

July 30, 2001

Ontario Energy Board
2300 Yonge Street
26th Floor, PO Box 2319
Toronto, Ontario
M4P 1E4

Attention: Mr. Paul B. Pudge Board Secretary

Dear Mr. Pudge:

Re: RP - 2000-0193, EB - 2000 - 0428 Halton Hills Hydro Inc. Rate Application

Thank-you for the opportunity to respond to the "Distribution Rate Application Review Report" prepared by Arthur Andersen Consulting on behalf of Board Staff. Halton Hills Hydro emphasizes and concurs fully with the last sentence in the Executive Summary "Thus, Option 1 was selected as it is the only one that will result in a positive cash flow over the 3-year phase-in period".

I am personally concerned that the Ontario Energy Board be in a position to make its rate decision respecting Halton Hills Hydro Inc. (Halton Hills Hydro, the Company) on Thursday, August 2, 2001. The Company's rate application was submitted on time in November of 2000, and included a complete set of information relative to Halton Hills Hydro's special circumstances. There were no delays in its publication of Notice in February 2001, and there were no interventions offered. No one in the community responded negatively about the rate treatment. The Company has requested that its rates be retroactive to January 1, 2001. Any further delay in obtaining approval of Option 1 will result in the collection of retroactive rate payments to January 1, 2001 being spread over an even shorter period of time. Halton Hills Hydro accepts this current situation but can see no reason not to expedite the approval of Option 1 as presented in the "Distribution Rate Application Review Report" (Report).

Although Halton Hills Hydro provided the Board with an application that was non-typical, it was non-typical only in the context of the 1999 rate normalization. Other "deviations", as noted in the Distribution Rate Application Review Report, illustrated the present or actual situation in the utility at the time of application to the Board to clarify the Company's special case. In its submissions to the Board, the Company explained its position fully and simply. The former Commission operated efficiently and responsibly, and by choice offered rate reductions to customers from 1994 to 1999 from excess capital reserves. Legislation set the 1999 rates as the basis for PBR. This resulted in an unfair

penalty to the Commission's successor Halton Hills Hydro Inc. for operating an efficient utility while under the Commission's management.

Halton Hills Hydro submitted a fair and reasonable rate application as the transitioning mechanism to move from a Public Utility to an Ontario Business Corporation. To be a viable corporation, the Company should not be penalized for decisions that were made in the past under very different operating circumstances that may seriously impact that viability.

With regard to the "Distribution Rate Application Review Report" prepared by Andersen Consulting and provided by Board Staff to Halton Hills Hydro Inc., Halton Hills Hydro has reviewed this document and is concerned with the context taken by the authors of the report. It is understood that there is a specific method by which a review report is prepared. Unfortunately, Halton Hills Hydro believes that the context presents a significant variation from the intent of the submissions made by the Company to the Board in November 2000. In effect, the context of the Report presents the position of the Company as one that I perceive suggests inadequate management and planning. On the contrary, the Board of Directors of Halton Hills Hydro Inc. rationally and deliberately reviewed all possible alternatives prior to making its business decision and submissions to the Ontario Energy Board. Nor does the Report appear to recognize that the reduction in rates from the period 1994 to 1999 was a result of efficient operation, the benefits of which were delivered to the customers in their rates during the same period.

As previously noted the legislation penalized Halton Hills Hydro for its operating efficiencies. Thus in its rate application, the Company sought relief in the form of a normalized adjustment to 1999 rates to remove the effects of lower historical rates which do not return the Company its costs of operation. In doing so, the Company is not asking the Board to remove historical benefits to the customers, but simply to allow the Company to operate in the new market on the same basis as other utilities who were unable to deliver efficiency benefits to their customers.

The apparent difficulty in interpretation of the results of the period from 1994 to 1999 occurs because of an arbitrary definition of financial distress and how that may apply to Halton Hills Hydro's application. The rate reductions offered to customers resulted in the base rates being set at below cost when the legislation established the 1999 rates as the reference point for subsequent PBR applications to the Board.

Halton Hills Hydro has specifically advised Board Staff, and reiterates here, that it is seeking special consideration in the rate application and is not seeking relief from financial distress. In fact, the criteria therefore do not apply to Halton Hills Hydro's financial position at this time, but would if the current trend was allowed to continue. The difficulty for Halton Hills Hydro and indeed the special circumstances leading up to the use of "normalized" 1999 rates were created by legislation and not by Halton Hills Hydro. In fact, the Board was advised of Halton Hills Hydro's concerns in this regard during the Board's review RP-2000-0069 when the Company's President (Mr. Guatto) and then CFO (Mr. Smelsky) appeared to point out the special nature of Halton Hills

Hydro's concerns. In that session, Mr. Guatto responded to Member Halliday that the Company was not seeking relief from financial distress. Member Halliday responded, "I think I understand what your concerns are. We will address those." (RP -2000-0069, August 16, 2000, TR 1142) The approval of Option 1 will fully address these concerns.

From the table provided below, the impact of the operating loss is evident in the historical cash position of the Company. Cash on hand is decreasing significantly as the table shows and reflects the arguments in the Application that there is a trend toward financial distress.

Cash On Hand

Year	Y/E Balance	Cash
1995	\$5,524,053	
1996	\$5,490,560	
1997	\$5,772,560	
1998	\$4,296,717	
1999	\$4,397,167	
2000	\$1,140,181	

The Board will understand from the above cash position that the Board of Halton Hills Hydro Inc. has only one acceptable option relative to the rate application. That option is defined in the Report as Option 1. Any different decision of the Board will create financial distress by the end of PBR 1 and subsequently throughout PBR 2 and PBR 3. With respect, Halton Hills Hydro would want to meet with the Board if Option 1 is not acceptable to the Board.

The Company's rate application also addresses the need for cash to finance growth. It is inherent within the RUD model that rates are the vehicle to finance growth. Previously submitted information to Arthur Andersen, which the Company understands was submitted to the Review Panel on July 24, 2001, indicates that the Town of Halton Hills is growing at a rate of 5% per year. The approval of the rate application (Option 1) will assist Halton Hills Hydro to accommodate the capital expenditures required by this growth.

In addition, the following rate comparison may be of value for the Board in assessing the relative impact of the Option 1 scenario versus the rates in the utilities adjacent to Halton Hills Hydro's boundaries with similar growth characteristics. The Company has reviewed published rates of these utilities and determined that with Halton Hills Hydro normalized rates plus one-third MARR the Company's distribution charges are lower than Oakville's rates by 10.6%, and are lower than Guelph's rates by 31.1%. Both Milton and Brampton fall between this minimum and maximum range. This comparison also illustrates quite dramatically that Halton Hills Hydro's choice to normalize rates was indeed appropriate.

Further, and referring once again to the "RP-2000-0069" transcript of August 16, 2000 and to a discussion between Member Zerker and Mr. Guatto, the latter pointed out that "...if we came to the Board and claimed that our rate was below market and we could prove it that the Board would have the ability to bring us back up to market rates." (TR 1140 line 26 to TR 1141 line 1). Halton Hills Hydro believes that the chart below offers the Board the proof that its normalized rates are not incompatible with the distribution rates in these other adjacent and growing Utilities.

Residential Rate Comparison – Monthly Consumption of 1,000 kWh

Rate Components	Halton Hills (Normalized)	Oakville (Approved)	Milton (Approved)	Guelph (Approved)	Brampton (Approved)
Service Charge	\$9.16	\$10.04	\$10.89	\$10.99	\$8.86
Volumetric	\$6.70	\$7.50	\$7.50	\$9.80	\$9.50
Total Distribution	\$15.86	\$17.54	\$18.39	\$20.79	\$18.36
Cost of Power	\$75.75	\$73.50	\$73.75	\$74.10	\$74.70
Total Bill	\$91.61	\$91.04	\$92.14	\$94.89	\$93.06

Halton Hills Hydro Inc. continues to operate in an efficient and effective manner. Option 1 provides revenues at an appropriate level to ensure the utility contributes positively to the growth of the community the utility serves, and to ensure benefit to the customers to whom it delivers electricity. Halton Hills Hydro Inc. submits that its rate application and approval of what has become Option 1 will provide the Company financial viability while adhering to the principles of the "Distribution Rates Handbook" under the special conditions that have been described.

I, as well as other senior managers, will be available at the pleasure of the Board Members' Review Panel for further discussion on these matters. Further, we will undertake to be in attendance at the Review session on August 2, 2001 if so required.

Yours truly,

Bryan D. Boyce
Chairman Halton Hills Hydro

- c. Mr. Mark Garner
Ms. Paula Conboy
Mr. Michael Bacci, Arthur Andersen
Mr. Dan Guatto President Halton Hills Hydro Inc.
Mr. Arthur Skidmore Controller Halton Hills Hydro Inc.

RP-2000-0193/EB-2000-0428
Halton Hills Hydro Inc.
Interrogatory Responses to Board Staff Interrogatory List #1

Question 1.1

Please provide audited financial statements for 1999 and 2000

Response to Question 1.1

The requested financial statements have been attached. Since there are three sets of financial statements they have been referenced as:

Exhibit #1 (A) – December 31, 1999

Exhibit #1 (B) - October 31, 2000 (End of Commission)

Exhibit #1 (C) - December 31, 2000

RP-2000-0193/EB-2000-0428
Halton Hills Hydro Inc.
Interrogatory responses to Board Staff Interrogatory List #1

Question 1.2

Referring to the determination of the utility wires-only 1999 rate base of \$25,052,968 please explain whether any contributed capital received after December 31st, 1999 has been included in the utility rate base. If so, please indicate the amount, explain the circumstances and provide a justification for the inclusion of such contributed capital in the utility rate base.

In addition, please provide information on contributed capital added through “maintenance agreements” with developers in terms of amounts and rationale for this practice.

Response to Question 1.2

No, contributed capital received after December 31, 1999 has not been added to the rate base.

No, contributed capital has not been added to the rate base through “maintenance agreements”.

RP-2000-0193/EB-2000-0428
Halton Hills Hydro Inc.
Interrogatory responses to Board Staff Interrogatory List #1

Question 1.3

Most municipal utilities in Ontario provided some non-wires services in 1999 such as water heater rentals and sentinel light rentals. Please verify that all non-wires assets and controllable expenses have been removed from the calculation of the Rate Base and indicate whether non-wires revenues and expenses have been included within the 1999 Return.

Response to Question 1.3

Yes, all non-wires assets and controllable expenses have been removed from the calculation of the Rate Base.

No, all non-wires revenues and expenses have not been included in the 1999 return.

RP-2000-0193/EB-2000-0428
Halton Hills Hydro Inc.
Interrogatory responses to Board Staff Interrogatory List #1

Question 1.4

“Filing Requirements for the Rate Base” calculation have not been included within your application. Please provide this information.

Response to Question 1.4

The following tables have been attached and are referenced as Exhibit #2:

Table A.1 – Listing of all Assets prior to separation

Table A.2 – Listing of Accounts, prior to separation, relevant to the Working Capital Calculation

Table A.3 - Listing of Distribution “WIRES ONLY” Assets and Rate Base Calculation

Table A.4 - Listing of Distribution “WIRES ONLY” Accounts related to the Working Capital Calculation

These tables were completed at the time of filing and it may have been an oversight that they were excluded upon mailing the rate submission.

RP-2000-0193/EB-2000-0428
Halton Hills Hydro Inc.
Interrogatory responses to Board Staff Interrogatory List #1

Question 1.5

Upon review of Halton Hills Hydro's RUD Model, it has been noted that several monthly consumption levels receive bill impacts of greater than the Board's guideline of 10 percent from unbundling, as indicated in the Rate Handbook. Specifically, within the General Service >50 kW Non-TOU customer class, three consumption levels have impacts ranging from 16.8 percent to 25.9 percent and within the General Service >50 kW TOU class, the sample customer has impacts of greater than 10 percent following unbundling in both the summer and winter periods. Please indicate how many of the 169 existing Non-TOU and 8 TOU customers will be impacted by greater than 10 percent from unbundling, and how Halton Hills Hydro will assist these customers in dealing with such an impact.

Response to Question 1.5

It is noted that some customers in the General Service >50 kW Non-TOU customer class who are at the threshold consumption (between 50kW and 75kW) have greater than 10% rate increases, and they represent approximately 35 customers. Halton Hills Hydro Inc. will ensure that these customers will be able to receive guidance and advice with regard to managing their consumption for greater efficiency. Utility customer's consumption patterns in these classes often reflect the specific characteristics of their business operations. To the extent that the customers accept this advice, consumption patterns may then reflect greater price efficiency.

The General Service >50 kW TOU class T.O.U. customer base is now eleven and the number of customers with a greater than 10% rate increase are as follows:

Winter – 2 out of eleven
Summer – 4 out of eleven

Halton Hills Hydro Inc. will ensure that these customers will be able to receive guidance and advice with regard to managing their consumption for greater efficiency. Utility customers consumption patterns in these classes often reflect the specific characteristics of their business operations. To the extent that the customers accept the advice, consumption patterns may then reflect greater price efficiency.

RP-2000-0193/EB-2000-0428
Halton Hills Hydro Inc.
Interrogatory responses to Board Staff Interrogatory List #1

Question 1.6

The variable portion of the monthly service/variable charge ratio was reduced from 42.9 percent to 40 percent in the mitigation step of the unbundling process (i.e. Sheet 12 – Sensitivity Analysis 1 of the RUD Model). The Rate Handbook indicates that the variable portion of the monthly service/variable charge ration should be increased in order to mitigate bill impacts from unbundling. Please make the necessary adjustments to conform with the Rate Handbook or provide justification for the deviation.

Response to Question 1.6

Halton Hills Hydro calculated that a 2.9% increase was necessary to ‘normalize rates’. To conform to the Distribution Rate Handbook the default variable distribution revenue was used, and therefore using the calculations provided by the RUD model the fixed monthly service charge and percentages were obligatory.

Section 3.3.1 of the Rate Handbook states, “should be” and is not “required”, the only requirement of the section is Class revenue neutrality. Since we have met the requirement, we feel no changes should be made to the submission.

RP-2000-0193/EB-2000-0428
Halton Hills Hydro Inc.
Interrogatory responses to Board Staff Interrogatory List #1

Question 1.7

How does Halton Hills Hydro deal with un-metered or scattered load? Does the existing rate schedule include charges for such customers? Are the rates for scattered and unmetered loads applied on a per-site or per-connection basis? Is an estimate of monthly hours of use applied?

Please indicate the number of customers billed for un-metered load and the annual revenue received from them. How will they be charged going forward, and what is the impact of the rate proposal upon these customers?

Response to Question 1.7

Halton Hills Hydro Inc. deals with un-metered or scattered loads as a flat rate.

Yes, the existing rate schedule includes charges for such customers.

The rates are applied on a per-connection basis.

Yes, an estimate is used for the monthly hours of use.

We estimate that we have approximately 6 customers.

The revenue earned from these customers is immaterial, therefore no further calculation is deemed to be required.

RP-2000-0193/EB-2000-0428
Halton Hills Hydro Inc.
Interrogatory responses to Board Staff Interrogatory List #1

Question 1.8

What is Halton Hills Hydro's proposed implementation date for unbundled rates. Please explain whether Halton Hills Hydro is able to prorate the new rates as of a specified implementation date so that energy consumption prior to the implementation date is charged at the existing rather than the new rates? If not, please explain how it intends to introduce the new rates. If new rates will be retroactively implemented, please indicate how the prorated amounts will be billed to customers.

Response to Question 1.8

Halton Hills Hydro Inc. requires the approved rates to be effective January 1, 2001. Because of the delay in obtaining the rate approval, Halton Hills Hydro Inc. will retroactively implement this rate beginning July 1, 2001 on a prorated basis. Halton Hills Hydro Inc. seeks the Board's approval to use our preferred method of a "rate rider" to accommodate this retroactivity. Halton Hills Hydro Inc.'s billing system can accommodate proration of the old to new rates at the time of rate implementation.

RP-2000-0193/EB-2000-0428
Halton Hills Hydro Inc.
Interrogatory responses to Board Staff Interrogatory List #1

Question 1.9

As part of the rate approval process, the Board Staff generally reviews a draft copy of the customer bill stuffer/insert you will use to inform your customers of the changes to rates. Please provide a copy of the notice or bill insert that will be used to advise customers of the rate changes.

Response to Question 1.9

The following is a “draft” of the proposed customer bill insert for Halton Hills Hydro Inc. new rate information. The content of the “draft” may be subject to minor variations, although the context will be similar.

**HALTON HILLS HYDRO INC.
NEW RATE INFORMATION**

Electricity Rates have Increased

Halton Hills Hydro Inc. applied for and the Ontario Energy Board approved new electricity rates effective July 1, 2001. The increase in rates is needed in order to continue to provide a safe, reliable and high-quality electrical distribution system. Your current bill has been calculated using the new rates for electricity consumed on or after the effective date. This bill has been pro-rated to reflect your estimated consumption prior to the implementation date of the new rates. The new rate schedules are shown on the reverse of this notice.

Why are Electricity Prices Increasing?

The Energy Competition Act was enacted in October 1998. As a result utilities such as Halton Hills Hydro Inc. recently became independent businesses regulated by the Ontario Energy Board. Rate increases support the increased costs required for regulatory reporting and operating in a competitive marketplace. Rate increases also support the growing infrastructure the utility needs to enable it to provide a reliable service to both existing and new customers in our community. Over the period 1994 to 1999 Halton Hills Hydro Inc. was able to return excess equity to its customers in the form of rate reductions. This is no longer possible or sustainable in a competitive operating environment.

Rate Unbundling

In preparation for market opening, and as part of the new regulatory requirements Halton Hills Hydro Inc. sought Ontario Energy Board approval to unbundle its rates and to include a market adjusted revenue requirement. These unbundled rates include both an

RP-2000-0193/EB-2000-0428

Halton Hills Hydro Inc.

Interrogatory responses to Board Staff Interrogatory List #1

Response to Question 1.9 *(continued)*

energy component as well as a cost of distribution component. The cost of power component is based on kilowatt-hours and kilowatts depending on usage and customer category. The cost of distribution component is based on a fixed monthly fee as well as a volumetric charge that is also based on either kilowatt-hours or kilowatts depending on usage and customer category.

How will this affect YOU?

A residential customer in Halton Hills using 1,000 kWh of energy per month will see a monthly increase in their bill of \$3.19 (3.9%) although this figure will vary based on your consumption pattern. Halton Hills Hydro Inc. will consider this rate change in reviewing your Budget Payment Plan (in the fall of 2001) and if necessary, an adjustment will be made to your installments.

Similarly, if you are a general service customer, the impact of this rate change will depend on how much energy you use and the rate category that applies to your usage.

The overall increase in rates averages 5.29% over all customer classes.
See the rate categories on the reverse side of this notice.

RP-2000-0193/EB-2000-0428
Halton Hills Hydro Inc.
Interrogatory responses to Board Staff Interrogatory List #1

Question 1.10

Halton Hills Hydro's Transitional Distribution Rate Order, issued April 1st, 1999, includes a list of approved miscellaneous charges. Several of the charges included in the present application are not approved charges from the approved rate schedule, namely Reconnection at meter, Reconnection at pole, and Reconnection after regular working hours.

Please provide cost justification for all miscellaneous charges that Halton Hills Hydro has included in the application that are not currently approved. Please include an estimate of the annual revenue impact of the new charges (i.e. number of charges in 1999 times the new rates minus number of charges in 1999 times the old rates).

Response to Question 1.10

In fact the Reconnection at meter, Reconnection at pole, and Reconnection after regular working hours are approved rates from the Schedule of Rates and Charges sent by Ontario Hydro (see Exhibit #3).

Halton Hills Hydro Inc. notes that our Temporary Service charges need to be adjusted in order to supply the Board with a more comprehensive list of the miscellaneous charges on or before July 15, 2001. However, the Temporary Service charges are immaterial and therefore Halton Hills Hydro Inc. expects no impact on the approval of our distribution rates.

RP-2000-0193/EB-2000-0428
Halton Hills Hydro Inc.
Interrogatory responses to Board Staff Interrogatory List #1

Question 1.11

Please provide an electronic copy of Halton Hills Hydro's new Rate Schedule for Board Approval. Please use the same format as used in the previously approved rate schedule.

Response to Question 1.11

HALTON HILLS HYDRO INC.
SCHEDULE OF ELECTRICITY RATES

(Effective for electricity consumed after July 1, 2001)

<u>Customer Class</u>	<u>Cost of Power</u>		<u>Cost of Distribution</u>		
	<i>Consumption (\$/kWh)</i>	<i>Demand (\$/kW)</i>	<i>Fixed Charge (per month)</i>	<i>Consumption (\$/kWh)</i>	<i>Demand (\$/kW)</i>
Residential	\$.0684	-	\$9.16	\$.0067	-
General Service <50 kW	\$.0673	-	\$20.04	\$.0061	-
General Service >50 kW Non Time of Use	\$.0450	\$6.7272	\$509.65	-	\$1.3270
General Service >50 kW Time of Use			\$509.65	-	\$1.3270
• Winter On rate	\$.0634	\$9.110			
• Winter Off rate	\$.0349				
• Summer On rate	\$.0523	\$6.9427			
• Summer Off rate	\$.0239				
Sentinel Lights	-	\$20.6131	\$1.00	-	\$3.1943

Please note that this table reflects the information in our rate submission and does not include:

- 1.) The approved \$.00735 Ontario Power Generation Inc. increase effective June 1, 2001
- 2.) Any rate changes as a result of retroactivity. As stated in the answer to question 1.8, our preference is that we use a "rate rider" to accommodate the retroactivity.
- Transformer Allowance - .60/kW

A list of miscellaneous charges may be obtained upon request from Halton Hills Hydro Inc.

RP -2000 -0193/EB -2000 -0428

Halton Hills Hydro Inc.

Interrogatory responses to Board Staff Interrogatory List #1

Response to Question 1.11 (continued)

COST OF POWER

Commodity Charge: this charge represents the cost of power generation and transmission including miscellaneous regulatory charges and debt repayment payable to Ontario Power Generation Inc. and Hydro One Networks Inc. This charge is based on kWh consumption.

Demand Charge: this charge represents the cost of power generation and transmission including miscellaneous regulatory charges and debt repayment payable to Ontario Power Generation Inc. and Hydro One Networks Inc. This charge is based on kW demand and is only applicable to general service customers with monthly demand greater than 50kW.

COST OF DISTRIBUTION

Fixed Distribution Charge: this charge captures costs required to maintain the business of Halton Hills Hydro Inc.'s distribution system such as billing systems and administration.

KW or kWh Distribution Charge (volumetric): this charge is for the maintenance of Halton Hills Hydro Inc.'s distribution system contained within the boundaries of the Town of Halton Hills and is based on your monthly consumption.

HALTON HILLS HYDRO INC.

NON-CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2000

HALTON HILLS HYDRO INC.

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DECEMBER 31, 2000

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AUDITORS' REPORT

**To the Shareholder of
Halton Hills Hydro Inc.**

We have audited the non-consolidated balance sheet of Halton Hills Hydro Inc. as at December 31, 2000 and the non-consolidated statements of income and retained earnings and cash flows for year then ended. These financial statements are the responsibility of the company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these non-consolidated financial statements present fairly, in all material respects, the financial position of the company as at December 31, 2000 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles except that they are prepared on a non-consolidated basis as explained in Note 2(a).

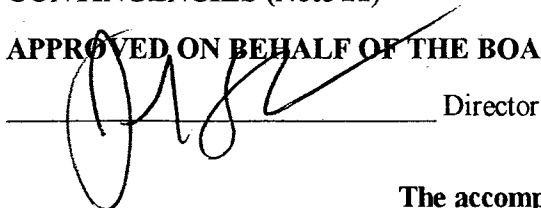
The comparative figures presented in the financial statements have not been subject to an audit.

Halton Hills, Ontario
April 19, 2001

Goebelle MacAdam Alexander LLP
CHARTERED ACCOUNTANTS

HALTON HILLS HYDRO INC.**NON-CONSOLIDATED BALANCE SHEET****AS AT DECEMBER 31, 2000**

	2000	1999
		(Unaudited)
ASSETS		
CURRENT		
Cash	\$ 1,140,181	\$ -
Accounts receivable (Note 3)	3,602,561	1
Unbilled revenue	3,462,392	-
Inventory	1,040,264	-
Accounts receivable from parent (Note 4)	948,173	-
Due from subsidiaries (Note 4)	250,438	-
Debentures receivable (Note 5)	83,277	-
Prepaid expenses and deposits	65,249	-
	10,592,535	1
LONG-TERM INVESTMENTS (Note 6)	1,033,032	-
NOTES RECEIVABLE (Note 7)	1,010,404	-
CAPITAL (Note 8)	22,707,246	-
DEFERRED CHARGES (Note 9)	534,625	-
	\$ 35,877,842	\$ 1
LIABILITIES		
CURRENT		
Accounts payable and accrued liabilities (Note 10)	\$ 4,485,673	\$ -
Current portion of consumer deposits	160,000	-
Contributions in aid of construction	48,561	-
	4,694,234	-
NOTES PAYABLE TO PARENT (Note 11)	14,310,843	-
CONSUMER DEPOSITS (Note 12)	465,573	-
EMPLOYEE FUTURE BENEFITS (Note 14)	394,543	-
	19,865,193	-
SHAREHOLDER'S EQUITY		
CAPITAL STOCK (Note 15)	14,330,536	1
CONTRIBUTED SURPLUS (Note 16)	2,162,256	-
RETAINED EARNINGS (DEFICIT)	(480,143)	-
	16,012,649	1
	\$ 35,877,842	\$ 1

CONTINGENCIES (Note 21)**APPROVED ON BEHALF OF THE BOARD:**

 Director


 Director

The accompanying notes are an integral
part of these financial statements

HALTON HILLS HYDRO INC.

NON-CONSOLIDATED STATEMENT OF INCOME AND RETAINED EARNINGS FOR THE YEAR ENDED DECEMBER 31, 2000 (WITH COMPARATIVES FOR THE NINE MONTHS ENDED DECEMBER 31, 1999)

	2000	1999 (Unaudited)
SERVICE REVENUE	\$ 5,558,893	\$ -
OTHER INCOME		
Interest income	10,927	-
Late payment charges	32,353	-
Pole rentals	15,667	-
Equity income (loss) from long-term investments	(5,806)	-
Gain on disposal of assets	4,000	-
Other revenue	22,230	-
	5,638,264	-
OPERATING EXPENSES		
Power costs	5,419,578	-
Salaries and benefits	468,024	-
Material costs	226,468	-
Contract services	114,046	-
Property costs	53,597	-
Other expenses	39,155	-
Communication costs	33,012	-
Intercompany reimbursements	(78,842)	-
Allocated to capital	(428,587)	-
	5,846,451	-
(LOSS) INCOME BEFORE INTEREST, INCOME TAXES AND AMORTIZATION	(208,187)	-
AMORTIZATION	266,415	-
INTEREST EXPENSE	5,541	-
	271,956	-
NET (LOSS) INCOME	(480,143)	-
RETAINED EARNINGS, BEGINNING OF YEAR	-	-
(DEFICIT) RETAINED EARNINGS, END OF YEAR	\$ (480,143)	\$ -

The accompanying notes are an integral
part of these financial statements

HALTON HILLS HYDRO INC.
NON-CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2000
(WITH COMPARATIVES FOR THE NINE MONTHS ENDED DECEMBER 31, 1999)

	2000	1999 (Unaudited)
CASH FLOWS PROVIDED BY (USED IN):		
OPERATING ACTIVITIES		
Net (loss) income	\$ (480,143)	\$ -
Items not requiring an outlay of cash:		
Amortization	266,415	-
Loss (gain) on disposal of assets	(4,000)	-
Difference between employee future benefits expense and amount funded	(192)	-
Equity loss (income) from limited partnership	5,806	-
	(212,114)	-
Changes in non-cash working capital:		
Accounts receivable	708,735	(1)
Inventory	(95,940)	-
Prepaid expenses and deposits	(14,726)	-
Accounts payable and accrued liabilities	1,102,092	-
Due from subsidiaries	(250,438)	-
Accounts receivable from parent	(948,173)	-
Contributions in aid of construction	48,561	-
Unbilled revenue	(1,094,738)	-
	(756,741)	(1)
FINANCING ACTIVITIES		
Capital stock issued	-	1
Decrease in debenture receivable	(43,466)	-
Consumer deposits - long term	(2,979)	-
Cash received on decommission	2,512,490	-
	2,466,045	1
INVESTING ACTIVITIES		
Purchase of capital assets	(496,395)	-
Proceeds on disposition of capital assets	4,000	-
Purchase of long-term investments	(10,389)	-
Purchase of computer software	(1,600)	-
Restructuring costs incurred	(64,739)	-
	(569,123)	-
NET INCREASE IN CASH AND CASH EQUIVALENTS	1,140,181	-
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	-	-
CASH AND CASH EQUIVALENTS, END OF YEAR	\$ 1,140,181	\$ -

The accompanying notes are an integral
part of these financial statements

HALTON HILLS HYDRO INC.

NOTES TO NON-CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2000

1. NATURE OF OPERATIONS

Halton Hills Hydro Inc., the "Company", a wholly-owned subsidiary of The Town of Halton Hills, was incorporated on April 13, 1999 under the Business Corporations Act of Ontario.

In recognition of the requirements in Bill 35 (the Energy Competition Act, 1998), the Town of Halton Hills passed a transfer By-law that transferred all of the assets and liabilities of the Halton Hills Hydro-Electric Commission, effective November 1, 2000, to four newly created corporations. These four corporations, Halton Hills Fibre Optics Inc., Halton Hills Energy Inc., Halton Hills Energy Services Inc. and Halton Hills Hydro Inc. will carry on the former businesses of the Commission with all its rights, duties, obligations and responsibilities from the date of transfer. As a result, these financial statements reflect two months of operations as a Company.

The principal activity of the Company is to provide electrical power distribution throughout the Town of Halton Hills.

Net assets transferred to the Company, from the Town of Halton Hills, may be summarized as follows:

Assets	
Cash	\$ 2,512,490
Other current assets	7,691,845
Capital, at book value	22,458,963
Deferred charges	486,591
Investment in subsidiaries	1,010,405
Notes from subsidiaries	1,010,404
Debenture receivable	83,277
	<hr/>
	35,253,975
Liabilities	
Current liabilities	3,587,053
Long-term portion of consumer deposits	468,552
Employee future benefits	394,735
	<hr/>
	4,450,340
Net assets	<hr/>
	\$ 30,803,635
Financed by:	
Note payable to parent	\$ 14,310,843
Share capital issued	14,330,536
Contributed surplus	2,162,256
	<hr/>
	\$ 30,803,635

The above items, except for cash, represent non-cash transactions and have been excluded from the cash flow statement.

HALTON HILLS HYDRO INC.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Non-Consolidated Financial Statements

Halton Hills Fibre Optics Inc., Halton Hills Energy Services Inc. and Halton Hills Energy Inc. are subsidiaries of the Company and according to generally accepted accounting principles, these investments should be accounted for on a consolidated basis, but because consolidated financial statements have also been issued, this has not been done. As a result, the investment in the subsidiary companies are recorded at cost and income from these investments is included in income for the year only to the extent of dividends received. These non-consolidated financial statements have been prepared for general purposes only and users should be cautioned that they may require additional information. These non-consolidated financial statements are in accordance with generally accepted accounting principles except that they are prepared on a non-consolidated basis.

(b) Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

(c) Revenue Recognition

Revenue is recorded on the basis of regular meter readings. Estimates of customer usage since the last meter reading date to the end of the year are recorded as unbilled revenue.

(d) Cash Flow Statement

Cash and cash equivalents consist of cash on hand and balances with banks and investments in money market instruments, with a term to maturity of 90 days or less at acquisition. Investing and financing activities that do not require the use of cash or cash equivalents are excluded from the Cash Flow Statement and disclosed separately.

(e) Marketable Securities

Halton Hills Hydro Inc. owns 1,661 shares of Sun Life Financial Services of Canada Inc. which is recorded at the lower of cost and market value. As at December 31, 2000 the market value of these shares was \$66,440 and cost was \$Nil as a result of the shares being received upon demutualization.

(f) Inventories

Inventories are valued at the lower of average cost and net realizable value.

(g) Long-term Investments

The Company follows the equity method of accounting for its investment in a limited partnership. Under this method, the investment is initially recorded at cost and is adjusted for the Company's proportionate share of any post acquisition earnings (losses) and distributions.

HALTON HILLS HYDRO INC.

(h) Capital Assets

Capital assets are recorded at cost. Amortization is provided on a straight-line balance basis so as to amortize the cost of depreciable assets over their estimated useful lives.

Distribution system	25 years
Plant	25-60 years
Fleet	5-8 years
Other equipment	10-15 years
Computers	5 years
General office	10 years
Stores equipment	10 years

The cost and related accumulated amortization of transmission and distribution facilities are removed from the accounts at the end of their estimated average service life. When other capital assets are disposed of, their original cost and accumulated amortization are removed from the accounts and the related gain or loss is included in the determination of income.

(i) Contributions in Aid of Construction

Non-refundable contributions in aid of construction are required to be received from developers for certain capital assets acquired by the Company. These amounts are normally included in the equity of the Company and are amortized over the same period as the capital asset they relate to. As the Company may have to repay a portion of this amount to the developers, they have been classified as current liabilities.

(j) Deferred Charges

Computer software including licensing and training costs relating to the new customer information system, is being amortized on a straight-line basis over a period of five years. Amortization of restructuring and incorporation costs are being amortized on a straight-line basis over a period of ten years.

(k) Pension Plan

The Company provides a pension plan for its employees through the Ontario Municipal Employees Retirement System (OMERS). OMERS is a multi-employer pension plan which operates as the Ontario Municipal Employees Retirement Fund ("the Fund"), and provides pensions for employees of Ontario municipalities, local boards, public utilities, and school boards. The fund is a contributory defined benefit pension plan which is financed by equal contributions from participating employers and employees, and by the investment of earnings of the Fund (see Note 13).

(l) Employee Future Benefits

The Company pays certain medical and life insurance benefits, under unfunded defined benefit plans, on behalf of its retired employees and recognizes these post-retirement costs in the period in which the employees rendered the services (see Note 14).

HALTON HILLS HYDRO INC.

(m) Consumer Deposits

Estimated consumer deposits to be refunded in the current year are classified as a current liability.

(n) Payment in Lieu of Income Taxes

Until such time as the opening of the competitive electricity market, payments in lieu of income taxes are not applicable to the Company, pursuant to Part VI section 89(1) of the Electricity Act, 1998.

3. ACCOUNTS RECEIVABLE

	2000	1999
Electrical service revenue	\$ 2,576,261	\$ -
Miscellaneous	1,080,714	1
GST input tax credits	82,060	-
Less: Allowance for doubtful accounts	(136,474)	-
	\$ 3,602,561	\$ 1

4. DUE FROM PARENT AND SUBSIDIARIES

The accounts receivable from parent arose from trade receivables. The amount due from subsidiaries arose from the Company paying for items on behalf of the subsidiaries. These receivables are unsecured and have no specific interest or repayment terms.

5. DEBENTURES RECEIVABLE

Principal and interest payments of the debenture debt issued by the Region of Halton and the Town of Halton Hills on behalf of the Company, and interest paid in the period are summarized as follows:

Interest paid during the period on By-law 182-90 was \$5,157.

The debt discount relating to the debentures is being amortized over the ten year term of the debentures.

The debentures under By-law 68-89 and a portion of 182-90 are sinking fund debentures. The details of these debentures are as follows:

	68-89	182-90
Sinking fund deposits contributed by Utility	\$ 612,982	\$ 217,332
Transfer of Surplus from Debenture 83-88	44,235	-
Accumulated earnings of sinking fund	313,555	38,173
Sinking fund on deposit with trustee	\$ 970,772	\$ 255,505
Debenture principal	\$ 888,000	\$ 255,000
Sinking fund deposit	970,772	255,505
Principal outstanding (surplus)	\$ (82,772)	\$ (505)

HALTON HILLS HYDRO INC.

6. LONG-TERM INVESTMENTS

	2000	1999
Halton Hills Energy Inc., a wholly-owned subsidiary company	\$ 1	\$ -
Halton Hills Energy Services Inc., a wholly-owned subsidiary company	284,904	-
Halton Hills Fibre Optics Inc., a wholly-owned subsidiary company	725,500	-
EnerConnect Inc., a limited partnership of which 40,689 units are held	22,627	-
	\$ 1,033,032	\$ -

7. NOTES RECEIVABLE

	2000	1999
Halton Hills Energy Services Inc., unsecured, non-interest bearing, no fixed terms of repayment, due November 1, 2005	\$ 284,904	\$ -
Halton Hills Fibre Optics Inc., unsecured, non-interest bearing, no fixed terms of repayment, due November 1, 2005 (effective January 1, 2001 this note was replaced with an unsecured note bearing floating interest of prime less 1%, no fixed principal repayment terms, due November 1, 2005)	725,500	-
	\$ 1,010,404	\$ -

8. CAPITAL ASSETS

	Cost	Accumulated Amortization	Net 2000	Net 1999
Distribution system	\$ 14,422,474	\$ 142,910	\$ 14,279,564	\$ -
Plant	6,949,297	49,922	6,899,375	-
Fleet	794,177	30,135	764,042	-
Other equipment	299,871	8,583	291,288	-
Computers	314,411	12,613	301,798	-
General office	124,122	3,764	120,358	-
Stores equipment	51,006	185	50,821	-
	\$ 22,955,358	\$ 248,112	\$ 22,707,246	\$ -

HALTON HILLS HYDRO INC.

9. DEFERRED CHARGES

	Cost	Accumulated Amortization	Net 2000	Net 1999
Restructuring and incorporation costs	\$ 409,080	\$ 6,818	\$ 402,262	\$ -
Computer software	143,850	11,487	132,363	-
	\$ 552,930	\$ 18,305	\$ 534,625	\$ -

10. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	2000	1999
Ontario Power Generation Inc.	\$ 3,308,407	\$ -
Customer credit balances	622,599	-
Other	554,667	-
	\$ 4,485,673	\$ -

11. NOTES PAYABLE TO PARENT

These notes are unsecured, have no specific interest or repayment terms and are due November 1, 2005. Upon the opening of the competitive electricity market, the note will be re-issued in order to bear interest at a rate then prescribed by the Treasurer of the Town of Halton Hills.

12. CONSUMER DEPOSITS

	2000	1999
Hydro deposits	\$ 580,925	\$ -
Accrued interest on deposits	44,648	-
Less: Current portion of consumer deposits	(160,000)	-
	\$ 465,573	\$ -

13. PENSION PLAN

The Company did not incur current service pension costs for the year ended December 31, 2000. Effective August 1, 1998, OMERS provided the former Halton Hills Hydro-Electric Commission a temporary contribution holiday, with no company or employee pension contributions required until December 31, 2001, as long as there is sufficient plan surplus. There will be a review of the OMERS plan surplus each year to determine whether the contribution holiday will continue.

HALTON HILLS HYDRO INC.

14. EMPLOYEE FUTURE BENEFITS

The Company pays certain medical and life insurance benefits on behalf of its retired employees. Effective January 1, 2000, the company adopted the Canadian Institute of Chartered Accountants new accounting standards for employee future benefits. The Company recognizes these post-retirement costs in the period in which the employees rendered the services. The change in accounting policy was applied retroactively, without restatement, and resulted in an employee future benefits liability of \$395,693 at January 1, 2000. The accrued benefit liability at December 31, 2000 of \$394,543 and the expense for the two months ended December 31, 2000, was determined by actuarial valuation using a discount rate of 6%.

Accrued benefit liability recognized in the balance sheet	\$	394,543
Expense for the period	\$	5,764
Benefits paid for the period	\$	5,956
Projected accrued benefit obligation at December 31, 2000, as determined by actuarial valuation using a 6% discount rate	\$	394,543

The main actuarial assumptions employed for the valuations are as follows:

General Inflation: Future general inflation levels, as measured by changes in the Consumer Price Index (CPI), were assumed at 3.5% in 2000 and thereafter.

Interest (Discount) Rate: The obligation as at January 1, 2000, of the present value of future liabilities, and the expense for the two months ended December 31, 2000, were determined using a discount rate of 6%. This corresponds to the assumed CPI rate plus an assumed real rate of return of 2.5%. The projected liability at December 31, 2000 was determined using a discount rate of 6%.

Salary Levels: Future general salary and wage levels were assumed to increase at the CPI rate plus productivity gains of 2% per annum.

Medical Costs: Medical costs were assumed to increase at the CPI rate plus a further increase of 5% in 2000 graded down by 1% annual decrements to 1% in 2004 and thereafter.

Dental Costs: Dental costs were assumed to increase at the CPI rate plus 1%.

15. CAPITAL STOCK

	2000	1999
Authorized		
unlimited preference shares		
unlimited common shares		
Issued		
1,021 common shares (1999 - 1)	\$ 14,330,536	\$ 1

HALTON HILLS HYDRO INC.

16. CONTRIBUTED SURPLUS

Contributed surplus represents the difference between the value of the net assets transferred on November 1, 2000 and the value of the net assets on August 31, 2000, the preliminary date used for determining the amounts transferred. As at December 31, 2000 this amount has yet to be distributed between Notes Payable to Parent and Share Capital. The final determination of the allocation of this difference will be determined by the Corporation and the Treasurer of the Town of Halton Hills during the 2001 fiscal year.

17. FINANCIAL INSTRUMENTS

The Company's financial instruments are substantially all cash, marketable securities, accounts receivable, notes receivable, unbilled revenue, accounts payable and accrued liabilities, notes payable to parent and amounts due to/from related parties, the book value of which approximates their fair value. The Company does not have significant credit risk from any individual customers. The Company minimizes its credit risk through the use of credit policies, regularly reviewing credit limits of customers and monitoring and following up on overdue accounts receivable.

18. COMMITMENTS

The Company has minimum annual lease commitments for computer equipment, office equipment and software support in the following approximate amounts:

2001	\$	55,934
2002		42,928
2003		40,000
2004		40,000
2005		40,000

19. RELATED PARTY TRANSACTIONS

	2000	1999
Revenue		
Energy charges to parent	\$ 47,934	\$ -

These transactions are in the normal course of operations and are measured at the exchange amount, which is the amount of consideration established by the standard approved rates.

HALTON HILLS HYDRO INC.

20. SUBSEQUENT EVENTS

According to Bylaw 00-100 passed on August 8, 2000, the assets transferred from the Town of Halton Hills will be revalued to their fair market value as at November 2, 2000. The fair market value of the assets will be determined based on the following three criteria: the permitted rate of return on equity and the rates that the Ontario Energy Board will allow the Company to charge for the distribution of electricity; the initial Ontario Energy Board rate order for the year of Market Opening and subsequent years and; any valuation of the assets by an independent valuator subsequent to the enactment of the by-law. This revaluation is expected to occur during the 2001 fiscal year. Any change in value of net assets transferred as a result of this adjustment will be allocated between Notes Payable to Parent and share capital as determined by the Corporation and the Treasurer of the Town of Halton Hills.

21. CONTINGENT LIABILITIES

A class action claiming \$500,000,000 in restitutionary payments plus interest was served on a representative utility on November 18, 1998. The action was initiated against that utility as the representative of the Defendant Class consisting of all municipal electric utilities in Ontario which have charged late charges on overdue utility bills at any time after April 1, 1981.

The claim is that late payment penalties result in the municipal electric utilities receiving interest at effective rates in excess of 60% per year, which is illegal under Section 347(1)(b) of the Criminal Code.

The Municipal Electric Association is undertaking the defence of the class action. At this time it is not possible to quantify the effect, if any, on the financial statements of the Company

The Company has been named defendant in a legal action alleging wrongful dismissal of a former employee. The action seeks \$125,000 in damages. Legal counsel to the Company is unable to assess the Company's potential liability, if any, resulting from this action. Any settlement will be reflected as a charge to income in the year incurred. No provision for possible loss has been included in these financial statements.

**HALTON HILLS
HYDRO-ELECTRIC COMMISSION**

Financial Statements

October 31, 2000

**Goebelle
MacAdam
Alexander
LLP**

37 Main Street South
Georgetown, Ontario
L7G 3G2

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Auditors' Report

**To the Commissioners of the
Halton Hills Hydro-Electric Commission,
Members of Council, Inhabitants and Ratepayers of the
Corporation of the Town of Halton Hills**

We have audited the balance sheet of Halton Hills Hydro-Electric Commission as at October 31, 2000 and the statements of equity, operations, and cash flow for the ten months then ended. These financial statements are the responsibility of the Commission's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Halton Hills Hydro-Electric Commission at October 31, 2000 and the results of its operations and the changes in its financial position for the ten months then ended in accordance with generally accepted accounting principles disclosed in Note 1 to the financial statements.

**Halton Hills, Ontario
November 24, 2000**



Chartered Accountants

Graeme Goebelle, B.A., F.C.A.

A. Brian MacAdam, B.Sc., C.A., C.F.P.

David Alexander, B.Math., C.A.

Melanie McCracken, B.Sc., C.A.

HALTON HILLS HYDRO-ELECTRIC COMMISSION

Balance Sheet

As at October 31, 2000

(with comparatives as at December 31)

	2000	1999	1998
Assets			
Current			
Cash	\$ 2,773,005	\$ 4,397,167	\$ 4,296,717
Accounts receivable (Note 2)	5,051,176	2,245,819	3,429,192
Unbilled revenue	2,367,654	3,192,794	2,184,490
Inventory	950,777	1,149,665	1,018,227
Prepaid expenses	54,523	68,787	92,312
	<u>11,197,135</u>	<u>11,054,232</u>	<u>11,020,938</u>
Capital (Note 3)	<u>24,368,088</u>	<u>22,325,398</u>	<u>20,675,761</u>
Deferred charges (Note 4)	<u>486,592</u>	<u>298,076</u>	<u>281,209</u>
Development charges receivable (Note 5)	<u>-</u>	<u>442,607</u>	<u>181,746</u>
	<u>\$ 36,051,815</u>	<u>\$ 34,120,313</u>	<u>\$ 32,159,654</u>
Liabilities			
Current			
Accounts payable and accrued liabilities (Note 6)	\$ 3,865,963	\$ 4,374,482	\$ 3,695,438
Accrued interest	25,500	1,949	12,066
Customer credit balances	705,332	831,874	422,076
Current portion of long-term debt	43,467	43,467	104,765
Current portion of consumer deposits	160,000	160,000	160,000
	<u>4,800,262</u>	<u>5,411,772</u>	<u>4,394,345</u>
Long-term debt			
Debenture debt (Note 7)	(52,579)	(21,404)	165,005
Current portion of long-term debt (Note 7)	(43,467)	(43,467)	(104,765)
	<u>(96,046)</u>	<u>(64,871)</u>	<u>60,240</u>
Other			
Development charge fund (Note 5)	-	442,607	181,746
Consumer deposits (Note 8)	674,210	689,901	677,172
Current portion of consumer deposits	(160,000)	(160,000)	(160,000)
	<u>514,210</u>	<u>972,508</u>	<u>698,918</u>
Equity			
Equity	<u>30,833,389</u>	<u>27,800,904</u>	<u>27,006,151</u>
	<u>\$ 36,051,815</u>	<u>\$ 34,120,313</u>	<u>\$ 32,159,654</u>

Approved on behalf of the Commission:

M. Allison - 2000 Chairman

D. Guatto - General Manager

The accompanying notes are an integral
part of these financial statements

HALTON HILLS HYDRO-ELECTRIC COMMISSION

Statement of Equity

For Ten Month Period Ended October 31, 2000

(with comparatives for the year ended December 31)

	2000	1999	1998
Contributions in aid of construction			
Balance, beginning of period	\$ 6,676,847	\$ 5,895,018	\$ 5,023,623
Current year additions	<u>2,298,595</u>	<u>781,829</u>	<u>871,395</u>
Balance, end of period	<u>8,975,442</u>	<u>6,676,847</u>	<u>5,895,018</u>
Accumulated net income			
Balance, beginning of period	21,124,057	21,111,133	21,453,711
Net income (loss)	<u>733,890</u>	<u>12,924</u>	<u>(342,578)</u>
Balance, end of period	<u>21,857,947</u>	<u>21,124,057</u>	<u>21,111,133</u>
	<u>\$ 30,833,389</u>	<u>\$ 27,800,904</u>	<u>\$ 27,006,151</u>

The accompanying notes are an integral
part of these financial statements

HALTON HILLS HYDRO-ELECTRIC COMMISSION

Statement of Operations

For Ten Month Period Ended October 31, 2000

(with comparatives for the year ended December 31)

	2000	1999	1998
Service revenue (Note 9)	\$ 25,493,686	\$ 29,880,212	\$ 28,822,171
Cost of power	<u>21,727,948</u>	<u>26,441,767</u>	<u>25,594,187</u>
Gross margin	<u>3,765,738</u>	<u>3,438,445</u>	<u>3,227,984</u>
Operating expenses			
Administration	957,257	1,106,803	1,071,617
Billing and collection	838,648	872,165	951,784
Lines and feeders	577,748	695,549	718,426
Transformers and meters	250,344	222,592	208,387
Substations	146,920	120,904	53,010
Customer service	137,378	117,350	169,483
Fibre optics	63,115	-	-
Interest expense	27,612	58,612	168,008
Amortization (Note 10)	<u>1,170,938</u>	<u>1,440,409</u>	<u>1,488,891</u>
	<u>4,169,960</u>	<u>4,634,384</u>	<u>4,829,606</u>
Operating revenue (Note 11)	<u>654,076</u>	<u>633,221</u>	<u>638,029</u>
Net operating expenses	<u>3,515,884</u>	<u>4,001,163</u>	<u>4,191,577</u>
Operating income (loss)	249,854	(562,718)	(963,593)
Other income (Note 12)	<u>484,036</u>	<u>575,642</u>	<u>621,015</u>
Net income (loss)	\$ <u><u>733,890</u></u>	\$ <u><u>12,924</u></u>	\$ <u><u>(342,578)</u></u>

The accompanying notes are an integral
part of these financial statements

HALTON HILLS HYDRO-ELECTRIC COMMISSION

Statement of Cash Flow

For Ten Month Period Ended October 31, 2000

(with comparatives for the year ended December 31)

	2000	1999	1998
Cash provided by (used for):			
Operations			
Net income (loss)	\$ 733,890	\$ 12,924	\$ (342,578)
Amortization of capital assets (Note 10)	1,338,698	1,610,562	1,680,977
Gain on disposal of capital assets	(22,480)	(4,131)	(1,878)
Amortization of debt discount	-	472	2,344
	<u>2,050,108</u>	<u>1,619,827</u>	<u>1,338,865</u>
Net change in non-cash working capital balances related to operations (Note 13)	<u>(2,378,575)</u>	<u>1,145,881</u>	<u>(1,052,817)</u>
	<u>(328,467)</u>	<u>2,765,708</u>	<u>286,048</u>
Financing			
Repayment of debenture debt	(31,175)	(186,881)	(248,924)
Increase (decrease) in consumer deposits	(15,691)	12,729	(13,112)
Increase in contributions in aid of construction	<u>2,298,595</u>	<u>781,829</u>	<u>871,395</u>
	<u>2,251,729</u>	<u>607,677</u>	<u>609,359</u>
Investing			
Decrease (increase) in deferred charges	(188,516)	(16,867)	18,156
Purchase of capital assets	(3,381,388)	(3,260,199)	(2,391,700)
Proceeds on disposal of capital assets	<u>22,480</u>	<u>4,131</u>	<u>1,878</u>
	<u>(3,547,424)</u>	<u>(3,272,935)</u>	<u>(2,371,666)</u>
Net change in cash	(1,624,162)	100,450	(1,476,259)
Cash and cash equivalents, beginning of period	<u>4,397,167</u>	<u>4,296,717</u>	<u>5,772,976</u>
Cash and cash equivalents, end of period	<u>\$ 2,773,005</u>	<u>\$ 4,397,167</u>	<u>\$ 4,296,717</u>

The accompanying notes are an integral part of these financial statements

HALTON HILLS HYDRO-ELECTRIC COMMISSION

Notes to Financial Statements

October 31, 2000

1. Significant Accounting Policies

The financial statements have been prepared in accordance with accounting principles for municipal electrical utilities in Ontario as required by Ontario Hydro under the authority of section 115 of the Power Corporation Act and reflect the following policies as set forth in the manual "Accounting for Municipal Electric Utilities in Ontario".

(a) Inventory

Inventory is valued at the lower of average cost and net realizable value.

(b) Capital Assets

Capital assets are recorded at cost. Amortization is provided on a straight-line basis over the estimated service lives of the assets.

The cost and related accumulated amortization of transmission and distribution facilities are removed from the accounts at the end of their estimated average service life. When other capital assets are disposed of, their original cost and accumulated amortization are removed from the accounts and the related gain or loss is included in the determination of income.

(c) Contributions in Aid of Construction

Non-refundable contributions in aid of construction are required for certain capital assets acquired by the Commission. These amounts are included in the equity of the utility and are not amortized.

(d) Consumer Deposits

Estimated consumer deposits to be refunded in the upcoming year are classified as a current liability.

(e) Revenue Recognition

Revenue is recorded in the accounts to various dates on the basis of monthly or bi-monthly meter readings. Unbilled revenue at the end of the year is included in revenue for the year.

(f) Burden Allocation

Burdens have been allocated for the year in a method consistent with the procedures of Ontario Hydro.

(g) Use of Estimates

The preparation of financial statements in accordance with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amount of revenues and expenses during the reported period. These estimates are reviewed periodically, and, as adjustments become necessary, they are reported in earnings in the period in which they become known.

2. Accounts Receivable

Accounts receivable consist of the following:	Oct. 31 2000	Dec. 31 1999	Dec. 31 1998
Electric service revenue	\$ 2,448,404	\$ 1,026,620	\$ 1,924,640
Water/sewage service revenue	436,174	178,738	370,392
Municipal owned streetlighting	-	-	57,705
Sundry	2,286,414	1,140,755	1,136,455
GST input tax credits	-	19,384	-
Allowance for doubtful accounts	(119,816)	(119,678)	(60,000)
	<u>\$ 5,051,176</u>	<u>\$ 2,245,819</u>	<u>\$ 3,429,192</u>

3. Capital Assets

Capital assets consist of the following:

	Oct. 31 2000	Dec. 31 1999	Dec. 31 1998
Cost	Accumulated Amortization	Net	Net
Plant	\$ 40,510,376	\$ 18,182,742	\$ 22,327,634
General office	323,991	200,838	123,153
Computers	521,052	304,979	216,073
Water heaters	1,952,036	1,316,912	635,124
Sentinel lights	40,425	35,318	5,107
Store equipment	49,607	41,260	8,347
Rolling stock	1,673,589	920,809	752,780
Other equipment	732,412	432,542	299,870
	<u>\$ 45,803,488</u>	<u>\$ 21,435,400</u>	<u>\$ 24,368,088</u>
			<u>\$ 22,325,398</u>
			<u>\$ 20,675,761</u>

4. Deferred Charges

	Oct. 31 2000	Dec. 31 1999	Dec. 31 1998
Deferred charges consist of the following:			
Unamortized debt discount	\$ 57	\$ 57	\$ 529
Restructuring and incorporation costs	344,285	90,343	-
Computer software	<u>142,250</u>	<u>207,676</u>	<u>280,680</u>
	<u>\$ 486,592</u>	<u>\$ 298,076</u>	<u>\$ 281,209</u>

Amortization of the debt discount is provided on a straight-line basis over the term of the debenture. Computer software including licensing and training costs relating to the new customer information system, is being amortized on a straight-line basis over a period of five years. Amortization of restructuring and incorporation costs will commence in the year restructuring processes are completed.

5. Development Charges Receivable

Development charges receivable are due from the Town of Halton Hills for future development commitments. The development commitments are recorded in the accounts as a Development Charge Fund, which consists of the following:

	Oct. 31 2000	Dec. 31 1999	Dec. 31 1998
Balance, beginning of period	\$ 442,607	\$ 181,746	\$ 230,176
Interest earned on fund	20,000	21,351	19,005
Additions to fund	331,750	463,672	318,597
Amounts transferred to equity	<u>(794,357)</u>	<u>(224,162)</u>	<u>(386,032)</u>
Balance, end of period	<u>\$ -</u>	<u>\$ 442,607</u>	<u>\$ 181,746</u>

6. Accounts Payable and Accrued Liabilities

Accounts payable and accrued liabilities consist of the following:

	Oct. 31 2000	Dec. 31 1999	Dec. 31 1998
Ontario Hydro	\$ 2,313,016	\$ 3,021,969	\$ 2,684,002
Region of Halton	712,632	327,078	625,246
Other	<u>840,315</u>	<u>1,025,435</u>	<u>386,190</u>
	<u>\$ 3,865,963</u>	<u>\$ 4,374,482</u>	<u>\$ 3,695,438</u>

7. Debenture Debt

Principal and interest payments of the debenture debt issued by the Region of Halton and the Town of Halton Hills on behalf of the Commission, and interest paid in the period are summarized as follows:

By-law	Year of Retirement	Principal Outstanding	Principal Due Within One Year	Interest Paid in Year
68-89	1999	\$ (110,136)	\$ -	\$ -
182-90	2000	<u>57,557</u>	<u>43,467</u>	<u>25,500</u>
		<u>\$ (52,579)</u>	<u>\$ 43,467</u>	<u>\$ 25,500</u>

The debt discount relating to the debentures is being amortized over the term of the debentures which is ten years.

The debentures under By-law 68-89 and a portion of 182-90 are sinking fund debentures. The details of these debentures are as follows:

	68-89	182-90
Sinking fund deposits contributed by Utility	\$ 612,982	\$ 173,865
Transfer of Surplus from Debenture 83-88	44,235	-
Accumulated earnings of sinking fund	<u>340,919</u>	<u>23,578</u>
Sinking fund on deposit with trustee	<u>\$ 998,136</u>	<u>\$ 197,443</u>
Debenture principal	\$ 888,000	\$ 255,000
Sinking fund deposit	<u>998,136</u>	<u>197,443</u>
Principal outstanding (surplus)	<u>\$ (110,136)</u>	<u>\$ 57,557</u>

Interest earned of \$31,175 in 2000 (\$37,410 - 1999, \$127,097 - 1998) on the sinking fund deposits has been included with interest income.

The Commission is obligated under the terms of the debentures to make payments in respect of sinking funds and principal repayments over the next 5 years are as follows:

2000	\$ 43,467
2001	-
2002	-
2003	-
2004	<u>-</u>
Total	<u>\$ 43,467</u>

8. Consumer Deposits

Consumer deposits consist of the following:	Oct. 31 2000	Dec. 31 1999	Dec. 31 1998
Hydro deposits	\$ 582,195	\$ 594,076	\$ 581,153
Water deposits	44,752	43,564	43,758
Accrued interest on deposits	47,263	52,261	52,261
	<u>\$ 674,210</u>	<u>\$ 689,901</u>	<u>\$ 677,172</u>

9. Service Revenue

Service revenue consists of the following:	Oct. 31 2000	Dec. 31 1999	Dec. 31 1998
Residential	\$ 11,747,517	\$ 13,261,701	\$ 13,012,207
General	13,615,185	16,467,075	15,661,437
Streetlighting	130,984	151,436	148,527
	<u>\$ 25,493,686</u>	<u>\$ 29,880,212</u>	<u>\$ 28,822,171</u>

10. Amortization Expense

Total amortization recorded in the accounts amounts to \$1,338,698 (\$1,610,562 - 1999, \$1,680,977 - 1998). Amortization expense for stores equipment, rolling stock and miscellaneous equipment is allocated to various expenses as an overhead charge.

11. Operating Revenue

Operating revenue consists of the following:	Oct. 31 2000	Dec. 31 1999	Dec. 31 1998
Water heater rentals	\$ 206,797	\$ 232,552	\$ 228,459
Administration fees recovered from Region	209,049	243,479	236,068
Fibre optic contracts	114,435	9,088	7,746
Use of facilities	29,167	35,000	53,926
Pole rentals	92,283	107,381	94,702
Sentinel light rentals	2,345	5,721	17,128
	<u>\$ 654,076</u>	<u>\$ 633,221</u>	<u>\$ 638,029</u>

12. Other Income

Other income consists of the following:

	Oct. 31 2000	Dec. 31 1999	Dec. 31 1998
Interest	\$ 161,495	\$ 227,925	\$ 353,887
Late payment charges	216,405	251,251	206,657
Gain on sale of capital assets	22,480	4,131	1,878
Sundry	81,556	88,783	44,910
Sale of scrap material	2,100	3,552	13,683
	<u>\$ 484,036</u>	<u>\$ 575,642</u>	<u>\$ 621,015</u>

13. Net Change in Non-Cash Working Capital Balances

Cash is provided by (used for) non-cash working capital balances related to operations as follows:

	Oct. 31 2000	Dec. 31 1999	Dec. 31 1998
Accounts receivable	\$ (2,805,357)	\$ 1,183,373	\$ (331,385)
Unbilled revenue	825,140	(1,008,304)	(199,985)
Inventory	198,888	(131,438)	(105,073)
Prepaid expenses	14,264	23,525	(22,800)
Accounts payable and accrued liabilities	(508,519)	679,044	(231,295)
Accrued interest	23,551	(10,117)	(10,133)
Customer credit balances	(126,542)	409,798	(152,146)
	<u>\$ (2,378,575)</u>	<u>\$ 1,145,881</u>	<u>\$ (1,052,817)</u>

14. Financial Instruments

The Commission's financial instruments are substantially all cash, accounts receivable and accounts payable and accrued liabilities, the book value of which approximates its fair value. The Commission does not run significant credit risk with respect to any individual customer. The Commission minimizes its credit risk through the use of credit policies and monitoring the follow up on overdue accounts receivable.

15. Contingent Liability

A class action claiming \$500,000,000 in restitutionary payments plus interest was served on a representative utility on November 18, 1998. The action was initiated against that utility as the representative of the Defendant Class consisting of all municipal electric utilities in Ontario which have charged late payment charges on overdue utility bills at any time after April 1, 1981.

The claim is that late payment penalties result in the municipal electric utilities receiving interest at effective rates in excess of 60% per year, which is illegal under Section 347(1)(b) of the Criminal Code.

The Municipal Electric Association is undertaking the defense of this class action. At this time it is not possible to quantify the effect, if any, on the financial statements of Halton Hills Hydro-Electric Commission.

16. Industry Restructuring

The Ontario Government enacted the Energy Competition Act, 1998 to introduce competition to the Ontario electricity market by the year 2000. Under the terms of this legislation, the Ontario Energy Board (the "OEB") will regulate industry participants by issuing licenses for the right to generate, transmit, distribute or retail electricity. These licenses will require compliance with established market rules and codes.

Pursuant to legislation, the Corporation of the Town of Halton Hills, as owners of the Commission, enacted a By-Law to authorize the incorporation of one or more companies created for the purpose of continuing distributing and retailing activities of the Commission. As of November 1, 2000, the assets and liabilities of the Halton Hills Hydro-Electric Commission were transferred to three newly created corporations. The Corporation of the Town of Halton Hills is the sole shareholder of the parent company Halton Hills Hydro Inc.

17. Commitments

The Commission has commitments for computer equipment, office equipment, and software support services in the following approximate amounts:

2000	\$	4,324
2001		53,372
2002		42,929
2003		40,000
2004		40,000

18. Comparative Figures

Certain comparative figures have been reclassified to conform with the current year's financial statement presentation which has had no effect on net income or cash position.

EXHIBIT #1 (A)

HALTON HILLS HYDRO-ELECTRIC COMMISSION

Financial Statements

December 31, 1999

Auditors' Report

**To the Commissioners of the
Halton Hills Hydro-Electric Commission,
Members of Council, Inhabitants and
Ratepayers of the Corporation of the Town of Halton Hills**

We have audited the balance sheet of Halton Hills Hydro-Electric Commission as at December 31, 1999 and the statements of equity, operations, and cash flow for the year then ended. These financial statements are the responsibility of the Commission's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Halton Hills Hydro-Electric Commission as at December 31, 1999 and the results of its operations for the year then ended in accordance with generally accepted accounting principles disclosed in Note 1 to the financial statements.

Halton Hills, Ontario

Chartered Accountants

HALTON HILLS HYDRO-ELECTRIC COMMISSION

Balance Sheet

As at December 31, 1999

	1999	1998	1997
Assets			
Current			
Cash	\$ 4,397,167	\$ 4,296,717	\$ 3,761,724
Marketable securities	-	-	2,011,252
Accounts receivable (Note 2)	2,358,758	3,429,192	3,097,807
Unbilled revenue	3,192,794	2,184,490	1,984,505
Inventory	1,149,665	1,018,227	913,154
Prepaid expenses	68,787	92,312	69,512
	<u>11,167,171</u>	<u>11,020,938</u>	<u>11,837,954</u>
Capital (Note 3)	<u>22,325,398</u>	<u>20,675,761</u>	<u>19,965,037</u>
Deferred charges (Note 4)	<u>298,076</u>	<u>281,209</u>	<u>301,709</u>
Development charges receivable (Note 5)	<u>442,607</u>	<u>181,746</u>	<u>230,176</u>
	<u><u>\$ 34,233,252</u></u>	<u><u>\$ 32,159,654</u></u>	<u><u>\$ 32,334,876</u></u>
Liabilities			
Current			
Accounts payable and accrued liabilities (Note 6)	\$ 4,758,648	3,695,438	\$ 3,926,733
Accrued interest	1,949	12,066	22,199
Customer credit balances	560,647	422,076	574,221
Current portion of long-term debt	43,467	104,765	150,017
Current portion of consumer deposits	160,000	160,000	160,000
	<u>5,524,711</u>	<u>4,394,345</u>	<u>4,833,170</u>
Long-term debt			
Debenture debt (Note 7)	(21,404)	165,005	413,929
Current portion of long-term debt (Note 7)	(43,467)	(104,765)	(150,017)
	<u>(64,871)</u>	<u>60,240</u>	<u>263,912</u>
Other			
Development charge fund (Note 5)	442,607	181,746	230,176
Consumer deposits (Note 8)	689,901	677,172	690,284
Current portion of consumer deposits	(160,000)	(160,000)	(160,000)
	<u>972,508</u>	<u>698,918</u>	<u>760,460</u>
Equity			
Equity	<u>27,800,904</u>	<u>27,006,151</u>	<u>26,477,334</u>
	<u><u>\$ 34,233,252</u></u>	<u><u>\$ 32,159,654</u></u>	<u><u>\$ 32,334,876</u></u>

Approved on behalf of the Commission:

.....
M. Allison - 2000 Chairman

.....
D. Frizzell -1999 Chairman

.....
D. Guatto - General Manager

The accompanying notes are an integral
part of these financial statements

HALTON HILLS HYDRO-ELECTRIC COMMISSION

Statement of Equity As at December 31, 1999

	1999	1998	1997
Contributions in aid of construction			
Balance, beginning of year	\$ 5,895,018	\$ 5,023,623	\$ 4,408,524
Current year additions	<u>781,829</u>	<u>871,395</u>	<u>615,099</u>
Balance, end of year	<u>6,676,847</u>	<u>5,895,018</u>	<u>5,023,623</u>
Accumulated net income			
Balance, beginning of year	21,111,133	21,453,711	21,079,588
Net income (loss)	<u>12,924</u>	<u>(342,578)</u>	<u>374,123</u>
Balance, end of year	<u>21,124,057</u>	<u>21,111,133</u>	<u>21,453,711</u>
	<u>\$ 27,800,904</u>	<u>\$ 27,006,151</u>	<u>\$ 26,477,334</u>

The accompanying notes are an integral
part of these financial statements

HALTON HILLS HYDRO-ELECTRIC COMMISSION

Statement of Operations⁵⁸

For Year Ended December 31, 1999

	1999	1998	1997
Service revenue (Note 9)	\$ 29,880,212	\$ 28,822,171	\$ 28,954,954
Cost of power	<u>26,441,767</u>	<u>25,594,187</u>	<u>25,050,700</u>
Gross margin	<u>3,438,445</u>	<u>3,227,984</u>	<u>3,904,254</u>
Operating expenses			
Substations	120,904	53,010	98,629
Lines and feeders	695,549	718,426	545,719
Transformers and meters	222,592	208,387	230,070
Billing and collection	872,165	951,784	927,588
Administration	1,106,803	1,071,617	1,064,361
Interest expense	58,612	168,008	269,494
Customer service	117,350	169,483	156,985
Amortization (Note 10)	<u>1,440,409</u>	<u>1,488,891</u>	<u>1,479,407</u>
	4,634,384	4,829,606	4,772,253
Operating revenue (Note 11)	<u>624,133</u>	<u>630,283</u>	<u>580,112</u>
Net operating expenses	<u>4,010,251</u>	<u>4,199,323</u>	<u>4,192,141</u>
Operating income (loss)	(571,806)	(971,339)	(287,887)
Other income (Note 12)	<u>584,730</u>	<u>628,761</u>	<u>662,010</u>
Net income (loss)	\$ <u><u>12,924</u></u>	\$ <u><u>(342,578)</u></u>	\$ <u><u>374,123</u></u>

The accompanying notes are an integral
part of these financial statements

HALTON HILLS HYDRO-ELECTRIC COMMISSION

Statement of Cash Flow

For Year Ended December 31, 1999

	1999	1998	1997
Cash provided by (used for):			
Operations			
Net income (loss)	\$ 12,924	\$ (342,578)	\$ 374,123
Amortization of capital assets	1,610,562	1,680,977	1,613,462
Amortization of debt discount	472	2,344	3,010
	<u>1,623,958</u>	<u>1,340,743</u>	<u>1,990,595</u>
Net change in non-cash working capital balances related to operations (Note 13)	<u>1,145,881</u>	<u>(1,052,817)</u>	<u>1,137,993</u>
	<u>2,769,839</u>	<u>287,926</u>	<u>3,128,588</u>
Financing			
Repayment of debenture debt	(186,881)	(248,924)	(773,020)
Increase (decrease) in consumer deposits	12,729	(13,112)	(671)
Increase in contributions in aid of construction	781,829	871,395	615,099
	<u>607,677</u>	<u>609,359</u>	<u>(158,592)</u>
Investing			
Decrease (increase) in deferred charges	(16,867)	18,156	(123,279)
Purchase of capital assets	(2,708,186)	(2,391,700)	(2,564,301)
	<u>(2,725,053)</u>	<u>(2,373,544)</u>	<u>(2,687,580)</u>
Net change in cash	652,463	(1,476,259)	282,416
Cash position, beginning of year	<u>4,296,717</u>	<u>5,772,976</u>	<u>5,490,560</u>
Cash position, end of year	<u><u>\$ 4,949,180</u></u>	<u><u>\$ 4,296,717</u></u>	<u><u>\$ 5,772,976</u></u>

Cash position consists of the following:

Cash	\$ 4,397,167	\$ 4,296,717	\$ 3,761,724
Marketable securities	<u>-</u>	<u>-</u>	<u>2,011,252</u>
	<u><u>\$ 4,397,167</u></u>	<u><u>\$ 4,296,717</u></u>	<u><u>\$ 5,772,976</u></u>

The accompanying notes are an integral
part of these financial statements

HALTON HILLS HYDRO-ELECTRIC COMMISSION

Notes to Financial Statements

December 31, 1999

1. Significant Accounting Policies

The financial statements have been prepared in accordance with accounting principles for municipal electrical utilities in Ontario as required by Ontario Hydro under the authority of section 115 of the Power Corporation Act and reflect the following policies as set forth in the manual "Accounting for Municipal Electric Utilities in Ontario".

(a) Inventory

Inventory is valued at the lower of average cost and net realizable value.

(b) Capital Assets

Capital assets are recorded at cost. Amortization is provided on a straight-line basis over the estimated service lives of the assets.

The cost and related accumulated amortization of transmission and distribution facilities are removed from the accounts at the end of their estimated average service life. When other capital assets are disposed of, their original cost and accumulated amortization are removed from the accounts and the related gain or loss is included in the determination of income.

(c) Contributions in Aid of Construction

Non-refundable contributions in aid of construction are required for certain capital assets acquired by the Commission. These amounts are included in the equity of the utility and are not amortized.

(d) Consumer Deposits

Estimated consumer deposits to be refunded in the upcoming year are classified as a current liability.

(e) Revenue Recognition

Revenue is recorded in the accounts to various dates on the basis of monthly or bi-monthly meter readings. Unbilled revenue at the end of the year is included in revenue for the year.

(f) Burden Allocation

Burdens have been allocated for the year in a method consistent with the procedures of Ontario Hydro.

2. Accounts Receivable

Accounts receivable consist of the following:	1999	1998	1997
Electric service revenue	\$ 1,026,620	\$ 1,924,640	\$ 1,996,541
Water/sewage service revenue	178,738	370,392	325,367
Municipal owned streetlighting	0	57,705	15,304
Sundry	1,058,177	1,136,455	745,821
GST input tax credits	214,901	0	48,658
Allowance for doubtful accounts	(119,678)	(60,000)	(33,884)
	<u>\$ 2,358,758</u>	<u>\$ 3,429,192</u>	<u>\$ 3,097,807</u>

3. Capital Assets

Capital assets consist of the following:

	1999	1999	1999	1998	1997
	Cost	Accumulated Amortization	Net Book Value	Net Book Value	Net Book Value
Plant	\$ 37,659,737	\$ 17,226,113	\$ 20,433,624	\$ 18,803,128	\$ 18,097,863
General office	310,557	181,763	128,794	138,414	141,263
Computer equipment	472,014	242,873	229,141	139,233	98,160
Water heaters	1,849,021	1,193,813	655,208	707,566	707,272
Sentinel lights	40,125	34,269	5,856	6,340	7,500
Store equipment	49,607	38,635	10,972	14,123	9,592
Rolling stock	1,548,038	980,250	567,788	572,728	632,146
Other equipment	683,606	389,591	294,015	294,229	271,241
	<u>\$ 42,612,705</u>	<u>\$ 20,287,307</u>	<u>\$ 22,325,398</u>	<u>\$ 20,675,761</u>	<u>\$ 19,965,037</u>

4. Deferred Charges

Deferred charges consist of the following:

	1999	1998	1997
Unamortized debt discount	\$ 57	529	\$ 2,873
Restructuring & Incorporation Costs	90,343	0	0
Computer software	207,676	280,680	298,836
	<u>\$ 298,076</u>	<u>281,209</u>	<u>\$ 301,709</u>

Amortization of the debt discount is provided on a straight-line basis over the term of the debenture. Computer software including licensing and training costs relating to the new customer information system, is being amortized on a straight-line basis over a period of five years.

5. Development Charges Receivable

Development charges receivable are due from the Town of Halton Hills for future development commitments. The development commitments are recorded in the accounts as a Development Charge Fund, which consists of the following:

	1999	1998	1997
Balance, beginning of year	\$ 181,746	230,176	\$ 287,334
Interest earned on fund	21,351	19,005	14,561
Additions to fund	463,672	318,597	257,186
Amounts transferred to equity	(224,162)	(386,032)	(328,905)
Balance, end of year	<u>\$ 442,607</u>	<u>181,746</u>	<u>\$ 230,176</u>

6. Accounts Payable and Accrued Liabilities

Accounts payable and accrued liabilities consist of the following:

	1999	1998	1997
Ontario Hydro	\$ 3,021,969	\$ 2,684,002	\$ 2,633,714
Region of Halton	347,861	625,246	378,829
Other	1,388,818	386,190	914,190
	<u>\$ 4,758,648</u>	<u>\$ 3,695,438</u>	<u>\$ 3,926,733</u>

7. Debenture Debt

Principal and interest payments of the debenture debt issued by the Region of Halton and the Town of Halton Hills on behalf of the Commission, and interest paid in the period are summarized as follows:

By-law	Year of Retirement	Principal Outstanding	Principal Due Within One Year	Interest Paid in Year
68-89	1999	\$ (78,961)	\$ 0	\$ 25,336
182-90	2000	57,557	43,467	30,451
		<u>\$ (21,404)</u>	<u>\$ 43,467</u>	<u>\$ 55,787</u>

The debt discount relating to the debentures is being amortized over the term of the debentures which is ten years.

The debentures under By-law 68-89 and a portion of 182-90 are sinking fund debentures. The details of these debentures are as follows:

	68-89	182-90
Sinking fund deposits contributed by Utility	\$ 612,982	\$ 173,865
Transfer of Surplus from Debenture 83-88	44,235	0
Accumulated earnings of sinking fund	309,745	23,578
	<u>\$ 966,962</u>	<u>\$ 197,443</u>
Sinking fund on deposit with trustee		
Debenture principal	\$ 888,000	\$ 255,000
Sinking fund deposit	966,962	197,443
	<u>\$ (78,962)</u>	<u>\$ 57,557</u>
Principal outstanding (receivable)		

Interest earned of \$37,410 in 1999 (\$127,097 - 1998, \$110,290 - 1997) on the sinking fund deposits has been included with interest income.

7 Debenture Debt (continued)

The Commission is obligated under the terms of the debentures to make payments in respect of sinking funds and principal repayments over the next 5 years are as follows:

2000	\$	43,466
2001	-	
2002	-	
2003	-	
2004	-	
Total	\$	<u>43,466</u>

8. Consumer Deposits

Consumer deposits consist of the following:

	1999	1998	1997
Hydro deposits	\$ 594,076	\$ 581,153	\$ 590,855
Water deposits	43,564	43,758	46,290
Accrued interest on deposits	<u>52,261</u>	<u>52,261</u>	<u>53,139</u>
	<u>\$ 689,901</u>	<u>\$ 677,172</u>	<u>\$ 690,284</u>

9. Service Revenue

Service revenue consists of the following:

	1999	1998	1997
Residential	\$ 13,261,701	\$ 13,012,207	\$ 13,056,111
General	16,467,075	15,661,437	15,748,653
Streetlighting	<u>151,436</u>	<u>148,527</u>	<u>150,190</u>
	<u>\$ 29,880,212</u>	<u>\$ 28,822,171</u>	<u>\$ 28,954,954</u>

10. Amortization Expense

Total amortization recorded in the accounts amounts to \$1,610,564 (\$1,680,977 - 1998, \$1,613,462 - 1997). Amortization expense for stores equipment, rolling stock and miscellaneous equipment is allocated to various expenses as an overhead charge.

11. Operating Revenue

Operating revenue consists of the following:

	1999	1998	1997
Water heater rentals	\$ 232,552	\$ 228,459	\$ 231,106
Administration fees recovered from Region	243,479	236,068	237,067
Use of facilities	35,000	53,926	49,817
Pole rentals	107,381	94,702	46,518
Sentinel light rentals	5,721	17,128	15,604
	<u>\$ 624,133</u>	<u>\$ 630,283</u>	<u>\$ 580,112</u>

12. Other Income

Other income consists of the following:

	1999	1998	1997
Interest	\$ 227,925	\$ 353,887	\$ 298,300
Late payment charges	251,251	206,657	169,080
Gain on sale of capital assets	4,131	1,878	143,847
Sundry	97,871	52,656	39,282
Sale of scrap material	3,552	13,683	11,501
	<u>\$ 584,730</u>	<u>\$ 628,761</u>	<u>\$ 662,010</u>

13. Net Change in Non-Cash Working Capital Balances

Cash is provided by (used for) non-cash working capital balances related to operations as follows:

	1999	1998	1997
Accounts receivable	1,070,434	\$ (331,385)	\$ 167,196
Unbilled revenue	(1,008,304)	(199,985)	(52,095)
Inventory	(131,438)	(105,073)	296,637
Prepaid expenses	23,525	(22,800)	(854)
Accounts payable and accrued liabilities	1,063,210	(231,295)	652,850
Accrued interest	(10,117)	(10,133)	(2,945)
Customer credit balances	138,571	(152,146)	77,204
Current portion of customer deposits	0	0	0
	<u>1,145,881</u>	<u>\$ (1,052,817)</u>	<u>\$ 1,137,993</u>

14. Financial Instruments

The Commission's financial instruments are substantially all cash, accounts receivable and accounts payable and accrued liabilities, the book value of which approximates its fair value. The Commission does not run significant credit risk with respect to any individual customer. The commission minimizes its credit risk through the use of credit policies and monitoring the follow up on overdue accounts receivable.

15. Contingent Liability

A class action claiming \$500 Million in restitutionary payments plus interest was served on a representative utility on November 18, 1998. The action was initiated against that utility as the representative of the Defendant Class consisting of all municipal electric utilities in Ontario which have charged Late Payment charges on overdue utility bills at any time after April 1, 1981.

The claim is that late payment penalties result in the municipal electric utilities receiving interest at effective rates in excess of 60.0% per year, which is illegal under Section 347(1)(b) of the Criminal Code.

The Municipal Electric Association is undertaking the defense of this class action. At this time it is not possible to quantify the effect, if any, on the financial statements of Halton Hills Hydro-Electric Commission.

16. Industry Restructuring

The Ontario Government enacted the Energy Competition Act, 1998 to introduce competition to the Ontario electricity market by the year 2000. Under the terms of this legislation, the Ontario Energy Board (the "OEB") will regulate industry participants by issuing licenses for the right to generate, transmit, distribute or retail electricity. These licenses will require compliance with established market rules and codes.

Pursuant to this legislation, the Municipality of Halton Hills, as owners of the Commission, must enact a By-Law by November 7, 2000 to authorize the incorporation of one or more companies created for the purpose of continuing distributing and retailing activities of the Commission. This By-Law will also authorize the transfer of all assets and liabilities of the Commission to the appropriate newly created corporations.

17. Commitments

The Commission has commitments for computer equipment, office equipment, and software support services in the following approximate amounts:

2000	\$	61,031
2001		50,294
2002		42,929
2003		40,000
2004		40,000

EXHIBIT 2

TABLE A.1
Listing of all Assets prior to separation
December 31, 1999

Account Number	Account Name	Year End Amount December 31, 1999
Assets (other than Construction in Progress)		
10 Land		\$ 354,870.81
15 Land Rights		\$ 1,563.49
20 Building and Fixtures - Brick, Stone, Concrete		\$ 3,222,097.17
25 Building and Fixtures - Other construction		\$ -
30 Generating Stations		\$ -
40 Transmission Lines on Wood Poles		\$ -
50 Municipal Transformer Station Equipment - Above 50kV		\$ -
55 Municipal Distribution Station Equipment - Below 50kV		\$ 2,596,571.71
60 Subtransmission Feeders - Overhead		\$ -
65 Subtransmission Feeders - Underground		\$ 5,129,035.93
70 Distribution Lines and Feeders - Overhead		\$ 12,782,364.60
75 Distribution Lines and Feeders - Underground		\$ 4,466,131.51
80 Distribution Transformers		\$ 6,710,314.06
90 Distribution Meters		\$ 1,355,644.53
110 General Office Equipment		\$ 310,556.59
115 Computer Equipment - Hardware		\$ 472,013.97
120 Stores Warehouse Equipment		\$ 49,606.66
125 Leasehold Improvements		\$ -
130 Rolling Stock and Equipment		\$ 1,548,037.66
140 Miscellaneous Equipment, Major Tools and Instruments		\$ 543,574.30
150 Water Heater Rental Units		\$ 1,849,020.86
151 Load Management Controls - Customer Premises		\$ -
152 Load Management Controls - Utility Premises		\$ -
153 System Supervisory Equipment		\$ 140,031.69
155 Sentinel Lighting Rental Units		\$ 40,125.42
Accumulated Depreciation/Amortization		
405 Accumulated Depreciation -	Building and Fixtures - Brick, Stone, Concrete	\$ 616,679.05
410 Accumulated Depreciation -	Building and Fixtures - Other construction	\$ -
415 Accumulated Depreciation -	Generating Stations	\$ -
420 Accumulated Depreciation -	Transmission Lines on Wood Poles	\$ -
425 Accumulated Depreciation -	Municipal Transformer Station Equipment - Above 50kV	\$ -
430 Accumulated Depreciation -	Municipal Distribution Station Equipment - Below 50kV	\$ 1,503,195.75
435 Accumulated Depreciation -	Subtransmission Feeders - Overhead	\$ -
436 Accumulated Depreciation -	Subtransmission Feeders - Underground	\$ 2,456,053.72
440 Accumulated Depreciation -	Distribution Lines and Feeders - Overhead	\$ 12,648,619.81
445 Accumulated Depreciation -	Distribution Lines and Feeders - Underground	\$ -
450 Accumulated Depreciation -	Distribution Transformers	\$ -
455 Accumulated Depreciation -	Distribution Meters	\$ -
480 Accumulated Depreciation -	General Office Equipment	\$ 181,762.93
481 Accumulated Depreciation -	Computer Equipment - Hardware	\$ 242,873.57
482 Accumulated Depreciation -	Stores Warehouse Equipment	\$ 38,635.00
483 Accumulated Depreciation -	Rolling Stock and Equipment	\$ 980,249.88
484 Accumulated Depreciation -	Miscellaneous Equipment, Major Tools and Instruments	\$ 342,490.23
485 Accumulated Depreciation -	Water Heater Rental Units	\$ 1,193,813.15
486 Accumulated Depreciation -	Load Management Controls - Customer Premises	\$ -
487 Accumulated Depreciation -	Load Management Controls - Utility Premises	\$ -
488 Accumulated Depreciation -	System Supervisory Equipment	\$ 47,100.95
489 Accumulated Depreciation -	Sentinel Lighting Rental Units	\$ 34,269.47
490 Accumulated Amortization -	Land Rights	\$ 1,563.49
491 Accumulated Amortization -	Leasehold Improvements	\$ -
Cost of Power		
1010 Power Purchased		\$ 26,441,767.00
1015 Cost of Power - Adjustment		\$ -
Operations and Maintenance		
1021 Hydraulic Generating Station -	Operating Labour	\$ -
1022 Hydraulic Generating Station -	Operating Supplies and Expenses	\$ -
1024 Hydraulic Generating Station -	Maintenance of Equipment	\$ -
1025 Hydraulic Generating Station -	Maintenance of Building and Fixtures	\$ -

TABLE A.1
Listing of all Assets prior to separation
December 31, 1999

Account Number	Account Name	Year End Amount December 31, 1999
1031 Diesel Generating Station -	Operating Labour	\$ -
1032 Diesel Generating Station -	Operating Supplies and Expenses	\$ -
1033 Diesel Generating Station -	Operating Fuel	\$ -
1034 Diesel Generating Station -	Maintenance of Equipment	\$ -
1035 Diesel Generating Station -	Maintenance of Building and Fixtures	\$ -
2011 Transmission Lines - Operation		\$ -
2014 Transmission Lines - Maintenance		\$ -
2015 Transmission Right of Way - Maintenance		\$ -
4011 Municipal Transformer Station Equipment -	Operating Labour	\$ -
4012 Municipal Transformer Station Equipment -	Operating Supplies and Expenses	
4014 Municipal Transformer Station Equipment -	Maintenance of Equipment	
4015 Municipal Transformer Station Equipment -	Maintenance of Building and Fixtures	
4021 Subtransmission Feeders - Operation		\$ -
4024 Subtransmission Feeders - Maintenance		\$ -
4031 Municipal Distribution Station Equipment -	Operating Labour	\$ 120,904.00
4032 Municipal Distribution Station Equipment -	Operating Supplies and Expenses	\$ -
4034 Municipal Distribution Station Equipment -	Maintenance of Equipment	\$ -
4035 Municipal Distribution Station Equipment -	Maintenance of Building and Fixtures	
5011 Overhead Distribution Lines and Feeders -	Operating Labour	\$ 550,768.00
5012 Overhead Distribution Lines and Feeders -	Operating Supplies and Expenses	
5013 Overhead Distribution Lines and Feeders -	Rentals Paid	
5014 Overhead Distribution Lines and Feeders -	Maintenance	
5015 Overhead Distribution Lines and Feeders -	Tree Trimming	
5051 Underground Distribution Lines and Feeders -	Operating Labour	\$ 144,781.00
5052 Underground Distribution Lines and Feeders -	Operating Supplies and Expenses	
5053 Underground Distribution Lines and Feeders -	Rentals Paid	
5054 Underground Distribution Lines and Feeders -	Maintenance	
5061 Distribution Transformers - Operation		\$ 58,762.00
5064 Distribution Transformers - Maintenance		
5091 Distribution Meters - Operation		\$ 163,830.00
5094 Distribution Meters - Maintenance		
6051 Customer Premises - Labour		\$ 72,069.00
6054 Customer Premises - Maintenance		
6061 Water Heater Rental Units - Labour		\$ 33,713.00
6064 Water Heater Rental Units - Maintenance		
6071 Water Heater Controls - Labour		\$ -
6074 Water Heater Controls - Maintenance		
6081 Sentinel Lighting Rental Units - Labour		\$ 11,568.00
6084 Sentinel Lighting Rental Units - Maintenance		
7011 Energy Conservation		\$ -
7012 Community Safety Program		
7013 Community Relations - Other		\$ 35,913.00
7021 Meter Reading		\$ 872,165.00
7024 Billing		
7027 Collecting		
7028 Cash Over and Short		
	Administration	
8011 Commissioners' Salaries and Expenses		\$ 1,070,890.00
8012 General Officers' Salaries and Expenses		
8013 General Office Salaries and Expenses		
8014 Miscellaneous General Expenses		
8015 General Office Building Operation and Maintenance		

TABLE A.2
Listing of Accounts, prior to separation, relevant to Working Capital Calculation
December 31, 1999

<u>Account Number</u>	<u>Account Name</u>	<u>Year End Amount</u> <u>December 31, 1999</u>
	Cost of Power	
1010	Power Purchased	\$ 26,441,767.00
1015	Cost of Power - Adjustment	\$ -
	Operations and Maintenance	
1021	Hydraulic Generating Station - Operating Labour	\$ -
1022	Hydraulic Generating Station - Operating Supplies and Expenses	\$ -
1024	Hydraulic Generating Station - Maintenance of Equipment	\$ -
1025	Hydraulic Generating Station - Maintenance of Building and Facilities	\$ -
1031	Diesel Generating Station - Operating Labour	\$ -
1032	Diesel Generating Station - Operating Supplies and Expenses	\$ -
1033	Diesel Generating Station - Operating Fuel	\$ -
1034	Diesel Generating Station - Maintenance of Equipment	\$ -
1035	Diesel Generating Station - Maintenance of Building and Facilities	\$ -
2011	Transmission Lines - Operation	\$ -
2014	Transmission Lines - Maintenance	\$ -
2015	Transmission Right of Way - Maintenance	\$ -
4011	Municipal Transformer Station Equipment - Operating Labour	\$ -
4012	Municipal Transformer Station Equipment - Operating Supplies and Expenses	\$ -
4014	Municipal Transformer Station Equipment - Maintenance of Equipment	\$ -
4015	Municipal Transformer Station Equipment - Maintenance of Building and Facilities	\$ -
4021	Subtransmission Feeders - Operation	\$ -
4024	Subtransmission Feeders - Maintenance	\$ -
4031	Municipal Distribution Station Equipment - Operating Labour	\$ 120,904.00
4032	Municipal Distribution Station Equipment - Operating Supplies and Expenses	\$ -
4034	Municipal Distribution Station Equipment - Maintenance of Equipment	\$ -
4035	Municipal Distribution Station Equipment - Maintenance of Building and Facilities	\$ -
5011	Overhead Distribution Lines and Feeders - Operating Labour	\$ 550,768.00
5012	Overhead Distribution Lines and Feeders - Operating Supplies and Expenses	\$ -
5013	Overhead Distribution Lines and Feeders - Rentals Paid	\$ -
5014	Overhead Distribution Lines and Feeders - Maintenance	\$ -
5015	Overhead Distribution Lines and Feeders - Tree Trimming	\$ -
5051	Underground Distribution Lines and Feeders - Operating Labour	\$ 144,781.00
5052	Underground Distribution Lines and Feeders - Operating Supplies and Expenses	\$ -
5053	Underground Distribution Lines and Feeders - Rentals Paid	\$ -
5054	Underground Distribution Lines and Feeders - Maintenance	\$ -
5061	Distribution Transformers - Operation	\$ 58,762.00
5064	Distribution Transformers - Maintenance	\$ -
5091	Distribution Meters - Operation	\$ 163,830.00
5094	Distribution Meters - Maintenance	\$ -
6051	Customer Premises - Labour	\$ 72,069.00
6054	Customer Premises - Maintenance	\$ -
6061	Water Heater Rental Units - Labour	\$ 33,713.00
6064	Water Heater Rental Units - Maintenance	\$ -
6071	Water Heater Controls - Labour	\$ -

TABLE A.2
Listing of Accounts, prior to separation, relevant to Working Capital Calculation
December 31, 1999

<u>Account Number</u>	<u>Account Name</u>	<u>Year End Amount December 31, 1999</u>
6074	Water Heater Controls - Maintenance	\$ -
6081	Sentinal Lighting Rental Units - Labour	\$ 11,568.00
6084	Sentinal Lighting Rental Units - Maintenance	\$ -
7011	Energy Conservation	\$ -
7012	Community Safety Program	\$ -
7013	Community Relations - Other	\$ 35,913.00
7021	Meter Reading	\$ 872,165.00
7024	Billing	\$ -
7027	Collecting	\$ -
7028	Cash Over and Short	\$ -
	Administration	\$ -
8011	Commissioners' Salaries and Expenses	\$ 1,070,890.00
8012	General Officers' Salaries and Expenses	\$ -
8013	General Office Salaries and Expenses	\$ -
8014	Miscellaneous General Expenses	\$ -
8015	General Office Building Operation and Maintenance	\$ -

TABLE A.3
Listing of Distribution "Wires ONLY" Assets and Rate Base Calculation
December 31, 1999

<u>Account Number</u>	<u>Account Name</u>	<u>Year End Amount December 31, 1999</u>
Assets (other than Construction in Progress)		
10	Land	\$ 354,870.81
15	Land Rights	\$ 1,563.49
20	Building and Fixtures - Brick, Stone, Concrete	\$ 3,222,097.17
25	Building and Fixtures - Other construction	\$ -
55	Municipal Distribution Station Equipment - Below 50kV	\$ 2,596,571.71
60	Subtransmission Feeders - Overhead	\$ -
65	Subtransmission Feeders - Underground	\$ 5,129,035.93
70	Distribution Lines and Feeders - Overhead	\$ 12,782,364.60
75	Distribution Lines and Feeders - Underground	\$ 4,466,131.51
80	Distribution Transformers	\$ 6,710,314.06
90	Distribution Meters	\$ 1,355,644.53
110	General Office Equipment	\$ 310,556.59
115	Computer Equipment - Hardware	\$ 472,013.97
120	Stores Warehouse Equipment	\$ 49,606.66
125	Leasehold Improvements	\$ -
130	Rolloing Stock and Equipment	\$ 1,548,037.66
140	Miscellaneous Equipment, Major Tools and Instruments	\$ 543,574.30
151	Load Management Controls - Customer Premises	\$ -
152	Load Management Controls - Utility Premises	\$ -
153	System Supervisory Equipment	\$ 140,031.69
16X	Other amounts not listed above	
TOTAL 'A' (sum of accounts 10 to 16X above)		\$ 39,682,414.68
Accumulated Depreciation/Amortization		
405	Accumulated Depreciation - Building and Fixtures - Brick, Stone, Concrete	\$ 616,679.05
410	Accumulated Depreciation - Building and Fixtures - Other construction	\$ -
430	Accumulated Depreciation - Municipal Distribution Station Equipment - Below 50kV	\$ 1,503,195.75
435	Accumulated Depreciation - Subtransmission Feeders - Overhead	\$ -
436	Accumulated Depreciation - Subtransmission Feeders - Underground	\$ 2,456,053.72
440	Accumulated Depreciation - Distribution Lines and Feeders - Overhead	\$ 12,648,619.81
445	Accumulated Depreciation - Distribution Lines and Feeders - Underground	\$ -
450	Accumulated Depreciation - Distribution Transformers	\$ -
455	Accumulated Depreciation - Distribution Meters	\$ -
480	Accumulated Depreciation - General Office Equipment	\$ 181,762.93
481	Accumulated Depreciation - Computer Equipment - Hardware	\$ 242,873.57
482	Accumulated Depreciation - Stores Warehouse Equipment	\$ 38,635.00
483	Accumulated Depreciation - Rolling Stock and Equipment	\$ 980,249.88
484	Accumulated Depreciation - Miscellaneous Equipment, Major Tools and Instruments	\$ 342,490.23
486	Accumulated Depreciation - Load Management Controls - Customer Premises	\$ -
487	Accumulated Depreciation - Load Management Controls - Utility Premises	\$ -
488	Accumulated Depreciation - System Supervisory Equipment	\$ 47,100.95
490	Accumulated Amortization - Land Rights	\$ 1,563.49
491	Accumulated Amortization - Leasehold Improvements	\$ -
49X	Other amounts not listed above	

TABLE A.3
 Listing of Distribution "Wires ONLY" Assets and Rate Base Calculation
December 31, 1999

<u>Account Number</u>	<u>Account Name</u>	<u>Year End Amount December 31, 1999</u>
TOTAL 'B' (sum of accounts 405 to 409X above)		\$ 19,059,224.38
TOTAL NET FIXED ASSETS FOR YEAR 2000 FILING (Total A - Total B)		\$ 20,623,190.30
WORKING CAPITAL ALLOWANCE (from Table A.4)		\$ 4,429,777.35
TOTAL RATE BASE FOR INITIAL FILING		\$ 25,052,967.65

TABLE A.4
Listing of Distribution "Wires Only" Accounts related to the Working Capital Calculation
December 31, 1999

<u>Account Number</u>	<u>Account Name</u>	<u>Year End Amount</u> <u>December 31, 1999</u>
	Cost of Power	
1010	Power Purchased	\$ 26,441,767.00
1015	Cost of Power - Adjustment	\$ -
	Operations and Maintenance	
4031	Municipal Distribution Station Eq Operating Labour	\$ 120,904.00
4032	Municipal Distribution Station Eq Operating Supplies and Expenses	\$ -
4034	Municipal Distribution Station Eq Maintenance of Equipment	\$ -
4035	Municipal Distribution Station Eq Maintenance of Building and Fixtu	\$ -
5011	Overhead Distribution Lines and Operating Labour	\$ 550,768.00
5012	Overhead Distribution Lines and Operating Supplies and Expenses	\$ -
5013	Overhead Distribution Lines and Rentals Paid	\$ -
5014	Overhead Distribution Lines and Maintenance	\$ -
5015	Overhead Distribution Lines and Tree Trimming	\$ -
5051	Underground Distribution Lines a Operating Labour	\$ 144,781.00
5052	Underground Distribution Lines a Operating Supplies and Expenses	\$ -
5053	Underground Distribution Lines a Rentals Paid	\$ -
5054	Underground Distribution Lines a Maintenance	\$ -
5061	Distribution Transformers - Operation	\$ 58,762.00
5064	Distribution Transformers - Maintenance	\$ -
5091	Distribution Meters - Operation	\$ 163,830.00
5094	Distribution Meters - Maintenance	\$ -
6051	Customer Premises - Labour	\$ 72,069.00
6054	Customer Premises - Maintenance	\$ -
7011	Energy Conservation	\$ -
7012	Community Safety Program	\$ -
7013	Community Relations - Other	\$ 35,913.00
7021	Meter Reading	\$ 872,165.00
7024	Billing	\$ -
7027	Collecting	\$ -
7028	Cash Over and Short	\$ -
	Administration	\$ -
8011	Commissioners' Salaries and Expenses	\$ 1,070,890.00
8012	General Officers' Salaries and Expenses	\$ -
8013	General Office Salaries and Expenses	\$ -
8014	Miscellaneous General Expenses	\$ -
8015	General Office Building Operation and Maintenance	\$ -
		<hr/>
		\$ 29,531,849.00
		15.0%
WORKING CAPITAL ALLOWANCE		<hr/>
		\$ 4,429,777.35

Law Division, 700 University Avenue, Toronto, Ontario M5G 1X6

Telecopier (416) 592-1466

December 22, 1997

Halton Hills Hydro-Electric Commission
43 Alice Street
ACTON, Ontario L7J 2A9

Attention: D.J. Collie
Gen. Manager

JAMIE

Dear Sir/Madam:

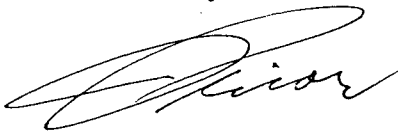
APPROVAL OF USE OF FUNDS AND RATE ADJUSTMENT

I wish to inform you that, pursuant to Section 120 of the Power Corporation Act R.S.O. 1990, c.P.18, the request of the Halton Hills Hydro-Electric Commission to utilize funds over and above current operating requirements for construction and extension of works in the amount of \$2,159,820 during 1998 was approved by the Corporation on December 4, 1997.

At the same time, approval was given for the purchase during 1998 of securities authorized under Section 120 of the said Act, with terms up to one year, such that the total amount of securities held at any one time does not exceed \$7,000,000.

Approval was also given, pursuant to Section 113 of the Power Corporation Act R.S.O. 1990 c.P.18, for the Halton Hills Hydro-Electric Commission to adopt the attached Schedule of Rates and Charges to be effective as indicated on the schedule and to supersede the existing schedule.

Yours truly,



Joan M. Prior
Assistant Secretary
Enc.

FLAT RATE WATER HEATING

RATE - \$36.00 /kW of Billing Demand
SCHEDULE OF CHARGES

Single or Balanced Elements

400-watt element	\$12.96	per month
450 watt element	14.58	per month
500-watt element	16.20	per month
550-watt element	17.82	per month
600-watt element	19.44	per month
650-watt element	20.59	per month
700-watt element	21.67	per month
750-watt element	22.95	per month
800-watt element	24.05	per month
850-watt element	25.15	per month
900-watt element	26.41	per month
950-watt element	27.63	per month
1,000-watt element	28.80	per month

All element sizes of over 1,000 watts to be charged at the rate of \$2.880 per 100 watts per month

Unbalanced Elements

1,000/3,000-watt elements	30.60	per month
1,500/4,500-watt elements	45.90	per month

Halton Hills Hydro-Electric Commission
SCHEDULE OF RATES AND CHARGES

Approval #: 97-158

Date: Dec 04, 1997

APPLICATION

- Application of rates and charges shall be in accordance with the Standard Application of Rates and amendments thereto as approved by Ontario Hydro.
- No rates and charges for supplying power or rates and charges to meet the costs of any work or service done or furnished for the purpose of a supply of power shall be made except as permitted by the Standard Application of Rates or as specified herein.
- Miscellaneous Charges, as approved, may be waived at the discretion of the supply authority.

EFFECTIVE DATES

- ENERGY** - January 01, 1998 for all energy used on or after that date with the electrical energy used prior to that date billed at existing rates and estimated by proration based on meter reading dates.
- EQUIPMENT RENTAL** - January 01, 1998 for all rentals applicable on or after that date with rentals prior to that date billed at existing rental charges.
- MISCELLANEOUS CHARGES** - January 01, 1998 for all charges incurred by customers on or after that date.

MONTHLY RATES AND CHARGES

Definitions : Time periods for time-of-use (Eastern Standard Time) :

Winter : all hours, October 1 through March 31

Summer : all hours, April 1 through September 30

Peak : 0700 to 2300 hours (local time) Monday to Friday inclusive, except for public holidays, including New Year's Day, Good Friday, Victoria Day, Canada Day, Civic Holiday (as in Toronto), Labour Day, Thanksgiving Day, Christmas & Boxing Day.

Off-Peak : all other hours

RESIDENTIAL SERVICE - Regular :

Energy Charges

First 250 kW.h	(per kWh)	11.30 ¢
All additional kW.h	(per kWh)	7.05 ¢
Minimum Bill		\$7.05

RESIDENTIAL SERVICE - Time Of Use : (At Customer's Request)

Winter Energy Charges

Peak Period First 250 kW.h	(per kWh)	15.80 ¢
Peak Period All additional kW.h	(per kWh)	11.55 ¢
Off-Peak Period All kW.h	(per kWh)	3.42 ¢

Summer Energy Charges

Peak Period First 250 kW.h	(per kWh)	13.62 ¢
Peak Period All additional kW.h	(per kWh)	9.37 ¢
Off-Peak Period All kW.h	(per kWh)	2.35 ¢
Minimum Bill		\$7.05

RESIDENTIAL SERVICE - Miscellaneous :

Flat Rate Water Heating - Charges as attached (applicable to water heaters installed prior to December 31, 1984) per kW of billing demand	(per kW)	\$36.00
Sentinel Light - per kilowatt of connected load (unmetered energy)	(per kW)	\$27.48

GENERAL SERVICE - Regular :

(0 - 5000 kW)

Billing Demand

First 50 kW	(per kW)	\$0.00
All Additional kW	(per kW)	\$5.00

Energy Charges

First 250 kW.h	(per kWh)	11.30 ¢
Next 12,250 kW.h	(per kWh)	7.56 ¢
All additional kW.h	(per kWh)	5.55 ¢
Minimum Bill - Under 50 kW of maximum demand		\$7.05

Halton Hills Hydro-Electric Commission
SCHEDULE OF RATES AND CHARGES

Approval #: 97-158
Date: Dec 04, 1997

GENERAL SERVICE - Regular :

Minimum Bill - over 50 kW of maximum demand - per kW of maximum demand during the previous eleven months or contracted amount whichever is greater	(per kW)	\$0.60
--	----------	--------

GENERAL SERVICE - Miscellaneous :

Flat Rate Water Heating - Charges as attached (applicable to water heaters installed prior to December 31, 1984) per kW of billing demand	(per kW)	\$36.00
Sentinel Light - per kilowatt of connected load (unmetered energy)	(per kW)	\$27.48

STREET LIGHTING - Regular :

Per kW of connected load	(per kW)	\$24.98
--------------------------	----------	---------

TRANSFORMER**Losses:**

adjustment shall be made in accordance with Section IV, clause 7 of the Standard Application of Rates

Allowance for Ownership:

(per kw of billing demand)		
service at less than 115kV	(per kW)	\$0.50

EQUIPMENT RENTAL**Poles**

- Pole	\$1.00
--------	--------

Sentinel Light

- 175 watt	\$3.50
- 250 watt	\$4.00
- 400 watt	\$4.50

Water Heater

- 40 gallon	\$6.50
- 60 gallon	\$7.00

SPECIFIC SERVICE CHARGES**Customer Administration**

Account Setup Charge	\$10.00
Arrears Certificate	\$10.50
Dispute Involvement Charge	\$10.00

Non-Payment of Account

Late Payment	5.00 %
Returned Cheque Charge - Actual Bank Charges plus	\$10.50
Collection of Account Charge	\$7.00
Reconnection - At Meter	\$14.00
Reconnection - At Pole	\$17.25
Reconnection - after regular working hours	\$50.00



Ontario Energy Board

Distribution Rate Application Review Report

Halton Hills Hydro Inc.

Case Number: RP-2000-0193 / EB - 2000-0428

July 17, 2001

Rates Section Sign-off

Case Manager	M. Garner
P. Conboy	H. Thiessen

Executive Summary

Case Number: RP-200-0193

Utility Name: Halton Hills Hydro Inc.

Proposed Implementation Date: January 1, 2001

Assigned Staff: Analyst: Matthew Kolodzie for Arthur Andersen LLP

Interventions: Last date for intervention was March 23, 2001.

Date Review Completed: July 10, 2001

Case Details:

- ROE: 9.88%
- Incremental Revenue: \$2,145,787
- Amount included in first year rates: \$715,405
- Increased Distribution Revenue: 16.3%
- Residential Customer (1000 kWh/month) Bill Impact: 1.6%
- General Service Customer (2000 kWh/month) Bill Impact: 1.3%

Case Highlights:

Adjustments

Rate Base Adjustment: A total of \$1,702,208 of non-wires assets was removed from the 1999 Rate Base to arrive at the 1999 'wires only' rate base of \$25,052,967.

Deviations from Rate Handbook

Board Staff review of Halton Hills Hydro's rate application has uncovered the following deviations from the rate handbook:

- Since Halton Hills Hydro has been operating at a loss for several years, it is proposing to "normalize" its existing 1999 rates across all customer classes in order to create a "break-even" financial scenario for the LDC business at December 31, 1999. The proposed unbundled rates have been determined using these normalized rates as a starting point. In other words, the 9.88% return on equity will be earned using the break-even rates as data input to the RUD model, rather than the lower existing rates. The effect of this normalization is a 2.92% increase in total distribution revenue.
- Halton Hills Hydro used its actual winter peak coincident factor of 0.7561 and summer peak coincident factor of 0.7697 instead of the OEB default coincident factors of 0.981 and 0.991 respectively, and has provided adequate justification for this adjustment.
- The Applicant is proposing a harmonization of the distribution rates (fixed monthly and demand charges) for all Non-TOU and TOU customers in the General Service > 50 kW class. However, with regard to the cost of power component of the rates, the unbundled cost of power would reflect Non-TOU or TOU rates. The Applicant proposes to charge a \$5.50 monthly TOU meter rental.

- The service/volumetric charge ratio was adjusted in all rate classes from 57.1/42.9 to 60/40 in order to maintain the incremental distribution cost at \$0.0062/kWh after unbundling, in conformance with the Rate Handbook. This adjustment was necessary due to the normalization of existing rates, as described above. The Applicant did not undertake any further mitigation.

Rate Impacts

Halton Hills indicated that approximately 35 of its 169 General Service >50 kW Non-TOU customers will receive bill impacts of greater than 10 percent from unbundling. In addition, 2 of its 11 its General Service >50 kW TOU customers will receive bill impacts of greater than 10 percent from unbundling in the winter months, and 4 of these 11 customers will receive impacts of greater than 10 percent in the summer months. Halton Hills has indicated that it will ensure these customers will receive guidance and advice with regard to managing their consumption for greater efficiency. The Applicant has stated that customer's consumption patterns in these classes often reflect the specific characteristics of their business operations. To the extent that the customers accept the Applicant's advice, consumption patterns may then reflect greater price efficiency.

Claiming Special Circumstances

Halton Hills Hydro has claimed that it incurred a loss in 1999 in the amount of (\$944,688) in its "wires-only" business activities, and that its operating losses for the 9 months ending September 30, 2000 amounted to (\$351,185). Halton Hills Hydro argues that the negative 1999 return was determined by a decision of the Commission and is not reflective of any operating inefficiency that existed within the Utility (see section 4.4 for further discussion). Thus, leading the Applicant to adjust rates upward to a point where it would have broken even in 1999 (i.e. "normalization" of rates described above).

Other

Since Halton Hills Hydro has claimed special circumstances, it has provided a proforma analysis. Using three-year "wires-only" proforma income statements, Halton Hills Hydro has provided a comparison of the following three possible scenarios for the implementation of unbundled rates:

- Option 1:* Using "normalized" 1999 rates as the base for unbundling, with an equally distributed three-year phase-in of rate increases
- Option 2:* Using current 1999 rates as the base for unbundling, with an equally distributed three-year phase-in of rate increases
- Option 3:* Using current 1999 rates as the base for unbundling, with a phase-in of rate increases at 50% in year 1 and 25% in each of years 2 and 3

The Applicant has selected the first option, namely using normalized 1999 rates as the base for unbundling, with an equally distributed three-year phase-in of rate increases.

The proforma analysis indicates that option 1 will provided a cumulative net income of \$5,304,548 over the 3-year phase-in period and a net change in cash position of \$1,594,166 (after adding back depreciation expense and subtracting changes in working capital and capital expenditures). With option 2, the 3-year cumulative net income is \$1,446,323 and the net change in cash position is (\$2,015,532). With option 3, the 3-year cumulative net income is \$2,098,418 and the net change in cash position is (\$1,363,437). Thus, option 1 was selected

as it is the only one that will result in a positive cash position over the 3-year phase-in period.

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Attachment 1: Excerpt of transcript from proceeding RP-2000-0069 and submission by Hlaton Hills to proceeding.

Attachment 2: Letter seeking January 1, 2001 implementation date.

1.0 Background

- 1.5 Halton Hills Hydro Inc. ("Halton Hills" or "the Applicant") filed an unbundled distribution rate application with the Ontario Energy Board ("the Board") on November 23, 2000. The Applicant has chosen unbundled rates that produce the maximum allowable 9.88% return on deemed common equity. The Applicant intends to implement the partial MBRR rates effective with all bills issued on January 1, 2001.
- 1.6 Under the direction of the Board, Halton Hills published the Notice of Application ("the Notice") in the Milton Champion and the Georgetown Independent on March 9, 2001, with an intervention deadline set at March 23, 2001. No interventions were filed.
- 1.7 Halton Hills services customers, including 15,013 residential and 1,253 general service customers.

Table 1.1
Hydro Embrun's Customer Profile

Customer Class	Number	1999 Demand (kW)	1999 Annual Consumption (kWh)	1999 Annual Revenues
Residential	15,013	-	163,731,190	\$13,570,319
General Service <50kW Non-TOU	1,276	-	33,449,509	\$2,692,439
General Service >50 kW Non-TOU	169	357,858	127,518,829	\$9,310,770
General Service >50kW TOU	8	185,968	70,440,414	\$5,074,028
Subtotal	16,466	543,826	395,139,942	\$30,647,556
Sentinel Lighting	506	1,265	-	\$34,762
Street Lighting	3604	6,024	-	\$150,480
Total	20,576	551,115	395,139,942	\$30,832,798

- 1.8 Halton Hills current rate structure is to charge customers a bundled electricity rate. Residential and General Service <50 kW classes are charged for volumetric usage, whereas General Service >50 kW customers are charged both a volumetric and demand charge, and street lighting customers pay a demand charge alone.

2.0 Summary of Application

2.1 Rate of Return Chosen: 9.88%

2.2 Debt/Equity Ratio and Debt Rate:

- The Applicant has complied with the Rate Handbook requirements for a utility with a rate base of under \$100 million by deeming a Debt/Equity ratio of 50/50, and Debt Rate of 7.25%.

2.3 Rate Base:

1998 Net Fixed Assets (old utility)	\$20,675,761
1999 Net Fixed Assets (old utility)	\$22,325,398
1999 Net Fixed Assets (wires-only)	\$20,623,190

Net Fixed Assets removed from Rate Base Calculation for wires only:

Fixed Assets:

Construction in Progress	\$ 1,041,144
Water Heater Rental Units	\$ 655,208
Sentinel Lighting Rental Units	\$ 5,856
Total	\$ 1,702,208

1999 Net Fixed Assets (wires-only)	\$20,623,190
Working Capital Allowance (15% of COP & Controllable Expenses)	\$ 4,429,777

Rate Base for MARR calculation	\$25,052,967
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2.4 Market Adjusted Revenue Requirement (MARR): \$ 2,145,787

2.5 Net Income (before Finance & Extraordinary expenses):

1998 Net Income (old utility)	\$ (242,787)
1999 Net Income (old utility)	\$ (34,018)
1999 Net Income (1999 Return)	\$ 0

- The Applicant claimed to have a "wires-only" net loss of (\$944,688), before financial and extraordinary expenses, in 1999. Therefore, the Applicant used a floor value of \$0 as the 1999 Return in the RUD Model, which is in compliance with the Rate Handbook for Utilities with a negative 1999 ROE. However, the Applicant's claimed net loss excluded interest income of \$227,925, and did not account for a water heater rental expense of \$33,713 and a sentinel lighting rental expense of \$11,568; in addition, the 1999 return should be before interest expense of \$58,612. Thus, the actual "wires-only" amount should be (\$612,870). Nevertheless, the floor value of \$0 would still hold and the

misstatement of the net loss does not affect the calculation of the unbundled rates whatsoever.

- The reduction in Net Loss from 1998 to 1999 of approximately \$210,000 is due to a higher gross margin of the same amount in 1999.

2.6 Incremental Revenue:

- The applicant's incremental revenue is \$2,145,787 over the 1999 distribution revenue of \$4,391,033 to achieve a target rate of return on common equity of 9.88% over three years, exclusive of taxes.

2.7 1/3 of Incremental Revenue for First Year Rates:

- The Applicant has incorporated the mitigated (1/3 MARR) incremental revenue of \$715,405 into its first year rate structure.
- Therefore, the Applicant will have an additional \$1,430,382 of revenue available for recovery in years 2 and 3.

2.8 1999 and New Distribution Revenue for each Rate Class:

- The increase in distribution revenues requested in the application, by customer class, is shown in Table 2.1.

Table 2.1
Halton Hills Hydro: First Year Change in Distribution Revenues

Customer Class	1999 Distribution Revenue	1/3 MARR Adjusted Distribution Revenue	Change	Percentage Change
Residential	\$2,364,777	\$2,750,056	\$385,279	16.3%
General Service <50kW Non-TOU	\$439,812	\$511,467	\$71,656	16.3%
General Service >50kW Non-TOU	\$1,168,428	\$1,358,794	\$190,365	16.3%
General Service >50kW TOU	\$382,976	\$445,372	\$62,396	16.3%
Sentinel Lighting	\$8,687	\$10,102	\$1,415	16.3%

Street Lighting	\$26,353	\$30,646	\$4,293	16.3%
Total	\$4,391,033	\$5,106,437	\$715,405	16.3%

2.9 Claiming Special Circumstances:

Halton Hills has claimed that it incurred a loss in 1999 in the amount of (\$944,688) in its "wires-only" business activities, and that its operating losses for the 9 months ending September 30, 2000 amounted to (\$351,185). Furthermore, Halton Hills has claimed that it incurred a 6-year cumulative loss on its wires-only business of (\$2,594,231) from 1994 to 1999.

Halton Hills Hydro argues that the negative 1999 return was determined by a decision of the Commission and is not reflective of any operating inefficiency that existed within the Utility. Halton Hills Hydro claims to be one of the most efficient municipal electric utilities in the province and provides electricity to its customers at amongst the lowest rates in Ontario. Its efficiency was such that by 1994 it had accumulated substantial reserves. The working capital peaked in 1996 at over 26%. Under the *Power Corporation Act*, utilities the size of Halton Hills Hydro were required to maintain working capital in the range of 15% to 25%. As the Utility forecasted increased working capital levels resulting from improved efficiencies, it subsequently reduced rates in order to maintain working capital below the required maximum of 25%, returning the excess capital back to its customers. Since 1994 Halton Hills Hydro has reduced rates by 8.5%. During that interval, the Utility has also accumulated operating losses of \$2,594,231, which has reduced the working capital to 19.08% as of December 31, 1999.

At the time, the Commission believed returning the surplus reserves through reduced rates over a period was more beneficial, in a fair balanced way to all customers. A one-time rebate would not have provided economic benefits fairly to all customers. On August 16, 2000 during Generic Hearing RP-2000-0069, this issue was presented to the Residing Panel and is referred to in Transcript, page 1136, and Line 19 through 28 and Transcript, page 1137, and Line 1 through 18 (see Attachment 1).

Halton Hills' current 1999 Rates and 2000 rates are less than cost and normalized market rates. The reserves have been sufficiently reduced. Halton Hills required rate increases for 2000, however, it has claimed that there was no way, at the time, to request this rate increase under the provisions of the Energy Competition Act 1998 and the Ontario Energy Board Act 1998. The PBR regime with 1999 rates as a base (and the effect of the Ontario Energy Board's Decision with Reason RP-2000-0069, in response to the Minister's Directive of June 7, 2000, allowing utilities to phase-in rate increases evenly over three years) further delays the recovery of normalized rates required by Halton Hills. If the Board accepts the Applicant's preferred rate submission (Option 1 below), then Halton Hills would avoid significant financial distress.

2.10 Performa Income Statements:

Since Halton Hills Hydro has claimed special circumstances, due to long-term operating losses, it has provided a proforma analysis. Using three-year "wires-only" proforma income statements, Halton Hills Hydro has provided a comparison of the following three possible scenarios for the implementation of unbundled rates:

- Option 1:* Using "normalized" 1999 rates as the base for unbundling, with an equal three-year phase-in of rate increases
- Option 2:* Using current 1999 rates as the base for unbundling, with an equal three-year phase-in of rate increases
- Option 3:* Using current 1999 rates as the base for unbundling, with a phase-in of rate increases at 50% in year 1 and 25% in each of years 2 and 3

The Applicant has selected the first option, namely using normalized 1999 rates as the base for unbundling, with an equal three-year phase-in of rate increases.

The proforma analysis indicates that option 1 will provided a cumulative net income of \$5,304,548 over the 3-year phase-in period and a net change in cash position of \$1,594,166 (after adding back depreciation expense and subtracting changes in working capital and capital expenditures). With option 2, the 3-year cumulative net income is \$1,446,323 and the net change in cash position is (\$2,015,532). With option 3, the 3-year cumulative net income is \$2,098,418 and the net change in cash position is (\$1,363,437). Thus, option 1 was selected as it is the only one that will result in a positive cash position over the 3-year phase-in period.

Table 4.2 provides a summary of the 3-year cumulative results of the first generation PBR for the three scenarios noted above.

Table 4.2
Summary of Proforma Analysis

	Option 1	Option 2	Option 3
Net Income (Loss)¹	\$5,304,548	\$1,446,323	\$2,098,428
Depreciation & Amortization	\$5,584,690	\$5,584,690	\$5,584,690
Net Change in Working Capital	(\$1,543,850)	(\$1,295,322)	(\$1,295,322)
Subtotal	\$9,345,388	\$5,735,690	\$6,387,786
Capital Expenditures	(\$7,751,222)	(\$7,751,222)	(\$7,751,222)
Net Change in Cash (Decrease)	\$1,594,166	(\$2,015,532)	(\$1,363,437)

Note 1) Wires-only net income. Interest income was not included in the calculation of the wires-only net income, which would amount to approximately \$680,000 of additional income over the 3-year phase-in (assuming the 1999 interest income amount of \$227,925 for three years).

3.0 Review of RUD Model and Deviations from the Rate Handbook

- Board staff has checked the inputs to Halton Hills RUD Model (as compared to the most recent utility regulatory filings and 1999 audited financial statements) and are satisfied that the data inputs are reasonable.

Board Staff review of Halton Hills Hydro's rate application has uncovered the following deviations from the rate handbook:

- *Normalization of Rates:* Since Halton Hills Hydro has been operating at a loss for several years, a cumulative loss of (\$2,594,231) from 1994 to 1999, it is proposing to "normalize" its existing 1999 rates across all customer classes in order to create a "break-even" financial scenario for the LDC business at December 31, 1999. The proposed unbundled rates have been determined using these normalized rates as a starting point. In other words, the 9.88% return on equity will be earned using the break-even rates as data input to the RUD model, rather than the lower existing rates. The effect of this normalization is a 2.92% increase in total distribution revenue.
- *Bill Impacts:* Note that all impacts calculated within the RUD model use the normalized rates as a basis for the existing bills. Thus, the true bill impacts are slightly understated. Board Staff requested final bill impacts to be calculated using the existing rates (rather than normalized rates) as a basis for the existing bills in order to measure the true bill impacts on customers. For reporting purposes, both the impacts using normalized rates and the impacts using existing rates are given below.
- *Peak Coincident Factors:* Halton Hills Hydro used its actual winter peak coincident factor of 0.7561 and summer peak coincident factor of 0.7697 instead of the OEB default coincident factors of 0.981 and 0.991 respectively, and has provided adequate justification for this adjustment.
- *Harmonization of General Service >50 kW:* The Applicant is proposing a harmonization of the distribution rates (fixed monthly and demand charges) for all Non-TOU and TOU customers in the General Service > 50 kW class. However, with regard to the cost of power component of the rates, the unbundled cost of power would reflect Non-TOU or TOU rates. The Applicant proposes to charge a \$5.50 monthly TOU meter rental.
- *Adjustment to Service/Volumetric Charge Ratio:* The service/volumetric charge ratio was adjusted in all rate classes from 57.1/42.9 to 60/40 in order to maintain the incremental distribution cost at \$0.0062/kWh after unbundling, in conformance with the Rate Handbook. The Applicant did not undertake any further mitigation.

3.1 Bill Impacts due to Rate Changes:

Review of the RUD model results indicate three of the standard load profiles within the General Service >50 kW Non-TOU and the sample customer load profile provided by the Applicant in the General Service >50 kW TOU class are impacted by greater than 10 percent from

unbundling.

The Applicant indicated that approximately 35 of its 169 General Service >50 kW Non-TOU customers will receive bill impacts of greater than 10 percent from unbundling. The Applicant has also indicated that it will ensure that these customers will receive guidance and advice with regard to managing their consumption for greater efficiency. Customer's consumption patterns in this class often reflect the specific characteristics of their business operations. To the extent that the customers accept the Applicant's advice, consumption patterns may then reflect greater price efficiency.

The Applicant has indicated that its General Service >50 kW TOU class now has 11 customers and that the number of customers with impacts of greater than 10 percent from unbundling are as follows:

Winter:	2 out of 11
Summer:	4 out of 11

Halton Hills has indicated that it will ensure that these customers will be able to receive guidance and advice with regard to managing their consumption for greater efficiency. As indicated above, the Applicant noted that the customer's consumption patterns in this class often reflect the specific characteristics of their business operations, and to the extent that the customers accept the advice, consumption patterns may then reflect greater price efficiency.

3.1.1 Residential Class:

Restructuring Rate Impact: Bill impacts range from a decrease of 7.4 percent for customers with a low monthly consumption, up to an increase of 0.5 percent for customers with a large monthly consumption. The service/volumetric charge ratio is 57.1/42.9.

Adjustment: The service/volumetric charge ratio was adjusted to 60/40. The Applicant indicated that a 2.9% increase in distribution revenue was necessary to "normalize rates" across all customer classes to achieve a break-even point. Thus, in order to maintain an incremental distribution cost of \$0.0062/kWh in conformance with the Rate Handbook, the Applicant indicated that the monthly service/volumetric charge ratio was obligatory.

The service/volumetric charge ratio was adjusted in all rate classes from 57.1/42.9 to 60/40 in order to maintain the incremental distribution cost at \$0.0062/kWh after unbundling, in conformance with the Rate Handbook. This adjustment was necessary due to the normalization of existing rates, as described above.

MARR and Final Rates: The implementation of one-third MARR increases the revenue requirement by \$385,279, resulting in a monthly customer charge of \$9.16. The largest bill impact is 2.2%.

Full Rate Impacts: Final bill impacts using the existing rates (as opposed to the normalised rates) as a basis range from a decrease of 1.1 percent to an increase of 5.2 percent

Table 3.1
Residential Class

Monthly Consumption Level	Impact Following Unbundling	Impact Following Mitigation	Impact Following 1/3 MARR	Full Impact
250 kWh	-7.4%	-6.4%	-1.1%	-1.1%
500 kWh	-3.6%	-3.3%	0.5%	1.9%
750 kWh	-2.0%	-1.9%	1.2%	3.2%
1000 kWh	-1.0%	-1.1%	1.6%	3.9%
1500 kWh	0%	-0.3%	2.0%	4.7%
2000 kWh	0.5%	0.2%	2.2%	5.2%

Note: Bill Impacts are measured using normalized rates. "Full Impact" shows the bill impacts from the existing "un-normalised" rates

3.1.2 General Service <50kW:

In the RUD model for this class, the Applicant elected to use three customer profiles that were more representative of actual customers in this class, rather than the two standard profiles included in the RUD Model. However, the Applicant provided final bill impacts on the two standard load profiles within the RUD model as additional evidence.

Rate Restructuring Impact: Bill impacts from unbundling range from a decrease of 4.9 percent to an increase of 2.1 percent on the given load profiles. The service/volumetric charge ratio is 57.1/42.9.

Adjustment: The Applicant changed the service/volumetric ratio to 60/40 for the reasons provided in section 3.1.1.

MARR and Final Rates: The implementation of one-third MARR increases the revenue requirement by \$71,656 for this class. The largest bill impact is 3.1%. The monthly service charge is \$20.04. Final bill impacts for a standard customer with a load of 10 kW and 2000 kWh is 1.3 percent and for a standard customer with a load of 50 kW and 5000 kWh the final bill impact is -2.9 percent

Full Rate Impacts: Final bill impacts using the existing rates as a basis range from a decrease of 0.1 percent to an increase of 6.2 percent.

Table 3.2
General Service <50kW Class

Monthly Consumption Level	Impact Following Unbundling	Impact Following Mitigation	Impact Following 1/3 MARR	Full Impact
Sample Customer #1 29 kW, 17,680 kWh	2.1%	1.7%	3.1%	6.2%
Sample Customer #2 18 kW, 6,700 kWh	-4.9%	-5.2%	-3.6%	-0.1%
Sample Customer #3 20 kW, 6,240	-4.8%	-5.1%	-3.4%	-0.6%

Note: Bill Impacts are measured using normalized rates. "Full Impact" shows the bill impacts from the existing "un-normalised" rates

3.1.3 General Service >50kW Non-TOU:

Rate Restructuring Impact: Bill impacts from unbundling range from a decrease of 8.9 percent to an increase of 25.9 percent on the standard load profiles within the RUD model. The Applicant indicated that approximately 35 of its 169 General Service >50 kW Non-TOU customers will receive bill impacts of greater than 10 percent from unbundling (see section 3.1). The service/volumetric charge ratio is 57.1/42.9.

Adjustment: The Applicant changed the service/volumetric ratio to 60/40 for the reasons provided in section 3.1.1.

MARR and Final Rates: The implementation of one-third MARR increases the revenue requirement by \$190,365 for this class. Bill impacts range from a decrease of 8.3 percent to an increase of 32.1 percent. The monthly service charge is \$509.65.

Full Rate Impacts: Final bill impacts using the existing rates as a basis range from a decrease of 5.2 percent to an increase of 36.6 percent.

Table 3.4
General Service >50kW Non-TOU Class

Monthly Consumption Level	Impact Following Unbundling	Impact Following Mitigation	Impact Following 1/3 MARR	Full Impact
100kW, 20,000kWh	25.9%	26.7%	32.1%	36.6%
100kW, 30,000kWh	13.9%	14.5%	18.5%	22.5%

100kW, 40,000kWh	6.8%	7.3%	10.5%	14.0%
500kW, 150,000kWh	-0.7%	-0.9%	0.6%	4.1%
500kW, 200,000kWh	-4.9%	-5.0%	-3.9%	-0.6%
500kW, 250,000kWh	-7.6%	-7.5%	-6.8%	-3.7%
1000kW, 100,000kWh	16.8%	16.2%	18.6%	23.7%
1000kW, 300,000kWh	-2.6%	-2.8%	-1.7%	1.8%
1000kW, 500,000 kWh	-8.9%	-9.0%	-8.3%	-5.2%

Note: Bill Impacts are measured using normalized rates. "Full Impact" shows the bill impacts from the existing "un-normalised" rates

The Applicant has provided the number of customers impacted by greater than 10 percent following unbundling and 1/3 MARR. This information is listed in Table 3.5 below. The Applicant has indicated that it will ensure that these customers receive guidance and advice in regard to managing their consumption. However, these are customers that operate fast food services, garages, and seasonal businesses that may not be able to change consumption patterns due to the inherent nature of their business's operations and typically have a poor load profile. The Applicant notes that these poor load factors add inefficiency to its distribution system, thereby adding to the system losses.

Table 3.5
General Service >50 kW Non-TOU Customers with Bill Impacts of >10 Percent

Final Bill Impact	Number of Customers
5% to 10%	2
10% to 15%	2
15% to 20%	1
20% to 25%	1
25% to 30%	2
30% to 35%	7
35% to 40%	6
Greater than 40%	14

3.1.3 General Service >50kW TOU:

Rate Restructuring Impact:: There are 8 existing customers within this class. The Applicant has indicated that 2 of its existing 11 its General Service >50 kW TOU customers will receive

bill impacts of greater than 10 percent from unbundling in the winter months, and 4 of these 11 customers will receive impacts of greater than 10 percent in the summer months. Halton Hills has indicated that it will ensure these customers will receive guidance and advice with regard to managing their consumption for greater efficiency. The Applicant has stated that customer's consumption patterns in these classes often reflect the specific characteristics of their business operations. To the extent that the customers accept the Applicant's advice, consumption patterns may then reflect greater price efficiency.

Adjustment: The Applicant changed the service/volumetric ratio to 60/40 for the reasons provided in section 3.1.1.

MARR and Final Rates: The implementation of one-third MARR increases the revenue requirement by \$62,396 for this class. The monthly service charge is \$509.65.

Full Rate Impacts: Final bill impacts using the existing rates as a basis range from an increase of 20.9 percent to an increase of 37.4 percent

Table 3.6
General Service >50kW TOU Class

Consumption Period	Impact Following Unbundling	Impact Following Unbundling	Impact Following Unbundling	Final Impacts
Winter	15.2%	15.0%	16.2%	20.9%
Summer	30.1%	29.9%	32.3%	37.4%

Note: Bill Impacts are measured using normalized rates. "Full Impact" shows the bill impacts from the existing "un-normalised" rates

3.1.5 Sentinel Lighting

Halton Hills currently treats its 506 sentinel lighting connections as non-TOU loads. This class currently has an annual distribution of \$8,687, and the one-third incremental revenue requirement is \$1,415, or an increase of 16.2 percent.

3.1.6 Street Lighting

Halton Hills currently treats street lighting as a non-TOU load. It currently has 3,604 connections providing and an annual distribution revenue of \$26,353. The one-third incremental revenue requirement is \$4,293, or an increase of 16.2 percent.

3.2 Effect of Mitigation

In response to a request from Board Staff to provide additional justification for adjusting the

service/volumetric ratio to 60/40 without performing additional adjustments to mitigate bill impacts further, the Applicant has provided the information in Tables 3.7 and 3.8 to support its course of action. The Applicant argues that modifying the service/volumetric ratio to something other than 60/40 (column 2), does not provide any additional benefit to customers.

The Applicant submits that rate mitigation is subjective and allows for a variety of implementation possibilities. In its original rate application, Halton Hills Hydro Inc. chose to follow the variable and service charge ratio as provided in the RUD model as its mitigation proposal. The information in the table below supports Halton Hills Hydro Inc.'s course of action, as it shows no significant difference that would suggest altering the proposed approach between the various mitigation options for the rate classes. Halton Hills Hydro Inc. believes that they have provided a fair and equitable mitigation proposal in their rate submission.

Table 3.7
First Year Impact

Customer Class	60/40	58/42	62/38	10/90	90/10
Residential	-1.1% to 2.2%	-1.9% to 2.6%	-0.3% to 2.1%	-20.7% to 9.3%	-1.8% to 10.7%
General Service <50 kW	-3.4% to 3.1%	-3.2 to 3.4%	-3.9% to 2.7%	2.8% to 12.3%	-2.5% to 7.5%
General Service >50 kW Non-TOU	-8.3% to 32.1%	-8.1% to 31.4%	-8.4% to 32.7%	-4.6% to 29.8%	10.5% to 41.3%
General Service >50 kW TOU	16.2% to 32.3%	16.4% to 32.7%	15.9% to 31.9%	22.8% to 43.0%	12.2% to 25.9%

Table 3.8
Three Year Impact

Customer Class	60/40	58/42	62/38	10/90	90/10
Residential	6.1% to 9.7%	6.5% to 8.7%	6.9% to 10.7%	-15.4% to 15.0%	0.8% to 24.7%
General Service <50 kW	-0.4% to 5.9%	0.2 to 6.4%	-0.7% to 5.4%	7.9% to 17.7%	-1.2% to -5.4%
General Service >50 kW Non-TOU	-6.8% to 42.8%	-6.6% to 42.0%	-7.0% to 43.6%	-1.8% to 37.6%	-9.6% to 54.6%
General Service >50 kW TOU	18.6% to 37.2%	18.2% to 36.7%	18.9% to 37.8%	27.0% to 50.9%	13.5% to 29.0%

3.3 Effect of Harmonization

The Applicant has provided the following in support of its decision to harmonize general service >50 kW Non-TOU and TOU fixed monthly service charge rates. Note that the amounts shown in the table below are final impacts including full MARR (i.e. in year 3 of PBR).

Table 3.9
Effect of Harmonization - General Service >50 kW Non-TOU

Consumption	Unbundled Bills with Harmonization	Unbundled Bills without Harmonization	Bill Impacts of Harmonization
100kW, 20,000kWh	\$2,394.47	\$2,231.57	7.3%
100kW, 30,000kWh	\$2,844.21	\$2,681.31	6.1%
100kW, 40,000kWh	\$3,293.94	\$3,131.04	5.2%
500kW, 150,000kWh	\$11,611.39	\$11,448.49	1.4%
500kW, 200,000kWh	\$13,860.06	\$13,697.16	1.2%
500kW, 250,000kWh	\$16,108.74	\$15,945.84	1.0%
1000kW, 100,000kWh	\$13,575.67	\$13,212.77	2.7%
1000kW, 300,000kWh	\$22,570.37	\$22,407.47	0.7%
1000kW, 500,000 kWh	\$31,565.06	\$31,402.16	0.5%

Table 3.10
Effect of Harmonization - General Service >50 kW TOU

Consumption	Unbundled Bills with Harmonization	Unbundled Bills without Harmonization	Bill Impacts of Harmonization
Winter	\$30,506.34	\$33,243.38	-8.2%
Summer	\$12,921.23	\$15,658.27	-17.5%

4.0 Miscellaneous Charges and Other Issues

4.1 Miscellaneous Charges:

- The Applicant had originally requested increase to the miscellaneous charges noted

below. However, following discussion with Board Staff, as to the requirement of justification and an estimate of the change in revenue due to this change, the Applicant withdrew its request for these changes. Thus, Halton Hills is no longer requesting changes to its miscellaneous charges.

4.2 Unmetered, Scattered Load:

- Halton Hills currently charges unmetered scattered load customers a flat rate per connection based on an estimated load. This billing method will continue after unbundling. Halton Hills currently has 6 unmetered scattered load customers.

4.3 Implementation of Unbundled Rates:

- Halton Hills has indicated its existing billing system is capable of proration and issuing unbundled bills. The Applicant is requesting an implementation date of January 1, 2001 despite being advised by Board Staff that the Board has made March 1, 2001 the earliest retroactive implementation date. In a letter to the Board Secretary, dated July 3, 2001, the Applicant argues that "...It is unclear to Halton Hills Hydro Inc. why it should not obtain retroactivity to January 1, 2001, when other utilities have had rate approvals effective in January 2001. It is the view of Halton Hills Hydro Inc. that if this is the case a level playing field does not exist. Halton Hills Hydro Inc. filed its rate submission November 23, 2000 and has been waiting for OEB review approval since then..." (See attached letter, attachment 2)
- Halton Hills is seeking approval to use its preferred method of a rate-rider to accommodate the retroactive billing (see section 4.4).

4.4 Rate Rider:

- As stated in a letter to the Ontario Energy Board, dated July 3, 2001, Halton Hills is requesting retroactivity to January 1, 2001. The Applicant is intending to collect the January 1, 2001 rate rider over the next five months. For comparison purposes, the Applicant has provided two schedules, Table 4.2 shows the one-time charge difference between January 1 and March 1 retroactivity, and Table 4.3 shows the difference between the monthly rate rider charge, collecting the January 1, 2001 retroactivity in five months and the March 1, 2001 retroactivity in four months.

**Table 4.2
One-Time Retroactive Charge**

Customer Class	One-time Charge Retroactive Jan 1	One-time Charge Retroactive Mar 1	Difference
Residential	\$26.90	\$19.21	\$7.69
General Service <50 kW	\$65.61	\$46.87	\$18.74

General Service >50 kW Non-TOU	\$1,700.36	\$1,214.54	\$485.82
General Service >50 kW TOU	\$18,702.53	\$13,358.95	\$5,343.58
Street Lighting	\$0.69	\$0.50	\$0.19
Sentinel Lights	\$1.63	\$1.17	\$0.46

**Table 4.3
Monthly Rate Rider Charge**

Customer Class	Per Month Charge Retroactive Jan 1	Per Month Charge Retroactive Mar 1	Difference
Residential	\$5.38	\$4.80	\$0.58
General Service <50 kW	\$13.12	\$11.72	\$1.40
General Service >50 kW Non-TOU	\$340.07	\$303.64	\$36.43
General Service >50 kW TOU	\$3,740.51	\$3,339.74	\$400.77
Street Lighting	\$0.14	\$0.12	\$0.02
Sentinel Lights	\$0.33	\$0.29	\$0.04

5.0 Interventions

- No interventions have been filed on the Halton Hills rate application.

6.0 Conclusions and Recommendations

Board Staff recommends consideration of the following to the Board in its decision on the Halton Hills rate application:

Board Staff review of Halton Hills Hydro's rate application has uncovered the following deviations from the rate handbook:

- Since Halton Hills Hydro has been operating at a loss for several years, a cumulative

loss of (\$2,594,231) from 1994 to 1999, it is proposing to “normalize” its existing 1999 rates across all customer classes in order to create a “break-even” financial scenario for the LDC business at December 31, 1999. The proposed unbundled rates have been determined using these normalized rates as a starting point.

- Halton Hills Hydro used its actual winter peak coincident factor of 0.7561 and summer peak coincident factor of 0.7697 instead of the OEB default coincident factors of 0.981 and 0.991 respectively.
- The Applicant is proposing a harmonization of the distribution rates (fixed monthly and demand charges) for all Non-TOU and TOU customers in the General Service > 50 kW class. However, with regard to the cost of power component of the rates, the unbundled cost of power would reflect Non-TOU or TOU rates.
- The service/volumetric charge ratio was adjusted in all rate classes from 57.1/42.9 to 60/40 in order to maintain the incremental distribution cost at \$0.0062/kWh after unbundling, in conformance with the Rate Handbook.

No further deviations from the Rate Handbook were uncovered.

- Halton Hills has claimed special circumstances since it had incurred a loss in 1999 in the amount of (\$944,688) in its “wires-only” business activities, and that its operating losses for the 9 months ending September 30, 2000 amounted to (\$351,185). The Applicant argues that the negative 1999 return was determined by a decision of the Commission and is not reflective of any operating inefficiency that existed within the Utility.
- Halton Hills indicated that approximately 35 of its 169 General Service >50 kW Non-TOU customers will receive bill impacts of greater than 10 percent from unbundling. In addition, 2 of its 11 its General Service >50 kW TOU customers will be impacted by greater than 10 percent from unbundling in the winter months, and 4 of these 11 customers will be impacted by greater than 10 percent in the summer months. Halton Hills has indicated that it will ensure these customers will receive guidance and advice with regard to managing their consumption for greater efficiency. The Applicant has stated that customer’s consumption patterns in these classes often reflect the specific characteristics of their business operations. To the extent that the customers accept the Applicant’s advice, consumption patterns may then reflect greater price efficiency.
- Halton Hills proposes to continue charging its unmetered scattered load connections a flat rate per connection based on estimated loads.
- The Applicant has not requested changes to its Miscellaneous Charges.
- Halton Hills has indicated its existing billing system is capable of proration and issuing unbundled bills. The Applicant is requesting an implementation date of January 1, 2001.
- No interventions have been filed on this application.

Attch 2901-2000 1A.

Thursday, July 27, 2000

Ontario Energy Board
P. O. Box 2319
2300 Yonge Street
26nd Floor
Toronto, Ontario M4P 1E4

Attention: Mr. Paul B. Pudge,
Board Secretary

Dear Sirs:

Re: Generic Proceeding on June 7, 2000 Ministers Directive (RP-2000-0069)

Halton Hills Hydro-Electric Commission (Halton Hills Hydro) is an "electricity utility" within the definition included in the Minister's Directive (The Directive) to the Ontario Energy Board (the Board) dated June 7, 2000 and, as such, Halton Hills Hydro wishes to make a written submission, and may make an oral submission, with respect to the Directive and with respect to Bill 100, the Ontario Energy Board Amendment Act, 2000 (Bill 100). This letter constitutes the written submission of Halton Hills Hydro to the above referenced Proceeding.

Halton Hills Hydro wishes to submit the following for consideration by the Board:

- (i) Halton Hills Hydro is one of the most efficient municipal electric utilities in the Province, and provides electricity to its customers at amongst the lowest rates in the Province. Its efficiency was such that by 1994 it had accumulated substantial reserves to a level that it felt those reserves could be reduced and the benefit of that reduction passed on to its customers. Halton Hills Hydro chose to return the surplus reserves to its customers through reduced rates, which resulted in an annual operating deficit. The result is that rate revenue does not cover operating costs, and the reserves were used to cover the deficit, thus reducing the reserves. This practice started in 1994 and continues today. Accordingly, the current rates of Halton Hills Hydro are less than its cost and less than market.

It is likely that the initial rate application for Halton Hills Hydro will reflect an increase in rates, as most utilities' applications will. Performance Based Regulation encourages a mix of debt and equity and in fact penalizes excessive equity. Accordingly, there will be an element of interest reflected in the rates applied for by Halton Hills Hydro. As a result Section 78.1 of the Act, introduced by Bill 100, will cap the rates for Halton Hills Hydro at its current rates. As mentioned before, Halton Hills Hydro's current rates are less than cost and market, and are deliberately so for the benefit of its consumers. Since reserves have now been sufficiently reduced, the new rates for Halton Hills Hydro no longer need to be lower

than cost or market. However, the effect of Bill 100 will be to cap the rates for Halton Hills Hydro at its current, lower than cost and market levels. This is unfair. Halton Hills Hydro should not be penalized for having been efficient and for having chosen to return the benefit of its efficiency to its consumers by lower than cost and market rates.

Accordingly, if Section 78.1 is to become part of the Act through the enactment of Bill 100, it should be amended such that municipal electric utilities in the circumstances of Halton Hills Hydro have their rates capped not at the level provided by Section 78.1, but at a level which is not reduced by the amount of benefit conferred upon consumers through reduced rates to reduce reserves. Further, this principle should be established and a municipal electric utility ought not to have to apply to the Board for relief in such circumstances.

- (ii) Performance Based Regulation penalizes the excessive use of equity by distributors. However proposed Section 78.1 (b) encourages the use of equity in as much as the use of debt giving rise to interest obligations would result in a distributor's rates being capped. This conflict needs to be reconciled. It is submitted that the appropriate reconciliation is to have proposed Section 78.1 apply only when debt levels exceed that allowed by Performance Based Regulation.
- (iii) Bill 100 would make Halton Hills Hydro more valuable to a private sector owner than to the Town of Halton Hills as the owner. A private sector owner would not be subject to Bill 100 and, accordingly, could include in its rates its full, legitimate interest expense. Rates would be higher and higher rates means higher value. In order to maximize the value of Halton Hills Hydro as an asset, the Town would be forced to sell Halton Hills Hydro to a private sector purchaser. If Halton Hills Hydro were then operated at a profit, the profit would go to the new owner, likely a large corporation outside the community. How is this in the best interest of the Town's citizens? Accordingly, proposed Section 78.1 should not be enacted or, if it is enacted, it should be altered to delete the disincentive for municipal owners to continue to own their municipal electric utilities.
- (iv) In listing in Section 1 of the Ontario Energy Board Act, 1998 (the Act) the purposes of the Act without priority or primacy it calls for a balancing of those purposes with a view of achieving what is best overall for all involved in Ontario's electricity industry. To make the objective of protecting the interests of consumers primary, necessarily means that all other purposes of the Act are subordinate. To best protect the interests of consumers would have certain other purposes of the Act ignored, for example those which would raise the cost of electricity to consumers such as is the effect of item (e) of Section 1 of the Act. It is submitted that the original purposes of the Act, expressed as they are in the Act, were at the time they were enacted, and continue to be today, appropriate and do not need the benefit of any directive from the Minister. Accordingly, the Minister should rescind the Directive.

Halton Hills Hydro intends, and reserves the right to, make an oral submission at the subject proceeding.

Information relative to this submission may be obtained from and all notices relative to the subject proceeding should be sent to:

Mr. Daniel F. Guatto, P.Eng.
General Manager
Halton Hills Hydro
43 Alice Street
Acton Ontario L7J 2A9
Telephone: (905) 453-2222
Facsimile: (519) 853-4148
E-mail: guatto@hhhydro.on.ca

All of which is respectfully submitted.

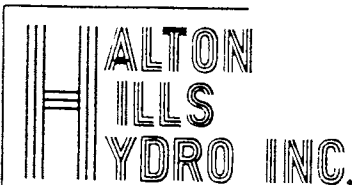
Halton Hills Hydro

Daniel F. Guatto, P.Eng.

General Manager

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43 Alice Street, Acton, Ontario L7J 2A9 (519) 853-3700 (905) 453-2222

ONTARIO ENERGY BOARD

July 3, 2001

Mr. Paul Pudge
 Board Secretary
 Ontario Energy Board
 26th Floor, P.O. Box 2319
 2300 Yonge Street
 Toronto, ON M4P 1E4

Re: RP-2000-0193, EB-2000-0428

Dear Mr. Pudge:

On June 19, 2001 Halton Hills Hydro Inc. filed interrogatory responses to RP-2000-0193 seeking rate retroactivity to January 1, 2001. In my follow-up with Board staff on the interrogatory review process, it was my understanding that the Board is only considering rate retroactivity to March 1, 2001. It is unclear to Halton Hills Hydro Inc. why it should not obtain retroactivity to January 1, 2001, when other utilities have had rate approvals effective in January 2001. It is the view of Halton Hills Hydro Inc. that if this is the case a level playing field does not exist. Halton Hills Hydro Inc. filed its rate submission November 23, 2000 and has been waiting for OEB review and approval since then.

The Board of Directors of Halton Hills Hydro Inc. expects to receive rate retroactivity to January 1, 2001. This is in accordance with their approval of the original rate submission to the OEB and Halton Hills Hydro Inc.'s 2001 budget. The Director's are well aware of the issue of customer impact, but any date other than January 1, 2001 erodes the equity of the corporation as we move to implement our market based rate of return.

A quick resolution to our interrogatory responses and approval of the rate application will enable Halton Hills Hydro Inc. to implement the rates as soon as possible and lessen the January 1, 2001 retroactivity impact to our customers.

Yours truly,

A handwritten signature in cursive script, appearing to read 'Arthur A. Skidmore'.

Arthur A. Skidmore CMA
 Controller

c.c. Ms. Paula Conboy, OEB
 Mr. Bryan Boyce, Chair, Halton Hills Hydro Inc.
 Mr. Dan Guatto, President, Halton Hills Hydro Inc.

OEB BOARD SECRETARY	
File No: RP-2000-0193	SubFile: 10
Panel	
Licensing	P. Conboy
Other	
00/04	

Excerpt of Transcript from RP-2000-0069
Re: Halton Hills Hydro rate application

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HALTON HILLS HYDRO

1 operation.

2 MR. GUATTO: That's correct.

3 MR. LYLE: And do I take it from your
 4 submission that you don't now have very much in the way
 5 of working capital?

6 MR. GUATTO: Yes, we do. We have just over 19
 7 per cent.

8 MR. LYLE: Do you have any knowledge of what
 9 your municipality is going to do when it comes to
 10 corporatizing the utility, as to whether it intends to
 11 remove any of that working capital out of the utility?

12 MR. GUATTO: Our knowledge to date is that it
 13 does not intend to remove working capital. In fact, it
 14 has not removed any asset from within the utility, nor
 15 does it intend to.

16 MR. LYLE: Thank you, Mr. Chair. Those are my
 17 questions.

18 THE PRESIDING MEMBER: Thank you, Mr. Lyle.

19 Gentlemen, I will start the panel's questions,
 20 and it is basically just in one area, and that is, you
 21 had chosen to implement a rate reduction, so that is why
 22 you are in the situation you are in today.

23 MR. GUATTO: That's correct.

24 THE PRESIDING MEMBER: Other systems may have
 25 chosen to implement a rebate, for example? In those
 26 circumstances they would not have a similar problem
 27 because, with a rebate, rates don't change. A rebate is
 28 once a year, or there is a rate rider, and then you just

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613-521-0703

1137

HALTON HILLS HYDRO

1 continue on with that rate, as it were.

2 Is that one of the difficulties between
 3 yourselves and some other systems?

4 MR. GUATTO: I could agree with that, yes.

5 THE PRESIDING MEMBER: At that time you had no
 6 anticipation of a rate handbook or --

7 MR. GUATTO: No, we did not. And at that time

8 a rebate was considered and it was excluded in favour of
9 the rate reduction.

10 THE PRESIDING MEMBER: Can I ask for what
11 reasons? Do you recall?

12 MR. GUATTO: It was felt that it was better to
13 have a lower rate than to give a one-time rebate to
14 customers. And there is a certain awkwardness with
15 giving a rebate, in sharing it fairly: general service
16 customers, residential customers, new customers versus
17 long-term customers, et cetera. So we felt that the
18 fairest way to do it was a rate reduction.

19 THE PRESIDING MEMBER: I have looked at your
20 physical information that you have provided. It doesn't
21 tell me anything about your profitability. Can you tell
22 us anything about that?

23 MR. SMELSKY: For the year ending December 31,
24 1999, the net operating income -- or loss, sorry -- was
25 \$571,806, and in the year ending 1998 the net operating
26 loss was \$971,339.

27 So from an operational perspective, we have
28 lost revenue -- or, sorry, lost operating expenses on

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ONTARIO ENERGY BD

43 Alice Street, Acton, Ontario L7J 2A9 (519) 853-3700 (905) 453-2222

June 19th, 2001

Mr. Paul Pudge
 Board Secretary
 Ontario Energy Board
 26th Floor/ P.O. Box 2319
 2300 Yonge St.
 Toronto, ON M4P 1E4

Re: Interrogatory Responses to RP-2000-0193, EB-2000-0428

Dear Mr. Pudge:

Further to the letter received from Matthew Kolodzie of Arthur Anderson concerning interrogatories to Halton Hills Hydro Inc. RP-2000-0193, please find enclosed the requested interrogatory responses.

Halton Hills Hydro notes for the Board again, that if the Board is considering altering our rate submission with regard to the "normalization", we respectfully request that we have the opportunity to appear before the Board to discuss this matter as soon as possible.

We would be pleased to provide further information as may be required to clarify any outstanding issues.

Yours truly,

A handwritten signature in cursive script, appearing to read 'Arthur A. Skidmore'.

Arthur A. Skidmore CMA
 Controller

c.c. Ms. Paula Conboy O.E.B.

Mr. Matthew Kolodzie, Arthur Anderson
 Mr. Bryan Boyce Chair, Halton Hills Hydro Inc.
 Mr. Dan Guatto President, Halton Hills Hydro Inc.

OEB BOARD SECRETARY	
File No: RP-2000-0193	SubFile: 10
Panel	
Licensing	H. Snurr
Other	
00/04	

**Ontario Energy
Board**
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**Commission de l'Énergie
de l'Ontario**
C.P. 2319
2300, rue Yonge
26e étage
Toronto ON M4P 1E4
Téléphone: (416) 481-1967
Télécopieur: (416) 440-7656



2000 November 24

BY FAX ONLY

Mr. Bryan D. Boyce
Chairman of the Board of Directors
Halton Hills Hydro Inc.
43 Alice Street
Acton, Ontario
L7J 2A9

Dear Mr. Boyce::

Re: Electricity Distribution Rate Submission
Board File No. RP-2000-0193

This will acknowledge receipt on November 23, 2000 of Halton Hills Hydro Inc.'s Distribution Rates Application. The Board has assigned file number **RP-2000-0193** (**EB-2000-0428**) to this matter. Please refer to this number in all future correspondence to the Board regarding this matter.

Yours truly,

A handwritten signature in black ink, appearing to read "P. O'Dell", written over a horizontal line.

Peter H. O'Dell
Assistant Board Secretary



43 Alice Street, Acton, Ontario L7J 2A9 (519) 853-3700 (905) 453-2222

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November 23rd, 2000

Mr. Paul B. Pudge
Board Secretary
Ontario Energy Board
P.O. Box 2319
2300 Yonge Street
26th Floor
Toronto, ON M4P 1E4

Dear Mr. Pudge

Application For Approval of Unbundled Rates for the Distribution of Electricity to the Customers of Halton Hills Hydro Incorporated (Halton Hills Hydro)

Halton Hills Hydro Inc. was incorporated under the requirements of the *Energy Competition Act, 1998*. The transfer of the assets of Halton Hills Hydro to the successor companies was effective on November 1st, 2000.

In accordance with:

- the direction provided by the Ontario Energy Board (OEB) in its Decision With Reasons in RP-2000-0069,
- the requirements of the Transitional Distribution License (ED-1999-0290), and
- the requirements of the Electricity Distribution Rates Handbook provided by the Board March 13th, 2000.

Halton Hills Hydro Inc. is pleased to submit its unbundled rates application to the Board.

The Board has already received submissions from this utility with regard to its specific rates management issues during the Board's generic proceeding (RP-2000-0069) commencing July 27th, 2000. In that proceeding Halton Hills Hydro Inc. noted its particular circumstances regarding the treatment of its surplus revenues during the rate year ended December 31, 1999.

This Application to the Board reflects Halton Hills Hydro's submissions with regard to a proposed adjustment to "normalize" the 1999 year end

rates. Halton Hills Hydro believes this will assist both the Board and this corporation in creating a suitable base from which to move the utility forward under stable financial conditions. The adjustment reflects the charges that Halton Hills Hydro would have had to apply to reach a break-even position at year-end 1999.

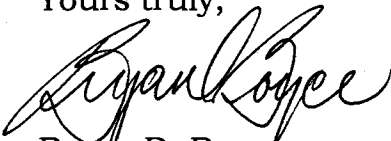
With that assumption, Halton Hills Hydro Inc. has then used the break-even point from which to apply the Board's criteria for unbundled rates as specified in the Board's rate unbundling and design model (RUD). Among other things, this model stipulates:

- the utility should make use of a 60:40 ratio of fixed to variable costs,
- the change in rate impact on small volume customers in a rate class shall not be greater than 10%,
- a utility may use an ROE of up to 9.88%, and
- the rate impact should be smoothed over the three years of the first generation PBR on the basis of one-third of the increase being implemented in each year.

The Board has also indicated if hardship to the utility in the form of financial distress is possible during the early transition to unbundled rates, then the Board would consider a skewed implementation of the rates. This would enable the utility to capture enough revenue in the first year of the first generation PBR to relieve that distress and obtain at least a break-even position. Halton Hills Hydro Inc. has noted this option but considers this a less desirable alternative to the adjustment of the rates as it has proposed in its submission.

Halton Hills Hydro Inc. believes that the proposed adjustment results in better financial stability for the utility, and security of service and of reliability to its rate payers. Further, the adjustment is justifiable given the benefits that its rate payers have already received due to operating efficiencies in the past. Due to this utility's special circumstances, the Board's indulgence is requested to allow the utility to make its case to the Board on the basis of the proposed adjustment.

Yours truly,



Bryan D. Boyce
Chairman of The Board of Directors
Halton Hills Hydro Inc.

RP - 2000 - _____

HALTON HILLS HYDRO INC.

License Number: ED-1999-0290

First Generation Performance Based Regulation

2001 Rate Application

(Year 1 Filing)

Submitted by:

Date: November 23, 2000

**Dan F. Guatto, P.Eng.
President**

**David J. Smelsky, CMA
Vice President & Controller**

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1. EXECUTIVE SUMMARY

Halton Hills Hydro Inc. has carefully reviewed the policies and guidelines prepared by the Board in RP-1999-0034 and RP-2000-0069. This submission reflects Halton Hills Hydro's efforts to accommodate these requirements and accommodate its own needs without creating financial distress. A number of scenarios were considered to deal with the special circumstances of Halton Hills Hydro Inc. This submission presents what is considered to be the most appropriate rate design for our customers and the utility.

The Halton Hills Hydro Inc. rate submission includes:

- A proposal to "normalize" the 1999 rates across all customer classes. The overall impact to revenue is 2.92%. This adjustment has the effect of creating a break-even financial scenario for the LDC Business at December 31, 1999.
- Normalized rates for December 31, 1999, as the base for unbundling the distribution component from the cost of power.
- Separation of the distribution rate for all customer classes into a fixed charge component of 60.0% and a variable component of 40.0%.
- Maximum allowable market based rate of return of 9.88%

This adjustment, exclusive of "Payments in Lieu of Taxes" (PIL's), would increase the distribution rate for a typical residential customer with a monthly electricity consumption of 1,000 kWh, by 9.43% over the period of the First Generation PBR.

It is important to note that normalizing the 1999 rates to the break-even level does not constitute a claw-back. The customers would retain the benefit of six years of rate decreases.

Although the rate impact, as presented, would be harder on the general service customers than the residential customers, the general service customers will have the greatest ability to mitigate through competitive power purchases in the future market.

To mitigate the rate impact, Halton Hills Hydro Inc. is complying with the Board's Decision With Reasons (RP-2000-0069) to phase-in the rate increase evenly over the three years. The equal phase-in approach will impact the customer classes as shown in Table 1 (below).

TABLE 1

Haltom Hills Hydro Inc. Summary of Rates and Impact

	Current Bill	Moving to NORMALIZED Rate BEFORE PBR	Effective January 01, 2001 (Normalized Rate + PBR Phase 1)	PBR Phase 2	PBR Phase 3
Residential					
Volumetric (kWh)	N/A	N/A	\$ 0.0067	\$ 0.0077	\$ 0.0086
Fixed Monthly Charge	N/A	N/A	\$ 9.16	\$ 10.44	\$ 11.72
Typical 1,000kWh per month	\$ 81.13	\$ 83.00	\$ 84.32	\$ 86.54	\$ 88.78
Impact over Current Bill		2.30%	3.93%	6.67%	9.43%
General Service <50kW					
Volumetric (kWh)	N/A	N/A	\$ 0.0061	\$ 0.0070	\$ 0.0078
Fixed Monthly Charge	N/A	N/A	\$ 20.04	\$ 22.85	\$ 25.66
Typical 28.8kW; 17,680kWh per month	\$ 1,241.84	\$ 1,279.53	\$ 1,318.82	\$ 1,336.77	\$ 1,354.73
Impact over Current Bill		3.04%	6.20%	7.64%	9.09%
General Service >50kW NON TOU					
Volumetric (kW)	N/A	N/A	\$ 1.3270	\$ 1.5129	\$ 1.6987
Fixed Monthly Charge	N/A	N/A	\$ 509.65	\$ 581.03	\$ 652.41
Typical 792.kW; 149,760kWh per month	\$ 12,282.28	\$ 12,753.90	\$ 13,623.80	\$ 13,842.38	\$ 14,060.96
Impact over Current Bill		3.84%	10.92%	12.70%	14.48%
General Service >50kW TOU					
Volumetric (kW)	N/A	N/A	\$ 1.3270	\$ 1.5129	\$ 1.6987
Fixed Monthly Charge	N/A	N/A	\$ 509.65	\$ 581.03	\$ 652.41
Typical Winter 1,227.1kW; 384,855.57kWh per month	\$ 24,731.63	\$ 25,725.14	\$ 29,888.87	\$ 30,197.60	\$ 30,506.34
Impact over Current Bill		4.02%	20.85%	22.10%	23.35%

2. CHANGES TO THE RATE UNBUNDLING DESIGN MODEL

The RUD Model was customized for Halton Hills Hydro Inc. as follows:

(a) Coincident Peak Factors General Service Time of Use:

Halton Hills Hydro Inc. did not use the OEB default Coincident Factors of 0.981 for winter peak, and 0.991 for summer peak, for Time-of-Use (TOU) General Service. The Coincidence Factors were calculated from actual customer data by dividing the demand of the TOU general service class at the time of the utility's monthly peak demand by the peak demand of the TOU general service class. The data required to complete this calculation was retrieved from the MV90 interval meter data stored on the Utility's database. Halton Hills Hydro calculations derived a Winter Peak Coincidence Factor of 0.7561 and the Summer Peak Coincidence Factor of 0.7697.

(b) Combine Non Time of Use >50kW with Time of Use >50kW:

The original RUD model calculated different distribution charges for the subclass of Non-TOU>50kW and the subclass TOU>50kW. It is unjustifiable for the distribution charge of similar subclasses to be different. The presence of an interval meter should be indifferent and not have an impact on the distribution rate. Therefore, the Utility's distribution charge for similar subclasses should be the same.

Combining these two subclasses is consistent with the residential subclasses of TOU and Non-TOU.

(c) Normalized 1999 Rates:

Current December 31, 1999 rates were normalized (adjusted to break-even levels) across the customer classes and the adjustments highlighted on Sheet 1 – Data in the RUD Model.

3. CLAIMING SPECIAL CIRCUMSTANCES

When determining the adjustment required to move to the selected Return on Equity, the utility is required to subtract its' 1999 return from its' Market Based Revenue Requirement. Halton Hills Hydro incurred a loss in 1999 in the amount of (\$944,688). This loss represents the "wires-only" business activities. The operating losses continue today and as at September 30, 2000 the loss is (\$351,185).

The negative 1999 return was determined by a decision of the Commission and is not reflective of any operating inefficiency that existed within the Utility. Halton Hills Hydro Inc. is one of the most efficient municipal electric utilities in the province and provides electricity to its customers at amongst the lowest rates in Ontario. Its efficiency was such that by 1994 it had accumulated substantial reserves. The working capital peaked in 1996 at over 26%. Under the *Power Corporation Act*, utilities the size of Halton Hills Hydro were required to maintain working capital in the range of 15% to 25%. As the Utility forecasted increased working capital resulting from improved efficiencies, it subsequently reduced rates in order to maintain working capital within the required range, returning the excess capital back to the customers. Since 1994 Halton Hills Hydro has reduced rates by 8 ½ %. During that interval, the Utility has also accumulated operating losses of \$2,594,231 as indicated in Schedule A. This has reduced the working capital to 19.08% as of December 31, 1999.

At the time, the Commission believed returning the surplus reserves through reduced rates over a period was more beneficial, in a fair and balanced way to all customers. A one-time rebate would not have provided economic benefits fairly to all customers. On August 16th, 2000 during the Generic Hearing RP-2000-0069, this issue was presented to the Residing Panel and is referred to in Transcript, page 1136, and Line 19 through 28 and Transcript, page 1137, and

Line 1 through 18. A copy the complete Transcript and of Halton Hills Hydro oral presentation is included as Schedule B.

Halton Hills Hydro's current 1999 Rates and 2000 rates are less than cost and normalized market rates. The reserves have been sufficiently reduced. Halton Hills Hydro required rate increases for 2000, however there was simply no way, at that time, to request this rate increase under the provisions of the *Energy Competition Act 1998* and the *Ontario Energy Board Act 1998*. The PBR regime with 1999 rates as a base (and the effect of the Ontario Energy Board's Decision with Reason RP-2000-0069, in response to the Minister's Directive of June 7, 2000, allowing utilities to phase-in rate increases evenly over three years) further delays the recovery of normalized rates required by Halton Hills Hydro Inc. If the Board accepts Halton Hills Hydro's Preferred Rate Submission, then Halton Hills Hydro would avoid significant financial distress.

4. HALTON HILLS HYDRO INC. RATE SUBMISSION

4.1 Preferred Rate Submission:

Schedule C contains a proforma income statement reflecting normalized rates as the base for unbundling the rates for the First Generation PBR. In addition, the management of Halton Hills Hydro Inc. approached the shareholder for concessions. The shareholder is willing to receive a reduced interest rate on our debt obligation and forego full serviceability until the third year of PBR. The interest expense payable to the shareholder is reduced by \$620,000 in Year 1 and \$420,000 in Year 2. This is a reduction of \$1,040,000. This interest is not deferred. The shareholder is not expecting to recover the interest foregone related to the phase-in of market returns. The income statement for Year 1 is a profit of \$1,184,775 and Year 2 and Year 3 profits of \$1,837,484 and \$2,282,289 respectively. The accumulative net profit is projected to

be \$5,304,548 for the First Generation PBR. This approach will improve cash flow by \$3,609,698 and greatly assists the Utility in meeting the capital expenditure commitments.

Although the normalizing adjustment would impact general service rates harder than residential rates, the general service customers have the greatest ability to mitigate through competitive power (commodity) purchases in the future market.

4.2 Alternatives Considered

In order to assist the Board, Halton Hills Hydro has included a three-year proforma income statement using unbundled rates derived from the un-normalized 1999 rates as the base with the rate increase phased-in evenly over three years. Using this alternative, and as shown in Schedule D, Halton Hills Hydro Inc. projects a loss in Year 1 of \$(61,399), a profit of \$551,534 in Year 2 and a third year profit of \$956,187. Over First Generation PBR, the Utility's net profit is projected to be \$1,446,323. This would not sustain the Utility's obligation for capital expenditures that are required in order to maintain system reliability and meet the growth commitments of The Town of Halton Hills. This rate increase phased-in evenly over three years would create a cumulative cash outflow of (\$2,015,532) during First Generation PBR, greatly impairing the Utility's resources. It is therefore unacceptable to the Utility.

In addition, Halton Hills Hydro has examined the option of a skewed phase-in of the new rates. Halton Hills Hydro Inc. reviewed the viability of skewing 50.0% in Year 1, 25.0% in Year 2 and 25.0% in Year 3. Skewing reduced the cash outflow by \$652,095 during the first Generation PBR. However, this improvement is still not sufficient to meet the Utility's obligation for capital expenditures.

4.3 Continuous Improvement

Even though Halton Hills Hydro Inc. has proven to be one of the most efficient utilities in the province, there will always be a need for continuous improvements. Since 1996, the Utility has reduced controllable expenses per customer from \$203.20 down to \$190.41. The proforma income statement model, under PBR, indicates controllable expenses per customer will increase slightly. Halton Hills Hydro Inc. is committed and will continue to exercise prudent control of costs. Current initiatives include improving and streamlining various administration processes and automation with e-commerce. Operationally, Halton Hills Hydro Inc. is reviewing purchasing procedures, inventory levels and negotiating just-in-time inventory processes, with a major industry supplier, without compromising system reliability, emergency response and safety. As an example, since August 2000, inventory levels have been reduced by \$375,000.

5. SHAREHOLDER SUPPORT

The shareholder, The Corporation of the Town of Halton Hills, is very supportive of Halton Hills Hydro Inc. and its management and staff. The shareholder is convinced that retaining the ownership of the LDC and its affiliates is the right decision for the ratepayers of Halton Hills. This decision was based on the following:

- a) Halton Hills Hydro has a proven track record in the business of providing reliable power to its customers at low cost;
- b) It ensures local control of power distribution in Halton Hills;
- c) It represents a minimum risk to the customers in ensuring reliable power distribution;
- d) It maintains an opportunity for future growth;
- e) It represents the least change for the Town, its customers, and the Hydro staff;
- f) In stakeholder discussions with the public, this was seen as the most acceptable option to the public;
- g) It ensures that the profits from the Hydro utility remain in the community;
- h) It retains the value of the business and will eventually allow for a reasonable rate of return for the shareholder;
- i) It allows time to resolve the many industry uncertainties due to changes in regulatory structure and industry competition.

Halton Hills Hydro's shareholder has not directed or received any assets or cash payments during the restructuring process. All asset values and cash on hand were transferred to the LDC and its affiliates, in accordance with the *Energy Competition Act 1998* and the transfer by-laws.

In addition, the Halton Hills Hydro Inc. has not projected any dividend payments during the 1st Generation PBR. Any profits from operations or additional earnings from productivity improvements during the transition period will be retained by Halton Hills Hydro Inc. for capital replacement, capital expansion and ensuring system reliability.

6. CONCLUSIONS

The Town of Halton Hills is an expanding community on the outskirts of the GTA. The community is situated for continued economic growth and residential development up to the planned maximum over the duration of the 1st Generation PBR and beyond. The forecasted industrial development, along the 401 Corridor and the continued residential growth in other areas of the community will have substantial financial pressures on Halton Hills Hydro Inc. Capital expansion and continued reliability of the Hydro distribution system are foremost. Halton Hills Inc. rate submission is designed to achieve:

Just and reasonable rates.

Reliability of customer services.

Quality of service for customers.

The ability to grow the Utility's assets in order to meet the Community's expectations for economic development.

Halton Hills Hydro respectfully requests that the Board approve its Preferred Rate Submission including a preliminary adjustment of 2.92% to the 1999 year-end rates.

Schedule A

Halton Hills Hydro
"WIRES ONLY" BUSINESS
Historical Operating Statements

SCHEDULE 'A'

	1994	1995	1996	1997	1998	1999	ACCUMULATIVE SIX YEAR LOSSES
Service Revenue							
Residential	13,818,712	13,652,797	13,500,571	13,056,111	13,012,207	13,261,701	
General	14,862,810	14,925,672	15,582,855	15,748,653	15,661,437	16,467,075	
Streetlighting	161,213	135,131	141,683	150,190	148,527	151,436	
	<u>28,842,735</u>	<u>28,713,600</u>	<u>29,225,109</u>	<u>28,954,954</u>	<u>28,822,171</u>	<u>29,880,212</u>	
Cost of Power	<u>23,739,992</u>	<u>24,410,508</u>	<u>24,997,316</u>	<u>25,050,700</u>	<u>25,594,187</u>	<u>26,441,767</u>	
	5,102,743	4,303,092	4,227,793	3,904,254	3,227,984	3,438,445	
Operating Expenses	<u>2,958,078</u>	<u>2,784,101</u>	<u>2,989,940</u>	<u>3,023,352</u>	<u>3,172,707</u>	<u>3,135,363</u>	
	2,144,665	1,518,991	1,237,853	880,902	55,277	303,082	
Interest	320,784	342,457	306,756	269,494	168,008	58,612	
Depreciation and Amortization	<u>1,240,417</u>	<u>1,320,321</u>	<u>1,401,951</u>	<u>1,479,407</u>	<u>1,488,891</u>	<u>1,440,409</u>	
	583,464	(143,787)	(470,854)	(867,999)	(1,601,622)	(1,195,939)	
Other Revenue							
Late Payment Charges	136,650	161,768	177,100	169,080	206,657	251,251	
Net Operating Income (Loss)	<u>720,114</u>	<u>17,981</u>	<u>(293,754)</u>	<u>(698,919)</u>	<u>(1,394,965)</u>	<u>(944,688)</u>	<u>\$ (2,594,231)</u>
RATE CHANGES	-2.0%	-2.0%	-2.0%	-1.5%	-1.0%	0.0%	
Average Residential Rate For 1,000 kWh	\$ 0.8968	\$ 0.8763	\$ 0.8583	\$ 0.8288	\$ 0.8113	\$ 0.8113	
Working Capital as % of Net Expense	24.38%	25.26%	26.24%	24.95%	23.04%	19.08%	

Schedule B

SCHEDULE "B"

HALTON HILLS HYDRO INC.

**ONTARIO ENERGY BOARD
GENERIC HEARING
RP-2000-0069**

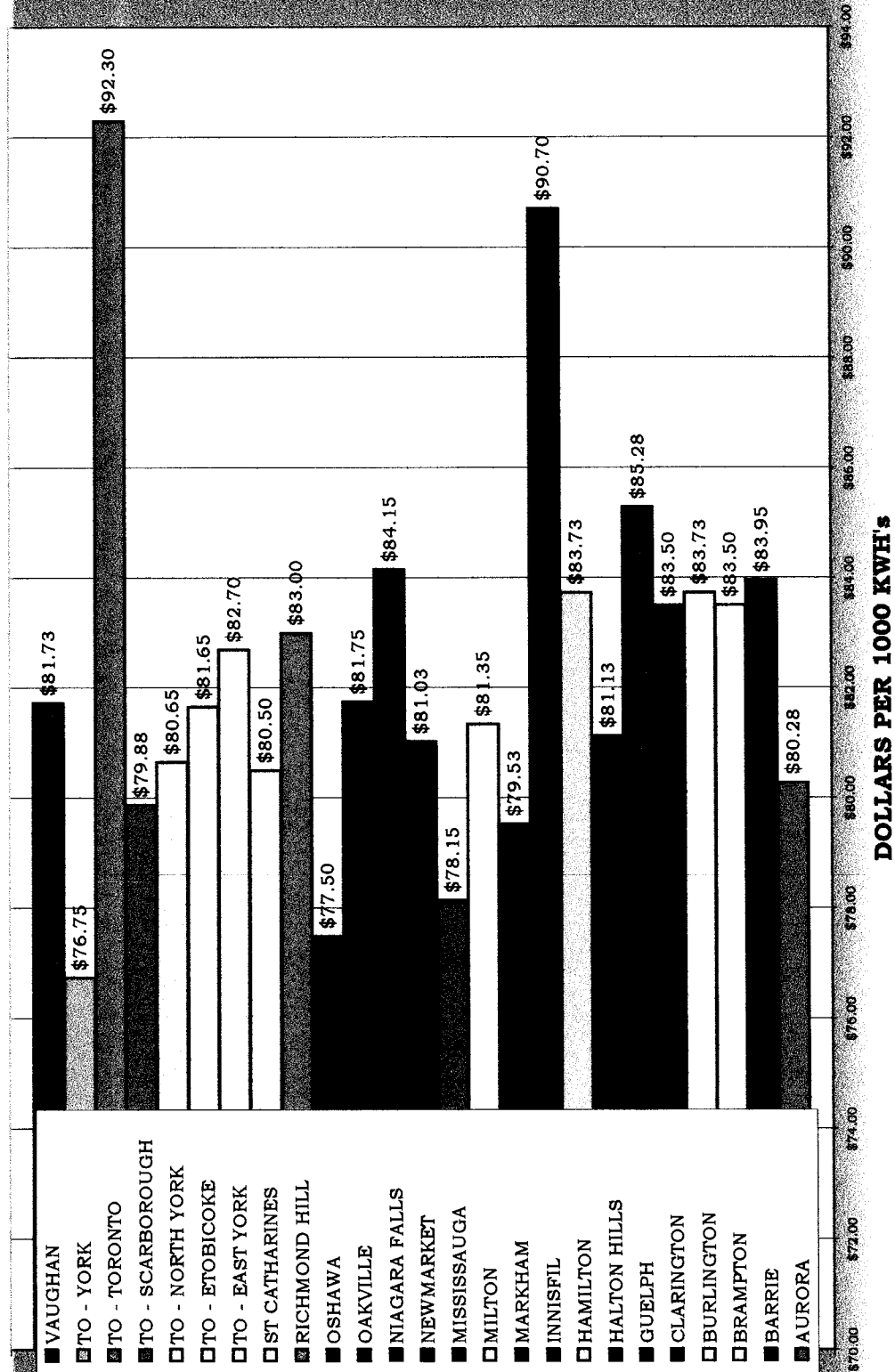
AUGUST 16th, 2000

HALTON HILLS HYDRO-ELECTRIC COMMISSION
ONTARIO ENERGY BOARD - GENERIC HEARING - RP-2000-0069
August 16th, 2000

We have reviewed many of the other written submissions and do not wish to revisit issues already presented. We do however, wish to add one additional message that is unique to our utility, as outlined in our written submission to the Board, dated July 27th, 2000.

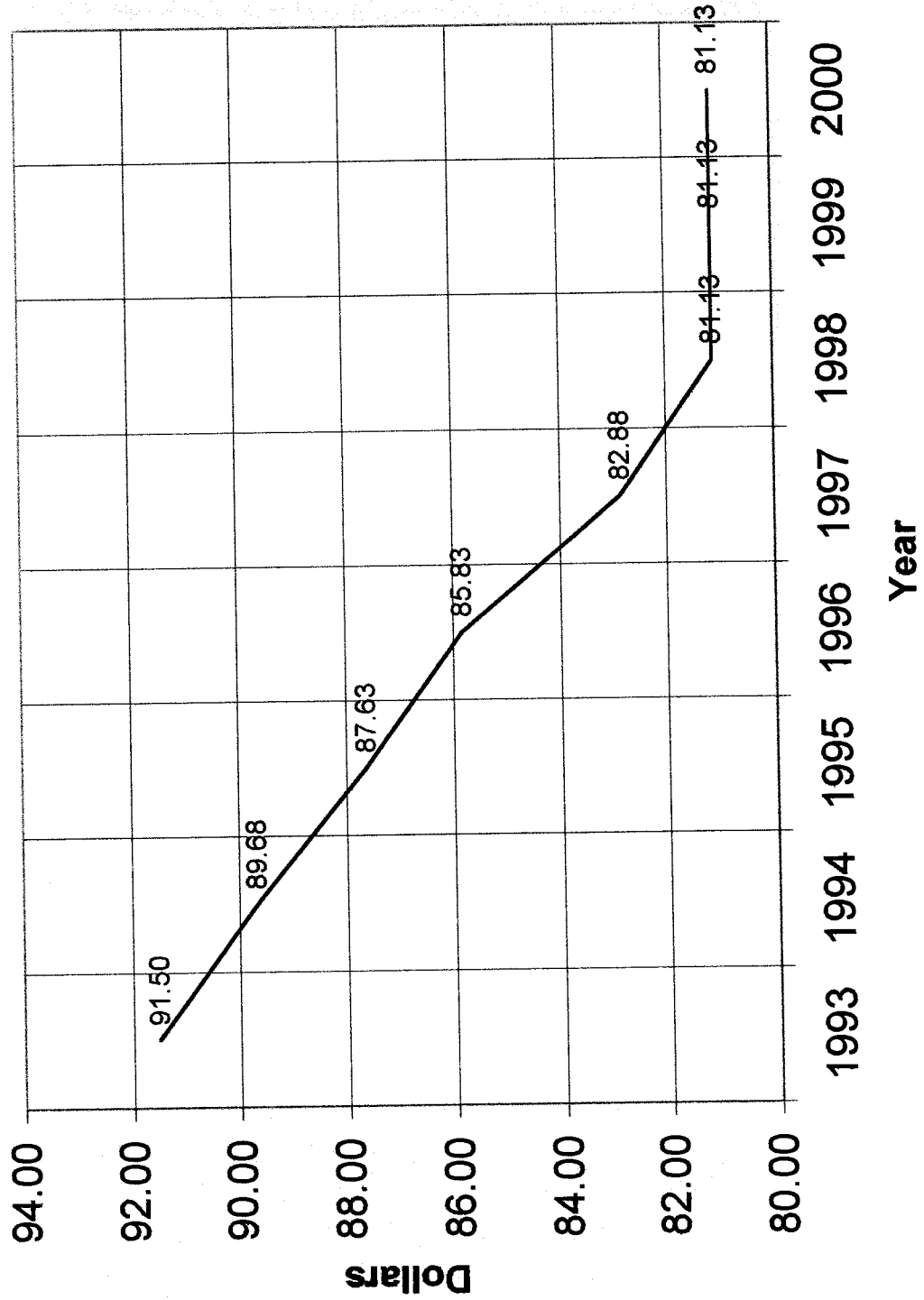
- The 1999 residential rate for Halton Hills Hydro is among the lowest in the GTA.
- Under the old regulation, utilities of our size were required to maintain working capital in the range of 15% to 25%.
- As we have forecasted increased working capital, we have subsequently reduced our rates in order to maintain working capital within the required range; returning the excess capital back to our customers.
- Since 1994 we have reduced our rates 8 ½ %.
- During that period, our working capital peaked at over 26% in 1996 and, at the end of 1999 was just over 19%.
- We have maintained operating efficiencies allowing us to pass the benefit on to our customers and ultimately having below market level rates.
- Our interpretation is that Section 78.1 of the OEB Act will put a cap on our rates at the 1999 level, which is below market level.
- It will also preclude the OEB from forbearing in a case such as ours.
- Our utility should not be penalized for having been efficient in the past.
- Our case is one example in which the proposed legislative amendments would actually have a negative effect on our business and our customers.
- Our belief is that the OEB must retain the right to forbear in circumstances such as ours, and should therefore seek appropriate changes to the proposed legislation.

GTA UTILITY RESIDENTIAL RATE COMPARISONS - 1998



DOLLARS PER 1000 KWH's

Halton Hills Hydro Residential Monthly Cost for 1000kwh



HALTON HILLS HYDRO-ELECTRIC COMMISSION **STATISTICAL INFORMATION**

	1994	1995	1996	1997	1998	1999
RATE CHANGE	-2.0%	-2.0%	-2.0%	-1.5%	-1.0%	0.0%
AVERAGE RESIDENTIAL RATE FOR 1000 KWH	8.968¢	8.763¢	8.583¢	8.288¢	8.113¢	8.113¢
WORKING CAPITAL AS % OF NET EXP	24.38%	25.26%	26.24%	24.95%	23.04%	19.08%

AUGUST 2000



ONTARIO ENERGY BOARD

FILE NO.: RP-2000-0069

VOLUME: 6, General Hearing

DATE: August 16, 2000

BEFORE:	P. Vlahos	Vice Chair & Presiding Member
	G.A. Dominy	Vice Chair & Member
	S. Halladay	Member
	S. Zerker	Member

Les Services StenoTran Services Inc.
613-521-0703

RP-2000-0069

THE ONTARIO ENERGY BOARD

IN THE MATTER OF ss. 129(7) and 78 of the Ontario Energy
Board Act, 1998, S.O. 1998, c. 15, (Sched. B);

AND IN THE MATTER OF a Ministers Directive dated
June 7, 2000.

B E F O R E :

Mr. P. VLAHOS	Vice-Chair and Presiding Member
Mr. G. DOMINY	Vice-Chair and Member
Ms S. HALLADAY	Member
Dr. S. ZERKER	Member

Hearing held at:

2300 Yonge Street, 25th Floor, Hearing Room No. 1
Toronto, Ontario on Wednesday, August 16, 2000,
commencing at 0910

GENERIC HEARING

VOLUME 6

Les Services StenoTran Services Inc.
613-521-0703

	APPEARANCES
1	
2	MICHAEL LYLE/ Board Solicitor
3	STEPHEN MOTLUK/ Board Staff
4	JUDY KWIK Board Staff
5	
6	DONALD H. ROGERS/ Hydro One Networks
7	JOHN GLICKSMAN
8	
9	PAUL FERGUSON/ Upper Canada Energy Alliance
10	MICHAEL McLEOD/
11	CLAYTON HARRIS
12	
13	JOHN WIERSMA/ Veridian Corporation
14	GEORGE ARMSTRONG
15	
16	MARK RODGER/ Brantford Hydro
17	ANDY MOLENAAR
18	
19	DANIEL GUATTO/ Halton Hills Hydro
20	DAVID SMELSKY
21	
22	
23	
24	
25	
26	
27	
28	

BRANTFORD HYDRO

1 MR. MYCHAILENKO: Yes. That's our intention.

2 MEMBER DOMINY: Thank you.

3 THE PRESIDING MEMBER: Thank you very much for
4 being here today. We appreciate it.

5 MR. MYCHAILENKO: Thank you.

6 MR. SIDLOFSKY: Thank you.

7 THE PRESIDING MEMBER: We are ready to
8 continue with Halton Hills Hydro. Is there anybody from
9 Halton Hills Hydro?

10 I have Mr. Adrian Phillips, counsel.

11 MR. GUATTO: That's correct, Mr. Chairman.

12 THE PRESIDING MEMBER: I have four names or
13 another three names rather. I only see one individual.

14 MR. GUATTO: I am Dan Guatto, General Manager
15 of Halton Hills Hydro. With me is David Smelsky,
16 Manager of Finance and Administration. We will be the
17 only two attending today.

18 THE PRESIDING MEMBER: I'm sorry, I thought
19 you were the counsel. I apologize. Please proceed.

20 PRESENTATION

21 MR. GUATTO: Mr. Chairman, we have brought
22 with us some material that supports our written
23 submission in the form of graphs and charts. We think
24 it would be very illustrative if we could hand that out.
25 We have enough copies for the Board and staff and for
26 everyone.

27 While David is doing that, I will just set the
28 stage and make you aware that Halton Hills Hydro is one

HALTON HILLS HYDRO

1 of four utilities in the Region of Halton. Our sister
2 utilities are Oakville, Burlington and Milton.
3 Basically, Milton itself is at the 401 and Halton Hills
4 is north of the 401. We are a small utility of 16,000
5 customers at present and we are growing very rapidly.

6 MR. LYLE: Mr. Chair, we will make this
7 document Exhibit 6, E6.6.

8 EXHIBIT NO. E6.6: Graphs and Charts

9 MR. GUATTO: Is it okay to begin? Has
10 everybody received a copy? Great.

11 Our focus today will be on the main point of
12 our July 27 written submission. We have reviewed many
13 of the submissions of other utilities, the written
14 submissions. Although we have other concerns, we do not
15 wish to revisit issues that have already been presented
16 by others. Instead, we wish to add one additional
17 message and present our own utility as an example. Our
18 presentation will be short and specific to that issue.

19 The first graph in the handout indicates that
20 the 1999 residential rate for Halton Hills Hydro is
21 amongst the lowest in the GTA. They are in no
22 particular order. About two thirds of the way down is
23 Halton Hills Hydro's rate. It's \$81.13. That graph is
24 at the 1,000 kilowatt hours per month, the typical
25 benchmark used to compare rates.

26 Under the old regulation, utilities of our
27 size have been required to maintain working capital
28 between 15 and 25 per cent.

HALTON HILLS HYDRO

1 THE PRESIDING MEMBER: Of what, sir?

2 MR. GUATTO: Of working capital.

3 THE PRESIDING MEMBER: Of what?

4 MR. GUATTO: Of annual revenue. In our
5 particular case, as we had forecasted working capital
6 rates climbing, we subsequently reduced our rates to
7 bring the working capital back down into the required
8 range and to return the excess capital to our customer
9 base.

10 The only way we could do that was to have a
11 rate that was below a market rate. In other words, we
12 planned for and we realized a loss for certain budget
13 years of that range.

14 From 1994 to 1998 we reduced our rates 8.5 per
15 cent. For 1999, we held the 1998 rate. The second
16 graph in the hand-out indicates the transition in our
17 rates.

18 Over that period, 1994 to 1999, our working
19 capital peaked at about 26 per cent in 1996, and by the
20 end of 1999 it was just over 19 per cent, as we had
21 targeted.

22 The chart at the end of the hand-out shows you
23 the changes in our rate and our working capital.

24 Our position is that we have been efficient
25 and that the benefit of that efficiency has been passed
26 on to our customers. By doing so, we believe we acted
27 in our customers' best interests.

28 With respect to Bill 100, our interpretation

HALTON HILLS HYDRO

1 is that section 78.1 of the OEB Act would put a cap on
2 our rates at the 1999 level, which is below market. It
3 would also preclude the OEB from forbearing in a case
4 such as ours.

5 Our concern is that our utility would be
6 effectively penalized for having been efficient in the
7 past. Our case is one example in which Bill 100 and the
8 proposed legislative changes would actually have a
9 negative effect on our business and our customers, the
10 very customers it was supposed to protect.

11 Our belief is that the OEB must retain the
12 right to forebear in such circumstances and should,
13 therefore, seek the appropriate changes to Bill 100.

14 That is really the extent of our presentation,
15 and we would be happy to entertain any questions.

16 THE PRESIDING MEMBER: Thank you, Mr. Guatto.
17 Mr. Lyle...?

18 MR. LYLE: Thank you, Mr. Chair.

19 You refer to the OEB forbearing in cases such
20 as yours. Can you explain to me what you mean by that?

21 MR. GUATTO: What we mean is, we didn't -- our
22 advice -- our legal advice was that a rate cap at the
23 1999 rate, which would be imposed upon us by section
24 78.1, would not be fair, and so we would be seeking
25 forbearance from the OEB for that. And our further
26 legal advice was that that would not be possible because
27 of section 78.1.

28 MR. LYLE: So, in other words, if Bill 100 was

HALTON HILLS HYDRO

1 passed in its present form, the Board would have to act
2 in accordance with Bill 100 in making its decisions.

3 MR. GUATTO: That's correct.

4 MR. LYLE: You suggested in your original
5 written submission that the Minister should rescind the
6 directive. Now, assuming for a moment that the Minister
7 does not rescind the directive and the Board proceeds
8 ahead to make whatever adjustments to the rate handbook
9 it decides are appropriate in response to the directive,
10 if the Board was to adjust the rate handbook so as to
11 require municipal utilities to phase in a market
12 adjusted revenue requirement over the course of three or
13 four years, and if the Board was also to provide for the
14 deferrals of any forgone revenues in deferral accounts,
15 would that change be something that Halton Hills could
16 accept?

17 MR. SMELSKY: Yes, Halton Hills would be in
18 agreement for the deferral accounts as well.

19 MR. LYLE: I just want to explore briefly with
20 you -- you stated in your written submission that as of
21 1994 you had accumulated substantial reserves. Now, is
22 Halton Hills Hydro -- I see it is a Hydro Electric
23 Commission, so you didn't have any water assets or any
24 other assets?

25 MR. GUATTO: No, we didn't. We did the
26 billing for the water, but that's the extent of it.

27 MR. LYLE: I see. So all of the reserves
28 would have been accumulated from your electricity

HALTON HILLS HYDRO

1 operation.

2 MR. GUATTO: That's correct.

3 MR. LYLE: And do I take it from your
4 submission that you don't now have very much in the way
5 of working capital?

6 MR. GUATTO: Yes, we do. We have just over 19
7 per cent.

8 MR. LYLE: Do you have any knowledge of what
9 your municipality is going to do when it comes to
10 corporatizing the utility, as to whether it intends to
11 remove any of that working capital out of the utility?

12 MR. GUATTO: Our knowledge to date is that it
13 does not intend to remove working capital. In fact, it
14 has not removed any asset from within the utility, nor
15 does it intend to.

16 MR. LYLE: Thank you, Mr. Chair. Those are my
17 questions.

18 THE PRESIDING MEMBER: Thank you, Mr. Lyle.

19 Gentlemen, I will start the panel's questions,
20 and it is basically just in one area, and that is, you
21 had chosen to implement a rate reduction, so that is why
22 you are in the situation you are in today.

23 MR. GUATTO: That's correct.

24 THE PRESIDING MEMBER: Other systems may have
25 chosen to implement a rebate, for example? In those
26 circumstances they would not have a similar problem
27 because, with a rebate, rates don't change. A rebate is
28 once a year, or there is a rate rider, and then you just

HALTON HILLS HYDRO

1 continue on with that rate, as it were.

2 Is that one of the difficulties between
3 yourselves and some other systems?

4 MR. GUATTO: I could agree with that, yes.

5 THE PRESIDING MEMBER: At that time you had no
6 anticipation of a rate handbook or --

7 MR. GUATTO: No, we did not. And at that time
8 a rebate was considered and it was excluded in favour of
9 the rate reduction.

10 THE PRESIDING MEMBER: Can I ask for what
11 reasons? Do you recall?

12 MR. GUATTO: It was felt that it was better to
13 have a lower rate than to give a one-time rebate to
14 customers. And there is a certain awkwardness with
15 giving a rebate, in sharing it fairly: general service
16 customers, residential customers, new customers versus
17 long-term customers, et cetera. So we felt that the
18 fairest way to do it was a rate reduction.

19 THE PRESIDING MEMBER: I have looked at your
20 physical information that you have provided. It doesn't
21 tell me anything about your profitability. Can you tell
22 us anything about that?

23 MR. SMELSKY: For the year ending December 31,
24 1999, the net operating income -- or loss, sorry -- was
25 \$571,806, and in the year ending 1998 the net operating
26 loss was \$971,339.

27 So from an operational perspective, we have
28 lost revenue -- or, sorry, lost operating expenses on

HALTON HILLS HYDRO

1 that basis.

2 THE PRESIDING MEMBER: So you have been in a
3 loss position for two years.

4 MR. SMELSKY: Basically, in 1997, 1998 and
5 1999 we have been operating at a loss.

6 THE PRESIDING MEMBER: So three years.

7 MR. SMELSKY: Yes, for three years.

8 THE PRESIDING MEMBER: And that explains the
9 reduction in the working capital.

10 MR. GUATTO: That's correct.

11 MR. SMELSKY: That is correct.

12 THE PRESIDING MEMBER: But one could claim
13 that you are still cash rich.

14 MR. SMELSKY: We do have a cash balance and
15 cash reserves, that is correct?

16 THE PRESIDING MEMBER: So, although you are in
17 a loss position, there is not really a case --

18 You are not suggesting that there is a
19 financial distress situation in the case of Halton
20 Hills?

21 MR. GUATTO: Absolutely not. All we are
22 suggesting is that our rates are below market.

23 THE PRESIDING MEMBER: Those are my questions.
24 Mr. Dominy...?

25 MEMBER DOMINY: Halton Hills, I think you
26 said, is growing rapidly.

27 MR. GUATTO: Yes, it is.

28 MEMBER DOMINY: How do you finance your new

HALTON HILLS HYDRO

1 investment?

2 MR. GUATTO: To date we have financed through
3 developer contributions, and they come in two forms:
4 development charges -- we have a development charge
5 by-law; and contributed capital.

6 Development charges are paid for expansions to
7 our system which are outside the development envelope.
8 In other words, if we have to increase the size of a
9 substation to feed a new subdivision. And capital
10 contributions pay for anything within the envelope.

11 MEMBER DOMINY: And development charges are no
12 longer around.

13 MR. GUATTO: That's correct.

14 MEMBER DOMINY: So how are you planning to
15 find your capital in the future?

16 MR. GUATTO: I can't fully answer your
17 question at this point because we have not explored all
18 of the options. Because of our size we have not
19 submitted our rate application. We were supposed to do
20 that August 1, and then it was deferred, so we haven't
21 completed that process.

22 MEMBER DOMINY: Thank you. That was what I
23 was interested in.

24 THE PRESIDING MEMBER: Dr. Zerker...?

25 MEMBER ZERKER: Just to satisfy my curiosity,
26 did you decide on the rate reduction instead of the
27 rebate in order to attract industry?

28 You are near Oakville, which is a growing

HALTON HILLS HYDRO

1 community, and I imagine that Halton Hills is in a
2 comparable situation. Did you think that a lower rate
3 for electricity would be more attractive to industry?

4 MR. GUATTO: Actually, I guess I have to
5 answer that question in a negative way. Although we
6 wouldn't forgo industry, we are heavy with residential
7 now, and actually we have gotten quite comfortable with
8 it and we don't mind having a large percentage of
9 residential because it is a very steady load group.
10 Although we are always welcoming new industry, we tend
11 to give the biggest benefit of the rate reduction to the
12 residential side, if possible.

13 MEMBER ZERKER: From a competitive point of
14 view, do you still want to be at a lower rate to your
15 neighbours at the outcome of this?

16 MR. GUATTO: Yes. I would say the answer is
17 yes. Of course we are competitive in that way, and that
18 has come up, and it has been mentioned, and we have in
19 fact mentioned it from time to time. But it is not the
20 only goal that we have.

21 MEMBER ZERKER: What do you want this Board,
22 then, to do? What is it that you are asking of this
23 Board, in light of the evidence that you have provided?

24 MR. GUATTO: We are asking that the Board seek
25 to retain its right to forebear in circumstances like
26 ours, so that if we came to the Board and claimed that
27 our rate was below market and we could prove it that the
28 Board would have the ability to bring us back up to

HALTON HILLS HYDRO

1 market rates.

2 MEMBER ZERKER: In monopolies and in regulated
3 monopolies as such how do we know what the market rate
4 is? And this is not an actual market and you made
5 reference to the market a number of times. I would like
6 to know how you define that.

7 MR. GUATTO: Currently, we are defining it,
8 the cost of our operations versus the revenue that we
9 get. If it costs more to run the utility than we get in
10 revenue and we are below the market rate, if we are
11 taking a loss then we're below.

12 MEMBER ZERKER: It could use a better name, I
13 must admit.

14 MR. SMELSKY: If I may answer to the question
15 as well. I think you are absolutely correct. Market
16 rate probably is not the correct term. It may be that
17 when we submit our rate proposals to the OEB under the
18 unbundled rates we will be looking at a percentage
19 increase which will have two components.

20 One will be the component that would bring us
21 to a level of natural break even and then the other
22 component would be some type of mitigated rate for the
23 rate of return that we would be allowed. I think maybe
24 that's really the issue we are looking at is when we
25 submit and seek the Board approval that they have the
26 ability to rule on differentiation or the components
27 within the rate increase.

28 MEMBER ZERKER: What your application will be

HALTON HILLS HYDRO

1 saying and should be saying in fact.

2 One point, on your written submission you say,
3 your third point, that the private sector owner would
4 not be subject to Bill 100. We don't know that. It may
5 not be subject to Bill 100, but it may -- they may. I
6 just wanted to bring that to your attention. We have
7 not got any clarification on that.

8 MR. GUATTO: Thank you.

9 THE PRESIDING MEMBER: Ms Halladay.

10 MEMBER HALLADAY: No, Mr. Chair. I think I
11 understand what the problem is. I am not sure that I
12 agree that forbearance is the remedy that you are really
13 looking for, but I think I understand what your concerns
14 are. We will address those.

15 THE PRESIDING MEMBER: Thank you.

16 Those are all our questions, gentlemen. Thank
17 you for being here.

18 Before we break, Ms Kwik, I just wonder
19 whether we can take an undertaking?

20 MS KWIK: Yes, Mr. Chair.

21 THE PRESIDING MEMBER: I was wondering whether
22 what was put on the record today about the floor of zero
23 per cent that if you are a negative position that
24 automatically you can count on starting from zero plus
25 going up to 9.88 and whether that is the interpretation
26 of page 3-8 of the Rate Handbook of footnote 2, and
27 either confirm or state otherwise for the record.

28 MS KWIK: Yes, Mr. Chair.

HALTON HILLS HYDRO

1 MR. LYLE: Would you like to give that
2 undertaking a number, Mr. Chair?

3 THE PRESIDING MEMBER: You'll be around

4 MR. LYLE: Thank you.

5 THE PRESIDING MEMBER: Gentlemen, you are
6 excused.

7 MR. GUATTO: Thank you very much.

8 THE PRESIDING MEMBER: We will adjourn until
9 four o'clock to hear from Hydro One.

10 --- Upon recessing at 1530

11 --- Upon resuming at 1605

12 THE PRESIDING MEMBER: Mr. Lyle, is there
13 anything to deal with?

14 MR. LYLE: No, Mr. Chair.

15 Mr. Rogers is here to discuss --

16 THE PRESIDING MEMBER: Welcome back,
17 Mr. Rogers.

18 MR. ROGERS: Thank you, sir. I am very glad
19 to be here indeed. I always enjoy my time here.

20 THE PRESIDING MEMBER: We enjoy having you,
21 sir.

22 MR. ROGERS: Thank you.

23 THE PRESIDING MEMBER: Mr. Dominy says it must
24 have been a successful arbitration this afternoon.

25 MR. ROGERS: Well, it depends on who you ask
26 about it I think.

27 THE PRESIDING MEMBER: Mr. Rogers, we are in
28 your hands.

Schedule C

Halton Hills Hydro Inc.
First Generation PBR

SCHEDULE 'C'

(Normalized Rates as the Base for Unbundling)
Proforma Statements and Cash Flows

EQUAL THREE-YEAR PHASE-IN OF RATE INCREASE

INCOME STATEMENT		(1999 Historical)	33.34% 1-Jan-2001 Year 1 PBR	33.33% Year 2 PBR	33.33% Year 3 PBR	
Revenues						
Residential	\$	13,263,310	\$ 14,140,872	\$ 15,049,065	\$ 15,991,815	
General Service < 50kW	\$	2,620,553	\$ 2,837,611	\$ 3,014,464	\$ 3,198,056	
General Service > 50kW	\$	13,888,399	\$ 16,694,055	\$ 17,711,792	\$ 18,763,964	
Streetlighting	\$	185,242	\$ 185,188	\$ 192,657	\$ 200,427	
	\$	29,957,504	100.0% \$ 33,857,727	100.0% \$ 35,967,977	100.0% \$ 38,154,262	100.0%
Cost of Power						
Residential	\$	11,205,543	\$ 11,336,155	\$ 11,793,364	\$ 12,269,014	
General Service < 50kW	\$	2,252,628	\$ 2,315,923	\$ 2,409,329	\$ 2,506,502	
General Service > 50kW	\$	12,833,394	\$ 13,705,981	\$ 14,258,770	\$ 14,833,855	
Streetlighting	\$	150,203	\$ 150,159	\$ 156,215	\$ 162,516	
	\$	26,441,768	88.3% \$ 27,508,217	81.2% \$ 28,617,678	79.6% \$ 29,771,886	78.0%
Distribution Revenue						
Residential	\$	2,057,767	\$ 2,804,718	\$ 3,255,701	\$ 3,722,801	
General Service < 50kW	\$	367,925	\$ 521,688	\$ 605,135	\$ 691,555	
General Service > 50kW	\$	1,055,005	\$ 2,988,075	\$ 3,453,021	\$ 3,930,109	
Streetlighting	\$	35,039	\$ 35,029	\$ 36,442	\$ 37,911	
	\$	3,515,736	11.7% \$ 6,349,509	18.8% \$ 7,350,298	20.4% \$ 8,382,376	22.0%
	\$	-	\$ -	\$ -	\$ -	
Operating Expenses						
Substations	\$	120,904	\$ 147,484	\$ 151,664	\$ 155,935	
Lines and feeders	\$	695,549	\$ 848,461	\$ 872,507	\$ 897,079	
Transformers and meters	\$	222,592	\$ 271,527	\$ 279,223	\$ 287,086	
Billing and collections	\$	872,165	\$ 843,723	\$ 870,489	\$ 897,862	
Administration	\$	1,106,803	\$ 1,070,710	\$ 1,104,676	\$ 1,139,413	
Customer Service	\$	117,350	\$ 113,523	\$ 117,124	\$ 120,808	
	\$	-	\$ -	\$ -	\$ -	
	\$	3,135,363	10.5% \$ 3,295,429	9.7% \$ 3,395,682	9.4% \$ 3,498,183	9.2%
	\$	-	\$ -	\$ -	\$ -	
Earnings before Interest, Taxes, Dep'n and Amort.	\$	380,373	\$ 3,054,080	\$ 3,954,616	\$ 4,884,193	
IMO Prudential Requirements	\$	-	\$ 39,567	\$ 41,162	\$ 42,823	
Interest	\$	58,612	\$ 200,000	\$ 400,000	\$ 820,000	
Depreciation and Amortization	\$	1,440,409	\$ 1,799,028	\$ 1,855,810	\$ 1,929,853	
	\$	(1,118,648)	-3.7% \$ 1,015,486	\$ 1,657,644	\$ 2,091,518	
Other Operating Revenue - Late Payment Charges	\$	251,251	0.8% \$ 169,289	0.5% \$ 179,840	0.5% \$ 190,771	0.5%
	\$	(867,397)	-2.9% \$ 1,184,775	\$ 1,837,484	\$ 2,282,289	
Income Taxes	\$	-	\$ -	\$ -	\$ -	
Net Operating Income (Loss)	\$	(867,397)	-2.9% \$ 1,184,775	\$ 1,837,484	\$ 2,282,289	

Statement of Cash Flows	Year 1 PBR	Year 2 PBR	Year 3 PBR	1st Generation PBR
Cash Provided By (Used For)				
Operations				
Net Income (Loss)	\$ 1,184,775	\$ 1,837,484	\$ 2,282,289	\$ 5,304,548
Depreciation and amortization	\$ 1,799,028	\$ 1,855,810	\$ 1,929,853	\$ 5,584,690
Net Change in Working Capital	\$ (734,602)	\$ (397,463)	\$ (411,784)	\$ (1,543,850)
	\$ 2,249,200	\$ 3,295,830	\$ 3,800,358	\$ 9,345,388
Financing				
Development/Capital Contributions	\$ -	\$ -	\$ -	\$ -
	\$ -	\$ -	\$ -	\$ -
Investing				
Capital Expenditures	\$ (2,376,599)	\$ (2,557,518)	\$ (2,817,106)	\$ (7,751,222)
	\$ (2,376,599)	\$ (2,557,518)	\$ (2,817,106)	\$ (7,751,222)
Net Change in Cash (Decrease)	\$ (127,399)	\$ 738,313	\$ 983,252	\$ 1,594,166
Opening Cash Position	\$ 2,430,000	\$ 5,032,850	\$ 5,771,163	\$ 2,430,000
Opening Development Charge Fund	\$ 780,000	\$ -	\$ -	\$ 780,000
Opening Trade Receivables (Net)	\$ 1,950,249	\$ -	\$ -	\$ 1,950,249
Closing Cash Position	\$ 5,032,850	\$ 5,771,163	\$ 6,754,415	\$ 6,754,415

Schedule D

Halton Hills Hydro Inc.
First Generation PBR

SCHEDULE 'D'

(CURRENT 1999 Rates as the Base for Unbundling)
Proforma Statements and Cash Flows

EQUAL THREE-YEAR PHASE-IN OF RATE INCREASE

INCOME STATEMENT	(1999 Historical)	33.34%		33.33%		33.33%	
		1-Jan-2001 Year 1 PBR		Year 2 PBR		Year 3 PBR	
Revenues							
Residential	\$ 13,263,310	\$ 13,856,428	\$ 14,798,059	\$ 15,775,636			
General Service < 50kW	\$ 2,620,553	\$ 2,767,294	\$ 2,947,102	\$ 3,133,798			
General Service > 50kW	\$ 13,888,399	\$ 15,808,843	\$ 16,750,607	\$ 17,724,896			
Streetlighting	\$ 185,242	\$ 185,188	\$ 192,657	\$ 200,427			
	\$ 29,957,504 100.0%	\$ 32,617,753 100.0%	\$ 34,688,425 100.0%	\$ 36,834,758 100.0%			
Cost of Power							
Residential	\$ 11,205,543	\$ 11,336,155	\$ 11,793,364	\$ 12,269,014			
General Service < 50kW	\$ 2,252,628	\$ 2,315,923	\$ 2,409,329	\$ 2,506,502			
General Service > 50kW	\$ 12,833,394	\$ 13,705,981	\$ 14,258,770	\$ 14,833,855			
Streetlighting	\$ 150,203	\$ 150,159	\$ 156,215	\$ 162,516			
	\$ 26,441,768 88.3%	\$ 27,508,217 84.3%	\$ 28,617,678 82.5%	\$ 29,771,886 80.8%			
Distribution Revenue							
Residential	\$ 2,057,767	\$ 2,520,274	\$ 3,004,694	\$ 3,506,622			
General Service < 50kW	\$ 367,925	\$ 451,372	\$ 537,774	\$ 627,297			
General Service > 50kW	\$ 1,055,005	\$ 2,102,862	\$ 2,491,837	\$ 2,891,041			
Streetlighting	\$ 35,039	\$ 35,029	\$ 36,442	\$ 37,911			
	\$ 3,515,736 11.7%	\$ 5,109,536 15.7%	\$ 6,070,747 17.5%	\$ 7,062,871 19.2%			
Operating Expenses							
Substations	\$ 120,904	\$ 147,484	\$ 151,664	\$ 155,935			
Lines and feeders	\$ 695,549	\$ 848,461	\$ 872,507	\$ 897,079			
Transformers and meters	\$ 222,592	\$ 271,527	\$ 279,223	\$ 287,086			
Billing and collections	\$ 872,165	\$ 843,723	\$ 870,489	\$ 897,862			
Administration	\$ 1,106,803	\$ 1,070,710	\$ 1,104,676	\$ 1,139,413			
Customer Service	\$ 117,350	\$ 113,523	\$ 117,124	\$ 120,808			
	\$ 3,135,363 10.5%	\$ 3,295,429 10.1%	\$ 3,395,682 9.8%	\$ 3,498,183 9.5%			
Earnings before Interest, Taxes, Depr'n and Amort.	\$ 380,373	\$ 1,814,107	\$ 2,675,064	\$ 3,564,689			
IMO Prudential Requirements	\$ -	\$ 39,567	\$ 41,162	\$ 42,823			
Interest	\$ 58,612 0.2%	\$ 200,000	\$ 400,000	\$ 820,000			
Depreciation and Amortization	\$ 1,440,409 4.8%	\$ 1,799,028	\$ 1,855,810	\$ 1,929,853			
	\$ (1,118,648) -3.7%	\$ (224,487)	\$ 378,092	\$ 772,014			
Other Operating Revenue - Late Payment Charges	\$ 251,251 0.8%	\$ 163,089 0.5%	\$ 173,442 0.5%	\$ 184,174 0.5%			
	\$ (867,397) -2.9%	\$ (61,399)	\$ 551,534	\$ 956,187			
Income Taxes	\$ -	\$ -	\$ -	\$ -			
Net Operating Income (Loss)	\$ (867,397) -2.9%	\$ (61,399)	\$ 551,534	\$ 956,187			

Statement of Cash Flows	Year 1 PBR	Year 2 PBR	Year 3 PBR	1st Generation PBR
Cash Provided By (Used For)				
Operations				
Net Income (Loss)	\$ (61,399)	\$ 551,534	\$ 956,187	\$ 1,446,323
Depreciation and amortization	\$ 1,799,028	\$ 1,855,810	\$ 1,929,853	\$ 5,584,690
Net Change in Working Capital	\$ (501,055)	\$ (390,009)	\$ (404,259)	\$ (1,295,322)
	\$ 1,236,574	\$ 2,017,335	\$ 2,481,781	\$ 5,735,690
Financing				
Development/Capital Contributions	\$ -	\$ -	\$ -	\$ -
	\$ -	\$ -	\$ -	\$ -
Investing				
Capital Expenditures	\$ (2,376,599)	\$ (2,557,518)	\$ (2,817,106)	\$ (7,751,222)
	\$ (2,376,599)	\$ (2,557,518)	\$ (2,817,106)	\$ (7,751,222)
Net Change in Cash (Decrease)	\$ (1,140,025)	\$ (540,182)	\$ (335,325)	\$ (2,015,532)
Opening Cash Position	\$ 2,430,000	\$ 4,020,224	\$ 3,480,042	\$ 2,430,000
Opening Development Charge Fund	\$ 780,000	\$ -	\$ -	\$ 780,000
Opening Trade Receivables (Net)	\$ 1,950,249	\$ -	\$ -	\$ 1,950,249
Closing Cash Position	\$ 4,020,224	\$ 3,480,042	\$ 3,144,717	\$ 3,144,717

Halton Hills Hydro Inc.
First Generation PBR
(Current 1999 Rates as the Base for Unbundling AND Skewing)
Proforma Statements and Cash Flows

SCHEDULE 'D'

SKEWED PHASE-IN OF RATE INCREASE

INCOME STATEMENT		50.00%		25.00%		25.00%	
		(1999 Historical)	1-Jan-2001 Year 1 PBR	Year 2 PBR	Year 3 PBR		
Revenues							
Residential	\$	13,263,310	\$ 14,070,720	\$ 14,907,231	\$ 15,775,636		
General Service < 50kW	\$	2,620,553	\$ 2,805,497	\$ 2,966,565	\$ 3,133,798		
General Service > 50kW	\$	13,888,399	\$ 15,986,516	\$ 16,840,655	\$ 17,724,896		
Streetlighting	\$	185,242	\$ 185,188	\$ 192,657	\$ 200,427		
	\$	29,957,504 100.0%	\$ 33,047,921 100.0%	\$ 34,907,108 100.0%	\$ 36,834,758 100.0%		
Cost of Power							
Residential	\$	11,205,543	\$ 11,336,155	\$ 11,793,364	\$ 12,269,014		
General Service < 50kW	\$	2,252,628	\$ 2,315,923	\$ 2,409,329	\$ 2,506,502		
General Service > 50kW	\$	12,833,394	\$ 13,705,981	\$ 14,258,770	\$ 14,833,855		
Streetlighting	\$	150,203	\$ 150,159	\$ 156,215	\$ 162,516		
	\$	26,441,768 88.3%	\$ 27,508,217 83.2%	\$ 28,617,678 82.0%	\$ 29,771,886 80.8%		
Distribution Revenue							
Residential	\$	2,057,767	\$ 2,734,566	\$ 3,113,867	\$ 3,506,622		
General Service < 50kW	\$	367,925	\$ 489,574	\$ 557,236	\$ 627,297		
General Service > 50kW	\$	1,055,005	\$ 2,280,535	\$ 2,581,885	\$ 2,891,041		
Streetlighting	\$	35,039	\$ 35,029	\$ 36,442	\$ 37,911		
	\$	3,515,736 11.7%	\$ 5,539,704 16.8%	\$ 6,289,430 18.0%	\$ 7,062,871 19.2%		
	\$	-	\$ -	\$ -	\$ -		
Operating Expenses							
Substations	\$	120,904	\$ 147,484	\$ 151,664	\$ 155,935		
Lines and feeders	\$	695,549	\$ 848,461	\$ 872,507	\$ 897,079		
Transformers and meters	\$	222,592	\$ 271,527	\$ 279,223	\$ 287,086		
Billing and collections	\$	872,165	\$ 843,723	\$ 870,489	\$ 897,862		
Administration	\$	1,106,803	\$ 1,070,710	\$ 1,104,676	\$ 1,139,413		
Customer Service	\$	117,350	\$ 113,523	\$ 117,124	\$ 120,808		
	\$	-	\$ -	\$ -	\$ -		
	\$	3,135,363 10.5%	\$ 3,295,429 10.0%	\$ 3,395,682 9.7%	\$ 3,498,183 9.5%		
Earnings before Interest, Taxes, Dep'n and Amort.	\$	380,373	\$ 2,244,275	\$ 2,893,747	\$ 3,564,689		
IMO Prudential Requirements	\$	-	\$ 39,567	\$ 41,162	\$ 42,823		
Interest	\$	58,612 0.2%	\$ 200,000	\$ 400,000	\$ 820,000		
Depreciation and Amortization	\$	1,440,409 4.8%	\$ 1,799,028	\$ 1,855,810	\$ 1,929,853		
	\$	(1,118,648) -3.7%	\$ 205,681	\$ 596,775	\$ 772,014		
Other Operating Revenue - Late Payment Charges	\$	251,251 0.8%	\$ 165,240 0.5%	\$ 174,536 0.5%	\$ 184,174 0.5%		
	\$	(867,397) -2.9%	\$ 370,920	\$ 771,310	\$ 956,187		
Income Taxes	\$	-	\$ -	\$ -	\$ -		
Net Operating Income (Loss)	\$	(867,397) -2.9%	\$ 370,920	\$ 771,310	\$ 956,187		

Statement of Cash Flows	Year 1 PBR	Year 2 PBR	Year 3 PBR	1st Generation PBR
Cash Provided By (Used For)				
Operations				
Net Income (Loss)	\$ 370,920	\$ 771,310	\$ 956,187	\$ 2,098,418
Depreciation and amortization	\$ 1,799,028	\$ 1,855,810	\$ 1,929,853	\$ 5,584,690
Net Change in Working Capital	\$ (582,076)	\$ (350,176)	\$ (363,070)	\$ (1,295,322)
	\$ 1,587,871	\$ 2,276,945	\$ 2,522,969	\$ 6,387,786
Financing				
Development/Capital Contribution	\$ -	\$ -	\$ -	\$ -
	\$ -	\$ -	\$ -	\$ -
Investing				
Capital Expenditures	\$ (2,376,599)	\$ (2,557,518)	\$ (2,817,106)	\$ (7,751,222)
	\$ (2,376,599)	\$ (2,557,518)	\$ (2,817,106)	\$ (7,751,222)
Net Change in Cash (Decrease)	\$ (788,727)	\$ (280,573)	\$ (294,136)	\$ (1,363,437)
Opening Cash Position	\$ 2,430,000	\$ 4,371,522	\$ 4,090,949	\$ 2,430,000
Opening Development Charge Fund	\$ 780,000	\$ -	\$ -	\$ 780,000
Opening Trade Receivables (Net)	\$ 1,950,249	\$ -	\$ -	\$ 1,950,249
Closing Cash Position	\$ 4,371,522	\$ 4,090,949	\$ 3,796,812	\$ 3,796,812

Schedule E

SHEET 16 - RATE SCHEDULE WITH MARKET ADJUSTED RATE OF RETURN

SCHEDULE 'E'

DATE: 11/23/2000 11:57

RATE SCHEDULE

NAME OF UTILITY Halton Hills Hydro Inc.
 LICENCE NUMBER ED - 1999 - 0290
 DATE 22-Nov-00
 VERSION NUMBER FINAL
 NAME OF CONTACT David J. Smelsky, CMA
 PHONE NUMBER (519) 853-3700 ext. 225

EFFECTIVE DATE: January 1, 2001

DEFINITIONS: TIME PERIODS FOR TIME OF USE (EASTERN STANDARD TIME)

WINTER: ALL HOURS, OCTOBER 1 THROUGH MARCH 31
 SUMMER: ALL HOURS, APRIL 1 THROUGH SEPTEMBER 30
 PEAK: 0700 TO 2300 HOURS (LOCAL TIME) MONDAY TO FRIDAY,
 EXCEPT FOR PUBLIC HOLIDAYS, INCLUDING NEW YEAR'S DAY,
 GOOD FRIDAY, VICTORIA DAY, CANADA DAY, CIVIC HOLIDAY (AS IN
 TORONTO), LABOUR DAY, THANKSGIVING DAY, CHRISTMAS AND
 BOXING DAY
 OFF-PEAK: ALL OTHER HOURS

RESIDENTIAL		NORMALIZED RATES Unbundled No MARR, No Taxes (Sheet #5)	EFFECTIVE JANUARY 01, 2001 With MARR, NO PIL'S Equal Phase-In 33.4%	Prior To Market Opening With MARR, NO PIL'S Equal Phase-In 33.3%	Prior To Market Opening With MARR, NO PIL'S Equal Phase-In 33.3%	Full Affect of PHASE-In Rate of Return (NO PIL'S)
	Variable	42.93%	40.0%	40.0%	40.0%	40.0%
	Fixed (monthly)	57.07%	60.0%	60.0%	60.0%	60.0%
DISTRIBUTION KWH RATE	\$	0.0062	\$ 0.0067	\$ 0.0077	\$0.0086	\$0.0086
MONTHLY SERVICE CHARGE (PER CUSTOMER)	\$	7.4915	\$ 9.16	\$ 10.44	\$11.72	\$11.72
COST OF POWER KWH RATE	\$	0.0684	\$ 0.0684	\$ 0.0684	\$0.0684	\$0.0684

RESIDENTIAL (TIME OF USE)		NORMALIZED RATES Unbundled No MARR, No Taxes (Sheet #5)	EFFECTIVE JANUARY 01, 2001 With MARR, NO PIL'S Equal Phase-In 33.4%	Prior To Market Opening With MARR, NO PIL'S Equal Phase-In 33.3%	Prior To Market Opening With MARR, NO PIL'S Equal Phase-In 33.3%	Full Affect of PHASE-In Rate of Return (NO PIL'S)
	Variable	42.93%	40.0%	40.0%	40.0%	40.0%
	Fixed (monthly)	57.07%	60.0%	60.0%	60.0%	60.0%
DISTRIBUTION KWH RATE	\$	0.0062	\$ 0.0067	\$ 0.0077	\$0.0086	\$0.0086
MONTHLY SERVICE CHARGE (PER CUSTOMER)	\$	7.4915	\$ 9.16	\$ 10.44	\$11.72	\$11.72
COST OF POWER TIME OF USE RATES (will be replaced with retail settlement code or Standard Service Supply when market opens)			WINTER PEAK \$/KWH \$0.1174	WINTER OFF- PEAK \$/KWH \$0.0352	SUMMER PEAK \$/KWH \$0.0909	SUMMER OFF- PEAK \$/KWH \$0.0242

GENERAL SERVICE < 50 KW		NORMALIZED RATES Unbundled No MARR, No Taxes (Sheet #5)	EFFECTIVE JANUARY 01, 2001 With MARR, NO PIL'S Equal Phase-In 33.4%	Prior To Market Opening With MARR, NO PIL'S Equal Phase-In 33.3%	Prior To Market Opening With MARR, NO PIL'S Equal Phase-In 33.3%	Full Affect of PHASE-In Rate of Return (NO PIL'S)
	Variable	42.93%	40.0%	40.0%	40.0%	40.0%
	Fixed (monthly)	57.07%	60.0%	60.0%	60.0%	60.0%
DISTRIBUTION KWH RATE	\$	0.0056	\$ 0.0061	\$ 0.0070	\$0.0078	\$0.0078
MONTHLY SERVICE CHARGE (PER CUSTOMER)	\$	16.3932	\$ 20.04	\$ 22.85	\$25.66	\$25.66
COST OF POWER KWH RATE	\$	0.0673	\$ 0.0673	\$ 0.0673	\$0.0673	\$0.0673

GENERAL SERVICE < 50 KW (TIME OF USE)		NORMALIZED RATES Unbundled No MARR, No Taxes (Sheet #5)	EFFECTIVE JANUARY 01, 2001 With MARR, NO PIL'S Equal Phase-In 33.4%	Prior To Market Opening With MARR, NO PIL'S Equal Phase-In 33.3%	Prior To Market Opening With MARR, NO PIL'S Equal Phase-In 33.3%	Full Affect of PHASE-In Rate of Return (NO PIL'S)
	Variable	42.93%	40.0%	40.0%	40.0%	40.0%
	Fixed (monthly)	57.07%	60.0%	60.0%	60.0%	60.0%
DISTRIBUTION KWH RATE	\$	0.0056	\$ 0.0061	\$ 0.0070	\$0.0078	\$0.0078
MONTHLY SERVICE CHARGE (PER CUSTOMER)	\$	16.3932	\$ 20.04	\$ 22.85	\$25.66	\$25.66
COST OF POWER TIME OF USE RATES			WINTER PEAK	WINTER OFF-	SUMMER PEAK	SUMMER OFF-

(will be replaced with retail settlement code or Standard Service Supply
when market opens)

\$/KWH
\$0.1071

PEAK
\$/KWH
\$0.0352

\$/KWH
\$0.0883

PEAK
\$/KWH
\$0.0242

		NORMALIZED RATES Unbundled No MARR, No Taxes (Sheet #5)	EFFECTIVE JANUARY 01, 2001 With MARR, NO PIL'S Equal Phase-In 33.4%	Prior To Market Opening With MARR, NO PIL'S Equal Phase-In 33.3%	Prior To Market Opening With MARR, NO PIL'S Equal Phase-In 33.3%	Full Affect of PHASE-In Rate of Return (NO PIL'S)		
GENERAL SERVICE > 50 KW (NON TIME OF USE)								
	Variable	42.93%	40.0%	40.0%	40.0%	40.0%		
	Fixed (monthly)	57.07%	60.0%	60.0%	60.0%	60.0%		
DISTRIBUTION KW RATE	\$	1.2246	\$ 1.3270	\$ 1.5129	\$1.6987	\$1.6987		
MONTHLY SERVICE CHARGE	\$	416.8687	\$ 509.65	\$ 581.03	\$652.41	\$652.41		
COST OF POWER KW RATE	\$	6.7272	\$ 6.7272	\$ 6.7272	\$6.7272	\$6.7272		
COST OF POWER KWH RATE	\$	0.0450	\$ 0.0450	\$ 0.0450	\$0.0450	\$0.0450		
		NORMALIZED RATES Unbundled No MARR, No Taxes (Sheet #5)	EFFECTIVE JANUARY 01, 2001 With MARR, NO PIL'S Equal Phase-In 33.4%	Prior To Market Opening With MARR, NO PIL'S Equal Phase-In 33.3%	Prior To Market Opening With MARR, NO PIL'S Equal Phase-In 33.3%	Full Affect of PHASE-In Rate of Return (NO PIL'S)		
GENERAL SERVICE > 50 KW (TIME OF USE)								
	Variable	42.93%	40.0%	40.0%	40.0%	40.0%		
	Fixed (monthly)	57.07%	60.0%	60.0%	60.0%	60.0%		
DISTRIBUTION KW RATE	\$	1.2246	\$ 1.3270	\$ 1.5129	\$1.6987	\$1.6987		
MONTHLY SERVICE CHARGE (PER CUSTOMER)	\$	416.8687	\$ 509.65	\$ 581.03	\$652.41	\$652.41		
COST OF POWER TIME OF USE RATES (will be replaced with retail settlement code or Standard Service Supply when market opens)			WINTER PEAK \$/KW \$9.1110	SUMMER PEAK \$/KW \$6.9427	WINTER PEAK \$/KWH \$0.0634	WINTER OFF- PEAK \$/KWH \$0.0349	SUMMER PEAK \$/KWH \$0.0523	SUMMER OFF- PEAK \$/KWH \$0.0239
		NORMALIZED RATES Unbundled No MARR, No Taxes (Sheet #5)	EFFECTIVE JANUARY 01, 2001 With MARR, NO PIL'S Equal Phase-In 33.4%	Prior To Market Opening With MARR, NO PIL'S Equal Phase-In 33.3%	Prior To Market Opening With MARR, NO PIL'S Equal Phase-In 33.3%	Full Affect of PHASE-In Rate of Return (NO PIL'S)		
GENERAL SERVICE INTERMEDIATE USE								
DISTRIBUTION KW RATE		CURRENTLY NO CUSTOMERS IN THIS CLASS						
MONTHLY SERVICE CHARGE (PER CUSTOMER)								
COST OF POWER TIME OF USE RATES (will be replaced with retail settlement code or Standard Service Supply when market opens)								
		NORMALIZED RATES Unbundled No MARR, No Taxes (Sheet #5)	EFFECTIVE JANUARY 01, 2001 With MARR, NO PIL'S Equal Phase-In 33.4%	Prior To Market Opening With MARR, NO PIL'S Equal Phase-In 33.3%	Prior To Market Opening With MARR, NO PIL'S Equal Phase-In 33.3%	Full Affect of PHASE-In Rate of Return (NO PIL'S)		
LARGE USE								
DISTRIBUTION KW RATE		CURRENTLY NO CUSTOMERS IN THIS CLASS						
MONTHLY SERVICE CHARGE (PER CUSTOMER)								
COST OF POWER TIME OF USE RATES (will be replaced with retail settlement code or Standard Service Supply when market opens)								
		NORMALIZED RATES Unbundled No MARR, No Taxes (Sheet #5)	EFFECTIVE JANUARY 01, 2001 With MARR, NO PIL'S Equal Phase-In 33.4%	Prior To Market Opening With MARR, NO PIL'S Equal Phase-In 33.3%	Prior To Market Opening With MARR, NO PIL'S Equal Phase-In 33.3%	Full Affect of PHASE-In Rate of Return		
SENTINEL LIGHTS (NON TIME OF USE)								
DISTRIBUTION KW RATE	\$	2.9478	\$ 3.1943	\$ 3.6417	\$4.0890	\$4.0890		
MONTHLY SERVICE CHARGE (PER CONNECTION)	\$	0.8165	\$ 1.00	\$ 1.14	\$1.28	\$1.28		
COST OF POWER KW RATE	\$	20.6131	\$ 20.6131	\$ 20.61	\$20.6131	\$20.6131		
OR								
		NORMALIZED RATES Unbundled No MARR, No Taxes (Sheet #5)	EFFECTIVE JANUARY 01, 2001 With MARR, NO PIL'S Equal Phase-In 33.4%	Prior To Market Opening With MARR, NO PIL'S Equal Phase-In 33.3%	Prior To Market Opening With MARR, NO PIL'S Equal Phase-In 33.3%	Full Affect of PHASE-In Rate of Return (NO PIL'S)		
SENTINEL LIGHTS (TIME OF USE)								
DISTRIBUTION KW RATE								
MONTHLY SERVICE CHARGE (PER CONNECTION)								
COST OF POWER TIME OF USE RATES (will be replaced with retail settlement code or Standard Service Supply when market opens)								

	NORMALIZED RATES Unbundled No MARR, No Taxes (Sheet #5)	EFFECTIVE JANUARY 01, 2001 With MARR, NO PIL'S Equal Phase-In 33.4%	Prior To Market Opening With MARR, NO PIL'S Equal Phase-In 33.3%	Prior To Market Opening With MARR, NO PIL'S Equal Phase-In 33.3%	Full Affect of PHASE-In Rate of Return (NO PIL'S)
STREET LIGHTING (NON TIME OF USE)					
DISTRIBUTION KW RATE	\$ 1.8779	\$ 2.0349	\$ 2.3199	\$2.6050	\$2.6050
MONTHLY SERVICE CHARGE (PER CONNECTION)	\$ 0.3478	\$ 0.43	\$ 0.48	\$0.54	\$0.54
COST OF POWER KW RATE	\$ 20.6054	\$ 20.6054	\$ 20.61	\$20.6054	\$20.6054
OR					

	NORMALIZED RATES Unbundled No MARR, No Taxes (Sheet #5)	EFFECTIVE JANUARY 01, 2001 With MARR, NO PIL'S Equal Phase-In 33.4%	Prior To Market Opening With MARR, NO PIL'S Equal Phase-In 33.3%	Prior To Market Opening With MARR, NO PIL'S Equal Phase-In 33.3%	Full Affect of PHASE-In Rate of Return (NO PIL'S)
STREET LIGHTING (TIME OF USE)					
DISTRIBUTION KW RATE					
MONTHLY SERVICE CHARGE (PER CONNECTION)					
COST OF POWER TIME OF USE RATES (will be replaced with retail settlement code or Standard Service Supply when market opens)					

MISCELLANEOUS CHARGES

PLEASE ADD ANY MISCELLANEOUS CHARGES BELOW.

	Effective January 1, 2001	1999 and 2000
ACCOUNT SETUP CHARGE	\$ 10.00	\$ 10.00
ARREARS CERTIFICATE	\$ 10.50	\$ 10.50
COLLECTION OF ACCOUNT CHARGE	\$ 7.00	\$ 7.00
DISPUTE METER TEST	\$ 10.00	\$ 10.00
LATE PAYMENT	N/A	5%
INTEREST RATE	1.50% per month, 18.00% per annum	
MONTHLY TIME OF USE METERING CHARGE	\$ 20.00	\$ -
RECONNECTION - At meter	\$ 20.00	\$ 14.00
RECONNECTION - At pole	\$ 50.00	\$ 17.25
RECONNECTION AFTER REGULAR WORKING HOURS	\$ 95.00	\$ 50.00
RETURNED CHEQUE CHARGE - PLUS BANK CHARGE	\$ 10.50	\$ 10.50
TRANSFORMER OWNERSHIP ALLOWANCE (per kW of billing demand)	\$ 0.50	\$ 0.50
TEMPORARY SERVICE:		
OVERHEAD	\$ 210.00	\$ -
SINGLE PHASE	\$ 300.00	\$ -
SINGLE PHASE WITH SECONDARY VOLTAGE	\$ 130.00	\$ -
UNDERGROUND	\$ 120.00	\$ -

Schedule F

Halton Hills Hydro Inc.
Impact of MOVING to Normalized Rate BEFORE PBR

IMPACT

Sample Bill Calculations

RESIDENTIAL

Assuming 1,000kWh PER MONTH

			CURRENT 1999						
FIRST 250 KWH	250	0.1130	\$	28.25	250	\$	0.1130	\$	28.25
BALANCE	750	0.0705	\$	52.88	750	\$	0.0730	\$	54.75
TOTAL	1000		\$	81.13	1000		\$	83.00	

2.31%

General Service

General Service <50kW

Assuming

		Prm Mtrg	Reg Mtrg		Prm Mtrg	Reg Mtrg			
kWh	17680	17680	17680	kWh	17680	17680			
kW	28.8	28.8	28.8	kW	28.8	28.8			
First Block	0.1130	250	\$	28.25	First Block	0.1130	250	\$	28.25
Second Block	0.0756	12250	\$	926.10	Second Block	0.0780	12250	\$	955.50
Balance	0.0555	5180	\$	287.49	Balance	0.0571	5180	\$	295.78
Demand					Demand				
First Block	\$	50	\$	-	First Block	\$	50	\$	-
Balance	\$	0	\$	-	Balance	\$	0	\$	-
			\$	1,241.84			\$	1,279.53	3.03%

General Service

General Service >50kW Non TOU

Assuming

		Prm Mtrg	Reg Mtrg		Prm Mtrg	Reg Mtrg			
kWh	149760	146760	149760	kWh	149760	146760			
kW	792	792	792	kW	792	792			
First Block	0.1130	250	\$	28.25	First Block	0.1130	250	\$	28.25
Second Block	0.0756	12250	\$	926.10	Second Block	0.0780	12250	\$	955.50
Balance	0.0555	137260	\$	7,617.93	Balance	0.0571	137260	\$	7,837.55
Demand					Demand				
First Block	\$	50	\$	-	First Block	\$	50	\$	-
Balance	\$	742	\$	3,710.00	Balance	\$	742	\$	3,932.60
			\$	12,282.28			\$	12,753.90	3.84%

Time of Use >50kW

Actual Customer Winter Bill

	KW	RATE \$/KW	CHARGE \$		RATE \$/KW	CHARGE \$	
WINTER FIRST 50 KW	50	0.0000	\$ -	WINTER FIRST 50 KW	50	0.0000	\$ -
WINTER SECOND BLOCK		0.0000	\$ -	WINTER SECOND BLOCK		0.0000	\$ -
WINTER BALANCE BLOCK	1227.1	5.3000	\$ 6,503.63	WINTER BALANCE BLOCK	1227.1	5.5120	\$ 6,763.78
	1277.1 \$/KWH				1277.1 \$/KWH		
WINTER PEAK FIRST BLOCK	250	0.1580	\$ 39.50	WINTER PEAK FIRST BLOCK	250	0.1580	\$ 39.50
WINTER PEAK NEXT BLOCK	6625	0.1238	\$ 820.18	WINTER PEAK NEXT BLOCK	6625	0.1288	\$ 852.98
WINTER PEAK NEXT BLOCK	0	0.0851	\$ -	WINTER PEAK NEXT BLOCK	0	0.0885	\$ -
WINTER BALANCE BLOCK	85533.58	0.0851	\$ 7,278.91	WINTER BALANCE BLOCK	85533.58	0.0885	\$ 7,570.06
WINTER OFF PEAK ALL	292446.99	0.0345	\$ 10,089.42	WINTER OFF PEAK ALL	292446.99	0.0359	\$ 10,493.00
TOTAL	384855.57		\$ 24,731.63	TOTAL	384855.57		\$ 25,719.32 4.0%

Time of Use >50kW

Actual Customer Summer Bill

	KW	RATE \$/KW	CHARGE \$		RATE \$/KW	CHARGE \$	
Summer FIRST 50 KW	50	0.0000	\$ -	Summer FIRST 50 KW	50	0.0000	\$ -
Summer SECOND BLOCK		0.0000	\$ -	Summer SECOND BLOCK		0.0000	\$ -
Summer BALANCE BLOCK	813.379	4.1500	\$ 3,375.52	Summer BALANCE BLOCK	813.379	4.3160	\$ 3,510.54
	863.379 \$/KWH				863.379 \$/KWH		
Summer PEAK FIRST BLOCK	250	0.1363	\$ 34.08	Summer PEAK FIRST BLOCK	250	0.1363	\$ 34.08
Summer PEAK NEXT BLOCK	6625	0.1006	\$ 666.48	Summer PEAK NEXT BLOCK	6625	0.1046	\$ 693.13
Summer PEAK NEXT BLOCK	0	0.0704	\$ -	Summer PEAK NEXT BLOCK	0	0.0732	\$ -
Summer BALANCE BLOCK	31174.66	0.0704	\$ 2,194.70	Summer BALANCE BLOCK	31174.66	0.0732	\$ 2,282.48
Summer OFF PEAK ALL	117700.11	0.0237	\$ 2,789.49	Summer OFF PEAK ALL	117700.11	0.0246	\$ 2,901.07
TOTAL	155749.77		\$ 9,060.26	TOTAL	155749.77		\$ 9,421.31 4.0%

SHEET 1 - DATA

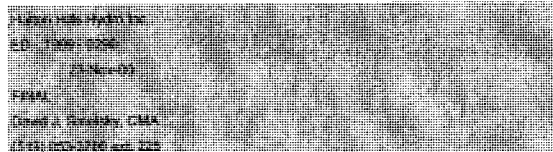
SPREADSHEET FOR UNBUNDLING CURRENT ELECTRICITY RATES

THIS SHEET SERVES AS THE INPUT AREA FOR THE DATA NEEDED BY THE SUBSEQUENT SHEETS.

ENTER YOUR UTILITY SPECIFIC DATA IN THE CELLS HIGHLIGHTED IN YELLOW.

NOTE: TO READ COMMENTS (RED TRIANGLES) CLICK ON THE RED TRIANGLE AND THEY WILL APPEAR.

LICENCE NUMBER
DATE (dd-mm-yy)
VERSION NUMBER
NAME OF CONTACT
PHONE NUMBER



FOR BACKGROUND CALCULATIONS

SOURCE: WHOLESALE AND PURCHASED RETAIL KWH BILLS

	RESIDENTIAL	SENTINEL LIGHTS	GENERAL SERVICE (total excludin street lighting	STREET LIGHTING	LARGE USE	TOTAL RETAIL	GENERAL SERVICE	INTERMEDIATE USE	GENERAL SERVICE
RETAIL ENERGY (KWH)	163,731,190	455,400	231,408,752	2,168,787	0	397,764,129	TIME OF USE	0	<50KW 33,449,509
LOSS FACTOR ADJUSTMENT	1.0405				1.0481				
CALCULATION FOR LOSS FACTOR:									
	1995	1996	1997	1998	1999	AVERAGE			
(A) WHOLESALE KWH	379,519,062	392,482,951	393,235,825	399,789,983	414,070,626				
(B) WHOLESALE KWH FOR LARGE USERS									
(C) WHOLESALE KWH (A)-(B) FOR DSL	379,519,062	392,482,951	393,235,825	399,789,983	414,070,626				
(D) RETAIL KWH	360,707,570	379,808,035	380,130,321	383,922,290	397,764,129	(INCLUDES UNBILLED REVENUE)			
(E) RETAIL KWH FOR LARGE USERS									
(F) RETAIL KWH FOR DSL FACTOR (D)-(E)	360,707,570	379,808,035	380,130,321	383,922,290	397,764,129	AVERAGE			
(G) DSL [(C)/(F)]-1	0.0522	0.0334	0.0345	0.0413	0.0410	0.0405			
(H) LOSS FACTOR ADJUSTMENT	1.0405								

NOTE: UTILITY CAN USE AVERAGE DSL FOR LARGE USE CLASS INSTEAD OF 1% DEFAULT VALUE IF MORE APPROPRIATE IF CHOOSING THIS OPTION, ENTER ZEROS FOR LARGE USERS IN CELLS B31 TO F31 AND CELLS B34 TO F34 AND ENTER THE LOSS ADJUSTMENT FACTOR IN CELL F26. TO GET WHOLESALE KWH FOR LARGE USERS MULTIPLY RETAIL KWH BY 1.01.

FOR COST OF POWER CALCULATIONS:

SOURCE: UTILITY WHOLESALE COST OF POWER BILLS (if specific class percentages are not known for voltage splits use the total system percentages for those classes that are not known)

	WINTER PEAK \$/KW	SUMMER PEAK \$/KW
(E) PURCHASED AT <115 KV	12.05	9.02
(H) PURCHASED AT >115 KV	0.00	0.00
(I) PURCHASED AT 230 KV	0.00	0.00
RESIDENTIAL		
(B) PERCENT PURCHASED AT <115 KV	1.000	1.000
(C) PERCENT PURCHASED AT >115 KV	0.000	0.000
(D) PURCHASED AT 230 KV	0.000	0.000
SENTINEL LIGHTING		
(B) PERCENT PURCHASED AT <115 KV	1.000	1.000
(C) PERCENT PURCHASED AT >115 KV	0.000	0.000
(D) PURCHASED AT 230 KV	0.000	0.000
GENERAL SERVICE <50 KW		
(B) PERCENT PURCHASED AT <115 KV	1.000	1.000
(C) PERCENT PURCHASED AT >115 KV	0.000	0.000
(D) PURCHASED AT 230 KV	0.000	0.000
GENERAL SERVICE NON- TIME OF USE >50 KW		
(B) PERCENT PURCHASED AT <115 KV	1.000	1.000
(C) PERCENT PURCHASED AT >115 KV	0.000	0.000
(D) PURCHASED AT 230 KV	0.000	0.000
GENERAL SERVICE TIME OF USE >50 KW		
(B) PERCENT PURCHASED AT <115 KV	1.000	1.000
(C) PERCENT PURCHASED AT >115 KV	0.000	0.000
(D) PURCHASED AT 230 KV	0.000	0.000
GENERAL SERVICE INTERMEDIATE USE		
(B) PERCENT PURCHASED AT <115 KV	1.000	1.000
(C) PERCENT PURCHASED AT >115 KV	0.000	0.000
(D) PURCHASED AT 230 KV	0.000	0.000
STREET LIGHTING		
(B) PERCENT PURCHASED AT <115 KV	1.000	1.000

DISTRIBUTION DATE
DATE: APRIL 10, 2000

NUMBER OF CUSTOMERS (YEAR-END 1999) 1276

NON-TIME OF USE > 50 KW BLOCK

SERVICE CHARGE

ENERGY

FIRST 250 KWH

NEXT 12250 KWH

NEXT BLOCK

BALANCE KWH

MINIMUM BILLS

SUTOTAL

DEMAND

FIRST 50 KW

NEXT BLOCK

BALANCE KW

MINIMUM BILLS

SUTOTAL

NUMBER OF CUSTOMERS (YEAR-END 1999) 169

REVENUE
SALES IN BLOCK RATE REQUIREMENT
ADJUSTED NORMALIZED RATES

KWH	\$/KWH
12,000	0.1130
12,000	0.0756
0	0.0000
11,967,074	0.0555
0	
127,518,829	

KW	\$/KW
112,924	0.0000
0	0.0000
244,934	5.3000
0	
357,858	

31-Dec-99
Rates
Impact
Resulting From
Normalizing
Rates

0.1130
0.0756
0.0000
0.0555

3.36%

\$/KW
0.0000
0.0000
5.0000

TIME OF USE > 50 KW

BLOCK

SERVICE CHARGE

ENERGY

WINTER PEAK FIRST BLOCK

WINTER PEAK NEXT BLOCK

WINTER PEAK NEXT BLOCK

WINTER BALANCE BLOCK

WINTER OFF PEAK ALL

SUMMER PEAK FIRST BLOCK

SUMMER PEAK NEXT BLOCK

SUMMER PEAK NEXT BLOCK

SUMMER BALANCE BLOCK

SUMMER OFF PEAK ALL

MINIMUM BILLS

SUTOTAL

DEMAND

WINTER FIRST 50 KW

WINTER SECOND BLOCK

WINTER BALANCE BLOCK

SUMMER FIRST 50 KW

SUMMER SECOND BLOCK

SUMMER BALANCE BLOCK

MINIMUM BILLS

SUTOTAL

NUMBER OF CUSTOMERS (YEAR-END 1999) 8

ADJUSTED NORMALIZED RATES
SALES IN BLOCK BLOCK RATE REVENUE REQUIREMENT

KWH	\$/KWH
12,000	0.1580
318,000	0.1238
18,511,375	0.0851
0	0.0851
13,002,974	0.0345
12,000	0.1363
318,000	0.1006
21,753,809	0.0704
0	0.0704
16,512,256	0.0237
0	
70,440,414	

KW	\$/KW
2,000	0.0000
0	0.0000
91,124	5.3000
2,400	0.0000
0	0.0000
90,444	4.3160
0	
185,968	

31-Dec-99
Rates
Impact
Resulting From
Normalizing
Rates

0.1580
0.1238
0.0851
0.0851
0.0345
0.1363
0.1006
0.0704
0.0704
0.0237

3.98%

0.0000
0.0000
5.3000
0.0000
0.0000
4.1500

INTERMEDIATE USE

SALES IN BLOCK

WINTER PEAK

SUMMER PEAK

SUTOTAL

WINTER PEAK

WINTER OFF PEAK

SUMMER PEAK

SUMMER OFF-PEAK

SUTOTAL

NUMBER OF CUSTOMERS (YEAR-END 1999) 0

SALES IN BLOCK RATE

KW \$/KW

0 0.00

0 0.00

0

KWH \$/KWH

0 0

0 0

0 0

0 0

0

31-Dec-99
Rates

\$/KW

0.00

0.00

0

\$/KWH

0

0

0

0

0

STREET LIGHTING

SALES IN BLOCK

NON-TIME-OF-USE

TIME-OF-USE

WINTER DEMAND

SUMMER DEMAND

NUMBER OF CONNECTIONS (YEAR-END 1999) 3604

BLOCK RATE
\$/CONNECTED
KW

6,024 24.98

0 0.00

0 0.00

31-Dec-99
Rates

24.98

0.00

0.00

DISTRIBUTION DATE
APRIL 10, 2000

SHEET 3 - COST OF POWER CALCULATIONS

NAME OF UTILITY

Halton Hills Hydro Inc.

LICENCE NUMBER

ED - 1999 - 0290

DATE

23-Nov-00

VERSION NUMBER

FINAL

NAME OF CONTACT

David J. Smelsky, CMA

PHONE NUMBER

(519) 853-3700 ext. 225

COST OF POWER (COP) CALCULATIONS**RESIDENTIAL**

	WINTER PEAK KW	SUMMER PEAK KW	WINTER PEAK KWH	WINTER OFF-PEAK KWH	SUMMER PEAK KWH	SUMMER OFF-PEAK KWH	TOTAL
(A) WHOLESALE VOLUME	201,335	155,301	47,716,883	46,166,638	38,722,055	37,751,022	
(B) PERCENT PURCHASED AT <115 KV	1.000	1.000					
(C) PERCENT PURCHASED AT >115 KV	0.000	0.000					
(D) PERCENT PURCHASED AT 230 KV	0.000	0.000					
(E) PURCHASED AT <115 KV	201,335	155,301	47,716,883	46,166,638	38,722,055	37,751,022	
	\$/KW	\$/KW	\$/KWH	\$/KWH	\$/KWH	\$/KWH	
(F) WHOLESALE RATES	12.05	9.02	0.0609	0.0335	0.0503	0.023	
(G) COP =(E)*(F)	\$2,426,087	\$1,400,819	\$2,905,958	\$1,546,582	\$1,947,719	\$868,274	\$11,095,439
(H) PURCHASED AT >115 KV	0	0	0	0	0	0	
	\$/KW	\$/KW	\$/KWH	\$/KWH	\$/KWH	\$/KWH	
(I) WHOLESALE RATES	0	0	0.0609	0.0335	0.0503	0.023	
(J) COP =(H)*(I)	\$0	\$0	\$0	\$0	\$0	\$0	\$0
(K) PERCENT PURCHASED AT 230 KV	0	0	0	0	0	0	
	\$/KW	\$/KW	\$/KWH	\$/KWH	\$/KWH	\$/KWH	
(L) WHOLESALE RATES	0.00	0.00	0.0609	0.0335	0.0503	0.023	
(M) COP =(K)*(L)	\$0	\$0	\$0	\$0	\$0	\$0	\$0
(N) TOTAL RESIDENTIAL COP =(G)+(J)+(M)	\$2,426,087	\$1,400,819	\$2,905,958	\$1,546,582	\$1,947,719	\$868,274	\$11,095,439

SENTINEL LIGHTS

	WINTER PEAK KW	SUMMER PEAK KW	WINTER PEAK KWH	WINTER OFF-PEAK KWH	SUMMER PEAK KWH	SUMMER OFF-PEAK KWH	TOTAL
(A) WHOLESALE VOLUME	648	110	81,735	193,322	36,627	162,144	
(B) PERCENT PURCHASED AT <115 KV	1.000	1.000					
(C) PERCENT PURCHASED AT >115 KV	0.000	0.000					
(D) PERCENT PURCHASED AT 230 KV	0.000	0.000					
(E) PURCHASED AT <115 KV	648	110	81,735	193,322	36,627	162,144	
	\$/KW	\$/KW	\$/KWH	\$/KWH	\$/KWH	\$/KWH	
(F) WHOLESALE RATES	12.05	9.02	0.0609	0.0335	0.0503	0.023	
(G) COP =(E)*(F)	\$7,804	\$990	\$4,978	\$6,476	\$1,842	\$3,729	\$25,819
(H) PURCHASED AT >115 KV	0	0	0	0	0	0	
	\$/KW	\$/KW	\$/KWH	\$/KWH	\$/KWH	\$/KWH	
(I) WHOLESALE RATES	0	0	0.0609	0.0335	0.0503	0.023	
(J) COP =(H)*(I)	\$0	\$0	\$0	\$0	\$0	\$0	\$0
(K) PERCENT PURCHASED AT 230 KV	0	0	0	0	0	0	
	\$/KW	\$/KW	\$/KWH	\$/KWH	\$/KWH	\$/KWH	
(L) WHOLESALE RATES	0	0	0.0609	0.0335	0.0503	0.023	
(M) COP =(K)*(L)	\$0	\$0	\$0	\$0	\$0	\$0	\$0
(N) TOTAL SENTINEL LIGHTS COP =(G)+(J)+(M)	\$7,804	\$990	\$4,978	\$6,476	\$1,842	\$3,729	\$25,819

(B) PERCENT PURCHASED AT <115 KV	1.000	1.000					
(C) PERCENT PURCHASED AT >115 KV	0.000	0.000					
(D) PERCENT PURCHASED AT 230 KV	0.000	0.000					
(E) PURCHASED AT <115 KV	70,411	71,462	19,603,794	13,529,141	22,977,434	17,180,427	
	\$/KW	\$/KW	\$/KWH	\$/KWH	\$/KWH	\$/KWH	
(F) WHOLESALE RATES	12.05	9.02	0.0609	0.0335	0.0503	0.023	
(G) COP =(E)*(F)	\$848,453	\$644,587	\$1,193,871	\$453,226	\$1,155,765	\$395,150	\$4,691,053
(H) PURCHASED AT >115 KV	0	0	0	0	0	0	
	\$/KW	\$/KW	\$/KWH	\$/KWH	\$/KWH	\$/KWH	
(I) WHOLESALE RATES	0	0	0.0609	0.0335	0.0503	0.023	
(J) COP =(H)*(I)	\$0	\$0	\$0	\$0	\$0	\$0	\$0
(K) PERCENT PURCHASED AT 230 KV	0	0	0	0	0	0	
	\$/KW	\$/KW	\$/KWH	\$/KWH	\$/KWH	\$/KWH	
(L) WHOLESALE RATES	0	0	0.0609	0.0335	0.0503	0.023	
(M) COP =(K)*(L)	\$0	\$0	\$0	\$0	\$0	\$0	\$0
(N) TOTAL GENERAL SERVICE TIME OF USE COP =(G)+(J)+(M)	\$848,453	\$644,587	\$1,193,871	\$453,226	\$1,155,765	\$395,150	\$4,691,053

INTERMEDIATE USE MONTHLY DEMAND > 3000 KW but less than 5000 KW

	WINTER PEAK KW	SUMMER PEAK KW	WINTER PEAK KWH	WINTER OFF-PEAK KWH	SUMMER PEAK KWH	SUMMER OFF-PEAK KWH	TOTAL
(A) RETAIL VOLUME	0	0	0	0	0	0	
(B) COINCIDENCE FACTOR	0.000	0.000					
(C) SYSTEM LOSS ADJUST.			1.04	1.04	1.04	1.04	
(D) WHOLESALE VOLUME	0	0	0	0	0	0	
(B) PERCENT PURCHASED AT <115 KV	1.000	1.000					
(C) PERCENT PURCHASED AT >115 KV	0.000	0.000					
(D) PERCENT PURCHASED AT 230 KV	0.000	0.000					
(E) PURCHASED AT <115 KV	0	0	0	0	0	0	
	\$/KW	\$/KW	\$/KWH	\$/KWH	\$/KWH	\$/KWH	
(F) WHOLESALE RATES	12.05	9.02	0.0609	0.0335	0.0503	0.023	
(G) COP =(E)*(F)	\$0	\$0	\$0	\$0	\$0	\$0	\$0
(H) PURCHASED AT >115 KV	0	0	0	0	0	0	
	\$/KW	\$/KW	\$/KWH	\$/KWH	\$/KWH	\$/KWH	
(I) WHOLESALE RATES	0	0	0.0609	0.0335	0.0503	0.023	
(J) COP =(H)*(I)	\$0	\$0	\$0	\$0	\$0	\$0	\$0
(K) PERCENT PURCHASED AT 230 KV	0	0	0	0	0	0	
	\$/KW	\$/KW	\$/KWH	\$/KWH	\$/KWH	\$/KWH	
(L) WHOLESALE RATES	0	0	0.0609	0.0335	0.0503	0.023	
(M) COP =(K)*(L)	\$0	\$0	\$0	\$0	\$0	\$0	\$0
(N) TOTAL INTERMEDIATE USE COP =(G)+(J)+(M)	\$0	\$0	\$0	\$0	\$0	\$0	\$0

STREET LIGHTING

	WINTER PEAK KW	SUMMER PEAK KW	WINTER PEAK KWH	WINTER OFF-PEAK KWH	SUMMER PEAK KWH	SUMMER OFF-PEAK KWH	TOTAL
(A) WHOLESALE VOLUME	3,080	522	389,254	920,671	174,431	772,190	
(B) PERCENT PURCHASED AT <115 KV	1.000	1.000					
(C) PERCENT PURCHASED AT >115 KV	0.000	0.000					
(D) PERCENT PURCHASED AT 230 KV	0.000	0.000					
(E) PURCHASED AT <115 KV	3,080	522	389,254	920,671	174,431	772,190	
	\$/KW	\$/KW	\$/KWH	\$/KWH	\$/KWH	\$/KWH	
(F) WHOLESALE RATES	12.05	9.02	0.0609	0.0335	0.0503	0.023	

DISTRIBUTION DATE
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(A) RESIDENTIAL COP \$	\$2,426,087	\$1,400,819	\$2,905,958	\$1,546,582	\$1,947,719	\$868,274	\$11,095,439
(B) TOU SHARE OF TOTAL COP	0.219	0.126	0.262	0.139	0.176	0.078	
(C)ADJUSTMENT \$ (B)*E	(\$24,075)	(\$13,901)	(\$28,837)	(\$15,347)	(\$19,328)	(\$8,616)	(\$110,104)
ADJUSTED TOU COP \$ (A)-(C)	\$2,450,162	\$1,414,720	\$2,934,795	\$1,561,930	\$1,967,047	\$876,890	\$11,205,543
SENTINEL LIGHTS	WINTER PEAK KW	SUMMER PEAK KW	WINTER PEAK KWH	WINTER OFF-PEAK KWH	SUMMER PEAK KWH	SUMMER OFF-PEAK KWH	TOTAL
(A) SENTINEL LIGHTS COP \$	\$7,804	\$990	\$4,978	\$6,476	\$1,842	\$3,729	\$25,819
(B) TOU SHARE OF TOTAL COP	0.302	0.038	0.193	0.251	0.071	0.144	
(C)ADJUSTMENT \$ (B)*E	(\$77)	(\$10)	(\$49)	(\$64)	(\$18)	(\$37)	(\$256)
ADJUSTED TOU COP \$ (A)-(C)	\$7,881	\$1,000	\$5,027	\$6,541	\$1,861	\$3,766	\$26,076
GENERAL SERVICE NON TIME OF USE >50 KW	WINTER PEAK KW	SUMMER PEAK KW	WINTER PEAK KWH	WINTER OFF-PEAK KWH	SUMMER PEAK KWH	SUMMER OFF-PEAK KWH	TOTAL
(A) GENERAL SERVICE COP \$	\$1,245,820	\$1,137,901	\$2,219,141	\$1,236,269	\$1,581,726	\$641,479	\$8,062,336
(B) TOU SHARE OF TOTAL COP	0.155	0.141	0.275	0.153	0.196	0.080	
(C)ADJUSTMENT \$ (B)*E	(\$12,363)	(\$11,292)	(\$22,021)	(\$12,268)	(\$15,696)	(\$6,366)	(\$80,005)
ADJUSTED TOU COP \$ (A)-(C)	\$1,258,183	\$1,149,192	\$2,241,162	\$1,248,537	\$1,597,422	\$647,845	\$8,142,341
GENERAL SERVICE <50 KW	WINTER PEAK KW	SUMMER PEAK KW	WINTER PEAK KWH	WINTER OFF-PEAK KWH	SUMMER PEAK KWH	SUMMER OFF-PEAK KWH	TOTAL
(A) GENERAL SERVICE <50 KW COP \$	\$442,093	\$262,954	\$655,987	\$331,816	\$391,958	\$145,686	\$2,230,494
(B) TOU SHARE OF TOTAL COP	0.198	0.118	0.294	0.149	0.176	0.065	
(C)ADJUSTMENT \$ (B)*E	(\$4,387)	(\$2,609)	(\$6,510)	(\$3,293)	(\$3,890)	(\$1,446)	(\$22,134)
ADJUSTED TOU COP \$ (A)-(C)	\$446,480	\$265,564	\$662,497	\$335,108	\$395,847	\$147,131	\$2,252,628
STREET LIGHTING	WINTER PEAK KW	SUMMER PEAK KW	WINTER PEAK KWH	WINTER OFF-PEAK KWH	SUMMER PEAK KWH	SUMMER OFF-PEAK KWH	TOTAL
(A) STREET LIGHTING COP \$	\$37,116	\$4,708	\$23,706	\$30,842	\$8,774	\$17,760	\$122,907
(B) TOU SHARE OF TOTAL COP	0.302	0.038	0.193	0.251	0.071	0.145	
(C)ADJUSTMENT \$ (B)*E	(\$368)	(\$47)	(\$235)	(\$306)	(\$87)	(\$176)	(\$1,220)
ADJUSTED TOU COP \$ (A)-(C)	\$37,485	\$4,755	\$23,941	\$31,149	\$8,861	\$17,937	\$124,127
LARGE USE	WINTER PEAK KW	SUMMER PEAK KW	WINTER PEAK KWH	WINTER OFF-PEAK KWH	SUMMER PEAK KWH	SUMMER OFF-PEAK KWH	TOTAL
(A) LARGE USE COP \$	\$0	\$0	\$0	\$0	\$0	\$0	\$0
(B) TOU SHARE OF TOTAL COP	0.000	0.000	0.000	0.000	0.000	0.000	
(C)ADJUSTMENT \$ (B)*E	\$0	\$0	\$0	\$0	\$0	\$0	\$0
ADJUSTED TOU COP \$ (A)-(C)	\$0	\$0	\$0	\$0	\$0	\$0	\$0
GENERAL SERVICE TIME OF USE > 50 KW	WINTER PEAK KW	SUMMER PEAK KW	WINTER PEAK KWH	WINTER OFF-PEAK KWH	SUMMER PEAK KWH	SUMMER OFF-PEAK KWH	TOTAL
(A) GENERAL SERVICE TOU COP \$	\$848,453	\$644,587	\$1,193,871	\$453,226	\$1,155,765	\$395,150	\$4,691,053
(B) TOU SHARE OF TOTAL COP	0.181	0.137	0.254	0.097	0.246	0.084	
(C)ADJUSTMENT \$ (B)*E	\$0	\$0	\$0	\$0	\$0	\$0	\$0
ADJUSTED TOU COP \$ (A)-(C)	\$848,453	\$644,587	\$1,193,871	\$453,226	\$1,155,765	\$395,150	\$4,691,053
INTERMEDIATE USE	WINTER PEAK KW	SUMMER PEAK KW	WINTER PEAK KWH	WINTER OFF-PEAK KWH	SUMMER PEAK KWH	SUMMER OFF-PEAK KWH	TOTAL
(A) INTERMEDIATE USE COP \$	\$0	\$0	\$0	\$0	\$0	\$0	\$0
(B) TOU SHARE OF TOTAL COP	0.000	0.000	0.000	0.000	0.000	0.000	
(C)ADJUSTMENT \$ (B)*E	\$0	\$0	\$0	\$0	\$0	\$0	\$0
ADJUSTED TOU COP \$ (A)-(C)	\$0	\$0	\$0	\$0	\$0	\$0	\$0

DISTRIBUTION DATE
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TOTAL 1,265 \$ 34,762.20

CALCULATE DISTRIBUTION REVENUE REQUIREMENT

	TOTAL ANNUAL REVENUE	COST OF POWER	DISTRIBUTION REVENUE
	A	B	C=A-B
\$	34,762.20	\$26,076 75.01%	\$ 8,686.67 24.99%

TO CALCULATE VARIABLE REVENUE AND SERVICE CHARGE REVENUE

WE PROPOSE TO USE THE SAME SHARES OF VARIABLE REVENUE AND SERVICE CLASS REVENUE TO DISTRIBUTION REVENUE TO THE SENTINEL LIGHTS CLASS AS THOSE CALCULATED FOR THE RESIDENTIAL CLASS.

	DISTRIBUTION REVENUE	VARIABLE REVENUE	SERVICE CHARGE REVENUE	CALCULATE DISTRIBUTION DEMAND (KW) RATE		
				VARIABLE REVENUE \$ A	RETAIL KW B	DISTRIBUTION KW RATE C=A/B 2.9478
RESIDENTIAL CLASS REVENUE	\$ 2,364,776.83	\$ 1,015,133.38	\$ 1,349,643.45			
REVENUE SHARE		42.93%	57.07%	\$ 3,728.95	1,265	
(A) SENTINEL LIGHT REVENUE	\$ 8,686.67					
(B) REVENUE SHARE		42.93%	57.07%			
(C) (A)/(B)		\$ 3,728.95	\$ 4,957.72			

SENTINEL LIGHT MONTHLY SERVICE CHARGE	DISTRIBUTION REVENUE	VARIABLE REVENUE	SERVICE CHARGE REVENUE	NUMBER OF MONTHLY ONNECTIONS	MONTHLY SERVICE CHARGE \$/MONTH/CONNECTION
	A	B	C=A-B	D	E=C/D/12
MONTHLY SERVICE CHARGE	\$ 8,686.67	\$ 3,728.95	\$ 4,957.72	506	\$0.8165
		42.93%	57.07%		

SENTINEL LIGHT COST OF POWER RATES

	WINTER PEAK (KW) 1	SUMMER PEAK (KW) 2	WINTER PEAK (KWH) 3	WINTER OFF PEAK (KWH) 4	SUMMER PEAK (KWH) 5	SUMMER OFF PEAK (KWH) 6
(A) COP \$	\$7,881	\$1,000	\$5,027	\$6,541	\$1,861	\$3,766
(B) TOTAL COP \$	\$26,076					
(C) RETAIL KW	1,265					
(D) KW RATE (B)/(C)	\$ 20.61					

OR

SENTINEL LIGHTS TIME OF USE

CALCULATE REVENUE REQUIREMENTS

	SALES IN BLOCK KW	BLOCK RATE \$/CONNECT- ED KW	REVENUE
WINTER DEMAND	0	0.00	\$ -
SUMMER DEMAND	0	0.00	\$ -
TOTAL	0		\$ -

CALCULATE DISTRIBUTION REVENUE REQUIREMENT

	TOTAL ANNUAL REVENUE	COST OF POWER	DISTRIBUTION REVENUE
	A	B	C=A-B
\$	-	\$26,076	\$ (26,075.53)

TO CALCULATE VARIABLE REVENUE AND SERVICE CHARGE REVENUE

WE PROPOSE TO USE THE SAME SHARES OF VARIABLE REVENUE AND SERVICE CLASS REVENUE TO DISTRIBUTION REVENUE TO THE SENTINEL LIGHTS CLASS AS THOSE CALCULATED FOR THE RESIDENTIAL CLASS.

DISTRIBUTION REVENUE	VARIABLE REVENUE	SERVICE CHARGE	CALCULATE DISTRIBUTION DEMAND (KW) RATE
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DISTRIBUTION DATE
APRIL 10, 2000

<50 KW CLASS MONTHLY SERVICE CHARGE

	DISTRIBUTION REVENUE	VARIABLE REVENUE	SERVICE CHARGE REVENUE	NUMBER OF MONTHLY CUSTOMERS	SERVICE CHARGE \$/MONTH/CUSTOMER
	\$ A	\$ B	\$ C=A-B	D	E=C/D/12
MONTHLY SERVICE CHARGE	\$ 439,811.54	\$ 188,798.95 42.93%	\$ 251,012.59 57.07%	1276	\$16.3932

NOTE: FOR TIME OF USE CUSTOMERS, THERE IS AN ADDITIONAL CHARGE FOR METERS. THIS AMOUNTS TO AN ADDITIONAL CHARGE OF \$5.50 PER METER PER MONTH AND WILL BE SHOWN AS A SEPARATE CHARGE. IF THE CHARGE FOR YOUR UTILITY DIFFERS FROM THIS, USE YOUR UTILITY SPECIFIC CHARGE.

< 50 KW COST OF POWER RATE

	COST OF POWER F	ANNUAL KWH G	COST OF POWER RATE \$/KWH H=F/G
COP KWH RATE	\$ 2,252,627.90	33,449,509	0.0673

<50 KW CLASS TIME OF USE RATES

	WINTER PEAK (KW)	SUMMER PEAK (KW)	WINTER PEAK (KWH)	WINTER OFF-PEAK (KWH)	SUMMER PEAK (KWH)	SUMMER OFF-PEAK (KWH)
(A) COP \$	\$ 446,480.45	\$ 265,563.78	\$ 662,496.58	\$ 335,108.46	\$ 395,847.38	\$ 147,131.25
(B) TOTAL COP/TOU PERIOD \$			\$ 1,108,977.03	\$ 335,108.46	\$ 661,411.16	\$ 147,131.25
(C) WHOLESALE KWH			10,771,544	9,904,948	7,792,403	6,334,155
(D) SYSTEM LOSS ADJUSTMENT			1,040	1,040	1,040	1,040
(E) RETAIL KWH (C)/(D)			10,352,623	9,519,730	7,489,345	6,087,811
(D) TOU RATES (B)/(E) \$/KWH			0.1071	0.0352	0.0883	0.0242

NON-TIME OF USE >50 KW

CALCULATE REVENUE REQUIREMENT

BLOCK	BLOCK	RATE	REQUIREMENT
SERVICE CHARGE		\$	-
ENERGY	KWH	\$/KWH	
FIRST 250 KWH	858,866	0.1130	\$ 97,051.86
NEXT 12250 KWH	32,692,889	0.0780	\$ 2,550,045.34
NEXT BLOCK	0	0.0000	\$ -
BALANCE KWH	93,967,074	0.0571	\$ 5,365,519.93
MINIMUM BILLS	0		\$0.00
SUBTOTAL	127,518,829		\$ 8,012,617.13
DEMAND	KW	\$/KW	
FIRST 50 KW	112,924	0.0000	\$ -
NEXT BLOCK	0	0.0000	\$ -
BALANCE KW	244,934	5.3000	\$ 1,298,152.53
MINIMUM BILLS	0		\$0.00
SUBTOTAL	357,858		\$ 1,298,152.53
TOTAL			\$ 9,310,769.66

NON-TIME OF USE >50 KW

CALCULATE DISTRIBUTION REVENUE REQUIREMENT

	ANNUAL REVENUE	COST OF POWER TOTAL	DISTRIBUTION REVENUE
	A	B	C=A-B
	\$ 9,310,769.66	\$8,142,341 87.45%	\$ 1,168,428.48 12.55%

TO CALCULATE VARIABLE REVENUE AND SERVICE CHARGE REVENUE

WE PROPOSE TO USE THE SAME SHARES OF VARIABLE REVENUE AND SERVICE CLASS REVENUE TO DISTRIBUTION REVENUE TO THE NON-TIME OF USE >50 KW SUB-CLASS AS THOSE CALCULATED FOR THE RESIDENTIAL CLASS

	DISTRIBUTION REVENUE	VARIABLE REVENUE	SERVICE CHARGE REVENUE	CALCULATE DISTRIBUTION DEMAND (KW) RATE		
				VARIABLE REVENUE \$ A	RETAIL KW B	DISTRIBUTION KW RATE C=A/B
RESIDENTIAL CLASS REVENUE	\$ 2,364,776.83	\$ 1,015,133.38 42.93%	\$ 1,349,643.45 57.07%			
REVENUE SHARE				\$ 501,574.07	357,858	\$ 1.4016
(A) NON-TIME OF USE >50 KW REVENUE	\$ 1,168,428.48					
(B) REVENUE SHARE		42.93%	57.07%			
(C) (A)/(B)		\$ 501,574.07	\$ 666,854.40			

TIME OF USE MONTHLY SERVICE CHARGE

	DISTRIBUTION REVENUE	VARIABLE REVENUE	SERVICE CHARGE REVENUE	NUMBER OF MONTHLY CUSTOMERS	MONTHLY SERVICE CHARGE \$/MONTH/CUSTOMER
	\$ A	\$ B	\$ C=A-B	D	E=C/D/12
MONTHLY SERVICE CHARGE	\$ 382,975.62	\$ 164,400.86 42.93%	\$ 218,574.76 57.07%	8	\$2,276.8205

NOTE: FOR TIME OF USE CUSTOMERS, THERE IS AN ADDITIONAL CHARGE FOR METERS IF NOT ALREADY INCLUDED IN THE RATES. THIS AMOUNTS TO AN ADDITIONAL CHARGE OF \$5.50 PER METER PER MONTH AND WILL BE SHOWN AS A SEPARATE CHARGE.
IF THE CHARGE FOR YOUR UTILITY DIFFERS FROM THIS, USE YOUR UTILITY SPECIFIC CHARGE.

TIME OF USE COST OF POWER RATES

	WINTER PEAK (KW) 1	SUMMER PEAK (KW) 2	WINTER PEAK (KWH) 3	WINTER OFF PEAK (KWH) 4	SUMMER PEAK (KWH) 5	SUMMER OFF PEAK (KWH) 6
(A) TIME OF USE COP \$	\$ 848,453.23	\$ 644,587.48	\$ 1,193,871.06	\$ 453,226.23	\$1,155,764.91	\$ 395,149.82
(B) KW SALES	93,124	92,844				
(C) KWH SALES			18,841,375	13,002,974	22,083,809	16,512,256
(D) KW RATE (A)/(B)	\$ 9.11	\$ 6.94				
(E) KWH RATE (A)/(C)			\$0.0634	\$0.0349	\$0.0523	\$0.0239

COMBINE NON-TIME OF USE >50KW WITH
TIME OF USE >50kW

TO CALCULATE VARIABLE REVENUE AND SERVICE CHARGE REVENUE

	DISTRIBUTION REVENUE	VARIABLE REVENUE	SERVICE CHARGE REVENUE	CALCULATE DISTRIBUTION DEMAND (KW) RATE		
				VARIABLE REVENUE \$ A	RETAIL KW B	DISTRIBUTION KW RATE C=A/B
RESIDENTIAL CLASS REVENUE	\$ 2,364,776.83	\$ 1,015,133.38 42.93%	\$ 1,349,643.45 57.07%	\$ 665,974.93	543,826	1.2246
REVENUE SHARE						
(A) NON-TIME >50kW REVENUE	\$ 1,168,428.48					
(A) TIME OF USE REVENUE	\$ 382,975.62					
	\$ 1,551,404.10					
(B) REVENUE SHARE		42.93%	57.07%			
(C) (A)*(B)		\$ 665,974.93	\$ 885,429.17			

COMBINED MONTHLY SERVICE CHARGE

	DISTRIBUTION REVENUE	VARIABLE REVENUE	SERVICE CHARGE REVENUE	NUMBER OF MONTHLY CUSTOMERS	MONTHLY SERVICE CHARGE \$/MONTH/CUSTOMER
	\$ A	\$ B	\$ C=A-B	D	E=C/D/12
MONTHLY SERVICE CHARGE Non-Time of Use >50kW	\$ 1,168,428.48	\$ 501,574.07	\$ 666,854.40		
MONTHLY SERVICE CHARGE Time of Use >50kW	\$ 382,975.62	\$ 164,400.86	\$ 218,574.76		
MONTHLY SERVICE CHARGE	\$ 1,551,404.10	\$ 665,974.93 42.93%	\$ 885,429.17 57.07%	177	\$416.87

INTERMEDIATE USE

CALCULATE REVENUE REQUIREMENT

	SALES IN BLOCK	RATE	REVENUE
	KW	\$/KW	\$
WINTER PEAK	0	0.00	\$ -
SUMMER PEAK	0	0.00	\$ -
SUBTOTAL	0		\$ -
	KWH	\$/KWH	\$
WINTER PEAK	0	0	\$ -
WINTER OFF PEAK	0	0	\$ -
SUMMER PEAK	0	0	\$ -
SUMMER OFF-PEAK	0	0	\$ -
SUBTOTAL	0		\$ -
TOTAL			\$ -

INTERMEDIATE USE

CALCULATE DISTRIBUTION REVENUE REQUIREMENT

	ANNUAL REVENUE	COST OF POWER TOTAL	DISTRIBUTION REVENUE
	A	B	C=A-B
\$	-	\$0	\$ -

DISTRIBUTION DATE
APRIL 10, 2000

RESIDENTIAL CLASS REVENUE	\$ 2,364,776.83	\$ 1,015,133.38	\$ 1,349,643.45		\$		
REVENUE SHARE		42.93%	57.07%		A	B	C=A/B
					\$ 11,312.49	6,024	\$ 1.8779
(A) STREET LIGHTING REVENUE	\$ 26,352.70						
(B) REVENUE SHARE		42.93%	57.07%				
(C) (A)*(B)		\$ 11,312.49	\$ 15,040.21				

STREET LIGHTING MONTHLY SERVICE CHARGE	DISTRIBUTION REVENUE	VARIABLE REVENUE	SERVICE CHARGE REVENUE	NUMBER OF MONTHLY ONNECTIONS	MONTHLY SERVICE CHARGE \$/MONTH/CONNECTION
	A	B	C=A-B	D	E=C/D/12
MONTHLY SERVICE CHARGE	\$ 26,352.70	\$ 11,312.49	\$ 15,040.21	3604	\$0.3478
		42.93%	57.07%		

STREET LIGHTING COST OF POWER RATES

	WINTER PEAK (KW)	SUMMER PEAK (KW)	WINTER PEAK (KWH)	WINTER OFF PEAK (KWH)	SUMMER PEAK (KWH)	SUMMER OFF PEAK (KWH)
	1	2	3	4	5	6
(A) COP \$	\$37,485	\$4,755	\$23,941	\$31,149	\$8,861	\$17,937
(B) TOTAL COP \$	\$124,127					
(C) RETAIL KW	6,024					
(D) KW RATE (B)/(C)	\$ 20.61					

OR

STREET LIGHTING TIME OF USE

CALCULATE REVENUE REQUIREMENTS

CALCULATE DISTRIBUTION REVENUE REQUIREMENT

	SALES IN BLOCK KW	BLOCK RATE \$/CONNECT- ED KW	REVENUE		TOTAL ANNUAL REVENUE	COST OF DISTRIBUTION POWER	REVENUE
					A	B	C=A-B
WINTER DEMAND	0	0.00	\$ -		\$ -	\$ 124,126.82	\$ (124,126.82)
SUMMER DEMAND	0	0.00	\$ -				
TOTAL	0		\$ -				

TO CALCULATE VARIABLE REVENUE AND SERVICE CHARGE REVENUE

WE PROPOSE TO USE THE SAME SHARES OF VARIABLE REVENUE AND SERVICE CLASS REVENUE TO DISTRIBUTION REVENUE TO THE STREET LIGHTING CLASS
AS THOSE CALCULATED FOR THE RESIDENTIAL CLASS.

	DISTRIBUTION REVENUE	VARIABLE REVENUE	SERVICE CHARGE REVENUE	CALCULATE DISTRIBUTION DEMAND (KW) RATE		
				VARIABLE REVENUE	RETAIL KW	DISTRIBUTION KW RATE
RESIDENTIAL CLASS REVENUE	\$ 2,364,776.83	\$ 1,015,133.38	\$ 1,349,643.45	\$		
REVENUE SHARE		42.93%	57.07%	A	B	C=A/B
				\$ (53,284.22)	0	#DIV/0!
(A) STREET LIGHTING REVENUE	\$ (124,126.82)					
(B) REVENUE SHARE		42.93%	57.07%			
(C) (A)*(B)		\$ (53,284.22)	\$ (70,842.60)			

STREET LIGHTING MONTHLY SERVICE CHARGE	DISTRIBUTION REVENUE	VARIABLE REVENUE	SERVICE CHARGE REVENUE	NUMBER OF MONTHLY ONNECTIONS	MONTHLY SERVICE CHARGE \$/MONTH/CONNECTION
	A	B	C=A-B	D	E=C/D/12
MONTHLY SERVICE CHARGE	\$ (124,126.82)	\$ (53,284.22)	\$ (70,842.60)	3604	(\$1.6381)

STREET LIGHTING COST OF POWER RATES

	WINTER PEAK (KW)	SUMMER PEAK (KW)	WINTER PEAK (KWH)	WINTER OFF PEAK (KWH)	SUMMER PEAK (KWH)	SUMMER OFF PEAK (KWH)
	1	2	3	4	5	6
(A) COP \$	\$ 37,484.76	\$ 4,755.11	\$ 23,940.83	\$ 31,148.55	\$ 8,860.95	\$ 17,936.62
(B) WINTER/SUMMER COP	\$ 92,574.14	\$ 31,552.68				
	1+3+4	2+5+6				
(C) RETAIL KW	0	0				
(D) KW RATE (B)/(C)	#DIV/0!	#DIV/0!				

SHEET 5 - SUMMARY OF RATES AND CHARGES

NAME OF UTILITY	Halton Hills Hydro Inc.
LICENCE NUMBER	ED - 1999 - 0290
DATE	23-Nov-00
VERSION NUMBER	FINAL
NAME OF CONTACT	David J. Smelsky, CMA
PHONE NUMBER	(519) 853-3700 ext. 225

RATE SUMMARY (BEFORE MARR AND SENSITIVITY ANALYSIS)

Normalized Rates Unbundled

RESIDENTIAL

Variable Rate	42.93%
Fixed Rate	57.07%
DISTRIBUTION KWH RATE	\$0.0062
MONTHLY SERVICE CHARGE (PER CUSTOMER)	\$7.49
COST OF POWER KWH RATE	\$0.0684

RESIDENTIAL (TIME OF USE)

DISTRIBUTION KWH RATE	\$0.0062			
MONTHLY SERVICE CHARGE (PER CUSTOMER)	\$7.49			
COST OF POWER TIME OF USE RATES	WINTER PEAK	WINTER OFF-PEAK	SUMMER PEAK	SUMMER OFF-PEAK
	\$/KWH	\$/KWH	\$/KWH	\$/KWH
	\$0.1174	\$0.0352	\$0.0909	\$0.0242

GENERAL SERVICE < 50 KW

DISTRIBUTION KWH RATE	\$0.0056
MONTHLY SERVICE CHARGE (PER CUSTOMER)	\$16.39
COST OF POWER KWH RATE	\$0.0673

GENERAL SERVICE < 50 KW (TIME OF USE)

DISTRIBUTION KWH RATE	\$0.0056			
MONTHLY SERVICE CHARGE (PER CUSTOMER)	\$16.39			
COST OF POWER TIME OF USE RATES	WINTER PEAK	WINTER OFF-PEAK	SUMMER PEAK	SUMMER OFF-PEAK
	\$/KWH	\$/KWH	\$/KWH	\$/KWH
	\$0.1071	\$0.0352	\$0.0883	\$0.0242

GENERAL SERVICE > 50 KW (NON TIME OF USE)

DISTRIBUTION KW RATE	\$1.2246
MONTHLY SERVICE CHARGE	\$416.87
COST OF POWER KW RATE	\$6.7272
COST OF POWER KWH RATE	\$0.0450

GENERAL SERVICE > 50 KW (TIME OF USE)

DISTRIBUTION KW RATE	\$1.2246
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MISCELLANEOUS CHARGES

PLEASE ADD ANY MISCELLANEOUS CHARGES BELOW.

	<u>2000</u>	<u>1999</u>
ACCOUNT SETUP CHARGE	\$ 10.00	\$ 10.00
ARREARS CERTIFICATE	\$ 10.50	\$ 10.50
COLLECTION OF ACCOUNT CHARGE	\$ 7.00	\$ 7.00
DISPUTE METER TEST	\$ 10.00	\$ 10.00
LATE PAYMENT	5.00%	5.00%
MONTHLY TIME OF USE METERING CHARGE	\$ 20.00	\$0.00
RECONNECTION - At meter	\$ 14.00	\$ 14.00
RECONNECTION - At pole	\$ 17.25	\$ 17.25
RECONNECTION AFTER REGULAR WORKING HOURS	\$ 50.00	\$ 50.00
RETURNED CHEQUE CHARGE - PLUS BANK CHARGE	\$ 10.50	\$ 10.50
TEMPORARY SERVICE:		
OVERHEAD	\$ 210.00	\$ -
SINGLE PHASE	\$ 300.00	\$ -
SINGLE PHASE WITH SECONDARY VOLTAGE	\$ 130.00	\$ -
UNDERGROUND	\$ 120.00	\$ -

FIRST 250 KWH	3000	0.1130	\$	339.00	ANNUAL DISTRIBUTION CHARGE		\$	89.90		
BALANCE	27000	0.0730	\$	1,971.00	DISTRIBUTION KWH	30000	0.0062	\$	186.00	
TOTAL			\$	2,310.00	TOTAL			\$	2,329.06	\$ 19.06 0.8%

GENERAL SERVICE < 50 KW

ENTER DESIRED CONSUMPTION LEVEL

MONTHLY CONSUMPTION 28.80 KW,17680 KWH

SAMPLE #1 - Actual Customer July31/00

CURRENT BILL	KW	RATE \$/KW	CHARGE \$	UNBUNDLED BILL	RATE \$/KW	CHARGE \$	IMPACT DOLLARS	IMPACT
SERVICE CHARG			\$ -					
1ST BLOCK 50 KW	28.8	0.0000	\$ -					
2ND BLOCK BALANCE		5.3000	0.0000	DISTRIBUTION KW		\$ -		
		\$/KWH	0.0000			\$/KWH		
1ST BLOCK 250 KWH	250	0.1130	\$ 28.25	COST OF POWER KWH	17680	0.0673	\$ 1,190.64	
NEXT BLOCK 12250	12250	0.0780	\$ 955.50					
NEXT BLOCK	0	0.0000	\$ -	MONTHLY DISTRIBUTION CHARGE		\$ 16.39		
BALANCE	5180	0.0571	\$ 295.78	DISTRIBUTION KWH	17680	0.0056	\$ 99.79	
TOTAL	17680		\$ 1,279.53	TOTAL		\$ 1,306.83	\$ 27.30 2.1%	

MONTHLY CONSUMPTION 18 KW,6700 KWH

Sample # 2 - Actual Customer Sept 06/00

CURRENT BILL	KW	RATE \$/KW	CHARGE \$	UNBUNDLED BILL	RATE \$/KW	CHARGE \$	IMPACT DOLLARS	IMPACT
SERVICE CHARG			\$ -					
1ST BLOCK 50 KW	18	0.0000	\$ -					
2ND BLOCK BALANCE	0	5.3000	\$ -	DISTRIBUTION KW		\$ -		
		\$/KWH				\$/KWH		
1ST BLOCK 250 KWH	250	0.1130	\$ 28.25	COST OF POWER KWH	6700	0.0673	\$ 451.21	
NEXT BLOCK 12250	6450	0.0780	\$ 503.10					
NEXT BLOCK	0	0.0000	\$ -	MONTHLY DISTRIBUTION CHARGE		\$ 16.39		
BALANCE	0	0.0571	\$ -	DISTRIBUTION KWH	6700	0.0056	\$ 37.82	
TOTAL	6700		\$ 531.35	TOTAL		\$ 505.42	\$ (25.93) -4.9%	

MONTHLY CONSUMPTION 20.10 KW,5,240 KWH

Sample # 3 - Actual Customer June13/00

CURRENT BILL	KW	RATE \$/KW	CHARGE \$	UNBUNDLED BILL	RATE \$/KW	CHARGE \$	IMPACT DOLLARS	IMPACT
SERVICE CHARG			\$ -					
1ST BLOCK 50 KW	20.1	0.0000	\$ -					
2ND BLOCK BALANCE	0	5.3000	\$ -	DISTRIBUTION KW		\$ -		
		\$/KWH				\$/KWH		
1ST BLOCK 250 KWH	250	0.1130	\$ 28.25	COST OF POWER KWH	6240	0.0673	\$ 420.23	
NEXT BLOCK 12250	5990	0.0780	\$ 467.22					
NEXT BLOCK	0	0.0000	\$ -	MONTHLY DISTRIBUTION CHARGE		\$ 16.39		
BALANCE	0	0.0571	\$ -	DISTRIBUTION KWH	6240	0.0056	\$ 35.22	
TOTAL	6240		\$ 495.47	TOTAL		\$ 471.84	\$ (23.63) -4.8%	

GENERAL SERVICE > 50 KW NON TIME OF USE

ENTER DESIRED CONSUMPTION LEVEL

MONTHLY CONSUMPTION 792KW,149760KWH

Actual Customer

CURRENT BILL	KW	RATE \$/KW	CHARGE \$	UNBUNDLED BILL	RATE \$/KW	CHARGE \$	IMPACT DOLLARS	IMPACT
SERVICE CHARG			\$ -					
1ST BLOCK 50 KW	50	0.0000	\$ -	COST OF POWER KW	792	6.7272	\$ 5,327.93	
2ND BLOCK BALANCE	0	0.0000	\$ -	DISTRIBUTION KW	792	1.2246	\$ 969.89	
	742	5.3000	\$ 3,932.60			\$/KWH		
1ST BLOCK 250 KWH	250	0.1130	\$ 28.25	COST OF POWER KWH	149760	0.0450	\$ 6,735.23	
NEXT BLOCK 12250	12250	0.0780	\$ 955.50					
NEXT BLOCK	0	0.0000	\$ -	MONTHLY DISTRIBUTION CHARGE		\$ 416.87		
BALANCE	137260	0.0571	\$ 7,837.55					
TOTAL	149760		\$ 12,753.90	TOTAL		\$ 13,449.91	\$ 696.02 5.5%	

MONTHLY CONSUMPTION 100KW,20000KWH

CURRENT BILL	KW	RATE \$/KW	CHARGE \$	UNBUNDLED BILL	RATE \$/KW	CHARGE \$	IMPACT DOLLARS	IMPACT
SERVICE CHARG			\$ -					
1ST BLOCK 50 KW	50	0.0000	\$ -	COST OF POWER KW	100	6.7272	\$ 672.72	
2ND BLOCK BALANCE	0	0.0000	\$ -	DISTRIBUTION KW	100	1.2246	\$ 122.46	
	50	5.3000	\$ 265.00			\$/KWH		

BALANCE	237500	0.0571	\$	13,561.25
TOTAL	250000		\$	16,930.00

TOTAL	\$	15,636.13	\$	(1,293.87)	-7.6%
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MONTHLY CONSUMPTION 1000KW,100000KWH

CURRENT BILL				
	KW	RATE \$/KW	CHARGE \$	
SERVICE CHARG			\$	-
1ST BLOCK 50 KW	50	0.0000	\$	-
2ND BLOCK		0.0000	\$	-
BALANCE	950	5.3000	\$	5,035.00
		\$/KWH		
1ST BLOCK 250 KWH	250	0.1130	\$	28.25
NEXT BLOCK				
12250	12250	0.0780	\$	955.50
NEXT BLOCK		0.0000	\$	-
BALANCE	87500	0.0571	\$	4,996.25
TOTAL	100000		\$	11,015.00

UNBUNDLED BILL				
	RATE \$/KW	CHARGE \$	IMPACT DOLLARS	IMPACT
COST OF POWER KW	1000	6.7272	\$	6,727.18
DISTRIBUTION KW	1000	1.2246	\$	1,224.61
		\$/KWH		
COST OF POWER KWH	100000	0.0450	\$	4,497.35
MONTHLY DISTRIBUTION CHARGE			\$	416.87
TOTAL		\$	12,866.01	\$ 1,851.01 16.8%

MONTHLY CONSUMPTION 1000KW,300000KWH

CURRENT BILL				
	KW	RATE \$/KW	CHARGE \$	
SERVICE CHARG			\$	-
1ST BLOCK 50 KW	50	0.0000	\$	-
2ND BLOCK		0.0000	\$	-
BALANCE	950	5.3000	\$	5,035.00
		\$/KWH		
1ST BLOCK 250 KWH	250	0.1130	\$	28.25
NEXT BLOCK				
12250	12250	0.0780	\$	955.50
NEXT BLOCK		0.0000	\$	-
BALANCE	287500	0.0571	\$	16,416.25
TOTAL	300000		\$	22,435.00

UNBUNDLED BILL				
	RATE \$/KW	CHARGE \$	IMPACT DOLLARS	IMPACT
COST OF POWER KW	1000	6.7272	\$	6,727.18
DISTRIBUTION KW	1000	1.2246	\$	1,224.61
		\$/KWH		
COST OF POWER KWH	300000	0.0450	\$	13,492.05
MONTHLY DISTRIBUTION CHARGE			\$	416.87
TOTAL		\$	21,860.70	\$ (574.30) -2.6%

MONTHLY CONSUMPTION 1000KW,500000KWH

CURRENT BILL				
	KW	RATE \$/KW	CHARGE \$	
SERVICE CHARG			\$	-
1ST BLOCK 50 KW	50	0.0000	\$	-
2ND BLOCK		0.0000	\$	-
BALANCE	950	5.3000	\$	5,035.00
		\$/KWH		
1ST BLOCK 250 KWH	250	0.1130	\$	28.25
NEXT BLOCK				
12250	12250	0.0780	\$	955.50
NEXT BLOCK		0.0000	\$	-
BALANCE	487500	0.0571	\$	27,836.25
TOTAL	500000		\$	33,855.00

UNBUNDLED BILL				
	RATE \$/KW	CHARGE \$	IMPACT DOLLARS	IMPACT
COST OF POWER KW	1000	6.7272	\$	6,727.18
DISTRIBUTION KW	1000	1.2246	\$	1,224.61
		\$/KWH		
COST OF POWER KWH	500000	0.0450	\$	22,486.74
MONTHLY DISTRIBUTION CHARGE			\$	416.87
TOTAL		\$	30,855.40	\$ (2,999.60) -8.9%

USE

ENTER DESIRED CONSUMPTION LEVELS

CURRENT BILL				
SERVICE CHARGE				20.0000

UNBUNDLED BILL

Sample # 1 Customer WINTER BILL

	KW	RATE \$/KW	CHARGE \$	
WINTER FIRST 50 KW	50	0.0000	\$	-
WINTER SECOND BLOCK		0.0000	\$	-
WINTER BALANCE BLOCK	1227.1	5.5120	\$	6,763.78
		\$/KWH		
WINTER PEAK FIRST BLOCK	250	0.1580	\$	39.50
WINTER PEAK NEXT BLOCK	6625	0.1288	\$	853.30
WINTER PEAK NEXT BLOCK	0	0.0885	\$	-
WINTER BALANCE BLOCK	85533.58	0.0885	\$	7,569.72
WINTER OFF PEAK ALL	292,446.99	0.0359	\$	10,498.85
TOTAL	384,855.57		\$	25,745.14

	RATE \$/KW	CHARGE \$	IMPACT DOLLARS	IMPACT
COST OF POWER				
WINTER PEAK	1277.1	9.1110	\$	11,835.66
		\$/KWH		
WINTER PEAK	92408.58	0.0634	\$	5,855.41
WINTER OFF PEAK	292,446.99	0.0349	\$	10,193.41
DISTRIBUTION KW	1277.1	1.2246	\$	1,563.95
MONTHLY SERVICE CHARGE				416.8687
TOTAL		\$	29,665.30	\$ 3,920.16 15.2%

CURRENT BILL				
SERVICE CHARGE				20.0000

UNBUNDLED BILL

Sample # 1 Customer SUMMER BILL

	KW	RATE \$/KW	CHARGE \$	
SUMMER FIRST 50 KW	50	0.0000	\$	-
SUMMER SECON BLOCK	0	0.0000	\$	-
SUMMER BALANCE BLOCK	813.379	4.3160	\$	3,510.54
		\$/KWH		
SUMMER PEAK FIRST BLOCK	250	0.1363	\$	34.08

	RATE \$/KW	CHARGE \$	IMPACT DOLLARS	IMPACT
COST OF POWER				
SUMMER PEAK	863.379	6.9427	\$	5,994.18
		\$/KWH		
SUMMER PEAK	38049.66	0.0523	\$	1,991.34
SUMMER OFF PEAK	117700.11	0.0239	\$	2,816.65

				MONTHLY DISTRIBUTION CHARGE TOTAL	#DIV/0/ #DIV/0/	#DIV/0/	#DIV/0/
TOTAL				\$ -			
CURRENT BILL				UNBUNDLED BILL			
	KW	RATE \$/KW	CHARGE \$		RATE \$/KW	CHARGE \$	IMPACT DOLLARS
SUMMER PEAK	3000	0.0000	\$ -	COST OF POWER KW: SUMMER PEAK	3000	#DIV/0/ #DIV/0/	
		\$/KWH					
SUMMER PEAK	500,000	0.0000	\$ -	DISTRIBUTION KW	3000	#DIV/0/ #DIV/0/	
SUMMER OFF PEAK	500,000	0.0000	\$ -		\$/KWH		
				COST OF POWER KWH: SUMMER PEAK	500000	#DIV/0/ #DIV/0/	
				SUMMER OFF PEAK	500000	#DIV/0/ #DIV/0/	
				MONTHLY DISTRIBUTION CHARGE TOTAL		#DIV/0/ #DIV/0/	
TOTAL				\$ -			#DIV/0/ #DIV/0/
MONTHLY CONSUMPTION 3000 KW, 1.5 MILL KWH				UNBUNDLED BILL			
	KW	RATE \$/KW	CHARGE \$		RATE \$/KW	CHARGE \$	IMPACT DOLLARS
WINTER PEAK	3000	0.0000	\$ -	COST OF POWER KW: WINTER PEAK	3000	#DIV/0/ #DIV/0/	
		\$/KWH					
WINTER PEAK	750,000	0.0000	\$ -	DISTRIBUTION KW	3000	#DIV/0/ #DIV/0/	
WINTER OFF PEAK	750,000	0.0000	\$ -				
				COST OF POWER KWH: WINTER PEAK	750000	#DIV/0/ #DIV/0/	
				WINTER OFF PEAK	750000	#DIV/0/ #DIV/0/	
				MONTHLY DISTRIBUTION CHARGE TOTAL		#DIV/0/ #DIV/0/	
TOTAL				\$ -			#DIV/0/ #DIV/0/
CURRENT BILL				UNBUNDLED BILL			
	KW	RATE \$/KW	CHARGE \$		RATE \$/KW	CHARGE \$	IMPACT DOLLARS
SUMMER PEAK	3000	0.0000	\$ -	COST OF POWER KW: SUMMER PEAK	3000	#DIV/0/ #DIV/0/	
		\$/KWH					
SUMMER PEAK	750,000	0.0000	\$ -	DISTRIBUTION KW	3000	#DIV/0/ #DIV/0/	
SUMMER OFF PEAK	750,000	0.0000	\$ -		\$/KWH		
				COST OF POWER KWH: SUMMER PEAK	750000	#DIV/0/ #DIV/0/	
				SUMMER OFF PEAK	750000	#DIV/0/ #DIV/0/	
				MONTHLY DISTRIBUTION CHARGE TOTAL		#DIV/0/ #DIV/0/	
TOTAL				\$ -			#DIV/0/ #DIV/0/
MONTHLY CONSUMPTION 5000 KW, 0.5 MILL KWH				UNBUNDLED BILL			
	KW	RATE \$/KW	CHARGE \$		RATE \$/KW	CHARGE \$	IMPACT DOLLARS
WINTER PEAK	5000	0.0000	\$ -	COST OF POWER KW: WINTER PEAK	5000	#DIV/0/ #DIV/0/	
		\$/KWH					
WINTER PEAK	250,000	0.0000	\$ -	DISTRIBUTION KW	5000	#DIV/0/ #DIV/0/	
WINTER OFF PEAK	250,000	0.0000	\$ -				
				COST OF POWER KWH: WINTER PEAK	250,000	#DIV/0/ #DIV/0/	
				WINTER OFF PEAK	250,000	#DIV/0/ #DIV/0/	
				MONTHLY DISTRIBUTION CHARGE TOTAL		#DIV/0/ #DIV/0/	
TOTAL				\$ -			#DIV/0/ #DIV/0/
CURRENT BILL				UNBUNDLED BILL			
	KW	RATE \$/KW	CHARGE \$		RATE \$/KW	CHARGE \$	IMPACT DOLLARS
SUMMER PEAK	5000	0.0000	\$ -	COST OF POWER KW: SUMMER PEAK	5000	#DIV/0/ #DIV/0/	
		\$/KWH					
SUMMER PEAK	250,000	0.0000	\$ -	DISTRIBUTION KW	5000	#DIV/0/ #DIV/0/	
SUMMER OFF PEAK	250,000	0.0000	\$ -		\$/KWH		
				COST OF POWER KWH: SUMMER PEAK	250,000	#DIV/0/ #DIV/0/	
				SUMMER OFF PEAK	250,000	#DIV/0/ #DIV/0/	
				MONTHLY DISTRIBUTION CHARGE TOTAL		#DIV/0/ #DIV/0/	
TOTAL				\$ -			#DIV/0/ #DIV/0/
MONTHLY CONSUMPTION 5000 KW, 1 MILL KWH				UNBUNDLED BILL			
	KW	RATE \$/KW	CHARGE \$		RATE \$/KW	CHARGE \$	IMPACT DOLLARS
SUMMER PEAK	5000	0.0000	\$ -	COST OF POWER KW: SUMMER PEAK	5000	#DIV/0/ #DIV/0/	
		\$/KWH					
SUMMER PEAK	250,000	0.0000	\$ -	DISTRIBUTION KW	5000	#DIV/0/ #DIV/0/	
SUMMER OFF PEAK	250,000	0.0000	\$ -		\$/KWH		
				COST OF POWER KWH: SUMMER PEAK	250,000	#DIV/0/ #DIV/0/	
				SUMMER OFF PEAK	250,000	#DIV/0/ #DIV/0/	
				MONTHLY DISTRIBUTION CHARGE TOTAL		#DIV/0/ #DIV/0/	
TOTAL				\$ -			#DIV/0/ #DIV/0/

DISTRIBUTION DATE
APRIL 10, 2000

SHEET 7 - MARR (NO TAX) CALCULATIONS

NAME OF UTILITY	Halton Hills Hydro Inc.
LICENCE NUMBER	ED - 1999 - 0290
DATE	23-Nov-00
VERSION NUMBER	FINAL
NAME OF CONTACT	David J. Smelsky, CMA
PHONE NUMBER	(519) 853-3700 ext. 225

TARGET RATE OF RETURN CALCULATIONS AND ADJUSTED RATE CLASS SERVICE CHARGES
NOTE: ANY RATE OF RETURN UP TO 9.88% MAY BE CHOSEN.

THE EXAMPLE SHOWS A TARGET ROE OF 4.0% FOR ILLUSTRATIVE PURPOSES ONLY.
YOU CAN REPEAT THIS ANALYSIS AS MANY TIMES AS YOU WISH BY ENTERING A
DIFFERENT TARGET ROE AND NOTING THE RESULTS BEFORE EACH ITERATION. YOU
CAN THEN CHOOSE THE LEVEL YOU WISH TO USE. ONLY YOUR FINAL CHOICE NEEDS
TO BE FILED.

NOTE:

ON THIS SHEET, TARGET RATE OF RETURN IS CALCULATED WITHOUT TAXES. THIS VALUE WILL BE APPLIED TO RATES UNTIL MARKET OPENS. A TARGET RATE OF RETURN ADJUSTED FOR TAXES IS CALCULATED FOR THE PERIOD AFTER MARKET OPENING ON THE NEXT SHEET. THE DIFFERENCE BETWEEN THE VALUES ON THE TWO SHEETS IS THE AMOUNT RATES WILL HAVE TO INCREASE TO ALLOW FOR TAXES. THIS AMOUNT WILL BE ALLOCATED TO THE CLASSES IN THE SAME MANNER AS THE CHANGE IN REVENUE REQUIRED WITHOUT TAXES.

SOURCE: SEE APPENDIX D OF RATE HANDBOOK FOR RATE BASE CALCULATIONS. SEE CHAPTER 3 FOR DEBT RATE AND CER.
 USE 1999 YEAR END FINANCIAL STATEMENTS FOR 1999 RETURN \$.

2000 Rate Base (ie. 1999 rate base "wires only")	\$ 25,052,967.65	MARR	\$ 2,145,786.68
CER	0.5000		
Target ROE	0.0988		
Effective Tax Rate (this is the rate deemed to be in effect by the OEB)	0.435 (tax comes into effect only when market opens)		
1-CER	0.5000		
Debt Rate	0.0725		

Change in Revenue Required	MARR - (1999 RETURN \$)
MARR	\$ 2,145,786.68
1999 return \$	\$ - Cannot be Negative- Refer to page 3-8 of Handbook

Change in Revenue Required	=	\$ 2,145,786.68
Deferred Amount (if any)	\$ -	
Phase in Year 2	0.0% \$ -	EQUAL Phase-In Process
Phase in Year 3	0.0% \$ -	EQUAL Phase-In Process
Change in Revenue to Be Allocated		\$ 2,145,786.68

		0.429		0.571	
(B) ALLOCATED INCREMENTAL RETURN (\$)	\$	92,261.29	\$	122,663.53	\$ 214,924.82
(C) TARGETED BASE (A) +(B)	\$	281,060.24	\$	373,676.12	\$ 654,736.36
(D) RETAIL KWH		33,449,509			
(E) NUMBER OF CUSTOMERS				1276	
(F) DISTRIBUTION KWH RATE (\$/KWH) (C)/(D)		\$0.0084			
(G) MONTHLY SERVICE CHARGE (C)/(E)/12				\$24.4041	

GENERAL SERVICE NON-TIME OF USE >50 KW

		VARIABLE REVENUE		SERVICE CHARGE	TOTAL DISTRIBUTION REVENUE
(A) CURRENT REVENUE REQUIREMENTS	\$	501,574.07 0.429	\$	666,854.40 0.571	\$ 1,168,428.48
(B) ALLOCATED INCREMENTAL RETURN (\$)	\$	245,106.62	\$	325,874.95	\$ 570,981.57
(C) TARGETED BASE (A) +(B)	\$	746,680.69	\$	992,729.36	\$ 1,739,410.05
(D) RETAIL KW		357,858			
(E) NUMBER OF CUSTOMERS				169	
(F) DISTRIBUTION KW RATE (\$/KW) (C)/(D)		\$2.0865			
(G) MONTHLY SERVICE CHARGE (C)/(E)/12				\$489.5115	

GENERAL SERVICE TIME OF USE > 50 KW

		VARIABLE REVENUE		SERVICE CHARGE	TOTAL DISTRIBUTION REVENUE
(A) CURRENT REVENUE REQUIREMENTS	\$	164,400.86 0.429	\$	218,574.76 0.571	\$ 382,975.62
(B) ALLOCATED INCREMENTAL RETURN (\$)	\$	80,338.56	\$	106,811.98	\$ 187,150.54
(C) TARGETED BASE (A) +(B)	\$	244,739.41	\$	325,386.75	\$ 570,126.16
(D) RETAIL KW		185,968			
(E) NUMBER OF CUSTOMERS				8	
(F) DISTRIBUTION KW RATE (\$/KW) (C)/(D)		\$1.3160			
(G) MONTHLY SERVICE CHARGE (C)/(E)/12				\$3,389.45	

**COMBINE NON-TIME OF USE >50kW WITH
TIME OF USE >50kW**

		VARIABLE REVENUE		SERVICE CHARGE	TOTAL DISTRIBUTION REVENUE
(A) CURRENT REVENUE REQUIREMENTS	\$	665,974.93 0.4293	\$	885,429.17 0.5707	\$ 1,551,404.10
(B) ALLOCATED INCREMENTAL RETURN (\$)	\$	325,445.18	\$	432,686.94	\$ 758,132.11

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(B) ALLOCATED INCREMENTAL RETURN (\$)	#DIV/0!	#DIV/0!	#DIV/0!
(C) TARGETED BASE (A) +(B)	#DIV/0!	#DIV/0!	#DIV/0!
(D) RETAIL KW	0		
(E) NUMBER OF CUSTOMERS		0	
(F) DISTRIBUTION KW RATE (\$/KW) (C)/(D)	#DIV/0!		
(G) MONTHLY SERVICE CHARGE (C)/(E)/12		#DIV/0!	

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BASED ON THE RELATIVE SHARES OF THE PRE-RATE OF RETURN ADJUSTMENT

RESIDENTIAL

		VARIABLE REVENUE		SERVICE CHARGE	TOTAL DISTRIBUTION REVENUE
(A) REVENUE AT MARR WITHOUT TAXES	\$	1,511,203.50 0.429	\$	2,009,180.21 0.571	\$ 3,520,383.71
(B) ALLOCATED TAX REVENUE REQUIREMENT	\$	220,284.26	\$	292,873.04	\$ 513,157.30
(C) TARGETED BASE WITH TAXES (A) +(B)	\$	1,731,487.75	\$	2,302,053.26	\$ 4,033,541.01
(D) RETAIL KWH		163,731,190			
(E) NUMBER OF CUSTOMERS				15013	
(F) DISTRIBUTION KWH RATE (\$/KWH) (C)/(D)		\$0.0106			
(G) MONTHLY SERVICE CHARGE (C)/(E)/12				\$12.7781	

SENTINEL LIGHTS

		VARIABLE REVENUE		SERVICE CHARGE	TOTAL DISTRIBUTION REVENUE
(A) REVENUE AT MARR WITHOUT TAXES	\$	5,551.19 0.429	\$	7,380.43 0.571	\$ 12,931.62
(B) ALLOCATED TAX REVENUE REQUIREMENT	\$	809.18	\$	1,075.83	\$ 1,885.01
(C) TARGETED BASE WITH TAXES (A) +(B)	\$	6,360.37	\$	8,456.26	\$ 14,816.63
(D) RETAIL KW		1,265			
(E) NUMBER OF CONNECTIONS				506	
(F) DISTRIBUTION KW RATE (\$/KW) (C)/(D)		\$5.0280			
(G) MONTHLY SERVICE CHARGE (C)/(E)/12 (PER CONNECTION)				\$1.3927	

GENERAL SERVICE <50 KW CLASS

		VARIABLE REVENUE		SERVICE CHARGE	TOTAL DISTRIBUTION REVENUE
(A) REVENUE AT MARR WITHOUT TAXES	\$	281,060.24 0.429	\$	373,676.12 0.571	\$ 654,736.36
(B) ALLOCATED TAX REVENUE REQUIREMENT	\$	40,969.43	\$	54,469.81	\$ 95,439.24
(C) TARGETED BASE WITH TAXES (A) +(B)	\$	322,029.67	\$	428,145.93	\$ 750,175.60
(D) RETAIL KWH		33,449,509			
(E) NUMBER OF CUSTOMERS				1276	
(F) DISTRIBUTION KWH RATE (\$/KWH) (C)/(D)		\$0.0096			
(G) MONTHLY SERVICE CHARGE (C)/(E)/12				\$27.9615	

GENERAL SERVICE NON-TIME OF USE >50 KW

		VARIABLE REVENUE		SERVICE CHARGE	TOTAL DISTRIBUTION REVENUE
(A) REVENUE AT MARR WITHOUT TAXES	\$	746,680.69 0.429	\$	992,729.36 0.571	\$ 1,739,410.05
(B) ALLOCATED TAX REVENUE REQUIREMENT	\$	108,841.73	\$	144,707.61	\$ 253,549.34
(C) TARGETED BASE WITH TAXES (A) +(B)	\$	855,522.42	\$	1,137,436.97	\$ 1,992,959.39

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STREET LIGHTING

		VARIABLE REVENUE		SERVICE CHARGE	TOTAL DISTRIBUTION REVENUE
(A) REVENUE AT MARR WITHOUT TAXES	\$	16,840.61	\$	22,389.99	\$ 39,230.60
		0.429		0.571	
(B) ALLOCATED TAX REVENUE REQUIREMENT	\$	2,454.81	\$	3,263.73	\$ 5,718.54
(C) TARGETED BASE WITH TAXES (A) +(B)	\$	19,295.43	\$	25,653.72	\$ 44,949.15
(D) RETAIL KW		6,024			
(E) NUMBER OF CONNECTIONS				3604	
(F) DISTRIBUTION KW RATE (\$/KW) (C)/(D)		\$3.2031			
(G) MONTHLY SERVICE CHARGE (C)/(E)/12 (PER CONNECTION)				\$0.5932	

LARGE USE

		VARIABLE REVENUE		SERVICE CHARGE	TOTAL DISTRIBUTION REVENUE
(A) REVENUE AT MARR WITHOUT TAXES		#DIV/0!		#DIV/0!	#DIV/0!
		#DIV/0!		#DIV/0!	
(B) ALLOCATED TAX REVENUE REQUIREMENT		#DIV/0!		#DIV/0!	#DIV/0!
(C) TARGETED BASE WITH TAXES (A) +(B)		#DIV/0!		#DIV/0!	#DIV/0!
(D) RETAIL KW		0			
(E) NUMBER OF CUSTOMERS				0	
(F) DISTRIBUTION KW RATE (\$/KW) (C)/(D)		#DIV/0!			
(G) MONTHLY SERVICE CHARGE (C)/(E)/12				#DIV/0!	

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SHEET 10 - RATE SUMMARY MARR (WITH TAXES)

NAME OF UTILITY Halton Hills Hydro Inc.
LICENCE NUMBER ED - 1999 - 0290
DATE 23-Nov-00
VERSION NUMBER FINAL
NAME OF CONTACT David J. Smelsky, CMA
PHONE NUMBER (519) 853-3700 ext. 225

SUMMARY TABLE OF RATES AND CHARGES WITH MARR AFTER MARKET OPENING AND BEFORE SENSITIVITY ANALYSIS

	DISTRIBUTION KW RATE	DISTRIBUTION KWH RATE	MONTHLY SERVICE CHARGE (add meter charge if applicable)	COST OF POWER KW RATE	COST OF POWER KWH RATE	COST OF POWER TIME OF USE RATES							
						WINTER PEAK (KW)	SUMMER PEAK (KW)	WINTER PEAK(KWH)	WINTER OFF PEAK (KWH)	SUMMER PEAK (KWH)	SUMMER OFF PEAK (KWH)		
RESIDENTIAL													
GENERAL SERVICE < 50 KW													
GENERAL SERVICE > 50 KW (NON TIME OF USE)													
GENERAL SERVICE TIME OF USE > 50 KW													
GENERAL SERVICE INTERMEDIATE USE													
LARGE USE													
SENTINEL LIGHTS (NON TIME OF USE) *													
OR													
SENTINEL LIGHTS (TIME OF USE) *													
STREET LIGHTING (NON TIME OF USE) *													
OR													
STREET LIGHTING (TIME OF USE) *													
SERVICE CHARGE IS PER CONNECTION													

TOTAL	30000	\$ 2,310.00	TOTAL	\$ 2,523.75	\$ 213.75	9.3%
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GENERAL SERVICE < 50 KW

ENTER DESIRED CONSUMPTION LEVEL

CURRENT BILL	KW	RATE \$/KW	CHARGE \$	NEW BILL AFTER MARR	RATE \$/KW	CHARGE \$	IMPACT DOLLARS	IMPACT
Monthly Consumption 28.80kW, 17680kWh								
Actual sample July 31/00								
SERVICE CHARGE			\$ -					
1ST BLOCK 50 KW	28.8	0.0000	\$ -	DISTRIBUTION KW		\$ -		
2ND BLOCK	0							
BALANCE	0	5.3000	\$ -					
	28.8 \$/KWH							
1ST BLOCK 250 KWH	250	0.1130	\$ 28.25	COST OF POWER KWH	17680	0.0673	\$ 1,190.64	
NEXT BLOCK 12250	12250	0.0780	\$ 955.50					
				MONTHLY DISTRIBUTION CHARGE		\$ 27.96		
NEXT BLOCK BALANCE	5180	0.0571	\$ 295.78	DISTRIBUTION KWH	17680	0.0096	\$ 170.21	
TOTAL	17680		\$ 1,279.53	TOTAL		\$ 1,388.82	\$ 109.29	8.5%

MONTHLY CONSUMPTION 18 KW 6,700 KWH

Sample #2 Actual Customer Sept 6/00

CURRENT BILL	KW	RATE \$/KW	CHARGE \$	NEW BILL AFTER MARR	RATE \$/KW	CHARGE \$	IMPACT DOLLARS	IMPACT
SERVICE CHARGE			\$ -					
1ST BLOCK 50 KW	18	0.0000	\$ -	DISTRIBUTION KW		\$ -		
2ND BLOCK	0							
BALANCE	0	5.3000	\$ -					
	18 \$/KWH							
1ST BLOCK 250 KWH	250	0.1130	\$ 28.25	COST OF POWER KWH	6700	0.0673	\$ 451.21	
NEXT BLOCK 12250	6450	0.0780	\$ 503.10					
				MONTHLY DISTRIBUTION CHARGE		\$ 27.96		
NEXT BLOCK BALANCE	0	0.0000	\$ -	DISTRIBUTION KWH	6700	0.0096	\$ 64.50	
	0	0.0571	\$ -					
TOTAL	6700		\$ 531.35	TOTAL		\$ 543.67	\$ 12.32	2.3%

MONTHLY CONSUMPTION 20.10 KW, 6,240 KWH

Sample #3 Actual Customer June 13/00

CURRENT BILL	KW	RATE \$/KW	CHARGE \$	NEW BILL AFTER MARR	RATE \$/KW	CHARGE \$	IMPACT DOLLARS	IMPACT
SERVICE CHARGE			\$ -					
1ST BLOCK 50 KW	20.1	0.0000	\$ -	DISTRIBUTION KW		\$ -		
2ND BLOCK	0							
BALANCE	0	5.3000	\$ -					
	20.1 \$/KWH							
1ST BLOCK 250 KWH	250	0.1130	\$ 28.25	COST OF POWER KWH	6240	0.0673	\$ 420.23	
NEXT BLOCK 12250	5990	0.0780	\$ 467.22					
				MONTHLY DISTRIBUTION CHARGE		\$ 27.96		
NEXT BLOCK BALANCE	0	0.0000	\$ -	DISTRIBUTION KWH	6240	0.0096	\$ 60.07	
	0	0.0571	\$ -					
TOTAL	6240		\$ 495.47	TOTAL		\$ 508.26	\$ 12.79	2.6%

GENERAL SERVICE > 50 KW

ENTER DESIRED CONSUMPTION LEVEL

CURRENT BILL	KW	RATE \$/KW	CHARGE \$	NEW BILL AFTER MARR	RATE \$/KW	CHARGE \$	IMPACT DOLLARS	IMPACT
Monthly Consumption 792kW 149760kWh								
Sample Actual Customer								
SERVICE CHARGE			\$ -					
1ST BLOCK 50 KW	50	0.0000	\$ -	COST OF POWER KW	792	6.7272	\$ 5,327.93	
2ND BLOCK	0	0.0000	\$ -	DISTRIBUTION KW	792	2.0888	\$ 1,654.32	
BALANCE	742	5.3000	\$ 3,932.60					
	792 \$/KWH							
1ST BLOCK 250 KWH	250	0.1130	\$ 28.25	COST OF POWER KWH	137260	0.0450	\$ 6,173.06	
NEXT BLOCK 12250	12250	0.0780	\$ 955.50					
				MONTHLY DISTRIBUTION CHARGE		\$711.04		
NEXT BLOCK BALANCE	0	0.0000	\$ -					
	137260	0.0571	\$ 7,837.55					
TOTAL			\$ 12,753.90	TOTAL		\$ 13,866.35	\$ 1,112.45	8.7%

MONTHLY CONSUMPTION 100KW,20000KWH

CURRENT BILL	KW	RATE \$/KW	CHARGE \$	NEW BILL AFTER MARR	RATE \$/KW	CHARGE \$	IMPACT DOLLARS	IMPACT
SERVICE CHARGE			\$ -					
1ST BLOCK 50 KW	50	0.0000	\$ -	COST OF POWER KW	100	6.7272	\$ 672.72	
2ND BLOCK	0	0.0000	\$ -	DISTRIBUTION KW	100	2.0888	\$ 208.88	
BALANCE	50	5.3000	\$ 265.00					
	100 \$/KWH							
1ST BLOCK 250 KWH	250	0.1130	\$ 28.25	COST OF POWER KWH	20000	0.0450	\$ 899.47	
NEXT BLOCK 12250	12250	0.0780	\$ 955.50					

TOTAL		250000	\$ 16,930.00		TOTAL		\$ 16,362.40		\$ (567.60)		-3.4%		
MONTHLY CONSUMPTION 1000KW,100000KWH													
CURRENT BILL		KW	RATE \$/KW	CHARGE \$	NEW BILL AFTER MARR		RATE \$/KW	CHARGE \$	IMPACT DOLLARS	IMPACT			
SERVICE CHARGE				\$ -									
1ST BLOCK 50 KW		50	0.0000	\$ -	COST OF POWER KW		1000	6.7272	\$ 6,727.18				
2ND BLOCK			0.0000	\$ -	DISTRIBUTION KW		1000	2.0888	\$ 2,088.79				
BALANCE		950	5.3000	\$ 5,035.00									
		1000	\$/KWH										
1ST BLOCK 250 KWH		250	0.1130	\$ 28.25	COST OF POWER KWH		100000	0.0450	\$ 4,497.35				
NEXT BLOCK 12250		12250	0.0780	\$ 955.50	MONTHLY DISTRIBUTION CHARGE			\$711.04					
NEXT BLOCK BALANCE		87500	0.0571	\$ 4,996.25									
TOTAL		100000		\$ 11,015.00	TOTAL			\$ 14,024.36	\$ 3,009.36	27.3%			
MONTHLY CONSUMPTION 1000KW,300000KWH													
CURRENT BILL		KW	RATE \$/KW	CHARGE \$	NEW BILL AFTER MARR		RATE \$/KW	CHARGE \$	IMPACT DOLLARS	IMPACT			
SERVICE CHARGE				\$ -									
1ST BLOCK 50 KW		50	0.0000	\$ -	COST OF POWER KW		1000	6.7272	\$ 6,727.18				
2ND BLOCK			0.0000	\$ -	DISTRIBUTION KW		1000	2.0888	\$ 2,088.79				
BALANCE		950	5.3000	\$ 5,035.00									
		1000	\$/KWH										
1ST BLOCK 250 KWH		250	0.1130	\$ 28.25	COST OF POWER KWH		300000	0.0450	\$ 13,492.05				
NEXT BLOCK 12250		12250	0.0780	\$ 955.50	MONTHLY DISTRIBUTION CHARGE			\$711.04					
NEXT BLOCK BALANCE		287500	0.0571	\$ 16,416.25									
TOTAL		300000		\$ 22,435.00	TOTAL			\$ 23,019.05	\$ 584.05	2.6%			
MONTHLY CONSUMPTION 1000KW,500000KWH													
CURRENT BILL		KW	RATE \$/KW	CHARGE \$	NEW BILL AFTER MARR		RATE \$/KW	CHARGE \$	IMPACT DOLLARS	IMPACT			
SERVICE CHARGE				\$ -									
1ST BLOCK 50 KW		50	0.0000	\$ -	COST OF POWER KW		1000	6.7272	\$ 6,727.18				
2ND BLOCK			0.0000	\$ -	DISTRIBUTION KW		1000	2.0888	\$ 2,088.79				
BALANCE		950	5.3000	\$ 5,035.00									
		1000	\$/KWH										
1ST BLOCK 250 KWH		250	0.1130	\$ 28.25	COST OF POWER KWH		500000	0.0450	\$ 22,486.74				
NEXT BLOCK 12250		12250	0.0780	\$ 955.50	MONTHLY DISTRIBUTION CHARGE			\$711.04					
NEXT BLOCK BALANCE		487500	0.0571	\$ 27,836.25									
TOTAL		500000		\$ 33,855.00	TOTAL			\$ 32,013.75	\$ (1,841.25)	-5.4%			
GENERAL SERVICE >50 KW TIME OF USE													
CURRENT BILL				0.0000	UNBUNDLED BILL								
ENTER DESIRED CONSUMPTION LEVELS		SERVICE CHARGE					RATE \$/KW	CHARGE \$	IMPACT DOLLARS	IMPACT			
Actual Customer Winter Bill		KW	RATE \$/KW	CHARGE \$									
WINTER FIRST 50 KW		50	0.0000	\$ -	COST OF POWER								
WINTER SECOND BLOCK			0.0000	\$ -	WINTER PEAK		1277.1	9.1110	\$ 11,635.66				
WINTER BALANCE BLOCK		1227.1	5.5120	\$ 6,763.78									
		1277.1	\$/KWH										
WINTER FIRST 50kW		250	0.1580	\$ 39.50	WINTER PEAK		92408.58	0.0634	\$ 5,855.41				
WINTER PEAK NEXT BLOCK		6625	0.1288	\$ 853.30	WINTER OFF PEAK		292446.99	0.0349	\$ 10,193.41				
WINTER PEAK NEXT BLOCK		0	0.0885	\$ -	DISTRIBUTION KW		1277.1	2.0888	\$ 2,667.59				
WINTER BALANCE BLOCK		85533.58	0.0885	\$ 7,569.72	MONTHLY SERVICE CHARGE			711.04					
WINTER OFF PEAK ALL		292446.99	0.0359	\$ 10,498.85									
TOTAL		384855.57		\$ 25,725.14	TOTAL			\$ 31,063.11	\$ 5,337.97	20.8%			
CURRENT BILL				0.0000	UNBUNDLED BILL								
SERVICE CHARGE							RATE \$/KW	CHARGE \$	IMPACT DOLLARS	IMPACT			
SUMMER FIRST 50 KW		50	0.0000	\$ -	COST OF POWER								
Sample Customer Summer Bill													

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		\$/KW	\$			\$/KW	\$			DOLLARS	
WINTER PEAK	3000	0.0000	\$	-							
		\$/KWH			COST OF POWER KW:						
WINTER PEAK	500,000	0.0000	\$	-	WINTER PEAK	3000	#DIV/0!	#DIV/0!			
WINTER OFF PEAK	500,000	0.0000	\$	-	DISTRIBUTION KW	3000	#DIV/0!	#DIV/0!			
					COST OF POWER KWH:						
					WINTER PEAK	500000	#DIV/0!	#DIV/0!			
					WINTER OFF PEAK	500000	#DIV/0!	#DIV/0!			
					MONTHLY DISTRIBUTION CHARGE						
TOTAL			\$	-	TOTAL		#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	
CURRENT BILL	KW	RATE	CHARGE		NEW BILL AFTER MARR	RATE	CHARGE		IMPACT	IMPACT	
		\$/KW	\$			\$/KW	\$		DOLLARS		
SUMMER PEAK	3000	0.0000	\$	-	COST OF POWER KW:						
		\$/KWH			SUMMER PEAK	3000	#DIV/0!	#DIV/0!			
SUMMER PEAK	500,000	0.0000	\$	-	DISTRIBUTION KW	3000	#DIV/0!	#DIV/0!			
SUMMER OFF PEAK	500,000	0.0000	\$	-							
					COST OF POWER KWH:						
					SUMMER PEAK	500000	#DIV/0!	#DIV/0!			
					SUMMER OFF PEAK	500000	#DIV/0!	#DIV/0!			
					MONTHLY DISTRIBUTION CHARGE						
TOTAL			\$	-	TOTAL		#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	
MONTHLY CONSUMPTION 3000 KW, 1.5 MILL K	CURRENT BILL	KW	RATE	CHARGE	NEW BILL AFTER MARR	RATE	CHARGE		IMPACT	IMPACT	
			\$/KW	\$		\$/KW	\$		DOLLARS		
					COST OF POWER KW:						
WINTER PEAK	3000	0.0000	\$	-	WINTER PEAK	3000	#DIV/0!	#DIV/0!			
		\$/KWH			DISTRIBUTION KW	3000	#DIV/0!	#DIV/0!			
WINTER PEAK	750,000	0.0000	\$	-	COST OF POWER KWH:						
WINTER OFF PEAK	750,000	0.0000	\$	-	WINTER PEAK	750000	#DIV/0!	#DIV/0!			
					WINTER OFF PEAK	750000	#DIV/0!	#DIV/0!			
					MONTHLY DISTRIBUTION CHARGE						
TOTAL			\$	-	TOTAL		#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	
	CURRENT BILL	KW	RATE	CHARGE	NEW BILL AFTER MARR	RATE	CHARGE		IMPACT	IMPACT	
			\$/KW	\$		\$/KW	\$		DOLLARS		
SUMMER PEAK	3000	0.0000	\$	-	COST OF POWER KW:						
		\$/KWH			SUMMER PEAK	3000	#DIV/0!	#DIV/0!			
SUMMER PEAK	750,000	0.0000	\$	-	DISTRIBUTION KW	3000	#DIV/0!	#DIV/0!			
SUMMER OFF PEAK	750,000	0.0000	\$	-							
					COST OF POWER KWH:						
					SUMMER PEAK	750000	#DIV/0!	#DIV/0!			
					SUMMER OFF PEAK	750000	#DIV/0!	#DIV/0!			
					MONTHLY DISTRIBUTION CHARGE						
TOTAL			\$	-	TOTAL		#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	
LARGE USE											
ENTER DESIRED CONSUMPTION LEVEL	CURRENT BILL	KW	RATE	CHARGE	NEW BILL AFTER MARR	RATE	CHARGE		IMPACT	IMPACT	
			\$/KW	\$		\$/KW	\$		DOLLARS		
					COST OF POWER KW:						
WINTER PEAK		0.0000	\$	-	WINTER PEAK		#DIV/0!	#DIV/0!			
		\$/KWH			DISTRIBUTION KW		#DIV/0!	#DIV/0!			
WINTER PEAK		0.0000	\$	-	COST OF POWER KWH:						
WINTER OFF PEAK		0.0000	\$	-	WINTER PEAK		#DIV/0!	#DIV/0!			
					WINTER OFF PEAK		#DIV/0!	#DIV/0!			
					MONTHLY DISTRIBUTION CHARGE						
TOTAL			\$	-	TOTAL		#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	
	CURRENT BILL	KW	RATE	CHARGE	UNBUNDLED BILL	RATE	CHARGE		IMPACT	IMPACT	
			\$/KW	\$		\$/KW	\$		DOLLARS		
SUMMER PEAK		0.0000	\$	-	COST OF POWER KW:						
		\$/KWH			SUMMER PEAK		#DIV/0!	#DIV/0!			
SUMMER PEAK		0.0000	\$	-	DISTRIBUTION KW		#DIV/0!	#DIV/0!			
SUMMER OFF PEAK		0.0000	\$	-							
					COST OF POWER KWH:						
					SUMMER PEAK		#DIV/0!	#DIV/0!			
					WINTER OFF PEAK		#DIV/0!	#DIV/0!			
					MONTHLY DISTRIBUTION CHARGE						
					TOTAL		#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	

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CURRENT BILL				UNBUNDLED BILL				IMPACT	
	KW	RATE \$/KW	CHARGE \$		RATE \$/KW	CHARGE \$		DOLLARS	
SUMMER PEAK		5000	0.0000 \$ -	COST OF POWER KW: SUMMER PEAK	5000	#DIV/0!	#DIV/0!		
		\$/KWH							
SUMMER PEAK		750,000	0.0000 \$ -	DISTRIBUTION KW	5000	#DIV/0!	#DIV/0!		
SUMMER OFF PEAK		750,000	0.0000 \$ -						
				COST OF POWER KWH: SUMMER PEAK	750,000	#DIV/0!	#DIV/0!		
				SUMMER OFF PEAK	750,000	#DIV/0!	#DIV/0!		
				MONTHLY DISTRIBUTION CHARGE		#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
TOTAL			\$ -	TOTAL		#DIV/0!	#DIV/0!		

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			\$/KWH	\$		\$/KWH	\$		DOLLARS
MONTHLY CONSUMPTION OF 2000 KWH	SERVICE CHARGE			\$ -	COST OF POWER	2000	0.0684	\$ 136.88	
	FIRST 250 KWH	250	0.1130	\$ 28.25	MONTHLY DISTRIBUTION CHARGE			\$ 7.88	
	BALANCE	1750	0.0730	\$ 127.75	DISTRIBUTION KWH	2000	0.0058	\$ 11.55	
	TOTAL	2000		\$ 156.00	TOTAL			\$ 156.31	\$ 0.31 0.2%
		KWH	RATE \$/KWH	CHARGE \$		KWH	RATE \$/KWH	CHARGE \$	IMPACT DOLLARS
ANNUAL CONSUMPTION OF 20000 KWH	SERVICE CHARGE			\$ -	COST OF POWER	20000	0.0684	\$ 1,368.77	
	FIRST 250 KWH	3000	0.1130	\$ 339.00	ANNUAL DISTRIBUTION CHARGE			\$ 94.51	
	BALANCE	17000	0.0730	\$ 1,241.00	DISTRIBUTION KWH	20000	0.0058	\$ 115.54	
	TOTAL	20000		\$ 1,580.00	TOTAL			\$ 1,578.83	\$ (1.17) -0.1%
		KWH	RATE \$/KWH	CHARGE \$		KWH	RATE \$/KWH	CHARGE \$	IMPACT DOLLARS
ANNUAL CONSUMPTION OF 30000 KWH	SERVICE CHARGE			\$ -	COST OF POWER	30000	0.0684	\$ 2,053.16	
	FIRST 250 KWH	3000	0.1130	\$ 339.00	ANNUAL DISTRIBUTION CHARGE			\$ 94.51	
	BALANCE	27000	0.0730	\$ 1,971.00	DISTRIBUTION KWH	30000	0.0058	\$ 173.32	
	TOTAL	30000		\$ 2,310.00	TOTAL			\$ 2,320.99	\$ 10.99 0.5%
		KWH	RATE \$/KWH	CHARGE \$		KWH	RATE \$/KWH	CHARGE \$	IMPACT DOLLARS

GENERAL SERVICE <50 KW

(A) DISTRIBUTION REVENUE	VARIABLE REVENUE	SERVICE CHARGE	TOTAL REVENUE
			\$ 439,811.54
(B) CHOSEN REVENUE SHARES	0.4000	0.6000	
(C) RE-ALLOCATED REVENUE (A)*(B)	\$ 175,924.61	\$ 263,886.92	\$ 439,811.54
(D) RETAIL KWH	33,449,509		
(E) NUMBER OF CUSTOMERS		1276	
(F) DISTRIBUTION KWH RATE (\$/KWH) (C)/(D)	\$0.0053		
(G) MONTHLY SERVICE CHARGE (C)/(E)/12		\$17.2340	

ENTER DESIRED CONSUMPTION LEVEL

	CURRENT BILL	KW	RATE \$/KW	CHARGE \$	UNBUNDLED BILL	RATE \$/KW	CHARGE \$	IMPACT DOLLARS	IMPACT
Monthly Consumption 28.80kW, 17680kWh	SERVICE CHARGE			REQUIREMENT					
Actual sample July 31/00	1ST BLOCK 50 KW	28.8	0.0000	\$ -	DISTRIBUTION KW	0	\$ -	\$ -	
	2ND BLOCK BALANCE	0	5.3000	\$ -		\$/KWH			
	1ST BLOCK 250 KWH	250	0.1130	\$ 28.25	COST OF POWER KWH	17680	0.0673	\$ 1,190.64	
	NEXT BLOCK 12250	12250	0.0780	\$ 955.50	MONTHLY DISTRIBUTION CHARGE			\$17.2340	
	NEXT BLOCK			\$ -	DISTRIBUTION KWH	17680	0.0053	\$ 92.99	
	BALANCE	5180	0.0571	\$ 295.78	TOTAL			\$ 1,300.86	\$ 21.34 1.7%
	TOTAL	17680		\$ 1,279.53					

MONTHLY CONSUMPTION 18 KW, 6700 KWH

Sample #2 Actual Customer June 13/00

	CURRENT BILL	KW	RATE \$/KW	CHARGE \$	UNBUNDLED BILL	RATE \$/KW	CHARGE \$	IMPACT DOLLARS	IMPACT
	SERVICE CHARGE			\$ -					
	1ST BLOCK 50 KW	18	0.0000	\$ -	DISTRIBUTION KW	0	\$ -	\$ -	
	2ND BLOCK BALANCE	0	5.3000	\$ -		\$/KWH			
	1ST BLOCK 250 KWH	250	0.1130	\$ 28.25	COST OF POWER KWH	6700	0.0673	\$ 451.21	
	NEXT BLOCK 12250	6450	0.0780	\$ 503.10	MONTHLY DISTRIBUTION CHARGE			\$ 17.23	
	NEXT BLOCK			\$ -	DISTRIBUTION KWH	6700	0.0053	\$ 35.24	
	BALANCE		0.0571	\$ -	TOTAL			\$ 503.68	\$ (27.67) -5.2%
	TOTAL	6700		\$ 531.35					

MONTHLY CONSUMPTION 20.10 KW, 6240 KWH

Sample #3 Actual Customer June 13/00

	CURRENT BILL	KW	RATE \$/KW	CHARGE \$	UNBUNDLED BILL	RATE \$/KW	CHARGE \$	IMPACT DOLLARS	IMPACT
	SERVICE CHARGE			\$ -					
	1ST BLOCK 50 KW	20.1	0.0000	\$ -	DISTRIBUTION KW	0	\$ -	\$ -	
	2ND BLOCK BALANCE	0	5.3000	\$ -		\$/KWH			
	1ST BLOCK 250 KWH	250	0.1130	\$ 28.25	COST OF POWER KWH	6240	0.0673	\$ 420.23	

DISTRIBUTION DATE
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MONTHLY CONSUMPTION 500KW,150000KWH

NEXT BLOCK		0.0000	\$ -
BALANCE	27500	0.0571	\$ 1,570.25
TOTAL	40000		\$ 2,819.00

MONTHLY DISTRIBUTION CHARGE	\$ 438.25		
TOTAL	\$ 3,024.02	\$ 205.02	7.3%

MONTHLY CONSUMPTION 500KW,200000KWH

CURRENT BILL	KW	RATE \$/KW	CHARGE \$
SERVICE CHARGE			\$ -
1ST BLOCK 50 KW	50	0.0000	\$ -
2ND BLOCK BALANCE	450	0.0000	\$ -
	500	5.3000	\$ 2,385.00
1ST BLOCK 250 KWH	250	0.1130	\$ 28.25
NEXT BLOCK 12250	12250	0.0780	\$ 955.50
NEXT BLOCK BALANCE	137500	0.0000	\$ -
		0.0571	\$ 7,851.25
TOTAL	150000		\$ 11,220.00

UNBUNDLED BILL	RATE \$/KW	CHARGE \$	IMPACT DOLLARS	IMPACT
COST OF POWER KW	500	6.7272	\$ 3,363.59	
DISTRIBUTION KW	500	1.1411	\$ 570.55	
		\$/KWH		
COST OF POWER KWH	150000	0.0450	\$ 6,746.02	
MONTHLY DISTRIBUTION CHARGE			\$ 438.25	
TOTAL			\$ 11,118.41	\$ (101.59) -0.9%

MONTHLY CONSUMPTION 500KW,250000KWH

CURRENT BILL	KW	RATE \$/KW	CHARGE \$
SERVICE CHARGE			\$ -
1ST BLOCK 50 KW	50	0.0000	\$ -
2ND BLOCK BALANCE	450	0.0000	\$ -
	500	5.3000	\$ 2,385.00
1ST BLOCK 250 KWH	250	0.1130	\$ 28.25
NEXT BLOCK 12250	12250	0.0780	\$ 955.50
NEXT BLOCK BALANCE	187500	0.0000	\$ -
		0.0571	\$ 10,706.25
TOTAL	200000		\$ 14,075.00

UNBUNDLED BILL	RATE \$/KW	CHARGE \$	IMPACT DOLLARS	IMPACT
COST OF POWER KW	500	6.7272	\$ 3,363.59	
DISTRIBUTION KW	500	1.1411	\$ 570.55	
		\$/KWH		
COST OF POWER KWH	200000	0.0450	\$ 8,994.70	
MONTHLY DISTRIBUTION CHARGE			\$ 438.25	
TOTAL			\$ 13,367.09	\$ (707.91) -5.0%

MONTHLY CONSUMPTION 1000KW,100000KWH

CURRENT BILL	KW	RATE \$/KW	CHARGE \$
SERVICE CHARGE			\$ -
1ST BLOCK 50 KW	50	0.0000	\$ -
2ND BLOCK BALANCE	450	0.0000	\$ -
	1000	5.3000	\$ 5,035.00
1ST BLOCK 250 KWH	250	0.1130	\$ 28.25
NEXT BLOCK 12250	12250	0.0780	\$ 955.50
NEXT BLOCK BALANCE	237500	0.0000	\$ -
		0.0571	\$ 13,561.25
TOTAL	250000		\$ 16,930.00

UNBUNDLED BILL	RATE \$/KW	CHARGE \$	IMPACT DOLLARS	IMPACT
COST OF POWER KW	500	6.7272	\$ 3,363.59	
DISTRIBUTION KW	500	1.1411	\$ 570.55	
		\$/KWH		
COST OF POWER KWH	250000	0.0450	\$ 11,243.37	
MONTHLY DISTRIBUTION CHARGE			\$ 438.25	
TOTAL			\$ 15,615.76	\$ (1,314.24) -7.8%

MONTHLY CONSUMPTION 1000 KW,300000KWH

CURRENT BILL	KW	RATE \$/KW	CHARGE \$
SERVICE CHARGE			\$ -
1ST BLOCK 50 KW	50	0.0000	\$ -
2ND BLOCK BALANCE	950	0.0000	\$ -
	1000	5.3000	\$ 5,035.00
1ST BLOCK 250 KWH	250	0.1130	\$ 28.25
NEXT BLOCK 12250	12250	0.0780	\$ 955.50
NEXT BLOCK BALANCE	87500	0.0000	\$ -
		0.0571	\$ 4,996.25
TOTAL	100000		\$ 11,015.00

UNBUNDLED BILL	RATE \$/KW	CHARGE \$	IMPACT DOLLARS	IMPACT
COST OF POWER KW	1000	6.7272	\$ 6,727.18	
DISTRIBUTION KW	1000	1.1411	\$ 1,141.10	
		\$/KWH		
COST OF POWER KWH	100000	0.0450	\$ 4,497.35	
MONTHLY DISTRIBUTION CHARGE			\$ 438.25	
TOTAL			\$ 12,803.88	\$ 1,788.88 16.2%

DISTRIBUTION DATE
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TOTAL \$ 9,415.00 TOTAL \$ 12,225.62 \$ 2,810.62 29.9%

INTERMEDIATE USE

VARIABL
REVENU SERVICE CHARG TOTAL REVENUE

(A) DISTRIBUTION REVENUE \$ -

(B) CHOSEN REVENUE SHARES 0.400 0.600

(C) RE-ALLOCATED REVENUE (A)*(B) \$ - \$ - \$ -

(D) RETAIL KW 0 0

(F) DISTRIBUTION KW RATE (\$/KW) (C)/(D)

(G) MONTHLY SERVICE CHARGE (C)/(E)/12

ENTER DESIRED CONSUMPTION LEVEL

CURRENT BILL	KW	RATE \$/KW	CHARGE \$	UNBUNDLED BILL	RATE \$/KW	CHARGE \$	IMPACT DOLLARS	IMPACT
WINTER PEAK			0.0000 \$ -	COST OF POWER KW:				
		\$/KWH		WINTER PEAK	#DIV/0!	#DIV/0!		
WINTER PEAK			0.0000 \$ -	DISTRIBUTION KW	#DIV/0!	#DIV/0!		
WINTER OFF PEAK			0.0000 \$ -	COST OF POWER KWH:				
				WINTER PEAK	#DIV/0!	#DIV/0!		
				WINTER OFF PEAK	#DIV/0!	#DIV/0!		
				MONTHLY DISTRIBUTION CHARGE				
				TOTAL	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!

CURRENT BILL	KW	RATE \$/KW	CHARGE \$	UNBUNDLED BILL	RATE \$/KW	CHARGE \$	IMPACT DOLLARS	IMPACT
SUMMER PEAK			0.0000 \$ -	COST OF POWER KW:				
		\$/KWH		SUMMER PEAK	#DIV/0!	#DIV/0!		
SUMMER PEAK			0.0000 \$ -	DISTRIBUTION KW	#DIV/0!	#DIV/0!		
SUMMER OFF PEAK			0.0000 \$ -	COST OF POWER KWH:				
				SUMMER PEAK	#DIV/0!	#DIV/0!		
				SUMMER OFF PEAK	#DIV/0!	#DIV/0!		
				MONTHLY DISTRIBUTION CHARGE				
				TOTAL	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!

MONTHLY CONSUMPTION 3000 KW, 500,000 KWH

CURRENT BILL	KW	RATE \$/KW	CHARGE \$	UNBUNDLED BILL	RATE \$/KW	CHARGE \$	IMPACT DOLLARS	IMPACT
WINTER PEAK	3000		0.0000 \$ -	COST OF POWER KW:				
		\$/KWH		WINTER PEAK	3000 #DIV/0!	#DIV/0!		
WINTER PEAK	250,000		0.0000 \$ -	DISTRIBUTION KW	3000 #DIV/0!	#DIV/0!		
WINTER OFF PEAK	250,000		0.0000 \$ -	COST OF POWER KWH:				
				WINTER PEAK	250000 #DIV/0!	#DIV/0!		
				WINTER OFF PEAK	250000 #DIV/0!	#DIV/0!		
				MONTHLY DISTRIBUTION CHARGE				
				TOTAL	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!

CURRENT BILL	KW	RATE \$/KW	CHARGE \$	UNBUNDLED BILL	RATE \$/KW	CHARGE \$	IMPACT DOLLARS	IMPACT
SUMMER PEAK	3000		0.0000 \$ -	COST OF POWER KW:				
		\$/KWH		SUMMER PEAK	3000 #DIV/0!	#DIV/0!		
SUMMER PEAK	250,000		0.0000 \$ -	DISTRIBUTION KW	3000 #DIV/0!	#DIV/0!		
SUMMER OFF PEAK	250,000		0.0000 \$ -	COST OF POWER KWH:				
				SUMMER PEAK	250000 #DIV/0!	#DIV/0!		
				SUMMER OFF PEAK	250000 #DIV/0!	#DIV/0!		
				MONTHLY DISTRIBUTION CHARGE				
				TOTAL	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!

DISTRIBUTION DATE
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ENTER DESIRED CONSUMPTION LEVEL	CURRENT BILL			CHARGE	UNBUNDLED BILL			IMPACT	IMPACT
	KW	RATE \$/KW			RATE \$/KW	CHARGE \$			
				\$				DOLLARS	
WINTER PEAK			0.0000	\$ -	COST OF POWER KW:				
		\$/KWH							
WINTER PEAK			0.0000	\$ -	WINTER PEAK	#DIV/0!	#DIV/0!		
WINTER OFF PEAK			0.0000	\$ -					
					DISTRIBUTION KW	#DIV/0!	#DIV/0!		
					COST OF POWER KWH:				
					WINTER PEAK	#DIV/0!	#DIV/0!		
					WINTER OFF PEAK	#DIV/0!	#DIV/0!		
					MONTHLY DISTRIBUTION CHARGE	#DIV/0!	#DIV/0!		
TOTAL				\$ -	TOTAL	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
					COST OF POWER KW:				
SUMMER PEAK			0.0000	\$ -	SUMMER PEAK	#DIV/0!	#DIV/0!		
		\$/KWH							
SUMMER PEAK			0.0000	\$ -	DISTRIBUTION KW	#DIV/0!	#DIV/0!		
SUMMER OFF PEAK			0.0000	\$ -					
					COST OF POWER KWH:				
					SUMMER PEAK	#DIV/0!	#DIV/0!		
					SUMMER OFF PEAK	#DIV/0!	#DIV/0!		
					MONTHLY DISTRIBUTION CHARGE	#DIV/0!	#DIV/0!		
TOTAL				\$ -	TOTAL	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
					COST OF POWER KW:				
MONTHLY CONSUMPTION 5000 KW, 0.5 MILL KWH									
					WINTER PEAK	5000 #DIV/0!	#DIV/0!		
WINTER PEAK	5000		0.0000	\$ -					
		\$/KWH			DISTRIBUTION KW	5000 #DIV/0!	#DIV/0!		
WINTER PEAK	250,000		0.0000	\$ -					
WINTER OFF PEAK	250,000		0.0000	\$ -	COST OF POWER KWH:				
					WINTER PEAK	250,000 #DIV/0!	#DIV/0!		
					WINTER OFF PEAK	250,000 #DIV/0!	#DIV/0!		
					MONTHLY DISTRIBUTION CHARGE	#DIV/0!	#DIV/0!		
TOTAL				\$ -	TOTAL	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
					COST OF POWER KW:				
MONTHLY CONSUMPTION 5000 KW, 0.5 MILL KWH					SUMMER PEAK	5000 #DIV/0!	#DIV/0!		
SUMMER PEAK	5000		0.0000	\$ -	DISTRIBUTION KW	5000 #DIV/0!	#DIV/0!		
		\$/KWH							
SUMMER PEAK	250,000		0.0000	\$ -					
SUMMER OFF PEAK	250,000		0.0000	\$ -	COST OF POWER KWH:				
					SUMMER PEAK	250,000 #DIV/0!	#DIV/0!		
					SUMMER OFF PEAK	250,000 #DIV/0!	#DIV/0!		
					MONTHLY DISTRIBUTION CHARGE	#DIV/0!	#DIV/0!		
TOTAL				\$ -	TOTAL	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
					COST OF POWER KW:				
MONTHLY CONSUMPTION 5000 KW, 1 MILL KWH					WINTER PEAK	5000 #DIV/0!	#DIV/0!		
WINTER PEAK	5000		0.0000	\$ -					
		\$/KWH							
WINTER PEAK	500,000		0.0000	\$ -					
WINTER OFF PEAK	500,000		0.0000	\$ -					

DISTRIBUTION DATE
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(F) DISTRIBUTION KW RATE (\$/KW) (C)/(D) #DIV/0!
(G) MONTHLY SERVICE CHARGE (C)/(E)/12 (\$2.5766)

STREET LIGHTING (NON TIME OF USE)

	VARIABL REVENU	SERVICE CHARG	TOTAL REVENUE
(A) DISTRIBUTION REVENUE			\$ 26,352.70
(B) CHOSEN REVENUE SHARES	0.400 0.400	0.600	
(C) RE-ALLOCATED REVENUE (A)*(B)	\$ 10,541.08	\$ 15,811.62	\$ 26,352.70
(D) RETAIL KW	6,024		
(E) NUMBER OF CONNECTIONS		3604	
(F) DISTRIBUTION KW RATE (\$/KW) (C)/(D)	\$1.7498		
(G) MONTHLY SERVICE CHARGE (C)/(E)/12		\$0.3656	

STREET LIGHTING (TIME OF USE)

	VARIABL REVENU	SERVICE CHARG	TOTAL REVENUE
(A) DISTRIBUTION REVENUE			\$ (124,126.82)
(B) CHOSEN REVENUE SHARES	0.400 0.400	0.600	
(C) RE-ALLOCATED REVENUE (A)*(B)	\$ (49,650.73)	\$ (74,476.09)	\$ (124,126.82)
(D) RETAIL KW	0		
(E) NUMBER OF CONNECTIONS		3604	
(F) DISTRIBUTION KW RATE (\$/KW) (C)/(D)	#DIV/0!		
(G) MONTHLY SERVICE CHARGE (C)/(E)/12		(\$1.7221)	

BALANCE					DISTRIBUTION				
TOTAL					KWH				
1750					2000				
0.0730					0.0085				
\$ 127.75					\$ 17.20				
\$ 156.00					\$ 165.80				
TOTAL					TOTAL				
KWH					KWH				
RATE					RATE				
\$/KWH					\$/KWH				
CHARGE					CHARGE				
\$					\$				
IMPACT					IMPACT				
DOLLARS					DOLLARS				
IMPACT					IMPACT				
ANNUAL CONSUMPTION OF 20000 KWH					ANNUAL CONSUMPTION OF 20000 KWH				
SERVICE CHARGE					SERVICE CHARGE				
\$ -					\$ -				
FIRST 250 KWH					FIRST 250 KWH				
3000					3000				
0.1130					0.1130				
\$ 339.00					\$ 339.00				
BALANCE					BALANCE				
17000					17000				
0.0730					0.0730				
\$ 1,241.00					\$ 1,241.00				
TOTAL					TOTAL				
20000					20000				
1.580.00					1.580.00				
KWH					KWH				
RATE					RATE				
\$/KWH					\$/KWH				
CHARGE					CHARGE				
\$					\$				
IMPACT					IMPACT				
DOLLARS					DOLLARS				
IMPACT					IMPACT				
ANNUAL CONSUMPTION OF 30000 KWH					ANNUAL CONSUMPTION OF 30000 KWH				
SERVICE CHARGE					SERVICE CHARGE				
\$ -					\$ -				
FIRST 250 KWH					FIRST 250 KWH				
3000					3000				
0.1130					0.1130				
\$ 339.00					\$ 339.00				
BALANCE					BALANCE				
27000					27000				
0.0730					0.0730				
\$ 1,971.00					\$ 1,971.00				
TOTAL					TOTAL				
30000					30000				
2.310.00					2.310.00				
KWH					KWH				
RATE					RATE				
\$/KWH					\$/KWH				
CHARGE					CHARGE				
\$					\$				
IMPACT					IMPACT				
DOLLARS					DOLLARS				
IMPACT					IMPACT				
GENERAL SERVICE <50 KW					GENERAL SERVICE <50 KW				
VARIABLE REVENUE					VARIABLE REVENUE				
SERVIC					SERVIC				
CHARG					CHARG				
\$					\$				
TOTAL REVENUE					TOTAL REVENUE				
654,736.36					654,736.36				
(A) DISTRIBUTION REVENUE					(A) DISTRIBUTION REVENUE				
0.40					0.40				
(B) CHOSEN REVENUE SHARES					(B) CHOSEN REVENUE SHARES				
261,894.54					261,894.54				
(C) RE-RE-ALLOCATED REVENUE (A)*(B)					(C) RE-RE-ALLOCATED REVENUE (A)*(B)				
33,449,509					33,449,509				
(D) RETAIL KWH					(D) RETAIL KWH				
1278					1278				
(E) NUMBER OF CUSTOMERS					(E) NUMBER OF CUSTOMERS				
\$0.0078					\$0.0078				
(F) DISTRIBUTION KWH RATE (\$/KWH) (C)/(D)					(F) DISTRIBUTION KWH RATE (\$/KWH) (C)/(D)				
\$25.6558					\$25.6558				
(G) MONTHLY SERVICE CHARGE (C)/(E)/12					(G) MONTHLY SERVICE CHARGE (C)/(E)/12				
ENTER DESIRED CONSUMPTION LEVEL					ENTER DESIRED CONSUMPTION LEVEL				
CURRENT BILL					CURRENT BILL				
KW					KW				
RATE					RATE				
\$/KW					\$/KW				
CHARGE					CHARGE				
\$					\$				
REQUIREMENT					REQUIREMENT				
SERVICE CHARGE					SERVICE CHARGE				
1ST BLOCK 50 KW					1ST BLOCK 50 KW				
28.8					28.8				
0.0000					0.0000				
\$ -					\$ -				
2ND BLOCK					2ND BLOCK				
BALANCE					BALANCE				
28.8					28.8				
\$/KWH					\$/KWH				
1ST BLOCK 250 KWH					1ST BLOCK 250 KWH				
250					250				
0.1130					0.1130				
\$ 28.25					\$ 28.25				
NEXT BLOCK 12250					NEXT BLOCK 12250				
12250					12250				
0.0780					0.0780				
\$ 965.50					\$ 965.50				
NEXT BLOCK					NEXT BLOCK				
0.0000					0.0000				
\$ -					\$ -				
BALANCE					BALANCE				
5180					5180				
0.0571					0.0571				
\$ 296.78					\$ 296.78				
TOTAL					TOTAL				
17680					17680				
1,279.53					1,279.53				
KWH					KWH				
RATE					RATE				
\$/KW					\$/KW				
CHARGE					CHARGE				
\$					\$				
IMPACT					IMPACT				
DOLLARS					DOLLARS				
IMPACT					IMPACT				
MONTHLY CONSUMPTION 18 KW,6700 KWH					MONTHLY CONSUMPTION 18 KW,6700 KWH				
CURRENT BILL					CURRENT BILL				
KW					KW				
RATE					RATE				
\$/KW					\$/KW				
CHARGE					CHARGE				
\$					\$				
REQUIREMENT					REQUIREMENT				
SERVICE CHARGE					SERVICE CHARGE				
1ST BLOCK 50 KW					1ST BLOCK 50 KW				
18					18				
0.0000					0.0000				
\$ -					\$ -				
2ND BLOCK					2ND BLOCK				
BALANCE					BALANCE				
0					0				
\$/KWH					\$/				

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DISTRIBUTION DATE
APRIL 10, 2000

					COST OF POWER													
					KWH:													
					WINTER PEAK					250000		#DIV/0!		#DIV/0!				
					WINTER OFF					250000		#DIV/0!		#DIV/0!				
					PEAK													
					MONTHLY													
					DISTRIBUTION													
					CHARGE					#DIV/0!								
TOTAL					\$					#DIV/0!					#DIV/0!		#DIV/0!	
CURRENT BILL					NEW BILL													
					KW					RATE					CHARGE		IMPACT	
										\$					\$		DOLLARS	
																	IMPACT	

CURRENT BILL					NEW BILL				
	KW	RATE \$/KW	CHARGE \$			RATE \$/KW	CHARGE \$	IMPACT DOLLARS	IMPACT
SUMMER PEAK		5000 \$/KWH	0.0000	\$ -	COST OF POWER KW: SUMMER PEAK DISTRIBUTION KW	5000	#DIV/0!	#DIV/0!	
SUMMER PEAK	500,000		0.0000	\$ -		5000	#DIV/0!	#DIV/0!	
SUMMER OFF PEAK	500,000		0.0000	\$ -					
					COST OF POWER KWH: SUMMER PEAK SUMMER OFF PEAK	500,000	#DIV/0!	#DIV/0!	
						500,000	#DIV/0!	#DIV/0!	
					MONTHLY DISTRIBUTION CHARGE TOTAL		#DIV/0!	#DIV/0!	
TOTAL				\$ -					
MONTHLY CONSUMPTION 5000 KW, 1.5 MILL KWH					NEW BILL				
	KW	RATE \$/KW	CHARGE \$			RATE \$/KW	CHARGE \$	IMPACT DOLLARS	IMPACT
WINTER PEAK		5000 \$/KWH	0.0000	\$ -	COST OF POWER KW: WINTER PEAK	5000	#DIV/0!	#DIV/0!	
WINTER PEAK	750,000		0.0000	\$ -					
WINTER OFF PEAK	750,000		0.0000	\$ -	DISTRIBUTION KW	5000	#DIV/0!	#DIV/0!	
					COST OF POWER KWH: WINTER PEAK WINTER OFF PEAK	750,000	#DIV/0!	#DIV/0!	
						750,000	#DIV/0!	#DIV/0!	
					MONTHLY DISTRIBUTION CHARGE TOTAL		#DIV/0!	#DIV/0!	
TOTAL				\$ -					
CURRENT BILL					NEW BILL				
	KW	RATE \$/KW	CHARGE \$			RATE \$/KW	CHARGE \$	IMPACT DOLLARS	IMPACT
SUMMER PEAK		5000 \$/KWH	0.0000	\$ -	COST OF POWER KW: SUMMER PEAK DISTRIBUTION KW	5000	#DIV/0!	#DIV/0!	
SUMMER PEAK	750,000		0.0000	\$ -		5000	#DIV/0!	#DIV/0!	
SUMMER OFF PEAK	750,000		0.0000	\$ -					
					COST OF POWER KWH: SUMMER PEAK SUMMER OFF PEAK	750,000	#DIV/0!	#DIV/0!	
						750,000	#DIV/0!	#DIV/0!	
					MONTHLY DISTRIBUTION CHARGE TOTAL		#DIV/0!	#DIV/0!	
TOTAL				\$ -					
SUMMER OFF PEAK	244508		0.0000	\$ -	WINTER OFF PEAK	250688	#DIV/0!	#DIV/0!	
					SUMMER PEAK	251354	#DIV/0!	#DIV/0!	
					SUMMER OFF PEAK	244508	#DIV/0!	#DIV/0!	
					MONTHLY DISTRIBUTION CHARGE TOTAL		#DIV/0!	#DIV/0!	
TOTAL				\$ -					
MONTHLY CONSUMPTION 5000KW, 1.5 MILL.KWH					NEW BILL				
	KW	RATE \$/KW	CHARGE \$			RATE \$/KW	CHARGE \$	IMPACT DOLLARS	IMPACT
WINTER PEAK		2490	0.0000	\$ -	COST OF POWER KW: WINTER PEAK SUMMER PEAK DISTRIBUTION KW	2490	#DIV/0!	#DIV/0!	
SUMMER PEAK		2510	0.0000	\$ -		2510	#DIV/0!	#DIV/0!	
						5000	#DIV/0!	#DIV/0!	
WINTER PEAK	380175		0.0000	\$ -	COST OF POWER KWH: WINTER PEAK WINTER OFF PEAK	380175	#DIV/0!	#DIV/0!	
WINTER OFF PEAK	376032		0.0000	\$ -		376032	#DIV/0!	#DIV/0!	
SUMMER PEAK	377031		0.0000	\$ -	SUMMER PEAK	377031	#DIV/0!	#DIV/0!	
SUMMER OFF PEAK	366762		0.0000	\$ -	SUMMER OFF PEAK	366762	#DIV/0!	#DIV/0!	
					MONTHLY DISTRIBUTION CHARGE TOTAL		#DIV/0!	#DIV/0!	
TOTAL				\$ -					
SENTINEL LIGHTS (NON TIME OF USE)									
	VARIABLE REVENUE	SERVIC CHARG	TOTAL REVENUE						
(A) DISTRIBUTION REVENUE			\$	12,931.62					
(B) CHOSEN REVENUE SHARES	0.40	0.600							
(C) RE-RE-ALLOCATED REVENUE (A)*(B)	\$ 5,172.65	\$ 7,758.97	\$	12,931.62					
(D) RETAIL KW	1,265								
(E) NUMBER OF CONNECTIONS		506							
(F) DISTRIBUTION KW RATE (\$/KW) (C)/(D)	\$4.0890								

DISTRIBUTION DATE
APRIL 10, 2000

SHEET 14 - SENSITIVITY ANALYSIS 3

NAME OF UTILITY	Halton Hills Hydro Inc.
LICENCE NUMBER	ED - 1999 - 0290
DATE	23-Nov-00
VERSION NUMBER	FINAL
NAME OF CONTACT	David J. Smelsky, CMA
PHONE NUMBER	(519) 853-3700 ext. 225

RATE IMPACT FOR MARR AFTER MARKET OPENING (i.e. INCLUDES TAXES - With PIL's)

THIS SECTION OF THE SPREADSHEET ALLOWS YOU TO VARY THE PERCENTAGES OF VARIABLE CHARGE AND SERVICE CHARGE REVENUES TO INVESTIGATE THE RATE IMPACTS FROM RATE DESIGN OF MAKING CHANGES IN THE CHOSEN LEVEL OF THESE VARIABLES.

THE LEVELS CHOSEN FOR THE PERCENTAGES OF VARIABLE AND SERVICE CHARGE REVENUES FOR MARR BEFORE MARKET OPENING AND AFTER MARKET OPENING MUST BE THE SAME AS THE FINAL ONES CHOSEN FOR UNBUNDLED RATES. THIS IS DONE AUTOMATICALLY.

RESIDENTIAL

	VARIABLE REVENUE	SERVICE CHARGE	TOTAL REVENUE
(A) DISTRIBUTION REVENUE			\$ 4,033,541.01
(B) CHOSEN REVENUE SHARES	0.4000	0.6000	
(C) RE-ALLOCATED REVENUE (A)*(B)	\$ 1,613,416.40	\$ 2,420,124.61	\$ 4,033,541.01
(D) RETAIL KWH	163,731,190		
(E) NUMBER OF CUSTOMERS		15013	
(F) DISTRIBUTION KWH RATE (\$/KWH) (C)/(D)	\$0.0099		
(G) MONTHLY SERVICE CHARGE (C)/(E)/12		\$13.4335	

RESIDENTIAL CLASS

NON-TIME OF USE

	CURRENT BILL			NEW BILL			IMPACT DOLLARS	IMPACT
	KWH	RATE \$/KWH	CHARGE \$	KWH	RATE \$/KWH	CHARGE \$		
ENTER DESIRED CONSUMPTION LEVEL	SERVICE CHARGE		\$ -	COST OF POWER	1000	0.0684	\$ 68.44	
				MONTHLY DISTRIBUTION CHARGE			\$13.43	
Assuming 1,000kWh PER MONTH	FIRST 250 KWH	250	0.1130 \$ 28.25	DISTRIBUTION KWH	1000	0.0099	\$ 9.85	
	BALANCE	750	0.0730 \$ 54.75	TOTAL			\$ 91.73	
	TOTAL	1000	\$ 83.00				\$ 8.73	10.5%

	CURRENT BILL			NEW BILL			IMPACT DOLLARS	IMPACT
	KWH	RATE \$/KWH	CHARGE \$	KWH	RATE \$/KWH	CHARGE \$		
MONTHLY CONSUMPTION OF 250 KWH	SERVICE CHARGE		\$ -	COST OF POWER	250	0.0684	\$ 17.11	
				MONTHLY DISTRIBUTION CHARGE			\$ 13.43	
	FIRST 250 KWH	250	0.1130 \$ 28.25	DISTRIBUTION KWH	250	0.0099	\$ 2.46	
	BALANCE	0	0.0730 \$ -	TOTAL			\$ 33.01	
	TOTAL	250	\$ 28.25				\$ 4.76	16.8%

	CURRENT BILL			NEW BILL			IMPACT DOLLARS	IMPACT
	KWH	RATE \$/KWH	CHARGE \$	KWH	RATE \$/KWH	CHARGE \$		
MONTHLY CONSUMPTION OF 500 KWH	SERVICE CHARGE		\$ -	COST OF POWER	500	0.0684	\$ 34.22	
				MONTHLY DISTRIBUTION CHARGE			\$ 13.43	
	FIRST 250 KWH	250	0.1130 \$ 28.25	DISTRIBUTION KWH	500	0.0099	\$ 4.93	
	BALANCE	250	0.0730 \$ 18.25	TOTAL			\$ 52.58	
	TOTAL	500	\$ 46.50				\$ 6.08	13.1%

	CURRENT BILL			NEW BILL			IMPACT DOLLARS	IMPACT
	KWH	RATE \$/KWH	CHARGE \$	KWH	RATE \$/KWH	CHARGE \$		
MONTHLY CONSUMPTION OF 750 KWH	SERVICE CHARGE		\$ -	COST OF POWER	750	0.0684	\$ 51.33	
				MONTHLY DISTRIBUTION CHARGE			\$ 13.43	
	FIRST 250 KWH	250	0.1130 \$ 28.25	DISTRIBUTION KWH	750	0.0099	\$ 7.39	
	BALANCE	500	0.0730 \$ 36.50	TOTAL			\$ 72.15	
	TOTAL	750	\$ 64.75				\$ 7.40	11.4%

	CURRENT BILL			NEW BILL			IMPACT DOLLARS	IMPACT
	KWH	RATE \$/KWH	CHARGE \$	KWH	RATE \$/KWH	CHARGE \$		
MONTHLY CONSUMPTION OF 1000 KWH	SERVICE CHARGE		\$ -	COST OF POWER	1000	0.0684	\$ 68.44	
				MONTHLY DISTRIBUTION CHARGE			\$ 13.43	
	FIRST 250 KWH	250	0.1130 \$ 28.25	DISTRIBUTION KWH	1000	0.0099	\$ 9.85	
	BALANCE	750	0.0730 \$ 54.75	TOTAL			\$ 91.73	
	TOTAL	1000	\$ 83.00				\$ 8.73	10.5%

	KWH	RATE \$/KWH	CHARGE \$	KWH	RATE \$/KWH	CHARGE \$	IMPACT
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DISTRIBUTION DATE
APRIL 10, 2000

	BALANCE	0	0.0571	\$	-	DISTRIBUTION KWH	6700	0.0090	\$	60.10			
	TOTAL	6700		\$	531.35	TOTAL			\$	540.71	\$	9.36	1.8%
MONTHLY CONSUMPTION 20.10 KW, 6240 KWH	CURRENT BILL	KW	RATE	CHARGE		NEW BILL		RATE	CHARGE		IMPACT	IMPACT	
			\$/KW	\$				\$/KW	\$		DOLLARS		
Sample#3 Actual Customer June 13/00	SERVICE CHARGE			\$	-								
	1ST BLOCK 50 KW	20.1	0.0000	\$	-								
	2ND BLOCK BALANCE	0	5.3000	\$	-	DISTRIBUTION KWH	0	0.0000	\$	-			
		20.1	\$/KWH					\$/KWH					
	1ST BLOCK 250 KWH	250	0.1130	\$	28.25	COST OF POWER KWH	6240	0.0673	\$	420.23			
	NEXT BLOCK 12250	5990	0.0780	\$	467.22								
	NEXT BLOCK		0.0000	\$	-	MONTHLY DISTRIBUTION CHARGE			\$	29.40			
	BALANCE		0.0571	\$	-	DISTRIBUTION KWH	6240	0.0090	\$	55.98			
	TOTAL	6240		\$	495.47	TOTAL			\$	505.60	\$	10.13	2.0%

GENERAL SERVICE NON TIME OF USE >50KW

COMBINED	VARIABL REVENU	SERVIC CHARG	TOTA REVENU
(A) DISTRIBUTION REVENUE			\$ 2,646,191.38
(B) CHOSEN REVENUE SHARES	0.4000	0.6000	
(C) RE-ALLOCATED REVENUE (A)*(B)	\$ 1,058,476.55	\$ 1,587,714.83	\$ 2,646,191.38
(D) RETAIL KW	543,826		
(E) NUMBER OF CUSTOMERS		177	
(F) DISTRIBUTION KW RATE (\$/KW) (C)/(D)	\$1.9464		
(G) MONTHLY SERVICE CHARGE (C)/(E)/12		\$747.5117	

ENTER DESIRED CONSUMPTION LEVEL	CURRENT BILL	KW	RATE	CHARGE		NEW BILL		RATE	CHARGE		IMPACT	IMPACT	
			\$/KW	\$				\$/KW	\$		DOLLARS		
Monthly Consumption 792kW, 149760kWh	SERVICE CHARGE			\$	1,760.00								
Sample Actual Customer	1ST BLOCK 50 KW	50	0.0000	\$	-	COST OF POWER KW	792	6.7272	\$	5,327.93			
	2ND BLOCK BALANCE	0	5.3000	\$	-	DISTRIBUTION KW	792	1.9464	\$	1,541.51			
		742	\$/KWH		3,932.60			\$/KWH					
	1ST BLOCK 250 KWH	250	0.1130	\$	28.25	COST OF POWER KWH	137260	0.0450	\$	6,173.06			
	NEXT BLOCK 12250	12250	0.0780	\$	955.50								
	NEXT BLOCK BALANCE	0	0.0000	\$	-	MONTHLY DISTRIBUTION CHARGE			\$	747.51			
		137260	0.0571	\$	7,837.55								
	TOTAL			\$	12,753.90	TOTAL			\$	13,790.01	\$	1,036.11	8.1%

MONTHLY CONSUMPTION 100KW,20000KWH	CURRENT BILL	KW	RATE	CHARGE		NEW BILL		RATE	CHARGE		IMPACT	IMPACT	
			\$/KW	\$				\$/KW	\$		DOLLARS		
	SERVICE CHARGE			\$	-								
	1ST BLOCK 50 KW	50	0.0000	\$	-	COST OF POWER KW	100	6.7272	\$	672.72			
	2ND BLOCK BALANCE	50	5.3000	\$	265.00	DISTRIBUTION KW	100	1.9464	\$	194.64			
		100	\$/KWH					\$/KWH					
	1ST BLOCK 250 KWH	250	0.1130	\$	28.25	COST OF POWER KWH	20000	0.0450	\$	899.47			
	NEXT BLOCK 12250	12250	0.0780	\$	955.50								
	NEXT BLOCK BALANCE	7500	0.0000	\$	-	MONTHLY DISTRIBUTION CHARGE			\$	747.51			
			0.0571	\$	428.25								
	TOTAL	20000		\$	1,677.00	TOTAL			\$	2,514.33	\$	837.33	49.9%

MONTHLY CONSUMPTION 100KW,30000KWH	CURRENT BILL	KW	RATE	CHARGE		NEW BILL		RATE	CHARGE		IMPACT	IMPACT	
			\$/KW	\$				\$/KW	\$		DOLLARS		
	SERVICE CHARGE			\$	-								
	1ST BLOCK 50 KW	50	0.0000	\$	-	COST OF POWER KW	100	6.7272	\$	672.72			
	2ND BLOCK BALANCE	50	5.3000	\$	265.00	DISTRIBUTION KW	100	1.9464	\$	194.64			
		100	\$/KWH					\$/KWH					

DISTRIBUTION DATE
APRIL 10, 2000

	KW	RATE \$/KW	CHARGE \$		RATE \$/KW	CHARGE \$	IMPACT DOLLARS	IMPACT
SERVICE CHARGE			\$ -					
1ST BLOCK 50 KW	50	0.0000	\$ -	COST OF POWER KW DISTRIBUTION KW	1000 6.7272	\$ 6,727.18		
2ND BLOCK BALANCE	950	0.0000	\$ -		1000 1.9464	\$ 1,946.35		
	1000 \$/KWH	5.3000	\$ 5,035.00					
1ST BLOCK 250 KWH	250	0.1130	\$ 28.25	COST OF POWER KWH	100000 0.0450	\$ 4,497.35		
NEXT BLOCK 12250	12250	0.0780	\$ 955.50					
				MONTHLY DISTRIBUTION CHARGE		\$ 747.51		
NEXT BLOCK BALANCE	87500	0.0000	\$ -					
		0.0571	\$ 4,996.25	TOTAL		\$ 13,918.39	\$ 2,903.39	26.4%
TOTAL	100000		\$ 11,015.00					

MONTHLY CONSUMPTION 1000 KW,300000KWH				CURRENT BILL					NEW BILL				
	KW	RATE \$/KW	CHARGE \$		RATE \$/KW	CHARGE \$	IMPACT DOLLARS	IMPACT					
SERVICE CHARGE			\$ -						COST OF POWER KW DISTRIBUTION KW	1000 6.7272	\$ 6,727.18		
1ST BLOCK 50 KW	50	0.0000	\$ -							1000 1.9464	\$ 1,946.35		
2ND BLOCK BALANCE	950	0.0000	\$ -										
	1000 \$/KWH	5.3000	\$ 5,035.00										
1ST BLOCK 250 KWH	250	0.1130	\$ 28.25						COST OF POWER KWH	300000 0.0450	\$ 13,492.05		
NEXT BLOCK 12250	12250	0.0780	\$ 955.50										
									MONTHLY DISTRIBUTION CHARGE		\$ 747.51		
NEXT BLOCK BALANCE	287500	0.0000	\$ -										
		0.0571	\$ 16,416.25						TOTAL		\$ 22,913.09	\$ 478.09	2.1%
TOTAL	300000		\$ 22,435.00										

MONTHLY CONSUMPTION 1000KW,500000KWH				CURRENT BILL					NEW BILL				
	KW	RATE \$/KW	CHARGE \$		RATE \$/KW	CHARGE \$	IMPACT DOLLARS	IMPACT					
SERVICE CHARGE			\$ -						COST OF POWER KW DISTRIBUTION KW	1000 6.7272	\$ 6,727.18		
1ST BLOCK 50 KW	50	0.0000	\$ -							1000 1.9464	\$ 1,946.35		
2ND BLOCK BALANCE	950	0.0000	\$ -										
	1000 \$/KWH	5.3000	\$ 5,035.00										
1ST BLOCK 250 KWH	250	0.1130	\$ 28.25						COST OF POWER KWH	500000 0.0450	\$ 22,486.74		
NEXT BLOCK 12250	12250	0.0780	\$ 955.50										
									MONTHLY DISTRIBUTION CHARGE		\$ 747.51		
NEXT BLOCK BALANCE	487500	0.0000	\$ -										
		0.0571	\$ 27,836.25						TOTAL		\$ 31,907.78	\$ (1,947.22)	-5.8%
TOTAL	500000		\$ 33,855.00										

GENERAL SERVICE >50 KW TIME OF USE

COMBINED	VARIABLE REVENUE	SERVICE CHARGE	TOTAL REVENUE
(A) DISTRIBUTION REVENUE			\$ 2,646,191.38
(B) CHOSEN REVENUE SHARES	0.4000	0.60000	
(C) RE-ALLOCATED REVENUE (A)*(B)	\$ 1,058,476.55	\$ 1,587,714.83	\$ 2,646,191.38
(D) RETAIL KW	543,826		
(E) NUMBER OF CUSTOMERS		177	
(F) DISTRIBUTION KW RATE (\$/KW) (C)/(D)	\$1.9464		
(G) MONTHLY SERVICE CHARGE (C)/(E)/12		\$747.5117	
ENTER DESIRED CONSUMPTION LEVELS	SERVICE CHARGE	0.0000	

	KW	RATE \$/KW	CHARGE \$		RATE \$/KW	CHARGE \$	IMPACT DOLLARS	IMPACT
Sample Customer WINTER BILL				COST OF POWER				
WINTER FIRST 50 KW	50	0.0000	\$ -					
WINTER SECOND BLOCK BALANCE	0	0.0000	\$ -	WINTER PEAK	1277.1 9.1110	\$ 11,635.66		
WINTER BLOCK	1227.1	5.5120	\$ 6,763.78					
	1277.1 \$/KWH							
WINTER PEAK FIRST BLOCK	250	0.1580	\$ 39.50	WINTER PEAK WINTER OFF PEAK	92408.58 0.0634	\$ 5,855.41		
WINTER PEAK NEXT BLOCK	6625	0.1288	\$ 853.30		292447 0.0349	\$ 10,193.41		
				DISTRIBUTION KW	1277.1 1.9464	\$ 2,485.69		
				MONTHLY SERVICE CHARGE		747.51		

	TOTAL			\$	-		MONTHLY DISTRIBUTION CHARGE TOTAL		#DIV/0! #DIV/0!		#DIV/0!	#DIV/0!
MONTHLY CONSUMPTION 3000 KW, 500,000 KWH	CURRENT BILL						NEW BILL					
		KW		RATE \$/KW	CHARGE \$			RATE \$/KW	CHARGE \$		IMPACT DOLLARS	IMPACT
	WINTER PEAK	3000		0.0000	\$ -							
				\$/KWH			COST OF POWER KW:					
	WINTER PEAK	250,000		0.0000	\$ -		WINTER PEAK	3000	#DIV/0!	#DIV/0!		
	WINTER OFF PEAK	250,000		0.0000	\$ -							
							DISTRIBUTION KW	3000	#DIV/0!	#DIV/0!		
							COST OF POWER KWH: WINTER PEAK	250000	#DIV/0!	#DIV/0!		
							WINTER OFF PEAK	250000	#DIV/0!	#DIV/0!		
						MONTHLY DISTRIBUTION CHARGE TOTAL		#DIV/0! #DIV/0!		#DIV/0!	#DIV/0!	
TOTAL				\$	-							
MONTHLY CONSUMPTION 3000 KW, 500,000 KWH	CURRENT BILL						NEW BILL					
		KW		RATE \$/KW	CHARGE \$			RATE \$/KW	CHARGE \$		IMPACT DOLLARS	IMPACT
	SUMMER PEAK	3000		0.0000	\$ -		COST OF POWER KW: SUMMER PEAK	3000	#DIV/0!	#DIV/0!		
				\$/KWH								
	SUMMER PEAK	250,000		0.0000	\$ -		DISTRIBUTION	3000	#DIV/0!	#DIV/0!		
	SUMMER OFF PEAK	250,000		0.0000	\$ -							
							COST OF POWER KWH: SUMMER PEAK	250000	#DIV/0!	#DIV/0!		
							SUMMER OFF PEAK	250000	#DIV/0!	#DIV/0!		
							MONTHLY DISTRIBUTION CHARGE TOTAL		#DIV/0! #DIV/0!		#DIV/0!	#DIV/0!
TOTAL				\$	-							
MONTHLY CONSUMPTION 3000 KW, 1MILL KWH	CURRENT BILL						NEW BILL					
		KW		RATE \$/KW	CHARGE \$			RATE \$/KW	CHARGE \$		IMPACT DOLLARS	IMPACT
	WINTER PEAK	3000		0.0000	\$ -							
				\$/KWH			COST OF POWER KW:					
	WINTER PEAK	500,000		0.0000	\$ -		WINTER PEAK	3000	#DIV/0!	#DIV/0!		
	WINTER OFF PEAK	500,000		0.0000	\$ -							
							DISTRIBUTION KW	3000	#DIV/0!	#DIV/0!		
							COST OF POWER KWH: WINTER PEAK	500000	#DIV/0!	#DIV/0!		
							WINTER OFF PEAK	500000	#DIV/0!	#DIV/0!		
						MONTHLY DISTRIBUTION CHARGE TOTAL		#DIV/0! #DIV/0!		#DIV/0!	#DIV/0!	
TOTAL				\$	-							
MONTHLY CONSUMPTION 3000 KW, 1MILL KWH	CURRENT BILL						NEW BILL					
		KW		RATE \$/KW	CHARGE \$			RATE \$/KW	CHARGE \$		IMPACT DOLLARS	IMPACT
	SUMMER PEAK	3000		0.0000	\$ -		COST OF POWER KW: SUMMER PEAK	3000	#DIV/0!	#DIV/0!		
				\$/KWH			DISTRIBUTION KW	3000	#DIV/0!	#DIV/0!		
	SUMMER PEAK	500,000		0.0000	\$ -							
	SUMMER OFF PEAK	500,000		0.0000	\$ -							
							COST OF POWER KWH: SUMMER PEAK	500000	#DIV/0!	#DIV/0!		
							SUMMER OFF PEAK	500000	#DIV/0!	#DIV/0!		
							MONTHLY DISTRIBUTION CHARGE TOTAL		#DIV/0! #DIV/0!		#DIV/0!	#DIV/0!
TOTAL				\$	-							
MONTHLY CONSUMPTION 3000 KW, 1.5 MILL KWH	CURRENT BILL						NEW BILL					
		KW		RATE \$/KW	CHARGE \$			RATE \$/KW	CHARGE \$		IMPACT DOLLARS	IMPACT

SENTINEL LIGHTS (TIME OF USE)

DISTRIBUTION DATE
APRIL 10 2000

SHEET 15 - RATE SCHEDULE BEFORE MARKET ADJUSTED RATE OF RETURN

RATE SCHEDULE

DATE:

NAME OF UTILITY
LICENCE NUMBER
DATE
VERSION NUMBER
NAME OF CONTACT
PHONE NUMBER

Halton Hills Hydro Inc.
ED - 1999 - 0290
23-Nov-00
FINAL
David J. Smelsky, CMA
(519) 853-3700 ext. 225

EFFECTIVE DATE:

DEFINITIONS: TIME PERIODS FOR TIME OF USE (EASTERN
STANDARD TIME)

WINTER: ALL HOURS, OCTOBER 1 THROUGH MARCH 31
SUMMER: ALL HOURS, APRIL 1 THROUGH SEPTEMBER 30

PEAK: 0700 TO 2300 HOURS (LOCAL TIME) MONDAY TO FRIDAY, EXCEPT
FOR PUBLIC HOLIDAYS, INCLUDING NEW YEAR'S DAY, GOOD FRIDAY,
VICTORIA DAY, CANADA DAY, CIVIC HOLIDAY (AS IN TORONTO), LABOUR
DAY, THANKSGIVING DAY, CHRISTMAS AND BOXING DAY
OFF-PEAK: ALL OTHER HOURS

RESIDENTIAL

DISTRIBUTION KWH RATE	\$0.0058
MONTHLY SERVICE CHARGE (PER CUSTOMER)	\$7.88
COST OF POWER KWH RATE	\$0.0684

RESIDENTIAL (TIME OF USE)

DISTRIBUTION KWH RATE	\$0.0058			
MONTHLY SERVICE CHARGE (PER CUSTOMER)	\$7.88			
COST OF POWER TIME OF USE RATES	WINTER PEAK	WINTER OFF- PEAK	SUMMER PEAK	SUMMER OFF- PEAK
	\$/KWH	\$/KWH	\$/KWH	\$/KWH
	\$0.1174	\$0.0352	\$0.0909	\$0.0242

GENERAL SERVICE < 50 KW

DISTRIBUTION KWH RATE	\$0.0053
MONTHLY SERVICE CHARGE (PER CUSTOMER)	\$17.2340
COST OF POWER KWH RATE	\$0.0673

GENERAL SERVICE < 50 KW (TIME OF USE)

DISTRIBUTION KWH RATE	\$0.0053			
MONTHLY SERVICE CHARGE (PER CUSTOMER)	\$17.2340			
COST OF POWER TIME OF USE RATES	WINTER PEAK	WINTER OFF- PEAK	SUMMER PEAK	SUMMER OFF- PEAK
	\$/KWH	\$/KWH	\$/KWH	\$/KWH
	\$0.1071	\$0.0352	\$0.0883	\$0.0242

GENERAL SERVICE > 50 KW (NON TIME OF USE)

DISTRIBUTION KW RATE	\$1.1411
MONTHLY SERVICE CHARGE	\$438.2497
COST OF POWER KW RATE	\$6.7272
COST OF POWER KWH RATE	\$0.0450

DISTRIBUTION DATE
APRIL 10 2000

PLEASE ADD ANY MISCELLANEOUS CHARGES BELOW.

1999

2000

DISTRIBUTION DATE
APRIL 10, 2000

(will be replaced with retail settlement code or Standard Service Supply
when market opens)

\$/KWH
\$0.1071

PEAK
\$/KWH
\$0.0352

\$/KWH
\$0.0883

PEAK
\$/KWH
\$0.0242

DISTRIBUTION DATE
APRIL 10, 2000

STREET LIGHTING (NON TIME OF USE)

	NORMALIZED RATES Unbundled No MARR, No Taxes (Sheet #5)	EFFECTIVE JANUARY 01, 2001 With MARR, NO PIL'S Equal Phase-In 33.4%	Prior To Market Opening With MARR, NO PIL'S Equal Phase-In 33.3%	Prior To Market Opening With MARR, NO PIL'S Equal Phase-In 33.3%	Full Affect of PHASE-In Rate of Return (NO PIL'S)
DISTRIBUTION KW RATE	\$ 1.8779	\$ 2.0349	\$ 2.3199	\$2.6050	\$2.6050
MONTHLY SERVICE CHARGE (PER CONNECTION)	\$ 0.3478	\$ 0.43	\$ 0.48	\$0.54	\$0.54
COST OF POWER KW RATE	\$ 20.6054	\$ 20.6054	\$ 20.61	\$20.6054	\$20.6054

OR

STREET LIGHTING (TIME OF USE)

	NORMALIZED RATES Unbundled No MARR, No Taxes (Sheet #5)	EFFECTIVE JANUARY 01, 2001 With MARR, NO PIL'S Equal Phase-In 33.4%	Prior To Market Opening With MARR, NO PIL'S Equal Phase-In 33.3%	Prior To Market Opening With MARR, NO PIL'S Equal Phase-In 33.3%	Full Affect of PHASE-In Rate of Return (NO PIL'S)
DISTRIBUTION KW RATE					
MONTHLY SERVICE CHARGE (PER CONNECTION)					
COST OF POWER TIME OF USE RATES (will be replaced with retail settlement code or Standard Service Supply when market opens)					

MISCELLANEOUS CHARGES

PLEASE ADD ANY MISCELLANEOUS CHARGES BELOW.

	Effective January 1, 2001	1999 and 2000
ACCOUNT SETUP CHARGE	\$ 10.00	\$ 10.00
ARREARS CERTIFICATE	\$ 10.50	\$ 10.50
COLLECTION OF ACCOUNT CHARGE	\$ 7.00	\$ 7.00
DISPUTE METER TEST	\$ 10.00	\$ 10.00
LATE PAYMENT	N/A	5%
INTEREST RATE	1.50% per month, 18.00% per annum	
MONTHLY TIME OF USE METERING CHARGE	\$ 20.00	\$ -
RECONNECTION - At meter	\$ 20.00	\$ 14.00
RECONNECTION - At pole	\$ 50.00	\$ 17.25
RECONNECTION AFTER REGULAR WORKING HOURS	\$ 95.00	\$ 50.00
RETURNED CHEQUE CHARGE - PLUS BANK CHARGE	\$ 10.50	\$ 10.50
TRANSFORMER OWNERSHIP ALLOWANCE (per kW of billing demand)	\$ 0.50	\$ 0.50
TEMPORARY SERVICE		
OVERHEAD	\$ 210.00	\$ -
SINGLE PHASE	\$ 300.00	\$ -
SINGLE PHASE WITH SECONDARY VOLTAGE	\$ 130.00	\$ -
UNDERGROUND	\$ 120.00	\$ -