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March 26, 2010

Delivered by E-mail and Courier

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

Dear Ms. Walli:

**Re: North Bay Hydro Distribution Limited – 2010 Cost of Service Electricity
Distribution Rate Application – Board File No.EB-2009-0270**

We are counsel to North Bay Hydro Distribution Limited (“NBHDL”) in the above captioned matter.

A settlement conference was conducted in respect of this proceeding on Monday, March 8 and 9, 2010. We are pleased to advise that the parties have achieved a comprehensive settlement in this matter. Please find accompanying this letter a copy of the proposed Settlement Agreement. Each of the parties has reviewed and approved the Agreement. The parties to this proceeding acknowledge with thanks the assistance of Mr. Haussman and Board staff in this process.

Should you have any questions or require further information, please do not hesitate to contact me.

Yours very truly,
BORDEN LADNER GERVAIS LLP

Original Signed by James C. Sidlofsky

James C. Sidlofsky
JCS
Encls.

cc. Chris Haussmann, Facilitator
Neil Mather, Ontario Energy Board
Todd Wilcox, North Bay Hydro Distribution Limited
Cindy Tennant, North Bay Hydro Distribution Limited
Intervenors of Record

Vancouver
•
Toronto
•
Ottawa
•
Montréal
•
Calgary

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 North Bay
Hydro Distribution Limited for an order approving just and
reasonable rates and other charges for electricity distribution
to be effective May 1, 2010.

SETTLEMENT AGREEMENT

FILED MARCH 26, 2010

INTRODUCTION:

North Bay Hydro Distribution Limited ("NBHDL") owns and operates the electricity distribution system in its licensed service area in North Bay, serving approximately 24,315 customers. NBHDL is an embedded distributor in relation to Hydro One Networks Inc. at certain points. Hydro One is also embedded in NBHDL's system.

NBHDL filed an application (the "Application") with the Ontario Energy Board (the "Board") on October 26, 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 NBHDL charges for electricity distribution, to be effective May 1, 2010. The Board assigned File Number EB-2009-0270 to the Application. Four parties requested and were granted intervenor status: Energy Probe ("EP"); the School Energy Coalition ("Schools"); the Vulnerable Energy Consumers Coalition ("VECC"); and Donald Rennick.

The Board issued Procedural Order No. 1 on December 15, 2009. Board staff filed interrogatories on December 22, 2009, and all registered intervenors filed interrogatories by December 23, 2009. NBHDL filed responses to interrogatories in January 2010. The Board issued Procedural Order No. 2 on February 10, 2010. That Procedural Order provided for supplemental interrogatories and a Settlement Conference. NBHDL responded to supplemental interrogatories from Board Staff and the intervenors in February and early March, 2010. The evidence in this proceeding (referred to here as the "Evidence") consists of the Application and NBHDL's responses to both the initial and supplemental rounds of interrogatories.

The Settlement Conference was conducted on March 8 and 9, 2010, at the Board's offices, with Chris Haussmann acting as facilitator. Representatives of the Applicant and intervenors (Mr. Rennick appeared in person), participated in the Settlement Conference, and Board Staff participated in accordance with their role as set out in the Board's Settlement Conference Guidelines. The Parties acknowledge with thanks the assistance of Mr. Haussmann and Board staff in this matter.

A COMPREHENSIVE SETTLEMENT HAS BEEN REACHED IN THIS PROCEEDING:

The parties are pleased to advise the Board that a comprehensive settlement has been reached in this proceeding. As discussed below, as part of this settlement, the Parties have agreed that there is one matter that has been raised by Board staff that will require the Board's determination, and that submissions of all Parties in respect of that matter can be included within this Agreement. As a result, the Parties submit that no further procedural steps are necessary prior to the issuance of the Board's Decision in this proceeding.

This document comprises the Settlement Agreement to the Board, and it is presented jointly by NBHDL and EP, Schools, VECC and Mr. Rennick (collectively referred to as the "Parties"). It identifies the settled matters, and contains such references to the Evidence as necessary to assist the Board in understanding and approving the Settlement Agreement. The Parties confirm that the Evidence filed to date in respect of the settled issues, as supplemented in some instances by additional information recorded in this Settlement Agreement, supports the settlement of the matters identified in this Settlement Agreement. In addition, the Parties agree that the Evidence, supplemented where necessary by the additional information appended to this Settlement Agreement, contains sufficient detail, rationale and quality of information to allow the Board to make findings in keeping with the settlement reached by the Parties.

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

- Board Staff have requested that one matter be addressed with the Board pertaining to RSVA Account 1588 – Power – Subaccount Global Adjustment and more particularly, to the manner in which any balance in the Global Adjustment sub-account should be cleared. This is not a matter that is at issue for the Parties, and the Intervenor has accepted that NBHDL's systems are not capable of establishing separate riders for RPP and non-RPP customers within the same class. The Parties request that the Board confirm that NBHDL shall not be required to modify or replace its systems to accommodate separate riders. The Parties agree that this item is severable from the remainder of the settlement in the event that the Board does not accept the Parties' approach to this matter. The Parties request the

opportunity to make further submissions in this regard in the event that the Board does not accept their proposed approach.

- There is also a proposed OM&A expenditure (real time pilot projects) in respect of which the Parties have reached an agreement that changes the manner in which the proposed expenditure will be treated, and the Parties agree that this item is severable from the remainder of the settlement in the event that the Board does not accept the Parties' settlement of this matter. This item is discussed under Section 4(a) – Operating Costs, below.

The parties agree that all positions, information, documents, negotiations and discussion of any kind whatsoever which took place or were exchanged during the settlement conference are strictly confidential and without prejudice, and inadmissible unless relevant to the resolution of any ambiguity that subsequently arises with respect to the interpretation of any provision of this Settlement Agreement.

Unless stated otherwise, the settlement of any particular issue in this proceeding and the positions of the Parties in this Settlement Agreement are without prejudice to the rights of parties to raise the same issue and/or to take any position thereon in any other proceedings. It is further acknowledged and agreed that none of the Parties will withdraw from this Agreement under any circumstances, except as provided under Rule 32.05 of the Board's *Rules of Practice and Procedure*.

This Settlement Agreement provides a brief description of each of the settled issues, together with references to the Evidence and additional supporting material as necessary.

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 \$11,294,345. The revenue deficiency, based on forecast 2010 revenue at current rates, is \$1,302,477. This is \$536,594 lower than the original revenue deficiency of \$1,839,071 set out in the Evidence, which had used a return on equity of 8.01% and a long term debt rate of 7.62% on the promissory note between the City of North Bay and NBHD, based on the Board's 2009 cost of capital parameters. The original revenue deficiency, using the Board's 2010 parameters reflecting a return on equity of 9.85% and a long term debt rate of 5.87% on the promissory note between the City of North Bay and NBHDL, would have been \$1,992,455.

The Parties agree that the proposed settlement achieves the Board's objectives of protecting the interests of consumers with respect to prices and the adequacy, reliability and quality of electricity service, promoting economic efficiency and cost effectiveness in the distribution of electricity, and facilitating the maintenance of the financial viability of NBHDL. The Parties also agree that while NBHDL has filed budgets for the Test Year that are illustrative of how it would achieve these goals, as is always the case with forward test year cost of service cases, the actual decisions as to how to allocate resources, and in what areas to spend the agreed-upon capital and operating,

maintenance and administrative costs ("OM&A"), are ones that must be made by the utility during the course of the year.

The Parties have appended a revised Schedule of Rates and Charges as Appendix H to this Settlement Agreement. The Parties have also included, as Appendix I, a table of bill impacts reflecting all agreed-upon matters. The Parties agree that no rate classes face bill impacts in this proceeding that require mitigation efforts.

ORGANIZATION AND SUMMARY OF THE SETTLEMENT AGREEMENT:

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

The following Appendices accompany this Settlement Agreement:

Appendix A:	Changes to Proposed Revenue Requirement Resulting from the Settlement Agreement
Appendix B:	Updated Rate Base Calculation
Appendix C:	Updated Working Capital Calculation
Appendix D:	Extracts from Application regarding proposed real time pilot projects, and further discussion on proposed real time pilot projects
Appendix E:	Updated Depreciation Calculation
Appendix F:	Updated Taxable Income and PILs/Tax Provision Calculations
Appendix G:	Updated Weighted Long Term Debt Calculation
Appendix H:	Revised Schedule of Proposed Rates and Charges
Appendix I:	Bill Impacts

NEXT STEPS:

In Procedural Order No. 2, issued February 10, 2010, the Board established the following dates with respect to this Settlement Agreement and final submissions:

- Any Settlement Proposal arising from the Settlement Conference shall be filed with the Board by March 30, 2010. The Settlement Proposal should contain a list of any unsettled issues, identifying those issues that the parties believe must be dealt with by way of oral hearing.
- Any Settlement Proposal will be reviewed by the Board on April 8, 2010 at 9:30 am, in the North Hearing Room at 2300 Yonge Street, 25th floor, Toronto.
- Following the review of the Settlement Proposal, an oral hearing on this matter will begin on April 8, 2010. In the event that more time is required for the hearing,

it will resume on April 9, 2010. The Board will consider additional dates for the oral hearing as required.

As there has been a comprehensive settlement, the Parties submit that it is no longer necessary to provide for an oral hearing in this proceeding. Similarly, the Parties suggest that as the Settlement Agreement is fully supported by the Evidence, supplemented where necessary by the additional information appended to this Settlement Agreement, it will not be necessary to appear before the Board for a review of the Settlement Agreement.

For the Board's assistance, and in an effort to avoid the need for an Order declaring NBHDL's current rates interim beginning May 1, 2010, the Parties have accelerated the filing of the Settlement Agreement to March 26, 2010 rather than March 30, 2010 as set out in Procedural Order No.2. The Parties have considered the appropriate date for implementation of NBHDL's 2010 distribution rates and agree that the effective date of the new rates should be May 1, 2010. The Parties agree further that in the event that the Board is not able to issue its final Rate Order in respect of NBHDL's rates in time for implementation as of May 1, 2010, then NBHDL will be permitted to recover the distribution revenue requirement shortfall for any months in the 2010 Rate Year in respect of which the new rates have not been implemented by way of a rate rider. For example, if NBHDL will be able to implement the new rates on June 1, 2010, NBHDL would be permitted to establish a rate rider that would enable it to recover its distribution revenue requirement shortfall for May 2010 based on forecast data approved by the Board in this Application.

OUTLINE OF THE SETTLEMENT BY CATEGORY:

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

1. ADMINISTRATION

- a) **Has NBHDL responded appropriately to all relevant Board directions from previous proceedings?**

Status: Complete Settlement

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

2. RATE BASE (Exhibit 2)

a) Are the amounts proposed for the Rate Base appropriate?

Status: Complete Settlement

The Parties agree that the amounts proposed for NBHDL's Rate Base are appropriate, subject to the adjustments to the Working Capital Allowance calculation set out in item 2(b) below; the adjustments to capital expenditures set out in item 2(c) below; and the use of full year depreciation for assets that went into service in 2008 and 2009. The use of a full year of depreciation for those assets reduces the 2010 Rate Base by \$302,911.

The Parties also note that the sum of \$520,399, representing expenditures in 2009 on projects that will go into service in the 2010 Test Year and in respect of which an additional \$336,726 is being spent in 2010 on their completion (see paragraph 2(c) below), is being moved from Work in Progress to Rate Base in 2010.

Accompanying this Settlement Agreement as Appendix B is an updated calculation of NBHDL's Rate Base reflecting these changes.

Evidence References:

Exhibit 2

Exhibit 2, Appendix A

Interrogatory Response, Board Staff Questions 2, 8, 11 b)

Interrogatory Response, VECC Questions 3 b), 4, 5, 6, 7, 8, 9, 36, 37

Interrogatory Response, EP Questions 1 e) f), 4, 5, 6, 7, 29, 32, 37, 42

Interrogatory Response, SEC Questions 6, 7, 9, 10, 11, 13, 22, 27

Interrogatory Response, D. Rennick Questions 3, 13, 14, 15, supplemental 13, 15, pg 23

b) Has the Working Capital Allowance been determined appropriately? (Also Exhibit 6)

Status: Complete Settlement

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

- i. NBHDL will use the current (the Board's October 15, 2009 Regulated Price Plan Price Report) RPP and non-RPP figures in the cost of power component of the Working Capital Allowance calculation. For non-RPP customers, the cost of power will be \$34.875/MWh plus the Global Adjustment as set out in the Board's October 15, 2009 Report; and

- ii. NBHDL will incorporate the changes in controllable costs set out in its discussion of changes to OM&A, below, resulting from this settlement.
- iii. NBHDL will use the geometric mean to calculate its load forecast – this will have a slight impact on working capital.

The Parties confirm that Low Voltage costs of \$21,565 have been included in the working capital calculation, and that that amount includes the Hydro One Low Voltage rate rider. Accompanying this Settlement Agreement as Appendix C is an updated calculation of NBHDL's Working Capital Allowance reflecting these changes.

Evidence References:

Exhibit 2, pg. 140-143
Interrogatory Response, VECC Questions 8
Interrogatory Response, EP Questions 7, 42
Interrogatory Response, D. Rennick Questions 10

c) Are the amounts proposed for Capital Expenditures appropriate?

Status: Complete Settlement

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

- i. The Parties have agreed that NBHDL's 2009 capital expenditures, forecast in the Application to be \$8,251,981, have a total value of \$6,199,778, a reduction of \$2,052,202 from the forecast of \$8,251,981 shown in the Application. This reflects the fact that certain 2009 capital projects forecast in the Application for completion in 2009 did not go into service in that year. In certain cases, projects were commenced in 2009 but will not be completed until 2010. In other cases, projects were deferred in their entirety from 2009 to 2010. In all cases, NBHDL will be completing these projects during the 2010 Test Year.
- ii. The Parties have agreed that the 2010 Test Year capital expenditures, shown in the Application as having a total value of \$7,852,276 will increase by \$727,934, for a revised total value of \$8,580,210. This revised value reflects the following changes:
 - An increase of \$336,726 in capital expenditures required for the completion of the projects currently in progress and shown in the Application as coming into service in 2009 will be made in 2010;

- An increase of \$571,112 in capital expenditures in respect of projects shown in the Application as to be undertaken and completed in 2009, but which have been deferred in their entirety to 2010, will be made in 2010;
- A decrease of \$15,613 in capital expenditures related to the connection of generation to the NBHDL distribution system;
- A decrease of \$38,189.00 in capital expenditures related to secondary service connections. The resulting value of \$311,473 reflects the average expenditure in this area for the 2004-2009 period;
- A decrease of \$121,184 in capital expenditures related to Ontario's shift to a Harmonized Sales Tax ("HST"), planned for implementation effective July 1, 2010. In this regard, NBHDL did not provide for the harmonization of taxes into HST in the Application, and purchases that would otherwise have attracted PST have not been reduced in cost in the development of NBHDL's capital forecast. The Parties have agreed that a total amount of \$242,370 represents a reasonable estimate of the costs of PST included in NBHDL's 2010 capital expenditures forecast. Given the July 1 implementation date for HST, an amount of \$121,184 would represent a half year of impacts. The Parties have agreed that with the use of estimates of PST reductions for both capital expenditures and OM&A expenditures, there is no need for a variance account to track the difference between this amount and the tax savings in 2010. The establishment of a variance account would have a significant impact on NBHDL's internal operations, as it would be required to review every invoice to determine if this had been in the forecast, whether it would it have attracted PST, and what dollar value would be tracked. The proposed reduction in PST related to OM&A expenditures is discussed below, in the context of operating costs (Exhibit 4).
- A decrease of \$4,918 related to the capital portion of the forecasted 2010 OMERS expenditures. In the Application, NBHDL had used a forecast for an OMERS increase of 0.5% for 2010. The actual 2010 increase is 0.2% resulting in a decrease of \$4,918 in the capital component of forecasted 2010 OMERS expenditures.

Evidence References:

Exhibit 2, pg. 2, pages 140-143, Table 2-14
Interrogatory Response, Board Staff Questions 2
Interrogatory Response, VECC Questions 3 b), 4, 5, 6, 7, 9, 36, 37
Interrogatory Response, EP Questions 4, 5, 6, 32
Interrogatory Response, SEC Questions 6, 7, 9, 10, 11, 27
Interrogatory Response, D. Rennick Questions 3, 14, 13, 15, 33

3. OPERATING REVENUE (Exhibit 3)

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

Status: Complete Settlement

In Exhibit 3 of the Application, NBHDL set out its approach to customer and load forecasting for the 2010 Test Year. The Parties agree for the purposes of settlement of this Application that the load and customer forecasts used by NBHDL are appropriate, with one adjustment: While the Parties agree with the purchased forecast of 590.8 GWh (see Exhibit 3, page 18, Table 3-9), the use of a geometric mean approach to the forecast rather than the arithmetic mean approach used in the Application results in a decrease in revenue deficiency in the amount of \$13,300. The Parties note that the use of the geometric mean will also result in slight changes to NBHDL's calculations of Low Voltage charges, deferral and variance account riders and LRAM and SSM rider.

The Parties acknowledge that EP's, Schools' and VECC's agreement on this issue is specific to NBHDL and its resulting forecast amounts, in consideration of the Parties' agreement on all issues set out in this Settlement Proposal, and should not be considered as agreement with respect to NBHDL's forecasting methodologies.

Evidence References:

Exhibit 3, pages 8-25, Table 3-8, Appendix 3A
Interrogatory Response, Board Staff Questions 3, 4, 36
Interrogatory Response, VECC Questions 10, 11, 12, 38, 40
Interrogatory Response, EP Questions 9, 10, 41
Interrogatory Response, D. Rennick Question 38

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

Status: Complete Settlement

The Parties agree that the proposed loss factors are appropriate.

Evidence References:

Exhibit 8, pages 10-13,
Interrogatory Response, Board Staff Questions 21
Interrogatory Response, EP Questions 10, 27

c) Is the proposed amount for Other Revenue appropriate?

Status: Complete Settlement

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

- i. In the Application, NBHDL did not forecast any gains from disposal of distribution assets, because it does not contemplate disposing of any assets in the 2010 Test Year. The Parties have agreed that NBHDL will increase its revenue offsets by \$2,500, reflecting the possibility of realizing salvage value in the event that assets are disposed of in the 2010 Test Year. The \$2,500 represents 50% of a total salvage value of \$5,000.

Evidence References:

Exhibit 3, pages 26-29
Interrogatory Response, Board Staff Questions 13, 14, 28
Interrogatory Response, VECC Questions 10, 13, 22, 44
Interrogatory Response, EP Questions 12, 34, 35
Interrogatory Response, SEC Questions 15, 29

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

Status: Complete Settlement

The Parties agree that the revenue from Specific Service Charges is appropriate, subject to the following adjustment:

- i. In the Application, at Exhibit 3, page 3, NBHDL indicated that it was including \$73,632 in revenue on account of Standard Supply Service ("SSS") Administration Charges. The Parties have agreed that this amount will be increased by \$3,000, for a revised total of \$76,632 to reflect the updated 2009 forecast.

Evidence References:

Exhibit 3, page 3
Interrogatory Response, Board Staff Questions 13,
Interrogatory Response, EP Questions 8, 34

4. OPERATING COSTS (Exhibit 4)

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

Status: Complete Settlement

The Parties have agreed that the overall level of NBHDL's OM&A budget as proposed in the Application is appropriate, subject to certain adjustments as described below. In summary, NBHDL will reduce its overall 2010 Test Year OM&A expenditures by \$98,646. This represents a reduction from the \$5,779,054 proposed in the Application to a total of \$5,680,408 and incorporates the following adjustments:

- A reduction of \$18,575 related to the adoption of an inflation factor of 1.3% (this is the value used in the Board's 2010 IRM methodology) rather than the 2.3% rate used in the Application;
- A reduction of \$6,000 related to costs in respect of NBHDL's parent company's Board of Directors;
- A reduction of \$5,500 related to the use of a forecast 2010 increase of 2.25% for non-union wages rather than the 3.00% used in the Application. The explanation for this change is as follows: NBHDL's current collective agreement with its union staff ends at the end of March 2010. NBHDL has budgeted for a 3% wage increase in the Application, but that increase will be in place for only 9 months of 2010. Accordingly, the Application reflects a 2.25% increase in wages for the 2010 Test Year. The change referred to in this paragraph aligns budgeted Union and non-Union wage increases by using 2.25% for both employee categories;
- A reduction of \$10,000 in non-regulatory legal costs from the \$43,000 proposed in the Application, for a total of \$33,000 for the 2010 Test Year;
- A reduction of \$35,000 in training costs from the \$159,092 proposed in the Application, for a total of \$124,092 for the 2010 Test Year;
- A reduction of \$20,000 in succession planning costs from the \$56,500 proposed in the Application (which in turn represented the amortization of \$226,000 over four years), for a total of \$36,500 for the 2010 Test Year (now representing the amortization of \$146,000 over four years);
- A decrease of \$6,607 related to an update to the OM&A portion of the forecasted 2010 OMERS expenditures. As discussed above in the context of capital expenditures, in the Application, NBHDL had used a forecast of .5% increase to OMERS expenditures for 2010. The actual

2010 increase is 0.2%, resulting in decrease of \$6,607 in the OM&A component of the 2010 OMERS forecasted expenditures.

