



REVENUE REQUIREMENT WORK FORM

Name of LDC: Coopérative Hydro Embrun Inc.

File Number: EB-2009-0132

Rate Year: 2010

Ontario

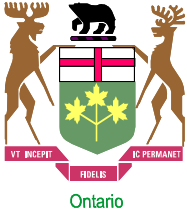
Data Input (1)

	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	\$803,335		
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	\$513,326		\$513,326
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.



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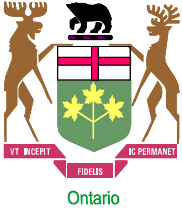
Rate Base

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.



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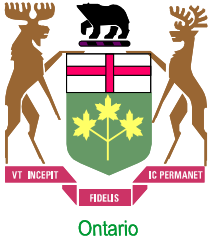
Rate Year: 2010

Utility income

Line No.	Particulars	Application	Adjustments	Per Board Decision
Operating Revenues:				
1	Distribution Revenue (at Proposed Rates)	\$803,335	\$ -	\$803,335
2	Other Revenue (1)	\$41,371	\$ -	\$41,371
3	Total Operating Revenues	\$844,706	\$ -	\$844,706
Operating Expenses:				
4	OM+A Expenses	\$513,326	\$ -	\$513,326
5	Depreciation/Amortization	\$131,266	\$ -	\$131,266
6	Property taxes	\$ -	\$ -	\$ -
7	Capital taxes	\$ -	\$ -	\$ -
8	Other expense	\$ -	\$ -	\$ -
9	Subtotal	\$644,592	\$ -	\$644,592
10	Deemed Interest Expense	\$104,592	\$ -	\$104,592
11	Total Expenses (lines 4 to 10)	\$749,184	\$ -	\$749,184
12	Utility income before income taxes	\$95,522	\$ -	\$95,522
13	Income taxes (grossed-up)	\$17,813	\$ -	\$17,813
14	Utility net income	\$77,709	\$ -	\$77,709

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



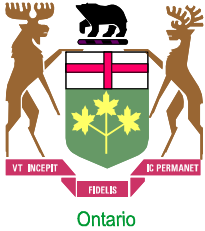
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Taxes/PILs

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



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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.





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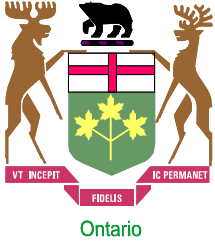
Ontario

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		\$192,113		\$192,113
2	Distribution Revenue	\$611,221	\$611,222	\$611,221	\$611,222
3	Other Operating Revenue Offsets - net	\$41,371	\$41,371	\$41,371	\$41,371
4	Total Revenue	\$652,592	\$844,706	\$652,592	\$844,706
5	Operating Expenses	\$644,592	\$644,592	\$644,592	\$644,592
6	Deemed Interest Expense	\$104,592	\$104,592	\$104,592	\$104,592
	Total Cost and Expenses	\$749,184	\$749,184	\$749,184	\$749,184
7	Utility Income Before Income Taxes	(\$96,592)	\$95,522	(\$96,592)	\$95,522
	Tax Adjustments to Accounting				
8	Income per 2009 PILs	\$15,807	\$15,807	\$15,807	\$15,807
9	Taxable Income	(\$80,785)	\$111,329	(\$80,785)	\$111,329
10	Income Tax Rate	16.00%	16.00%	16.00%	16.00%
11	Income Tax on Taxable Income	(\$12,926)	\$17,813	(\$12,926)	\$17,813
12	Income Tax Credits	\$ -	\$ -	\$ -	\$ -
13	Utility Net Income	(\$83,666)	\$77,709	(\$83,666)	\$77,709
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 (%)	-8.62%	8.01%	-8.62%	8.01%
16	Target Return - Equity on Rate Base	8.01%	8.01%	8.01%	8.01%
	Sufficiency/Deficiency in Return on Equity	-16.63%	0.00%	-16.63%	0.00%
17	Indicated Rate of Return	0.86%	7.52%	0.86%	7.52%
18	Requested Rate of Return on Rate Base	7.52%	7.52%	7.52%	7.52%
19	Sufficiency/Deficiency in Rate of Return	-6.65%	0.00%	-6.65%	0.00%
20	Target Return on Equity	\$77,709	\$77,709	\$77,709	\$77,709
21	Revenue Sufficiency/Deficiency	\$161,375	\$0	\$161,375	\$0
22	Gross Revenue Sufficiency/Deficiency	\$192,113 (1)		\$192,113 (1)	

Notes:

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



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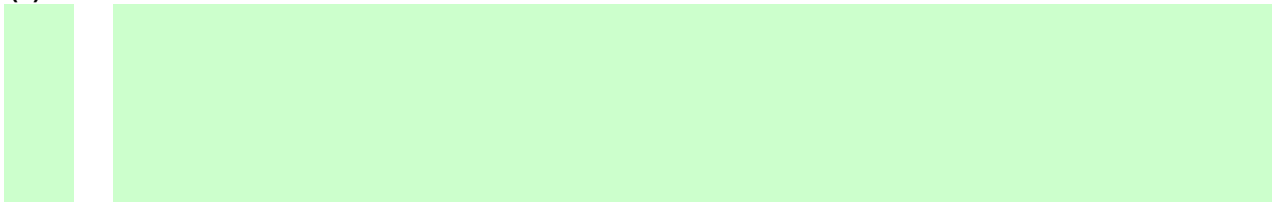
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Line No.	Particulars	Revenue Requirement	
		Application	Per Board Decision
1	OM&A Expenses	\$513,326	\$513,326
2	Amortization/Depreciation	\$131,266	\$131,266
3	Property Taxes	\$ -	\$ -
4	Capital Taxes	\$ -	\$ -
5	Income Taxes (Grossed up)	\$17,813	\$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>\$844,705</u>	<u>\$844,705</u>
9	Distribution revenue	\$803,335	\$803,335
10	Other revenue	<u>\$41,371</u>	<u>\$41,371</u>
11	Total revenue	<u>\$844,706</u>	<u>\$844,706</u>
12	Difference (Total Revenue Less Distribution Revenue Requirement before Revenues)	<u>\$0 (1)</u>	<u>\$0 (1)</u>

Notes

(1)

Line 11 - Line 8





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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	\$ 34.70	\$ 4.90	16.4%	\$ 92.50	\$ 97.10	\$ 4.60	5.0%
GS < 50kW	2000 kWh/month	\$ 63.49	\$ 76.54	\$ 13.05	20.6%	\$ 226.97	\$ 239.30	\$ 12.33	5.4%

Notes: