OM&A	14,650,976	14,487,000	(163,976)	-1.12%	See above
Amortization Expenses	10,735,844	10,735,844	0	0.00%	No change
Interest	7,047,153	7,046,090	(1,063)	-0.02%	See Paragraph 47
PILS	2,971,056	2,691,869	(279,187)	-9.40%	See Paragraph 45
Total Operating Expenses	35,405,028	34,960,803	(444,225)	-1.25%	See above

38. As shown at Exhibit 4, page 2, net Operating Costs , actual and proposed, included the following cost increases / (decreases) year-over-year as follows:

- 2010 Test Year vs 2009 Bridge Year - \$1,892,147 or 8%.
- 2009 Bridge Year vs 2008 Actual Year - \$1,195,166 or 5%.
- 2007 Actual Year vs 2008 Actual Year - \$423,976 or 2%.
- 2006 Actual Year vs 2007 Actual Year - \$792,664 or 4%.
- 2006 Board Approved Year vs 2006 Actual Year - \$2,431,471 (13%)
- 2006 Board Approved Year vs 2010 Test Year - \$6,735,423 (36%).
- 2006 Actual Year vs 2010 Test Year - \$4,303,952 (21%).

39. Based on the data above provided with the original Application, the average annual increase over the six year period 2005 to 2010 is approximately 6%.

40. With the adjustments to OM&A and PILS described below (paragraphs 41 ~ 46), the proposed 2010 Test Year value for total Operating Costs is \$34,960,803 or a decrease of (1.25%). Forecast amortization expense has been left unchanged at \$10,735,844 from the original Application. Interest expense has been reduced by (\$1,063) or (0.02%) to \$7,046,090 and PILS have been reduced by (\$279,187) to \$2,691,869, a reduction of 9.4%. Revised net Operating Expenses (O&M) are now forecast to be \$14,487,000 (see Table 9 above).

Adjustments to Net Operating Costs (OM&A)

Reference: Board Staff interrogatory #12

41. KW Hydro has removed its estimated mandatory donations of \$46,976 for the Low Income Energy Assistance Program (LEAP) as the Board is not continuing with this program at the present time. LEAP expenses were previously included in OEB account 5425 – Miscellaneous Customer Service and Informational Expenses.

Reference: Energy Probe interrogatory #21

42. KW Hydro has removed \$43,000 in expenses related to the transition to International Financial Reporting Standards (IFRS), previously included in OEB account 5630 – Outside Services Employed. Costs associated with IFRS will be captured in the deferral account authorized by the Board in the future.

Reference: Board Staff interrogatory #14

43. KW Hydro has removed \$74,000 estimated for an oral hearing for the 2010 Rebasing process from OEB Account 5655 – Regulatory Expenses.

Adjustments to PILS

44. KW Hydro forecast its PILS expense for the 2010 Test Year to be \$2,971,056 in its original Application. This amount was comprised of Ontario Capital Taxes of \$222,170 and federal and provincial income taxes of \$2,748,886. Ontario Capital Taxes and federal and provincial income taxes were recorded in OEB account 6110 – Income Taxes.
45. KW Hydro has made the following reductions to its forecasted income taxes for 2010 due to changes identified during the interrogatory process:

Reference: Board Staff interrogatory #15

- Ontario Capital Tax has been decreased by 50% as this tax will be discontinued mid-year 2010. Ontario Capital Tax is reduced to \$111,085, a reduction of (\$111,085).

Reference: Energy Probe interrogatory #49 b)

- KW Hydro has included a federal Apprenticeship Tax Credit of \$16,000 based on its estimated qualifying apprentices for 2010.

Reference: Board Staff interrogatory #16

- The Provincial Apprenticeship Tax Credit (“ATTC”) has been increased to \$100,000 due to an increase in the amounts that can be claimed in the year stemming from changes in the 2009 Provincial Budget. This increases the forecasted amount of ATTC to be claimed by \$75,000.

Reference: Energy Probe interrogatory #30

- KW Hydro has included an estimate provincial Co-operative Education tax credit of \$6,000.

46. The above PILS changes identified during the interrogatory process reduced total forecast PILS expense by \$226,835; however, the changes to revenue, net Operating Expenses and rate base also have had an effect on 2010 PILS expense. The effect of these other changes have further reduced PILS expense by (\$52,352), bringing the total reduction in PILS expense to (\$279,187). 2010 Test Year PILS expense is thus revised to be \$2,691,869, comprised of \$111,067 of Ontario Capital Tax and \$2,580,802 of federal and provincial Income Taxes.

Exhibit 5: Cost of Capital and Rate of Return

47. Due to the changes made to KW Hydro’s Application through the interrogatory process, the following changes to the Applicant’s Cost of Capital and Rate of Return have occurred (see Table 10 for details):

- Rate base has decreased by (\$24,596) comprised of:
 - Total debt has decreased by (\$14,758) to \$97,853,305.
 - Total equity has decreased by (\$9,839) to \$65,235,537.
 - Interest has decreased (\$1,063) to \$7,046,090.
 - Return on Equity has decreased by (\$788) to \$5,225,366.

Table 10
2010 Capitalization/Cost of Capital

REVISED

Particulars	Deemed Capitalization Ratio		Cost Rate	Return
	(%)	(\$)	(%)	(\$)
Debt				
Long-term Debt	56.00%	\$91,329,752	7.62%	\$6,959,327
Short-term Debt	4.00%	\$6,523,554	1.33%	\$86,763
Total Debt	60.0%	\$97,853,305	7.20%	\$7,046,090
Equity				
Common Equity	40.00%	\$65,235,537	8.01%	\$5,225,366
Preferred Shares	0.00%	\$ -		\$ -
Total Equity	40.0%	\$65,235,537	8.01%	\$5,225,366
Total	100.0%	\$163,088,842	7.52%	\$12,271,457

ORIGINAL AS FILED

Particulars	Deemed Capitalization Ratio		Cost Rate	Return
	(%)	(\$)	(%)	(\$)
Debt				
Long-term Debt	56.00%	\$91,343,525	7.62%	\$6,960,377
Short-term Debt	4.00%	\$6,524,538	1.33%	\$86,776
Total Debt	60.0%	\$97,868,063	7.20%	\$7,047,153
Equity				
Common Equity	40.00%	\$65,245,375	8.01%	\$5,226,155
Preferred Shares	0.00%	\$ -		\$ -
Total Equity	40.0%	\$65,245,375	8.01%	\$5,226,155
Total	100.0%	\$163,113,438	7.52%	\$12,273,308

VARIANCES

Particulars	Deemed Capitalization Ratio		Cost Rate	Return
	(%)	(\$)	(%)	(\$)
Debt				
Long-term Debt	56.00%	(\$13,774)	7.62%	(\$1,050)
Short-term Debt	4.00%	(\$984)	1.33%	(\$13)
Total Debt	60.0%	(\$14,758)	7.20%	(\$1,063)
Equity				
Common Equity	40.00%	(\$9,839)	8.01%	(\$788)
Preferred Shares	0.00%	\$ -		\$ -
Total Equity	40.0%	(\$9,839)	8.01%	(\$788)
Total	100.0%	(\$24,596)	7.52%	(\$1,851)

48. No changes other than those required from the interrogatory process have been made.

49. KW Hydro filed its Application on August 31, 2009 using the Board's 2009 updated cost of capital parameters. In its Application, KW Hydro acknowledged that the Board would be adjusting KW Hydro's Application in accordance with the Board's updated cost of capital parameters for 2010 which were to be based upon January 2010 market interest rate information.

50. KW Hydro notes that on December 11, 2009, the Board issued its *Report of the Board on the Cost of Capital for Ontario's Regulated Utilities*. In this document, the Board stated that the initial return on equity will be 9.75%, rather than the 8.01% used in KW Hydro's Application.

51. KW Hydro did not revise the rate used for return on equity in this Submission-in-Chief as the other revised parameters that would be used in the calculation of its updated cost of capital (long and short-term debt rates) are not yet known.

52. KW Hydro notes that these parameters will be announced by the Board prior to the Board issuing an Order for its rates to become effective May 1, 2010. KW Hydro's rate model will be updated at that time.

Exhibit 6: Calculation of Revenue Deficiency or Surplus

53. KW Hydro's revenue deficiency calculation was recalculated and the revised version was presented above in Table 3 with a comparator version in Table 4. The following changes that have resulted from the interrogatory process (see paragraphs 33 ~ 52 for details)

- Revenue deficiency has been reduced by (\$581,230) to \$5,576,034.
- Other Operating Revenue (and total revenue offset) has been increased by \$136,217.
- Total required revenue has been reduced by (\$445,013) or (1.1%).

- Total Costs and Expenses have been decreased by (\$276,142) or (0.85%) which includes:
 - Administrative & General, Billing & Collecting reductions of \$163,976.
 - Capital Tax reduction of \$111,104.
 - Deemed Interest reduction of \$1,063.
- Income taxes are reduced by (\$168,083) or (6.11%).
- Net income is reduced by (\$788).

Exhibit 7: Cost Allocation

Reference: VECC interrogatory #34

54. Following the changes made during the interrogatory process, KW Hydro has recalculated Exhibit 6, Table 1 from its original application. This is the table used by VECC in interrogatory #34 d) to calculate KW Hydro's distribution revenue for input into the Cost Allocation Model. Based on this calculation, KW Hydro has calculated the distribution revenue amount (shown in Table 11) for input into the model to be \$38,254,512 (\$38,324,657 - \$70,145).

Table 11
Revenue Requirement (\$)

Net Fixed Assets	139,816,100
+	
Working Capital	23,272,742
=	
Rate Base	163,088,842
x	
Cost of Capital (Deemed)	7.52%
=	
Return on Rate base	12,271,457
+	
Distribution Expenses	25,222,844
=	
Revenue Requirement Before PILs	37,494,300
+	
PILs (Deemed)	2,691,869
=	
Service Revenue Requirement	40,186,169
-	
<u>Revenue Offset</u>	1,861,512
=	
Base Revenue Requirement	38,324,657
-	
Other Distribution Charges	70,145
+	
Transformer Ownership Allowance	426,772
=	
Throughput Revenue	38,681,284

Reference: VECC interrogatory #35

55. KW Hydro has revised the monthly service charge to be charged to its Residential customer class back to the 2009 existing monthly service charge of \$9.55 (excluding the Smart Meter Funding Adder, Deferral & Variance account and LRAM & SSM rate riders) in order to comply with the Board's decision in EB-2007-0067 where the ceiling for the monthly service charge is set at 120% of the calculated monthly service charge based on avoided costs plus allocated customer costs.

Reference: VECC interrogatory #61

56. Using the same methodology suggested by VECC interrogatory #61, KW Hydro recalculated its cost allocation model using the revised revenue dollars with its existing rates. The results are presented in Table 12 (2) and are close to the revenue shares calculated in VECC interrogatory #61, shown in Table 13. The shift in the revenue to cost ratio stems from the change in total revenue. Distribution revenue shares have been left unchanged from those calculated in VECC interrogatory #61.

Table 12
Cost Allocation Revenue Shares

Rate Class	1 Original Proposal 2010			2 Revised Existing Rates 2010			3 Revised Filing 2010		
	\$\$	%	Revenue to Cost Ratio	Distribution \$\$	%	Revenue to Cost Ratio	Distribution \$\$	%	Revenue to Cost Ratio
	39,490,514.84	100.00%	100.00%	33,105,250.24	100.00%	100.00%	38,254,512.06	100.00%	100.00%
Residential	22,011,692.55	55.74%	95.75%	16,950,200.99	51.20%	93.83%	21,185,862.89	55.38%	95.75%
GS<50	5,214,790.16	13.21%	102.23%	4,379,621.83	13.23%	102.59%	5,051,573.70	13.21%	102.26%
GS>50	11,108,699.94	28.13%	107.65%	10,655,681.75	32.19%	111.95%	10,897,903.90	28.49%	107.86%
Large User	608,019.22	1.54%	106.24%	542,452.44	1.64%	96.75%	588,988.78	1.54%	104.28%
Street Lighting	424,139.92	1.07%	107.80%	423,821.20	1.28%	108.91%	410,864.96	1.07%	105.65%
Unmetered Scattered Load	123,173.05	0.31%	108.03%	153,472.02	0.46%	135.53%	119,317.84	0.31%	105.88%

Table 13

Rate Class	4 VECC interrogatory #61 2010		
	\$\$	%	Revenue to Cost Ratio
	33,105,250.24	100.00%	100.00%
Residential	16,950,200.99	51.20%	94.20%
GS<50	4,379,621.83	13.23%	102.60%
GS>50	10,655,681.75	32.19%	111.22%
Large User	542,452.44	1.64%	95.67%
Street Lighting	423,821.20	1.28%	107.74%
Unmetered Scattered Load	153,472.02	0.46%	134.09%

57. KW Hydro maintained the revenue to cost ratio as close as possible to the existing rate calculation for the Residential rate class to minimize rate impacts. Small differences in the revenue to cost ratio for the other rate classes resulted through the process of reducing the revenue to cost ratio for the Unmetered Scattered Load rate class and maintaining the Residential rate class revenue to cost ratio close to its existing ratio; however, these amounts in both dollars and percentages are not significant. A full breakdown is presented in Table 14. The final Cost Allocation proposal is attached in Excel format to this document under the name *KitchenerWilmot_FinalCostAllocation_01122010.xls*.

Table 14
Cost Allocation (Revised)
Revenue to Cost Ratio (%)

Customer Class	From VECC Interrogatory # 34	2010 Rerun Existing Rates	Original Proposal for 2010	Revised Proposal for 2010	Board Target Range
Residential	96.92%	93.83%	95.75%	93.90%	85 - 115
GS<50kW	103.51%	102.59%	102.23%	102.55%	80 - 120
GS>50kW	104.41%	111.95%	107.65%	111.94%	80 - 180
Large User	106.30%	96.75%	106.24%	100.22%	85 - 115
Street Lights	107.80%	108.91%	107.80%	107.66%	70 - 120
USL	108.00%	135.53%	108.03%	110.81%	80 - 120

Exhibit 8: Rate Design

58. KW Hydro updated the rate model (Exhibit 8 page 4) using the revised distribution revenue shares and adjusted Residential monthly service charge. The revised rate design proposal with values for fixed and variable revenues are presented in Table 15.

Table 15
Revised Distribution Rate Allocation Between Fixed & Variable Rates For 2010 Test Year

Customer Class	Total Net Rev. Requirement	Revenue Requirement %	Proposed Fixed Rate	Resulting Variable Rate	Total Fixed Revenue	Total Variable Revenue	Total Distribution Revenue
Residential	20,753,815	54.25%	9.55	\$0.0182	\$ 8,954,729	\$ 11,799,086	20,753,815
GS<50 kW	5,066,574	13.24%	25.17	\$0.0119	\$ 2,260,467	\$ 2,806,106	5,066,574
GS>50 kW	11,324,812	29.60%	232.71	\$3.8201	\$ 2,800,898	\$ 8,523,914	11,324,812
Large Use	565,429	1.48%	14,195.83	\$1.5946	\$ 340,700	\$ 224,729	565,429
Street Lighting	418,865	1.09%	0.78	\$4.2889	\$ 218,079	\$ 200,786	418,865
USL	125,018	0.33%	8.34	\$0.0131	\$ 82,066	\$ 42,952	125,018
TOTAL	38,254,512	100.00%			\$ 14,656,938	\$ 23,597,574	\$ 38,254,512
Forecast Fixed/Variable Ratios					38.314%	61.686%	100.000%

59. KW Hydro recalculated Tables 13 and 14 from Exhibit 8 page 15. The revised results are presented as Tables 16 and 17.

Table 16
Schedule of Distribution Rates and Charges

Effective May 1, 2010

Customer Class	Item Description	Unit	Rate (\$)
Residential	Monthly Service Charge	per month	9.55
	Distribution Volumetric Rate	per kWh	0.0182
	LRAM and SSM Rate Rider	per kWh	0.0002
	Smart Meter Funding Adder	per month	1.00
	Deferral & Variance Account Recovery Rate Rider	per kWh	(0.0009)
GS<50 kW	Monthly Service Charge	per month	25.17
	Distribution Volumetric Rate	per kWh	0.0119
	LRAM and SSM Rate Rider	per kWh	0.0001
	Smart Meter Funding Adder	per month	1.00
	Deferral & Variance Account Recovery Rate Rider	per kWh	(0.0010)
GS>50 kW	Monthly Service Charge	per month	232.71
	Distribution Volumetric Rate	per kW	3.8201
	LRAM and SSM Rate Rider	per kW	0.0164
	Smart Meter Funding Adder	per month	1.00
	Deferral & Variance Account Recovery Rate Rider	per kW	(0.2603)
Large Use	Monthly Service Charge	per month	14,195.83
	Distribution Volumetric Rate	per kW	1.5946
	Smart Meter Funding Adder	per month	1.00
	Deferral & Variance Account Recovery Rate Rider	per kW	(0.1650)
Street Lighting	Monthly Service Charge	per month	0.78
	Distribution Volumetric Rate	per kW	4.2889
	Deferral & Variance Account Recovery Rate Rider	per kW	(0.3350)
USL	Monthly Service Charge	per month	8.34
	Distribution Volumetric Rate	per kWh	0.0131
	LRAM and SSM Rate Rider	per kWh	0.0043
	Deferral & Variance Account Recovery Rate Rider	per kWh	(0.0010)

Table 17 Revised
Comparison of Throughput Revenue under Current and Proposed Rates

Class	Throughput Revenue under Current Rates	Throughput Revenue under Proposed Rates	Increase or (Decrease) (\$)	Increase or (Decrease) (%)
Residential	16,950,201	20,753,815	3,803,614	22.4%
GS<50 kW	4,379,622	5,066,574	686,952	15.7%
GS>50 kW	10,655,682	11,324,812	669,130	6.3%
Large Use	542,452	565,429	22,976	4.2%
Street Lighting	423,821	418,865	-4,956	-1.2%
USL	153,472	125,018	(28,454)	-18.5%
Total	33,105,250	38,254,512	5,149,262	15.6%

Reference: Energy Probe interrogatory #40 b) and #40 d)

60. For bill impact analysis, KW Hydro updated the energy price and tiers to reflect the new RPP prices announced by the Board effective November 1, 2009 (\$0.058 for the first 1,000 kWh and \$0.067 for any additional consumption). The non-RPP market price was also updated to \$0.0582 to match the price suggested by Energy Probe in interrogatory #40 d) and supported by KW Hydro.

61. As a result of the changes made and described above in paragraphs 20 ~ 60, the revised bill impacts are:

- Residential customers using 800 kWh per month would have a total bill increase of 4.27%.
- General Service < 50 kW customers using 2,000 kWh per month would have a total bill increase of 1.22%.

62. Bill impact tables from KW Hydro's Application (Exhibit 8 Tables 15 ~ 18 on pages 17 ~ 20) are presented below as Tables 18 ~ 21.

Table 18
Revised Residential Bill Impact Table

Residential at Loss Factor	800 kWh							
	Current	1.0329		Proposed	1.0320			
	Current			Proposed			Impact	
	Volume	Rate \$	Charge \$	Volume	Rate \$	Charge \$	Change \$	Change %
Monthly Service Charge		9.55	9.55		9.55	9.55	0.00	0.0%
Distribution	800	0.0123	9.84	800	0.0182	14.56	4.72	48.0%
Smart Meter Funding Adder		1.00	1.00		1.00	1.00	0.00	0.0%
LRAM & SSM Rate Rider	800	0.00	0.00	800	0.0002	0.16	0.16	
Deferral & Variance Account Recovery Rate Rider	800	0.00	0.00	800	(0.0009)	(0.72)	(0.72)	
Sub-Total A - Distribution			20.39			24.55	4.16	20.4%
RTSR - Network	826.32	0.0047	3.88	825.6	0.0045	3.72	(0.17)	-4.3%
RTSR - Connection	826.32	0.0018	1.49	825.6	0.0014	1.16	(0.33)	-22.3%
Sub-Total B (including Sub-			5.37			4.87	(0.50)	-9.3%
Wholesale Market Rate	826.32	0.0052	4.30	825.6	0.0052	4.29	0.00	-0.1%
RRRP	826.32	0.0013	1.07	825.6	0.0013	1.07	0.00	-0.1%
DRC	800	0.0070	5.60	800	0.0070	5.60	0.00	0.0%
Cost of Power Commodity - Block 1	826.32	0.0580	47.93	825.6	0.0580	47.88	(0.04)	-0.1%
Cost of Power Commodity - Block 2	0	0.0670	0.00	0	0.0670	0.00	0.00	0.0%
Total Bill (including Sub-			84.66			88.27	3.61	4.27%

Table 19
Revised GS<50 Bill Impact Table

GS < 50 kW at Loss Factor	2000 kWh							
	Current 1.0329			Proposed 1.0320				
	Current			Proposed			Impact	
	Volume	Rate \$	Charge \$	Volume	Rate \$	Charge \$	Change \$	Change %
Monthly Service Charge		25.17	25.17		25.17	25.17	0.00	0.0%
Distribution	2,000	0.0090	18	2,000	0.0119	23.80	5.80	32.2%
Smart Meter Funding Adder		1.0000	1.00		1.00	1.00	0.00	0.0%
LRAM & SSM Rate Rider	2,000	0.0000	0	2,000	0.0001	0.20	0.20	
Deferral & Variance Account Recovery Rate Rider	2,000	0.0000	0.00	2,000	(0.0010)	(2.00)	(2.00)	
Sub-Total A - Distribution			44.17			48.17	4.00	9.1%
RTSR - Network	2,065.8	0.0041	8.47	2,064.0	0.0039	8.05	(0.42)	-5.0%
RTSR - Connection	2,065.8	0.0017	3.51	2,064.0	0.0013	2.68	(0.83)	-23.6%
Sub-Total B (including Sub-			11.98			10.73	(1.25)	-10.4%
Wholesale Market Rate	2,065.8	0.0052	10.74	2,064.0	0.0052	10.73	(0.01)	-0.1%
RRRP	2,065.8	0.0013	2.69	2,064.0	0.0013	2.68	(0.00)	-0.1%
DRC	2,000.0	0.0070	14.00	2,000.0	0.0070	14.00	0.00	0.0%
Cost of Power Commodity - Block 1	750.0	0.0580	43.50	750.0	0.0580	43.50	0.00	0.0%
Cost of Power Commodity - Block 2	1,315.8	0.0670	88.16	1,314.0	0.0670	88.04	(0.12)	-0.1%
Total Bill (including Sub-			215.24			217.86	2.62	1.22%

Table 20
Revised GS>50 Bill Impact Table

GS > 50 kW at Loss Factor	800,000 kWh			1000 kW				
	Current			Proposed			1.0320	
	Current			Proposed			Impact	
	Volume	Rate \$	Charge \$	Volume	Rate \$	Charge \$	Change \$	Change %
Monthly Service Charge		232.71	232.71		232.71	232.71	0.00	0.0%
Distribution	1,000	3.5202	3,520.20	1,000	3.8201	3,820.10	299.90	8.5%
Smart Meter Funding Adder		1.00	1.00		1.00	1.00	0.00	0.0%
LRAM & SSM Rate Rider	1,000	0.00	0.00	1,000	0.0164	16.40	16.40	
Deferral & Variance Account Recovery Rate Rider	1,000	0.00	0.00	1,000	(0.2603)	(260.30)	(260.30)	
Sub-Total A - Distribution			3,753.91			3,809.91	56.00	1.5%
RTSR - Network	1,000	2.1384	2,138.40	1,000	2.0315	2,031.50	(106.90)	-5.0%
RTSR - Connection	1,000	0.8869	886.90	1,000	0.6918	691.80	(195.10)	-22.0%
Sub-Total B (including Sub-			3,025.30			2,723.30	(302.00)	-10.0%
Wholesale Market Rate	826,320	0.0052	4,296.86	825,600	0.0052	4,293.12	(3.74)	-0.1%
RRRP	826,320	0.0013	1,074.22	825,600	0.0013	1,073.28	(0.94)	-0.1%
DRC	800,000	0.0070	5,600.00	800,000	0.0070	5,600.00	0.00	0.0%
Cost of Power Commodity	826,320	0.0582	48,091.82	825,600	0.0582	48,049.92	(41.90)	-0.1%
Total Bill (including Sub-			65,842.11			65,549.53	(292.58)	-0.44%

Table 21
Revised Large User Bill Impact Table

Large User at Loss Factor	3,100,000 kWh			8000 kW				
	Current		1.0053	Proposed		1.0053		
	Current			Proposed			Impact	
	Volume	Rate \$	Charge \$	Volume	Rate \$	Charge \$	Change \$	Change %
Monthly Service Charge		14,195.83	14,195.83		14,195.83	14,195.83	0.00	0.0%
Distribution	8,000	1.4316	11,452.80	8,000	1.5946	12,756.80	1,304.00	11.4%
Smart Meter Funding Adder		1.00	1.00		1.00	1.00	0.00	0.0%
LRAM & SSM Rate Rider	8,000	0.00	0.00	8,000	0.0000	0.00	0.00	
Deferral & Variance Account Recovery Rate Rider	8,000	0.00	0.00	8,000	(0.1650)	(1,320.00)	(1,320.00)	
Sub-Total A - Distribution			25,649.63			25,633.63	(16.00)	-0.1%
RTSR - Network	8,000	2.0099	16,079.20	8,000	1.9094	15,275.20	(804.00)	-5.0%
RTSR - Connection	8,000	0.8336	6,668.80	8,000	0.6502	5,201.60	(1,467.20)	-22.0%
Sub-Total B (including Sub-			22,748.00			20,476.80	(2,271.20)	-10.0%
Wholesale Market Rate	3,116,430	0.0052	16,205.44	3,116,430	0.0052	16,205.44	0.00	0.0%
RRRP	3,116,430	0.0013	4,051.36	3,116,430	0.0013	4,051.36	0.00	0.0%
DRC	3,100,000	0.0070	21,700.00	3,100,000	0.0070	21,700.00	0.00	0.0%
Cost of Power Commodity	3,116,430	0.0582	181,376.23	3,116,430	0.0582	181,376.23	0.00	0.0%
Total Bill (including Sub-			271,730.65			269,443.45	(2,287.20)	-0.84%

63. KW Hydro's *Schedule of Proposed Rates and Charges* from Exhibit 8 page 23 is attached as Appendix A revised for all adjustments made throughout this process.

64. Appendix B to this document contains a full bill impact analysis (revised) by rate class. For comparison, this same analysis is contained in the Addendum to its original Application as Exhibit 8 beginning at page 49.

Exhibit 9: Deferral and Variance Accounts

65. There were no changes made to Exhibit 9 Deferral and Variance Accounts through the interrogatory process.

66. KW Hydro notes that the Deferral and Variance Account rate rider, if approved by the Board, would cease upon its next rebasing in 2014. Mindful of potential

bill impacts to its customers upon rebasing at that time, KW Hydro suggests that a 24-month disposition (rather than the 48-month originally requested) may not only assist in mitigating against current bill impacts but also to smooth the impact of the cessation of its Deferral and Variance account rate rider. A 24-month disposition window would increase the rate rider to a larger credit on customer bills until April 30, 2012 (i.e. for a 800 kWh per month Residential customer, the rate rider would be a credit of (\$1.44), rather than (\$0.72)), at which time it would cease. This would effectively reduce the bill impacts in the current rebasing year of 2010 plus reduce any potential bill impact on its customers when KW Hydro rebases in 2014.

Exhibit 10: LRAM and SSM

67. There were no changes made to Exhibit 10 LRAM and SSM through the interrogatory process.

Revenue Requirement Work Form

68. KW Hydro has updated its Revenue Requirement Work Form ("RRWF") as requested by the Board. The RRWF is attached as Appendix C and is provided on the CD included with this package as file name *KitchenerWilmot_RRWF_EB-2009-0267_01122010.xls*.

Dated at Kitchener, Ontario this 12th day of January, 2010

KITCHENER-WILMOT HYDRO INCORPORATED

By: _____

Jerry Van Ooteghem, PEng
President and CEO

SCHEDULE OF PROPOSED RATES AND CHARGES

MONTHLY RATES AND CHARGES

Residential

Service Charge	\$	9.55
Distribution Volumetric Rate	\$/kWh	0.0182
Smart Meter Funding Adder	\$	1.00
Deferral and Variance Account Recovery Rate Rider	\$/kWh	(0.0009)
LRAM and SSM Rate Rider	\$/kWh	0.0002
Retail Transmission Rate – Network Service Rate	\$/kWh	0.0045
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kWh	0.0014
Wholesale Market Service Rate	\$/kWh	0.0052
Rural Rate Protection Charge	\$/kWh	0.0013
Standard Supply Service – Administrative Charge (if applicable)	\$	0.25

General Service Less than 50 kW

Service Charge	\$	25.17
Distribution Volumetric Rate	\$/kWh	0.0119
Smart Meter Funding Adder	\$	1.00
Deferral and Variance Account Recovery Rate Rider	\$/kWh	(0.0010)
LRAM and SSM Rate Rider	\$/kWh	0.0001
Retail Transmission Rate – Network Service Rate	\$/kWh	0.0039
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kWh	0.0013
Wholesale Market Service Rate	\$/kWh	0.0052
Rural Rate Protection Charge	\$/kWh	0.0013
Standard Supply Service – Administrative Charge (if applicable)	\$	0.25

General Service 50 to 4,999 kW

Service Charge	\$	232.71
Distribution Volumetric Rate	\$/kW	3.8201
Smart Meter Funding Adder	\$	1.00
Deferral and Variance Account Recovery Rate Rider	\$/kW	(0.2603)
LRAM and SSM Rate Rider	\$/kW	0.0164
Retail Transmission Rate – Network Service Rate	\$/kW	2.0315
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kW	0.6918
Wholesale Market Service Rate	\$/kWh	0.0052
Rural Rate Protection Charge	\$/kWh	0.0013
Standard Supply Service – Administrative Charge (if applicable)	\$	0.25

Large Use

Service Charge	\$	14,195.83
Distribution Volumetric Rate	\$/kW	1.5946
Smart Meter Funding Adder	\$	1.00
Deferral and Variance Account Recovery Rate Rider	\$/kW	(0.1650)
Retail Transmission Rate – Network Service Rate	\$/kW	1.9094
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kW	0.6502
Wholesale Market Service Rate	\$/kWh	0.0052
Rural Rate Protection Charge	\$/kWh	0.0013
Standard Supply Service – Administrative Charge (if applicable)	\$	0.25

Unmetered Scattered Load

Service Charge (per connection)	\$	8.34
Distribution Volumetric Rate	\$/kWh	0.0131
Deferral and Variance Account Recovery Rate Rider	\$/kWh	(0.0010)
LRAM and SSM Rate Rider	\$/kW	0.0043
Retail Transmission Rate – Network Service Rate	\$/kWh	0.0039
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kWh	0.0013
Wholesale Market Service Rate	\$/kWh	0.0052
Rural Rate Protection Charge	\$/kWh	0.0013
Standard Supply Service – Administrative Charge (if applicable)	\$	0.25

Standby Power – INTERIM APPROVAL

Monthly Rate – Applicable Customer Class Distribution Volumetric Rate - \$/kW of contracted amount

Street Lighting

Service Charge (per connection)	\$	0.78
Distribution Volumetric Rate	\$/kW	4.42889
Deferral and Variance Account Recovery Rate Rider	\$/kW	(0.3350)
Retail Transmission Rate – Network Service Rate	\$/kW	1.2354
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kW	0.4207
Wholesale Market Service Rate	\$/kWh	0.0052
Rural Rate Protection Charge	\$/kWh	0.0013
Standard Supply Service – Administrative Charge (if applicable)	\$	0.25

Embedded Distributor

Monthly Distribution Wheeling Service Rate – Dedicated LV Line	\$/kW	1.2900
Monthly Distribution Wheeling Service Rate – Shared LV Line	\$/kW	0.1400
Retail Transmission Rate – Network Service Rate	\$/kW	1.9154
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kW	0.6522

Specific Service Charges

Customer Administration		
Returned Cheque (plus bank charges)	\$	15.00
Account set up charge/change of occupancy charge (plus credit agency costs if applicable)	\$	10.00
Collection of Account Charge – No Disconnection	\$	30.00
Meter Dispute Charge Plus Measurement Canada Fees (if meter found correct)	\$	30.00
Meter Removal Without Authorization	\$	60.00
Non-Payment of Account		
Late Payment - per month	%	1.50
Late Payment - per annum	%	19.56
Disconnect/Reconnect at meter - during Regular Hours	\$	45.00
Disconnect/Reconnect at meter - after regular hours	\$	75.00
Disconnect/Reconnect at pole – during regular hours	\$	95.00
Service call – after regular hours	\$	105.00
Specific Charge for Access to the Power Poles – per pole/year	\$	22.35
Allowances		
Transformer Allowance for Ownership - per kW of billing demand/month	\$/kW	(0.70)
Primary Metering Allowance for transformer losses – applied to measured demand and energy	%	(1.00)

Retail Service Charges (if applicable)

Retail Service Charges refer to services provided by a distributor to retailers or customers related to the supply of competitive electricity

One-time charge, per retailer, to establish the service agreement between the distributor and the retailer	\$	100.00
Monthly Fixed Charge, per retailer	\$	20.00
Monthly Variable Charge, per customer, per retailer	\$/cust.	0.50
Distributor-consolidated billing charge, per customer, per retailer	\$/cust.	0.30
Retailer-consolidated billing credit, per customer, per retailer	\$/cust.	(0.30)
Service Transaction Request (STR)		
Request fee, per request, applied to the requesting party	\$	0.25
Processing fee, peer request, applied to the requesting party	\$	0.50
Request for customer information as outlined in Section 10.6.3 and Chapter 11 of the Retail Settlement Code directly to retailers and customers, if not delivered electronically through the Electronic Business Transaction (EBT) system, applied to the requesting party		
Up to twice a year		o charge
More than twice a year, per request (plus incremental delivery costs)	\$	2.00

Loss Factor

Total Loss Factor – Secondary Metered Customer < 5,000 kW	1.0320
Total Loss Factor – Secondary Metered Customer < 5,000 kW	1.0154
Total Loss Factor – Primary Metered Customer < 5,000 kW	1.0226
Total Loss Factor – Primary Metered Customer > 5,000 kW	1.0053

BILL IMPACTS (Monthly Consumptions) - DELIVERY LINE INCLUDED

RESIDENTIAL									
	2009 BILL			2010 BILL			IMPACT		
	Volume	RATE \$	CHARGE \$	Volume	RATE \$	CHARGE \$	Change \$	Change %	% of Total Bill
Monthly Service Charge			9.55			9.55	0.00	0.00%	44.88%
Distribution (kWh)	100	0.0123	1.23	100	0.0182	1.82	0.59	47.97%	8.55%
Smart Meter Rider (per month)			1.00			1.00	0.00	0.00%	4.70%
LRAM & SSM Rider (kWh)	100			100	0.0002	0.02	0.02	0.00%	0.09%
Deferral & Variance Accounts Recovery Rate Rider (kWh)	100	0.0000	0.00	100	(0.0009)	(0.09)	(0.09)	100.00%	(0.42%)
Sub-Total - Distribution			11.78			12.30	0.52	4.41%	57.80%
RTSR-Network (kWh)	103	0.0047	0.49	103	0.0045	0.46	(0.02)	(4.34%)	2.18%
RTSR-Connection (kWh)	103	0.0018	0.19	103	0.0014	0.14	(0.04)	(22.29%)	0.68%
Sub-Total - Delivery			12.45			12.91	0.46	3.67%	60.67%
Wholesale Market Services (kWh)	103	0.0052	0.54	103	0.0052	0.54	(0.00)	(0.09%)	2.52%
RRRP (kWh)	103	0.0013	0.13	103	0.0013	0.13	(0.00)	(0.09%)	0.63%
Debt Retirement Charge (kWh)	100	0.0070	0.70	100	0.0070	0.70	0.00	0.00%	3.29%
Cost of Power Commodity (kWh)	103	0.0580	5.99	103	0.0580	5.99	(0.01)	(0.09%)	28.13%
Total Bill Before Taxes			19.81			20.27	0.45	2.28%	95.24%
GST		5.00%	0.99		5.00%	1.01	0.02	2.28%	4.76%
Total Bill			20.80			21.28	0.47	2.28%	100.00%

RESIDENTIAL									
	2009 BILL			2010 BILL			IMPACT		
	Volume	RATE \$	CHARGE \$	Volume	RATE \$	CHARGE \$	Change \$	Change %	% of Total Bill
Monthly Service Charge			9.55			9.55	0.00	0.00%	26.11%
Distribution (kWh)	250	0.0123	3.08	250	0.0182	4.55	1.48	47.97%	12.44%
Smart Meter Rider (per month)			1.00			1.00	0.00	0.00%	2.73%
LRAM & SSM Rider (kWh)	250			250	0.0002	0.05	0.05	0.00%	0.14%
Deferral & Variance Accounts Recovery Rate Rider (kWh)	250	0.0000	0.00	250	(0.0009)	(0.23)	(0.23)	100.00%	(0.62%)
Sub-Total - Distribution			13.63			14.93	1.30	9.54%	40.80%
RTSR-Network (kWh)	258	0.0047	1.21	258	0.0045	1.16	(0.05)	(4.34%)	3.17%
RTSR-Connection (kWh)	258	0.0018	0.46	258	0.0014	0.36	(0.10)	(22.29%)	0.99%
Sub-Total - Delivery			15.30			16.45	1.14	7.47%	44.96%
Wholesale Market Services (kWh)	258	0.0052	1.34	258	0.0052	1.34	(0.00)	(0.09%)	3.67%
RRRP (kWh)	258	0.0013	0.34	258	0.0013	0.34	(0.00)	(0.09%)	0.92%
Debt Retirement Charge (kWh)	250	0.0070	1.75	250	0.0070	1.75	0.00	0.00%	4.78%
Cost of Power Commodity (kWh)	258	0.0580	14.98	258	0.0580	14.96	(0.01)	(0.09%)	40.91%
Total Bill Before Taxes			33.71			34.84	1.13	3.35%	95.24%
GST		5.00%	1.69		5.00%	1.74	0.06	3.35%	4.76%
Total Bill			35.39			36.58	1.19	3.35%	100.00%

