



74 Commerce Crescent  
P.O. Box 3240  
North Bay, Ontario  
P1B 8Y5

Tel. (705) 474-8100  
Fax: (705) 495-2756 Administration  
Fax: (705) 474-3138 Engineering/Purchasing  
Fax: (705) 474-8579 Customer Services/Accounting  
Fax: (705) 474-4634 Operations

---

January 22, 2009

*Delivered by Courier*

Ontario Energy Board  
P.O. Box 2319  
27<sup>th</sup> Floor  
2300 Yonge Street  
Toronto, ON M4P 1E4

Attention: Kirsten Walli  
Board Secretary

Re: North Bay Hydro Distribution Limited (EB-2009-270)  
2010 Electricity Distribution Rate (Cost of Service) Application  
Responses to 1<sup>st</sup> Round Interrogatories

Dear Ms. Walli:

Please find attached a complete copy of the School Energy Coalition's first round of interrogatory responses. This submission should replace the one that was filed on January 19, 2010.

The following questions have been updated with responses:

Question # 3	page # 1
Question # 4	page # 1
Question # 9	page # 4
Question # 10	page # 5
Question # 14	page # 8
Question # 16	page # 10
Question # 22	page # 13
Question # 26	page # 16

In accordance with Procedural Order No. 1, two hard copies of this submission will be sent via courier. An electronic copy of the response in PDF format will be submitted through the Ontario Energy Board's Regulatory Electronic Submission System.

An electronic copy of the response in PDF format will be forwarded via email to the Intervenor as follows:

Energy Probe

- a) David MacIntosh, Energy Probe
- b) Randy Aiken, Aiken & Associates

Donald Rennick

- a) Donald Rennick, Independent Participants

School Energy Coalition

- a) John De Vellis, Shibley Righton LLP
- b) Wayne McNally, Ontario Education Services Corporation

Vulnerable Energy Consumers Coalition

- a) Michael Buonaguro, Public Interest Advocacy Centre
- b) William Harper, Econalysis Consulting Services Inc.

These responses are respectfully submitted for the Board's review and consideration.

Sincerely,

*Original signed by*

Cindy Tennant  
Finance Manager  
North Bay Hydro Distribution Limited  
(705) 474-8100 (310)

**NORTH BAY HYDRO DISTRIBUTION LTD.  
2010 RATE APPLICATION  
EB-2009-0270  
SCHOOL ENERGY COALITION'S INTERROGATORIES (ROUND # 1)**

1. Please confirm that the Applicant has 37 schools operated by publicly funded school boards in its franchise area. Please advise how many schools are in each of the GS<50 and GS>50 classes.

**Response:**

NBHDL confirms there are 33 schools operated by publicly funded school boards within the City of North Bay. The breakdown is as follows:

- 16 General Service < 50kW
- 17 General Service > 50kW

2. North Bay Hydro Generation Ltd.:

- (a) Please advise whether the applicant or its parent company, North Bay Hydro Holdings Limited, has any plans to make North Bay Hydro Generation Ltd. active again. The evidence (Ex. 1, pg. 40) currently states that it is inactive.

**Response:**

There are no plans by NBHDL or the Holding Company to make North Bay Hydro Generation Ltd active at this point.

- (b) If yes, please advise what activities are planned for North Bay Hydro Generation Ltd. and whether it will be using any of the applicant's assets or employees.

3. Please provide a summary of what parts of the application do not comply with the Minimum Filing Requirements.

**Response:**

To the best of our knowledge, NBHDL met the Minimum Filing Requirements with the following exceptions:

- Board Staff question # 20, part a (in relation to Exhibit 8)
- SEC question # 4 (in relation to Exhibit 6)

4. NBHD projects a revenue deficiency in 2010 of \$1.839 million. Please provide a table summarising the main drivers of the deficiency.

**Response:**

The following table summarizes the main drivers of the deficiency:

<b><u>Revenue Deficiency Summary</u></b>	
Impact of 2009 & 2010 Capital Additions	(1,269,730.98)
OM&A Labour Increase	(224,623.16)
GEGEA	(197,532.80)
Preventative Maintenance	(140,805.43)
Other Changes	(6,378.97)
<b><u>Total Revenue Deficiency</u></b>	<b><u>(1,839,071.34)</u></b>

5. Please provide NBHDL's rate-regulated return on equity for the years 2006 to 2009.

**Response:**

NBHD's rate-regulated return on equity for the years 2006 to 2009 are shown in the table below. Note 2009 is as submitted in the application since 2009 fiscal financial statements are not completed at this time.

	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
	<u>Actual</u>	<u>Actual</u>	<u>Actual</u>	<u>Bridge</u>
Rate regulated return on equity	2.83%	6.92%	6.40%	6.25%

6. Ref. Ex. 1, pg. 44: NBHDL's last cost of service application was in 2006. Please explain, then, how under-investing in its assets during that period would help to keep rates low.

**Response:**

NBHDL's last cost of service application was based on 2004 expenditures. NBHDL has a new Management Team and believe that past practices relied more on a philosophy of asset harvesting versus re-investment. This would result in a smaller rate base and consequently lower rates. Also in the past the business did not have a preventative maintenance program that would help extend asset life. This practice decreases spending (in the short term) and therefore creates a lower revenue requirement and lower rates.

7. Ref.: Ex. 1, pg. 44:

(a) Please provide a copy of NBHDL's business plan.

**Response:**

The current Management Team has been with the business less than 2 years. Completing this cost of service application is prerequisite before a proper business plan can be created. Consequently a business plan is not available at this time.

(b) Please provide a copy of any presentation or plan submitted to NBHDL's Board of Directors for approval in conjunction with the current rate application.

**Response:**

A copy of the 2010 Test year plan as submitted to NBHDL's Board of Directors for approval is included as Appendix "A". A copy of the Board resolution approving the plan is included as Appendix "B".

8. Ex. 1, pg. 46:

(a) Please provide a summary of the deferral account balances used for the purposes of setting 2006 rates that were incorrect.

**Response:**

The table below provides a summary of the deferral account balances used for the purposes of setting 2006 rates that were incorrect, it also reconciles to Table 9-3 Summary of Disallowed 2004 Balances submitted in the application.

Summary of Deferral Account Balances Corrected from 2006 EDR

Account Description	Account Number	2006 EDR Principle	2006 EDR Interest	2006 EDR Total	Corrected 2006 EDR Principle	Corrected 2006 EDR Interest	Corrected 2006 EDR Total
RSVA - Wholesale Market Service Charge	1580	\$ 422,073	\$ 154,080	\$ 576,153	\$ 558,213	\$ 93,752	\$ 651,965
RSVA - One-time Wholesale Market Service	1582	\$ 212,321	\$ 19,611	\$ 231,932	\$ 209,948	\$ 18,580	\$ 228,528
RSVA - Retail Transmission Network Charge	1584	\$ (106,736)	\$ 44,630	\$ (62,106)	\$ (22,973)	\$ 2,275	\$ (20,697)
RSVA - Retail Transmission Connection Charge	1586	\$ (269,536)	\$ 27,135	\$ (242,401)	\$ (192,467)	\$ (11,700)	\$ (204,167)
RSVA - Power	1588	\$ 49,987	\$ 803,724	\$ 853,711	\$ 2,373,317	\$ 297,741	\$ 2,671,058
RSVA - Power - sub account Global Adjustment	1588			\$ -			
Sub-Total		\$ 308,109	\$ 1,049,180	\$ 1,357,289	\$ 2,926,038	\$ 400,649	\$ 3,326,687
Less recovered through 2006 EDR rates to December 2008					\$ 311,955	\$ 1,078,963	\$ 1,390,918
December 2004 Corrected Balances December 2008 Audited Financial Statements Table 9-3					\$ 2,614,083	\$ (678,314)	\$ 1,935,769

- (b) Please explain how and when any corrections were made.

**Response:**

The revised 2007 and the 2008 audited financial statements included the required entries to correct the RSVA balances to \$1,935,769 by December 31, 2008. On September 8, 2009 the OEB denied NBHDL's request for recovery of the \$1,935,769 therefore in September of 2009 NBHDL wrote off the balance. This write-off is included in the 2009 forecasted Income statement under extraordinary deductions.

- (c) Is NBHD seeking recovery of any of the corrected account balances in this application? If so, please specify which accounts.

**Response:**

NBHD is not seeking recovery of any of the corrected account balances in this application. Please refer to Exhibit 9, Table 9-3, pg. 9.

9. Ex. 2:

- (a) Please complete the following table:

	2006	2007	2008	2009	2010
Annual capital expenditures					
Depreciation					
Annual cap ex as % of depreciation					

**Response:**

Completed table as follows:

	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
Annual Capital Expenditures	4,467,148	1,460,253	3,624,086	8,251,981	7,852,275
Depreciation	2,283,832	2,315,186	2,322,968	2,595,248	2,901,108
Annual CapEx as % of dep'n	195.6%	63.1%	156.0%	318.0%	270.7%

10. Ex. 1, pg. 50: for each of the major drivers (capital and OM&A) set out on the page, please provide the revenue requirement impact for 2010 (for capital projects please provide the total capital cost of the project and the associated 2010 revenue requirement impact.)

**Response:**

For each of the major cost drivers listed in Exhibit 1, page 50, the table below provides the revenue requirement impact for 2010.

Please note the following comments with regards to the table:

- With the exception of demand based initiatives, the categories include both the 2009 and 2010 forecasted costs.
- Some of the projects identified as "Conversion to 2400V" could also be categorized as "Conversion to 22kV". For example, MS#19 and Pinewood have been identified as "Conversion to 2400V"; however these projects facilitate the 22kV conversion.