- A decrease of \$24,773 in OM&A expenditures related to Ontario's shift to HST, planned for implementation effective July 1, 2010. As discussed in the context of capital expenditures (see item 2(d) above), the Parties have agreed that with the use of estimates of PST reductions for both capital expenditures and OM&A expenditures, there is no need for a variance account to track the difference between this amount and the tax savings in 2010; and
- An increase in OM&A expenditures in the amount of \$137,809 related to depreciation on NBHDL's truck fleet. The Parties note that this is offset by a reduction of \$137,809 in NBHDL's depreciation calculation (see paragraph (b) below).

As noted above, there is a proposed OM&A expenditure in respect of which the Parties have reached an agreement that changes the manner in which the proposed expenditure will be treated. More particularly, NBHDL had proposed an expenditure of \$110,000 proposed for Industrial (\$60,000) and Residential (\$50,000) Real Time Operating Pilot programs. As proposed in the Application, this would have been an ongoing expenditure through the IRM period, totalling \$440,000 over four years. NBHDL requested approval of this expenditure in the Application for the reasons set out therein.

The Industrial program will involve General Service > 50 kW and Intermediate customers, and the Residential program will involve Residential and General Service < 50 kW customers. As proposed in the Application, there would have been an ongoing expenditure of \$110,000 per year in the Test Year and through the IRM period. The programs are discussed at pages 24-25 of Exhibit 4 (Operating Costs) of the Application. For the Board's assistance, those descriptions are reproduced below in Appendix D, together with further comments on the merits of the projects.

Following discussions among NBHDL and the intervenors, the Parties have agreed on a revised approach to these projects. The Parties propose that NBHDL will:

- remove the costs of these projects from its proposed OM&A expenditures;
- reduce the total budget for the project from \$440,000 to \$110,000, of which \$20,000 will be capitalized (the "Budget");
- charge an adder of \$0.08 per metered customer per month through the Test Year and the IRM period on account of these expenditures (those recoveries will also be tracked in the deferral account), which will allow for the recovery

of approximately \$92,000, representing \$90,000 in the OM&A portion of the project budget plus the return on the capitalized portion of the project Budget; and

- track the project expenditures up to the amount of the Budget in a deferral account for recovery at a later date. For greater certainty, the Parties agree that any amount spent that is in excess of the Budget will not be tracked in the deferral account and is not recoverable by the Company.

The Parties have agreed on this approach, although the intervenors, while accepting the appropriateness of these costs, reserve the right to make submissions on the appropriate allocation of those costs as between the Residential/GS<50 kW group and the GS>50 kW/Intermediate group when NBHDL applies to the Board for the disposition of the balance of the deferral account.

The Parties have provided the relevant extracts from the Application and a description of the revised approach to recovering these costs (that is, through a deferral account and a rate adder rather than as an OM&A expenditure), together with further comments on the appropriateness of these projects, in Appendix D.

As noted above, the Parties agree that this item is severable from the remainder of the settlement in the event that the Board does not accept the Parties' settlement of this matter. The Parties agreed on the severability of this issue in recognition of the outstanding Draft Board Guidelines with respect to Smart Grid expenditures, such that the Board may want to deal with this item separately. However, the Parties believe that (as described in Appendix D) the segregation of the project costs from the revenue requirement, the relatively modest expenditures related to the revised proposal, the amortization of the cost recovery over 4 years, the additional information provided by NBHDL in light of the Draft Guidelines concerning Smart Grid pilots, and the ability of the Board to review NBHDL's conduct of the pilot prior to allowing clearance of the deferral account, all support approval of the project concepts at this time.

Evidence References:

Exhibit 4, pages 2-72, Appendix 4A-4C

Interrogatory Response, Board Staff Questions 6, 7, 8, 9, 10

Interrogatory Response, VECC Questions 2, 14, 15, 16, 17, 18, 19, 20, 21, 24, 35, 42, 43, 45

Interrogatory Response, EP Questions 2, 13,14,15,16, 18, 19, 20, 24, 30, 36, 38

Interrogatory Response, SEC Questions 12, 14, 16, 17, 18, 19, 20, 21, 23, 28

Interrogatory Response, D. Rennick Questions 4, 5, 8, 9, 10,11,12, 15,16, 17,18, 19, 20, 21, 22, 23, 24, 25, 32, 33, 34, 35 ,36,37; Supplemental pages, 3, 5, 8, 9, 10, 11, 12, 13,14, 18, 20, 21,22

b) Is NBHDL's depreciation policy and expenses appropriate?

Status: Complete Settlement

As noted under item 2(a) above, The Parties agree that NBHDL will reduce the total depreciation by \$137,809, related to depreciation on its truck fleet. This decrease, together with the changes related to the revised capital spending in 2009 and 2010, reduces the total depreciation expense from \$2,901,108 as shown in the Application, to \$2,694,912. The net effect of this reduction in depreciation and the increase of \$137,809 in OM&A expenditures discussed in the final bulleted paragraph of item 2(a) above is a slight increase in the revenue requirement in the amount of \$1,787 due to an increase in the working capital allowance. This will be among the changes in controllable expenses incorporated into the revised working capital calculation included in the rate base.

Evidence References:

Exhibit 4 pages 73-79

Interrogatory Response, VECC Questions 23, 45

Interrogatory Response, EP Questions 37

Interrogatory Response, D. Rennick Questions supplemental pg 1

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

Status: Complete Settlement

The Parties have agreed that the Payment in Lieu of Taxes ("PILs"), including NBHDL's methodology, is appropriate, subject to the following:

With respect to the following tax-related matters, the Parties have agreed as follows:

- i. The Provincial Apprenticeship Training Tax Credit ("ATTC" will be increased in 2010 to \$30,000 to reflect the recently enacted 2009 Ontario Budget changes. In addition, NBHDL is eligible to claim \$4,000 for the Federal Training Tax Credit. This results in a revised credit of \$34,000 compared to a credit of \$6,000 shown in the original Application;
- ii. Capital cost allowance ("CCA") calculations have been adjusted as a result of the revised 2009 capital spending forecast and the changes to the 2010 capital spending forecast;

- iii. NBHDL's Small Business Deduction calculation will be revised as a result of the 2009 Ontario budget change that eliminates the Ontario Surtax effective July 1, 2010. This represents a decrease of \$18,750 (grossed up to \$27,174 for PILs); and
- iv. PILs changes as a result of changes in Rate Base as discussed above have been incorporated into the updated tax calculations.

Revised taxable income and PILs/tax provision calculations are provided in the attached Appendix F.

Evidence References:

Exhibit 4 pages 80-86, Appendix 4-D
Interrogatory Response, Board Staff Question 12
Interrogatory Response, VECC Question 24
Interrogatory Response, EP Questions 21, 22, 23, 39
Interrogatory Response, D. Rennick Question 26

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

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

Status: Complete Settlement.

NBHDL's proposed debt to equity ratio for rate making purposes is 60% to 40%; the debt component is in turn comprised of 56% long term debt and 4% short term debt for rate making purposes. The deemed debt capitalization is in accordance with the Board's December 20, 2006 Cost of Capital Report.

Similarly, with regard to Return on Equity, 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*. As the Board noted at page VI of that Report, based on September 2009 data, the base ROE is set at 9.75%. In its letter of February 24, 2010 setting out its cost of capital parameters for 2010 cost of service rate applications, the Board advised that a Return on Equity of 9.85% will be applied by the Board in its consideration of 2010 cost of service applications. For the purpose of preparing its Application, NBHDL used the Board's 2009 Return on Equity of 8.01%, but advised that that was without prejudice to any revised Return on Equity that may be adopted by the Board in its 2010 update of the cost of capital parameters.

Accordingly, NBHDL's deemed capital structure for rate making purposes is 56% long term debt; 4% short term debt, and 40% equity. Its Return on Equity for rate making purposes is 9.85%. The Intervenor take no position on the use of these parameters.

b) Is the proposed Return on Debt appropriate?

Status: Complete Settlement

In its Application, NBHDL referred to three long term debt instruments:

- A note payable to the City of North Bay in the amount of \$19,511,601, payable on demand;
- A loan from Infrastructure Ontario in 2010 in the amount of \$2,500,000, bearing interest at a rate of 4.86% with an expected balance of \$2,444,134 at year end , for general capital expenditures; and
- A loan from Infrastructure Ontario in 2009 in the amount of \$3,500,000 bearing interest at a rate of 3.82% with an expected balance of \$3,058,824 at year end, for smart meter-related expenditures.

The Parties agree that the 2009 Infrastructure Ontario loan (at a rate of 3.82%) should not be included in NBHDL's long term debt for rate making purposes as it is related to smart meter expenditures, and these are not incorporated into distributors' revenue requirements. Accordingly, the Parties agree that the rate of 3.82% should not be included in NBHDL's blended long term debt rate for rate making purposes. Taking the City's note at 5% and the 2010 Infrastructure Ontario loan at a revised rate of 4.63% into account, the Parties agree that the blended long term debt rate for rate making purposes is 4.96%. NBHDL's updated weighted long term debt calculation has been provided at Appendix G.

The Parties also agree that NBHDL's short term debt rate for rate making purposes is 2.07%, the deemed short term debt rate established by the Board in its February 24, 2010 update to the cost of capital parameters for 2010 cost of service applications.

Evidence References:

Exhibit 5

Interrogatory Response, VECC Question 3

Interrogatory Response, EP Questions 25, 40

Interrogatory Response, SEC Questions 5, 24, 30

Interrogatory Response, D. Rennick Questions 2, 7, 27, 28, 29 Supplemental pages 2, 15 and 16

6. CALCULATION OF REVENUE DEFICIENCY (Exhibit 6)

a) Is the calculation of Revenue Deficiency appropriate?

Status: Complete Settlement

The Parties agree that NBHDL's calculation of the Revenue Deficiency is appropriate. The Parties acknowledge that with changes set out in this Settlement Agreement, NBHDL's revenue requirement and the revenue deficiency calculation will change, but the Parties agree that NBHDL's methodology for calculating the revenue deficiency is correct.

Evidence References:

Exhibit 6

Interrogatory Response, Board Staff Questions 27, 36

Interrogatory Response, EP Question 11

Interrogatory Response, SEC Question 4

Interrogatory Response, D. Rennick Question Supplemental page 1

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

Status: Complete Settlement

The Parties agree that the adjustments to revenue, OM&A, depreciation methodology and long term debt cost discussed in this Settlement Agreement are appropriate. All of those adjustments will have impacts on NBHDL's proposed Revenue Requirement. To assist the Board, NBHDL has prepared a table setting out the revisions to the Revenue Requirement resulting from this Settlement Agreement. That table accompanies this Settlement Agreement as Appendix A.

Evidence References: Application; interrogatory responses; attachments to this Settlement Agreement.

7. COST ALLOCATION (Exhibit 7)

a) Is NBHDL's cost allocation appropriate?

Status: Complete Settlement

The Parties agree that NBHDL's proposed approach to cost allocation, as supplemented by NBHDL's response to Board staff Interrogatory #29, is appropriate for defining the starting point for revenue-to-cost ratios. NBHDL confirms that for all customer classes that are below the Board's approved target ranges, NBHDL will increase them by 50% of the difference between their current levels and the bottom of the corresponding range in 2010, and a further 25% of the difference in each of 2011 and 2012, so that all classes will be at least at the bottom of the Board approved range by 2012.

Evidence References:

Exhibit 7

Interrogatory Response, Board Staff Questions 17, 29

Interrogatory Response, VECC Question 12

Interrogatory Response, SEC Question 25, 26, 31

Interrogatory Response, D. Rennick Question Supplemental page 1

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

Status: Complete Settlement

The Parties have agreed that the proposed revenue-to-cost ratios are appropriate and that the only adjustments necessary are those discussed in section 7(a) above.

Evidence References:

Exhibit 7 page 5

Interrogatory Response, Board Staff Question 29

Interrogatory Response, EP Question 26

Interrogatory Response, SEC Question 25

8. RATE DESIGN (Exhibit 8)

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

Status: Complete Settlement

In the Application, NBHDL proposed to maintain the fixed-variable splits for each of its customer classes. This would result in increases in the fixed monthly service charges for its customer classes. The Parties have agreed with this proposal, with two exceptions – the Parties have agreed that the monthly service charges for the General Service<50 kW and General Service>50 kW classes will be maintained at their 2009 levels. The Parties have also agreed that NBHDL will be changing the monthly service charges for its Unmetered Scattered Load class so that it is charging on a per connection basis, and not on a per customer basis.

The Parties have also agreed that NBHDL's proposed increase in its non-Service Transaction Request ("STR") retailer service charge, from \$0.50 per customer per month to \$1.37 per customer per month is reasonable, as it is a more accurate reflection of the costs incurred by NBHDL in administering and settling retailer contracts.

Evidence References:

Exhibit 8 page 3
Interrogatory Response, Board Staff Questions 34
Interrogatory Response, SEC Questions 26, 31
Interrogatory Response, VECC Question 28
Interrogatory Response, D. Rennick Questions 31, Supplemental page 17

b) Are the customer bill impacts appropriate?

Status: Complete Settlement

The Parties agree that no rate classes face bill impacts in this proceeding that require mitigation efforts. Bill impact tables illustrating customer bill impacts based on the Application and based on the settled matters as set out in this Settlement Agreement using the Board's 2010 Return on Equity of 9.85% are provided at Appendix I.

Evidence References:

Exhibit 8 pages 20-24
Interrogatory Response, Board Staff Question 20, Appendix D
Interrogatory Response, SEC Question 26

Interrogatory Response, VECC Questions 30, 34
Interrogatory Response, EP Questions 3, 11, 28, 31
Interrogatory Response, D. Rennick Question 30

c) Are the proposed Retail Transmission Service, Low Voltage Charge, Wholesale Market and Rural and Remote Rate Protection rates appropriate?

Status: Complete Settlement

The Parties agree that NBHDL's proposed Retail Transmission Service, Low Voltage Charge, Wholesale Market and Rural and Remote Rate Protection rates are appropriate and will be applied to all applicable rate classes.

As noted in the context of Rate Base, the Parties confirm that Low Voltage costs of \$21,565 have been included in the working capital calculation, and that that amount includes the Hydro One Low Voltage rate rider. The Parties agree that NBHDL's Low Voltage charge will be calculated to five decimal places. The Parties agree that five decimal places are necessary in this instance because if the calculation were limited to four decimal places, the effect of rounding would make the rider \$0.0000 and would eliminate NBHDL's ability to recover these costs.

Evidence References:

Exhibit 8 page 8
Interrogatory Response, Board Staff Question 18
Interrogatory Response, VECC Questions 8 c), 29 b)

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

Status: Complete Settlement

The Parties agree that NBHDL's Specific Service Charges and the Transformer Allowance are appropriate.

NBHDL confirms that it will adjust its billing system effective May 1, 2010 in order to ensure that its monthly service charges are based on calendar months through the billing year, and that there is no proration of monthly service charges to 30-day periods. This adjustment to the billing system has no impact on NBHDL's proposed revenue requirement or rates.

Evidence References:

Exhibit 8
Interrogatory Response, Board Staff Question 34
Interrogatory Response, D. Rennick Question 31, Supplemental page 17

e) Is the Smart Meter funding adder appropriate?

Status: Complete Settlement

NBHDL has a utility-specific smart meter funding adder of \$1.47 per metered customer, and has requested in the Application that the adder be continued for 2010. The Parties agree that NBHDL's proposed Smart Meter funding adder is appropriate.

Evidence References: Exhibit 9, page 13

f) Are the proposed Deferral and Variance Account rate riders appropriate (Also Exhibit 9)

Status: Complete Settlement

The Parties agree that NBHDL's Deferral and Variance Account rate riders have been appropriately calculated.

Evidence References:

Exhibit 9
Interrogatory Response, Board Staff Questions 23, 24, 35
Interrogatory Response, SEC Question 8
Interrogatory Response, EP Question 7

9. DEFERRAL AND VARIANCE ACCOUNTS (Exhibit 9)

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

Status: Complete Settlement among the Parties, subject to submissions on a Board Staff request regarding the treatment of RSVA Account 1588 – Power – Subaccount Global Adjustment.

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

Group 1:

- 1550 Low Voltage Account
- 1580 RSVA Wholesale Market Service Charge Account
- 1582 One-Time RSVA Wholesale Market Service Charge Account
- 1584 RSVA Retail Transmission Network Charges Account
- 1586 RSVA Retail Transmission connection Charge Account
- 1588 RSVA Power (Not Including Global Adj. Sub. a/c) Account
- 1588 RSVA Power Account – Subaccount Global Adjustment
- 1590 Recovery of Regulatory Accounts Balances Account

Group 2

- 1508 Other Regulatory Assets Account – Pension Contributions
- 1518 RCVA Retail Account
- 1525 Miscellaneous Deferred Debits
- 1548 RCVA Service Transaction Account

In the aggregate, the balances represent a debit of \$456,003 payable by NBHDL's customers. In the Application, NBHDL proposed to dispose of this amount over a single year. The Parties have agreed with this approach.

With respect to the RSVA Account 1588 – Power – Global Adjustment Subaccount, as discussed in the introductory pages of this Settlement Agreement, the Parties have agreed that NBHDL's systems are not capable of establishing separate riders for RPP and non-RPP customers within the same class.

NBHDL has made inquiries of its system provider in this regard. Its provider has not confirmed a cost for a system upgrade or that an upgrade would be feasible, but NBHDL believes that such an upgrade would be quite expensive. This would amount to a unique (Ontario-only) upgrade for a very limited number of users in what is to NBHDL's provider a very small market (NBHDL understands that there are only approximately five utilities served in Ontario by that provider). If the Board were to require a separate rate rider for non-RPP customers, NBHDL

would likely have to implement a costly and labour-intensive manual solution outside of the billing system.

The Parties request that the Board confirm that NBHDL shall not be required to modify or replace its systems to accommodate separate riders.

Evidence References:

Exhibit 9

Interrogatory Response, Board Staff Questions 23, 24, 35

Interrogatory Response, SEC Question 8

Interrogatory Response, EP Question 7

10.LRAM/SSM (Exhibit 10)

- a) Are the amounts proposed for NBHDL's LRAM and SSM recoveries appropriate?**

Status: Complete Settlement.

The Parties agree that the amounts of \$338,555 and \$124,447 proposed by NBHDL for LRAM and SSM recovery, respectively, are appropriate, with one adjustment:

NBHDL had initially proposed an amount of \$228,240 for LRAM recovery related to the Residential class. The Parties have agreed that this amount will be reduced by \$51,003, for a revised total of \$177,237 for the Residential class and a revised total LRAM amount of \$287,552. This change reflects the use of OPA measures in place of the OEB Assumptions and Measure List to calculate LRAM associated with OPA residential programs delivered in NBHDL's service area in 2006-2007.

The Parties agree that NBHDL's proposed recovery of these amounts over a three year period is appropriate.

Evidence References:

Exhibit 10

Interrogatory Response, Board Staff Questions 26, 37, 38

Interrogatory Response, VECC Questions 30, 31, 32, 33, 34, 46, 47

Interrogatory Response, D. Rennick Question 6

APPENDIX A

Changes to Proposed Revenue Requirement Resulting from the Settlement Agreement

North Bay Hydro Distribution Ltd. - Revenue Deficiency Determination				
Description	Revenue Deficiency - As Filed (Oct 2009)		Revenue Deficiency - As Filed with CoC Changes	Revenue Deficiency - As per Settlement Agreement
	2010 Test Existing Rates	2010 Test - Required Revenue	2010 Test - Required Revenue	2010 Test - Required Revenue
Revenue				
Revenue Deficiency		1,839,071.33	1,992,454.75	1,302,477.05
Distribution Revenue	9,978,566.38	9,978,566.38	9,978,566.38	9,991,868.27
Other Operating Revenue (Net)	825,116.44	825,116.44	825,116.44	830,616.44
Smart Meter Deferral Account Adjustment	0.00	0.00	0.00	0.00
Total Revenue	10,803,682.82	12,642,754.16	12,796,137.57	12,124,961.77
Costs and Expenses				
Administrative & General, Billing & Collecting	3,911,371.13	3,911,371.13	3,911,371.13	3,718,264.13
Operation & Maintenance	1,867,682.85	1,867,682.85	1,867,682.85	1,962,143.42
Depreciation & Amortization	2,901,108.08	2,901,108.08	2,901,108.08	2,694,911.98
Property Taxes	64,292.00	64,292.00	64,292.00	64,292.00
Capital Taxes	23,414.79	23,414.79	23,414.79	21,828.98
Deemed Interest	1,821,364.91	1,821,364.91	1,481,737.95	1,261,294.56
Total Costs and Expenses	10,589,233.75	10,589,233.75	10,249,606.79	9,722,735.06
Total Costs and Expenses Net of OCT	10,589,233.75	10,589,233.75	10,249,606.79	9,722,735.06
Utility Income Before Income Taxes	214,449.07	2,053,520.40	2,546,530.77	2,402,226.70
Income Taxes:				
Corporate Income Taxes	2,528.38	572,640.49	725,473.71	664,477.64
Total Income Taxes	2,528.38	572,640.49	725,473.71	664,477.64
Utility Net Income	211,920.69	1,480,879.91	1,821,057.06	1,737,749.06
Capital Tax Expense Calculation:				
Total Rate Base	46,219,722.43	46,219,722.43	46,219,722.43	44,105,306.06
Exemption	15,000,000.00	15,000,000.00	15,000,000.00	15,000,000.00
Deemed Taxable Capital	31,219,722.43	31,219,722.43	31,219,722.43	29,105,306.06
Ontario Capital Tax	23,414.79	21,828.98	23,414.79	21,828.98
Income Tax Expense Calculation:				
Accounting Income	214,449.07	2,053,520.40	2,546,530.77	2,402,226.70
Tax Adjustments to Accounting Income	(186,938.16)	(186,938.16)	(186,938.16)	(88,589.15)
Taxable Income	27,510.91	1,866,582.24	2,359,592.61	2,313,637.55
Income Tax Expense Before Tax Credit	8,528.38	578,640.49	731,473.71	698,477.64
Tax Credits	31.00%	31.00%	31.00%	31.00%
Income Tax Expense After Tax Credit	2,528.38	572,640.49	725,473.71	664,477.64
Federal Tax	18.00%	18.00%	18.00%	18.00%
Provincial Tax				
Tax rate when Taxable Income is above \$1.5 million	13.00%	13.00%	13.00%	13.00%
When Taxable Income is below \$1.5 million				
First \$500,000				5.00%
Remaining				15.125%
Combined				
Tax rate when Taxable Income is above \$1.5 million				31.00%
When Taxable Income is below \$1.5 million				
First \$500,000				23.00%
Remaining				33.125%
Effective Tax Rate				28.72%
Actual Return on Rate Base:				
Rate Base	46,219,722.43	46,219,722.43	46,219,722.43	44,105,306.06
Interest Expense	1,821,364.91	1,821,364.91	1,481,737.95	1,261,294.56
Net Income	211,920.69	1,480,879.91	1,821,057.06	1,737,749.06
Total Actual Return on Rate Base	2,033,285.59	3,302,244.81	3,302,795.01	2,999,043.62
Actual Return on Rate Base	4.40%	7.14%	7.15%	6.80%
Required Return on Rate Base:				
Rate Base	46,219,722.43	46,219,722.43	46,219,722.43	44,105,306.06
Return Rates:				
Return on Debt (Weighted)	6.57%	6.57%	5.34%	4.77%
Return on Equity	8.01%	8.01%	9.85%	9.85%
Deemed Interest Expense	1,821,364.91	1,821,364.91	1,481,737.95	1,261,294.56
Return On Equity	1,480,879.91	1,480,879.91	1,821,057.06	1,737,749.06
Total Return	3,302,244.81	3,302,244.81	3,302,795.01	2,999,043.62
Expected Return on Rate Base	7.14%	7.14%	7.15%	6.80%
Revenue Deficiency After Tax	1,268,959.22	(0.00)	(0.00)	0.00
Revenue Deficiency Before Tax	1,839,071.33	(0.00)	(0.00)	0.00

Cost of Capital (CoC) changes include:

Return on Equity	9.85%
Short Term Debt	2.07%
Long Term Debt	5.87%

	<u>As Filed (Oct 2009)</u>	<u>As Filed (Oct 2009) with CoC Changes</u>	<u>As per Settlement Agreement</u>
Net Fixed Assets	38,647,557	38,647,557	36,525,354
Working Capital	7,572,165	7,572,165	7,579,952
Rate Base	46,219,722	46,219,722	44,105,306
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	6.94%	5.58%	4.96%
Short-Term Debt Rate	1.33%	2.07%	2.07%
Return Equity	8.01%	9.85%	9.85%
Weighted Average Cost of Capital	7.14%	7.15%	6.80%
Cost of Capital (Return on Rate Base)	3,302,245	3,302,795	2,999,044
OM&A	5,779,054	5,779,054	5,680,408
Municipal & Property Taxes	64,292	64,292	64,292
Depreciation and Amortization	2,901,108	2,901,108	2,694,912
PILs	596,055	748,889	686,307
Service Revenue Requirement	12,642,754	12,796,138	12,124,962
Revenue Offset	825,116	825,116	830,616
Base Revenue Requirement	11,817,638	11,971,021	11,294,345

Cost of Capital (CoC) changes include:

Return on Equity	9.85%
Short Term Debt	2.07%
Long Term Debt	5.87%

APPENDIX B

Updated Rate Base Calculation

Description	2010 Test Year	
	Original per Application	Revised per Settlement
Fixed Assets Opening Balance 2010	36,171,974	33,391,410
Fixed Assets Closing Balance 2010	41,123,141	39,659,298
Average Fixed Asset Balance for 2010	38,647,557	36,525,354
Working Capital Allowance	7,572,165	7,579,952
Rate Base	46,219,722	44,105,306
Regulated Rate of Return	7.14%	6.80%
Regulated Return on Capital	3,302,245	2,999,044
Deemed Interest Expense	1,821,365	1,261,295
Deemed Return on Equity	1,480,880	1,737,749

Fixed Asset Continuity Schedule (Distribution & Operations)
As at December 31, 2008

CCA Class	OEB	Description	Cost				Accumulated Depreciation				
			Opening Balance	Additions	Disposals	Closing Balance	Opening Balance	Additions	Disposals	Closing Balance	Net Book Value
N/A	1805	Land	311,179	998		312,176	0			0	312,176
CEC	1806	Land Rights	0			0	0			0	0
1	1808	Buildings and Fixtures	767,946	1,695		769,641	253,041	13,489		266,530	503,111
0	1810	Leasehold Improvements	0			0	0			0	0
0	1815	Transformer Station Equipment - > 50 kV	0			0	0			0	0
1	1820	Distribution Station Equipment - < 50 kV	7,690,409	232,573		7,922,982	3,120,048	235,244		3,355,292	4,567,690
0	1825	Storage Battery Equipment	0			0	0			0	0
1	1830	Poles, Towers and Fixtures	14,803,032	1,145,572		15,948,604	8,820,673	496,786		9,317,460	6,631,144
1	1835	Overhead Conductors and Devices	11,893,136	779,578		12,672,714	6,637,893	404,742		7,042,635	5,630,079
1	1840	Underground Conduit	330,586	57,359		387,944	55,337	15,517		70,855	317,090
1	1845	Underground Conductors and Devices	5,755,350	229,481		5,984,831	3,526,979	217,824		3,744,804	2,240,027
1	1850	Line Transformers	12,750,218	543,318		13,293,536	7,271,976	406,055		7,678,031	5,615,505
1	1855	Services	8,948,078	1,051,712		9,999,791	4,247,461	362,641		4,610,102	5,389,689
1	1860	Meters	3,475,728	74,257	21,628	3,528,356	2,186,798	103,561		2,290,359	1,237,997
0	1865	Other Installations on Customer's Premises	0			0	0			0	0
N/A	1905	Land	86,551			86,551	0			0	86,551
CEC	1906	Land Rights	0			0	0			0	0
1	1908	Buildings and Fixtures	1,578,728	310,037		1,888,765	940,508	58,661		999,170	889,595
0	1910	Leasehold Improvements	0			0	0			0	0
8	1915	Office Furniture and Equipment	295,747	14,939		310,686	264,413	5,674		270,087	40,599
45	1920	Computer Equipment - Hardware	524,332	47,817		572,149	438,521	48,510		487,031	85,118
12	1925	Computer Software	854,899	21,677		876,576	801,426	19,938		821,364	55,212
10	1930	Transportation Equipment	1,830,483	491,579	186,737	2,135,325	1,524,085	147,217	186,737	1,484,565	650,760
10	1935	Stores Equipment	75,196			75,196	75,196	0		75,196	0
8	1940	Tools, Shop and Garage Equipment	1,011,833	71,017		1,082,850	879,661	27,026		906,687	176,163
0	1945	Measurement and Testing Equipment	0			0	0			0	0
0	1950	Power Operated Equipment	0			0	0			0	0
10	1955	Communication Equipment	84,998	919		85,917	51,043	8,592		59,635	26,283
0	1960	Miscellaneous Equipment	15,309	2,770		18,079	2,740	1,808		4,548	13,531
0	1970	Load Management Controls - Customer Premises	403,931			403,931	403,931			403,931	0
0	1975	Load Management Controls - Utility Premises	165,151			165,151	165,151			165,151	0
0	1980	System Supervisory Equipment	1,136,105	1,613		1,137,718	735,613	75,850		811,463	326,256
0	1985	Sentinel Lighting Rentals	0			0	0			0	0
0	1990	Other Tangible Property	53,060			53,060	0			0	53,060
1	1995	Contributions and Grants	(3,815,935)	(1,454,825)	(2,952)	(5,267,808)	(612,197)	(210,715)	(2,952)	(819,961)	(4,447,848)
0	0	-	0			0	0			0	0
0	0	-	0			0	0			0	0
		Total before Work in Process	71,026,049	3,624,086	205,414	74,444,721	41,790,298	2,438,421	183,786	44,044,933	30,399,788
WIP		Work in Process	0			0	0			0	0
		Total after Work in Process	71,026,049	3,624,086	205,414	74,444,721	41,790,298	2,438,421	183,786	44,044,933	30,399,788

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

CCA Class	OEB	Description	Cost				Accumulated Depreciation				
			Opening Balance	Additions	Disposals	Closing Balance	Opening Balance	Additions	Disposals	Closing Balance	Net Book Value
N/A	1805	Land	312,176	59,018		371,195	0			0	371,195
CEC	1806	Land Rights	0			0	0			0	0
47	1808	Buildings and Fixtures	769,641			769,641	266,530	13,489		280,019	489,622
13	1810	Leasehold Improvements	0			0	0			0	0
47	1815	Transformer Station Equipment - > 50 kV	0			0	0			0	0
47	1820	Distribution Station Equipment - < 50 kV	7,922,982	1,191,563		9,114,545	3,355,292	271,278		3,626,570	5,487,975
47	1825	Storage Battery Equipment	0			0	0			0	0
47	1830	Poles, Towers and Fixtures	15,948,604	622,327		16,570,931	9,317,460	449,941		9,767,401	6,803,531
47	1835	Overhead Conductors and Devices	12,672,714	555,481		13,228,195	7,042,635	447,359		7,489,994	5,738,201
47	1840	Underground Conduit	387,944	71,682		459,627	70,855	40,907		111,762	347,865
47	1845	Underground Conductors and Devices	5,984,831	214,423		6,199,254	3,744,804	234,301		3,979,104	2,220,150
47	1850	Line Transformers	13,293,536	640,113		13,933,649	7,678,031	449,748		8,127,778	5,805,871
47	1855	Services	9,999,791	2,375,386		12,375,177	4,610,102	450,453		5,060,555	7,314,622
47	1860	Meters	3,528,356	82,008		3,610,364	2,290,359	106,633		2,396,992	1,213,372
N/A	1865	Other Installations on Customer's Premises	0			0	0			0	0
N/A	1870	Leased Property on Customer Premises	0			0	0			0	0
N/A	1875	Street Lighting and Signal Systems	0			0	0			0	0
N/A	1905	Land	86,551			86,551	0			0	86,551
CEC	1906	Land Rights	0			0	0			0	0
47	1908	Buildings and Fixtures	1,888,765	138,270		2,027,035	999,170	64,192		1,063,362	963,673
13	1910	Leasehold Improvements	0			0	0			0	0
8	1915	Office Furniture and Equipment	310,686	4,441		315,127	270,087	6,118		276,205	38,922
50	1920	Computer Equipment - Hardware	572,149	12,350		584,499	487,031	47,269		534,301	50,199
50	1925	Computer Software	876,576	90,588		967,164	821,364	36,908		858,272	108,892
10	1930	Transportation Equipment	2,135,325	484,520	53,654	2,566,191	1,484,565	197,787	53,654	1,628,698	937,493
8	1935	Stores Equipment	75,196			75,196	75,196			75,196	0
8	1940	Tools, Shop and Garage Equipment	1,082,850	23,485		1,106,335	906,687	28,286		934,973	171,361
8	1945	Measurement and Testing Equipment	0			0	0			0	0
8	1950	Power Operated Equipment	0			0	0			0	0
8	1955	Communication Equipment	85,917	15,953		101,871	59,635	10,187		69,822	32,049
8	1960	Miscellaneous Equipment	18,079			18,079	4,548	1,808		6,356	11,723
47	1970	Load Management Controls - Customer Premises	403,931			403,931	403,931			403,931	0
47	1975	Load Management Controls - Utility Premises	165,151			165,151	165,151			165,151	0
47	1980	System Supervisory Equipment	1,137,718	76,743		1,214,462	811,463	80,966		892,428	322,033
47	1985	Sentinel Lighting Rentals	0			0	0			0	0
47	1990	Other Tangible Property	53,060			53,060	0			0	53,060
47	1995	Contributions and Grants	(5,267,808)	(978,973)		(6,246,781)	(819,961)	(249,874)		(1,069,834)	(5,176,947)
		Total before Work in Process	74,444,721	5,679,379	53,654	80,070,446	44,044,933	2,687,757	53,654	46,679,036	33,391,410
WIP		Work in Process	0	520,399		520,399	0			0	520,399
		Total after Work in Process	74,444,721	6,199,778	53,654	80,590,845	44,044,933	2,687,757	53,654	46,679,036	33,911,809

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

			Cost				Accumulated Depreciation				
CCA Class	OEB	Description	Opening Balance	Additions	Disposals	Closing Balance	Opening Balance	Additions	Disposals	Closing Balance	Net Book Value
N/A	1805	Land	371,195			371,195	0			0	371,195
CEC	1806	Land Rights	0			0	0			0	0
47	1808	Buildings and Fixtures	769,641			769,641	280,019	13,489		293,508	476,133
13	1810	Leasehold Improvements	0			0	0			0	0
47	1815	Transformer Station Equipment - > 50 kV	0			0	0			0	0
47	1820	Distribution Station Equipment - < 50 kV	9,114,545	331,782		9,446,327	3,626,570	279,742		3,906,312	5,540,015
47	1825	Storage Battery Equipment	0			0	0			0	0
47	1830	Poles, Towers and Fixtures	16,570,931	1,603,613		18,174,544	9,767,401	537,234		10,304,635	7,869,910
47	1835	Overhead Conductors and Devices	13,228,195	1,081,025		14,309,219	7,489,994	436,630		7,926,624	6,382,595
47	1840	Underground Conduit	459,627	737,970		1,197,597	1,11,762	33,144		144,906	1,052,691
47	1845	Underground Conductors and Devices	6,199,254	554,597		6,753,851	3,979,104	237,493		4,216,597	2,537,254
47	1850	Line Transformers	13,933,649	1,673,438		15,607,087	8,127,778	463,571		8,591,350	7,015,738
47	1855	Services	12,375,177	3,097,180		15,472,356	5,060,555	517,006		5,577,561	9,894,795
47	1860	Meters	3,610,364	292,668		3,903,032	2,396,992	112,695		2,509,687	1,393,346
N/A	1865	Other Installations on Customer's Premises	0			0	0			0	0
N/A	1870	Leased Property on Customer Premises	0			0	0			0	0
N/A	1875	Street Lighting and Signal Systems	0			0	0			0	0
N/A	1905	Land	86,551			86,551	0			0	86,551
CEC	1906	Land Rights	0			0	0			0	0
47	1908	Buildings and Fixtures	2,027,035	32,279		2,059,313	1,063,362	64,838		1,128,200	931,114
13	1910	Leasehold Improvements	0			0	0			0	0
8	1915	Office Furniture and Equipment	315,127	25,285		340,412	276,205	7,275		283,480	56,932
50	1920	Computer Equipment - Hardware	584,499	26,468		610,968	534,301	23,275		557,576	53,392
50	1925	Computer Software	967,164	162,469		1,129,633	858,272	52,714		910,986	218,647
10	1930	Transportation Equipment	2,566,191	51,000		2,617,191	1,628,698	202,475		1,831,173	786,018
8	1935	Stores Equipment	75,196			75,196	75,196			75,196	0
8	1940	Tools, Shop and Garage Equipment	1,106,335	59,715		1,166,050	934,973	30,017		964,990	201,060
8	1945	Measurement and Testing Equipment	0			0	0			0	0
8	1950	Power Operated Equipment	0			0	0			0	0
8	1955	Communication Equipment	101,871			101,871	69,822	8,492		78,313	23,557
8	1960	Miscellaneous Equipment	18,079			18,079	6,356	1,808		8,164	9,915
47	1970	Load Management Controls - Customer Premises	403,931			403,931	403,931			403,931	0
47	1975	Load Management Controls - Utility Premises	165,151			165,151	165,151			165,151	0
47	1980	System Supervisory Equipment	1,214,462			1,214,462	892,428	73,274		965,702	248,759
47	1985	Sentinel Lighting Rentals	0			0	0			0	0
47	1990	Other Tangible Property	53,060			53,060	0			0	53,060
47	1995	Contributions and Grants	(6,246,781)	(628,881)		(6,875,662)	(1,069,834)	(262,451)		(1,332,286)	(5,543,376)
		Total before Work in Process	80,070,446	9,100,609	0	89,171,054	46,679,036	2,832,721	0	49,511,757	39,659,298
WIP		Work in Process	520,399	(520,339)		60	0			0	60
		Total after Work in Process	80,590,845	8,580,270	0	89,171,114	46,679,036	2,832,721	0	49,511,757	39,659,358

Revised Capital Forecast - 2009	
Project Description	Total Project - '09 YTD
<i>- Major Betterments -</i>	
Cranberry Rd. - Callander Sewage Lagoons	133,174
College Dr.	73,568
Tackaberry	66,134
McKeown Ave. - Line Rebuild	52,493
Asset Management	30,961
PCB Removals	6,566
Mercer Dr.	6,520
Merick Landfill - 1.6MW Methane Generator Proposal	6,193
Bourke Playgroud	3,473
Ferris Dr. - Goodyear	3,252
NBRHC Generation Project	1,293
Songis - Line Extension	738
Pinewood Park Dr. - Line Extension	- 9,350
Gormanville Rd. - Hwy. # 17 W to MS # 4	- 14,790
Switch Transfer - W/O # 309809	- 16,045
Champlain - Shopper's Drug Mart	- 28,391
<i>- Voltage Conversion -</i>	
Jane - Rebuild	508,203
Philip / Burns / Elizabeth - Rebuild	213,887
Pinegrove / Pinewood - Rebuild	190,703
Clarence (3 Phase Poleline) - Rebuild	85,845
Olive - Rebuild	80,586
Clarence Street (U/G Install) - Rebuild	59,876
Reynold/Vimy - Rebuild	54,755
Tie Across Bypass - MS12-MS4	45,018
Reynold/Vimy - Rebuild	15,299
Jane - Rebuild - MS16 to MS 19 Tie	9,966
Pinewood Conversion - Phase 1-4 NBHDL plant removal	9,274
Chippewa St. - Loadbreak switch installation	6,844
Jane - Rebuild - Transformer Change	4,880
Harvey - Rebuild	1,182
Third Ave. - Rebuild	23
<i>- Minor Betterments -</i>	
Customer Demand	145,671
<i>- Porc. Hardware Replacement -</i>	
Porcelain Switch Replacement	37,706
<i>- Porc. Hardware Replacement -</i>	
Porcelain Insulator Replacement	2,835
<i>- Primary Services -</i>	
Customer Demand	58,449
<i>- Secondary Services -</i>	
Customer Demand	138,482
<i>- Transformer Purchases -</i>	
Overhead / Underground	193,610
<i>- Substations -</i>	
MS # 19 Conversion	1,095,811
MS # 8	141,820
Miscellaneous Costs	12,950