RESIDENTIAL									
	2009 BILL			2010 BILL			IMPACT		
	Volume	RATE \$	CHARGE \$	Volume	RATE \$	CHARGE \$	Change \$	Change %	% of Total Bill
Monthly Service Charge			9.55			9.55	0.00	0.00%	15.38%
Distribution (kWh)	500	0.0123	6.15	500	0.0182	9.10	2.95	47.97%	14.66%
Smart Meter Rider (per month)			1.00			1.00	0.00	0.00%	1.61%
LRAM & SSM Rider (kWh)	500			500	0.0002	0.10	0.10	0.00%	0.16%
Deferral & Variance Accounts Recovery Rate Rider (kWh)	500	0.0000	0.00	500	(0.0009)	(0.45)	(0.45)	100.00%	(0.72%)
Sub-Total - Distribution			16.70			19.30	2.60	15.57%	31.09%
RTSR-Network (kWh)	516	0.0047	2.43	516	0.0045	2.32	(0.11)	(4.34%)	3.74%
RTSR-Connection (kWh)	516	0.0018	0.93	516	0.0014	0.72	(0.21)	(22.29%)	1.16%
Sub-Total - Delivery			20.06			22.34	2.29	11.40%	35.99%
Wholesale Market Services (kWh)	516	0.0052	2.69	516	0.0052	2.68	(0.00)	(0.09%)	4.32%
RRRP (kWh)	516	0.0013	0.67	516	0.0013	0.67	(0.00)	(0.09%)	1.08%
Debt Retirement Charge (kWh)	500	0.0070	3.50	500	0.0070	3.50	0.00	0.00%	5.64%
Cost of Power Commodity (kWh)	516	0.0580	29.95	516	0.0580	29.93	(0.03)	(0.09%)	48.21%
Total Bill Before Taxes			56.87			59.13	2.26	3.97%	95.24%
GST		5.00%	2.84		5.00%	2.96	0.11	3.97%	4.76%
Total Bill			59.71			62.08	2.37	3.97%	100.00%

RESIDENTIAL									
	2009 BILL			2010 BILL			IMPACT		
	Volume	RATE \$	CHARGE \$	Volume	RATE \$	CHARGE \$	Change \$	Change %	% of Total Bill
Monthly Service Charge			9.55			9.55	0.00	0.00%	10.90%
Distribution (kWh)	750	0.0123	9.23	750	0.0182	13.65	4.43	47.97%	15.58%
Smart Meter Rider (per month)			1.00			1.00	0.00	0.00%	1.14%
LRAM & SSM Rider (kWh)	750			750	0.0002	0.15	0.15	0.00%	0.17%
Deferral & Variance Accounts Recovery Rate Rider (kWh)	750	0.0000	0.00	750	(0.0009)	(0.68)	(0.68)	100.00%	(0.77%)
Sub-Total - Distribution			19.78			23.68	3.90	19.72%	27.03%
RTSR-Network (kWh)	775	0.0047	3.64	774	0.0045	3.48	(0.16)	(4.34%)	3.98%
RTSR-Connection (kWh)	775	0.0018	1.39	774	0.0014	1.08	(0.31)	(22.29%)	1.24%
Sub-Total - Delivery			24.81			28.24	3.43	13.83%	32.24%
Wholesale Market Services (kWh)	775	0.0052	4.03	774	0.0052	4.02	(0.00)	(0.09%)	4.60%
RRRP (kWh)	775	0.0013	1.01	774	0.0013	1.01	(0.00)	(0.09%)	1.15%
Debt Retirement Charge (kWh)	750	0.0070	5.25	750	0.0070	5.25	0.00	0.00%	5.99%
Cost of Power Commodity (kWh) - Block 1	775	0.0580	44.93	774	0.0580	44.89	(0.04)	(0.09%)	51.26%
Cost of Power Commodity (kWh) - Block 2	0	0.0670	0.00	0	0.0670	0.00	0.00	0.00%	0.00%
Total Bill Before Taxes			80.03			83.41	3.39	4.23%	95.24%
GST		5.00%	4.00		5.00%	4.17	0.17	4.23%	4.76%
Total Bill			84.03			87.59	3.56	4.23%	100.00%

RESIDENTIAL									
	2009 BILL			2010 BILL			IMPACT		
	Volume	RATE \$	CHARGE \$	Volume	RATE \$	CHARGE \$	Change \$	Change %	% of Total Bill
Monthly Service Charge			9.55			9.55	0.00	0.00%	10.30%
Distribution (kWh)	800	0.0123	9.84	800	0.0182	14.56	4.72	47.97%	15.71%
Smart Meter Rider (per month)			1.00			1.00	0.00	0.00%	1.08%
LRAM & SSM Rider (kWh)	800			800	0.0002	0.16	0.16	0.00%	0.17%
Deferral & Variance Accounts Recovery Rate Rider (kWh)	800	0.0000	0.00	800	(0.0009)	(0.72)	(0.72)	100.00%	(0.78%)
Sub-Total - Distribution			20.39			24.55	4.16	20.40%	26.49%
RTSR-Network (kWh)	826	0.0047	3.88	826	0.0045	3.72	(0.17)	(4.34%)	4.01%
RTSR-Connection (kWh)	826	0.0018	1.49	826	0.0014	1.16	(0.33)	(22.29%)	1.25%
Sub-Total - Delivery			25.76			29.42	3.66	14.21%	31.74%
Wholesale Market Services (kWh)	826	0.0052	4.30	826	0.0052	4.29	(0.00)	(0.09%)	4.63%
RRRP (kWh)	826	0.0013	1.07	826	0.0013	1.07	(0.00)	(0.09%)	1.16%
Debt Retirement Charge (kWh)	800	0.0070	5.60	800	0.0070	5.60	0.00	0.00%	6.04%
Cost of Power Commodity (kWh) - Block 1	826	0.0580	47.93	826	0.0580	47.88	(0.04)	(0.09%)	51.66%
Cost of Power Commodity (kWh) - Block 2	0	0.0670	0.00	0	0.0670	0.00	0.00	0.00%	0.00%
Total Bill Before Taxes			84.66			88.27	3.61	4.27%	95.24%
GST		5.00%	4.23		5.00%	4.41	0.18	4.27%	4.76%
Total Bill			88.89			92.69	3.79	4.27%	100.00%

RESIDENTIAL									
	2009 BILL			2010 BILL			IMPACT		
	Volume	RATE \$	CHARGE \$	Volume	RATE \$	CHARGE \$	Change \$	Change %	% of Total Bill
Monthly Service Charge			9.55			9.55	0.00	0.00%	8.42%
Distribution (kWh)	1,000	0.0123	12.30	1,000	0.0182	18.20	5.90	47.97%	16.05%
Smart Meter Rider (per month)			1.00			1.00	0.00	0.00%	0.88%
LRAM & SSM Rider (kWh)	1,000			1,000	0.0002	0.20	0.20	0.00%	0.18%
Deferral & Variance Accounts Recovery Rate Rider (kWh)	1,000	0.0000	0.00	1,000	(0.0009)	(0.90)	(0.90)	100.00%	(0.79%)
Sub-Total - Distribution			22.85			28.05	5.20	22.76%	24.74%
RTSR-Network (kWh)	1,033	0.0047	4.85	1,032	0.0045	4.64	(0.21)	(4.34%)	4.10%
RTSR-Connection (kWh)	1,033	0.0018	1.86	1,032	0.0014	1.44	(0.41)	(22.29%)	1.27%
Sub-Total - Delivery			29.56			34.14	4.57	15.47%	30.11%
Wholesale Market Services (kWh)	1,033	0.0052	5.37	1,032	0.0052	5.37	(0.00)	(0.09%)	4.73%
RRRP (kWh)	1,033	0.0013	1.34	1,032	0.0013	1.34	(0.00)	(0.09%)	1.18%
Debt Retirement Charge (kWh)	1,000	0.0070	7.00	1,000	0.0070	7.00	0.00	0.00%	6.17%
Cost of Power Commodity (kWh) - Block 1	1,000	0.0580	58.00	1,000	0.0580	58.00	0.00	0.00%	51.15%
Cost of Power Commodity (kWh) - Block 2	33	0.0670	2.20	32	0.0670	2.14	(0.06)	0.00%	1.89%
Total Bill Before Taxes			103.48			107.99	4.51	4.36%	95.24%
GST		5.00%	5.17		5.00%	5.40	0.23	4.36%	4.76%
Total Bill			108.66			113.39	4.73	4.36%	100.00%

RESIDENTIAL									
	2009 BILL			2010 BILL			IMPACT		
	Volume	RATE \$	CHARGE \$	Volume	RATE \$	CHARGE \$	Change \$	Change %	% of Total Bill
Monthly Service Charge			9.55			9.55	0.00	0.00%	5.64%
Distribution (kWh)	1,500	0.0123	18.45	1,500	0.0182	27.30	8.85	47.97%	16.13%
Smart Meter Rider (per month)			1.00			1.00	0.00	0.00%	0.59%
LRAM & SSM Rider (kWh)	1,500			1,500	0.0002	0.30	0.30	0.00%	0.18%
Deferral & Variance Accounts Recovery Rate Rider (kWh)	1,500	0.0000	0.00	1,500	(0.0009)	(1.35)	(1.35)	100.00%	(0.80%)
Sub-Total - Distribution			29.00			36.80	7.80	26.90%	21.74%
RTSR-Network (kWh)	1,549	0.0047	7.28	1,548	0.0045	6.97	(0.32)	(4.34%)	4.12%
RTSR-Connection (kWh)	1,549	0.0018	2.79	1,548	0.0014	2.17	(0.62)	(22.29%)	1.28%
Sub-Total - Delivery			39.07			45.93	6.86	17.56%	27.14%
Wholesale Market Services (kWh)	1,549	0.0052	8.06	1,548	0.0052	8.05	(0.01)	(0.09%)	4.76%
RRRP (kWh)	1,549	0.0013	2.01	1,548	0.0013	2.01	(0.00)	(0.09%)	1.19%
Debt Retirement Charge (kWh)	1,500	0.0070	10.50	1,500	0.0070	10.50	0.00	0.00%	6.20%
Cost of Power Commodity (kWh) - Block 1	1,000	0.0580	58.00	1,000	0.0580	58.00	0.00	0.00%	34.26%
Cost of Power Commodity (kWh) - Block 2	549	0.0670	36.81	548	0.0670	36.72	(0.09)	(0.25%)	21.69%
Total Bill Before Taxes			154.45			161.21	6.76	4.38%	95.24%
GST		5.00%	7.72		5.00%	8.06	0.34	4.38%	4.76%
Total Bill			162.17			169.27	7.10	4.38%	100.00%

GENERAL SERVICE < 50 kW									
	2009 BILL			2010 BILL			IMPACT		
	Volume	RATE \$	CHARGE \$	Volume	RATE \$	CHARGE \$	Change \$	Change %	% of Total Bill
Monthly Service Charge			25.17			25.17	0.00	0.00%	24.21%
Distribution (kWh)	800	0.0090	7.20	800	0.0119	9.52	2.32	32.22%	9.16%
Smart Meter Rider (per month)			1.00			1.00	0.00	0.00%	0.96%
LRAM & SSM Rider (kWh)	800			800	0.0001	0.08	0.08	0.00%	0.08%
Deferral & Variance Accounts Recovery Rate Rider (kWh)	800	0.0000	0.00	800	(0.0007)	(0.56)	(0.56)	100.00%	(0.54%)
Sub-Total - Distribution			33.37			35.21	1.84	5.51%	33.86%
RTSR-Network (kWh)	826	0.0041	3.39	826	0.0039	3.22	(0.17)	(4.96%)	3.10%
RTSR-Connection (kWh)	826	0.0017	1.40	826	0.0013	1.07	(0.33)	(23.60%)	1.03%
Sub-Total - Delivery			38.16			39.50	1.34	3.51%	37.99%
Wholesale Market Services (kWh)	826	0.0052	4.30	826	0.0052	4.29	(0.00)	(0.09%)	4.13%
RRRP (kWh)	826	0.0013	1.07	826	0.0013	1.07	(0.00)	(0.09%)	1.03%
Debt Retirement Charge (kWh)	800	0.0070	5.60	800	0.0070	5.60	0.00	0.00%	5.39%
Cost of Power Commodity (kWh) - Block 1	750	0.0580	43.50	750	0.0580	43.50	0.00	0.00%	41.83%
Cost of Power Commodity (kWh) - Block 2	76	0.0670	5.11	76	0.0670	5.07	(0.05)	(0.94%)	4.87%
Total Bill Before Taxes			97.75			99.03	1.29	1.32%	95.24%
GST		5.00%	4.89		5.00%	4.95	0.06	1.32%	4.76%
Total Bill			102.63			103.99	1.35	1.32%	100.00%

GENERAL SERVICE < 50 kW									
	2009 BILL			2010 BILL			IMPACT		
	Volume	RATE \$	CHARGE \$	Volume	RATE \$	CHARGE \$	Change \$	Change %	% of Total Bill
Monthly Service Charge			25.17			25.17	0.00	0.00%	20.21%
Distribution (kWh)	1,000	0.0090	9.00	1,000	0.0119	11.90	2.90	32.22%	9.55%
Smart Meter Rider (per month)			1.00			1.00	0.00	0.00%	0.80%
LRAM & SSM Rider (kWh)	1,000			1,000	0.0001	0.10	0.10	0.00%	0.08%
Deferral & Variance Accounts Recovery Rate Rider (kWh)	1,000	0.0000	0.00	1,000	(0.0010)	(1.00)	(1.00)	100.00%	(0.80%)
Sub-Total - Distribution			35.17			37.17	2.00	5.69%	29.84%
RTSR-Network (kWh)	1,033	0.0041	4.23	1,032	0.0039	4.02	(0.21)	(4.96%)	3.23%
RTSR-Connection (kWh)	1,033	0.0017	1.76	1,032	0.0013	1.34	(0.41)	(23.60%)	1.08%
Sub-Total - Delivery			41.16			42.54	1.38	3.34%	34.15%
Wholesale Market Services (kWh)	1,033	0.0052	5.37	1,032	0.0052	5.37	(0.00)	(0.09%)	4.31%
RRRP (kWh)	1,033	0.0013	1.34	1,032	0.0013	1.34	(0.00)	(0.09%)	1.08%
Debt Retirement Charge (kWh)	1,000	0.0070	7.00	1,000	0.0070	7.00	0.00	0.00%	5.62%
Cost of Power Commodity (kWh) - Block 1	750	0.0580	43.50	750	0.0580	43.50	0.00	0.00%	34.92%
Cost of Power Commodity (kWh) - Block 2	283	0.0670	18.95	282	0.0670	18.89	(0.06)	(0.32%)	15.17%
Total Bill Before Taxes			117.33			118.64	1.31	1.12%	95.24%
GST		5.00%	5.87		5.00%	5.93	0.07	1.12%	4.76%
Total Bill			123.20			124.57	1.37	1.12%	100.00%

GENERAL SERVICE < 50 kW									
	2009 BILL			2010 BILL			IMPACT		
	Volume	RATE \$	CHARGE \$	Volume	RATE \$	CHARGE \$	Change \$	Change %	% of Total Bill
Monthly Service Charge			25.17			25.17	0.00	0.00%	11.00%
Distribution (kWh)	2,000	0.0090	18.00	2,000	0.0119	23.80	5.80	32.22%	10.40%
Smart Meter Rider (per month)			1.00			1.00	0.00	0.00%	0.44%
LRAM & SSM Rider (kWh)	2,000			2,000	0.0001	0.20	0.20	0.00%	0.09%
Deferral & Variance Accounts Recovery Rate Rider (kWh)	2,000	0.0000	0.00	2,000	(0.0010)	(2.00)	(2.00)	100.00%	(0.87%)
Sub-Total - Distribution			44.17			48.17	4.00	9.06%	21.06%
RTSR-Network (kWh)	2,066	0.0041	8.47	2,064	0.0039	8.05	(0.42)	(4.96%)	3.52%
RTSR-Connection (kWh)	2,066	0.0017	3.51	2,064	0.0013	2.68	(0.83)	(23.60%)	1.17%
Sub-Total - Delivery			56.15			58.90	2.75	4.90%	25.75%
Wholesale Market Services (kWh)	2,066	0.0052	10.74	2,064	0.0052	10.73	(0.01)	(0.09%)	4.69%
RRRP (kWh)	2,066	0.0013	2.69	2,064	0.0013	2.68	(0.00)	(0.09%)	1.17%
Debt Retirement Charge (kWh)	2,000	0.0070	14.00	2,000	0.0070	14.00	0.00	0.00%	6.12%
Cost of Power Commodity (kWh) - Block 1	750	0.0580	43.50	750	0.0580	43.50	0.00	0.00%	19.02%
Cost of Power Commodity (kWh) - Block 2	1,316	0.0670	88.16	1,314	0.0670	88.04	(0.12)	(0.14%)	38.49%
Total Bill Before Taxes			215.24			217.86	2.62	1.22%	95.24%
GST		5.00%	10.76		5.00%	10.89	0.13	1.22%	4.76%
Total Bill			226.00			228.75	2.75	1.22%	100.00%

GENERAL SERVICE < 50 kW									
	2009 BILL			2010 BILL			IMPACT		
	Volume	RATE \$	CHARGE \$	Volume	RATE \$	CHARGE \$	Change \$	Change %	% of Total Bill
Monthly Service Charge			25.17			25.17	0.00	0.00%	4.65%
Distribution (kWh)	5,000	0.0090	45.00	5,000	0.0119	59.50	14.50	32.22%	10.99%
Smart Meter Rider (per month)			1.00			1.00	0.00	0.00%	0.18%
LRAM & SSM Rider (kWh)	5,000			5,000	0.0001	0.50	0.50	0.00%	0.09%
Deferral & Variance Accounts Recovery Rate Rider (kWh)	5,000	0.0000	0.00	5,000	(0.0010)	(5.00)	(5.00)	100.00%	(0.92%)
Sub-Total - Distribution			71.17			81.17	10.00	14.05%	15.00%
RTSR-Network (kWh)	5,165	0.0041	21.17	5,160	0.0039	20.12	(1.05)	(4.96%)	3.72%
RTSR-Connection (kWh)	5,165	0.0017	8.78	5,160	0.0013	6.71	(2.07)	(23.60%)	1.24%
Sub-Total - Delivery			101.12			108.00	6.88	6.80%	19.95%
Wholesale Market Services (kWh)	5,165	0.0052	26.86	5,160	0.0052	26.83	(0.02)	(0.09%)	4.96%
RRRP (kWh)	5,165	0.0013	6.71	5,160	0.0013	6.71	(0.01)	(0.09%)	1.24%
Debt Retirement Charge (kWh)	5,000	0.0070	35.00	5,000	0.0070	35.00	0.00	0.00%	6.47%
Cost of Power Commodity (kWh) - Block 1	750	0.0580	43.50	750	0.0580	43.50	0.00	0.00%	8.04%
Cost of Power Commodity (kWh) - Block 2	4,415	0.0670	295.77	4,410	0.0670	295.47	(0.30)	(0.10%)	54.59%
Total Bill Before Taxes			508.96			515.51	6.55	1.29%	95.24%
GST		5.00%	25.45		5.00%	25.78	0.33	1.29%	4.76%
Total Bill			534.41			541.29	6.87	1.29%	100.00%

GENERAL SERVICE < 50 kW									
	2009 BILL			2010 BILL			IMPACT		
	Volume	RATE \$	CHARGE \$	Volume	RATE \$	CHARGE \$	Change \$	Change %	% of Total Bill
Monthly Service Charge			25.17			25.17	0.00	0.00%	2.37%
Distribution (kWh)	10,000	0.0090	90.00	10,000	0.0119	119.00	29.00	32.22%	11.20%
Smart Meter Rider (per month)			1.00			1.00	0.00	0.00%	0.09%
LRAM & SSM Rider (kWh)	10,000			10,000	0.0001	1.00	1.00	0.00%	0.09%
Deferral & Variance Accounts Recovery Rate Rider (kWh)	10,000	0.0000	0.00	10,000	(0.0010)	(10.00)	(10.00)	100.00%	(0.94%)
Sub-Total - Distribution			116.17			136.17	20.00	17.22%	12.82%
RTSR-Network (kWh)	10,329	0.0041	42.35	10,320	0.0039	40.25	(2.10)	(4.96%)	3.79%
RTSR-Connection (kWh)	10,329	0.0017	17.56	10,320	0.0013	13.42	(4.14)	(23.60%)	1.26%
Sub-Total - Delivery			176.08			189.83	13.76	7.81%	17.87%
Wholesale Market Services (kWh)	10,329	0.0052	53.71	10,320	0.0052	53.66	(0.05)	(0.09%)	5.05%
RRRP (kWh)	10,329	0.0013	13.43	10,320	0.0013	13.42	(0.01)	(0.09%)	1.26%
Debt Retirement Charge (kWh)	10,000	0.0070	70.00	10,000	0.0070	70.00	0.00	0.00%	6.59%
Cost of Power Commodity (kWh) - Block 1	750	0.0580	43.50	750	0.0580	43.50	0.00	0.00%	4.10%
Cost of Power Commodity (kWh) - Block 2	9,579	0.0670	641.79	9,570	0.0670	641.19	(0.60)	(0.09%)	60.37%
Total Bill Before Taxes			998.51			1,011.60	13.09	1.31%	95.24%
GST		5.00%	49.93		5.00%	50.58	0.65	1.31%	4.76%
Total Bill			1,048.44			1,062.18	13.75	1.31%	100.00%

GENERAL SERVICE > 50 kW									
	2009 BILL			2010 BILL			IMPACT		
	Volume	RATE \$	CHARGE \$	Volume	RATE \$	CHARGE \$	Change \$	Change %	% of Total Bill
Monthly Service Charge			232.71			232.71	0.00	0.00%	7.85%
Distribution (kWh)	30,000	0.0000	0.00	30,000	0.0000	0.00	0.00	0.00%	0.00%
Distribution (kW)	60	3.5202	211.21	60	3.8201	229.21	17.99	8.52%	7.73%
Smart Meter Rider (per month)			1.00			1.00	0.00	0.00%	0.03%
LRAM & SSM Rider (kWh)	60			60	0.0164	0.98	0.98	0.00%	0.03%
Deferral & Variance Accounts Recovery Rate Rider (kWh)	60	0.0000	0.00	60	(0.2603)	(15.62)	(15.62)	100.00%	(0.53%)
Sub-Total - Distribution			444.92			448.28	3.36	0.76%	15.11%
RTSR-Network (kW)	60	2.1384	128.30	60	2.0315	121.89	(6.41)	(5.00%)	4.11%
RTSR-Connection (kW)	60	0.8869	53.21	60	0.6918	41.51	(11.71)	(22.00%)	1.40%
Sub-Total - Delivery			626.44			611.68	(14.76)	(2.36%)	20.62%
Wholesale Market Services (kWh)	30,987	0.0052	161.13	30,960	0.0052	160.99	(0.14)	(0.09%)	5.43%
RRRP (kWh)	30,987	0.0013	40.28	30,960	0.0013	40.25	(0.04)	(0.09%)	1.36%
Debt Retirement Charge (kWh)	30,000	0.0070	210.00	30,000	0.0070	210.00	0.00	0.00%	7.08%
Cost of Power Commodity (kWh)	30,987	0.0582	1,803.44	30,960	0.0582	1,801.87	(1.57)	(0.09%)	60.75%
Total Bill Before Taxes			2,841.30			2,824.79	(16.51)	(0.58%)	95.24%
GST		5.00%	142.06		5.00%	141.24	(0.83)	(0.58%)	4.76%
Total Bill			2,983.36			2,966.03	(17.33)	(0.58%)	100.00%

GENERAL SERVICE > 50 kW									
	2009 BILL			2010 BILL			IMPACT		
	Volume	RATE \$	CHARGE \$	Volume	RATE \$	CHARGE \$	Change \$	Change %	% of Total Bill
Monthly Service Charge			232.71			232.71	0.00	0.00%	3.46%
Distribution (kWh)	75,000	0.0000	0.00	75,000	0.0000	0.00	0.00	0.00%	0.00%
Distribution (kW)	100	3.5202	352.02	100	3.8201	382.01	29.99	8.52%	5.69%
Smart Meter Rider (per month)			1.00			1.00	0.00	0.00%	0.01%
LRAM & SSM Rider (kWh)	100			100	0.0164	1.64	1.64	0.00%	0.02%
Deferral & Variance Accounts Recovery Rate Rider (kWh)	100	0.0000	0.00	100	(0.2603)	(26.03)	(26.03)	100.00%	(0.39%)
Sub-Total - Distribution			585.73			591.33	5.60	0.96%	8.80%
RTSR-Network (kW)	100	2.1384	213.84	100	2.0315	203.15	(10.69)	(5.00%)	3.02%
RTSR-Connection (kW)	100	0.8869	88.69	100	0.6918	69.18	(19.51)	(22.00%)	1.03%
Sub-Total - Delivery			888.26			863.66	(24.60)	(2.77%)	12.86%
Wholesale Market Services (kWh)	77,468	0.0052	402.83	77,400	0.0052	402.48	(0.35)	(0.09%)	5.99%
RRRP (kWh)	77,468	0.0013	100.71	77,400	0.0013	100.62	(0.09)	(0.09%)	1.50%
Debt Retirement Charge (kWh)	75,000	0.0070	525.00	75,000	0.0070	525.00	0.00	0.00%	7.82%
Cost of Power Commodity (kWh)	77,468	0.0582	4,508.61	77,400	0.0582	4,504.68	(3.93)	(0.09%)	67.07%
Total Bill Before Taxes			6,425.41			6,396.44	(28.97)	(0.45%)	95.24%
GST		5.00%	321.27		5.00%	319.82	(1.45)	(0.45%)	4.76%
Total Bill			6,746.68			6,716.26	(30.42)	(0.45%)	100.00%

GENERAL SERVICE > 50 kW									
	2009 BILL			2010 BILL			IMPACT		
	Volume	RATE \$	CHARGE \$	Volume	RATE \$	CHARGE \$	Change \$	Change %	% of Total Bill
Monthly Service Charge			232.71			232.71	0.00	0.00%	1.22%
Distribution (kWh)	200,000	0.0000	0.00	200,000	0.0000	0.00	0.00	0.00%	0.00%
Distribution (kW)	500	3.5202	1,760.10	500	3.8201	1,910.05	149.95	8.52%	10.03%
Smart Meter Rider (per month)			1.00			1.00	0.00	0.00%	0.01%
LRAM & SSM Rider (kWh)	500			500	0.0164	8.20	8.20	0.00%	0.04%
Deferral & Variance Accounts Recovery Rate Rider (kWh)	500	0.0000	0.00	500	(0.2603)	(130.15)	(130.15)	100.00%	(0.68%)
Sub-Total - Distribution			1,993.81			2,021.81	28.00	1.40%	10.62%
RTSR-Network (kW)	500	2.1384	1,069.20	500	2.0315	1,015.75	(53.45)	(5.00%)	5.33%
RTSR-Connection (kW)	500	0.8869	443.45	500	0.6918	345.90	(97.55)	(22.00%)	1.82%
Sub-Total - Delivery			3,506.46			3,383.46	(123.00)	(3.51%)	17.77%
Wholesale Market Services (kWh)	206,580	0.0052	1,074.22	206,400	0.0052	1,073.28	(0.94)	(0.09%)	5.64%
RRRP (kWh)	206,580	0.0013	268.55	206,400	0.0013	268.32	(0.23)	(0.09%)	1.41%
Debt Retirement Charge (kWh)	200,000	0.0070	1,400.00	200,000	0.0070	1,400.00	0.00	0.00%	7.35%
Cost of Power Commodity (kWh)	206,580	0.0582	12,022.96	206,400	0.0582	12,012.48	(10.48)	(0.09%)	63.08%
Total Bill Before Taxes			18,272.19			18,137.54	(134.65)	(0.74%)	95.24%
GST		5.00%	913.61		5.00%	906.88	(6.73)	(0.74%)	4.76%
Total Bill			19,185.80			19,044.42	(141.38)	(0.74%)	100.00%

