

EB-2009-0261

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

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

BEFORE: Paul Sommerville

Presiding Member

Ken Quesnelle Member

DECISION ON PARTIAL SETTLEMENT AND PROCEDURAL ORDER NO. 5

Background

Chatham-Kent Hydro Inc. ("CK Hydro" or the "Applicant") filed an application (the "Application") with the Ontario Energy Board (the "Board") on October 5, 2009 under section 78 of the *Ontario Energy Board Act, 1998,* S.O. 1998, c. 15, (Schedule B), seeking approval for changes to the rates that CK Hydro charges for electricity distribution, to be effective May 1, 2010. The Board assigned the File Number EB-2009-0261 to the Application. Three parties requested and were granted intervenor status: Energy Probe Reseach Foundation ("Energy Probe"), the School Energy Coalition ("Schools"), and the Vulnerable Energy Consumers Coalition ("VECC"). One party, Enwin Utilities Ltd, requested and was granted Observer status. No letters of comment were received.

The Board issued Procedural Order No. 1 on November 11, 2009. Board staff filed

interrogatories on November 25, 2009. All registered intervenors filed interrogatories by November 30, 2009. CK Hydro filed the majority of the responses to interrogatories on December 23, 2009 and the remainder on January 12, 2010.

Procedural Order No. 2 was issued on December 1, 2009. Procedural Order No. 2 invited submissions on certain evidence for which CK Hydro had requested confidential treatment. No submissions were received pursuant to Procedural Order No. 2.

The Board issued Procedural Order No. 3 on January 15, 2010. That Procedural Order provided for a transcribed Technical Conference and a Settlement Conference, and provided the Board's findings with respect to the request for confidential treatment of certain documents. The Technical Conference was conducted on January 26, 2010. Procedural Order No. 3 also established dates for filing of any settlement agreement and a subsequent oral proceeding.

The Settlement Conference was convened on February 4, 2010 and concluded on February 5, 2010, at the Board's offices. Representatives of the Applicant and all intervenors participated in the Settlement Conference, and Board staff participated in accordance with their role as set out in the Board's Settlement Conference Guidelines.

At the conclusion of the Settlement Conference, the parties advised the Board, through Board staff, that the parties were working on a possible settlement agreement, and requested additional time for file such agreement.

The Board issued Procedural Order No. 4 on February 10, 2010. Procedural Order No. 4 cancelled the dates for the oral hearing and directed that any settlement agreement be filed by February 26, 2010. On February 26, 2010, the parties advised the Board, through Board staff, that the filing of the settlement agreement would occur early the following week.

Partial Settlement

On March 2, 2010, CK Hydro filed a proposed partial Settlement Agreement (the "Partial Agreement") with the Board. CK Hydro, Energy Probe, Schools and VECC are parties (collectively, the "Parties") to the proposed Partial Agreement.

The Partial Agreement, included in Appendix A to this Decision, represents a comprehensive settlement of most issues, but also documents issues for which settlement was not attained. The Parties agreed that unsettled issues should be dealt with by way of written submissions.

Non-settled Issues

The issues for which settlement was not reached are summarized as follows:

Rate Base:

 The appropriateness of a lead-lag study being required for CK Hydro's next cost of service application.

Cost of Capital and Capital Structure:

- The percentage of CK Hydro's regulated capital structure that should be made up of short-term debt; and
- The appropriate allowed Return on Equity.

PILS and Taxes

The eligibility of CK Hydro to include the Ontario Small Business Tax
 Deduction in the calculation of the 2010 PILS allowance.

Further description of the unsettled issues is contained in Attachment A of the Partial Agreement.

Findings

On those matters for which settlement was reached by the Parties, the Board accepts the Partial Agreement as filed on March 2, 2010. The Board reminds the Parties that the elements of a settlement agreement do not create a precedent for the Board.

Next Steps

The Board will hear submissions on the unsettled issues, as documented in Attachment A of the Partial Agreement, and intends to do so by way of written submissions.

The Board considers it necessary to make provision for the following matters related to this proceeding. The Board may issue further procedural orders from time to time.

THE BOARD ORDERS THAT:

- 1. Board staff and intervenors who wish to do so shall file written submissions on the unsettled issues with the Board and deliver them to CK Hydro and all other intervenors no later than **March 17, 2010**.
- 2. CK Hydro, if it wishes to do so, shall file a written reply submission addressing any issues raised in any submissions filed by Board staff or intervenors no later than **March 24, 2010**.

All filings to the Board must quote the file number, EB-2009-0261, be made through the Board's web portal at www.errr.oeb.gov.on.ca, and consist of two paper copies and one electronic copy in searchable / unrestricted PDF format. Filings must clearly state the sender's name, postal address and telephone number, fax number and e-mail address. Please use the document naming conventions and document submission standards outlined in the RESS Document Guideline found at www.oeb.gov.on.ca. If the web portal is not available you may email your document to the address below. Those who do not have internet access are required to submit all filings on a CD or diskette in PDF format, along with two paper copies. Those who do not have computer access are required to file 7 paper copies.

All communications should be directed to the attention of the Board Secretary at the address below, and be received no later than 4:45 p.m. on the required date.

<u>ADDRESS</u>

Ontario Energy Board P.O. Box 2319 2300 Yonge Street, 27th Floor Toronto ON M4P 1E4 Attention: Board Secretary E-mail: Boardsec@oeb.gov.on.ca
Tel: 1-888-632-6273 (toll free)

Fax: 416-440-7656

DATED at Toronto, March 11, 2010

ONTARIO ENERGY BOARD

Original Signed By

Kirsten Walli Board Secretary

APPENDIX A

Settlement Agreement

Chatham-Kent Hydro Inc. EB-2009-0261

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

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

SETTLEMENT AGREEMENT

FILED MARCH 2, 2010

INTRODUCTION:

Chatham-Kent Hydro Inc. ("CK Hydro") owns and operates the electricity distribution system in its licensed service area which consists of twelve non-contiguous areas dispersed over 2,400 km² in The Municipality of Chatham-Kent, serving approximately 32,100 customers. CK Hydro's service area is 76.9 km². CK Hydro has service areas that are directly connected to Hydro One Networks Inc.'s transmission system as well as many areas that are embedded in Hydro One Networks Inc.'s distribution system.

CK Hydro filed an application (the "Application") with the Ontario Energy Board (the "Board") on October 5, 2009 under section 78 of the *Ontario Energy Board Act, 1998*, S.O. 1998, c. 15, (Schedule B), seeking approval for changes to the rates that CK Hydro charges for electricity distribution, to be effective May 1, 2010. The Board assigned File Number EB-2009-0261 to the Application. Three parties requested and were granted Intervenor status: Energy Probe Research Foundation ("EP"); the School Energy Coalition ("SEC"); and the Vulnerable Energy Consumers' Coalition ("VECC"). One party, Enwin Utilities Ltd, requested and was granted Observer status.

The Board issued Procedural Order No. 1 on November 11, 2009. Board staff filed interrogatories on November 25, 2009, and all registered Intervenors filed interrogatories by November 30, 2009. CK Hydro filed the majority of the responses to interrogatories on December 23, 2009 and the remainder on January 12, 2010. The evidence in this proceeding (referred to here as the "Evidence") consists of the Application and CK Hydro's responses to both the initial and supplemental rounds of interrogatories, and its responses to Undertakings given during the Technical Conference.

By Procedural Order No. 3 the Board also scheduled a Settlement Conference to commence February 4, 2010 and continue on February 5, 2010 if necessary. The Settlement Conference was duly convened in

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accordance with Procedural Order 3, with Mr. Ken Rosenberg as facilitator. The Settlement Conference

concluded on February 5, 2010.

CK Hydro and all of the Intervenors participated in the Settlement Conference. The role adopted by

Board staff in the Settlement Conference is set out in page 5 of the Board's Settlement Conference

Guidelines. Although Board staff is not a party to this Agreement, as noted in the Guidelines, Board staff

are bound by the same confidentiality standards that apply to the Parties to the proceeding.

A PARTIAL SETTLEMENT HAS BEEN REACHED IN THIS PROCEEDING:

The Parties are pleased to advise the Board that a settlement has been reached on the major issues in the

proceeding. Three issues, however, remain unresolved. This document comprises the Settlement

Agreement to the Board, and it is presented jointly by CK Hydro and EP, SEC and VECC (the "Parties").

It identifies both settled and unsettled matters, and contains such references to the Evidence as is

necessary to assist the Board in understanding and approving the Settlement Agreement (the

"Agreement"). The Parties confirm that the Evidence filed to date in respect of each settled or partially

settled issue, as supplemented in some instances by additional information recorded in this Agreement,

supports the settlement or partial settlement of the matters identified in this Agreement. In addition, the

Parties agree that the Evidence, supplemented where necessary by the additional information appended to

this Agreement, contains sufficient detail, rationale and quality of information to allow the Board to make

findings in keeping with the settlement reached by the Parties.

The Parties agree that the three unsettled matters be resolved through written submissions.

It is acknowledged and agreed that none of the settled provisions of this Agreement are severable. If the

Board does not accept the Agreement in its entirety, then there is no Agreement (unless the Parties agree

that the portion of the Agreement that the Board does accept may continue as a valid agreement).

It is further acknowledged and agreed that none of the Parties will withdraw from this Agreement under

any circumstances, except as provided under Rule 32.0.5 of the Board's Rules of Practice and Procedure.

It is also agreed that this Agreement is without prejudice to any of the Parties re-examining these issues in

any subsequent proceeding and taking positions inconsistent with the resolution of these issues in this

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Agreement. However, none of the Parties will in any subsequent proceeding take the position that the

resolution therein of any issue settled in this Agreement, if contrary to the terms of this Agreement,

should be applicable for all or any part of the 2010 Test Year.

The evidence supporting this Agreement on each issue is set out in each section of the Agreement. The

Appendices to the Agreement provide further evidentiary support. The Parties agree that this Agreement

and the Appendices form part of the record in EB-2009-0261. The Parties believe that the Agreement

represents a balanced proposal that protects the interests of the customers, promotes economic efficiency

and cost effectiveness. It also provides the resources which will allow CK Hydro to deliver a safe and

reliable distribution system, while at the same time protecting the financial viability of CK Hydro.

ORGANIZATION AND SUMMARY OF THE SETTLEMENT AGREEMENT:

There is no approved Issues List for this proceeding. However, for the purposes of organizing this

Agreement, the Parties have followed the Board's Filing Guidelines that address all of the revenue

requirement components, load forecast, deferral and variance account dispositions, cost allocation and

rate design and other issues relevant to determining CK Hydro's 2010 distribution rates and rate riders.

The following Appendices accompany this Settlement Agreement:

• Appendix A – List of Unsettled Matters

• Appendix B – Summary of the Significant Items Adjusted as a result of this Agreement

• Appendix C – Updated Fixed Asset Continuity Schedules

• Appendix D – Updated Cost of Power

• Appendix E – 2010 Test Year Updated Load Forecast

• Appendix F – 2010 Test Year Updated Other Revenue

• Appendix G – 2010 Test Year Updated OM&A

• Appendix H – 2010 Test Year Updated Depreciation Expense

• Appendix I – 2010 Test Year Updated PILs

• Appendix J – 2010 Test Year Updated Cost of Capital

• Appendix K – 2010 Test Year Updated Revenue Deficiency

• Appendix L – 2010 Test Year Updated Revenue to Cost Ratios

• Appendix M – Summary of Updated Customer Impacts

• Appendix N – Updated Deferral and Variance Account Rate Riders

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• Appendix O – Updated Smart Meter Rates

• Appendix P – Updated LRAM and SSM Rate Riders

UNSETTLED MATTERS

All matters were settled except for the matters identified as issues 2.3, 4.3 and 5.1 below. A list of the

unsettled matters, which the Parties request be disposed of by way of written submissions, accompanies

this Agreement as Appendix A. A summary of changes to CK Hydro's proposed Revenue Requirement

resulting from this Agreement accompanies this Agreement as Appendix K. In short, the unsettled

matters may be described as follows:

1) Should a lead/lag study be prepared by CK Hydro for its next cost of service, rate rebasing

application?

2)

a) The appropriate return on equity: The Application provides for an adjustment based on the

Board's updated cost of capital parameters. CK Hydro's position is that the methodology for

determining the Return on Equity for the 2010 Test Year is as set out in the December 11, 2009

Report of the Board on the Cost of Capital for Ontario's Regulated Utilities, and that the Return

on Equity applicable to CK Hydro should be determined on that basis. The Intervenors do not

agree that the rate should be determined as provided for in that Report. The Parties have agreed

that this matter will be the subject of written submissions.

b) The appropriate capital structure for CK Hydro: the Parties agree that the percentage CK Hydro's

debt to equity ratio for rate making purposes, 60% to 40%, is appropriate. However, the Parties

have not agreed on the appropriate level of short-term debt. The debt component is comprised of

56% long-term debt and 4% short-term debt. The intervenors do not agree that 4% short-term

debt is an appropriate amount for CK Hydro for rate making purposes. The Parties have agreed

that this matter will be the subject of written submissions.

3) Should the Ontario Small Business Tax Deduction be included in the calculation of the 2010 PILs

allowance?

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NEXT STEPS:

In Procedural Order No. 4, issued February 10, 2010, the Board established February 26, 2010 as the

deadline for filing any settlement agreement. On February 26, 2010, CK Hydro advised Board Staff that

discussions were continuing among the parities and that a brief extension of the filing deadline would be

required.

The Parties propose the following dates with respect to final submissions in this proceeding:

• Board Staff and Intervenor submissions are to be filed by March 10, 2010; and

• CK Hydro's reply argument is to be filed by March 17, 2010.

The Parties respectfully request that the Board first consider and make a decision on this

Settlement Agreement prior to the filing of any written submissions.

OVERVIEW OF THE SETTLED MATTERS:

This Agreement will allow CK Hydro to continue to make the necessary investments in maintenance and

operation expenditures as well as capital investments to maintain the safety and reliability of the

electricity distribution service that it provides. CK Hydro is a low cost service provider and has been

recognized as such in the report issued by the Board's consultant, Pacific Economic Group (Exhibit 4,

Tab 1, Schedule 1, Appendix A). This Agreement will allow CK Hydro to manage its aging workforce

and implement new and enhanced billing options while maintaining a competitive cost structure

compared to its cohort group. While the bill impacts are still subject to changes based on the outcome of

the items submitted to the Board for disposal of through written submissions, and the Board's decisions

on any matters, the Parties agree that, regardless of the ultimate determination on those issues, no rate

classes face bill impacts in this proceeding that require mitigation efforts.

The revised Base Revenue Requirement including the updated cost of capital parameters issued by the

Board on February 24, 2010 for the 2010 Test Year is \$14,292,854. This revenue requirement is subject

to adjustment depending on the Board's decision on the three unsettled issues. This represents a revenue

deficiency, based on forecast 2010 revenue at current rates, of \$1,197,225. The revised revenue

deficiency of \$1,197,225 is \$602,479 lower than that set out in the pre-filed evidence, \$1,799,705.

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Through the settlement process, CK Hydro has agreed to certain adjustments from its original 2010 Cost of Service Application. The changes are described in the following sections.

OUTLINE OF THE SETTLEMENT BY CATEGORY:

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

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1. ADMNSITRATION (Exhibit 1)

1.1. Has CK Hydro responded to all relevant Board Directives from previous proceedings?

Status: Complete Settlement

Supporting Parties: CK Hydro, SEC, EP, VECC

Evidence: Exhibit 1, Tab 1, Schedule 15

Interrogatory response EP IR # 2

CK Hydro's evidence had stated that there were no outstanding obligations or orders from previous Board decisions. All Parties agree that there are no outstanding obligations or orders from previous Board decisions.

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2. RATE BASE (Exhibit 2)

2.1. Are the amounts proposed for Rate Base appropriate?

Status: Complete Settlement

Supporting Parties: CK Hydro, SEC, EP, VECC

Evidence: Exhibit 2, Tab 1, Schedule 1

Exhibit 2, Tab 2, Schedule 1 Exhibit 2, Tab 5, Schedule 1 Exhibit 2, Tab 5, Appendix A

Exhibit 2, Tab 1, Schedule 1

Interrogatory response EP Supplemental IR # 67 c)

For the purpose of achieving settlement on this issue, the Parties agreed to the following:

- A reduction in the 2009 capital additions by \$100,000 to better reflect the actual 2009 activities.
- An increase in 2009 contributed capital of \$5,000 to better reflect the actual 2009 activities.
- A reduction in the 2010 Test Year capital additions (see Section 2.2 below)
- An adjustment to the 2010 depreciation expense which impacts accumulated depreciation (see Section 4.2 below)
- An adjustment to the working capital (see Section 2.3 below).

Change in Rate Base

Description	As per Application	As per Settlement Agreement	Change
Gross Fixed Assets	81,411,060	81,031,060	(380,000)
Accumulated Depreciation	33,306,505	33,202,607	(103,898)
Net Book Value	48,104,555	47,828,453	(276,102)
Average Net Book Value	47,405,429	47,214,977	(190,452)
Working Capital	57,787,594	59,902,071	2,114,477
Working Capital Allowance	8,668,139	8,985,311	317,172
Rate Base	56,073,568	56,200,288	126,720

Change in Working Capital

Description	As per Application	As per Settlement Agreement	Change
Cost of Power	50,984,482	53,222,543	2,238,061
Operations	1,041,236	1,026,236	(15,000)
Maintenance	1,187,798	1,142,798	(45,000)
Billing & Collecting	1,826,798	1,826,798	(0)
Community Relations	56,529	56,529	-
Administration & General Expense	2,690,751	2,627,168	(63,583)
Property Taxes		-	-
Working Capital	57,787,594	59,902,071	2,114,477

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2.2. Are the amounts proposed for the 2010 Test Year capital additions appropriate?

Status: Complete Settlement

Supporting Parties: CK Hydro, SEC, EP, VECC

Evidence: Exhibit 2, Tab 1, Schedule 1

Exhibit 2, Tab 3, Schedule 1 Exhibit 2, Tab 3, Schedule 2

Interrogatory response EP IR # 3 f

The Parties agreed to a reduction of the 2010 capital additions of \$275,000 for the following two reasons:

- CK Hydro estimated that the anticipated capital reduction for the change in PST/HST was \$200,000 annually (EP IR #3(f)). Since the change is to be implemented in July 2010 the Parties agreed to a reduction of \$100,000 in the 2010 capital additions.
- The Parties agree to reduce the capital additions by a further \$175,000 by spreading the costs of repaving the CK Hydro parking lot/storage area over 2 years (2010 and 2011) rather than the one year (2010) set out in the Application. (Board Staff IR #8, EP IR #26).

The Parties agreed that the reduction in capital related to the PST/HST changes is sufficient and is not subject to a deferral account.

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2.3 Has the Working Capital Allowance been determined appropriately?

Status: Partial Settlement

Supporting Parties: CK Hydro, SEC, EP, VECC

Evidence: Exhibit 2, Tab 5, Schedule 1

Exhibit 2, Tab 5, Appendix A

Interrogatory responses EP IR # 28, EP Supplemental IR # 72

The Parties agree to the following two adjustments to the working capital allowance calculation:

i.) adjustments to the cost of power as follows:

• The total kWh purchases will be 695,000,000 kWhs, resulting in an increase of

approximately 20,400,000 kWhs compared to the amount proposed in the Application

• The commodity rates to be used are based upon the rates issued in the October 15, 2009

report by the Board, which are 6.215 cents per kWh for the RPP customers and 6.062 cents

per kWh for the non-RPP customers. The non-RPP kWhs will be 64% of the total kWhs

purchased (see Appendix D).

ii.) adjustments related to OM&A changes set out in section 4.1 below.

The impact of the above adjustments to the working capital calculation resulted in an overall increase in

rate base as shown in Section 2.1 above.

Unsettled Issue, Lead/Lag Study:

The parties agree that the requirement for a lead/lag study by CK Hydro for its next cost of service, rate

rebasing application is an unsettled issue (see Appendix A). This issue will proceed to written submission.

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3. OPERATING REVENUE (Exhibit 3)

3.1. Is the load forecast appropriate?

Status: Complete Settlement

Supporting Parties: CK Hydro, SEC, EP, VECC Evidence: Exhibit 3, Tab 2, Schedule 1

Interrogatory responses Board Staff IR # 16 b), EP Supplemental IR # 75

The Parties agree that CK Hydro's proposed 2010 Test Year load forecast is to be increased by approximately 20,400,000 kWhs to 695,000,000 million kWhs (see Appendix E), up from approximately 674,600,000 kWhs in the pre-filed evidence (Exhibit 3, Tab 2, Schedule 1, Table 3-7). While all Parties recognize that the economic slowdown will impact CK Hydro's load forecast, in particular for the commercial and industrial sectors, the Parties agree that a manual adjustment to the load forecast regression analysis is necessary in setting the weather normalized purchases for the 2010 Test Year. The adjustment is based in part on information about 2009 actual load, as set out in the response to EP IR # 75.

The 2010 Test Year forecast is approximately 4.3% lower than the 2009 actual purchases and is reflective of the continued reduction in the consumption of the commercial and industrial customers caused by the economic slowdown.

The agreed-to load forecast is used in the updated cost of power calculation (see Appendix D) of this Agreement, the billing determinants in rate design and in the updated bill impact tables (see Appendix M).

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3.2. Is the proposed amount for 2010 Test Year Other Revenue appropriate?

Status: Complete Settlement

Supporting Parties: CK Hydro, SEC, EP, VECC

Evidence: Exhibit 3, Tab 3, Schedule 1

Interrogatory responses EP IR # 45 a), c)

The Parties agree to the following increases in Other Revenue for the 2010 Test Year (see Appendix F):

- An increase of \$105,000 in SSS Admin fees which were not included in the proposed Other Revenue in the original Application; and,
- An increase in Late Payment revenue of \$10,000 from the amount forecasted in the initial Application to reflect the previous trend of this revenue category and the move to monthly billing.

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3.3. Are the proposed Specific Service Charges for 2010 appropriate?

Status: Complete Settlement

Supporting Parties: CK Hydro, SEC, EP, VECC

Evidence: Exhibit 8, Tab 1, Schedule 9

Interrogatory response Board Staff IR # 20

The Parties agreed that the Specific Service Charges proposed by CK Hydro are appropriate.

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4. OPERATING COSTS (Exhibit 4)

4.1. Are the overall levels of the 2010 Test Year Operation, Maintenance and Administration costs appropriate?

Status: Complete Settlement

Supporting Parties: CK Hydro, SEC, EP, VECC

Evidence: Exhibit 4, Tab 1

Exhibit 4, Tab 2

Interrogatory responses Board Staff IRs # 28, 48

Interrogatory responses EP IRs # 3, 4

The Parties agree to the following adjustments to CK Hydro's proposed 2010 Test Year Operation, Maintenance and Administration ("OM&A") costs:

• Reduction in regulatory costs of \$80,000 for the 2010 cost of service rate application which are to be recovered over a four year period. Therefore the 2010 Test Year adjustment is \$20,000.

• Reduction in ongoing regulatory costs of \$15,000.

• Elimination of Board of Director costs from Chatham-Kent Energy (shareholder of CK Hydro) and Chatham-Kent Utility Services (affiliate of CK Hydro) of \$28,583.

• Reduction of \$10,000 to reflect salary increases for management staff at the rate of inflation.

• CK Hydro identified that the OM&A reduction for the change in the PST / HST would result in an approximate decrease in OM&A costs in the amount of \$50,000 annually (EP IR #3 f). Since this change is to be implemented in July 2010 the parties agreed to a reduction of \$25,000 in the 2010 OM&A.

• A further general reduction of \$25,000 was agreed to.

The total reductions are \$123,583 to bring the agreed upon OM&A costs for the 2010 Test Year to \$6,679,529 (see Appendix G), down from \$6,803,112 as originally set out in the pre-filed evidence (Exhibit 4, Tab 2, Schedule 3, Table 4-7, Page 4). The agreed upon OM&A costs for the 2010 Test Year will allow CK Hydro to maintain its position as a low cost utility within its cohort. It will also ensure that the customers will receive a safe and reliable distribution service while allowing CK Hydro to earn a fair and reasonable return.

The Parties agreed that the reduction in OM&A related to the PST/HST changes is sufficient and is not subject to a deferral/variance account.

4.2 Is CK Hydro's depreciation expense appropriate?

Status: Complete Settlement

Supporting Parties: CK Hydro, SEC, EP, VECC Evidence: Exhibit 4, Tab 2, Schedule 7

Settlement Agreement 2.2, 2.3

The Parties agree to the following adjustments to the proposed 2010 Test Year depreciation expense:

- Reduction of \$94,296 to reflect the application of the half-year rule in determining depreciation expense in the year that capital expenditures are incurred;
- Reduction of \$9,200 to reflect changes agreed to in sections 2.1 and 2.2 of this Settlement Agreement.

The total reduction agreed to by the Parties is \$103,696, bringing total Depreciation Expense down from \$3,815,361 to \$3,711,665 (see Appendix H).

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4.3. Is the amount proposed for the 2010 Test Year Payment in Lieu of Taxes, including CCA calculations, appropriate?

Status: Partial Settlement

Supporting Parties: CK Hydro, SEC, EP, VECC

Evidence: Exhibit 4, Tab 3

Interrogatory response Board Staff IR # 32

Interrogatory responses EP IRs # 56, 57, 58, 59, 60, Supplemental IR # 80

The Parties agree to adjust/reduce the Payment in Lieu of Taxes ("PILs") for the following reasons:

• Flow through of agreed changes in OM&A expenses and capital purchases;

• Correction to the classification of some assets to the appropriate CCA class (see EP IR # 57).

• Application of the half year rule to all 2010 Test year capital additions

• CK Hydro will be hiring a number of apprentices in 2010 and will therefore be eligible for an Apprenticeship Training Tax Credit. The tax credit agreed to by the Parties is \$26,700.

The overall impact of the above noted changes in a reduction in 2010 PILs of \$74,597 before gross-up.

The Parties also agree to the change in PILs (see Appendix I) from the Application for the updated cost of capital for 2010 cost of service applications as approved by the Board in their letter dated February 24, 2010. The updated PILs is \$1,095,869, which is \$108,206 more than the application. The updated amount of PILs is subject to change based upon the Board's decision on the unsettled issues.

Unsettled Issue, PILS:

The Intervenors are of the belief that CK Hydro will be eligible for the Small Business Deduction, which is estimated to be worth \$18,750. CK Hydro does not agree. The Parties agree that the question of whether CK Hydro is eligible for the Ontario Small Business Deduction will be addressed through written submissions.

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5. COST OF CAPITAL (Exhibit 5)

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

Status: Not Settled

Supporting Parties: CK Hydro, SEC, EP, VECC

Evidence: Exhibit 5

Interrogatory response Board Staff IR # 35

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

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

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

For the purposes of this Agreement CK Hydro is proposing a total cost of capital of \$4,108,241 (see Appendix J), which is subject to change based upon the Board's decision on the unsettled issues.

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5.2. Is the proposed Return on Debt appropriate?

Status: Complete Settlement

Supporting Parties: CK Hydro, SEC, EP, VECC

Evidence: Exhibit 5

Interrogatory responses Board Staff IRs # 33, 34

Interrogatory responses EP IRs # 62, 63 Interrogatory response SEC IR # 15

CK Hydro, in the Application, had used a long term debt rate of 7.62%, which was the deemed rate approved by the Board for the 2009 cost of service applications. CK Hydro had also proposed that the debt rate would be updated to the deemed rate approved by the Board for the 2010 cost of service applications.

The Parties agreed that the long-term debt rate would be the lower of the nominal rate (7.04%) that is currently charged on the affiliate debt and the deemed rate to be approved by the Board. The Board issued a letter on February 24, 2010 outlining the approved deemed cost of capital rates that are to be included in the 2010 cost of service applications. The deemed-long term debt rate approved by the Board in the letter is 5.87%; therefore, the long term debt rate used in this Agreement is now 5.87%.

CK Hydro, in the Application, had used a short-term debt rate of 1.33%, which was the deemed rate approved by the Board for the 2009 cost of service applications. CK Hydro had also proposed that the debt rate would be updated to the deemed rate approved by the Board for the 2010 cost of service applications. The Parties agreed to update the short-term debt rate based upon the Board's approved rate for 2010 cost of service applications. The deemed short-term debt rate approved by the Board in the letter of February 24. 2010 is 2.07%; therefore, the short term debt in this Agreement is now 2.07%.

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6. CALCULATION OF REVENUE DEFICICENY OR SURPLUS (Exhibit 6)

6.1. Is the Revenue Deficiency for the 2010 Test Year appropriate?

Status: Complete Settlement

Supporting Parties: CK Hydro, SEC, EP, VECC

Evidence: Exhibit 6

All Parties have agreed that the adjusted revenue deficiency of \$1,197,225 (Settlement Agreement Appendix K) is appropriate; however, this may be adjusted further depending upon the Board's Decision on the three unresolved issues that will be dealt with by way of written submissions.

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7. COST ALLOCATION (Exhibit 7)

7.1. Is CK Hydro's cost allocation appropriate?

Status: Complete Settlement

Supporting Parties: CK Hydro, SEC, EP, VECC

Evidence: Exhibit 7

The Parties agreed that the cost allocation is appropriate.

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

Status: Complete Settlement

Supporting Parties: CK Hydro, SEC, EP, VECC

Evidence: Exhibit 7

Interrogatory responses Board Staff IRs # 40, 41, 42, 43, Supplemental IR # 96

Interrogatory response SEC IR # 16 Interrogatory response EP IR # 64

Interrogatory response VECC Supplemental IR # 8

The Parties agree that the revenue-to-cost ratios for customer classes (all classes except Residential and General Service < 50 kW) that are outside of the Board's guidelines would be moved to the range over a three year period. The Parties agreed that the migration to the lower or upper band, as applicable, will be done by moving half-way to the applicable boundary in 2010, and then the rest of the way in equal increments in 2011 and 2012 (see Appendix L).

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8. RATE DESIGN (Exhibit 8)

8.1 Are the proposed customer classes appropriate?

Status: Complete Settlement

Supporting Parties: CK Hydro, SEC, EP, VECC

Evidence: Exhibit 8

Interrogatory responses Board Staff IRs # 37, 39, 41

The Parties agree to the following rate class changes:

- Elimination of the Large User class
- Introduction of a new rate class, Intermediate with Self-Generation class

The elimination of the large user class is due to there no longer being any customers in the large user class.

The new rate class, Intermediate with Self-Generation, will have the following customer characteristics to be eligible for the class:

- Customer demand will be between 1,000 kW and 4,999 kW
- Customer will have significant on site generation greater than 500 kW

There are no other changes to CK Hydro's existing customer classes.

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

Status: Complete Settlement

Supporting Parties: CK Hydro, SEC, EP, VECC

Evidence: Exhibit 8

Interrogatory responses Board Staff IRs # 44, 45

Interrogatory responses VECC IRs # 8, 17, Supplemental IR # 8

The Parties agree to the customer charges and the fixed-variable splits resulting from this proposal.

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8.3. Are the customer bill impacts appropriate?

Status: Complete Settlement

Supporting Parties: CK Hydro, SEC, EP, VECC

Evidence: Exhibit 1, Tab 2, Schedule 1, Table 1-2

Exhibit 8, Tab 11, Appendix A

The Parties agree that, regardless of the Board's findings on the three unsettled issues, the bill impacts provided in Appendix M of the Settlement Agreement are appropriate; however, these impacts may be updated depending upon the Board's decision on the three unsettled issues.

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8.4. Are the proposed Retail Transmission Service Rates appropriate?

Status: Complete Settlement

Supporting Parties: CK Hydro, SEC, EP, VECC Evidence: Exhibit 8, Tab 1, Schedule 3

Interrogatory responses VECC IR # 18, Supplemental IR # 9

The Parties agree to the Retail Transmission Service Rates as provided for in the interrogatory response to

VECC Supplemental IR # 9 (2nd round IRs).

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8.5. Are the proposed Loss Factors appropriate?

Status: Complete Settlement

Supporting Parties: CK Hydro, SEC, EP, VECC Evidence: Exhibit 8, Tab 1, Schedule 6

Interrogatory Response VECC Supplemental IR # 12

The Parties agree that loss factors have been trending down and that the loss factor for the 2010 Test Year should be 4.28% based on a five year average methodology, down from 4.43% as proposed in the pre-filed evidence.

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9. DEFERRAL AND VARIANCE ACCOUNTS (Exhibit 9)

9.1. Are the balances in the Deferral and Variance Accounts appropriate?

Status: Complete Settlement

Supporting Parties: CK Hydro, SEC, EP, VECC

Evidence: Exhibit 9, Tab 1, Schedule 1 and 2

Interrogatory responses Board Staff IRs # 49, 50 51, 52, 53, 54, Supplemental IR

#87

Interrogatory response EP IR # 65 Interrogatory response VECC IR # 22

The Parties agreed that the balances in the Deferral and Variance Accounts are appropriate, subject to material adjustments resulting from future Board reviews as part of the RRR process.

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9.2. Are the methods of disposition of the Deferral and Variance Accounts appropriate?

Status: Complete Settlement

Supporting Parties: CK Hydro, SEC, EP, VECC Evidence: Exhibit 9, Tab 1, Schedule 3

Interrogatory responses Board Staff IR # 56, Supplemental IR # 91

The Parties agree that the disposition of the Global Adjustment, which is included in a sub-account of account 1588, should be disposed of differently than the other Deferral and Variance Accounts. The Global Adjustment will be recovered from customers in the following manner:

- From only on-RPP customers;
- The MUSH sector will not be charged this rate as they were not a non-RPP customer during the period that these costs were accumulated;
- The recovery period will be over two years.

All Parties agreed that all other Deferral and Variance Accounts will be recovered from the customers as proposed by CK Hydro over a one year period (see Appendix N).

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9.3. Are the Smart Meter charges, rate rider, disposition rider and permanent rate rider appropriate?

Status: Complete Settlement

Supporting Parties: CK Hydro, SEC, EP, VECC

Evidence: Exhibit 9, Tab 2

Interrogatory responses Board Staff IRs # 57, 58, 59, 60, 61, 62, Supplemental

IRs # 92, 93

Interrogatory responses EP IRs # 6, 12

Interrogatory responses VECC IRs # 23, 24, 25

The Parties agree that the Smart Meter costs (both O&M A and capital) are appropriate for recovery from CK Hydro's customers. The Parties also agree that the return on the investment in smart meters should be updated for the cost of capital (Board staff IR # 57 b). The Parties also agree that the Smart Meter charges, rate rider, disposition rider and permanent rider, are appropriate after the updated cost of capital parameters are used.

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10. LRAM / SSM (Exhibit 10)

10.1. Are the LRAM and SSM rate proposals appropriate?

Status: Complete Settlement

Supporting Parties: CK Hydro, SEC, EP, VECC

Evidence: Exhibit 10

Interrogatory responses Board Staff IRs # 63 – 69, Supplemental IRs # 99 - 102

Interrogatory responses EP IR # 66

Interrogatory responses VECC IRs # 26 – 31

CK Hydro had proposed to recover \$774,194 in LRAM and SSM (Exhibit 10, Tab 1, Schedule 1, Appendix A, page 6) for conservation programs that were implemented by CK Hydro as well as those supported by the Ontario Power Authority ("OPA"). Included in that amount was LRAM and SSM related to the implementation of Smart Meters and the education programs surrounding conservation initiatives. The Parties agree that a portion of LRAM and SSM related to smart meters during a period when smart meters were installed in CK Energy's service territory but not used for Time of Use Pricing should be removed from the requested LRAM/SSM claim. This results in a reduction of \$347,010, bringing the total to be recovered from customers to \$427,184 (see Appendix P).

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10.2. Is the timing of recovery of the LRAM and SSM appropriate for rate mitigation purposes?

Status: Complete Settlement

Supporting Parties: CK Hydro, SEC, EP, VECC

Evidence: Exhibit 10

The Parties agreed to CK Hydro's rate mitigation proposal to defer the timing of the recovery of the LRAM / SSM until May 1, 2011. The Parties also agree that the billing determinants to be used to determine the LRAM/SSM rate riders are the approved 2010 Test Year amounts.

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Appendix A List of Unsettled Matters

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Summary of Unsettled Items

1) Issue 2.3: Should a lead lag study be prepared by CK Hydro for its next cost of service, rate rebasing application?

2) Issue 5.1: the appropriate capital structure and the appropriate return on equity for CK Hydro.

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

b) The appropriate capital structure for CK Hydro: the Parties agree that the percentage CK Hydro's debt-to-equity ratio for rate making purposes, 60% to 40%, is appropriate. However, the Parties have not agreed on the appropriate level of short-term debt. The debt component is comprised of 56% long-term debt and 4% short-term debt. The intervenors do not agree that 4% short-term debt is an appropriate amount for CK Hydro for rate making purposes. The Parties have agreed that this matter will be the subject of written submissions.

3) Issue 4.3: Should the Ontario Small Business Tax Deduction be included in the calculation of the 2010 PILs?

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Appendix B

Summary of the Significant Items Adjusted as a Result of this Agreement

Summary of Significant Items Adjusted

		Settlement Ag	greement		
	Original Submission (A)	Original Cost of Capital (B)	Updated Cost of Capital (C)	Difference = (B) - (A)	Difference = (C) - (A)
Rate Base	\$56,073,568	\$56,200,288	\$56,200,288	\$126,720	\$126,720
Capital Expenditures	¢4.222.200	64 117 200	64 117 200	(\$ 105 000)	(C 105 000)
2009 Bridge Year	\$4,222,390	\$4,117,390	\$4,117,390	(\$ 105,000)	(\$ 105,000)
2010 Test Year	\$5,517,531	\$5,242,531	\$5,242,531	(\$ 275,000)	(\$ 275,000)
Other Revenue	1,187,450	1,302,450	1,302,450	115,000	\$115,000
Weather Normalized kWhs					
Purchases	674,626,659	695,000,000	695,000,000	\$20,373,341	\$20,373,341
Loss Factor	4.43%	4.28%	4.28%	-0.15%	-0.15%
Cost of Capital					
Long Term Debt Rate	7.62%	7.04% *	5.87%	-0.58%	-1.75%
Short Term Debt Rate	1.33%	1.33% *	2.07%	0.00%	0.74%
Return on Equity	8.01%	8.01%	9.85%	0.00%	1.84%
Return on Long Term Debt	\$2,392,771	\$2,215,640	\$1,847,570	(\$ 177,131)	(\$ 545,201)
Return on Short Term Debt	\$29,831	\$29,899	\$46,538	\$68	\$16,707
Return on Equity	\$1,796,597	\$1,800,657	\$2,214,477	\$4,060	\$417,880
Total Return on Capital	\$4,219,199	\$4,046,196	\$4,108,585	(\$ 173,003)	(\$ 110,614)
Operating Expenses					
Operations	\$1,041,236	\$1,026,236	\$1,026,236	(\$ 15,000)	(\$ 15,000)
Maintenance	\$1,187,798	\$1,142,798	\$1,142,798	(\$ 45,000)	(\$ 45,000)
Administration and General	\$2,690,751	\$2,627,168	\$2,627,168	(\$ 63,583)	(\$ 63,583)
Total Operating Expenses	\$6,803,112	\$6,679,529	\$6,679,529	(\$ 123,583)	(\$ 123,583)
<u>Depreciation Expense</u>	\$3,815,361	\$3,711,865	\$3,711,865	(\$ 103,496)	(\$ 103,496)
LRAM / SSM Recovery	\$774,194	\$427,184	\$427,184	(\$ 347,010)	(\$ 347,010)

Note:

- (A) Original Submission
- (B) Proposed Settlement including change in the Long-Term debt rate to maximum of the current rate
- (C) Proposed Settlement including change in the Debt rates and Cost of Equity consistent with the cost of capital parameters issued by the Board on February 24, 2010.
 - The amounts shown in Column C are subject to adjustment depending on the Board decision on the three unsettled issues

^{*} While Columns B and C are presented to show the impact of the change in cost of capital parameters, the applicable debt rates are not in dispute. As stated in Section 5.2 above, the Parties have agreed that the cost of debt will be based on the new cost of capital parameters. As a result, the applicable rates for CK Hydro are the new deemed rates for long- and short-term debt, namely, 5.87% and 2.07% respectively.

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Appendix C Updated Fixed Asset Continuity Schedules

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

				Cost	,			Accumulated Depreciation	epreciation		
OEB	Description		Opening Balance	Additions	Disposals	Closing Balance	Opening Balance	Additions	Disposals	Closing Balance	Net Book Value
1805 Land			117,846			117,846	0			0	117,846
Н	Land Rights		0			0	0			0	0
Н	Buildings and Fixtures		339,972			339,972	125,325	13,591		138,916	201,056
Н	Leasehold Improvements		0			0	0			0	0
Н	Transformer Station Equipment - Normally Pi	t - Normally Pi	0			0	0			0	0
1820 Di	Distribution Station Equipment - Normally Pri	- Normally Pri	795,093			795,093	193,281	35,536		228,816	566,277
1825 St	Storage Battery Equipment		0			0	0			0	0
1830 P	Poles, Towers and Fixtures		4,227,639	519,294		4,746,932	769,572	189,877		959,450	3,787,483
1835 C	Overhead Conductors and Devices	rices	18,772,941	855,653		19,628,594	6,764,030	915,617		7,679,647	11,948,947
Н	Underground Conduit		1,204,240	74,215		1,278,455	246,252	51,139		297,391	981,064
1845	Underground Conductors and Devices	Devices	14,616,203	565,628		15,181,831	5,937,648	818,708		6,756,356	8,425,475
1850	Line Transformers		14,359,934	987,823		15,347,757	4,941,260	732,602		5,673,862	9,673,895
1855 8	Services		3,354,546	400,929		3,755,475	661,747	150,219		811,966	2,943,509
1860	Meters		2,828,962	29,278		2,858,240	1,086,522	140,776		1,227,297	1,630,943
Н	Smart Meters		4,210,814			4,210,814	539,712	375,787		915,499	3,295,315
1865	Other Installations on Customer's Premises	r's Premises	0			0	0			0	0
1905	Land		568,511	100,000		668,511	0			0	668,511
1906	Land Rights		0			0	0			0	0
1908	Buildings and Fixtures		3,334,581	138,500		3,473,081	671,841	110,929		782,770	2,690,312
Н	Leasehold Improvements		0			0	0			0	0
1915	Office Furniture and Equipment	t	124,426	7,500		131,926	75,823	11,499		87,321	44,604
1920	Computer Equipment - Hardware	ıre	298,067			298,067	297,273	794		298,067	0
1920	Computer - Hardware post Mar 22/04	r 22/04	55,331			55,331	35,555	9,854		45,409	9,922
1920	Computer - Hardware post Mar19/07	19/07	169,819	63,000		232,819	53,433	11,651		65,083	167,736
1925	Computer Software		483,095	130,000		613,095	177,563	66,787		244,350	368,745
1930	Transportation Equipment		2,519,106	362,000		2,881,106	1,560,960	245,048		1,806,008	1,075,097
Н	Stores Equipment		0			0	0			0	0
1940	Tools, Shop and Garage Equipment	ment	638,613	47,000		685,613	498,094	28,190		526,284	159,329
1945	Measurement and Testing Equipment	ipment	0			0	0			0	0
1950	Power Operated Equipment		0			0	0			0	0
1955	Communication Equipment		0			0	0			0	0
Н	Miscellaneous Equipment		0			0	0			0	0
1970	Load Management Controls - Customer Pren	Sustomer Pren	0			0	0			0	0
1975	Load Management Controls - Utility Premises	Jtility Premises	0			0	0			0	0
1980	System Supervisory Equipment	t	787,728	40,000		827,728	547,406	55,023		602,429	225,299
1985	Sentinel Lighting Rentals		0			0	0			0	0
Н	Other Tangible Property		1,750,427	76,572		1,826,998	906,542	150,325		1,056,867	770,131
1995	Contributions and Grants		(3,886,753)	(280,000)		(4,166,753)	(849,424)	(167,338)		(1,016,762)	(3,149,991)
	Total before Work in Process	cocess	71,671,139	4,117,390	0	75,788,529	25,240,414	3,946,613	0	29,187,027	46,601,502
	Work in Process		0			0	0			0	0
	Total after Work in Process	sseoc	71,671,139	4,117,390	0	75,788,529	25,240,414	3,946,613	0	29,187,027	46,601,502
l											

Transportation	Stores Equipment	
1925	1930	

Less. I ally Allocated Depletiation	Depleciation
Transportation	245,048
Communication	
Net Depreciation	3,701,565

