

**Board Staff Supplemental Interrogatories
 2010 Electricity Distribution Rates
 Coopérative Hydro Embrun Inc.
 EB-2009-0132**

As identified in the Procedural Order No. 2 issued on January 5, 2010, the Board has determined that a second round of interrogatories is required. These supplemental interrogatories are to be of a clarifying or correcting nature to the answers to interrogatories filed by Cooperative Hydro Embrun Inc. ("Embrun"). The following are Board Staff's supplemental interrogatories:

Issue 1 Depreciation

Board staff remains concerned about the calculation of depreciation by Embrun. Depreciation affects the rates consumers pay due to its direct effect on operating expenses, rate base, and PILs. It appears that Embrun may be using the declining balance method for determining depreciation. While this is acceptable under Generally Accepted Accounting Principles ("GAAP"), it is not for Generally Accepted Regulatory Principles ("GARP"). Straight line depreciation is the preferred method.

a. Please complete the following table.

Account	Col. 1 2009 Gross Assets	Col. 2 Additions	Col. 3 Retirements	Col. 4 2010 Gross Assets	Col. 5 ½ 2010 Additions & Retirements	Col. 6 Adjusted 2010 Gross Assets	Col. 7 Depreciation Rate	Col. 8 Amortization Period	Col. 9 Depreciation Expense
1 1805 - Land									
2 1806 - Land Rights									
3 1815 - Transformer Stations >50kV									
4 etc.									

Note:

Column 5 is ½ column 2 plus ½ column 3

Column 6 is column 4 reduced by column 5.

Column 9 is based on applying the depreciation rate to column 6

CHE Response:

The table requested can be found in the next page.

In order to simplify the reconciliation between the requested table and the revised evidence, CHE is resubmitting revisions to Exhibit 2, Tab 3, Schedule 2 (Depreciation Expenses) as well as the revised Net Capital. This information is presented in the following pages.

Coopérative Hydro Embrun Inc.
EB-2009-0132
Board Staff Supplemental Interrogatories
January 27, 2010

Account Description - 2010	Accumulated Amortisation	Amortisation Expense	Opening Balance	Retirements	Additions	Gross Assets	1/2 of 2010 A&R	Adjusted Gross Assets	Years	Depreciation Expense	Closing Balance
1805 - Land			50,000.00	-		50,000.00	-	50,000.00			50,000.00
1810-Leasehold Improvements	2105	5705	4,320.00	-		4,320.00	-	4,320.00	10.00	432.00	4,320.00
1820-Distribution Station Equipment - Normally Primary below 50 kV	2105	5705	197,522.00	-		197,522.00	-	197,522.00	30.00	6,584.07	197,522.00
1825-Storage Battery Equipment	2105	5705	-	-		-	-	-	25.00	-	-
1830-Poles, Towers and Fixtures	2105	5705	470,477.00	-	36,000.00	506,477.00	18,000.00	488,477.00	25.00	19,539.08	506,477.00
1835-Overhead Conductors and Devices	2105	5705	555,174.00	-	19,500.00	574,674.00	9,750.00	564,924.00	25.00	22,596.96	574,674.00
1845-Underground Conductors and Devices	2105	5705	1,075,271.00	-	205,000.00	1,280,271.00	102,500.00	1,177,771.00	25.00	47,110.84	1,280,271.00
1850-Line Transformers	2105	5705	627,087.00	-	35,000.00	662,087.00	17,500.00	644,587.00	25.00	25,783.48	662,087.00
1855-Services	2105	5705	165,673.00	-	28,165.00	193,838.00	14,082.50	179,755.50	25.00	7,190.22	193,838.00
1860-Meters	2105	5705	79,072.00	-		79,072.00	-	79,072.00	25.00	3,162.88	79,072.00
1915-Office Furniture and Equipment	2105	5705	30,964.00	-	4,000.00	34,964.00	2,000.00	32,964.00	10.00	3,296.40	34,964.00
1920-Computer Equipment - Hardware	2105	5705	21,392.00	-	4,000.00	25,392.00	2,000.00	23,392.00	5.00	4,678.40	25,392.00
1925-Computer Software	2105	5705	77,843.00	-	1,000.00	78,843.00	500.00	78,343.00	5.00	15,668.60	78,843.00
1945-Measurement and Testing Equipment	2105	5705	4,281.00	-		4,281.00	-	4,281.00	10.00	428.10	4,281.00
1995-Contributions and Grants - Credit	2105	5705	(570,099.00)	-	(120,000.00)	(690,099.00)	- 60,000.00	(630,099.00)	25.00	(25,203.96)	(690,099.00)
			2,788,977.00	-	212,665.00	3,001,642.00	106,332.50	2,895,309.50		131,267.07	3,001,642.00

Coopérative Hydro Embrun Inc. (ED-2002-0493)
2010 EDR Application (EB-2009-0132) version: Dec/09 update
Revised January 25 2010"

B2 Amortization of Capital Assets

Enter breakdown of actual/approved balances and projected amortization expenses

Capital Asset Account	2006 EDR Approved	Variance to 2006 Actual		
		Amortization Expense	Retirements / Other	Ending Balance
1805-Land				
1806-Land Rights				
1808-Buildings and Fixtures				
1810-Leasehold Improvements	-140	-427	-424	-991
1815-Transformer Station Equipment - Normally Primary above 50 kV				
1820-Distribution Station Equipment - Normally Primary below 50 kV	-23,662	-16,164	-30	-39856
1830-Poles, Towers and Fixtures	-52,963	-36,622	-1,844	-91429
1835-Overhead Conductors and Devices	-57,363	-34,738	-8,532	-100633
1840-Underground Conduit				
1845-Underground Conductors and Devices	-94,388	-78,543	-7,019	-179950
1850-Line Transformers	-62,974	-46,965	-3,158	-113097
1855-Services	-5,365	-7,250	-2,430	-15045
1860-Meters	-9,374	-7,067	-730	-17171
1905-Land				
1906-Land Rights				
1908-Buildings and Fixtures				
1910-Leasehold Improvements				
1915-Office Furniture and Equipment	-1,520	-1,794	-2,333	-5647
1920-Computer Equipment - Hardware	-4,101	-3,415	-904	-8420
1925-Computer Software	-1,476	-1,734	-4,651	-7861
1930-Transportation Equipment				
1935-Stores Equipment				
1940-Tools, Shop and Garage Equipment				
1945-Measurement and Testing Equipment	-990	-596	-395	-1981
1950-Power Operated Equipment				
1955-Communication Equipment				
1960-Miscellaneous Equipment				
1965-Water Heater Rental Units				

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 Revised January 25 2010"

B2 Amortization of Capital Assets

Enter breakdown of actual/approved balances and projected amortization expenses

Capital Asset Account	2006 EDR Approved	Variance to 2006 Actual		
		Amortization Expense	Retirements / Other	Ending Balance
1970-Load Management Controls - Customer Premises				
1975-Load Management Controls - Utility Premises				
1980-System Supervisory Equipment				
1985-Sentinel Lighting Rental Units				
1990-Other Tangible Property				
1995-Contributions and Grants - Credit		24,077	27,314	51391
2005-Property Under Capital Leases				
TOTAL	-314,316	-211,237	-5,137	-530,690
Accumulated Amortization on Balance Sheet	-314,316	1.1600-Accumulated Amortization		-530,690
Amortization Expense Adjustment				
Amortization Expense				

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Revised January 25 2010"

B2 Amortization of Capital Assets

Enter breakdown of actual/approved balances and projects

Capital Asset Account	2006 Actual Ending Balance	2007 Actual		Ending Balance
		Amortization Expense	Retirements / Other	
1805-Land				
1806-Land Rights				
1808-Buildings and Fixtures				
1810-Leasehold Improvements	-991	-432	-3	-1,426
1815-Transformer Station Equipment - Normally Primary above 50 kV				
1820-Distribution Station Equipment - Normally Primary below 50 kV	-39856	-6,549	-35	-46,440
1830-Poles, Towers and Fixtures	-91429	-16,333	-380	-108,142
1835-Overhead Conductors and Devices	-100633	-18,296	-231	-119,160
1840-Underground Conduit				
1845-Underground Conductors and Devices	-179950	-36,468	-1,095	-217,513
1850-Line Transformers	-113097	-21,383	-1,040	-135,520
1855-Services	-15045	-4,813	-449	-20,307
1860-Meters	-17171	-3,178	15	-20,334
1905-Land				
1906-Land Rights				
1908-Buildings and Fixtures				
1910-Leasehold Improvements				
1915-Office Furniture and Equipment	-5647	-2,654	-242	-8,543
1920-Computer Equipment - Hardware	-8420	-2,631	832	-10,219
1925-Computer Software	-7861	-3,129	332	-10,658
1930-Transportation Equipment				
1935-Stores Equipment				
1940-Tools, Shop and Garage Equipment				
1945-Measurement and Testing Equipment	-1981	-428	0	-2,409
1950-Power Operated Equipment				
1955-Communication Equipment				
1960-Miscellaneous Equipment				
1965-Water Heater Rental Units				

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 2010 EDR Application (EB-2009-0132) version: Dec/09 update
 Revised January 25 2010"

B2 Amortization of Capital Assets

Enter breakdown of actual/approved balances and projects

Capital Asset Account	2006 Actual Ending Balance	2007 Actual		
		Amortization Expense	Retirements / Other	Ending Balance
1970-Load Management Controls - Customer Premises				
1975-Load Management Controls - Utility Premises				
1980-System Supervisory Equipment				
1985-Sentinel Lighting Rental Units				
1990-Other Tangible Property				
1995-Contributions and Grants - Credit	51,391	16,722	1,863	69,976
2005-Property Under Capital Leases				
TOTAL	-530,690	-99,573	-432	-630,695
Accumulated Amortization on Balance Sheet	1.1600-Accumulated Amortization			
Amortization Expense Adjustment				
Amortization Expense		99,573		

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Revised January 25 2010"

B2 Amortization of Capital Assets

Enter breakdown of actual/approved balances and projects

Capital Asset Account	2007 Actual Ending Balance	2008 Actual		Ending Balance
		Amortization Expense	Retirements / Other	
1805-Land				
1806-Land Rights				
1808-Buildings and Fixtures				
1810-Leasehold Improvements	-1,426	-432	1	-1,857
1815-Transformer Station Equipment - Normally Primary above 50 kV				
1820-Distribution Station Equipment - Normally Primary below 50 kV	-46,440	-6,584	-1	-53,025
1830-Poles, Towers and Fixtures	-108,142	-17,081	-366	-125,589
1835-Overhead Conductors and Devices	-119,160	-19,997	-1,470	-140,627
1840-Underground Conduit				
1845-Underground Conductors and Devices	-217,513	-37,807	-243	-255,563
1850-Line Transformers	-135,520	-22,953	-531	-159,004
1855-Services	-20,307	-5,633	-370	-26,310
1860-Meters	-20,334	-3,163		-23,497
1905-Land				
1906-Land Rights				
1908-Buildings and Fixtures				
1910-Leasehold Improvements				
1915-Office Furniture and Equipment	-8,543	-2,896		-11,439
1920-Computer Equipment - Hardware	-10,219	2,000	-4,000	-12,219
1925-Computer Software	-10,658	2,598	-5,197	-13,257
1930-Transportation Equipment				
1935-Stores Equipment				
1940-Tools, Shop and Garage Equipment				
1945-Measurement and Testing Equipment	-2,409	-428		-2,837
1950-Power Operated Equipment				
1955-Communication Equipment				
1960-Miscellaneous Equipment				
1965-Water Heater Rental Units				

Coopérative Hydro Embrun Inc. (ED-2002-0493)
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 Revised January 25 2010"

B2 Amortization of Capital Assets

Enter breakdown of actual/approved balances and projects

Capital Asset Account	2007 Actual Ending Balance	2008 Actual		Ending Balance
		Amortization Expense	Retirements / Other	
1970-Load Management Controls - Customer Premises				
1975-Load Management Controls - Utility Premises				
1980-System Supervisory Equipment				
1985-Sentinel Lighting Rental Units				
1990-Other Tangible Property				
1995-Contributions and Grants - Credit	69,976	19,030	446	89,452
2005-Property Under Capital Leases				
TOTAL	-630,695	-93,346	-11,731	-735,772
Accumulated Amortization on Balance Sheet	-630,695	1.1600-Accumulated Amortization		
Amortization Expense Adjustment				
Amortization Expense		93,346		

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2010 EDR Application (EB-2009-0132) version: Dec/09 update
Revised January 25 2010"