GENERAL SERVICE > 50 kW									
	2009 BILL			2010 BILL			IMPACT		
	Volume	RATE \$	CHARGE \$	Volume	RATE \$	CHARGE \$	Change \$	Change %	% of Total Bill
Monthly Service Charge			232.71			232.71	0.00	0.00%	0.34%
Distribution (kWh)	800,000	0.0000	0.00	800,000	0.0000	0.00	0.00	0.00%	0.00%
Distribution (kW)	1,000	3.5202	3,520.20	1,000	3.8201	3,820.10	299.90	8.52%	5.55%
Smart Meter Rider (per month)			1.00			1.00	0.00	0.00%	0.00%
LRAM & SSM Rider (kWh)	1,000			1,000	0.0164	16.40	16.40	0.00%	0.02%
Deferral & Variance Accounts Recovery Rate Rider (kWh)	1,000	0.0000	0.00	1,000	(0.2603)	(260.30)	(260.30)	100.00%	(0.38%)
Sub-Total - Distribution			3,753.91			3,809.91	56.00	1.49%	5.54%
RTSR-Network (kW)	1,000	2.1384	2,138.40	1,000	2.0315	2,031.50	(106.90)	(5.00%)	2.95%
RTSR-Connection (kW)	1,000	0.8869	886.90	1,000	0.6918	691.80	(195.10)	(22.00%)	1.01%
Sub-Total - Delivery			6,779.21			6,533.21	(246.00)	(3.63%)	9.49%
Wholesale Market Services (kWh)	826,320	0.0052	4,296.86	825,600	0.0052	4,293.12	(3.74)	(0.09%)	6.24%
RRRP (kWh)	826,320	0.0013	1,074.22	825,600	0.0013	1,073.28	(0.94)	(0.09%)	1.56%
Debt Retirement Charge (kWh)	800,000	0.0070	5,600.00	800,000	0.0070	5,600.00	0.00	0.00%	8.14%
Cost of Power Commodity (kWh)	826,320	0.0582	48,091.82	825,600	0.0582	48,049.92	(41.90)	(0.09%)	69.81%
Total Bill Before Taxes			65,842.11			65,549.53	(292.58)	(0.44%)	95.24%
GST		5.00%	3,292.11		5.00%	3,277.48	(14.63)	(0.44%)	4.76%
Total Bill			69,134.22			68,827.01	(307.21)	(0.44%)	100.00%

GENERAL SERVICE > 50 kW									
	2009 BILL			2010 BILL			IMPACT		
	Volume	RATE \$	CHARGE \$	Volume	RATE \$	CHARGE \$	Change \$	Change %	% of Total Bill
Monthly Service Charge			232.71			232.71	0.00	0.00%	0.15%
Distribution (kWh)	1,600,000	0.0000	0.00	1,600,000	0.0000	0.00	0.00	0.00%	0.00%
Distribution (kW)	4,000	3.5202	14,080.80	4,000	3.8201	15,280.40	1,199.60	8.52%	10.14%
Smart Meter Rider (per month)			1.00			1.00	0.00	0.00%	0.00%
LRAM & SSM Rider (kWh)	4,000			4,000	0.0164	65.60	65.60	0.00%	0.91%
Deferral & Variance Accounts Recovery Rate Rider (kWh)	4,000	0.0000	0.00	4,000	(0.2603)	(1,041.20)	(1,041.20)	100.00%	(0.69%)
Sub-Total - Distribution			14,314.51			14,538.51	224.00	1.56%	10.52%
RTSR-Network (kW)	4,000	2.1384	8,553.60	4,000	2.0315	8,126.00	(427.60)	(5.00%)	5.39%
RTSR-Connection (kW)	4,000	0.8869	3,547.60	4,000	0.6918	2,767.20	(780.40)	(22.00%)	1.84%
Sub-Total - Delivery			26,415.71			25,431.71	(984.00)	(3.73%)	16.88%
Wholesale Market Services (kWh)	1,652,640	0.0052	8,593.73	1,651,200	0.0052	8,586.24	(7.49)	(0.09%)	5.70%
RRRP (kWh)	1,652,640	0.0013	2,148.43	1,651,200	0.0013	2,146.56	(1.87)	(0.09%)	1.42%
Debt Retirement Charge (kWh)	1,600,000	0.0070	11,200.00	1,600,000	0.0070	11,200.00	0.00	0.00%	7.44%
Cost of Power Commodity (kWh)	1,652,640	0.0582	96,183.65	1,651,200	0.0582	96,099.84	(83.81)	(0.09%)	63.80%
Total Bill Before Taxes			144,541.52			143,464.35	(1,077.17)	(0.75%)	95.24%
GST		5.00%	7,227.08		5.00%	7,173.22	(53.86)	(0.75%)	4.76%
Total Bill			151,768.59			150,637.57	(1,131.03)	(0.75%)	100.00%

LARGE USER (> 5000 kW)									
	2009 BILL			2010 BILL			IMPACT		
	Volume	RATE \$	CHARGE \$	Volume	RATE \$	CHARGE \$	Change \$	Change %	% of Total Bill
Monthly Service Charge			14,195.83			14,195.83	0.00	0.00%	6.53%
Distribution (kWh)	2,400,000	0.0000	0.00	2,400,000	0.0000	0.00	0.00	0.00%	0.00%
Distribution (kW)	5,000	1.4316	7,158.00	5,000	1.5946	7,973.00	815.00	11.39%	3.67%
Smart Meter Rider (per month)			1.00		1.0000	1.00	0.00	0.00%	0.00%
Deferral & Variance Accounts Recovery Rate Rider (kWh)	5,000	0.0000	0.00	5,000	(0.1650)	(825.00)	(825.00)	100.00%	(0.38%)
Sub-Total - Distribution			21,354.83			21,344.83	(10.00)	(0.05%)	9.82%
RTSR-Network (kW)	5,000	2.0099	10,049.50	5,000	1.9094	9,547.00	(502.50)	(5.00%)	4.39%
RTSR-Connection (kW)	5,000	0.8336	4,168.00	5,000	0.6502	3,251.00	(917.00)	(22.00%)	1.50%
Sub-Total - Delivery			35,572.33			34,142.83	(1,429.50)	(4.02%)	15.71%
Wholesale Market Services (kWh)	2,412,720	0.0052	12,546.14	2,412,720	0.0052	12,546.14	0.00	0.00%	5.77%
RRRP (kWh)	2,412,720	0.0013	3,136.54	2,412,720	0.0013	3,136.54	0.00	0.00%	1.44%
Debt Retirement Charge (kWh)	2,400,000	0.0070	16,800.00	2,400,000	0.0070	16,800.00	0.00	0.00%	7.73%
Cost of Power Commodity (kWh)	2,412,720	0.0582	140,420.30	2,412,720	0.0582	140,420.30	0.00	0.00%	64.59%
Total Bill Before Taxes			208,475.31			207,045.81	(1,429.50)	(0.69%)	95.24%
GST		5.00%	10,423.77		5.00%	10,352.29	(71.48)	(0.69%)	4.76%
Total Bill			218,899.08			217,398.10	(1,500.98)	(0.69%)	100.00%

LARGE USER (> 5000 kW)									
	2009 BILL			2010 BILL			IMPACT		
	Volume	RATE \$	CHARGE \$	Volume	RATE \$	CHARGE \$	Change \$	Change %	% of Total Bill
Monthly Service Charge			14,195.83			14,195.83	0.00	0.00%	5.02%
Distribution (kWh)	3,100,000	0.0000	0.00	3,100,000	0.0000	0.00	0.00	0.00%	0.00%
Distribution (kW)	8,000	1.4316	11,452.80	8,000	1.5946	12,756.80	1,304.00	11.39%	4.51%
Smart Meter Rider (per month)			1.00		1.0000	1.00	0.00	0.00%	0.00%
Deferral & Variance Accounts Recovery Rate Rider (kWh)	8,000	0.0000	0.00	8,000	(0.1650)	(1,320.00)	(1,320.00)	100.00%	(0.47%)
Sub-Total - Distribution			25,649.63			25,633.63	(16.00)	(0.06%)	9.06%
RTSR-Network (kW)	8,000	2.0099	16,079.20	8,000	1.9094	15,275.20	(804.00)	(5.00%)	5.40%
RTSR-Connection (kW)	8,000	0.8336	6,668.80	8,000	0.6502	5,201.60	(1,467.20)	(22.00%)	1.84%
Sub-Total - Delivery			48,397.63			46,110.43	(2,287.20)	(4.73%)	16.30%
Wholesale Market Services (kWh)	3,116,430	0.0052	16,205.44	3,116,430	0.0052	16,205.44	0.00	0.00%	5.73%
RRRP (kWh)	3,116,430	0.0013	4,051.36	3,116,430	0.0013	4,051.36	0.00	0.00%	1.43%
Debt Retirement Charge (kWh)	3,100,000	0.0070	21,700.00	3,100,000	0.0070	21,700.00	0.00	0.00%	7.67%
Cost of Power Commodity (kWh)	3,116,430	0.0582	181,376.23	3,116,430	0.0582	181,376.23	0.00	0.00%	64.11%
Total Bill Before Taxes			271,730.65			269,443.45	(2,287.20)	(0.84%)	95.24%
GST		5.00%			5.00%	13,472.17	(114.36)	(0.84%)	4.76%
Total Bill			285,317.18			282,915.62	(2,401.56)	(0.84%)	100.00%

LARGE USER (> 5000 kW)									
	2009 BILL			2010 BILL			IMPACT		
	Volume	RATE \$	CHARGE \$	Volume	RATE \$	CHARGE \$	Change \$	Change %	% of Total Bill
Monthly Service Charge			14,195.83			14,195.83	0.00	0.00%	3.79%
Distribution (kWh)	4,200,000	0.0000	0.00	4,200,000	0.0000	0.00	0.00	0.00%	0.00%
Distribution (kW)	10,000	1.4316	14,316.00	10,000	1.5946	15,946.00	1,630.00	11.39%	4.26%
Smart Meter Rider (per month)			1.00		1.0000	1.00	0.00	0.00%	0.00%
Deferral & Variance Accounts Recovery Rate Rider (kWh)	10,000	0.0000	0.00	10,000	(0.1650)	(1,650.00)	(1,650.00)	100.00%	(0.44%)
Sub-Total - Distribution			28,512.83			28,492.83	(20.00)	(0.07%)	7.61%
RTSR-Network (kW)	10,000	2.0099	20,099.00	10,000	1.9094	19,094.00	(1,005.00)	(5.00%)	5.10%
RTSR-Connection (kW)	10,000	0.8336	8,336.00	10,000	0.6502	6,502.00	(1,834.00)	(22.00%)	1.74%
Sub-Total - Delivery			56,947.83			54,088.83	(2,859.00)	(5.02%)	14.44%
Wholesale Market Services (kWh)	4,222,260	0.0052	21,955.75	4,222,260	0.0052	21,955.75	0.00	0.00%	5.86%
RRRP (kWh)	4,222,260	0.0013	5,488.94	4,222,260	0.0013	5,488.94	0.00	0.00%	1.47%
Debt Retirement Charge (kWh)	4,200,000	0.0070	29,400.00	4,200,000	0.0070	29,400.00	0.00	0.00%	7.85%
Cost of Power Commodity (kWh)	4,222,260	0.0582	245,735.53	4,222,260	0.0582	245,735.53	0.00	0.00%	65.62%
Total Bill Before Taxes			359,528.05			356,669.05	(2,859.00)	(0.80%)	95.24%
GST		5.00%	17,976.40		5.00%	17,833.45	(142.95)	(0.80%)	4.76%
Total Bill			377,504.45			374,502.50	(3,001.95)	(0.80%)	100.00%