<b>Capital Costs</b>					
<b>Reference</b>	<b>Item Description</b>	<b>Description on Capital Budgets</b>	<b>2009 Project Costs</b>	<b>2010 Project Costs</b>	<b>Revenue Requirement Impact</b>
Exhibit # 1 - page 50 - line 13	Conversion of 22kV	O'Brien St.	-	145,113	7,755
Exhibit # 1 - page 50 - line 15	Conversion of 2400 V	VCONV projects, Pinewood Conversion & MS#19	5,710,609	4,730,891	849,454
Exhibit # 1 - page 50 - line 17	Demand based capital	Subdivisions, Road Relocation, Primary Services, Secondary Services & 25% of Minor Betterments	-	1,165,401	62,284
Exhibit # 1 - page 50 - line 18	Transition to AM model	Asset Management	186,671	227,392	32,051

<b>OM&amp;A Costs</b>			
<b>Reference</b>	<b>Item Description</b>	<b>Costs</b>	<b>Revenue Requirement Impact</b>
Exhibit # 1 - page 50 - line 22	Preventative Maintenance Program	139,000	140,805
Exhibit # 1 - page 50 - line 23	Training Costs	41,617	42,158
Exhibit # 1 - page 50 - line 24	GEGEA	195,000	197,533
Exhibit # 1 - page 50 - line 25	Resources	221,743	224,623



11. Ref: Exhibit 2: Capital Expenditures

- (a) Please provide a table summarising 2010 and 2011 capital expenditures by major project. Please also include the projected in-service date for each project.

**Response:**

A table summarizing 2010 capital expenditures by major project can be found in Exhibit 2, p. 37-38, Table 2-14 2010 Capital Expenditures – Distribution Assets. A summary of each major project can also be found in Exhibit 2, pages 40-62. Each summary includes the anticipated start and in-service date for the project. 2011 capital expenditures are based on the AM plan and at this time the capital program has not been broken down by major project.

12. Ref.: Exhibit 2:

- (a) The applicant has proposed a number of large capital projects in the test year, including two voltage conversion projects. Has the applicant incorporated any savings realised as a result of these projects into its application? For example, has the line loss forecast been updated to take into account the voltage conversion projects? If not, why not?

**Response:**

NBHDL has not incorporated any savings realized as a result of the proposed voltage conversion projects into its application as NBHDL does not operate a model of its distribution system which could be utilized to predict changes in losses as a result of system modifications. NBHDL operates a dynamic system that is constantly changing in terms of loading and losses therefore estimating impacts associated with system modifications is speculative. The current Management Team has been in place less than 2 years and is just beginning to thoroughly consider this issue.

- (b) Please provide the applicant's best estimate as to the impact that the voltage conversion projects will have on its distribution line losses.

**Response:**

Due to the lack of required modeling tools NBHDL is unable to provide an estimate as to the impact that the voltage conversion projects will have on its distribution losses. (Please refer to Answer #12.a)

- (c) Please provide the applicant's best estimate as to the impact that the various asset renewal projects will have on its OM&A expenditures, for example, as a result of reduced trouble calls or other unplanned repair or maintenance work.

**Response:**

At this time NBHDL is unable to estimate the impact that capital expenditures have on reduced OM&A expenditures. NBHDL believes that the majority of trouble calls and unplanned repair are a result of external factors including weather events (especially high winds) and vehicle/equipment accidents. Bird and small mammal contact are also a cause of trouble calls.

13. Ex. 2, METSCO Inc. Fixes Asset Management Plan: has NBDH conducted the condition assessment survey of its vintage lines, as recommended by METSCO? If so, please provide a summary of the results.

**Response:**

NBHDL has not conducted the condition assessment survey of its vintage lines, as recommended by METSCO at this time. Instead, NBHDL is currently investigating a number of alternatives for the next steps with regards to Asset Management (AM). We have attended a number of AM conferences and are talking to companies that specialize in AM practices, such as Kinectrics, to help determine the best route for NBHDL to choose. We have not ruled out the conditional assessment recommended by METSCO but are weighing all options before proceeding.

14. Ex. 4, pg. 23- 2010 vs. 2009 OM&A

Preamble

Total OM&A increases in 2010 by \$796,892 (16%) in 2010 over 2009. The variance analysis provided beginning at pg. 23 of the exhibit discusses items totalling \$640,551, leaving an unexplained increase of \$156,341.

- (a) Most of the unexplained increase is in Administrative and General Expense, which increase by \$363,477 (17%) in 2010 over 2009. However, the table on pg. 23 only explains \$282,862 of the increase. Please provide an explanation for the remaining \$80,615 increase, including what assumptions were made to arrive at the total.

**Response:**

In preparing the numerous variance analyses for the cost of service application, NBHDL followed filing guidelines regarding materiality and established the materiality threshold at \$60,000 (based on .5% of the distribution revenue requirement). NBHDL did not provide detailed variance explanations on those accounts with variances under the threshold as these were deemed immaterial. The amounts questioned in both part a) and b) fell under the threshold on an individual basis, however, NBHDL will address these amounts below.

Included in the remaining \$80,615 in Administrative and General Expenses are increased costs related to the retiree benefit costs of NBHDL, additional training costs and increased IT costs related to new systems reporting.

- (b) In addition to the unexplained increase in Administrative and General Expenses, there remains another \$75,726 in other OM&A that is not explained. Please provide an explanation for that increase as well.

**Response:**

Included in the remaining \$75,726 related to other OM&A are costs related to LEAP as explained in Board Staff interrogatory # 8 and other preventative maintenance costs as explained in VECC interrogatory # 16, part c. Other various costs are those that are immaterial in dollar value on an individual basis.

15. Ref: Ex. 4, pg. 27: what accounts for the large decrease in Other Income and Expenses from \$804,512 in 2008 to \$141,229 in 2010?

**Response:**

NBHDL believes that the question should have referenced Ex. 3, pg 3 instead of Ref: Ex. 4, pg. 27 since table 3-1 Summary of Operating Revenue references Other Income and Expenses of \$804,512 in 2008 and \$141,229 in 2010. The table below shows the detail and variance for the two requested years.

<b>Other Revenue Table 3-1</b>	<b>2010 Test</b>	<b>2008 Actual</b>	<b>Variance</b>
Merchandising, Jobbing	6,117	9,242	(3,125)
Revenues from Non-Utility Operations	-	-	-
Affiliate Administration Fee	39,349	64,572	(25,223)
Service Transaction Requests			
Non-Utility Rental Income	(122)	(122)	(0)
Miscellaneous Non-Operating Income	7,134	3,580	3,554
Interest & Dividend Income - Affiliate Interest	-	66,648	(66,648)
Interest & Dividend Income - Investments	19,221	81,212	(61,991)
Interest & Dividend Income - Bank Deposit	38,024	348,253	(310,229)
RSVA Interest	31,506	231,127	(199,621)
<b>Misc Other Income and Expenses Table 3-1</b>	<b>141,229</b>	<b>804,512</b>	<b>(663,283)</b>
Late Payment Charges	137,700	132,768	4,932
Specific Service Charges	320,753	297,555	23,198
Other Distribution Revenue	183,308	181,918	1,390
<b>Total Other Revenue Table 3-1</b>	<b>782,990</b>	<b>1,416,753</b>	<b>(633,763)</b>

16. Ex. 4, pg. 2:

- (a) Please provide a summary of what changes were made to the definitions and allocations for 2006 Board Approved, 2006 Actual, 2007 and 2008.

**Response:**

The major change NBHDL made to the allocation of costs to OEB account numbers was in relation to the Operations Administration, Engineering and Stores departments. Prior filings had department costs attached to various OEB accounts when the full costs of each department should be included in one OEB account. Training costs were included in various OEB accounts as opposed to account 5645.

- (b) Can the amounts listed in Table 4-1 for each year be compared to each other? If not, please reproduce the table on a normalized basis.

**Response:**

The amounts listed in Table 4-1 for each year can be compared to each other. 2006 through 2008 were re-mapped from original submissions in order to be comparable to the 2009 bridge year and 2010 test year.

17. Ex. 4, pg. 24: Smart Grid expenditures

- (a) Has a third party been selected for the \$40,000 planning work? If not, when will one be selected? How was the \$40,000 estimate derived?

**Response:**

NBHDL has not selected a third party to complete this work and expects to so in the May – June timeframe. Please refer to VECC's Interrogatory 15 (b) for an explanation of how the costs were determined.

- (b) Regarding the FIT/MFIT implementation initiatives, the evidence states that the work (\$45,000) will be outsourced. Has a provider been selected? If not, when will one be selected? How was the \$40,000 estimate derived?

**Response:**

NBHDL has not selected a FIT/MFIT service provider and expects to have this completed by late March 2010. Please refer to VECC's Interrogatory 15(e) for details on how this cost was determined.

- (c) Has NBHD considered what proportion of the GEGEA-related spending will provide benefit to electricity consumers in Ontario as a whole and therefore should be allocated to the provincial benefit?

**Response:**

NBHDL has been advised by OEB staff that only CDM costs are to be recovered through the Global Adjustment Mechanism.

- (d) With respect to question (c) above, the evidence states at pg. 60 that the salary for the new employee listed in the CDM department is expected to be recovered from the IESO through the provincial benefit. Is the expense for this employee therefore in addition to any amounts shown in Table 4-1 on page 1?

**Response:**

NBHDL has not included any expenses for the CDM employee in their OM&A expenses (table 4-1) both salary and other expenses are expected to be recovered from the IESO through the provincial benefit.

18. Ex. 4: Community Relations

- (a) The evidence discusses \$195,000 in GEGEA- and smart-grid-related expenses that have been booked in the community relations account. Please explain the remainder of the expenditures (\$27,000) in that account for 2010.

**Response:**

The remainder of the \$27,000 expenditure in the account for 2010 is made up of \$15,000 for LEAP and \$12,000 for community relations.

19. Ex. 4, pg. 23: the evidence states that an additional \$25,000 (\$6,200 per substation) was added to the forecast cost of the substation assessments "to cover remediation of potential issues arising out of the assessments." Please explain what potential issues could arise during the substation assessments and how the forecast of \$6,200 was derived.

**Response:**

Potential issues that could arise during substation assessments include the following:

- The lack of redundant grounding
- Loss of copper from theft
- Fence Issues (i.e. barb wire sagging, fence to ground gaps)
- Unwanted vegetation growth
- Replacement of damaged lightning arrestors
- Damage from snow removal equipment
- Vandalism
- Oil Leaks

The basis for the \$25,000 (or \$6,200 per substation being scrutinized this year) was to provide minor funding for timely repairs of high risk deficiencies that could potentially compromise public safety, staff safety, and reliability.

20. Ex. 4, pg. 27: the evidence states that NBHD has included an additional \$20,000 in 2010 for customer information costs. Please state what assumptions were made in arriving at the forecast (i.e. what new initiatives are planned, and at what cost).

**Response:**

The breakdown of the \$20,000 in costs is as follows:

Spending	Media	Message
\$4,000	Radio	Retailers
\$4,000	Radio	Winter Consumption
\$4,000	Radio	Equal Billing
\$5,000	Print	New rate structures
\$3,000	Web	Updates & improvements

21. Ex. 4, pg. 42: Training programs
- (a) Training programs increase by a total of \$102,212 in 2009 and 2010 combined. Please provide a breakdown of the projected costs.

**Response:**

Please refer to VECC question #16, part d.

22. Ex. 4: Capitalized overheads
- (a) Please provide the capitalization rate for overheads and labour costs from 2006 actual to 2010.

**Response:**

The labour overhead rates for capitalization for 2006 actual to 2010 are as follows:

<b><u>Overhead Rates - Capital</u></b>					
	<b><u>2006</u></b>	<b><u>2007</u></b>	<b><u>2008</u></b>	<b><u>2009</u></b>	<b><u>2010</u></b>
Total Overhead Dollars in Capital	83,255	59,871	159,431	291,680	298,274
Total Capital Labour	295,376	292,520	509,914	909,623	1,084,596
Overhead Rate	28%	20%	31%	32%	28%

- (b) Please explain any significant year over year variation.

**Response:**

The 2009 and 2010 overhead rates are decreasing due to the increase in both the labour base and the costs of the Operations Administration and Engineering departments as show below:

	<b><u>2009</u></b>	<b><u>2010</u></b>
Engineering Costs	259,286	230,629
Operations Administration Costs	234,049	280,293
Total Costs	493,336	510,921
Labour Base	1,540,478	1,833,879
%	32%	28%

- (c) Table 4-7 on pg. 24 indicates that OM&A increased in 2009 over 2008 by \$207,623 as a result of capitalized overheads. This implies that less overhead was capitalized in 2009, resulting in higher OM&A costs. However, at pg. 27 of the exhibit (the 2009 vs. 2008 variance analysis) the evidence states that 2009 Operation Supervision and Engineering decreased in 2009 over 2008 by \$221,757 primarily due to the fact that an increased capital program meant that more of those costs were capitalized. The two sections of the evidence appear to be inconsistent. Please explain.

**Response:**

The reference on Table 4-7 on pg. 24 indicates that OM&A increased in 2009 over 2008 by \$207,623 as a result of capitalized overheads. The increase in higher OM&A costs are primarily driven by the capitalized overhead costs related to the Stores department.



As explained in Exhibit 4, page # 18, the costs of the Stores department are allocated out to both OM&A and capital based on purchases, however, prior to 2009 these costs were allocated out based on inventory only. In 2008 inventory was primarily related to capital programs and therefore incurred a large majority of the overhead costs.

The reference at pg. 27 of the exhibit (the 2009 vs. 2008 variance analysis) states that 2009 Operation Supervision and Engineering decreased in 2009 over 2008 by \$221,757. This reference is in relation to labour costs specifically; these are allocated directly to capital through timesheets and are not attached to capital through overhead rates.

23. Ex. 4: compensation: over-time

- (a) Please explain the significant increase in over-time projected in 2010 over 2009 (\$216,517 vs. \$115,585).

**Response:**

Please refer to VECC #19.

- (b) Please explain, in particular, whether increase in over-time is projected as a result of increases to planned preventative maintenance work.

**Response:**

Please refer to VECC #19. The increase in overtime projected is not a result of the increases to planned preventative maintenance work.

24. Ref. Ex. 5: Cost of Capital

- (a) The Promissory Note issued to the City of North Bay bears interest at the rate of 5% per annum and is callable with 12 months notice to NBHD. Please advise whether NBHD has received any such notice as of the date of the reply to this interrogatory.

**Response:**

NBHDL has not received notice as of the date of the reply to this interrogatory.

- (b) If NBHD has not received any notice from the City of any intention require repayment, and then the note is not callable for the 2010

rate year. In addition, Note 18 in the applicant's 2008 audited financial statements states that "management does not expect that this note will be called within the foreseeable future." Therefore, does NBHD agree that the applicable rate for rate making purposes is 5%?

**Response:**

NBHDL notes that the current financial climate is very different from 2008. Also municipal elections will be held in 2010 and there is potential for change. During these uncertain times NBHDL feels it prudent to view the note as callable at any time and does not agree with a change to 5%.

25. Cost Allocation

- (a) Does NBHD intend on making further movements in the revenue to cost ratios of the Streetlighting and Sentinel lighting classes during the IRM period? Why or why not?

**Response:**

NBHDL intends on making further movements in the revenue to cost ratios during the IRM period with the objective of transitioning classes to the minimum cost allocation ranges prescribed by the OEB.

26. Ex. 5: Rate Design

- (a) The proposed fixed charge for the GS>50kW rate class is far above the Board's maximum amount. Please explain why NBHD is further increasing the charge in 2010?

**Response:**

In the Report of the Board's EB-2007-0667 Application of Cost Allocation for Electricity Distributors it states the following under section 4.2.2. of the report:

*4.2.2 Upper Bound for the Monthly Service Charge*

*The Methodology set a ceiling for the MSC based on the avoided costs plus the allocated customer costs. The Discussion Paper proposed that the ceiling for the MSC be 120% of this level.*

*Some participants believed that the results of the sensitivity analysis were not an appropriate basis for setting an upper bound.*

*The Board considers it to be inappropriate to make significant changes to the ceiling for the MSC at this time, given the number of issues that remain to be examined. The appropriateness of the methodologies cited above, used to set the MSC is an issue that will be examined within the scope of the Rate Review. The Rate Review will also examine the role of rate design in achieving various objectives, including conservation of energy. Both of these undertakings will have determinative impacts on the fixed/variable ratio policy.*

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

Based on the above and specifically the statement in the second paragraph in italic suggests to NBHDL that the Board has not yet established a ceiling for the MSC. It would appear to NBHDL that the issue of the appropriate ceiling and related issue of the proper fixed/variable split is still under review. In addition, considering the Board has approved MSC in recent rebased/cost of service rate applications that are above the MSC reference above also suggest to NBHDL that a ceiling for the MSC has not yet been established. As a result, NBHDL does not plan to make adjustments to the MSC in this regard until the rate review process has been completed and a ceiling is established.

- (b) Please re-do the Bill Impact Tables for the GS>50kW rate class assuming:
  - (i) The fixed charge for the class remains constant at \$311.40 (the 2009 level); and
  - (ii) The fixed charge is reduced to the maximum level per the Report of the Board on Application of Cost Allocation for Electricity Distributors (EB-2007-0667).

**Response:**

Responses are provided on the following pages.

**Response:**

(b) (i) The bill impact table has been revised for the GS>50 kW assuming the fixed charge for the class remains constant at \$311.40 (the 2009 level). Bill impacts are as follows:

GENERAL SERVICE > 50 kW									
	2009 BILL			2010 BILL			IMPACT		
	Volume	RATE \$	CHARGE \$	Volume	RATE \$	CHARGE \$	Change \$	Change %	% of Total Bill
<b>Consumption</b>									
<b>40,000 kWh</b>									
<b>100 kW</b>									
Monthly Service Charge			311.40			311.40	0.00	0.00%	7.31%
Distribution (kWh)	0	0.0000	0.00	0	0.0000	0.00	0.00	0.00%	0.00%
Distribution (kW)	100	2.1783	217.83	100	2.4147	241.47	23.64	10.85%	5.67%
Smart Meter / Storm Rider (per month)			2.11			1.47	(0.64)	(30.33%)	0.03%
LRAM & SSM Rider (kW)	100	0.0000	0.00	100	0.0679	6.79	6.79	100.00%	0.16%
Regulatory Assets (kW)	100	0.0000	0.00	100	0.4513	45.13	45.13	0.00%	1.06%
<b>Sub-Total - Distribution</b>			<b>531.34</b>			<b>606.26</b>	<b>74.92</b>	<b>14.10%</b>	<b>14.24%</b>
RTSR - Network	100	1.9313	193.13	100	1.9607	196.07	2.94	1.52%	4.61%
RTSR - Connection	100	1.6636	166.36	100	1.7084	170.84	4.48	2.69%	4.01%
<b>Sub-Total - Delivery</b>			<b>890.83</b>			<b>973.16</b>	<b>82.33</b>	<b>9.24%</b>	<b>22.86%</b>
Wholesale Market Rate	41,546	0.0065	270.05	41,546	0.0065	270.05	0.00	0.00%	6.34%
DRC	40,000	0.0070	280.00	40,000	0.0070	280.00	0.00	0.00%	6.58%
Cost of Power Commodity (kWh)	41,546	0.0604	2,508.52	41,921	0.0604	2,531.14	22.62	0.90%	59.46%
<b>Sub-Total - Other Charges</b>			<b>3,949.40</b>			<b>4,054.35</b>	<b>104.95</b>	<b>2.66%</b>	<b>95.24%</b>
GST		5.00%	197.47		5.00%	202.72	5.25	2.66%	4.76%
<b>TOTAL BILL</b>			<b>4,146.87</b>			<b>4,257.07</b>	<b>110.20</b>	<b>2.66%</b>	<b>100.00%</b>

b) (ii) The bill impact table has been revised for the GS>50 kW assuming the fixed charge for the class is reduced to the maximum level per the Report of the Board on Application of Cost Allocation for Electricity Distributors (EB-2007-0667). Bill impacts are as follows:

GENERAL SERVICE > 50 kW									
	2009 BILL			2010 BILL			IMPACT		
	Volume	RATE \$	CHARGE \$	Volume	RATE \$	CHARGE \$	Change \$	Change %	% of Total Bill
<b>Consumption</b>									
<b>40,000 kWh</b>									
<b>100 kW</b>									
Monthly Service Charge			311.40			91.32	(220.08)	(70.67%)	2.20%
Distribution (kWh)	0	0.0000	0.00	0	0.0000	0.00	0.00	0.00%	0.00%
Distribution (kW)	100	2.1783	217.83	100	3.6043	360.43	142.60	65.46%	8.68%
Smart Meter / Storm Rider (per month)			2.11			1.47	(0.64)	(30.33%)	0.04%
LRAM & SSM Rider (kW)	100	0.0000	0.00	100	0.0679	6.79	6.79	100.00%	0.16%
Regulatory Assets (kW)	100	0.0000	0.00	100	0.4513	45.13	45.13	0.00%	1.09%
<b>Sub-Total - Distribution</b>			<b>531.34</b>			<b>505.14</b>	<b>(26.20)</b>	<b>(4.93%)</b>	<b>12.17%</b>
RTSR - Network	100	1.9313	193.13	100	1.9607	196.07	2.94	1.52%	4.72%
RTSR - Connection	100	1.6636	166.36	100	1.7084	170.84	4.48	2.69%	4.12%
<b>Sub-Total - Delivery</b>			<b>890.83</b>			<b>872.04</b>	<b>(18.79)</b>	<b>(2.11%)</b>	<b>21.01%</b>
Wholesale Market Rate	41,546	0.0065	270.05	41,546	0.0065	270.05	0.00	0.00%	6.51%
DRC	40,000	0.0070	280.00	40,000	0.0070	280.00	0.00	0.00%	6.75%
Cost of Power Commodity (kWh)	41,546	0.0604	2,508.52	41,921	0.0604	2,531.14	22.62	0.90%	60.98%
<b>Sub-Total - Other Charges</b>			<b>3,949.40</b>			<b>3,953.23</b>	<b>3.83</b>	<b>0.10%</b>	<b>95.24%</b>
GST		5.00%	197.47		5.00%	197.66	0.19	0.10%	4.76%
<b>TOTAL BILL</b>			<b>4,146.87</b>			<b>4,150.89</b>	<b>4.02</b>	<b>0.10%</b>	<b>100.00%</b>

## **APPENDIX "A"**



2010 Budget  
November 17, 2009  
Board Meeting November 24, 2009

**North Bay Hydro Distribution Limited**  
**2009 Budget**

<b><u>Table of Contents</u></b>	<b><u>Page</u></b>
Assumptions	1
Highlights	2
Income Statement	3
Balance Sheet	4
Cash Flow	5
Working Capital	6
OM&A Spending Summary	7
Employee Summary	8
Capital Spending Summary	9
Detailed OM&A Spending Budgets	
Operations Spending	10
Finance Spending	11
Engineering Spending	12
Human Resources Spending	13
Administration Spending	14



**North Bay Hydro Distribution Limited**

**2010 Budget**

**Assumptions**

**Revenue**

- Rebasings model shows a \$1.8million dollar annual revenue deficiency, \$1.2million included in 2010 budget
- Revenue calculated using load forecast model
- Other Revenue decreases due to carrying charges related to the regulatory asset writeoff and decreasing balance and reduced interest due to lower cash levels

**OM&A Expenses**

- IT, GIS and 2009 line resources included for a full year in 2010
- Adding a CDM employee expenses are offset by funding
- Adding a Customer Service Representative to bring service level into compliance
- Adding Engineering Technician to ensure that design work keeps pace with construction requirements
- Adding a line position to support the preventative program
- Elimination one customer service technician
- Adding a metering technician to support capital and preventative maintenance programs also required for safety reasons, support and coverage for single trained employee
- Adding a substation electrician to support capital and preventative maintenance programs also required for safety reasons, support and coverage for single trained employee
- Wages increase assumption of 3%
- Benefits calculated as per government rates, union contract items at Mearie's forecasted health benefits and benefits changes as per benefit committee survey
- Preventative maintenance program \$220k
- Smart Grid and Fit program \$195k
- OPA programs to continue
- \$40k of the \$160 for rebasing consultants is included in 2010
- \$25k of the \$100 for IFRS consultants is included in 2010

**Capital**

- Capital program based on voltage conversion and the second phase of Pinewood
- Minor improvements to the building working environment
- H.T.E. continues to support the billing platform

**Other**

- \$3.5million Smart Meter loan in 2009, interest rate of 4.28% with a 10 year term
- \$2.5million loan in 2010, interest rate of 4.86% with a 15 year term

**North Bay Hydro Distribution Limited**  
**2010 Budget**  
**Highlights**

**Revenue**

- Distribution Revenue increased by \$3.2 million or 6%
- Calculated annual revenue deficiency of \$1.8million or 17%
- 2010 includes \$1.2 million of revenue deficiency
- Other Revenue decreased by \$131k or 14%

**OM&A Expenses**

- OM&A expenses increase by \$782k or 16%
- Depreciation increased by \$306k or 12%

**P&L Results**

- Operating Income decreased by \$72k or 3.3%
- Pils decreased by \$149k
- Net Income increased by \$2million in absolute terms
- Net Income decreases by \$62k if regulatory asset writeoff in 2009 is adjusted
- EBITDA increased by \$345k or 6%

**Balance Sheet**

- Capital spending of \$8M
- Cash decreased by \$748k to \$4.9M
- Working Capital decreased by 2% to 9.8% of eligible expenses

<u>Budget 2010 - Borrowing 2010</u>	2007	2008	2009	2009	2010	2010
	<u>Fiscal</u>	<u>Fiscal</u>	<u>Budget</u>	<u>Bridge</u>	<u>Test</u>	<u>Budget with Increase</u>
<u>Monthly Income Statement</u>						
Revenue						
Customer Billings	55,730,980	51,823,947	50,766,562	52,660,014	54,687,561	54,687,561
						1,226,047
Cost of Power	45,617,722	41,687,638	40,879,653	42,829,347	44,637,754	44,637,754
Distribution revenue	10,113,228	9,936,309	9,886,910	10,030,667	10,049,807	11,275,854
Other operating revenue	1,601,886	1,416,753	1,236,819	914,508	782,990	783,860
Total Revenue	11,716,114	11,353,062	11,123,729	10,946,175	10,832,797	12,059,716
Operating expenses						
Operations	2,186,621	2,167,928	2,183,817	2,114,269	2,356,881	2,356,881
Finance	1,590,649	1,640,744	1,577,168	1,532,924	1,696,546	1,696,546
Engineering	141,022	(34,844)	(0)	(0)	(0)	(0)
Human Resources	521,953	559,052	445,855	424,966	526,866	526,866
Administration	1,152,762	1,247,768	936,743	910,013	1,163,823	1,163,823
Depreciation and amortization	2,315,188	2,322,968	2,598,369	2,595,248	2,901,109	2,901,109
Total OM&A	7,678,195	7,903,616	7,741,949	7,577,413	8,665,165	8,665,165
Operating Income	3,836,919	3,449,446	3,381,780	3,367,762	2,167,832	3,394,550
Interest	1,182,535	1,199,435	1,096,384	1,057,996	1,184,257	1,184,257
Capital tax	120,000	96,673	113,755	82,321	28,902	23,413
Property taxes	80,391	76,422	76,863	62,429	64,292	64,292
Income before other items and payment in lieu of taxes	2,453,993	2,074,916	2,094,778	2,195,016	890,181	2,122,588
Other items						
Gain/(loss) on disposal of property, plant & equipment	(2,702)	9,323	-	219	-	-
Gain/(loss) on regulatory assets				(1,935,769)	-	-
Charitable donation	6,000	6,000	6,000	6,000	21,000	21,000
Income before payment in lieu of taxes	2,450,896	2,089,939	2,088,778	253,466	869,181	2,101,588
Payment in lieu of taxes	1,090,746	643,734	689,297	722,448	269,448	572,611
Net income for the period	1,359,948	1,415,859	1,399,481	(468,982)	599,735	1,528,977
Retained earnings, beginning of the year	6,301,594	5,834,547	4,092,637	6,250,406	4,448,474	4,448,474
Net income for the year	1,359,949	1,415,858	1,399,481	468,982	599,735	1,528,977
Dividends/Prior Year Adjustments	(1,826,996)	(1,000,000)	(1,000,000)	(1,332,950)	-	-
Retained earnings, end of the year	5,834,547	6,250,405	4,492,118	4,448,474	5,048,209	5,977,451
EBITDA	5,951,120	5,572,673	5,783,511	5,642,261	4,954,548	5,185,954
EBITDA % of Revenue	51%	49%	52%	53%	46%	51%

<u>Budget 2010 - Borrowing 2010</u>	2007	2008	2009	2009	2010	2010
	<u>Fiscal</u>	<u>Fiscal</u>	<u>Budget</u>	<u>Bridge</u>	<u>Test</u>	<u>Budget with increase</u>
<b>Balance Sheet</b>						
<b>ASSETS</b>						
<b>Current assets</b>						
Cash and short-term investments	10,471,708	10,212,777	4,238,185	5,653,791	4,373,805	4,905,463
Restricted short term investments	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000
Accounts receivable (prior month sales)	4,882,214	5,318,550	4,393,242	5,108,219	5,088,880	5,270,671
Unbilled revenue (current month sales)	5,589,409	5,702,480	5,021,502	6,058,050	6,040,621	6,256,412
Inventory	790,836	762,897	800,501	851,407	987,403	987,403
Prepaid expenses	220,655	226,074	200,000	351,854	387,451	387,451
Payments in lieu of taxes	-	-	-	-	-	-
<b>Total current assets</b>	<b>23,964,822</b>	<b>24,222,678</b>	<b>16,851,409</b>	<b>20,023,122</b>	<b>18,878,159</b>	<b>19,907,401</b>
<b>Restricted short term investments</b>	<b>1,332,950</b>	<b>1,332,950</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Property, plant and equipment</b>						
Electrical distribution assets	66,725,672	70,820,575	79,499,573	79,339,705	87,429,198	87,429,198
General assets	8,116,325	8,891,954	9,254,054	9,667,857	10,025,073	10,025,073
Gross Assets	74,841,997	79,712,529	88,753,628	89,007,562	97,454,270	97,454,270
Accumulated depreciation	(41,790,298)	(43,929,480)	(46,527,849)	(47,494,816)	(50,662,197)	(50,662,197)
	33,051,699	35,783,049	42,225,779	41,512,946	46,792,074	46,792,074
Contributions in aid of construction	(3,815,934)	(5,267,808)	(5,647,540)	(5,340,972)	(5,668,935)	(5,668,935)
<b>Total property, plant and equipment</b>	<b>29,235,765</b>	<b>30,515,241</b>	<b>36,578,239</b>	<b>36,171,974</b>	<b>41,123,138</b>	<b>41,123,138</b>
<b>Other Assets</b>	<b>28,511</b>	<b>28,511</b>	<b>28,511</b>	<b>28,511</b>	<b>28,511</b>	<b>28,511</b>
<b>Regulatory assets Dec 2008 Balances for recovery</b>	<b>2,620,875</b>	<b>2,171,824</b>	<b>5,833,060</b>	<b>4,577,180</b>	<b>3,698,167</b>	<b>3,698,167</b>
<b>Regulatory assets 2009 forward</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>TOTAL ASSETS</b>	<b>57,172,923</b>	<b>58,271,104</b>	<b>58,791,209</b>	<b>60,800,787</b>	<b>63,727,975</b>	<b>64,657,217</b>
<b>Current liabilities</b>						
Accounts payable and accrued liabilities	6,327,042	7,905,209	6,168,135	8,657,347	8,599,763	8,599,763
Payments in lieu of taxes	715,000	45,143	-	-	-	-
Current portion of long-term customer deposits	89,720	72,364	89,720	72,364	72,364	72,364
Current portion Smart Meter/Capital	-	-	492,039	759,609	759,609	759,609
Payable to North Bay Hydro Services Inc.	143,532	16,784	90,000	5,000	8,260	8,260
<b>Total current liabilities</b>	<b>7,275,294</b>	<b>8,039,600</b>	<b>6,347,855</b>	<b>9,226,751</b>	<b>9,439,996</b>	<b>9,439,996</b>
<b>Long-term liabilities</b>						
Customer deposits	927,102	693,783	879,337	659,329	659,329	659,329
Employee future benefits	4,112,778	4,264,214	4,828,418	4,523,305	4,813,890	4,813,890
Payable to Corporation of the City of North Bay	19,511,601	19,511,601	19,511,601	19,511,601	19,511,601	19,511,601
Smart Meter/Capital Loan	-	-	3,420,278	2,919,725	4,743,349	4,743,349
<b>Total long-term liabilities</b>	<b>24,551,481</b>	<b>24,469,598</b>	<b>28,439,634</b>	<b>27,613,960</b>	<b>29,728,169</b>	<b>29,728,169</b>
<b>Regulatory liabilities (note 7)</b>						
<b>Shareholder's equity</b>						
Capital stock	19,511,601	19,511,601	19,511,601	19,511,601	19,511,601	19,511,601
Retained earnings, beginning of year	6,301,594	5,834,547	4,082,638	6,250,406	4,448,474	4,448,474
Dividends	-	(1,000,000)	(1,000,000)	-	-	-
Dividends in kind/Prior Year Adjustment	(1,826,996)	-	-	(1,332,950)	-	-
Net Income	1,359,949	1,415,858	1,399,481	(468,982)	599,735	1,528,977
Retained earnings, end of year	5,834,547	6,250,405	4,492,119	4,448,474	5,048,209	5,977,451
<b>Total shareholder's equity</b>	<b>25,346,148</b>	<b>25,762,006</b>	<b>24,003,720</b>	<b>23,960,075</b>	<b>24,559,810</b>	<b>25,489,052</b>
<b>TOTAL LIABILITIES AND SHAREHOLDER'S EQUITY</b>	<b>57,172,923</b>	<b>58,271,104</b>	<b>58,791,209</b>	<b>60,800,786</b>	<b>63,727,975</b>	<b>64,657,216</b>
	0	-	-	(0)	(0)	(0)

<u>Budget 2010 - Borrowing 2010</u>	2007	2008	2009	2009	2010	2010
	<u>Fiscal</u>	<u>Fiscal</u>	<u>Budget</u>	<u>Bridge</u>	<u>Test</u>	<u>Budget with increase</u>
<b>Cash Flow</b>						
<b>CASH PROVIDED BY (USED IN):</b>						
<b>OPERATING ACTIVITIES</b>						
Net income for the period	1,359,948	1,415,859	1,399,481	(468,982)	599,735	1,528,977
Adjustments for:			-	-	-	-
Items not involving cash:			-	-	-	-
Amortization of property, plant & equipment (net of amortization of contributions in aid of construction)	2,315,188	2,322,968	2,598,369	2,595,248	2,901,109	2,901,109
Gain/loss on sale of property, plant and equipment	(2,702)	9,323	-	219	-	-
Accrual for employee future benefits	522,836	442,611	257,820	268,872	290,585	290,585
Amortization of Employee future benefit asset	-	-	-	-	-	-
Accounts receivable	310,005	(436,336)	521,502	210,331	19,340	(162,452)
Unbilled revenue	(1,174,168)	(113,071)	(521,502)	(305,570)	17,429	(198,362)
Prepaid expenses	(6,287)	(5,419)	0	(88,710)	(135,996)	(135,996)
Inventory	(88,931)	28,139	0	(125,579)	(35,797)	(35,797)
Accounts payable and accrued liabilities	(719,718)	858,924	(31,865)	752,138	(57,584)	(57,584)
Payments in lieu of taxes	1,005,000	(869,867)	(51,918)	(46,143)	-	-
Payable to North Bay Hydro Services Inc.	91,497	(126,748)	-	(11,784)	3,260	3,260
<b>Cash provided by operating activities</b>	<b>3,512,670</b>	<b>3,526,393</b>	<b>4,171,888</b>	<b>2,721,040</b>	<b>3,602,080</b>	<b>4,133,739</b>
<b>INVESTING ACTIVITIES</b>						
Dividends / Dividends in kind	-	(1,000,000)	(1,000,000)	(1,332,950)	-	-
Purchase of property, plant and equipment	(2,393,267)	(5,078,912)	(9,115,253)	(9,348,687)	(8,446,709)	(8,446,709)
Proceeds on sale of property, plant and equipment	15,321	12,306	-	-	-	-
<b>Cash used in investing activities</b>	<b>(2,377,946)</b>	<b>(5,066,606)</b>	<b>(10,115,253)</b>	<b>(10,681,637)</b>	<b>(8,446,709)</b>	<b>(8,446,709)</b>
<b>FINANCING ACTIVITIES</b>						
Contributions received in aid of construction	1,007,044	1,454,825	862,506	1,096,706	594,436	594,436
Increase (decrease) in customer deposits	(88,073)	(250,676)	-	(34,454)	-	-
(Increase) decrease in Note Receivable Services	-	-	-	1,332,950	-	-
(Increase) decrease in other assets	(22,150)	-	-	-	-	-
Smart Meter/Capital Loan	-	-	3,420,278	3,411,765	2,091,193	2,091,193
Decrease (increase) in regulatory assets/liabilities	750,420	1,388,308	(3,572,535)	(2,405,356)	879,013	879,013
Principal reduction of employee future benefits liability	(247,705)	(291,175)	-	-	-	-
<b>Cash provided by financing activities</b>	<b>1,399,536</b>	<b>2,281,282</b>	<b>710,249</b>	<b>3,401,511</b>	<b>3,564,541</b>	<b>3,564,541</b>
<b>Net increase in cash</b>	<b>2,534,260</b>	<b>(258,931)</b>	<b>(5,233,116)</b>	<b>(4,558,986)</b>	<b>(1,279,987)</b>	<b>(748,328)</b>
Cash, beginning of period	7,837,448	10,471,708	9,469,281	10,212,777	5,653,791	5,653,791
<b>Cash, end of year</b>	<b>\$ 10,471,708</b>	<b>\$ 10,212,777</b>	<b>\$ 4,236,165</b>	<b>\$ 5,653,791</b>	<b>\$ 4,373,805</b>	<b>\$ 4,905,463</b>
Represented by:						
Cash and cash equivalents	10,471,708	10,212,777	4,236,165	5,653,791	4,373,805	4,905,463
Restricted cash and cash equivalents	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000
<b>\$ 12,471,708</b>	<b>\$ 12,212,777</b>	<b>\$ 6,236,165</b>	<b>\$ 7,653,791</b>	<b>\$ 6,373,805</b>	<b>\$ 6,905,463</b>	

<u>Budget 2010 - Borrowing 2010</u>	2007	2008	2009	2009	2010	2010
	<u>Fiscal</u>	<u>Fiscal</u>	<u>Budget</u>	<u>Bridge</u>	<u>Test</u>	<u>Budget with Increase</u>
<u>Working Capital</u>						
<u>Month</u>						
Total Assets	\$ 57,172,923	\$ 58,271,104	\$ 58,791,209	\$ 60,800,787	\$ 63,727,975	\$ 64,657,217
Less Net Fixed Assets	(29,235,765)	(30,515,241)	(36,578,239)	(36,171,974)	(41,123,138)	(41,123,138)
Less Regulatory Assets	(2,820,875)	(2,171,824)	(5,533,050)	(4,577,180)	(3,698,187)	(3,698,187)
<b>Working Capital Assets</b>	<b>\$ 25,316,283</b>	<b>\$ 25,584,039</b>	<b>\$ 16,679,920</b>	<b>\$ 20,051,633</b>	<b>\$ 18,906,670</b>	<b>\$ 19,835,912</b>
Total Liabilities	31,826,775	32,509,099	34,787,489	36,840,711	39,168,165	39,168,165
Less Debt to City of North Bay	(19,511,601)	(19,511,601)	(19,511,601)	(19,511,601)	(19,511,601)	(19,511,601)
Less Smart Meter/Capital Loan			(3,420,278)	(2,918,725)	(4,743,349)	(4,743,349)
<b>Working Capital Liabilities</b>	<b>12,315,174</b>	<b>12,997,497</b>	<b>11,855,610</b>	<b>14,409,385</b>	<b>14,913,214</b>	<b>14,913,214</b>
Working Capital	\$ 13,001,109	\$ 12,586,542	\$ 4,824,310	\$ 5,642,248	\$ 3,993,458	\$ 4,922,697
% of Eligible Expenses	25.4%	26.6%	10.5%	11.8%	7.9%	9.8%
<u>WC Allowance</u>						
OM&A	5,563,007	5,580,648	5,143,580	4,982,165	5,764,056	5,764,056
Cost of Power	45,617,722	41,687,638	40,879,853	42,829,347	44,837,754	44,837,754
Total Eligible Expenses	51,180,729	47,268,286	46,023,433	47,811,512	50,601,810	50,601,810
Allowance 15%	7,677,109	7,090,243	6,903,485	7,151,091	7,560,271	7,560,271
<b>Excess Working Capital</b>	<b>\$ 5,323,999</b>	<b>\$ 5,496,299</b>	<b>\$ (2,079,174)</b>	<b>\$ (1,508,843)</b>	<b>\$ (3,566,816)</b>	<b>\$ (2,637,574)</b>
<u>Rate Base Revenue Requirement</u>						
Net Fixed Assets	29,235,765	30,515,241	36,578,239	36,171,974	41,123,138	41,123,138
Average Net fixed Assets	29,706,557	29,875,503	33,751,050	33,343,608	38,647,558	38,647,558
Allowable Expenses 15% Working Capital	7,677,109	7,090,243	6,903,485	7,151,091	7,560,271	7,560,271
<b>Rate Base</b>	<b>37,383,666</b>	<b>36,965,745</b>	<b>40,654,535</b>	<b>40,494,699</b>	<b>48,207,828</b>	<b>48,207,828</b>
<u>Actual Debt/Equity</u>						
Debt	56%	56%	59%	61%	61%	61%
Equity	44%	44%	41%	39%	39%	39%

**North Bay Hydro Distribution Limited  
 2010 Budget**

OM&A Spending	2009	2010 Budget						Var to
	Forecast	Operations	Finance	Engineering	HR	Admin	Total	Forecast
Labour:								
Capital/Other Labour & Burdens	1,555,187	1,480,058	37,120	429,509		106,812	2,033,299	478,112
Regular time	1,416,278	693,182	602,770	80,128	39,126	220,213	1,635,419	220,141
Overtime	121,287	76,421	9,286	-	-	-	84,707	(36,580)
Payroll burden	760,285	388,741	283,839	40,768	17,099	88,683	788,920	38,635
	<u>3,852,038</u>	<u>2,617,402</u>	<u>912,815</u>	<u>560,395</u>	<u>56,225</u>	<u>415,508</u>	<u>4,562,345</u>	<u>700,307</u>
Items purchased	331,941	329,609	21,580	910	5,295	25,768	383,162	51,221
Contracted services	2,072,805	1,141,766	422,456	57,426	169,000	768,526	2,559,174	486,369
Stores	138,441	172,752	-	121	-	-	172,873	34,432
Meals/Entertain/Supplies and Other	183,458	113,192	50,100	46,845	6,843	23,100	240,081	56,623
Bad Debt Expense / Collection Fees	273,163	-	270,000	-	-	-	270,000	(3,153)
Banking / Finance Fees	23,812	-	24,000	-	-	-	24,000	188
Health Benefits	258,232	-	-	-	277,344	-	277,344	19,112
Conservation and Demand							-	-
Truck Costs:								
Fuel	86,300	88,320	-	-	-	-	88,320	2,020
Mtce.	185,165	177,087	-	-	-	-	177,087	(8,078)
Depreciation								
Charge-Out - Capital	(406,867)	(467,913)	-	-	-	-	(467,913)	(61,046)
	<u>(136,402)</u>	<u>(202,506)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(202,506)</u>	<u>(67,104)</u>
Total OM&A Spending	<u>6,998,478</u>	<u>4,172,215</u>	<u>1,700,951</u>	<u>655,698</u>	<u>514,707</u>	<u>1,232,902</u>	<u>8,278,473</u>	<u>1,277,995</u>
2009 Forecast Spending		<u>3,615,551</u>	<u>1,592,508</u>	<u>491,483</u>	<u>422,286</u>	<u>876,650</u>	<u>6,998,478</u>	
Budgeted Variance		<u>556,664</u>	<u>108,443</u>	<u>164,215</u>	<u>92,421</u>	<u>356,252</u>	<u>1,277,995</u>	
Allocated Overheads:								
Allocated into Dpmt.	382,042	306,306	32,714	4,440	12,099	57,533	413,092	31,050
Allocated out of Dpmt.	(843,169)	(681,582)		(230,629)	-		(892,211)	(49,042)
Capital/Other Labour & Burdens	(1,555,187)	(1,480,058)	(37,120)	(429,509)		(106,812)	(2,033,299)	(478,112)
Net Overheads	<u>(2,016,314)</u>	<u>(1,815,334)</u>	<u>(4,406)</u>	<u>(855,698)</u>	<u>12,099</u>	<u>(49,079)</u>	<u>(2,512,418)</u>	<u>(498,104)</u>
Net P&L Spending	<u>4,982,164</u>	<u>2,356,881</u>	<u>1,696,545</u>	<u>-</u>	<u>526,806</u>	<u>1,183,823</u>	<u>5,784,055</u>	<u>781,891</u>

**North Bay Hydro Distribution Ltd.**  
**Employee Compliment 2010 Budget**

Department	2010 Test	2009 Bridge	2008 Actual	2007 Actual
<b>Total Employees</b>				
Executive				
Accounting/Finance	4.0	4.7	3.7	3.5
Administration	2.5	2.1	1.3	1.3
Billing/Collecting	4.3	4.5	4.6	5.3
CDM	1.0	-	-	-
Customer Services	5.4	4.4	4.9	4.4
Human Resources	1.0	1.0	1.6	2.0
Engineering	5.8	4.4	4.0	3.8
Lines	16.0	14.9	13.3	13.0
Operations Administration	4.0	4.0	4.0	3.4
Customer Services Technician	2.0	3.0	3.0	3.0
Metering	2.0	1.0	1.0	1.0
Substations	2.0	1.0	1.0	1.6
Stores	1.3	1.3	1.0	1.0
<b>Total</b>	<b>61.3</b>	<b>46.3</b>	<b>43.4</b>	<b>43.4</b>
<b>Full Time Employees</b>				
Accounting/Finance	4.0	4.0	3.7	3.5
Administration	2.0	1.7	0.9	0.9
Billing/Collecting	4.0	4.0	4.3	5.0
CDM	1.0	-	-	-
Customer Services	5.0	3.2	4.1	4.0
Human Resources	1.0	1.0	1.6	2.0
Engineering	5.8	3.6	4.0	3.5
Lines	16.0	14.9	13.0	12.7
Operations Administration	4.0	4.0	4.0	3.4
Customer Services Technician	2.0	3.0	3.0	3.0
Metering	2.0	1.0	1.0	1.0
Substations	2.0	1.0	1.0	1.6
Stores	1.0	1.0	1.0	1.0
<b>Total</b>	<b>49.8</b>	<b>42.3</b>	<b>41.5</b>	<b>41.5</b>
<b>Temporary Employees</b>				
Accounting/Finance	-	0.7	-	-
Administration	0.5	0.5	0.5	0.5
Billing/Collecting	0.3	0.5	0.3	0.3
CDM	-	-	-	-
Customer Services	0.4	1.2	0.8	0.4
Human Resources	-	-	-	-
Engineering	-	0.8	-	0.3
Lines	-	-	0.3	0.3
Operations Administration	-	-	-	-
Customer Services Technician	-	-	-	-
Metering	-	-	-	-
Substations	-	-	-	-
Stores	0.3	0.3	-	-
<b>Total</b>	<b>1.5</b>	<b>4.0</b>	<b>1.9</b>	<b>1.9</b>



**North Bay Hydro Distribution Limited**  
**2010 Budget**

<b>Capital Spending</b>	<b>Dep Years</b>	<b>2009 Forecast</b>	<b>2010 Budget</b>	<b>2010 Var to 2009</b>
<b><u>Distribution System Assets</u></b>				
Major Betterments	25	960,743	388,575	(572,168)
Voltage Conversion	25	2,604,942	1,894,214	(710,728)
Minor Betterments	25	156,140	301,972	145,832
Proclean Hardward Replacement	25	91,319	-	(91,319)
Primary Services	25	116,866	153,379	36,513
Secondary Services	25	285,204	349,661	64,457
Subdivisions	25	285,114	112,769	(172,345)
Transformer Purchases - 850 & 851	25	375,574	745,348	369,774
Metering	25	74,658	218,010	143,352
Substation Upgrades - 815	25	1,564,338	331,782	(1,232,556)
Road Projects	25	264,524	474,099	209,575
Asset Management	25		227,392	227,392
Generator Connections	25		55,614	55,614
Pinewood Conversions	25	1,844,239	2,836,677	992,438
Smart Metering	15	3,722,973	122,964	(3,600,009)
		-		
<b>Total Distribution System Assets</b>		<b>12,346,634</b>	<b>8,212,456</b>	<b>(4,134,178)</b>
<b><u>General Assets</u></b>				
Office Upgrades	10	128,872	57,563	(71,309)
Transportation Equipment	8	487,665	51,000	(436,665)
Tool Requirements	10	60,462	59,715	(747)
Computer Equipment and Office Furniture	5	48,027	188,937	140,910
<b>Total General Assets</b>		<b>725,026</b>	<b>357,215</b>	<b>(367,811)</b>
<b>Total Capital Spending</b>		<b>13,071,660</b>	<b>8,569,671</b>	<b>(4,501,989)</b>
<b>Contributed Capital</b>	25	<b>(1,096,706)</b>	<b>(594,434)</b>	<b>502,272</b>
<b>Total Net Capital Spending</b>		<b>11,974,954</b>	<b>7,975,237</b>	<b>(3,999,717)</b>

**North Bay Hydro Distribution Ltd. - 2010 Budget  
 Operations**

	2007 Actual	2008 Actual	2009 Budget	2009 Forecast	2010 Budget
<b>Labour:</b>					
Capital/Other Labour & Burdens				1,203,444	1,460,058
Regular time	860,011	824,592	833,937	585,192	693,182
Overtime	98,438	102,392	96,938	106,830	75,421
Payroll burden	567,664	501,670	468,144	392,475	388,741
	1,526,113	1,428,655	1,199,019	2,287,941	2,617,402
<b>Items purchased</b>	123,874	141,572	82,126	108,106	182,513
<b>Contracted services</b>	535,538	892,958	882,822	966,781	1,141,767
<b>Stores</b>	103,701	148,427	136,425	138,321	172,752
<b>Equipment costs / Truck Time</b>	163,061	190,396	168,974	168,851	147,096
<b>Meals/Entertain/Supplies and Other</b>	30,773	38,594	80,952	80,953	113,192
<b>Vehicles</b>	243,708	300,059	271,716	271,465	265,407
<b>Truck Recoveries</b>	(390,411)	(507,983)	(407,118)	(406,867)	(467,913)
<b>Total</b>	2,336,357	2,632,678	2,414,915	3,615,551	4,172,215
<b>Allocated Overheads:</b>					
Allocated into Dpmt.	99,894	134,948	367,908	286,034	306,306
Allocated out of Dpmt.	(279,630)	(599,698)	(599,050)	(583,883)	(661,582)
Capital/Other Labour & Burdens				(1,203,444)	(1,460,058)
Net Overheads	(179,736)	(464,750)	(231,142)	(1,501,293)	(1,815,334)
<b>Net Function Spending</b>	2,156,621	2,167,928	2,183,773	2,114,258	2,356,881
<b>Contracted Services</b>					
Tree Trimming	278,127	214,962	265,000	267,691	271,085
Joint use, leases, easements, rentals, etc.	56,844	78,889	71,379	76,657	73,033
DRC	5,436	2,317	2,040	2,040	2,355
Operations - OH Construction Work / Pole Pulling /	18,572	7,312	14,000	13,353	14,340
Operations - Permanent Ground Mats	-	-	5,000	5,074	5,125
Operations - UG Services Construction work	10,679	5,229	10,000	10,546	25,217
Operations - Misc. Construction	12,315	6,702	6,240	4,589	6,420
Operations - Health & Safety	-	-	-	4,341	9,020
Operations - Small Tool R&M	12,933	14,618	12,444	11,598	9,080
Operations - General Misc.	26,451	52,212	12,840	12,190	13,799
Substation - Mtn. (Rondar, Power Systems Mtn., i	1,865	5,985	17,511	87,392	171,367
Substation - Facility Costs (water, sewer, mtn, etc.)	20,224	20,322	-	-	23,840
Substation - Scada	-	11,867	12,095	12,095	10,646
Substation - PCB transfer disposal	-	8,023	4,000	4,232	5,004
Substation - Misc.	21,806	25,472	3,036	3,678	15,500
Meter - Service Provider	18,735	22,381	13,536	22,603	18,730
Meter - Itron - MV90 Mtn.	5,588	5,586	5,880	5,880	5,760
Meter - Erie Thames - meter testing, includes shipp	7,951	8,833	8,639	8,639	8,885
Meter - Misc.	2,224	4,303	-	-	-
Facility - Advertising	3,755	2,361	1,762	1,762	2,200
Facility - Postage / Delivery	4,004	3,878	3,600	3,600	3,720
Facility - Cell Phone Expenses	12,324	15,015	16,695	16,695	16,785
Facility - Union Gas	3,293	2,468	10,429	10,429	8,720
Facility / Meter - Lowell Security / North Bay Secur	19,772	20,771	19,530	19,530	21,890
Facility - North Bay Mat Rental	5,587	5,398	6,220	6,220	6,000
Facility - Janitorial Services	23,436	25,874	30,120	30,120	30,720
Facility - Miller Waste	10,472	10,890	8,944	8,944	12,900
Facility - Hydro Expenses	29,585	31,368	36,000	36,000	36,000
Facility - Northern Communications - Answering ser	6,158	6,554	5,459	5,459	5,580
Facility - Telephone System Expenses	54,289	52,642	49,200	49,200	54,360
Facility - Building Mtn.	33,110	32,007	37,364	37,364	51,530
Facility - Misc. Services - Stores	6,657	6,780	1,859	1,638	5,705
Customer Service - Misc.	75	4,159	-	-	-
Customer Service - Meter Reading	178,897	178,185	192,000	187,222	196,440
Storm Adjustment	(355,604)				
<b>Total</b>	535,538	892,958	882,822	966,780	1,141,767

PC-A

**North Bay Hydro Distribution Ltd.  
2010 Budget  
Finance**

	2007 Actual	2008 Actual	2009 Budget	2009 Forecast	2010 Budget
Labour:					
Capital/Other Labour & Burdens				95,971	37,120
Regular time	547,222	569,156	546,721	509,840	602,770
Overtime	11,098	26,063	-	-	9,286
Payroll burden	289,789	278,547	269,745	217,518	263,639
	<u>848,109</u>	<u>873,766</u>	<u>816,466</u>	<u>823,329</u>	<u>912,815</u>
Items purchased	19,534	22,682	20,650	19,797	21,580
Contracted services	387,353	395,517	515,160	403,128	422,456
Stores	-	-	-	-	-
Equipment costs	-	-	-	-	-
Meals/Entertain/Training/Supplies and Other	19,143	35,660	48,760	49,288	50,100
Vehicle Costs	-	-	-	-	-
Truck Recoveries	-	-	-	-	-
Bad Debt Expense/Collection Fees	237,972	291,413	99,600	273,153	270,000
Banking/Finance Fees	77,435	21,683	23,000	23,812	24,000
Total Spending	<u>1,589,546</u>	<u>1,640,720</u>	<u>1,523,636</u>	<u>1,592,508</u>	<u>1,700,951</u>
				0	
Allocated Overheads:					
Allocated into Dpmt.	1,034	23	53,532	36,387	32,714
Allocated out of Dpmt.	69	-	-	-	-
Capital/Other Labour & Burdens				(95,971)	(37,120)
Net Overheads	<u>1,103</u>	<u>23</u>	<u>53,532</u>	<u>(59,584)</u>	<u>(4,406)</u>
Net Function Spending	<u>1,590,649</u>	<u>1,640,744</u>	<u>1,577,168</u>	<u>1,532,924</u>	<u>1,696,545</u>

**Contracted Services**

Canada Post/Mobile Mail/Postage on call	165,607	165,605	169,200	166,135	169,980
Brink's	8,232	7,183	7,320	7,435	7,620
Crosstown Deliver	7,500	5,345	7,200	6,707	6,900
Billing Training	61,757	22,814	30,000	17,427	-
SDS-Wholesale Settlement	57,759	44,019	44,400	44,273	45,291
Enerconnect	3,000	16,740	1,400	9,416	-
Click2Gov	-	-	-	-	-
Asset Management	-	-	1,330	-	-
Credit Bureau	(3,275)	1,236	16,890	8,600	8,820
Audit Fees	39,500	18,840	31,500	31,575	32,445
Legal	32,363	-	5,000	5,000	5,000
Regulatory Consultants BB, JR, 08extra	8,417	99,605	2,400	72,504	27,200
IFRS	-	-	30,000	-	25,000
Rebasing Consultant	-	-	100,000	-	40,000
Grep Mtoe	-	-	11,520	-	-
Binatex	-	1,924	-	1,500	1,500
Misc/Nugget/Jyes/L. Chirico/S. Montgome	8,493	12,208	12,000	12,558	12,700
Smart Meter Education	-	-	-	-	-
Large Customer Information	-	-	45,000	20,000	40,000
	<u>387,353</u>	<u>395,519</u>	<u>515,160</u>	<u>403,130</u>	<u>422,456</u>

**North Bay Hydro Distribution Ltd. - 2010 Budget  
 Engineering**

	2007 Actual	2008 Actual	2009 Budget	2009 Forecast	2010 Budget
Labour:					
Capital/Other Labour & Burdens				236,983	429,509
Regular time	153,236	72,389	148,922	98,271	80,128
Overtime	3,107	4,403	21,495	14,457	-
Payroll burden	71,480	48,792	109,803	58,433	40,758
	227,823	125,583	280,220	408,144	550,395
Items purchased	2,037	7,489	1,350	1,350	910
Contracted services	8,574	10,323	54,164	54,165	57,426
Stores	-	55	120	120	121
Equipment costs	4,347	1,548	-	1,120	-
Meals/Entertain/Supplies and Other	7,285	1,734	26,583	26,584	46,846
Vehicle Costs	-	-	-	-	-
Truck Recoveries	-	-	-	-	-
<b>Total Spending</b>	<b>260,066</b>	<b>146,731</b>	<b>362,437</b>	<b>491,483</b>	<b>655,698</b>
Allocated Overheads:					
Allocated into Dpmt.	(9,882)	(52,460)	3,685	4,787	4,440
Allocated out of Dpmt.	(99,162)	(129,116)	(366,122)	(259,286)	(230,629)
Capital/Other Labour & Burdens				(236,983)	(429,509)
<b>Net Overheads</b>	<b>(109,044)</b>	<b>(181,576)</b>	<b>(362,437)</b>	<b>(491,482)</b>	<b>(655,698)</b>
<b>Net Function Spending</b>	<b>141,022</b>	<b>(34,844)</b>	<b>0</b>	<b>0</b>	<b>(0)</b>
	-	-	-	0	(0)
<b>Contracted Services</b>					
Metsco Mentoring	-	-	20,000	20,000	20,460
AESI - Acumen (Compliance)	2,742	-	3,232	2,341	3,305
Imaginit (Autocad)	-	-	1,777	-	2,205
ESRI	-	5,104	4,473	4,473	6,537
USF	5,000	6,000	6,000	6,204	6,360
Misc.	832	-	-	3,063	-
Dromey	-	(782)	3,552	6,277	3,200
Raven Engineering	-	-	10,130	6,807	10,260
Legal	-	-	5,000	5,000	5,100
	8,574	10,322	54,164	54,165	57,428

**North Bay Hydro  
 2010 Budget  
 Human Resources**

	2007 Actual	2008 Actual	2009 Budget	2009 Forecast	2010 Budget
Labour:					
Capital/Other Labour & Burdens				5,171	-
Regular time	114,151	106,270	34,054	36,222	39,126
Overtime	-	-	-	-	-
Payroll burden	57,023	42,307	18,267	16,224	17,099
	171,174	148,577	52,321	57,618	56,225
Items purchased	10,147	4,525	4,442	4,487	5,295
Contracted services	35,212	99,069	107,900	96,789	169,000
Stores	-	-	-	-	-
Vehicle/equipment costs	-	-	-	-	-
Meals/Entertain/Training/Supplies and Other	57,715	15,706	6,250	5,161	6,843
Truck Recoveries	-	-	-	-	-
Health Benefits	247,705	291,175	264,122	258,232	277,344
Total Spending	521,953	559,052	435,035	422,286	514,707
Allocated Overheads:					
Allocated into Dpmt.	-	-	10,820	7,853	12,099
Allocated out of Dpmt.	-	-	-	-	-
Capital/Other Labour & Burdens	-	-	-	(5,171)	-
Net Overheads	-	-	10,820	2,682	12,099
Net Function Spending	521,953	559,052	445,855	424,968	526,806
<b>Contracted Services</b>					
Financial Consulting Fees	-	-	2,500	6,000	6,000
AYS Consulting Fees / CYR Consulting	-	-	-	-	-
ANTEBI	-	1,216	-	-	-
ADP costs	6,334	6,391	8,000	8,700	8,000
Benefit Consultant	-	-	10,000	10,000	-
EFAP Dues	2,678	2,541	3,000	2,541	3,000
Paisley Park	-	4,450	-	-	-
Recruiting/ Monster/Nugget/Toronto Star	3,929	8,877	12,400	14,988	15,000
School safety program	-	-	5,000	5,000	5,000
Health & Safety Consultants	-	825	15,000	10,000	-
Legal fees	12,521	40,169	12,000	8,510	20,000
EDA	1,750	-	-	1,050	-
Best Practice Safety	8,000	9,600	-	-	-
HR Services	-	-	30,000	20,000	97,000
Misc	-	-	-	-	-
Relocation	-	25,000	10,000	10,000	15,000
	35,212	99,069	107,900	96,789	169,000

**North Bay Hydro  
2010 Budget  
General Administration**

	2007 Actual	2008 Actual	2009 Budget	2009 Forecast	2010 Budget
Labour:					
Capitol/Other Labour & Burdens				13,619	106,612
Regular time	113,282	132,869	225,006	185,753	220,213
Overtime	-	-	-	-	-
Payroll burden	72,318	68,955	110,186	75,635	88,883
	185,600	201,824	335,192	275,007	415,508
Items purchased*	5,056	21,782	19,600	28,233	25,768
Contracted services	518,312	546,868	508,082	551,942	768,526
Stores	-	-	-	-	-
Meals/Entertain/Training**	6,794	17,174	23,000	21,469	23,100
Vehicle/equipment costs	-	-	-	-	-
Conservation and Demand	437,000	460,121	-	-	-
Total Spending	1,152,762	1,247,768	885,874	876,650	1,232,902
Allocated Overheads:					
Allocated into Dpmt.	-	-	50,869	46,981	57,533
Allocated out of Dpmt.	-	-	-	(13,619)	(106,612)
Net Overheads	-	-	50,869	33,362	(49,079)
Net Function Spending	1,152,762	1,247,768	936,743	910,013	1,183,823
<b>Contracted Services</b>					
IBM/Ontera/Mindoka/Other	7,028	34,904	38,700	41,729	63,073
H.T.E.	73,584	66,778	66,000	83,906	87,914
CNB IS services	92,500	83,689	87,000	85,200	87,160
Vianet, Northern Comm	8,101	1,386	2,700	996	1,140
BLG - Finance	-	9,875	-	-	-
Benjamin James	-	25,647	-	-	-
Recruitment - HR	-	13,000	-	-	-
ESA	-	4,875	-	-	-
Mearie, Space Planning Study	-	8,399	-	-	-
Regulatory consulting/advice In Finance	-	-	-	-	-
Legal costs	19,469	4,359	10,200	9,131	18,000
Property Insurance	79,074	62,917	66,717	136,891	140,039
Liaibility Insurance	76,253	79,341	81,785	9,388	9,604
OEB assessment	66,188	81,827	83,281	88,705	87,160
Misc consulting	14,911	12,329	3,600	12,660	300
EDA membership	34,500	36,500	37,200	37,200	38,056
ESA assessment	9,838	12,396	13,099	10,849	14,400
Advertising/Customer Information	16,936	2,335	10,000	10,323	12,000
Smart Grid & Fit	-	-	-	-	195,000
Board Expenses Holdco & Couriers	15,629	3,418	4,200	16,424	10,200
Board meetings, meals**	4,301	2,893	3,600	8,539	4,481
	518,312	546,868	508,082	551,942	768,526

## **APPENDIX “B”**