Revised Capital Forecast - 2009	
Project Description	Total Project - '09 YTD
- <i>Subdivisions</i> -	
Customer Demand	- 63,175
- <i>Road Relocations</i> -	
Gormanville - Substation End	1,993
Various	- 74,116
- <i>Metering</i> -	
Various	79,993
- <i>Pinewood Conversion</i> -	
Civil & Prep	1,458,871
Total Distribution Asset Additions - Before WIP	4,833,029
Projects - WIP	
Timmins / Nipissing - Rebuild	252,111
Norwood - Rebuild	113,430
McPhail - Rebuild	46,925
Copeland St. - 44 kV Loadbreak Switch	35,277
King St. W - Rebuild	19,710
Percy - Rebuild	18,105
Hwy 11 North - Thibeault Hill	18,044
Front - Rebuild	11,213
MS#4 Conversion	5,585
Total WIP	520,399
Total Distribution Asset Additions	5,353,428
General Plant:	
Buildings / Fixtures	42,266
Buildings / Fixtures - Engineering Office Upgrade	96,004
Furniture / Equipment	4,441
IT Requirements - Hardware & Software	102,938
ICCP Installation	45,735
SCADA	31,008
Communication Equipment	15,953
Fleet	10,213
Fleet - Truck 31 Replacement - new unit # 31	275,171
Fleet - Truck 39 Replacement - new unit # 38	199,136
Tool Requirements	23,485
Total General Asset Additions	846,350
Total Asset Additions	6,199,778

Revised Capital Budget - 2010	
Project Description	Total Project
Asset Management Activities	227,392
Generator Connections	0
OMERS Reduction	(4,918)
HST Reduction	(121,185)
<i>- Major Betterments -</i>	
Airport Rd. - 44kV Line Extension	195,899
O'Brien St. - 44kV Line Extension	145,113
Bond St. - Transfer 12kV	47,563
<i>- Voltage Conversion -</i>	
Worthington St. - Rebuild	602,068
McIntyre St. - Rebuild	338,174
Fraser South - Rebuild	190,144
Ferguson St. - Rebuild	156,468
Duke St. - Rebuild	132,084
Second Ave. - Rebuild	96,065
Wyld St. South - Rebuild	90,567
Victoria Ave. - Rebuild	84,226
Bloem St. - Rebuild	54,354
Sixth Ave. - Rebuild	42,369
Ferguson St. - Rebuild	29,934
Wyld St. Line - Rebuild	23,234
McLaren St. - Rebuild	21,349
Seventh Ave. - Rebuild	17,248
Harvey St. - Partial Line Rebuild	15,930
<i>- Minor Betterments -</i>	
Customer Demand	301,972
<i>- Primary Services -</i>	
Customer Demand	8,866
<i>- Secondary Services -</i>	
Customer Demand	311,474
<i>- Transformer Purchases -</i>	
Asset Renewal and Rehabilitation - OH	255,410
Asset Renewal and Rehabilitation - UG	154,564
Pinewood Rebuild	92,382
New / Upgraded Services - OH	81,691
New / Upgraded Services - UG	11,386
<i>- Substations -</i>	
MS # 14 - Fencing / Yard Improvements	214,106
MS # 18 - Bird Contamination	63,548
MS # 15 - Fencing / Station Repair	54,128
<i>- Subdivisions -</i>	
Customer Demand	6,518
<i>- Road Relocations -</i>	
Customer Demand	320,345
<i>- Metering -</i>	
GS Commercial Customers - Smart Meter Upgrade	218,010
<i>- Pinewood Conversion -</i>	
Civil & Prep	2,093,821
Electrical	742,856
Total Distribution Assets - 2010 Budget	7,315,155

Revised Capital Budget - 2010	
Project Description	Total Project
Projects - Completion of '09 WIP Projects	
Timmins / Nipissing - Rebuild	412,383
Norwood - Rebuild	145,194
McPhail - Rebuild	88,316
King St. W - Rebuild	25,263
Percy - Rebuild	42,685
Front - Rebuild	56,501
MS#4 Conversion	86,784
Reduction of '09 WIP	(520,399)
Total Completion of WIP Projects	336,726
09 Deferred Projects	
Mercer Dr.	268,719
MS #16 Rebuild	154,451
MS # 9 Meter and Comm Upgrade	33,720
Large Load Meter Installations	43,299
Bond St. Billing Point Rebuild	16,062
HWY 11 North Billing Point Rebuild	15,297
Fifth - Rebuild	39,564
Total '09 Deferred Projects	571,112
Total Distribution Asset Additions	8,222,993
General Plant:	
Buildings / Fixtures	32,279
Furniture / Equipment	25,285
IT Requirements - Hardware & Software	37,228
IT Requirements - AS400 Upgrade	49,494
IT Requirements - Billing System	26,899
IT Requirements - Click 2 Guv	75,317
Fleet	51,000
Tool Requirements	59,715
Total General Asset Additions	357,217
Total Net Asset Additions	8,580,210

<u>HST Calculation per Settlement - Capital:</u>	
Estimated PST paid in '09 Capital Spending	172,689.62
Revised '09 Capital Spending	6,199,778.64
PST Ratio	0.03
<u>Final Calculation:</u>	
10 Original Budget	7,852,275.00
Increase for WIP completion	336,725.65
Increase for '09 deferred projects	571,112.44
Reduction for OMERS	(4,918.00)
Reduction for Secondary Services	(38,188.35)
Reduction for Generator Connections	(15,612.97)
	<hr/>
	8,701,393.77
PST Ratio	0.03
Estimated PST for '10	242,370.00
Reduction to capital (1/2 year)	121,185.00

APPENDIX C

Working Capital Calculation

Description	2010 Test Year	
	Original per Application	Revised per Settlement
WORKING CAPITAL ALLOWANCE FOR 2010		
Distribution Expenses:		
Distribution Expenses - Operation	596,855.08	691,315.65
Distribution Expenses - Maintenance	1,270,827.77	1,270,827.77
Billing and Collecting	1,144,086.88	1,144,086.88
Community Relations	222,000.00	112,000.00
Administrative and General Expenses	2,545,284.25	2,462,177.25
Taxes Other than Income Taxes	64,292.00	64,292.00
Less: Capital Taxes within 6105	-	-
Total Eligible Distribution Expenses	5,843,345.98	5,744,699.55
Power Supply Expenses	44,637,753.63	44,788,314.85
Total Working Capital Expenses	50,481,099.60	50,533,014.39
Working Capital Allowance rate of 15%	7,572,164.94	7,579,952.16

<u>Distribution Expenses</u>	
<u>5085-Miscellaneous Distribution Expense:</u>	
Per Original Application	232,539.03
<i>Changes per Settlement</i>	
Inflation	(18,575.00)
HST	(24,773.00)
Fleet Depreciation	137,809.00
Total Change	94,461.00
Revised per Settlement - Account 5085	327,000.03
<u>5415-Energy Conservation:</u>	
Per Original Application	195,000.00
<i>Changes per Settlement</i>	
Pilot Program - Smart Grid - Residential	(50,000.00)
Pilot Program - Smart Grid - Industrial	(60,000.00)
Total Change	(110,000.00)
Revised per Settlement - Account 5415	85,000.00
<u>5610-Management Salaries and Expenses:</u>	
Per Original Application	661,851.81
<i>Changes per Settlement</i>	
Wages - Non-Union	(5,500.00)
OMERS Reduction	(6,607.00)
Total Change	(12,107.00)
Revised per Settlement - Account 5610	649,744.81
<u>5630-Outside Services Employed:</u>	
Per Original Application	389,195.88
<i>Changes per Settlement</i>	
Legal Costs	(10,000.00)
Succession Planning	(20,000.00)
Total Change	(30,000.00)
Revised per Settlement - Account 5630	359,195.88
<u>5645-Employee Pensions and Benefits:</u>	
Per Original Application	426,726.66
<i>Changes per Settlement</i>	
Training Costs	(35,000.00)
Total Change	(35,000.00)
Revised per Settlement - Account 5645	391,726.66
<u>5665-Miscellaneous General Expenses:</u>	
Per Original Application	77,153.87
<i>Changes per Settlement</i>	
Board of Director Expenses	(6,000.00)
Total Change	(6,000.00)
Revised per Settlement - Account 5665	71,153.87
Total Changes	(98,646.00)

	2010 Forecasted Metered kWhs Jan - Apr	2010 Forecasted Metered kWhs May - Dec	2010 Forecasted Metered kWhs	Loss Factor Jan - Apr 2010	Loss Factor May - Dec 2010	2010 Jan - Apr	2010 May - Dec	2010 Rates Jan - Apr	2010 Rates May - Dec	2010 Jan - Apr	2010 May - Dec	2010 TOTAL
Electricity - Commodity												
Class per Load Forecast												
Residential RPP	70,410,866	106,471,433	176,882,298	1.0387	1.0480	73,135,766	111,582,061	\$ 0.06215	\$ 0.06215	\$ 4,545,388	\$ 6,934,825	\$ 11,480,213
Residential non-RPP	15,143,042	22,896,473	38,041,515	1.0387	1.0480	15,729,077	23,997,600	\$ 0.05982	\$ 0.05982	\$ 940,835	\$ 1,435,416	\$ 2,376,251
GS<50 RPP	26,573,550	46,115,259	72,688,809	1.0387	1.0480	27,601,946	48,328,792	\$ 0.06215	\$ 0.06215	\$ 1,715,461	\$ 3,003,634	\$ 4,719,095
GS<50 non-RPP	4,506,625	7,820,717	12,327,342	1.0387	1.0480	4,681,032	8,196,111	\$ 0.05982	\$ 0.05982	\$ 279,996	\$ 490,250	\$ 770,246
GS>50 RPP	10,763,538	18,245,105	29,008,643	1.0387	1.0480	11,180,087	19,120,870	\$ 0.06215	\$ 0.06215	\$ 694,842	\$ 1,188,362	\$ 1,883,204
GS>50 non-RPP	71,400,875	121,030,503	192,431,378	1.0387	1.0480	74,164,089	126,839,967	\$ 0.05982	\$ 0.05982	\$ 4,436,125	\$ 7,586,933	\$ 12,023,058
Unmetered Scattered Load RPP	117,381	219,913	337,294	1.0387	1.0480	121,924	230,469	\$ 0.06215	\$ 0.06215	\$ 7,578	\$ 14,324	\$ 21,901
Intermediate non-RPP	13,628,442	25,155,683	38,784,125	1.0283	1.0375	14,014,127	26,099,021	\$ 0.05982	\$ 0.05982	\$ 838,255	\$ 1,561,113	\$ 2,399,368
Sentinel Lighting RPP	156,273	311,077	466,350	1.0387	1.0480	161,282	326,009	\$ 0.06215	\$ 0.06215	\$ 10,024	\$ 20,261	\$ 30,285
Sentinel Lighting non-RPP	13,136	26,317	39,453	1.0387	1.0480	13,644	27,580	\$ 0.05982	\$ 0.05982	\$ 816	\$ 1,650	\$ 2,466
Street Lighting non-RPP	976,848	1,744,757	2,721,605	1.0387	1.0480	1,014,652	1,828,505	\$ 0.05982	\$ 0.05982	\$ 60,691	\$ 109,372	\$ 170,063
Standard Offer Program GS<50	3,689	6,177	9,866	1.0387	1.0480	3,832	6,473	\$ 0.06215	\$ 0.06215	\$ 238	\$ 402	\$ 640
Revenue Adjustments												
TOTAL	213,693,265	350,045,413	563,738,678			221,821,459	366,583,459			\$ 13,530,249	\$ 22,346,543	\$ 35,876,792
Transmission - Network												
Class per Load Forecast												
Residential				Metric								
GS<50				kWh		88,864,844	135,579,661	\$ 0.0052	\$ 0.0053	\$ 462,097	\$ 715,725	\$ 1,177,822
GS>50				kWh		32,282,978	56,524,903	\$ 0.0048	\$ 0.0049	\$ 154,968	\$ 275,446	\$ 430,404
Unmetered Scattered Load				kW		219,105	419,225	\$ 1.9313	\$ 1.9607	\$ 423,157	\$ 821,954	\$ 1,245,111
Intermediate				kWh		121,924	230,469	\$ 0.0048	\$ 0.0049	\$ 585	\$ 1,123	\$ 1,708
Sentinel Lighting				kW		25,437	48,669	\$ 2.0487	\$ 2.0798	\$ 52,112	\$ 101,224	\$ 153,336
Street Lighting				kW		474	907	\$ 1.4639	\$ 1.4861	\$ 694	\$ 1,349	\$ 2,043
Revenue Adjustments				kW		2,629	5,030	\$ 1.4565	\$ 1.4786	\$ 3,829	\$ 7,437	\$ 11,266
TOTAL						121,517,390	192,808,864			\$ 1,059,965	\$ 1,762,282	\$ 2,822,247
Transmission - Connection												
Class per Load Forecast												
Residential				Metric								
GS<50				kWh		88,864,844	135,579,661	\$ 0.0047	\$ 0.0048	\$ 417,665	\$ 654,307	\$ 1,071,972
GS>50				kWh		32,282,978	56,524,903	\$ 0.0042	\$ 0.0043	\$ 135,589	\$ 243,792	\$ 379,380
Unmetered Scattered Load				kW		219,105	419,225	\$ 1.6636	\$ 1.7084	\$ 364,503	\$ 716,190	\$ 1,080,693
Intermediate				kWh		121,924	230,469	\$ 0.0042	\$ 0.0043	\$ 512	\$ 994	\$ 1,506
Sentinel Lighting				kW		25,437	48,669	\$ 1.8386	\$ 1.8881	\$ 46,768	\$ 91,891	\$ 138,659
Street Lighting				kW		474	907	\$ 1.3130	\$ 1.3483	\$ 623	\$ 1,223	\$ 1,846
Revenue Adjustments				kW		2,629	5,030	\$ 1.2860	\$ 1.3206	\$ 3,381	\$ 6,642	\$ 10,023
TOTAL						121,517,390	192,808,864			\$ 923,115	\$ 1,555,342	\$ 2,478,457
Wholesale Market Service												
Class per Load Forecast												
Residential				kwh		88,864,844	135,579,661	\$ 0.0052	\$ 0.0052	\$ 462,097	\$ 705,014	\$ 1,167,111
GS<50				kwh		32,282,978	56,524,903	\$ 0.0052	\$ 0.0052	\$ 167,871	\$ 293,929	\$ 461,801
GS>50				kwh		85,344,176	145,960,837	\$ 0.0052	\$ 0.0052	\$ 443,790	\$ 758,996	\$ 1,202,786
Unmetered Scattered Load				kwh		121,924	230,469	\$ 0.0052	\$ 0.0052	\$ 634	\$ 1,198	\$ 1,832
Intermediate				kwh		14,014,127	26,099,021	\$ 0.0052	\$ 0.0052	\$ 72,873	\$ 135,715	\$ 208,588
Sentinel Lighting				kwh		174,926	353,589	\$ 0.0052	\$ 0.0052	\$ 910	\$ 1,839	\$ 2,748
Street Lighting				kwh		1,014,652	1,828,505	\$ 0.0052	\$ 0.0052	\$ 5,276	\$ 9,508	\$ 14,784
Revenue Adjustments				kwh						\$ 88,709	\$ 146,601	\$ 235,310
TOTAL						221,817,627	366,576,985			\$ 1,064,742	\$ 1,759,599	\$ 2,824,341
Rural Rate Assistance												
Class per Load Forecast												
Residential				kwh		88,864,844	135,579,661	\$ 0.00130	\$ 0.00130	\$ 115,524	\$ 176,254	\$ 291,778
GS<50				kwh		32,282,978	56,524,903	\$ 0.00130	\$ 0.00130	\$ 41,968	\$ 73,482	\$ 115,450
GS>50				kwh		85,344,176	145,960,837	\$ 0.00130	\$ 0.00130	\$ 110,947	\$ 189,749	\$ 300,697
Unmetered Scattered Load				kwh		121,924	230,469	\$ 0.00130	\$ 0.00130	\$ 159	\$ 300	\$ 458
Intermediate				kwh		14,014,127	26,099,021	\$ 0.00130	\$ 0.00130	\$ 18,218	\$ 33,929	\$ 52,147
Sentinel Lighting				kwh		174,926	353,589	\$ 0.00130	\$ 0.00130	\$ 227	\$ 460	\$ 687
Street Lighting				kwh		1,014,652	1,828,505	\$ 0.00130	\$ 0.00130	\$ 1,319	\$ 2,377	\$ 3,696
Revenue Adjustments				kwh						\$ -	\$ -	\$ -
TOTAL						221,817,627	366,576,985			\$ 288,363	\$ 476,550	\$ 764,913
TOTAL \$ 44,766,750												
4705 - Power	35,876,792											
4708 - Wholesale Market	2,824,341											
4714 - Network	2,822,247											
4716 - Connection	2,478,457											
4730 - Rural Rate Assistance	764,913											
4750 - Low Voltage	21,565											
	44,788,315											

<u>HST Calculation per Settlement - OM&A</u>	
Estimated PST paid in YTD Nov09 - OM&A	40,062.69
OM&A YTD Nov09 Spending	4,501,675.21
PST Ratio	0.01
<u>Final Calculation:</u>	
10 Original Budget	5,779,054.00
Decrease for inflation	(18,575.00)
Decrease for Board Fees	(6,000.00)
Decrease for Smart Grid pilot program	(110,000.00)
Decrease for non-union wages	(5,500.00)
Decrease for legal costs	(10,000.00)
Decrease for OMERS	(6,607.00)
Decrease for training fees	(35,000.00)
Decrease for succession planning	(20,000.00)
Reduction for Secondary Services	5,567,372.00
PST Ratio	0.01
Estimated PST for '10	49,546.86
Reduction to OM&A (1/2 year)	24,773.43

APPENDIX D

Extracts from Application regarding proposed real time pilot projects, and further discussion on proposed real time pilot projects

As noted in the introductory paragraphs and Section 4(a) of this Settlement Agreement, there is a proposed OM&A expenditure in respect of which the Parties have reached an agreement that changes the manner in which the relevant expenditure will be treated. More particularly, NBHDL had proposed an expenditure of \$110,000 proposed for Industrial (\$60,000) and Residential (\$50,000) Real Time Operating Pilot programs. As proposed in the Application, this would have been an ongoing expenditure through the IRM period, totalling \$440,000 over four years.

NBHDL discussed the basis for including *Green Energy and Green Economy Act, 2009* (the "GEGEA") initiatives in the Application at Exhibit 4, page 7 of the Application (as part of its Manager's Summary for Operating Costs. NBHDL stated (in part):

"The Green Energy and Green Economy Act (GEGEA) will have profound impacts on Ontario's LDC's with new responsibilities to deliver conservation results, to build and operate a smart grid and to encourage and support the connection of distributed renewable generation. As a new piece of legislation the GEGEA requires numerous Regulations, Guidelines and Code amendments before reaching a fully mature state. NBHDL has been encouraged by the Minister of Energy and Infrastructure to take early action and not wait for all components of the Act to be finalized. Similarly OPA and OEB staff has supported this direction. Costs for Smart Grid initiatives and support of Feed In Tariff (FIT) and Micro Feed in Tariff (MFIT) have been included with no revenue off set as they are a Distributor responsibility."

The programs are discussed at pages 24-25 of Exhibit 4 of the Application, the relevant portions of which are reproduced below.

With respect to the Industrial program:

"NBHDL feels that it is prudent to proceed with Real Time Operating Pilots with two larger industrial customers. The concept involves installing meters with parallel communication channels that will allow customers to see demand, consumption and power quality indicators in their facility on a real time basis. Software will be provided to allow meter information to be viewed in a format that can be utilized by the customer on their computers in their premises. The customers will be trained on how to utilize the software and how to make use of this new data as a management tool. New communication paths between NBHDL and the customer will be created so that demand response signals can be sent. Both parties will be able to determine reaction and response on a real time basis. This real time approach will facilitate smart grid principles and help to justify and verify CDM results. Costs are estimated at \$30,000 per customer and include the costs of metering, installation, monitoring equipment, administration and incentives."

With respect to the Residential and small business program:

"NBHDL is also interested in determining smart grid potential with residential and small business customers. NBHDL's smart meter deployment should be completed by early 2010 with migration to TOU pricing shortly thereafter. NBHDL will proceed with a residential/small business Real Time

Operating Pilot by providing devices that can display information from the smart meter on a real time basis. Customer loads that can be cycled or controlled will be identified and devices installed to allow real time control. The climate is very different in Northern Ontario and experience is required in order to understand the capabilities of a Real Time Operating System with this customer class. NBHDL expects these Pilots to be expanded in subsequent years. Costs are estimated at \$2,500 per customer and include the costs of the display, control devices, installation, monitoring equipment and administration."

In addition to addressing the pilot projects in the Application, NBHDL provided further information in its responses to interrogatories:

- In its response to VECC interrogatory #15(d), NBHDL provided its justification for the pursuit of the pilot projects at this time.
- In its response to Board staff interrogatory #6, NBHDL provided additional information on the Residential pilot program and on the costs and capitalization of a portion of those costs in respect of both programs.