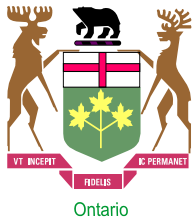
LARGE USER (> 5000 kW)									
	2009 BILL			2010 BILL			IMPACT		
	Volume	RATE \$	CHARGE \$	Volume	RATE \$	CHARGE \$	Change \$	Change %	% of Total Bill
Monthly Service Charge			14,195.83			14,195.83	0.00	0.00%	3.28%
Distribution (kWh)	4,700,000	0.0000	0.00	4,700,000	0.0000	0.00	0.00	0.00%	0.00%
Distribution (kW)	15,000	1.4316	21,474.00	15,000	1.5946	23,919.00	2,445.00	11.39%	5.52%
Smart Meter Rider (per month)			1.00		1.0000	1.00	0.00	0.00%	0.00%
Deferral & Variance Accounts Recovery Rate Rider (kWh)	15,000	0.0000	0.00	15,000	(0.1650)	(2,475.00)	(2,475.00)	100.00%	(0.57%)
Sub-Total - Distribution			35,670.83			35,640.83	(30.00)	(0.08%)	8.23%
RTSR-Network (kW)	15,000	2.0099	30,148.50	15,000	1.9094	28,641.00	(1,507.50)	(5.00%)	6.61%
RTSR-Connection (kW)	15,000	0.8336	12,504.00	15,000	0.6502	9,753.00	(2,751.00)	(22.00%)	2.25%
Sub-Total - Delivery			78,323.33			74,034.83	(4,288.50)	(5.48%)	17.09%
Wholesale Market Services (kWh)	4,724,910	0.0052	24,569.53	4,724,910	0.0052	24,569.53	0.00	0.00%	5.67%
RRRP (kWh)	4,724,910	0.0013	6,142.38	4,724,910	0.0013	6,142.38	0.00	0.00%	1.42%
Debt Retirement Charge (kWh)	4,700,000	0.0070	32,900.00	4,700,000	0.0070	32,900.00	0.00	0.00%	7.59%
Cost of Power Commodity (kWh)	4,724,910	0.0582	274,989.76	4,724,910	0.0582	274,989.76	0.00	0.00%	63.47%
Total Bill Before Taxes			416,925.01			412,636.51	(4,288.50)	(1.03%)	95.24%
GST		5.00%	20,846.25		5.00%	20,631.83	(214.43)	(1.03%)	4.76%
Total Bill			437,771.26			433,268.33	(4,502.93)	(1.03%)	100.00%

STREET LIGHTING								
	2009 BILL			2010 BILL			IMPACT	
	Volume	RATE \$	CHARGE \$	Volume	RATE \$	CHARGE \$	Change \$	Change %
Monthly Service Charge	23,299	0.7800	18,173.22	23,299	0.7800	18,173.22	0.00	0.00%
Distribution (kWh)	16,689,726	0.0000	0.00	16,689,726	0.0000	0.00	0.00	0.00%
Distribution (kW)	46,815	4.3948	205,742.56	46,815	4.2889	200,784.85	(4,957.71)	(2.41%)
Deferral & Variance Accounts Recovery Rate Rider (kWh)	46,815	0.0000	0.00	46,815	(0.3350)	(15,683.03)	(15,683.03)	100.00%
Sub-Total - Distribution			223,915.78			203,275.05	(20,640.73)	(9.22%)
RTSR-Network (kW)	46,815	1.3004	60,878.23	46,815	1.2354	57,835.25	(3,042.98)	(5.00%)
RTSR-Connection (kW)	46,815	0.5394	25,252.01	46,815	0.4207	19,695.07	(5,556.94)	(22.01%)
Sub-Total - Delivery			310,046.02			280,805.37	(29,240.65)	(9.43%)
Wholesale Market Services (kWh)	17,238,818	0.0052	89,641.85	17,223,797	0.0052	89,563.75	(78.11)	(0.09%)
RRRP (kWh)	17,238,818	0.0013	22,410.46	17,223,797	0.0013	22,390.94	(19.53)	(0.09%)
Debt Retirement Charge (kWh)	16,689,726	0.0070	116,828.08	16,689,726	0.0070	116,828.08	0.00	0.00%
Cost of Power Commodity (kWh)	750	0.0580	43.50	750	0.0580	43.50	0.00	0.00%
Cost of Power Commodity (kWh)	17,238,068	0.0582	1,003,255.56	17,223,047	0.0582	1,002,381.35	(874.21)	(0.09%)
Total Bill Before Taxes			1,542,225.47			1,512,012.98	(30,212.49)	(1.96%)
GST		5.00%	77,111.27		5.00%	75,600.65	(1,510.62)	(1.96%)
Total Bill			1,619,336.75			1,587,613.63	(31,723.12)	(1.96%)

STREET LIGHTING								
	2009 BILL			2010 BILL			IMPACT	
	Volume	RATE \$	CHARGE \$	Volume	RATE \$	CHARGE \$	Change \$	Change %
Monthly Service Charge	1	0.7800	0.78	1	0.7800	0.78	0.00	0.00%
Distribution (kWh)	720	0.0000	0.00	720	0.0000	0.00	0.00	0.00%
Distribution (kW)	2.00	4.3948	8.79	2.00	4.2889	8.58	(0.21)	(2.41%)
Deferral & Variance Accounts Recovery Rate Rider (kWh)	2.00	0.0000	0.00	2.00	(0.3350)	(0.67)	(0.67)	100.00%
Sub-Total - Distribution			9.57			8.69	(0.88)	(9.21%)
RTSR-Network (kW)	2	1.3004	2.60	2	1.2354	2.47	(0.13)	(5.00%)
RTSR-Connection (kW)	2	0.5394	1.08	2	0.4207	0.84	(0.24)	(22.01%)
Sub-Total - Delivery			13.25			12.00	(1.25)	(9.43%)
Wholesale Market Services (kWh)	744	0.0052	3.87	743	0.0052	3.86	(0.00)	(0.09%)
RRRP (kWh)	744	0.0013	0.97	743	0.0013	0.97	(0.00)	(0.09%)
Debt Retirement Charge (kWh)	720	0.0070	5.04	720	0.0070	5.04	0.00	0.00%
Cost of Power Commodity (kWh)	744	0.0582	43.28	743	0.0582	43.24	(0.04)	(0.09%)
Total Bill Before Taxes			66.41			65.11	(1.29)	(1.94%)
GST		5.00%	3.32		5.00%	3.26	(0.06)	(1.94%)
Total Bill			69.73			68.37	(1.36)	(1.94%)

UNMETERED SCATTERED								
	2009 BILL			2010 BILL			IMPACT	
	Volume	RATE \$	CHARGE \$	Volume	RATE \$	CHARGE \$	Change \$	Change %
Monthly Service Charge			12.59			8.34	(4.25)	(33.76%)
Distribution (kWh)	250	0.0090	2.25	250	0.0131	3.28	1.03	45.56%
LRAM & SSM Rider (kWh)	250	0.0000	0.00	250	0.0043	1.08	1.08	
Deferral & Variance Accounts Recovery Rate Rider (kWh)	250	0.0000	0.00	250	(0.0010)	(0.25)	(0.25)	100.00%
Sub-Total - Distribution			14.84			12.44	(2.40)	(16.17%)
RTSR-Network (kWh)	258	0.0041	1.06	258	0.0039	1.01	(0.05)	(4.96%)
RTSR-Connection (kWh)	258	0.0017	0.44	258	0.0013	0.34	(0.10)	(23.60%)
Sub-Total - Delivery			16.34			13.78	(2.56)	(15.65%)
Wholesale Market Services (kWh)	258	0.0052	1.34	258	0.0052	1.34	(0.00)	(0.09%)
RRRP (kWh)	258	0.0013	0.34	258	0.0013	0.34	(0.00)	(0.09%)
Debt Retirement Charge (kWh)	250	0.0070	1.75	250	0.0070	1.75	0.00	0.00%
Cost of Power Commodity (kWh)	258	0.0582	15.03	258	0.0582	15.02	(0.01)	(0.09%)
Total Bill Before Taxes			34.79			32.22	(2.57)	(7.39%)
GST		5.00%	1.74		5.00%	1.61	(0.13)	(7.39%)
Total Bill			36.53			33.84	(2.70)	(7.39%)

UNMETERED SCATTERED									
	2009 BILL			2010 BILL			IMPACT		
	Volume	RATE \$	CHARGE \$	Volume	RATE \$	CHARGE \$	Change \$	Change %	% of Total Bill
Monthly Service Charge			12.59			8.34	(4.25)	(33.76%)	19.01%
Distribution (kWh)	350	0.0090	3.15	350	0.0131	4.59	1.44	45.56%	10.45%
LRAM & SSM Rider (kWh)	350	0.0000		350	0.0043	1.51	1.51		3.43%
Deferral & Variance Accounts Recovery Rate Rider (kWh)	350	0.0000	0.00	350	(0.0010)	(0.35)	(0.35)		(0.80%)
Sub-Total - Distribution			15.74			14.08	(1.66)	(10.55%)	32.10%
RTSR-Network (kWh)	362	0.0041	1.48	361	0.0039	1.41	(0.07)	(4.96%)	3.21%
RTSR-Connection (kWh)	362	0.0017	0.61	361	0.0013	0.47	(0.15)	(23.60%)	1.07%
Sub-Total - Delivery			17.84			15.96	(1.88)	(10.53%)	36.38%
Wholesale Market Services (kWh)	362	0.0052	1.88	361	0.0052	1.88	(0.00)	(0.09%)	4.28%
RRRP (kWh)	362	0.0013	0.47	361	0.0013	0.47	(0.00)	(0.09%)	1.07%
Debt Retirement Charge (kWh)	350	0.0070	2.45	350	0.0070	2.45	0.00	0.00%	5.59%
Cost of Power Commodity (kWh)	362	0.0582	21.04	361	0.0582	21.02	(0.02)	(0.09%)	47.92%
Total Bill Before Taxes			43.68			41.78	(1.90)	(4.35%)	95.24%
GST		5.00%	2.18		5.00%	2.09	(0.09)	(4.35%)	4.76%
Total Bill			45.86			43.87	(1.99)	(4.35%)	100.00%



REVENUE REQUIREMENT WORK FORM

Name of LDC: **KITCHENER-WILMOT HYDRO INC.** (1)
File Number: **EB-2009-0267**
Rate Year: **2010** Version: 1.0

Table of Content

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

Notes:

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

Copyright

This Revenue Requirement Work Form Model is protected by copyright and is being made available to you solely for the purpose of preparing or reviewing your draft rate order. You may use and copy this model for that purpose, and provide a copy of this model to any person that is advising or assisting you in that regard. Except as indicated above, any copying, reproduction, publication, sale, adaptation, translation, modification, reverse engineering or other use or dissemination of this model without the express written consent of the Ontario Energy Board is prohibited. If you provide a copy of this model to a person that is advising or assisting you in preparing or reviewing your draft rate order, you must ensure that the person understands and agrees to the restrictions noted above.



REVENUE REQUIREMENT WORK FORM

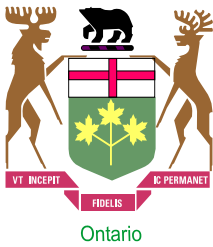
Name of LDC: KITCHENER-WILMOT HYDRO INC.
File Number: EB-2009-0267
Rate Year: 2010

Data Input						(1)
	Application		Adjustments		Per Board Decision	
1 Rate Base						
Gross Fixed Assets (average)	\$269,440,297	(4)			\$269,440,297	
Accumulated Depreciation (average)	(\$129,624,197)	(5)			(\$129,624,197)	
Allowance for Working Capital:						
Controllable Expenses	\$14,487,000	(6)			\$14,487,000	
Cost of Power	\$140,664,613				\$140,664,613	
Working Capital Rate (%)	15.00%					
2 Utility Income						
Operating Revenues:						
Distribution Revenue at Current Rates	\$32,748,623					
Distribution Revenue at Proposed Rates	\$38,324,657					
Other Revenue:						
Specific Service Charges	\$257,840					
Late Payment Charges	\$215,220					
Other Distribution Revenue	\$951,584					
Other Income and Deductions	\$436,868					
Operating Expenses:						
OM+A Expenses	\$13,936,500				\$13,936,500	
Depreciation/Amortization	\$10,735,844				\$10,735,844	
Property taxes	\$550,500				\$550,500	
Capital taxes	\$111,067					
Other expenses						
3 Taxes/PILs						
Taxable Income:						
Adjustments required to arrive at taxable income	\$975,865	(3)				
Utility Income Taxes and Rates:						
Income taxes (not grossed up)	\$1,781,012					
Income taxes (grossed up)	\$2,580,803					
Capital Taxes	\$111,067					
Federal tax (%)	18.00%					
Provincial tax (%)	12.99%					
Income Tax Credits	(\$140,750)					
4 Capitalization/Cost of Capital						
Capital Structure:						
Long-term debt Capitalization Ratio (%)	56.0%					
Short-term debt Capitalization Ratio (%)	4.0%	(2)				(2)
Common Equity Capitalization Ratio (%)	40.0%					
Preferred Shares Capitalization Ratio (%)	0.0%					
					Capital Structure must total 100%	
Cost of Capital						
Long-term debt Cost Rate (%)	7.62%					
Short-term debt Cost Rate (%)	1.33%					
Common Equity Cost Rate (%)	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.



REVENUE REQUIREMENT WORK FORM

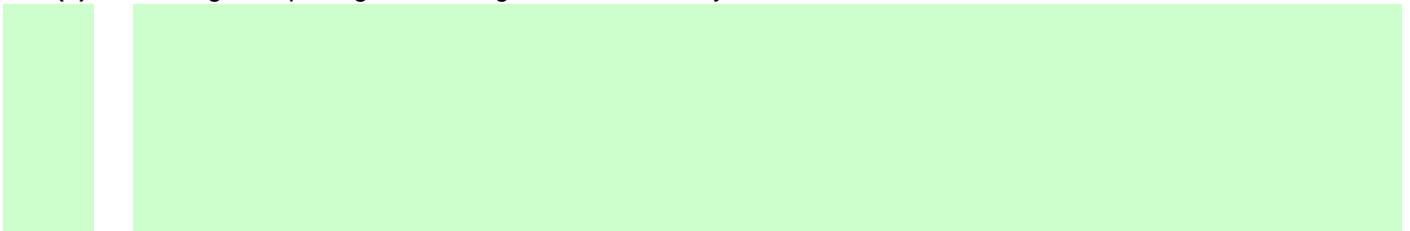
Name of LDC: KITCHENER-WILMOT HYDRO INC.
File Number: EB-2009-0267
Rate Year: 2010

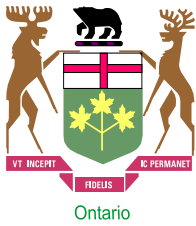
			Rate Base		
Line No.	Particulars		Application	Adjustments	Per Board Decision
1	Gross Fixed Assets (average)	(3)	\$269,440,297	\$ -	\$269,440,297
2	Accumulated Depreciation (average)	(3)	(\$129,624,197)	\$ -	(\$129,624,197)
3	Net Fixed Assets (average)	(3)	\$139,816,100	\$ -	\$139,816,100
4	Allowance for Working Capital	(1)	\$23,272,742	\$ -	\$23,272,742
5	Total Rate Base		\$163,088,842	\$ -	\$163,088,842

(1) Allowance for Working Capital - Derivation					
6	Controllable Expenses		\$14,487,000	\$ -	\$14,487,000
7	Cost of Power		\$140,664,613	\$ -	\$140,664,613
8	Working Capital Base		\$155,151,613	\$ -	\$155,151,613
9	Working Capital Rate %	(2)	15.00%		15.00%
10	Working Capital Allowance		\$23,272,742	\$ -	\$23,272,742

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

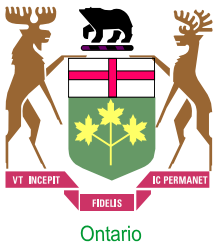
Name of LDC: KITCHENER-WILMOT HYDRO INC.
File Number: EB-2009-0267
Rate Year: 2010

Utility income

Line No.	Particulars	Application	Adjustments	Per Board Decision
	<u>Operating Revenues:</u>			
1	Distribution Revenue (at Proposed Rates)	\$38,324,657	\$ -	\$38,324,657
2	Other Revenue (1)	\$1,861,512	\$ -	\$1,861,512
3	Total Operating Revenues	\$40,186,169	\$ -	\$40,186,169
	<u>Operating Expenses:</u>			
4	OM+A Expenses	\$13,936,500	\$ -	\$13,936,500
5	Depreciation/Amortization	\$10,735,844	\$ -	\$10,735,844
6	Property taxes	\$550,500	\$ -	\$550,500
7	Capital taxes	\$111,067	\$ -	\$111,067
8	Other expense	\$ -	\$ -	\$ -
9	Subtotal	\$25,333,911	\$ -	\$25,333,911
10	Deemed Interest Expense	\$7,046,090	\$ -	\$7,046,090
11	Total Expenses (lines 4 to 10)	\$32,380,001	\$ -	\$32,380,001
12	Utility income before income taxes	\$7,806,168	\$ -	\$7,806,168
13	Income taxes (grossed-up)	\$2,580,803	\$ -	\$2,580,803
14	Utility net income	\$5,225,365	\$ -	\$5,225,365

Notes

(1)	Other Revenues / Revenue Offsets		
	Specific Service Charges	\$257,840	\$257,840
	Late Payment Charges	\$215,220	\$215,220
	Other Distribution Revenue	\$951,584	\$951,584
	Other Income and Deductions	\$436,868	\$436,868
	Total Revenue Offsets	\$1,861,512	\$1,861,512



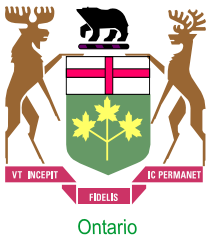
REVENUE REQUIREMENT WORK FORM

Name of LDC: KITCHENER-WILMOT HYDRO INC.
File Number: EB-2009-0267
Rate Year: 2010

Taxes/PILs

Line No.	Particulars	Application	Per Board Decision
<u>Determination of Taxable Income</u>			
1	Utility net income	\$5,225,366	\$5,225,366
2	Adjustments required to arrive at taxable utility income	\$975,865	\$975,865
3	Taxable income	\$6,201,231	\$6,201,231
<u>Calculation of Utility income Taxes</u>			
4	Income taxes	\$1,781,012	\$1,781,012
5	Capital taxes	\$111,067	\$111,067
6	Total taxes	\$1,892,079	\$1,892,079
7	Gross-up of Income Taxes	\$799,791	\$799,791
8	Grossed-up Income Taxes	\$2,580,803	\$2,580,803
9	PILs / tax Allowance (Grossed-up Income taxes + Capital taxes)	\$2,691,870	\$2,691,870
10	Other tax Credits	(\$140,750)	(\$140,750)
<u>Tax Rates</u>			
11	Federal tax (%)	18.00%	18.00%
12	Provincial tax (%)	12.99%	12.99%
13	Total tax rate (%)	30.99%	30.99%

Notes



REVENUE REQUIREMENT WORK FORM

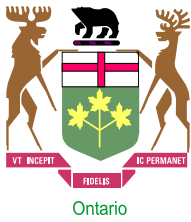
Name of LDC: KITCHENER-WILMOT HYDRO INC.
File Number: EB-2009-0267
Rate Year: 2010

Capitalization/Cost of Capital

Line No.	Particulars	Capitalization Ratio		Cost Rate	Return
		(%)	(\$)	(%)	(\$)
Application					
Debt					
1	Long-term Debt	56.00%	\$91,329,751	7.62%	\$6,959,327
2	Short-term Debt	4.00%	\$6,523,554	1.33%	\$86,763
3	Total Debt	60.00%	\$97,853,305	7.20%	\$7,046,090
Equity					
4	Common Equity	40.00%	\$65,235,537	8.01%	\$5,225,366
5	Preferred Shares	0.00%	\$ -	0.00%	\$ -
6	Total Equity	40.00%	\$65,235,537	8.01%	\$5,225,366
7	Total	100%	\$163,088,842	7.52%	\$12,271,457
Per Board Decision					
Debt					
8	Long-term Debt	56.00%	\$91,329,751	7.62%	\$6,959,327
9	Short-term Debt	4.00%	\$6,523,554	1.33%	\$86,763
10	Total Debt	60.00%	\$97,853,305	7.20%	\$7,046,090
Equity					
11	Common Equity	40.0%	\$65,235,537	8.01%	\$5,225,366
12	Preferred Shares	0.0%	\$ -	0.00%	\$ -
13	Total Equity	40.0%	\$65,235,537	8.01%	\$5,225,366
14	Total	100%	\$163,088,842	7.52%	\$12,271,457

Notes

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



REVENUE REQUIREMENT WORK FORM

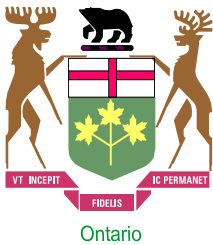
Name of LDC: KITCHENER-WILMOT HYDRO INC.
File Number: EB-2009-0267
Rate Year: 2010

Revenue Sufficiency/Deficiency

Line No.	Particulars	Per Application		Per Board Decision	
		At Current Approved Rates	At Proposed Rates	At Current Approved Rates	At Proposed Rates
1	Revenue Deficiency from Below		\$5,576,035		\$5,576,035
2	Distribution Revenue	\$32,748,623	\$32,748,622	\$32,748,623	\$32,748,622
3	Other Operating Revenue Offsets - net	\$1,861,512	\$1,861,512	\$1,861,512	\$1,861,512
4	Total Revenue	\$34,610,135	\$40,186,169	\$34,610,135	\$40,186,169
5	Operating Expenses	\$25,333,911	\$25,333,911	\$25,333,911	\$25,333,911
6	Deemed Interest Expense	\$7,046,090	\$7,046,090	\$7,046,090	\$7,046,090
	Total Cost and Expenses	\$32,380,001	\$32,380,001	\$32,380,001	\$32,380,001
7	Utility Income Before Income Taxes	\$2,230,134	\$7,806,168	\$2,230,134	\$7,806,168
	Tax Adjustments to Accounting				
8	Income per 2009 PILs	\$975,865	\$975,865	\$975,865	\$975,865
9	Taxable Income	\$3,205,999	\$8,782,033	\$3,205,999	\$8,782,033
10	Income Tax Rate	30.99%	30.99%	30.99%	30.99%
11	Income Tax on Taxable Income	\$993,539	\$2,721,552	\$993,539	\$2,721,552
12	Income Tax Credits	(\$140,750)	(\$140,750)	(\$140,750)	(\$140,750)
13	Utility Net Income	\$1,377,345	\$5,225,365	\$1,377,345	\$5,225,365
14	Utility Rate Base	\$163,088,842	\$163,088,842	\$163,088,842	\$163,088,842
	Deemed Equity Portion of Rate Base	\$65,235,537	\$65,235,537	\$65,235,537	\$65,235,537
15	Income/Equity Rate Base (%)	2.11%	8.01%	2.11%	8.01%
16	Target Return - Equity on Rate Base	8.01%	8.01%	8.01%	8.01%
	Sufficiency/Deficiency in Return on Equity	-5.90%	0.00%	-5.90%	0.00%
17	Indicated Rate of Return	5.16%	7.52%	5.16%	7.52%
18	Requested Rate of Return on Rate Base	7.52%	7.52%	7.52%	7.52%
19	Sufficiency/Deficiency in Rate of Return	-2.36%	0.00%	-2.36%	0.00%
20	Target Return on Equity	\$5,225,366	\$5,225,366	\$5,225,366	\$5,225,366
21	Revenue Sufficiency/Deficiency	\$3,848,022	(\$2)	\$3,848,022	(\$2)
22	Gross Revenue Sufficiency/Deficiency	\$5,576,035 (1)		\$5,576,035 (1)	

Notes:

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



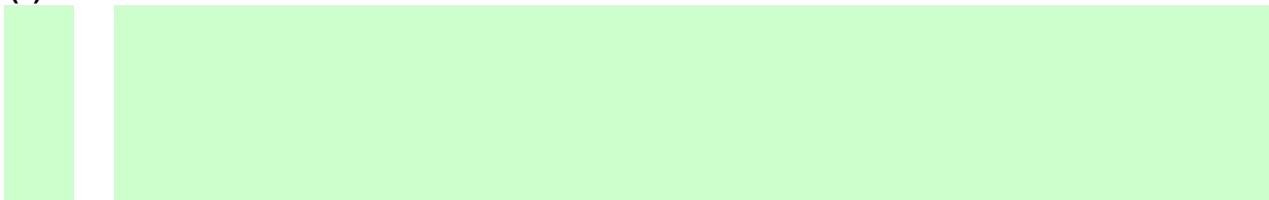
REVENUE REQUIREMENT WORK FORM

Name of LDC: KITCHENER-WILMOT HYDRO INC.
File Number: EB-2009-0267
Rate Year: 2010

		Revenue Requirement	
Line No.	Particulars	Application	Per Board Decision
1	OM&A Expenses	\$13,936,500	\$13,936,500
2	Amortization/Depreciation	\$10,735,844	\$10,735,844
3	Property Taxes	\$550,500	\$550,500
4	Capital Taxes	\$111,067	\$111,067
5	Income Taxes (Grossed up)	\$2,580,803	\$2,580,803
6	Other Expenses	\$ -	\$ -
7	Return		
	Deemed Interest Expense	\$7,046,090	\$7,046,090
	Return on Deemed Equity	\$5,225,366	\$5,225,366
8	Distribution Revenue Requirement before Revenues	\$40,186,171	\$40,186,171
9	Distribution revenue	\$38,324,657	\$38,324,657
10	Other revenue	\$1,861,512	\$1,861,512
11	Total revenue	\$40,186,169	\$40,186,169
12	Difference (Total Revenue Less Distribution Revenue Requirement before Revenues)	(\$2) (1)	(\$2) (1)

Notes

(1) Line 11 - Line 8





REVENUE REQUIREMENT WORK FORM

Name of LDC: KITCHENER-WILMOT HYDRO INC.

File Number: EB-2009-0267

Rate Year: 2010

		Selected Delivery Charge and Bill Impacts Per Draft Rate Order								
		Monthly Delivery Charge					Total Bill			
		Current	Per Draft Rate	Change			Current	Per Draft Rate	Change	
				\$	%				\$	%
Residential	1000 kWh/month	\$ 22.85	\$ 28.65	\$ 5.80	25.4%		\$ 108.66	\$ 114.02	\$ 5.36	4.9%
GS < 50kW	2000 kWh/month	\$ 44.17	\$ 48.17	\$ 4.00	9.1%		\$ 226.00	\$ 228.75	\$ 2.75	1.2%

Notes: