



February 22, 2010

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

**Re: EB-2009-0202 Middlesex Power Distribution Corp. 2010 Incentive Rate 2<sup>nd</sup> Generation Mechanism Application**

Dear Ms. Walli:

Please find attached Middlesex Power Distribution responses to Board Staff Interrogatories on the 2010 Incentive Rate Mechanism 2<sup>nd</sup> Generation Application.

The responses to the interrogatories have been submitted through the Board's web portal and an email version of the excel Deferral Variance Workfrom V4 model was sent to the Board Secretary on February 22, 2010 and two hard copies sent to the offices of the Ontario Energy Board.

Should there be any questions, please do not hesitate to contact me.

Yours truly,

A handwritten signature in black ink, appearing to read 'Cheryl Decaire', is written over a light blue horizontal line.

Cheryl Decaire  
Co-ordinator of Regulatory and Rates  
(519) 352-6300 ext 405  
Email: cheryldecaire@ckenergy.com

CC: Dave Kenney, President of Middlesex Power Distribution  
Chris Cowell, Chief Financial and Regulatory Officer

**Middlesex Power Distribution Corporation**

**EB-2009-0202**

**Responses to Board Staff Interrogatories**

**1. Ref: 2006 EDR LV**

In its 2006 EDR application Middlesex included \$54,432 in Low Voltage (“LV”) Allocation as a Rate Adder. In 2007 and 2008 the price cap adjustment (GDP-IPI – X) was 0.9% and 1.1% respectively. This would have increased the 2007 and 2008 LV Allocation to \$54,922 and \$55,526 respectively

2006 EDR		
	7-2 ALLOCATION - LV-Wheeling Cell L120	(GDP-IPI) - X
\$	54,432	0.0%
\$	54,922	0.9%
\$	55,526	1.1%

- a) Please confirm that Middlesex has applied the 2006 EDR LV Allocation against Hydro One LV costs and that the balance that would be shown in the Deferral Variance Account workform for account 1550 would be net of the LV allocation.

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Answer

- a) Middlesex confirms that it has applied the 2006 EDR LV allocation against Hydro One LV costs and that the balance shown in Deferral Variance Account 1550 is net of the LV allocation.

## **2. Ref: Manager's Summary and EDDVAR Report**

On July 31, 2009 the Board issued its Report on Electricity Distributors' Deferral and Variance Account Review Initiative (EDDVAR). The report requires electricity distributors to determine the outstanding consolidated value of Group One accounts as at December 31, 2008 and determine whether or not the Board defined threshold value of +- \$0.001/kwh had been exceeded. Middlesex chose to request exemption from filing.

- a) Did Middlesex complete an informal calculation of outstanding balances as at December 31, 2008 to determine position on threshold? If so please advise calculated value.
- b) The Board is currently reviewing the impact of significant growth in the balance of Account 1588 – Global Adjustment during the period January 1 to September 30, 2009. Currently no concrete direction has been determined for future disposition. The Board has added the request to disclose 1588 – Global Adjustment values in the model for information purposes only. If Middlesex would like to consider completing the 2010 IRM Deferral Variance Account Workform, please complete and file the amended Deferral Variance Account Workform V4 as found on the Board's website under the 2010 Electricity Distribution Rates update December 7, 2009.
- c) If Middlesex has completed a previous version of the 2010 IRM Deferral Variance Account Workform, please update to Deferral Variance Account Workform V4 as found on the Board's website under the 2010 Electricity Distribution Rates update December 7, 2009. Note that Board staff can assist in converting any recent models and making model amendments. Please contact your case manager to assist you.
- d) If Middlesex has completed the workform please reconcile final balance for disposition to the 2008 year end account balance reported in the RRR filing. Please identify the source and reasons for variances.
- e) If Middlesex has completed the workform please confirm that Middlesex has complied with and applied correctly the Boards accounting policy and procedures for calculation of the final disposition balance. If Middlesex has used other practices in the calculation please explain where in the filing and why.
- f) If Middlesex has completed the workform please confirm that Middlesex has used the simple interest calculation as required by the Board using the Boards prescribed interest rates. If Middlesex has used other calculations please explain where in the filing and why.
- g) If Middlesex has completed the workform please confirm that Middlesex has complied with the requirement to apply recoveries to principal first as outlined in the 2006 Regulatory Assets Transactions document issued September 4, 2009 (included in the Updated IRM Deferral and Variance Account Work Form zip file). If Middlesex has not complied with this requirement please explain why not?

- h) If Middlesex has completed the workform please confirm whether the threshold balance of  $\pm$  \$0.001 per kWh is or is not exceeded.
  - i) If Middlesex has any concerns with respect to the disposition of deferral variance account balances, please explain in detail why the Board should not consider disposal at this time?
- 

Answer

- a) Middlesex had not performed an informal calculation of the outstanding balances as at December 31, 2008.
- b) Middlesex Power has completed the 2010 IRM Deferral Variance Account Workform v4 showing the amounts from January 1 to September 30, 2009 for Account 1588- Global Adjustment. The model can be found in the excel spreadsheet "Middlesex\_Deferral Variance\_2010222.xls" filed with this response.
- c) At the time of the original submission the previous version of the 2010 IRM Deferral Variance Account Work form was not completed.
- d) Middlesex has recently completed the Deferral Variance Account Work form V4. As at the 2008 year end there was a variance in Account 1590 of \$21,640. Our understanding of the Deferral Variance workform guidelines is that no adjustment can be made on the workform for the difference between estimated collections from the 2006EDR and actual collections. The Account 1590 variance of \$21,640 is due to the fact that the RRR filings reflect the actual collections whereas the workform shows the estimated collections from the 2006EDR.
- e) Middlesex has completed the workform and complied with and applied the Boards accounting policy and procedures for the calculation of the final disposition balance.
- f) Middlesex has used the simple interest calculation required by the Board using the prescribed interest rates issued by the Board.
- g) Middlesex has complied with the requirement to apply recoveries to principal first.
- h) The outcome of the Deferral Variance workform shows a threshold test result of - 0.002078 per kWh which is outside the threshold of  $\pm$  0.001 per kWh.
- i) Middlesex does have some concern as it is our understanding that the workform does not take into consideration the outstanding balance arising from the difference between estimated collections from the 2006EDR and the actual collections.

**3. Ref: 2010 IRM Deferral Variance Account 1588 - Power**

On October 15, 2009 the Board issued “Regulatory Audit and Accounting Bulletin 200901” which clarified the accounting rules for reporting the 1588 – Global Adjustment sub-account.

- a) Has Middlesex reviewed the Regulatory Audit & Accounting Bulletin 200901 dated October 15, 2009, and ensured that it has accounted for its account 1588 and sub-account Global Adjustment in accordance with this Bulletin?
- 

Answer

- a) Middlesex Power Distribution Corporation has reviewed the Regulatory Audit and Accounting Bulletin 200901 dated October 15, 2009 and confirms that it has accounted for its account 1588 and sub-account Global Adjustment in accordance with the Bulletin.

#### **4. Ref: 2010 IRM Deferral Variance Account 1588 – Global Adjustment**

On November 13, 2009 Board Staff prepared a submission in the Enersource EB-2009-0193 2010 IRM3 Application. The following is an excerpt from the submission in respect to Board staff concerns with the current proposal for handling the disposition of the USoA 1588 – Global Adjustment.

*The EDDVAR Report as well as the Board's Decision in EB-2009-0113 adopted an allocation of the GA sub-account balance based on kWh for non RPP customers by rate class. Traditionally this allocation would then be combined with all other allocated variance account balances by rate class. The combined balance by rate class would then be divided by the volumetric billing determinants (kWh or kW) from the most recent audited year end or Board approved forecast, if available. This process hence spreads the recovery or refund of allocated account balances to all customers in the affected rate class.*

*This method was factored on two premises; a) that the recovery/refund of a variance unique to a subset of customers within a rate class would not be unfair to the rate class as a whole and b) that the distributors' billing systems would not be able to bill a subset of customers within a rate class, without placing a significant burden to the distributor.*

*For these reason the Board's original Deferral Variance Account workform was modeled on this basis. However based on Enersource's evidence, there could be material unfairness to RPP customers within the affected rate classes.*

*Therefore Board staff suggests that a separate rate rider be established to clear the GA sub-account balance to Non-RPP customers within rate classes*

*What remains unclear to Board staff is whether Enersource's billing system could accommodate that change within a reasonable timeframe."*

Board staff would like to poll Middlesex on the above issue.

- a) Board staff is proposing that a separate disposition rate rider be applied prospectively to Non-RPP customers for 1588 – Global Adjustment. Does Middlesex agree that this proposal would be fair to all customers? Why or why not?
- b) If the Board were to order Middlesex to provide such a rate rider, would Middlesex's billing system be capable of billing non-RPP the separate rate rider? What complications, if any, would Middlesex see with this rate rider?
- c) If Middlesex were to be unable to bill in this fashion what would it consider proposing in the alternative?
- d) If Middlesex were to establish a separate rate rider to dispose of the balance of the 1588 – Global adjustment sub-account, does Middlesex believe that the rider be applied to customers in the MUSH sector? If not, would Middlesex have the billing capability to exclude customers in the MUSH sector if a separate rate rider were to apply for the disposition of the 1588 – Global adjustment sub-account?

Answer

- a) Middlesex agrees that this would be fair to all customers for the reasons noted by the Board Staff above.
- b) The billing system used by MPDC does have the ability to apply a separate rate rider to the non-RPP customers. Some minor modifications will be required to the billing system to comply with the request.
- c) N/A, see (b)
- d) The rate rider should not be applicable to the MUSH sector customers as they were not included in the non-RPP customer group that accumulated the balance in the 1588 GA sub-account. Middlesex's billing system can exclude the MUSH sector from being charged the GA rate rider that would be charged to the non-RPP customers.



## 5. Harmonized Sales Tax

It is possible that the PST and GST may be harmonized effective July 1, 2010.

In the event that PST and GST are harmonized effective July 1, 2010:

- a) Would the Applicant agree to the establishment of a variance account to capture the reductions in OM&A and capital expenditures?
- b) Are there other alternatives that the Board might consider to reflect the reductions in OM&A and capital expenditures if this bill is enacted?

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Answer

- a) Middlesex is not agreeable to the establishment of a variance account to capture the reduction in OM&A and capital expenditures as the additional costs/efforts would likely outweigh the benefits.
- b) The impact of harmonization on most LDCs is likely small as PST only applied to some OM&A and capital expenditures. As such, we propose that the impact of the tax changes be considered in future cost of service rate application and not incorporated in the IRM model.



Name of LDC: Middlesex Power Distribution Corporation  
File Number: EB-2009-0202  
Effective Date: May 1, 2010

## LDC Information

<b>Applicant Name</b>	Middlesex Power Distribution Corporation
<b>OEB Application Number</b>	EB-2009-0202
<b>LDC Licence Number</b>	ED-2003-0059
<b>Applied for Effective Date</b>	May 1, 2010



**Name of LDC:** Middlesex Power Distribution Corporation  
**File Number:** EB-2009-0202  
**Effective Date:** May 1, 2010

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Enter LDC Data

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Calculation of Regulatory Asset Recovery Rate Rider

Request for Clearance of Deferral and Variance Accounts



Name of LDC: Middlesex Power Distribution Corporation  
File Number: EB-2009-0202  
Effective Date: May 1, 2010

## 2006 Regulatory Asset Recovery

Account Description	Account Number	Principal Amounts as of Dec- 31 2004	Hydro One charges (if applicable) to Dec31-03	charges (if applicable) Jan 1-04 to Apr 30- 06	Transition Cost Adjustment	Principal Amounts	Interest to Dec31- 04	Interest per 2006 Reg Assets	Total Claim and Recoveries per 2006 Reg Assets	Board-approved amounts to 1590 as per 2006 EDR	Transfer of Board-approved Interest to 1590 as per 2006 EDR
		A	B	C	D	E = A + B + C + D	F	G = H - F - E	H	I = - E	J = - (F + G)
		1. Dec. 31, 2004 Reg. Assets									
		Column B	Column K	Column M		Column N	Column O	Column P	Column Q	Column R	Column S
RSVA - Wholesale Market Service Charge	1580	294,760				294,760	42,561	28,493	365,814	(294,760)	(71,054)
RSVA - One-time Wholesale Market Service	1582	14,732				14,732	635	1,424	16,791	(14,732)	(2,059)
RSVA - Retail Transmission Network Charge	1584	(63,199)		(14,014)		(77,213)	7,943	(8,109)	(75,379)	77,213	(1,834)
RSVA - Retail Transmission Connection Charge	1586	(150,173)	83,340	98,121		31,288	(31,154)	(14,517)	(14,363)	(31,288)	45,671
RSVA - Power	1588					0	0	0	0	0	0
<b>Sub-Totals</b>		<b>96,120</b>	<b>83,340</b>	<b>84,107</b>		<b>263,567</b>	<b>19,985</b>	<b>9,291</b>	<b>292,843</b>	<b>(263,567)</b>	<b>(29,276)</b>
Other Regulatory Assets	1508	57,389		6,595		63,984	6,934	5,548	76,466	(63,984)	(12,482)
Retail Cost Variance Account - Retail	1518	10,753				10,753	829	1,039	12,621	(10,753)	(1,868)
Retail Cost Variance Account - STR	1548	8,622				8,622	557	834	10,013	(8,622)	(1,391)
Misc. Deferred Debits - incl. Rebate Cheques	1525	3,856				3,856	535	373	4,764	(3,856)	(908)
Pre-Market Opening Energy Variances Total	1571	359,496				359,496	69,503	34,751	463,750	(359,496)	(104,254)
Extra-Ordinary Event Losses	1572					0	0	0	0	0	0
Deferred Rate Impact Amounts	1574					0	0	0	0	0	0
Other Deferred Credits	2425					0	0	0	0	0	0
<b>Sub-Totals</b>		<b>440,116</b>	<b>0</b>	<b>6,595</b>		<b>446,711</b>	<b>78,358</b>	<b>42,545</b>	<b>567,614</b>	<b>(446,711)</b>	<b>(120,903)</b>
Qualifying Transition Costs	1570	143,866				143,866	25,627	13,907	183,400	(143,866)	(39,534)
Transition Cost Adjustment	1570				(18,340)	(18,340)			(18,340)		0
<b>Sub-Totals</b>		<b>143,866</b>	<b>0</b>			<b>125,526</b>	<b>25,627</b>	<b>13,907</b>	<b>165,060</b>	<b>(125,526)</b>	<b>(39,534)</b>
<b>Total Regulatory Assets</b>		<b>680,102</b>	<b>83,340</b>	<b>90,702</b>	<b>(18,340)</b>	<b>835,804</b>	<b>123,970</b>	<b>65,743</b>	<b>1,025,517</b>	<b>(835,804)</b>	<b>(189,713)</b>
2. Rate Riders Calculation											
Total Recoveries to April 30-06									576,232	(576,232)	0
Balance to be collected or refunded									449,285	(259,572)	(189,713)
2. Rate Riders Calculation											



**Name of LDC:** Middlesex Power Distribution Corporation  
**File Number:** EB-2009-0202  
**Effective Date:** May 1, 2010

## 2006 Regulatory Asset Recovery Proportionate Share

Rate Class	Total Claim	% Total Claim
Residential	498,200	48.6%
GS < 50 KW	128,200	12.5%
GS > 50 Non TOU	411,038	40.1%
GS > 50 TOU		0.0%
Intermediate		0.0%
Large Users	(18,019 )	(1.8%)
Small Scattered Load		0.0%
Sentinel Lighting	1,387	0.1%
Street Lighting	4,090	0.4%
Total	<b>1,024,896</b>	<b>100.0%</b>

2. Rate Riders Calculation

Row 29



**Name of LDC:** Middlesex Power Distribution Corporation  
**File Number:** EB-2009-0202  
**Effective Date:** May 1, 2010

## Rate Class and 2008 Billing Determinants

				2008			Billed kWh for Non-RPP customers D	1590 Recovery Share Proportion <sup>1</sup> E	1595 Recovery Share Proportion <sup>1</sup> F
Rate Group	Rate Class	Fixed Metric	Vol Metric	Billed Customers or Connections					
				A	B	C			
RES	Residential	Customer	kWh	6,246	57,013,718		14,302,331	48.6%	
GSLT50	General Service Less Than 50 kW	Customer	kWh	687	20,650,087		4,085,212	12.5%	
GSGT50	General Service 50 to 4,999 kW	Customer	kW	92	89,348,572	244,554	89,348,572	40.1%	
LU	Large Use	Customer	kW	1	22,647,906	51,576	22,647,906	(1.8%)	
USL	Unmetered Scattered Load	Connection	kWh					0.0%	
Sen	Sentinel Lighting	Connection	kW	47	42,320	118		0.1%	
SL	Street Lighting	Connection	kW	1,958	1,452,618	4,316		0.4%	
NA	Rate Class 8	NA	NA						
NA	Rate Class 9	NA	NA						
NA	Rate Class 10	NA	NA						
NA	Rate Class 11	NA	NA						
NA	Rate Class 12	NA	NA						
NA	Rate Class 13	NA	NA						
NA	Rate Class 14	NA	NA						
NA	Rate Class 15	NA	NA						
NA	Rate Class 16	NA	NA						
NA	Rate Class 17	NA	NA						
NA	Rate Class 18	NA	NA						
NA	Rate Class 19	NA	NA						
NA	Rate Class 20	NA	NA						
NA	Rate Class 21	NA	NA						
NA	Rate Class 22	NA	NA						
NA	Rate Class 23	NA	NA						
NA	Rate Class 24	NA	NA						
NA	Rate Class 25	NA	NA						
								100.0%	0.0%

<sup>1</sup> Residual Account balance to be allocated to rate classes in proportion to the recovery share as established when rate riders were implemented.



Name of LDC: Middlesex Power Distribution Corporation  
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Effective Date: May 1, 2010

Regulatory Assets - Continuity Schedule 2006

Account Description	Account Number	Opening Principal Amounts as of Jan-1-05 1	Low Voltage and Recoveries per 2006 Reg Asset	Transition Cost Adjustment	Transfer of Board-approved amounts to 1590 as per 2006 EDR	Closing Principal Balance as of May-1-06	Opening Interest Amounts as of Jan-1-05 4	Interest per 2006 Reg Asset	Recoveries per 2006 Reg Asset	Transfer of Board-approved amounts to 1590 as per 2006 EDR	Closing Interest Amounts as of May-1-06
LV Variance Account	1550										0
RSVA - Wholesale Market Service Charge	1580	294,760	0		(294,760 )	0	42,561	28,493		(71,054 )	0
RSVA - Retail Transmission Network Charge	1584	(63,199 )	(14,014 )		77,213	0	7,943	(6,109 )		(1,834 )	0
RSVA - Retail Transmission Connection Charge	1586	(150,173 )	181,461		(31,288 )	0	(31,154 )	(14,517 )		45,671	0
RSVA - Power (Excluding Global Adjustment)	1588	0			0	0	0	0		0	0
RSVA - Power (Global Adjustment Sub-account)						0					0
Recovery of Regulatory Asset Balances	1590		(576,232 )		835,804	259,572			0	189,713	189,713
Disposition and recovery of Regulatory Balances Account	1595					0					0
Sub-Total		81,388	(408,785 )		586,969	259,572	19,350	7,867	0	162,496	189,713
RSVA - One-time Wholesale Market Service	1582	14,732	0		(14,732 )	0	635	1,424		(2,059 )	0
Other Regulatory Assets	1508	57,389	6,595		(63,984 )	0	6,934	5,548		(12,482 )	0
Retail Cost Variance Account - Retail	1518	10,753	0		(10,753 )	0	829	1,039		(1,868 )	0
Retail Cost Variance Account - STR	1548	8,622	0		(8,622 )	0	557	834		(1,391 )	0
Misc. Deferred Debits - incl. Rebate Cheques	1525	3,856	0		(3,856 )	0	535	373		(908 )	0
Pre-Market Opening Energy Variances Total	1571	359,496	0		(359,496 )	0	69,503	34,751		(104,254 )	0
Extra-Ordinary Event Losses	1572	0	0		0	0	0	0		0	0
Deferred Rate Impact Amounts	1574	0	0		0	0	0	0		0	0
Other Deferred Credits	2425	0	0		0	0	0	0		0	0
Qualifying Transition Costs	1570	143,866	0		(143,866 )	0	25,627	13,907		(39,534 )	0
Transition Cost Adjustment	1570			(18,340 )	18,340	0					0
Total		680,102	(402,190 )	(18,340 )	0	259,572	123,970	65,743	0	0	189,713



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Regulatory Assets - Continuity Schedule 2005

Account Description	Account Number	Opening Principal	Transactions	Transactions	Adjustments during	Adjustments during	Closing Principal	Opening Interest	Interest Recovery	Interest Jan-1 to	Closing Interest	Total Closing	RRR Filing Amount	Difference
		Amounts as of Jan-1-05 <sup>4</sup>	(additions) during 2005, excluding interest and adjustments <sup>1</sup>	(reductions) during 2005, excluding interest and adjustments <sup>1</sup>	2005 - instructed by Board <sup>2</sup>	2005 - other <sup>3</sup>	Balance as of Dec-31-05	Amounts as of Jan-1-05 <sup>4</sup>	Transactions during 2005	Dec31-05	Amounts as of Dec-31-05	Amounts as of Dec-31-05	as of Dec-31-05	C = A - B
		A										A	B	C = A - B
LV Variance Account	1550						0				0	0		0
RSVA - Wholesale Market Service Charge	1580		131,899				131,899			2,658	2,658	134,557	455,761	(321,204 )
RSVA - Retail Transmission Network Charge	1584			(27,072 )			(27,072 )			(4,239 )	(4,239 )	(31,311 )	(84,659 )	53,348
RSVA - Retail Transmission Connection Charge	1586			(4,257 )			(4,257 )			(3,487 )	(3,487 )	(7,744 )	(40,770 )	33,026
RSVA - Power (Excluding Global Adjustment)	1588						0				0	0		0
RSVA - Power (Global Adjustment Sub-account)			25,335				25,335			0	0	25,335	25,345	(10 )
Recovery of Regulatory Asset Balances	1590						0				0	0		0
Disposition and recovery of Regulatory Balances Account	1595						0				0	0		
Total		0	157,234	(31,329 )	0	0	125,905	0	0	(5,068 )	(5,068 )	120,837	355,677	(234,840 )

<sup>1</sup> For RSVA accounts only, report the net additions to the account during the year. For all other accounts, record the additions and reductions separately.  
<sup>2</sup> Provide supporting statement indicating whether due to denial of costs in 2006 EDR by the Board  
<sup>3</sup> Provide supporting statement indicating nature of this adjustments and periods they relate to  
<sup>4</sup> Opening balances assumed to be zero as a result of clearance of Decemeber 2004 balances cleared in 2006 Regulatory Asset process



Name of LDC: Middlesex Power Distribution Corporation  
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Regulatory Assets - Continuity Schedule 2006

Account Description	Account Number	Opening Principal Amounts as of Jan-1-06	Transactions (additions) during 2006, excluding interest and adjustments <sup>1</sup>	Transactions (reductions) during 2006, excluding interest and adjustments <sup>1</sup>	Adjustments during 2006 - instructed by Board <sup>2</sup>	Adjustments during 2006 - other <sup>3</sup>	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 Recovery Transactions during 2006	Interest Adjustment 2005/2006	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
LV Variance Account	1550	0	46,244					46,244	0			1,123		1,123
RSVA - Wholesale Market Service Charge	1580	131,899		(214,079 )				(82,180 )	2,658			3,862		6,520
RSVA - Retail Transmission Network Charge	1584	(27,072 )		(39,055 )				(66,127 )	(4,239 )			(2,321 )		(6,560 )
RSVA - Retail Transmission Connection Charge	1586	(4,257 )		(35,577 )				(39,834 )	(3,487 )			(886 )		(4,373 )
RSVA - Power (Excluding Global Adjustment)	1588	0						0	0					0
RSVA - Power (Global Adjustment Sub-account)		25,335	209,407					234,742	0			0		0
Recovery of Regulatory Asset Balances	1590	0		(96,386 )			259,572	163,186	0	(69,796 )			189,713	119,917
Disposition and recovery of Regulatory Balances Account	1595	0						0	0					0
Total		125,905	255,651	(385,097 )	0	0	259,572	256,031	(5,068 )	(69,796 )	0	1,778	189,713	116,627

<sup>1</sup> For RSVA accounts only, report the net additions to the account during the year. For all other accounts, record the additions and reductions separately.  
<sup>2</sup> Provide supporting evidence i.e. Board Decision, CRO Order, etc.  
<sup>3</sup> Provide supporting statement indicating nature of this adjustments and periods they relate to



Name of LDC: Middlesex Power Distribution Corporation  
File Number: EB-2009-0202  
Effective Date: May 1, 2010

Regulatory Assets - Continuity Schedule 2007

Account Description	Account Number	Opening Principal	Transactions	Transactions	Adjustments during	Adjustments during	Closing Principal	Opening Interest	Interest Recovery	Interest Jan-1 to	Closing Interest	Total Closing	RRR Filing Amount	Difference
		Amounts as of Jan-1-07	(additions) during 2007, excluding interest and adjustments <sup>1</sup>	(reductions) during 2007, excluding interest and adjustments <sup>1</sup>	2007 - instructed by Board <sup>2</sup>	2007 - other <sup>3</sup>	Balance as of Dec-31-07	Amounts as of Jan-1-07	Transactions during 2007	Dec31-07	Amounts as of Dec-31-07	Amounts as of Dec-31-07	as of Dec-31-07	C = A - B
		A										A	B	C = A - B
LV Variance Account	1550	46,244		(23,415 )			22,829	1,123		3,484	4,606	27,435	27,435	0
RSVA - Wholesale Market Service Charge	1580	(82,180 )		(252,625 )			(334,805 )	6,520		(8,114 )	(1,594 )	(336,399 )	(336,399 )	0
RSVA - Retail Transmission Network Charge	1584	(66,127 )		(27,387 )			(93,514 )	(6,560 )		(3,819 )	(10,379 )	(103,893 )	(103,893 )	(0 )
RSVA - Retail Transmission Connection Charge	1586	(39,834 )		(47,141 )			(86,975 )	(4,373 )		(2,501 )	(6,874 )	(93,849 )	(93,849 )	0
RSVA - Power (Excluding Global Adjustment)	1588	0					0	0			0	0		0
RSVA - Power (Global Adjustment Sub-account)		234,742		(91,440 )			143,302	0		8,192	8,192	151,494	151,494	0
Recovery of Regulatory Asset Balances	1590	163,186		(135,432 )			27,754	119,917	(98,071 )	7,421	29,266	57,021	78,661	(21,640 )
Disposition and recovery of Regulatory Balances Account	1595	0					0	0			0	0		
Total		256,031	0	(577,440 )	0	0	(321,409 )	116,627	(98,071 )	4,662	23,217	(298,192 )	(276,552 )	(21,640 )

<sup>1</sup> For RSVA accounts only, report the net additions to the account during the year. For all other accounts, record the additions and reductions separately.

<sup>2</sup> Provide supporting evidence i.e. Board Decision, CRO Order, etc.

<sup>3</sup> Provide supporting statement indicating nature of this adjustments and periods they relate to

Name of LDC: Middlesex Power Distribution Corporation  
File Number: EB-2009-0202  
Effective Date: May 1, 2010

Regulatory Assets - Continuity Schedule 2008

Account Description	Account Number	Opening Principal	Transactions	Transactions	Adjustments during	Adjustments	Transfer of Board-	Closing Principal	Opening Interest	Interest Recovery	Interest Jan-1 to	Transfer of Board-	Closing Interest
		Amounts as of Jan-1-08	(additions) during 2008, excluding interest and adjustments <sup>1</sup>	(reductions) during 2008, excluding interest and adjustments <sup>1</sup>	2008 - instructed by Board <sup>2</sup>	during 2008 - other <sup>3</sup>	approved 2006 amounts to 1595 (2008 COS) <sup>4</sup>	Balance as of Dec-31-08	Amounts as of Jan-1-08	Transactions during 2008	Dec31-08	approved 2006 interest amounts to 1595 (2008 COS)	Amounts as of Dec-31-08
LV Variance Account	1550	22,829	49,284					72,113	4,606		1,543		6,149
RSVA - Wholesale Market Service Charge	1580	(334,805 )		(101,740 )				(436,545 )	(1,594 )		(15,226 )		(16,820 )
RSVA - Retail Transmission Network Charge	1584	(93,514 )		(48,084 )				(141,599 )	(10,379 )		(4,841 )		(15,220 )
RSVA - Retail Transmission Connection Charge	1586	(86,975 )		23,038				(63,937 )	(6,874 )		(3,439 )		(10,313 )
RSVA - Power (Excluding Global Adjustment)	1588	0						0	0				0
RSVA - Power (Global Adjustment Sub-account)		143,302		74,166				217,469	8,192		5,811		14,003
Recovery of Regulatory Asset Balances	1590	27,754		(40,306 )				(12,552 )	29,266	(34,458 )			(5,192 )
Disposition and recovery of Regulatory Balances Account	1595	0						0	0				0
Total		(321,409 )	49,284	(92,926 )	0	0	0	(365,051 )	23,217	(34,458 )	(16,152 )	0	(27,393 )

<sup>1</sup> For RSVA accounts only, report the net additions to the account during the year. For all other accounts, record the additions and reductions separately.

<sup>2</sup> Provide supporting evidence i.e. Board Decision, CRO Order, etc.

<sup>3</sup> Provide supporting statement indicating nature of this adjustments and periods they relate to

<sup>4</sup> This records the values of amounts removed from Group One accounts in previous proceedings; but does not enter offsets for disposition of 1590, as recovery has not been completed.

**Name of LDC:** Middlesex Power Distribution Corporation  
**File Number:** EB-2009-0202  
**Effective Date:** May 1, 2010

## Regulatory Assets - Continuity Schedule 2009 - 1588 Power Account Only

Account Description	Account Number	Transactions (additions) during 2009, excluding interest and adjustments <sup>1</sup>	Transactions (reductions) during 2009, excluding interest and adjustments <sup>1</sup>	Adjustments during 2009 - instructed by Board <sup>2</sup>	Adjustments during 2009 - other <sup>3</sup>	Closing Principal Balance as of Sep-30-09
LV Variance Account	1550					
RSVA - Wholesale Market Service Charge	1580					
RSVA - Retail Transmission Network Charge	1584					
RSVA - Retail Transmission Connection Charge	1586					
<b>RSVA - Power (Excluding Global Adjustment)</b>	1588					0
<b>RSVA - Power (Global Adjustment Sub-account)</b>		199,914				199,914
Recovery of Regulatory Asset Balances	1590					
Disposition and recovery of Regulatory Balances Account	1595					
<b>Total</b>		199,914	0	0	0	199,914

<sup>1</sup> For RSVA accounts only, report the net additions to the account during the year. For all other accounts, record the additions and reductions separately.

<sup>2</sup> Provide supporting evidence i.e. Board Decision, CRO Order, etc.

<sup>3</sup> Provide supporting statement indicating nature of this adjustments and periods they relate to

<sup>4</sup> This records the values of amounts removed from Grow One accounts in previous proceedings, but does not enter offsets for disposition of 1590, as recovery has not been completed.

Name of LDC: Middlesex Power Distribution Corporation  
File Number: EB-2009-0202  
Effective Date: May 1, 2010

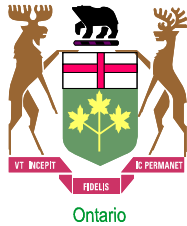
Regulatory Assets - Continuity Schedule Final

Account Description	Account Number	Opening Principal Amounts as of Jan-1-09 or Oct-01-09	Global Adjustment Reconciliation	Transfer of Board-approved 2007 amounts to 1595 (2009 COS)	Principal Amounts to be disposed	Opening Interest Amounts as of Jan-1-09	Global Adjustment Interest Reconciliation	Interest on Board-approved 2007 amounts prior to transfer Jan-1, 2009 to Date of Transfer	Transfer of Board-approved 2007 interest amounts to 1595 (2009 COS)	Projected Interest on Dec 31 -08 balance from Jan 1, 2009 to Dec 31, 2009 <sup>1</sup>	Projected Interest on Dec 31 -08 balance from Jan 1, 2010 to April 30, 2010 <sup>1</sup>	Interest Amounts to be disposed
		A	B	C	E = A + B +C + D	F	G	H	I	J	K	M = F + G + H + I + J + K
LV Variance Account	1550	72,113			72,113	6,149				815	130	7,095
RSVA - Wholesale Market Service Charge	1580	(436,545 )			(436,545 )	(16,820 )				(4,936 )	(789 )	(22,545 )
RSVA - Retail Transmission Network Charge	1584	(141,599 )			(141,599 )	(15,220 )				(1,601 )	(256 )	(17,077 )
RSVA - Retail Transmission Connection Charge	1586	(63,937 )			(63,937 )	(10,313 )				(723 )	(116 )	(11,151 )
RSVA - Power (Excluding Global Adjustment)	1588	0			0	0				0	0	0
RSVA - Power (Global Adjustment Sub-account)		217,469			217,469	14,003				2,459	393	16,855
Recovery of Regulatory Asset Balances	1590	(12,552 )			(12,552 )	(5,192 )				(142 )	(23 )	(5,356 )
Disposition and recovery of Regulatory Balances Account	1595	0			0	0				0	0	0
Total		(365,051 )	0	0	(365,051 )	(27,393 )	0	0	0	(4,128 )	(660 )	(32,180 )

Interest projected on December 31, 2008 closing principal balance.

Month	Prescribed Rate	Monthly Interest
January 31, 2009	2.45	0.2081
February 28, 2009	2.45	0.1879
March 31, 2009	2.45	0.2081
April 30, 2009	1.00	0.0822
May 31, 2009	1.00	0.0849
June 30, 2009	1.00	0.0822
July 31, 2009	0.55	0.0467
August 31, 2009	0.55	0.0467
September 30, 2009	0.55	0.0452
October 31, 2009	0.55	0.0467
November 30, 2009	0.55	0.0452
December 31, 2009	0.55	0.0467
Effective Rate		1.1307

Month	Prescribed Rate	Monthly Interest
January 31, 2010	0.55	0.0467
February 28, 2010	0.55	0.0422
March 31, 2010	0.55	0.0467
April 30, 2010	0.55	0.0452
Effective Rate		0.1808



**Name of LDC:** Middlesex Power Distribution  
**File Number:** EB-2009-0202  
**Effective Date:** May 1, 2010

## Threshold Test

Rate Class	Billed kWh B
Residential	57,013,718
General Service Less Than 50 kW	20,650,087
General Service 50 to 4,999 kW	89,348,572
Large Use	22,647,906
Unmetered Scattered Load	0
Sentinel Lighting	42,320
Street Lighting	1,452,618
	<u>191,155,221</u>
Total Claim	(397,231 )
Total Claim per kWh	- 0.002078

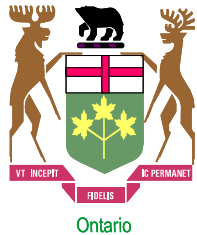


**Name of LDC:** Middlesex Power Distribution Corporation  
**File Number:** EB-2009-0202  
**Effective Date:** May 1, 2010

## Cost Allocation - kWh

Rate Class	Billed kWh	% kWh	1550	1580	1584	1586	1588 <sup>1</sup>	Total
Residential	57,013,718	29.8%	23,624	(136,928 )	(47,327 )	(22,396 )	0	(183,026 )
General Service Less Than 50 kW	20,650,087	10.8%	8,557	(49,595 )	(17,141 )	(8,112 )	0	(66,291 )
General Service 50 to 4,999 kW	89,348,572	46.7%	37,023	(214,585 )	(74,167 )	(35,097 )	0	(286,827 )
Large Use	22,647,906	11.8%	9,384	(54,393 )	(18,800 )	(8,896 )	0	(72,704 )
Unmetered Scattered Load	0	0.0%	0	0	0	0	0	0
Sentinel Lighting	42,320	0.0%	18	(102 )	(35 )	(17 )	0	(136 )
Street Lighting	1,452,618	0.8%	602	(3,489 )	(1,206 )	(571 )	0	(4,663 )
	<u>191,155,221</u>	<u>100.0%</u>	<u>79,208</u>	<u>(459,090 )</u>	<u>(158,676 )</u>	<u>(75,088 )</u>	<u>0</u>	<u>(613,647 )</u>
			-	-	-	-	-	-