For the Board's assistance, a portion of NBHDL's response to Board staff question #6(a) is reproduced below:

"The Province has indicated its desire to move towards a Smart Grid and NBHDL is interested in learning how residential customers, particularly those in the north can participate in a way that allows cost savings. The north has a large amount of electric heat either as the primary heating system or as supplemental to natural gas. Also there is a large population of electric water heaters and in the winter the incoming water temperature is just above freezing. North Bay has a very large percentage of retirees somewhere between 30-35% of all homes. NBHDL is interested in installing in-home devices with these types of customers (in addition to low income) that will allow real time reading of smart meters so customers can monitor electricity consumption as it occurs at a location readily accessible by the customer. NBHDL wants to install technology that allows customers to control electric water heating or space heating through devices available on the market today. NBHDL wants customers to be able to decide when they want to operate equipment in response to consumption and pricing information. NBHDL is not aware of any similar initiatives by other northern utilities that would allow realistic evaluation of the technologies."

In response to VECC's question regarding the pursuit of the projects at this time, NBHDL stated:

"Many residential customers have expressed an interest in the ability to better control electricity costs and requested support and guidance. There are a number of factors driving this interest including the high portion of seniors and retired people in the community (approximately 30-35% of families), the large amount of electric space and water heating relied on in a climate much harsher than southern Ontario and concerns about how to manage around the new time of use rate structure. NBHDL would also like to work with targeted low income groups. On this last point many residential customers have a fear of the new time of use rate structure and perceive they have no capacity to respond to pricing signals or a need to conserve. Experience with this Pilot should to address these concerns and identify strategies for future programs and initiatives.

Two large industrial customers expressed interest in an ability to better manage electricity costs and consumption on a real time basis. One of these customers has a very large natural gas fired

standby generator that could be dispatched when appropriate. The second customer has a very large process oriented load that might be able to be shifted or staged in a different way than today.”

Following discussions among NBHDL and the intervenors, the Parties have agreed on a revised approach to these projects. The Parties propose that NBHDL will:

- remove the costs of these projects from its proposed OM&A expenditures;
- reduce the total budget for the project from \$440,000 to \$110,000, of which \$20,000 will be capitalized (the “Budget”);
- charge an adder of \$0.08 per metered customer per month through the Test Year and the IRM period on account of these expenditures (those recoveries will also be tracked in the deferral account), which will allow for the recovery of approximately \$92,000, representing \$90,000 in the OM&A portion of the project budget plus the return on the capitalized portion of the project Budget; and
- track the project expenditures up to the amount of the Budget in a deferral account for recovery at a later date. For greater certainty, the Parties agree that any amount spent that is in excess of the Budget will not be tracked in the deferral account and is not recoverable by the Company.; and

These pilot projects and the related expenditures will contribute to realizing more of the potential of smart meters and real time pricing, and will help to enable a smart grid that includes active and meaningful participation by customers. These pilot projects will analyze and, it is hoped, facilitate the ability of customers to take control of their electricity usage in a way that smart meters alone do not. The projects seek to establish that the ability to see current consumption and make immediate changes provides material benefits beyond what a smart meter system that simply provides more recent historical consumption information provides.

The Parties have agreed on this approach, although the intervenors reserve the right to make submissions on the appropriate allocation of those costs as between the Residential/GS<50 kW group and the GS>50 kW/Intermediate group when NBHDL applies to the Board for the disposition of the balance of the deferral account. Mr. Rennick has serious concerns about the rationale supporting the residential pilot project, but for the purposes of settlement, he agrees with the approach arrived at by all Parties which incorporates a deferral account and rate adder to cover the costs of the pilot.

As noted above, the Parties agree that this item is severable from the remainder of the settlement in the event that the Board does not accept the Parties’ settlement of this matter.

NBHDL offers the following additional comments on the merits of the pilot projects.

The merits of real time feedback on demand and consumption:

NBHDL submits that tools that provide real-time information that can be used in making immediate changes to consumption patterns, and that will immediately indicate to the customer the effects of those changes, may be preferable to consumption-related information provided the next day or later. Such real-time information has the potential to lead to more efficient energy use and to greater opportunities for customers to save on electricity costs. This is especially true with larger customers with dynamic processes and therefore variable loads. Real time information is required to make timely operating decisions. The Parties agree that the pilot projects will assist NBHDL and other distributors in determining the validity of those beliefs.

NBHDL further believes that the tools to be implemented in the pilot projects will add customer benefits to the smart meters that distributors are being required to install (at the customer's cost). NBHDL is concerned that at present, the benefits of smart meters and TOU pricing are not entirely clear. The objective of the real time pilot projects is to provide customers with tools so they can make decisions about when and how much electricity to use and at what price. Their reaction might be to do nothing; alternatively, it may be to turn appliances, computers, TV's and other equipment off or to change set points on heating or air conditioning. The key is the customer has control and can knowingly make decisions. Smart meters offer potential, and NBHDL is interested in unlocking this potential.

This rebasing Application represents an appropriate opportunity for a northern Ontario utility to implement these pilot programs. NBHDL welcomes the opportunity to assume a leadership role in this regard.

While the projects were titled as smart grid-related pilots, the real opportunity in these projects is to create new communication links with NBHDL's customers to allow them to take control of electricity costs. The projects would let customers decide how much electricity to use and when, and would let them see first-hand and immediately the benefits of energy efficiency, load shifting and simply turning things off when not required. Next day review of a web page does not provide the same level of service to customers, nor does it allow for the same influence on customer behaviour. NBHDL customers, including schools, low income customers and small businesses, have requested real time control of electricity costs. The pilot projects represent a significant step in progressing toward that goal.

The appropriateness of NBHDL carrying out these pilot projects:

NBHDL is able to move quickly on these projects. Its staff are experienced with projects on the customer side of the meter and, most importantly, NBHDL's customers have asked for this service. NBHDL anticipates that the findings from the projects would assist many electricity distributors north of Barrie, as they will have similar customer and consumption characteristics. NBHDL considered working with other Northern Ontario utilities, but there are none in relatively close proximity that have the same meter

provider and CIS system as NBHDL. Additionally, no utility has sought or obtained approval from the Board to carry out this type of project. Many have already completed cost of service applications before NBHDL, and do not have funds earmarked for expenditures of this kind. NBHDL is an appropriate distributor to carry out these projects.

Costs related to the pilot projects:

The proposed adder of \$0.08 per metered customer per month would be collected through the Test Year and the IRM period. The pilot projects would apply to twenty Residential and GS<50 kW customers and two GS>50 and Intermediate customers in the 2010 Test Year. As noted above, collection of the proposed adder over four years will allow for the recovery of approximately \$92,000, representing the \$90,000 in the OM&A portion of the projects plus the return on the capitalized portion of the project costs.

The Draft Smart Grid Guidelines:

On December 18, 2009, the Board issued "Draft Filing Requirements: Distribution System Plans under the *Green Energy Act, 2009* (Board File No.EB-2009-0397) as part of its ongoing consultation in this regard (the "Draft Guidelines"). At page 14 of the Draft Guidelines, the Board sets out its expectations of distributors with respect to demonstrating the need for Smart Grid demonstration projects. While the Draft Guidelines were issued well after the Application was filed, NBHDL has considered the Draft Guidelines and offers the following comments with respect to the Board's expectations as set out therein:

- a discussion of the technology to be demonstrated and the anticipated benefits from a successful application of the technology:

The real time pilots are intended to provide customers with real time information on their electricity consumption and costs at the time of actual use. This will enable customers to take on responsibility and ownership of when and how they use electricity and whether they will accept increased costs at various times. The GEGEA is a leading piece of environmental legislation and NBHDL believes that it must show leadership and innovation to achieve the potential of this Act.

- a discussion of any risks or barriers to the widespread implementation of the technology if the demonstration phase proves successful:

NBHDL does not see any risks or barriers at this time. In undertaking the pilot projects, NBHDL expects to obtain information on whether any additional metering, IT and customer service capabilities will be needed to support a larger deployment involving more customers. These needs may depend on feedback to be received from participating customers. NBHDL anticipates that there may be new demands in each of

these areas, but this will be better understood through the pilot projects. NBHDL expects that per customer costs would decline with a broader implementation.

- confirmation that the distributor has undertaken a review of other demonstration projects as reported on the Board's website or elsewhere, to determine what has already been learnt about the technology:

NBHDL has reviewed experiences of other Ontario distributors with load control devices. NBHDL can confirm there is a lack of information and experience with customers in a northern environment as it relates to the smart grid and mitigating the impacts of TOU pricing. There appears to be a significant amount of local concern about smart meters increasing costs. Hydro One received media coverage in the vicinity of North Bay when bills increased dramatically in 2009 after smart meter deployment. Hydro One had not implemented TOU billing at that point, but residents appear to have blamed increased bills on smart meters. NBHDL believes that customers would welcome the electricity industry providing them with tools for cost control, and that the pilot projects represent an opportunity to do so.

- information on any other demonstration projects that have been conducted using the technology and a discussion of why additional demonstration is necessary:

To NBHDL's knowledge there are no other relevant projects in northern Ontario.

- a discussion of any joint participation agreements, information sharing arrangements and other efforts that the distributor has made to avoid undertaking projects that unnecessarily duplicate other ongoing or planned demonstration projects so as to avoid redundant demonstration projects:

As noted in the preceding paragraph, NBHDL is not aware of any other relevant projects in northern Ontario. Discussions with other distributors have indicated no redundant demonstration projects.

- a description of the formal evaluation that will [be] performed to assess the value of the projects. The evaluation should be suitable for sharing with other distributors.

NBHDL would anticipate assessing the results of the pilot projects in two ways:

1. Bills, consumption levels and patterns for the participation period will be compared to similar data for those customers for periods prior to participation in the pilot programs; and
2. Participating customers will have their costs, consumption levels and patterns compared with a control group of customers that are not enrolled in the pilot programs.

NBHDL anticipates sharing the results of these pilot programs with the Board and other distributors, and as noted above, NBHDL anticipates that the results will be of particular interest to other northern Ontario distributors.

Conclusion:

NBHDL submits that the real time pilot projects represent a reasonable, cost effective means of moving expeditiously toward a goal of placing greater control of electricity consumption and cost control in the hands of its customers. This should be desirable, as it will assist in realizing the potential of the smart grid. The results of the projects will be useful to other northern Ontario distributors. The proposed adder is minimal, and creates no appreciable bill impact.

NBHDL acknowledges that the clearance of the deferral account will require Board approval at a later date, and that the recovery of an adder does not guarantee the ultimate approval of the expenditures. NBHDL recognizes that it will have to demonstrate that it provided an appropriate pilot project, within the parameters of the approved Budget, in order to recover its expenditures from the deferral account. However, NBHDL is not in a position to undertake these expenditures in the absence of the Board's approval of these pilot programs, and the Parties agree that it is appropriate that they be approved at this time and that NBHDL be permitted to recover the proposed adder in order to assist it in offsetting the project costs.

The Parties respectfully request that the Board approve these projects and the associated adder.

APPENDIX E

Updated Depreciation Calculation

<u>Description</u>	<u>Amount</u>
Depreciation Expense per Continuity Schedule	2,832,720.98
Reduction - Fleet	(137,809.00)
Depreciation for Revenue Deficiency Purposes	2,694,911.98

Please refer to Appendix B for changes in accumulated amortization/depreciation due to the inclusion of the full year depreciation for 2008 and 2009 and changes in capital spending for 2009 and 2010.

APPENDIX F

Updated Taxable Income and PILs/Tax Provision Calculations

CCA Continuity Schedule (2009)													
Class	Class Description	UCC Prior Year Ending Balance	Less: Non- Distribution Portion	Less: Disallowed FMV Increment	UCC Bridge Year Opening Balance	Additions	Dispositions	UCC Before 1/2 Yr Adjustment	1/2 Year Rule {1/2 Additions Less Disposals}	Reduced UCC	Rate %	CCA	UCC Ending Balance
1	Distribution System - 1988 to 22-Feb-2005	35,811,209	0	0	35,811,209	0	0	35,811,209	0	35,811,209	4%	1,432,448	34,378,761
2	Distribution System - pre 1988		0	0	0	0	0	0	0	0	6%	0	0
6	Buildings (No footings below ground)		0	0	0	0	0	0	0	0	10%	0	0
8	General Office/Stores Equip	378,600	0	0	378,600	43,879	0	422,479	21,940	400,540	20%	80,108	342,371
10	Computer Hardware/ Vehicles	583,005	0	0	583,005	484,520	53,654	1,013,871	242,260	771,611	30%	231,483	782,387
10.1	Certain Automobiles	19,256	0	0	19,256	0	0	19,256	0	19,256	30%	5,777	13,479
12	Computer Software		0	0	0	0	0	0	0	0	100%	0	0
13.1	Lease # 1		0	0	0	-	0	0	0	0	20%	0	0
13.2	Lease #2		0	0	0	0	0	0	0	0		0	0
13.3	Lease # 3		0	0	0	0	0	0	0	0		0	0
13.4	Lease # 4		0	0	0	0	0	0	0	0		0	0
14	Franchise		0	0	0	0	0	0	0	0		0	0
17	New Electrical Generating Equipment Acq'd after Feb 27/00 Other Than Bldgs		0	0	0	0	0	0	0	0	8%	0	0
43.1	Certain Energy-Efficient Electrical Generating Equipment		0	0	0	0	0	0	0	0	30%	0	0
45	Computers & Systems Hardware acq'd post Mar 22/04	13,291	0	0	13,291	0	0	13,291	0	13,291	45%	5,981	7,310
50	Computers & Systems Hardware acq'd post Mar 19/07	134,417	0	0	134,417	0	0	134,417	0	134,417	55%	73,930	60,488
50	Computers & Systems Hardware (100% deductible)	0	0	0	0	102,938	0	102,938	0	102,938	100%	102,938	0
46	Data Network Infrastructure Equipment (acq'd post Mar 22/04)		0	0	0	0	0	0	0	0	30%	0	0
47	Distribution System - post 22-Feb-2005	8,246,693			8,246,693	4,989,024	0	13,235,717	2,494,512	10,741,205	8%	859,296	12,376,420
	SUB-TOTAL - UCC	45,186,471	0	0	45,186,471	5,620,361	53,654	50,753,178	2,758,711	47,994,466		2,791,961	47,961,217

CCA Continuity Schedule (2010)													
Class	Class Description	UCC Prior Year Ending Balance	Less: Non-Distribution Portion	Less: Disallowed FMV Increment	UCC Bridge Year Opening Balance	Additions	Dispositions	UCC Before 1/2 Yr Adjustment	1/2 Year Rule {1/2 Additions Less Disposals}	Reduced UCC	Rate %	CCA	UCC Ending Balance
1	Distribution System - 1988 to 22-Feb-2005	34,378,761	0	0	34,378,761	0	0	34,378,761	0	34,378,761	4%	1,375,150	33,003,610
2	Distribution System - pre 1988	0	0	0	0	0	0	0	0	0	6%	0	0
6	Buildings (No footings below ground)	0	0	0	0	0	0	0	0	0	10%	0	0
8	General Office/Stores Equip	342,371	0	0	342,371	85,000	0	427,371	42,500	384,871	20%	76,974	350,397
10	Computer Hardware/ Vehicles	782,387	0	0	782,387	51,000	0	833,387	25,500	807,887	30%	242,366	591,021
10.1	Certain Automobiles	13,479	0	0	13,479	0	0	13,479	0	13,479	30%	4,044	9,435
12	Computer Software	0	0	0	0	0	0	0	0	0	100%	0	0
13 1	Lease # 1	0	0	0	0	0	0	0	0	0	20%	0	0
13 2	Lease #2	0	0	0	0	0	0	0	0	0		0	0
13 3	Lease # 3	0	0	0	0	0	0	0	0	0		0	0
13 4	Lease # 4	0	0	0	0	0	0	0	0	0		0	0
14	Franchise	0	0	0	0	0	0	0	0	0		0	0
17	New Electrical Generating Equipment Acq'd after Feb 27/00 Other Than Bldgs	0	0	0	0	0	0	0	0	0	8%	0	0
43.1	Certain Energy-Efficient Electrical Generating Equipment	0	0	0	0	0	0	0	0	0	30%	0	0
45	Computers & Systems Hardware acq'd post Mar 22/04	7,310	0	0	7,310	0	0	7,310	0	7,310	45%	3,289	4,020
50	Computers & Systems Hardware acq'd post Mar 19/07	60,488	0	0	60,488	0	0	60,488	0	60,488	55%	33,268	27,220
50	Computers & Systems Hardware (100% deductible)	0	0	0	0	188,937	0	188,937	0	188,937	100%	188,937	0
46	Data Network Infrastructure Equipment (acq'd post Mar 22/04)	0	0	0	0	0	0	0	0	0	30%	0	0
47	Distribution System - post 22-Feb-2005	12,376,420			12,376,420	8,775,671	0	21,152,091	4,387,835	16,764,256	8%	1,341,140	19,810,951
	SUB-TOTAL - UCC	47,961,217	0	0	47,961,217	9,100,609	0	57,061,825	4,455,836	52,605,989		3,265,170	53,796,655

2010 Test	
Determination of Taxable Income	Original per Submission
Utility Income Before Taxes	2,053,520
Additions to Accounting Income:	
Depreciation and amortization	2,901,108
Loss on disposal of assets	
Charitable donations	6,000
Ontario Tax credits	6,000
Employee Benefit Plans - accrued, not paid	
Meals & entertainment / Mileage	28,275
Non-deductible club fees and dues	
Taxable Capital Gains	
Tax reserves beginning of year	1,201,494
Reserves from financial statements -balance at year end	5,284,743
Regulatory asset write-downs and recoveries	
Excess Interest Expense	
Debt financing expenses for book purposes	
Total Additions	9,427,620
Deductions from Accounting Income:	
Capital Cost Allowance	3,418,906
Gain on disposal of assets per financial statements	
Cumulative eligible capital deduction	
Tax reserves end of year	1,202,546
Reserves from financial statements balance at beginning of year	4,993,106
Amortization of Capitalized Fleet Depreciation	
Deductible expenses capitalized for accounting purposes	
Excess Interest	
Miscellaneous Tax Credits	0
Total Deductions	9,614,558
Deductions from Accounting Income:	
Charitable donations from Schedule 2	0
Regulatory Taxable Income	1,866,582

PILS/Tax Provision Calculations	2010 Test
Taxable Income	1,866,582
Combined Federal Tax	18.0%
Provincial Tax	13.0%
Combined Tax rate	31.0%
Total Income Taxes	578,641
Tax Credits	
Co-Operative Tax Credits	-
Training Tax Credits	-
Apprenticeship Tax Credits	-
Miscellaneous Tax Credits	6,000
Total Tax Credits	6,000
Income Tax Provision	572,641
Ontario Capital Tax (Not Grossed Up)	23,415
PILS/Tax Provision For Year	596,055

2010 Test	
Determination of Taxable Income	Revised per Settlement
Utility Income Before Taxes	2,402,227
Additions to Accounting Income:	
Depreciation and amortization	2,832,721
Loss on disposal of assets	
Charitable donations	6,000
Ontario Tax credits	30,000
Employee Benefit Plans - accrued, not paid	
Meals & entertainment / Mileage	28,275
Non-deductible club fees and dues	
Taxable Capital Gains	
Tax reserves beginning of year	1,201,494
Reserves from financial statements -balance at year end	5,284,743
Regulatory asset write-downs and recoveries	
Excess Interest Expense	
Debt financing expenses for book purposes	
Total Additions	9,383,233
Deductions from Accounting Income:	
Capital Cost Allowance	3,265,170
Gain on disposal of assets per financial statements	5,000
Cumulative eligible capital deduction	
Tax reserves end of year	1,202,546
Reserves from financial statements balance at beginning of year	4,993,106
Amortization of Capitalized Fleet Depreciation	
Deductible expenses capitalized for accounting purposes	
Excess Interest	
Miscellaneous Tax Credits	0
Total Deductions	9,465,822
Deductions from Accounting Income:	
Charitable donations from Schedule 2	-6,000
Regulatory Taxable Income	2,313,637

PILS/Tax Provision Calculations	2010 Test
Taxable Income	2,313,637
Federal Tax	18.0%
Provincial Tax	13.0%
Tax rate when Taxable Income is above \$1.5 million	13.0%
When Taxable Income is below \$1.5 million	
First \$500,000	5.0%
Remaining	15.125%
Combined	
Tax rate when Taxable Income is above \$1.5 million	31.0%
When Taxable Income is below \$1.5 million	
First \$500,000	23.0%
Remaining	33.125%
Total Income Taxes	698,478
Tax Credits	
Co-Operative Tax Credits	-
Training Tax Credits	4,000
Apprenticeship Tax Credits	30,000
Miscellaneous Tax Credits	-
Total Tax Credits	34,000
Income Tax Provision	664,478
Effective Tax Rate	28.72%
Ontario Capital Tax (Not Grossed Up)	21,829
PILS/Tax Provision For Year	686,306

Calculation of Ontario Capital Tax	2010 Test
Total Rate Base	46,219,722
Less Exemption	15,000,000
Taxable Capital /Deemed taxable capital	31,219,722
OCT Rate	0.075%
Ontario Capital Tax	23,415

Calculation of Ontario Capital Tax	2010 Test
Total Rate Base	44,104,715
Less Exemption	15,000,000
Taxable Capital /Deemed taxable capital	29,104,715
OCT Rate	0.075%
Ontario Capital Tax	21,829

<u>Description</u>	<u>Debt Holder</u>	<u>Affiliated</u>	<u>Date of Issuance</u>	<u>Principal</u>	<u>Rate%</u>	<u>Year Applied to</u>	<u>Interest Cost</u>
Shareholder loan	City of North Bay	Y	17-Mar-03	19,511,601.00	5.00%	2010	975,580.05
Debenture # 2	Infrastructure Ontario	N	30-Aug-10	2,444,134.08	4.63%	2010	113,163.41
Total Long Term Debt				21,955,735.08	Total Interest Costs		1,088,743.46
Weighted Debt Cost Rate							4.96%

APPENDIX H

Revised Schedule of Proposed Rates and Charges

North Bay Hydro Distribution Ltd. TARIFF OF RATES AND CHARGES Effective May 1, 2010

EB-2009-0270

APPLICATION

- The application of these rates and charges shall be in accordance with the Licence of the Distributor and any Codes, Guidelines or Orders of the Board, and amendments thereto as approved by the Board, which may be applicable to the administration of this schedule.
- No rates and charges for the distribution of electricity and charges to meet the costs of any work or service done or furnished for the purpose of the distribution of electricity shall be made except as permitted by this schedule, unless required by the Distributor's Licence or a Code, Guideline or Order of the Board, and amendments thereto as approved by the Board, or as specified herein.
- This schedule does not contain any rates and charges relating to the electricity commodity (e.g. the Regulated Price Plan).

EFFECTIVE DATES

DISTRIBUTION RATES - May 1, 2010 for all consumption or deemed consumption services used on or after that date.

SPECIFIC SERVICE CHARGES - May 1, 2010 for all charges incurred by customers on or after that date.

LOSS FACTOR ADJUSTMENT – May 1, 2010 unless the distributor is not capable of prorating changed loss factors jointly with distribution rates. In that case, the revised loss factors will be implemented upon the first subsequent billing for each billing cycle.

SERVICE CLASSIFICATIONS

Residential:

This classification refers to an account taking electricity at 750 volts or less where the electricity is used exclusively in a separately metered living accommodation. Customers shall be residing in single-dwelling units that consist of a detached house or one unit of a semi-detached, duplex, triplex or quadruplex house, with a residential zoning. Separately metered dwellings within a town house complex or apartment building also qualify as residential customers. All customers are single phase.

General Service Less Than 50kW:

This classification includes non residential account taking electricity at 750 volts or less whose monthly average peak demand is less than, or is forecast to be less than, 50 kW.

General Service 50 to 2,999 kW:

This classification includes non-residential accounts where monthly average peak demand is equal to or greater than, or is forecast to be equal to or greater than, 50 kW but less than 3,000 kW.

Unmetered Scattered Load:

This classification includes accounts taking electricity at 750 volts or less where monthly average peak demand is less than, or is forecast to be less than, 50 kW and the consumption is unmetered. These connections include cable TV power packs, bus shelters, telephone booths, traffic lights, railway crossings, etc. The customer will provide detailed manufacturer information/documentation with regard to electrical demand/ consumption of the proposed unmetered load.

Sentinel Lighting:

This classification refers to accounts that are an unmetered lighting load supplied to a sentinel light.

Street Lighting:

This classification is for roadway lighting with the Municipality. The consumption for this customer is based on the calculated connected load times the required lighting times established in the approved OEB street lighting load shape template.

SCHEDULE OF PROPOSED RATES - MONTHLY RATES AND CHARGES:

Residential

Service Charge	\$	14.16
Smart Meter Funding Adder	\$	1.47
Smart Grid Rate Adder	\$	0.0800
Distribution Volumetric Rate	\$/kWh	0.0127
Low Voltage Cost Rate Rider	\$/kWh	0.00004
Deferral and Variance Account Rate Rider	\$/kWh	0.0004
LRAM / SSM Rate Rider	\$/kWh	0.0003
Retail Transmission Rate – Network Service Rate	\$/kWh	0.0053
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kWh	0.0048
Wholesale Market Service Rate	\$/kWh	0.0052
Rural Rate Protection Charge	\$/kWh	0.0013
Standard Supply Service – Administrative Charge (if applicable)	\$	0.25

General Service Less Than 50 kW

Service Charge	\$	21.70
Smart Meter Funding Adder	\$	1.47
Smart Grid Rate Adder	\$	0.0800
Distribution Volumetric Rate	\$/kWh	0.0168
Low Voltage Cost Rate Rider	\$/kWh	0.00004
Deferral and Variance Account Rate Rider	\$/kWh	0.0004
LRAM / SSM Rate Rider	\$/kWh	0.0002
Retail Transmission Rate – Network Service Rate	\$/kWh	0.0049
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kWh	0.0043
Wholesale Market Service Rate	\$/kWh	0.0052
Rural Rate Protection Charge	\$/kWh	0.0013
Standard Supply Service – Administrative Charge (if applicable)	\$	0.25

General Service 50 to 2,999 kW

Service Charge	\$	311.40
Smart Meter Funding Adder	\$	1.47
Smart Grid Rate Adder	\$	0.0800
Distribution Volumetric Rate	\$/kW	2.2209
Low Voltage Cost Rate Rider	\$/kWh	0.0139
Deferral and Variance Account Rate Rider	\$/kWh	0.4499
LRAM / SSM Rate Rider	\$/kWh	0.0677
Retail Transmission Rate – Network Service Rate	\$/kW	1.9607
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kW	1.7084
Wholesale Market Service Rate	\$/kWh	0.0052
Rural Rate Protection Charge	\$/kWh	0.0013
Standard Supply Service – Administrative Charge (if applicable)	\$	0.25

General Service 3,000 to 4,999 kW

Service Charge	\$	4,420.45
Smart Meter Funding Adder	\$	1.47
Smart Grid Rate Adder	\$	0.0800
Distribution Volumetric Rate	\$/kW	0.8434
Low Voltage Cost Rate Rider	\$/kWh	0.0154
Deferral and Variance Account Rate Rider	\$/kWh	0.7175
LRAM / SSM Rate Rider	\$/kWh	0.0170
Retail Transmission Rate – Network Service Rate	\$/kW	2.0798
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kW	1.8881

Wholesale Market Service Rate	\$/kWh	0.0052
Rural Rate Protection Charge	\$/kWh	0.0013
Standard Supply Service – Administrative Charge (if applicable)	\$	0.25

Unmetered Scattered Load

Service Charge (per connection)	\$	6.79
Distribution Volumetric Rate	\$/kWh	0.0157
Low Voltage Cost Rate Rider	\$/kWh	0.00004
Deferral and Variance Account Rate Rider	\$/kWh	0.0003
LRAM / SSM Rate Rider	\$/kWh	0.0024
Retail Transmission Rate – Network Service Rate	\$/kWh	0.0049
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kWh	0.0043
Wholesale Market Service Rate	\$/kWh	0.0052
Rural Rate Protection Charge	\$/kWh	0.0013
Standard Supply Service – Administrative Charge (if applicable)	\$	0.25

Sentinel Lighting

Service Charge (per connection)	\$	3.26
Distribution Volumetric Rate	\$/kW	11.3671
Low Voltage Cost Rate Rider	\$/kWh	0.0110
Deferral and Variance Account Rate Rider	\$/kWh	(0.3801)
Retail Transmission Rate – Network Service Rate	\$/kW	1.4861
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kW	1.3483
Wholesale Market Service Rate	\$/kWh	0.0052
Rural Rate Protection Charge	\$/kWh	0.0013
Standard Supply Service – Administrative Charge (if applicable)	\$	0.25

Street Lighting

Service Charge (per connection)	\$	2.61
Distribution Volumetric Rate	\$/kW	13.9687
Low Voltage Cost Rate Rider	\$/kWh	0.0108
Deferral and Variance Account Rate Rider	\$/kWh	(0.8676)
Retail Transmission Rate – Network Service Rate	\$/kW	1.4786
Retail Transmission Rate – Line and Transformation Connection Service Rate	\$/kW	1.3206
Wholesale Market Service Rate	\$/kWh	0.0052
Rural Rate Protection Charge	\$/kWh	0.0013
Standard Supply Service – Administrative Charge (if applicable)	\$	0.25

Specific Service Charges

Customer Administration		
Returned cheque charge (plus bank charges)	\$	15.00
Legal letter charge	\$	15.00
Account set up charge/change of occupancy charge(plus credit agency costs if applicable)	\$	30.00
Special meter reads	\$	30.00
Meter dispute charge plus Measurement Canada fees(if meter found correct)	\$	30.00

Non-Payment of Account

Late Payment - per month	%	1.50
Late Payment - per annum	%	19.56
Collection of account charge - no disconnection	\$	30.00
Disconnect/Reconnect at meter - during regular hours	\$	65.00
Disconnect/Reconnect at meter - after regular hours	\$	165.00

Service call - customer-owned equipment	\$	30.00
Specific Charge for Access to the Power Poles \$/pole/year	\$	22.35

Transformer Allowance for Ownership - per kW of billing demand/month	\$/kW	(0.60)
Primary Metering Allowance for transformer losses – applied to measured demand and energy	%	(1.00)

Retail Service Charges (if applicable)

Retail Service Charges refer to services provided by a distributor to retailers or customers related to the supply of competitive electricity

One-time charge, per retailer	\$	100.00
to establish the service agreement between the distributor and the retailer		
Monthly Fixed Charge, per retailer	\$	20.00
Monthly Variable Charge, per customer, per retailer	\$/cust.	1.37
Distributor-consolidated billing charge, per customer, per retailer	\$/cust.	0.30
Retailer-consolidated billing credit, per customer, per retailer	\$/cust.	(0.30)
Service Transaction Requests (STR)		
Request fee, per request, applied to the requesting party	\$	0.25
Processing fee, per request, applied to the requesting party	\$	0.50
Request for customer information as outlined in Section 10.6.3 and Chapter 11 of the Retail Settlement Code directly to retailers and customers, if not delivered electronically through the Electronic Business Transaction (EBT) system, applied to the requesting party		
Up to twice a year no charge		
More than twice a year, per request (plus incremental delivery costs)	\$	2.00

LOSS FACTORS

Total Loss Factor – Secondary Metered Customer < 5,000 kW	1.0480
Total Loss Factor – Secondary Metered Customer > 5,000 kW	N/A
Total Loss Factor – Primary Metered Customer < 5,000 kW	1.0375
Total Loss Factor – Primary Metered Customer > 5,000 kW	N/A

Summary of Changes in Regulatory Asset Rate Rider

Rate Class	Original Proposed Rate Rider	Revised Rate Rider	Change	Billing Determinant
Residential	\$ 0.0004	\$ 0.0004	\$ -	kWh
General Service <50 kW	\$ 0.0004	\$ 0.0004	-\$0.0000	kWh
General Service 50 to 2999 kW	\$ 0.4513	\$ 0.4499	-\$0.0014	kW
Intermediate	\$ 0.6821	\$ 0.7175	\$0.0354	kW
Sentinel Lighting	-\$ 0.3749	-\$ 0.3801	-\$0.0052	kW
Street Lighting	-\$ 0.8624	-\$ 0.8676	-\$0.0052	kW
Unmetered Scattered Load	\$ 0.0003	\$ 0.0003	\$ -	kWh

Summary of Changes in Low Voltage Rate Rider

Rate Class	Original Proposed Rate Rider	Revised Rate Rider	Change	Billing Determinant
Residential	\$ 0.00004	\$ 0.00004	-\$0.00000	kWh
General Service <50 kW	\$ 0.00004	\$ 0.00004	-\$0.00000	kWh
General Service 50 to 2999 kW	\$ 0.0139	\$ 0.0139	-\$0.00001	kW
Intermediate	\$ 0.0154	\$ 0.0154	-\$0.00001	kW
Sentinel Lighting	\$ 0.0110	\$ 0.0110	-\$0.00001	kW
Street Lighting	\$ 0.0108	\$ 0.0108	-\$0.00001	kW
Unmetered Scattered Load	\$ 0.00004	\$ 0.00004	-\$0.00000	kWh

Summary of Changes in LRAM / SSM Rate Rider

Rate Class	Original Proposed Rate Rider	Revised Rate Rider	Change	Billing Determinant
Residential	\$ 0.0004	\$ 0.0003	-\$0.0001	kWh
General Service <50 kW	\$ 0.0002	\$ 0.0002	\$ -	kWh
General Service 50 to 2999 kW	\$ 0.0679	\$ 0.0677	-\$0.0002	kW
Intermediate	\$ 0.0163	\$ 0.0170	\$0.0007	kW
Sentinel Lighting	\$ -	\$ -	\$ -	kW
Street Lighting	\$ -	\$ -	\$ -	kW
Unmetered Scattered Load	\$ 0.0024	\$ 0.0024	\$ -	kWh

APPENDIX I

Bill Impacts

RESIDENTIAL										
		2009 BILL			2010 BILL			IMPACT		
		Volume	RATE \$	CHARGE \$	Volume	RATE \$	CHARGE \$	\$	%	% of Total Bill
Consumption 100 kWh	Monthly Service Charge			12.53			14.16	1.63	13.01%	52.95%
	Distribution (kWh)	100	0.0112	1.12	100	0.01274	1.27	0.15	13.75%	4.76%
	Smart Meter / Storm Rider (per month)			2.11			1.47	(0.64)	(30.33%)	5.50%
	Smart Grid (per month)			0.00			0.08	0.08		0.30%
	LRAM & SSM Rider (kWh)	100	0.0000	0.00	100	0.0003	0.03	0.03		0.11%
	Regulatory Assets (kW h)	100	0.0000	0.00	100	0.0004	0.04	0.04		0.16%
	Sub-Total - Distribution			15.76			17.06	1.30	8.22%	63.78%
	RTSR - Network	104	0.0052	0.54	105	0.0053	0.55	0.01	2.44%	2.07%
	RTSR - Connection	104	0.0047	0.49	105	0.0048	0.51	0.02	3.62%	1.89%
	Sub-Total - Delivery			16.79			18.12	1.33	7.90%	67.74%
	Wholesale Market Rate	104	0.0065	0.68	105	0.0065	0.68	0.01	0.90%	2.55%
	DRC	100	0.0070	0.70	100	0.0070	0.70	0.00	0.00%	2.62%
	Cost of Power Commodity (kWh)	104	0.0570	5.92	105	0.0570	5.97	0.05	0.90%	22.34%
	Cost of Power Commodity (kWh)	0	0.0660	0.00	0	0.0660	0.00	0.00		0.00%
	Sub-Total - Other Charges			24.08			25.47	1.39	5.76%	95.24%
	GST		5.00%	1.20		5.00%	1.27	0.07	5.76%	4.76%
	TOTAL BILL			25.29			26.74	1.46	5.76%	100.00%

RESIDENTIAL										
		2009 BILL			2010 BILL			IMPACT		
		Volume	RATE \$	CHARGE \$	Volume	RATE \$	CHARGE \$	\$	%	% of Total Bill
Consumption 250 kWh	Monthly Service Charge			12.53			14.16	1.63	13.01%	33.62%
	Distribution (kWh)	250	0.0112	2.80	250	0.01274	3.19	0.39	13.75%	7.56%
	Smart Meter / Storm Rider (per month)			2.11			1.47	(0.64)	(30.33%)	3.49%
	Smart Grid (per month)			0.00			0.08	0.08		0.19%
	LRAM & SSM Rider (kWh)	250	0.0000	0.00	250	0.0003	0.08	0.08		0.18%
	Regulatory Assets (kW h)	250	0.0000	0.00	250	0.0004	0.11	0.11		0.25%
	Sub-Total - Distribution			17.44			19.08	1.64	9.38%	45.29%
	RTSR - Network	260	0.0052	1.35	262	0.0053	1.38	0.03	2.44%	3.28%
	RTSR - Connection	260	0.0047	1.22	262	0.0048	1.26	0.04	3.62%	3.00%
	Sub-Total - Delivery			20.01			21.72	1.71	8.56%	51.58%
	Wholesale Market Rate	260	0.0065	1.69	262	0.0065	1.70	0.02	0.90%	4.04%
	DRC	250	0.0070	1.75	250	0.0070	1.75	0.00	0.00%	4.16%
	Cost of Power Commodity (kWh)	260	0.0570	14.80	262	0.0570	14.93	0.13	0.90%	35.46%
	Cost of Power Commodity (kWh)	0	0.0660	0.00	0	0.0660	0.00	0.00		0.00%
	Sub-Total - Other Charges			38.25			40.11	1.86	4.86%	95.24%
	GST		5.00%	1.91		5.00%	2.01	0.09	4.86%	4.76%
	TOTAL BILL			40.16			42.12	1.95	4.86%	100.00%

RESIDENTIAL										
		2009 BILL			2010 BILL			IMPACT		
		Volume	RATE \$	CHARGE \$	Volume	RATE \$	CHARGE \$	\$	%	% of Total Bill
Consumption	Monthly Service Charge			12.53			14.16	1.63	13.01%	20.90%
500 kWh	Distribution (kWh)	500	0.0112	5.60	500	0.01274	6.37	0.77	13.75%	9.40%
	Smart Meter / Storm Rider (per month)			2.11			1.47	(0.64)	(30.33%)	2.17%
	Smart Grid (per month)			0.00			0.08	0.08		0.12%
	LRAM & SSM Rider (kWh)	500	0.0000	0.00	500	0.0003	0.15	0.15		0.22%
	Regulatory Assets (kWh)	500	0.0000	0.00	500	0.0004	0.21	0.21		0.31%
	Sub-Total - Distribution	20.24			22.44			2.20	10.87%	33.13%
	RTSR - Network	519	0.0052	2.70	524	0.0053	2.77	0.07	2.44%	4.08%
	RTSR - Connection	519	0.0047	2.44	524	0.0048	2.53	0.09	3.62%	3.73%
	Sub-Total - Delivery	25.38			27.74			2.35	9.27%	40.95%
	Wholesale Market Rate	519	0.0065	3.38	524	0.0065	3.41	0.03	0.90%	5.03%
	DRC	500	0.0070	3.50	500	0.0070	3.50	0.00	0.00%	5.17%
	Cost of Power Commodity (kW h)	519	0.0570	29.60	524	0.0570	29.87	0.27	0.90%	44.10%
	Cost of Power Commodity (kW h)	0	0.0660	0.00	0	0.0660	0.00	0.00		0.00%
	Sub-Total - Other Charges	61.86			64.51			2.65	4.29%	95.24%
	GST		5.00%	3.09		5.00%	3.23	0.13	4.29%	4.76%
	TOTAL BILL		64.95			67.74			2.78	4.29%

RESIDENTIAL										
		2009 BILL			2010 BILL			IMPACT		
		VOLUME	RATE \$	CHARGE \$	VOLUME	RATE \$	CHARGE \$	\$	%	% of Total Bill
Consumption	Monthly Service Charge			12.53			14.16	1.63	13.01%	14.06%
800 kWh	Distribution (kWh)	800	0.0112	8.96	800	0.01274	10.19	1.23	13.75%	10.12%
	Smart Meter / Storm Rider (per month)			2.11			1.47	(0.64)	(30.33%)	1.46%
	Smart Grid (per month)			0.00			0.08	0.08		0.08%
	LRAM & SSM Rider (kWh)	800	0.0000	0.00	800	0.0003	0.24	0.24		0.24%
	Regulatory Assets (kWh)	800	0.0000	0.00	800	0.0004	0.34	0.34		0.33%
	Sub-Total - Distribution	23.60			26.48			2.88	12.19%	26.29%
	RTSR - Network	831	0.0052	4.32	838	0.0053	4.43	0.11	2.44%	4.39%
	RTSR - Connection	831	0.0047	3.91	838	0.0048	4.05	0.14	3.62%	4.02%
	Sub-Total - Delivery	31.83			34.95			3.12	9.82%	34.70%
	Wholesale Market Rate	831	0.0065	5.40	838	0.0065	5.45	0.05	0.90%	5.41%
	DRC	800	0.0070	5.60	800	0.0070	5.60	0.00	0.00%	5.56%
	Cost of Power Commodity (kW h)	600	0.0570	34.20	600	0.0570	34.20	0.00	0.00%	33.95%
	Cost of Power Commodity (kW h)	231	0.0660	15.24	238	0.0660	15.74	0.49	3.24%	15.62%
	Sub-Total - Other Charges	92.27			95.94			3.67	3.97%	95.24%
	GST		5.00%	4.61		5.00%	4.80	0.18	3.97%	4.76%
	TOTAL BILL	96.88			100.73			3.85	3.97%	100.00%

RESIDENTIAL										
		2009 BILL			2010 BILL			IMPACT		
		Volume	RATE \$	CHARGE \$	Volume	RATE \$	CHARGE \$	\$	%	% of Total Bill
Consumption	Monthly Service Charge			12.53			14.16	1.63	13.01 %	11.49 %
1,000 kWh	Distribution (kWh)	1,000	0.0112	11.20	1,000	0.01274	12.74	1.54	13.75 %	10.34 %
	Smart Meter / Storm Rider (per month)			2.11			1.47	(0.64)	(30.33 %)	1.19 %
	Smart Grid (per month)			0.00			0.08	0.08		0.06 %
	LRAM & SSM Rider (kWh)	1,000	0.0000	0.00	1,000	0.0003	0.30	0.30		0.24 %
	Regulatory Assets (kWh)	1,000	0.0000	0.00	1,000	0.0004	0.42	0.42		0.34 %
	Sub-Total - Distribution	25.84			29.17			3.33	12.89 %	23.68 %
	RTSR - Network	1,039	0.0052	5.40	1,048	0.0053	5.53	0.13	2.44 %	4.49 %
	RTSR - Connection	1,039	0.0047	4.88	1,048	0.0048	5.06	0.18	3.62 %	4.11 %
	Sub-Total - Delivery	36.12			39.76			3.64	10.07 %	32.27 %
	Wholesale Market Rate	1,039	0.0065	6.75	1,048	0.0065	6.81	0.06	0.90 %	5.53 %
	DRC	1,000	0.0070	7.00	1,000	0.0070	7.00	0.00	0.00 %	5.68 %
	Cost of Power Commodity (kW h)	600	0.0570	34.20	600	0.0570	34.20	0.00	0.00 %	27.76 %
	Cost of Power Commodity (kW h)	439	0.0660	28.95	448	0.0660	29.57	0.62	2.13 %	24.00 %
	Sub-Total - Other Charges	113.03			117.34			4.32	3.82 %	95.24 %
	GST		5.00%	5.65		5.00%	5.87	0.22	3.82 %	4.76 %
	TOTAL BILL		118.68			123.21			4.53	3.82 %

RESIDENTIAL										
		2009 BILL			2010 BILL			IMPACT		
		Volume	RATE \$	CHARGE \$	Volume	RATE \$	CHARGE \$	\$	%	% of Total Bill
Consumption	Monthly Service Charge			12.53			14.16	1.63	13.01 %	7.89 %
1,500 kWh	Distribution (kWh)	1,500	0.0112	16.80	1,500	0.01274	19.11	2.31	13.75 %	10.65 %
	Smart Meter / Storm Rider (per month)			2.11			1.47	(0.64)	(30.33 %)	0.82 %
	Smart Grid (per month)			0.00			0.08	0.08		0.04 %
	LRAM & SSM Rider (kWh)	1,500	0.0000	0.00	1,500	0.0003	0.45	0.45		0.25 %
	Regulatory Assets (kWh)	1,500	0.0000	0.00	1,500	0.0004	0.63	0.63		0.35 %
	Sub-Total - Distribution			31.44			35.90	4.46	14.19 %	20.01 %
	RTSR - Network	1,558	0.0052	8.10	1,572	0.0053	8.30	0.20	2.44 %	4.63 %
	RTSR - Connection	1,558	0.0047	7.32	1,572	0.0048	7.59	0.26	3.62 %	4.23 %
	Sub-Total - Delivery			46.86			51.79	4.92	10.50 %	28.87 %
	Wholesale Market Rate	1,558	0.0065	10.13	1,572	0.0065	10.22	0.09	0.90 %	5.70 %
	DRC	1,500	0.0070	10.50	1,500	0.0070	10.50	0.00	0.00 %	5.85 %
	Cost of Power Commodity (kW h)	600	0.0570	34.20	600	0.0570	34.20	0.00	0.00 %	19.06 %
	Cost of Power Commodity (kW h)	958	0.0660	63.23	972	0.0660	64.15	0.93	1.47 %	35.76 %
	Sub-Total - Other Charges			164.92			170.86	5.94	3.60 %	95.24 %
	GST		5.00 %	8.25		5.00 %	8.54	0.30	3.60 %	4.76 %
	TOTAL BILL			173.16			179.40	6.24	3.60 %	100.00 %

RESIDENTIAL										
		2009 BILL			2010 BILL			IMPACT		
		Volume	RATE \$	CHARGE \$	Volume	RATE \$	CHARGE \$	\$	%	% of Total Bill
Consumption	Monthly Service Charge			12.53			14.16	1.63	13.01 %	6.01%
2,000 kWh	Distribution (kWh)	2,000	0.0112	22.40	2,000	0.0127	25.48	3.08	13.75 %	10.82%
	Smart Meter / Storm Rider (per month)			2.11			1.47	(0.64)	(30.33 %)	0.62%
	Smart Grid (per month)			0.00			0.08	0.08		0.03%
	LRAM & SSM Rider (kWh)	2,000	0.0000	0.00	2,000	0.0003	0.60	0.60		0.25%
	Regulatory Assets (kWh)	2,000	0.0000	0.00	2,000	0.0004	0.84	0.84		0.36%
	Sub-Total - Distribution	37.04			42.63			5.59	15.09 %	18.09%
	RTSR - Network	2,077	0.0052	10.80	2,096	0.0053	11.07	0.26	2.44 %	4.70%
	RTSR - Connection	2,077	0.0047	9.76	2,096	0.0048	10.12	0.35	3.62 %	4.29%
	Sub-Total - Delivery	57.61			63.81			6.21	10.77 %	27.09%
	Wholesale Market Rate	2,077	0.0065	13.50	2,096	0.0065	13.62	0.12	0.90 %	5.78%
	DRC	2,000	0.0070	14.00	2,000	0.0070	14.00	0.00	0.00 %	5.94%
	Cost of Power Commodity (kW h)	600	0.0570	34.20	600	0.0570	34.20	0.00	0.00 %	14.52%
	Cost of Power Commodity (kW h)	1,477	0.0660	97.50	1,496	0.0660	98.74	1.24	1.27 %	41.91%
	Sub-Total - Other Charges	216.81			224.37			7.56	3.49 %	95.24%
	GST		5.00%	10.84		5.00%	11.22	0.38	3.49 %	4.76%
	TOTAL BILL		227.65			235.59			7.94	3.49 %

GENERAL SERVICE < 50 kW										
		2009 BILL			2010 BILL			IMPACT		
		Volume	RATE \$	CHARGE \$	Volume	RATE \$	CHARGE \$	Change \$	Change %	% of Total Bill
Consumption	Monthly Service Charge			21.70			21.70	0.00	0.00 %	16.33%
1,000 kWh	Distribution (kWh)	1,000	0.0139	13.90	1,000	0.01684	16.84	2.94	21.15%	12.67%
	Smart Meter / Storm Rider (per month)			2.11			1.47	(0.64)	(30.33%)	1.11%
	Smart Grid (per month)			0.00			0.08	0.08		0.06%
	LRAM & SSM Rider (kWh)	1,000	0.0000	0.00	1,000	0.0002	0.20	0.20		0.15%
	Regulatory Assets (kWh)	1,000	0.0000	0.00	1,000	0.0004	0.39	0.39		0.29%
	Sub-Total - Distribution			37.71			40.68	2.97	7.88 %	30.62%
	RTSR - Network	1,039	0.0048	4.99	1,048	0.0049	5.11	0.12	2.44 %	3.84%
	RTSR - Connection	1,039	0.0042	4.36	1,048	0.0043	4.52	0.16	3.62 %	3.40%
	Sub-Total - Delivery			47.06			50.31	3.25	6.90 %	37.86%
	Wholesale Market Rate	1,039	0.0065	6.75	1,048	0.0065	6.81	0.06	0.90 %	5.13%
	DRC	1,000	0.0070	7.00	1,000	0.0070	7.00	0.00	0.00 %	5.27%
	Cost of Power Commodity (kW h)	750	0.0570	42.75	750	0.0570	42.75	0.00	0.00 %	32.18%
	Cost of Power Commodity (kW h)	289	0.0660	19.05	298	0.0660	19.67	0.62	3.24 %	14.80%
	Sub-Total - Other Charges			122.61			126.54	3.93	3.20 %	95.24%
	GST		5.00%	6.13		5.00%	6.33	0.20	3.20 %	4.76%
	Total Bill			128.74			132.87	4.12	3.20 %	100.00%

GENERAL SERVICE < 50 kW									
	2009 BILL			2010 BILL			IMPACT		
	Volume	RATE \$	CHARGE \$	Volume	RATE \$	CHARGE \$	Change \$	Change %	% of Total Bill
Consumption									
2,000 kWh									
Monthly Service Charge			21.70			21.70	0.00	0.00%	8.74%
Distribution (kWh)	2,000	0.0139	27.80	2,000	0.01684	33.68	5.88	21.15%	13.56%
Smart Meter / Storm Rider (per month)			2.11			1.47	(0.64)	(30.33%)	0.59%
Smart Grid (per month)			0.00			0.08	0.08		0.03%
LRAM & SSM Rider (kWh)	2,000	0.0000	0.00	2,000	0.0002	0.40	0.40		0.16%
Regulatory Assets (kWh)	2,000	0.0000	0.00	2,000	0.0004	0.78	0.78		0.31%
Sub-Total - Distribution			51.61			58.11	6.50	12.59%	23.39%
RTSR - Network	2,077	0.0048	9.97	2,096	0.0049	10.21	0.24	2.44%	4.11%
RTSR - Connection	2,077	0.0042	8.72	2,096	0.0043	9.04	0.32	3.62%	3.64%
Sub-Total - Delivery			70.31			77.36	7.06	10.04%	31.14%
Wholesale Market Rate	2,077	0.0065	13.50	2,096	0.0065	13.62	0.12	0.90%	5.48%
DRC	2,000	0.0070	14.00	2,000	0.0070	14.00	0.00	0.00%	5.64%
Cost of Power Commodity (kW h)	750	0.0570	42.75	750	0.0570	42.75	0.00	0.00%	17.21%
Cost of Power Commodity (kW h)	1,327	0.0660	87.60	1,346	0.0660	88.84	1.24	1.41%	35.76%
Sub-Total - Other Charges			228.16			236.58	8.42	3.69%	95.24%
GST		5.00%	11.41		5.00%	11.83	0.42	3.69%	4.76%
Total Bill			239.57			248.41	8.84	3.69%	100.00%

GENERAL SERVICE < 50 kW									
	2009 BILL			2010 BILL			IMPACT		
	Volume	RATE \$	CHARGE \$	Volume	RATE \$	CHARGE \$	Change \$	Change %	% of Total Bill
Consumption									
5,000 kWh									
Monthly Service Charge			21.70			21.70	0.00	0.00%	3.65%
Distribution (kWh)	5,000	0.0139	69.50	5,000	0.01684	84.20	14.70	21.15%	14.15%
Smart Meter / Storm Rider (per month)			2.11			1.47	(0.64)	(30.33%)	0.25%
Smart Grid (per month)			0.00			0.08	0.08		0.01%
LRAM & SSM Rider (kWh)	5,000	0.0000	0.00	5,000	0.0002	1.00	1.00		0.17%
Regulatory Assets (kWh)	5,000	0.0000	0.00	5,000	0.0004	1.95	1.95		0.33%
Sub-Total - Distribution			93.31			110.40	17.09	18.32%	18.55%
RTSR - Network	5,193	0.0048	24.93	5,240	0.0049	25.53	0.61	2.44%	4.29%
RTSR - Connection	5,193	0.0042	21.81	5,240	0.0043	22.60	0.79	3.62%	3.80%
Sub-Total - Delivery			140.05			158.54	18.49	13.20%	26.64%
Wholesale Market Rate	5,193	0.0065	33.76	5,240	0.0065	34.06	0.30	0.90%	5.72%
DRC	5,000	0.0070	35.00	5,000	0.0070	35.00	0.00	0.00%	5.88%
Cost of Power Commodity (kW h)	750	0.0570	42.75	750	0.0570	42.75	0.00	0.00%	7.18%
Cost of Power Commodity (kW h)	4,443	0.0660	293.26	4,490	0.0660	296.35	3.09	1.05%	49.80%
Sub-Total - Other Charges			544.81			566.69	21.88	4.02%	95.24%
GST		5.00%	27.24		5.00%	28.33	1.09	4.02%	4.76%
Total Bill			572.05			595.03	22.97	4.02%	100.00%

GENERAL SERVICE < 50 kW									
		2009 BILL			2010 BILL			IMPACT	
		Volume	RATE \$	CHARGE \$	Volume	RATE \$	CHARGE \$	Change \$	Change %
Consumption 10,000 kWh	Monthly Service Charge			21.70			21.70	0.00	0.00%
	Distribution (kWh)	10,000	0.0139	139.00	10,000	0.01684	168.40	29.40	21.15 %
	Smart Meter / Storm Rider (per month)			2.11			1.47	(0.64)	(30.33 %)
	Smart Grid (per month)			0.00			0.08	0.08	0.01%
	LRAM & SSM Rider (kWh)	10,000	0.0000	0.00	10,000	0.0002	2.00	2.00	0.17%
	Regulatory Assets (kWh)	10,000	0.0000	0.00	10,000	0.0004	3.90	3.90	0.33%
	Sub-Total - Distribution			162.81			197.55	34.74	21.34 %
	RTSR - Network	10,387	0.0048	49.86	10,480	0.0049	51.07	1.21	2.44%
	RTSR - Connection	10,387	0.0042	43.62	10,480	0.0043	45.20	1.58	3.62%
	Sub-Total - Delivery			256.29			293.82	37.53	14.64 %
	Wholesale Market Rate	10,387	0.0065	67.51	10,480	0.0065	68.12	0.61	0.90%
	DRC	10,000	0.0070	70.00	10,000	0.0070	70.00	0.00	0.00%
	Cost of Power Commodity (kW h)	750	0.0570	42.75	750	0.0570	42.75	0.00	0.00%
	Cost of Power Commodity (kW h)	9,637	0.0660	636.01	9,730	0.0660	642.19	6.18	0.97%
	Sub-Total - Other Charges			1,072.56			1,116.88	44.32	4.13 %
	GST		5.00%	53.63		5.00%	55.84	2.22	4.13%
	Total Bill			1,126.19			1,172.73	46.54	4.13 %

GENERAL SERVICE < 50 kW									
		2009 BILL			2010 BILL			IMPACT	
		Volume	RATE \$	CHARGE \$	Volume	RATE \$	CHARGE \$	Change \$	Change %
Consumption 15,000 kWh	Monthly Service Charge			21.70			21.70	0.00	0.00%
	Distribution (kWh)	15,000	0.0139	208.50	15,000	0.01684	252.60	44.10	21.15 %
	Smart Meter / Storm Rider (per month)			2.11			1.47	(0.64)	(30.33 %)
	Smart Grid (per month)			0.00			0.08	0.08	0.00%
	LRAM & SSM Rider (kWh)	15,000	0.0000	0.00	15,000	0.0002	3.00	3.00	0.17%
	Regulatory Assets (kWh)	15,000	0.0000	0.00	15,000	0.0004	5.85	5.85	0.33%
	Sub-Total - Distribution			232.31			284.70	52.39	22.55 %
	RTSR - Network	15,580	0.0048	74.78	15,720	0.0049	76.60	1.82	2.44%
	RTSR - Connection	15,580	0.0042	65.44	15,720	0.0043	67.80	2.37	3.62%
	Sub-Total - Delivery			372.53			429.11	56.58	15.19 %
	Wholesale Market Rate	15,580	0.0065	101.27	15,720	0.0065	102.18	0.91	0.90%
	DRC	15,000	0.0070	105.00	15,000	0.0070	105.00	0.00	0.00%
	Cost of Power Commodity (kW h)	750	0.0570	42.75	750	0.0570	42.75	0.00	0.00%
	Cost of Power Commodity (kW h)	14,830	0.0660	978.77	14,970	0.0660	988.04	9.27	0.95%
	Sub-Total - Other Charges			1,600.31			1,667.08	66.76	4.17 %
	GST		5.00%	80.02		5.00%	83.35	3.34	4.17%
	Total Bill			1,680.33			1,750.43	70.10	4.17 %

GENERAL SERVICE > 50 kW									
		2009 BILL			2010 BILL			IMPACT	
		Volume	RATE \$	CHARGE \$	Volume	RATE \$	CHARGE \$	Change \$	Change %
Consumption	Monthly Service Charge			311.40			311.40	0.00	0.00%
	25,000 kWh	Distribution (kWh)	0	0.0000	0.00	0	0.0000	0.00	0.00%
	60 kW	Distribution (kW)	60	2.1783	130.70	60	2.2348	134.09	3.39
	Smart Meter / Storm Rider (per month)			2.11			1.47	(0.64)	(30.33%)
	Smart Grid (per month)			0.00			0.08	0.08	0.00%
	LRAM & SSM Rider (kW)	60	0.0000	0.00	60	0.0677	4.06	4.06	0.15%
	Regulatory Assets (kW)	60	0.0000	0.00	60	0.4499	26.99	26.99	0.98%
	Sub-Total - Distribution			444.21			478.09	33.89	7.63%
	RTSR - Network	60	1.9313	115.88	60	1.9607	117.64	1.76	1.52%
	RTSR - Connection	60	1.6636	99.82	60	1.7084	102.50	2.69	2.69%
	Sub-Total - Delivery			659.90			698.24	38.33	5.81%
	Wholesale Market Rate	25,966	0.0065	168.78	26,200	0.0065	170.30	1.52	0.90%
	DRC	25,000	0.0070	175.00	25,000	0.0070	175.00	0.00	0.00%
	Cost of Power Commodity (kW h)	25,966	0.0604	1,567.83	26,200	0.0604	1,581.96	14.14	0.90%
	Sub-Total - Other Charges			2,571.51			2,625.50	53.99	2.10%
	GST		5.00%	128.58		5.00%	131.28	2.70	2.10%
	TOTAL BILL			2,700.08			2,756.78	56.69	2.10%

GENERAL SERVICE > 50 kW									
		2009 BILL			2010 BILL			IMPACT	
		Volume	RATE \$	CHARGE \$	Volume	RATE \$	CHARGE \$	Change \$	Change %
Consumption	Monthly Service Charge			311.40			311.40	0.00	0.00%
	40,000 kWh	Distribution (kWh)	0	0.0000	0.00	0	0.0000	0.00	0.00%
	100 kW	Distribution (kW)	100	2.1783	217.83	100	2.2348	223.48	5.65
	Smart Meter / Storm Rider (per month)			2.11			1.47	(0.64)	(30.33%)
	Smart Grid (per month)			0.00			0.08	0.08	0.00%
	LRAM & SSM Rider (kW)	100	0.0000	0.00	100	0.0677	6.77	6.77	0.16%
	Regulatory Assets (kW)	100	0.0000	0.00	100	0.4499	44.99	44.99	1.06%
	Sub-Total - Distribution			531.34			588.19	56.85	10.70%
	RTSR - Network	100	1.9313	193.13	100	1.9607	196.07	2.94	1.52%
	RTSR - Connection	100	1.6636	166.36	100	1.7084	170.84	4.48	2.69%
	Sub-Total - Delivery			890.83			955.09	64.26	7.21%
	Wholesale Market Rate	41,546	0.0065	270.05	41,921	0.0065	272.48	2.43	0.90%
	DRC	40,000	0.0070	280.00	40,000	0.0070	280.00	0.00	0.00%
	Cost of Power Commodity (kW h)	41,546	0.0604	2,508.52	41,921	0.0604	2,531.14	22.62	0.90%
	Sub-Total - Other Charges			3,949.40			4,038.72	89.32	2.26%
	GST		5.00%	197.47		5.00%	201.94	4.47	2.26%
	TOTAL BILL			4,146.87			4,240.65	93.78	2.26%

