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February 17, 2010

Delivered by E-mail and Courier

Ms. Kirsten Walli
Board Secretary
Ontario Energy Board
2300 Yonge Street, 27th Floor
Toronto, Ontario
M4P 1E4

Dear Ms. Walli:

Re: Cambridge and North Dumfries Hydro Inc. – 2010 Cost of Service Electricity Distribution Rate Application – Board File No. EB-2009-0260

We are counsel to Cambridge and North Dumfries Hydro Inc. ("CND") in the above captioned matter.

On February 10, 2010, we delivered a copy of the proposed Settlement Agreement in this proceeding, reflecting the partial settlement achieved by the parties, to the Board. Our client has reviewed its PILs calculations, and has determined that PILs were inadvertently overstated by $27,117 in the PILs calculations appended to the Agreement. Total PILs should therefore be reduced from $710,647 to $683,530. The body of the Agreement is not affected, but the revised PILs calculation does necessitate minor updates to certain of the Attachments accompanying the Agreement. Specifically, the following Attachments are affected:

- Attachment D – Revenue Deficiency Determination – Sheets 1 and 2 (with respect to Sheet 2, the updates relate to all columns with the exception of the "As Filed" column);
- Attachment F – "Revised Table 42 - Detail Tax Calculation" and "Summary of Taxes" tables; and
- Attachment H – Bill Impacts (all tables with the exception of the "Prefiled Evidence" table)

Please find accompanying this letter an updated version of the Settlement Agreement. Updated portions of the Attachments have been identified as such. The updated version of the Settlement Agreement has been provided to the intervenors, and we can confirm that each of the parties approves of the updated Settlement Agreement.

We regret any inconvenience this may have caused, and we are hopeful that this update will not hamper the Board's ability to provide a decision on the Settlement Agreement by

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Friday of this week. Should you have any questions or require further information with respect to the updates, please do not hesitate to contact me.

Yours very truly,
BORDEN LADNER GERVAIS LLP

Original Signed by James C. Sidlofsky

James C. Sidlofsky
JCS

cc. Theodore Antonopoulos, Ontario Energy Board
Keith Ritchie, Ontario Energy Board
John Grotheer, Cambridge and North Dumfries Hydro Inc.
Intervenors of Record

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EB-2009-0260

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

AND IN THE MATTER OF an application by Cambridge and North Dumfries Hydro Inc. for an order approving just and reasonable rates and other charges for electricity distribution to be effective May 1, 2010.

SETTLEMENT AGREEMENT

FILED FEBRUARY 10, 2010
UPDATED FEBRUARY 17, 2010

INTRODUCTION:

Cambridge and North Dumfries Hydro Inc. ("CND") owns and operates the electricity distribution system in its licensed service area in the City of Cambridge and the Township of North Dumfries. CND serves approximately 50,000 Residential, General Service, Large User, Street Light and Unmetered Scattered Load customers and connections. CND also provides Low Voltage facilities to Hydro One Networks Inc. and Waterloo North Hydro Inc.

CND filed an application (the "Application") with the Ontario Energy Board (the "Board") on August 31, 2009 under section 78 of the *Ontario Energy Board Act*, *1998*, S.O. 1998, c. 15, (Schedule B), seeking approval for changes to the rates that CND charges for electricity distribution, to be effective May 1, 2010. The Board assigned the File Number EB-2009-0260 to the Application. Three parties requested and were granted intervenor status: Energy Probe ("EP"), the School Energy Coalition ("Schools"), and the Vulnerable Energy Consumers Coalition ("VECC").

The Board issued Procedural Order No. 1 on October 23, 2009. Board staff filed interrogatories on November 5, 2009, and all registered intervenors filed interrogatories by November 9, 2009. CND filed responses to interrogatories on November 30, 2009. The Board issued Procedural Order No. 2 on December 14, 2009. That Procedural Order provided for supplemental interrogatories and a Settlement Conference. CND responded to supplemental interrogatories from Board staff and certain of the intervenors on January 13, 2010. The evidence in this proceeding (referred to herein as the "Evidence") consists of the Application and CND's responses to both the initial and supplemental rounds of interrogatories.

The Settlement Conference was conducted on January 20, 2010, at the Board's offices, with Kenneth Rosenberg acting as facilitator. Representatives of the Applicant and intervenors (Energy Probe, the School Energy Coalition and the Vulnerable Energy Consumers Coalition) participated in the Settlement Conference, and Board staff participated in accordance with their role as set out in the Board's Settlement Conference Guidelines.

A PARTIAL SETTLEMENT HAS BEEN REACHED IN THIS PROCEEDING:

The parties are pleased to advise the Board that a partial settlement has been reached in this proceeding. This document comprises the Settlement Agreement, and it is presented jointly by CND and the intervenors (collectively referred to as the "Parties"). It identifies both settled and unsettled matters, and contains such references to the Evidence as necessary to assist the Board in understanding and approving the Settlement Agreement. The Parties confirm that the Evidence filed to date in respect of the settled or partially settled issues, as supplemented in some instances by additional information recorded in this Settlement Agreement, supports the settlement or partial settlement of the matters identified in this Settlement Agreement. In addition, the supporting parties agree that the Evidence, supplemented where necessary by the additional information appended to this Settlement Agreement contains sufficient detail, rationale and quality of information to allow the Board to make findings in keeping with the settlement reached by the Parties.

The Parties explicitly request that the Board consider and accept this Settlement Agreement as a package. None of the matters in respect of which a settlement has been reached is severable. Numerous compromises were made by the parties with respect to various matters to arrive at this comprehensive Settlement Agreement. The distinct issues addressed in this proposal are intricately interrelated, and reductions or increases to the agreed-upon amounts may have financial consequences in other areas of this proposal which may be unacceptable to one or more of the Parties. If the Board does not, prior to the filing of written submissions in respect of the unsettled matters, accept the Settlement Agreement in its entirety, then there is no settlement, unless the Parties agree that those portions of the Settlement Agreement that the Board does accept may continue as a valid settlement.

This having been said, Board Staff have requested that one matter be addressed with the Board pertaining to Account 1588 – Cost of Power – and more particularly, to the manner in which any balance in the Global Adjustment sub-account should be cleared. This is not a matter that is at issue for the parties, and the Board's determination with respect to this matter will not affect the settlement.

The parties agree that all positions, information, documents, negotiations and discussion of any kind whatsoever which took place or were exchanged during the settlement conference are strictly confidential and without prejudice, and inadmissible unless relevant to the resolution of any ambiguity that subsequently arises with respect to the interpretation of any provision of this settlement proposal. Unless stated otherwise, the settlement of any particular issue in this proceeding and the positions of the parties in this settlement proposal are without prejudice to the rights of parties to raise the same issue and/or to take any position thereon in any other proceedings. It is further acknowledged and agreed that none of the Parties will withdraw from this Agreement under any circumstances, except as provided under Rule 32.05 of the Board's *Rules of Practice and Procedure*.

This Settlement Agreement provides a brief description of each of the settled, partially settled and unsettled issues, together with references to the Evidence and additional supporting material as necessary. The Parties agree that the proposed settlement achieves the Board's objectives of protecting the interests of consumers with respect to prices and the adequacy, reliability and quality of electricity service, promoting economic efficiency and cost effectiveness in the distribution of electricity, and facilitating the maintenance of the financial viability of CND. The Parties also agree that while CND has filed budgets for the Test Year that are illustrative of how it would achieve these goals, as is always the case with forward test year cost of service cases, the actual decisions as to how to allocate resources, and in what areas to spend the agreed-upon capital and OM&A, are ones that must be made by the utility during the course of the year.

Because this is a partial settlement, and certain matters that will be the subject of written submissions will have an impact on CND's final 2010 rates, the Parties have not appended a revised Schedule of Rates and Charges to this Settlement Agreement.

ORGANIZATION AND SUMMARY OF THE SETTLEMENT PROPOSAL:

There is no approved Issues List for this proceeding. However, for the purposes of organizing this Settlement Agreement, the Parties have followed the Board's Filing Guidelines that address all of the revenue requirement components, load forecast, deferral and variance account dispositions, cost allocation and rate design and other issues relevant to determining CND's 2010 distribution rates and rate riders.

A list of the unsettled matters, which the Parties request be disposed of by way of written submissions, accompanies this Settlement Agreement as Attachment A. For the Board's assistance, those seven unsettled matters (and one matter raised by Board staff) may be summarized as follows:

- **Rate Base:**
  - the appropriate treatment of Ontario's shift to a Harmonized Sales Tax, planned for implementation effective July 1, 2010, with respect to both capital expenditures and Operating Costs; and
  - the appropriateness of a lead-lag study being required for CND's next cost of service application.
- **Operating Revenue:**
  - the appropriateness of CND's load forecast, including the impact of CDM initiatives, for the 2010 Test Year.
  - The appropriate treatment for rate making purposes of CND's forecast reduction in a shared services-related revenue offset of $440,000 – the offset

will be reduced to $330,000 in the 2010 Test Year and to $0 in each year of the IRM period as CND will no longer be providing those services.

- **Operating Costs:**

  - The Parties agree that CND will incur an OM&A expenditure in the 2010 Test Year in the amount of $42,500 related to CND's change to monthly billing as part of the implementation of its new CIS system in November 2010. The Parties agree that CND's annual costs related to this change during the IRM period will be $312,000. The submissions will address the question of whether the appropriate amount for inclusion in CND's 2010 Revenue Requirement should be $42,500 or a "normalized" value of the 2010-2013 expenditure of $244,625 (representing $42,500 for 2010 plus three years at $312,000).

- **Cost of Capital and Capital Structure:**

  - The percentage of CND's regulated capital structure that should be made up of short-term debt.

  - The appropriate allowed Return on Equity.

- **Deferral and Variance Accounts:**

  - Board Staff have inquired as to whether CND's billing system is capable of assigning the balance in the Account 1588 RSVA Power Account – Global Adjustment Sub-Account only to non-RPP customers. The Parties take no position in this regard, although CND notes that its billing system is not capable of creating distinctions among members of the same class with respect to rate riders. The parties mention this matter in order to ensure that Board staff will have an opportunity to comment on it in the submissions that will follow the Board's approval of this Settlement Agreement. However, this should be considered a severable issue, in that the Board's determination of this matter will not affect the settlement among the Parties.

A calculation of CND's proposed Revenue Requirement resulting from this Settlement Agreement accompanies this Settlement Agreement as Attachment D.

The following attachments accompany this Settlement Agreement:

Attachment A: List of Unsettled Matters

Attachment B: Updated Fixed Asset Continuity Schedule

Attachment C: Updated Cost of Power calculation

Attachment D: Updated Revenue Requirement/Revenue Deficiency Calculation

Attachment E: Updated OM&A calculation

Attachment F: Updated Tax calculation

Attachment G: Updated Weighted Average Cost of Debt Calculation

Attachment H: Bill Impacts

NEXT STEPS:

In Procedural Order No. 3, issued Thursday, February 4, 2010, and Procedural Order No.4, issued February 10, 2010, the Board established the following dates with respect to this Settlement Agreement and final submissions:

- The Settlement Agreement is to be filed by February 10, 2010;
- CND's argument-in-chief on unsettled issues is to be filed by February 19, 2010;
- Board Staff and intervenor submissions are to be filed by February 26, 2010; and
- CND's reply argument is to be filed by March 5, 2010.