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

Cheming Balance Additions Cheming Balance Additions Disposais Cheming Balance Additions Cheming Balance Additions Cheming Balance Chem	chard Description Opening Balance Additions Desposals Chaining Balance Additions Desposals Chaining Balance Additions Chaining Balance Additions Chaining Balance Chaining Balance Additions Chaining Balance Chaining Balance Additions Chaining Balance Additions Chaining Balance Additions Chaining Balance Additions	ź	As at December 31, 2010	1, 2010		Cost	st		4	Accumulated Depreciation	epreciation		
Lind Rights and February 117.846	Linding Registration	Ö	g		Opening Balance		Disposals	Closing Balance	Opening Balance		Disposals	Closing Balance	Net Book Value
Land Rothers 3.00 6.000 40.40 9.0 1.00 1.00 Land Rothers 3.50 65.000 40.40 1.00 1.00 1.00 Lease Rother Equipment - Normally Fig. 10.000 1.00 0.0 0.0 0.0 0.0 Distributions Station Equipment - Normally Fig. 10.000 1.00 0.0 0.0 0.0 0.0 Poles Station Equipment - Normally Fig. 10.000 1.00 0.0 0.0 0.0 0.0 Distribution Station Equipment - Normally Fig. 10.000 1.00 0.0 0.0 0.0 0.0 0.0 Downs and Charletine Station Equipment - Normally Fig. 10.000 1.00 0.0	Land Rights Signature Signation ALM STORE 10	18	Н		117,846			117,846	0			0	117,846
Baldings and Fatures 339,972 65,000 0.	Palentine and Frittunes 339,872 65,000 404,972 138,916 148,999 155,816 155,816 150,816	18	Н	and Rights	0			0	0			0	0
Participation Participatio	Computer Squirement Continuence and Devices and Continuence and Continuence and Devices and Equipment 1 (2.78) (2.94) 2.20, 6.77	4	+	Suildings and Fixtures	339,972	65,000		404,972	138,916	14,899		153,815	251,157
Sucregio Estator Carollators and Devices 156,053 100,000 1	Description Station Equipment - Normally Processes 726,044 6,306,377 228,160 201,066 201	- -	+	Francformer Station Equipment - Normally 1	0							0 0	
Storage Battery Equipment 476,932 658,444 6,306,377 996,440 1,105,16 1,105,10 1,105,10 1,105,10 1,105,10 1,105,10 1,105,10 1,105	Storage Battery Equipment 4,746,522 55,944 5,306,377 7,676,467 1,60,516 1,6	- -	+	Distribution Station Equipment - Normally Pr		100.000		895.093	228.816	36.743		265.559	629.534
Pege 540	Pose Septement of Positions 47,46,922 65,944 5,369,450 7,675,647 90,069 1,160,516 Underground Conductors and Devices 1,274,555 614,438 1,519,832 1,577,341 8,566,706 1,570,346 <t< td=""><td>_</td><td>⊢</td><td>Storage Battery Equipment</td><td></td><td></td><td></td><td>0</td><td>0</td><td></td><td></td><td>0</td><td>0</td></t<>	_	⊢	Storage Battery Equipment				0	0			0	0
Overhead Conductors and Devices 19,026,544 6,024,22,017 7,09,647 6,090,99 8,586,70 Underground Conductors and Devices 1,518,432 1,519,832 1,519,832 297,391 55,765,56 20,046 7,576,817 1,523,40 Underground Conductors and Devices 1,518,417 1,518,426 1,523,47 4,132,47 4,132,47 4,132,47 4,132,47 4,132,47 5,766,547 6,513,662 6,523,40 5,546,547 6,542,547 6,542,547 6,542,547 6,542,547 6,542,547 6,542,547 6,542,547 6,542,547 6,542,547 6,542,547 6,542,547 6,542,547 6,542,547 6,542,547 6,542,547 6,542,547 6,542,547 6,542,547 6,543,547 6,543,547 6,543,547 6,543,547 6,543,547 6,543,547 6,543,547 6,543,547 6,542,547 6,542,547 6,542,547 6,543,547 6,542,547 6,542,547 6,542,547 6,542,547 6,542,547 6,542,547 6,542,547 6,542,547 6,542,547 6,542,547 6,542,547 6,542,547 6,542,547 6,542,54	Owner and Devices 19,258,594 62,348 20,282,012 65,967 907,056 8,586,705 7,106 8,105 8,586,705 8,586,705 8,586,705 8,586,705 8,586,705 1,278,456 1,278,456 2,14,148 1,278,456 1,278,466 1,278,476 1,278,476 1,278,476 1,278	`	Н	Poles, Towers and Fixtures	4,746,932	559,444		5,306,377	959,450	201,066		1,160,516	4,145,861
Underground Conductors and Devices 1,278,455 24,438 1,518,893 1,5	Underground Conductors and Devices 1,1278,455 24,438 1,518,985 1,518,985 1,518,985 2,52,17 2,596,547 1,576,547 1,576,617 1,576,617 1,576,617 1,576,617 1,576,617 1,576,617 1,576,617 1,576,617 1,576,617 1,576,617 1,576,617 1,576,617 1,576,617 1,576,617 1,576,617 1,576,617 1,576,617 1,576,617 1,570,617 1,57	`	Н	Overhead Conductors and Devices	19,628,594	653,418		20,282,012	7,679,647	907,059		8,586,706	11,695,306
Underground Conductors and Devices 15,181,331 813,840 15,895,671 677,862 676,8356 677,862 765,476 757,6217 757,6	Underground Conductors and Devices 15,181,811 81,8440 15,085,617 567,863-26 820,481 7,575,617 Beevices 3,77,287 4,27,27 4,17,221 567,863-26 18,664-8 970,660 Services 3,756,475 423,377 1,27,291 14,366-9 1,239,406 1,270,466 Services 3,756,475 4,270,114 6,78,217 1,270,291 1,270,291 1,270,291 Some of the installations on Customer's Premises 4,210,814 0 693,511 0 0 0 Independent installations on Customer's Premises 688,511 25,000 693,511 0 0 0 0 Independent installations on Customer's Premises 1,200 1,413,926 1,616,922 1,523,940 1,127,046 0 Independent installations on Customer's Premise 1,200 1,413,926 87,327 1,123,408 1,127,046 1,127,046 1,127,046 1,127,046 1,127,046 1,127,046 1,127,046 1,127,046 1,127,046 1,127,046 1,127,046 1,127,047 1,127,04	,	Н	Underground Conduit	1,278,455	241,438		1,519,893	297,391	25,967		353,358	1,166,535
Interference 15,347,777 1,034,560 16,328,177 1,034,660 16,328,177 1,034,660 1,130,240	Services 15,347,757 1,04,660 16,323,77 1,05,478,02 1,05,478 0,429,479 0,600 0	, I	Н	Underground Conductors and Devices	15,181,831	813,840		15,995,671	6,756,356	820,461		7,576,817	8,418,853
Services 370.66 pt 4179.77 4179.71 8179.66 pt 870.66 pt Smart Meters 2.866.240 2.9489 2.876.247 1.370.94 1.370.94 Smart Meters 4.210.814 2.9489 2.9489 2.947.99 1.227.99 1.370.94 Computer Installations on Customer's Premises 6.86 5.1 2.5000 6.93.51 0 0 0 Land Rights 1.200 3.75.681 2.00 3.75.681 0 0 0 Leasehold improvements 3.47.061 1.200 3.75.681 0 0 0 Computer Figurent Learnware post Mara 2014 2.85.31 1.200 2.280.67 2.280.67 2.280.67 2.280.67 2.280.67 2.280.67 2.280.67 2.280.67 2.280.67 2.280.67 2.280.67 2.280.67 2.280.67 2.280.67 2.880.67 2.880.67 2.880.67 2.880.67 2.880.67 2.880.67 2.880.67 2.880.67 2.880.67 2.880.67 2.880.67 2.880.67 2.880.67 2.880.67 2.880.67	Molecuse 3,756,475 423,377 4,217,874 4,11966 156,694 970,606 Smart Meters Smart Meters 4,210,814 22,692,40 22,692,739 1,277,297 145,694 1,270,046 Computer Installations on Customer's Premises 4,210,814 22,000 693,511 0 0 0 0 Land Rights Lassahold improvements 6,881,11 25,000 1,270,081 0 0 0 0 Computer Schware Lassahold improvements 1,370,081 1,270,081 1,270,081 0 0 0 0 Computer Schware 2,891,087 1,200 2,881,087 2,881,087 0 <td< td=""><td>ı `</td><td>Н</td><td>ine Transformers</td><td>15,347,757</td><td>1,034,560</td><td></td><td>16,382,317</td><td>5,673,862</td><td>755,478</td><td></td><td>6,429,340</td><td>9,952,977</td></td<>	ı `	Н	ine Transformers	15,347,757	1,034,560		16,382,317	5,673,862	755,478		6,429,340	9,952,977
Meters 2.886.240 2.9499 2.887,739 1.277.297 1.43649 1.370,946 Other Insalations on Customer's Premises 4.210.614 0 0 1.239,009 1.239,009 Other Insalations on Customer's Premises 4.210.614 0 0 0 1.239,009 1.239,009 Computer Alexander 3.42.061 303,000 0 0 0 0 0 Busilations and Equipment 131,226 12,000 0 0 0 0 0 Omputer Alexander post Mart 2004 25,331 0 0 0 0 0 0 0 Computer Schware post Mart 2004 25,331 56,000 3,661,106 0	Marsurement Charles 29,89 29,89 1,370,946 1,		Н	Services	3,755,475	423,737		4,179,211	811,966	158,694		970,660	3,208,551
Sinant Meters Colher Installations on Customer's Premises 4.210,814	Siment Materia 4,210,614 1,210,614 1,239,409 1,239,409 1,239,409 Land Installations on Customer's Premises 0,65,11 25,000 683,511 0 0 0 Land Rights Land Rights 1,20,408 3,75,081 0 0 0 0 Leave floor in the intervenement 3,473,081 303,000 3,776,081 1,682,27 1,682,22 889,682 0 Leasehold Improvement 131,956 12,000 3,776,081 1,682,27 1,682,22 889,682 0 Leasehold Improvement 131,956 12,000 1,43,966 87,321 9,195 88,794 0 Computer Hardware post Mar 2004 35,331 28,007 286,007 286,007 288,067 286,007 286,		Н	Meters	2,858,240	29,499		2,887,739	1,227,297	143,649		1,370,946	1,516,793
Other Installations on Customer's Premises 0 0 0 0 0 Land Rights 688 511 25,000 693,511 0 0 0 Land Rights 60,010 3,475,081 36,510 78,277 116,922 899,682 Leasefulding ment Feutures 3,473,081 303,000 3,776,081 78,277 116,922 899,687 Computer Equipment Hardware post Mar 2204 55,331 56,000 288,619 65,689 87,221 9,195 86,516 Computer Hardware post Mar 2204 55,331 56,000 66,331 65,881 65,889 88,744 88,784 Computer Hardware post Mar 2004 55,311 66,331 65,881 65,889 88,784 65,889 88,784 Computer Hardware post Mar 2004 528,189 56,000 3,861,106 61,006 88,789 88,789 88,789 Computer Hardware post Mar 2004 528,1106 780,000 3,861,106 1,866,009 303,916 1,109,924 1,109,824 Stores Equipment 685,613	Other Installations on Customer's Premises 0		Н	Smart Meters	4,210,814			4,210,814	915,499	323,909		1,239,408	2,971,406
Land Rights 668,511 25,000 693,511 0	Land English 668,511 25,000 693,511 0 0 0 Land Rights 0 0 0 0 0 0 0 Land Rights 0 0 0 0 0 0 0 Computer Equipment 131,926 12,000 143,286 12,000 145,286 12,000 145,286 12,000 145,286 12,000 145,286 12,000 145,286 12,000 145,286 12,000 145,286 12,000 145,286 12,000 145,409 15,109		Н	Other Installations on Customer's Premises				0	0			0	0
Land Rights Q <th< td=""><td>Land Rights 0 <th< td=""><td></td><td>Н</td><td>and and</td><td>668,511</td><td>25,000</td><td></td><td>693,511</td><td>0</td><td></td><td></td><td>0</td><td>693,511</td></th<></td></th<>	Land Rights 0 <th< td=""><td></td><td>Н</td><td>and and</td><td>668,511</td><td>25,000</td><td></td><td>693,511</td><td>0</td><td></td><td></td><td>0</td><td>693,511</td></th<>		Н	and and	668,511	25,000		693,511	0			0	693,511
Buildings and Fkttures	Buildings and Fixtures 3.47,081 303,000 3,776,081 782,770 116,922 899,692 Confice Furnitures 131,926 1,2000 143,926 1,2000 143,926 87,321 9,195 96,516 Computer Fullyment Character and Equipment Computer Fullyment Character post Mar 2204 55,331 56,301 280,607 280,607 52,80,607 86,794 86,794 Computer Fullyment Character post Mar 2004 56,301 222,819 66,000 288,819 65,083 23,711 88,794 Computer Software post Mar 2004 56,301 222,819 66,000 288,819 65,083 23,711 88,794 Computer Software post Mar 1907 222,819 66,000 288,819 65,083 23,711 88,794 Computer Software post Mar 1907 222,819 66,000 288,819 65,083 23,711 88,794 Slores Equipment 0 0 0 0 0 0 0 0 Power Operated Equipment 0 0 0 0 0 0		Н	and Rights	0			0	0			0	0
Defice Fundamental Equipment Equi	Leasehold Improvements 0		Н	Suildings and Fixtures	3,473,081	303,000		3,776,081	782,770	116,922		899,692	2,876,390
Office Funiture and Equipment 131,926 12,000 143,926 87,321 91,95 96,516 Computer Equipment - Hardware post Mart 907 298,067 30,3916 50,314 30,3916 50,304 60,316 20,30,3916 50,304 60,304	Office Funditive and Equipment 113,926 12,000 143,926 87,321 96,516 96,516 Computer - Hardware post Mar 2004 55,331 56,000 289,067 298,067 298,067 298,067 Computer - Hardware post Mar 2004 55,331 56,000 288,19 65,033 23,711 88,794 523,26 Computer - Hardware post Mar 1907 222,819 56,000 288,19 65,033 23,711 88,794 523,26 Computer - Hardware post Mar 1907 222,810 780,000 288,19 66,033 23,711 88,794 88,794 Computer - Hardware post Mar 1907 223,811,06 780,000 3,661,106 1,806,008 303,916 52,325 Total School March Controls - Clarity March In Total School March Controls - Customer Pre Control March Controls - Customer Pre Control March In Total School March In Total School March In Total School March In Process 1,006,000 867,728 40,000 60 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0		Н	easehold Improvements	0			0	0			0	0
Computer Equipment - Hardware Dest Mar 2004 298,067	Computer Equipment Handware 298,067 58,067 298,078 298,		Н	Office Furniture and Equipment	131,926	12,000		143,926	87,321	9,195		96,516	47,409
Computer - Hardware post Mar 22/04 55,331 56,331 56,331 45,409 6,916 5,225 Computer - Hardware post Mar 19/07 232,819 56,000 288,819 65,083 23,711 88,794 Computer Software Computer Software Equipment 613,085 786,000 3,661,106 1,806,008 303,916 2,109,924 Transportation Equipment 0 0 0 0 0 0 Slores Equipment 0 0 0 0 0 0 0 Power Operated Equipment 0 0 0 0 0 0 0 Communication Equipment 0 0 0 0 0 0 0 Massurement and Testing Equipment 0 0 0 0 0 0 0 Communication Equipment 0 0 0 0 0 0 0 Load Management Controls - Customer Pre 0 0 0 0 0 0 Load Management Contr	Computer - Hardware post Mar 2204 55.331 56,000 56,331 45,409 6,916 52.235 52.235 Computer - Hardware post Mar 1907 232,819 56,000 286,134 66,083 23,711 88,794 88,794 Computer Software Commuter Software For Marcelland Equipment 613,095 780,000 3,661,106 1,806,008 30,916 2,109,924 20,097 Stores Equipment 0 0 0 0 0 0 0 0 Ressurement and Testing Equipment 0 0 0 0 0 0 0 0 Alscellancous Equipment 0 <td></td> <td>Н</td> <td>Somputer Equipment - Hardware</td> <td>298,067</td> <td></td> <td></td> <td>298,067</td> <td>298,067</td> <td></td> <td></td> <td>298,067</td> <td>0</td>		Н	Somputer Equipment - Hardware	298,067			298,067	298,067			298,067	0
Computer - Hardware post Maria (billing Rentals) 232,819 56,000 288,819 65,083 23,711 88,794 Computer Software Computer Software Computer Software Computer Software Experiment Communication Equipment 613,095 3,611,096 1,806,008 303,916 0 320,987 Stores Equipment Communication Equipment Equipment Equipment Equipment Equipment Equipment Equipment Equipmen	Computer - Hardware post Martl907 232,819 56,000 288 819 66,083 23,711 88,794 Computer - Hardware Computer Software Software Computer Software Computer Software Softw		Н	Somputer - Hardware post Mar 22/04	55,331			55,331	45,409	6,916		52,325	3,006
Computer Software 613.095 613.095 613.095 244.350 76.637 320,987 320,987 Stores Equipment 2,881,106 780,000 3,661,106 1,806,008 303,916 1,09,524 Stores Equipment 0 0 0 1,806,008 303,916 1,09,524 Messurement and Testing Equipment 0 0 0 0 0 Communication Equipment 0 0 0 0 0 Miscellaneous Equipment 0 0 0 0 0 Miscellaneous Equipment 0 0 0 0 Load Management Controls - Customer Prescription 0 0 0 Load Management Controls - Utility Premise 0 0 0 System Supervisory Equipment 1,826,986 81,585 1,986,523 47,096 649,525 Sordinel Lighting Rentals 0 0 0 0 0 0 Contributions and Grants 1,826,986 81,535 1,106,867 4,1756	Computer Software 613,095 613,095 244,350 76,637 78,097 320,987 Transportation Equipment 2,881,106 780,000 3,661,106 1,806,008 303,916 1,09,524 Slores Equipment 685,613 299,000 984,613 526,284 41,756 568,040 Measurement and Testing Equipment 0 0 0 0 0 0 Measurement and Testing Equipment 0 0 0 0 0 0 Communication Equipment 0 0 0 0 0 0 0 Miscellaneous Equipment 0 0 0 0 0 0 0 Load Management Controls - Customer Pre 0 0 0 0 0 0 0 Load Management Controls - Utility Premise 0 0 0 0 0 0 0 0 System Supervicory Equipment 1,826,998 81,595 1,908,593 1,056,887 47,096 649,552 0	` '	Н	Computer - Hardware post Mar19/07	232,819	26,000		288,819	65,083	23,711		88,794	200,025
Transportation Equipment 2,881,106 780,000 3,661,106 1,806,008 303,916 2,109,924 Stores Equipment 0 0 0 0 0 0 0 Tooks Shop and Tooks In Tooks Shop and Tooks In Tooks Shop and Tooks In Tooks Shop and Grants 0 0 0 0 Power Operated Equipment 0 0 0 0 0 0 Miscellaneous Equipment 0 0 0 0 0 0 0 Miscellaneous Equipment 0 0 0 0 0 0 0 Load Management Controls - Customer Pre Controls - Utility Premise 0 0 0 0 0 0 0 Load Management Controls - Utility Premise 0	Transportation Equipment 2,881,106 780,000 3,661,106 1,806,008 303,916 2,109,924 Tools, Stop and Garage Equipment 0 0 0 0 0 0 0 0 Measurement and Testing Equipment 0 0 0 0 0 0 0 0 Communication Equipment 0 0 0 0 0 0 0 0 0 Miscellanceus Equipment 0	` '	\dashv	Somputer Software	613,095			613,095	244,350	76,637		320,987	292,108
Stores Equipment 0 0 0 0 0 0 Tools, Shop and Garage Equipment 685,613 299,000 984,613 526,284 41,756 580,040 Measurement and Testing Equipment 0 0 0 0 0 0 Power Operated Equipment 0 0 0 0 0 0 Communication Equipment 0 0 0 0 0 0 Miscellaneous Equipment 0 0 0 0 0 0 0 Load Management Controls - Utility Premise 0 0 0 0 0 0 0 System Supervisory Equipment 827,728 40,000 867,728 0 0 0 0 0 System Supervisory Equipment 1,826,998 81,595 1,908,593 1,066,728 47,096 649,525 0 Sentinel Lighting Rentals (4,166,753) 275,000 (4,441,753) 1,066,867 4,015,81 0 1,000,470 <	Stores Equipment 0 0 0 0 0 0 Tools, Shop and Garage Equipment 685,613 299,000 984,613 526,284 41,756 580,040 Mover Operated Equipment 0 0 0 0 0 0 Communication Equipment 0 0 0 0 0 0 0 Miscellaneous Equipment 0 0 0 0 0 0 0 Load Management Controls - Customer Prelace 0 0 0 0 0 0 Load Management Controls - Utility Premise 0 0 0 0 0 0 System Supervisory Equipment 0 0 0 0 0 0 0 System Supervisory Equipment 0 0 0 0 0 0 0 0 System Supervisory Equipment 0 0 0 0 0 0 0 0 Sentinel Lighting Rentals 0		-	Fransportation Equipment	2,881,106	780,000		3,661,106	1,806,008	303,916		2,109,924	1,551,181
Tools. Shop and Garage Equipment 685,613 299,000 984,613 526,284 41,756 568,040 Measurement and Testing Equipment 0 0 0 0 0 Communication Equipment 0 0 0 0 0 Miscellaneous Equipment 0 0 0 0 0 Load Management Controls - Customer Pressor 0 0 0 0 0 Load Management Controls - Customer Pressor 0 0 0 0 0 System Supervisory Equipment 0 0 0 0 0 System Supervisory Equipment Controls - Utility Premise 0 0 0 0 System Supervisory Equipment 0 0 0 0 0 System Supervisory Equipment 0 0 0 0 0 Contributions and Grants (4,166,753) (275,000) (4,441,753) (1,016,762) 4,015,81 0 Contributions and Grants 75,788,529 5,242,531 0	Tools. Shop and Garage Equipment 685,613 299,000 984,613 526,284 41,756 568,040 568,040 Measurement and Testing Equipment 0 0 0 0 0 0 0 Communication Equipment 0 0 0 0 0 0 0 Miscellaneous Equipment 0 0 0 0 0 0 0 0 Load Management Controls - Utilty Premisk 0 0 0 0 0 0 0 0 Load Management Controls - Utilty Premisk 0		Н	Stores Equipment	0			0	0			0	0
Measurement and Testing Equipment 0	Measurement and Testing Equipment 0		⊣	Fools, Shop and Garage Equipment	685,613	299,000		984,613	526,284	41,756		568,040	416,573
Power Operated Equipment 0 0 0 0 Communication Equipment 0 0 0 0 Miscellaneous Equipment 0 0 0 0 Load Management Controls - Utility Premise 0 0 0 0 Load Management Controls - Utility Premise 0 0 0 0 System Supervisory Equipment 827,728 40,000 867,728 602,429 47,096 649,525 Sentine Lighting Rentals 0 0 0 0 0 0 Contributions and Grants (4,166,753) (275,000) (4,441,753) (10,16,762) 1,20,544 Contributions and Grants 75,788,529 5,242,531 81,031,060 29,187,027 4,015,891 0 Work in Process 75,786,529 5,242,531 0 0 0 33,202,608	Power Operated Equipment 0 <td></td> <td>Н</td> <td>Measurement and Testing Equipment</td> <td>0</td> <td></td> <td></td> <td>0</td> <td>0</td> <td></td> <td></td> <td>0</td> <td>0</td>		Н	Measurement and Testing Equipment	0			0	0			0	0
Communication Equipment 0 0 0 0 Miscellaneous Equipment 0 0 0 0 0 Load Management Controls - Utility Premise 0 0 0 0 0 Load Management Controls - Utility Premise 0 0 0 0 0 System Supervisory Equipment 827,728 40,000 867,728 0 0 0 Sentine Lighting Rentals 0 1,826,998 81,595 1,066,853 1,066,867 1,270,644 Contributions and Grants (4,166,753) (2,5000) (4,441,753) (1,016,762) 1,170,054 Work in Process 75,788,529 5,242,531 0 1,016,762 4,015,61 0 Work in Process 75,786,529 5,242,531 0 0 0 0	Communication Equipment 0 0 0 0 Miscellaneous Equipment 0 0 0 0 0 Load Management Controls - Utility Premise 0 0 0 0 0 0 System Supervisory Equipment 827,728 40,000 867,728 0 0 0 0 Sentinel Lighting Rentals 0 1,826,988 81,595 1,908,593 1,1056,887 47,096 649,525 Contributions and Grants (4,166,753) (275,000) (4,441,753) (1,016,762) -172,170 1,120,544 Total before Work in Process 75,788,529 5,242,531 0 81,031,060 29,187,027 4,015,581 0 0 Work in Process 75,788,529 5,242,531 0 0 33,202,608 0		Н	Power Operated Equipment	0			0	0			0	0
Miscellaneous Equipment 0 0 0 0 0 0 0 0 0	Miscellaneous Equipment 0 0 0 0 Load Management Controls - Customer Pred Load Management Controls - Customer Pred System Supervisory Equipment 0		Н	Sommunication Equipment	0			0	0			0	0
Load Management Controls - Customer Pref 0 0 0 0 0 0 Load Management Controls - Utility Premise 0 0 0 0 0 0 0 System Supervisory Equipment 827,728 40,000 867,728 662,429 47,096 649,525 Sentified Lighting Rentals 0 0 0 1,068,687 1,068,867 1,200,544 Contributions and Grants (4,166,753) (275,000) (4,441,753) (1,016,762) -172,170 (1,188,932) Total before Work in Process 75,788,529 5,242,531 0 81,031,060 29,187,027 4,015,581 0 33,202,608	Load Management Controls - Customer Pred Load Management Controls - Customer Pred Load Management Controls - Customer Pred Load Management Controls - Utility Premisk 0 <		Н	Miscellaneous Equipment	0			0	0			0	0
Load Management Controls - Utility Premise 0 0 0 0 0 System Supervisory Equipment 827,728 40,000 867,728 602,429 47,096 649,525 0 Sentinel Lighting Rentals 0 0 0 0 0 Cother Tangible Rentals (4,166,753) (275,000) (4441,753) (1016,762)	Load Management Controls - Utility Premisé 0 0 0 0 0 0 0 0 0 0 0 0 649,525 25		Н	-oad Management Controls - Customer Pre				0	0			0	0
System Supervisory Equipment 827,728 40,000 867,728 602,429 47,096 649,525 Sentinel Lighting Rentals 0	System Supervisory Equipment 827,728 40,000 867,728 602,429 47,096 649,525 8 649,525 Sentinel Lighting Rentals 0		Н	oad Management Controls - Utility Premise				0	0			0	0
Sentine Lighting Rentals	Sentinel Lighting Rentals 0 <td></td> <td>Н</td> <td>System Supervisory Equipment</td> <td>827,728</td> <td>40,000</td> <td></td> <td>867,728</td> <td>602,429</td> <td>47,096</td> <td></td> <td>649,525</td> <td>218,203</td>		Н	System Supervisory Equipment	827,728	40,000		867,728	602,429	47,096		649,525	218,203
Other Tangible Property 1,826,998 81,595 1,908,593 1,056,867 143,677 1,200,544 Contributions and Grants (4,166,753) (275,000) (4,441,753) (1,016,762) -172,170 (1,188,932) Total before Work in Process 75,788,529 5,242,531 0 81,031,060 29,187,027 4,015,881 0 33,202,608 Work in Process 75,788,529 5,242,534 0 0 0 0 0 0	Other Tangible Property 1,826,986 81,595 1,908,593 1,056,867 143,677 1,200,544 Contributions and Grants (4,166,753) (275,000) (4,441,753) (1,016,762) -172,170 (1,188,932) Total before Work in Process 75,788,529 5,242,531 0 81,031,060 29,187,027 4,015,581 0 33,202,608 Work in Process 75,788,529 5,242,531 0 81,031,060 29,187,027 4,015,881 0 0		Н	Sentinel Lighting Rentals	0			0	0			0	0
Contributions and Grants	Contributions and Grants (4,166,753) (275,000) (4,441,753) (1,016,762) -172,170 (1,188,932) (1,188,932) Total before Work in Process 75,788,529 5,242,531 0 81,031,060 29,187,027 4,015,81 0 33,202,608 Work in Process 75,788,529 5,242,531 0 81,031,060 29,187,027 4,015,81 0 0		Н	Other Tangible Property	1,826,998	81,595		1,908,593	1,056,867	143,677		1,200,544	708,049
re Work in Process 75,788,529 5,242,531 0 81,031,060 29,187,027 4,015,581 0 33,202,608 3	re Work in Process 75,788,529 5,242,531 0 81,031,060 29,187,027 4,015,581 0 33,202,608		Н	Sontributions and Grants	(4,166,753)	(275,000)		(4,441,753)	(1,016,762)	-172,170		(1,188,932)	(3,252,821)
0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0	r Work in Process 75,788,529 5,242,531 0 81,031,060 29,187,027 4,015,581 0 33,202,608		†	Total before Work in Process	75,788,529	5,242,531	0	81,031,060	29,187,027	4,015,581	0	33,202,608	47,828,452
**************************************	r Work in Process 75,788,529 5,242,531 0 81,031,060 29,187,027 4,015,581 0 33,202,608		+	\ \ \ \ \ \ \ \ \ \ \ \ \ \ \ \ \ \ \	c			c	c			c	c
	73,706,323 3,242,331 U 01,031,000 23,107,027 4,013,301 U 33,202,000		1	Work in Process	75 700 500	2040 504	•	030	00 404	4 045 504	c	000000	71 000 450

33,202,608

Less: Fully Allocated Depreciation
Transportation
Communication
Net Depreciation
3,711,665

Chatham-Kent Hydro Inc. EB-2009-0261 Proposed Settlement Agreement Filed: March 2, 2010 Page 40 of 73

Appendix D Updated Cost of Power

Electricity Commodity - non RPP		2010 Loss			
Class per Load Forecast	2010	Factor		2010	
Residential	132,509,288	1.0428	138, 180, 686	\$0.0606	\$8,376,513
General Service < 50 kW	57,734,529	1.0428	60,205,567	\$0.0606	\$3,649,661
General Service > 50 to 999 kW	121,561,332	1.0428	126,764,157	\$0.0606	\$7,684,443
Intermediate	89,528,735	1.0428	93,360,565	\$0.0606	\$5,659,517
Large Use	0	0.0000	0	\$0.0606	\$0
Streetlights	3,684,605	1.0428	3,842,306	\$0.0606	\$232,921
Sentinel Lights	222,156	1.0428	231,664	\$0.0606	\$14,043
Unmetered Scattered Loads	691,954	1.0428	721,570	\$0.0606	\$43,742
Intermediate with Self Generation	20,611,321	1.0428	21,493,486	\$0.0606	\$1,302,935
TOTAL	426,543,920		444,800,000		\$26,963,776

Electricity - Commodity RPP		2010 Loss			
Class per Load Forecast	2008 Actual	Factor		2010	
Residential	74,536,475	1.0428	77,726,636	\$0.0622	\$4,830,710
General Service < 50 kW	32,475,673	1.0428	33,865,631	\$0.0622	\$2,104,749
General Service > 50 to 999 kW	68,378,249	1.0428	71,304,838	\$0.0622	\$4,431,596
Intermediate	50,359,913	1.0428	52,515,318	\$0.0622	\$3,263,827
Large Use	0	0.0000	0	\$0.0622	\$0
Streetlights	2,072,590	1.0428	2,161,297	\$0.0622	\$134,325
Sentinel Lights	124,963	1.0428	130,311	\$0.0622	\$8,099
Unmetered Scattered Loads	389,224	1.0428	405,883	\$0.0622	\$25,226
Intermediate with Self Generation	11,593,868	1.0428	12,090,086	\$0.0622	\$751,399
TOTAL	239,930,955		250,200,000		\$15,549,930
	666,474,875		695,000,000		

Transmission - Network	Volume			
Class per Load Forecast	Metric		2010	
Residential	kWh	215,907,322	\$0.0047	\$1,014,764
General Service < 50 kW	kWh	94,071,199	\$0.0042	\$395,099
General Service > 50 to 999 kW	kW	494,092	\$1.7495	\$864,414
Intermediate	kW	382,377	\$1.8642	\$712,827
Large Use	kW	0		\$0
Streetlights	kW	1,079	\$1.3193	\$1,423
Sentinel Lights	kW	18,365	\$1.3289	\$24,405
Unmetered Scattered Loads	kWh	1,127,452	\$0.0042	\$4,735
Intermediate with Self Generation	kW	87,305	\$1.8642	\$162,755
TOTAL		312,089,191		\$3,180,423

Transmission - Connection	Volume			
Class per Load Forecast	Metric		2010	
Residential	kWh	215,907,322	\$0.0042	\$906,811
General Service < 50 kW	kWh	94,071,199	\$0.0038	\$357,471
General Service > 50 to 999 kW	kW	494,092	\$1.4788	\$730,663
Intermediate	kW	382,377	\$1.6196	\$619,298
Large Use	kW	0		\$0
Streetlights	kW	1,079	\$1.1423	\$1,232
Sentinel Lights	kW	18,365	\$1.1658	\$21,410
Unmetered Scattered Loads	kWh	1,127,452	\$0.0038	\$4,284
Intermediate with Self Generation	kW	87,305	\$1.6196	\$141,400
TOTAL		312,089,191		\$2,782,569

Wholesale Market Service			
Class per Load Forecast		2010	
Residential	215,907,322	\$0.0052	\$1,122,718
General Service < 50 kW	94,071,199	\$0.0052	\$489,170
General Service > 50 to 999 kW	198,068,996	\$0.0052	\$1,029,959
Intermediate	145,875,883	\$0.0052	\$758,555
Large Use	0	\$0.0052	\$0
Streetlights	6,003,603	\$0.0052	\$31,219
Sentinel Lights	361,975	\$0.0052	\$1,882
Unmetered Scattered Loads	1,127,452	\$0.0052	\$5,863
Intermediate with Self Generation	33,583,572	\$0.0052	\$174,635
TOTAL	695,000,000		\$3.614.

Class per Load Forecast		2010	
Residential	215,907,322	\$0.0013	\$280,680
General Service < 50 kW	94,071,199	\$0.0013	\$122,293
General Service > 50 to 999 kW	198,068,996	\$0.0013	\$257,490
Intermediate	145,875,883	\$0.0013	\$189,639
Large Use	0	\$0.0013	\$0
Streetlights	6,003,603	\$0.0013	\$7,805
Sentinel Lights	361,975	\$0.0013	\$471
Unmetered Scattered Loads	1,127,452	\$0.0013	\$1,466
Intermediate with Self Generation	33,583,572	\$0.0013	\$43,659
TOTAL	695,000,000		\$903,500

	2010
4705-Power Purchased	\$42,513,706
4708-Charges-WMS	\$3,614,000
4714-Charges-NW	\$3,180,423
4716-Charges-CN	\$2,782,569
4730-Rural Rate Assistance	\$903,500
4750-Low Voltage	\$228,345
TOTAL	53 222 543

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Appendix E 2010 Test Year Updated Load Forecast

2010 Test Year Load Forecast kWh

Calculation of the WN Billed	
Agreed Purchases	695,000,000
Loss Factor	1.0428
Billed	666,474,875
Original 2010 Billed Forecast	642,189,652
Difference	24,285,223

		General	General				Unmetered	Intermediate	
		Service < 50	Service > 50			Sentinel	Scattered	with Self	
Year	Residential	kW	to 999 kW	Intermediate	Streetlights	Lights	Loads	Generation	Total
Original 2010 For	recast								
2010	199,501,364	86,923,094	183,018,503	134,791,341	5,547,412	334,470	1,041,782	31,031,687	642,189,653
Percentage Alloc		14%	28%	21%	1%	0%	0%	5%	100%
2010	31%	14%	28%	21%	170	0%	0%	3%	100%
Difference									
2010	7,544,399	3,287,108	6,921,079	5,097,307	209,782	12,648	39,396	1,173,503	24,285,223
A 1 2010 W/A	I Dalle 1								
Agreed 2010 WN	Billed								
2010	207,045,763	90,210,202	189,939,582	139,888,648	5,757,194	347,118	1,081,178	32,205,190	666,474,876

2010 Test Year Load Forecast kW

Year	General Service > 50 to 999 kW	Intermediate	Streetlights	Sentinel Lights	Intermediate with Self Generation	Total
2010	494,092	382,377	18,365	1,079	87,305	983,218

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Appendix F 2010 Test Year Updated Other Revenue

Other Operating Revenue

Uniform System of Account #	Description	2006 Actual	2007 Actual	2008 Actual	2009 Bridge Actual	Original Submission	Proposed Settlement
4235	Specific Service Charges	260,640	398,075	435,314	444,996	494,368	494,368
4225	Late Payment Charges	247,177	250,221	206,625	170,000	188,861	198,861
	Other Distribution Revenue						
4082	RS Revenue	69,144	178,784	172,196	175,706	65,004	170,004
4084	Sev Tx Requests	3,724	3,105	1,773	1,996	1,996	1,996
4090	Electric Services Incidential to Energy Sales						
4205	Interdepartmental Rents	156,996	156,996	156,996	156,996	156,996	156,996
4210	Rent from Electric Property	128,880	154,213	130,592	126,996	126,996	126,996
4215	Other Utility Opeating Income	-	-	-	-		-
4220	Other Electric Revenue	12,170	10,528	9,246	9,996	9,996	9,996
4240	Provision for Rate Refunds	-	-	-	-		-
4345	Government Assist Directly Credited to Income	- 270.044	503.626	470.002	474 000	200.000	405.000
	Total Other Distribution Revenue	370,914	503,626	470,803	471,690	360,988	465,988
	Other Income and Expenses						
4305	Regulatory Debits	-	-	-	-		-
4310	Regulatory Credits	-	-	-	34,000		-
4315	Revenues from Electric Plant Leased to Others	-	-	-	-		-
4320	Expenses of Electric Plant Leased to Others	-	-	_	_		_
4325	Revenues from Merchandise, Jobbing, Etc.	-	-	_	-		_
4330	Costs and Expenses of Merchandising, Jobbing, Etc	_	_	_	_		_
4335	Profits and Losses from Financial Instrument Hedges	_	_	_	_		_
4340	Profits and Losses from Financial Instrument Investments	_	_	_	_		_
4345	Gains from Disposition of Future Use Utility Plant	_	_	_	_		_
4350	Losses from Disposition of Future Use Utility Plant	_	_	_	_		_
4355	Gain on Disposition of Utility and Other Property		_	_	_		_
4360	Loss on Disposition of Utility and Other Property	130.722	63.083	35.721	39,996	40.000	40.000
4365	Gains from Disposition of Allowances for Emission	-	-		-	,	-
4370	Losses from Disposition of Allowances for Emission	_	_	_	_		_
4375	Revenues from Non-Utility Operations	_	_	_	_		_
4380	Expenses of Non-Utility Operations	(13,405)	(20,108)	_	_		_
4385	Expenses of Non-Utility Operations	(10,100)	(20,100)	_	_		_
4390	Miscellaneous Non-Operating Income	67,136	35,051	26.835	30.996	30.996	30,996
4395	Rate-Paver Benefit Including Interest	01,100		20,000	00,000	00,000	-
4398	Foreign Exchange Gains and Losses, Including Amortization	_	_	_	_		_
4405	Interest and Dividend Income	529,194	329.691	69.402	100.608	72,237	72.237
	Total Other Income and Expenses	713,647	407,718	131,959	205,600	143,233	143,233
	Specific Service Charges	260,640	398,075	435,314	444,996	494,368	494,368
	Lete Designant Charges	047.4	050.001	000.005	470.000	400.001	400.004
	Late Payment Charges	247,177	250,221	206,625	170,000	188,861	198,861
	Other Distribution Revenue	370,914	503,626	470,803	471,690	360,988	465,988
	Other Income and Expenses	713,647	407,718	131,959	205,600	143,233	143,233
	Total	1,592,379	1,559,639	1,244,700	1,292,286	1,187,450	1,302,450

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Appendix G

2010 Test Year Updated OM&A

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Summary of Operating Costs

Description	2008 Actual	Variance	2009 Bridge	Variance	Original Submission	Variance	Proposed Settlement	Variance
OM&A expenses								
Operation	898,928	73,122	786,225	(112,703)	1,041,236	255,011	1,026,236	(15,000
Maintenance	1,031,028	126,329	975,626	(55,402)	1,187,798	212,172	1,142,798	(45,000
Billing and Collections	1,423,199	134,865	1,579,767	156,568	1,826,798	247,031	1,826,798	(0
Community Relations	53,431	(39,696)	41,145	(12,285)	56,529	15,384	56,529	-
Administrative and General Expenses	2,272,590	105,382	2,443,387	170,796	2,690,751	247,364	2,627,168	(63,583
Total Controllables	5,679,177	400,002	5,826,150	146,974	6,803,112	976,962	6,679,529	(123,583
Property Tax	0	0	0	0	0	0	0	-
Amortization Expenses	3,595,770	280,132	3,701,565	105,795	3,815,361	113,796	3,711,665	(103,696
Total Operating Costs	9,274,947	680,134	9,527,716	252,769	10,618,473	1,090,757	10,391,194	(227,279

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Appendix H 2010 Test Year Updated Depreciation Expense

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Chatham-Kent Hydro Inc. For Year 2010							
Description	2010 NBV Opening Balance (A)	LESS Fully Depreciated (B)	Net For Depreciation (C) = (A)-(B)	2010 Additions (D)	Total For Deprecation (E) = $(C) + 0.5 \times (D)$	Years (F)	2010 Depreciation Expense (G) = (E)/(F)
						È	
Land	117,846						
Land Rights					•		
Buildings and Fixtures	339,972		339,972	000'59	372,472	25	14,899
Leasehold Improvements							
Transformer Station Equipment - Primary > 50 kV					•		
Distribution Station Equipment - Primary <50 kV	795,093		795,093	100,000	845,093	23	36,743
Storage Battery Equipment							
Poles, Towers and Fixtures	4,746,932		4,746,932	559,444	5,026,654	25	201,066
Overhead Conductors and Devices	19,628,594		19,628,594	653,418	19,955,303	22	650'206
Underground Conduit	1,278,455		1,278,455	241,438	1,399,174	25	55,967
Underground Conductors and Devices	15,181,831		15,181,831	813,840	15,588,751	19	820,461
Line Transformers	15,347,757		15,347,757	1,034,560	15,865,037	21	755,478
Services	3,755,475		3,755,475	423,737	3,967,343	25	158,694
Meters	2,858,240		2,858,240	29,499	2,872,989	20	143,649
Smart Meters	4,210,814		4,210,814		4,210,814	13	323,909
Other Installations on Customer's Premises							
Land	668,511			25,000			
Land Rights							
Buildings and Fixtures	3,473,081		3,473,081	303,000	3,624,581	31	116,922
Leasehold Improvements			•				
Office Furniture and Equipment	131,926		131,926	12,000	137,926	15	9,195
Computer Equipment - Hardware	298,067	298,067					
Computer - Hardware post Mar 22/04	55,331		55,331		55,331	∞	6,916
Computer - Hardware post Mar19/07	232,819		232,819	26,000	260,819	11	23,711
Computer Software	613,095		613,095		613,095	∞	76,637
Transportation Equipment **	2,881,106	2,881,106		780,000			
Stores Equipment							
Tools, Shop and Garage Equipment	685,613		685,613	299,000	835,113	20	41,756
Measurement and Testing Equipment	•						
Power Operated Equipment			•				
Communication Equipment			•				
Miscellaneous Equipment					•		
Load Management Controls - Customer Premises					•		
Load Management Controls - Utility Premises			•				
System Supervisory Equipment	827,728		827,728	40,000	847,728	18	47,096
Sentinel Lighting Rentals	•						
Other Tangible Property	1,826,998		1,826,998	81,595	1,867,796	13	
Contributions and Grants	- 4,166,753		4,166,753 -	275,000	- 4,304,253	25 -	172,169
T-4 H	יים מפר חד	CT1 OT1 C	100 000	000	225 140 45	I	7711 665
Otal	75,788,531	3,1/9,1/3	/1,823,001	5,242,530	/4,041,/66	I	3,711,665

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Appendix I 2010 Test Year Updated PILs

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Schedule 8 CCA Bridge Year

Class	Class Description	UCC Test Year Opening Balance	Additions	Disposals	UCC Before 1/2 Yr Adjustment	1/2 Year Rule {1/2 Additions Less Disposals}	Reduced UCC	Rate %	Test Year CCA
1	Distribution System - post 1987	\$ 37,632,279	- \$	- \$	\$ 37,632,279	- \$	\$ 37,632,279	4%	\$ 1,505,29
2	Distribution System - pre 1988	\$	· \$	· •	- 9	- \$	- 8	%9	- \$
80	General Office/Stores Equip	\$ 635,340	\$ 54,500	- \$	\$ 689,840	\$ 27,250	\$ 662,590	20%	\$ 132,518
10	Computer Hardware/ Vehicles	\$ 779,843	\$ 362,000	- \$	\$ 1,141,843	\$ 181,000	\$ 960,843	30%	\$ 288,253
10.1	Certain Automobiles	- \$	- ج	- 9	- &	- \$	- 8	30%	- &
12	Computer Software	\$ 124,375	\$ 130,000	- -	\$ 254,375	\$ 65,000	\$ 189,375	100%	\$ 189,37
13 1	Lease #1	- \$	- \$	- \$	- \$	- \$	- \$	5	- \$
13.2	Lease #2	- \$	- \$	- \$	- \$	- \$	- \$	4	- \$
13.3	Lease #3	- \$	- \$	- \$	- \$	- \$	- \$	3	- \$
13.4	Lease # 4	- \$	- \$	- \$	- \$	- \$	- \$	4	- \$
14	Franchise	\$	· \$	· •	- 9	- \$	- 8	7	· \$
17	New Electrical Generating Equipment Acq'd after Feb 27/00 Other Than Bldgs	\$ 235,037	· •	- \$	\$ 235,037	- \$	\$ 235,037	%8	\$ 18,800
43.1	Certain Energy-Efficient Electrical Generating Equipment	- \$	- ج	- 9	- &	- \$	- 8	30%	- &
45	Computers & Systems Software acq'd post Mar 22/04	\$ 50,983	- \$	- \$	\$ 50,983	- \$	\$ 50,983	45%	\$ 22,942
46	Data Network Infrastructure Equipment (acq'd post Mar 22/04)	\$ 164,488	- \$	- \$	\$ 164,488	- \$	\$ 164,488	30%	\$ 49,34
47	Distribution System - post February 2005	\$ 14,998,239	\$ 3,407,890	- \$	\$ 18,406,129	\$ 1,703,945	\$ 16,702,184	8%	\$ 1,336,17
20	Data Network Infrastructure Equipment - post Mar 2007	\$ 39,695	· •	- \$	\$ 39,695	- \$	\$ 39,695	%55	\$ 21,83
20	Data Network Infrastructure Equipment - post Jan 27 2009 no half year rule	- \$	\$ 63,000	- \$	\$ 63,000	- \$	\$ 63,000	100%	\$ 63,000
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		- \$	- \$	- \$	- \$	- \$	- \$		- \$
		- \$	- \$	- \$	- \$	- \$	- \$		- \$
		. \$	- \$	- \$		- \$	- \$		
	TOTAL	\$ 54,660,279	\$ 4,017,390		\$ 58,677,669	\$ 1,977,195	\$ 56,700,474		\$ 3,627,53

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Schedule 8 CCA Test Year

Class	Class Description	UCC Test Year Opening Balance	Additions	Disposals	UCC Before 1/2 Yr Adjustment	1/2 Year Rule {1/2 Additions Less Disposals}	Reduced UCC	Rate %	Test Year CCA	nc
1	Distribution System - post 1987	\$ 36,126,988	- \$	- \$	\$ 36,126,988	- \$	\$ 36,126,988	4%	\$ 1,445,080	છ
2	Distribution System - pre 1988	- &	- 9	· •	- 9	- 8	- 8	%9	· •	છ
∞	General Office/Stores Equip	\$ 557,322	\$ 311,000	· •	\$ 868,322	\$ 155,500	\$ 712,822	20%	\$ 142,564	છ
10	Computer Hardware/ Vehicles	\$ 853,590	\$ 780,000	· +	\$ 1,633,590	\$ 390,000	\$ 1,243,590	30%	\$ 373,077	છ
10.1	Certain Automobiles	- \$	- &	· •	- %	- \$	- &	30%	- %	છ
12	Computer Software	\$ 65,000	- 9	· •	\$ 65,000	- 8	\$ 65,000	100%	\$ 65,000	છ
13.1	Lease #1	- \$	- 9	· •	- \$	- 8	- 8	0	· +	છ
13.2	Lease #2	- \$		· +	- \$	- \$	- \$	0	\$	છ
133	Lease # 3	- \$	- \$	· •	- \$	- \$	- \$	0	•	છ
13.4	Lease #4	- \$	- \$	9	- +	- \$	- \$	0	· \$	ક્ક
14	Franchise	- &	- 9	· •	- 9	- 8	- \$	0	· •	છ
17	New Electrical Generating Equipment Acq'd after Feb 27/00 Other Than Bldgs	\$ 216,234	٠ &	9	\$ 216,234	٠ س	\$ 216,234	8%	\$ 17,299	49
43.1	Г			9		- 69		30%		⊢
45	Computers & Systems Software acq'd post Mar 22/04	\$ 28,041	- \$	9	\$ 28,041	- 9	\$ 28,041	45%	\$ 12,618	છ
46	Data Network Infrastructure Equipment (acq'd post Mar 22/04)	\$ 115,142	- &	· •	\$ 115,142	- \$	\$ 115,142	30%	\$ 34,542	છ
47	Distribution System - post February 2005	\$ 17,069,954	\$ 4,070,531	- \$	\$ 21,140,485	\$ 2,035,266	\$ 19,105,220	8%	\$ 1,528,418	છ
20	Data Network Infrastructure Equipment - post Mar 2007	\$ 17,863	- \$	- \$	\$ 17,863	- \$	\$ 17,863	25%	\$ 9,825	ક્ર
20	Data Network Infrastructure Equipment - post Jan 27 2009 no half year rule	- \$	\$ 56,000	9	\$ 56,000	- \$	\$ 56,000	100%	\$ 56,000	s
		- \$	- \$	- \$	- \$	- \$	- \$		- \$	\$
		- \$	- \$	- \$	- *	- \$	- \$		- \$	s
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	TOTAL	\$ 55,050,133	\$ 5,217,531	· ·	\$ 60.267.664	\$ 2.580.766	\$ 57.686,899		\$ 3.684.423	s

Taxable Income Test Year

	T2 S1 line Te	est Year Taxable
Net Income Before Taxes	"	2,214,29
Additions:	100	
Interest and penalties on taxes Amortization of tangible assets	103	
2-4 ADJUSTED ACCOUNTING DATA P489	104	4,015,58
Amortization of intangible assets	106	
2-4 ADJUSTED ACCOUNTING DATA P490	107	
Recapture of capital cost allowance from Schedule 8 Gain on sale of eligible capital property from Schedule 10	107	
Income or loss for tax purposes- joint ventures or partnerships	109	
Loss in equity of subsidiaries and affiliates	110	
Loss on disposal of assets	111	
Charitable donations	112	
Taxable Capital Gains	113	
Political Donations Deferred and prepaid expenses	114 116	
Scientific research expenditures deducted on financial statements	118	
Capitalized interest	119	
Non-deductible club dues and fees	120	
Non-deductible meals and entertainment expense	121	5,00
Non-deductible automobile expenses	122	
Non-deductible life insurance premiums	123	
Non-deductible company pension plans	124	
Tax reserves beginning of year	125 126	E E10 10
Reserves from financial statements- balance at end of year Soft costs on construction and renovation of buildings	126	5,519,19
Book loss on joint ventures or partnerships	205	
Capital items expensed	206	
Debt issue expense	208	
Development expenses claimed in current year	212	
Financing fees deducted in books	216	
Gain on settlement of debt	220	
Non-deductible advertising	226	
Non-deductible interest Non-deductible legal and accounting fees	227	
Recapture of SR&ED expenditures	231	
Share issue expense	235	
Write down of capital property	236	
Amounts received in respect of qualifying environment trust per paragraphs	237	
12(1)(z.1) and 12(1)(z.2)	231	
Other Additions: (please explain in detail the nature of the item)		
Interest Expensed on Capital Leases	290 291	1,531,25
Realized Income from Deferred Credit Accounts Pensions	291	1,551,25
Non-deductible penalties	293	
Tron doddoloo ponalioo	294	
	295	
	296	
	297	
Total Additions		11,071,03
Octobra disposal of courts are financial extraored	401	39,99
Gain on disposal of assets per financial statements Dividends not taxable under section 83	402	39,98
Capital cost allowance from Schedule 8	403	3,684,42
Terminal loss from Schedule 8	404	-,,
Cumulative eligible capital deduction from Schedule 10 CEC	405	53,91
Allowable business investment loss	406	
Deferred and prepaid expenses	409	
Scientific research expenses claimed in year	411	
Tax reserves end of year	413	5.546.13
Reserves from financial statements - balance at beginning of year Contributions to deferred income plans	414 416	5,519,19
Book income of joint venture or partnership	305	
Equity in income from subsidiary or affiliates	306	
Other deductions: (Please explain in detail the nature of the item)	555	
Interest capitalized for accounting deducted for tax	390	
Capital Lease Payments	391	
Non-taxable imputed interest income on deferral and variance accounts	392	
	393	
Deductible regulatory costs in deferred	394	1,531,25
	395	
	396	
	397	
otal Deductions		10,828,78
IET INCOME FOR TAX PURPOSES		2,456,54
Charitable donations	311	
axable dividends received under section 112 or 113	320	
lon-capital losses of preceding taxation years from Schedule 7-1 let-capital losses of preceding taxation years (Please show calculation)	331 332	
imited partnership losses of preceding taxation years (Flease show calculation)	335	
	300	

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PILs, Tax Provision

							Wires Only	
Regulatory Taxable Income							\$ 2,456,544	Α
Ontario Income Taxes Income tax payable	Ontario income tax	13.00%	В	\$	319,351	C = A * B		
Small business credit	Ontario Small Business Threshold Rate reduction	\$ 500,000 -8.50%	D E	-\$	42,500	F = D * E		
Surtax Ontario Income tax	Ontario surtax claw-back	\$ 1,000,000 4.25%	G = A - D H	\$	42,500	I = G * H	\$ 319,351	J = C + F + 1
Combined Tax Rate and PILs	Effective Ontario Tax Rate Federal tax rate Combined tax rate				13.00% 18.00%	K = J / A L	31.00%	M = L + L
Total Income Taxes							\$ 761,529	N = A * M
Investment Tax Credits Miscellaneous Tax Credits Total Tax Credits							\$ 26,700 \$ 26,700	O P Q = O + P
Corporate PILs/Income Tax Provision for T	est Year						\$ 734,829	R = N - Q
Corporate PILs/Income Tax Provision Gross U	Jp				69.00%	S = 1 - M	\$ 330,140	T = R / S - N
Income Tax (grossed-up) Ontario Capital Tax (not grossed-up)							\$ 1,064,969 \$ 30,900	U = R + T V
Tax Provision for Test Year Rate Recovery							\$ 1,095,869	W = U + V

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Appendix J 2010 Test Year Updated Cost of Capital

	Capitali	zation Ratio		
Description	%	\$	Cost Rate	Return
Debt				
Long Term Debt	56.00%	31,472,161	5.87%	1,847,416
Short Term Debt	4.00%	2,248,012	2.07%	46,534
Total Debt	60.00%	33,720,173		1,893,950
Equity				
Common Share Equity	40.00%	22,480,115	9.85%	2,214,291
Preferred Shares				
Total Equity	40.00%	22,480,115		2,214,291
Total Rate Base	100.00%	56,200,288	7.31%	4,108,241

	Capital	ization Ratio		
Description	%	\$	Cost Rate	Return
Debt				
Long Term Debt	56.00%	31,401,198	7.62%	2,392,771
Short Term Debt	4.00%	2,242,943	1.33%	29,831
Total Debt	60.00%	33,644,141		2,422,602
Equity				
Common Share Equity	40.00%	22,429,427	8.01%	1,796,597
Preferred Shares				
Total Equity	40.00%	22,429,427		1,796,597
Total Rate Base	100.00%	56,073,568	7.52%	4,219,200

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Appendix K 2010 Test Year Updated Revenue Deficiency

Chatham-Kent Hydro Inc. Revenue Deficiency Determination

	eficiency Determin	2010 Test	2010 Proposal
Description	2009 Bridge	Existing Rates	Settlement
Revenue	2003 Bridge	Existing Nates	Settlement
Revenue Deficiency			1,197,225
Distribution Revenue	12,800,555	13,095,629	13,095,629
Other Operating Revenue (Net)	1,292,286	1,302,450	1,302,450
Smart Meter Deferral Account Adjustment	-,,	.,,	.,,
Total Revenue	14,092,841	14,398,079	15,595,303
Costs and Expenses			
Administrative & General, Billing & Collecting	4,064,299	4,510,495	4,510,495
Operation & Maintenance	1,761,886	2,169,034	2,169,034
Depreciation & Amortization	3,701,565	3,711,665	3,711,665
Property Taxes	0	0	0
Capital Taxes	90,986	30,900	30,900
Deemed Interest	2,088,763	1,893,950	1,893,950
Total Costs and Expenses	11,707,499	12,316,044	12,316,044
Less OCT Included Above			
Total Costs and Expenses Net of OCT	11,707,499	12,316,044	12,316,044
Hility Income Before Income Tayon	2 205 242	2 002 025	2 270 260
Utility Income Before Income Taxes	2,385,342	2,082,035	3,279,260
Income Taxes:			
Corporate Income Taxes	867,519	693,829	1,064,969
Total Income Taxes	867,519	693,829	1,064,969
Litility Not Income	4 F47 000	1 200 200	2 244 204
Utility Net Income	1,517,823	1,388,206	2,214,291
Capital Tax Expense Calculation:			
Total Rate Base	55,438,286	56,200,288	56,200,288
Exemption	15,000,000	15,000,000	15,000,000
Deemed Taxable Capital	40,438,286	41,200,288	41,200,288
Ontario Capital Tax	90,986	30,900	30,900
Income Tax Expense Calculation:	0.005.040	0.000.005	0.070.000
Accounting Income	2,385,342	2,082,035	3,279,260
Tax Adjustments to Accounting Income	243,504	242,252	242,252
Taxable Income	2,628,846	2,324,287	3,521,511
Income Tax Expense	867,519	720,529	1,091,669
Tax Credits Net Income Tax Expense	0 867,519	-26,700 693,829	-26,700 1,064,969
Het moonie Tax Expense	33.00%	31.00%	31.00%
Actual Return on Rate Base:	33.00 /0	01.00/0	01.00/0
Rate Base	55,438,286	56,200,288	56,200,288
			•
Interest Expense	2,088,763	1,893,950	1,893,950
Net Income	1,517,823	1,388,206	2,214,291
Total Actual Return on Rate Base	3,606,586	3,282,156	4,108,241
	0.5404	5.040/	7.040/
Actual Return on Rate Base	6.51%	5.84%	7.31%
Required Return on Rate Base:			
Rate Base	55,438,286	56,200,288	56,200,288
Return Rates:	7.040/	5.000/	5.000/
Return on Debt (Weighted)	7.04%	5.62%	5.62%
Return on Equity	9.00%	9.85%	9.85%
Deemed Interest Expense	2,081,393	1,893,950	1,893,950
Return On Equity	2,328,574	2,214,291	2,214,291
Total Return	4,409,967	4,108,241	4,108,241
5			
Expected Return on Rate Base	7.95%	7.31%	7.31%
Revenue Deficiency After Tax	803,381	826,085	0
	1,199,077	1,197,225	0

Tax Exhibit	2010
Deemed Utility Income	2,214,291
Tax Adjustments to Accounting Income	242,251.50
Taxable Income prior to adjusting revenue to PILs	2,456,543
Tax Rate	31.00%
Total PILs before gross up	734,828
Grossed up PILs	1,064,969

		Settlement	Agreement
	Original Submission	As filed Cost of Capital	Updated Cost of Capital
Net Fixed Assets	47,405,429	47,214,977	47,214,977
Working Capital	8,668,139	8,985,311	8,985,311
Rate Base	56,073,568	56,200,288	56,200,288
Deemed Long-Term Debt Component %	56.00%	56.00%	56.00%
Deemed Short-Term Debt Component %	4.00%	4.00%	4.00%
Deemed Equity Component %	40.00%	40.00%	40.00%
Long - Term Debt Rate	7.62%	7.04%	5.87%
Short- Term Debt Rate	1.33%	1.33%	2.07%
Return Equity	8.01%	8.01%	9.85%
Weighted Average cost of Capital	7.52%	7.20%	7.31%
Cost of Capital (Return on Rate Base)	4,219,200	4,046,196	4,108,241
OM&A	6,803,112	6,679,529	6,679,529
Municipal and Property Taxes	-	-	-
Depreciation and Amortizaion	3,815,361	3,711,665	3,711,665
PILS	987,663	910,034	1,095,869
Service Revenue Requirement	15,825,336	15,347,424	15,595,304
Revenue Offset	1,187,450	1,302,450	1,302,450
Base Revenue Requirement	14,637,886	14,044,974	14,292,854
Revenue Deficiency	1,799,705	949,345	1,197,225

Note:

Third Column includes the updated Cost of Capital information from the Board report dated February 24, 2010.

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Appendix L 2010 Test Year Updated Revenue to cost Ratios

						Cost	Existing	Rate	Resulting	Rev Cost Ratio from Cost	Board	Board
Customer Class	Existing Rates	Rate Application	Existing Rates	Rate Application	Miscellaneous Revenue	incl Misc Rev	Rates incl Misc Rev	Application inc Misc Rev	Rev Cost Ratio	Allocation Study	Target Low	Target High
Residential	25.15%	55.20%	7,881,883	7,889,655	869,140	869,140	8,751,023	8,758,795	94.70%	94.62%	85%	115%
General Service < 50 kW	15.03%	15.48%	2,148,053	2,212,534	216,236	216,236	2,364,289	2,428,770	106.62%	103.79%	%08	120%
General Service > 50 to 999 kW	10.39%	11.60%	1,485,125	1,657,971	156,517	156,517	1,641,642	1,814,488	73.07%	66.11%	%08	180%
Intermediate	16.80%	14.38%	2,400,890	2,055,027	35,685	35,685	2,436,575	2,090,711	241.49%	281.44%	85%	115%
Large Use	%00.0	%00.0	0	0	0	0	0	0				
Streetlights	0.92%	1.40%	131,163	200,100	11,052	11,052	142,215	211,152	%20.89	45.85%	%02	120%
Sentinel Lights	0.14%	0.17%	20,582	24,727	1,571	1,571	22,153	26,297	%28.65	50.44%	%02	120%
Unmetered Scattered Loads	0.10%	0.13%	14,510	18,438	1,050	1,050	15,560	19,488	66.17%	52.83%	%08	120%
Intermediate with Self Generation	1.47%	1.64%	210,648	234,403	11,199	11,199	221,847	245,602	73.08%	66.01%	%08	120%
TOTAL	100.00%	100.00%	14,292,854	14,292,854	1,302,450	1,302,450	15,595,304	15,595,304				

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Appendix M Summary of Updated Customer Impacts

Bill Impacts from the Original Submission

The state of the s	Monthly	Total Bill
Class – Typical Usage	Dollar Impact	Impact %
Residential - 800 kWh		
2010 total bill	93.60	0.9%
2009 total bill	92.76	
General Service <50 kW – 2,000 kWh		
2010 total bill	229.37	2.3%
2009 total bill	224.00	
General Service >50 kW - 250 kW		
2010 total bill	9,426.40	6.9%
2009 total bill	8,815.60	
General Service Intermediate - 4,000 kW		
2010 total bill	146,411.85	0.0%
2009 total bill	146,388.04	
Street Lighting		
2010 total bill	61,714.65	30.9%
2009 total bill	47,143.13	
Sentinel Lighting		
2010 total bill	5,709.15	40.8%
2009 total bill	4,055.11	
Unmetered Scattered Load		
2010 total bill	97,360.35	-0.4%
2009 total bill	97,741.89	
Standby Charge - 8,000 kW		
2010 total bill	231,276.47	2.4%
2009 total bill	225,864.52	

Customer Impacts Including Cost of Capital Update

RPP Customers Bill Impact Summary

CI. T. I. IV.	Monthly	Total Bill
Class – Typical Usage	Dollar Impact	Impact %
Residential - 800 kWh		
2010 total bill	91.53	-1.3%
2009 total bill	92.76	
General Service <50 kW – 2,000 kWh		
2010 total bill	223.92	0.0%
2009 total bill	224.00	
General Service >50 kW - 250 kW		
2010 total bill	8,687.64	-1.5%
2009 total bill	8,815.60	
General Service Intermediate - 4,000 kW		
2010 total bill	152,068.64	3.9%
2009 total bill	146,388.04	
Street Lighting		
2010 total bill	52,558.65	11.5%
2009 total bill	47,143.13	
Sentinel Lighting		
2010 total bill	4,601.67	13.5%
2009 total bill	4,055.11	
Unmetered Scattered Load		
2010 total bill	88,476.31	-9.5%
2009 total bill	97,741.89	
Intermediate with Self Generation - 8,000 kW		
2010 total bill	211,551.01	-6.3%
2009 total bill	225,864.52	

Non RPP Customers Bill Impact Summary

	Monthly	Total Bill
Class – Typical Usage	Dollar Impact	Impact %
Residential - 800 kWh		
2010 total bill	92.73	0.0%
2009 total bill	92.76	
General Service <50 kW - 2,000 kWh		
2010 total bill	226.92	1.4%
2009 total bill	224.00	
General Service >50 kW - 250 kW		
2010 total bill	8,835.99	0.2%
2009 total bill	8,815.60	
General Service Intermediate - 4,000 kW		
2010 total bill	154,466.21	5.5%
2009 total bill	146,388.04	
Street Lighting		
2010 total bill	53,232.96	12.9%
2009 total bill	47,143.13	
Sentinel Lighting		
2010 total bill	4,646.62	14.6%
2009 total bill	4,055.11	
Unmetered Scattered Load		
2010 total bill	90,124.63	-7.8%
2009 total bill	97,741.89	
Intermediate with Self Generation - 8,000 kW		
2010 total bill	215,297.21	-4.7%
2009 total bill	225,864.52	

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Appendix N

Updated Deferral and Variance Account Rate Riders

All Customer Deferral/Variance Rate Rider

All Customers Deferral Variance Rate Rider

All custoffiels Defettal Valiative Nate Nive												
NAME OF UTILITY NAME OF CONTACT	Chatham-Kent Hydro Inc. Jim Hogan		LICENCE NUMBER DOCID NUMBER		ED-2002-0563 EB-2009-0261							
E-mail Address VERSION NUMBER Date	Jimhogan@ckenergy.com v3.0 Feb 19 2010		PHONE NUMBER (extension)	51	519-352-6300 277							
Deferral and Variance Accounts: WMSG - Account 1582 One-Time WMSG - Account 1582 Network - Account 1584 Connection - Account 1586 Power - Account 1588	Amount (1,934,285) 59,309 515,926 (1,243,022)	ALLOCATOR KWh KWh KWh KWh KWh KWh	Residential \$ (600,901) \$ (160,901) \$ (160,277) \$ \$ (386,156) \$ \$ \$ \$ \$	GS < 50 KW (261,814) \$ 8,028 \$ 69,833 \$ (168,248) \$	GS > 50 kw In (551,255) \$ 16,903 \$ 147,035 \$ (354,250) \$	Intermediate G (405,994) \$ 12,449 \$ 108,290 \$ \$ (260,902) \$	Intermediate with Self Generation Lar (93.468) \$ 2,866 \$ 24.930 \$ (60,065) \$ 6,0,065)	Large Users	Scattered 5 Load L (3,138) \$ 96 \$ 837 \$ (2,016) \$	Sentinel Lighting (1,007) \$ 31 \$ 269 \$ (647) \$	Street Lighting (16,709) \$ 512 \$ 4,457 \$ (10,738) \$	Total (1,934,285) 59,309 515,926 (1,243,022)
Subtotal - RSVA Other Regulatory Assetts - Account 1508 Retail Cost Variance Account - Acct 1518	(2,602,071) 941,474 (164,435)	Dx Revenue # of Customers	(808,354) 505,095 (108,520)	(352,201) 137,588 (11,508)				 	(4,221) \$ 930 \$ (736) \$			(2,602,071) 941,474 (164,435)
Mils. Deferred Account. Acct 1525 Relail Cost Variance Account (STR) Acct 1548 Low Voltage - Account 1550 Cualifying 1 Transish of Costs - Acct 1570 Extra-Ordinary Event Costs - Acct 1572 Other Deferred Credits - Acct 2425 Recovery of Regulatory Asset Balances Subtotal - Non RSVA, Variable	\$ 129,164 # # # # # # # # # # # # # # # # # # #	# of Customers # of Customers # wwh # of Customers # wwh Dx Revenue # wwh	5 15.646 5 5 73.908 5 5 (58.993) 5 5 9.547 5 5 32.063 5 5 42.21 5 5 468.746 5 5 468.746 5	4,262 \$ 7,838 \$ (25,703) \$ (1,012 \$ 1,970 \$ 1,970 \$ 1,012 \$ 1,8400 \$ 1,27458 \$ \$ (25,788) \$ (25,7458 \$ (25,7458 \$ \$ (25,7458 \$ \$ (25,7458 \$ \$ (25,7458 \$ \$ (25,7458 \$ \$ (25,7458 \$ (25,	3,201 \$ 1,085 \$ (54,119) \$ 140 \$ 29,414 \$ - 38,742 \$ 81,472 \$	5,218 \$ 71 \$ 71 \$ 71 \$ 8 (39,858) \$ 9 \$ 21,663 \$ \$. \$ 28,533 \$ 8 155,460 \$ 8	512 \$ 3 \$ (9,176) \$ 0 \$ 4,987 \$		29 \$ 501 \$ 501 \$ 501 \$ 501 \$ 501 \$ 501 \$ 501 \$ 501 \$ 501 \$ 500 \$ 5	843 % 843 % 843 % % 109 % 109 % 17 7 % 1031 %	255 \$ 27,741 \$ (1,640) \$ 3,583 \$ 892 \$ - \$ 1,174 \$ (1,685) \$	29,164 111,990 (189,896) 14,466 103,209 135,942 845,972
Smart Meters Revenue and Capital, 1555 (Fixed) Smart Meter Expenses, 1556 (Fixed) Subtotal - Non RSVA Fixed	\$ - # of Mete \$ - # of Mete	# of Metered Customers # of Metered Customers	\$ \$ \$ \$	φ φ φ	φ φ _φ	.		<i>↔ ↔</i>	<i>↔ ↔</i>	<i>↔ ↔</i>	9 9 9 1 1 1	
Total to be Recovered	\$ (1,620,158)		\$ (339,608) \$	(224,743) \$	\$ (960,099)	\$ (260,065)	(112,896) \$	⇔	(3,574) \$	(324) \$	(24,162) \$	(1,756,100)
Balance to be collected or refunded, Variable Balance to be collected or refunded, Fixed Number of years for Variable	\$ (1,620,158) \$		\$ (339,608)	(224,743) \$	\$ - \$	\$ (390,697)	(112,896) \$	∽ ↔	(3,574) \$	(324) \$	(24,162) \$	(1,756,100)
Number of years for Fixed Balance to be collected or refunded per year, Variable Balance to be collected or refunded per year, Fixed	\$ (1,620,158) \$.		\$ (339,608) \$	(224,743) \$	\$ (960,099)	\$ (390,697)	(112,896) \$	↔ ↔	(3,574) \$	(324) \$	(24,162) \$	(1,756,100)
Class Deferral and Variance Account Rate Riders, Variable			Residenti	GS < 5		"	Intermediate with Self Generation Lar	S Large Users	6	Sentinel Lighting	Street Lighting	
Billing Determinants Deferral and Variance Account Rate Riders, Fixed (permonth)	(per		(010	(U.UUZB) KWh	~I I I	(1.0218) \$ KW - \$	~	kW kW	(0.0033) \$ KWh	(U.3004) \$ KW	(1.3137) kW	
Billing Determinants	Components of 2010 Riders: Variable RSVA	:: ⋖	# metered cust. # \$ (0.0039) \$ \$ 0.0023 \$	# metered cust. (0.0039) 0.0014	# metered cust. \$ (1.5009) \$ 0.1649		# #	# metered cust.	\$ 9000:0	(1.2563) \$	(1.2239)	

Fixed, per month

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Non-RPP Deferral/Variance Rate Rider

Non-RPP Deferral/Variance - Global Adjustment

			Total						1,217,461	1,217,461
				,	so.	s	s	s	s	မာ
			Street	88			•		10,517	10,517 \$
				,	so.	69	છ	49	8	634 \$
			Sentinel	9		•	•	•	634	
		Small	Scattered	,		٠	·	<i>ج</i> ه	1,975 \$	1,975 \$
		Ø	Sca	,	ь	69	69	s	49	69
			2100	5	,	,				
			argo Heare	9						
		ntermediate	with Self			٠ -	٠	٠	58,830 \$	\$ 830 \$
		<u><u>¥</u></u>		,	so.	69	69	49	₩.	↔
			Intermediate			•	•		255,537	255,537 \$
					so.	69	69	69	69	69
ED-2002-0563 EB-2009-0261			GS > 50 kw		•	•	•	•	346,966	346,966
EB-2	277		ď	,	so.	69	69	s	69	69
			GS < 50 KW			•	•	•	164,788	164,788 \$
			ě	5	so.	69	s	\$	s	ss.
œ									378,214	378,214 \$
LICENCE NUMBER DOCID NUMBER PHONE NIMBER	(extension)		Recidential						37	37
DOC	(exte			•	s	69	69	69	↔	es
			ALLOCATOR		kWh	kWh	kWh	kWh	kWh	
			ţ	•					17,461	17,461
Hydro Inc			Amount						\$ 1,2	\$ 1,217,461
Chatham-Kent Hydro Inc. Jim Hogan jimhogan@ckenergy.com	18-Feb-10									•
NAME OF UTILITY NAME OF CONTACT E-mail Address VERSION NIMREP			Deferral and Variance Accounts.	nd Variance Accounts.	VMSC - Account 1580	WMSC - Account 1582	Account 1584	Connection - Account 1586	Power - Account 1588	RSVA
NAME OF UTILITY NAME OF CONTAC E-mail Address VERSION NIMBER	Date		Gerrado	3	WMSC - A	One-Time	Network - ,	Connection	Power - Ac	Subtotal - RSVA

Balance to be collected or refunded, Variable Balance to be collected or refunded, Fixed Number of years for Variable	\$ 1,217,461	es	378,214 \$	\$ 164,788 \$	\$ 346,966 \$		255,537 \$	58,830	49	€ 9	1,975	€	634 \$	10,517 \$	1,217,461
Number of years for Fixed Balance to be collected or refunded per year, Variable	\$ 608,730	69	189,107	\$ 82,394 \$	\$ 173,483 \$		127,768 \$	29,415	s	69	886	8	317 \$	5,258 \$	608,730
Balance to be collected or refunded per year, Fixed	- \$	ક			\$	\$	\$ -		\$	-		\$	\$	\$ -	
Class			Residential	GS < 50 KW	GS > 50 kw Intermediate	Intermo		Intermediate with Self Generation Large Users	Large Us		Small Scattered Load	Sentinel Lighting	_	Street -ighting	
Deferral and Variance Account Rate Riders, Variable		s	0.0014 \$	\$ 0.0014 \$		8	0.0014 \$ 0.0014 \$	0.0014		69	0.0014	0.0014 \$ 0.0014 \$ 0.0014	0014 \$	0.0014	
Billing Determinants			kWh	kWh	ΚW	kW	۸	κW	kW		kWh	kW		κW	
Deferral and Variance Account Rate Riders, Fixed (per month)		49		- &	\$	€9	<i>\$</i>			↔			€9		

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Appendix O Updated Smart Meter Rates

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Summary of the Smart Meter Adders and Rider

Rate	Filed	Updated
Smart Meter Adder for 2008 cost	0.45	0.45
Permanent Rider	0.18	0.18
Smart Meter Adder for 2009 and 2010	0.51	0.51

Note that the change in the cost of capital based upon the February 24th letter from the OEB has resulted in no change in the proposed Smart Meter adders and rider.

69,952

Smart Meter Revenue Requirement & Proposed Rates-Summary

Chatham-Kent Hydro Inc.

		Chatham-	Ke	nt fryuro fiic.						
Summary of Actual Costs claimed in this application		2008		2008		2009		Total Actual	F	Perm Adjust
Capital Costs (must be installed, and used and useful)										2009
Smart Meters	\$	419,116			\$	-	\$	419,116	\$	419,110
Computer Hardware	\$	8,883			\$	-	\$	8,883	\$	8,883
Computer Software	\$	7,066			\$	-	\$	7,066	\$	7,066
Tools & Equipment	\$	-			\$	-	\$	-	\$	-
Other Equipment (please specify)	\$	-			\$	-	\$		\$	-
Total Capital Costs	\$	435,064			\$	-	\$	435,064	\$	435,064
O M & A										
2.1 Advanced metering communication device (AMCD	2 '	_			\$	_	\$	_		
2.2 Advanced metering regional collector (AMRC) (inc		_			\$	_	\$	_		
2.3 Advanced metering regional concetor (AWRC) (inc.)	\$	_			\$	_	\$	_		
2.4 Wide area network (WAN)	\$	_			\$	_	\$	_		
2.5 Other AMI OM&A costs related to minimum function	-	423,820			\$	_	\$	423,820		
Total O M & A Costs	\$	423,820		•	\$		\$	423,820		
Total O M & A Costs	Ψ.	423,020		•	Ψ		Ψ	423,620		
Summary of Revenue Requirement Calculation		2008		2008		2009		Total Actual	F	Perm Adjust
Net Fixed Assets										2009
Net Fixed Assets Beginning of Year	\$	-	\$	419,028		386,955			\$	386,95
Net Fixed Assets End of Year	\$	419,028	\$	386,955	\$	-			\$	354,882
Average Net Fixed Asset Values	_\$_	209,514	\$	402,992	\$	193,478	-		\$	370,919
Working Capital Allowance										
Operation Expense	\$	423,820	\$	_	\$	_			\$	_
Working Capital Allowance 15% (from approved 2006	_	63,573	\$	-	\$	-	•		\$	-
Smart Meters Rate Base	<u> </u>	273,087	\$	402,992	\$	102 479			\$	370,919
Smart Weters Rate dase	_\$_	273,087	Ф	402,992	Ф	193,478	•		<u> </u>	370,91
Return on Rate Base										
Deemed Debt 53.3% Times Weighted Debt Rate 7.049	9 \$	10,247	\$	15,122	\$	7,260	\$	32,629	\$	14,798
Deemed Equity 46.7% Times ROE 9%	\$	11,478	\$	6,045		8,132	\$	25,655	\$	14,46:
Return on Rate Base	_\$_	21,725	\$	21,166	\$	15,392	\$	58,283	\$	29,263
Operating Expenses										
Incremental Operating Expenses	\$	423,820	\$	_	\$	_	\$	423,820	\$	_
Amortization Expenses	\$	16,036		32,073	\$	_	\$	48,109	\$	32,07
Total Operating Expenses	\$	439,857	\$	32,073	\$	_	\$	471,930	\$	32,07
Stranded Cost	\$	114,623	Ψ	32,073	Ψ		\$	114,623	Ψ	32,07
Total Operating Expenses	\$	554,480	\$	32,073	\$	_	\$	586,553		
		·							F	Perm Adjust
		2008	_	2008		2009	_	Total Actual		2009
Revenue Requirement Before PILs	\$	576,205		53,239		15,392		644,836	\$	61,330
Grossed up PILs	\$	5,765	\$	6,833	\$	-	\$	12,598	\$	8,610
Revenue Requirement for Smart Meters	\$	581,970	\$	60,073	\$	15,392	\$	657,434	\$	69,952
Rate Rider to Clear Actual Expenses to December 200	08									
Revenue Requirement for Smart Meters Installed									\$	657,434
Carrying costs The last available Board prescribed interest					٦				\$	2,988
against deferral accounts is assumed to d	continu	<u> </u>	or th		┙					
Less Smart Meter Adder Recovery		Rate Adder		Customers	ľ			ount Recovered		
November 2008 to April 30, 2009	\$	0.54		31,872		6	\$	103,265		
May 1, 2009 to April 30, 2010	\$	0.54		32,132		12	\$	208,215		
May 1, 2010 to April 30, 2012	\$	0.45		32,132		24	\$	347,026	-\$	658,500
									\$	1,910
				Metered						
			c	Customers per						
Permanent Capital Rate Adjustustment		Rate Adder	`	2006 EDR	ľ	No. of Mths	\m	ount Recovered		
May 2010	\$	0.18		32 132	•	12	\$	69 952		

0.18

32,132

12

\$

May 2010

Smart Meter Revenue Requirement & Proposed Rates- Summary

Summary of Actual Costs claimed in this application	2009 Capit	al		20	10 Capital		Total
Capital Costs (must be installed, and used and useful)				_			
Smart Meters	\$ 600,00	0		\$	750,000	\$	1,350,000
Computer Hardware	\$ -			\$	-	\$	-
Computer Software	\$ -			\$	-	\$	-
Tools & Equipment	\$ -			\$	-	\$	-
Other Equipment (please specify)	\$ -	_		\$		\$	
Total Capital Costs	\$ 600,00	0_		\$	750,000	\$	1,350,000
O M & A							
2.1 Advanced metering communication device (AMCD)	\$ -			\$	-	\$	-
2.2 Advanced metering regional collector (AMRC) (includes LAN)	\$ -			\$	-	\$	-
2.3 Advanced metering control computer (AMCC)	\$ -			\$	-	\$	-
2.4 Wide area network (WAN)	\$ -			\$	-	\$	-
2.5 Other AMI OM&A costs related to minimum functionality	\$ -	_		\$		\$	
Total O M & A Costs	\$ -	_		\$	-	\$	-
Summary of Revenue Requirement Calculation	2009 Capit	al		20	10 Capital		Total
Net Fixed Assets				_			
Net Fixed Assets Beginning of Year	\$ -	_		\$	580,000		
Net Fixed Assets End of Year	\$ 580,00				1,265,000		
Average Net Fixed Asset Values	\$ 290,00	0 \$		\$	922,500	-	
Working Capital Allowance	_						
Operation Expense	\$ -	\$		\$			
Working Capital Allowance	\$ -	\$		\$		-	
Smart Meters Rate Base	\$ 290,00	0 \$	-	\$	922,500	-	
Return on Rate Base							
Deemed Debt	\$ 11,57	0		\$	31,088	\$	42,658
Deemed Equity	\$ 11,30			\$	36,347	\$	47,656
Return on Rate Base	\$ 22,87		-	\$	67,435	\$	90,314
Operating Expenses							
Incremental Operating Expenses	\$ -	\$	-	\$	-	\$	-
Amortization Expenses	\$ 20,00			\$	65,000	\$	85,000
Total Operating Expenses	\$ 20,00			\$	65,000	\$	85,000
	0000 0	a1		Tor	10.0		T-4-1
Revenue Requirement Before PILs	2009 Capit \$ 42,87			<u> 20</u>	10 Capital 132,435	<u> </u> \$	Total 175,314
Grossed up PILs	\$ 42,87 \$ 5,32			\$	132,435	\$	175,314 22,426
Revenue Requirement for Smart Meters	\$ 5,32 \$ 48,20			\$	149,539	\$	197,740
				_			
Rate Adder for Capital In 2009 and 2010	Metered Cus Rate Adder per 201				No of Man-		mount Br
·	Rate Ad \$ 0.5		per 2010 32,132	Į.	No. of Mths 12	\$	mount Recovered 197,740
May 1, 2010 to April 30, 2011	φ U.t	•	JE, I JE		14	φ	191,140
Deemed Capital Structure	2009		2010				
STD	0.0	%	4%	,			
LTD	56.7		56%				
Equity	43.3		40.0%				
Capitl Rates							
STD	0.0	%	2.07%	1			
LTD	7.04	%	5.87%)			
Equity	9.0		9.85%				
Tax Rate	32	%					

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Appendix P Updated LRAM and SSM Rate Riders

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LRAM/SSM Rate Rider

Class	Filed		Adjustment		Agreed to		Billing Units	Metrics	\$/Unit KWh/kW	
Residential	\$	733,173	\$	347,010	\$	386,163	207,045,763	KWH	0.00187	
General Service < 50 kW	\$	13,594			\$	13,594	90,210,202	KWH	0.00015	
Streetlight	\$	27,427			\$	27,427	18,365	kW	1.49344	
Total	\$	774,194	\$	347,010	\$	427,184		_		

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