GENERAL SERVICE > 50 kW									
		2009 BILL			2010 BILL			IMPACT	
		Volume	RATE \$	CHARGE \$	Volume	RATE \$	CHARGE \$	Change \$	Change %
Consumption	Monthly Service Charge			311.40			311.40	0.00	0.00%
	215,000 kWh	Distribution (kWh)	0	0.0000	0.00	0	0.0000	0.00	0.00%
	500 kW	Distribution (kW)	500	2.1783	1,089.15	500	2.2348	1,117.40	28.25
	Smart Meter / Storm Rider (per month)			2.11			1.47	(0.64)	(30.33%)
	Smart Grid (per month)			0.00			0.08	0.08	0.00%
	LRAM & SSM Rider (kW)	500	0.0000	0.00	500	0.0677	33.85	33.85	0.16%
	Regulatory Assets (kW)	500	0.0000	0.00	500	0.4499	224.96	224.96	1.07%
	Sub-Total - Distribution			1,402.66			1,689.16	286.50	20.43%
	RTSR - Network	500	1.9313	965.65	500	1.9607	980.33	14.68	1.52%
	RTSR - Connection	500	1.6636	831.80	500	1.7084	854.18	22.38	2.69%
	Sub-Total - Delivery			3,200.11			3,523.66	323.55	10.11%
	Wholesale Market Rate	223,310	0.0065	1,451.52	225,324	0.0065	1,464.61	13.09	0.90%
	DRC	215,000	0.0070	1,505.00	215,000	0.0070	1,505.00	0.00	0.00%
	Cost of Power Commodity (kWh)	223,310	0.0604	13,483.30	225,324	0.0604	13,604.87	121.57	0.90%
	Sub-Total - Other Charges			19,639.93			20,098.14	458.21	2.33%
	GST		5.00%	982.00		5.00%	1,004.91	22.91	2.33%
	TOTAL BILL			20,621.93			21,103.05	481.12	2.33%

GENERAL SERVICE > 50 kW									
		2009 BILL			2010 BILL			IMPACT	
		Volume	RATE \$	CHARGE \$	Volume	RATE \$	CHARGE \$	Change \$	Change %
Consumption	Monthly Service Charge			311.40			311.40	0.00	0.00%
	430,000 kWh	Distribution (kWh)	0	0.0000	0.00	0	0.0000	0.00	0.00%
	1,000 kW	Distribution (kW)	1,000	2.1783	2,178.30	1,000	2.2348	2,234.80	56.50
	Smart Meter / Storm Rider (per month)			2.11			1.47	(0.64)	(30.33%)
	Smart Grid (per month)			0.00			0.08	0.08	0.00%
	LRAM & SSM Rider (kW)	1,000	0.0000	0.00	1,000	0.0677	67.70	67.70	0.16%
	Regulatory Assets (kW)	1,000	0.0000	0.00	1,000	0.4499	449.91	449.91	1.07%
	Sub-Total - Distribution			2,491.81			3,065.36	573.55	23.02%
	RTSR - Network	1,000	1.9313	1,931.30	1,000	1.9607	1,960.65	29.35	1.52%
	RTSR - Connection	1,000	1.6636	1,663.60	1,000	1.7084	1,708.37	44.77	2.69%
	Sub-Total - Delivery			6,086.71			6,734.38	647.67	10.64%
	Wholesale Market Rate	446,621	0.0065	2,903.04	450,648	0.0065	2,929.21	26.17	0.90%
	DRC	430,000	0.0070	3,010.00	430,000	0.0070	3,010.00	0.00	0.00%
	Cost of Power Commodity (kWh)	446,621	0.0604	26,966.61	450,648	0.0604	27,209.75	243.14	0.90%
	Sub-Total - Other Charges			38,966.35			39,883.34	916.99	2.35%
	GST		5.00%	1,948.32		5.00%	1,994.17	45.85	2.35%
	TOTAL BILL			40,914.67			41,877.50	962.83	2.35%

General Service > 3000 to 4999 kW									
	2009 BILL			2010 BILL			IMPACT		
	Volume	RATE \$	CHARGE \$	Volume	RATE \$	CHARGE \$	Change \$	Change %	% of Total Bill
Consumption									
2,000,000 kWh									
3,500 kW									
Monthly Service Charge			2,399.29			4,420.45	2,021.16	84.24%	2.41%
Distribution (kWh)	0	0.0000	0.00	2,000,000	0.0000	0.00	0.00		0.00%
Distribution (kW)	3,500	0.7321	2,562.35	3,500	0.8588	3,005.80	443.45	17.31%	1.64%
Smart Meter / Storm Rider (per month)			2.11			1.47	(0.64)	(30.33%)	0.00%
Smart Grid (per month)			0.00			0.08	0.08		0.00%
Transformer Credit	3,500	(0.6000)	(2,100.00)	3,500	(0.6000)	(2,100.00)	0.00	0.00%	(1.15%)
LRAM & SSM Rider (kW)	3,500	0.0000	0.00	3,500	0.0170	59.50	59.50		0.03%
Regulatory Assets (kW)	3,500	0.0000	0.00	3,500	0.7175	2,511.18	2,511.18		1.37%
Sub-Total - Distribution			2,863.75			7,898.48	5,034.73	175.81%	4.31%
RTSR - Network	3,500	2.0487	7,170.45	3,500	2.0798	7,279.42	108.97	1.52%	3.97%
RTSR - Connection	3,500	1.8386	6,435.10	3,500	1.8881	6,608.27	173.17	2.69%	3.61%
Sub-Total - Delivery			16,469.30			21,786.17	5,316.87	32.28%	11.89%
Wholesale Market Rate	2,056,533	0.0065	13,367.46	2,075,075	0.0065	13,487.99	120.53	0.90%	7.36%
DRC	2,000,000	0.0070	14,000.00	2,000,000	0.0070	14,000.00	0.00	0.00%	7.64%
Cost of Power Commodity (kWh)	2,056,533	0.0604	124,171.81	2,075,075	0.0604	125,291.40	1,119.58	0.90%	68.36%
Sub-Total - Other Charges			168,008.58			174,565.56	6,556.98	3.90%	95.24%
GST		5.00%	8,400.43		5.00%	8,728.28	327.85	3.90%	4.76%
TOTAL BILL			176,409.01			183,293.84	6,884.83	3.90%	100.00%

General Service > 3000 to 4999 kW									
	2009 BILL			2010 BILL			IMPACT		
	Volume	RATE \$	CHARGE \$	Volume	RATE \$	CHARGE \$	Change \$	Change %	% of Total Bill
Consumption									
1,400,000 kWh									
2,800 kW									
Monthly Service Charge			2,399.29			4,420.45	2,021.16	84.24%	3.36%
Distribution (kWh)	0	0.0000	0.00	1,400,000	0.0000	0.00	0.00		0.00%
Distribution (kW)	2,800	0.7321	2,049.88	2,800	0.8588	2,404.64	354.76	17.31%	1.83%
Smart Meter / Storm Rider (per month)			2.11			1.47	(0.64)	(30.33%)	0.00%
Smart Grid (per month)			0.00			0.08	0.08		0.00%
Transformer Credit	2,800	(0.6000)	(1,680.00)	2,800	(0.6000)	(1,680.00)	0.00	0.00%	(1.28%)
LRAM & SSM Rider (kW)	2,800	0.0000	0.00	2,800	0.0170	47.60	47.60		0.04%
Regulatory Assets (kW)	2,800	0.0000	0.00	2,800	0.7175	2,008.94	2,008.94		1.53%
Sub-Total - Distribution			2,771.28			7,203.18	4,431.90	159.92%	5.48%
RTSR - Network	2,800	2.0487	5,736.36	2,800	2.0798	5,823.54	87.18	1.52%	4.43%
RTSR - Connection	2,800	1.8386	5,148.08	2,800	1.8881	5,286.62	138.54	2.69%	4.02%
Sub-Total - Delivery			13,655.72			18,313.34	4,657.62	34.11%	13.92%
Wholesale Market Rate	1,439,573	0.0065	9,357.22	1,452,553	0.0065	9,441.59	84.37	0.90%	7.18%
DRC	1,400,000	0.0070	9,800.00	1,400,000	0.0070	9,800.00	0.00	0.00%	7.45%
Cost of Power Commodity (kWh)	1,439,573	0.0604	86,920.27	1,452,553	0.0604	87,703.98	783.71	0.90%	66.68%
Sub-Total - Other Charges			119,733.21			125,258.91	5,525.70	4.62%	95.24%
GST		5.00%	5,986.66		5.00%	6,262.95	276.28	4.62%	4.76%
TOTAL BILL			125,719.88			131,521.86	5,801.98	4.62%	100.00%

Street Lighting									
		2009 BILL			2010 BILL			IMPACT	
		Volume	RATE \$	CHARGE \$	Volume	RATE \$	CHARGE \$	Change \$	Change %
Billing Determinants	Monthly Service Charge	5,680	0.44	2,499.29	5,680	2.61	14,811.73	12,312.43	492.64%
5,680 Connections	Distribution (kWh)	0	0.0000	0.00	0	0.0000	0.00	0.00	0.00%
275,000 kWh	Distribution (kW)	800	2.3570	1,885.60	800	13.9795	11,183.60	9,298.00	493.11%
	LRAM & SSM Rider (kW)	800	0.0000	0.00	800	0.0000	0.00	0.00	0.00%
800 kW	Regulatory Assets (kW)	800	0.0000	0.00	800	(0.8676)	(694.05)	(694.05)	(1.36%)
	Sub-Total - Distribution			4,384.89			25,301.28	20,916.39	477.01%
	RTSR - Network	800	1.4565	1,165.20	800	1.4786	1,182.91	17.71	1.52%
	RTSR - Connection	800	1.2860	1,028.80	800	1.3206	1,056.49	27.69	2.69%
	Sub-Total - Delivery			6,578.89			27,540.67	20,961.78	318.62%
	Wholesale Market Rate	285,630	0.0065	1,856.59	288,205	0.0065	1,873.33	16.74	0.90%
	DRC	275,000	0.0070	1,925.00	275,000	0.0070	1,925.00	0.00	0.00%
	Cost of Power Commodity (kWh)	285,630	0.0604	17,246.09	288,205	0.0604	17,401.58	155.50	0.90%
	Sub-Total - Other Charges			27,606.57			48,740.59	21,134.02	76.55%
	GST		5.00%	1,380.33		5.00%	2,437.03	1,056.70	4.76%
	TOTAL BILL			28,986.90			51,177.62	22,190.72	76.55%

Street Lighting									
		2009 BILL			2010 BILL			IMPACT	
		Volume	RATE \$	CHARGE \$	Volume	RATE \$	CHARGE \$	Change \$	Change %
Billing Determinants	Monthly Service Charge	5,680	0.44	2,499.29	5,680	2.61	14,811.73	12,312.43	492.64%
5,680 Connections	Distribution (kWh)	0	0.0000	0.00	0	0.0000	0.00	0.00	0.00%
336,000 kWh	Distribution (kW)	800	2.3570	1,885.60	800	13.9795	11,183.60	9,298.00	493.11%
	LRAM & SSM Rider (kW)	800	0.0000	0.00	800	0.0000	0.00	0.00	0.00%
800 kW	Regulatory Assets (kW)	800	0.0000	0.00	800	(0.8676)	(694.05)	(694.05)	(1.24%)
	Sub-Total - Distribution			4,384.89			25,301.28	20,916.39	45.09%
	RTSR - Network	800	1.4565	1,165.20	800	1.4786	1,182.91	17.71	1.52%
	RTSR - Connection	800	1.2860	1,028.80	800	1.3206	1,056.49	27.69	2.69%
	Sub-Total - Delivery			6,578.89			27,540.67	20,961.78	49.08%
	Wholesale Market Rate	348,987	0.0065	2,268.42	352,134	0.0065	2,288.87	20.45	0.90%
	DRC	336,000	0.0070	2,352.00	336,000	0.0070	2,352.00	0.00	0.00%
	Cost of Power Commodity (kWh)	348,987	0.0604	21,071.58	352,134	0.0604	21,261.57	189.99	0.90%
	Sub-Total - Other Charges			32,270.89			53,443.11	21,172.22	65.61%
	GST		5.00%	1,613.54		5.00%	2,672.16	1,058.61	4.76%
	TOTAL BILL			33,884.44			56,115.27	22,230.83	65.61%

Street Lighting										
		2009 BILL			2010 BILL			IMPACT		
		Volume	RATE \$	CHARGE \$	Volume	RATE \$	CHARGE \$	Change \$	Change %	% of Total Bill
Billing Determinants	Monthly Service Charge	5,680	0.44	2,499.29	5,680	2.61	14,811.73	12,312.43	492.64%	31.92%
5,680 Connections	Distribution (kWh)	0	0.0000	0.00	0	0.0000	0.00	0.00		0.00%
216,000 kWh	Distribution (kW)	800	2.3570	1,885.60	800	13.9795	11,183.60	9,298.00	493.11%	24.10%
	LRAM & SSM Rider (kW)	800	0.0000	0.00	800	0.0000	0.00	0.00		0.00%
800 kW	Regulatory Assets (kW)	800	0.0000	0.00	800	(0.8676)	(694.05)	(694.05)		(1.50%)
	Sub-Total - Distribution			4,384.89			25,301.28	20,916.39	477.01%	54.53%
	RTSR - Network	800	1.4565	1,165.20	800	1.4786	1,182.91	17.71	1.52%	2.55%
	RTSR - Connection	800	1.2860	1,028.80	800	1.3206	1,056.49	27.69	2.69%	2.28%
	Sub-Total - Delivery			6,578.89			27,540.67	20,961.78	318.62%	59.35%
	Wholesale Market Rate	224,349	0.0065	1,458.27	226,372	0.0065	1,471.42	13.15	0.90%	3.17%
	DRC	216,000	0.0070	1,512.00	216,000	0.0070	1,512.00	0.00	0.00%	3.26%
	Cost of Power Commodity (kWh)	224,349	0.0604	13,546.02	226,372	0.0604	13,668.15	122.14	0.90%	29.46%
	Sub-Total - Other Charges			23,095.18			44,192.24	21,097.06	91.35%	95.24%
	GST		5.00%	1,154.76		5.00%	2,209.61	1,054.85	91.35%	4.76%
	TOTAL BILL			24,249.94			46,401.86	22,151.92	91.35%	100.00%

Sentinel Lighting										
		2009 BILL			2010 BILL			IMPACT		
		Volume	RATE \$	CHARGE \$	Volume	RATE \$	CHARGE \$	Change \$	Change %	% of Total Bill
Billing Determinants	Monthly Service Charge	1	1.98	1.98	1	3.26	3.26	1.28	64.70%	10.03%
1 Connection	Distribution (kWh)	0	0.0000	0.00	0	0.0000	0.00	0.00		0.00%
180 kWh	Distribution (kW)	1	6.9018	6.90	1	11.3781	11.38	4.48	64.86%	34.99%
	LRAM & SSM Rider (kWh)	1	0.0000	0.00	1	0.0000	0.00	0.00		0.00%
1 kW	Regulatory Assets (kW)	1	0.0000	0.00	1	(0.3801)	(0.38)	(0.38)		(1.17%)
	Sub-Total - Distribution			8.88			14.26	5.38	60.54%	0.44
	RTSR - Network	1	1.4639	1.46	1	1.4861	1.49	0.02	1.52%	4.57%
	RTSR - Connection	1	1.3130	1.31	1	1.3483	1.35	0.04	2.69%	4.15%
	Sub-Total - Delivery			11.66			17.09	5.43	46.62%	52.57%
	Wholesale Market Rate	187	0.0065	1.22	189	0.0065	1.23	0.01	0.90%	3.77%
	DRC	180	0.0070	1.26	180	0.0070	1.26	0.00	0.00%	3.87%
	Cost of Power Commodity (kWh)	187	0.0604	11.29	189	0.0604	11.39	0.10	0.90%	35.03%
	Sub-Total - Other Charges			25.42			30.97	5.55	21.82%	95.24%
	GST		5.00%	1.27		5.00%	1.55	0.28	21.82%	4.76%
	TOTAL BILL			26.69			32.52	5.82	21.82%	100.00%

Sentinel Lighting										
		2009 BILL			2010 BILL			IMPACT		
		Volume	RATE \$	CHARGE \$	Volume	RATE \$	CHARGE \$	Change \$	Change %	% of Total Bil
Billing Determinants	Monthly Service Charge	10	1.98	19.80	10	3.26	32.61	12.81	64.70%	43.07%
10 Connection	Distribution (kWh)	0	0.0000	0.00	0	0.0000	0.00	0.00		0.00%
460 kWh	Distribution (kW)	0	6.9018	0.76	0	11.3781	1.25	0.49	64.86%	1.65%
	LRAM & SSM Rider (kWh)	0	0.0000	0.00	0	0.0000	0.00	0.00		0.00%
0 kW	Regulatory Assets (kW)	0	0.0000	0.00	0	(0.3801)	(0.04)	(0.04)		(0.06%)
	Sub-Total - Distribution			20.56			33.82	13.26	64.50%	44.66%
	RTSR - Network	0	1.4639	0.16	1	1.4861	1.49	1.33	822.91%	1.96%
	RTSR - Connection	0	1.3130	0.14	1	1.3483	1.35	1.20	833.56%	1.78%
	Sub-Total - Delivery			20.86			36.65	15.79	75.68%	48.41%
	Wholesale Market Rate	478	0.0065	3.11	482	0.0065	3.13	0.03	0.90%	4.14%
	DRC	460	0.0070	3.22	460	0.0070	3.22	0.00	0.00%	4.25%
	Cost of Power Commodity (kWh)	478	0.0604	28.85	482	0.0604	29.11	0.26	0.90%	38.44%
	Sub-Total - Other Charges			56.04			72.12	16.08	28.69%	95.24%
	GST		5.00%	2.80		5.00%	3.61	0.80	28.69%	4.76%
	TOTAL BILL			58.84			75.72	16.88	28.69%	100.00%

Unmetered Scattered - Monthly Bill Impact - Customer with Most Connections										
		2009 Bill-Customer			2010 Bill-Connection			Impact		
		Volume	RATE \$	CHARGE \$	Volume	RATE \$	CHARGE \$	\$	%	% of Total Bill
Consumption	Monthly Service Charge			21.75	56	6.79	380.42	358.67	1,649.08%	13.97%
20,000 Avg. kWh (Mth.)	Distribution (kWh)	20,000	0.0139	278.00	20,000	0.01574	314.80	36.80	13.24%	11.56%
56 # of connections	LRAM & SSM Rider (kWh)	20,000	0.0000	0.00	20,000	0.0024	48.00	48.00		1.76%
	Regulatory Assets (kW)	20,000	0.0000	0.00	20,000	0.0003	5.20	5.20		0.19%
	Sub-Total - Distribution			299.75			748.42	448.67	149.68%	27.48%
	RTSR - Network	20,773	0.0048	99.71	20,960	0.0049	102.14	2.43	2.44%	3.75%
	RTSR - Connection	20,773	0.0042	87.25	20,960	0.0043	90.40	3.16	3.62%	3.32%
	Sub-Total - Delivery			486.71			940.97	454.26	93.33%	34.55%
	Wholesale Market Rate	20,773	0.0065	135.02	20,960	0.0065	136.24	1.22	0.90%	5.00%
	DRC	20,000	0.0070	140.00	20,000	0.0070	140.00	0.00	0.00%	5.14%
	Cost of Power Commodity (kWh)	750	0.0570	42.75	750	0.0570	42.75	0.00	0.00%	1.57%
	Cost of Power Commodity (kWh)	20,023	0.0660	1,321.52	20,210	0.0660	1,333.88	12.36	0.94%	48.98%
	Sub-Total - Other Charges			2,126.00			2,593.84	467.84	22.01%	95.24%
	GST		5.00%	106.30		5.00%	129.69	23.39	22.01%	4.76%
	TOTAL BILL			2,232.30			2,723.53	491.23	22.01%	100.00%

Unmetered Scattered - Monthly Bill Impact - Customer with Least Connections									
	2009 Bill-Customer			2010 Bill-Connection			Impact		
	Volume	RATE \$	CHARGE \$	Volume	RATE \$	CHARGE \$	\$	%	% of Total Bill
Consumption									
400 kWh									
1 # of connections									
Monthly Service Charge			21.75	1	6.79	6.79	(14.96)	(68.77%)	13.64%
Distribution (kWh)	400	0.0139	5.56	400	0.01574	6.30	0.74	13.24%	12.64%
LRAM & SSM Rider (kWh)	400	0.0024	0.96	400	0.0024	0.96	0.00	0.00%	1.93%
Regulatory Assets (kW)	400	0.0003	0.10	400	0.0003	0.10	0.00	0.00%	0.21%
Sub-Total - Distribution			28.37			14.15	(14.22)	(50.12%)	28.42%
RTSR - Network	415	0.0049	2.02	419	0.0049	2.04	0.02	0.90%	4.10%
RTSR - Connection	415	0.0043	1.79	419	0.0043	1.81	0.02	0.90%	3.63%
Sub-Total - Delivery			32.19			18.00	(14.19)	(44.07%)	36.16%
Wholesale Market Rate	415	0.0065	2.70	419	0.0065	2.72	0.02	0.90%	5.47%
DRC	400	0.0070	2.80	400	0.0070	2.80	0.00	0.00%	5.62%
Cost of Power Commodity (kWh)	415	0.0570	23.68	419	0.0570	23.89	0.21	0.90%	47.99%
Sub-Total - Other Charges			61.37			47.42	(13.95)	(22.73%)	95.24%
GST		5.00%	3.07		5.00%	2.37	(0.70)	(22.73%)	4.76%
TOTAL BILL			64.44			49.79	(14.65)	(22.73%)	100.00%

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