<sup>1</sup> RSVA - Power (Excluding Global Adjustment)



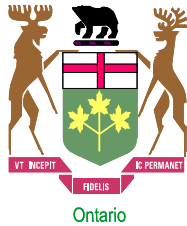
**Name of LDC:** Middlesex Power Distribution Corporation  
**File Number:** EB-2009-0202  
**Effective Date:** May 1, 2010

## Cost Allocation - Non-RPP kWh

Rate Class	Non-RPP kWh	% kWh	1588 <sup>1</sup>
Residential	14,302,331	11.0%	25,704
General Service Less Than 50 kW	4,085,212	3.1%	7,342
General Service 50 to 4,999 kW	89,348,572	68.5%	160,575
Large Use	22,647,906	17.4%	40,702
Unmetered Scattered Load	0	0.0%	0
Sentinel Lighting	0	0.0%	0
Street Lighting	0	0.0%	0
	<b>130,384,021</b>	<b>100.0%</b>	<b>234,323</b>

<sup>1</sup> RSVA - Power (Global Adjustment Sub-account)



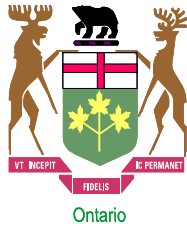


**Name of LDC:** Middlesex Power Distribution Corporation  
**File Number:** EB-2009-0202  
**Effective Date:** May 1, 2010

## Cost Allocation - 1590

Rate Class	1590 Recovery Share Proportion	1590
Residential	48.6%	(8,705 )
General Service Less Than 50 kW	12.5%	(2,240 )
General Service 50 to 4,999 kW	40.1%	(7,182 )
Large Use	(1.8%)	315
Unmetered Scattered Load	0.0%	0
Sentinel Lighting	0.1%	(24 )
Street Lighting	0.4%	(71 )
	100.0%	(17,908 )

-



**Name of LDC:** Middlesex Power Distribution Corporation  
**File Number:** EB-2009-0202  
**Effective Date:** May 1, 2010

## Cost Allocation - 1595

Rate Class	1595 Recovery Share Proportion	1595
Residential	0.0%	0
General Service Less Than 50 kW	0.0%	0
General Service 50 to 4,999 kW	0.0%	0
Large Use	0.0%	0
Unmetered Scattered Load	0.0%	0
Sentinel Lighting	0.0%	0
Street Lighting	0.0%	0
	0.0%	0



Name of LDC: Middlesex Power Distribution Corporation  
File Number: EB-2009-0202  
Effective Date: May 1, 2010

Calculation of Regulatory Asset Recovery Rate Rider

Rate Rider Recovery Period - Years One

Rate Rider Effective To Date

April 30, 2011

Rate Class	Vol Metric	Billed kWh A	Billed kW B	kWh C	Non-RPP D	1590 E	1595 F	Total G = C + D + E + F	Rate Rider kWh H = G / A (kWh) or H = G / B (kW)
Residential	kWh	57,013,718	0	(183,026 )	25,704	(8,705 )	0	(166,027 )	(0.00291)
General Service Less Than 50 kW	kWh	20,650,087	0	(66,291 )	7,342	(2,240 )	0	(61,189 )	(0.00296)
General Service 50 to 4,999 kW	kW	89,348,572	244,554	(286,827 )	160,575	(7,182 )	0	(133,434 )	(0.54562)
Large Use	kW	22,647,906	51,576	(72,704 )	40,702	315	0	(31,687 )	(0.61438)
Unmetered Scattered Load	kWh	0	0	0	0	0	0	0	0.00000
Sentinel Lighting	kW	42,320	118	(136 )	0	(24 )	0	(160 )	(1.35670)
Street Lighting	kW	1,452,618	4,316	(4,663 )	0	(71 )	0	(4,735 )	(1.09700)
		191,155,221	300,564	(613,647 )	234,323	(17,908 )	0	(397,231 )	
				-	-	-	-	-	

Enter the above value onto Sheet  
"J2.1 DeferralAccount Rate Rider"  
of the 2010 OEB IRM2 Rate Generator  
"J2.5 DeferralAccount Rate Rider2"  
of the 2010 OEB IRM3 Rate Generator



Name of LDC: Middlesex Power Distribution Corporation  
File Number: EB-2009-0202  
Effective Date: May 1, 2010

Request for Clearance of Deferral and Variance Accounts

Account Description	Account Number	Principal Amounts	Interest Amounts	Total Claim
		A	B	C = A + B
LV Variance Account	1550	(72,113 )	(7,095 )	(79,208 )
RSVA - Wholesale Market Service Charge	1580	436,545	22,545	459,090
RSVA - Retail Transmission Network Charge	1584	141,599	17,077	158,676
RSVA - Retail Transmission Connection Charge	1586	63,937	11,151	75,088
RSVA - Power (Excluding Global Adjustment)	1588	0	0	0
RSVA - Power (Global Adjustment Sub-account)	1588	(217,469 )	(16,855 )	(234,323 )
Recovery of Regulatory Asset Balances	1590	12,552	5,356	17,908
Disposition and recovery of Regulatory Balances Account	1595	(365,051 )	(32,180 )	(397,231 )
	Total	0	0	0