The Parties propose that the Board first consider and approve this Settlement Agreement prior to the filing of any written submissions.

OUTLINE OF THE SETTLEMENT BY CATEGORY:

As noted above, there is no approved Issues List for this proceeding, however, for the purposes of organizing this Settlement Agreement, the categories in the filing guidelines have been utilized.

1. ADMINISTRATION

a. Has CND responded appropriately to all relevant Board directions from previous proceedings?

Status: Complete Settlement

The Parties agree that there are no relevant Board directions from previous proceedings.

2. RATE BASE (Exhibit 2)

a. Are CND's asset condition, economic and business planning assumptions appropriate? (Also Exh.4)

Status: Complete Settlement

The Parties agree that CND's asset condition, economic and business planning assumptions are appropriate for the 2010 test year.

Evidence References: Application and CND interrogatory responses.

b. Are the amounts proposed for the Rate Base appropriate?

Status: Partial Settlement

The Parties agree that the amounts proposed for CND's Rate Base are appropriate, subject to the following adjustments:

- The Parties agree that CND will update its 2009 capital additions to reflect changes noted in CND's response to Energy Probe interrogatory #54(c) and apply a full year depreciation in 2009, consistent with CND's past practice, to these capital additions. This results in a decrease in 2009 capital expenditures in the amount of $1,137,000. Depreciation for 2010 will be based on the half year rule for capital additions in 2010. The value of 2010 net depreciation is ($6,384,985). The accumulated depreciation is shown in the updated Fixed Asset Continuity Schedules provided as Attachment B to this Settlement Agreement.

Unsettled Issues: Rate Base

The Parties agree that the following matter related to Rate Base will be the subject of written submissions:

- the appropriate treatment of Ontario's shift to a Harmonized Sales Tax, planned for implementation effective July 1, 2010, with respect to both capital expenditures and Operating Costs.

Evidence References: Exhibit 2, Table 1
Appendix B

c. Has the Working Capital Allowance been determined appropriately? (Also Ex. 6)

Status: Complete Settlement

The Parties agree that the amount proposed for CND's Working Capital Allowance is appropriate, subject to the following adjustments:

- CND will use the current (October 15, 2009 RPP report) RPP and non-RPP figures in the cost of power component of the Working Capital Allowance calculation using the shares provided in Energy Probe interrogatory #14(d); and

- CND will incorporate the changes in controllable costs set out in its discussion of changes to OM&A, below, resulting from this settlement.

Unsettled Issue: Working Capital

The Parties agree that the following matter related to Working Capital will be the subject of written submissions:

- the appropriateness of a lead-lag study being required for CND's next cost of service application.

The following tables summarize the adjustments to rate base and working capital for rate making purposes resulting from this settlement:

Change in Rate Base

Description	Amount as per Application	Revised Amount	Change
Gross Fixed Assets	180,011,536	180,874,536	863,000
Accumulated Depreciation	91,578,483	91,540,330	(38,153)
Net Book Value	88,433,052	89,334,206	901,154
Average Net Book Value	87,131,193	86,980,095	(151,098)
Working Capital	126,596,505	116,919,508	(9,676,997)
Working Capital Allowance	18,989,476	17,537,926	(1,451,550)
Rate Base	106,120,669	104,518,021	(1,602,648)

Change in Working Capital

Description	Amount as per Application	Revised Amount	Change
Cost of Power	115,937,897	106,617,900	(9,319,997)
Operations	2,872,659	2,872,659	0
Maintenance	1,166,239	1,166,239	0
Billing & Collecting	1,447,594	1,447,594	0
Community Relations	67,969	46,969	(21,000)
Administration & General Expense	5,104,147	4,768,147	(336,000)
Working Capital	126,596,505	116,919,508	(9,676,997)

Evidence References: Exhibit 2, Table 2

Exhibit 2, Table 29

d. Are the amounts proposed for Capital Expenditures appropriate?

Status: Complete Settlement

The Parties agree that the amounts proposed for CND's capital expenditures are appropriate, subject to the following adjustments:

- The Parties agree to update 2010 capital expenditures to reflect changes noted during the interrogatory process in responses to Energy Probe Question #65, and Board Staff Questions #4 and #44. These changes result in an increase to 2010 capital expenditures in the amount of $2,000,000.

- CND's new CIS system is scheduled to go into service in November 2010. The capital cost of the system had been forecast as $1.85 million. With respect to the capital portion of the system, the Parties have agreed that this amount will be included in the calculation of CND's Rate Base for the 2010 Test Year, but that an asymmetrical variance account will be established. Specifically, if the actual cost of the system is lower than the $1.85 million forecast set out in the Application, then the difference between the amount recoverable by CND in respect of this asset at the value set out in the Application and the amount recoverable by CND based on the actual value of the asset will be credited to rate payers at the time of CND's next rebasing. For greater clarity, the Variance Account balance will be calculated using the annual revenue requirement impact of the difference between the forecast and actual cost of the CIS system from 2010 until the next rebasing. No additional amounts beyond the $1.85 million will be recoverable by CND in the event that the actual cost of the system is higher than $1.85 million.

Evidence References: Exhibit 2, Table 4

Exhibit 2, Table 5

Exhibit 2, Table 21

Exhibit 2, Table 22

Exhibit 2, Table 24

Exhibit 2, Table 25

Exhibit 2, Table 26

Interrogatory Response, EP Question # 10, #54

Attachment B to this Settlement Agreement

3. OPERATING REVENUE (Exhibit 3)

a. Is the load forecast and methodology (including weather normalization) appropriate?

Status: Not settled.

In the course of the interrogatory process, CND revised its purchased load forecast downward from 1,522,594 GWh as shown in the Application, to 1,420,552 GWh. The reduction stems from VECC Interrogatories 14(c) and (f), and CND's responses to them. The response to Interrogatory 14(c) led to a reduction to 1,429,225 GWh, and the response to Interrogatory 14(f) led to the balance of the reduction to 1,420,552 GWh. The reduced forecast is also shown in the updated Cost of Power calculation shown in CND's response to Board Staff Interrogatory #55. This reduced forecast is used in the updated Cost of Power calculation in Attachment C to this Settlement Agreement, and in the bill impact tables set out in Attachment H, with the exception of the first table, which sets out impacts based on the CND Application as filed.

The Parties have agreed that the appropriateness of CND's load forecast, including the impact of CDM initiatives, for the 2010 Test Year will be the subject of written submissions.

Evidence References: Exhibit 3
Exhibit 3, Appendix A
Interrogatory Response, VECC Question 14
Interrogatory Response, VECC Question 29

b. Are the proposed Loss Factors appropriate for conversion from purchased power to billed power? (Also Exh.8)

Status: Complete Settlement

The Parties have agreed that the proposed Loss Factors are appropriate.

Evidence References: Exhibit 8, Table 17
Exhibit 8, Table 18
Exhibit 8, Table 19

c. Is the proposed amount for Other Revenue appropriate?

Status: Partial Settlement

The Parties have agreed that the amount proposed for other revenue is appropriate, subject to the following:

- The Parties have agreed that CND's revenue offset from the sale of scrap will be increased from the $50,000 set out in the Application to $75,000.
- CND forecasts that it will lose the sum of $110,000 in the 2010 Test Year as a result of the discontinuation of water and sewer billing services to the City of Cambridge and the Region of Waterloo as of September 30, 2010. In other words, the forecast shared services-related revenue offset of $440,000 will be reduced to $330,000 in the 2010 Test Year. CND further forecasts it will have a revenue shortfall of $440,000 for each year of the IRM period as it will no longer be providing these services. The Parties have agreed that the question of whether the appropriate amount for inclusion in CND's 2010 Revenue Requirement should be the 2010 forgone revenue ($110,000 per CND's forecast) or a "normalized" value of the 2010-2013 expenditure ($357,500 - representing $110,000 for 2010 plus three years at $440,000 per CND's forecasts) will be the subject of written submissions.

Evidence References: Exhibit 3, Page 27 to 35

Interrogatory Response, Board Staff Question #31

d. Is the revenue from the Specific Service Charges appropriate? (Also Exh.6 & Exh.8)

Status: Complete Settlement

The Parties agree that revenue from specific service charges is appropriate.

Evidence References: Exhibit 1, Table 1

Interrogatory Response, VECC Question #13

4. OPERATING COSTS (Exhibit 4)

a. Are the overall levels of OM&A budgets appropriate?

Status: Partial Settlement

The Parties have agreed that the overall level of CND's OM&A budget as proposed in the Application is appropriate, subject to the following:

- o CND will reduce its overall 2010 Test Year OM&A expenditures by $357,000, from the $10,637,608 proposed in the Application, to a total of $10,301,608. This represents a reduction of $21,000 for LEAP expenses in accordance with CND's response to OEB interrogatory #20(a) and $336,000 agreed on at the Settlement Conference.

Unsettled Issues: OM&A:

- o As noted above, the appropriate treatment of Ontario's shift to a Harmonized Sales Tax, planned for implementation effective July 1, 2010, with respect to both capital expenditures and Operating Costs, will be the subject of written submissions;

- o The Parties agree that CND will incur an OM&A expenditure in the 2010 Test Year in the amount of $42,500 related to CND's change to monthly billing as part of the implementation of its new CIS system in November 2010. The Parties agree that CND's annual costs related to this change during the IRM period will be $312,000. While the calculations of these amounts have been agreed upon, the Parties have agreed that the question of whether the appropriate amount for inclusion in CND's 2010 Revenue Requirement should be $42,500 or a "normalized" value of the 2010-2013 expenditure of $244,625 (representing $42,500 for 2010 plus three years at $312,000) will be the subject of written submissions.

An updated OM&A calculation based on the expenditures accepted in this Settlement Agreement accompanies this Settlement Agreement as Attachment E.

Evidence References: Exhibit 4, Table 1
Exhibit 4, Table 2
Exhibit 4, Table 7
Exhibit 4, Table 8
Exhibit 4, Table 11
Interrogatory Response, OEB Question 20
Interrogatory Response, OEB Question 55

b. Is CND's depreciation policy and expenses appropriate?

Status: Complete Settlement

The Parties agreed that CND will change the 2009 depreciation amount to a full year calculation, consistent with CND's past practice for calculating depreciation expense, and that depreciation expense for 2010 will be based on the half year rule for capital additions in 2010. With these changes, the Parties agree that the depreciation policy and expenses are appropriate.

The Parties note that the Board's disposition of the issue relating to the treatment of HST may have an impact on the value of capital additions and, hence, depreciation for 2010.

Evidence References: Exhibit 4, Page 73 to 75

Interrogatory Response, OEB Staff Question 24

Interrogatory Response, Energy Probe Question #54(c)

Attachment B to this Settlement Agreement.

c. Is the Payment in Lieu of Taxes (including methodology) appropriate?

Status: Complete Settlement

The Parties agree that subject to the changes identified in the interrogatory process, the Payment in Lieu of Taxes (including methodology) is appropriate. Updated tax calculations accompany this Settlement Agreement as Attachment F.

Evidence References: Exhibit 4, Table 42

Exhibit 6, Table 1

Interrogatory Response, Board staff Question 25

Interrogatory Response, Board staff Question 55

Interrogatory Response, EP Question 40

Interrogatory Response, EP Question 41

Interrogatory Response, EP Question 60

Interrogatory Response, EP Question 61

5. COST OF CAPITAL AND CAPITAL STRUCTURE (Exhibit 5)

a. Are the proposed Capital Structure and Rate of Return on Equity appropriate?

Status: Not Settled

The Parties agree that CND's proposed debt to equity ratio for rate making purposes of 60% to 40% is appropriate However, the following two matters are not settled with respect to cost of capital:

- The percentage of CND's regulated capital structure that should be made up of short-term debt. The debt component is comprised of 56% long term debt and 4% short term debt. The intervenors, do not agree that 4% short term debt is an appropriate amount for CND for rate making purposes. The Parties have agreed that this matter will be the subject of written submissions.

- The Application provides for an adjustment based on the Board's updated cost of capital parameters. CND's position is that the methodology for determining the Return on Equity for the 2010 Test Year is as set out in the December 11, 2009 *Report of the Board on the Cost of Capital for Ontario's Regulated Utilities*, and that the Return on Equity applicable to CND should be determined on that basis. The intervenors do not agree that the rate should be determined as provided for in that Report. The Parties have agreed that this matter will be the subject of written submissions.

Evidence References: Exhibit 5

b. Is the proposed Return on Debt appropriate?

Status: Complete Settlement

The Parties agreed to reduce the affiliate debt amount to 4.99%, resulting in a long term debt rate of $4.99% for rate making purposes. (See Attachment G for details)

The parties agree that the Board's short term debt rate for the 2010 Test Year will be established in early 2010.

Evidence References: Exhibit 5, Table 1

Attachment G to this Settlement Agreement

6. CALCULATION OF REVENUE DEFICIENCY (Exhibit 6)

a. Is the calculation of Revenue Deficiency appropriate?

Status: Complete Settlement

The Parties agree that CND's calculation of the Revenue Deficiency is appropriate. The Parties acknowledge that with changes set out in this Settlement Agreement, CND's revenue requirement and the revenue deficiency calculation will change, but the Parties agree that CND's methodology for calculating the revenue deficiency is correct. An updated calculation of the Revenue Requirement and Revenue Deficiency reflecting changes that have been agreed upon to date by the Parties, subject to any further adjustments that may arise from the Board's disposition of the unsettled issues, accompanies this Settlement Agreement as Attachment D.

Evidence References: Exhibit 6, Table 1

Response to Interrogatory, VECC Question 29

Response to Interrogatory, OEB Question 55

b. Is the calculation of the proposed Revenue Requirement appropriate?

Status: Partial Settlement

The Parties agree that the adjustments to revenue, OM&A, depreciation methodology and long term debt cost discussed in this Settlement Agreement are appropriate. All of those adjustments will have impacts on CND's proposed Revenue Requirement. However, certain matters that remain unsettled, such as the treatment of HST, the percentage of short term debt for rate making purposes, and the rate of return on equity, will have impacts on CND's Revenue Requirement. Accordingly, it is not possible to provide the Board with a final proposed calculation of CND's Revenue Requirement for the 2010 Test Year at this time. To assist the Board, however, CND has prepared a table setting out an updated calculation of the Revenue Requirement and Revenue Deficiency that have been agreed upon to date by the Parties, subject to any further adjustments that may arise from the Board's disposition of the unsettled issues. That table accompanies this Settlement Agreement as Attachment D.

Evidence References: Exhibit 6

Interrogatory Response, VECC Question 29

Interrogatory Response, OEB Question 55

7. COST ALLOCATION (Exhibit 7)

a. Is CND's cost allocation appropriate?

Status: Complete Settlement

The Parties have agree that the cost allocation is appropriate including the exemption of the low voltage wheeling charges.

Evidence References: Exhibit 7, Table 1
Exhibit 7, Table 2
Exhibit 7, Table 5

b. Are the proposed revenue-to-cost ratios appropriate?

Status: Complete Settlement

The Parties agree that CND's proposed approach to cost allocation is appropriate for purposes of setting 2010 rates, subject to the following:

- In the Application, CND had proposed to shift the revenue-to-cost ratio for the Unmetered Scattered Load ("USL") Class from 110.09% (the result of the 2010 Cost Allocation Study) to 90.36%. The Parties have agreed that the revenue-to-cost ratio for the USL Class will remain at 110.09%. The additional revenue will be distributed to the General Service < 50 kW and General Service > 50 kW classes, as the revenue to cost ratios for these classes are the highest among CND's customer classes; and

- In the Application, CND proposed to move the Street Light Class (currently with a revenue to cost ratio of 13.72%) and the Large User Class (currently with a revenue to cost ratio of 56.14%) to 50% of the difference between their current ratios and the bottom of the Board-approved ranges for those classes for the 2010 Test Year. The additional revenue will be distributed to the General Service < 50 kW and General Service > 50 kW classes, as the revenue to cost ratios for these classes are the highest among CND's customer classes. The Parties agree with this approach. CND has also confirmed, and the Parties have agreed, that the revenue to cost ratios for these classes will be moved the remainder of the way to the bottom of the applicable Board-approved ranges in 2011

Evidence References: Exhibit 7, Table 5

8. RATE DESIGN (Exhibit 8)

a. Are the customer charges and the fixed-variable splits for each class appropriate?

Status: Complete Settlement

The Parties agree that CND's proposed approach to rate design for the Residential, General Service < 50 kW and General Service > 50 kW Classes is appropriate. As the Intervenors do not represent CND's other customer classes, they take no position on the appropriateness of CND's proposed approach to rate design for those other classes.

The Parties have agreed that, for those classes that are billed for distribution service on a kW basis, the 2010 kW forecast for these classes will be the forecasted 2010 kWh amount converted to kWs by the 2008 actual kW/kWh factor

Evidence References: Exhibit 8, Table 3
Exhibit 7, Table 4
Exhibit 7, Table 5

b. Are the customer bill impacts appropriate?

Status: Partial Settlement

The bill impacts are still subject to changes based on the outcome of the items submitted to the Board for disposal of through written submissions, and the Board's decisions on any matters. However, the Parties agree that regardless of the ultimate determination on those issues no rate classes face bill impacts in this proceeding that require mitigation efforts. Bill impact tables illustrating customer bill impacts based on the Application; based on updates to the Application as set out in CND's response to Board staff Interrogatory #55; based on the settled matters as set out in this Settlement Agreement using the Board's 2009 return on equity of 8.01%; and based on the settled matters as set out in this Settlement Agreement using a return on equity of 9.75% are provided at Attachment H.

Evidence References: Exhibit 8, Appendix A
Interrogatory Response, Board Staff Question #55

c. Are the proposed Retail Transmission Service, Wholesale Market and Rural and Remote Rate Protection rates appropriate?

Status: Complete Settlement

All Parties agreed that the Retail Transmission Service, Wholesale Market and Rural and Remote Rate Protection rates are appropriate

Evidence References: Exhibit 8, Table 12
Exhibit 8, Table 13
Exhibit 8, Table 14
Exhibit 8, Table 15
Exhibit 8, Table 16

d. Are the Specific Service Charges and the Transformer Allowance appropriate?

Status: Complete Settlement

All Parties agreed that the Specific Service Charges and the Transformer Allowance are appropriate

Evidence References: Exhibit 1, Page 7
Exhibit 8, Page 8

e. Is the Smart Meter funding adder appropriate?

Status: Complete Settlement

All Parties agreed that the Smart Meter funding adder is appropriate. There is no change to CND's current Smart Meter funding adder.

Evidence References: Exhibit 1, Table 1
Exhibit 8, Table 17

9. DEFERRAL AND VARIANCE ACCOUNTS (Exhibit 9)

a. Is the proposal for the amounts, disposition and continuance of CND's Deferral and Variance accounts appropriate?

Status: Complete Settlement

In the Application, CND had proposed to dispose of the December 31, 2008 balances, together with carrying charges calculated to April 30, 2010, over a single year in respect of the following accounts:

Group 1:

1550 Low Voltage Account
1580 RSVA Wholesale Market Service Charge Account
1584 RSVA Retail Transmission Network Charges Account
1586 RSVA Retail Transmission connection Charge Account
1588 RSVA Power (Not Including Global Adj. Sub. a/c) Account
1588 RSVA Power Account – Global Adj. Sub. Account
1590 Recovery of Regulatory Accounts Balances Account

Group 2

1508 Other Regulatory Assets Account – OEB Cost Assessment
1508 Other Regulatory Assets Account – Pension Contributions
1518 RCVA Retail Account
1548 RCVA Service Transaction Account
1582 One Time Wholesale Market Service Account

In the aggregate, the balances represent a credit of $9,040,874 to CND's customers.

In the Application, CND had proposed to dispose of this amount over a single year. The Parties have agreed that this amount will instead be disposed of over a two-year period.

In addition, CND's new CIS system with a capital cost of $1.85 Million is scheduled to go into service in November 2010. As described in section 2(d) above, the Parties have agreed that a Variance Account be established with respect to this capital cost.

Finally, the Parties also acknowledge that Board Staff have inquired as to whether CND's billing system is capable of assigning the balance in the Account 1588 RSVA Power Account – Global Adjustment Sub-Account only to non-RPP customers. The Parties take no position in this regard, although CND notes that its billing system is not capable of creating distinctions among members of the same class with respect to rate riders. The parties mention this matter in order to ensure that Board staff will have an opportunity to comment on it in the submissions that will follow the Board's approval of this Settlement Agreement. However, this should be considered a severable issue, in that the Board's determination of this matter will not affect the settlement among the Parties.

Evidence References: Exhibit 9
Interrogatory Response, Board Staff Question 35
Interrogatory Response, Board Staff Question 55

b. Are the proposed Deferral and Variance Account rate riders appropriate

Status: Complete Settlement

All Parties agreed to dispose of the Deferral and Variance Accounts balances over a period of two years. The balance proposed for disposition over this period is $9,040,874, as shown in the following table:

Deferral and Variance Accounts Balances shown in the Rate Application for Disposition	(9,314,681)
Adjustment Based on OEB, IR 35	(273,807)
Revised Balance proposed for Disposition	**(9,040,874)**

Evidence References: Exhibit 9, Table 1
Exhibit 9, Table 2
Exhibit 9, Table 3
Exhibit 9, Table 4
Exhibit 9, Table 5
Exhibit 9, Table 6
Exhibit 9, Table 7
Exhibit 9, Table 8
Exhibit 9, Table 9
Interrogatory Response, Board Staff Question #35
Interrogatory Response, Board Staff Question #55

ATTACHMENT A

LIST OF UNSETTLED MATTERS

UNSETTLED MATTERS

The matters set out below will be the subject of written submissions:

Issue 2(b): Are the amounts proposed for the Rate Base appropriate?

The Parties agree that the following matter related to Rate Base will be the subject of written submissions:

- the appropriate treatment of Ontario's shift to a Harmonized Sales Tax, planned for implementation effective July 1, 2010, with respect to both capital expenditures and Operating Costs.

Issue 2(c): Has the Working Capital Allowance been determined appropriately? (Also Ex. 6)

The Parties agree that the following matter related to Working Capital will be the subject of written submissions:

- the appropriateness of a lead-lag study being required for CND's next cost of service application.

Issue 3(a): Is the load forecast and methodology (including weather normalization) appropriate?

The Parties have agreed that the appropriateness of CND's load forecast, including the impact of CDM initiatives, for the 2010 Test Year will be the subject of written submissions.

Issue 3(d): Is the calculation of the proposed Revenue Requirement appropriate?

There is no issue here as to CND's methodology with respect to the calculation of its revenue requirement. This issue is noted as partially settled only because certain matters that remain unsettled, such as the treatment of HST, the percentage of short term debt for rate making purposes, and the rate of return on equity, will have impacts on CND's Revenue Requirement.

Issue 3(e): Is the calculation of the proposed Revenue Requirement appropriate?

The following matter will be the subject of written submissions:

- CND forecasts that it will lose the sum of $110,000 in the 2010 Test Year as a result of the discontinuation of water and sewer billing services to the City of

Cambridge and the Region of Waterloo as of September 30, 2010. In other words, the forecast shared services-related revenue offset of $440,000 will be reduced to $330,000 in the 2010 Test Year. CND further forecasts it will have a revenue shortfall of $440,000 for each year of the IRM period as it will no longer be providing these services. The Parties have agreed that the question of whether the appropriate amount for inclusion in CND's 2010 Revenue Requirement should be the 2010 forgone revenue ($110,000 per CND's forecast) or a "normalized" value of the 2010-2013 expenditure ($357,500 - representing $110,000 for 2010 plus three years at $440,000 per CND's forecasts) will be the subject of written submissions.

Issue 4(a): Are the overall levels of OM&A budgets appropriate?

The following matters will be the subject of written submissions:

- As noted above, the appropriate treatment of Ontario's shift to a Harmonized Sales Tax, planned for implementation effective July 1, 2010, with respect to both capital expenditures and Operating Costs, will be the subject of written submissions;

- The Parties agree that CND will incur an OM&A expenditure in the 2010 Test Year in the amount of $42,500 related to CND's change to monthly billing as part of the implementation of its new CIS system in November 2010. The Parties agree that CND's annual costs related to this change during the IRM period will be $312,000. While the calculations of these amounts have been agreed upon, the Parties have agreed that the question of whether the appropriate amount for inclusion in CND's 2010 Revenue Requirement should be $42,500 or a "normalized" value of the 2010-2013 expenditure of $244,625 (representing $42,500 for 2010 plus three years at $312,000) will be the subject of written submissions.

Issue 5(a): Are the proposed Capital Structure and Rate of Return on Equity appropriate?

The Parties agree that CND's proposed debt to equity ratio for rate making purposes of 60% to 40% is appropriate However, the following two matters are not settled with respect to cost of capital:

- The percentage of CND's regulated capital structure that should be made up of short-term debt. The debt component is comprised of 56% long term debt and 4% short term debt. The intervenors, do not agree that 4% short term debt is an appropriate amount for CND for rate making purposes. The Parties have agreed that this matter will be the subject of written submissions.

- The Application provides for an adjustment based on the Board's updated cost of capital parameters. CND's position is that the methodology for determining the Return on Equity for the 2010 Test Year is as set out in the December 11, 2009 *Report of the Board on the Cost of Capital for Ontario's Regulated Utilities*, and that the Return on Equity applicable to CND should be determined on that basis. The intervenors do not agree that the rate should be determined as provided for in that Report. The Parties have agreed that this matter will be the subject of written submissions.

Issue 9(a): Is the proposal for the amounts, disposition and continuance of CND's Deferral and Variance accounts appropriate?

The Parties acknowledge that Board Staff have inquired as to whether CND's billing system is capable of assigning the balance in the Account 1588 RSVA Power Account – Global Adjustment Sub-Account – only to non-RPP customers. The Parties take no position in this regard, although CND notes that its billing system is not capable of creating distinctions among members of the same class with respect to rate riders. The parties mention this matter in order to ensure that Board staff will have an opportunity to comment on it in the submissions that will follow the Board's approval of this Settlement Agreement. However, this should be considered a severable issue, in that the Board's determination of this matter will not affect the settlement among the Parties.

ATTACHMENT B

Updated Fixed Asset Continuity Schedules

2009 & 2010

Cambridge and North Dumfries Hydro Inc.
, License Number , File Number

Fixed Asset Continuity Schedule (Distribution & Operations)
As at December 31, 2009

CCA Class	OEB	Description	Cost: Opening Balance	Cost: Additions	Cost: Disposals	Cost: Closing Balance	Accumulated Depreciation: Opening Balance	Accumulated Depreciation: Additions	Accumulated Depreciation: Disposals	Accumulated Depreciation: Closing Balance	Net Book Value
N/A	1805	Land	395,225	74,000	61,721	407,504	0	0		0	407,504
CEC	1806	Land Rights	0	0		0	0	0		0	0
47	1808	Buildings and Fixtures	5,823,245	0	14,804	5,808,441	2,065,442	135,164	14,804	2,185,802	3,622,638
13	1810	Leasehold Improvements	0	0		0	0	0		0	0
47	1815	Transformer Station Equipment - Normally Primai	9,771,354	0		9,771,354	1,653,859	244,151		1,898,010	7,873,344
47	1820	Distribution Station Equipment - Normally Primary	55,653	0		55,653	55,653	0		55,653	1
47	1825	Storage Battery Equipment	0	0		0	0	0		0	0
47	1830	Poles, Towers and Fixtures	23,328,484	1,858,006		25,186,490	10,683,583	969,384		11,652,967	13,533,523
47	1835	Overhead Conductors and Devices	24,076,580	1,914,973		25,991,553	11,026,182	1,000,785		12,026,967	13,964,586
47	1840	Underground Conduit	21,273,070	1,677,154		22,950,224	10,397,956	883,195		11,281,151	11,669,073
47	1845	Underground Conductors and Devices	16,913,970	1,338,321		18,252,291	8,250,339	702,533		8,952,872	9,299,420
47	1850	Line Transformers	36,801,203	1,923,549		38,724,752	18,451,409	1,473,239		19,924,648	18,800,104
47	1855	Services	16,165,455	1,295,020		17,460,475	7,915,553	672,525		8,588,078	8,872,397
47	1860	Meters	9,136,785	194,977		9,331,762	4,523,889	332,550		4,856,439	4,475,323
N/A	1865	Other Installations on Customer's Premises	0	0		0	0	0		0	0
N/A	1870	Leased Property on Customer Premises	0	0		0	0	0		0	0
N/A	1875	Street Lighting and Signal Systems	0	0		0	0	0		0	0
N/A	1905	Land	0	0		0	0	0		0	0
CEC	1906	Land Rights	0	0		0	0	0		0	0
47	1908	Buildings and Fixtures	0	0		0	0	0		0	0
13	1910	Leasehold Improvements	0	0		0	0	0		0	0
8	1915	Office Furniture and Equipment	629,090	14,000		643,090	546,111	27,540		573,651	69,438
52	1920	Computer Equipment - Hardware	1,488,617	149,000	105,850	1,531,767	1,278,098	157,445	105,850	1,329,693	202,074
12	1925	Computer Software	1,191,464	194,000	44,142	1,341,322	344,552	323,437	44,142	623,847	717,475
10	1930	Transportation Equipment	3,299,888	729,000	445,183	3,583,705	2,576,159	300,941	445,183	2,431,917	1,151,789
8	1935	Stores Equipment	105,013	0		105,013	104,957	56		105,013	0
8	1940	Tools, Shop and Garage Equipment	1,283,612	145,000		1,428,612	1,017,096	69,168		1,086,264	342,348
8	1945	Measurement and Testing Equipment	0	0		0	0	0		0	0
8	1950	Power Operated Equipment	0	0		0	0	0		0	0
8	1955	Communication Equipment	0	0		0	0	0		0	0
8	1960	Miscellaneous Equipment	0	0		0	0	0		0	0
47	1970	Load Management Controls - Customer Premises	0	0		0	0	0		0	0
47	1975	Load Management Controls - Utility Premises	0	0		0	0	0		0	0
47	1980	System Supervisory Equipment	714,214	0		714,214	714,215	0		714,215	(1)
47	1985	Sentinel Lighting Rentals	0	0		0	0	0		0	0
47	1990	Other Tangible Property	0	0		0	0	0		0	0
47	1995	Contributions and Grants	(11,419,225)	(2,200,000)		(13,619,225)	(2,670,470)	(573,704)		(3,244,174)	(10,375,051)
0	2005	Property under Capital Lease	61,873	0		61,873	49,499	12,374		61,873	(0)
		Total before Work in Process	**161,095,570**	**9,307,000**	**671,700**	**169,730,870**	**78,984,081**	**6,730,783**	**609,979**	**85,104,885**	**84,625,985**
WIP		Work in Process	242,659	(42,659)		200,000	0			0	200,000
		Total after Work in Process	**161,338,229**	**9,264,341**	**671,700**	**169,930,870**	**78,984,081**	**6,730,783**	**609,979**	**85,104,885**	**84,825,985**

	1925	Transportation
	1930	Stores Equipment

Less: Fully Allocated Depreciation	
Transportation	300,941
Communication	
Net Depreciation	6,429,842

Cambridge and North Dumfries Hydro Inc.
, License Number , File Number

Fixed Asset Continuity Schedule (Distribution & Operations)
As at December 31, 2010

			Cost				Accumulated Depreciation				
CCA Class	OEB	Description	Opening Balance	Additions	Disposals	Closing Balance	Opening Balance	Additions	Disposals	Closing Balance	Net Book Value
N/A	1805	Land	407,504	35,000	67,043	375,461	0	0		0	375,461
CEC	1806	Land Rights	0	0	0	0	0	0		0	0
47	1808	Buildings and Fixtures	5,808,441	115,000	8,723	5,914,718	2,185,802	137,964	7,613	2,316,153	3,598,564
13	1810	Leasehold Improvements	0	0	0	0	0	0		0	0
47	1815	Transformer Station Equipment - Normally Prima	9,771,354	0	0	9,771,354	1,898,010	244,151		2,142,161	7,629,193
47	1820	Distribution Station Equipment - Normally Primar	55,653	0	0	55,653	55,653	0		55,653	1
47	1825	Storage Battery Equipment	0	0	0	0	0	0		0	0
47	1830	Poles, Towers and Fixtures	25,186,490	1,665,172	0	26,851,662	11,652,967	936,066		12,589,033	14,262,629
47	1835	Overhead Conductors and Devices	25,991,553	1,716,284	0	27,707,837	12,026,967	966,447		12,993,414	14,714,423
47	1840	Underground Conduit	22,950,224	1,502,869	0	24,453,093	11,281,151	853,125		12,134,276	12,318,817
47	1845	Underground Conductors and Devices	18,252,291	1,198,888		19,451,179	8,952,872	678,538		9,631,410	9,819,770
47	1850	Line Transformers	38,724,752	1,723,457		40,448,209	19,924,648	1,439,148		21,363,796	19,084,413
47	1855	Services	17,460,475	1,160,330		18,620,805	8,588,078	649,299		9,237,377	9,383,428
47	1860	Meters	9,331,762	100,000		9,431,762	4,856,439	330,970		5,187,409	4,244,353
N/A	1865	Other Installations on Customer's Premises	0	0		0	0	0		0	0
N/A	1870	Leased Property on Customer Premises	0	0		0	0	0		0	0
N/A	1875	Street Lighting and Signal Systems	0	0		0	0	0		0	0
N/A	1905	Land	0	0		0	0	0		0	0
CEC	1906	Land Rights	0	0		0	0	0		0	0
47	1908	Buildings and Fixtures	0	0		0	0	0		0	0
13	1910	Leasehold Improvements	0	0		0	0	0		0	0
8	1915	Office Furniture and Equipment	643,090	83,000		726,090	573,651	22,994		596,645	129,444
52	1920	Computer Equipment - Hardware	1,531,767	167,000		1,698,767	1,329,693	147,601		1,477,294	221,473
12	1925	Computer Software	1,341,322	2,985,000	110,678	4,215,644	623,847	456,517	110,678	969,686	3,245,958
10	1930	Transportation Equipment	3,583,705	125,000	74,890	3,633,815	2,431,917	243,641	74,890	2,600,668	1,033,148
8	1935	Stores Equipment	105,013	0		105,013	105,013	0		105,013	0
8	1940	Tools, Shop and Garage Equipment	1,428,612	95,000		1,523,612	1,086,264	62,245		1,148,509	375,103
8	1945	Measurement and Testing Equipment	0	0		0	0	0		0	0
8	1950	Power Operated Equipment	0	0		0	0	0		0	0
8	1955	Communication Equipment	0	0		0	0	0		0	0
8	1960	Miscellaneous Equipment	0	0		0	0	0		0	0
47	1970	Load Management Controls - Customer Premise	0	0		0	0	0		0	0
47	1975	Load Management Controls - Utility Premises	0	0		0	0	0		0	0
47	1980	System Supervisory Equipment	714,214	0		714,214	714,215	0		714,215	(1)
47	1985	Sentinel Lighting Rentals	0	0		0	0	0		0	0
47	1990	Other Tangible Property	0	0		0	0	0		0	0
47	1995	Contributions and Grants	(13,619,225)	(1,267,000)		(14,886,225)	(3,244,174)	(540,080)		(3,784,254)	(11,101,971)
	2005	Property under Capital Lease	61,873			61,873	61,873	0		61,873	(0)
		Total before Work in Process	**169,730,870**	**11,405,000**	**261,334**	**180,874,536**	**85,104,885**	**6,628,626**	**193,181**	**91,540,330**	**89,334,206**
WIP		Work in Process	200,000			200,000	0			0	200,000
		Total after Work in Process	**169,930,870**	**11,405,000**	**261,334**	**181,074,536**	**85,104,885**	**6,628,626**	**193,181**	**91,540,330**	**89,534,206**

	1925	Transportation
	1930	Stores Equipment

Less: Fully Allocated Depreciation	
Transportation	243,641
Communication	
Net Depreciation	6,384,985

ATTACHMENT C

Updated Cost of Power Calculation

Updated Cost of Power Based on RPP and Non- RPP Pricing from Oct 15, 2009 Navigant Report

Electricity - Commodity				
2010 Forecasted Loss Adjusted kWhs	**2010**			
	kWhs	**Percentage**	**Price per kWh**	**Amount**
kWhs for RPP Customer	486,745,730	34%	0.06215	30,251,247
kWhs for Non - RPP Customer	933,806,589	66%	0.0582	54,347,543
Total	**1,420,552,319**	**100%**		**84,598,791**

Transmission - Network		**Volume**			
Class per Load Forecast		**Metric**	**2010**		
Residential		kWh	373,947,619	$0.0045	$1,664,254
GS<50kW		kWh	161,384,873	$0.0040	$651,430
GS>50kW		kW	1,270,387	$2.5866	$3,285,942
TOU		kW	471,838	$1.9645	$926,942
LU		kW	308,824	$1.8616	$574,891
ST.Light		kW	24,144	$1.2998	$31,382
Unmetered Scattered Load		kWh	1,904,518	$0.0040	$7,688
Embedded Distributor		kW	103,266	$1.8616	$192,235
TOTAL					**$7,334,764**

Transmission - Connection		**Volume**			
Class per Load Forecast		**Metric**	**2010**		
Residential		kWh	373,947,619	$0.0032	$1,210,693
GS<50kW		kWh	161,384,873	$0.0030	$481,250
GS>50kW		kW	1,270,387	$1.8511	$2,351,556
TOU		kW	471,838	$1.4527	$685,461
LU		kW	308,824	$1.4788	$456,694
ST.Light		kW	24,144	$0.9302	$22,460
Unmetered Scattered Load		kWh	1,904,518	$0.0030	$5,679
Embedded Distributor		kW	103,266	$1.4788	$152,711
TOTAL					**$5,366,503**

Wholesale Market Service					
Class per Load Forecast			**2010**		
Residential			373,947,619	$0.0052	$1,944,528
GS<50kW			161,384,873	$0.0052	$839,201
GS>50kW			491,751,759	$0.0052	$2,557,109
TOU			218,369,738	$0.0052	$1,135,523
LU			163,475,627	$0.0052	$850,073
ST.Light			9,718,183	$0.0052	$50,535
Unmetered Scattered Load			1,904,518	$0.0052	$9,903
TOTAL					**$7,386,872**

Rural Rate Assistance					
Class per Load Forecast			**2010**		
Residential			373,947,619	$0.0013	$486,132
GS<50kW			161,384,873	$0.0013	$209,800
GS>50kW			491,751,759	$0.0013	$639,277
TOU			218,369,738	$0.0013	$283,881
LU			163,475,627	$0.0013	$212,518
ST.Light			9,718,183	$0.0013	$12,634
Unmetered Scattered Load			1,904,518	$0.0013	$2,476
TOTAL					**$1,846,718**

	2010	**OEB Acct**
4705-Power Purchased	84,598,791	4705
4708-Charges-WMS	$7,386,872	4708
4714-Charges-NW	$7,334,764	4714
4716-Charges-CN	$5,366,503	4716
4730-Rural Rate Assistance	$1,846,718	4730
4750-Low Voltage	$84,252	4750
TOTAL	**106,617,900**	

ATTACHMENT D

Updated Revenue Requirement/Revenue Deficiency Calculation

UPDATED REVENUE REQUIREMENT/REVENUE DEFICIENCY CALCULATION
UPDATED FEBRUARY 17, 2010 – Sheet 1 of 2

Cambridge and North Dumfries Hydro Inc.
Revenue Deficiency Determination

Description	2009 Bridge Actual	2010 Test Existing Rates	2010 Test - Required Revenue
Revenue			
Revenue Deficiency			2,450,753
Distribution Revenue	21,088,569	19,724,153	19,724,153
Other Operating Revenue (Net)	1,838,445	1,589,120	1,589,120
Smart Meter Deferral Account Adjustment			
Total Revenue	22,927,014	21,313,273	23,764,026
Costs and Expenses			
Administrative & General, Billing & Collecting	5,728,013	6,262,710	6,262,710
Operation & Maintenance	3,818,029	4,038,898	4,038,898
Depreciation & Amortization	6,429,842	6,384,985	6,384,985
Property Taxes	0	0	0
Capital Taxes	196,505	67,139	67,139
Deemed Interest	2,641,926	2,978,011	2,978,011
Total Costs and Expenses	18,814,316	19,731,743	19,731,743
Less OCT Included Above			
Total Costs and Expenses Net of OCT	18,814,316	19,731,743	19,731,743
Utility Income Before Income Taxes	4,112,698	1,581,530	4,032,283
Income Taxes:			
Corporate Income Taxes	1,330,897	(15,674)	683,526
Total Income Taxes	1,330,897	(15,674)	683,526
Utility Net Income	2,781,801	1,597,204	3,348,757
Capital Tax Expense Calculation:			
Total Rate Base	102,335,730	104,518,021	104,518,021
Exemption	15,000,000	15,000,000	15,000,000
Deemed Taxable Capital	87,335,730	89,518,021	89,518,021
Ontario Capital Tax	196,505	67,139	67,139
Income Tax Expense Calculation:			
Accounting Income	4,112,698	1,581,530	4,032,283
Tax Adjustments to Accounting Income	(79,677)	(1,636,468)	(1,636,468)
Taxable Income	4,033,021	(54,938)	2,395,815
Income Tax Expense	1,330,897	(15,674)	683,526
	33.00%	28.53%	28.53%
Actual Return on Rate Base:			
Rate Base	102,335,730	104,518,021	104,518,021
Interest Expense	2,641,926	2,978,011	2,978,011
Net Income	2,781,801	1,597,204	3,348,757
Total Actual Return on Rate Base	5,423,727	4,575,215	6,326,768
Actual Return on Rate Base	5.30%	4.38%	6.05%
Required Return on Rate Base:			
Rate Base	102,335,730	104,518,021	104,518,021
Return Rates:			
Return on Debt (Weighted)	4.99%	4.75%	4.75%
Return on Equity	9.00%	8.01%	8.01%
Deemed Interest Expense	2,723,429	2,978,011	2,978,011
Return On Equity	4,301,171	3,348,757	3,348,757
Total Return	7,024,600	6,326,768	6,326,768
Expected Return on Rate Base	6.86%	6.05%	6.05%
Revenue Deficiency After Tax	1,600,872	1,751,553	0
Revenue Deficiency Before Tax	2,389,362	2,450,753	0

Tax Exhibit	2010
Deemed Utility Income	3,348,757
Tax Adjustments to Accounting Income	(1,636,468)
Taxable Income prior to adjusting revenue to PILs	1,712,289
Tax Rate	28.53%
Total PILs before gross up	488,516
Grossed up PILs	683,526

Attachment D - Sheet 2 of 2

REVENUE REQUIREMENT - UPDATED FEBRUARY 17, 2010

	As Filed (Aug 2009)	As per Response to Interrogatory, OEB Question 55	As per Settlement Agreement (Before CoC Impact)	As per Settlement Agreement (including CoC Estimate Impact)
Net Fixed Assets	87,131,193	87,135,629	86,980,095	86,980,095
Working Capital	18,989,476	17,826,114	17,537,926	17,537,926
Rate Base	106,120,669	104,961,743	104,518,021	104,518,021
Deemed Long - Term Debt Component %	56.00%	56.00%	56.00%	56.00%
Deemed Short - Term Debt Component %	4.00%	4.00%	4.00%	4.00%
Deemed Equity Component %	40.00%	40.00%	40.00%	40.00%
Long - Term Debt Rate	5.20%	5.20%	4.99%	4.99%
Short - Term Debt Rate	1.33%	1.33%	1.33%	1.33%
Return Equity	8.01%	8.01%	8.01%	9.75%
Weighted Average Cost of Capital	6.17%	6.17%	6.05%	6.75%
Cost of Capital (Return on Rate Base)	**6,547,776**		**6,326,768**	**7,054,214**
OM&A	10,658,608	10,637,608	10,301,608	10,301,608
Municipal and Property Taxes				
Depreciation and Amortization	6,490,738	6,588,267	6,384,985	6,384,985
Pils	1,261,813	842,887	750,667	1,077,569
Service Revenue Requirement	**24,958,934**	**24,544,976**	**23,764,026**	**24,818,550**
Revenue Offset	1,613,010	1,564,120	1,589,120	1,589,120
Base Revenue Requirement	**23,345,924**	**22,980,856**	**22,174,906**	**23,229,430**

ATTACHMENT E

Updated OM&A Calculation

UPDATED OM&A CALCULATION

	Description	2006 Board Approved	2006 Actual	2007 Actual	2008 Actual	2009 Bridge	2010 Test
5005	Operation Supervision and Engineering	158,745	145,958	190,683	241,139	283,714	288,455
5014	Transformer Station Equipment - Operation Labour	24,088	32,737	36,182	55,013	46,692	48,574
5015	Transformer Station Equipment - Operation Supplies and Expenses	96,185	(220,769)	46,763	55,068	58,720	63,679
5016	Distribution Station Equipment - Operation Labour	131,451	72,451	65,354	73,860	30,341	15,806
5017	Distribution Station Equipment - Operation Supplies and Expenses	120,752	71,399	73,373	52,326	57,850	38,749
5020	Overhead Distribution Lines and Feeders - Operation Labour	784,461	796,326	809,462	950,915	1,007,853	1,088,365
5025	Overhead Distribution Lines & Feeders - Operation Supplies and Expenses	260,409	210,432	230,864	282,260	256,303	278,639
5040	Underground Distribution Lines and Feeders - Operation Labour	426,775	323,330	334,176	342,110	342,663	432,221
5045	Underground Distribution Lines & Feeders - Operation Supplies & Expenses	66,037	84,644	121,655	150,499	153,938	160,572
5055	Underground Distribution Transformers - Operation	38,847	55,957	50,678	46,298	52,645	53,516
5065	Meter Expense	228,579	202,908	269,233	257,241	272,616	282,276
5070	Customer Premises - Operation Labour	46,844	40,984	50,740	73,294	57,894	68,238
5075	Customer Premises - Materials and Expenses	12,348	11,065	14,750	23,929	19,459	21,569
5095	Overhead Distribution Lines and Feeders - Rental Paid	25,097	32,124	30,948	31,003	32,000	32,000
	Sub Total - Operations	**2,420,617**	**1,859,546**	**2,324,862**	**2,634,955**	**2,672,688**	**2,872,659**
5110	Maintenance of Buildings and Fixtures - Distribution Stations	-	-	-	2,188	400	400
5112	Maintenance of Transformer Station Equipment	15,510	6,245	14,022	36,175	21,250	42,259
5120	Maintenance of Poles, Towers and Fixtures	113,194	125,124	126,801	135,434	100,099	111,442
5125	Maintenance of Overhead Conductors and Devices	116,822	129,134	130,865	139,777	135,844	152,203
5130	Maintenance of Overhead Services	14,568	17,775	18,013	19,228	13,998	15,582
5135	Overhead Distribution Lines and Feeders - Right of Way	363,254	340,777	448,013	417,669	498,359	451,187
5145	Maintenance of Underground Conduit	26,760	23,838	32,794	62,358	63,783	66,532
5150	Maintenance of Underground Conductors and Devices	20,585	18,337	25,226	47,968	49,064	51,178
5155	Maintenance of Underground Services	17,456	15,550	21,391	38,974	39,865	41,583
5160	Maintenance of Line Transformers	64,331	45,873	27,995	83,035	94,407	95,975
5175	Maintenance of Meters	138,221	114,086	130,369	134,656	128,272	137,898
	Sub Total - Maintenance	**890,701**	**836,739**	**975,488**	**1,117,462**	**1,145,341**	**1,166,239**
5310	Meter Reading Expense	597,136	588,074	605,866	534,054	530,277	455,227
5315	Customer Billing	129,083	115,589	155,915	169,921	306,106	444,868
5320	Collecting	181,561	158,544	138,419	139,869	151,884	249,504
5325	Collecting- Cash Over and Short	112	517	376	421	350	350
5330	Collection Charges	-	(53,051)	(5,100)	(2,310)	(2,400)	(2,355)
5335	Bad Debt Expense	108,670	100,961	258,213	375,980	210,000	300,000
5340	Miscellaneous Customer Accounts Expenses	-	-	-	-	-	-
	Sub- Total Billing and Collecting	**1,016,562**	**910,634**	**1,153,689**	**1,217,935**	**1,196,217**	**1,447,594**
5410	Community Relations - Sundry	35,257	6,242	7,458	16,093	17,650	12,866
5420	Community Safety Program	45	6,242	8,022	7,376	8,125	8,315
5425	Miscellaneous Customer Service and Informational Expenses	-	16,234	41,600	15,963	35,597	25,788
	Sub- Total Community Relations	**35,302**	**28,718**	**57,080**	**39,432**	**61,372**	**46,969**
5605	Executive Salaries and Expenses	1,034,882	1,034,657	1,177,852	1,190,921	1,191,968	1,267,449
5610	Management Salaries and Expenses	358,140	404,060	455,478	476,379	507,859	531,221
5615	General Administrative Salaries and Expenses	961,669	789,924	926,923	941,330	988,218	1,175,449
5620	Office Supplies and Expenses	465,773	518,397	533,394	514,294	668,107	592,363
5630	Outside Services Employed	67,633	79,760	87,144	59,469	128,000	137,695
5635	Property Insurance	43,009	43,846	38,378	41,375	45,152	44,411
5640	Injuries and Damages	119,290	131,939	131,939	128,843	132,708	136,689
5645	Employee Pensions and Benefits	75,339	104,998	102,306	105,144	107,400	120,103
5650	Franchise Requirements	-	-	-	-	-	-
5655	Regulatory Expenses	207,934	53,585	53,585	179,402	262,080	313,959
5660	General Advertising Expenses	-	-	-	-	-	-
5665	Miscellaneous General Expenses	190,683	161,148	166,423	167,140	171,300	177,042
5675	Maintenance of General Plant	236,747	245,661	241,571	266,400	267,632	271,766
	Sub- Total Administrative and General	**3,761,100**	**3,567,975**	**3,914,994**	**4,070,697**	**4,470,424**	**4,768,147**
	Total - OM&A	**8,124,283**	**7,203,612**	**8,426,112**	**9,080,481**	**9,546,042**	**10,301,608**

ATTACHMENT F

Updated Tax Calculation

Updated CCA Schedules for 2009 as per Settlement Conference

CCA Continuity Schedule (2009)

Class	Class Description	UCC Prior Year Ending Balance	Less: Non-Distribution Portion	Less: Disallowed FMV Increment	UCC Bridge Year Opening Balance	Additions	Dispositions	UCC Before 1/2 Yr Adjustment	1/2 Year Rule {1/2 Additions Less Disposals}	Reduced UCC	Rate %	CCA	UCC Ending Balance
1	Distribution System - 1988 to 22-Feb-2005	34,498,531	0	0	34,498,531	-	-	34,498,531	0	34,498,531	4%	1,379,941	33,118,590
2	Distribution System - pre 1988	31,864,903	0	0	31,864,903	-	-	31,864,903	0	31,864,903	6%	1,911,894	29,953,009
6	Buildings (No footings below ground)	42,073	0	0	42,073	-	-	42,073	0	42,073	10%	4,207	37,866
8	General Office/Stores Equip	482,701	0	0	482,701	159,000.00	-	641,701	79,500	562,201	20%	112,440	529,261
10	Computer Hardware/ Vehicles	838,593	0	0	838,593	729,000.00	57,777.00	1,509,816	335,612	1,174,205	30%	352,261	1,157,555
10.1	Certain Automobiles	0	0	0	0	-	-	0	0	0	30%	0	0
12	Computer Software	296,208	0	0	296,208	194,000.00	-	490,208	97,000	393,208	100%	393,208	97,000
3	Building including Components after 1978 and before 1988	768,229	0	0	768,229	-	-	768,229	0	768,229	5%	38,411	729,818
			0	0	0	-	-	0	0	0		0	0
13 3	Lease # 3	0	0	0	0	-	-	0	0	0		0	0
13 4	Lease # 4	0	0	0	0	-	-	0	0	0		0	0
14	Franchise	0	0	0	0	-	-	0	0	0		0	0
17	New Electrical Generating Equipment Acq'd after Feb 27/00 Other Than Bldgs	265,816	0	0	265,816	-	-	265,816	0	265,816	8%	21,265	244,551
43.1	Certain Energy-Efficient Electrical Generating Equipment	0	0	0	0	-	-	0	0	0	30%	0	0
45	Computers & Systems Hardware acq'd post Mar 22/04	29,721	0	0	29,721	-	-	29,721	0	29,721	45%	13,374	16,347
50	Computers & Systems Hardware acq'd post Mar 19/07	156,625	0	0	156,625	-	-	156,625	0	156,625	55%	86,144	70,481
46	Data Network Infrastructure Equipment (acq'd post Mar 22/04)	0	0	0	0	-	-	0	0	0	30%	0	0
47	Distribution System - post 22-Feb-2005	23,531,206			23,531,206	8,002,000.00	-	31,533,206	4,001,000	27,532,206	8%	2,202,576	29,330,630
52	Computer Hardware & System Purchase after Jan 27, 2009 and Prior feb 20100	0	0	0	0	149,000.00	-	149,000	0	149,000	100%	149,000	0
	SUB-TOTAL - UCC	**92,774,606**	**0**	**0**	**92,774,606**	**9,233,000**	**57,777**	**101,949,829**	**4,513,112**	**97,436,718**		**6,664,724**	**95,285,105**

Updated CCA Schedules for 2010 as per Settlement Conference

CCA Continuity Schedule (2010)

Class	Class Description	UCC Prior Year Ending Balance	Less: Non-Distribution Portion	Less: Disallowed FMV Increment	UCC Bridge Year Opening Balance	Additions	Dispositions	UCC Before 1/2 Yr Adjustment	1/2 Year Rule {1/2 Additions Less Disposals}	Reduced UCC	Rate %	CCA	UCC Ending Balance
1	**Distribution System - 1988 to 22-Feb-2005**	33,118,590	0	0	33,118,590	-	-	33,118,590	0	33,118,590	4%	1,324,744	31,793,846
2	**Distribution System - pre 1988**	29,953,009	0	0	29,953,009	-	-	29,953,009	0	29,953,009	6%	1,797,181	28,155,828
6	**Buildings (No footings below ground)**	37,866	0	0	37,866	-	-	37,866	0	37,866	10%	3,787	34,079
8	**General Office/Stores Equip**	529,261	0	0	529,261	178,000.00	-	707,261	89,000	618,261	20%	123,652	583,609
10	**Computer Hardware/ Vehicles**	1,157,555	0	0	1,157,555	125,000.00	4,500.00	1,278,055	60,250	1,217,805	30%	365,341	912,713
10.1	**Certain Automobiles**	0	0	0	0	-	-	0	0	0	30%	0	0
12	**Computer Software**	97,000	0	0	97,000	2,985,000.00	-	3,082,000	1,492,500	1,589,500	100%	1,589,500	1,492,500
3	**Building including Components after 1978 and before 1988**	729,818	0	0	729,818	-	-	729,818	0	729,818	5%	36,491	693,327
		0	0	0	0	-	-	0	0	0	0%	0	0
13 3	**Lease # 3**	0	0	0	0	-	-	0	0	0		0	0
13 4	**Lease # 4**	0	0	0	0	-	-	0	0	0		0	0
14	**Franchise**	0	0	0	0	-	-	0	0	0		0	0
17	**New Electrical Generating Equipment Acq'd after Feb 27/00 Other Than Bldgs**	244,551	0	0	244,551	-	-	244,551	0	244,551	8%	19,564	224,987
43.1	**Certain Energy-Efficient Electrical Generating Equipment**	0	0	0	0	-	-	0	0	0	30%	0	0
45	**Computers & Systems Hardware acq'd post Mar 22/04**	16,347	0	0	16,347	-	-	16,347	0	16,347	45%	7,356	8,991
50	**Computers & Systems Hardware acq'd post Mar 19/07**	70,481	0	0	70,481	-	-	70,481	0	70,481	55%	38,765	31,717
46	**Data Network Infrastructure Equipment (acq'd post Mar 22/04)**	0	0	0	0	-	-	0	0	0	30%	0	0
47	**Distribution System - post 22-Feb-2005**	29,330,630	0		29,330,630	7,915,000.00	-	37,245,630	3,957,500	33,288,130	8%	2,663,050	34,582,579
52	**Computer Hardware & System Purchase after Jan 27, 2009 and Prior feb 20100**	0	0	0	0	167,000.00	-	167,000	0	167,000	100%	167,000	0
	SUB-TOTAL - UCC	**95,285,105**	**0**	**0**	**95,285,105**	**11,370,000**	**4,500**	**106,650,605**	**5,599,250**	**101,051,355**		**8,136,430**	**98,514,175**

Revised Table 42 – Detail Tax Calculation – UPDATED FEBRUARY 17, 2010

Description	2009 Bridge	2010 Test
Determination of Taxable Income		
Utility Income Before Taxes	4,112,698	4,032,283
Book to Tax Adjustments		
Additions to Accounting Income:		
Interest and penalties on taxes	0	0
Amortization of tangible assets	6,730,783	6,628,626
Charitable donations	4,500	0
Non-deductible club dues and fees	0	0
Non-deductible meals and entertainment expense	0	0
Reserves from financial statements- balance at end of year	1,800,360	1,800,360
Pensions	0	0
Non-deductible penalties	0	0
Debt Financing Expenses for Book Purposes	0	0
Other Additions	23,607	34,047
Total Additions	**8,559,250**	**8,463,033**
Deductions from Accounting Income:		
Gain on disposal of assets per financial statements	0	0
Dividends not taxable under section 83	0	0
Capital cost allowance from Schedule 8	6,664,724	8,136,430
Terminal loss from Schedule 8	0	0
Cumulative eligible capital deduction from Schedule 10	159,030	147,898
Reserves from financial statements - balance at beginning of year	1,800,360	1,800,360
Other Deductions	14,813	14,813
Total Deductions	**8,638,927**	**10,099,501**
Regulatory Taxable Income	**4,033,021**	**2,395,815**
Corporate Income Tax Rate	33.00%	28.53%
Regulatory Income Tax	**1,330,897**	**683,526**
Calculation of Utility Income Taxes		
Income Taxes	1,330,897	683,526
Large Corporation Tax	0	0
Ontario Capital Tax	196,505	67,139
Total Taxes	**1,527,402**	**750,665**
Large Corporation Tax		
Calculation of Ontario Capital Tax		
Total Rate Base	102,335,730	104,518,021
Less Exemption	15,000,000	15,000,000
Taxable Capital /Deemed taxable capital	**87,335,730**	**89,518,021**
OCT Rate	0.225%	0.075%
Ontario Capital Tax	**196,505**	**67,139**
Summary of Income Taxes		

Description	2009 Bridge	2010 Test
Income Taxes	1,330,897	683,526
Large Corporation Tax	0	0
Ontario Capital Tax	196,505	67,139
Total Taxes	**1,527,402**	**750,665**

Summary of Taxes – UPDATED FEBRUARY 17, 2010

2010 PILs Schedule

Description	Source or Input	Tax Payable
Accounting Income	10' Rev Def	4,032,283
Tax Adj to Accounting Income	10' Rev Def	(1,636,468)
Taxable Income		**2,395,815**
Combined Income Tax Rate	PILs Rates	31.00%
Total Income Taxes		**742,703**
Investment Tax Credits		
Miscellaneous Tax Credits		59,174
Total Tax Credits		-
Total PILs		**683,529**

2010 Total Taxes

Description	Tax Payable
Total PILs	683,529
Net Capital Tax Payable	67,139
PILs including Capital Taxes	750,667

Income Tax as per Revenue Deficiency		742,703
Ontario Capital Tax		67,139
		809,841
Less: Tax Credit		
Tax Saving from changes to Small Business Deductions	(27,174)	
Ontario Apprenticeship Training Tax Credit	(30,000)	
Federal Training Tax Credit	(2,000)	(59,174)
Total Taxes		**750,667**

ATTACHMENT G

Updated Weighted Average Cost of Debt Calculation

UPDATED WEIGHTED AVERAGE COST OF DEBT FOR 2010

Description	Debt	Rate	Interest Cost
Shareholder loan	3,019,703	4.99%	150,683
Demand loan	35,000,000	4.99%	1,747,550
Total	**38,019,703**		**1,898,233**
Weighted Average Cost of Debt = Total Interest Cost/Total Debt			**4.99%**

ATTACHMENT H

Bill Impacts

2010 Total Bill Impact (Prefiled Evidence)

			2009 Rates				2010 Rates				2010 Change	
	kWh	kW	Distribution	Rate Rider ($)	Non-Distribution ($)	Total	Distribution	Rate Rider ($)	Non-Distribution ($)	Total	$	%
Residential												
	100		10.15	1.00	9.16	20.31	11.34	0.18	9.02	20.54	0.23	1.13%
	250		12.28	1.00	22.16	35.44	13.70	(1.06)	21.75	34.39	(1.05)	-2.96%
	500		15.83	1.00	43.84	60.67	17.65	(3.12)	42.95	57.48	(3.19)	-5.26%
	800		20.09	1.00	72.08	93.17	22.39	(5.58)	70.51	87.32	(5.85)	-6.28%
	1,000		22.93	1.00	91.36	115.29	25.55	(7.23)	89.41	107.73	(7.56)	-6.56%
	1,500		30.03	1.00	139.63	170.66	33.45	(11.35)	136.68	158.78	(11.88)	-6.96%
	2,000		37.13	1.00	187.90	226.03	41.35	(15.46)	183.95	209.84	(16.19)	-7.16%
GS<50 kW										-		
	1,000		25.37	1.00	89.30	115.67	25.22	(5.89)	87.32	106.65	(9.02)	-7.80%
	2,000		38.47	1.00	185.02	224.49	38.22	(12.78)	181.06	206.50	(17.99)	-8.01%
	5,000		77.77	1.00	472.19	550.96	77.22	(33.45)	462.30	506.07	(44.89)	-8.15%
	10,000		143.27	1.00	950.81	1,095.08	142.22	(67.90)	931.03	1,005.35	(89.73)	-8.19%
	15,000		208.77	1.00	1,429.43	1,639.20	207.22	(102.35)	1,399.75	1,504.62	(134.58)	-8.21%
										-		
GS >50- 999 kW										-		
	20,000	60	300.79	1.00	1,945.66	2,247.45	334.94	(118.30)	1,922.26	2,138.90	(108.55)	-4.83%
	30,000	100	435.19	1.00	2,968.78	3,404.97	484.70	(197.83)	2,898.32	3,185.19	(219.78)	-6.45%
	100,000	199	767.83	1.00	9,175.13	9,943.96	855.36	(394.68)	8,992.49	9,453.17	(490.79)	-4.94%
GS >1,000 - 4, 999 kW										-		
	500,000	1,500	5,063.18	1.00	46,764.19	51,828.37	5,580.33	(3,389.59)	45,724.15	47,914.89	(3,913.48)	-7.55%
	1,200,000	3,000	7,539.23	1.00	105,527.43	113,067.66	8,481.78	(6,780.18)	104,393.82	106,095.42	(6,972.24)	-6.17%
	1,600,000	4,000	9,789.93	1.00	140,690.11	150,481.04	11,017.08	(9,041.57)	139,177.09	141,152.60	(9,328.44)	-6.20%
Large Users >5000 kW										-		
	2,850,000	5,500	11,165.89	1.00	243,727.06	254,893.95	15,847.37	(14,390.51)	241,529.58	242,986.44	(11,907.51)	-4.67%
	16,500,000	33,000	45,081.64	1.00	1,414,381.60	1,459,464.24	63,977.87	(86,348.07)	1,400,851.14	1,378,480.94	(80,983.30)	-5.55%
										-		
Street Lighting	Connections									-		
	2,118	640	1,674.52		15,488.81	17,163.33	7,022.76	(1,174.01)	15,419.09	21,267.84	4,104.51	23.91%
	9,871	1,563	5,358.06		35,542.36	40,900.42	22,484.12	(2,867.16)	35,605.34	55,222.30	14,321.88	35.02%
Unmetered Scattered Load	Connections									-		
	126	32,529	1,198.50		2,832.09	4,030.59	1,630.08	(234.71)	2,793.05	4,188.42	157.83	3.92%
	271	112,194	3,130.98		9,717.99	12,848.97	4,502.64	(809.53)	8,727.51	12,420.62	(428.35)	-3.33%

2010 Total Bill Impact (Per Response to Interrogary, OEB Question 55) - UPDATED FEBRUARY 17, 2010

			2009 Rates				2010 Rates				2010 Change	
	kWh	kW	Distribution	Rate Rider ($)	Non-Distribution ($)	Total	Distribution	Rate Rider ($)	Non-Distribution ($)	Total	$	%
Residential												
	100		10.15	1.00	9.16	20.31	11.84	0.23	9.05	21.12	0.81	3.99%
	250		12.28	1.00	22.16	35.44	14.33	(0.92)	21.78	35.19	(0.25)	-0.71%
	500		15.83	1.00	43.84	60.67	18.48	(2.83)	43.00	58.65	(2.02)	-3.33%
	800		20.09	1.00	72.08	93.17	23.46	(5.13)	70.58	88.91	(4.26)	-4.57%
	1,000		22.93	1.00	91.36	115.29	26.78	(6.67)	89.50	109.61	(5.68)	-4.93%
	1,500		30.03	1.00	139.63	170.66	35.08	(10.50)	136.80	161.38	(9.28)	-5.44%
	2,000		37.13	1.00	187.90	226.03	43.38	(14.33)	184.11	213.16	(12.87)	-5.69%
GS<50 kW										-		
	1,000		25.37	1.00	89.30	115.67	26.21	(5.81)	87.38	107.78	(7.89)	-6.82%
	2,000		38.47	1.00	185.02	224.49	39.71	(12.61)	181.14	208.24	(16.25)	-7.24%
	5,000		77.77	1.00	472.19	550.96	80.21	(33.03)	462.47	509.65	(41.31)	-7.50%
	10,000		143.27	1.00	950.81	1,095.08	147.71	(67.06)	931.34	1,011.99	(83.09)	-7.59%
	15,000		208.77	1.00	1,429.43	1,639.20	215.21	(101.09)	1,400.21	1,514.33	(124.87)	-7.62%
										-		
GS >50- 999 kW										-		
	20,000	60	300.79	1.00	1,945.66	2,247.45	348.12	(117.41)	1,922.96	2,153.67	(93.78)	-4.17%
	30,000	100	435.19	1.00	2,968.78	3,404.97	503.76	(196.35)	2,899.35	3,206.76	(198.21)	-5.82%
	100,000	199	767.83	1.00	9,175.13	9,943.96	888.98	(391.72)	8,994.32	9,491.58	(452.38)	-4.55%
GS >1,000 - 4, 999 kW										-		
	500,000	1,500	5,063.18	1.00	46,764.19	51,828.37	5,795.84	(3,355.95)	45,736.61	48,176.50	(3,651.87)	-7.05%
	1,200,000	3,000	7,539.23	1.00	105,527.43	113,067.66	6,973.69	(6,712.89)	106,316.78	106,577.58	(6,490.08)	-5.74%
	1,600,000	4,000	9,789.93	1.00	140,690.11	150,481.04	11,525.59	(8,950.86)	139,207.06	141,781.79	(8,699.25)	-5.78%
Large Users >5000 kW										-		
	2,850,000	5,500	11,165.89	1.00	243,727.06	254,893.95	16,732.45	(14,276.29)	241,579.54	244,035.70	(10,858.25)	-4.26%
	16,500,000	33,000	45,081.64	1.00	1,414,381.60	1,459,464.24	67,555.20	(85,662.74)	1,401,064.27	1,382,956.73	(76,507.51)	-5.24%
										-		
Street Lighting	Connections									-		
	2,118	640	1,674.52		15,488.81	17,163.33	6,992.19	(1,158.37)	15,418.34	21,252.16	4,088.83	23.82%
	9,871	1,563	5,358.06		35,542.36	40,900.42	22,385.48	(2,828.95)	35,602.32	55,158.85	14,258.43	34.86%
Unmetered Scattered Load	Connections									-		
	126	32,529	1,198.50		2,832.09	4,030.59	1,395.22	(231.84)	2,781.45	3,944.83	(85.76)	-2.13%
	271	112,194	3,130.98		9,717.99	12,848.97	3,642.76	(799.63)	8,695.42	11,538.55	(1,310.42)	-10.20%

2010 Total Bill Impact (As per ADR, using 2009 ROE of 8.01%) - UPDATED FEBRUARY 17, 2010

	kWh	kW	2009 Rates Distribution	Rate Rider ($)	Non-Distribution ($)	Total	2010 Rates Distribution	Rate Rider ($)	Non- Distribution ($)	Total	2010 Change $	%
Residential												
	100		10.15	1.00	9.16	20.31	11.40	0.62	9.04	21.06	0.75	3.69%
	250		12.28	1.00	22.16	35.44	13.80	0.04	21.80	35.64	0.20	0.56%
	500		15.83	1.00	43.84	60.67	17.80	(0.92)	43.07	59.95	(0.72)	-1.19%
	800		20.09	1.00	72.08	93.17	22.60	(2.07)	70.70	91.23	(1.94)	-2.08%
	1,000		22.93	1.00	91.36	115.29	25.80	(2.83)	89.64	112.61	(2.68)	-2.32%
	1,500		30.03	1.00	139.63	170.66	33.80	(4.75)	137.03	166.08	(4.58)	-2.68%
	2,000		37.13	1.00	187.90	226.03	41.80	(6.67)	184.42	219.55	(6.48)	-2.87%
GS<50 kW												
	1,000		25.37	1.00	89.30	115.67	25.20	(2.40)	87.49	110.29	(5.38)	-4.65%
	2,000		38.47	1.00	185.02	224.49	38.20	(5.81)	181.42	213.81	(10.68)	-4.76%
	5,000		77.77	1.00	472.19	550.96	77.20	(16.02)	463.17	524.35	(26.61)	-4.83%
	10,000		143.27	1.00	950.81	1,095.08	142.20	(33.03)	932.77	1,041.94	(53.14)	-4.85%
	15,000		208.77	1.00	1,429.43	1,639.20	207.20	(50.05)	1,402.37	1,559.52	(79.68)	-4.86%
GS >50- 999 kW												
	20,000	60	300.79	1.00	1,945.66	2,247.45	335.20	(58.20)	1,925.28	2,202.28	(45.17)	-2.01%
	30,000	100	435.19	1.00	2,968.78	3,404.97	485.10	(97.67)	2,903.35	3,290.78	(114.19)	-3.35%
	100,000	199	767.83	1.00	9,175.13	9,943.96	856.10	(195.36)	9,002.50	9,663.24	(280.72)	-2.82%
GS >1,000 - 4, 999 kW												
	500,000	1,500	5,063.18	1.00	46,764.19	51,828.37	5,609.59	(1,677.47)	45,811.21	49,743.33	(2,085.04)	-4.02%
	1,200,000	3,000	7,539.23	1.00	105,527.43	113,067.66	8,535.34	(3,355.95)	104,567.71	109,747.10	(3,320.56)	-2.94%
	1,600,000	4,000	9,789.93	1.00	140,690.11	150,481.04	11,085.84	(4,474.93)	139,408.87	146,019.78	(4,461.26)	-2.96%
Large Users >5000 kW												
	2,850,000	5,500	11,165.89	1.00	243,727.06	254,893.95	15,956.63	(7,137.65)	241,897.69	250,716.67	(4,177.28)	-1.64%
	16,500,000	33,000	45,081.64	1.00	1,414,381.60	1,459,464.24	64,433.63	(42,830.87)	1,403,049.78	1,424,652.54	(34,811.70)	-2.39%
Street Lighting	Connections											
	2,118	640	1,674.52		15,488.81	17,163.33	6,813.41	(579.18)	15,438.36	21,672.59	4,509.26	26.27%
	9,871	1,563	5,358.06		35,542.36	40,900.42	21,813.08	(1,414.47)	35,644.43	56,043.04	15,142.62	37.02%
Unmetered Scattered Load	Connections											
	126	32,529	1,198.50		2,832.09	4,030.59	1,575.41	(115.92)	2,796.25	4,255.74	225.15	5.59%
	271	112,194	3,130.98		9,717.99	12,848.97	4,114.76	(399.81)	9,158.81	12,873.76	24.79	0.19%

2010 Total Bill Impact (ADR plus 9.75% ROE) - UPDATED FEBRUARY 17, 2010

			2009 Rates				2010 Rates				2010 Change	
	kWh	kW	Distribution	Rate Rider ($)	Non-Distribution ($)	Total	Distribution	Rate Rider ($)	Non-Distribution ($)	Total	$	%
Residential												
	100		10.15	1.00	9.16	20.31	11.95	0.62	9.07	21.64	1.33	6.55%
	250		12.28	1.00	22.16	35.44	14.47	0.04	21.84	36.35	0.91	2.57%
	500		15.83	1.00	43.84	60.67	18.67	(0.92)	43.11	60.86	0.19	0.31%
	800		20.09	1.00	72.08	93.17	23.71	(2.07)	70.76	92.40	(0.77)	-0.83%
	1,000		22.93	1.00	91.36	115.29	27.07	(2.83)	89.70	113.94	(1.35)	-1.17%
	1,500		30.03	1.00	139.63	170.66	35.47	(4.75)	137.11	167.83	(2.83)	-1.66%
	2,000		37.13	1.00	187.90	226.03	43.87	(6.67)	184.52	221.72	(4.31)	-1.91%
GS<50 kW												
	1,000		25.37	1.00	89.30	115.67	26.35	(2.40)	87.55	111.50	(4.17)	-3.61%
	2,000		38.47	1.00	185.02	224.49	39.95	(5.81)	181.50	215.64	(8.85)	-3.94%
	5,000		77.77	1.00	472.19	550.96	80.75	(16.02)	463.36	528.09	(22.87)	-4.15%
	10,000		143.27	1.00	950.81	1,095.08	148.75	(33.03)	933.09	1,048.81	(46.27)	-4.23%
	15,000		208.77	1.00	1,429.43	1,639.20	216.75	(50.05)	1,402.84	1,569.54	(69.66)	-4.25%
GS >50- 999 kW												
	20,000	60	300.79	1.00	1,945.66	2,247.45	351.25	(58.20)	1,926.08	2,219.13	(28.32)	-1.26%
	30,000	100	435.19	1.00	2,968.78	3,404.97	508.29	(97.67)	2,904.51	3,315.13	(89.84)	-2.64%
	100,000	199	767.83	1.00	9,175.13	9,943.96	896.95	(195.36)	9,004.54	9,706.13	(237.83)	-2.39%
GS >1,000 - 4, 999 kW												
	500,000	1,500	5,063.18	1.00	46,764.19	51,828.37	5,839.75	(1,677.47)	45,822.72	49,985.00	(1,843.37)	-3.56%
	1,200,000	3,000	7,539.23	1.00	105,527.43	113,067.66	8,953.45	(3,355.95)	104,588.62	110,186.12	(2,881.54)	-2.55%
	1,600,000	4,000	9,789.93	1.00	140,690.11	150,481.04	11,626.25	(4,474.93)	139,439.04	146,590.36	(3,890.68)	-2.59%
Large Users >5000 kW												
	2,850,000	5,500	11,165.89	1.00	243,727.06	254,893.95	16,706.55	(7,137.65)	241,935.18	251,504.08	(3,389.87)	-1.33%
	16,500,000	33,000	45,081.64	1.00	1,414,381.60	1,459,464.24	67,449.55	(42,830.87)	1,403,200.58	1,427,819.26	(31,644.98)	-2.17%
Street Lighting	Connections											
	2,118	640	1,674.52		15,488.81	17,163.33	7,195.56	(579.18)	15,457.47	22,073.85	4,910.52	28.61%
	9,871	1,563	5,358.06		35,542.36	40,900.42	23,036.74	(1,414.47)	35,705.61	57,327.88	16,427.46	40.16%
Unmetered Scattered Load	Connections											
	126	32,529	1,198.50		2,832.09	4,030.59	1,659.05	(115.92)	2,800.44	4,343.57	312.98	7.77%
	271	112,194	3,130.98		9,717.99	12,848.97	4,332.67	(399.81)	9,169.70	13,102.56	253.59	1.97%