B2 Amortization of Capital Assets

Enter breakdown of actual/approved balances and projects

Capital Asset Account	2008 Actual Ending Balance	2009 Projection		Ending Balance
		Amortization Expense	Retirements / Other	
1805-Land				
1806-Land Rights				
1808-Buildings and Fixtures				
1810-Leasehold Improvements	-1,857	-432		-2,289
1815-Transformer Station Equipment - Normally Primary above 50 kV				
1820-Distribution Station Equipment - Normally Primary below 50 kV	-53,025	-6,584		-59,609
1830-Poles, Towers and Fixtures	-125,589	-18,133		-143,722
1835-Overhead Conductors and Devices	-140,627	-21,837		-162,464
1840-Underground Conduit				
1845-Underground Conductors and Devices	-255,563	-40,531		-296,094
1850-Line Transformers	-159,004	-24,283		-183,287
1855-Services	-26,310	-6,315		-32,625
1860-Meters	-23,497	-3,163		-26,660
1905-Land				
1906-Land Rights				
1908-Buildings and Fixtures				
1910-Leasehold Improvements				
1915-Office Furniture and Equipment	-11,439	-2,996		-14,435
1920-Computer Equipment - Hardware	-12,219	-3,778		-15,997
1925-Computer Software	-13,257	-9,348		-22,605
1930-Transportation Equipment				
1935-Stores Equipment				
1940-Tools, Shop and Garage Equipment				
1945-Measurement and Testing Equipment	-2,837	-428		-3,265
1950-Power Operated Equipment				
1955-Communication Equipment				
1960-Miscellaneous Equipment				
1965-Water Heater Rental Units				

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B2 Amortization of Capital Assets

Enter breakdown of actual/approved balances and projections

Capital Asset Account	2008 Actual Ending Balance	2009 Projection		Ending Balance
		Amortization Expense	Retirements / Other	
1970-Load Management Controls - Customer Premises				
1975-Load Management Controls - Utility Premises				
1980-System Supervisory Equipment				
1985-Sentinel Lighting Rental Units				
1990-Other Tangible Property				
1995-Contributions and Grants - Credit	89,452	21,140		110,592
2005-Property Under Capital Leases				
TOTAL	-735,772	-116,688		-852,460
Accumulated Amortization on Balance Sheet	-735,772	1.1600-Accumulated Amortization		
Amortization Expense Adjustment				
Amortization Expense		116,688		

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2010 EDR Application (EB-2009-0132) version: Dec/09 update
Revised January 25 2010"

B2 Amortization of Capital Assets

Enter breakdown of actual/approved balances and projects

Capital Asset Account	2009 Projection Ending Balance	2010 Projection		
		Amortization Expense	Retirements / Other	Ending Balance
1805-Land				
1806-Land Rights				
1808-Buildings and Fixtures				
1810-Leasehold Improvements	-2,289	-432		-2,721
1815-Transformer Station Equipment - Normally Primary above 50 kV				
1820-Distribution Station Equipment - Normally Primary below 50 kV	-59,609	-6,584		-66,193
1830-Poles, Towers and Fixtures	-143,722	-19,539		-163,261
1835-Overhead Conductors and Devices	-162,464	-22,596		-185,060
1840-Underground Conduit				
1845-Underground Conductors and Devices	-296,094	-47,111		-343,205
1850-Line Transformers	-183,287	-25,783		-209,070
1855-Services	-32,625	-7,190		-39,815
1860-Meters	-26,660	-3,163		-29,823
1905-Land				
1906-Land Rights				
1908-Buildings and Fixtures				
1910-Leasehold Improvements				
1915-Office Furniture and Equipment	-14,435	-3,296		-17,731
1920-Computer Equipment - Hardware	-15,997	-4,678		-20,675
1925-Computer Software	-22,605	-15,668		-38,273
1930-Transportation Equipment				
1935-Stores Equipment				
1940-Tools, Shop and Garage Equipment				
1945-Measurement and Testing Equipment	-3,265	-428		-3,693
1950-Power Operated Equipment				
1955-Communication Equipment				
1960-Miscellaneous Equipment				
1965-Water Heater Rental Units				

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 2010 EDR Application (EB-2009-0132) version: Dec/09 update
 Revised January 25 2010"

B2 Amortization of Capital Assets

Enter breakdown of actual/approved balances and projections

Capital Asset Account	2009 Projection Ending Balance	2010 Projection		Ending Balance
		Amortization Expense	Retirements / Other	
1970-Load Management Controls - Customer Premises				
1975-Load Management Controls - Utility Premises				
1980-System Supervisory Equipment				
1985-Sentinel Lighting Rental Units				
1990-Other Tangible Property				
1995-Contributions and Grants - Credit	110,592	25,204		135,796
2005-Property Under Capital Leases				
TOTAL	-852,460	-131,266		-983,726
Accumulated Amortization on Balance Sheet				
Amortization Expense Adjustment				
Amortization Expense		131,266		

- b. If in the application, the Net Book Value (“NBV”) for assets has been determined using declining balances, please restate the NBV in Exhibit 2 Tab 3 Schedule 3 Attachment 1 using straight line depreciation.

CHE Response:

NBV was not used as part of the application

- c. If Embrun used declining balances for the rate base and depreciation then please recalculate PILs using the rate base and depreciation derived from a straight line determination of depreciation. Please file the PILs calculation.

CHE Response:

CHE did not use declining balance for rate base and depreciation

- d. Please file a Revenue Requirement Work Form based on the above results.

CHE Response:

As part of its responses to the 2nd round of Supplemental Interrogatories, CHE is presenting a revised Revenue Requirement Work Form which includes proposed revisions. Please see Appendix A for details.

One of these revisions includes the updated depreciation expenses presented as part of the responses the response to 4 Ref: Exhibit(s) Exhibit 2 Tab 3 Schedule 2, and Exhibit 4 Tab 7 Schedule 1 Attachment 1 (page 4 of 72) of Board Staff Interrogatories.

Issue 2 Working Capital Allowance

The response shows that the cost of power used for working capital is not the projected cost based on the current transmission rates paid by Embrun, but rather is based on a cost using the rates paid by Embrun's customers. Please recast the estimated 2010 cost of power and the associated working capital based on expected costs for the supply of power to their distribution system using the upstream costs for transmission. The volumes should be the forecast volumes for 2010, including losses. Please state sources, show any calculation of inputs, and state any assumptions.

CHE Response:

CHE cannot provide an answer based directly on the upstream costs for transmission using data available in its existing 2010 load forecast. The Uniform Transmission Rates (UTRs) charged to CHE are based on a system-wide kW billing determinant. However, CHE did not prepare a 2010 load forecast on this basis; rather the load forecast includes kW projections only for those customer classes with a kW billing determinant for delivery.

CHE submits that using the proposed Retail Transmission Service (RTS) rates and retail volumes used to estimate total transmission charges in 2010 are appropriate proxies for the expected upstream costs for transmission. The proposed RTS rates are consistent with the methodology prescribed in Board Guideline G-2008-0001, including adjustments to capture UTR changes and to eliminate trends in excess, as noted in page 2 of CHE's response to Board Staff interrogatory #23. The application of this guideline is intended to minimize any variances going forward between transmission revenues and costs. CHE would also like to state that, until prescribed Board Guidelines are revised to that effect, it is hesitant to adopt a calculation methodology that differs from most 2010 application. The following tables show CHE's projected transmission costs, based on the RTS rates provided in that interrogatory response and the load forecast included in CHE's rate application, as well as the associated working capital components:

PROJECTED 2010 TRANSMISSION COSTS

Transmission - Network

		Volume (A)	Rate (B)	Total (C)	WCA (D)
Residential	kWh	20,986,296	0.0051	107,030	
General Service Less Than 50 kW	kWh	5,312,688	0.0047	24,970	
General Service 50 to 4,999 kW	kW	12,779	1.9043	24,335	
Unmetered Scattered Load	kWh	99,859	0.0047	469	
Street Lighting	kW	1,066	1.4362	1,531	
TOTAL				158,335	23,750

Transmission - Connection

		Volume (A)	Rate (B)	Total (C)	WCA (D)
Residential	kWh	20,986,296	0.0044	92,340	
General Service Less Than 50 kW	kWh	5,312,688	0.0039	20,719	
General Service 50 to 4,999 kW	kW	12,779	1.5584	19,915	
Unmetered Scattered Load	kWh	99,859	0.0039	389	
Street Lighting	kW	1,066	1.2048	1,284	
TOTAL				134,648	20,197

- (A) per RateMaker model sheet C2
- (B) per page 2 of CHE response to Board Staff IR #23
- (C) = (A) x (B)
- (D) Working Capital Allowance component = 15% x (C)

Issue 3 Regulatory Expenses

In response to VECC Interrogatory 10, Embrun revised its Regulatory Costs for expert witnesses and interrogatories. That estimate was made prior to this second round of interrogatories. Is the Regulatory Cost estimate provided by Embrun correct? If not, please submit a final Regulatory Cost estimate.

CHE Response:

Please find below the revised rebasing and regulatory costs. Please note that CHE proposes to amortize the cost of Rebasing over a period of 4 years.

Total cost of rebasing and IRMs			
		As filed September 17, 2009	Revised
Consultants costs for regulatory matters			
Expert Witness cost for regulatory matters		5,000	
Evidence Drafting		80,000	80,000
Load Forecast		5,000	5,000
Revisions to Cost Allocation		5,000	5,000
Interrogatories		10,000	20,000
2nd round of Interrogatories		0	10,000
Arguments in Chief			2,500
Review Board Staff/Intervener Arguments			3,500
Final Written Submission			5,000
Intervener costs for regulatory matters			
Intervener cost			20,000
Other Costs			
rate order		5,000	10,000
2010 EDR RateMaker Model		10,000	10,000
Subtotal		120,000	171,000
IRM (25,000 x 3) *			75,000
2010 EDR Total		120,000	246,000

Note (*): CHE estimated the cost of filing an IRM to be \$25,000 per year, based on 100 hours of consulting time. There are three rate models to be completed in the most basic application, and each of these would be subject to update after the initial submission. CHE is proposing that the \$25,000 get written in as \$18,750 for the test year meaning that there would be three IRM

applications in the four year rebasing cycle. So the average annual amount would be $(25,000 \times 3) / 4 = \$18,750$.

3G IRM APPLICATION				
		Estimated Hours		
	Submission	Update	Total	
Application document (20 pages)	15		15	
Rate Generator (31 sheets)	16	8	24	
Supplemental Model (31 sheets)	16	8	24	
DeferralVariance Model (18 sheets)	12	4	16	
Interrogatory Responses (13 pages)		15	15	
Final submissions		8	8	
TOTAL HOURS	59	43	102	

Issue 4 Smart Meter Rate Adder

Board staff requested corrections to the calculation of the smart meter rate adder in Board staff Interrogatory 8. Embrun provided the result, but did not file the calculation of the Rate Adder. Please file the corrected Exhibit 9 Tab 3 Schedule 2 Attachment 1.

CHE Response:

The model can be found in the next pages. An excel version is being file in conjunction with these responses.

Smart Meter Costs

2010 EDR Data Information

Third-party long-term debt	56.0%
Deemed long-term debt	
Short-term debt	4.0%
Deemed Equity	40.0%
Third-party long-term debt rate	7.62%
Deemed long-term debt rate	7.62%
Short-term debt rate	1.13%
Return on Equity	8.01%
Weighted Average Cost of Capital	7.52%

2010 Tax Rate

Corporate Income Tax Rate	16.00%
Capital Tax Rate	0.225%

Capital Data:

	01-May-08 to 31-Dec-08	01-Jan-09 to 31-Dec-09	01-Jan-10 to 31-Dec-10
Smart meter including installation			\$ 305,198
Tools and Equipment (Work force management)	\$ -	\$ -	\$ -
Computer Hardware Costs	\$ -	\$ -	\$ -
Computer Software	\$ -	\$ -	\$ -
Total Capital Costs	\$ -	\$ -	\$ 305,198

LDC Amortization Policy:

Smart Meter Amortization Rate	\$ 15
Tools and Equipment (Work force management)	\$ 5
Computer Hardware Amortization Rate	\$ 5
Computer Software Amortization Rate	\$ 10

Operating Expense Data:

	01-Jan-10 to 31-Dec-10
Incremental OM&A Expenses	\$ 8,300
Total Incremental Operating Expense	\$ 8,300

Smart Meter Revenue Requirement Calculation 2010

Average Asset Values

	31-Dec-10	
Net Fixed Assets Smart Meters	\$	147,512
Net Fixed Assets Tools and Equipment	\$	-
Net Fixed Assets Computer Hardware	\$	-
Net Fixed Assets Computer Software	\$	-
Total Net Fixed Assets	\$	147,512

Working Capital

Operation Expense	\$	8,300	
15 % Working Capital	\$	1,245	\$ 1,245

Smart Meters included in Rate Base

\$ 148,757

Return on Rate Base

Third-party long-term debt	0.0%	\$	-
Deemed long-term debt	56.0%	\$	83,304
Short-term debt	4.0%	\$	5,950
Deemed Equity	40.0%	\$	59,503
		<u>\$</u>	<u>148,757</u>

Third-party long-term debt rate	7.62%	\$	-
Deemed long-term debt rate	7.62%	\$	6,348
Short-term debt rate	1.13%	\$	67
Return on Equity	8.01%	\$	4,766

Return on Rate Base

\$ 11,181 \$ 11,181

Operating Expenses

Incremental Operating Expenses \$ 8,300

Amortization Expenses

Amortization Expenses - Smart Meters	\$	10,173
Amortization Expenses - Tools and equipment	\$	-
Amortization Expenses - Computer Hardware	\$	-
Amortization Expenses - Computer Software	\$	-

Total Amortization Expenses

\$ 10,173

Revenue Requirement Before PILs

\$ 29,654

Calculation of Taxable Income

Incremental Operating Expenses	-\$	8,300
Depreciation Expenses	-\$	10,173
Interest Expense	-\$	6,415

Taxable Income For PILs

\$ 4,766

Grossed up PILs

\$ 1,184

Revenue Requirement Before PILs

\$ 29,654

Grossed up PILs

\$ 1,184

Revenue Requirement for Smart Meters

\$ 30,839

Net Revenue Requirement for 2010

\$ 30,839

Average customer #

1,937

Rate Adder per month per metered customer

\$1.33

PILs Calculation 2010

31-Dec-09

INCOME TAX

Net Income	\$	4,766
Amortization	\$	10,173
CCA - Class 47 (8%) Smart Meters	-\$	12,208
CCA - Class 8 (20%) Tools and Equipment	\$	-
CCA - Class 45 (45%) Computers		
CCA - Class 12 (100%) Computers Software	\$	-
Change in taxable income	\$	<u>2,732</u>
Tax Rate		<u>16.00%</u>
Income Taxes Payable	\$	<u>437</u>

ONTARIO CAPITAL TAX

Smart Meters	\$	295,025
Tools and Equipment	\$	-
Computer Hardware	\$	-
Computer Software	\$	-
Rate Base	\$	<u>295,025</u>
Less: Exemption	\$	-
Deemed Taxable Capital	\$	<u>295,025</u>
Ontario Capital Tax Rate		<u>0.225%</u>
Net Amount (Taxable Capital x Rate)	\$	<u>664</u>

Gross Up

	PILs Payable	Gross Up	Grossed Up PILs
Change in Income Taxes Payable	\$ 437	16.00%	\$ 520
Change in OCT	\$ 664		\$ 664
PIL's	\$ <u>1,101</u>		\$ <u>1,184</u>

Smart Meter Average Net Fixed Assets 2010

	01-May-08 to 31-Dec-09	31-Dec-09	31-Dec-10
Net Fixed Assets - Smart Meters			
Opening Capital Investment	\$ -	\$ -	\$ -
Capital Investment Year 1	\$ -		
Capital Investment Year 2		\$ -	
Capital Investment Subsequent Years			\$ 305,198
Closing Capital Investment	\$ -	\$ -	\$ 305,198
Opening Accumulated Amortization	\$ -	\$ -	\$ -
Amortization Year 1 (15 Years Straight Line)	\$ -	\$ -	\$ -
Amortization Subsequent Years		\$ -	\$ 10,173
Closing Accumulated Amortization	\$ -	\$ -	\$ 10,173
Opening Net Fixed Assets	\$ -	\$ -	\$ -
Closing Net Fixed Assets	\$ -	\$ -	\$ 295,025
Average Net Fixed Assets	\$ -	\$ -	\$ 147,512

	01-May-08 to 31-Dec-09	31-Dec-09	31-Dec-10
Net Fixed Assets - Tools and Equipment			
Opening Capital Investment	\$ -	\$ -	\$ -
Capital Investment Year 1	\$ -		
Capital Investment Year 2		\$ -	
Closing Capital Investment	\$ -	\$ -	\$ -
Opening Accumulated Amortization	\$ -	\$ -	\$ -
Amortization Year 1 (10 Years Straight Line)	\$ -	\$ -	\$ -
Amortization Year 2 (10 Years Straight Line)		\$ -	\$ -
Closing Accumulated Amortization	\$ -	\$ -	\$ -
Opening Net Fixed Assets	\$ -	\$ -	\$ -
Closing Net Fixed Assets	\$ -	\$ -	\$ -
Average Net Fixed Assets	\$ -	\$ -	\$ -

	01-May-08 to 31-Dec-09	31-Dec-09	31-Dec-10
Net Fixed Assets - Computer Hardware			
Opening Capital Investment	\$ -	\$ -	\$ -
Capital Investment Year 1	\$ -		
Capital Investment Year 2		\$ -	
Closing Capital Investment	\$ -	\$ -	\$ -
Opening Accumulated Amortization	\$ -	\$ -	\$ -
Amortization Year 1 (5 Years Straight Line)	\$ -	\$ -	\$ -
Amortization Year 2 (5 Years Straight Line)		\$ -	\$ -
Closing Accumulated Amortization	\$ -	\$ -	\$ -
Opening Net Fixed Assets	\$ -	\$ -	\$ -
Closing Net Fixed Assets	\$ -	\$ -	\$ -
Average Net Fixed Assets	\$ -	\$ -	\$ -

	01-May-08 to 31-Dec-09	31-Dec-09	31-Dec-10
Net Fixed Assets - Computer Software			
Opening Capital Investment	\$ -	\$ -	\$ -
Capital Investment Year 1	\$ -		
Capital Investment Year 2		\$ -	
Closing Capital Investment	\$ -	\$ -	\$ -
Opening Accumulated Amortization	\$ -	\$ -	\$ -
Amortization Year 1 (10 Years Straight Line)	\$ -	\$ -	\$ -
Amortization Year 2 (10 Years Straight Line)		\$ -	\$ -
Closing Accumulated Amortization	\$ -	\$ -	\$ -
Opening Net Fixed Assets	\$ -	\$ -	\$ -
Closing Net Fixed Assets	\$ -	\$ -	\$ -
Average Net Fixed Assets	\$ -	\$ -	\$ -

	01-May-08 to 31-Dec-09	31-Dec-09	31-Dec-10
Total Assets			
Total Fixed Assets	\$ -	\$ -	\$ 305,198
Total Accumulated Amortization	\$ -	\$ -	\$ 10,173
Closing Net Fixed Assets	\$ -	\$ -	\$ 295,025

For PILs Calculation

UCC - Smart Meters

CCA Class 47 (8%)	01-May-08 to 31-Dec-09	31-Dec-09	31-Dec-10
Opening UCC	\$ -	\$ -	\$ -
Capital Additions	\$ -	\$ -	\$ 305,198
UCC Before Half Year Rule	\$ -	\$ -	\$ 305,198
Half Year Rule (1/2 Additions - Disposals)	\$ -	\$ -	\$ 152,599
Reduced UCC	\$ -	\$ -	\$ 152,599
CCA Rate Class 47	8%	8%	8%
CCA	\$ -	\$ -	\$ 12,208
Closing UCC	\$ -	\$ -	\$ 292,990

UCC - Tools and Equipment

CCA Class 8 (20%)	01-May-08 to 31-Dec-09	31-Dec-09	31-Dec-10
Opening UCC	\$ -	\$ -	\$ -
Capital Additions	\$ -	\$ -	\$ -
UCC Before Half Year Rule	\$ -	\$ -	\$ -
Half Year Rule (1/2 Additions - Disposals)	\$ -	\$ -	\$ -
Reduced UCC	\$ -	\$ -	\$ -
CCA Rate Class 8	20%	20%	20%
CCA	\$ -	\$ -	\$ -
Closing UCC	\$ -	\$ -	\$ -

UCC - Computer Equipment

CCA Class 45 (45%)	31-Dec-08	31-Dec-09	31-Dec-10
Opening UCC	\$ -	\$ -	\$ -
Capital Additions Hardware	\$ -	\$ -	\$ -
Capital Additions Software	\$ -	\$ -	\$ -
UCC Before Half Year Rule	\$ -	\$ -	\$ -
Half Year Rule (1/2 Additions - Disposals)	\$ -	\$ -	\$ -
Reduced UCC	\$ -	\$ -	\$ -
CCA Rate Class 45	45%	45%	45%
CCA	\$ -	\$ -	\$ -
Closing UCC	\$ -	\$ -	\$ -

UCC - Computer Software

CCA Class 12 (100%)	31-Dec-08	31-Dec-09	31-Dec-10
Opening UCC	\$ -	\$ -	\$ -
Capital Additions Hardware	\$ -	\$ -	\$ -
Capital Additions Software	\$ -	\$ -	\$ -
UCC Before Half Year Rule	\$ -	\$ -	\$ -
Half Year Rule (1/2 Additions - Disposals)	\$ -	\$ -	\$ -
Reduced UCC	\$ -	\$ -	\$ -
CCA Rate Class 12	100%	100%	100%
CCA	\$ -	\$ -	\$ -
Closing UCC	\$ -	\$ -	\$ -

Issue 5 Load Forecast

Board staff requested that the forecast be redone to reflect different heating and cooling degree days. Embrun provided the models results, but not the models performance statistics. Without these, it is not possible to see whether the changes improved the model or not. Please file the results of all three studies with the models performance statistic.

CHE Response:

The complete responses to BS Issue 3.1 can be found in the next pages.

3 REVENUE

Issue 3.1 Load Forecast

9 Ref: Exhibit(s) Exhibit 3 Tab 1 Schedule 1; Elenchus Report

The document titled *Weather Normalized Distribution System Load Forecast - 2010 test Year, April 23, 2009*, is a draft document. Board staff is concerned about the forecasting models performance.

- a. Please provide a final version of the document.
- b. Please state any data cleaning, such as treatment of outliers.
- c. Some studies have shown that heating degree days should not be calculated based on 18 °C. In the Ottawa area, 14 °C has been found more appropriate. Please recalibrate the model using 14 °C and provide the resulting forecast along with the statistical parameters as found in Table 3 of the Elenchus report. (If dummy variables need to be adjusted to reflect the different behaviour of the model, please adjust and explain).
- d. Similarly, cooling degree days are region specific, with a balance point higher than 18 °C for residential loads. Please recalibrate the model for a second run reflecting only the change in cooling degree days to 23 °C and provide the resulting forecast along with the statistical parameters as found in Table 3 of the Elenchus report. (If dummy variables need to be adjusted to reflect the different behaviour of the model, please adjust and explain).
- e. Please combine “c” and “d” in a third run of the model and provide the requested information.
- f. Please provide the development of the percentages used to determine the class share of the 2009 and 2010 forecasts.

Response:

Preamble:

Board Staff “is concerned” about the forecast model performance. We are unclear about what performance issue is of concern. The Elenchus Report describes a model using monthly data from May 2002 to December 2008 (80 monthly observations). The model has an adjusted R-squared of 0.92 meaning that it captures 92 per cent of all month-to-month variation in energy consumption seen in the data. Further, on an annual basis, from 2003 to 2008 inclusive, the model has a mean absolute percentage error of only 2.2 per cent.

- a. The version of the document, dated April 23, 2009, is the final version. This was inadvertently left marked as “draft”; however, from referring to the filed application, it is clear this is the load forecast used.
- b. No data cleaning was used. All data were included in the analysis.
- c – e. We are unaware of any studies suggesting degree days in the Ottawa region should be calculated differently from other regions. Furthermore, we are unaware of any direction from the Board to electricity distributors instructing Applicants to deviate from the accepted definition of degree days. Environment Canada, which is Canada’s national weather agency, defines heating degree days and cooling degree days based on the basis of a mean daily temperature of 18 degrees Celsius. Environment Canada calculates this identically for all locations, whether Ottawa, Iqaluit, or Victoria.¹ Other jurisdictions use similar definitions. For example, the United States Weather Service uses a similar definition (base of 65 degrees Fahrenheit or 18.3 degrees Celsius) for all 50 States, Puerto Rico, the Virgin Islands, and Pacific Islands.²

However, in the spirit of cooperation, we have performed the necessary analysis to answer the request.

We have calculated heating degree days for Ottawa on a base 14 °C and cooling degree days on a base 23 °C. The results of these calculations and the 10-yr average (1999-2008) are displayed below.

¹ Their glossary of definitions is available at: http://www.climate.weatheroffice.ec.gc.ca/Glossary-popup_e.html#heatdegdays.

² See summary of Climatology of the United States, No. 81, available at <http://www.ncdc.noaa.gov/oa/climate/normals/usnormalshist.html#wmo>.

Station Name	OTTAWA MACDONALD-CARTIER INT'L A										
	Heating Degree Days -Base 14										
	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	avg
Jan	751.4	751.3	724.2	585.4	853.3	921.3	796.7	609.5	673.1	630.2	729.6
Feb	558.9	612.2	634.8	556.8	729.5	634	588.6	608.9	708	658.3	629.0
Mar	521.7	378.3	528.3	527.7	551	435.2	544.8	476.4	519	597.1	508.0
Apr	217	271.1	220.6	254.6	308.1	262.9	206.2	202.9	244.9	192.4	238.1
May	24	59.4	32.1	121.9	49.8	67.2	95	47.6	69.6	73.9	64.1
Jun	3	14.5	2.8	12.2	4.9	3.8	0.3	7.6	7.5	0	5.7
Jul	0	0	0.5	0	0	0	0	0	0.1	0	0.1
Aug	0	0	0	0	0.3	1	0	0	0	0	0.1
Sep	20.6	61.2	24.9	10.9	11.3	14.9	14	38.6	16.5	25.5	23.8
Oct	197.5	176.1	158.3	254	217.1	169.4	165.6	212.4	127.1	201.5	187.9
Nov	286.7	369.4	290.1	415.2	348.8	364.3	364.2	297.3	397	382.8	351.6
Dec	567.8	758.6	478.2	604.3	598.2	690.9	638	486	663.7	642.5	612.8
Total	3148.6	3452.1	3094.8	3343	3672.3	3564.9	3413.4	2987.2	3426.5	3404.2	3350.7

	Cooling Degree Days -Base 23										
	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	avg
Jan	0	0	0	0	0	0	0	0	0	0	0.0
Feb	0	0	0	0	0	0	0	0	0	0	0.0
Mar	0	0	0	0	0	0	0	0	0	0	0.0
Apr	0	0	0	0.3	0	0	0	0	0	0	0.0
May	1.9	0	0.1	0	0	0	0	1.6	0.9	0	0.5
Jun	15.8	0.8	11.7	0.8	11.9	0.8	22.1	2.1	10.1	6.9	8.3
Jul	27.8	0	11.4	28	8.7	1.8	25.9	16.7	2.4	2	12.5
Aug	4.6	1.7	28.5	24.4	10.1	2.6	17.6	10.3	10.5	0	11.0
Sep	5.6	0	7.1	9.6	1	0	1.9	0	3.9	0.1	2.9
Oct	0	0	0	0	0	0	0	0	0	0	0.0
Nov	0	0	0	0	0	0	0	0	0	0	0.0
Dec	0	0	0	0	0	0	0	0	0	0	0.0
Total	55.7	2.5	58.8	63.1	31.7	5.2	67.5	30.7	27.8	9	35.2

Using these data, the wholesale forecast regression equation was re-estimated, with results displayed below.

Model 1:OLS, using observations 2002:05-2008:12 (T=80)
 Dependent variable: WholesalekWh

	Coefficient	t-ratio	p-value
const	649823	1.3485	0.18166
HDD14	1827.1	23.4542	<0.00001
CDD23	7934.87	2.3445	0.02177
FTE_OTTREG	4529.18	6.7201	<0.00001
PeakDays	-57231.7	-3.5618	0.00065
D_Dec	273198	4.4565	0.00003
D_Summer	255055	4.6546	0.00001

R-squared = 0.923219 Adjusted R-squared = 0.916909
 F(6, 73) = 146.2933 P-value(F) = 1.27e-38
 Durbin-Watson = 1.774076

The statistical results are almost identical to the original model with a very slight reduction in adjusted R-squared. Actual vs predicted values 2003 to 2008 for the revised model are shown below.

	Actual kWh	Predicted kWh	Absolute Error
2003	27,517,170	28,571,288	3.8%
2004	28,610,973	28,146,791	1.6%
2005	30,335,824	28,794,022	5.1%
2006	28,814,681	28,608,764	0.7%
2007	30,020,517	29,889,450	0.4%
2008	29,993,741	30,508,153	1.7%
		MAPE	2.2%

Mean Absolute Percentage Error is identical to the original model.
Individual year absolute error is more volatile than the original model.

Forecasting using the revised model (everything held equal except for the definition of degree days) yields no material difference, as can be seen in the table below.

Weather Normal
Forecast

	Original	Revised	diff
2009	29,900,933	29,903,756	0.009%
2010	30,014,244	30,017,891	0.012%

The differences are approximately $1/10^{\text{th}}$ of one per cent from the original forecasts.

- f. As indicated on p.10 of the Elenchus Report, forecast class values are allocated based on the class share for 2008. These values (and historical values prior to 2008) are displayed in Table 8 of the report.

Issue 6 Revenue to Cost Ratios

Embrun has stated that they will update the cost allocation study when the approved revenue requirement is known. The issue that Board staff is interested in is the target revenue to cost ratios that Embrun is proposing. Since balancing specific revenue to cost ratios is a difficult task, Board staff would accept a narrow range for revenue to cost ratios by class. Please provide the target range for revenue to cost ratios by class.

CHE Response:

CHE relied on the revenue to cost ratios resulting from the Approved 2006 EDR rates and load data as its starting point in developing proposed ratios for its 2010 EDR, as summarized in the following table:

	Per 2006 EDR	2010 EDR proposed
Residential	1.06	1.03
General Service < 50 kW	0.91	0.91
General Service > 50kW	1.21	1.21
USL	0.21	0.51
Street Lighting	0.50	0.60

CHE followed the following approach in determining its proposed ratios:

The starting ratios for USL and Street Lighting were well below the prescribed floor of the applicable range prescribed in the Board’s guideline. CHE proposed to move the ratio halfway to the floor value in the 2010 test year:

- USL: $0.21 + (0.80 - 0.21)/2 = 0.51$
- Street Lighting: $0.50 + (0.70 - 0.50)/2 = 0.60$

The starting ratios for the General Service classes were within the applicable range. CHE proposed to retain these ratios unchanged.

Although the starting ratio for the Residential class was within the applicable range, CHE proposed to reduce the ratio to offset the increases in for USL and Street Lighting, in order to maintain an overall ratio of 1.00.

Based on this approach, barring major changes to CHE's proposed spending levels and load forecast, CHE would expect the ratio for Residential to be between 1.00 and 1.04, and the ratio for all other classes to be exactly as proposed.

CHE also understands that certain parties may take the view that the appropriate starting point for revenue to cost ratios should be based on existing rates applied to the proposed 2010 load forecast. Applying the same approach as described above, but with this different starting point would produce the following results:

	Per existing rates & 2010 load	2010 EDR proposed
Residential	1.06	1.04
General Service < 50 kW	0.89	0.89
General Service > 50kW	1.21	1.21
USL	0.24	0.52
Street Lighting	0.43	0.56

Again, in this scenario and barring major changes to CHE's proposed spending levels and load forecast, CHE would expect the ratio for Residential to be between 1.00 and 1.04, and the ratio for all other classes to be as indicated above.

Issue 7 Specific Service Charges

The answer to Board staff Interrogatory 24 c does not address the question posed. Specifically, please provide answers to the following:

- a. Are there charges in the Conditions of Service that are not in the Specific Service Charges?

CHE Response:

CHE attests that it has reviewed its conditions of service and that there are no SSC listed in the COS that are not included in the list presented as part the responses to Issue 9.2 of BS interrogatories.

- b. If the answer to “a” is yes, please state the charges and provide justification for the level of the charges.

CHE Response: N/A

- c. If the answer to “a” is yes, please state why Embrun has not included them in the Specific Service Charges.

CHE Response: N/A

Issue 8 Deferral and Variance Account Continuity

At Exhibit 9 Tab 1 Schedule 1 Attachment 1 Board staff found interest rates that appeared not to conform to those published on the Board’s website. In order to test the exhibit, staff requested Embrun to state the interest rates, and to file the standard Board continuity schedule. The response did not address the interest question properly. In addition, the principal amounts in the continuity schedule provided in the interrogatory response did not reconcile with Exhibit 9 Tab 1 Schedule 1 Attachment 1.

- a. Please revisit the schedule filed in Board staff Interrogatory 25 to ensure that the principal amounts, and the interest are correct.

- b. Please state separately all interest rates used by Embrun.

Year	Quarter	Interest rate used	prescribed rate	adjustment required in %
2005	1	7.25		
	2	7.25		
	3	7.25		
	4	7.25		
2006	1	7.25		
	2	7.25	4.14	-3.11
	3	7.25	4.59	-2.66
	4	7.25	4.59	-2.66
2007	1	4.59		
	2	4.59		
	3	4.59		
	4	5.14		
2008	1	5.14		
	2	4.08		
	3	3.35		
	4	3.35		
2009	1	2.45		
	2	1.00		
	3	0.55		
	4			
2010	1			
	2			
	3			
	4			

Deferral			correction	correction	Total
account			2006	2007	
1508			(47.68)		(47.68)
1550			(65.59)		(65.59)
1562			2,012.58	(141.48)	1,871.10
1580			(323.88)		(323.88)
1584			498.11		498.11
1586			647.89		647.89
1588			(2,740.44)		(2,740.44)
1598			(155.20)		(155.20)
			(174.22)	(141.48)	(315.70)

The rates used for the last 3 quarters of 2006 and for one quarter of 2007 for the 1562 were not the one prescribed by the OEB.

There was no interest charged on a monthly basis on the Hydro One charges. The interest charges were included in the regulatory assets recovery worksheet and accounted for at that time. The corrections are presented in the table below:

					corrections	transfer	
					as per	hydro one	
	Hydro One	Interest on			column E	service charges	total correction
account	charges	the charges	2005	2006	above	to 1590	for 2006
1580	37,711.00	2,734.05	1,822.70	911.35	(323.88)	(2,734.05)	(2,146.58)
1584	2,747.00	199.16	132.77	66.39	498.11	(199.16)	365.34
1586	(6,331.00)	(459.00)	(306.00)	(153.00)	647.89	459.00	953.89
1588	28,153.00	2,041.09	1,360.73	680.36	(2,740.44)	(2,041.09)	(4,101.16)
		4,515.30	3,010.20	1,505.10	(1,918.32)	(4,515.30)	(4,928.52)

In order to facilitate the reconciliation between the evidence (revised December 9 2009) and the Continuity Schedule Model, CHE is submitting the following documents in the following pages.

- (1) A revised Deferral / Variance Account Balances that reflects a change in interest rates (See next page)
- (2) The revision to the Continuity Schedule model provided by the Board as per the filing requirements is being file as an Annex to these responses (7_Continuity_Schedule_25012010.XLS.).

B5 Deferral / Variance Account Balances

Deferral / Variance Account	1-Jan-2005 to 31-Dec-2005					
	Open. Principal	Changes	End. Principal	Open. Interest	Changes	End. Interest
1508-Other Regulatory Assets		4,587	4,587		112	112
1550-LV Variance Account						
1556-Smart Meters OM&A Variance Account						
1562-Deferred Payments in Lieu of Taxes	-56,101	-13,418	-69,519	-3,158	-4,422	-7,580
1565-Conservation and Demand Management Expenditures and Recoveries		9,928	9,928			
1566-CDM Contra Account		-9,928	-9,928			
1580-RSVAWMS	44,160	8,971	53,131	1,501	2,796	4,297
1584-RSVANW	-24,961	-8,398	-33,359	-419	-1,163	-1,582
1586-RSVACN	6,539	17,883	24,422	-950	-1,885	-2,835
1588-RSVAPOWER	67,966	106,313	174,278	12,326	13,238	25,564
1598-1588 RSVAPOWER sub-acct GA		5,723	5,723		242	242
TOTAL	37,603	121,661	159,264	9,300	8,918	18,218

B5 Deferral / Variance Account Balances*Interest Rate (from sheet Y1) = 1.00%*

Deferral / Variance Account	1-Jan-2006 to 31-Dec-2006					
	Open. Principal	Changes	End. Principal	Open. Interest	Changes	End. Interest
1508-Other Regulatory Assets	4,587	-1,735	2,852	112	217	329
1550-LV Variance Account		5,204	5,204		113	113
1556-Smart Meters OM&A Variance Account		-3,381	-3,381		-52	-52
1562-Deferred Payments in Lieu of Taxes	-69,519	-34,891	-104,410	-7,580	-4,540	-12,120
1565-Conservation and Demand Management Expenditures and Recoveries	9,928	-957	8,971			
1566-CDM Contra Account	-9,928	957	-8,971			
1580-RSVAWMS	53,131	-45,294	7,837	4,297	-3,515	782
1584-RSVANW	-33,359	23,672	-9,687	-1,582	2,081	499
1586-RSVACN	24,422	-39,219	-14,797	-2,835	3,172	337
1588-RSVAPOWER	174,278	-126,637	47,641	25,564	-16,383	9,181
1598-1588 RSVAPOWER sub-acct GA	5,723	1,844	7,567	242	351	593
TOTAL	159,264	-220,437	-61,173	18,218	-18,556	-338

B5 Deferral / Variance Account Balances*Interest Rate (from sheet Y1) = 1.00%*

Deferral / Variance Account	1-Jan-2007 to 31-Dec-2007					
	Open. Principal	Changes	End. Principal	Open. Interest	Changes	End. Interest
1508-Other Regulatory Assets	2,852		2,852	329	116	445
1550-LV Variance Account	5,204	2,822	8,026	113	345	458
1556-Smart Meters OM&A Variance Account	-3,381	-5,994	-9,375	-52	-294	-346
1562-Deferred Payments in Lieu of Taxes	-104,410	1,515	-102,895	-12,120	-4,714	-16,834
1565-Conservation and Demand Management Expenditures and Recoveries	8,971		8,971			
1566-CDM Contra Account	-8,971		-8,971			
1580-RSVAWMS	7,837	3,838	11,675	782	903	1,685
1584-RSVANW	-9,687	-3,808	-13,495	499	-1,517	-1,018
1586-RSVACN	-14,797	-9,901	-24,698	337	-2,081	-1,744
1588-RSVAPOWER	47,641	59,243	106,884	9,181	-18,156	-8,975
1598-1588 RSVAPOWER sub-acct GA	7,567	779	8,346	593	373	966
TOTAL	-61,173	48,494	-12,680	-338	-25,025	-25,363

B5 Deferral / Variance Account Balances

Interest Rate (from sheet Y1) = 1.00%

Deferral / Variance Account	1-Jan-2008 to 31-Dec-2008					
	Open. Principal	Changes	End. Principal	Open. Interest	Changes	End. Interest
1508-Other Regulatory Assets	2,852		2,852	445	113	558
1550-LV Variance Account	8,026	2,704	10,730	458	337	795
1556-Smart Meters OM&A Variance Account	-9,375	-5,867	-15,242	-346	-482	-828
1562-Deferred Payments in Lieu of Taxes	-102,895		-102,895	-16,834	-4,095	-20,929
1565-Conservation and Demand Management Expenditures and Recoveries	8,971		8,971			
1566-CDM Contra Account	-8,971		-8,971			
1580-RSVAWMS	11,675	-3,239	8,435	1,685	446	2,131
1584-RSVANW	-13,495	-12,646	-26,141	-1,018	-848	-1,866
1586-RSVACN	-24,698	-17,650	-42,347	-1,744	-1,334	-3,078
1588-RSVAPOWER	106,884	-35,047	71,837	-8,975	4,487	-4,488
1598-1588 RSVAPOWER sub-acct GA	8,346	-1,171	7,175	966	313	1,279
TOTAL	-12,680	-72,917	-85,596	-25,363	-1,063	-26,426

B5 Deferral / Variance Account Balances*Interest Rate (from sheet Y1) = 1.00%*

Deferral / Variance Account	31-Dec-2008 Balance			1-Jan-09 to 30-Apr-09		
	Principal	Interest	Total	Interest	Other	Balance
1508-Other Regulatory Assets	2,852	558	3,410	10		3,420
1550-LV Variance Account	10,730	795	11,525	36		11,561
1556-Smart Meters OM&A Variance Account	-15,242	-828	-16,070	-51		-16,121
1562-Deferred Payments in Lieu of Taxes	-102,895	-20,929	-123,824	-343		-124,167
1565-Conservation and Demand Management Expenditures and Recoveries	8,971		8,971			8,971
1566-CDM Contra Account	-8,971		-8,971			-8,971
1580-RSVAWMS	8,435	2,131	10,566	28		10,594
1584-RSVANW	-26,141	-1,866	-28,007	-87		-28,095
1586-RSVACN	-42,347	-3,078	-45,425	-141		-45,566
1588-RSVAPOWER	71,837	-4,488	67,349	239		67,589
1598-1588 RSVAPOWER sub-acct GA	7,175	1,279	8,454	24		8,478
TOTAL	-85,596	-26,426	-112,022	-285		-112,307

B5 Deferral / Variance Account Balances

Deferral / Variance Account	1-May-09 to 31-Dec-09			1-Jan-10 to 30-Apr-10		
	Interest	Other	Balance	Interest	Other	Balance
1508-Other Regulatory Assets	19		3,439	10		3,448
1550-LV Variance Account	72		11,632	36		11,668
1556-Smart Meters OM&A Variance Account	-102		-16,222	-51		-16,273
1562-Deferred Payments in Lieu of Taxes	-686		-124,853	-343		-125,196
1565-Conservation and Demand Management Expenditures and Recoveries			8,971			8,971
1566-CDM Contra Account			-8,971			-8,971
1580-RSVAWMS	56		10,651	28		10,679
1584-RSVANW	-174		-28,269	-87		-28,356
1586-RSVACN	-282		-45,849	-141		-45,990
1588-RSVAPOWER	479		68,068	239		68,307
1598-1588 RSVAPOWER sub-acct GA	48		8,526	24		8,550
TOTAL	-571		-112,878	-285		-113,163

B5 Deferral / Variance Account Balances

Interest Rate (from sheet Y1) = 1.00%

Deferral / Variance Account	31-Dec-08 Balance + Interest to 30-Apr-10			1-May-10 to 31-Dec-10		
	31-Dec-08	Interest	Total	Interest	Other	Balance
1508-Other Regulatory Assets	3,410	38	3,448	19		3,467
1550-LV Variance Account	11,525	143	11,668	72		11,740
1556-Smart Meters OM&A Variance Account	-16,070	-203	-16,273	-102		-16,375
1562-Deferred Payments in Lieu of Taxes	-123,824	-1,372	-125,196	-686		-125,882
1565-Conservation and Demand Management Expenditures and Recoveries	8,971		8,971			8,971
1566-CDM Contra Account	-8,971		-8,971			-8,971
1580-RSVAWMS	10,566	112	10,679	56		10,735
1584-RSVANW	-28,007	-349	-28,356	-174		-28,530
1586-RSVACN	-45,425	-565	-45,990	-282		-46,272
1588-RSVAPOWER	67,349	958	68,307	479		68,786
1598-1588 RSVAPOWER sub-acct GA	8,454	96	8,550	48		8,598
TOTAL	-112,022	-1,141	-113,163	-571		-113,734

SHEET 1 - Regulatory Assets - Continuity Schedule

NAME OF UTILITY	Cooperative Hydro Embrun	LICENCE NUMBER	ED-2002-0493
NAME OF CONTACT	Benoit Lamarche	DOCID NUMBER	EB-2009-0132
E-mail Address	embrunhydro@maqma.ca		
VERSION NUMBER	v3.0	PHONE NUMBER	
Date	09/12/2009 revised 01/25/2009	(extension)	

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

2005										
Account Description	Account Number	Opening Principal Amounts as of Jan-1-05 ¹	Transactions (additions) during 2005, excluding interest and adjustments ⁴	Transactions (reductions) during 2005, excluding interest and adjustments ⁴	Adjustments during 2005 - instructed by Board ²	Adjustments during 2005 - other ³	Closing Principal Balance as of Dec-31-05	Opening Interest Amounts as of Jan-1-05	Interest Jan-1 to Dec31-05	Closing Interest Amounts as of Dec-31-05
RSVA - Wholesale Market Service Charge	1580	\$ 44,160				\$ 8,971	\$ 53,131	\$ 1,501	\$ 2,796	\$ 4,297
RSVA - One-time Wholesale Market Service	1582	\$ 2,747				\$ 1,345	\$ 4,092	\$ -	\$ 133	\$ 133
RSVA - Retail Transmission Network Charge	1584	\$ (24,961)				\$ (8,398)	\$ (33,359)	\$ (419)	\$ (1,163)	\$ (1,582)
RSVA - Retail Transmission Connection Charge	1586	\$ 6,539				\$ 17,883	\$ 24,422	\$ (950)	\$ (1,885)	\$ (2,835)
Sub-Totals		\$ 28,485	\$ -	\$ -	\$ -	\$ 19,801	\$ 48,286	\$ 132	\$ (119)	\$ 13
Other Regulatory Assets - Sub-Account - OEB Cost Assessments	1508					\$ 4,587	\$ 4,587	\$ -	\$ 112	\$ 112
Other Regulatory Assets - Sub-Account - Pension Contributions	1508						\$ -			\$ -
Other Regulatory Assets - Sub-Account - Other ⁷	1508						\$ -			\$ -
Other Regulatory Assets - Sub-Account - Other ⁷	1508						\$ -			\$ -
Other Regulatory Assets - Sub-Account - Other ⁷	1508						\$ -			\$ -
Retail Cost Variance Account - Retail	1518						\$ -			\$ -
Retail Cost Variance Account - STR	1548						\$ -			\$ -
Misc. Deferred Debits	1525	\$ 17,563	\$ 2,116				\$ 19,679	\$ 2,053	\$ 742	\$ 2,795
LV Variance Account	1550						\$ -			\$ -
Smart Meter Capital and Recovery Offset Variance - Sub-Account - Capital	1555						\$ -			\$ -
Smart Meter Capital and Recovery Offset Variance - Sub-Account - Recoveries	1555						\$ -			\$ -
Smart Meter Capital and Recovery Offset Variance - Sub-Account - Stranded Metr	1555						\$ -			\$ -
Smart Meter OM&A Variance	1556						\$ -			\$ -
Conservation and Demand Management Expenditures and Recoveries	1565					\$ 9,928	\$ 9,928			\$ -
CDM Contra	1566					\$ (9,928)	\$ (9,928)			\$ -
Qualifying Transition Costs ⁵	1570	\$ 265,926	n/a	n/a	\$ (36,060)		\$ 229,866	\$ 36,882	\$ (7,947)	\$ 28,935
Pre-Market Opening Energy Variances Total ⁵	1571	\$ 121,785	n/a	n/a			\$ 121,785	\$ 23,545	\$ 8,829	\$ 32,374
Extra-Ordinary Event Costs	1572						\$ -			\$ -
Deferred Rate Impact Amounts	1574						\$ -			\$ -
Other Deferred Credits	2425						\$ -			\$ -
Sub-Totals		\$ 405,274	\$ 2,116	\$ -	\$ (36,060)	\$ 4,587	\$ 375,917	\$ 62,480	\$ 1,736	\$ 64,216
Deferred Payments in Lieu of Taxes	1562									see PILs reconciliation requested
2006 PILs & Taxes Variance	1592									see PILs reconciliation requested
Sub-Totals										see PILs reconciliation requested
Total		\$ 433,759	\$ 2,116	\$ -	\$ (36,060)	\$ 24,388	\$ 424,203	\$ 62,612	\$ 1,617	\$ 64,229
The following is not included in the total claim but is included on a memo basis:										
Deferred PILs Contra Account ⁸	1563									see PILs reconciliation requested
RSVA - Power (including Global Adjustment)	1588	\$ 67,966				\$ 106,313	\$ 174,279	\$ 12,326	\$ 13,238	\$ 25,564
RSVA - Power - Sub-Account - Global Adjustment ⁴	1598					\$ 5,723	\$ 5,723	\$ -	\$ 242	\$ 242
Recovery of Regulatory Asset Balances	1590						\$ -			\$ -

C:\Users\mrschofield\AppData\Local\Microsoft\Windows\Temporary Internet Files\Content.Outlook\PKLQSOH4\7\Continuity Schedule_Board Staff_IR.xls\Corr

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

SHEET 1 - Regulatory Assets - Continuity Schedule

NAME OF UTILITY	Cooperative Hydro Embrun
NAME OF CONTACT	Benoit Lamarche
E-mail Address	embrunhydro@maqma.ca
VERSION NUMBER	v3.0
Date	09/12/2009 revised 01/25/2009

Account Description	Account Number	2006										
		Opening Principal Amounts as of Jan-1-06	Transactions (additions) during 2006, excluding interest and adjustments ⁴	Transactions (reductions) during 2006, excluding interest and adjustments ⁶	Adjustments during 2006 - instructed by Board ²	Adjustments during 2006 - other ³	Transfer of Board-approved amounts to 1590 as per 2006 EDR	Closing Principal Balance as of Dec-31-06	Opening Interest Amounts as of Jan-1-06	Interest Jan-1 to Dec31-06	Transfer of Board-approved amounts to 1590 as per 2006 EDR	Closing Interest Amounts as of Dec-31-06
RSVA - Wholesale Market Service Charge	1580	\$ 53,131				\$ (481)	\$ (44,813)	\$ 7,837	\$ 4,297	\$ 1,345	\$ (4,860)	\$ 782
RSVA - One-time Wholesale Market Service	1582	\$ 4,092					\$ (4,092)	\$ -	\$ 133	\$ 66	\$ (199)	\$ -
RSVA - Retail Transmission Network Charge	1584	\$ (33,359)				\$ (9,942)	\$ 33,614	\$ (9,687)	\$ (1,582)	\$ (598)	\$ 2,679	\$ 499
RSVA - Retail Transmission Connection Charge	1586	\$ 24,422				\$ (12,591)	\$ (26,628)	\$ (14,797)	\$ (2,835)	\$ 2,174	\$ 998	\$ 337
Sub-Totals		\$ 48,286	\$ -	\$ -	\$ -	\$ (23,014)	\$ (41,919)	\$ (16,647)	\$ 13	\$ 2,987	\$ (1,382)	\$ 1,618
Other Regulatory Assets - Sub-Account - OEB Cost Assessments	1508	\$ 4,587				\$ 664	\$ (2,399)	\$ 2,852	\$ 112	\$ 217		\$ 329
Other Regulatory Assets - Sub-Account - Pension Contributions	1508	\$ -						\$ -	\$ -			\$ -
Other Regulatory Assets - Sub-Account - Other ⁷	1508	\$ -						\$ -	\$ -			\$ -
Other Regulatory Assets - Sub-Account - Other ⁷	1508	\$ -						\$ -	\$ -			\$ -
Other Regulatory Assets - Sub-Account - Other ⁷	1508	\$ -						\$ -	\$ -			\$ -
Retail Cost Variance Account - Retail	1518	\$ -						\$ -	\$ -			\$ -
Retail Cost Variance Account - STR	1548	\$ -						\$ -	\$ -			\$ -
Misc. Deferred Debits	1525	\$ 19,679				\$ (6,339)	\$ (13,340)	\$ -	\$ 2,795	\$ 322	\$ (3,117)	\$ -
LV Variance Account	1550	\$ -				\$ 5,204		\$ 5,204	\$ -	\$ 113		\$ 113
Smart Meter Capital and Recovery Offset Variance - Sub-Account - Capital	1555	\$ -						\$ -	\$ -			\$ -
Smart Meter Capital and Recovery Offset Variance - Sub-Account - Recoveries	1555	\$ -						\$ -	\$ -			\$ -
Smart Meter Capital and Recovery Offset Variance - Sub-Account - Stranded Metr	1555	\$ -						\$ -	\$ -			\$ -
Smart Meter OM&A Variance	1556	\$ -				\$ (3,381)		\$ (3,381)	\$ -	\$ (52)		\$ (52)
Conservation and Demand Management Expenditures and Recoveries	1565	\$ 9,928				\$ (957)		\$ 8,971	\$ -			\$ -
CDM Contra	1566	\$ (9,928)				\$ 957		\$ (8,971)	\$ -			\$ -
Qualifying Transition Costs ⁵	1570	\$ 229,866	n/a	n/a		\$ (108,634)	\$ (121,232)	\$ -	\$ 28,935	\$ 13,161	\$ (42,096)	\$ -
Pre-Market Opening Energy Variances Total ⁵	1571	\$ 121,785	n/a	n/a			\$ (121,785)	\$ -	\$ 32,374	\$ 2,943	\$ (35,317)	\$ -
Extra-Ordinary Event Costs	1572	\$ -						\$ -	\$ -			\$ -
Deferred Rate Impact Amounts	1574	\$ -						\$ -	\$ -			\$ -
Other Deferred Credits	2425	\$ -						\$ -	\$ -			\$ -
Sub-Totals		\$ 375,917	\$ -	\$ -	\$ -	\$ (112,486)	\$ (258,756)	\$ 4,675	\$ 64,216	\$ 16,704	\$ (80,530)	\$ 390
Deferred Payments in Lieu of Taxes	1562											
2006 PILs & Taxes Variance	1592											
Sub-Totals												
Total		\$ 424,203	\$ -	\$ -	\$ -	\$ (135,500)	\$ (300,675)	\$ (11,972)	\$ 64,229	\$ 19,691	\$ (81,912)	\$ 2,008
The following is not included in the total claim but is included on a memo basis:												
Deferred PILs Contra Account ⁸	1563											
RSVA - Power (including Global Adjustment)	1588	\$ 174,279				\$ (58,672)	\$ (67,966)	\$ 47,641	\$ 25,564	\$ 2,514	\$ (18,897)	\$ 9,181
RSVA - Power - Sub-Account - Global Adjustment ⁴	1598	\$ 5,723				\$ 1,844		\$ 7,567	\$ 242	\$ 351		\$ 593
Recovery of Regulatory Asset Balances	1590	\$ -						\$ -	\$ -			\$ -

SHEET 1 - Regulatory Assets - Continuity Schedule

NAME OF UTILITY	Cooperative Hydro Embrun
NAME OF CONTACT	Benoit Lamarche
E-mail Address	embrunhydro@maqma.ca
VERSION NUMBER	v3.0
Date	09/12/2009 revised 01/25/2009

Account Description	Account Number	2007					Closing Principal Balance as of Dec-31-07	Opening Interest Amounts as of Jan-1-07	Interest Jan-1 to Dec31-07	Closing Interest Amounts as of Dec-31-07
		Opening Principal Amounts as of Jan-1-07	Transactions (additions) during 2007, excluding interest and adjustments ⁴	Transactions (reductions) during 2007, excluding interest and adjustments ⁶	Adjustments during 2007 - instructed by Board ²	Adjustments during 2007 - other ³				
RSVA - Wholesale Market Service Charge	1580	\$ 7,837				\$ 3,838	\$ 11,675	\$ 782	\$ 579	\$ 1,361
RSVA - One-time Wholesale Market Service	1582	\$ -					\$ -	\$ -	\$ -	\$ -
RSVA - Retail Transmission Network Charge	1584	\$ (9,687)				\$ (3,808)	\$ (13,495)	\$ 499	\$ (1,019)	\$ (520)
RSVA - Retail Transmission Connection Charge	1586	\$ (14,797)				\$ (9,901)	\$ (24,698)	\$ 337	\$ (1,433)	\$ (1,096)
Sub-Totals		\$ (16,647)	\$ -		\$ -	\$ (9,871)	\$ (26,518)	\$ 1,618	\$ (1,873)	\$ (255)
Other Regulatory Assets - Sub-Account - OEB Cost Assessments	1508	\$ 2,852				\$ -	\$ 2,852	\$ 329	\$ 116	\$ 445
Other Regulatory Assets - Sub-Account - Pension Contributions	1508	\$ -					\$ -	\$ -	\$ -	\$ -
Other Regulatory Assets - Sub-Account - Other ⁷	1508	\$ -					\$ -	\$ -	\$ -	\$ -
Other Regulatory Assets - Sub-Account - Other ⁷	1508	\$ -					\$ -	\$ -	\$ -	\$ -
Other Regulatory Assets - Sub-Account - Other ⁷	1508	\$ -					\$ -	\$ -	\$ -	\$ -
Retail Cost Variance Account - Retail	1518	\$ -					\$ -	\$ -	\$ -	\$ -
Retail Cost Variance Account - STR	1548	\$ -					\$ -	\$ -	\$ -	\$ -
Misc. Deferred Debits	1525	\$ -					\$ -	\$ -	\$ -	\$ -
LV Variance Account	1550	\$ 5,204				\$ 2,822	\$ 8,026	\$ 113	\$ 279	\$ 392
Smart Meter Capital and Recovery Offset Variance - Sub-Account - Capital	1555	\$ -					\$ -	\$ -	\$ -	\$ -
Smart Meter Capital and Recovery Offset Variance - Sub-Account - Recoveries	1555	\$ -					\$ -	\$ -	\$ -	\$ -
Smart Meter Capital and Recovery Offset Variance - Sub-Account - Stranded Metr	1555	\$ -					\$ -	\$ -	\$ -	\$ -
Smart Meter OM&A Variance	1556	\$ (3,381)				\$ (5,994)	\$ (9,375)	\$ (52)	\$ (294)	\$ (346)
Conservation and Demand Management Expenditures and Recoveries	1565	\$ 8,971					\$ 8,971	\$ -	\$ -	\$ -
CDM Contra	1566	\$ (8,971)					\$ (8,971)	\$ -	\$ -	\$ -
Qualifying Transition Costs ⁵	1570	\$ -	n/a	n/a			\$ -	\$ -	\$ -	\$ -
Pre-Market Opening Energy Variances Total ⁵	1571	\$ -	n/a	n/a			\$ -	\$ -	\$ -	\$ -
Extra-Ordinary Event Costs	1572	\$ -					\$ -	\$ -	\$ -	\$ -
Deferred Rate Impact Amounts	1574	\$ -					\$ -	\$ -	\$ -	\$ -
Other Deferred Credits	2425	\$ -					\$ -	\$ -	\$ -	\$ -
Sub-Totals		\$ 4,675	\$ -	\$ -	\$ -	\$ (3,172)	\$ 1,503	\$ 390	\$ 101	\$ 491
Deferred Payments in Lieu of Taxes	1562									
2006 PILs & Taxes Variance	1592									
Sub-Totals										
Total		\$ (11,972)	\$ -	\$ -	\$ -	\$ (13,043)	\$ (25,015)	\$ 2,008	\$ (1,772)	\$ 236
The following is not included in the total claim but is included on a memo basis:										
Deferred PILs Contra Account ⁸	1563									
RSVA - Power (including Global Adjustment)	1588	\$ 47,641				\$ 59,243	\$ 106,884	\$ 9,181	\$ 4,806	\$ 13,987
RSVA - Power - Sub-Account - Global Adjustment ⁴	1598	\$ 7,567				\$ 779	\$ 8,346	\$ 593	\$ 373	\$ 966
Recovery of Regulatory Asset Balances	1590	\$ -					\$ -	\$ -	\$ -	\$ -

SHEET 1 - Regulatory Assets - Continuity Schedule

NAME OF UTILITY	Cooperative Hydro Embrun
NAME OF CONTACT	Benoit Lamarche
E-mail Address	embrunhydro@maqrma.ca
VERSION NUMBER	v3.0
Date	09/12/2009 revised 01/25/2009

Account Description	Account Number	2008								
		Opening Principal Amounts as of Jan-1-08	Transactions (additions) during 2008, excluding interest and adjustments ⁴	Transactions (reductions) during 2008, excluding interest and adjustments ⁵	Adjustments during 2008 - instructed by Board ²	Adjustments during 2008 - other ³	Closing Principal Balance as of Dec-31-08	Opening Interest Amounts as of Jan-1-08	Interest Jan-1 to Dec31-08	Closing Interest Amounts as of Dec-31-08
RSVA - Wholesale Market Service Charge	1580	\$ 11,675			\$ (3,239)	\$ 8,436	\$ 1,361	\$ 446	\$ 1,807	
RSVA - One-time Wholesale Market Service	1582	\$ -				\$ -	\$ -	\$ -	\$ -	
RSVA - Retail Transmission Network Charge	1584	\$ (13,495)			\$ (12,646)	\$ (26,141)	\$ (520)	\$ (648)	\$ (1,368)	
RSVA - Retail Transmission Connection Charge	1586	\$ (24,698)			\$ (17,650)	\$ (42,348)	\$ (1,096)	\$ (1,334)	\$ (2,430)	
Sub-Totals		\$ (26,518)	\$ -	\$ -	\$ (33,535)	\$ (60,053)	\$ (255)	\$ (1,736)	\$ (1,991)	
Other Regulatory Assets - Sub-Account - OEB Cost Assessments	1508	\$ 2,852				\$ 2,852	\$ 445	\$ 113	\$ 558	
Other Regulatory Assets - Sub-Account - Pension Contributions	1508	\$ -				\$ -	\$ -	\$ -	\$ -	
Other Regulatory Assets - Sub-Account - Other ⁷	1508	\$ -				\$ -	\$ -	\$ -	\$ -	
Other Regulatory Assets - Sub-Account - Other ⁷	1508	\$ -				\$ -	\$ -	\$ -	\$ -	
Other Regulatory Assets - Sub-Account - Other ⁷	1508	\$ -				\$ -	\$ -	\$ -	\$ -	
Retail Cost Variance Account - Retail	1518	\$ -				\$ -	\$ -	\$ -	\$ -	
Retail Cost Variance Account - STR	1548	\$ -				\$ -	\$ -	\$ -	\$ -	
Misc. Deferred Debits	1525	\$ -				\$ -	\$ -	\$ -	\$ -	
LV Variance Account	1550	\$ 8,026			\$ 2,704	\$ 10,730	\$ 392	\$ 338	\$ 730	
Smart Meter Capital and Recovery Offset Variance - Sub-Account - Capital	1555	\$ -				\$ -	\$ -	\$ -	\$ -	
Smart Meter Capital and Recovery Offset Variance - Sub-Account - Recoveries	1555	\$ -				\$ -	\$ -	\$ -	\$ -	
Smart Meter Capital and Recovery Offset Variance - Sub-Account - Stranded Metr	1555	\$ -				\$ -	\$ -	\$ -	\$ -	
Smart Meter OM&A Variance	1556	\$ (9,375)			\$ (5,867)	\$ (15,242)	\$ (346)	\$ (482)	\$ (828)	
Conservation and Demand Management Expenditures and Recoveries	1565	\$ 8,971				\$ 8,971	\$ -	\$ -	\$ -	
CDM Contra	1566	\$ (8,971)				\$ (8,971)	\$ -	\$ -	\$ -	
Qualifying Transition Costs ⁵	1570	\$ -	n/a	n/a		\$ -	\$ -	\$ -	\$ -	
Pre-Market Opening Energy Variances Total ⁵	1571	\$ -	n/a	n/a		\$ -	\$ -	\$ -	\$ -	
Extra-Ordinary Event Costs	1572	\$ -				\$ -	\$ -	\$ -	\$ -	
Deferred Rate Impact Amounts	1574	\$ -				\$ -	\$ -	\$ -	\$ -	
Other Deferred Credits	2425	\$ -				\$ -	\$ -	\$ -	\$ -	
Sub-Totals		\$ 1,503	\$ -	\$ -	\$ (3,163)	\$ (1,660)	\$ 491	\$ (31)	\$ 460	
Deferred Payments in Lieu of Taxes	1562				see PILs reconciliation requested					
2006 PILs & Taxes Variance	1592				see PILs reconciliation requested					
Sub-Totals					see PILs reconciliation requested					
Total		\$ (25,015)	\$ -	\$ -	\$ (36,698)	\$ (61,713)	\$ 236	\$ (1,767)	\$ (1,531)	
The following is not included in the total claim but is included on a memo basis:										
Deferred PILs Contra Account ⁸	1563				see PILs reconciliation requested					
RSVA - Power (including Global Adjustment)	1588	\$ 106,884			\$ (35,047)	\$ 71,837	\$ 13,987	\$ 4,487	\$ 18,474	
RSVA - Power - Sub-Account - Global Adjustment ⁴	1598	\$ 8,346			\$ (1,171)	\$ 7,175	\$ 966	\$ 313	\$ 1,279	
Recovery of Regulatory Asset Balances	1590	\$ -				\$ -	\$ -	\$ -	\$ -	

SHEET 1 - Regulatory Assets - Continuity Schedule

NAME OF UTILITY	Cooperative Hydro Embrun
NAME OF CONTACT	Benoit Lamarche
E-mail Address	embrunhydro@msqma.ca
VERSION NUMBER	v3.0
Date	09/12/2009 revised 01/25/2009

Account Description	Account Number	Projected Interest on Dec 31 -08 balance from Jan 1, 2009 to Dec 31, 2009 ⁹	Projected Interest on Dec 31 -08 balance from Jan 1, 2010 to April 30, 2010 ⁹	Claim before Forecasted Transactions	Forecasted Transactions, Excluding Interest from Jan 1, 2009 to Dec 31, 2009	Forecasted Transactions, Excluding Interest from Jan 1, 2010 to April 30, 2010	Projected Interest from Jan 1, 2009 to April 30, 2010 on Forecasted Transx (Excl Interest) from Jan 1, 2009 to December 31, 2009	Projected Interest from Jan 1, 2010 to April 30, 2010 on Forecasted Transx (Excl Interest) from Jan 1, 2010 to April 30, 2010	Total Claim
RSVA - Wholesale Market Service Charge	1580			\$ 10,243	\$ -	\$ -	\$ 28	\$ 28	\$ 10,299
RSVA - One-time Wholesale Market Service	1582			\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
RSVA - Retail Transmission Network Charge	1584			\$ (27,509)	\$ -	\$ -	\$ (87)	\$ (87)	\$ (27,683)
RSVA - Retail Transmission Connection Charge	1586			\$ (44,778)	\$ -	\$ -	\$ (141)	\$ (141)	\$ (45,060)
Sub-Totals		\$ -	\$ -	\$ (62,044)	\$ -	\$ -	\$ (200)	\$ (200)	\$ (62,444)
Other Regulatory Assets - Sub-Account - OEB Cost Assessments	1508			\$ 3,410	\$ -	\$ -	\$ 18	\$ 18	\$ 3,446
Other Regulatory Assets - Sub-Account - Pension Contributions	1508			\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other Regulatory Assets - Sub-Account - Other ⁷	1508			\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other Regulatory Assets - Sub-Account - Other ⁷	1508			\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other Regulatory Assets - Sub-Account - Other ⁷	1508			\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Retail Cost Variance Account - Retail	1518			\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Retail Cost Variance Account - STR	1548			\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Misc. Deferred Debits	1525			\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
LV Variance Account	1550			\$ 11,460	\$ -	\$ -	\$ 36	\$ 36	\$ 11,532
Smart Meter Capital and Recovery Offset Variance - Sub-Account - Capital	1555			\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Smart Meter Capital and Recovery Offset Variance - Sub-Account - Recoveries	1555			\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Smart Meter Capital and Recovery Offset Variance - Sub-Account - Stranded Metr	1555			\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Smart Meter OM&A Variance	1556			\$ (16,070)	\$ -	\$ -	\$ (51)	\$ (51)	\$ (16,172)
Conservation and Demand Management Expenditures and Recoveries	1565			\$ 8,971	\$ -	\$ -	\$ -	\$ -	\$ 8,971
CDM Contra	1566			\$ (8,971)	\$ -	\$ -	\$ -	\$ -	\$ (8,971)
Qualifying Transition Costs ⁵	1570			\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Pre-Market Opening Energy Variances Total ⁵	1571			\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Extra-Ordinary Event Costs	1572			\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Deferred Rate Impact Amounts	1574			\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other Deferred Credits	2425			\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sub-Totals		\$ -	\$ -	\$ (1,200)	\$ -	\$ -	\$ 3	\$ 3	\$ (1,194)
Deferred Payments in Lieu of Taxes	1562								
2006 PILs & Taxes Variance	1592								
Sub-Totals				\$ -					\$ -
Total		\$ -	\$ -	\$ (63,244)	\$ -	\$ -	\$ (197)	\$ (197)	\$ (63,638)
The following is not included in the total claim but is included on a memo basis:									
Deferred PILs Contra Account ⁸	1563								
RSVA - Power (including Global Adjustment)	1588			\$ 90,311					\$ 90,311
RSVA - Power - Sub-Account - Global Adjustment ⁴	1598			\$ 8,454			\$ 48	\$ 48	\$ 8,550
Recovery of Regulatory Asset Balances	1590			\$ -			\$ 527	\$ 527	\$ 1,054

Issue 9 Account 1588

Board staff would like additional information concerning the Global Adjustment (“GA”) sub-account.

- a. Please confirm that the GA principal balance proposed for disposition is based on the procedures identified by the Accounting Procedures Handbook.

CHE Response:

The principal balance proposed for disposition is based on direction for the OEB. See below for details.

The Board’s accounting policies and procedures for the global adjustment (GA) sub-account 1588 are clear in that this account balance is attributable to non-Regulated Price Plan (“RPP”) customers only. The Accounting Procedures Handbook (APH) in Articles 220 (page 36) and 490 (pages 21-22) specify that Account 1588, RSVAPower, “Sub-account Global Adjustment”, is established for the purpose of recording the “net difference” in the global adjustment attributable to non- RPP customers only.

For the purposes of the disposition of the sub-account balance in rates, the “Report of the Board on Electricity Distributors’ Deferral and Variance Account Review Initiative (EDDVAR)” EB-2008-0046, specify that the default cost allocation methodology for the “Sub-account Global Adjustment” would be on kWh basis for non-RPP customers. In terms of the rate design, the distributor may consider a few options when requesting disposition of the balance in a cost of service application. Some options are outlined below.

1. Use the existing deferral and variance rate rider, where the account balance is recovered from /refunded to all Customers in all Rate Classes
2. Use a new and separate variance account rate rider, where the account balance is recovered from /refunded to all Non-RPP Customers only in all Rate Classes

Option 1 allocates the GA sub-account balance to only Non-RPP customers in all customer classes to derive the rate rider. Under this approach however, although the GA is allocated to only Non-RPP customers, all customers (RPP and Non-RPP) will be charged/refunded for the GA amount in the rate rider. The reason for this is that the allocated GA amounts to Non-RPP customers are combined with all other account disposition amounts to derive the rate rider, which does not distinguish Non-RPP from RPP customers. Therefore, a distributor will need to assess the impacts as to whether this approach would pose any material unfairness by including the RPP customers. The onus would be the distributor to make this assessment. The distributor should consider option 2 (below) if this approach is considered inappropriate.

Option 2 is the same as option 1, except that a new and separate rate rider is used. This approach is purer in that it assigns direct cost responsibility associated with the GA account balance to only Non-RPP customers. The determination of the derived GA amount for Non-RPP customers only in each class is done on the same basis as discussed above. However, the Non-RPP allocated amounts for each class are included in a separate rate rider calculation sheet to derive a charge/refund amount for Non-RPP customers only in each class under a new and separate rate rider. The merits for having a

separate rate rider could be considered in the context of assigning direct cost responsibility to non-RPP customers only.

Lastly, I suggest that a distributor will need to assess its own customer base (RPP and Non-RPP), classes, billing system, customer relations, etc. in order to make a determination for selecting an option. The distributor should be able to justify its methodology for clearing the GA account balance in rates, be it under one of the options I have identified, or some other method.

- b. Please confirm that with respect to the disposition of GA sub-account 1588 Embrun would have the billing capability to affect a separate rate rider for non-RPP customers only.

CHE Response:

Confirmed, CHE does have the billing capability of introducing a separate rate rider for non-RPP customers

- c. If Embrun were to establish a separate rate rider to dispose of the balance of the GA sub-account of account 1588, please provide Embrun's views as to whether this rate rider would be applicable to the Municipalities, Universities, Schools and Hospitals ("MUSH") sector customers.

CHE Response:

The MUSH sector would not benefit from the rate-rider since it was only November 2009 that they were moved from Regulated Price Plan to OHEP.

- d. If the answer to "b" is in the negative, does Embrun have the capability in its billing system to exclude MUSH sector customers to which the separate rate rider for the disposition of the account GA sub-account 1588 balance would apply?

CHE Response:

Confirmed, CHE does have the billing capability to exclude certain customer from a specific rate-rider.

Summary of Proposed Changes to Revenue Requirement

Please find below a summary of the proposed changes to CHE' s revenue requirement. These proposed changes are based on responses to the 1st and 2nd round of interrogatories.

Please note that the impact to revenue requirement for each of the proposed changes below was determined independently of the other proposed changes. To view the combined impact of all proposed changes on CHE's revenue requirement, please see the Revenue Requirement Work Form presented in the next pages or the model filed in conjunction with this document.

2 - RATE BASE

- **As per BS (1st round IRs) Issue 4**, CHE's depreciation expense was revised to rectify an error in calculation.

4 - OPERATING COSTS

- **Following a review of VECC (2nd round IRs) Question #22**, PST was applied to 2010 forecast. The OM&A for 2010 increased by approximately \$19,000.
- **As per BS (1st round IRs) Issue 4.3**, CHE removed the cost of converting to IFRS or 60,000. This represents a reduction in RR of approximately \$15,200
- **As per VECC (2nd round IRs) Question #24**. The reduction in 2010 employee costs VS the costs initially presented in CHE's Application represent a decrease of approximately \$8,300 to the RR
- **As per BS (2st round IRs) Issue 3**, the forecast for regulatory costs increased from **\$35,300** (*per year for a period of 4 years*) to **\$67,224** (*per year for a period of 4 years*). The impact to RR is an increase of approximately \$33,800 (*per year for a period of 4 years*)
- **As per BS (1st round IRs) Issue 5**, CHE proposes to use the blended tax rates. If approved, the impact to the revenue requirement would be a decrease of approximately \$670
- **BS (1st round IRs) Issue 4**, upon review of the response to this particular IRs, it was found that CHE inadvertently omitted a cost of \$2,722 for billing services for 2010. The impact to RR is approximately \$2800. This amount covers the on-going costs of the new billing system.

9 - DEFERRAL / VARIANCE ACCOUNT BALANCES

- **As per BS (1st round IRs) Issue 10.2 a)**, Deferral Balances were update to reflect the fix of erroneous formula. There is no impact on RR

- **As per BS (1st round IRs) Issue 10.3**, CHE updated to reflect mandated changes to Regulatory Accounting & Reporting of Account 1588 RSVA Power and Account 1588 RSVA Power Sub-account Global Adjustment. There is no impact on RR.
- **As per BS (2st round IRs) Issue 8**, CHE updated its interest rates. There is no impact on RR
- **As per BS (1st round IRs) Issue 10.2 d)** CHE proposes to remove account 1562 (PILs) and its balance from the disposition/recovery of deferral of variance account. The impact to the account balance recoveries is a reduction of \$127,169 (to \$26,772 from \$153,941) or a reduction in the amount to be refunded to the customer.
- **As per BS (1st round IRs) Issue 10.4** CHE intends to fully comply with the board's direction with respect to the establishment of a separate rate rider to dispose of the balance of the GA sub-account of account 1588.
- **As per BS (1st round IRs) Issue 2.1.** Updates to the SM model caused the rate adder to increase by 0.01/meter/month (1.33 from 1.32). The revised model is being filed in conjunction to these responses.

3 –REVENUE

- **As per VECC (1st round IRs)** CHE proposes to update its commodity cost to reflect the new RPP rates, the impact to RR is an increase of approximately \$500

8 - RATE DESIGN

- **As per BS (1st round IRs) Issue 8**, CHE proposes to update its loss factor to 1.0579. This represents a reduction in RR of approximately \$250
- **As per BS (1st round IRs) Issue 23** CHE has recast and recalculated its Network and Retail and Transmission Rates based on current rates. CHE proposes to update its pass-thru charges accordingly. The impact to the RR is an increase of approximately \$30
- **With respect to BS (1st round IRs) Issue 7.2**, CHE would like to specify that although they do not currently have customer who own their own transformer, it is applying for the Transformer Allowance rate in the event that such a customer would fall under this category between now and the next rebasing exercise.

- **As per BS (1st round IRs) Issue 10.3**, CHE updated to reflect mandated changes to Regulatory Accounting & Reporting of Account 1588 RSVA Power and Account 1588 RSVA Power Sub-account Global Adjustment. There is no impact on RR.
- **As per BS (2st round IRs) Issue 8**, CHE updated its interest rates. There is no impact on RR
- **As per BS (1st round IRs) Issue 10.2 d)** CHE proposes to remove account 1562 (PILs) and its balance from the disposition/recovery of deferral of variance account. The impact to the account balance recoveries is a reduction of \$127,169 (to \$26,772 from \$153,941) or a reduction in the amount to be refunded to the customer.
- **As per BS (1st round IRs) Issue 10.4** CHE intends to fully comply with the board's direction with respect to the establishment of a separate rate rider to dispose of the balance of the GA sub-account of account 1588.
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REVENUE REQUIREMENT WORK FORM

Name of LDC: Coopérative Hydro Embrun Inc.
 File Number: EB-2009-0132
 Rate Year: 2010

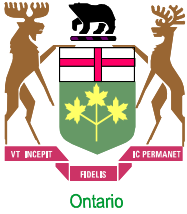
Data Input (1)

	Application	Adjustments	Per Board Decision
1 Rate Base			
Gross Fixed Assets (average)	\$2,895,308 (4)		\$2,895,308
Accumulated Depreciation (average)	(\$918,093) (5)		(\$918,093)
Allowance for Working Capital:			
Controllable Expenses	\$513,326 (6)		\$513,326
Cost of Power	\$2,474,427		\$2,474,427
Working Capital Rate (%)	15.00%		15.00%
2 Utility Income			
Operating Revenues:			
Distribution Revenue at Current Rates	\$611,221		
Distribution Revenue at Proposed Rates	\$803,329		
Other Revenue:			
Specific Service Charges	\$17,305		
Late Payment Charges	\$5,250		
Other Distribution Revenue	\$8,916		
Other Income and Deductions	\$9,900		
Operating Expenses:			
OM+A Expenses	\$506,826		\$506,826
Depreciation/Amortization	\$131,266		\$131,266
Property taxes	\$ -		\$0
Capital taxes	\$0		
Other expenses			
3 Taxes/PILs			
Taxable Income:			
Adjustments required to arrive at taxable income	\$15,807 (3)		
Utility Income Taxes and Rates:			
Income taxes (not grossed up)	\$14,963		
Income taxes (grossed up)	\$17,813		
Capital Taxes	\$ -		
Federal tax (%)	11.00%		
Provincial tax (%)	5.00%		
Income Tax Credits	\$ -		
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 (%)			
			Capital Structure must total 100%
Cost of Capital			
Long-term debt Cost Rate (%)	7.62%		
Short-term debt Cost Rate (%)	1.13%		
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: Coopérative Hydro Embrun Inc.

File Number: EB-2009-0132

Rate Year: 2010

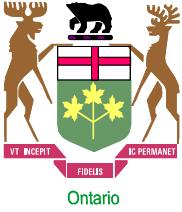
Rate Base

Line No.	Particulars	Application	Adjustments	Per Board Decision
1	Gross Fixed Assets (average) (3)	\$2,895,308	\$ -	\$2,895,308
2	Accumulated Depreciation (average) (3)	(\$918,093)	\$ -	(\$918,093)
3	Net Fixed Assets (average) (3)	\$1,977,215	\$ -	\$1,977,215
4	Allowance for Working Capital (1)	\$448,163	\$ -	\$448,163
5	Total Rate Base	\$2,425,378	\$ -	\$2,425,378

(1) Allowance for Working Capital - Derivation				
6	Controllable Expenses	\$513,326	\$ -	\$513,326
7	Cost of Power	\$2,474,427	\$ -	\$2,474,427
8	Working Capital Base	\$2,987,753	\$ -	\$2,987,753
9	Working Capital Rate % (2)	15.00%		15.00%
10	Working Capital Allowance	\$448,163	\$ -	\$448,163

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: Coopérative Hydro Embrun Inc.

File Number: EB-2009-0132

Rate Year: 2010

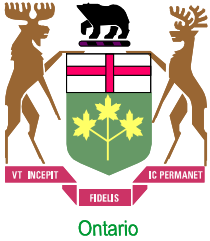
Ontario

Utility income

Line No.	Particulars	Application	Adjustments	Per Board Decision
Operating Revenues:				
1	Distribution Revenue (at Proposed Rates)	\$803,329	\$ -	\$803,329
2	Other Revenue (1)	\$41,371	\$ -	\$41,371
3	Total Operating Revenues	\$844,700	\$ -	\$844,700
Operating Expenses:				
4	OM+A Expenses	\$506,826	\$ -	\$506,826
5	Depreciation/Amortization	\$131,266	\$ -	\$131,266
6	Property taxes	\$ -	\$ -	\$ -
7	Capital taxes	\$ -	\$ -	\$ -
8	Other expense	\$ -	\$ -	\$ -
9	Subtotal	\$638,092	\$ -	\$638,092
10	Deemed Interest Expense	\$104,592	\$ -	\$104,592
11	Total Expenses (lines 4 to 10)	\$742,684	\$ -	\$742,684
12	Utility income before income taxes	\$102,016	\$ -	\$102,016
13	Income taxes (grossed-up)	\$17,813	\$ -	\$17,813
14	Utility net income	\$84,203	\$ -	\$84,203

Notes

(1)	Other Revenues / Revenue Offsets		
	Specific Service Charges	\$17,305	\$17,305
	Late Payment Charges	\$5,250	\$5,250
	Other Distribution Revenue	\$8,916	\$8,916
	Other Income and Deductions	\$9,900	\$9,900
	Total Revenue Offsets	\$41,371	\$41,371



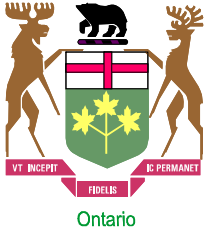
REVENUE REQUIREMENT WORK FORM

Name of LDC: Coopérative Hydro Embrun Inc.
 File Number: EB-2009-0132
 Rate Year: 2010

Taxes/PILs

Line No.	Particulars	Application	Per Board Decision
<u>Determination of Taxable Income</u>			
1	Utility net income	\$77,709	\$77,709
2	Adjustments required to arrive at taxable utility income	\$15,807	\$15,807
3	Taxable income	\$93,516	\$93,516
<u>Calculation of Utility income Taxes</u>			
4	Income taxes	\$14,963	\$14,963
5	Capital taxes	\$ -	\$ -
6	Total taxes	\$14,963	\$14,963
7	Gross-up of Income Taxes	\$2,850	\$2,850
8	Grossed-up Income Taxes	\$17,813	\$17,813
9	PILs / tax Allowance (Grossed-up Income taxes + Capital taxes)	\$17,813	\$17,813
10	Other tax Credits	\$ -	\$ -
<u>Tax Rates</u>			
11	Federal tax (%)	11.00%	11.00%
12	Provincial tax (%)	5.00%	5.00%
13	Total tax rate (%)	16.00%	16.00%

Notes



REVENUE REQUIREMENT WORK FORM

Name of LDC: Coopérative Hydro Embrun Inc.

File Number: EB-2009-0132

Rate Year: 2010

Capitalization/Cost of Capital

Line No.	Particulars	Capitalization Ratio		Cost Rate	Return
		(%)	(\$)	(%)	(\$)
Application					
Debt					
1	Long-term Debt	56.00%	\$1,358,212	7.62%	\$103,496
2	Short-term Debt	4.00%	\$97,015	1.13%	\$1,096
3	Total Debt	60.00%	\$1,455,227	7.19%	\$104,592
Equity					
4	Common Equity	40.00%	\$970,151	8.01%	\$77,709
5	Preferred Shares	0.00%	\$ -	0.00%	\$ -
6	Total Equity	40.00%	\$970,151	8.01%	\$77,709
7	Total	100%	\$2,425,378	7.52%	\$182,301

Per Board Decision					
		(%)	(\$)	(%)	
Debt					
8	Long-term Debt	56.00%	\$1,358,212	7.62%	\$103,496
9	Short-term Debt	4.00%	\$97,015	1.13%	\$1,096
10	Total Debt	60.00%	\$1,455,227	7.19%	\$104,592
Equity					
11	Common Equity	40.0%	\$970,151	8.01%	\$77,709
12	Preferred Shares	0.0%	\$ -	0.00%	\$ -
13	Total Equity	40.0%	\$970,151	8.01%	\$77,709
14	Total	100%	\$2,425,378	7.52%	\$182,301

Notes

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





REVENUE REQUIREMENT WORK FORM

Name of LDC: Coopérative Hydro Embrun Inc.
 File Number: EB-2009-0132
 Rate Year: 2010

Ontario

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		\$185,613		\$185,613
2	Distribution Revenue	\$611,221	\$617,716	\$611,221	\$617,716
3	Other Operating Revenue Offsets - net	\$41,371	\$41,371	\$41,371	\$41,371
4	Total Revenue	\$652,592	\$844,700	\$652,592	\$844,700
5	Operating Expenses	\$638,092	\$638,092	\$638,092	\$638,092
6	Deemed Interest Expense	\$104,592	\$104,592	\$104,592	\$104,592
	Total Cost and Expenses	\$742,684	\$742,684	\$742,684	\$742,684
7	Utility Income Before Income Taxes	(\$90,092)	\$102,016	(\$90,092)	\$102,016
	Tax Adjustments to Accounting				
8	Income per 2009 PILs	\$15,807	\$15,807	\$15,807	\$15,807
9	Taxable Income	(\$74,285)	\$117,823	(\$74,285)	\$117,823
10	Income Tax Rate	16.00%	16.00%	16.00%	16.00%
11	Income Tax on Taxable Income	(\$11,886)	\$18,852	(\$11,886)	\$18,852
12	Income Tax Credits	\$ -	\$ -	\$ -	\$ -
13	Utility Net Income	(\$78,206)	\$84,203	(\$78,206)	\$84,203
14	Utility Rate Base	\$2,425,378	\$2,425,378	\$2,425,378	\$2,425,378
	Deemed Equity Portion of Rate Base	\$970,151	\$970,151	\$970,151	\$970,151
15	Income/Equity Rate Base (%)	-8.06%	8.68%	-8.06%	8.68%
16	Target Return - Equity on Rate Base	8.01%	8.01%	8.01%	8.01%
	Sufficiency/Deficiency in Return on Equity	-16.07%	0.67%	-16.07%	0.67%
17	Indicated Rate of Return	1.09%	7.78%	1.09%	7.78%
18	Requested Rate of Return on Rate Base	7.52%	7.52%	7.52%	7.52%
19	Sufficiency/Deficiency in Rate of Return	-6.43%	0.27%	-6.43%	0.27%
20	Target Return on Equity	\$77,709	\$77,709	\$77,709	\$77,709
21	Revenue Sufficiency/Deficiency	\$155,915	\$6,494	\$155,915	\$6,494
22	Gross Revenue Sufficiency/Deficiency	\$185,613 (1)		\$185,613 (1)	

Notes:

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



REVENUE REQUIREMENT WORK FORM

Name of LDC: Coopérative Hydro Embrun Inc.

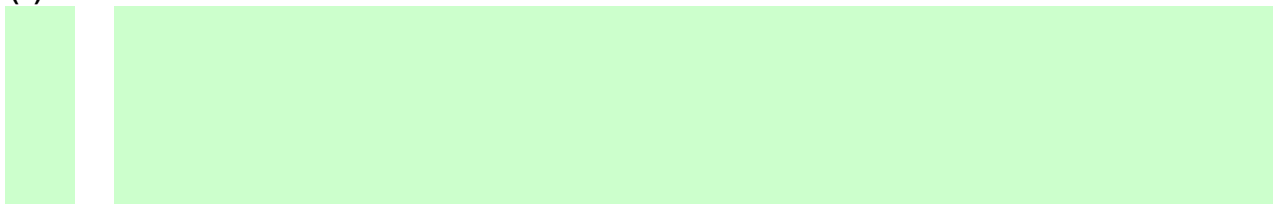
File Number: EB-2009-0132

Rate Year: 2010

Line No.	Particulars	Revenue Requirement	
		Application	Per Board Decision
1	OM&A Expenses	\$506,826	\$506,826
2	Amortization/Depreciation	\$131,266	\$131,266
3	Property Taxes	\$ -	\$ -
4	Capital Taxes	\$ -	\$ -
5	Income Taxes (Grossed up)	\$17,813	\$17,813
6	Other Expenses	\$ -	\$ -
7	Return		
	Deemed Interest Expense	\$104,592	\$104,592
	Return on Deemed Equity	\$77,709	\$77,709
8	Distribution Revenue Requirement before Revenues	<u>\$838,205</u>	<u>\$838,205</u>
9	Distribution revenue	\$803,329	\$803,329
10	Other revenue	<u>\$41,371</u>	<u>\$41,371</u>
11	Total revenue	<u>\$844,700</u>	<u>\$844,700</u>
12	Difference (Total Revenue Less Distribution Revenue Requirement before Revenues)	<u>\$6,494 (1)</u>	<u>\$6,494 (1)</u>

Notes

(1) Line 11 - Line 8





REVENUE REQUIREMENT WORK FORM

Name of LDC: Coopérative Hydro Embrun Inc.

File Number: EB-2009-0132

Rate Year: 2010

Selected Delivery Charge and Bill Impacts Per Draft Rate Order									
		Monthly Delivery Charge				Total Bill			
		Current	Per Draft Rate Order	Change		Current	Per Draft Rate Order	Change	
				\$	%			\$	%
Residential	800 kWh/month	\$ 29.80	\$ 34.52	\$ 4.72	15.8%	\$ 92.50	\$ 96.92	\$ 4.42	4.8%
GS < 50kW	2000 kWh/month	\$ 63.49	\$ 76.25	\$ 12.76	20.1%	\$ 226.97	\$ 239.01	\$ 12.04	5.3%

Notes: